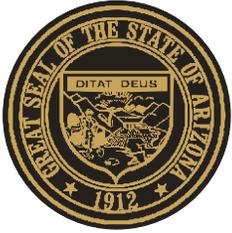


OFFICE OF THE  
**ARIZONA STATE TREASURER**



**HON. DEAN MARTIN  
TREASURER**



**APRIL 2009**

**Presented To:**

**Arizona State Board of Investment**

**MAY 20, 2009**

STATE BOARD OF INVESTMENT

**A G E N D A**

May 20, 2009

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/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**

**May 20, 2009**

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**Minutes of  
BOARD OF INVESTMENT MEETING**

The regular meeting of the State Board of Investment was held on April 15, 2009 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  
Charlotte Hosseini, Arizona Department of Administration, designee for William Bell, Director, Arizona Department of Administration  
Alan E. Maguire, President, The Maguire Company, by teleconference  
Beth Ford, Treasurer, Pima County, by teleconference  
Thomas J. Giallanza, Assistant Superintendent, Department of Financial Institutions, designee for Felecia A. Rotellini, Superintendent, Department of Financial Institutions

***Members Absent:***

None

***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, Senior Portfolio Manager, Arizona State Treasurer's Office  
Patty Humbert, Portfolio Manager, Arizona State Treasurer's Office  
Chris Petkiewicz, Portfolio Manager, Arizona State Treasurer's Office  
Rex Nowlan, Acting Section Chief, Administrative Law Section, Arizona Attorney General's Office  
D. Clark Partridge, CPA, CGFM, State of Arizona Comptroller, Arizona Department of Administration

Pursuant to A.R.S. 35-311, the following reports for March, 2009 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

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- 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 April 15, 2009 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 April 15, 2009 meeting. He noted that this is Treasurer Ford's first meeting. She will be replacing Ross Jacobs, who resigned from the board last month due to budget cuts in his department.

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

Ms. Hosseini made a motion to approve the minutes for the March 18, 2009 Board of Investment Meeting. Mr. Giallanza 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 March, 2009.

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

Mr. Petkiewicz reported the gross yields for the State Agency Pools for the month of March, 2009.

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

Mr. Petkiewicz reported the gross yields and net yields for the LGIP and LGIP-Gov pools, as well as the comparisons to their relative benchmarks for the month of March, 2009.

***Pool 500 Portfolio Yield Analysis***

Mr. Petkiewicz reported the gross yield and net yield for the LGIP Long Term Pool and the comparison to the benchmark for the month of March, 2009.

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

Mr. Petkiewicz reported the total ending par, book, market value, and unrealized gain/loss on the State Investment Pools as of March 31, 2009.

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

Mr. Petkiewicz reported the ending par, book, market value, and unrealized gain/loss on the LGIP, LGIP-Gov, and LGIP Long Term pools as of March 31, 2009.

***Investments Outstanding Pool 500 Shares***

Mr. Petkiewicz reported the ending par, book, market value, and unrealized gain/loss for the LGIP Long Term Pool (share balances) as of March 31, 2009.

***Rating Summary for State Agencies***

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

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

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

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

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

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

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

***LGIP Maturity Summary Pool 5***

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

***LGIP Maturity Summary Pool 7***

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

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

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

***Operating Monies Average Invested Balance***

Mr. Petkiewicz reported the Operating Monies average invested balance for the month of March, 2009.

*A chart titled State Operating Balance: Actual Vs Adjusted for One Time Transfers was included with the BOI Report. Treasurer Martin, referring to this graph, pointed out that the trend is still holding. He advised the board that February is always the best month for the year, and the operating balance for February was only \$542,000,000. The Treasurer also noted that the negative \$339,900,000 balance today could put the operating balance close to zero for the rest of the month, depending on how long it takes to pay that back.*

**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 March, 2009, 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 March, 2009.

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

Mr. White reported the total return numbers for the Endowment Funds for the month of March, 2009 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 March, 2009 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 March, 2009.

***Equity Funds Purchases & Sales***

Mr. White reported the purchases and sales (summary) of the Endowment Equity Pools for the month of March, 2009.

***Investments Outstanding in Endowment Funds***

Mr. White reported the par, book, market value, and unrealized gains/loss of the Endowment Funds as of March 31, 2009.

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

Mr. White reported the credit ratings for the Endowment Funds as of March 31, 2009.

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

Mr. White reported the investments outstanding by industry sector for the S&P 500 Pool as of March 31, 2009.

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

Mr. White reported the investments outstanding by industry sector for the S&P 400 Pool as of March 31, 2009.

***Equity Holdings – By Participant***

Mr. White reported the equity holdings of the Endowment Funds as of March 31, 2009.

***Broker Activity Reports***

Mr. White reported briefly on the broker activity reports for the quarter ending March 31, 2009.

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

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

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

There were no proposed changes to the Investment Policy.

***7. Discussion/Approval of rate for non-cash collateral for loaned securities pursuant to ARS 35-313.C (Pursuant to A.R.S. 38-431.03(A) (3) & (4) the Commission may vote to go into executive session which is not open to the general public to consult with legal counsel and discuss potential negotiation positions on any necessary contracts.)***

Treasurer Martin explained that the new custodial bank contract had been awarded and was in effect as of April 1st. Treasurer Martin then advised the board that the new contract includes securities lending, which will be utilized to generate a new revenue stream to help cover the cost of the contract, and as part of the process, the members of the board are asked to approve the collateral requirements for the non-cash deposits. He noted that his proposal for the requirement for the collateral would be to set it at 102% of non-cash collateral on a daily mark-to-the market valuation.

The Treasurer then asked for discussion or questions.

Mr. Maguire questioned "what is the eligible collateral?" Treasurer Martin responded that the eligible collateral will be the same type of investment as the originating securities. He noted as an example, that if the original securities were full faith and credit, the collateral must also be a full faith and credit investment.

Ms. Humbert advised the board that the "restrictions for the collateral are much tighter than our Investment Policy." She also stated that because of those restrictions, the cash collateral may be invested in money market funds which would mirror the original investment. "If the securities are full, faith, and credit, the money market investment will have to be full, faith, and credit."

Mr. Maguire made a motion to approve the proposed standard of non-cash collateral at 102 % on a daily mark to market valuation. Ms. Hosseini seconded the motion. Motion carried.

**8. *Discussion/Approval of request for additional distribution from Endowment by Land Department. (Pursuant to A.R.S. 38-431.03(A) (3) the Commission may vote to go into executive session which is not open to the general public to consult with legal counsel.)***

Treasurer Martin noted that the board had received a letter from Mr. Maguire regarding this issue. He then asked the board members if they wished to go into Executive Session.

Mr. Giallanza made a motion for the Board to go into executive session regarding this issue, in order to consult with legal counsel Rex Nowlan. Ms. Hosseini seconded the motion. The board went into executive session at 2:12 p.m.

The regular Board of Investment meeting convened again at 2:21 p.m.

Mr. Maguire, referring to his letter to the members of the board that documents his review of this topic, which was based upon the constitution, the statutes, amendments to the constitution, and court cases, but "more importantly the proceedings of the 1910 constitutional convention where this topic was discussed at some length," suggested that "the clear remedy here is to treat the partial proceeds of the installment sale effectively as rental of the property, as provided in the statutes, and therefore essentially unwind the deposit of those monies into the Permanent Endowment funds, and immediately distribute those monies as if they had been rental income."

Ms Ford questioned Treasurer Martin, "when would you be making your next distribution?" The Treasurer responded that it would be within the next two weeks.

Mr. Maguire asked if the normal distribution was based upon a portion of the earnings. Treasurer Martin confirmed that it was based on the earnings. Mr. Maguire then suggested that "since this distribution was a return of improperly deposited funds, it should be made a separate item." Treasurer Martin agreed.

Mr. Swenson stated that he and Mr. Tegland would be contacting the land department, advising them of the board's decision in order to clarify exactly what amount they would like back, and from which of the funds. He added "we will work out the accounting and try to get that out as soon as we can."

Mr. Maguire made a motion pursuant to title 37, to distribute the defaulted dollars as rental income. Treasurer Ford seconded the motion. Motion carried.

**9. *Review and approval of Proposed/Pending Securities Dealers:***

Treasurer Martin advised the board that a new Broker/Dealer, Jeffries Group Inc., has requested to be added to the list of approved Broker/Dealers who do transactions with the Treasurer's Office.

Mr. Maguire made a motion to approve the Jeffries Group Inc. Mr. Giallanza seconded the motion. Motion carried. Mr. Maguire also requested that for the next few months, any transactions with the Jeffries Group Inc. might be noted for the board. Treasurer Martin agreed.

**10. *General Business:***

None

**11. *Call to the Public***

There was no public comment.

**12 *Notice of Next Meeting:***

The Treasurer advised the Board that the next regular meeting of the Board of Investment will be Wednesday, May 20, 2009 at 1:30 p.m. at 1700 West Washington, State Capitol, West Wing, Treasurer's Conference Room, Phoenix, Arizona.

*State Treasurer's Report  
May 20, 2009 Meeting  
Minutes of the April 15, 2009 Meeting*

**13. Adjournment:**

Treasurer Martin adjourned the meeting at 2:40 p.m.

Respectfully Submitted by:

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Helen D. Garafola  
Executive Consultant

Approved by:

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Dean Martin, Chair

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Date:

**EARNINGS DISTRIBUTION - INVESTMENT POOLS**  
 APRIL 2009

State Treasurer's Report  
 May 20, 2009  
 Page 1

<b>Recipient</b>	<b>Earnings Distributed</b>			<b>Fiscal YTD Investment Management Fees Received</b>
	<b>APRIL 2009</b>	<b>Fiscal YTD 08/09</b>	<b>Fiscal YTD 07/08</b>	
General Fund	\$9,280,055	\$20,234,222	\$85,956,858	
2 State Agencies I - Full Faith & Credit	2,029,762	23,879,063	30,980,516	\$465,678
3 State Agencies II - Diversified	4,104,797	32,399,020	87,095,400	877,292
5 Local Governments	848,424	28,614,143	96,434,972	1,270,485
6 State Agencies III - US Govt & Agency	0	52,505	163,027	2,151
7 LGIP Gov't	157,500	22,835,044	58,387,708	1,279,703
8 State Agencies IV - Restricted Diversified	981,164	13,457,588	12,103,519	269,780
9 * ADOT - BFO	0	0	0	52,031
11 School Facilities Board	0	62,790	319,785	4,782
12 CAWCD Medium-Term	495,707	3,933,932	4,216,544	57,780
14 School Facilities Board 2002 Series	0	128,213	978,540	6,563
15 GADA Long-Term	55,464	587,993	647,433	8,428
<b>Subtotal</b>	<b>\$17,952,873</b>	<b>\$146,184,513</b>	<b>\$377,284,303</b>	<b>\$4,294,672</b>
<b>NAV POOL</b>				
500 LGIP LT	196,696	2,024,004	1,227,593	32,224
<b>Total</b>	<b>\$18,149,569</b>	<b>\$148,208,517</b>	<b>\$378,511,895</b>	<b>\$4,326,896</b>

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

**STATE AGENCY POOLS  
PORTFOLIO YIELD ANALYSIS**  
April 30, 2009

State Treasurer's Report  
May 20, 2009  
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	1,740,890	0.1398%	-0.0305%	2.8007%	2.9100%
3	STATE AGENCIES II - DIVERSIFIED	1,597,593	-0.1629%	0.1067%	1.5558%	1.4996%
6	STATE AGENCIES III - US GOVT & AGENCY	0	0.0000%	0.0000%	0.0000%	0.0000%
8	STATE AGENCIES IV-RESTRICTED DIVERSIFIED	391,083	0.0000%	-0.6197%	1.6336%	1.0139%
9	BOARD FUNDING OBLIGATION	148,581	0.0000%	0.0000%	4.8600%	4.8600%
11	SCHOOL FACILITIES BOARD	0	0.0000%	0.0000%	0.0000%	0.0000%
12	CAWCD MEDIUM TERM	320,626	0.0000%	-0.2876%	3.9291%	3.6415%
14	SCHOOL FACILITIES BOARD BONDS	0	0.0000%	0.0000%	0.0000%	0.0000%
15	GADA	39,022	-0.0645%	0.0456%	3.4350%	3.4161%
<b>TOTAL STATE AGENCIES</b>		<b>4,237,795</b>				

**LGIP & LGIP-GOV**  
**PORTFOLIO YIELD ANALYSIS**  
 April 30, 2009

State Treasurer's Report  
 May 20, 2009  
 Page 3

FUND	DESCRIPTION	NET EARNINGS	SALES EARNINGS YIELD	AMORT/DISC EARNINGS YIELD	COUPON EARNINGS YIELD	GROSS YIELD
5	LGIP	867,106	0.0000%	-0.3493%	0.9418%	0.5924%
7	LGIP - GOV	562,792	0.0000%	-0.1450%	0.4400%	0.2950%
<b>TOTAL LGIP &amp; LGIP-GOV</b>		<b>1,429,899</b>				
		<b>02/28/09</b>	<b>03/31/09</b>	<b>04/30/09</b>		
5	LGIP MONTHLY YIELD (NET)	0.58%	0.61%	0.53%		
	S & P LGIP INDEX YIELD	0.84%	0.72%	0.60%		
	LGIP YTD YIELD (NET)	1.66%	1.56%	1.48%		
	S & P LGIP YTD INDEX YIELD	1.81%	1.70%	1.60%		
7	LGIP - GOV MONTHLY YIELD (NET)	0.29%	0.27%	0.23%		
	3 MONTH T-BILL	0.28%	0.20%	0.15%		
	* S & P LGIP - GOV INDEX YIELD	0.73%	0.61%	0.50%		
	LGIP - GOV YTD YIELD (NET)	0.88%	0.81%	0.75%		
	YTD 3 MONTH T-BILL	0.71%	0.65%	0.60%		
	* S & P LGIP - GOV YTD INDEX YIELD	1.64%	1.53%	1.44%		

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

**LGIP LONG TERM POOL  
PORTFOLIO YIELD ANALYSIS**  
April 30, 2009

State Treasurer's Report  
May 20, 2009  
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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	196,267	0.0000%	-0.4269%	3.8614%	3.4345%
	<b>TOTAL LGIP LONG TERM POOL</b>	<b>196,267</b>				

	02/28/09	03/31/09	04/30/09
<b>LGIP LONG TERM MONTHLY YIELD (NET)</b>	3.85%	3.42%	3.37%
<b>MERRILL 1-5 US D M INDEX MONTHLY YIELD</b>	3.50%	2.80%	2.86%
<b>LGIP LONG TERM YTD YIELD (NET)</b>	3.86%	3.81%	3.76%
<b>MERRILL 1-5 US D M INDEX YTD YIELD</b>	3.91%	3.79%	3.70%

**STATE AGENCY POOLS**  
**INVESTMENTS OUTSTANDING**

State Treasurer's Report

May 20, 2009

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APRIL 30, 2009

(in thousands)

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	185,000	185,000	185,000	0	
	FDIC - Commercial Paper	0	0	0	0	
	U.S. Government & Agencies	494,145	495,524	503,254	7,730	
	FDIC - Corporate Securities	86,300	87,081	87,321	241	
	<b>Total</b>	<b>765,445</b>	<b>767,605</b>	<b>775,576</b>	<b>7,971</b>	<b>1.010</b>
3	State Agencies II - Diversified					
	Repurchase Agreements	400,000	400,000	400,000	0	
	U.S. Government & Agencies	186,711	185,602	186,321	719	
	FDIC - Corporate Securities	13,000	13,069	13,149	80	
	Corporate Securities	659,994	658,400	629,834	(28,567)	
	<b>Total</b>	<b>1,259,705</b>	<b>1,257,071</b>	<b>1,229,304</b>	<b>(27,767)</b>	<b>0.978</b>
6	State Agencies III - US Govt & Agency					
	Repurchase Agreements	0	0	0	0	
	U.S. Government & Agencies	0	0	0	0	
	<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.000</b>
8	State Agencies IV - Restricted Diversified					
	Repurchase Agreements	155,000	155,000	155,000	0	
	U.S. Government & Agencies	303,228	304,025	304,926	901	
	FDIC - Corporate Securities	50,600	50,887	50,950	62	
	<b>Total</b>	<b>508,828</b>	<b>509,913</b>	<b>510,876</b>	<b>963</b>	<b>1.002</b>
9	ADOT B.F.O.					
	Board Funding Obligations	0	0	0	0	
	<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.000</b>
11	School Facilities Board					
	Repurchase Agreements	0	0	0	0	
	U.S. Government & Agencies	0	0	0	0	
	<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.000</b>

**STATE AGENCY POOLS**  
**INVESTMENTS OUTSTANDING**  
APRIL 30, 2009  
(in thousands)

State Treasurer's Report  
May 20, 2009  
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POOL	INVESTMENT POOL	PAR VALUE	BOOK VALUE	MARKET VALUE	UNREALIZED GAINS (LOSSES)	Mkt Value/ Book Value
12	CAWCD Medium-Term					
	Money Market Mutual Shares	10,393	10,393	10,393	0	
	U.S. Government & Agencies	51,063	51,271	51,849	578	
	Corporate Securities	47,516	47,762	44,682	(3,081)	
	<b>Total</b>	<b>108,972</b>	<b>109,426</b>	<b>106,924</b>	<b>(2,502)</b>	<b>0.977</b>
14	School Facilities Board Bonds					
	Repurchase Agreements	0	0	0	0	
	U.S. Government & Agencies	0	0	0	0	
	<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.000</b>
15	GADA					
	Money Market Mutual Shares	5,201	5,201	5,201	0	
	U.S. Government & Agencies	6,723	6,728	6,867	139	
	Corporate Securities	2,225	2,243	1,901	(342)	
	<b>Total</b>	<b>14,149</b>	<b>14,173</b>	<b>13,969</b>	<b>(203)</b>	<b>0.986</b>
55	LGIP - NPF					
	<i>NPF Securities</i>	61,939	61,924	0	(61,924)	
	<b>Total</b>	<b>61,939</b>	<b>61,924</b>	<b>0</b>	<b>(61,924)</b>	<b>0.000</b>
57	LGIP - LEHMAN BROTHERS HOLDINGS					
	<i>Lehman Bonds</i>	39,450	39,427	5,523	(33,904)	
	<b>Total</b>	<b>39,450</b>	<b>39,427</b>	<b>5,523</b>	<b>(33,904)</b>	<b>0.140</b>
<b>TOTALS - AGENCY POOLS</b>						
	Repurchase Agreements	740,000	740,000	740,000	0	
	Money Market Mutual Shares	15,594	15,594	15,594	0	
	FDIC - Commercial Paper	0	0	0	0	
	Commercial Paper	0	0	0	0	
	U.S. Government & Agencies	1,041,869	1,043,150	1,053,218	10,068	
	FDIC - Corporate Securities	149,900	151,037	151,420	384	
	Corporate Securities	709,734	708,406	676,417	(31,989)	
	Board Funding Obligations	0	0	0	0	
	<i>NPF Securities</i>	61,939	61,924	0	(61,924)	
	<i>Lehman Bonds</i>	39,450	39,427	5,523	(33,904)	
	<b>Grand Total</b>	<b>2,758,487</b>	<b>2,759,538</b>	<b>2,642,172</b>	<b>(117,366)</b>	

**L.G.I.P.**  
**INVESTMENTS OUTSTANDING**  
APRIL 30, 2009  
(in thousands)

State Treasurer's Report  
May 20, 2009  
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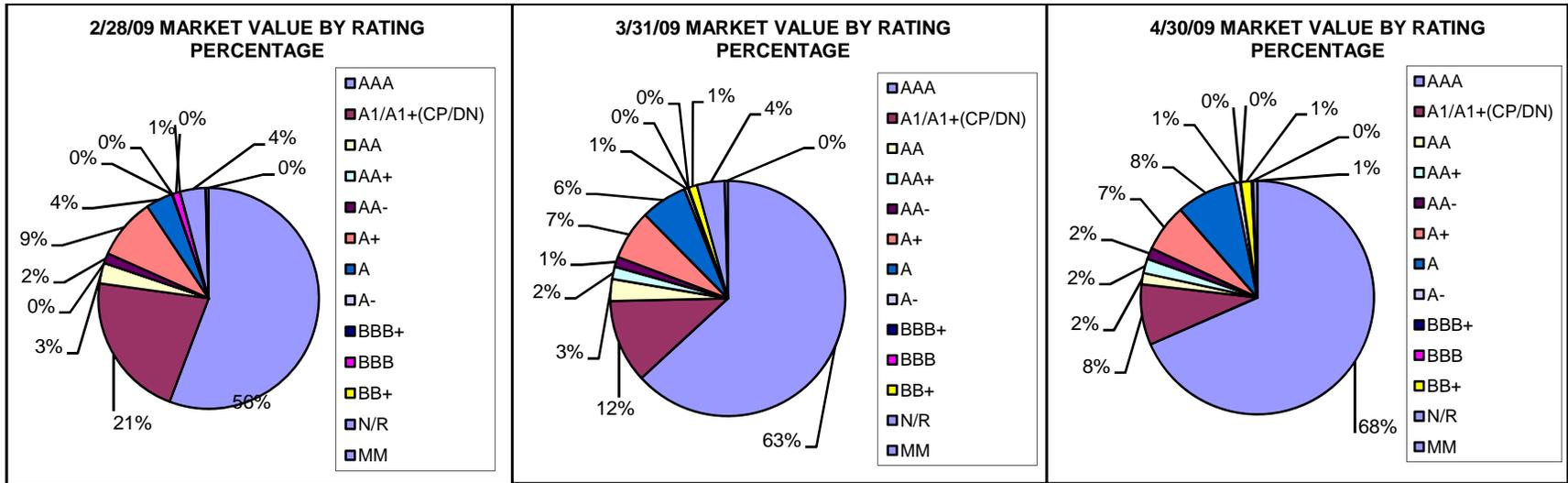
POOL	INVESTMENT POOL	PAR VALUE	BOOK VALUE	MARKET VALUE	UNREALIZED GAINS (LOSSES)	Mkt Value/ Book Value
5	Local Governments					
	Repurchase Agreements	435,000	435,000	435,000	0	
	Commercial Paper	10,000	9,999	9,999	0	
	FDIC - Commercial Paper	225,000	224,863	224,798	(66)	
	Certificates of Deposit	5,000	4,998	4,998	(0)	
	U.S. Government & Agencies	1,040,588	1,042,200	1,042,454	253	
	Corporate Securities	367,540	367,253	359,931	(7,322)	
	<b>Total</b>	<b>2,083,128</b>	<b>2,084,314</b>	<b>2,077,179</b>	<b>(7,134)</b>	<b>0.997</b>
7	LGIP - Gov't					
	Repurchase Agreements	2,240,000	2,240,000	2,240,000	0	
	FDIC - Commercial Paper	65,000	64,981	64,981	0	
	U.S. Government & Agencies	730,498	731,468	731,906	437	
	<b>Total</b>	<b>3,035,498</b>	<b>3,036,449</b>	<b>3,036,887</b>	<b>437</b>	<b>1.000</b>
500	LGIP LT					
	Money Market Mutual Shares	4,972	4,972	4,972	0	
	Commercial Paper	300	300	300	0	
	U.S. Government & Agencies	45,324	45,652	46,695	1,043	
	Corporate Securities	17,790	17,857	17,613	(244)	
	FDIC - Corporate Securities	500	499	502	3	
	Dividends Payable/Other	(58)	(58)	(58)	0	
	<b>Total</b>	<b>68,828</b>	<b>69,221</b>	<b>70,024</b>	<b>803</b>	
<b>TOTALS - LGIP POOLS</b>						
	Repurchase Agreements	2,675,000	2,675,000	2,675,000	0	
	Money Market Mutual Shares	4,972	4,972	4,972	0	
	FDIC - Commercial Paper	290,000	289,844	289,779	(66)	
	Commercial Paper	10,300	10,299	10,299	0	
	Certificates of Deposit	5,000	4,998	4,998	(0)	
	U.S. Government & Agencies	1,816,410	1,819,320	1,821,054	1,734	
	Corporate Securities	385,330	385,109	377,543	(7,566)	
	FDIC - Corporate Securities	500	499	502	3	
	Dividends Payable/Other	(58)	(58)	(58)	0	
	<b>Grand Total</b>	<b>5,187,454</b>	<b>5,189,984</b>	<b>5,184,089</b>	<b>(5,895)</b>	

**SHARES OUTSTANDING**  
**LOCAL GOVERNMENT LONG TERM FUNDS**  
 APRIL 30, 2009  
 (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>	69,101	69,528	70,381	854	
	Total	69,101	69,528	70,381	854	<b>1.012</b>

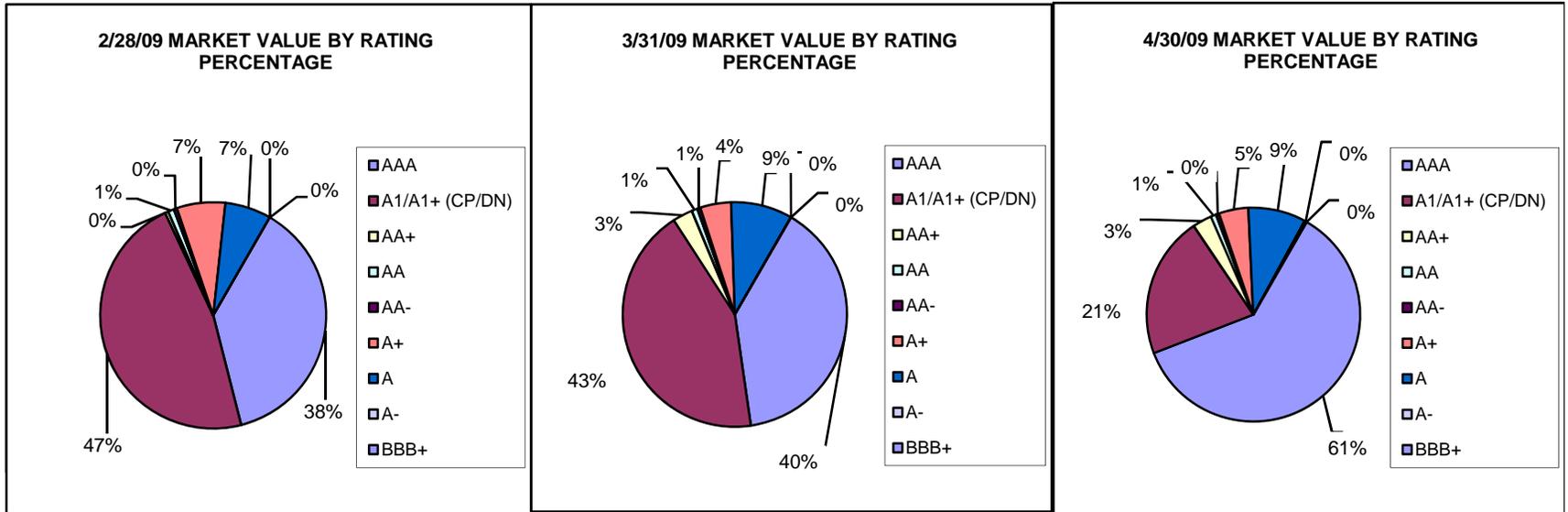
**ARIZONA STATE TREASURER'S OFFICE  
RATING SUMMARY  
STATE AGENCY POOLS 2, 3, 6, 8, 9, 11 - 15, 55, 57**



	02/28/09			03/31/09			04/30/09		
RATING	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT
AAA	220	\$1,707,907,390	56%	207	\$1,889,198,766	63%	181	\$1,822,681,767	68%
A1/A1+(CP/DN)	16	\$655,911,217	21%	13	\$343,523,570	12%	10	\$207,581,170	8%
AA	7	\$91,444,830	3%	7	\$90,202,539	3%	4	\$41,077,293	2%
AA+	0	\$0	0%	5	\$51,488,425	2%	5	\$52,932,650	2%
AA-	5	\$41,659,880	2%	5	\$41,248,920	1%	5	\$41,685,404	2%
A+	30	\$274,094,272	9%	22	\$204,220,626	7%	19	\$173,893,318	7%
A	13	\$122,403,229	4%	20	\$191,421,463	6%	22	\$218,208,218	8%
A-	0	\$0	0%	1	\$260,691	1%	3	\$21,470,794	1%
BBB+	2	\$2,453,762	0%	2	\$2,506,084	0%	2	\$2,561,678	0%
BBB	3	\$33,327,105	1%	0	\$0	0%	0	\$0	0%
BB+	2	\$1,022,610	0%	5	\$35,506,625	1%	5	\$38,955,760	1%
N/R	21	\$114,839,696	4%	21	\$114,741,071	4%	19	\$5,530,071	0%
MM	2	\$13,166,059	0%	2	\$12,631,689	0%	2	\$15,594,181	1%
<b>TOTAL</b>	<b>321</b>	<b>\$3,058,230,050</b>	<b>100%</b>	<b>310</b>	<b>\$2,976,950,470</b>	<b>100%</b>	<b>277</b>	<b>\$2,642,172,303</b>	<b>100%</b>

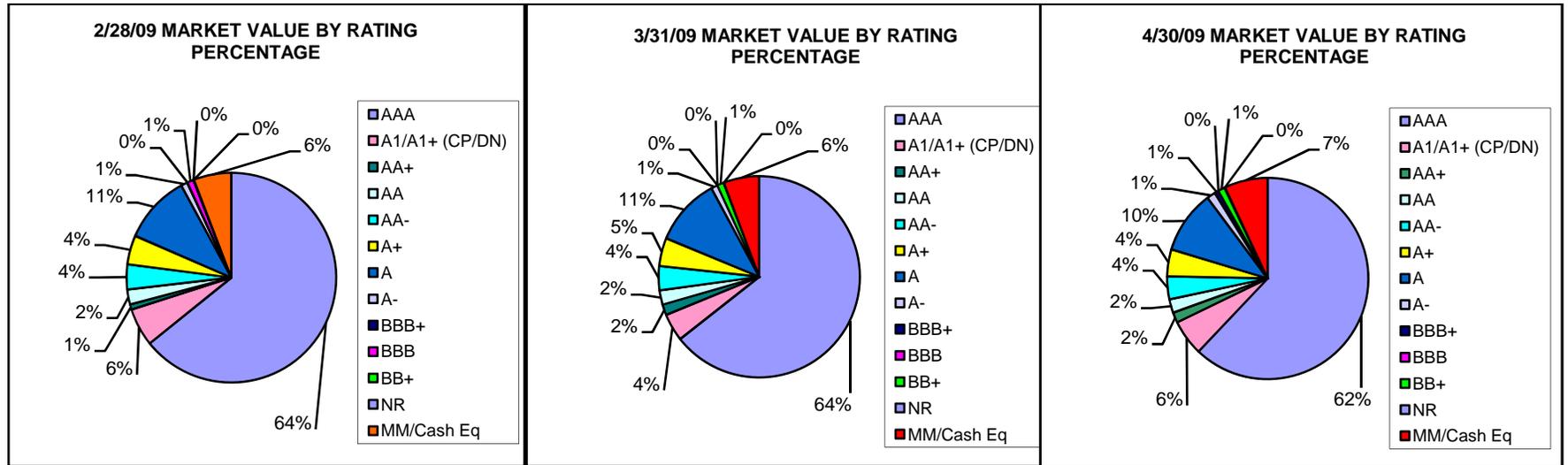
MM = MONEY MARKET (JP MORGAN US GOVERNMENT & JP MORGAN US TREASURY PLUS)  
N/R = A TAX DEFERRED (7,071) AND NCFE

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



RATING	02/28/09			03/31/09			04/30/09		
	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT
AAA	39	\$780,732,736	38%	34	\$814,748,110	40%	39	\$1,266,096,419	61%
A1/A1+ (CP/DN)	31	\$973,716,910	47%	25	\$899,965,096	43%	13	\$446,154,086	21%
AA+	1	\$10,009,697	0%	4	\$59,866,000	3%	4	\$60,778,011	3%
AA	2	\$17,426,347	1%	2	\$17,285,971	1%	2	\$17,416,685	1%
AA-	1	\$9,466,974	0%	1	\$9,531,540	0%	1	\$9,653,310	0%
A+	10	\$144,005,197	7%	6	\$92,878,936	4%	5	\$88,128,801	5%
A	16	\$134,276,986	7%	20	\$184,949,033	9%	18	\$181,597,779	9%
A-	0	\$0	0%	0	\$0	0%	1	\$4,998,114	0%
BBB+	0	\$0	0%	0	\$0	0%	1	\$2,355,915	0%
<b>TOTAL</b>	<b>100</b>	<b>\$2,069,634,848</b>	<b>100%</b>	<b>92</b>	<b>\$2,079,224,686</b>	<b>100%</b>	<b>84</b>	<b>\$2,077,179,119</b>	<b>100%</b>

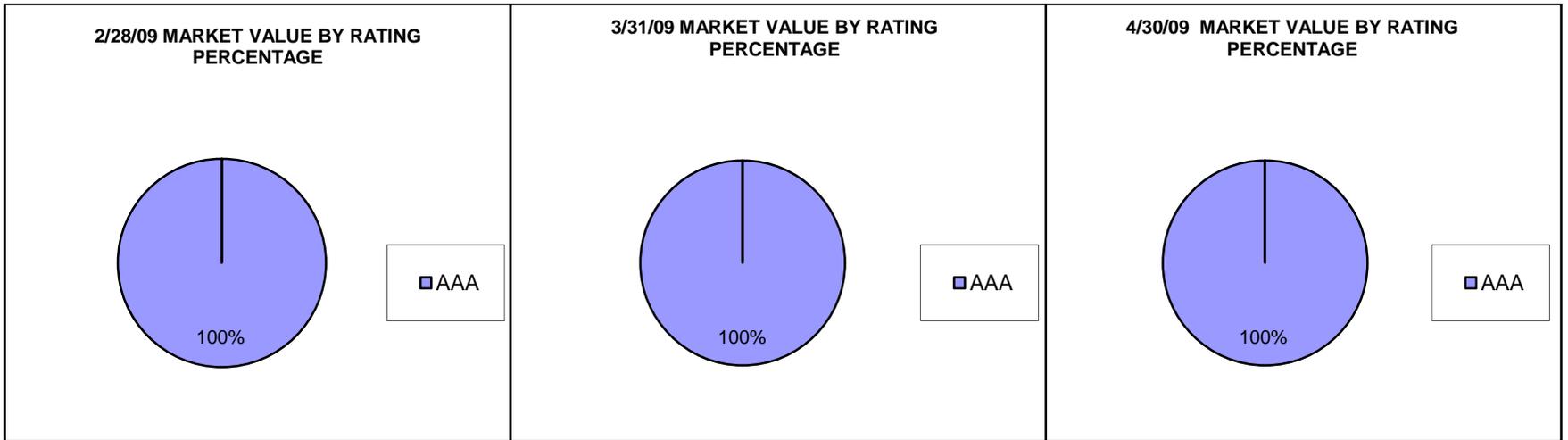
**ARIZONA STATE TREASURER'S OFFICE  
RATING SUMMARY  
LGIP 500**



	2/28/2009			3/31/2009			4/30/2009		
RATING	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT
AAA	65	\$42,406,796	64%	61	\$42,595,739	64%	65	\$43,468,724	62%
A1/A1+ (CP/DN)	6	\$3,874,565	6%	4	\$3,165,794	4%	5	\$4,028,371	6%
AA+	1	\$517,188	1%	3	\$1,134,945	2%	3	\$1,161,414	2%
AA	5	\$1,524,075	2%	5	\$1,525,049	2%	5	\$1,532,521	2%
AA-	5	\$2,545,213	4%	5	\$2,551,694	4%	5	\$2,547,854	4%
A+	8	\$2,970,558	4%	8	\$3,001,143	5%	8	\$3,048,419	4%
A	17	\$6,954,359	11%	18	\$7,181,802	11%	17	\$7,088,583	10%
A-	2	\$687,565	1%	2	\$706,114	1%	3	\$972,224	1%
BBB+	0	\$0	0%	0	\$0	0%	2	\$453,421	1%
BBB	2	\$680,145	1%	0	\$0	0%	0	\$0	0%
BB+	0	\$0	0%	2	\$705,995	1%	2	\$773,391	1%
NR	1	\$30,625	0%	1	\$30,000	0%	1	\$35,000	0%
MM/Cash Eq	2	\$3,846,245	6%	2	\$3,789,356	6%	2	\$4,913,617	7%
<b>TOTAL</b>	<b>114</b>	<b>\$66,037,333</b>	<b>100%</b>	<b>111</b>	<b>\$66,387,630</b>	<b>100%</b>	<b>118</b>	<b>\$70,023,537</b>	<b>100%</b>

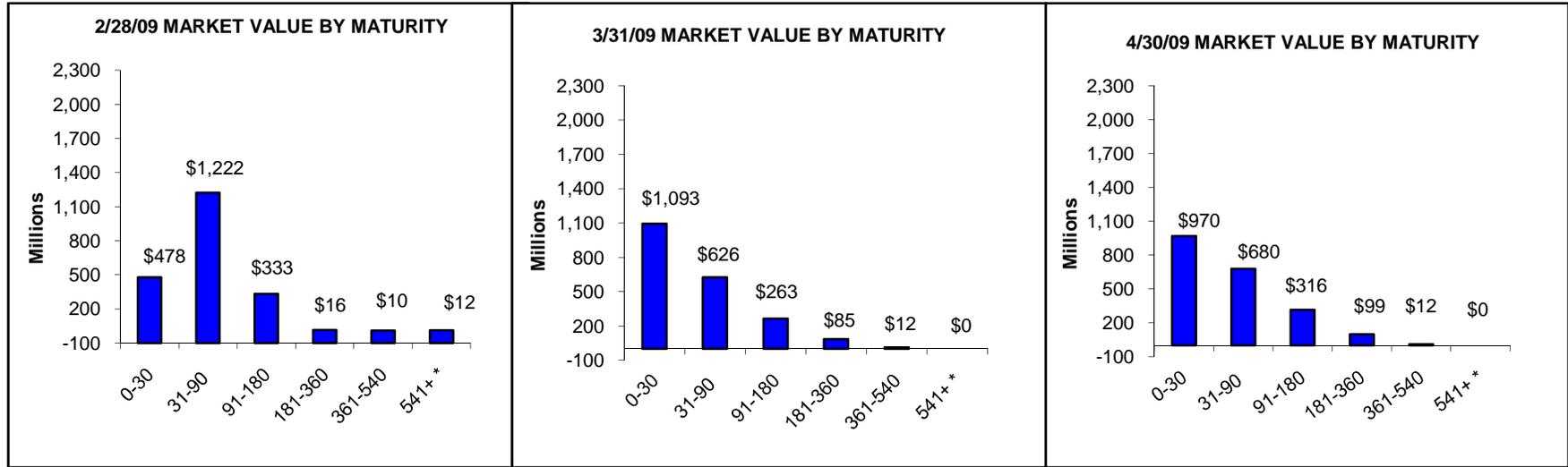
\*MM/Cash Equivalent includes dividends payable

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



		<b>02/28/09</b>				<b>03/31/09</b>				<b>04/30/09</b>		
<b>RATING</b>	<b>POSITIONS</b>	<b>MARKET VALUE</b>	<b>PERCENT</b>	<b>POSITIONS</b>	<b>MARKET VALUE</b>	<b>PERCENT</b>	<b>POSITIONS</b>	<b>MARKET VALUE</b>	<b>PERCENT</b>	<b>POSITIONS</b>	<b>MARKET VALUE</b>	<b>PERCENT</b>
AAA	31	\$2,916,987,191	100%	35	\$2,727,680,613	100%	37	\$3,036,886,682	100%			

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

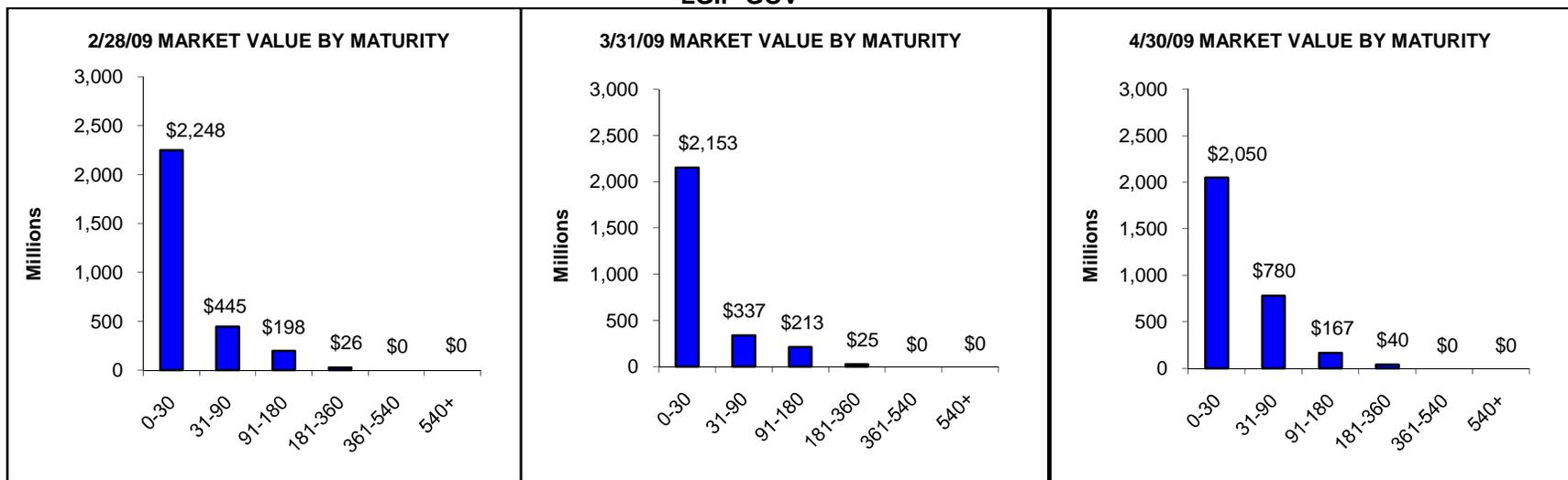


02/28/09				03/31/09			04/30/09		
MATURITY	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT
0-30	40	\$478,006,847	23%	40	\$1,093,499,963	52%	33	\$969,853,697	47%
31-90	44	\$1,221,656,108	59%	37	\$626,021,156	30%	35	\$680,257,663	33%
91-180	11	\$332,551,291	16%	9	\$263,241,327	13%	9	\$315,708,028	15%
181-360	2	\$15,695,944	1%	4	\$84,501,502	4%	5	\$99,443,169	4%
361-540	1	\$9,589,359	0%	2	\$11,960,738	1%	2	\$11,916,563	1%
541+ *	2	\$12,135,300	1%	0	\$0	0%	0	\$0	0%
<b>TOTAL</b>	<b>100</b>	<b>\$2,069,634,848</b>	<b>100%</b>	<b>92</b>	<b>\$2,079,224,686</b>	<b>100%</b>	<b>84</b>	<b>\$2,077,179,119</b>	<b>100%</b>

02/28/09			03/31/09			04/30/09		
MATURITY	WAM		MATURITY	WAM		MATURITY	WAM	
0-30	3.70		0-30	8.14		0-30	4.55	
31-90	33.54		31-90	17.87		31-90	20.82	
91-180	21.26		91-180	15.06		91-180	19.55	
181-360	1.66		181-360	9.39		181-360	10.72	
361-540	1.75		361-540	3.04		361-540	2.86	
541+	3.28		541+	0.00		541+	0.00	
<b>TOTAL</b>	<b>65.19</b>		<b>TOTAL</b>	<b>53.50</b>		<b>TOTAL</b>	<b>58.50</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**

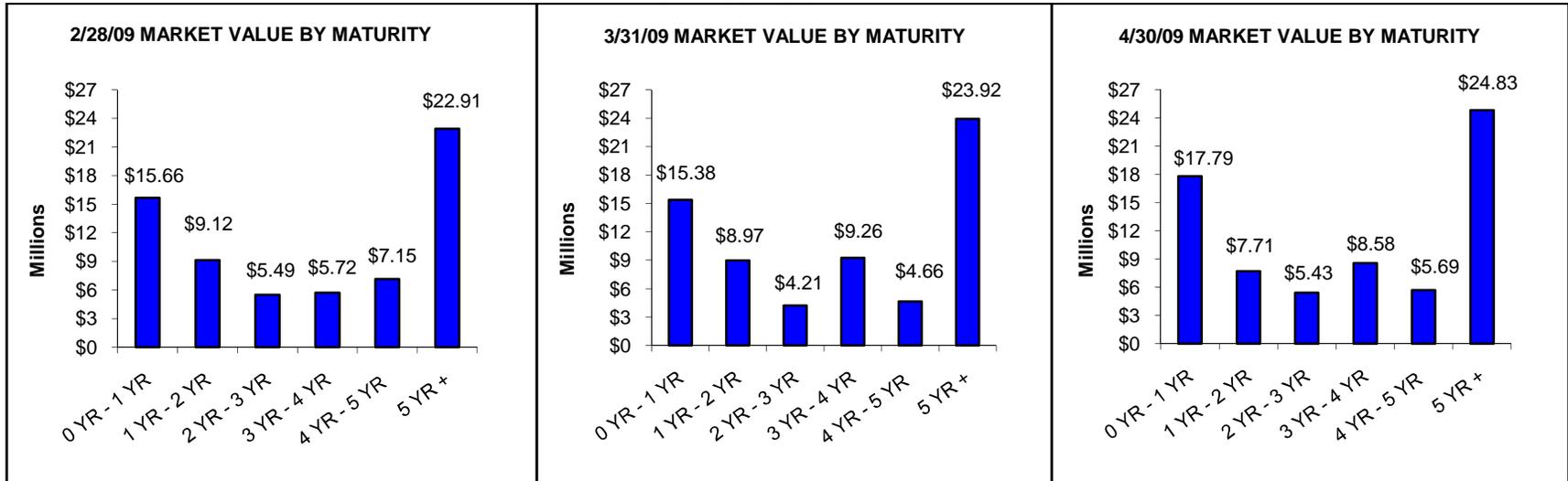


MATURITY	02/28/09			03/31/09			04/30/09		
	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT
0-30	11	\$2,248,092,346	77%	15	\$2,152,943,023	79%	15	\$2,050,055,511	68%
31-90	12	\$445,425,839	15%	12	\$336,582,408	12%	15	\$779,893,492	26%
91-180	7	\$197,559,236	7%	7	\$212,708,199	8%	6	\$167,023,279	5%
181-360	1	\$25,909,770	1%	1	\$25,446,982	1%	1	\$39,914,400	1%
361-540	0	\$0	0%	0	\$0	0%	0	\$0	0%
540+	0	\$0	0%	0	\$0	0%	0	\$0	0%
<b>TOTAL</b>	<b>31</b>	<b>\$2,916,987,191</b>	<b>100%</b>	<b>35</b>	<b>\$2,727,680,613</b>	<b>100%</b>	<b>37</b>	<b>\$3,036,886,682</b>	<b>100%</b>

02/28/09		03/31/09		04/30/09	
MATURITY	WAM	MATURITY	WAM	MATURITY	WAM
0-30	5.89	0-30	4.28	0-30	6.30
31-90	8.39	31-90	6.97	31-90	13.76
91-180	9.36	91-180	8.73	91-180	5.71
181-360	1.90	181-360	1.71	181-360	3.04
361-540	0.00	361-540	0.00	361-540	0.00
540+	0.00	540+	0.00	540+	0.00
<b>TOTAL</b>	<b>25.53</b>	<b>TOTAL</b>	<b>21.69</b>	<b>TOTAL</b>	<b>28.81</b>

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

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



MATURITY	02/28/09			03/31/09			04/30/09		
	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT
0 YR - 1 YR	26	\$15,656,270	24%	25	\$15,378,082	23%	26	\$17,790,085	25%
1 YR - 2 YR	20	\$9,117,487	14%	19	\$8,969,607	14%	20	\$7,705,184	11%
2 YR - 3 YR	13	\$5,493,283	8%	10	\$4,208,233	6%	11	\$5,429,328	8%
3 YR - 4 YR	12	\$5,716,551	9%	18	\$9,255,705	14%	17	\$8,579,861	12%
4 YR - 5 YR	15	\$7,145,233	11%	13	\$4,655,039	7%	14	\$5,693,038	8%
5 YR +	28	\$22,908,510	35%	26	\$23,920,965	36%	30	\$24,826,042	35%
<b>TOTAL</b>	<b>114</b>	<b>\$66,037,333</b>	<b>100%</b>	<b>111</b>	<b>\$66,387,630</b>	<b>100%</b>	<b>118</b>	<b>\$70,023,537</b>	<b>100%</b>

	2/28/2009	3/31/2009	4/30/2009
<b>LGIP LT MONTHLY DURATION</b>	1.31	1.22	1.25
<b>MERRILL 1-5 US DOMESTIC MASTER INDEX</b>	2.30	2.06	2.16

\*0 YR-1 YR includes dividends payable

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

**OPERATING MONIES**  
**AVERAGE INVESTED BALANCE**  
Through April 30, 2009  
(in millions of dollars)

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<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	804
JANUARY	2,390	1,875	739
FEBRUARY	2,396	1,652	542
MARCH	2,101	1,143	264
APRIL	1,990	859	16
MAY	2,288	890	
JUNE	2,079	815	
<b>Y-T-D</b>			
<b>Average</b>	<b>\$2,258</b>	<b>\$1,597</b>	<b>\$666</b>

**EARNINGS DISTRIBUTED  
ENDOWMENT FUNDS  
APRIL 2009**

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Distributed in Current Month

Recipient	April-09	Fiscal YTD 08/09	Fiscal YTD 07/08
101 A & M Colleges	\$22,686	\$227,070	\$327,297
102 State Hospital	\$11,186	\$111,968	\$162,937
103 Leg., Exec., & Jud.	\$16,072	\$160,876	\$215,175
104 Military Institute	\$1,269	\$12,699	\$16,857
105 Miners Hospital	\$20,025	\$200,445	\$260,093
107 Normal School ASU/NAU	\$6,345	\$63,513	\$84,159
108 Penitentiaries	\$16,874	\$168,911	\$235,499
109 Permanent Common School	\$4,521,984	\$45,265,152	\$57,745,923
110 School for Deaf & Blind	\$10,040	\$100,496	\$138,313
111 School of Mines	\$21,542	\$215,624	\$269,020
112 State Charitable-Pioneers Home	\$94,777	\$948,627	\$1,202,089
112 State Charitable-Corrections	\$47,388	\$474,310	\$601,046
112 State Charitable-Youth Treatment	\$47,388	\$474,310	\$601,046
113 University Fund	\$31,283	\$313,166	\$420,741
114 U of A Land - 1881	\$73,623	\$736,944	\$972,810
<b>Total</b>	<b>\$4,942,482</b>	<b>\$49,474,110</b>	<b>\$63,253,005</b>

Posted in USAS in current month

**ENDOWMENT FUNDS**  
**PORTFOLIO YIELD ANALYSIS**  
 April 30, 2009

State Treasurer's Report  
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FUND	DESCRIPTION	NET EARNINGS	SALES EARNINGS YIELD	AMORT/DISC EARNINGS YIELD	COUPON EARNINGS YIELD	NET YIELD
205	ENDOWMENTS - FIXED INCOME	4,614,206	-0.1145%	-0.2844%	4.5771%	4.1782%
	<b>TOTAL ENDOWMENTS - FIXED INCOME</b>	<b>4,614,206</b>				

**RETURN ANALYSIS  
ENDOWMENT FUNDS**

(\$ In Thousands)

State Treasurer's Report

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<b>ENDOWMENT FUNDS</b>	<b>APRIL 2009 MONEY WEIGHTED RETURN</b>	<b>FISCAL YEAR 2008/2009 MONEY WEIGHTED RETURN</b>
101 A & M Colleges	4.08%	-15.07%
102 State Hospital	4.15%	-15.29%
103 Leg., Exec., & Jud.	3.87%	-14.13%
104 Military Institute	3.84%	-13.94%
105 Miners Hospital	4.06%	-14.64%
107 Normal School ASU/NAU	4.00%	-14.51%
108 Penitentiaries	4.16%	-11.58%
109 Permanent Common School	4.06%	-14.52%
110 School for Deaf & Blind	3.90%	-14.26%
111 School of Mines	3.99%	-14.60%
112 State Charitable	4.12%	-15.28%
113 University Fund	3.98%	-14.65%
114 U Of A Land - 1881	3.97%	-14.58%
<b>WEIGHTED PORTFOLIO RETURN</b>	4.06%	-10.81%
<b>WEIGHTED BENCHMARK</b>	4.34%	-10.05%
<b>S&amp;P 500 EQUITY FUND RETURN:</b>	9.54%	-30.11%
<b>S &amp; P 500 LARGE CAP INDEX:</b>	9.57%	-30.26%
<b>FIXED INCOME FUND RETURN:</b>	0.14%	4.98%
<b>CITIGROUP BIG INDEX RETURN:</b>	0.04%	5.82%
<b>S&amp;P 400 EQUITY FUND RETURN:</b>	12.11%	-32.85%
<b>S&amp;P 400 MID-CAP INDEX:</b>	14.87%	-30.37%

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

	Feb-09	Mar-09	Apr-09	Feb-09	Mar-09	Apr-09
S&P 500	-10.65%	8.76%	9.57%	735.09	797.87	872.81
S&P 400	-9.68%	9.05%	14.87%	449.44	489.00	561.14
S&P 600	-11.97%	8.21%	17.46%	205.97	222.43	260.93
DOW JONES	-11.72%	7.73%	7.35%	7062.93	7608.92	8168.12
NASDAQ	-6.50%	11.02%	12.40%	1377.84	1528.59	1717.30

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

Endowment Fund -----	Apr-09 NET GAIN(LOSS) -----	FISCAL YTD GAINS(LOSSES) -----
Fixed Income Pool Net Gain (Loss)	(159,116)	(607,721)
Equity Pool (500) Net Gain (Loss)	317,842	(30,290,755)
Equity Pool (400) Net Gain (Loss)	(3,122,501)	(33,999,086)
<b>Totals</b>	<b>(2,963,774)</b> =====	<b>(64,897,561)</b> =====

**ENDOWMENT FUNDS FIXED-INCOME POOL**  
**PURCHASES & SALES**  
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**I. Endowment Funds Purchases**

<u>SECURITY DESCRIPTION</u>	<u>RATE</u>	<u>MATURITY</u>	<u>*WAL YEARS</u>	<u>PAR VALUE</u>	<u>PURCHASE COST</u>	<u>YIELD</u>	<u>MOODY'S / S&amp;P RATING</u>
FHLMC	2.50	4/8/2013	N/A	\$10,000,000	\$10,000,000	2.50	Aaa/AAA
FNMA MBS	4.00	7/25/2018	2.92	\$7,811,774	\$8,043,686	3.63	Aaa/AAA
CONAGRA INC.	5.88	4/15/2014	N/A	\$3,000,000	\$2,998,710	5.89	Baa2/BBB
DELL INC.	5.63	4/15/2014	N/A	\$7,000,000	\$6,994,120	5.64	A2/A-
EMERSON ELECTRIC CO.	5.00	4/15/2019	N/A	\$10,000,000	\$9,905,500	5.12	A2/A
<b>TOTAL ENDOWMENT FUNDS PURCHASES</b>				<b>\$37,811,774</b>	<b>\$37,942,016</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>
FNMA MTG	5.00	6/25/2027	\$3,763,607	\$3,843,584	\$45,603	Aaa/AAA
CITIBANK CREDIT CARD ISS TR	5.35	2/7/2020	\$5,000,000	\$4,628,125	(\$350,473)	Aaa/AAA
EMERSON ELECTRIC CO.	5.25	10/15/2018	\$10,000,000	\$10,155,400	\$178,367	A2/A
<b>TOTAL ENDOWMENT FUNDS SALES</b>			<b>\$18,763,607</b>	<b>\$18,627,109</b>	<b>(\$126,503)</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	969,640	\$20,217,503	\$14,545
S&P 500 Large-Cap Fund	262,512	\$7,732,553	\$3,610
<b>TOTAL EQUITY PURCHASES</b>	<b>1,232,152</b>	<b>\$27,950,056</b>	<b>\$18,154</b>

**II. Equity Funds Sales**

	<u>SHARES</u>	<u>SALES AMOUNT</u>	<u>COMMISSIONS</u>
S&P 400 Mid-Cap Fund	773,488	\$16,381,343	\$11,274
S&P 500 Large-Cap Fund	13,096	\$846,798	\$43
<b>TOTAL EQUITY SALES</b>	<b>786,584</b>	<b>\$17,228,141</b>	<b>\$11,317</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>
101	A & M Colleges					
	<i>Shares in S&amp;P 500 Index Fund</i>	2,530	2,299	1,889	(410)	
	<i>Shares in Fixed Income Fund</i>	2,714	3,016	4,094	1,079	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	825	792	995	203	
	Total	6,070	6,107	6,979	872	<b>1.143</b>
102	State Hospital					
	<i>Shares in S&amp;P 500 Index Fund</i>	1,561	1,340	1,165	(174)	
	<i>Shares in Fixed Income Fund</i>	1,539	1,756	2,322	565	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	445	461	537	76	
	Total	3,545	3,557	4,024	467	<b>1.131</b>
103	Leg., Exec., & Jud.					
	<i>Shares in S&amp;P 500 Index Fund</i>	1,969	1,930	1,470	(460)	
	<i>Shares in Fixed Income Fund</i>	2,292	2,531	3,457	927	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	640	665	772	107	
	Total	4,900	5,125	5,698	573	<b>1.112</b>
104	Military Institute					
	<i>Shares in S&amp;P 500 Index Fund</i>	134	133	100	(33)	
	<i>Shares in Fixed Income Fund</i>	163	175	246	72	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	47	46	57	11	
	Total	344	354	403	49	<b>1.139</b>
105	Miners Hospital					
	<i>Shares in S&amp;P 500 Index Fund</i>	3,787	3,704	2,827	(877)	
	<i>Shares in Fixed Income Fund</i>	3,835	4,846	5,784	938	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	1,069	1,275	1,289	14	
	Total	8,690	9,825	9,900	75	<b>1.008</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>	866	818	646	(172)	
	<i>Shares in Fixed Income Fund</i>	935	1,072	1,411	338	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	266	282	320	39	
	Total	2,067	2,173	2,378	205	<b>1.094</b>
108	Penitentiaries					
	<i>Shares in S&amp;P 500 Index Fund</i>	3,212	2,904	2,398	(507)	
	<i>Shares in Fixed Income Fund</i>	3,178	3,803	4,794	991	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	938	1,000	1,132	132	
	Total	7,328	7,708	8,323	616	<b>1.080</b>
109	Permanent Common School					
	<i>Shares in S&amp;P 500 Index Fund</i>	812,923	782,966	606,846	(176,120)	
	<i>Shares in Fixed Income Fund</i>	824,455	1,025,979	1,243,633	217,655	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	228,215	269,631	275,333	5,703	
	Total	1,865,594	2,078,575	2,125,812	47,237	<b>1.023</b>
110	School for Deaf & Blind					
	<i>Shares in S&amp;P 500 Index Fund</i>	1,157	1,094	864	(230)	
	<i>Shares in Fixed Income Fund</i>	1,335	1,435	2,013	578	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	378	377	456	79	
	Total	2,870	2,905	3,333	428	<b>1.147</b>
111	School of Mines					
	<i>Shares in S&amp;P 500 Index Fund</i>	2,900	2,821	2,165	(656)	
	<i>Shares in Fixed Income Fund</i>	3,138	3,695	4,733	1,038	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	890	971	1,074	103	
	Total	6,928	7,488	7,972	484	<b>1.065</b>

**ENDOWMENT FUNDS**  
**INVESTMENTS OUTSTANDING**  
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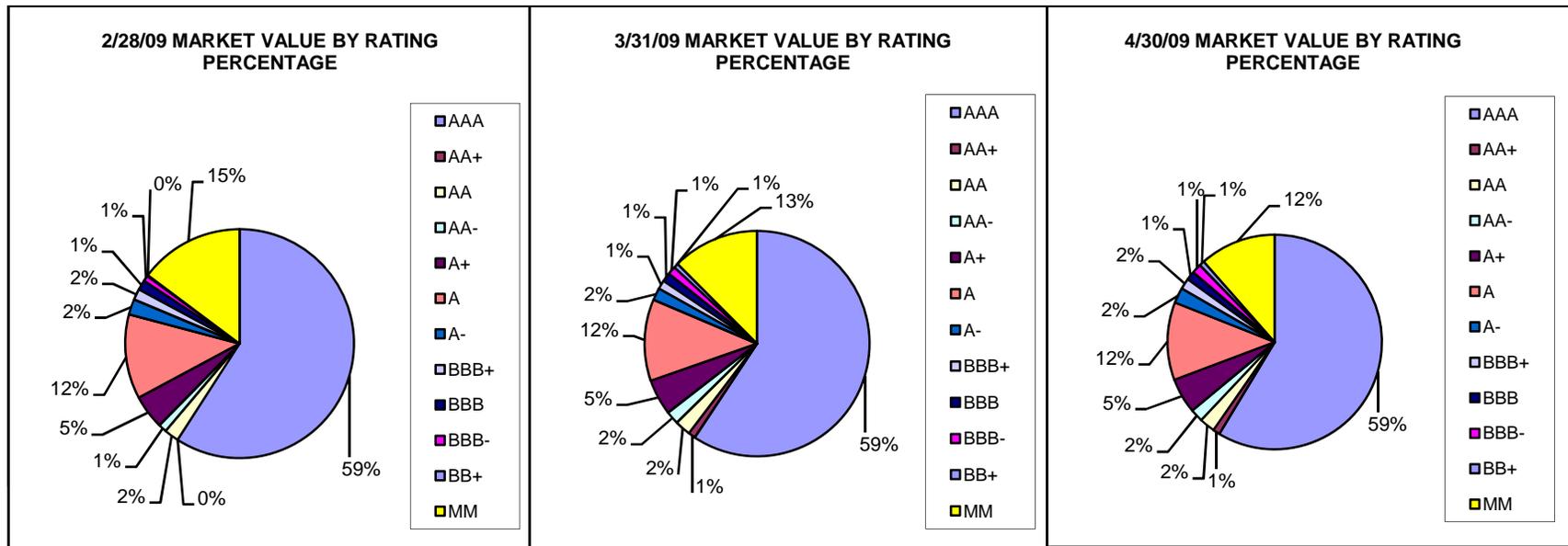
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FUND	NAME OF FUND	SHARES OUTSTANDING	BOOK VALUE	MARKET VALUE	UNREALIZED GAINS (LOSSES)	Mkt Value/ Book Value
112	State Charitable					
	<i>Shares in S&amp;P 500 Index Fund</i>	29,943	27,931	22,352	(5,578)	
	<i>Shares in Fixed Income Fund</i>	29,702	37,735	44,803	7,068	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	8,025	9,745	9,681	(64)	
	<b>Total</b>	<b>67,670</b>	<b>75,411</b>	<b>76,837</b>	<b>1,426</b>	<b>1.019</b>
113	University Fund					
	<i>Shares in S&amp;P 500 Index Fund</i>	4,786	4,597	3,573	(1,024)	
	<i>Shares in Fixed Income Fund</i>	5,159	6,023	7,782	1,759	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	1,448	1,583	1,747	164	
	<b>Total</b>	<b>11,393</b>	<b>12,203</b>	<b>13,102</b>	<b>899</b>	<b>1.074</b>
114	U Of A Land - 1881					
	<i>Shares in S&amp;P 500 Index Fund</i>	10,091	9,664	7,533	(2,131)	
	<i>Shares in Fixed Income Fund</i>	11,024	12,667	16,628	3,961	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	3,102	3,328	3,743	415	
	<b>Total</b>	<b>24,216</b>	<b>25,659</b>	<b>27,904</b>	<b>2,244</b>	<b>1.087</b>
<b>TOTALS - ALL FUNDS</b>						
	<i>Shares in S&amp;P 500 Index Fund</i>	875,858	842,200	653,827	(188,373)	
	<i>Shares in Fixed Income Fund</i>	889,469	1,104,734	1,341,702	236,968	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	246,288	290,155	297,137	6,981	
	<b>Grand Total</b>	<b>2,011,615</b>	<b>2,237,089</b>	<b>2,292,665</b>	<b>55,577</b>	

**ASSET ALLOCATION PERCENTAGE**

	SHARES OUTSTANDING	BOOK VALUE	MARKET VALUE
<i>Shares in S&amp;P 500 Index Fund</i>	43.54%	37.65%	28.52%
<i>Shares in Fixed Income Fund</i>	44.22%	49.38%	58.52%
<i>Shares in Mid-Cap 400 Equity Fund</i>	12.24%	12.97%	12.96%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

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



	02/28/09			03/31/09			04/30/09		
RATING	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT
AAA	132	\$797,220,187	59%	134	\$807,482,365	59%	132	\$781,114,055	59%
AA+	0	\$0	0%	3	\$13,843,800	1%	3	\$14,092,180	1%
AA	5	\$27,991,650	2%	6	\$30,941,250	2%	6	\$30,901,640	2%
AA-	2	\$15,397,120	1%	3	\$25,533,435	2%	3	\$25,840,998	2%
A+	11	\$65,148,806	5%	12	\$70,195,539	5%	12	\$70,827,043	5%
A	26	\$160,855,734	12%	25	\$159,202,804	12%	25	\$156,262,104	12%
A-	6	\$29,668,550	2%	5	\$23,968,830	2%	6	\$31,160,425	2%
BBB+	4	\$20,910,680	2%	3	\$17,016,450	1%	4	\$21,469,499	2%
BBB	3	\$19,045,200	1%	4	\$17,560,606	1%	4	\$17,503,415	1%
BBB-	2	\$10,839,290	1%	3	\$15,992,860	1%	4	\$19,288,005	1%
BB+	1	\$1,988,050	0%	2	\$9,259,050	1%	2	\$10,622,650	1%
MM	2	\$199,290,832	15%	2	\$166,476,981	13%	2	\$152,437,153	12%
<b>TOTAL</b>	<b>194</b>	<b>\$1,348,356,099</b>	<b>100%</b>	<b>202</b>	<b>\$1,357,473,970</b>	<b>100%</b>	<b>203</b>	<b>\$1,331,519,167</b>	<b>100%</b>

MM = MONEY MARKET (LGIP AND JP MORGAN US GOVERNMENT)

**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	59,318	9.52%	9.52%	0.00%
		CONSUMER STAPLES	75,074	12.04%	12.04%	0.00%
		ENERGY	77,973	12.51%	12.51%	0.00%
		FINANCIALS	76,035	12.20%	12.19%	0.01%
		HEALTH CARE	86,230	13.83%	13.83%	0.00%
		INDUSTRIALS	65,062	10.44%	10.44%	0.00%
		INFORMATION TECHNOLOGY	114,703	18.40%	18.40%	0.00%
		MATERIALS	20,978	3.37%	3.37%	0.00%
		TELECOMMUNICATION SERVICES	23,155	3.71%	3.71%	0.00%
		UTILITIES	24,819	3.98%	3.98%	0.00%
		TOTALS LESS CASH / SPDR'S:	623,348	100.00%	100.00%	
		SPYDER'S	29,409			
		CASH **	1,070			
		TOTAL:	<u>653,827</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**  
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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		27,258	13.54%	15.66%	-2.12%
	CONSUMER STAPLES		9,957	4.94%	3.99%	0.95%
	ENERGY		14,312	7.11%	6.56%	0.54%
	FINANCIALS		37,329	18.54%	18.15%	0.39%
	HEALTH CARE		25,952	12.89%	12.05%	0.83%
	INDUSTRIALS		29,603	14.70%	15.19%	-0.49%
	INFORMATION TECHNOLOGY		25,018	12.42%	14.27%	-1.85%
	MATERIALS		15,122	7.51%	7.19%	0.32%
	TELECOMMUNICATION SERVICES		1,169	0.58%	0.60%	-0.02%
	UTILITIES		15,661	7.78%	6.33%	1.44%
	TOTALS LESS CASH / SPDR'S:		201,381	100.00%	100.00%	
	SPYDER'S		95,189			
	CASH **		566			
	TOTAL:		297,137			

\*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	\$3,091	\$2,884	(\$207)
102	State Hospital	1,801	1,702	(98)
103	Leg., Exec., & Jud.	2,594	2,241	(353)
104	Military Institute	179	156	(23)
105	Miners Hospital	4,979	4,116	(863)
107	Normal School	1,100	967	(133)
108	Penitentiaries	3,904	3,529	(375)
109	Permanent Common School	1,052,596	882,179	(170,417)
110	School for Deaf & Blind	1,470	1,320	(151)
111	School of Mines	3,792	3,239	(553)
112	State Charitable	37,676	32,034	(5,642)
113	University Fund	6,180	5,320	(860)
114	U of A Land - 1881	12,992	11,275	(1,716)
	Totals:	<u>\$1,132,355</u>	<u>\$950,963</u>	<u>(\$181,392)</u>

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