OFFICE OF THE
ARIZONA STATE TREASURER

HON. DEAN MARTIN
TREASURER

AUGUST 2009

Presented To:

Arizona State Board of Investment

SEPTEMBER 24, 2009

State Board of Investment

A G E N D A

September 24, 2009

1. Call to Order
2. Chairman Remarks
3. Approval of Minutes
4. Review of Treasurer's Monthly Reports
    - A. Earnings Distribution; Investment Pools
    - B. LGIP Pools Investments and Performance Reports
    - C. State Agency Pools Investments and Performance Reports
    - D. Operating Monies Invested Balances
    - E. Endowment Investments and Performance Reports
5. Proposed Changes to the Investment Policy
    - A. Review of Proposed Changes
    - B. Public Comment on Proposed Changes
    - C. Discussion and Action on Proposed Changes
6. Review and approval of Proposed/Pending Securities Dealers
7. General Business
    - A. RFQ Bid Responses
    - B. Discuss Sunset Review Draft Response
8. Call to the Public
9. Notice of Next Meeting
10. Adjournment

REPORT OF THE STATE TREASURER

FOR

September 24, 2009

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Minutes of
BOARD OF INVESTMENT MEETING

The regular meeting of the State Board of Investment was held on August 26, 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
David Raber, Interim Director of the Arizona Department of Administration
Alan E. Maguire, President, The Maguire Company
Beth Ford, Treasurer, Pima County, by teleconference
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
Chris Petkiewicz, Portfolio Manager, Arizona State Treasurer's Office
Dale Stomberg, Investment Accounting Manager, Arizona State Treasurer's Office
Thomas Wood, Department of Financial Institutions
Sheila W. Asher, Vice President Relationship Manager J. P. Morgan
Norm Selover, Chief Economist Governor's Office of Strategic Planning and Budgeting
Jay Chilton, Senior Financial Analyst Joint Legislative Budget Committee
Brandon Nee, Budget Analyst Governor's Office of Strategic Planning and Budgeting
Paul Davenport, Reporter for the Associated Press

Pursuant to A.R.S. 35-311, the following reports for July, 2009 were submitted for the Board's approval:

Review of Treasurer's Monthly Reports:

Earnings Distribution; Investment Pools

LGIP Pools Investments and Performance Reports

State Agency Pools Investments and Performance Reports

Operating Monies Invested Balances

Endowment Investments and Performance Reports

Minutes of the August 26, 2009 Meeting

1. ***Call to Order:***
   Treasurer Martin called the August 26, 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 August 26, 2009 meeting.

3. ***Approval of Minutes:***
   Mr. Maguire made a motion to approve the minutes for the July 22, 2009 Board of Investment Meeting. Mr. Raber 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 July, 2009.

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

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

Pool 500 Portfolio Yield Analysis

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

Manager Allocation of Invested Monies for the LGIP Pools

Mr. Petkiewicz reported the total market value invested in all of the LGIP Pools as a percentage of the total that was allocated to each of the LGIP, LGIP-Gov, and LGIP Long Term Pools for July 31, 2009.

LGIP Pools Investments and Performance Reports

Mr. Petkiewicz reported the total net assets, the weighted average life, the weighted average rating, and the total number of holdings on the LGIP, LGIP-Gov, and LGIP Long Term pools for July 31, 2009.

State Agency Pools Portfolio Yield Analysis

Mr. Petkiewicz reported the net yields for the State Agency Pools for the month of July, 2009.

Manager Allocation of Invested Monies for the State Agency Pools

Mr. Petkiewicz reported the total market value of all of the State Agency Pools broken up to show the percent allocated to each individual State Agency Pool as of July 31, 2009.

Investments Outstanding in State Agency Pools

Mr. Petkiewicz reported the total net assets, the weighted average life, the weighted average duration, the weighted average rating, and the total number of holdings for the State Agency Investment Pools as of July 31, 2009.

Treasurer Martin pointed out that the Treasurer Warrant Notes are in the top ten holdings for pool 3, at 5.40%.

Ms. Rotellini observed that there was a holding of Huntington National Bank in pool 3 and questioned if the bank had gone into receivership. Mr. Petkiewicz responded that these securities were issued under the Temporary Loan Guarantee Program, which guarantees the bond by the FDIC.

Operating Monies Average Invested Balance

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

Treasurer Martin, referring to the chart "State Operating Balance: Actual vs Adjusted for One Time Transfers" advised the board that the July operating balance will probably be the last positive number for a while.

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:

Endowment Funds Yield Analysis

Mr. White reported the net yield of the Endowment Fund Fixed Income Pool for the month of July, 2009.

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 July, 2009 and FY10 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 July, 2009.

Equity Funds Purchases & Sales

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

Investments Outstanding in Endowment Funds

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

Performance of Investments in Endowment Funds

Mr. White reported the performance of the Endowment Funds for the current month, the year to date, trailing one year, trailing three years, trailing five years, and since inception for the Endowment Funds as of July 31, 2009.

Mr. Swenson explained to the board that the year to date is presented in the Performance Worksheet as 'the calendar year to date' not 'the fiscal year to date'. He noted that JPM is working to correct it to 'fiscal year to date' for future reports.

Manager Allocation of Invested Monies for the Endowment Pools

Mr. White reported the percentage of the total market value of all of the Endowment investments allocated to each of the Endowment Pools, as of July 31, 2009.

Equity Holdings Investments Outstanding S&P 500

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

Equity Holdings Investments Outstanding S&P 400

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

Fixed Income Investments and Performance Reports

Mr. White reported the total net assets, the weighted average life, the weighted average duration, the weighted average yield to maturity, the weighted average rating, and the total number of holdings for the Fixed Income Pool for July 31, 2009.

Mr. Swenson noted that there may be adjustments to the calculations for the Fixed Income Pool Portfolio Characteristics. JPM uses a different analytics program for the calculations for weighted average life, effective duration, current yield and yield to maturity, and we would like to crosscheck the data with the analytics program we are using in order to confirm it is correct.

Endowment Investments and Performance Growth by Account Reports

Mr. White reported the performance and growth for each of the Endowment Funds from the inception date of each fund through the end of July, 2009.

Approval of Treasurer's Report

Mr. Maguire made a motion to approve the Treasurer's Report with the appropriate notes. Ms. Rotellini seconded the motion. Motion carried.

5. ***Proposed Changes to Investment Policy***

   There were no proposed changes to the Investment Policy this month.

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

   There were no Securities Dealers to be approved this month.

7. ***General Business:***

   A. Board of Investment Sunset Review.
      Mr. Swenson advised the board that it is under the normal Sunset Review Cycle and Treasurer Martin has received a questionnaire from the Legislature. Mr. Swenson explained that the question for the Board is whether they want to respond individually to the questionnaire or would the Board of Investment like the Chairman, Treasurer Martin to respond, and bring it before the Board for approval in the September meeting, before it is submitted back to the Legislature.

      The Board's decision was to have the Chairman respond to the questions and present it to the Board for approval in the September meeting.

B. Securities Lending
A copy of the Securities Lending Memo was passed out to Board Members. Treasurer Martin explained that the memo was in reference to the non-cash collateral being used by the custodial bank. He noted that when the Securities Lending Agreement was first presented to the board, it was decided that the non-cash collateral would be under the same restrictions as the pool holding the non-cash collateral.

Treasurer Martin advised the board that it was discovered that some of the non-cash collateral being used could potentially not be within the guidelines for the five year duration requirement set by the Investment Policy and the use of non-cash collateral has been suspended until the board has approved a longer duration period for non-cash collateral, if necessary.

Mr. Swenson added, with the approval of the board to use non-cash collateral which may have a longer duration than 5 years, we would start using non-cash collateral again.

Mr. Maguire noted that the longer maturity was not as essential as the 102% collateralization because of the volatility of the current market.

Mr. Raber made a motion that the staff recommendation be accepted. Ms. Ford seconded the motion. Motion carried.

Mr. Maguire requested that he have the ability to monitor the collateralization levels. Treasurer Martin agreed.

C. Proposed SEC Rules
A packet containing information regarding the proposed new SEC Regulations for money markets was given to the board members. Treasurer Martin advised that it was for informational purposes only, and noted that the Treasurer's Office is not required to follow SEC Regulations.

Mr. Raber made a request to re-visit changing the Investment Policy to limit the amount of funding that could be used to purchase Treasurer Warrant Notes in Pool 3 to 50% of the pool, which was voted on in last months meeting. He asked if there was an update on obtaining external financing for amounts over the 50% limit.

Treasurer Martin responded that he had some charts with the updated information Mr. Raber was requesting. The charts were handed out to everyone attending the meeting. Treasurer Martin explained they are the standard chart that has been given out every month, and show how the actual figures compare to what has been forecast.

Treasurer Martin reviewed each chart for the members and in conclusion advised board members that an RFP is in the process of being developed for outside borrowing, which hopefully will be on the street early next week.

Discussion followed regarding Treasurers Warrant Notes, external borrowing and the RFP process.

Mr. Swenson advised the board that a special meeting may be called in order to increase the percentage of allowable investment of Treasurer Warrant Notes for Pool 3 if the RFP process takes longer than anticipated.

8. *Call to the Public*

Sheila Asher from JP Morgan thanked the Treasurer and his staff for working with them in the creation of the new BOI Reports.

9. Notice of Next Meeting:

The Treasurer advised the Board that the next regular meeting of the Board of Investment will be Wednesday, September 16, 2009 at 1:30 p.m. at 1700 West Washington, State Capitol, West Wing, Treasurer's Conference Room, Phoenix, Arizona.

10. Adjournment:

Mr. Maguire made a motion to adjourn the BOI meeting. Mr. Raber seconded the motion. Upon unanimous approval, the BOI meeting was adjourned at 2:55 p.m.

Respectfully Submitted by:

Helen D. Garafola
Executive Consultant

Approved by:

Dean Martin, Chair

Date:

EARNINGS DISTRIBUTION - INVESTMENT POOLS

AUGUST 2009

Recipient	Earnings Distributed AUGUST 2009	Fiscal YTD 09/10	Fiscal YTD 08/09	Fiscal YTD Investment Management Fees Received
General Fund	$3,694	$316,336	$5,054,210	
2 State Agencies I - Full Faith & Credit	1,069,633	5,333,164	7,716,785	58,476
3 State Agencies II - Diversified	905,189	5,540,610	9,871,866	125,561
4 State Agencies IV - Restricted Diversified	480,020	2,836,481	1,155,541	86,852
5 Local Governments	352,503	3,957,758	10,161,590	174,133
7 LGIP Gov't	166,705	2,914,261	11,652,231	278,140
12 CAWCD Medium-Term	321,183	1,649,579	759,804	11,721
15 GADA Long-Term	41,241	152,192	102,080	1,244
Subtotal	**$3,340,167**	**$22,700,383**	**$46,474,107**	**$736,127**
NAV POOL				
500 LGIP LT	178,884	361,426	392,460	7,286
Total	**$3,519,052**	**$23,061,809**	**$46,866,567**	**$743,413**

LGIP & LGIP-GOV
PORTFOLIO YIELD ANALYSIS
August 31, 2009

FUND	DESCRIPTION	NET EARNINGS
5	LGIP	352,841
7	LGIP - GOV	166,729
	TOTAL LGIP & LGIP-GOV	**519,570**

		06/30/09	07/31/09	08/31/09
5	**LGIP MONTHLY YIELD (NET)**	0.44%	0.42%	0.25%
	S & P LGIP INDEX YIELD	0.44%	0.38%	0.33%
	LGIP YTD YIELD (NET)	1.34%	0.42%	0.34%
	S & P LGIP YTD INDEX YIELD	1.40%	0.38%	0.36%
7	**LGIP - GOV MONTHLY YIELD (NET)**	0.16%	0.18%	0.07%
	3 MONTH T-BILL	0.16%	0.17%	0.16%
	*** S & P LGIP - GOV INDEX YIELD**	0.37%	0.35%	0.33%
	LGIP - GOV YTD YIELD (NET)	0.65%	0.18%	0.13%
	YTD 3 MONTH T-BILL	0.53%	0.17%	0.17%
	*** S & P LGIP - GOV YTD INDEX YIELD**	1.26%	0.35%	0.34%

* 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
August 31, 2009

FUND	DESCRIPTION	NET EARNINGS
500	LGIP LONG TERM POOL	178,884
	TOTAL LGIP LONG TERM POOL	**178,884**

	06/30/09	07/31/09	08/31/09
LGIP LONG TERM MONTHLY YIELD (NET)	3.39%	3.01%	3.01%
MERRILL 1-5 US D M INDEX MONTHLY YIELD	3.08%	2.85%	2.67%
LGIP LONG TERM YTD YIELD (NET)	3.68%	3.01%	3.01%
MERRILL 1-5 US D M INDEX YTD YIELD	3.59%	2.85%	2.76%

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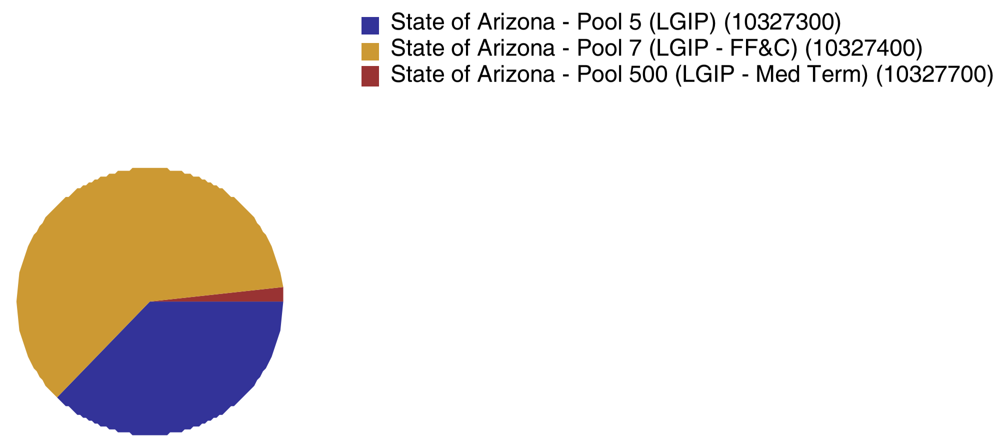
Manager Allocation - Monthly
Arizona State Treasury (05509)
As at August 2009

LGIP composite (00550903)

Account Name	Market Value(MIL)	Percent of Portfolio
State of Arizona - Pool 5 (LGIP) (10327300)	1,625.71	37.1%
State of Arizona - Pool 500 (LGIP - Med Term) (10327700)	71.74	1.6%
State of Arizona - Pool 7 (LGIP - FF&C) (10327400)	2,685.73	61.3%
TOTAL	**4,383.18**	**100.0%**



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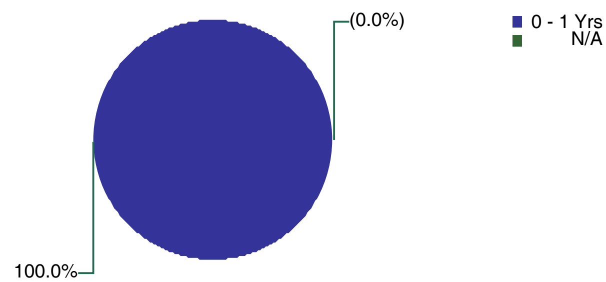
State of Arizona - Pool 5 (LGIP) (10327300)

Portfolio Fact Sheet
August 2009

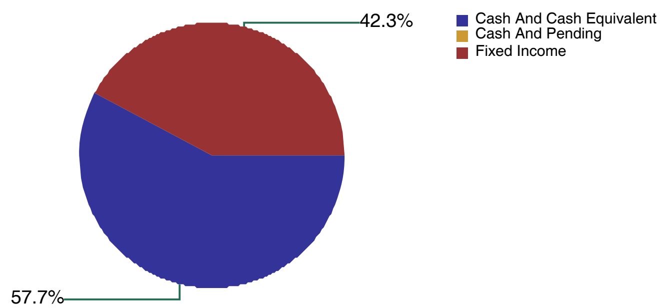
Portfolio Characteristics

Total Net Assets (Millions)	**1,625.7**
Weighted Average Life (Years)	**0.29**
Weighted Avg. Effective Duration (Years)	**0.10**
Weighted Average Rating	**AAA**
Number of Holdings	**64**

Duration Mix



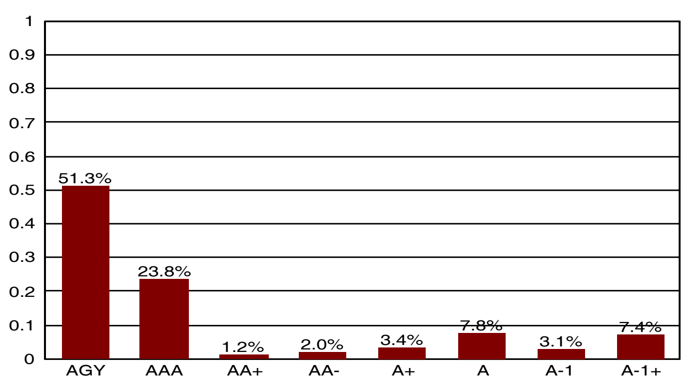
Asset Mix



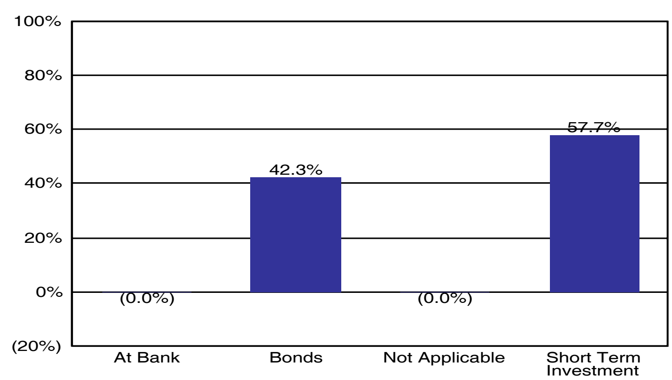
Top Ten Portfolio Holdings

Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
892995T50	ARIZONA TREASURY REPO	14.11%	0.00	1/9/2009
313385LP9	FEDL HOME LOAN BK CONS DISC NT MATURE	8.11%	0.00	11/9/2009
17314GWF2	CITIGROUP FDG IN. FDIC CORPORATE COMM	3.08%	0.00	15/9/2009
36161CWH1	GE CAPITAL CORP FDIC ZCP 17/SEP/2009	3.08%	0.00	17/9/2009
313385NA0	FEDL HOME LOAN BK CONS DISC NT MATURE	3.07%	0.00	16/10/2009
36161CXL1	GE CAPITAL CORP FDIC	3.07%	0.00	20/10/2009
313589PA5	FEDERAL NATL MTG ASSN DISC NT MATURES	3.07%	0.00	9/11/2009
3133XTLZ7	FEDERAL HOME LOAN BANKS CONS BD FLT 1	3.07%	0.07	29/4/2010
313385NE2	FEDL HOME LOAN BK CONS DISC NT MATURE	3.07%	0.00	20/10/2009
313385LE4	FEDL HOME LOAN BK CONS DISC NT MATURE	2.96%	0.00	2/9/2009

Quality/Rating Weightings



Sector Weightings (as % of Market Value)



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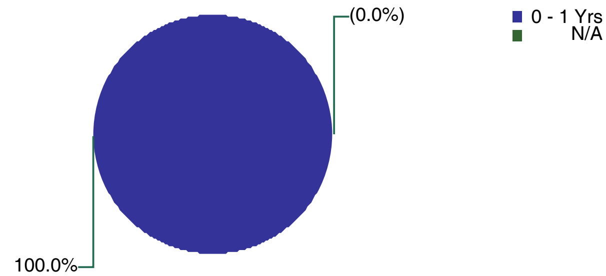
State of Arizona - Pool 7 (LGIP - FF&C) (10327400)

Portfolio Fact Sheet
August 2009

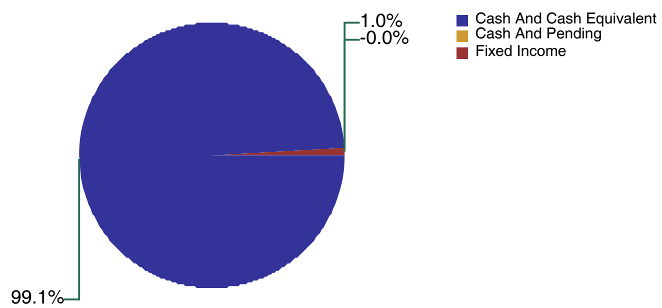
Portfolio Characteristics

Total Net Assets (Millions)	**2,685.7**
Weighted Average Life (Years)	**0.08**
Weighted Avg. Effective Duration (Years)	**0.07**
Weighted Average Rating	**AAA**
Number of Holdings	**20**

Duration Mix



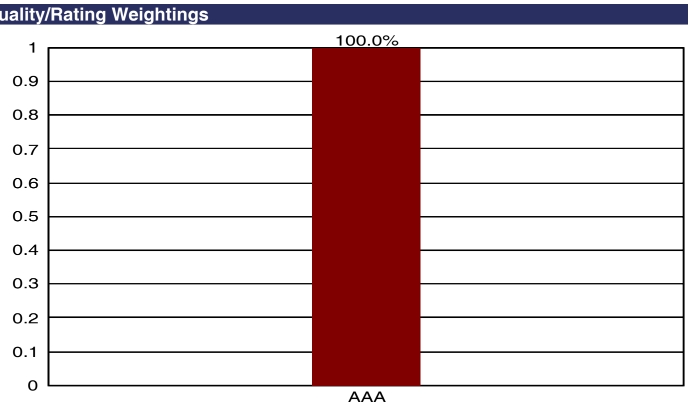
Asset Mix



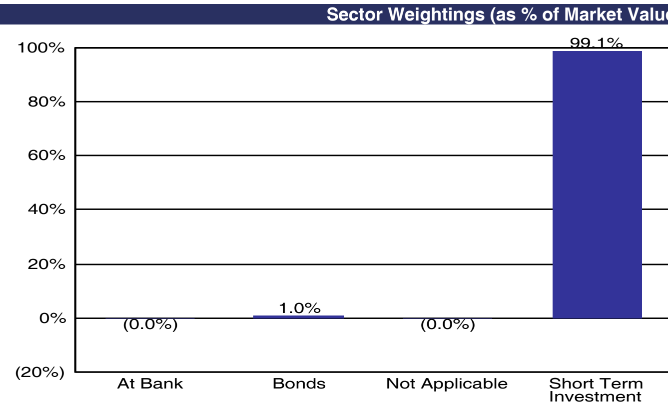
Top Ten Portfolio Holdings

Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
892995T50	ARIZONA TREASURY REPO	41.18%	0.00	1/9/2009
15199X668	TRI-PARTY REPO DEUTSCHE BANK 0.14% 15	18.62%	0.14	15/9/2009
60699A438	TRI-PARTY REPO MIZUHO SECURITIES 0.13	18.62%	0.13	15/9/2009
912795P70	UNITED STATES TREAS BILLS DT	2.79%	0.00	15/10/2009
912795P54	UNITED STATES TREAS BILLS DT	2.42%	0.00	1/10/2009
912795P39	UNITED STATES TREAS BILLS DT	1.86%	0.00	17/9/2009
912795S44	UNITED STATES TREAS BILLS DT	1.86%	0.00	22/10/2009
921268D	UNITED STATES TREAS BILLS DT	1.86%	0.00	31/12/2009
B506626	UNITED STATES TREAS BILLS DT	1.86%	0.00	11/2/2010
912795S36	UNITED STATES TREAS BILLS DT	1.68%	0.00	24/9/2009

Quality/Rating Weightings



Sector Weightings (as % of Market Value)



J.P.Morgan

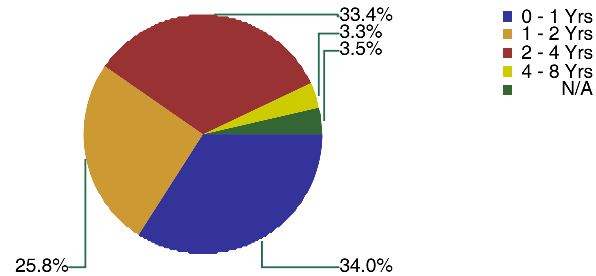
State of Arizona - Pool 500 (LGIP - Med Term) (10327700)

Portfolio Fact Sheet
August 2009

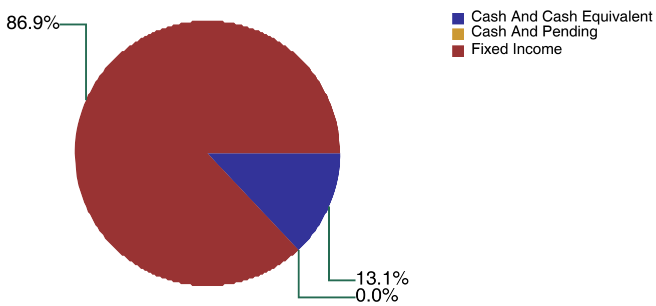
Portfolio Characteristics

Total Net Assets (Millions)	**71.7**
Weighted Average Life (Years)	**1.83**
Weighted Avg. Effective Duration (Years)	**1.58**
Weighted Average Rating	**AA+**
Number of Holdings	**122**

Duration Mix



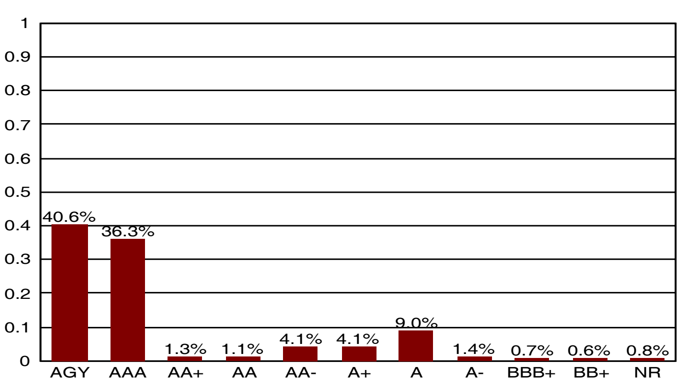
Asset Mix



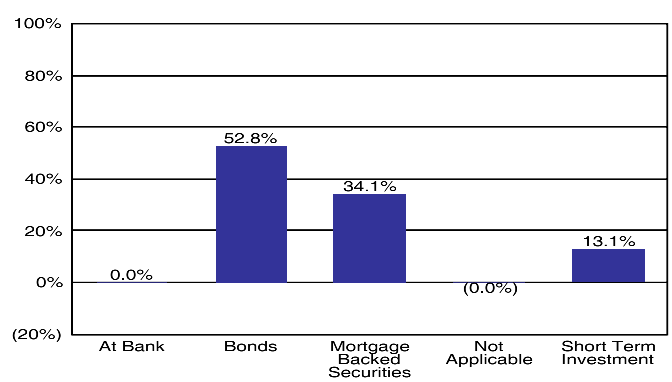
Top Ten Portfolio Holdings

Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
928989383	JP MORGAN U S GOVT AGENCY SHARES	7.53%	0.09	31/12/2049
3128MMKJ1	FHLMCGLD MORTPASS 4.5% 01/FEB/2024 G1	2.92%	4.50	1/2/2024
31402QTN1	FEDERAL NATIONAL MORTGAGE ASSOCIATION	2.62%	4.50	1/1/2019
313385PA8	FEDL HOME LOAN BK CONS DISC NT MATURE	2.33%	0.00	9/11/2009
31371MAT4	FNMA MORTPASS 5.0% 01/APR/2015 POOL#2	2.19%	5.00	1/4/2015
31416BN38	FNMA MORTPASS 5.5% 01/NOV/2018 CI PN#	1.78%	5.50	1/11/2018
31403DHB8	FNMA MORTPASS 6% 01/MAY/2021 CI PN# 7	1.77%	6.00	1/5/2021
3128MBZR1	FHLMCGLD MORTPASS 6% 01/FEB/2019 G1 P	1.73%	6.00	1/2/2019
31413MFY8	FNMA MORTPASS 6% 01/AUG/2022 CI PN# 9	1.67%	6.00	1/8/2022
3128MBWE3	FHLMCGLD MORTPASS 5.5% 01/APR/2023 G1	1.65%	5.50	1/4/2023

Quality/Rating Weightings



Sector Weightings (as % of Market Value)



STATE AGENCY POOLS
PORTFOLIO YIELD ANALYSIS
August 31, 2009

FUND	DESCRIPTION	NET EARNINGS	NET YIELD
2	STATE AGENCIES I - FULL FAITH & CREDIT	1,071,737	2.2300%
3	STATE AGENCIES II - DIVERSIFIED	905,978	0.8400%
4	STATE AGENCIES IV-RESTRICTED DIVERSIFIED	480,458	0.6800%
12	CAWCD MEDIUM TERM	321,183	3.2600%
15	GADA	41,241	3.9800%
	TOTAL STATE AGENCIES	**2,820,597**	

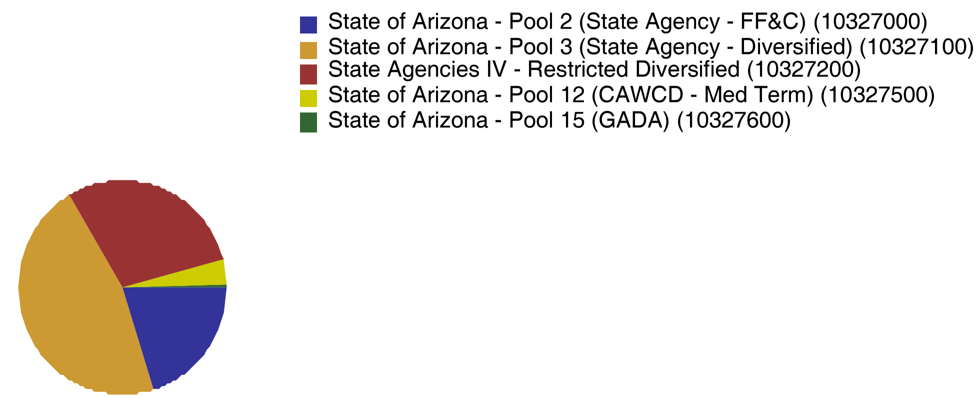
J.P.Morgan

Sep 15, 2009
4:46:44 PM CST

Manager Allocation - Monthly
Arizona State Treasury (05509)
As at August 2009

Pool Composite (00550904)

Account Name	Market Value(MIL)	Percent of Portfolio
State Agencies IV - Restricted Diversified (10327200)	810.16	28.7%
State of Arizona - Pool 12 (CAWCD - Med Term) (10327500)	117.12	4.1%
State of Arizona - Pool 15 (GADA) (10327600)	12.30	0.4%
State of Arizona - Pool 2 (State Agency - FF&C) (10327000)	571.80	20.2%
State of Arizona - Pool 3 (State Agency - Diversified) (10327100)	1,312.67	46.5%
TOTAL	**2,824.04**	**100.0%**



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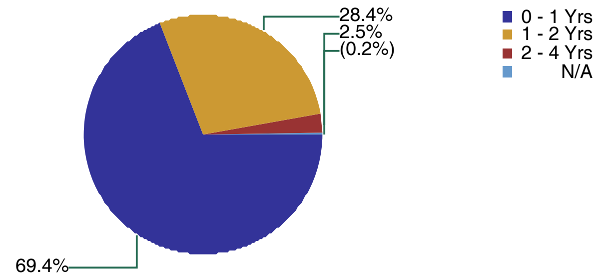
State of Arizona - Pool 2 (State Agency - FF&C) (10327000)

Portfolio Fact Sheet
August 2009

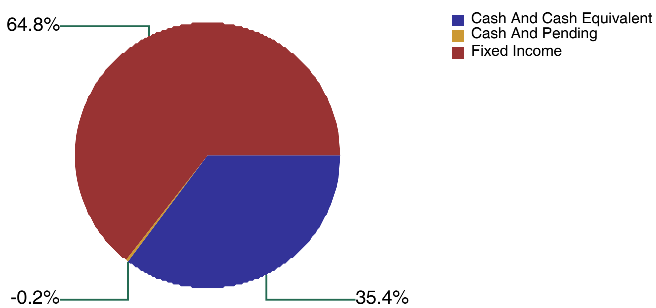
Portfolio Characteristics

Total Net Assets (Millions)	**571.8**
Weighted Average Life (Years)	**0.87**
Weighted Avg. Effective Duration (Years)	**0.59**
Weighted Average Rating	**AAA**
Number of Holdings	**50**

Duration Mix



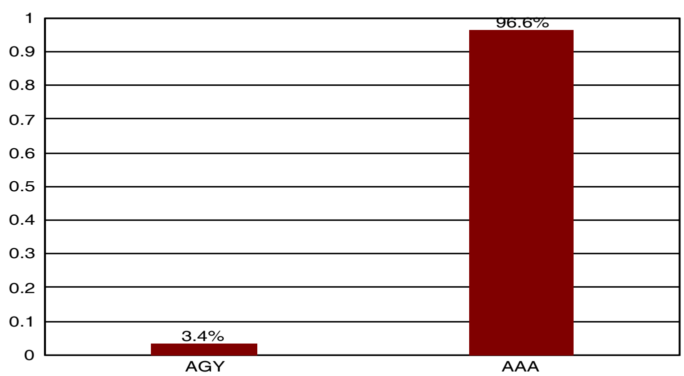
Asset Mix



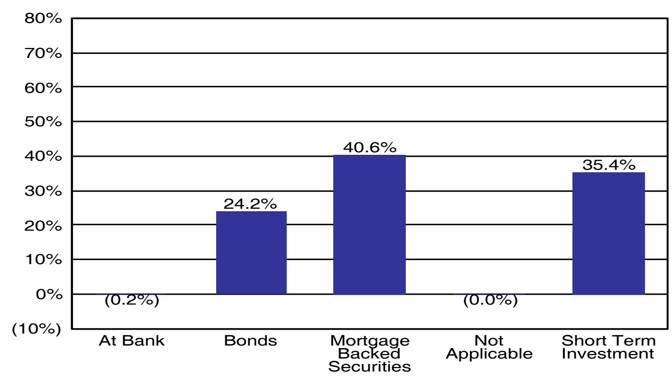
Top Ten Portfolio Holdings

Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
892995T50	ARIZONA TREASURY REPO	33.65%	0.00	1/9/2009
38374J6E1	GNMA REMIC TRUST 2004-93 PB 16/DEC/20	3.64%	5.00	16/12/2032
912828ED8	UNITED STATES OF AMER TREAS NOTES 4.1	3.63%	4.12	15/8/2010
7591EAAA1	REGIONS BANK 2.75% BDS 10/DEC/2010 US	3.60%	2.75	10/12/2010
912828JA9	UNITED STATES TREAS NTS 2.625% 31/MAY	3.58%	2.62	31/5/2010
36967HAG2	GENERAL ELECTRIC CAPITAL CORP SER'G'1	3.54%	1.62	7/1/2011
38373YG65	GINNIE MAE 2003-00 TC-MX 4.500% 16/MA	3.43%	4.50	16/5/2031
36241KM54	GNMA I MORTPASS 5% 15/APR/2021 JP PN#	3.42%	5.00	15/4/2021
38374GKR2	GINNIE MAE 2004-29 B-MX 5.000% 16/AUG	3.20%	5.00	16/8/2029
38374HX21	GINNIE MAE 2004-75 OA-MX 4.000% 20/MA	2.53%	4.00	20/3/2030

Quality/Rating Weightings



Sector Weightings (as % of Market Value)



J.P.Morgan

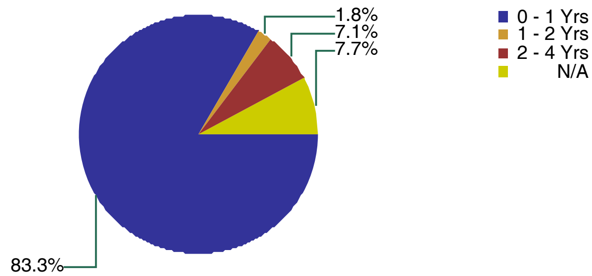
State of Arizona - Pool 3 (State Agency - Diversified) (10327100)

Portfolio Fact Sheet
August 2009

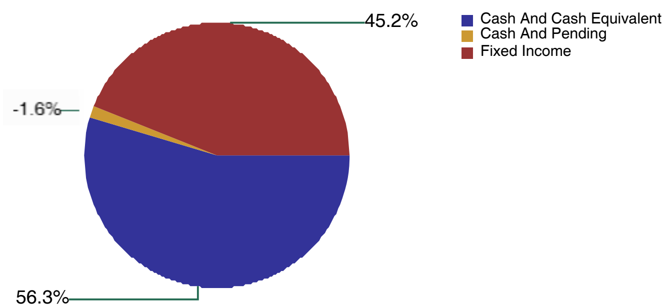
Portfolio Characteristics

Total Net Assets (Millions)	**1,312.7**
Weighted Average Life (Years)	**0.62**
Weighted Avg. Effective Duration (Years)	**0.29**
Weighted Average Rating	**AA+**
Number of Holdings	**59**

Duration Mix



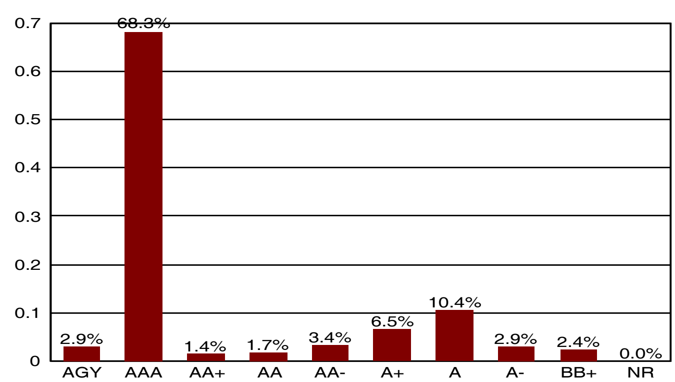
Asset Mix



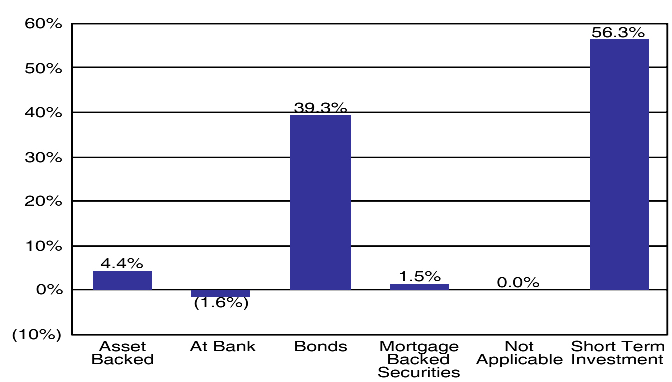
Top Ten Portfolio Holdings

Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
892995T50	ARIZONA TREASURY REPO	47.03%	0.00	1/9/2009
919050B	ARIZONA WARRANT NOTE	9.31%	0.00	31/12/2049
172967EG2	CITIGROUP INC VAR 13/AUG/2010	3.73%	0.60	13/8/2010
9128275Z1	UNITED STATES OF AMER TREAS NOTES 6.5	3.14%	6.50	15/2/2010
36962G2H6	GENERAL ELECTRIC CAPITAL CORP FLTG RA	2.49%	0.67	12/3/2010
46623ECW7	JP MORGAN CHASE & CO VAR 07/MAY/2010	2.29%	0.51	7/5/2010
59018YE72	MERRILL LYNCH & CO INC FLTG RATE NTS	1.85%	0.87	5/6/2012
88319QM26	TEXTRON FINL CORP MTN BE VR	1.70%	1.20	14/2/2011
931142CF8	WAL-MART STORES INC 5% BDS 05/APR/201	1.68%	5.00	5/4/2012
912828JF8	UNITED STATES OF AMER TREAS BONDS 2.7	1.56%	2.75	31/7/2010

Quality/Rating Weightings



Sector Weightings (as % of Market Value)



Returns Series

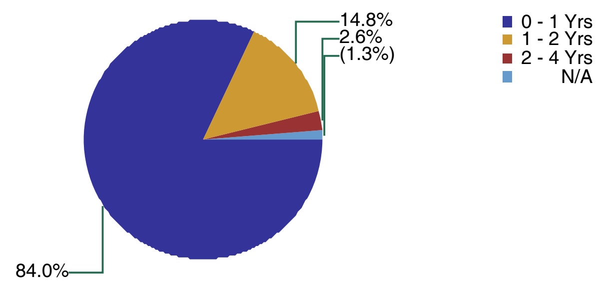
J.P.Morgan

State Agencies 4 - Restricted Diversified (10327200)

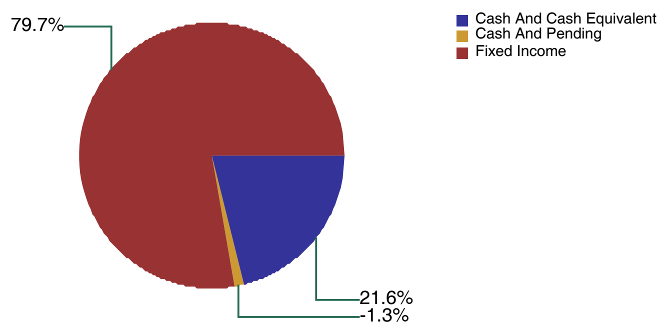
Portfolio Fact Sheet
August 2009

Portfolio Characteristics | **Duration Mix**

Total Net Assets (Millions)	**810.2**
Weighted Average Life (Years)	**1.70**
Weighted Avg. Effective Duration (Years)	**0.60**
Weighted Average Rating	**AGY**
Number of Holdings	**69**

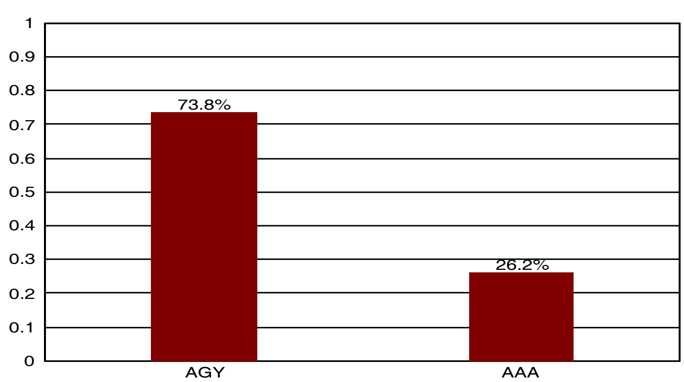


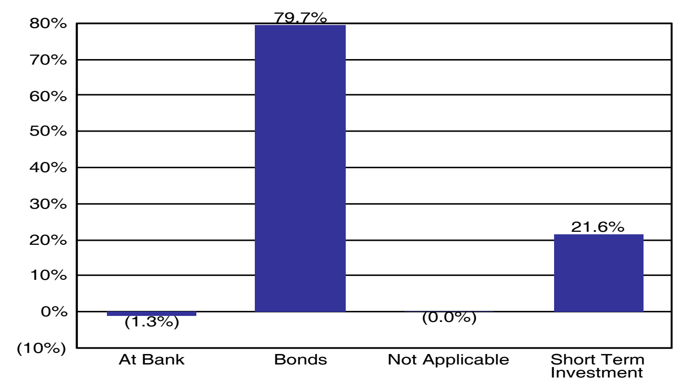
Asset Mix | **Top Ten Portfolio Holdings**



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
892995T50	ARIZONA TREASURY REPO	6.79%	0.00	1/9/2009
9128275Z1	UNITED STATES OF AMER TREAS NOTES 6.5	5.09%	6.50	15/2/2010
3128X8RR5	FEDERAL HOME LOAN MORTGAGE CORP 2.625	4.41%	2.62	19/3/2012
31331GEL9	FEDERAL FARM CR BKS GLOBAL CONS BD 4.	3.15%	4.40	18/11/2013
446436AB3	HUNTINGTON NATL BK FDIC TLGP GTD NT F	3.13%	1.07	1/6/2012
3128X6NS1	FREDDIE MAC 5.05% 15/OCT/2012	2.53%	5.05	15/10/2012
31359M2S1	FEDERAL NATIONAL MORTGAGE ASSOC 4.625	2.52%	4.62	15/12/2009
3128X82R2	FHLMC 1.50% 29/JUN/2012	2.49%	1.50	29/6/2012
3136F95T6	FEDERAL NATL MTG ASSN CALL STEP 27/JA	2.48%	1.25	27/1/2011
3133XU3N1	FEDERAL HOME LOAN BANKS CONS BD 0.65%	2.47%	0.65	6/7/2010

Quality/Rating Weightings | **Sector Weightings (as % of Market Value)**





J.P.Morgan

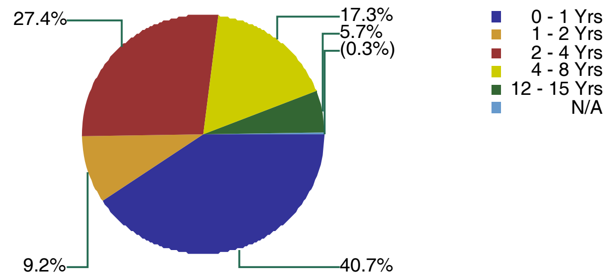
State of Arizona - Pool 12 (CAWCD - Med Term) (10327500)

Portfolio Fact Sheet
August 2009

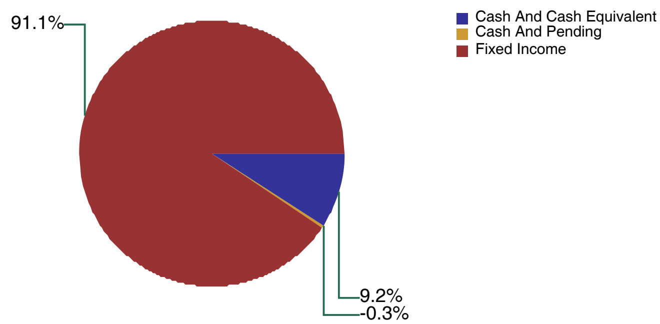
Portfolio Characteristics

Total Net Assets (Millions)	**117.1**
Weighted Average Life (Years)	**5.74**
Weighted Avg. Effective Duration (Years)	**2.82**
Weighted Average Rating	**AA+**
Number of Holdings	**69**

Duration Mix



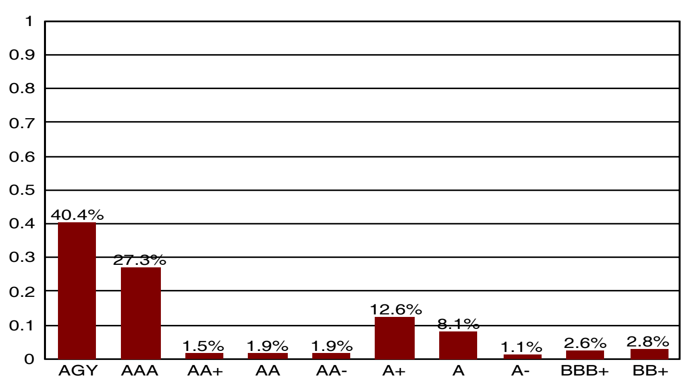
Asset Mix



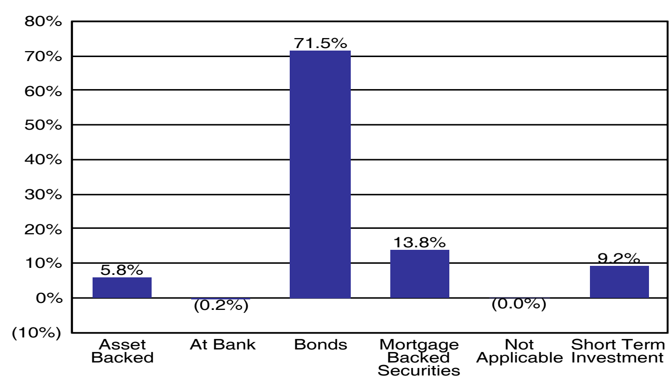
Top Ten Portfolio Holdings

Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
928989383	JP MORGAN U S GOVT AGENCY SHARES	9.16%	0.09	31/12/2049
31398ARC8	FEDERAL NATIONAL MORTGAGE ASSOC 4.12%	4.35%	4.12	6/5/2013
31398AST0	FEDERAL NATIONAL MORTGAGE ASSOC 4.15%	4.35%	4.15	13/1/2012
3128X6XS0	FEDERAL HOME LN MTG CORP 5.55%25/JAN/	4.31%	5.55	25/1/2023
3133XMXZ9	FEDERAL HOME LN BKS CONS BD FLT 12 16	4.25%	0.07	16/11/2012
06423RBK1	BANK ONE ISSUANCE TRUST SER 2004-A3 C	4.10%	0.44	15/2/2017
740816AD5	PRESIDENT & FELLOWS HARVARD COLLEGE 5	3.71%	5.63	1/10/2038
459200GJ4	INTERNATIONAL BUS MACH CORP 5.7% BDS	3.20%	5.70	14/9/2017
58013MEC4	MCDONALD'S CORP 6.3% BDS 15/OCT/2037	2.02%	6.30	15/10/2037
31398AVR0	FEDERAL NATIONAL MORTGAGE ASSOC 3.375	1.95%	3.38	10/3/2014

Quality/Rating Weightings



Sector Weightings (as % of Market Value)



J.P.Morgan

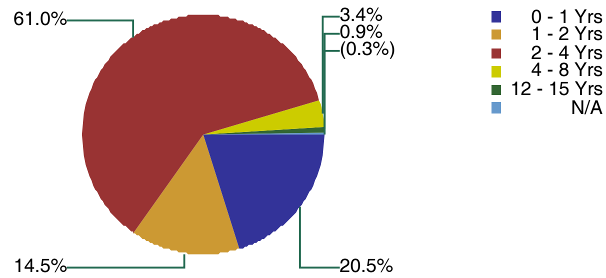
State of Arizona - Pool 15 (GADA) (10327600)

Portfolio Fact Sheet
August 2009

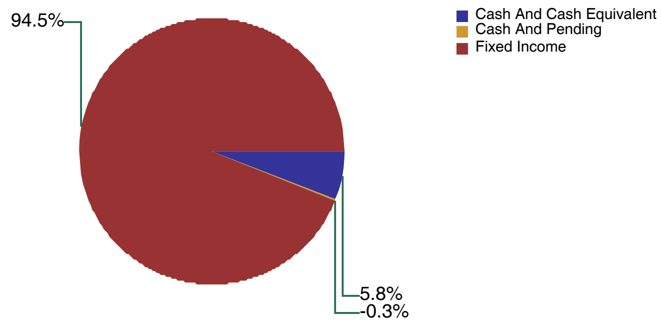
Portfolio Characteristics

Total Net Assets (Millions)	**12.3**
Weighted Average Life (Years)	**5.13**
Weighted Avg. Effective Duration (Years)	**2.10**
Weighted Average Rating	**AAA**
Number of Holdings	**25**

Duration Mix



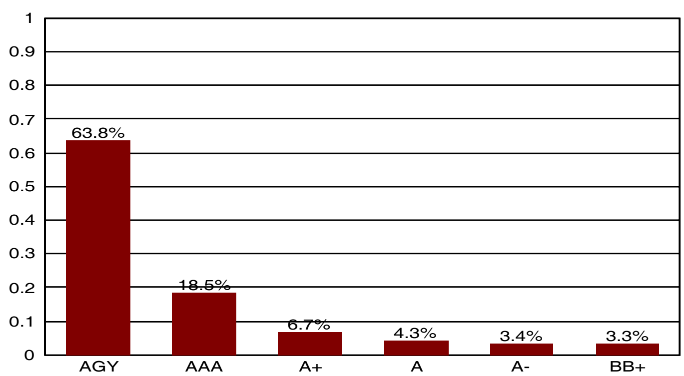
Asset Mix



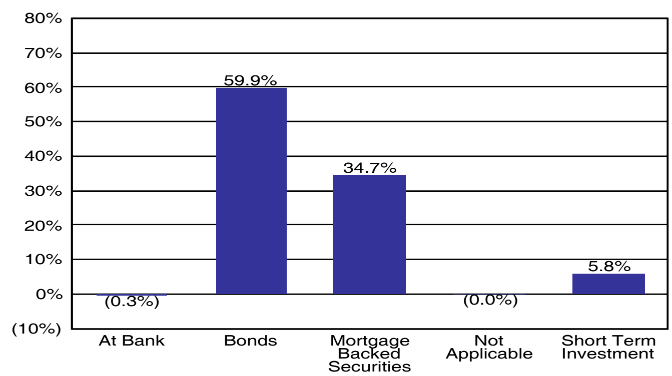
Top Ten Portfolio Holdings

Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
31294KTB1	FEDERAL HOME LN MTG CORP GOLD POOL #	17.29%	4.50	1/9/2018
36241KJZ2	GNMA I MORTPASS 4.5% 15/FEB/2021 JP P	8.08%	4.50	15/2/2021
31396WBV7	FNMA REMIC 5.5% 06/37	6.25%	5.50	25/6/2027
928989383	JP MORGAN U S GOVT AGENCY SHARES	5.82%	0.09	31/12/2049
10138MAH8	BOTTLING GROUP 6.95% SNR NTS 15/MAR/2	4.89%	6.95	15/3/2014
5526E2AC3	MBNA AMERICA BANK NA 7.125% 15/NOV/20	4.30%	7.12	15/11/2012
3128X7U36	FEDERAL HOME LOAN MORTGAGE CORP 3.75%	4.20%	3.75	30/7/2010
3133XNH85	FEDERAL HOME LN BKS 5.25% 18/DEC/2017	4.15%	5.25	18/12/2017
31331GZG7	FEDERAL FARM CR BKS GLOBAL CONS BD 4.	4.14%	4.25	23/6/2016
31398ARC8	FEDERAL NATIONAL MORTGAGE ASSOC 4.12%	4.14%	4.12	6/5/2013

Quality/Rating Weightings

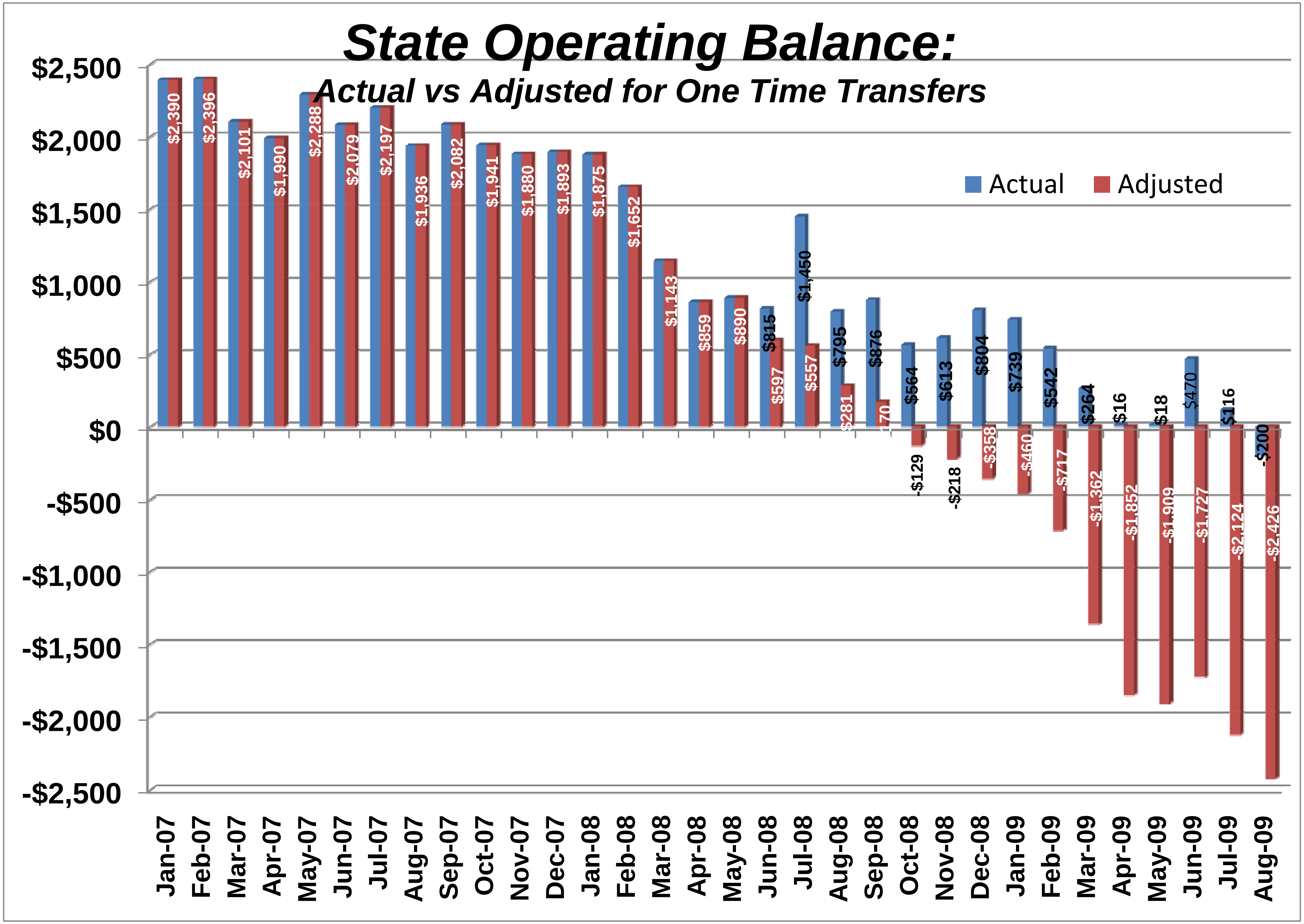


Sector Weightings (as % of Market Value)



OPERATING MONIES
AVERAGE INVESTED BALANCE
Through August 31, 2009
(in millions of dollars)

Month	Fiscal Year 2007/2008	Fiscal Year 2008/2009	Fiscal Year 2009/2010
JULY	2,197	1,450	116
AUGUST	1,936	795	(200)
SEPTEMBER	2,082	876	
OCTOBER	1,941	564	
NOVEMBER	1,880	613	
DECEMBER	1,893	804	
JANUARY	1,875	739	
FEBRUARY	1,652	542	
MARCH	1,143	264	
APRIL	859	16	
MAY	890	18	
JUNE	815	470	
Y-T-D Average	**$1,597**	**$596**	**($42)**



State Operating Balance:
Actual vs Adjusted for One Time Transfers
$2,500
$2,000
$1,500
$1,000
$500
$0
-$500
-$1,000
-$1,500
-$2,000
-$2,500
Actual
Adjusted
$2,390
$2,396
$2,101
$1,990
$2,288
$2,079
$2,197
$1,936
$2,082
$1,941
$1,880
$1,893
$1,875
$1,652
$1,143
$859
$890
$815
$597
$1,450
$557
$795
$281
$876
170
$564
-$129
$613
-$218
$804
-$358
$739
-$460
$542
-$717
$264
-$1,362
$16
-$1,852
$18
-$1,909
$470
-$1,727
$116
-$2,124
-$200
-$2,426
Jan-07
Feb-07
Mar-07
Apr-07
May-07
Jun-07
Jul-07
Aug-07
Sep-07
Oct-07
Nov-07
Dec-07
Jan-08
Feb-08
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Jul-08
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Sep-08
Oct-08
Nov-08
Dec-08
Jan-09
Feb-09
Mar-09
Apr-09
May-09
Jun-09
Jul-09
Aug-09

ENDOWMENT FUNDS
PORTFOLIO YIELD ANALYSIS
August 31, 2009

FUND	DESCRIPTION	NET EARNINGS	NET YIELD
205	ENDOWMENTS - FIXED INCOME	5,599,308	7.3200%
	TOTAL ENDOWMENTS - FIXED INCOME	**5,599,308**	

NET REALIZED CAPITAL GAINS / LOSSES - ENDOWMENT FUNDS

Endowment Fund	Aug-09 NET GAIN(LOSS)	FISCAL YTD GAINS(LOSSES)
Fixed Income Pool Net Gain (Loss)	471,384	(1,994,955)
Equity Pool (500) Net Gain (Loss)	(496,575)	(1,178,786)
Equity Pool (400) Net Gain (Loss)	(653,462)	(1,239,024)
Totals	**(678,653)**	**(4,412,765)**

ENDOWMENT FUNDS FIXED-INCOME POOL
PURCHASES & SALES
Month of August 2009

I. Endowment Funds Purchases

SECURITY DESCRIPTION	RATE	MATURITY	*WAL YEARS	PAR VALUE	PURCHASE COST	YIELD	MOODY'S / S&P RATING
FHLMC MBS	4.50	12/15/2018	2.02	$6,286,866	$6,565,846	3.93	Aaa/AAA
FNMA MBS	5.56	8/25/2039	3.01	$4,926,579	$5,120,563	4.10	Aaa/AAA
FNMA MBS	4.50	10/25/2030	2.12	$7,369,645	$7,654,355	2.68	Aaa/AAA
AID TO EGYPT BONDS	4.45	9/15/2015	N/A	$10,000,000	$10,532,700	3.46	Aaa/AAA
U S TREASURY NOTE	7.50	11/15/2016	N/A	$5,000,000	$6,270,313	3.51	Aaa/AAA
U S TREASURY NOTE	4.88	8/15/2016	N/A	$5,000,000	$5,570,703	3.05	Aaa/AAA
U S TREASURY NOTE	4.63	10/31/2011	N/A	$5,000,000	$5,377,930	1.14	Aaa/AAA
U S TREASURY NOTE	4.63	11/15/2016	N/A	$5,000,000	$5,489,063	3.11	Aaa/AAA
U S TREASURY NOTE	4.63	12/31/2011	N/A	$5,000,000	$5,397,266	1.21	Aaa/AAA
DUKE ENERGY CORP	3.95	9/15/2014	N/A	$5,000,000	$4,996,950	3.96	Baa2/BBB+
TOTAL ENDOWMENT FUNDS PURCHASES				**$58,583,091**	**$62,975,688**		

II. Endowment Funds Sales

SECURITY DESCRIPTION	RATE	MATURITY	PAR VALUE	AMORTIZED COST/PROCEEDS	SALES GAINS/(LOSSES)	MOODY'S / S&P RATING
PITNEY BOWES INC	5.00	3/15/2015	$10,000,000	$10,500,000	$471,384	A1/A
TOTAL ENDOWMENT FUNDS SALES			**$10,000,000**	**$10,500,000**	**$471,384**	

*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 August 2009

I. Equity Fund Purchases

	SHARES	PURCHASE COST	COMMISSIONS
S&P 400 Mid-Cap Fund	672,999	$17,353,902	$10,095
S&P 500 Large-Cap Fund	70,806	$902,072	$1,062
TOTAL EQUITY PURCHASES	**743,805**	**$18,255,974**	**$11,157**

II. Equity Funds Sales

	SHARES	SALES AMOUNT	COMMISSIONS
S&P 400 Mid-Cap Fund	667,253	$18,590,868	$9,149
S&P 500 Large-Cap Fund	17,748	$623,322	$266
TOTAL EQUITY SALES	**685,001**	**$19,214,190**	**$9,415**

ENDOWMENT FUNDS
INVESTMENTS OUTSTANDING
AUGUST 31, 2009
(In Thousands)

FUND	NAME OF FUND	SHARES OUTSTANDING	BOOK VALUE	MARKET VALUE	UNREALIZED GAINS (LOSSES)	**Mkt Value/ Book Value**
101	A & M Colleges					
	Shares in S&P 500 Index Fund	2,505	2,274	2,205	(69)	
	Shares in Mid-Cap 400 Equity Fund	809	777	1,121	343	
	Shares in Fixed Income Fund	2,716	3,038	4,252	1,214	
	Total	6,031	6,088	7,577	1,489	**1.245**
102	State Hospital					
	Shares in S&P 500 Index Fund	1,568	1,345	1,380	35	
	Shares in Mid-Cap 400 Equity Fund	442	459	613	153	
	Shares in Fixed Income Fund	1,557	1,797	2,436	640	
	Total	3,567	3,601	4,429	828	**1.230**
103	Leg., Exec., & Jud.					
	Shares in S&P 500 Index Fund	1,955	1,911	1,720	(191)	
	Shares in Mid-Cap 400 Equity Fund	628	653	870	216	
	Shares in Fixed Income Fund	2,296	2,553	3,594	1,040	
	Total	4,879	5,117	6,184	1,066	**1.208**
104	Military Institute					
	Shares in S&P 500 Index Fund	132	131	116	(15)	
	Shares in Mid-Cap 400 Equity Fund	46	45	64	19	
	Shares in Fixed Income Fund	163	176	255	80	
	Total	342	352	436	83	**1.237**
105	Miners Hospital					
	Shares in S&P 500 Index Fund	3,839	3,737	3,378	(359)	
	Shares in Mid-Cap 400 Equity Fund	1,068	1,276	1,479	203	
	Shares in Fixed Income Fund	3,915	4,992	6,129	1,136	
	Total	8,822	10,004	10,985	981	**1.098**

ENDOWMENT FUNDS
INVESTMENTS OUTSTANDING
AUGUST 31, 2009
(In Thousands)

FUND	NAME OF FUND	SHARES OUTSTANDING	BOOK VALUE	MARKET VALUE	UNREALIZED GAINS (LOSSES)	**Mkt Value/ Book Value**
107	Normal School ASU/NAU					
	Shares in S&P 500 Index Fund	879	826	773	(53)	
	Shares in Mid-Cap 400 Equity Fund	265	282	367	85	
	Shares in Fixed Income Fund	948	1,103	1,485	381	
	Total	2,092	2,211	2,625	413	**1.187**
108	Penitentiaries					
	Shares in S&P 500 Index Fund	3,216	2,904	2,830	(74)	
	Shares in Mid-Cap 400 Equity Fund	930	993	1,288	295	
	Shares in Fixed Income Fund	3,218	3,880	5,037	1,157	
	Total	7,364	7,776	9,155	1,378	**1.177**
109	Permanent Common School					
	Shares in S&P 500 Index Fund	815,290	784,794	717,383	(67,411)	
	Shares in Mid-Cap 400 Equity Fund	226,842	268,030	314,192	46,162	
	Shares in Fixed Income Fund	835,630	1,048,526	1,307,981	259,455	
	Total	1,877,761	2,101,351	2,339,557	238,206	**1.113**
110	School for Deaf & Blind					
	Shares in S&P 500 Index Fund	1,146	1,081	1,008	(73)	
	Shares in Mid-Cap 400 Equity Fund	371	370	513	144	
	Shares in Fixed Income Fund	1,335	1,444	2,089	645	
	Total	2,851	2,895	3,610	715	**1.247**
111	School of Mines					
	Shares in S&P 500 Index Fund	2,868	2,784	2,524	(260)	
	Shares in Mid-Cap 400 Equity Fund	871	951	1,207	255	
	Shares in Fixed Income Fund	3,142	3,720	4,919	1,199	
	Total	6,882	7,455	8,650	1,194	**1.160**

ENDOWMENT FUNDS
INVESTMENTS OUTSTANDING
AUGUST 31, 2009
(In Thousands)

FUND	NAME OF FUND	SHARES OUTSTANDING	BOOK VALUE	MARKET VALUE	UNREALIZED GAINS (LOSSES)	**Mkt Value/ Book Value**
112	State Charitable					
	Shares in S&P 500 Index Fund	29,843	27,790	26,260	(1,530)	
	Shares in Mid-Cap 400 Equity Fund	7,816	9,491	10,826	1,334	
	Shares in Fixed Income Fund	29,065	37,129	45,495	8,365	
	Total	66,724	74,410	82,580	8,169	**1.110**
113	University Fund					
	Shares in S&P 500 Index Fund	4,781	4,577	4,207	(370)	
	Shares in Mid-Cap 400 Equity Fund	1,428	1,563	1,978	414	
	Shares in Fixed Income Fund	5,195	6,114	8,132	2,018	
	Total	11,404	12,254	14,317	2,062	**1.168**
114	U Of A Land - 1881					
	Shares in S&P 500 Index Fund	10,119	9,671	8,904	(767)	
	Shares in Mid-Cap 400 Equity Fund	3,075	3,303	4,260	957	
	Shares in Fixed Income Fund	11,147	12,921	17,448	4,527	
	Total	24,341	25,895	30,612	4,717	**1.182**
	TOTALS - ALL FUNDS					
	Shares in S&P 500 Index Fund	878,141	843,824	772,687	(71,136)	
	Shares in Mid-Cap 400 Equity Fund	244,591	288,194	338,776	50,582	
	Shares in Fixed Income Fund	900,329	1,127,394	1,409,252	281,858	
	Grand Total	**2,023,061**	**2,259,412**	**2,520,715**	**261,303**	

ASSET ALLOCATION PERCENTAGE

	SHARES OUTSTANDING	BOOK VALUE	MARKET VALUE
Shares in S&P 500 Index Fund	43.41%	37.35%	30.65%
Shares in Mid-Cap 400 Equity Fund	12.09%	12.76%	13.44%
Shares in Fixed Income Fund	44.50%	49.90%	55.91%
Total	**100.00%**	**100.00%**	**100.00%**

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Performance Worksheet

Arizona State Treasury (05509)
As At August 2009
Gross of Fee

Total Endowment Fund Composite (00550902)

ID	Name	Beginning Market Value	Ending Market Value	Cashflow	Current Month	Trailing Three Months	Year to Date	Fiscal Year To Date	Trailing One Year	Trailing Three Years	Trailing Five Years	Since Inception	Inception Date
10327800	S&P 500 Pool	746,528,997.91	772,687,326.28	-256,914	3.54	11.63	15.01	11.42	(18.08)	(5.93)	0.36	(1.98)	07/01/1999
10327900	S&P 400 Pool	327,484,841.75	338,775,863.66	-884,662	3.71	12.45	18.25	11.81	(21.48)	(3.29)	3.73	4.44	08/01/2001
10328000	Pool 205	1,391,435,709.71	1,409,251,802.98	3,197,048	1.05	3.26	5.01	2.05	8.38	6.62	5.01	6.29	07/01/1999
00550902	**Total Endowment Fund Composite**	**2,465,449,549.37**	**2,520,714,992.92**	**2,055,472**	**2.16**	**6.93**	**9.70**	**6.06**	**(5.34)**	**1.00**	**3.67**	**4.05**	**07/01/1999**

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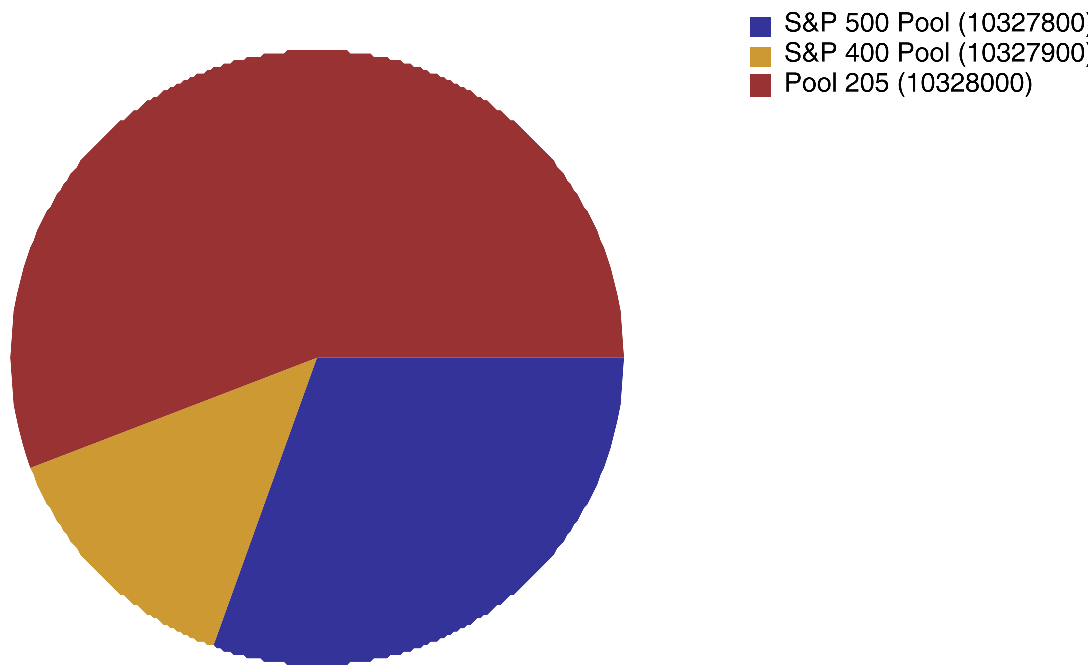
Manager Allocation - Monthly
Arizona State Treasury (05509)
As at August 2009

Total Endowment Fund Composite (00550902)

Account Name	Market Value(MIL)	Percent of Portfolio
Pool 205 (10328000)	1,409.25	55.9%
S&P 400 Pool (10327900)	338.78	13.4%
S&P 500 Pool (10327800)	772.69	30.7%
TOTAL	**2,520.71**	**100.0%**



S&P 500 Pool (10327800)

Portfolio Fact Sheet
August 2009

Portfolio Characteristics

Total Asset Value (in Millions)	**772.7**
P/E Ratio	**19.21**
Price to Book Ratio	**3.36**
Dividend Yield (%)	**2.02**
Return on Equity (%)	**20.63**
Sales Growth (%)	**13.93**
Market Capitalization ($ Billions)	**71,930.73**
Earnings per Share ($)	**1.80**
Number of Holdings	**501**

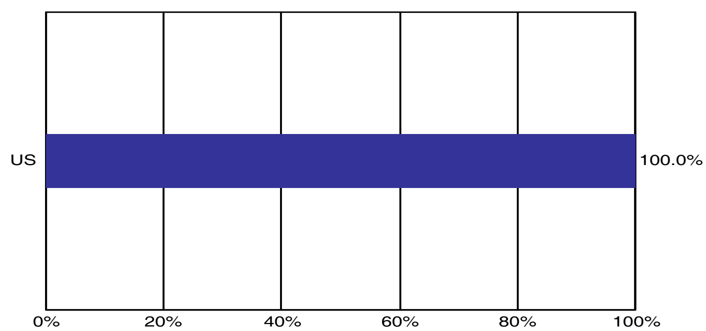
Risk Measures

	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Since Inception
Tracking Error	0.28	0.50	0.45	1.89
Information Ratio	0.61	(0.29)	(0.30)	(0.45)
Std Deviation of Port.	30.30	19.44	15.73	16.28
Std Deviation of Bench.	30.42	19.61	15.88	16.12
Sharpe Ratio of Port.	(0.62)	(0.46)	(0.18)	(0.32)
Sharpe Ratio of Bench.	(0.62)	(0.45)	(0.17)	(0.27)
R-Squared	1.00	1.00	1.00	0.99
Jensen's Alpha	0.10	(0.22)	(0.16)	(0.83)

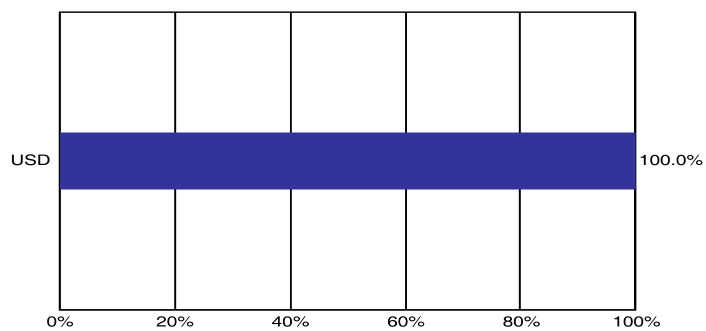
Top Ten Portfolio Holdings

Security ID	Security Name	% of Assets
78462F103	SPDR TRUST UNITS SER 1 NPV	4.09%
30231G102	EXXON MOBIL CORP COM NPV	3.63%
594918104	MICROSOFT CORP COM USD0.0000125	2.03%
46625H100	JPMORGAN CHASE & CO COM STK USD1	1.81%
478160104	JOHNSON & JOHNSON COM STK USD1	1.79%
742718109	PROCTER & GAMBLE CO COM STK NPV	1.69%
459200101	INTERNATIONAL BUS MACH CORP COM STK U	1.67%
00206R102	AT&T INC COM STK USD1	1.64%
060505104	BK OF AMERICA CORP COM USD0.01	1.62%
037833100	APPLE INC COM STK NPV	1.60%

Top Ten Country Weights

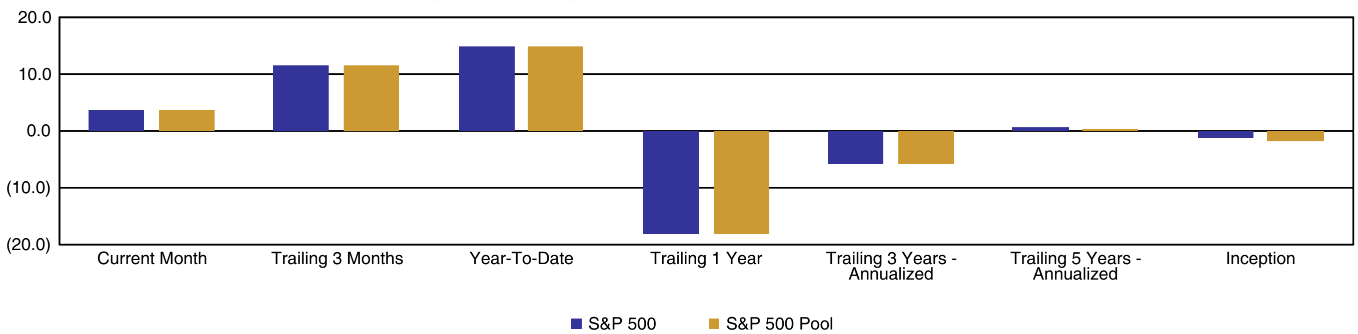


Top Ten Currency Weights

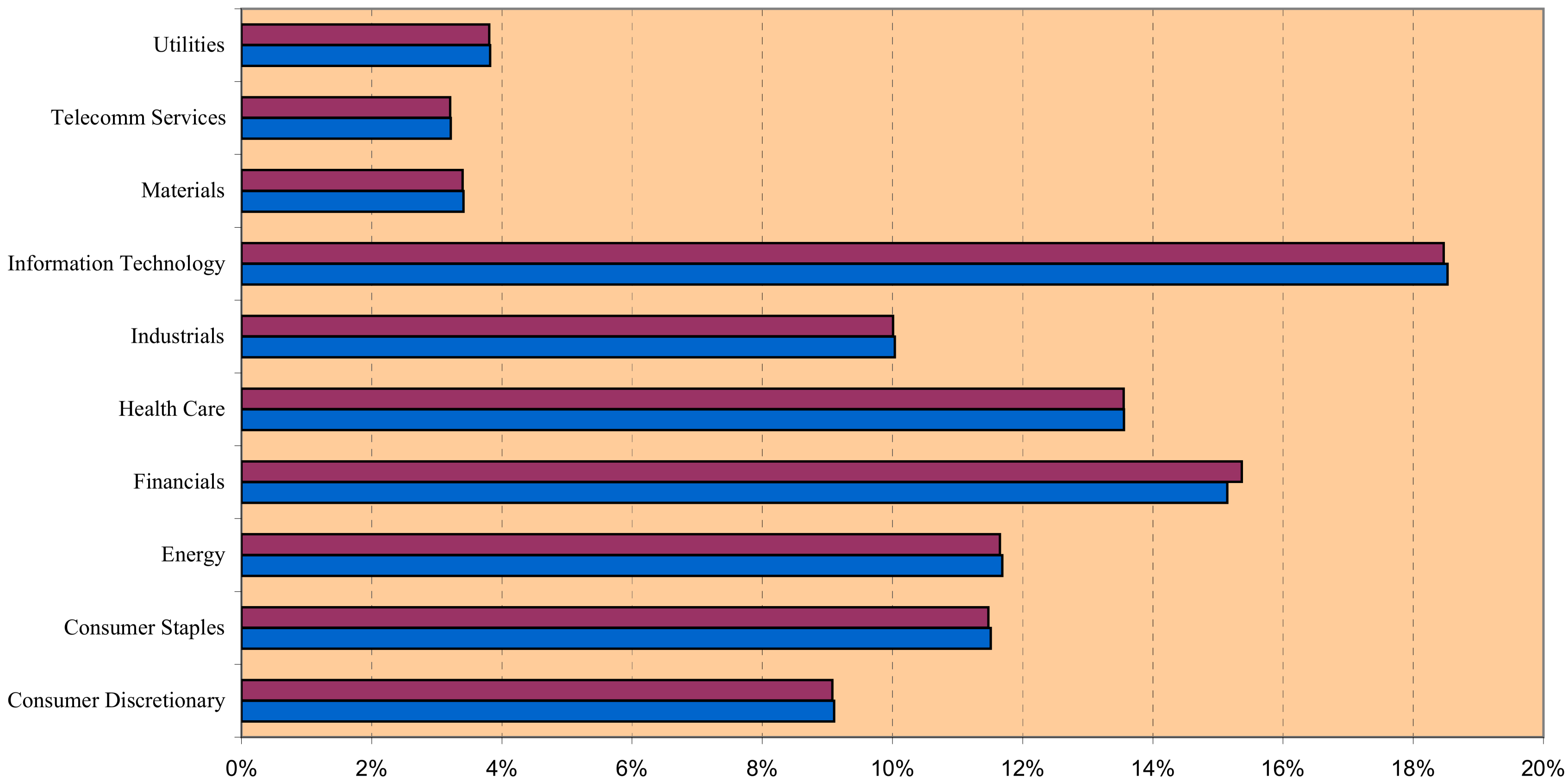


Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
S&P 500 Pool	3.54	11.63	15.01	(18.08)	(5.93)	0.36	(1.98)
S&P 500	3.61	11.67	14.97	(18.25)	(5.78)	0.49	(1.14)
Excess	(0.07)	(0.03)	0.03	0.17	(0.14)	(0.14)	(0.84)



STATE OF ARIZONA
POOL 201 (S&P 500)
As of August 31, 2009



	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Information Technology	Materials	Telecomm Services	Utilities
S&P 500 Index	9.08%	11.48%	11.65%	15.36%	13.55%	10.01%	18.47%	3.40%	3.20%	3.81%
STATE OF ARIZONA - POOL 201	9.10%	11.51%	11.69%	15.14%	13.55%	10.04%	18.53%	3.41%	3.21%	3.82%

STATE OF ARIZONA - POOL 201 S&P 500 Index

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S&P 400 Pool (10327900)

Portfolio Fact Sheet
August 2009

Portfolio Characteristics

Total Asset Value (in Millions)	338.8
P/E Ratio	9.79
Price to Book Ratio	2.06
Dividend Yield (%)	1.00
Return on Equity (%)	9.18
Sales Growth (%)	10.52
Market Capitalization ($ Billions)	2,057.02
Earnings per Share ($)	0.66
Number of Holdings	204

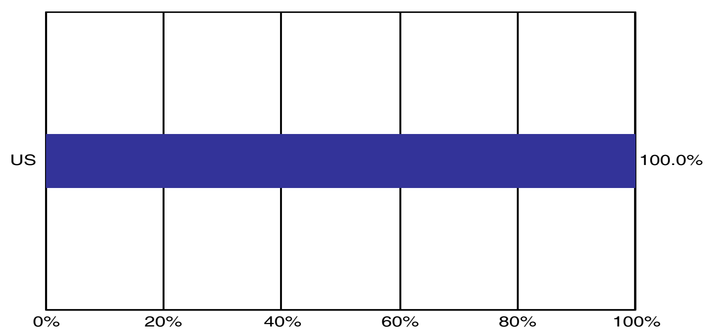
Risk Measures

	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Since Inception
Tracking Error	3.62	2.67	2.22	2.37
Information Ratio	(0.91)	(0.11)	(0.11)	0.01
Std Deviation of Port.	34.29	22.08	18.36	17.20
Std Deviation of Bench.	36.70	23.25	19.32	18.45
Sharpe Ratio of Port.	(0.65)	(0.28)	0.03	0.11
Sharpe Ratio of Bench.	(0.51)	(0.26)	0.04	0.10
R-Squared	0.99	0.99	0.99	0.99
Jensen's Alpha	(4.59)	(0.64)	(0.20)	0.15

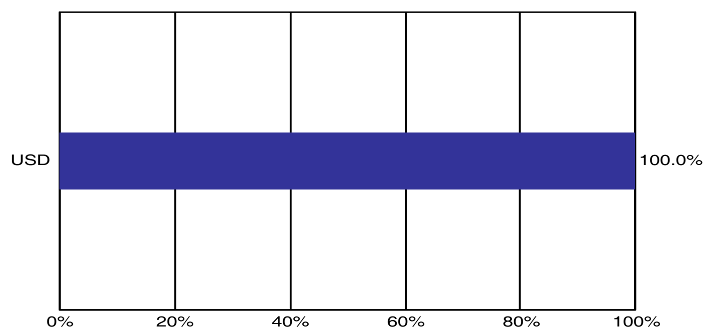
Top Ten Portfolio Holdings

Security ID	Security Name	% of Assets
595635103	MIDCAP SPDR TRUST UNIT SERIES 1	35.08%
92532F100	VERTEX PHARMACEUTICAL COM STK USD0.01	0.74%
741503403	PRICELINE.COM INC COM STK USD0.008	0.73%
778296103	ROSS STORES INC COM STK USD0.01	0.67%
G3223R108	EVEREST RE GROUP COM STK USD0.01	0.62%
651290108	NEWFIELD EXPLORATION CO COM STK USD0.	0.59%
806407102	HENRY SCHEIN INC COM STK NPV	0.54%
075811109	BECKMAN COULTER INC COM STK USD0.10	0.53%
29266R108	ENERGIZER HLDGS INC COM STK USD0.01	0.52%
256746108	DOLLAR TREE INC COM USD0.01	0.51%

Top Ten Country Weights

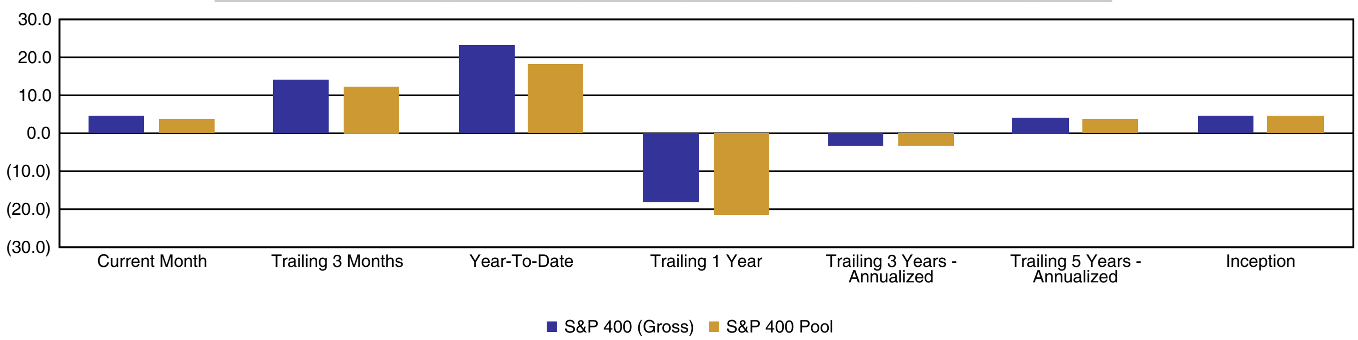


Top Ten Currency Weights

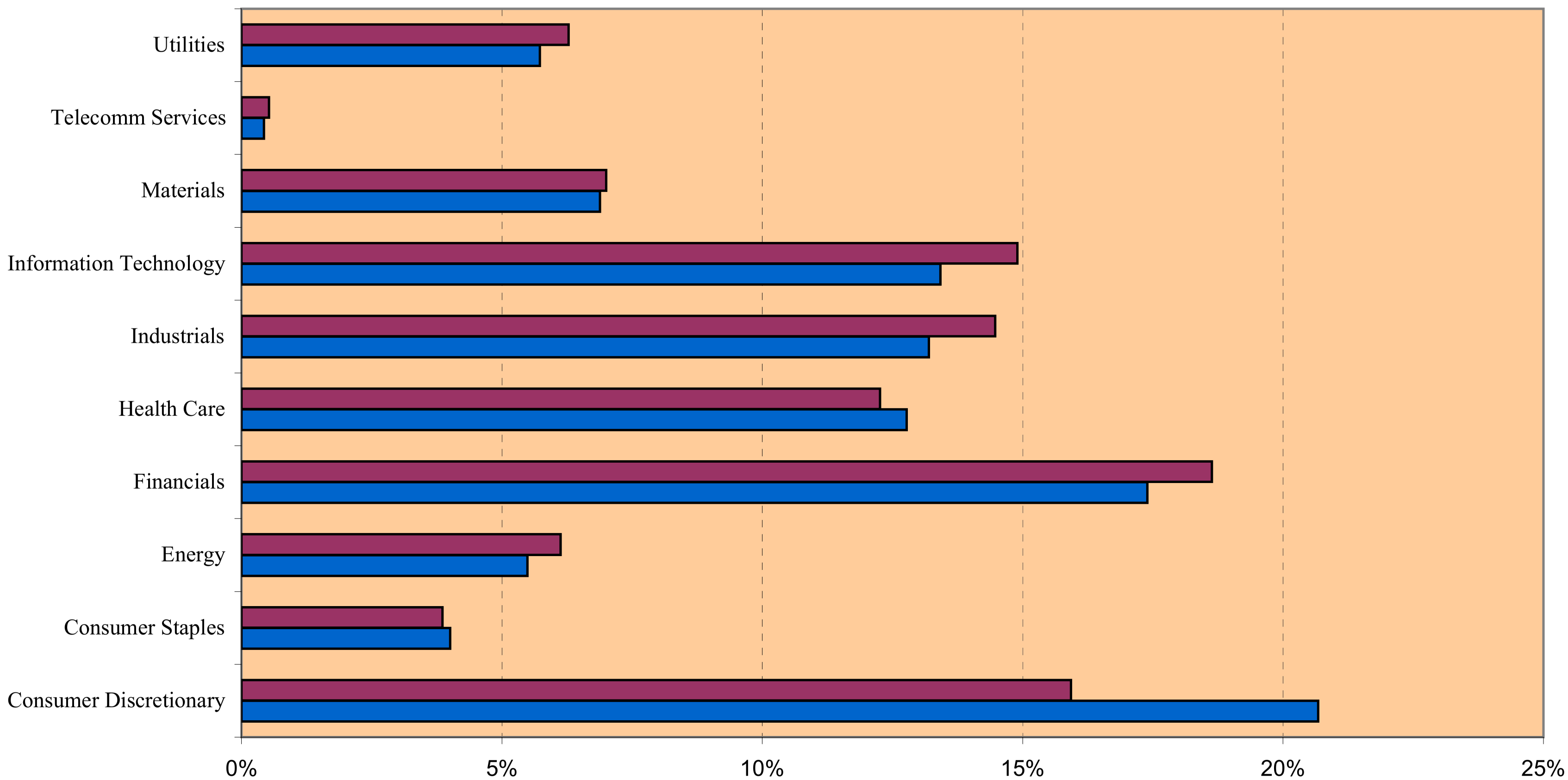


Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
S&P 400 Pool	3.71	12.45	18.25	(21.48)	(3.29)	3.73	4.44
S&P 400 (Gross)	4.37	14.19	23.10	(18.17)	(2.99)	3.98	4.43
Excess	(0.65)	(1.74)	(4.85)	(3.31)	(0.30)	(0.25)	0.01



STATE OF ARIZONA
POOL 203 (S&P MIDCAP 400)
As of August 31, 2009



	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Information Technology	Materials	Telecomm Services	Utilities
S&P MIDCAP 400	15.93%	3.86%	6.13%	18.64%	12.26%	14.47%	14.90%	7.00%	0.53%	6.28%
STATE OF ARIZONA - POOL 203	20.67%	4.01%	5.49%	17.40%	12.77%	13.20%	13.42%	6.88%	0.43%	5.73%

STATE OF ARIZONA - POOL 203   S&P MIDCAP 400

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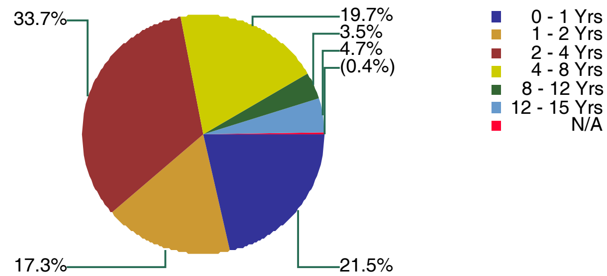
Pool 205 (10328000)

Portfolio Fact Sheet
August 2009

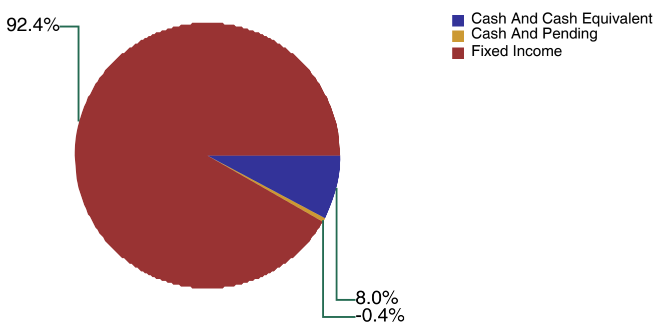
Portfolio Characteristics

Total Net Assets (Millions)	**1,409.3**
Weighted Average Life (Years)	**5.23**
Weighted Avg. Effective Duration (Years)	**3.42**
Weighted Average Rating	**AA+**
Number of Holdings	**213**

Duration Mix



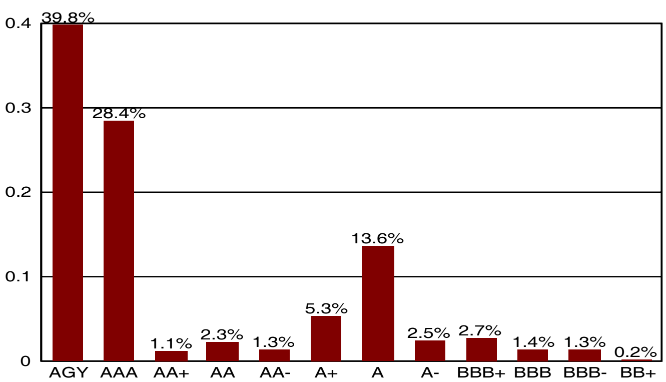
Asset Mix



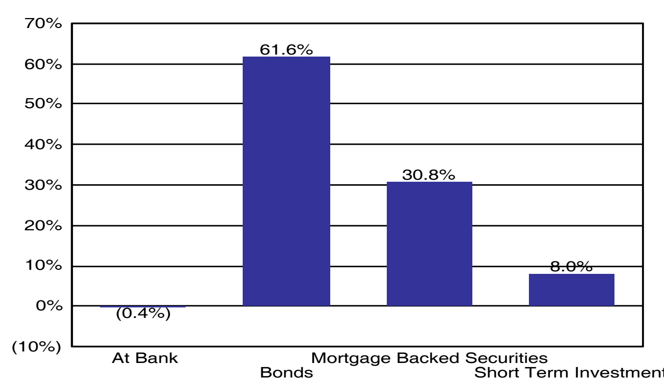
Top Ten Portfolio Holdings

Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
539992AA5	LOCAL GOVERNMENT INVESTMENT POOL	7.97%	0.00	31/12/2049
31359MQV8	FANNIE MAE BOND 4.75%	1.54%	4.75	21/2/2013
912828FK1	UNITED STATES OF AMER TREAS NOTES 5.1	1.16%	5.12	30/6/2011
92343VAN4	VERIZON COMMUNICATIONS INC 5.25% NTS	1.13%	5.25	15/4/2013
931142BV4	WAL MART STORES 931142BV4 4.125% 15/F	1.11%	4.12	15/2/2011
31395LZM6	FREDDIE MAC 2936 PB 5.000% 15/FEB/202	0.92%	5.00	15/2/2028
31396VAS7	FNMA REMIC 5.5% 04/17	0.86%	5.50	25/4/2017
31406FBL4	FNMA MORTPASS 5.5% 01/SEP/2034 CL PN#	0.80%	5.50	1/9/2034
06406HBB4	BANK OF NEW YORK CO INC 5% BDS 23/MAR	0.79%	5.00	23/3/2012
92343VAM6	VERIZON COMMUNICATIONS INC NT 6.1% 15	0.79%	6.10	15/4/2018

Quality/Rating Weightings

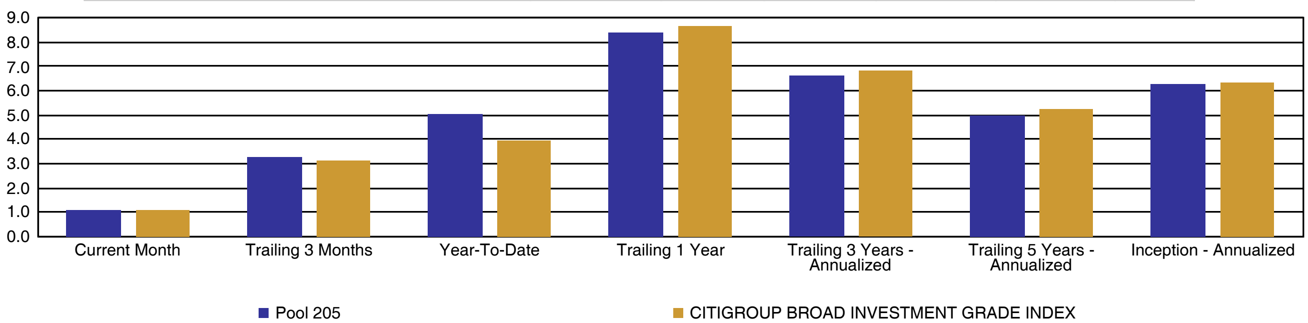


Sector Weightings (as % of Market Value)



Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
Pool 205	1.05	3.26	5.01	8.38	6.62	5.01	6.29
CITIGROUP BROAD INVESTMENT GRADE INDEX	1.06	3.12	3.95	8.69	6.80	5.27	6.31
Excess	(0.01)	0.14	1.06	(0.30)	(0.18)	(0.26)	(0.03)



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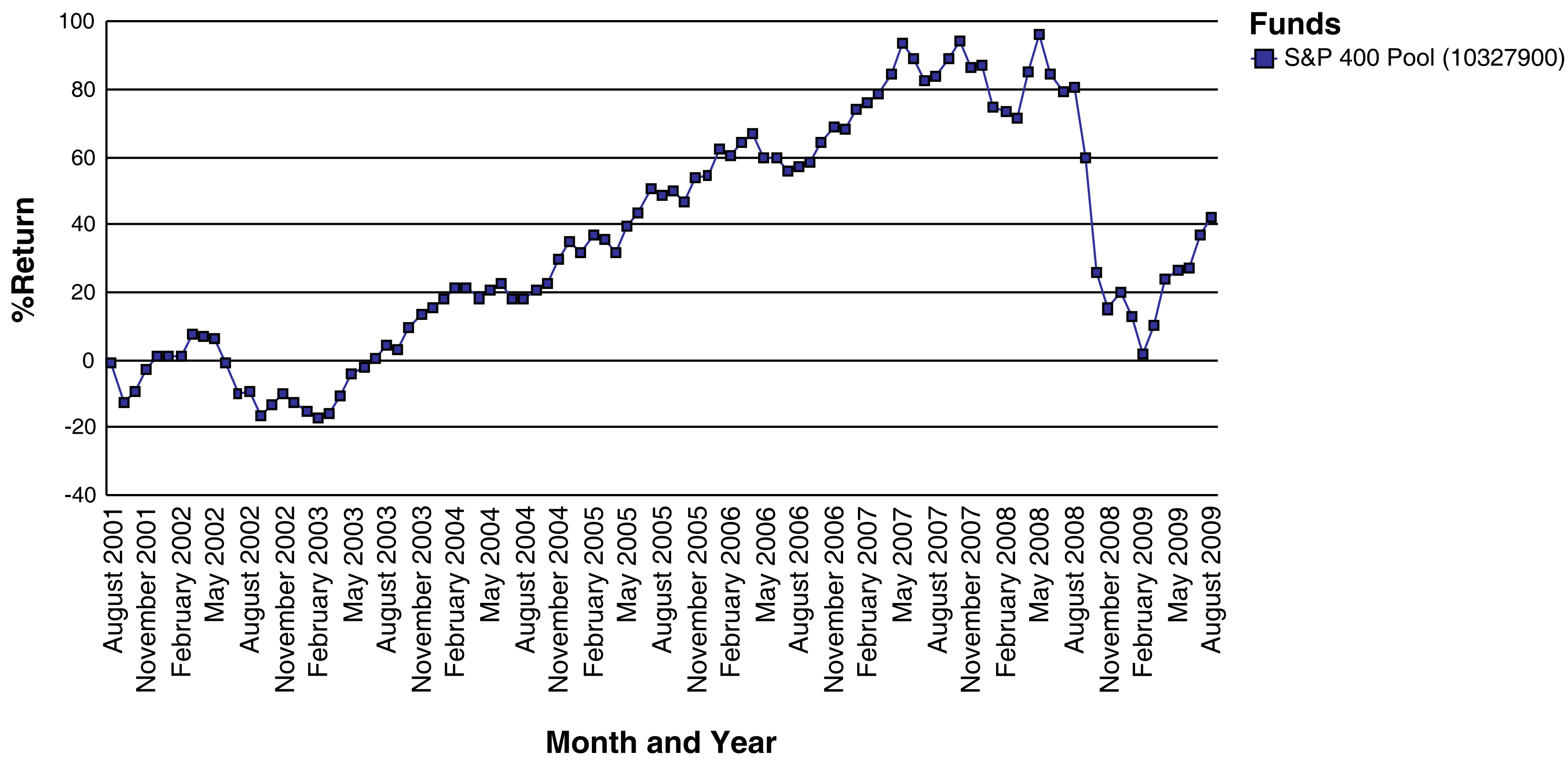
Performance Growth by Account

Arizona State Treasury (05509)

From **August 2001** to **August 2009**

Gross of Fee



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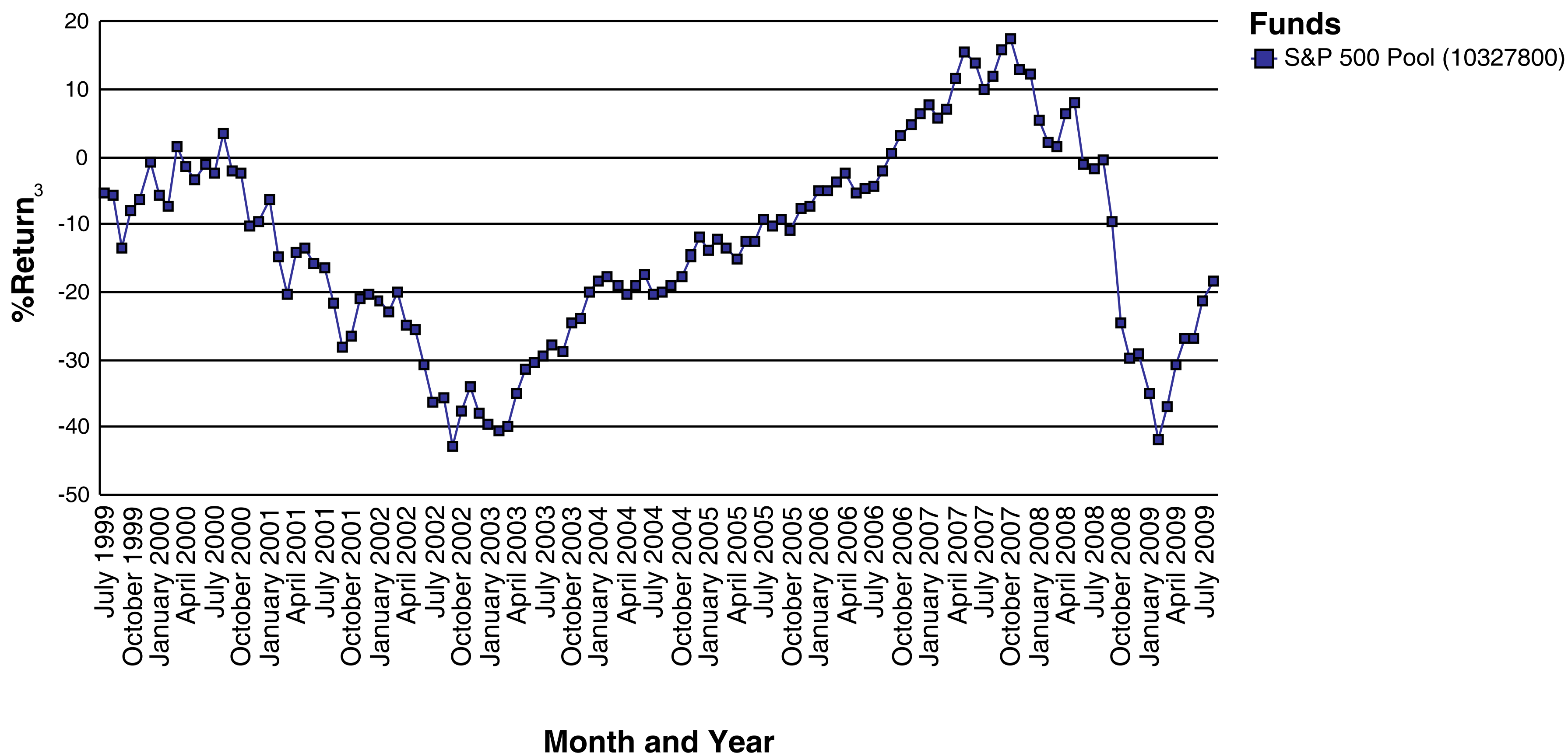
Performance Growth by Account

Arizona State Treasury (05509)

From **July 1999** to **August 2009**

Gross of Fee



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Performance Growth by Account

Arizona State Treasury (05509)

From **July 1999** to **August 2009**

Gross of Fee