

OFFICE OF THE
ARIZONA STATE TREASURER



**HON. DEAN MARTIN
TREASURER**



APRIL 2010

Presented To:

Arizona State Board of Investment

MAY 26, 2010

STATE BOARD OF INVESTMENT

A G E N D A

May 26, 2010

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

REPORT OF THE STATE TREASURER

FOR

May 26, 2010

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**Minutes of
BOARD OF INVESTMENT MEETING**

The regular meeting of the State Board of Investment was held on April 28, 2010 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
Beth Ford, Treasurer, Pima County, by teleconference
Alan E. Maguire, President, The Maguire Company
David Raber, Interim Director of the Arizona Department of Administration
Lauren W. Kingry, 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
Dale Stomberg, Investment Accounting Manager, Arizona State Treasurer's Office
Tim White, Senior Portfolio Manager, Arizona State Treasurer's Office
Patty Humbert, Portfolio Manager, Arizona State Treasurer's Office

Pursuant to A.R.S. 35-311, the following reports for March, 2010 were submitted for the Board's approval:

Review of Treasurer's Monthly Reports:

Earnings Distribution; Investment Pools
LGIP Pools Investments and Performance Reports
State Agency Pools Investments and Performance Reports
Operating Monies Invested Balances
Endowment Investments and Performance Reports

1. Call to Order:

Treasurer Martin called the April 28, 2010 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 April 28, 2010 meeting.

3. Approval of Minutes:

Mr. Raber made a motion to approve the minutes for the March 24, 2010 Board of Investment Meeting. Mr. Maguire seconded the motion. Motion carried.

4. Review of Treasurer's Monthly Report

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

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

Earnings Distribution – Investment Pools

Mr. Swenson reported the earnings distributed month-to-date, year-to-date, prior year-to-date, and investment management fees deposited in the General Fund for the month of March, 2010.

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

Mr. Swenson reported the net yields for the LGIP and LGIP-Gov Pools, as well as the comparisons to their relative benchmarks for the month of March, 2010.

Pool 500 & Pool 700 Portfolio Yield Analysis

Mr. Swenson reported the net yield for the LGIP Long Term Pool and the comparison to the benchmark for the month of March, 2010.

Manager Allocation of Invested Monies for the LGIP Pools

Mr. Swenson reported the total market value invested in all of the LGIP Pools as a percentage of the total that was allocated to each of the LGIP, LGIP-Gov, and LGIP Long Term Pools as of March 31, 2010.

LGIP Pools Investments and Performance Reports

Mr. Swenson reported the total net assets, the weighted average life, the weighted average rating, and the total number of holdings on the LGIP, LGIP-Gov, and LGIP Long Term pools for March 31, 2010.

Review of Treasurer's Monthly Report – Agency Pools:

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

State Agency Pools Portfolio Yield Analysis

Mr. Swenson reported the net yields for the State Agency Pools for the month of March, 2010.

Manager Allocation of Invested Monies for the State Agency Pools

Mr. Swenson reported the total market value of all of the State Agency Pools broken up to show the percent allocated to each individual State Agency Pool as of March 31, 2010.

Investments Outstanding in State Agency Pools

Mr. Swenson reported the total net assets, the weighted average life, the weighted average duration, the weighted average rating, and the total number of holdings for the State Agency Investment Pools as of March 31, 2010.

Operating Monies Average Invested Balance

Mr. Swenson reported the Operating Monies average invested balance for the month of March, 2010.

Review of Treasurer's Monthly Report – Endowments:

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

Endowment Funds Yield Analysis

Mr. Swenson reported the net yield of the Endowment Fund Fixed Income Pool for the month of March, 2010.

Net Realized Capital Gains/Losses – Endowment Funds

Mr. Swenson reported the net realized capital gains for the Endowment Fixed Income, S&P 500, and S&P 400 pools for the month of March, 2010 and FY10 fiscal year to date.

Endowment Funds Fixed-Income Pool Purchases & Sales

Mr. Swenson reported the purchases and sales of the Endowment Fixed Income Pool for the month of March, 2010.

Equity Funds Purchases & Sales

Mr. Swenson reported the purchases and sales (summary) of the Endowment Equity Pools for the month of March, 2010.

Investments Outstanding in Endowment Funds

Mr. Swenson reported the par, book, market value, and unrealized gains/loss of the Endowment Funds as of March 31, 2010.

Performance of Investments in Endowment Funds

Mr. Swenson reported the performance of the Endowment Funds for the current month, the year to date, trailing one year, trailing three years, trailing five years, and since inception for the Endowment Funds as of March 31, 2010.

Manager Allocation of Invested Monies for the Endowment Pools

Mr. Swenson reported the percentage of the total market value of all of the Endowment investments allocated to each of the Endowment Pools, as of March 31, 2010.

Equity Holdings Investments Outstanding S&P 500

Mr. Swenson reported the investments outstanding by portfolio characteristics and industry sector and for the S&P 500 Pool as of March 31, 2010.

Equity Holdings Investments Outstanding S&P 400

Mr. Swenson reported the investments outstanding by portfolio characteristics and industry sector for the S&P 400 Pool as of March 31, 2010.

Mr. Swenson stated he and Mr. White recommended buying the other 200 names of the index by July 1, 2010 so the S&P 400 pool will contain all 400 securities.

Fixed Income Investments and Performance Reports

Mr. Swenson reported the total net assets, the weighted average life, the weighted average duration, the weighted average yield to maturity, the weighted average rating, and the total number of holdings for the Fixed Income Pool for March 31, 2010.

Endowment Investments and Performance Growth by Account Reports

Mr. Swenson reported the performance and growth for each of the Endowment Funds from the inception date of each fund through the end of March, 2010.

Approval of Treasurer's Report

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

5. Proposed Changes to Investment Policy:

There were no changes to the Investment Policy.

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

MFR Securities, Inc.: *The risk management committee recommends approval of this broker for the following reasons:*

- 1. Has good snapshot of the treasurer market*
- 2. Provides greater diversification*
- 3. Good daily commentary*
- 4. Has the top economists in the country*

Mr. Maguire made a motion to approve; Mr. Raber seconded the motion; motion carried.

7. General Business:

Treasurer Martin advised Board (re: the Endowment Distributions for FY09-10) it was discovered that Pool 108 (Penitentiaries) should have had a distribution for this fiscal year. The total of the distribution is \$1,799.00. We are proposing to do a one time transfer of this total distribution on April 30th to the beneficiary with the Board's approval. The other Endowment funds remained with no distribution. Mr. Maguire made a motion to approve; Mr. Raber seconded the motion; motion carried.

Treasurer Martin reported Governor Brewer vetoed the legislative bill that would continue the BOI. Our office is working on getting the bill passed before the session ends. If they're not successful, the existing Board would simply be reappointed as the Treasurer's Board until his departure in 2011.

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, May 26, 2010 at 1:30 p.m. at 1700 West Washington, State Capitol, West Wing, Treasurer's Conference Room, Phoenix, Arizona.

10. Adjournment:

Mr. Maguire made a motion to adjourn the BOI meeting. Mr. Raber seconded the motion. Upon unanimous approval, the BOI meeting was adjourned at 2:05 p.m.

Submitted by:

Christine M. Halvorson
Director of Customer and Investor
Relations

Approved by:

Dean Martin, Chair

Date:

EARNINGS DISTRIBUTION - INVESTMENT POOLS
 APRIL 2010

State Treasurer's Report
 May 26, 2010
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Recipient	Earnings Distributed			Fiscal YTD Investment Management Fees Received
	APRIL 2010	Fiscal YTD 09/10	Fiscal YTD 08/09	
General Fund	\$0	\$365,754	\$20,234,222	
2 State Agencies I - Full Faith & Credit	884,790	12,527,797	23,879,063	315,708
3 State Agencies II - Diversified	770,268	11,973,914	32,399,020	575,069
4 State Agencies IV - Restricted Diversified	325,729	6,138,488	13,457,588	377,605
5 Local Governments	208,890	5,831,250	28,614,143	830,028
7 LGIP Gov't	210,772	4,194,748	22,835,044	1,252,387
12 CAWCD Medium-Term	282,512	4,086,468	3,933,932	61,810
15 GADA Long-Term	25,867	419,207	587,993	6,088
Subtotal	\$2,708,827	\$45,537,626	\$145,941,005	\$3,418,696
NAV POOL				
500 LGIP LT	157,417	1,722,456	2,024,004	37,855
700 LGIP GOV LT	80,699	284,488	0	31,077
Total	\$2,946,943	\$47,544,570	\$147,965,009	\$3,487,627

LGIP & LGIP-GOV
PORTFOLIO YIELD ANALYSIS
 April 30, 2010

State Treasurer's Report
 May 26, 2010
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FUND	DESCRIPTION	NET EARNINGS
5	LGIP	208,890
7	LGIP - GOV	210,772
TOTAL LGIP & LGIP-GOV		419,662

		02/28/10	03/31/10	04/30/10
5	LGIP MONTHLY YIELD (NET)	0.13%	0.12%	0.16%
	S & P LGIP INDEX YIELD	0.15%	0.15%	0.15%
	LGIP YTD YIELD (NET)	0.22%	0.21%	0.20%
	S & P LGIP YTD INDEX YIELD	0.26%	0.25%	0.24%
7	LGIP - GOV MONTHLY YIELD (NET)	0.06%	0.09%	0.11%
	3 MONTH T-BILL	0.09%	0.14%	0.15%
	LGIP - GOV YTD YIELD (NET)	0.08%	0.08%	0.08%
	YTD 3 MONTH T-BILL	0.09%	0.10%	0.10%

* Note: The LGIP-GOV Pool consists of only securities explicitly backed by the full faith & credit of the US Government.

**LGIP & LGIP-GOV LONG TERM POOL
 PORTFOLIO YIELD ANALYSIS
 April 30, 2010**

State Treasurer's Report
 May 26, 2010
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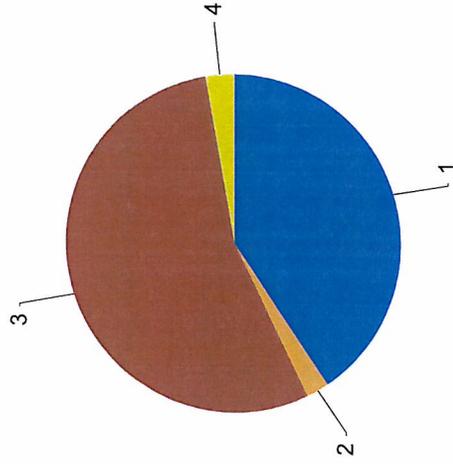
FUND	DESCRIPTION	NET EARNINGS
500	LGIP LONG TERM POOL	157,417
700	LGIP - GOV LONG TERM POOL	80,699
	TOTAL LGIP LONG TERM POOL	238,116

	02/28/10	03/31/10	04/30/10
LGIP LONG TERM MONTHLY YIELD (NET)	2.78%	2.44%	2.04%
MERRILL 1-5 US D M INDEX MONTHLY YIELD	2.19%	2.35%	2.23%
LGIP LONG TERM YTD YIELD (NET)	3.04%	2.97%	2.88%
MERRILL 1-5 US D M INDEX YTD YIELD	2.39%	2.39%	2.37%
LGIP - GOV LONG TERM MONTHLY YIELD (NET)	0.70%	0.74%	0.87%
MERRILL 1-5 US TREAS INDEX MONTHLY YIELD	1.19%	1.42%	1.34%
LGIP - GOV LONG TERM YTD YIELD (NET)	0.41%	0.47%	0.54%
MERRILL 1-5 US TREAS INDEX YTD YIELD	1.23%	1.27%	1.28%

Manager Allocation - Monthly Arizona State Treasury (05509) As at April 2010

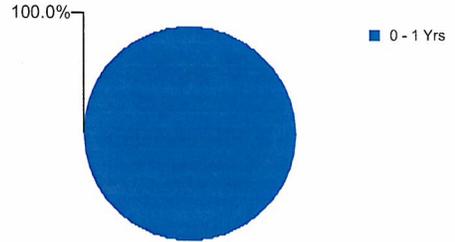
LGIP composite (00550903)

Sl. No.	Account Name	Market Value(ML)	Percent of Portfolio
1	State of Arizona - Pool 5 (LGIP) (10327300)	1,603.94	40.4%
2	State of Arizona - Pool 500 (LGIP - Med Term) (10327700)	96.48	2.4%
3	State of Arizona - Pool 7 (LGIP - FF&C) (10327400)	2,151.56	54.3%
4	State of Arizona - Pool 700 (LGIP-FF&C Med Term) (10563200)	113.27	2.9%
TOTAL		3,965.26	100.0%



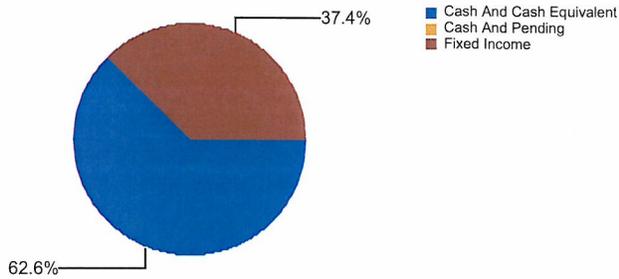
Portfolio Characteristics

Total Net Assets (Millions) **1,603.9**
 Weighted Average Life (Years) **0.16**
 Weighted Avg. Effective Duration (Years) **0.08**
 Weighted Average Maturity (Years) **0.08**
 Weighted Average Rating **AAA**
 Number of Holdings **55**



Asset Mix

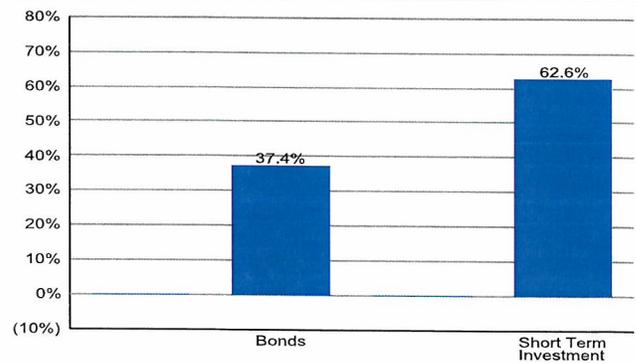
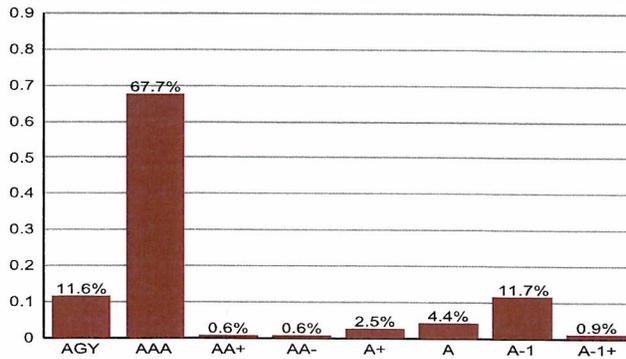
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
17299EW33	CITI 0.18% 03/MAY/2010	24.71%	0.18	3/5/2010
46999W014	TRI-PARTY REPO JP MORGAN 0.30% 3/MAY/2010	15.59%	0.30	3/5/2010
912828ED8	US TREAS NTS 04.125% 15/AUG/2010	3.18%	4.12	15/8/2010
912828DZ0	US TREAS NTS 03.875% 15/JUL/2010	3.18%	3.88	15/7/2010
912828JC5	UNITED STATES OF AMER TREAS NOTES 2.875% TB	3.16%	2.88	30/6/2010
459053WM2	IBRD0% 07MAY02 USD	3.12%	0.00	7/5/2010
912795UR0	UNITED STATES TREAS BILLS ZCP 20/MAY/2010	3.12%	0.00	20/5/2010
313385XW1	FEDL HOME LOAN BK CONS DISC NT MATURES 09/JUN/2006	2.81%	0.00	9/6/2010
46623ECW7	JP MORGAN CHASE & CO VAR 07/MAY/2010	2.50%	0.29	7/5/2010
459053WR1	INTL BK FOR RECON & DEV DISC NT MATURES 11/MAY/2010	2.18%	0.00	11/5/2010

Quality/Rating Weightings

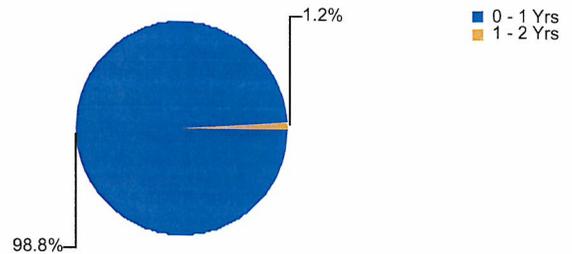
Sector Weightings (as % of Market Value)



Portfolio Characteristics

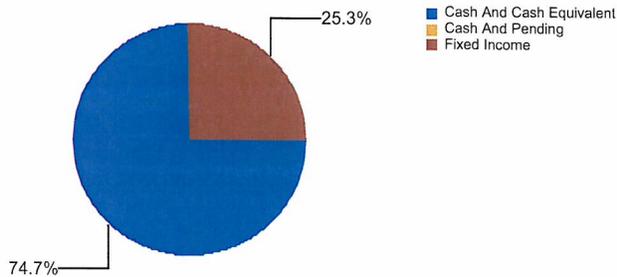
Duration Mix

Total Net Assets (Millions) 2,151.6
 Weighted Average Life (Years) 0.12
 Weighted Avg. Effective Duration (Years) 0.11
 Weighted Average Maturity (Years) 0.12
 Weighted Average Rating AAA
 Number of Holdings 26



Asset Mix

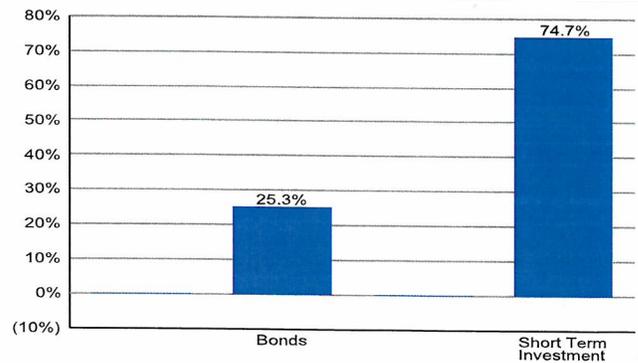
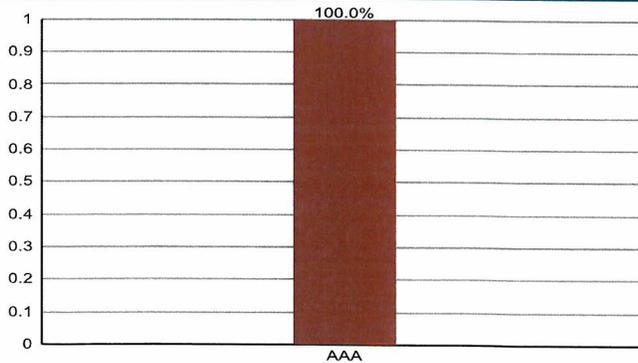
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
380995PB0	GOLDMAN-AZ GEN REPO II 0.18% 17/MAY/2010	46.48%	0.18	17/5/2010
912828JF8	UNITED STATES OF AMER TREAS BONDS 2.75% BDS	7.06%	2.75	31/7/2010
17299EW33	CITI 0.18% 03/MAY/2010	4.85%	0.18	3/5/2010
381994714	GOLDMAN-AZ 0.17% 03/MAY/2010	4.65%	0.17	3/5/2010
912795UT6	UNITED STATES TREAS BILLS DT	4.65%	0.00	10/6/2010
912795UR0	UNITED STATES TREAS BILLS ZCP 20/MAY/2010	3.49%	0.00	20/5/2010
912795U66	UNITED STATES TREAS BILLS DT	3.49%	0.00	1/7/2010
9128276J6	UNITED STATES TREAS NTS 05.75% 15/AUG/2010	2.39%	5.75	15/8/2010
912828DU1	US TREAS NTS 03.875% 15/MAY/2010	2.37%	3.88	15/5/2010
912828DZ0	US TREAS NTS 03.875% 15/JUL/2010	2.37%	3.88	15/7/2010

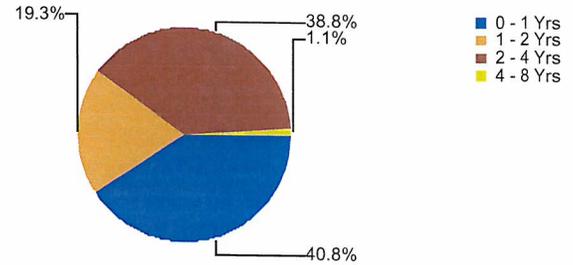
Quality/Rating Weightings

Sector Weightings (as % of Market Value)



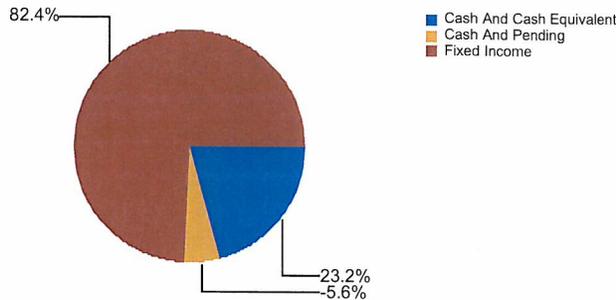
Portfolio Characteristics

Total Net Assets (Millions) **96.5**
 Weighted Average Life (Years) **1.94**
 Weighted Avg. Effective Duration (Years) **1.50**
 Weighted Average Rating **AA+**
 Number of Holdings **141**



Asset Mix

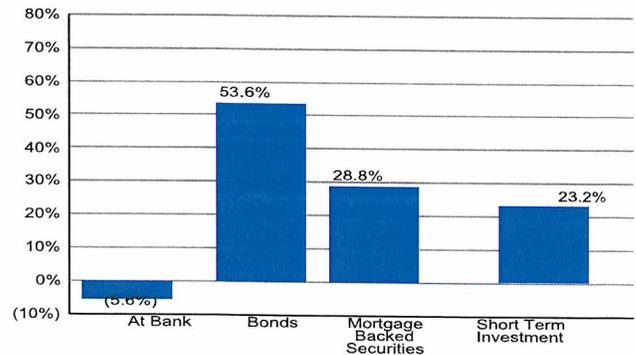
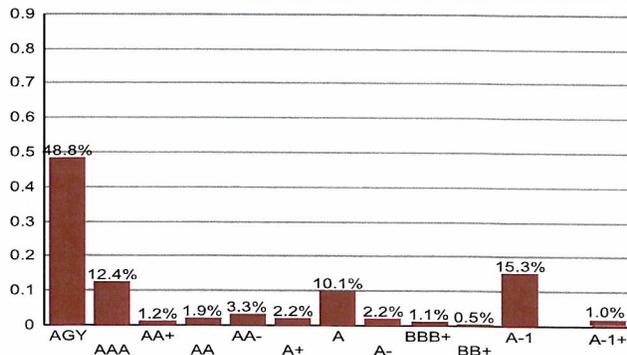
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
928989383	JP MORGAN U S GOVT AGENCY SHARES	5.75%	0.02	31/12/2049
31418RFS5	FNMA MORTPASS 4.5% 01/MAR/2025 CI PN# AD3776	5.37%	4.50	1/3/2025
3133XXYX9	FEDERAL HOME LOAN BANKS 1.875% BDS 21/JUN/2013	3.12%	1.88	21/6/2013
31416B6K9	FNMA MORTPASS 4.5% 01/NOV/2021 CI PN# 995574	2.74%	4.50	1/11/2021
06945ME77	BARTON CAP CORP CP	2.11%	0.00	7/5/2010
3128X9SS0	FREDDIE MAC 1.25% 19/JAN/2012	2.08%	1.25	19/1/2012
5705X5GL9	MARKET ST FNDG CORP CORPORATE COMMERCIAL PAPER	2.07%	0.00	20/7/2010
31417SJP6	FNMA MORTPASS 4.5% 01/OCT/2024 CI PN# AC5669	2.00%	4.50	1/10/2024
31371LKJ7	FNMA MORTPASS 4.0% 01/JAN/2011 POOL# 256097	1.87%	4.00	1/1/2011
3128MMKJ1	FHLMCGLD MORTPASS 4.5% 01/FEB/2024 G1 PN# G18296	1.81%	4.50	1/2/2024

Quality/Rating Weightings

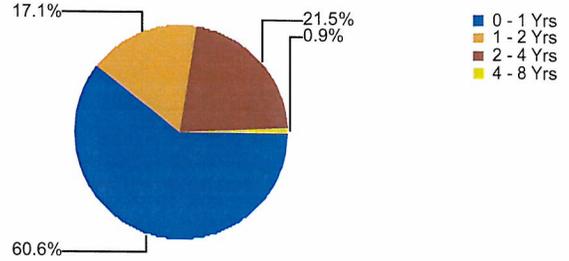
Sector Weightings (as % of Market Value)



Portfolio Characteristics

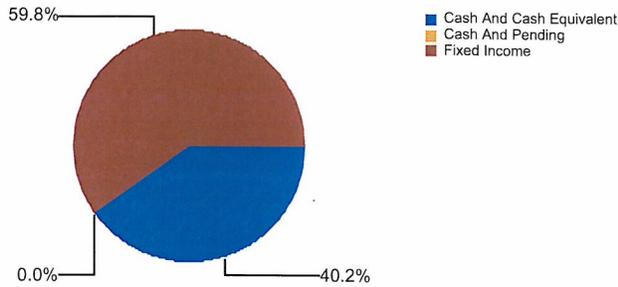
Duration Mix

Total Net Assets (Millions) **113.3**
 Weighted Average Life (Years) **1.25**
 Weighted Avg. Effective Duration (Years) **1.01**
 Weighted Average Rating **AAA**
 Number of Holdings **51**



Asset Mix

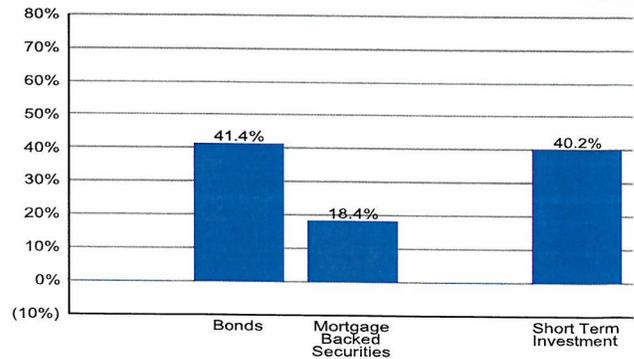
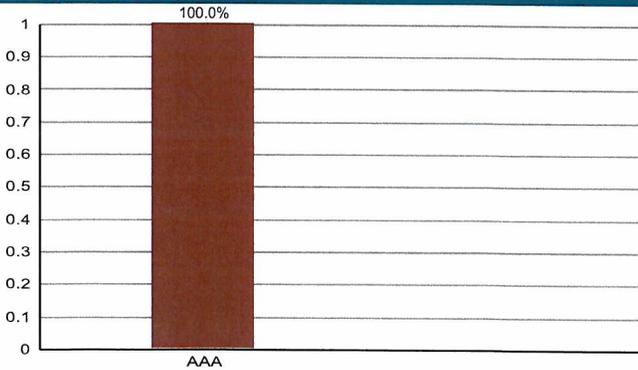
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
17299EW33	CITI 0.18% 03/MAY/2010	33.55%	0.18	3/5/2010
912828JL5	UNITED STATES TREAS NTS 02.000% 30/SEP/2010	4.45%	2.00	30/9/2010
938554N	FDIC - US BANK CD 0.4% 31/MAR/2011	4.42%	0.40	1/3/2011
912820LU9	U S TREAS NT STRIPPED PRIN PMT 03.625% 15/JUN/2010	4.41%	0.00	15/6/2010
912828JJ0	UNITED STATES OF AMER TREAS NOTES 2.375% NTS	4.02%	2.38	31/8/2010
38376ETD7	GINNIE MAE 2009-108 WG 4.000% 20/SEP/2038	3.60%	4.00	20/9/2038
912828KL3	UNITED STATES TREAS NTS 0.875% 30/APR/2011	3.10%	0.88	30/4/2011
912828EM8	US TREAS NTS 04.500% 15/NOV/2010	2.30%	4.50	15/11/2010
912828KV1	UNITED STATES TREAS NTS 02.250% 31/MAY/2014	2.25%	2.25	31/5/2014
912828JP6	UNITED STATES TREAS NTS 1.500% 31/OCT/2010	2.22%	1.50	31/10/2010

Quality/Rating Weightings

Sector Weightings (as % of Market Value)



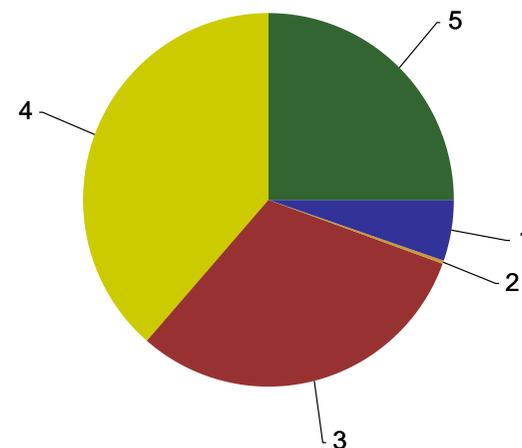
**STATE AGENCY POOLS
PORTFOLIO YIELD ANALYSIS**
April 30, 2010

State Treasurer's Report
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FUND	DESCRIPTION	NET EARNINGS	NET YIELD
2	STATE AGENCIES I - FULL FAITH & CREDIT	884,790	1.4600%
3	STATE AGENCIES II - DIVERSIFIED	770,268	0.8900%
4	STATE AGENCIES IV-RESTRICTED DIVERSIFIED	325,729	0.5700%
12	CAWCD MEDIUM TERM	282,512	2.5700%
15	GADA	25,867	2.5800%
	TOTAL STATE AGENCIES	2,289,165	

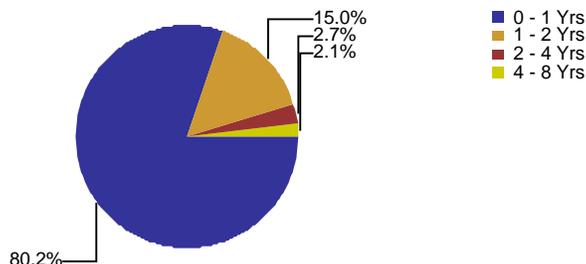
Manager Allocation - Monthly Arizona State Treasury (05509) As at April 2010

Pool Composite (00550904)			
Sr. No.	Account Name	Market Value(MIL)	Percent of Portfolio
1	State of Arizona - Pool 12 (CAWCD - Med Term) (10327500)	136.04	5.2%
2	State of Arizona - Pool 15 (GADA) (10327600)	12.39	0.5%
3	State of Arizona - Pool 2 (State Agency - FF&C) (10327000)	806.98	30.7%
4	State of Arizona - Pool 3 (State Agency - Diversified) (10327100)	1,012.87	38.6%
5	State of Arizona - Pool 4 (State Agency Rest Div) (10327200)	657.03	25.0%
TOTAL		2,625.31	100.0%

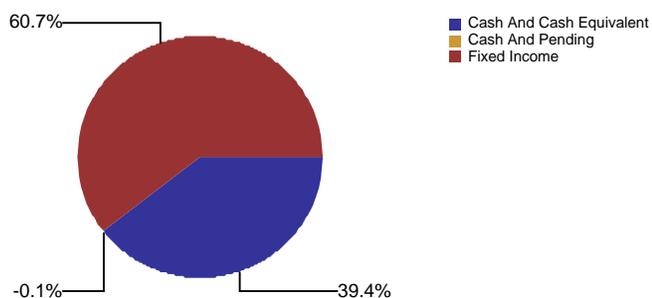


Portfolio Characteristics

Total Net Assets (Millions) **807.0**
 Weighted Average Life (Years) **0.70**
 Weighted Avg. Effective Duration (Years) **0.47**
 Weighted Average Rating **AAA**
 Number of Holdings **68**



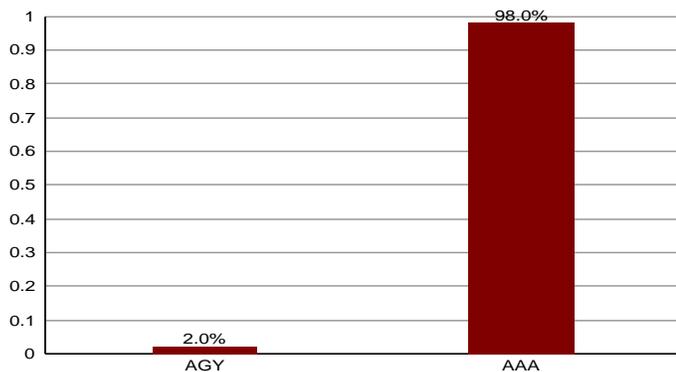
Asset Mix



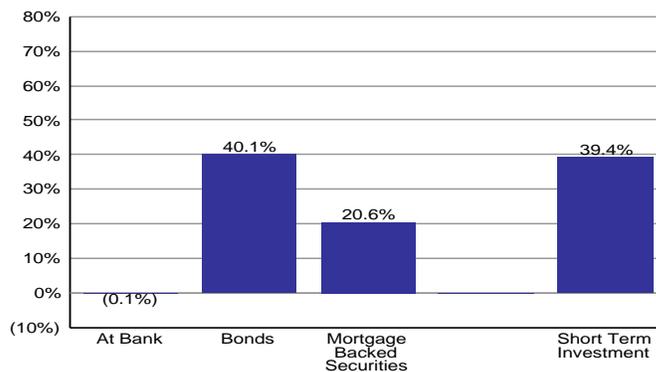
Top Ten Portfolio Holdings

Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
17299EW33	CITI 0.18% 03/MAY/2010	24.56%	0.18	3/5/2010
770839D	UNITED STATES ZERO 18/NOV/2010	6.19%	0.00	18/11/2010
7591EAAA1	REGIONS BANK 2.75% BDS 10/DEC/2010 USD1000	3.81%	2.75	10/12/2010
912828LG3	UNITED STATES TREAS NTS 1% 31/JUL/2011	3.75%	1.00	31/7/2011
912828ED8	US TREAS NTS 04.125% 15/AUG/2010	2.53%	4.12	15/8/2010
912828KP4	UNITED STATES TREAS NTS 1.375% 15/MAY/2012	2.51%	1.38	15/5/2012
36967HAG2	GENERAL ELECTRIC CAPITAL CORP SER'G 1.625% BDS	2.51%	1.62	7/1/2011
912828JA9	UNITED STATES OF AMER TREAS NOTES 2.625% TB	2.51%	2.62	31/5/2010
912828MU1	UNITED STATES TREAS NTS 1.000% 31/MAR/2012	2.48%	1.00	31/3/2012
932894D	UNITED STATES ZERO 16/DEC/2010	2.47%	0.00	16/12/2010

Quality/Rating Weightings

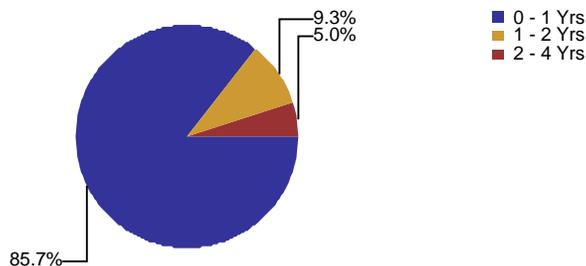


Sector Weightings (as % of Market Value)



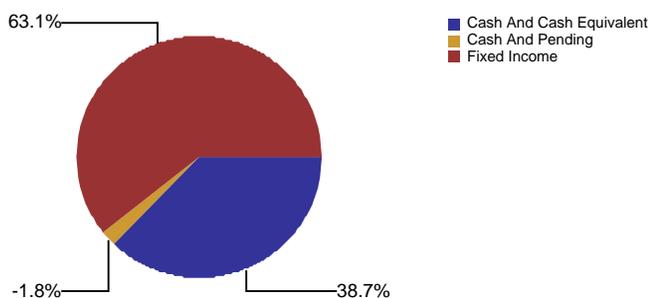
Portfolio Characteristics

Total Net Assets (Millions) **1,012.9**
 Weighted Average Life (Years) **0.89**
 Weighted Avg. Effective Duration (Years) **0.41**
 Weighted Average Rating **AA+**
 Number of Holdings **81**



Asset Mix

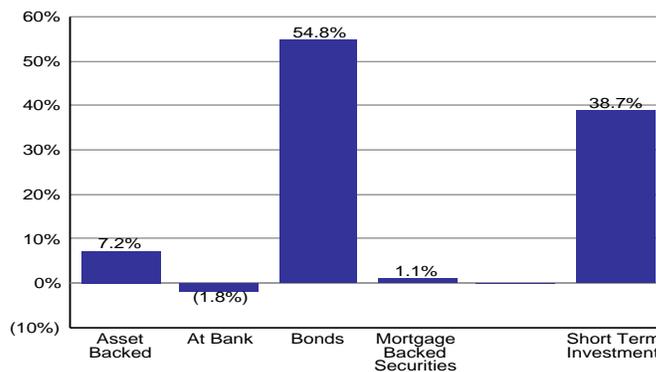
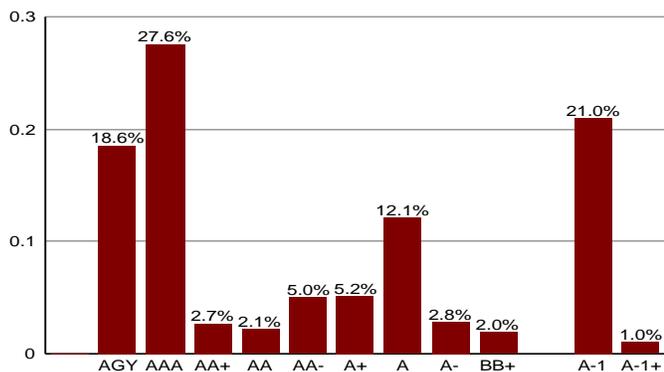
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
17299EW33	CITI 0.18% 03/MAY/2010	12.32%	0.18	3/5/2010
172967EG2	CITIGROUP INC VAR 13/AUG/2010	4.94%	0.40	13/8/2010
912795U66	UNITED STATES TREAS BILLS DT	3.95%	0.00	1/7/2010
3128X9XU9	FEDERAL HOME LOAN MORTGAGE CORP 0.00% BDS	2.97%	0.37	3/2/2012
46623ECW7	JP MORGAN CHASE & CO VAR 07/MAY/2010	2.96%	0.29	7/5/2010
59018YE72	MERRILL LYNCH & CO INC FLTG RATE NTS 05/JUN/2012	2.52%	0.48	5/6/2012
86888NFA8	SURREY FUNDING CORP CORPORATE COMMERCIAL PAPER	2.52%	0.00	10/6/2010
7528A3E35	RANGER FUNDING CO. LLC CORPORATE COMMERCIAL PAPER	2.48%	0.00	3/5/2010
06945MER3	BARTON CAPITAL CORP. ZCP 25/MAY/2010	2.47%	0.00	25/5/2010
5705X5FB2	MARKET ST FNDG CORP	2.47%	0.00	11/6/2010

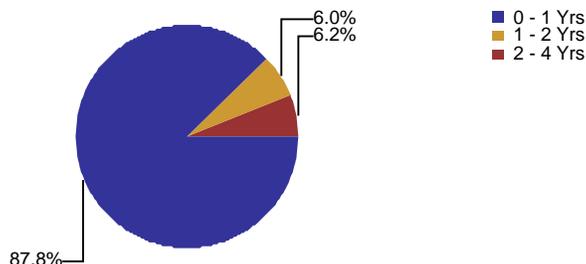
Quality/Rating Weightings

Sector Weightings (as % of Market Value)



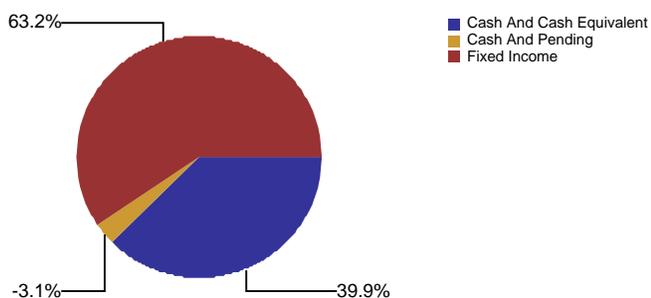
Portfolio Characteristics

Total Net Assets (Millions) **657.0**
 Weighted Average Life (Years) **1.14**
 Weighted Avg. Effective Duration (Years) **0.42**
 Weighted Average Rating **AGY**
 Number of Holdings **50**



Asset Mix

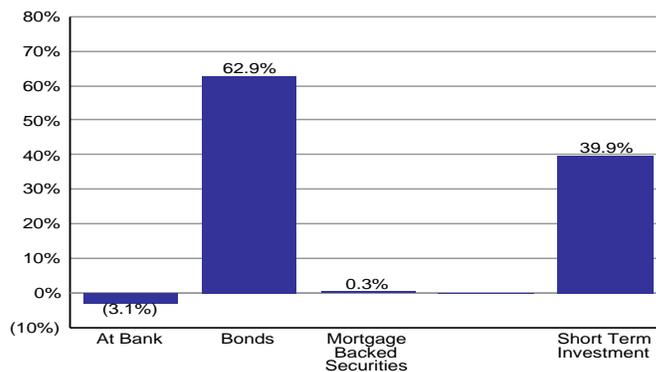
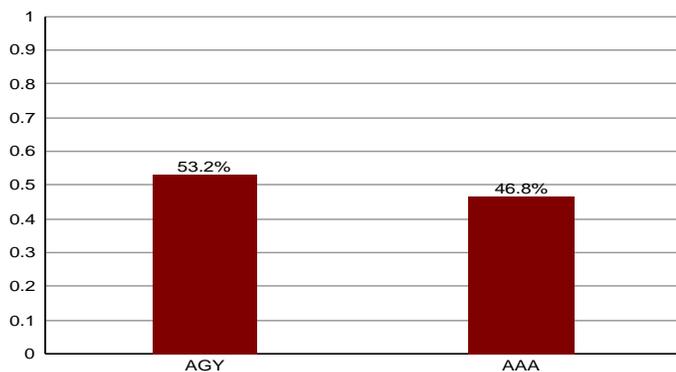
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
17299EW33	CITI 0.18% 03/MAY/2010	19.38%	0.18	3/5/2010
46999W014	TRI-PARTY REPO JP MORGAN 0.30% 3/MAY/2010	8.37%	0.30	3/5/2010
3128X9XU9	FEDERAL HOME LOAN MORTGAGE CORP 0.00% BDS	4.57%	0.37	3/2/2012
446436AB3	HUNTINGTON NATL BK FDIC TLGP GTD NT FLT 12	3.84%	0.65	1/6/2012
3128X82R2	FHLMC 1.50% 29/JUN/2012	3.06%	1.50	29/6/2012
459053WQ3	INTL BK FOR RECON & DEV DISC NT MATURES 10/MAY/2010	3.04%	0.00	10/5/2010
313589XP3	FEDERAL NATL MTG ASSN DISC NT MATURES 02/JUN/2010	3.04%	0.00	2/6/2010
313397XN6	FEDL HOME LN MTG CORP DISC NT MATURES 01/JUN/2010	3.04%	0.00	1/6/2010
313397YB1	FEDL HOME LN MTG CORP DISC NT MATURES 14/JUN/2010	3.04%	0.00	14/6/2010
31331XE40	FEDERAL FARM CREDIT BANKS 5.25% BDS 13/SEP/2010	2.39%	5.25	13/9/2010

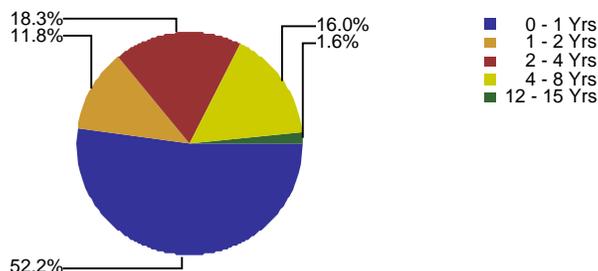
Quality/Rating Weightings

Sector Weightings (as % of Market Value)

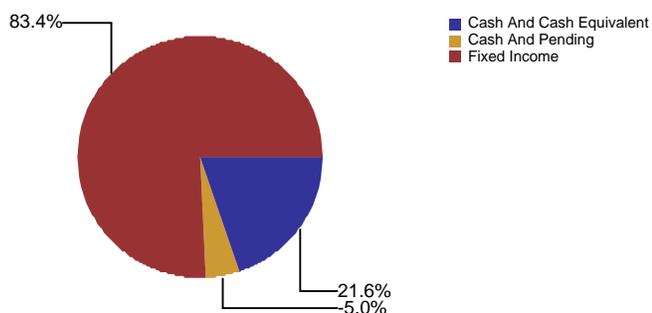


Portfolio Characteristics

Total Net Assets (Millions) **136.0**
 Weighted Average Life (Years) **3.72**
 Weighted Avg. Effective Duration (Years) **1.92**
 Weighted Average Rating **AA+**
 Number of Holdings **82**



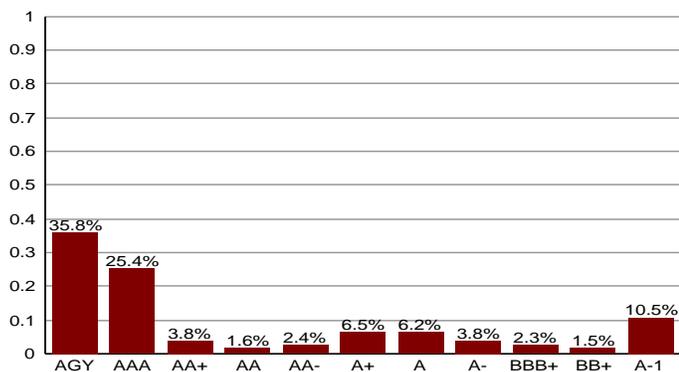
Asset Mix



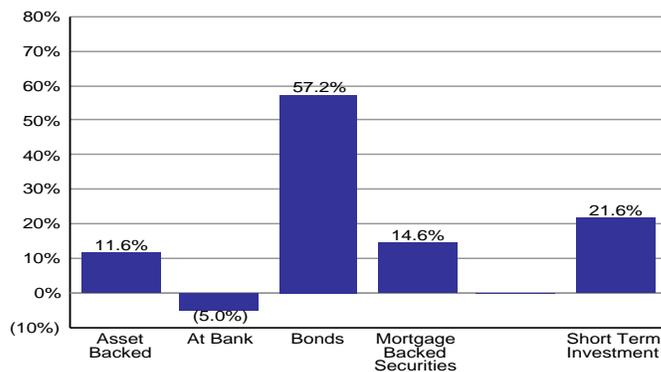
Top Ten Portfolio Holdings

Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
17299EW33	CITI 0.18% 03/MAY/2010	8.81%	0.18	3/5/2010
06423RBK1	BANK ONE ISSUANCE TRUST SER 2004-A3 C	3.66%	0.42	15/2/2017
928989383	JP MORGAN U S GOVT AGENCY SHARES	3.00%	0.02	31/12/2049
31398AYW6	FEDERAL NATIONAL MORTGAGE ASSOC 3.5% BDS	2.99%	3.50	25/8/2014
084664BG5	BERKSHIRE HATHAWAY FINANCE CORP 5% GTD SNR NTS	2.41%	5.00	15/8/2013
250847DS6	DETROIT EDISON CO 6.125% BDS 01/OCT/2010 USD1000	2.08%	6.12	1/10/2010
94980GAF8	WELLS FARGO HOMR EQUITY ABD TRUST 2004-2 AL-5	1.90%	4.89	25/5/2034
31393MG08	FREDDIE MAC 2585 CJ MAC 4.500% 15/DEC/2032	1.75%	4.50	15/12/2032
38374HD23	GINNIE MAE 2004-79 PA 5.000% 20/JAN/2031	1.75%	5.00	20/1/2031
3024A1E41	FCAR OWNER TRUST CORPORATE COMMERCIAL PAPER	1.69%	0.00	4/5/2010

Quality/Rating Weightings

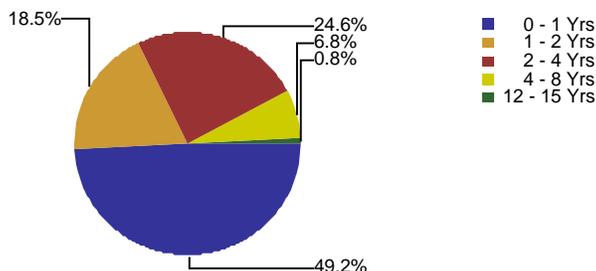


Sector Weightings (as % of Market Value)

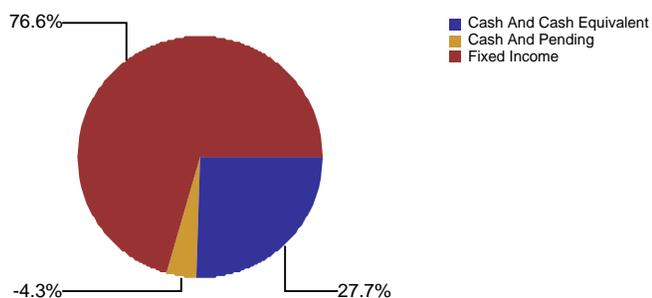


Portfolio Characteristics

Total Net Assets (Millions) **12.4**
 Weighted Average Life (Years) **2.31**
 Weighted Avg. Effective Duration (Years) **1.45**
 Weighted Average Rating **AAA**
 Number of Holdings **23**



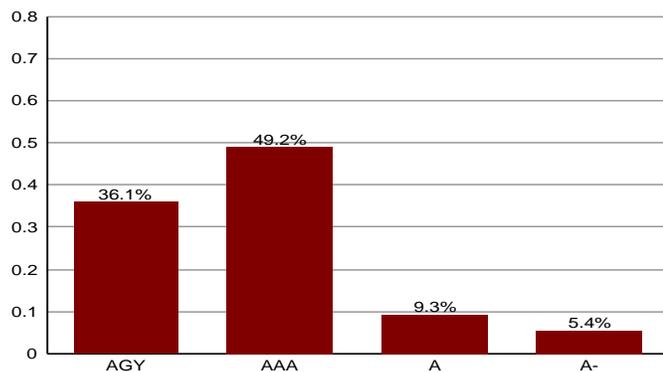
Asset Mix



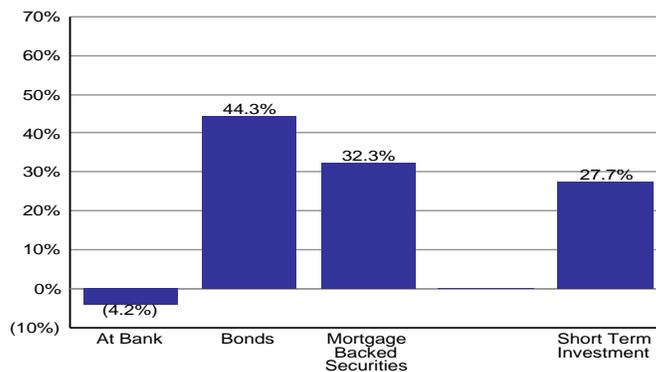
Top Ten Portfolio Holdings

Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
928989383	JP MORGAN U S GOVT AGENCY SHARES	27.66%	0.02	31/12/2049
31294KTB1	FEDERAL HOME LN MTG CORP GOLD POOL # EO1446 DTD	8.73%	4.50	1/9/2018
36241KJZ2	GNMA I MORTPASS 4.5% 15/FEB/2021 JP PN# 782080	6.93%	4.50	15/2/2021
38376JFP4	GINNIE MAE 2009-106 HA 4.000% 16/NOV/2039	6.59%	4.00	16/11/2039
31396WBV7	FEDERAL NATL MTG ASSOC 5.5% 25/JUN/2027 SER	5.08%	5.50	25/6/2027
10138MAH8	BOTTLING GROUP 6.95% SNR NTS 15/MAR/2014 USD1000	4.74%	6.95	15/3/2014
5526E2AC3	MBNA AMERICA BANK NA 7.125% 15/NOV/2012	4.55%	7.12	15/11/2012
7591EAAA1	REGIONS BANK 2.75% BDS 10/DEC/2010 USD1000	4.13%	2.75	10/12/2010
481247AD6	JPMORGAN CHASE & CO 2.625% NTS 01/DEC/2010 USD1000	3.98%	2.62	1/12/2010
31331GZG7	FEDERAL FARM CR BKS GLOBAL CONS BD 4.25%	3.95%	4.25	23/6/2016

Quality/Rating Weightings



Sector Weightings (as % of Market Value)

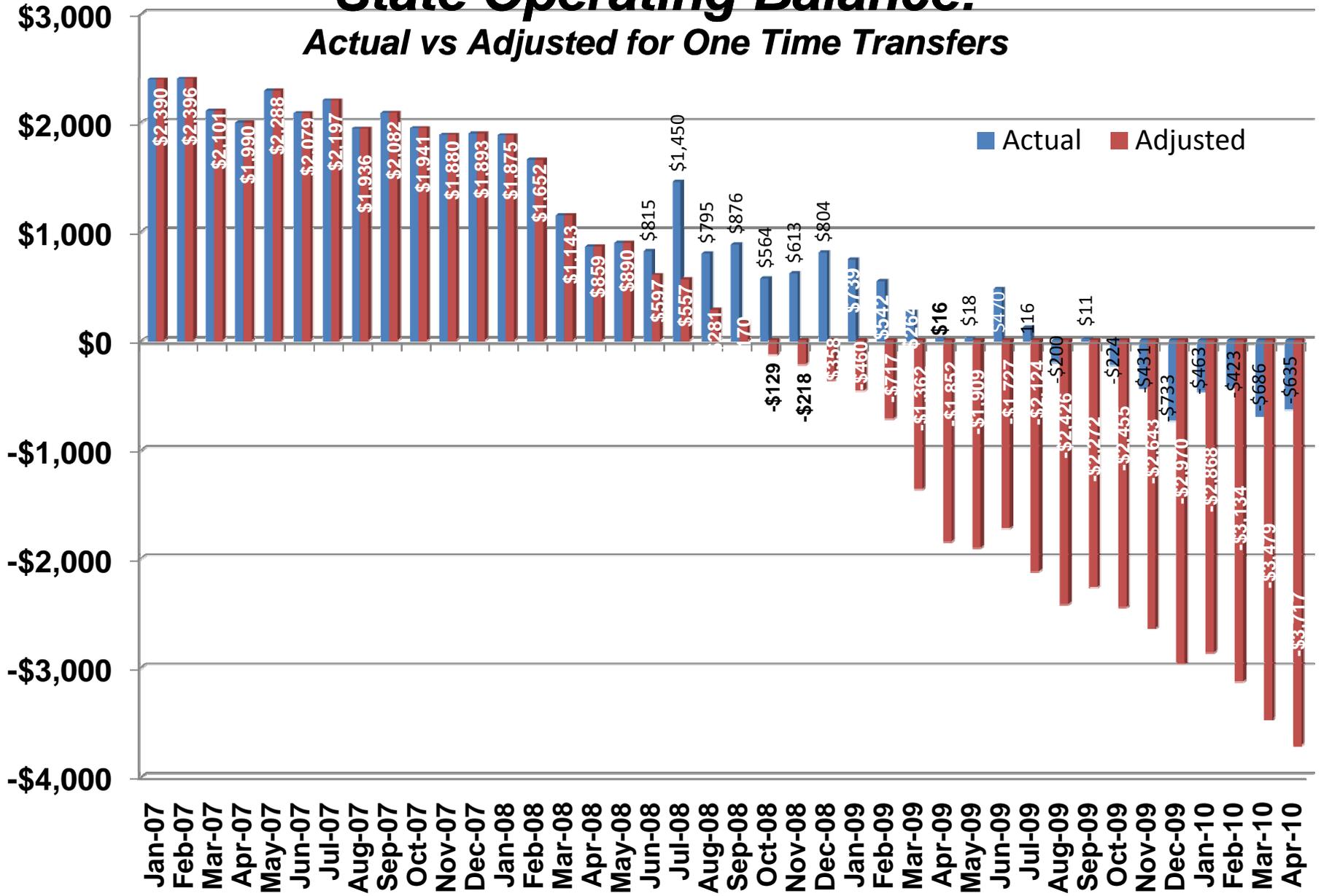


OPERATING MONIES
AVERAGE INVESTED BALANCE
Through April 30, 2010
(in millions of dollars)

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May 26, 2010
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<u>Month</u>	<u>Fiscal Year</u> <u>2007/2008</u>	<u>Fiscal Year</u> <u>2008/2009</u>	<u>Fiscal Year</u> <u>2009/2010</u>
JULY	2,197	1,450	116
AUGUST	1,936	795	(200)
SEPTEMBER	2,082	876	11
OCTOBER	1,941	564	(224)
NOVEMBER	1,880	613	(431)
DECEMBER	1,893	804	(733)
JANUARY	1,875	739	(463)
FEBRUARY	1,652	542	(423)
MARCH	1,143	264	(686)
APRIL	859	16	(635)
MAY	890	18	
JUNE	815	470	
Y-T-D			
Average	\$1,597	\$596	(\$367)

State Operating Balance: Actual vs Adjusted for One Time Transfers



ENDOWMENT FUNDS
PORTFOLIO YIELD ANALYSIS
April 30, 2010

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FUND	DESCRIPTION	NET EARNINGS	NET YIELD
205	ENDOWMENTS - FIXED INCOME	4,320,126	5.62%
	TOTAL ENDOWMENTS - FIXED INCOME	4,320,126	

NET REALIZED CAPITAL GAINS / LOSSES - ENDOWMENT FUNDS

Endowment Fund -----	Apr-10 NET GAIN(LOSS) -----	FISCAL YTD GAINS(LOSSES) -----
Fixed Income Pool Net Gain (Loss)	(110,898)	(6,427)
Equity Pool (500) Net Gain (Loss)	(54,963)	(7,679,548)
Equity Pool (400) Net Gain (Loss)	2,552,813	7,485,074
Totals	2,386,952 =====	(200,902) =====

ENDOWMENT FUNDS FIXED-INCOME POOL
PURCHASES & SALES
 Month of April 2010

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I. Endowment Funds Purchases

<u>SECURITY DESCRIPTION</u>	<u>RATE</u>	<u>MATURITY</u>	<u>*WAL YEARS</u>	<u>PAR VALUE</u>	<u>PURCHASE COST</u>	<u>YIELD</u>	<u>MOODY'S / S&P RATING</u>
FNMA MTG	5.50	2/1/2036	3.11	\$4,942,001	\$5,219,011	3.47%	Aaa/AAA
FNMA MTG	4.00	12/25/2018	4.82	\$5,000,000	\$5,219,913	3.04%	Aaa/AAA
GNMA MBS	4.50	8/20/2033	3.5	\$7,566,468	\$7,925,639	3.06%	Aaa/AAA
GNMA MBS	5.00	6/15/2039	3.99	\$5,617,709	\$5,866,898	3.79%	Aaa/AAA
U S TREASURY NOTE	4.25	8/15/2013	N/A	\$5,000,000	\$5,425,256	1.82%	Aaa/AAA
U S TREASURY NOTE	4.25	8/15/2014	N/A	\$5,000,000	\$5,466,479	2.16%	Aaa/AAA
				-----	-----		
TOTAL ENDOWMENT FUNDS PURCHASES				\$33,126,178	\$35,123,195		

II. Endowment Funds Sales

<u>SECURITY DESCRIPTION</u>	<u>RATE</u>	<u>MATURITY</u>	<u>PAR VALUE</u>	<u>AMORTIZED COST/PROCEED</u>	<u>SALES GAINS/(LOSSES)</u>	<u>MOODY'S / S&P RATING</u>
DONNELLEY & SONS	5.50	5/15/2015	\$3,000,000	\$3,105,167	\$30,000	Baa3/BBB
			-----	-----	-----	
TOTAL ENDOWMENT FUNDS SALES			\$3,000,000	\$3,105,167	\$30,000	

*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 April 2010

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I. Equity Fund Purchases

	<u>SHARES</u>	<u>PURCHASE COST</u>	<u>COMMISSIONS</u>
S&P 400 Mid-Cap Fund	581,558	\$18,597,518	\$8,718
S&P 500 Large-Cap Fund	50,205	\$2,213,810	\$734
TOTAL EQUITY PURCHASES	631,763	\$20,811,328	\$9,452

II. Equity Funds Sales

	<u>SHARES</u>	<u>SALES AMOUNT</u>	<u>COMMISSIONS</u>
S&P 400 Mid-Cap Fund	535,559	\$17,801,726	\$5,372
S&P 500 Large-Cap Fund	2,506	\$80,341	\$38
TOTAL EQUITY SALES	538,065	\$17,882,067	\$5,410

ENDOWMENT FUNDS
INVESTMENTS OUTSTANDING
APRIL 30, 2010
(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>	2,561	2,328	2,657	329	
<i>Shares in Mid-Cap 400 Equity Fund</i>	821	797	1,430	633	
<i>Shares in Fixed Income Fund</i>	2,771	3,125	4,482	1,357	
Total	6,154	6,249	8,569	2,320	1.371
102 State Hospital					
<i>Shares in S&P 500 Index Fund</i>	1,578	1,354	1,637	282	
<i>Shares in Mid-Cap 400 Equity Fund</i>	445	464	775	311	
<i>Shares in Fixed Income Fund</i>	1,570	1,818	2,539	721	
Total	3,592	3,635	4,950	1,315	1.362
103 Leg., Exec., & Jud.					
<i>Shares in S&P 500 Index Fund</i>	1,950	1,906	2,023	117	
<i>Shares in Mid-Cap 400 Equity Fund</i>	627	652	1,092	440	
<i>Shares in Fixed Income Fund</i>	2,299	2,559	3,718	1,160	
Total	4,877	5,117	6,834	1,717	1.335
104 Military Institute					
<i>Shares in S&P 500 Index Fund</i>	132	131	137	6	
<i>Shares in Mid-Cap 400 Equity Fund</i>	46	45	80	35	
<i>Shares in Fixed Income Fund</i>	163	176	264	88	
Total	341	352	481	129	1.366
105 Miners Hospital					
<i>Shares in S&P 500 Index Fund</i>	3,853	3,751	3,998	247	
<i>Shares in Mid-Cap 400 Equity Fund</i>	1,073	1,284	1,869	585	
<i>Shares in Fixed Income Fund</i>	3,942	5,034	6,375	1,341	
Total	8,868	10,069	12,241	2,173	1.216

ENDOWMENT FUNDS
INVESTMENTS OUTSTANDING
APRIL 30, 2010
(In Thousands)

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FUND NAME OF FUND	SHARES OUTSTANDING	BOOK VALUE	MARKET VALUE	UNREALIZED GAINS (LOSSES)	Mkt Value/ Book Value
107 Normal School ASU/NAU					
<i>Shares in S&P 500 Index Fund</i>	883	830	916	86	
<i>Shares in Mid-Cap 400 Equity Fund</i>	266	284	464	180	
<i>Shares in Fixed Income Fund</i>	955	1,114	1,544	431	
Total	2,104	2,228	2,924	696	1.312
108 Penitentiaries					
<i>Shares in S&P 500 Index Fund</i>	3,207	2,896	3,328	431	
<i>Shares in Mid-Cap 400 Equity Fund</i>	929	991	1,617	626	
<i>Shares in Fixed Income Fund</i>	3,223	3,888	5,212	1,324	
Total	7,359	7,775	10,157	2,382	1.306
109 Permanent Common School					
<i>Shares in S&P 500 Index Fund</i>	838,186	806,561	869,573	63,012	
<i>Shares in Mid-Cap 400 Equity Fund</i>	232,127	276,071	404,257	128,186	
<i>Shares in Fixed Income Fund</i>	856,959	1,082,632	1,385,860	303,227	
Total	1,927,272	2,165,264	2,659,689	494,425	1.228
110 School for Deaf & Blind					
<i>Shares in S&P 500 Index Fund</i>	1,143	1,078	1,186	107	
<i>Shares in Mid-Cap 400 Equity Fund</i>	370	369	644	275	
<i>Shares in Fixed Income Fund</i>	1,337	1,448	2,162	714	
Total	2,850	2,895	3,992	1,097	1.379
111 School of Mines					
<i>Shares in S&P 500 Index Fund</i>	2,894	2,809	3,003	194	
<i>Shares in Mid-Cap 400 Equity Fund</i>	877	961	1,528	567	
<i>Shares in Fixed Income Fund</i>	3,174	3,770	5,133	1,363	
Total	6,946	7,541	9,664	2,123	1.282

ENDOWMENT FUNDS
INVESTMENTS OUTSTANDING
 APRIL 30, 2010
 (In Thousands)

State Treasurer's Report
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FUND NAME OF FUND	SHARES OUTSTANDING	BOOK VALUE	MARKET VALUE	UNREALIZED GAINS (LOSSES)	Mkt Value/ Book Value
112 State Charitable					
<i>Shares in S&P 500 Index Fund</i>	29,895	27,845	31,014	3,169	
<i>Shares in Mid-Cap 400 Equity Fund</i>	7,840	9,531	13,654	4,123	
<i>Shares in Fixed Income Fund</i>	29,220	37,376	47,254	9,877	
Total	66,955	74,752	91,922	17,169	1.230
113 University Fund					
<i>Shares in S&P 500 Index Fund</i>	4,769	4,565	4,948	383	
<i>Shares in Mid-Cap 400 Equity Fund</i>	1,427	1,563	2,485	923	
<i>Shares in Fixed Income Fund</i>	5,204	6,128	8,416	2,288	
Total	11,401	12,256	15,849	3,593	1.293
114 U Of A Land - 1881					
<i>Shares in S&P 500 Index Fund</i>	10,107	9,660	10,485	825	
<i>Shares in Mid-Cap 400 Equity Fund</i>	3,077	3,306	5,359	2,053	
<i>Shares in Fixed Income Fund</i>	11,176	12,966	18,073	5,107	
Total	24,360	25,933	33,918	7,985	1.308
TOTALS - ALL FUNDS					
<i>Shares in S&P 500 Index Fund</i>	901,159	865,715	934,903	69,188	
<i>Shares in Mid-Cap 400 Equity Fund</i>	249,926	296,319	435,254	138,936	
<i>Shares in Fixed Income Fund</i>	921,993	1,162,034	1,491,032	328,999	
Grand Total	2,073,078	2,324,067	2,861,190	537,122	

ASSET ALLOCATION PERCENTAGE

	SHARES OUTSTANDING	BOOK VALUE	MARKET VALUE
<i>Shares in S&P 500 Index Fund</i>	43.47%	37.25%	32.68%
<i>Shares in Mid-Cap 400 Equity Fund</i>	12.06%	12.75%	15.21%
<i>Shares in Fixed Income Fund</i>	44.47%	50.00%	52.11%
Total	100.00%	100.00%	100.00%

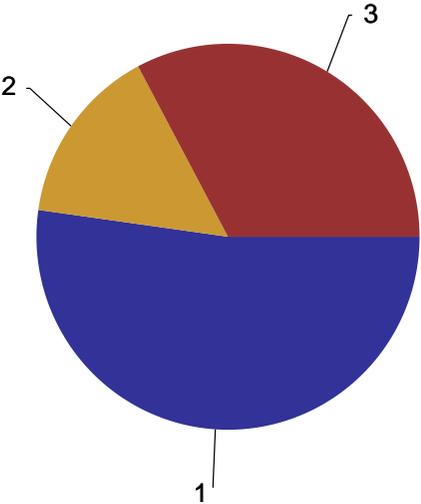
Performance Worksheet
Arizona State Treasury (05509)
As At April 2010
Gross of Fee

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	918,645,665.67	934,903,013.77	1,729,641	1.58	11.04	7.11	31.27	38.89	(4.88)	2.52	(0.36)	07/01/1999
10327900	S&P 400 Pool	418,661,593.44	435,254,266.27	592,024	3.83	16.47	12.47	40.92	44.67	(1.01)	6.32	6.88	08/01/2001
10328000	Pool 205	1,476,302,475.45	1,491,032,367.42	2,321,665	0.84	1.16	2.38	5.43	7.56	6.32	5.49	6.21	07/01/1999
00550902	Total Endowment Fund Composite	2,813,609,734.56	2,861,189,647.46	4,643,330	1.53	6.39	5.35	17.54	21.29	1.30	4.84	4.79	07/01/1999

Manager Allocation - Monthly Arizona State Treasury (05509) As at April 2010

Total Endowment Fund Composite (00550902)

Sr. No.	Account Name	Market Value(MIL)	Percent of Portfolio
1	Pool 205 (10328000)	1,491.03	52.1%
2	S&P 400 Pool (10327900)	435.25	15.2%
3	S&P 500 Pool (10327800)	934.90	32.7%
	TOTAL	2,861.19	100.0%



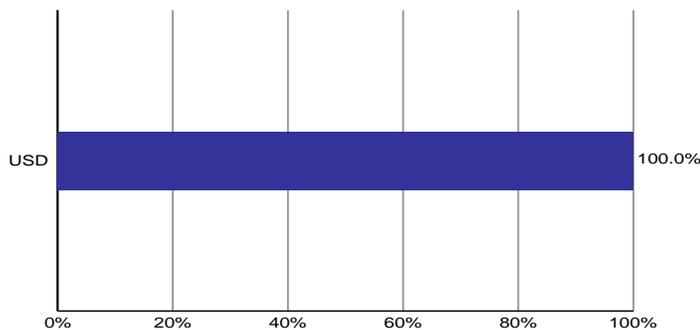
Portfolio Characteristics Risk Measures

Total Asset Value (in Millions)	934.9		Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Since Inception
P/E Ratio	15.33		0.17	0.32	0.44	1.83
Price to Book Ratio	3.54	Tracking Error	0.26	0.51	(0.24)	(0.44)
Dividend Yield (%)	1.82	Information Ratio	11.57	20.10	16.15	16.10
Return on Equity (%)	16.46	Std Deviation of Port.	11.65	20.21	16.29	15.96
Sales Growth (%)	10.64	Std Deviation of Bench.	3.35	(0.33)	(0.02)	(0.21)
Market Capitalization (\$ Billions)	83,503.57	Sharpe Ratio of Port.	3.32	(0.34)	(0.01)	(0.16)
Earnings per Share (\$)	2.88	Sharpe Ratio of Bench.	1.00	1.00	1.00	0.99
Number of Holdings	501	R-Squared	0.31	0.12	(0.11)	(0.79)
		Jensen's Alpha				

Top Ten Portfolio Holdings

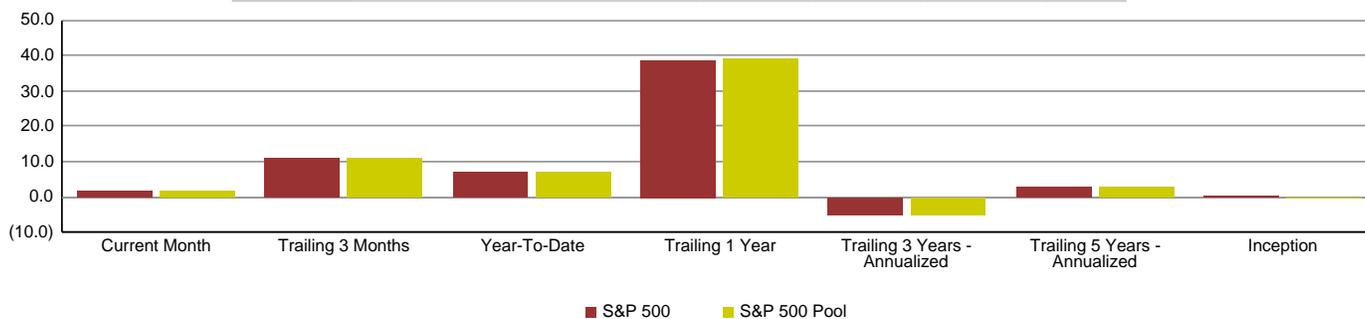
Security ID	Security Name	% of Assets
30231G102	EXXON MOBIL CORP - COM NPV	2.92%
037833100	APPLE INC - COM NPV	2.16%
594918104	MICROSOFT CORP - COM USD.001	2.13%
78462F103	SPDR S&P 500 ETF TRUST	2.09%
369604103	GENERAL ELECTRIC CO - COM USD.63	1.84%
742718109	PROCTER & GAMBLE CO - COM NPV	1.66%
060505104	BANK OF AMERICA CORP - COM USD2.5	1.63%
478160104	JOHNSON & JOHNSON - COM USD1	1.61%
949746101	WELLS FARGO & CO - COM USD1.67	1.56%
46625H100	JPMORGAN CHASE & CO - COM USD12	1.54%

Top Ten Currency Weights

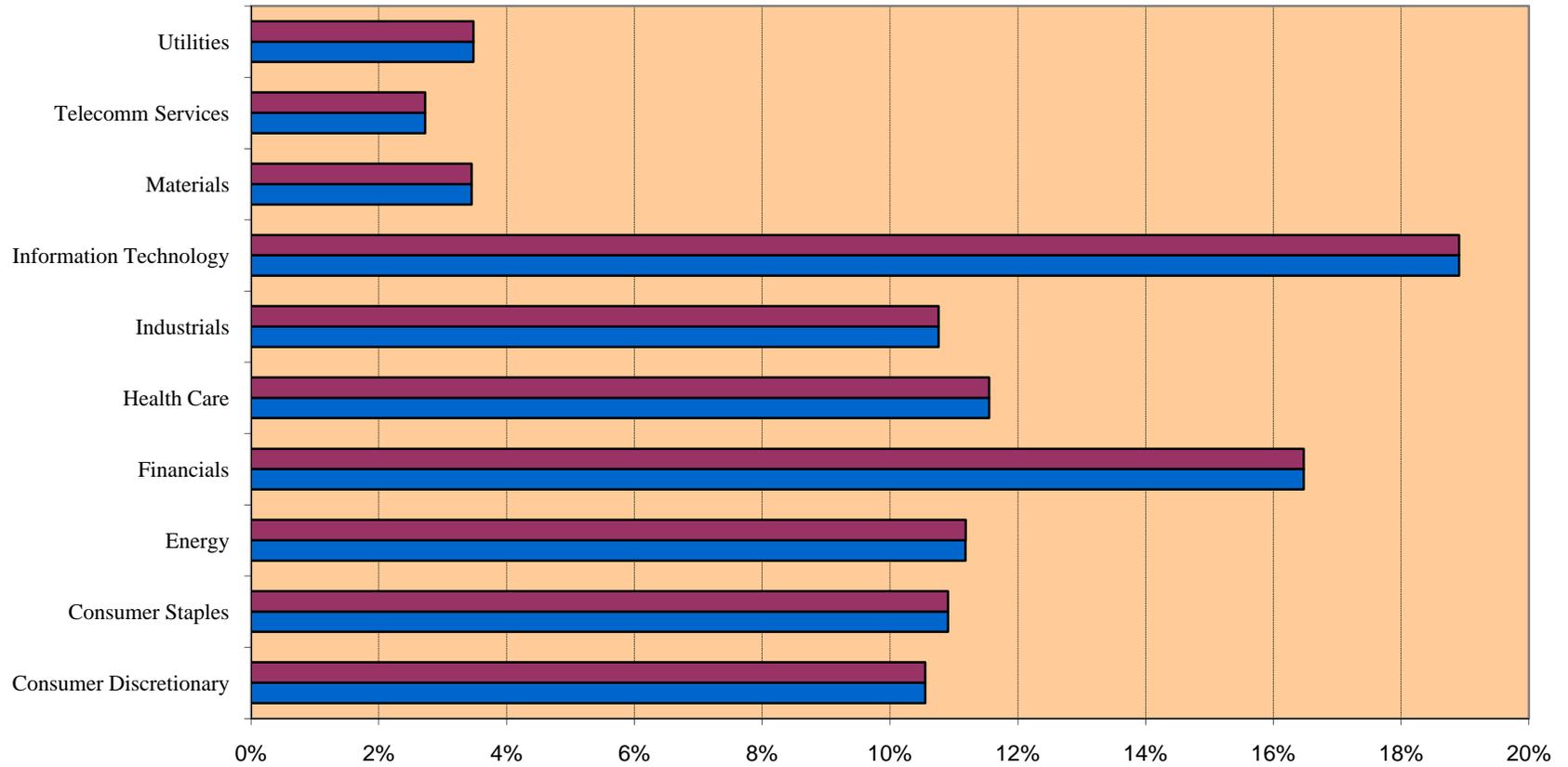


Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
S&P 500 Pool	1.58	11.04	7.11	38.89	(4.88)	2.52	(0.36)
S&P 500	1.58	11.05	7.05	38.84	(5.05)	2.63	0.43
Excess	0.01	(0.00)	0.06	0.04	0.16	(0.11)	(0.80)



**STATE OF ARIZONA
POOL 201 (S&P 500)
As of April 30, 2010**



	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Information Technology	Materials	Telecomm Services	Utilities
■ S&P 500 Index	10.55%	10.91%	11.18%	16.48%	11.55%	10.76%	18.91%	3.45%	2.73%	3.48%
■ STATE OF ARIZONA - POOL 201	10.55%	10.91%	11.18%	16.48%	11.55%	10.76%	18.91%	3.45%	2.73%	3.48%

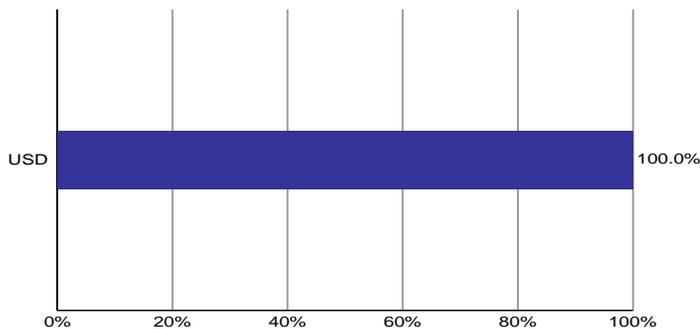
■ S&P 500 Index
 ■ STATE OF ARIZONA - POOL 201

Portfolio Characteristics		Risk Measures			
Total Asset Value (in Millions)	435.3	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Since Inception
P/E Ratio	14.71	1.44	2.67	2.16	2.30
Price to Book Ratio	2.07	Information Ratio	(2.95)	(0.21)	(0.27)
Dividend Yield (%)	0.84	Std Deviation of Port.	13.20	23.25	18.91
Return on Equity (%)	5.52	Std Deviation of Bench.	13.87	24.41	19.84
Sales Growth (%)	7.19	Sharpe Ratio of Port.	3.37	(0.12)	0.18
Market Capitalization (\$ Billions)	2,383.43	Sharpe Ratio of Bench.	3.52	(0.09)	0.20
Earnings per Share (\$)	1.22	R-Squared	0.99	0.99	0.99
Number of Holdings	201	Jensen's Alpha	(1.70)	(0.69)	(0.37)

Top Ten Portfolio Holdings

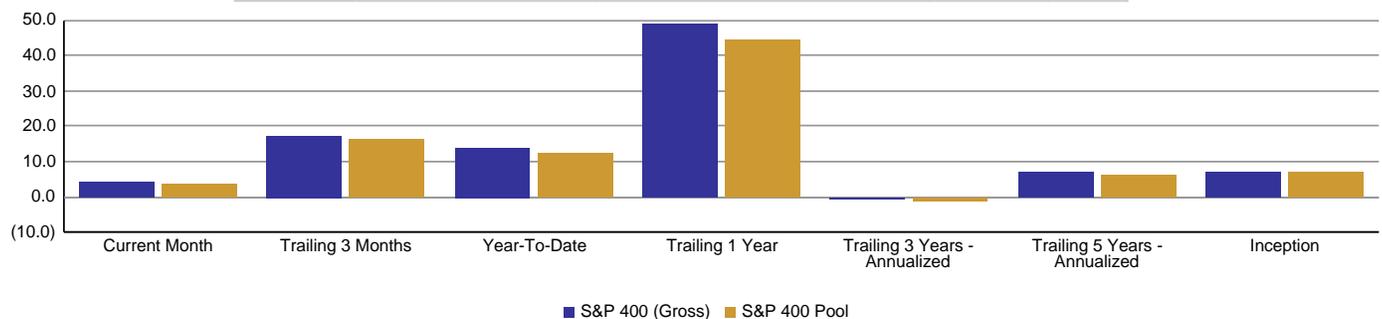
Security ID	Security Name	% of Assets
78467Y107	SPDR S&P MIDCAP 400 ETF TRUST	38.72%
92532F100	VERTEX PHARMACEUTICALS INC - COM USD.01	0.68%
225447101	CREE INC - COM USD.01	0.68%
651290108	NEWFIELD EXPLORATION CO - COM USD.01	0.68%
649445103	NEW YORK CMNTY BANCORP INC - COM USD.01	0.62%
549271104	LUBRIZOL CORP - COM NPV	0.54%
554382101	MACERICH CO - COM USD.01	0.51%
481165108	JOY GLOBAL INC - COM	0.51%
28176E108	EDWARDS LIFESCIENCES CORP - COM USD1	0.51%
171798101	CIMAREX ENERGY CO - COM USD.01	0.50%

Top Ten Currency Weights

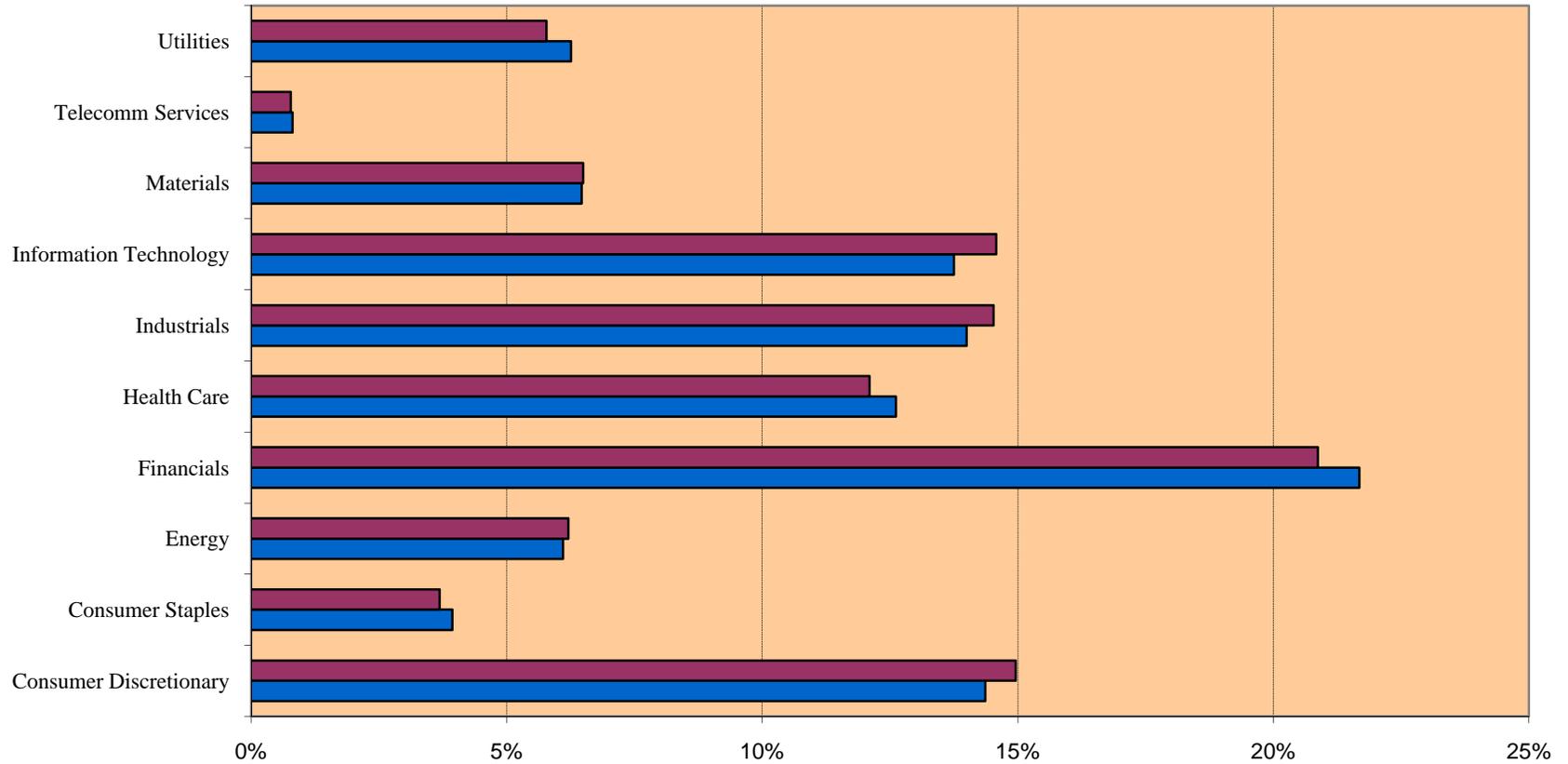


Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
S&P 400 Pool	3.83	16.47	12.47	44.67	(1.01)	6.32	6.88
S&P 400 (Gross)	4.26	17.52	13.74	48.92	(0.44)	6.90	6.96
Excess	(0.44)	(1.05)	(1.27)	(4.25)	(0.57)	(0.58)	(0.08)



**STATE OF ARIZONA
POOL 203 (S&P MIDCAP 400)
As of April 30, 2010**

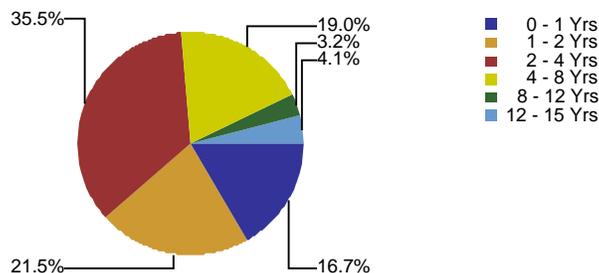


	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Information Technology	Materials	Telecomm Services	Utilities
■ S&P MIDCAP 400	14.96%	3.69%	6.21%	20.87%	12.10%	14.53%	14.58%	6.50%	0.78%	5.78%
■ STATE OF ARIZONA - POOL 203	14.36%	3.94%	6.11%	21.68%	12.61%	14.00%	13.75%	6.47%	0.81%	6.26%

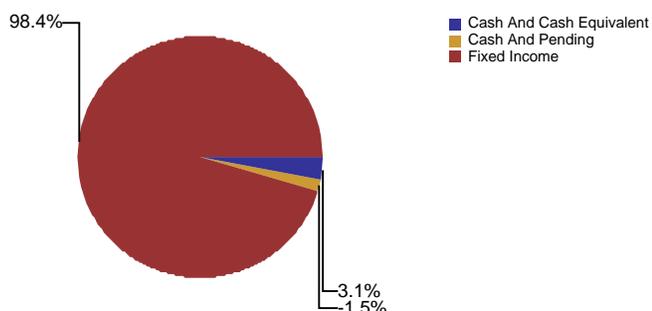
■ S&P MIDCAP 400
 ■ STATE OF ARIZONA - POOL 203

Portfolio Characteristics

Total Net Assets (Millions)	1,491.0
Weighted Average Life (Years)	4.88
Weighted Avg. Effective Duration (Years)	3.32
Weighted Average Coupon (%)	4.66
Weighted Average Current Yield (%)	2.35
Weighted Average Yield to Maturity (%)	2.40
Weighted Average Rating	AA+
Number of Holdings	245



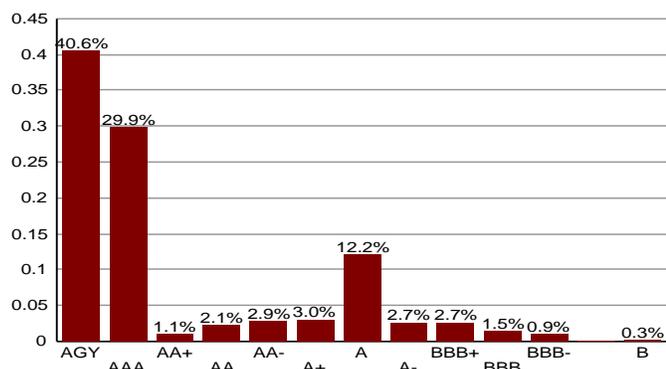
Asset Mix



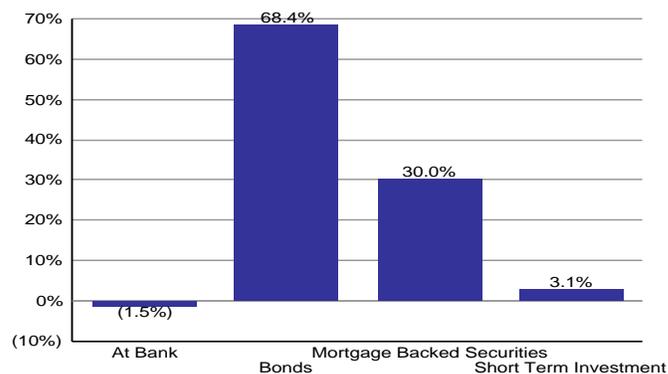
Top Ten Portfolio Holdings

Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
539992AA5	LOCAL GOVERNMENT INVESTMENT POOL	3.09%	0.00	31/12/2049
31359MQV8	FEDERAL NATIONAL MORTGAGE ASSOC 4.75% BDS	1.47%	4.75	21/2/2013
912828FK1	US TREAS NTS 05.125% 30/JUN/2011	1.08%	5.12	30/6/2011
92343VAN4	VERIZON COMMUNICATIONS INC 5.25% NTS 15/APR/2013	1.06%	5.25	15/4/2013
931142BV4	WAL MART STORES 931142BV4 4.125% 15/FEB/2011	1.04%	4.12	15/2/2011
912810DZ8	USA TREASURY BDS 8.875% BDS 15/AUG/2017 USD1000	0.94%	8.88	15/8/2017
912810ED6	USA TREASURY BDS 8.125% BDS15/AUG/2019 USD1000	0.92%	8.12	15/8/2019
31395LZM6	FREDDIE MAC 2936 PB 5.000% 15/FEB/2028	0.81%	5.00	15/2/2028
3620A2XE1	GNMA I MORTPASS 5% 15/JUN/2039 SF PN# 717177	0.79%	5.00	15/6/2039
31396VAS7	FEDERAL NATL MTG ASSOC 5.5% 25/APR/2017 SER	0.77%	5.50	25/4/2017

Quality/Rating Weightings

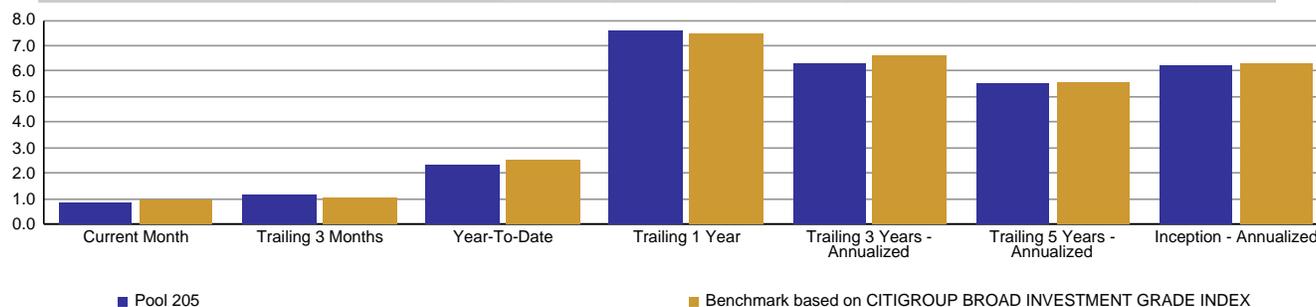


Sector Weightings (as % of Market Value)



Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
Pool 205	0.84	1.16	2.38	7.56	6.32	5.49	6.21
Benchmark based on CITIGROUP BROAD INVESTMENT GRADE INDEX	0.98	1.06	2.54	7.44	6.61	5.58	6.27
Excess	(0.14)	0.09	(0.16)	0.12	(0.29)	(0.09)	(0.06)

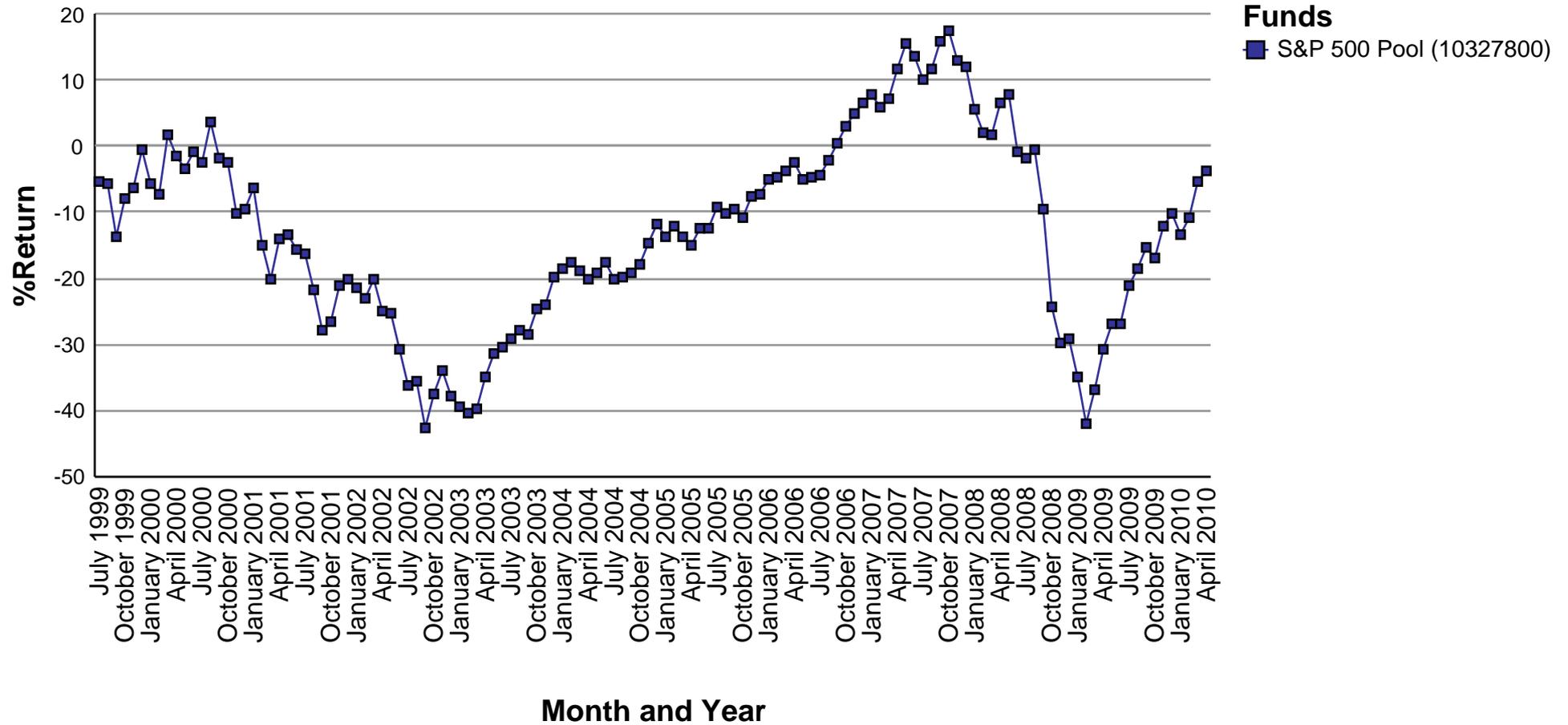


Performance Growth by Account

Arizona State Treasury (05509)

From July 1999 to April 2010

Gross of Fee

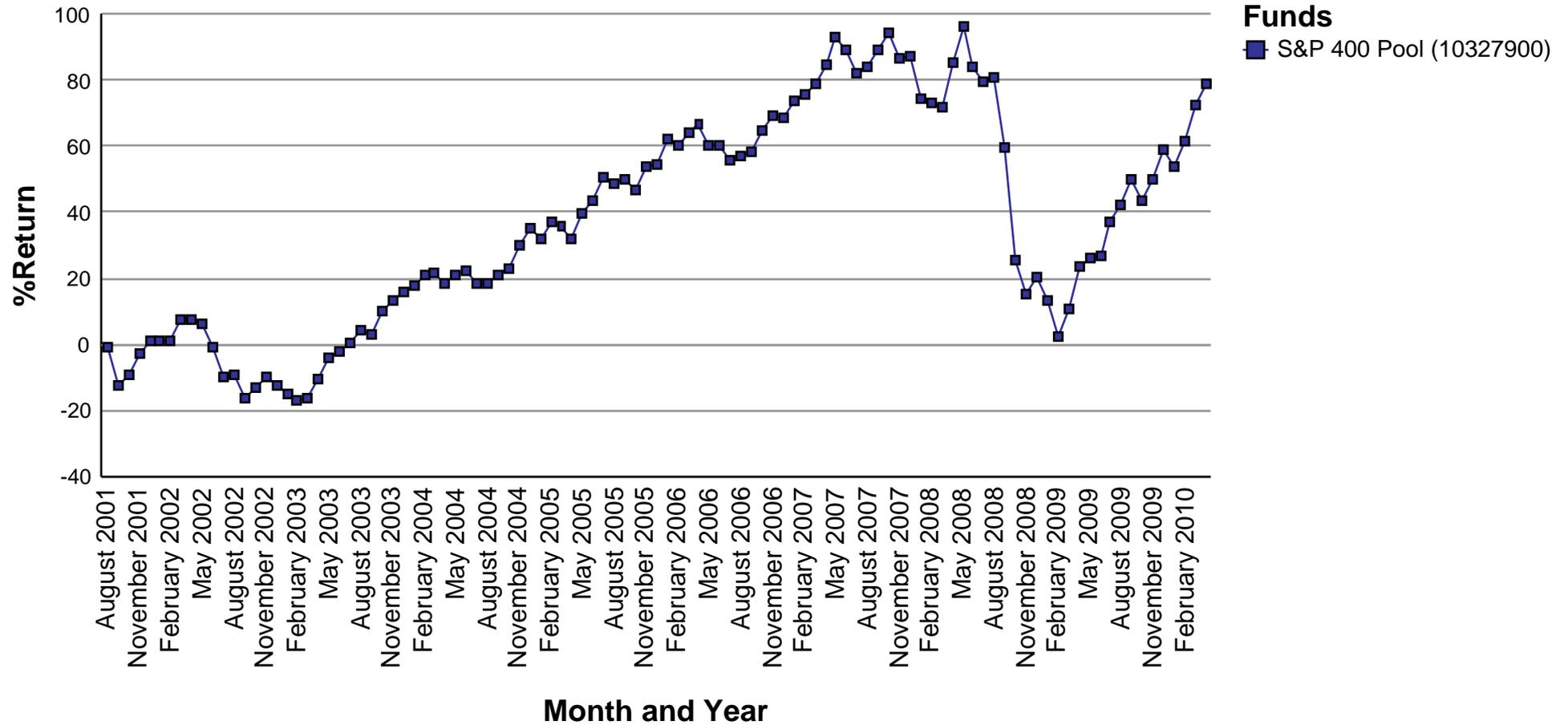


Performance Growth by Account

Arizona State Treasury (05509)

From August 2001 to April 2010

Gross of Fee



Performance Growth by Account

Arizona State Treasury (05509)

From July 1999 to April 2010

Gross of Fee

