

OFFICE OF THE
ARIZONA STATE TREASURER



**HON. DEAN MARTIN
TREASURER**



DECEMBER 2009

Presented To:

Arizona State Board of Investment

JANUARY 27, 2010

STATE BOARD OF INVESTMENT

A G E N D A

January 27, 2010

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
 - F. Broker Activity Report
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. Update on the Sunset Review
8. Call to the Public
9. Notice of Next Meeting
10. Adjournment

REPORT OF THE STATE TREASURER

FOR

January 27, 2010

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**Minutes of
BOARD OF INVESTMENT MEETING**

The regular meeting of the State Board of Investment was held on December 21, 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 1:35 p.m.

Members Present:

Dean Martin, Chair, State Treasurer
David Raber, Interim Director of the Arizona Department of Administration
Beth Ford, Treasurer, Pima County, by teleconference
Thomas Wood, Interim Superintendent, Department of Financial Institutions
Alan E. Maguire, President, The Maguire Company

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
Dale Stomberg, Investment Accounting Manager, Arizona State Treasurer's Office

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

1. Call to Order:

Treasurer Martin called the December 21, 2009 BOI meeting to order at approximately 1:35 p.m.

2. Treasurers Comments:

Treasurer Martin welcomed board members and guests and thanked all present for attending the December 21, 2009 meeting.

3. Approval of Minutes:

Mr. Maguire made a motion to approve the minutes for the November 24, 2009 Board of Investment Meeting. Mr. Raber seconded the motion. Motion carried.

4. Review of Treasurer's Monthly Report

Review of Treasurer's Monthly Report – LGIP Investment Pools:

Mr. Swenson presented the monthly report for the LGIP Investment Pools portion of the Arizona State Treasurer's Office to the Board of Investment as follows:

Earnings Distribution – Investment Pools

Mr. Swenson 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 November, 2009.

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

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

Pool 500 Portfolio Yield Analysis

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

Manager Allocation of Invested Monies for the LGIP Pools

Mr. Swenson 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 as of November 30, 2009.

LGIP Pools Investments and Performance Reports

Mr. Swenson 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 November 30, 2009.

Review of Treasurer's Monthly Report – Agency Pools:

Mr. Swenson presented the monthly report for the Agency Pools portion of the Arizona State Treasurer's Office to the Board of Investment as follows:

State Agency Pools Portfolio Yield Analysis

Mr. Swenson reported the net yields for the State Agency Pools for the month of November, 2009.

Manager Allocation of Invested Monies for the State Agency Pools

Mr. Swenson 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 November 30, 2009.

Investments Outstanding in State Agency Pools

Mr. Swenson 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 November 30, 2009.

Operating Monies Average Invested Balance

Mr. Swenson reported the Operating Monies average invested balance for the month of November, 2009.

Review of Treasurer's Monthly Report – Endowments:

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

Net Realized Capital Gains/Losses – Endowment Funds

Mr. Swenson reported the net realized capital gains for the Endowment Fixed Income, S&P 500, and S&P 400 pools for the month of November, 2009 and FY10 fiscal year to date.

Endowment Funds Fixed-Income Pool Purchases & Sales

Mr. Swenson reported the purchases and sales of the Endowment Fixed Income Pool for the month of November, 2009.

Equity Funds Purchases & Sales

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

Investments Outstanding in Endowment Funds

Mr. Swenson reported the par, book, market value, and unrealized gains/loss of the Endowment Funds as of November 30, 2009.

The members of the Board engaged in a discussion regarding the reallocation of the assets in the Endowment Portfolio. Treasurer Martin advised the board that at this time market conditions for equities are uncertain, and consideration might be given to changing the allocation between the equities and fixed income holdings within the portfolio.

Performance of Investments in Endowment Funds

Mr. Swenson 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 November 30, 2009.

Manager Allocation of Invested Monies for the Endowment Pools

Mr. Swenson reported the percentage of the total market value of all of the Endowment investments allocated to each of the Endowment Pools, as of November 30, 2009.

Equity Holdings Investments Outstanding S&P 500

Mr. Swenson reported the investments outstanding by portfolio characteristics and industry sector and for the S&P 500 Pool as of November 30, 2009.

Equity Holdings Investments Outstanding S&P 400

Mr. Swenson reported the investments outstanding by portfolio characteristics and industry sector for the S&P 400 Pool as of November 30, 2009.

Fixed Income Investments and Performance Reports

Mr. Swenson 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 November 30, 2009.

Endowment Investments and Performance Growth by Account Reports

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

Approval of Treasurer's Report

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

5. Proposed Changes to Investment Policy:

There were no changes to the Investment Policy.

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

There were no Securities Dealers to be approved this month.

7. General Business:

None

8. Call to the Public

There was no public comment.

9. Notice of Next Meeting:

The Treasurer advised the Board that the next regular meeting of the Board of Investment will be Wednesday, January 27, 2010 at 3:00 p.m. at 1700 West Washington, State Capitol, West Wing, Treasurer's Conference Room, Phoenix, Arizona.

*State Treasurer's Report
January 27, 2010 Meeting
Minutes of the December 21, 2009 Meeting*

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 2:09 p.m.

Respectfully Submitted by:

Katherine Jaramillo
Administrative Assistant

Approved by:

Dean Martin, Chair

Date:

EARNINGS DISTRIBUTION - INVESTMENT POOLS
 DECEMBER 2009

State Treasurer's Report
 January 27, 2010
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| Recipient | Earnings Distributed | | | Fiscal YTD Investment Management Fees Received |
|--|-----------------------------|-----------------------------|-----------------------------|---|
| | DECEMBER 2009 | Fiscal YTD 09/10 | Fiscal YTD 08/09 | |
| General Fund | \$0 | \$339,296 | \$9,465,527 | |
| 2 State Agencies I - Full Faith & Credit | 878,744 | 9,040,978 | 16,769,123 | 176,670 |
| 3 State Agencies II - Diversified | 706,593 | 9,073,089 | 22,872,530 | 362,237 |
| 4 State Agencies IV - Restricted Diversified | 438,093 | 4,733,827 | 11,521,527 | 240,652 |
| 5 Local Governments | 172,746 | 5,122,434 | 21,587,552 | 515,264 |
| 7 LGIP Gov't | 112,223 | 3,611,746 | 19,970,004 | 801,486 |
| 12 CAWCD Medium-Term | 342,003 | 2,947,027 | 2,600,544 | 36,054 |
| 15 GADA Long-Term | 34,413 | 302,668 | 366,341 | 3,657 |
| Subtotal | \$2,684,814 | \$35,171,066 | \$105,153,147 | \$2,136,021 |
| NAV POOL | | | | |
| 500 LGIP LT | 173,567 | 1,115,106 | 1,231,419 | 22,463 |
| 700 LGIP GOV LT | 24,022 | 36,843 | 0 | 9,960 |
| Total | \$2,882,403 | \$36,323,015 | \$106,384,566 | \$2,168,444 |

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

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January 27, 2010
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| FUND | DESCRIPTION | NET EARNINGS |
|------|----------------------------------|-----------------|
| 5 | LGIP | 172,746 |
| 7 | LGIP - GOV | 112,223 |
| | TOTAL LGIP & LGIP-GOV | 284,969 |

| | | 10/31/09 | 11/30/09 | 12/31/09 |
|---|------------------------------------|----------|----------|----------|
| 5 | LGIP MONTHLY YIELD (NET) | 0.28% | 0.17% | 0.11% |
| | S & P LGIP INDEX YIELD | 0.26% | 0.23% | 0.22% |
| | LGIP YTD YIELD (NET) | 0.31% | 0.28% | 0.25% |
| | S & P LGIP YTD INDEX YIELD | 0.32% | 0.30% | 0.29% |
| 7 | LGIP - GOV MONTHLY YIELD (NET) | 0.08% | 0.05% | 0.04% |
| | 3 MONTH T-BILL | 0.06% | 0.04% | 0.04% |
| | * S & P LGIP - GOV INDEX YIELD | 0.22% | 0.19% | 0.19% |
| | LGIP - GOV YTD YIELD (NET) | 0.11% | 0.10% | 0.09% |
| | YTD 3 MONTH T-BILL | 0.13% | 0.11% | 0.10% |
| | * S & P LGIP - GOV YTD INDEX YIELD | 0.30% | 0.28% | 0.26% |

* 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 & LGIP-GOV LONG TERM POOL
PORTFOLIO YIELD ANALYSIS
December 31, 2009**

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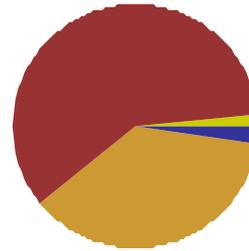
| FUND | DESCRIPTION | NET EARNINGS |
|-------------|----------------------------------|-------------------------|
| 500 | LGIP LONG TERM POOL | 173,567 |
| 700 | LGIP - GOV LONG TERM POOL | 24,022 |
| | TOTAL LGIP LONG TERM POOL | 197,589 |

| | 10/31/09 | 11/30/09 | 12/31/09 |
|---|-----------------|-----------------|-----------------|
| LGIP LONG TERM MONTHLY YIELD (NET) | 2.76% | 3.85% | 2.89% |
| MERRILL 1-5 US D M INDEX MONTHLY YIELD | 2.31% | 1.84% | 2.66% |
| LGIP LONG TERM YTD YIELD (NET) | 3.02% | 3.18% | 3.13% |
| MERRILL 1-5 US D M INDEX YTD YIELD | 2.56% | 2.41% | 2.46% |
| LGIP - GOV LONG TERM MONTHLY YIELD (NET) | | 0.15% | 0.28% |
| MERRILL 1-5 US TREAS INDEX MONTHLY YIELD | | 1.00% | 1.53% |
| LGIP - GOV LONG TERM YTD YIELD (NET) | | 0.15% | 0.22% |
| MERRILL 1-5 US TREAS INDEX YTD YIELD | | 1.00% | 1.27% |

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

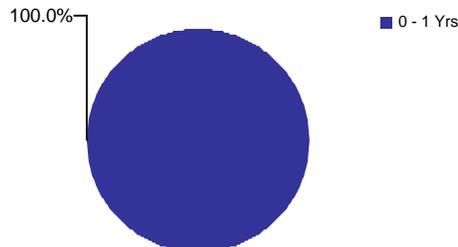
| LGIP composite (00550903) | | |
|---|-------------------|----------------------|
| Account Name | Market Value(MIL) | Percent of Portfolio |
| State of Arizona - Pool 5 (LGIP) (10327300) | 1,614.34 | 37.0% |
| State of Arizona - Pool 500 (LGIP - Med Term) (10327700) | 72.64 | 1.7% |
| State of Arizona - Pool 7 (LGIP - FF&C) (10327400) | 2,580.98 | 59.1% |
| State of Arizona - Pool 700 (LGIP-FF&C Med Term) (10563200) | 100.78 | 2.3% |
| TOTAL | 4,368.73 | 100.0% |

- State of Arizona - Pool 700 (LGIP-FF&C Med Term) (10563200)
- State of Arizona - Pool 5 (LGIP) (10327300)
- State of Arizona - Pool 7 (LGIP - FF&C) (10327400)
- State of Arizona - Pool 500 (LGIP - Med Term) (10327700)



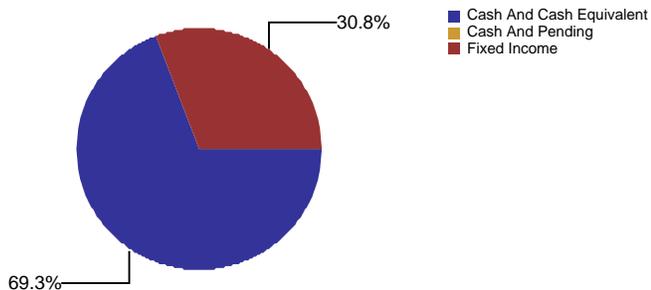
Portfolio Characteristics

Total Net Assets (Millions) **1,614.3**
 Weighted Average Life (Years) **0.19**
 Weighted Avg. Effective Duration (Years) **0.05**
 Weighted Average Rating **AAA**
 Number of Holdings **39**



Asset Mix

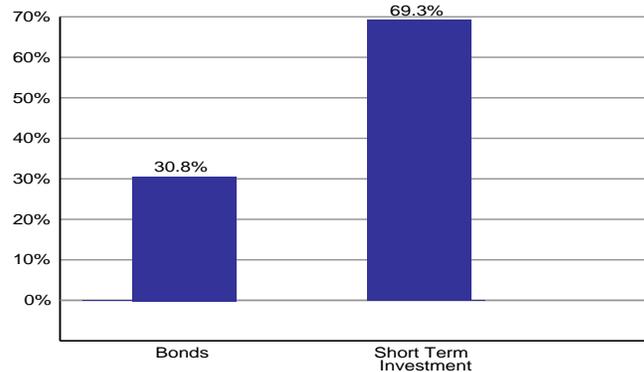
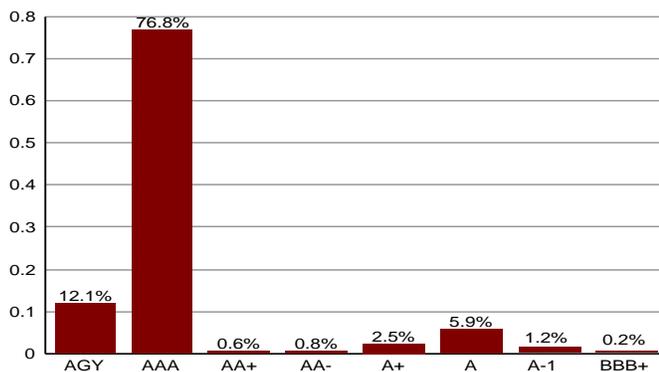
Top Ten Portfolio Holdings



| Security ID | Security Name | % of Assets | Coupon Rate | Maturity Date |
|-------------|--|-------------|-------------|---------------|
| 15199S032 | TRI-PARTY REPO DEUTSCHE BANK 0.06% 04 | 30.97% | 0.06 | 4/1/2010 |
| 15199S461 | TRI-PARTY REPO DEUTSCHE BANK 0.08% 06 | 15.49% | 0.08 | 6/1/2010 |
| 15199S487 | TRI-PARTY REPO DEUTSCHE BANK 0.07% 05 | 12.38% | 0.07 | 5/1/2010 |
| 459053SZ8 | INTL BK FOR RECON & DEV DISC NT MATURE | 3.10% | 0.00 | 12/2/2010 |
| 3133XTLZ7 | FEDERAL HOME LOAN BANKS CONS BD FLT 1 | 3.10% | 0.00 | 29/4/2010 |
| 768603W | ARIZONA TREASURY REPO | 2.99% | 0.00 | 4/1/2010 |
| 459053TP9 | INTL BK FOR RECON & DEV DISC NT MATURE | 2.97% | 0.00 | 26/2/2010 |
| 46623ECW7 | JP MORGAN CHASE & CO VAR 07/MAY/2010 | 2.48% | 0.32 | 7/5/2010 |
| 459058AG8 | INTERNATIONAL BANK FOR REC & DEV 1.05 | 2.29% | 1.05 | 6/4/2010 |
| 313589SA2 | FEDERAL NATL MTG ASSN DISC NT MATURES | 2.17% | 0.00 | 20/1/2010 |

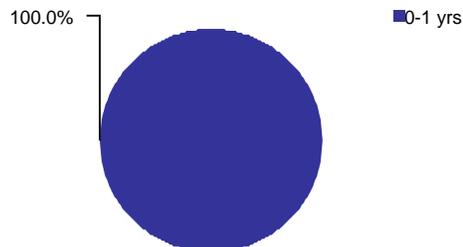
Quality/Rating Weightings

Sector Weightings (as % of Market Value)



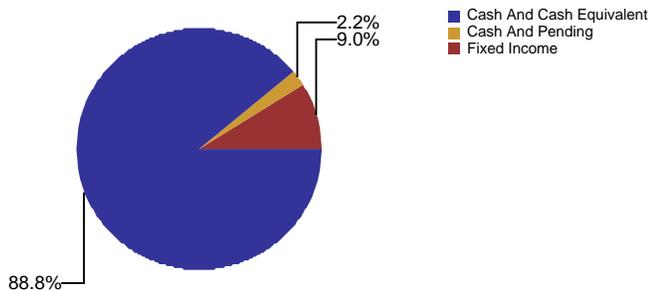
Portfolio Characteristics

Total Net Assets (Millions) **2,581.0**
 Weighted Average Life (Years) **0.05**
 Weighted Avg. Effective Duration (Years) **0.04**
 Weighted Average Rating **AAA**
 Number of Holdings **21**



Asset Mix

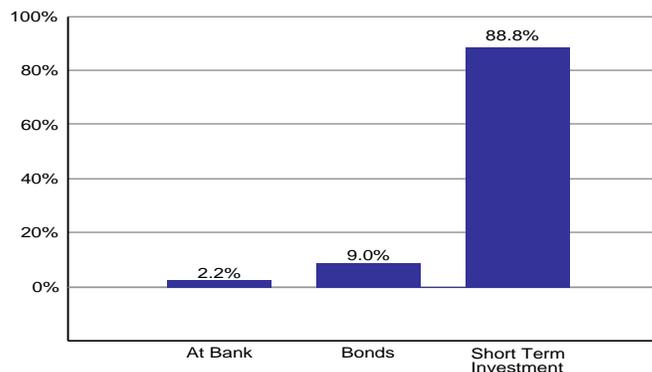
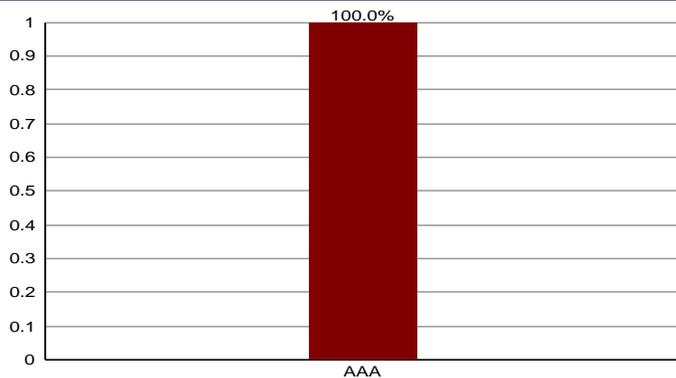
Top Ten Portfolio Holdings



| Security ID | Security Name | % of Assets | Coupon Rate | Maturity Date |
|-------------|---------------------------------------|-------------|-------------|---------------|
| 15199F253 | TRI-PARTY REPO DEUTSCHE BANK 0.07% 04 | 19.37% | 0.07 | 4/1/2010 |
| 60699H326 | TRI-PARTY REPO MIZUHO SECURITIES 0.08 | 19.37% | 0.08 | 7/1/2010 |
| 15199S222 | TRI-PARTY REPO DEUTSCHE BANK 0.08% 04 | 15.50% | 0.08 | 4/1/2010 |
| 928989417 | JP MORGAN TREASURY PLUS MMF AGENCY SH | 10.75% | 0.00 | 31/12/2049 |
| 15199S461 | TRI-PARTY REPO DEUTSCHE BANK 0.08% 06 | 9.69% | 0.08 | 6/1/2010 |
| 15199S487 | TRI-PARTY REPO DEUTSCHE BANK 0.07% 05 | 3.87% | 0.07 | 5/1/2010 |
| 912795T27 | UNITED STATES TREAS BILLS DT | 2.71% | 0.00 | 11/2/2010 |
| 912828DR8 | US TREASURY NOTE 4% DUE 15/APR/2010 | 1.97% | 4.00 | 15/4/2010 |
| 912828DU1 | USA TREASURY NTS 3.875% NTS 15/MAY/20 | 1.97% | 3.88 | 15/5/2010 |
| 912828DL1 | UNITED STATES OF AMER TREAS NOTES 3.5 | 1.97% | 3.50 | 15/2/2010 |

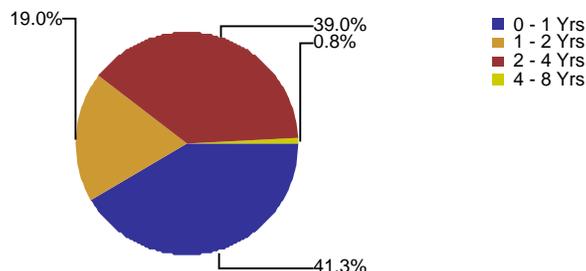
Quality/Rating Weightings

Sector Weightings (as % of Market Value)



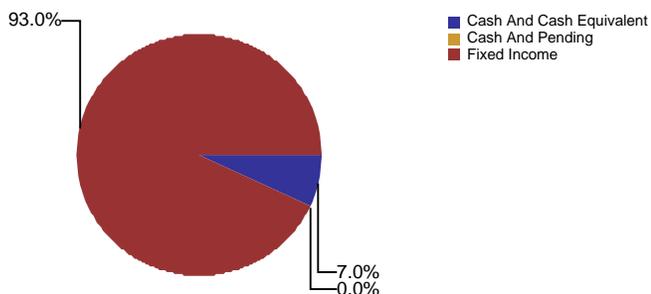
Portfolio Characteristics

Total Net Assets (Millions) **72.6**
 Weighted Average Life (Years) **2.19**
 Weighted Avg. Effective Duration (Years) **1.56**
 Weighted Average Rating **AA+**
 Number of Holdings **126**



Asset Mix

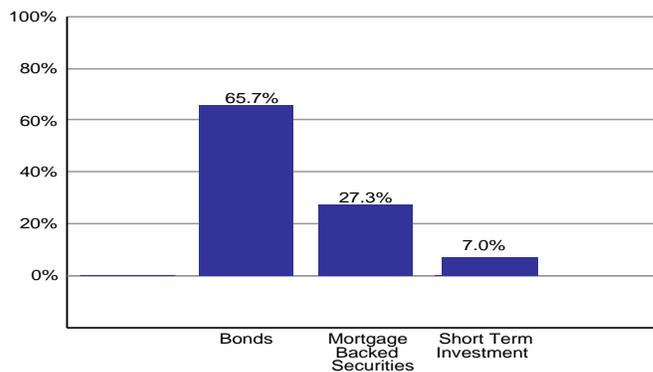
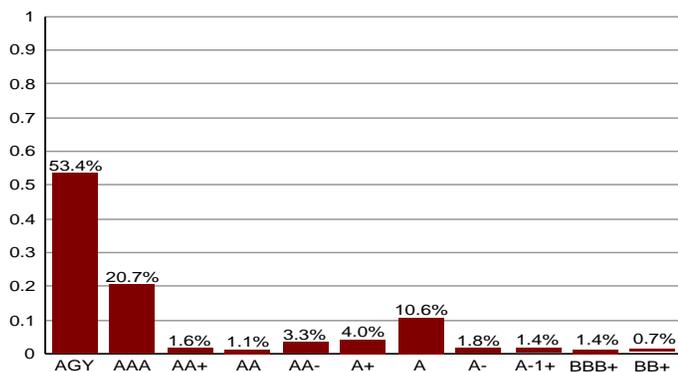
Top Ten Portfolio Holdings



| Security ID | Security Name | % of Assets | Coupon Rate | Maturity Date |
|-------------|---------------------------------------|-------------|-------------|---------------|
| 928989383 | JP MORGAN U S GOVT AGENCY SHARES | 3.82% | 0.00 | 31/12/2049 |
| 31417SJP6 | FNMA MORTPASS 4.5% 01/OCT/2024 CI PN# | 2.82% | 4.50 | 1/10/2024 |
| 3128X8KN1 | FEDERAL HOME LN MTG CORP CALL 2.4%17/ | 2.78% | 2.40 | 17/2/2012 |
| 3128X8QH8 | FEDERAL HOME LOAN MORTGAGE CORP 2% NT | 2.78% | 2.00 | 16/3/2011 |
| 3128MMKJ1 | FHLMCGLD MORTPASS 4.5% 01/FEB/2024 G1 | 2.59% | 4.50 | 1/2/2024 |
| 31417SXR6 | FNMA MORTPASS 5% 01/NOV/2024 CI PN# A | 2.15% | 5.00 | 1/11/2024 |
| 31371MAT4 | FNMA MORTPASS 5.0% 01/APR/2015 POOL#2 | 1.91% | 5.00 | 1/4/2015 |
| 31403DHB8 | FNMA MORTPASS 6% 01/MAY/2021 CI PN# 7 | 1.60% | 6.00 | 1/5/2021 |
| 31416BN38 | FNMA MORTPASS 5.5% 01/NOV/2018 CI PN# | 1.59% | 5.50 | 1/11/2018 |
| 3128MBZR1 | FHLMCGLD MORTPASS 6% 01/FEB/2019 G1 P | 1.55% | 6.00 | 1/2/2019 |

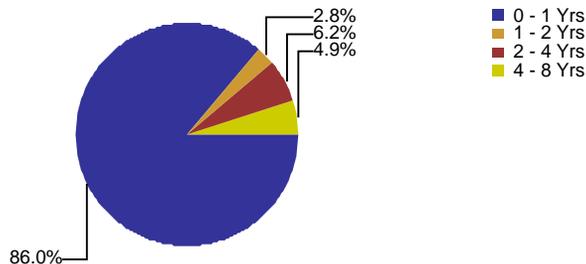
Quality/Rating Weightings

Sector Weightings (as % of Market Value)



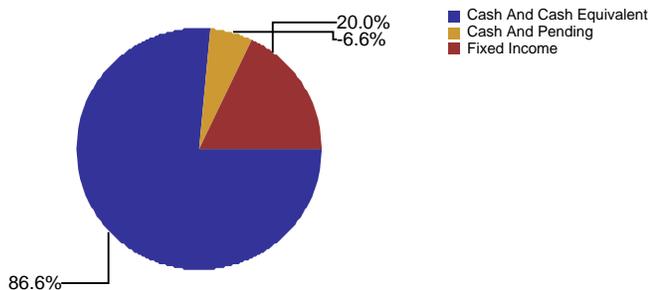
Portfolio Characteristics

Total Net Assets (Millions) **100.8**
 Weighted Average Life (Years) **0.60**
 Weighted Avg. Effective Duration (Years) **0.47**
 Weighted Average Rating **AAA**
 Number of Holdings **22**



Asset Mix

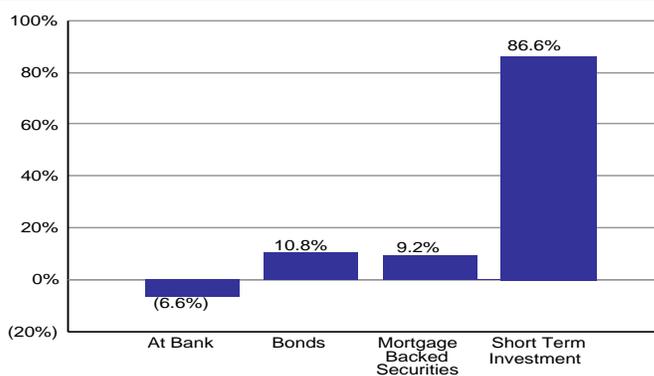
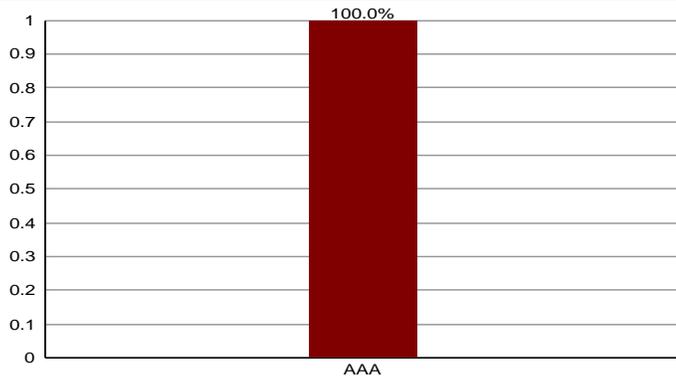
Top Ten Portfolio Holdings



| Security ID | Security Name | % of Assets | Coupon Rate | Maturity Date |
|-------------|---------------------------------------|-------------|-------------|---------------|
| 928989417 | JP MORGAN TREASURY PLUS MMF AGENCY SH | 46.23% | 0.00 | 31/12/2049 |
| 60699H201 | TRI-PARTY REPO MIZUHO SECURITIES 0.10 | 38.70% | 0.10 | 29/1/2010 |
| 912820LU9 | U S TREAS NT STRIPPED PRIN PMT 03.625 | 4.96% | 0.00 | 15/6/2010 |
| 38376ETD7 | GINNIE MAE 2009-108 WG 4.000% 20/SEP/ | 3.95% | 4.00 | 20/9/2038 |
| 36200NTC5 | GNMA I MORTPASS 4.5% 15/JUN/2019 SF P | 2.07% | 4.50 | 15/6/2019 |
| 36297KGS4 | GNMA I MORTPASS 5% 15/OCT/2039 SF PN# | 2.04% | 5.00 | 15/10/2039 |
| 17313UAA7 | CITIGROUP INC 2.875% GTD BDS 09/DEC/2 | 1.27% | 2.88 | 9/12/2011 |
| 61757UAA8 | MORGAN STANLEY & CO INTERNATIONAL 2.9 | 1.02% | 2.90 | 1/12/2010 |
| 17313YAG6 | CITIGROUP FUNDING INC 2.125% NTS 12/J | 1.01% | 2.12 | 12/7/2012 |
| 17313UAE9 | CITIGROUP INC 2.125% SRN 30/APR/2012 | 1.01% | 2.12 | 30/4/2012 |

Quality/Rating Weightings

Sector Weightings (as % of Market Value)



STATE AGENCY POOLS
PORTFOLIO YIELD ANALYSIS
December 31, 2009

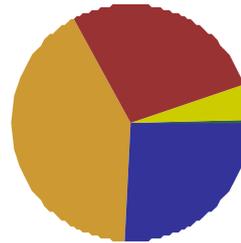
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| FUND | DESCRIPTION | NET EARNINGS | NET YIELD |
|-------------|--|-------------------------|----------------------|
| ----- | | | ----- |
| 2 | STATE AGENCIES I - FULL FAITH & CREDIT | 878,744 | 1.6100% |
| 3 | STATE AGENCIES II - DIVERSIFIED | 706,593 | 0.7600% |
| 4 | STATE AGENCIES IV-RESTRICTED DIVERSIFIED | 438,093 | 0.6900% |
| 12 | CAWCD MEDIUM TERM | 342,003 | 3.2200% |
| 15 | GADA | 34,413 | 3.4700% |
| | | ----- | |
| | TOTAL STATE AGENCIES | 2,399,845 | |

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

| Pool Composite (00550904) | | |
|---|-------------------|----------------------|
| Account Name | Market Value(MIL) | Percent of Portfolio |
| State of Arizona - Pool 4 (State Agency Rest Div) (10327200) | 723.00 | 27.6% |
| State of Arizona - Pool 12 (CAWCD - Med Term) (10327500) | 125.66 | 4.8% |
| State of Arizona - Pool 15 (GADA) (10327600) | 12.29 | 0.5% |
| State of Arizona - Pool 2 (State Agency - FF&C) (10327000) | 681.27 | 26.0% |
| State of Arizona - Pool 3 (State Agency - Diversified) (10327100) | 1,081.24 | 41.2% |
| TOTAL | 2,623.46 | 100.0% |

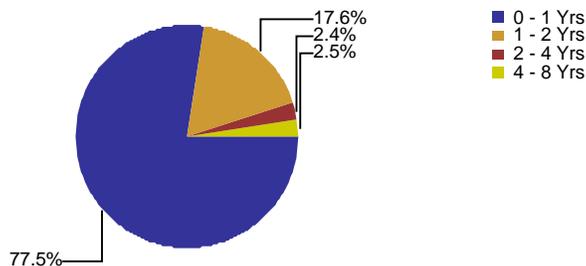
- State of Arizona - Pool 2 (State Agency - FF&C) (10327000)
- State of Arizona - Pool 3 (State Agency - Diversified) (10327100)
- State of Arizona - Pool 4 (State Agency Rest Div) (10327200)
- State of Arizona - Pool 12 (CAWCD - Med Term) (10327500)
- State of Arizona - Pool 15 (GADA) (10327600)



Portfolio Characteristics

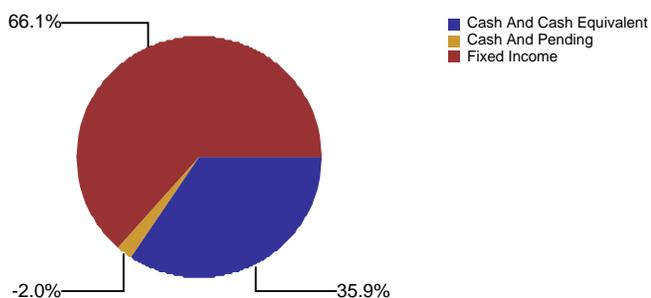
Duration Mix

Total Net Assets (Millions) **681.3**
 Weighted Average Life (Years) **0.74**
 Weighted Avg. Effective Duration (Years) **0.63**
 Weighted Average Rating **AAA**
 Number of Holdings **65**



Asset Mix

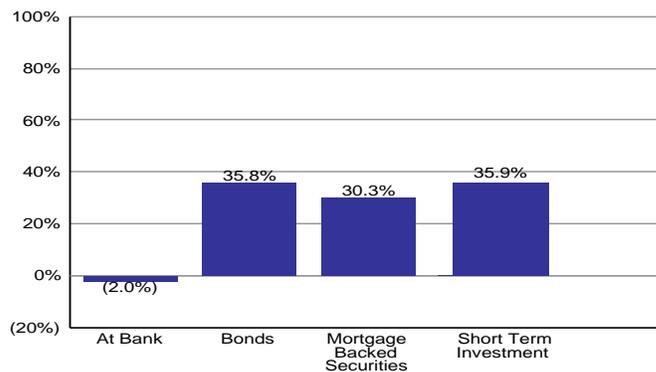
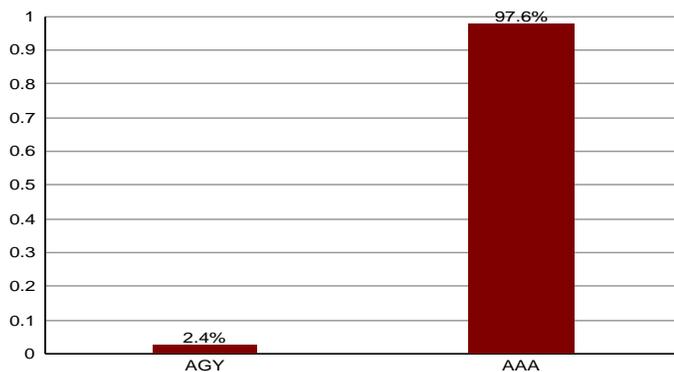
Top Ten Portfolio Holdings



| Security ID | Security Name | % of Assets | Coupon Rate | Maturity Date |
|-------------|---------------------------------------|-------------|-------------|---------------|
| 768603W | ARIZONA TREASURY REPO | 16.89% | 0.00 | 4/1/2010 |
| 770839D | UNITED STATES ZERO 18/NOV/2010 | 7.31% | 0.00 | 18/11/2010 |
| 7591EAAA1 | REGIONS BANK 2.75% BDS 10/DEC/2010 US | 4.51% | 2.75 | 10/12/2010 |
| 912828ED8 | UNITED STATES OF AMER TREAS NOTES 4.1 | 3.05% | 4.12 | 15/8/2010 |
| 38374J6E1 | GNMA REMIC TRUST 2004-93 PB 16/DEC/20 | 3.04% | 5.00 | 16/12/2032 |
| 36967HAG2 | GENERAL ELECTRIC CAPITAL CORP SER'G'1 | 2.99% | 1.62 | 7/1/2011 |
| 912828JA9 | UNITED STATES TREAS NTS 2.625% 31/MAY | 2.97% | 2.62 | 31/5/2010 |
| 912795T50 | UNITED STATES TREAS BILLS DT | 2.94% | 0.00 | 4/3/2010 |
| 912795UK5 | UNITED STATES TREAS BILLS DT | 2.93% | 0.00 | 16/12/2010 |
| 36241KM54 | GNMA I MORTPASS 5% 15/APR/2021 JP PN# | 2.63% | 5.00 | 15/4/2021 |

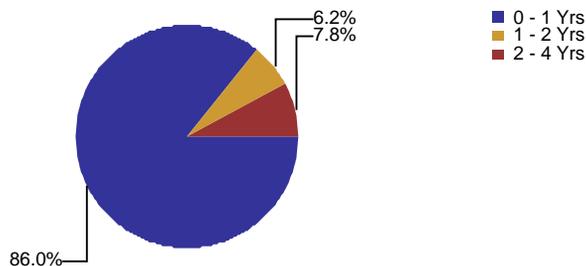
Quality/Rating Weightings

Sector Weightings (as % of Market Value)



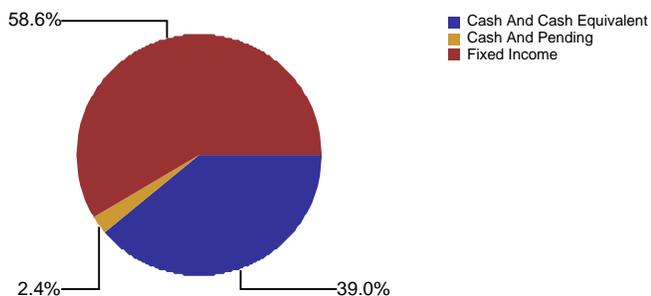
Portfolio Characteristics

Total Net Assets (Millions) **1,081.2**
 Weighted Average Life (Years) **0.86**
 Weighted Avg. Effective Duration (Years) **0.39**
 Weighted Average Rating **AA+**
 Number of Holdings **70**



Asset Mix

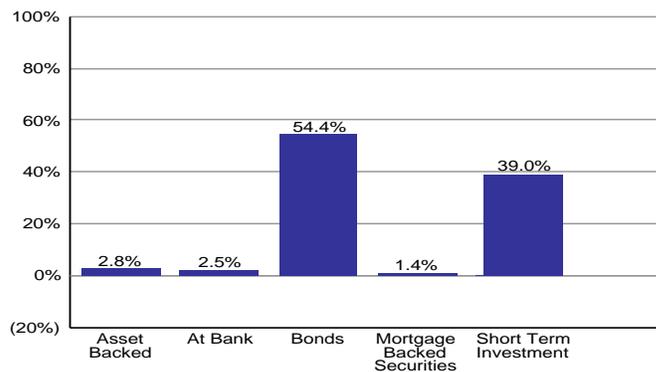
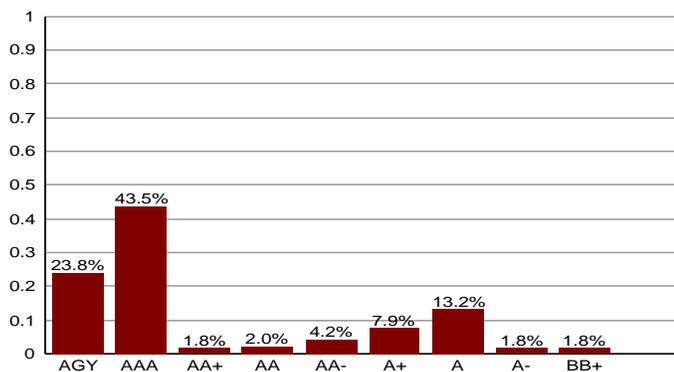
Top Ten Portfolio Holdings



| Security ID | Security Name | % of Assets | Coupon Rate | Maturity Date |
|-------------|---------------------------------------|-------------|-------------|---------------|
| 768603W | ARIZONA TREASURY REPO | 14.73% | 0.00 | 4/1/2010 |
| 15199S222 | TRI-PARTY REPO DEUTSCHE BANK 0.08% 04 | 9.25% | 0.08 | 4/1/2010 |
| 172967EG2 | CITIGROUP INC VAR 13/AUG/2010 | 4.62% | 0.42 | 13/8/2010 |
| 313385TG1 | FED HOME LN DISCOUNT NT ZCP 19/FEB/20 | 4.16% | 0.00 | 19/2/2010 |
| 912795U66 | UNITED STATES TREAS BILLS DT | 3.70% | 0.00 | 1/7/2010 |
| 928989383 | JP MORGAN U S GOVT AGENCY SHARES | 3.30% | 0.00 | 31/12/2049 |
| 36962G2H6 | GENERAL ELECTRIC CAPITAL CORP FLTG RA | 3.02% | 0.28 | 12/3/2010 |
| 46623ECW7 | JP MORGAN CHASE & CO VAR 07/MAY/2010 | 2.78% | 0.32 | 7/5/2010 |
| 31398AVW9 | FEDERAL NATIONAL MORTGAGE ASSOC 2% SR | 2.33% | 2.00 | 1/4/2011 |
| 59018YE72 | MERRILL LYNCH & CO INC FLTG RATE NTS | 2.33% | 0.49 | 5/6/2012 |

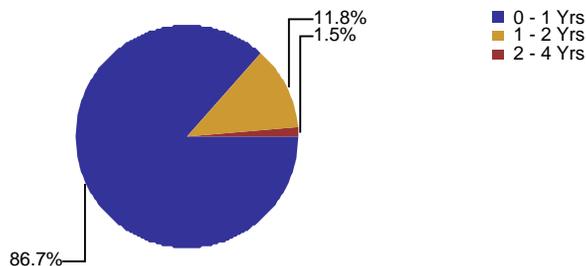
Quality/Rating Weightings

Sector Weightings (as % of Market Value)



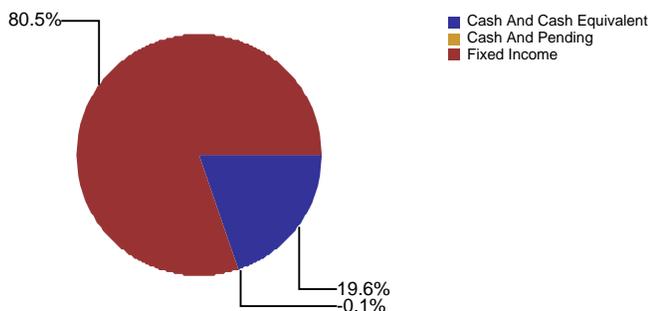
Portfolio Characteristics

Total Net Assets (Millions) **723.0**
 Weighted Average Life (Years) **1.34**
 Weighted Avg. Effective Duration (Years) **0.45**
 Weighted Average Rating **AGY**
 Number of Holdings **61**



Asset Mix

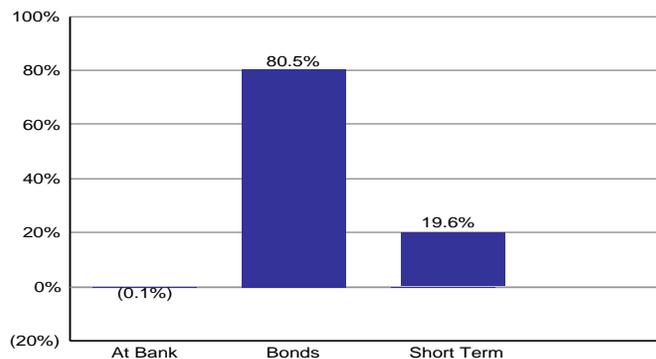
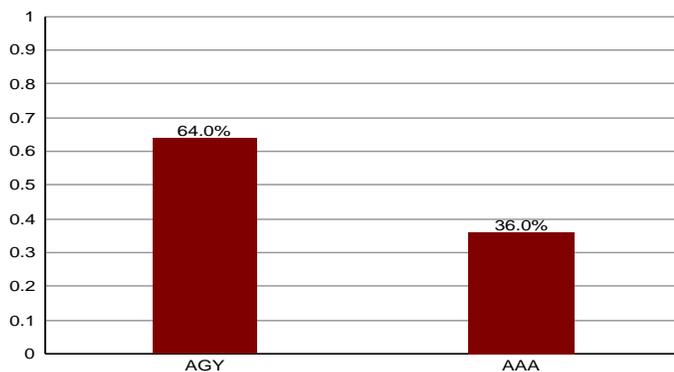
Top Ten Portfolio Holdings



| Security ID | Security Name | % of Assets | Coupon Rate | Maturity Date |
|-------------|---------------------------------------|-------------|-------------|---------------|
| 768603W | ARIZONA TREASURY REPO | 10.63% | 0.00 | 4/1/2010 |
| 9128275Z1 | UNITED STATES OF AMER TREAS NOTES 6.5 | 8.57% | 6.50 | 15/2/2010 |
| 3128X8RR5 | FEDERAL HOME LOAN MORTGAGE CORP 2.625 | 4.90% | 2.62 | 19/3/2012 |
| 446436AB3 | HUNTINGTON NATL BK FDIC TLGP GTD NT F | 3.50% | 0.66 | 1/6/2012 |
| 313385TG1 | FED HOME LN DISCOUNT NT ZCP 19/FEB/20 | 3.46% | 0.00 | 19/2/2010 |
| 3136F95T6 | FEDERAL NATL MTG ASSN CALL STEP 27/JA | 2.78% | 1.25 | 27/1/2011 |
| 3128X82R2 | FHLMC 1.50% 29/JUN/2012 | 2.78% | 1.50 | 29/6/2012 |
| 313589TS2 | FEDERAL NATL MTG ASSN DISC NT | 2.77% | 0.00 | 1/3/2010 |
| 3133XVYA3 | FEDERAL HOME LOAN BANKS CALL STEP 22/ | 2.76% | 1.00 | 22/12/2011 |
| 3128X8SK9 | FEDERAL HOME LN MTG CORP CALL 2.5%23/ | 2.63% | 2.50 | 23/3/2012 |

Quality/Rating Weightings

Sector Weightings (as % of Market Value)

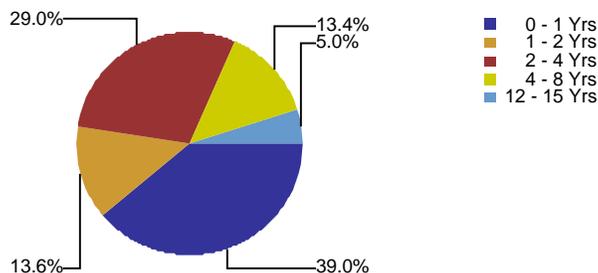


Portfolio Characteristics

Duration Mix

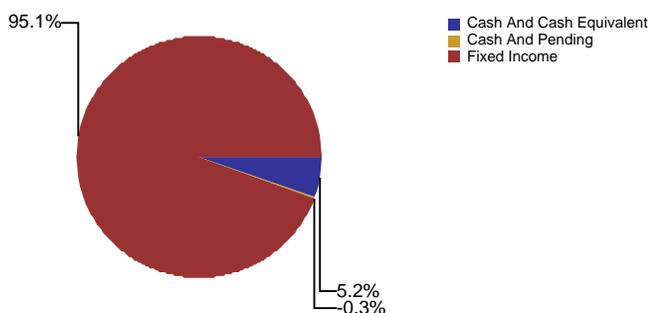
Total Net Assets (Millions) **125.7**
 Weighted Average Life (Years) **5.03**
 Weighted Avg. Effective Duration (Years) **2.69**
 Weighted Average Rating **AA+**
 Number of Holdings **76**

125.7
5.03
2.69
AA+
76



Asset Mix

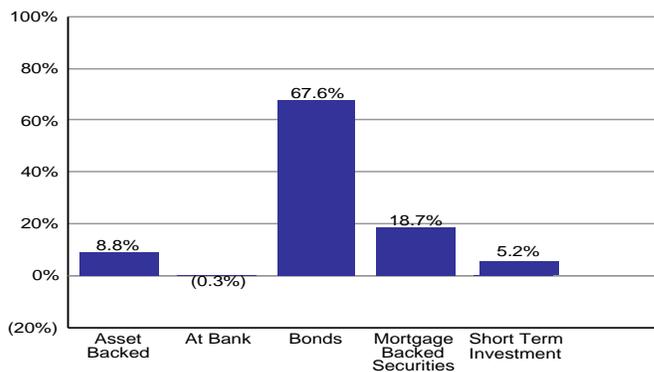
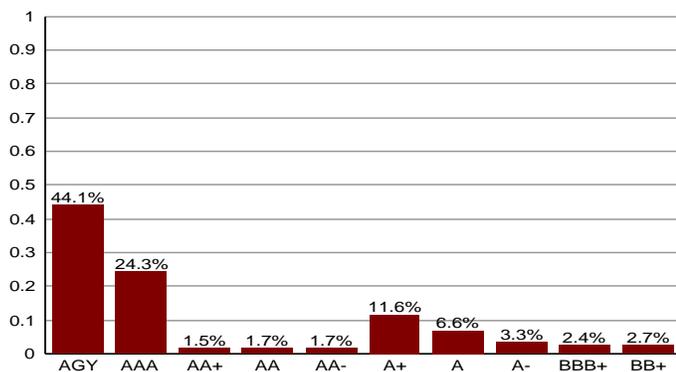
Top Ten Portfolio Holdings



| Security ID | Security Name | % of Assets | Coupon Rate | Maturity Date |
|-------------|---------------------------------------|-------------|-------------|---------------|
| 31398AST0 | FEDERAL NATIONAL MORTGAGE ASSOC 4.15% | 4.06% | 4.15 | 13/1/2012 |
| 3128X6XS0 | FEDERAL HOME LN MTG CORP 5.55%25/JAN/ | 4.03% | 5.55 | 25/1/2023 |
| 06423RBK1 | BANK ONE ISSUANCE TRUST SER 2004-A3 C | 3.88% | 0.40 | 15/2/2017 |
| 928989383 | JP MORGAN U S GOVT AGENCY SHARES | 3.64% | 0.00 | 31/12/2049 |
| 31398AYW6 | FEDERAL NATIONAL MORTGAGE ASSOC 3.5% | 3.24% | 3.50 | 25/8/2014 |
| 740816AD5 | PRESIDENT & FELLOWS HARVARD COLLEGE 5 | 3.23% | 5.63 | 1/10/2038 |
| 459200GJ4 | INTERNATIONAL BUS MACH CORP 5.7% BDS | 2.95% | 5.70 | 14/9/2017 |
| 38374HD23 | GINNIE MAE 2004-79 PA 5.000% 20/JAN/2 | 2.42% | 5.00 | 20/1/2031 |
| 250847DS6 | DETROIT EDISON CO 6.125% BDS 01/OCT/2 | 2.31% | 6.12 | 1/10/2010 |
| 31393MG08 | FREDDIE MAC 2585 CJ MAC 4.500% 15/DEC | 2.13% | 4.50 | 15/12/2032 |

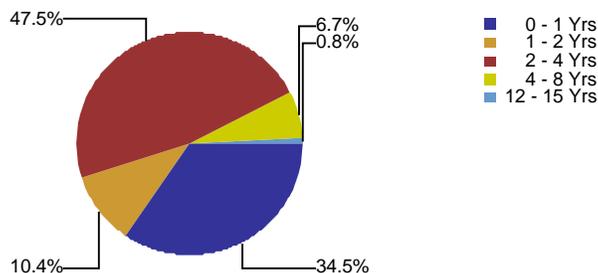
Quality/Rating Weightings

Sector Weightings (as % of Market Value)



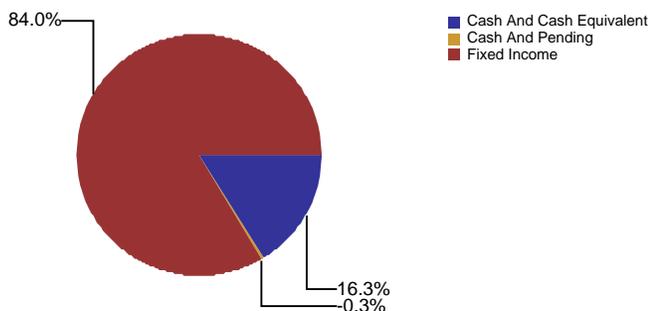
Portfolio Characteristics

Total Net Assets (Millions) 12.3
Weighted Average Life (Years) 3.82
Weighted Avg. Effective Duration (Years) 2.10
Weighted Average Rating AAA
Number of Holdings 26



Asset Mix

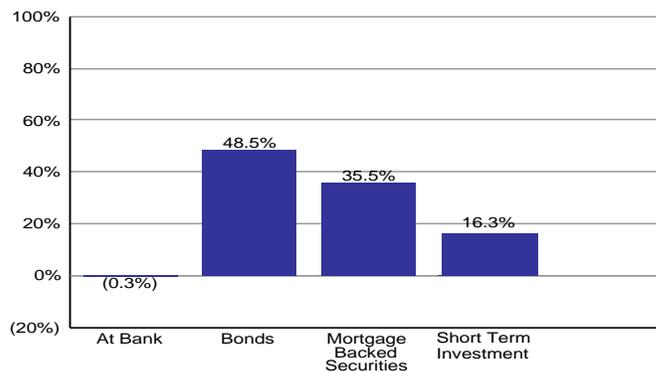
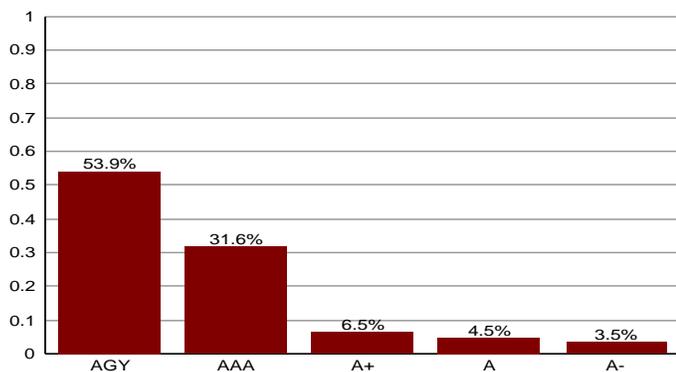
Top Ten Portfolio Holdings



| Security ID | Security Name | % of Assets | Coupon Rate | Maturity Date |
|-------------|---------------------------------------|-------------|-------------|---------------|
| 31294KTB1 | FEDERAL HOME LN MTG CORP GOLD POOL # | 9.49% | 4.50 | 1/9/2018 |
| 36241KJZ2 | GNMA I MORTPASS 4.5% 15/FEB/2021 JP P | 7.45% | 4.50 | 15/2/2021 |
| 38376JFP4 | GINNIE MAE 2009-106 HA 4.000% 16/NOV/ | 7.22% | 4.00 | 16/11/2039 |
| 313385TL0 | FEDL HOME LOAN BK CONS DISC NT | 6.51% | 0.00 | 23/2/2010 |
| 31396WBV7 | FEDERAL NATL MTG ASSOC 5.5% 25/JUN/20 | 5.63% | 5.50 | 25/6/2027 |
| 928989383 | JP MORGAN U S GOVT AGENCY SHARES | 4.95% | 0.00 | 31/12/2049 |
| 313589SR5 | FEDERAL NATL MTG ASSN DISC NT MATURES | 4.88% | 0.00 | 4/2/2010 |
| 10138MAH8 | BOTTLING GROUP 6.95% SNR NTS 15/MAR/2 | 4.77% | 6.95 | 15/3/2014 |
| 5526E2AC3 | MBNA AMERICA BANK NA 7.125% 15/NOV/20 | 4.47% | 7.12 | 15/11/2012 |
| 3128X7U36 | FEDERAL HOME LOAN MORTGAGE CORP 3.75% | 4.21% | 3.75 | 30/7/2010 |

Quality/Rating Weightings

Sector Weightings (as % of Market Value)



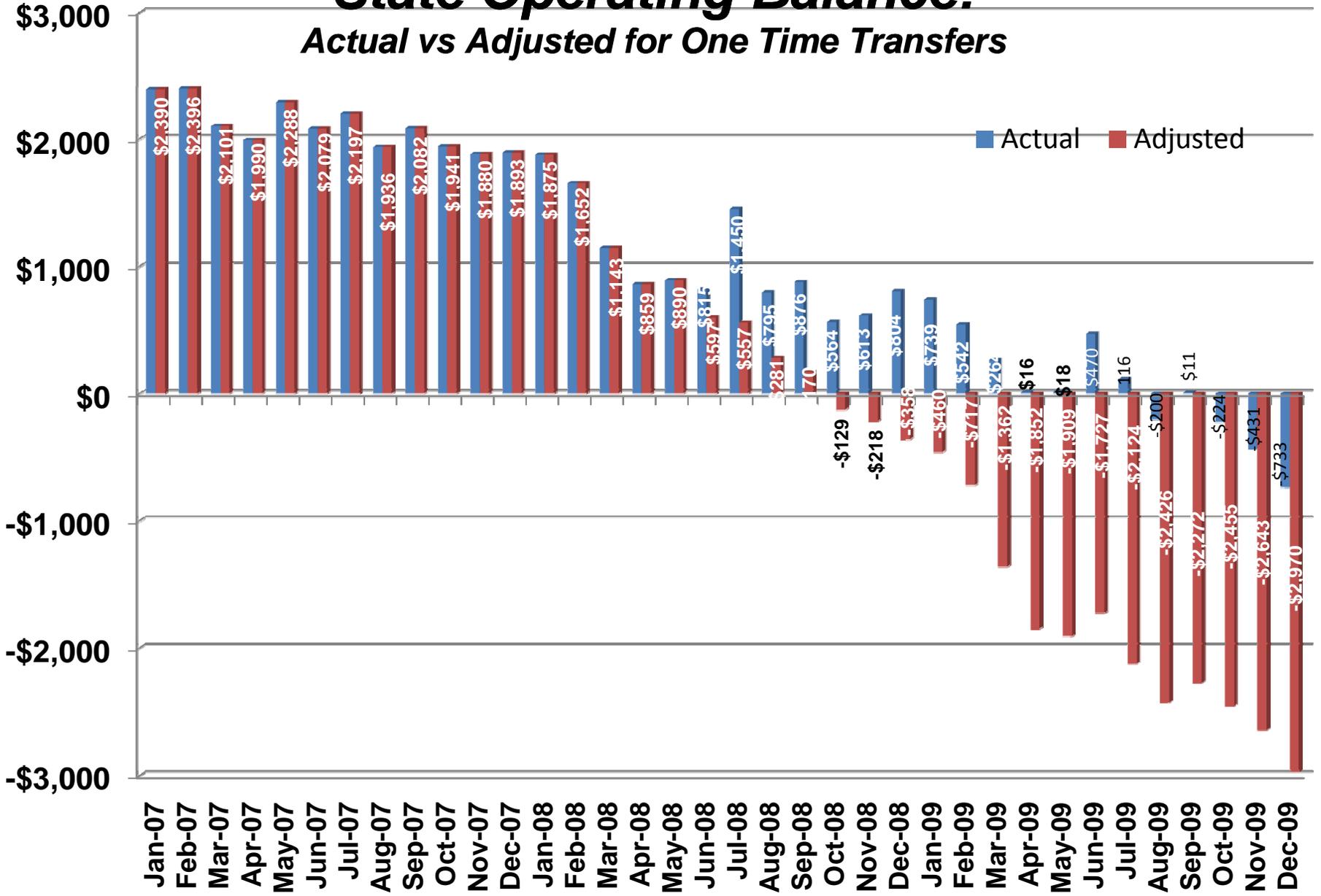
OPERATING MONIES
AVERAGE INVESTED BALANCE
Through December 31, 2009
(in millions of dollars)

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| <u>Month</u> | <u>Fiscal Year</u> <u>2007/2008</u> | <u>Fiscal Year</u> <u>2008/2009</u> | <u>Fiscal Year</u> <u>2009/2010</u> |
|----------------|--|--|--|
| JULY | 2,197 | 1,450 | 116 |
| AUGUST | 1,936 | 795 | (200) |
| SEPTEMBER | 2,082 | 876 | 11 |
| OCTOBER | 1,941 | 564 | (224) |
| NOVEMBER | 1,880 | 613 | (431) |
| DECEMBER | 1,893 | 804 | (733) |
| 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 | (\$244) |

State Operating Balance:

Actual vs Adjusted for One Time Transfers



ENDOWMENT FUNDS
PORTFOLIO YIELD ANALYSIS
December 31, 2009

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| FUND | DESCRIPTION | NET EARNINGS | NET YIELD |
|-------------|--|-------------------------|----------------------|
| 205 | ENDOWMENTS - FIXED INCOME | 4,347,956 | 5.64% |
| | TOTAL ENDOWMENTS - FIXED INCOME | 4,347,956 | |

NET REALIZED CAPITAL GAINS / LOSSES - ENDOWMENT FUNDS

| Endowment Fund ----- | Dec-09 NET GAIN(LOSS) ----- | FISCAL YTD GAINS(LOSSES) ----- |
|-----------------------------------|-----------------------------------|--------------------------------------|
| Fixed Income Pool Net Gain (Loss) | (89,828) | (2,270,708) |
| Equity Pool (500) Net Gain (Loss) | (2,609,859) | (4,249,787) |
| Equity Pool (400) Net Gain (Loss) | 429,847 | 2,286,723 |
| Totals | (2,269,841) ===== | (4,233,772) ===== |

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

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I. Endowment Funds Purchases

| <u>SECURITY DESCRIPTION</u> | <u>RATE</u> | <u>MATURITY</u> | <u>*WAL YEARS</u> | <u>PAR VALUE</u> | <u>PURCHASE COST</u> | <u>YIELD</u> | <u>MOODY'S / S&P RATING</u> |
|-----------------------------|-------------|-----------------|-----------------------|----------------------|--------------------------|--------------|-------------------------------------|
| FNMA MBS | 4.00 | 4/25/2019 | 5.72 | \$5,000,000 | \$5,233,594 | 3.07% | Aaa/AAA |
| FNMA MBS | 4.00 | 10/25/2024 | 4.31 | \$4,918,553 | \$5,066,110 | 3.18% | Aaa/AAA |

| | | |
|--|--------------------|---------------------|
| | \$9,918,553 | \$10,299,704 |
| TOTAL ENDOWMENT FUNDS PURCHASES | | |

II. Endowment Funds Sales

| <u>SECURITY DESCRIPTION</u> | <u>RATE</u> | <u>MATURITY</u> | <u>PAR VALUE</u> | <u>AMORTIZED COST/PROCEEDS</u> | <u>SALES GAINS/(LOSSES)</u> | <u>MOODY'S / S&P RATING</u> |
|------------------------------------|-------------|-----------------|----------------------|------------------------------------|---------------------------------|-------------------------------------|
| | | | | | | |
| | | | \$0 | \$0 | \$0 | |
| TOTAL ENDOWMENT FUNDS SALES | | | | | | |

*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 December 2009

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I. Equity Fund Purchases

| | <u>SHARES</u> | <u>PURCHASE COST</u> | <u>COMMISSIONS</u> |
|-------------------------------|------------------|----------------------|--------------------|
| S&P 400 Mid-Cap Fund | 183,650 | \$4,052,093 | \$2,755 |
| S&P 500 Large-Cap Fund | 1,324,244 | \$12,084,382 | \$19,864 |
| TOTAL EQUITY PURCHASES | 1,507,894 | \$16,136,475 | \$22,618 |

II. Equity Funds Sales

| | <u>SHARES</u> | <u>SALES AMOUNT</u> | <u>COMMISSIONS</u> |
|---------------------------|------------------|---------------------|--------------------|
| S&P 400 Mid-Cap Fund | 202,614 | \$7,307,242 | \$3,039 |
| S&P 500 Large-Cap Fund | 7,859,390 | \$18,393,018 | \$2,926 |
| TOTAL EQUITY SALES | 8,062,004 | \$25,700,260 | \$5,965 |

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

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| FUND NAME OF FUND | SHARES OUTSTANDING | BOOK VALUE | MARKET VALUE | UNREALIZED GAINS (LOSSES) | Mkt Value/ Book Value |
|--|-----------------------|---------------|-----------------|------------------------------|----------------------------------|
| 101 A & M Colleges | | | | | |
| <i>Shares in S&P 500 Index Fund</i> | 2,558 | 2,324 | 2,478 | 153 | |
| <i>Shares in Mid-Cap 400 Equity Fund</i> | 821 | 796 | 1,271 | 475 | |
| <i>Shares in Fixed Income Fund</i> | 2,769 | 3,120 | 4,373 | 1,253 | |
| Total | 6,147 | 6,240 | 8,122 | 1,882 | 1.302 |
| 102 State Hospital | | | | | |
| <i>Shares in S&P 500 Index Fund</i> | 1,577 | 1,354 | 1,528 | 174 | |
| <i>Shares in Mid-Cap 400 Equity Fund</i> | 445 | 463 | 689 | 226 | |
| <i>Shares in Fixed Income Fund</i> | 1,570 | 1,818 | 2,480 | 662 | |
| Total | 3,592 | 3,635 | 4,697 | 1,062 | 1.292 |
| 103 Leg., Exec., & Jud. | | | | | |
| <i>Shares in S&P 500 Index Fund</i> | 1,950 | 1,906 | 1,889 | (17) | |
| <i>Shares in Mid-Cap 400 Equity Fund</i> | 627 | 652 | 971 | 319 | |
| <i>Shares in Fixed Income Fund</i> | 2,299 | 2,559 | 3,632 | 1,073 | |
| Total | 4,877 | 5,117 | 6,493 | 1,375 | 1.269 |
| 104 Military Institute | | | | | |
| <i>Shares in S&P 500 Index Fund</i> | 132 | 131 | 128 | (3) | |
| <i>Shares in Mid-Cap 400 Equity Fund</i> | 46 | 45 | 71 | 26 | |
| <i>Shares in Fixed Income Fund</i> | 163 | 176 | 258 | 82 | |
| Total | 341 | 352 | 457 | 105 | 1.298 |
| 105 Miners Hospital | | | | | |
| <i>Shares in S&P 500 Index Fund</i> | 3,853 | 3,751 | 3,733 | (18) | |
| <i>Shares in Mid-Cap 400 Equity Fund</i> | 1,073 | 1,284 | 1,662 | 378 | |
| <i>Shares in Fixed Income Fund</i> | 3,942 | 5,034 | 6,227 | 1,193 | |
| Total | 8,868 | 10,069 | 11,622 | 1,553 | 1.154 |

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

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| FUND NAME OF FUND | SHARES OUTSTANDING | BOOK VALUE | MARKET VALUE | UNREALIZED GAINS (LOSSES) | Mkt Value/ Book Value |
|--|-----------------------|---------------|-----------------|------------------------------|----------------------------------|
| 107 Normal School ASU/NAU | | | | | |
| <i>Shares in S&P 500 Index Fund</i> | 876 | 824 | 849 | 25 | |
| <i>Shares in Mid-Cap 400 Equity Fund</i> | 265 | 282 | 410 | 128 | |
| <i>Shares in Fixed Income Fund</i> | 950 | 1,106 | 1,501 | 395 | |
| Total | 2,091 | 2,211 | 2,760 | 548 | 1.248 |
| 108 Penitentiaries | | | | | |
| <i>Shares in S&P 500 Index Fund</i> | 3,208 | 2,897 | 3,108 | 211 | |
| <i>Shares in Mid-Cap 400 Equity Fund</i> | 929 | 992 | 1,438 | 447 | |
| <i>Shares in Fixed Income Fund</i> | 3,224 | 3,888 | 5,092 | 1,204 | |
| Total | 7,360 | 7,777 | 9,638 | 1,861 | 1.239 |
| 109 Permanent Common School | | | | | |
| <i>Shares in S&P 500 Index Fund</i> | 820,031 | 789,241 | 794,417 | 5,176 | |
| <i>Shares in Mid-Cap 400 Equity Fund</i> | 228,278 | 270,143 | 353,532 | 83,389 | |
| <i>Shares in Fixed Income Fund</i> | 842,446 | 1,059,384 | 1,330,751 | 271,367 | |
| Total | 1,890,755 | 2,118,769 | 2,478,701 | 359,932 | 1.170 |
| 110 School for Deaf & Blind | | | | | |
| <i>Shares in S&P 500 Index Fund</i> | 1,143 | 1,078 | 1,107 | 29 | |
| <i>Shares in Mid-Cap 400 Equity Fund</i> | 370 | 369 | 573 | 204 | |
| <i>Shares in Fixed Income Fund</i> | 1,337 | 1,448 | 2,111 | 664 | |
| Total | 2,850 | 2,895 | 3,792 | 897 | 1.310 |
| 111 School of Mines | | | | | |
| <i>Shares in S&P 500 Index Fund</i> | 2,861 | 2,777 | 2,772 | (5) | |
| <i>Shares in Mid-Cap 400 Equity Fund</i> | 870 | 951 | 1,348 | 398 | |
| <i>Shares in Fixed Income Fund</i> | 3,147 | 3,728 | 4,972 | 1,244 | |
| Total | 6,879 | 7,455 | 9,092 | 1,637 | 1.220 |

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

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| FUND NAME OF FUND | SHARES OUTSTANDING | BOOK VALUE | MARKET VALUE | UNREALIZED GAINS (LOSSES) | Mkt Value/ Book Value |
|--|-----------------------|------------------|------------------|------------------------------|----------------------------------|
| 112 State Charitable | | | | | |
| <i>Shares in S&P 500 Index Fund</i> | 29,820 | 27,768 | 28,889 | 1,120 | |
| <i>Shares in Mid-Cap 400 Equity Fund</i> | 7,825 | 9,505 | 12,118 | 2,614 | |
| <i>Shares in Fixed Income Fund</i> | 29,156 | 37,273 | 46,055 | 8,782 | |
| Total | 66,800 | 74,546 | 87,062 | 12,516 | 1.168 |
| 113 University Fund | | | | | |
| <i>Shares in S&P 500 Index Fund</i> | 4,769 | 4,565 | 4,620 | 55 | |
| <i>Shares in Mid-Cap 400 Equity Fund</i> | 1,427 | 1,562 | 2,210 | 647 | |
| <i>Shares in Fixed Income Fund</i> | 5,203 | 6,127 | 8,219 | 2,092 | |
| Total | 11,399 | 12,254 | 15,049 | 2,795 | 1.228 |
| 114 U Of A Land - 1881 | | | | | |
| <i>Shares in S&P 500 Index Fund</i> | 10,099 | 9,652 | 9,783 | 131 | |
| <i>Shares in Mid-Cap 400 Equity Fund</i> | 3,076 | 3,304 | 4,763 | 1,459 | |
| <i>Shares in Fixed Income Fund</i> | 11,169 | 12,956 | 17,643 | 4,687 | |
| Total | 24,344 | 25,912 | 32,190 | 6,278 | 1.242 |
| TOTALS - ALL FUNDS | | | | | |
| <i>Shares in S&P 500 Index Fund</i> | 882,877 | 848,269 | 855,301 | 7,032 | |
| <i>Shares in Mid-Cap 400 Equity Fund</i> | 246,051 | 290,347 | 381,057 | 90,710 | |
| <i>Shares in Fixed Income Fund</i> | 907,375 | 1,138,616 | 1,433,315 | 294,699 | |
| Grand Total | 2,036,303 | 2,277,232 | 2,669,674 | 392,441 | |

ASSET ALLOCATION PERCENTAGE

| | SHARES OUTSTANDING | BOOK VALUE | MARKET VALUE |
|--|-----------------------|----------------|-----------------|
| <i>Shares in S&P 500 Index Fund</i> | 43.36% | 37.25% | 32.04% |
| <i>Shares in Mid-Cap 400 Equity Fund</i> | 12.08% | 12.75% | 14.27% |
| <i>Shares in Fixed Income Fund</i> | 44.56% | 50.00% | 53.69% |
| Total | 100.00% | 100.00% | 100.00% |

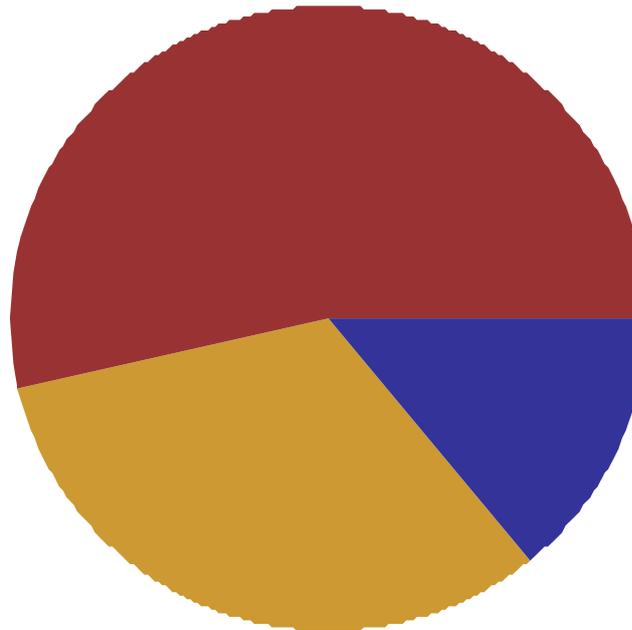
Performance Worksheet
Arizona State Treasury (05509)
As At December 2009
Gross of Fee

| 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 | 838,173,251.68 | 855,301,203.83 | 685,075 | 1.96 | 6.05 | 26.50 | 22.56 | 26.50 | (5.52) | 0.34 | (1.03) | 07/01/1999 |
| 10327900 | S&P 400 Pool | 359,177,019.50 | 381,057,111.93 | 233,931 | 6.03 | 6.29 | 32.51 | 25.29 | 32.51 | (1.88) | 3.34 | 5.68 | 08/01/2001 |
| 10328000 | Pool 205 | 1,451,143,472.50 | 1,433,315,399.23 | 926,504 | (1.29) | 0.04 | 5.97 | 2.98 | 5.97 | 6.21 | 5.03 | 6.18 | 07/01/1999 |
| 00550902 | Total Endowment Fund Composite | 2,648,493,743.68 | 2,669,673,714.99 | 1,845,511 | 0.73 | 2.76 | 15.40 | 11.57 | 15.40 | 0.99 | 3.53 | 4.42 | 07/01/1999 |

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

| Total Endowment Fund Composite (00550902) | | |
|---|-------------------|----------------------|
| Account Name | Market Value(MIL) | Percent of Portfolio |
| Pool 205 (10328000) | 1,433.32 | 53.7% |
| S&P 400 Pool (10327900) | 381.06 | 14.3% |
| S&P 500 Pool (10327800) | 855.30 | 32.0% |
| TOTAL | 2,669.67 | 100.0% |

- S&P 400 Pool (10327900)
- S&P 500 Pool (10327800)
- Pool 205 (10328000)

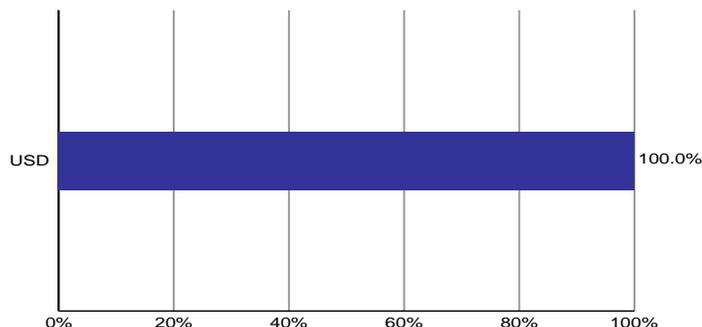


| Portfolio Characteristics | | | | Risk Measures | | | |
|-------------------------------------|-----------|-------------------------|-------|-----------------|------------------|------------------|-----------------|
| Total Asset Value (in Millions) | 855.3 | | | Trailing 1 Year | Trailing 3 Years | Trailing 5 Years | Since Inception |
| P/E Ratio | 12.71 | Tracking Error | 0.23 | 0.35 | 0.44 | 1.86 | |
| Price to Book Ratio | 3.92 | Information Ratio | 0.17 | 0.30 | (0.19) | (0.44) | |
| Dividend Yield (%) | 1.86 | Std Deviation of Port. | 22.17 | 19.78 | 15.89 | 16.18 | |
| Return on Equity (%) | 20.48 | Std Deviation of Bench. | 22.28 | 19.91 | 16.05 | 16.03 | |
| Sales Growth (%) | 14.72 | Sharpe Ratio of Port. | 1.19 | (0.40) | (0.17) | (0.25) | |
| Market Capitalization (\$ Billions) | 78,748.36 | Sharpe Ratio of Bench. | 1.18 | (0.40) | (0.16) | (0.21) | |
| Earnings per Share (\$) | 1.79 | R-Squared | 1.00 | 1.00 | 1.00 | 0.99 | |
| Number of Holdings | 501 | Jensen's Alpha | 0.16 | 0.05 | (0.11) | (0.81) | |

Top Ten Portfolio Holdings

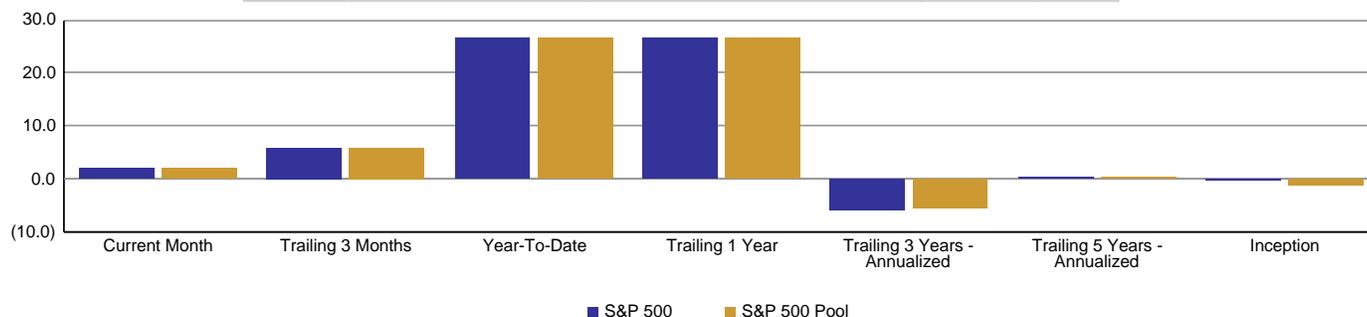
| Security ID | Security Name | % of Assets |
|-------------|---------------------------------------|-------------|
| 30231G102 | EXXON MOBIL CORP COM NPV | 3.16% |
| 78462F103 | SPDR TRUST UNITS SER 1 NPV | 3.08% |
| 594918104 | MICROSOFT CORP COM USD0.0000125 | 2.31% |
| 037833100 | APPLE INC COM STK NPV | 1.84% |
| 478160104 | JOHNSON & JOHNSON COM STK USD1 | 1.73% |
| 742718109 | PROCTER & GAMBLE CO COM STK NPV | 1.73% |
| 459200101 | INTERNATIONAL BUS MACH CORP COM STK U | 1.67% |
| 00206R102 | AT&T INC COM STK USD1 | 1.61% |
| 46625H100 | JPMORGAN CHASE & CO COM STK USD1 | 1.60% |
| 369604103 | GENERAL ELECTRIC CO. COM STK USD0.06 | 1.58% |

Top Ten Currency Weights

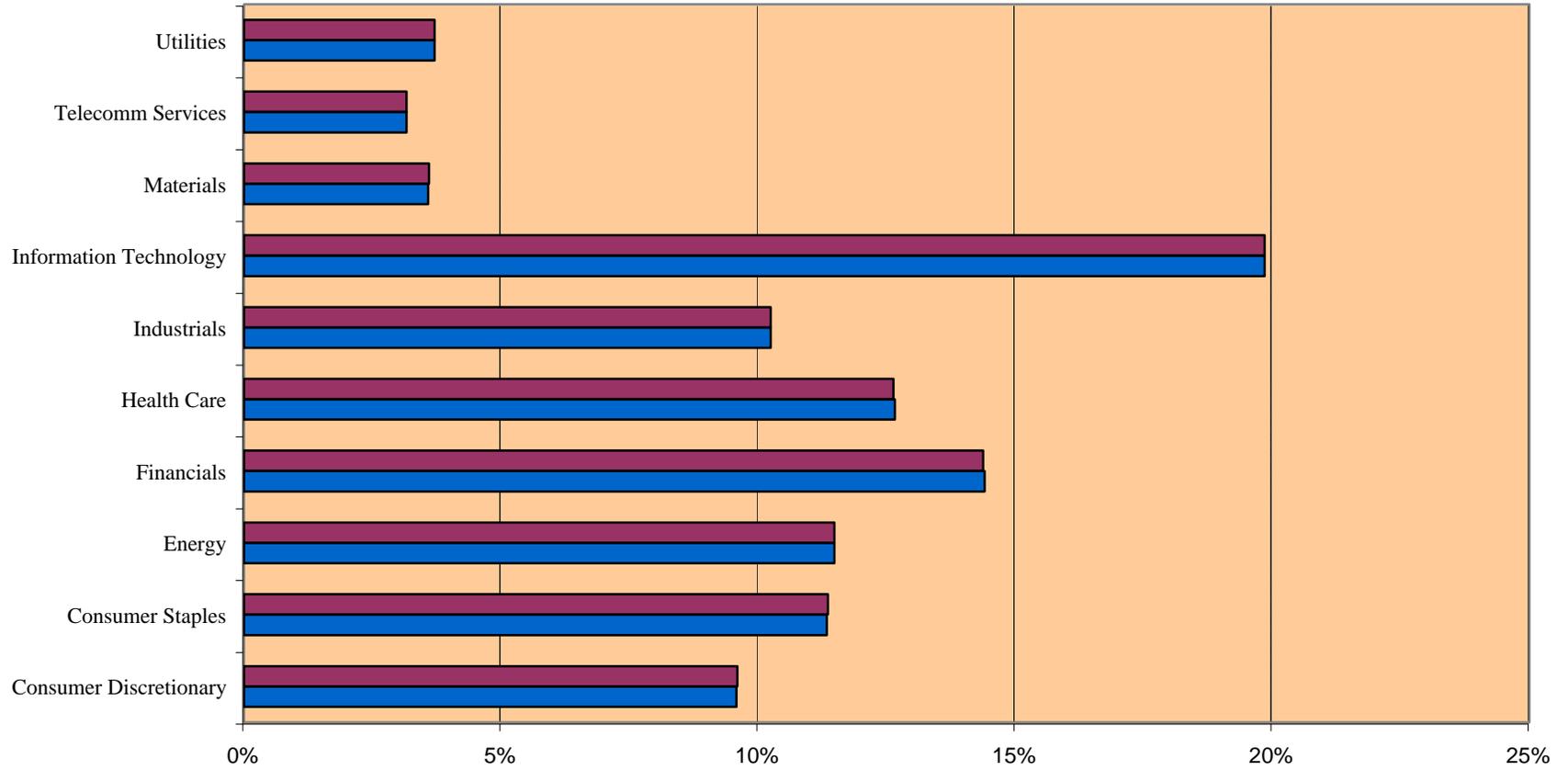


Returns Series

| | Current Month | Trailing 3 Months | Year-To-Date | Trailing 1 Year | Trailing 3 Years | Trailing 5 Years | Inception |
|--------------|---------------|-------------------|--------------|-----------------|------------------|------------------|-----------|
| S&P 500 Pool | 1.96 | 6.05 | 26.50 | 26.50 | (5.52) | 0.34 | (1.03) |
| S&P 500 | 1.93 | 6.04 | 26.46 | 26.46 | (5.63) | 0.42 | (0.20) |
| Excess | 0.03 | 0.01 | 0.04 | 0.04 | 0.10 | (0.08) | (0.82) |



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



| | Consumer Discretionary | Consumer Staples | Energy | Financials | Health Care | Industrials | Information Technology | Materials | Telecomm Services | Utilities |
|-------------------------------|------------------------|------------------|--------|------------|-------------|-------------|------------------------|-----------|-------------------|-----------|
| ■ S&P 500 Index | 9.59% | 11.36% | 11.48% | 14.38% | 12.63% | 10.24% | 19.85% | 3.60% | 3.16% | 3.71% |
| ■ STATE OF ARIZONA - POOL 201 | 9.58% | 11.34% | 11.48% | 14.41% | 12.66% | 10.24% | 19.85% | 3.58% | 3.16% | 3.70% |

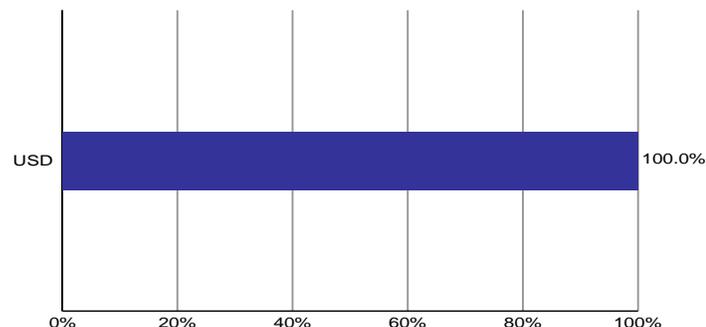
■ STATE OF ARIZONA - POOL 201
 ■ S&P 500 Index

| Portfolio Characteristics | | Risk Measures | | | |
|-------------------------------------|----------|-------------------------|------------------|------------------|-----------------|
| Total Asset Value (in Millions) | 381.1 | Trailing 1 Year | Trailing 3 Years | Trailing 5 Years | Since Inception |
| P/E Ratio | 11.75 | 3.46 | 2.70 | 2.22 | 2.34 |
| Price to Book Ratio | 2.20 | Information Ratio | (1.41) | (0.02) | 0.03 |
| Dividend Yield (%) | 0.85 | Std Deviation of Port. | 22.13 | 22.70 | 18.63 |
| Return on Equity (%) | 7.98 | Std Deviation of Bench. | 24.72 | 23.84 | 19.57 |
| Sales Growth (%) | 9.82 | Sharpe Ratio of Port. | 1.46 | (0.19) | 0.02 |
| Market Capitalization (\$ Billions) | 2,138.34 | Sharpe Ratio of Bench. | 1.50 | (0.18) | 0.01 |
| Earnings per Share (\$) | 0.55 | R-Squared | 0.99 | 0.99 | 0.99 |
| Number of Holdings | 202 | Jensen's Alpha | (0.82) | (0.27) | 0.08 |

Top Ten Portfolio Holdings

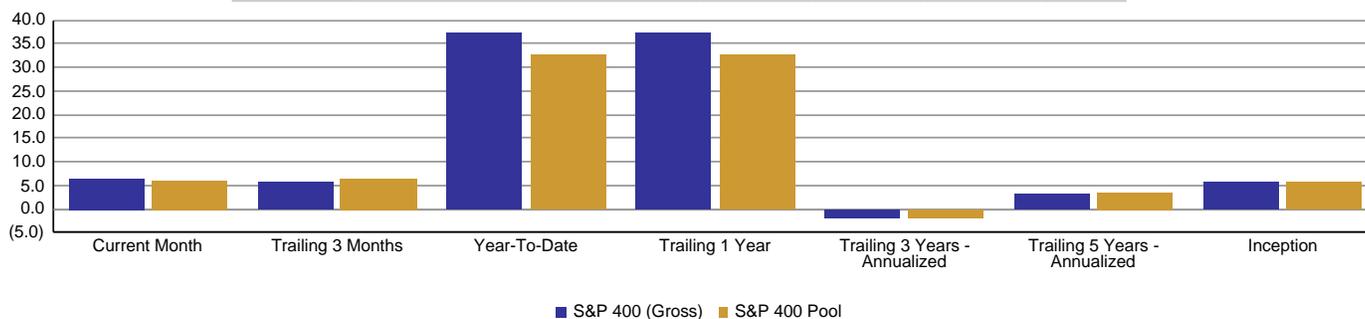
| Security ID | Security Name | % of Assets |
|-------------|---------------------------------------|-------------|
| 595635103 | MIDCAP SPDR TRUST UNIT SERIES 1 | 39.27% |
| 92532F100 | VERTEX PHARMACEUTICAL COM STK USD0.01 | 0.74% |
| 651290108 | NEWFIELD EXPLORATION CO COM STK USD0. | 0.61% |
| 225447101 | CREE INC COM STK USD0.005 | 0.55% |
| 156782104 | CERNER CORP COM STK USD0.01 | 0.53% |
| 74153Q102 | PRIDE INTL INC NEW COM USD0.01 | 0.53% |
| 143130102 | CARMAX INC COM STK USD0.50 | 0.51% |
| 481165108 | JOY GLOBAL INC COM STK USD1 | 0.51% |
| G3223R108 | EVEREST RE GROUP COM STK USD0.01 | 0.50% |
| 649445103 | NEW YORK COMMTY COM USD0.01 | 0.49% |

Top Ten Currency Weights

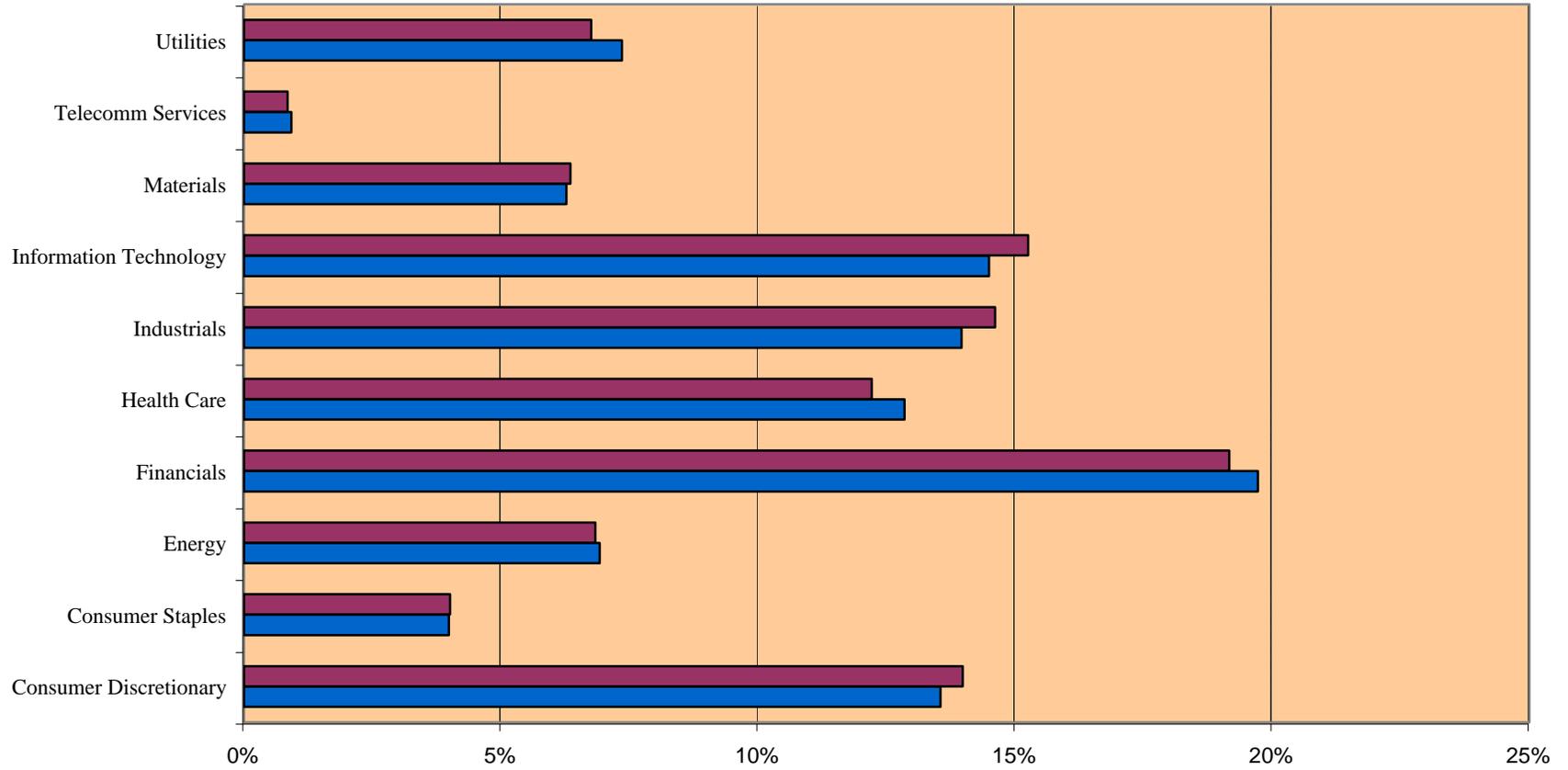


Returns Series

| | Current Month | Trailing 3 Months | Year-To-Date | Trailing 1 Year | Trailing 3 Years | Trailing 5 Years | Inception |
|-----------------|---------------|-------------------|--------------|-----------------|------------------|------------------|-----------|
| S&P 400 Pool | 6.03 | 6.29 | 32.51 | 32.51 | (1.88) | 3.34 | 5.68 |
| S&P 400 (Gross) | 6.28 | 5.56 | 37.38 | 37.38 | (1.84) | 3.28 | 5.62 |
| Excess | (0.25) | 0.73 | (4.87) | (4.87) | (0.05) | 0.07 | 0.06 |



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

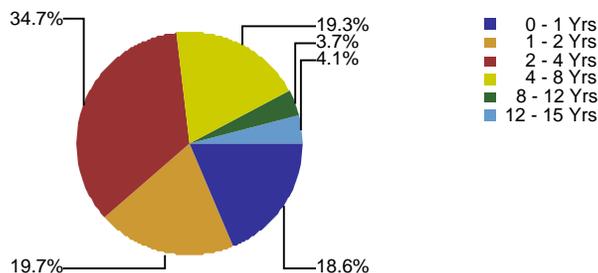


| | Consumer Discretionary | Consumer Staples | Energy | Financials | Health Care | Industrials | Information Technology | Materials | Telecomm Services | Utilities |
|-------------------------------|------------------------|------------------|--------|------------|-------------|-------------|------------------------|-----------|-------------------|-----------|
| ■ S&P MIDCAP 400 | 13.98% | 4.01% | 6.83% | 19.16% | 12.21% | 14.61% | 15.25% | 6.35% | 0.85% | 6.75% |
| ■ STATE OF ARIZONA - POOL 203 | 13.55% | 3.98% | 6.92% | 19.72% | 12.84% | 13.96% | 14.49% | 6.27% | 0.92% | 7.35% |

■ STATE OF ARIZONA - POOL 203 ■ S&P MIDCAP 400

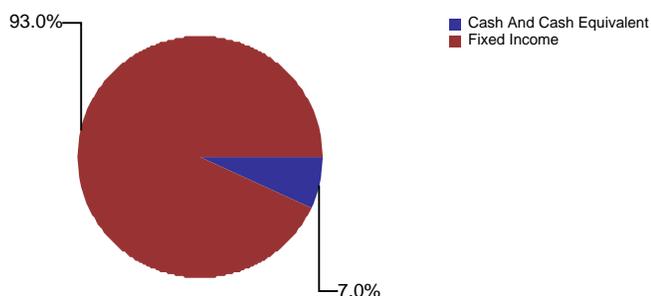
Portfolio Characteristics

| | |
|--|---------|
| Total Net Assets (Millions) | 1,433.3 |
| Weighted Average Life (Years) | 4.93 |
| Weighted Avg. Effective Duration (Years) | 3.40 |
| Weighted Average Coupon (%) | 4.60 |
| Weighted Average Current Yield (%) | 2.68 |
| Weighted Average Yield to Maturity (%) | 2.69 |
| Weighted Average Rating | AA+ |
| Number of Holdings | 226 |



Asset Mix

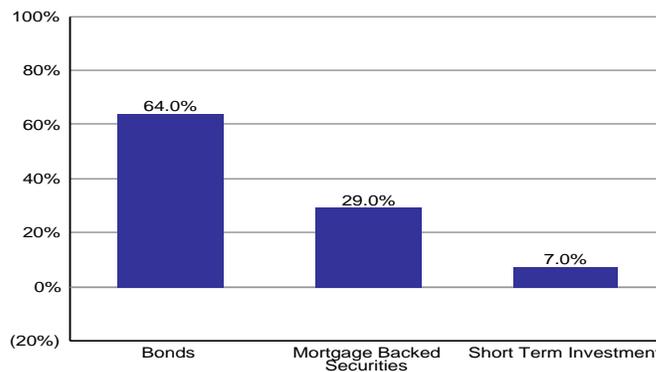
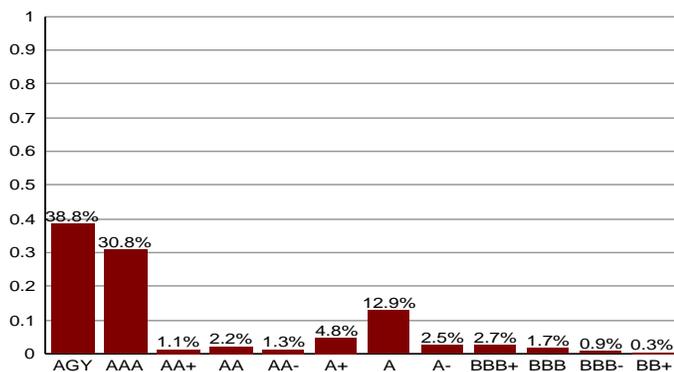
Top Ten Portfolio Holdings



| Security ID | Security Name | % of Assets | Coupon Rate | Maturity Date |
|-------------|---------------------------------------|-------------|-------------|---------------|
| 53992AA5 | LOCAL GOVERNMENT INVESTMENT POOL | 6.99% | 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 | 1.11% | 5.12 | 30/6/2011 |
| 92343VAN4 | VERIZON COMMUNICATIONS INC 5.25% NTS | 1.10% | 5.25 | 15/4/2013 |
| 931142BV4 | WAL MART STORES 931142BV4 4.125% 15/F | 1.10% | 4.12 | 15/2/2011 |
| 31395LZM6 | FREDDIE MAC 2936 PB 5.000% 15/FEB/202 | 0.91% | 5.00 | 15/2/2028 |
| 31396VAS7 | FEDERAL NATL MTG ASSOC 5.5% 25/APR/20 | 0.81% | 5.50 | 25/4/2017 |
| 06406HBB4 | BANK OF NEW YORK CO INC 5% BDS 23/MAR | 0.77% | 5.00 | 23/3/2012 |
| 92343VAM6 | VERIZON COMMUN 6.1% NTS 15/APR/2018 U | 0.77% | 6.10 | 15/4/2018 |
| 912828GZ7 | US TREAS NTS 04.625% 31/JUL/2012 | 0.77% | 4.62 | 31/7/2012 |

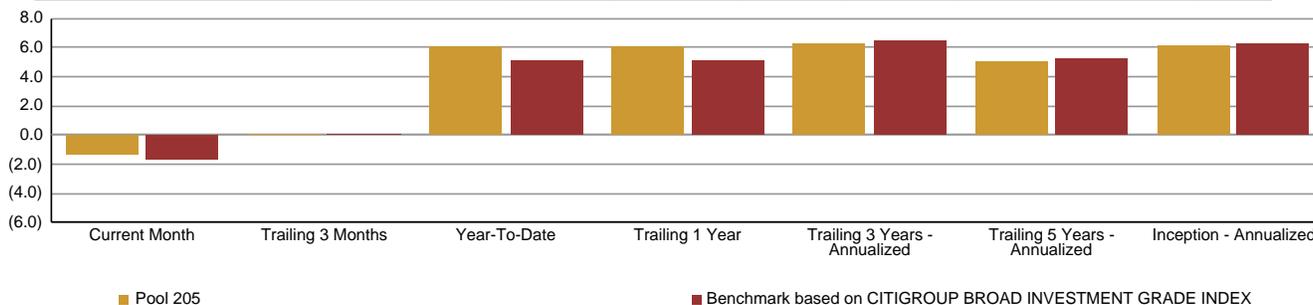
Quality/Rating Weightings

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 | (1.29) | 0.04 | 5.97 | 5.97 | 6.21 | 5.03 | 6.18 |
| Benchmark based on CITIGROUP BROAD INVESTMENT GRADE INDEX | (1.71) | 0.02 | 5.08 | 5.08 | 6.44 | 5.23 | 6.22 |
| Excess | 0.42 | 0.02 | 0.89 | 0.89 | (0.23) | (0.20) | (0.04) |

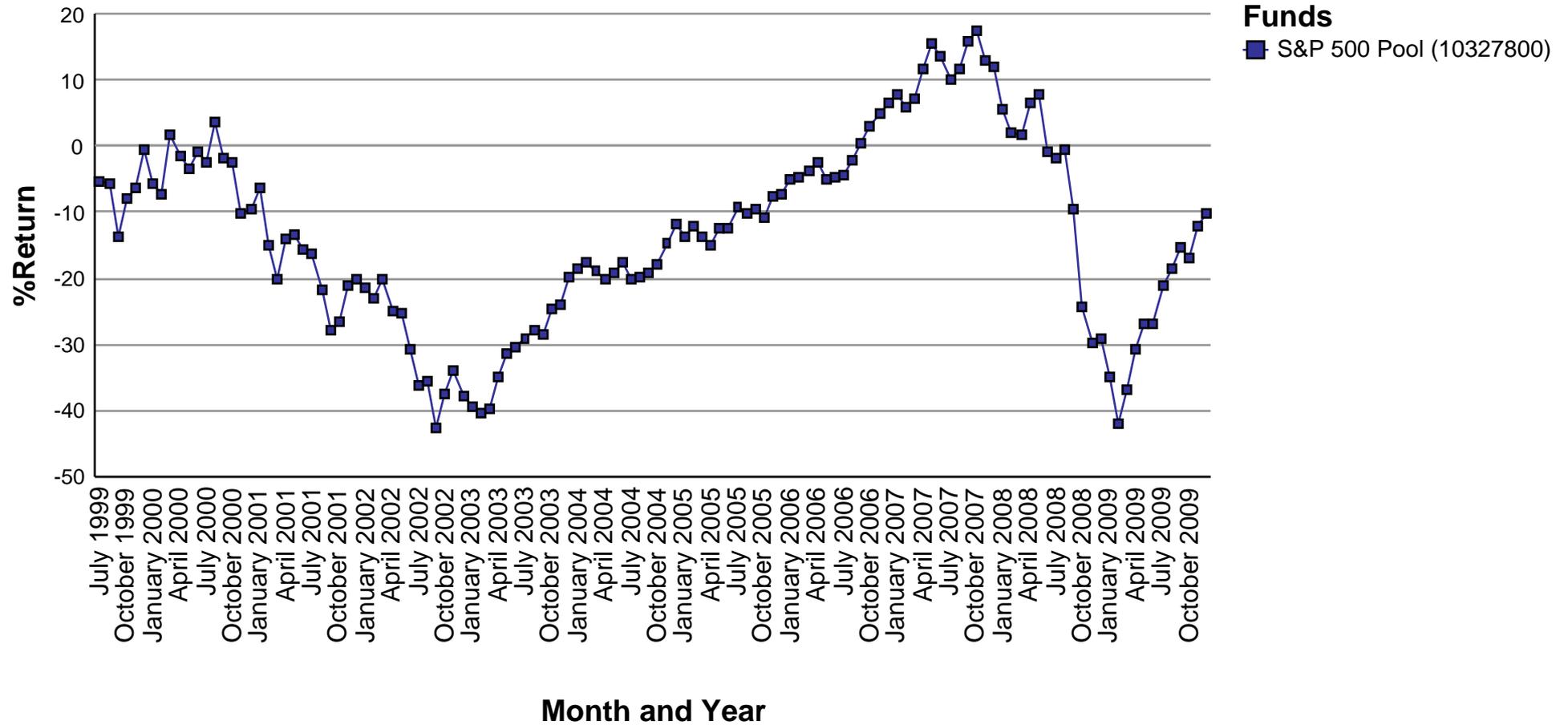


Performance Growth by Account

Arizona State Treasury (05509)

From July 1999 to December 2009

Gross of Fee

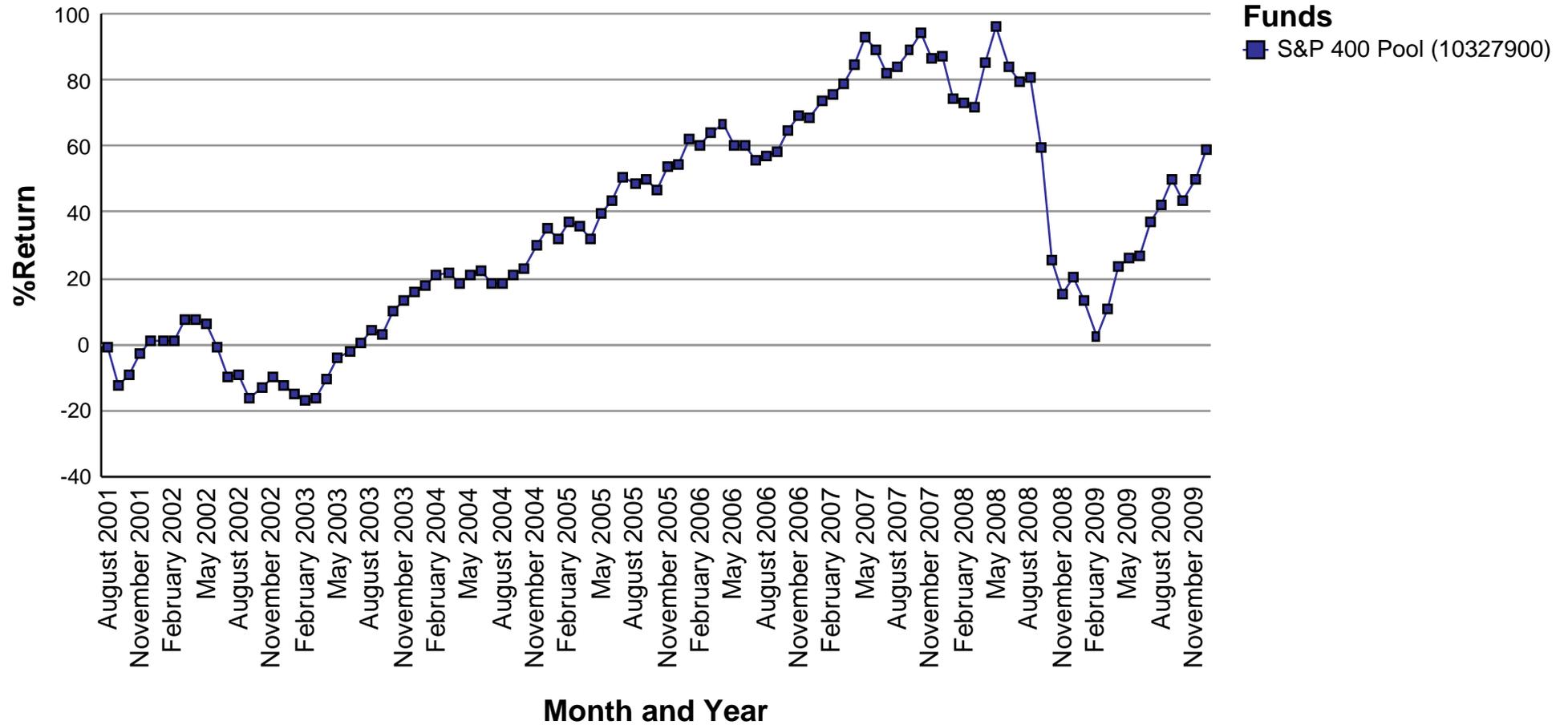


Performance Growth by Account

Arizona State Treasury (05509)

From August 2001 to December 2009

Gross of Fee

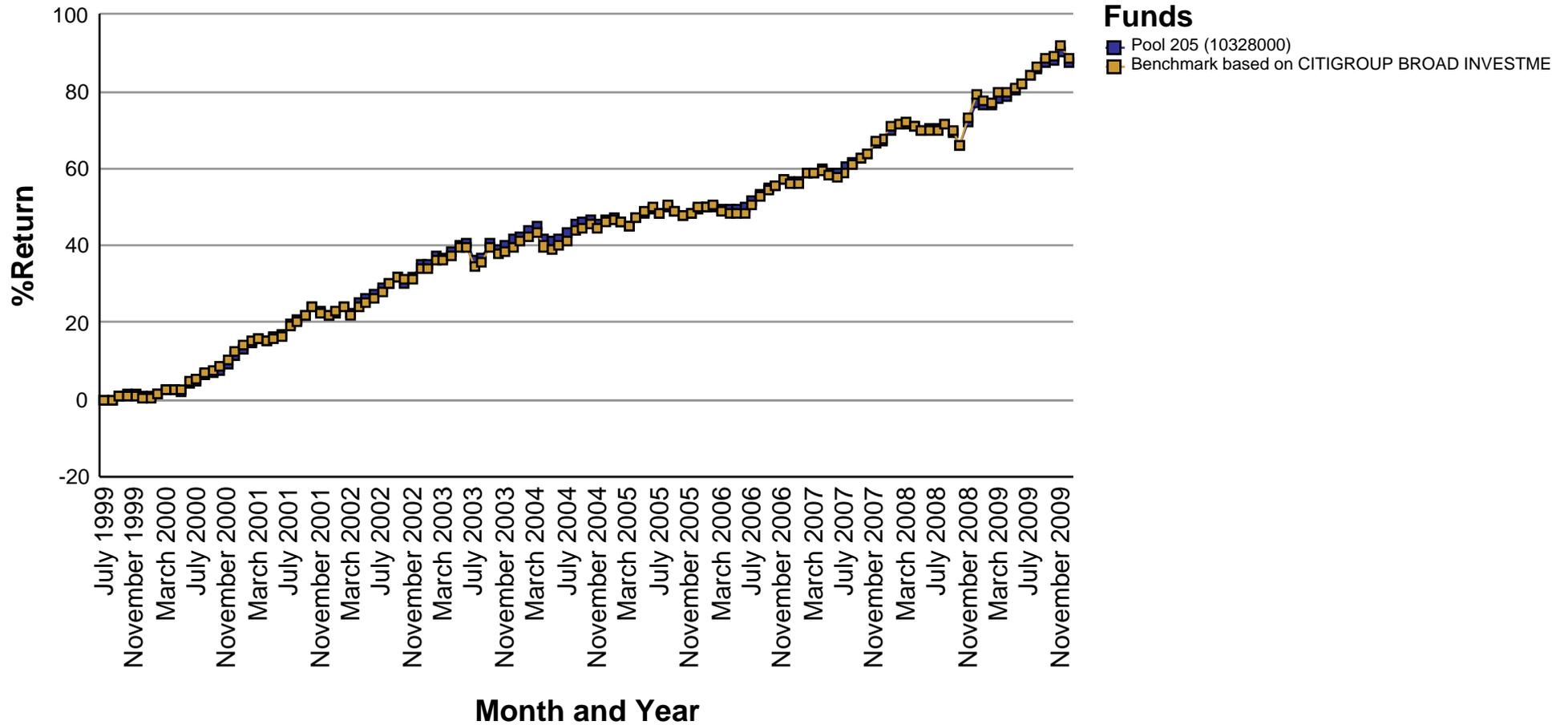


Performance Growth by Account

Arizona State Treasury (05509)

From July 1999 to December 2009

Gross of Fee



BROKER ACTIVITY REPORT
STATE AGENCY FUNDS 2, 3, 4, 12, 15, 55, 57
OCTOBER 1 - DECEMBER 31, 2009

| <i>Broker Name</i> | <i>Asset Group</i> | <i>Sum Of Book Value</i> | <i>Pct Of Type</i> | <i>Pct Of Total</i> |
|------------------------------|--------------------|--------------------------|--------------------|---------------------|
| BA SECURITIES INC. | | | | |
| | REPO | 3,644,349,816 | 13.11% | 8.67% |
| | US-AGENCY | 42,947,946 | 13.56% | 0.10% |
| | US TREAS | 100,304,807 | 26.01% | 0.24% |
| BARCLAYS CAPITAL INC. | | | | |
| | FDIC CORP NOTES | 68,609,295 | 100.00% | 0.16% |
| | US-AGENCY | 3,166,261 | 1.00% | 0.01% |
| | USA-MBS | 17,033,834 | 24.29% | 0.04% |
| | US TREAS | 103,076,348 | 26.72% | 0.25% |
| BROADPOINT CAPITAL | | | | |
| | USA-MBS | 1,595,445 | 2.27% | 0.00% |
| CANTOR FITZGERALD | | | | |
| | CORP NOTES | 9,427,500 | 32.09% | 0.02% |
| | US AGENCY | 58,534,875 | 18.48% | 0.04% |
| | USA-MBS | 17,556,172 | 25.03% | 0.14% |
| CITIGROUP | | | | |
| | REPO | 11,189,665,339 | 40.24% | 26.62% |
| | US AGENCY | 25,496,513 | 8.05% | 0.06% |
| | US TREAS | 39,984,590 | 10.37% | 0.10% |
| DEUTSCHE BANC | | | | |
| | REPO | 8,511,067,824 | 30.61% | 20.24% |
| | USA-MBS | 3,614,790 | 5.15% | 0.01% |
| | US TREAS | 49,914,426 | 12.94% | 0.12% |
| FIRST TENNESSEE | | | | |
| | US TREAS | 19,940,102 | 5.17% | 0.05% |

BROKER ACTIVITY REPORT
STATE AGENCY FUNDS 2, 3, 4, 12, 15, 55, 57
OCTOBER 1 - DECEMBER 31, 2009

| <i>Broker Name</i> | <i>Asset Group</i> | <i>Sum Of Book Value</i> | <i>Pct Of Type</i> | <i>Pct Of Total</i> |
|---------------------------------------|--------------------|--------------------------|--------------------|---------------------|
| <i>GOLDMAN SACHS</i> | | | | |
| | REPO | 228,368,788 | 0.82% | 0.54% |
| | US AGENCY | 49,992,778 | 15.78% | 0.12% |
| <i>JP MORGAN CHASE</i> | | | | |
| | MONEY-MARK | 80,252,508 | 100.00% | 0.19% |
| | CORP ABS | 7,119,103 | 100.00% | 0.02% |
| <i>JEFFRIES CO.</i> | | | | |
| | US AGENCY | 11,139,286 | 3.52% | 0.03% |
| <i>KEYBANC CAPITAL MARKETS</i> | | | | |
| | CORP NOTES | 4,977,154 | 16.94% | 0.01% |
| | US AGENCY | 16,141,750 | 5.10% | 0.04% |
| | US TREAS | 12,586,392 | 3.26% | 0.03% |
| <i>MIZUHO SECURITIES</i> | | | | |
| | REPO | 4,235,140,116 | 15.23% | 10.07% |
| | US AGENCY | 19,996,850 | 6.31% | 0.05% |
| | US TREAS | 59,899,750 | 15.53% | 0.14% |
| <i>MORGAN STANLEY</i> | | | | |
| | CORP NOTES | 14,974,200 | 50.97% | 0.04% |
| <i>RBC DAIN RAUSCHER</i> | | | | |
| | US AGENCY | 18,190,000 | 5.74% | 0.04% |
| <i>TREASURER WARRANT NOTES</i> | | | | |
| | WARRANT NOTES | 13,274,403,165 | 100.00% | 31.57% |

*BROKER ACTIVITY REPORT
STATE AGENCY FUNDS 2, 3, 4, 12, 15, 55, 57
OCTOBER 1 - DECEMBER 31, 2009*

| <i>Broker Name</i> | <i>Asset Group</i> | <i>Sum Of Book Value</i> | <i>Pct Of Type</i> | <i>Pct Of Total</i> |
|------------------------------|--------------------|--------------------------|--------------------|---------------------|
| <hr/> <i>STIFEL NICOLAUS</i> | | | | |
| | US AGENCY | 31,186,707 | 9.84% | 0.07% |
| | USA-MBS | 30,339,321 | 43.26% | 0.07% |
| <i>UBS PAINE WEBBER</i> | | | | |
| | US AGENCY | 40,000,000 | 12.63% | 0.10% |

BROKER ACTIVITY REPORT
POOL 5 - L.G.I.P.
OCTOBER 1 - DECEMBER 31, 2009

| <i>Broker Name</i> | <i>Asset Group</i> | <i>Sum Of Book Value</i> | <i>Pct Of Type</i> | <i>Pct Of Total</i> |
|------------------------------|--------------------|--------------------------|--------------------|---------------------|
| BA SECURITIES INC. | | | | |
| | REPO | 1,666,963,239 | 10.38% | 9.79% |
| | COMMERCIAL PAPER | 19,990,167 | 33.33% | 0.12% |
| | US-AGENCY | 79,999,867 | 24.30% | 0.47% |
| | US TREAS | 24,993,236 | 23.81% | 0.15% |
| BARCLAYS CAPITAL INC. | | | | |
| | CORP NOTES | 10,365,700 | 49.61% | 0.06% |
| | US-AGENCY | 71,665,396 | 21.77% | 0.42% |
| | US TREAS | 24,997,021 | 23.81% | 0.15% |
| CANTOR FITZGERALD | | | | |
| | US-AGENCY | 3,583,615 | 1.09% | 0.02% |
| CITIGROUP | | | | |
| | REPO | 4,981,233,990 | 31.01% | 29.26% |
| | COMMERCIAL PAPER | 4,999,689 | 8.34% | 0.03% |
| | CORP NOTES | 10,526,800 | 50.39% | 0.06% |
| DEUTSCHE BANC | | | | |
| | REPO | 6,270,087,543 | 39.04% | 36.83% |
| GOLDMAN SACHS | | | | |
| | REPO | 85,912,018 | 0.53% | 0.50% |
| | US-AGENCY | 118,943,668 | 36.13% | 0.70% |
| JP MORGAN CHASE | | | | |
| | COMMERCIAL PAPER | 34,987,549 | 58.33% | 0.21% |
| | MONEY MARKET | 450,234,876 | 100.00% | 2.64% |
| JEFFRIES CO. | | | | |
| | US TREAS | 24,996,125 | 23.81% | 0.15% |

BROKER ACTIVITY REPORT
POOL 5 - L.G.I.P.
OCTOBER 1 - DECEMBER 31, 2009

| <i>Broker Name</i> | <i>Asset Group</i> | <i>Sum Of Book Value</i> | <i>Pct Of Type</i> | <i>Pct Of Total</i> |
|--------------------------|--------------------|--------------------------|--------------------|---------------------|
| MIZUHO SECURITIES | | | | |
| | REPO | 3,057,092,501 | 19.03% | 17.95% |
| | US-AGENCY | 4,995,715 | 1.52% | 0.03% |
| | US TREAS | 29,999,055 | 28.57% | 0.18% |
| UBS PAINE WEBBER | | | | |
| | US-AGENCY | 49,999,917 | 15.19% | 0.29% |

BROKER ACTIVITY REPORT
POOL 500 - L.G.I.P. LONG-TERM
OCTOBER 1 - DECEMBER 31, 2009

| <i>Broker Name</i> | <i>Asset Group</i> | <i>Sum Of Book Value</i> | <i>Pct Of Type</i> | <i>Pct Of Total</i> |
|--------------------------------|--------------------|--------------------------|--------------------|---------------------|
| BARCLAYS CAPITAL INC. | | | | |
| | CORP NOTES | 54,988 | 3.51% | 0.26% |
| | US TREAS | 250,977 | 49.91% | 1.18% |
| CANTOR FITZGERALD | | | | |
| | US AGENCY | 1,024,076 | 16.69% | 4.82% |
| | USA-MBS | 559,494 | 9.61% | 2.63% |
| CITIGROUP | | | | |
| | US TREAS | 251,904 | 50.09% | 1.18% |
| GOLDMAN SACHS | | | | |
| | US AGENCY | 1,002,100 | 16.33% | 4.71% |
| GOVERNMENT PERSPECTIVES | | | | |
| | US AGENCY | 1,000,000 | 16.30% | 4.70% |
| | USA-MBS | 2,084,109 | 35.81% | 9.80% |
| JP MORGAN CHASE | | | | |
| | COMMERCIAL PAPER | 999,413 | 100.00% | 4.70% |
| | CORP NOTES | 752,066 | 48.05% | 3.54% |
| | MONEY-MARK | 6,236,961 | 100.00% | 29.34% |
| JEFFRIES & CO | | | | |
| | US AGENCY | 327,154 | 5.33% | 1.54% |
| KEYBANC CAPITAL MARKETS | | | | |
| | CORP NOTES | 523,360 | 33.44% | 2.46% |
| | US AGENCY | 530,295 | 8.64% | 2.49% |

BROKER ACTIVITY REPORT
POOL 500 - L.G.I.P. LONG-TERM
OCTOBER 1 - DECEMBER 31, 2009

| <i>Broker Name</i> | <i>Asset Group</i> | <i>Sum Of Book Value</i> | <i>Pct Of Type</i> | <i>Pct Of Total</i> |
|--------------------------|--------------------|--------------------------|--------------------|---------------------|
| MORGAN STANLEY | | | | |
| | CORP NOTES | 234,786 | 15.00% | 1.10% |
| RBC DAIN RAUSCHER | | | | |
| | US AGENCY | 1,252,300 | 20.41% | 5.89% |
| ROBERT W BAIRD | | | | |
| | USA-MBS | 3,176,107 | 54.58% | 14.94% |
| UBS PAINE WEBBER | | | | |
| | US AGENCY | 1,000,000 | 16.30% | 4.70% |

BROKER ACTIVITY REPORT
POOL 7 - L.G.I.P.- GOV
OCTOBER 1 - DECEMBER 31, 2009

| <i>Broker Name</i> | <i>Asset Group</i> | <i>Sum Of Book Value</i> | <i>Pct Of Type</i> | <i>Pct Of Total</i> |
|------------------------------|--------------------|--------------------------|--------------------|---------------------|
| BA SECURITIES INC. | | | | |
| | REPO | 5,038,986,945 | 11.33% | 10.98% |
| | US TREAS | 70,698,228 | 12.77% | 0.15% |
| BARCLAYS CAPITAL INC. | | | | |
| | US TREAS | 102,928,183 | 18.59% | 0.22% |
| CITIGROUP | | | | |
| | REPO | 20,076,100,671 | 45.13% | 43.76% |
| | US TREAS | 44,997,418 | 8.13% | 0.10% |
| DEUTSCHE BANC | | | | |
| | REPO | 11,721,844,634 | 26.35% | 25.55% |
| | US TREAS | 114,988,747 | 20.77% | 0.25% |
| GOLDMAN SACHS | | | | |
| | REPO | 795,719,195 | 1.79% | 1.73% |
| JP MORGAN CHASE | | | | |
| | MONEY MARKET | 843,876,205 | 100.00% | 1.84% |
| | US TREAS | 29,995,303 | 5.42% | 0.07% |
| MIZUHO SECURITIES | | | | |
| | REPO | 6,847,767,383 | 15.40% | 14.93% |
| | US TREAS | 189,923,122 | 34.31% | 0.41% |

BROKER ACTIVITY REPORT
POOL 700 - L.G.I.P.- GOV LONG-TERM
OCTOBER 1 - DECEMBER 31, 2009

| <i>Broker Name</i> | <i>Asset Group</i> | <i>Sum Of Book Value</i> | <i>Pct Of Type</i> | <i>Pct Of Total</i> |
|--------------------------------|--------------------|--------------------------|--------------------|---------------------|
| BA SECURITIES INC. | | | | |
| | REPO | 40,000,000 | 7.87% | 5.59% |
| BARCLAYS CAPITAL INC. | | | | |
| | US TREAS | 349,619 | 2.83% | 0.05% |
| | USA-MBS | 1,004,035 | 12.76% | 0.14% |
| CANTOR FITZGERALD | | | | |
| | USA-MBS | 2,158,963 | 27.44% | 0.30% |
| CITIGROUP | | | | |
| | REPO | 143,000,000 | 28.12% | 19.99% |
| | US TREAS | 6,001,051 | 48.60% | 0.84% |
| DEUTSCHE BANC | | | | |
| | REPO | 110,000,000 | 21.63% | 15.38% |
| | USA-MBS | 503,473 | 6.40% | 0.07% |
| FIRST TENNESSEE | | | | |
| | US TREAS | 502,617 | 4.07% | 0.07% |
| GOLDMAN SACHS | | | | |
| | FDIC - CORP NOTES | 1,025,520 | 23.57% | 0.14% |
| JP MORGAN CHASE | | | | |
| | MONEY MARKET | 182,152,196 | 100.00% | 25.47% |
| | US TREAS | 499,769 | 4.05% | 0.07% |
| KEYBANC CAPITAL MARKETS | | | | |
| | US TREAS | 4,994,600 | 40.45% | 0.70% |
| MIZUHO SECURITIES | | | | |
| | REPO | 215,500,000 | 42.38% | 30.13% |

BROKER ACTIVITY REPORT
POOL 700 - L.G.I.P.- GOV LONG-TERM
OCTOBER 1 - DECEMBER 31, 2009

| <i>Broker Name</i> | <i>Asset Group</i> | <i>Sum Of Book Value</i> | <i>Pct Of Type</i> | <i>Pct Of Total</i> |
|-------------------------|--------------------|--------------------------|--------------------|---------------------|
| MORGAN STANLEY | | | | |
| | FDIC - CORP NOTES | 2,038,780 | 46.86% | 0.29% |
| STIFEL NICOLAUS | | | | |
| | USA-MBS | 110,220 | 1.40% | 0.02% |
| UBS PAINE WEBBER | | | | |
| | USA-MBS | 4,092,634 | 52.01% | 0.57% |
| WELLS FARGO | | | | |
| | FDIC - CORP NOTES | 1,286,570 | 29.57% | 0.18% |

**BROKER ACTIVITY REPORT
FIXED INCOME FUND 205
OCTOBER 1 - DECEMBER 31, 2009**

| <i>Broker Name</i> | <i>Asset Group</i> | <i>Sum Of Book Value</i> | <i>Pct Of Type</i> | <i>Pct Of Total</i> |
|---------------------------------|--------------------|--------------------------|--------------------|---------------------|
| BARCLAYS CAPITAL INC. | | | | |
| | US TREAS | 5,443,945 | 12.27% | 2.89% |
| BROADPOINT CAPITAL | | | | |
| | US AGENCY | 10,014,500 | 41.23% | 5.31% |
| | USA MBS | 18,503,631 | 100.00% | 9.81% |
| CITIGROUP | | | | |
| | US TREAS | 33,538,340 | 75.56% | 17.78% |
| DEUTSCHE BANC | | | | |
| | US TREAS | 5,402,344 | 12.17% | 2.86% |
| | US AGENCY | 5,268,870 | 21.69% | 2.79% |
| GOVERNMENT PERSPECTIVES | | | | |
| | CORP-NOTE | 5,027,450 | 100.00% | 2.66% |
| JP MORGAN CHASE | | | | |
| | MONEY-MARK | 96,473,843 | 100.00% | 51.13% |
| KEY BANC CAPITAL MARKETS | | | | |
| | US AGENCY | 9,004,005 | 37.07% | 4.77% |