

OFFICE OF THE
ARIZONA STATE TREASURER



Doug Ducey
TREASURER



JANUARY 2011

Presented To:

Arizona State Board of Investment

FEBRUARY 22, 2011

STATE BOARD OF INVESTMENT

A G E N D A

February 22, 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
 - A. Approval by the Board of the Public Notice to Banks
Qualified to be a Servicing Bank of the Time and Place
Servicing Proposals will be Received Pursuant to ARS 35-315.
 - B. Legislative Update
8. Call to the Public
9. Notice of Next Meeting
10. Adjournment

REPORT OF THE STATE TREASURER

FOR

February 22, 2011

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**Minutes of
BOARD OF INVESTMENT MEETING**

The regular meeting of the State Board of Investment was held on January 25, 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 1:34 p.m.

Members Present:

Doug Ducey, Chair, State Treasurer
Beth Ford, Treasurer, Pima County, by teleconference
Alan E. Maguire, President, The Maguire Company
David Raber, Arizona Department of Administration, designee for 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
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
Patricia Foster, Sr. VP, Government Banking, Chase

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

1. Call to Order:

Treasurer Ducey called the January 25, 2011 BOI meeting to order at approximately 1:34 p.m.

2. Treasurers Comments:

Treasurer Ducey welcomed board members and guests and thanked all present for attending the January 25, 2011 meeting. Treasurer also thanked The Honorable Beth Ford and Alan Maguire for accepting the invitation to be reappointed to the Board.

3. Approval of Minutes:

Mr. Maguire made a motion to approve the minutes for the December 28, 2010 Board of Investment Meeting. Mr. Raber seconded the motion. Motion carried.

4. Review of Treasurer's Monthly Report

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 December, 2010.

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:

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 December, 2010.

Pool 500 & Pool 700 Portfolio Yield Analysis

Mr. Swenson reported the net yield for the LGIP Medium Term Pools and the comparison to the benchmark for the month of December, 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 Medium Term Pools as of December 31, 2010.

LGIP Pools Investments and Performance Reports

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

Investments Outstanding in State Agency Pools

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

Operating Monies Average Invested Balance

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

Mr. Maguire inquired as to any deferred payments. Mr. Swenson responded that the rollovers for the prior year have already been paid in full. As of December 2010, two school payments have not been paid and will be paid in 2011.

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:

Earnings Distributed Endowment Funds

Mr. Swenson reported the earnings distributed for the Endowment Funds for the month of December, 2010.

Endowment Funds Yield Analysis

Mr. Swenson reported the net yield of the Endowment Fund Fixed Income Pool for the month of December, 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 December, 2010 and FY11 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 December, 2010.

Equity Funds Purchases & Sales

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

Investments Outstanding in Endowment Funds

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

Performance of Investments in Endowment Funds

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

Manager Allocation of Invested Monies for the Endowment Pools

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

Equity Holdings Investments Outstanding S&P 500

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

Equity Holdings Investments Outstanding S&P 400

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

Mr. Maguire questioned whether we are now buying all 400 of the S&P 400. Mr. Swenson responded that we are now holding all 400 companies in the S&P 400 and added that the purchases were made in June 2010.

Fixed Income Investments and Performance Reports

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

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. Review and approval of five year review of Board of Investment Rules

Treasurer Ducey advised the Board, that the staff recommends no changes and noted that the rules are working well. Treasurer Ducey also added that in the past year we have earned 75 to 100 basis points versus the 50 to 60 basis points at the bank. Treasurer Ducey opened up for further discussion.

Mr. Kingry asked which bank the contract is currently with and how long it has been in effect. Mr. Swenson responded that the servicing bank contract is for a three year period with two one year extensions possible for a total of five years. Mr. Swenson also added that the contract will be coming under review in March.

*State Treasurer's Report
February 22, 2011 Meeting
Minutes of the January 25, 2011 Meeting*

*Mr. Raber clarified that the RFP process will begin in March 2011.
Mr. Maguire made a motion to approve the five year of the Boards General Rules.
Motion carried.*

8. *Call to the Public*

There was no public comment.

9. *Notice of Next Meeting:*

The Treasurer advised the Board that the next regular meeting of the Board of Investment will be Thursday, February 22, 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. Raber seconded the motion. Upon unanimous approval the BOI Meeting was adjourned at 2:09 p.m.

Respectfully Submitted by:

Barbara Conley
Executive Consultant II

Approved by:

Doug Ducey, Chair

Date

EARNINGS DISTRIBUTION - INVESTMENT POOLS
 JANUARY 2011

Recipient	Earnings Distributed			Fiscal YTD Investment Management Fees Received
	JANUARY 2011	Fiscal YTD 10/11	Fiscal YTD 09/10	
General Fund	\$477,912	\$3,308,981	\$365,754	
2 State Agencies I - Full Faith & Credit	536,034	3,987,213	9,874,900	309,888
3 State Agencies II - Diversified	573,444	4,654,922	9,763,737	517,829
4 State Agencies IV - Restricted Diversified	235,762	1,830,019	5,148,161	216,177
5 LGIP	223,976	2,082,329	5,275,409	592,045
7 LGIP Gov	212,150	1,548,318	3,688,607	685,889
12 CAWCD Medium-Term	363,721	2,136,848	3,274,334	54,466
15 GADA Long-Term	25,355	177,655	334,532	4,284
Subtotal	\$2,648,353	\$19,726,284	\$37,725,436	\$2,380,578
NAV POOL				
500 LGIP - Med Term	207,910	1,500,838	1,269,082	54,196
700 LGIP - FF&C Med Term	96,038	831,017	78,618	44,167
Total	\$2,952,301	\$22,058,140	\$39,073,136	\$2,478,941
JANUARY 2010 TOTALS	\$2,750,121			\$2,523,289

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

NET EARNINGS

FUND	DESCRIPTION	Prior Month 12/31/10	Current Month 01/31/11	Prior Year 1/31/10	Net Asset Value Per Share
5	LGIP	246,079	225,464	153,177	0.9998
7	LGIP - GOV	222,066	213,167	77,131	1.0000
	TOTAL LGIP & LGIP-GOV	468,145	438,631	230,308	

YIELDS

<u>MONTHLY</u>		Prior Month 12/31/10	Current Month 01/31/11	Prior Year 1/31/10
5	LGIP (NET)	0.17%	0.17%	0.10%
	S & P LGIP INDEX	0.14%	0.13%	0.18%
7	LGIP - GOV (NET)	0.13%	0.13%	0.03%
	3 MONTH T-BILL	0.13%	0.14%	0.05%
<u>YEAR TO DATE</u>				
5	LGIP (NET)	0.21%	0.21%	0.23%
	S & P LGIP INDEX	0.17%	0.16%	0.27%
7	LGIP - GOV (NET)	0.13%	0.13%	0.08%
	3 MONTH T-BILL	0.14%	0.14%	0.09%

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

**LGIP & LGIP- GOV MEDIUM TERM POOLS
PORTFOLIO YIELD ANALYSIS
JANUARY 31, 2011**

NET EARNINGS

FUND	DESCRIPTION	Prior Month 12/31/10	Current Month 01/31/11	Prior Year 1/31/10	Net Asset Value Per Share
500	LGIP - MED TERM POOL	228,348	233,352	153,976	1.0302
700	LGIP - FF&C MED TERM POOL	111,945	113,244	41,775	1.0029
	TOTAL LGIP MEDIUM TERM POOLS	340,293	346,596	195,751	

YIELDS

MONTHLY

	Prior Month 12/31/10	Current Month 01/31/11	Prior Year 1/31/10
500 LGIP - MED TERM (NET)	1.55%	1.58%	2.69%
MERRILL 1-5 US D M INDEX	1.82%	1.80%	2.20%
700 LGIP - FF&C MED TERM (NET)	1.02%	1.03%	0.49%
MERRILL 1-5 US TREAS INDEX	0.93%	0.87%	1.21%

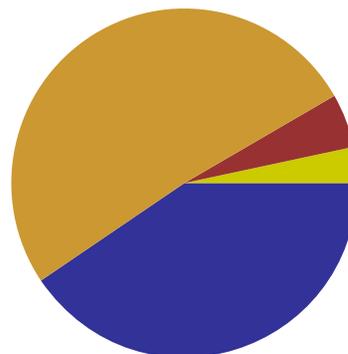
YEAR TO DATE

500 LGIP - MED TERM (NET)	1.79%	1.76%	3.07%
MERRILL 1-5 US D M INDEX	1.60%	1.63%	2.42%
700 LGIP - FF&C MED TERM (NET)	1.17%	1.15%	0.31%
MERRILL 1-5 US TREAS INDEX	0.71%	0.73%	1.25%

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

LGIP composite (00550903)		
Account Name	Market Value(MIL)	Percent of Portfolio
State of Arizona - Pool 5 (LGIP) (10327300)	1,522.32	40.7%
State of Arizona - Pool 500 (LGIP - Med Term) (10327700)	178.76	4.8%
State of Arizona - Pool 7 (LGIP - FF&C) (10327400)	1,911.32	51.1%
State of Arizona - Pool 700 (LGIP-FF&C Med Term) (10563200)	129.72	3.5%
TOTAL	3,742.11	100.0%

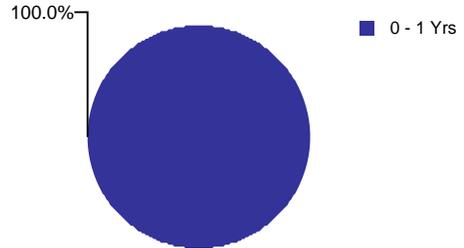
- State of Arizona - Pool 5 (LGIP) (10327300)
- State of Arizona - Pool 7 (LGIP - FF&C) (1032740)
- State of Arizona - Pool 500 (LGIP - Med Term) (1
- State of Arizona - Pool 700 (LGIP-FF&C Med Term)



Portfolio Characteristics

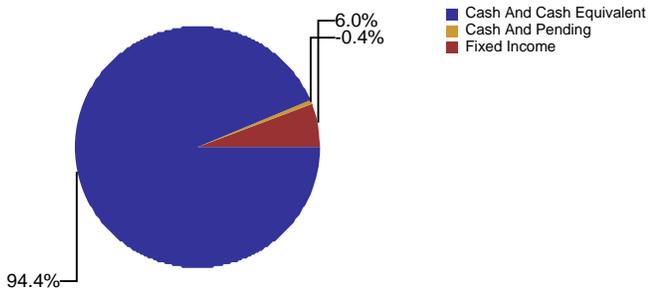
Duration Mix

Total Net Assets (Millions) **1,522.3**
 Weighted Average Life (Years) **0.07**
 Weighted Avg. Effective Duration (Years) **0.05**
 Weighted Average Maturity (Years) **0.05**
 Weighted Average Rating **AAA**
 Number of Holdings **93**



Asset Mix

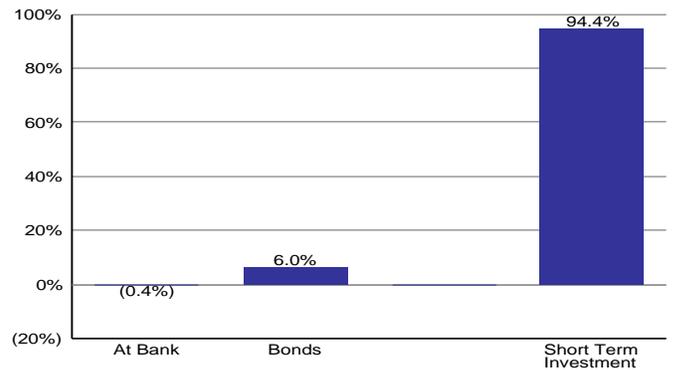
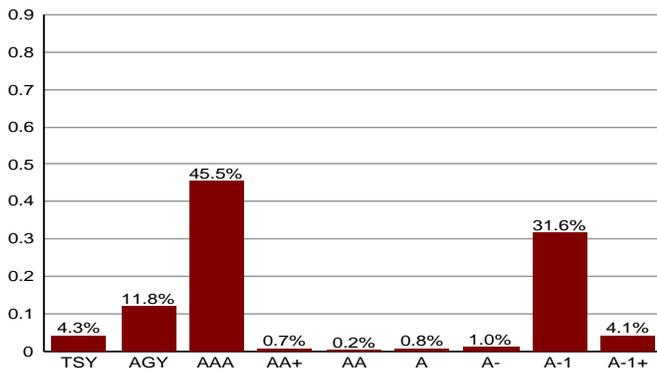
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
46999W014	TRI-PARTY REPO JP MORGAN 0.30% 01/FEB/2011	16.46%	0.30	1/2/2011
85299W456	TRI-PARTY REPO SOUTH STREET 0.20% 01/FEB/2011	14.74%	0.20	1/2/2011
313384BH1	FEDL HOME LOAN BK CONS DISC NT MATURES 01/FEB/2011	8.54%	0.00	1/2/2011
15199U680	TRI-PARTY REPO DEUTSCHE BANK 0.17% 11/FEB/2011	8.08%	0.17	11/2/2011
912795VD0	UNITED STATES TREAS BILLS ZCP 07/APR/2011	2.63%	0.00	7/4/2011
912828KH2	UNITED STATES TREAS NTS 0.875% 31/MAR/2011	1.65%	0.88	31/3/2011
962455N	ALLIANCE BANK OF AZ REPO SWEEP 0.324% 01/FEB/2011	1.64%	0.32	1/2/2011
313396CM3	FED HOME LOAN MTG 0% 01/MAR/2011 NTS	1.64%	0.00	1/3/2011
30603BP49	FALCON ASSET SC CO LLC CORPORATE COMMERCIAL PAPER	1.31%	0.00	4/2/2011
92646LPE4	VICTORY RECEIVABLES CORPORATE COMMERCIAL PAPER	1.31%	0.00	14/2/2011

Quality/Rating Weightings

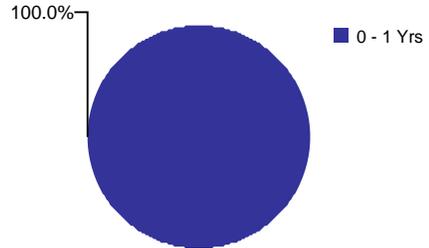
Sector Weightings (as % of Market Value)



Portfolio Characteristics

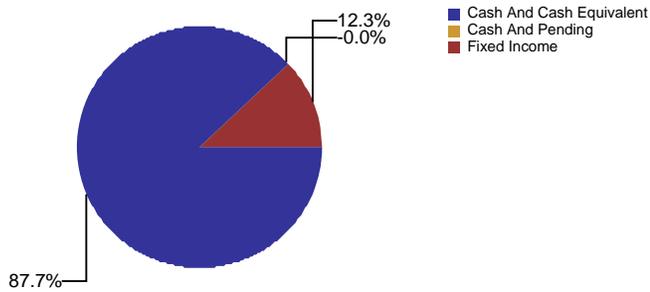
Duration Mix

Total Net Assets (Millions) **1,911.3**
 Weighted Average Life (Years) **0.06**
 Weighted Avg. Effective Duration (Years) **0.06**
 Weighted Average Maturity (Years) **0.07**
 Weighted Average Rating **AAA**
 Number of Holdings **21**



Asset Mix

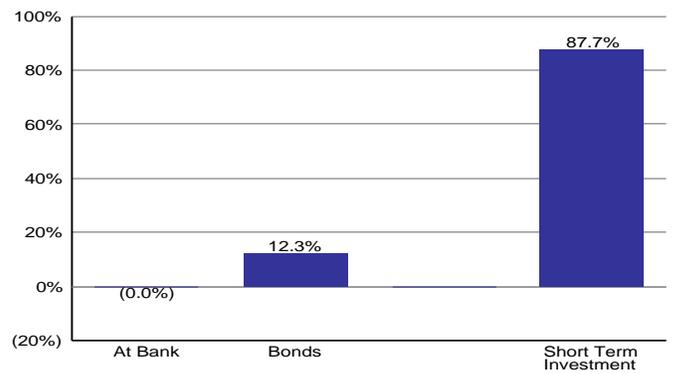
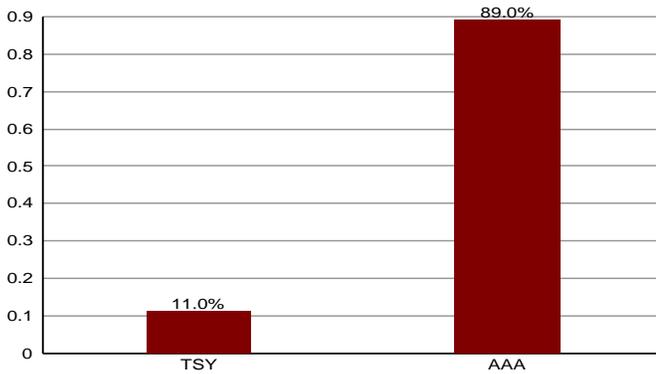
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
85299W456	TRI-PARTY REPO SOUTH STREET 0.20% 01/FEB/2011	25.65%	0.20	1/2/2011
60699I886	TRI-PARTY REPO MIZUHO SECURITIES 0.17% 14/FEB/2011	15.70%	0.17	14/2/2011
38299Q649	TRI-PARTY REPO GOLDMAN SACHS 0.19% 08/FEB/2011	13.08%	0.19	8/2/2011
60699B048	TRI-PARTY REPO MIZUHO AZ 0.19% 08/FEB/2011	13.08%	0.19	8/2/2011
60699B105	TRI-PARTY REPO MIZUHO AZ 0.17% 11/FEB/2011	8.16%	0.17	11/2/2011
05199T494	TRI-PARTY REPO DEUTSCHE BANK 0.20% 01/FEB/2011	3.66%	0.20	1/2/2011
912795Y21	UNITED STATES TREAS BILLS DT	3.14%	0.00	3/2/2011
912828KU3	UNITED STATES TREAS NTS 0.875% 31/MAY/2011	2.63%	0.88	31/5/2011
912795VD0	UNITED STATES TREAS BILLS ZCP 07/APR/2011	2.62%	0.00	7/4/2011
786970D	UNITED STATES ZERO ZCP 02/JUN/2011	2.61%	0.00	2/6/2011

Quality/Rating Weightings

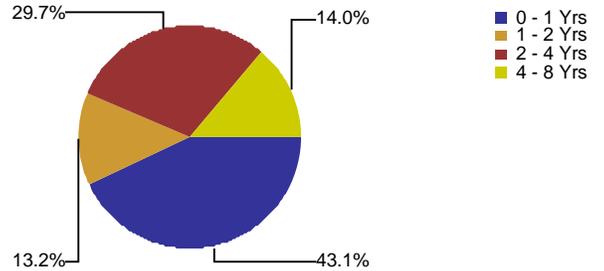
Sector Weightings (as % of Market Value)



Portfolio Characteristics

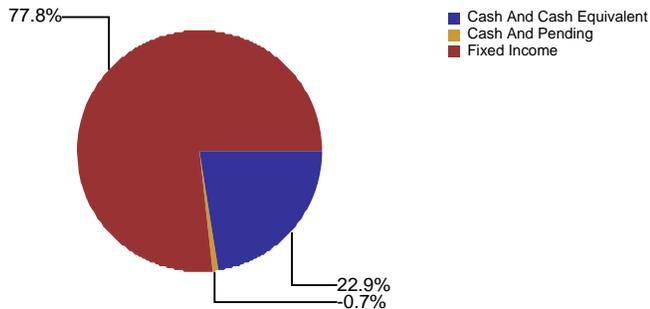
Duration Mix

Total Net Assets (Millions) **178.8**
 Weighted Average Life (Years) **2.09**
 Weighted Avg. Effective Duration (Years) **1.70**
 Weighted Average Rating **AAA**
 Number of Holdings **175**



Asset Mix

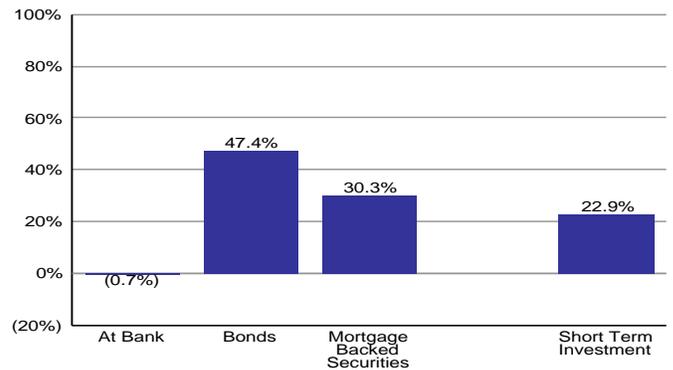
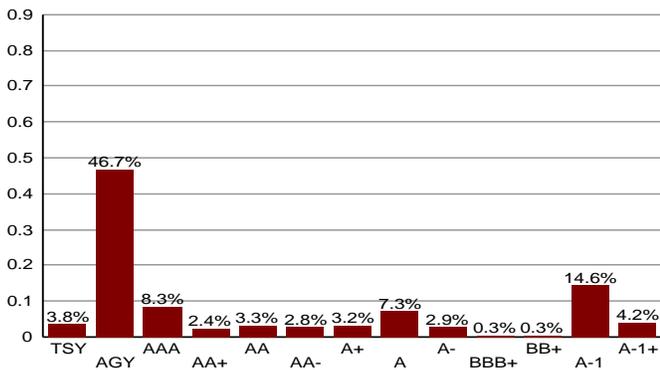
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
31416NZB1	FNMA MORTPASS 4% 01/APR/2024 CI PN# AA5237	5.13%	4.00	1/4/2024
31398ATL6	FEDERAL NATIONAL MORTGAGE ASSOC 3.625% SNR NTS	2.89%	3.62	15/8/2011
31419CZL0	FNMA MORTPASS 4.5% 01/SEP/2040 CL PN# AE2546	2.78%	4.50	1/9/2040
3128PSQ75	FHLMCGLD MORTPASS 3.5% 01/OCT/2025 PN# 3178	2.72%	3.50	1/10/2025
3128PSK44	FHLMCGLD MORTPASS 3.5% 01/SEP/2025 PN# 2989	2.69%	3.50	1/9/2025
31419AJM0	FNMA MORTPASS 4% 01/AUG/2025 CI PN# AE0267	2.67%	4.00	1/8/2025
31418RF55	FNMA MORTPASS 4.5% 01/MAR/2025 CI PN# AD3776	2.41%	4.50	1/3/2025
3128MMLB7	FHLMCGLD MORTPASS 4.5% 01/AUG/2024 G1 PN# G18321	2.19%	4.50	1/8/2024
3133XXYX9	FEDERAL HOME LOAN BANKS 1.875% BDS 21/JUN/2013	1.72%	1.88	21/6/2013
85299W456	TRI-PARTY REPO SOUTH STREET 0.20% 01/FEB/2011	1.68%	0.20	1/2/2011

Quality/Rating Weightings

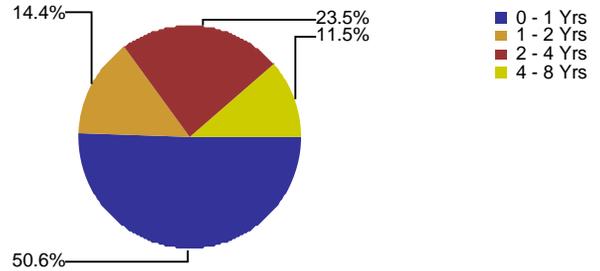
Sector Weightings (as % of Market Value)



Portfolio Characteristics

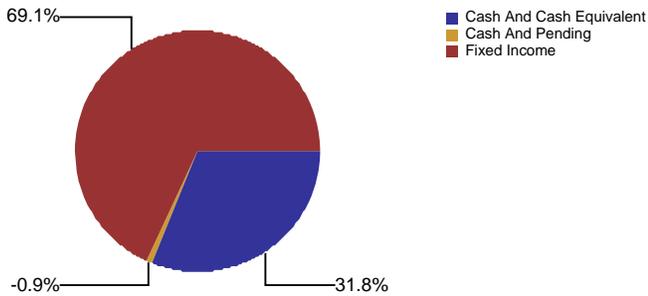
Duration Mix

Total Net Assets (Millions) **129.7**
 Weighted Average Life (Years) **1.76**
 Weighted Avg. Effective Duration (Years) **1.47**
 Weighted Average Rating **AAA**
 Number of Holdings **69**



Asset Mix

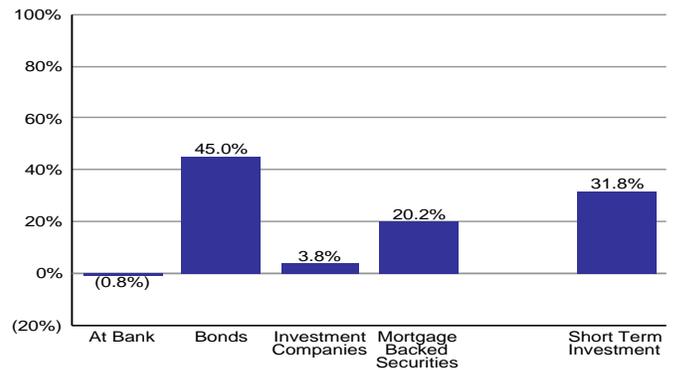
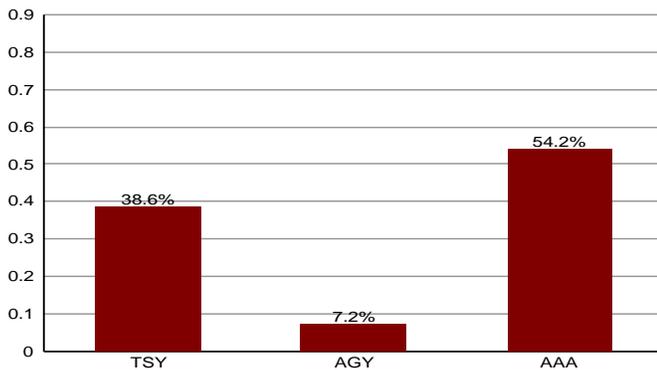
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
85299W456	TRI-PARTY REPO SOUTH STREET 0.20% 01/FEB/2011	23.90%	0.20	1/2/2011
938554N	FDIC - US BANK CD 0.38% 31/MAR/2011	5.80%	0.38	31/3/2011
36967HAY3	GENERAL ELECTRIC CAPITAL CORP 2.625% BDS	4.01%	2.62	28/12/2012
464287457	ISHARES BARCLAYS 1-3 YRS TREASURY BOND FUND	3.85%		
36202FFH4	GNMA II MORTPASS 4.5% 20/APR/2025 SF PN# 004668	3.72%	4.50	20/4/2025
73278MAA1	POOLED FDG TR I 2.74% BDS 15/FEB/2012 USD	3.17%	2.74	15/2/2012
38376ETD7	GINNIE MAE 2009-108 WG 4.000% 20/SEP/2038	3.03%	4.00	20/9/2038
912828KL3	UNITED STATES TREAS NTS 0.875% 30/APR/2011	2.71%	0.88	30/4/2011
911759JQ2	U S DEPT HSG & URBAN DEV GOVT 4.33% DEB	2.59%	4.33	1/8/2015
038461AC3	AID-EGYPT 4.45% 15/SEP/2015	2.58%	4.45	15/9/2015

Quality/Rating Weightings

Sector Weightings (as % of Market Value)



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

NET EARNINGS

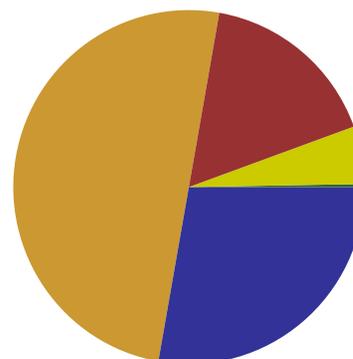
FUND	DESCRIPTION	Prior Month 12/31/10	Current Month 01/31/11	Prior Year 1/31/10	Net Asset Value Per Share
2	STATE AGENCIES I - FULL FAITH & CREDIT	708,296	679,736	856,850	1.0036
3	STATE AGENCIES II - DIVERSIFIED	888,147	853,105	692,776	1.0022
4	STATE AGENCIES IV-RESTRICTED DIVERSIFIED	248,880	245,157	415,263	1.0008
12	CAWCD MEDIUM TERM	315,039	363,721	327,307	1.0107
15	GADA	25,559	25,355	31,864	1.0153
TOTAL STATE AGENCIES		2,185,921	2,167,073	2,324,060	

YIELDS

<u>MONTHLY</u>		Prior Month 12/31/10	Current Month 01/31/11	Prior Year 1/31/10
2	STATE AGENCIES I - FULL FAITH & CREDIT	0.99%	0.96%	1.46%
3	STATE AGENCIES II - DIVERSIFIED	0.73%	0.62%	0.76%
4	STATE AGENCIES IV-RESTRICTED DIVERSIFIED	0.43%	0.45%	0.69%
12	CAWCD MEDIUM TERM	2.11%	2.09%	3.03%
15	GADA	2.48%	2.46%	3.08%

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

Pool Composite (00550904)		
Account Name	Market Value(MIL)	Percent of Portfolio
State of Arizona - Pool 12 (CAWCD - Med Term) (10327500)	209.50	5.3%
State of Arizona - Pool 15 (GADA) (10327600)	12.29	0.3%
State of Arizona - Pool 2 (State Agency - FF&C) (10327000)	1,087.85	27.7%
State of Arizona - Pool 3 (State Agency - Diversified) (10327100)	1,976.63	50.3%
State of Arizona - Pool 4 (State Agency Rest Div) (10327200)	646.75	16.4%
TOTAL	3,933.02	100.0%

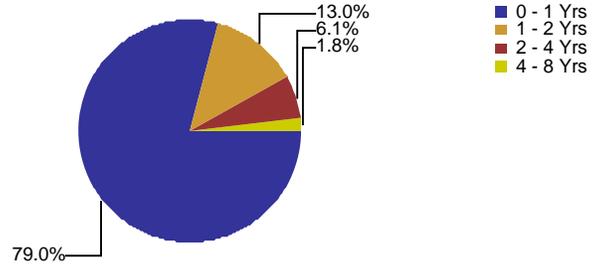


- State of Arizona - Pool 2 (State Agency - FF&C)
- State of Arizona - Pool 3 (State Agency - Divers
- State of Arizona - Pool 4 (State Agency Rest Di
- State of Arizona - Pool 12 (CAWCD - Med Term) (1
- State of Arizona - Pool 15 (GADA) (10327600)

Portfolio Characteristics

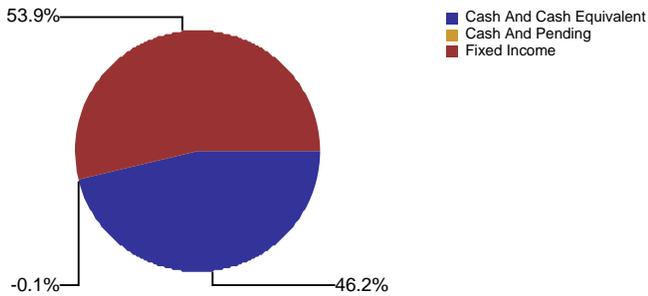
Duration Mix

Total Net Assets (Millions) **1,087.9**
 Weighted Average Life (Years) **0.75**
 Weighted Avg. Effective Duration (Years) **0.58**
 Weighted Average Rating **AAA**
 Number of Holdings **69**



Asset Mix

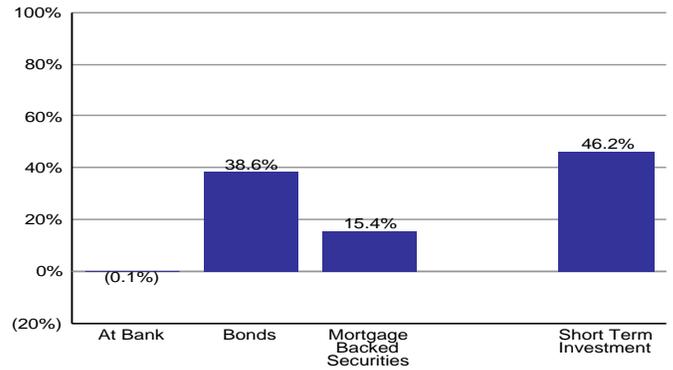
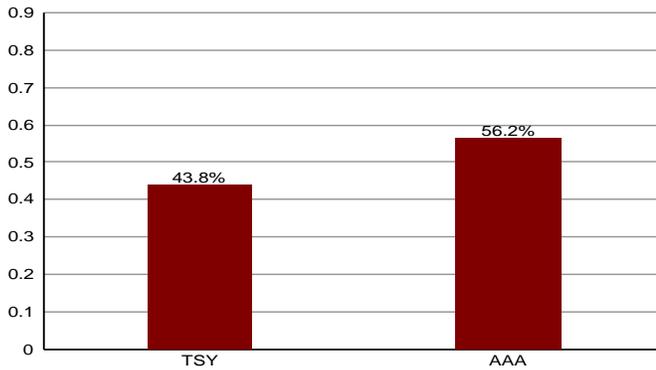
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
05199T494	TRI-PARTY REPO DEUTSCHE BANK 0.20% 01/FEB/2011	36.96%	0.20	1/2/2011
60699I886	TRI-PARTY REPO MIZUHO SECURITIES 0.17% 14/FEB/2011	9.19%	0.17	14/2/2011
912828LG3	UNITED STATES TREAS NTS 1% 31/JUL/2011	3.69%	1.00	31/7/2011
912828FH8	US TREAS NTS 04.875% 31/MAY/2011	1.88%	4.88	31/5/2011
912828EX4	US TREAS NTS 04.500% 28/FEB/2011	1.88%	4.50	28/2/2011
912828KP4	UNITED STATES TREAS NTS 1.375% 15/MAY/2012	1.88%	1.38	15/5/2012
912828MU1	UNITED STATES TREAS NTS 1.000% 31/MAR/2012	1.87%	1.00	31/3/2012
912828KB5	UNITED STATES TREAS NTS 1.125% 15/JAN/2012	1.86%	1.12	15/1/2012
912828LF5	UNITED STATES TREAS NTS 1.125% 30/JUN/2011	1.85%	1.12	30/6/2011
912828KH2	UNITED STATES TREAS NTS 0.875% 31/MAR/2011	1.85%	0.88	31/3/2011

Quality/Rating Weightings

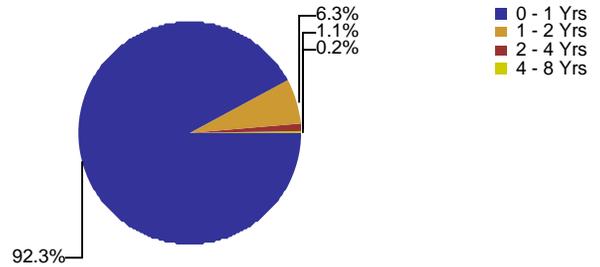
Sector Weightings (as % of Market Value)



Portfolio Characteristics

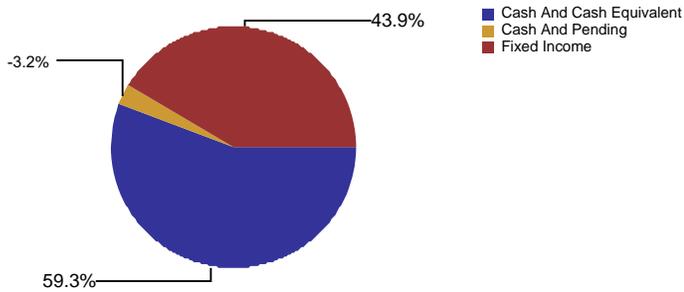
Duration Mix

Total Net Assets (Millions) **1,976.6**
 Weighted Average Life (Years) **0.58**
 Weighted Avg. Effective Duration (Years) **0.29**
 Weighted Average Rating **AA+**
 Number of Holdings **132**



Asset Mix

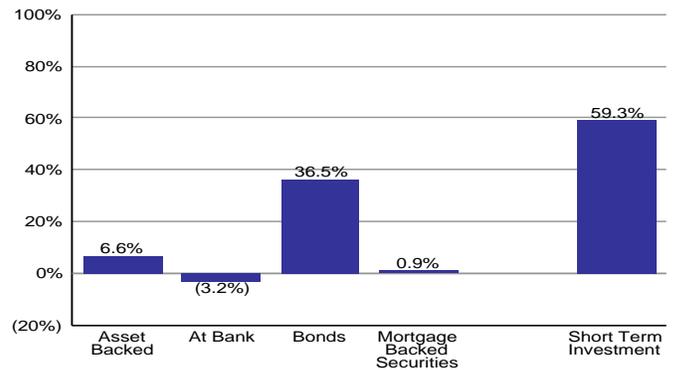
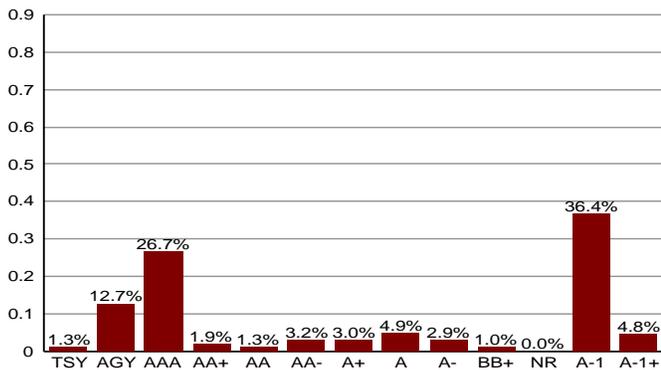
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
05199T494	TRI-PARTY REPO DEUTSCHE BANK 0.20% 01/FEB/2011	9.71%	0.20	1/2/2011
60699I886	TRI-PARTY REPO MIZUHO SECURITIES 0.17% 14/FEB/2011	5.06%	0.17	14/2/2011
38346MRR7	GOTHAM FDG CORP CORPORATE COMMERCIAL PAPER	2.53%	0.00	25/4/2011
31398AWQ1	FEDERAL NATIONAL MORTGAGE ASSOC 1.37500% SRN	1.78%	1.38	28/4/2011
31398A2L5	FEDERAL NATIONAL MORTGAGE ASSOC 1.25% NTS	1.78%	1.25	16/8/2013
53127UP87	LIBERTY FUNDING LLC CORPORATE COMMERCIAL PAPER	1.67%	0.00	8/2/2011
12619URL7	CRC FUNDING LLC CORPORATE COMMERCIAL PAPER	1.57%	0.00	20/4/2011
5705X5Q87	MARKET ST FNDG CORP CORPORATE COMMERCIAL PAPER	1.52%	0.00	8/3/2011
3128X9XU9	FEDERAL HOME LOAN MORTGAGE CORP 0.00% BDS	1.52%	0.41	3/2/2012
38362WP13	GOVCO, LLC. CORPORATE COMMERCIAL PAPER DISCOUNT	1.52%	0.00	1/2/2012

Quality/Rating Weightings

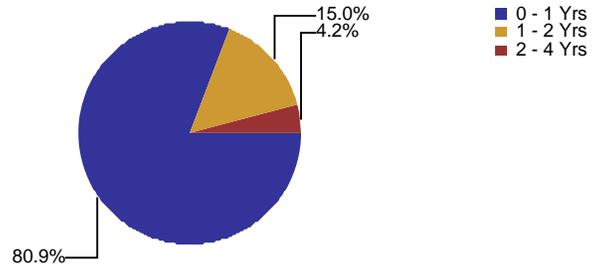
Sector Weightings (as % of Market Value)



Portfolio Characteristics

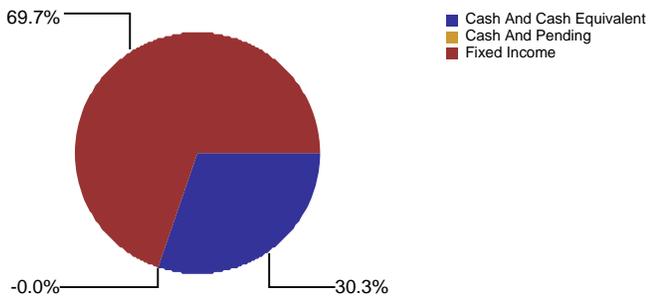
Duration Mix

Total Net Assets (Millions) **646.7**
 Weighted Average Life (Years) **1.09**
 Weighted Avg. Effective Duration (Years) **0.55**
 Weighted Average Rating **AGY**
 Number of Holdings **49**



Asset Mix

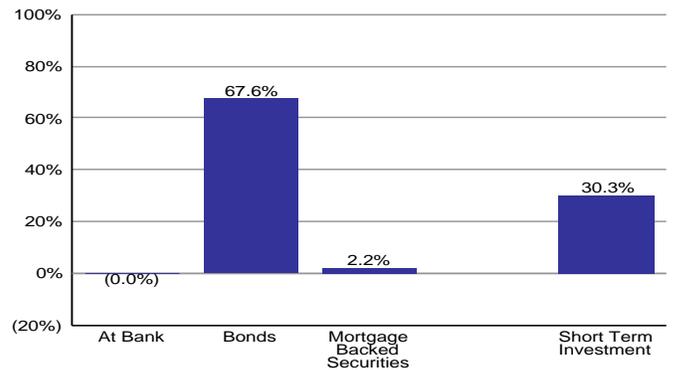
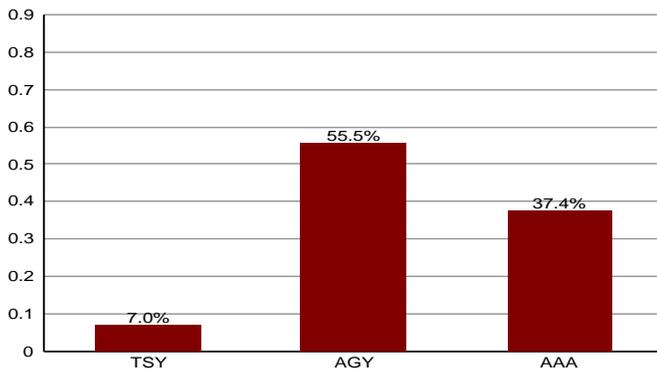
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
05199T494	TRI-PARTY REPO DEUTSCHE BANK 0.20% 01/FEB/2011	13.29%	0.20	1/2/2011
46999W014	TRI-PARTY REPO JP MORGAN 0.30% 01/FEB/2011	8.53%	0.30	1/2/2011
3128X9XU9	FEDERAL HOME LOAN MORTGAGE CORP 0.00% BDS	4.64%	0.41	3/2/2012
446436AB3	HUNTINGTON NATIONAL BANK FRN 01/JUN/2012 USD1000	3.89%	0.70	1/6/2012
788717D	FED HOME LOAN ZCP 06/JAN/2011	3.15%	0.00	1/6/2011
912828JU5	UNITED STATES OF AMER TREAS NOTES 1.75% TB	3.14%	1.75	15/11/2011
3134G1UJ1	FED HOME LOAN MTG 0.4% MTN 22/SEP/2011 USD	3.10%	0.40	22/9/2011
313396CT8	FEDERAL HOME LOAN MORTGAGE CORP 0% DISCOUNT NTS	3.09%	0.00	7/3/2011
313396DH3	FEDERAL HOME ZERO 21/03/03	3.09%	0.00	21/3/2011
787631D	FED HOME LOAN ZCP 29/AUG/2011	3.09%	0.00	29/8/2011

Quality/Rating Weightings

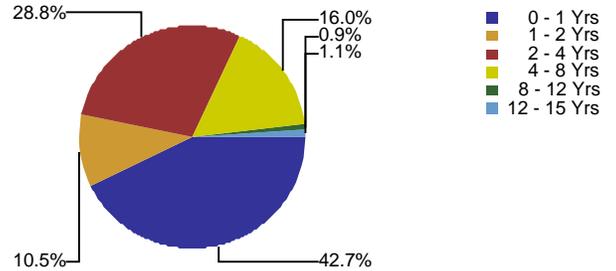
Sector Weightings (as % of Market Value)



Portfolio Characteristics

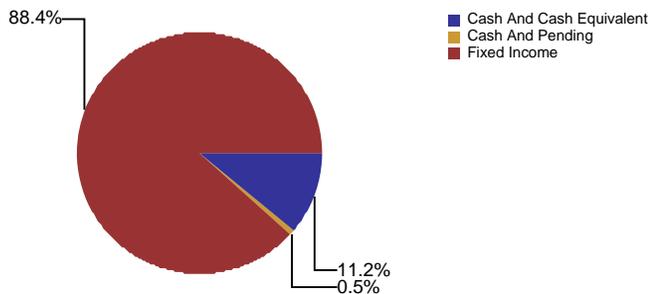
Duration Mix

Total Net Assets (Millions) **209.5**
 Weighted Average Life (Years) **4.46**
 Weighted Avg. Effective Duration (Years) **2.09**
 Weighted Average Rating **AA+**
 Number of Holdings **121**



Asset Mix

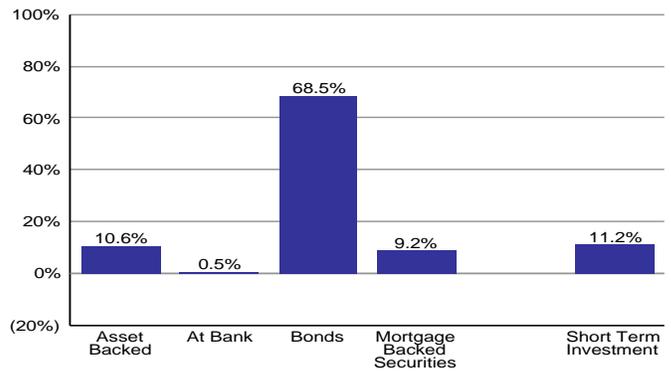
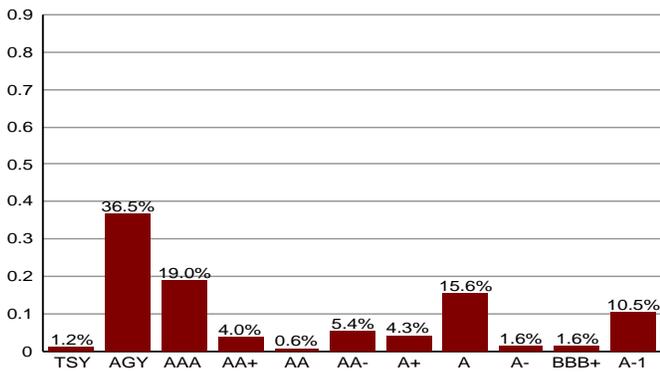
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
59217GAF6	METRO LIFE GBL FD1 FR MTN 10/JAN/2014 USD1000	2.38%	1.05	10/1/2014
06423RBK1	BANK ONE ISSUANCE TRUST SER 2004-A3 CL A3	2.38%	0.43	15/2/2017
38346MP81	GOTHAM FDG CORP CORPORATE COMMERCIAL PAPER	1.91%	0.00	8/2/2011
3024A7Q78	FCAR OWNER TRUST CORPORATE COMMERCIAL PAPER	1.91%	0.00	7/3/2011
38362WQF1	GOVCO, LLC. CORPORATE COMMERCIAL PAPER DISCOUNT	1.91%	0.00	15/3/2011
4820P3QN6	JUPITER SECT CO LLC CORPORATE COMMERCIAL PAPER	1.91%	0.00	22/3/2011
3137A2PF2	FREDDIE MAC 3766 HE 3.000% 15/NOV/2020	1.90%	3.00	15/11/2020
084664BG5	BERKSHIRE HATHAWAY FINANCE CORP 5% GTD SNR NTS	1.60%	5.00	15/8/2013
3128X77G3	FEDERAL HOME LOAN MORTGAGE CORP 4.25% BDS	1.48%	4.25	12/12/2018
36159JCC3	GE CAPITAL CREDIT CARD MASTER NOTE TRUST 2010-3 A	1.46%	2.21	15/6/2016

Quality/Rating Weightings

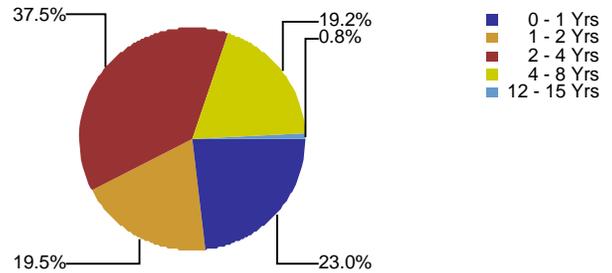
Sector Weightings (as % of Market Value)



Portfolio Characteristics

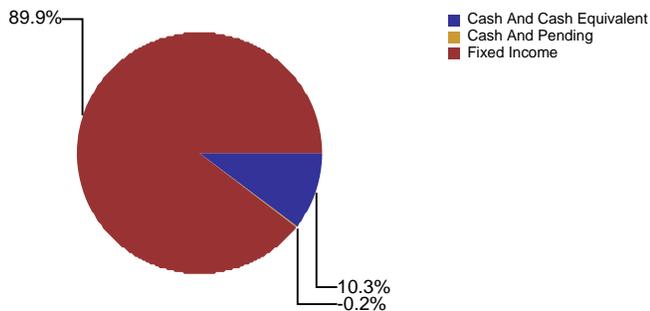
Duration Mix

Total Net Assets (Millions) **12.3**
 Weighted Average Life (Years) **4.78**
 Weighted Avg. Effective Duration (Years) **2.46**
 Weighted Average Rating **AAA**
 Number of Holdings **26**



Asset Mix

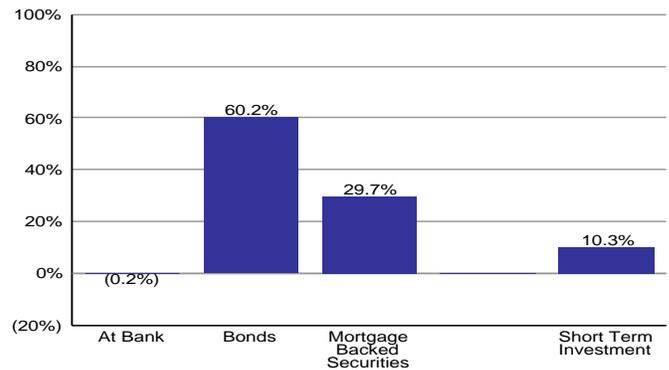
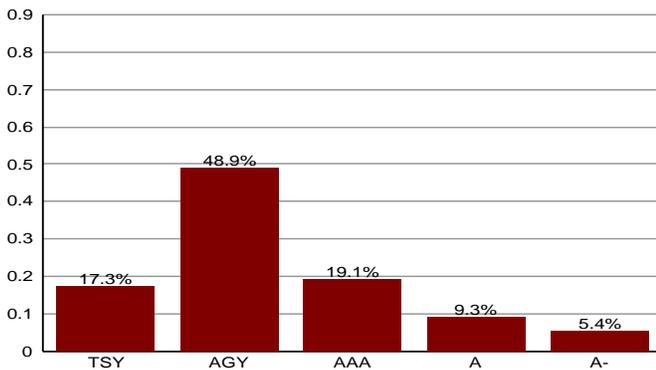
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
928989383	JP MORGAN U S GOVT AGENCY SHARES	10.30%	0.00	31/12/2049
787697B	LONG TERM GOV'T POOL ZCP 31/DEC/2049	8.13%	0.00	31/12/2049
31294KTB1	FEDERAL HOME LN MTG CORP GOLD POOL # EO1446 DTD	7.02%	4.50	1/9/2018
36241KJZ2	GNMA I MORTPASS 4.5% 15/FEB/2021 JP PN# 782080	5.59%	4.50	15/2/2021
3137A2PF2	FREDDIE MAC 3766 HE 3.000% 15/NOV/2020	5.24%	3.00	15/11/2020
10138MAH8	BOTTLING GROUP 6.95% SNR NTS 15/MAR/2014 USD1000	4.82%	6.95	15/3/2014
38376JFP4	GINNIE MAE 2009-106 HA 4.000% 16/NOV/2039	4.63%	4.00	16/11/2039
5526E2AC3	MBNA AMERICA BANK NA 7.125% 15/NOV/2012	4.50%	7.12	15/11/2012
3128X77G3	FEDERAL HOME LOAN MORTGAGE CORP 4.25% BDS	4.19%	4.25	12/12/2018
3128X94A5	FEDERAL HOME LOAN MORTGAGE CORP 5% NTS 29/APR/2025	4.14%	5.00	29/4/2025

Quality/Rating Weightings

Sector Weightings (as % of Market Value)



OPERATING MONIES
AVERAGE INVESTED BALANCE

Through January 31, 2011

(in millions of dollars)

<u>Month</u>	<u>Fiscal Year</u> <u>2008/2009</u>	<u>Fiscal Year</u> <u>2009/2010</u>	<u>Fiscal Year</u> <u>2010/2011</u>
JULY	1,450	116	1,077
AUGUST	795	(200)	761
SEPTEMBER	876	11	590
OCTOBER	564	(224)	358
NOVEMBER	613	(431)	570
DECEMBER	804	(733)	592
JANUARY	739	(463)	835
FEBRUARY	542	(423)	
MARCH	264	(686)	
APRIL	16	(635)	
MAY	18	(579)	
JUNE	470	450	
Y-T-D			
Average	\$596	(\$316)	\$683

**EARNINGS DISTRIBUTED
ENDOWMENT FUNDS
JANUARY 2011**

Distributed in Current Month

Recipient	January-11	Fiscal YTD 10/11	Fiscal YTD 09/10
101 A & M Colleges	\$4,897	\$32,308	\$0
102 State Hospital	\$2,401	\$15,754	\$0
103 Leg., Exec., & Jud.	\$4,604	\$30,689	\$0
104 Military Institute	\$356	\$2,381	\$0
105 Miners Hospital	\$6,454	\$42,916	\$0
107 Normal School ASU/NAU	\$1,795	\$11,929	\$0
108 Penitentiaries	\$9,792	\$66,672	\$0
109 Permanent Common School	\$1,390,917	\$9,209,361	\$0
110 School for Deaf & Blind	\$2,682	\$17,856	\$0
111 School of Mines	\$6,060	\$40,221	\$0
112 State Charitable-Pioneers Home	\$21,984	\$143,895	\$0
112 State Charitable-Corrections	\$10,992	\$71,949	\$0
112 State Charitable-Youth Treatment	\$10,992	\$71,949	\$0
113 University Fund	\$9,301	\$61,645	\$0
114 U of A Land - 1881	\$20,827	\$138,346	\$0
Total	\$1,504,054	\$9,957,871	\$0

Posted in USAS in current month

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

NET EARNINGS

FUND	DESCRIPTION	Prior Month 12/31/10	Current Month 01/31/11	Prior Year 1/31/10
205	ENDOWMENTS - FIXED INCOME	4,123,485	3,663,212	4,327,946

YIELDS

<u>MONTHLY</u>	Prior Month 12/31/10	Current Month 01/31/11	Prior Year 1/31/10	
205	ENDOWMENTS - FIXED INCOME	5.17%	4.59%	5.56%

NET REALIZED CAPITAL GAINS / LOSSES - ENDOWMENT FUNDS

Endowment Fund	Jan-11 NET GAIN(LOSS)	Jan-10 NET GAIN(LOSS)
----- Fixed Income Pool	(361,603)	(76,398)
Equity Pool (500)	321,998	(2,898,785)
Equity Pool (400)	895,026	(171,455)
	-----	-----
Totals	855,422	(3,146,638)
	=====	=====

Endowment Fund	2010/2011 FISCAL YEAR TO DATE GAINS(LOSSES)	2009/ 2010 FISCAL YEAR TO DATE GAINS(LOSSES)
----- Fixed Income Pool	(1,088,698)	(2,347,106)
Equity Pool (500)	734,767	(7,148,572)
Equity Pool (400)	12,179,219	2,115,268
	-----	-----
Totals	11,825,289	(7,380,410)
	=====	=====

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

State Treasurer's Report
 February 22, 2011
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I. Endowment Funds Purchases

<u>SECURITY DESCRIPTION</u>	<u>RATE</u>	<u>MATURITY</u>	<u>*WAL YEARS</u>	<u>PAR VALUE</u>	<u>PURCHASE COST</u>	<u>YIELD</u>	<u>MOODY'S / S&P RATING</u>
FNMA	0.80	8/17/2012	N/A	\$15,000,000	\$15,057,000	0.27%	Aaa/AAA
FNMA	1.25	2/27/2014	N/A	\$10,000,000	\$10,018,000	1.36%	Aaa/AAA
FNMA	1.75	12/30/2013	N/A	\$15,000,000	\$15,072,000	0.61%	Aaa/AAA
FFCB	1.38	1/27/2014	N/A	\$5,000,000	\$4,997,500	1.39%	Aaa/AAA
FNMA MTG	4.50	11/1/2020	2.87	\$1,325,967	\$1,407,638	2.17%	Aaa/AAA
FHLMC MTG	2.66	1/1/2037	8.54	\$5,951,267	\$6,276,102	1.84%	Aaa/AAA
FHLMC MTG	3.50	11/15/2024	5.64	\$5,915,916	\$6,063,670	2.88%	Aaa/AAA
FHLMC MTG	4.00	1/15/2026	4.25	\$5,000,000	\$5,265,104	2.69%	Aaa/AAA
FHLMC MTG	4.00	10/15/2028	4.01	\$5,000,000	\$5,182,292	3.08%	Aaa/AAA
GNMA MTG	4.00	1/1/2041	4.99	\$5,000,000	\$5,225,651	3.04%	Aaa/AAA
U S TREASURY NOTE	2.63	4/30/2016	N/A	\$5,000,000	\$5,156,125	2.12%	Aaa/AAA
U S TREASURY NOTE	2.00	1/31/2016	N/A	\$5,000,000	\$4,990,303	2.04%	Aaa/AAA
COMMONWEALTH EDISON	1.63	1/15/2014	N/A	\$3,000,000	\$2,995,650	1.67%	Baa1/A-
				\$86,193,150	\$87,707,035		
TOTAL ENDOWMENT FUNDS PURCHASES							

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>
			\$0	\$0	\$0	
TOTAL ENDOWMENT FUNDS SALES						

*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 January 2011

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I. Equity Fund Purchases

	<u>SHARES</u>	<u>PURCHASE COST</u>	<u>COMMISSIONS</u>
S&P 400 Mid-Cap Fund	320,787	\$10,170,686	\$3,964
S&P 500 Large-Cap Fund	207,299	\$8,118,852	\$2,735
TOTAL EQUITY PURCHASES	528,086	\$18,289,538	\$6,699

II. Equity Funds Sales

	<u>SHARES</u>	<u>SALES AMOUNT</u>	<u>COMMISSIONS</u>
S&P 400 Mid-Cap Fund	123,241	\$4,734,678	\$1,722
S&P 500 Large-Cap Fund	70,243	\$5,169,410	\$533
TOTAL EQUITY SALES	193,484	\$9,904,088	\$2,255

**ENDOWMENT FUNDS
INVESTMENTS OUTSTANDING**

State Treasurer's Report

February 22, 2011

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JANUARY 31, 2011

(In Thousands)

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>	2,551	2,319	2,913	593	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	819	794	1,625	830	
	<i>Shares in Fixed Income Fund</i>	2,762	3,113	4,593	1,480	
	Total	6,132	6,227	9,130	2,903	1.466
102	State Hospital					
	<i>Shares in S&P 500 Index Fund</i>	1,654	1,428	1,888	460	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	460	489	914	425	
	<i>Shares in Fixed Income Fund</i>	1,620	1,917	2,693	777	
	Total	3,733	3,834	5,495	1,661	1.433
103	Leg., Exec., & Jud.					
	<i>Shares in S&P 500 Index Fund</i>	1,941	1,897	2,216	318	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	625	650	1,240	590	
	<i>Shares in Fixed Income Fund</i>	2,289	2,548	3,807	1,260	
	Total	4,855	5,095	7,263	2,168	1.426
104	Military Institute					
	<i>Shares in S&P 500 Index Fund</i>	131	131	150	19	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	46	45	91	46	
	<i>Shares in Fixed Income Fund</i>	163	175	270	95	
	Total	340	350	511	161	1.458
105	Miners Hospital					
	<i>Shares in S&P 500 Index Fund</i>	4,142	4,026	4,729	702	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	1,131	1,378	2,245	867	
	<i>Shares in Fixed Income Fund</i>	4,135	5,405	6,876	1,472	
	Total	9,408	10,809	13,850	3,041	1.281

**ENDOWMENT FUNDS
INVESTMENTS OUTSTANDING**

State Treasurer's Report

February 22, 2011

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JANUARY 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 S&P 500 Index Fund</i>	917	864	1,047	184	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	273	296	542	246	
	<i>Shares in Fixed Income Fund</i>	981	1,159	1,632	473	
	Total	2,172	2,319	3,221	903	1.389
108	Penitentiaries					
	<i>Shares in S&P 500 Index Fund</i>	3,253	2,941	3,714	773	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	937	1,007	1,860	853	
	<i>Shares in Fixed Income Fund</i>	3,254	3,947	5,411	1,464	
	Total	7,444	7,895	10,985	3,090	1.391
109	Permanent Common School					
	<i>Shares in S&P 500 Index Fund</i>	877,271	846,504	1,001,455	154,951	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	239,891	289,743	476,128	186,385	
	<i>Shares in Fixed Income Fund</i>	888,804	1,136,247	1,478,195	341,948	
	Total	2,005,966	2,272,494	2,955,778	683,284	1.301
110	School for Deaf & Blind					
	<i>Shares in S&P 500 Index Fund</i>	1,309	1,239	1,495	256	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	404	424	801	377	
	<i>Shares in Fixed Income Fund</i>	1,458	1,663	2,425	762	
	Total	3,171	3,327	4,721	1,395	1.419
111	School of Mines					
	<i>Shares in S&P 500 Index Fund</i>	2,882	2,797	3,290	493	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	874	958	1,735	777	
	<i>Shares in Fixed Income Fund</i>	3,161	3,755	5,258	1,502	
	Total	6,918	7,510	10,283	2,773	1.369

ENDOWMENT FUNDS
INVESTMENTS OUTSTANDING
 JANUARY 31, 2011
 (In Thousands)

State Treasurer's Report
 February 22, 2011
 Page 24

FUND NAME OF FUND	SHARES OUTSTANDING	BOOK VALUE	MARKET VALUE	UNREALIZED GAINS (LOSSES)	Mkt Value/ Book Value
112 State Charitable					
<i>Shares in S&P 500 Index Fund</i>	29,977	27,925	34,221	6,296	
<i>Shares in Mid-Cap 400 Equity Fund</i>	7,854	9,559	15,588	6,029	
<i>Shares in Fixed Income Fund</i>	29,257	37,484	48,658	11,174	
Total	67,088	74,968	98,466	23,499	1.313
113 University Fund					
<i>Shares in S&P 500 Index Fund</i>	4,753	4,550	5,426	876	
<i>Shares in Mid-Cap 400 Equity Fund</i>	1,423	1,558	2,823	1,266	
<i>Shares in Fixed Income Fund</i>	5,187	6,108	8,626	2,518	
Total	11,362	12,215	16,875	4,660	1.382
114 U Of A Land - 1881					
<i>Shares in S&P 500 Index Fund</i>	13,665	13,629	15,599	1,970	
<i>Shares in Mid-Cap 400 Equity Fund</i>	3,774	4,665	7,490	2,825	
<i>Shares in Fixed Income Fund</i>	14,355	18,294	23,875	5,580	
Total	31,794	36,588	46,964	10,375	1.284
TOTALS - ALL FUNDS					
<i>Shares in S&P 500 Index Fund</i>	944,449	910,249	1,078,141	167,893	
<i>Shares in Mid-Cap 400 Equity Fund</i>	258,509	311,565	513,080	201,514	
<i>Shares in Fixed Income Fund</i>	957,425	1,221,815	1,592,321	370,506	
Grand Total	2,160,383	2,443,630	3,183,542	739,913	
PRIOR YEAR:					
JANUARY 2010 BALANCES	2,060,942	2,308,159	2,674,378	366,219	

ASSET ALLOCATION PERCENTAGE

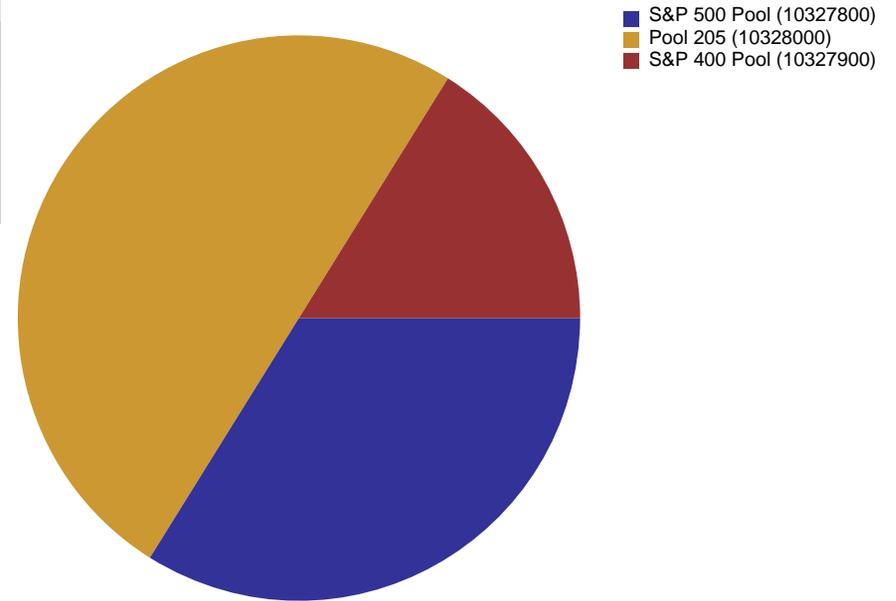
	SHARES OUTSTANDING	BOOK VALUE	MARKET VALUE	JANUARY 2010 MARKET VALUE
<i>Shares in S&P 500 Index Fund</i>	43.72%	37.25%	33.87%	31.28%
<i>Shares in Mid-Cap 400 Equity Fund</i>	11.97%	12.75%	16.12%	13.91%
<i>Shares in Fixed Income Fund</i>	44.32%	50.00%	50.02%	54.82%
Total	100.00%	100.00%	100.00%	100.00%

Performance Worksheet
Arizona State Treasury (05509)
As of January 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	1,052,424,996.00	1,078,141,381.00	792,400	2.37	9.22	2.37	26.17	22.21	0.10	2.20	0.49	07/01/1999
10327900	S&P 400 Pool	502,794,597.00	513,079,821.00	267,833	1.99	11.88	1.99	30.93	32.57	5.29	4.63	7.78	08/01/2001
10328000	Pool 205	1,600,042,204.00	1,592,321,082.00	1,058,582	(0.55)	(1.09)	(0.55)	0.81	4.02	5.14	5.70	6.05	07/01/1999
00550902	Total Endowment Fund Composite	3,155,261,797.00	3,183,542,284.00	2,118,815	0.83	4.19	0.83	12.65	13.73	3.57	4.49	5.07	07/01/1999

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

Total Endowment Fund Composite (00550902)		
Account Name	Market Value(MIL)	Percent of Portfolio
Pool 205 (10328000)	1,592.32	50.0%
S&P 400 Pool (10327900)	513.08	16.1%
S&P 500 Pool (10327800)	1,078.14	33.9%
TOTAL	3,183.54	100.0%



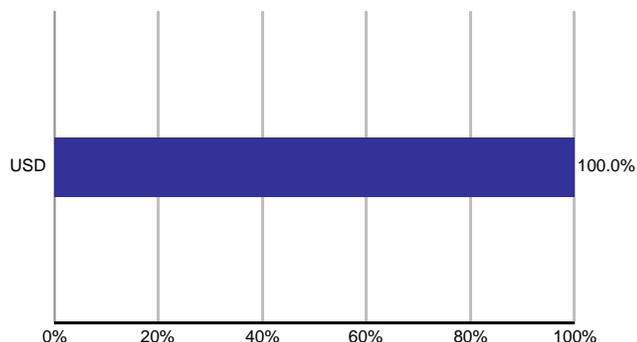
Portfolio Characteristics

Total Asset Value (in Millions)	1,078.1	Tracking Error	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Since Inception
P/E Ratio	16.90	Information Ratio	0.05	0.20	0.42	1.77
Price to Book Ratio	2.18	Std Deviation of Port.	0.50	0.81	(0.09)	(0.42)
Dividend Yield (%)	1.85	Std Deviation of Bench.	18.47	21.82	17.69	16.39
Return on Equity (%)	15.90	Sharpe Ratio of Port.	18.51	21.91	17.82	16.25
Sales Growth (%)	7.71	Sharpe Ratio of Bench.	1.20	(0.02)	(0.01)	(0.14)
Market Capitalization (\$ Millions)	92,734.00	R-Squared	1.19	(0.03)	(0.01)	(0.10)
Earnings per Share (\$)	3.05	Jensen's Alpha	1.00	1.00	1.00	0.99
Number of Holdings	501		0.07	0.16	(0.04)	(0.75)

Top Ten Portfolio Holdings

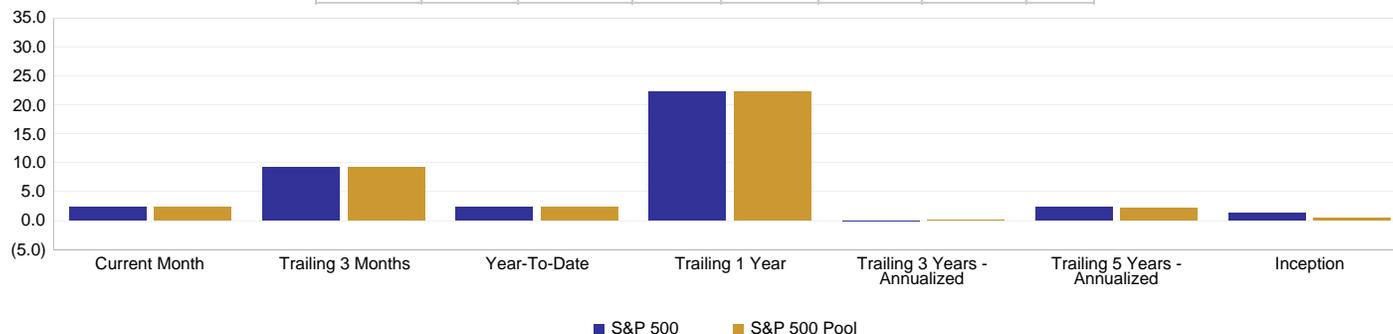
Security ID	Security Name	% of Assets
30231G102	EXXON MOBIL CORP - COM NPV	3.38%
78462F103	SPDR S&P 500 ETF TRUST	2.62%
037833100	APPLE INC - COM NPV	2.59%
369604103	GENERAL ELECTRIC CO - COM USD.63	1.78%
594918104	MICROSOFT CORP - COM USD.001	1.74%
459200101	INTL BUSINESS MACHINES CORP - COM USD.2	1.67%
166764100	CHEVRON CORP - COM USD3	1.59%
742718109	PROCTER & GAMBLE CO - COM NPV	1.48%
46625H100	JPMORGAN CHASE & CO - COM USD12	1.46%
949746101	WELLS FARGO & CO - COM USD1.67	1.42%

Top Ten Currency Weights

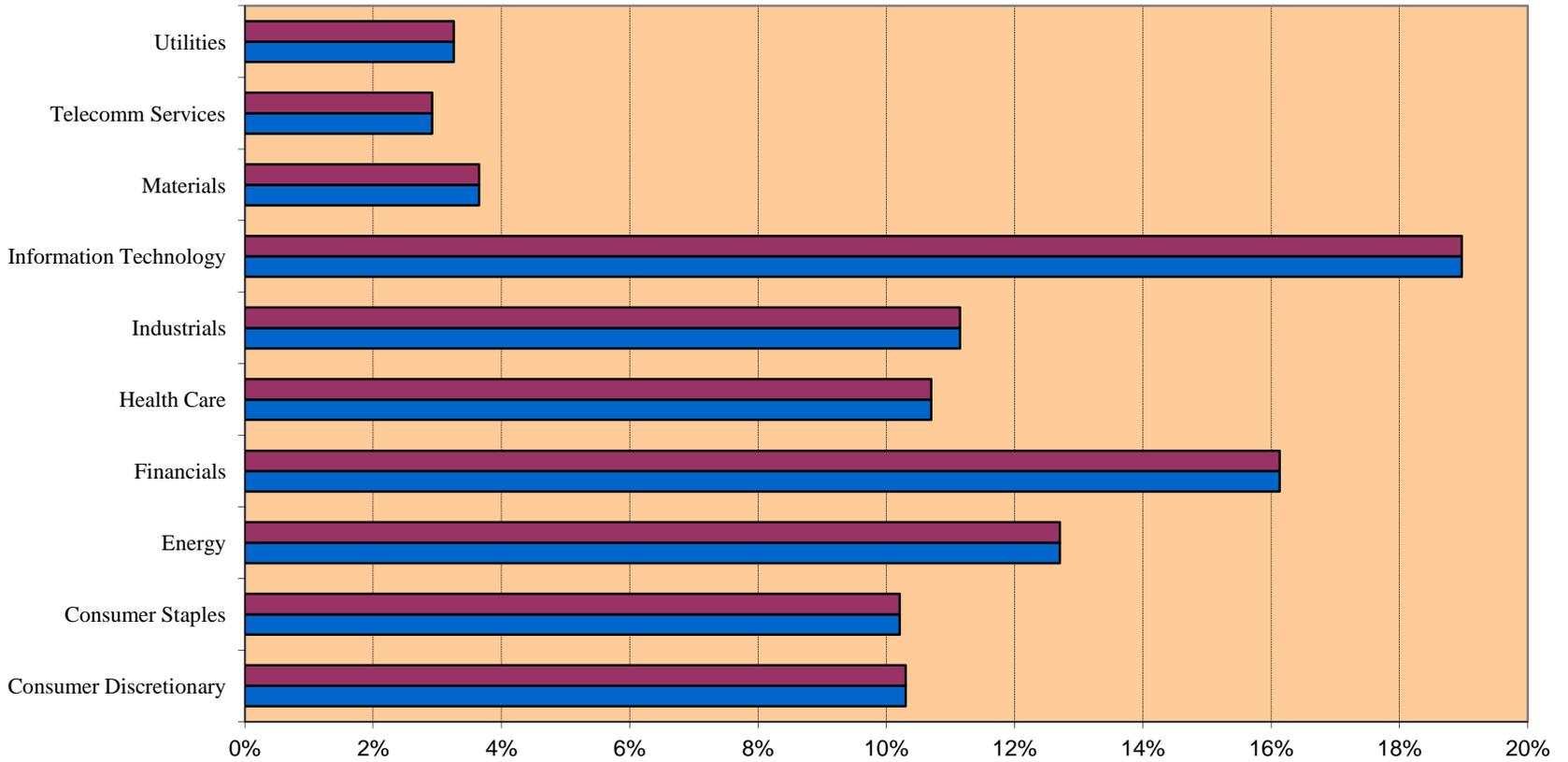


Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
S&P 500 Pool	2.37	9.22	2.37	22.21	0.10	2.20	0.49
S&P 500	2.37	9.23	2.37	22.19	(0.05)	2.24	1.24
Excess	(0.00)	(0.00)	(0.00)	0.02	0.16	(0.04)	(0.75)



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



	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Information Technology	Materials	Telecomm Services	Utilities
■ S&P 500 Index	10.30%	10.21%	12.70%	16.13%	10.70%	11.15%	18.97%	3.65%	2.92%	3.26%
■ STATE OF ARIZONA - POOL 201	10.30%	10.21%	12.71%	16.13%	10.70%	11.15%	18.97%	3.65%	2.92%	3.26%

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

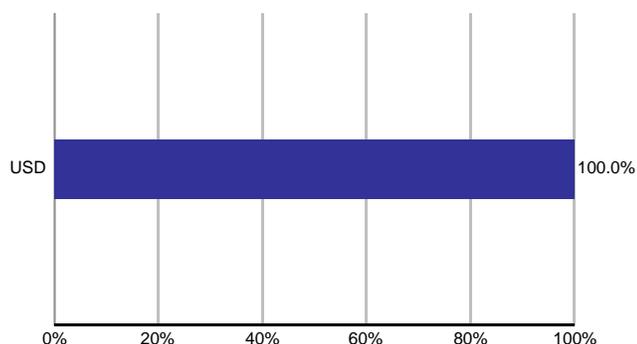
Portfolio Characteristics

Total Asset Value (in Millions)	513.1	Tracking Error	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Since Inception
P/E Ratio	23.20	Information Ratio	0.59	2.51	2.13	2.21
Price to Book Ratio	2.21	Std Deviation of Port.	(1.52)	(0.46)	(0.15)	(0.02)
Dividend Yield (%)	1.31	Std Deviation of Bench.	20.04	24.83	20.16	17.51
Return on Equity (%)	9.74	Sharpe Ratio of Port.	20.31	25.87	21.02	18.60
Sales Growth (%)	7.12	Sharpe Ratio of Bench.	1.62	0.19	0.11	0.32
Market Capitalization (\$ Millions)	3,755.00	R-Squared	1.64	0.22	0.12	0.30
Earnings per Share (\$)	1.56	Jensen's Alpha	1.00	0.99	0.99	0.99
Number of Holdings	401		(0.44)	(0.89)	(0.20)	0.31

Top Ten Portfolio Holdings

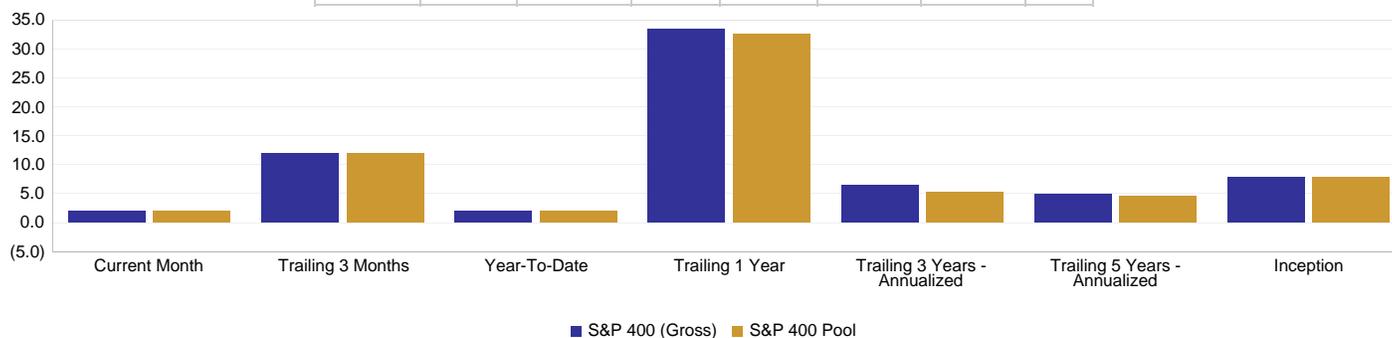
Security ID	Security Name	% of Assets
78467Y107	SPDR S&P MIDCAP 400 ETF TRUST	5.11%
28176E108	EDWARDS LIFESCIENCES CORP - COM USD1	0.81%
481165108	JOY GLOBAL INC - COM	0.75%
171798101	CIMAREX ENERGY CO - COM USD.01	0.74%
649445103	NEW YORK CMNTY BANCORP INC - COM USD.01	0.67%
92532F100	VERTEX PHARMACEUTICALS INC - COM USD.01	0.66%
099724106	BORGWARNER INC - COM USD.01	0.64%
118759109	BUCYRUS INTERNATIONAL INC - COM USD.01	0.62%
549271104	LUBRIZOL CORP - COM NPV	0.59%
169656105	CHIPOTLE MEXICAN GRILL INC - COM USD.01	0.57%

Top Ten Currency Weights

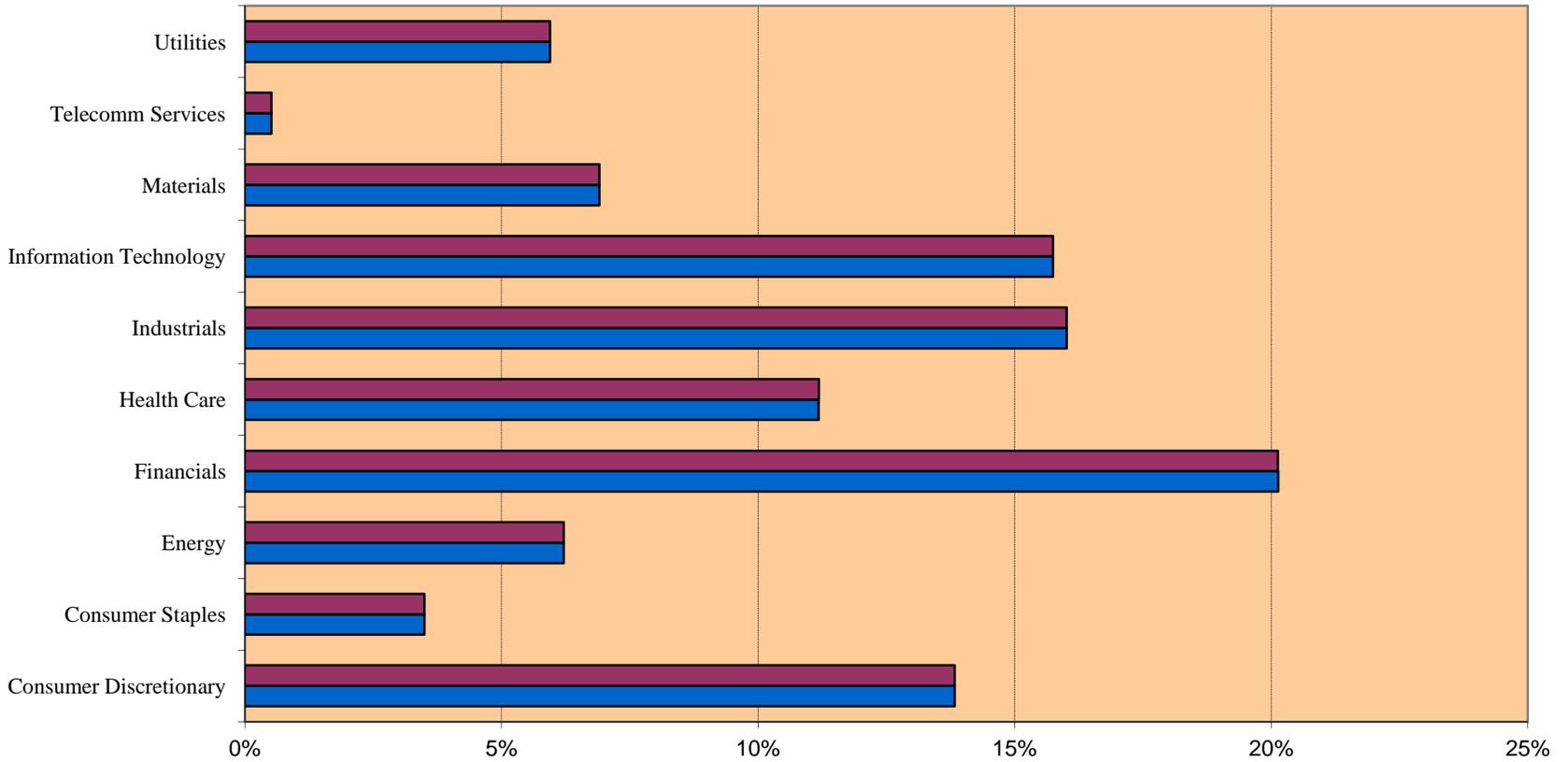


Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
S&P 400 Pool	1.99	11.88	1.99	32.57	5.29	4.63	7.78
S&P 400 (Gross)	2.00	11.91	2.00	33.46	6.44	4.95	7.83
Excess	(0.01)	(0.03)	(0.01)	(0.89)	(1.15)	(0.31)	(0.04)



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



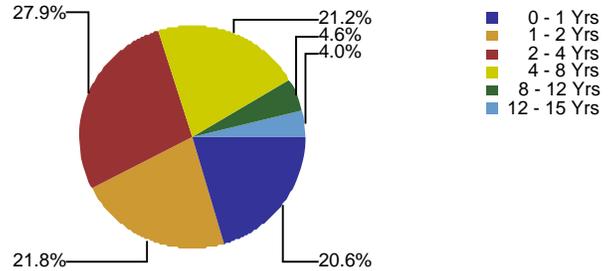
	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Information Technology	Materials	Telecomm Services	Utilities
■ S&P MIDCAP 400	13.83%	3.50%	6.21%	20.13%	11.18%	16.01%	15.75%	6.91%	0.52%	5.95%
■ STATE OF ARIZONA - POOL 203	13.83%	3.50%	6.21%	20.14%	11.18%	16.01%	15.75%	6.91%	0.52%	5.95%

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

Portfolio Characteristics

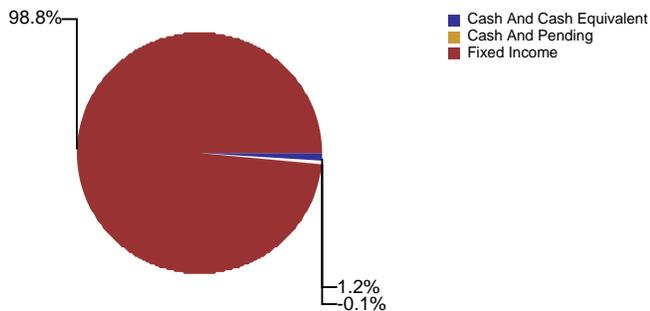
Duration Mix

Total Net Assets (Millions) 1,592.3
Weighted Average Life (Years) 5.04
Weighted Avg. Effective Duration (Years) 3.34
Weighted Average Coupon (%) 4.45
Weighted Average Current Yield (%) 1.34
Weighted Average Yield to Maturity (%) 1.39
Weighted Average Rating AAA
Number of Holdings 274



Asset Mix

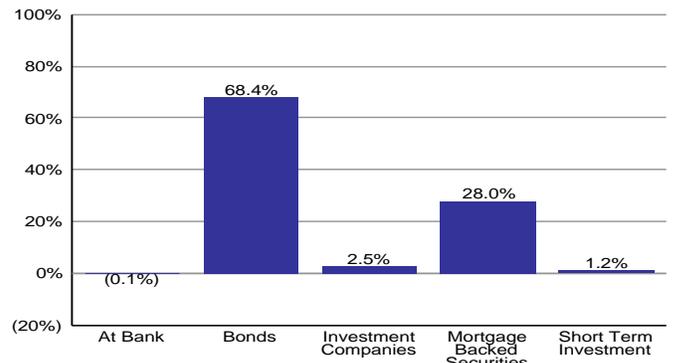
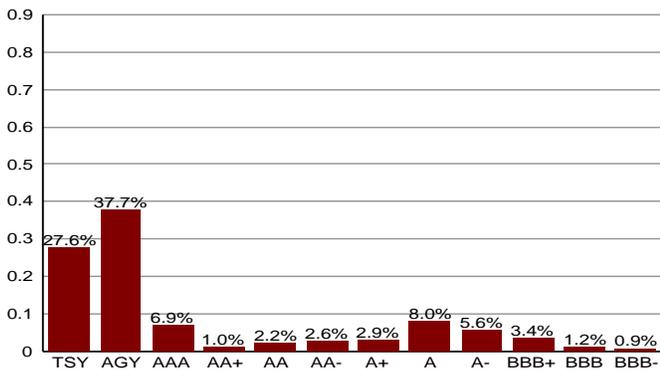
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
31359MQV8	FEDERAL NATIONAL MORTGAGE ASSOC 4.75% BDS	1.39%	4.75	21/2/2013
947513BB	LONG TERM POOL	1.26%	0.00	31/12/2049
958268S	LONG TERM GOV'T POOL	1.25%	0.00	31/12/2049
53992AA5	LOCAL GOVERNMENT INVESTMENT POOL	1.24%	0.00	31/12/2049
92343VAN4	VERIZON COMMUNICATIONS INC 5.25% NTS 15/APR/2013	1.00%	5.25	15/4/2013
912828FK1	US TREAS NTS 05.125% 30/JUN/2011	0.97%	5.12	30/6/2011
931142BV4	WAL MART STORES 931142BV4 4.125% 15/FEB/2011	0.96%	4.12	15/2/2011
3136FM4B7	FED NATL MORT ASSC 0.8% NTS 17/AUG/2012 USD	0.95%	0.80	17/8/2012
3136FP4E4	FEDERAL NATIONAL MORTGAGE ASSOC 1.75% NTS	0.94%	1.75	30/12/2013
912810ED6	UNITED STATES OF AMER TREAS BONDS 8.125%	0.90%	8.12	15/8/2019

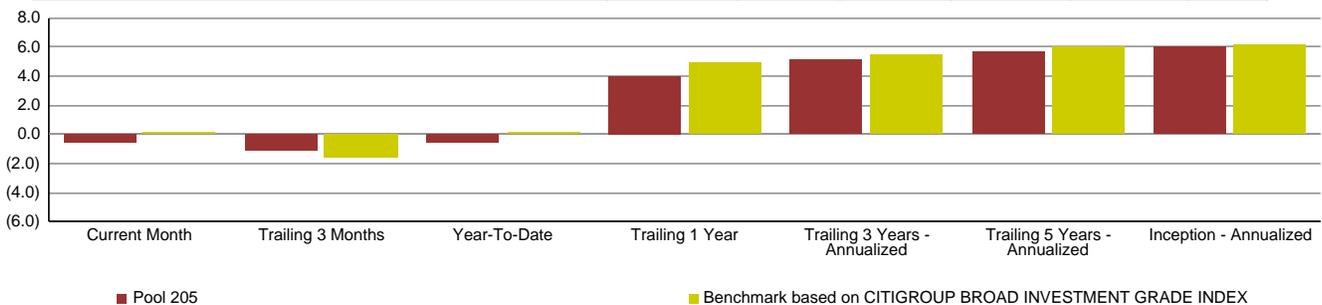
Quality/Rating Weightings

Sector Weightings (as % of Market Value)



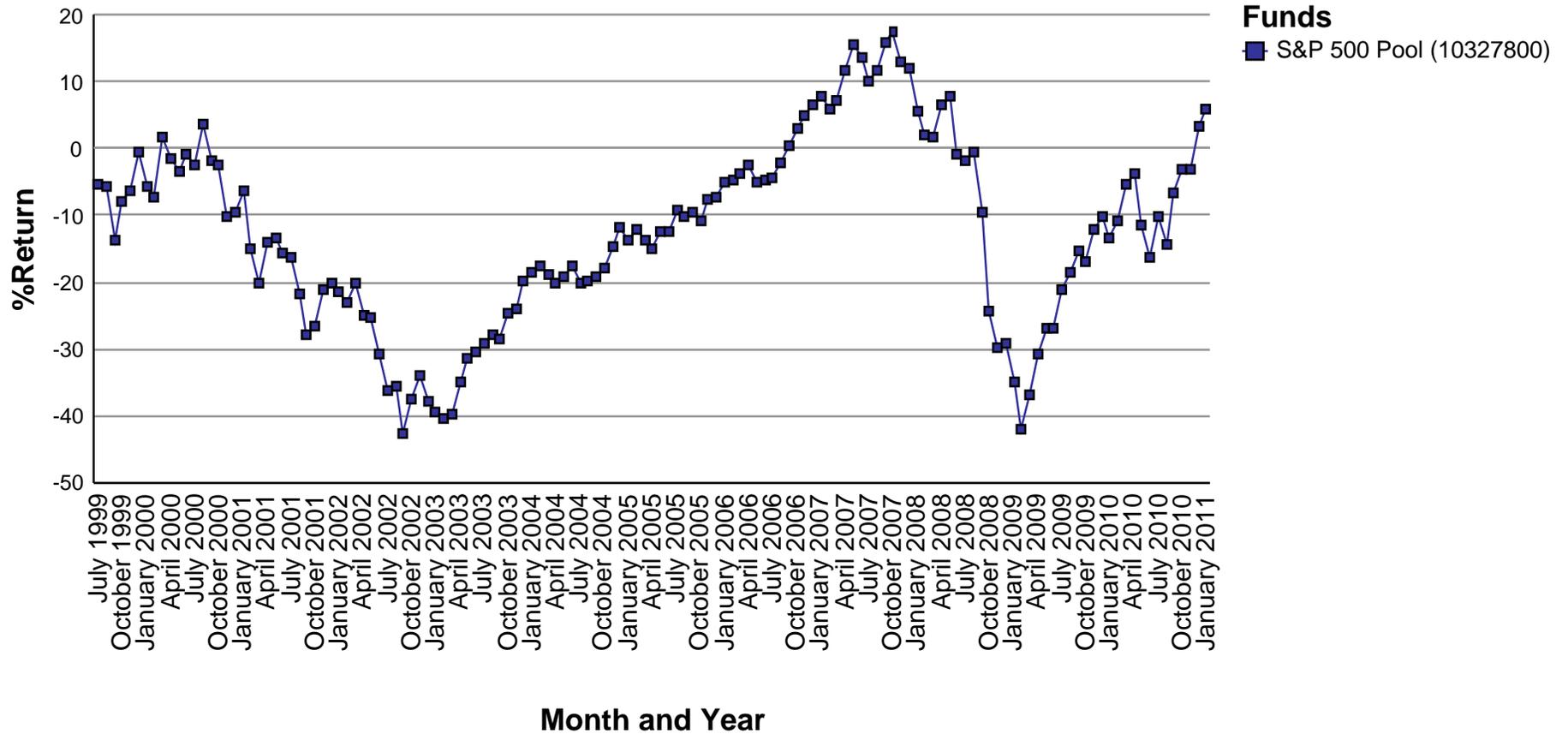
Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
Pool 205	(0.55)	(1.09)	(0.55)	4.02	5.14	5.70	6.05
Benchmark based on CITIGROUP BROAD INVESTMENT GRADE INDEX	0.11	(1.56)	0.11	4.88	5.50	6.01	6.19
Excess	(0.66)	0.47	(0.66)	(0.86)	(0.36)	(0.31)	(0.14)



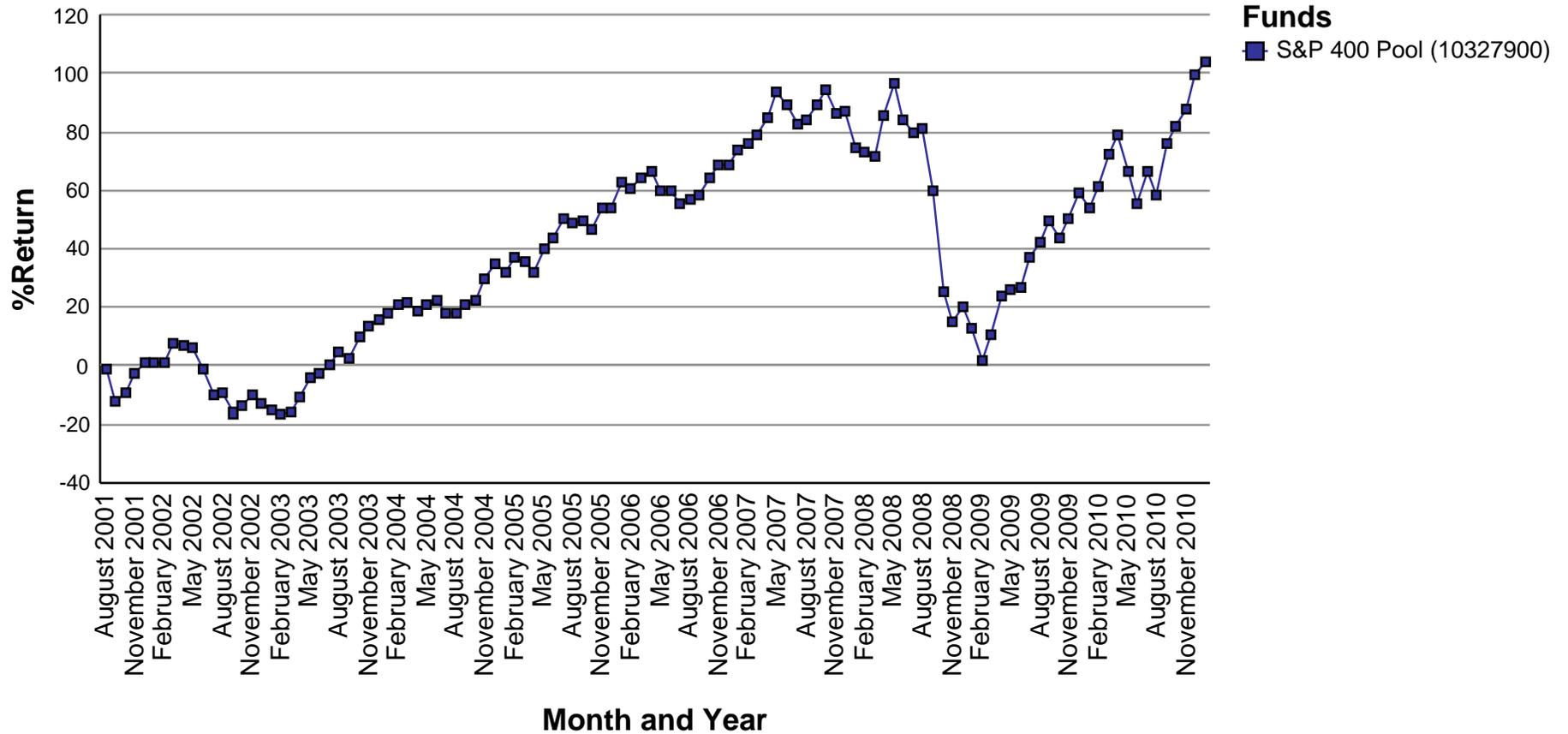
Performance Growth by Account

Arizona State Treasury (05509)
From July 1999 to January 2011
Gross of Fee



Performance Growth by Account

Arizona State Treasury (05509)
From August 2001 to January 2011
Gross of Fee



Performance Growth by Account
Arizona State Treasury (05509)
 From July 1999 to January 2011
 Gross of Fee

