

OFFICE OF THE
ARIZONA STATE TREASURER



Doug Ducey
TREASURER



NOVEMBER 2011

Presented To:

Arizona State Board of Investment

DECEMBER 27, 2011

STATE BOARD OF INVESTMENT

A G E N D A

December 27, 2011

1. Call to Order
2. Chairman Remarks
3. Approval of Minutes
4. Review of Treasurer's Monthly Reports
 - A. Earnings Distribution; Investment Pools
 - B. LGIP Pools Investments and Performance Reports
 - C. State Agency Pools Investments and Performance Reports
 - D. Operating Monies Invested Balances
 - E. Earnings Distributed Endowment Funds
 - F. Endowment Investments and Performance Reports
5. Proposed Changes to the Investment Policy
 - A. Review of Proposed Changes
 - B. Public Comment on Proposed Changes
 - C. Discussion and Action on Proposed Changes
6. Review and Approval of Proposed/Pending Securities Dealers
7. General Business
8. Call to the Public
9. Notice of Next Meeting
10. Adjournment

REPORT OF THE STATE TREASURER

FOR

December 27, 2011

TABLE OF CONTENTS

	<u>Page</u>
Minutes of Board of Investment Meeting	ii-viii
Review of Treasurer’s Monthly Reports:	
A. Earnings Distribution; Investment Pools	1
B. LGIP Pools Investments and Performance Reports	2-8
C. State Agency Pools Investments and Performance Reports	9-15
D. Operating Monies Invested Balances	16
E. Earnings Distributed Endowment Funds	17
F. Endowment Investments and Performance Reports	18-39

**Minutes of
BOARD OF INVESTMENT MEETING**

The regular meeting of the State Board of Investment was held on November 22, 2011 in the Office of the State Treasurer, 1700 West Washington, State Capitol, West Wing, Treasurer's Conference Room, Phoenix, Arizona. Treasurer Ducey, Chair called the meeting to order at approximately 1:30 p.m.

Members Present:

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

Members Absent:

None

Others Present:

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

Pursuant to A.R.S. 35-311, the following reports for October, 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 November 22, 2011 BOI meeting to order at approximately 1:30 pm.

2. Treasurers Comments:

Treasurer Ducey welcomed board members and guests and thanked all present for attending the November 22, 2011 meeting.

3. Approval of Minutes:

Mr. Maguire made a motion to approve the October 25, 2011 minutes. Mr. Smith seconded the motion. Motion carried.

4. Review of Treasurer's Monthly Report

Earnings Distribution – Investment Pools

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

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

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

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

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

Pool 500 & Pool 700 Portfolio Yield Analysis

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

Manager Allocation of Invested Monies for the LGIP Pools

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

LGIP Pools Investments and Performance Reports

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

Mr. Kingry asked for clarity with reference to Page 6, of the State of Arizona – Pool 7 portion of the Treasurer's Report, regarding basis points on the Alliance Bank Assets. Mr. Petkiewicz stated that the basis points have been rounded up from 22.6 to 23, stating that Alliance Bank is a longer term agreement in comparison to the other assets, which are overnight and are fluctuating, based on the overnight rates. Mr. Petkiewicz also stated that this money has been with Alliance Bank for some time and noted that we have an agreement to keep it with them until we can get better rates, noting that we also have immediate access to the funds.

Treasurer Ducey referenced Page 1, of the Earnings Distributed portion of the Treasurer's Report, regarding the Oct. 2010 total, noting the difference in comparison to the current date total. Mr. Petkiewicz stated that the significant increase is due to the increase in the operating balance.

Review of Treasurer's Monthly Report – Agency Pool:

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

State Agency Pools Portfolio Yield Analysis

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

Manager Allocation of Invested Monies for the State Agency Pools

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

Investments Outstanding in State Agency Pools

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

Operating Monies Average Invested Balance

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

Endowment Funds Yield Analysis

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

Equity Funds Purchases & Sales

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

Investments Outstanding in Endowment Funds

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

Performance of Investments in Endowment Funds

Mr. White reported the performance of the Endowment Funds for the current month, the year to date, trailing one year, trailing three years, trailing five years, and since inception for the Endowment Funds as of October 31, 2011.

Manager Allocation of Invested Monies for the Endowment Pools

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

Equity Holdings Investments Outstanding S&P 500

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

Equity Holdings Investments Outstanding S&P 400

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

Equity Holdings Investments Outstanding S&P 600

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

Fixed Income Investments and Performance Reports

Mr. White reported the total net assets, the weighted average life, the weighted average duration, the weighted average yield to maturity, the weighted average rating, and the total number of holdings for the Fixed Income Pool for the month of October, 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 October, 2011.

Mr. Kingry inquired as to whether or not there was any specific guidance on the percentage of distributions for the endowment. Mr. White stated that the percentage is based on the Distribution Formula which was approved by the Board. Mr. Swenson explained the constitutional requirements for the 13 beneficiaries, summarizing the percentage is roughly within a few basis points of each other in terms of calculations for all beneficiaries.

Approval of Treasurer's Report

Mr. Maguire made a motion to approve the Treasurer's Report. Mr. Smith 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:

No General Business

8. Call to the Public

Sheila Asher, VP, Relationship Manager, JP Morgan announced the recent conversion this past weekend on the transfer agency site from JP Morgan to US Bank, noting the process went smoothly and wanted to thank the Staff for their support through the transition.

9. Notice of Next Meeting:

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

10. Adjournment:

Mr. Maguire made a motion to adjourn the BOI meeting. Mr. Kingry seconded the motion. Upon unanimous approval the BOI Meeting was adjourned at 1:56 p.m.

Respectfully Submitted by:

Barbara Conley
Executive Consultant II

Approved by:

Doug Ducey, Chair

Date

**EARNINGS DISTRIBUTION - INVESTMENT POOLS
 NOVEMBER 2011**

Recipient	Earnings Distributed			Fiscal YTD Investment Management Fees Received
	NOVEMBER 2011	Fiscal YTD 11/12	Fiscal YTD 10/11	
General Fund	\$688,303	\$3,290,736	\$2,465,995	
2 State Agencies I - Full Faith & Credit	565,544	3,098,817	2,890,414	226,639
3 State Agencies II - Diversified	903,381	4,077,787	3,404,114	422,174
4 State Agencies IV - Restricted Diversified	349,510	1,551,118	1,349,989	162,207
5 LGIP	233,450	995,752	1,614,421	352,903
7 LGIP Gov	102,393	394,723	1,114,102	400,227
12 CAWCD Medium-Term	509,841	2,608,805	1,458,088	69,645
15 GADA Long-Term	23,528	132,522	126,741	3,042
Subtotal	\$3,375,949	\$16,150,260	\$14,423,865	\$1,636,838
NAV POOL				
500 LGIP - Med Term	240,247	1,273,342	1,064,580	53,536
700 LGIP - FF&C Med Term	99,648	498,617	623,035	32,030
Total	\$3,715,844	\$17,922,220	\$16,111,480	\$1,722,404
NOVEMBER 2010 TOTALS	\$3,056,089			\$1,745,471

**LGIP & LGIP- GOV
 PORTFOLIO YIELD ANALYSIS
 NOVEMBER 30, 2011**

NET EARNINGS

FUND	DESCRIPTION	Current Month 11/30/11	Prior Month 10/31/11	Prior Year 11/30/10	Net Asset Value Per Share
5	LGIP	234,279	206,239	274,535	0.9999
7	LGIP - GOV	102,657	99,430	233,573	1.0000
	TOTAL LGIP & LGIP-GOV	336,936	305,670	508,109	

YIELDS

<u>MONTHLY</u>		Current Month 11/30/11	Prior Month 10/31/11	Prior Year 11/30/10
5	LGIP (NET)	0.20%	0.18%	0.19%
	S & P LGIP INDEX	0.08%	0.07%	0.15%
7	LGIP - GOV (NET)	0.08%	0.08%	0.15%
	3 MONTH T-BILL	0.00%	0.01%	0.13%
<u>YEAR TO DATE</u>				
5	LGIP (NET)	0.17%	0.16%	0.22%
	S & P LGIP INDEX	0.07%	0.07%	0.17%
7	LGIP - GOV (NET)	0.06%	0.06%	0.13%
	3 MONTH T-BILL	0.01%	0.01%	0.14%

* 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
NOVEMBER 30, 2011**

NET EARNINGS

FUND	DESCRIPTION	Current Month 11/30/11	Prior Month 10/31/11	Prior Year 11/30/10	Net Asset Value Per Share
500	LGIP - MED TERM POOL	264,871	276,694	259,158	1.0367
700	LGIP - FF&C MED TERM POOL	115,900	113,763	157,195	1.0134
	TOTAL LGIP MEDIUM TERM POOLS	380,772	390,458	416,353	

YIELDS

MONTHLY

	Current Month 11/30/11	Prior Month 10/31/11	Prior Year 11/30/10
500 LGIP - MED TERM (NET)	1.48%	1.56%	1.70%
MERRILL 1-5 US D M INDEX	1.64%	1.61%	1.71%
700 LGIP - FF&C MED TERM (NET)	0.95%	1.11%	1.45%
75% MERRILL 1-5 US TREAS INDEX / 25% MERRILL GNMA MORTGAGE MASTER INDEX	0.88%	0.92%	1.24%

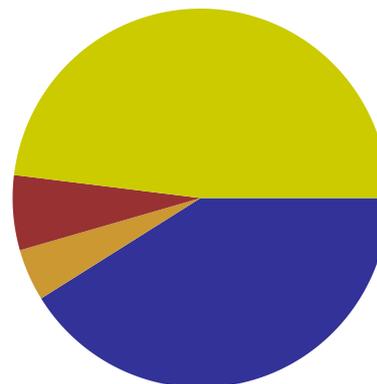
YEAR TO DATE

500 LGIP - MED TERM (NET)	1.63%	1.67%	1.84%
MERRILL 1-5 US D M INDEX	1.57%	1.55%	1.55%
700 LGIP - FF&C MED TERM (NET)	1.13%	1.17%	1.20%
75% MERRILL 1-5 US TREAS INDEX / 25% MERRILL GNMA MORTGAGE MASTER INDEX	0.95%	0.97%	1.07%

Manager Allocation - Daily Arizona State Treasury (05509) As of November 30, 2011

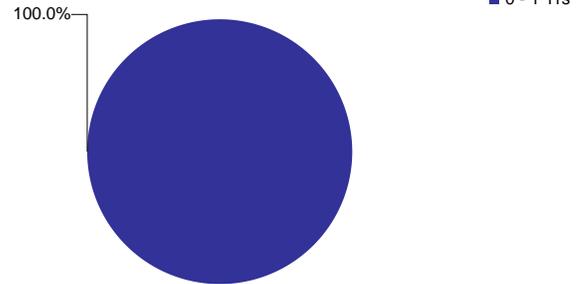
LGIP composite (00550903)		
Account Name	Market Value(MIL)	Percent of Portfolio
State of Arizona - Pool 5 (LGIP) (10327300)	1,390.87	41.2%
State of Arizona - Pool 7 (LGIP - FF&C) (10327400)	1,624.59	48.1%
State of Arizona - Pool 500 (LGIP - Med Term) (10327700)	218.76	6.5%
State of Arizona - Pool 700 (LGIP-FF&C Med Term) (10563200)	145.22	4.3%
TOTAL	3,379.43	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)

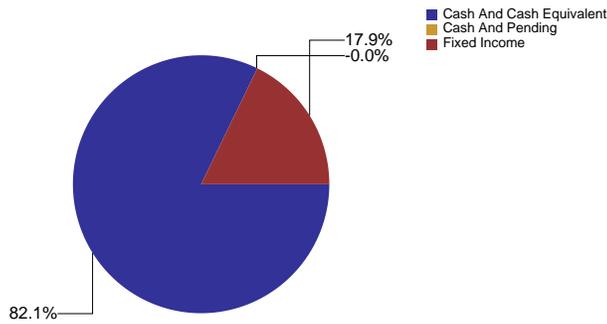


Portfolio Characteristics Duration Mix

Total Net Assets (Millions) 1,390.9
Weighted Average Life (Years) 0.06
Weighted Avg. Effective Duration (Years) 0.05
Weighted Average Maturity (Years) 0.06
Weighted Average Rating AA+
Number of Holdings 81

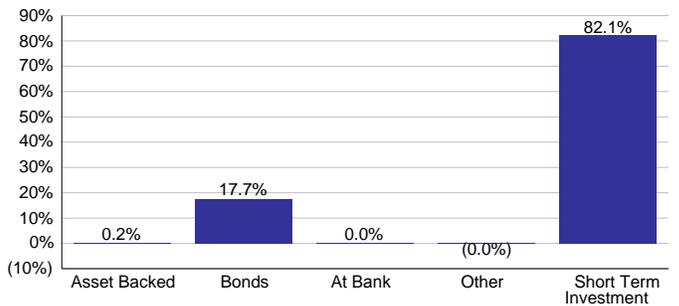
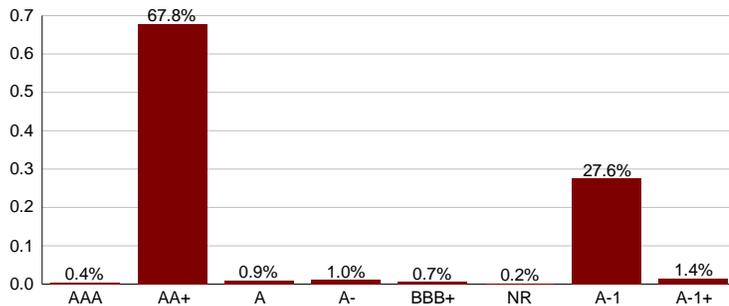


Asset Mix Top Ten Portfolio Holdings



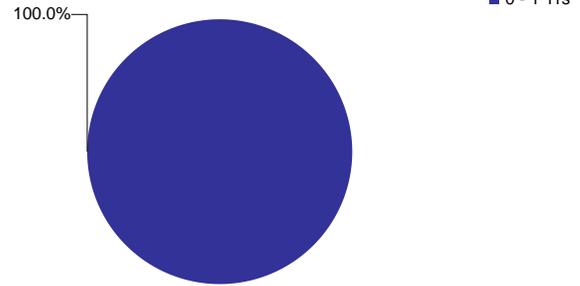
Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
46999W014	TRI-PARTY REPO JP MORGAN 0.30% 01/DEC/2011	18.07%	0.30	1/12/2011
5199U2818	TRI-PARTY REPO DEUTSCHE BANK 0.08% 07/DEC/2011	14.38%	0.08	7/12/2011
46999W022	TRI-PARTY REPO JP MORGAN REPO SWEEP 0.20%	7.19%	0.20	1/12/2011
G34995236	FIDELITY INVESTMENTS - TREASURY PORTFOLIO SHARES	4.53%	0.00	1/12/2011
313372EV2	FEDERAL HOME LOAN BANKS CONS BD FLT 12 13/JAN/2012	3.60%	0.18	13/1/2012
31315KRJ1	FARMER MAC DISCOUNT NOTE ZCP 04/JAN/2012	2.52%	0.00	4/1/2012
313372EU4	FEDERAL HOME LOAN BANKS CONS BD FLT 12 24/JAN/2012	1.80%	0.20	24/1/2012
313370FV5	FED HOME LOAN BK FR DEB 03/FEB/2012 USD1000	1.80%	0.30	3/2/2012
61757UAN0	MORGAN STANLEY FRN 13/MAR/2012 USD1000	1.44%	0.54	13/3/2012
36967HBA4	GENL ELEC CAP CORP FDIC TLGP GTD SR NT FLT 12	1.44%	0.35	21/9/2012

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

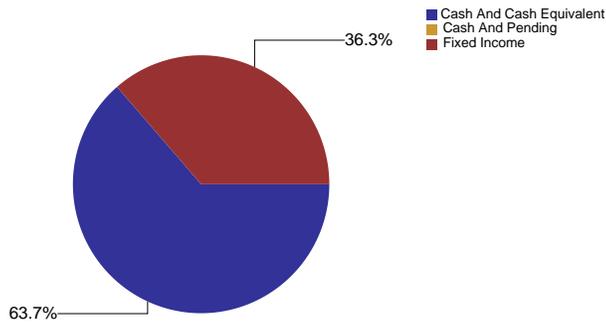


Portfolio Characteristics Duration Mix

Total Net Assets (Millions) 1,624.6
Weighted Average Life (Years) 0.04
Weighted Avg. Effective Duration (Years) 0.03
Weighted Average Maturity (Years) 0.04
Weighted Average Rating AA+
Number of Holdings 27

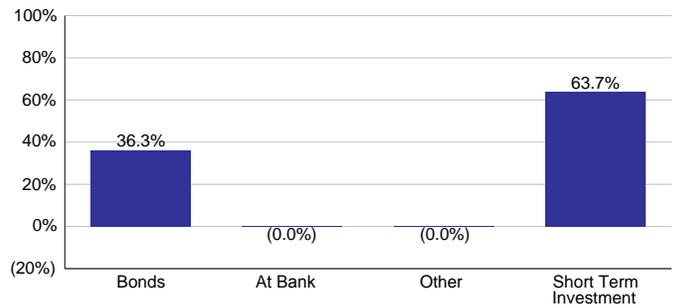
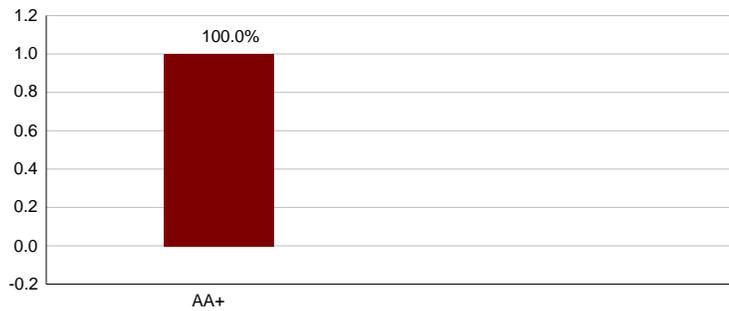


Asset Mix Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
65599X206	TRI-PARTY REPO NOMURA 0.07% 01/DEC/2011	30.77%	0.07	1/12/2011
60699K592	TRI-PARTY REPO MIZUHO .05% 01/DEC/2011	21.22%	0.05	1/12/2011
7591EAAB9	REGIONS BANK 3.25% BDS 09/DEC/2011 USD1000	5.90%	3.25	9/12/2011
65599X214	TRI-PERTY REPO NOMURA 0.06% 01/DEC/2011	5.54%	0.06	1/12/2011
912828GC8	US TREAS NTS 04.625% 31/DEC/2011	3.15%	4.62	31/12/2011
61757UAB6	MORGAN STANLEY 3.25% 01/DEC/2011	3.13%	3.25	1/12/2011
975709D	ALLIANCE BANK OF ARIZONA REPO SWEEP 0.226%	3.11%	0.23	1/12/2011
912828MU1	UNITED STATES TREAS NTS 1.000% 31/MAR/2012	3.09%	1.00	31/3/2012
912828ML1	UNITED STATES OF AMER TREAS BONDS 1% BDS	3.09%	1.00	31/12/2011
G34995P31	FIDELITY INVESTMENTS - TREASURY PORTFOLIO SHARES	3.08%	0.00	1/12/2011

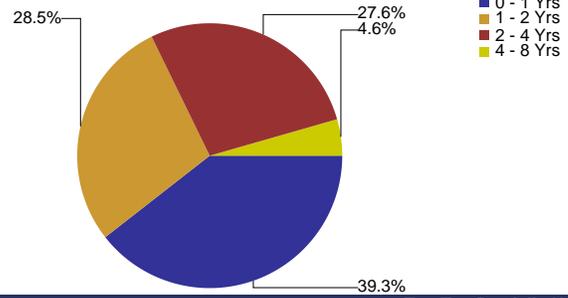
Quality/Rating Weightings Sector Weightings (as % of Market Value)



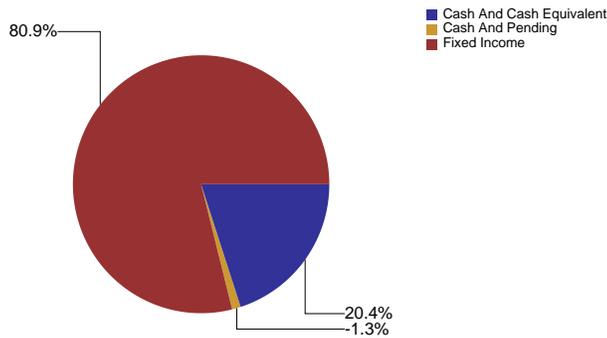
Portfolio Characteristics

Total Net Assets (Millions) 218.8
Weighted Average Life (Years) 1.88
Weighted Avg. Effective Duration (Years) 1.51
Weighted Average Rating AA
Number of Holdings 177

Duration Mix



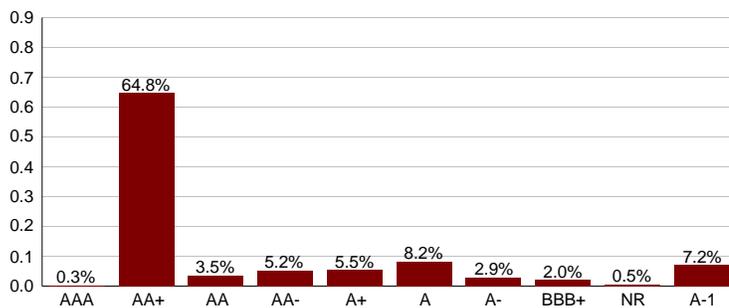
Asset Mix



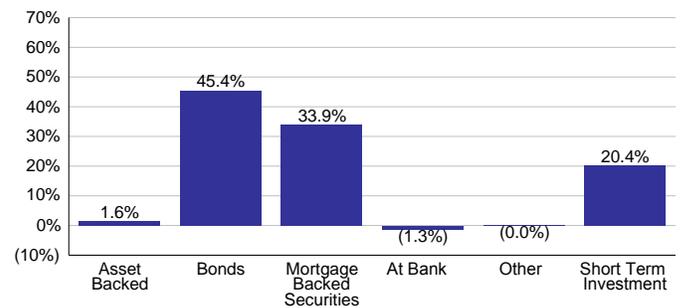
Top Ten Portfolio Holdings

Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
85299Z350	TRI-PARTY REPO SOUTH STREET 0.11% 01/DEC/2011	12.63%	0.11	1/12/2011
3138A5CF7	FNMA MORTPASS 4% 01/FEB/2026 CI PN# AH3669	3.17%	4.00	1/2/2026
31416NZB1	FNMA MORTPASS 4% 01/APR/2024 CI PN# AA5237	3.15%	4.00	1/4/2024
3128MMN33	FHLMCGLD MORTPASS 3% 01/NOV/2026 G1 PN# G18409	2.32%	3.00	1/11/2026
3138ALNT0	FNMA MORTPASS 4% 01/SEP/2041 CL PN# AI6701	2.31%	4.00	1/9/2041
36967HBA4	GENL ELEC CAP CORP FDIC TLGP GTD SR N	2.26%	0.35	21/9/2012
3128PR3M9	FHLMCGLD MORTPASS 4% 01/JUL/2025 J1 PN# J12604	2.05%	4.00	1/7/2025
3128PSQ75	FHLMCGLD MORTPASS 3.5% 01/OCT/2025 J1 PN# J13178	2.00%	3.50	1/10/2025
31419CZL0	FNMA MORTPASS 4.5% 01/SEP/2040 CL PN# AE2546	1.99%	4.50	1/9/2040
31419AJM0	FNMA MORTPASS 4% 01/AUG/2025 CI PN# AE0267	1.81%	4.00	1/8/2025

Quality/Rating Weightings



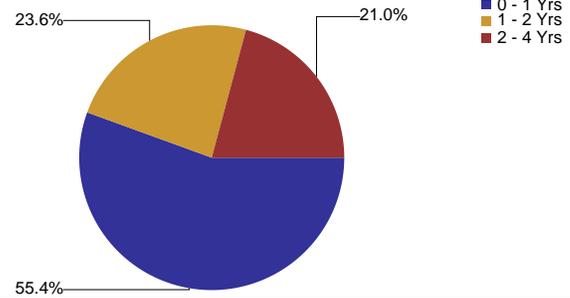
Sector Weightings (as % of Market Value)



Portfolio Characteristics

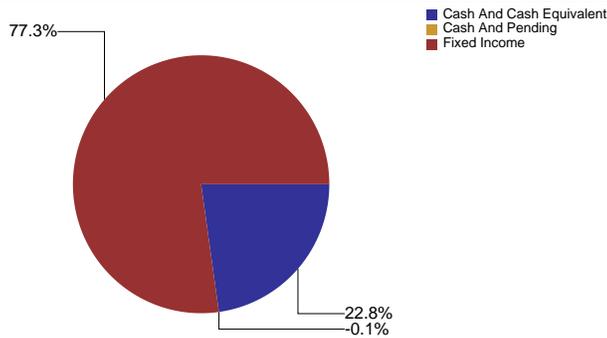
Duration Mix

Total Net Assets (Millions) **145.2**
 Weighted Average Life (Years) **1.29**
 Weighted Avg. Effective Duration (Years) **0.98**
 Weighted Average Rating **AA+**
 Number of Holdings **81**



Asset Mix

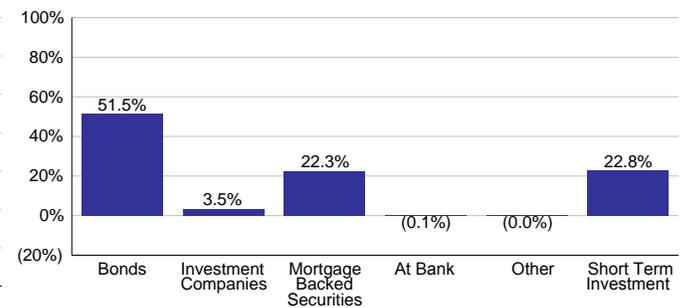
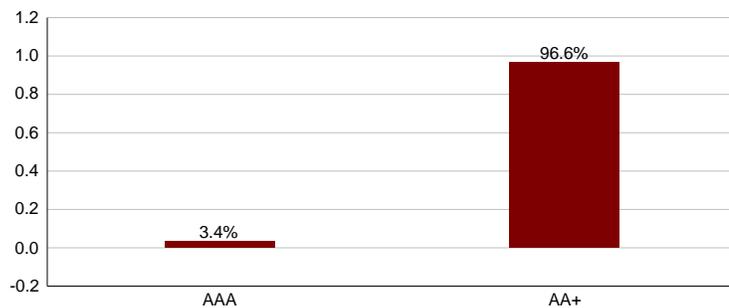
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
60699K592	TRI-PARTY REPO MIZUHO .05% 01/DEC/2011	15.83%	0.05	1/12/2011
06050BAD3	BANK OF AMERICA CORP FRN 02/DEC/2011 USD1000	7.01%	1.01	2/12/2011
938554N	FDIC US BANK CDARS ACCOUNT 0.25% 03/JAN/2012	5.19%	0.25	3/1/2012
17313UAA7	CITIGROUP INC 2.875% GTD BDS 09/DEC/2011 USD1000	3.66%	2.88	9/12/2011
36967HAY3	GENERAL ELECTRIC CAPITAL CORP 2.625% BDS	3.57%	2.62	28/12/2012
464287457	ISHARES BARCLAYS 1-3 YRS TREASURY BOND FUND	3.46%		
36202E7F0	GNMA II MORTPASS 4% 20/JUL/2039 SF PN# 004494	3.29%	4.00	20/7/2039
3620A5MX4	GNMA I MORTPASS 5% 15/SEP/2039 SF PN# 719574	2.98%	5.00	15/9/2039
36202FFH4	GNMA II MORTPASS 4.5% 20/APR/2025 SF PN# 004668	2.96%	4.50	20/4/2025
73278MAA1	POOLED FDG TR I 2.74% BDS 15/FEB/2012 USD	2.79%	2.74	15/2/2012

Quality/Rating Weightings

Sector Weightings (as % of Market Value)



**STATE AGENCY POOLS
 PORTFOLIO YIELD ANALYSIS
 NOVEMBER 30, 2011**

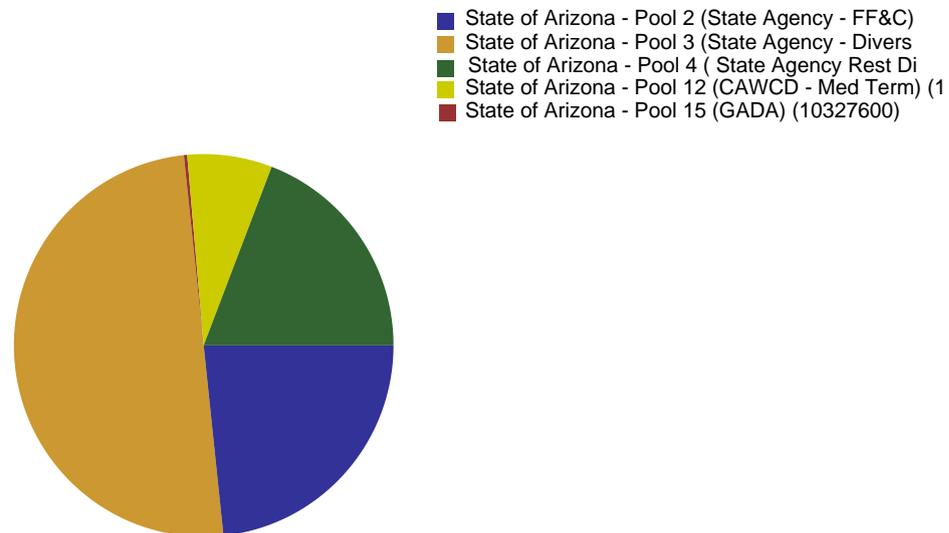
		<u>NET EARNINGS</u>			Net Asset Value Per Share
FUND	DESCRIPTION	Current Month 11/30/11	Prior Month 10/31/11	Prior Year 11/30/10	
2	STATE AGENCIES I - FULL FAITH & CREDIT	795,509	849,139	737,215	1.0098
3	STATE AGENCIES II - DIVERSIFIED	1,307,576	1,181,218	813,806	1.0027
4	STATE AGENCIES IV-RESTRICTED DIVERSIFIED	361,682	314,304	269,806	1.0026
12	CAWCD MEDIUM TERM	509,841	533,291	284,340	1.0199
15	GADA	23,528	22,813	26,461	1.0170
	TOTAL STATE AGENCIES	2,998,136	2,900,766	2,131,628	

YIELDS

<u>MONTHLY</u>		Current Month 11/30/11	Prior Month 10/31/11	Prior Year 11/30/10
2	STATE AGENCIES I - FULL FAITH & CREDIT	1.08%	1.21%	1.03%
	75% MERRILL 0-1 US TREAS INDEX / 25%	0.61%	0.66%	0.89%
	MERRILL GNMA MORTGAGE MASTER INDEX			
3	STATE AGENCIES II - DIVERSIFIED	0.94%	0.92%	0.69%
	50% 3 MONTH LIBOR INDEX / 50% MERRILL 1 -3	0.78%	0.63%	0.64%
	US BROAD MARKET INDEX			
4	STATE AGENCIES IV-RESTRICTED DIVERSIFIED	0.58%	0.54%	0.47%
	50% MERRILL 6 MTH US T-BILL INDEX / 50%	0.19%	0.18%	0.35%
	MERRILL 1-3 UNSUB. US TREAS / AGY INDEX			
12	CAWCD MEDIUM TERM	2.21%	2.24%	2.39%
	BARCLAYS CAPITAL US AGG. BOND INDEX	2.40%	2.37%	2.68%
15	GADA	2.36%	2.22%	2.66%
	MERRILL 3-5 US BROAD MARKET EX CORP	2.00%	2.07%	2.38%
	US GOV/AGY INDEX			

Manager Allocation - Daily Arizona State Treasury (05509) As of November 30, 2011

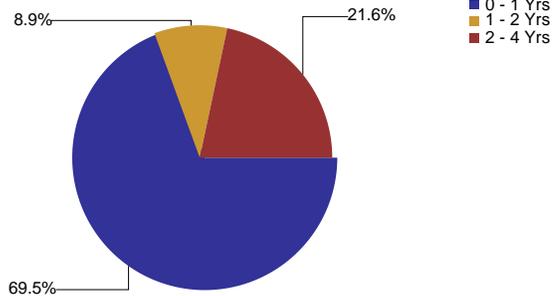
Pool Composite (00550904)		
Account Name	Market Value(MIL)	Percent of Portfolio
State of Arizona - Pool 2 (State Agency - FF&C) (10327000)	933.88	23.4%
State of Arizona - Pool 3 (State Agency - Diversified) (10327100)	1,998.32	50.0%
State of Arizona - Pool 4 (State Agency Rest Div) (10327200)	769.38	19.2%
State of Arizona - Pool 12 (CAWCD - Med Term) (10327500)	285.58	7.1%
State of Arizona - Pool 15 (GADA) (10327600)	12.31	0.3%
TOTAL	3,999.47	100.0%



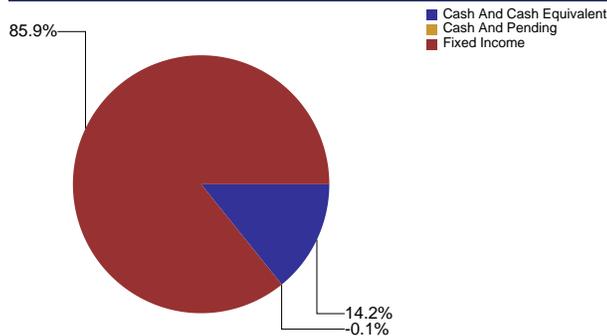
Portfolio Characteristics

Total Net Assets (Millions) **933.9**
 Weighted Average Life (Years) **1.13**
 Weighted Avg. Effective Duration (Years) **0.89**
 Weighted Average Rating **AA+**
 Number of Holdings **98**

Duration Mix



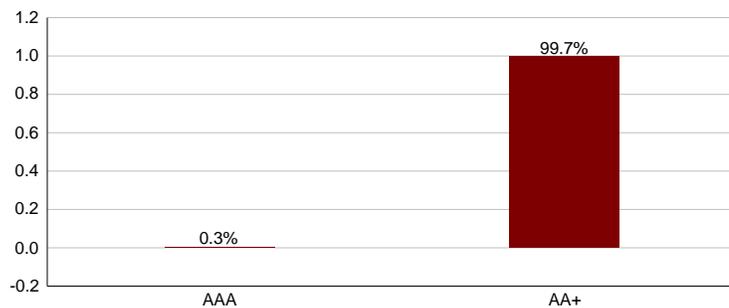
Asset Mix



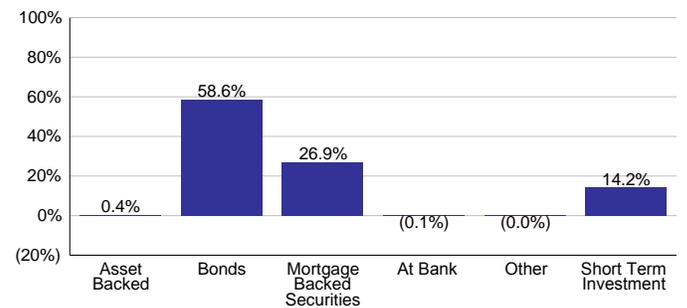
Top Ten Portfolio Holdings

Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
60699K592	TRI-PARTY REPO MIZUHO .05% 01/DEC/2011	14.15%	0.05	1/12/2011
36967HAN7	GENERAL ELECTRIC CAPITAL CORP 2.25% NTS	4.43%	2.25	12/3/2012
62889KAA9	NCUA GUARANTEED 0% BDS 12/JUN/2013 USD	4.27%	0.27	12/6/2013
912828NE6	UNITED STATES TREAS NTS 0.750% 31/MAY/2012	3.22%	0.75	31/5/2012
4042EPAA5	HSBC USA INC 3.125% BDS 16/DEC/2011 USD1000	2.43%	3.12	16/12/2011
38146FAA9	GOLDMAN SACHS GROUP INC 3.25% BDS 15/JUN/2012	2.21%	3.25	15/6/2012
06050BAG6	BANK OF AMERICA CORP 2.1% SRN 30/APR/2012 USD1000	2.20%	2.10	30/4/2012
912828GK0	US TREAS NTS 4.625% 29/FEB/2012	2.19%	4.62	29/2/2012
912828KP4	UNITED STATES TREAS NTS 1.375% 15/MAY/2012	2.15%	1.38	15/5/2012
912828MU1	UNITED STATES TREAS NTS 1.000% 31/MAR/2012	2.15%	1.00	31/3/2012

Quality/Rating Weightings



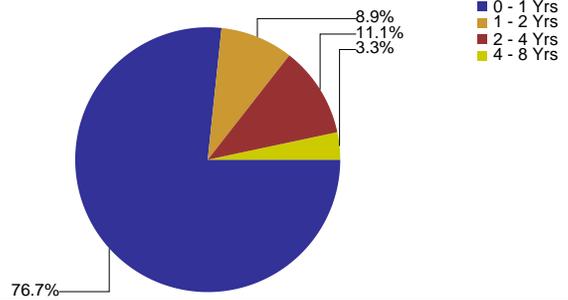
Sector Weightings (as % of Market Value)



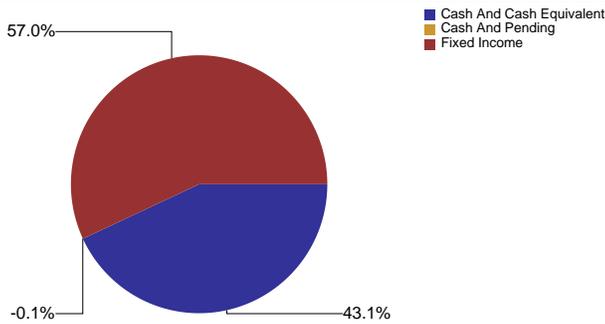
Portfolio Characteristics

Total Net Assets (Millions) **1,998.3**
 Weighted Average Life (Years) **1.33**
 Weighted Avg. Effective Duration (Years) **0.71**
 Weighted Average Rating **AA**
 Number of Holdings **148**

Duration Mix



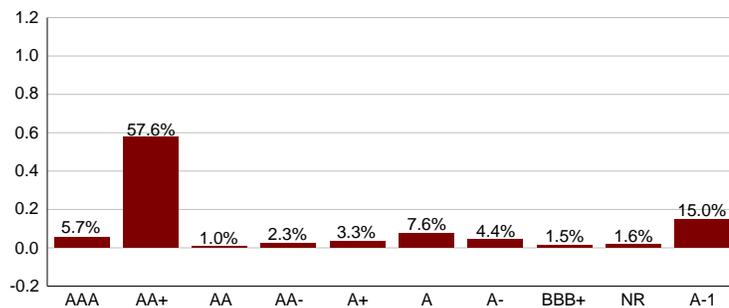
Asset Mix



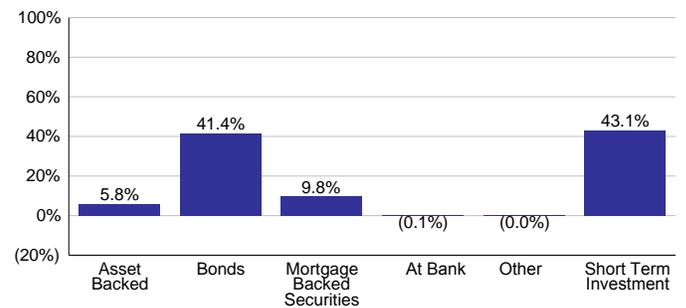
Top Ten Portfolio Holdings

Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
85299Z350	TRI-PARTY REPO SOUTH STREET 0.11% 01/DEC/2011	22.36%	0.11	1/12/2011
G34992514	FIDELITY INVESTMENTS - MONEY MARKET PORTFOLIO	2.50%	0.00	1/12/2011
9127952T7	UNITED STATES TREAS BILLS DT	2.50%	0.00	15/12/2011
15963UZ17	CHARIOT FNDG LLC CORPORATE COMMERCIAL PAPER	2.03%	0.00	1/12/2011
52468KZ20	LEGACY CAPITAL COMPANY CORPORATE COMMERCIAL PAPER	2.00%	0.00	2/12/2011
2063C1Z29	CONCORD MIN CPTL CO CORPORATE COMMERCIAL PAPER	1.50%	0.00	2/12/2011
52952MZ29	LEXINGTN PKR CAP CO LL CORPORATE COMMERCIAL PAPER	1.50%	0.00	2/12/2011
2284K1Z22	CROWN POINT CAP CO. CORPORATE COMMERCIAL PAPER	1.50%	0.00	2/12/2011
79540BZ74	SALISBURY REC CO LLC CORPORATE COMMERCIAL PAPER	1.50%	0.00	7/12/2011
06538CF1	BANK OF TOKYO-MITSUBIS CORPORATE COMMERCIAL PAPER	1.50%	0.00	15/12/2011

Quality/Rating Weightings



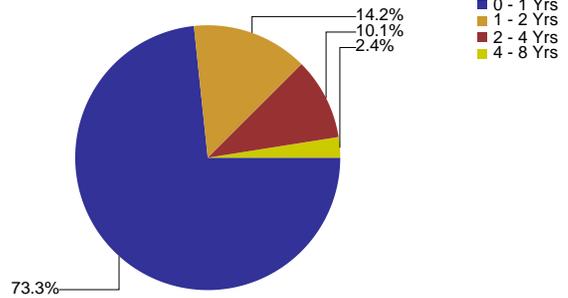
Sector Weightings (as % of Market Value)



Portfolio Characteristics

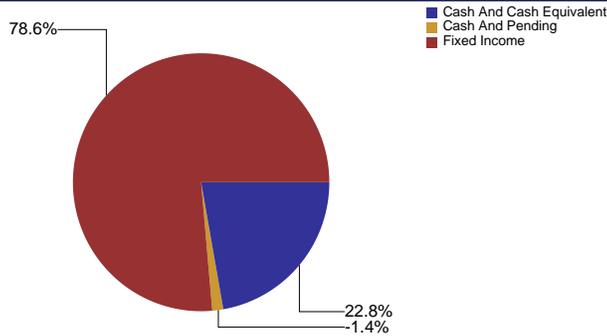
Duration Mix

Total Net Assets (Millions) **769.4**
 Weighted Average Life (Years) **1.77**
 Weighted Avg. Effective Duration (Years) **0.80**
 Weighted Average Rating **AA+**
 Number of Holdings **83**



Asset Mix

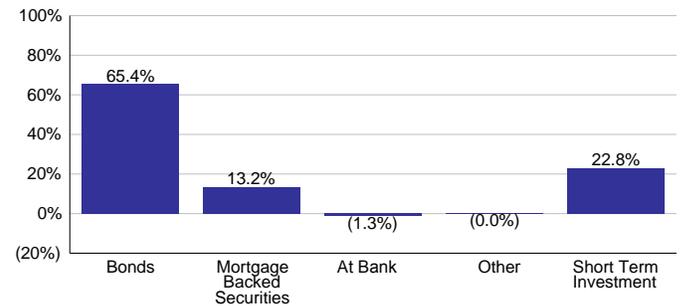
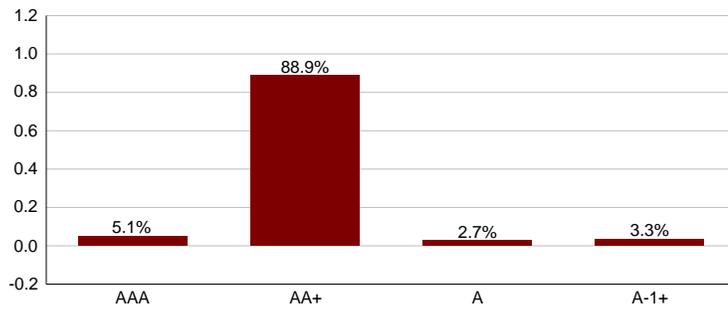
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
46999W014	TRI-PARTY REPO JP MORGAN 0.30% 01/DEC/2011	7.09%	0.30	1/12/2011
85299Z350	TRI-PARTY REPO SOUTH STREET 0.11% 01/DEC/2011	6.82%	0.11	1/12/2011
446436AB3	HUNTINGTON NATIONAL BANK FRN 01/JUN/2012 USD1000	3.22%	0.73	1/6/2012
313374TP5	FED HOME LOAN BK 0.25% DEB 18/JUL/2012 USD	3.21%	0.25	18/7/2012
459052RC2	INTL BANK RECON&DV 0% NTS MTN 29/DEC/2011 USD	3.21%	0.00	29/12/2011
313384WG0	FEDL HOME LOAN BK CONS DISC NT MATURES 01/MAY/2008	3.21%	0.00	1/5/2012
313396H97	FEDL HOME LLN MTG CORP DISC NT MATURES 01/OCT/2012	3.20%	0.00	1/10/2012
31359MNU3	FANNIE MAE 5.25% 01/AUG/2012	2.69%	5.25	1/8/2012
36967HAN7	GENERAL ELECTRIC CAPITAL CORP 2.25% NTS	2.59%	2.25	12/3/2012
3133733A8	FEDERAL HOME LOAN BANKS CONS BD 0.18% 21/DEC/2011	2.57%	0.18	21/12/2011

Quality/Rating Weightings

Sector Weightings (as % of Market Value)

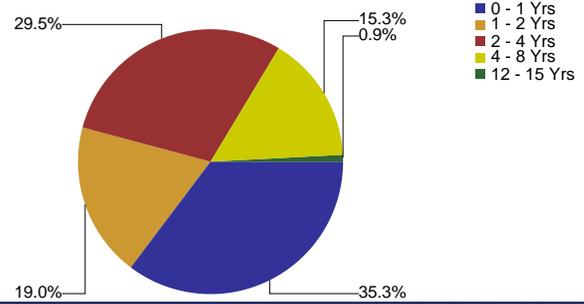


Portfolio Characteristics

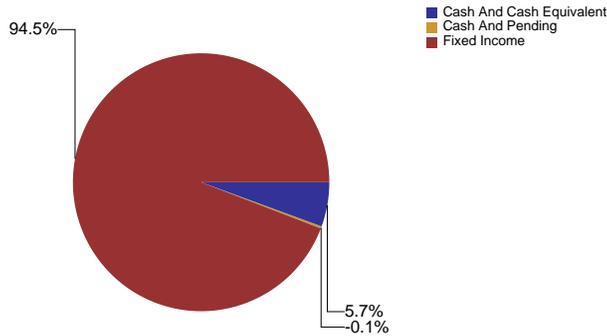
Total Net Assets (Millions)
Weighted Average Life (Years)
Weighted Avg. Effective Duration (Years)
Weighted Average Rating
Number of Holdings

285.6
4.12
2.20
AA-
129

Duration Mix



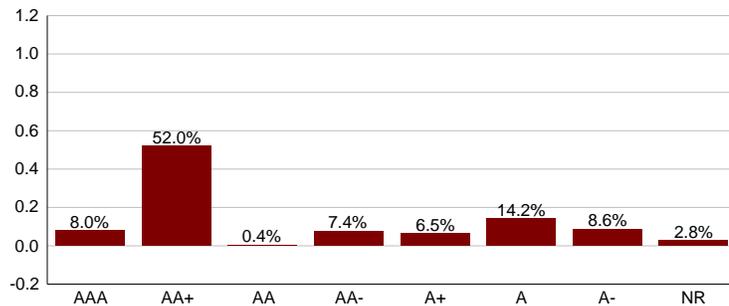
Asset Mix



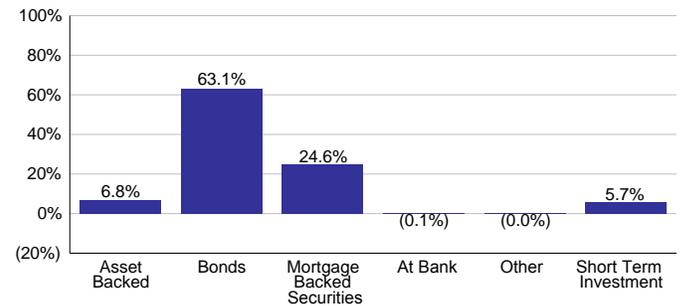
Top Ten Portfolio Holdings

Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
G34992514	FIDELITY INVESTMENTS - MONEY MARKET PORTFOLIO	3.15%	0.00	1/12/2011
191216AN0	COCA-COLA CO 0.75% SNR NTS 15/NOV/2013 USD1000	2.80%	0.75	15/11/2013
85299Z350	TRI-PARTY REPO SOUTH STREET 0.11% 01/DEC/2011	1.90%	0.11	1/12/2011
3137A55N0	FREDDIE MAC 3784 JU 4.000% 15/MAY/2036	1.90%	4.00	15/5/2036
92343VAY0	VERIZON COMMUNICATIONS INC 3% BDS 01/APR/2016	1.83%	3.00	1/4/2016
3137A8QA9	FREDDIE MAC 3841 AV 4.000% 15/MAR/2024	1.76%	4.00	15/3/2024
532457AN8	LILLY(ELI)& CO 6.57% NTS 01/JAN/2016 USD1000	1.76%	6.57	1/1/2016
959802AN9	WESTERN UNION COMP 0% BDS 07/MAR/2013 USD2000	1.75%	0.91	7/3/2013
039483BA9	ARCHER DANIELS MIDLAND CO 0.4733% BDS 13/AUG/2012	1.75%	0.61	13/8/2012
63743HEA6	NATL RURAL UTILS COOP MTN BE VR	1.75%	0.44	9/12/2011

Quality/Rating Weightings



Sector Weightings (as % of Market Value)

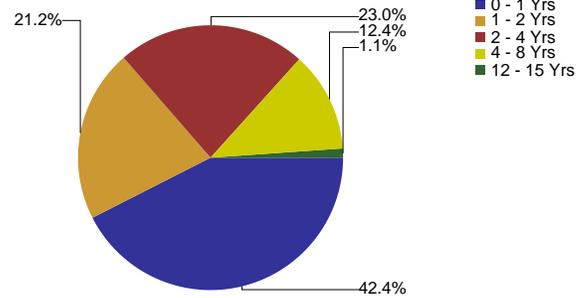


Portfolio Characteristics

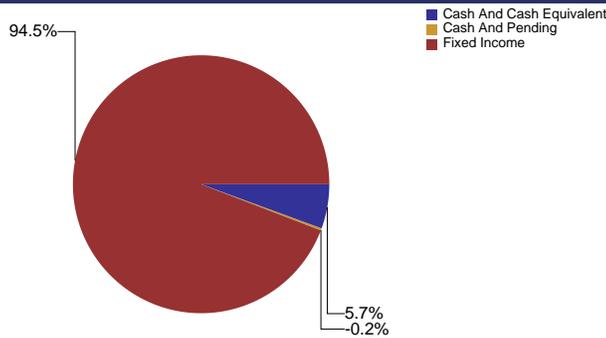
Total Net Assets (Millions)
Weighted Average Life (Years)
Weighted Avg. Effective Duration (Years)
Weighted Average Rating
Number of Holdings

12.3
5.37
1.85
AA
28

Duration Mix



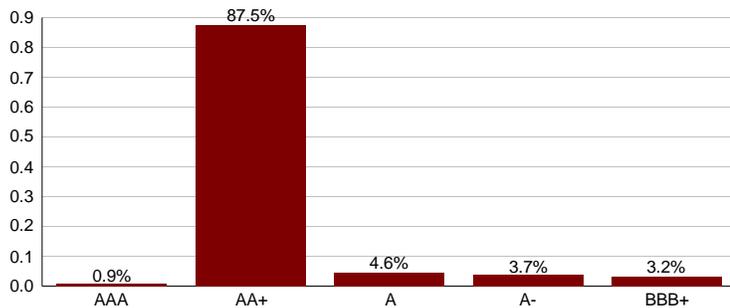
Asset Mix



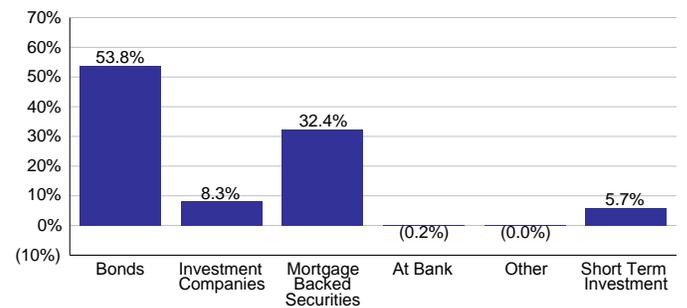
Top Ten Portfolio Holdings

Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
3134G2RT1	FED HOME LOAN MTG 4% MTN 27/JAN/2023 USD	8.26%	4.00	27/1/2023
958268S	LONG TERM GOV'T POOL	8.26%	0.00	31/12/2049
31294KTB1	FEDERAL HOME LN MTG CORP GOLD POOL # EO1446 DTD	5.43%	4.50	1/9/2018
3133XUQ48	FEDERAL HOME LOAN BANKS CONS BD 3.8% 14/SEP/2016	5.04%	3.80	14/9/2016
31398ACS9	FEDERAL NATIONAL MORTGAGE ASSOC 5.78% BDS	4.91%	5.78	7/6/2022
10138MAH8	BOTTLING GROUP 6.95% SNR NTS 15/MAR/2014 USD1000	4.62%	6.95	15/3/2014
3137A2PF2	FREDDIE MAC 3766 HE 3.000% 15/NOV/2020	4.58%	3.00	15/11/2020
36241KJZ2	GNMA I MORTPASS 4.5% 15/FEB/2021 JP PN# 782080	4.51%	4.50	15/2/2021
3128X6SL1	FEDERAL HOME LN MTG CORP CALL 5.25%13/DEC/2022	4.33%	5.25	13/12/2022
3137A7HC7	FREDDIE MAC 3800 KE 3.500% 15/FEB/2026	4.24%	3.50	15/2/2026

Quality/Rating Weightings



Sector Weightings (as % of Market Value)



OPERATING MONIES
AVERAGE INVESTED BALANCE

Through November 30, 2011

(in millions of dollars)

<u>Month</u>	<u>Fiscal Year</u> <u>2009/2010</u>	<u>Fiscal Year</u> <u>2010/2011</u>	<u>Fiscal Year</u> <u>2011/2012</u>
JULY	116	1,077	1,209
AUGUST	(200)	761	818
SEPTEMBER	11	590	744
OCTOBER	(224)	358	668
NOVEMBER	(431)	570	858
DECEMBER	(733)	592	
JANUARY	(463)	835	
FEBRUARY	(423)	863	
MARCH	(686)	802	
APRIL	(635)	1,002	
MAY	(579)	1,128	
JUNE	450	1,358	
Y-T-D			
Average	(\$316)	\$828	\$859

**EARNINGS DISTRIBUTED
ENDOWMENT FUNDS
NOVEMBER 2011**

Distributed in Current Month

Recipient	NOVEMBER 2011	Fiscal YTD 11/12	Fiscal YTD 10/11
101 A & M Colleges	\$22,280	\$108,362	\$22,514
102 State Hospital	\$12,347	\$60,052	\$10,952
103 Leg., Exec., & Jud.	\$18,283	\$88,979	\$21,481
104 Military Institute	\$1,297	\$6,312	\$1,669
105 Miners Hospital	\$29,529	\$143,772	\$30,008
107 Normal School ASU/NAU	\$7,607	\$37,029	\$8,339
108 Penitentiaries	\$29,198	\$142,874	\$47,088
109 Permanent Common School	\$6,558,971	\$31,920,123	\$6,427,527
110 School for Deaf & Blind	\$10,923	\$53,163	\$12,492
111 School of Mines	\$25,281	\$122,997	\$28,101
112 State Charitable-Pioneers Home	\$114,920	\$558,425	\$99,927
112 State Charitable-Corrections	\$57,460	\$279,213	\$49,965
112 State Charitable-Youth Treatment	\$57,460	\$279,213	\$49,965
113 University Fund	\$40,373	\$196,406	\$43,043
114 U of A Land - 1881	\$86,333	\$419,424	\$96,692
Total	\$7,072,263	\$34,416,343	\$6,949,763

Posted in USAS in current month

**ENDOWMENT FUNDS
 PORTFOLIO YIELD ANALYSIS
 NOVEMBER 30, 2011**

NET EARNINGS

FUND	DESCRIPTION	Current Month 11/30/11	Prior Month 10/31/11	Prior Year 11/30/10
205	ENDOWMENTS - FIXED INCOME	\$3,683,520	\$3,796,639	\$4,180,512

YIELDS

<u>MONTHLY</u>	Current Month 11/30/11	Prior Month 10/31/11	Prior Year 11/30/10	
205	ENDOWMENTS - FIXED INCOME	5.55%	5.71%	5.26%

NET REALIZED CAPITAL GAINS / LOSSES - ENDOWMENT FUNDS

Endowment Fund	Nov-11 NET GAIN(LOSS)	Nov-10 NET GAIN(LOSS)
----- Fixed Income Pool	(281,752)	(251,048)
Equity Pool (500)	(243,403)	181,885
Equity Pool (400)	1,643,789	458,161
Equity Pool (600)	3,472	0
	-----	-----
Totals	1,122,106	388,998
	=====	=====

Endowment Fund	2011/2012 FISCAL YEAR TO DATE GAINS(LOSSES)	2010/ 2011 FISCAL YEAR TO DATE GAINS(LOSSES)
----- Fixed Income Pool	743,079	(390,374)
Equity Pool (500)	327,291	1,056,426
Equity Pool (400)	7,422,303	4,051,291
Equity Pool (600)	(331,205)	0
	-----	-----
Totals	8,161,468	4,717,343
	=====	=====

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

State Treasurer's Report
 December 27, 2011
 Page 20

I. Endowment Funds Purchases

<u>SECURITY DESCRIPTION</u>	<u>RATE</u>	<u>MATURITY</u>	<u>*WAL YEARS</u>	<u>PAR VALUE</u>	<u>PURCHASE COST</u>	<u>YIELD</u>	<u>MOODY'S / S&P RATING</u>
HUD	2.05	8/1/2019	N/A	\$5,000,000	\$5,000,000	2.05%	Aaa/AA+

				----- \$5,000,000 -----	----- \$5,000,000 -----		
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 November 2011

State Treasurer's Report
December 27, 2011
Page 21

I. Equity Fund Purchases

	<u>SHARES</u>	<u>PURCHASE COST</u>	<u>COMMISSIONS</u>
S&P 400 Mid-Cap Fund	206,555	\$7,202,270	\$1,921
S&P 500 Large-Cap Fund	38,909	\$1,994,504	\$315
S&P 600 Small-Cap Fund	150,497	\$3,439,242	\$2,090
TOTAL EQUITY PURCHASES	395,961	\$12,636,016	\$4,326

II. Equity Funds Sales

	<u>SHARES</u>	<u>SALES AMOUNT</u>	<u>COMMISSIONS</u>
S&P 400 Mid-Cap Fund	50,817	\$2,864,121	\$762
S&P 500 Large-Cap Fund	70,397	\$3,289,140	\$471
S&P 600 Small-Cap Fund	65,397	\$2,607,096	\$591
TOTAL EQUITY SALES	186,611	\$8,760,356	\$1,825

**ENDOWMENT FUNDS
INVESTMENTS OUTSTANDING**

State Treasurer's Report

December 27, 2011

Page 22

NOVEMBER 30, 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>	2,616	2,392	2,949	557	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	783	768	1,504	737	
	<i>Shares in Small-Cap 600 Equity Fund</i>	736	717	701	(16)	
	<i>Shares in Fixed Income Fund</i>	2,278	2,568	3,981	1,412	
	Total	6,413	6,445	9,134	2,690	1.417
102	State Hospital					
	<i>Shares in Large-Cap 500 Equity Fund</i>	1,725	1,506	1,944	438	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	447	483	859	375	
	<i>Shares in Small-Cap 600 Equity Fund</i>	434	422	413	(9)	
	<i>Shares in Fixed Income Fund</i>	1,353	1,602	2,365	763	
	Total	3,959	4,012	5,580	1,568	1.391
103	Leg., Exec., & Jud.					
	<i>Shares in Large-Cap 500 Equity Fund</i>	1,984	1,946	2,237	291	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	596	625	1,145	520	
	<i>Shares in Small-Cap 600 Equity Fund</i>	614	597	584	(13)	
	<i>Shares in Fixed Income Fund</i>	1,886	2,099	3,296	1,197	
	Total	5,081	5,267	7,262	1,995	1.379
104	Military Institute					
	<i>Shares in Large-Cap 500 Equity Fund</i>	134	134	151	18	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	44	43	84	41	
	<i>Shares in Small-Cap 600 Equity Fund</i>	44	43	42	(1)	
	<i>Shares in Fixed Income Fund</i>	134	144	234	90	
	Total	356	364	511	147	1.405
105	Miners Hospital					
	<i>Shares in Large-Cap 500 Equity Fund</i>	4,444	4,373	5,009	635	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	1,125	1,402	2,161	758	
	<i>Shares in Small-Cap 600 Equity Fund</i>	1,179	1,150	1,122	(28)	
	<i>Shares in Fixed Income Fund</i>	3,536	4,641	6,179	1,538	
	Total	10,284	11,567	14,471	2,904	1.251

ENDOWMENT FUNDS
INVESTMENTS OUTSTANDING
NOVEMBER 30, 2011
(In Thousands)

State Treasurer's Report
December 27, 2011
Page 23

FUND	NAME OF FUND	SHARES OUTSTANDING	BOOK VALUE	MARKET VALUE	UNREALIZED GAINS (LOSSES)	Mkt Value/ Book Value
107	Normal School ASU/NAU					
	<i>Shares in Large-Cap 500 Equity Fund</i>	958	910	1,080	170	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	265	290	509	219	
	<i>Shares in Small-Cap 600 Equity Fund</i>	268	261	255	(6)	
	<i>Shares in Fixed Income Fund</i>	821	970	1,435	465	
	Total	2,313	2,431	3,279	848	1.349
108	Penitentiaries					
	<i>Shares in Large-Cap 500 Equity Fund</i>	3,339	3,037	3,764	726	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	896	970	1,721	751	
	<i>Shares in Small-Cap 600 Equity Fund</i>	854	832	813	(19)	
	<i>Shares in Fixed Income Fund</i>	2,684	3,256	4,690	1,434	
	Total	7,773	8,096	10,988	2,892	1.357
109	Permanent Common School					
	<i>Shares in Large-Cap 500 Equity Fund</i>	909,284	881,928	1,024,862	142,934	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	231,408	281,476	444,549	163,073	
	<i>Shares in Small-Cap 600 Equity Fund</i>	236,564	230,183	225,174	(5,009)	
	<i>Shares in Fixed Income Fund</i>	739,209	945,005	1,291,668	346,663	
	Total	2,116,464	2,338,591	2,986,253	647,662	1.277
110	School for Deaf & Blind					
	<i>Shares in Large-Cap 500 Equity Fund</i>	1,341	1,274	1,512	237	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	386	409	741	332	
	<i>Shares in Small-Cap 600 Equity Fund</i>	388	378	370	(8)	
	<i>Shares in Fixed Income Fund</i>	1,203	1,372	2,101	730	
	Total	3,318	3,432	4,723	1,291	1.376
111	School of Mines					
	<i>Shares in Large-Cap 500 Equity Fund</i>	2,960	2,885	3,337	452	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	837	924	1,607	684	
	<i>Shares in Small-Cap 600 Equity Fund</i>	844	821	803	(18)	
	<i>Shares in Fixed Income Fund</i>	2,612	3,102	4,564	1,461	
	Total	7,253	7,732	10,311	2,579	1.334

**ENDOWMENT FUNDS
INVESTMENTS OUTSTANDING**

State Treasurer's Report

December 27, 2011

Page 24

NOVEMBER 30, 2011

(In Thousands)

FUND	NAME OF FUND	SHARES OUTSTANDING	BOOK VALUE	MARKET VALUE	UNREALIZED GAINS (LOSSES)	Mkt Value/ Book Value
112	State Charitable					
	<i>Shares in Large-Cap 500 Equity Fund</i>	30,828	28,865	34,746	5,881	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	7,517	9,206	14,440	5,235	
	<i>Shares in Small-Cap 600 Equity Fund</i>	7,623	7,420	7,256	(164)	
	<i>Shares in Fixed Income Fund</i>	24,164	30,959	42,224	11,265	
	Total	70,132	76,450	98,666	22,217	1.291
113	University Fund					
	<i>Shares in Large-Cap 500 Equity Fund</i>	4,905	4,721	5,529	807	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	1,367	1,508	2,626	1,118	
	<i>Shares in Small-Cap 600 Equity Fund</i>	1,394	1,357	1,327	(30)	
	<i>Shares in Fixed Income Fund</i>	4,300	5,063	7,513	2,450	
	Total	11,966	12,650	16,995	4,345	1.344
114	U Of A Land - 1881					
	<i>Shares in Large-Cap 500 Equity Fund</i>	14,203	14,232	16,008	1,776	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	3,648	4,536	7,008	2,472	
	<i>Shares in Small-Cap 600 Equity Fund</i>	3,867	3,763	3,681	(82)	
	<i>Shares in Fixed Income Fund</i>	11,964	15,247	20,906	5,659	
	Total	33,682	37,778	47,603	9,825	1.260
TOTALS - ALL FUNDS						
	<i>Shares in Large-Cap 500 Equity Fund</i>	978,721	948,202	1,103,126	154,924	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	249,317	302,639	478,954	176,315	
	<i>Shares in Small-Cap 600 Equity Fund</i>	254,809	247,942	242,540	(5,402)	
	<i>Shares in Fixed Income Fund</i>	796,145	1,016,030	1,391,156	375,126	
	Grand Total	2,278,993	2,514,814	3,215,777	700,963	
	PRIOR YEAR:					
	NOVEMBER 2010 BALANCES	2,149,709	2,428,292	3,049,661	621,369	

**ENDOWMENT FUNDS
INVESTMENTS OUTSTANDING
NOVEMBER 30, 2011**

State Treasurer's Report
December 27, 2011
Page 25

ASSET ALLOCATION PERCENTAGE

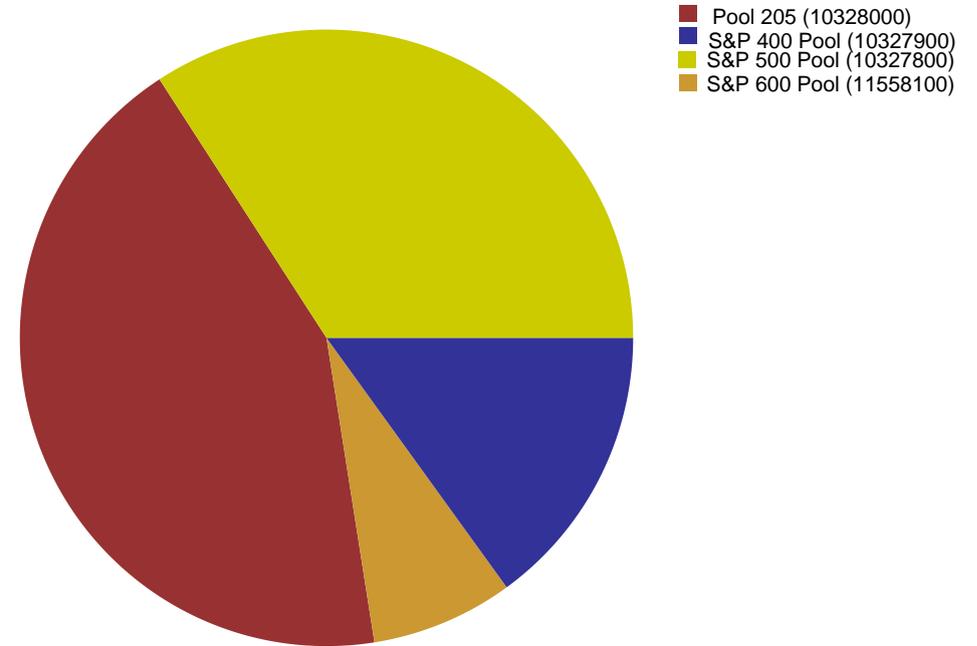
	SHARES OUTSTANDING	BOOK VALUE	MARKET VALUE	NOVEMBER 2010 MARKET VALUE
<i>Shares in Large-Cap 500 Equity Fund</i>	42.95%	37.70%	34.30%	32.20%
<i>Shares in Mid-Cap 400 Equity Fund</i>	10.94%	12.03%	14.89%	15.43%
<i>Shares in Small-Cap 600 Equity Fund</i>	11.18%	9.86%	7.54%	0.00%
<i>Shares in Fixed Income Fund</i>	34.93%	40.40%	43.26%	52.37%
Total	100.00%	100.00%	100.00%	100.00%

Performance Worksheet
Arizona State Treasury (05509)
As of November 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	1,107,354,420.95	1,103,126,047.81	-1,759,505	(0.22)	2.90	1.04	(4.68)	7.78	14.17	(0.10)	0.35	07/01/1999
10327900	S&P 400 Pool	480,998,067.88	478,953,831.00	-754,073	(0.26)	1.45	(1.27)	(9.07)	5.18	19.65	3.14	6.80	08/01/2001
10328000	Pool 205	1,392,859,716.55	1,391,156,343.68	-2,010,862	0.02	0.70	4.50	3.17	4.25	6.48	5.73	6.06	07/01/1999
11558100	S&P 600 Pool	241,502,502.25	242,540,418.72	-502,716	0.65	3.79		(7.22)				(4.72)	03/01/2011
00550902	Total Endowment Fund Composite	3,222,714,707.63	3,215,776,641.21	-5,027,156	(0.06)	1.94	2.20	(1.71)	5.30	10.56	3.36	4.84	07/01/1999

Manager Allocation - Daily
Arizona State Treasury (05509)
 As of November 30, 2011

Total Endowment Fund Composite (00550902)		
Account Name	Market Value(MIL)	Percent of Portfolio
Pool 205 (10328000)	1,391.16	43.3%
S&P 400 Pool (10327900)	478.95	14.9%
S&P 500 Pool (10327800)	1,103.13	34.3%
S&P 600 Pool (11558100)	242.54	7.5%
TOTAL	3,215.78	100.0%



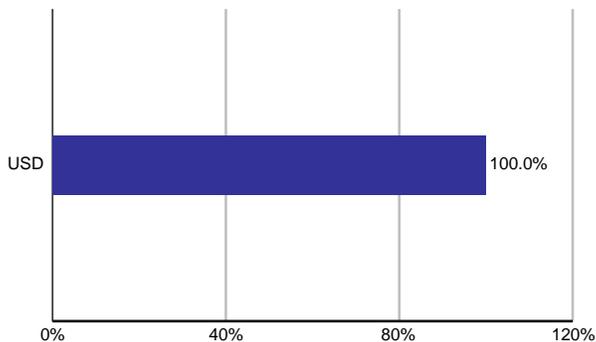
Portfolio Characteristics

			Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Since Inception
Total Asset Value (in Millions)	1,103.1		0.05	0.14	0.27	1.71
P/E Ratio	14.20	Tracking Error	(0.99)	0.33	0.27	(0.41)
Price to Book Ratio	1.99	Information Ratio	17.15	18.90	18.79	16.40
Dividend Yield (%)	2.12	Std Deviation of Port.	17.19	18.97	18.89	16.27
Return on Equity (%)	18.92	Sharpe Ratio of Port.	0.45	0.74	(0.09)	(0.14)
Sales Growth (%)	7.95	Sharpe Ratio of Bench.	0.45	0.74	(0.09)	(0.10)
Market Capitalization (\$ Millions)	88,556.04	R-Squared	1.00	1.00	1.00	0.99
Earnings per Share (\$)	4.87	Jensen's Alpha	(0.03)	0.09	0.06	(0.70)
Number of Holdings	502					

Top Ten Portfolio Holdings

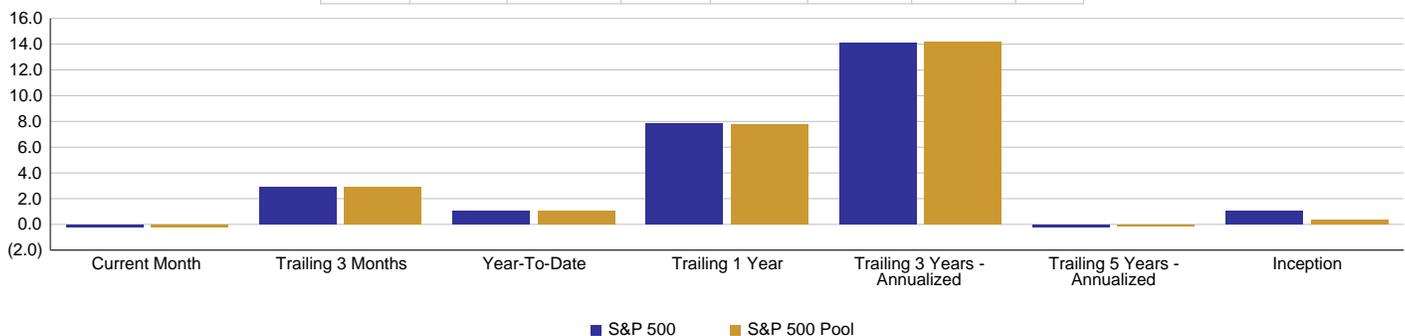
Security ID	Security Name	% of Assets
78462F103	SPDR S&P 500 ETF TRUST	3.54%
30231G102	EXXON MOBIL CORP - COM NPV	3.33%
037833100	APPLE INC - COM NPV	3.00%
459200101	INTL BUSINESS MACHINES CORP - COM USD.2	1.91%
166764100	CHEVRON CORP - COM USD3	1.76%
594918104	MICROSOFT CORP - COM USD.00000625	1.63%
478160104	JOHNSON & JOHNSON - COM USD1	1.51%
742718109	PROCTER & GAMBLE CO - COM NPV	1.50%
00206R102	AT&T INC - COM USD1	1.45%
369604103	GENERAL ELECTRIC CO - COM USD.63	1.43%

Top Ten Currency Weights

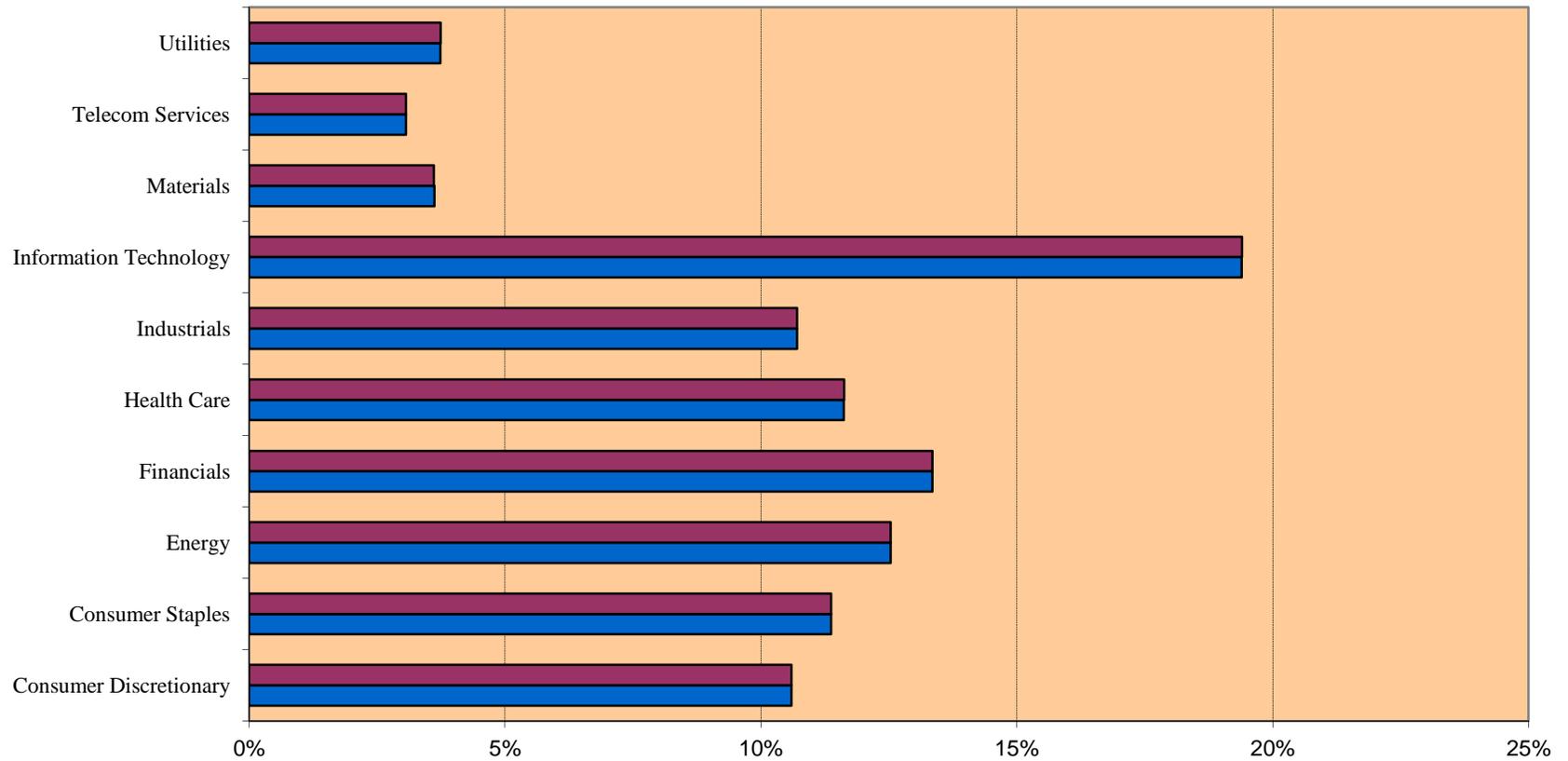


Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
S&P 500 Pool	(0.22)	2.90	1.04	7.78	14.17	(0.10)	0.35
S&P 500	(0.22)	2.90	1.08	7.83	14.13	(0.18)	1.05
Excess	0.00	(0.01)	(0.03)	(0.05)	0.05	0.07	(0.70)



**STATE OF ARIZONA
POOL 201 (S&P 500)
As of November 30, 2011**



	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Information Technology	Materials	Telecom Services	Utilities
■ S&P 500 Index	10.60%	11.37%	12.54%	13.35%	11.62%	10.71%	19.40%	3.61%	3.06%	3.74%
■ STATE OF ARIZONA - POOL 201	10.60%	11.37%	12.54%	13.35%	11.62%	10.71%	19.40%	3.62%	3.06%	3.74%



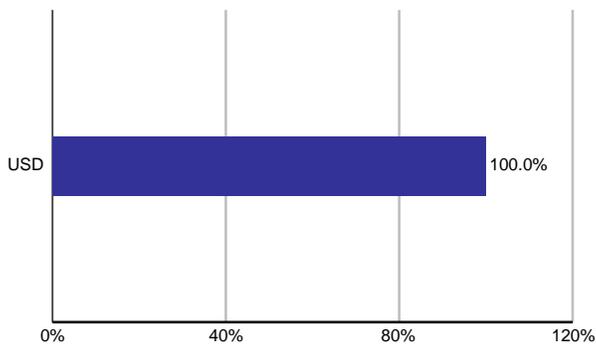
Portfolio Characteristics

		Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Since Inception
Total Asset Value (in Millions)	479.0				
P/E Ratio	19.25	0.07	2.06	2.10	2.12
Price to Book Ratio	2.03	1.05	(0.96)	(0.07)	(0.01)
Dividend Yield (%)	1.42	22.06	21.15	21.87	17.94
Return on Equity (%)	12.57	22.10	22.20	22.63	18.93
Sales Growth (%)	7.26	0.23	0.92	0.07	0.27
Market Capitalization (\$ Millions)	3,511.95	0.23	0.97	0.08	0.25
Earnings per Share (\$)	2.49	1.00	0.99	0.99	0.99
Number of Holdings	402	0.09	(0.90)	(0.09)	0.24
	Tracking Error				
	Information Ratio				
	Std Deviation of Port.				
	Std Deviation of Bench.				
	Sharpe Ratio of Port.				
	Sharpe Ratio of Bench.				
	R-Squared				
	Jensen's Alpha				

Top Ten Portfolio Holdings

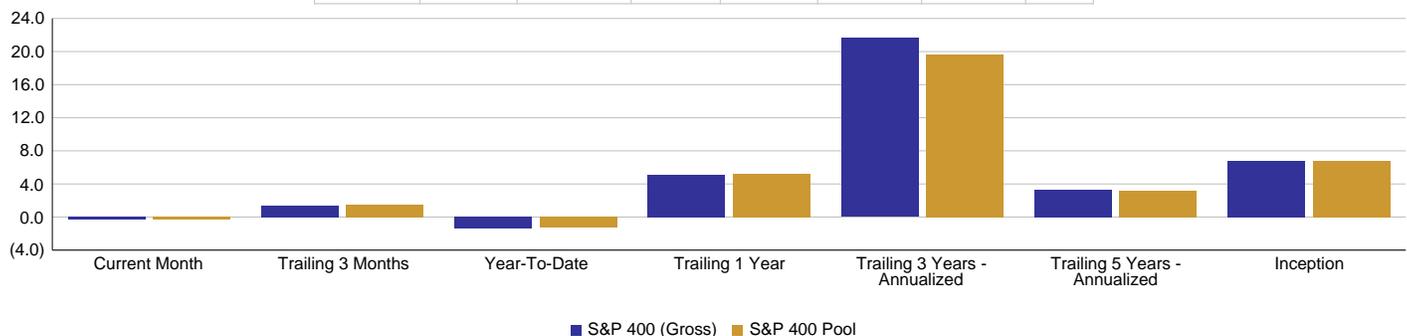
Security ID	Security Name	% of Assets
78467Y107	SPDR S&P MIDCAP 400 ETF TRUST	2.59%
256746108	DOLLAR TREE INC - COM USD.01	0.90%
714290103	PERRIGO CO - COM NPV	0.82%
485170302	KANSAS CITY SOUTHERN - COM NPV	0.68%
099724106	BORGWARNER INC - COM USD.01	0.65%
411310105	HANSEN NATURAL CORP - COM USD.005	0.64%
031100100	AMETEK INC - COM USD1	0.63%
393122106	GREEN MTN COFFEE ROASTERS - COM USD.1	0.61%
554382101	MACERICH CO - COM USD.01	0.60%
171340102	CHURCH & DWIGHT INC - COM NPV	0.58%

Top Ten Currency Weights

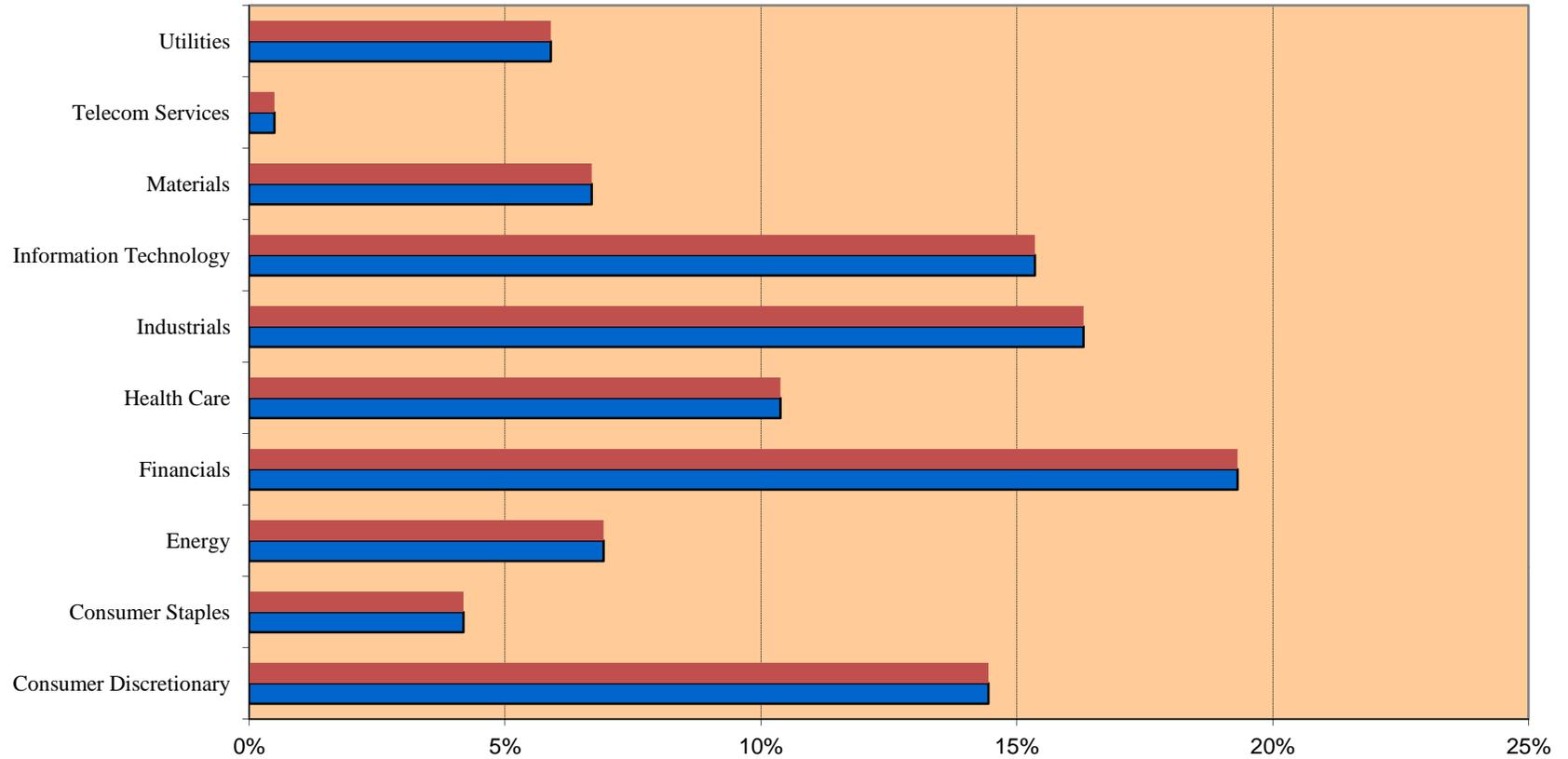


Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
S&P 400 Pool	(0.26)	1.45	(1.27)	5.18	19.65	3.14	6.80
S&P 400 (Gross)	(0.30)	1.40	(1.36)	5.10	21.63	3.29	6.83
Excess	0.04	0.05	0.10	0.08	(1.98)	(0.15)	(0.03)



**STATE OF ARIZONA
POOL 203 (S&P MIDCAP 400)
As of November 30, 2011**



	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Information Technology	Materials	Telecom Services	Utilities
■ S&P MIDCAP 400	14.45%	4.19%	6.93%	19.31%	10.38%	16.31%	15.35%	6.70%	0.49%	5.90%
■ STATE OF ARIZONA - POOL 203	14.45%	4.19%	6.93%	19.31%	10.38%	16.30%	15.35%	6.70%	0.49%	5.90%



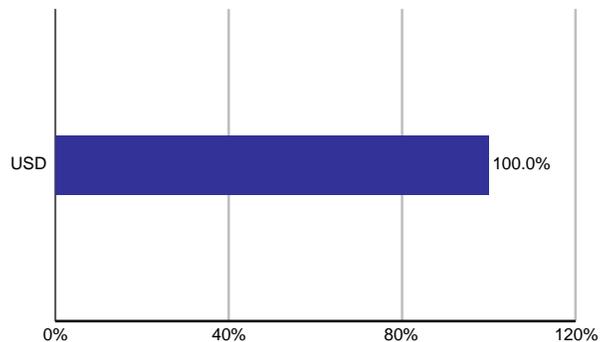
Portfolio Characteristics

			Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Since Inception
Total Asset Value (in Millions)	242.5		-	-	-	-
P/E Ratio	21.80	Tracking Error	-	-	-	-
Price to Book Ratio	1.78	Information Ratio	-	-	-	-
Dividend Yield (%)	1.20	Std Deviation of Port.	-	-	-	-
Return on Equity (%)	10.70	Std Deviation of Bench.	-	-	-	-
Sales Growth (%)	10.39	Sharpe Ratio of Port.	-	-	-	-
Market Capitalization (\$ Millions)	1,229.40	Sharpe Ratio of Bench.	-	-	-	-
Earnings per Share (\$)	1.45	R-Squared	-	-	-	-
Number of Holdings	601	Jensen's Alpha	-	-	-	-

Top Ten Portfolio Holdings

Security ID	Security Name	% of Assets
464287804	ISHARES TRUST S&P SMALLCAP 600 INDEX FUND	2.27%
75886F107	REGENERON PHARMACEUT - COM USD.001	0.94%
42224N101	HEALTHSPRING INC - COM USD	0.78%
981475106	WORLD FUEL SERVICES CORP - COM USD.01	0.64%
74835Y101	QUESTCOR PHARMACEUTICALS INC - COM NPV	0.59%
09063H107	BIOMED REALTY TRUST INC - COM USD.01	0.58%
637417106	NATIONAL RETAIL PROPERTIES - COM USD.01	0.56%
795435106	SALIX PHARMACEUTICALS LTD - COM NPV	0.55%
40425J101	HMS HOLDINGS CORP - COM USD.01	0.54%
179895107	CLARCOR INC - COM USD1	0.51%

Top Ten Currency Weights

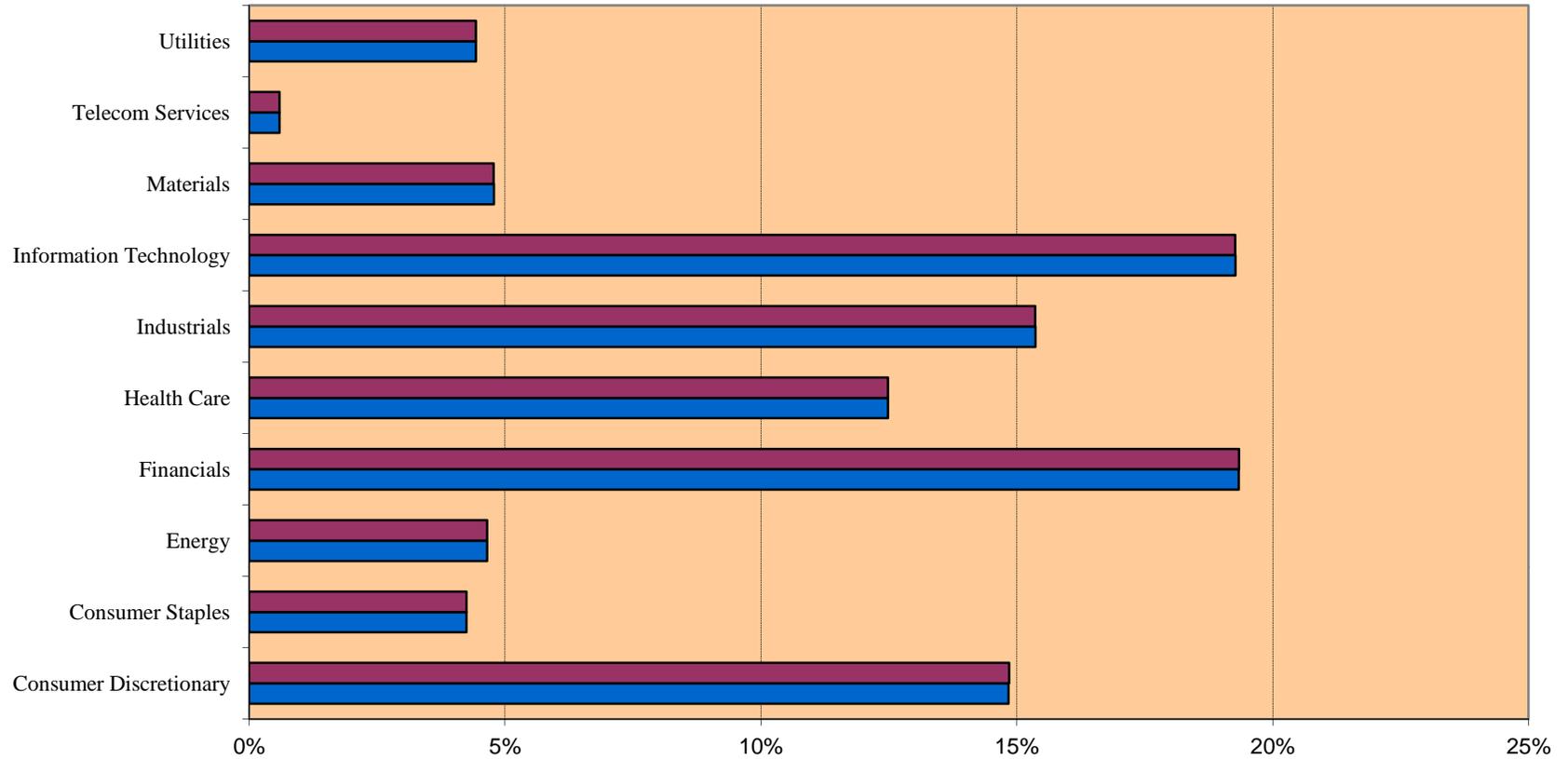


Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
S&P 600 Pool	0.65	3.79					(4.72)
S&P 600 (Gross)	0.63	3.82					(4.59)
Excess	0.02	(0.02)	(0.00)	(0.00)	(0.00)	(0.00)	(0.13)



**STATE OF ARIZONA
POOL 204 (S&P 600 Index)
As of November 30, 2011**



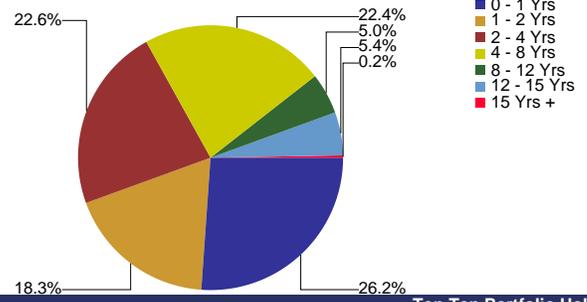
	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Information Technology	Materials	Telecom Services	Utilities
■ S&P 600 Index	14.85%	4.24%	4.65%	19.34%	12.48%	15.36%	19.27%	4.78%	0.59%	4.43%
■ STATE OF ARIZONA - POOL 204	14.84%	4.25%	4.65%	19.34%	12.48%	15.37%	19.27%	4.78%	0.59%	4.43%

S&P 600 Index
 STATE OF ARIZONA - POOL 204

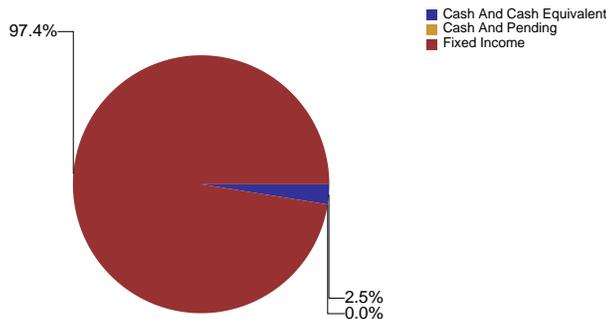
Portfolio Characteristics

Total Net Assets (Millions) 1,391.2
Weighted Average Life (Years) 5.11
Weighted Avg. Effective Duration (Years) 3.49
Weighted Average Coupon (%) 4.48
Weighted Average Current Yield (%) 1.59
Weighted Average Yield to Maturity (%) 1.63
Weighted Average Rating AA
Number of Holdings 238

Duration Mix



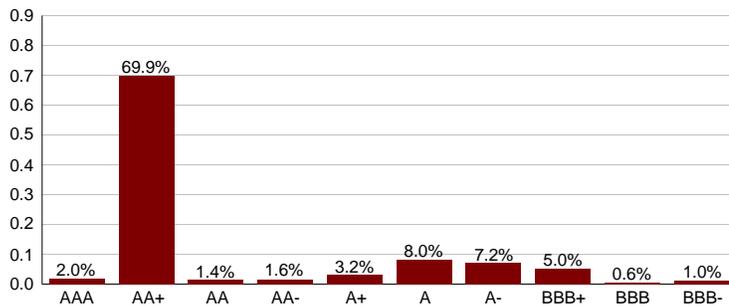
Asset Mix



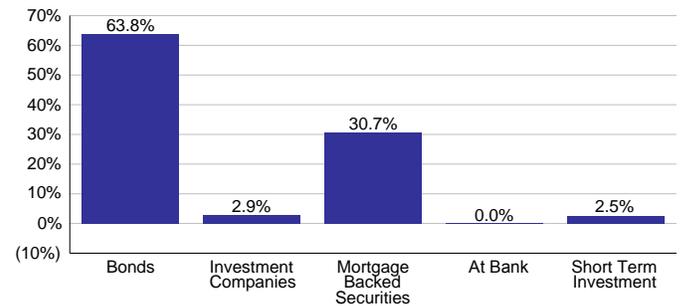
Top Ten Portfolio Holdings

Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
539992AA5	LOCAL GOVERNMENT INVESTMENT POOL	2.29%	0.00	31/12/2049
31359MQV8	FEDERAL NATIONAL MORTGAGE ASSOC 4.75% BDS	1.53%	4.75	21/2/2013
947513BB	LONG TERM POOL	1.47%	0.00	31/12/2049
958268S	LONG TERM GOV'T POOL	1.47%	0.00	31/12/2049
912810FA1	US 6.37500 '27	1.08%	6.38	15/8/2027
912810ED6	US 8.12500 '19	1.08%	8.12	15/8/2019
740816AD5	PRESIDENT & FELLOWS HARVARD COLLEGE 5.625% BDS	0.93%	5.62	1/10/2038
20825CAP9	CONOCOPHILLIPS 5.9% BDS 15/MAY/2038 USD1000	0.86%	5.90	15/5/2038
92343VAM6	VERIZON COMMUN 6.1% NTS 15/APR/2018 USD1000	0.86%	6.10	15/4/2018
912828JH4	US 4.00000 '18	0.85%	4.00	15/8/2018

Quality/Rating Weightings

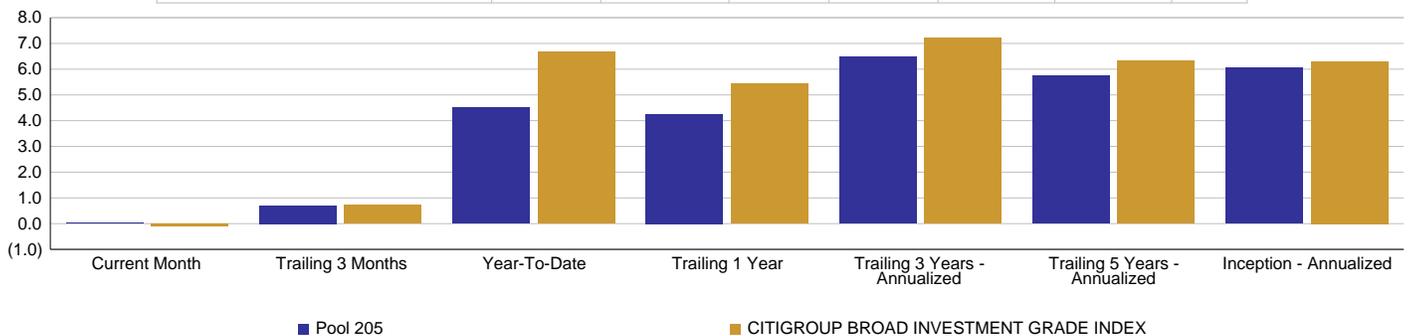


Sector Weightings (as % of Market Value)



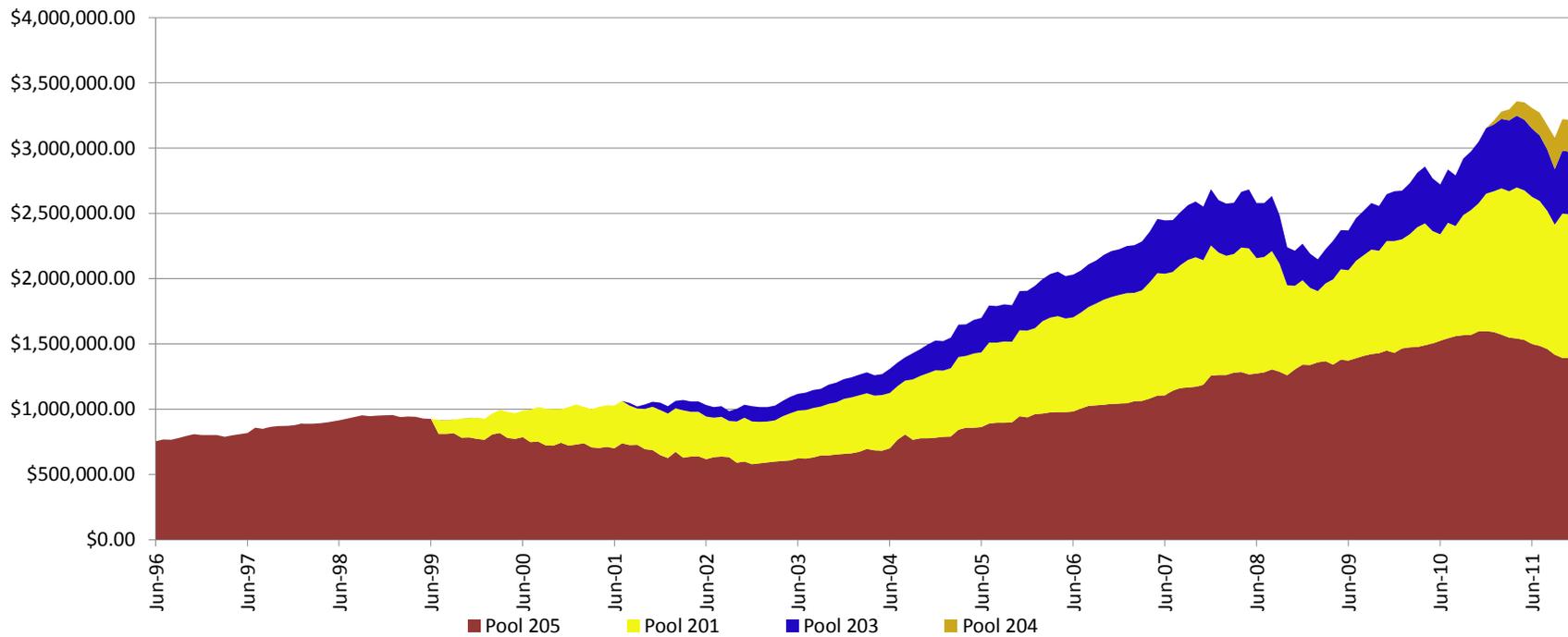
Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
Pool 205	0.02	0.70	4.50	4.25	6.48	5.73	6.06
CITIGROUP BROAD INVESTMENT GRADE INDEX	(0.10)	0.72	6.67	5.43	7.22	6.33	6.30
Excess	0.13	(0.02)	(2.16)	(1.18)	(0.75)	(0.60)	(0.25)



Thousands

Endowment Fund Market Value

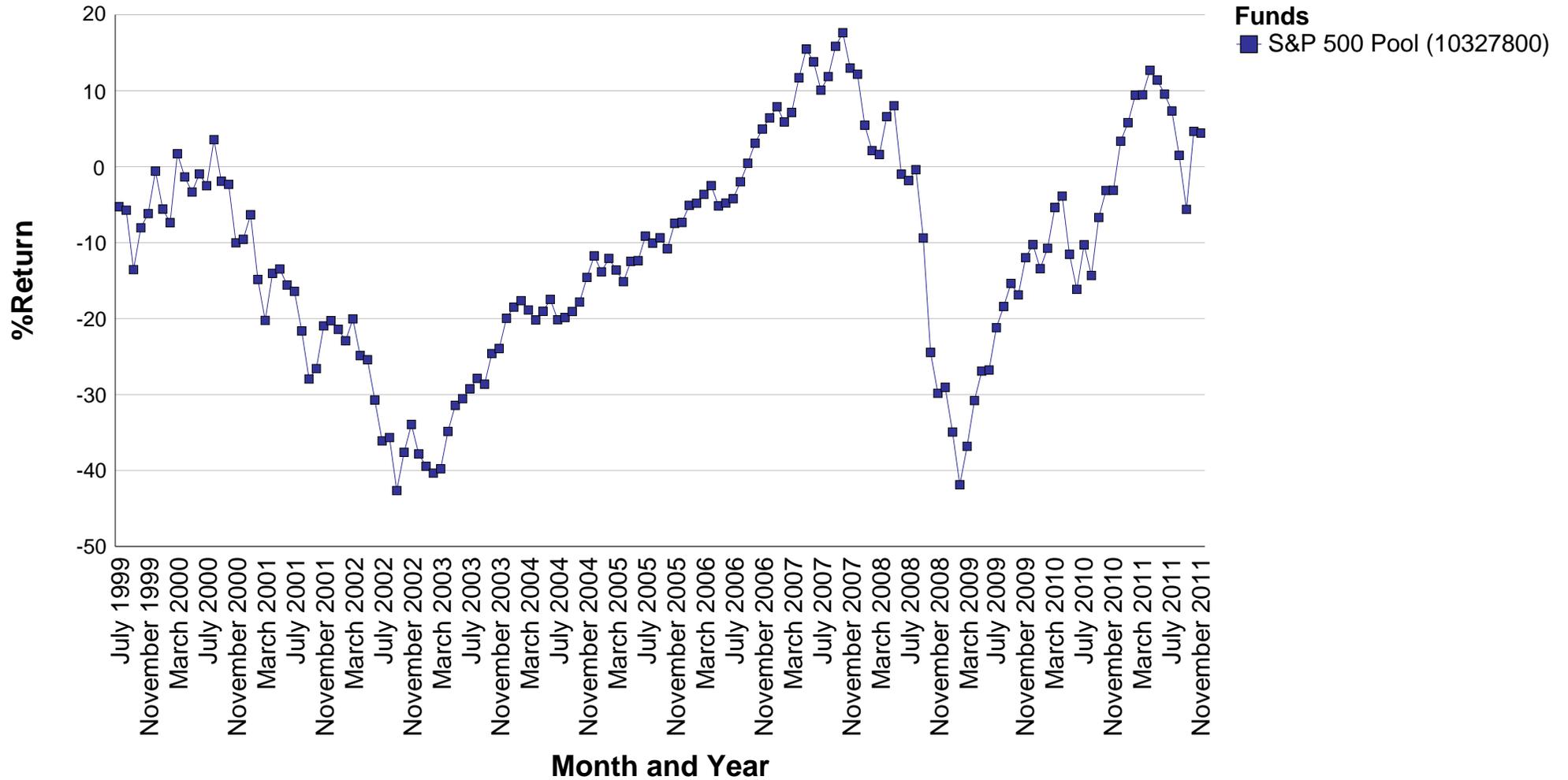


Performance Growth by Account

Arizona State Treasury (05509)

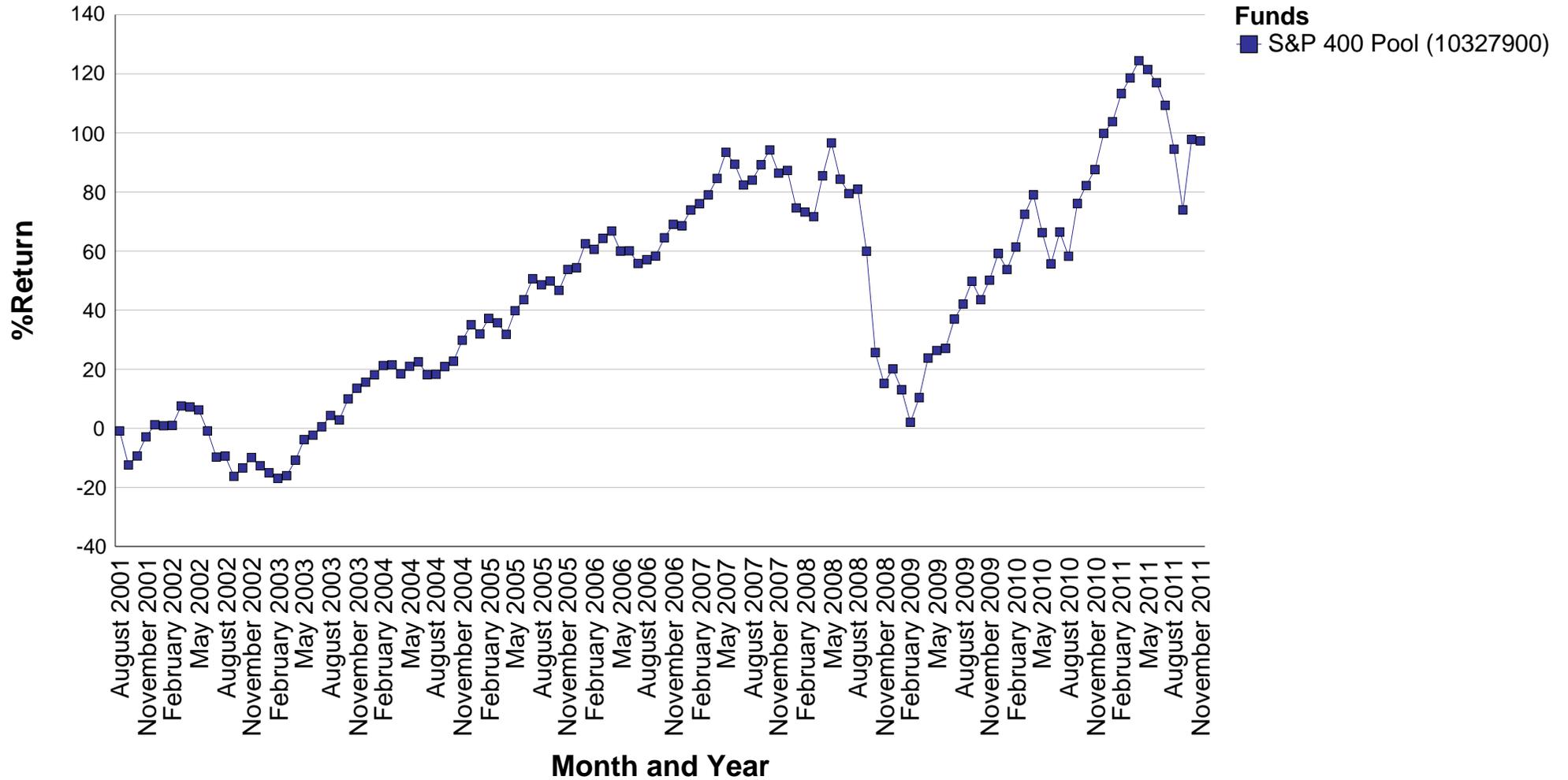
From July 1999 to November 2011

Gross of Fee



Performance Growth by Account

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

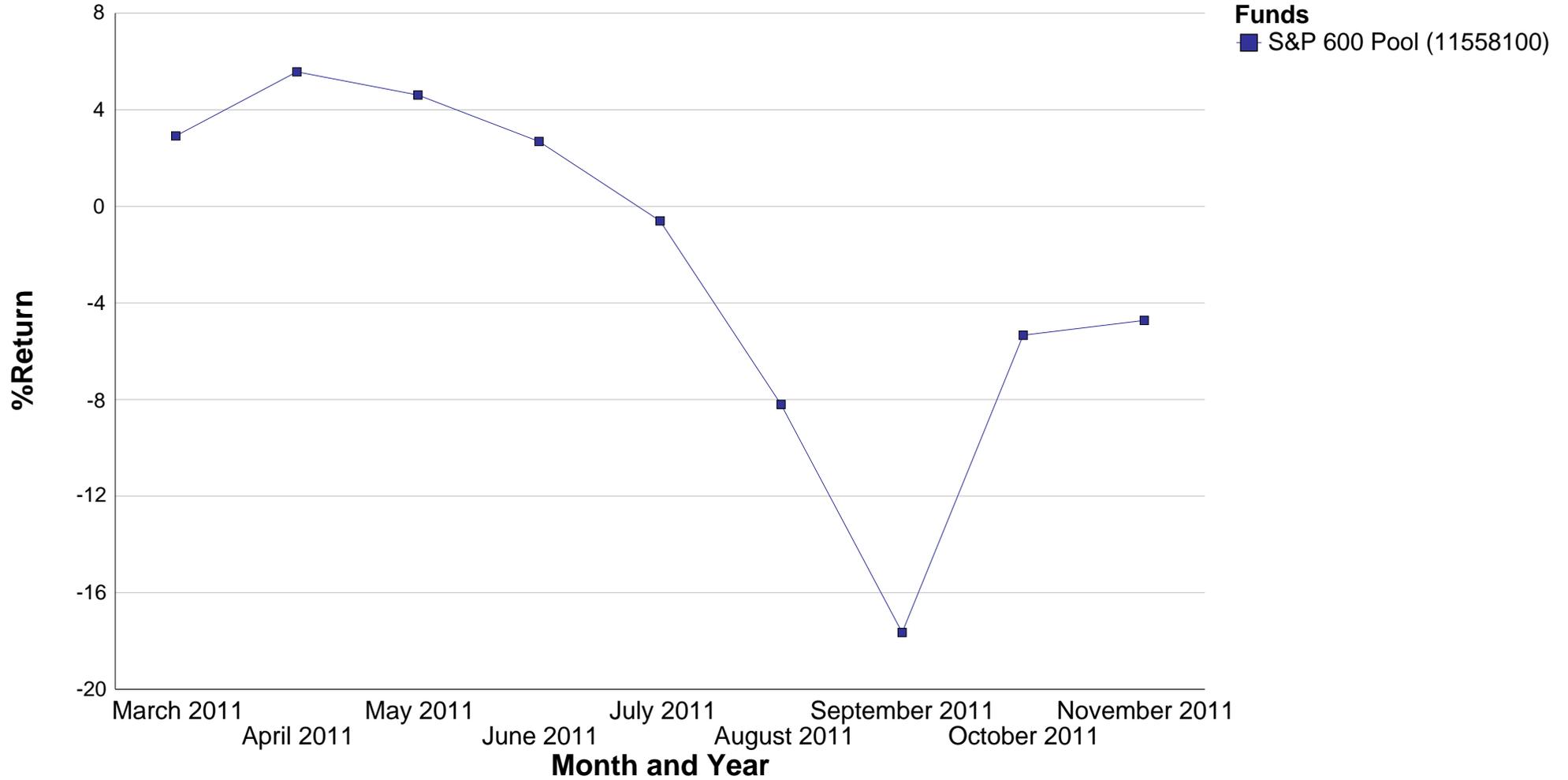


Performance Growth by Account

Arizona State Treasury (05509)

From March 2011 to November 2011

Gross of Fee



Performance Growth by Account

Arizona State Treasury (05509)

From July 1999 to November 2011

Gross of Fee

