

OFFICE OF THE
ARIZONA STATE TREASURER



**HON. DEAN MARTIN
TREASURER**



MAY 2008

Presented To:

Arizona State Board of Investment

JUNE 18, 2008

STATE BOARD OF INVESTMENT

A G E N D A

June 18, 2008

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

Activity Reports

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

Holdings Reports

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

Balance Report

- F. Operating Monies Invested Balances

5. Review of Treasurer's Monthly Reports - Endowments

Activity Reports

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

Holdings Reports

- G. Investments Outstanding; Endowment Pools
 - H. Rating Summaries – Endowments
 - I. Equity Holdings – Investments Outstanding by Sector
 - S&P 500
 - S&P 400
 - J. Equity Holdings by Participant
6. Proposed Changes to the Investment Policy
- A. Review of Proposed Changes
 - B. Public Comment on Proposed Changes
 - C. Discussion and Action on Proposed Changes
7. Review and Approval of Proposed and or Pending Securities Dealers
8. General Business
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

June 18, 2008

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**Minutes of
BOARD OF INVESTMENT MEETING**

The regular meeting of the State Board of Investment was held on May 21, 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
Jack Hudock, Consultant for Legal & Administrative Affairs, Department of Financial Institutions, designee for Felecia A. Rotellini, Superintendent, Department of Financial Institutions
Charlotte Hosseini, designee for William Bell, Director Arizona Department of Administration

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
D. Clark Partridge, State Comptroller
Michael J. Smarik, Deputy State Comptroller

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

Review of Treasurer's Monthly Reports – Investment Pools

Activity Reports

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

Holdings Reports

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

- D. Rating Summaries
 - State Agency Pools
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- E. Maturity Summary – LGIP
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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
- B. Yield Analysis – MTD; Endowment
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- 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
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- 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 May 21, 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 May 21, 2008 meeting.

3. Approval of Minutes:

Mr. Hudock made a motion to approve the minutes for the April 16, 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 April, 2008.

State Agency Pools Portfolio Yield Analysis

Mr. Petkiewicz reported the gross yields for the State Agency Pools for the month of April, 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 April, 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 April, 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 April 30, 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 April 30, 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 April 30, 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.

Mr. Hudock noted that there was a decrease in the percentage of the higher rated securities and asked if that was a trend that was a product of the economy slowing down. Mr. Petkiewicz advised that what is being presented are investments that have moved from long term securities rated AAA, to short term securities with the same rating, only the short term rating is represented by A1+.

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 April, 2008.

Treasurer Martin advised the Board that the operating monies had a low of \$454 million in April and a low of \$424 million in May, because of the double school payments in both of those months. He noted that those should probably be the lows for this year because there are no more double school payments due and we may finish the year without having

to call any of the BFO Issues because we have access to the Rainy Day Fund.

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 April, 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 April, 2008.

Monthly Return Analysis for the Endowment Funds

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

Treasurer Martin noted that included with this month's BOI Report is an Addendum to page 19 for each month of this fiscal year. This is a recalculation, which was done due to a miscalculation that started in the previous administration. He advised that we are not able to go back to previous years to make the correction because the books have been closed, but he felt it was important to do the corrections for the current year.

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 April, 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 April, 2008.

Equity Funds Purchases & Sales

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

Investments Outstanding in Endowment Funds

Mr. Petkiewicz reported the par, book, market value, and unrealized gains/loss of the Endowment Funds as of April 30, 2008.

Rating Summary Endowment Fixed Income Fund

Mr. Petkiewicz reported the credit ratings for the Endowment Funds as of April 30, 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 April 30, 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 April 30, 2008.

Equity Holdings – By Participant

Mr. Petkiewicz reported the equity holdings of the Endowment Funds as of April 30, 2008.

Approval of Treasurer's Report

Mr. Maguire made a motion to approve the Treasurer's Report and the corrections to page 19 as submitted. Ms. Hosseini 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:

A. Legislative Update:

A handout pertaining to key legislation relating to the Treasurer's Office was passed out to the Board and reviewed by Treasurer Martin. When finished presenting the information, he asked if anyone had any questions, there were none.

B. Status of Operating Cash Balance:

Treasurer noted that this issue had been addressed earlier when discussing the Operating Monies Average Invested Balance (page vii).

9. Notice of Next Meeting:

The next regular meeting of the Board of Investment will be Wednesday, June 18, 2008 at 10:00 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. Hudock seconded the motion. Upon unanimous approval, the BOI meeting was adjourned at 11:10 a.m.

Respectfully Submitted by:

Helen D. Garafola
Executive Consultant

Approved by:

Dean Martin, Chair

Date:

EARNINGS DISTRIBUTION - INVESTMENT POOLS
MAY 2008

State Treasurer's Report
June 18, 2008
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Recipient	Earnings Distributed			Fiscal YTD Investment Management Fees Received
	MAY 2008	Fiscal YTD 07/08	Fiscal YTD 06/07	
General Fund	\$2,823,367	\$88,780,225	\$95,184,232	
2 State Agencies I - Full Faith & Credit	4,102,764	35,083,280	34,546,210	\$577,993
3 State Agencies II - Diversified	6,904,291	93,999,690	83,588,122	1,904,428
5 Local Governments	6,776,313	103,211,286	91,910,607	1,838,403
6 State Agencies III - US Govt & Agency	10,517	173,544	327,867	7,613
7 LGIP Gov't	4,171,275	62,558,983	75,661,452	1,248,920
8 State Agencies IV - Restricted Diversified	0	12,103,519	10,992,505	269,827
9 * ADOT - BFO	0	0	0	517,677
11 School Facilities Board	56,859	376,644	638,589	9,838
12 CAWCD Medium-Term	269,218	4,485,762	4,421,849	67,275
14 School Facilities Board 2002 Series	60,844	1,039,385	1,511,421	21,210
15 GADA Long-Term	87,108	734,541	626,515	10,627
Subtotal	\$25,262,556	\$402,546,858	\$399,409,370	\$6,473,810
NAV POOL				
500 LGIP LT	134,909	1,362,501	1,212,352	20,174
Total	\$25,397,464	\$403,909,359	\$400,621,723	\$6,493,984

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

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

State Treasurer's Report
June 18, 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	2,946,023	0.0138%	0.5812%	2.9905%	3.5855%
3	STATE AGENCIES II - DIVERSIFIED	6,982,581	0.0009%	0.5420%	2.7318%	3.2747%
6	STATE AGENCIES III - US GOVT & AGENCY	17,056	0.0000%	1.7486%	0.8302%	2.5789%
8	STATE AGENCIES IV-RESTRICTED DIVERSIFIED	1,937,136	0.0000%	-0.6244%	3.3963%	2.7719%
9	BOARD FUNDING OBLIGATION	568,701	0.0000%	0.0000%	4.5240%	4.5240%
11	SCHOOL FACILITIES BOARD	62,616	0.0000%	0.5924%	1.4085%	2.0009%
12	CAWCD MEDIUM TERM	411,275	0.0000%	-0.1817%	4.5209%	4.3391%
14	SCHOOL FACILITIES BOARD BONDS	69,268	0.0000%	1.4325%	0.7707%	2.2032%
15	GADA	64,562	0.0000%	-0.0112%	4.4573%	4.4461%
TOTAL STATE AGENCIES		13,059,219				

LGIP & LGIP-GOV
PORTFOLIO YIELD ANALYSIS
 May 31, 2008

State Treasurer's Report
 June 18, 2008
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FUND	DESCRIPTION	NET EARNINGS	SALES EARNINGS YIELD	AMORT/DISC EARNINGS YIELD	COUPON EARNINGS YIELD	GROSS YIELD
5	LGIP	5,990,949	-0.0713%	1.0233%	1.4803%	2.4323%
7	LGIP - GOV	3,996,486	0.0000%	-0.2545%	2.3714%	2.1170%
TOTAL LGIP & LGIP-GOV		9,987,436				

		03/31/08	04/30/08	05/31/08
5	LGIP MONTHLY YIELD (NET)	2.84%	2.58%	2.37%
	S & P LGIP INDEX YIELD	3.24%	2.73%	2.42%
	LGIP YTD YIELD (NET)	4.61%	4.40%	4.22%
	S & P LGIP YTD INDEX YIELD	4.56%	4.39%	4.19%
7	LGIP - GOV MONTHLY YIELD (NET)	2.02%	2.15%	2.06%
	3 MONTH T-BILL	1.22%	1.32%	1.77%
	* S & P LGIP - GOV INDEX YIELD	3.03%	2.46%	2.13%
	LGIP - GOV YTD YIELD (NET)	3.94%	3.76%	3.58%
	YTD 3 MONTH T-BILL	3.35%	3.16%	3.00%
	* S & P LGIP - GOV YTD INDEX YIELD	4.39%	4.21%	3.99%

* 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**
May 31, 2008

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June 18, 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	143,924	0.1972%	-0.0821%	4.1330%	4.2481%
	TOTAL LGIP LONG TERM POOL	143,924				

	03/31/08	04/30/08	05/31/08
LGIP LONG TERM MONTHLY YIELD (NET)	4.34%	4.13%	4.19%
MERRILL 1-5 US D M INDEX MONTHLY YIELD	3.79%	3.92%	4.31%
LGIP LONG TERM YTD YIELD (NET)	4.73%	4.66%	4.61%
MERRILL 1-5 US D M INDEX YTD YIELD	4.37%	4.33%	4.33%

**STATE AGENCY POOLS
INVESTMENTS OUTSTANDING**

MAY 31, 2008
(in thousands)

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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	330,000	330,000	330,000	0	
	U.S. Government & Agencies	821,251	821,220	823,546	2,326	
	Total	1,151,251	1,151,220	1,153,546	2,326	1.002
3	State Agencies II - Diversified					
	Repurchase Agreements	100,000	100,000	100,000	0	
	U.S. Government & Agencies	1,221,817	1,219,644	1,225,976	6,332	
	Corporate Securities	1,019,832	1,018,374	1,013,872	(4,503)	
	Total	2,341,649	2,338,018	2,339,848	1,830	1.001
6	State Agencies III - US Govt & Agency					
	Repurchase Agreements	0	0	0	0	
	U.S. Government & Agencies	8,000	7,978	7,970	(8)	
	Total	8,000	7,978	7,970	(8)	0.999
8	State Agencies IV - Restricted Diversified					
	Commercial Paper	20,000	19,991	19,991	0	
	U.S. Government & Agencies	774,515	777,664	776,789	(875)	
	Total	794,515	797,655	796,780	(875)	0.999
9	ADOT B.F.O.					
	Board Funding Obligations	150,000	150,000	150,000	0	
	Total	150,000	150,000	150,000	0	1.000
11	School Facilities Board					
	Repurchase Agreements	24,000	24,000	24,000	0	
	U.S. Government & Agencies	15,000	14,958	14,949	(9)	
	Total	39,000	38,958	38,949	(9)	1.000
12	CAWCD Medium-Term					
	Money Market Mutual Shares	602	602	602	0	
	U.S. Government & Agencies	67,966	68,118	68,083	(35)	
	Corporate Securities	44,461	44,556	43,547	(1,008)	
	Total	113,029	113,275	112,232	(1,043)	0.991

STATE AGENCY POOLS
INVESTMENTS OUTSTANDING
MAY 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	4,000	4,000	4,000	0	
	U.S. Government & Agencies	35,000	34,921	34,907	(14)	
	Total	39,000	38,921	38,907	(14)	1.000
15	GADA					
	Money Market Mutual Shares	1,944	1,944	1,944	0	
	U.S. Government & Agencies	11,423	11,410	11,406	(5)	
	Corporate Securities	4,025	4,044	3,982	(62)	
	Total	17,392	17,398	17,332	(67)	0.996
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	458,000	458,000	458,000	0	
	Money Market Mutual Shares	2,545	2,545	2,545	0	
	Commercial Paper	20,000	19,991	19,991	0	
	U.S. Government & Agencies	2,954,972	2,955,913	2,963,626	7,713	
	Corporate Securities	1,068,318	1,066,974	1,061,402	(5,573)	
	Board Funding Obligations	150,000	150,000	150,000	0	
	<i>NPF Securities</i>	61,939	61,924	0	(61,924)	
	Grand Total	4,715,774	4,715,348	4,655,563	(59,784)	

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

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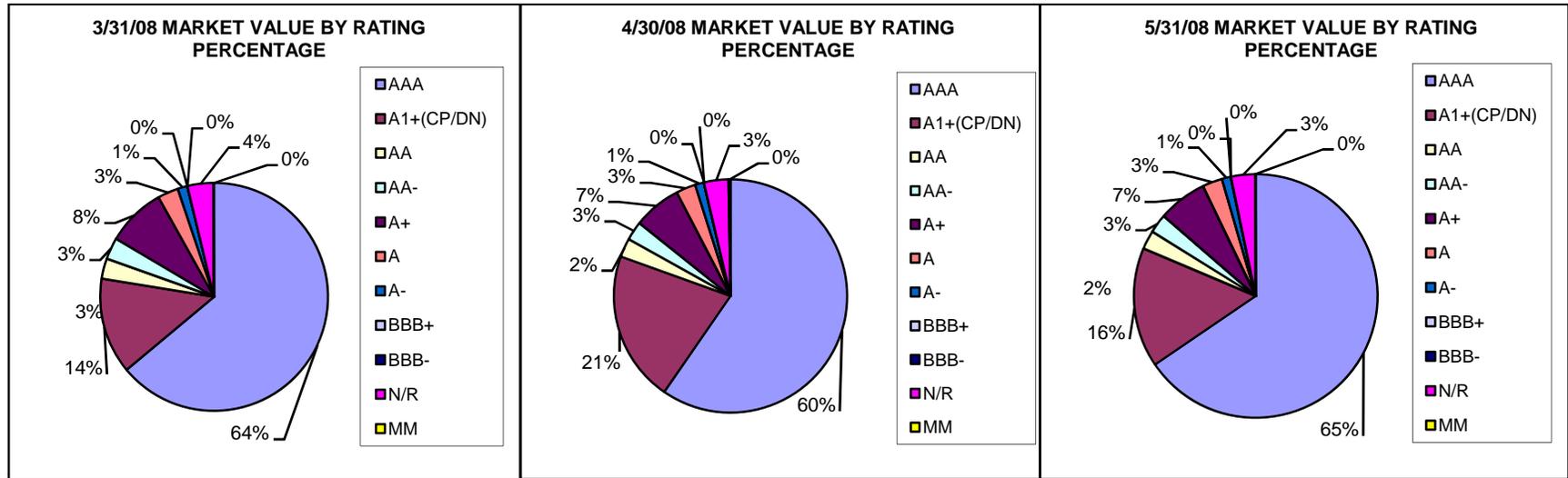
POOL	INVESTMENT POOL	PAR VALUE	BOOK VALUE	MARKET VALUE	UNREALIZED GAINS (LOSSES)	Mkt Value/ Book Value
5	Local Governments					
	Repurchase Agreements	0	0	0	0	
	Commercial Paper	45,000	44,826	44,826	(0)	
	Certificates of Deposit	5,000	4,984	5,059	75	
	U.S. Government & Agencies	2,005,991	2,003,470	2,003,074	(396)	
	Corporate Securities	846,673	845,907	839,342	(6,564)	
	Total	2,902,664	2,899,187	2,892,302	(6,886)	0.998
7	LGIP - Gov't					
	Repurchase Agreements	2,042,000	2,042,000	2,042,000	0	
	U.S. Government & Agencies	328,340	329,951	331,155	1,204	
	Total	2,370,340	2,371,951	2,373,155	1,204	1.001
500	LGIP LT					
	Money Market Mutual Shares	37	37	37	0	
	Commercial Paper	963	961	961	0	
	U.S. Government & Agencies	22,741	22,828	22,968	140	
	Corporate Securities	15,840	15,850	15,774	(77)	
	Dividends Payable/Other	4	4	4	0	
	Total	39,585	39,679	39,743	64	
	TOTALS - LGIP POOLS					
	Repurchase Agreements	2,042,000	2,042,000	2,042,000	0	
	Money Market Mutual Shares	37	37	37	0	
	Commercial Paper	45,963	45,787	45,787	(0)	
	Certificates of Deposit	5,000	4,984	5,059	75	
	U.S. Government & Agencies	2,357,072	2,356,249	2,357,197	948	
	Corporate Securities	862,513	861,757	855,116	(6,641)	
	Dividends Payable/Other	4	4	4	0	
	Grand Total	5,312,589	5,310,818	5,305,199	(5,618)	

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

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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>	39,688	39,890	40,075	185	
	Total	39,688	39,890	40,075	185	1.005

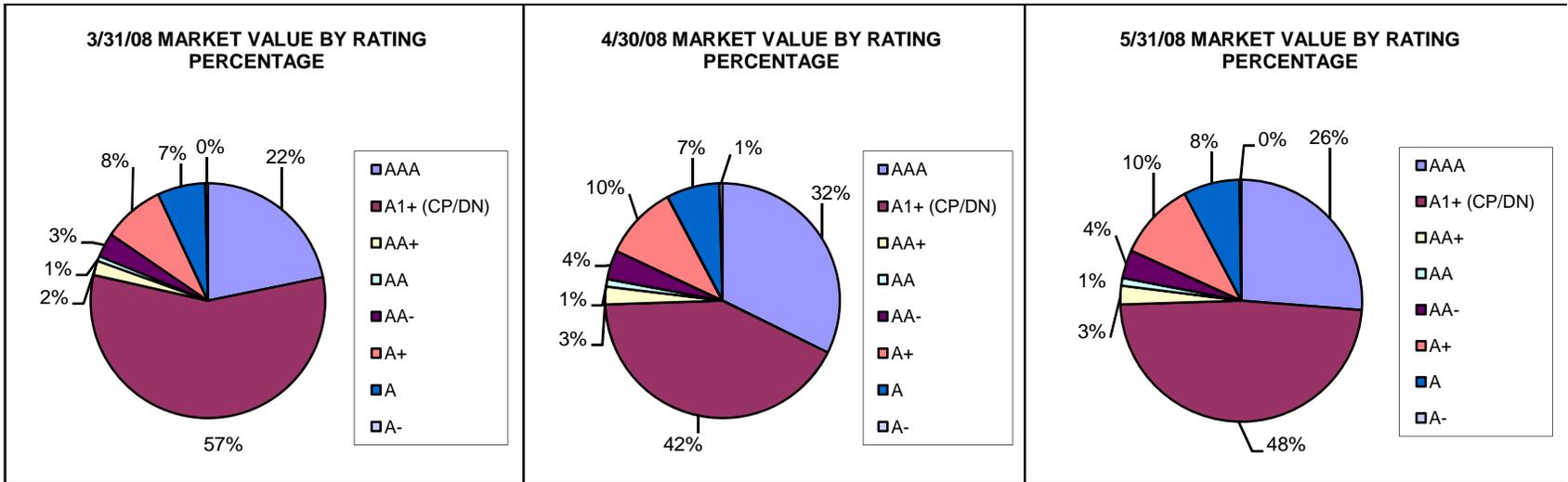
**ARIZONA STATE TREASURER'S OFFICE
RATING SUMMARY
STATE AGENCY POOLS 2, 3, 6, 8, 9, 11 - 15**



	03/31/08			04/30/08			05/31/08		
RATING	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT
AAA	300	\$2,590,163,410	64%	296	\$2,672,339,888	59%	323	\$3,050,862,698	65%
A1+(CP/DN)	34	\$552,609,510	14%	32	\$930,328,942	21%	30	\$738,085,392	16%
AA	7	\$116,591,312	3%	7	\$115,954,202	3%	7	\$116,139,754	2%
AA-	11	\$124,914,528	3%	10	\$116,766,525	3%	10	\$116,942,005	3%
A+	29	\$338,732,518	8%	28	\$297,408,666	7%	30	\$302,844,283	7%
A	11	\$120,047,375	3%	11	\$119,989,589	3%	13	\$122,807,529	3%
A-	3	\$55,118,760	1%	3	\$54,632,220	1%	3	\$54,344,780	1%
BBB+	1	\$780,488	0%	0	\$0	0%	0	\$0	0%
BBB-	1	\$900,420	0%	1	\$966,150	0%	1	\$984,550	0%
N/R	14	\$150,007,071	4%	14	\$150,007,071	3%	14	\$150,007,071	3%
MM	2	\$2,011,342	0%	2	\$12,993,145	0%	2	\$2,545,358	0%
TOTAL	413	\$4,051,876,734	100%	404	\$4,471,386,397	100%	433	\$4,655,563,420	100%

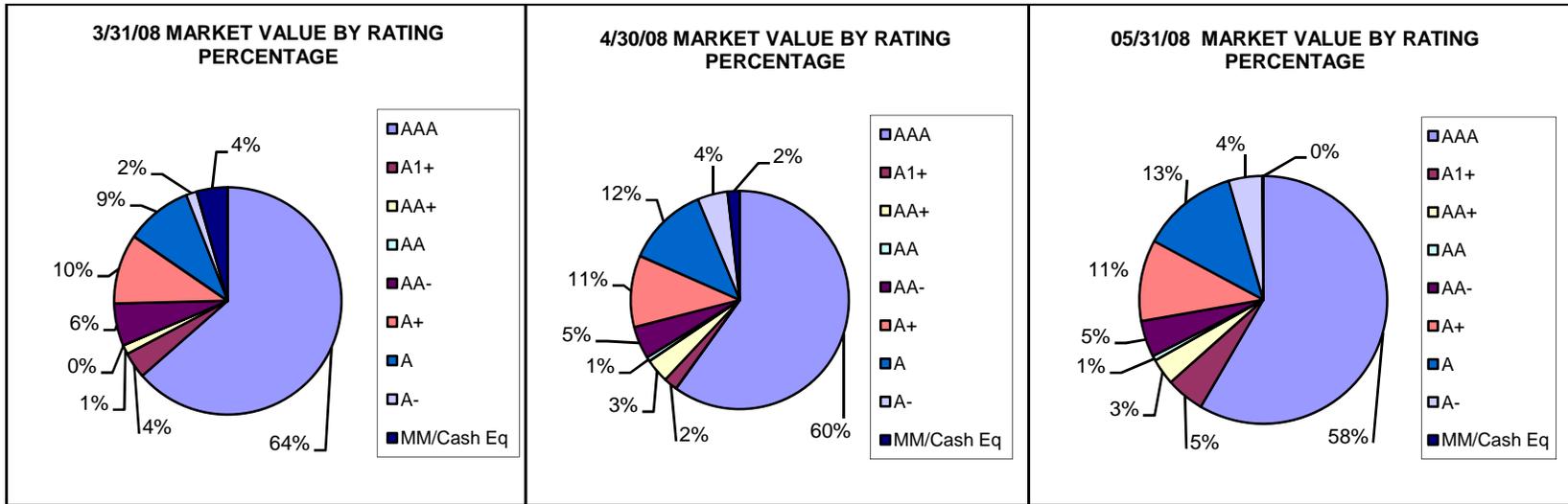
MM = MONEY MARKET (BONY/HAMILTON TREASURY)
N/R = ADOT BONDS (150,000,000), TAX DEFERRED (7,071) AND NCFE

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



RATING	03/31/08			04/30/08			05/31/08		
	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT
AAA	48	\$777,205,161	22%	50	\$935,857,332	33%	46	\$762,478,614	26%
A1+ (CP/DN)	57	\$2,023,919,175	57%	34	\$1,244,923,613	43%	31	\$1,388,597,307	49%
AA+	8	\$70,606,050	2%	9	\$72,091,626	2%	9	\$72,224,345	2%
AA	2	\$24,476,700	1%	3	\$29,974,448	1%	3	\$30,118,957	1%
AA-	10	\$119,631,491	3%	10	\$120,133,696	4%	10	\$110,326,915	4%
A+	20	\$301,836,990	8%	20	\$302,932,934	10%	20	\$303,640,949	10%
A	19	\$235,950,111	7%	18	\$216,095,398	7%	19	\$218,598,868	8%
A-	2	\$13,316,989	0%	2	\$13,314,437	0%	1	\$6,315,576	0%
TOTAL	166	\$3,566,942,668	100%	146	\$2,935,323,483	100%	139	\$2,892,301,531	100%

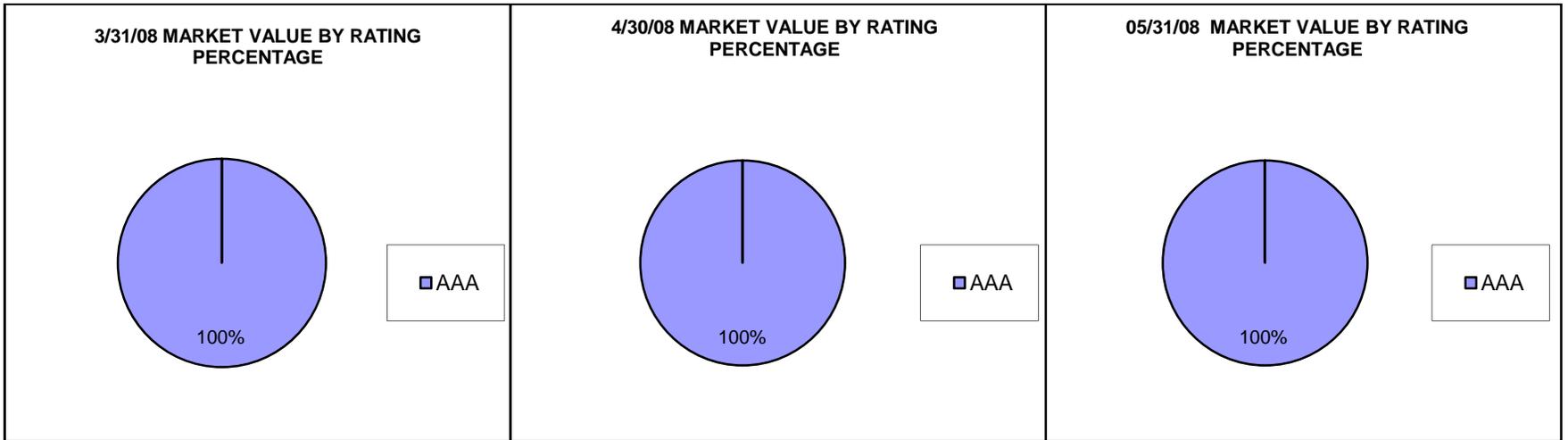
**ARIZONA STATE TREASURER'S OFFICE
RATING SUMMARY
LGIP 500**



	3/31/2008			4/30/2008			5/31/2008		
RATING	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT
AAA	45	\$25,407,825	64%	44	\$24,077,022	59%	44	\$23,398,746	58%
A1+	3	\$1,497,148	4%	2	\$808,684	2%	5	\$1,818,635	5%
AA+	1	\$523,003	1%	3	\$1,409,818	4%	3	\$1,400,586	3%
AA	0	\$0	0%	1	\$251,016	1%	1	\$248,215	1%
AA-	6	\$2,424,326	6%	5	\$1,898,348	5%	5	\$1,885,363	5%
A+	10	\$3,968,299	10%	11	\$4,216,003	11%	11	\$4,201,083	11%
A	7	\$3,794,173	9%	9	\$4,799,046	12%	10	\$5,004,813	13%
A-	2	\$601,515	2%	3	\$1,758,343	4%	3	\$1,744,604	4%
MM/Cash Eq	3	\$1,772,565	4%	2	\$720,559	2%	2	\$40,486	0%
TOTAL	77	\$39,988,854	100%	80	\$39,938,838	100%	84	\$39,742,530	100%

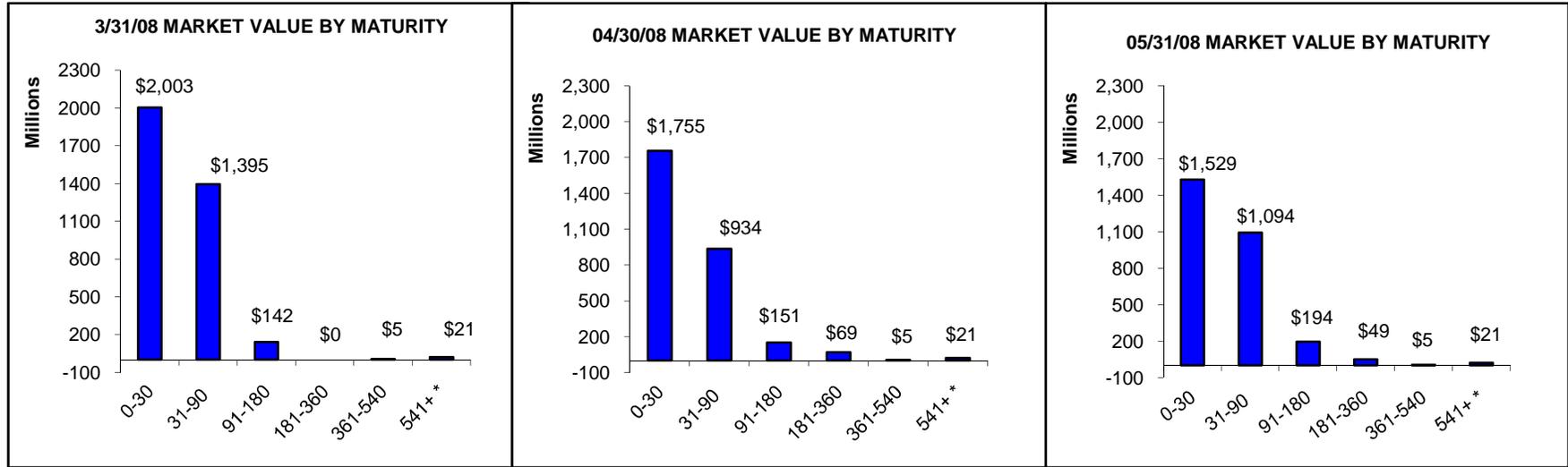
*MM/Cash Equivalent includes dividends payable

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



		03/31/08				04/30/08				05/31/08		
RATING	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT
AAA	15	\$2,040,707,155	100%	13	\$2,910,795,498	100%	11	\$2,373,155,212	100%			

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



03/31/08				04/30/08			05/31/08		
MATURITY	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT
0-30	76	\$2,003,482,593	56%	75	\$1,754,889,677	60%	65	\$1,529,064,702	53%
31-90	76	\$1,395,437,209	39%	57	\$934,236,545	32%	59	\$1,093,550,045	38%
91-180	10	\$141,655,849	4%	8	\$150,634,593	5%	10	\$194,243,232	7%
181-360	0	\$0	0%	2	\$69,420,000	2%	1	\$49,445,000	2%
361-540	1	\$5,021,305	0%	1	\$5,028,650	0%	1	\$5,058,839	0%
541+ *	3	\$21,345,713	1%	3	\$21,114,019	1%	3	\$20,939,713	1%
TOTAL	166	\$3,566,942,668	100%	146	\$2,935,323,484	100%	139	\$2,892,301,531	100%

03/31/08		04/30/08		05/31/08	
MATURITY	WAM	MATURITY	WAM	MATURITY	WAM
0-30	8.16	0-30	7.24	0-30	8.02
31-90	22.96	31-90	17.49	31-90	24.19
91-180	4.64	91-180	6.19	91-180	7.90
181-360	0.00	181-360	4.82	181-360	3.09
361-540	0.62	361-540	0.70	361-540	0.66
541+	4.86	541+	5.63	541+	5.44
TOTAL	41.25	TOTAL	42.07	TOTAL	49.31

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	03/31/08			04/30/08			05/31/08		
	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT
0-30	5	\$1,602,915,882	79%	5	\$2,603,952,392	89%	4	\$2,077,092,969	88%
31-90	2	\$129,852,067	6%	2	\$35,221,550	1%	4	\$179,223,963	8%
91-180	7	\$266,476,706	13%	5	\$230,430,756	8%	1	\$50,351,563	2%
181-360	0	\$0	0%	0	\$0	0%	1	\$40,975,000	2%
361-540	1	\$41,462,500	2%	1	\$41,190,800	1%	1	\$25,511,719	1%
540+	0	\$0	0%	0	\$0	0%	0	\$0	0%
TOTAL	15	\$2,040,707,155	100%	13	\$2,910,795,498	100%	11	\$2,373,155,213	100%

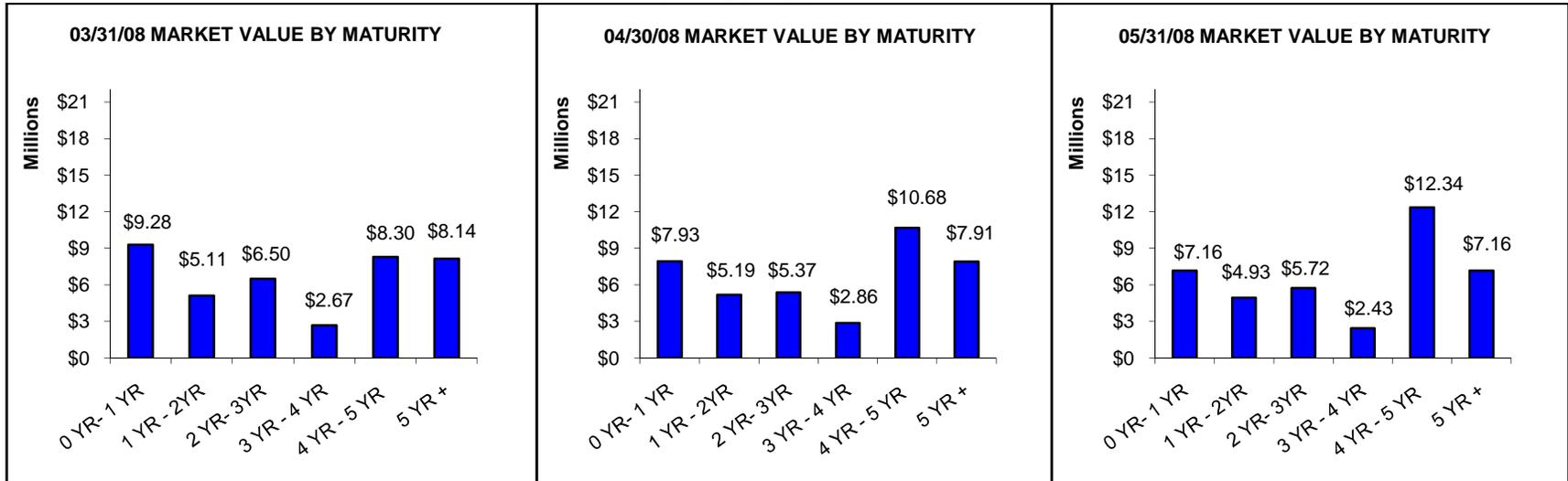
03/31/08	
MATURITY	WAM
0-30	2.89
31-90	2.86
91-180	16.17
181-360	0.00
361-540	8.33
540+	0.00
TOTAL	30.25

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

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	03/31/08			04/30/08			05/31/08		
	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT
0 YR- 1 YR	18	\$9,280,226	23%	17	\$7,930,115	20%	19	\$7,156,369	18%
1 YR - 2YR	11	\$5,112,911	13%	12	\$5,189,448	13%	11	\$4,931,974	12%
2 YR- 3YR	16	\$6,497,171	16%	14	\$5,365,438	13%	15	\$5,724,895	14%
3 YR - 4 YR	6	\$2,665,538	7%	6	\$2,862,435	7%	5	\$2,425,636	6%
4 YR - 5 YR	14	\$8,295,679	21%	17	\$10,684,742	27%	21	\$12,344,171	31%
5 YR +	12	\$8,137,328	20%	14	\$7,906,659	20%	13	\$7,159,485	18%
TOTAL	77	\$39,988,854	100%	80	\$39,938,838	100%	84	\$39,742,530	100%

	3/31/2008	4/30/2008	5/31/2008
LGIP LT MONTHLY DURATION	1.53	1.64	1.90
MERRILL 1-5 US DOMESTIC MASTER INDEX	2.55	2.52	2.76

*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 May 31, 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	
Y-T-D			
Average	\$2,268	\$2,258	\$1,668

**EARNINGS DISTRIBUTED
ENDOWMENT FUNDS
MAY 2008**

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Distributed in Current Month

Recipient	May-08	Fiscal YTD 07/08	Fiscal YTD 06/07
101 A & M Colleges	\$32,736	\$360,033	\$184,543
102 State Hospital	\$16,297	\$179,234	\$113,854
103 Leg., Exec., & Jud.	\$21,522	\$236,697	\$112,326
104 Military Institute	\$1,686	\$18,543	\$9,120
105 Miners Hospital	\$26,015	\$286,108	\$145,087
107 Normal School ASU/NAU	\$8,418	\$92,577	\$42,242
108 Penitentiaries	\$23,555	\$259,054	\$128,806
109 Permanent Common School	\$5,775,855	\$63,521,778	\$29,655,494
110 School for Deaf & Blind	\$13,834	\$152,147	\$80,327
111 School of Mines	\$26,908	\$295,928	\$122,744
112 State Charitable-Pioneers Home	\$120,232	\$1,322,321	\$643,128
112 State Charitable-Corrections	\$60,116	\$661,162	\$321,564
112 State Charitable-Youth Treatment	\$60,116	\$661,162	\$321,564
113 University Fund	\$42,084	\$462,825	\$207,922
114 U of A Land - 1881	\$97,302	\$1,070,112	\$519,709
Total	\$6,326,676	\$69,579,681	\$32,608,429

Posted in USAS in current month

ENDOWMENT FUNDS
PORTFOLIO YIELD ANALYSIS
 May 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	4,925,938	0.0000%	-0.1437%	4.7685%	4.6248%
	TOTAL ENDOWMENTS - FIXED INCOME	4,925,938				

RETURN ANALYSIS
ENDOWMENT FUNDS
(\$ In Thousands)

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ENDOWMENT FUNDS	MAY 2008 MONEY WEIGHTED RETURN	FISCAL YEAR 2007/2008 MONEY WEIGHTED RETURN
101 A & M Colleges	0.93%	1.50%
102 State Hospital	0.89%	1.69%
103 Leg., Exec., & Jud.	0.84%	1.66%
104 Military Institute	0.85%	1.82%
105 Miners Hospital	0.85%	2.66%
107 Normal School ASU/NAU	0.86%	1.61%
108 Penitentiaries	0.83%	1.68%
109 Permanent Common School	0.84%	1.41%
110 School for Deaf & Blind	0.85%	1.65%
111 School of Mines	0.86%	1.50%
112 State Charitable	0.85%	1.33%
113 University Fund	0.85%	1.82%
114 U Of A Land - 1881	0.85%	1.54%
<hr/>		
WEIGHTED PORTFOLIO RETURN	1.09%	1.48%
WEIGHTED BENCHMARK	0.95%	1.35%
S&P 500 EQUITY FUND RETURN:	1.35%	-5.07%
S & P 500 LARGE CAP INDEX:	1.30%	-5.12%
BOND FUND RETURN:	-0.86%	6.22%
CITIGROUP BIG INDEX RETURN:	-0.89%	7.64%
S&P 400 EQUITY FUND RETURN:	6.00%	3.82%
S&P 400 MID-CAP INDEX:	5.29%	-0.33%
*MONEY MARKET RETURN:	2.43%	4.29%
*S&P LGIP INDEX RETURN:	2.42%	4.19%

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.

	Mar-08	Apr-08	May-08	Mar-08	Apr-08	May-08
S&P 500	-0.43%	4.87%	1.30%	1322.70	1385.59	1400.38
S&P 400	-1.03%	7.71%	5.29%	779.51	838.84	881.96
S&P 600	0.39%	4.01%	4.42%	364.59	378.90	395.31
DOW JONES	-0.03%	4.54%	-1.41%	12262.89	12820.13	12638.32
NASDAQ	0.41%	5.90%	4.69%	2279.10	2412.80	2522.66

NET REALIZED CAPITAL GAINS / LOSSES - ENDOWMENT FUNDS

Endowment Fund -----	May-08 NET GAIN(LOSS) -----	FISCAL YTD GAINS(LOSSES) -----
Fixed Income Pool Net Gain (Loss)	(19,054)	(374,212)
Equity Pool (500) Net Gain (Loss)	537,806	6,711,525
Equity Pool (400) Net Gain (Loss)	1,332,164	14,638,614
Totals	1,850,916 =====	20,975,928 =====

ENDOWMENT FUNDS FIXED-INCOME POOL
PURCHASES & SALES
 Month of May 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	5.38	8/19/2011	N/A	\$5,000,000	\$5,311,790	3.33	Aaa/AAA
FHLB	5.38	8/19/2011	N/A	\$5,000,000	\$5,291,875	3.45	Aaa/AAA
FNMA	5.50	12/14/2022	N/A	\$10,000,000	\$9,993,000	5.51	Aaa/AAA
FHLMC	5.00	9/1/2018	3.49	\$7,603,040	\$7,700,454	4.85	Aaa/AAA
CONOCO PHILLIPS	5.90	5/15/2038	N/A	\$10,000,000	\$9,962,200	5.93	A1/A
JP MORGAN CHASE	6.40	5/15/2038	N/A	\$5,000,000	\$4,942,300	6.49	Aa2/AA-
U.S. TREASURY NOTE	6.50	2/15/2010	N/A	\$10,000,000	\$10,694,922	2.48	Aaa/AAA
U.S. TREASURY NOTE	6.38	8/15/2027	N/A	\$5,000,000	\$6,123,242	4.60	Aaa/AAA
U.S. TREASURY NOTE	5.13	6/30/2011	N/A	\$10,000,000	\$10,777,734	2.53	Aaa/AAA
U.S. TREASURY NOTE	4.63	7/31/2012	N/A	\$10,000,000	\$10,717,578	2.81	Aaa/AAA
U.S. TREASURY NOTE	8.88	8/15/2017	N/A	\$5,000,000	\$6,864,648	4.01	Aaa/AAA
U.S. TREASURY NOTE	6.88	8/15/2025	N/A	\$5,000,000	\$6,395,313	4.53	Aaa/AAA
U.S. TREASURY NOTE	7.88	2/15/2021	N/A	\$5,000,000	\$6,724,414	4.32	Aaa/AAA
U.S. TREASURY NOTE	7.13	2/15/2023	N/A	\$5,000,000	\$6,428,906	4.46	Aaa/AAA
U.S. TREASURY NOTE	6.00	8/15/2009	N/A	\$10,000,000	\$10,461,328	2.19	Aaa/AAA
TOTAL ENDOWMENT FUNDS PURCHASES				\$107,603,040	\$118,389,705		

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>
TOTAL ENDOWMENT FUNDS SALES			\$0	\$0	\$0	

*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 May 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	10,000	\$1,549,653	\$150
S&P 500 Large-Cap Fund	357,888	\$13,867,696	\$5,369
TOTAL EQUITY PURCHASES	367,888	\$15,417,349	\$5,519

II. Equity Funds Sales

	<u>SHARES</u>	<u>SALES AMOUNT</u>	<u>COMMISSIONS</u>
S&P 400 Mid-Cap Fund	19,829	\$1,617,086	\$297
S&P 500 Large-Cap Fund	127,465	\$5,169,720	\$1,912
TOTAL EQUITY SALES	147,294	\$6,786,806	\$2,210

ENDOWMENT FUNDS
INVESTMENTS OUTSTANDING
MAY 31, 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>	2,569	2,340	2,993	653	
	<i>Shares in Fixed Income Fund</i>	2,852	3,146	4,067	921	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	839	803	1,608	805	
	Total	6,260	6,288	8,668	2,379	1.378
102	State Hospital					
	<i>Shares in S&P 500 Index Fund</i>	1,538	1,322	1,792	470	
	<i>Shares in Fixed Income Fund</i>	1,580	1,777	2,253	477	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	440	453	843	391	
	Total	3,558	3,551	4,888	1,337	1.377
103	Leg., Exec., & Jud.					
	<i>Shares in S&P 500 Index Fund</i>	1,988	1,956	2,316	360	
	<i>Shares in Fixed Income Fund</i>	2,395	2,629	3,415	786	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	647	670	1,240	569	
	Total	5,030	5,255	6,970	1,715	1.326
104	Military Institute					
	<i>Shares in S&P 500 Index Fund</i>	131	131	153	22	
	<i>Shares in Fixed Income Fund</i>	168	176	240	64	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	47	45	89	44	
	Total	346	352	482	130	1.370
105	Miners Hospital					
	<i>Shares in S&P 500 Index Fund</i>	3,609	3,568	4,205	637	
	<i>Shares in Fixed Income Fund</i>	3,838	4,792	5,473	681	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	1,026	1,222	1,966	744	
	Total	8,473	9,581	11,643	2,062	1.215

ENDOWMENT FUNDS
INVESTMENTS OUTSTANDING
MAY 31, 2008
(In Thousands)

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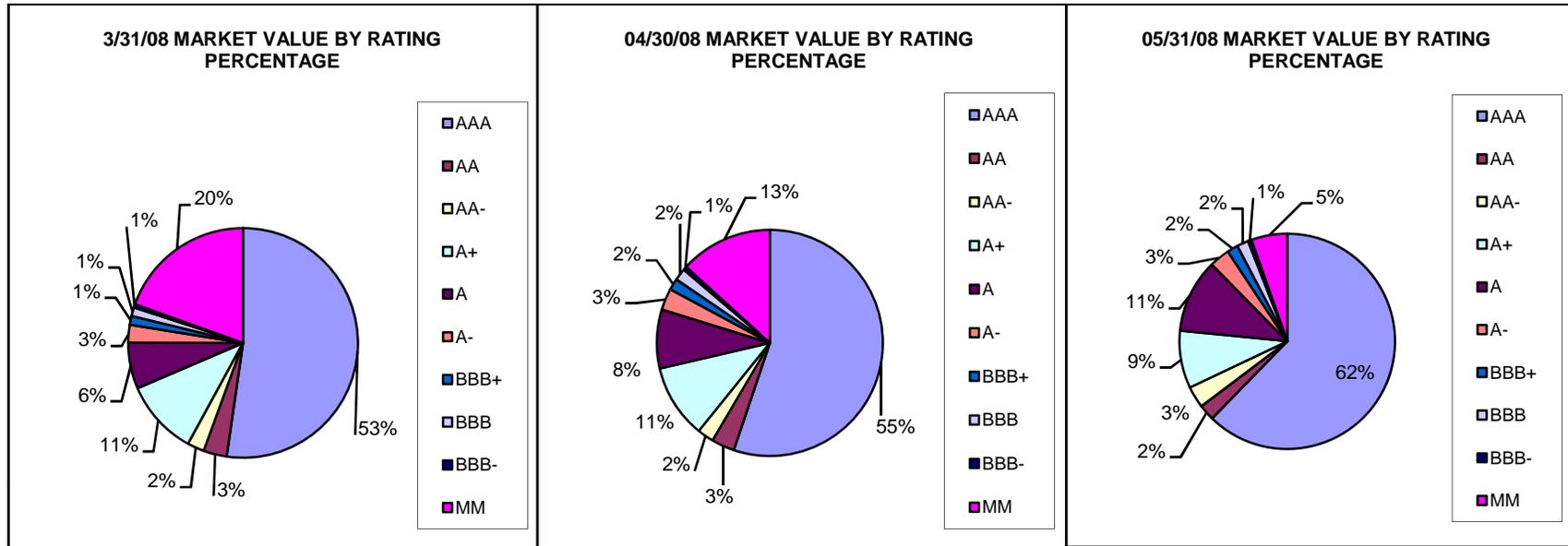
FUND	NAME OF FUND	SHARES OUTSTANDING	BOOK VALUE	MARKET VALUE	UNREALIZED GAINS (LOSSES)	Mkt Value/ Book Value
107	Normal School ASU/NAU					
	<i>Shares in S&P 500 Index Fund</i>	833	790	970	180	
	<i>Shares in Fixed Income Fund</i>	946	1,061	1,349	287	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	258	271	495	225	
	Total	2,037	2,122	2,814	692	1.326
108	Penitentiaries					
	<i>Shares in S&P 500 Index Fund</i>	2,119	2,025	2,469	444	
	<i>Shares in Fixed Income Fund</i>	2,565	2,731	3,657	926	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	687	693	1,317	624	
	Total	5,371	5,450	7,443	1,994	1.366
109	Permanent Common School					
	<i>Shares in S&P 500 Index Fund</i>	765,238	746,173	891,545	145,373	
	<i>Shares in Fixed Income Fund</i>	821,169	1,002,284	1,170,838	168,553	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	217,041	255,445	415,969	160,525	
	Total	1,803,448	2,003,901	2,478,352	474,451	1.237
110	School for Deaf & Blind					
	<i>Shares in S&P 500 Index Fund</i>	1,171	1,110	1,364	254	
	<i>Shares in Fixed Income Fund</i>	1,398	1,492	1,993	501	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	383	381	734	353	
	Total	2,951	2,983	4,091	1,108	1.372
111	School of Mines					
	<i>Shares in S&P 500 Index Fund</i>	2,908	2,843	3,388	545	
	<i>Shares in Fixed Income Fund</i>	3,263	3,819	4,652	833	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	894	974	1,714	739	
	Total	7,065	7,637	9,754	2,117	1.277

ENDOWMENT FUNDS
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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>	32,428	30,249	37,781	7,532	
	<i>Shares in Fixed Income Fund</i>	32,334	40,611	46,103	5,491	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	8,530	10,358	16,347	5,989	
	Total	73,292	81,218	100,231	19,012	1.234
113	University Fund					
	<i>Shares in S&P 500 Index Fund</i>	4,817	4,642	5,612	970	
	<i>Shares in Fixed Income Fund</i>	5,365	6,236	7,649	1,413	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	1,456	1,590	2,791	1,201	
	Total	11,638	12,468	16,052	3,584	1.287
114	U Of A Land - 1881					
	<i>Shares in S&P 500 Index Fund</i>	9,889	9,485	11,522	2,037	
	<i>Shares in Fixed Income Fund</i>	11,263	12,748	16,059	3,312	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	3,058	3,250	5,860	2,610	
	Total	24,210	25,482	33,441	7,959	1.312
TOTALS - ALL FUNDS						
	<i>Shares in S&P 500 Index Fund</i>	829,238	806,633	966,108	159,475	
	<i>Shares in Fixed Income Fund</i>	889,137	1,083,503	1,267,747	184,244	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	235,305	276,153	450,974	174,821	
	Grand Total	1,953,680	2,166,288	2,684,829	518,541	

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



	03/31/08			04/30/08			05/31/08		
RATING	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT
AAA	105	\$675,048,977	53%	108	\$703,336,295	55%	120	\$789,704,610	62%
AA	7	\$42,136,880	3%	7	\$41,977,050	3%	5	\$30,204,550	2%
AA-	5	\$30,417,713	2%	5	\$30,271,913	2%	7	\$41,054,998	3%
A+	21	\$135,019,710	11%	21	\$134,142,841	11%	17	\$108,293,544	9%
A	14	\$82,377,590	6%	16	\$107,405,010	8%	21	\$138,780,370	11%
A-	6	\$32,017,783	3%	7	\$39,012,705	3%	7	\$38,420,145	3%
BBB+	3	\$15,896,520	1%	4	\$21,124,860	2%	4	\$20,730,070	2%
BBB	2	\$15,401,700	1%	3	\$22,021,205	2%	3	\$21,739,360	2%
BBB-	1	\$6,302,940	0%	1	\$6,763,050	1%	1	\$6,891,850	1%
MM	2	\$234,699,526	20%	2	\$168,893,492	13%	2	\$59,389,733	5%
TOTAL	166	\$1,269,319,337	100%	174	\$1,274,948,420	100%	187	\$1,255,209,229	100%

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

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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	74,308	8.48%	8.53%	-0.05%
		CONSUMER STAPLES	92,040	10.50%	10.52%	-0.02%
		ENERGY	126,378	14.41%	14.32%	0.09%
		FINANCIALS	138,488	15.80%	15.91%	-0.11%
		HEALTH CARE	99,862	11.39%	11.49%	-0.10%
		INDUSTRIALS	103,435	11.80%	11.73%	0.07%
		INFORMATION TECHNOLOGY	146,740	16.74%	16.62%	0.12%
		MATERIALS	32,877	3.75%	3.72%	0.03%
		TELECOMMUNICATION SERVICES	30,417	3.47%	3.48%	-0.01%
		UTILITIES	32,219	3.67%	3.68%	-0.01%
		TOTALS LESS CASH / SPDR'S:	876,763	100.00%	100.00%	
		SPYDER'S	88,885			
		CASH **	460			
		TOTAL:	<u>966,108</u>			

*Numbers may not add up to 100% due to rounding. Differences may be off up to 1 bp due to rounding
 ** Includes dividends receivable and receivables (+)/payables (-) for sales/purchases.

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<u>POOL #</u>	<u>POOL DESCRIPTION</u>	<u>S & 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		24,315	8.23%	12.36%	-4.13%
	CONSUMER STAPLES		9,162	3.10%	3.07%	0.03%
	ENERGY		41,490	14.04%	10.95%	3.09%
	FINANCIALS		41,793	14.15%	15.53%	-1.38%
	HEALTH CARE		43,066	14.58%	10.07%	4.50%
	INDUSTRIALS		47,673	16.14%	17.38%	-1.24%
	INFORMATION TECHNOLOGY		34,621	11.72%	13.95%	-2.23%
	MATERIALS		25,070	8.49%	8.12%	0.36%
	TELECOMMUNICATION SERVICES		1,758	0.60%	0.54%	0.06%
	UTILITIES		26,475	8.96%	8.03%	0.93%
	TOTALS LESS CASH / SPDR'S:		295,422	100.00%	100.00%	
	SPYDER'S		150,132			
	CASH **		5,420			
	TOTAL:		450,974			

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

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

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

EQUITY HOLDINGS - BY PARTICIPANT

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<u>Fund #</u>	<u>PARTICIPANT DESCRIPTION</u>	<u>BOOK VALUE</u>	<u>MARKET VALUE</u>	<u>UNREALIZED GAIN (LOSS)</u>
101	A & M Colleges	\$3,143	\$4,601	\$1,459
102	State Hospital	1,774	2,635	861
103	Leg., Exec., & Jud.	2,626	3,556	929
104	Military Institute	176	242	66
105	Miners Hospital	4,790	6,170	1,381
107	Normal School	1,061	1,465	405
108	Penitentiaries	2,719	3,786	1,068
109	Permanent Common School	1,001,617	1,307,515	305,897
110	School for Deaf & Blind	1,490	2,098	607
111	School of Mines	3,817	5,102	1,284
112	State Charitable	40,607	54,128	13,521
113	University Fund	6,231	8,403	2,171
114	U of A Land - 1881	12,735	17,382	4,647
	Totals:	<u>\$1,082,786</u>	<u>\$1,417,082</u>	<u>\$334,297</u>

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