

OFFICE OF THE
ARIZONA STATE TREASURER



**HON. DEAN MARTIN
TREASURER**



JULY 2010

Presented To:

Arizona State Board of Investment

AUGUST 26, 2010

STATE BOARD OF INVESTMENT

A G E N D A

August 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

August 26, 2010

TABLE OF CONTENTS

	<u>Page</u>
Minutes of Board of Investment Meetings	iii-viii
Review of Treasurer’s Monthly Reports:	
A. Earnings Distribution; Investment Pools	1
B. LGIP Pools Investments and Performance Reports	2-8
C. State Agency Pools Investments and Performance Reports	9-15
D. Operating Monies Invested Balances	16-17
E. Endowment Investments and Performance Reports.....	18-34

**Minutes of
BOARD OF INVESTMENT MEETING**

The regular meeting of the State Board of Investment was held on July 29, 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 1:31 p.m.

Members Present:

Dean Martin, Chair, State Treasurer
Beth Ford, Treasurer, Pima County, by teleconference
David Raber, Director, Arizona Department of Administration
Alan E. Maguire, President, The Maguire Company

Members Absent:

Lauren W. Kingry, Superintendent, Department of Financial Institutions

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
Chris Petkiewicz, Portfolio Manager, Arizona State Treasurer's Office

Pursuant to A.R.S. 35-311, the following reports for June, 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
Broker Activity Report

1. Call to Order:

Treasurer Martin called the July 29, 2010 BOI meeting to order at approximately 1:31 p.m.

2. Treasurers Comments:

Treasurer Martin welcomed board members and guests and thanked all present for attending the July 29, 2010 meeting.

3. Approval of Minutes:

Mr. Maguire made a motion to approve the minutes for the June 23, 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 June, 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 June, 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 June, 2010. *He stated that Textron (Pool 500) was upgraded to stable.*

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 June 30, 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 June 30, 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 June, 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 June 30, 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 June 30, 2010.

Operating Monies Average Invested Balance

Mr. Swenson reported the Operating Monies average invested balance for the month of June, 2010. *He also reported that the cash flow should be ok for the rest of the calendar year.*

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 June, 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 June, 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 June, 2010.

Equity Funds Purchases & Sales

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

Investments Outstanding in Endowment Funds

Mr. Swenson reported the par, book, market value, and unrealized gains/loss of the Endowment Funds as of June 30, 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 June 30, 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 June 30, 2010.

Equity Holdings Investments Outstanding S&P 500

Mr. Swenson reported the investments outstanding by portfolio characteristics and industry sector for the S&P 500 Pool as of June 30, 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 June 30, 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 the month of June, 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 June, 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:

A copy of the new investment policy was given out to the Board members.

Mr. Maguire made a motion to approve the new investment policy and Mr. Raber seconded the motion; Motion carried.

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

None

7. General Business:

Review and Approval of the FY10-11 Endowment Distribution

Mr. Swenson stated this is preliminary information, subject to final revision.

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

8. Call to the Public

There was no public comment.

9. Notice of Next Meeting:

The Treasurer advised the Board that the next regular meeting of the Board of Investment will be Thursday, August 26, 2010 at 1:30 p.m. at 1700 West Washington, State Capitol, West Wing, Treasurer's Conference Room, Phoenix, Arizona.

*State Treasurer's Report
August 26, 2010 Meeting
Minutes of the July 29, 2010 Meeting*

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 1:50 p.m.

Submitted by:

Approved by:

Christine M. Halvorson
Director of Customer /Investor Relations

Dean Martin, Chair Date

EARNINGS DISTRIBUTION - INVESTMENT POOLS
JULY 2010

State Treasurer's Report
 August 26, 2010
 Page 1

Recipient	Earnings Distributed			Fiscal YTD Investment Management Fees Received
	JULY 2010	Fiscal YTD 10/11	Fiscal YTD 09/10	
General Fund	\$806,226	\$806,226	\$312,643	
2 State Agencies I - Full Faith & Credit	556,089	556,089	4,263,531	51,722
3 State Agencies II - Diversified	645,112	645,112	4,635,422	77,549
4 State Agencies IV - Restricted Diversified	301,768	301,768	2,356,461	26,918
5 Local Governments	333,398	333,398	3,605,256	84,863
7 LGIP Gov't	201,220	201,220	2,747,556	102,044
12 CAWCD Medium-Term	307,037	307,037	1,328,396	6,854
15 GADA Long-Term	25,834	25,834	110,951	618
Subtotal	\$3,176,685	\$3,176,685	\$19,360,215	\$350,568
NAV POOL				
500 LGIP LT	194,760	194,760	182,542	5,619
700 LGIP GOV LT	108,852	108,852	0	5,881
Total	\$3,480,297	\$3,480,297	\$19,542,757	\$362,068

LGIP & LGIP-GOV
PORTFOLIO YIELD ANALYSIS
 July 31, 2010

State Treasurer's Report
 August 26, 2010
 Page 2

FUND	DESCRIPTION	NET EARNINGS
5	LGIP	334,065
7	LGIP - GOV	201,220
TOTAL LGIP & LGIP-GOV		535,285

		05/31/10	06/30/10	07/31/10
5	LGIP MONTHLY YIELD (NET)	0.19%	0.20%	0.23%
	S & P LGIP INDEX YIELD	0.16%	0.17%	0.18%
	LGIP YTD YIELD (NET)	0.20%	0.20%	0.23%
	S & P LGIP YTD INDEX YIELD	0.23%	0.23%	0.18%
7	LGIP - GOV MONTHLY YIELD (NET)	0.12%	0.10%	0.11%
	3 MONTH T-BILL	0.15%	0.11%	0.15%
	LGIP - GOV YTD YIELD (NET)	0.09%	0.09%	0.11%
	YTD 3 MONTH T-BILL	0.11%	0.11%	0.15%

* 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**
July 31, 2010

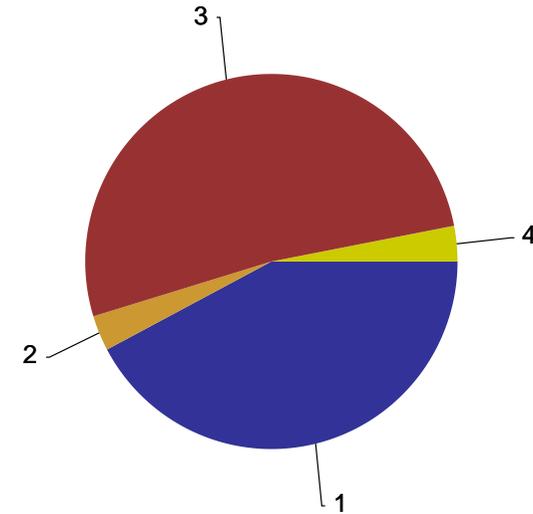
State Treasurer's Report
August 26, 2010
Page 3

FUND	DESCRIPTION	NET EARNINGS
500	LGIP LONG TERM POOL	194,760
700	LGIP - GOV LONG TERM POOL	108,852
	TOTAL LGIP LONG TERM POOL	303,612

	05/31/10	06/30/10	07/31/10
LGIP LONG TERM MONTHLY YIELD (NET)	2.50%	2.16%	2.16%
MERRILL 1-5 US D M INDEX MONTHLY YIELD	2.01%	1.53%	1.12%
LGIP LONG TERM YTD YIELD (NET)	2.84%	2.79%	2.16%
MERRILL 1-5 US D M INDEX YTD YIELD	2.34%	2.27%	1.12%
LGIP - GOV LONG TERM MONTHLY YIELD (NET)	1.53%	1.11%	1.12%
MERRILL 1-5 US TREAS INDEX MONTHLY YIELD	1.15%	0.93%	0.79%
LGIP - GOV LONG TERM YTD YIELD (NET)	0.68%	0.73%	1.12%
MERRILL 1-5 US TREAS INDEX YTD YIELD	1.26%	1.22%	0.79%

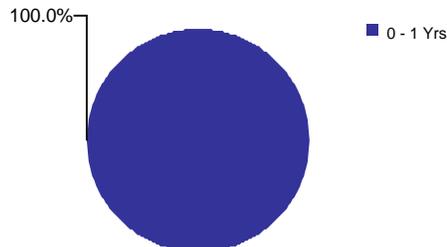
Manager Allocation - Monthly Arizona State Treasury (05509) As at July 2010

LGIP composite (00550903)			
Sr. No.	Account Name	Market Value(MIL)	Percent of Portfolio
1	State of Arizona - Pool 5 (LGIP) (10327300)	1,627.85	42.4%
2	State of Arizona - Pool 500 (LGIP - Med Term) (10327700)	110.25	2.9%
3	State of Arizona - Pool 7 (LGIP - FF&C) (10327400)	1,989.82	51.8%
4	State of Arizona - Pool 700 (LGIP-FF&C Med Term) (10563200)	115.54	3.0%
TOTAL		3,843.45	100.0%



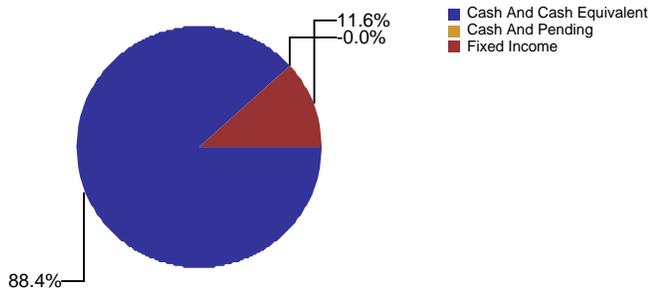
Portfolio Characteristics

Total Net Assets (Millions) **1,627.8**
 Weighted Average Life (Years) **0.11**
 Weighted Avg. Effective Duration (Years) **0.09**
 Weighted Average Maturity (Years) **0.09**
 Weighted Average Rating **AAA**
 Number of Holdings **80**



Asset Mix

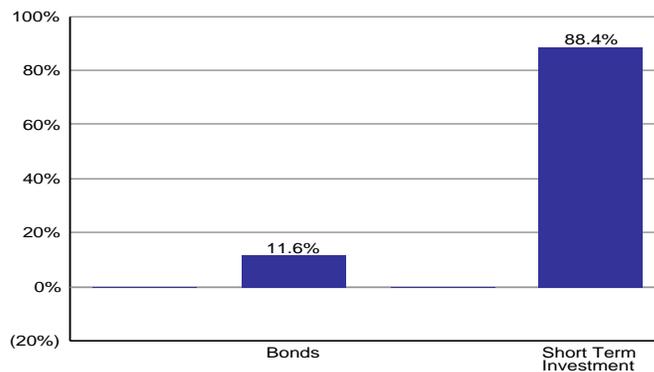
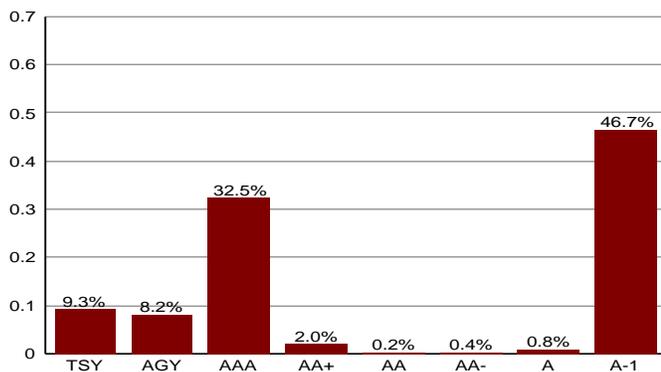
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
46999W014	TRI-PARTY REPO JP MORGAN 0.30% 2/AUG/2010	15.37%	0.30	2/8/2010
60699I340	TRI-PARTY REPO MIZUHO SECURITIES 0.19% 02/AUG/2010	13.16%	0.19	2/8/2010
313397C25	FEDERAL HOME LOAN MORTGAGE CORP 0% NTS 16/AUG/2010	6.14%	0.38	16/8/2010
15199S966	TRI-PARTY REPO DEUTSCHE BANK 0.15% 02/AUG/2010	3.99%	0.15	2/8/2010
912828ED8	US TREAS NTS 04.125% 15/AUG/2010	3.13%	4.12	15/8/2010
912795V57	UNITED STATES OF AMER TREAS BILLS 0% TB	3.07%	0.00	12/8/2010
85520MH22	STARBUCK FDG. CORP. CORPORATE COMMERCIAL PAPER	1.84%	0.00	2/8/2010
86257MSN1	STRAIGHT A FDG SLSTN	1.84%	0.00	6/10/2010
67983UHA4	OLD LINE FUNDING LLC CORPORATE COMMERCIAL PAPER	1.74%	0.00	10/8/2010
912828KH2	UNITED STATES TREAS NTS 0.875% 31/MAR/2011	1.55%	0.88	31/3/2011

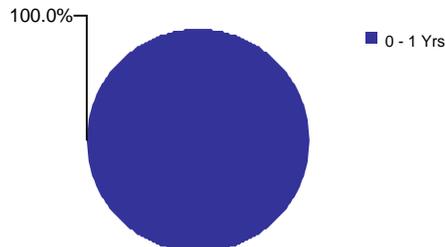
Quality/Rating Weightings

Sector Weightings (as % of Market Value)



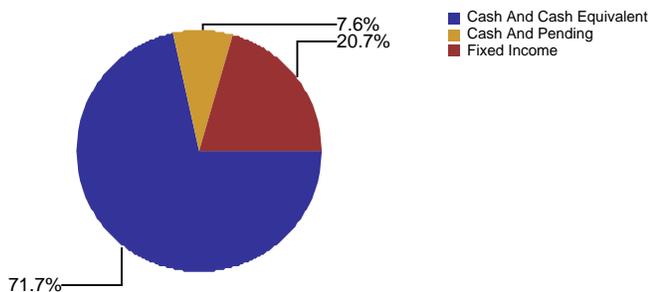
Portfolio Characteristics

Total Net Assets (Millions) **1,989.8**
 Weighted Average Life (Years) **0.10**
 Weighted Avg. Effective Duration (Years) **0.09**
 Weighted Average Maturity (Years) **0.09**
 Weighted Average Rating **AAA**
 Number of Holdings **23**



Asset Mix

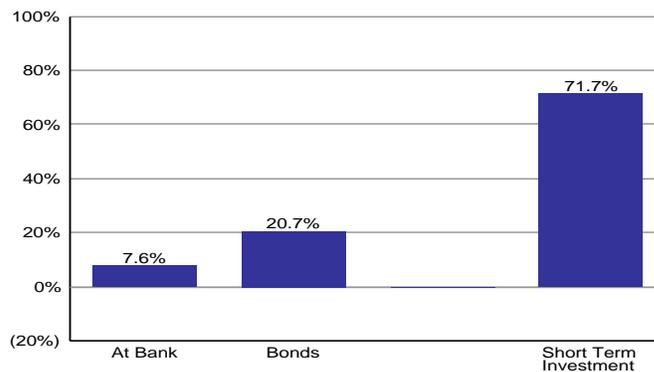
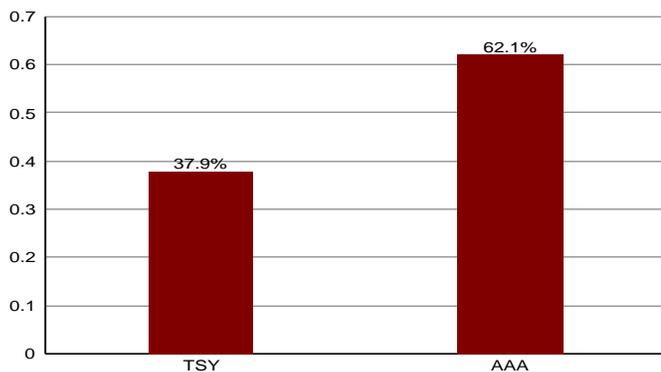
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
606991340	TRI-PARTY REPO MIZUHO SECURITIES 0.19% 02/AUG/2010	38.61%	0.19	2/8/2010
606991324	TRI-PARTY REPO MIZUHO SECURITIES 0.18% 02/AUG/2010	9.80%	0.18	2/8/2010
9128276J6	UNITED STATES TREAS NTS 05.75% 15/AUG/2010	7.75%	5.75	15/8/2010
912795V24	UNITED STATES TREAS BILLS DT	5.03%	0.00	5/8/2010
912795V65	UNITED STATES TREAS BILLS DT	5.03%	0.00	19/8/2010
912828JS0	UNITED STATES OF AMER TREAS BONDS 1.25% TB	2.53%	1.25	30/11/2010
912795V57	UNITED STATES OF AMER TREAS BILLS 0% TB	2.51%	0.00	12/8/2010
947327D	UNITED STATES ZERO 12/NOV/2010	2.51%	0.00	12/11/2010
947329D	UNITED STATES ZERO 26/NOV/2010	2.51%	0.00	26/11/2010
912795X30	UNITED STATES TREAS BILLS DT	2.51%	0.00	9/12/2010

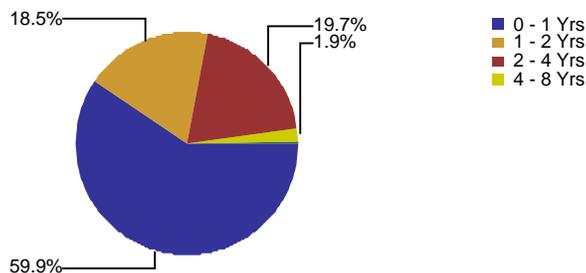
Quality/Rating Weightings

Sector Weightings (as % of Market Value)

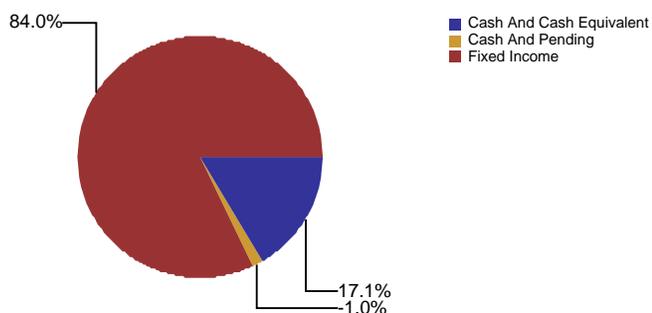


Portfolio Characteristics

Total Net Assets (Millions) **110.2**
 Weighted Average Life (Years) **1.78**
 Weighted Avg. Effective Duration (Years) **1.07**
 Weighted Average Rating **AAA**
 Number of Holdings **136**



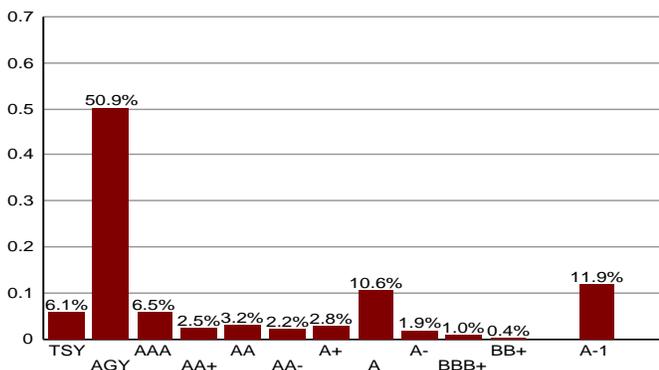
Asset Mix



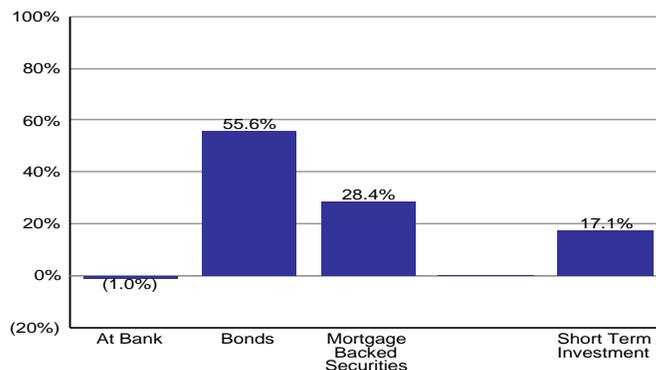
Top Ten Portfolio Holdings

Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
31418RFSS	FNMA MORTPASS 4.5% 01/MAR/2025 CI PN# AD3776	4.66%	4.50	1/3/2025
3128MMLB7	FHLMCGLD MORTPASS 4.5% 01/AUG/2024 G1 PN# G18321	4.60%	4.50	1/8/2024
3128X9KE9	FEDERAL HOME LOAN MORTGAGE CORP 3% MTN 05/NOV/2014	4.60%	3.00	5/11/2014
928989383	JP MORGAN U S GOVT MMF AGENCY SHARES	3.09%	0.03	31/12/2049
3133XXYX9	FEDERAL HOME LOAN BANKS 1.875% BDS 21/JUN/2013	2.80%	1.88	21/6/2013
31416B6K9	FNMA MORTPASS 4.5% 01/NOV/2021 CI PN# 995574	2.26%	4.50	1/11/2021
60699I340	TRI-PARTY REPO MIZUHO SECURITIES 0.19% 02/AUG/2010	2.11%	0.19	2/8/2010
31398AV33	FEDERAL NATIONAL MORTGAGE ASSOC 0.75% NTS	1.82%	0.75	30/12/2011
52952MJ27	LEXINGTON PKR CAP CO LL CORPORATE COMMERCIAL PAPER	1.81%	0.00	2/9/2010
3024A1K10	FCAR OWNER TRUST CORPORATE COMMERCIAL PAPER	1.81%	0.00	1/10/2010

Quality/Rating Weightings

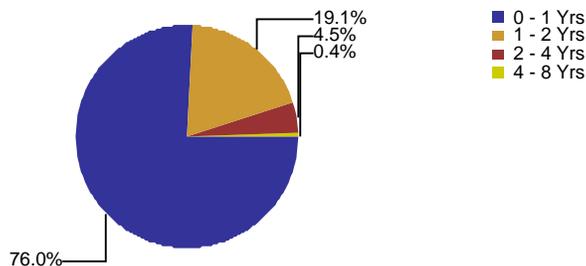


Sector Weightings (as % of Market Value)

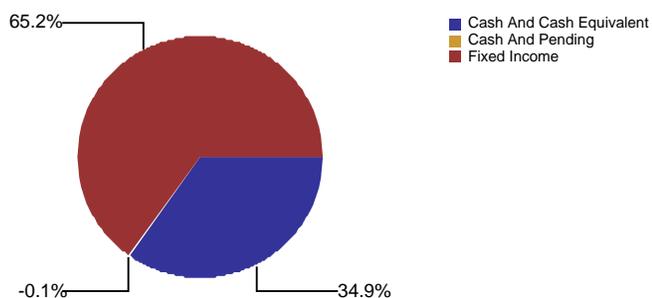


Portfolio Characteristics

Total Net Assets (Millions) **115.5**
 Weighted Average Life (Years) **0.99**
 Weighted Avg. Effective Duration (Years) **0.45**
 Weighted Average Rating **AAA**
 Number of Holdings **64**



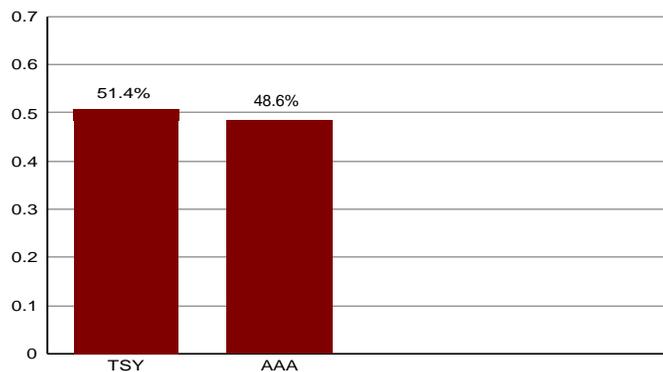
Asset Mix



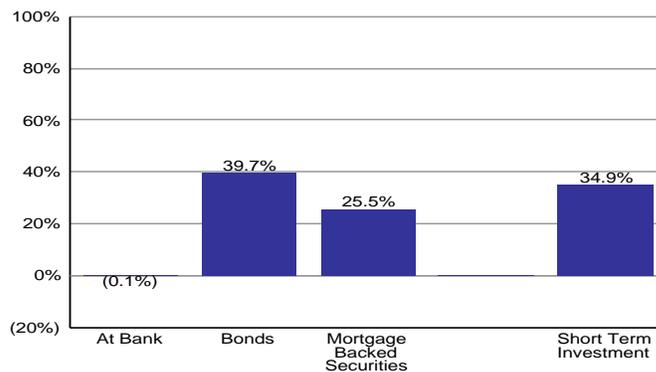
Top Ten Portfolio Holdings

Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
60699I340	TRI-PARTY REPO MIZUHO SECURITIES 0.19% 02/AUG/2010	25.97%	0.19	2/8/2010
938554N	FDIC - US BANK CD 0.38% 31/MAR/2011	6.50%	0.38	31/3/2011
36202FFH4	GNMA II MORTPASS 4.5% 20/APR/2025 SF PN# 004668	4.56%	4.50	20/4/2025
912828JL5	UNITED STATES TREAS NTS 02.000% 30/SEP/2010	4.37%	2.00	30/9/2010
912828JU0	UNITED STATES OF AMER TREAS NOTES 2.375% NTS	3.94%	2.38	31/8/2010
38376ETD7	GINNIE MAE 2009-108 WG 4.000% 20/SEP/2038	3.62%	4.00	20/9/2038
912828KL3	UNITED STATES TREAS NTS 0.875% 30/APR/2011	3.05%	0.88	30/4/2011
38374XWJ0	GINNIE MAE 2009-24 A 4.500% 20/MAR/2034	2.50%	4.50	20/3/2034
912828KV1	UNITED STATES TREAS NTS 02.250% 31/MAY/2014	2.26%	2.25	31/5/2014
912828EM8	US TREAS NTS 04.500% 15/NOV/2010	2.21%	4.50	15/11/2010

Quality/Rating Weightings



Sector Weightings (as % of Market Value)



**STATE AGENCY POOLS
PORTFOLIO YIELD ANALYSIS**
July 31, 2010

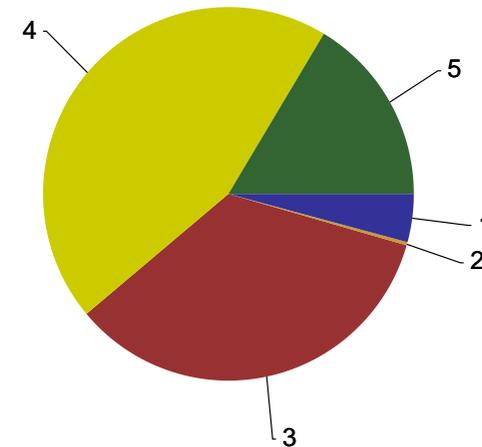
State Treasurer's Report
August 26, 2010
Page 9

FUND	DESCRIPTION	NET EARNINGS	NET YIELD
-----			-----
2	STATE AGENCIES I - FULL FAITH & CREDIT	905,109	1.0600%
3	STATE AGENCIES II - DIVERSIFIED	1,048,802	0.8000%
4	STATE AGENCIES IV-RESTRICTED DIVERSIFIED	354,618	0.7900%
12	CAWCD MEDIUM TERM	307,037	2.6800%
15	GADA	25,834	2.5000%

	TOTAL STATE AGENCIES	2,641,399	

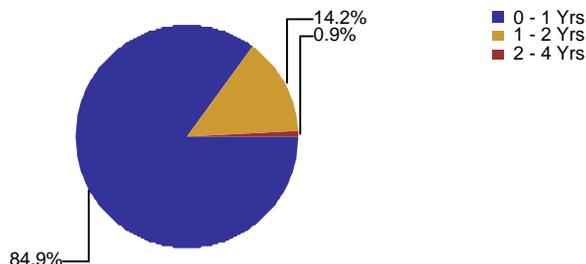
Manager Allocation - Monthly Arizona State Treasury (05509) As at July 2010

Pool Composite (00550904)			
Sr. No.	Account Name	Market Value(MIL)	Percent of Portfolio
1	State of Arizona - Pool 12 (CAWCD - Med Term) (10327500)	138.72	4.2%
2	State of Arizona - Pool 15 (GADA) (10327600)	12.47	0.4%
3	State of Arizona - Pool 2 (State Agency - FF&C) (10327000)	1,140.79	34.3%
4	State of Arizona - Pool 3 (State Agency - Diversified) (10327100)	1,491.08	44.8%
5	State of Arizona - Pool 4 (State Agency Rest Div) (10327200)	543.84	16.3%
TOTAL		3,326.90	100.0%



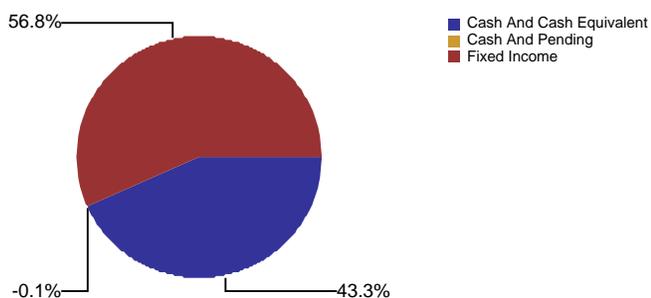
Portfolio Characteristics

Total Net Assets (Millions) **1,140.8**
 Weighted Average Life (Years) **0.69**
 Weighted Avg. Effective Duration (Years) **0.34**
 Weighted Average Rating **AAA**
 Number of Holdings **75**



Asset Mix

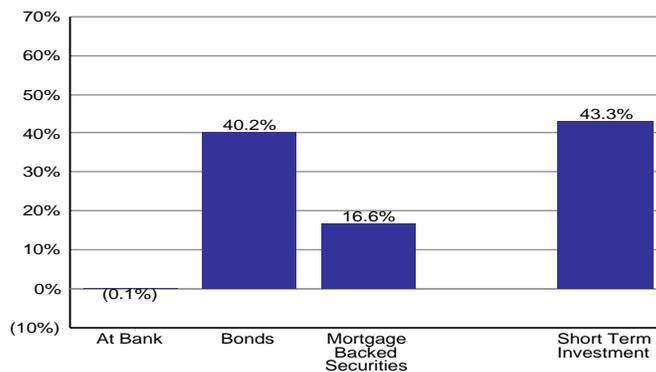
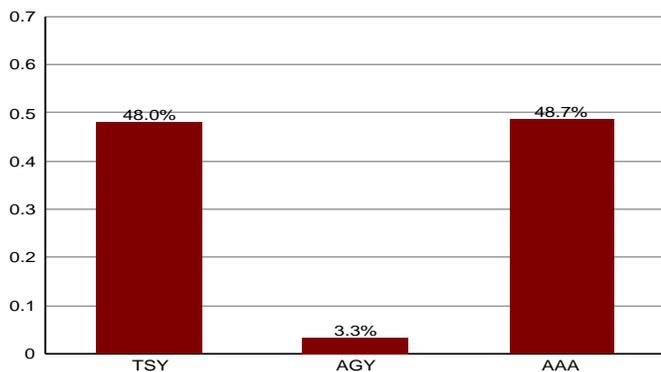
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
60699I340	TRI-PARTY REPO MIZUHO SECURITIES 0.19% 02/AUG/2010	31.91%	0.19	2/8/2010
912795U90	UNITED STATES TREAS BILLS DT	4.38%	0.00	23/9/2010
770839D	UNITED STATES ZERO 18/NOV/2010	4.38%	0.00	18/11/2010
912828LG3	UNITED STATES TREAS NTS 1% 31/JUL/2011	3.53%	1.00	31/7/2011
7591EAAA1	REGIONS BANK 2.75% BDS 10/DEC/2010 USD1000	2.66%	2.75	10/12/2010
38376XC92	GINNIE MAE 2010-31 TJ 4.000% 20/MAR/2021	1.85%	4.00	20/3/2021
912828FH8	US TREAS NTS 04.875% 31/MAY/2011	1.83%	4.88	31/5/2011
912828EX4	US TREAS NTS 04.500% 28/FEB/2011	1.83%	4.50	28/2/2011
912828ED8	US TREAS NTS 04.125% 15/AUG/2010	1.79%	4.12	15/8/2010
912828KP4	UNITED STATES TREAS NTS 1.375% 15/MAY/2012	1.77%	1.38	15/5/2012

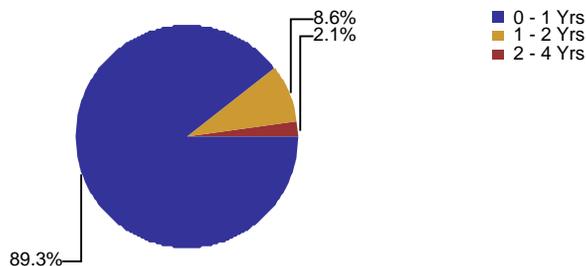
Quality/Rating Weightings

Sector Weightings (as % of Market Value)

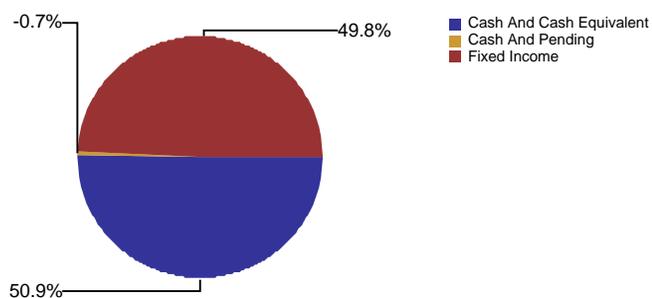


Portfolio Characteristics

Total Net Assets (Millions) **1,491.1**
 Weighted Average Life (Years) **0.81**
 Weighted Avg. Effective Duration (Years) **0.35**
 Weighted Average Rating **AA+**
 Number of Holdings **123**



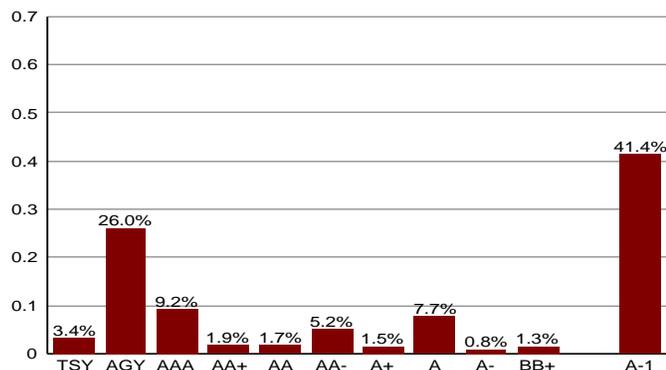
Asset Mix



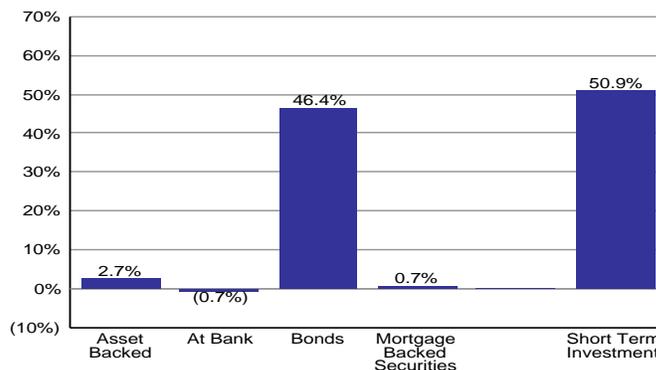
Top Ten Portfolio Holdings

Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
172967EG2	CITIGROUP INC VAR 13/AUG/2010	3.36%	0.57	13/8/2010
313397H46	FEDL HOME LN MTG CORP DISC NT MATURES 27/SEP/2006	3.35%	0.00	27/9/2010
60699I340	TRI-PARTY REPO MIZUHO SECURITIES 0.19% 02/AUG/2010	3.29%	0.19	2/8/2010
82124MHT0	SHEFFIELD RECEIVABLES CORP	2.68%	0.00	27/8/2010
313589G56	FED NATL MORT ASSC 0% 20/SEP/2010 NTS	2.61%	0.00	20/9/2010
3128X9XU9	FEDERAL HOME LOAN MORTGAGE CORP 0.00% BDS	2.02%	0.47	3/2/2012
85520MH22	STARIBIRD FDG. CORP. CORPORATE COMMERCIAL PAPER	2.01%	0.00	2/8/2010
59018YE72	MERRILL LYNCH & CO INC FLTG RATE NTS 05/JUN/2012	1.71%	0.77	5/6/2012
98137SH27	WORKING CAP. MAN. CO CORPORATE COMMERCIAL PAPER	1.68%	0.00	2/8/2010
52952MH29	LEXINGTON PKR CAP CO LL CORPORATE COMMERCIAL PAPER	1.68%	0.00	2/8/2010

Quality/Rating Weightings

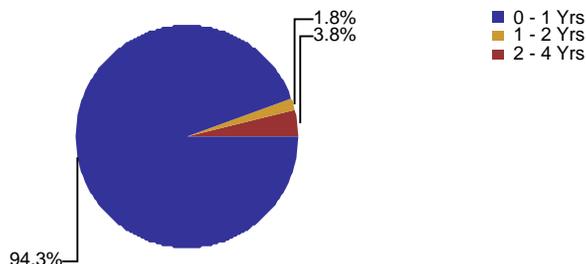


Sector Weightings (as % of Market Value)

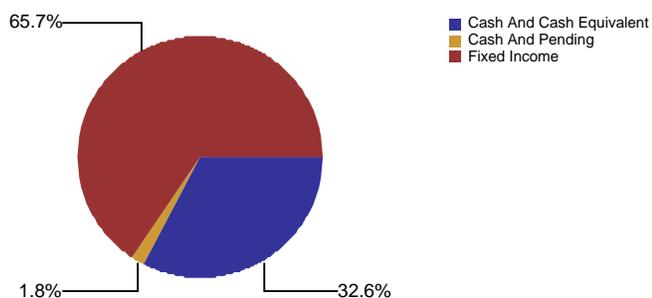


Portfolio Characteristics

Total Net Assets (Millions) **543.8**
 Weighted Average Life (Years) **1.19**
 Weighted Avg. Effective Duration (Years) **0.31**
 Weighted Average Rating **AGY**
 Number of Holdings **40**



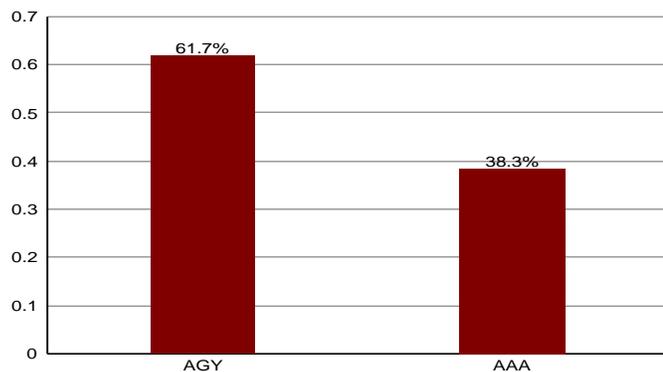
Asset Mix



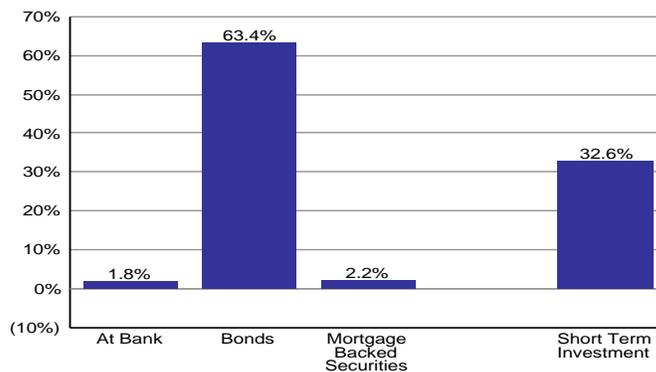
Top Ten Portfolio Holdings

Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
60699I340	TRI-PARTY REPO MIZUHO SECURITIES 0.19% 02/AUG/2010	13.23%	0.19	2/8/2010
46999W014	TRI-PARTY REPO JP MORGAN 0.30% 2/AUG/2010	10.12%	0.30	2/8/2010
313397H46	FEDL HOME LN MTG CORP DISC NT MATURES 27/SEP/2006	9.19%	0.00	27/9/2010
3128X9XU9	FEDERAL HOME LOAN MORTGAGE CORP 0.00% BDS	5.53%	0.47	3/2/2012
446436AB3	HUNTINGTN.NATL.BK FR GTD NT 01/JUN/2012 USD1000	4.65%	0.94	1/6/2012
31331XE40	FEDERAL FARM CREDIT BANKS 5.25% BDS 13/SEP/2010	2.89%	5.25	13/9/2010
481247AD6	JPMORGAN CHASE & CO 2.625% NTS 01/DEC/2010 USD1000	2.79%	2.62	1/12/2010
3136FMLX0	FEDERAL NATIONAL MORTGAGE ASSOC 1.1250% NTS	2.53%	1.12	26/4/2013
3133XMES6	FEDERAL HOME LOAN BANKS 4.375% BDS 22/OCT/2010	2.06%	4.38	22/10/2010
31398AME9	FEDERAL NATIONAL MORTGAGE ASSOC 4% BDS 28/JAN/2013	1.98%	4.00	28/1/2013

Quality/Rating Weightings

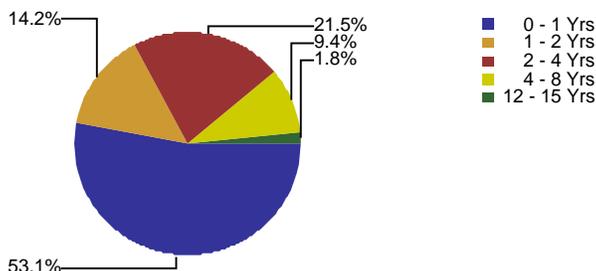


Sector Weightings (as % of Market Value)



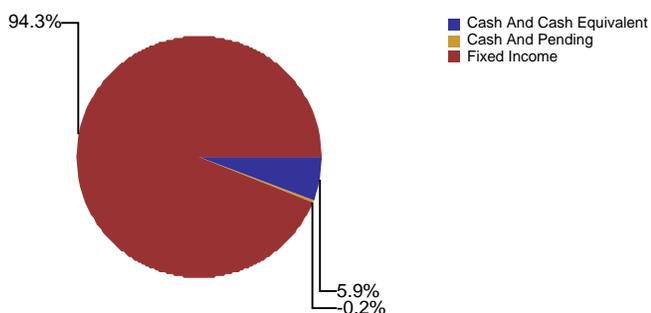
Portfolio Characteristics

Total Net Assets (Millions) **138.7**
 Weighted Average Life (Years) **4.60**
 Weighted Avg. Effective Duration (Years) **1.76**
 Weighted Average Rating **AA+**
 Number of Holdings **85**



Asset Mix

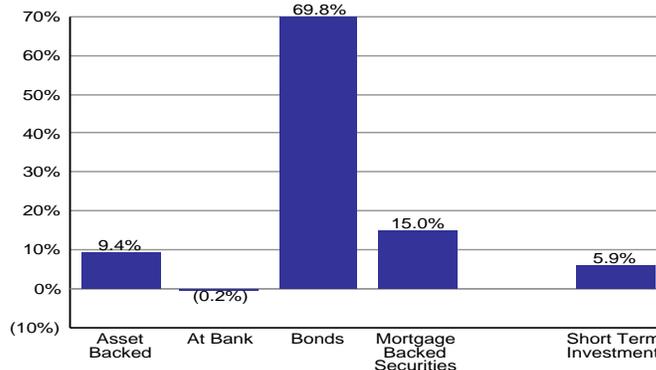
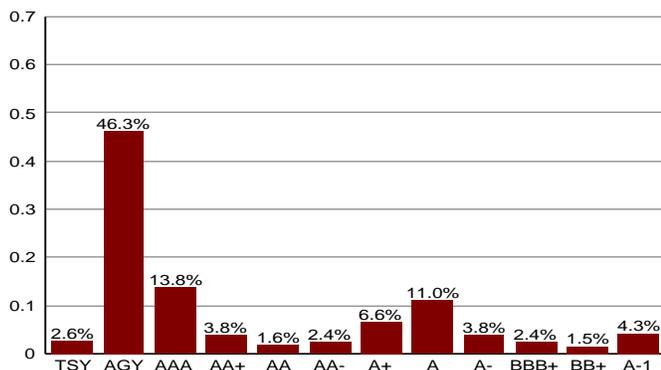
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
06423RBK1	BANK ONE ISSUANCE TRUST SER 2004-A3 CL A3	3.58%	0.51	15/2/2017
31398AYW6	FEDERAL NATIONAL MORTGAGE ASSOC 3.5% BDS	2.93%	3.50	25/8/2014
084664BG5	BERKSHIRE HATHAWAY FINANCE CORP 5% GTD SNR NTS	2.46%	5.00	15/8/2013
3128X77G3	FEDERAL HOME LOAN MORTGAGE CORP 4.25% BDS	2.27%	4.25	12/12/2018
250847DS6	DETROIT EDISON CO 6.125% BDS 01/OCT/2010 USD1000	2.04%	6.12	1/10/2010
58013MEC4	MCDONALD'S CORP 6.3% BDS 15/OCT/2037 USD1000	1.78%	6.30	15/10/2037
110122AR9	BRISTOL MYERS SQUIBB 5.45% BDS 01/MAY/2018 USD2000	1.68%	5.45	1/5/2018
20825CAS3	CONOCOPHILLIPS AUSTRALIA FUNDING CO 4.75% NTS	1.62%	4.75	1/2/2014
928989383	JP MORGAN U S GOVT AGENCY SHARES	1.62%	0.03	31/12/2049
31393MGQ8	FREDDIE MAC 2585 CJ MAC 4.500% 15/DEC/2032	1.61%	4.50	15/12/2032

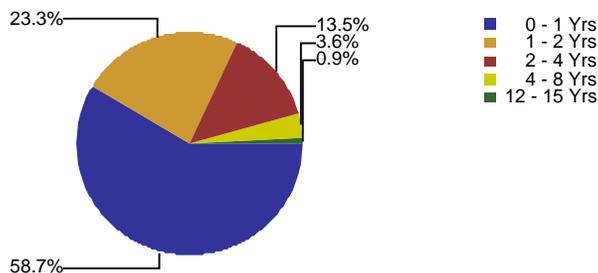
Quality/Rating Weightings

Sector Weightings (as % of Market Value)

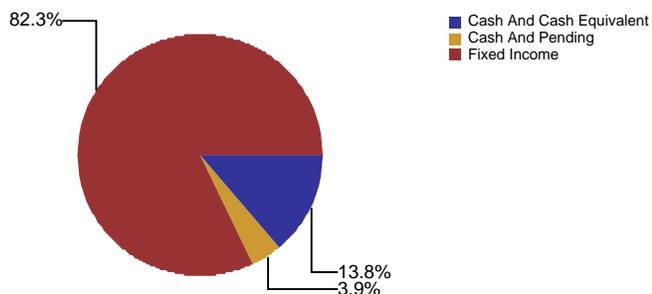


Portfolio Characteristics

Total Net Assets (Millions) **12.5**
 Weighted Average Life (Years) **3.25**
 Weighted Avg. Effective Duration (Years) **1.21**
 Weighted Average Rating **AAA**
 Number of Holdings **25**



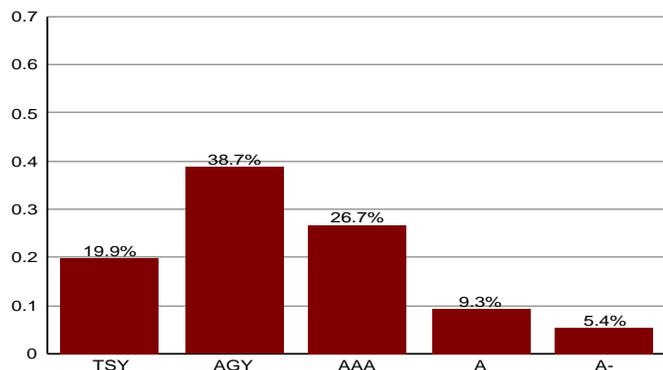
Asset Mix



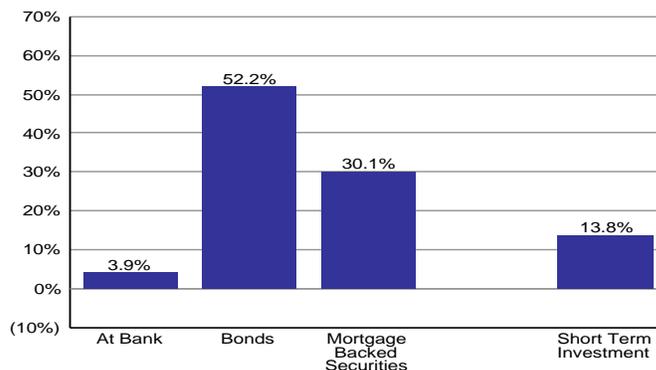
Top Ten Portfolio Holdings

Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
928989383	JP MORGAN U S GOVT AGENCY SHARES	13.82%	0.03	31/12/2049
31294KTB1	FEDERAL HOME LN MTG CORP GOLD POOL # EO1446 DTD	8.26%	4.50	1/9/2018
36241KJZ2	GNMA I MORTPASS 4.5% 15/FEB/2021 JP PN# 782080	6.57%	4.50	15/2/2021
38376JFP4	GINNIE MAE 2009-106 HA 4.000% 16/NOV/2039	6.18%	4.00	16/11/2039
10138MAH8	BOTTLING GROUP 6.95% SNR NTS 15/MAR/2014 USD1000	4.86%	6.95	15/3/2014
31396WBV7	FEDERAL NATL MTG ASSOC 5.5% 25/JUN/2027 SER	4.55%	5.50	25/6/2027
5526E2AC3	MBNA AMERICA BANK NA 7.125% 15/NOV/2012	4.44%	7.12	15/11/2012
3128X77G3	FEDERAL HOME LOAN MORTGAGE CORP 4.25% BDS	4.20%	4.25	12/12/2018
31398AZJ4	FEDERAL NATIONAL MORTGAGE ASSOC 3.125% NTS	4.07%	3.12	29/9/2014
31398AZW5	FEDERAL NATIONAL MORTGAGE ASSOC 3.25% NTS	4.07%	3.25	17/11/2014

Quality/Rating Weightings



Sector Weightings (as % of Market Value)



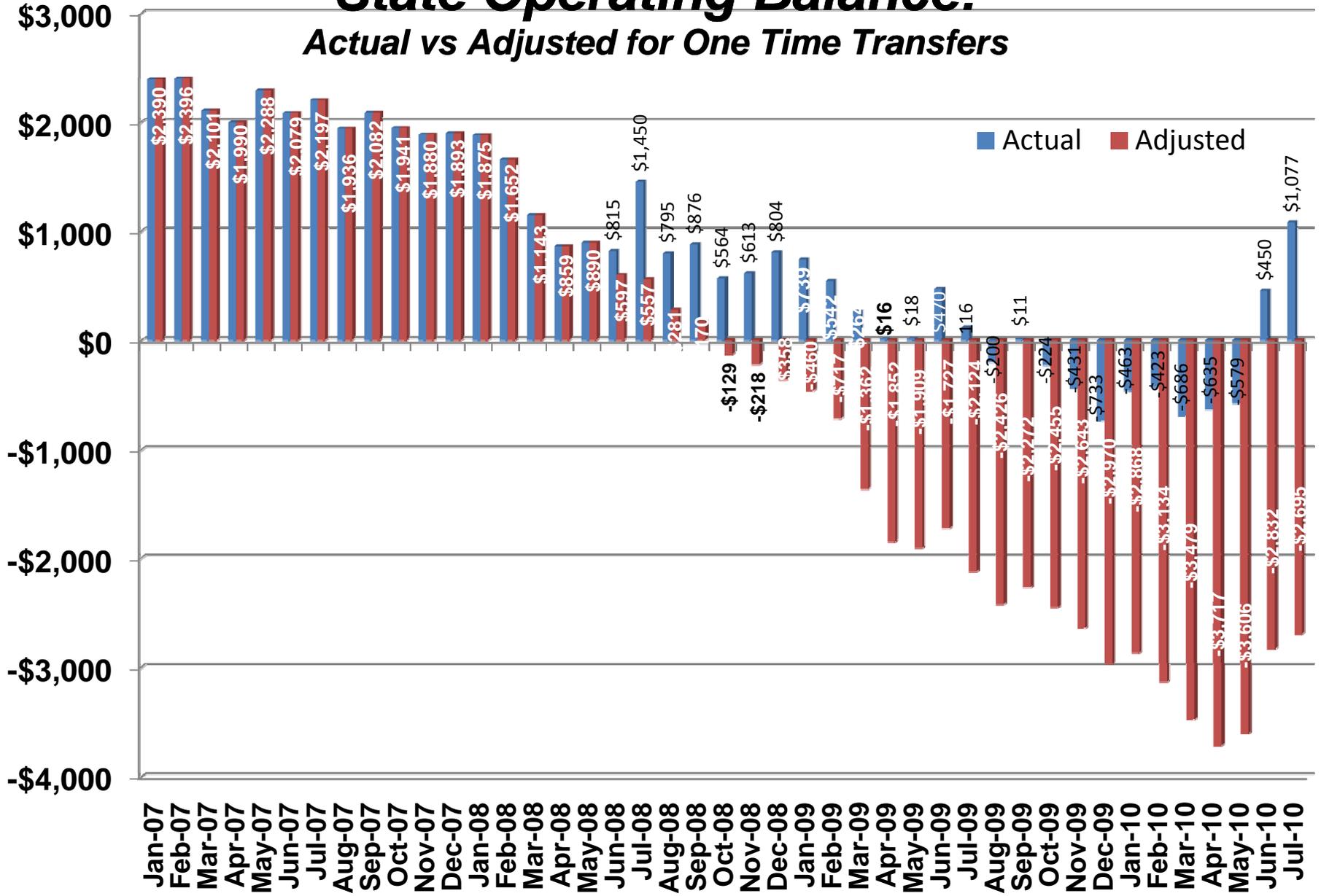
OPERATING MONIES
AVERAGE INVESTED BALANCE
Through July 31, 2010
(in millions of dollars)

State Treasurer's Report
August 26, 2010
Page 16

<u>Month</u>	<u>Fiscal Year</u> <u>2008/2009</u>	<u>Fiscal Year</u> <u>2009/2010</u>	<u>Fiscal Year</u> <u>2010/2011</u>
JULY	1,450	116	1,077
AUGUST	795	(200)	
SEPTEMBER	876	11	
OCTOBER	564	(224)	
NOVEMBER	613	(431)	
DECEMBER	804	(733)	
JANUARY	739	(463)	
FEBRUARY	542	(423)	
MARCH	264	(686)	
APRIL	16	(635)	
MAY	18	(579)	
JUNE	470	450	
Y-T-D			
Average	\$596	(\$316)	\$1,077

State Operating Balance:

Actual vs Adjusted for One Time Transfers



ENDOWMENT FUNDS
PORTFOLIO YIELD ANALYSIS
July 31, 2010

State Treasurer's Report
August 26, 2010
Page 18

FUND	DESCRIPTION	NET EARNINGS	NET YIELD
205	ENDOWMENTS - FIXED INCOME	4,301,992	5.55%
	TOTAL ENDOWMENTS - FIXED INCOME	4,301,992	

NET REALIZED CAPITAL GAINS / LOSSES - ENDOWMENT FUNDS

Endowment Fund -----	Jul-10 NET GAIN(LOSS) -----	FISCAL YTD GAINS(LOSSES) -----
Fixed Income Pool Net Gain (Loss)	(180,367)	(180,367)
Equity Pool (500) Net Gain (Loss)	123,822	123,822
Equity Pool (400) Net Gain (Loss)	1,115,378	1,115,378
Totals	1,058,833 =====	1,058,833 =====

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

State Treasurer's Report
 August 26, 2010
 Page 20

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	5.75	9/1/2032	7.73	\$3,262,241	\$3,608,469	4.05%	Aaa/AAA
US TREASURY NOTE	4.25	11/15/2017	N/A	\$5,000,000	\$5,649,363	2.43%	Aaa/AAA
SAFEWAY	6.50	3/1/2011	N/A	\$5,155,000	\$5,451,779	1.12%	Baa2/BBB

TOTAL ENDOWMENT FUNDS PURCHASES	\$13,417,241	\$14,709,611
--	--------------	--------------

II. Endowment Funds Sales

<u>SECURITY DESCRIPTION</u>	<u>RATE</u>	<u>MATURITY</u>	<u>PAR VALUE</u>	<u>AMORTIZED COST/PROCEEDS</u>	<u>SALES GAINS/(LOSSES)</u>	<u>MOODY'S / S&P RATING</u>
TOTAL ENDOWMENT FUNDS SALES			\$0	\$0	\$0	

*WAL is the weighted average life of the security based on the Bloomberg calculation at the time the trade is executed. The calculation is used only with mortgage-backed pass-through/CMO securities.

EQUITY FUNDS
PURCHASES & SALES
Month of July 2010

State Treasurer's Report
August 26, 2010
Page 21

I. Equity Fund Purchases

	<u>SHARES</u>	<u>PURCHASE COST</u>	<u>COMMISSIONS</u>
S&P 400 Mid-Cap Fund	96,000	\$4,200,792	\$1,440
S&P 500 Large-Cap Fund	278,534	\$11,444,877	\$3,716
TOTAL EQUITY PURCHASES	374,534	\$15,645,668	\$5,156

II. Equity Funds Sales

	<u>SHARES</u>	<u>SALES AMOUNT</u>	<u>COMMISSIONS</u>
S&P 400 Mid-Cap Fund	11,349	\$684,060	\$88
S&P 500 Large-Cap Fund	23,349	\$2,307,808	\$350
TOTAL EQUITY SALES	34,698	\$2,991,867	\$439

ENDOWMENT FUNDS
INVESTMENTS OUTSTANDING
 JULY 31, 2010
 (In Thousands)

State Treasurer's Report
 August 26, 2010
 Page 22

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>	2,560	2,327	2,478	152	
<i>Shares in Mid-Cap 400 Equity Fund</i>	821	797	1,331	534	
<i>Shares in Fixed Income Fund</i>	2,770	3,123	4,605	1,482	
Total	6,151	6,247	8,414	2,168	1.347
102 State Hospital					
<i>Shares in S&P 500 Index Fund</i>	1,644	1,418	1,592	174	
<i>Shares in Mid-Cap 400 Equity Fund</i>	459	485	743	258	
<i>Shares in Fixed Income Fund</i>	1,612	1,903	2,680	777	
Total	3,715	3,806	5,015	1,209	1.318
103 Leg., Exec., & Jud.					
<i>Shares in S&P 500 Index Fund</i>	1,949	1,905	1,887	(18)	
<i>Shares in Mid-Cap 400 Equity Fund</i>	627	652	1,016	364	
<i>Shares in Fixed Income Fund</i>	2,298	2,557	3,820	1,263	
Total	4,874	5,114	6,723	1,609	1.315
104 Military Institute					
<i>Shares in S&P 500 Index Fund</i>	132	131	128	(3)	
<i>Shares in Mid-Cap 400 Equity Fund</i>	46	45	74	29	
<i>Shares in Fixed Income Fund</i>	163	176	271	96	
Total	341	352	474	122	1.346
105 Miners Hospital					
<i>Shares in S&P 500 Index Fund</i>	4,130	4,012	3,999	(13)	
<i>Shares in Mid-Cap 400 Equity Fund</i>	1,129	1,373	1,830	457	
<i>Shares in Fixed Income Fund</i>	4,124	5,385	6,855	1,470	
Total	9,383	10,770	12,684	1,914	1.178

ENDOWMENT FUNDS
INVESTMENTS OUTSTANDING
 JULY 31, 2010
 (In Thousands)

State Treasurer's Report
 August 26, 2010
 Page 23

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>	909	854	880	26	
<i>Shares in Mid-Cap 400 Equity Fund</i>	271	292	440	148	
<i>Shares in Fixed Income Fund</i>	974	1,146	1,618	473	
Total	2,154	2,291	2,938	647	1.282
108 Penitentiaries					
<i>Shares in S&P 500 Index Fund</i>	3,272	2,957	3,168	211	
<i>Shares in Mid-Cap 400 Equity Fund</i>	942	1,012	1,527	514	
<i>Shares in Fixed Income Fund</i>	3,272	3,969	5,438	1,469	
Total	7,485	7,938	10,132	2,194	1.276
109 Permanent Common School					
<i>Shares in S&P 500 Index Fund</i>	847,943	815,928	820,975	5,047	
<i>Shares in Mid-Cap 400 Equity Fund</i>	234,118	279,277	379,517	100,240	
<i>Shares in Fixed Income Fund</i>	864,320	1,095,206	1,436,694	341,489	
Total	1,946,381	2,190,411	2,637,186	446,775	1.204
110 School for Deaf & Blind					
<i>Shares in S&P 500 Index Fund</i>	1,314	1,243	1,272	29	
<i>Shares in Mid-Cap 400 Equity Fund</i>	405	426	656	231	
<i>Shares in Fixed Income Fund</i>	1,463	1,669	2,432	763	
Total	3,182	3,338	4,361	1,023	1.307
111 School of Mines					
<i>Shares in S&P 500 Index Fund</i>	2,892	2,807	2,800	(7)	
<i>Shares in Mid-Cap 400 Equity Fund</i>	877	961	1,422	461	
<i>Shares in Fixed Income Fund</i>	3,173	3,769	5,274	1,505	
Total	6,942	7,537	9,496	1,959	1.260

ENDOWMENT FUNDS
INVESTMENTS OUTSTANDING
 JULY 31, 2010
 (In Thousands)

State Treasurer's Report
 August 26, 2010
 Page 24

FUND NAME OF FUND	SHARES OUTSTANDING	BOOK VALUE	MARKET VALUE	UNREALIZED GAINS (LOSSES)	Mkt Value/ Book Value
112 State Charitable					
<i>Shares in S&P 500 Index Fund</i>	30,045	27,988	29,090	1,102	
<i>Shares in Mid-Cap 400 Equity Fund</i>	7,871	9,580	12,759	3,179	
<i>Shares in Fixed Income Fund</i>	29,323	37,568	48,741	11,173	
Total	67,239	75,136	90,590	15,454	1.206
113 University Fund					
<i>Shares in S&P 500 Index Fund</i>	4,766	4,562	4,615	52	
<i>Shares in Mid-Cap 400 Equity Fund</i>	1,426	1,562	2,312	750	
<i>Shares in Fixed Income Fund</i>	5,202	6,125	8,646	2,521	
Total	11,394	12,250	15,573	3,324	1.271
114 U Of A Land - 1881					
<i>Shares in S&P 500 Index Fund</i>	10,120	9,673	9,798	126	
<i>Shares in Mid-Cap 400 Equity Fund</i>	3,080	3,311	4,993	1,682	
<i>Shares in Fixed Income Fund</i>	11,186	12,983	18,593	5,609	
Total	24,386	25,967	33,384	7,417	1.286
TOTALS - ALL FUNDS					
<i>Shares in S&P 500 Index Fund</i>	911,676	875,805	882,681	6,877	
<i>Shares in Mid-Cap 400 Equity Fund</i>	252,072	299,773	408,621	108,848	
<i>Shares in Fixed Income Fund</i>	929,880	1,175,580	1,545,669	370,089	
Grand Total	2,093,627	2,351,158	2,836,971	485,813	

ASSET ALLOCATION PERCENTAGE

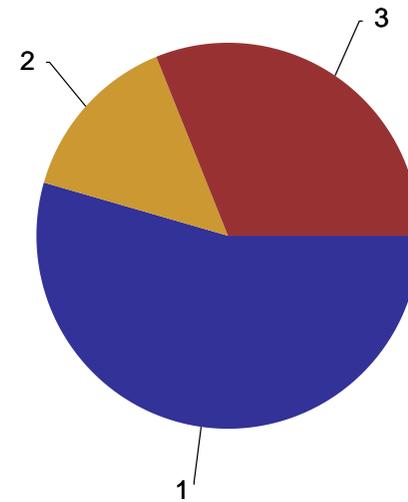
	SHARES OUTSTANDING	BOOK VALUE	MARKET VALUE
<i>Shares in S&P 500 Index Fund</i>	43.55%	37.25%	31.11%
<i>Shares in Mid-Cap 400 Equity Fund</i>	12.04%	12.75%	14.40%
<i>Shares in Fixed Income Fund</i>	44.41%	50.00%	54.48%
Total	100.00%	100.00%	100.00%

Performance Worksheet
Arizona State Treasury (05509)
As At July 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	818,000,264.56	882,681,380.34	7,471,896	7.00	(6.67)	(0.04)	7.00	13.85	(6.59)	(0.25)	(0.97)	07/01/1999
10327900	S&P 400 Pool	379,798,306.96	408,620,555.49	2,557,494	6.92	(7.05)	4.55	6.92	21.50	(3.00)	2.02	5.82	08/01/2001
10328000	Pool 205	1,524,049,011.41	1,545,668,739.42	10,026,861	0.76	2.79	5.23	0.76	7.31	7.20	5.90	6.33	07/01/1999
00550902	Total Endowment Fund Composite	2,721,847,582.93	2,836,970,675.25	20,056,251	3.49	(1.80)	3.46	3.49	11.18	0.83	3.65	4.51	07/01/1999

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

Total Endowment Fund Composite (00550902)			
Sr. No.	Account Name	Market Value(MIL)	Percent of Portfolio
1	Pool 205 (10328000)	1,545.67	54.5%
2	S&P 400 Pool (10327900)	408.62	14.4%
3	S&P 500 Pool (10327800)	882.68	31.1%
	TOTAL	2,836.97	100.0%

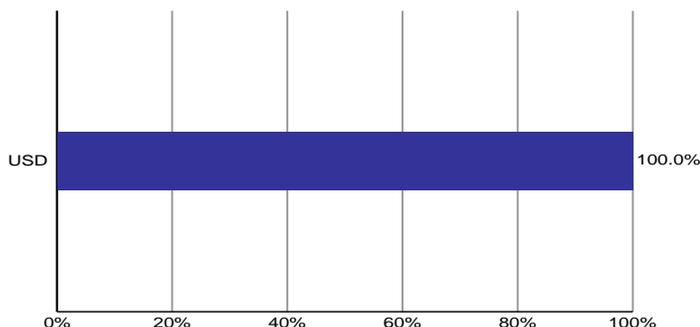


Portfolio Characteristics				Risk Measures			
Total Asset Value (in Millions)	882.7			Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Since Inception
P/E Ratio	17.29			0.16	0.27	0.44	1.81
Price to Book Ratio	3.28		Tracking Error	0.06	0.70	(0.18)	(0.43)
Dividend Yield (%)	2.02		Information Ratio	16.57	21.03	16.89	16.32
Return on Equity (%)	16.56		Std Deviation of Port.	16.67	21.15	17.04	16.18
Sales Growth (%)	10.25		Std Deviation of Bench.	0.83	(0.38)	(0.18)	(0.24)
Market Capitalization (\$ Billions)	76,999.11		Sharpe Ratio of Port.	0.82	(0.39)	(0.17)	(0.19)
Earnings per Share (\$)	3.31		Sharpe Ratio of Bench.	1.00	1.00	1.00	0.99
Number of Holdings	501		R-Squared	0.09	0.14	(0.10)	(0.76)
			Jensen's Alpha				

Top Ten Portfolio Holdings

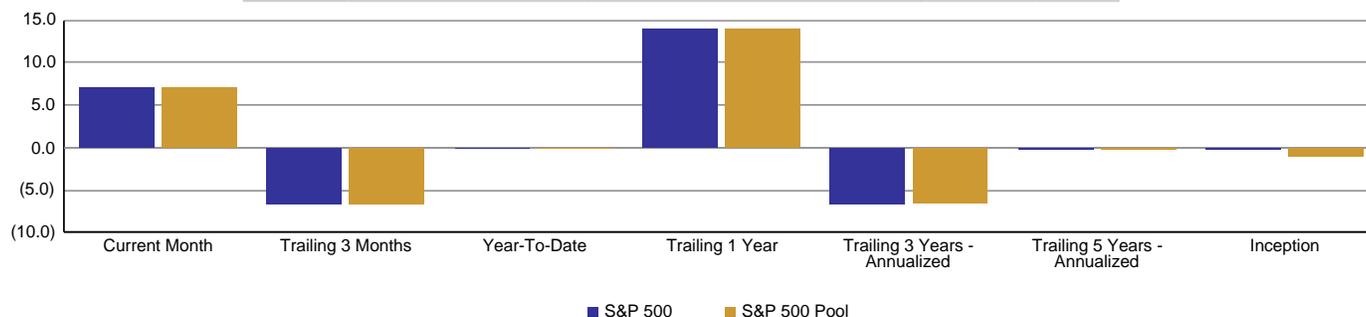
Security ID	Security Name	% of Assets
30231G102	EXXON MOBIL CORP COM STK NPV	2.97%
78462F103	SPDR S&P 500 ETF TRUST	2.64%
037833100	APPLE INC COM STK NPV	2.28%
594918104	CFD MICROSOFT CORP	1.92%
742718109	PROCTER & GAMBLE CO COM STK NPV	1.73%
369604103	CFD GENERAL ELECTRIC	1.68%
459200101	INTERNATIONAL BUS MACH CORP COM STK USD0.20	1.61%
46625H100	JPMORGAN CHASE & CO COM STK USD1	1.56%
478160104	JOHNSON & JOHNSON COM STK USD1	1.56%
00206R102	AT&T INC COM STK USD1	1.52%

Top Ten Currency Weights

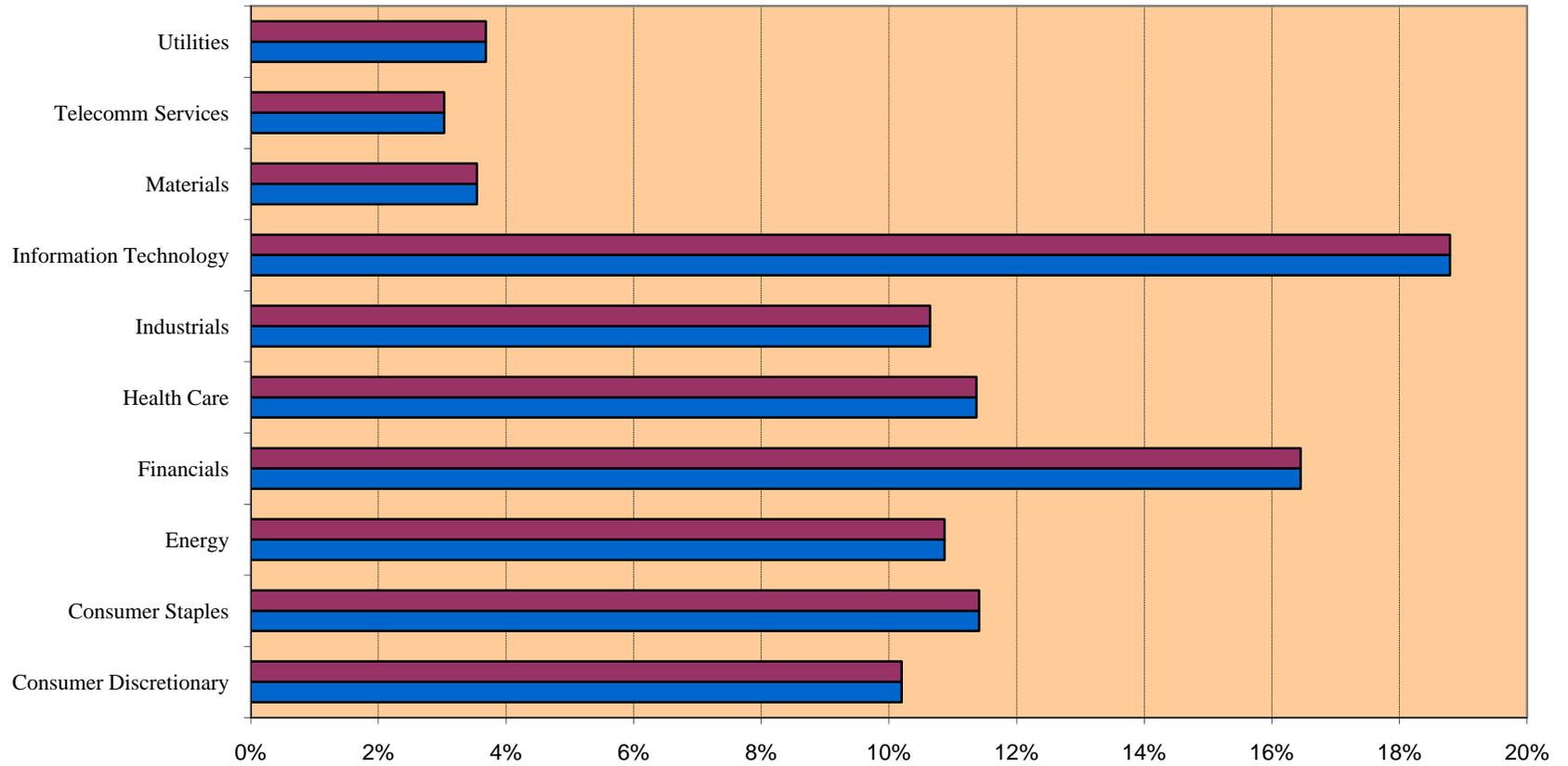


Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
S&P 500 Pool	7.00	(6.67)	(0.04)	13.85	(6.59)	(0.25)	(0.97)
S&P 500	7.01	(6.69)	(0.11)	13.84	(6.78)	(0.17)	(0.20)
Excess	(0.01)	0.02	0.08	0.01	0.19	(0.08)	(0.77)



**STATE OF ARIZONA
POOL 201 (S&P 500)
As of July 31, 2010**



	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Information Technology	Materials	Telecomm Services	Utilities
■ S&P 500 Index	10.20%	11.41%	10.87%	16.45%	11.37%	10.64%	18.79%	3.55%	3.03%	3.69%
■ STATE OF ARIZONA - POOL 201	10.20%	11.41%	10.87%	16.45%	11.37%	10.64%	18.79%	3.55%	3.03%	3.69%

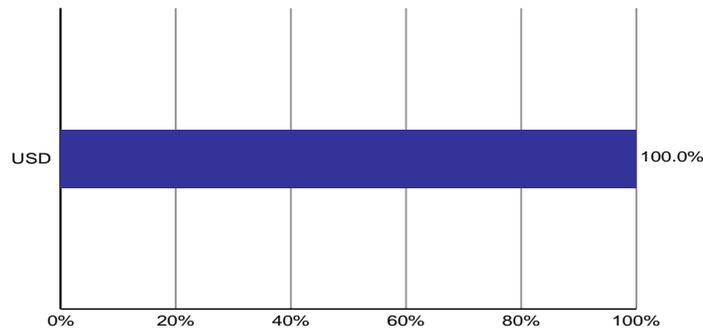
S&P 500 Index
 STATE OF ARIZONA - POOL 201

Portfolio Characteristics		Risk Measures			
Total Asset Value (in Millions)	408.6	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Since Inception
P/E Ratio	21.15	1.20	2.65	2.15	2.27
Price to Book Ratio	2.92	Information Ratio	(1.10)	(0.24)	(0.24)
Dividend Yield (%)	1.40	Std Deviation of Port.	18.64	23.97	19.40
Return on Equity (%)	9.29	Std Deviation of Bench.	19.13	25.07	20.32
Sales Growth (%)	9.76	Sharpe Ratio of Port.	1.15	(0.19)	(0.04)
Market Capitalization (\$ Billions)	2,959.34	Sharpe Ratio of Bench.	1.19	(0.15)	(0.01)
Earnings per Share (\$)	2.06	R-Squared	1.00	0.99	0.99
Number of Holdings	401	Jensen's Alpha	(0.70)	(0.83)	(0.53)
					0.20

Top Ten Portfolio Holdings

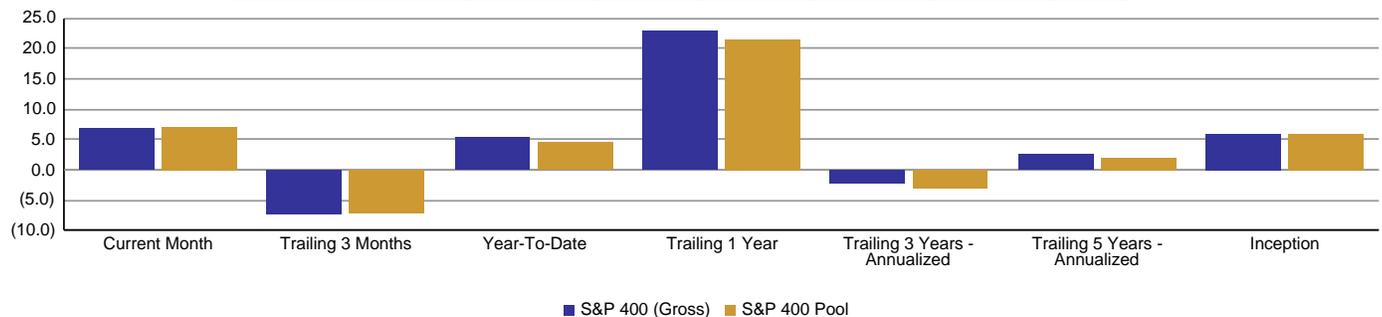
Security ID	Security Name	% of Assets
78467Y107	SPDR S&P MIDCAP 400 ETF TRUST	5.25%
225447101	CREE INC COM STK USD0.005	0.77%
649445103	NEW YORK COMMUNITY BANCORP INC COM STK USD0.01	0.76%
651290108	NEWFIELD EXPLORATION CO COM STK USD0.01	0.72%
315616102	F5 NETWORK INC COM STK USD0.01	0.71%
92532F100	VERTEX PHARMACEUTICAL COM STK USD0.01	0.69%
28176E108	EDWARDS LIFESCIENCES CORP COM STK USD1	0.66%
549271104	LUBRIZOL CORP COM STK NPV	0.64%
481165108	JOY GLOBAL INC COM STK USD1	0.62%
171798101	CIMAREX ENERGY CO COM STK USD0.01	0.58%

Top Ten Currency Weights

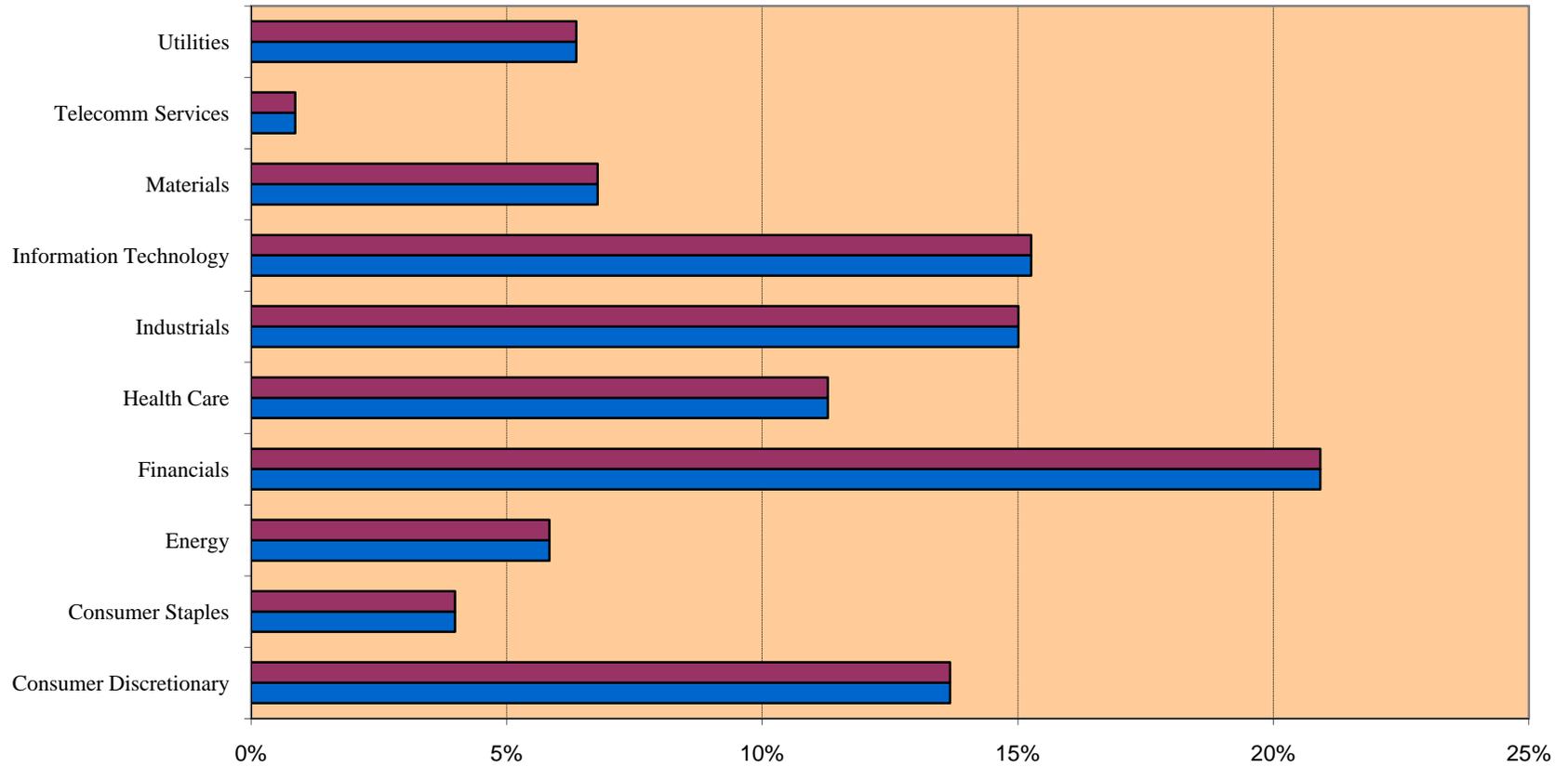


Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
S&P 400 Pool	6.92	(7.05)	4.55	21.50	(3.00)	2.02	5.82
S&P 400 (Gross)	6.91	(7.29)	5.45	22.82	(2.36)	2.54	5.87
Excess	0.01	0.24	(0.90)	(1.32)	(0.64)	(0.52)	(0.04)



**STATE OF ARIZONA
POOL 203 (S&P MIDCAP 400)
As of July 31, 2010**

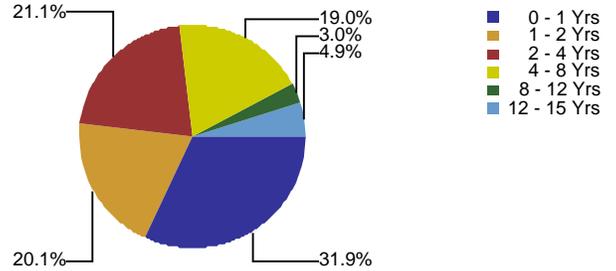


	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Information Technology	Materials	Telecomm Services	Utilities
■ S&P MIDCAP 400	13.68%	3.99%	5.84%	20.92%	11.29%	15.01%	15.26%	6.78%	0.87%	6.37%
■ STATE OF ARIZONA - POOL 203	13.68%	3.99%	5.84%	20.92%	11.29%	15.01%	15.26%	6.78%	0.87%	6.37%

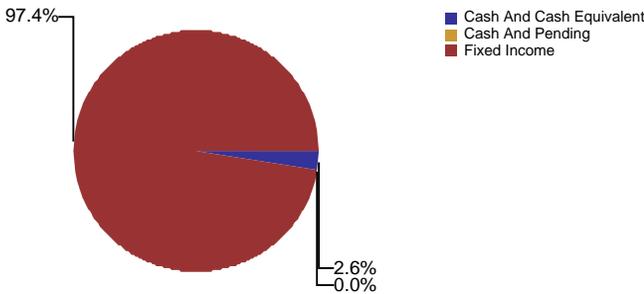
■ S&P MIDCAP 400
 ■ STATE OF ARIZONA - POOL 203

Portfolio Characteristics

Total Net Assets (Millions) **1,545.7**
 Weighted Average Life (Years) **4.73**
 Weighted Avg. Effective Duration (Years) **2.89**
 Weighted Average Coupon (%) **4.60**
 Weighted Average Current Yield (%) **1.54**
 Weighted Average Yield to Maturity (%) **1.65**
 Weighted Average Rating **AA+**
 Number of Holdings **255**



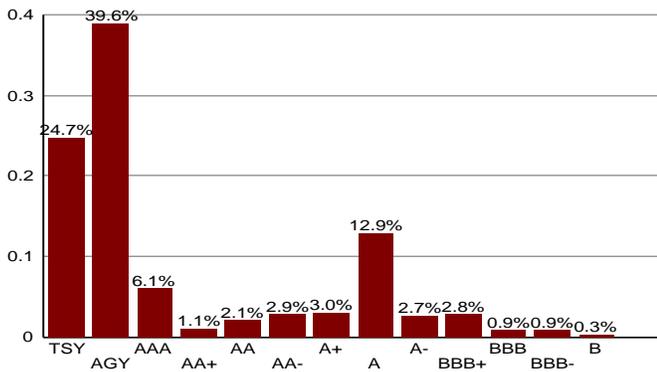
Asset Mix



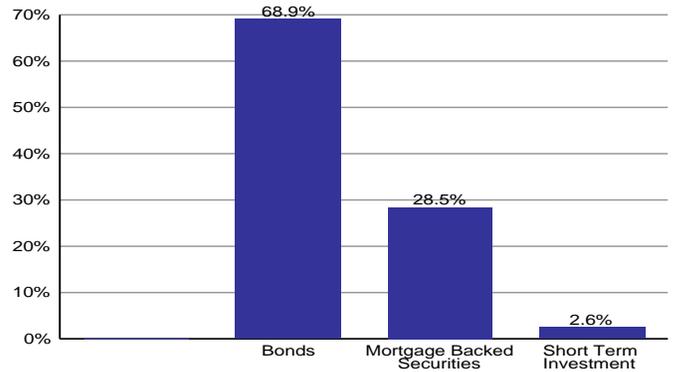
Top Ten Portfolio Holdings

Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
539992AA5	LOCAL GOVERNMENT INVESTMENT POOL	2.60%	0.00	31/12/2049
31359MQV8	FEDERAL NATIONAL MORTGAGE ASSOC 4.75% BDS	1.45%	4.75	21/2/2013
92343VAN4	VERIZON COMMUNICATIONS INC 5.25% NTS 15/APR/2013	1.05%	5.25	15/4/2013
912828FK1	US TREAS NTS 05.125% 30/JUN/2011	1.02%	5.12	30/6/2011
931142BV4	WAL MART STORES 931142BV4 4.125% 15/FEB/2011	1.01%	4.12	15/2/2011
912810DZ8	USA TREASURY BDS 8.875% BDS 15/AUG/2017 USD1000	0.95%	8.88	15/8/2017
912810ED6	USA TREASURY BDS 8.125% BDS15/AUG/2019 USD1000	0.95%	8.12	15/8/2019
92343VAM6	VERIZON COMMUNICATIONS INC 6.1% NTS 15/APR/2018	0.76%	6.10	15/4/2018
59562VAT4	MIDAMERICAN ENERGY HLDGS 5.75% SNR NTS 01/APR/2018	0.75%	5.75	1/4/2018
20825CAP9	CONOCOPHILLIPS 5.9% BDS 15/MAY/2038 USD1000	0.74%	5.90	15/5/2038

Quality/Rating Weightings

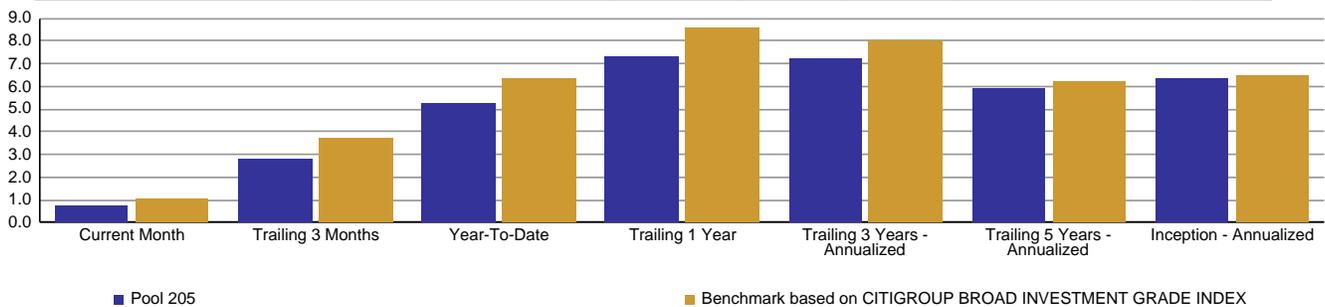


Sector Weightings (as % of Market Value)



Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
Pool 205	0.76	2.79	5.23	7.31	7.20	5.90	6.33
Benchmark based on CITIGROUP BROAD INVESTMENT GRADE INDEX	1.02	3.71	6.34	8.63	8.01	6.18	6.47
Excess	(0.26)	(0.92)	(1.11)	(1.32)	(0.81)	(0.27)	(0.14)

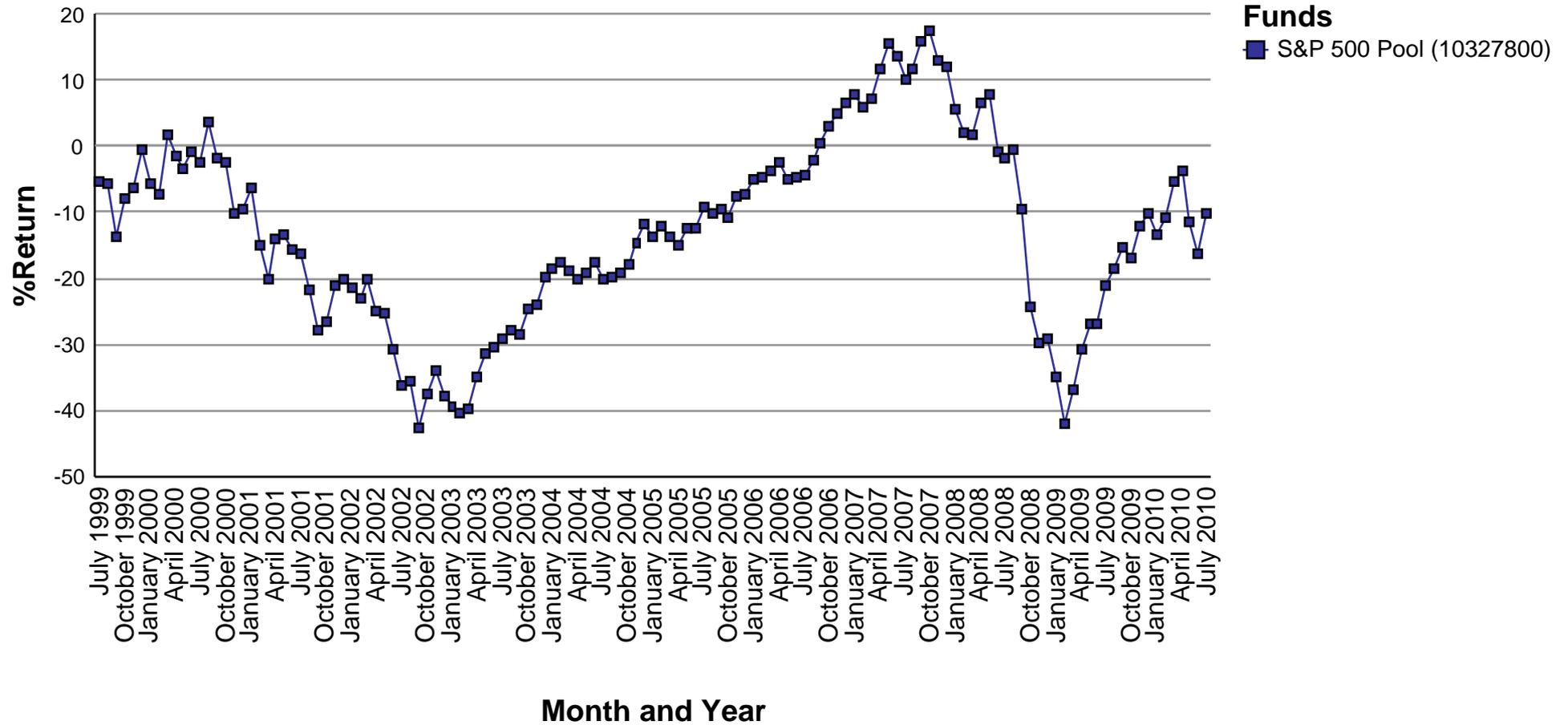


Performance Growth by Account

Arizona State Treasury (05509)

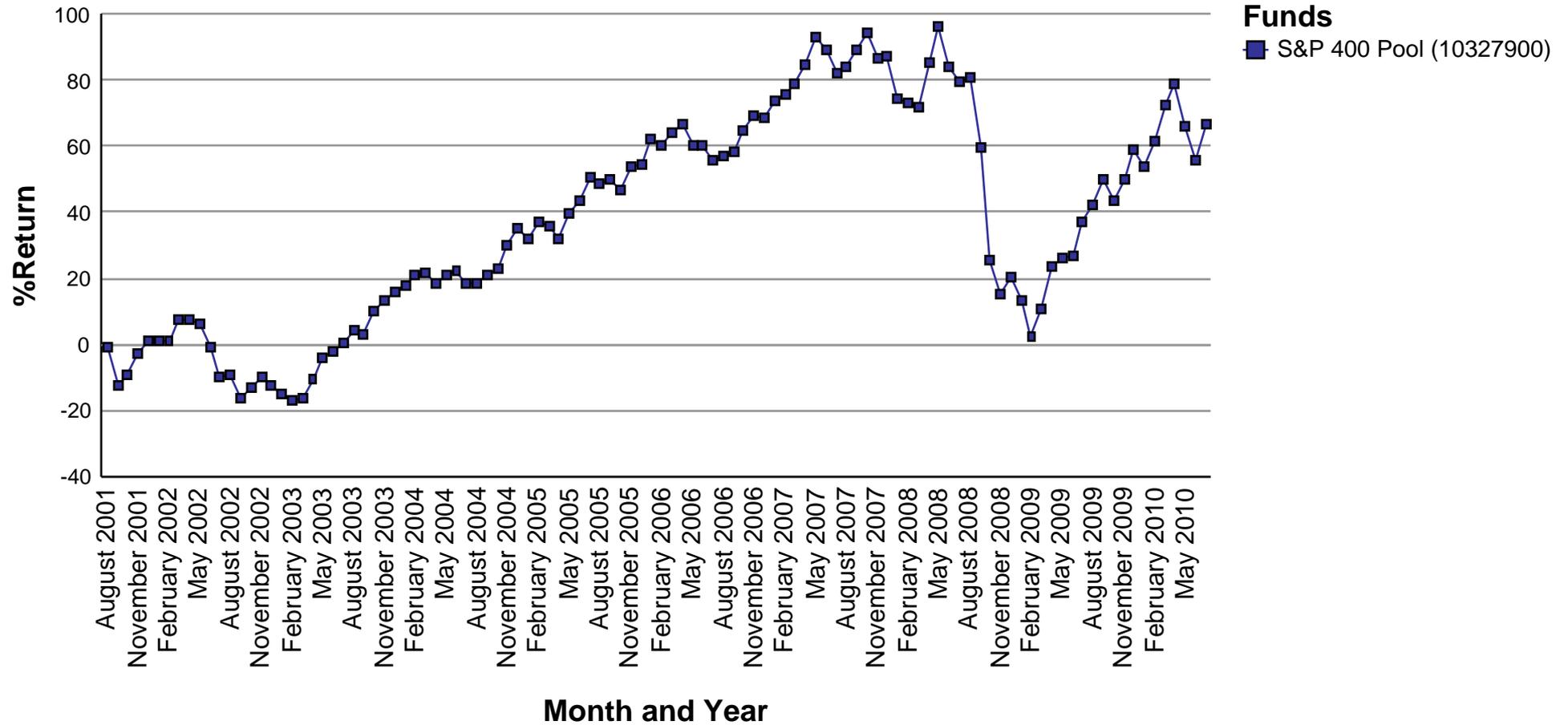
From July 1999 to July 2010

Gross of Fee



Performance Growth by Account

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



Performance Growth by Account

Arizona State Treasury (05509)

From July 1999 to July 2010

Gross of Fee

