

OFFICE OF THE
ARIZONA STATE TREASURER



**HON. DEAN MARTIN
TREASURER**



JUNE 2008

Presented To:

Arizona State Board of Investment

JULY 16, 2008

STATE BOARD OF INVESTMENT

A G E N D A

July 16, 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
 - K. Broker Activity Report
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
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

July 16, 2008

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**Minutes of
BOARD OF INVESTMENT MEETING**

The regular meeting of the State Board of Investment was held on June 18, 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 10:10 a.m.

Members Present:

Dean Martin, Chair, State Treasurer
Alan E. Maguire, President, The Maguire Company
Bruce Tunell, Deputy Superintendent, Department of Financial Institutions,
designee for Felecia A. Rotellini, Superintendent, Department of Financial
Institutions

Members Absent:

Ross Jacobs, Treasurer, Yavapai County
William Bell, Director, Arizona Department of Administration

Others Present:

Mark Swenson, Deputy Treasurer Strategic Planning, Audit & Research, Arizona
State Treasurer's Office
Klint Tegland, Deputy Treasurer of Operations, 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 May, 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
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 - Shares, LGIP Pool 500

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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

1. Call to Order:

Treasurer Martin called the June 18, 2008 BOI meeting to order at approximately 10:10 a.m.

2. Treasurers Comments:

Treasurer Martin welcomed board members and guests and thanked all present for attending the June 18, 2008 meeting.

Treasurer Martin advised the Board that a little over 1.3 million was received in May from the bankruptcy court for the NCFE securities.

3. Approval of Minutes:

Mr. Maguire made a motion to approve the minutes for the May 21, 2008 Board of Investment Meeting. Mr. Tunell 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 May, 2008.

State Agency Pools Portfolio Yield Analysis

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

Monthly Return Analysis for the Endowment Funds

Mr. Petkiewicz reported the total return numbers for the Endowment Funds for the month of May, 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 May, 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 May, 2008.

Equity Funds Purchases & Sales

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

Investments Outstanding in Endowment Funds

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

Rating Summary Endowment Fixed Income Fund

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

Equity Holdings – By Participant

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

Approval of Treasurer's Report

Mr. Maguire made a motion to approve the Treasurer's Report as submitted. Mr. Tunell 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. Notice of Next Meeting:

The next regular meeting of the Board of Investment will be Wednesday, July 16, 2008 at 10:30 a.m. at 1700 West Washington, State Capitol, West Wing, Treasurer's Conference Room, Phoenix, Arizona.

10. Call to the Public

There was no public comment.

11. Adjournment:

Mr. Maguire made a motion to adjourn the BOI meeting. Mr. Tunell seconded the motion. Upon unanimous approval, the BOI meeting was adjourned at 10:38 a.m.

Respectfully Submitted by:

Helen D. Garafola
Executive Consultant

Approved by:

Dean Martin, Chair

Date:

EARNINGS DISTRIBUTION - INVESTMENT POOLS
 JUNE 2008

State Treasurer's Report
 July 16, 2008
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Recipient	Earnings Distributed			Fiscal YTD Investment Management Fees Received
	JUNE 2008	Fiscal YTD 07/08	Fiscal YTD 06/07	
General Fund	\$7,416,811	\$96,197,036	\$104,434,462	
2 State Agencies I - Full Faith & Credit	787,435	35,870,715	39,273,819	\$630,737
3 State Agencies II - Diversified	5,280,599	99,280,290	92,590,627	2,019,315
5 Local Governments	6,045,200	109,256,485	103,912,736	1,989,732
6 State Agencies III - US Govt & Agency	8,361	181,904	356,184	8,007
7 LGIP Gov't	786,479	63,345,463	86,569,162	1,366,077
8 State Agencies IV - Restricted Diversified	1,500,773	13,604,292	11,938,664	306,817
9 * ADOT - BFO	0	0	0	523,101
11 School Facilities Board	49,714	426,358	770,354	11,443
12 CAWCD Medium-Term	404,180	4,889,942	5,071,920	72,895
14 School Facilities Board 2002 Series	47,168	1,086,553	1,690,333	22,947
15 GADA Long-Term	79,676	814,217	645,596	11,482
Subtotal	\$22,406,396	\$424,953,254	\$447,253,857	\$6,962,552
NAV POOL				
500 LGIP LT	163,251	1,525,752	1,322,143	22,803
Total	\$22,569,647	\$426,479,006	\$448,576,000	\$6,985,355

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

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

State Treasurer's Report
July 16, 2008
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FUND	DESCRIPTION	NET EARNINGS	SALES EARNINGS YIELD	AMORT/DISC EARNINGS YIELD	COUPON EARNINGS YIELD	GROSS YIELD
2	STATE AGENCIES I - FULL FAITH & CREDIT	3,140,697	0.0146%	0.5272%	3.0909%	3.6328%
3	STATE AGENCIES II - DIVERSIFIED	5,982,782	-0.1986%	0.3549%	3.0282%	3.1845%
6	STATE AGENCIES III - US GOVT & AGENCY	17,190	0.0000%	1.7461%	0.9334%	2.6794%
8	STATE AGENCIES IV-RESTRICTED DIVERSIFIED	1,816,967	0.0000%	-0.9439%	3.9511%	3.0072%
9	BOARD FUNDING OBLIGATION	433,973	0.0000%	0.0000%	4.8600%	4.8600%
11	SCHOOL FACILITIES BOARD	52,739	0.0000%	0.9663%	1.0658%	2.0321%
12	CAWCD MEDIUM TERM	415,606	0.0000%	-0.2188%	4.7159%	4.4971%
14	SCHOOL FACILITIES BOARD BONDS	64,165	0.0000%	1.4420%	0.8351%	2.2772%
15	GADA	62,519	0.0000%	0.0320%	4.4154%	4.4473%
TOTAL STATE AGENCIES		11,986,637				

LGIP & LGIP-GOV
PORTFOLIO YIELD ANALYSIS
 June 30, 2008

State Treasurer's Report
 July 16, 2008
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FUND	DESCRIPTION	NET EARNINGS	SALES EARNINGS YIELD	AMORT/DISC EARNINGS YIELD	COUPON EARNINGS YIELD	GROSS YIELD
5	LGIP	6,020,335	0.0001%	1.0797%	1.3672%	2.4470%
7	LGIP - GOV	4,134,409	0.0000%	-0.3373%	2.5146%	2.1774%
	TOTAL LGIP & LGIP-GOV	10,154,744				
		04/30/08	05/31/08	06/30/08		
5	LGIP MONTHLY YIELD (NET)	2.58%	2.37%	2.39%		
	S & P LGIP INDEX YIELD	2.73%	2.42%	2.29%		
	LGIP YTD YIELD (NET)	4.40%	4.22%	4.06%		
	S & P LGIP YTD INDEX YIELD	4.39%	4.19%	4.04%		
7	LGIP - GOV MONTHLY YIELD (NET)	2.15%	2.06%	2.12%		
	3 MONTH T-BILL	1.32%	1.77%	1.83%		
	* S & P LGIP - GOV INDEX YIELD	2.46%	2.13%	2.08%		
	LGIP - GOV YTD YIELD (NET)	3.76%	3.58%	3.44%		
	YTD 3 MONTH T-BILL	3.16%	3.00%	2.92%		
	* S & P LGIP - GOV YTD INDEX YIELD	4.21%	3.99%	3.85%		

* 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**
June 30, 2008

State Treasurer's Report
July 16, 2008
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FUND	DESCRIPTION	GROSS EARNINGS	SALES EARNINGS YIELD	AMORT/DISC EARNINGS YIELD	COUPON EARNINGS YIELD	GROSS YIELD
500	LGIP LONG TERM POOL	162,889	-0.0685%	0.2163%	3.5691%	3.7168%
	TOTAL LGIP LONG TERM POOL	162,889				

	04/30/08	05/31/08	06/30/08
LGIP LONG TERM MONTHLY YIELD (NET)	4.13%	4.19%	3.66%
MERRILL 1-5 US D M INDEX MONTHLY YIELD	3.92%	4.31%	4.09%
LGIP LONG TERM YTD YIELD (NET)	4.66%	4.61%	4.49%
MERRILL 1-5 US D M INDEX YTD YIELD	4.33%	4.33%	4.31%

STATE AGENCY POOLS
INVESTMENTS OUTSTANDING

JUNE 30, 2008
(in thousands)

State Treasurer's Report
July 16, 2008
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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	250,000	250,000	250,000	0	
	U.S. Government & Agencies	864,918	867,070	867,353	283	
	Total	1,114,918	1,117,070	1,117,353	283	1.000
3	State Agencies II - Diversified					
	Repurchase Agreements	400,000	400,000	400,000	0	
	U.S. Government & Agencies	916,195	914,790	920,407	5,618	
	Corporate Securities	976,448	975,104	969,107	(5,997)	
	Total	2,292,642	2,289,894	2,289,514	(379)	1.000
6	State Agencies III - US Govt & Agency					
	Repurchase Agreements	0	0	0	0	
	U.S. Government & Agencies	8,000	7,990	7,978	(11)	
	Total	8,000	7,990	7,978	(11)	0.999
8	State Agencies IV - Restricted Diversified					
	Repurchase Agreements	5,000	5,000	5,000	0	
	U.S. Government & Agencies	678,015	680,554	679,411	(1,143)	
	Total	683,015	685,554	684,411	(1,143)	0.998
9	ADOT B.F.O.					
	Board Funding Obligations	110,000	110,000	110,000	0	
	Total	110,000	110,000	110,000	0	1.000
11	School Facilities Board					
	Repurchase Agreements	0	0	0	0	
	U.S. Government & Agencies	15,000	14,930	14,930	1	
	Total	15,000	14,930	14,930	1	1.000
12	CAWCD Medium-Term					
	Money Market Mutual Shares	4,881	4,881	4,881	0	
	U.S. Government & Agencies	65,819	65,934	65,821	(113)	
	Corporate Securities	43,461	43,554	42,546	(1,008)	
	Total	114,161	114,369	113,248	(1,121)	0.990

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

State Treasurer's Report
 July 16, 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	0	0	0	0	
	U.S. Government & Agencies	25,000	24,963	24,944	(19)	
	Total	25,000	24,963	24,944	(19)	0.999
15	GADA					
	Money Market Mutual Shares	3,002	3,002	3,002	0	
	U.S. Government & Agencies	10,358	10,345	10,324	(21)	
	Corporate Securities	4,025	4,044	3,977	(67)	
	Total	17,384	17,391	17,303	(88)	0.995
55	LGIP - NPF					
	<i>NPF Securities</i>	61,939	61,924	0	(61,924)	
	Total	61,939	61,924	0	(61,924)	0.000
TOTALS - AGENCY POOLS						
	Repurchase Agreements	655,000	655,000	655,000	0	
	Money Market Mutual Shares	7,883	7,883	7,883	0	
	Commercial Paper	0	0	0	0	
	U.S. Government & Agencies	2,583,304	2,586,575	2,591,169	4,594	
	Corporate Securities	1,023,934	1,022,702	1,015,630	(7,072)	
	Board Funding Obligations	110,000	110,000	110,000	0	
	<i>NPF Securities</i>	61,939	61,924	0	(61,924)	
	Grand Total	4,442,059	4,444,084	4,379,682	(64,402)	

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

State Treasurer's Report
 July 16, 2008
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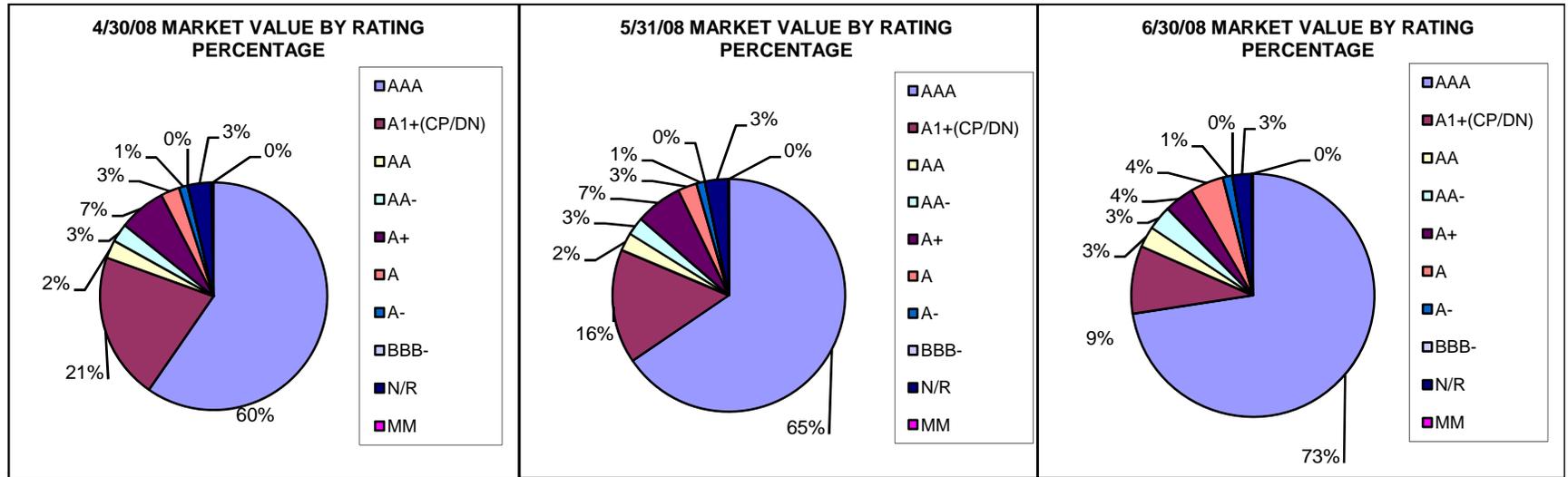
POOL	INVESTMENT POOL	PAR VALUE	BOOK VALUE	MARKET VALUE	UNREALIZED GAINS (LOSSES)	Mkt Value/ Book Value
5	Local Governments					
	Repurchase Agreements	0	0	0	0	
	Commercial Paper	45,000	44,920	44,920	0	
	Certificates of Deposit	5,000	4,985	5,041	56	
	U.S. Government & Agencies	2,316,329	2,313,126	2,312,512	(614)	
	Corporate Securities	855,840	855,104	847,052	(8,052)	
	Total	3,222,169	3,218,135	3,209,524	(8,610)	0.997
7	LGIP - Gov't					
	Repurchase Agreements	1,845,000	1,845,000	1,845,000	0	
	U.S. Government & Agencies	508,838	510,921	511,866	944	
	Total	2,353,838	2,355,921	2,356,866	944	1.000
500	LGIP LT					
	Money Market Mutual Shares	30	30	30	0	
	Commercial Paper	440	439	439	0	
	U.S. Government & Agencies	36,368	36,438	36,518	80	
	Corporate Securities	16,090	16,135	16,032	(103)	
	Dividends Payable/Other	(25)	(25)	(25)	0	
	Total	52,903	53,017	52,994	(23)	
	TOTALS - LGIP POOLS					
	Repurchase Agreements	1,845,000	1,845,000	1,845,000	0	
	Money Market Mutual Shares	30	30	30	0	
	Commercial Paper	45,440	45,358	45,358	0	
	Certificates of Deposit	5,000	4,985	5,041	56	
	U.S. Government & Agencies	2,861,535	2,860,485	2,860,895	410	
	Corporate Securities	871,930	871,240	863,084	(8,155)	
	Dividends Payable/Other	(25)	(25)	(25)	0	
	Grand Total	5,628,910	5,627,073	5,619,384	(7,689)	

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

State Treasurer's Report
 July 16, 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>	53,007	53,320	53,433	113	
	Total	53,007	53,320	53,433	113	1.002

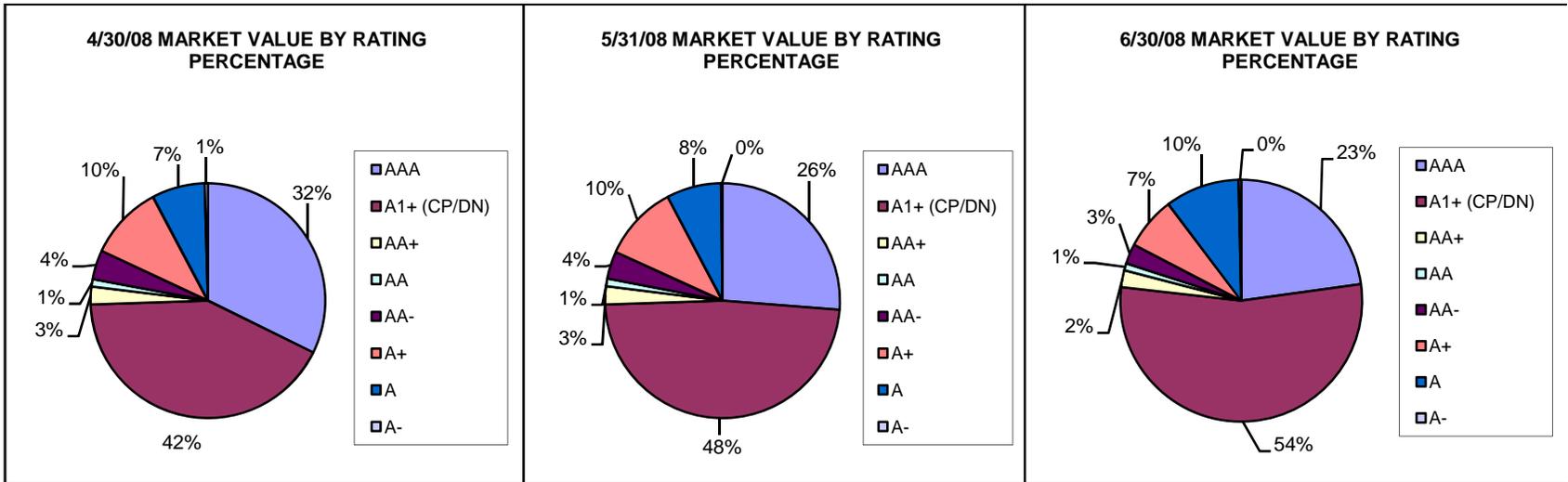
**ARIZONA STATE TREASURER'S OFFICE
RATING SUMMARY
STATE AGENCY POOLS 2, 3, 6, 8, 9, 11 - 15**



	04/30/08			05/31/08			06/30/08		
RATING	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT
AAA	296	\$2,672,339,888	59%	323	\$3,050,862,698	65%	307	\$3,178,212,981	73%
A1+(CP/DN)	32	\$930,328,942	21%	30	\$738,085,392	16%	19	\$395,919,822	9%
AA	7	\$115,954,202	3%	7	\$116,139,754	2%	8	\$121,690,604	3%
AA-	10	\$116,766,525	3%	10	\$116,942,005	3%	13	\$142,270,615	3%
A+	28	\$297,408,666	7%	30	\$302,844,283	7%	20	\$173,539,863	4%
A	11	\$119,989,589	3%	13	\$122,807,529	3%	17	\$194,437,624	4%
A-	3	\$54,632,220	1%	3	\$54,344,780	1%	4	\$54,732,613	1%
BBB-	1	\$966,150	0%	1	\$984,550	0%	1	\$987,690	0%
N/R	14	\$150,007,071	3%	14	\$150,007,071	3%	13	\$110,007,071	3%
MM	2	\$12,993,145	0%	2	\$2,545,358	0%	2	\$7,882,978	0%
TOTAL	404	\$4,471,386,397	100%	433	\$4,655,563,420	100%	404	\$4,379,681,860	100%

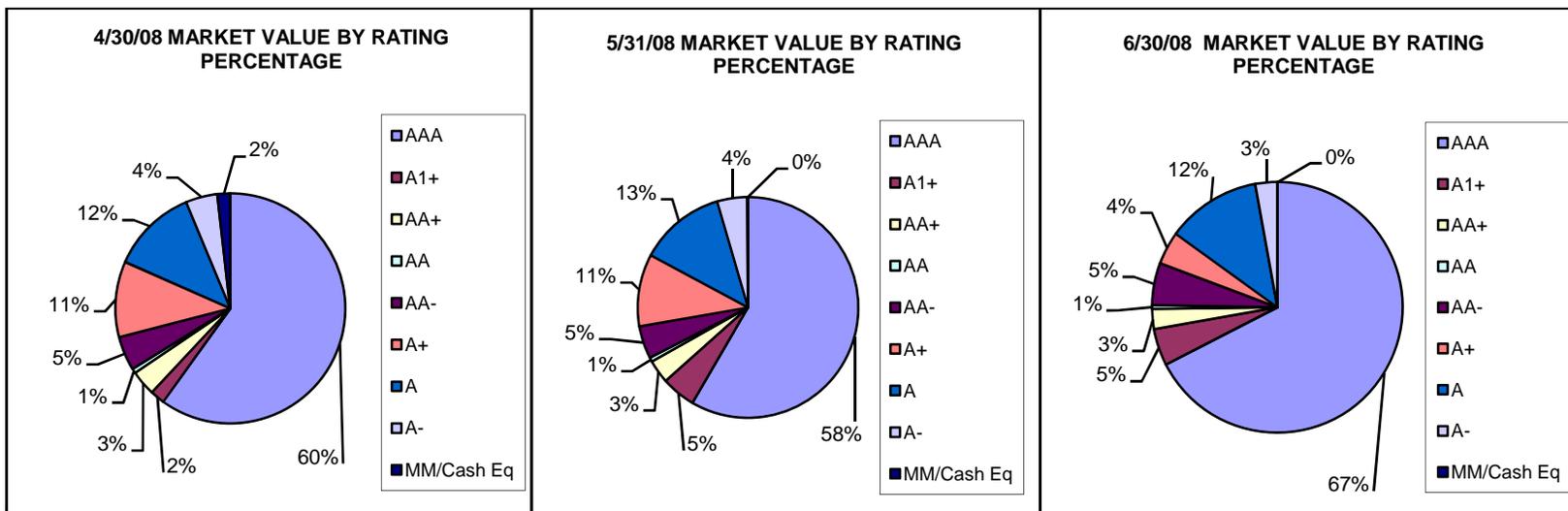
MM = MONEY MARKET (BONY/HAMILTON TREASURY)
N/R = ADOT BONDS (110,000,000), TAX DEFERRED (7,071) AND NCFE

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



RATING	04/30/08			05/31/08			06/30/08		
	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT
AAA	50	\$935,857,332	33%	46	\$762,478,614	26%	44	\$731,897,809	23%
A1+ (CP/DN)	34	\$1,244,923,613	43%	31	\$1,388,597,307	49%	42	\$1,732,886,474	54%
AA+	9	\$72,091,626	2%	9	\$72,224,345	2%	9	\$72,176,180	2%
AA	3	\$29,974,448	1%	3	\$30,118,957	1%	3	\$29,928,945	1%
AA-	10	\$120,133,696	4%	10	\$110,326,915	4%	8	\$85,869,276	3%
A+	20	\$302,932,934	10%	20	\$303,640,949	10%	17	\$226,188,680	7%
A	18	\$216,095,398	7%	19	\$218,598,868	8%	24	\$319,273,149	10%
A-	2	\$13,314,437	0%	1	\$6,315,576	0%	2	\$11,303,970	0%
TOTAL	146	\$2,935,323,483	100%	139	\$2,892,301,531	100%	149	\$3,209,524,482	100%

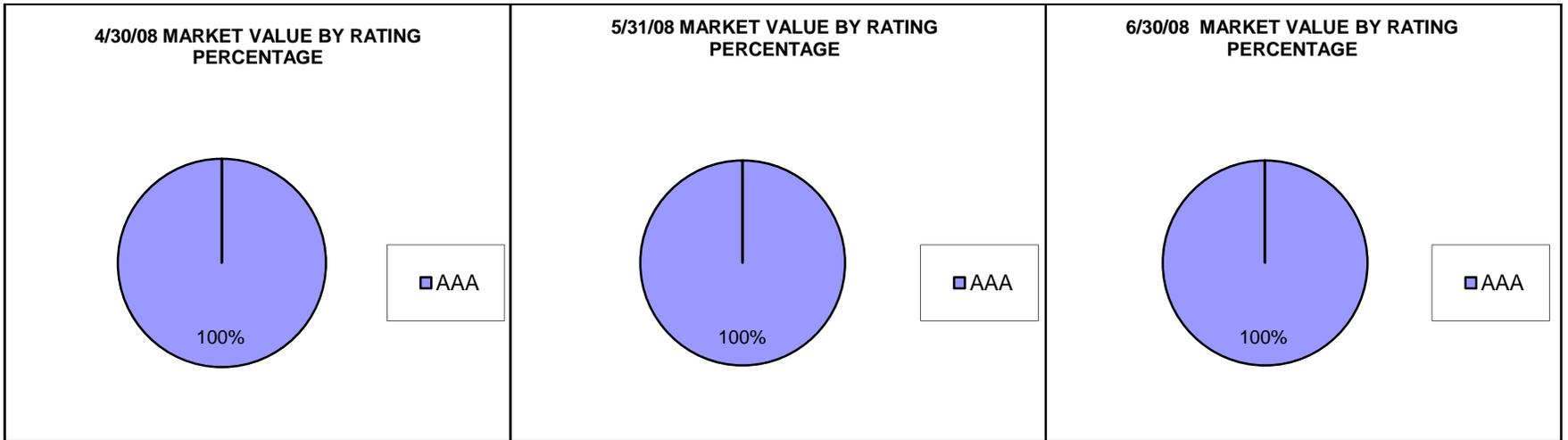
**ARIZONA STATE TREASURER'S OFFICE
RATING SUMMARY
LGIP 500**



	4/30/2008			5/31/2008			6/30/2008		
RATING	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT
AAA	44	\$24,077,022	59%	44	\$23,398,746	58%	56	\$35,734,254	68%
A1+	2	\$808,684	2%	5	\$1,818,635	5%	4	\$2,510,559	5%
AA+	3	\$1,409,818	4%	3	\$1,400,586	3%	3	\$1,396,498	3%
AA	1	\$251,016	1%	1	\$248,215	1%	1	\$248,600	0%
AA-	5	\$1,898,348	5%	5	\$1,885,363	5%	7	\$2,880,965	5%
A+	11	\$4,216,003	11%	11	\$4,201,083	11%	6	\$2,253,698	4%
A	9	\$4,799,046	12%	10	\$5,004,813	13%	14	\$6,471,923	12%
A-	3	\$1,758,343	4%	3	\$1,744,604	4%	3	\$1,492,160	3%
MM/Cash Eq	2	\$720,559	2%	2	\$40,486	0%	2	\$5,100	0%
TOTAL	80	\$39,938,838	100%	84	\$39,742,530	100%	96	\$52,993,755	100%

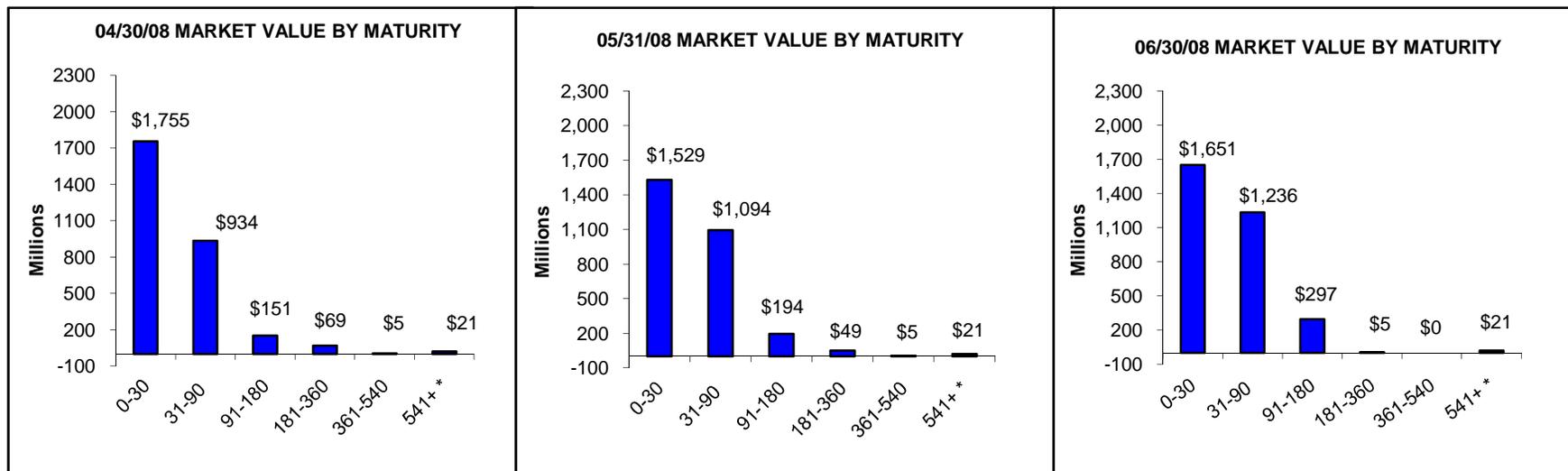
*MM/Cash Equivalent includes dividends payable

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



		04/30/08				05/31/08				06/30/08	
RATING	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT		
AAA	13	\$2,910,795,498	100%	11	\$2,373,155,212	100%	15	\$2,356,865,615	100%		

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

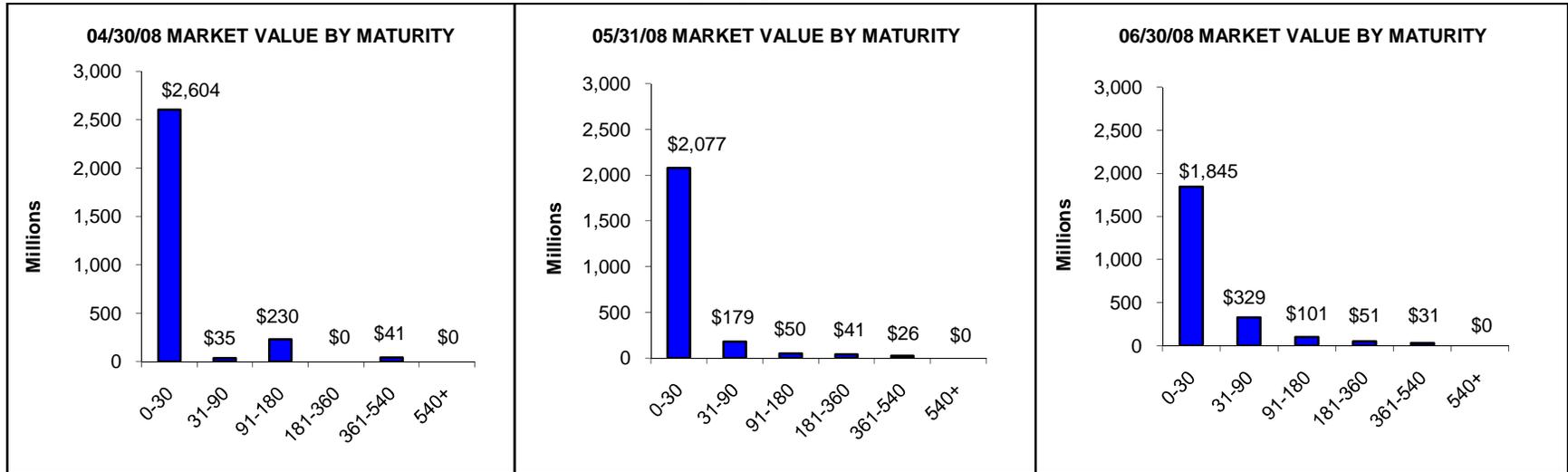


04/30/08				05/31/08			06/30/08		
MATURITY	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT
0-30	75	\$1,754,889,677	60%	65	\$1,529,064,702	53%	61	\$1,650,811,059	51%
31-90	57	\$934,236,545	32%	59	\$1,093,550,045	38%	70	\$1,235,778,833	39%
91-180	8	\$150,634,593	5%	10	\$194,243,232	7%	14	\$296,952,579	9%
181-360	2	\$69,420,000	2%	1	\$49,445,000	2%	1	\$5,041,312	0%
361-540	1	\$5,028,650	0%	1	\$5,058,839	0%	0	\$0	0%
541+ *	3	\$21,114,019	1%	3	\$20,939,713	1%	3	\$20,940,700	1%
TOTAL	146	\$2,935,323,484	100%	139	\$2,892,301,531	100%	149	\$3,209,524,483	100%

04/30/08		05/31/08		06/30/08	
MATURITY	WAM	MATURITY	WAM	MATURITY	WAM
0-30	7.24	0-30	8.02	0-30	5.74
31-90	17.49	31-90	24.19	31-90	22.24
91-180	6.19	91-180	7.90	91-180	11.46
181-360	4.82	181-360	3.09	181-360	0.55
361-540	0.70	361-540	0.66	361-540	0.00
541+	5.63	541+	5.44	541+	4.71
TOTAL	42.07	TOTAL	49.31	TOTAL	44.70

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**



MATURITY	04/30/08			05/31/08			06/30/08		
	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT
0-30	5	\$2,603,952,392	89%	4	\$2,077,092,969	88%	2	\$1,845,000,000	78%
31-90	2	\$35,221,550	1%	4	\$179,223,963	8%	6	\$329,281,169	14%
91-180	5	\$230,430,756	8%	1	\$50,351,563	2%	3	\$100,594,000	4%
181-360	0	\$0	0%	1	\$40,975,000	2%	2	\$51,017,263	2%
361-540	1	\$41,190,800	1%	1	\$25,511,719	1%	2	\$30,973,184	1%
540+	0	\$0	0%	0	\$0	0%	0	\$0	0%
TOTAL	13	\$2,910,795,498	100%	11	\$2,373,155,213	100%	15	\$2,356,865,616	100%

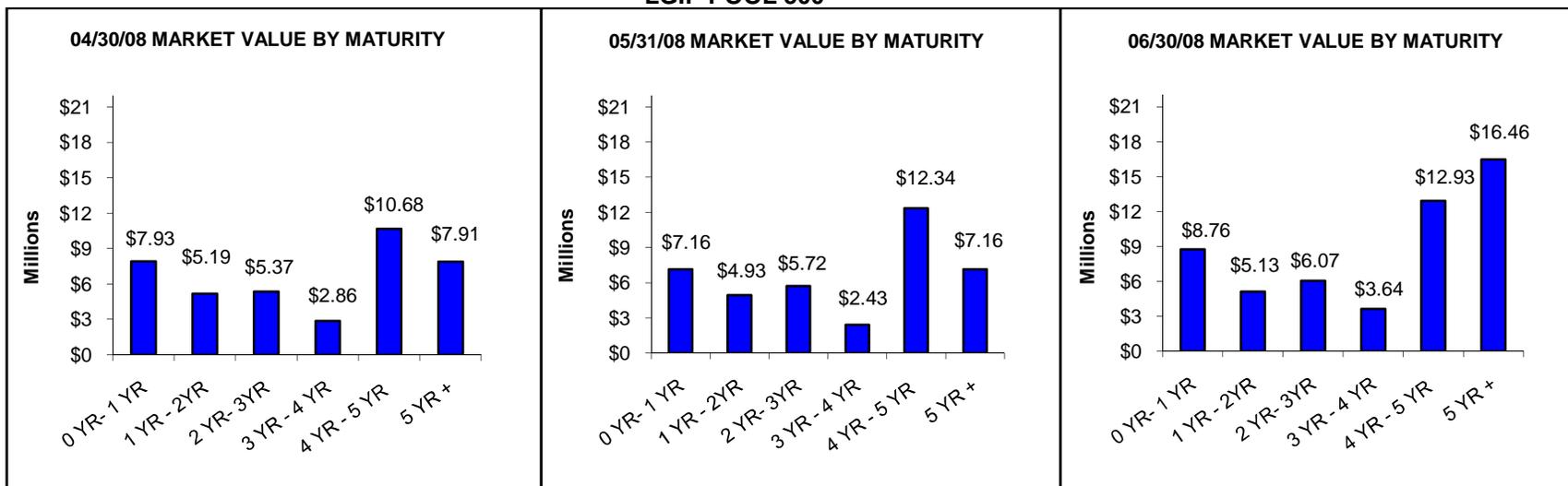
04/30/08	
MATURITY	WAM
0-30	1.52
31-90	0.74
91-180	7.82
181-360	0.00
361-540	5.38
540+	0.00
TOTAL	15.46

05/31/08	
MATURITY	WAM
0-30	2.16
31-90	4.61
91-180	1.95
181-360	6.03
361-540	5.24
540+	0.00
TOTAL	19.99

06/30/08	
MATURITY	WAM
0-30	0.78
31-90	4.99
91-180	4.91
181-360	6.58
361-540	5.87
540+	0.00
TOTAL	23.13

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	04/30/08			05/31/08			06/30/08		
	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT
0 YR- 1 YR	17	\$7,930,115	20%	19	\$7,156,369	18%	19	\$8,759,092	17%
1 YR - 2YR	12	\$5,189,448	13%	11	\$4,931,974	12%	12	\$5,133,897	10%
2 YR- 3YR	14	\$5,365,438	13%	15	\$5,724,895	14%	15	\$6,071,715	11%
3 YR - 4 YR	6	\$2,862,435	7%	5	\$2,425,636	6%	7	\$3,639,222	7%
4 YR - 5 YR	17	\$10,684,742	27%	21	\$12,344,171	31%	24	\$12,927,262	24%
5 YR +	14	\$7,906,659	20%	13	\$7,159,485	18%	19	\$16,462,567	31%
TOTAL	80	\$39,938,838	100%	84	\$39,742,530	100%	96	\$52,993,755	100%

	4/30/2008	5/31/2008	6/30/2008
LGIP LT MONTHLY DURATION	1.64	1.90	2.17
MERRILL 1-5 US DOMESTIC MASTER INDEX	2.52	2.76	2.61

*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 June 30, 2008
 (in millions of dollars)

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<u>Month</u>	<u>Fiscal Year</u> <u>2005/2006</u>	<u>Fiscal Year</u> <u>2006/2007</u>	<u>Fiscal Year</u> <u>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	890
JUNE	2,635	2,079	815
Y-T-D			
Average	\$2,268	\$2,258	\$1,597

**EARNINGS DISTRIBUTED
ENDOWMENT FUNDS
JUNE 2008**

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Distributed in Current Month

Recipient	June-08	Fiscal YTD 07/08	Fiscal YTD 06/07
101 A & M Colleges	\$32,736	\$392,769	\$201,319
102 State Hospital	\$16,297	\$195,531	\$124,204
103 Leg., Exec., & Jud.	\$21,522	\$258,219	\$122,537
104 Military Institute	\$1,686	\$20,229	\$9,949
105 Miners Hospital	\$26,015	\$312,123	\$158,276
107 Normal School ASU/NAU	\$8,418	\$100,995	\$46,082
108 Penitentiaries	\$23,555	\$282,609	\$140,515
109 Permanent Common School	\$5,775,855	\$69,297,633	\$32,351,317
110 School for Deaf & Blind	\$13,834	\$165,981	\$87,629
111 School of Mines	\$26,908	\$322,836	\$133,902
112 State Charitable-Pioneers Home	\$120,232	\$1,442,553	\$701,592
112 State Charitable-Corrections	\$60,116	\$721,278	\$350,796
112 State Charitable-Youth Treatment	\$60,116	\$721,278	\$350,796
113 University Fund	\$42,084	\$504,909	\$226,823
114 U of A Land - 1881	\$97,302	\$1,167,414	\$566,953
Total	\$6,326,676	\$75,906,357	\$35,572,689

Posted in USAS in current month

ENDOWMENT FUNDS
PORTFOLIO YIELD ANALYSIS
 June 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	4,927,778	-0.0822%	-0.2563%	5.0670%	4.7285%
	TOTAL ENDOWMENTS - FIXED INCOME	4,927,778				

RETURN ANALYSIS
ENDOWMENT FUNDS
(\$ In Thousands)

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ENDOWMENT FUNDS	JUNE 2008 MONEY WEIGHTED RETURN	FISCAL YEAR 2007/2008 MONEY WEIGHTED RETURN
101 A & M Colleges	-3.70%	-2.18%
102 State Hospital	-3.80%	-2.40%
103 Leg., Exec., & Jud.	-3.53%	-1.85%
104 Military Institute	-3.44%	-1.61%
105 Miners Hospital	-3.72%	-2.02%
107 Normal School ASU/NAU	-3.63%	-2.06%
108 Penitentiaries	-3.52%	-1.86%
109 Permanent Common School	-3.71%	-2.46%
110 School for Deaf & Blind	-3.55%	-1.88%
111 School of Mines	-3.65%	-2.15%
112 State Charitable	-3.83%	-2.60%
113 University Fund	-3.66%	-2.06%
114 U Of A Land - 1881	-3.62%	-2.08%
<hr/>		
WEIGHTED PORTFOLIO RETURN	-3.93%	-2.31%
WEIGHTED BENCHMARK	-4.16%	-2.63%
S&P 500 EQUITY FUND RETURN:	-8.34%	-12.99%
S & P 500 LARGE CAP INDEX:	-8.43%	-13.12%
BOND FUND RETURN:	0.26%	6.52%
CITIGROUP BIG INDEX RETURN:	0.12%	7.76%
S&P 400 EQUITY FUND RETURN:	-6.25%	-2.67%
S&P 400 MID-CAP INDEX:	-7.03%	-7.34%
*MONEY MARKET RETURN:	2.44%	4.26%
*S&P LGIP INDEX RETURN:	2.29%	4.04%

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.

	Apr-08	May-08	Jun-08	Apr-08	May-08	Jun-08
S&P 500	4.87%	1.30%	-8.43%	1385.59	1400.38	1280.00
S&P 400	7.71%	5.29%	-7.03%	838.84	881.96	818.99
S&P 600	4.01%	4.42%	-7.56%	378.90	395.31	364.94
DOW JONES	4.54%	-1.41%	-10.19%	12820.13	12638.32	11350.01
NASDAQ	5.90%	4.69%	-9.06%	2412.80	2522.66	2292.98

NET REALIZED CAPITAL GAINS / LOSSES - ENDOWMENT FUNDS

Endowment Fund -----	Jun-08 NET GAIN(LOSS) -----	FISCAL YTD GAINS(LOSSES) -----
Fixed Income Pool Net Gain (Loss)	(104,813)	(479,024)
Equity Pool (500) Net Gain (Loss)	(1,020,346)	5,691,179
Equity Pool (400) Net Gain (Loss)	161,323	14,799,937
Totals	(963,836) =====	20,012,092 =====

ENDOWMENT FUNDS FIXED-INCOME POOL
PURCHASES & SALES
 Month of June 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&P RATING</u>
FHLB	4.88	11/18/2011	N/A	\$5,000,000	\$5,120,355	4.11	Aaa/AAA
FHLB	4.88	11/18/2011	N/A	\$5,000,000	\$5,138,980	3.99	Aaa/AAA
FHLMC	5.00	4/1/2023	4.98	\$4,931,713	\$4,936,336	5.00	Aaa/AAA
FHLMC	5.00	7/1/2015	2.48	\$9,802,376	\$9,929,500	4.79	Aaa/AAA
FHLMC	5.13	6/15/2018	2.30	\$10,000,000	\$9,983,203	5.16	Aaa/AAA
U.S. TREASURY NOTE	4.88	2/15/2012	N/A	\$5,000,000	\$5,307,031	3.10	Aaa/AAA
U.S. TREASURY NOTE	4.88	7/31/2011	N/A	\$5,000,000	\$5,278,711	3.00	Aaa/AAA
U.S. TREASURY NOTE	2.63	5/31/2010	N/A	\$5,000,000	\$4,959,375	3.05	Aaa/AAA
U.S. TREASURY NOTE	6.00	8/15/2009	N/A	\$10,000,000	\$10,382,031	2.62	Aaa/AAA
U.S. TREASURY NOTE	5.00	2/15/2011	N/A	\$5,000,000	\$5,241,406	3.09	Aaa/AAA
U.S. TREASURY NOTE	8.88	8/15/2017	N/A	\$5,000,000	\$6,806,836	4.09	Aaa/AAA
TOTAL ENDOWMENT FUNDS PURCHASES				\$69,734,088	\$73,083,765		

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&P RATING</u>
SLMA CORP.	4.00	1/15/2009	\$7,000,000	\$6,912,500	(\$85,629)	Baa2/BBB-
TOTAL ENDOWMENT FUNDS SALES			\$7,000,000	\$6,912,500	(\$85,629)	

*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
Month of June 2008

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I. Equity Fund Purchases

	<u>SHARES</u>	<u>PURCHASE COST</u>	<u>COMMISSIONS</u>
S&P 400 Mid-Cap Fund	735,014	\$33,894,670	\$11,025
S&P 500 Large-Cap Fund	296,977	\$12,188,809	\$4,083
TOTAL EQUITY PURCHASES	1,031,991	\$46,083,479	\$15,108

II. Equity Funds Sales

	<u>SHARES</u>	<u>SALES AMOUNT</u>	<u>COMMISSIONS</u>
S&P 400 Mid-Cap Fund	1,207,418	\$38,117,111	\$16,058
S&P 500 Large-Cap Fund	260,913	\$13,424,653	\$4,032
TOTAL EQUITY SALES	1,468,331	\$51,541,764	\$20,090

ENDOWMENT FUNDS
INVESTMENTS OUTSTANDING
 JUNE 30, 2008
 (In Thousands)

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FUND	NAME OF FUND	SHARES OUTSTANDING	BOOK VALUE	MARKET VALUE	UNREALIZED GAINS (LOSSES)	Mkt Value/ Book Value
101	A & M Colleges					
	<i>Shares in S&P 500 Index Fund</i>	2,560	2,332	2,734	403	
	<i>Shares in Fixed Income Fund</i>	2,840	3,135	4,078	942	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	836	800	1,503	703	
	Total	6,236	6,267	8,315	2,048	1.327
102	State Hospital					
	<i>Shares in S&P 500 Index Fund</i>	1,537	1,321	1,641	321	
	<i>Shares in Fixed Income Fund</i>	1,577	1,776	2,265	489	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	440	452	790	338	
	Total	3,554	3,549	4,696	1,148	1.323
103	Leg., Exec., & Jud.					
	<i>Shares in S&P 500 Index Fund</i>	1,982	1,950	2,117	167	
	<i>Shares in Fixed Income Fund</i>	2,387	2,622	3,427	805	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	645	669	1,159	490	
	Total	5,014	5,241	6,703	1,463	1.279
104	Military Institute					
	<i>Shares in S&P 500 Index Fund</i>	135	134	144	9	
	<i>Shares in Fixed Income Fund</i>	171	182	246	64	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	47	46	85	39	
	Total	353	363	474	112	1.308
105	Miners Hospital					
	<i>Shares in S&P 500 Index Fund</i>	3,629	3,589	3,876	287	
	<i>Shares in Fixed Income Fund</i>	3,857	4,825	5,538	713	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	1,029	1,228	1,850	621	
	Total	8,515	9,642	11,263	1,621	1.168

ENDOWMENT FUNDS
INVESTMENTS OUTSTANDING
 JUNE 30, 2008
 (In Thousands)

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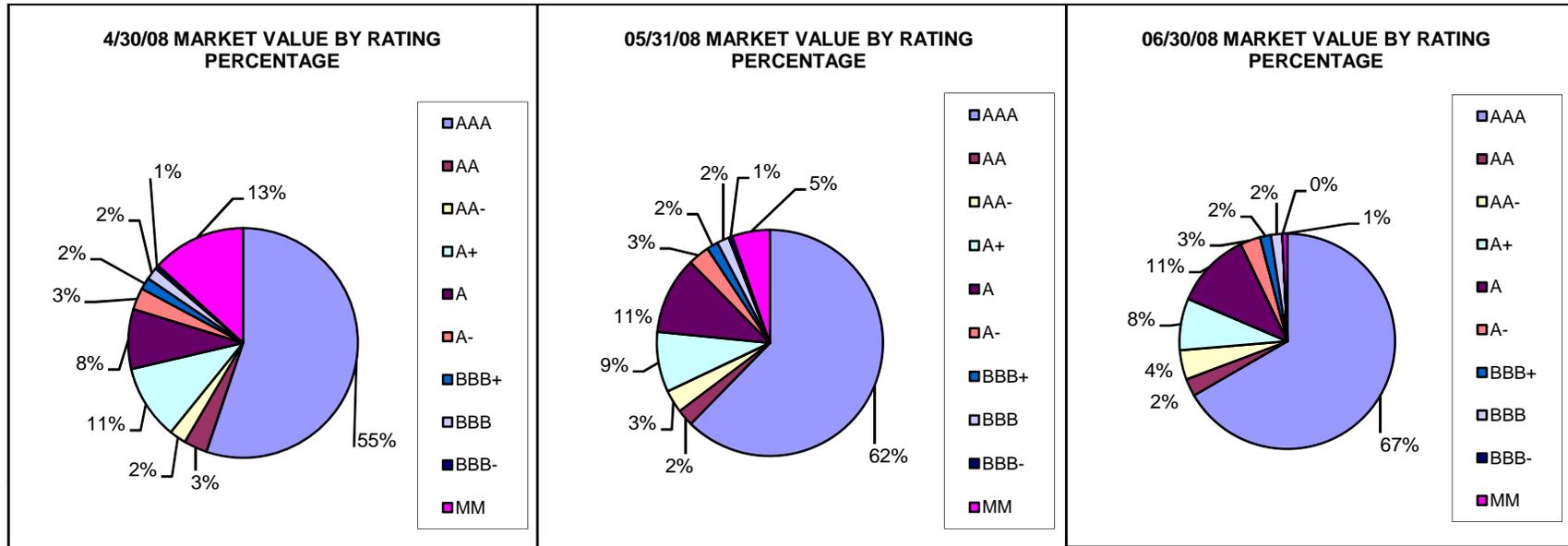
FUND	NAME OF FUND	SHARES OUTSTANDING	BOOK VALUE	MARKET VALUE	UNREALIZED GAINS (LOSSES)	Mkt Value/ Book Value
107	Normal School ASU/NAU					
	<i>Shares in S&P 500 Index Fund</i>	845	803	902	100	
	<i>Shares in Fixed Income Fund</i>	957	1,083	1,374	291	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	261	275	469	194	
	Total	2,063	2,161	2,745	584	1.270
108	Penitentiaries					
	<i>Shares in S&P 500 Index Fund</i>	2,116	2,022	2,260	238	
	<i>Shares in Fixed Income Fund</i>	2,553	2,720	3,665	946	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	687	693	1,234	541	
	Total	5,355	5,434	7,159	1,725	1.317
109	Permanent Common School					
	<i>Shares in S&P 500 Index Fund</i>	764,152	745,114	816,236	71,123	
	<i>Shares in Fixed Income Fund</i>	819,590	1,000,883	1,176,874	175,991	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	216,796	255,156	389,544	134,387	
	Total	1,800,538	2,001,153	2,382,654	381,501	1.191
110	School for Deaf & Blind					
	<i>Shares in S&P 500 Index Fund</i>	1,167	1,106	1,246	140	
	<i>Shares in Fixed Income Fund</i>	1,392	1,488	1,999	511	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	382	379	686	307	
	Total	2,941	2,974	3,932	958	1.322
111	School of Mines					
	<i>Shares in S&P 500 Index Fund</i>	2,900	2,835	3,098	262	
	<i>Shares in Fixed Income Fund</i>	3,253	3,810	4,671	861	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	892	972	1,603	631	
	Total	7,045	7,617	9,371	1,754	1.230

ENDOWMENT FUNDS
INVESTMENTS OUTSTANDING
 JUNE 30, 2008
 (In Thousands)

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FUND	NAME OF FUND	SHARES OUTSTANDING	BOOK VALUE	MARKET VALUE	UNREALIZED GAINS (LOSSES)	Mkt Value/ Book Value
112	State Charitable					
	<i>Shares in S&P 500 Index Fund</i>	32,382	30,206	34,589	4,383	
	<i>Shares in Fixed Income Fund</i>	32,282	40,567	46,355	5,788	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	8,518	10,344	15,305	4,961	
	Total	73,182	81,117	96,250	15,133	1.187
113	University Fund					
	<i>Shares in S&P 500 Index Fund</i>	4,804	4,630	5,132	502	
	<i>Shares in Fixed Income Fund</i>	5,348	6,221	7,680	1,459	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	1,453	1,586	2,611	1,025	
	Total	11,606	12,437	15,423	2,986	1.240
114	U Of A Land - 1881					
	<i>Shares in S&P 500 Index Fund</i>	9,868	9,464	10,540	1,076	
	<i>Shares in Fixed Income Fund</i>	11,231	12,721	16,126	3,405	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	3,052	3,243	5,483	2,240	
	Total	24,150	25,429	32,150	6,721	1.264
TOTALS - ALL FUNDS						
	<i>Shares in S&P 500 Index Fund</i>	828,076	805,506	884,517	79,011	
	<i>Shares in Fixed Income Fund</i>	887,438	1,082,033	1,274,298	192,265	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	235,037	275,843	422,320	146,477	
	Grand Total	1,950,551	2,163,383	2,581,135	417,753	

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



	04/30/08			05/31/08			06/30/08		
RATING	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT
AAA	108	\$703,336,295	55%	120	\$789,704,610	62%	128	\$851,246,701	66%
AA	7	\$41,977,050	3%	5	\$30,204,550	2%	6	\$32,986,900	3%
AA-	5	\$30,271,913	2%	7	\$41,054,998	3%	8	\$50,895,911	4%
A+	21	\$134,142,841	11%	17	\$108,293,544	9%	16	\$97,674,042	8%
A	16	\$107,405,010	8%	21	\$138,780,370	11%	21	\$138,880,915	11%
A-	7	\$39,012,705	3%	7	\$38,420,145	3%	7	\$38,060,486	3%
BBB+	4	\$21,124,860	2%	4	\$20,730,070	2%	4	\$20,663,560	2%
BBB	3	\$22,021,205	2%	3	\$21,739,360	2%	3	\$21,794,150	2%
BBB-	1	\$6,763,050	1%	1	\$6,891,850	1%	0	\$0	0%
MM	2	\$168,893,492	13%	2	\$59,389,733	5%	2	\$9,051,922	1%
TOTAL	174	\$1,274,948,420	100%	187	\$1,255,209,229	100%	195	\$1,261,254,587	100%

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

EQUITY HOLDINGS
INVESTMENTS OUTSTANDING

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<u>POOL #</u>	<u>POOL DESCRIPTION</u>	<u>S&P SECTOR</u>	<u>MARKET VALUE</u>	<u>% POOL BALANCE</u>	<u>% S&P 500 BALANCE</u>	<u>DIFFERENCE</u>
201	S&P 500 INDEX					
		CONSUMER DISCRETIONARY	65,306	8.11%	8.11%	0.00%
		CONSUMER STAPLES	86,811	10.78%	10.78%	0.00%
		ENERGY	130,516	16.20%	16.21%	-0.01%
		FINANCIALS	114,794	14.25%	14.24%	0.01%
		HEALTH CARE	96,034	11.92%	11.91%	0.01%
		INDUSTRIALS	89,530	11.11%	11.12%	0.00%
		INFORMATION TECHNOLOGY	132,307	16.43%	16.43%	0.00%
		MATERIALS	31,407	3.90%	3.90%	0.00%
		TELECOMMUNICATION SERVICES	26,734	3.32%	3.32%	0.00%
		UTILITIES	32,074	3.98%	3.98%	0.00%
		TOTALS LESS CASH / SPDR'S:	805,513	100.00%	100.00%	
		SPYDER'S	76,150			
		CASH **	2,855			
		TOTAL:	<u>884,517</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.

EQUITY HOLDINGS
INVESTMENTS OUTSTANDING
June 30, 2008
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<u>POOL #</u>	<u>POOL DESCRIPTION</u>	<u>S & P SECTOR</u>	<u>MARKET</u> <u>VALUE</u>	<u>% POOL</u> <u>BALANCE</u>	<u>% S&P 400</u> <u>BALANCE</u>	<u>DIFFERENCE</u>
203	S&P 400 INDEX					
	CONSUMER DISCRETIONARY		19,532	7.34%	11.70%	-4.36%
	CONSUMER STAPLES		8,585	3.23%	3.01%	0.22%
	ENERGY		37,192	13.98%	11.03%	2.95%
	FINANCIALS		39,368	14.79%	14.71%	0.08%
	HEALTH CARE		28,377	10.66%	10.24%	0.42%
	INDUSTRIALS		48,729	18.31%	17.21%	1.10%
	INFORMATION TECHNOLOGY		33,316	12.52%	14.63%	-2.11%
	MATERIALS		23,655	8.89%	8.52%	0.37%
	TELECOMMUNICATION SERVICES		1,673	0.63%	0.57%	0.06%
	UTILITIES		25,681	9.65%	8.38%	1.27%
	TOTALS LESS CASH / SPDR'S:		266,109	100.00%	100.00%	
	SPYDER'S		146,319			
	CASH **		9,891			
	TOTAL:		422,320			

*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

JUNE 30, 2008

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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	\$3,132	\$4,237	\$1,105
102	State Hospital	1,773	2,431	659
103	Leg., Exec., & Jud.	2,619	3,276	657
104	Military Institute	180	229	48
105	Miners Hospital	4,818	5,726	908
107	Normal School	1,078	1,371	293
108	Penitentiaries	2,714	3,494	779
109	Permanent Common School	1,000,270	1,205,780	205,510
110	School for Deaf & Blind	1,486	1,933	447
111	School of Mines	3,807	4,700	893
112	State Charitable	40,550	49,894	9,344
113	University Fund	6,216	7,743	1,527
114	U of A Land - 1881	12,708	16,024	3,316
	Totals:	<u>\$1,081,350</u>	<u>\$1,306,837</u>	<u>\$225,487</u>

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

BROKER ACTIVITY REPORT
STATE AGENCY FUNDS 2, 3, 6, 8, 9, 11-15, 55
APRIL 1 - JUNE 30, 2008

<i>Broker Name</i>	<i>Asset Group</i>	<i>Sum Of Book Value</i>	<i>Pct Of Type</i>	<i>Pct Of Total</i>
BA SECURITIES INC.				
	REPO	10,600,000,000	44.01%	36.48%
	US-AGENCY	178,475,000	4.36%	0.61%
	US TREAS	95,000,000	27.94%	0.33%
BEAR STEARNS & CO.				
	CORP NOTES	26,000,000	31.96%	0.09%
BARCLAYS CAPITAL INC.				
	US-AGENCY	2,043,394,000	49.88%	7.03%
	US TREAS	75,000,000	22.06%	0.26%
BONY MONEY MARKET				
	MONEY-MARK	52,447,629	100.00%	0.18%
CANTOR FITZGERALD				
	CORP CMO	1,076,347	100.00%	0.00%
	CORP NOTES	4,000,000	4.92%	0.01%
	US-AGENCY	114,265,000	2.79%	0.39%
	USA-MBS	154,641,660	49.63%	0.53%
CITIGROUP				
	REPO	6,777,500,000	28.14%	23.32%
	CORP NOTES	25,000,000	30.74%	0.09%
	US-AGENCY	27,000,000	0.66%	0.09%
	USA-MBS	71,575,361	22.97%	0.25%
DEUTSCHE BANC				
	REPO	5,820,300,000	24.17%	20.03%
	US TREAS	100,000,000	29.41%	0.34%

BROKER ACTIVITY REPORT
STATE AGENCY FUNDS 2, 3, 6, 8, 9, 11-15, 55
APRIL 1 - JUNE 30, 2008

<i>Broker Name</i>	<i>Asset Group</i>	<i>Sum Of Book Value</i>	<i>Pct Of Type</i>	<i>Pct Of Total</i>
FIRST TENNESSEE				
	CORP NOTES	5,340,000	6.57%	0.02%
	US AGENCY	290,120,000	7.08%	1.00%
	US TREAS	40,000,000	11.76%	0.14%
GOLDMAN SACHS				
	US-AGENCY	48,526,000	1.18%	0.17%
JP MORGAN				
	COMM-PAP	20,000,000	66.67%	0.07%
	CD'S	50,000,000	100.00%	0.17%
	US-AGENCY	80,000,000	1.95%	0.28%
	US TREAS	20,000,000	5.88%	0.07%
	USA-MBS	67,414,001	21.64%	0.23%
LEHMAN BROTHERS				
	CORP NOTES	20,000,000	24.59%	0.07%
MERRILL LYNCH				
	COMM-PAP	10,000,000	33.33%	0.03%
	CORP ABS	13,900,000	100.00%	0.05%
	US-AGENCY	268,005,000	6.54%	0.92%
	US TREAS	10,000,000	2.94%	0.03%
MIZUHO SECURITIES				
	REPO	885,000,000	3.67%	3.05%
	US-AGENCY	380,000,000	9.28%	1.31%
MORGAN STANLEY				
	US-AGENCY	525,000,000	12.82%	1.81%

BROKER ACTIVITY REPORT
STATE AGENCY FUNDS 2, 3, 6, 8, 9, 11-15, 55
APRIL 1 - JUNE 30, 2008

<i>Broker Name</i>	<i>Asset Group</i>	<i>Sum Of Book Value</i>	<i>Pct Of Type</i>	<i>Pct Of Total</i>
RAYMOND JAMES & ASSOCIATES				
	US-AGENCY	10,387,000	0.25%	0.04%
RBS GREENWICH CAPITAL				
	US-AGENCY	10,000,000	0.24%	0.03%
STIFFEL NICOLAUS				
	CORP NOTES	1,000,000	1.23%	0.00%
	US-AGENCY	46,405,000	1.13%	0.16%
UBS PAINE WEBBER				
	US-AGENCY	75,000,000	1.83%	0.26%
	USA-MBS	17,959,607	5.76%	0.06%

BROKER ACTIVITY REPORT
POOL 5 - L.G.I.P.
APRIL 1 - JUNE 30, 2008

<i>Broker Name</i>	<i>Asset Group</i>	<i>Sum Of Book Value</i>	<i>Pct Of Type</i>	<i>Pct Of Total</i>
BA SECURITIES INC.				
	REPO	642,000,000	45.05%	8.37%
	CORP NOTES	10,000,000	17.42%	0.13%
	US-AGENCY	270,000,000	4.45%	3.52%
BARCLAYS CAPITAL INC.				
	CORP NOTES	10,000,000	17.42%	0.13%
	US-AGENCY	1,669,280,000	27.50%	21.76%
CANTOR FITZGERALD				
	US-AGENCY	2,000,000	0.03%	0.03%
	US TREAS	25,000,000	100.00%	0.33%
CITIGROUP				
	REPO	267,000,000	18.74%	3.48%
	US-AGENCY	457,000,000	7.53%	5.96%
DEUTSCHE BANC				
	REPO	466,000,000	32.70%	6.07%
	US-AGENCY	394,572,000	6.50%	5.14%
FIRST TENNESSEE				
	US-AGENCY	244,830,000	4.03%	3.19%
J.P. MORGAN				
	COMM-PAP	75,000,000	78.95%	0.98%
	CORP NOTES	13,630,000	23.74%	0.18%
	US-AGENCY	107,000,000	1.76%	1.39%
LEHMAN BROTHERS				
	US-AGENCY	19,046,000	0.31%	0.25%

BROKER ACTIVITY REPORT
POOL 5 - L.G.I.P.
APRIL 1 - JUNE 30, 2008

<i>Broker Name</i>	<i>Asset Group</i>	<i>Sum Of Book Value</i>	<i>Pct Of Type</i>	<i>Pct Of Total</i>
MERRILL LYNCH				
	COMM-PAP	20,000,000	21.05%	0.26%
	US-AGENCY	820,646,000	13.52%	10.70%
MIZUHO SECURITIES				
	REPO	50,000,000	3.51%	0.65%
	CORP NOTES	5,000,000	8.71%	0.07%
	US-AGENCY	319,959,000	5.27%	4.17%
MORGAN STANLEY				
	CORP NOTES	18,775,000	32.71%	0.24%
	US-AGENCY	1,195,654,000	19.70%	15.58%
RBS GREENWICH CAPITAL				
	US-AGENCY	75,000,000	1.24%	0.98%
SECURITIES TRANSFERS (NO BROKER)				
	US-AGENCY	500,000	0.01%	0.01%
UBS PAINE WEBBER				
	US-AGENCY	495,000,000	8.15%	6.45%

BROKER ACTIVITY REPORT
POOL 500 - L.G.I.P. LONG-TERM
APRIL 1 - JUNE 30, 2008

<i>Broker Name</i>	<i>Asset Group</i>	<i>Sum Of Book Value</i>	<i>Pct Of Type</i>	<i>Pct Of Total</i>
BA SECURITIES INC.				
	CORP NOTES	1,250,000	20.33%	1.06%
	US AGENCY	2,855,000	6.15%	2.41%
BEAR STEARNS & CO				
	US AGENCY	500,000	1.08%	0.42%
BARCLAYS CAPITAL INC.				
	US AGENCY	15,375,000	33.14%	13.00%
	US TREAS	950,000	48.72%	0.80%
BONY MONEY MARKET				
	MONEY-MARK	51,137,832	100.00%	43.25%
CANTOR FITZGERALD				
	US AGENCY	1,000,000	2.16%	0.85%
	USA-MBS	7,542,197	70.27%	6.38%
CITIGROUP				
	CORP NOTES	1,600,000	26.02%	1.35%
	USA-MBS	1,989,258	18.53%	1.68%
DEUTSCHE BANC				
	CORP NOTES	500,000	8.13%	0.42%
	US AGENCY	2,500,000	5.39%	2.11%
	US TREAS	250,000	12.82%	0.21%
FIRST TENNESSEE				
	US AGENCY	1,000,000	2.16%	0.85%
	US TREAS	500,000	25.64%	0.42%

BROKER ACTIVITY REPORT
POOL 500 - L.G.I.P. LONG-TERM
APRIL 1 - JUNE 30, 2008

<i>Broker Name</i>	<i>Asset Group</i>	<i>Sum Of Book Value</i>	<i>Pct Of Type</i>	<i>Pct Of Total</i>
GOLDMAN SACHS				
	CORP NOTES	250,000	4.07%	0.21%
J.P. MORGAN				
	COMM-PAP	1,119,000	60.19%	0.95%
	CORP NOTES	1,650,000	26.83%	1.40%
	US AGENCY	40,000	0.09%	0.03%
LEHMAN BROTHERS				
	COMM-PAP	200,000	10.76%	0.17%
MERRILL LYNCH				
	COMM-PAP	540,000	29.05%	0.46%
	US AGENCY	500,000	1.08%	0.42%
	USA-MBS	739,757	6.89%	0.63%
MIZUHO SECURITIES				
	US AGENCY	2,225,000	4.80%	1.88%
MORGAN STANLEY				
	CORP NOTES	900,000	14.63%	0.76%
	US AGENCY	9,363,000	20.18%	7.92%
	USA-MBS	462,106	4.31%	0.39%
RBS GREENWICH CAPITAL				
	US TREAS	250,000	12.82%	0.21%
SECURITIES TRANSFERS (NO BROKER)				
	US AGENCY	500,000	1.08%	0.42%
UBS PAINE WEBBER				
	US AGENCY	10,538,000	22.71%	8.91%

BROKER ACTIVITY REPORT
POOL 7 - L.G.I.P.- GOV
APRIL 1 - JUNE 30, 2008

<i>Broker Name</i>	<i>Asset Group</i>	<i>Sum Of Book Value</i>	<i>Pct Of Type</i>	<i>Pct Of Total</i>
BA SECURITIES INC.				
	REPO	20,198,000,000	20.77%	20.67%
	US TREAS	50,000,000	10.53%	0.05%
BARCLAYS CAPITAL INC.				
	US TREAS	50,000,000	10.53%	0.05%
CANTOR FITZGERALD				
	US TREAS	100,000,000	21.05%	0.10%
CITIGROUP				
	REPO	23,305,500,000	23.97%	23.85%
DEUTSCHE BANC				
	REPO	48,040,700,000	49.41%	49.17%
	US TREAS	150,000,000	31.58%	0.15%
MERRILL LYNCH				
	US TREAS	50,000,000	10.53%	0.05%
MIZUHO SECURITIES				
	REPO	5,680,000,000	5.84%	5.81%
	US TREAS	25,000,000	5.26%	0.03%
RAYMOND JAMES & ASSOCIATES				
	US AGENCY	5,498,000	100.00%	0.01%
RBS GREENWICH CAPITAL				
	US TREAS	50,000,000	10.53%	0.05%

**BROKER ACTIVITY REPORT
FIXED INCOME FUND 205
APRIL 1 - JUNE 30, 2008**

<i>Broker Name</i>	<i>Asset Group</i>	<i>Sum Of Book Value</i>	<i>Pct Of Type</i>	<i>Pct Of Total</i>
BA SECURITIES INC.				
	US TREAS	25,000,000	20.83%	4.17%
	CORP-NOTE	7,000,000	10.69%	1.17%
BARCLAYS CAPITAL INC.				
	CORP-NOTE	7,000,000	10.69%	1.17%
	US AGENCY	10,000,000	19.67%	1.67%
	US TREAS	25,000,000	20.83%	4.17%
BONY MONEY MARKET				
	MONEY-MARK	330,531,404	100.00%	55.16%
CANTOR FITZGERALD				
	US AGENCY	10,827,000	21.30%	1.81%
	US TREAS	5,000,000	4.17%	0.83%
	USA-MBS	9,802,376	30.31%	1.64%
CITIGROUP				
	CORP-NOTE	10,000,000	15.27%	1.67%
	US TREAS	40,000,000	33.33%	6.68%
	USA-MBS	10,000,000	30.92%	1.67%
DEUTSCHE BANC				
	US AGENCY	5,000,000	9.84%	0.83%
FIRST TENNESSEE				
	US TREAS	20,000,000	16.67%	3.34%
J.P. MORGAN				
	CORP-NOTE	5,000,000	7.63%	0.83%

**BROKER ACTIVITY REPORT
FIXED INCOME FUND 205
APRIL 1 - JUNE 30, 2008**

<i>Broker Name</i>	<i>Asset Group</i>	<i>Sum Of Book Value</i>	<i>Pct Of Type</i>	<i>Pct Of Total</i>
LEHMAN BROTHERS				
	CORP-NOTE	17,000,000	25.95%	2.84%
	US AGENCY	10,000,000	19.67%	1.67%
MERRILL LYNCH				
	CORP-NOTE	5,000,000	7.63%	0.83%
	USA-MBS	4,931,713	15.25%	0.82%
MORGAN STANLEY				
	CORP-NOTE	14,500,000	22.14%	2.42%
	USA-MBS	7,603,040	23.51%	1.27%
RBS GREENWICH CAPITAL				
	US AGENCY	15,000,000	29.51%	2.50%
	US TREAS	5,000,000	4.17%	0.83%