

OFFICE OF THE
ARIZONA STATE TREASURER



Doug Ducey
TREASURER



MAY 2011

Presented To:

Arizona State Board of Investment

JUNE 21, 2011

STATE BOARD OF INVESTMENT

A G E N D A

June 21, 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. Designation of the State Servicing Bank and Merchant Card Processor effective January 1, 2012
8. Call to the Public
9. Notice of Next Meeting
10. Adjournment

REPORT OF THE STATE TREASURER

FOR

June 21, 2011

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**Minutes of
BOARD OF INVESTMENT MEETING**

The regular meeting of the State Board of Investment was held on May 24, 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 1:31 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
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

Pursuant to A.R.S. 35-311, the following reports for April, 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 May 24, 2011 BOI meeting to order at approximately 1:31 p.m.

2. Treasurers Comments:

Treasurer Ducey welcomed board members and guests and thanked all present for attending the May 24, 2011 meeting.

3. Approval of Minutes:

Mr. Maguire made a motion to approve the April 26, 2011 minutes.
Mr. Kingry 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 April, 2011.

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 April, 2011.

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 April, 2011.

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 April 30, 2011.

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 April, 2011.

Review of Treasurer's Monthly Report – Agency Pool:

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

State Agency Pools Portfolio Yield Analysis

Mr. Swenson reported the net yields for the State Agency Pools for the month of April, 2011.

Manager Allocation of Invested Monies for the State Agency Pools

Mr. Swenson reported the total market value of all of the State Agency Pools broken up to show the percent allocated to each individual State Agency Pool as of April 30, 2011.

Investments Outstanding in State Agency Pools

Mr. Swenson reported the total net assets, the weighted average life, the weighted average duration, the weighted average rating, and the total number of holdings for the State Agency Investment Pools as of April 30, 2011.

Operating Monies Average Invested Balance

Mr. Swenson reported the Operating Monies average invested balance for the month of April, 2011.

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 April, 2011.

Endowment Funds Yield Analysis

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

Equity Funds Purchases & Sales

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

Investments Outstanding in Endowment Funds

Mr. White reported the par, book, market value, and unrealized gains/loss of the Endowment Funds as of April 30, 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 April 30, 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 April 30, 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 April 30, 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 April 30, 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 April 30, 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 April, 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 April, 2011.

Approval of Treasurer's Report

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

5. Proposed Changes to Investment Policy:

There were no 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. Legislative Update on SB1609; Public Retirement System

Mr. Donnellan provided a brief update to the Board on the latest meeting outcome with regard to *SB1609*. Nominations are pending from the House, the Senate and the two Retirement Boards. The Study Committee is required to conduct two meetings in 2011. Mr. Donnellan anticipates the first meeting to take place in late summer, early fall and the second, before the end of the year. Mr. Donnellan will keep the Board apprised of any other changes or movement at the June BOI meeting.

*Mr. Kingry inquired about the reporting due date to the Legislature.
Mr. Donnellan responded; In the Interim by the end of 2011.*

B. Servicing Bank Contract Process

Mr. Woodruff provided the Board with a brief update on the process for the Servicing Bank Contract. Mr. Woodruff stated that the proposals have been received and the Review Committee was in the process of reviewing the proposals. A culminated report will be distributed to the Board for review in preparation for the June BOI.

*State Treasurer's Report
June 21, 2011 Meeting
Minutes of the May 24, 2011 Meeting*

Mr. Kingry inquired as to how many Banks participated. Mr. Woodruff stated that three bids were submitted for the Servicing Bank portion; Bank of America, Chase and Wells Fargo. Five bids were submitted for the Merchant Card Services.

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 Tuesday, June 21, 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 2:05 p.m.

Respectfully Submitted by:

Barbara Conley
Executive Consultant II

Approved by:

Doug Ducey, Chair

Date

**EARNINGS DISTRIBUTION - INVESTMENT POOLS
 MAY 2011**

Recipient	Earnings Distributed			Fiscal YTD Investment Management Fees Received
	MAY 2011	Fiscal YTD 10/11	Fiscal YTD 09/10	
General Fund	\$748,409	\$5,688,682	\$365,754	
2 State Agencies I - Full Faith & Credit	678,836	6,599,281	13,562,885	500,147
3 State Agencies II - Diversified	656,939	7,237,570	12,797,763	877,049
4 State Agencies IV - Restricted Diversified	321,635	2,941,054	6,497,226	347,131
5 LGIP	223,712	3,031,898	6,114,855	885,814
7 LGIP Gov	93,844	2,039,610	4,430,091	1,057,342
12 CAWCD Medium-Term	467,200	3,890,694	4,367,117	105,180
15 GADA Long-Term	25,412	281,547	444,903	6,674
Subtotal	\$3,215,986	\$31,710,336	\$48,580,594	\$3,779,338
NAV POOL				
500 LGIP - Med Term	273,895	2,616,633	1,930,474	94,954
700 LGIP - FF&C Med Term	106,953	1,271,495	431,803	66,969
Total	\$3,596,834	\$35,598,464	\$50,942,871	\$3,941,261
MAY 2010 TOTALS	\$3,398,301			\$3,824,695

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

NET EARNINGS

FUND	DESCRIPTION	Current Month 05/31/11	Prior Month 04/30/11	Prior Year 5/31/10	Net Asset Value Per Share
5	LGIP	225,126	238,994	283,605	0.9999
7	LGIP - GOV	94,393	89,890	235,344	1.0001
	TOTAL LGIP & LGIP-GOV	319,519	328,884	518,949	

YIELDS

<u>MONTHLY</u>		Current Month 05/31/11	Prior Month 04/30/11	Prior Year 5/31/10
5	LGIP (NET)	0.17%	0.20%	0.19%
	S & P LGIP INDEX	0.10%	0.11%	0.16%
7	LGIP - GOV (NET)	0.06%	0.06%	0.12%
	3 MONTH T-BILL	0.03%	0.05%	0.15%
<u>YEAR TO DATE</u>				
5	LGIP (NET)	0.20%	0.21%	0.20%
	S & P LGIP INDEX	0.15%	0.15%	0.23%
7	LGIP - GOV (NET)	0.11%	0.12%	0.09%
	3 MONTH T-BILL	0.11%	0.12%	0.11%

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

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

NET EARNINGS

FUND	DESCRIPTION	Current Month 05/31/11	Prior Month 04/30/11	Prior Year 5/31/10	Net Asset Value Per Share
500	LGIP - MED TERM POOL	302,338	297,540	208,018	1.0357
700	LGIP - FF&C MED TERM POOL	131,827	131,390	147,315	1.0106
TOTAL LGIP MEDIUM TERM POOLS		434,165	428,930	355,333	

YIELDS

MONTHLY

	Current Month 05/31/11	Prior Month 04/30/11	Prior Year 5/31/10
500 LGIP - MED TERM (NET)	1.75%	1.72%	2.50%
MERRILL 1-5 US D M INDEX	1.66%	1.78%	2.01%
700 LGIP - FF&C MED TERM (NET)	1.35%	1.47%	1.53%
MERRILL 1-5 US TREAS INDEX	0.75%	0.92%	1.15%

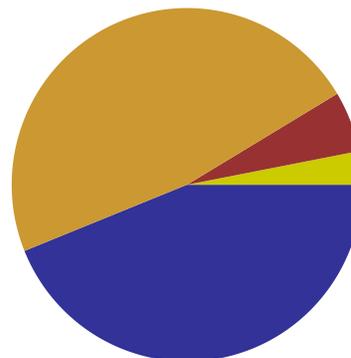
YEAR TO DATE

500 LGIP - MED TERM (NET)	1.79%	1.80%	2.84%
MERRILL 1-5 US D M INDEX	1.69%	1.69%	2.34%
700 LGIP - FF&C MED TERM (NET)	1.23%	1.22%	0.68%
MERRILL 1-5 US TREAS INDEX	0.81%	0.82%	1.26%

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

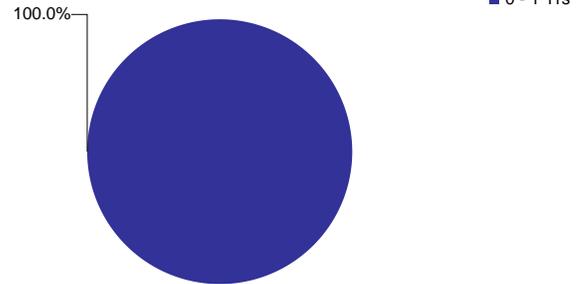
LGIP composite (00550903)		
Account Name	Market Value(MIL)	Percent of Portfolio
State of Arizona - Pool 5 (LGIP) (10327300)	1,686.51	44.0%
State of Arizona - Pool 500 (LGIP - Med Term) (10327700)	210.76	5.5%
State of Arizona - Pool 7 (LGIP - FF&C) (10327400)	1,821.92	47.5%
State of Arizona - Pool 700 (LGIP-FF&C Med Term) (10563200)	116.61	3.0%
TOTAL	3,835.80	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)

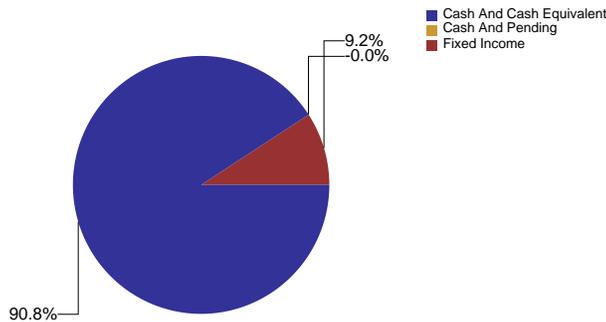


Portfolio Characteristics Duration Mix

Total Net Assets (Millions) 1,686.5
Weighted Average Life (Years) 0.06
Weighted Avg. Effective Duration (Years) 0.04
Weighted Average Maturity (Years) 0.06
Weighted Average Rating AAA
Number of Holdings 81

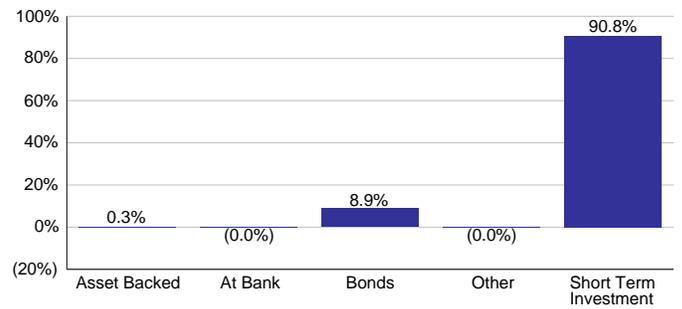
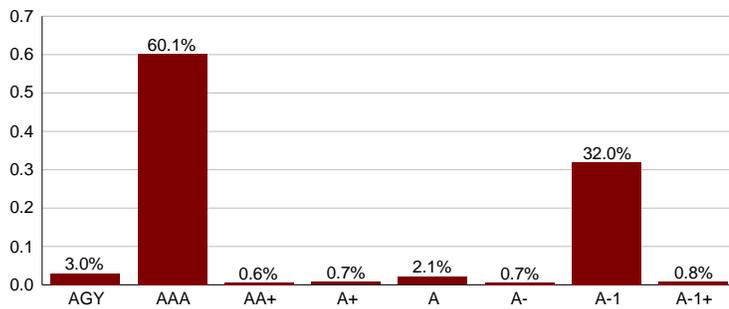


Asset Mix Top Ten Portfolio Holdings



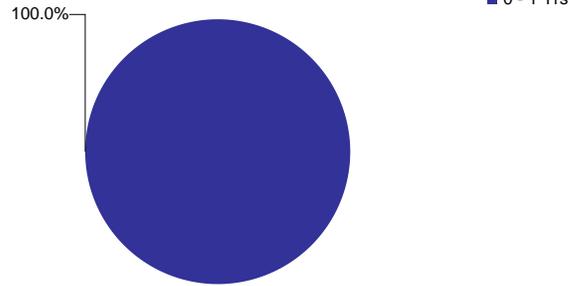
Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
85299U088	TRI-PARTY REPO SOUTH STREET 0.15% 01/JUN/2011	23.17%	0.15	1/6/2011
46999W014	TRI-PARTY REPO JP MORGAN 0.30% 01/JUN/2011	14.87%	0.30	1/6/2011
15199U888	TRI-PARTY REPO DEUTSCHE BANK 0.10% 01/JUN/2011	8.89%	0.10	1/6/2011
313396HP1	FEDERAL HOME LN MTG CORP DISC NTS	2.96%	0.00	1/7/2011
67983UTE3	OLD LINE FUNDING LLC ZCP 14/JUN/2011	2.02%	0.00	14/6/2011
06740MZR7	BARCLAYS BANK PLC CERTIFICATE OF DEPOSIT FIXED DTD	1.48%	0.22	27/7/2011
96442MT21	WHITE POINT FDG INC. CORPORATE COMMERCIAL PAPER	1.48%	0.00	2/6/2011
30601WVA4	FAIRWAY FINANCE CORP CORPORATE COMMERCIAL PAPER	1.36%	0.00	10/8/2011
369550AP3	GEN DYNAMICS CORP 1.8% NTS 15/JUL/2011 USD1000	1.20%	1.80	15/7/2011
38146FAG6	GOLDMAN SACHS GROUP INC FRN 09/NOV/2011 USD1000	1.19%	0.52	9/11/2011

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

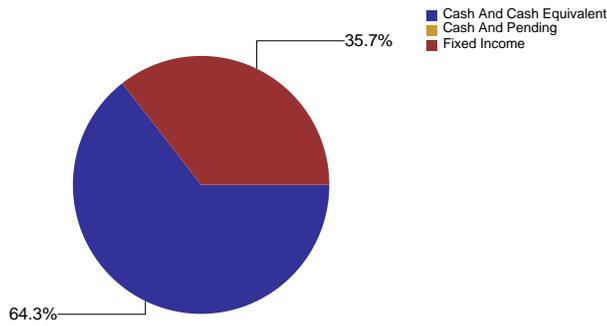


Portfolio Characteristics Duration Mix

Total Net Assets (Millions) 1,821.9
Weighted Average Life (Years) 0.13
Weighted Avg. Effective Duration (Years) 0.13
Weighted Average Maturity (Years) 0.16
Weighted Average Rating AAA
Number of Holdings 25

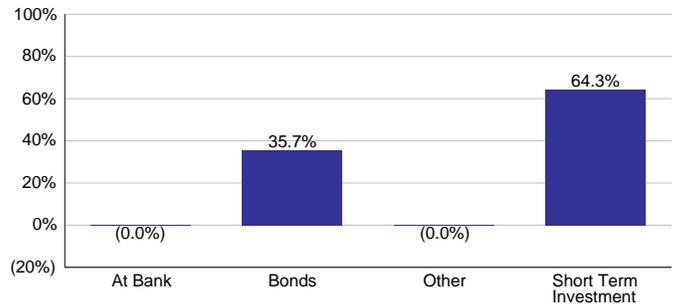
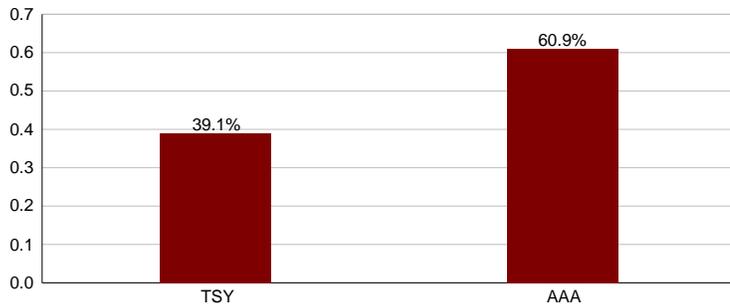


Asset Mix Top Ten Portfolio Holdings



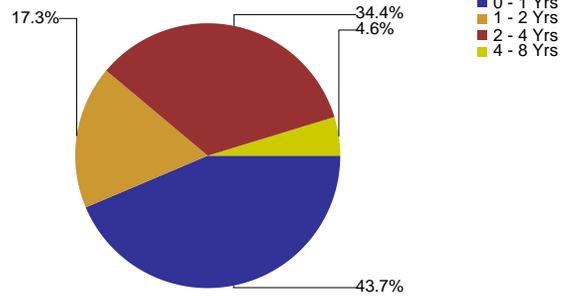
Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
85299U047	TRI-PARTY REPO SOUTH STREET 0.06% 02/JUN/2011	27.44%	0.06	2/6/2011
65599A396	TRI-PARTY REPO NOMURA 0.14% 01/JUN/2011	27.25%	0.14	1/6/2011
912828GA2	US TREAS NTS 04.500% 30/NOV/2011	5.33%	4.50	30/11/2011
912828GC8	US TREAS NTS 04.625% 31/DEC/2011	2.87%	4.62	31/12/2011
912828FN5	UNITED STATES TREAS NTS 04.875% 31/JUL/2011	2.81%	4.88	31/7/2011
962455N	ALLIANCE BANK OF AZ REPO SWEEP 0.324% 01/JUL/2011	2.77%	0.32	1/7/2011
912828ML1	UNITED STATES OF AMER TREAS BONDS 1% BDS	2.77%	1.00	31/12/2011
912828MU1	UNITED STATES TREAS NTS 1.000% 31/MAR/2012	2.77%	1.00	31/3/2012
912828LT5	UNITED STATES TREAS NTS 1% 31/OCT/2011	2.76%	1.00	31/10/2011
912828MM9	UNITED STATES OF AMER TREAS NOTES 0% TREAS NTS	2.75%	0.75	30/11/2011

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

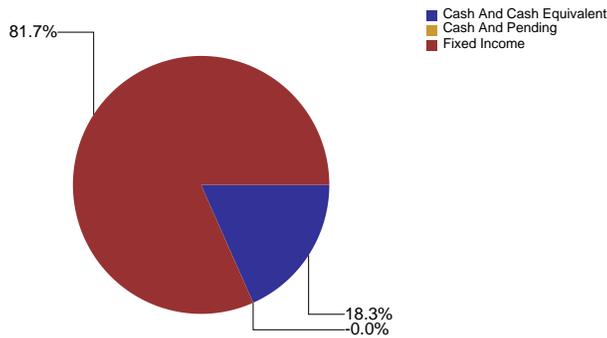


Portfolio Characteristics Duration Mix

Total Net Assets (Millions) 210.8
Weighted Average Life (Years) 1.80
Weighted Avg. Effective Duration (Years) 1.44
Weighted Average Rating AAA
Number of Holdings 175

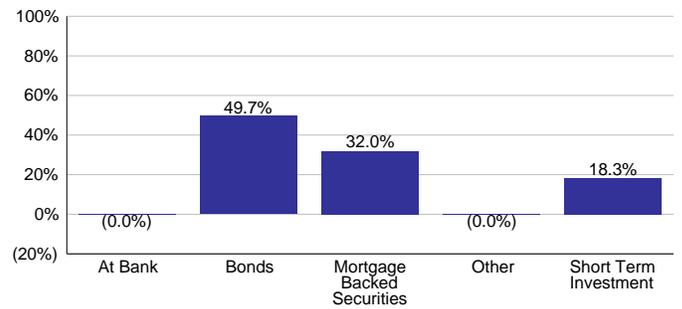
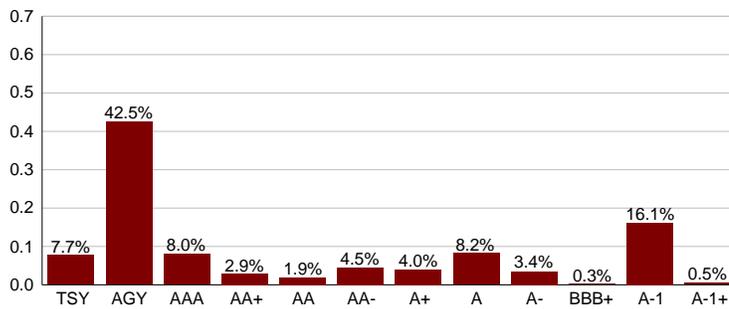


Asset Mix Top Ten Portfolio Holdings



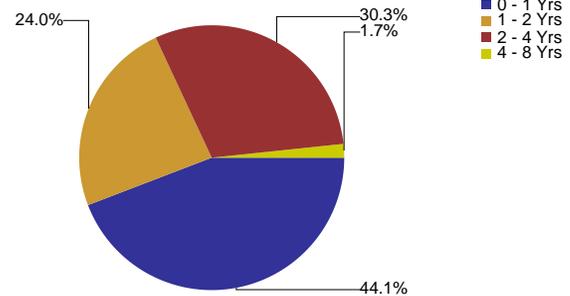
Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
967518D	UNITED STATES ZCP 01/SEP/2011	4.74%	0.00	1/9/2011
31416NZB1	FNMA MORTPASS 4% 01/APR/2024 CI PN# AA5237	3.89%	4.00	1/4/2024
3138A5CF7	FNMA MORTPASS 4% 01/FEB/2026 CI PN# AH3669	3.77%	4.00	1/2/2026
3128PR3M9	FHLMCGLD MORTPASS 4% 01/JUL/2025 PN# 2604	2.51%	4.00	1/7/2025
85299U088	TRI-PARTY REPO SOUTH STREET 0.15% 01/JUN/2011	2.49%	0.15	1/6/2011
31398ATL6	FEDERAL NATIONAL MORTGAGE ASSOC 3.625% SNR NTS	2.41%	3.62	15/8/2011
31419CZL0	FNMA MORTPASS 4.5% 01/SEP/2040 CL PN# AE2546	2.32%	4.50	1/9/2040
3128PSQ75	FHLMCGLD MORTPASS 3.5% 01/OCT/2025 PN# 3178	2.29%	3.50	1/10/2025
3128PSKA4	FHLMCGLD MORTPASS 3.5% 01/SEP/2025 PN# 2989	2.24%	3.50	1/9/2025
31419AJM0	FNMA MORTPASS 4% 01/AUG/2025 CI PN# AE0267	2.22%	4.00	1/8/2025

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

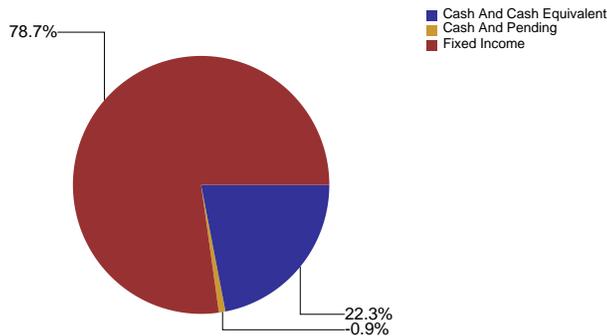


Portfolio Characteristics Duration Mix

Total Net Assets (Millions) **116.6**
 Weighted Average Life (Years) **1.96**
 Weighted Avg. Effective Duration (Years) **1.46**
 Weighted Average Rating **AAA**
 Number of Holdings **73**

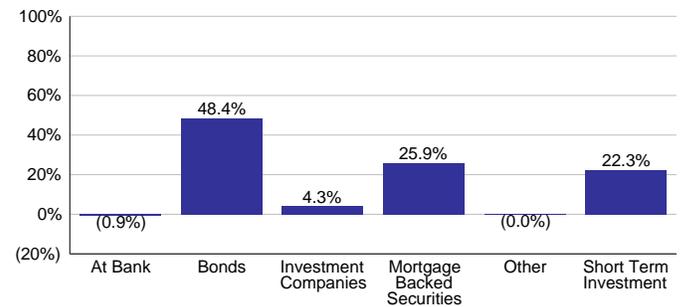
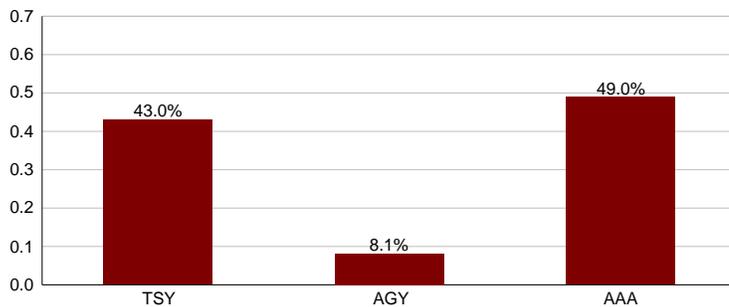


Asset Mix Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
65599A396	TRI-PARTY REPO NOMURA 0.14% 01/JUN/2011	13.59%	0.14	1/6/2011
938554N	FDIC US BANK CEDRS ACCOUNT 0.40% 30/JUN/2011	6.40%	0.40	30/6/2011
36967HAY3	GENERAL ELECTRIC CAPITAL CORP 2.625% BDS	4.44%	2.62	28/12/2012
464287457	ISHARES BARCLAYS 1-3 YRS TREASURY BOND FUND	4.26%		
36202FFH4	GNMA II MORTPASS 4.5% 20/APR/2025 SF PN# 004668	3.97%	4.50	20/4/2025
3620A5MX4	GNMA I MORTPASS 5% 15/SEP/2039 SF PN# 719574	3.87%	5.00	15/9/2039
73278MAA1	POOLED FDG TR I 2.74% BDS 15/FEB/2012 USD	3.48%	2.74	15/2/2012
38376ETD7	GINNIE MAE 2009-108 WG 4.000% 20/SEP/2038	3.29%	4.00	20/9/2038
911759JQ2	U S DEPT HSG & URBAN DEV GOVT 4.33% DEB	2.87%	4.33	1/8/2015
038461AC3	AID-EGYPT 4.45% 15/SEP/2015	2.86%	4.45	15/9/2015

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



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

NET EARNINGS

FUND	DESCRIPTION	Current Month 05/31/11	Prior Month 04/30/11	Prior Year 5/31/10	Net Asset Value Per Share
2	STATE AGENCIES I - FULL FAITH & CREDIT	925,675	837,843	1,035,088	1.0064
3	STATE AGENCIES II - DIVERSIFIED	1,086,720	959,732	823,848	1.0032
4	STATE AGENCIES IV-RESTRICTED DIVERSIFIED	338,143	307,216	358,738	1.0027
12	CAWCD MEDIUM TERM	467,200	453,145	280,649	1.0188
15	GADA	25,412	25,681	25,696	1.0234
TOTAL STATE AGENCIES		2,843,150	2,583,617	2,524,019	

YIELDS

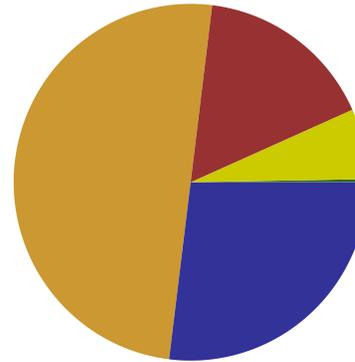
MONTHLY

		Current Month 05/31/11	Prior Month 04/30/11	Prior Year 5/31/10
2	STATE AGENCIES I - FULL FAITH & CREDIT	1.04%	1.00%	1.62%
3	STATE AGENCIES II - DIVERSIFIED	0.68%	0.65%	0.97%
4	STATE AGENCIES IV-RESTRICTED DIVERSIFIED	0.59%	0.56%	0.65%
12	CAWCD MEDIUM TERM	2.07%	2.10%	2.51%
15	GADA	2.47%	2.58%	2.48%

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

Pool Composite (00550904)		
Account Name	Market Value(MIL)	Percent of Portfolio
State of Arizona - Pool 12 (CAWCD - Med Term) (10327500)	272.70	6.5%
State of Arizona - Pool 15 (GADA) (10327600)	12.39	0.3%
State of Arizona - Pool 2 (State Agency - FF&C) (10327000)	1,134.33	26.9%
State of Arizona - Pool 3 (State Agency - Diversified) (10327100)	2,113.43	50.2%
State of Arizona - Pool 4 (State Agency Rest Div) (10327200)	680.51	16.2%
TOTAL	4,213.37	100.0%

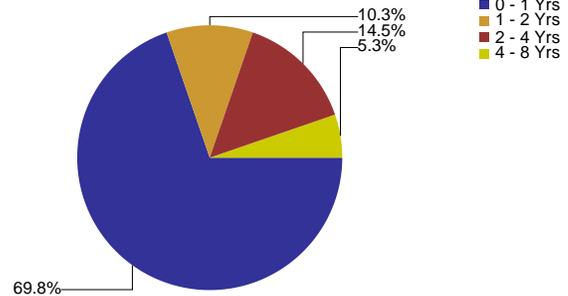
- State of Arizona - Pool 2 (State Agency - FF&C)
- State of Arizona - Pool 3 (State Agency - Divers
- State of Arizona - Pool 4 (State Agency Rest Di
- State of Arizona - Pool 12 (CAWCD - Med Term) (1
- State of Arizona - Pool 15 (GADA) (10327600)



Portfolio Characteristics

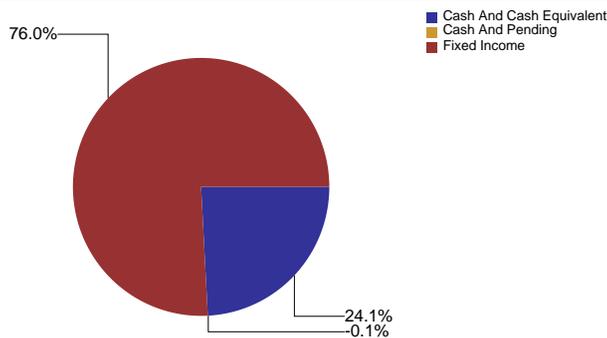
Duration Mix

Total Net Assets (Millions) **1,134.3**
 Weighted Average Life (Years) **1.27**
 Weighted Avg. Effective Duration (Years) **1.01**
 Weighted Average Rating **AAA**
 Number of Holdings **97**



Asset Mix

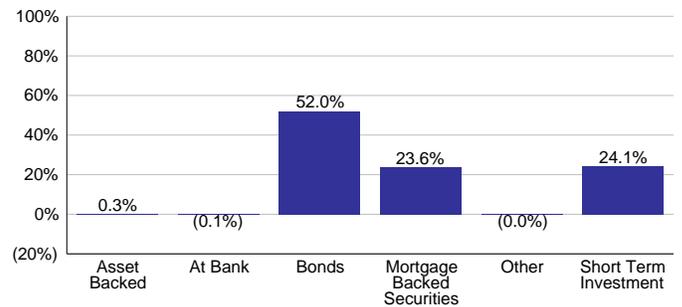
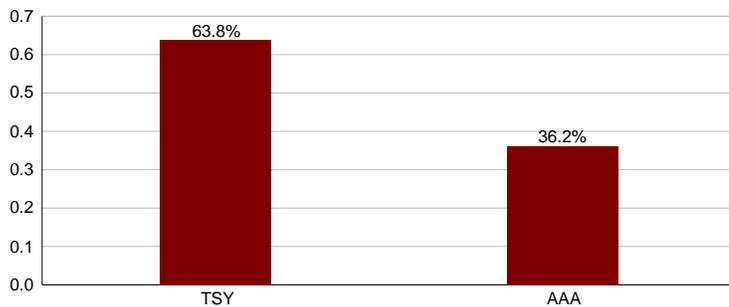
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
65599A396	TRI-PARTY REPO NOMURA 0.14% 01/JUN/2011	19.68%	0.14	1/6/2011
912828LT5	UNITED STATES TREAS NTS 1% 31/OCT/2011	5.31%	1.00	31/10/2011
9127952V2	UNITED STATES TREAS BILLS DT	4.40%	0.00	16/6/2011
36967HAN7	GENERAL ELECTRIC CAPITAL CORP 2.25% NTS	3.69%	2.25	12/3/2012
912828LG3	UNITED STATES TREAS NTS 1% 31/JUL/2011	3.54%	1.00	31/7/2011
912828MM9	UNITED STATES OF AMER TREAS NOTES 0% TREAS NTS	3.53%	0.75	30/11/2011
912828NE6	UNITED STATES TREAS NTS 0.750% 31/MAY/2012	2.66%	0.75	31/5/2012
38146FAA9	GOLDMAN SACHS GROUP INC 3.25% BDS 15/JUN/2012	1.84%	3.25	15/6/2012
912828GK0	US TREAS NTS 4.625% 29/FEB/2012	1.84%	4.62	29/2/2012
912828KP4	UNITED STATES TREAS NTS 1.375% 15/MAY/2012	1.78%	1.38	15/5/2012

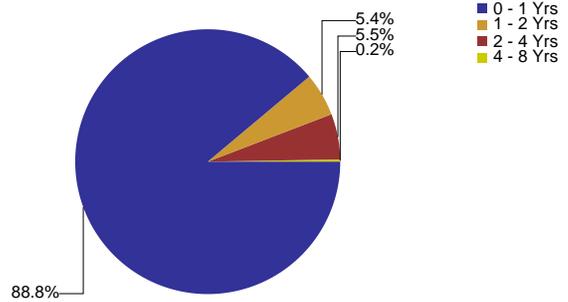
Quality/Rating Weightings

Sector Weightings (as % of Market Value)

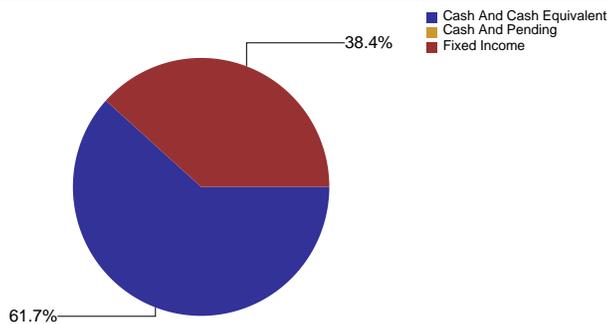


Portfolio Characteristics Duration Mix

Total Net Assets (Millions) **2,113.4**
 Weighted Average Life (Years) **0.80**
 Weighted Avg. Effective Duration (Years) **0.38**
 Weighted Average Rating **AA+**
 Number of Holdings **128**

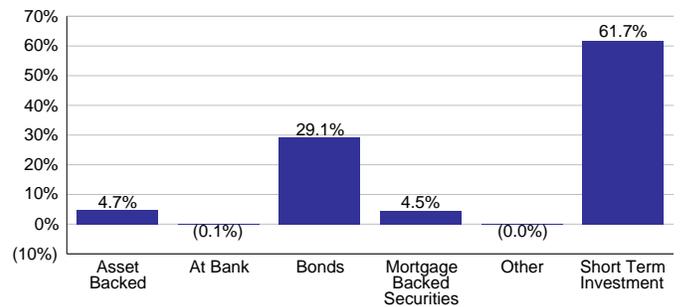
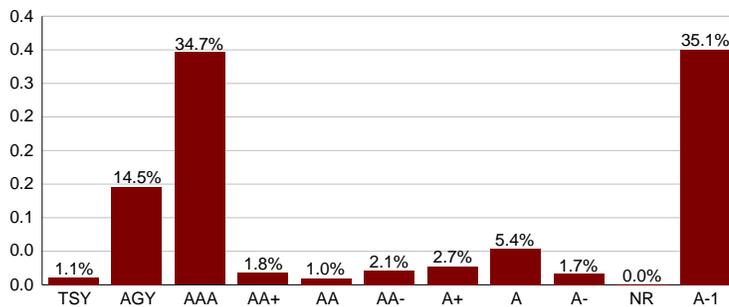


Asset Mix Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
85299U088	TRI-PARTY REPO SOUTH STREET 0.15% 01/JUN/2011	14.10%	0.15	1/6/2011
85299U039	TRI-PARTY REPO SOUTH STREET 0.11% 01/JUN/2011	4.73%	0.11	1/6/2011
65599A396	TRI-PARTY REPO NOMURA 0.14% 01/JUN/2011	3.02%	0.14	1/6/2011
4820P3T37	JUPITER SECT CO LLC CORPORATE COMMERCIAL PAPER	2.29%	0.00	3/6/2011
5705X5U82	MARKET ST FNDG CORP CORPORATE COMMERCIAL PAPER	2.13%	0.00	8/7/2011
96442MU52	WHITE POINT FDG INC. CORPORATE COMMERCIAL PAPER	1.89%	0.00	5/7/2011
85520MVP5	STARBIRD FDG. CORP. CORPORATE COMMERCIAL PAPER	1.89%	0.00	23/8/2011
25153KW60	DEUTSCHE BK FINL LLC CORPORATE COMMERCIAL PAPER	1.89%	0.00	6/9/2011
38362WWE7	GOVCO, LLC. CORPORATE COMMERCIAL PAPER DISCOUNT	1.89%	0.00	14/9/2011
38346MUC6	GOTHAM FDG CORP CORPORATE COMMERCIAL PAPER	1.45%	0.00	12/7/2011

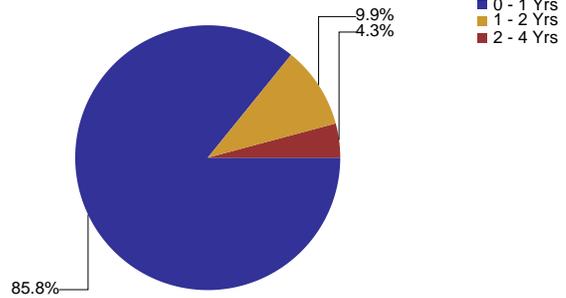
Quality/Rating Weightings Sector Weightings (as % of Market Value)



Portfolio Characteristics

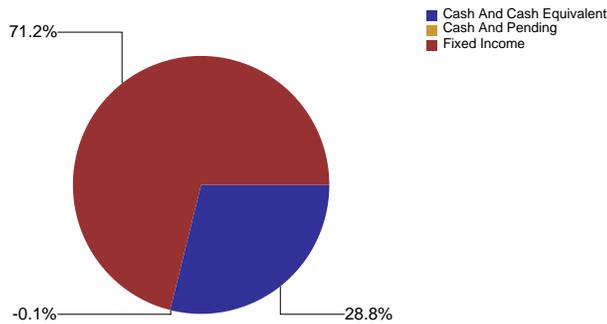
Duration Mix

Total Net Assets (Millions) **680.5**
 Weighted Average Life (Years) **1.19**
 Weighted Avg. Effective Duration (Years) **0.52**
 Weighted Average Rating **AGY**
 Number of Holdings **62**



Asset Mix

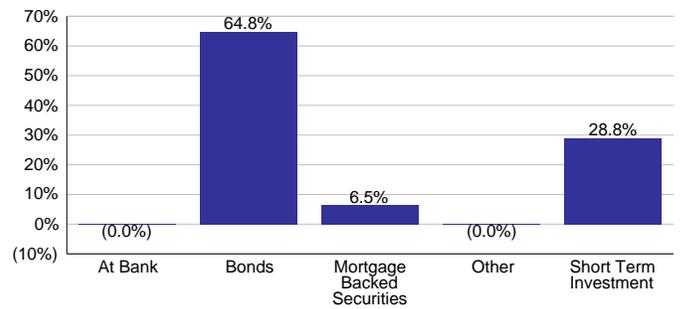
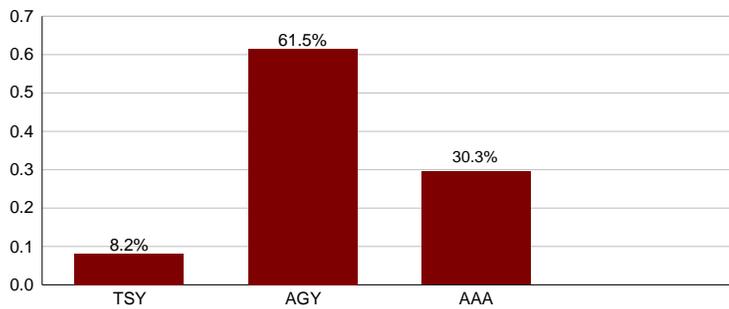
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
46999W014	TRI-PARTY REPO JP MORGAN 0.30% 1/JUN/2011	8.11%	0.30	1/6/2011
85299U088	TRI-PARTY REPO SOUTH STREET 0.15% 01/JUN/2011	7.74%	0.15	1/6/2011
31315KHP8	FED AGRIC MTG CP DSC NT FED BE MATURES 01/JUL/2011	5.30%	0.00	1/7/2011
313588GJ8	FED NATL MORT ASSC 0% DISC NTS 02/JUN/2011 USD	4.66%	0.00	2/6/2011
446436AB3	HUNTINGTON NATIONAL BANK FRN 01/JUN/2012 USD1000	3.70%	0.71	1/6/2012
31359MNU3	FANNIE MAE 5.25% 01/AUG/2012	3.15%	5.25	1/8/2012
36967HAN7	GENERAL ELECTRIC CAPITAL CORP 2.25% NTS	3.00%	2.25	12/3/2012
313396GH0	FED HOME LOAN MTG 0% 01/JUN/2011 NTS	3.00%	0.00	1/6/2011
912828JU5	UNITED STATES OF AMER TREAS NOTES 1.75% TB	2.96%	1.75	15/11/2011
31331KEW6	FEDERAL FARM CREDIT BANKS 0.44% BDS 24/SEP/2012	2.94%	0.44	24/9/2012

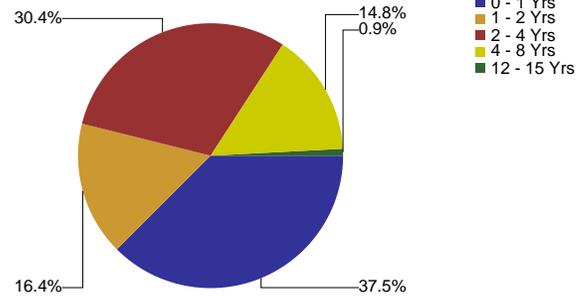
Quality/Rating Weightings

Sector Weightings (as % of Market Value)

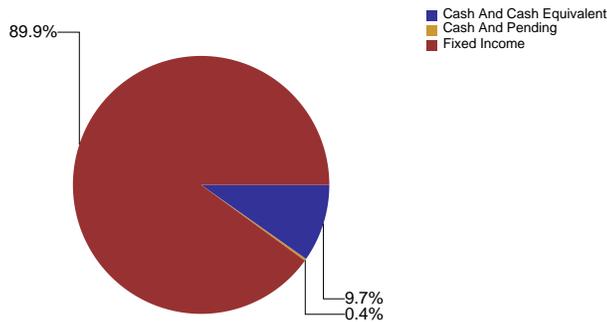


Portfolio Characteristics Duration Mix

Total Net Assets (Millions) 272.7
Weighted Average Life (Years) 4.09
Weighted Avg. Effective Duration (Years) 2.04
Weighted Average Rating AA+
Number of Holdings 128

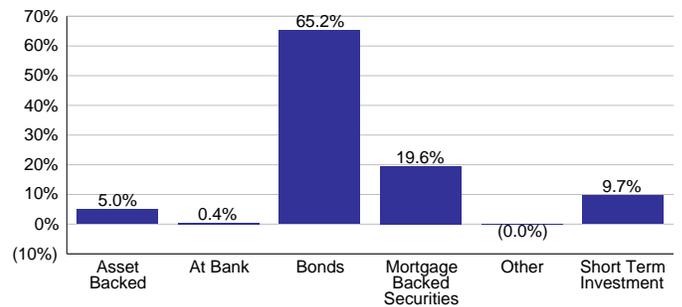
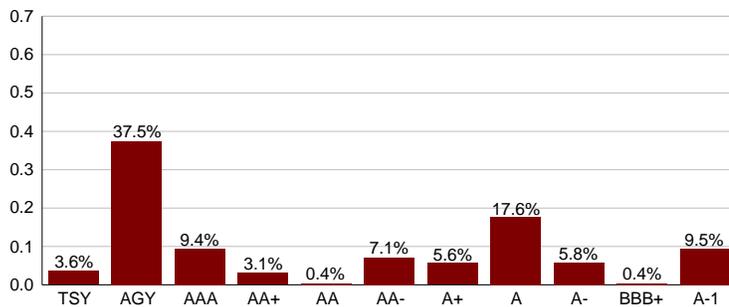


Asset Mix Top Ten Portfolio Holdings



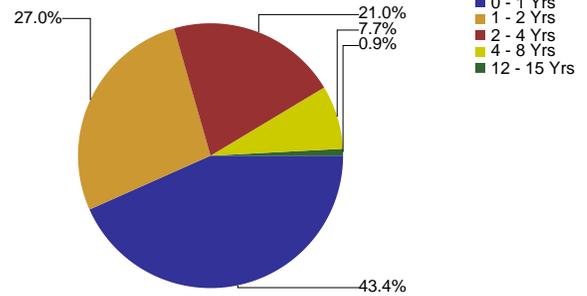
Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
191216AN0	COCA-COLA CO 0.75% SNR NTS 15/NOV/2013 USD1000	2.93%	0.75	15/11/2013
92343VAY0	VERIZON COMMUNICATIONS INC 3% BDS 01/APR/2016	1.89%	3.00	1/4/2016
532457AN8	LILLY(ELI)& CO 6.57% NTS 01/JAN/2016 USD1000	1.86%	6.57	1/1/2016
959802AN9	WESTERN UNION COMP 0% BDS 07/MAR/2013 USD2000	1.86%	0.89	7/3/2013
59217GAF6	METRO LIFE GBL FD1 FR MTN 10/JAN/2014 USD1000	1.85%	1.04	10/1/2014
039483BA9	ARCHER DANIELS MIDLAND CO 0.4733% BDS	1.84%	0.42	13/8/2012
63743HEA6	NATL RURAL UTILS C FR MTN 09/DEC/2011 USD1000	1.84%	0.41	9/12/2011
52468KT27	LEGACY CAPITAL COMPANY CORPORATE COMMERCIAL PAPER	1.84%	0.00	2/6/2011
15963UU53	CHARIOT FNDG LLC CORPORATE COMMERCIAL PAPER	1.84%	0.00	5/7/2011
06423RBK1	BANK ONE ISSUANCE TRUST SER 2004-A3 CL A3	1.84%	0.37	15/2/2017

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

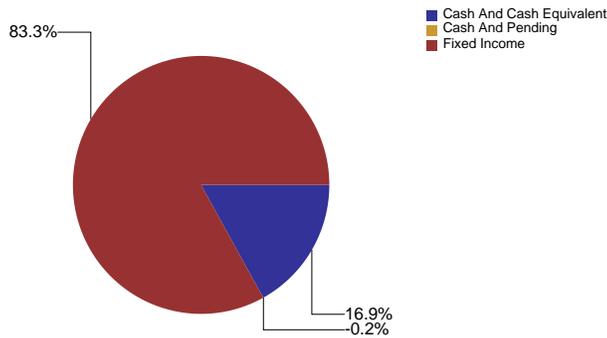


Portfolio Characteristics Duration Mix

Total Net Assets (Millions) **12.4**
 Weighted Average Life (Years) **3.89**
 Weighted Avg. Effective Duration (Years) **1.61**
 Weighted Average Rating **AAA**
 Number of Holdings **25**

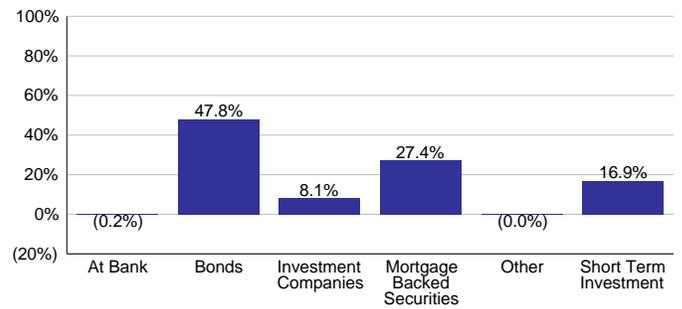
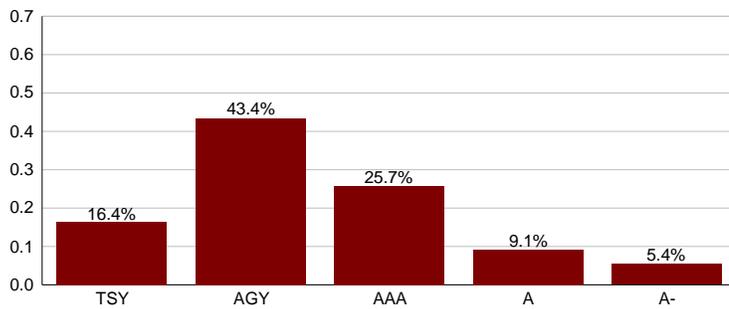


Asset Mix Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
928989383	JP MORGAN U S GOVT AGENCY SHARES	16.85%	0.01	31/12/2049
958268S	LONG TERM GOVT POOL	8.09%	0.00	31/12/2049
31294KTB1	FEDERAL HOME LN MTG CORP GOLD POOL # EO1446 DTD	6.33%	4.50	1/9/2018
36241KJZ2	GNMA I MORTPASS 4.5% 15/FEB/2021 JP PN# 782080	5.12%	4.50	15/2/2021
3137A2PF2	FREDDIE MAC 3766 HE 3.000% 15/NOV/2020	5.00%	3.00	15/11/2020
10138MAH8	BOTTLING GROUP 6.95% SNR NTS 15/MAR/2014 USD1000	4.72%	6.95	15/3/2014
38376JFP4	GINNIE MAE 2009-106 HA 4.000% 16/NOV/2039	4.41%	4.00	16/11/2039
5526E2AC3	MBNA AMERICA BANK NA 7.125% 15/NOV/2012	4.33%	7.12	15/11/2012
3128X77G3	FEDERAL HOME LOAN MORTGAGE CORP 4.25% BDS	4.18%	4.25	12/12/2018
3134G1MU5	FEDERAL HOME LN MTG CORP CALL STEP 27/JUL/2020	4.06%	2.00	27/7/2020

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



OPERATING MONIES
AVERAGE INVESTED BALANCE

Through May 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)	863
MARCH	264	(686)	802
APRIL	16	(635)	1,002
MAY	18	(579)	1,128
JUNE	470	450	
Y-T-D			
Average	\$596	(\$316)	\$780

**EARNINGS DISTRIBUTED
ENDOWMENT FUNDS
MAY 2011**

Distributed in Current Month

Recipient	MAY 2011	Fiscal YTD 10/11	Fiscal YTD 09/10
101 A & M Colleges	\$4,897	\$51,896	\$0
102 State Hospital	\$2,401	\$25,358	\$0
103 Leg., Exec., & Jud.	\$4,604	\$49,105	\$0
104 Military Institute	\$356	\$3,805	\$0
105 Miners Hospital	\$6,454	\$68,732	\$0
107 Normal School ASU/NAU	\$1,795	\$19,109	\$0
108 Penitentiaries	\$9,792	\$105,840	\$1,799
109 Permanent Common School	\$1,390,917	\$14,773,029	\$0
110 School for Deaf & Blind	\$2,682	\$28,584	\$0
111 School of Mines	\$6,060	\$64,461	\$0
112 State Charitable-Pioneers Home	\$21,984	\$231,831	\$0
112 State Charitable-Corrections	\$10,992	\$115,917	\$0
112 State Charitable-Youth Treatment	\$10,992	\$115,917	\$0
113 University Fund	\$9,301	\$98,849	\$0
114 U of A Land - 1881	\$20,827	\$221,654	\$0
Total	\$1,504,054	\$15,974,087	\$1,799

Posted in USAS in current month

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

NET EARNINGS

FUND	DESCRIPTION	Current Month 05/31/11	Prior Month 04/30/11	Prior Year 5/31/10
205	ENDOWMENTS - FIXED INCOME	\$4,293,321	\$4,211,093	\$4,332,197

YIELDS

<u>MONTHLY</u>	Current Month 05/31/11	Prior Month 04/30/11	Prior Year 5/31/10
205 ENDOWMENTS - FIXED INCOME	5.71%	5.51%	5.63%

NET REALIZED CAPITAL GAINS / LOSSES - ENDOWMENT FUNDS

Endowment Fund	May-11 NET GAIN(LOSS)	May-10 NET GAIN(LOSS)
Fixed Income Pool	(187,034)	(127,336)
Equity Pool (500)	18,835	(30,133)
Equity Pool (400)	2,109,711	(25)
Equity Pool (600)	98,558	0
Totals	2,040,070	(157,494)

Endowment Fund	2010/2011 FISCAL YEAR TO DATE GAINS(LOSSES)	2009/ 2010 FISCAL YEAR TO DATE GAINS(LOSSES)
Fixed Income Pool	(1,675,378)	(133,763)
Equity Pool (500)	1,856,799	(7,709,681)
Equity Pool (400)	26,920,545	7,485,048
Equity Pool (600)	157,144	0
Totals	27,259,110	(358,396)

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

State Treasurer's Report
 June 21, 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>
				-----	-----		
				\$0	\$0		
				-----	-----		
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 May 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	117,464	\$6,450,015	\$1,587
S&P 500 Large-Cap Fund	50,899	\$3,727,136	\$763
S&P 600 Small-Cap Fund	1,252,320	\$28,584,210	\$18,706
TOTAL EQUITY PURCHASES	1,420,683	\$38,761,360	\$21,057

II. Equity Funds Sales

	<u>SHARES</u>	<u>SALES AMOUNT</u>	<u>COMMISSIONS</u>
S&P 400 Mid-Cap Fund	67,900	\$7,959,035	\$739
S&P 500 Large-Cap Fund	4,398	\$144,449	\$66
S&P 600 Small-Cap Fund	32,125	\$1,863,961	\$296
TOTAL EQUITY SALES	104,423	\$9,967,445	\$1,101

**ENDOWMENT FUNDS
INVESTMENTS OUTSTANDING**

State Treasurer's Report

June 21, 2011

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MAY 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 Large-Cap 500 Equity Fund</i>	2,564	2,335	3,083	749	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	789	765	1,701	936	
	<i>Shares in Small-Cap 600 Equity Fund</i>	306	315	319	4	
	<i>Shares in Fixed Income Fund</i>	2,593	2,923	4,404	1,481	
	Total	6,252	6,339	9,508	3,169	1.500
102	State Hospital					
	<i>Shares in Large-Cap 500 Equity Fund</i>	1,662	1,438	1,998	560	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	444	471	957	486	
	<i>Shares in Small-Cap 600 Equity Fund</i>	176	182	184	2	
	<i>Shares in Fixed Income Fund</i>	1,521	1,800	2,582	783	
	Total	3,803	3,891	5,722	1,831	1.471
103	Leg., Exec., & Jud.					
	<i>Shares in Large-Cap 500 Equity Fund</i>	1,950	1,908	2,344	437	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	602	626	1,298	672	
	<i>Shares in Small-Cap 600 Equity Fund</i>	250	258	262	3	
	<i>Shares in Fixed Income Fund</i>	2,149	2,391	3,649	1,258	
	Total	4,951	5,183	7,553	2,370	1.457
104	Military Institute					
	<i>Shares in Large-Cap 500 Equity Fund</i>	132	131	159	27	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	44	43	95	52	
	<i>Shares in Small-Cap 600 Equity Fund</i>	18	18	19	0	
	<i>Shares in Fixed Income Fund</i>	153	164	259	95	
	Total	346	357	531	174	1.488
105	Miners Hospital					
	<i>Shares in Large-Cap 500 Equity Fund</i>	4,324	4,241	5,199	958	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	1,128	1,398	2,431	1,033	
	<i>Shares in Small-Cap 600 Equity Fund</i>	516	531	539	9	
	<i>Shares in Fixed Income Fund</i>	4,003	5,254	6,799	1,545	
	Total	9,971	11,425	14,969	3,544	1.310

**ENDOWMENT FUNDS
INVESTMENTS OUTSTANDING**

State Treasurer's Report

June 21, 2011

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MAY 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>	927	875	1,115	239	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	264	286	570	284	
	<i>Shares in Small-Cap 600 Equity Fund</i>	109	113	114	1	
	<i>Shares in Fixed Income Fund</i>	925	1,093	1,572	478	
	Total	2,226	2,368	3,371	1,003	1.424
108	Penitentiaries					
	<i>Shares in Large-Cap 500 Equity Fund</i>	3,264	2,953	3,925	971	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	902	969	1,944	975	
	<i>Shares in Small-Cap 600 Equity Fund</i>	354	365	370	5	
	<i>Shares in Fixed Income Fund</i>	3,050	3,701	5,181	1,480	
	Total	7,570	7,988	11,419	3,431	1.430
109	Permanent Common School					
	<i>Shares in Large-Cap 500 Equity Fund</i>	885,572	856,394	1,064,783	208,389	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	232,085	280,314	500,476	220,162	
	<i>Shares in Small-Cap 600 Equity Fund</i>	97,711	100,796	102,145	1,349	
	<i>Shares in Fixed Income Fund</i>	837,449	1,070,595	1,422,290	351,695	
	Total	2,052,817	2,308,099	3,089,694	781,595	1.339
110	School for Deaf & Blind					
	<i>Shares in Large-Cap 500 Equity Fund</i>	1,315	1,246	1,581	335	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	389	409	839	430	
	<i>Shares in Small-Cap 600 Equity Fund</i>	159	164	167	2	
	<i>Shares in Fixed Income Fund</i>	1,369	1,561	2,325	764	
	Total	3,232	3,380	4,911	1,531	1.453
111	School of Mines					
	<i>Shares in Large-Cap 500 Equity Fund</i>	2,906	2,825	3,494	669	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	844	925	1,821	896	
	<i>Shares in Small-Cap 600 Equity Fund</i>	349	360	365	5	
	<i>Shares in Fixed Income Fund</i>	2,975	3,534	5,053	1,519	
	Total	7,074	7,644	10,732	3,088	1.404

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

State Treasurer's Report
June 21, 2011
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FUND	NAME OF FUND	SHARES OUTSTANDING	BOOK VALUE	MARKET VALUE	UNREALIZED GAINS (LOSSES)	Mkt Value/ Book Value
112	State Charitable					
	<i>Shares in Large-Cap 500 Equity Fund</i>	30,133	28,111	36,231	8,120	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	7,569	9,213	16,323	7,110	
	<i>Shares in Small-Cap 600 Equity Fund</i>	3,155	3,255	3,298	43	
	<i>Shares in Fixed Income Fund</i>	27,471	35,195	46,655	11,460	
	Total	68,328	75,774	102,507	26,733	1.353
113	University Fund					
	<i>Shares in Large-Cap 500 Equity Fund</i>	4,812	4,619	5,786	1,166	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	1,379	1,510	2,974	1,464	
	<i>Shares in Small-Cap 600 Equity Fund</i>	581	599	607	8	
	<i>Shares in Fixed Income Fund</i>	4,896	5,766	8,316	2,550	
	Total	11,668	12,494	17,682	5,188	1.415
114	U Of A Land - 1881					
	<i>Shares in Large-Cap 500 Equity Fund</i>	13,866	13,868	16,673	2,805	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	3,668	4,535	7,909	3,375	
	<i>Shares in Small-Cap 600 Equity Fund</i>	1,606	1,656	1,679	23	
	<i>Shares in Fixed Income Fund</i>	13,579	17,305	23,061	5,757	
	Total	32,719	37,363	49,322	11,960	1.320
TOTALS - ALL FUNDS						
	<i>Shares in Large-Cap 500 Equity Fund</i>	953,428	920,944	1,146,370	225,426	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	250,106	301,465	539,339	237,873	
	<i>Shares in Small-Cap 600 Equity Fund</i>	105,290	108,612	110,068	1,455	
	<i>Shares in Fixed Income Fund</i>	902,133	1,151,282	1,532,146	380,864	
	Grand Total	2,210,957	2,482,304	3,327,923	845,619	
PRIOR YEAR:						
MAY 2010 BALANCES		2,076,424	2,328,863	2,770,866	442,003	

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

State Treasurer's Report
June 21, 2011
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ASSET ALLOCATION PERCENTAGE

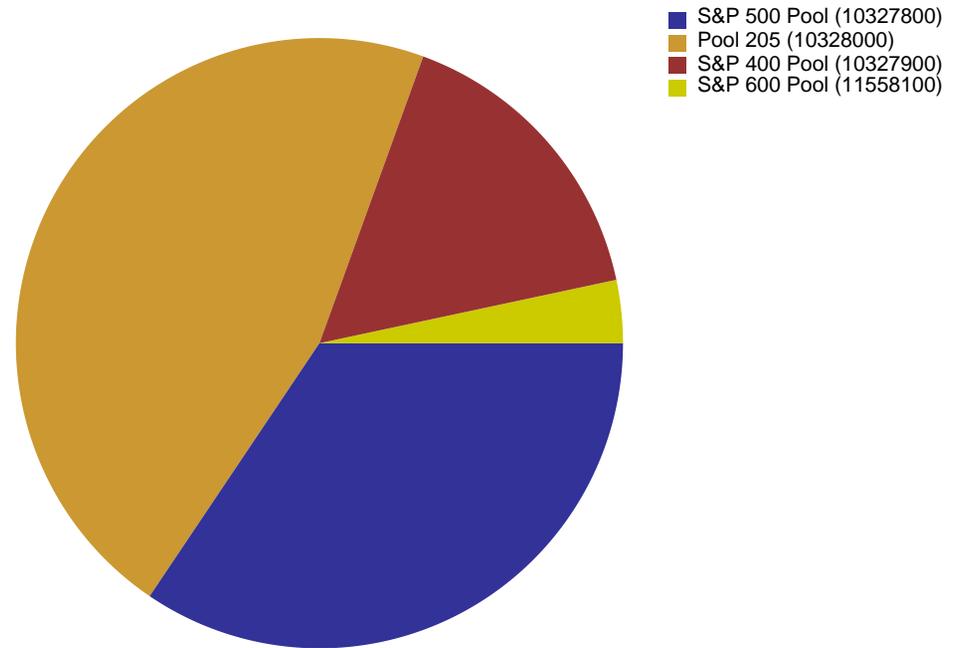
	SHARES OUTSTANDING	BOOK VALUE	MARKET VALUE	MAY 2010 MARKET VALUE
<i>Shares in Large-Cap 500 Equity Fund</i>	43.12%	37.10%	34.45%	31.11%
<i>Shares in Mid-Cap 400 Equity Fund</i>	11.31%	12.14%	16.21%	14.60%
<i>Shares in Small-Cap 600 Equity Fund</i>	4.76%	4.38%	3.31%	0.00%
<i>Shares in Fixed Income Fund</i>	40.80%	46.38%	46.04%	54.29%
	-----	-----	-----	-----
Total	100.00%	100.00%	100.00%	100.00%
	=====	=====	=====	=====

Performance Worksheet
Arizona State Treasury (05509)
As Of May 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	1,156,717,211.30	1,146,370,348.87	2,735,690	(1.13)	1.82	7.80	32.87	25.94	1.03	3.27	0.91	07/01/1999
10327900	S&P 400 Pool	551,403,942.95	539,338,579.50	-4,683,030	(1.33)	3.82	10.83	42.27	33.22	4.05	6.72	8.42	08/01/2001
10328000	Pool 205	1,542,222,758.43	1,532,146,292.77	-24,769,025	0.95	1.97	1.56	2.95	4.24	5.93	6.20	6.06	07/01/1999
11558100	S&P 600 Pool	83,726,223.38	110,067,569.45	27,102,091	(0.91)	4.61						4.61	03/01/2011
00550902	Total Endowment Fund Composite	3,334,070,136.06	3,327,922,790.59	385,726	(0.20)	2.23	5.12	17.45	15.26	4.05	5.37	5.30	07/01/1999

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

Total Endowment Fund Composite (00550902)		
Account Name	Market Value(MIL)	Percent of Portfolio
Pool 205 (10328000)	1,532.15	46.0%
S&P 400 Pool (10327900)	539.34	16.2%
S&P 500 Pool (10327800)	1,146.37	34.4%
S&P 600 Pool (11558100)	110.07	3.3%
TOTAL	3,327.92	100.0%



Portfolio Characteristics

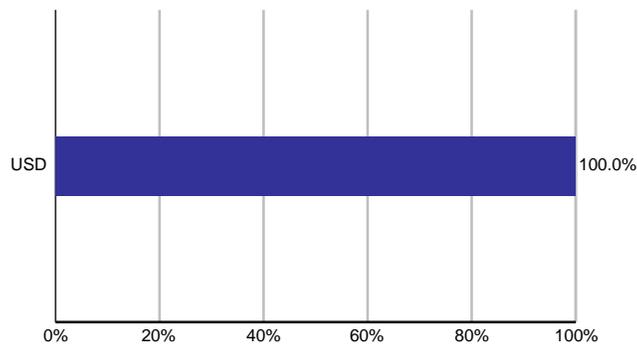
Risk Measures

Total Asset Value (in Millions)	1,146.4	Tracking Error	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Since Inception
P/E Ratio	15.70	Information Ratio	0.04	0.19	0.41	1.75
Price to Book Ratio	2.14	Std Deviation of Port.	(0.23)	0.66	(0.10)	(0.42)
Dividend Yield (%)	1.94	Std Deviation of Bench.	15.23	21.70	17.73	16.21
Return on Equity (%)	19.24	Sharpe Ratio of Port.	15.27	21.79	17.85	16.07
Sales Growth (%)	6.32	Sharpe Ratio of Bench.	1.69	0.03	0.07	(0.11)
Market Capitalization (\$ Millions)	52,158.22	R-Squared	1.69	0.02	0.07	(0.07)
Earnings per Share (\$)	3.33	Jensen's Alpha	1.00	1.00	1.00	0.99
Number of Holdings	501		0.05	0.13	(0.03)	(0.73)

Top Ten Portfolio Holdings

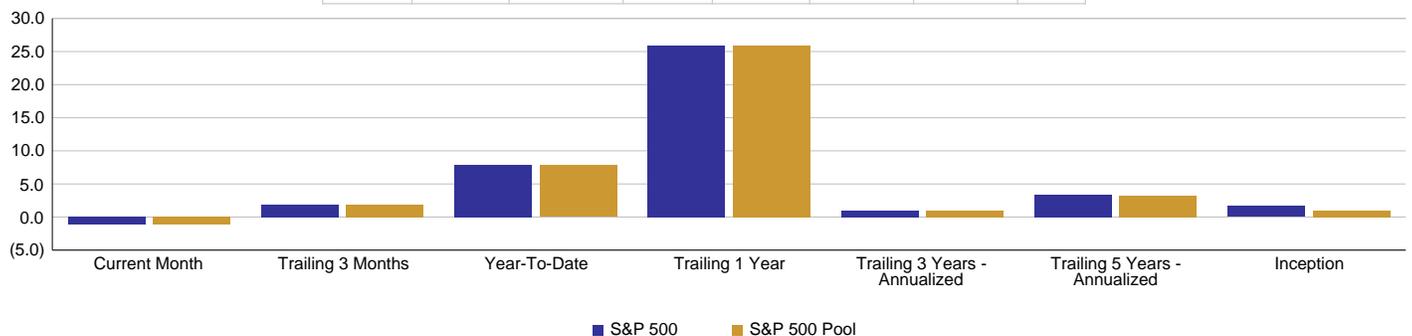
Security ID	Security Name	% of Assets
30231G102	EXXON MOBIL CORP - COM NPV	3.28%
78462F103	SPDR S&P 500 ETF TRUST	3.22%
037833100	APPLE INC - COM NPV	2.52%
166764100	CHEVRON CORP - COM USD3	1.67%
369604103	GENERAL ELECTRIC CO - COM USD.63	1.64%
459200101	INTL BUSINESS MACHINES CORP - COM USD.2	1.63%
742718109	PROCTER & GAMBLE CO - COM NPV	1.48%
00206R102	AT&T INC - COM USD1	1.47%
594918104	MICROSOFT CORP - COM USD.00000625	1.47%
478160104	JOHNSON & JOHNSON - COM USD1	1.46%

Top Ten Currency Weights

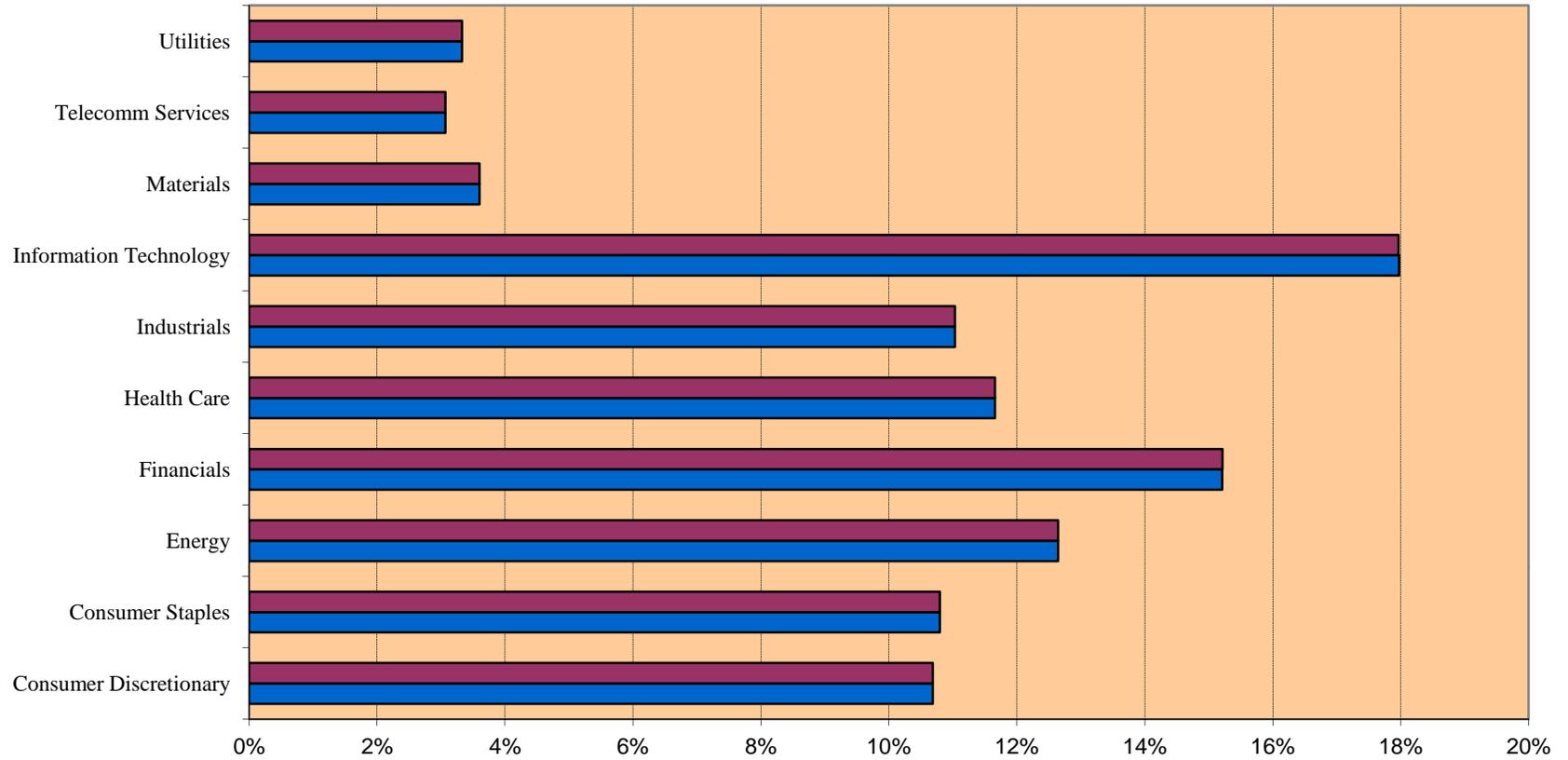


Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
S&P 500 Pool	(1.13)	1.82	7.80	25.94	1.03	3.27	0.91
S&P 500	(1.13)	1.84	7.82	25.95	0.91	3.32	1.65
Excess	(0.00)	(0.01)	(0.02)	(0.01)	0.12	(0.04)	(0.73)



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



	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Information Technology	Materials	Telecomm Services	Utilities
■ S&P 500 Index	10.69%	10.80%	12.65%	15.22%	11.66%	11.03%	17.97%	3.60%	3.07%	3.33%
■ STATE OF ARIZONA - POOL 201	10.69%	10.80%	12.65%	15.21%	11.66%	11.03%	17.97%	3.60%	3.07%	3.33%

S&P 500 Index
 STATE OF ARIZONA - POOL 201

Portfolio Characteristics

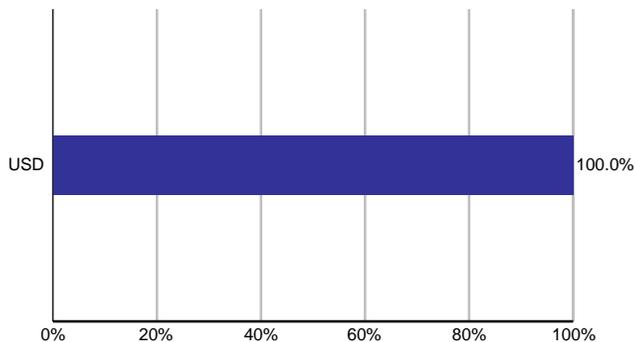
Risk Measures

Total Asset Value (in Millions)	539.3	Tracking Error	Trailing 1 Year	0.20	Trailing 3 Years	2.34	Trailing 5 Years	2.11	Since Inception	2.17
P/E Ratio	20.20	Information Ratio	1.31	(0.81)	(0.15)	(0.02)				
Price to Book Ratio	2.31	Std Deviation of Port.	17.08	24.41	20.15	17.29				
Dividend Yield (%)	1.26	Std Deviation of Bench.	17.21	25.52	20.99	18.35				
Return on Equity (%)	14.08	Sharpe Ratio of Port.	1.94	0.15	0.23	0.36				
Sales Growth (%)	6.27	Sharpe Ratio of Bench.	1.91	0.21	0.24	0.35				
Market Capitalization (\$ Millions)	2,295.95	R-Squared	1.00	0.99	0.99	0.99				
Earnings per Share (\$)	2.32	Jensen's Alpha	0.52	(1.65)	(0.10)	0.36				
Number of Holdings	402									

Top Ten Portfolio Holdings

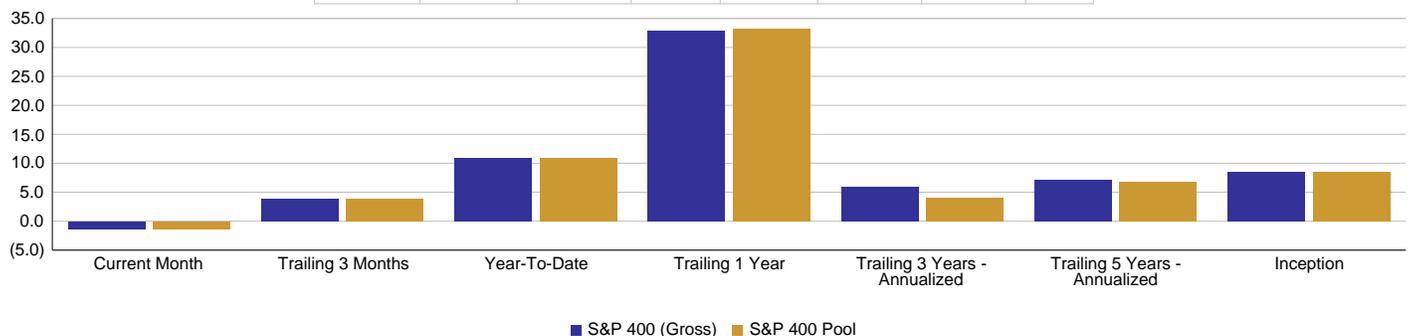
Security ID	Security Name	% of Assets
78467Y107	SPDR S&P MIDCAP 400 ETF TRUST	2.81%
92532F100	VERTEX PHARMACEUTICALS INC - COM USD.01	0.88%
393122106	GREEN MTN COFFEE ROASTERS - COM USD.1	0.80%
549271104	LUBRIZOL CORP - COM NPV	0.69%
171798101	CIMAREX ENERGY CO - COM USD.01	0.65%
099724106	BORGWARNER INC - COM USD.01	0.64%
256746108	DOLLAR TREE INC - COM USD.01	0.63%
118759109	BUCYRUS INTERNATIONAL INC - COM USD.01	0.59%
78440X101	SL GREEN REALTY CORP - COM USD.01	0.59%
74153Q102	PRIDE INTERNATIONAL INC USD0.01	0.57%

Top Ten Currency Weights

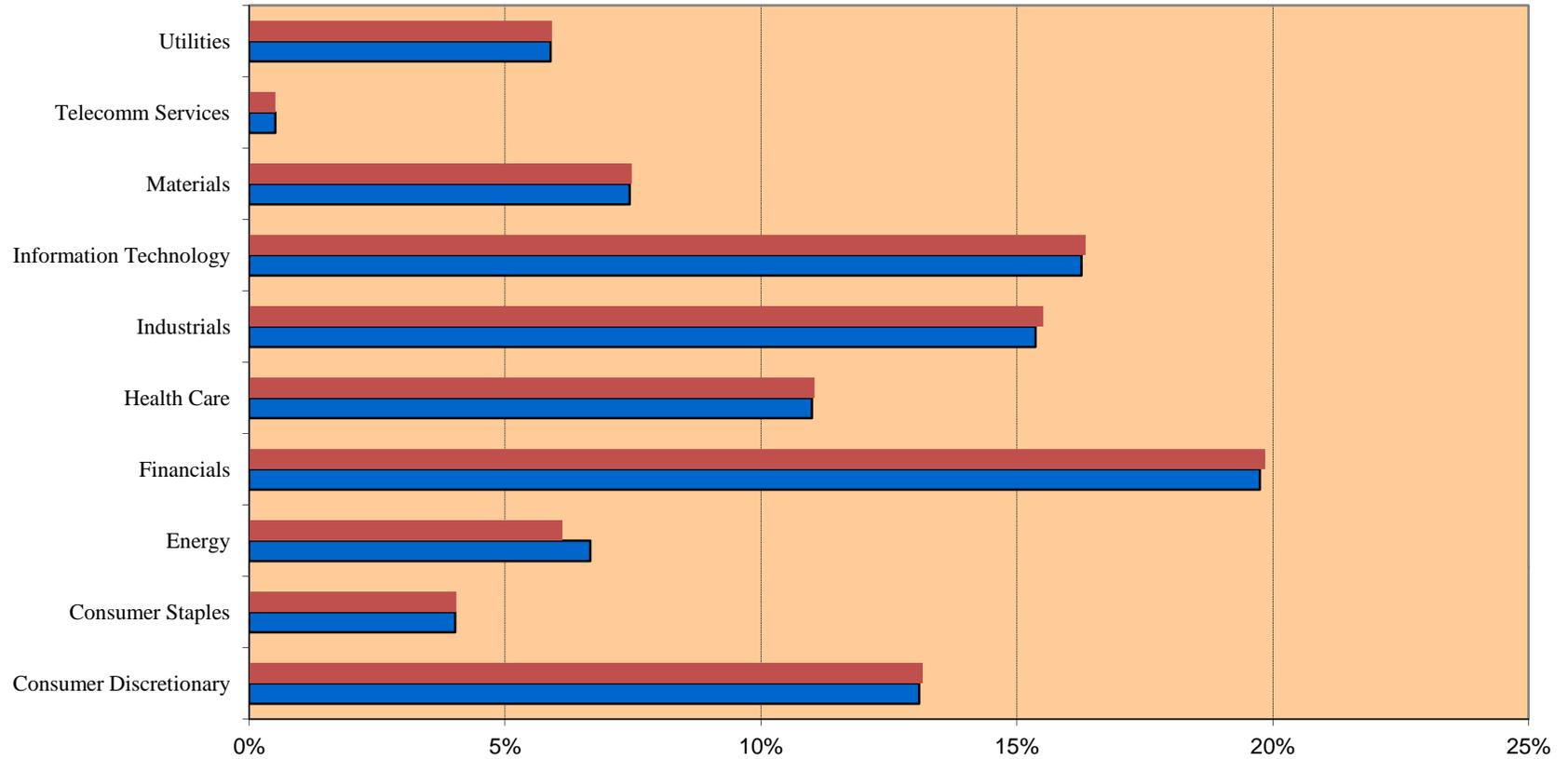


Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
S&P 400 Pool	(1.33)	3.82	10.83	33.22	4.05	6.72	8.42
S&P 400 (Gross)	(1.35)	3.82	10.82	32.96	5.95	7.04	8.46
Excess	0.02	0.00	0.01	0.27	(1.90)	(0.32)	(0.04)



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



	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Information Technology	Materials	Telecomm Services	Utilities
■ S&P MIDCAP 400	13.16%	4.05%	6.12%	19.85%	11.05%	15.52%	16.35%	7.47%	0.52%	5.92%
■ STATE OF ARIZONA - POOL 203	13.09%	4.03%	6.66%	19.75%	11.00%	15.37%	16.26%	7.44%	0.51%	5.89%

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

Portfolio Characteristics

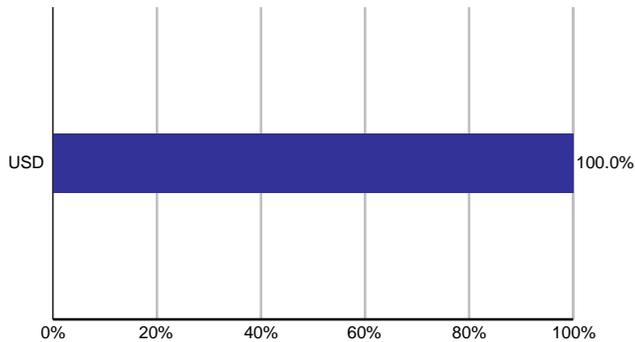
Risk Measures

Total Asset Value (in Millions)	110.1	Tracking Error	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Since Inception
P/E Ratio	19.80	Information Ratio	-	-	-	-
Price to Book Ratio	0.50	Std Deviation of Port.	-	-	-	-
Dividend Yield (%)	1.02	Std Deviation of Bench.	-	-	-	-
Return on Equity (%)	12.81	Sharpe Ratio of Port.	-	-	-	-
Sales Growth (%)	6.61	Sharpe Ratio of Bench.	-	-	-	-
Market Capitalization (\$ Millions)	693.60	R-Squared	-	-	-	-
Earnings per Share (\$)	1.81	Jensen's Alpha	-	-	-	-
Number of Holdings	602					

Top Ten Portfolio Holdings

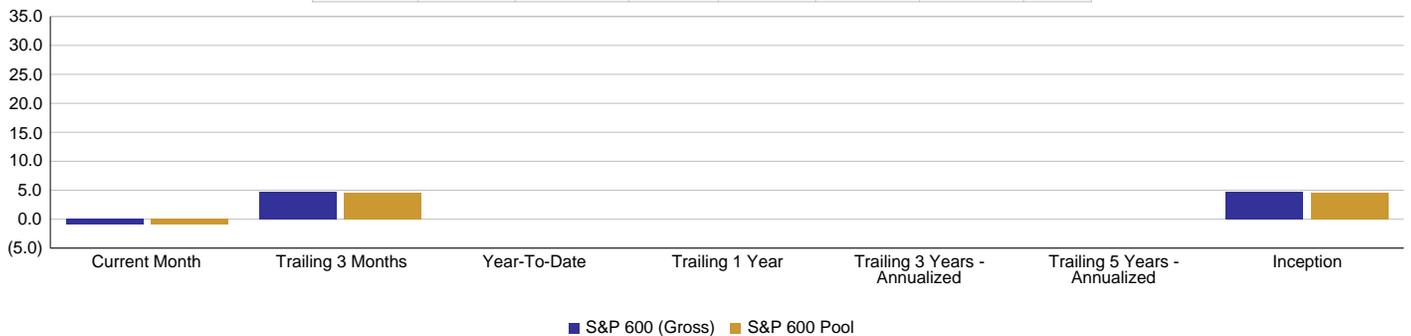
Security ID	Security Name	% of Assets
464287804	ISHARES TRUST S&P SMALLCAP 600 INDEX FUND	1.78%
75886F107	REGENERON PHARMACEUT - COM USD.001	0.84%
03073T102	AMERIGROUP CORP - COM USD.01	0.67%
42224N101	HEALTHSPRING INC - COM USD	0.55%
549764108	LUFKIN INDUSTRIES INC - COM USD1	0.53%
435758305	HOLLY CORP - COM USD.01	0.52%
09063H107	BIOMED REALTY TRUST INC - COM USD.01	0.51%
981475106	WORLD FUEL SERVICES CORP - COM USD.01	0.49%
59522J103	MID-AMERICA APT CMNTYS INC - COM USD.01	0.47%
49427F108	KILROY REALTY CORP - COM USD.01	0.46%

Top Ten Currency Weights

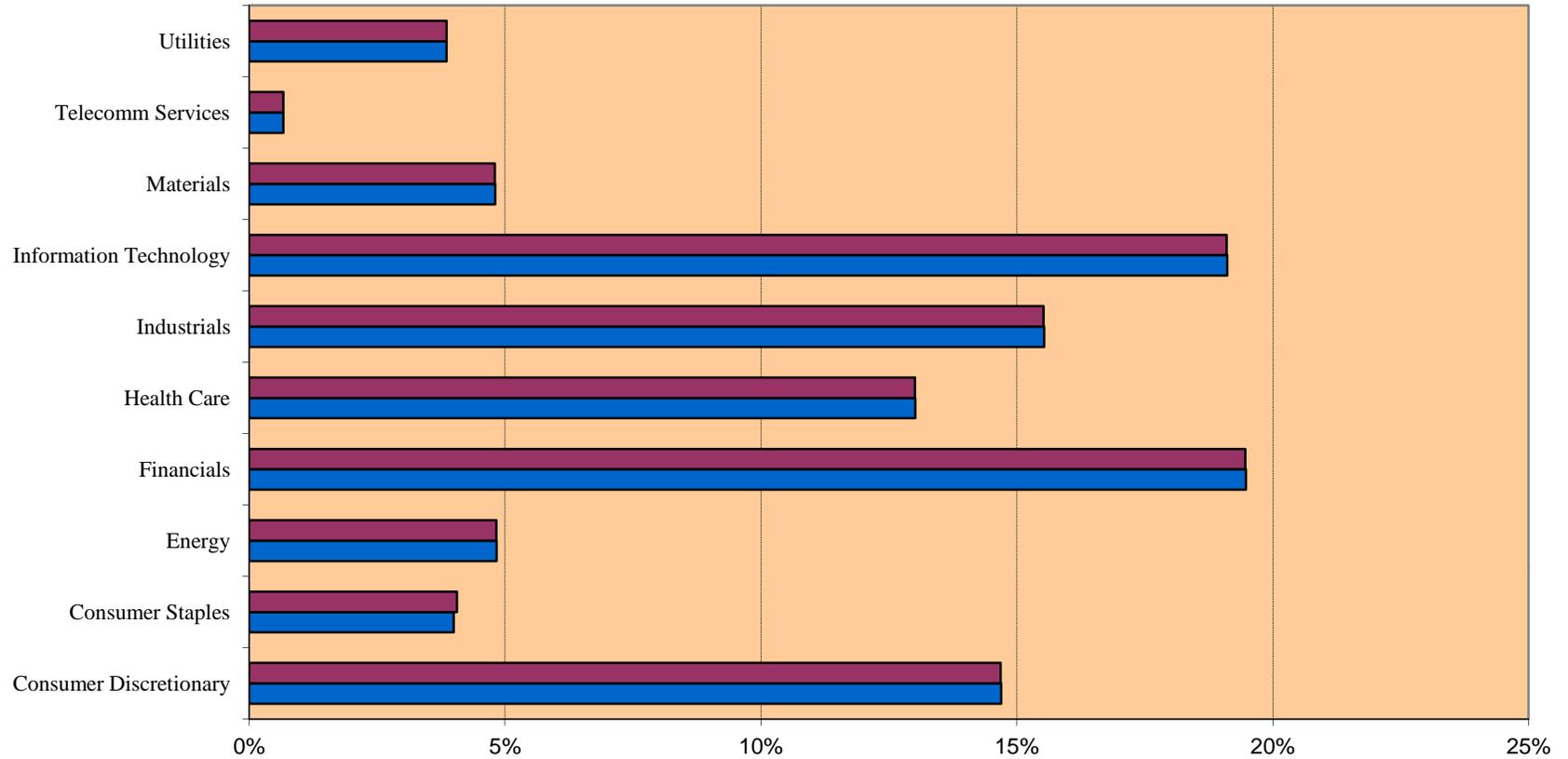


Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
S&P 600 Pool	(0.91)	4.61					4.61
S&P 600 (Gross)	(0.90)	4.73					4.73
Excess	(0.01)	(0.12)	(0.00)	(0.00)	(0.00)	(0.00)	(0.12)



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



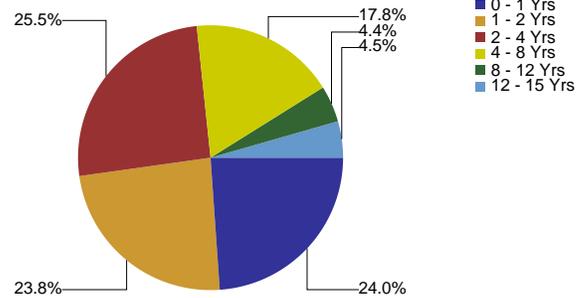
	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Information Technology	Materials	Telecomm Services	Utilities
■ S&P 600 Index	14.69%	4.06%	4.83%	19.46%	13.01%	15.52%	19.10%	4.80%	0.67%	3.86%
■ STATE OF ARIZONA - POOL 204	14.69%	4.00%	4.83%	19.48%	13.02%	15.53%	19.11%	4.81%	0.67%	3.86%

S&P 600 Index
 STATE OF ARIZONA - POOL 204

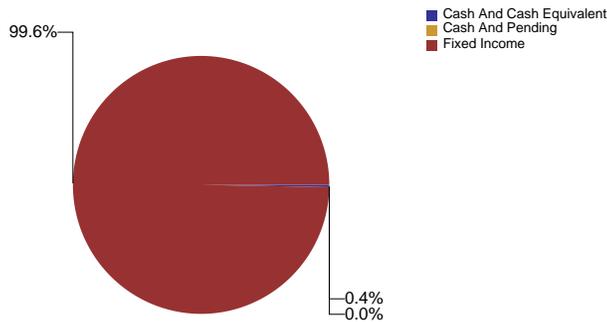
Portfolio Characteristics

Total Net Assets (Millions) 1,532.1
Weighted Average Life (Years) 5.03
Weighted Avg. Effective Duration (Years) 3.18
Weighted Average Coupon (%) 4.44
Weighted Average Current Yield (%) 1.74
Weighted Average Yield to Maturity (%) 1.83
Weighted Average Rating AAA
Number of Holdings 263

Duration Mix



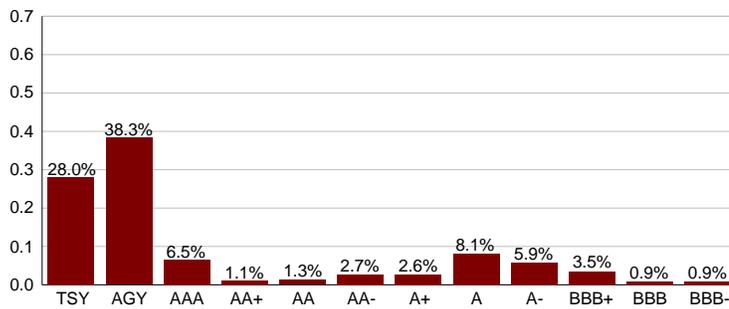
Asset Mix



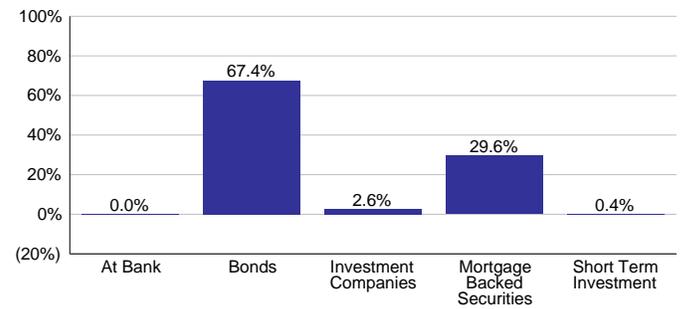
Top Ten Portfolio Holdings

Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
31359MQV8	FEDERAL NATIONAL MORTGAGE ASSOC 4.75% BDS	1.42%	4.75	21/2/2013
947513BB	LONG TERM POOL	1.32%	0.00	31/12/2049
958268S	LONG TERM GOV'T POOL	1.32%	0.00	31/12/2049
92343VAN4	VERIZON COMMUNICATIONS INC 5.25% NTS 15/APR/2013	1.03%	5.25	15/4/2013
912828FK1	US TREAS NTS 05.125% 30/JUN/2011	1.00%	5.12	30/6/2011
3136FP4E4	FEDERAL NATIONAL MORTGAGE ASSOC 1.75% NTS	0.99%	1.75	30/12/2013
912810ED6	USA TREASURY BDS 8.125% BDS15/AUG/2019 USD1000	0.94%	8.12	15/8/2019
912810FA1	USA TREASURY BDS6.375% BDS 15/AUG/2027 USD1000	0.87%	6.38	15/8/2027
92343VAM6	VERIZON COMMUN 6.1% NTS 15/APR/2018 USD1000	0.76%	6.10	15/4/2018
59562VAT4	MIDAMERICAN ENERGY HLDGS 5.75% SNR NTS 01/APR/2018	0.75%	5.75	1/4/2018

Quality/Rating Weightings

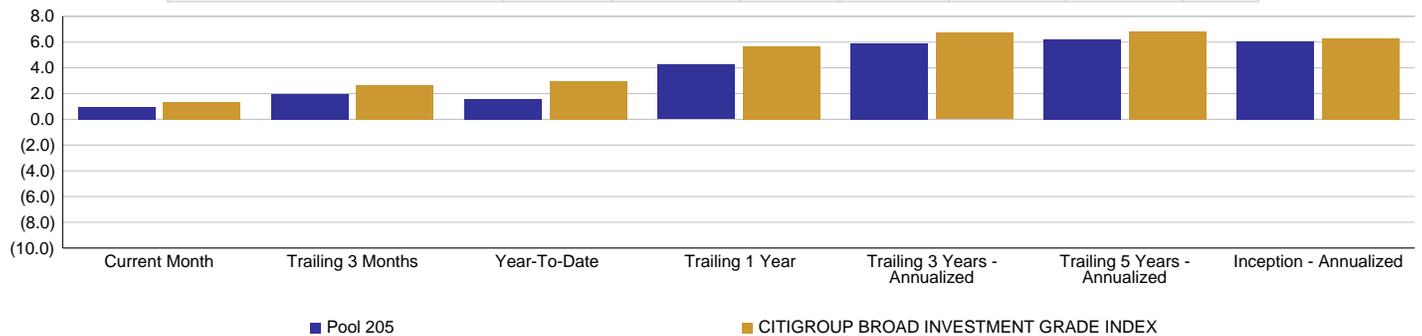


Sector Weightings (as % of Market Value)



Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
Pool 205	0.95	1.97	1.56	4.24	5.93	6.20	6.06
CITIGROUP BROAD INVESTMENT GRADE INDEX	1.33	2.63	2.95	5.65	6.72	6.82	6.26
Excess	(0.38)	(0.65)	(1.39)	(1.41)	(0.79)	(0.62)	(0.19)

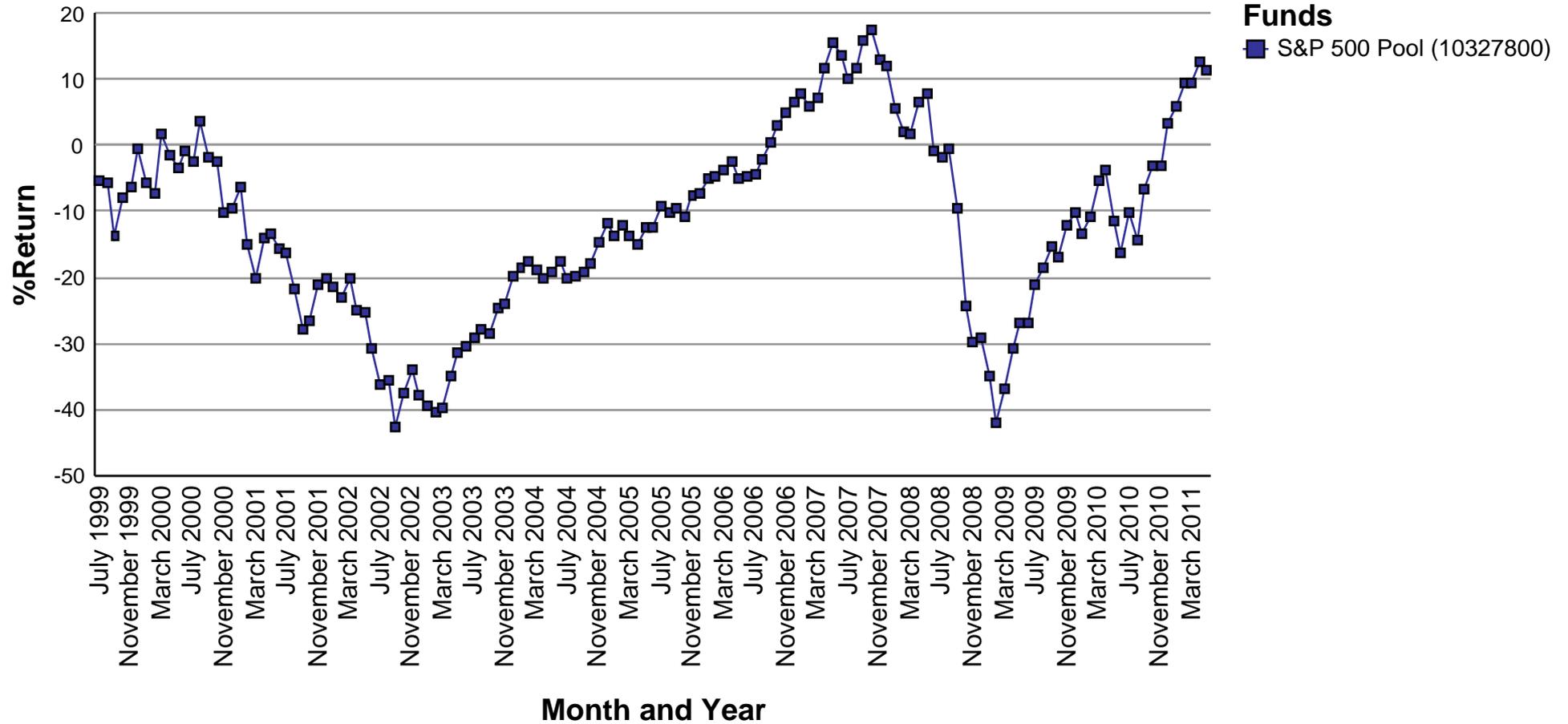


Performance Growth by Account

Arizona State Treasury (05509)

From July 1999 to May 2011

Gross of Fee

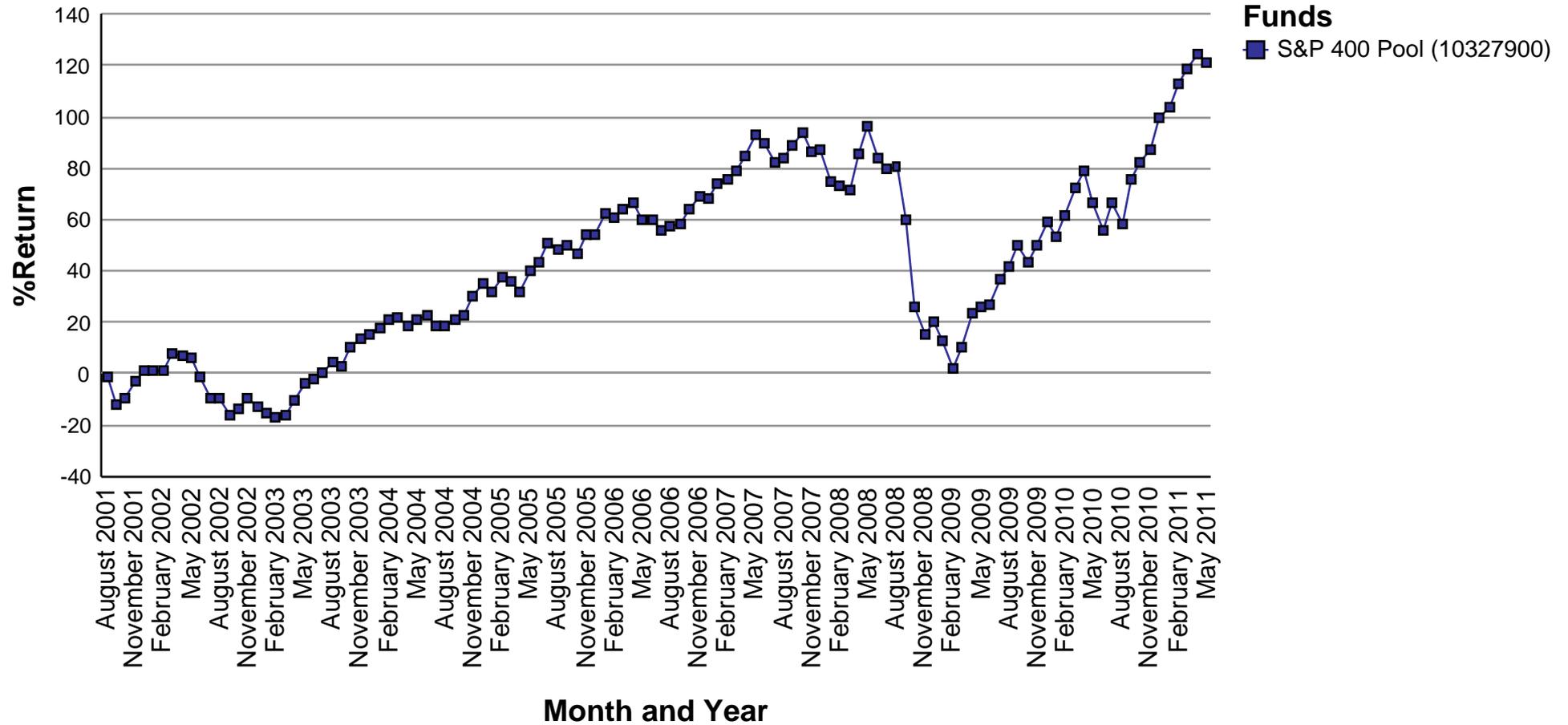


Performance Growth by Account

Arizona State Treasury (05509)

From August 2001 to May 2011

Gross of Fee



Performance Growth by Account

Arizona State Treasury (05509)

From July 1999 to May 2011

Gross of Fee

