

OFFICE OF THE
ARIZONA STATE TREASURER



**HON. DEAN MARTIN
TREASURER**



FEBRUARY 2010

Presented To:

Arizona State Board of Investment

MARCH 25, 2010

STATE BOARD OF INVESTMENT

A G E N D A

March 25, 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

March 25, 2010

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**Minutes of
BOARD OF INVESTMENT MEETING**

The regular meeting of the State Board of Investment was held on February 24, 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 1:30 p.m.

Members Present:

Dean Martin, Chair, State Treasurer
David Raber, Interim Director of the Arizona Department of Administration
Thomas Wood, Interim Superintendent, Department of Financial Institutions
Alan E. Maguire, President, The Maguire Company

Members Absent:

Beth Ford, Treasurer, Pima County

Others Present:

Mark Swenson, Deputy Treasurer Strategic Planning, Audit & Research, Arizona State Treasurer's Office
Klint Tegland, Deputy Treasurer of Operations, Arizona State Treasurer's Office
Dale Stomberg, Investment Accounting Manager, Arizona State Treasurer's Office
Tim White, Senior Portfolio Manager, Arizona State Treasurer's Office
Chris Petkiewicz, Portfolio Manager, Arizona State Treasurer's Office
Patty Humbert, Portfolio Manager, Arizona State Treasurer's Office
Timon Harper, Member of the Public
Shelby Brown, 8th Grade Student, Desert Arroyo School

Pursuant to A.R.S. 35-311, the following reports for January, 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 February 24, 2010 BOI meeting to order at approximately 1:30 p.m.

2. *Treasurers Comments:*

Treasurer Martin welcomed board members and guests and thanked all present for attending the February 24, 2010 meeting.

3. *Approval of Minutes:*

Mr. Maguire made a motion to approve the minutes for the January 21, 2010 Board of Investment Meeting. Mr. Raber 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 January, 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 January, 2010.

Mr. Swenson advised the board that the LGIP Government Index, which has been one of the benchmarks for Pool 7, is not relevant for that pool, and will not be used in future reports.

Pool 500 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 January, 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 January 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 January 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 January, 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 January 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 January 31, 2010.

Operating Monies Average Invested Balance

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

Equity Funds Purchases & Sales

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

Investments Outstanding in Endowment Funds

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

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 January 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 January, 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:

There were no Securities Dealers to be approved this month.

7. General Business:

Mr. Swenson advised the board that the bill to continue the Board of Investment had passed, and the amendment for adding an Endowment Member was included in this bill.

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 Thursday, March 25, 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. Wood seconded the motion. Upon unanimous approval, the BOI meeting was adjourned at 2:03 p.m.

Respectfully Submitted by:

Helen D. Garafola
Executive Consultant

Approved by:

Dean Martin, Chair

Date:

EARNINGS DISTRIBUTION - INVESTMENT POOLS
FEBRUARY 2010

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Recipient	Earnings Distributed			Fiscal YTD Investment Management Fees Received
	FEBRUARY 2010	Fiscal YTD 09/10	Fiscal YTD 08/09	
General Fund	\$0	\$365,754	\$10,558,930	
2 State Agencies I - Full Faith & Credit	873,617	10,748,517	20,332,053	243,680
3 State Agencies II - Diversified	660,690	10,424,428	26,646,018	467,317
4 State Agencies IV - Restricted Diversified	320,691	5,468,852	11,973,256	308,417
5 Local Governments	170,899	5,446,308	25,712,510	674,144
7 LGIP Gov't	120,552	3,809,160	22,242,204	1,038,227
12 CAWCD Medium-Term	288,756	3,563,090	3,189,258	48,466
15 GADA Long-Term	28,741	363,273	488,718	4,834
Subtotal	\$2,463,946	\$40,189,381	\$121,142,948	\$2,785,086
NAV POOL				
500 LGIP LT	154,359	1,423,441	1,632,362	29,543
700 LGIP GOV LT	54,104	132,722	0	19,766
Total	\$2,672,408	\$41,745,544	\$122,775,310	\$2,834,394

LGIP & LGIP-GOV
PORTFOLIO YIELD ANALYSIS
February 28, 2010

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March 25, 2010
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FUND	DESCRIPTION	NET EARNINGS
5	LGIP	170,899
7	LGIP - GOV	120,552
TOTAL LGIP & LGIP-GOV		291,451

		12/31/09	01/31/10	02/28/10
5	LGIP MONTHLY YIELD (NET)	0.11%	0.10%	0.13%
	S & P LGIP INDEX YIELD	0.22%	0.18%	0.15%
	LGIP YTD YIELD (NET)	0.25%	0.23%	0.22%
	S & P LGIP YTD INDEX YIELD	0.29%	0.27%	0.26%
7	LGIP - GOV MONTHLY YIELD (NET)	0.04%	0.03%	0.06%
	3 MONTH T-BILL	0.04%	0.05%	0.09%
	LGIP - GOV YTD YIELD (NET)	0.09%	0.08%	0.08%
	YTD 3 MONTH T-BILL	0.10%	0.09%	0.09%

* 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**
February 28, 2010

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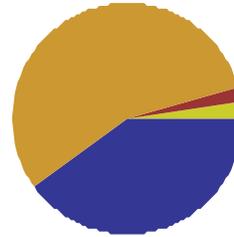
FUND	DESCRIPTION	NET EARNINGS
500	LGIP LONG TERM POOL	154,359
700	LGIP - GOV LONG TERM POOL	54,104
	TOTAL LGIP LONG TERM POOL	208,463

	12/31/09	01/31/10	02/28/10
LGIP LONG TERM MONTHLY YIELD (NET)	2.89%	2.69%	2.78%
MERRILL 1-5 US D M INDEX MONTHLY YIELD	2.66%	2.20%	2.19%
LGIP LONG TERM YTD YIELD (NET)	3.13%	3.07%	3.04%
MERRILL 1-5 US D M INDEX YTD YIELD	2.46%	2.42%	2.39%
LGIP - GOV LONG TERM MONTHLY YIELD (NET)	0.28%	0.49%	0.70%
MERRILL 1-5 US TREAS INDEX MONTHLY YIELD	1.53%	1.21%	1.19%
LGIP - GOV LONG TERM YTD YIELD (NET)	0.22%	0.31%	0.41%
MERRILL 1-5 US TREAS INDEX YTD YIELD	1.27%	1.25%	1.23%

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

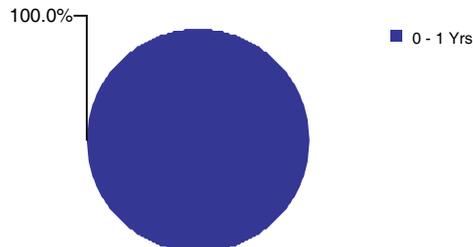
LGIP composite (00550903)		
Account Name	Market Value(MIL)	Percent of Portfolio
State of Arizona - Pool 5 (LGIP) (10327300)	1,574.80	40.0%
State of Arizona - Pool 500 (LGIP - Med Term) (10327700)	74.50	1.9%
State of Arizona - Pool 7 (LGIP - FF&C) (10327400)	2,187.39	55.5%
State of Arizona - Pool 700 (LGIP-FF&C Med Term) (10563200)	101.18	2.6%
TOTAL	3,937.87	100.0%

- State of Arizona - Pool 5 (LGIP) (10327300)
- State of Arizona - Pool 7 (LGIP - FF&C) (10327400)
- State of Arizona - Pool 500 (LGIP - Med Term) (10327700)
- State of Arizona - Pool 700 (LGIP-FF&C Med Term) (10563200)



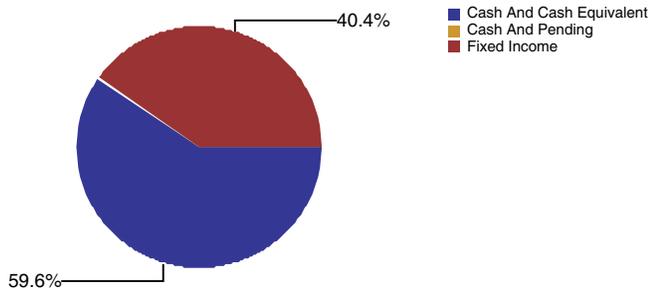
Portfolio Characteristics

Total Net Assets (Millions) **1,574.8**
 Weighted Average Life (Years) **0.22**
 Weighted Avg. Effective Duration (Years) **0.11**
 Weighted Average Maturity (Years) **0.12**
 Weighted Average Rating **AAA**
 Number of Holdings **60**



Asset Mix

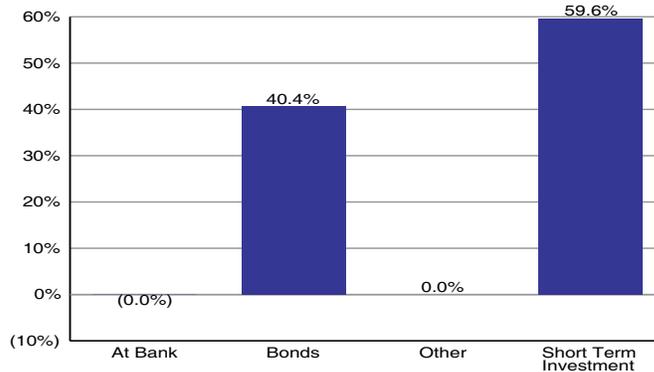
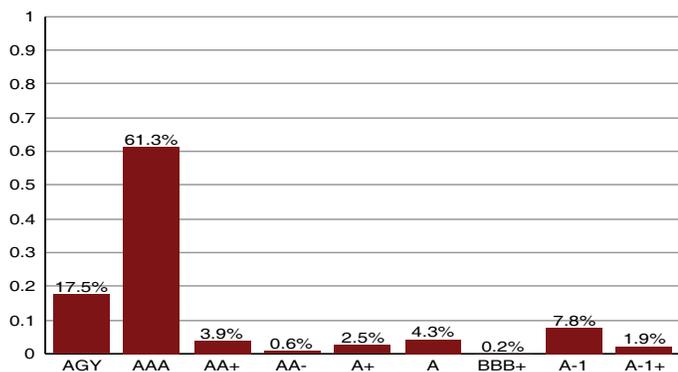
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
07299M692	TRI-PARTY REPO CITIGROUP GLOBAL MARKE	19.05%	0.12	15/3/2010
15199S131	TRI-PARTY REPO DEUTSCHE BANK 0.105% 0	16.01%	0.10	1/3/2010
912828ED8	UNITED STATES OF AMER TREAS NOTES 4.1	3.24%	4.13	15/8/2010
912828DZ0	UNITED STATES OF AMER TREAS NOTES 3.8	3.23%	3.88	15/7/2010
3133XTLZ7	FEDERAL HOME LOAN BANKS CONS BD FLT 1	3.17%	0.00	29/4/2010
313397UW9	FEDL HOME LN MTG CORP DISC NT MATURES	3.17%	0.00	29/3/2010
313589VD2	FEDERAL NATL MTG ASSN DISC NT	3.17%	0.00	5/4/2010
459053VH4	INTL BK FOR RECON &DEV DISC NT MATURE	3.17%	0.00	9/4/2010
912795UP4	UNITED STATES TREAS BILLS DT	3.17%	0.00	29/4/2010
459053WM2	INTL BK FOR RECON &DEV DISC NT MATURE	3.17%	0.00	7/5/2010

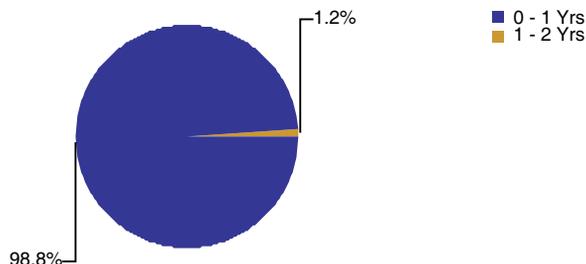
Quality/Rating Weightings

Sector Weightings (as % of Market Value)



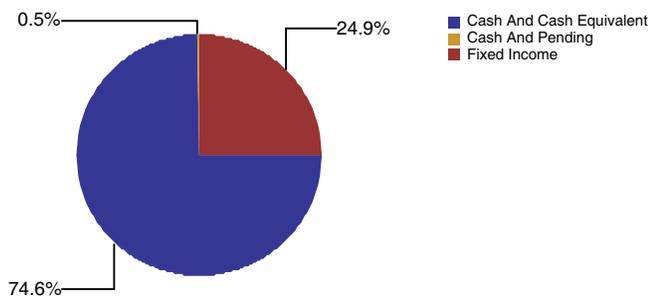
Portfolio Characteristics

Total Net Assets (Millions) **2,187.4**
 Weighted Average Life (Years) **0.16**
 Weighted Avg. Effective Duration (Years) **0.14**
 Weighted Average Maturity (Years) **0.16**
 Weighted Average Rating **AAA**
 Number of Holdings **26**



Asset Mix

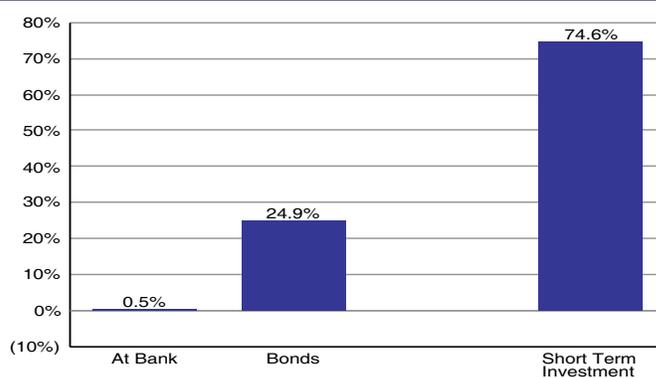
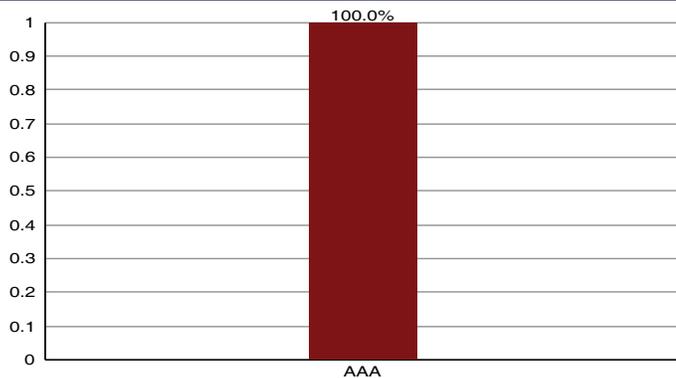
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
15199S131	TRI-PARTY REPO DEUTSCHE BANK 0.105%	41.10%	0.10	1/3/2010
07299M692	TRI-PARTY REPO CITIGROUP GLOBAL MARKE	13.72%	0.12	15/3/2010
912828JF8	UNITED STATES OF AMER TREAS BONDS 2.7	6.95%	2.75	31/7/2010
933638D	UNITED STATES ZERO ZCP 10/JUN/2010	4.57%	0.00	10/6/2010
07299M882	TRI-PARTY REPO CITIGROUP 0.13% 15/MAR	2.74%	0.13	15/3/2010
912828DR8	US TREASURY NOTE 4% DUE 15/APR/2010	2.33%	4.00	15/4/2010
912828DU1	USA TREASURY NTS 3.875% NTS 15/MAY/20	2.33%	3.88	15/5/2010
912828DZ0	UNITED STATES OF AMER TREAS NOTES 3.8	2.33%	3.88	15/7/2010
912828JS0	UNITED STATES OF AMER TREAS BONDS 1.2	2.31%	1.25	30/11/2010
912795T68	UNITED STATES TREAS BILLS DT	2.29%	0.00	11/3/2010

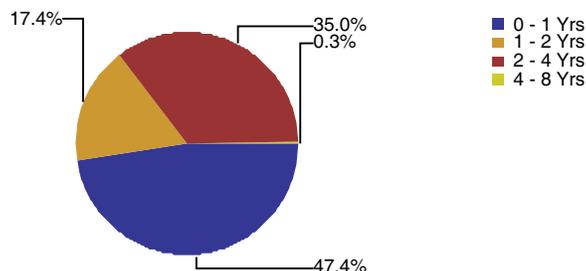
Quality/Rating Weightings

Sector Weightings (as % of Market Value)



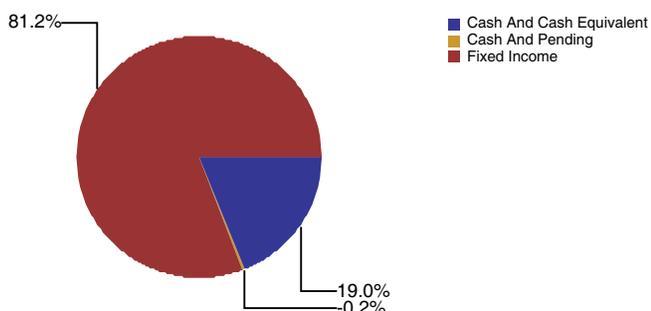
Portfolio Characteristics

Total Net Assets (Millions) **74.5**
 Weighted Average Life (Years) **1.78**
 Weighted Avg. Effective Duration (Years) **1.33**
 Weighted Average Rating **AA+**
 Number of Holdings **124**



Asset Mix

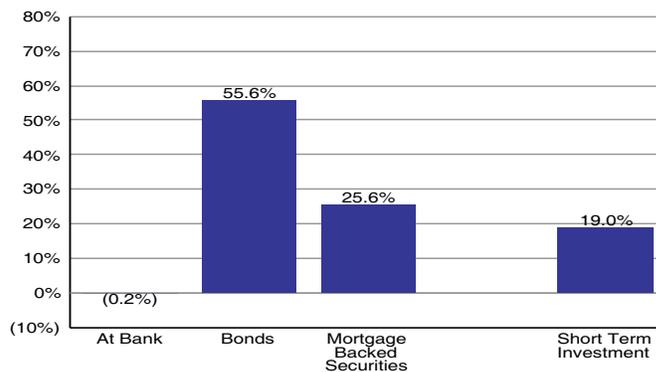
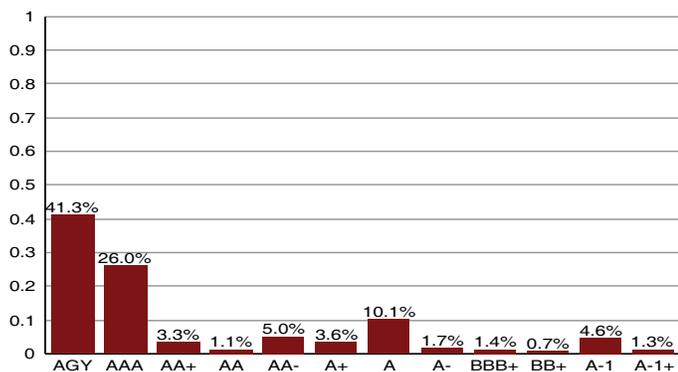
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
928989383	JP MORGAN U S GOVT AGENCY SHARES	10.40%	0.00	31/12/2049
31417SJP6	FNMA MORTPASS 4.5% 01/OCT/2024 CI PN#	2.76%	4.50	1/10/2024
3128X8QH8	FEDERAL HOME LOAN MORTGAGE CORP 2% NT	2.71%	2.00	16/3/2011
3128MMKJ1	FHLMCGLD MORTPASS 4.5% 01/FEB/2024 G1	2.43%	4.50	1/2/2024
31417SXR6	FNMA MORTPASS 5% 01/NOV/2024 CI PN# A	2.09%	5.00	1/11/2024
31371MAT4	FNMA MORTPASS 5.0% 01/APR/2015 POOL#2	1.80%	5.00	1/4/2015
92646LCB4	VICTORY RECEIVABLES CORPORATE COMMERC	1.61%	0.00	11/3/2010
38362WCR0	GOVCO, LLC. CORPORATE COMMERCIAL PAPE	1.61%	0.00	25/3/2010
31416BN38	FNMA MORTPASS 5.5% 01/NOV/2018 CI PN#	1.50%	5.50	1/11/2018
31403DHB8	FNMA MORTPASS 6% 01/MAY/2021 CI PN# 7	1.49%	6.00	1/5/2021

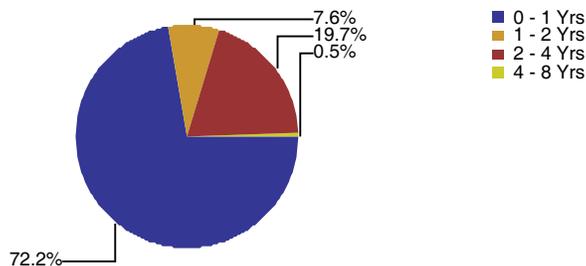
Quality/Rating Weightings

Sector Weightings (as % of Market Value)



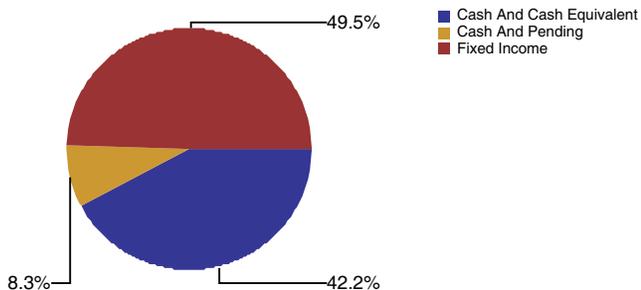
Portfolio Characteristics

Total Net Assets (Millions) **101.2**
 Weighted Average Life (Years) **0.99**
 Weighted Avg. Effective Duration (Years) **0.79**
 Weighted Average Rating **AAA**
 Number of Holdings **39**



Asset Mix

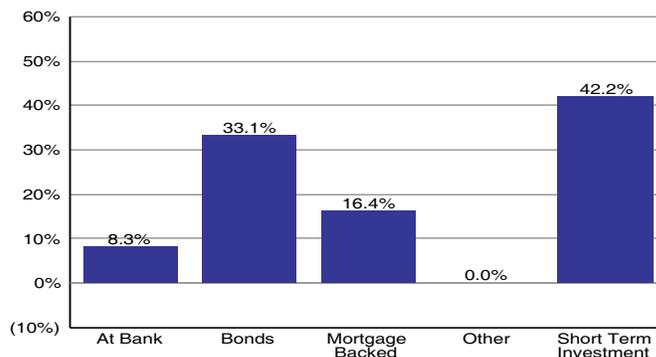
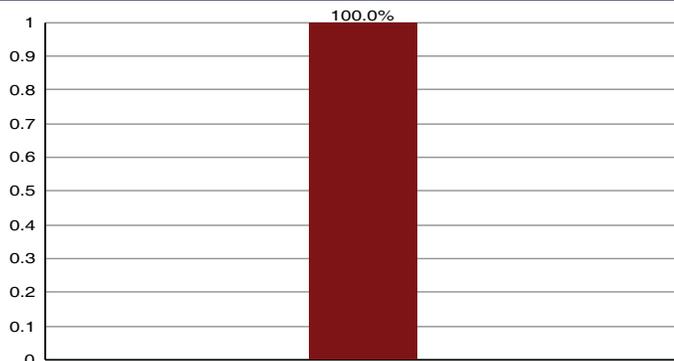
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
15199S131	TRI-PARTY REPO DEUTSCHE BANK 0.105%	35.48%	0.10	1/3/2010
912828JL5	UNITED STATES TREAS NTS 02.000% 30/SE	5.03%	2.00	30/9/2010
912828HX1	UNITED STATES TREAS NTS 2.125% 30/APR	4.99%	2.13	30/4/2010
912795T50	UNITED STATES TREAS BILLS DT	4.94%	0.00	4/3/2010
912820LU9	U S TREAS NT STRIPPED PRIN PMT 03.625	4.94%	0.00	15/6/2010
912828LJ0	UNITED STATES OF AMER TREAS NOTES 2.3	4.50%	2.38	31/8/2010
38376ETD7	GINNIE MAE 2009-108 WG 4.000% 20/SEP/	4.09%	4.00	15/9/2038
38376TCB6	GINNIE MAE 2010-12 MD 4.500% 20/JUL/2	2.07%	4.50	15/7/2037
36297KGS4	GNMA I MORTPASS 5% 15/OCT/2039 SF PN#	2.04%	5.00	15/10/2039
38376TBZ4	GINNIE MAE 2010-12 MH 4.000% 20/JUL/2	2.04%	4.00	15/7/2037

Quality/Rating Weightings

Sector Weightings (as % of Market Value)



**STATE AGENCY POOLS
PORTFOLIO YIELD ANALYSIS**
February 28, 2010

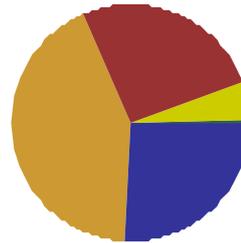
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FUND	DESCRIPTION	NET EARNINGS	NET YIELD
2	STATE AGENCIES I - FULL FAITH & CREDIT	873,617	1.6500%
3	STATE AGENCIES II - DIVERSIFIED	660,690	0.7700%
4	STATE AGENCIES IV-RESTRICTED DIVERSIFIED	320,691	0.5900%
12	CAWCD MEDIUM TERM	288,756	2.9100%
15	GADA	28,741	3.0800%
	TOTAL STATE AGENCIES	2,172,495	

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

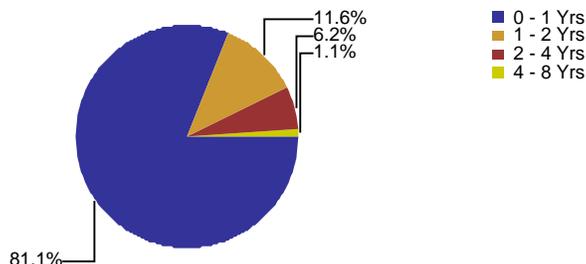
Pool Composite (00550904)		
Account Name	Market Value(MIL)	Percent of Portfolio
State of Arizona - Pool 12 (CAWCD - Med Term) (10327500)	131.23	5.1%
State of Arizona - Pool 15 (GADA) (10327600)	12.41	0.5%
State of Arizona - Pool 2 (State Agency - FF&C) (10327000)	669.13	25.9%
State of Arizona - Pool 3 (State Agency - Diversified) (10327100)	1,101.25	42.6%
State of Arizona - Pool 4 (State Agency Rest Div) (10327200)	671.44	26.0%
TOTAL	2,585.45	100.0%

- State of Arizona - Pool 2 (State Agency - FF&C) (10327000)
- State of Arizona - Pool 3 (State Agency - Diversified) (10327100)
- State of Arizona - Pool 4 (State Agency Rest Div) (10327200)
- State of Arizona - Pool 12 (CAWCD - Med Term) (10327500)
- State of Arizona - Pool 15 (GADA) (10327600)



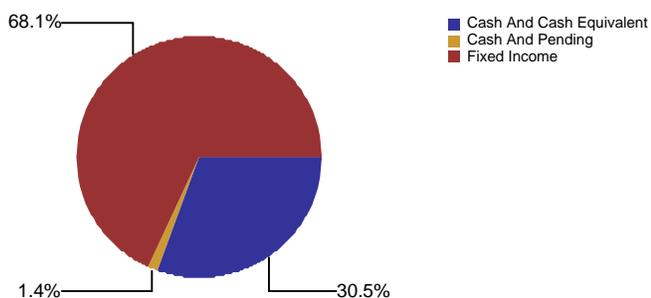
Portfolio Characteristics

Total Net Assets (Millions) **669.1**
 Weighted Average Life (Years) **0.77**
 Weighted Avg. Effective Duration (Years) **0.58**
 Weighted Average Rating **AAA**
 Number of Holdings **64**



Asset Mix

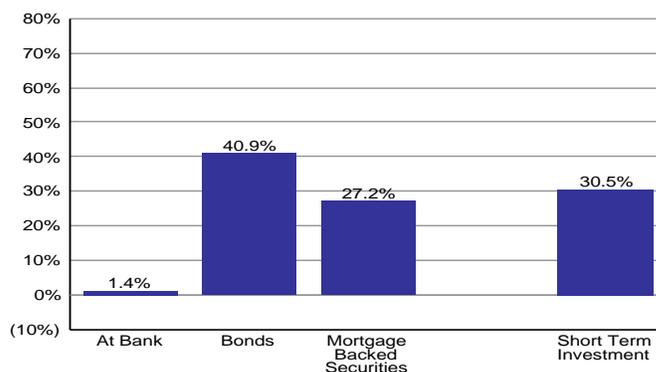
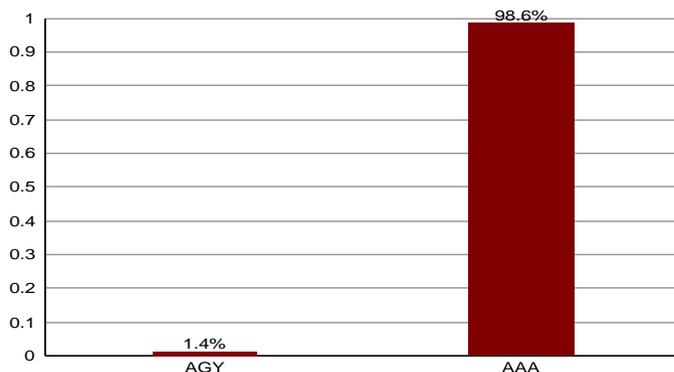
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
15199S131	TRI-PARTY REPO DEUTSCHE BANK 0.105%	11.09%	0.10	1/3/2010
770839D	UNITED STATES ZERO 18/NOV/2010	7.46%	0.00	18/11/2010
7591EAAA1	REGIONS BANK 2.75% BDS 10/DEC/2010 US	4.60%	2.75	10/12/2010
912828LG3	UNITED STATES TREAS NTS 1% 31/JUL/201	4.52%	1.00	31/7/2011
912828ED8	UNITED STATES OF AMER TREAS NOTES 4.1	3.05%	4.13	15/8/2010
36967HAG2	GENERAL ELECTRIC CAPITAL CORP SER'G'1	3.03%	1.63	7/1/2011
912828JA9	UNITED STATES TREAS NTS 2.625% 31/MAY	3.03%	2.63	31/5/2010
912795T50	UNITED STATES TREAS BILLS DT	2.99%	0.00	4/3/2010
932894D	UNITED STATES ZERO 16/DEC/2010	2.98%	0.00	16/12/2010
38374J6E1	GNMA REMIC TRUST 2004-93 PB 16/DEC/20	2.81%	5.00	16/12/2032

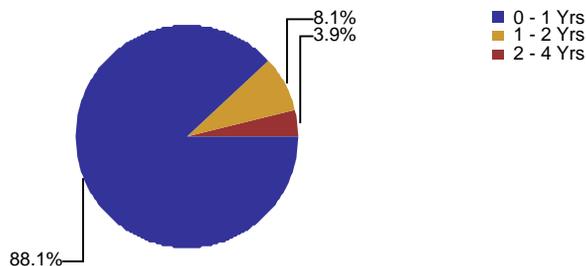
Quality/Rating Weightings

Sector Weightings (as % of Market Value)

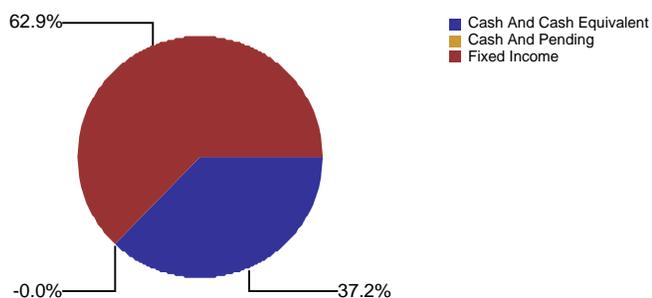


Portfolio Characteristics

Total Net Assets (Millions) **1,101.3**
 Weighted Average Life (Years) **0.92**
 Weighted Avg. Effective Duration (Years) **0.36**
 Weighted Average Rating **AA+**
 Number of Holdings **78**



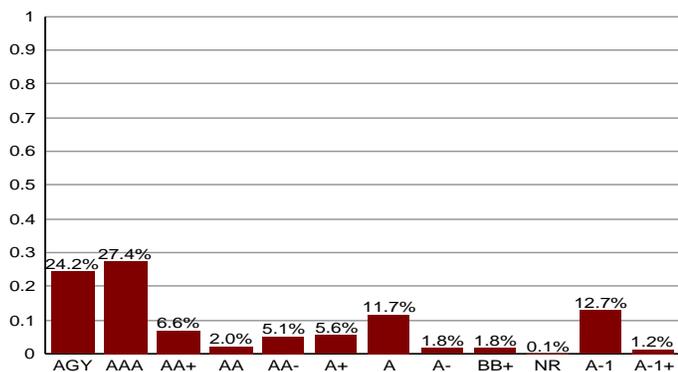
Asset Mix



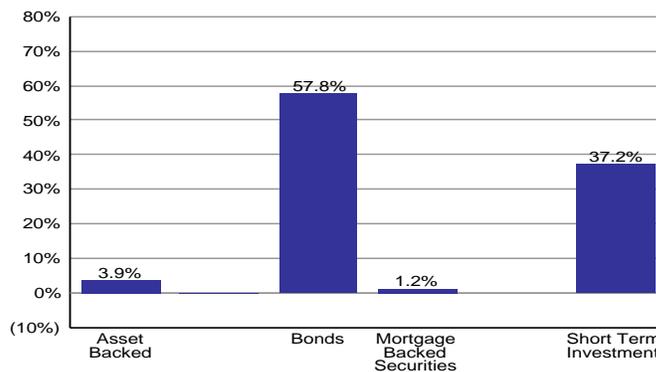
Top Ten Portfolio Holdings

Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
15199S131	TRI-PARTY REPO DEUTSCHE BANK 0.105%	16.01%	0.10	1/3/2010
172967EG2	CITIGROUP INC VAR 13/AUG/2010	4.54%	0.40	13/8/2010
932895D	UNITED STATES ZERO 01/JUL/2010	3.63%	0.00	1/7/2010
36962G2H6	GENERAL ELECTRIC CAPITAL CORP FLTG RA	2.97%	0.28	12/3/2010
46623ECW7	JP MORGAN CHASE & CO VAR 07/MAY/2010	2.72%	0.29	7/5/2010
59018YE72	MERRILL LYNCH & CO INC FLTG RATE NTS	2.32%	0.49	5/6/2012
3128X8WF5	FEDERAL HOME LOAN MORTGAGE CORP 3% NT	2.30%	3.00	21/4/2014
31398AVW9	FEDERAL NATIONAL MORTGAGE ASSOC 2% SR	2.29%	2.00	1/4/2011
931142CF8	WAL-MART STORES INC 5% BDS 05/APR/201	1.99%	5.00	5/4/2012
3133XUXM0	FEDERAL HOME VAR 9/11	1.94%	0.35	28/9/2011

Quality/Rating Weightings

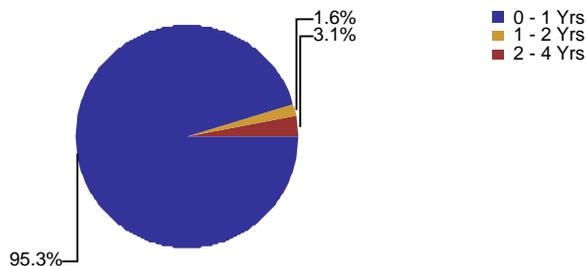


Sector Weightings (as % of Market Value)



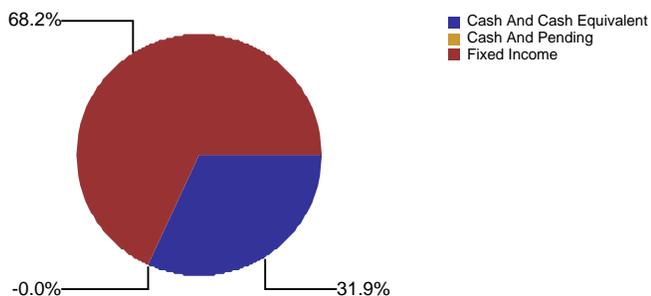
Portfolio Characteristics

Total Net Assets (Millions) **671.4**
 Weighted Average Life (Years) **1.17**
 Weighted Avg. Effective Duration (Years) **0.32**
 Weighted Average Rating **AGY**
 Number of Holdings **51**



Asset Mix

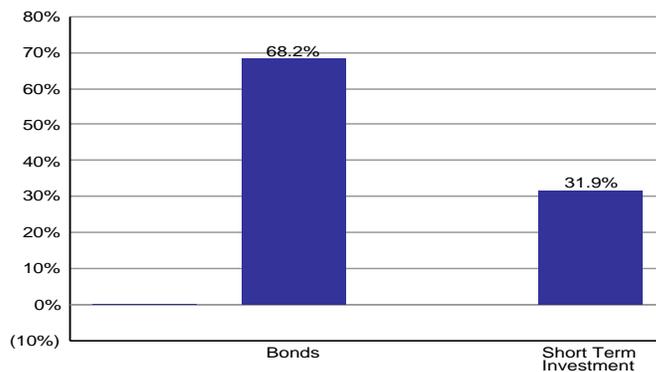
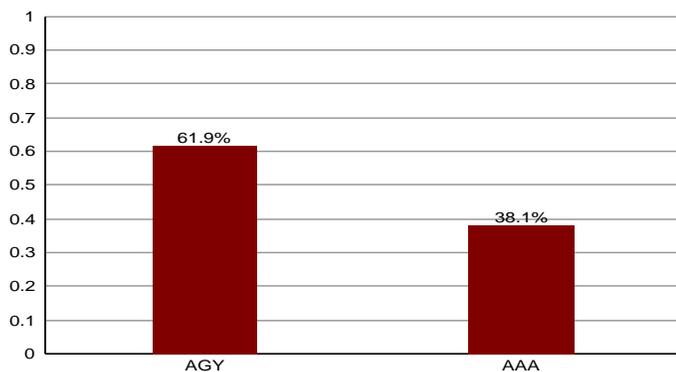
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
15199S131	TRI-PARTY REPO DEUTSCHE BANK 0.105%	22.93%	0.10	1/3/2010
3128X8RR5	FEDERAL HOME LOAN MORTGAGE CORP 2.625	5.28%	2.63	19/3/2012
446436AB3	HUNTINGTON NATL BK FDIC TLGP GTD NT F	3.77%	0.66	1/6/2012
3128X82R2	FHLMC 1.50% 29/JUN/2012	3.00%	1.50	29/6/2012
3128X9XU9	FEDERAL HOME LN MTG CORP VAR RT 03/FE	2.98%	0.37	3/2/2012
3133XVYA3	FEDERAL HOME LOAN BANKS CALL STEP 22/	2.98%	0.50	22/12/2011
313589TS2	FEDERAL NATL MTG ASSN DISC NT	2.98%	0.00	1/3/2010
313385WC6	FEDL HOME LOAN BK CONS DISC NT MATURE	2.98%	0.00	28/4/2010
3128X8SK9	FEDERAL HOME LN MTG CORP CALL 2.5%23/	2.83%	2.50	23/3/2012
31331XE40	FEDERAL FARM CREDIT BANKS 5.25% BDS 1	2.40%	5.25	13/9/2010

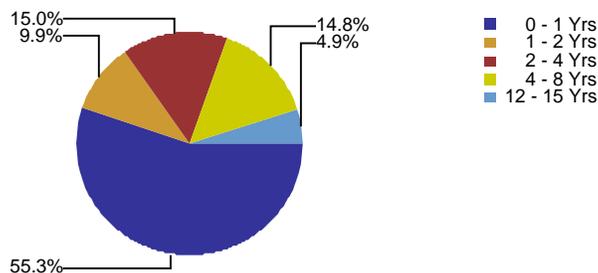
Quality/Rating Weightings

Sector Weightings (as % of Market Value)



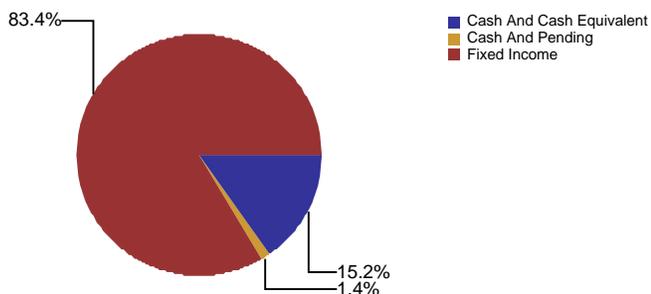
Portfolio Characteristics

Total Net Assets (Millions) **131.2**
 Weighted Average Life (Years) **4.28**
 Weighted Avg. Effective Duration (Years) **2.23**
 Weighted Average Rating **AA+**
 Number of Holdings **75**



Asset Mix

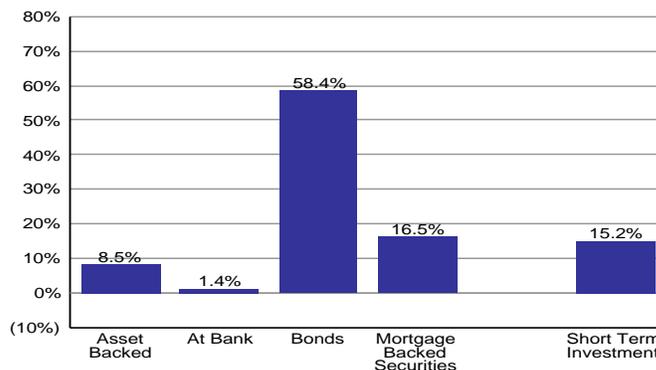
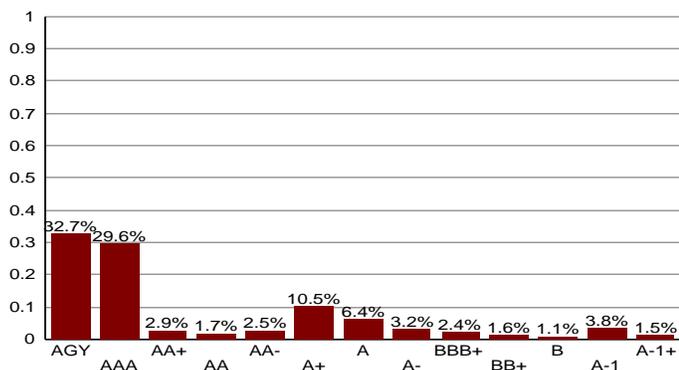
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
15199S131	TRI-PARTY REPO DEUTSCHE BANK 0.105% 0	6.42%	0.10	1/3/2010
06423RBK1	BANK ONE ISSUANCE TRUST SER 2004-A3 C	3.77%	0.40	15/2/2017
928989383	JP MORGAN U S GOVT AGENCY SHARES	3.46%	0.00	31/12/2049
740816AD5	PRESIDENT & FELLOWS HARVARD COLLEGE 5	3.21%	5.63	1/10/2038
31398AYW6	FEDERAL NATIONAL MORTGAGE ASSOC 3.5%	3.09%	3.50	25/8/2014
459200GJ4	INTERNATIONAL BUS MACH CORP 5.7% BDS	2.90%	5.70	14/9/2017
2284K1C19	CROWN POINT CAP CO. CORPORATE	2.29%	0.00	1/3/2010
250847DS6	DETROIT EDISON CO 6.125% BDS 01/OCT/2	2.22%	6.13	1/10/2010
38374HD23	GINNIE MAE 2004-79 PA 5.000% 20/JAN/2	2.02%	5.00	20/1/2031
31393MGQ8	FREDDIE MAC 2585 CJ MAC 4.500% 15/DEC	1.94%	4.50	15/12/2032

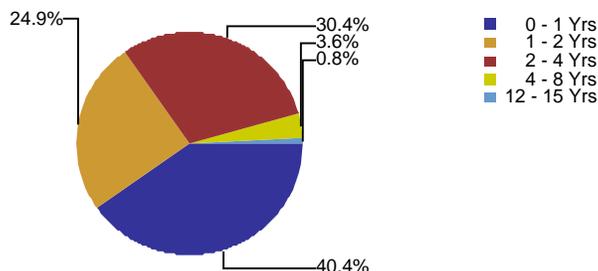
Quality/Rating Weightings

Sector Weightings (as % of Market Value)



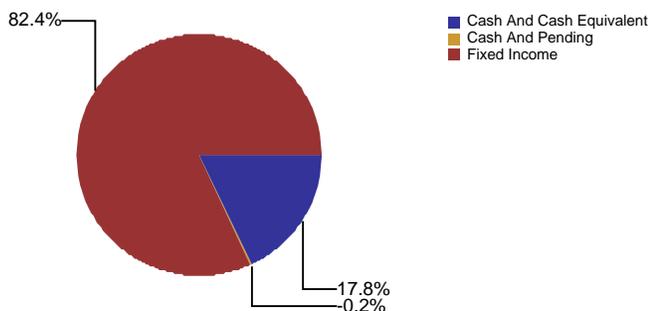
Portfolio Characteristics

Total Net Assets (Millions) **12.4**
 Weighted Average Life (Years) **3.30**
 Weighted Avg. Effective Duration (Years) **1.59**
 Weighted Average Rating **AAA**
 Number of Holdings **24**



Asset Mix

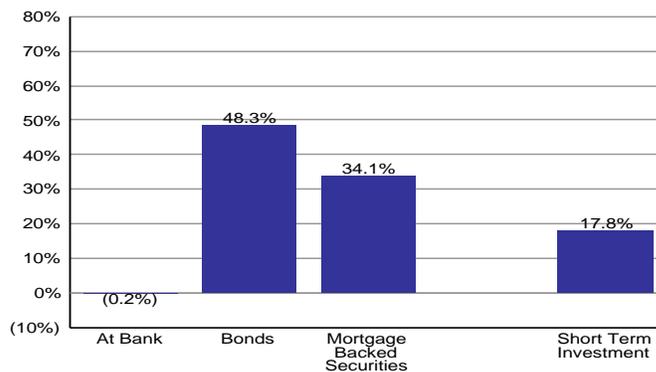
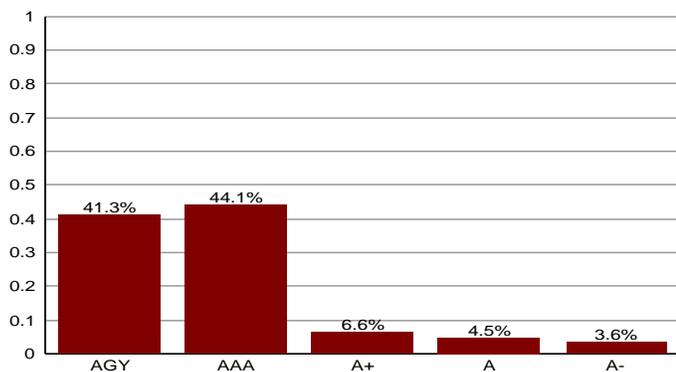
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
928989383	JP MORGAN U S GOVT AGENCY SHARES	17.84%	0.00	31/12/2049
31294KT81	FEDERAL HOME LN MTG CORP GOLD POOL #	9.12%	4.50	1/9/2018
36241KJZ2	GNMA I MORTPASS 4.5% 15/FEB/2021 JP P	7.22%	4.50	15/2/2021
38376JFP4	GINNIE MAE 2009-106 HA 4.000% 16/NOV/	6.91%	4.00	16/11/2039
31396WBV7	FEDERAL NATL MTG ASSOC 5.5% 25/JUN/20	5.38%	5.50	25/6/2027
10138MAH8	BOTTLING GROUP 6.95% SNR NTS 15/MAR/2	4.83%	6.95	15/3/2014
5526E2AC3	MBNA AMERICA BANK NA 7.125% 15/NOV/20	4.52%	7.13	15/11/2012
7591EAAA1	REGIONS BANK 2.75% BDS 10/DEC/2010 US	4.14%	2.75	10/12/2010
481247AD6	JPMORGAN CHASE & CO 2.625% NTS 01/DEC	4.13%	2.63	1/12/2010
31398AZJ4	FEDERAL NATIONAL MORTGAGE ASSOC 3.125	4.12%	3.13	29/9/2014

Quality/Rating Weightings

Sector Weightings (as % of Market Value)



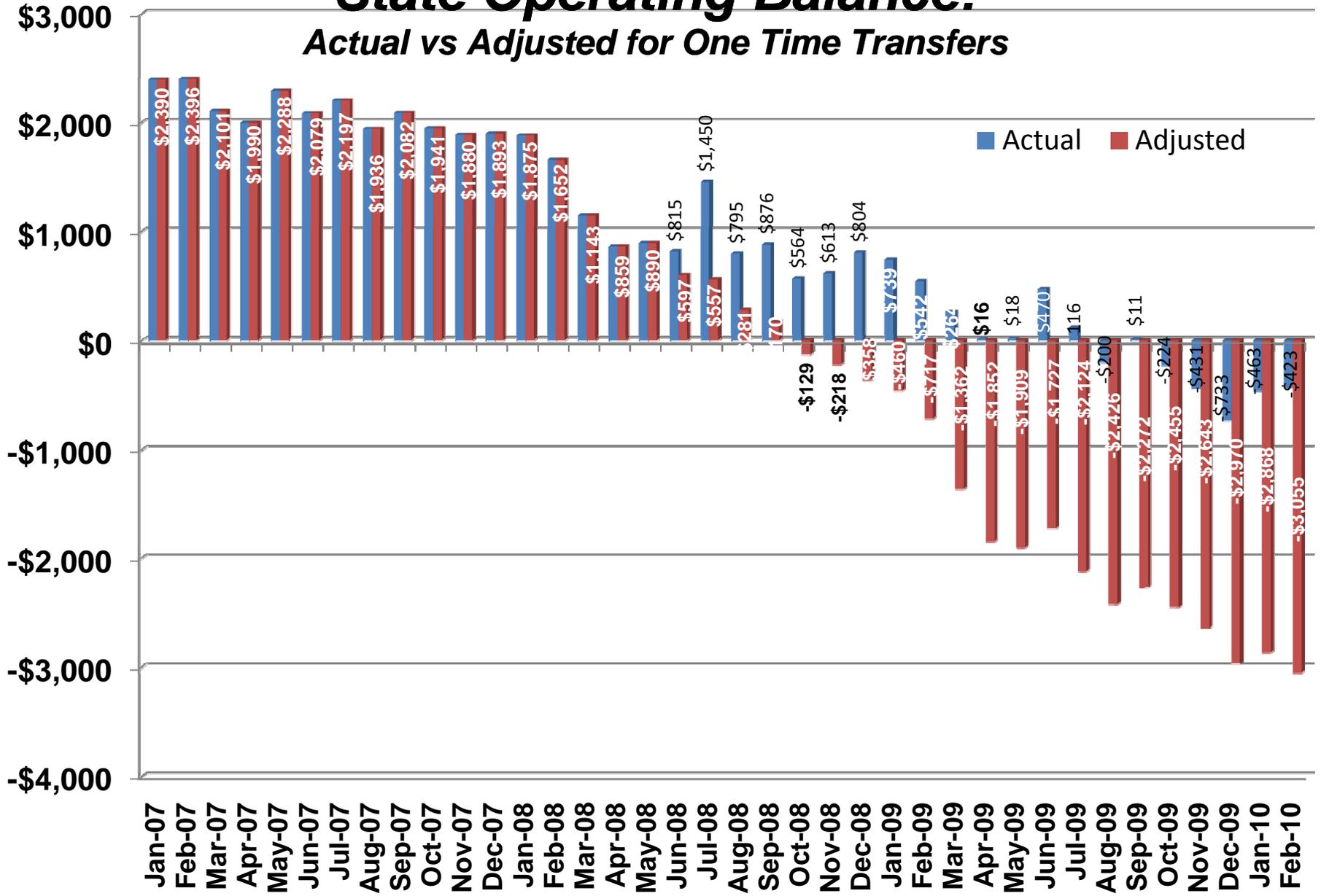
OPERATING MONIES
AVERAGE INVESTED BALANCE
Through February 28, 2010
(in millions of dollars)

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<u>Month</u>	<u>Fiscal Year 2007/2008</u>	<u>Fiscal Year 2008/2009</u>	<u>Fiscal Year 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	
APRIL	859	16	
MAY	890	18	
JUNE	815	470	
Y-T-D Average	\$1,597	\$596	(\$293)

State Operating Balance:

Actual vs Adjusted for One Time Transfers



ENDOWMENT FUNDS
PORTFOLIO YIELD ANALYSIS
February 28, 2010

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FUND	DESCRIPTION	NET EARNINGS	NET YIELD
205	ENDOWMENTS - FIXED INCOME	5,310,621	6.80%
	TOTAL ENDOWMENTS - FIXED INCOME	5,310,621	

NET REALIZED CAPITAL GAINS / LOSSES - ENDOWMENT FUNDS

Endowment Fund -----	Feb-10 NET GAIN(LOSS) -----	FISCAL YTD GAINS(LOSSES) -----
Fixed Income Pool Net Gain (Loss)	655,273	(1,691,833)
Equity Pool (500) Net Gain (Loss)	(760,958)	(7,909,530)
Equity Pool (400) Net Gain (Loss)	1,204,409	3,319,677
Totals	1,098,724 =====	(6,281,687) =====

ENDOWMENT FUNDS FIXED-INCOME POOL
PURCHASES & SALES
Month of February 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>
FHLB	0.55	3/23/2011	N/A	\$5,000,000	\$5,000,000	0.55%	Aaa/AAA
FHLB	0.55	3/23/2011	N/A	\$5,000,000	\$5,000,000	0.55%	Aaa/AAA
FHLMC	1.25	1/26/2012	N/A	\$10,000,000	\$10,033,292	0.98%	Aaa/AAA
FNMA	1.10	2/24/2012	N/A	\$10,000,000	\$10,000,000	1.10%	Aaa/AAA
FNMA STEP NOTE	2.00	8/26/2014	N/A	\$10,000,000	\$10,000,000	2.00%	Aaa/AAA
FHLMC MBS	4.00	3/15/2023	3.68	\$4,975,779	\$5,146,044	2.98%	Aaa/AAA
GNMA MBS	4.50	5/20/2038	4.33	\$7,332,138	\$7,682,362	3.29%	Aaa/AAA
TENNESSEE VALLEY AUTH	6.00	3/15/2013	N/A	\$1,795,000	\$2,072,447	1.67%	Aaa/AAA
U S TREASURY NOTE	4.25	8/15/2013	N/A	\$5,000,000	\$5,461,535	1.55%	Aaa/AAA
U S TREASURY NOTE	4.25	8/15/2014	N/A	\$5,000,000	\$5,487,317	1.99%	Aaa/AAA
U S TREASURY NOTE	2.63	6/30/2014	N/A	\$5,000,000	\$5,131,241	2.09%	Aaa/AAA
U S TREASURY NOTE	2.63	12/31/2014	N/A	\$5,000,000	\$5,107,385	2.24%	Aaa/AAA
U S TREASURY NOTE	8.13	8/15/2019	N/A	\$5,000,000	\$6,815,715	3.60%	Aaa/AAA
U S TREASURY NOTE	8.88	8/15/2017	N/A	\$5,000,000	\$6,888,625	3.60%	Aaa/AAA
MERCK & CO	6.00	9/15/2017	N/A	\$2,000,000	\$2,326,467	3.86%	Aa3/AA-
PROCTER & GAMBLE CO	1.38	8/1/2012	N/A	\$10,000,000	\$9,992,700	1.41%	Aa3/AA-
				-----	-----		
TOTAL ENDOWMENT FUNDS PURCHASES				\$96,102,917	\$102,145,130		

II. Endowment Funds Sales

<u>SECURITY DESCRIPTION</u>	<u>RATE</u>	<u>MATURITY</u>	<u>PAR VALUE</u>	<u>AMORTIZED COST/PROCEEDS</u>	<u>SALES GAINS/(LOSSES)</u>	<u>MOODY'S / S&P RATING</u>
MERCK & CO	4.00	6/30/2015	\$2,000,000	\$2,114,844	\$113,624	Aa3/AA-
J P MORGAN MTG TRUST	5.00	9/25/2034	\$1,649,189	\$1,685,265	\$57,367	Aaa/AAA
WELLS FARGO MTG TRUST	5.00	1/25/2019	\$3,624,899	\$3,704,194	\$123,124	Aaa/AAA
UNITED HEALTH GROUP	5.00	8/15/2014	\$10,000,000	\$10,971,178	\$428,022	Baa1/A-
				-----	-----	-----
TOTAL ENDOWMENT FUNDS SALES				\$17,274,088	\$18,475,481	\$722,137

*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 February 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	347,536	\$15,402,803	\$5,213
S&P 500 Large-Cap Fund	293,032	\$14,683,850	\$4,232
TOTAL EQUITY PURCHASES	640,568	\$30,086,653	\$9,445

II. Equity Funds Sales

	<u>SHARES</u>	<u>SALES AMOUNT</u>	<u>COMMISSIONS</u>
S&P 400 Mid-Cap Fund	710,739	\$17,756,865	\$10,497
S&P 500 Large-Cap Fund	101,849	\$10,928,123	\$1,528
TOTAL EQUITY SALES	812,588	\$28,684,988	\$12,025

ENDOWMENT FUNDS
INVESTMENTS OUTSTANDING
 FEBRUARY 28, 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>	2,558	2,324	2,464	139	
<i>Shares in Mid-Cap 400 Equity Fund</i>	821	796	1,288	492	
<i>Shares in Fixed Income Fund</i>	2,769	3,120	4,444	1,324	
Total	6,147	6,240	8,196	1,956	1.313
102 State Hospital					
<i>Shares in S&P 500 Index Fund</i>	1,577	1,354	1,520	166	
<i>Shares in Mid-Cap 400 Equity Fund</i>	445	463	698	235	
<i>Shares in Fixed Income Fund</i>	1,570	1,818	2,520	702	
Total	3,592	3,635	4,738	1,103	1.303
103 Leg., Exec., & Jud.					
<i>Shares in S&P 500 Index Fund</i>	1,950	1,906	1,879	(28)	
<i>Shares in Mid-Cap 400 Equity Fund</i>	627	652	984	332	
<i>Shares in Fixed Income Fund</i>	2,299	2,559	3,691	1,132	
Total	4,877	5,117	6,554	1,436	1.281
104 Military Institute					
<i>Shares in S&P 500 Index Fund</i>	132	131	127	(4)	
<i>Shares in Mid-Cap 400 Equity Fund</i>	46	45	72	27	
<i>Shares in Fixed Income Fund</i>	163	176	262	86	
Total	341	352	462	109	1.311
105 Miners Hospital					
<i>Shares in S&P 500 Index Fund</i>	3,853	3,751	3,712	(38)	
<i>Shares in Mid-Cap 400 Equity Fund</i>	1,073	1,284	1,684	400	
<i>Shares in Fixed Income Fund</i>	3,942	5,034	6,327	1,293	
Total	8,868	10,069	11,724	1,655	1.164

ENDOWMENT FUNDS
INVESTMENTS OUTSTANDING
 FEBRUARY 28, 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	850	21	
<i>Shares in Mid-Cap 400 Equity Fund</i>	266	284	418	134	
<i>Shares in Fixed Income Fund</i>	955	1,114	1,533	419	
Total	2,104	2,228	2,801	573	1.257
108 Penitentiaries					
<i>Shares in S&P 500 Index Fund</i>	3,208	2,897	3,091	194	
<i>Shares in Mid-Cap 400 Equity Fund</i>	929	992	1,458	466	
<i>Shares in Fixed Income Fund</i>	3,224	3,888	5,174	1,286	
Total	7,360	7,777	9,722	1,946	1.250
109 Permanent Common School					
<i>Shares in S&P 500 Index Fund</i>	835,403	803,693	804,801	1,109	
<i>Shares in Mid-Cap 400 Equity Fund</i>	231,554	275,089	363,460	88,371	
<i>Shares in Fixed Income Fund</i>	854,570	1,078,782	1,371,646	292,864	
Total	1,921,527	2,157,565	2,539,908	382,344	1.177
110 School for Deaf & Blind					
<i>Shares in S&P 500 Index Fund</i>	1,143	1,078	1,101	23	
<i>Shares in Mid-Cap 400 Equity Fund</i>	370	369	581	212	
<i>Shares in Fixed Income Fund</i>	1,337	1,448	2,145	698	
Total	2,850	2,895	3,828	932	1.322
111 School of Mines					
<i>Shares in S&P 500 Index Fund</i>	2,894	2,809	2,788	(21)	
<i>Shares in Mid-Cap 400 Equity Fund</i>	877	961	1,377	416	
<i>Shares in Fixed Income Fund</i>	3,174	3,770	5,095	1,324	
Total	6,946	7,541	9,260	1,719	1.228

ENDOWMENT FUNDS
INVESTMENTS OUTSTANDING
 FEBRUARY 28, 2010
 (In Thousands)

State Treasurer's Report
 March 25, 2010
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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>	29,828	27,776	28,736	960	
<i>Shares in Mid-Cap 400 Equity Fund</i>	7,826	9,507	12,285	2,778	
<i>Shares in Fixed Income Fund</i>	29,162	37,283	46,808	9,524	
Total	66,817	74,566	87,828	13,262	1.178
113 University Fund					
<i>Shares in S&P 500 Index Fund</i>	4,769	4,565	4,595	29	
<i>Shares in Mid-Cap 400 Equity Fund</i>	1,427	1,563	2,240	677	
<i>Shares in Fixed Income Fund</i>	5,204	6,128	8,353	2,225	
Total	11,401	12,256	15,188	2,931	1.239
114 U Of A Land - 1881					
<i>Shares in S&P 500 Index Fund</i>	10,101	9,654	9,731	77	
<i>Shares in Mid-Cap 400 Equity Fund</i>	3,076	3,304	4,828	1,524	
<i>Shares in Fixed Income Fund</i>	11,171	12,958	17,930	4,972	
Total	24,348	25,917	32,489	6,572	1.254
TOTALS - ALL FUNDS					
<i>Shares in S&P 500 Index Fund</i>	898,300	862,769	865,394	2,626	
<i>Shares in Mid-Cap 400 Equity Fund</i>	249,338	295,310	391,374	96,064	
<i>Shares in Fixed Income Fund</i>	919,539	1,158,079	1,475,927	317,849	
Grand Total	2,067,177	2,316,157	2,732,696	416,539	

ASSET ALLOCATION PERCENTAGE

	SHARES OUTSTANDING	BOOK VALUE	MARKET VALUE
<i>Shares in S&P 500 Index Fund</i>	43.46%	37.25%	31.67%
<i>Shares in Mid-Cap 400 Equity Fund</i>	12.06%	12.75%	14.32%
<i>Shares in Fixed Income Fund</i>	44.48%	50.00%	54.01%
Total	100.00%	100.00%	100.00%

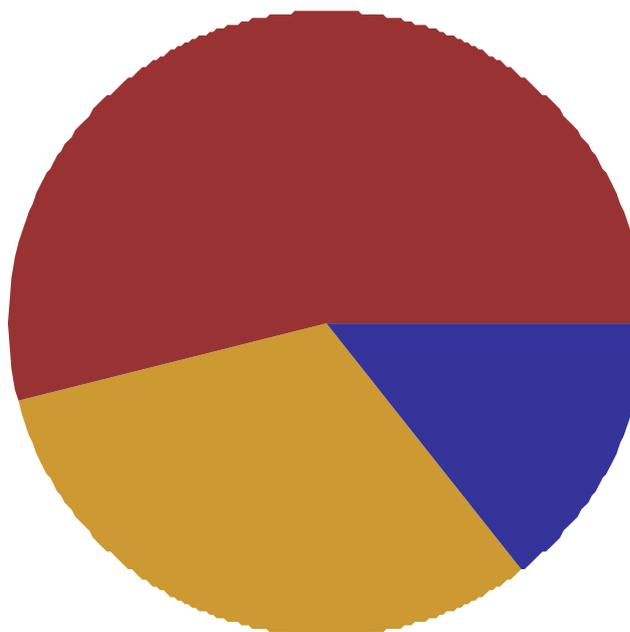
Performance Worksheet
Arizona State Treasury (05509)
As At February 2010
Gross of Fee

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	836,415,528.53	865,394,427.19	2,979,551	3.11	1.41	(0.54)	21.90	53.57	(5.54)	0.30	(1.06)	07/01/1999
10327900	S&P 400 Pool	371,881,451.33	391,374,388.79	1,019,842	4.97	7.48	1.37	27.01	58.16	(2.86)	3.30	5.73	08/01/2001
10328000	Pool 205	1,466,080,834.39	1,475,927,272.68	3,999,397	0.40	0.29	1.61	4.64	8.08	6.29	5.46	6.23	07/01/1999
00550902	Total Endowment Fund Composite	2,674,377,814.25	2,732,696,088.66	7,998,789	1.90	1.63	0.90	12.57	25.52	0.89	3.72	4.44	07/01/1999

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

Total Endowment Fund Composite (00550902)		
Account Name	Market Value(MIL)	Percent of Portfolio
Pool 205 (10328000)	1,475.93	54.0%
S&P 400 Pool (10327900)	391.37	14.3%
S&P 500 Pool (10327800)	865.39	31.7%
TOTAL	2,732.70	100.0%

- S&P 400 Pool (10327900)
- S&P 500 Pool (10327800)
- Pool 205 (10328000)

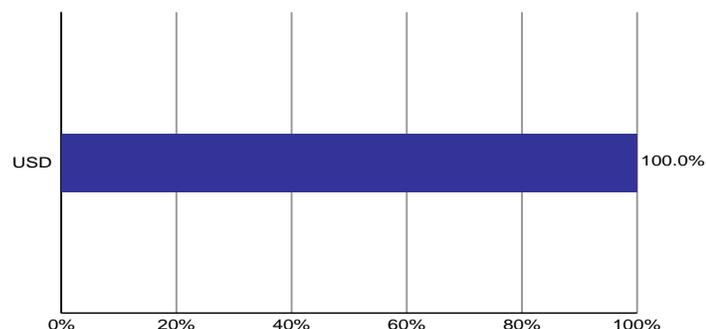


Portfolio Characteristics				Risk Measures			
Total Asset Value (in Millions)	865.4			Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Since Inception
P/E Ratio	14.77	Tracking Error	0.18	0.34	0.44	1.85	
Price to Book Ratio	3.73	Information Ratio	(0.24)	0.40	(0.16)	(0.44)	
Dividend Yield (%)	1.94	Std Deviation of Port.	14.06	19.92	15.97	16.12	
Return on Equity (%)	32.97	Std Deviation of Bench.	14.16	20.05	16.12	15.97	
Sales Growth (%)	13.95	Sharpe Ratio of Port.	3.80	(0.39)	(0.17)	(0.25)	
Market Capitalization (\$ Billions)	79,287.97	Sharpe Ratio of Bench.	3.77	(0.39)	(0.16)	(0.21)	
Earnings per Share (\$)	2.78	R-Squared	1.00	1.00	1.00	0.99	
Number of Holdings	502	Jensen's Alpha	0.32	0.09	(0.09)	(0.79)	

Top Ten Portfolio Holdings

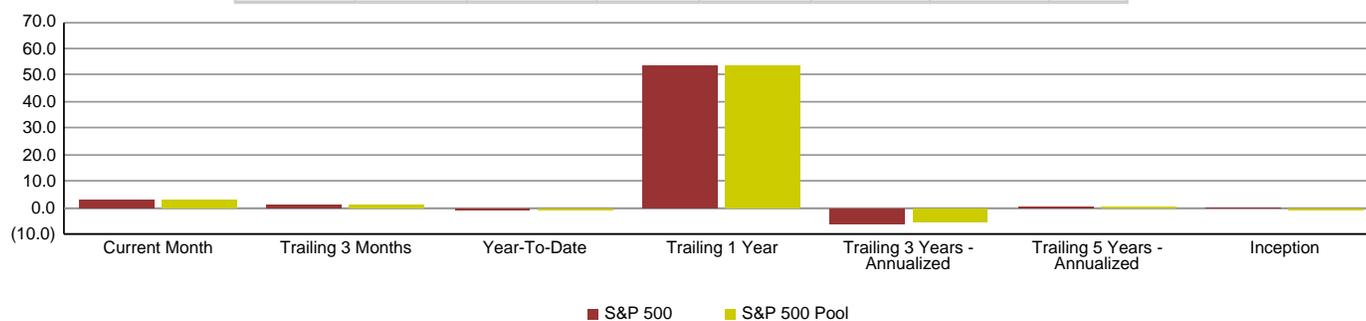
Security ID	Security Name	% of Assets
30231G102	EXXON MOBIL CORP - COM NPV	3.06%
594918104	MICROSOFT CORP - COM USD.001	2.19%
742718109	PROCTER & GAMBLE CO - COM NPV	1.82%
037833100	APPLE INC - COM NPV	1.81%
78462F103	SPDR TRUST UNITS SER 1 NPV	1.75%
478160104	JOHNSON & JOHNSON - COM USD1	1.72%
369604103	GENERAL ELECTRIC CO - COM USD.63	1.69%
459200101	INTL BUSINESS MACHINES CORP - COM USD.2	1.65%
060505104	BANK OF AMERICA CORP - COM USD2.5	1.63%
46625H100	JPMORGAN CHASE & CO - COM USD12	1.63%

Top Ten Currency Weights

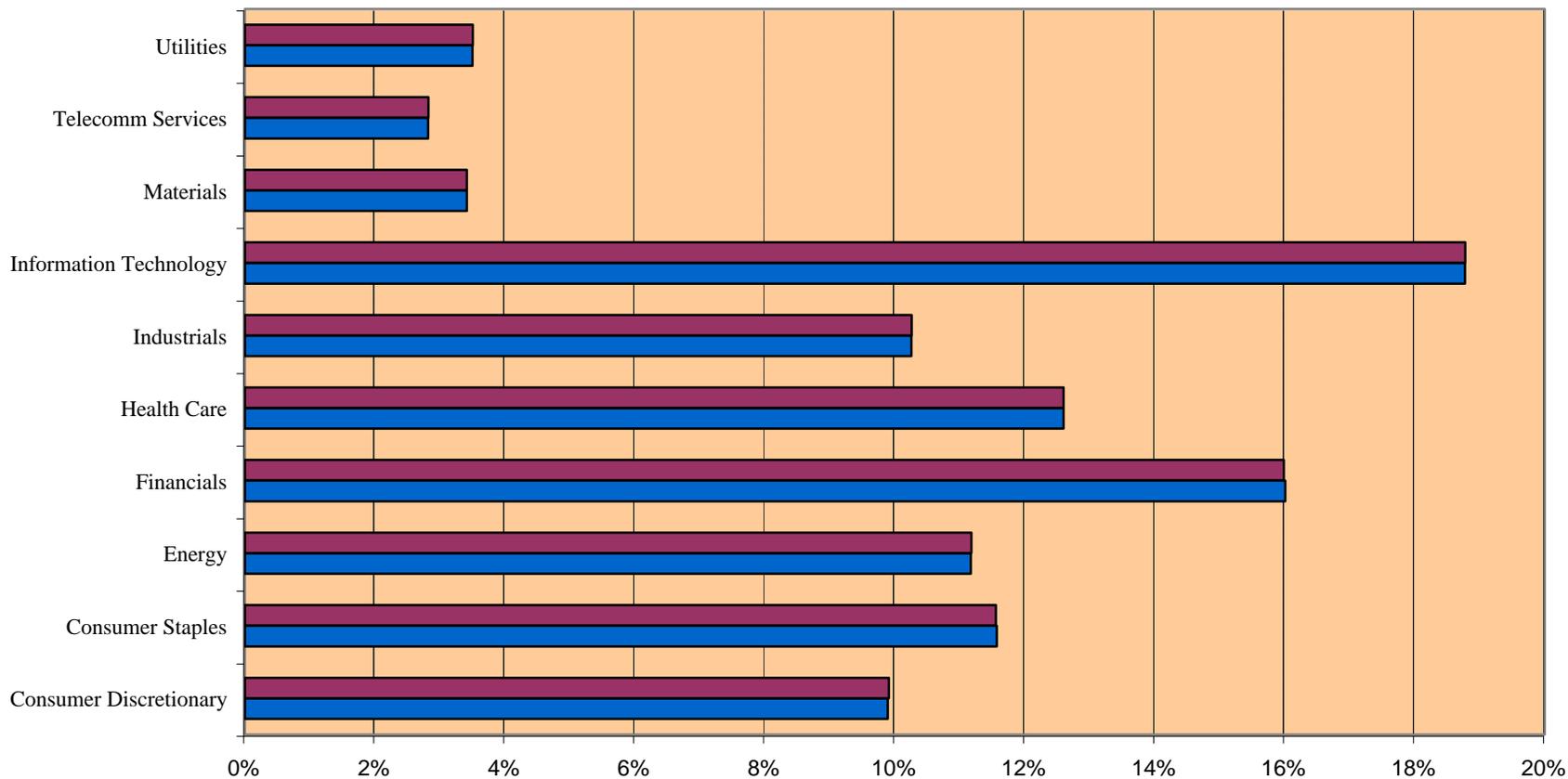


Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
S&P 500 Pool	3.11	1.41	(0.54)	53.57	(5.54)	0.30	(1.06)
S&P 500	3.10	1.31	(0.61)	53.62	(5.67)	0.37	(0.26)
Excess	0.01	0.10	0.07	(0.04)	0.13	(0.07)	(0.80)



**STATE OF ARIZONA
POOL 201 (S&P 500)
As of February 28, 2010**



	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Information Technology	Materials	Telecomm Services	Utilities
■ S&P 500 Index	9.91%	11.56%	11.18%	15.99%	12.60%	10.26%	18.78%	3.41%	2.82%	3.50%
■ STATE OF ARIZONA - POOL 201	9.89%	11.57%	11.17%	16.01%	12.60%	10.26%	18.77%	3.41%	2.82%	3.50%

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

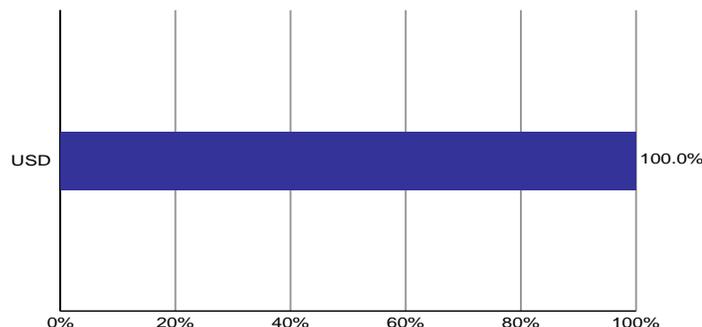
Portfolio Characteristics Risk Measures

Total Asset Value (in Millions)	391.4		Trailing 1 Year	2.91	Trailing 3 Years	2.20	Trailing 5 Years	2.32
P/E Ratio	10.86		Information Ratio	(3.03)	(0.08)	(0.09)	Since Inception	0.00
Price to Book Ratio	2.12	Tracking Error		16.28	22.88	18.71		17.14
Dividend Yield (%)	0.86	Information Ratio		18.42	24.01	19.66		18.34
Return on Equity (%)	6.22	Std Deviation of Port.		3.56	(0.22)	0.02		0.19
Sales Growth (%)	9.41	Std Deviation of Bench.		3.63	(0.20)	0.03		0.18
Market Capitalization (\$ Billions)	2,115.98	Sharpe Ratio of Port.		0.99	0.99	0.99		0.99
Earnings per Share (\$)	1.05	Sharpe Ratio of Bench.		(0.68)	(0.46)	(0.18)		0.24
Number of Holdings	204	R-Squared						
		Jensen's Alpha						

Top Ten Portfolio Holdings

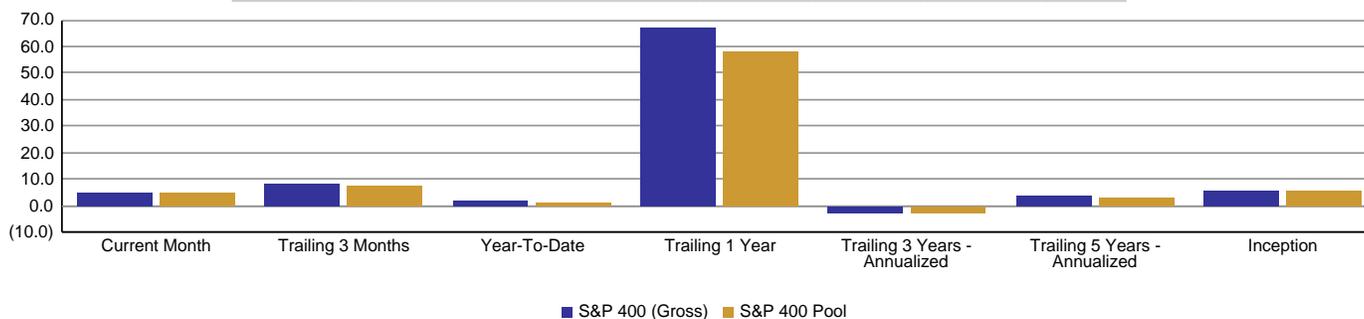
Security ID	Security Name	% of Assets
78467Y107	SPDR S&P MIDCAP 400 ETF TRUST	40.59%
92532F100	VERTEX PHARMACEUTICALS INC - COM USD.01	0.73%
225447101	CREE INC - COM USD.01	0.65%
651290108	NEWFIELD EXPLORATION CO - COM USD.01	0.63%
649445103	NEW YORK CMNTY BANCORP INC - COM USD.01	0.60%
156782104	CERNER CORP - COM USD.01	0.52%
549271104	LUBRIZOL CORP - COM NPV	0.50%
G3223R108	EVEREST RE GROUP LTD - COM USD.01	0.50%
481165108	JOY GLOBAL INC - COM	0.48%
28176E108	EDWARDS LIFESCIENCES CORP - COM USD1	0.48%

Top Ten Currency Weights

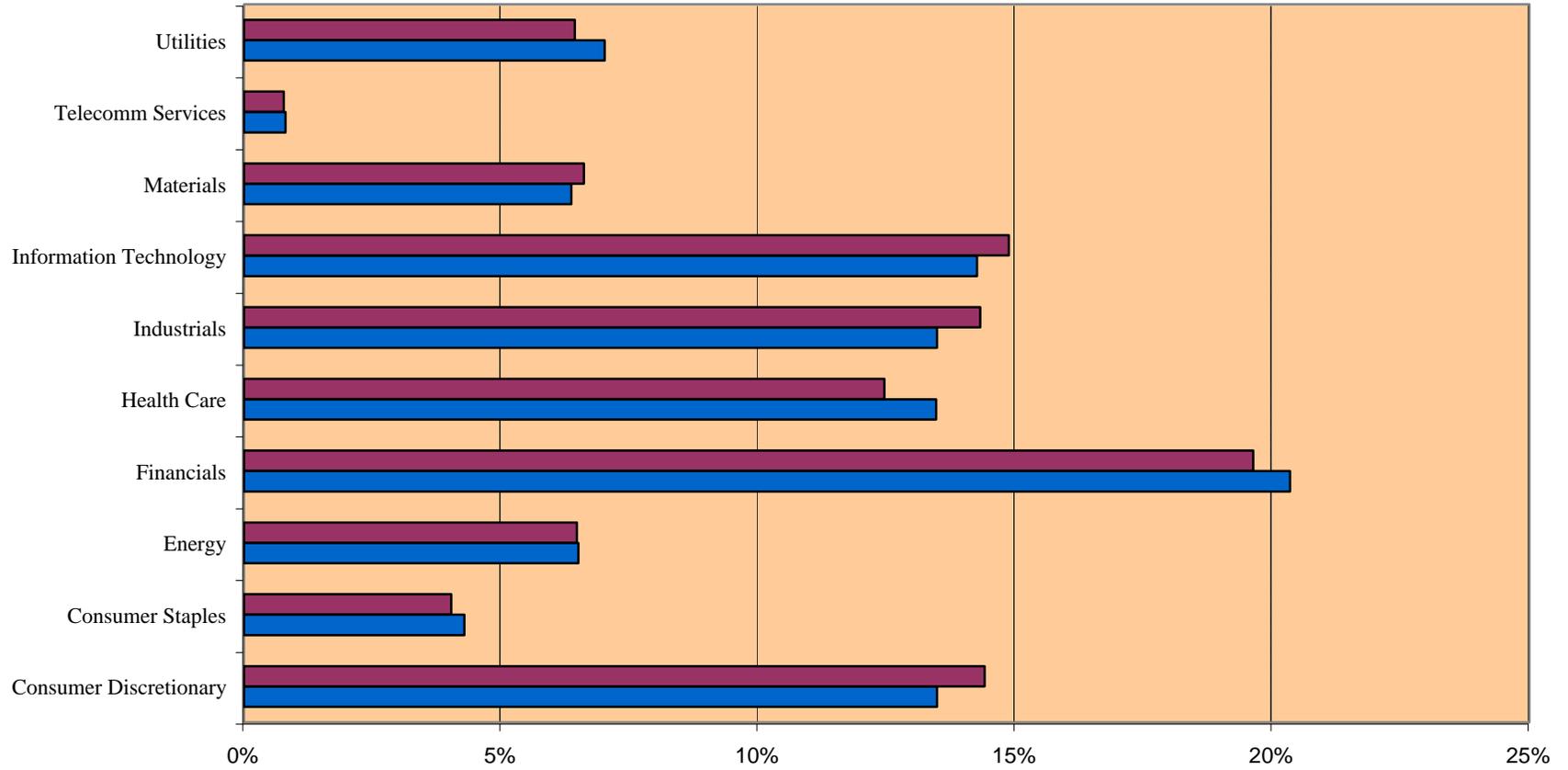


Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
S&P 400 Pool	4.97	7.48	1.37	58.16	(2.86)	3.30	5.73
S&P 400 (Gross)	5.21	8.22	1.83	67.00	(2.65)	3.50	5.73
Excess	(0.24)	(0.74)	(0.46)	(8.84)	(0.21)	(0.20)	0.01



**STATE OF ARIZONA
POOL 203 (S&P MIDCAP 400)
As of February 28, 2010**

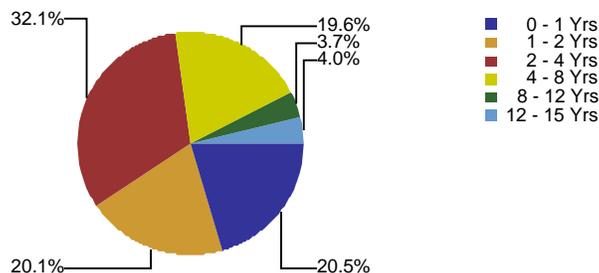


	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Information Technology	Materials	Telecomm Services	Utilities
■ S&P MIDCAP 400	14.40%	4.03%	6.48%	19.63%	12.46%	14.32%	14.87%	6.61%	0.77%	6.43%
■ STATE OF ARIZONA - POOL 203	13.48%	4.29%	6.50%	20.35%	13.46%	13.48%	14.25%	6.37%	0.81%	7.02%

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

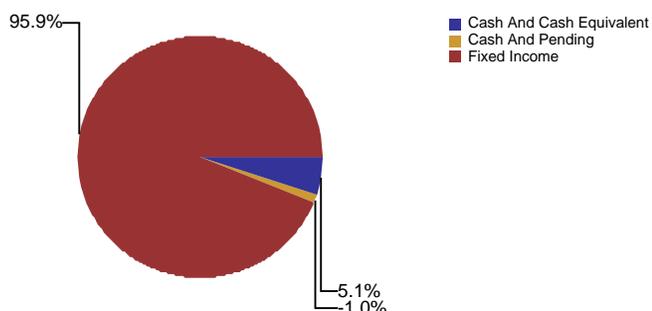
Portfolio Characteristics

Total Net Assets (Millions)	1,475.9
Weighted Average Life (Years)	4.85
Weighted Avg. Effective Duration (Years)	3.28
Weighted Average Coupon (%)	4.62
Weighted Average Current Yield (%)	2.28
Weighted Average Yield to Maturity (%)	2.31
Weighted Average Rating	AA+
Number of Holdings	239



Asset Mix

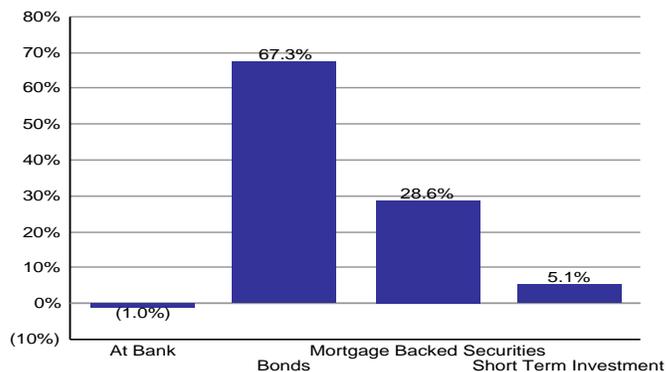
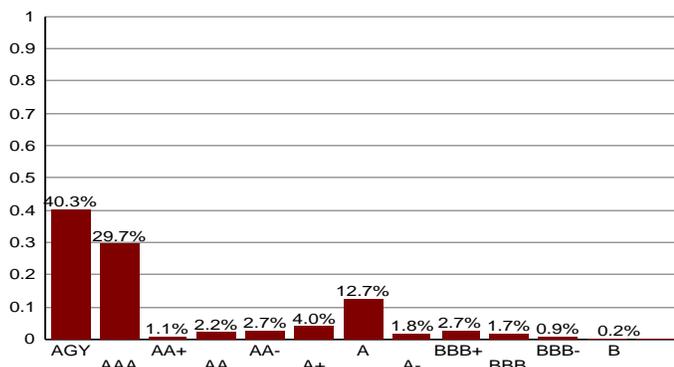
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
539992AA5	LOCAL GOVERNMENT INVESTMENT POOL	5.12%	0.00	31/12/2049
31359MQV8	FANNIE MAE BOND 4.75%	1.48%	4.75	21/2/2013
92343VAN4	VERIZON COMMUNICATIONS INC 5.25% NTS	1.09%	5.25	15/4/2013
912828FK1	UNITED STATES OF AMER TREAS NOTES 5.1	1.09%	5.13	30/6/2011
931142BV4	WAL MART STORES 931142BV4 4.125% 15/F	1.05%	4.13	15/2/2011
912810DZ8	UNITED STATES OF AMER TREAS BONDS 8.8	0.94%	8.88	15/8/2017
912810ED6	UNITED STATES OF AMER TREAS BONDS 8.1	0.93%	8.13	15/8/2019
31395LZM6	FREDDIE MAC 2936 PB 5.000% 15/FEB/202	0.88%	5.00	15/2/2028
31396VAS7	FEDERAL NATL MTG ASSOC 5.5% 25/APR/20	0.79%	5.50	25/4/2017
92343VAM6	VERIZON COMMUN 6.1% NTS 15/APR/2018 U	0.76%	6.10	15/4/2018

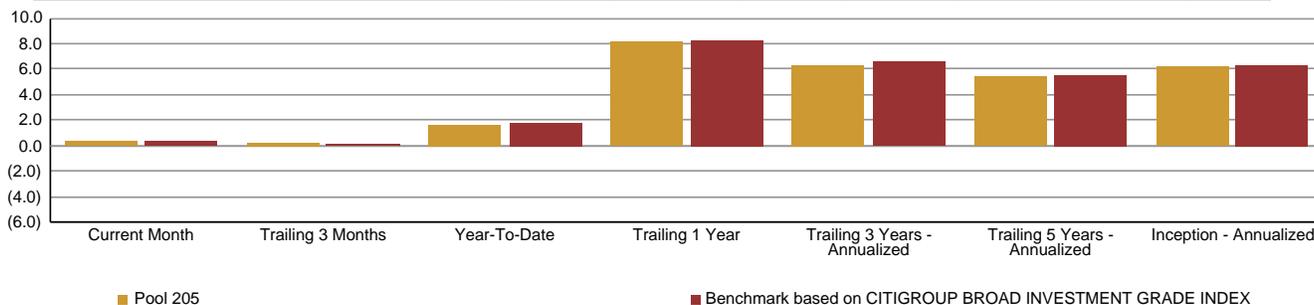
Quality/Rating Weightings

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	0.40	0.29	1.61	8.08	6.29	5.46	6.23
Benchmark based on CITIGROUP BROAD INVESTMENT GRADE INDEX	0.35	0.07	1.81	8.22	6.55	5.60	6.30
Excess	0.05	0.22	(0.21)	(0.15)	(0.25)	(0.15)	(0.06)

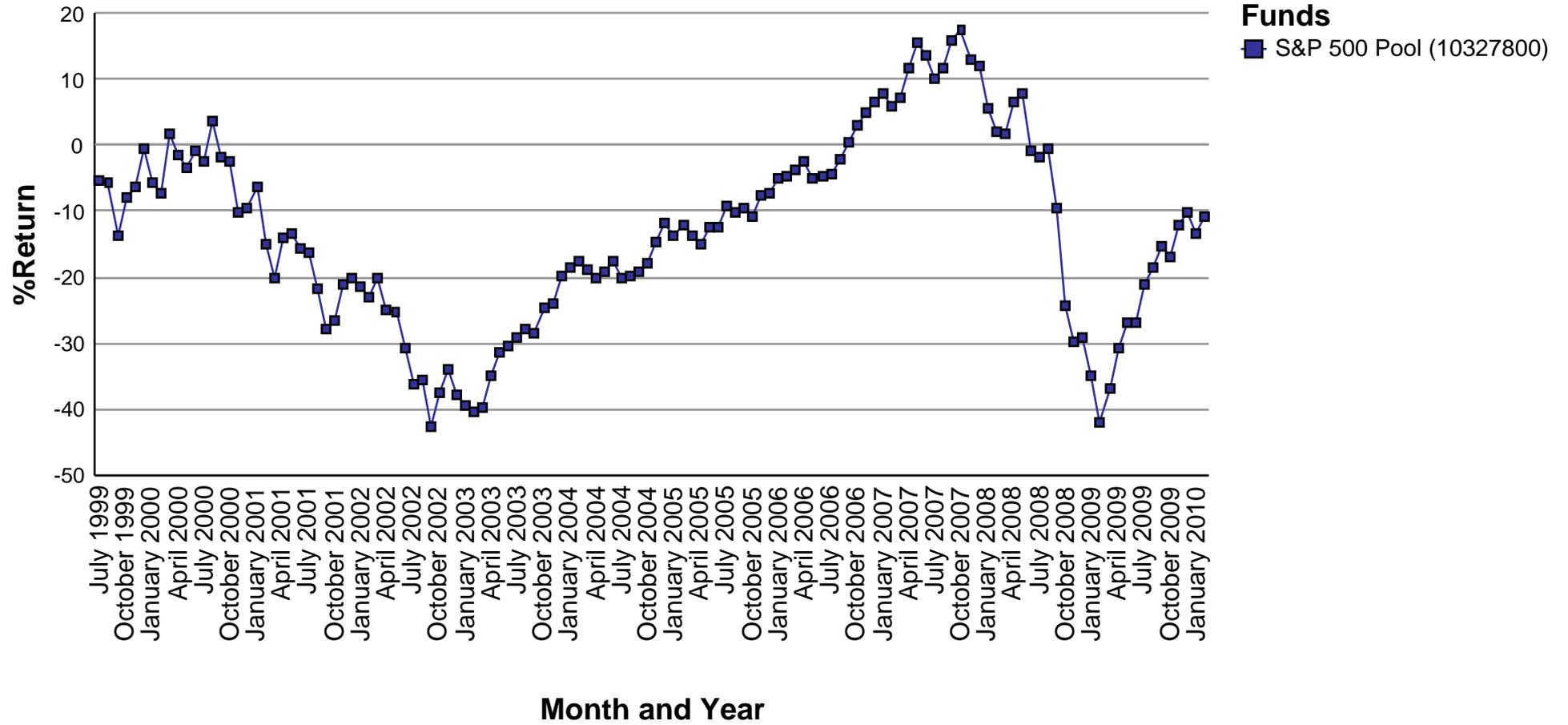


Performance Growth by Account

Arizona State Treasury (05509)

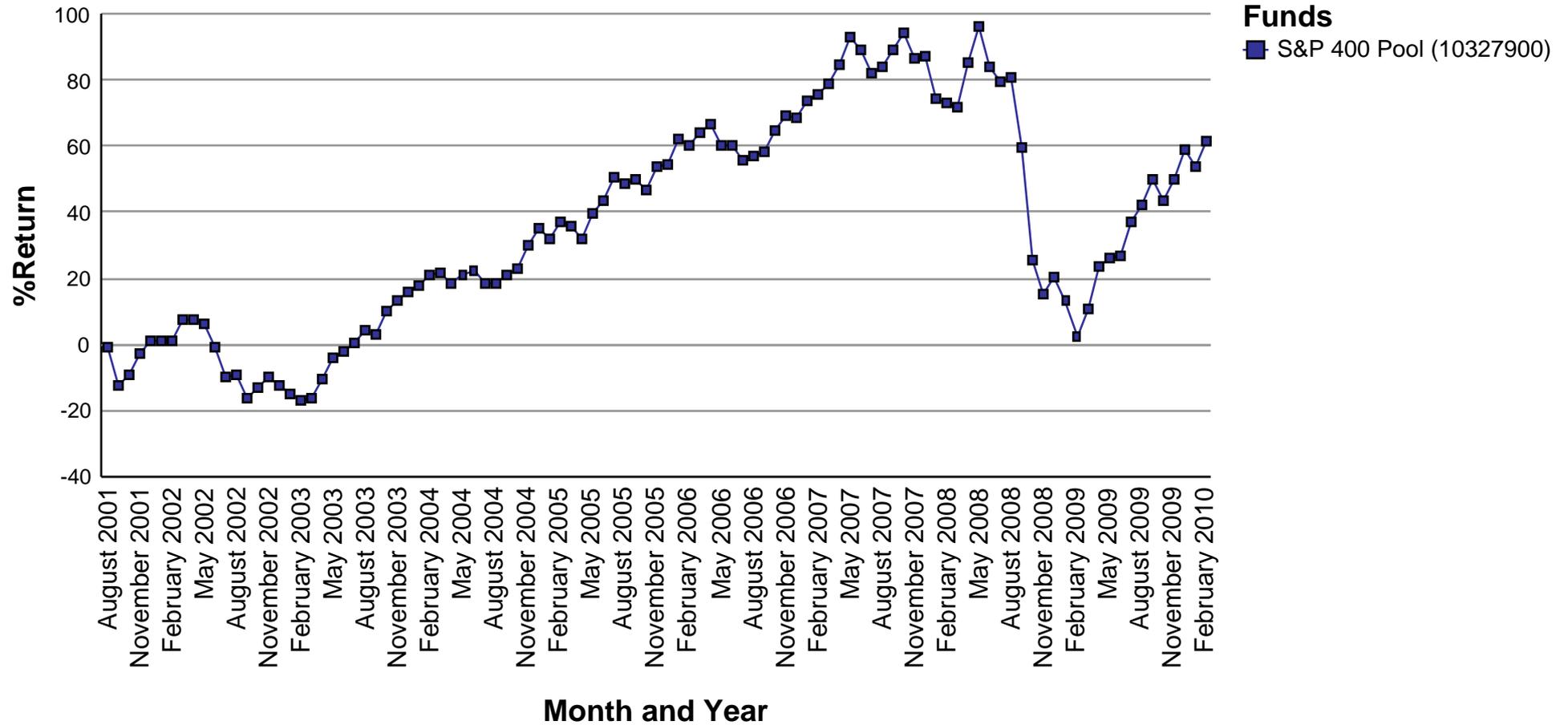
From July 1999 to February 2010

Gross of Fee



Performance Growth by Account

Arizona State Treasury (05509)
From August 2001 to February 2010
Gross of Fee



Performance Growth by Account

Arizona State Treasury (05509)

From July 1999 to February 2010

Gross of Fee

