

OFFICE OF THE  
**ARIZONA STATE TREASURER**



**HON. DEAN MARTIN  
TREASURER**



**APRIL 2008**

**Presented To:**

**Arizona State Board of Investment**

**MAY 21, 2008**

STATE BOARD OF INVESTMENT

**A G E N D A**

May 21, 2008

1. Call to Order
2. Chairman Remarks
3. Approval of Minutes
4. Review of Treasurer's Monthly Reports – Investment Pools

Activity Reports

- A. Earnings Distribution; Investment Pools
- B. Yield Analysis – MTD & YTD; Investment Pools
  - State Agency Pools
  - LGIP Pools 5 & 7
  - LGIP Pool 500

Holdings Reports

- C. Investments Outstanding; Investment Pools
  - State Agency Pools
  - LGIP Pools 5, 7, & 500
  - Shares, LGIP Pool 500
- D. Rating Summaries
  - State Agency Pools
  - LGIP Pool 5
  - LGIP Pool 7
  - LGIP Pool 500
- E. Maturity Summary – LGIP
  - LGIP Pool 5
  - LGIP Pool 7
  - LGIP Pool 500

Balance Report

- F. Operating Monies Invested Balances

5. Review of Treasurer's Monthly Reports - Endowments

Activity Reports

- A. Earnings Distribution; Endowment Funds
- B. Yield Analysis – MTD; Endowment
- C. Return Analysis – MTD & YTD; Endowment Funds
- D. Capital Gains/Losses; Endowment Funds
- E. Endowment Funds Fixed Income Purchases and Sales
- F. Endowment Funds Equity Purchases and Sales

### Holdings Reports

- G. Investments Outstanding; Endowment Pools
  - H. Rating Summaries – Endowments
  - I. Equity Holdings – Investments Outstanding by Sector
    - S&P 500
    - S&P 400
  - J. Equity Holdings by Participant
6. Proposed Changes to the Investment Policy
- A. Review of Proposed Changes
  - B. Public Comment on Proposed Changes
  - C. Discussion and Action on Proposed Changes
7. Review and Approval of Proposed and or Pending Securities Dealers
8. General Business
- A. Legislative Update
  - B. Status of Operating Cash Balance
9. Call to the Public
10. Notice of Next Meeting
11. Adjournment

A person with a disability may request a reasonable accommodation such as a sign language interpreter by contacting Deputy Treasurer Klint Tegland, ADA Coordinator, Office of the State Treasurer, 1700 West Washington, West Wing, State Capitol, Phoenix, Arizona 85007, telephone (602) 604-7816. Requests should be made as early as possible to allow time to arrange the accommodation.

*Note: To ensure compliance with the Open Meeting Law, recipients of this message should not forward it to other members of the public body. Members of the public body may reply to this message, but they should not send a copy of the reply to other members (please do not “reply to all”).*

**REPORT OF THE STATE TREASURER**

**FOR**

**May 21, 2008**

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**Minutes of  
BOARD OF INVESTMENT MEETING**

The regular meeting of the State Board of Investment was held on April 16, 2008 in the Office of the State Treasurer, 1700 West Washington, State Capitol, West Wing, Treasurer's Conference Room, Phoenix, Arizona. Treasurer Martin, Chair called the meeting to order at approximately 10:35 a.m.

***Members Present:***

Dean Martin, Chair, State Treasurer  
Ross Jacobs, Treasurer, Yavapai County  
Jack Hudock, Consultant for Legal & Administrative Affairs, Department of Financial Institutions, designee for Felecia A. Rotellini, Superintendent, Department of Financial Institutions

***Members Absent:***

Alan E. Maguire, President, The Maguire Company  
William Bell, Director Arizona Department of Administration

***Others Present:***

Mark Swenson, Deputy Treasurer Strategic Planning, Audit & Research, Arizona State Treasurer's Office  
Tim White, Chief Investment Officer, Arizona State Treasurer's Office  
Chris Petkiewicz, Portfolio Manager, Arizona State Treasurer's Office  
Dale Stomberg, Investment Accounting Manager, Arizona State Treasurer's Office

Pursuant to A.R.S. 35-311, the following reports for March, 2008 were submitted for the Board's approval:

Review of Treasurer's Monthly Reports – Investment Pools

Activity Reports

- A. Earnings Distribution; Investment Pools
- B. Yield Analysis – MTD & YTD; Investment Pools
  - State Agency Pools
  - LGIP Pools 5 & 7
  - LGIP Pool 500

Holdings Reports

- C. Investments Outstanding; Investment Pools
  - State Agency Pools
  - LGIP Pools 5, 7, & 500
  - Shares, LGIP Pool 500

- D. Rating Summaries
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  - LGIP Pool 7
  - LGIP Pool 500
- E. Maturity Summary – LGIP
  - LGIP Pool 5
  - LGIP Pool 7
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Balance Report

- F. Operating Monies Invested Balances

Review of Treasurer's Monthly Reports – Endowments

Activity Reports

- A. Earnings Distribution; Endowment Funds
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- E. Endowment Funds Fixed Income Purchases and Sales
- F. Endowment Funds Equity Purchases and Sales

Holdings Reports

- G. Investments Outstanding; Endowment Pools
- H. Rating Summaries – Endowments
- I. Equity Holdings – Investments Outstanding by Sector
  - S&P 500
  - S&P 400
- J. Equity Holdings by Participant
- K. Quarterly Broker Activity

**1. Call to Order:**

Treasurer Martin called the April 16, 2008 BOI meeting to order at approximately 10:35 a.m.

**2. Treasurers Comments:**

Treasurer Martin welcomed board members and guests and thanked all present for attending the April 16, 2008 meeting. Treasurer Martin noted that there is a new footnote on page 19, regarding an error that was put into the spreadsheet during the last administration. The Treasurer advised the Board that the error is related to the market values, and Dale, the Investment Accounting Manager, is looking at revising all of the numbers and making the adjustments to bring the past calculations up to date.

**3. *Approval of Minutes:***

Mr. Hudock made a motion to approve the minutes for the March 19, 2008 Board of Investment Meeting. Mr. Jacobs seconded the motion. Motion carried.

**4. *Review of Treasurer's Monthly Report – Investment Pools:***

Mr. Chris Petkiewicz presented the monthly report of the Arizona State Treasurer's Office to the Board of Investment as follows:

***Earnings Distribution – Investment Pools***

Mr. Petkiewicz reported the earnings distributed month-to-date, year-to-date, prior year-to-date, and investment management fees deposited in the General Fund for the month of March, 2008.

***State Agency Pools Portfolio Yield Analysis***

Mr. Petkiewicz reported the gross yields for the State Agency Pools for the month of March, 2008.

***LGIP (Pool 5) & LGIP GOV (Pool 7) Portfolio Yield Analysis***

Mr. Petkiewicz reported the gross yields and net yields for the LGIP and LGIP-Gov pools, as well as the comparisons to their relative benchmarks for the month of March, 2008.

***Pool 500***

Mr. Petkiewicz reported the gross yield and net yield for the LGIP Long Term Pool and the comparison to the benchmark for the month of March, 2008.

***Investments Outstanding in State Agency Pools***

Mr. Petkiewicz reported the total ending par, book, market value, and unrealized gain/loss on the State Investment Pools as of March 31, 2008.

***Investments Outstanding Pools 5, 7, and 500***

Mr. Petkiewicz reported the ending par, book, market value, and unrealized gain/loss on the LGIP, LGIP-Gov, and LGIP Long Term pools as of March 31, 2008.

***Investments Outstanding Pool 500 Shares***

Mr. Petkiewicz reported the ending par, book, market value, and unrealized gain/loss for the LGIP Long Term Pool (share balances) as of March 31, 2008.

***Rating Summary for State Agencies***

Mr. Petkiewicz reported on the credit ratings for the State Agency Funds for the last three months.

***Rating Summary for LGIP Pool 5***

Mr. Petkiewicz reported on the credit ratings for the LGIP for the last three months.

***Rating Summary LGIP-Long Term Pool 500***

Mr. Petkiewicz reported on the credit ratings for the LGIP Long Term Pool for the last three months.

***Rating Summary LGIP-Gov Pool 7***

Mr. Petkiewicz reported on the credit ratings for the LGIP-Gov Pool for the last three months.

***LGIP Maturity Summary Pool 5***

Mr. Petkiewicz reported the weighted average maturity (WAM) for the LGIP for the last three months.

***LGIP Maturity Summary Pool 7***

Mr. Petkiewicz reported the weighted average maturity (WAM) for the LGIP-Gov for the last three months.

***LGIP Long Term Maturity Summary Pool 500***

Mr. Petkiewicz reported the duration for the LGIP Long Term Pool for the last three months.

***Operating Monies Average Invested Balance***

Mr. Petkiewicz reported the Operating Monies average invested balance for the month of March, 2008.

***5. Review of Treasurer's Monthly Report – Endowments:***

Mr. Chris Petkiewicz presented the monthly report of the Arizona State Treasurer's Office to the Board of Investment as follows:

***Earnings Distributed Endowment Funds***

Mr. Petkiewicz reported the earnings distributed for the Endowment Funds for the month of March, 2008, FY08 fiscal year to date, and FY07 fiscal year to date.

***Endowment Funds Yield Analysis***

Mr. Petkiewicz reported the book yield of the Endowment Fund Fixed Income Pool for the month of March, 2008.

***Monthly Return Analysis for the Endowment Funds***

Mr. Petkiewicz reported the total return numbers for the Endowment Funds for the month of March, 2008 and FY08 fiscal year to date, as well as the comparison to their respective benchmarks.

***Net Realized Capital Gains/Losses – Endowment Funds***

Mr. Petkiewicz reported the net realized capital gains for the Endowment Fixed Income, S&P 500, and S&P 400 pools for the month of March, 2008 and FY08 fiscal year to date.

***Endowment Funds Fixed-Income Pool Purchases & Sales***

Mr. Petkiewicz reported the purchases and sales of the Endowment Fixed Income Pool for the month of March, 2008.

***Equity Funds Purchases & Sales***

Mr. Petkiewicz reported the purchases and sales (summary) of the Endowment Equity Pools for the month of March, 2008.

***Investments Outstanding in Endowment Funds***

Mr. Petkiewicz reported the par, book, market value, and unrealized gains/loss of the Endowment Funds as of March 31, 2008.

***Rating Summary Endowment Fixed Income Fund***

Mr. Petkiewicz reported the credit ratings for the Endowment Funds as of March 31, 2008.

***Equity Holdings Investments Outstanding S&P 500***

Mr. Petkiewicz reported the investments outstanding by industry sector for the S&P 500 Pool as of March 31, 2008.

***Equity Holdings Investments Outstanding S&P 400***

Mr. Petkiewicz reported the investments outstanding by industry sector for the S&P 400 Pool as of March 31, 2008.

***Equity Holdings – By Participant***

Mr. Petkiewicz reported the equity holdings of the Endowment Funds as of March 31, 2008.

***Approval of Treasurer's Report***

Mr. Jacobs made a motion to approve the Treasurer's Report as submitted. Mr. Hudock seconded the motion. Motion carried.

***Presentation of Corrections made to the Treasurer's Reports for January and February 2008***

Mr. Chris Petkiewicz presented the corrections relating to the NAV on pages 19, 23, 24, and 25 for both the January, 2008 and February, 2008 Treasurer's Reports.

***Approval of Corrections to the Treasurer's Reports for January and February 2008***

Mr. Jacobs made a motion to approve the Corrections to the Treasurer's Reports as submitted. Mr. Hudock seconded the motion. Motion carried.

***6. Proposed Changes to Investment Policy***

Treasurer Martin reported that there were no proposed changes to the Investment Policy at this time.

***7. Review and Approval of Proposed/Pending Securities Dealers***

Treasurer Martin reported that there were no proposed or pending security dealer's issues at this time.

***8. General Business:***

None

***9. Status of Operating Cash Balance:***

A handout of four graphs that reflect the information presented in the Treasurer's Report on page 16, Operating Monies Average Invested Balance, was given to the members of the Board. Treasurer Martin pointed out that the graphs reflect the drop in the percentages for the operating monies. He noted that the trend line started dropping in January of 2007, and there has been a

continual downward slope. He advised the board that the balance may drop below 400 million before the next board meeting.

Mr. Jacobs asked about the tax revenues coming in for April 15th and if there would be an increase because of the monies coming in. Mr. Swenson responded that he had analyzed the data for the past 12 years and generally what happens is that what comes in for tax payments is usually paid out for refunds. He noted that the data for this year tells us that accelerated refunds are up 11%, and about 90% of the decline in revenue is economically related in the state of Arizona.

Treasurer Martin advised the board there is a letter from the Attorney General stating that money can be taken from the Rainy Day Fund to cover day to day operations for the state without obtaining authorization from the Legislature or the Governor. This has raised questions about this being a temporary loan and whether or not it would have to be paid back. He also noted that there has been no response to the question that was raised, that with revenue estimates at 9.1 billion, can agencies continue to issue warrants. Mr. Jacobs asked what the balance in the Rainy Day Fund is and Mr. Swenson responded 695 million.

Treasurer Martin requested Mr. White comment on the LGIP funds. Mr. White stated that the LGIP funds have sufficient liquidity and the preceding discussion pertains only to the State Agencies. Treasurer Martin also advised that the liquidity for the LGIP is being managed separately from the state.

***10. Notice of Next Meeting:***

Treasurer Martin advised the members of the Board that there will be a change in the date for the August meeting. It is usually the third Wednesday of the month which would normally be August 20<sup>th</sup> but due to his schedule, it would have to be moved to the fourth Wednesday, which is August 27<sup>th</sup>.

The next regular meeting of the Board of Investment will be Wednesday, May 21, 2008 at 10:30 a.m. at 1700 West Washington, State Capitol, West Wing, Treasurer's Conference Room, Phoenix, Arizona.

*State Treasurer's Report  
May 21, 2008 Meeting  
Minutes of the April 16, 2008 Meeting*

***11. Adjournment:***

Mr. Hudock made a motion to adjourn the BOI meeting. Mr. Jacobs seconded the motion. Upon unanimous approval, the BOI meeting was adjourned at 11:20 a.m.

Respectfully Submitted by:

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Helen D. Garafola  
Executive Consultant

Approved by:

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Dean Martin, Chair

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Date:

**EARNINGS DISTRIBUTION - INVESTMENT POOLS**  
 APRIL 2008

State Treasurer's Report  
 May 21, 2008  
 Page 1

<b>Recipient</b>	<b>Earnings Distributed</b>			<b>Fiscal YTD Investment Management Fees Received</b>
	<b>APRIL 2008</b>	<b>Fiscal YTD 07/08</b>	<b>Fiscal YTD 06/07</b>	
General Fund	\$4,130,515	\$85,956,858	\$88,906,217	
2 State Agencies I - Full Faith & Credit	3,575,235	30,980,516	31,325,390	\$527,854
3 State Agencies II - Diversified	10,382,974	87,095,400	78,246,175	1,774,105
5 Local Governments	5,077,050	96,434,972	83,271,104	1,686,878
6 State Agencies III - US Govt & Agency	12,673	163,027	297,216	7,207
7 LGIP Gov't	2,148,332	58,387,708	70,051,285	1,132,345
8 State Agencies IV - Restricted Diversified	217,250	12,103,519	10,063,403	226,968
9 * ADOT - BFO	0	0	0	517,677
11 School Facilities Board	42,764	319,785	495,294	7,903
12 CAWCD Medium-Term	528,943	4,216,544	4,030,891	61,508
14 School Facilities Board 2002 Series	59,110	978,540	1,254,733	19,271
15 GADA Long-Term	63,198	647,433	584,775	9,744
<b>Subtotal</b>	<b>\$26,238,043</b>	<b>\$377,284,303</b>	<b>\$368,526,484</b>	<b>\$5,971,459</b>
<b>NAV POOL</b>				
500 LGIP LT	135,639	1,227,593	1,102,712	18,141
<b>Total</b>	<b>\$26,373,682</b>	<b>\$378,511,895</b>	<b>\$369,629,196</b>	<b>\$5,989,600</b>

\*Note: All earnings distributed for the ADOT - BFO Pool are distributed to the General Fund.

**STATE AGENCY POOLS  
PORTFOLIO YIELD ANALYSIS**  
April 30, 2008

State Treasurer's Report  
May 21, 2008  
Page 2

FUND	DESCRIPTION	NET EARNINGS	SALES EARNINGS YIELD	AMORT/DISC EARNINGS YIELD	COUPON EARNINGS YIELD	GROSS YIELD
2	STATE AGENCIES I - FULL FAITH & CREDIT	3,020,813	0.0151%	0.5828%	3.3355%	3.9334%
3	STATE AGENCIES II - DIVERSIFIED	8,767,467	0.1494%	1.1320%	3.3938%	4.6753%
6	STATE AGENCIES III - US GOVT & AGENCY	16,401	0.0000%	1.7563%	0.8176%	2.5739%
8	STATE AGENCIES IV-RESTRICTED DIVERSIFIED	1,505,721	0.0000%	0.4038%	2.6433%	3.0471%
9	BOARD FUNDING OBLIGATION	550,356	0.0000%	0.0000%	4.5240%	4.5240%
11	SCHOOL FACILITIES BOARD	48,403	0.0000%	1.0971%	0.8768%	1.9739%
12	CAWCD MEDIUM TERM	399,244	0.0000%	0.1368%	4.2575%	4.3943%
14	SCHOOL FACILITIES BOARD BONDS	61,749	0.0000%	1.6746%	0.4634%	2.1380%
15	GADA	65,510	0.0000%	-0.0257%	4.6839%	4.6582%
<b>TOTAL STATE AGENCIES</b>		<b>14,435,663</b>				

**LGIP & LGIP-GOV**  
**PORTFOLIO YIELD ANALYSIS**  
 April 30, 2008

State Treasurer's Report  
 May 21, 2008  
 Page 3

FUND	DESCRIPTION	NET EARNINGS	SALES EARNINGS YIELD	AMORT/DISC EARNINGS YIELD	COUPON EARNINGS YIELD	GROSS YIELD
5	LGIP	6,575,457	0.0000%	1.0401%	1.5965%	2.6366%
7	LGIP - GOV	3,733,158	0.0000%	-0.1794%	2.3908%	2.2114%
	<b>TOTAL LGIP &amp; LGIP-GOV</b>	<b>10,308,615</b>				
		<b>02/29/08</b>	<b>03/31/08</b>	<b>04/30/08</b>		
5	LGIP MONTHLY YIELD (NET)	3.90%	2.84%	2.58%		
	S & P LGIP INDEX YIELD	3.84%	3.24%	2.73%		
	LGIP YTD YIELD (NET)	4.86%	4.61%	4.40%		
	S & P LGIP YTD INDEX YIELD	4.72%	4.56%	4.39%		
7	LGIP - GOV MONTHLY YIELD (NET)	2.83%	2.02%	2.15%		
	3 MONTH T-BILL	2.11%	1.22%	1.32%		
	* S & P LGIP - GOV INDEX YIELD	3.59%	3.03%	2.46%		
	LGIP - GOV YTD YIELD (NET)	4.20%	3.94%	3.76%		
	YTD 3 MONTH T-BILL	3.53%	3.35%	3.16%		
	* S & P LGIP - GOV YTD INDEX YIELD	4.55%	4.39%	4.21%		

\* Note: The LGIP-GOV Pool consists of only securities explicitly backed by the full faith & credit of the US Government. The S&P LGIP-Gov Index consists of both securities implicitly and explicitly backed by the full faith & credit of the US Government.

**LGIP LONG TERM POOL  
PORTFOLIO YIELD ANALYSIS**  
April 30, 2008

State Treasurer's Report  
May 21, 2008  
Page 4

FUND	DESCRIPTION	GROSS EARNINGS	SALES EARNINGS YIELD	AMORT/DISC EARNINGS YIELD	COUPON EARNINGS YIELD	GROSS YIELD
500	LGIP LONG TERM POOL	136,967	-0.0194%	-0.0731%	4.2785%	4.1859%
	<b>TOTAL LGIP LONG TERM POOL</b>	<b>136,967</b>				

		02/29/08	03/31/08	04/30/08
**	<b>LGIP LONG TERM MONTHLY YIELD (NET)</b>	4.27%	4.34%	4.13%
	<b>MERRILL 1-5 US D M INDEX MONTHLY YIELD</b>	3.48%	3.79%	3.92%
**	<b>LGIP LONG TERM YTD YIELD (NET)</b>	4.80%	4.73%	4.66%
	<b>MERRILL 1-5 US D M INDEX YTD YIELD</b>	4.45%	4.37%	4.33%

\*\* Revised from omitting the gain on sales in the yield calculations.

**STATE AGENCY POOLS  
INVESTMENTS OUTSTANDING**

APRIL 30, 2008  
(in thousands)

State Treasurer's Report  
May 21, 2008  
Page 5

POOL	INVESTMENT POOL	PAR VALUE	BOOK VALUE	MARKET VALUE	UNREALIZED GAINS (LOSSES)	Mkt Value/ Book Value
2	State Agencies I - Full Faith & Credit					
	Repurchase Agreements	189,000	189,000	189,000	0	
	U.S. Government & Agencies	761,814	761,575	765,063	3,488	
	Total	950,814	950,575	954,063	3,488	<b>1.004</b>
3	State Agencies II - Diversified					
	U.S. Government & Agencies	1,307,517	1,305,186	1,313,594	8,408	
	Corporate Securities	1,010,003	1,008,652	1,002,912	(5,741)	
	Total	2,317,519	2,313,838	2,316,506	2,668	<b>1.001</b>
6	State Agencies III - US Govt & Agency					
	Repurchase Agreements	3,000	3,000	3,000	0	
	U.S. Government & Agencies	5,000	4,966	4,966	0	
	Total	8,000	7,966	7,966	0	<b>1.000</b>
8	State Agencies IV - Restricted Diversified					
	Repurchase Agreements	238,000	238,000	238,000	0	
	U.S. Government & Agencies	604,130	604,268	604,919	650	
	Total	842,130	842,268	842,919	650	<b>1.001</b>
9	ADOT B.F.O.					
	Board Funding Obligations	150,000	150,000	150,000	0	
	Total	150,000	150,000	150,000	0	<b>1.000</b>
11	School Facilities Board					
	Repurchase Agreements	23,000	23,000	23,000	0	
	U.S. Government & Agencies	10,000	9,947	9,946	(1)	
	Total	33,000	32,947	32,946	(1)	<b>1.000</b>
12	CAWCD Medium-Term					
	Money Market Mutual Shares	11,506	11,506	11,506	0	
	U.S. Government & Agencies	66,954	66,970	67,210	240	
	Corporate Securities	34,142	34,066	33,918	(148)	
	Total	112,602	112,542	112,634	92	<b>1.001</b>

**STATE AGENCY POOLS**  
**INVESTMENTS OUTSTANDING**  
 APRIL 30, 2008  
 (in thousands)

State Treasurer's Report  
 May 21, 2008  
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POOL	INVESTMENT POOL	PAR VALUE	BOOK VALUE	MARKET VALUE	UNREALIZED GAINS (LOSSES)	Mkt Value/ Book Value
14	School Facilities Board Bonds					
	Repurchase Agreements	9,000	9,000	9,000	0	
	U.S. Government & Agencies	28,000	27,945	27,945	0	
	<b>Total</b>	<b>37,000</b>	<b>36,945</b>	<b>36,945</b>	<b>0</b>	<b>1.000</b>
15	GADA					
	Money Market Mutual Shares	1,487	1,487	1,487	0	
	U.S. Government & Agencies	11,851	11,839	11,919	79	
	Corporate Securities	4,029	4,049	4,002	(46)	
	<b>Total</b>	<b>17,368</b>	<b>17,375</b>	<b>17,408</b>	<b>33</b>	<b>1.002</b>
55	LGIP - NPF					
	<i>NPF Securities</i>	63,269	63,255	0	(63,255)	
	<b>Total</b>	<b>63,269</b>	<b>63,255</b>	<b>0</b>	<b>(63,255)</b>	<b>0.000</b>
<b>TOTALS - AGENCY POOLS</b>						
	Repurchase Agreements	462,000	462,000	462,000	0	
	Money Market Mutual Shares	12,993	12,993	12,993	0	
	U.S. Government & Agencies	2,795,266	2,792,697	2,805,562	12,865	
	Corporate Securities	1,048,174	1,046,767	1,040,831	(5,935)	
	Board Funding Obligations	150,000	150,000	150,000	0	
	<i>NPF Securities</i>	63,269	63,255	0	(63,255)	
	<b>Grand Total</b>	<b>4,531,702</b>	<b>4,527,712</b>	<b>4,471,386</b>	<b>(56,325)</b>	

**L.G.I.P.**  
**INVESTMENTS OUTSTANDING**  
 APRIL 30, 2008  
 (in thousands)

State Treasurer's Report  
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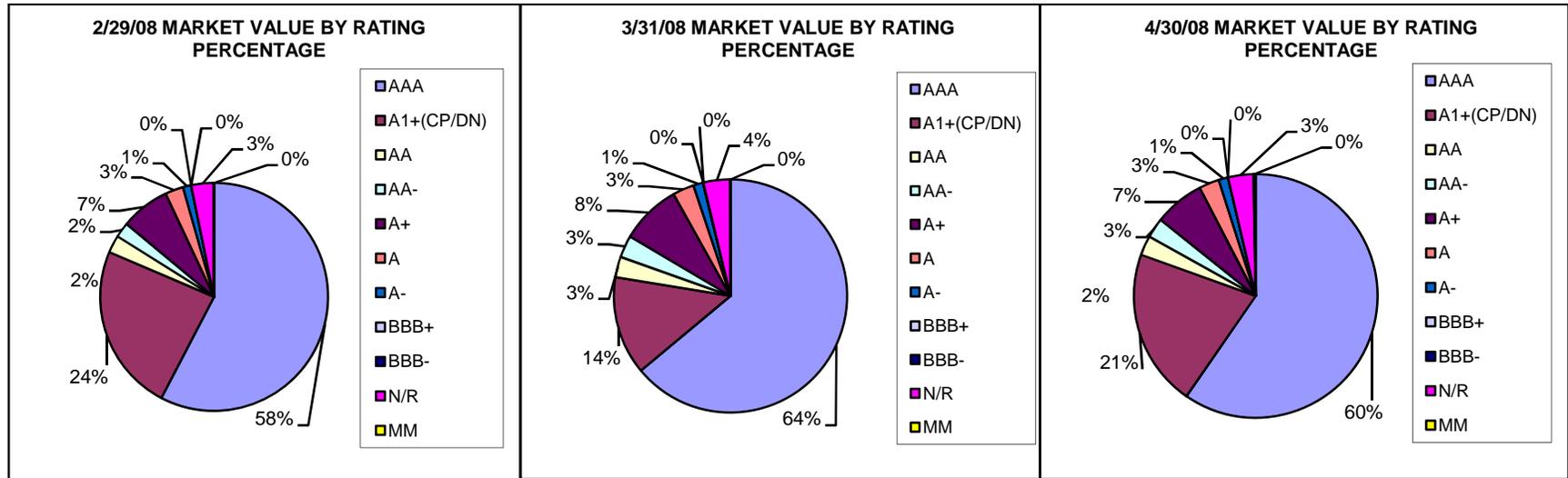
POOL	INVESTMENT POOL	PAR VALUE	BOOK VALUE	MARKET VALUE	UNREALIZED GAINS (LOSSES)	<b>Mkt Value/ Book Value</b>
5	Local Governments					
	Repurchase Agreements	109,000	109,000	109,000	0	
	Commercial Paper	65,000	64,782	64,782	0	
	Certificates of Deposit	5,000	4,983	5,029	46	
	U.S. Government & Agencies	1,892,847	1,890,803	1,890,742	(61)	
	Corporate Securities	874,803	874,002	865,771	(8,231)	
	<b>Total</b>	<b>2,946,650</b>	<b>2,943,570</b>	<b>2,935,323</b>	<b>(8,246)</b>	<b>0.997</b>
7	LGIP - Gov't					
	Repurchase Agreements	2,474,000	2,474,000	2,474,000	0	
	U.S. Government & Agencies	433,340	434,913	436,795	1,883	
	<b>Total</b>	<b>2,907,340</b>	<b>2,908,913</b>	<b>2,910,795</b>	<b>1,883</b>	<b>1.001</b>
500	LGIP LT					
	Money Market Mutual Shares	717	717	717	0	
	Commercial Paper	240	238	238	(0)	
	U.S. Government & Agencies	22,161	22,242	22,515	272	
	Corporate Securities	16,440	16,446	16,466	20	
	Dividends Payable/Other	3	3	3	0	
	<b>Total</b>	<b>39,562</b>	<b>39,647</b>	<b>39,939</b>	<b>292</b>	
<b>TOTALS - LGIP POOLS</b>						
	Repurchase Agreements	2,583,000	2,583,000	2,583,000	0	
	Money Market Mutual Shares	717	717	717	0	
	Commercial Paper	65,240	65,020	65,020	(0)	
	Certificates of Deposit	5,000	4,983	5,029	46	
	U.S. Government & Agencies	2,348,348	2,347,958	2,350,052	2,094	
	Corporate Securities	891,243	890,448	882,237	(8,212)	
	Dividends Payable/Other	3	3	3	0	
	<b>Grand Total</b>	<b>5,893,552</b>	<b>5,892,129</b>	<b>5,886,058</b>	<b>(6,071)</b>	

**SHARES OUTSTANDING**  
**LOCAL GOVERNMENT LONG TERM FUNDS**  
 APRIL 30, 2008  
 (In Thousands)

State Treasurer's Report  
 May 21, 2008  
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FUND	NAME OF FUND	SHARES OUTSTANDING	BOOK VALUE	MARKET VALUE	UNREALIZED GAINS (LOSSES)	NAV
500	<i>Shares in LGIP LT Fund</i>	39,610	39,810	40,218	408	
	Total	39,610	39,810	40,218	408	<b>1.010</b>

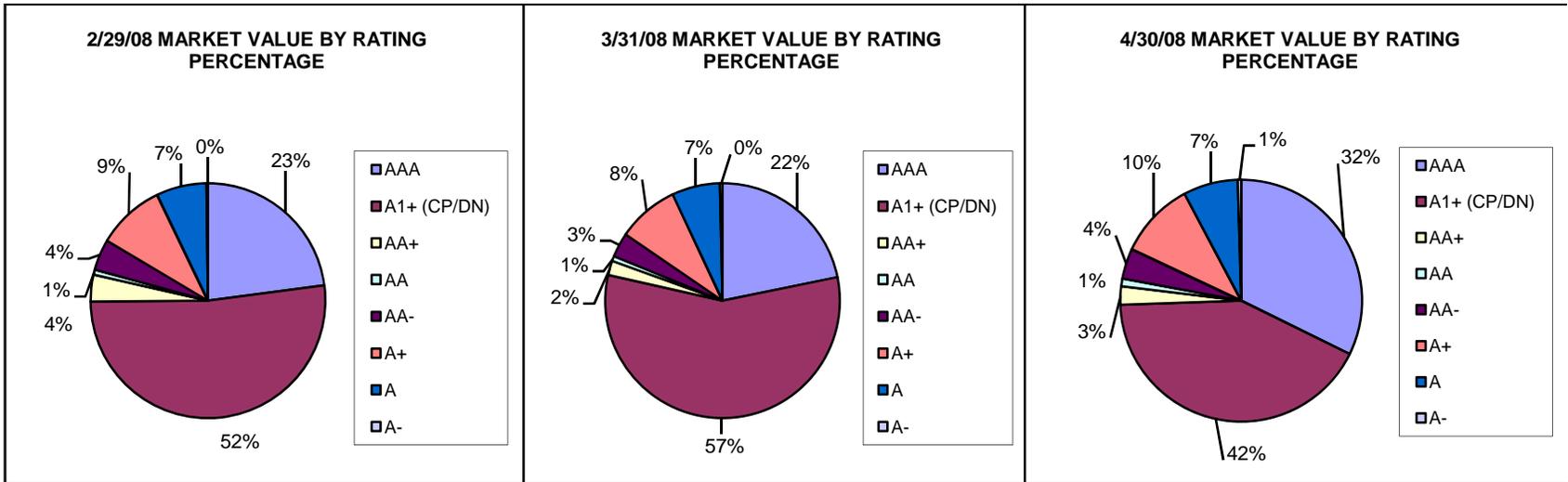
**ARIZONA STATE TREASURER'S OFFICE  
RATING SUMMARY  
STATE AGENCY POOLS 2, 3, 6, 8, 9, 11 - 15**



	02/29/08			03/31/08			04/30/08		
RATING	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT
AAA	286	\$2,714,188,187	58%	300	\$2,590,163,410	64%	296	\$2,672,339,888	59%
A1+(CP/DN)	46	\$1,118,096,458	24%	34	\$552,609,510	14%	32	\$930,328,942	21%
AA	7	\$117,511,582	2%	7	\$116,591,312	3%	7	\$115,954,202	3%
AA-	10	\$100,498,373	2%	11	\$124,914,528	3%	10	\$116,766,525	3%
A+	28	\$328,055,686	7%	29	\$338,732,518	8%	28	\$297,408,666	7%
A	12	\$121,020,758	3%	11	\$120,047,375	3%	11	\$119,989,589	3%
A-	3	\$55,091,130	1%	3	\$55,118,760	1%	3	\$54,632,220	1%
BBB+	0	\$0	0%	1	\$780,488	0%	0	\$0	0%
BBB-	1	\$964,080	0%	1	\$900,420	0%	1	\$966,150	0%
N/R	14	\$150,007,071	3%	14	\$150,007,071	4%	14	\$150,007,071	3%
MM	2	\$1,649,890	0%	2	\$2,011,342	0%	2	\$12,993,145	0%
<b>TOTAL</b>	<b>409</b>	<b>\$4,707,083,213</b>	<b>100%</b>	<b>413</b>	<b>\$4,051,876,734</b>	<b>100%</b>	<b>404</b>	<b>\$4,471,386,397</b>	<b>100%</b>

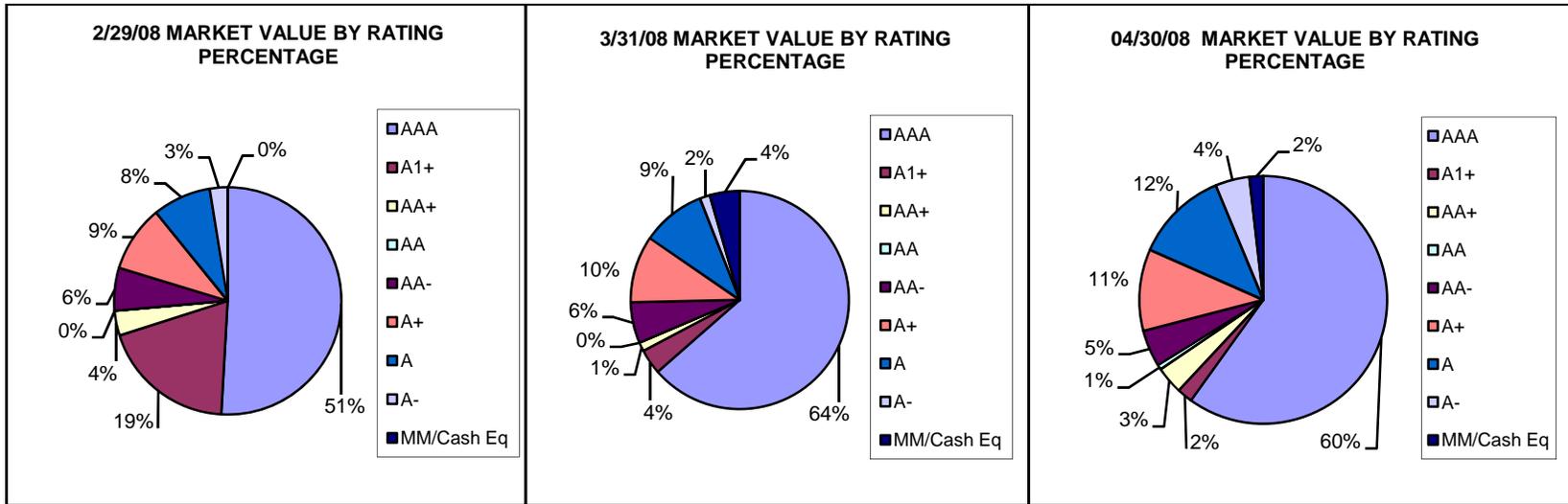
MM = MONEY MARKET (BONY/HAMILTON TREASURY)  
N/R = ADOT BONDS (150,000,000), TAX DEFERRED (7,071) AND NCFE

**ARIZONA STATE TREASURER'S OFFICE  
RATING SUMMARY  
LGIP**



	02/29/08			03/31/08			04/30/08		
RATING	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT
AAA	44	\$777,660,511	23%	48	\$777,205,161	22%	50	\$935,857,332	33%
A1+ (CP/DN)	52	\$1,765,632,712	52%	57	\$2,023,919,175	57%	34	\$1,244,923,613	43%
AA+	11	\$123,849,739	4%	8	\$70,606,050	2%	9	\$72,091,626	2%
AA	2	\$24,714,200	1%	2	\$24,476,700	1%	3	\$29,974,448	1%
AA-	11	\$144,758,793	4%	10	\$119,631,491	3%	10	\$120,133,696	4%
A+	21	\$316,910,019	9%	20	\$301,836,990	8%	20	\$302,932,934	10%
A	19	\$236,053,045	7%	19	\$235,950,111	7%	18	\$216,095,398	7%
A-	1	\$6,310,389	0%	2	\$13,316,989	0%	2	\$13,314,437	0%
<b>TOTAL</b>	<b>161</b>	<b>\$3,395,889,408</b>	<b>100%</b>	<b>166</b>	<b>\$3,566,942,668</b>	<b>100%</b>	<b>146</b>	<b>\$2,935,323,483</b>	<b>100%</b>

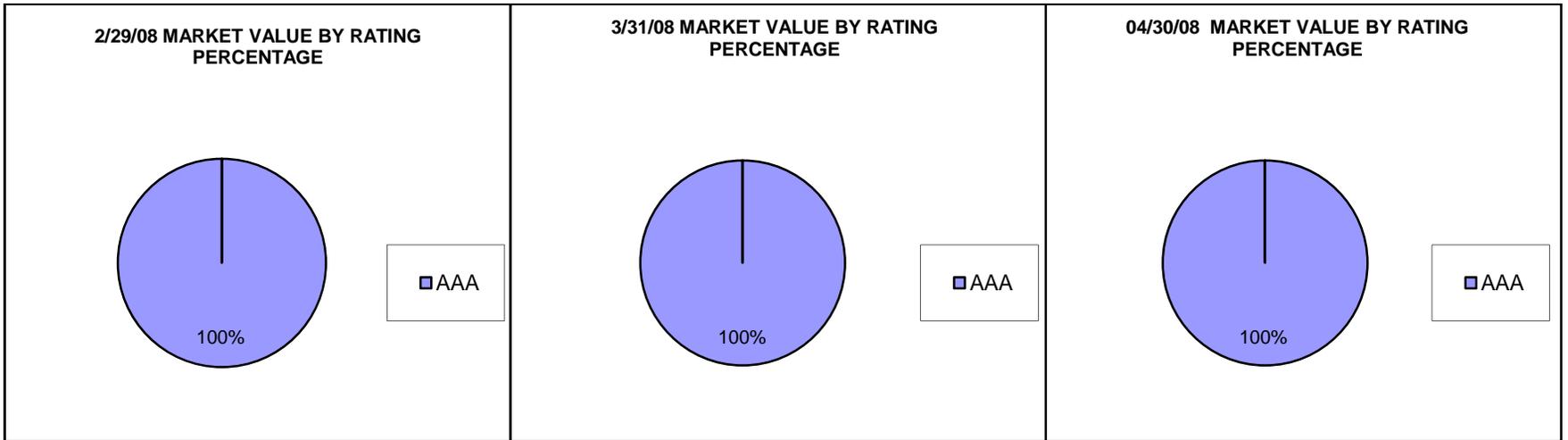
**ARIZONA STATE TREASURER'S OFFICE  
RATING SUMMARY  
LGIP 500**



	2/29/2008			3/31/2008			4/30/2008		
RATING	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT
AAA	38	\$20,398,216	51%	45	\$25,407,825	64%	44	\$24,077,022	59%
A1+	8	\$7,678,765	19%	3	\$1,497,148	4%	2	\$808,684	2%
AA+	2	\$1,423,620	4%	1	\$523,003	1%	3	\$1,409,818	4%
AA	0	\$0	0%	0	\$0	0%	1	\$251,016	1%
AA-	6	\$2,436,339	6%	6	\$2,424,326	6%	5	\$1,898,348	5%
A+	9	\$3,786,007	9%	10	\$3,968,299	10%	11	\$4,216,003	11%
A	6	\$3,322,955	8%	7	\$3,794,173	9%	9	\$4,799,046	12%
A-	2	\$1,018,220	3%	2	\$601,515	2%	3	\$1,758,343	4%
MM/Cash Eq	2	\$4,187	0%	3	\$1,772,565	4%	2	\$720,559	2%
<b>TOTAL</b>	<b>73</b>	<b>\$40,068,310</b>	<b>100%</b>	<b>77</b>	<b>\$39,988,854</b>	<b>100%</b>	<b>80</b>	<b>\$39,938,838</b>	<b>100%</b>

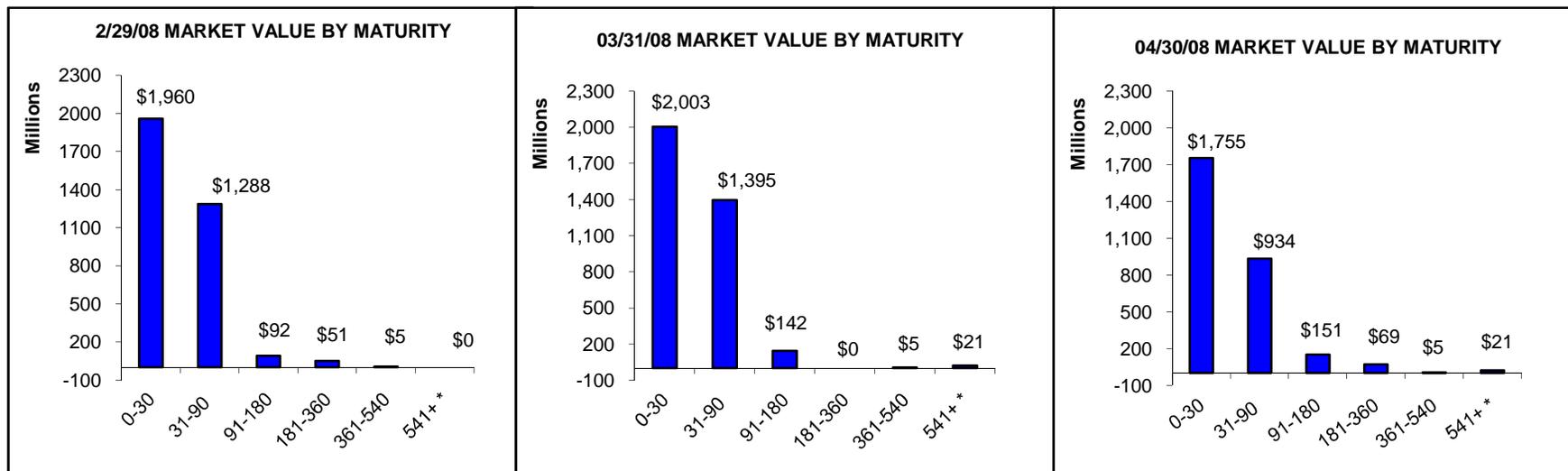
\*MM/Cash Equivalent includes dividends payable

**ARIZONA STATE TREASURER'S OFFICE  
RATING SUMMARY  
LGIP-GOV**



02/29/08				03/31/08				04/30/08			
RATING	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT		
AAA	15	\$2,002,670,699	100%	15	\$2,040,707,155	100%	13	\$2,910,795,498	100%		

**ARIZONA STATE TREASURER'S OFFICE  
MATURITY SUMMARY  
LGIP**

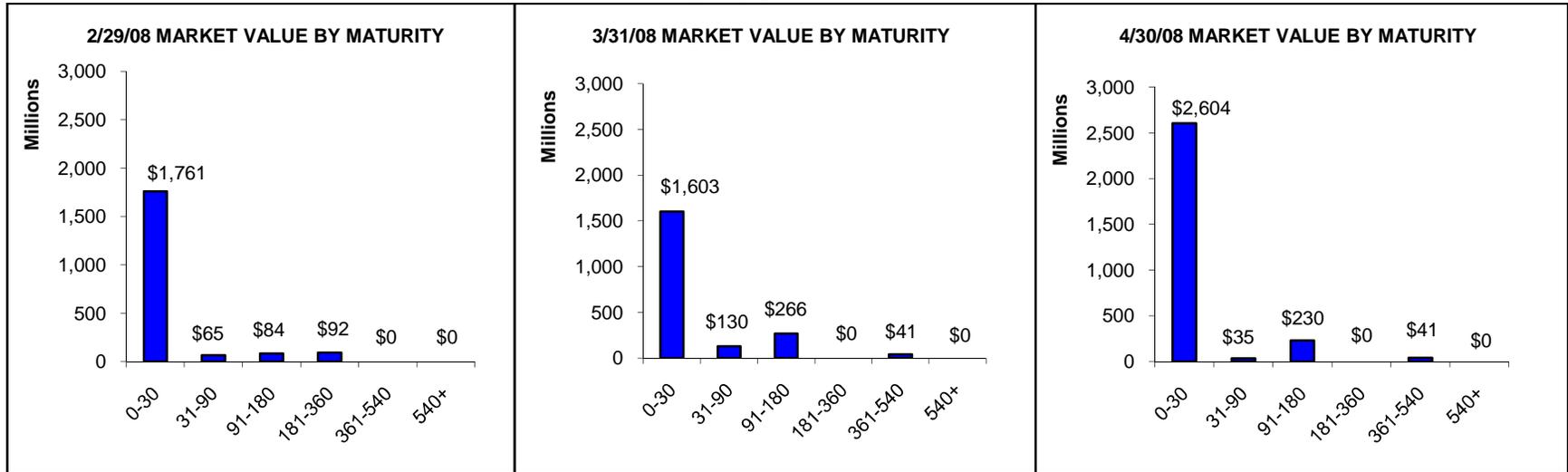


02/29/08				03/31/08			04/30/08		
MATURITY	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT
0-30	86	\$1,959,931,198	58%	76	\$2,003,482,593	56%	75	\$1,754,889,677	60%
31-90	67	\$1,287,824,165	38%	76	\$1,395,437,209	39%	57	\$934,236,545	32%
91-180	4	\$92,358,660	3%	10	\$141,655,849	4%	8	\$150,634,593	5%
181-360	3	\$50,756,250	1%	0	\$0	0%	2	\$69,420,000	2%
361-540	1	\$5,019,135	0%	1	\$5,021,305	0%	1	\$5,028,650	0%
541+ *	0	\$0	0%	3	\$21,345,713	1%	3	\$21,114,019	1%
<b>TOTAL</b>	<b>161</b>	<b>\$3,395,889,409</b>	<b>100%</b>	<b>166</b>	<b>\$3,566,942,668</b>	<b>100%</b>	<b>146</b>	<b>\$2,935,323,484</b>	<b>100%</b>

02/29/08		03/31/08		04/30/08	
MATURITY	WAM	MATURITY	WAM	MATURITY	WAM
0-30	7.82	0-30	8.16	0-30	7.24
31-90	23.67	31-90	22.96	31-90	17.49
91-180	3.22	91-180	4.64	91-180	6.19
181-360	3.40	181-360	0.00	181-360	4.82
361-540	0.70	361-540	0.62	361-540	0.70
541+	0.00	541+	4.86	541+	5.63
<b>TOTAL</b>	<b>38.81</b>	<b>TOTAL</b>	<b>41.25</b>	<b>TOTAL</b>	<b>42.07</b>

**Note:** The Average Maturity is calculated to the next interest reset date for all floating rate securities in the portfolio.

**ARIZONA STATE TREASURER'S OFFICE  
MATURITY SUMMARY  
LGIP-GOV**



02/29/08				03/31/08				04/30/08			
MATURITY	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT		
0-30	5	\$1,760,968,412	88%	5	\$1,602,915,882	79%	5	\$2,603,952,392	89%		
31-90	3	\$65,047,675	3%	2	\$129,852,067	6%	2	\$35,221,550	1%		
91-180	5	\$84,344,113	4%	7	\$266,476,706	13%	5	\$230,430,756	8%		
181-360	2	\$92,310,500	5%	0	\$0	0%	0	\$0	0%		
361-540	0	\$0	0%	1	\$41,462,500	2%	1	\$41,190,800	1%		
540+	0	\$0	0%	0	\$0	0%	0	\$0	0%		
<b>TOTAL</b>	<b>15</b>	<b>\$2,002,670,700</b>	<b>100%</b>	<b>15</b>	<b>\$2,040,707,155</b>	<b>100%</b>	<b>13</b>	<b>\$2,910,795,498</b>	<b>100%</b>		

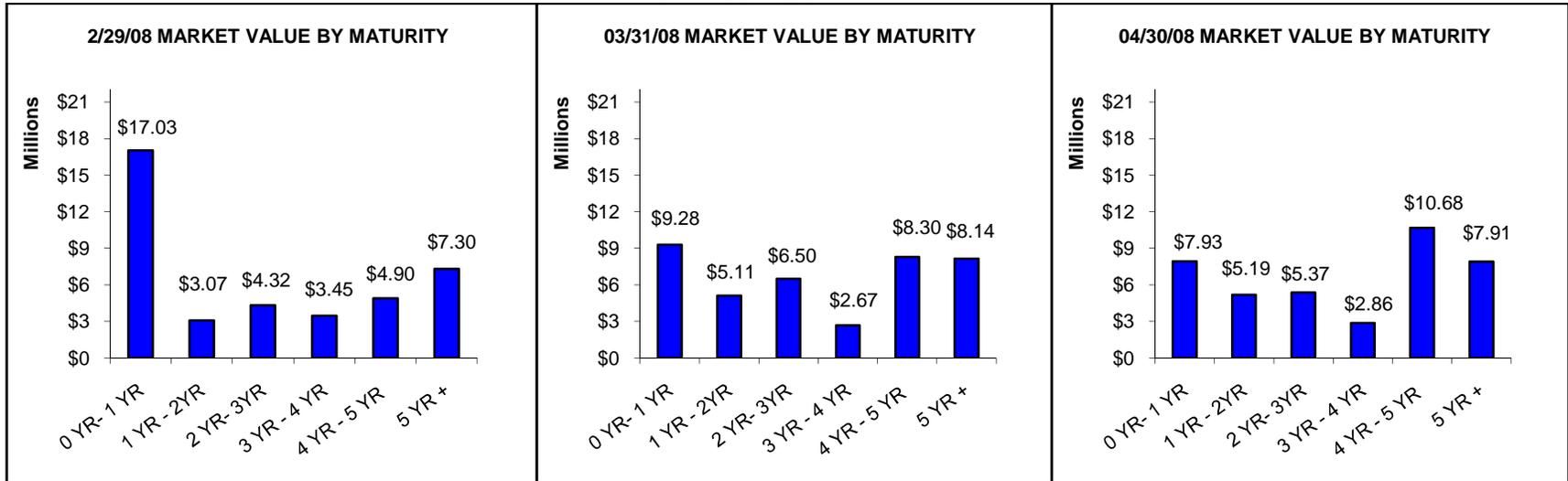
02/29/08	
MATURITY	WAM
0-30	2.84
31-90	2.00
91-180	5.90
181-360	13.82
361-540	0.00
540+	0.00
<b>TOTAL</b>	<b>24.56</b>

03/31/08	
MATURITY	WAM
0-30	2.89
31-90	2.86
91-180	16.17
181-360	0.00
361-540	8.33
540+	0.00
<b>TOTAL</b>	<b>30.25</b>

04/30/08	
MATURITY	WAM
0-30	1.52
31-90	0.74
91-180	7.82
181-360	0.00
361-540	5.38
540+	0.00
<b>TOTAL</b>	<b>15.46</b>

**Note:** The Average Maturity is calculated to the next interest reset date for all floating rate securities in the portfolio.

**ARIZONA STATE TREASURER'S OFFICE  
MATURITY SUMMARY  
LGIP POOL 500**



MATURITY	02/29/08			03/31/08			04/30/08		
	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT
0 YR- 1 YR	27	\$17,026,428	42%	18	\$9,280,226	23%	17	\$7,930,115	20%
1 YR - 2 YR	8	\$3,072,944	8%	11	\$5,112,911	13%	12	\$5,189,448	13%
2 YR- 3 YR	11	\$4,324,585	11%	16	\$6,497,171	16%	14	\$5,365,438	13%
3 YR - 4 YR	7	\$3,450,459	9%	6	\$2,665,538	7%	6	\$2,862,435	7%
4 YR - 5 YR	8	\$4,898,309	12%	14	\$8,295,679	21%	17	\$10,684,742	27%
5 YR +	12	\$7,295,585	18%	12	\$8,137,328	20%	14	\$7,906,659	20%
<b>TOTAL</b>	<b>73</b>	<b>\$40,068,309</b>	<b>100%</b>	<b>77</b>	<b>\$39,988,854</b>	<b>100%</b>	<b>80</b>	<b>\$39,938,838</b>	<b>100%</b>

	2/29/2008	3/31/2008	4/30/2008
<b>LGIP LT MONTHLY DURATION</b>	1.26	1.53	1.64
<b>MERRILL 1-5 US DOMESTIC MASTER INDEX</b>	2.45	2.55	2.52

\*0 YR-1 YR includes dividends payable

\*At the time of purchase Bloomberg Average Life pre-payment estimates are used as proxy for maturity for mtg bonds.

**OPERATING MONIES**  
**AVERAGE INVESTED BALANCE**  
Through April 30, 2008  
(in millions of dollars)

State Treasurer's Report  
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<u>Month</u>	<u>Fiscal Year 2005/2006</u>	<u>Fiscal Year 2006/2007</u>	<u>Fiscal Year 2007/2008</u>
JULY	1,922	2,594	2,197
AUGUST	1,707	2,263	1,936
SEPTEMBER	1,844	2,305	2,082
OCTOBER	1,959	2,311	1,941
NOVEMBER	2,018	2,198	1,880
DECEMBER	2,129	2,181	1,893
JANUARY	2,524	2,390	1,875
FEBRUARY	2,574	2,396	1,652
MARCH	2,683	2,101	1,143
APRIL	2,610	1,990	859
MAY	2,615	2,288	
JUNE	2,635	2,079	
<b>Y-T-D</b>			
<b>Average</b>	<b>\$2,268</b>	<b>\$2,258</b>	<b>\$1,746</b>

**EARNINGS DISTRIBUTED  
ENDOWMENT FUNDS  
APRIL 2008**

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Distributed in Current Month

Recipient	April-08	Fiscal YTD 07/08	Fiscal YTD 06/07
101 A & M Colleges	\$32,736	\$327,297	\$167,767
102 State Hospital	\$16,297	\$162,937	\$103,504
103 Leg., Exec., & Jud.	\$21,522	\$215,175	\$102,115
104 Military Institute	\$1,686	\$16,857	\$8,291
105 Miners Hospital	\$26,015	\$260,093	\$131,898
107 Normal School ASU/NAU	\$8,418	\$84,159	\$38,402
108 Penitentiaries	\$23,555	\$235,499	\$117,097
109 Permanent Common School	\$5,775,855	\$57,745,923	\$26,959,671
110 School for Deaf & Blind	\$13,834	\$138,313	\$73,025
111 School of Mines	\$26,908	\$269,020	\$111,586
112 State Charitable-Pioneers Home	\$120,232	\$1,202,089	\$584,664
112 State Charitable-Corrections	\$60,116	\$601,046	\$292,332
112 State Charitable-Youth Treatment	\$60,116	\$601,046	\$292,332
113 University Fund	\$42,084	\$420,741	\$189,021
114 U of A Land - 1881	\$97,302	\$972,810	\$472,465
<b>Total</b>	<b>\$6,326,676</b>	<b>\$63,253,005</b>	<b>\$29,644,169</b>

Posted in USAS in current month

**ENDOWMENT FUNDS**  
**PORTFOLIO YIELD ANALYSIS**  
 April 30, 2008

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FUND	DESCRIPTION	NET EARNINGS	SALES EARNINGS YIELD	AMORT/DISC EARNINGS YIELD	COUPON EARNINGS YIELD	NET YIELD
205	ENDOWMENTS - FIXED INCOME	4,855,014	0.0000%	-0.0116%	4.7357%	4.7240%
	<b>TOTAL ENDOWMENTS - FIXED INCOME</b>	<b>4,855,014</b>				

**RETURN ANALYSIS  
ENDOWMENT FUNDS**

(\$ In Thousands)

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<b>ENDOWMENT FUNDS</b>	<b>APRIL 2008 MONEY WEIGHTED RETURN</b>	<b>FISCAL YEAR 2007/2008 ** MONEY WEIGHTED RETURN</b>
-----	-----	-----
101 A & M Colleges	3.19%	0.64%
102 State Hospital	3.18%	0.82%
103 Leg., Exec., & Jud.	3.08%	0.92%
104 Military Institute	3.06%	1.07%
105 Miners Hospital	3.10%	1.80%
107 Normal School ASU/NAU	3.12%	0.82%
108 Penitentiaries	3.07%	0.94%
109 Permanent Common School	3.13%	0.59%
110 School for Deaf & Blind	3.09%	0.89%
111 School of Mines	3.13%	0.71%
112 State Charitable	3.17%	0.51%
113 University Fund	3.12%	1.01%
114 U Of A Land - 1881	3.11%	0.77%
<hr/>		
WEIGHTED PORTFOLIO RETURN	2.94%	0.45%
WEIGHTED BENCHMARK	2.74%	0.44%
S&P 500 EQUITY FUND RETURN:	4.91%	-6.33%
S & P 500 LARGE CAP INDEX:	4.87%	-6.33%
BOND FUND RETURN:	-0.10%	7.37%
CITIGROUP BIG INDEX RETURN:	-0.42%	8.60%
S&P 400 EQUITY FUND RETURN:	8.06%	-2.06%
S&P 400 MID-CAP INDEX:	7.71%	-5.33%
*MONEY MARKET RETURN:	2.63%	4.39%
*S&P LGIP INDEX RETURN:	2.73%	4.39%

Bond Fund Total Return Excludes Returns on Money Market Account for a Better Comparison vs. the Benchmark

Money Weighted Return is based on shares owned by individual participants and INCLUDES Money Market Account Returns

\*MONEY MARKET RETURN YIELD CALCULATIONS ARE ANNUALIZED

Weighted Average Benchmark represents proportional holdings in the funds.

	Feb-08	Mar-08	Apr-08	Feb-08	Mar-08	Apr-08
S&P 500	-3.25%	-0.43%	4.87%	1330.63	1322.70	1385.59
S&P 400	-1.86%	-1.03%	7.71%	788.51	779.51	838.84
S&P 600	-3.08%	0.39%	4.01%	363.69	364.59	378.90
DOW JONES	-3.04%	-0.03%	4.54%	12266.39	12262.89	12820.13
NASDAQ	-4.85%	0.41%	5.90%	2271.48	2279.10	2412.80

**NET REALIZED CAPITAL GAINS / LOSSES - ENDOWMENT FUNDS**

Endowment Fund -----	Apr-08 NET GAIN(LOSS) -----	FISCAL YTD GAINS(LOSSES) -----
Fixed Income Pool Net Gain (Loss)	(17,293)	(355,157)
Equity Pool (500) Net Gain (Loss)	0	6,173,719
Equity Pool (400) Net Gain (Loss)	0	13,306,450
<b>Totals</b>	<b>(17,293)</b> =====	<b>19,125,012</b> =====

**ENDOWMENT FUNDS FIXED-INCOME POOL**  
**PURCHASES & SALES**  
Month of April 2008

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**I. Endowment Funds Purchases**

<u>SECURITY DESCRIPTION</u>	<u>RATE</u>	<u>MATURITY</u>	<u>*WAL YEARS</u>	<u>PAR VALUE</u>	<u>PURCHASE COST</u>	<u>YIELD</u>	<u>MOODY'S / S&amp;P RATING</u>
FHLMC	5.50	4/10/2023	N/A	\$10,827,000	\$10,803,181	5.52	Aaa/AAA
FHLMC	6.00	6/15/2011	N/A	\$10,000,000	\$10,781,690	3.35	Aaa/AAA
NORFOLK SOUTHERN CORP.	5.75	4/1/2018	N/A	\$5,000,000	\$4,986,150	5.79	Baa1/BBB+
VERIZON COMMUNICATIONS	6.10	4/15/2018	N/A	\$10,000,000	\$9,947,900	6.17	A3/A
VERIZON COMMUNICATIONS	5.25	4/15/2013	N/A	\$14,500,000	\$14,438,955	5.35	A3/A
VIRGINIA ELECTRIC & POWER	5.40	4/30/2018	N/A	\$7,000,000	\$6,984,250	5.43	Baa1/A-
XTO ENERGY	4.63	6/15/2013	N/A	\$7,000,000	\$6,992,160	4.65	Baa2/BBB
U.S. TREASURY NOTE	5.75	8/15/2010	N/A	\$10,000,000	\$10,721,094	2.50	Aaa/AAA
U.S. TREASURY NOTE	4.25	11/15/2013	N/A	\$10,000,000	\$10,529,688	3.20	Aaa/AAA
<b>TOTAL ENDOWMENT FUNDS PURCHASES</b>				<b>\$84,327,000</b>	<b>\$86,185,067</b>		

**II. Endowment Funds Sales**

<u>SECURITY DESCRIPTION</u>	<u>RATE</u>	<u>MATURITY</u>	<u>PAR VALUE</u>	<u>AMORTIZED COST/PROCEEDS</u>	<u>SALES GAINS/(LOSSES)</u>	<u>MOODY'S / S&amp;P RATING</u>
<b>TOTAL ENDOWMENT FUNDS SALES</b>			<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	

\*WAL is the weighted average life of the security based on the Bloomberg calculation at the time the trade is executed. The calculation is used only with mortgage-backed pass-through/CMO securities.

**EQUITY FUNDS**  
**PURCHASES & SALES**  
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**I. Equity Fund Purchases**

	<u>SHARES</u>	<u>PURCHASE COST</u>	<u>COMMISSIONS</u>
S&P 400 Mid-Cap Fund	0	\$0	\$0
S&P 500 Large-Cap Fund	0	\$0	\$0
<b>TOTAL EQUITY PURCHASES</b>	<b>0</b>	<b>\$0</b>	<b>\$0</b>

**II. Equity Funds Sales**

	<u>SHARES</u>	<u>SALES AMOUNT</u>	<u>COMMISSIONS</u>
S&P 400 Mid-Cap Fund	0	\$0	\$0
S&P 500 Large-Cap Fund	0	\$0	\$0
<b>TOTAL EQUITY SALES</b>	<b>0</b>	<b>\$0</b>	<b>\$0</b>

**ENDOWMENT FUNDS**  
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FUND	NAME OF FUND	SHARES OUTSTANDING	BOOK VALUE	MARKET VALUE	UNREALIZED GAINS (LOSSES)	<b>Mkt Value/ Book Value</b>
101	A & M Colleges					
	<i>Shares in S&amp;P 500 Index Fund</i>	2,577	2,348	2,963	615	
	<i>Shares in Fixed Income Fund</i>	2,865	3,157	4,136	980	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	841	805	1,521	716	
	Total	6,284	6,309	8,621	2,312	<b>1.366</b>
102	State Hospital					
	<i>Shares in S&amp;P 500 Index Fund</i>	1,540	1,324	1,771	447	
	<i>Shares in Fixed Income Fund</i>	1,588	1,785	2,293	509	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	441	453	796	343	
	Total	3,569	3,562	4,860	1,299	<b>1.365</b>
103	Leg., Exec., & Jud.					
	<i>Shares in S&amp;P 500 Index Fund</i>	1,993	1,961	2,291	330	
	<i>Shares in Fixed Income Fund</i>	2,404	2,636	3,470	834	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	648	672	1,172	500	
	Total	5,045	5,269	6,934	1,665	<b>1.316</b>
104	Military Institute					
	<i>Shares in S&amp;P 500 Index Fund</i>	132	131	151	20	
	<i>Shares in Fixed Income Fund</i>	169	177	244	67	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	47	45	84	39	
	Total	347	353	480	127	<b>1.359</b>
105	Miners Hospital					
	<i>Shares in S&amp;P 500 Index Fund</i>	3,613	3,572	4,153	581	
	<i>Shares in Fixed Income Fund</i>	3,853	4,809	5,563	754	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	1,026	1,222	1,856	633	
	Total	8,492	9,603	11,571	1,968	<b>1.205</b>

**ENDOWMENT FUNDS**  
**INVESTMENTS OUTSTANDING**  
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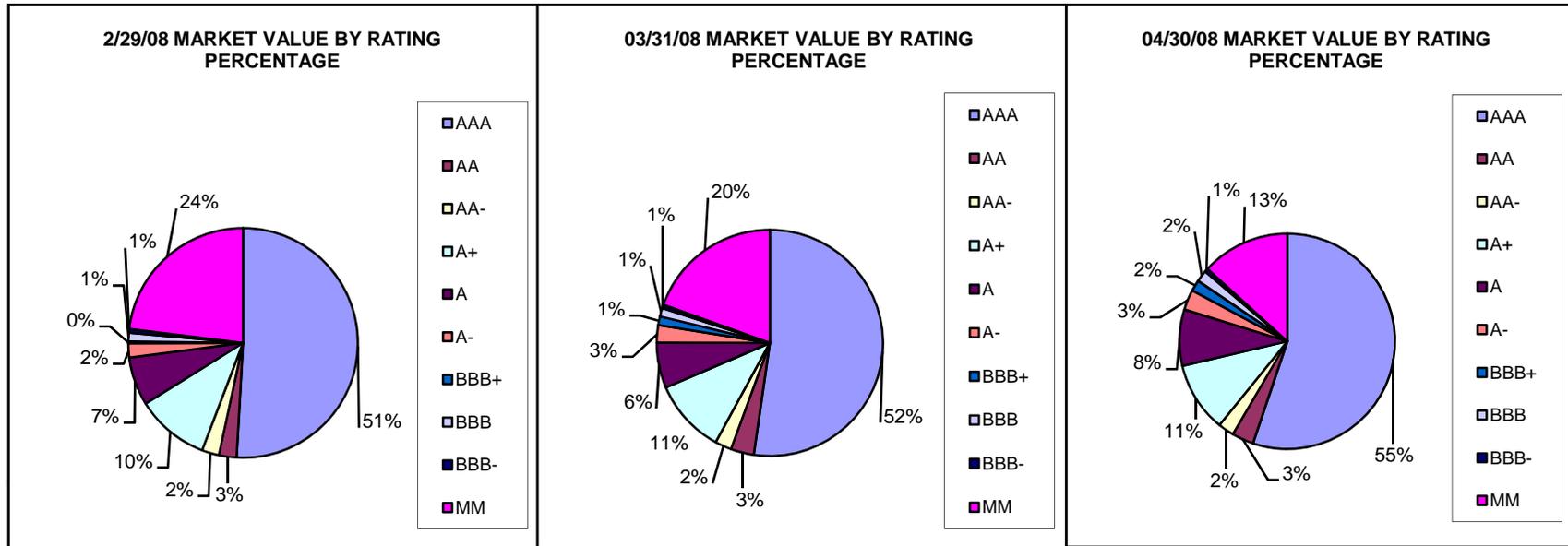
FUND	NAME OF FUND	SHARES OUTSTANDING	BOOK VALUE	MARKET VALUE	UNREALIZED GAINS (LOSSES)	<b>Mkt Value/ Book Value</b>
107	Normal School ASU/NAU					
	<i>Shares in S&amp;P 500 Index Fund</i>	835	792	960	168	
	<i>Shares in Fixed Income Fund</i>	949	1,065	1,371	306	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	259	271	468	197	
	Total	2,043	2,128	2,799	671	<b>1.315</b>
108	Penitentiaries					
	<i>Shares in S&amp;P 500 Index Fund</i>	2,102	2,006	2,417	411	
	<i>Shares in Fixed Income Fund</i>	2,550	2,697	3,681	984	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	684	688	1,238	550	
	Total	5,336	5,390	7,335	1,945	<b>1.361</b>
109	Permanent Common School					
	<i>Shares in S&amp;P 500 Index Fund</i>	765,724	746,646	880,238	133,592	
	<i>Shares in Fixed Income Fund</i>	822,460	1,003,290	1,187,469	184,179	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	217,142	255,564	392,594	137,031	
	Total	1,805,326	2,005,500	2,460,301	454,801	<b>1.227</b>
110	School for Deaf & Blind					
	<i>Shares in S&amp;P 500 Index Fund</i>	1,173	1,113	1,349	236	
	<i>Shares in Fixed Income Fund</i>	1,403	1,496	2,025	529	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	384	381	694	313	
	Total	2,960	2,990	4,068	1,078	<b>1.361</b>
111	School of Mines					
	<i>Shares in S&amp;P 500 Index Fund</i>	2,915	2,850	3,351	501	
	<i>Shares in Fixed Income Fund</i>	3,273	3,829	4,726	897	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	896	976	1,620	644	
	Total	7,085	7,656	9,697	2,041	<b>1.267</b>

**ENDOWMENT FUNDS**  
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FUND	NAME OF FUND	SHARES OUTSTANDING	BOOK VALUE	MARKET VALUE	UNREALIZED GAINS (LOSSES)	<b>Mkt Value/ Book Value</b>
112	State Charitable					
	<i>Shares in S&amp;P 500 Index Fund</i>	32,492	30,309	37,351	7,043	
	<i>Shares in Fixed Income Fund</i>	32,425	40,712	46,815	6,103	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	8,543	10,375	15,446	5,071	
	<b>Total</b>	<b>73,460</b>	<b>81,395</b>	<b>99,613</b>	<b>18,218</b>	<b>1.224</b>
113	University Fund					
	<i>Shares in S&amp;P 500 Index Fund</i>	4,825	4,649	5,546	897	
	<i>Shares in Fixed Income Fund</i>	5,386	6,258	7,776	1,518	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	1,458	1,591	2,636	1,044	
	<b>Total</b>	<b>11,668</b>	<b>12,499</b>	<b>15,958</b>	<b>3,459</b>	<b>1.277</b>
114	U Of A Land - 1881					
	<i>Shares in S&amp;P 500 Index Fund</i>	9,904	9,499	11,385	1,886	
	<i>Shares in Fixed Income Fund</i>	11,291	12,767	16,302	3,535	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	3,062	3,255	5,537	2,282	
	<b>Total</b>	<b>24,257</b>	<b>25,521</b>	<b>33,223</b>	<b>7,703</b>	<b>1.302</b>
<b>TOTALS - ALL FUNDS</b>						
	<i>Shares in S&amp;P 500 Index Fund</i>	829,826	807,199	953,926	146,727	
	<i>Shares in Fixed Income Fund</i>	890,615	1,084,677	1,285,872	201,195	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	235,432	276,298	425,663	149,365	
	<b>Grand Total</b>	<b>1,955,873</b>	<b>2,168,175</b>	<b>2,665,461</b>	<b>497,286</b>	

**TREASURER'S OFFICE  
RATING SUMMARY  
ENDOWMENT FIXED INCOME FUND**



	02/29/08			03/31/08			04/30/08		
RATING	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT
AAA	100	\$643,863,464	51%	105	\$675,048,977	53%	108	\$703,336,295	55%
AA	7	\$42,343,880	3%	7	\$42,136,880	3%	7	\$41,977,050	3%
AA-	5	\$30,618,700	2%	5	\$30,417,713	2%	5	\$30,271,913	2%
A+	20	\$130,731,144	10%	21	\$135,019,710	11%	21	\$134,142,841	11%
A	15	\$86,517,473	7%	14	\$82,377,590	6%	16	\$107,405,010	8%
A-	4	\$25,164,400	2%	6	\$32,017,783	3%	7	\$39,012,705	3%
BBB+	1	\$2,895,990	0%	3	\$15,896,520	1%	4	\$21,124,860	2%
BBB	2	\$15,502,100	1%	2	\$15,401,700	1%	3	\$22,021,205	2%
BBB-	1	\$6,748,560	1%	1	\$6,302,940	0%	1	\$6,763,050	1%
MM	2	\$284,304,585	23%	2	\$234,699,526	20%	2	\$168,893,492	13%
<b>TOTAL</b>	<b>157</b>	<b>\$1,268,690,296</b>	<b>100%</b>	<b>166</b>	<b>\$1,269,319,337</b>	<b>100%</b>	<b>174</b>	<b>\$1,274,948,420</b>	<b>100%</b>

MM = MONEY MARKET (LGIP AND BONY/HAMILTON TREASURY)

**EQUITY HOLDINGS**  
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<u>POOL #</u>	<u>POOL DESCRIPTION</u>	<u>S&amp;P SECTOR</u>	<u>MARKET VALUE</u>	<u>% POOL BALANCE</u>	<u>% S&amp;P 500 BALANCE</u>	<u>DIFFERENCE</u>
<b>201</b>	<b>S&amp;P 500 INDEX</b>					
		CONSUMER DISCRETIONARY	74,350	8.64%	8.60%	0.05%
		CONSUMER STAPLES	90,421	10.51%	10.52%	-0.01%
		ENERGY	121,465	14.12%	14.05%	0.07%
		FINANCIALS	145,079	16.87%	17.12%	-0.25%
		HEALTH CARE	97,481	11.33%	11.35%	-0.01%
		INDUSTRIALS	101,686	11.82%	11.78%	0.04%
		INFORMATION TECHNOLOGY	138,414	16.09%	15.97%	0.13%
		MATERIALS	30,816	3.58%	3.59%	0.00%
		TELECOMMUNICATION SERVICES	29,349	3.41%	3.41%	0.01%
		UTILITIES	31,015	3.61%	3.62%	-0.02%
		TOTALS LESS CASH / SPDR'S:	860,076	100.00%	100.00%	
		SPYDER'S	85,972			
		CASH **	7,879			
		TOTAL:	<u>953,926</u>			

\*Numbers may not add up to 100% due to rounding. Differences may be off up to 1 bp due to rounding

\*\* Includes dividends receivable and receivables (+)/payables (-) for sales/purchases.

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<u>POOL #</u>	<u>POOL DESCRIPTION</u>	<u>S &amp; P SECTOR</u>	<u>MARKET</u> <u>VALUE</u>	<u>% POOL</u> <u>BALANCE</u>	<u>% S&amp;P 400</u> <u>BALANCE</u>	<u>DIFFERENCE</u>
<b>203</b>	<b>S&amp;P 400 INDEX</b>					
	CONSUMER DISCRETIONARY		23,210	8.30%	12.55%	-4.25%
	CONSUMER STAPLES		9,123	3.26%	3.20%	0.06%
	ENERGY		39,278	14.05%	10.31%	3.73%
	FINANCIALS		41,374	14.80%	16.08%	-1.28%
	HEALTH CARE		41,000	14.66%	11.99%	2.67%
	INDUSTRIALS		45,799	16.38%	16.33%	0.04%
	INFORMATION TECHNOLOGY		30,883	11.04%	13.51%	-2.47%
	MATERIALS		22,323	7.98%	7.60%	0.38%
	TELECOMMUNICATION SERVICES		1,413	0.51%	0.48%	0.03%
	UTILITIES		25,246	9.03%	7.94%	1.09%
	TOTALS LESS CASH / SPDR'S:		279,649	100.00%	100.00%	
	SPYDER'S		140,795			
	CASH **		5,219			
	TOTAL:		425,663			

\*Numbers may not add up to 100% due to rounding. Differences may be off up to 1 bp due to rounding

\*\* Includes dividends receivable and receivables (+)/payables (-) for sales/purchases.

\*\*\* Pool 203 primarily holds the largest 200 equity positions in the S&P 400 Index based upon market capitalization; as well as cash and SPYDER'S (S&P MidCap 400 Depository Receipts) which represent ownership of all 400 common stocks in the index.

**EQUITY HOLDINGS - BY PARTICIPANT**

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<u>Fund #</u>	<u>PARTICIPANT DESCRIPTION</u>	<u>BOOK VALUE</u>	<u>MARKET VALUE</u>	<u>UNREALIZED GAIN (LOSS)</u>
101	A & M Colleges	\$3,153	\$4,484	\$1,332
102	State Hospital	1,777	2,567	790
103	Leg., Exec., & Jud.	2,633	3,464	830
104	Military Institute	176	236	59
105	Miners Hospital	4,794	6,008	1,214
107	Normal School	1,063	1,428	365
108	Penitentiaries	2,693	3,654	961
109	Permanent Common School	1,002,210	1,272,832	270,622
110	School for Deaf & Blind	1,494	2,043	549
111	School of Mines	3,827	4,971	1,145
112	State Charitable	40,683	52,798	12,114
113	University Fund	6,241	8,182	1,941
114	U of A Land - 1881	12,754	16,922	4,168
	Totals:	<u>\$1,083,498</u>	<u>\$1,379,589</u>	<u>\$296,092</u>

Includes equity holdings of S&P 500 fund and S&P 400 Mid-Cap Fund