

OFFICE OF THE
ARIZONA STATE TREASURER



**HON. DEAN MARTIN
TREASURER**



MAY 2009

Presented To:

Arizona State Board of Investment

JUNE 17, 2009

STATE BOARD OF INVESTMENT

A G E N D A

June 17, 2009

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

Activity Reports

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

Holdings Reports

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

Balance Report

- F. Operating Monies Invested Balances

5. Review of Treasurer's Monthly Reports - Endowments

Activity Reports

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

Holdings Reports

- G. Investments Outstanding; Endowment Pools
 - H. Rating Summaries – Endowments
 - I. Equity Holdings – Investments Outstanding by Sector
 - S&P 500
 - S&P 400
 - J. Equity Holdings by Participant
6. Proposed Changes to the Investment Policy
- A. Review of Proposed Changes
 - B. Public Comment on Proposed Changes
 - C. Discussion and Action on Proposed Changes
7. Review and approval of Proposed/Pending Securities Dealers
8. General Business
- A. Discuss Pool 8 to Pool 4 Conversion
 - B. Senate Bill 1150; Board of Investment Membership
 - C. Samples of the new pages for the BOI Report
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

June 17, 2009

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**Minutes of
BOARD OF INVESTMENT MEETING**

The regular meeting of the State Board of Investment was held on May 20, 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
Charlotte Hosseini, 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
Thomas J. Giallanza, Assistant Superintendent, Department of Financial Institutions, designee for Felecia A. Rotellini, Superintendent, Department of Financial Institutions

Members Absent:

None

Others Present:

Mark Swenson, Deputy Treasurer Strategic Planning, Audit & Research, Arizona State Treasurer's Office
Klint Tegland, Deputy Treasurer of Operations, Arizona State Treasurer's Office
Tim White, Senior Portfolio Manager, Arizona State Treasurer's Office
Patty Humbert, Portfolio Manager, Arizona State Treasurer's Office
Chris Petkiewicz, Portfolio Manager, Arizona State Treasurer's Office
Dale Stomberg, Investment Accounting Manager, Arizona State Treasurer's Office
John Coughlin, Intern for the Treasurers Office, attending Miami University, Oxford, Ohio
Tisha M. Diffie, Registered Financial Consultant, TMD Investment Strategies, Scottsdale, Arizona

Pursuant to A.R.S. 35-311, the following reports for April, 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
- 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 May 20, 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 May 20, 2009 meeting.

3. Approval of Minutes:

Mr. Maguire made a motion to approve the minutes for the April 15, 2009 Board of Investment Meeting. Mr. Giallanza seconded the motion. Motion carried.

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

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

Earnings Distribution – Investment Pools

Mr. Petkiewicz reported the earnings distributed month-to-date, year-to-date, prior year-to-date, and investment management fees deposited in the General Fund for the month of April, 2009.

State Agency Pools Portfolio Yield Analysis

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

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

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

Pool 500 Portfolio Yield Analysis

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

Investments Outstanding in State Agency Pools

Mr. Petkiewicz reported the total ending par, book, market value, and unrealized gain/loss on the State Investment Pools as of April 30, 2009.

Investments Outstanding Pools 5, 7, and 500

Mr. Petkiewicz reported the ending par, book, market value, and unrealized gain/loss on the LGIP, LGIP-Gov, and LGIP Long Term pools as of April 30, 2009.

Ms. Hosseini asked when there might be resolution on the NCFE and the Lehman Brothers bankruptcies. Treasurer Martin noted that the NCFE bankruptcy is still in the discovery process and the litigation is ongoing. Mr. Swenson advised the board that the claimants for the Lehman Brothers bonds have until the end of June to file, so they are still going through the discovery process as well.

Ms. Hosseini commented that it was possible neither of these issues would be resolved in fiscal 10. Treasurer Martin agreed.

Investments Outstanding Pool 500 Shares

Mr. Petkiewicz reported the ending par, book, market value, and unrealized gain/loss for the LGIP Long Term Pool (share balances) as of April 30, 2009.

Rating Summary for State Agencies

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

Rating Summary for LGIP Pool 5

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

Rating Summary LGIP-Long Term Pool 500

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

Rating Summary LGIP-Gov Pool 7

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

LGIP Maturity Summary Pool 5

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

LGIP Maturity Summary Pool 7

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

LGIP Long Term Maturity Summary Pool 500

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

Operating Monies Average Invested Balance

Mr. Petkiewicz reported the Operating Monies average invested balance for the month of April, 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 is still holding, the cash outflow is greater than the inflow.

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 April, 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 April, 2009.

Monthly Return Analysis for the Endowment Funds

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

Equity Funds Purchases & Sales

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

Investments Outstanding in Endowment Funds

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

Rating Summary Endowment Fixed Income Fund

Mr. White reported the credit ratings for the Endowment Funds as of April 30, 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 April 30, 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 April 30, 2009.

Equity Holdings – By Participant

Mr. White reported the equity holdings of the Endowment Funds as of April 30, 2009.

Approval of Treasurer's Report

Mr. Maguire made a motion to approve the Treasurer's Report as submitted.
Ms. Hosseini 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:

Treasurer Martin advised the board that two new Broker/Dealers, Robert W. Baird & Co. Inc. and Key Corp. Inc./KeyBanc Capital Markets, Inc. have requested to be added to the list of approved Broker/Dealers who do transactions with the Treasurer's Office. Information pertaining to these two companies was included with the BOI Report.

Treasurer Martin noted that Mr. Maguire had requested the board be advised of any trading done with the Jeffries Group Inc. for the month of April. Treasurer Martin confirmed that the following trades were done with the Jeffries Group Inc. in April, two purchases totaling 51.3 million dollars, and one sale for 10 million dollars.

Mr. Maguire made a motion to approve the two new Broker/Dealers, Robert W. Baird & Co. Inc. and Key Corp. Inc./KeyBanc Capital Markets, Inc. Mr. Giallanza seconded the motion. Motion carried.

8. General Business:

Ms. Hosseini asked Treasurer Martin if there was any way to reflect the issuance of Treasurer's Warrant Notes in the BOI Report. Treasurer Martin advised Ms. Hosseini that the Treasurer's Warrant Notes are one of the investments in pool 3, but they are not segregated out. Treasurer Martin then noted that there is an internal report which reflects daily information regarding the warrant notes and this report could be given to the Board members each month. Treasurer Martin also commented that pool 3 is maintaining sufficient liquidity, so funds are available to purchase the notes.

Treasurer Martin also advised the board that because the May 15th payment to School Districts was rolled forward to October, School Districts are basically without funding for 75 days. He mentioned that some of the School Districts may not have enough reserves to cover for that period of time. The Treasurer stated that an offer has been extended to the County Treasurers, that if they have maxed out their lines of credit, the State Treasurer's Office will purchase their warrants, providing they sign an agreement that states that the State Treasurer can withhold the amount loaned from the counties school apportionment payment when distributed by the State Treasurer's Office, in order to pay back those registered warrants.

9. Call to the Public

There was no public comment.

12 Notice of Next Meeting:

The Treasurer advised the Board that the next regular meeting of the Board of Investment will be Wednesday, June 17, 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.

13. Adjournment:

Mr. Maguire made a motion to adjourn the BOI meeting. Mr. Giallanza seconded the motion. Upon unanimous approval, the BOI meeting was adjourned at 2:09 p.m.

Respectfully Submitted by:

Helen D. Garafola
Executive Consultant

Approved by:

Dean Martin, Chair

Date:

EARNINGS DISTRIBUTION - INVESTMENT POOLS
MAY 2009

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June 17, 2009
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Recipient	Earnings Distributed			Fiscal YTD Investment Management Fees Received
	MAY 2009	Fiscal YTD 08/09	Fiscal YTD 07/08	
General Fund	\$134,448	\$20,368,670	\$88,780,225	
2 State Agencies I - Full Faith & Credit	1,453,348	25,332,413	35,083,280	\$503,196
3 State Agencies II - Diversified	1,218,957	33,617,977	93,999,690	938,454
5 Local Governments	165,784	28,779,928	103,211,286	1,374,129
6 State Agencies III - US Govt & Agency	0	52,505	173,544	2,151
7 LGIP Gov't	630,001	23,465,045	62,558,983	1,584,039
8 State Agencies IV - Restricted Diversified	1,127,372	14,584,954	12,103,519	294,205
9 * ADOT - BFO	0	0	0	52,031
11 School Facilities Board	0	62,790	376,644	4,782
12 CAWCD Medium-Term	384,070	4,318,002	4,485,762	63,396
14 School Facilities Board 2002 Series	0	128,213	1,039,385	6,563
15 GADA Long-Term	63,878	651,872	734,541	9,149
Subtotal	\$5,177,858	\$151,362,369	\$402,546,858	\$4,832,096
NAV POOL				
500 LGIP LT	196,153	2,220,157	1,362,501	35,774
Total	\$5,374,011	\$153,582,525	\$403,909,359	\$4,867,870

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

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

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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	1,506,772	0.0000%	-0.0834%	2.5007%	2.4173%
3	STATE AGENCIES II - DIVERSIFIED	740,850	-0.5068%	0.0446%	1.2177%	0.7555%
6	STATE AGENCIES III - US GOVT & AGENCY	0	0.0000%	0.0000%	0.0000%	0.0000%
8	STATE AGENCIES IV-RESTRICTED DIVERSIFIED	258,660	-0.1283%	-0.4408%	1.2597%	0.6906%
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	313,591	0.0000%	-0.3588%	3.7695%	3.4107%
14	SCHOOL FACILITIES BOARD BONDS	0	0.0000%	0.0000%	0.0000%	0.0000%
15	GADA	33,139	0.0000%	-0.1277%	2.9443%	2.8166%
TOTAL STATE AGENCIES		2,853,012				

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

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FUND	DESCRIPTION	NET EARNINGS	SALES EARNINGS YIELD	AMORT/DISC EARNINGS YIELD	COUPON EARNINGS YIELD	GROSS YIELD
5	LGIP	885,542	-0.0029%	-0.3420%	0.9158%	0.5708%
7	LGIP - GOV	522,191	0.0000%	-0.1205%	0.3761%	0.2556%
TOTAL LGIP & LGIP-GOV		1,407,733				
		03/31/09	04/30/09	05/31/09		
5	LGIP MONTHLY YIELD (NET)	0.61%	0.53%	0.51%		
	S & P LGIP INDEX YIELD	0.72%	0.60%	0.51%		
	LGIP YTD YIELD (NET)	1.56%	1.48%	1.40%		
	S & P LGIP YTD INDEX YIELD	1.70%	1.60%	1.48%		
7	LGIP - GOV MONTHLY YIELD (NET)	0.27%	0.23%	0.20%		
	3 MONTH T-BILL	0.20%	0.15%	0.16%		
	* S & P LGIP - GOV INDEX YIELD	0.61%	0.50%	0.43%		
	LGIP - GOV YTD YIELD (NET)	0.81%	0.75%	0.70%		
	YTD 3 MONTH T-BILL	0.65%	0.60%	0.57%		
	* S & P LGIP - GOV YTD INDEX YIELD	1.53%	1.44%	1.33%		

* 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**
May 31, 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	195,881	0.0003%	-0.4266%	3.7367%	3.3105%
	TOTAL LGIP LONG TERM POOL	195,881				

	03/31/09	04/30/09	05/31/09
LGIP LONG TERM MONTHLY YIELD (NET)	3.42%	3.37%	3.25%
MERRILL 1-5 US D M INDEX MONTHLY YIELD	2.80%	2.86%	2.97%
LGIP LONG TERM YTD YIELD (NET)	3.81%	3.76%	3.71%
MERRILL 1-5 US D M INDEX YTD YIELD	3.79%	3.70%	3.63%

**STATE AGENCY POOLS
INVESTMENTS OUTSTANDING**

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MAY 31, 2009

(in thousands)

POOL	INVESTMENT POOL	PAR VALUE	BOOK VALUE	MARKET VALUE	UNREALIZED GAINS (LOSSES)	Mkt Value/ Book Value
2	State Agencies I - Full Faith & Credit					
	Repurchase Agreements	220,000	220,000	220,000	0	
	FDIC - Commercial Paper	10,000	9,998	9,997	(1)	
	U.S. Government & Agencies	498,652	499,987	507,774	7,787	
	FDIC - Corporate Securities	86,300	87,038	87,517	479	
	Total	814,952	817,023	825,288	8,265	1.010
3	State Agencies II - Diversified					
	Repurchase Agreements	525,000	525,000	525,000	0	
	U.S. Government & Agencies	129,218	128,075	128,803	727	
	FDIC - Corporate Securities	13,000	13,065	13,206	141	
	Corporate Securities	582,292	580,785	568,050	(12,735)	
	Total	1,249,510	1,246,926	1,235,059	(11,866)	0.990
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	160,000	160,000	160,000	0	
	U.S. Government & Agencies	263,780	264,190	265,005	815	
	FDIC - Corporate Securities	50,600	50,878	50,937	60	
	Total	474,380	475,068	475,942	874	1.002
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
MAY 31, 2009
(in thousands)

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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	13,576	13,576	13,576	0	
	U.S. Government & Agencies	49,008	49,185	49,689	504	
	Corporate Securities	47,346	47,589	45,650	(1,939)	
	Total	109,930	110,351	108,915	(1,435)	0.987
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	5,796	5,796	5,796	0	
	U.S. Government & Agencies	6,138	6,141	6,260	119	
	Corporate Securities	2,225	2,243	2,027	(216)	
	Total	14,159	14,181	14,083	(98)	0.993
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	5,819	(33,608)	
	Total	39,450	39,427	5,819	(33,608)	0.148
TOTALS - AGENCY POOLS						
	Repurchase Agreements	905,000	905,000	905,000	0	
	Money Market Mutual Shares	19,373	19,373	19,373	0	
	FDIC - Commercial Paper	10,000	9,998	9,997	(1)	
	Commercial Paper	0	0	0	0	
	U.S. Government & Agencies	946,795	947,579	957,531	9,952	
	FDIC - Corporate Securities	149,900	150,981	151,660	679	
	Corporate Securities	631,863	630,618	615,728	(14,890)	
	Board Funding Obligations	0	0	0	0	
	<i>NPF Securities</i>	61,939	61,924	0	(61,924)	
	<i>Lehman Bonds</i>	39,450	39,427	5,819	(33,608)	
	Grand Total	2,764,320	2,764,899	2,665,107	(99,792)	

L.G.I.P.
INVESTMENTS OUTSTANDING
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(in thousands)

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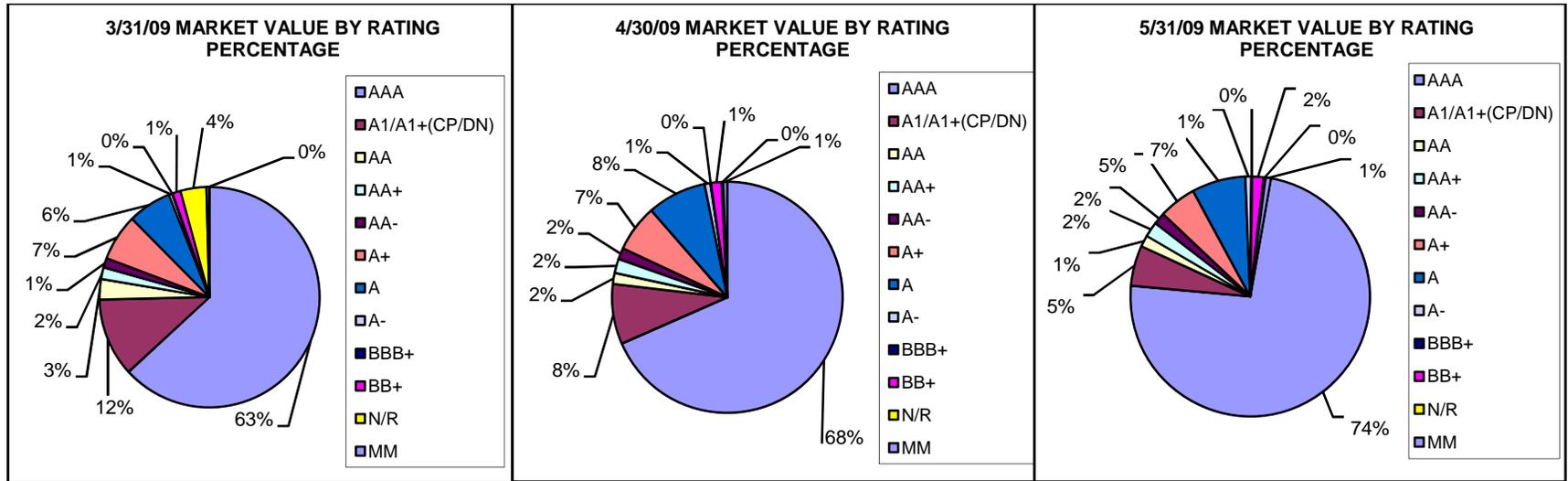
POOL	INVESTMENT POOL	PAR VALUE	BOOK VALUE	MARKET VALUE	UNREALIZED GAINS (LOSSES)	Mkt Value/ Book Value
5	Local Governments					
	Repurchase Agreements	570,000	570,000	570,000	0	
	Commercial Paper	0	0	0	0	
	FDIC - Commercial Paper	225,000	224,855	224,830	(25)	
	Certificates of Deposit	5,000	4,999	4,999	(0)	
	U.S. Government & Agencies	846,231	847,198	847,609	411	
	Corporate Securities	336,540	336,281	331,688	(4,593)	
	Total	1,982,771	1,983,333	1,979,126	(4,207)	0.998
7	LGIP - Gov't					
	Repurchase Agreements	2,610,000	2,610,000	2,610,000	0	
	FDIC - Commercial Paper	100,000	99,980	99,980	0	
	U.S. Government & Agencies	595,498	596,119	596,343	223	
	Total	3,305,498	3,306,100	3,306,323	223	1.000
500	LGIP LT					
	Money Market Mutual Shares	3,963	3,963	3,963	0	
	Commercial Paper	0	0	0	0	
	U.S. Government & Agencies	45,526	45,850	46,902	1,051	
	Corporate Securities	17,790	17,853	17,870	17	
	FDIC - Corporate Securities	1,500	1,498	1,503	5	
	Dividends Payable/Other	(58)	(58)	(58)	0	
	Total	68,721	69,106	70,180	1,074	
	TOTALS - LGIP POOLS					
	Repurchase Agreements	3,180,000	3,180,000	3,180,000	0	
	Money Market Mutual Shares	3,963	3,963	3,963	0	
	FDIC - Commercial Paper	325,000	324,836	324,810	(25)	
	Commercial Paper	0	0	0	0	
	Certificates of Deposit	5,000	4,999	4,999	(0)	
	U.S. Government & Agencies	1,487,255	1,489,167	1,490,853	1,686	
	Corporate Securities	354,330	354,133	349,558	(4,575)	
	FDIC - Corporate Securities	1,500	1,498	1,503	5	
	Dividends Payable/Other	(58)	(58)	(58)	0	
	Grand Total	5,356,990	5,358,539	5,355,629	(2,910)	

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

State Treasurer's Report
June 17, 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>	69,238	69,668	70,766	1,098	
	Total	69,238	69,668	70,766	1,098	1.016

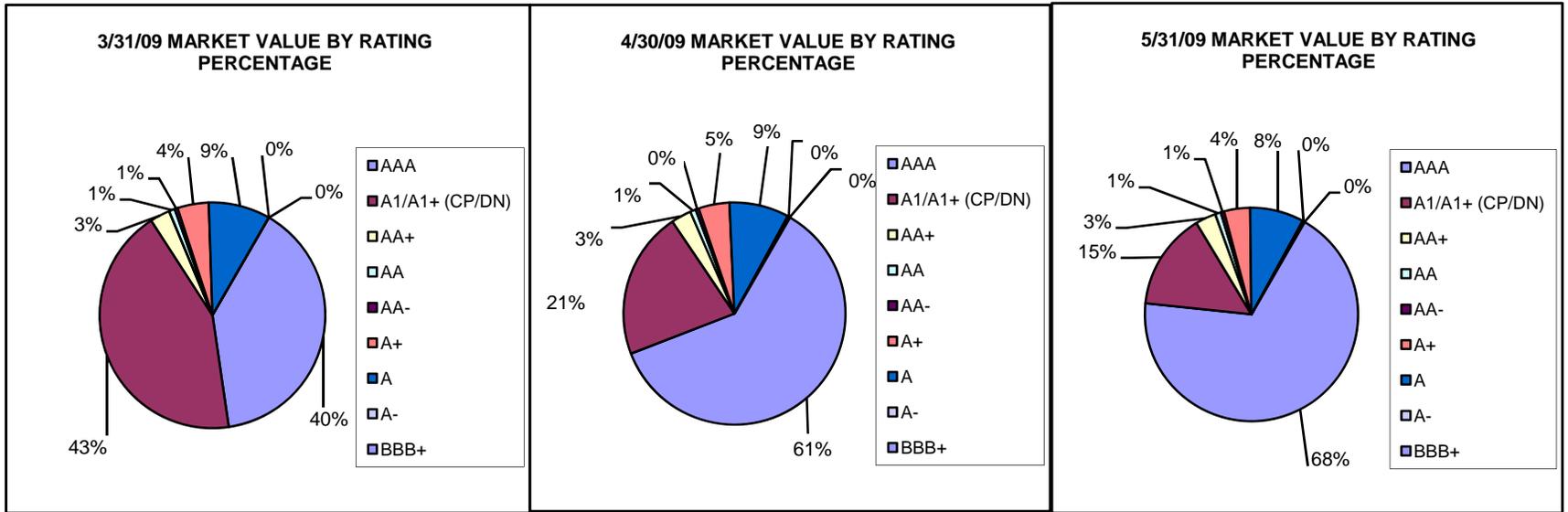
**ARIZONA STATE TREASURER'S OFFICE
RATING SUMMARY
STATE AGENCY POOLS 2, 3, 6, 8, 9, 11 - 15, 55, 57**



	03/31/09			04/30/09			05/31/09		
RATING	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT
AAA	207	\$1,889,198,766	63%	181	\$1,822,681,767	68%	174	\$1,975,996,246	73%
A1/A1+(CP/DN)	13	\$343,523,570	12%	10	\$207,581,170	8%	7	\$133,774,538	5%
AA	7	\$90,202,539	3%	4	\$41,077,293	2%	4	\$41,414,484	2%
AA+	5	\$51,488,425	2%	5	\$52,932,650	2%	5	\$54,185,615	2%
AA-	5	\$41,248,920	1%	5	\$41,685,404	2%	5	\$41,702,716	2%
A+	22	\$204,220,626	7%	19	\$173,893,318	7%	18	\$134,160,094	5%
A	20	\$191,421,463	6%	22	\$218,208,218	8%	21	\$192,982,040	7%
A-	1	\$260,691	1%	3	\$21,470,794	1%	3	\$21,545,739	1%
BBB+	2	\$2,506,084	0%	2	\$2,561,678	0%	2	\$2,715,303	0%
BB+	5	\$35,506,625	1%	5	\$38,955,760	1%	5	\$41,432,100	2%
N/R	21	\$114,741,071	4%	19	\$5,530,071	0%	19	\$5,825,946	0%
MM	2	\$12,631,689	0%	2	\$15,594,181	1%	2	\$19,372,659	1%
TOTAL	310	\$2,976,950,470	100%	277	\$2,642,172,303	100%	265	\$2,665,107,479	100%

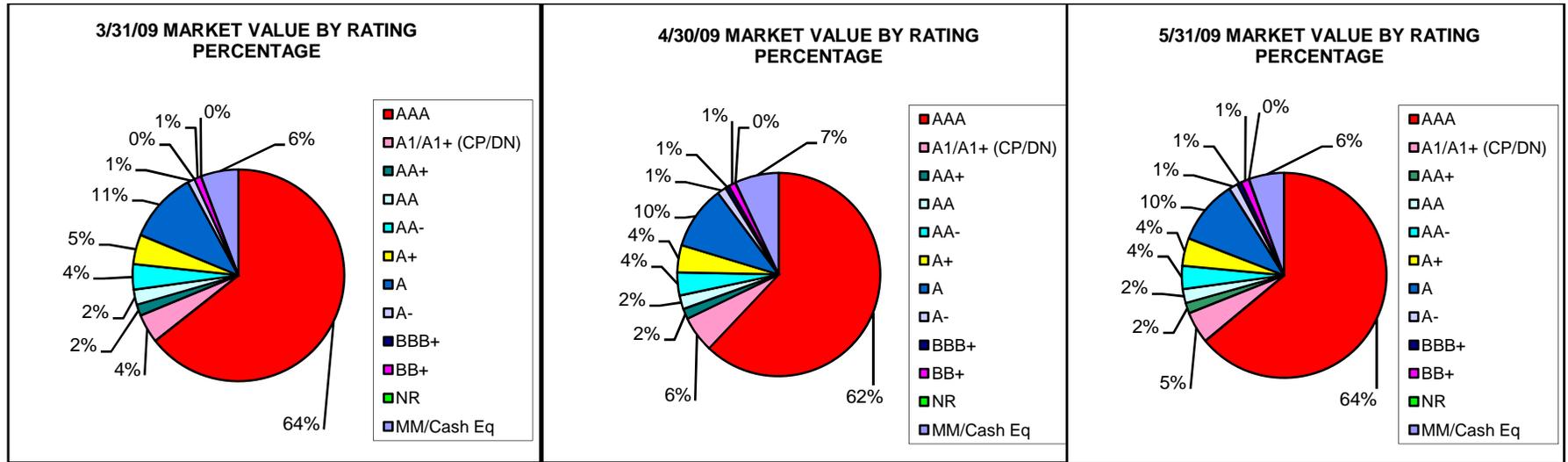
MM = MONEY MARKET (JP MORGAN US GOVERNMENT & JP MORGAN US TREASURY PLUS)
N/R = A TAX DEFERRED (7,071) AND NCFE

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



RATING	03/31/09			04/30/09			05/31/09		
	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT
AAA	34	\$814,748,110	40%	39	\$1,266,096,419	61%	36	\$1,350,489,051	69%
A1/A1+ (CP/DN)	25	\$899,965,096	43%	13	\$446,154,086	21%	10	\$291,950,004	15%
AA+	4	\$59,866,000	3%	4	\$60,778,011	3%	4	\$61,650,790	3%
AA	2	\$17,285,971	1%	2	\$17,416,685	1%	2	\$17,454,995	1%
AA-	1	\$9,531,540	0%	1	\$9,653,310	0%	1	\$9,887,950	0%
A+	6	\$92,878,936	4%	5	\$88,128,801	5%	4	\$78,182,075	4%
A	20	\$184,949,033	9%	18	\$181,597,779	9%	17	\$162,061,740	8%
A-	0	\$0	0%	1	\$4,998,114	0%	1	\$4,999,413	0%
BBB+	0	\$0	0%	1	\$2,355,915	0%	1	\$2,450,448	0%
TOTAL	92	\$2,079,224,686	100%	84	\$2,077,179,119	100%	76	\$1,979,126,466	100%

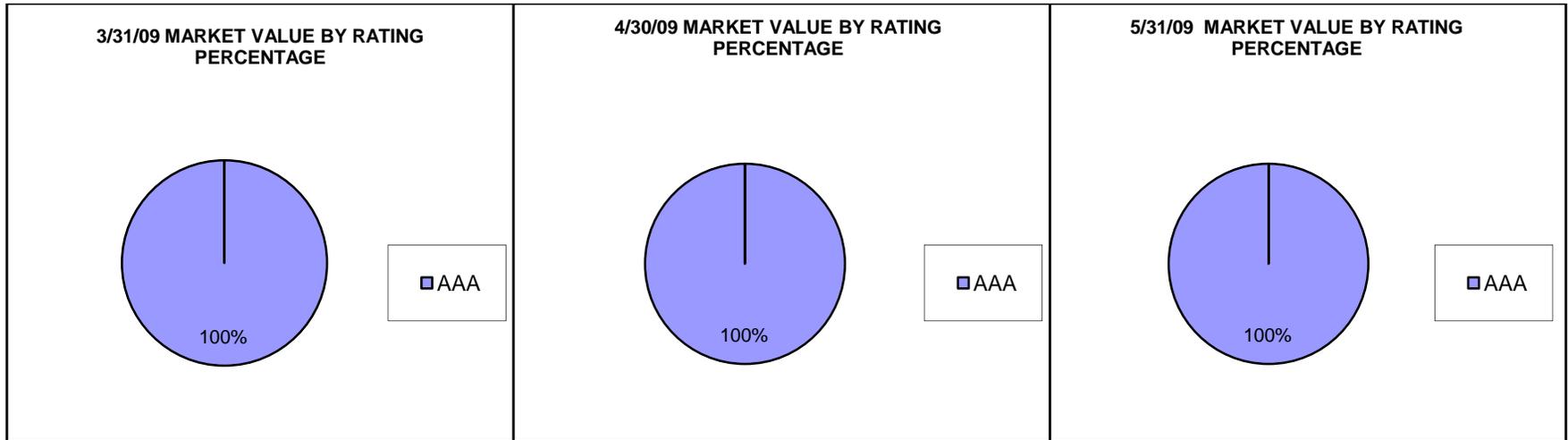
**ARIZONA STATE TREASURER'S OFFICE
RATING SUMMARY
LGIP 500**



	3/31/2009			4/30/2009			5/31/2009		
RATING	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALU	PERCENT
AAA	61	\$42,595,739	64%	65	\$43,468,724	62%	69	\$44,902,147	64%
A1/A1+ (CP/DN)	4	\$3,165,794	4%	5	\$4,028,371	6%	3	\$3,502,461	5%
AA+	3	\$1,134,945	2%	3	\$1,161,414	2%	3	\$1,178,607	2%
AA	5	\$1,525,049	2%	5	\$1,532,521	2%	5	\$1,530,686	2%
AA-	5	\$2,551,694	4%	5	\$2,547,854	4%	5	\$2,573,380	4%
A+	8	\$3,001,143	5%	8	\$3,048,419	4%	8	\$3,075,280	4%
A	18	\$7,181,802	11%	17	\$7,088,583	10%	17	\$7,127,721	10%
A-	2	\$706,114	1%	3	\$972,224	1%	3	\$982,165	1%
BBB+	0	\$0	0%	2	\$453,421	1%	2	\$470,954	1%
BB+	2	\$705,995	1%	2	\$773,391	1%	2	\$894,182	1%
NR	1	\$30,000	0%	1	\$35,000	0%	1	\$36,875	0%
MM/Cash Eq	2	\$3,789,356	6%	2	\$4,913,617	7%	2	\$3,905,198	6%
TOTAL	111	\$66,387,630	100%	118	\$70,023,537	100%	120	\$70,179,653	100%

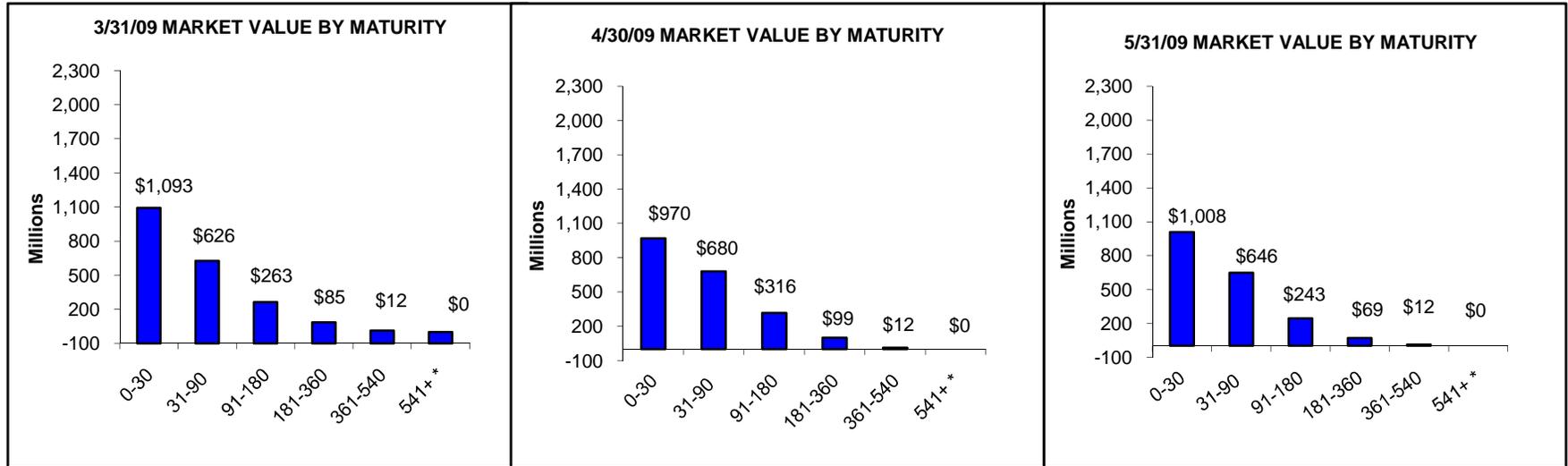
*MM/Cash Equivalent includes dividends payable

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



		03/31/09				04/30/09				05/31/09	
RATING	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT		
AAA	35	\$2,727,680,613	100%	37	\$3,036,886,682	100%	32	\$3,306,322,817	100%		

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

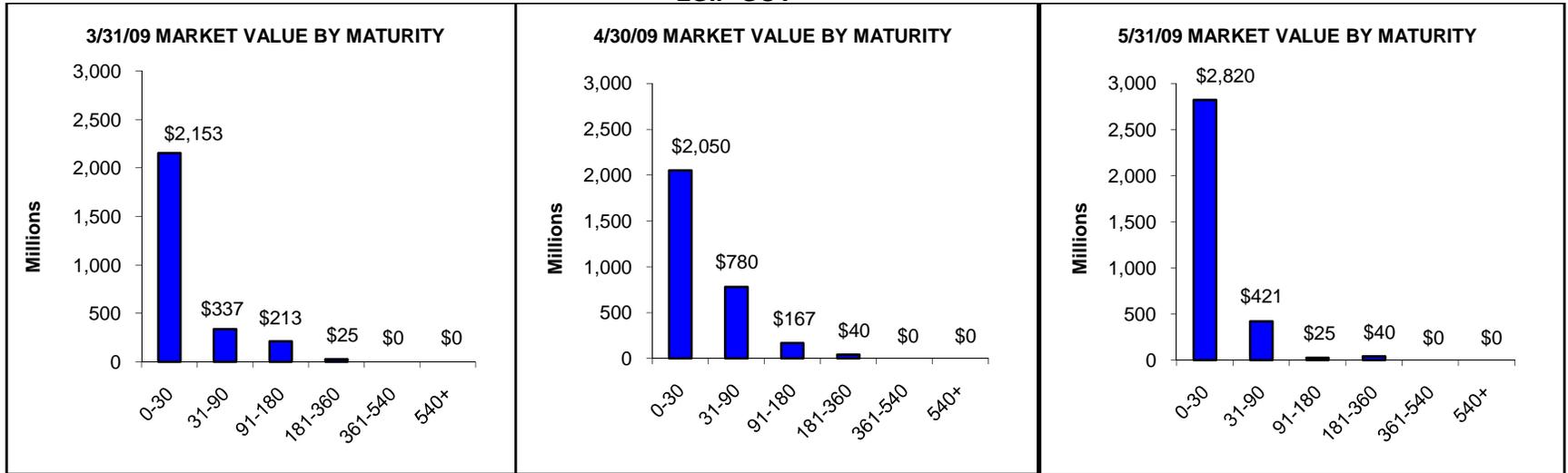


03/31/09				04/30/09			05/31/09		
MATURITY	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT
0-30	40	\$1,093,499,963	52%	33	\$969,853,697	47%	33	\$1,008,360,282	51%
31-90	37	\$626,021,156	30%	35	\$680,257,663	33%	30	\$646,097,542	33%
91-180	9	\$263,241,327	13%	9	\$315,708,028	15%	8	\$243,326,393	12%
181-360	4	\$84,501,502	4%	5	\$99,443,169	4%	3	\$69,411,438	4%
361-540	2	\$11,960,738	1%	2	\$11,916,563	1%	2	\$11,930,813	1%
541+ *	0	\$0	0%	0	\$0	0%	0	\$0	0%
TOTAL	92	\$2,079,224,686	100%	84	\$2,077,179,119	100%	76	\$1,979,126,466	100%

03/31/09		04/30/09		05/31/09	
MATURITY	WAM	MATURITY	WAM	MATURITY	WAM
0-30	8.14	0-30	4.55	0-30	4.34
31-90	17.87	31-90	20.82	31-90	19.79
91-180	15.06	91-180	19.55	91-180	16.65
181-360	9.39	181-360	10.72	181-360	7.03
361-540	3.04	361-540	2.86	361-540	2.82
541+	0.00	541+	0.00	541+	0.00
TOTAL	53.50	TOTAL	58.50	TOTAL	50.62

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	03/31/09			04/30/09			05/31/09		
	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT
0-30	15	\$2,152,943,023	79%	15	\$2,050,055,511	68%	16	\$2,819,983,456	85%
31-90	12	\$336,582,408	12%	15	\$779,893,492	26%	14	\$421,095,466	13%
91-180	7	\$212,708,199	8%	6	\$167,023,279	5%	1	\$25,309,575	1%
181-360	1	\$25,446,982	1%	1	\$39,914,400	1%	1	\$39,934,320	1%
361-540	0	\$0	0%	0	\$0	0%	0	\$0	0%
540+	0	\$0	0%	0	\$0	0%	0	\$0	0%
TOTAL	35	\$2,727,680,613	100%	37	\$3,036,886,682	100%	32	\$3,306,322,817	100%

03/31/09	
MATURITY	WAM
0-30	4.28
31-90	6.97
91-180	8.73
181-360	1.71
361-540	0.00
540+	0.00
TOTAL	21.69

04/30/09	
MATURITY	WAM
0-30	6.30
31-90	13.76
91-180	5.71
181-360	3.04
361-540	0.00
540+	0.00
TOTAL	28.81

05/31/09	
MATURITY	WAM
0-30	8.96
31-90	6.06
91-180	0.93
181-360	2.42
361-540	0.00
540+	0.00
TOTAL	18.37

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	03/31/09			04/30/09			05/31/09		
	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT
0 YR - 1 YR	25	\$15,378,082	23%	26	\$17,790,085	25%	25	\$16,311,843	23%
1 YR - 2 YR	19	\$8,969,607	14%	20	\$7,705,184	11%	21	\$9,227,100	13%
2 YR - 3 YR	10	\$4,208,233	6%	11	\$5,429,328	8%	11	\$5,020,076	7%
3 YR - 4 YR	18	\$9,255,705	14%	17	\$8,579,861	12%	21	\$10,392,014	15%
4 YR - 5 YR	13	\$4,655,039	7%	14	\$5,693,038	8%	14	\$4,676,815	7%
5 YR +	26	\$23,920,965	36%	30	\$24,826,042	35%	28	\$24,551,805	35%
TOTAL	111	\$66,387,630	100%	118	\$70,023,537	100%	120	\$70,179,653	100%

	3/31/2009	4/30/2009	5/31/2009
LGIP LT MONTHLY DURATION	1.22	1.25	1.39
MERRILL 1-5 US DOMESTIC MASTER INDEX	2.06	2.16	2.38

*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 May 31, 2009
(in millions of dollars)

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<u>Month</u>	<u>Fiscal Year</u> <u>2006/2007</u>	<u>Fiscal Year</u> <u>2007/2008</u>	<u>Fiscal Year</u> <u>2008/2009</u>
JULY	2,594	2,197	1,450
AUGUST	2,263	1,936	795
SEPTEMBER	2,305	2,082	876
OCTOBER	2,311	1,941	564
NOVEMBER	2,198	1,880	613
DECEMBER	2,181	1,893	804
JANUARY	2,390	1,875	739
FEBRUARY	2,396	1,652	542
MARCH	2,101	1,143	264
APRIL	1,990	859	16
MAY	2,288	890	18
JUNE	2,079	815	
Y-T-D			
Average	\$2,258	\$1,597	\$607

**EARNINGS DISTRIBUTED
ENDOWMENT FUNDS
MAY 2009**

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Distributed in Current Month

Recipient	May-09	Fiscal YTD 08/09	Fiscal YTD 07/08
101 A & M Colleges	\$22,686	\$249,756	\$360,033
102 State Hospital	\$11,186	\$123,154	\$179,234
103 Leg., Exec., & Jud.	\$16,072	\$176,948	\$236,697
104 Military Institute	\$1,269	\$13,968	\$18,543
105 Miners Hospital	\$20,025	\$220,470	\$286,108
107 Normal School ASU/NAU	\$6,345	\$69,858	\$92,577
108 Penitentiaries	\$16,874	\$185,785	\$259,054
109 Permanent Common School	\$4,521,984	\$49,787,136	\$63,521,778
110 School for Deaf & Blind	\$10,040	\$110,536	\$152,147
111 School of Mines	\$21,542	\$237,166	\$295,928
112 State Charitable-Pioneers Home	\$94,777	\$1,043,404	\$1,322,321
112 State Charitable-Corrections	\$47,388	\$521,698	\$661,162
112 State Charitable-Youth Treatment	\$47,388	\$521,698	\$661,162
113 University Fund	\$31,283	\$344,449	\$462,825
114 U of A Land - 1881	\$73,623	\$810,567	\$1,070,112
Total	\$4,942,482	\$54,416,592	\$69,579,681

Posted in USAS in current month

ENDOWMENT FUNDS
PORTFOLIO YIELD ANALYSIS
 May 31, 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	4,588,001	0.0000%	-0.3019%	4.3842%	4.0823%
	TOTAL ENDOWMENTS - FIXED INCOME	4,588,001				

**RETURN ANALYSIS
ENDOWMENT FUNDS**

(\$ In Thousands)

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ENDOWMENT FUNDS	MAY 2009 MONEY WEIGHTED RETURN	FISCAL YEAR 2008/2009 MONEY WEIGHTED RETURN
101 A & M Colleges	2.30%	-12.96%
102 State Hospital	2.37%	-13.08%
103 Leg., Exec., & Jud.	2.23%	-12.06%
104 Military Institute	2.18%	-11.91%
105 Miners Hospital	2.35%	-12.39%
107 Normal School ASU/NAU	2.29%	-12.35%
108 Penitentiaries	2.37%	-8.94%
109 Permanent Common School	2.35%	-12.25%
110 School for Deaf & Blind	2.23%	-12.19%
111 School of Mines	2.29%	-12.46%
112 State Charitable	2.37%	-13.28%
113 University Fund	2.29%	-12.52%
114 U Of A Land - 1881	2.28%	-12.44%
WEIGHTED PORTFOLIO RETURN	2.35%	-8.89%
WEIGHTED BENCHMARK	2.25%	-8.23%
S&P 500 EQUITY FUND RETURN:	5.60%	-26.19%
S & P 500 LARGE CAP INDEX:	5.59%	-26.36%
FIXED INCOME FUND RETURN:	0.82%	5.81%
CITIGROUP BIG INDEX RETURN:	0.51%	6.37%
S&P 400 EQUITY FUND RETURN:	2.08%	-31.45%
S&P 400 MID-CAP INDEX:	2.74%	-28.47%

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

	Mar-09	Apr-09	May-09	Mar-09	Apr-09	May-09
S&P 500	8.76%	9.57%	5.59%	797.87	872.81	919.14
S&P 400	9.05%	14.87%	2.74%	489.00	561.14	575.52
S&P 600	8.21%	17.46%	1.61%	222.43	260.93	264.89
DOW JONES	7.73%	7.35%	4.07%	7608.92	8168.12	8500.33
NASDAQ	11.02%	12.40%	3.47%	1528.59	1717.30	1774.33

NET REALIZED CAPITAL GAINS / LOSSES - ENDOWMENT FUNDS

Endowment Fund -----	May-09 NET GAIN(LOSS) -----	FISCAL YTD GAINS(LOSSES) -----
Fixed Income Pool Net Gain (Loss)	(46,129)	(653,850)
Equity Pool (500) Net Gain (Loss)	(1,045,159)	(31,335,914)
Equity Pool (400) Net Gain (Loss)	(1,930,598)	(35,929,684)
Totals	(3,021,886) =====	(67,919,447) =====

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

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I. Endowment Funds Purchases

<u>SECURITY DESCRIPTION</u>	<u>RATE</u>	<u>MATURITY</u>	<u>*WAL YEARS</u>	<u>PAR VALUE</u>	<u>PURCHASE COST</u>	<u>YIELD</u>	<u>MOODY'S / S&P RATING</u>
OCCIDENTAL PETROLEUM	4.13	6/1/2016	N/A	\$5,000,000	\$4,964,600	4.24	A2/A
KELLOGG COMPANY	4.45	5/30/2016	N/A	\$4,000,000	\$3,989,440	4.49	A3/BBB+
TOTAL ENDOWMENT FUNDS PURCHASES				\$9,000,000	\$8,954,040		

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>
TOTAL ENDOWMENT FUNDS SALES			\$0	\$0	\$0	

*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 May 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	378,492	\$9,129,191	\$5,677
S&P 500 Large-Cap Fund	279,768	\$5,550,482	\$4,197
TOTAL EQUITY PURCHASES	658,260	\$14,679,673	\$9,874

II. Equity Funds Sales

	<u>SHARES</u>	<u>SALES AMOUNT</u>	<u>COMMISSIONS</u>
S&P 400 Mid-Cap Fund	426,284	\$10,208,890	\$6,555
S&P 500 Large-Cap Fund	39,339	\$3,200,646	\$659
TOTAL EQUITY SALES	465,623	\$13,409,535	\$7,213

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

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FUND NAME OF FUND	SHARES OUTSTANDING	BOOK VALUE	MARKET VALUE	UNREALIZED GAINS (LOSSES)	Mkt Value/ Book Value
101 A & M Colleges					
<i>Shares in S&P 500 Index Fund</i>	2,489	2,261	1,962	(299)	
<i>Shares in Fixed Income Fund</i>	2,732	3,048	4,155	1,106	
<i>Shares in Mid-Cap 400 Equity Fund</i>	812	779	1,000	221	
Total	6,032	6,089	7,116	1,028	1.169
102 State Hospital					
<i>Shares in S&P 500 Index Fund</i>	1,539	1,321	1,214	(108)	
<i>Shares in Fixed Income Fund</i>	1,552	1,778	2,360	581	
<i>Shares in Mid-Cap 400 Equity Fund</i>	438	454	540	86	
Total	3,530	3,554	4,113	560	1.157
103 Leg., Exec., & Jud.					
<i>Shares in S&P 500 Index Fund</i>	1,935	1,897	1,525	(371)	
<i>Shares in Fixed Income Fund</i>	2,308	2,559	3,510	951	
<i>Shares in Mid-Cap 400 Equity Fund</i>	629	653	775	121	
Total	4,871	5,109	5,809	700	1.137
104 Military Institute					
<i>Shares in S&P 500 Index Fund</i>	131	131	104	(27)	
<i>Shares in Fixed Income Fund</i>	164	177	250	73	
<i>Shares in Mid-Cap 400 Equity Fund</i>	46	45	57	12	
Total	342	353	410	58	1.164
105 Miners Hospital					
<i>Shares in S&P 500 Index Fund</i>	3,743	3,661	2,951	(710)	
<i>Shares in Fixed Income Fund</i>	3,887	4,929	5,911	982	
<i>Shares in Mid-Cap 400 Equity Fund</i>	1,053	1,257	1,297	40	
Total	8,683	9,846	10,158	312	1.032

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

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June 17, 2009
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FUND NAME OF FUND	SHARES OUTSTANDING	BOOK VALUE	MARKET VALUE	UNREALIZED GAINS (LOSSES)	Mkt Value/ Book Value
107 Normal School ASU/NAU					
<i>Shares in S&P 500 Index Fund</i>	851	805	671	(134)	
<i>Shares in Fixed Income Fund</i>	942	1,085	1,433	348	
<i>Shares in Mid-Cap 400 Equity Fund</i>	261	277	322	45	
Total	2,055	2,166	2,426	259	1.120
108 Penitentiaries					
<i>Shares in S&P 500 Index Fund</i>	3,196	2,890	2,519	(371)	
<i>Shares in Fixed Income Fund</i>	3,230	3,885	4,912	1,027	
<i>Shares in Mid-Cap 400 Equity Fund</i>	930	991	1,145	154	
Total	7,355	7,766	8,576	810	1.104
109 Permanent Common School					
<i>Shares in S&P 500 Index Fund</i>	814,698	784,365	642,222	(142,144)	
<i>Shares in Fixed Income Fund</i>	842,117	1,053,915	1,280,732	226,816	
<i>Shares in Mid-Cap 400 Equity Fund</i>	227,276	268,521	279,916	11,394	
Total	1,884,092	2,106,802	2,202,869	96,067	1.046
110 School for Deaf & Blind					
<i>Shares in S&P 500 Index Fund</i>	1,138	1,076	897	(179)	
<i>Shares in Fixed Income Fund</i>	1,343	1,451	2,043	592	
<i>Shares in Mid-Cap 400 Equity Fund</i>	372	371	458	87	
Total	2,854	2,898	3,399	501	1.173
111 School of Mines					
<i>Shares in S&P 500 Index Fund</i>	2,850	2,772	2,246	(526)	
<i>Shares in Fixed Income Fund</i>	3,163	3,738	4,810	1,072	
<i>Shares in Mid-Cap 400 Equity Fund</i>	874	954	1,077	123	
Total	6,887	7,464	8,133	669	1.090

ENDOWMENT FUNDS
INVESTMENTS OUTSTANDING
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(In Thousands)

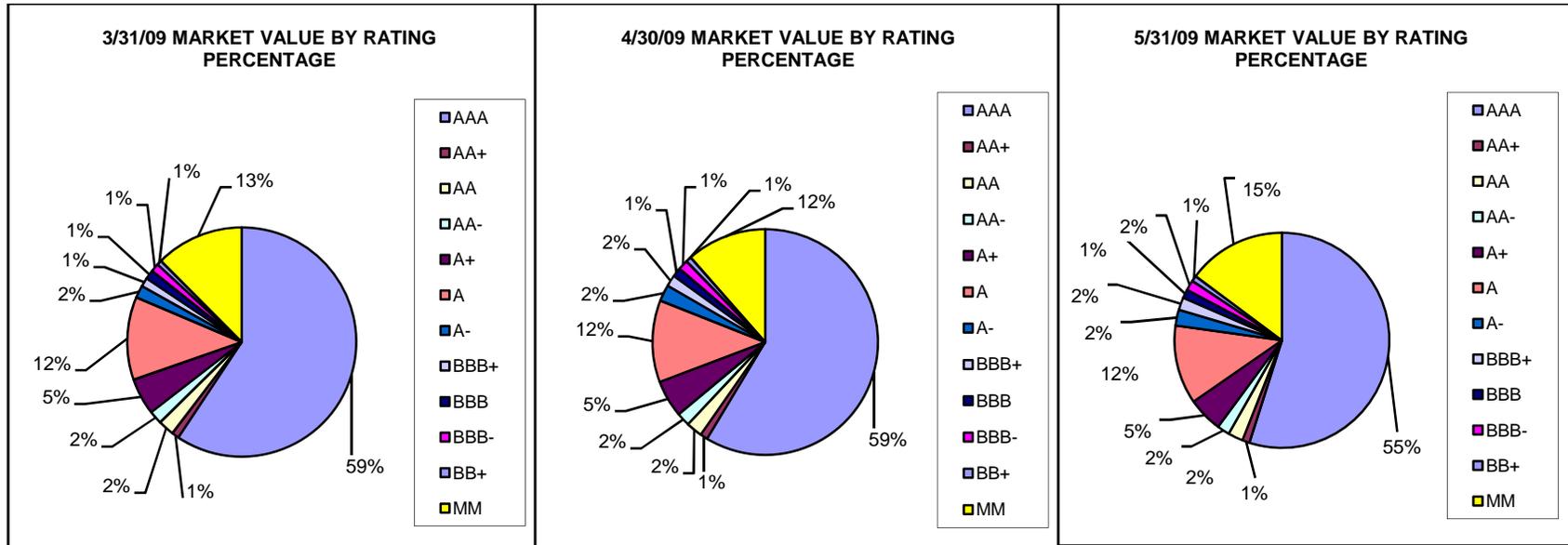
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FUND NAME OF FUND	SHARES OUTSTANDING	BOOK VALUE	MARKET VALUE	UNREALIZED GAINS (LOSSES)	Mkt Value/ Book Value
112 State Charitable					
<i>Shares in S&P 500 Index Fund</i>	30,260	28,180	23,853	(4,327)	
<i>Shares in Fixed Income Fund</i>	29,762	37,898	45,263	7,365	
<i>Shares in Mid-Cap 400 Equity Fund</i>	7,944	9,647	9,784	137	
Total	67,965	75,725	78,900	3,175	1.042
113 University Fund					
<i>Shares in S&P 500 Index Fund</i>	4,707	4,521	3,710	(810)	
<i>Shares in Fixed Income Fund</i>	5,201	6,094	7,910	1,816	
<i>Shares in Mid-Cap 400 Equity Fund</i>	1,423	1,555	1,752	197	
Total	11,330	12,170	13,372	1,203	1.099
114 U Of A Land - 1881					
<i>Shares in S&P 500 Index Fund</i>	10,020	9,596	7,899	(1,697)	
<i>Shares in Fixed Income Fund</i>	11,175	12,915	16,995	4,080	
<i>Shares in Mid-Cap 400 Equity Fund</i>	3,070	3,294	3,782	488	
Total	24,265	25,805	28,675	2,870	1.111
TOTALS - ALL FUNDS					
<i>Shares in S&P 500 Index Fund</i>	877,557	843,476	691,773	(151,703)	
<i>Shares in Fixed Income Fund</i>	907,574	1,133,472	1,380,281	246,810	
<i>Shares in Mid-Cap 400 Equity Fund</i>	245,129	288,799	301,903	13,104	
Grand Total	2,030,260	2,265,746	2,373,957	108,211	

ASSET ALLOCATION PERCENTAGE

	SHARES OUTSTANDING	BOOK VALUE	MARKET VALUE
<i>Shares in S&P 500 Index Fund</i>	43.22%	37.23%	29.14%
<i>Shares in Fixed Income Fund</i>	44.70%	50.03%	58.14%
<i>Shares in Mid-Cap 400 Equity Fund</i>	12.07%	12.75%	12.72%
Total	100.00%	100.00%	100.00%

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



	03/31/09			04/30/09			05/31/09		
RATING	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT	POSITIONS	MARKET VALUE	PERCENT
AAA	134	\$807,482,365	59%	132	\$781,114,055	59%	129	\$751,712,912	55%
AA+	3	\$13,843,800	1%	3	\$14,092,180	1%	3	\$14,777,615	1%
AA	6	\$30,941,250	2%	6	\$30,901,640	2%	6	\$30,863,500	2%
AA-	3	\$25,533,435	2%	3	\$25,840,998	2%	3	\$25,789,063	2%
A+	12	\$70,195,539	5%	12	\$70,827,043	5%	12	\$71,575,198	5%
A	25	\$159,202,804	12%	25	\$156,262,104	12%	26	\$162,466,797	12%
A-	5	\$23,968,830	2%	6	\$31,160,425	2%	6	\$32,339,417	2%
BBB+	3	\$17,016,450	1%	4	\$21,469,499	2%	5	\$25,809,980	2%
BBB	4	\$17,560,606	1%	4	\$17,503,415	1%	4	\$17,917,175	1%
BBB-	3	\$15,992,860	1%	4	\$19,288,005	1%	4	\$21,150,628	2%
BB+	2	\$9,259,050	1%	2	\$10,622,650	1%	2	\$11,679,155	1%
MM	2	\$166,476,981	13%	2	\$152,437,153	12%	2	\$203,004,054	15%
TOTAL	202	\$1,357,473,970	100%	203	\$1,331,519,167	100%	202	\$1,369,085,493	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 VALUE</u>	<u>% POOL BALANCE</u>	<u>% S&P 500 BALANCE</u>	<u>DIFFERENCE</u>
201	S&P 500 INDEX					
		CONSUMER DISCRETIONARY	58,816	8.91%	8.91%	0.00%
		CONSUMER STAPLES	79,222	12.00%	12.00%	0.00%
		ENERGY	86,010	13.03%	13.03%	0.00%
		FINANCIALS	89,367	13.53%	13.52%	0.01%
		HEALTH CARE	91,888	13.92%	13.92%	0.00%
		INDUSTRIALS	66,807	10.12%	10.12%	0.00%
		INFORMATION TECHNOLOGY	117,441	17.79%	17.79%	0.00%
		MATERIALS	22,315	3.38%	3.38%	0.00%
		TELECOMMUNICATION SERVICES	22,851	3.46%	3.46%	0.00%
		UTILITIES	25,590	3.88%	3.88%	0.00%
		TOTALS LESS CASH / SPDR'S:	660,307	100.00%	100.00%	
		SPYDER'S	29,682			
		CASH **	1,784			
		TOTAL:	<u>691,773</u>			

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

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

EQUITY HOLDINGS
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 400</u> <u>BALANCE</u>	<u>DIFFERENCE</u>
203	S&P 400 INDEX					
	CONSUMER DISCRETIONARY		26,204	12.83%	15.02%	-2.19%
	CONSUMER STAPLES		10,000	4.90%	3.94%	0.95%
	ENERGY		18,239	8.93%	7.64%	1.29%
	FINANCIALS		35,170	17.22%	17.77%	-0.55%
	HEALTH CARE		26,390	12.92%	12.06%	0.86%
	INDUSTRIALS		29,210	14.30%	14.99%	-0.68%
	INFORMATION TECHNOLOGY		25,371	12.42%	14.27%	-1.84%
	MATERIALS		17,350	8.50%	7.46%	1.03%
	TELECOMMUNICATION SERVICES		1,222	0.60%	0.62%	-0.02%
	UTILITIES		15,072	7.38%	6.24%	1.14%
	TOTALS LESS CASH / SPDR'S:		204,227	100.00%	100.00%	
	SPYDER'S		97,151			
	CASH **		524			
	TOTAL:		301,903			

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

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

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

EQUITY HOLDINGS - BY PARTICIPANT

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(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	\$3,041	\$2,962	(\$79)
102	State Hospital	1,775	1,754	(22)
103	Leg., Exec., & Jud.	2,550	2,300	(250)
104	Military Institute	176	160	(16)
105	Miners Hospital	4,918	4,247	(670)
107	Normal School	1,082	993	(89)
108	Penitentiaries	3,881	3,664	(217)
109	Permanent Common School	1,052,886	922,137	(130,749)
110	School for Deaf & Blind	1,447	1,356	(91)
111	School of Mines	3,726	3,323	(403)
112	State Charitable	37,827	33,637	(4,190)
113	University Fund	6,076	5,463	(613)
114	U of A Land - 1881	12,890	11,680	(1,210)
	Totals:	<u>\$1,132,275</u>	<u>\$993,676</u>	<u>(\$138,599)</u>

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