

OFFICE OF THE
ARIZONA STATE TREASURER



**HON. DEAN MARTIN
TREASURER**



MARCH 2009

Presented To:

Arizona State Board of Investment

APRIL 15, 2009

STATE BOARD OF INVESTMENT

A G E N D A

April 15, 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. Discussion/Approval of rate for non-cash collateral for loaned securities pursuant to ARS 35-313.C (Pursuant to A.R.S. 38-431.03(A) (3) & (4) the Board may vote to go into executive session which is not open to the general public to consult with legal counsel and discuss potential negotiation positions on any necessary contracts.)
8. Discussion/Approval of request for additional distribution from Endowment by Land Department. (Pursuant to A.R.S. 38-431.03(A) (3) the Board may vote to go into executive session which is not open to the general public to consult with legal counsel.)
9. General Business
10. Call to the Public
11. Notice of Next Meeting
12. 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

April 15, 2009

TABLE OF CONTENTS

	<u>Page</u>
Minutes of Board of Investment Meetings	iv-x
Review of Treasurer’s Monthly Reports – Investment Pools	
<u>Activity Reports</u>	
A. Earnings Distribution; Investment Pools	1
B. Yield Analysis – MTD & YTD; Investment Pools	2-4
<u>Holdings Reports</u>	
C. Investments Outstanding; Investment Pools	5-8
D. Rating Summaries – Operating and LGIP	9-12
E. Maturity Summary – LGIP	13-15
<u>Balance Report</u>	
F. Operating Monies Invested Balances	16
Review of Treasurer’s Monthly Reports - Endowments	
<u>Activity Reports</u>	
A. Earnings Distribution; Endowment Funds	17
B. Yield Analysis – MTD; Endowments	18
C. Return Analysis – MTD & YTD; Endowment Funds	19
D. Capital Gains/Losses; Endowment Funds	20
E. Endowment Funds Fixed Income Purchases and Sales	21
F. Endowment Funds Equity Purchases and Sales	22
<u>Holdings Reports</u>	
G. Investments Outstanding; Endowment Pools	23-25
H. Rating Summaries – Endowments	26
I. Equity Holdings – Investments Outstanding by Sector	27-28
J. Equity Holdings by Participant	29
K. Broker Activity Reports.....	30-

**Minutes of
BOARD OF INVESTMENT MEETING**

The regular meeting of the State Board of Investment was held on March 18, 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 1:30 p.m.

Members Present:

Dean Martin, Chair, State Treasurer
Alan E. Maguire, President, The Maguire Company
Charlotte Hosseini, Arizona Department of Administration, designee for William Bell, Director, Arizona Department of Administration
Felecia A. Rotellini, Superintendent, Department of Financial Institutions

Members Absent:

Ross Jacobs, Treasurer, Yavapai County

Others Present:

Mark Swenson, Deputy Treasurer Strategic Planning, Audit & Research, Arizona State Treasurer's Office
Klint Tegland, Deputy Treasurer of Operations, Arizona State Treasurer's Office
Tim White, Senior Portfolio Manager, Arizona State Treasurer's Office
Dale Stomberg, Investment Accounting Manager, Arizona State Treasurer's Office
Patty Humbert, Portfolio Manager, Arizona State Treasurer's Office
Thomas J. Giallanza, Assistant Superintendent, Department of Financial Institutions
Rex Nowlan, Acting Section Chief, Administrative Law Section, Arizona Attorney General's Office
Marcella Crane, Community Affairs Liaison, Arizona Department of Juvenile Corrections
Jonathan Cooper, Cronkite News Service

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

Review of Treasurer's Monthly Reports – Investment Pools

Activity Reports

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

Holdings Reports

C. Investments Outstanding; Investment Pools

- State Agency Pools
- LGIP Pools 5, 7, & 500
- Shares, LGIP Pool 500

D. Rating Summaries

- State Agency Pools
- LGIP Pool 5
- LGIP Pool 7
- LGIP Pool 500

E. Maturity Summary – LGIP

- LGIP Pool 5
- LGIP Pool 7
- LGIP Pool 500

Balance Report

F. Operating Monies Invested Balances

Review of Treasurer's Monthly Reports – Endowments

Activity Reports

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

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 March 18, 2009 BOI meeting to order at approximately 1:30 p.m.

2. Treasurers Comments:

Treasurer Martin welcomed board members and guests and thanked all present for attending the March 18, 2009 meeting. He also advised the board that due to budget cuts, Ross Jacobs would be resigning from the board.

3. *Approval of Minutes:*

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

State Agency Pools Portfolio Yield Analysis

Mr. White reported the gross yields for the State Agency Pools for the month of February, 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 February, 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 February, 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 February 28, 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 February 28, 2009.

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 February 28, 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 February, 2009.

A graph titled State Operating Balance: Actual Vs Adjusted for One Time Transfers was included with the BOI Report. Treasurer Martin, referring to this graph, advised the board that the adjusted number for the February operating balance without the one time transfers is negative 717 million. The Treasurer noted that the Rainy Day Fund is now gone and today's number is 195 million for the operating fund.

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 February, 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 February, 2009.

Monthly Return Analysis for the Endowment Funds

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

Equity Funds Purchases & Sales

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

Investments Outstanding in Endowment Funds

Mr. White reported the par, book, market value, and unrealized gains/loss of the Endowment Funds as of February 28, 2009.

Rating Summary Endowment Fixed Income Fund

Mr. White reported the credit ratings for the Endowment Funds as of February 28, 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 February 28, 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 February 28, 2009.

Equity Holdings – By Participant

Mr. White reported the equity holdings of the Endowment Funds as of February 28, 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

Treasurer Martin advised the board that there were two changes to the Investment Policy. The first change refers to areas in the policy that contain the title Chief Investment Officer. It has been changed to Designated Portfolio Manager. The second change is because we are changing the custodial bank. For pools 2, 7, and 8 there will have to be sweep accounts set up. The change is in reference to the language used regarding the sweep accounts

Ms. Rotellini requested a clarification of the sweep accounts. Mr. Swenson noted that currently the Investment Policy does not allow for funds 2, 7 and 8 to have sweep accounts, because with our current custodian, the accounts are pooled together into one account. The new custodian will have a separate account for each pool, so the sweep capability will provide a way for these pools to invest cash that has come in late in the day.

Mr. Maguire made a motion to approve the changes to the Investment Policy as submitted. Ms. Hosseini seconded the motion. Motion carried.

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

Treasurer Martin advised the board that this issue will be addressed at a later date.

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

Treasurer Martin noted that two letters relating to this matter from the Land Department had been included with the BOI report. He then gave a brief explanation about this request.

Mr. Maguire made a motion for the Board to go into executive session regarding this issue in order to consult with legal counsel Rex Nowlan. Ms. Rotellini seconded the motion. The board went into executive session at 2:00 p.m. The regular Board of Investment meeting convened again at 2:20 p.m.

Mr. Maguire noted that "he would like counsel to look at the specific changes that were made in the 2000 amendment. What portions of the constitution were modified and what portions were not. Secondly if there are any parallels with New Mexico because of the common Enabling Act."

9. **General Business:**
None

10. **Call to the Public**

There was no public comment.

- 11 **Notice of Next Meeting:**

The Treasurer advised the Board that the next regular meeting of the Board of Investment will be Wednesday, April 15, 2009 at 1:30 p.m. at 1700 West Washington, State Capitol, West Wing, Treasurer's Conference Room, Phoenix, Arizona.

*State Treasurer's Report
April 15, 2009 Meeting
Minutes of the March 18, 2009 Meeting*

12. Adjournment:

Ms. Hosseini made a motion to adjourn the BOI meeting. Mr. Maguire seconded the motion. Upon unanimous approval, the BOI meeting was adjourned at 2:45 p.m.

Respectfully Submitted by:

Helen D. Garafola
Executive Consultant

Approved by:

Dean Martin, Chair

Date:

EARNINGS DISTRIBUTION - INVESTMENT POOLS
MARCH 2009

State Treasurer's Report
April 15, 2009
Page 1

Recipient	Earnings Distributed			Fiscal YTD Investment Management Fees Received
	MARCH 2009	Fiscal YTD 08/09	Fiscal YTD 07/08	
General Fund	\$395,237	\$10,954,167	\$81,826,343	
2 State Agencies I - Full Faith & Credit	1,517,247	21,849,301	27,405,281	\$427,756
3 State Agencies II - Diversified	1,648,204	28,294,223	76,712,426	807,248
5 Local Governments	2,053,210	27,765,720	91,357,922	1,171,123
6 State Agencies III - US Govt & Agency	0	52,505	150,353	2,151
7 LGIP Gov't	435,339	22,677,543	56,239,377	1,278,015
8 State Agencies IV - Restricted Diversified	503,168	12,476,424	11,886,269	244,694
9 * ADOT - BFO	0	0	0	0
11 School Facilities Board	0	62,790	277,021	4,782
12 CAWCD Medium-Term	248,967	3,438,225	3,687,601	52,345
14 School Facilities Board 2002 Series	0	128,213	919,430	6,563
15 GADA Long-Term	43,811	532,530	584,235	7,722
Subtotal	\$6,845,184	\$128,231,640	\$351,046,259	\$4,002,399
NAV POOL				
500 LGIP LT	194,946	1,827,308	1,091,953	28,755
Total	\$7,040,130	\$130,058,948	\$352,138,213	\$4,031,154

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

**STATE AGENCY POOLS
PORTFOLIO YIELD ANALYSIS**
March 31, 2009

State Treasurer's Report
April 15, 2009
Page 2

FUND	DESCRIPTION	NET EARNINGS	SALES EARNINGS YIELD	AMORT/DISC EARNINGS YIELD	COUPON EARNINGS YIELD	GROSS YIELD
2	STATE AGENCIES I - FULL FAITH & CREDIT	1,781,878	0.0002%	0.0191%	2.6467%	2.6660%
3	STATE AGENCIES II - DIVERSIFIED	1,908,777	0.0000%	-0.1172%	1.6753%	1.5581%
6	STATE AGENCIES III - US GOVT & AGENCY	0	0.0000%	0.0000%	0.0000%	0.0000%
8	STATE AGENCIES IV-RESTRICTED DIVERSIFIED	499,984	0.0000%	-0.7639%	1.9730%	1.2091%
9	BOARD FUNDING OBLIGATION	448,376	0.0000%	0.0000%	4.8600%	4.8600%
11	SCHOOL FACILITIES BOARD	0	0.0000%	0.0000%	0.0000%	0.0000%
12	CAWCD MEDIUM TERM	330,344	0.0000%	-0.2921%	3.9580%	3.6658%
14	SCHOOL FACILITIES BOARD BONDS	0	0.0000%	0.0000%	0.0000%	0.0000%
15	GADA	43,144	0.0000%	0.1281%	3.5270%	3.6552%
TOTAL STATE AGENCIES		5,012,503				

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

State Treasurer's Report
 April 15, 2009
 Page 3

FUND	DESCRIPTION	NET EARNINGS	SALES EARNINGS YIELD	AMORT/DISC EARNINGS YIELD	COUPON EARNINGS YIELD	GROSS YIELD
5	LGIP	1,077,658	0.0338%	-0.4793%	1.1156%	0.6701%
7	LGIP - GOV	635,161	0.0000%	-0.1359%	0.4645%	0.3286%
	TOTAL LGIP & LGIP-GOV	1,712,819				

		01/31/09	02/28/09	03/31/09
5	LGIP MONTHLY YIELD (NET)	0.98%	0.58%	0.61%
	S & P LGIP INDEX YIELD	1.18%	0.84%	0.72%
	LGIP YTD YIELD (NET)	1.77%	1.66%	1.56%
	S & P LGIP YTD INDEX YIELD	1.93%	1.81%	1.70%
7	LGIP - GOV MONTHLY YIELD (NET)	0.19%	0.29%	0.27%
	3 MONTH T-BILL	0.11%	0.28%	0.20%
	* S & P LGIP - GOV INDEX YIELD	1.05%	0.73%	0.61%
	LGIP - GOV YTD YIELD (NET)	0.97%	0.88%	0.81%
	YTD 3 MONTH T-BILL	0.77%	0.71%	0.65%
	* S & P LGIP - GOV YTD INDEX YIELD	1.75%	1.64%	1.53%

* 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**
March 31, 2009

State Treasurer's Report
April 15, 2009
Page 4

FUND	DESCRIPTION	GROSS EARNINGS	SALES EARNINGS YIELD	AMORT/DISC EARNINGS YIELD	COUPON EARNINGS YIELD	GROSS YIELD
500	LGIP LONG TERM POOL	195,479	0.0000%	-0.3912%	3.8702%	3.4790%
	TOTAL LGIP LONG TERM POOL	195,479				

	01/31/09	02/28/09	03/31/09
LGIP LONG TERM MONTHLY YIELD (NET)	3.61%	3.85%	3.42%
MERRILL 1-5 US D M INDEX MONTHLY YIELD	3.42%	3.50%	2.80%
LGIP LONG TERM YTD YIELD (NET)	3.86%	3.86%	3.81%
MERRILL 1-5 US D M INDEX YTD YIELD	3.97%	3.91%	3.79%

STATE AGENCY POOLS
INVESTMENTS OUTSTANDING

MARCH 31, 2009
(in thousands)

State Treasurer's Report

April 15, 2009

Page 5

POOL	INVESTMENT POOL	PAR VALUE	BOOK VALUE	MARKET VALUE	UNREALIZED GAINS (LOSSES)	Mkt Value/ Book Value
2	State Agencies I - Full Faith & Credit					
	Repurchase Agreements	90,000	90,000	90,000	0	
	FDIC - Commercial Paper	30,000	29,994	29,996	1	
	U.S. Government & Agencies	597,590	598,847	605,649	6,803	
	FDIC - Corporate Securities	86,300	87,122	87,338	216	
	Total	803,890	805,963	812,983	7,020	1.009
3	State Agencies II - Diversified					
	Repurchase Agreements	137,000	137,000	137,000	0	
	U.S. Government & Agencies	584,254	583,537	584,708	1,171	
	FDIC - Corporate Securities	13,000	13,072	13,148	75	
	Corporate Securities	729,427	727,586	685,889	(41,698)	
	Total	1,463,681	1,461,196	1,420,745	(40,451)	0.972
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					
	Repurchase Agreements	125,000	125,000	125,000	0	
	U.S. Government & Agencies	332,143	333,207	333,857	650	
	FDIC - Corporate Securities	50,600	50,897	50,890	(6)	
	Total	507,743	509,104	509,747	643	1.001
9	ADOT B.F.O.					
	Board Funding Obligations	110,000	110,000	110,000	0	
	Total	110,000	110,000	110,000	0	1.000
11	School Facilities Board					
	Repurchase Agreements	0	0	0	0	
	U.S. Government & Agencies	0	0	0	0	
	Total	0	0	0	0	0.000

STATE AGENCY POOLS
INVESTMENTS OUTSTANDING
MARCH 31, 2009
(in thousands)

State Treasurer's Report
April 15, 2009
Page 6

POOL	INVESTMENT POOL	PAR VALUE	BOOK VALUE	MARKET VALUE	UNREALIZED GAINS (LOSSES)	Mkt Value/ Book Value
12	CAWCD Medium-Term					
	Money Market Mutual Shares	9,831	9,831	9,831	0	
	U.S. Government & Agencies	53,973	54,172	54,639	466	
	Corporate Securities	43,991	44,076	40,431	(3,645)	
	Total	107,795	108,080	104,901	(3,179)	0.971
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	2,800	2,800	2,800	0	
	U.S. Government & Agencies	7,813	7,818	7,944	126	
	Corporate Securities	3,525	3,542	3,095	(447)	
	Total	14,139	14,161	13,840	(321)	0.977
55	LGIP - NPF					
	<i>NPF Securities</i>	61,939	61,924	0	(61,924)	
	Total	61,939	61,924	0	(61,924)	0.000
57	LGIP - LEHMAN BROTHERS HOLDINGS					
	<i>Lehman Bonds</i>	39,450	39,427	4,734	(34,693)	
	Total	39,450	39,427	4,734	(34,693)	0.120
TOTALS - AGENCY POOLS						
	Repurchase Agreements	352,000	352,000	352,000	0	
	Money Market Mutual Shares	12,632	12,632	12,632	0	
	FDIC - Commercial Paper	30,000	29,994	29,996	1	
	Commercial Paper	0	0	0	0	
	U.S. Government & Agencies	1,575,773	1,577,582	1,586,798	9,216	
	FDIC - Corporate Securities	149,900	151,091	151,376	285	
	Corporate Securities	776,943	775,205	729,415	(45,790)	
	Board Funding Obligations	110,000	110,000	110,000	0	
	<i>NPF Securities</i>	61,939	61,924	0	(61,924)	
	<i>Lehman Bonds</i>	39,450	39,427	4,734	(34,693)	
	Grand Total	3,108,637	3,109,855	2,976,950	(132,904)	

L.G.I.P.
INVESTMENTS OUTSTANDING
MARCH 31, 2009
(in thousands)

State Treasurer's Report
April 15, 2009
Page 7

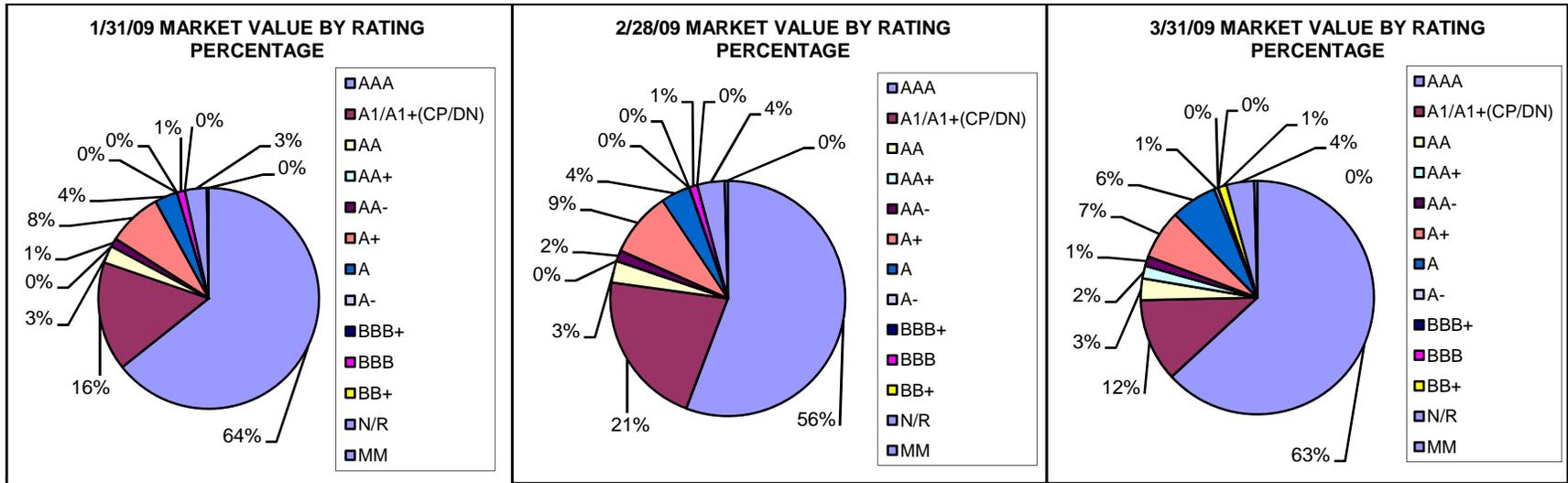
POOL	INVESTMENT POOL	PAR VALUE	BOOK VALUE	MARKET VALUE	UNREALIZED GAINS (LOSSES)	Mkt Value/ Book Value
5	Local Governments					
	Repurchase Agreements	210,000	210,000	210,001	1	
	Commercial Paper	15,000	15,000	15,000	(0)	
	Certificates of Deposit	5,000	4,997	5,098	101	
	U.S. Government & Agencies	1,483,607	1,486,010	1,489,712	3,703	
	Corporate Securities	369,540	369,228	359,413	(9,815)	
	Total	2,083,147	2,085,234	2,079,225	(6,010)	0.997
7	LGIP - Gov't					
	Repurchase Agreements	1,638,000	1,638,000	1,638,000	0	
	FDIC - Commercial Paper	220,000	219,949	219,948	(1)	
	U.S. Government & Agencies	865,498	867,013	869,732	2,719	
	Total	2,723,498	2,724,961	2,727,681	2,719	1.001
500	LGIP LT					
	Money Market Mutual Shares	3,846	3,846	3,846	0	
	Commercial Paper	0	0	0	0	
	U.S. Government & Agencies	43,861	44,165	45,260	1,095	
	Corporate Securities	17,290	17,341	16,837	(505)	
	FDIC - Corporate Securities	500	499	502	3	
	Dividends Payable/Other	(56)	(56)	(56)	0	
	Total	65,440	65,795	66,388	593	
TOTALS - LGIP POOLS						
	Repurchase Agreements	1,848,000	1,848,000	1,848,002	2	
	Money Market Mutual Shares	3,846	3,846	3,846	0	
	FDIC - Commercial Paper	220,000	219,949	219,948	(1)	
	Commercial Paper	15,000	15,000	15,000	(0)	
	Certificates of Deposit	5,000	4,997	5,098	101	
	U.S. Government & Agencies	2,392,966	2,397,187	2,404,704	7,517	
	Corporate Securities	386,830	386,569	376,250	(10,319)	
	FDIC - Corporate Securities	500	499	502	3	
	Dividends Payable/Other	(56)	(56)	(56)	0	
	Grand Total	4,872,085	4,875,990	4,873,293	(2,697)	

SHARES OUTSTANDING
LOCAL GOVERNMENT LONG TERM FUNDS
MARCH 31, 2009
(In Thousands)

State Treasurer's Report
April 15, 2009
Page 8

FUND	NAME OF FUND	SHARES OUTSTANDING	BOOK VALUE	MARKET VALUE	UNREALIZED GAINS (LOSSES)	NAV
500	<i>Shares in LGIP LT Fund</i>	65,786	66,156	66,833	676	
	Total	65,786	66,156	66,833	676	1.010

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

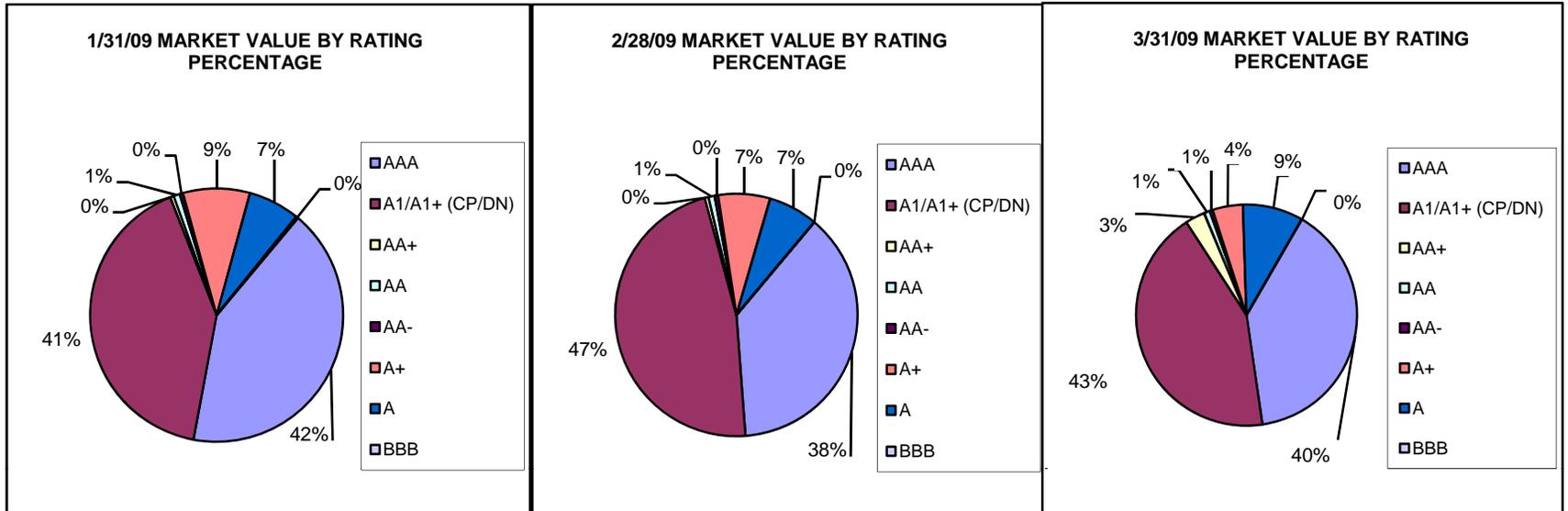


	01/31/09			02/28/09			03/31/09		
RATING	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT
AAA	232	\$2,329,999,106	65%	220	\$1,707,907,390	56%	207	\$1,889,198,766	63%
A1/A1+(CP/DN)	14	\$580,892,012	16%	16	\$655,911,217	21%	13	\$343,523,570	12%
AA	7	\$92,202,037	3%	7	\$91,444,830	3%	7	\$90,202,539	3%
AA+	0	\$0	0%	0	\$0	0%	5	\$51,488,425	2%
AA-	6	\$45,864,280	1%	5	\$41,659,880	2%	5	\$41,248,920	1%
A+	28	\$289,535,577	8%	30	\$274,094,272	9%	22	\$204,220,626	7%
A	13	\$121,628,980	3%	13	\$122,403,229	4%	20	\$191,421,463	6%
A-	0	\$0	0%	0	\$0	0%	1	\$260,691	1%
BBB+	1	\$1,719,396	0%	2	\$2,453,762	0%	2	\$2,506,084	0%
BBB	5	\$41,593,215	1%	3	\$33,327,105	1%	0	\$0	0%
BB+	0	\$0	0%	2	\$1,022,610	0%	5	\$35,506,625	1%
N/R	21	\$115,234,196	3%	21	\$114,839,696	4%	21	\$114,741,071	4%
MM	2	\$10,607,953	0%	2	\$13,166,059	0%	2	\$12,631,689	0%
TOTAL	329	\$3,629,276,751	100%	321	\$3,058,230,050	100%	310	\$2,976,950,470	100%

MM = MONEY MARKET (DREYFUS INST'L)

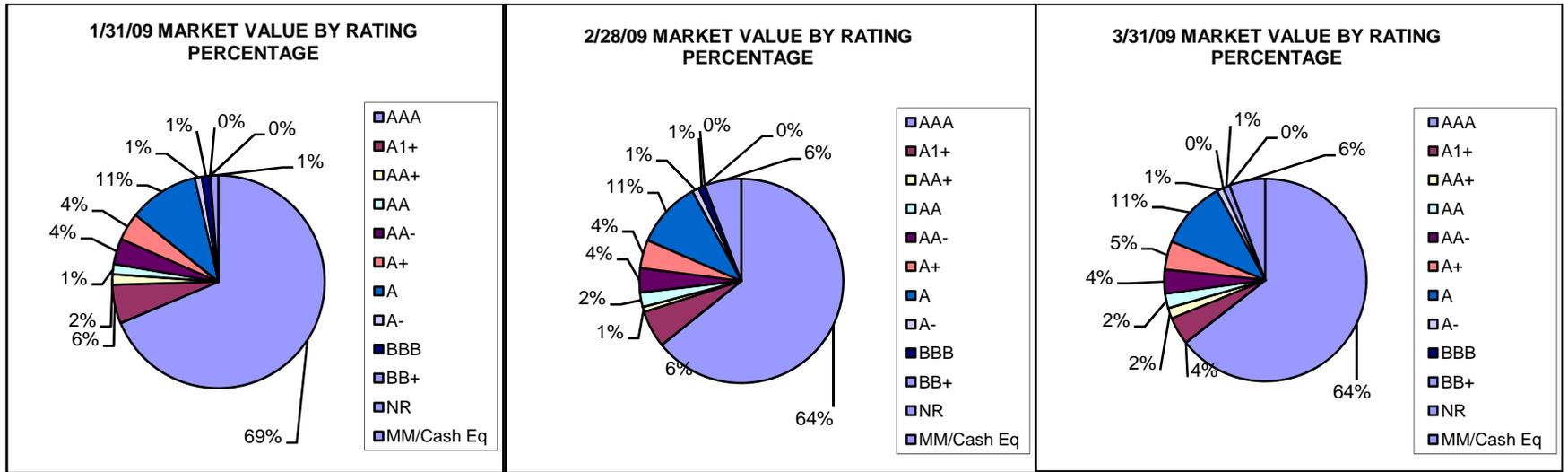
N/R = ADOT BONDS (110,000,000), TAX DEFERRED (7,071) AND NCFE

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



RATING	01/31/09			02/28/09			03/31/09		
	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT
AAA	42	\$919,747,768	42%	39	\$780,732,736	38%	34	\$814,748,110	40%
A1/A1+ (CP/DN)	31	\$903,459,898	41%	31	\$973,716,910	47%	25	\$899,965,096	43%
AA+	1	\$10,009,028	0%	1	\$10,009,697	0%	4	\$59,866,000	3%
AA	2	\$17,385,244	1%	2	\$17,426,347	1%	2	\$17,285,971	1%
AA-	1	\$9,574,167	0%	1	\$9,466,974	0%	1	\$9,531,540	0%
A+	11	\$184,698,722	9%	10	\$144,005,197	7%	6	\$92,878,936	4%
A	16	\$134,972,129	7%	16	\$134,276,986	7%	20	\$184,949,033	9%
BBB	1	\$6,169,857	0%	0	\$0	0%	0	\$0	0%
TOTAL	105	\$2,186,016,814	100%	100	\$2,069,634,848	100%	92	\$2,079,224,686	100%

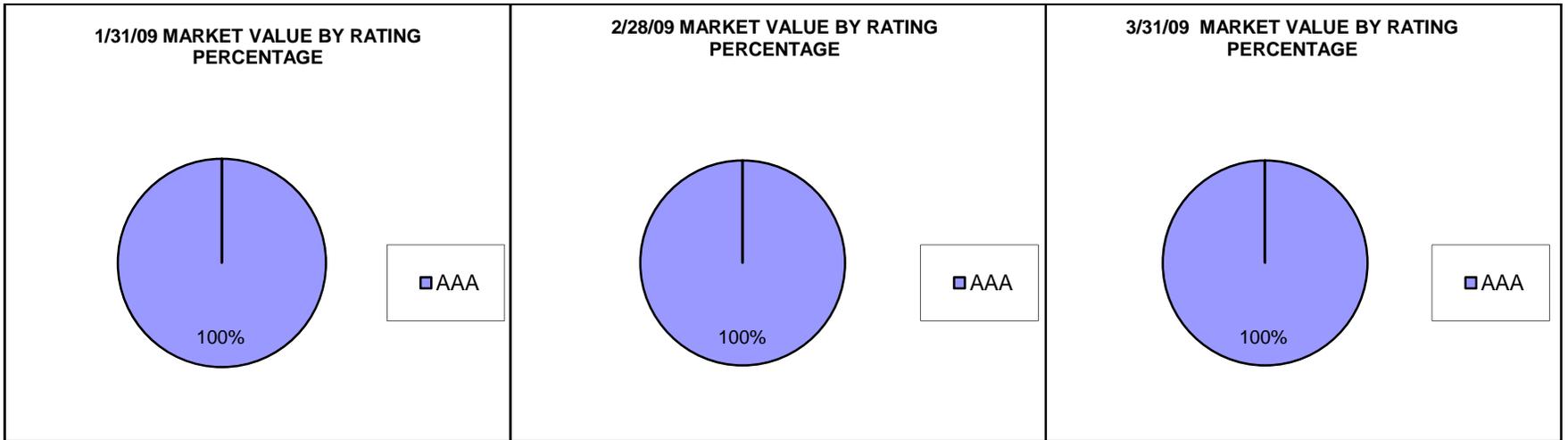
**ARIZONA STATE TREASURER'S OFFICE
RATING SUMMARY
LGIP 500**



	1/31/2009			2/28/2009			3/31/2009		
RATING	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT
AAA	68	\$45,354,084	68%	65	\$42,406,796	64%	61	\$42,595,739	64%
A1+	6	\$3,872,855	6%	6	\$3,874,565	6%	4	\$3,165,794	4%
AA+	2	\$1,030,495	2%	1	\$517,188	1%	3	\$1,134,945	2%
AA	4	\$1,024,863	2%	5	\$1,524,075	2%	5	\$1,525,049	2%
AA-	5	\$2,557,086	4%	5	\$2,545,213	4%	5	\$2,551,694	4%
A+	7	\$2,751,615	4%	8	\$2,970,558	4%	8	\$3,001,143	5%
A	17	\$6,998,462	11%	17	\$6,954,359	11%	18	\$7,181,802	11%
A-	2	\$686,188	1%	2	\$687,565	1%	2	\$706,114	1%
BBB	2	\$825,570	1%	2	\$680,145	1%	0	\$0	0%
BB+	0	\$0	0%	0	\$0	0%	2	\$705,995	1%
NR	1	\$33,125	0%	1	\$30,625	0%	1	\$30,000	0%
MM/Cash Eq	2	\$803,193	1%	2	\$3,846,245	6%	2	\$3,789,356	6%
TOTAL	116	\$65,937,535	100%	114	\$66,037,333	100%	111	\$66,387,630	100%

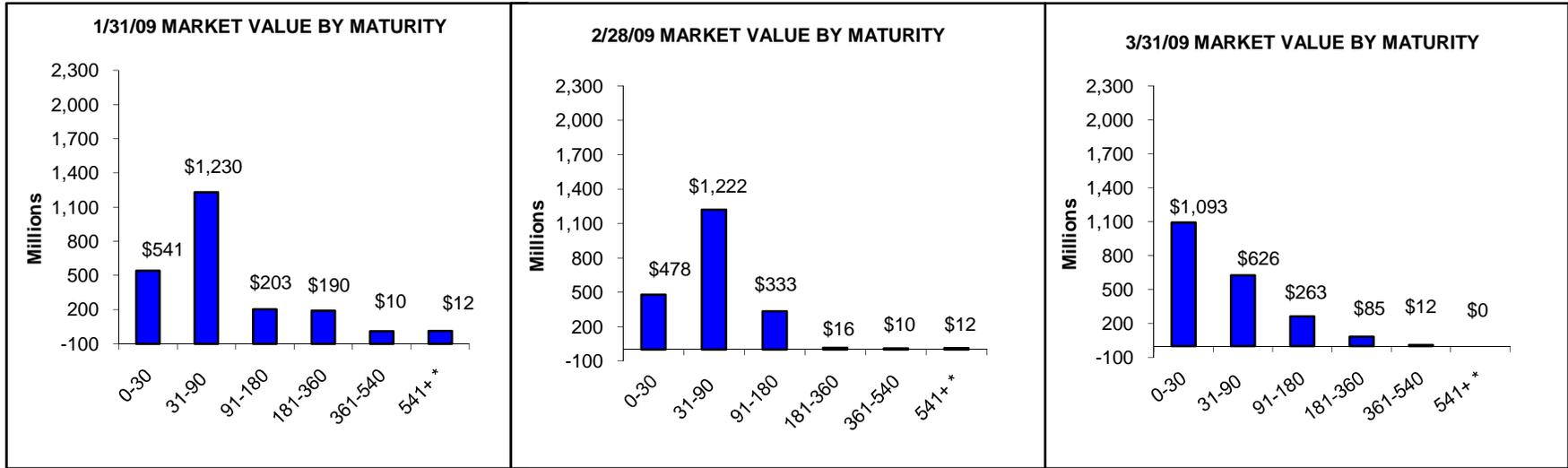
*MM/Cash Equivalent includes dividends payable

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



		01/31/09				02/28/09				03/31/09	
RATING	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT		
AAA	24	\$3,072,703,005	100%	31	\$2,916,987,191	100%	35	\$2,727,680,613	100%		

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

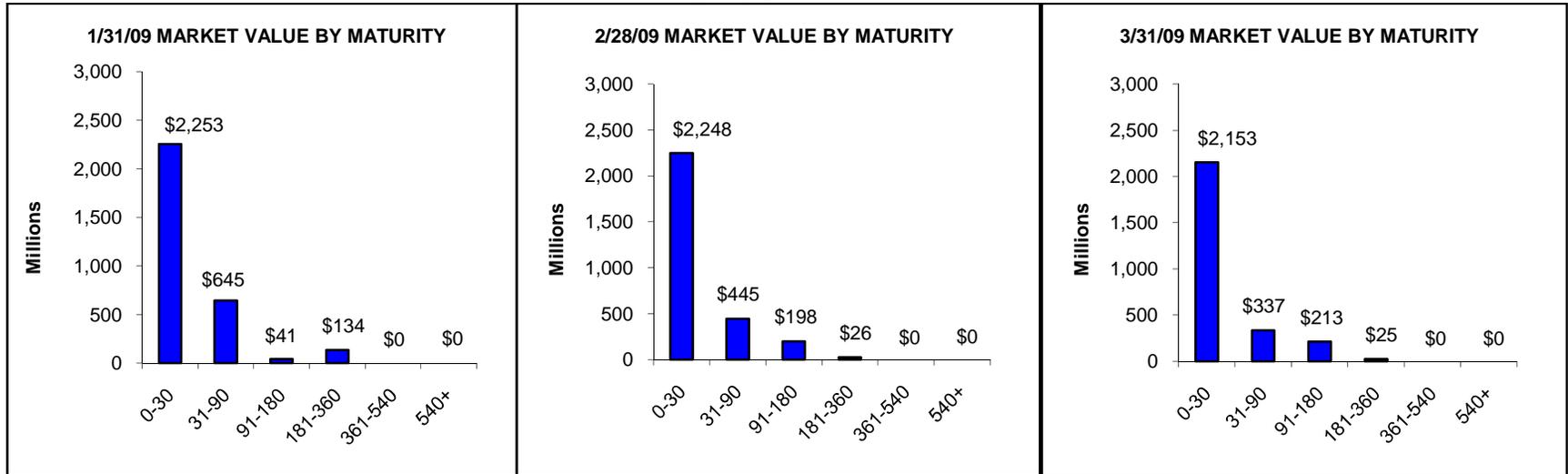


01/31/09				02/28/09			03/31/09		
MATURITY	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT
0-30	36	\$541,353,978	25%	40	\$478,006,847	23%	40	\$1,093,499,963	52%
31-90	51	\$1,229,748,599	56%	44	\$1,221,656,108	59%	37	\$626,021,156	30%
91-180	9	\$203,160,643	9%	11	\$332,551,291	16%	9	\$263,241,327	13%
181-360	6	\$190,017,603	9%	2	\$15,695,944	1%	4	\$84,501,502	4%
361-540	1	\$9,586,440	0%	1	\$9,589,359	0%	2	\$11,960,738	1%
541+ *	2	\$12,149,550	1%	2	\$12,135,300	1%	0	\$0	0%
TOTAL	105	\$2,186,016,814	100%	100	\$2,069,634,848	100%	92	\$2,079,224,686	100%

01/31/09		02/28/09		03/31/09	
MATURITY	WAM	MATURITY	WAM	MATURITY	WAM
0-30	3.78	0-30	3.70	0-30	8.14
31-90	39.25	31-90	33.54	31-90	17.87
91-180	12.71	91-180	21.26	91-180	15.06
181-360	16.54	181-360	1.66	181-360	9.39
361-540	1.78	361-540	1.75	361-540	3.04
541+	3.26	541+	3.28	541+	0.00
TOTAL	77.32	TOTAL	65.19	TOTAL	53.50

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**

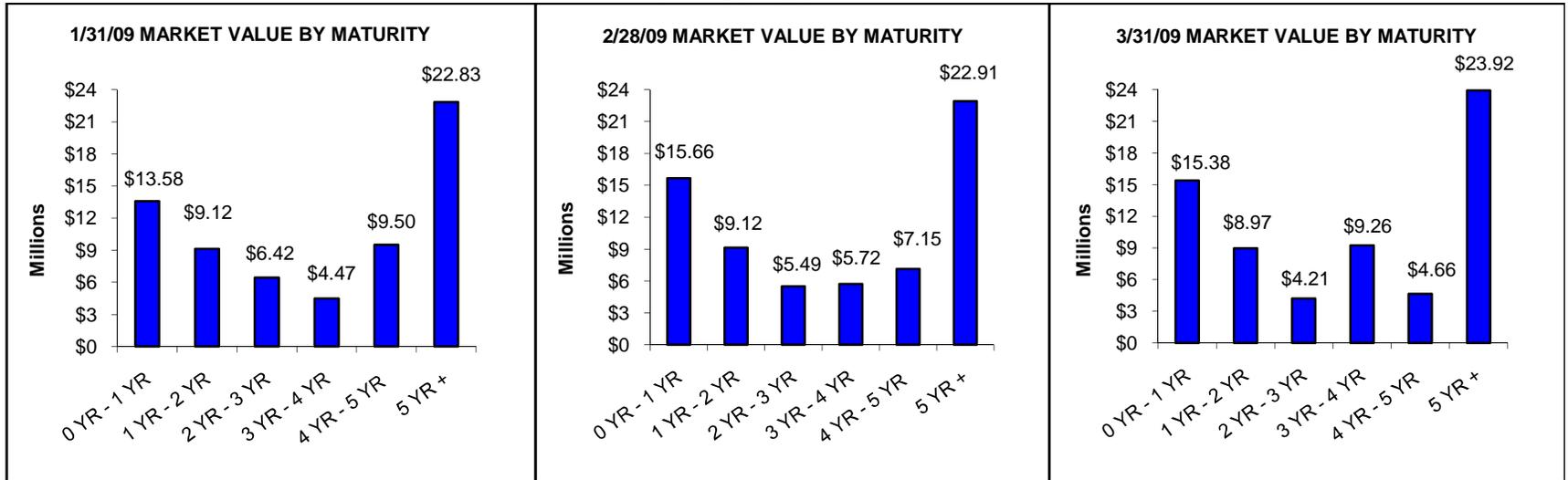


MATURITY	01/31/09			02/28/09			03/31/09		
	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT
0-30	8	\$2,253,184,910	73%	11	\$2,248,092,346	77%	15	\$2,152,943,023	79%
31-90	11	\$644,924,001	21%	12	\$445,425,839	15%	12	\$336,582,408	12%
91-180	1	\$40,935,766	1%	7	\$197,559,236	7%	7	\$212,708,199	8%
181-360	4	\$133,658,328	4%	1	\$25,909,770	1%	1	\$25,446,982	1%
361-540	0	\$0	0%	0	\$0	0%	0	\$0	0%
540+	0	\$0	0%	0	\$0	0%	0	\$0	0%
TOTAL	24	\$3,072,703,005	100%	31	\$2,916,987,191	100%	35	\$2,727,680,613	100%

01/31/09		02/28/09		03/31/09	
MATURITY	WAM	MATURITY	WAM	MATURITY	WAM
0-30	6.53	0-30	5.89	0-30	4.28
31-90	11.27	31-90	8.39	31-90	6.97
91-180	1.39	91-180	9.36	91-180	8.73
181-360	8.39	181-360	1.90	181-360	1.71
361-540	0.00	361-540	0.00	361-540	0.00
540+	0.00	540+	0.00	540+	0.00
TOTAL	27.57	TOTAL	25.53	TOTAL	21.69

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	01/31/09			02/28/09			03/31/09		
	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT
0 YR - 1 YR	27	\$13,584,130	21%	26	\$15,656,270	24%	25	\$15,378,082	23%
1 YR - 2 YR	20	\$9,119,965	14%	20	\$9,117,487	14%	19	\$8,969,607	14%
2 YR - 3 YR	15	\$6,424,926	10%	13	\$5,493,283	8%	10	\$4,208,233	6%
3 YR - 4 YR	10	\$4,474,299	7%	12	\$5,716,551	9%	18	\$9,255,705	14%
4 YR - 5 YR	18	\$9,501,422	14%	15	\$7,145,233	11%	13	\$4,655,039	7%
5 YR +	26	\$22,832,794	35%	28	\$22,908,510	35%	26	\$23,920,965	36%
TOTAL	116	\$65,937,535	100%	114	\$66,037,333	100%	111	\$66,387,630	100%

	1/31/2009	2/28/2009	3/31/2009
LGIP LT MONTHLY DURATION	1.38	1.31	1.22
MERRILL 1-5 US DOMESTIC MASTER INDEX	2.19	2.30	2.06

*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 March 31, 2009
(in millions of dollars)

State Treasurer's Report
April 15, 2009
Page 16

<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	
MAY	2,288	890	
JUNE	2,079	815	
Y-T-D Average	\$2,258	\$1,597	\$739

**EARNINGS DISTRIBUTED
ENDOWMENT FUNDS
MARCH 2009**

State Treasurer's Report
April 15, 2009
Page 17

Distributed in Current Month

Recipient	March-09	Fiscal YTD 08/09	Fiscal YTD 07/08
101 A & M Colleges	\$22,686	\$204,384	\$294,561
102 State Hospital	\$11,186	\$100,782	\$146,640
103 Leg., Exec., & Jud.	\$16,072	\$144,804	\$193,653
104 Military Institute	\$1,269	\$11,430	\$15,171
105 Miners Hospital	\$20,025	\$180,420	\$234,078
107 Normal School ASU/NAU	\$6,345	\$57,168	\$75,741
108 Penitentiaries	\$16,874	\$152,037	\$211,944
109 Permanent Common School	\$4,521,984	\$40,743,168	\$51,970,068
110 School for Deaf & Blind	\$10,040	\$90,456	\$124,479
111 School of Mines	\$21,542	\$194,082	\$242,112
112 State Charitable-Pioneers Home	\$94,777	\$853,850	\$1,081,857
112 State Charitable-Corrections	\$47,388	\$426,922	\$540,930
112 State Charitable-Youth Treatment	\$47,388	\$426,922	\$540,930
113 University Fund	\$31,283	\$281,883	\$378,657
114 U of A Land - 1881	\$73,623	\$663,321	\$875,508
Total	\$4,942,482	\$44,531,628	\$56,926,329

Posted in USAS in current month

ENDOWMENT FUNDS
PORTFOLIO YIELD ANALYSIS
 March 31, 2009

State Treasurer's Report
 April 15, 2009
 Page 18

FUND	DESCRIPTION	NET EARNINGS	SALES EARNINGS YIELD	AMORT/DISC EARNINGS YIELD	COUPON EARNINGS YIELD	NET YIELD
205	ENDOWMENTS - FIXED INCOME	3,460,593	-1.1118%	-0.2839%	4.4274%	3.0317%
	TOTAL ENDOWMENTS - FIXED INCOME	3,460,593				

**RETURN ANALYSIS
ENDOWMENT FUNDS**

(\$ In Thousands)

State Treasurer's Report

April 15, 2009

Page 19

ENDOWMENT FUNDS	MARCH 2009 MONEY WEIGHTED RETURN	FISCAL YEAR 2008/2009 MONEY WEIGHTED RETURN
101 A & M Colleges	3.82%	-18.62%
102 State Hospital	3.90%	-18.94%
103 Leg., Exec., & Jud.	3.68%	-17.54%
104 Military Institute	3.64%	-17.32%
105 Miners Hospital	3.84%	-18.31%
107 Normal School ASU/NAU	3.77%	-18.07%
108 Penitentiaries	3.90%	-15.99%
109 Permanent Common School	3.83%	-18.25%
110 School for Deaf & Blind	3.70%	-17.69%
111 School of Mines	3.77%	-18.12%
112 State Charitable	3.89%	-18.89%
113 University Fund	3.77%	-18.15%
114 U Of A Land - 1881	3.76%	-18.10%
WEIGHTED PORTFOLIO RETURN	3.84%	-13.97%
WEIGHTED BENCHMARK	4.14%	-13.41%
S&P 500 EQUITY FUND RETURN:	8.71%	-36.20%
S & P 500 LARGE CAP INDEX:	8.76%	-36.35%
FIXED INCOME FUND RETURN:	1.10%	4.86%
CITIGROUP BIG INDEX RETURN:	1.41%	5.78%
S&P 400 EQUITY FUND RETURN:	8.20%	-40.11%
S&P 400 MID-CAP INDEX:	9.05%	-39.39%

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

	Jan-09	Feb-09	Mar-09	Jan-09	Feb-09	Mar-09
S&P 500	-8.43%	-10.65%	8.76%	825.88	735.09	797.87
S&P 400	-7.25%	-9.68%	9.05%	498.68	449.44	489.00
S&P 600	-12.70%	-11.97%	8.21%	234.32	205.97	222.43
DOW JONES	-8.84%	-11.72%	7.73%	8000.86	7062.93	7608.92
NASDAQ	-6.35%	-6.50%	11.02%	1476.42	1377.84	1528.59

NET REALIZED CAPITAL GAINS / LOSSES - ENDOWMENT FUNDS

Endowment Fund -----	Mar-09 NET GAIN(LOSS) -----	FISCAL YTD GAINS(LOSSES) -----
Fixed Income Pool Net Gain (Loss)	(1,315,707)	(448,604)
Equity Pool (500) Net Gain (Loss)	(3,306,745)	(30,608,597)
Equity Pool (400) Net Gain (Loss)	192,167	(30,876,585)
Totals	(4,430,285) =====	(61,933,787) =====

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

State Treasurer's Report
 April 15, 2009
 Page 21

I. Endowment Funds Purchases

<u>SECURITY DESCRIPTION</u>	<u>RATE</u>	<u>MATURITY</u>	<u>*WAL YEARS</u>	<u>PAR VALUE</u>	<u>PURCHASE COST</u>	<u>YIELD</u>	<u>MOODY'S / S&P RATING</u>
FHLMC MBS	4.00	6/1/2018	3.35	\$4,111,465	\$4,178,276	3.80	Aaa/AAA
FNMA MBS	4.00	12/1/2020	3.60	\$2,939,839	\$2,982,099	3.86	Aaa/AAA
FDIC - BANK OF AMERICA	0.65	6/22/2012	N/A	\$10,000,000	\$10,000,000	0.65	Aaa/AAA
FDIC - GENERAL ELECTRIC CAP.	1.80	3/11/2011	N/A	\$15,000,000	\$14,995,350	1.82	Aaa/AAA
FDIC - MORGAN STANLEY	2.25	3/13/2012	N/A	\$5,000,000	\$4,992,950	2.30	Aaa/AAA
ABBOTT LABS	5.13	4/1/2019	N/A	\$1,000,000	\$1,002,600	5.09	A1/AA
ABBOTT LABS	5.13	4/1/2019	N/A	\$4,000,000	\$3,982,680	5.18	A1/AA
BOEING CO.	5.00	3/15/2014	N/A	\$5,000,000	\$4,977,900	5.10	A2/A+
UNITED PARCEL SERVICE	3.88	4/1/2014	N/A	\$10,000,000	\$9,977,800	3.92	Aa3/AA-
KROGER CO.	6.20	6/15/2012	N/A	\$5,000,000	\$5,218,950	4.71	Baa2/BBB-
TOTAL ENDOWMENT FUNDS PURCHASES				\$62,051,304	\$62,308,605		

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>
FDIC - GENERAL ELECTRIC CAP.	1.80	3/11/2011	\$5,000,000	\$5,000,780	\$2,319	Aaa/AAA
CITICORP	6.50	12/1/2010	\$5,000,000	\$3,725,000	(\$1,271,419)	Baa1/A-
TOTAL ENDOWMENT FUNDS SALES			\$10,000,000	\$8,725,780	(\$1,269,099)	

*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 March 2009

State Treasurer's Report
April 15, 2009
Page 22

I. Equity Fund Purchases

	<u>SHARES</u>	<u>PURCHASE COST</u>	<u>COMMISSIONS</u>
S&P 400 Mid-Cap Fund	23,225	\$2,102,107	\$348
S&P 500 Large-Cap Fund	156,212	\$3,442,731	\$2,209
TOTAL EQUITY PURCHASES	179,437	\$5,544,838	\$2,557

II. Equity Funds Sales

	<u>SHARES</u>	<u>SALES AMOUNT</u>	<u>COMMISSIONS</u>
S&P 400 Mid-Cap Fund	148,703	\$4,163,993	\$2,040
S&P 500 Large-Cap Fund	161,542	\$3,699,725	\$2,584
TOTAL EQUITY SALES	310,245	\$7,863,717	\$4,624

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

State Treasurer's Report
April 15, 2009
Page 23

FUND	NAME OF FUND	SHARES OUTSTANDING	BOOK VALUE	MARKET VALUE	UNREALIZED GAINS (LOSSES)	Mkt Value/ Book Value
101	A & M Colleges					
	<i>Shares in S&P 500 Index Fund</i>	2,497	2,274	1,701	(573)	
	<i>Shares in Fixed Income Fund</i>	2,755	3,060	4,150	1,089	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	814	779	876	97	
	Total	6,066	6,113	6,727	614	1.100
102	State Hospital					
	<i>Shares in S&P 500 Index Fund</i>	1,538	1,323	1,048	(275)	
	<i>Shares in Fixed Income Fund</i>	1,560	1,779	2,350	571	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	439	453	472	19	
	Total	3,536	3,555	3,870	315	1.089
103	Leg., Exec., & Jud.					
	<i>Shares in S&P 500 Index Fund</i>	1,939	1,908	1,321	(586)	
	<i>Shares in Fixed Income Fund</i>	2,325	2,567	3,502	935	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	630	653	678	25	
	Total	4,894	5,128	5,501	374	1.073
104	Military Institute					
	<i>Shares in S&P 500 Index Fund</i>	132	132	90	(42)	
	<i>Shares in Fixed Income Fund</i>	166	177	250	72	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	46	45	50	5	
	Total	344	354	389	35	1.099
105	Miners Hospital					
	<i>Shares in S&P 500 Index Fund</i>	3,727	3,659	2,540	(1,119)	
	<i>Shares in Fixed Income Fund</i>	3,892	4,919	5,863	944	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	1,050	1,253	1,130	(123)	
	Total	8,670	9,831	9,533	(298)	0.970

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

State Treasurer's Report
April 15, 2009
Page 24

FUND	NAME OF FUND	SHARES OUTSTANDING	BOOK VALUE	MARKET VALUE	UNREALIZED GAINS (LOSSES)	Mkt Value/ Book Value
107	Normal School ASU/NAU					
	<i>Shares in S&P 500 Index Fund</i>	853	809	581	(227)	
	<i>Shares in Fixed Income Fund</i>	949	1,088	1,429	341	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	262	277	282	5	
	Total	2,064	2,174	2,292	118	1.054
108	Penitentiaries					
	<i>Shares in S&P 500 Index Fund</i>	3,166	2,870	2,157	(713)	
	<i>Shares in Fixed Income Fund</i>	3,224	3,858	4,856	998	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	924	983	994	11	
	Total	7,313	7,710	8,007	297	1.039
109	Permanent Common School					
	<i>Shares in S&P 500 Index Fund</i>	808,320	779,530	550,804	(228,726)	
	<i>Shares in Fixed Income Fund</i>	841,476	1,047,160	1,267,596	220,436	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	225,885	266,819	243,077	(23,742)	
	Total	1,875,681	2,093,509	2,061,477	(32,032)	0.985
110	School for Deaf & Blind					
	<i>Shares in S&P 500 Index Fund</i>	1,140	1,081	777	(304)	
	<i>Shares in Fixed Income Fund</i>	1,354	1,455	2,039	584	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	373	370	401	31	
	Total	2,867	2,907	3,217	310	1.107
111	School of Mines					
	<i>Shares in S&P 500 Index Fund</i>	2,856	2,788	1,946	(842)	
	<i>Shares in Fixed Income Fund</i>	3,185	3,750	4,797	1,047	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	877	955	943	(12)	
	Total	6,917	7,494	7,687	193	1.026

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

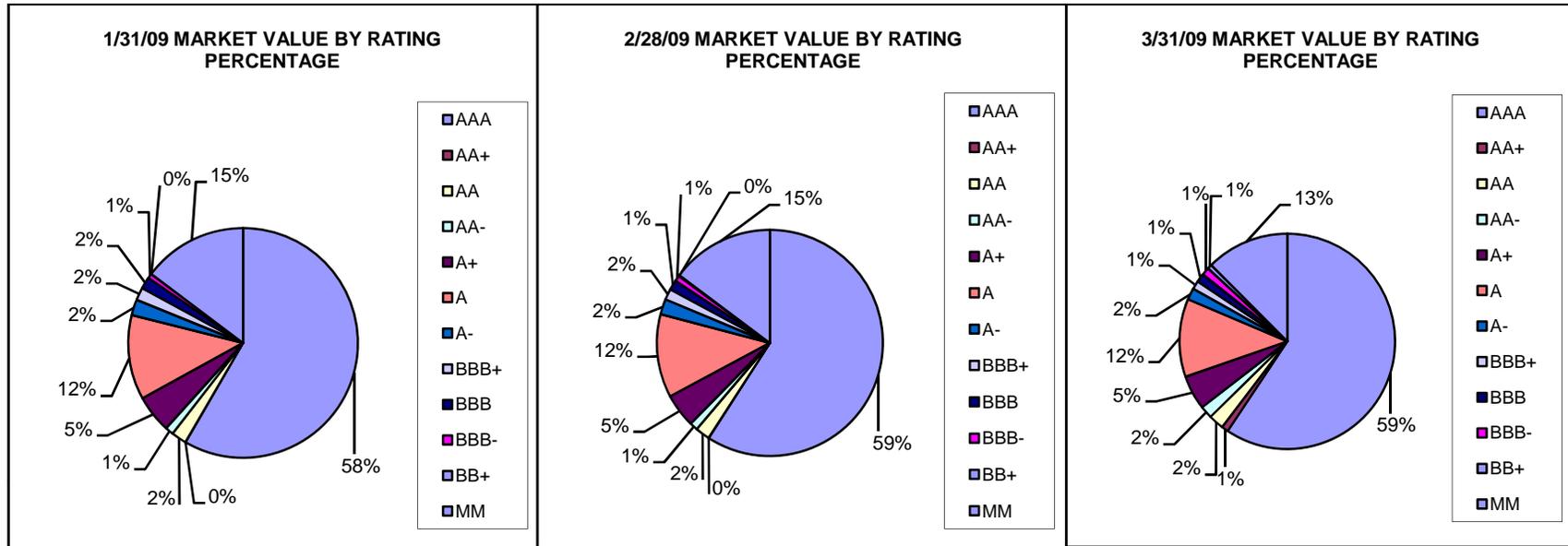
State Treasurer's Report
April 15, 2009
Page 25

FUND	NAME OF FUND	SHARES OUTSTANDING	BOOK VALUE	MARKET VALUE	UNREALIZED GAINS (LOSSES)	Mkt Value/ Book Value
112	State Charitable					
	<i>Shares in S&P 500 Index Fund</i>	31,959	29,811	21,777	(8,034)	
	<i>Shares in Fixed Income Fund</i>	31,785	40,071	47,880	7,809	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	8,406	10,208	9,045	(1,162)	
	Total	72,149	80,090	78,703	(1,387)	0.983
113	University Fund					
	<i>Shares in S&P 500 Index Fund</i>	4,714	4,543	3,213	(1,331)	
	<i>Shares in Fixed Income Fund</i>	5,233	6,109	7,883	1,774	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	1,426	1,556	1,534	(22)	
	Total	11,373	12,209	12,630	421	1.035
114	U Of A Land - 1881					
	<i>Shares in S&P 500 Index Fund</i>	9,932	9,546	6,768	(2,778)	
	<i>Shares in Fixed Income Fund</i>	11,177	12,839	16,837	3,998	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	3,054	3,270	3,286	17	
	Total	24,163	25,654	26,891	1,237	1.048
TOTALS - ALL FUNDS						
	<i>Shares in S&P 500 Index Fund</i>	872,774	840,273	594,723	(245,550)	
	<i>Shares in Fixed Income Fund</i>	909,078	1,128,833	1,369,432	240,599	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	244,185	287,622	262,770	(24,852)	
	Grand Total	2,026,037	2,256,728	2,226,925	(29,803)	

ASSET ALLOCATION PERCENTAGE

	SHARES OUTSTANDING	BOOK VALUE	MARKET VALUE
<i>Shares in S&P 500 Index Fund</i>	43.08%	37.23%	26.71%
<i>Shares in Fixed Income Fund</i>	44.87%	50.02%	61.49%
<i>Shares in Mid-Cap 400 Equity Fund</i>	12.05%	12.75%	11.80%
Total	100.00%	100.00%	100.00%

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



	01/31/09			02/28/09			03/31/09		
RATING	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT
AAA	128	\$773,628,336	58%	132	\$797,220,187	59%	134	\$807,482,365	59%
AA+	0	\$0	0%	0	\$0	0%	3	\$13,843,800	1%
AA	5	\$28,172,650	2%	5	\$27,991,650	2%	6	\$30,941,250	2%
AA-	2	\$15,522,945	1%	2	\$15,397,120	1%	3	\$25,533,435	2%
A+	12	\$70,533,468	5%	11	\$65,148,806	5%	12	\$70,195,539	5%
A	25	\$157,574,821	12%	26	\$160,855,734	12%	25	\$159,202,804	12%
A-	6	\$29,522,730	2%	6	\$29,668,550	2%	5	\$23,968,830	2%
BBB+	5	\$23,777,690	2%	4	\$20,910,680	2%	3	\$17,016,450	1%
BBB	4	\$21,993,825	2%	3	\$19,045,200	1%	4	\$17,560,606	1%
BBB-	1	\$8,700,700	1%	2	\$10,839,290	1%	3	\$15,992,860	1%
BB+	0	\$0	0%	1	\$1,988,050	0%	2	\$9,259,050	1%
MM	2	\$195,521,528	15%	2	\$199,290,832	15%	2	\$166,476,981	13%
TOTAL	190	\$1,324,948,693	100%	194	\$1,348,356,099	100%	202	\$1,357,473,970	100%

MM = MONEY MARKET (LGIP AND DREYFUS INST'L)

EQUITY HOLDINGS
INVESTMENTS OUTSTANDING
 March 31, 2009
 (in thousands)

<u>POOL #</u>	<u>POOL DESCRIPTION</u>	<u>S&P SECTOR</u>	<u>MARKET</u> <u>VALUE</u>	<u>% POOL</u> <u>BALANCE</u>	<u>% S&P 500</u> <u>BALANCE</u>	<u>DIFFERENCE</u>
201	S&P 500 INDEX					
		CONSUMER DISCRETIONARY	49,544	8.75%	8.77%	-0.02%
		CONSUMER STAPLES	72,498	12.80%	12.80%	0.00%
		ENERGY	73,716	13.02%	13.02%	0.00%
		FINANCIALS	61,293	10.82%	10.81%	0.01%
		HEALTH CARE	86,566	15.29%	15.28%	0.00%
		INDUSTRIALS	54,989	9.71%	9.71%	0.00%
		INFORMATION TECHNOLOGY	101,840	17.98%	17.98%	0.00%
		MATERIALS	18,878	3.33%	3.33%	0.00%
		TELECOMMUNICATION SERVICES	22,535	3.98%	3.98%	0.00%
		UTILITIES	24,464	4.32%	4.32%	0.00%
		TOTALS LESS CASH / SPDR'S:	566,323	100.00%	100.00%	
		SPYDER'S	23,889			
		CASH **	4,512			
		TOTAL:	594,723			

*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
March 31, 2009
(in thousands)

State Treasurer's Report
April 15, 2009
Page 28

<u>POOL #</u>	<u>POOL DESCRIPTION</u>	<u>S & P SECTOR</u>	<u>MARKET</u> <u>VALUE</u>	<u>% POOL</u> <u>BALANCE</u>	<u>% S&P 400</u> <u>BALANCE</u>	<u>DIFFERENCE</u>
203	S&P 400 INDEX					
	CONSUMER DISCRETIONARY		24,621	13.56%	15.46%	-1.90%
	CONSUMER STAPLES		9,363	5.16%	4.19%	0.97%
	ENERGY		13,441	7.40%	6.64%	0.76%
	FINANCIALS		29,871	16.45%	17.77%	-1.32%
	HEALTH CARE		27,931	15.38%	12.59%	2.80%
	INDUSTRIALS		24,658	13.58%	14.68%	-1.10%
	INFORMATION TECHNOLOGY		22,026	12.13%	14.41%	-2.28%
	MATERIALS		12,665	6.97%	6.83%	0.14%
	TELECOMMUNICATION SERVICES		1,165	0.64%	0.66%	-0.02%
	UTILITIES		15,836	8.72%	6.76%	1.96%
	TOTALS LESS CASH / SPDR'S:		181,576	100.00%	100.00%	
	SPYDER'S		79,764			
	CASH **		1,430			
	TOTAL:		262,770			

*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

MARCH 31, 2009

(thousands)

State Treasurer's Report

April 15, 2009

Page 29

<u>Fund #</u>	<u>PARTICIPANT DESCRIPTION</u>	<u>BOOK VALUE</u>	<u>MARKET VALUE</u>	<u>UNREALIZED GAIN (LOSS)</u>
101	A & M Colleges	\$3,053	\$2,578	(\$475)
102	State Hospital	1,776	1,520	(256)
103	Leg., Exec., & Jud.	2,561	2,000	(561)
104	Military Institute	177	140	(37)
105	Miners Hospital	4,913	3,670	(1,242)
107	Normal School	1,086	863	(223)
108	Penitentiaries	3,853	3,151	(702)
109	Permanent Common School	1,046,349	793,881	(252,468)
110	School for Deaf & Blind	1,452	1,178	(273)
111	School of Mines	3,743	2,890	(854)
112	State Charitable	40,019	30,823	(9,196)
113	University Fund	6,099	4,747	(1,353)
114	U of A Land - 1881	12,815	10,054	(2,761)
	Totals:	<u>\$1,127,895</u>	<u>\$857,493</u>	<u>(\$270,401)</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
JANUARY 1 - MARCH 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	1,225,000,000	11.34%	10.01%
	FDIC -COM PAPER	10,000,000	25.64%	0.08%
	CORP NOTES	30,250,000	57.89%	0.25%
	US-AGENCY	25,000,000	3.05%	0.20%
BARCLAYS CAPITAL INC.				
	FDIC -CORP NOTES	50,000,000	39.40%	0.41%
	CORP NOTES	22,000,000	42.11%	0.18%
	US-AGENCY	537,425,000	65.47%	4.39%
	US TREAS	40,061,000	12.72%	0.33%
BONY MONEY MARKET				
	MONEY-MARK	61,767,551	100.00%	0.50%
CANTOR FITZGERALD				
	FDIC -CORP NOTES	35,600,000	28.05%	0.29%
	USA-MBS	12,301,162	100.00%	0.10%
CITIGROUP				
	REPO	4,369,000,000	40.43%	35.71%
	FDIC -COM PAPER	29,000,000	74.36%	0.24%
	FDIC -CORP NOTES	8,300,000	6.54%	0.07%
	US TREAS	30,000,000	9.53%	0.25%
DEUTSCHE BANC				
	REPO	3,893,000,000	36.03%	31.82%
	US AGENCY	44,348,000	5.40%	0.36%
	US TREAS	40,000,000	12.70%	0.33%

BROKER ACTIVITY REPORT
STATE AGENCY FUNDS 2, 3, 6, 8, 9, 11-15, 55, 57
JANUARY 1 - MARCH 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>
FIRST TENNESSEE				
	US AGENCY	50,000,000	6.09%	0.41%
	US TREAS	70,000,000	22.23%	0.57%
GOLDMAN SACHS				
	REPO	62,000,000	0.57%	0.51%
	FDIC -CORP NOTES	10,000,000	7.88%	0.08%
JP MORGAN				
	FDIC -CORP NOTES	20,000,000	15.76%	0.16%
	US-AGENCY	47,325,000	5.77%	0.39%
MERRILL LYNCH				
	US-AGENCY	50,000,000	6.09%	0.41%
MIZUHO SECURITIES				
	REPO	1,254,000,000	11.60%	10.25%
	US TREAS	10,000,000	3.18%	0.08%
MORGAN STANLEY				
	FDIC -CORP NOTES	3,000,000	2.36%	0.02%
SECURITIES TRANSFERS (NO BROKER)				
	REPO	3,000,000	0.03%	0.02%
	US-AGENCY	51,000,000	6.21%	0.42%
	US TREAS	120,000,000	38.11%	0.98%
PIPER, JAFFRAY				
	US TREAS	4,800,000	1.52%	0.04%
RBS GREENWICH CAPITAL				
	US-AGENCY	15,800,000	1.92%	0.13%

BROKER ACTIVITY REPORT
POOL 5 - L.G.I.P.
JANUARY 1 - MARCH 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	60,000,000	3.13%	1.85%
	CORP NOTES	27,000,000	76.43%	0.83%
	US-AGENCY	91,557,000	7.18%	2.82%
BARCLAYS CAPITAL INC.				
	US-AGENCY	80,160,000	6.28%	2.47%
CANTOR FITZGERALD				
	US-AGENCY	75,000,000	5.88%	2.31%
CITIGROUP				
	REPO	723,000,000	37.66%	22.27%
	CORP NOTES	2,000,000	5.66%	0.06%
	US-AGENCY	72,799,000	5.71%	2.24%
DEUTSCHE BANC				
	REPO	739,000,000	38.49%	22.77%
	US-AGENCY	90,738,000	7.11%	2.80%
FIRST TENNESSEE				
	US-AGENCY	171,202,000	13.42%	5.27%
J.P. MORGAN				
	COMM-PAP	15,000,000	100.00%	0.46%
	CORP NOTES	6,325,000	17.91%	0.19%
	US-AGENCY	104,936,000	8.23%	3.23%
MERRILL LYNCH				
	US-AGENCY	137,500,000	10.78%	4.24%

BROKER ACTIVITY REPORT
POOL 5 - L.G.I.P.
JANUARY 1 - MARCH 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	398,000,000	20.73%	12.26%
	US-AGENCY	100,800,000	7.90%	3.11%
MORGAN STANLEY				
	US-AGENCY	60,000,000	4.70%	1.85%
SECURITIES TRANSFERS (NO BROKER)				
	US-AGENCY	11,000,000	0.86%	0.34%
RBC DAIN RAUSCHER				
	US-AGENCY	15,000,000	1.18%	0.46%
RBS GREENWICH CAPITAL				
	US-AGENCY	200,000,000	15.68%	6.16%
UBS PAINE WEBBER				
	US-AGENCY	65,015,000	5.10%	2.00%

BROKER ACTIVITY REPORT
POOL 500 - L.G.I.P. LONG-TERM
JANUARY 1 - MARCH 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.				
	US AGENCY	1,000,000	7.87%	2.10%
BARCLAYS CAPITAL INC.				
	US AGENCY	4,500,000	35.41%	9.47%
BONY MONEY MARKET				
	MONEY-MARK	31,382,293	100.00%	66.03%
CANTOR FITZGERALD				
	US AGENCY	2,200,000	17.31%	4.63%
	USA-MBS	2,187,128	100.00%	4.60%
CITIGROUP				
	FDIC - CORP NOTES	500,000	100.00%	1.05%
	US AGENCY	2,250,000	17.70%	4.73%
J.P. MORGAN				
	CORP NOTES	250,000	33.33%	0.53%
MERRILL LYNCH				
	US AGENCY	760,000	5.98%	1.60%
MORGAN STANLEY				
	US AGENCY	2,000,000	15.74%	4.21%
UBS PAINE WEBBER				
	CORP NOTES	500,000	66.67%	1.05%

BROKER ACTIVITY REPORT
POOL 7 - L.G.I.P.- GOV
JANUARY 1 - MARCH 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	7,490,000,000	10.45%	10.28%
	FDIC -COMM PAPER	175,000,000	45.45%	0.24%
	US TREAS	150,000,000	19.11%	0.21%
CITIGROUP				
	REPO	21,163,000,000	29.53%	29.06%
	FDIC -COMM PAPER	165,000,000	42.86%	0.23%
DEUTSCHE BANC				
	REPO	26,003,000,000	36.28%	35.70%
	US TREAS	95,000,000	12.10%	0.13%
GOLDMAN SACHS				
	REPO	1,638,000,000	2.29%	2.25%
J.P. MORGAN				
	FDIC -COMM PAPER	5,000,000	1.30%	0.01%
MERRILL LYNCH				
	FDIC -COMM PAPER	40,000,000	10.39%	0.05%
MIZUHO SECURITIES				
	REPO	15,372,000,000	21.45%	21.10%
	US TREAS	310,000,000	39.49%	0.43%
SECURITIES TRANSFERS (NO BROKER)				
	US TREAS	80,000,000	10.19%	0.11%
RBS GREENWICH CAPITAL				
	US TREAS	150,000,000	19.11%	0.21%

**BROKER ACTIVITY REPORT
FIXED INCOME FUND 205
JANUARY 1 - MARCH 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>BANK OF AMERICA SECURITIES</i>				
	FDIC - CORP-NOTE	15,000,000	42.86%	3.48%
	CORP-NOTE	6,000,000	17.14%	1.39%
<i>BONY MONEY MARKET</i>				
	MONEY-MARK	311,638,359	100.00%	72.22%
<i>BROADPOINT CAPITAL INC.</i>				
	CORP-CMO	11,050,565	100.00%	2.56%
	CORP-NOTE	5,000,000	14.29%	1.16%
	USA MBS	31,792,624	81.85%	7.37%
<i>CANTOR FITZGERALD</i>				
	CORP-NOTE	5,000,000	14.29%	1.16%
	USA MBS	7,051,304	18.15%	1.63%
<i>CITIGROUP</i>				
	CORP-NOTE	10,000,000	28.57%	2.32%
<i>J.P. MORGAN</i>				
	CORP-NOTE	4,000,000	11.43%	0.93%
<i>MORGAN STANLEY</i>				
	FDIC - CORP-NOTE	20,000,000	57.14%	4.63%
<i>UBS PAINE WEBBER</i>				
	CORP-NOTE	5,000,000	14.29%	1.16%