

OFFICE OF THE
ARIZONA STATE TREASURER



Doug Ducey
TREASURER



AUGUST 2011

Presented To:

Arizona State Board of Investment

SEPTEMBER 27, 2011

STATE BOARD OF INVESTMENT

A G E N D A

September 27, 2011

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. Earnings Distributed Endowment Funds
 - F. 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

September 27, 2011

TABLE OF CONTENTS

	<u>Page</u>
Minutes of Board of Investment Meeting	ii-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
E. Earnings Distributed Endowment Funds	17
F. Endowment Investments and Performance Reports	18-39

**Minutes of
BOARD OF INVESTMENT MEETING**

The regular meeting of the State Board of Investment was held on August 23, 2011 in the Office of the State Treasurer, 1700 West Washington, State Capitol, West Wing, Treasurer's Conference Room, Phoenix, Arizona. Treasurer Ducey, Chair called the meeting to order at approximately 1:30 p.m.

Members Present:

Doug Ducey, Chair, State Treasurer
Beth Ford, Treasurer, Pima County, by teleconference
Alan E. Maguire, President, The Maguire Company
Scott Smith, Director of Arizona Department of Administration
Lauren Kingry, Superintendent, Department of Financial Institutions

Members Absent:

None

Others Present:

Mark Swenson, Deputy Treasurer, Arizona State Treasurer's Office
Carlton Woodruff, Deputy Treasurer of Operations, Arizona State Treasurer's Office
Patty Humbert, Senior Portfolio Manager, Arizona State Treasurer's Office
Tim White, Senior Portfolio Manager, Arizona State Treasurer's Office
Chris Petkiewicz, Portfolio Manager, Arizona State Treasurer's Office
Kevin Donnellan, Director of Communications, Arizona State Treasurer's Office
Dale Stomberg, Investment Accounting Manager, Arizona State Treasurer's Office
Jenelle Birchmeier, Investment Analyst, Arizona State Treasurer's Office
Sheila Asher, VP, Relationship Manager, JP Morgan

Pursuant to A.R.S. 35-311, the following reports for July, 2011 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
Earnings Distributed Endowment Funds
Endowment Investments and Performance Reports

1. Call to Order:

Treasurer Ducey called the August 23, 2011 BOI meeting to order at approximately 1:30 pm.

2. Treasurers Comments:

Treasurer Ducey welcomed board members and guests and thanked all present for attending the August 23, 2011 meeting.

3. Approval of Minutes:

Mr. Maguire made a motion to approve the July 21, 2011 minutes. Mr. Kingry seconded the motion. Motion carried.

4. Review of Treasurer's Monthly Report

Earnings Distribution – Investment Pools

Mr. Petkiewicz reported the earnings distributed month-to-date, year-to-date, prior year-to-date, and investment management fees deposited in the General Fund for the month of July, 2011.

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

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

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

Mr. Petkiewicz reported the net yields for the LGIP and LGIP-Gov Pools, as well as the comparisons to their relative benchmarks for the month of July, 2011.

Pool 500 & Pool 700 Portfolio Yield Analysis

Mr. Petkiewicz reported the net yield for the LGIP Medium Term Pools and the comparison to the benchmark for the month of July, 2011.

Manager Allocation of Invested Monies for the LGIP Pools

Mr. Petkiewicz reported the total market value invested in all of the LGIP Pools as a percentage of the total that was allocated to each of the LGIP, LGIP-Gov, and LGIP Medium Term Pools as of July 31, 2011.

LGIP Pools Investments and Performance Reports

Mr. Petkiewicz reported the total net assets, the weighted average life, the weighted average rating, and the total number of holdings on the LGIP, LGIP-Gov, and LGIP Medium Term pools for the month of July, 2011.

Review of Treasurer's Monthly Report – Agency Pool:

Ms. Humbert 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

Ms. Humbert reported the net yields for the State Agency Pools for the month of July, 2011.

Manager Allocation of Invested Monies for the State Agency Pools

Ms. Humbert reported the total market value of all of the State Agency Pools broken up to show the percent allocated to each individual State Agency Pool as of July 31, 2011.

Investments Outstanding in State Agency Pools

Ms. Humbert reported the total net assets, the weighted average life, the weighted average duration, the weighted average rating, and the total number of holdings for the State Agency Investment Pools as of July 31, 2011.

Operating Monies Average Invested Balance

Ms. Humbert reported the Operating Monies average invested balance for the month of July, 2011.

Mr. Kingry made an inquiry regarding the revised indexing format reflected on the July Report. Mr. Kingry also asked if the Investment Committee referenced a deeper explanation as to why the blended was used in creating the index and if there were any methodology to reference if there was ever a need.

Ms. Humbert stated that this was the first time that an indexing comparison has been applied to the short term funds. Ms. Humbert also stated that the Investment Committee discussed which indexes would most accurately reflect the way the funds are invested. In response to the methodology; Ms. Humbert stated that the Investment Committee experimented with several different types and verified that back up for the methodology is readily accessible if there should be a need to reference at a later date.

Review of Treasurer's Monthly Report – Endowments:

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

Earnings Distributed Endowment Funds

Mr. White reported the earnings distributed for the Endowment Funds for the month of July, 2011.

Endowment Funds Yield Analysis

Mr. White reported the net yield of the Endowment Fund Fixed Income Pool for the month of July, 2011.

Net Realized Capital Gains/Losses – Endowment Funds

Mr. White reported the net realized capital gains for the Endowment Fixed Income, S&P 500, S&P 400 and S&P 600 pools for the month of July, 2011 and FY11 fiscal year to date.

Endowment Funds Fixed-Income Pool Purchases & Sales

Mr. White reported the purchases and sales of the Endowment Fixed Income Pool for the month of July, 2011.

Equity Funds Purchases & Sales

Mr. White reported the purchases and sales (summary) of the Endowment Equity Pools for the month of July, 2011.

Investments Outstanding in Endowment Funds

Mr. White reported the par, book, market value, and unrealized gains/loss of the Endowment Funds as of July 31, 2011.

Performance of Investments in Endowment Funds

Mr. White 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 July 31, 2011.

Manager Allocation of Invested Monies for the Endowment Pools

Mr. White reported the percentage of the total market value of all of the Endowment investments allocated to each of the Endowment Pools, as of July 31, 2011.

Equity Holdings Investments Outstanding S&P 500

Mr. White reported the investments outstanding by portfolio characteristics and industry sector for the S&P 500 Pool as of July 31, 2011.

Equity Holdings Investments Outstanding S&P 400

Mr. White reported the investments outstanding by portfolio characteristics and industry sector for the S&P 400 Pool as of July 31, 2011.

Equity Holdings Investments Outstanding S&P 600

Mr. White reported the investments outstanding by portfolio characteristics and industry sector for the S&P 600 Pool as of July 31, 2011.

Fixed Income Investments and Performance Reports

Mr. White 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 July, 2011.

Endowment Investments and Performance Growth by Account Reports

Mr. White reported the performance and growth for each of the Endowment Funds from the inception date of each fund through the end of July, 2011.

Approval of Treasurer's Report

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

5. Proposed Changes to Investment Policy:

There were no proposed changes to the Investment Policy.

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

There were no Securities Dealers to be approved.

7. General Business:

A. Retirement Study Committee Meeting Update

Treasurer Ducey advised the Board Members of the scheduled Retirement Study Committee Meetings, which will take place immediately following the remaining 2011 BOI Meetings. The Retirement Study Committee will meet in Senate Hearing Room 1, with meetings running approximately 60 – 90 minutes in duration.

8. *Call to the Public*

No call to the public.

9. *Notice of Next Meeting:*

The Treasurer advised the Board that the next regular meeting of the Board of Investment will be Tuesday, September 27, 2011 at 1:30 p.m. at 1700 West Washington, State Capitol, West Wing, Treasurer's Conference Room, Phoenix, Arizona.

10. *Adjournment:*

Mr. Maguire made a motion to adjourn the BOI meeting. Mr. Smith seconded the motion. Upon unanimous approval the BOI Meeting was adjourned at 2:03 p.m.

Respectfully Submitted by:

Barbara Conley
Executive Consultant II

Approved by:

Doug Ducey, Chair

Date

**EARNINGS DISTRIBUTION - INVESTMENT POOLS
AUGUST 2011**

Recipient	Earnings Distributed			Fiscal YTD Investment Management Fees Received
	AUGUST 2011	Fiscal YTD 11/12	Fiscal YTD 10/11	
General Fund	\$661,549	\$1,450,960	\$1,396,686	
2 State Agencies I - Full Faith & Credit	671,295	1,262,728	1,095,107	97,262
3 State Agencies II - Diversified	835,989	1,384,819	1,379,935	181,549
4 State Agencies IV - Restricted Diversified	306,769	617,126	567,764	59,966
5 LGIP	196,265	365,057	706,824	146,540
7 LGIP Gov	69,526	113,698	438,077	170,480
12 CAWCD Medium-Term	525,569	1,049,544	620,267	27,932
15 GADA Long-Term	24,275	62,099	48,487	1,234
Subtotal	\$3,291,239	\$6,306,029	\$6,253,146	\$684,963
NAV POOL				
500 LGIP - Med Term	262,431	513,093	390,200	20,836
700 LGIP - FF&C Med Term	98,881	203,213	221,137	12,422
Total	\$3,652,551	\$7,022,335	\$6,864,483	\$718,221
AUGUST 2010 TOTALS	\$3,384,186			\$716,979

**LGIP & LGIP- GOV
PORTFOLIO YIELD ANALYSIS
AUGUST 31, 2011**

NET EARNINGS

FUND	DESCRIPTION	Current Month 08/31/11	Prior Month 07/31/11	Prior Year 8/31/10	Net Asset Value Per Share
5	LGIP	198,385	169,932	373,426	0.9999
7	LGIP - GOV	69,699	44,267	236,857	1.0001
	TOTAL LGIP & LGIP-GOV	268,085	214,199	610,283	

YIELDS

<u>MONTHLY</u>		Current Month 08/31/11	Prior Month 07/31/11	Prior Year 8/31/10
5	LGIP (NET)	0.16%	0.14%	0.25%
	S & P LGIP INDEX	0.07%	0.08%	0.19%
7	LGIP - GOV (NET)	0.05%	0.03%	0.13%
	3 MONTH T-BILL	0.01%	0.03%	0.14%
<u>YEAR TO DATE</u>				
5	LGIP (NET)	0.15%	0.14%	0.24%
	S & P LGIP INDEX	0.07%	0.08%	0.19%
7	LGIP - GOV (NET)	0.04%	0.03%	0.12%
	3 MONTH T-BILL	0.02%	0.03%	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 MEDIUM TERM POOLS
PORTFOLIO YIELD ANALYSIS
AUGUST 31, 2011**

NET EARNINGS

FUND	DESCRIPTION	Current Month 08/31/11	Prior Month 07/31/11	Prior Year 8/31/10	Net Asset Value Per Share
500	LGIP - MED TERM POOL	291,815	277,958	195,440	1.0400
700	LGIP - FF&C MED TERM POOL	118,557	125,209	112,285	1.0143
	TOTAL LGIP MEDIUM TERM POOLS	410,373	403,167	307,725	

YIELDS

MONTHLY

	Current Month 08/31/11	Prior Month 07/31/11	Prior Year 8/31/10
500 LGIP - MED TERM (NET)	1.77%	1.65%	1.90%
MERRILL 1-5 US D M INDEX	1.55%	1.52%	1.59%
700 LGIP - FF&C MED TERM (NET)	1.16%	1.23%	1.14%
MERRILL 1-5 US TREAS INDEX	0.38%	0.60%	0.69%

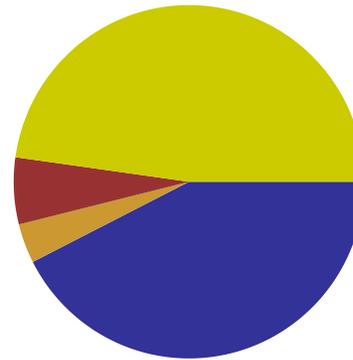
YEAR TO DATE

500 LGIP - MED TERM (NET)	1.71%	1.65%	2.03%
MERRILL 1-5 US D M INDEX	1.53%	1.52%	1.35%
700 LGIP - FF&C MED TERM (NET)	1.20%	1.23%	1.13%
MERRILL 1-5 US TREAS INDEX	0.49%	0.60%	0.74%

Manager Allocation - Daily Arizona State Treasury (05509) As of August 31, 2011

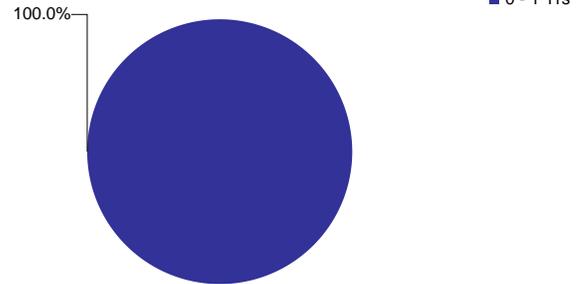
LGIP composite (00550903)		
Account Name	Market Value(MIL)	Percent of Portfolio
State of Arizona - Pool 5 (LGIP) (10327300)	1,436.10	42.5%
State of Arizona - Pool 7 (LGIP- FF&C) (10327400)	1,615.05	47.8%
State of Arizona - Pool 500 (LGIP - Med Term) (10327700)	201.79	6.0%
State of Arizona - Pool 700 (LGIP-FF&C Med Term) (10563200)	122.40	3.6%
TOTAL	3,375.34	100.0%

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

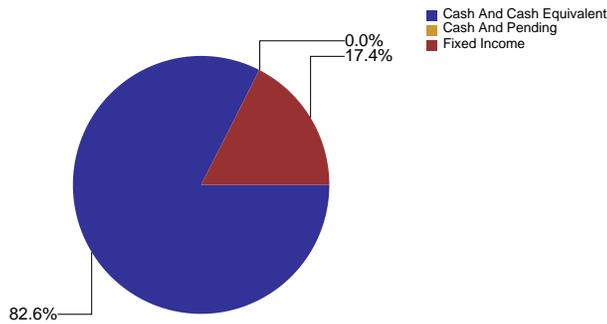


Portfolio Characteristics Duration Mix

Total Net Assets (Millions) 1,436.1
Weighted Average Life (Years) 0.09
Weighted Avg. Effective Duration (Years) 0.09
Weighted Average Maturity (Years) 0.08
Weighted Average Rating AA+
Number of Holdings 82

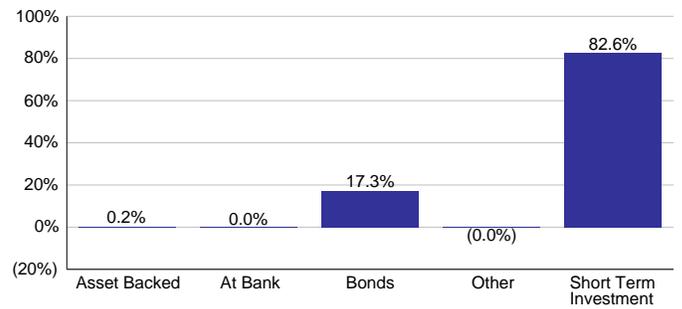
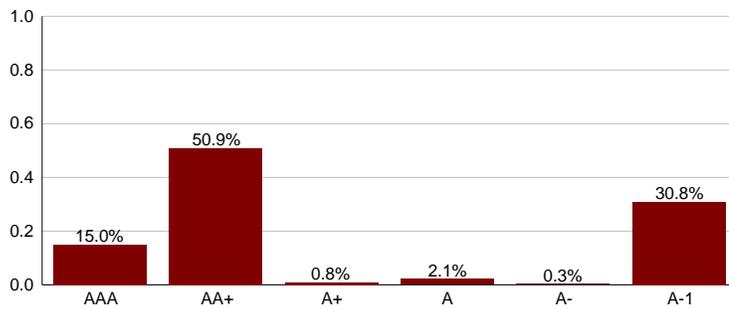


Asset Mix Top Ten Portfolio Holdings



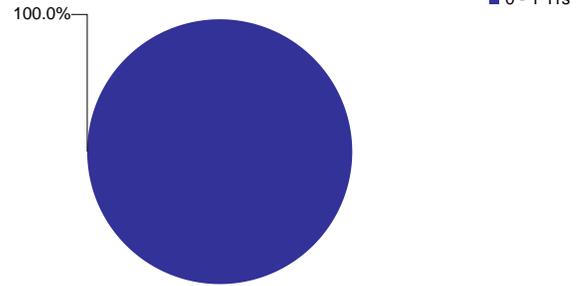
Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
46999W014	TRI-PARTY REPO JP MORGAN 0.30% 1/SEP	17.49%	0.30	1/9/2011
46999W022	TRI-PARTY REPO JP MORGAN REPO SWEEP 1/SEP	6.97%	0.20	1/9/2011
85299Y460	TRI-PARTY REPO SOUTH STREET 0.09% 02/SEP/2011	5.92%	0.09	2/9/2011
31599G254	FIDELITY STIF .12%	4.88%	0.00	1/9/2011
85299Y494	TRI PARTY REPO SOUTH STREET 0.10% 06/SEP/2011	4.88%	0.10	6/9/2011
313372EV2	FEDERAL HOME LOAN BANKS CONS BD FLT 12 13/JAN/2012	3.48%	0.16	13/1/2012
52468KWP2	LEGACY CAPITAL COMPANY CORPORATE COMMERCIAL PAPER	2.09%	0.00	23/9/2011
31331GQ44	FED FARM CREDIT FR DEB 15/SEP/2011 USD1000	1.74%	0.25	15/9/2011
9127953M1	UNITED STATES TREAS BILLS DT	1.74%	0.00	6/10/2011
313372EU4	FEDERAL HOME LOAN BANKS CONS BD FLT 12 24/JAN/2012	1.74%	0.18	24/1/2012

Quality/Rating Weightings Sector Weightings (as % of Market Value)

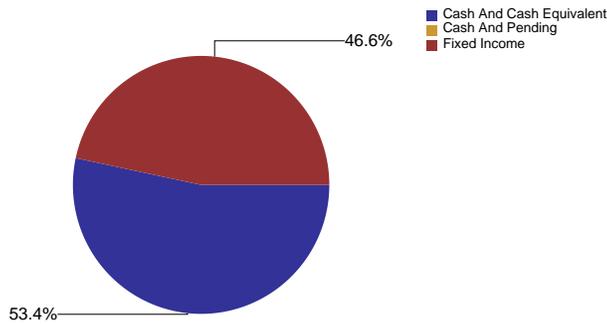


Portfolio Characteristics Duration Mix

Total Net Assets (Millions) 1,615.0
Weighted Average Life (Years) 0.12
Weighted Avg. Effective Duration (Years) 0.11
Weighted Average Maturity (Years) 0.12
Weighted Average Rating AA+
Number of Holdings 30

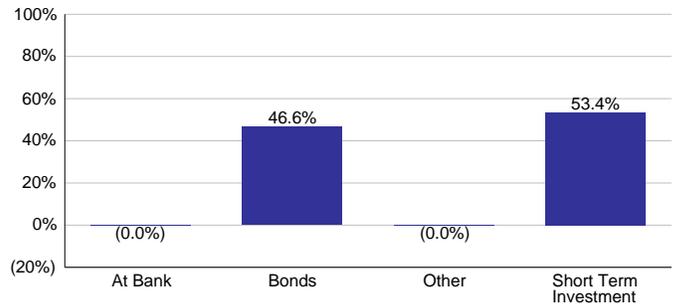
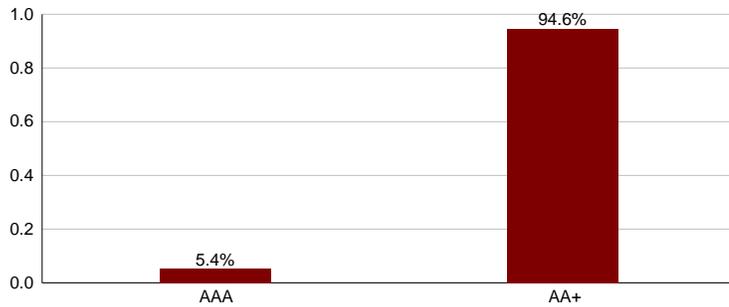


Asset Mix Top Ten Portfolio Holdings



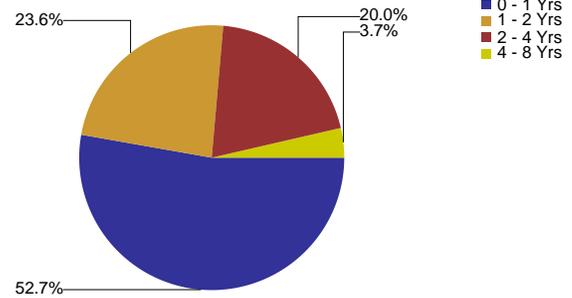
Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
65599W547	TRI-PARTY REPO NOMURA 0.09% 01/SEP/2011	20.84%	0.09	1/9/2011
60699K139	TRI-PARTY REPO MIZUHO SECURITIES 0.04% 01/SEP/2011	12.38%	0.04	1/9/2011
60699K154	TRI PARTY REPO MIZUHO SECURITIES 0.03% 06/SEP/2011	12.38%	0.03	6/9/2011
912828GA2	US TREAS NTS 04.500% 30/NOV/2011	6.01%	4.50	30/11/2011
7591EAAB9	REGIONS BANK 3.25% BDS 09/DEC/2011 USD1000	3.25%	3.25	9/12/2011
912828GC8	US TREAS NTS 04.625% 31/DEC/2011	3.17%	4.62	31/12/2011
61757UAB6	MORGAN STANLEY 3.25% 01/DEC/2011	3.14%	3.25	1/12/2011
975709D	ALLIANCE BANK OF ARIZONA REPO SWEEP 0.19%	3.13%	0.19	3/10/2011
912828MU1	UNITED STATES TREAS NTS 1.000% 31/MAR/2012	3.13%	1.00	31/3/2012
912828ML1	UNITED STATES OF AMER TREAS BONDS 1% BDS	3.11%	1.00	31/12/2011

Quality/Rating Weightings Sector Weightings (as % of Market Value)

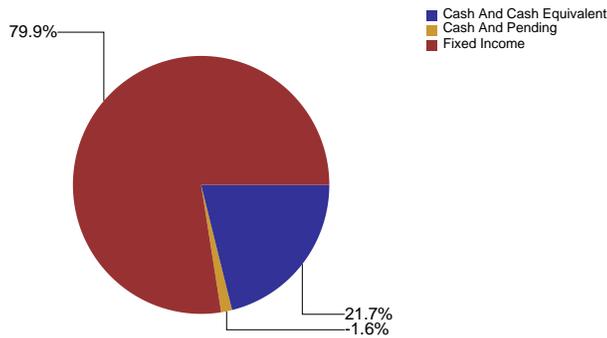


Portfolio Characteristics Duration Mix

Total Net Assets (Millions) 201.8
Weighted Average Life (Years) 1.73
Weighted Avg. Effective Duration (Years) 1.22
Weighted Average Rating AA
Number of Holdings 171

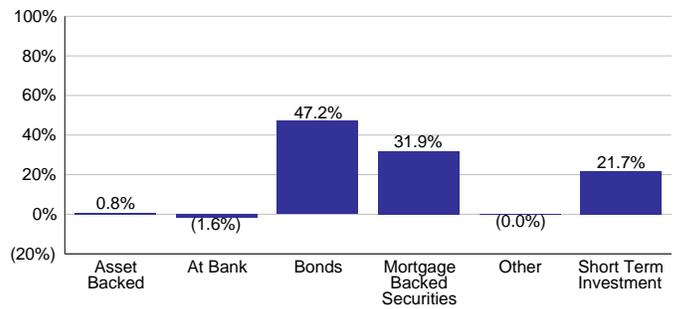
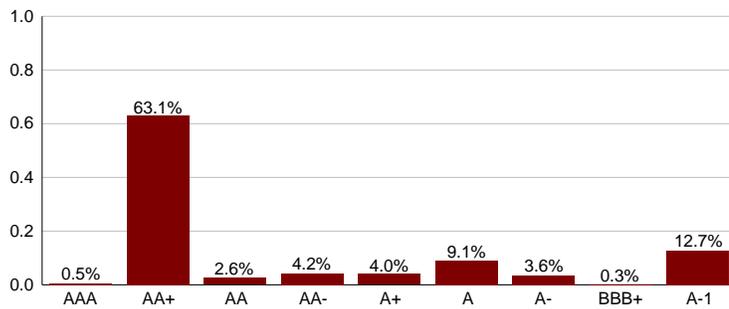


Asset Mix Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
85299Y460	TRI-PARTY REPO SOUTH STREET 0.09% 02/SEP/2011	4.88%	0.09	2/9/2011
967518D	UNITED STATES ZCP 01/SEP/2011	4.88%	0.00	1/9/2011
3138A5CF7	FNMA MORTPASS 4% 01/FEB/2026 CI PN# AH3669	3.86%	4.00	1/2/2026
31416NZB1	FNMA MORTPASS 4% 01/APR/2024 CI PN# AA5237	3.75%	4.00	1/4/2024
3128PR3M9	FHLMCGLD MORTPASS 4% 01/JUL/2025 PN# 2604	2.48%	4.00	1/7/2025
85299Y494	TRI PARTY REPO SOUTH STREET 0.10% 06/SEP/2011	2.44%	0.10	6/9/2011
313375HA8	FEDERAL HOME LOAN BANKS 0.45% BDS 21/SEP/2012	2.44%	0.45	21/9/2012
31419CZL0	FNMA MORTPASS 4.5% 01/SEP/2040 CL PN# AE2546	2.39%	4.50	1/9/2040
3128PSQ75	FHLMCGLD MORTPASS 3.5% 01/OCT/2025 PN# 3176	2.31%	3.50	1/10/2025
3128PSKA4	FHLMCGLD MORTPASS 3.5% 01/SEP/2025 PN# 2989	2.22%	3.50	1/9/2025

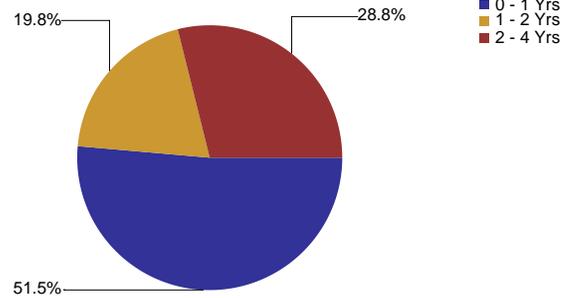
Quality/Rating Weightings Sector Weightings (as % of Market Value)



Portfolio Characteristics

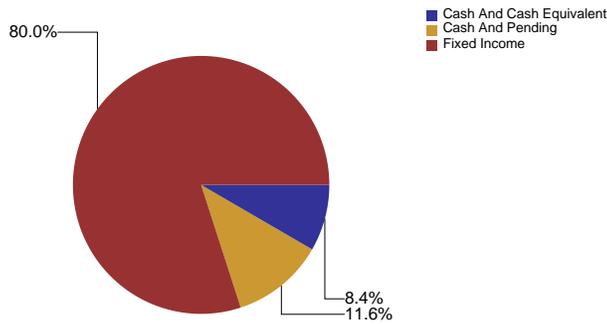
Duration Mix

Total Net Assets (Millions) **122.4**
 Weighted Average Life (Years) **1.52**
 Weighted Avg. Effective Duration (Years) **1.26**
 Weighted Average Rating **AA+**
 Number of Holdings **74**



Asset Mix

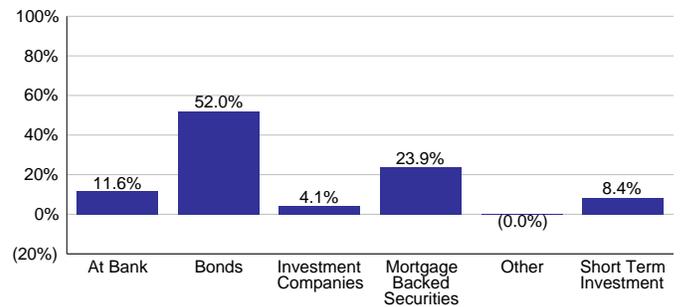
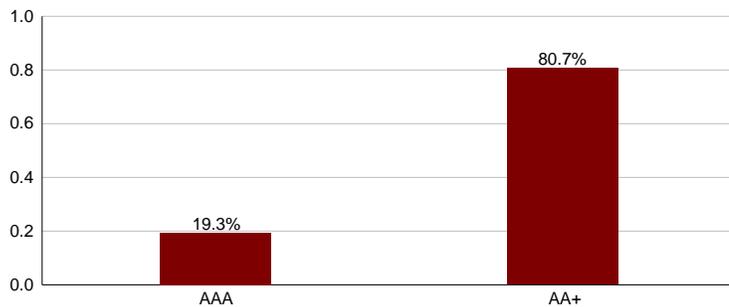
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
938554N	FDIC US BANK CDARS ACCOUNT 0.25% 03/OCT/2011	6.96%	0.25	3/10/2011
17313UAA7	CITIGROUP INC 2.875% GTD BDS 09/DEC/2011 USD1000	4.91%	2.88	9/12/2011
36967HAY3	GENERAL ELECTRIC CAPITAL CORP 2.625% BDS	4.78%	2.62	28/12/2012
464287457	ISHARES BARCLAYS 1-3 YRS TREASURY BOND FUND	4.65%	0.00	
36202FFH4	GNMA II MORTPASS 4.5% 20/APR/2025 SF PN# 004668	4.18%	4.50	20/4/2025
3620A5MX4	GNMA I MORTPASS 5% 15/SEP/2039 SF PN# 719574	4.15%	5.00	15/9/2039
73278MAA1	POOLED FDG TR I 2.74% BDS 15/FEB/2012 USD	3.73%	2.74	15/2/2012
38376ETD7	GINNIE MAE 2009-108 WG 4.000% 20/SEP/2038	3.49%	4.00	20/9/2038
038461AC3	AID-EGYPT 4.45% 15/SEP/2015	3.20%	4.45	15/9/2015
911759JQ2	U S DEPT HSG & URBAN DEV GOV'T 4.33% DEB	3.13%	4.33	1/8/2015

Quality/Rating Weightings

Sector Weightings (as % of Market Value)



**STATE AGENCY POOLS
PORTFOLIO YIELD ANALYSIS
AUGUST 31, 2011**

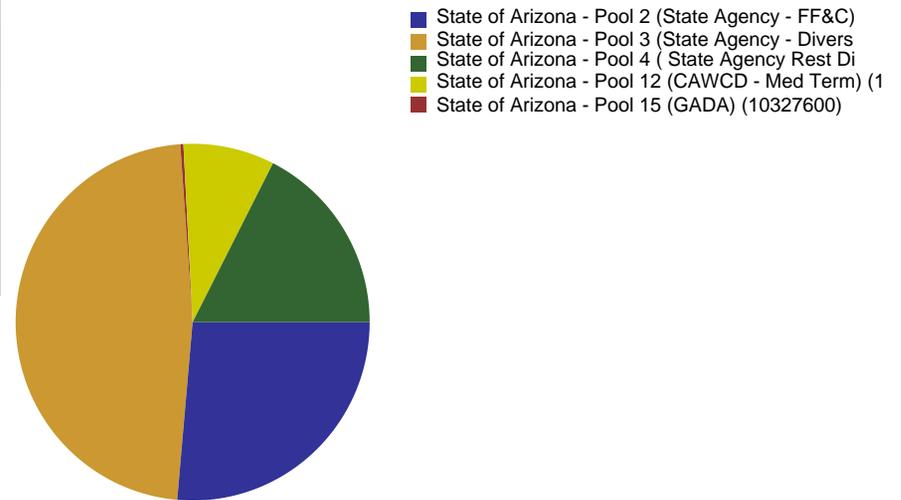
		<u>NET EARNINGS</u>			Net Asset Value Per Share
FUND	DESCRIPTION	Current Month 08/31/11	Prior Month 07/31/11	Prior Year 8/31/10	
2	STATE AGENCIES I - FULL FAITH & CREDIT	958,902	926,068	856,704	1.0111
3	STATE AGENCIES II - DIVERSIFIED	1,137,483	939,516	974,908	1.0048
4	STATE AGENCIES IV-RESTRICTED DIVERSIFIED	327,864	325,037	298,684	1.0034
12	CAWCD MEDIUM TERM	525,569	523,975	313,230	1.0237
15	GADA	24,275	37,824	22,653	1.0200
	TOTAL STATE AGENCIES	2,974,093	2,752,419	2,466,179	

YIELDS

<u>MONTHLY</u>		Current Month 08/31/11	Prior Month 07/31/11	Prior Year 8/31/10
2	STATE AGENCIES I - FULL FAITH & CREDIT	1.25%	1.10%	1.08%
	75% MERRILL 0-1 US TREAS INDEX / 25%	0.66%	0.94%	0.61%
	MERRILL GNMA MORTGAGE MASTER INDEX			
3	STATE AGENCIES II - DIVERSIFIED	0.80%	0.58%	0.78%
	50% 3 MONTH LIBOR INDEX / 50% MERRILL 1 -3	0.58%	0.53%	0.93%
	US BROAD MARKET INDEX			
4	STATE AGENCIES IV-RESTRICTED DIVERSIFIED	0.65%	0.66%	0.67%
	50% MERRILL 6 MTH US T-BILL INDEX / 50%	0.14%	0.28%	0.35%
	MERRILL 1-3 UNSUB. US TREAS / AGY INDEX			
12	CAWCD MEDIUM TERM	2.25%	2.26%	2.68%
	BARCLAYS CAPITAL US AGG. BOND INDEX	2.39%	2.61%	2.35%
15	GADA	2.36%	3.68%	2.19%
	MERRILL 3-5 US BROAD MARKET EX CORP	2.06%	2.18%	1.79%
	US GOV/AGY INDEX			

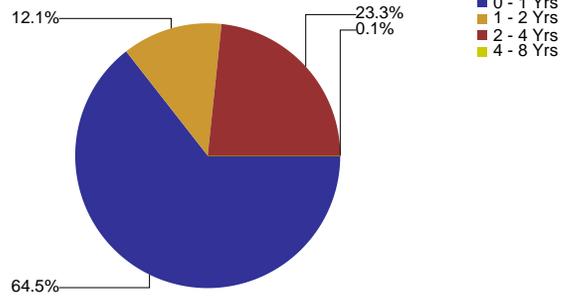
Manager Allocation - Daily Arizona State Treasury (05509) As of August 31, 2011

Pool Composite (00550904)		
Account Name	Market Value(MIL)	Percent of Portfolio
State of Arizona - Pool 2 (State Agency - FF&C) (10327000)	883.82	26.4%
State of Arizona - Pool 3 (State Agency - Diversified) (10327100)	1,587.13	47.4%
State of Arizona - Pool 4 (State Agency Rest Div) (10327200)	581.22	17.4%
State of Arizona - Pool 12 (CAWCD - Med Term) (10327500)	282.95	8.5%
State of Arizona - Pool 15 (GADA) (10327200)	12.35	0.4%
TOTAL	3,347.47	100.0%

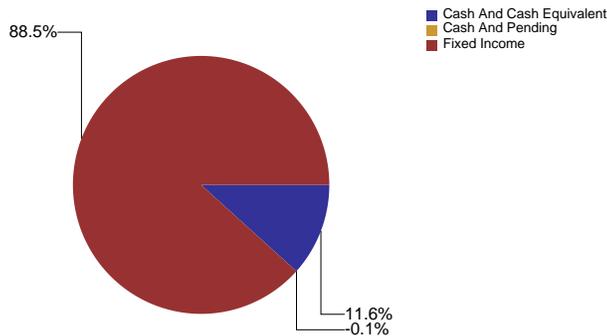


Portfolio Characteristics Duration Mix

Total Net Assets (Millions) 883.8
Weighted Average Life (Years) 1.38
Weighted Avg. Effective Duration (Years) 1.16
Weighted Average Rating AA+
Number of Holdings 98

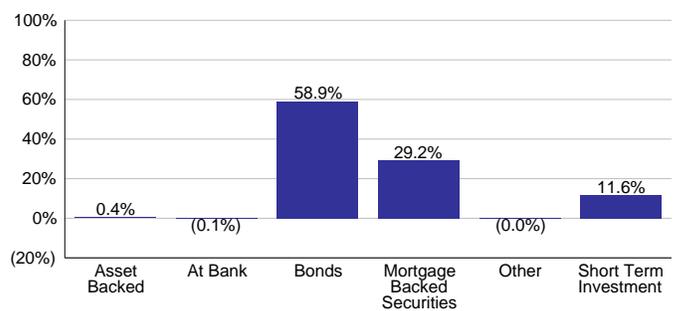
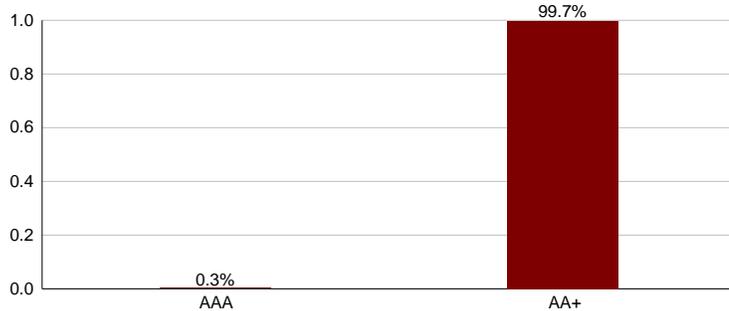


Asset Mix Top Ten Portfolio Holdings



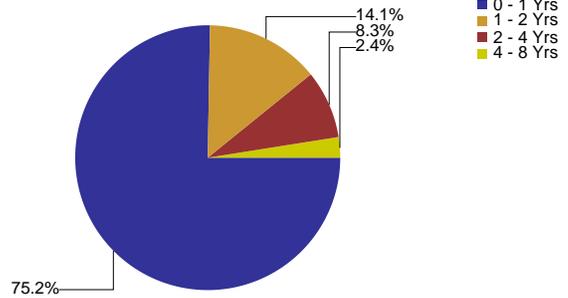
Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
65599W547	TRI-PARTY REPO NOMURA 0.09% 01/SEP/2011	11.60%	0.09	1/9/2011
36967HAN7	GENERAL ELECTRIC CAPITAL CORP 2.25% NTS	4.73%	2.25	12/3/2012
912828NE6	UNITED STATES TREAS NTS 0.750% 31/MAY/2012	3.41%	0.75	31/5/2012
4042EPAAS	HSBC USA INC 3.125% BDS 16/DEC/2011 USD1000	2.56%	3.12	16/12/2011
06050BAG6	BANK OF AMERICA CORP 2.1% SRN 30/APR/2012 USD1000	2.34%	2.10	30/4/2012
38146FAA9	GOLDMAN SACHS GROUP INC 3.25% BDS 15/JUN/2012	2.33%	3.25	15/6/2012
912828GK0	US TREAS NTS 4.625% 29/FEB/2012	2.31%	4.62	29/2/2012
912828KP4	UNITED STATES TREAS NTS 1.375% 15/MAY/2012	2.29%	1.38	15/5/2012
912828MU1	UNITED STATES TREAS NTS 1.000% 31/MAR/2012	2.28%	1.00	31/3/2012
912828PD6	UNITED STATES TREAS NTS 0.375% 31/OCT/2012	2.27%	0.38	31/10/2012

Quality/Rating Weightings Sector Weightings (as % of Market Value)

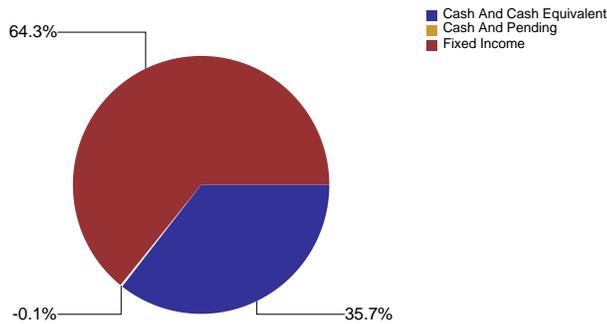


Portfolio Characteristics Duration Mix

Total Net Assets (Millions) 1,587.1
Weighted Average Life (Years) 1.46
Weighted Avg. Effective Duration (Years) 0.68
Weighted Average Rating AA
Number of Holdings 134

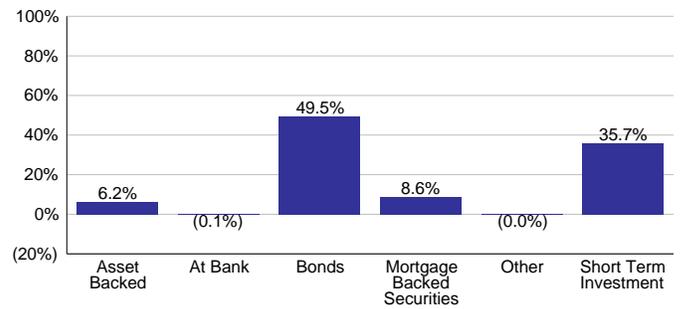
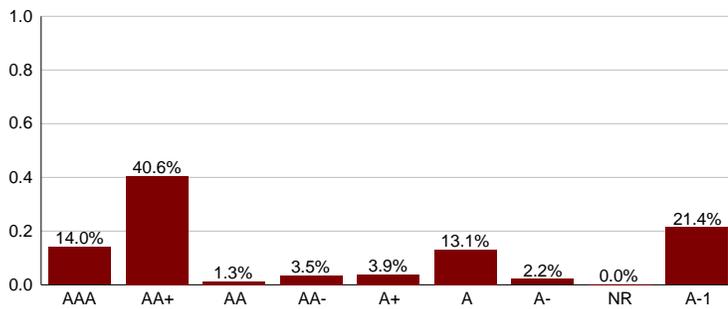


Asset Mix Top Ten Portfolio Holdings



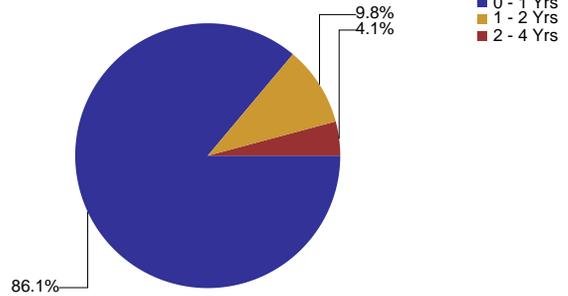
Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
31599G247	FIDELITY STIF .15%	5.04%	0.00	1/9/2011
85299Y494	TRI PARTY REPO SOUTH STREET 0.10% 06/SEP/2011	4.72%	0.10	6/9/2011
0556N1WD1	BNP PARIBAS FIN CP 09/07	3.15%	0.00	13/9/2011
25153KW60	DEUTSCHE BK FINL LLC ZCP 06/SEP/2011	2.52%	0.00	6/9/2011
85520MW66	STARBIRD FDG, CORP. CORPORATE COMMERCIAL PAPER	2.36%	0.00	6/9/2011
06945MW85	BARTON CAPITAL CORP. CORPORATE COMMERCIAL PAPER	2.31%	0.00	8/9/2011
3135G0BC6	FEDERAL NATIONAL MORTGAGE ASSOC 2.75% NTS	1.91%	2.75	28/3/2016
92646LWE6	VICTORY RECEIVABLES CORPORATE COMMERCIAL PAPER	1.89%	0.00	14/9/2011
96442MWC5	WHITE POINT FDG INC. CORPORATE COMMERCIAL PAPER	1.67%	0.00	12/9/2011
59018YE72	MERRILL LYNCH & CO INC FLTG RATE NTS 05/JUN/2012	1.61%	0.48	5/6/2012

Quality/Rating Weightings Sector Weightings (as % of Market Value)

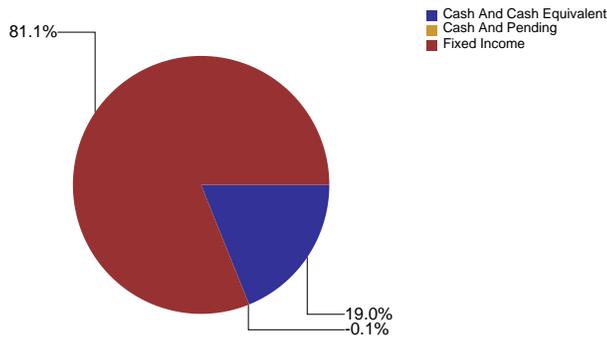


Portfolio Characteristics Duration Mix

Total Net Assets (Millions) 581.2
Weighted Average Life (Years) 1.28
Weighted Avg. Effective Duration (Years) 0.49
Weighted Average Rating AA+
Number of Holdings 65

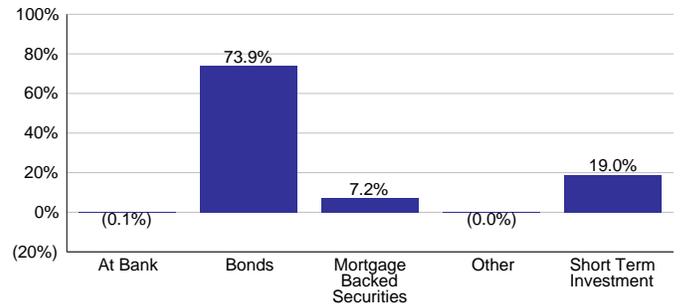
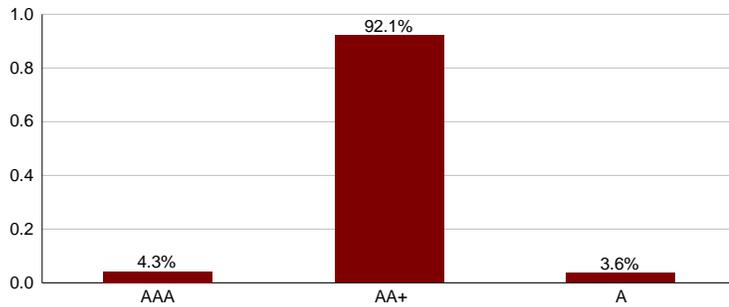


Asset Mix Top Ten Portfolio Holdings



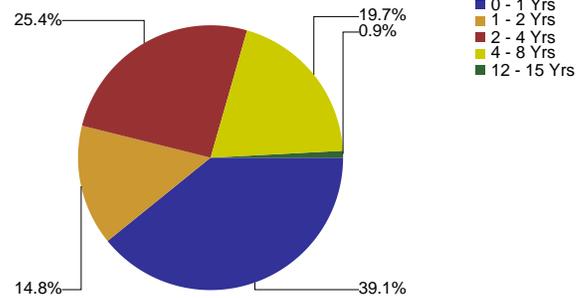
Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
46999W014	TRI-PARTY REPO JP MORGAN 0.30% 23/SEP	9.50%	0.30	1/9/2011
446436AB3	HUNTINGTON NATIONAL BANK FRN 01/JUN/2012 USD1000	4.32%	0.65	1/6/2012
65599W547	TRI-PARTY REPO NOMURA 0.09% 01/SEP/2011	4.18%	0.09	1/9/2011
31359MNU3	FANNIE MAE 5.25% 01/AUG/2012	3.61%	5.25	1/8/2012
36967HAN7	GENERAL ELECTRIC CAPITAL CORP 2.25% NTS	3.51%	2.25	12/3/2012
912828JU5	UNITED STATES OF AMER TREAS NOTES 1.75% TB	3.47%	1.75	15/11/2011
31331KEW6	FEDERAL FARM CREDIT BANKS 0.44% BDS 24/SEP/2012	3.45%	0.44	24/9/2012
3133733A8	FEDERAL HOME LOAN BANKS CONS BD 0.18% 21/DEC/2011	3.44%	0.18	21/12/2011
954199D	FANNIE ZCP 26/SEP/2011	3.44%	0.00	26/9/2011
31398A3D2	FEDERAL NATIONAL MORTGAGE ASSOC 1.125% NTS	3.29%	1.12	9/9/2013

Quality/Rating Weightings Sector Weightings (as % of Market Value)

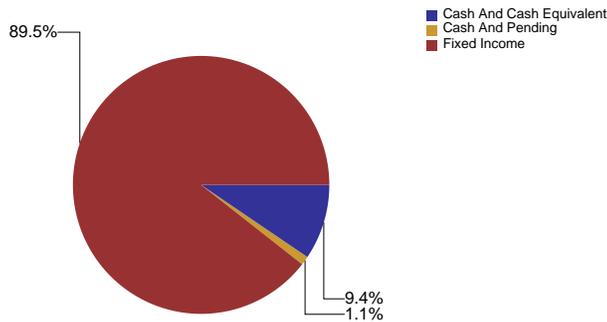


Portfolio Characteristics Duration Mix

Total Net Assets (Millions) 282.9
Weighted Average Life (Years) 3.80
Weighted Avg. Effective Duration (Years) 2.08
Weighted Average Rating AA
Number of Holdings 124

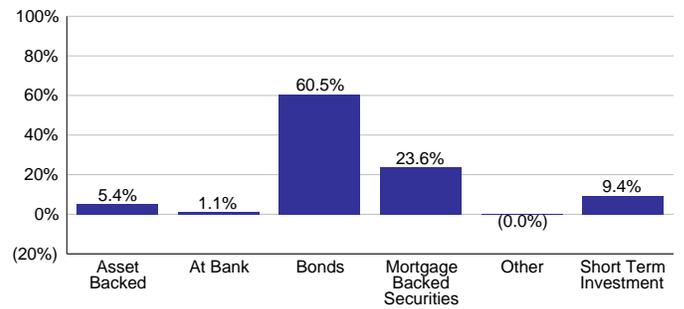
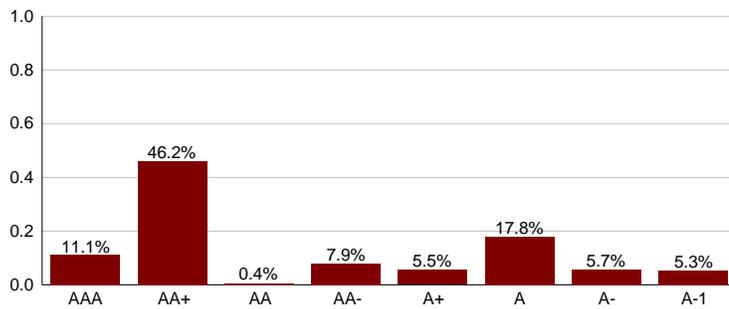


Asset Mix Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
31599G247	FIDELITY STIF .15%	3.22%	0.00	1/9/2011
191216AN0	COCA-COLA CO 0.75% SNR NTS 15/NOV/2013 USD1000	2.87%	0.75	15/11/2013
3137A55N0	FREDDIE MAC 3784 JU 4.000% 15/MAY/2036	2.18%	4.00	15/5/2036
92343VAY0	VERIZON COMMUNICATIONS INC 3% BDS 01/APR/2016	1.88%	3.00	1/4/2016
3137A8QA9	FREDDIE MAC 3841 AV 4.000% 15/MAR/2024	1.85%	4.00	15/3/2024
532457AN8	LILLY(ELI)& CO 6.57% NTS 01/JAN/2016 USD1000	1.81%	6.57	1/1/2016
959802AN9	WESTERN UNION COMP 0% BDS 07/MAR/2013 USD2000	1.79%	0.83	7/3/2013
039483BA9	ARCHER DANIELS MIDLAND CO 0.4733% BDS 13/AUG/2012	1.79%	0.45	13/8/2012
63743HEA6	NATL RURAL UTILS C FR MTN 09/DEC/2011 USD1000	1.79%	0.35	9/12/2011
06423RBK1	BANK ONE ISSUANCE TRUST SER 2004-A3 CL A3	1.79%	0.38	15/2/2017

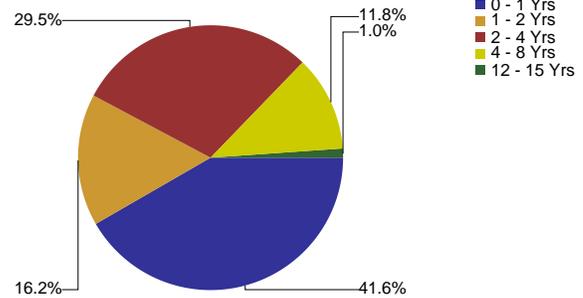
Quality/Rating Weightings Sector Weightings (as % of Market Value)



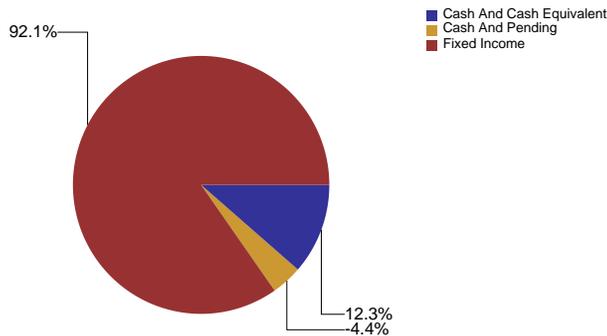
Portfolio Characteristics Duration Mix

Total Net Assets (Millions)
Weighted Average Life (Years)
Weighted Avg. Effective Duration (Years)
Weighted Average Rating
Number of Holdings

12.4
4.52
1.81
AA
27

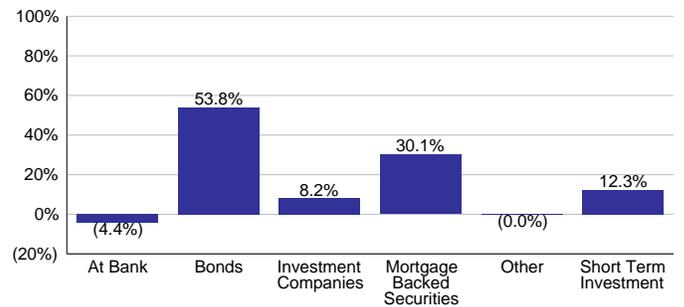
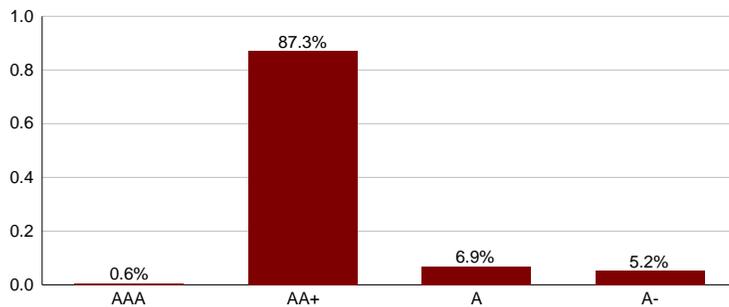


Asset Mix Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
928989383	JP MORGAN U S GOVT MMF AGENCY SHARES	7.90%	0.01	31/12/2049
958268S	LONG TERM GOV'T POOL	7.86%	0.00	31/12/2049
3134G2RT1	FED HOME LOAN MTG 4% MTN 27/JAN/2023 USD	7.85%	4.00	27/1/2023
31331JQ97	FEDERAL FARM CR BKS CONS BD 1.375% 14/OCT/2014	7.80%	1.38	14/10/2014
31294KTb1	FEDERAL HOME LN MTG CORP GOLD POOL # EO1446 DTD	5.67%	4.50	1/9/2018
36241KJ22	GNMA I MORTPASS 4.5% 15/FEB/2021 JP PN# 782080	4.62%	4.50	15/2/2021
3137A2PF2	FREDDIE MAC 3766 HE 3.000% 15/NOV/2020	4.59%	3.00	15/11/2020
10138MAH8	BOTTLING GROUP 6.95% SNR NTS 15/MAR/2014 USD1000	4.59%	6.95	15/3/2014
3137A7HC7	FREDDIE MAC 3800 KE 3.500% 15/FEB/2026	4.09%	3.50	15/2/2026
38376JFP4	GINNIE MAE 2009-106 HA 4.000% 16/NOV/2039	4.03%	4.00	16/11/2039

Quality/Rating Weightings Sector Weightings (as % of Market Value)



OPERATING MONIES
AVERAGE INVESTED BALANCE

Through August 31, 2011

(in millions of dollars)

<u>Month</u>	<u>Fiscal Year</u> <u>2009/2010</u>	<u>Fiscal Year</u> <u>2010/2011</u>	<u>Fiscal Year</u> <u>2011/2012</u>
JULY	116	1,077	1,209
AUGUST	(200)	761	818
SEPTEMBER	11	590	
OCTOBER	(224)	358	
NOVEMBER	(431)	570	
DECEMBER	(733)	592	
JANUARY	(463)	835	
FEBRUARY	(423)	863	
MARCH	(686)	802	
APRIL	(635)	1,002	
MAY	(579)	1,128	
JUNE	450	1,358	
Y-T-D			
Average	(\$316)	\$828	\$1,014

**EARNINGS DISTRIBUTED
ENDOWMENT FUNDS
AUGUST 2011**

Distributed in Current Month

Recipient	AUGUST 2011	Fiscal YTD 11/12	Fiscal YTD 10/11
101 A & M Colleges	\$21,267	\$42,535	\$8,480
102 State Hospital	\$11,786	\$23,571	\$4,100
103 Leg., Exec., & Jud.	\$17,471	\$34,942	\$8,182
104 Military Institute	\$1,240	\$2,479	\$638
105 Miners Hospital	\$28,238	\$56,476	\$11,400
107 Normal School ASU/NAU	\$7,271	\$14,543	\$3,166
108 Penitentiaries	\$28,159	\$56,318	\$18,336
109 Permanent Common School	\$6,267,394	\$12,534,788	\$2,430,462
110 School for Deaf & Blind	\$10,439	\$20,878	\$4,752
111 School of Mines	\$24,145	\$48,289	\$10,654
112 State Charitable-Pioneers Home	\$109,528	\$219,057	\$37,306
112 State Charitable-Corrections	\$54,764	\$109,528	\$18,654
112 State Charitable-Youth Treatment	\$54,764	\$109,528	\$18,654
113 University Fund	\$38,553	\$77,106	\$16,294
114 U of A Land - 1881	\$82,253	\$164,505	\$36,692
Total	\$6,757,272	\$13,514,545	\$2,627,770

Posted in USAS in current month

**ENDOWMENT FUNDS
 PORTFOLIO YIELD ANALYSIS
 AUGUST 31, 2011**

NET EARNINGS

FUND	DESCRIPTION	Current Month 08/31/11	Prior Month 07/31/11	Prior Year 8/31/10
205	ENDOWMENTS - FIXED INCOME	\$3,993,935	\$4,478,304	\$5,278,821

YIELDS

<u>MONTHLY</u>	Current Month 08/31/11	Prior Month 07/31/11	Prior Year 8/31/10
205 ENDOWMENTS - FIXED INCOME	5.69%	6.20%	6.81%

NET REALIZED CAPITAL GAINS / LOSSES - ENDOWMENT FUNDS

Endowment Fund	Aug-11 NET GAIN(LOSS)	Aug-10 NET GAIN(LOSS)
----- Fixed Income Pool	(213,593)	876,106
Equity Pool (500)	66,946	(72,380)
Equity Pool (400)	197,741	(40,836)
Equity Pool (600)	(31,313)	0
Totals	19,781	762,890
	=====	=====

Endowment Fund	2011/2012 FISCAL YEAR TO DATE GAINS(LOSSES)	2010/ 2011 FISCAL YEAR TO DATE GAINS(LOSSES)
----- Fixed Income Pool	(48,756)	695,739
Equity Pool (500)	478,544	51,442
Equity Pool (400)	3,533,652	1,074,542
Equity Pool (600)	149,964	0
Totals	4,113,404	1,821,723
	=====	=====

ENDOWMENT FUNDS FIXED-INCOME POOL
PURCHASES & SALES
 Month of August 2011

State Treasurer's Report
 September 27, 2011
 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	2.00	2/24/2017	N/A	\$10,000,000	\$10,024,800	1.50%	Aaa/AA+
DUKE ENERGY	3.55	9/15/2021	N/A	\$5,000,000	\$4,999,050	3.55%	Baa2/BBB+

TOTAL ENDOWMENT FUNDS PURCHASES	\$15,000,000	\$15,023,850
----------------------------------------	---------------------	---------------------

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>
U S TREASURY NOTE	1.38	3/15/2013	\$5,000,000	\$5,123,956	\$104,038	Aaa/AA+
U S TREASURY NOTE	1.00	3/31/2012	\$5,000,000	\$5,048,441	\$29,351	Aaa/AA+
U S TREASURY NOTE	5.00	5/15/2037	\$2,500,000	\$3,219,705	\$32,198	Aaa/AA+

TOTAL ENDOWMENT FUNDS SALES	\$12,500,000	\$13,392,102	\$165,587
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*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 August 2011

State Treasurer's Report
September 27, 2011
Page 21

I. Equity Fund Purchases

	<u>SHARES</u>	<u>PURCHASE COST</u>	<u>COMMISSIONS</u>
S&P 400 Mid-Cap Fund	45,155	\$3,103,686	\$677
S&P 500 Large-Cap Fund	281,929	\$11,609,671	\$4,137
S&P 600 Small-Cap Fund	1,522,687	\$30,138,045	\$22,792
TOTAL EQUITY PURCHASES	1,849,771	\$44,851,402	\$27,606

II. Equity Funds Sales

	<u>SHARES</u>	<u>SALES AMOUNT</u>	<u>COMMISSIONS</u>
S&P 400 Mid-Cap Fund	16,145	\$875,691	\$242
S&P 500 Large-Cap Fund	14,522	\$720,745	\$218
S&P 600 Small-Cap Fund	29,689	\$1,077,187	\$309
TOTAL EQUITY SALES	60,356	\$2,673,623	\$769

**ENDOWMENT FUNDS
INVESTMENTS OUTSTANDING**

AUGUST 31, 2011

(In Thousands)

State Treasurer's Report

September 27, 2011

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 Large-Cap 500 Equity Fund</i>	2,597	2,371	2,844	473	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	779	756	1,475	718	
	<i>Shares in Small-Cap 600 Equity Fund</i>	554	558	508	(50)	
	<i>Shares in Fixed Income Fund</i>	2,421	2,730	4,202	1,472	
	Total	6,351	6,415	9,029	2,614	1.407
102	State Hospital					
	<i>Shares in Large-Cap 500 Equity Fund</i>	1,697	1,477	1,858	382	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	441	471	835	364	
	<i>Shares in Small-Cap 600 Equity Fund</i>	323	325	297	(29)	
	<i>Shares in Fixed Income Fund</i>	1,429	1,691	2,479	788	
	Total	3,890	3,964	5,470	1,505	1.380
103	Leg., Exec., & Jud.					
	<i>Shares in Large-Cap 500 Equity Fund</i>	1,971	1,932	2,159	227	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	593	618	1,123	506	
	<i>Shares in Small-Cap 600 Equity Fund</i>	458	461	420	(41)	
	<i>Shares in Fixed Income Fund</i>	2,005	2,231	3,479	1,248	
	Total	5,027	5,241	7,181	1,940	1.370
104	Military Institute					
	<i>Shares in Large-Cap 500 Equity Fund</i>	133	133	146	13	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	43	42	82	40	
	<i>Shares in Small-Cap 600 Equity Fund</i>	33	33	30	(3)	
	<i>Shares in Fixed Income Fund</i>	142	153	247	94	
	Total	352	361	505	144	1.397
105	Miners Hospital					
	<i>Shares in Large-Cap 500 Equity Fund</i>	4,403	4,331	4,822	491	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	1,118	1,387	2,117	729	
	<i>Shares in Small-Cap 600 Equity Fund</i>	900	905	825	(80)	
	<i>Shares in Fixed Income Fund</i>	3,754	4,928	6,515	1,588	
	Total	10,175	11,551	14,279	2,728	1.236

**ENDOWMENT FUNDS
INVESTMENTS OUTSTANDING**

State Treasurer's Report

September 27, 2011

Page 23

AUGUST 31, 2011

(In Thousands)

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 Large-Cap 500 Equity Fund</i>	951	902	1,041	139	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	264	286	499	213	
	<i>Shares in Small-Cap 600 Equity Fund</i>	202	203	185	(18)	
	<i>Shares in Fixed Income Fund</i>	873	1,031	1,514	483	
	Total	2,289	2,423	3,240	817	1.337
108	Penitentiaries					
	<i>Shares in Large-Cap 500 Equity Fund</i>	3,315	3,012	3,631	620	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	892	959	1,689	730	
	<i>Shares in Small-Cap 600 Equity Fund</i>	644	649	591	(58)	
	<i>Shares in Fixed Income Fund</i>	2,855	3,463	4,954	1,491	
	Total	7,706	8,083	10,865	2,782	1.344
109	Permanent Common School					
	<i>Shares in Large-Cap 500 Equity Fund</i>	897,370	869,581	982,890	113,309	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	229,080	277,046	433,789	156,743	
	<i>Shares in Small-Cap 600 Equity Fund</i>	176,534	177,669	161,912	(15,757)	
	<i>Shares in Fixed Income Fund</i>	782,135	999,882	1,357,282	357,400	
	Total	2,085,119	2,324,178	2,935,873	611,696	1.263
110	School for Deaf & Blind					
	<i>Shares in Large-Cap 500 Equity Fund</i>	1,331	1,263	1,458	194	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	384	403	726	323	
	<i>Shares in Small-Cap 600 Equity Fund</i>	291	292	266	(26)	
	<i>Shares in Fixed Income Fund</i>	1,277	1,457	2,217	760	
	Total	3,282	3,416	4,667	1,251	1.366
111	School of Mines					
	<i>Shares in Large-Cap 500 Equity Fund</i>	2,939	2,862	3,219	357	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	832	913	1,576	664	
	<i>Shares in Small-Cap 600 Equity Fund</i>	633	637	580	(57)	
	<i>Shares in Fixed Income Fund</i>	2,775	3,297	4,816	1,520	
	Total	7,179	7,708	10,192	2,483	1.322

**ENDOWMENT FUNDS
INVESTMENTS OUTSTANDING**

State Treasurer's Report

September 27, 2011

Page 24

AUGUST 31, 2011

(In Thousands)

FUND	NAME OF FUND	SHARES OUTSTANDING	BOOK VALUE	MARKET VALUE	UNREALIZED GAINS (LOSSES)	Mkt Value/ Book Value
112	State Charitable					
	<i>Shares in Large-Cap 500 Equity Fund</i>	30,507	28,531	33,414	4,883	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	7,463	9,088	14,132	5,043	
	<i>Shares in Small-Cap 600 Equity Fund</i>	5,706	5,745	5,234	(511)	
	<i>Shares in Fixed Income Fund</i>	25,635	32,843	44,485	11,642	
	Total	69,311	76,207	97,265	21,057	1.276
113	University Fund					
	<i>Shares in Large-Cap 500 Equity Fund</i>	4,868	4,682	5,332	649	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	1,360	1,490	2,575	1,085	
	<i>Shares in Small-Cap 600 Equity Fund</i>	1,047	1,054	960	(93)	
	<i>Shares in Fixed Income Fund</i>	4,568	5,380	7,928	2,548	
	Total	11,843	12,606	16,795	4,189	1.332
114	U Of A Land - 1881					
	<i>Shares in Large-Cap 500 Equity Fund</i>	14,063	14,089	15,403	1,314	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	3,623	4,483	6,860	2,378	
	<i>Shares in Small-Cap 600 Equity Fund</i>	2,898	2,916	2,658	(258)	
	<i>Shares in Fixed Income Fund</i>	12,692	16,175	22,026	5,851	
	Total	33,276	37,663	46,947	9,284	1.247
TOTALS - ALL FUNDS						
	<i>Shares in Large-Cap 500 Equity Fund</i>	966,143	935,166	1,058,218	123,052	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	246,871	297,943	467,478	169,535	
	<i>Shares in Small-Cap 600 Equity Fund</i>	190,224	191,448	174,468	(16,981)	
	<i>Shares in Fixed Income Fund</i>	842,562	1,075,260	1,462,144	386,885	
	Grand Total	2,245,800	2,499,817	3,162,308	662,491	
PRIOR YEAR:						
AUGUST 2010 BALANCES		2,095,248	2,353,240	2,792,942	439,702	

**ENDOWMENT FUNDS
INVESTMENTS OUTSTANDING
AUGUST 31, 2011**

State Treasurer's Report
September 27, 2011
Page 25

ASSET ALLOCATION PERCENTAGE

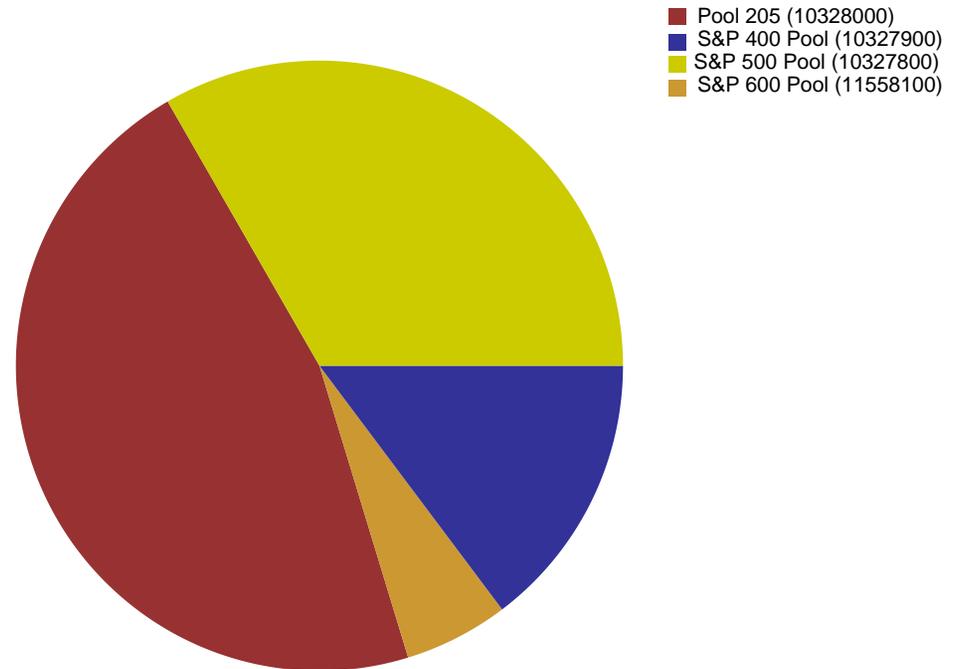
	SHARES OUTSTANDING	BOOK VALUE	MARKET VALUE	AUGUST 2010 MARKET VALUE
<i>Shares in Large-Cap 500 Equity Fund</i>	43.02%	37.41%	33.46%	30.21%
<i>Shares in Mid-Cap 400 Equity Fund</i>	10.99%	11.92%	14.78%	13.92%
<i>Shares in Small-Cap 600 Equity Fund</i>	8.47%	7.66%	5.52%	0.00%
<i>Shares in Fixed Income Fund</i>	37.52%	43.01%	46.24%	55.87%
Total	100.00%	100.00%	100.00%	100.00%

Performance Worksheet
Arizona State Treasury (05509)
As Of August 2011
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	1,109,040,773.84	1,058,217,970.64	9,513,925	(5.44)	(8.91)	(1.80)	(7.37)	18.45	0.63	0.70	0.12	07/01/1999
10327900	S&P 400 Pool	502,105,274.62	467,478,045.32	1,041,463	(7.10)	(12.19)	(2.68)	(10.37)	22.90	2.43	4.36	6.82	08/01/2001
10328000	Pool 205	1,487,287,917.02	1,462,144,273.84	-42,556,243	1.17	2.18	3.77	2.45	3.45	6.31	6.09	6.12	07/01/1999
11558100	S&P 600 Pool	157,845,812.79	174,467,757.31	28,714,578	(7.65)	(12.25)		(10.61)				(8.20)	03/01/2011
00550902	Total Endowment Fund Composite	3,256,279,778.27	3,162,308,047.11	-3,286,276	(2.78)	(4.63)	0.26	(3.58)	10.00	3.69	3.95	4.78	07/01/1999

Manager Allocation - Daily
Arizona State Treasury (05509)
 As of August 31, 2011

Total Endowment Fund Composite (00550902)		
Account Name	Market Value(MIL)	Percent of Portfolio
Pool 205 (10328000)	1,462.14	46.2%
S&P 400 Pool (10327900)	467.48	14.8%
S&P 500 Pool (10327800)	1,058.22	33.5%
S&P 600 Pool (11558100)	174.47	5.5%
TOTAL	3,162.31	100.0%



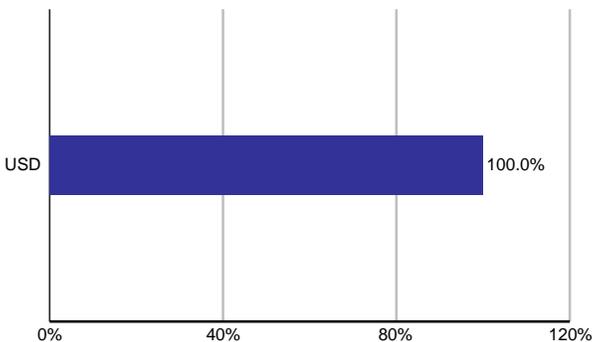
Portfolio Characteristics

			Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Since Inception
Total Asset Value (in Millions)	1,058.2	Tracking Error	0.03	0.18	0.40	1.73
P/E Ratio	14.50	Information Ratio	(1.58)	0.49	(0.21)	(0.41)
Price to Book Ratio	1.95	Std Deviation of Port.	13.83	21.42	17.95	16.14
Dividend Yield (%)	2.12	Std Deviation of Bench.	13.85	21.50	18.07	16.01
Return on Equity (%)	21.97	Sharpe Ratio of Port.	1.32	0.01	(0.06)	(0.16)
Sales Growth (%)	8.08	Sharpe Ratio of Bench.	1.33	0.01	(0.06)	(0.12)
Market Capitalization (\$ Millions)	86,158.90	R-Squared	1.00	1.00	1.00	0.99
Earnings per Share (\$)	4.61	Jensen's Alpha	(0.03)	0.09	(0.09)	(0.71)
Number of Holdings	501					

Top Ten Portfolio Holdings

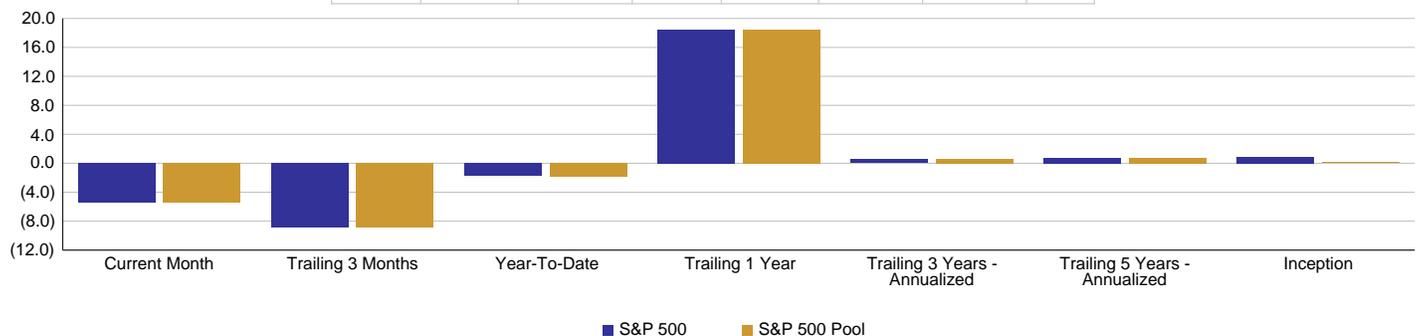
Security ID	Security Name	% of Assets
78462F103	SPDR S&P 500 ETF TRUST	3.25%
30231G102	EXXON MOBIL CORP - COM NPV	3.18%
037833100	APPLE INC - COM NPV	3.09%
459200101	INTL BUSINESS MACHINES CORP - COM USD.2	1.81%
166764100	CHEVRON CORP - COM USD3	1.74%
594918104	MICROSOFT CORP - COM USD.00000625	1.72%
478160104	JOHNSON & JOHNSON - COM USD1	1.58%
742718109	PROCTER & GAMBLE CO - COM NPV	1.54%
369604103	GENERAL ELECTRIC CO - COM USD.63	1.50%
00206R102	AT&T INC - COM USD1	1.46%

Top Ten Currency Weights

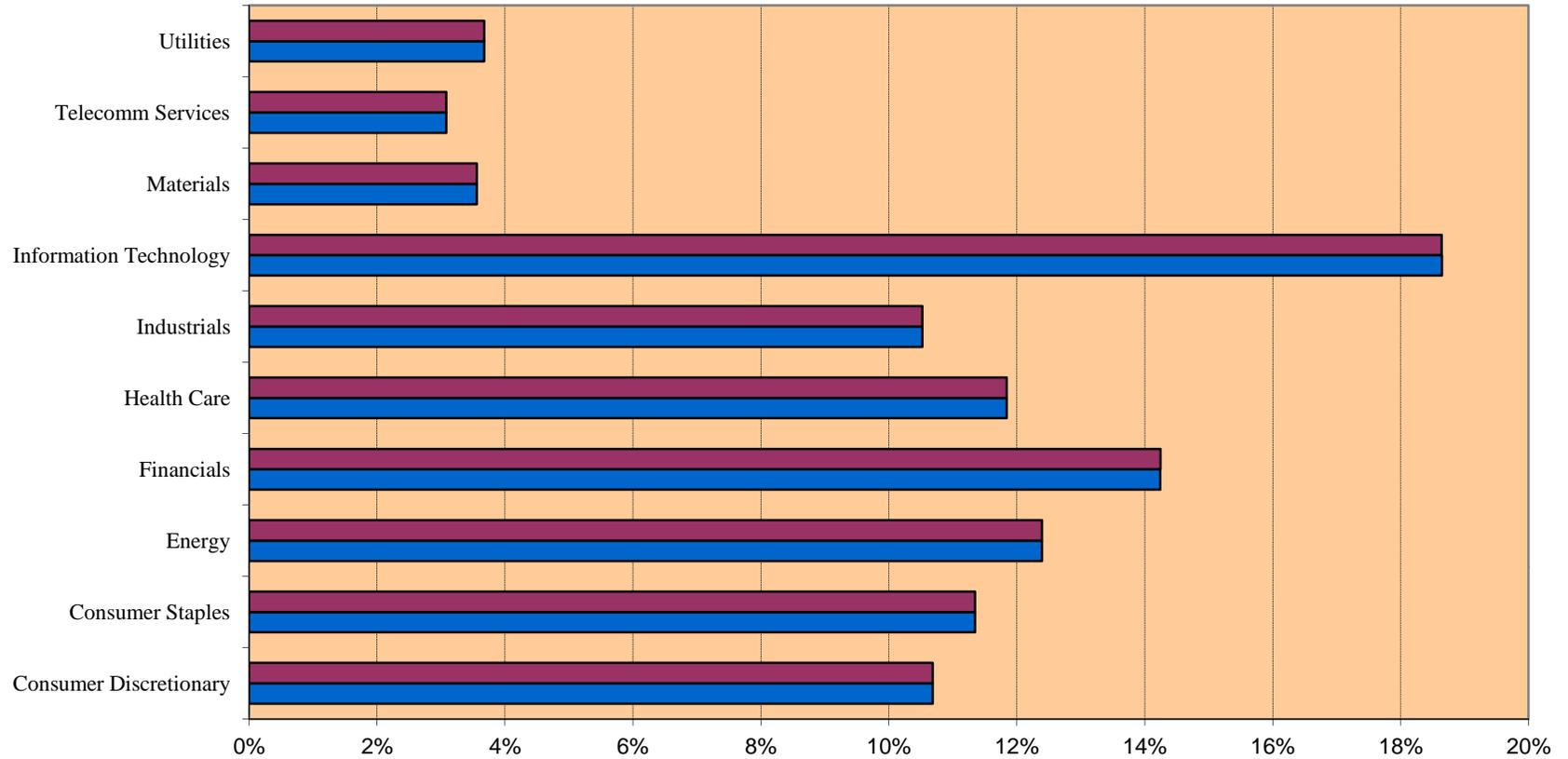


Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
S&P 500 Pool	(5.44)	(8.91)	(1.80)	18.45	0.63	0.70	0.12
S&P 500	(5.43)	(8.90)	(1.77)	18.50	0.54	0.78	0.84
Excess	(0.01)	(0.01)	(0.03)	(0.05)	0.09	(0.08)	(0.71)



**STATE OF ARIZONA
POOL 201 (S&P 500)
As of August 31, 2011**



	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Information Technology	Materials	Telecomm Services	Utilities
■ S&P 500 Index	10.69%	11.35%	12.40%	14.25%	11.84%	10.52%	18.64%	3.56%	3.08%	3.68%
■ STATE OF ARIZONA - POOL 201	10.69%	11.35%	12.40%	14.24%	11.84%	10.52%	18.65%	3.56%	3.08%	3.68%



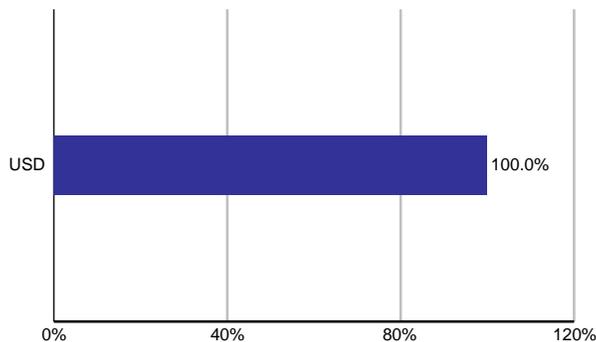
Portfolio Characteristics

		Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Since Inception
Total Asset Value (in Millions)	467.5				
P/E Ratio	19.10	0.06	2.21	2.11	2.14
Price to Book Ratio	2.02	0.11	(0.71)	(0.14)	(0.02)
Dividend Yield (%)	1.42	16.77	24.59	20.52	17.32
Return on Equity (%)	16.39	16.81	25.65	21.34	18.37
Sales Growth (%)	7.52	1.36	0.09	0.12	0.27
Market Capitalization (\$ Millions)	3,650.05	1.35	0.14	0.13	0.26
Earnings per Share (\$)	2.54	1.00	0.99	0.99	0.99
Number of Holdings	401	0.06	(1.41)	(0.17)	0.26
Tracking Error					
Information Ratio					
Std Deviation of Port.					
Std Deviation of Bench.					
Sharpe Ratio of Port.					
Sharpe Ratio of Bench.					
R-Squared					
Jensen's Alpha					

Top Ten Portfolio Holdings

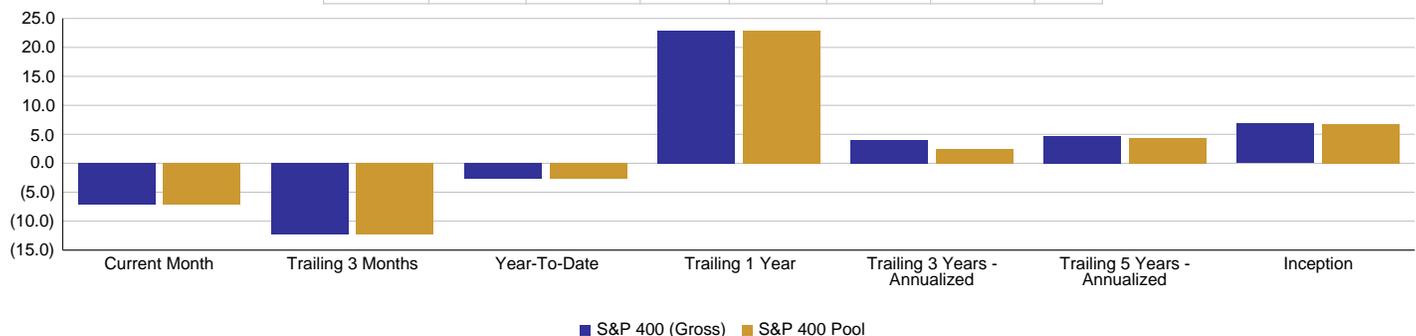
Security ID	Security Name	% of Assets
78467Y107	SPDR S&P MIDCAP 400 ETF TRUST	2.04%
393122106	GREEN MTN COFFEE ROASTERS - COM USD.1	1.20%
92532F100	VERTEX PHARMACEUTICALS INC - COM USD.01	0.86%
256746108	DOLLAR TREE INC - COM USD.01	0.80%
549271104	LUBRIZOL CORP - COM NPV	0.80%
714290103	PERRIGO CO - COM NPV	0.73%
099724106	BORGWARNER INC - COM USD.01	0.72%
436106108	HOLLYFRONTIER CORP - COM USD.01	0.69%
554382101	MACERICH CO - COM USD.01	0.60%
031100100	AMETEK INC - COM USD1	0.58%

Top Ten Currency Weights

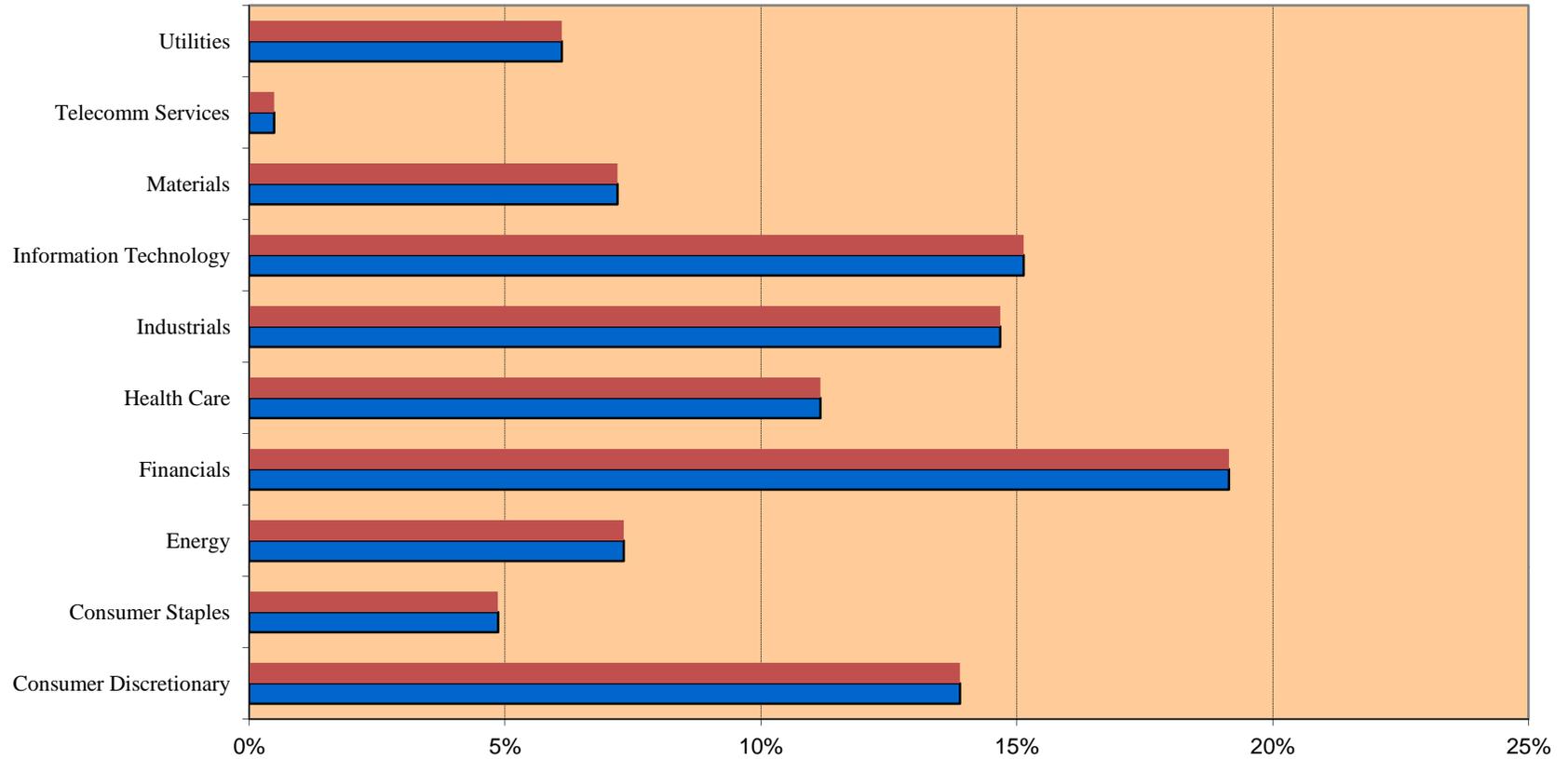


Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
S&P 400 Pool	(7.10)	(12.19)	(2.68)	22.90	2.43	4.36	6.82
S&P 400 (Gross)	(7.11)	(12.22)	(2.72)	22.89	4.00	4.65	6.85
Excess	0.01	0.03	0.05	0.01	(1.57)	(0.29)	(0.04)



**STATE OF ARIZONA
POOL 203 (S&P MIDCAP 400)
As of August 31, 2011**



	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Information Technology	Materials	Telecomm Services	Utilities
■ S&P MIDCAP 400	13.89%	4.86%	7.32%	19.15%	11.16%	14.68%	15.13%	7.20%	0.49%	6.11%
■ STATE OF ARIZONA - POOL 203	13.89%	4.86%	7.32%	19.15%	11.16%	14.68%	15.14%	7.20%	0.49%	6.11%

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

Portfolio Characteristics

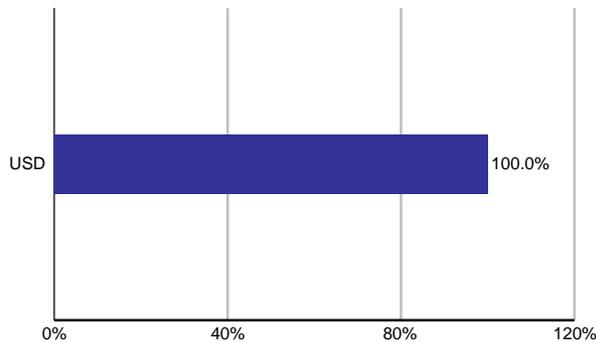
Risk Measures

Total Asset Value (in Millions)	174.5		Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Since Inception
P/E Ratio	21.50	Tracking Error	-	-	-	-
Price to Book Ratio	1.74	Information Ratio	-	-	-	-
Dividend Yield (%)	1.24	Std Deviation of Port.	-	-	-	-
Return on Equity (%)	11.03	Std Deviation of Bench.	-	-	-	-
Sales Growth (%)	10.61	Sharpe Ratio of Port.	-	-	-	-
Market Capitalization (\$ Millions)	1,181.91	Sharpe Ratio of Bench.	-	-	-	-
Earnings per Share (\$)	1.51	R-Squared	-	-	-	-
Number of Holdings	604	Jensen's Alpha	-	-	-	-

Top Ten Portfolio Holdings

Security ID	Security Name	% of Assets
464287804	ISHARES TRUST S&P SMALLCAP 600 INDEX FUND	1.40%
75886F107	REGENERON PHARMACEUT - COM USD.001	0.96%
42224N101	HEALTHSPRING INC - COM USD	0.58%
981475106	WORLD FUEL SERVICES CORP - COM USD.01	0.58%
59522J103	MID-AMERICA APT CMNTYS INC - COM USD.01	0.57%
437306103	HOME PROPERTIES INC - COM USD.01	0.57%
82669G104	SIGNATURE BANKNY - COM	0.55%
227046109	CROCS INC - COM USD.001	0.53%
875465106	TANGER FACTORY OUTLET CTRS - COM USD.01	0.53%
09063H107	BIOMED REALTY TRUST INC - COM USD.01	0.53%

Top Ten Currency Weights

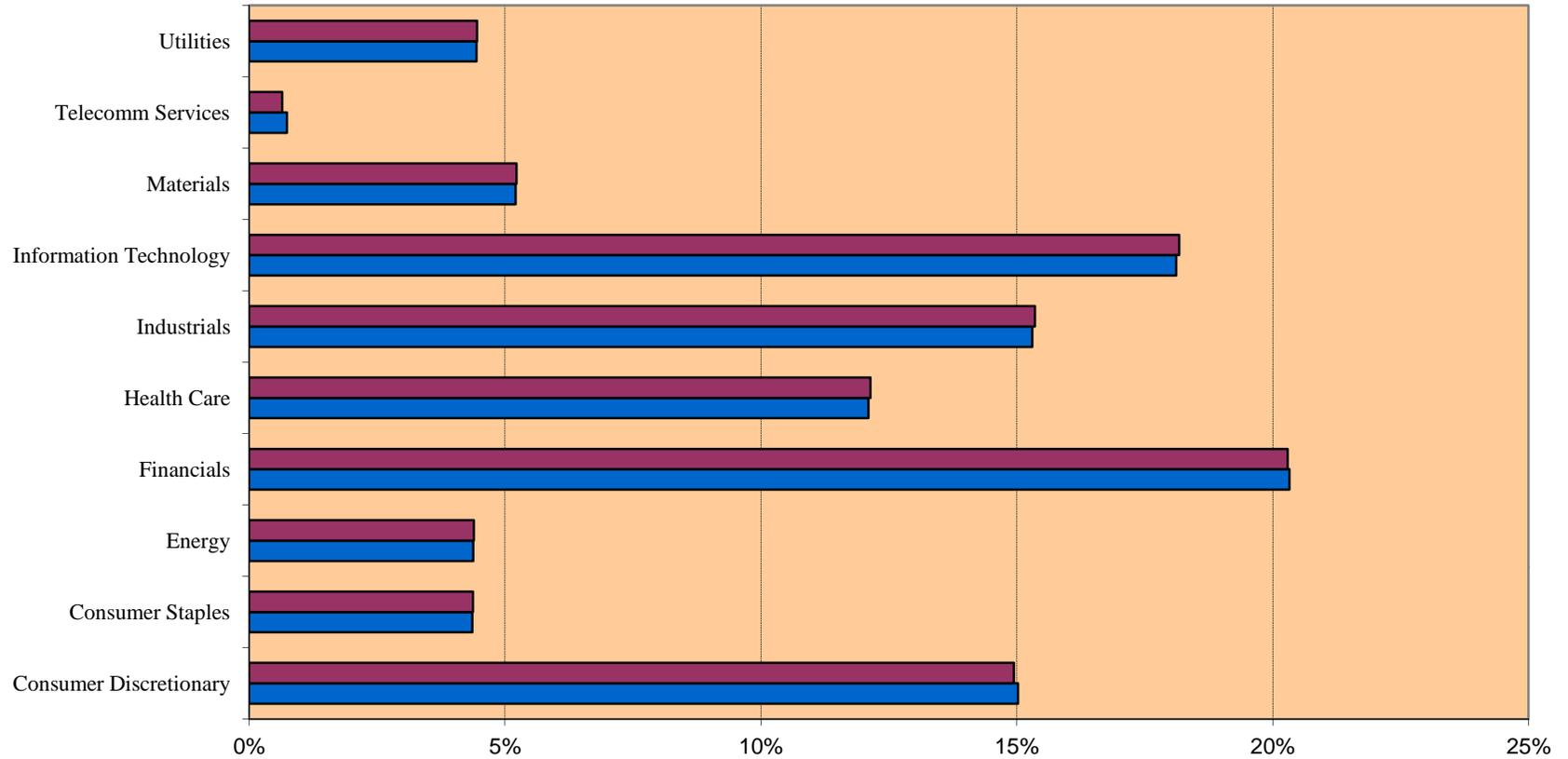


Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
S&P 600 Pool	(7.65)	(12.25)					(8.20)
S&P 600 (Gross)	(7.67)	(12.25)					(8.10)
Excess	0.03	0.00	(0.00)	(0.00)	(0.00)	(0.00)	(0.11)



**STATE OF ARIZONA
POOL 204 (S&P 600 Index)
As of August 31, 2011**



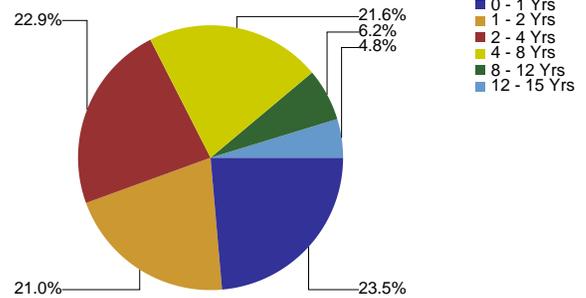
	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Indrials	Information Technology	Materials	Telecomm Services	Utilities
■ S&P 600 Index	14.95%	4.37%	4.39%	20.29%	12.14%	15.35%	18.17%	5.23%	0.65%	4.46%
■ STATE OF ARIZONA - POOL 204	15.03%	4.36%	4.38%	20.33%	12.10%	15.30%	18.11%	5.21%	0.74%	4.44%

S&P 600 Index
 STATE OF ARIZONA - POOL 204

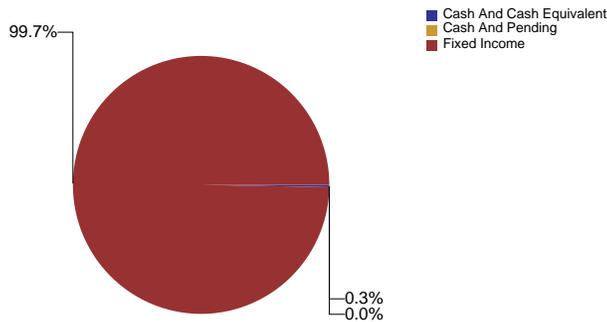
Portfolio Characteristics

Total Net Assets (Millions) 1,462.1
Weighted Average Life (Years) 5.15
Weighted Avg. Effective Duration (Years) 3.45
Weighted Average Coupon (%) 4.54
Weighted Average Current Yield (%) 1.57
Weighted Average Yield to Maturity (%) 1.63
Weighted Average Rating AA
Number of Holdings 250

Duration Mix



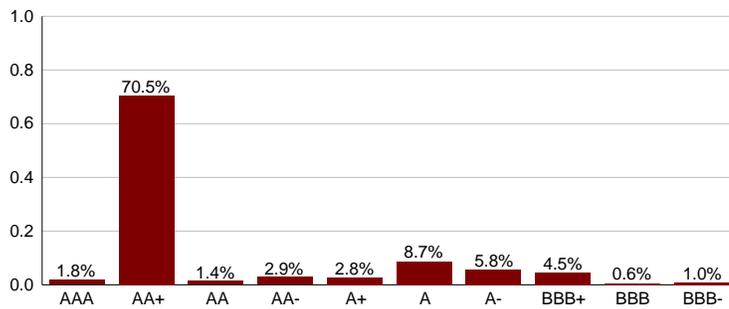
Asset Mix



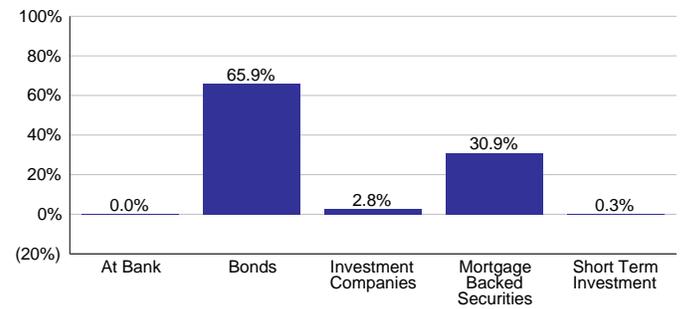
Top Ten Portfolio Holdings

Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
31359MQV8	FEDERAL NATIONAL MORTGAGE ASSOC 4.75% BDS	1.46%	4.75	21/2/2013
947513BB	LONG TERM POOL	1.39%	0.00	31/12/2049
958268S	LONG TERM GOV'T POOL	1.39%	0.00	31/12/2049
912810ED6	UNITED STATES TREAS BDS 08.125% 15/AUG/2019	1.01%	8.12	15/8/2019
912810FA1	USA TREASURY BDS6.375% BDS 15/AUG/2027 USD1000	0.99%	6.38	15/8/2027
92343VAM6	VERIZON COMMUN 6.1% NTS 15/APR/2018 USD1000	0.83%	6.10	15/4/2018
740816AD5	PRESIDENT & FELLOWS HARVARD COLLEGE 5.625% BDS	0.82%	5.63	1/10/2038
59562VAT4	MIDAMERICAN ENERGY HLDGS 5.75% SNR NTS 01/APR/2018	0.81%	5.75	1/4/2018
20825CAP9	CONOCOPHILLIPS 5.9% BDS 15/MAY/2038 USD1000	0.81%	5.90	15/5/2038
637432HT5	NATL RURAL UTL FIN 5.45% DEB 10/APR/2017 USD100	0.81%	5.45	10/4/2017

Quality/Rating Weightings

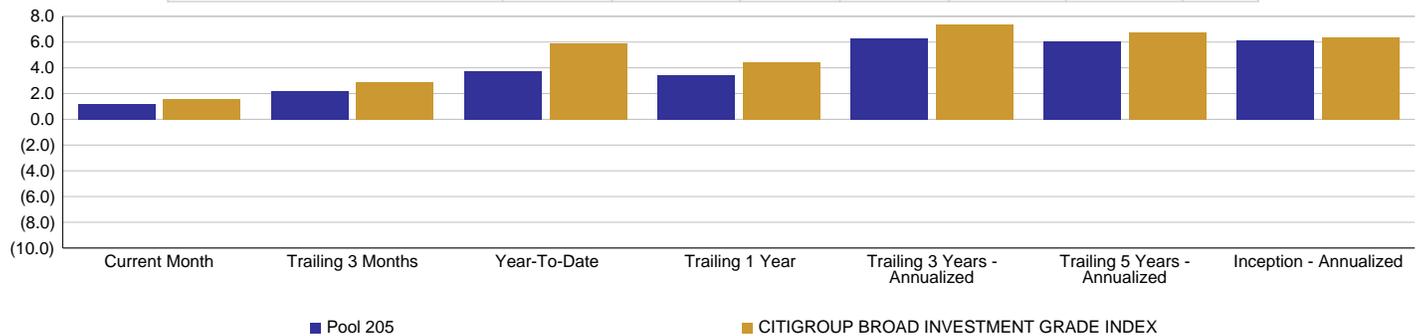


Sector Weightings (as % of Market Value)

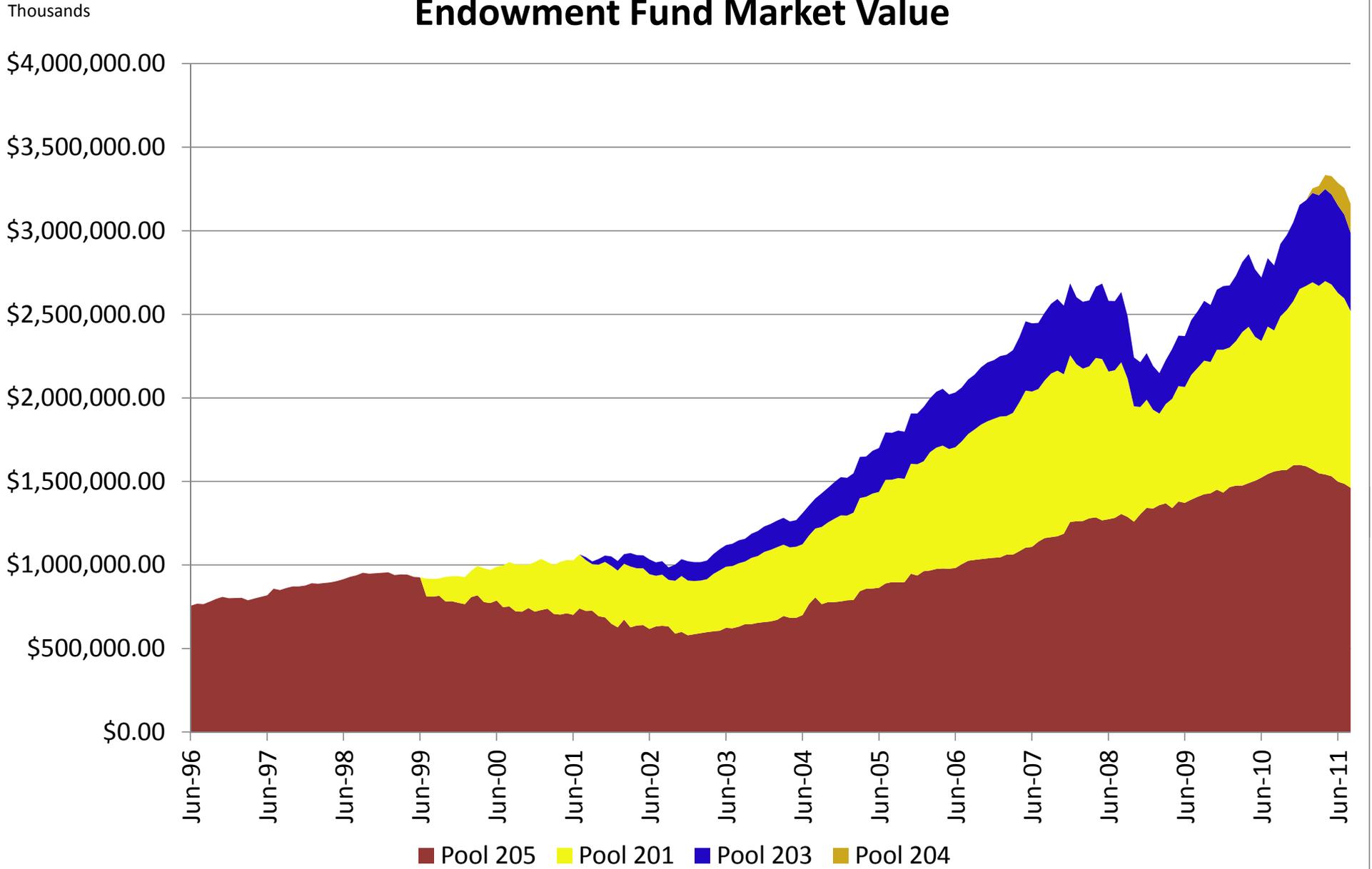


Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
Pool 205	1.17	2.18	3.77	3.45	6.31	6.09	6.12
CITIGROUP BROAD INVESTMENT GRADE INDEX	1.56	2.87	5.90	4.46	7.34	6.75	6.37
Excess	(0.39)	(0.69)	(2.13)	(1.01)	(1.03)	(0.66)	(0.25)



Endowment Fund Market Value

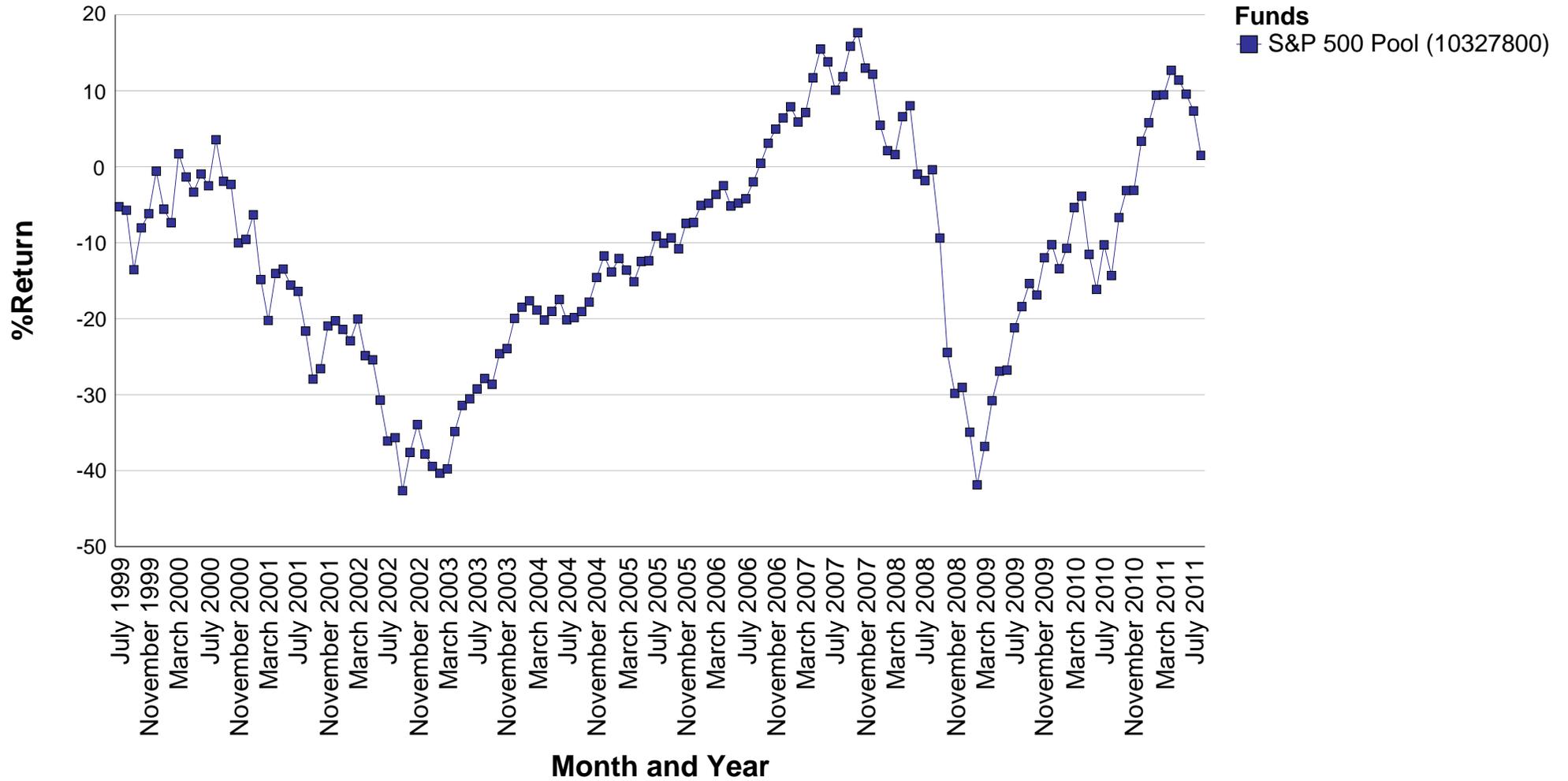


Performance Growth by Account

Arizona State Treasury (05509)

From July 1999 to August 2011

Gross of Fee

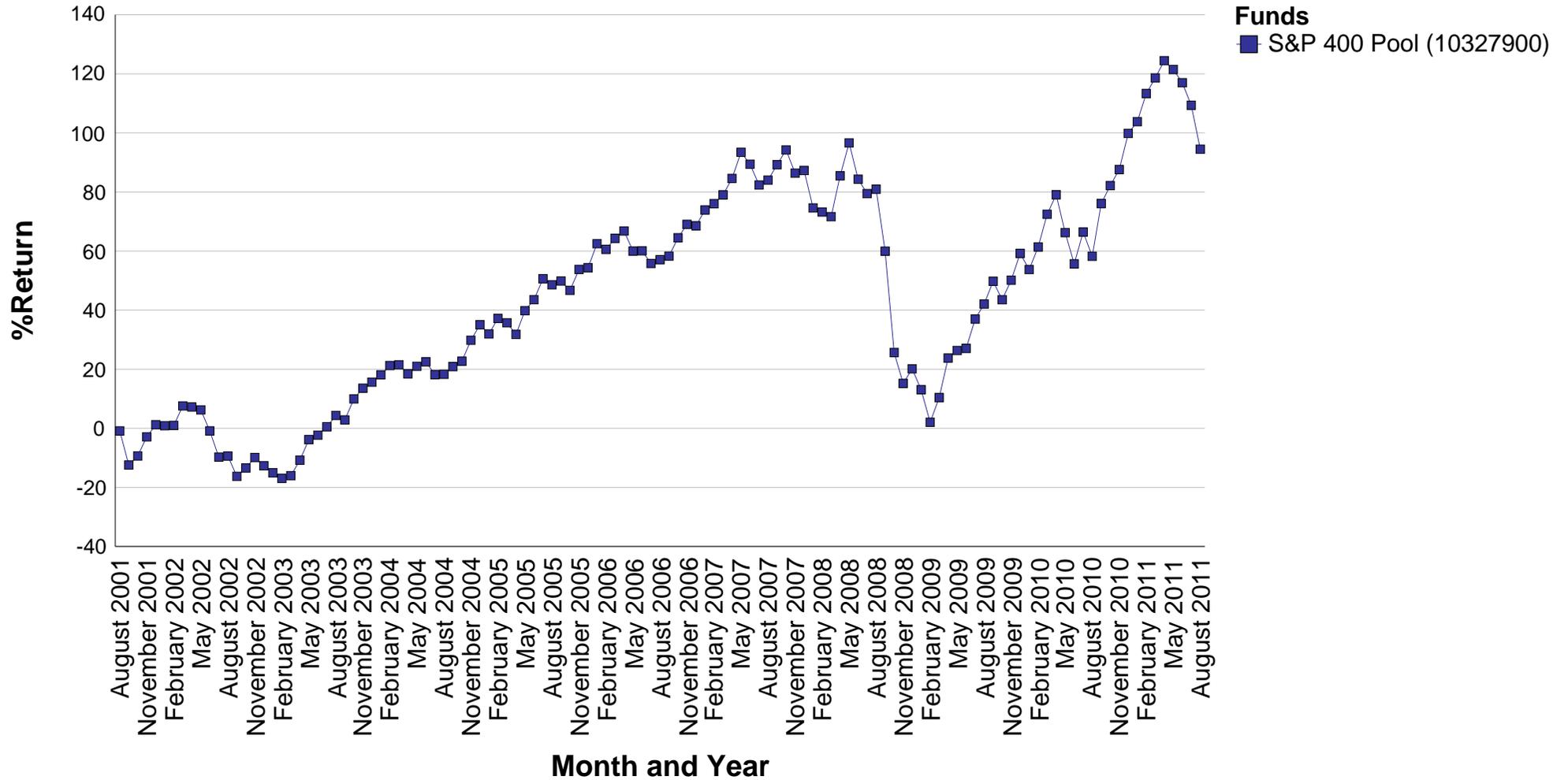


Performance Growth by Account

Arizona State Treasury (05509)

From August 2001 to August 2011

Gross of Fee

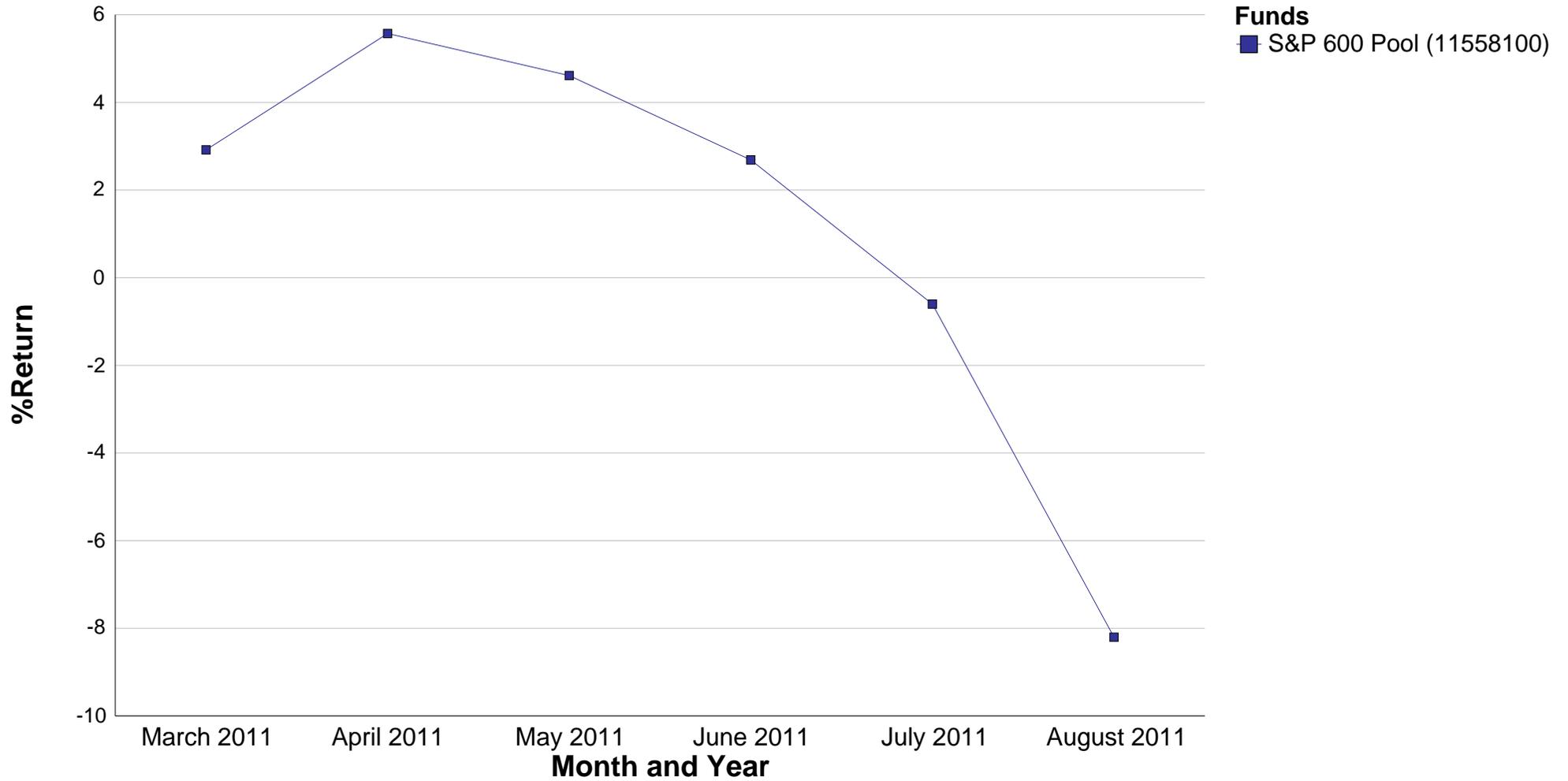


Performance Growth by Account

Arizona State Treasury (05509)

From March 2011 to August 2011

Gross of Fee



Performance Growth by Account

Arizona State Treasury (05509)

From July 1999 to August 2011

Gross of Fee

