

OFFICE OF THE
ARIZONA STATE TREASURER



**HON. DEAN MARTIN
TREASURER**



JUNE 2009

Presented To:

Arizona State Board of Investment

JULY 22, 2009

STATE BOARD OF INVESTMENT

A G E N D A

July 22, 2009

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

Activity Reports

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

Holdings Reports

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

Balance Report

- F. Operating Monies Invested Balances

5. Review of Treasurer's Monthly Reports - Endowments

Activity Reports

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

Holdings Reports

- G. Investments Outstanding; Endowment Pools
 - H. Rating Summaries – Endowments
 - I. Equity Holdings – Investments Outstanding by Sector
 - S&P 500
 - S&P 400
 - J. Equity Holdings by Participant
 - K. Broker Activity Report
6. Proposed Changes to the Investment Policy
- A. Review of Proposed Changes
 - B. Public Comment on Proposed Changes
 - C. Discussion and Action on Proposed Changes
7. Review and approval of Proposed/Pending Securities Dealers
8. General Business
9. Call to the Public
10. Notice of Next Meeting
11. Adjournment

A person with a disability may request a reasonable accommodation such as a sign language interpreter by contacting Deputy Treasurer Klint Tegland, ADA Coordinator, Office of the State Treasurer, 1700 West Washington, West Wing, State Capitol, Phoenix, Arizona 85007, telephone (602) 604-7816. Requests should be made as early as possible to allow time to arrange the accommodation.

Note: To ensure compliance with the Open Meeting Law, recipients of this message should not forward it to other members of the public body. Members of the public body may reply to this message, but they should not send a copy of the reply to other members (please do not "reply to all").

REPORT OF THE STATE TREASURER

FOR

July 22, 2009

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**Minutes of
BOARD OF INVESTMENT MEETING**

The regular meeting of the State Board of Investment was held on June 17, 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 1:37 p.m.

Members Present:

Dean Martin, Chair, State Treasurer
David Raber, Arizona Department of Administration, designee for William Bell,
Director, 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
Charlotte Hosseini, Arizona Department of Administration
Tim White, Senior Portfolio Manager, Arizona State Treasurer's Office
Patty Humbert, Portfolio Manager, Arizona State Treasurer's Office
Dale Stomberg, Investment Accounting Manager, Arizona State Treasurer's Office
John Coughlin, Intern for the Treasurers Office, attending Miami University,
Oxford, Ohio
Sheila W. Asher, Vice President Relationship Manager J. P. Morgan

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

Review of Treasurer's Monthly Reports – Investment Pools

Activity Reports

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

Holdings Reports

- C. Investments Outstanding; Investment Pools
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Balance Report

- F. Operating Monies Invested Balances

Review of Treasurer's Monthly Reports – Endowments

Activity Reports

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

Holdings Reports

- G. Investments Outstanding; Endowment Pools
- H. Rating Summaries – Endowments
- I. Equity Holdings – Investments Outstanding by Sector
 - S&P 500
 - S&P 400
- J. Equity Holdings by Participant

1. Call to Order:

Treasurer Martin called the June 17, 2009 BOI meeting to order at approximately 1:37 p.m.

2. Treasurers Comments:

Treasurer Martin welcomed board members and guests and thanked all present for attending the June 17, 2009 meeting.

3. *Approval of Minutes:*

Mr. Maguire made a motion to approve the minutes for the May 20, 2009 Board of Investment Meeting. Ms. Rotellini seconded the motion. Motion carried.

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

Mr. White 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. White 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 May, 2009.

State Agency Pools Portfolio Yield Analysis

Mr. White reported the gross yields for the State Agency Pools for the month of May, 2009.

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

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

Pool 500 Portfolio Yield Analysis

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

Investments Outstanding in State Agency Pools

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

Investments Outstanding Pools 5, 7, and 500

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

Treasurer Martin advised the board members that the strategy has not changed for Pool 5. The duration is being kept short in order to protect against another monetary freeze.

Investments Outstanding Pool 500 Shares

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

Rating Summary for State Agencies

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

Rating Summary for LGIP Pool 5

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

Rating Summary LGIP-Long Term Pool 500

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

Rating Summary LGIP-Gov Pool 7

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

LGIP Maturity Summary Pool 5

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

LGIP Maturity Summary Pool 7

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

LGIP Long Term Maturity Summary Pool 500

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

Operating Monies Average Invested Balance

Mr. White reported the Operating Monies average invested balance for the month of May, 2009.

The chart "State Operating Balance: Actual vs Adjusted for One Time Transfers" was included with the BOI Report. Treasurer Martin, referring to this graph, pointed out that the trend may indicate a slight improvement in the economy. Ms. Rotellini asked what

caused the increase in operating balances in December. Mr. Swenson responded the increase was because of the sale of School Facility bonds.

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

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

Earnings Distributed Endowment Funds

Mr. White reported the earnings distributed for the Endowment Funds for the month of May, 2009, FY09 fiscal year to date, and FY08 fiscal year to date.

Endowment Funds Yield Analysis

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

Monthly Return Analysis for the Endowment Funds

Mr. White reported the total return numbers for the Endowment Funds for the month of May, 2009 and FY09 fiscal year to date, as well as the comparison to their respective benchmarks.

Net Realized Capital Gains/Losses – Endowment Funds

Mr. White reported the net realized capital gains for the Endowment Fixed Income, S&P 500, and S&P 400 pools for the month of May, 2009 and FY09 fiscal year to date.

Endowment Funds Fixed-Income Pool Purchases & Sales

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

Equity Funds Purchases & Sales

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

Investments Outstanding in Endowment Funds

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

Rating Summary Endowment Fixed Income Fund

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

Equity Holdings Investments Outstanding S&P 500

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

Equity Holdings Investments Outstanding S&P 400

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

Equity Holdings – By Participant

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

Approval of Treasurer's Report

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

6. Proposed Changes to Investment Policy

There were no proposed changes to the Investment Policy.

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

There were no Securities Dealers to be approved this month.

8. General Business:

A. Discuss Pool 8 to Pool 4 Conversion.

Treasurer Martin advised the members of the board that Pool 8 no longer exists and all of the assets in Pool 8 have been converted to Pool 4. Treasurer Martin noted that "basically Pools 2, 3, and 4 will be State Agencies and Pools 5 and 7 will be Government." Mr. Swenson added that the Investment Policy will be changed in a later meeting to reflect those changes.

B. Senate Bill 1150; Board of Investment Membership

Treasurer Martin informed board members that he is working on Senate Bill 1150, which will add one more member to the Board of Investments. The new member will represent the Endowment customers. Mr. Raber questioned "How would that member be selected?" Treasurer Martin responded that he would appoint that person.

C. Samples of the new pages for the BOI Report.

Mr. Swenson explained to the Board Members, the second packet received with the BOI Report this month are examples of new pages for the Report J.P. Morgan will be producing after taking over the accounting process on July 1. He noted that in the new report each pool will be reflected individually on a separate page. Each page of the report will have current data as well as historical data versus a benchmark. This new information will be used for the first time in the August meeting and any comments or suggestions would be welcomed.

9. Call to the Public

There was no public comment.

Treasurer Martin advised the board that the Governor's Office has appointed a new Land Department Director and a request has been made that we submit recommendations for Trust Land changes. We have submitted four changes. The first is the change is to use the calendar year as opposed to the fiscal year. The second is a change to the distribution schedule that would be 2% of the market value. The third is to allow us to add additional asset classes, up to 20% of the market value, and the last change would be to charge a management fee to the Endowment to help pay for the costs.

10. Notice of Next Meeting:

The Treasurer advised the Board that the next regular meeting of the Board of Investment will be Wednesday, July 22, 2009 at 1:30 p.m. at 1700 West Washington, State Capitol, West Wing, Treasurer's Conference Room, Phoenix, Arizona. He also noted that the July meeting will be on July 22nd rather than July 15th because the conversion of the new accounting system will take place on July 1st.

11. Adjournment:

Mr. Maguire made a motion to adjourn the BOI meeting. Ms. Rotellini seconded the motion. Upon unanimous approval, the BOI meeting was adjourned at 2:18 p.m.

Respectfully Submitted by:

Helen D. Garafola
Executive Consultant

Approved by:

Dean Martin, Chair

Date:

EARNINGS DISTRIBUTION - INVESTMENT POOLS

JUNE 2009

State Treasurer's Report

July 22, 2009

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Recipient	Earnings Distributed			Fiscal YTD Investment Management Fees Received
	JUNE 2009	Fiscal YTD 08/09	Fiscal YTD 07/08	
General Fund	\$235,002	\$20,603,672	\$96,197,036	
2 State Agencies I - Full Faith & Credit	1,488,898	26,821,310	35,870,715	\$540,607
3 State Agencies II - Diversified	270,195	33,888,172	99,280,290	998,026
5 Local Governments	2,887,330	31,667,258	109,256,485	1,473,510
6 State Agencies III - US Govt & Agency	0	52,505	181,904	2,151
7 LGIP Gov't	36,409	23,501,454	63,345,463	1,749,004
8 State Agencies IV - Restricted Diversified	0	14,584,954	13,604,292	324,813
9 * ADOT - BFO	0	0	0	52,031
11 School Facilities Board	0	62,790	426,358	4,782
12 CAWCD Medium-Term	131,671	4,449,673	4,889,942	68,876
14 School Facilities Board 2002 Series	0	128,213	1,086,553	6,563
15 GADA Long-Term	19,060	670,932	814,217	9,752
Subtotal	\$5,068,565	\$156,430,933	\$424,953,254	\$5,230,115
NAV POOL				
500 LGIP LT	193,046	2,413,202	1,525,752	39,191
Total	\$5,261,610	\$158,844,135	\$426,479,006	\$5,269,306

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

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

State Treasurer's Report
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FUND	DESCRIPTION	NET EARNINGS	SALES EARNINGS YIELD	AMORT/DISC EARNINGS YIELD	COUPON EARNINGS YIELD	GROSS YIELD
2	STATE AGENCIES I - FULL FAITH & CREDIT	1,461,782	0.0389%	-0.1783%	2.5438%	2.4044%
3	STATE AGENCIES II - DIVERSIFIED	782,343	-0.3653%	0.0541%	1.1592%	0.8480%
6	STATE AGENCIES III - US GOVT & AGENCY	0	0.0000%	0.0000%	0.0000%	0.0000%
8	STATE AGENCIES IV-RESTRICTED DIVERSIFIED	296,808	0.0000%	-0.3511%	0.9930%	0.6418%
9	BOARD FUNDING OBLIGATION	0	0.0000%	0.0000%	0.0000%	0.0000%
11	SCHOOL FACILITIES BOARD	0	0.0000%	0.0000%	0.0000%	0.0000%
12	CAWCD MEDIUM TERM	311,931	0.0000%	-0.3993%	3.8747%	3.4754%
14	SCHOOL FACILITIES BOARD BONDS	0	0.0000%	0.0000%	0.0000%	0.0000%
15	GADA	32,395	0.0000%	-0.1917%	3.4788%	3.2871%
TOTAL STATE AGENCIES		2,885,260				

LGIP & LGIP-GOV
PORTFOLIO YIELD ANALYSIS
 June 30, 2009

State Treasurer's Report
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FUND	DESCRIPTION	NET EARNINGS	SALES EARNINGS YIELD	AMORT/DISC EARNINGS YIELD	COUPON EARNINGS YIELD	GROSS YIELD
5	LGIP	732,391	-0.0012%	-0.2613%	0.7647%	0.5022%
7	LGIP - GOV	451,526	0.0001%	-0.0972%	0.3213%	0.2242%
	TOTAL LGIP & LGIP-GOV	1,183,917				
		04/30/09	05/31/09	06/30/09		
5	LGIP MONTHLY YIELD (NET)	0.53%	0.51%	0.44%		
	S & P LGIP INDEX YIELD	0.60%	0.51%	0.44%		
	LGIP YTD YIELD (NET)	1.48%	1.40%	1.34%		
	S & P LGIP YTD INDEX YIELD	1.60%	1.48%	1.40%		
7	LGIP - GOV MONTHLY YIELD (NET)	0.23%	0.20%	0.16%		
	3 MONTH T-BILL	0.15%	0.16%	0.16%		
	* S & P LGIP - GOV INDEX YIELD	0.50%	0.43%	0.37%		
	LGIP - GOV YTD YIELD (NET)	0.75%	0.70%	0.65%		
	YTD 3 MONTH T-BILL	0.60%	0.57%	0.53%		
	* S & P LGIP - GOV YTD INDEX YIELD	1.44%	1.33%	1.26%		

* 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 LONG TERM POOL
PORTFOLIO YIELD ANALYSIS**
June 30, 2009

State Treasurer's Report
July 22, 2009
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FUND	DESCRIPTION	GROSS EARNINGS	SALES EARNINGS YIELD	AMORT/DISC EARNINGS YIELD	COUPON EARNINGS YIELD	GROSS YIELD
500	LGIP LONG TERM POOL	196,227	0.1075%	-0.4867%	3.8251%	3.4458%
	TOTAL LGIP LONG TERM POOL	196,227				

	04/30/09	05/31/09	06/30/09
LGIP LONG TERM MONTHLY YIELD (NET)	3.37%	3.25%	3.39%
MERRILL 1-5 US D M INDEX MONTHLY YIELD	2.86%	2.97%	3.08%
LGIP LONG TERM YTD YIELD (NET)	3.76%	3.71%	3.68%
MERRILL 1-5 US D M INDEX YTD YIELD	3.70%	3.63%	3.59%

STATE AGENCY POOLS
INVESTMENTS OUTSTANDING

JUNE 30, 2009
(in thousands)

State Treasurer's Report
July 22, 2009
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POOL	INVESTMENT POOL	PAR VALUE	BOOK VALUE	MARKET VALUE	UNREALIZED GAINS (LOSSES)	Mkt Value/ Book Value
2	State Agencies I - Full Faith & Credit					
	Repurchase Agreements	120,000	120,000	120,000	0	
	FDIC - Commercial Paper	10,000	10,000	9,999	(0)	
	U.S. Government & Agencies	491,119	493,229	500,228	7,000	
	FDIC - Corporate Securities	86,300	86,997	87,533	537	
	Total	707,419	710,225	717,761	7,536	1.011
3	State Agencies II - Diversified					
	Repurchase Agreements	360,000	360,000	360,000	0	
	U.S. Government & Agencies	133,825	133,130	133,767	637	
	FDIC - Corporate Securities	13,000	13,061	13,206	144	
	Corporate Securities	570,948	569,532	563,393	(6,138)	
	Total	1,077,772	1,075,723	1,070,366	(5,356)	0.995
6	State Agencies III - US Govt & Agency					
	Repurchase Agreements	0	0	0	0	
	U.S. Government & Agencies	0	0	0	0	
	Total	0	0	0	0	0.000
8	State Agencies IV - Restricted Diversified					
	Money Market Mutual Shares	10,443	10,443	10,443	0	
	Repurchase Agreements	450,000	450,000	450,000	0	
	U.S. Government & Agencies	578,343	583,075	583,829	754	
	FDIC - Corporate Securities	50,600	50,868	51,220	351	
	Total	1,089,386	1,094,387	1,095,492	1,105	1.001
9	ADOT B.F.O.					
	Board Funding Obligations	0	0	0	0	
	Total	0	0	0	0	0.000
11	School Facilities Board					
	Repurchase Agreements	0	0	0	0	
	U.S. Government & Agencies	0	0	0	0	
	Total	0	0	0	0	0.000

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

State Treasurer's Report
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POOL	INVESTMENT POOL	PAR VALUE	BOOK VALUE	MARKET VALUE	UNREALIZED GAINS (LOSSES)	Mkt Value/ Book Value
12	CAWCD Medium-Term					
	Money Market Mutual Shares	11,308	11,308	11,308	0	
	U.S. Government & Agencies	50,148	50,336	50,798	462	
	Corporate Securities	49,194	49,470	48,725	(744)	
	Total	110,650	111,114	110,831	(282)	0.997
14	School Facilities Board Bonds					
	Repurchase Agreements	0	0	0	0	
	U.S. Government & Agencies	0	0	0	0	
	Total	0	0	0	0	0.000
15	GADA					
	Money Market Mutual Shares	2,540	2,540	2,540	0	
	U.S. Government & Agencies	7,323	7,352	7,474	122	
	Corporate Securities	2,225	2,243	2,127	(116)	
	Total	12,089	12,136	12,142	6	1.000
55	LGIP - NPF					
	<i>NPF Securities</i>	61,929	61,914	0	(61,914)	
	Total	61,929	61,914	0	(61,914)	0.000
57	LGIP - LEHMAN BROTHERS HOLDINGS					
	<i>Lehman Bonds</i>	39,450	39,427	5,819	(33,608)	
	Total	39,450	39,427	5,819	(33,608)	0.148
TOTALS - AGENCY POOLS						
	Repurchase Agreements	930,000	930,000	930,000	0	
	Money Market Mutual Shares	24,291	24,291	24,291	0	
	FDIC - Commercial Paper	10,000	10,000	9,999	(0)	
	Commercial Paper	0	0	0	0	
	U.S. Government & Agencies	1,260,758	1,267,122	1,276,097	8,974	
	FDIC - Corporate Securities	149,900	150,926	151,959	1,033	
	Corporate Securities	622,367	621,244	614,246	(6,999)	
	Board Funding Obligations	0	0	0	0	
	<i>NPF Securities</i>	61,929	61,914	0	(61,914)	
	<i>Lehman Bonds</i>	39,450	39,427	5,819	(33,608)	
	Grand Total	3,098,696	3,104,924	3,012,411	(92,514)	

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

State Treasurer's Report
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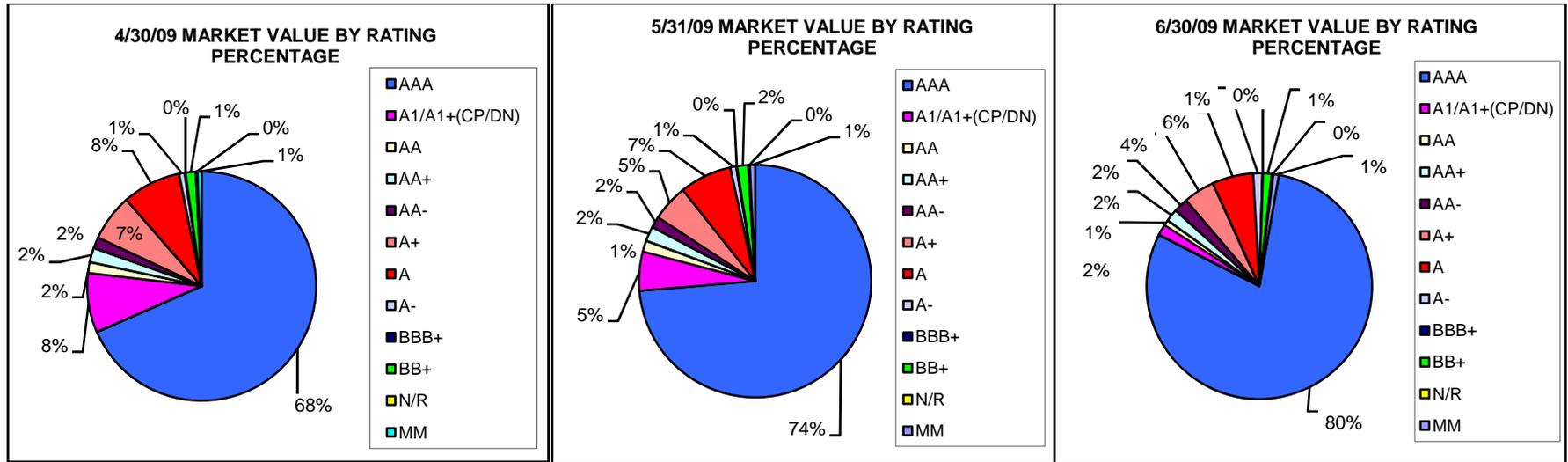
POOL	INVESTMENT POOL	PAR VALUE	BOOK VALUE	MARKET VALUE	UNREALIZED GAINS (LOSSES)	Mkt Value/ Book Value
5	Local Governments					
	Repurchase Agreements	360,000	360,000	360,000	0	
	Commercial Paper	20,000	19,988	19,988	0	
	FDIC - Commercial Paper	225,000	224,905	224,874	(31)	
	Certificates of Deposit	0	0	0	0	
	U.S. Government & Agencies	1,101,777	1,102,183	1,102,486	303	
	Corporate Securities	324,540	324,313	321,476	(2,837)	
	Total	2,031,317	2,031,388	2,028,824	(2,565)	0.999
7	LGIP - Gov't					
	Repurchase Agreements	2,360,000	2,360,000	2,360,000	0	
	FDIC - Commercial Paper	60,000	59,996	59,996	(0)	
	U.S. Government & Agencies	500,498	500,822	500,959	137	
	Total	2,920,498	2,920,818	2,920,955	137	1.000
500	LGIP LT					
	Money Market Mutual Shares	3,238	3,238	3,238	0	
	Commercial Paper	0	0	0	0	
	U.S. Government & Agencies	46,476	46,889	47,906	1,016	
	Corporate Securities	17,290	17,349	17,476	127	
	FDIC - Corporate Securities	1,500	1,498	1,499	1	
	Dividends Payable/Other	(54)	(54)	(54)	0	
	Total	68,450	68,920	70,065	1,144	
	TOTALS - LGIP POOLS					
	Repurchase Agreements	2,720,000	2,720,000	2,720,000	0	
	Money Market Mutual Shares	3,238	3,238	3,238	0	
	FDIC - Commercial Paper	285,000	284,901	284,870	(31)	
	Commercial Paper	20,000	19,988	19,988	0	
	Certificates of Deposit	0	0	0	0	
	U.S. Government & Agencies	1,648,751	1,649,895	1,651,351	1,457	
	Corporate Securities	341,830	341,662	338,952	(2,710)	
	FDIC - Corporate Securities	1,500	1,498	1,499	1	
	Dividends Payable/Other	(54)	(54)	(54)	0	
	Grand Total	5,020,265	5,021,127	5,019,844	(1,283)	

SHARES OUTSTANDING
LOCAL GOVERNMENT LONG TERM FUNDS
 JUNE 30, 2009
 (In Thousands)

State Treasurer's Report
 July 22, 2009
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FUND	NAME OF FUND	SHARES OUTSTANDING	BOOK VALUE	MARKET VALUE	UNREALIZED GAINS (LOSSES)	NAV
500	<i>Shares in LGIP LT Fund</i>	68,860	69,285	70,535	1,250	
	Total	68,860	69,285	70,535	1,250	1.018

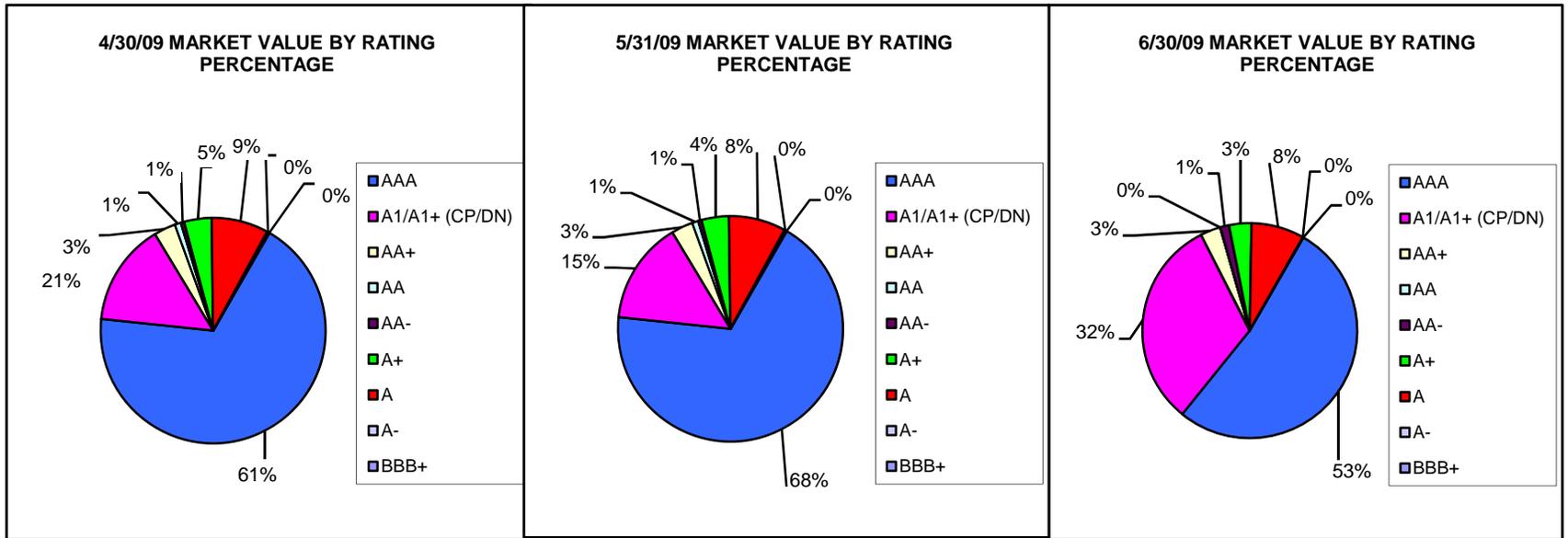
**ARIZONA STATE TREASURER'S OFFICE
RATING SUMMARY
STATE AGENCY POOLS 2, 3, 6, 8, 9, 11 - 15, 55, 57**



	04/30/09			05/31/09			06/30/09		
RATING	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT
AAA	181	\$1,822,681,767	68%	174	\$1,975,996,246	73%	208	\$2,401,691,316	80%
A1/A1+(CP/DN)	10	\$207,581,170	8%	7	\$133,774,538	5%	2	\$47,992,804	2%
AA	4	\$41,077,293	2%	4	\$41,414,484	2%	3	\$23,791,854	1%
AA+	5	\$52,932,650	2%	5	\$54,185,615	2%	5	\$54,784,751	2%
AA-	5	\$41,685,404	2%	5	\$41,702,716	2%	7	\$61,320,428	2%
A+	19	\$173,893,318	7%	18	\$134,160,094	5%	18	\$134,525,212	4%
A	22	\$218,208,218	8%	21	\$192,982,040	7%	21	\$178,452,712	6%
A-	3	\$21,470,794	1%	3	\$21,545,739	1%	4	\$39,038,892	1%
BBB+	2	\$2,561,678	0%	2	\$2,715,303	0%	2	\$2,809,810	0%
BB+	5	\$38,955,760	1%	5	\$41,432,100	2%	5	\$37,885,135	1%
N/R	19	\$5,530,071	0%	19	\$5,825,946	0%	20	\$5,826,389	0%
MM	2	\$15,594,181	1%	2	\$19,372,659	1%	3	\$24,291,380	1%
TOTAL	277	\$2,642,172,303	100%	265	\$2,665,107,479	100%	298	\$3,012,410,682	100%

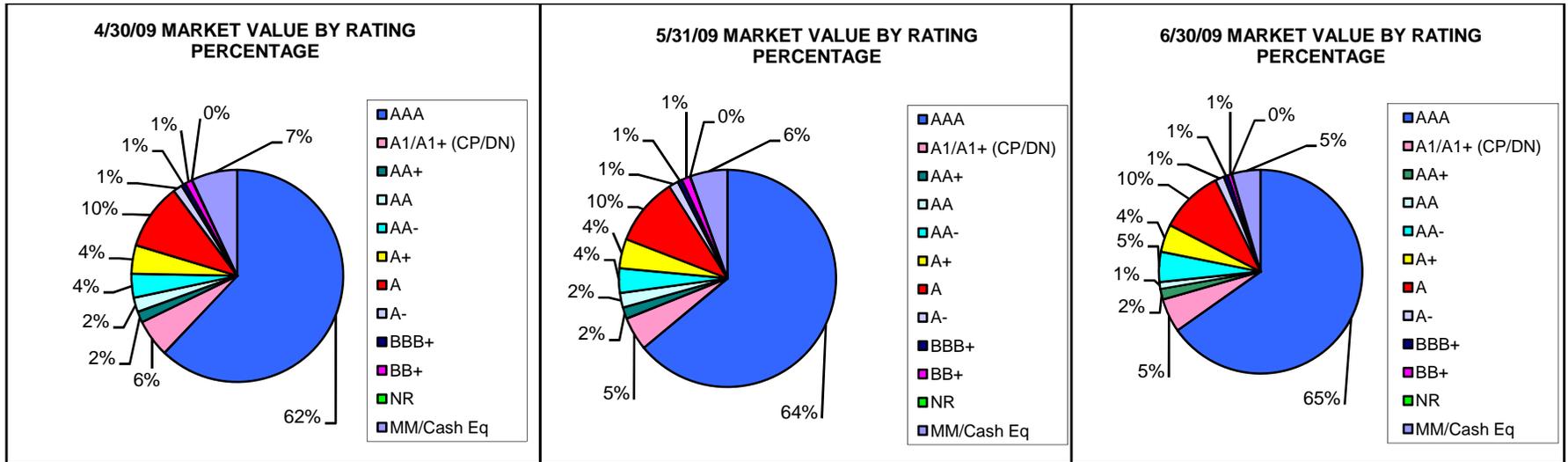
MM = MONEY MARKET (JP MORGAN US GOVERNMENT & JP MORGAN US TREASURY PLUS)
N/R = A TAX DEFERRED (7,514) AND NCFE

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



	04/30/09			05/31/09			06/30/09		
RATING	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT
AAA	39	\$1,266,096,419	61%	36	\$1,350,489,051	69%	34	\$1,064,828,273	53%
A1/A1+ (CP/DN)	13	\$446,154,086	21%	10	\$291,950,004	15%	17	\$642,519,372	32%
AA+	4	\$60,778,011	3%	4	\$61,650,790	3%	4	\$62,013,706	3%
AA	2	\$17,416,685	1%	2	\$17,454,995	1%	0	\$0	0%
AA-	1	\$9,653,310	0%	1	\$9,887,950	0%	3	\$27,415,093	1%
A+	5	\$88,128,801	5%	4	\$78,182,075	4%	3	\$68,475,878	3%
A	18	\$181,597,779	9%	17	\$162,061,740	8%	17	\$161,102,212	8%
A-	1	\$4,998,114	0%	1	\$4,999,413	0%	0	\$0	0%
BBB+	1	\$2,355,915	0%	1	\$2,450,448	0%	1	\$2,468,930	0%
TOTAL	84	\$2,077,179,119	100%	76	\$1,979,126,466	100%	79	\$2,028,823,464	100%

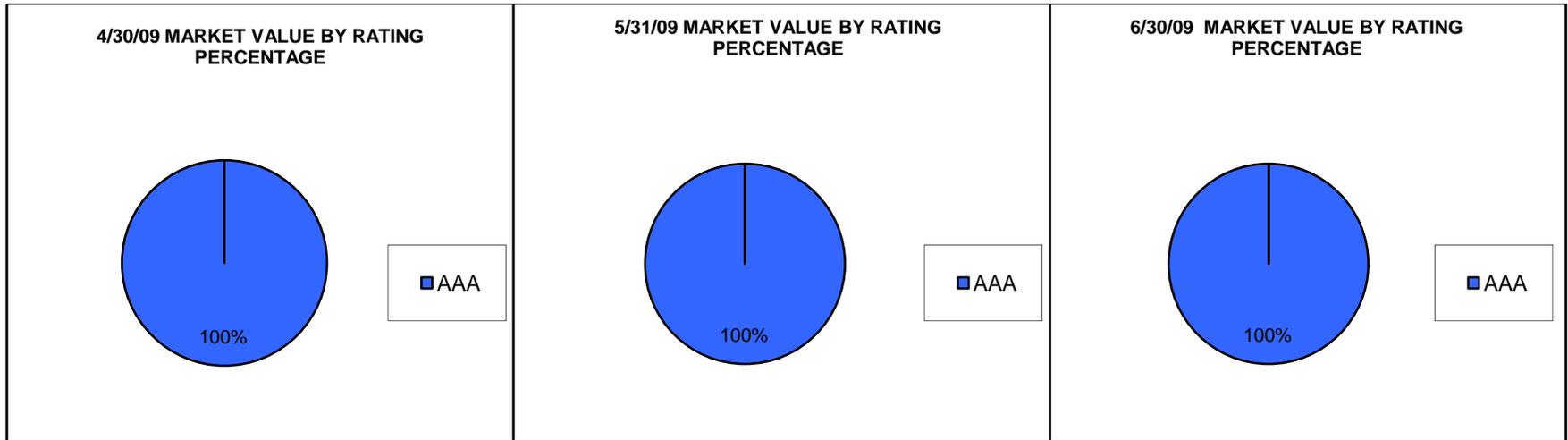
**ARIZONA STATE TREASURER'S OFFICE
RATING SUMMARY
LGIP 500**



	4/30/2009			5/31/2009			6/30/2009		
RATING	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALU	PERCENT
AAA	65	\$43,468,724	62%	69	\$44,902,147	64%	73	\$46,199,117	65%
A1/A1+ (CP/DN)	5	\$4,028,371	6%	3	\$3,502,461	5%	3	\$3,205,529	5%
AA+	3	\$1,161,414	2%	3	\$1,178,607	2%	3	\$1,178,347	2%
AA	5	\$1,532,521	2%	5	\$1,530,686	2%	3	\$773,515	1%
AA-	5	\$2,547,854	4%	5	\$2,573,380	4%	7	\$3,348,780	5%
A+	8	\$3,048,419	4%	8	\$3,075,280	4%	8	\$3,086,133	4%
A	17	\$7,088,583	10%	17	\$7,127,721	10%	17	\$7,137,143	10%
A-	3	\$972,224	1%	3	\$982,165	1%	3	\$987,631	1%
BBB+	2	\$453,421	1%	2	\$470,954	1%	2	\$478,327	1%
BB+	2	\$773,391	1%	2	\$894,182	1%	1	\$449,301	1%
NR	1	\$35,000	0%	1	\$36,875	0%	1	\$36,875	0%
MM/Cash Eq	2	\$4,913,617	7%	2	\$3,905,198	6%	2	\$3,184,007	5%
TOTAL	118	\$70,023,537	100%	120	\$70,179,653	100%	123	\$70,064,703	100%

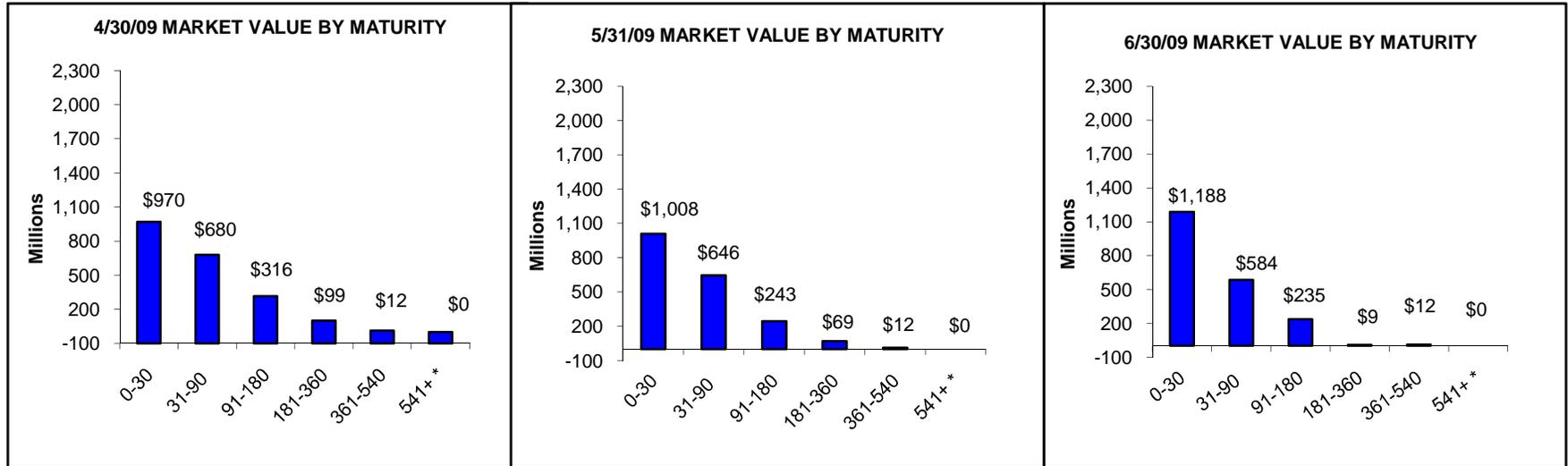
*MM/Cash Equivalent includes dividends payable

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



		04/30/09				05/31/09				06/30/09		
RATING	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT
AAA	37	\$3,036,886,682	100%	32	\$3,306,322,817	100%	24	\$2,920,955,238	100%			

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

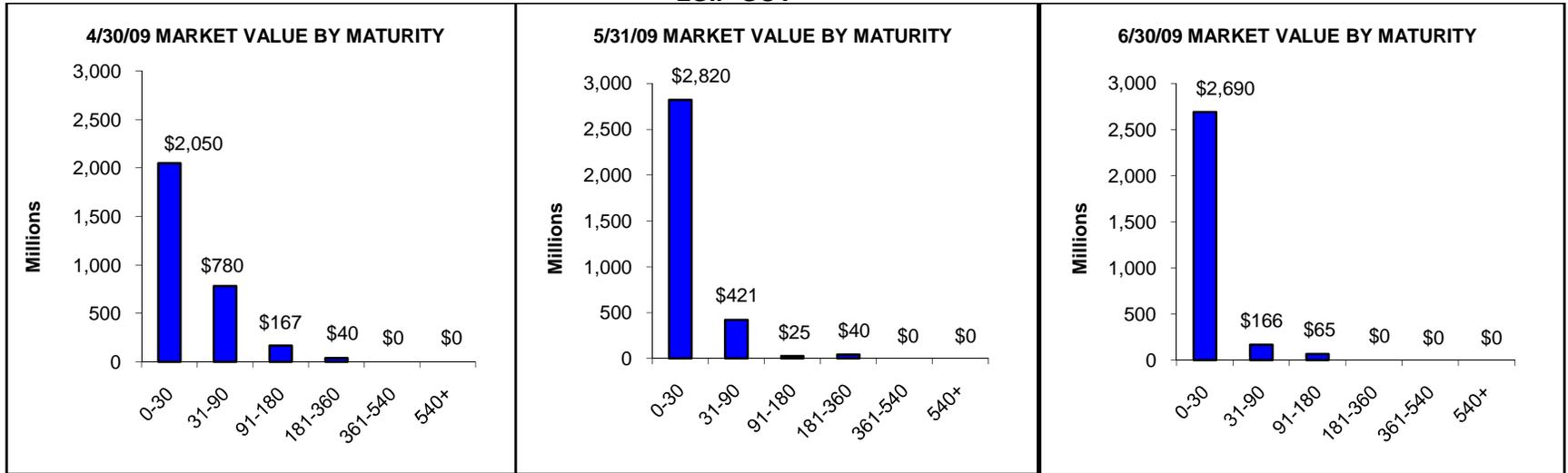


04/30/09				05/31/09			06/30/09		
MATURITY	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT
0-30	33	\$969,853,697	47%	33	\$1,008,360,282	51%	36	\$1,188,318,592	59%
31-90	35	\$680,257,663	33%	30	\$646,097,542	33%	33	\$584,286,692	29%
91-180	9	\$315,708,028	15%	8	\$243,326,393	12%	7	\$234,822,163	12%
181-360	5	\$99,443,169	4%	3	\$69,411,438	4%	1	\$9,483,019	0%
361-540	2	\$11,916,563	1%	2	\$11,930,813	1%	2	\$11,913,000	1%
541+ *	0	\$0	0%	0	\$0	0%	0	\$0	0%
TOTAL	84	\$2,077,179,119	100%	76	\$1,979,126,466	100%	79	\$2,028,823,465	100%

04/30/09		05/31/09		06/30/09	
MATURITY	WAM	MATURITY	WAM	MATURITY	WAM
0-30	4.55	0-30	4.34	0-30	7.50
31-90	20.82	31-90	19.79	31-90	15.84
91-180	19.55	91-180	16.65	91-180	14.64
181-360	10.72	181-360	7.03	181-360	1.19
361-540	2.86	361-540	2.82	361-540	2.57
541+	0.00	541+	0.00	541+	0.00
TOTAL	58.50	TOTAL	50.62	TOTAL	41.74

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

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

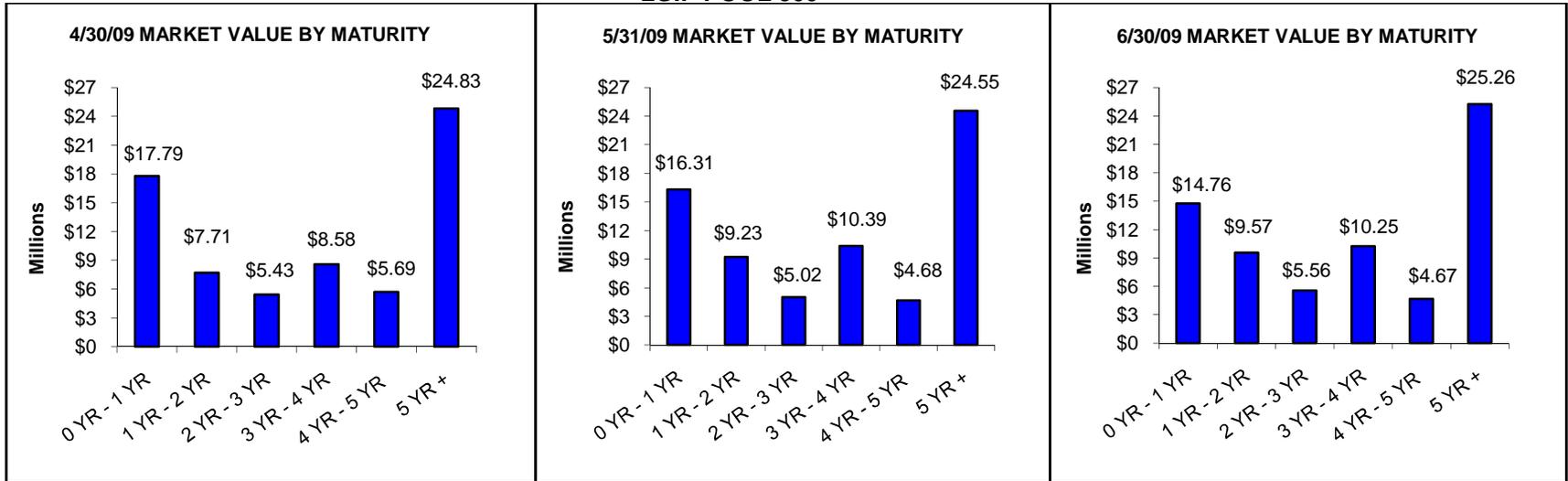


MATURITY	04/30/09			05/31/09			06/30/09		
	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT
0-30	15	\$2,050,055,511	68%	16	\$2,819,983,456	85%	16	\$2,689,984,275	92%
31-90	15	\$779,893,492	26%	14	\$421,095,466	13%	6	\$165,799,526	6%
91-180	6	\$167,023,279	5%	1	\$25,309,575	1%	2	\$65,171,439	2%
181-360	1	\$39,914,400	1%	1	\$39,934,320	1%	0	\$0	0%
361-540	0	\$0	0%	0	\$0	0%	0	\$0	0%
540+	0	\$0	0%	0	\$0	0%	0	\$0	0%
TOTAL	37	\$3,036,886,682	100%	32	\$3,306,322,817	100%	24	\$2,920,955,239	100%

04/30/09		05/31/09		06/30/09	
MATURITY	WAM	MATURITY	WAM	MATURITY	WAM
0-30	6.30	0-30	8.96	0-30	6.41
31-90	13.76	31-90	6.06	31-90	2.20
91-180	5.71	91-180	0.93	91-180	3.12
181-360	3.04	181-360	2.42	181-360	0.00
361-540	0.00	361-540	0.00	361-540	0.00
540+	0.00	540+	0.00	540+	0.00
TOTAL	28.81	TOTAL	18.37	TOTAL	11.72

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

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



MATURITY	04/30/09			05/31/09			06/30/09		
	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT
0 YR - 1 YR	26	\$17,790,085	25%	25	\$16,311,843	23%	24	\$14,764,667	21%
1 YR - 2 YR	20	\$7,705,184	11%	21	\$9,227,100	13%	21	\$9,566,903	14%
2 YR - 3 YR	11	\$5,429,328	8%	11	\$5,020,076	7%	13	\$5,560,435	8%
3 YR - 4 YR	17	\$8,579,861	12%	21	\$10,392,014	15%	21	\$10,245,493	15%
4 YR - 5 YR	14	\$5,693,038	8%	14	\$4,676,815	7%	15	\$4,669,506	7%
5 YR +	30	\$24,826,042	35%	28	\$24,551,805	35%	29	\$25,257,698	36%
TOTAL	118	\$70,023,537	100%	120	\$70,179,653	100%	123	\$70,064,703	100%

	4/30/2009	5/31/2009	6/30/2009
LGIP LT MONTHLY DURATION	1.25	1.39	1.45
MERRILL 1-5 US DOMESTIC MASTER INDEX	2.16	2.38	2.49

*0 YR-1 YR includes dividends payable

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

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

State Treasurer's Report
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<u>Month</u>	<u>Fiscal Year 2006/2007</u>	<u>Fiscal Year 2007/2008</u>	<u>Fiscal Year 2008/2009</u>
JULY	2,594	2,197	1,450
AUGUST	2,263	1,936	795
SEPTEMBER	2,305	2,082	876
OCTOBER	2,311	1,941	564
NOVEMBER	2,198	1,880	613
DECEMBER	2,181	1,893	804
JANUARY	2,390	1,875	739
FEBRUARY	2,396	1,652	542
MARCH	2,101	1,143	264
APRIL	1,990	859	16
MAY	2,288	890	18
JUNE	2,079	815	470
Y-T-D Average	\$2,258	\$1,597	\$596

**EARNINGS DISTRIBUTED
ENDOWMENT FUNDS
JUNE 2009**

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Distributed in Current Month

Recipient	June-09	Fiscal YTD 08/09	Fiscal YTD 07/08
101 A & M Colleges	\$22,686	\$272,442	\$392,769
102 State Hospital	\$11,186	\$134,340	\$195,531
103 Leg., Exec., & Jud.	\$16,072	\$193,020	\$258,219
104 Military Institute	\$1,269	\$15,237	\$20,229
105 Miners Hospital	\$20,025	\$240,495	\$312,123
107 Normal School ASU/NAU	\$6,345	\$76,203	\$100,995
108 Penitentiaries	\$16,874	\$202,659	\$282,609
109 Permanent Common School	\$4,521,984	\$54,309,120	\$69,297,633
110 School for Deaf & Blind	\$10,040	\$120,576	\$165,981
111 School of Mines	\$21,542	\$258,708	\$322,836
112 State Charitable-Pioneers Home	\$94,777	\$1,138,181	\$1,442,553
112 State Charitable-Corrections	\$47,388	\$569,086	\$721,278
112 State Charitable-Youth Treatment	\$47,388	\$569,086	\$721,278
113 University Fund	\$31,283	\$375,732	\$504,909
114 U of A Land - 1881	\$73,623	\$884,190	\$1,167,414
Total	\$4,942,482	\$59,359,074	\$75,906,357

Posted in USAS in current month

ENDOWMENT FUNDS
PORTFOLIO YIELD ANALYSIS
 June 30, 2009

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FUND	DESCRIPTION	NET EARNINGS	SALES EARNINGS YIELD	AMORT/DISC EARNINGS YIELD	COUPON EARNINGS YIELD	NET YIELD
205	ENDOWMENTS - FIXED INCOME	3,749,281	-0.6938%	-0.3161%	4.3864%	3.3765%
	TOTAL ENDOWMENTS - FIXED INCOME	3,749,281				

**RETURN ANALYSIS
ENDOWMENT FUNDS**

(\$ In Thousands)

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ENDOWMENT FUNDS	JUNE 2009 MONEY WEIGHTED RETURN	FISCAL YEAR 2008/2009 MONEY WEIGHTED RETURN
101 A & M Colleges	0.83%	-12.18%
102 State Hospital	0.81%	-12.30%
103 Leg., Exec., & Jud.	0.85%	-11.25%
104 Military Institute	0.85%	-11.11%
105 Miners Hospital	0.82%	-11.57%
107 Normal School ASU/NAU	0.83%	-11.55%
108 Penitentiaries	0.81%	-7.97%
109 Permanent Common School	0.82%	-11.41%
110 School for Deaf & Blind	0.84%	-11.39%
111 School of Mines	0.83%	-11.67%
112 State Charitable	0.81%	-12.60%
113 University Fund	0.83%	-11.72%
114 U Of A Land - 1881	0.83%	-11.62%
WEIGHTED PORTFOLIO RETURN	0.82%	-8.06%
WEIGHTED BENCHMARK	0.51%	-7.68%
S&P 500 EQUITY FUND RETURN:	0.19%	-26.06%
S & P 500 LARGE CAP INDEX:	0.20%	-26.21%
FIXED INCOME FUND RETURN:	1.19%	7.03%
CITIGROUP BIG INDEX RETURN:	0.64%	7.05%
S&P 400 EQUITY FUND RETURN:	0.57%	-31.06%
S&P 400 MID-CAP INDEX:	0.62%	-28.02%

Bond Fund Total Return Includes Returns on Money Market Account

Money Weighted Return is based on shares owned by individual participants

Weighted Average Benchmark represents proportional holdings in the funds

	Apr-09	May-09	Jun-09	Apr-09	May-09	Jun-09
S&P 500	9.57%	5.59%	0.20%	872.81	919.14	919.32
S&P 400	14.87%	2.74%	0.62%	561.14	575.52	578.14
S&P 600	17.46%	1.61%	1.43%	260.93	264.89	268.32
DOW JONES	7.35%	4.07%	-0.63%	8168.12	8500.33	8447.00
NASDAQ	12.40%	3.47%	3.47%	1717.30	1774.33	1835.04

NET REALIZED CAPITAL GAINS / LOSSES - ENDOWMENT FUNDS

Endowment Fund -----	Jun-09 NET GAIN(LOSS) -----	FISCAL YTD GAINS(LOSSES) -----
Fixed Income Pool Net Gain (Loss)	(803,855)	(1,457,704)
Equity Pool (500) Net Gain (Loss)	(3,728,994)	(35,064,908)
Equity Pool (400) Net Gain (Loss)	(840,127)	(36,769,811)
Totals	(5,372,976) =====	(73,292,424) =====

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

State Treasurer's Report
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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>
FFCB	5.40	6/8/2017	N/A	\$5,000,000	\$5,320,250	4.44	Aaa/AAA
FHLB	5.00	11/17/2017	N/A	\$5,000,000	\$5,289,285	4.18	Aaa/AAA
FHLMC MBS	5.00	7/15/2019	2.50	\$2,608,243	\$2,728,060	4.45	Aaa/AAA
FHLMC MBS	4.50	1/15/2018	2.40	\$5,155,228	\$5,332,439	4.03	Aaa/AAA
FNMA MBS	5.00	8/25/2032	3.04	\$9,491,043	\$9,837,317	4.76	Aaa/AAA
FNMA MBS	4.50	7/25/2024	3.27	\$5,000,000	\$5,186,719	4.18	Aaa/AAA
U S TREASURY NOTE	0.88	5/31/2011	N/A	\$5,000,000	\$4,959,570	1.29	Aaa/AAA
U S TREASURY NOTE	4.88	5/31/2011	N/A	\$5,000,000	\$5,347,266	1.30	Aaa/AAA
U S TREASURY NOTE	4.75	1/31/2012	N/A	\$5,000,000	\$5,400,977	1.63	Aaa/AAA
U S TREASURY NOTE	4.88	5/31/2011	N/A	\$5,000,000	\$5,353,711	1.16	Aaa/AAA
U S TREASURY NOTE	7.25	5/15/2016	N/A	\$5,000,000	\$6,221,094	3.26	Aaa/AAA
U S TREASURY NOTE	4.63	10/31/2011	N/A	\$5,000,000	\$5,377,148	1.35	Aaa/AAA
U S TREASURY NOTE	5.13	6/30/2011	N/A	\$5,000,000	\$5,396,484	1.11	Aaa/AAA
U S TREASURY NOTE	4.75	5/31/2012	N/A	\$5,000,000	\$5,454,102	1.55	Aaa/AAA
CHARLES SCHWAB	4.95	6/1/2014	N/A	\$5,000,000	\$4,981,050	5.04	A2/A
GENERAL DYNAMICS	1.80	7/15/2011	N/A	\$5,000,000	\$4,977,700	2.02	A2/A
ORACLE CORP	5.00	1/15/2011	N/A	\$5,000,000	\$5,231,500	1.97	A2/A
MERCK & CO INC	4.00	6/30/2015	N/A	\$2,000,000	\$1,991,960	4.08	Aa3/AA-
TOTAL ENDOWMENT FUNDS PURCHASES				\$89,254,514	\$94,386,631		

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>
TEXTRON FINANCIAL CORP	5.13	11/1/2010	\$10,000,000	\$9,225,000	(\$770,402)	Baa3/BB+
TOTAL ENDOWMENT FUNDS SALES			\$10,000,000	\$9,225,000	(\$770,402)	

*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 June 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	641,266	\$15,868,253	\$9,622
S&P 500 Large-Cap Fund	383,883	\$8,069,936	\$5,759
TOTAL EQUITY PURCHASES	1,025,149	\$23,938,189	\$15,381

II. Equity Funds Sales

	<u>SHARES</u>	<u>SALES AMOUNT</u>	<u>COMMISSIONS</u>
S&P 400 Mid-Cap Fund	578,779	\$14,750,170	\$8,682
S&P 500 Large-Cap Fund	218,847	\$6,324,280	\$3,283
TOTAL EQUITY SALES	797,626	\$21,074,450	\$11,965

**ENDOWMENT FUNDS
INVESTMENTS OUTSTANDING**

State Treasurer's Report

July 22, 2009

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JUNE 30, 2009

(In Thousands)

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>	2,514	2,281	1,985	(296)	
<i>Shares in Fixed Income Fund</i>	2,703	3,016	4,159	1,143	
<i>Shares in Mid-Cap 400 Equity Fund</i>	815	783	1,009	226	
Total	6,031	6,080	7,154	1,074	1.177
102 State Hospital					
<i>Shares in S&P 500 Index Fund</i>	1,556	1,334	1,229	(106)	
<i>Shares in Fixed Income Fund</i>	1,538	1,764	2,366	602	
<i>Shares in Mid-Cap 400 Equity Fund</i>	441	458	547	89	
Total	3,535	3,556	4,142	586	1.165
103 Leg., Exec., & Jud.					
<i>Shares in S&P 500 Index Fund</i>	1,964	1,919	1,551	(369)	
<i>Shares in Fixed Income Fund</i>	2,287	2,539	3,519	980	
<i>Shares in Mid-Cap 400 Equity Fund</i>	633	659	784	126	
Total	4,883	5,117	5,854	737	1.144
104 Military Institute					
<i>Shares in S&P 500 Index Fund</i>	133	132	105	(27)	
<i>Shares in Fixed Income Fund</i>	163	175	250	75	
<i>Shares in Mid-Cap 400 Equity Fund</i>	46	45	57	12	
Total	342	352	413	60	1.172
105 Miners Hospital					
<i>Shares in S&P 500 Index Fund</i>	3,824	3,725	3,020	(705)	
<i>Shares in Fixed Income Fund</i>	3,870	4,922	5,956	1,035	
<i>Shares in Mid-Cap 400 Equity Fund</i>	1,070	1,278	1,326	48	
Total	8,764	9,924	10,302	377	1.038

**ENDOWMENT FUNDS
INVESTMENTS OUTSTANDING**

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(In Thousands)

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>	881	828	696	(132)	
<i>Shares in Fixed Income Fund</i>	946	1,099	1,455	356	
<i>Shares in Mid-Cap 400 Equity Fund</i>	267	284	330	46	
Total	2,093	2,211	2,481	271	1.122
108 Penitentiaries					
<i>Shares in S&P 500 Index Fund</i>	3,232	2,919	2,553	(366)	
<i>Shares in Fixed Income Fund</i>	3,202	3,855	4,928	1,073	
<i>Shares in Mid-Cap 400 Equity Fund</i>	938	1,001	1,162	160	
Total	7,372	7,775	8,642	868	1.112
109 Permanent Common School					
<i>Shares in S&P 500 Index Fund</i>	814,343	784,023	643,128	(140,896)	
<i>Shares in Fixed Income Fund</i>	828,032	1,036,526	1,274,330	237,804	
<i>Shares in Mid-Cap 400 Equity Fund</i>	227,669	269,008	282,017	13,010	
Total	1,870,045	2,089,557	2,199,475	109,918	1.053
110 School for Deaf & Blind					
<i>Shares in S&P 500 Index Fund</i>	1,151	1,086	909	(177)	
<i>Shares in Fixed Income Fund</i>	1,329	1,436	2,046	610	
<i>Shares in Mid-Cap 400 Equity Fund</i>	373	373	463	90	
Total	2,854	2,894	3,417	523	1.181
111 School of Mines					
<i>Shares in S&P 500 Index Fund</i>	2,883	2,798	2,277	(521)	
<i>Shares in Fixed Income Fund</i>	3,127	3,696	4,813	1,117	
<i>Shares in Mid-Cap 400 Equity Fund</i>	879	960	1,089	129	
Total	6,890	7,455	8,179	724	1.097

ENDOWMENT FUNDS
INVESTMENTS OUTSTANDING
 JUNE 30, 2009
 (In Thousands)

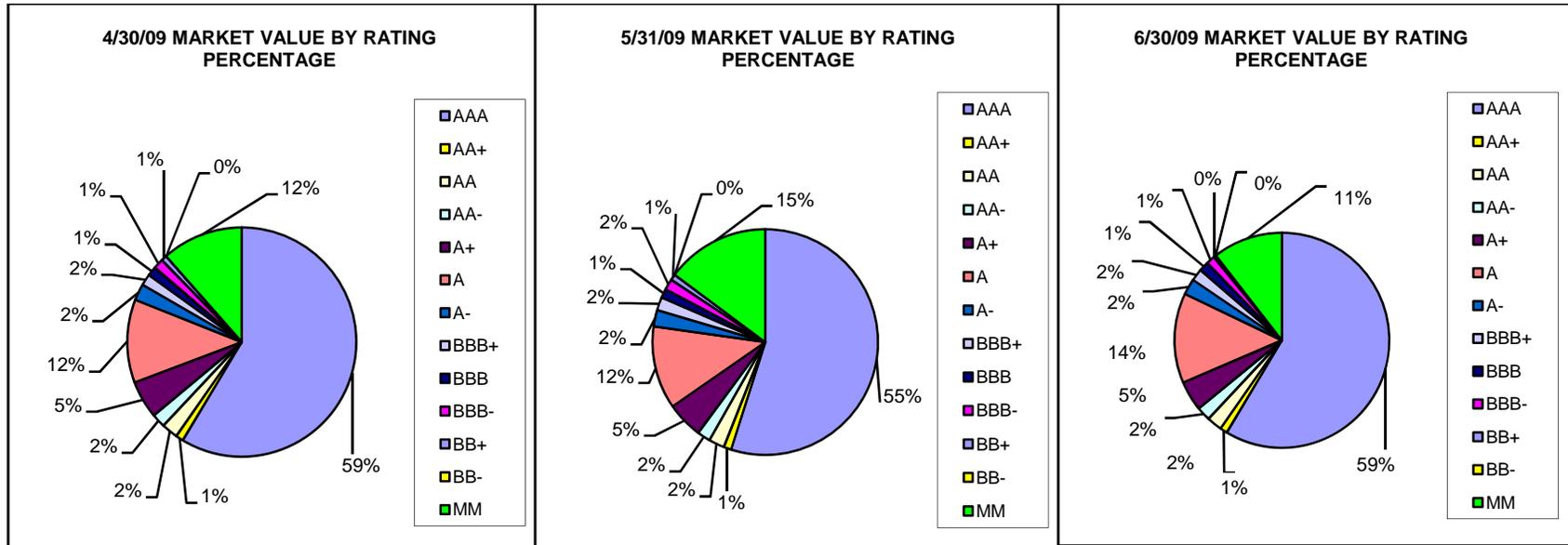
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FUND NAME OF FUND	SHARES OUTSTANDING	BOOK VALUE	MARKET VALUE	UNREALIZED GAINS (LOSSES)	Mkt Value/ Book Value
112 State Charitable					
<i>Shares in S&P 500 Index Fund</i>	29,836	27,786	23,563	(4,223)	
<i>Shares in Fixed Income Fund</i>	28,957	36,955	44,564	7,609	
<i>Shares in Mid-Cap 400 Equity Fund</i>	7,869	9,555	9,747	191	
Total	66,662	74,296	77,874	3,578	1.048
113 University Fund					
<i>Shares in S&P 500 Index Fund</i>	4,796	4,591	3,788	(803)	
<i>Shares in Fixed Income Fund</i>	5,169	6,073	7,954	1,882	
<i>Shares in Mid-Cap 400 Equity Fund</i>	1,439	1,575	1,782	207	
Total	11,403	12,239	13,524	1,285	1.105
114 U Of A Land - 1881					
<i>Shares in S&P 500 Index Fund</i>	10,128	9,682	7,999	(1,683)	
<i>Shares in Fixed Income Fund</i>	11,065	12,792	17,028	4,236	
<i>Shares in Mid-Cap 400 Equity Fund</i>	3,093	3,322	3,831	510	
Total	24,286	25,796	28,858	3,063	1.119
TOTALS - ALL FUNDS					
<i>Shares in S&P 500 Index Fund</i>	877,241	843,105	692,801	(150,303)	
<i>Shares in Fixed Income Fund</i>	892,386	1,114,847	1,373,369	258,523	
<i>Shares in Mid-Cap 400 Equity Fund</i>	245,532	289,300	304,144	14,844	
Grand Total	2,015,159	2,247,252	2,370,315	123,063	

ASSET ALLOCATION PERCENTAGE

	SHARES OUTSTANDING	BOOK VALUE	MARKET VALUE
<i>Shares in S&P 500 Index Fund</i>	43.53%	37.52%	29.23%
<i>Shares in Fixed Income Fund</i>	44.28%	49.61%	57.94%
<i>Shares in Mid-Cap 400 Equity Fund</i>	12.18%	12.87%	12.83%
Total	100.00%	100.00%	100.00%

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



	04/30/09			05/31/09			06/30/09		
RATING	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT
AAA	132	\$781,114,055	59%	129	\$751,712,912	55%	141	\$795,879,124	59%
AA+	3	\$14,092,180	1%	3	\$14,777,615	1%	3	\$14,822,455	1%
AA	6	\$30,901,640	2%	6	\$30,863,500	2%	6	\$31,209,205	2%
AA-	3	\$25,840,998	2%	3	\$25,789,063	2%	4	\$28,495,706	2%
A+	12	\$70,827,043	5%	12	\$71,575,198	5%	12	\$72,827,857	5%
A	25	\$156,262,104	12%	26	\$162,466,797	12%	29	\$180,716,229	14%
A-	6	\$31,160,425	2%	6	\$32,339,417	2%	6	\$32,778,408	2%
BBB+	4	\$21,469,499	2%	5	\$25,809,980	2%	4	\$24,802,985	2%
BBB	4	\$17,503,415	1%	4	\$17,917,175	1%	5	\$19,921,294	1%
BBB-	4	\$19,288,005	1%	4	\$21,150,628	2%	3	\$17,352,230	1%
BB+	2	\$10,622,650	1%	2	\$11,679,155	1%	1	\$2,707,410	0%
BB-	0	\$0	0%	0	\$0	0%	1	\$2,994,470	0%
MM	2	\$152,437,153	12%	2	\$203,004,054	15%	2	\$136,952,095	11%
TOTAL	203	\$1,331,519,167	100%	202	\$1,369,085,493	100%	217	\$1,361,459,467	100%

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

EQUITY HOLDINGS
INVESTMENTS OUTSTANDING

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<u>POOL #</u>	<u>POOL DESCRIPTION</u>	<u>S&P SECTOR</u>	<u>MARKET</u> <u>VALUE</u>	<u>% POOL</u> <u>BALANCE</u>	<u>% S&P 500</u> <u>BALANCE</u>	<u>DIFFERENCE</u>
201	S&P 500 INDEX					
		CONSUMER DISCRETIONARY	59,385	8.96%	8.96%	0.00%
		CONSUMER STAPLES	79,342	11.97%	11.97%	0.00%
		ENERGY	82,356	12.42%	12.42%	0.00%
		FINANCIALS	90,226	13.61%	13.59%	0.01%
		HEALTH CARE	92,620	13.97%	13.97%	0.00%
		INDUSTRIALS	65,154	9.83%	9.83%	0.00%
		INFORMATION TECHNOLOGY	121,981	18.40%	18.40%	0.00%
		MATERIALS	21,383	3.23%	3.23%	0.00%
		TELECOMMUNICATION SERVICES	23,406	3.53%	3.54%	-0.01%
		UTILITIES	27,124	4.09%	4.09%	0.00%
		TOTALS LESS CASH / SPDR'S:	662,977	100.00%	100.00%	
		SPYDER'S	28,806			
		CASH **	1,018			
		TOTAL:	692,801			

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

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

EQUITY HOLDINGS
INVESTMENTS OUTSTANDING
June 30, 2009
(in thousands)

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<u>POOL #</u>	<u>POOL DESCRIPTION</u>	<u>S & P SECTOR</u>	<u>MARKET</u> <u>VALUE</u>	<u>% POOL</u> <u>BALANCE</u>	<u>% S&P 400</u> <u>BALANCE</u>	<u>DIFFERENCE</u>
203	S&P 400 INDEX					
	CONSUMER DISCRETIONARY		25,897	12.61%	15.46%	-2.85%
	CONSUMER STAPLES		10,955	5.34%	4.02%	1.32%
	ENERGY		12,974	6.32%	6.19%	0.13%
	FINANCIALS		36,390	17.72%	17.67%	0.06%
	HEALTH CARE		29,802	14.52%	12.85%	1.66%
	INDUSTRIALS		26,888	13.10%	14.74%	-1.65%
	INFORMATION TECHNOLOGY		28,479	13.87%	14.56%	-0.69%
	MATERIALS		15,786	7.69%	7.21%	0.48%
	TELECOMMUNICATION SERVICES		1,151	0.56%	0.60%	-0.04%
	UTILITIES		16,986	8.27%	6.71%	1.56%
	TOTALS LESS CASH / SPDR'S:		205,308	100.00%	100.00%	
	SPYDER'S		98,537			
	CASH **		299			
	TOTAL:		304,144			

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

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

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

EQUITY HOLDINGS - BY PARTICIPANT

JUNE 30, 2009

(thousands)

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<u>Fund #</u>	<u>PARTICIPANT DESCRIPTION</u>	<u>BOOK VALUE</u>	<u>MARKET VALUE</u>	<u>UNREALIZED GAIN (LOSS)</u>
101	A & M Colleges	\$3,064	\$2,995	(\$69)
102	State Hospital	1,792	1,776	(17)
103	Leg., Exec., & Jud.	2,578	2,335	(243)
104	Military Institute	177	162	(15)
105	Miners Hospital	5,003	4,345	(657)
107	Normal School	1,112	1,026	(86)
108	Penitentiaries	3,920	3,714	(206)
109	Permanent Common School	1,053,031	925,145	(127,886)
110	School for Deaf & Blind	1,458	1,372	(87)
111	School of Mines	3,758	3,366	(392)
112	State Charitable	37,342	33,310	(4,031)
113	University Fund	6,166	5,570	(597)
114	U of A Land - 1881	13,003	11,830	(1,173)
	Totals:	<u>\$1,132,405</u>	<u>\$996,946</u>	<u>(\$135,459)</u>

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

BROKER ACTIVITY REPORT
STATE AGENCY FUNDS 2, 3, 6, 8, 9, 11-15, 55, 57
APRIL 1 - JUNE 30, 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	1,467,571,748	3.72%	3.39%
	CORP NOTES	2,711,000	5.31%	0.01%
	US-AGENCY	26,500,000	2.59%	0.06%
	US TREAS	50,000,000	10.11%	0.12%
BROADPOINT CAPITAL				
	US-AGENCY	39,500,000	3.86%	0.09%
BARCLAYS CAPITAL INC.				
	CORP NOTES	100,000	0.20%	0.00%
	US-AGENCY	250,250,000	24.45%	0.58%
	US TREAS	150,000,000	30.32%	0.35%
CANTOR FITZGERALD				
	CORP NOTES	31,200,000	61.16%	0.07%
	CORP-ABS	2,738,431	100.00%	0.01%
	US AGENCY	57,277,000	5.60%	0.13%
	USA-MBS	29,383,566	100.00%	0.07%
	US TREAS	20,000,000	4.04%	0.05%
CITIGROUP				
	REPO	16,000,611,043	40.60%	36.98%
	FDIC -COMM PAPER	10,000,000	100.00%	0.02%
	US AGENCY	58,606,000	5.73%	0.14%
DEUTSCHE BANC				
	REPO	20,124,409,980	51.07%	46.51%
	CORP NOTES	1,000,000	1.96%	0.00%
	US AGENCY	40,000,000	3.91%	0.09%
	US TREAS	150,000,000	30.32%	0.35%

BROKER ACTIVITY REPORT
STATE AGENCY FUNDS 2, 3, 6, 8, 9, 11-15, 55, 57
APRIL 1 - JUNE 30, 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>
FIRST TENNESSEE				
	US AGENCY	76,820,000	7.51%	0.18%
	US TREAS	50,000,000	10.11%	0.12%
JPM MONEY MARKET				
	MONEY-MARK	103,971,626	100.00%	0.24%
JEFFRIES CO.				
	US AGENCY	20,000,000	1.95%	0.05%
	CORP NOTES	10,000,000	19.60%	0.02%
	US TREAS	10,000,000	2.02%	0.02%
KEY BANC				
	US AGENCY	6,000,000	0.59%	0.01%
MIZUHO SECURITIES				
	REPO	1,815,000,000	4.61%	4.19%
	US AGENCY	15,000,000	1.47%	0.03%
	US TREAS	60,000,000	12.13%	0.14%
MORGAN STANLEY				
	CORP NOTES	1,000,000	1.96%	0.00%
SECURITIES TRANSFERS (NO BROKER)				
	SECURITIES LENDING	85,801	100.00%	0.00%
	AGENCY DEFERRED	444	100.00%	0.00%

BROKER ACTIVITY REPORT
STATE AGENCY FUNDS 2, 3, 6, 8, 9, 11-15, 55, 57
APRIL 1 - JUNE 30, 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>
PIPER, JAFFRAY				
	US TREAS	4,800,000	0.97%	0.01%
RAYMOND JAMES & ASSOCIATES				
	US AGENCY	43,490,000	4.25%	0.10%
	CORP NOTES	4,000,000	7.84%	0.01%
RBC DAIN RAUSCHER				
	US AGENCY	10,000,000	0.98%	0.02%
TREASURER WARRANT NOTES				
	WARRANT NOTES	2,146,439,035	100.00%	4.96%
UBS PAINE WEBBER				
	US AGENCY	380,000,000	37.13%	0.88%
	CORP NOTES	1,000,000	1.96%	0.00%

BROKER ACTIVITY REPORT
POOL 5 - L.G.I.P.
APRIL 1 - JUNE 30, 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	512,398,123	2.17%	2.06%
	FDIC - COMM PAPER	200,000,000	100.00%	0.80%
	US-AGENCY	66,000,000	6.96%	0.26%
	US TREAS	50,000,000	100.00%	0.20%
BARCLAYS CAPITAL INC.				
	US-AGENCY	178,345,000	18.82%	0.72%
CITIGROUP				
	REPO	10,827,826,700	45.95%	43.47%
	COMMERCIAL PAPER	85,000,000	80.95%	0.34%
DEUTSCHE BANC				
	REPO	10,692,936,921	45.38%	42.93%
	COMMERCIAL PAPER	20,000,000	19.05%	0.08%
	US-AGENCY	40,000,000	4.22%	0.16%
FIRST TENNESSEE				
	US-AGENCY	83,431,000	8.80%	0.33%
JEFFRIES				
	US-AGENCY	160,000,000	16.88%	0.64%
JPM MONEYMARKET				
	MONEY MARKET	37,849,152	100.00%	0.15%
MIZUHO SECURITIES				
	REPO	1,530,000,000	6.49%	6.14%
	CORP NOTES	2,000,000	66.67%	0.01%
	US-AGENCY	50,000,000	5.28%	0.20%
SECURITIES TRANSFERS				

BROKER ACTIVITY REPORT
POOL 5 - L.G.I.P.
APRIL 1 - JUNE 30, 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>
(NO BROKER)				
	SECURITIES LENDING	6	100.00%	0.00%
RBS GREENWICH CAPITAL				
	US-AGENCY	140,000,000	14.77%	0.56%
STIFEL NICOLAUS				
	CORP NOTES	1,000,000	33.33%	0.00%
UBS PAINE WEBBER				
	US-AGENCY	229,925,000	24.26%	0.92%

BROKER ACTIVITY REPORT
POOL 500 - L.G.I.P. LONG-TERM
APRIL 1 - JUNE 30, 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.				
	CORP NOTES	250,000	25.00%	0.28%
	US AGENCY	9,050,000	42.47%	10.29%
	US TREAS	500,000	18.18%	0.57%
BARCLAYS CAPITAL INC.				
	US AGENCY	4,671,000	21.92%	5.31%
	US TREAS	500,000	18.18%	0.57%
CANTOR FITZGERALD				
	CORP NOTES	500,000	50.00%	0.57%
	USA-MBS	1,439,453	41.85%	1.64%
CITIGROUP				
	US AGENCY	250,000	1.17%	0.28%
	US TREAS	1,550,000	56.36%	1.76%
DEUTSCHE BANC				
	US AGENCY	500,000	2.35%	0.57%
FIRST TENNESSEE				
	US AGENCY	1,500,000	7.04%	1.70%
	US TREAS	200,000	7.27%	0.23%
GOVERNMENT PERSPECTIVES, LLC				
	US AGENCY	1,000,000	4.69%	1.14%
	USA-MBS	2,000,000	58.15%	2.27%
J.P. MORGAN				
	COMMERCIAL PAPER	300,000	100.00%	0.34%
JPM MONEY MARKET				

BROKER ACTIVITY REPORT
POOL 500 - L.G.I.P. LONG-TERM
APRIL 1 - JUNE 30, 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>
	MONEY-MARK	58,191,582	100.00%	66.14%
JEFFRIES				
	US AGENCY	1,300,000	6.10%	1.48%
MORGAN STANLEY				
	US AGENCY	837,000	3.93%	0.95%
	FDIC - CORP NOTES	1,000,000	100.00%	1.14%
SECURITIES TRANSFERS (NO BROKER)				
	SECURITIES LENDING	8	100.00%	0.00%
RAYMOND JAMES & ASSOCIATES				
	CORP NOTES	250,000	25.00%	0.28%
RBC DAIN RAUSCHER				
	US AGENCY	1,000,000	4.69%	1.14%
UBS PAINE WEBBER				
	US AGENCY	1,200,000	5.63%	1.36%

BROKER ACTIVITY REPORT
POOL 7 - L.G.I.P.- GOV
APRIL 1 - JUNE 30, 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	5,040,030,129	7.93%	7.86%
	US TREAS	100,000,000	20.41%	0.16%
BARCLAYS CAPITAL INC.				
	US TREAS	100,000,000	20.41%	0.16%
CITIGROUP				
	REPO	27,005,562,257	42.49%	42.10%
	FDIC -COMM PAPER	95,000,000	100.00%	0.15%
DEUTSCHE BANC				
	REPO	23,127,653,099	36.39%	36.05%
	US TREAS	30,000,000	6.12%	0.05%
JPM MONEYMARKET				
	MONEY MARKET	7,855	100.00%	0.00%
MIZUHO SECURITIES				
	REPO	8,390,000,000	13.20%	13.08%
	US TREAS	210,000,000	42.86%	0.33%
MORGAN STANLEY				
	US TREAS	50,000,000	10.20%	0.08%
SECURITIES TRANSFERS (NO BROKER)				
	SECURITIES LENDING	6	100.00%	0.00%

**BROKER ACTIVITY REPORT
FIXED INCOME FUND 205
APRIL 1 - JUNE 30, 2009**

<i>Broker Name</i>	<i>Asset Group</i>	<i>Sum Of Book Valu</i>	<i>Pct Of Type</i>	<i>Pct Of Total</i>
BANK OF AMERICA SECURITIES				
	US AGENCY	5,000,000	25.00%	0.75%
	CORP-NOTE	12,000,000	18.18%	1.81%
BARCLAYS CAPITAL INC				
	US AGENCY MBS	3,763,607	11.13%	0.57%
	US TREAS	20,000,000	50.00%	3.01%
BROADPOINT CAPITAL INC.				
	US AGENCY MBS	24,911,060	73.64%	3.75%
	CORP-ABS	5,000,000	100.00%	0.75%
	CORP-NOTE	5,000,000	7.58%	0.75%
CANTOR FITZGERALD				
	CORP-NOTE	10,000,000	15.15%	1.51%
	US AGENCY	5,000,000	25.00%	0.75%
CITIGROUP				
	US AGENCY	10,000,000	50.00%	1.51%
	US TREAS	10,000,000	25.00%	1.51%
J.P. MORGAN				
	CORP-NOTE	39,000,000	59.09%	5.88%
JPM MONEY MARKET				
	MONEY-MARK	498,799,676	100.00%	75.16%
KEY BANC				
	US AGENCY MBS	5,155,228	15.24%	0.78%
RBS GREENWICH CAPITAL				
	US TREAS	10,000,000	25.00%	1.51%

*BROKER ACTIVITY REPORT
FIXED INCOME FUND 205
APRIL 1 - JUNE 30, 2009*

<i>Broker Name</i>	<i>Asset Group</i>	<i>Sum Of Book Vali</i>	<i>Pct Of Type</i>	<i>Pct Of Total</i>
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*SECURITIES TRANSFERS
(NO BROKER)*

	SECURITIES LENDING	7	100.00%	0.00%
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