OFFICE OF THE

ARIZONA STATE TREASURER

HON. DEAN MARTIN
TREASURER

SEPTEMBER 2009

Presented To:

Arizona State Board of Investment

OCTOBER 28, 2009

STATE BOARD OF INVESTMENT

A G E N D A

October 28, 2009

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

REPORT OF THE STATE TREASURER

FOR

October 28, 2009

TABLE OF CONTENTS

Minutes of
BOARD OF INVESTMENT MEETING

The regular meeting of the State Board of Investment was held on September 24, 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 2:30 p.m.

Members Present:

Dean Martin, Chair, State Treasurer
David Raber, Interim Director of the Arizona Department of Administration
Alan E. Maguire, President, The Maguire Company
Beth Ford, Treasurer, Pima County, by teleconference
Thomas J. Giallanza, Assistant Superintendent, Department of Financial Institutions, designee for Thomas Wood, 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
Chris Petkiewicz, Portfolio Manager, Arizona State Treasurer's Office
Patty Humbert, Portfolio Manager, Arizona State Treasurer's Office
Dale Stomberg, Investment Accounting Manager, Arizona State Treasurer's Office
Sheila W. Asher, Vice President Relationship Manager J. P. Morgan

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

Review of Treasurer's Monthly Reports:

Earnings Distribution; Investment Pools

LGIP Pools Investments and Performance Reports

State Agency Pools Investments and Performance Reports

Operating Monies Invested Balances

Endowment Investments and Performance Reports

Minutes of the September 24, 2009 Meeting

1. ***Call to Order:***
   Treasurer Martin called the September 24, 2009 BOI meeting to order at approximately 2:30 p.m.

2. ***Treasurers Comments:***
   Treasurer Martin welcomed board members and guests and thanked all present for attending the September 24, 2009 meeting.

3. ***Approval of Minutes:***
   Mr. Maguire made a motion to approve the minutes for the August 26, 2009 Board of Investment Meeting. Mr. Raber seconded the motion. Motion carried.

4. ***Review of Treasurer's Monthly Report – Investment Pools:***
   Mr. Petkiewicz presented the monthly report for the non-endowment portion of the Arizona State Treasurer's Office to the Board of Investment as follows:

Earnings Distribution – Investment Pools

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

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

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

Mr. Petkiewicz noted that the yield for July 2009 is overstated because the custodian did not deduct the management fees in July, and for August 2009 the yield is understated because the fees for both months were taken out in August. He advised the board that the yield for July should have been around 36 basis points and the yield for August should have been around 31 or 32 basis points.

Pool 500 Portfolio Yield Analysis

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

Manager Allocation of Invested Monies for the LGIP Pools

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

LGIP Pools Investments and Performance Reports

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

State Agency Pools Portfolio Yield Analysis

Ms. Humbert reported the net yields for the State Agency Pools for the month of August, 2009.

Manager Allocation of Invested Monies for the State Agency Pools

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

Investments Outstanding in State Agency Pools

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

Ms. Humbert noted that the report shows a category of NA in the duration mix on the right side of page 11. She advised the board that this category contains the Arizona Treasurer Warrant Note as well as "at bank". She explained that "at bank" is considered receivables with our custodian. Receivables would consist of a trade done in the current month that would settle in the next month.

Mr. Maguire asked what the rating on the warrant note was. Mr. Swenson responded that currently the rating is positioned under AAA in the graph.

Operating Monies Average Invested Balance

Ms. Humbert reported the Operating Monies average invested balance for the month of August, 2009.

Treasurer Martin, referring to the chart "State Operating Balance: Actual vs Adjusted for One Time Transfers" noted that the chart is now showing the blue component, which is the actual figure for operating monies, is negative in August.

Review of Treasurer's Monthly Report – Endowments:

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

Endowment Funds Yield Analysis

Ms. Humbert reported the net yield of the Endowment Fund Fixed Income Pool for the month of August, 2009.

Net Realized Capital Gains/Losses – Endowment Funds

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

Endowment Funds Fixed-Income Pool Purchases & Sales

Ms. Humbert reported the purchases and sales of the Endowment Fixed Income Pool for the month of August, 2009.

Equity Funds Purchases & Sales

Ms. Humbert reported the purchases and sales (summary) of the Endowment Equity Pools for the month of August, 2009.

Investments Outstanding in Endowment Funds

Ms. Humbert reported the par, book, market value, and unrealized gains/loss of the Endowment Funds as of August 31, 2009.

Performance of Investments in Endowment Funds

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

Manager Allocation of Invested Monies for the Endowment Pools

Ms. Humbert reported the percentage of the total market value of all of the Endowment investments allocated to each of the Endowment Pools, as of August 31, 2009.

Equity Holdings Investments Outstanding S&P 500

Ms. Humbert reported the investments outstanding by portfolio characteristics and industry sector and for the S&P 500 Pool as of August 31, 2009.

Equity Holdings Investments Outstanding S&P 400

Ms. Humbert reported the investments outstanding by portfolio characteristics and industry sector for the S&P 400 Pool as of August 31, 2009.

Fixed Income Investments and Performance Reports

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

Endowment Investments and Performance Growth by Account Reports

Ms. Humbert reported the performance and growth for each of the Endowment Funds from the inception date of each fund through the end of August, 2009.

Approval of Treasurer's Report

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

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

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

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

   There were no Securities Dealers to be approved this month.

7. ***General Business:***

   A. RFQ Bid Responses
      Mr. Tegland advised the board we received 3 bid responses for the RFQ. The three banks that submitted bids were Bank of America, Citigroup, and J.P. Morgan. He noted that he will be working with the bond council and a financial advisor. The plan is to evaluate the bids next week.

      Mr. Swenson added "the pre-bid conference was well attended with over 30 individuals, roughly four or five from each institution."

   B. Draft Response for the Board of Investment Sunset Review
      The board approved the draft for the Sunset Review, so it will be submitted as distributed.

   C. Endowment Distribution for Fiscal Year 09/10
      Treasurer Martin advised that for fiscal year 09/10 there will be no endowment distribution. He noted that the five year average inflation rate exceeds the five year annual rate of return, so the constitution will not allow a distribution.

Mr. Maguire made a motion to approve zero distribution for the endowment for fiscal year 09/10. Mr. Raber seconded the motion. Motion carried.

8. *Call to the Public*

There was no public comment.

9. Notice of Next Meeting:

The Treasurer advised the Board that the next regular meeting of the Board of Investment will be Wednesday, October 28, 2009 at 1:30 p.m. at 1700 West Washington, State Capitol, West Wing, Treasurer's Conference Room, Phoenix, Arizona.

10. Adjournment:

The BOI meeting was adjourned at 3:10 p.m.

Respectfully Submitted by:

____
Helen D. Garafola
Executive Consultant

Approved by:

_______________________________ __________________________
Dean Martin, Chair Date:

EARNINGS DISTRIBUTION - INVESTMENT POOLS

SEPTEMBER 2009

	Earnings Distributed			Fiscal YTD
Recipient	SEPTEMBER 2009	Fiscal YTD 09/10	Fiscal YTD 08/09	Investment Management Fees Received
General Fund	$21,012	$337,349	$6,545,711	
2 State Agencies I - Full Faith & Credit	982,674	6,315,839	$9,885,457	86,084
3 State Agencies II - Diversified	786,109	6,326,720	$14,092,441	187,637
4 State Agencies IV - Restricted Diversified	509,490	3,345,970	$3,463,178	126,137
5 Local Governments	385,568	4,343,327	$12,999,866	252,273
7 LGIP Gov't	251,616	3,165,877	$13,727,759	407,211
12 CAWCD Medium-Term	310,776	1,960,355	$1,111,636	17,539
15 GADA Long-Term	39,609	191,801	$166,719	1,843
Subtotal	**$3,286,855**	**$25,987,237**	**$61,992,768**	**$1,078,725**
NAV POOL				
500 LGIP LT	190,942	552,368	602,068	10,882
Total	**$3,477,796**	**$26,539,605**	**$62,594,836**	**$1,089,607**

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

FUND	DESCRIPTION	NET EARNINGS
5	LGIP	387,184
7	LGIP - GOV	254,518
	TOTAL LGIP & LGIP-GOV	**641,702**

		07/31/09	**08/31/09**	**09/30/09**
5	**LGIP MONTHLY YIELD (NET)**	0.42%	0.25%	0.29%
	S & P LGIP INDEX YIELD	0.38%	0.33%	0.31%
	LGIP YTD YIELD (NET)	0.42%	0.34%	0.32%
	S & P LGIP YTD INDEX YIELD	0.38%	0.36%	0.34%
7	**LGIP - GOV MONTHLY YIELD (NET)**	0.18%	0.07%	0.11%
	3 MONTH T-BILL	0.17%	0.16%	0.11%
	*** S & P LGIP - GOV INDEX YIELD**	0.35%	0.33%	0.30%
	LGIP - GOV YTD YIELD (NET)	0.18%	0.13%	0.12%
	YTD 3 MONTH T-BILL	0.17%	0.17%	0.15%
	*** S & P LGIP - GOV YTD INDEX YIELD**	0.35%	0.34%	0.33%

* Note: The LGIP-GOV Pool consists of <u>only</u> 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
September 30, 2009

FUND	DESCRIPTION	NET EARNINGS
500	LGIP LONG TERM POOL	190,942
	TOTAL LGIP LONG TERM POOL	**190,942**

	07/31/09	08/31/09	09/30/09
LGIP LONG TERM MONTHLY YIELD (NET)	3.01%	3.01%	3.29%
MERRILL 1-5 US D M INDEX MONTHLY YIELD	2.85%	2.67%	2.43%
LGIP LONG TERM YTD YIELD (NET)	3.01%	3.01%	3.10%
MERRILL 1-5 US D M INDEX YTD YIELD	2.85%	2.76%	2.65%

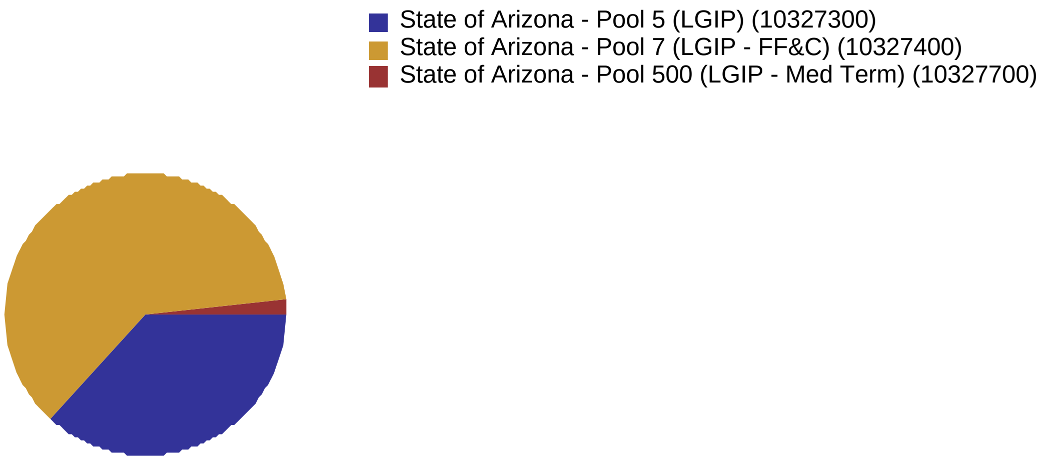
J.P.Morgan

Manager Allocation - Monthly

Arizona State Treasury (05509)

As at September 2009

LGIP composite (00550903)		
Account Name	**Market Value(MIL)**	**Percent of Portfolio**
State of Arizona - Pool 5 (LGIP) (10327300)	1,576.00	37.1%
State of Arizona - Pool 500 (LGIP - Med Term) (10327700)	72.91	1.7%
State of Arizona - Pool 7 (LGIP - FF&C) (10327400)	2,601.00	61.2%
TOTAL	**4,249.92**	**100.0%**



J.P.Morgan

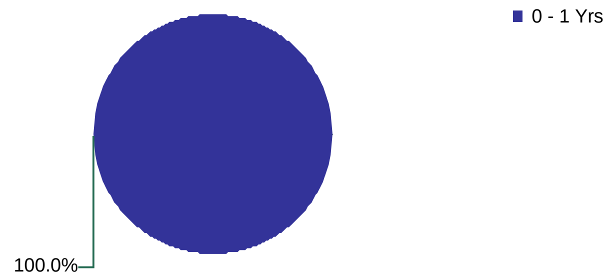
State of Arizona - Pool 5 (LGIP) (10327300)

Portfolio Fact Sheet
September 2009

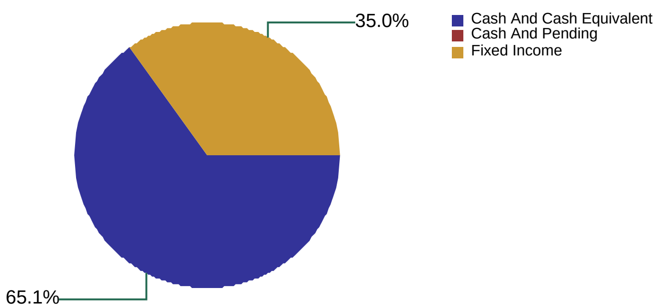
Portfolio Characteristics

Total Net Assets (Millions)	**1,576.0**
Weighted Average Life (Years)	**0.25**
Weighted Avg. Effective Duration (Years)	**0.07**
Weighted Average Rating	**AAA**
Number of Holdings	**52**

Duration Mix



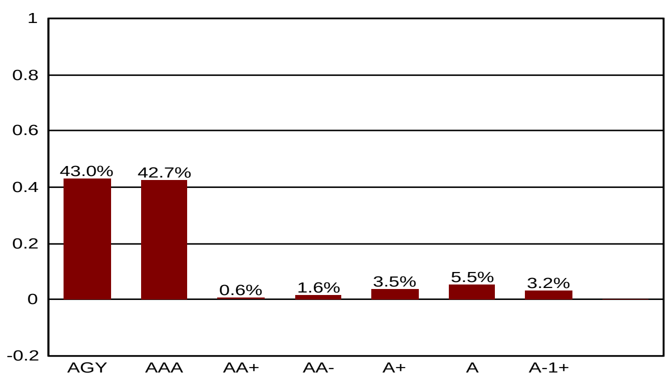
Asset Mix



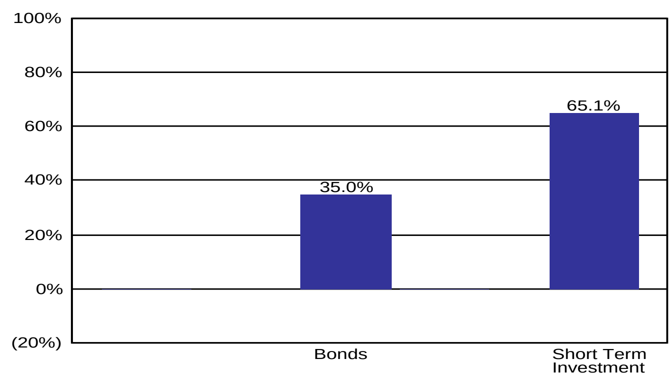
Top Ten Portfolio Holdings

Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
766553D	FDIC-CITIBANK NOW ACCOUNT	19.04%	0.40	15/12/2009
892995T50	ARIZONA TREASURY REPO	16.18%	0.00	1/10/2009
925257D	FDIC-CITIBANK NOW 9/18 ACCOUNT	3.17%	0.40	15/12/2009
313385NA0	FEDL HOME LOAN BK CONS DISC NT MATURE	3.17%	0.00	16/10/2009
36161CXL1	GE CAPITAL CORP FDIC	3.17%	0.00	20/10/2009
313589PA5	FEDERAL NATL MTG ASSN DISC NT MATURES	3.17%	0.00	9/11/2009
313589QQ9	FEDERAL NATL MTG ASSN DISC NT MATURES	3.17%	0.00	17/12/2009
3133XTLZ7	FEDERAL HOME LOAN BANKS CONS BD FLT 1	3.17%	0.07	29/4/2010
313385NE2	FEDL HOME LOAN BK CONS DISC NT MATURE	3.17%	0.00	20/10/2009
313385MX1	FEDL HOME LOAN BK ZCP 13/OCT/2009	2.85%	0.00	13/10/2009

Quality/Rating Weightings



Sector Weightings (as % of Market Value)



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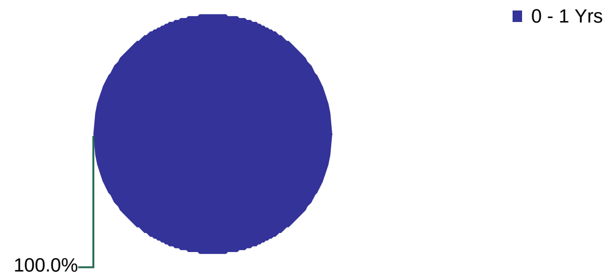
State of Arizona - Pool 7 (LGIP - FF&C) (10327400)

Portfolio Fact Sheet
September 2009

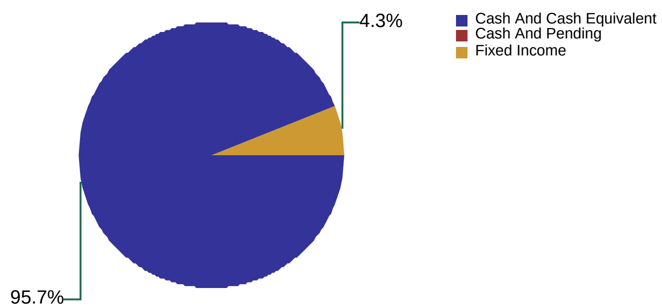
Portfolio Characteristics

Total Net Assets (Millions)	**2,601.0**
Weighted Average Life (Years)	**0.07**
Weighted Avg. Effective Duration (Years)	**0.05**
Weighted Average Rating	**AAA**
Number of Holdings	**28**

Duration Mix



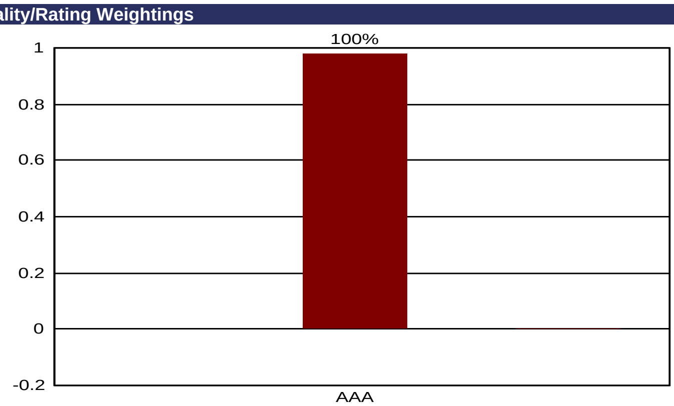
Asset Mix



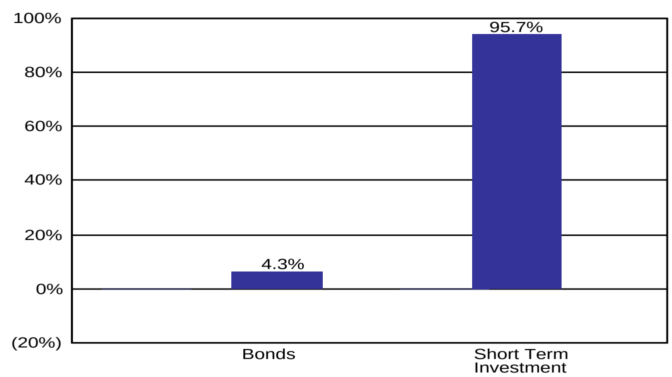
Top Ten Portfolio Holdings

Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
15199X825	TRI PARTY REPO DEUTSCHE BANK 0.12% 05	19.22%	0.12	5/10/2009
15199X890	TRI PARTY REPO DEUTSCHE BANK 0.08% 01	19.22%	0.08	1/10/2009
60699A487	TRI PARTY REPO MIZUHO SECURITIES 0.07	9.61%	0.07	2/10/2009
15199X866	TRI PARTY REPO DEUTSCHE BANK 0.12% 16	7.69%	0.12	16/10/2009
925258D	FDIC-CITIBANK NOW 9/21 ACCOUNT	5.77%	0.40	15/12/2009
925256D	FDIC-CITIBANK NOW 9/25 ACCOUNT 0.40%	5.77%	0.40	15/12/2009
912795P70	UNITED STATES TREAS BILLS DT	4.42%	0.00	15/10/2009
912795S44	UNITED STATES TREAS BILLS DT	3.08%	0.00	22/10/2009
912795P54	UNITED STATES TREAS BILLS DT	2.50%	0.00	1/10/2009
912828DL1	UNITED STATES OF AMER TREAS NOTES 3.5	1.95%	3.50	15/2/2010

Quality/Rating Weightings



Sector Weightings (as % of Market Value)



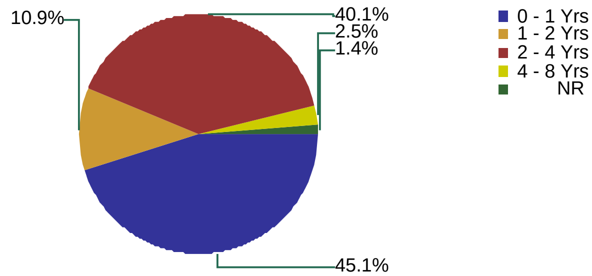
State of Arizona - Pool 500 (LGIP - Med Term) (10327700)

Portfolio Fact Sheet
September 2009

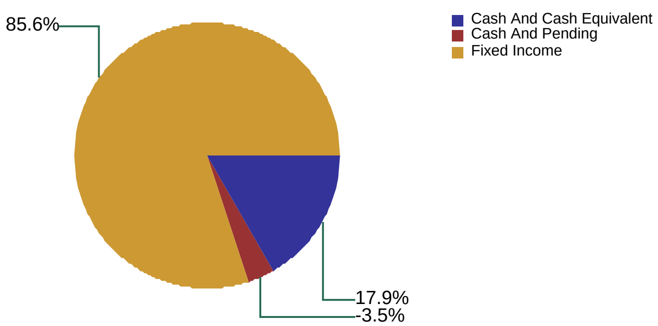
Portfolio Characteristics

Total Net Assets (Millions)	**72.9**
Weighted Average Life (Years)	**1.78**
Weighted Avg. Effective Duration (Years)	**1.52**
Weighted Average Rating	**AA+**
Number of Holdings	**119**

Duration Mix



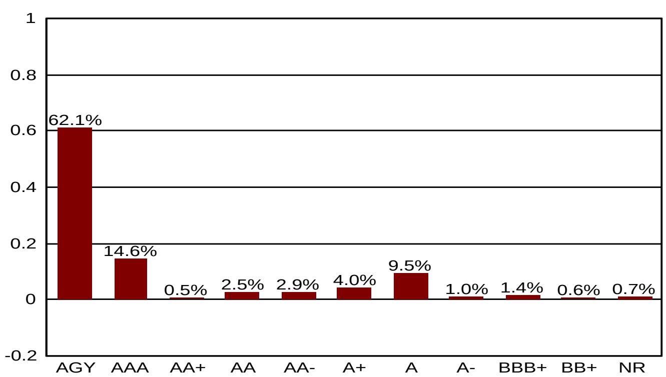
Asset Mix



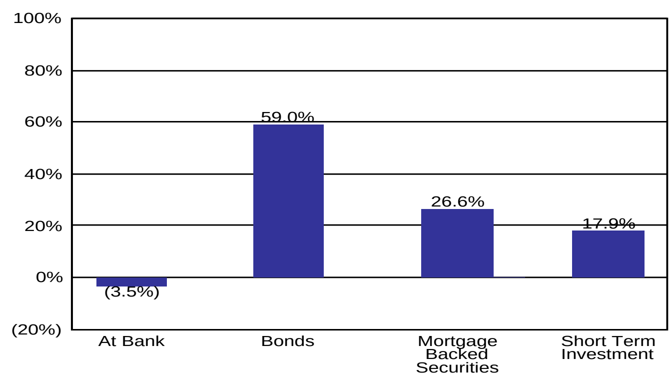
Top Ten Portfolio Holdings

Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
928989383	JP MORGAN U S GOVT AGENCY SHARES	12.44%	5.00	31/12/2049
3128MMKJ1	FHLMCGLD MORTPASS 4.5% 01/FEB/2024 G1	2.85%	4.50	1/2/2024
3128X8KN1	FEDERAL HOME LN MTG CORP CALL 2.4%17/	2.77%	2.40	17/2/2012
3128X8QH8	FEDERAL HOME LOAN MORTGAGE CORP 2% NT	2.76%	2.00	16/3/2011
313385PA8	FEDL HOME LOAN BK CONS DISC NT MATURE	2.29%	0.00	9/11/2009
31371MAT4	FNMA MORTPASS 5.0% 01/APR/2015 POOL#2	2.09%	5.00	1/4/2015
31416BN38	FNMA MORTPASS 5.5% 01/NOV/2018 CI PN#	1.72%	5.50	1/11/2018
31403DHB8	FNMA MORTPASS 6% 01/MAY/2021 CI PN# 7	1.70%	6.00	1/5/2021
3128MBZR1	FHLMCGLD MORTPASS 6% 01/FEB/2019 G1 P	1.67%	6.00	1/2/2019
31413MFY8	FNMA MORTPASS 6% 01/AUG/2022 CI PN# 9	1.62%	6.00	1/8/2022

Quality/Rating Weightings



Sector Weightings (as % of Market Value)



STATE AGENCY POOLS
PORTFOLIO YIELD ANALYSIS
September 30, 2009

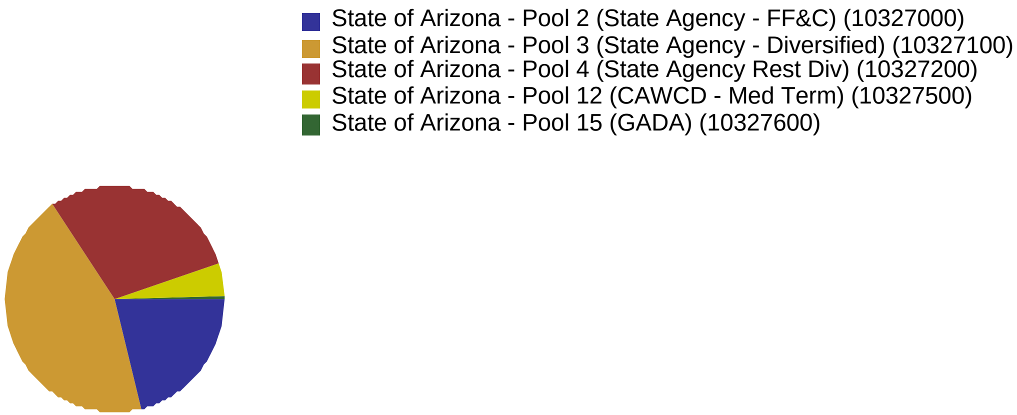
FUND	DESCRIPTION	NET EARNINGS	NET YIELD
2	STATE AGENCIES I - FULL FAITH & CREDIT	992,347	2.1500%
3	STATE AGENCIES II - DIVERSIFIED	790,508	0.7500%
4	STATE AGENCIES IV-RESTRICTED DIVERSIFIED	511,913	0.7700%
12	CAWCD MEDIUM TERM	310,776	3.2000%
15	GADA	39,609	3.9600%
	TOTAL STATE AGENCIES	**2,645,153**	

J.P.Morgan

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

Pool Composite (00550904)

Account Name	Market Value(MIL)	Percent of Portfolio
State of Arizona - Pool 4 (State Agency Rest Div) (10327200)	793.89	29.5%
State of Arizona - Pool 12 (CAWCD - Med Term) (10327500)	120.25	4.5%
State of Arizona - Pool 15 (GADA) (10327600)	12.43	0.5%
State of Arizona - Pool 2 (State Agency - FF&C) (10327000)	567.99	21.1%
State of Arizona - Pool 3 (State Agency - Diversified) (10327100)	1,192.49	44.4%
TOTAL	**2,687.04**	**100.0%**



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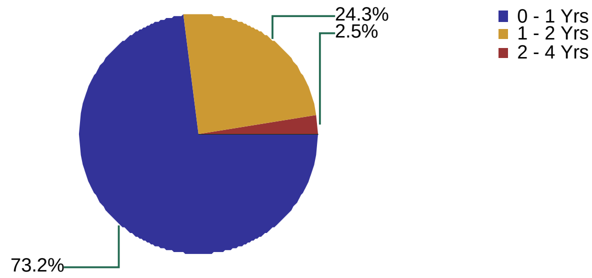
State of Arizona - Pool 2 (State Agency - FF&C) (10327000)

Portfolio Fact Sheet
September 2009

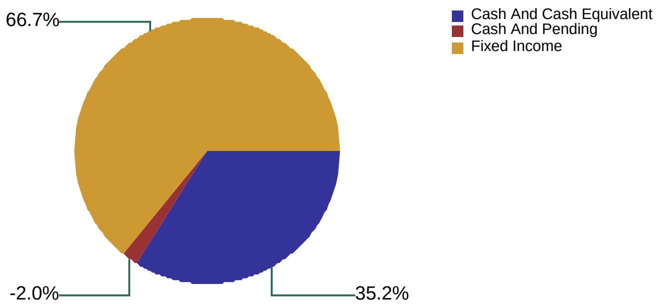
Portfolio Characteristics

Total Net Assets (Millions)	**568.0**
Weighted Average Life (Years)	**0.78**
Weighted Avg. Effective Duration (Years)	**0.51**
Weighted Average Rating	**AAA**
Number of Holdings	**51**

Duration Mix



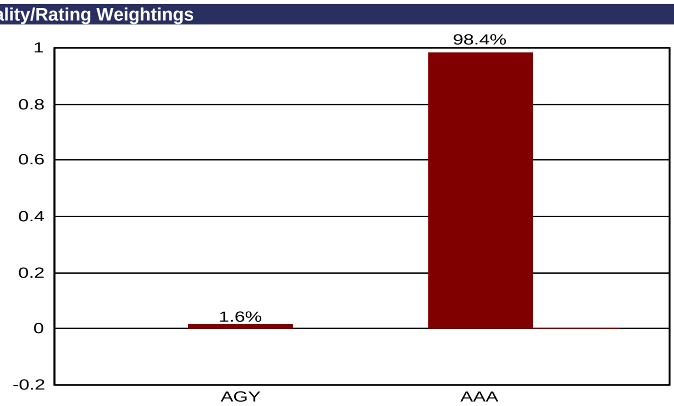
Asset Mix



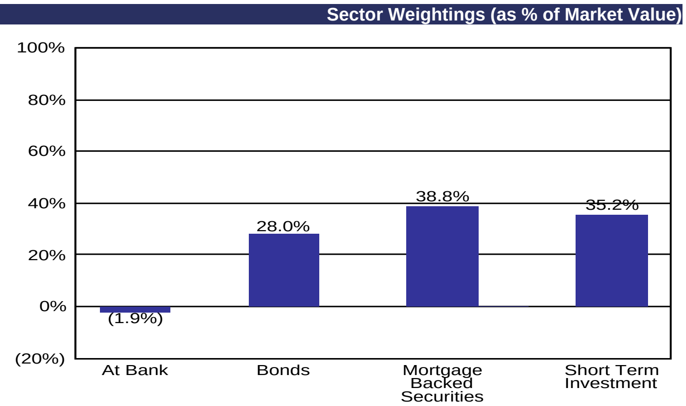
Top Ten Portfolio Holdings

Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
892995T50	ARIZONA TREASURY REPO	31.69%	0.00	1/10/2009
38374J6E1	GNMA REMIC TRUST 2004-93 PB 16/DEC/20	3.67%	5.00	16/12/2032
912828ED8	UNITED STATES OF AMER TREAS NOTES 4.1	3.65%	4.12	15/8/2010
7591EAAA1	REGIONS BANK 2.75% BDS 10/DEC/2010 US	3.63%	2.75	10/12/2010
912828JA9	UNITED STATES TREAS NTS 2.625% 31/MAY	3.61%	2.62	31/5/2010
36967HAG2	GENERAL ELECTRIC CAPITAL CORP SER'G'1	3.57%	1.62	7/1/2011
36241KM54	GNMA I MORTPASS 5% 15/APR/2021 JP PN#	3.39%	5.00	15/4/2021
38373YG65	GINNIE MAE 2003-00 TC-MX 4.500% 16/MA	3.33%	4.50	16/5/2031
38374GKR2	GINNIE MAE 2004-29 B-MX 5.000% 16/AUG	3.16%	5.00	16/8/2029
38374HX21	GINNIE MAE 2004-75 OA-MX 4.000% 20/MA	2.33%	4.00	20/3/2030

Quality/Rating Weightings



Sector Weightings (as % of Market Value)



J.P.Morgan

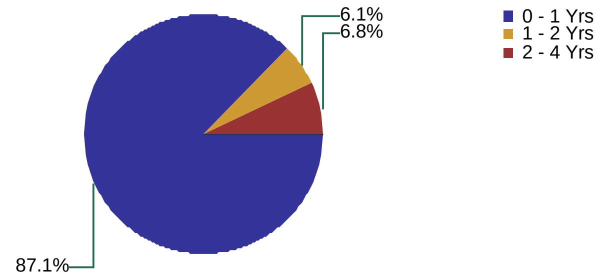
State of Arizona - Pool 3 (State Agency - Diversified) (10327100)

Portfolio Fact Sheet
September 2009

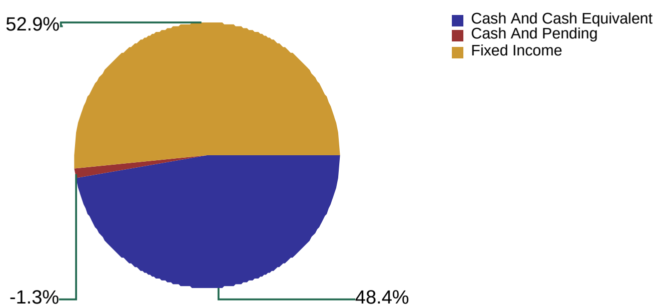
Portfolio Characteristics

Total Net Assets (Millions)	1,192.5
Weighted Average Life (Years)	0.75
Weighted Avg. Effective Duration (Years)	0.32
Weighted Average Rating	AA+
Number of Holdings	68

Duration Mix



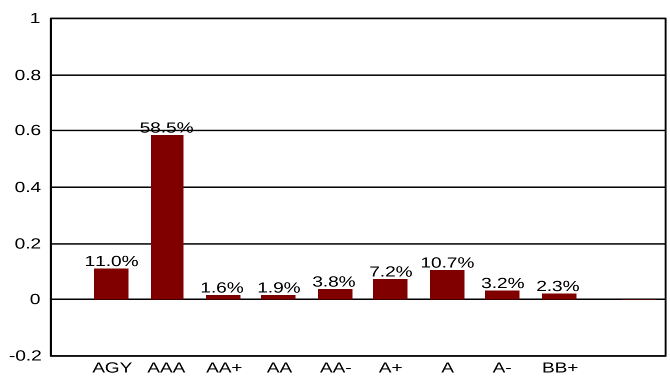
Asset Mix



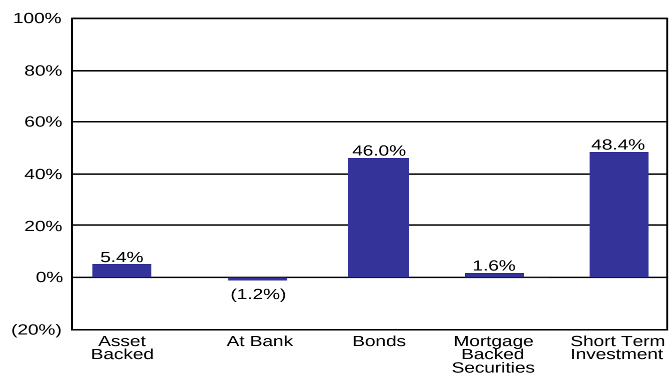
Top Ten Portfolio Holdings

Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
892995T50	ARIZONA TREASURY REPO	36.90%	0.00	1/10/2009
925258D	FDIC-CITIBANK NOW 9/21 ACCOUNT	8.39%	0.40	15/12/2009
172967EG2	CITIGROUP INC VAR 13/AUG/2010	4.17%	0.60	13/8/2010
36962G2H6	GENERAL ELECTRIC CAPITAL CORP FLTG RA	2.74%	0.33	12/3/2010
46623ECW7	JP MORGAN CHASE & CO VAR 07/MAY/2010	2.52%	0.51	7/5/2010
59018YE72	MERRILL LYNCH & CO INC FLTG RATE NTS	2.10%	0.54	5/6/2012
88319QM26	TEXTRON FINL CORP MTN BE VR	1.89%	1.20	14/2/2011
931142CF8	WAL-MART STORES INC 5% BDS 05/APR/201	1.86%	5.00	5/4/2012
9128275Z1	UNITED STATES OF AMER TREAS NOTES 6.5	1.73%	6.50	15/2/2010
912828JF8	UNITED STATES OF AMER TREAS BONDS 2.7	1.72%	2.75	31/7/2010

Quality/Rating Weightings



Sector Weightings (as % of Market Value)



J.P.Morgan

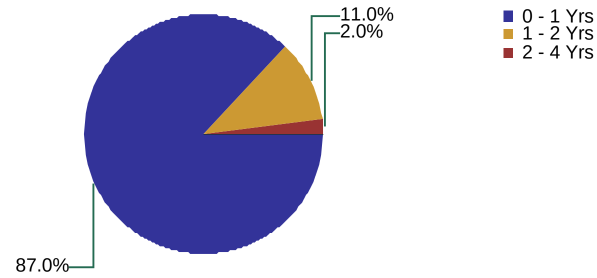
State of Arizona Pool 4 (State Agency Rest Div) (10327200)

Portfolio Fact Sheet
September 2009

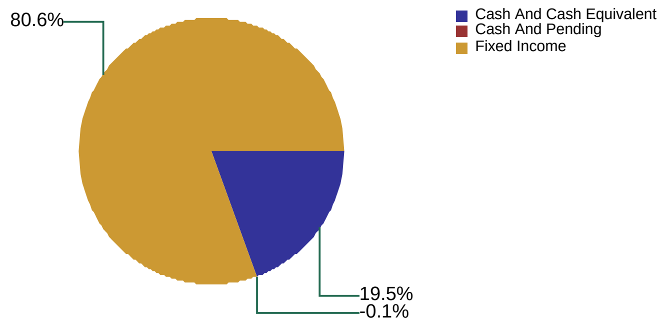
Portfolio Characteristics

Total Net Assets (Millions)	**793.9**
Weighted Average Life (Years)	**1.61**
Weighted Avg. Effective Duration (Years)	**0.50**
Weighted Average Rating	**AGY**
Number of Holdings	**66**

Duration Mix



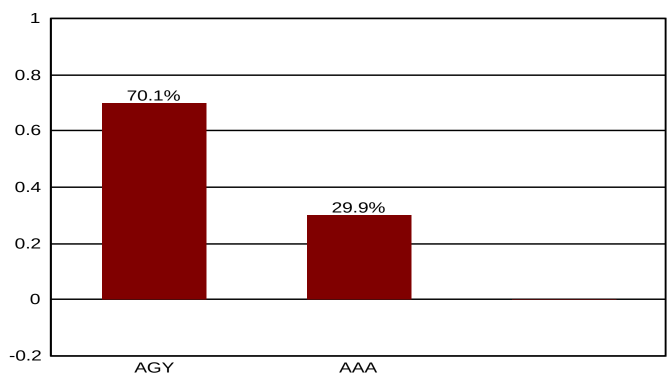
Asset Mix



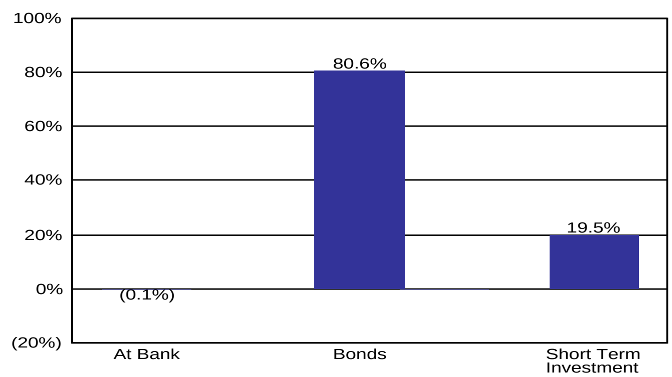
Top Ten Portfolio Holdings

Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
892995T50	ARIZONA TREASURY REPO	9.45%	0.00	1/10/2009
9128275Z1	UNITED STATES OF AMER TREAS NOTES 6.5	5.20%	6.50	15/2/2010
3128X8RR5	FEDERAL HOME LOAN MORTGAGE CORP 2.625	4.46%	2.62	19/3/2012
31331GEL9	FEDERAL FARM CR BKS GLOBAL CONS BD 4.	3.22%	4.40	18/11/2013
446436AB3	HUNTINGTON NATL BK FDIC TLGP GTD NT F	3.18%	0.76	1/6/2012
3128X6NS1	FREDDIE MAC 5.05% 15/OCT/2012	2.58%	5.05	15/10/2012
31359M2S1	FEDERAL NATIONAL MORTGAGE ASSOC 4.625	2.58%	4.62	15/12/2009
3128X82R2	FHLMC 1.50% 29/JUN/2012	2.54%	1.50	29/6/2012
3136F95T6	FEDERAL NATL MTG ASSN CALL STEP 27/JA	2.53%	1.25	27/1/2011
3133XU3N1	FEDERAL HOME LOAN BANKS CONS BD 0.65%	2.52%	0.65	6/7/2010

Quality/Rating Weightings



Sector Weightings (as % of Market Value)



J.P.Morgan

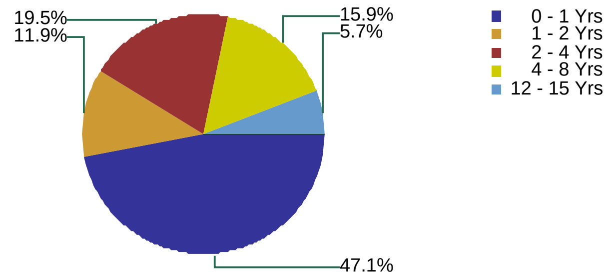
State of Arizona - Pool 12 (CAWCD - Med Term) (10327500)

Portfolio Fact Sheet
September 2009

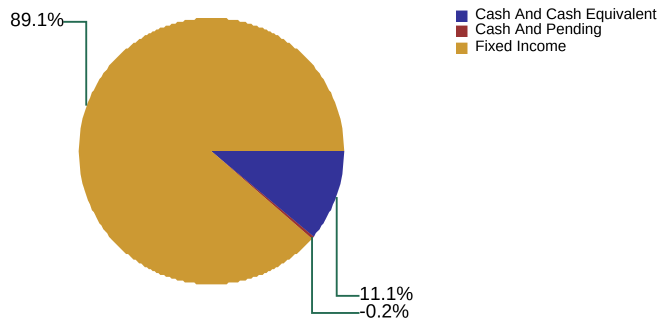
Portfolio Characteristics

Total Net Assets (Millions)	**120.2**
Weighted Average Life (Years)	**5.48**
Weighted Avg. Effective Duration (Years)	**2.57**
Weighted Average Rating	**AA+**
Number of Holdings	**69**

Duration Mix



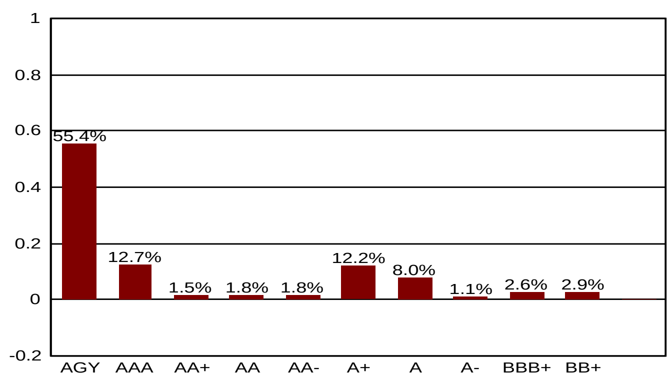
Asset Mix



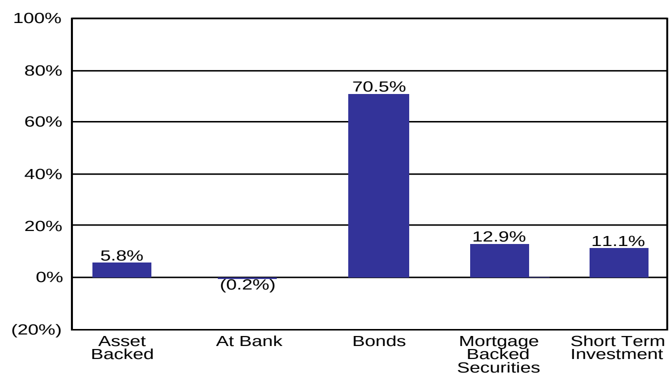
Top Ten Portfolio Holdings

Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
928989383	JP MORGAN U S GOVT AGENCY SHARES	11.13%	5.00	31/12/2049
31398AST0	FEDERAL NATIONAL MORTGAGE ASSOC 4.15%	4.24%	4.15	13/1/2012
31398ARC8	FEDERAL NATIONAL MORTGAGE ASSOC 4.12%	4.24%	4.12	6/5/2013
3128X6XS0	FEDERAL HOME LN MTG CORP 5.55%25/JAN/	4.23%	5.55	25/1/2023
3133XMXZ9	FEDERAL HOME LN BKS CONS BD FLT 12 16	4.14%	0.59	16/11/2012
06423RBK1	BANK ONE ISSUANCE TRUST SER 2004-A3 C	4.04%	0.41	15/2/2017
740816AD5	PRESIDENT & FELLOWS HARVARD COLLEGE 5	3.70%	5.63	1/10/2038
459200GJ4	INTERNATIONAL BUS MACH CORP 5.7% BDS	3.07%	5.70	14/9/2017
58013MEC4	MCDONALD'S CORP 6.3% BDS 15/OCT/2037	2.00%	6.30	15/10/2037
31398AVR0	FEDERAL NATIONAL MORTGAGE ASSOC 3.375	1.88%	3.38	10/3/2014

Quality/Rating Weightings



Sector Weightings (as % of Market Value)



J.P.Morgan

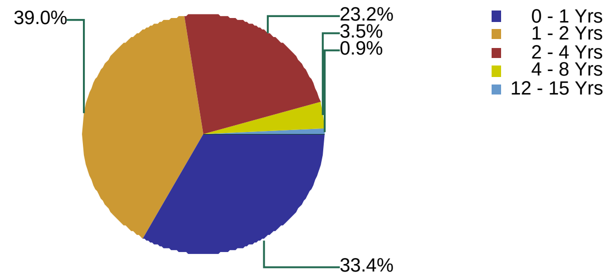
State of Arizona - Pool 15 (GADA) (10327600)

Portfolio Fact Sheet
September 2009

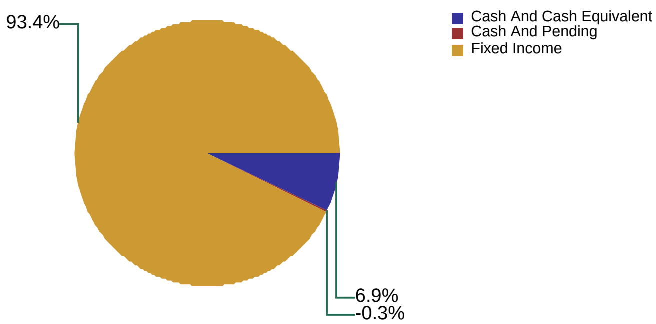
Portfolio Characteristics

Total Net Assets (Millions)	**12.4**
Weighted Average Life (Years)	**4.84**
Weighted Avg. Effective Duration (Years)	**1.71**
Weighted Average Rating	**AAA**
Number of Holdings	**25**

Duration Mix



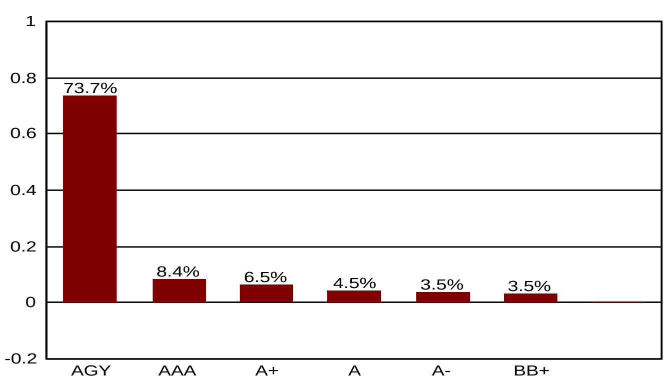
Asset Mix



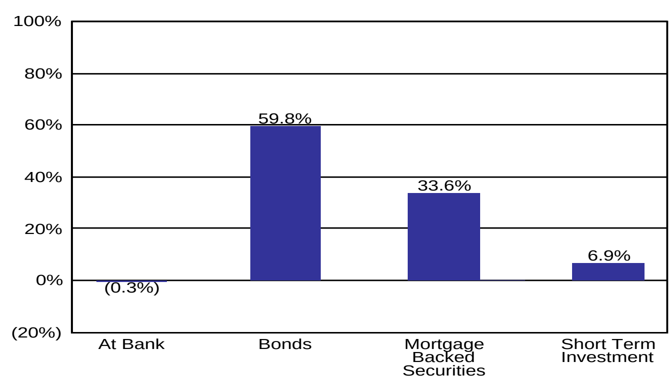
Top Ten Portfolio Holdings

Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
31294KTB1	FEDERAL HOME LN MTG CORP GOLD POOL #	16.90%	4.50	1/9/2018
36241KJZ2	GNMA I MORTPASS 4.5% 15/FEB/2021 JP P	7.81%	4.50	15/2/2021
928989383	JP MORGAN U S GOVT AGENCY SHARES	6.91%	5.00	31/12/2049
31396WBV7	FEDERAL NATL MTG ASSOC 5.5% 25/JUN/20	6.03%	5.50	25/6/2027
10138MAH8	BOTTLING GROUP 6.95% SNR NTS 15/MAR/2	4.70%	6.95	15/3/2014
5526E2AC3	MBNA AMERICA BANK NA 7.125% 15/NOV/20	4.46%	7.12	15/11/2012
3128X7U36	FEDERAL HOME LOAN MORTGAGE CORP 3.75%	4.16%	3.75	30/7/2010
31331YBG4	FEDERAL FARM CR BKS CONS CONS BD 5.9%	4.13%	5.90	26/10/2022
31331GZG7	FEDERAL FARM CR BKS GLOBAL CONS BD 4.	4.13%	4.25	23/6/2016
3133XNH85	FEDERAL HOME LN BKS 5.25% 18/DEC/2017	4.12%	5.25	18/12/2017

Quality/Rating Weightings

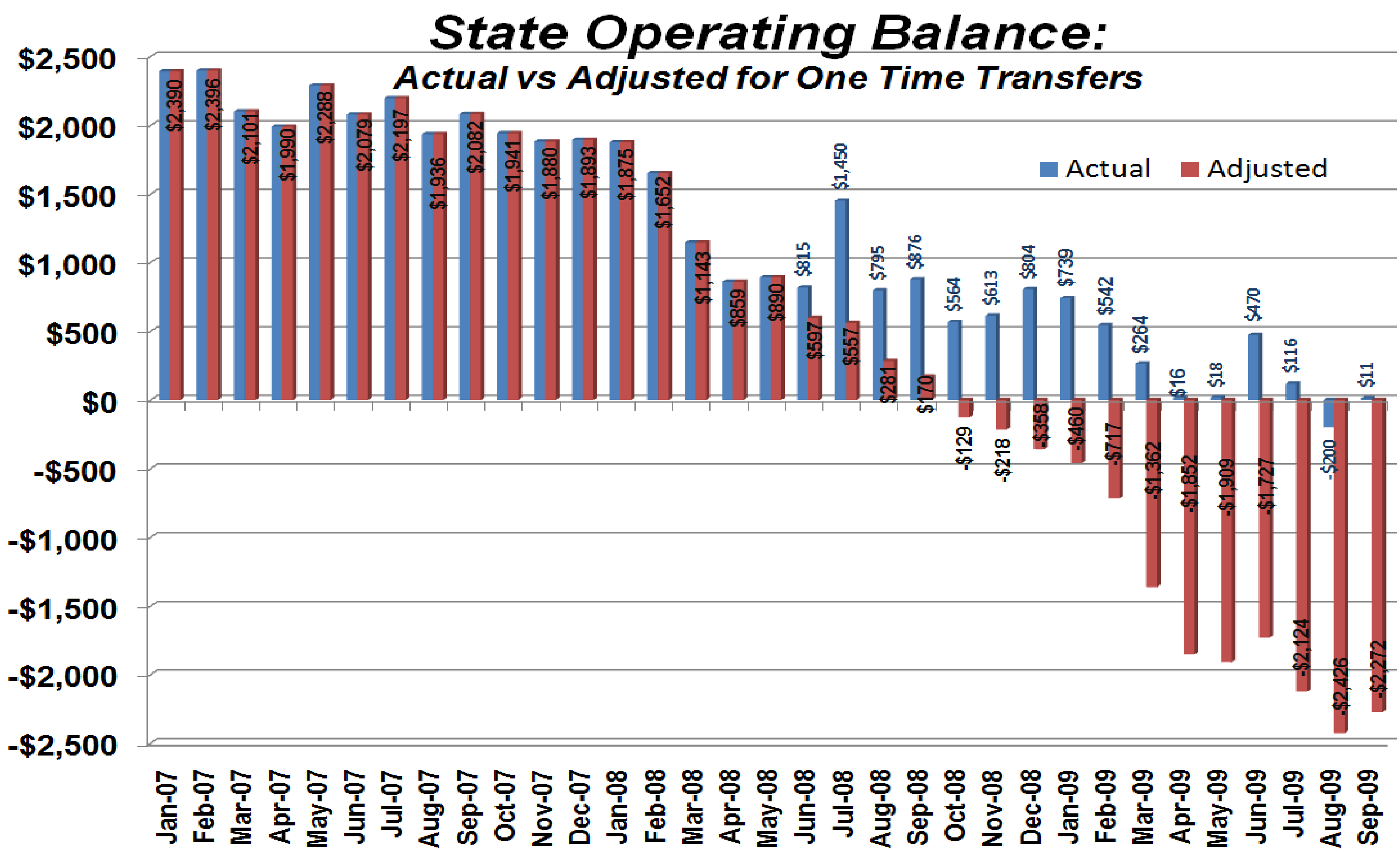


Sector Weightings (as % of Market Value)



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

Month	Fiscal Year 2007/2008	Fiscal Year 2008/2009	Fiscal Year 2009/2010
JULY	2,197	1,450	116
AUGUST	1,936	795	(200)
SEPTEMBER	2,082	876	11
OCTOBER	1,941	564	
NOVEMBER	1,880	613	
DECEMBER	1,893	804	
JANUARY	1,875	739	
FEBRUARY	1,652	542	
MARCH	1,143	264	
APRIL	859	16	
MAY	890	18	
JUNE	815	470	
Y-T-D Average	**$1,597**	**$596**	**($24)**


State Operating Balance:
Actual vs Adjusted for One Time Transfers
Actual
Adjusted
$2,500
$2,000
$1,500
$1,000
$500
$0
-$500
-$1,000
-$1,500
-$2,000
-$2,500
Jan-07
Feb-07
Mar-07
Apr-07
May-07
Jun-07
Jul-07
Aug-07
Sep-07
Oct-07
Nov-07
Dec-07
Jan-08
Feb-08
Mar-08
Apr-08
May-08
Jun-08
Jul-08
Aug-08
Sep-08
Oct-08
Nov-08
Dec-08
Jan-09
Feb-09
Mar-09
Apr-09
May-09
Jun-09
Jul-09
Aug-09
Sep-09
$2,390
$2,396
$2,101
$1,990
$2,288
$2,079
$2,197
$1,936
$2,082
$1,941
$1,880
$1,893
$1,875
$1,652
$1,143
$859
$890
$815
$597
$1,450
$557
$795
$281
$876
$170
$564
-$129
$613
-$218
$804
-$358
$739
-$460
$542
-$717
$264
-$1,362
$16
-$1,852
$18
-$1,909
$470
-$1,727
$116
-$2,124
-$200
-$2,426
$11
-$2,272

ENDOWMENT FUNDS
PORTFOLIO YIELD ANALYSIS
September 30, 2009

FUND	DESCRIPTION	NET EARNINGS	NET YIELD
205	ENDOWMENTS - FIXED INCOME	3,689,693	4.8200%
	TOTAL ENDOWMENTS - FIXED INCOME	**3,689,693**	

NET REALIZED CAPITAL GAINS / LOSSES - ENDOWMENT FUNDS

Endowment Fund	Sep-09 NET GAIN(LOSS)	FISCAL YTD GAINS(LOSSES)
Fixed Income Pool Net Gain (Loss)	(74,711)	(2,069,666)
Equity Pool (500) Net Gain (Loss)	(405,608)	(1,584,394)
Equity Pool (400) Net Gain (Loss)	1,303,598	64,574
Totals	**823,279**	**(3,589,486)**

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

I. Endowment Funds Purchases

SECURITY DESCRIPTION	RATE	MATURITY	*WAL YEARS	PAR VALUE	PURCHASE COST	YIELD	MOODY'S / S&P RATING
FFCB	4.85	3/12/2012	N/A	$5,000,000	$5,415,900	4.47%	Aaa/AAA
FNMA	4.50	10/25/2019	N/A	$5,000,000	$5,254,688	4.28%	Aaa/AAA
FHLMC	4.15	9/9/2016	N/A	$5,000,000	$5,000,000	4.15%	Aaa/AAA
U S TREASURY NOTE	4.25	9/30/2012	N/A	$5,000,000	$5,427,539	3.92%	Aaa/AAA
TOTAL ENDOWMENT FUNDS PURCHASES				**$20,000,000**	**$21,098,127**		

II. Endowment Funds Sales

SECURITY DESCRIPTION	RATE	MATURITY	PAR VALUE	AMORTIZED COST/PROCEEDS	SALES GAINS/(LOSSES)	MOODY'S / S&P RATING
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 September 2009

I. Equity Fund Purchases

	SHARES	PURCHASE COST	COMMISSIONS
S&P 400 Mid-Cap Fund	562,275	$11,586,702	$8,434
S&P 500 Large-Cap Fund	155,494	$4,959,777	$2,333
TOTAL EQUITY PURCHASES	**717,769**	**$16,546,479**	**$10,767**

II. Equity Funds Sales

	SHARES	SALES AMOUNT	COMMISSIONS
S&P 400 Mid-Cap Fund	972,660	$19,816,594	$14,573
S&P 500 Large-Cap Fund	151,057	$5,040,079	$2,061
TOTAL EQUITY SALES	**1,123,717**	**$24,856,674**	**$16,634**

ENDOWMENT FUNDS
INVESTMENTS OUTSTANDING

SEPTEMBER 30, 2009
(In Thousands)

FUND	NAME OF FUND	SHARES OUTSTANDING	BOOK VALUE	MARKET VALUE	UNREALIZED GAINS (LOSSES)	**Mkt Value/ Book Value**
101	A & M Colleges					
	Shares in S&P 500 Index Fund	2,499	2,268	2,281	13	
	Shares in Mid-Cap 400 Equity Fund	808	777	1,180	404	
	Shares in Fixed Income Fund	2,721	3,044	4,296	1,252	
	Total	6,028	6,089	7,758	1,669	**1.274**
102	State Hospital					
	Shares in S&P 500 Index Fund	1,564	1,342	1,428	86	
	Shares in Mid-Cap 400 Equity Fund	442	459	646	187	
	Shares in Fixed Income Fund	1,559	1,800	2,462	661	
	Total	3,566	3,601	4,535	934	**1.259**
103	Leg., Exec., & Jud.					
	Shares in S&P 500 Index Fund	1,950	1,906	1,780	(126)	
	Shares in Mid-Cap 400 Equity Fund	627	653	916	263	
	Shares in Fixed Income Fund	2,299	2,559	3,631	1,072	
	Total	4,877	5,117	6,327	1,209	**1.236**
104	Military Institute					
	Shares in S&P 500 Index Fund	132	131	121	(11)	
	Shares in Mid-Cap 400 Equity Fund	46	45	67	22	
	Shares in Fixed Income Fund	163	176	258	82	
	Total	341	352	446	93	**1.265**
105	Miners Hospital					
	Shares in S&P 500 Index Fund	3,828	3,726	3,494	(232)	
	Shares in Mid-Cap 400 Equity Fund	1,068	1,276	1,559	284	
	Shares in Fixed Income Fund	3,922	5,002	6,193	1,191	
	Total	8,817	10,004	11,246	1,242	**1.124**

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

FUND	NAME OF FUND	SHARES OUTSTANDING	BOOK VALUE	MARKET VALUE	UNREALIZED GAINS (LOSSES)	**Mkt Value/ Book Value**
107	Normal School ASU/NAU					
	Shares in S&P 500 Index Fund	876	824	800	(24)	
	Shares in Mid-Cap 400 Equity Fund	265	282	387	105	
	Shares in Fixed Income Fund	950	1,106	1,500	394	
	Total	2,091	2,211	2,687	475	**1.215**
108	Penitentiaries					
	Shares in S&P 500 Index Fund	3,208	2,897	2,928	31	
	Shares in Mid-Cap 400 Equity Fund	929	992	1,356	365	
	Shares in Fixed Income Fund	3,223	3,888	5,090	1,202	
	Total	7,360	7,777	9,374	1,598	**1.205**
109	Permanent Common School					
	Shares in S&P 500 Index Fund	813,195	782,778	742,202	(40,575)	
	Shares in Mid-Cap 400 Equity Fund	226,798	267,979	331,166	63,188	
	Shares in Fixed Income Fund	837,100	1,050,848	1,321,843	270,995	
	Total	1,877,093	2,101,605	2,395,212	293,607	**1.140**
110	School for Deaf & Blind					
	Shares in S&P 500 Index Fund	1,143	1,078	1,043	(35)	
	Shares in Mid-Cap 400 Equity Fund	370	369	541	171	
	Shares in Fixed Income Fund	1,337	1,447	2,111	663	
	Total	2,850	2,895	3,694	799	**1.276**
111	School of Mines					
	Shares in S&P 500 Index Fund	2,861	2,777	2,611	(166)	
	Shares in Mid-Cap 400 Equity Fund	871	951	1,271	321	
	Shares in Fixed Income Fund	3,147	3,728	4,970	1,242	
	Total	6,879	7,455	8,852	1,397	**1.187**

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

FUND	NAME OF FUND	SHARES OUTSTANDING	BOOK VALUE	MARKET VALUE	UNREALIZED GAINS (LOSSES)	**Mkt Value/ Book Value**
112	State Charitable					
	Shares in S&P 500 Index Fund	29,775	27,726	27,176	(550)	
	Shares in Mid-Cap 400 Equity Fund	7,815	9,491	11,412	1,921	
	Shares in Fixed Income Fund	29,121	37,218	45,985	8,767	
	Total	66,712	74,435	84,572	10,137	**1.136**
113	University Fund					
	Shares in S&P 500 Index Fund	4,768	4,564	4,352	(212)	
	Shares in Mid-Cap 400 Equity Fund	1,427	1,563	2,084	521	
	Shares in Fixed Income Fund	5,203	6,127	8,217	2,090	
	Total	11,399	12,254	14,652	2,398	**1.196**
114	U Of A Land - 1881					
	Shares in S&P 500 Index Fund	10,091	9,645	9,210	(435)	
	Shares in Mid-Cap 400 Equity Fund	3,075	3,302	4,489	1,187	
	Shares in Fixed Income Fund	11,164	12,947	17,629	4,681	
	Total	24,330	25,894	31,328	5,434	**1.210**
	TOTALS - ALL FUNDS					
	Shares in S&P 500 Index Fund	875,891	841,660	799,425	(42,236)	
	Shares in Mid-Cap 400 Equity Fund	244,541	288,137	357,075	68,938	
	Shares in Fixed Income Fund	901,911	1,129,892	1,424,184	294,292	
	Grand Total	**2,022,343**	**2,259,689**	**2,580,683**	**320,994**	

ASSET ALLOCATION PERCENTAGE

	SHARES OUTSTANDING	BOOK VALUE	MARKET VALUE
Shares in S&P 500 Index Fund	43.31%	37.25%	30.98%
Shares in Mid-Cap 400 Equity Fund	12.09%	12.75%	13.84%
Shares in Fixed Income Fund	44.60%	50.00%	55.19%
Total	**100.00%**	**100.00%**	**100.00%**

J.P.Morgan

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

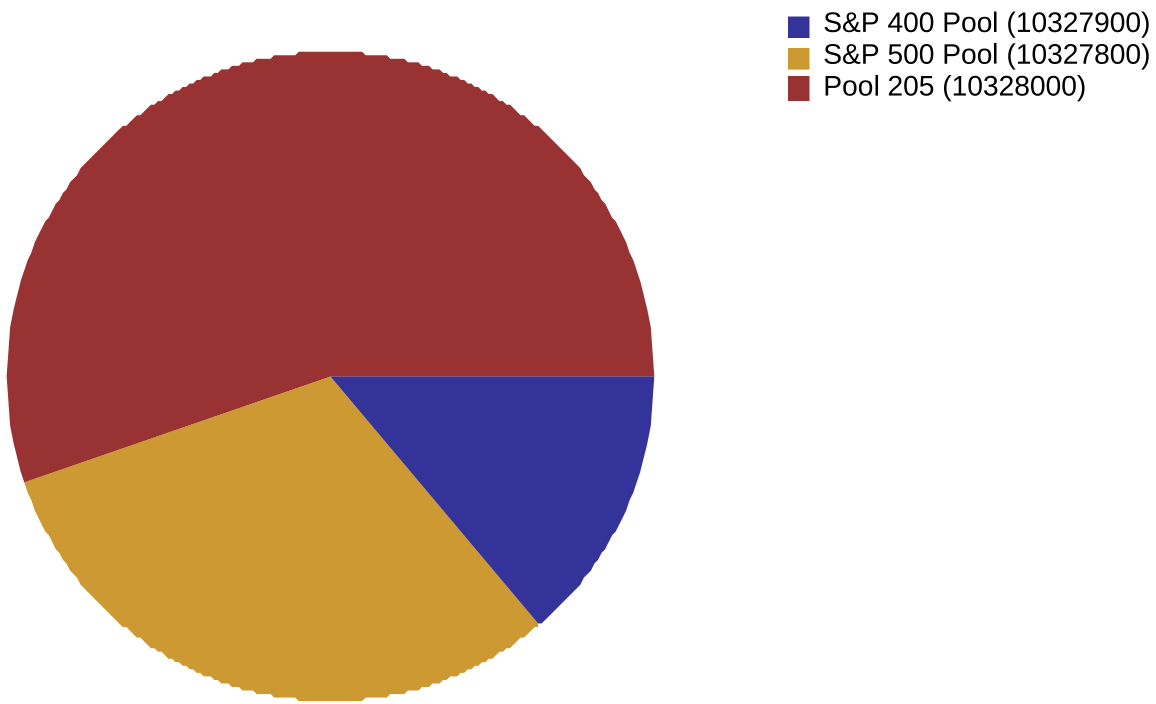
Total Endowment Fund Composite (00550902)

ID	Name	Beginning Market Value	Ending Market Value	Cashflow	Current Month	Trailing Three Months	Year to Date	Fiscal Year To Date	Trailing One Year	Trailing Three Years	Trailing Five Years	Since Inception	Inception Date
10327800	S&P 500 Pool	772,687,326.28	799,424,675.29	-2,054,369	3.73	15.57	19.29	15.57	(6.60)	(5.55)	0.90	(1.62)	07/01/1999
10327900	S&P 400 Pool	338,775,863.66	357,074,939.92	-71,954	5.42	17.88	24.67	17.88	(6.36)	(1.82)	4.38	5.07	08/01/2001
10328000	Pool 205	1,409,251,802.98	1,424,183,654.99	2,498,237	0.88	2.95	5.94	2.95	10.62	6.63	5.13	6.33	07/01/1999
00550902	**Total Endowment Fund Composite**	**2,520,714,992.92**	**2,580,683,270.20**	**371,913**	**2.36**	**8.57**	**12.29**	**8.57**	**2.57**	**1.32**	**3.93**	**4.26**	**07/01/1999**

J.P.Morgan

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

Total Endowment Fund Composite (00550902)		
Account Name	Market Value(MIL)	Percent of Portfolio
Pool 205 (10328000)	1,424.18	55.2%
S&P 400 Pool (10327900)	357.07	13.8%
S&P 500 Pool (10327800)	799.42	31.0%
TOTAL	**2,580.68**	**100.0%**



J.P.Morgan

S&P 500 Pool (10327800)

Portfolio Fact Sheet
September 2009

Portfolio Characteristics

Total Asset Value (in Millions)	**799.4**
P/E Ratio	**16.76**
Price to Book Ratio	**3.50**
Dividend Yield (%)	**1.97**
Return on Equity (%)	**20.54**
Sales Growth (%)	**13.72**
Market Capitalization ($ Billions)	**73,186.87**
Earnings per Share ($)	**1.78**
Number of Holdings	**502**

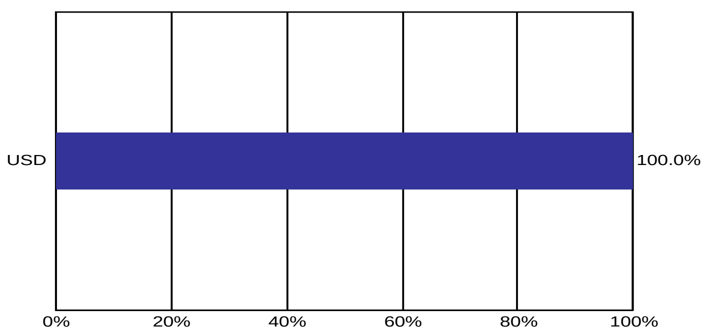
Risk Measures

	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Since Inception
Tracking Error	0.25	0.50	0.44	1.88
Information Ratio	1.21	(0.24)	(0.27)	(0.45)
Std Deviation of Port.	29.41	19.52	15.80	16.25
Std Deviation of Bench.	29.58	19.68	15.96	16.10
Sharpe Ratio of Port.	(0.24)	(0.43)	(0.14)	(0.29)
Sharpe Ratio of Bench.	(0.25)	(0.42)	(0.13)	(0.24)
R-Squared	1.00	1.00	1.00	0.99
Jensen's Alpha	0.26	(0.19)	(0.14)	(0.83)

Top Ten Portfolio Holdings

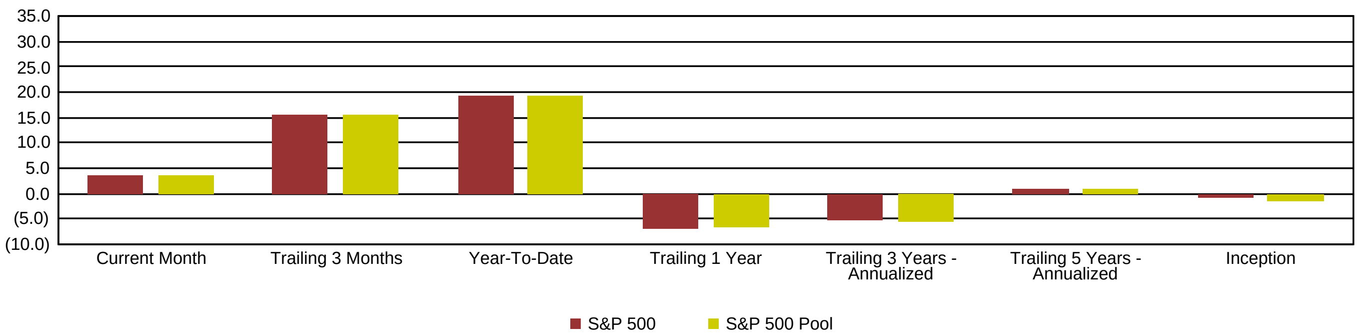
Security ID	Security Name	% of Assets
78462F103	SPDR TRUST UNITS SER 1 NPV	4.02%
30231G102	EXXON MOBIL CORP COM NPV	3.40%
594918104	MICROSOFT CORP COM USD0.0000125	2.07%
369604103	GENERAL ELECTRIC CO. COM STK USD0.06	1.81%
46625H100	JPMORGAN CHASE & CO COM STK USD1	1.78%
742718109	PROCTER & GAMBLE CO COM STK NPV	1.74%
478160104	JOHNSON & JOHNSON COM STK USD1	1.73%
037833100	APPLE INC COM STK NPV	1.71%
00206R102	AT&T INC COM STK USD1	1.64%
459200101	INTERNATIONAL BUS MACH CORP COM STK U	1.62%

Top Ten Currency Weights

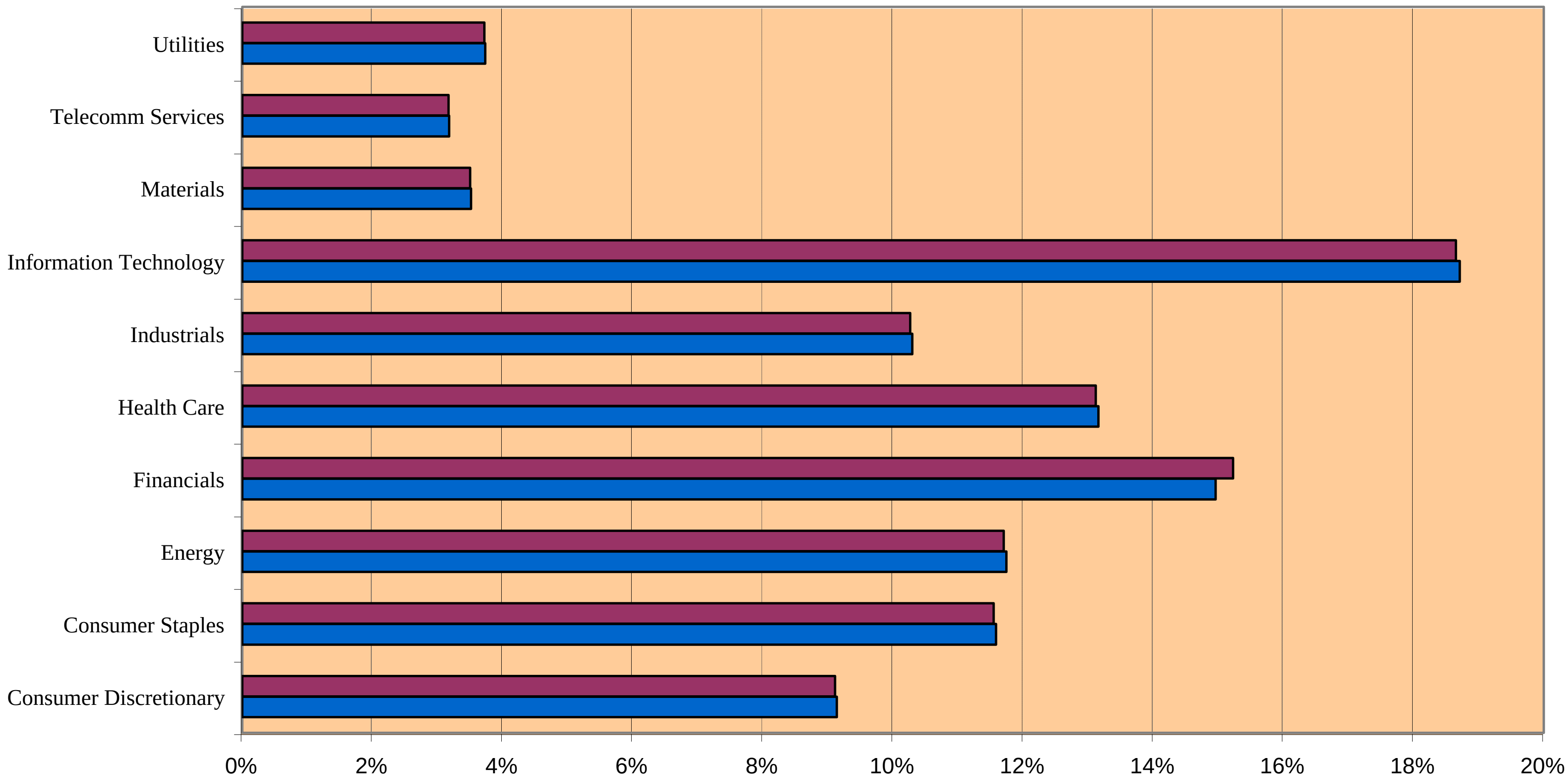


Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
S&P 500 Pool	3.73	15.57	19.29	(6.60)	(5.55)	0.90	(1.62)
S&P 500	3.73	15.61	19.26	(6.91)	(5.43)	1.02	(0.78)
Excess	(0.01)	(0.03)	0.03	0.30	(0.12)	(0.12)	(0.84)



STATE OF ARIZONA
POOL 201 (S&P 500)
As of September 30, 2009



	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Information Technology	Materials	Telecomm Services	Utilities
S&P 500 Index	9.11%	11.54%	11.70%	15.23%	13.11%	10.26%	18.65%	3.50%	3.17%	3.72%
STATE OF ARIZONA - POOL 201	9.14%	11.58%	11.74%	14.96%	13.16%	10.29%	18.71%	3.51%	3.18%	3.73%

STATE OF ARIZONA - POOL 201   S&P 500 Index

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S&P 400 Pool (10327900)

Portfolio Fact Sheet
September 2009

Portfolio Characteristics

Total Asset Value (in Millions)	**357.1**
P/E Ratio	**8.25**
Price to Book Ratio	**2.12**
Dividend Yield (%)	**0.90**
Return on Equity (%)	**11.11**
Sales Growth (%)	**10.18**
Market Capitalization ($ Billions)	**2,122.89**
Earnings per Share ($)	**0.60**
Number of Holdings	**202**

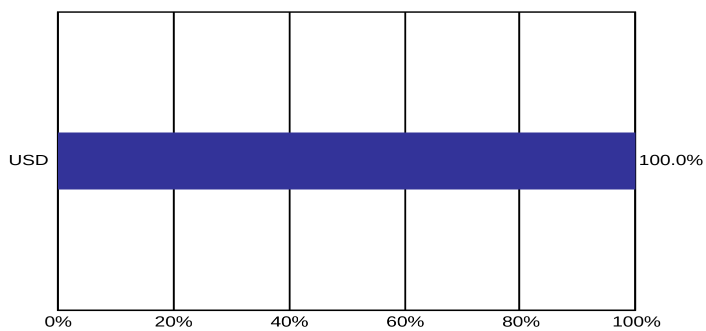
Risk Measures

	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Since Inception
Tracking Error	3.59	2.68	2.20	2.36
Information Ratio	(0.91)	(0.16)	(0.07)	(0.01)
Std Deviation of Port.	33.03	22.30	18.48	17.20
Std Deviation of Bench.	35.68	23.48	19.43	18.45
Sharpe Ratio of Port.	(0.20)	(0.21)	0.07	0.15
Sharpe Ratio of Bench.	(0.10)	(0.18)	0.07	0.14
R-Squared	1.00	0.99	0.99	0.99
Jensen's Alpha	(3.52)	(0.66)	(0.08)	0.16

Top Ten Portfolio Holdings

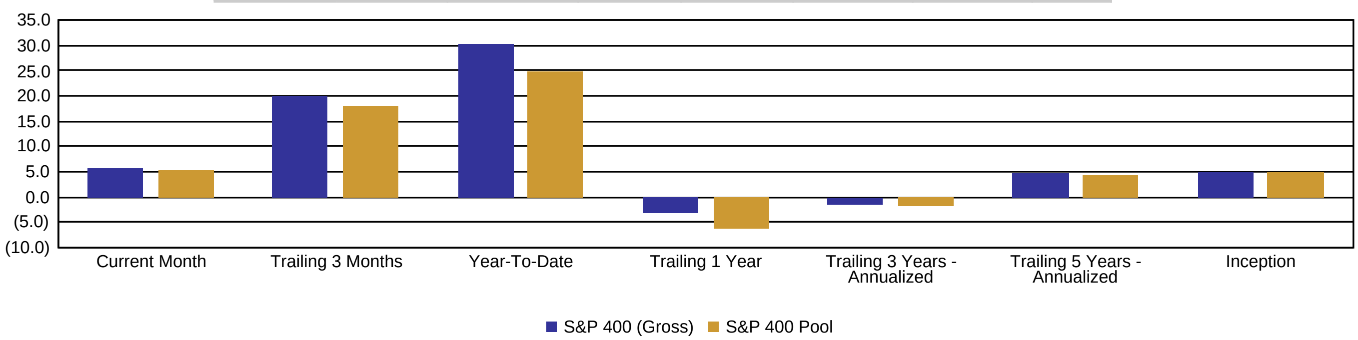
Security ID	Security Name	% of Assets
595635103	MIDCAP SPDR TRUST UNIT SERIES 1	37.26%
741503403	PRICELINE.COM INC COM STK USD0.008	0.73%
92532F100	VERTEX PHARMACEUTICAL COM STK USD0.01	0.71%
778296103	ROSS STORES INC COM STK USD0.01	0.62%
G3223R108	EVEREST RE GROUP COM STK USD0.01	0.59%
651290108	NEWFIELD EXPLORATION CO COM STK USD0.	0.58%
74153Q102	PRIDE INTL INC NEW COM USD0.01	0.55%
156782104	CERNER CORP COM STK USD0.01	0.52%
481165108	JOY GLOBAL INC COM STK USD1	0.52%
806407102	HENRY SCHEIN INC COM STK NPV	0.51%

Top Ten Currency Weights

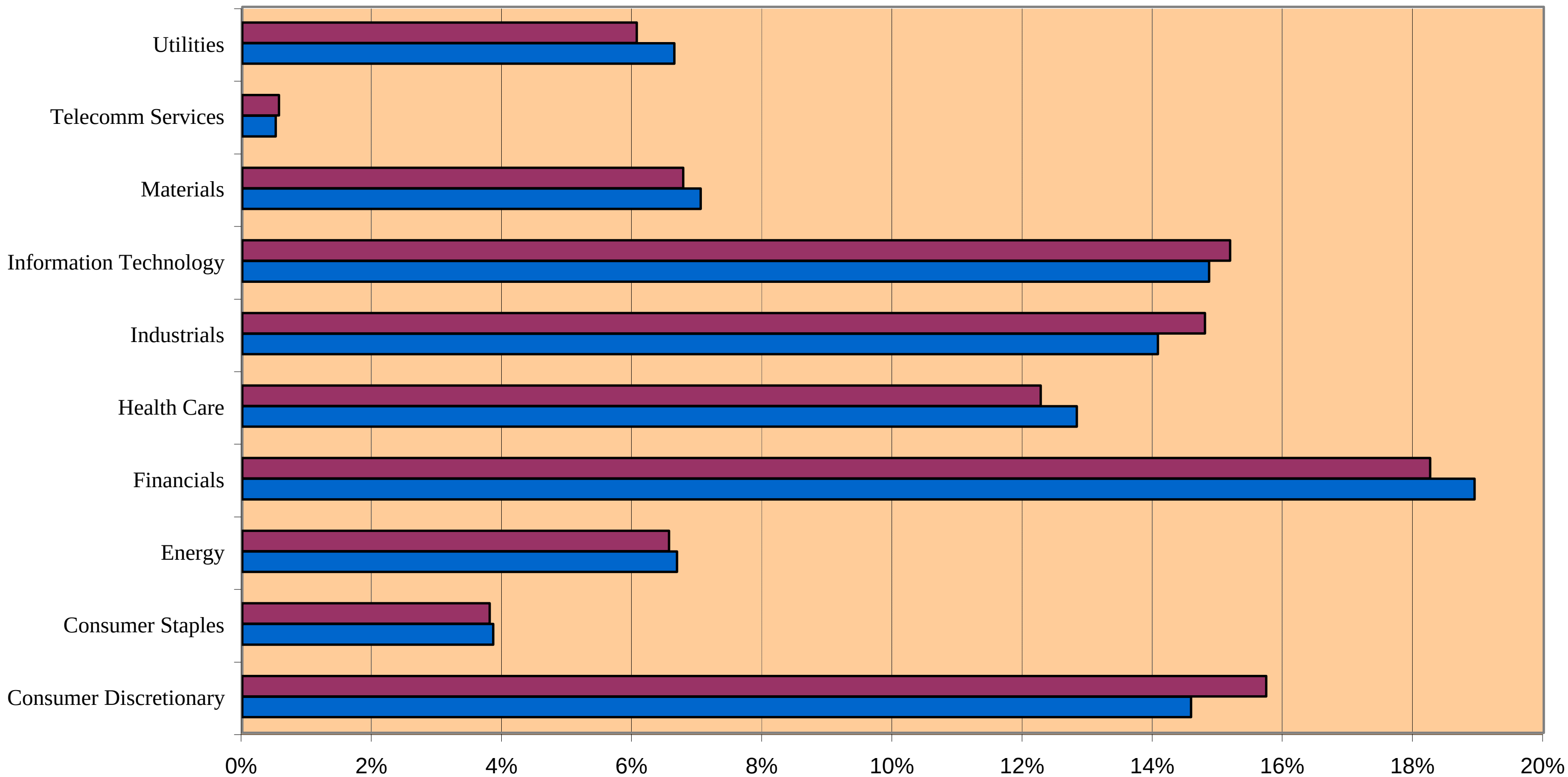


Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
S&P 400 Pool	5.42	17.88	24.67	(6.36)	(1.82)	4.38	5.07
S&P 400 (Gross)	5.72	19.98	30.14	(3.11)	(1.40)	4.54	5.10
Excess	(0.30)	(2.10)	(5.48)	(3.25)	(0.43)	(0.16)	(0.02)



STATE OF ARIZONA
POOL 203 (S&P MIDCAP 400)
As of September 30, 2009



	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Information Technology	Materials	Telecomm Services	Utilities
S&P MIDCAP 400	15.74%	3.80%	6.56%	18.26%	12.27%	14.79%	15.18%	6.78%	0.57%	6.06%
STATE OF ARIZONA - POOL 203	14.58%	3.86%	6.68%	18.94%	12.82%	14.07%	14.86%	7.04%	0.52%	6.64%

STATE OF ARIZONA - POOL 203 S&P MIDCAP 400

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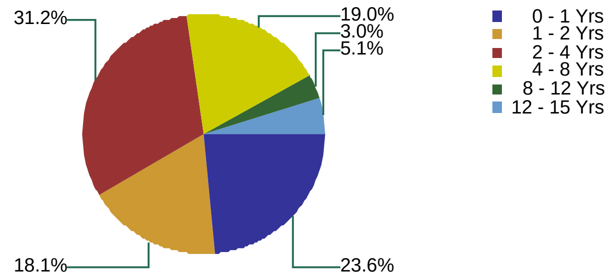
Pool 205 (10328000)

Portfolio Fact Sheet
September 2009

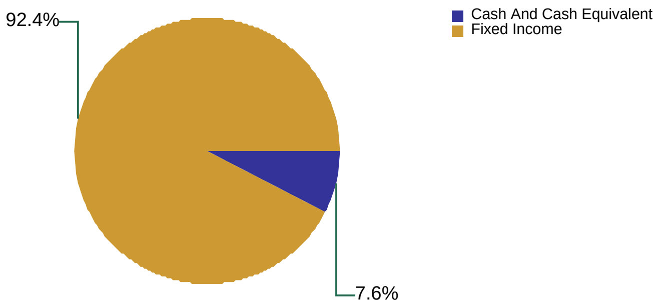
Portfolio Characteristics

Total Net Assets (Millions)	**1,424.2**
Weighted Average Life (Years)	**5.15**
Weighted Avg. Effective Duration (Years)	**3.37**
Weighted Average Rating	**AA+**
Number of Holdings	**215**

Duration Mix



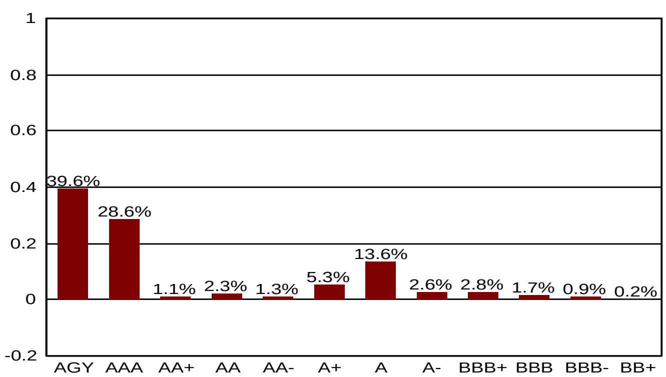
Asset Mix



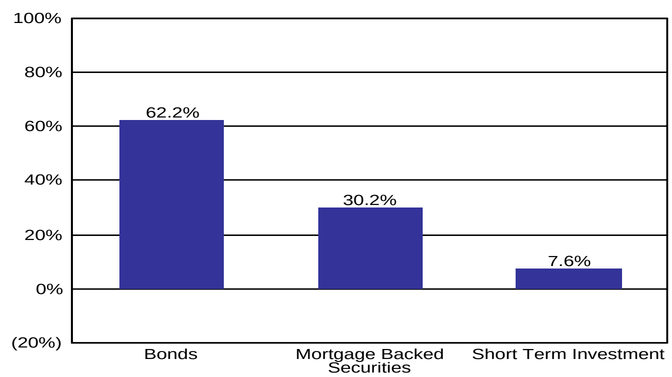
Top Ten Portfolio Holdings

Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
539992AA5	LOCAL GOVERNMENT INVESTMENT POOL	7.58%	0.00	31/12/2049
31359MQV8	FANNIE MAE BOND 4.75%	1.53%	4.75	21/2/2013
912828FK1	UNITED STATES OF AMER TREAS NOTES 5.1	1.15%	5.12	30/6/2011
92343VAN4	VERIZON COMMUNICATIONS INC 5.25% NTS	1.13%	5.25	15/4/2013
931142BV4	WAL MART STORES 931142BV4 4.125% 15/F	1.10%	4.12	15/2/2011
31395LZM6	FREDDIE MAC 2936 PB 5.000% 15/FEB/202	0.92%	5.00	15/2/2028
31396VAS7	FEDERAL NATL MTG ASSOC 5.5% 25/APR/20	0.85%	5.50	25/4/2017
31406FBL4	FNMA MORTPASS 5.5% 01/SEP/2034 CL PN#	0.78%	5.50	1/9/2034
44924EAB6	IBM INTERNATIONAL GROUP CAPITAL LLC 5	0.78%	5.05	22/10/2012
912828BR0	UNITED STATES OF AMER TREAS NOTES 15/	0.78%	4.25	15/11/2013

Quality/Rating Weightings

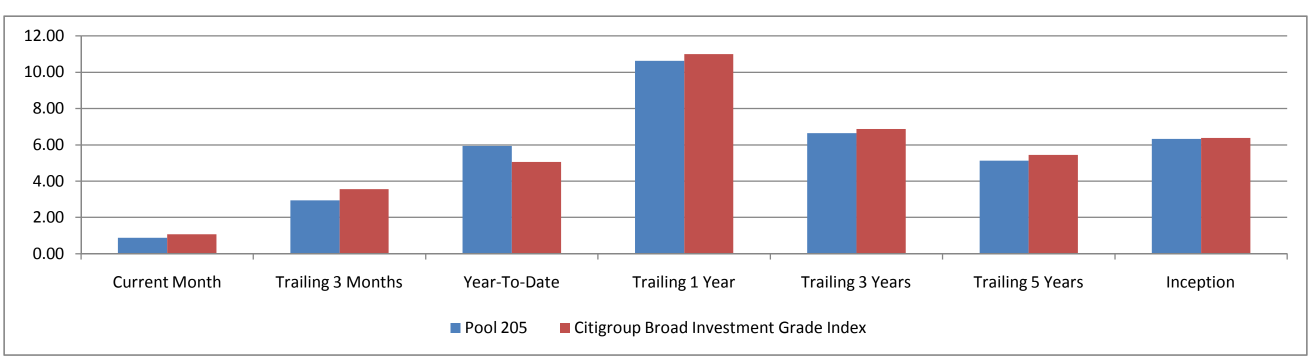


Sector Weightings (as % of Market Value)



Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
Pool 205	0.88	2.95	5.94	10.62	6.63	5.13	6.33
Citigroup Broad Investment Grade Index	1.07	3.55	5.06	11.00	6.88	5.44	6.37
Excess	(0.18)	(0.61)	0.88	(0.37)	(0.24)	(0.31)	(0.04)



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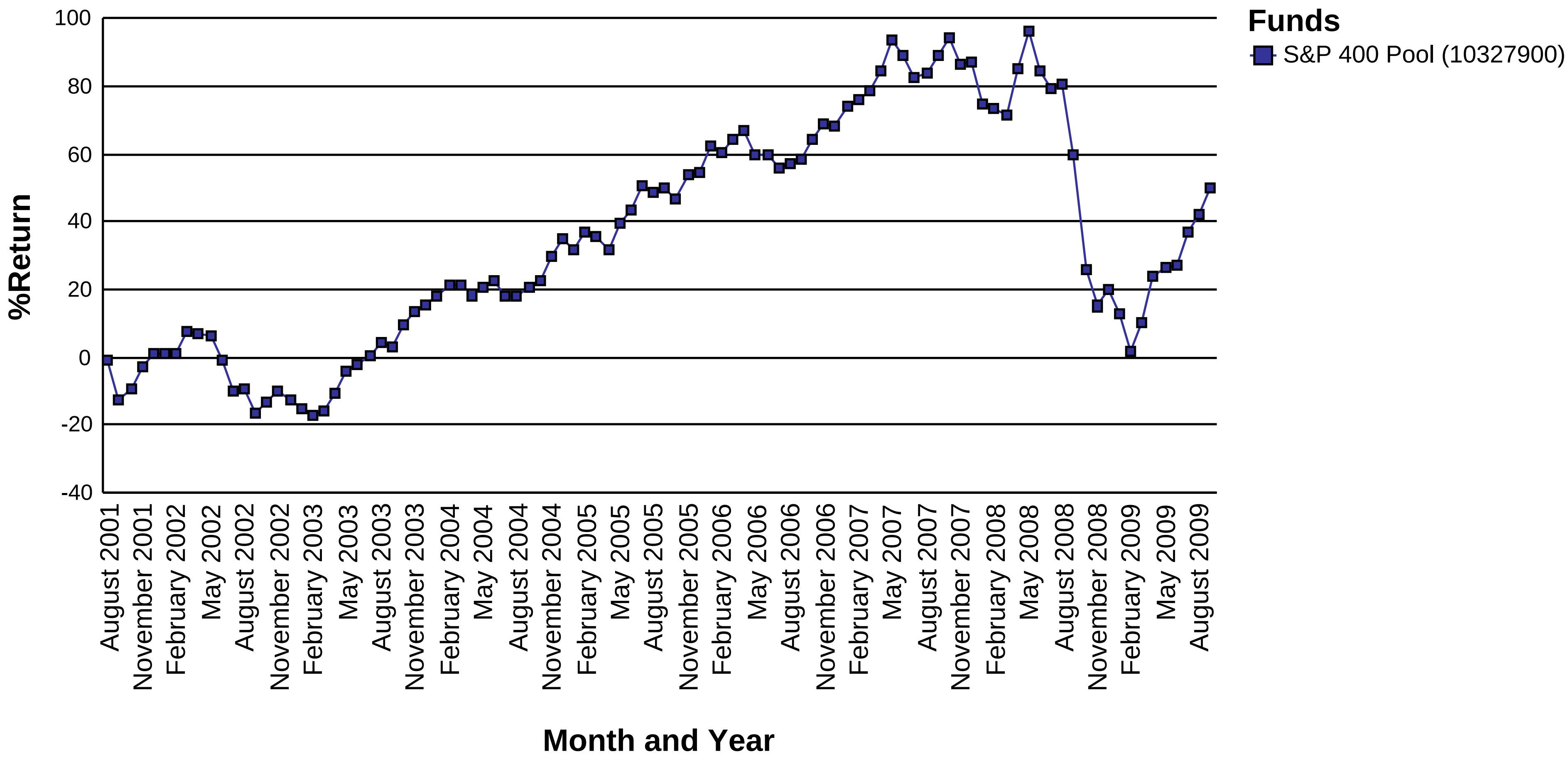
Performance Growth by Account

Arizona State Treasury (05509)

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

Gross of Fee



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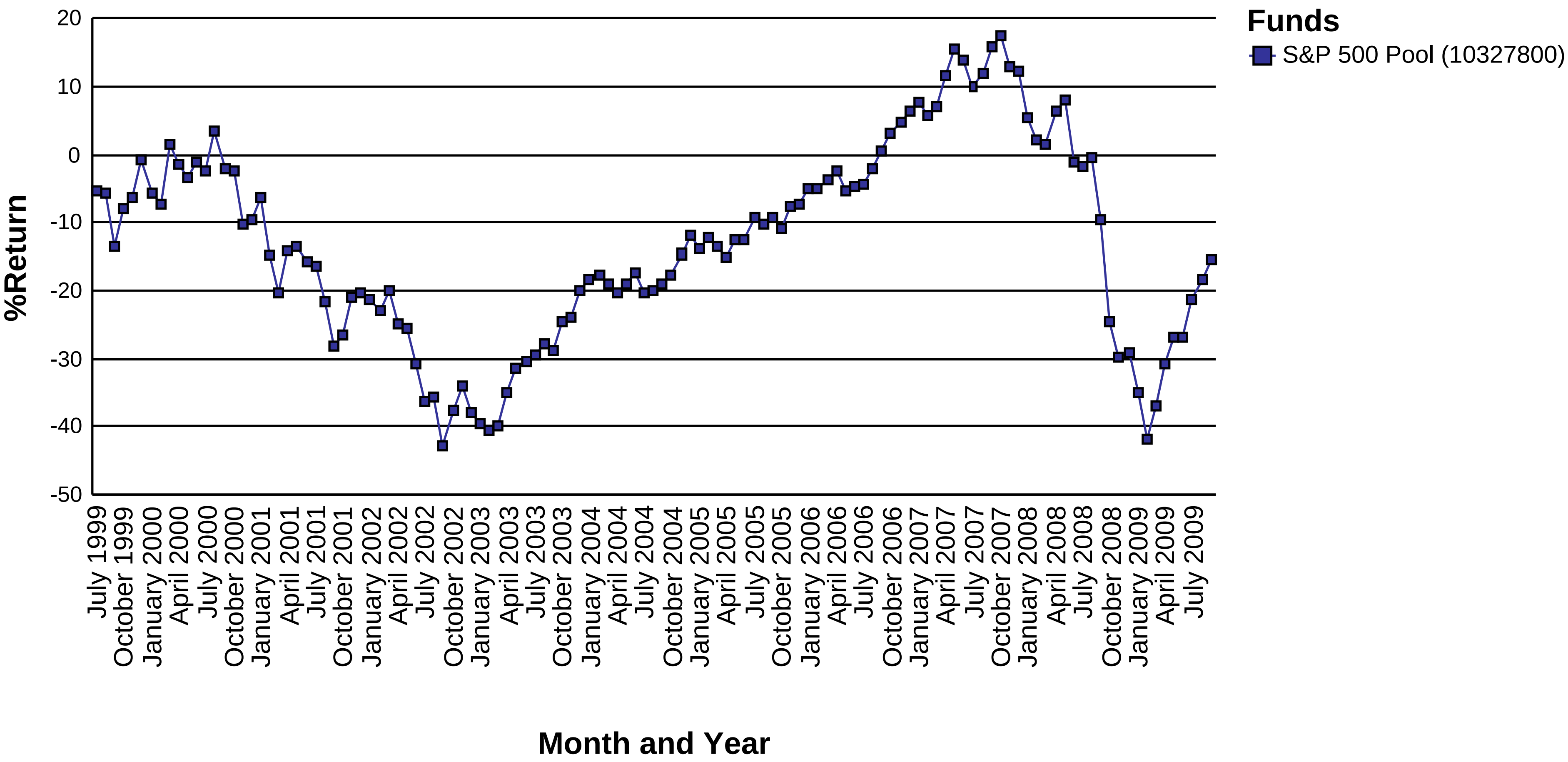
Performance Growth by Account

Arizona State Treasury (05509)

From **July 1999** to **September 2009**

Gross of Fee



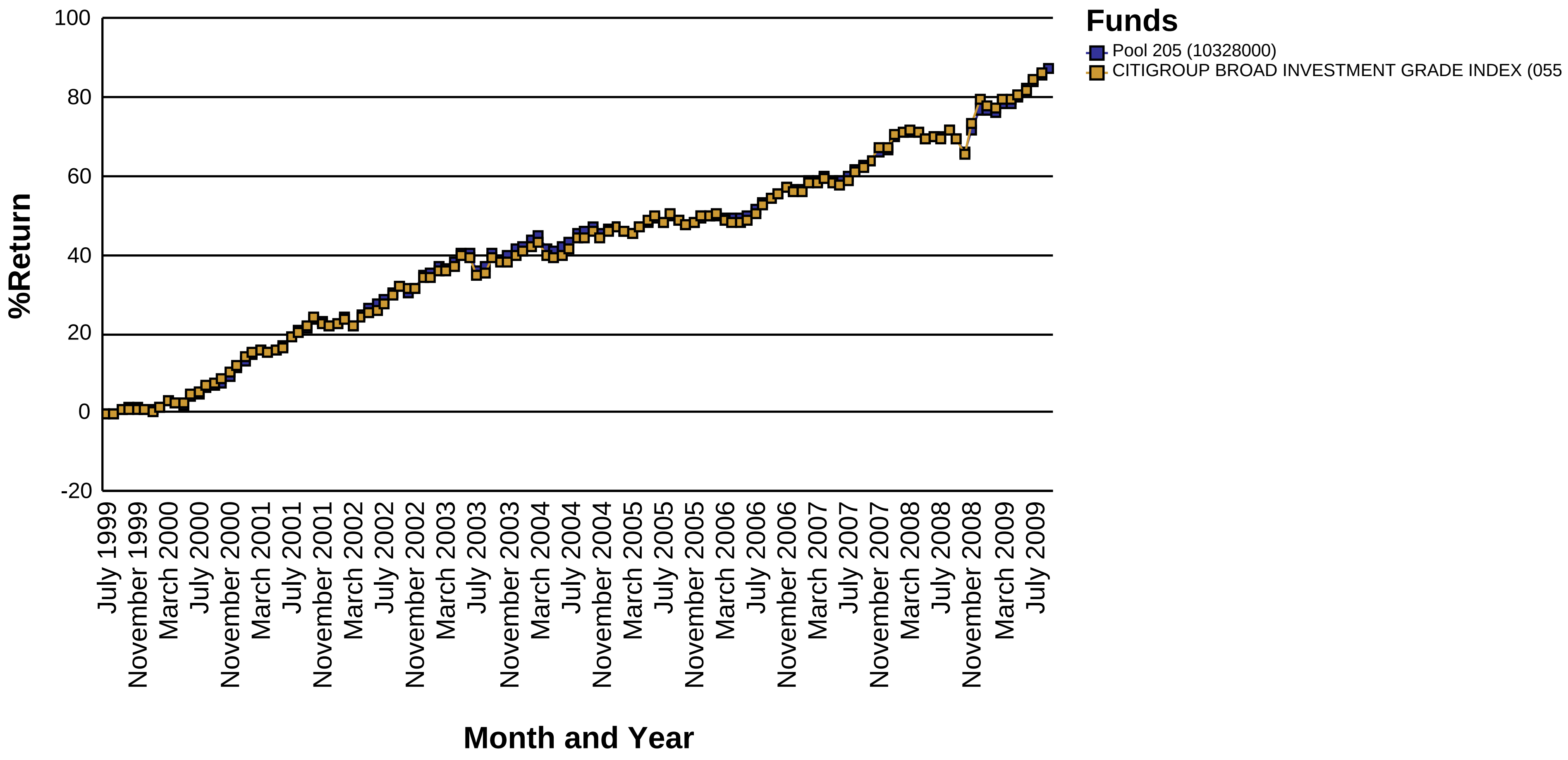
J.P.Morgan

Performance Growth by Account

Arizona State Treasury (05509)

From **July 1999** to **September 2009**

Gross of Fee



BROKER ACTIVITY REPORT
STATE AGENCY FUNDS 2, 3, 4, 12, 15, 55, 57
JULY 1 - SEPTEMBER 30, 2009

Broker Name	Asset Group	Sum Of Book Value	Pct Of Type	Pct Of Total
BA SECURITIES INC.				
	REPO	850,000,000	3.64%	2.76%
BARCLAYS CAPITAL INC.				
	CORP ABS	6,293,602	100.00%	0.02%
	US-AGENCY	30,081,242	8.15%	0.10%
	US TREAS	102,167,456	44.68%	0.33%
CANTOR FITZGERALD				
	CORP NOTES	55,675,000	100.00%	0.18%
	US AGENCY	14,668,975	3.98%	0.05%
	USA-MBS	15,988,584	29.38%	0.05%
CITIGROUP				
	REPO	12,265,276,204	52.51%	39.81%
	US AGENCY	99,906,572	27.07%	0.32%
	USA-MBS	21,945,026	40.33%	0.07%
DEUTSCHE BANC				
	REPO	4,179,009,796	17.89%	13.56%
	US AGENCY	10,000,000	2.71%	0.03%
	US TREAS	106,074,716	46.39%	0.34%
JP MORGAN CHASE				
	MONEY-MARK	46,200,654	100.00%	0.15%
	US AGENCY	107,173,468	29.04%	0.35%
	USA-MBS	16,486,084	30.29%	0.05%
JEFFRIES CO.				
	US AGENCY	9,970,000	2.70%	0.03%
	US TREAS	20,428,906	8.93%	0.07%

BROKER ACTIVITY REPORT
STATE AGENCY FUNDS 2, 3, 4, 12, 15, 55, 57
JULY 1 - SEPTEMBER 30, 2009

Broker Name	Asset Group	Sum Of Book Value	Pct Of Type	Pct Of Total
KEYBANC CAPITAL MARKETS				
	US AGENCY	10,491,260	2.84%	0.03%
MIZUHO SECURITIES				
	REPO	6,062,376,066	25.96%	19.68%
NATIONS BANK				
	US AGENCY	1,000,000	0.27%	0.00%
RBC DAIN RAUSCHER				
	US AGENCY	50,666,335	13.73%	0.16%
TREASURER WARRANT NOTES				
	WARRANT NOTES	6,694,783,146	100.00%	21.73%
STIFEL NICOLAUS				
	US AGENCY	20,056,400	5.44%	0.07%
UBS PAINE WEBBER				
	US AGENCY	14,998,750	4.06%	0.05%

BROKER ACTIVITY REPORT
POOL 5 - L.G.I.P.
JULY 1 - SEPTEMBER 30, 2009

Broker Name	Asset Group	Sum Of Book Value	Pct Of Type	Pct Of Total
BA SECURITIES INC.				
	US TREAS	39,990,698	61.54%	0.38%
BARCLAYS CAPITAL INC.				
	US-AGENCY	190,066,134	33.95%	1.82%
	US TREAS	24,990,278	38.46%	0.24%
CITIGROUP				
	REPO	5,708,305,922	59.68%	54.80%
	FDIC - COMM PAPER	79,971,167	100.00%	0.77%
DEUTSCHE BANC				
	REPO	1,693,742,417	17.71%	16.26%
FIRST TENNESSEE				
	US-AGENCY	59,471,915	10.62%	0.57%
JP MORGAN CHASE				
	MONEY MARKET	135,434,691	100.00%	1.30%
	US-AGENCY	139,945,537	25.00%	1.34%
KEYBANC CAPITAL MARKETS				
	US-AGENCY	30,120,900	5.38%	0.29%
MIZUHO SECURITIES				
	REPO	2,162,290,973	22.61%	20.76%
MORGAN STANLEY				
	US-AGENCY	14,985,000	2.68%	0.14%
PIPER JAFFRAY & CO.				
	US-AGENCY	5,003,450	0.89%	0.05%

BROKER ACTIVITY REPORT
POOL 5 - L.G.I.P.
JULY 1 - SEPTEMBER 30, 2009

Broker Name	Asset Group	Sum Of Book Value	Pct Of Type	Pct Of Total
RBS GREENWICH CAPITAL				
	US-AGENCY	70,170,766	12.54%	0.67%
STIFEL NICOLAUS				
	CORP NOTES	12,902,500	100.00%	0.12%
UBS PAINE WEBBER				
	US-AGENCY	49,999,903	8.93%	0.48%

BROKER ACTIVITY REPORT
POOL 500 - L.G.I.P. LONG-TERM
JULY 1 - SEPTEMBER 30, 2009

Broker Name	Asset Group	Sum Of Book Value	Pct Of Type	Pct Of Total
BA SECURITIES INC.				
	US AGENCY	519,120	4.53%	1.69%
	US TREAS	1,497,765	32.97%	4.89%
BARCLAYS CAPITAL INC.				
	US TREAS	2,045,547	45.03%	6.67%
BROADPOINT CAPITAL				
	US AGENCY	387,341	3.38%	1.26%
CANTOR FITZGERALD				
	US AGENCY	532,755	4.64%	1.74%
CITIGROUP				
	US AGENCY	1,782,404	15.54%	5.81%
	US TREAS	999,545	22.00%	3.26%
DEUTSCHE BANC				
	US AGENCY	500,000	4.36%	1.63%
FIRST TENNESSEE				
	CORP NOTES	263,603	45.49%	0.86%
JP MORGAN CHASE				
	MONEY-MARK	14,062,760	100.00%	45.87%
JEFFRIES				
	US AGENCY	250,000	2.18%	0.82%
NATIONS BANK				
	US AGENCY	2,013,600	17.55%	6.57%

BROKER ACTIVITY REPORT
POOL 500 - L.G.I.P. LONG-TERM
JULY 1 - SEPTEMBER 30, 2009

Broker Name	Asset Group	Sum Of Book Value	Pct Of Type	Pct Of Total
PIPER JAFFRAY & CO.				
	CORP NOTES	44,063	7.60%	0.14%
RBC DAIN RAUSCHER				
	US AGENCY	4,463,993	38.92%	14.56%
STIFEL NICOLAUS				
	US AGENCY	1,021,700	8.91%	3.33%
UBS PAINE WEBBER				
	CORP NOTES	271,865	46.91%	0.89%

BROKER ACTIVITY REPORT
POOL 7 - L.G.I.P.- GOV
JULY 1 - SEPTEMBER 30, 2009

Broker Name	Asset Group	Sum Of Book Value	Pct Of Type	Pct Of Total
BA SECURITIES INC.				
	REPO	6,035,000,000	13.11%	12.75%
	US TREAS	74,963,094	7.27%	0.16%
BARCLAYS CAPITAL INC.				
	US TREAS	431,056,556	41.81%	0.91%
CITIGROUP				
	REPO	17,735,806,600	38.52%	37.46%
	US TREAS	124,968,797	12.12%	0.26%
DEUTSCHE BANC				
	REPO	11,897,247,787	25.84%	25.13%
	US TREAS	309,938,428	30.06%	0.65%
JP MORGAN CHASE				
	MONEY MARKET	269,336,827	100.00%	0.57%
MIZUHO SECURITIES				
	REPO	10,380,332,961	22.54%	21.92%
	US TREAS	89,983,038	8.73%	0.19%

BROKER ACTIVITY REPORT
FIXED INCOME FUND 205
JULY 1 - SEPTEMBER 30, 2009

Broker Name	Asset Group	Sum Of Book Value	Pct Of Type	Pct Of Total
BARCLAYS CAPITAL INC				
	US TREAS	10,948,633	24.72%	4.23%
BROADPOINT CAPITAL INC.				
	US AGENCY	43,045,534	60.77%	16.63%
CANTOR FITZGERALD				
	CORP-NOTE	2,875,000	36.52%	1.11%
CITIGROUP				
	US AGENCY	5,000,000	7.06%	1.93%
	US TREAS	16,305,664	36.81%	6.30%
DEUTSCHE BANC				
	US TREAS	5,397,266	12.19%	2.09%
JP MORGAN CHASE				
	CORP-NOTE	4,996,950	63.48%	1.93%
	MONEY-MARK	135,847,464	100.00%	52.48%
KEY BANC				
	US AGENCY	17,369,473	24.52%	6.71%
RBS GREENWICH CAPITAL				
	US TREAS	11,641,016	26.28%	4.50%
ROBERT W. BAIRD & CO.				
	US AGENCY	5,415,900	7.65%	2.09%