

OFFICE OF THE  
**ARIZONA STATE TREASURER**



**HON. DEAN MARTIN  
TREASURER**



**MARCH 2008**

**Presented To:**

**Arizona State Board of Investment**

**APRIL 16, 2008**

STATE BOARD OF INVESTMENT

**A G E N D A**

April 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. Status of Operating Cash Balance
10. Call to the Public
11. Notice of Next Meeting
12. 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**

**April 16, 2008**

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**Minutes of  
BOARD OF INVESTMENT MEETING**

The regular meeting of the State Board of Investment was held on March 19, 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 10:40 a.m.

***Members Present:***

Dean Martin, Chair, State Treasurer  
Alan E. Maguire, President, The Maguire Company  
Charlotte Hosseini, designee for William Bell, Director Arizona Department of Administration  
Felecia A. Rotellini, Superintendent, Department of Financial Institutions

***Members Absent:***

Ross Jacobs, Treasurer, Yavapai County

***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  
Jack Hudock, Consultant for Legal & Administrative Affairs, Department of Financial Institutions  
*Member of the Public* Janice E. Myers, Senior Vice President Government Banking, Chase Bank

Pursuant to A.R.S. 35-311, the following reports for February, 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
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  - LGIP Pools 5, 7, & 500
  - Shares, LGIP Pool 500

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

- F. Operating Monies Invested Balances

Review of Treasurer's Monthly Reports – Endowments

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- G. Investments Outstanding; Endowment Pools
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- 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 March 19, 2008 BOI meeting to order at approximately 10:40 a.m.

**2. Treasurers Comments:**

Treasurer Martin welcomed board members and guests and thanked all present for attending the March 19, 2008 meeting. Treasurer Martin commented on the status of the General Fund and the time period in which the General Fund expenditures will exceed anticipated FY07-08 revenues. Treasurer Martin also mentioned that even with this current General Fund issue, the office has no liquidity issues.

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

Ms. Hosseini made a motion to approve the minutes for the February 20, 2008 Board of Investment Meeting. Mr. Maguire 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 February, 2008.

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

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

Treasurer Martin noted that the one month T-Bill was below .4 percent. Mr. Petkiewicz commented that he wanted to purchase Treasury Bills yesterday for an overnight maturity and the best offer he received was .05 percent.

***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 February, 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 February, 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 February 29, 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 February 29, 2008.

Treasurer Martin commented on the increase in total LGIP deposits over the last month and that the increased deposits were from existing customers, not new customers. Treasurer Martin also commented that since June of last year we are up almost one billion dollars this fiscal year in local government deposits.

Mr. Maguire commented on a possible reason for the increase in deposits this month and what may occur in the future with these deposits when the rates turn.

***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 February 29, 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.

Ms. Rotellini questioned how the changes to the Investment policy, if they are approved, will impact the weighted average maturity.

Mr. Petkiewicz responded that operationally we keep it very short and we don't anticipate that we will even go near the new WAM.

***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 February, 2008.

Treasurer Martin pointed out that March 1<sup>st</sup> the balance was 1.4 billion and March 18<sup>th</sup> the balance had dropped to 926 million, so it dropped below 1 billion for the first time since April 13, 2004. He noted that this was a large drop in one month and that we contacted the Department of Revenue to see if there might be something going on with their internal systems that we aren't aware of that may have caused this. Treasurer Martin commented that we have never had this large of drop in this time frame before.

***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 February, 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 February, 2008.

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

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

Treasurer Martin noted that due to a trade settlement issue causing a 40 basis point discrepancy, the figures on page 19 will have to be revised. The revision will be passed out in next month's meeting.

***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 February, 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 February, 2008.

***Equity Funds Purchases & Sales***

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

***Investments Outstanding in Endowment Funds***

Mr. Petkiewicz reported the par, book, market value, and unrealized gains/loss of the Endowment Funds as of February 29, 2008.

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

Mr. Petkiewicz reported the credit ratings for the Endowment Funds as of February 29, 2008.

Mr. White noted that Mr. Maguire raised a question last month about the BBB- rating in the Endowment holdings. He advised that those securities were SLM Corp and we have decided to hold the bonds at this point.

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

Mr. Petkiewicz reported the investments outstanding by industry sector for the S&P 500 Pool as of February 29, 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 February 29, 2008.

***Equity Holdings – By Participant***

Mr. Petkiewicz reported the equity holdings of the Endowment Funds as of February 29, 2008.

Mr. Petkiewicz asked if there were any questions.

Ms. Rotellini asked how are we choosing the financials for the S&P 400 and what is our criteria?

Mr. Petkiewicz responded that for the S&P pool 400, the top 200 market cap weighted shares are purchased. He explained how this is done and that this process is driven by policy more than choice.

Treasurer Martin commented that we are in the process of setting up an Asset Allocation RPF which will help determine the best way to set up the criteria for investing in the Indexes.

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

Mr. Maguire made a motion to approve the Treasurer's Report as submitted.  
Ms. Rotellini seconded the motion. Motion carried.

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

A draft of the proposed changes to the Investment Policy was included with the BOI Report.

Treasurer Martin noted the changes to the Investment policy were basically bringing back the WAM to where it was before the previous administration.

Mr. Maguire made a motion to approve the changes to the Investment Policy as submitted. Ms. Hosseini seconded the motion. Motion carried.

#### ***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. Call to the Public:***

There was no public comment.

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

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

***11. Adjournment:***

Mr. Maguire made a motion to adjourn the BOI meeting. Ms. Rotellini 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**  
MARCH 2008

State Treasurer's Report  
April 16, 2008  
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<b>Recipient</b>	<b>Earnings Distributed</b>			<b>Fiscal YTD Investment Management Fees Received</b>
	<b>MARCH 2008</b>	<b>Fiscal YTD 07/08</b>	<b>Fiscal YTD 06/07</b>	
General Fund	\$4,997,140	\$81,826,343	\$82,736,223	
2 State Agencies I - Full Faith & Credit	1,795,910	27,405,281	27,811,024	\$481,061
3 State Agencies II - Diversified	8,148,106	76,712,426	71,427,290	1,660,124
5 Local Governments	9,590,125	91,357,922	77,308,363	1,533,762
6 State Agencies III - US Govt & Agency	11,976	150,353	261,376	6,815
7 LGIP Gov't	1,523,160	56,239,377	61,972,318	1,028,232
8 State Agencies IV - Restricted Diversified	1,219,552	11,886,269	9,126,800	196,723
9 * ADOT - BFO	0	0	0	517,677
11 School Facilities Board	30,920	277,021	393,117	6,385
12 CAWCD Medium-Term	263,638	3,687,601	3,788,383	55,981
14 School Facilities Board 2002 Series	74,003	919,430	1,092,599	17,488
15 GADA Long-Term	66,569	584,235	562,225	8,889
<b>Subtotal</b>	<b>\$27,721,098</b>	<b>\$351,046,259</b>	<b>\$336,479,718</b>	<b>\$5,513,138</b>
<b>NAV POOL</b>				
500 LGIP LT	138,700	1,091,953	881,249	16,178
<b>Total</b>	<b>\$27,859,798</b>	<b>\$352,138,213</b>	<b>\$337,360,967</b>	<b>\$5,529,316</b>

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

**STATE AGENCY POOLS  
PORTFOLIO YIELD ANALYSIS**  
March 31, 2008

State Treasurer's Report  
April 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	3,083,700	0.0000%	0.7872%	3.0550%	3.8422%
3	STATE AGENCIES II - DIVERSIFIED	9,448,662	0.1967%	0.5885%	3.4930%	4.2783%
6	STATE AGENCIES III - US GOVT & AGENCY	18,074	0.0000%	1.5308%	0.8659%	2.3967%
8	STATE AGENCIES IV-RESTRICTED DIVERSIFIED	1,673,739	0.0000%	1.5095%	1.7910%	3.3004%
9	BOARD FUNDING OBLIGATION	568,701	0.0000%	0.0000%	4.5240%	4.5240%
11	SCHOOL FACILITIES BOARD	35,835	0.0000%	1.7936%	0.1337%	1.9273%
12	CAWCD MEDIUM TERM	413,597	0.0000%	0.0662%	4.3956%	4.4618%
14	SCHOOL FACILITIES BOARD BONDS	76,812	0.0000%	2.6036%	0.1782%	2.7818%
15	GADA	65,997	0.0000%	0.0774%	4.4710%	4.5484%
<b>TOTAL STATE AGENCIES</b>		<b>15,385,116</b>				

**LGIP & LGIP-GOV**  
**PORTFOLIO YIELD ANALYSIS**  
 March 31, 2008

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FUND	DESCRIPTION	NET EARNINGS	SALES EARNINGS YIELD	AMORT/DISC EARNINGS YIELD	COUPON EARNINGS YIELD	GROSS YIELD
5	LGIP	7,797,870	-0.2038%	1.2488%	1.8565%	2.9014%
7	LGIP - GOV	3,540,532	0.0550%	-0.1085%	2.1305%	2.0770%
<b>TOTAL LGIP &amp; LGIP-GOV</b>		<b>11,338,402</b>				
		<b>01/31/08</b>	<b>02/29/08</b>	<b>03/31/08</b>		
5	LGIP MONTHLY YIELD (NET)	4.56%	3.90%	2.84%		
	S & P LGIP INDEX YIELD	4.45%	3.84%	3.24%		
	LGIP YTD YIELD (NET)	4.99%	4.86%	4.61%		
	S & P LGIP YTD INDEX YIELD	4.86%	4.72%	4.56%		
7	LGIP - GOV MONTHLY YIELD (NET)	3.40%	2.83%	2.02%		
	3 MONTH T-BILL	2.85%	2.11%	1.22%		
	* S & P LGIP - GOV INDEX YIELD	4.20%	3.59%	3.03%		
	LGIP - GOV YTD YIELD (NET)	4.38%	4.20%	3.94%		
	YTD 3 MONTH T-BILL	3.76%	3.53%	3.35%		
	* S & P LGIP - GOV YTD INDEX YIELD	4.71%	4.55%	4.39%		

\* 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**  
March 31, 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	140,727	0.0000%	0.0925%	4.0737%	4.1662%
	<b>TOTAL LGIP LONG TERM POOL</b>	<b>140,727</b>				

	01/31/08	02/29/08	03/31/08
<b>LGIP LONG TERM MONTHLY YIELD (NET)</b>	4.64%	4.27%	4.11%
<b>MERRILL 1-5 US D M INDEX MONTHLY YIELD</b>	3.92%	3.48%	3.79%
<b>LGIP LONG TERM YTD YIELD (NET)</b>	4.77%	4.69%	4.61%
<b>MERRILL 1-5 US D M INDEX YTD YIELD</b>	4.59%	4.45%	4.37%

**STATE AGENCY POOLS  
INVESTMENTS OUTSTANDING**

MARCH 31, 2008  
(in thousands)

State Treasurer's Report  
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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	0	0	0	0	
	U.S. Government & Agencies	889,705	889,000	895,127	6,127	
	<b>Total</b>	<b>889,705</b>	<b>889,000</b>	<b>895,127</b>	<b>6,127</b>	<b>1.007</b>
3	State Agencies II - Diversified					
	Commercial Paper	10,000	9,986	9,986	(0)	
	Certificates of Deposit	50,000	50,000	50,000	0	
	U.S. Government & Agencies	1,003,183	1,000,618	1,014,348	13,730	
	Corporate Securities	1,119,388	1,116,496	1,111,079	(5,417)	
	<b>Total</b>	<b>2,182,572</b>	<b>2,177,100</b>	<b>2,185,413</b>	<b>8,314</b>	<b>1.004</b>
6	State Agencies III - US Govt & Agency					
	Repurchase Agreements	3,000	3,000	3,000	0	
	U.S. Government & Agencies	5,000	4,955	4,967	12	
	<b>Total</b>	<b>8,000</b>	<b>7,955</b>	<b>7,967</b>	<b>12</b>	<b>1.001</b>
8	State Agencies IV - Restricted Diversified					
	Repurchase Agreements	43,000	43,000	43,000	0	
	Commercial Paper	5,000	4,993	4,993	(0)	
	U.S. Government & Agencies	571,630	570,694	572,114	1,421	
	<b>Total</b>	<b>619,630</b>	<b>618,686</b>	<b>620,107</b>	<b>1,421</b>	<b>1.002</b>
9	ADOT B.F.O.					
	Board Funding Obligations	150,000	150,000	150,000	0	
	<b>Total</b>	<b>150,000</b>	<b>150,000</b>	<b>150,000</b>	<b>0</b>	<b>1.000</b>
11	School Facilities Board					
	Repurchase Agreements	3,000	3,000	3,000	0	
	U.S. Government & Agencies	25,000	24,919	24,936	17	
	<b>Total</b>	<b>28,000</b>	<b>27,919</b>	<b>27,936</b>	<b>17</b>	<b>1.001</b>
12	CAWCD Medium-Term					
	Money Market Mutual Shares	699	699	699	0	
	U.S. Government & Agencies	75,989	76,000	76,620	620	
	Corporate Securities	34,703	34,628	34,686	58	
	<b>Total</b>	<b>111,391</b>	<b>111,327</b>	<b>112,004</b>	<b>677</b>	<b>1.006</b>

**STATE AGENCY POOLS**  
**INVESTMENTS OUTSTANDING**  
MARCH 31, 2008  
(in thousands)

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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	3,000	3,000	3,000	0	
	U.S. Government & Agencies	33,000	32,895	32,907	12	
	<b>Total</b>	<b>36,000</b>	<b>35,895</b>	<b>35,907</b>	<b>12</b>	<b>1.000</b>
15	GADA					
	Money Market Mutual Shares	1,312	1,312	1,312	0	
	U.S. Government & Agencies	11,917	11,905	12,030	125	
	Corporate Securities	4,141	4,161	4,074	(87)	
	<b>Total</b>	<b>17,371</b>	<b>17,378</b>	<b>17,416</b>	<b>39</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	52,000	52,000	52,000	0	
	Money Market Mutual Shares	2,011	2,011	2,011	0	
	Commercial Paper	15,000	14,979	14,979	(0)	
	Certificates of Deposit	50,000	50,000	50,000	0	
	U.S. Government & Agencies	2,615,424	2,610,986	2,633,048	22,063	
	Corporate Securities	1,158,232	1,155,284	1,149,839	(5,445)	
	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>4,105,937</b>	<b>4,098,515</b>	<b>4,051,877</b>	<b>(46,638)</b>	

**L.G.I.P.**  
**INVESTMENTS OUTSTANDING**  
MARCH 31, 2008  
(in thousands)

State Treasurer's Report  
April 16, 2008  
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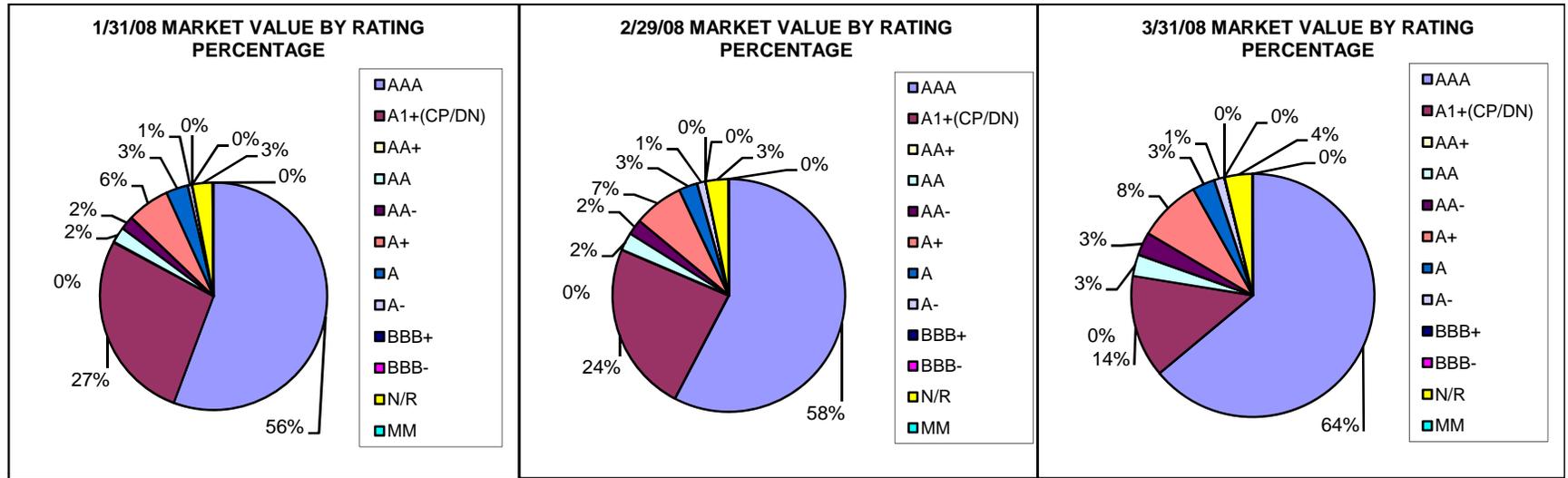
POOL	INVESTMENT POOL	PAR VALUE	BOOK VALUE	MARKET VALUE	UNREALIZED GAINS (LOSSES)	Mkt Value/ Book Value
5	Local Governments					
	Commercial Paper	60,000	59,800	59,800	0	
	Certificates of Deposit	25,000	24,982	25,021	40	
	U.S. Government & Agencies	2,607,045	2,604,705	2,604,953	248	
	Corporate Securities	888,528	887,664	877,169	(10,495)	
	<b>Total</b>	<b>3,580,573</b>	<b>3,577,150</b>	<b>3,566,943</b>	<b>(10,208)</b>	<b>0.997</b>
7	LGIP - Gov't					
	Repurchase Agreements	1,393,000	1,393,000	1,393,000	0	
	U.S. Government & Agencies	643,340	645,229	647,707	2,478	
	<b>Total</b>	<b>2,036,340</b>	<b>2,038,229</b>	<b>2,040,707</b>	<b>2,478</b>	<b>1.001</b>
500	LGIP LT					
	Money Market Mutual Shares	602	602	602	0	
	Commercial Paper	393	392	392	0	
	U.S. Government & Agencies	24,232	24,316	24,759	443	
	Corporate Securities	14,140	14,170	14,236	66	
	Dividends Payable/Other	0	0	0	0	
	<b>Total</b>	<b>39,366</b>	<b>39,480</b>	<b>39,989</b>	<b>509</b>	
<b>TOTALS - LGIP POOLS</b>						
	Repurchase Agreements	1,393,000	1,393,000	1,393,000	0	
	Money Market Mutual Shares	602	602	602	0	
	Commercial Paper	60,393	60,192	60,192	0	
	Certificates of Deposit	25,000	24,982	25,021	40	
	U.S. Government & Agencies	3,274,617	3,274,250	3,277,419	3,169	
	Corporate Securities	902,668	901,834	891,404	(10,429)	
	Dividends Payable/Other	0	0	0	0	
	<b>Grand Total</b>	<b>5,656,280</b>	<b>5,654,859</b>	<b>5,647,639</b>	<b>(7,220)</b>	

**SHARES OUTSTANDING**  
**LOCAL GOVERNMENT LONG TERM FUNDS**  
MARCH 31, 2008  
(In Thousands)

State Treasurer's Report  
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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>	39,574	39,771	40,399	628	
	Total	39,574	39,771	40,399	628	<b>1.016</b>

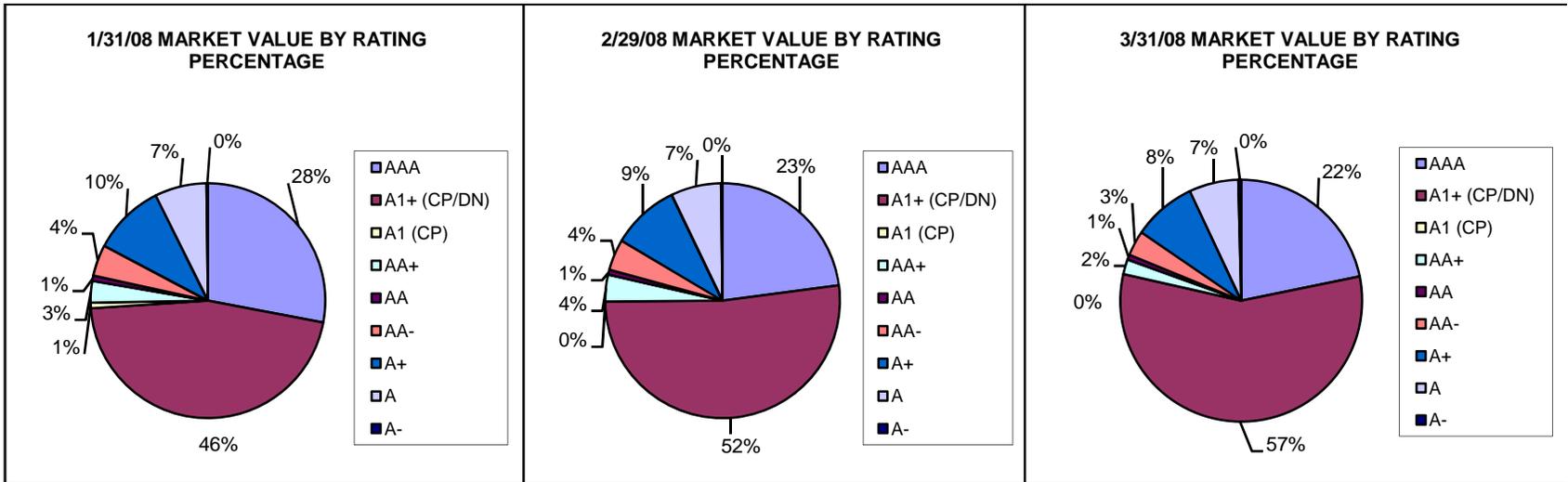
**ARIZONA STATE TREASURER'S OFFICE  
RATING SUMMARY  
STATE AGENCY POOLS 2, 3, 6, 8, 9, 11 - 15**



	01/31/08			02/29/08			03/31/08		
RATING	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT
AAA	297	\$2,879,546,563	56%	286	\$2,714,188,187	58%	300	\$2,590,163,410	64%
A1+(CP/DN)	67	\$1,405,463,990	27%	46	\$1,118,096,458	24%	34	\$552,609,510	14%
AA+	1	\$3,551,109	0%	0	\$0	0%	0	\$0	0%
AA	7	\$117,175,780	2%	7	\$117,511,582	2%	7	\$116,591,312	3%
AA-	10	\$100,696,038	2%	10	\$100,498,373	2%	11	\$124,914,528	3%
A+	27	\$313,018,534	6%	28	\$328,055,686	7%	29	\$338,732,518	8%
A	9	\$163,145,689	3%	12	\$121,020,758	3%	11	\$120,047,375	3%
A-	2	\$30,335,440	1%	3	\$55,091,130	1%	3	\$55,118,760	1%
BBB+	0	\$0	0%	0	\$0	0%	1	\$780,488	0%
BBB-	1	\$966,020	0%	1	\$964,080	0%	1	\$900,420	0%
N/R	13	\$150,006,547	3%	14	\$150,007,071	3%	14	\$150,007,071	4%
MM	2	\$6,657,286	0%	2	\$1,649,890	0%	2	\$2,011,342	0%
<b>TOTAL</b>	<b>436</b>	<b>\$5,170,562,996</b>	<b>100%</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>

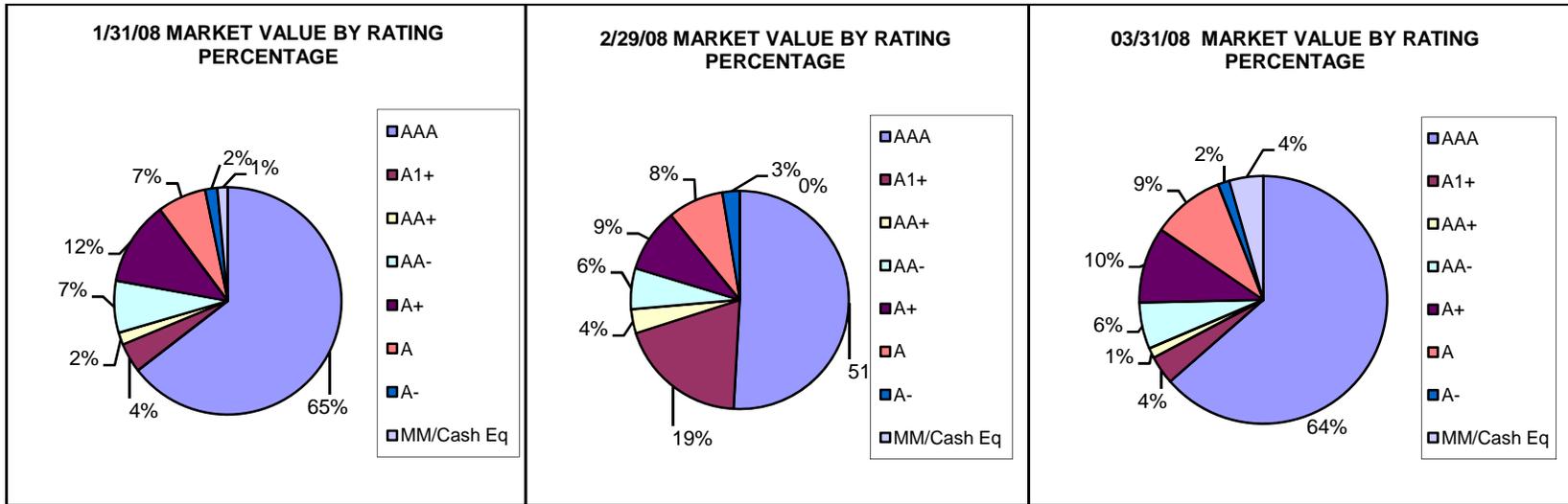
MM = MONEY MARKET (BONY/HAMILTON TREASURY)  
N/R = ADOT BONDS (150,000,000), TAX DEFERRED (7,071) AND NCFE

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



	01/31/08			02/29/08			03/31/08		
RATING	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT
AAA	51	\$942,766,662	28%	44	\$777,660,511	23%	48	\$777,205,161	22%
A1+ (CP/DN)	50	\$1,550,152,186	46%	52	\$1,765,632,712	52%	57	\$2,023,919,175	57%
A1 (CP)	1	\$25,954,803	1%	0	\$0	0%	0	\$0	0%
AA+	10	\$99,688,340	3%	11	\$123,849,739	4%	8	\$70,606,050	2%
AA	2	\$24,712,850	1%	2	\$24,714,200	1%	2	\$24,476,700	1%
AA-	11	\$145,383,880	4%	11	\$144,758,793	4%	10	\$119,631,491	3%
A+	22	\$333,997,169	10%	21	\$316,910,019	9%	20	\$301,836,990	8%
A	20	\$241,395,124	7%	19	\$236,053,045	7%	19	\$235,950,111	7%
A-	1	\$6,318,359	0%	1	\$6,310,389	0%	2	\$13,316,989	0%
<b>TOTAL</b>	<b>168</b>	<b>\$3,370,369,372</b>	<b>100%</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>

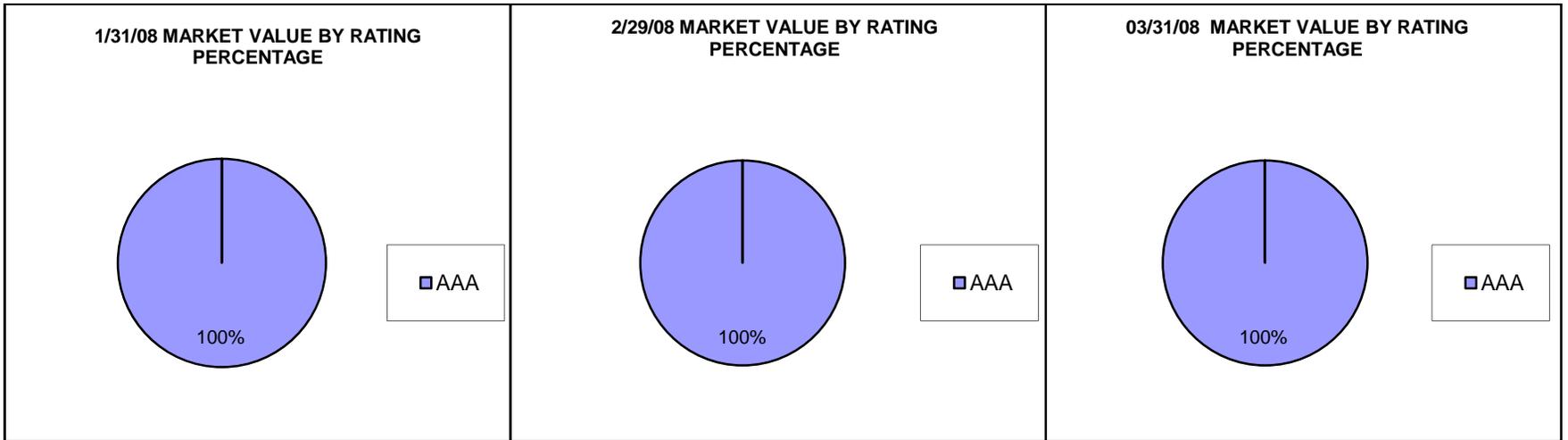
**ARIZONA STATE TREASURER'S OFFICE  
RATING SUMMARY  
LGIP 500**



	1/31/2008			2/29/2008			3/31/2008		
RATING	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT
AAA	36	\$18,983,697	65%	38	\$20,398,216	51%	45	\$25,407,825	64%
A1+	2	\$1,240,000	4%	8	\$7,678,765	19%	3	\$1,497,148	4%
AA+	1	\$509,628	2%	2	\$1,423,620	4%	1	\$523,003	1%
AA-	6	\$2,171,105	7%	6	\$2,436,339	6%	6	\$2,424,326	6%
A+	8	\$3,529,260	12%	9	\$3,786,007	9%	10	\$3,968,299	10%
A	4	\$2,043,105	7%	6	\$3,322,955	8%	7	\$3,794,173	9%
A-	1	\$514,160	2%	2	\$1,018,220	3%	2	\$601,515	2%
MM/Cash Eq	2	\$430,789	1%	2	\$4,187	0%	3	\$1,772,565	4%
<b>TOTAL</b>	<b>60</b>	<b>\$29,421,744</b>	<b>100%</b>	<b>73</b>	<b>\$40,068,310</b>	<b>100%</b>	<b>77</b>	<b>\$39,988,854</b>	<b>100%</b>

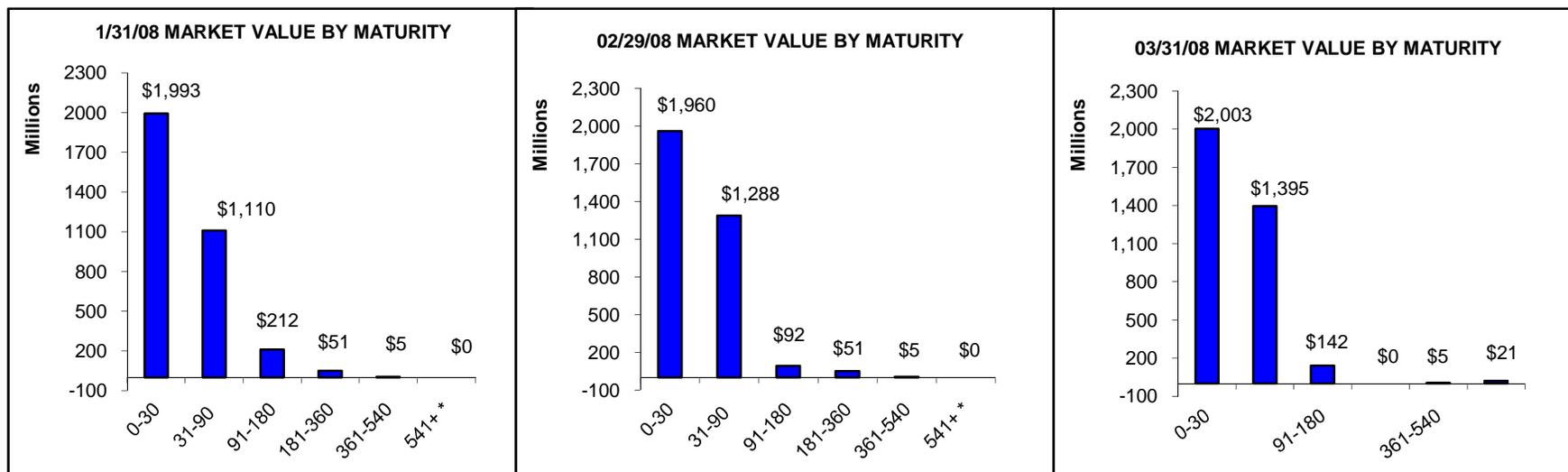
\*MM/Cash Equivalent includes dividends payable

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



		01/31/08				02/29/08				03/31/08		
RATING	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT
AAA	11	\$2,058,927,883	100%	15	\$2,002,670,699	100%	15	\$2,040,707,155	100%			

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

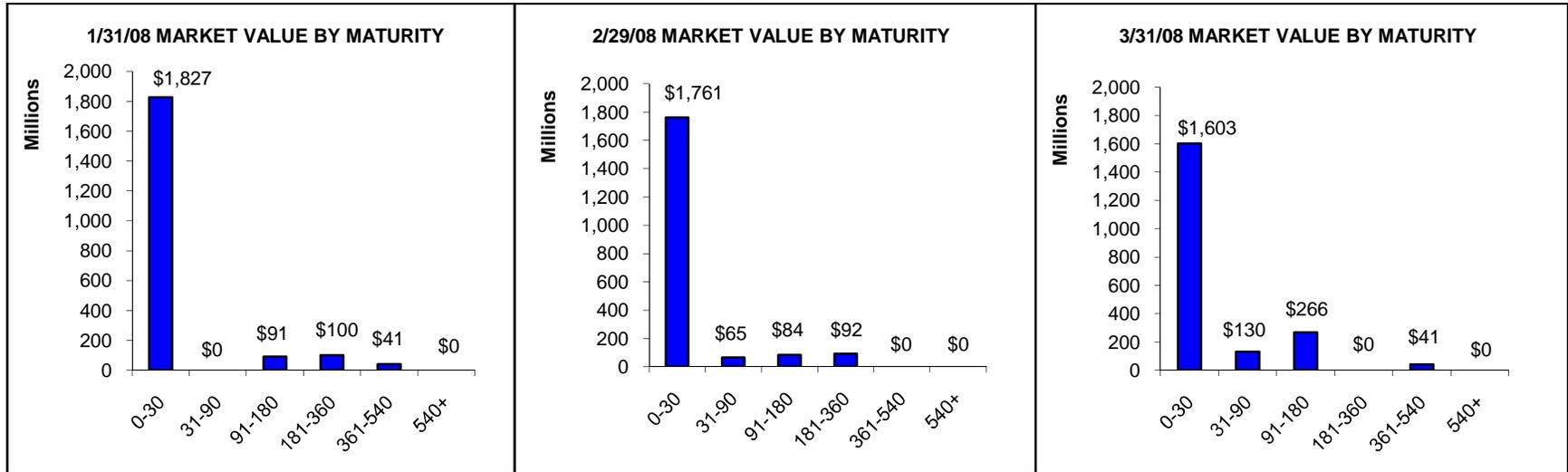


01/31/08				02/29/08			03/31/08		
MATURITY	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT
0-30	89	\$1,992,915,257	59%	86	\$1,959,931,198	58%	76	\$2,003,482,593	56%
31-90	64	\$1,110,025,333	33%	67	\$1,287,824,165	38%	76	\$1,395,437,209	39%
91-180	11	\$211,610,236	6%	4	\$92,358,660	3%	10	\$141,655,849	4%
181-360	3	\$50,787,500	2%	3	\$50,756,250	1%	0	\$0	0%
361-540	1	\$5,031,047	0%	1	\$5,019,135	0%	1	\$5,021,305	0%
541+ *	0	\$0	0%	0	\$0	0%	3	\$21,345,713	1%
<b>TOTAL</b>	<b>168</b>	<b>\$3,370,369,372</b>	<b>100%</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>

01/31/08		02/29/08		03/31/08	
MATURITY	WAM	MATURITY	WAM	MATURITY	WAM
0-30	7.52	0-30	7.82	0-30	8.16
31-90	18.69	31-90	23.67	31-90	22.96
91-180	7.60	91-180	3.22	91-180	4.64
181-360	3.87	181-360	3.40	181-360	0.00
361-540	0.75	361-540	0.70	361-540	0.62
541+	0.00	541+	0.00	541+	4.86
<b>TOTAL</b>	<b>38.42</b>	<b>TOTAL</b>	<b>38.81</b>	<b>TOTAL</b>	<b>41.25</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**



MATURITY	01/31/08			02/29/08			03/31/08		
	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT
0-30	2	\$1,827,000,000	89%	5	\$1,760,968,412	88%	5	\$1,602,915,882	79%
31-90	0	\$0	0%	3	\$65,047,675	3%	2	\$129,852,067	6%
91-180	4	\$90,532,833	4%	5	\$84,344,113	4%	7	\$266,476,706	13%
181-360	4	\$100,017,050	5%	2	\$92,310,500	5%	0	\$0	0%
361-540	1	\$41,378,000	2%	0	\$0	0%	1	\$41,462,500	2%
540+	0	\$0	0%	0	\$0	0%	0	\$0	0%
<b>TOTAL</b>	<b>11</b>	<b>\$2,058,927,883</b>	<b>100%</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>

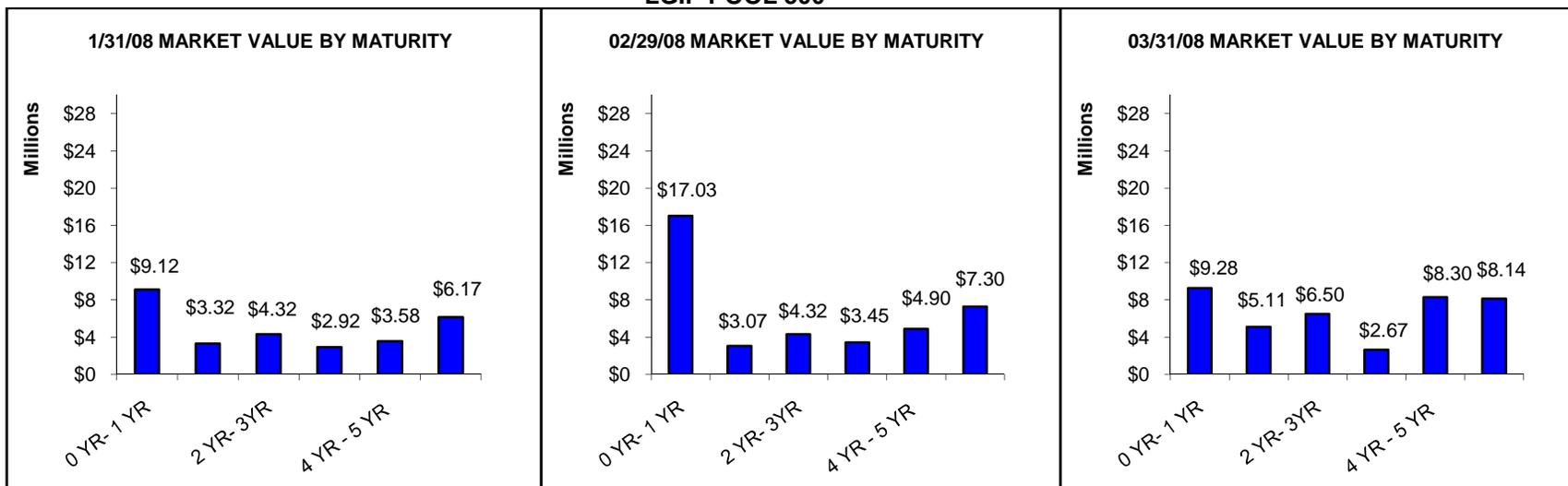
01/31/08	
MATURITY	WAM
0-30	0.89
31-90	0.00
91-180	5.10
181-360	9.61
361-540	9.45
540+	0.00
<b>TOTAL</b>	<b>25.04</b>

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>

**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	01/31/08			02/29/08			03/31/08		
	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT
0 YR- 1 YR	18	\$9,115,577	31%	27	\$17,026,428	42%	18	\$9,280,226	23%
1 YR - 2YR	9	\$3,321,280	11%	8	\$3,072,944	8%	11	\$5,112,911	13%
2 YR- 3YR	11	\$4,317,709	15%	11	\$4,324,585	11%	16	\$6,497,171	16%
3 YR - 4 YR	6	\$2,921,000	10%	7	\$3,450,459	9%	6	\$2,665,538	7%
4 YR - 5 YR	6	\$3,580,338	12%	8	\$4,898,309	12%	14	\$8,295,679	21%
5 YR +	10	\$6,165,841	21%	12	\$7,295,585	18%	12	\$8,137,328	20%
<b>TOTAL</b>	<b>60</b>	<b>\$29,421,744</b>	<b>100%</b>	<b>73</b>	<b>\$40,068,309</b>	<b>100%</b>	<b>77</b>	<b>\$39,988,854</b>	<b>100%</b>

	1/31/2008	2/29/2008	3/31/2008
<b>LGIP LT MONTHLY DURATION</b>	1.31	1.26	1.53
<b>MERRILL 1-5 US DOMESTIC MASTER INDEX</b>	2.53	2.45	2.55

\*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 March 31, 2008  
(in millions of dollars)

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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	
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>\$1,844</b>

**EARNINGS DISTRIBUTED  
ENDOWMENT FUNDS  
MARCH 2008**

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Distributed in Current Month

Recipient	March-08	Fiscal YTD 07/08	Fiscal YTD 06/07
101 A & M Colleges	\$32,736	\$294,561	\$150,991
102 State Hospital	\$16,297	\$146,640	\$93,154
103 Leg., Exec., & Jud.	\$21,522	\$193,653	\$91,904
104 Military Institute	\$1,686	\$15,171	\$7,462
105 Miners Hospital	\$26,015	\$234,078	\$118,709
107 Normal School ASU/NAU	\$8,418	\$75,741	\$34,562
108 Penitentiaries	\$23,555	\$211,944	\$105,388
109 Permanent Common School	\$5,775,855	\$51,970,068	\$24,263,848
110 School for Deaf & Blind	\$13,834	\$124,479	\$65,723
111 School of Mines	\$26,908	\$242,112	\$100,428
112 State Charitable-Pioneers Home	\$120,232	\$1,081,857	\$526,200
112 State Charitable-Corrections	\$60,116	\$540,930	\$263,100
112 State Charitable-Youth Treatment	\$60,116	\$540,930	\$263,100
113 University Fund	\$42,084	\$378,657	\$170,120
114 U of A Land - 1881	\$97,302	\$875,508	\$425,221
<b>Total</b>	<b>\$6,326,676</b>	<b>\$56,926,329</b>	<b>\$26,679,909</b>

Posted in USAS in current month

**ENDOWMENT FUNDS**  
**PORTFOLIO YIELD ANALYSIS**  
 March 31, 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	4,762,510	0.0000%	-0.0091%	4.5130%	4.5039%
	<b>TOTAL ENDOWMENTS - FIXED INCOME</b>	<b>4,762,510</b>				

**RETURN ANALYSIS**  
**ENDOWMENT FUNDS**  
(\$ In Thousands)

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<b>ENDOWMENT FUNDS</b>	<b>MARCH 2008 **</b> <b>MONEY</b> <b>WEIGHTED</b> <b>RETURN</b>	<b>FISCAL YEAR 2007/2008 **</b> <b>MONEY</b> <b>WEIGHTED</b> <b>RETURN</b>
101 A & M Colleges	-0.35%	-2.49%
102 State Hospital	-0.32%	-2.58%
103 Leg., Exec., & Jud.	-0.33%	-2.14%
104 Military Institute	-0.33%	-1.98%
105 Miners Hospital	-0.25%	-2.25%
107 Normal School ASU/NAU	-0.33%	-2.30%
108 Penitentiaries	-0.33%	-2.11%
109 Permanent Common School	-0.33%	-2.61%
110 School for Deaf & Blind	-0.33%	-2.18%
111 School of Mines	-0.33%	-2.39%
112 State Charitable	-0.33%	-2.65%
113 University Fund	-0.32%	-2.29%
114 U Of A Land - 1881	-0.33%	-2.31%
<hr/>		
WEIGHTED PORTFOLIO RETURN	-0.29%	-2.26%
WEIGHTED BENCHMARK	-0.17%	-2.08%
S&P 500 EQUITY FUND RETURN:	-0.50%	-10.72%
S & P 500 LARGE CAP INDEX:	-0.43%	-10.68%
BOND FUND RETURN:	0.02%	7.52%
CITIGROUP BIG INDEX RETURN:	0.28%	9.06%
S&P 400 EQUITY FUND RETURN:	-0.91%	-9.37%
S&P 400 MID-CAP INDEX:	-1.03%	-12.11%
*MONEY MARKET RETURN:	2.90%	4.57%
*S&P LGIP INDEX RETURN:	3.24%	4.56%

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.

	Jan-08	Feb-08	Mar-08	Jan-08	Feb-08	Mar-08
S&P 500	-6.00%	-3.25%	-0.43%	1378.55	1330.63	1322.70
S&P 400	-6.16%	-1.86%	-1.03%	804.64	788.51	779.51
S&P 600	-4.89%	-3.08%	0.39%	375.51	363.69	364.59
DOW JONES	-4.63%	-3.04%	-0.03%	#####	12266.39	#####
NASDAQ	-9.86%	-4.85%	0.41%	2389.86	2271.48	2279.10

**\*\*Note: Estimated Values. Final Calculation due to be completed for May 2008 report.**

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

Endowment Fund -----	Mar-08 NET GAIN(LOSS) -----	FISCAL YTD GAINS(LOSSES) -----
Fixed Income Pool Net Gain (Loss)	(14,786)	(337,865)
Equity Pool (500) Net Gain (Loss)	(195,362)	6,173,719
Equity Pool (400) Net Gain (Loss)	23,330	13,306,450
<b>Totals</b>	<b>(186,818)</b> =====	<b>19,142,304</b> =====

**ENDOWMENT FUNDS FIXED-INCOME POOL**  
**PURCHASES & SALES**  
 Month of March 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>
FNMA	5.60	2/6/2023	N/A	\$10,000,000	\$9,997,000	5.60	Aaa/AAA
FNMA	4.40	3/11/2013	N/A	\$10,000,000	\$10,000,000	4.40	Aaa/AAA
FHLMC	4.00	4/15/2017	3.64	\$1,500,000	\$1,510,723	3.92	Aaa/AAA
FHLMC	5.00	12/15/2022	4.47	\$9,250,000	\$9,247,109	5.01	Aaa/AAA
TENNESSEE VALLEY AUTH	4.50	4/1/2018	N/A	\$10,000,000	\$9,997,300	4.50	Aaa/AAA
AMERICAN EXPRESS	8.15	3/19/2038	N/A	\$5,000,000	\$4,981,650	8.18	A1/A+
HEWLETT PACKARD CO.	5.50	3/1/2018	N/A	\$5,000,000	\$4,996,600	5.51	A2/A
MIDAMERICAN ENERGY CO.	5.75	4/1/2018	N/A	\$10,000,000	\$9,981,900	5.77	Baa1/BBB+
NEWELL RUBBERMAID INC.	6.25	4/15/2018	N/A	\$3,000,000	\$2,991,030	6.29	Baa2/BBB+
<b>TOTAL ENDOWMENT FUNDS PURCHASES</b>				<b>\$63,750,000</b>	<b>\$63,703,312</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	5,300	\$179,188	\$80
<b>TOTAL EQUITY PURCHASES</b>	<b>5,300</b>	<b>\$179,188</b>	<b>\$80</b>

**II. Equity Funds Sales**

	<u>SHARES</u>	<u>SALES AMOUNT</u>	<u>COMMISSIONS</u>
S&P 400 Mid-Cap Fund	10,346	\$925,967	\$0
S&P 500 Large-Cap Fund	17,672	\$397,866	\$265
<b>TOTAL EQUITY SALES</b>	<b>28,018</b>	<b>\$1,323,833</b>	<b>\$265</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>	2,585	2,355	2,835	481	
	<i>Shares in Fixed Income Fund</i>	2,877	3,167	4,136	970	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	844	807	1,413	606	
	<b>Total</b>	<b>6,306</b>	<b>6,329</b>	<b>8,384</b>	<b>2,056</b>	<b>1.325</b>
102	State Hospital					
	<i>Shares in S&amp;P 500 Index Fund</i>	1,528	1,309	1,676	366	
	<i>Shares in Fixed Income Fund</i>	1,593	1,784	2,291	506	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	438	448	733	285	
	<b>Total</b>	<b>3,559</b>	<b>3,542</b>	<b>4,699</b>	<b>1,157</b>	<b>1.327</b>
103	Leg., Exec., & Jud.					
	<i>Shares in S&amp;P 500 Index Fund</i>	1,998	1,966	2,192	226	
	<i>Shares in Fixed Income Fund</i>	2,412	2,643	3,468	824	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	650	674	1,088	415	
	<b>Total</b>	<b>5,061</b>	<b>5,283</b>	<b>6,748</b>	<b>1,464</b>	<b>1.277</b>
104	Military Institute					
	<i>Shares in S&amp;P 500 Index Fund</i>	132	132	145	13	
	<i>Shares in Fixed Income Fund</i>	170	177	244	67	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	47	45	78	33	
	<b>Total</b>	<b>348</b>	<b>354</b>	<b>467</b>	<b>113</b>	<b>1.319</b>
105	Miners Hospital					
	<i>Shares in S&amp;P 500 Index Fund</i>	3,558	3,509	3,903	393	
	<i>Shares in Fixed Income Fund</i>	3,928	4,903	5,647	744	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	1,015	1,201	1,699	497	
	<b>Total</b>	<b>8,501</b>	<b>9,614</b>	<b>11,248</b>	<b>1,635</b>	<b>1.170</b>

**ENDOWMENT FUNDS**  
**INVESTMENTS OUTSTANDING**  
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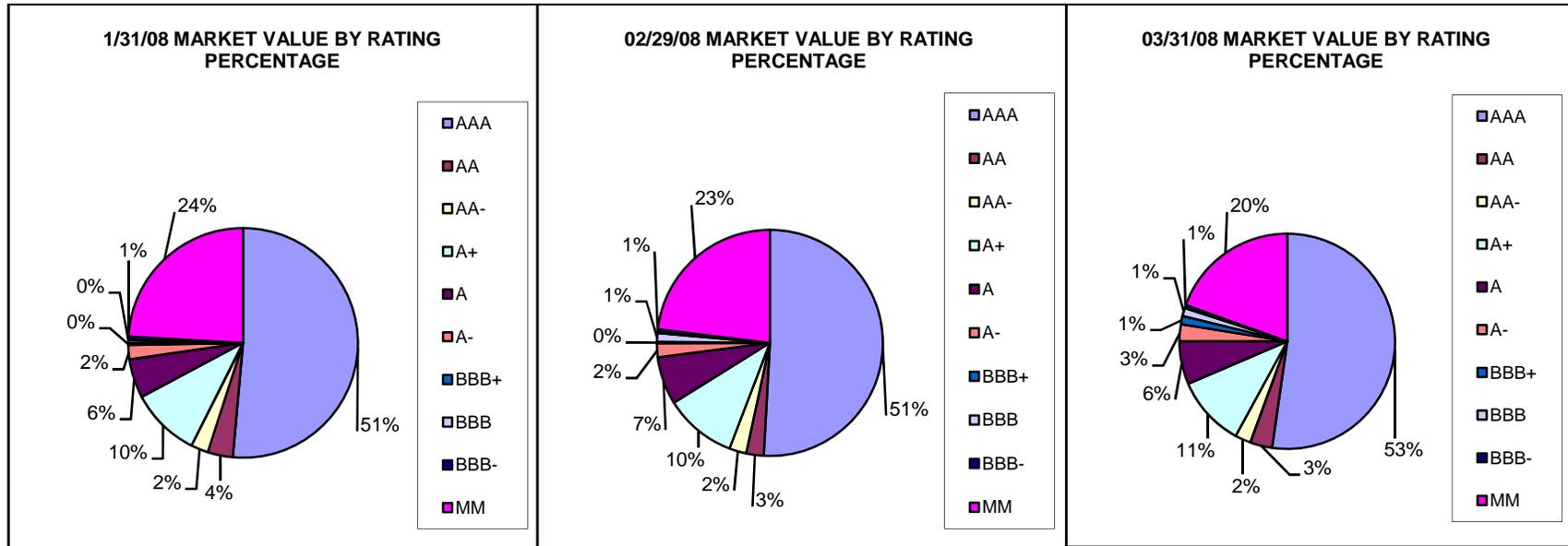
FUND	NAME OF FUND	SHARES OUTSTANDING	BOOK VALUE	MARKET VALUE	UNREALIZED GAINS (LOSSES)	<b>Mkt Value/ Book Value</b>
107	Normal School ASU/NAU					
	<i>Shares in S&amp;P 500 Index Fund</i>	837	794	918	124	
	<i>Shares in Fixed Income Fund</i>	953	1,068	1,370	302	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	259	272	434	163	
	Total	2,049	2,134	2,722	588	<b>1.276</b>
108	Penitentiaries					
	<i>Shares in S&amp;P 500 Index Fund</i>	2,108	2,011	2,312	301	
	<i>Shares in Fixed Income Fund</i>	2,559	2,705	3,679	974	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	686	689	1,149	460	
	Total	5,353	5,405	7,140	1,735	<b>1.321</b>
109	Permanent Common School					
	<i>Shares in S&amp;P 500 Index Fund</i>	764,973	745,782	838,986	93,204	
	<i>Shares in Fixed Income Fund</i>	822,346	1,002,046	1,182,117	180,071	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	216,982	255,274	363,282	108,009	
	Total	1,804,300	2,003,102	2,384,386	381,284	<b>1.190</b>
110	School for Deaf & Blind					
	<i>Shares in S&amp;P 500 Index Fund</i>	1,177	1,116	1,291	175	
	<i>Shares in Fixed Income Fund</i>	1,409	1,501	2,025	524	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	385	382	644	262	
	Total	2,970	2,999	3,960	961	<b>1.321</b>
111	School of Mines					
	<i>Shares in S&amp;P 500 Index Fund</i>	2,922	2,857	3,205	348	
	<i>Shares in Fixed Income Fund</i>	3,284	3,840	4,721	881	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	898	978	1,503	525	
	Total	7,104	7,675	9,429	1,754	<b>1.228</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>
112	State Charitable					
	<i>Shares in S&amp;P 500 Index Fund</i>	32,501	30,317	35,645	5,329	
	<i>Shares in Fixed Income Fund</i>	32,459	40,729	46,659	5,930	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	8,545	10,377	14,307	3,930	
	<b>Total</b>	<b>73,505</b>	<b>81,423</b>	<b>96,611</b>	<b>15,189</b>	<b>1.187</b>
113	University Fund					
	<i>Shares in S&amp;P 500 Index Fund</i>	4,793	4,614	5,257	644	
	<i>Shares in Fixed Income Fund</i>	5,395	6,254	7,755	1,501	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	1,451	1,579	2,430	850	
	<b>Total</b>	<b>11,639</b>	<b>12,446</b>	<b>15,442</b>	<b>2,995</b>	<b>1.241</b>
114	U Of A Land - 1881					
	<i>Shares in S&amp;P 500 Index Fund</i>	9,923	9,517	10,883	1,366	
	<i>Shares in Fixed Income Fund</i>	11,323	12,793	16,277	3,484	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	3,068	3,261	5,137	1,876	
	<b>Total</b>	<b>24,314</b>	<b>25,571</b>	<b>32,297</b>	<b>6,726</b>	<b>1.263</b>
<b>TOTALS - ALL FUNDS</b>						
	<i>Shares in S&amp;P 500 Index Fund</i>	829,035	806,278	909,247	102,968	
	<i>Shares in Fixed Income Fund</i>	890,710	1,083,610	1,280,389	196,779	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	235,267	275,988	393,898	117,910	
	<b>Grand Total</b>	<b>1,955,012</b>	<b>2,165,876</b>	<b>2,583,533</b>	<b>417,657</b>	

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



	01/31/08			02/29/08			03/31/08		
RATING	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT
AAA	101	\$647,364,145	51%	100	\$643,863,464	51%	105	\$675,048,977	53%
AA	8	\$44,659,692	4%	7	\$42,343,880	3%	7	\$42,136,880	3%
AA-	5	\$30,646,350	2%	5	\$30,618,700	2%	5	\$30,417,713	2%
A+	18	\$123,062,843	10%	20	\$130,731,144	10%	21	\$135,019,710	11%
A	12	\$69,444,492	6%	15	\$86,517,473	7%	14	\$82,377,590	6%
A-	4	\$25,043,800	2%	4	\$25,164,400	2%	6	\$32,017,783	3%
BBB+	1	\$2,920,920	0%	1	\$2,895,990	0%	3	\$15,896,520	1%
BBB	1	\$5,266,850	0%	2	\$15,502,100	1%	2	\$15,401,700	1%
BBB-	1	\$6,762,140	1%	1	\$6,748,560	1%	1	\$6,302,940	0%
MM	2	\$302,967,528	24%	2	\$284,304,585	23%	2	\$234,699,526	20%
<b>TOTAL</b>	<b>153</b>	<b>\$1,258,138,759</b>	<b>100%</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>

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&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	71,345	8.69%	8.65%	0.04%
		CONSUMER STAPLES	90,772	11.05%	11.07%	-0.02%
		ENERGY	109,525	13.34%	13.25%	0.09%
		FINANCIALS	136,542	16.63%	16.81%	-0.18%
		HEALTH CARE	96,110	11.70%	11.73%	-0.02%
		INDUSTRIALS	100,355	12.22%	12.18%	0.04%
		INFORMATION TECHNOLOGY	129,526	15.77%	15.70%	0.07%
		MATERIALS	29,264	3.56%	3.57%	-0.01%
		TELECOMMUNICATION SERVICES	28,260	3.44%	3.44%	0.00%
		UTILITIES	29,480	3.59%	3.61%	-0.02%
		TOTALS LESS CASH / SPDR'S:	821,178	100.00%	100.00%	
		SPYDER'S	82,060			
		CASH **	6,008			
		TOTAL:	<u>909,247</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**  
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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 400 BALANCE</u>	<u>DIFFERENCE</u>
<b>203</b>	<b>S&amp;P 400 INDEX</b>					
	CONSUMER DISCRETIONARY		22,546	8.68%	12.43%	-3.75%
	CONSUMER STAPLES		8,810	3.39%	3.43%	-0.04%
	ENERGY		34,909	13.44%	10.14%	3.30%
	FINANCIALS		39,419	15.18%	16.16%	-0.98%
	HEALTH CARE		38,969	15.00%	12.23%	2.77%
	INDUSTRIALS		40,345	15.53%	16.11%	-0.57%
	INFORMATION TECHNOLOGY		29,352	11.30%	13.54%	-2.24%
	MATERIALS		20,371	7.84%	7.48%	0.36%
	TELECOMMUNICATION SERVICES		1,448	0.56%	0.51%	0.04%
	UTILITIES		23,546	9.07%	7.96%	1.11%
	TOTALS LESS CASH / SPDR'S:		259,716	100.00%	100.00%	
	SPYDER'S		130,531			
	CASH **		3,651			
	TOTAL:		393,898			

\*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**

MARCH 31, 2008

(thousands)

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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	\$3,162	\$4,248	\$1,086
102	State Hospital	1,758	2,409	651
103	Leg., Exec., & Jud.	2,640	3,280	640
104	Military Institute	177	223	46
105	Miners Hospital	4,710	5,601	891
107	Normal School	1,065	1,352	287
108	Penitentiaries	2,700	3,461	760
109	Permanent Common School	1,001,056	1,202,269	201,213
110	School for Deaf & Blind	1,498	1,935	437
111	School of Mines	3,835	4,708	873
112	State Charitable	40,694	49,953	9,258
113	University Fund	6,193	7,687	1,494
114	U of A Land - 1881	12,778	16,020	3,242
	Totals:	<u>\$1,082,266</u>	<u>\$1,303,144</u>	<u>\$220,878</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**  
**JANUARY 1 - MARCH 31, 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>
<b>BA SECURITIES INC.</b>				
	REPO	2,338,000,000	31.90%	17.26%
	CORP NOTES	12,416,000	5.70%	0.09%
	US-AGENCY	392,025,000	7.48%	2.89%
	US TREAS	105,000,000	21.65%	0.78%
<b>BEAR STEARNS &amp; CO.</b>				
	CORP NOTES	14,571,000	6.69%	0.11%
	US-AGENCY	30,000,000	0.57%	0.22%
<b>BARCLAYS CAPITAL INC.</b>				
	US-AGENCY	2,215,405,000	42.26%	16.36%
	US TREAS	155,000,000	31.96%	1.14%
<b>BONY MONEY MARKET</b>				
	MONEY-MARK	25,486,592	100.00%	0.19%
<b>CANTOR FITZGERALD</b>				
	US-AGENCY	10,000,000	0.19%	0.07%
	USA-MBS	43,379,524	8.94%	0.32%
<b>CHASE SECURITIES</b>				
	US-AGENCY	50,000,000	0.95%	0.37%

**BROKER ACTIVITY REPORT**  
**STATE AGENCY FUNDS 2, 3, 6, 8, 9, 11-15, 55**  
**JANUARY 1 - MARCH 31, 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>
<b>CITIGROUP</b>				
	REPO	3,713,100,000	50.66%	27.42%
	CORP NOTES	3,100,000	1.42%	0.02%
	CORP ABS	23,000,000	10.56%	0.17%
	US-AGENCY	123,080,000	2.35%	0.91%
	US TREAS	50,000,000	10.31%	0.37%
<b>DEUTSCHE BANC</b>				
	REPO	993,600,000	13.56%	7.34%
	CORP NOTES	24,500,000	11.25%	0.18%
	US-AGENCY	201,500,000	3.84%	1.49%
	US TREAS	40,000,000	8.25%	0.30%
<b>FIRST TENNESSEE</b>				
	4033596000.00			
		169,140,000	34.87%	1.25%
	US TREAS	20,000,000	4.12%	0.15%
<b>GOLDMAN SACHS</b>				
	REPO	253,000,000	3.45%	1.87%
	CORP NOTES	1,000,000	0.46%	0.01%
	US-AGENCY	150,000,000	2.86%	1.11%
<b>JP MORGAN</b>				
	CD'S	50,000,000	100.00%	0.37%
	CORP NOTES	25,000,000	11.48%	0.18%
	CORP-ABS	49,284,967	48.46%	0.36%
	US-AGENCY	412,000,000	7.86%	3.04%
	USA-MBS	47,244,222	9.74%	0.35%

**BROKER ACTIVITY REPORT**  
**STATE AGENCY FUNDS 2, 3, 6, 8, 9, 11-15, 55**  
**JANUARY 1 - MARCH 31, 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>
<b>LEHMAN BROTHERS</b>				
	US-AGENCY	25,000,000	0.48%	0.18%
<b>MERRILL LYNCH</b>				
	CORP NOTES	65,000,000	29.85%	0.48%
	CORP-ABS	25,420,000	24.99%	0.19%
	US-AGENCY	584,373,000	11.15%	4.32%
	US TREAS	25,000,000	5.15%	0.18%
<b>MIZUHO SECURITIES</b>				
	REPO	32,000,000	0.44%	0.24%
	US-AGENCY	360,000,000	6.87%	2.66%
	US TREAS	70,000,000	14.43%	0.52%
<b>MORGAN STANLEY</b>				
	CORP NOTES	32,200,000	14.79%	0.24%
	US-AGENCY	40,000,000	0.76%	0.30%
<b>RBS GREENWICH CAPITAL</b>				
	CORP-ABS	4,000,000	3.93%	0.03%
	US-AGENCY	70,000,000	1.34%	0.52%
<b>SECURITIES TRANSFERS (NO BROKER)</b>				
	CORP NOTES	40,000,000	18.37%	0.30%
	US-AGENCY	100,000,524	1.91%	0.74%
	US TREAS	20,000,000	4.12%	0.15%

*BROKER ACTIVITY REPORT  
STATE AGENCY FUNDS 2, 3, 6, 8, 9, 11-15, 55  
JANUARY 1 - MARCH 31, 2008*

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<i>Broker Name</i>	<i>Asset Group</i>	<i>Sum Of Book Value</i>	<i>Pct Of Type</i>	<i>Pct Of Total</i>
<i>STIFEL NICOLAUS</i>				
	US-AGENCY	5,000,000	0.10%	0.04%
<i>UBS PAINE WEBBER</i>				
	US-AGENCY	304,950,000	5.82%	2.25%

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**BROKER ACTIVITY REPORT**  
**POOL 5 - L.G.I.P.**  
**JANUARY 1 - MARCH 31, 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>
<b><i>BA SECURITIES INC.</i></b>				
	COMM-PAP	15,000,000	16.34%	0.16%
	REPO	316,000,000	30.79%	3.34%
	CORP NOTES	4,000,000	2.38%	0.04%
	US-AGENCY	644,997,000	7.93%	6.82%
<b><i>BEAR STEARNS &amp; CO.</i></b>				
	US-AGENCY	10,000,000	0.12%	0.11%
<b><i>BARCLAYS CAPITAL INC.</i></b>				
	US-AGENCY	1,517,203,000	18.66%	16.04%
<b><i>CANTOR FITZGERALD</i></b>				
	US-AGENCY	20,740,000	0.26%	0.22%
<b><i>CHASE SECURITIES, INC.</i></b>				
	US-AGENCY	50,000,000	0.61%	0.53%
<b><i>CITIGROUP</i></b>				
	REPO	487,000,000	47.45%	5.15%
	US-AGENCY	343,830,000	4.23%	3.64%
<b><i>DEUTSCHE BANC</i></b>				
	REPO	123,300,000	12.01%	1.30%
	US-AGENCY	794,887,000	9.78%	8.41%
<b><i>FIRST TENNESSEE</i></b>				
	US-AGENCY	401,836,000	4.94%	4.25%

**BROKER ACTIVITY REPORT**  
**POOL 5 - L.G.I.P.**  
**JANUARY 1 - MARCH 31, 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>
<b>GOLDMAN SACHS</b>				
	CORP NOTES	25,160,000	14.94%	0.27%
	US-AGENCY	78,943,000	0.97%	0.83%
<b>J.P. MORGAN</b>				
	CD'S	20,000,000	100.00%	0.21%
	COMM-PAP	36,820,000	40.10%	0.39%
	366,000,000	30,000,000	17.81%	0.32%
		235,893,000	2.90%	2.49%
<b>LEHMAN BROTHERS</b>				
	US-AGENCY	25,000,000	0.31%	0.26%
<b>MERRILL LYNCH</b>				
	COMM-PAP	40,000,000	43.56%	0.42%
	CORP NOTES	41,250,000	24.49%	0.44%
	US-AGENCY	1,138,968,000	14.01%	12.04%
<b>MIZUHO SECURITIES</b>				
	REPO	100,000,000	9.74%	1.06%
	US-AGENCY	803,941,000	9.89%	8.50%
<b>MORGAN STANLEY</b>				
	CORP NOTES	41,000,000	24.35%	0.43%
	US-AGENCY	1,431,477,000	17.61%	15.14%
<b>RBS GREENWICH CAPITAL</b>				
	US-AGENCY	36,730,000	0.45%	0.39%
	US TREAS	20,000,000	100.00%	0.21%

**BROKER ACTIVITY REPORT**  
**POOL 5 - L.G.I.P.**  
**JANUARY 1 - MARCH 31, 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>
<b>SECURITIES TRANSFERS (NO BROKER)</b>				
	CORP NOTES	27,000,000	16.03%	0.29%
<b>STIFEL NICOLAUS</b>				
	US-AGENCY	45,000,000	0.55%	0.48%
<b>UBS PAINE WEBBER</b>				
	US-AGENCY	550,954,000	6.78%	5.83%

**BROKER ACTIVITY REPORT**  
**POOL 500 - L.G.I.P. LONG-TERM**  
**JANUARY 1 - MARCH 31, 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>
<b><i>BA SECURITIES INC.</i></b>				
	US AGENCY	3,295,000	4.19%	3.24%
	CORP NOTES	3,750,000	36.15%	3.69%
<b><i>BEAR STEARNS &amp; CO.</i></b>				
	US AGENCY	1,000,000	1.27%	0.98%
	CORP NOTES	250,000	2.41%	0.25%
<b><i>BARCLAYS CAPITAL INC.</i></b>				
	US AGENCY	3,680,000	4.68%	3.62%
	US TREAS	225,000	20.00%	0.22%
<b><i>BONY MONEY MARKET</i></b>				
	MONEY-MARK	5,587,665	100.00%	5.49%
<b><i>CANTOR FITZGERALD</i></b>				
	US AGENCY	1,895,000	2.41%	1.86%
	USA-MBS	1,250,000	1.59%	1.23%
<b><i>CITIGROUP</i></b>				
	CORP NOTES	2,574,000	24.81%	2.53%
<b><i>DEUTSCHE BANC</i></b>				
	US AGENCY	2,363,000	3.00%	2.32%
	CORP NOTES	500,000	4.82%	0.49%

**BROKER ACTIVITY REPORT**  
**POOL 500 - L.G.I.P. LONG-TERM**  
**JANUARY 1 - MARCH 31, 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>
<b>FIRST TENNESSEE</b>				
	US AGENCY	8,310,000	10.56%	8.17%
	US TREAS	500,000	44.44%	0.49%
<b>GOLDMAN SACHS</b>				
	US AGENCY	1,750,000	2.22%	1.72%
	CORP NOTES	1,300,000	12.53%	1.28%
<b>J.P. MORGAN</b>				
	COMM-PAP	3,051,000	64.90%	3.00%
	7,145,000	2,850,000	3.62%	2.80%
		750,000	7.23%	0.74%
<b>MERRILL LYNCH</b>				
	COMM-PAP	1,650,000	35.10%	1.62%
	US AGENCY	13,877,000	17.64%	13.64%
	CORP NOTES	750,000	7.23%	0.74%
<b>MIZUHO SECURITIES</b>				
	US AGENCY	8,098,000	10.29%	7.96%
<b>MORGAN STANLEY</b>				
	US AGENCY	3,000,000	3.81%	2.95%
	CORP NOTES	500,000	4.82%	0.49%
<b>RBS GREENWICH CAPITAL</b>				
	US AGENCY	585,000	0.74%	0.58%
	US TREAS	400,000	35.56%	0.39%

*BROKER ACTIVITY REPORT  
POOL 500 - L.G.I.P. LONG-TERM  
JANUARY 1 - MARCH 31, 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>
<i>SECURITIES TRANSFERS (NO BROKER)</i>				
	US AGENCY	60,000	0.08%	0.06%
<i>UBS PAINE WEBBER</i>				
	US AGENCY	27,901,000	35.47%	27.43%

**BROKER ACTIVITY REPORT**  
**POOL 7 - L.G.I.P.- GOV**  
**JANUARY 1 - MARCH 31, 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>
<b><i>BA SECURITIES INC.</i></b>				
	REPO	12,551,000,000	12.05%	11.98%
	US TREAS	40,000,000	5.84%	0.04%
<b><i>BARCLAYS CAPITAL INC.</i></b>				
	US TREAS	25,000,000	3.65%	0.02%
<b><i>CANTOR FITZGERALD</i></b>				
	US TREAS	200,000,000	29.20%	0.19%
<b><i>CITIGROUP</i></b>				
	REPO	33,309,900,000	31.99%	31.78%
	US TREAS	260,000,000	37.96%	0.25%
<b><i>DEUTSCHE BANC</i></b>				
	REPO	47,943,100,000	46.05%	45.75%
	US TREAS	120,000,000	17.52%	0.11%
<b><i>GOLDMAN SACHS</i></b>				
	REPO	847,000,000	0.81%	0.81%
<b><i>MIZUHO SECURITIES</i></b>				
	REPO	9,468,000,000	9.09%	9.03%
<b><i>RBS GREENWICH CAPITAL</i></b>				
	US TREAS	20,000,000	2.92%	0.02%
<b><i>SECURITIES TRANSFERS (NO BROKER)</i></b>				
	US TREAS	20,000,000	2.92%	0.02%

**BROKER ACTIVITY REPORT  
FIXED INCOME FUND 205  
JANUARY 1 - MARCH 31, 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>
<b><i>BA SECURITIES INC.</i></b>				
	CORP-NOTE	26,000,000	28.02%	12.15%
<b><i>BARCLAYS CAPITAL INC.</i></b>				
	CORP-NOTE	3,000,000	3.23%	1.40%
<b><i>BONY MONEY MARKET</i></b>				
	MONEY-MARK	65,473,919	100.00%	30.59%
<b><i>CANTOR FITZGERALD</i></b>				
	USA MBS	10,750,000	100.00%	5.02%
<b><i>CITIGROUP</i></b>				
	CORP-NOTE	15,000,000	16.16%	7.01%
	US AGENCY	10,000,000	25.00%	4.67%
<b><i>DEUTSCHE BANC</i></b>				
	US AGENCY	10,000,000	25.00%	4.67%
<b><i>GOLDMAN SACHS</i></b>				
	CORP-NOTE	14,000,000	15.09%	6.54%
<b><i>J.P. MORGAN</i></b>				
	CORP-NOTE	15,000,000	16.16%	7.01%
<b><i>LEHMAN BROTHERS</i></b>				
	CORP-NOTE	10,000,000	10.78%	4.67%

**BROKER ACTIVITY REPORT  
FIXED INCOME FUND 205  
JANUARY 1 - MARCH 31, 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>
<b>MERRILL LYNCH</b>				
	CORP ABS	5,000,000	100.00%	2.34%
<b>MORGAN STANLEY</b>				
	CORP-NOTE	9,800,000	10.56%	4.58%
	US AGENCY	10,000,000	25.00%	4.67%
<b>SOUTHWEST SECURITIES INC.</b>				
	US AGENCY	10,000,000	25.00%	4.67%