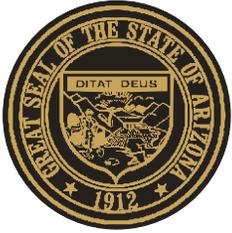


OFFICE OF THE
ARIZONA STATE TREASURER



**HON. DEAN MARTIN
TREASURER**



NOVEMBER 2008

Presented To:

Arizona State Board of Investment

DECEMBER 17, 2008

STATE BOARD OF INVESTMENT

A G E N D A

December 17, 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

December 17, 2008

TABLE OF CONTENTS

	<u>Page</u>
Minutes of Board of Investment Meetings	iv-x
Review of Treasurer’s Monthly Reports – Investment Pools	
<u>Activity Reports</u>	
A. Earnings Distribution; Investment Pools	1
B. Yield Analysis – MTD & YTD; Investment Pools	2-4
<u>Holdings Reports</u>	
C. Investments Outstanding; Investment Pools	5-8
D. Rating Summaries – Operating and LGIP	9-12
E. Maturity Summary – LGIP	13-15
<u>Balance Report</u>	
F. Operating Monies Invested Balances	16
Review of Treasurer’s Monthly Reports - Endowments	
<u>Activity Reports</u>	
A. Earnings Distribution; Endowment Funds	17
B. Yield Analysis – MTD; Endowments	18
C. Return Analysis – MTD & YTD; Endowment Funds	19
D. Capital Gains/Losses; Endowment Funds	20
E. Endowment Funds Fixed Income Purchases and Sales	21
F. Endowment Funds Equity Purchases and Sales	22
<u>Holdings Reports</u>	
G. Investments Outstanding; Endowment Pools	23-25
H. Rating Summaries – Endowments	26
I. Equity Holdings – Investments Outstanding by Sector	27-28
J. Equity Holdings by Participant	29

**Minutes of
BOARD OF INVESTMENT MEETING**

The regular meeting of the State Board of Investment was held on November 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 1:32 p.m.

Members Present:

Dean Martin, Chair, State Treasurer
Ross Jacobs, Treasurer, Yavapai County
Charlotte Hosseini, Arizona Department of Administration, designee for William Bell, Director, Arizona Department of Administration
Thomas J. Giallanza, Assistant Superintendent, Department of Financial Institutions, designee for Felecia A. Rotellini, Superintendent, Department of Financial Institutions

Members Absent:

Alan E. Maguire, President, The Maguire Company

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, Portfolio Manager, Arizona State Treasurer's Office
Chris Petkiewicz, Portfolio Manager, Arizona State Treasurer's Office
Patty Humbert, Portfolio Manager, Arizona State Treasurer's Office
Dale Stomberg, Investment Accounting Manager, Arizona State Treasurer's Office
Richard Petrenka, Vice President and Portfolio Manager, Davidson Fixed Income Management Company, Member of the Public

Pursuant to A.R.S. 35-311, the following reports for October, 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
 - 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

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

1. Call to Order:

Treasurer Martin called the November 19, 2008 BOI meeting to order at approximately 1:32 p.m.

2. Treasurers Comments:

Treasurer Martin welcomed board members and guests and thanked all present for attending the November 19, 2008 meeting.

3. Approval of Minutes:

Ms. Hosseini made a motion to approve the minutes for the October 15, 2008 Board of Investment Meeting. Mr. Jacobs seconded the motion. Motion carried.

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

Mr. Petkiewicz presented the monthly report for the non-endowment portion 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 October, 2008.

State Agency Pools Portfolio Yield Analysis

Mr. Petkiewicz reported the gross yields for the State Agency Pools for the month of October, 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 October, 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 October, 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 October 31, 2008.

Investments Outstanding Pools 5, 7, and 500

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

Investments Outstanding Pool 500 Shares

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

Rating Summary for State Agencies

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

Rating Summary for LGIP Pool 5

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

Rating Summary LGIP-Long Term Pool 500

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

Rating Summary LGIP-Gov Pool 7

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

LGIP Maturity Summary Pool 5

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

LGIP Maturity Summary Pool 7

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

LGIP Long Term Maturity Summary Pool 500

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

Operating Monies Average Invested Balance

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

Treasurer Martin handed out a chart updating the operating balance. He advised the board concerning the projections for the operating monies for the months of December 2008 and January 2009.

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

Mr. White presented the endowment portion of the monthly report of the Arizona State Treasurer's Office to the Board of Investment as follows:

Earnings Distributed Endowment Funds

Mr. White reported the earnings distributed for the Endowment Funds for the month of October, 2008, FY09 fiscal year to date, and FY08 fiscal year to date.

Endowment Funds Yield Analysis

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

Monthly Return Analysis for the Endowment Funds

Mr. White reported the total return numbers for the Endowment Funds for the month of October, 2008 and FY09 fiscal year to date, as well as the comparison to their respective benchmarks.

Net Realized Capital Gains/Losses – Endowment Funds

Mr. White reported the net realized capital gains for the Endowment Fixed Income, S&P 500, and S&P 400 pools for the month of October, 2008 and FY09 fiscal year to date.

Endowment Funds Fixed-Income Pool Purchases & Sales

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

Equity Funds Purchases & Sales

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

Investments Outstanding in Endowment Funds

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

Rating Summary Endowment Fixed Income Fund

Mr. White reported the credit ratings for the Endowment Funds as of October 31, 2008.

Equity Holdings Investments Outstanding S&P 500

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

Equity Holdings Investments Outstanding S&P 400

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

Equity Holdings – By Participant

Mr. White reported the equity holdings of the Endowment Funds as of October 31, 2008.

Approval of Treasurer's Report

Mr. Jacobs made a motion to approve the Treasurer's Report 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 three proposed changes to the Approved Broker Dealer List, recommended by the Risk Management Committee, that required the board's approval. He advised the board that the first broker that was to be removed was Lehman Brothers, because of bankruptcy. The second broker to be removed was Bear Sterns, because they no longer exist. And the third change that needed the board's approval was the addition of a new broker dealer, Broadpoint Capital. The Treasurer passed out information regarding these changes.

Mr. Jacobs made a motion to approve the changes to the Broker Dealer Approved List as submitted. Mr. Giallanza, seconded the motion. Motion carried.

8. General Business:

None

9. Notice of Next Meeting:

The next regular meeting of the Board of Investment will be Wednesday, December 17, 2008 at 1:30 p.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.

*State Treasurer's Report
December 17, 2008 Meeting
Minutes of the November 19, 2008 Meeting*

11. Adjournment:

Mr. Giallanza made a motion to adjourn the BOI meeting. Ms. Hosseini seconded the motion. Upon unanimous approval, the BOI meeting was adjourned at 2:04 p.m.

Respectfully Submitted by:

Helen D. Garafola
Executive Consultant

Approved by:

Dean Martin, Chair

Date:

EARNINGS DISTRIBUTION - INVESTMENT POOLS
NOVEMBER 2008

State Treasurer's Report
December 17, 2008
Page 1

Recipient	Earnings Distributed			Fiscal YTD Investment Management Fees Received
	NOVEMBER 2008	Fiscal YTD 08/09	Fiscal YTD 07/08	
General Fund	\$1,082,876	\$8,954,014	\$56,559,995	
2 State Agencies I - Full Faith & Credit	2,270,615	14,826,622	15,456,835	\$243,136
3 State Agencies II - Diversified	3,856,020	21,750,534	44,668,466	486,956
5 Local Governments	3,357,065	19,435,977	47,891,509	725,706
6 State Agencies III - US Govt & Agency	26,422	52,395	103,050	1,910
7 LGIP Gov't	2,068,347	19,579,247	36,261,449	648,937
8 State Agencies IV - Restricted Diversified	2,730,129	9,067,645	4,359,555	134,696
9 * ADOT - BFO	0	0	0	0
11 School Facilities Board	6,851	44,296	120,483	3,802
12 CAWCD Medium-Term	418,315	2,216,252	2,026,556	29,731
14 School Facilities Board 2002 Series	60,547	119,720	585,064	5,031
15 GADA Long-Term	84,498	296,414	400,422	4,404
Subtotal	\$15,961,682	\$96,343,116	\$208,433,383	\$2,284,310
NAV POOL				
500 LGIP LT	211,224	1,020,284	468,890	15,463
Total	\$16,172,906	\$97,363,400	\$208,902,273	\$2,299,773

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

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

State Treasurer's Report
December 17, 2008
Page 2

FUND	DESCRIPTION	NET EARNINGS	SALES EARNINGS YIELD	AMORT/DISC EARNINGS YIELD	COUPON EARNINGS YIELD	GROSS YIELD
2	STATE AGENCIES I - FULL FAITH & CREDIT	2,210,957	0.0000%	0.3790%	2.4181%	2.7971%
3	STATE AGENCIES II - DIVERSIFIED	2,797,249	-0.4949%	0.1412%	2.5333%	2.1796%
6	STATE AGENCIES III - US GOVT & AGENCY	6,799	0.0000%	0.2241%	0.9444%	1.1684%
8	STATE AGENCIES IV-RESTRICTED DIVERSIFIED	1,366,587	0.0000%	-0.2957%	3.3205%	3.0249%
9	BOARD FUNDING OBLIGATION	433,918	0.0000%	0.0000%	4.8600%	4.8600%
11	SCHOOL FACILITIES BOARD	17,667	0.0000%	0.5304%	0.5860%	1.1164%
12	CAWCD MEDIUM TERM	419,758	0.0000%	0.2328%	4.1166%	4.3495%
14	SCHOOL FACILITIES BOARD BONDS	16,516	0.0000%	0.2261%	0.7397%	0.9658%
15	GADA	64,422	0.0000%	0.1936%	4.3915%	4.5851%
TOTAL STATE AGENCIES		7,333,873				

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

State Treasurer's Report
December 17, 2008
Page 3

FUND	DESCRIPTION	NET EARNINGS	SALES EARNINGS YIELD	AMORT/DISC EARNINGS YIELD	COUPON EARNINGS YIELD	GROSS YIELD
5	LGIP	2,859,262	-0.7772%	0.5611%	1.7958%	1.5797%
7	LGIP - GOV	1,669,200	0.0000%	0.1542%	0.5237%	0.6778%
	TOTAL LGIP & LGIP-GOV	4,528,462				
		09/30/08	10/31/08	11/30/08		
5	LGIP MONTHLY YIELD (NET)	2.11%	1.73%	1.51%		
	S & P LGIP INDEX YIELD	2.32%	2.14%	1.88%		
	LGIP YTD YIELD (NET)	2.34%	2.21%	2.10%		
	S & P LGIP YTD INDEX YIELD	2.29%	2.24%	2.18%		
7	LGIP - GOV MONTHLY YIELD (NET)	1.60%	0.76%	0.62%		
	3 MONTH T-BILL	1.25%	0.64%	0.16%		
	* S & P LGIP - GOV INDEX YIELD	2.14%	1.93%	1.66%		
	LGIP - GOV YTD YIELD (NET)	1.90%	1.57%	1.33%		
	YTD 3 MONTH T-BILL	1.56%	1.34%	1.16%		
	* S & P LGIP - GOV YTD INDEX YIELD	2.10%	2.06%	1.98%		

* 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**
November 30, 2008

State Treasurer's Report
December 17, 2008
Page 4

FUND	DESCRIPTION	GROSS EARNINGS	SALES EARNINGS YIELD	AMORT/DISC EARNINGS YIELD	COUPON EARNINGS YIELD	GROSS YIELD
500	LGIP LONG TERM POOL	212,973	0.0000%	0.0602%	3.9376%	3.9978%
	TOTAL LGIP LONG TERM POOL	212,973				

	09/30/08	10/31/08	11/30/08
LGIP LONG TERM MONTHLY YIELD (NET)	4.11%	3.92%	3.94%
MERRILL 1-5 US D M INDEX MONTHLY YIELD	4.46%	4.38%	4.14%
LGIP LONG TERM YTD YIELD (NET)	3.95%	3.94%	3.94%
MERRILL 1-5 US D M INDEX YTD YIELD	4.21%	4.25%	4.23%

**STATE AGENCY POOLS
INVESTMENTS OUTSTANDING**

NOVEMBER 30, 2008
(in thousands)

State Treasurer's Report
December 17, 2008
Page 5

POOL	INVESTMENT POOL	PAR VALUE	BOOK VALUE	MARKET VALUE	UNREALIZED GAINS (LOSSES)	Mkt Value/ Book Value
2	State Agencies I - Full Faith & Credit					
	Repurchase Agreements	89,000	89,000	89,000	0	
	U.S. Government & Agencies	862,813	863,552	863,141	(411)	
	Total	951,813	952,552	952,141	(411)	1.000
3	State Agencies II - Diversified					
	Repurchase Agreements	548,000	548,000	548,000	0	
	U.S. Government & Agencies	328,652	328,710	329,829	1,119	
	Corporate Securities	792,438	789,784	756,719	(33,064)	
	Total	1,669,090	1,666,494	1,634,548	(31,945)	0.981
6	State Agencies III - US Govt & Agency					
	Repurchase Agreements	6,000	6,000	6,000	0	
	U.S. Government & Agencies	0	0	0	0	
	Total	6,000	6,000	6,000	0	1.000
8	State Agencies IV - Restricted Diversified					
	Repurchase Agreements	121,000	121,000	121,000	0	
	U.S. Government & Agencies	438,751	438,976	440,333	1,357	
	Total	559,751	559,976	561,333	1,357	1.002
9	ADOT B.F.O.					
	Board Funding Obligations	110,000	110,000	110,000	0	
	Total	110,000	110,000	110,000	0	1.000
11	School Facilities Board					
	Repurchase Agreements	15,000	15,000	15,000	0	
	U.S. Government & Agencies	5,000	4,997	4,998	0	
	Total	20,000	19,997	19,998	0	1.000
12	CAWCD Medium-Term					
	Money Market Mutual Shares	3,687	3,687	3,687	0	
	U.S. Government & Agencies	72,970	72,972	73,234	262	
	Corporate Securities	42,590	42,681	38,207	(4,474)	
	Total	119,247	119,340	115,128	(4,212)	0.965

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

State Treasurer's Report
December 17, 2008
Page 6

POOL	INVESTMENT POOL	PAR VALUE	BOOK VALUE	MARKET VALUE	UNREALIZED GAINS (LOSSES)	Mkt Value/ Book Value
14	School Facilities Board Bonds					
	Repurchase Agreements	24,000	24,000	24,000	0	
	U.S. Government & Agencies	0	0	0	0	
	Total	24,000	24,000	24,000	0	1.000
15	GADA					
	Money Market Mutual Shares	867	867	867	0	
	U.S. Government & Agencies	12,012	11,986	12,062	76	
	Corporate Securities	4,525	4,543	4,181	(362)	
	Total	17,404	17,396	17,110	(286)	0.984
55	LGIP - NPF					
	<i>NPF Securities</i>	61,939	61,924	0	(61,924)	
	Total	61,939	61,924	0	(61,924)	0.000
57	LGIP - LEHMAN BROTHERS HOLDINGS					
	<i>Lehman Bonds</i>	39,450	39,427	3,551	(35,876)	
	Total	39,450	39,427	3,551	(35,876)	0.090
TOTALS - AGENCY POOLS						
	Repurchase Agreements	803,000	803,000	803,000	0	
	Money Market Mutual Shares	4,554	4,554	4,554	0	
	Commercial Paper	0	0	0	0	
	U.S. Government & Agencies	1,720,198	1,721,193	1,723,596	2,403	
	Corporate Securities	839,552	837,007	799,107	(37,900)	
	Board Funding Obligations	110,000	110,000	110,000	0	
	<i>NPF Securities</i>	61,939	61,924	0	(61,924)	
	<i>Lehman Bonds</i>	39,450	39,427	3,551	(35,876)	
	Grand Total	3,578,693	3,577,105	3,443,808	(133,297)	

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

State Treasurer's Report
 December 17, 2008
 Page 7

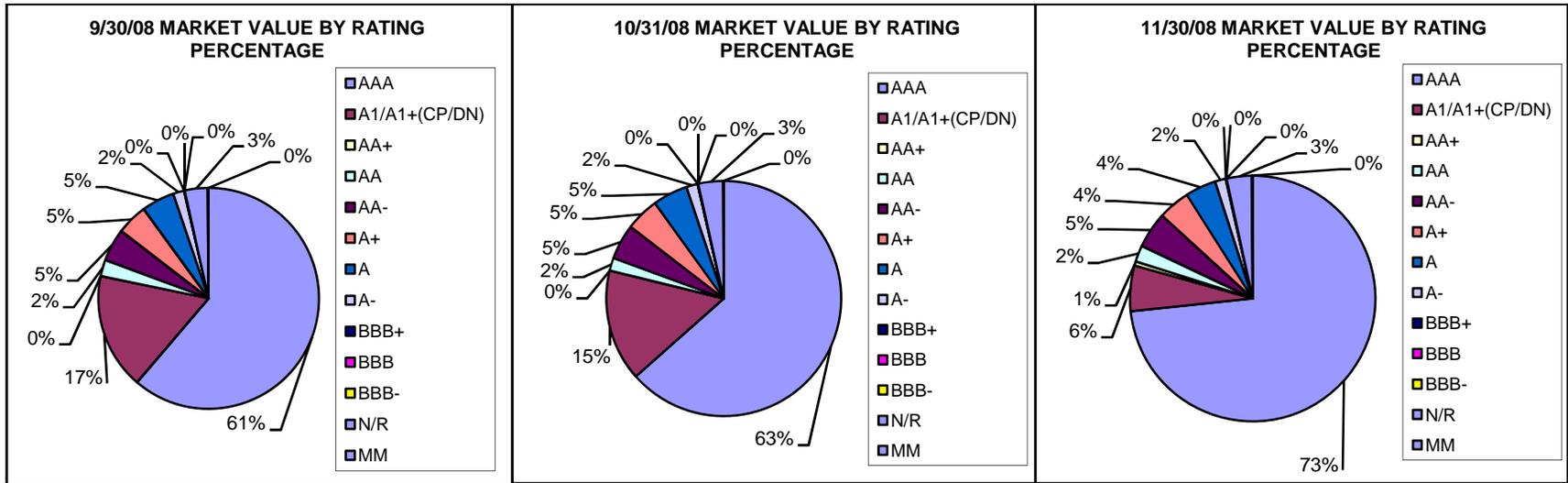
POOL	INVESTMENT POOL	PAR VALUE	BOOK VALUE	MARKET VALUE	UNREALIZED GAINS (LOSSES)	Mkt Value/ Book Value
5	Local Governments					
	Repurchase Agreements	515,000	515,000	515,014	14	
	Commercial Paper	0	0	0	0	
	Certificates of Deposit	5,000	4,992	5,145	153	
	U.S. Government & Agencies	1,552,773	1,553,012	1,559,886	6,874	
	Corporate Securities	532,165	531,682	513,985	(17,697)	
	Total	2,604,938	2,604,685	2,594,030	(10,655)	0.996
7	LGIP - Gov't					
	Repurchase Agreements	2,522,000	2,522,000	2,522,827	827	
	U.S. Government & Agencies	905,498	906,500	908,867	2,367	
	Total	3,427,498	3,428,500	3,431,694	3,194	1.001
500	LGIP LT					
	Money Market Mutual Shares	3,114	3,114	3,114	0	
	Commercial Paper	0	0	0	0	
	U.S. Government & Agencies	44,168	44,304	44,903	599	
	Corporate Securities	17,140	17,204	16,366	(838)	
	Dividends Payable/Other	(72)	(72)	(72)	0	
	Total	64,350	64,550	64,311	(239)	
	TOTALS - LGIP POOLS					
	Repurchase Agreements	3,037,000	3,037,000	3,037,841	841	
	Money Market Mutual Shares	3,114	3,114	3,114	0	
	Commercial Paper	0	0	0	0	
	Certificates of Deposit	5,000	4,992	5,145	153	
	U.S. Government & Agencies	2,502,439	2,503,816	2,513,656	9,840	
	Corporate Securities	549,305	548,886	530,351	(18,535)	
	Dividends Payable/Other	(72)	(72)	(72)	0	
	Grand Total	6,096,786	6,097,735	6,090,035	(7,700)	

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

State Treasurer's Report
 December 17, 2008
 Page 8

FUND	NAME OF FUND	SHARES OUTSTANDING	BOOK VALUE	MARKET VALUE	UNREALIZED GAINS (LOSSES)	NAV
500	<i>Shares in LGIP LT Fund</i>	64,459	64,814	64,726	(88)	
	Total	64,459	64,814	64,726	(88)	0.999

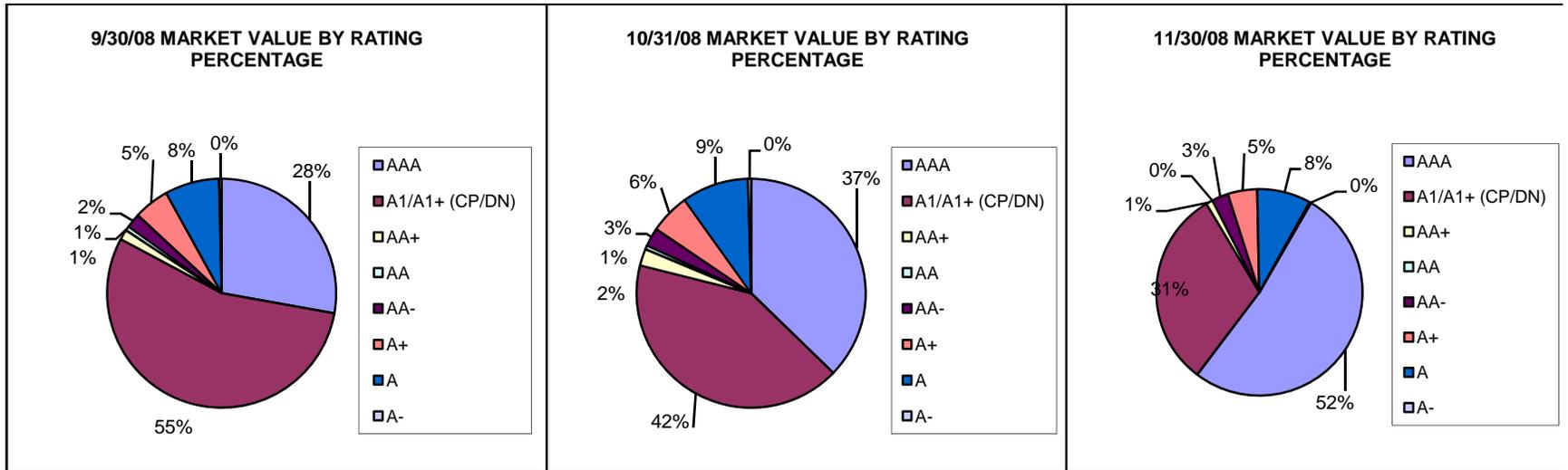
**ARIZONA STATE TREASURER'S OFFICE
RATING SUMMARY
STATE AGENCY POOLS 2, 3, 6, 8, 9, 11 - 15, 55, 57**



	09/30/08			10/31/08			11/30/08		
RATING	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT
AAA	263	\$2,101,565,953	61%	256	\$2,136,502,996	63%	251	\$2,513,506,881	74%
A1/A1+(CP/DN)	19	\$599,792,017	17%	18	\$516,784,906	15%	10	\$217,060,248	6%
AA+	0	\$0	0%	0	\$0	0%	2	\$18,869,461	1%
AA	5	\$63,855,000	2%	4	\$59,188,210	2%	5	\$74,217,962	2%
AA-	15	\$164,405,968	5%	15	\$163,980,513	5%	15	\$164,430,496	5%
A+	17	\$155,831,682	5%	17	\$154,309,985	5%	17	\$144,426,126	4%
A	15	\$165,710,905	5%	16	\$162,275,782	5%	14	\$140,545,869	4%
A-	4	\$54,472,288	2%	4	\$52,013,248	2%	4	\$48,907,139	1%
BBB+	1	\$1,659,231	0%	1	\$1,489,488	0%	1	\$1,687,350	0%
BBB	2	\$1,123,195	0%	2	\$917,205	0%	2	\$1,044,885	0%
BBB-	1	\$820,000	0%	1	\$999,899	0%	1	\$999,940	0%
N/R	21	\$114,938,321	3%	21	\$114,642,446	3%	21	\$113,557,571	3%
MM	2	\$5,042,150	0%	2	\$2,676,647	0%	2	\$4,554,288	0%
TOTAL	365	\$3,429,216,711	100%	357	\$3,365,781,323	100%	345	\$3,443,808,216	100%

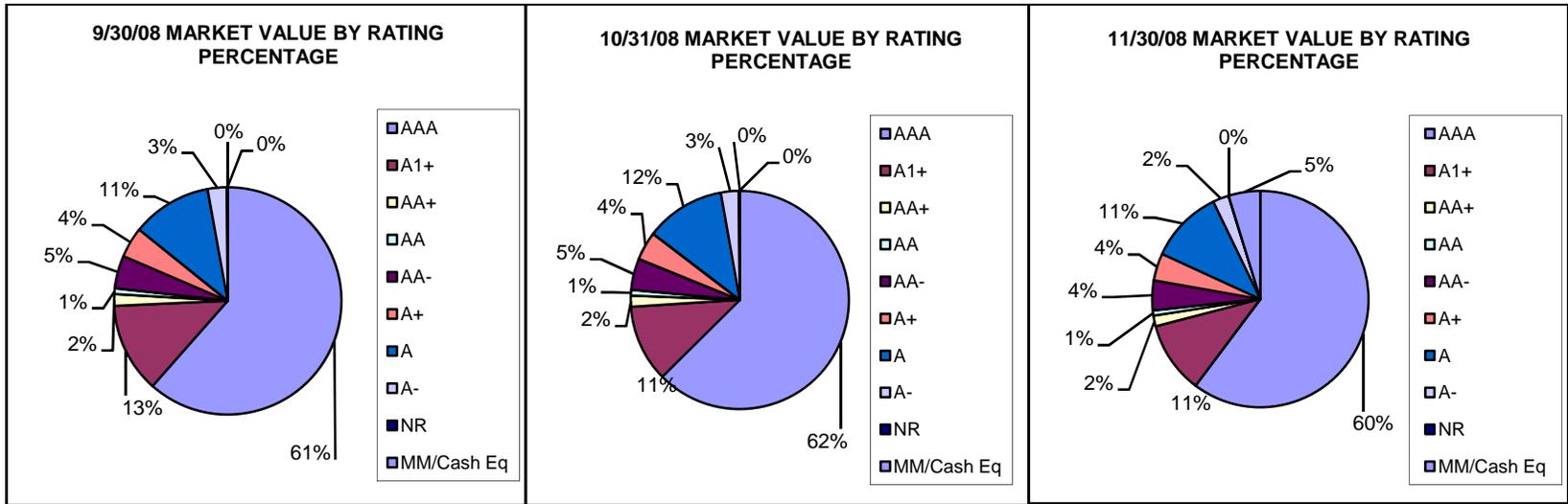
MM = MONEY MARKET (BONY/HAMILTON TREASURY)
N/R = ADOT BONDS (110,000,000), TAX DEFERRED (7,071) AND NCFE

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



RATING	09/30/08			10/31/08			11/30/08		
	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT
AAA	45	\$907,990,600	28%	42	\$966,800,779	37%	40	\$1,348,505,167	52%
A1/A1+ (CP/DN)	52	\$1,794,698,641	55%	30	\$1,066,133,908	42%	26	\$806,589,614	31%
AA+	5	\$46,539,133	1%	5	\$46,267,435	2%	3	\$27,325,174	1%
AA	2	\$19,968,550	1%	1	\$13,990,408	1%	0	\$0	0%
AA-	6	\$67,238,121	2%	6	\$67,398,963	3%	6	\$67,470,669	3%
A+	15	\$163,981,637	5%	13	\$145,263,840	6%	12	\$119,546,410	5%
A	17	\$250,841,388	8%	17	\$242,273,267	9%	15	\$218,314,492	8%
A-	2	\$11,304,978	0%	2	\$11,380,804	0%	1	\$6,278,368	0%
TOTAL	144	\$3,262,563,047	100%	116	\$2,559,509,405	100%	103	\$2,594,029,893	100%

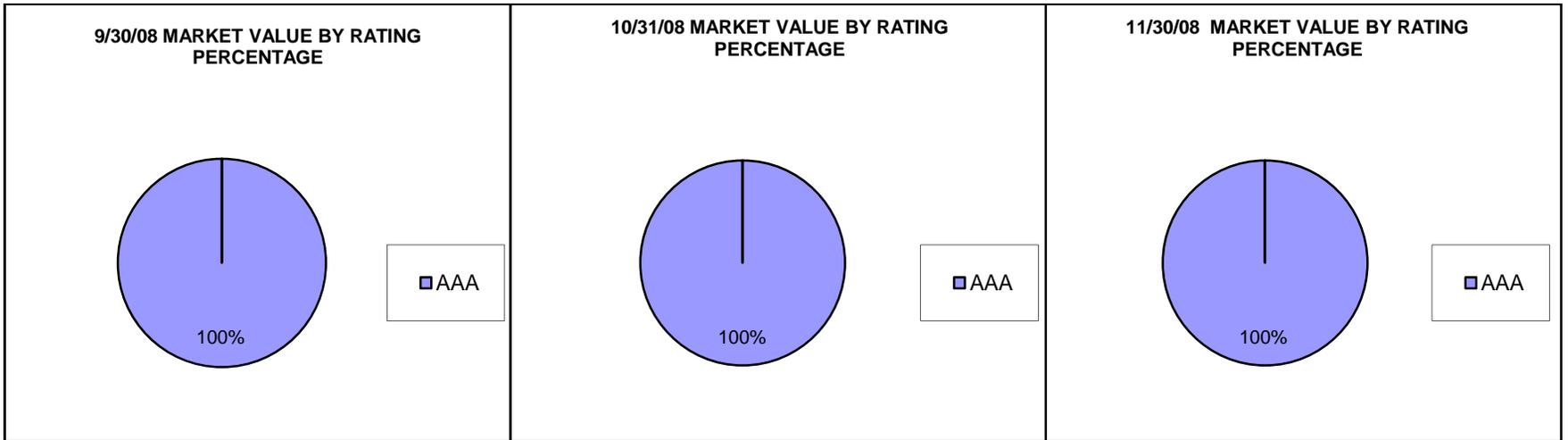
**ARIZONA STATE TREASURER'S OFFICE
RATING SUMMARY
LGIP 500**



	9/30/2008			10/31/2008			11/30/2008		
RATING	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT
AAA	60	\$37,482,014	61%	60	\$38,497,728	62%	61	\$38,727,469	60%
A1+	12	\$7,771,352	13%	10	\$6,546,114	11%	8	\$6,903,948	11%
AA+	2	\$994,046	2%	2	\$994,471	2%	2	\$1,019,411	2%
AA	2	\$503,758	1%	2	\$498,603	1%	2	\$509,396	1%
AA-	7	\$2,840,289	5%	7	\$2,806,030	5%	7	\$2,864,989	4%
A+	8	\$2,638,398	4%	8	\$2,551,018	4%	8	\$2,611,580	4%
A	15	\$6,872,074	11%	16	\$6,902,924	12%	16	\$7,063,296	11%
A-	4	\$1,685,215	3%	4	\$1,604,963	3%	4	\$1,546,594	2%
NR	1	\$31,250	0%	1	\$29,375	0%	1	\$22,500	0%
MM/Cash Eq	2	(\$27,435)	0%	2	(\$41,820)	0%	2	\$3,041,924	5%
TOTAL	113	\$60,790,960	100%	112	\$60,389,406	100%	111	\$64,311,107	100%

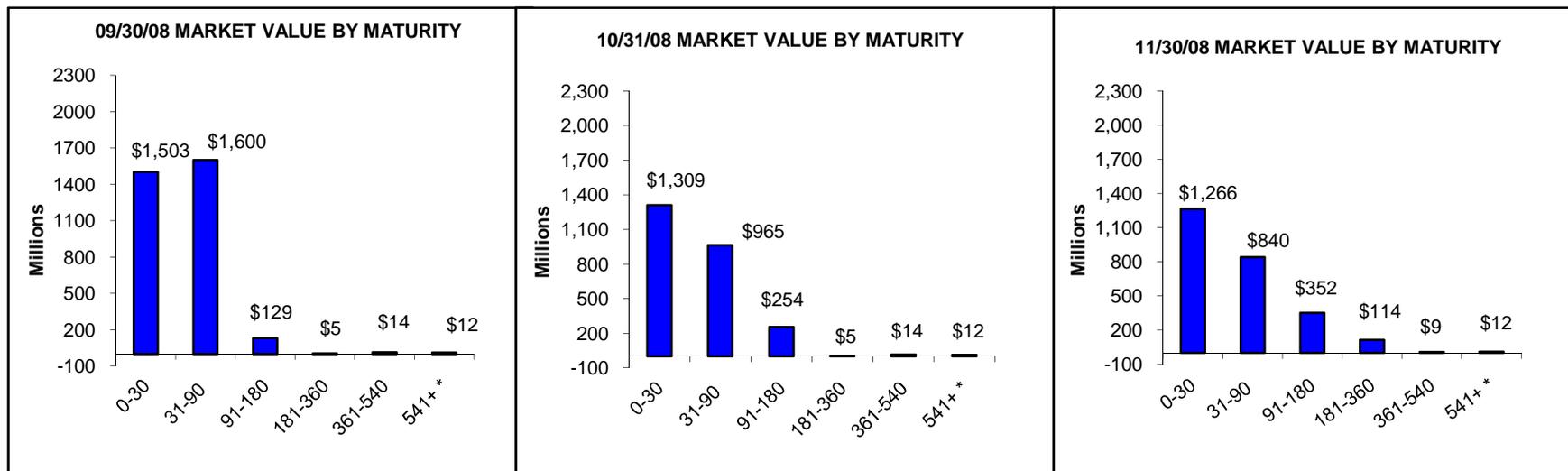
*MM/Cash Equivalent includes dividends payable

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



		09/30/08				10/31/08				11/30/08	
RATING	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT		
AAA	47	\$2,531,702,530	100%	33	\$2,887,577,582	100%	30	\$3,431,693,911	100%		

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

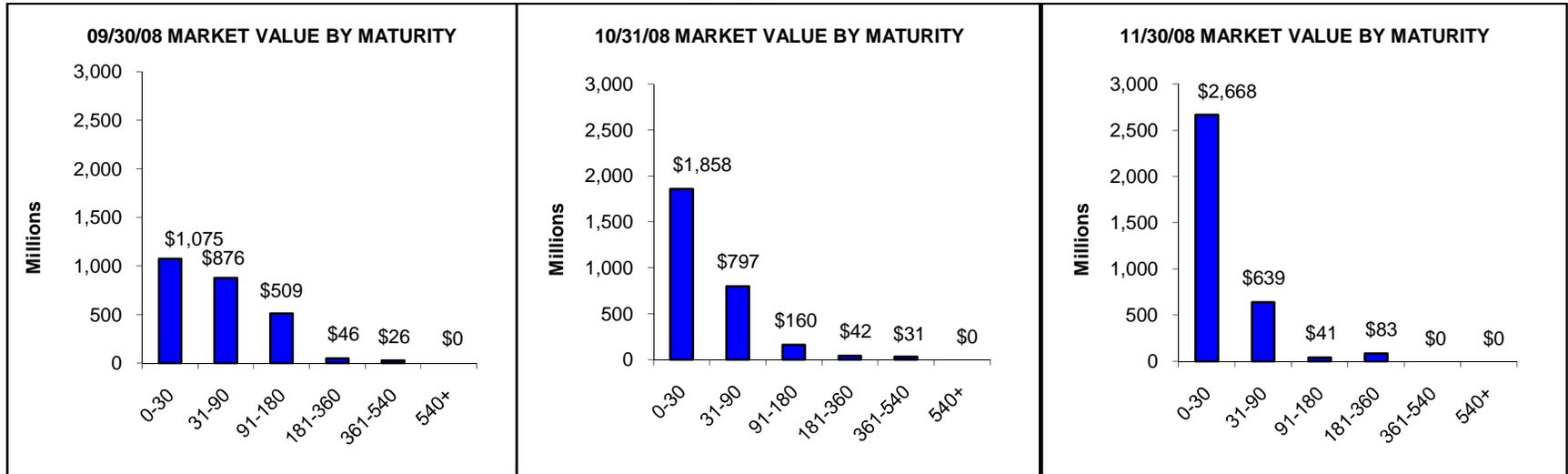


09/30/08				10/31/08			11/30/08		
MATURITY	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT
0-30	62	\$1,502,733,733	46%	61	\$1,309,390,848	51%	45	\$1,265,912,639	49%
31-90	73	\$1,599,972,861	49%	44	\$965,064,287	38%	40	\$840,200,730	32%
91-180	4	\$128,932,000	4%	6	\$253,833,438	10%	11	\$352,237,637	14%
181-360	1	\$4,992,909	0%	1	\$5,084,383	0%	4	\$114,272,753	4%
361-540	2	\$14,292,856	1%	2	\$14,425,088	1%	1	\$9,466,771	0%
541+ *	2	\$11,638,688	0%	2	\$11,711,363	0%	2	\$11,939,363	0%
TOTAL	144	\$3,262,563,047	100%	116	\$2,559,509,405	100%	103	\$2,594,029,893	100%

09/30/08			10/31/08			11/30/08		
MATURITY	WAM		MATURITY	WAM		MATURITY	WAM	
0-30	5.93		0-30	7.33		0-30	4.39	
31-90	27.81		31-90	20.76		31-90	20.99	
91-180	4.18		91-180	12.00		91-180	15.30	
181-360	0.39		181-360	0.45		181-360	9.28	
361-540	2.13		361-540	2.57		361-540	1.70	
541+	2.53		541+	3.11		541+	2.99	
TOTAL	42.98		TOTAL	46.21		TOTAL	54.65	

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	09/30/08			10/31/08			11/30/08		
	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT
0-30	14	\$1,074,975,623	42%	11	\$1,858,173,020	64%	15	\$2,668,309,093	78%
31-90	19	\$876,244,386	35%	15	\$796,543,129	28%	11	\$639,054,796	19%
91-180	11	\$508,739,375	20%	4	\$159,974,554	6%	1	\$40,873,688	1%
181-360	2	\$46,231,428	2%	1	\$41,675,815	1%	3	\$83,456,334	2%
361-540	1	\$25,511,719	1%	2	\$31,211,065	1%	0	\$0	0%
540+	0	\$0	0%	0	\$0	0%	0	\$0	0%
TOTAL	47	\$2,531,702,531	100%	33	\$2,887,577,582	100%	30	\$3,431,693,911	100%

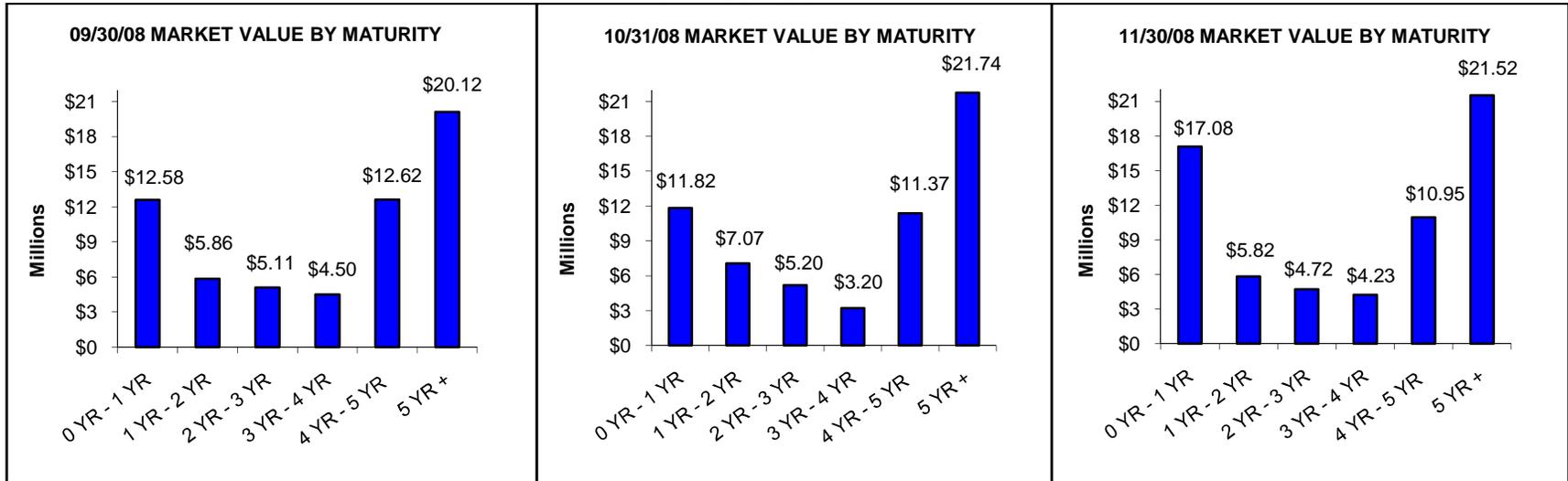
09/30/08	
MATURITY	WAM
0-30	6.37
31-90	17.83
91-180	20.30
181-360	4.31
361-540	3.68
540+	0.00
TOTAL	52.49

10/31/08	
MATURITY	WAM
0-30	5.23
31-90	16.18
91-180	6.54
181-360	2.83
361-540	3.49
540+	0.00
TOTAL	34.27

11/30/08	
MATURITY	WAM
0-30	7.44
31-90	9.13
91-180	1.98
181-360	6.37
361-540	0.00
540+	0.00
TOTAL	24.92

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	09/30/08			10/31/08			11/30/08		
	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT
0 YR - 1 YR	27	\$12,584,515	21%	25	\$11,819,824	20%	27	\$17,075,695	27%
1 YR - 2 YR	16	\$5,857,496	10%	18	\$7,069,224	12%	16	\$5,824,187	9%
2 YR - 3 YR	14	\$5,111,898	8%	14	\$5,195,624	9%	13	\$4,716,203	7%
3 YR - 4 YR	10	\$4,504,154	7%	8	\$3,196,179	5%	10	\$4,229,953	7%
4 YR - 5 YR	23	\$12,615,031	21%	22	\$11,366,059	19%	21	\$10,948,556	17%
5 YR +	23	\$20,117,866	33%	25	\$21,742,497	36%	24	\$21,516,513	33%
TOTAL	113	\$60,790,960	100%	112	\$60,389,406	100%	111	\$64,311,107	100%

	9/30/2008	10/31/2008	11/30/2008
LGIP LT MONTHLY DURATION	2.12	2.12	1.67
MERRILL 1-5 US DOMESTIC MASTER INDEX	2.76	2.63	2.60

*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 November 30, 2008
(in millions of dollars)

State Treasurer's Report
December 17, 2008
Page 16

<u>Month</u>	<u>Fiscal Year</u> <u>2006/2007</u>	<u>Fiscal Year</u> <u>2007/2008</u>	<u>Fiscal Year</u> <u>2008/2009</u>
JULY	2,594	2,197	1,450
AUGUST	2,263	1,936	795
SEPTEMBER	2,305	2,082	876
OCTOBER	2,311	1,941	564
NOVEMBER	2,198	1,880	613
DECEMBER	2,181	1,893	
JANUARY	2,390	1,875	
FEBRUARY	2,396	1,652	
MARCH	2,101	1,143	
APRIL	1,990	859	
MAY	2,288	890	
JUNE	2,079	815	
Y-T-D			
Average	\$2,258	\$1,597	\$860

**EARNINGS DISTRIBUTED
ENDOWMENT FUNDS
NOVEMBER 2008**

State Treasurer's Report
December 17, 2008
Page 17

Distributed in Current Month

Recipient	November-08	Fiscal YTD 08/09	Fiscal YTD 07/08
101 A & M Colleges	\$22,686	\$113,640	\$163,617
102 State Hospital	\$11,186	\$56,038	\$81,452
103 Leg., Exec., & Jud.	\$16,072	\$80,516	\$107,565
104 Military Institute	\$1,269	\$6,354	\$8,427
105 Miners Hospital	\$20,025	\$100,320	\$130,018
107 Normal School ASU/NAU	\$6,345	\$31,788	\$42,069
108 Penitentiaries	\$16,874	\$84,541	\$117,724
109 Permanent Common School	\$4,521,984	\$22,655,232	\$28,866,648
110 School for Deaf & Blind	\$10,040	\$50,296	\$69,143
111 School of Mines	\$21,542	\$107,914	\$134,480
112 State Charitable-Pioneers Home	\$94,777	\$474,742	\$600,929
112 State Charitable-Corrections	\$47,388	\$237,370	\$300,466
112 State Charitable-Youth Treatment	\$47,388	\$237,370	\$300,466
113 University Fund	\$31,283	\$156,751	\$210,321
114 U of A Land - 1881	\$73,623	\$368,829	\$486,300
Total	\$4,942,482	\$24,761,700	\$31,619,625

Posted in USAS in current month

ENDOWMENT FUNDS
PORTFOLIO YIELD ANALYSIS
November 30, 2008

State Treasurer's Report
December 17, 2008
Page 18

FUND	DESCRIPTION	NET EARNINGS	SALES EARNINGS YIELD	AMORT/DISC EARNINGS YIELD	COUPON EARNINGS YIELD	NET YIELD
205	ENDOWMENTS - FIXED INCOME	4,988,948	0.0165%	-0.2753%	4.8898%	4.6309%
	TOTAL ENDOWMENTS - FIXED INCOME	4,988,948				

**RETURN ANALYSIS
ENDOWMENT FUNDS**

(\$ In Thousands)

State Treasurer's Report

December 17, 2008

Page 19

ENDOWMENT FUNDS	NOVEMBER 2008 MONEY WEIGHTED RETURN	FISCAL YEAR 2008/2009 MONEY WEIGHTED RETURN
101 A & M Colleges	-1.22%	-16.53%
102 State Hospital	-1.31%	-16.73%
103 Leg., Exec., & Jud.	-0.99%	-15.79%
104 Military Institute	-0.93%	-15.68%
105 Miners Hospital	-1.20%	-16.37%
107 Normal School ASU/NAU	-1.12%	-16.19%
108 Penitentiaries	-1.21%	-15.37%
109 Permanent Common School	-1.18%	-16.41%
110 School for Deaf & Blind	-1.02%	-15.89%
111 School of Mines	-1.12%	-16.18%
112 State Charitable	-1.30%	-16.63%
113 University Fund	-1.13%	-16.19%
114 U Of A Land - 1881	-1.10%	-16.23%
WEIGHTED PORTFOLIO RETURN	-1.23%	-14.91%
WEIGHTED BENCHMARK	-0.87%	-14.34%
S&P 500 EQUITY FUND RETURN:	-7.12%	-29.14%
S & P 500 LARGE CAP INDEX:	-7.17%	-29.23%
FIXED INCOME FUND RETURN:	3.65%	1.07%
CITIGROUP BIG INDEX RETURN:	4.53%	2.01%
S&P 400 EQUITY FUND RETURN:	-8.32%	-37.51%
S&P 400 MID-CAP INDEX:	-9.27%	-36.71%

Bond Fund Total Return Includes Returns on Money Market Account

Money Weighted Return is based on shares owned by individual participants

Weighted Average Benchmark represents proportional holdings in the funds

	Sep-08	Oct-08	Nov-08	Sep-08	Oct-08	Nov-08
S&P 500	-8.91%	-16.80%	-7.17%	1166.36	968.75	896.24
S&P 400	-10.71%	-21.74%	-9.27%	727.29	568.49	514.56
S&P 600	-6.76%	-20.15%	-11.68%	360.68	287.67	253.76
DOW JONES	-6.00%	-14.06%	-5.32%	10850.66	9325.66	8829.04
NASDAQ	-11.60%	-17.69%	-10.61%	2091.58	1720.95	1535.57

NET REALIZED CAPITAL GAINS / LOSSES - ENDOWMENT FUNDS

Endowment Fund -----	Nov-08 NET GAIN(LOSS) -----	FISCAL YTD GAINS(LOSSES) -----
Fixed Income Pool Net Gain (Loss)	(2,318)	(318,776)
Equity Pool (500) Net Gain (Loss)	(598,018)	(23,054,773)
Equity Pool (400) Net Gain (Loss)	377,718	(12,285,538)
Totals	(222,618) =====	(35,659,087) =====

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

State Treasurer's Report
 December 17, 2008
 Page 21

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>
				-----	-----		
TOTAL ENDOWMENT FUNDS PURCHASES				\$0	\$0		
				-----	-----		

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>
IBM CORP	5.05	10/22/2012	\$10,000,000	\$9,986,300	(\$7,478)	A1/A+
IBM CORP	4.38	6/1/2009	\$5,000,000	\$5,011,750	\$13,381	A1/A+
IBM CORP	4.38	6/1/2009	\$5,000,000	\$5,011,750	\$11,830	A1/A+
TOTAL ENDOWMENT FUNDS SALES			-----	-----	-----	
			\$20,000,000	\$20,009,800	\$17,733	
			-----	-----	-----	

*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 November 2008

State Treasurer's Report
December 17, 2008
Page 22

I. Equity Fund Purchases

	<u>SHARES</u>	<u>PURCHASE COST</u>	<u>COMMISSIONS</u>
S&P 400 Mid-Cap Fund	24,575	\$1,862,510	\$369
S&P 500 Large-Cap Fund	129,626	\$4,809,803	\$1,582
TOTAL EQUITY PURCHASES	154,201	\$6,672,313	\$1,950

II. Equity Funds Sales

	<u>SHARES</u>	<u>SALES AMOUNT</u>	<u>COMMISSIONS</u>
S&P 400 Mid-Cap Fund	177,700	\$7,329,321	\$2,303
S&P 500 Large-Cap Fund	168,565	\$5,892,920	\$1,471
TOTAL EQUITY SALES	346,265	\$13,222,241	\$3,773

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

State Treasurer's Report
December 17, 2008
Page 23

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>	2,527	2,301	1,912	(389)	
	<i>Shares in Fixed Income Fund</i>	2,794	3,096	4,053	957	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	824	789	926	137	
	Total	6,145	6,186	6,891	705	1.114
102	State Hospital					
	<i>Shares in S&P 500 Index Fund</i>	1,553	1,336	1,176	(160)	
	<i>Shares in Fixed Income Fund</i>	1,580	1,798	2,292	493	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	443	457	497	40	
	Total	3,576	3,591	3,964	373	1.104
103	Leg., Exec., & Jud.					
	<i>Shares in S&P 500 Index Fund</i>	1,959	1,928	1,483	(445)	
	<i>Shares in Fixed Income Fund</i>	2,353	2,593	3,413	820	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	637	660	715	55	
	Total	4,950	5,181	5,612	431	1.083
104	Military Institute					
	<i>Shares in S&P 500 Index Fund</i>	133	133	101	(32)	
	<i>Shares in Fixed Income Fund</i>	168	179	244	64	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	47	46	53	7	
	Total	348	358	397	39	1.109
105	Miners Hospital					
	<i>Shares in S&P 500 Index Fund</i>	3,738	3,672	2,829	(842)	
	<i>Shares in Fixed Income Fund</i>	3,919	4,946	5,684	739	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	1,053	1,257	1,183	(74)	
	Total	8,710	9,874	9,696	(178)	0.982

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

State Treasurer's Report
December 17, 2008
Page 24

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>	848	807	642	(165)	
	<i>Shares in Fixed Income Fund</i>	952	1,085	1,381	296	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	261	276	293	17	
	Total	2,061	2,168	2,316	147	1.068
108	Penitentiaries					
	<i>Shares in S&P 500 Index Fund</i>	3,185	2,888	2,411	(477)	
	<i>Shares in Fixed Income Fund</i>	3,256	3,892	4,722	830	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	929	988	1,043	55	
	Total	7,370	7,768	8,176	408	1.053
109	Permanent Common School					
	<i>Shares in S&P 500 Index Fund</i>	781,264	763,371	591,347	(172,024)	
	<i>Shares in Fixed Income Fund</i>	831,812	1,025,628	1,206,478	180,850	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	220,274	261,348	247,349	(13,999)	
	Total	1,833,350	2,050,347	2,045,174	(5,173)	0.997
110	School for Deaf & Blind					
	<i>Shares in S&P 500 Index Fund</i>	1,153	1,093	873	(220)	
	<i>Shares in Fixed Income Fund</i>	1,371	1,471	1,989	518	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	377	374	423	49	
	Total	2,901	2,938	3,285	347	1.118
111	School of Mines					
	<i>Shares in S&P 500 Index Fund</i>	2,867	2,803	2,170	(633)	
	<i>Shares in Fixed Income Fund</i>	3,210	3,768	4,656	888	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	881	960	989	29	
	Total	6,958	7,531	7,815	284	1.038

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

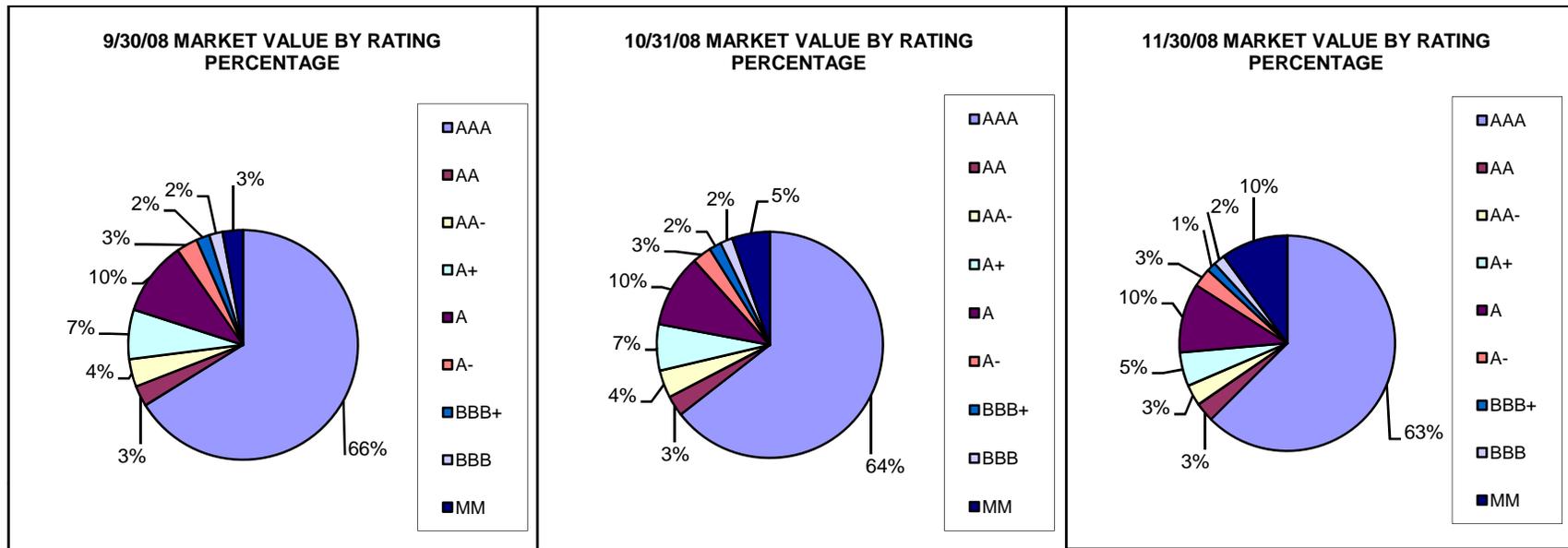
State Treasurer's Report
December 17, 2008
Page 25

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>	32,218	30,053	24,386	(5,667)	
	<i>Shares in Fixed Income Fund</i>	32,066	40,372	46,509	6,137	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	8,471	10,288	9,513	(775)	
	Total	72,755	80,712	80,407	(305)	0.996
113	University Fund					
	<i>Shares in S&P 500 Index Fund</i>	4,756	4,583	3,600	(983)	
	<i>Shares in Fixed Income Fund</i>	5,286	6,161	7,667	1,506	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	1,438	1,570	1,615	45	
	Total	11,480	12,313	12,881	568	1.046
114	U Of A Land - 1881					
	<i>Shares in S&P 500 Index Fund</i>	9,992	9,603	7,563	(2,040)	
	<i>Shares in Fixed Income Fund</i>	11,270	12,910	16,346	3,437	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	3,071	3,288	3,449	161	
	Total	24,334	25,801	27,358	1,557	1.060
TOTALS - ALL FUNDS						
	<i>Shares in S&P 500 Index Fund</i>	846,192	824,569	640,492	(184,077)	
	<i>Shares in Fixed Income Fund</i>	900,038	1,107,899	1,305,434	197,534	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	238,707	282,301	268,047	(14,254)	
	Grand Total	1,984,937	2,214,770	2,213,973	(797)	

ASSET ALLOCATION PERCENTAGE

	SHARES OUTSTANDING	BOOK VALUE	MARKET VALUE
<i>Shares in S&P 500 Index Fund</i>	42.63%	37.23%	28.93%
<i>Shares in Fixed Income Fund</i>	45.34%	50.02%	58.96%
<i>Shares in Mid-Cap 400 Equity Fund</i>	12.03%	12.75%	12.11%
Total	100.00%	100.00%	100.00%

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



	09/30/08			10/31/08			11/30/08		
RATING	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT
AAA	131	\$844,090,058	66%	130	\$810,426,386	64%	128	\$808,545,116	63%
AA	6	\$37,185,295	3%	6	\$36,590,867	3%	6	\$37,533,469	3%
AA-	8	\$49,701,317	4%	8	\$49,202,297	4%	7	\$40,710,490	3%
A+	14	\$88,924,751	7%	14	\$82,704,972	7%	12	\$65,827,971	5%
A	21	\$132,548,650	10%	21	\$122,979,553	10%	22	\$134,538,890	10%
A-	8	\$38,195,350	3%	7	\$33,992,130	3%	7	\$36,346,480	3%
BBB+	5	\$24,212,220	2%	5	\$21,924,743	2%	4	\$17,987,970	1%
BBB	4	\$23,772,080	2%	4	\$21,961,756	2%	4	\$21,875,170	2%
MM	2	\$36,746,106	3%	2	\$68,716,790	5%	2	\$130,063,060	10%
TOTAL	199	\$1,275,375,827	100%	197	\$1,248,499,493	100%	192	\$1,293,428,616	100%

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

EQUITY HOLDINGS
INVESTMENTS OUTSTANDING
November 30, 2008
(in thousands)

State Treasurer's Report
December 17, 2008
Page 27

<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 500</u> <u>BALANCE</u>	<u>DIFFERENCE</u>
201	S&P 500 INDEX					
		CONSUMER DISCRETIONARY	49,382	8.07%	8.04%	0.03%
		CONSUMER STAPLES	80,130	13.09%	13.08%	0.01%
		ENERGY	87,651	14.32%	14.30%	0.02%
		FINANCIALS	80,970	13.23%	13.36%	-0.13%
		HEALTH CARE	86,006	14.06%	14.04%	0.02%
		INDUSTRIALS	67,542	11.04%	11.02%	0.02%
		INFORMATION TECHNOLOGY	92,555	15.13%	15.10%	0.02%
		MATERIALS	18,282	2.99%	2.98%	0.00%
		TELECOMMUNICATION SERVICES	23,379	3.82%	3.82%	0.01%
		UTILITIES	26,017	4.25%	4.25%	0.00%
		TOTALS LESS CASH / SPDR'S:	611,914	100.00%	100.00%	
		SPYDER'S	24,975			
		CASH **	3,603			
		TOTAL:	640,492			

*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
November 30, 2008
(in thousands)

State Treasurer's Report
December 17, 2008
Page 28

<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		18,513	9.97%	13.40%	-3.42%
	CONSUMER STAPLES		8,983	4.84%	4.33%	0.51%
	ENERGY		12,492	6.73%	6.66%	0.07%
	FINANCIALS		41,861	22.55%	19.86%	2.69%
	HEALTH CARE		21,424	11.54%	10.53%	1.01%
	INDUSTRIALS		24,837	13.38%	14.53%	-1.15%
	INFORMATION TECHNOLOGY		21,613	11.64%	13.62%	-1.98%
	MATERIALS		11,583	6.24%	6.74%	-0.50%
	TELECOMMUNICATION SERVICES		1,366	0.74%	0.60%	0.14%
	UTILITIES		22,928	12.35%	9.72%	2.63%
	TOTALS LESS CASH / SPDR'S:		185,600	100.00%	100.00%	
	SPYDER'S		76,550			
	CASH **		5,897			
	TOTAL:		268,047			

*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

NOVEMBER 30, 2008

(thousands)

State Treasurer's Report

December 17, 2008

Page 29

<u>Fund #</u>	<u>PARTICIPANT DESCRIPTION</u>	<u>BOOK VALUE</u>	<u>MARKET VALUE</u>	<u>UNREALIZED GAIN (LOSS)</u>
101	A & M Colleges	\$3,090	\$2,838	(\$252)
102	State Hospital	1,793	1,673	(120)
103	Leg., Exec., & Jud.	2,588	2,198	(390)
104	Military Institute	179	153	(25)
105	Miners Hospital	4,928	4,012	(916)
107	Normal School	1,083	935	(148)
108	Penitentiaries	3,876	3,454	(422)
109	Permanent Common School	1,024,719	838,696	(186,023)
110	School for Deaf & Blind	1,467	1,296	(172)
111	School of Mines	3,763	3,159	(604)
112	State Charitable	40,340	33,899	(6,442)
113	University Fund	6,153	5,214	(938)
114	U of A Land - 1881	12,891	11,012	(1,879)
	Totals:	<u>\$1,106,870</u>	<u>\$908,539</u>	<u>(\$198,331)</u>

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