

OFFICE OF THE
ARIZONA STATE TREASURER



**HON. DEAN MARTIN
TREASURER**



MAY 2010

Presented To:

Arizona State Board of Investment

JUNE 23, 2010

STATE BOARD OF INVESTMENT

A G E N D A

June 23, 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

June 23, 2010

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**Minutes of
BOARD OF INVESTMENT MEETING**

The regular meeting of the State Board of Investment was held on May 26, 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 1:34 p.m.

Members Present:

Dean Martin, Chair, State Treasurer
Beth Ford, Treasurer, Pima County, by teleconference
Paul Shannon, Asst. Director, Budget and Resource Planning, Arizona Department of Administration
Lauren W. Kingry, Superintendent, Department of Financial Institutions

Members Absent:

Alan E. Maguire, President, The Maguire Company

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
Doug Ducey, Chairman, I Memories, Inc.

Pursuant to A.R.S. 35-311, the following reports for April, 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 May 26, 2010 BOI meeting to order at approximately 1:34 p.m.

2. Treasurers Comments:

Treasurer Martin welcomed board members and guests and thanked all present for attending the May 26, 2010 meeting.

3. Approval of Minutes:

Mr. Kingry made a motion to approve the minutes for the April 28, 2010 Board of Investment Meeting. Ms. Ford 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 April, 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 April, 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 April, 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 April 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 April 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 April, 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 April 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 April 30, 2010.

Operating Monies Average Invested Balance

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

Mr. Swenson mentioned that the operating balance will probably not go positive until June 15th, when the Lottery Bond monies are received. Mr. Swenson also mentioned that the operating balance should remain positive until August or September of this 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 April, 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 April, 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 April, 2010.

Equity Funds Purchases & Sales

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

Investments Outstanding in Endowment Funds

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

Approval of Treasurer's Report

Mr. Kingry made a motion to approve the Treasurer's Report. Mr. Shannon 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:

None

7. General Business:

Treasurer Martin mentioned that the Board of Investment has been continued.

8. Call to the Public

There was no public comment.

9. Notice of Next Meeting:

The Treasurer advised the Board that the next regular meeting of the Board of Investment will be Wednesday, June 23, 2010 at 1:30 p.m. at 1700 West Washington, State Capitol, West Wing, Treasurer's Conference Room, Phoenix, Arizona.

10. Adjournment:

Mr. Kingry made a motion to adjourn the BOI meeting. Mr. Shannon seconded the motion. Upon unanimous approval, the BOI meeting was adjourned at 2:03 p.m.

Submitted by:

Approved by:

Christine M. Halvorson
Director of Customer /Investor Relations

Dean Martin, Chair Date

EARNINGS DISTRIBUTION - INVESTMENT POOLS
MAY 2010

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June 23, 2010
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Recipient	Earnings Distributed			Fiscal YTD Investment Management Fees Received
	MAY 2010	Fiscal YTD 09/10	Fiscal YTD 08/09	
General Fund	\$0	\$365,754	\$20,368,670	
2 State Agencies I - Full Faith & Credit	1,035,088	13,562,885	25,332,413	353,960
3 State Agencies II - Diversified	823,848	12,797,763	33,617,977	625,539
4 State Agencies IV - Restricted Diversified	358,738	6,497,226	14,584,954	410,321
5 Local Governments	283,605	6,114,855	28,779,928	914,991
7 LGIP Gov't	235,344	4,430,091	23,465,045	1,364,803
12 CAWCD Medium-Term	280,649	4,367,117	4,318,002	68,488
15 GADA Long-Term	25,695	444,903	651,872	6,706
Subtotal	\$3,042,968	\$48,580,594	\$151,118,861	\$3,744,808
NAV POOL				
500 LGIP LT	208,018	1,930,474	2,220,157	42,989
700 LGIP GOV LT	147,315	431,803	0	36,897
Total	\$3,398,301	\$50,942,871	\$153,339,017	\$3,824,695

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

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FUND	DESCRIPTION	NET EARNINGS
5	LGIP	283,605
7	LGIP - GOV	235,344
TOTAL LGIP & LGIP-GOV		518,949

		03/31/10	04/30/10	05/31/10
5	LGIP MONTHLY YIELD (NET)	0.12%	0.16%	0.19%
	S & P LGIP INDEX YIELD	0.15%	0.15%	0.16%
	LGIP YTD YIELD (NET)	0.21%	0.20%	0.20%
	S & P LGIP YTD INDEX YIELD	0.25%	0.24%	0.23%
7	LGIP - GOV MONTHLY YIELD (NET)	0.09%	0.11%	0.12%
	3 MONTH T-BILL	0.14%	0.15%	0.15%
	LGIP - GOV YTD YIELD (NET)	0.08%	0.08%	0.09%
	YTD 3 MONTH T-BILL	0.10%	0.10%	0.11%

* 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
May 31, 2010**

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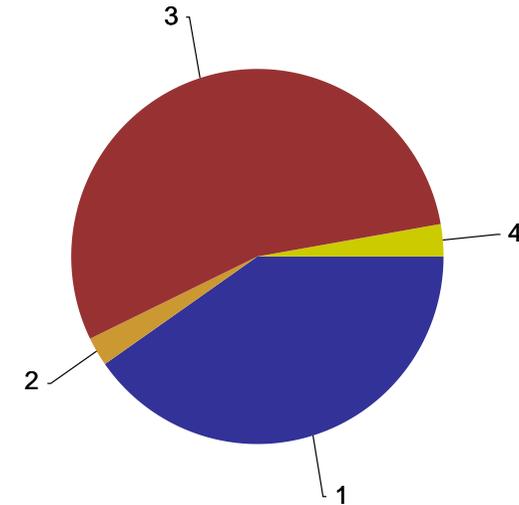
FUND	DESCRIPTION	NET EARNINGS
500	LGIP LONG TERM POOL	208,018
700	LGIP - GOV LONG TERM POOL	147,315
	TOTAL LGIP LONG TERM POOL	355,333

	03/31/10	04/30/10	05/31/10
LGIP LONG TERM MONTHLY YIELD (NET)	2.44%	2.04%	2.50%
MERRILL 1-5 US D M INDEX MONTHLY YIELD	2.35%	2.23%	2.01%
LGIP LONG TERM YTD YIELD (NET)	2.97%	2.88%	2.84%
MERRILL 1-5 US D M INDEX YTD YIELD	2.39%	2.37%	2.34%
LGIP - GOV LONG TERM MONTHLY YIELD (NET)	0.74%	0.87%	1.53%
MERRILL 1-5 US TREAS INDEX MONTHLY YIELD	1.42%	1.34%	1.15%
LGIP - GOV LONG TERM YTD YIELD (NET)	0.47%	0.54%	0.68%
MERRILL 1-5 US TREAS INDEX YTD YIELD	1.27%	1.28%	1.26%

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

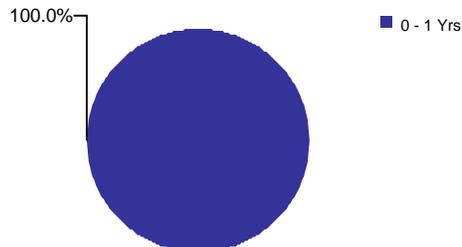
LGIP composite (00550903)

Sr. No.	Account Name	Market Value(MIL)	Percent of Portfolio
1	State of Arizona - Pool 5 (LGIP) (10327300)	1,637.63	40.3%
2	State of Arizona - Pool 500 (LGIP - Med Term) (10327700)	101.12	2.5%
3	State of Arizona - Pool 7 (LGIP - FF&C) (10327400)	2,207.37	54.4%
4	State of Arizona - Pool 700 (LGIP-FF&C Med Term) (10563200)	113.64	2.8%
	TOTAL	4,059.76	100.0%



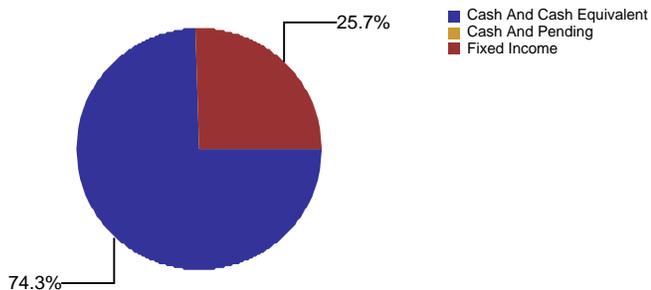
Portfolio Characteristics

Total Net Assets (Millions) **1,637.6**
 Weighted Average Life (Years) **0.22**
 Weighted Avg. Effective Duration (Years) **0.07**
 Weighted Average Maturity (Years) **0.07**
 Weighted Average Rating **AAA**
 Number of Holdings **68**



Asset Mix

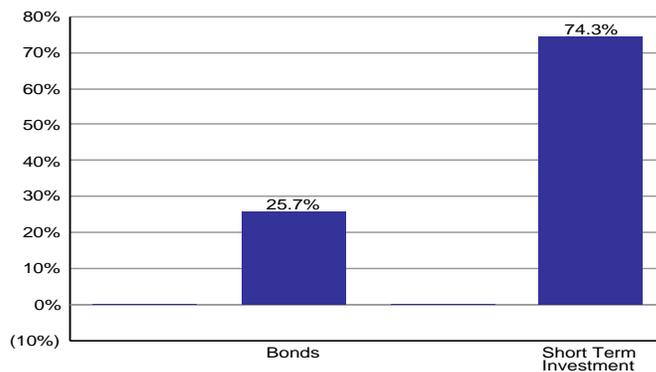
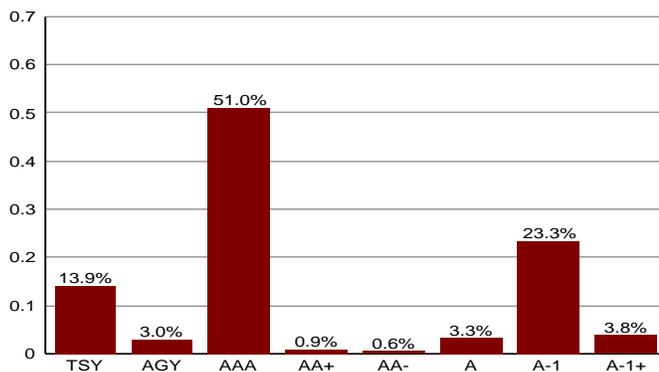
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
15199WA73	DEUTSCHE - AZ GEN REPO 0.18% 21/JUN/2	21.07%	0.11	1/6/2010
46999W014	TRI-PARTY REPO JP MORGAN 0.30% 18/JUN/2010	15.27%	0.11	1/6/2010
912828ED8	US TREAS NTS 04.125% 15/AUG/2010	3.12%	4.12	15/8/2010
912828DZ0	US TREAS NTS 03.875% 15/JUL/2010	3.11%	3.88	15/7/2010
912828JC5	UNITED STATES TREAS NTS 2.875%30/JUN/2010	3.10%	2.88	30/6/2010
313385XW1	FEDERAL HOME LOAN BANKS 0.00% TB 09/JUN/2010	2.75%	0.00	9/6/2010
912795UU3	UNITED STATES TREAS BILLS ZCP DT	2.14%	0.00	17/6/2010
31331XQN5	FEDERAL FARM CR BKS CONS CONS BD FLT 12	2.13%	0.15	22/2/2012
3024A7F13	FCAR OWNER TRUST CORPORATE COMMERCIAL PAPER	1.83%	0.00	1/6/2010
52952MF21	LEXINGTN PKR CAP CO LL CORPORATE COMMERCIAL PAPER	1.83%	0.00	2/6/2010

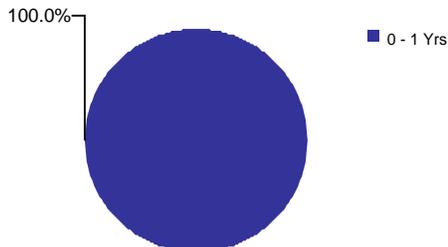
Quality/Rating Weightings

Sector Weightings (as % of Market Value)



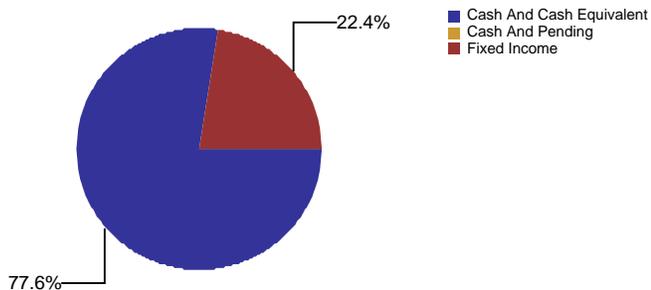
Portfolio Characteristics

Total Net Assets (Millions) **2,207.4**
 Weighted Average Life (Years) **0.15**
 Weighted Avg. Effective Duration (Years) **0.10**
 Weighted Average Maturity (Years) **0.11**
 Weighted Average Rating **AAA**
 Number of Holdings **26**



Asset Mix

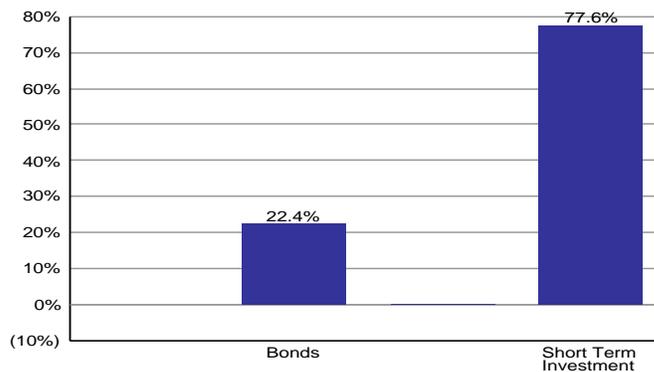
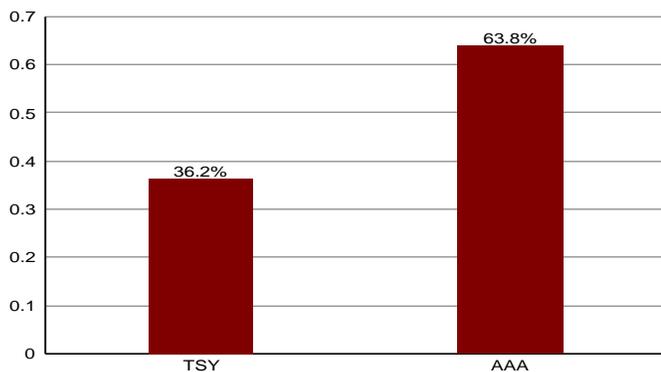
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
15199WA73	DEUTSCHE - AZ GEN REPO 0.18% 21/JUN/2	46.69%	0.11	1/6/2010
912795U66	UNITED STATES TREAS BILLS DT	7.93%	0.00	1/7/2010
912828JF8	UNITED STATES OF AMER TREAS BONDS 2.75% BDS	6.89%	2.75	31/7/2010
912795UT6	UNITED STATES TREAS BILLS DT	4.53%	0.00	10/6/2010
912795UU3	UNITED STATES TREAS BILLS ZCP DT	4.53%	0.00	17/6/2010
912795UV1	UNITED STATES TREAS BILLS ZCP	3.62%	0.00	24/6/2010
912827J6	UNITED STATES TREAS NTS 05.75% 15/AUG/2010	2.33%	5.75	15/8/2010
912828DZ0	US TREAS NTS 03.875% 15/JUL/2010	2.31%	3.88	15/7/2010
912828JS0	UNITED STATES OF AMER TREAS BONDS 1.25% TB	2.28%	1.25	30/11/2010
912795UW9	UNITED STATES TREAS BILLS DT	2.26%	0.00	8/7/2010

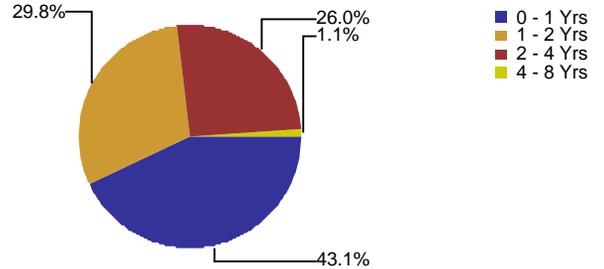
Quality/Rating Weightings

Sector Weightings (as % of Market Value)

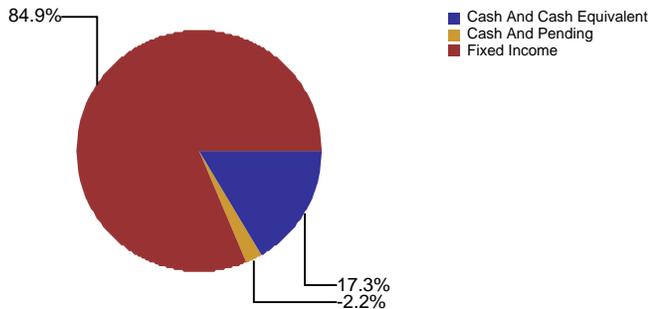


Portfolio Characteristics

Total Net Assets (Millions) **101.1**
 Weighted Average Life (Years) **2.00**
 Weighted Avg. Effective Duration (Years) **1.39**
 Weighted Average Rating **AAA**
 Number of Holdings **135**



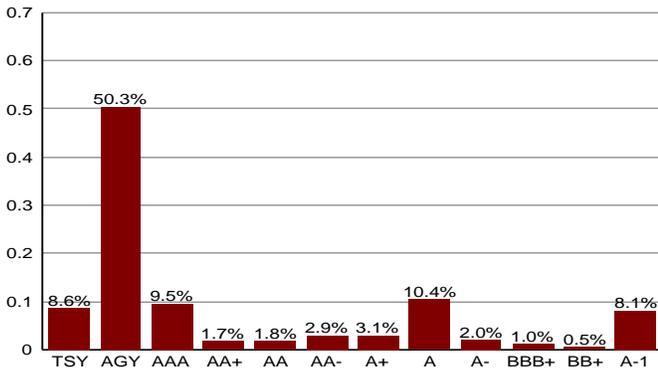
Asset Mix



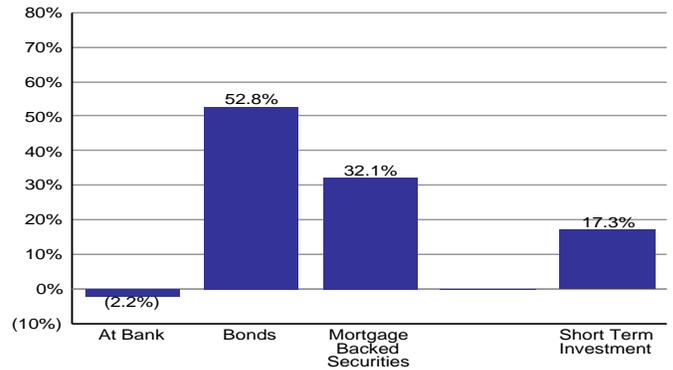
Top Ten Portfolio Holdings

Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
31418RFS5	FNMA MORTPASS 4.5% 01/MAR/2025 CI PN# AD3776	5.13%	4.50	1/3/2025
3128MMLB7	FHLMCGLD MORTPASS 4.5% 01/AUG/2024 G1 PN# G18321	5.12%	4.50	1/8/2024
928989383	JP MORGAN U S GOVT AGENCY SHARES	3.28%	0.02	31/12/2049
3133XXYX9	FEDERAL HOME LOAN BANKS 1.875% BDS 21/JUN/2013	3.00%	1.88	21/6/2013
31416B6K9	FNMA MORTPASS 4.5% 01/NOV/2021 CI PN# 995574	2.58%	4.50	1/11/2021
3128X9SS0	FREDDIE MAC 1.25% 19/JAN/2012	1.99%	1.25	19/1/2012
15199WA73	DEUTSCHE - AZ GEN REPO 0.18% 21/JUN/2	1.98%	0.11	1/6/2010
3024A7F13	FCAR OWNER TRUST CORPORATE COMMERCIAL PAPER	1.98%	0.00	1/6/2010
5705X5GL9	MARKET ST FNDG CORP CORPORATE COMMERCIAL PAPER	1.98%	0.00	20/7/2010
31417SJP6	FNMA MORTPASS 4.5% 01/OCT/2024 CI PN# AC5669	1.91%	4.50	1/10/2024

Quality/Rating Weightings

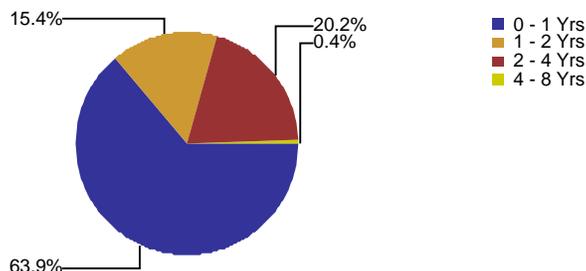


Sector Weightings (as % of Market Value)

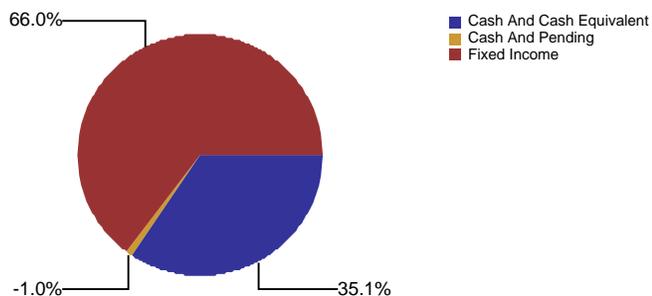


Portfolio Characteristics

Total Net Assets (Millions) **113.6**
 Weighted Average Life (Years) **1.34**
 Weighted Avg. Effective Duration (Years) **0.94**
 Weighted Average Rating **AAA**
 Number of Holdings **52**



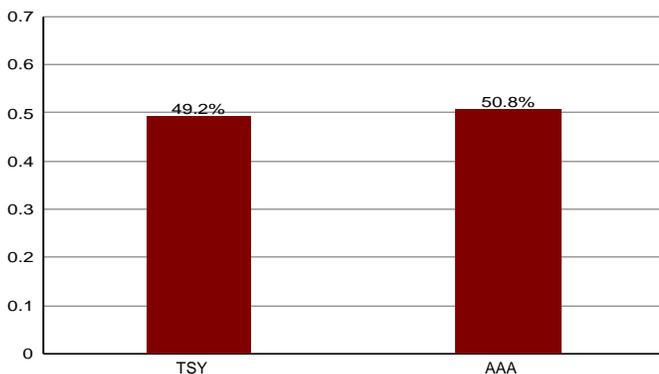
Asset Mix



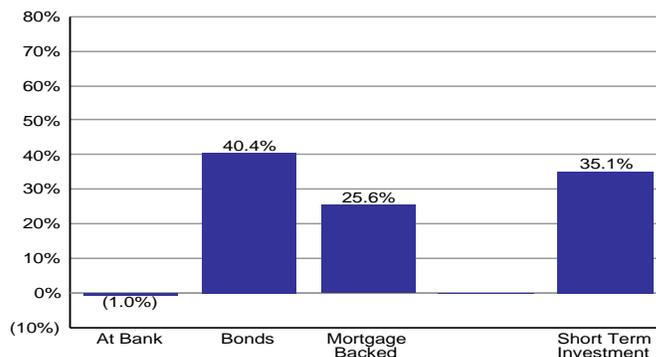
Top Ten Portfolio Holdings

Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
15199WA73	DEUTSCHE - AZ GEN REPO 0.18% 21/JUN/2	29.04%	0.11	1/6/2010
36202FFH4	GNMA II MORTPASS 4.5% 20/APR/2025 SF PN# 004668	4.63%	4.50	20/4/2025
912828JL5	UNITED STATES TREAS NTS 02.000% 30/SEP/2010	4.44%	2.00	30/9/2010
938554N	FDIC - US BANK CD 0.4% 31/MAR/2011	4.40%	0.40	31/3/2011
912820LU9	U S TREAS NT STRIPPED PRIN PMT 03.625% 15/JUN/2010	4.40%	0.00	15/6/2010
912828JU0	UNITED STATES OF AMER TREAS NOTES 2.375% NTS	4.00%	2.38	31/8/2010
38376ETD7	GINNIE MAE 2009-108 WG 4.000% 20/SEP/2038	3.63%	4.00	20/9/2038
912828KL3	UNITED STATES TREAS NTS 0.875% 30/APR/2011	3.09%	0.88	30/4/2011
38374XWJ0	GINNIE MAE 2009-24 A 4.500% 20/MAR/2034	2.59%	4.50	20/3/2034
912828EM8	US TREAS NTS 04.500% 15/NOV/2010	2.25%	4.50	15/11/2010

Quality/Rating Weightings



Sector Weightings (as % of Market Value)



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

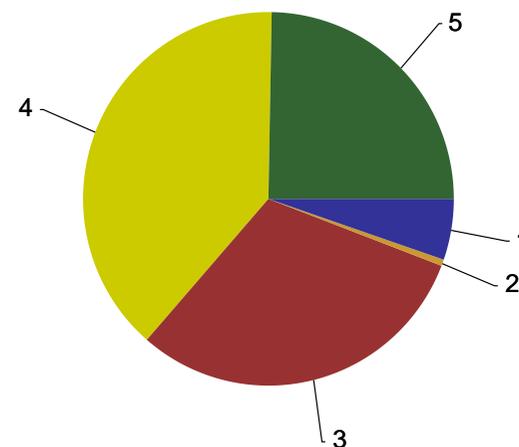
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FUND	DESCRIPTION	NET EARNINGS	NET YIELD
2	STATE AGENCIES I - FULL FAITH & CREDIT	1,035,088	1.6200%
3	STATE AGENCIES II - DIVERSIFIED	823,848	0.9700%
4	STATE AGENCIES IV-RESTRICTED DIVERSIFIED	358,738	0.6500%
12	CAWCD MEDIUM TERM	280,649	2.5100%
15	GADA	25,695	2.4800%
	TOTAL STATE AGENCIES	2,524,019	

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

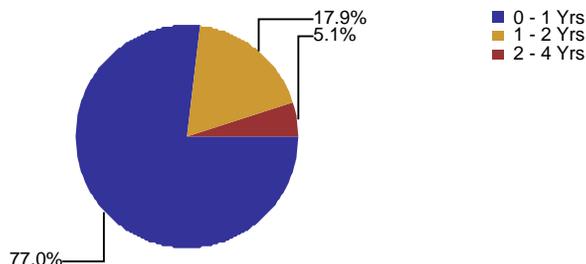
Pool Composite (00550904)

Sr. No.	Account Name	Market Value(MIL)	Percent of Portfolio
1	State of Arizona - Pool 12 (CAWCD - Med Term) (10327500)	133.05	5.4%
2	State of Arizona - Pool 15 (GADA) (10327600)	12.38	0.5%
3	State of Arizona - Pool 2 (State Agency - FF&C) (10327000)	749.58	30.4%
4	State of Arizona - Pool 3 (State Agency - Diversified) (10327100)	964.65	39.1%
5	State of Arizona - Pool 4 (State Agency Rest Div) (10327200)	608.70	24.7%
TOTAL		2,468.36	100.0%



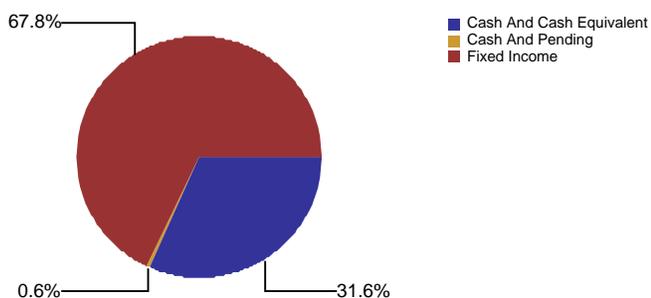
Portfolio Characteristics

Total Net Assets (Millions) **749.6**
 Weighted Average Life (Years) **0.91**
 Weighted Avg. Effective Duration (Years) **0.49**
 Weighted Average Rating **AAA**
 Number of Holdings **68**



Asset Mix

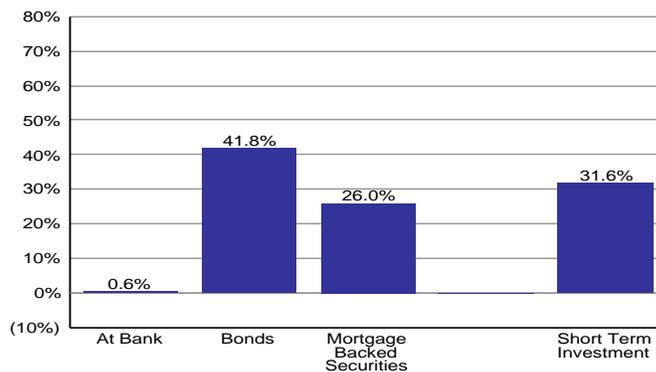
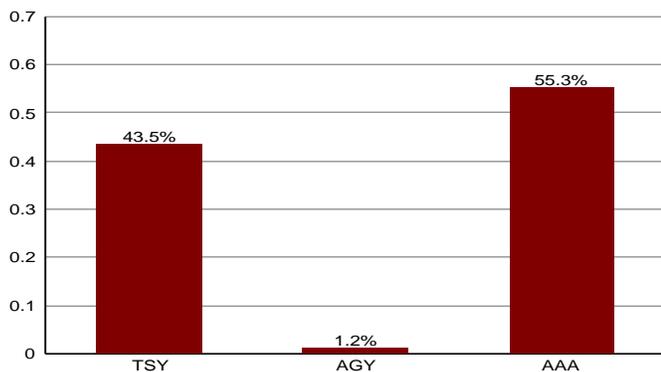
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
15199WA73	DEUTSCHE - AZ GEN REPO 0.18% 21/JUN/2	15.63%	0.11	1/6/2010
770839D	UNITED STATES ZERO 18/NOV/2010	6.86%	0.00	18/11/2010
912828LG3	UNITED STATES TREAS NTS 1% 31/JUL/2011	5.38%	1.00	31/7/2011
7591EAAA1	REGIONS BANK 2.75% BDS 10/DEC/2010 USD1000	4.10%	2.75	10/12/2010
38376XC92	GINNIE MAE 2010-31 TJ 4.000% 20/MAR/2021	2.78%	4.00	20/3/2021
912828ED8	US TREAS NTS 04.125% 15/AUG/2010	2.72%	4.12	15/8/2010
36967HAG2	GENERAL ELECTRIC CAPITAL CORP SER'G'1.625% BDS	2.70%	1.62	7/1/2011
912828KP4	UNITED STATES TREAS NTS 1.375% 15/MAY/2012	2.70%	1.38	15/5/2012
912828MU1	UNITED STATES TREAS NTS 1.000% 31/MAR/2012	2.69%	1.00	31/3/2012
932894D	UNITED STATES ZERO 16/DEC/2010	2.68%	0.00	16/12/2010

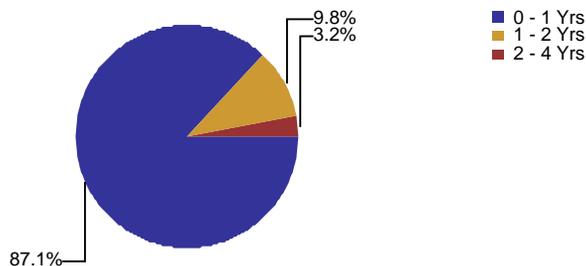
Quality/Rating Weightings

Sector Weightings (as % of Market Value)

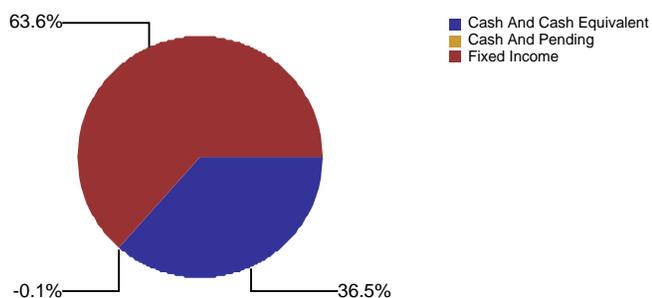


Portfolio Characteristics

Total Net Assets (Millions) **964.6**
 Weighted Average Life (Years) **1.00**
 Weighted Avg. Effective Duration (Years) **0.37**
 Weighted Average Rating **AA+**
 Number of Holdings **78**



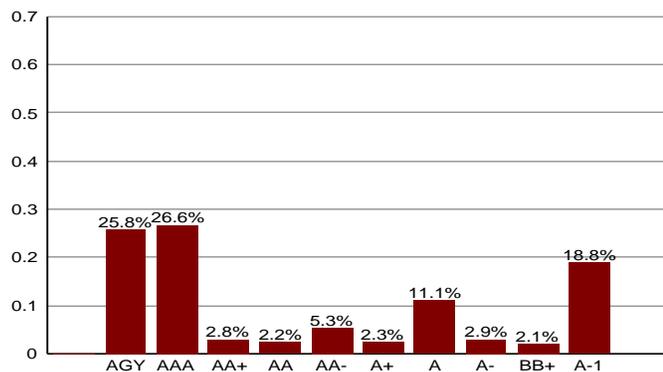
Asset Mix



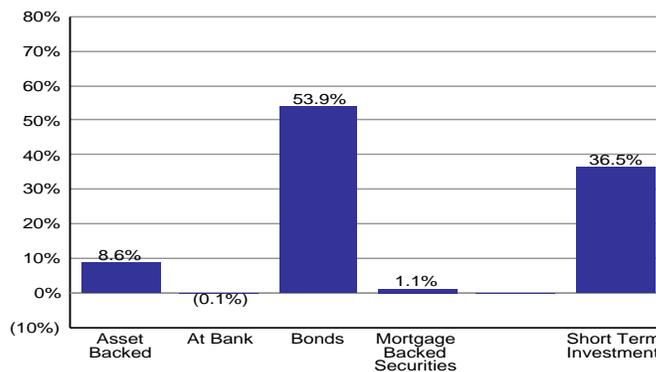
Top Ten Portfolio Holdings

Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
15199WA73	DEUTSCHE - AZ GEN REPO 0.18% 21/JUN/2	9.78%	0.11	1/6/2010
172967EG2	CITIGROUP INC VAR 13/AUG/2010	5.17%	0.57	13/8/2010
912795U66	UNITED STATES TREAS BILLS DT	4.15%	0.00	1/7/2010
3128X9XU9	FEDERAL HOME LOAN MORTGAGE CORP 0.00% BDS	3.11%	0.47	3/2/2012
86888NFA8	SURREY FUNDNG CORP.	2.84%	0.00	10/6/2010
59018YE72	MERRILL LYNCH & CO INC FLTG RATE NTS 05/JUN/2012	2.62%	0.48	5/6/2012
11765KF77	BRYANT PRK FDG LLC	2.59%	0.00	7/6/2010
17307SF72	CITIGROUP FDG INC ZCP 07/JUN/2006	2.59%	0.00	7/6/2010
5705X5FB2	MARKET ST FNDG CORP	2.59%	0.00	11/6/2010
52952MH29	LEXINGTON PKR CAP CO LL CORPORATE COMMERCIAL PAPER	2.59%	0.00	2/8/2010

Quality/Rating Weightings

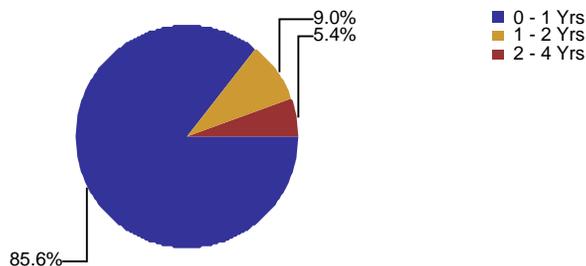


Sector Weightings (as % of Market Value)



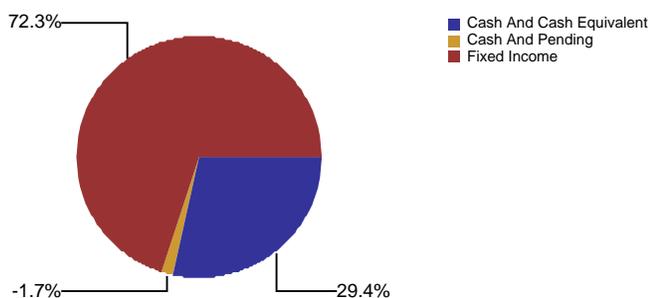
Portfolio Characteristics

Total Net Assets (Millions) **608.7**
 Weighted Average Life (Years) **1.40**
 Weighted Avg. Effective Duration (Years) **0.46**
 Weighted Average Rating **AGY**
 Number of Holdings **52**



Asset Mix

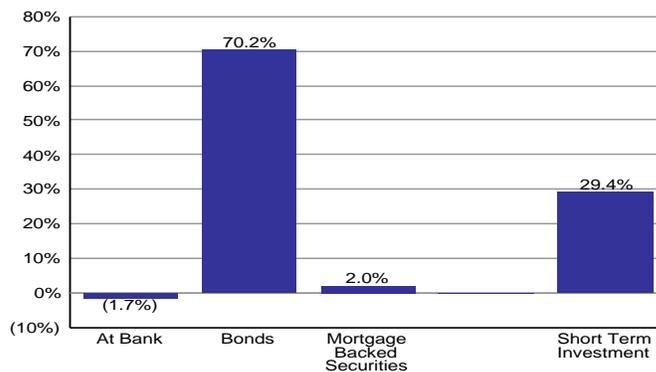
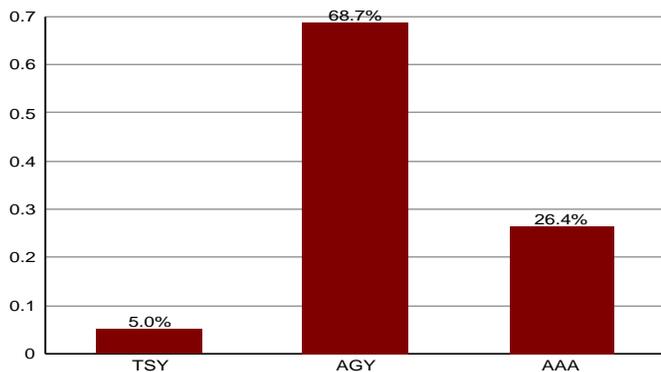
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
46999W014	TRI-PARTY REPO JP MORGAN 0.30% 18/JUN/2010	9.04%	0.11	1/6/2010
3128X9XU9	FEDERAL HOME LOAN MORTGAGE CORP 0.00% BDS	4.93%	0.47	3/2/2012
446436AB3	HUNTINGTON NATL BK FDIC TLGP GTD NT FLT 12	4.15%	0.65	1/6/2012
941394P	FEDERAL NTL ZERO 26/APR/2011	4.09%	0.00	26/4/2011
3128X82R2	FHLMC 1.50% 29/JUN/2012	3.31%	1.50	29/6/2012
313397XN6	FEDERAL HOME LOAN MORTGAGE CORP 0% DISC NTS	3.29%	0.00	1/6/2010
313589XP3	FEDERAL NATIONAL MORTGAGE ASSOC 0% DISC NTS	3.29%	0.00	2/6/2010
313397YB1	FEDERAL HOME LOAN MORTGAGE CORP 0% DISC NT	3.29%	0.00	14/6/2010
15199WA73	DEUTSCHE - AZ GEN REPO 0.18% 21/JUN/2	3.17%	0.11	1/6/2010
31331XE40	FEDERAL FARM CREDIT BANKS 5.25% BDS 13/SEP/2010	2.58%	5.25	13/9/2010

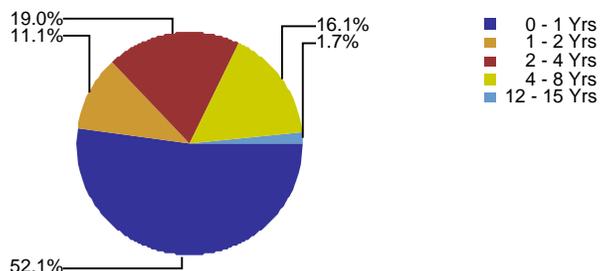
Quality/Rating Weightings

Sector Weightings (as % of Market Value)



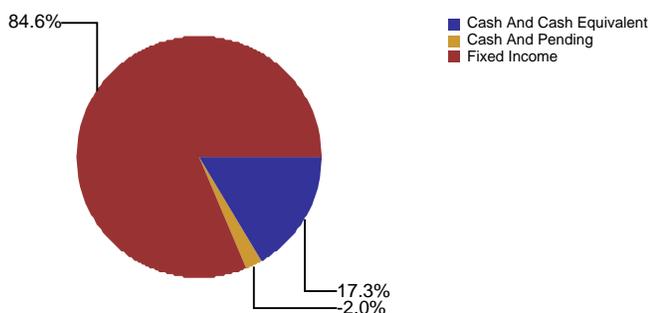
Portfolio Characteristics

Total Net Assets (Millions) **133.0**
 Weighted Average Life (Years) **4.05**
 Weighted Avg. Effective Duration (Years) **1.91**
 Weighted Average Rating **AA+**
 Number of Holdings **81**



Asset Mix

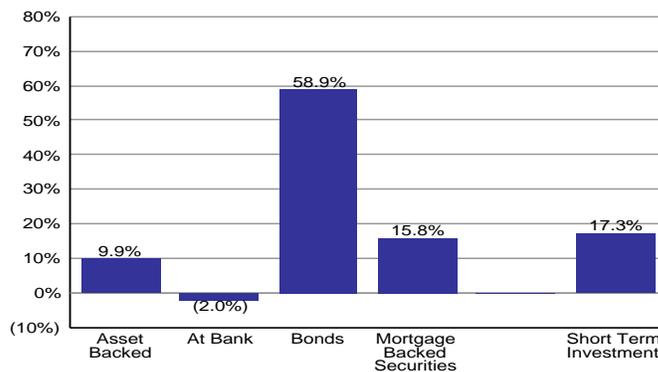
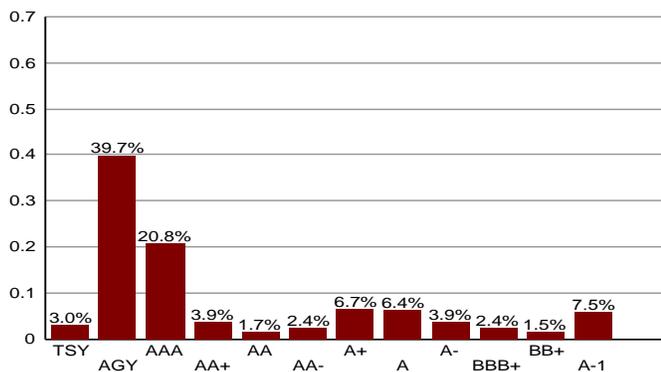
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
15199WA73	DEUTSCHE - AZ GEN REPO 0.18% 21/JUN/2	6.54%	0.11	1/6/2010
06423RBK1	BANK ONE ISSUANCE TRUST SER 2004-A3 CL A3	3.72%	0.51	15/2/2017
31398AYW6	FEDERAL NATIONAL MORTGAGE ASSOC 3.5% BDS	3.08%	3.50	25/8/2014
084664BG5	BERKSHIRE HATHAWAY FINANCE CORP 5% GTD SNR NTS	2.48%	5.00	15/8/2013
250847DS6	DETROIT EDISON CO 6.125% BDS 01/OCT/2010 USD1000	2.13%	6.12	1/10/2010
928989383	JP MORGAN U S GOVT AGENCY SHARES	1.78%	0.02	31/12/2049
31393MGQ8	FREDDIE MAC 2585 CJ MAC 4.500% 15/DEC/2032	1.75%	4.50	15/12/2032
58013MEC4	MCDONALD'S CORP 6.3% BDS 15/OCT/2037 USD1000	1.74%	6.30	15/10/2037
110122AR9	BRISTOL MYERS SQUIBB 5.45% BDS 01/MAY/2018 USD2000	1.69%	5.45	1/5/2018
31398ADU3	FEDERAL NATIONAL MORTGAGE ASSOC 6.318% BDS	1.68%	6.32	15/6/2027

Quality/Rating Weightings

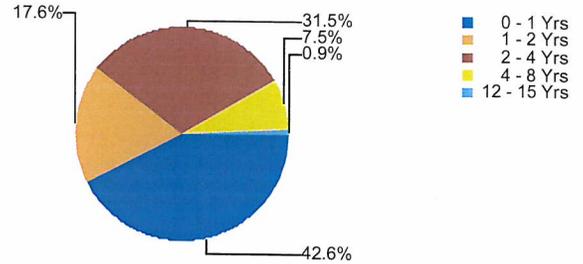
Sector Weightings (as % of Market Value)



Portfolio Characteristics

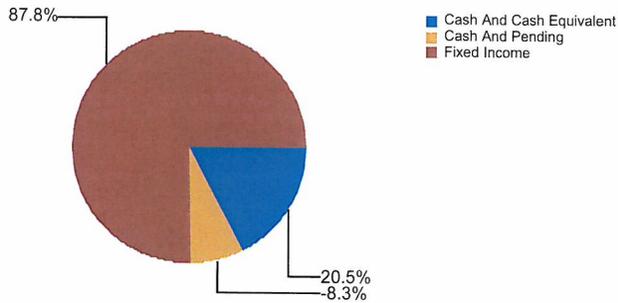
Total Net Assets (Millions) **12.4**
 Weighted Average Life (Years) **2.91**
 Weighted Avg. Effective Duration (Years) **1.60**

Weighted Average Rating **AAA**
 Number of Holdings **26**



Asset Mix

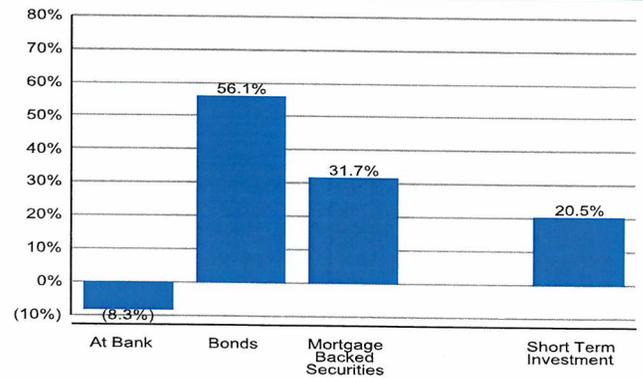
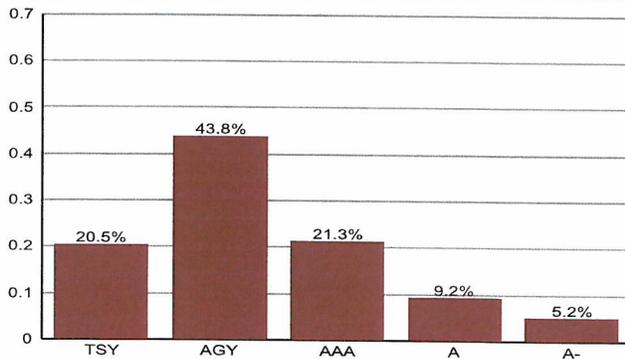
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
928989383	JP MORGAN U S GOVT AGENCY SHARES	20.49%	0.02	31/12/2049
31294KTB1	FEDERAL HOME LN MTG CORP GOLD POOL # EO1446 DTD	8.58%	4.50	1/9/2018
36241KJZ2	GNMA I MORTPASS 4.5% 15/FEB/2021 JP PN# 782080	6.78%	4.50	15/2/2021
38376JFP4	GINNIE MAE 2009-106 HA 4.000% 16/NOV/2039	6.49%	4.00	16/11/2039
31396WBV7	FEDERAL NATL MTG ASSOC 5.5% 25/JUN/2027 SER	4.98%	5.50	25/6/2027
10138MAH8	BOTTLING GROUP 6.95% SNR NTS 15/MAR/2014 USD1000	4.78%	6.95	15/3/2014
5526E2AC3	MBNA AMERICA BANK NA 7.125% 15/NOV/2012	4.41%	7.12	15/11/2012
7591EAAA1	REGIONS BANK 2.75% BDS 10/DEC/2010 USD1000	4.13%	2.75	10/12/2010
481247AD6	JPMORGAN CHASE & CO 2.625% NTS 01/DEC/2010 USD1000	4.12%	2.62	1/12/2010
31331GZG7	FEDERAL FARM CR BKS GLOBAL CONS BD 4.25%	4.10%	4.25	23/6/2016

Quality/Rating Weightings

Sector Weightings (as % of Market Value)



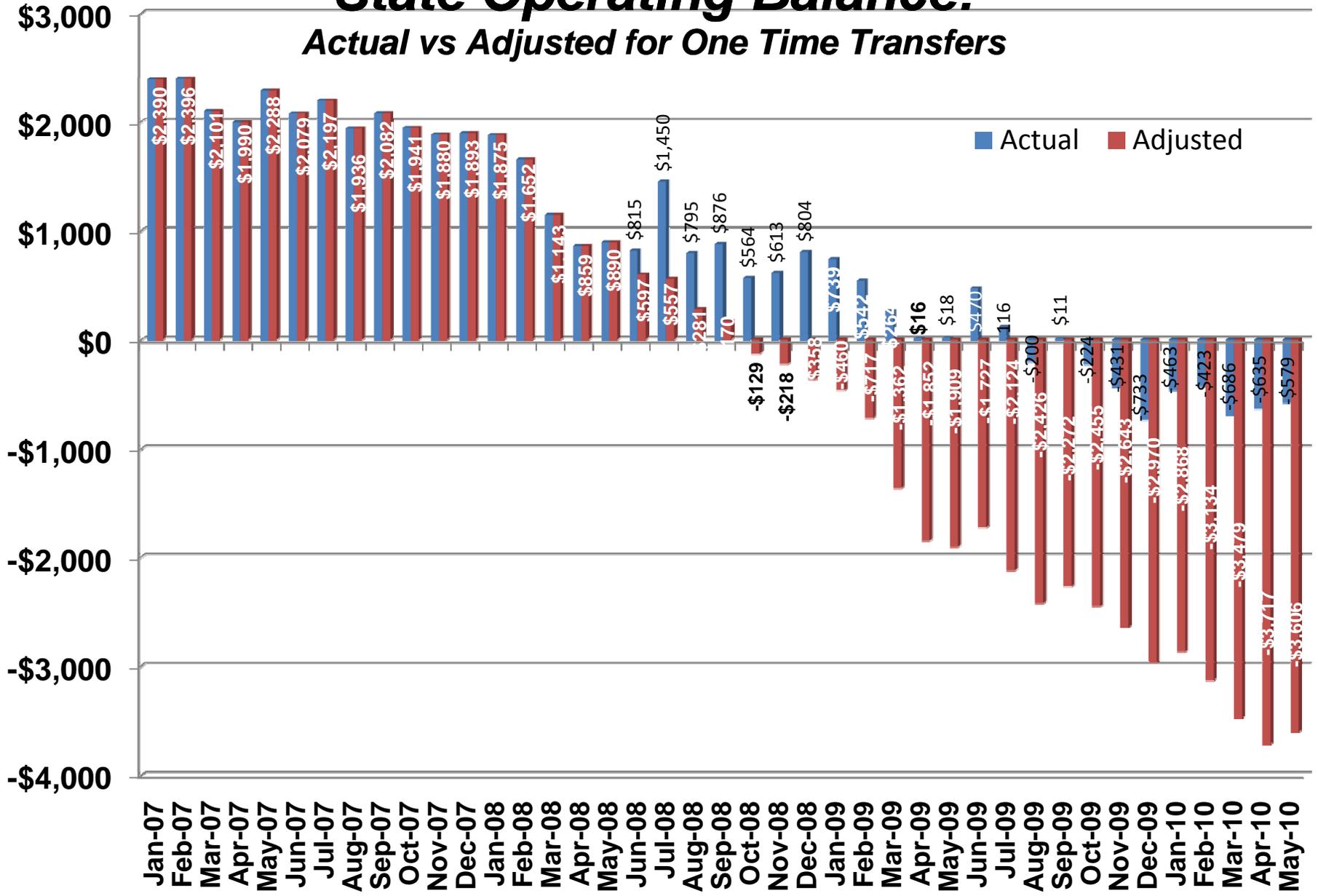
OPERATING MONIES
AVERAGE INVESTED BALANCE
Through May 31, 2010
(in millions of dollars)

State Treasurer's Report
June 23, 2010
Page 16

<u>Month</u>	<u>Fiscal Year</u> <u>2007/2008</u>	<u>Fiscal Year</u> <u>2008/2009</u>	<u>Fiscal Year</u> <u>2009/2010</u>
JULY	2,197	1,450	116
AUGUST	1,936	795	(200)
SEPTEMBER	2,082	876	11
OCTOBER	1,941	564	(224)
NOVEMBER	1,880	613	(431)
DECEMBER	1,893	804	(733)
JANUARY	1,875	739	(463)
FEBRUARY	1,652	542	(423)
MARCH	1,143	264	(686)
APRIL	859	16	(635)
MAY	890	18	(579)
JUNE	815	470	
Y-T-D			
Average	\$1,597	\$596	(\$386)

State Operating Balance:

Actual vs Adjusted for One Time Transfers



ENDOWMENT FUNDS
PORTFOLIO YIELD ANALYSIS
May 31, 2010

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FUND	DESCRIPTION	NET EARNINGS	NET YIELD
205	ENDOWMENTS - FIXED INCOME	4,332,197	5.63%
	TOTAL ENDOWMENTS - FIXED INCOME	4,332,197	

NET REALIZED CAPITAL GAINS / LOSSES - ENDOWMENT FUNDS

Endowment Fund -----	May-10 NET GAIN(LOSS) -----	FISCAL YTD GAINS(LOSSES) -----
Fixed Income Pool Net Gain (Loss)	(127,336)	(133,763)
Equity Pool (500) Net Gain (Loss)	(30,133)	(7,709,681)
Equity Pool (400) Net Gain (Loss)	(25)	7,485,048
Totals	(157,494) =====	(358,396) =====

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

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I. Endowment Funds Purchases

<u>SECURITY DESCR</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	0.70	6/15/2011	N/A	\$5,000,000	\$5,000,000	0.70%	Aaa/AAA
FNMA MTG	4.00	11/25/2018	4.21	\$2,000,000	\$2,117,726	2.52%	Aaa/AAA
FNMA MTG	4.17	2/1/2037	8.82	\$5,000,000	\$4,838,241	2.41%	Aaa/AAA
FNMA MTG	4.00	11/25/2019	4.46	\$1,250,000	\$1,321,821	2.63%	Aaa/AAA
FNMA	3.40	12/7/2016	N/A	\$5,000,000	\$5,068,333	3.41%	Aaa/AAA
FNMA STEP NOTE	4.00	6/9/2025	N/A	\$5,000,000	\$5,000,000	4.00%	Aaa/AAA
FNMA STEP NOTE	3.00	12/17/2018	N/A	\$5,000,000	\$4,992,500	3.04%	Aaa/AAA
FHLMC MTG	4.50	12/15/2018	4.84	\$760,000	\$809,780	3.07%	Aaa/AAA
FHLMC MTG	4.00	11/15/2022	2.24	\$5,000,000	\$4,655,983	2.12%	Aaa/AAA
FHLMC MTG	4.00	8/15/2022	4.48	\$3,936,000	\$3,820,735	2.68%	Aaa/AAA
U S TREASURY NC	4.00	8/15/2018	N/A	\$5,000,000	\$5,281,342	3.34%	Aaa/AAA
CLOROX COMPAN	3.55	11/1/2015	N/A	\$2,000,000	\$2,069,216	2.89%	Baa2/BBB+
CLOROX COMPAN	3.55	11/1/2015	N/A	\$200,000	\$209,429	2.66%	Baa2/BBB+
				-----	-----		
TOTAL ENDOWMENT FUNDS PURCHASES				\$45,146,000	\$45,185,105		

II. Endowment Funds Sales

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

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

EQUITY FUNDS
PURCHASES & SALES
 Month of May 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	12,350	\$1,762,364	\$185
S&P 500 Large-Cap Fund	40,086	\$3,342,925	\$601
TOTAL EQUITY PURCHASES	52,436	\$5,105,289	\$787

II. Equity Funds Sales

	<u>SHARES</u>	<u>SALES AMOUNT</u>	<u>COMMISSIONS</u>
S&P 400 Mid-Cap Fund	1	\$33	\$0
S&P 500 Large-Cap Fund	6,579	\$126,068	\$99
TOTAL EQUITY SALES	6,580	\$126,101	\$99

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

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FUND NAME OF FUND	SHARES OUTSTANDING	BOOK VALUE	MARKET VALUE	UNREALIZED GAINS (LOSSES)	Mkt Value/ Book Value
101 A & M Colleges					
<i>Shares in S&P 500 Index Fund</i>	2,561	2,328	2,445	117	
<i>Shares in Mid-Cap 400 Equity Fund</i>	821	797	1,328	531	
<i>Shares in Fixed Income Fund</i>	2,771	3,125	4,515	1,391	
Total	6,154	6,249	8,288	2,039	1.326
102 State Hospital					
<i>Shares in S&P 500 Index Fund</i>	1,620	1,395	1,547	152	
<i>Shares in Mid-Cap 400 Equity Fund</i>	454	477	733	256	
<i>Shares in Fixed Income Fund</i>	1,603	1,887	2,612	725	
Total	3,677	3,759	4,892	1,133	1.301
103 Leg., Exec., & Jud.					
<i>Shares in S&P 500 Index Fund</i>	1,950	1,906	1,862	(44)	
<i>Shares in Mid-Cap 400 Equity Fund</i>	627	652	1,014	362	
<i>Shares in Fixed Income Fund</i>	2,299	2,559	3,746	1,187	
Total	4,877	5,117	6,622	1,505	1.294
104 Military Institute					
<i>Shares in S&P 500 Index Fund</i>	132	131	126	(5)	
<i>Shares in Mid-Cap 400 Equity Fund</i>	46	45	74	29	
<i>Shares in Fixed Income Fund</i>	163	176	266	90	
Total	341	352	467	114	1.325
105 Miners Hospital					
<i>Shares in S&P 500 Index Fund</i>	4,064	3,952	3,880	(72)	
<i>Shares in Mid-Cap 400 Equity Fund</i>	1,116	1,353	1,804	451	
<i>Shares in Fixed Income Fund</i>	4,108	5,358	6,692	1,334	
Total	9,288	10,663	12,376	1,714	1.161

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

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June 23, 2010
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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>	886	833	846	13	
<i>Shares in Mid-Cap 400 Equity Fund</i>	267	285	431	146	
<i>Shares in Fixed Income Fund</i>	958	1,119	1,560	441	
Total	2,111	2,238	2,838	600	1.268
108 Penitentiaries					
<i>Shares in S&P 500 Index Fund</i>	3,210	2,899	3,065	166	
<i>Shares in Mid-Cap 400 Equity Fund</i>	929	992	1,502	510	
<i>Shares in Fixed Income Fund</i>	3,225	3,892	5,254	1,362	
Total	7,364	7,783	9,821	2,038	1.262
109 Permanent Common School					
<i>Shares in S&P 500 Index Fund</i>	839,501	807,816	801,512	(6,304)	
<i>Shares in Mid-Cap 400 Equity Fund</i>	232,392	276,501	375,757	99,256	
<i>Shares in Fixed Income Fund</i>	857,993	1,084,694	1,397,799	313,106	
Total	1,929,886	2,169,010	2,575,068	406,058	1.187
110 School for Deaf & Blind					
<i>Shares in S&P 500 Index Fund</i>	1,167	1,101	1,114	13	
<i>Shares in Mid-Cap 400 Equity Fund</i>	375	377	606	229	
<i>Shares in Fixed Income Fund</i>	1,355	1,488	2,208	720	
Total	2,897	2,966	3,928	962	1.324
111 School of Mines					
<i>Shares in S&P 500 Index Fund</i>	2,894	2,809	2,763	(46)	
<i>Shares in Mid-Cap 400 Equity Fund</i>	877	961	1,419	457	
<i>Shares in Fixed Income Fund</i>	3,174	3,770	5,171	1,401	
Total	6,946	7,541	9,353	1,812	1.240

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

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June 23, 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>	29,978	27,924	28,621	697	
<i>Shares in Mid-Cap 400 Equity Fund</i>	7,857	9,558	12,704	3,146	
<i>Shares in Fixed Income Fund</i>	29,285	37,505	47,710	10,204	
Total	67,120	74,987	89,035	14,047	1.187
113 University Fund					
<i>Shares in S&P 500 Index Fund</i>	4,769	4,565	4,554	(12)	
<i>Shares in Mid-Cap 400 Equity Fund</i>	1,427	1,563	2,307	745	
<i>Shares in Fixed Income Fund</i>	5,204	6,128	8,478	2,350	
Total	11,401	12,256	15,339	3,083	1.252
114 U Of A Land - 1881					
<i>Shares in S&P 500 Index Fund</i>	10,109	9,662	9,652	(11)	
<i>Shares in Mid-Cap 400 Equity Fund</i>	3,078	3,307	4,976	1,669	
<i>Shares in Fixed Income Fund</i>	11,178	12,971	18,210	5,240	
Total	24,365	25,941	32,839	6,898	1.266
TOTALS - ALL FUNDS					
<i>Shares in S&P 500 Index Fund</i>	902,842	867,322	861,987	(5,335)	
<i>Shares in Mid-Cap 400 Equity Fund</i>	250,266	296,869	404,656	107,788	
<i>Shares in Fixed Income Fund</i>	923,317	1,164,672	1,504,223	339,550	
Grand Total	2,076,424	2,328,863	2,770,866	442,003	

ASSET ALLOCATION PERCENTAGE

	SHARES OUTSTANDING	BOOK VALUE	MARKET VALUE
<i>Shares in S&P 500 Index Fund</i>	43.48%	37.24%	31.11%
<i>Shares in Mid-Cap 400 Equity Fund</i>	12.05%	12.75%	14.60%
<i>Shares in Fixed Income Fund</i>	44.47%	50.01%	54.29%
Total	100.00%	100.00%	100.00%

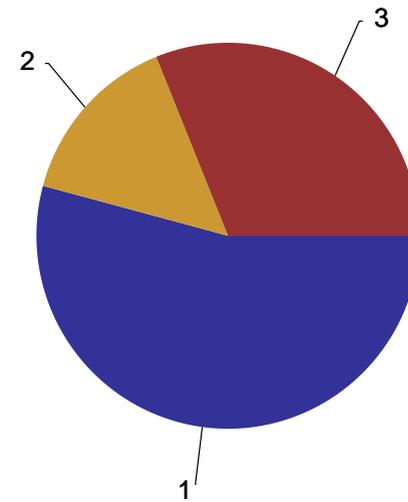
Performance Worksheet
Arizona State Treasury (05509)
As At May 2010
Gross of Fee

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	934,903,013.77	861,986,809.54	1,606,856	(7.97)	(0.89)	(1.43)	20.81	21.04	(8.50)	0.21	(1.12)	07/01/1999
10327900	S&P 400 Pool	435,254,266.27	404,656,318.14	549,938	(7.16)	3.02	4.43	30.84	31.58	(4.92)	3.52	5.92	08/01/2001
10328000	Pool 205	1,491,032,367.42	1,504,222,831.89	2,156,741	0.74	1.50	3.13	6.21	7.47	6.78	5.44	6.23	07/01/1999
00550902	Total Endowment Fund Composite	2,861,189,647.46	2,770,865,959.57	4,313,535	(3.31)	0.96	1.87	13.65	14.58	(0.47)	3.73	4.43	07/01/1999

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

Total Endowment Fund Composite (00550902)

Sr. No.	Account Name	Market Value(MIL)	Percent of Portfolio
1	Pool 205 (10328000)	1,504.22	54.3%
2	S&P 400 Pool (10327900)	404.66	14.6%
3	S&P 500 Pool (10327800)	861.99	31.1%
	TOTAL	2,770.87	100.0%



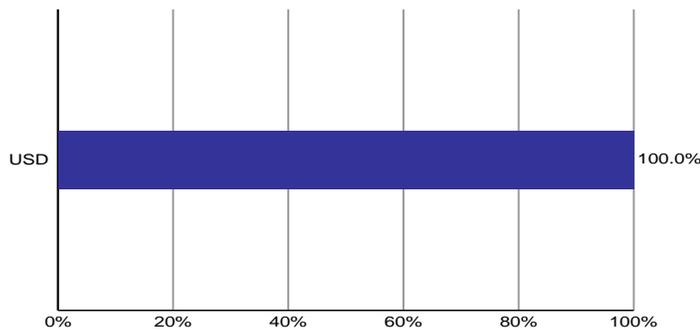
Portfolio Characteristics Risk Measures

Total Asset Value (in Millions)	862.0		Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Since Inception
P/E Ratio	16.17		0.17	0.31	0.44	1.83
Price to Book Ratio	3.30	Tracking Error	0.28	0.62	(0.22)	(0.43)
Dividend Yield (%)	1.99	Information Ratio	15.36	20.46	16.51	16.23
Return on Equity (%)	16.52	Std Deviation of Port.	15.43	20.57	16.65	16.08
Sales Growth (%)	10.63	Std Deviation of Bench.	1.36	(0.50)	(0.16)	(0.25)
Market Capitalization (\$ Billions)	75,499.24	Sharpe Ratio of Port.	1.35	(0.51)	(0.15)	(0.21)
Earnings per Share (\$)	3.20	Sharpe Ratio of Bench.	1.00	1.00	1.00	0.99
Number of Holdings	501	R-Squared	0.14	0.14	(0.12)	(0.77)
		Jensen's Alpha				

Top Ten Portfolio Holdings

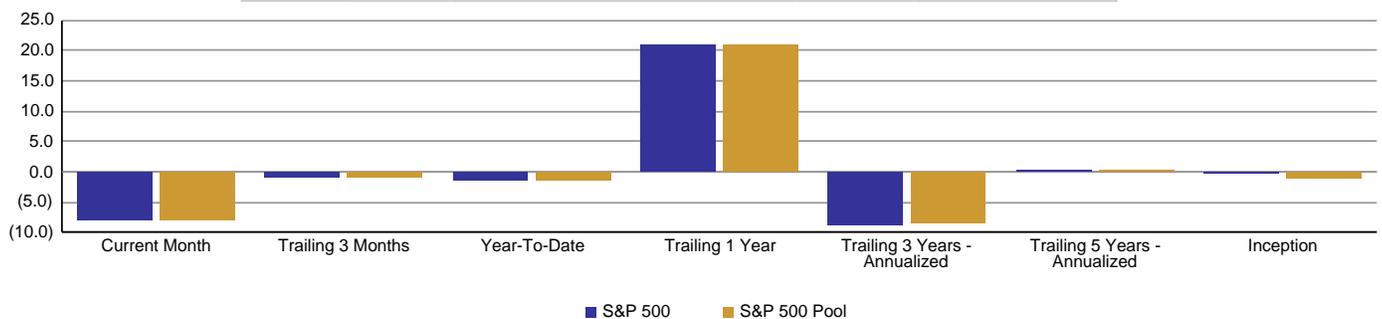
Security ID	Security Name	% of Assets
30231G102	EXXON MOBIL CORP - COM NPV	2.84%
78462F103	SPDR S&P 500 ETF TRUST	2.42%
037833100	APPLE INC - COM NPV	2.30%
594918104	MICROSOFT CORP - COM USD.001	1.95%
742718109	PROCTER & GAMBLE CO - COM NPV	1.75%
369604103	GENERAL ELECTRIC CO - COM USD.63	1.72%
459200101	INTL BUSINESS MACHINES CORP - COM USD.2	1.62%
478160104	JOHNSON & JOHNSON - COM USD1	1.60%
060505104	BANK OF AMERICA CORP - COM USD2.5	1.56%
46625H100	JPMORGAN CHASE & CO - COM USD12	1.55%

Top Ten Currency Weights

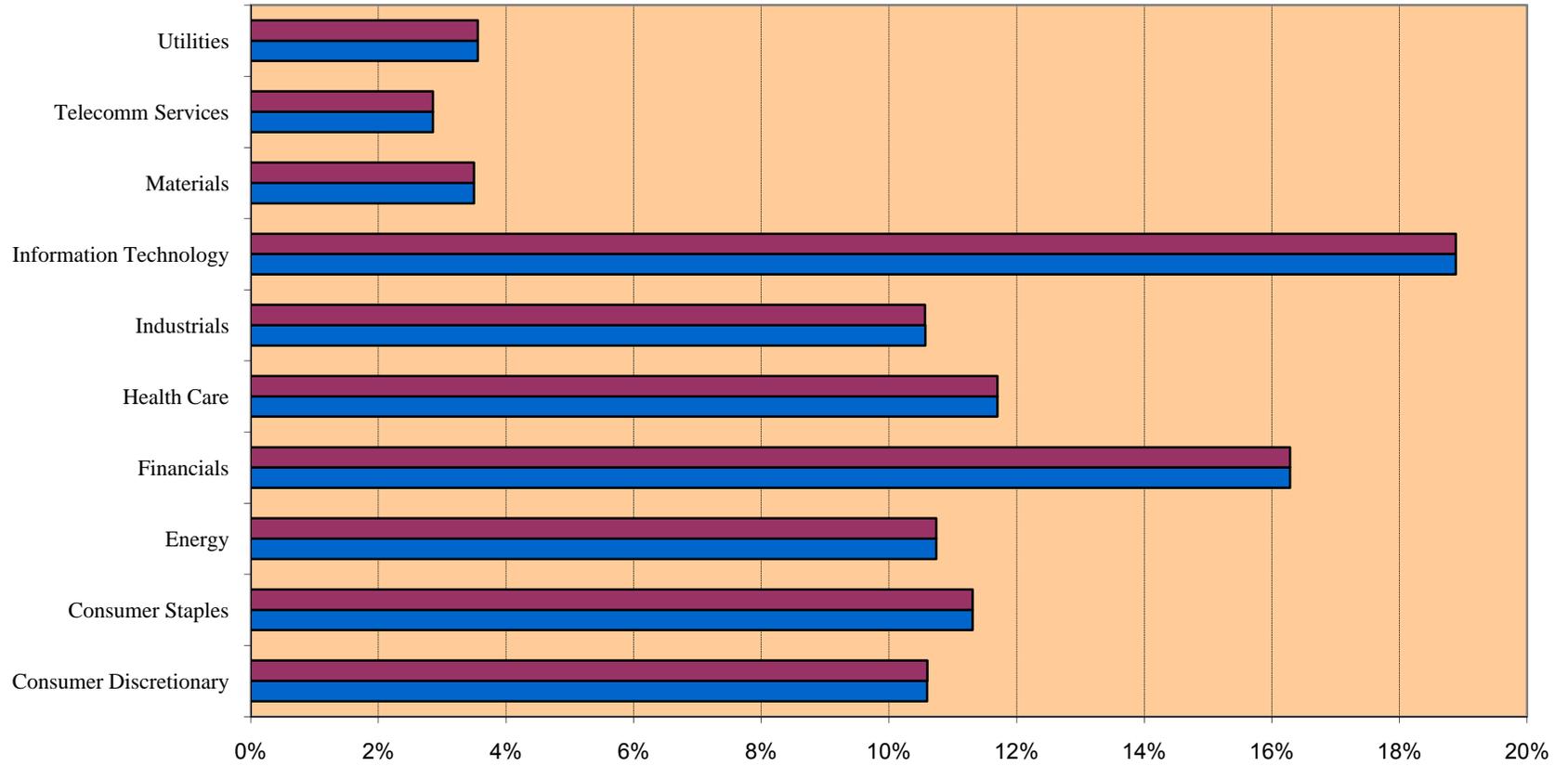


Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
S&P 500 Pool	(7.97)	(0.89)	(1.43)	21.04	(8.50)	0.21	(1.12)
S&P 500	(7.99)	(0.89)	(1.50)	20.99	(8.69)	0.31	(0.33)
Excess	0.01	0.00	0.07	0.05	0.19	(0.10)	(0.78)



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



	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Information Technology	Materials	Telecomm Services	Utilities
■ S&P 500 Index	10.60%	11.31%	10.74%	16.28%	11.70%	10.57%	18.89%	3.50%	2.85%	3.56%
■ STATE OF ARIZONA - POOL 201	10.60%	11.31%	10.74%	16.29%	11.70%	10.57%	18.88%	3.50%	2.85%	3.56%

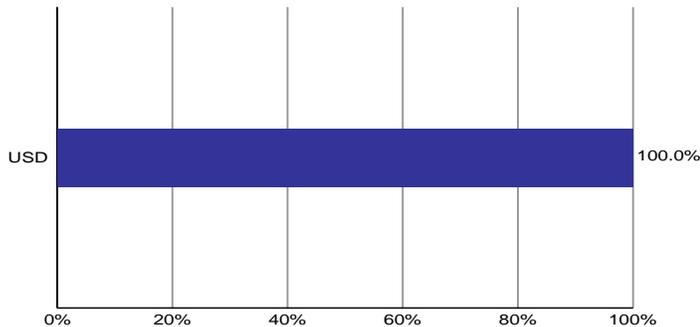
S&P 500 Index
 STATE OF ARIZONA - POOL 201

Portfolio Characteristics		Risk Measures				
Total Asset Value (in Millions)	404.7	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Since Inception	
P/E Ratio	15.35	1.40	2.67	2.16	2.29	
Price to Book Ratio	1.97	Information Ratio	(2.10)	(0.18)	(0.26)	(0.03)
Dividend Yield (%)	0.91	Std Deviation of Port.	16.79	23.45	19.07	17.26
Return on Equity (%)	5.80	Std Deviation of Bench.	17.51	24.60	20.00	18.44
Sales Growth (%)	7.19	Sharpe Ratio of Port.	1.87	(0.28)	0.04	0.21
Market Capitalization (\$ Billions)	2,231.37	Sharpe Ratio of Bench.	1.96	(0.25)	0.06	0.20
Earnings per Share (\$)	1.51	R-Squared	1.00	0.99	0.99	0.99
Number of Holdings	200	Jensen's Alpha	(1.46)	(0.79)	(0.50)	0.18

Top Ten Portfolio Holdings

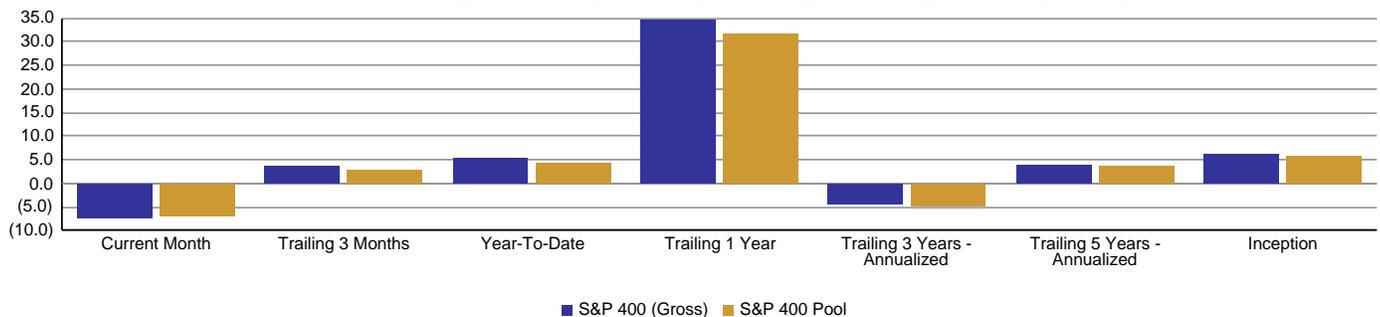
Security ID	Security Name	% of Assets
78467Y107	SPDR S&P MIDCAP 400 ETF TRUST	39.02%
225447101	CREE INC - COM USD.01	0.66%
649445103	NEW YORK CMNTY BANCORP INC - COM USD.01	0.65%
92532F100	VERTEX PHARMACEUTICALS INC - COM USD.01	0.65%
651290108	NEWFIELD EXPLORATION CO - COM USD.01	0.65%
171798101	CIMAREX ENERGY CO - COM USD.01	0.58%
549271104	LUBRIZOL CORP - COM NPV	0.57%
28176E108	EDWARDS LIFESCIENCES CORP - COM USD1	0.54%
315616102	F5 NETWORKS INC - COM NPV	0.52%
256746108	DOLLAR TREE INC - COM USD.01	0.52%

Top Ten Currency Weights

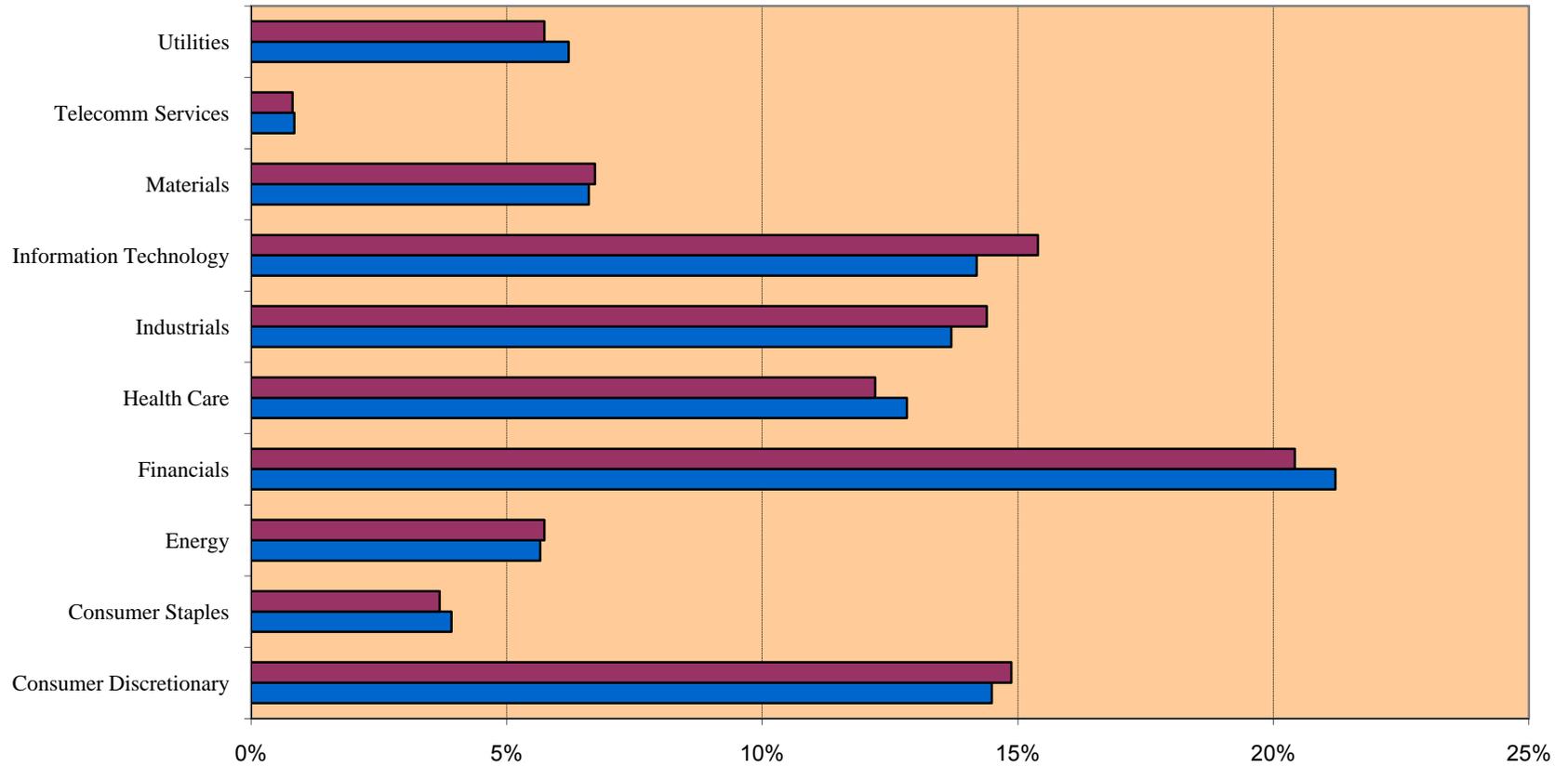


Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
S&P 400 Pool	(7.16)	3.02	4.43	31.58	(4.92)	3.52	5.92
S&P 400 (Gross)	(7.20)	3.66	5.55	34.52	(4.45)	4.09	5.99
Excess	0.04	(0.64)	(1.13)	(2.94)	(0.47)	(0.57)	(0.07)



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

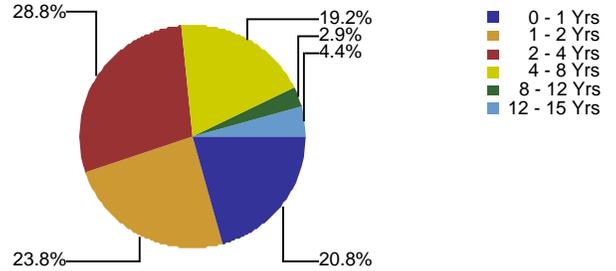


	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Information Technology	Materials	Telecomm Services	Utilities
■ S&P MIDCAP 400	14.87%	3.69%	5.74%	20.42%	12.21%	14.39%	15.39%	6.73%	0.81%	5.74%
■ STATE OF ARIZONA - POOL 203	14.49%	3.92%	5.66%	21.21%	12.83%	13.70%	14.20%	6.61%	0.85%	6.22%

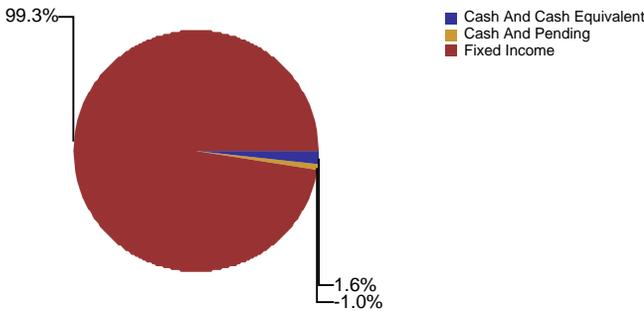
S&P MIDCAP 400
 STATE OF ARIZONA - POOL 203

Portfolio Characteristics

Total Net Assets (Millions)	1,504.2
Weighted Average Life (Years)	4.91
Weighted Avg. Effective Duration (Years)	3.20
Weighted Average Coupon (%)	4.64
Weighted Average Current Yield (%)	2.20
Weighted Average Yield to Maturity (%)	2.28
Weighted Average Rating	AA+
Number of Holdings	254



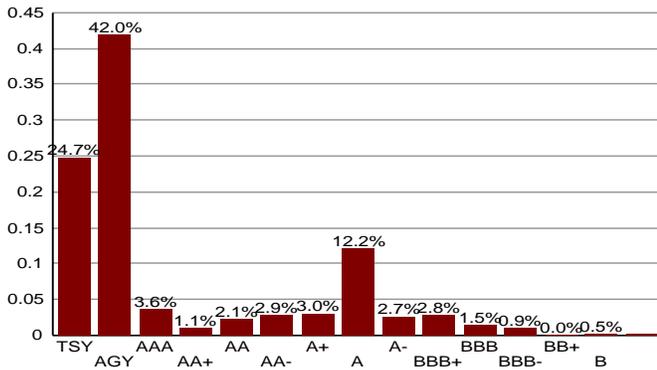
Asset Mix



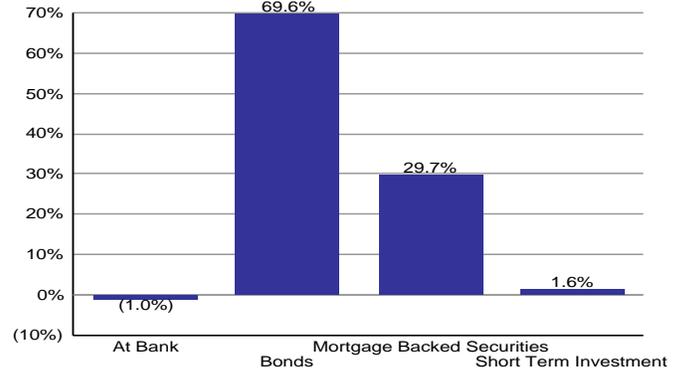
Top Ten Portfolio Holdings

Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
539992AA5	LOCAL GOVERNMENT INVESTMENT POOL	1.63%	0.00	31/12/2049
31359MQV8	FEDERAL NATIONAL MORTGAGE ASSOC 4.75% BDS	1.46%	4.75	21/2/2013
912828FK1	US TREAS NTS 05.125% 30/JUN/2011	1.07%	5.12	30/6/2011
92343VAN4	VERIZON COMMUNICATIONS INC 5.25% NTS 15/APR/2013	1.06%	5.25	15/4/2013
931142BV4	WAL MART STORES 931142BV4 4.125% 15/FEB/2011	1.03%	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	0.94%	8.12	15/8/2019
31396VAS7	FEDERAL NATL MTG ASSOC 5.5% 25/APR/2017 SER	0.78%	5.50	25/4/2017
31395LZM6	FREDDIE MAC 2936 PB 5.000% 15/FEB/2028	0.78%	5.00	15/2/2028
92343VAM6	VERIZON COMMUN 6.1% NTS 15/APR/2018 USD1000	0.76%	6.10	15/4/2018

Quality/Rating Weightings

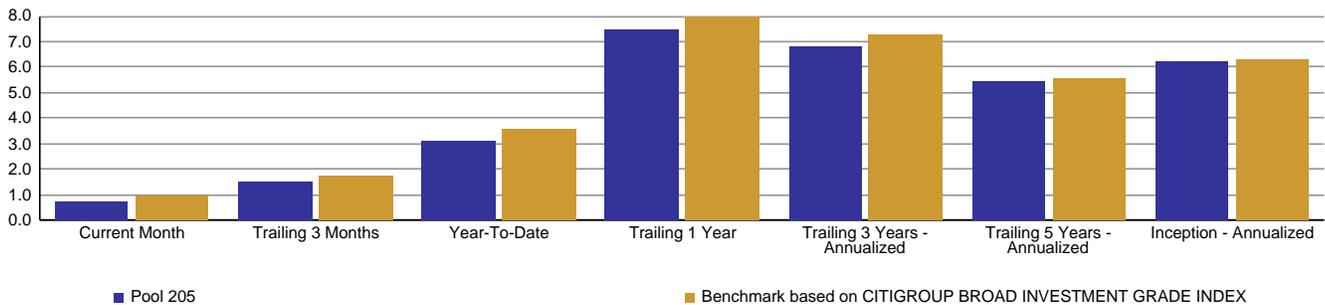


Sector Weightings (as % of Market Value)



Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
Pool 205	0.74	1.50	3.13	7.47	6.78	5.44	6.23
Benchmark based on CITIGROUP BROAD INVESTMENT GRADE INDEX	1.01	1.73	3.58	7.97	7.25	5.55	6.31
Excess	(0.27)	(0.23)	(0.45)	(0.50)	(0.47)	(0.11)	(0.08)

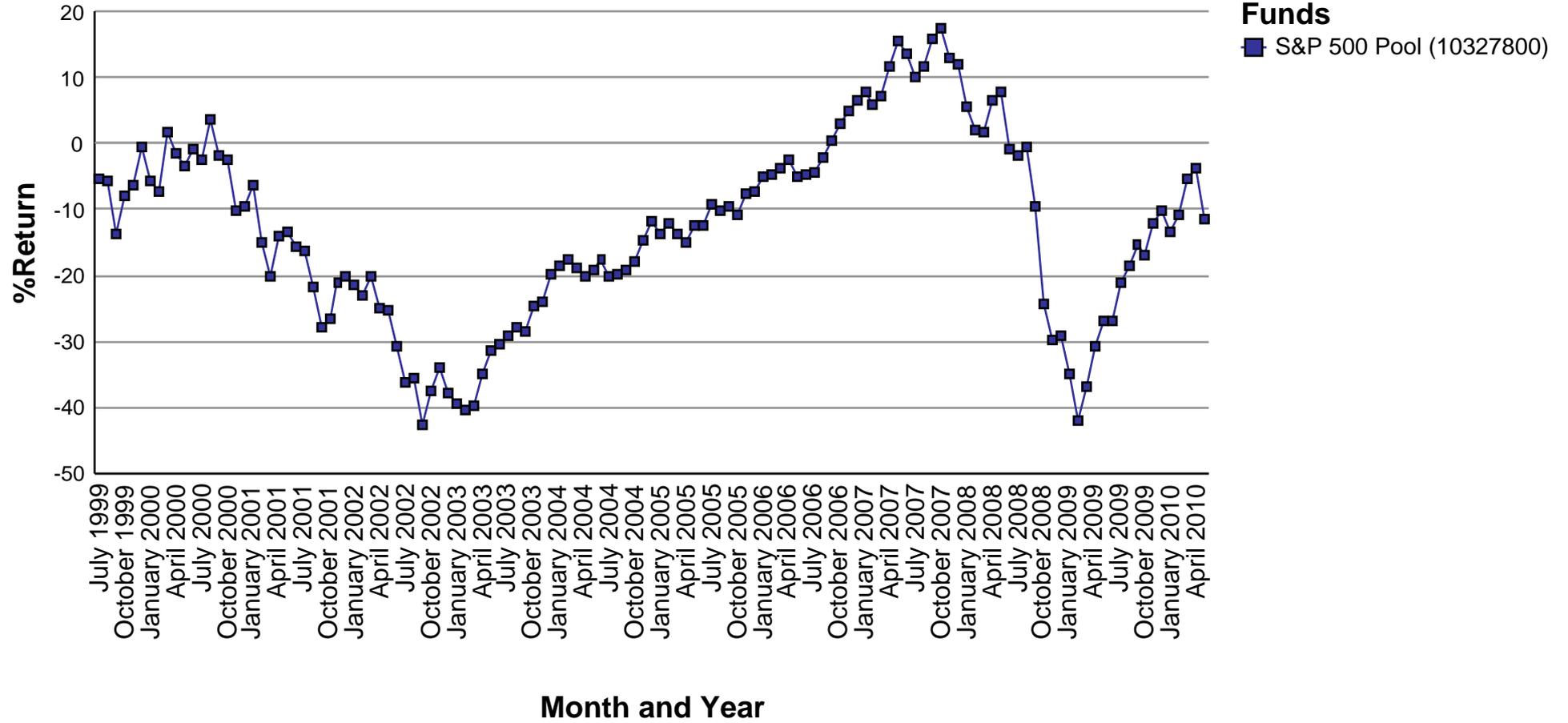


Performance Growth by Account

Arizona State Treasury (05509)

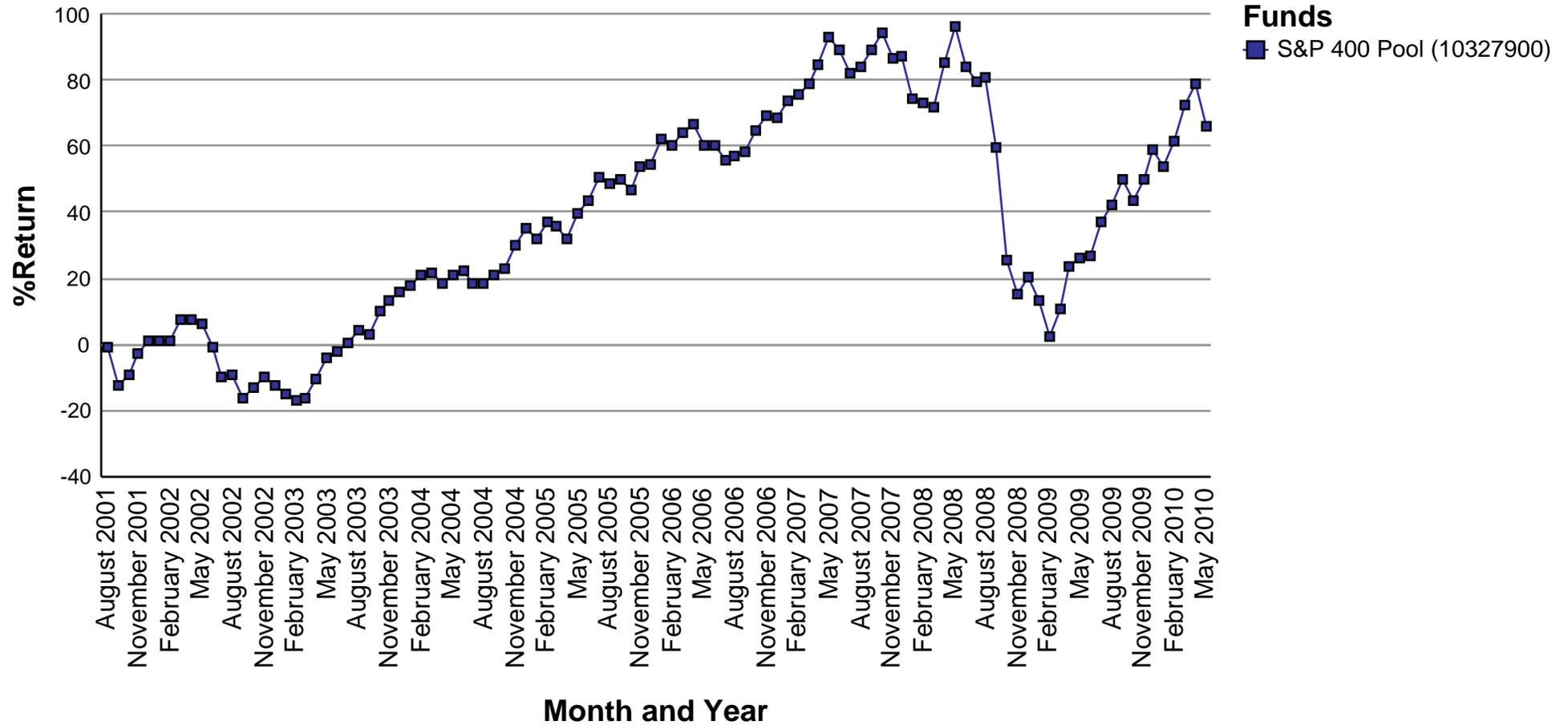
From July 1999 to May 2010

Gross of Fee



Performance Growth by Account

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



Performance Growth by Account

Arizona State Treasury (05509)

From July 1999 to May 2010

Gross of Fee

