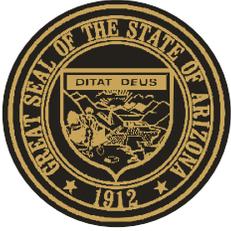


OFFICE OF THE
ARIZONA STATE TREASURER



Doug Ducey
TREASURER



OCTOBER 2011

Presented To:

Arizona State Board of Investment

NOVEMBER 22, 2011

STATE BOARD OF INVESTMENT

A G E N D A

November 22, 2011

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

REPORT OF THE STATE TREASURER

FOR

November 22, 2011

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**Minutes of
BOARD OF INVESTMENT MEETING**

The regular meeting of the State Board of Investment was held on October 25, 2011 in the Office of the State Treasurer, 1700 West Washington, State Capitol, West Wing, Treasurer's Conference Room, Phoenix, Arizona. Treasurer Ducey, Chair called the meeting to order at approximately 1:36 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

Members Absent:

Beth Ford, Treasurer, Pima County

Others Present:

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

Pursuant to A.R.S. 35-311, the following reports for September, 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
Broker Activity Report

1. Call to Order:

Treasurer Ducey called the October 25, 2011 BOI meeting to order at approximately 1:36 pm.

2. Treasurers Comments:

Treasurer Ducey welcomed board members and guests and thanked all present for attending the October 25, 2011 meeting.

3. Approval of Minutes:

Mr. Maguire made a motion to approve the September 27, 2011 minutes. Mr. Kingry seconded the motion. Motion carried.

4. Review of Treasurer's Monthly Report

Earnings Distribution – Investment Pools

Ms. Humbert 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 September, 2011.

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

Ms. Humbert 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

Ms. Humbert reported the net yields for the LGIP and LGIP-Gov Pools, as well as the comparisons to their relative benchmarks for the month of September, 2011.

Pool 500 & Pool 700 Portfolio Yield Analysis

Ms. Humbert reported the net yield for the LGIP Medium Term Pools and the comparison to the benchmark for the month of September, 2011.

Manager Allocation of Invested Monies for the LGIP Pools

Ms. Humbert 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 September 30, 2011.

LGIP Pools Investments and Performance Reports

Ms. Humbert 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 September, 2011.

Review of Treasurer's Monthly Report – Agency Pool:

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

State Agency Pools Portfolio Yield Analysis

Ms. Humbert reported the net yields for the State Agency Pools for the month of September, 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 September 30, 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 September 30, 2011.

Mr. Kingry asked for clarity regarding the significantly higher index on Fund 700, referencing page three of the Monthly Report.

In response, Mr. Swenson stated that the index consists of Treasuries in Pool 7, adding that Pool 700 has about 25% Ginnie Mae Mortgages. Mr. Swenson stated that we are looking to adopt a blended benchmark in the 2nd Quarter of this fiscal year, where you will begin to see the blended benchmarks, resulting in closer tracking to the performance of Pool 700.

Mr. Kingry also referenced the State Agency Pool, on page nine of the monthly report which appears to have a similar kind of distance, asking for clarity in this pool as well.

In response, Ms. Humbert stated that the State Agency Pool does include mortgages, adding that the pool had been tracked back and tested very well. Although the Ginnie Mae Mortgage portion is very low yielding and is currently not testing well, Ms. Humbert reiterated that the back testing did very well. Ms. Humbert was uncertain as to why this particular pool was out-performing.

Operating Monies Average Invested Balance

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

Endowment Funds Yield Analysis

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

Equity Funds Purchases & Sales

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

Investments Outstanding in Endowment Funds

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

Approval of Treasurer's Report

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

5. Proposed Changes to Investment Policy:

There were no proposed changes to the Investment Policy.

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

There were no Securities Dealers to be approved.

7. General Business:

A. Final Approval for FY2011–2012 Endowment Distribution

Treasurer Ducey shared the final numbers on inflation for the Endowment distribution formula as well as the final distribution numbers for each beneficiary for the fiscal year. Treasurer Ducey moved for a motion to approve the distribution.

Mr. Maguire made a motion to approve the Endowment Distribution. Mr. Smith seconded the motion. Motion carried.

Mr. Swenson provided an update on the Asset Allocation Study, stating that seven responses were received from the RFP, noting that the five member investment risk management committee scored independently of each other; selecting the highly regarded Meketa Investment Group, the same consulting group also used by the ASRS. Mr. Swenson stated that while the bulk of the study would be completed by the end of the year, a follow up meeting would be scheduled in combination with the January 2012 Board of Investment, dedicating approximately two hours to go through the educational process. The Board of Investment and the Trustees would aid in setting the direction on the target and the return that we are looking for in the asset allocation for the Endowment.

8. Call to the Public

No call to the public.

9. Notice of Next Meeting:

The Treasurer advised the Board that the next regular meeting of the Board of Investment will be Tuesday, November 22, 2011 at 1:30 p.m. at 1700 West Washington, State Capitol, West Wing, Treasurer's Conference Room, Phoenix, Arizona.

10. Adjournment:

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

Respectfully Submitted by:

Barbara Conley
Executive Consultant II

Approved by:

Doug Ducey, Chair

Date

**EARNINGS DISTRIBUTION - INVESTMENT POOLS
 OCTOBER 2011**

Recipient	Earnings Distributed			Fiscal YTD Investment Management Fees Received
	OCTOBER 2011	Fiscal YTD 11/12	Fiscal YTD 10/11	
General Fund	\$552,672	\$2,602,432	\$2,094,649	
2 State Agencies I - Full Faith & Credit	651,033	2,533,273	2,320,994	182,391
3 State Agencies II - Diversified	884,920	3,174,407	2,790,122	338,769
4 State Agencies IV - Restricted Diversified	302,586	1,201,608	1,082,944	124,494
5 LGIP	204,850	762,303	1,339,885	281,472
7 LGIP Gov	99,162	292,330	881,505	322,654
12 CAWCD Medium-Term	533,291	2,098,964	1,173,748	55,826
15 GADA Long-Term	22,813	108,994	100,281	2,445
Subtotal	\$3,251,326	\$12,774,311	\$11,784,129	\$1,308,051
NAV POOL				
500 LGIP - Med Term	250,675	1,033,095	805,423	42,733
700 LGIP - FF&C Med Term	94,892	398,969	465,840	24,975
Total	\$3,596,893	\$14,206,376	\$13,055,391	\$1,375,758
OCTOBER 2010 TOTALS	\$3,059,155			\$1,390,271

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

NET EARNINGS

FUND	DESCRIPTION	Current Month 10/31/11	Prior Month 09/30/11	Prior Year 10/31/10	Net Asset Value Per Share
5	LGIP	206,239	195,213	296,653	0.9999
7	LGIP - GOV	99,430	79,680	220,976	1.0000
	TOTAL LGIP & LGIP-GOV	305,670	274,893	517,629	

YIELDS

<u>MONTHLY</u>		Current Month 10/31/11	Prior Month 09/30/11	Prior Year 10/31/10
5	LGIP (NET)	0.18%	0.17%	0.21%
	S & P LGIP INDEX	0.07%	0.07%	0.16%
7	LGIP - GOV (NET)	0.08%	0.06%	0.14%
	3 MONTH T-BILL	0.01%	0.01%	0.12%
<u>YEAR TO DATE</u>				
5	LGIP (NET)	0.16%	0.16%	0.23%
	S & P LGIP INDEX	0.07%	0.07%	0.18%
7	LGIP - GOV (NET)	0.06%	0.05%	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
OCTOBER 31, 2011**

NET EARNINGS

FUND	DESCRIPTION	Current Month 10/31/11	Prior Month 09/30/11	Prior Year 10/31/10	Net Asset Value Per Share
500	LGIP - MED TERM POOL	276,694	297,247	225,320	1.0381
700	LGIP - FF&C MED TERM POOL	113,763	120,941	123,846	1.0139
	TOTAL LGIP MEDIUM TERM POOLS	390,458	418,188	349,166	

YIELDS

MONTHLY

	Current Month 10/31/11	Prior Month 09/30/11	Prior Year 10/31/10
500 LGIP - MED TERM (NET)	1.56%	1.68%	1.71%
MERRILL 1-5 US D M INDEX	1.61%	1.53%	1.58%
700 LGIP - FF&C MED TERM (NET)	1.11%	1.18%	1.14%
75% MERRILL 1-5 US TREAS INDEX / 25% MERRILL GNMA MORTGAGE MASTER INDEX	0.92%	0.87%	0.94%

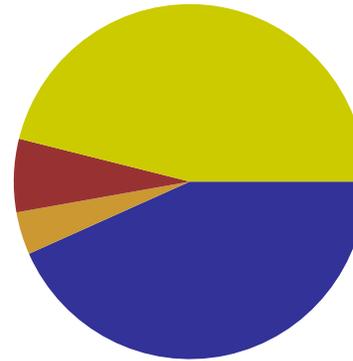
YEAR TO DATE

500 LGIP - MED TERM (NET)	1.67%	1.70%	1.87%
MERRILL 1-5 US D M INDEX	1.55%	1.53%	1.51%
700 LGIP - FF&C MED TERM (NET)	1.17%	1.19%	1.13%
75% MERRILL 1-5 US TREAS INDEX / 25% MERRILL GNMA MORTGAGE MASTER INDEX	0.97%	0.99%	1.03%

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

LGIP composite (00550903)		
Account Name	Market Value(MIL)	Percent of Portfolio
State of Arizona - Pool 5 (LGIP) (10327300)	1,400.19	43.3%
State of Arizona - Pool 7 (LGIP - FF&C) (10327400)	1,493.47	46.2%
State of Arizona - Pool 500 (LGIP - Med Term) (10327700)	216.14	6.7%
State of Arizona - Pool 700 (LGIP-FF&C Med Term) (10563200)	122.59	3.8%
TOTAL	3,232.39	100.0%

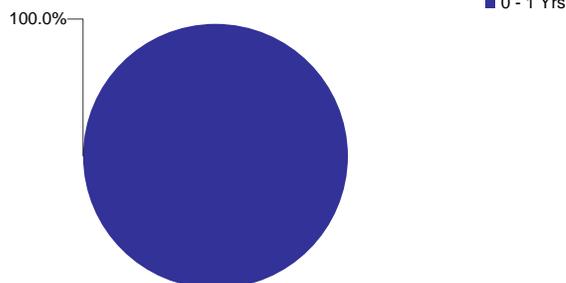
- State of Arizona - Pool 5 (LGIP) (10327300)
- State of Arizona - Pool 7 (LGIP - FF&C) (10327400)
- State of Arizona - Pool 500 (LGIP - Med Term) (10327700)
- State of Arizona - Pool 700 (LGIP-FF&C Med Term) (10563200)



Portfolio Characteristics

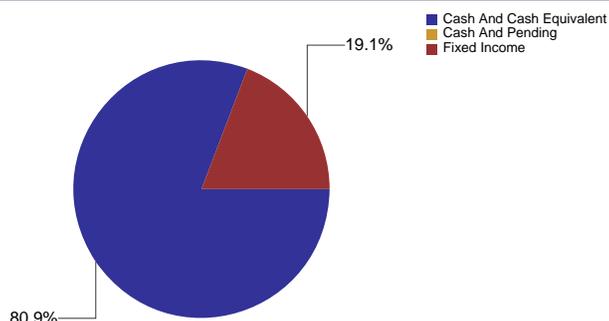
Duration Mix

Total Net Assets (Millions) **1,400.2**
 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 **77**



Asset Mix

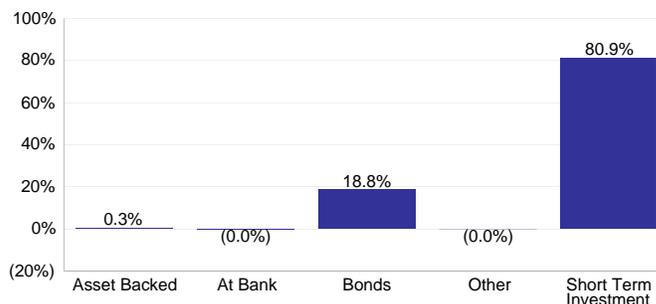
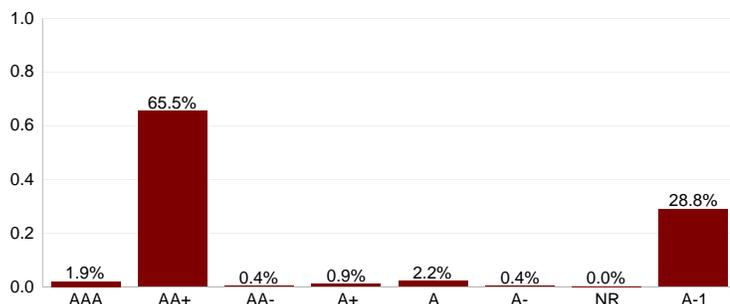
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
46999W014	TRI-PARTY REPO JP MORGAN 0.30% 01/NOV/2011	17.94%	0.30	1/11/2011
85299Z061	TRI-PARTY REPO SOUTH STREET 0.12% 01/NOV/2011	9.87%	0.12	1/11/2011
46999W022	TRI-PARTY REPO JP MORGAN REPO SWEEP	7.14%	0.20	1/11/2011
85299Z038	TRI-PARTY REPO SOUTH STREET 0.13% 03/NOV/2011	7.14%	0.13	3/11/2011
G34993496	FIDELITY INVESTMENTS - PRIME MONEY MARKET	4.50%	0.00	1/11/2011
313372EV2	FEDERAL HOME LOAN BANKS CONS BD FLT 12 13/JAN/2012	3.57%	0.17	13/1/2012
313370FV5	FED HOME LOAN BK FR DEB 03/FEB/2012 USD1000	1.79%	0.13	3/2/2012
313372EU4	FEDERAL HOME LOAN BANKS CONS BD FLT 12 24/JAN/2012	1.79%	0.19	24/1/2012
36967HBA4	GENL ELEC CAP CORP FDIC TLGP GTD SR NT FLT 12	1.43%	0.35	21/9/2012
61757UAN0	MORGAN STANLEY FRN 13/MAR/2012 USD1000	1.43%	0.54	13/3/2012

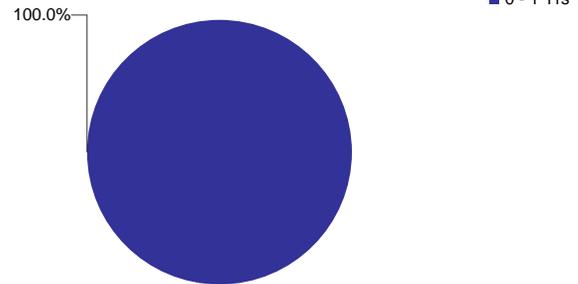
Quality/Rating Weightings

Sector Weightings (as % of Market Value)

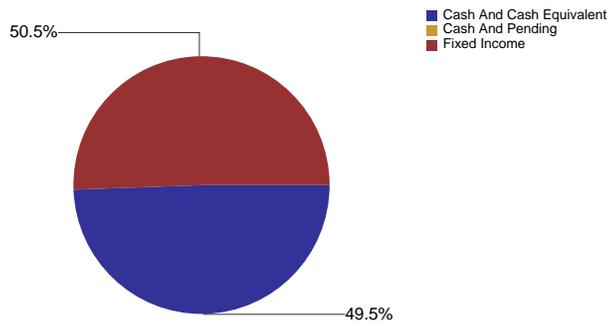


Portfolio Characteristics Duration Mix

Total Net Assets (Millions) 1,493.5
Weighted Average Life (Years) 0.08
Weighted Avg. Effective Duration (Years) 0.07
Weighted Average Maturity (Years) 0.08
Weighted Average Rating AA+
Number of Holdings 31

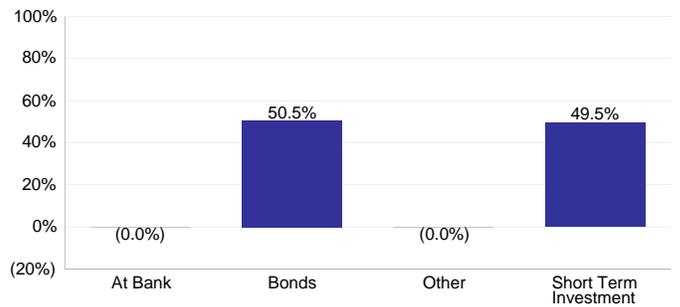
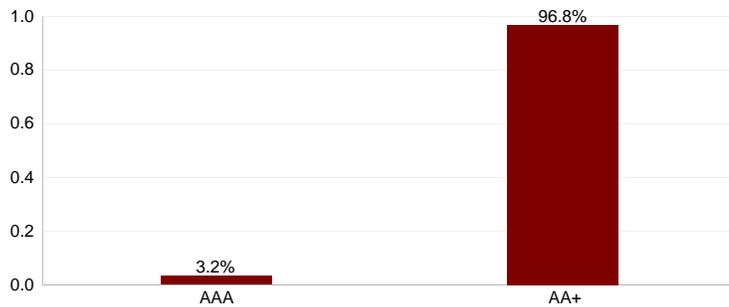


Asset Mix Top Ten Portfolio Holdings



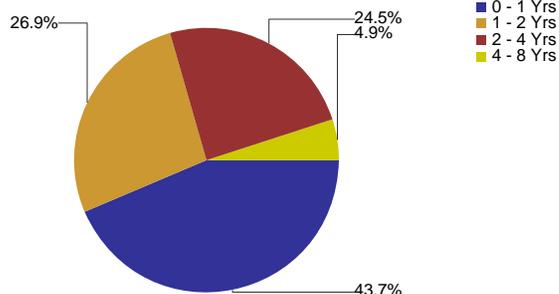
Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
65599W935	TRI-PARTY REPO NOMURA 0.12% 01/NOV/2011	29.34%	0.12	1/11/2011
60699B345	TRI-PARTY REPO MIZUHO SECURITIES 0.05% 03/NOV/2011	13.39%	0.05	3/11/2011
912828GA2	US TREAS NTS 04.500% 30/NOV/2011	6.50%	4.50	30/11/2011
7591EAAB9	REGIONS BANK 3.25% BDS 09/DEC/2011 USD1000	6.42%	3.25	9/12/2011
912828GC8	US TREAS NTS 04.625% 31/DEC/2011	3.42%	4.62	31/12/2011
61757UAB6	MORGAN STANLEY 3.25% 01/DEC/2011	3.40%	3.25	1/12/2011
975709D	ALLIANCE BANK OF ARIZONA REPO SWEEP 0.226%	3.38%	0.23	1/12/2011
912828MU1	UNITED STATES TREAS NTS 1.000% 31/MAR/2012	3.36%	1.00	31/3/2012
912828ML1	UNITED STATES OF AMER TREAS BONDS 1% BDS	3.36%	1.00	31/12/2011
912828MM9	UNITED STATES OF AMER TREAS NOTES 0% TREAS NTS	3.36%	0.75	30/11/2011

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

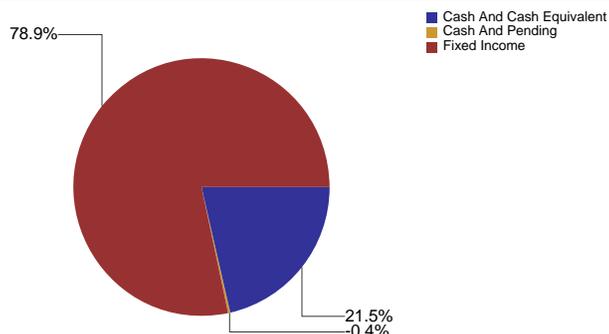


Portfolio Characteristics Duration Mix

Total Net Assets (Millions) 216.1
Weighted Average Life (Years) 1.83
Weighted Avg. Effective Duration (Years) 1.46
Weighted Average Rating AA
Number of Holdings 178

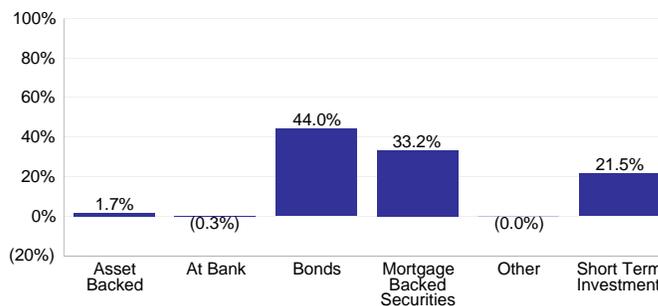
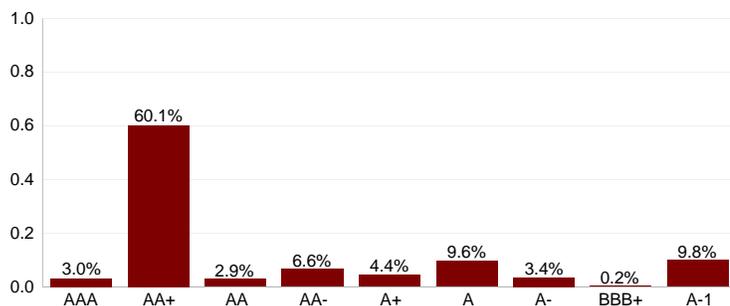


Asset Mix Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
85299Z061	TRI-PARTY REPO SOUTH STREET 0.12% 01/NOV/2011	10.60%	0.12	1/11/2011
3138A5CF7	FNMA MORTPASS 4% 01/FEB/2026 CI PN# AH3669	3.43%	4.00	1/2/2026
31416NZB1	FNMA MORTPASS 4% 01/APR/2024 CI PN# AA5237	3.37%	4.00	1/4/2024
3138ALNT0	FNMA MORTPASS 4% 01/SEP/2041 CL PN# AI6701	2.38%	4.00	1/9/2041
36967HBA4	GENL ELEC CAP CORP FDIC TLGP GTD SR NT FLT 12	2.31%	0.35	21/9/2012
3128PR3M9	FHLMCGLD MORTPASS 4% 01/JUL/2025 J1 PN# J12604	2.20%	4.00	1/7/2025
31419CZL0	FNMA MORTPASS 4.5% 01/SEP/2040 CL PN# AE2546	2.10%	4.50	1/9/2040
3128PSQ75	FHLMCGLD MORTPASS 3.5% 01/OCT/2025 J1 PN# J13178	2.09%	3.50	1/10/2025
31419AJM0	FNMA MORTPASS 4% 01/AUG/2025 CI PN# AE0267	1.96%	4.00	1/8/2025
3128PSKA4	FHLMCGLD MORTPASS 3.5% 01/SEP/2025 J1 PN# J12989	1.94%	3.50	1/9/2025

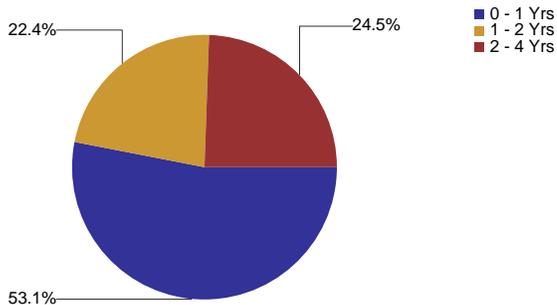
Quality/Rating Weightings Sector Weightings (as % of Market Value)



Portfolio Characteristics

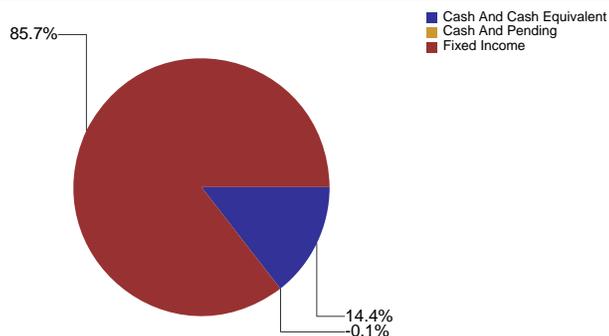
Duration Mix

Total Net Assets (Millions) **122.6**
 Weighted Average Life (Years) **1.34**
 Weighted Avg. Effective Duration (Years) **1.10**
 Weighted Average Rating **AA+**
 Number of Holdings **77**



Asset Mix

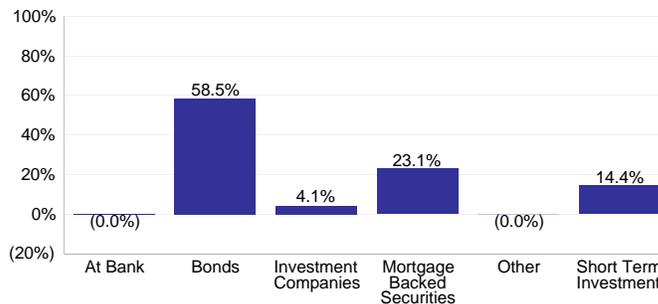
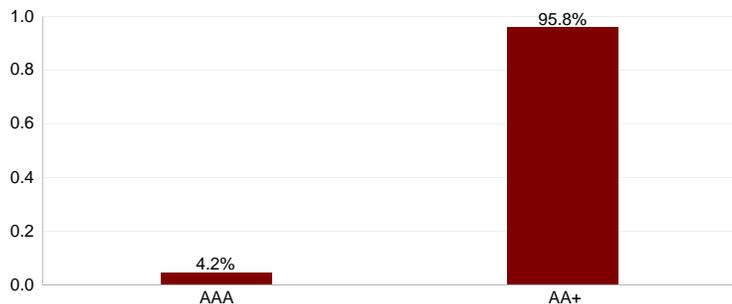
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
06050BAD3	BANK OF AMERICA CORP FRN 02/DEC/2011 USD1000	8.32%	1.00	2/12/2011
938554N	FDIC US BANK CDARS ACCOUNT 0.25% 01/DEC/2011	6.15%	0.25	1/12/2011
65599W935	TRI-PARTY REPO NOMURA 0.12% 01/NOV/2011	5.71%	0.12	1/11/2011
17313UAA7	CITIGROUP INC 2.875% GTD BDS 09/DEC/2011 USD1000	4.33%	2.88	9/12/2011
36967HAY3	GENERAL ELECTRIC CAPITAL CORP 2.625% BDS	4.22%	2.62	28/12/2012
464287457	ISHARES BARCLAYS 1-3 YRS TREASURY BOND FUND	4.09%		
3620A5MX4	GNMA I MORTPASS 5% 15/SEP/2039 SF PN# 719574	3.63%	5.00	15/9/2039
36202FFH4	GNMA II MORTPASS 4.5% 20/APR/2025 SF PN# 004668	3.58%	4.50	20/4/2025
73278MAA1	POOLED FDG TR I 2.74% BDS 15/FEB/2012 USD	3.30%	2.74	15/2/2012
38376ETD7	GINNIE MAE 2009-108 WG 4.000% 20/SEP/2038	3.04%	4.00	20/9/2038

Quality/Rating Weightings

Sector Weightings (as % of Market Value)



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

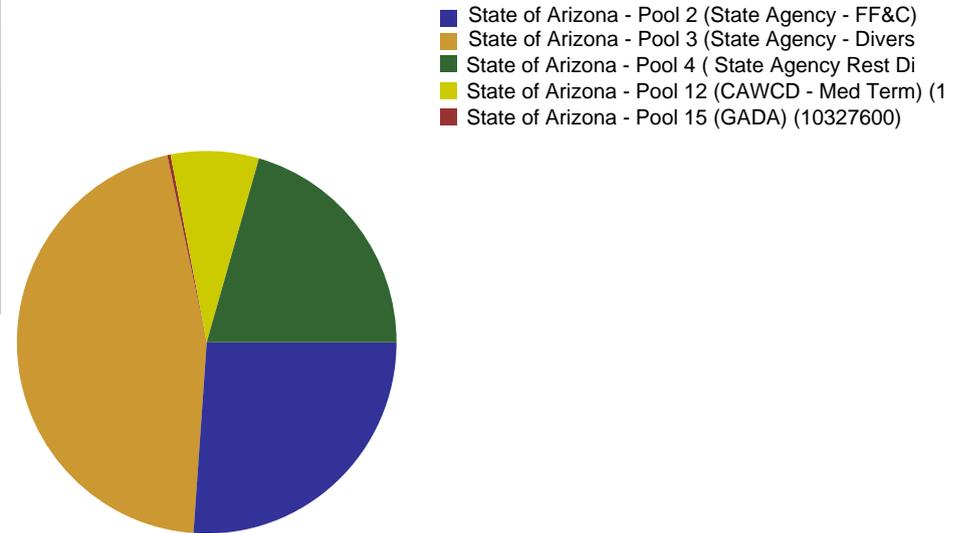
		<u>NET EARNINGS</u>			Net Asset Value Per Share
FUND	DESCRIPTION	Current Month 10/31/11	Prior Month 09/30/11	Prior Year 10/31/10	
2	STATE AGENCIES I - FULL FAITH & CREDIT	849,139	831,883	756,855	1.0109
3	STATE AGENCIES II - DIVERSIFIED	1,181,218	1,227,155	884,628	1.0039
4	STATE AGENCIES IV-RESTRICTED DIVERSIFIED	314,304	294,818	271,354	1.0023
12	CAWCD MEDIUM TERM	533,291	516,129	253,656	1.0233
15	GADA	22,813	24,082	25,867	1.0187
	TOTAL STATE AGENCIES	2,900,766	2,894,067	2,192,360	

YIELDS

<u>MONTHLY</u>		Current Month 10/31/11	Prior Month 09/30/11	Prior Year 10/31/10
2	STATE AGENCIES I - FULL FAITH & CREDIT	1.21%	1.16%	1.16%
	75% MERRILL 0-1 US TREAS INDEX / 25% MERRILL GNMA MORTGAGE MASTER INDEX	0.66%	0.61%	0.72%
3	STATE AGENCIES II - DIVERSIFIED	0.92%	0.92%	0.80%
	50% 3 MONTH LIBOR INDEX / 50% MERRILL 1 -3 US BROAD MARKET INDEX	0.63%	0.70%	0.76%
4	STATE AGENCIES IV-RESTRICTED DIVERSIFIED	0.54%	0.61%	0.51%
	50% MERRILL 6 MTH US T-BILL INDEX / 50% MERRILL 1-3 UNSUB. US TREAS / AGY INDEX	0.18%	0.20%	0.26%
12	CAWCD MEDIUM TERM	2.24%	2.25%	2.10%
	BARCLAYS CAPITAL US AGG. BOND INDEX	2.37%	2.35%	2.45%
15	GADA	2.22%	2.42%	2.51%
	MERRILL 3-5 US BROAD MARKET EX CORP US GOV/AGY INDEX	2.07%	1.88%	2.10%

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

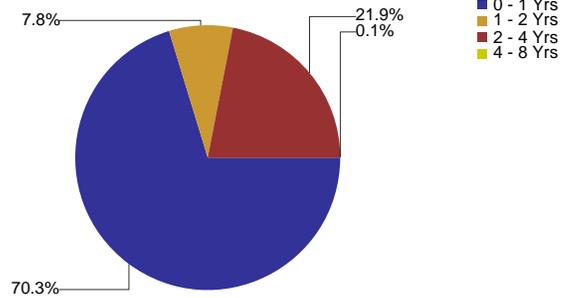
Pool Composite (00550904)		
Account Name	Market Value(MIL)	Percent of Portfolio
State of Arizona - Pool 2 (State Agency - FF&C) (10327000)	974.08	26.1%
State of Arizona - Pool 3 (State Agency - Diversified) (10327100)	1,702.60	45.5%
State of Arizona - Pool 4 (State Agency Rest Div) (10327200)	763.87	20.4%
State of Arizona - Pool 12 (CAWCD - Med Term) (10327500)	286.36	7.7%
State of Arizona - Pool 15 (GADA) (10327600)	12.34	0.3%
TOTAL	3,739.25	100.0%



Portfolio Characteristics

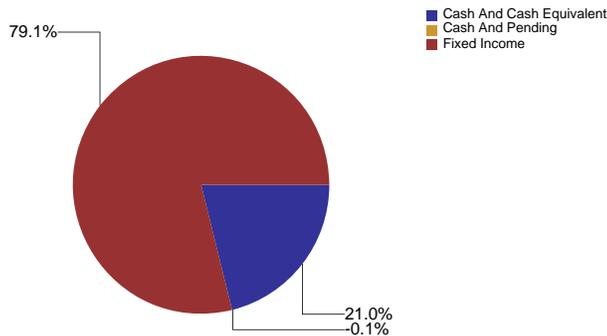
Duration Mix

Total Net Assets (Millions) **974.1**
 Weighted Average Life (Years) **1.10**
 Weighted Avg. Effective Duration (Years) **0.91**
 Weighted Average Rating **AA+**
 Number of Holdings **98**



Asset Mix

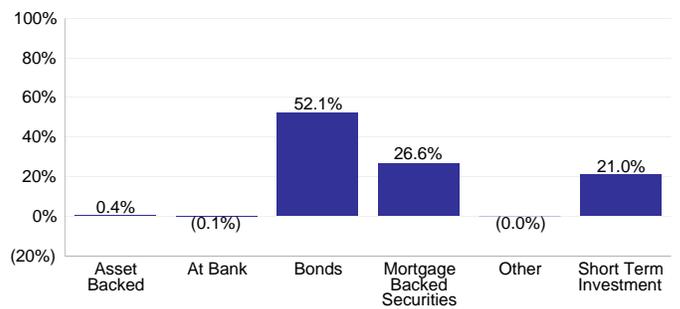
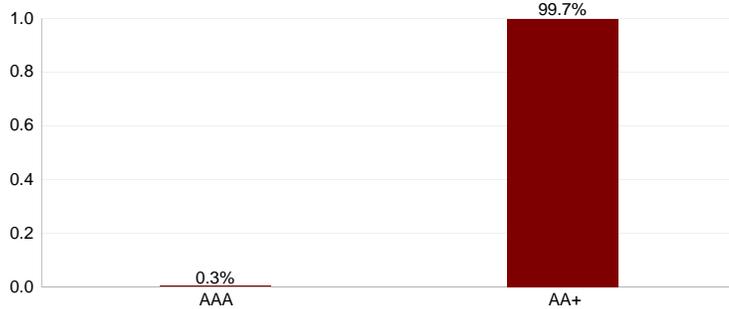
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
65599W935	TRI-PARTY REPO NOMURA 0.12% 01/NOV/2011	21.00%	0.12	1/11/2011
36967HAN7	GENERAL ELECTRIC CAPITAL CORP 2.25% NTS	4.25%	2.25	12/3/2012
912828NE6	UNITED STATES TREAS NTS 0.750% 31/MAY/2012	3.10%	0.75	31/5/2012
4042EPAA5	HSBC USA INC 3.125% BDS 16/DEC/2011 USD1000	2.33%	3.12	16/12/2011
38146FAA9	GOLDMAN SACHS GROUP INC 3.25% BDS 15/JUN/2012	2.12%	3.25	15/6/2012
06050BAG6	BANK OF AMERICA CORP 2.1% SRN 30/APR/2012 USD1000	2.11%	2.10	30/4/2012
912828GK0	US TREAS NTS 4.625% 29/FEB/2012	2.10%	4.62	29/2/2012
912828KP4	UNITED STATES TREAS NTS 1.375% 15/MAY/2012	2.08%	1.38	15/5/2012
912828MU1	UNITED STATES TREAS NTS 1.000% 31/MAR/2012	2.06%	1.00	31/3/2012
912828PD6	UNITED STATES TREAS NTS 0.375% 31/OCT/2012	2.06%	0.38	31/10/2012

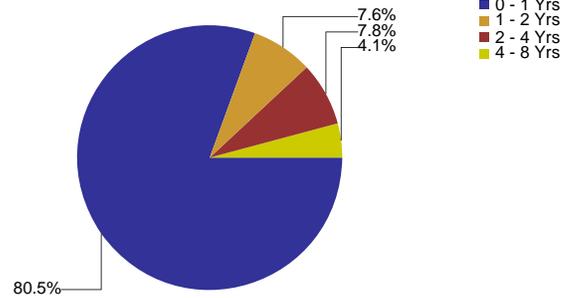
Quality/Rating Weightings

Sector Weightings (as % of Market Value)

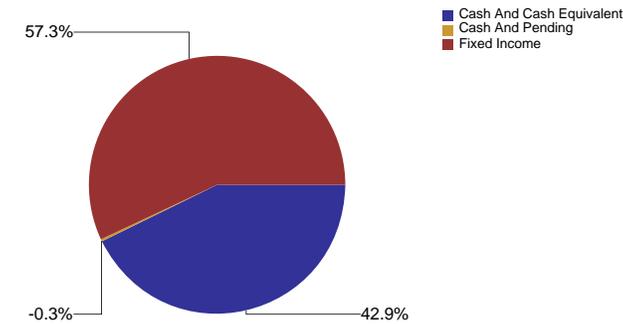


Portfolio Characteristics Duration Mix

Total Net Assets (Millions) **1,702.6**
 Weighted Average Life (Years) **1.27**
 Weighted Avg. Effective Duration (Years) **0.67**
 Weighted Average Rating **AA**
 Number of Holdings **132**

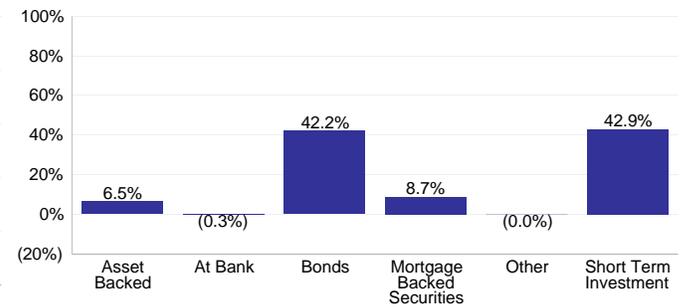
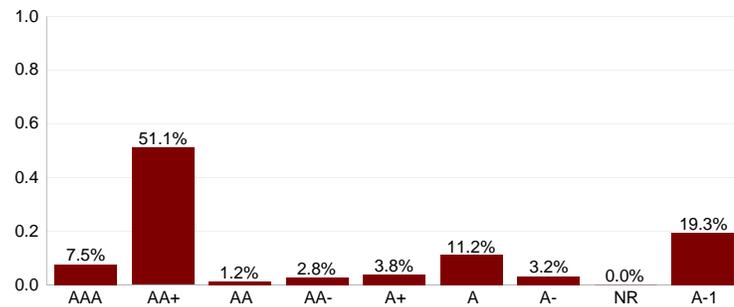


Asset Mix Top Ten Portfolio Holdings



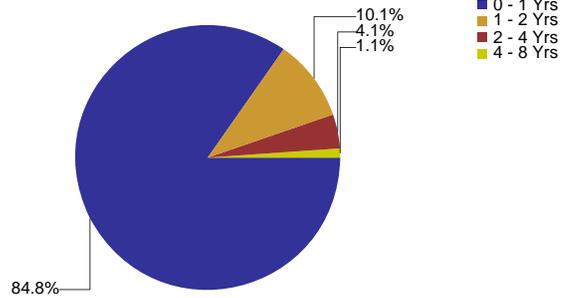
Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
85299Z061	TRI-PARTY REPO SOUTH STREET 0.12% 01/NOV/2011	10.20%	0.12	1/11/2011
65599W935	TRI-PARTY REPO NOMURA 0.12% 01/NOV/2011	7.21%	0.12	1/11/2011
G34993447	FIDELITY INVESTMENTS - MONEY MARKET PORTFOLIO	2.93%	0.00	1/11/2011
9127952T7	UNITED STATES TREAS BILLS DT	2.93%	0.00	15/12/2011
2284K1Y23	CROWN POINT CAP CO. CORPORATE COMMERCIAL PAPER	2.34%	0.00	2/11/2011
52468KZ20	LEGACY CAPITAL COMPANY CORPORATE COMMERCIAL PAPER	2.34%	0.00	2/12/2011
59018YE72	MERRILL LYNCH & CO INC FLTG RATE NTS 05/JUN/2012	1.49%	0.56	5/6/2012
3136FRYC1	FEDERAL NATL MTG ASSN CALL STEP 30/JUN/2016	1.47%	1.00	30/6/2016
2063C1Y20	CONCORD MIN CPTL CO CORPORATE COMMERCIAL PAPER	1.46%	0.00	2/11/2011
52952MY20	LEXINGTN PKR CAP CO LL CORPORATE COMMERCIAL PAPER	1.46%	0.00	2/11/2011

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

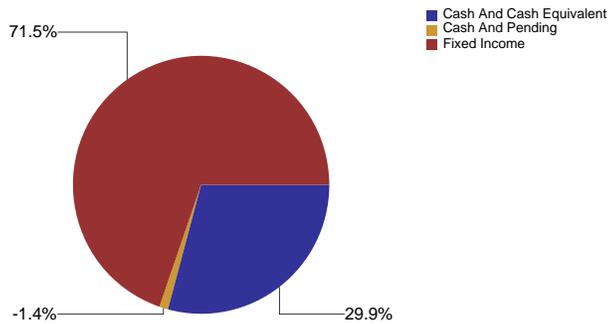


Portfolio Characteristics Duration Mix

Total Net Assets (Millions) 763.9
Weighted Average Life (Years) 1.29
Weighted Avg. Effective Duration (Years) 0.52
Weighted Average Rating AA+
Number of Holdings 72

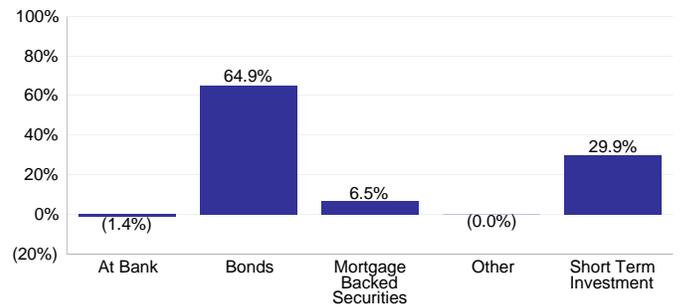
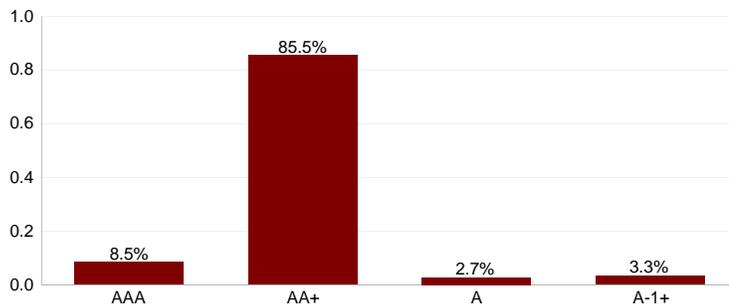


Asset Mix Top Ten Portfolio Holdings



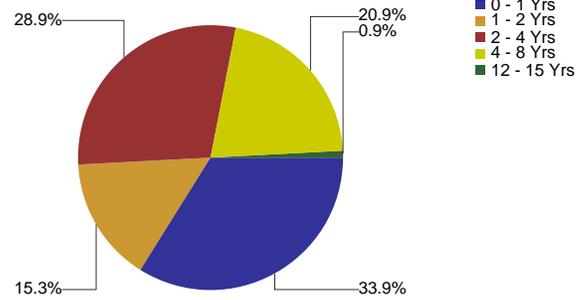
Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
85299Z061	TRI-PARTY REPO SOUTH STREET 0.12% 01/NOV/2011	10.46%	0.12	1/11/2011
46999W014	TRI-PARTY REPO JP MORGAN 0.30% 1/NOV/2011	7.14%	0.30	1/11/2011
446436AB3	HUNTINGTON NATIONAL BANK FRN 01/JUN/2012 USD1000	3.24%	0.73	1/6/2012
313374TP5	FED HOME LOAN BK 0.25% DEB 18/JUL/2012 USD	3.23%	0.25	18/7/2012
85299Z038	TRI-PARTY REPO SOUTH STREET 0.13% 03/NOV/2011	3.23%	0.13	3/11/2011
459052NY8	INTERNATIONAL BANK FOR REC & DEV 0% NTS	3.23%	0.00	7/11/2011
459052RC2	INTL BANK RECON&DV 0% NTS MTN 29/DEC/2011 USD	3.23%	0.00	29/12/2011
313384WG0	FEDL HOME LOAN BK CONS DISC NT MATURES 01/MAY/2008	3.23%	0.00	1/5/2012
313396H97	FEDL HOME LLN MTG CORP DISC NT MATURES 01/OCT/2012	3.22%	0.00	1/10/2012
31359MNU3	FANNIE MAE 5.25% 01/AUG/2012	2.71%	5.25	1/8/2012

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

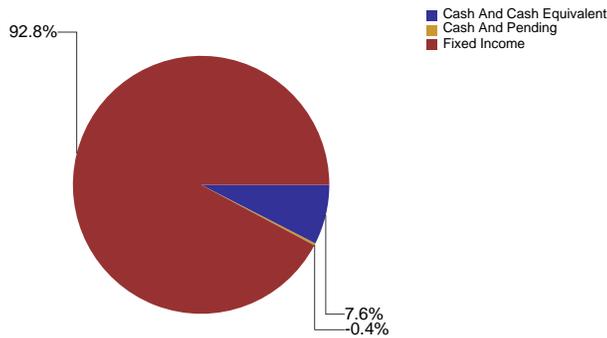


Portfolio Characteristics Duration Mix

Total Net Assets (Millions) 286.4
Weighted Average Life (Years) 4.00
Weighted Avg. Effective Duration (Years) 2.28
Weighted Average Rating AA
Number of Holdings 127

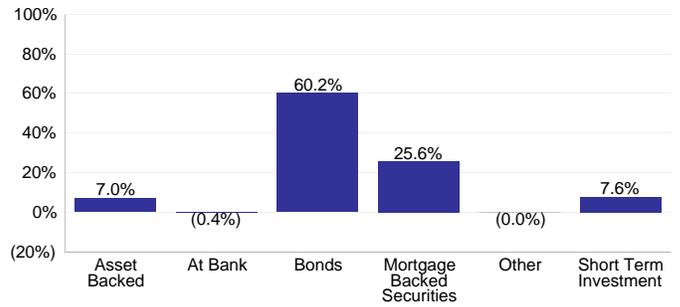
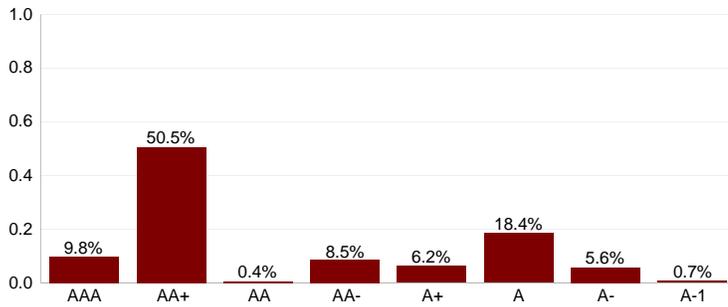


Asset Mix Top Ten Portfolio Holdings



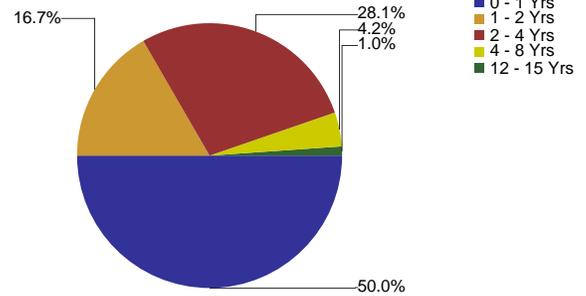
Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
G34993447	FIDELITY INVESTMENTS - MONEY MARKET PORTFOLIO	3.13%	0.00	1/11/2011
85299Z061	TRI-PARTY REPO SOUTH STREET 0.12%	3.01%	0.12	1/11/2011
191216AN0	COCA-COLA CO 0.75% SNR NTS 15/NOV/2013 USD1000	2.80%	0.75	15/11/2013
3137A55N0	FREDDIE MAC 3784 JU 4.000% 15/MAY/2036	2.01%	4.00	15/5/2036
92343VAY0	VERIZON COMMUNICATIONS INC 3% BDS 01/APR/2016	1.84%	3.00	1/4/2016
3137A8QA9	FREDDIE MAC 3841 AV 4.000% 15/MAR/2024	1.77%	4.00	15/3/2024
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	1.74%	0.45	13/8/2012
532457AN8	LILLY(ELI)& CO 6.57% NTS 01/JAN/2016 USD1000	1.74%	6.57	1/1/2016
63743HEA6	NATL RURAL UTILS COOP MTN BE VR	1.74%	0.44	9/12/2011

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

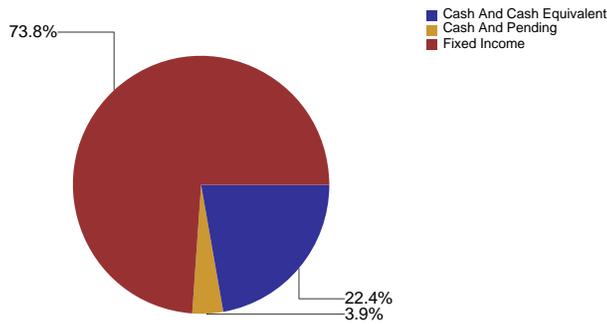


Portfolio Characteristics Duration Mix

Total Net Assets (Millions) 12.3
Weighted Average Life (Years) 3.59
Weighted Avg. Effective Duration (Years) 1.48
Weighted Average Rating AA+
Number of Holdings 23

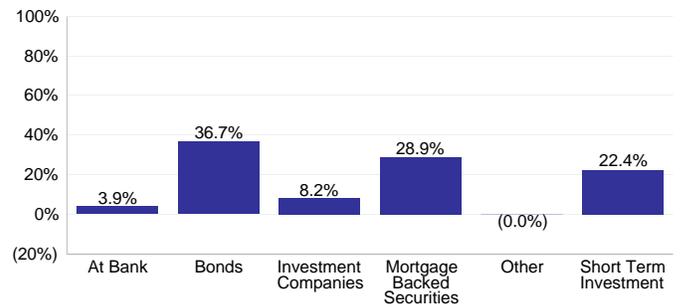
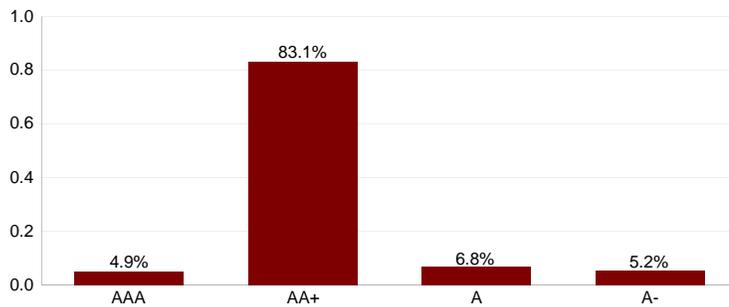


Asset Mix Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
928989383	JPMORGAN US GOVT MMKT - AGENCY SHR FU	19.04%	0.01	31/12/2049
958268S	LONG TERM GOVT POOL	8.58%	0.00	31/12/2049
3134G2RT1	FED HOME LOAN MTG 4% MTN 27/JAN/2023 USD	8.57%	4.00	27/1/2023
31294KTB1	FEDERAL HOME LN MTG CORP GOLD POOL # EO1446 DTD	5.83%	4.50	1/9/2018
3133XUQ48	FEDERAL HOME LOAN BANKS CONS BD 3.8% 14/SEP/2016	5.24%	3.80	14/9/2016
3137A2PF2	FREDDIE MAC 3766 HE 3.000% 15/NOV/2020	4.84%	3.00	15/11/2020
10138MAH8	BOTTLING GROUP 6.95% SNR NTS 15/MAR/2014 USD1000	4.83%	6.95	15/3/2014
36241KJ22	GNMA I MORTPASS 4.5% 15/FEB/2021 JP PN# 782080	4.80%	4.50	15/2/2021
3137A7HC7	FREDDIE MAC 3800 KE 3.500% 15/FEB/2026	4.37%	3.50	15/2/2026
3128X77G3	FEDERAL HOME LOAN MORTGAGE CORP 4.25% BDS	4.30%	4.25	12/12/2018

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



OPERATING MONIES
AVERAGE INVESTED BALANCE

Through October 31, 2011

(in millions of dollars)

<u>Month</u>	<u>Fiscal Year</u> <u>2009/2010</u>	<u>Fiscal Year</u> <u>2010/2011</u>	<u>Fiscal Year</u> <u>2011/2012</u>
JULY	116	1,077	1,209
AUGUST	(200)	761	818
SEPTEMBER	11	590	744
OCTOBER	(224)	358	668
NOVEMBER	(431)	570	
DECEMBER	(733)	592	
JANUARY	(463)	835	
FEBRUARY	(423)	863	
MARCH	(686)	802	
APRIL	(635)	1,002	
MAY	(579)	1,128	
JUNE	450	1,358	
Y-T-D			
Average	(\$316)	\$828	\$860

**EARNINGS DISTRIBUTED
ENDOWMENT FUNDS
OCTOBER 2011**

Distributed in Current Month

Recipient	OCTOBER 2011	Fiscal YTD 11/12	Fiscal YTD 10/11
101 A & M Colleges	\$22,280	\$86,082	\$17,617
102 State Hospital	\$12,347	\$47,704	\$8,551
103 Leg., Exec., & Jud.	\$18,283	\$70,696	\$16,877
104 Military Institute	\$1,297	\$5,015	\$1,313
105 Miners Hospital	\$29,529	\$114,243	\$23,554
107 Normal School ASU/NAU	\$7,607	\$29,421	\$6,544
108 Penitentiaries	\$29,198	\$113,676	\$37,296
109 Permanent Common School	\$6,558,971	\$25,361,153	\$5,036,610
110 School for Deaf & Blind	\$10,923	\$42,240	\$9,810
111 School of Mines	\$25,281	\$97,715	\$22,041
112 State Charitable-Pioneers Home	\$114,920	\$443,505	\$77,943
112 State Charitable-Corrections	\$57,460	\$221,753	\$38,973
112 State Charitable-Youth Treatment	\$57,460	\$221,753	\$38,973
113 University Fund	\$40,373	\$156,032	\$33,742
114 U of A Land - 1881	\$86,333	\$333,091	\$75,865
Total	\$7,072,263	\$27,344,080	\$5,445,709

Posted in USAS in current month

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

NET EARNINGS

FUND	DESCRIPTION	Current Month 10/31/11	Prior Month 09/30/11	Prior Year 10/31/10
205	ENDOWMENTS - FIXED INCOME	\$3,796,639	\$5,432,532	\$4,180,813

YIELDS

<u>MONTHLY</u>	Current Month 10/31/11	Prior Month 09/30/11	Prior Year 10/31/10	
205	ENDOWMENTS - FIXED INCOME	5.71%	8.02%	5.38%

NET REALIZED CAPITAL GAINS / LOSSES - ENDOWMENT FUNDS

Endowment Fund	Oct-11 NET GAIN(LOSS)	Oct-10 NET GAIN(LOSS)
----- Fixed Income Pool	(244,546)	(264,520)
Equity Pool (500)	27,397	307,724
Equity Pool (400)	(710,335)	1,790,408
Equity Pool (600)	(43,339)	0
	-----	-----
Totals	(970,823)	1,833,612
	=====	=====

Endowment Fund	2011/2012 FISCAL YEAR TO DATE GAINS(LOSSES)	2010/ 2011 FISCAL YEAR TO DATE GAINS(LOSSES)
----- Fixed Income Pool	1,024,831	(139,326)
Equity Pool (500)	570,694	874,541
Equity Pool (400)	5,778,514	3,593,130
Equity Pool (600)	(334,677)	0
	-----	-----
Totals	7,039,362	4,328,345
	=====	=====

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

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

<u>SECURITY DESCRIPTION</u>	<u>RATE</u>	<u>MATURITY</u>	<u>*WAL YEARS</u>	<u>PAR VALUE</u>	<u>PURCHASE COST</u>	<u>YIELD</u>	<u>MOODY'S / S&P RATING</u>
				-----	-----		
				\$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>
US TREAS	1.00	12/31/2011	\$5,000,000	\$5,024,958	\$8,985	Aaa/AA+
			-----	-----	-----	
TOTAL ENDOWMENT FUNDS SALES			\$5,000,000	\$5,024,958	\$8,985	
			-----	-----	-----	

*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 October 2011

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November 22, 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	155,333	\$2,649,824	\$2,114
S&P 500 Large-Cap Fund	91,728	\$5,986,035	\$769
S&P 600 Small-Cap Fund	1,330,425	\$26,854,184	\$19,752
TOTAL EQUITY PURCHASES	1,577,486	\$35,490,043	\$22,634

II. Equity Funds Sales

	<u>SHARES</u>	<u>SALES AMOUNT</u>	<u>COMMISSIONS</u>
S&P 400 Mid-Cap Fund	195,166	\$2,875,167	\$2,757
S&P 500 Large-Cap Fund	25,919	\$1,297,935	\$172
S&P 600 Small-Cap Fund	48,689	\$535,506	\$730
TOTAL EQUITY SALES	269,774	\$4,708,608	\$3,660

**ENDOWMENT FUNDS
INVESTMENTS OUTSTANDING**

State Treasurer's Report

November 22, 2011

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OCTOBER 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>	2,623	2,398	2,963	565	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	785	769	1,512	742	
	<i>Shares in Small-Cap 600 Equity Fund</i>	739	719	699	(21)	
	<i>Shares in Fixed Income Fund</i>	2,283	2,574	3,989	1,415	
	Total	6,430	6,461	9,162	2,701	1.418
102	State Hospital					
	<i>Shares in Large-Cap 500 Equity Fund</i>	1,729	1,509	1,953	443	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	448	484	863	378	
	<i>Shares in Small-Cap 600 Equity Fund</i>	435	423	411	(11)	
	<i>Shares in Fixed Income Fund</i>	1,356	1,605	2,369	764	
	Total	3,967	4,021	5,596	1,574	1.392
103	Leg., Exec., & Jud.					
	<i>Shares in Large-Cap 500 Equity Fund</i>	1,990	1,951	2,248	297	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	598	627	1,151	524	
	<i>Shares in Small-Cap 600 Equity Fund</i>	616	599	582	(16)	
	<i>Shares in Fixed Income Fund</i>	1,890	2,104	3,303	1,199	
	Total	5,094	5,280	7,284	2,004	1.379
104	Military Institute					
	<i>Shares in Large-Cap 500 Equity Fund</i>	135	134	152	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	145	235	90	
	Total	357	365	512	148	1.405
105	Miners Hospital					
	<i>Shares in Large-Cap 500 Equity Fund</i>	4,453	4,382	5,030	648	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	1,127	1,405	2,171	766	
	<i>Shares in Small-Cap 600 Equity Fund</i>	1,182	1,153	1,118	(35)	
	<i>Shares in Fixed Income Fund</i>	3,543	4,650	6,190	1,540	
	Total	10,305	11,591	14,509	2,918	1.252

**ENDOWMENT FUNDS
INVESTMENTS OUTSTANDING**

State Treasurer's Report

November 22, 2011

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OCTOBER 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>	961	913	1,085	173	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	266	290	512	221	
	<i>Shares in Small-Cap 600 Equity Fund</i>	269	262	254	(8)	
	<i>Shares in Fixed Income Fund</i>	823	972	1,438	466	
	Total	2,318	2,437	3,289	852	1.350
108	Penitentiaries					
	<i>Shares in Large-Cap 500 Equity Fund</i>	3,348	3,046	3,782	737	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	898	973	1,730	757	
	<i>Shares in Small-Cap 600 Equity Fund</i>	857	835	810	(25)	
	<i>Shares in Fixed Income Fund</i>	2,691	3,265	4,701	1,436	
	Total	7,794	8,118	11,024	2,906	1.358
109	Permanent Common School					
	<i>Shares in Large-Cap 500 Equity Fund</i>	910,686	883,288	1,028,736	145,448	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	231,760	281,904	446,423	164,519	
	<i>Shares in Small-Cap 600 Equity Fund</i>	237,039	230,644	224,195	(6,449)	
	<i>Shares in Fixed Income Fund</i>	740,243	946,327	1,293,189	346,862	
	Total	2,119,728	2,342,163	2,992,544	650,381	1.278
110	School for Deaf & Blind					
	<i>Shares in Large-Cap 500 Equity Fund</i>	1,344	1,277	1,519	241	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	387	410	745	335	
	<i>Shares in Small-Cap 600 Equity Fund</i>	389	379	368	(11)	
	<i>Shares in Fixed Income Fund</i>	1,205	1,374	2,105	731	
	Total	3,326	3,440	4,737	1,296	1.377
111	School of Mines					
	<i>Shares in Large-Cap 500 Equity Fund</i>	2,968	2,892	3,353	461	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	839	926	1,616	690	
	<i>Shares in Small-Cap 600 Equity Fund</i>	846	824	801	(23)	
	<i>Shares in Fixed Income Fund</i>	2,617	3,109	4,573	1,463	
	Total	7,271	7,751	10,342	2,591	1.334

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

State Treasurer's Report
November 22, 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>	30,898	28,931	34,904	5,973	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	7,535	9,227	14,513	5,286	
	<i>Shares in Small-Cap 600 Equity Fund</i>	7,647	7,443	7,233	(211)	
	<i>Shares in Fixed Income Fund</i>	24,217	31,026	42,306	11,280	
	Total	70,296	76,628	98,955	22,327	1.291
113	University Fund					
	<i>Shares in Large-Cap 500 Equity Fund</i>	4,918	4,733	5,555	822	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	1,370	1,512	2,639	1,128	
	<i>Shares in Small-Cap 600 Equity Fund</i>	1,399	1,361	1,323	(38)	
	<i>Shares in Fixed Income Fund</i>	4,309	5,074	7,528	2,454	
	Total	11,996	12,680	17,045	4,365	1.344
114	U Of A Land - 1881					
	<i>Shares in Large-Cap 500 Equity Fund</i>	14,229	14,259	16,074	1,815	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	3,655	4,544	7,040	2,496	
	<i>Shares in Small-Cap 600 Equity Fund</i>	3,876	3,772	3,666	(105)	
	<i>Shares in Fixed Income Fund</i>	11,984	15,273	20,936	5,663	
	Total	33,744	37,847	47,716	9,869	1.261
TOTALS - ALL FUNDS						
	<i>Shares in Large-Cap 500 Equity Fund</i>	980,282	949,714	1,107,354	157,641	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	249,710	303,115	480,998	177,883	
	<i>Shares in Small-Cap 600 Equity Fund</i>	255,337	248,456	241,503	(6,954)	
	<i>Shares in Fixed Income Fund</i>	797,296	1,017,497	1,392,860	375,362	
	Grand Total	2,282,625	2,518,782	3,222,715	703,932	
PRIOR YEAR:						
OCTOBER 2010 BALANCES		2,102,431	2,363,005	2,975,771	612,766	

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

State Treasurer's Report
November 22, 2011
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ASSET ALLOCATION PERCENTAGE

	SHARES OUTSTANDING	BOOK VALUE	MARKET VALUE	OCTOBER 2010 MARKET VALUE
<i>Shares in Large-Cap 500 Equity Fund</i>	42.95%	37.71%	34.36%	32.18%
<i>Shares in Mid-Cap 400 Equity Fund</i>	10.94%	12.03%	14.93%	15.08%
<i>Shares in Small-Cap 600 Equity Fund</i>	11.19%	9.86%	7.49%	0.00%
<i>Shares in Fixed Income Fund</i>	34.93%	40.40%	43.22%	52.74%
Total	100.00%	100.00%	100.00%	100.00%

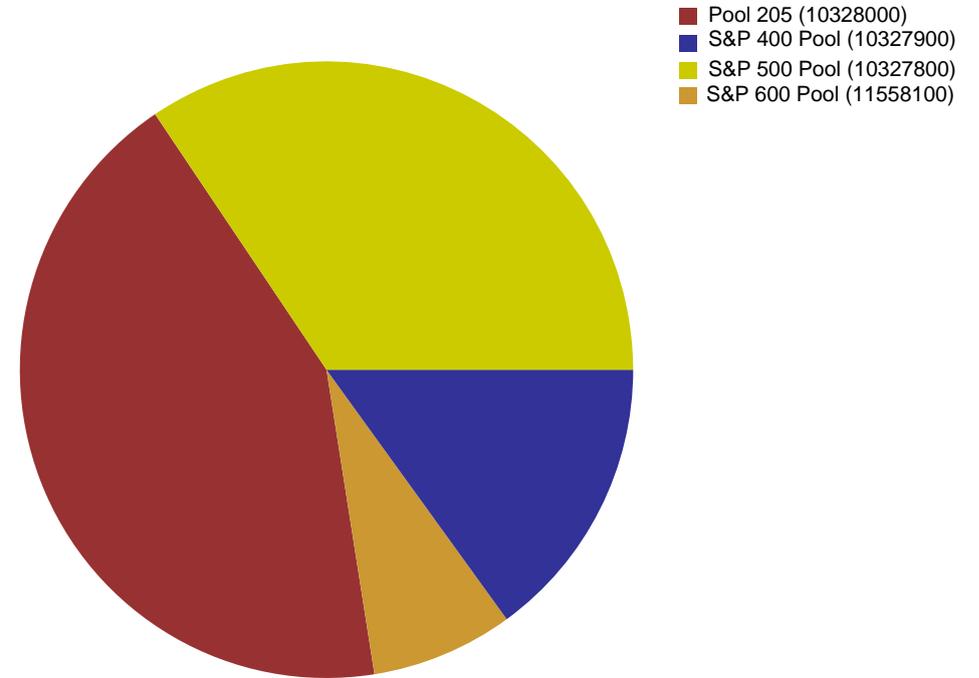
Performance Worksheet
Arizona State Treasury (05509)
As of October 2011
 Gross of Fee

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	997,167,213.62	1,107,354,420.95	1,421,983	10.89	(2.50)	1.26	(4.48)	8.04	11.48	0.30	0.37	07/01/1999
10327900	S&P 400 Pool	424,179,725.61	480,998,067.88	-1,453,441	13.73	(5.51)	(1.01)	(8.84)	8.59	16.33	3.76	6.88	08/01/2001
10328000	Pool 205	1,418,570,084.04	1,392,859,716.55	-27,627,677	0.14	1.86	4.48	3.14	3.91	7.75	5.92	6.10	07/01/1999
11558100	S&P 600 Pool	187,140,468.97	241,502,502.25	26,386,207	14.95	(4.76)		(7.81)				(5.34)	03/01/2011
00550902	Total Endowment Fund Composite	3,027,057,492.24	3,222,714,707.63	-1,272,928	6.50	(0.84)	2.26	(1.65)	5.67	10.12	3.68	4.88	07/01/1999

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

Total Endowment Fund Composite (00550902)		
Account Name	Market Value(MIL)	Percent of Portfolio
Pool 205 (10328000)	1,392.86	43.2%
S&P 400 Pool (10327900)	481.00	14.9%
S&P 500 Pool (10327800)	1,107.35	34.4%
S&P 600 Pool (11558100)	241.50	7.5%
TOTAL	3,222.71	100.0%



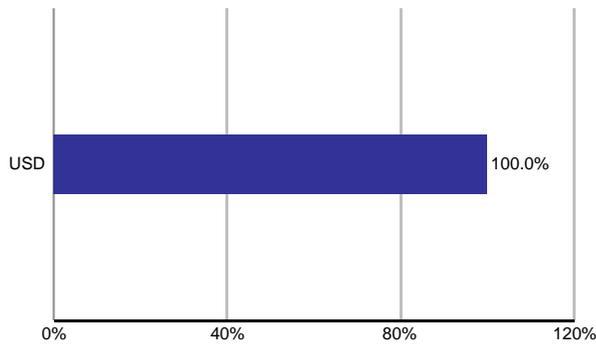
Portfolio Characteristics

			Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Since Inception
Total Asset Value (in Millions)	1,107.4		0.05	0.14	0.27	1.72
P/E Ratio	14.60	Tracking Error	(0.83)	0.46	0.20	(0.41)
Price to Book Ratio	2.00	Information Ratio	17.14	19.50	18.80	16.45
Dividend Yield (%)	2.16	Std Deviation of Port.	17.18	19.57	18.90	16.33
Return on Equity (%)	5.60	Sharpe Ratio of Port.	0.46	0.58	(0.07)	(0.14)
Sales Growth (%)	8.03	Sharpe Ratio of Bench.	0.46	0.57	(0.07)	(0.10)
Market Capitalization (\$ Millions)	88,841.98	R-Squared	1.00	1.00	1.00	0.99
Earnings per Share (\$)	4.78	Jensen's Alpha	(0.03)	0.11	0.05	(0.70)
Number of Holdings	502					

Top Ten Portfolio Holdings

Security ID	Security Name	% of Assets
78462F103	SPDR S&P 500 ETF TRUST	3.64%
30231G102	EXXON MOBIL CORP - COM NPV	3.20%
037833100	APPLE INC - COM NPV	3.16%
459200101	INTL BUSINESS MACHINES CORP - COM USD.2	1.86%
166764100	CHEVRON CORP - COM USD3	1.77%
594918104	MICROSOFT CORP - COM USD.00000625	1.67%
742718109	PROCTER & GAMBLE CO - COM NPV	1.49%
369604103	GENERAL ELECTRIC CO - COM USD.63	1.49%
478160104	JOHNSON & JOHNSON - COM USD1	1.49%
00206R102	AT&T INC - COM USD1	1.48%

Top Ten Currency Weights

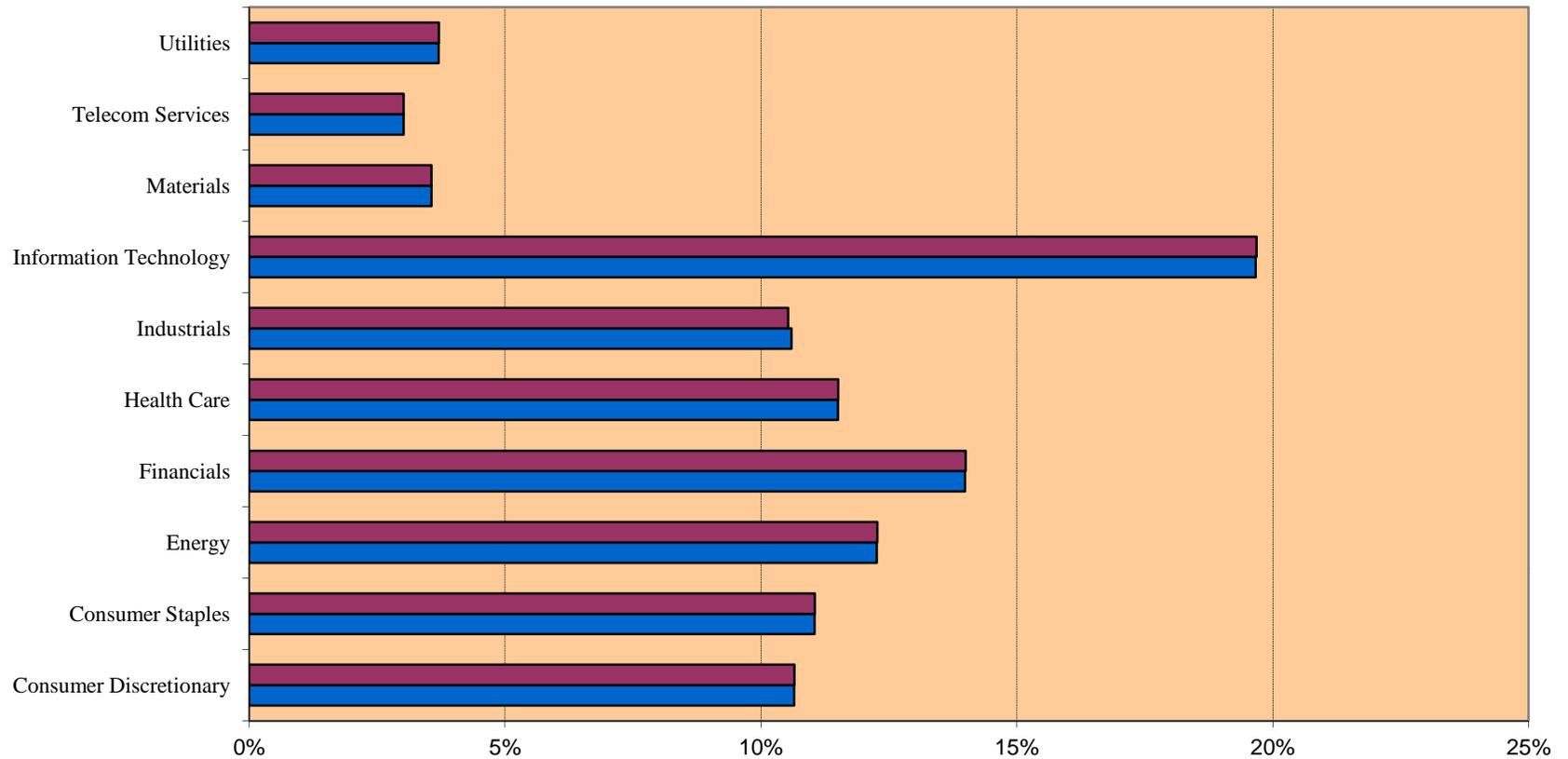


Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
S&P 500 Pool	10.89	(2.50)	1.26	8.04	11.48	0.30	0.37
S&P 500	10.93	(2.47)	1.30	8.09	11.41	0.25	1.08
Excess	(0.04)	(0.02)	(0.04)	(0.04)	0.06	0.06	(0.71)



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



	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Information Technology	Materials	Telecom Services	Utilities
■ S&P 500 Index	10.66%	11.05%	12.28%	14.00%	11.51%	10.53%	19.68%	3.56%	3.02%	3.71%
■ STATE OF ARIZONA - POOL 201	10.65%	11.05%	12.27%	13.99%	11.50%	10.59%	19.67%	3.56%	3.02%	3.70%



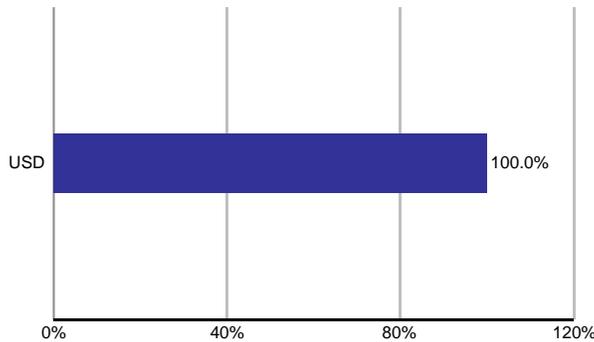
Portfolio Characteristics

Total Asset Value (in Millions)	481.0	Trailing 1 Year	0.06	Trailing 3 Years	2.15	Trailing 5 Years	2.11	Since Inception	2.13
P/E Ratio	19.60	Information Ratio	0.65		(0.71)		(0.12)		(0.02)
Price to Book Ratio	2.07	Std Deviation of Port.	22.16		21.90		21.89		18.01
Dividend Yield (%)	1.41	Std Deviation of Bench.	22.20		23.08		22.66		19.00
Return on Equity (%)	17.17	Sharpe Ratio of Port.	0.38		0.74		0.10		0.27
Sales Growth (%)	7.34	Sharpe Ratio of Bench.	0.38		0.77		0.10		0.26
Market Capitalization (\$ Millions)	3,587.56	R-Squared	1.00		0.99		0.99		0.99
Earnings per Share (\$)	2.43	Jensen's Alpha	0.06		(0.57)		(0.17)		0.24
Number of Holdings	400								

Top Ten Portfolio Holdings

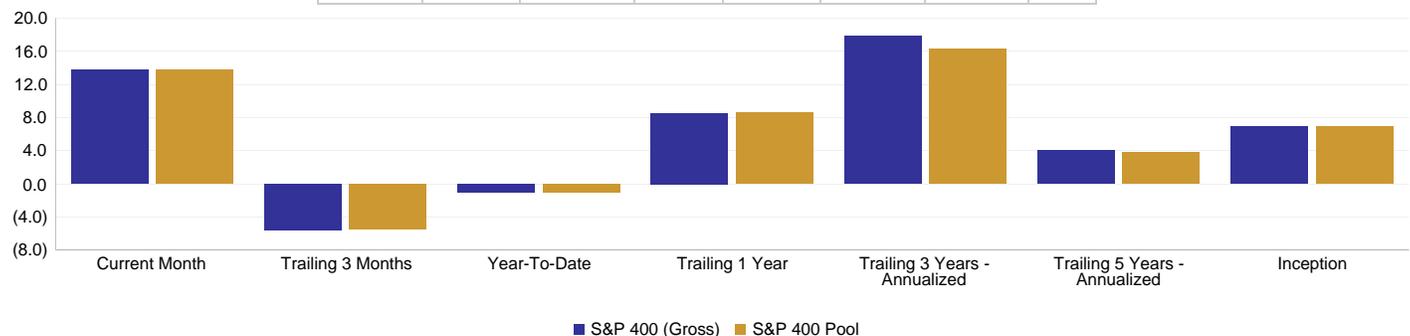
Security ID	Security Name	% of Assets
784671107	SPDR S&P MIDCAP 400 ETF TRUST	2.23%
256746108	DOLLAR TREE INC - COM USD.01	0.88%
099724106	BORGWARNER INC - COM USD.01	0.75%
714290103	PERRIGO CO - COM NPV	0.75%
393122106	GREEN MTN COFFEE ROASTERS - COM USD.1	0.75%
925321100	VERTEX PHARMACEUTICALS INC - COM USD.01	0.74%
485170302	KANSAS CITY SOUTHERN - COM NPV	0.62%
411310105	HANSEN NATURAL CORP - COM USD.005	0.62%
554382101	MACERICH CO - COM USD.01	0.59%
436106108	HOLLYFRONTIER CORP - COM USD.01	0.58%

Top Ten Currency Weights

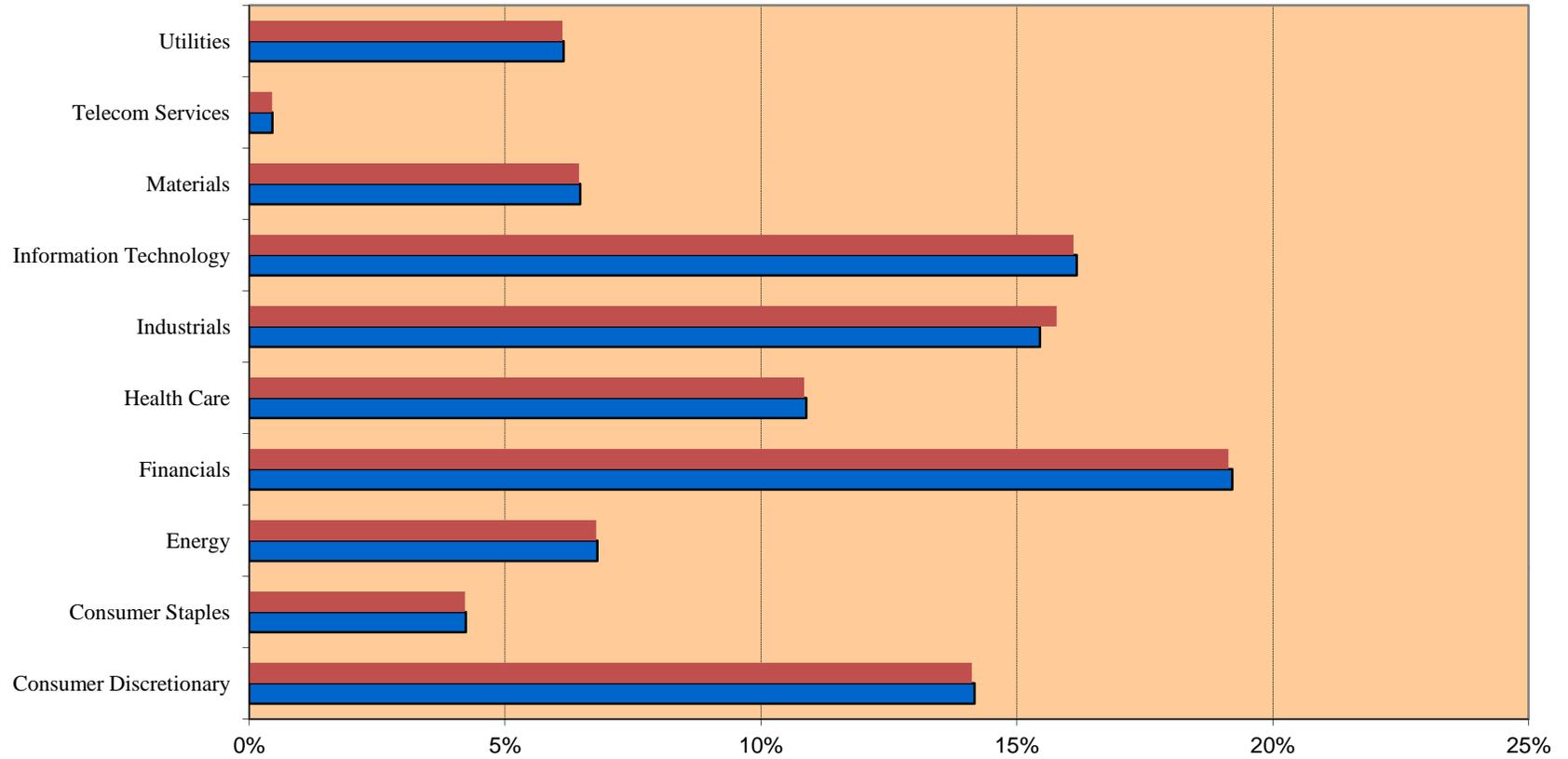


Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
S&P 400 Pool	13.73	(5.51)	(1.01)	8.59	16.33	3.76	6.88
S&P 400 (Gross)	13.75	(5.53)	(1.06)	8.55	17.87	4.01	6.92
Excess	(0.02)	0.02	0.06	0.04	(1.53)	(0.26)	(0.03)



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



	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Information Technology	Materials	Telecom Services	Utilities
■ S&P MIDCAP 400	14.12%	4.22%	6.78%	19.13%	10.85%	15.78%	16.11%	6.45%	0.45%	6.12%
■ STATE OF ARIZONA - POOL 203	14.17%	4.23%	6.81%	19.21%	10.89%	15.45%	16.17%	6.47%	0.45%	6.15%



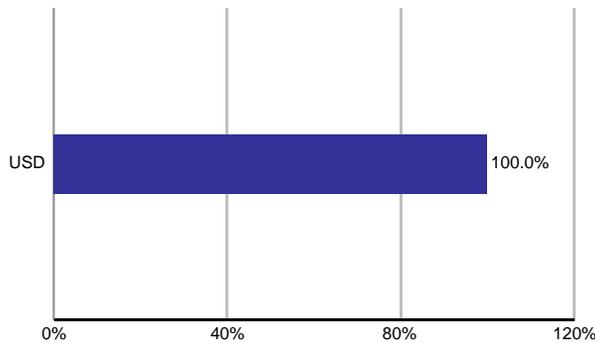
Portfolio Characteristics

		Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Since Inception
Total Asset Value (in Millions)	241.5	-	-	-	-
P/E Ratio	21.40	-	-	-	-
Price to Book Ratio	1.78	-	-	-	-
Dividend Yield (%)	1.20	-	-	-	-
Return on Equity (%)	11.13	-	-	-	-
Sales Growth (%)	10.50	-	-	-	-
Market Capitalization (\$ Millions)	1,207.72	-	-	-	-
Earnings per Share (\$)	1.49	-	-	-	-
Number of Holdings	601	-	-	-	-
		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
464287804	ISHARES TRUST S&P SMALLCAP 600 INDEX FUND	1.81%
75886F107	REGENERON PHARMACEUT - COM USD.001	0.88%
42224N101	HEALTHSPRING INC - COM USD	0.78%
981475106	WORLD FUEL SERVICES CORP - COM USD.01	0.60%
637417106	NATIONAL RETAIL PROPERTIES - COM USD.01	0.55%
82669G104	SIGNATURE BANK/NY - COM	0.54%
74835Y101	QUESTCOR PHARMACEUTICALS INC - COM NPV	0.54%
179895107	CLARCOR INC - COM USD1	0.52%
875465106	TANGER FACTORY OUTLET CTRS - COM USD.01	0.52%
09063H107	BIOMED REALTY TRUST INC - COM USD.01	0.50%

Top Ten Currency Weights

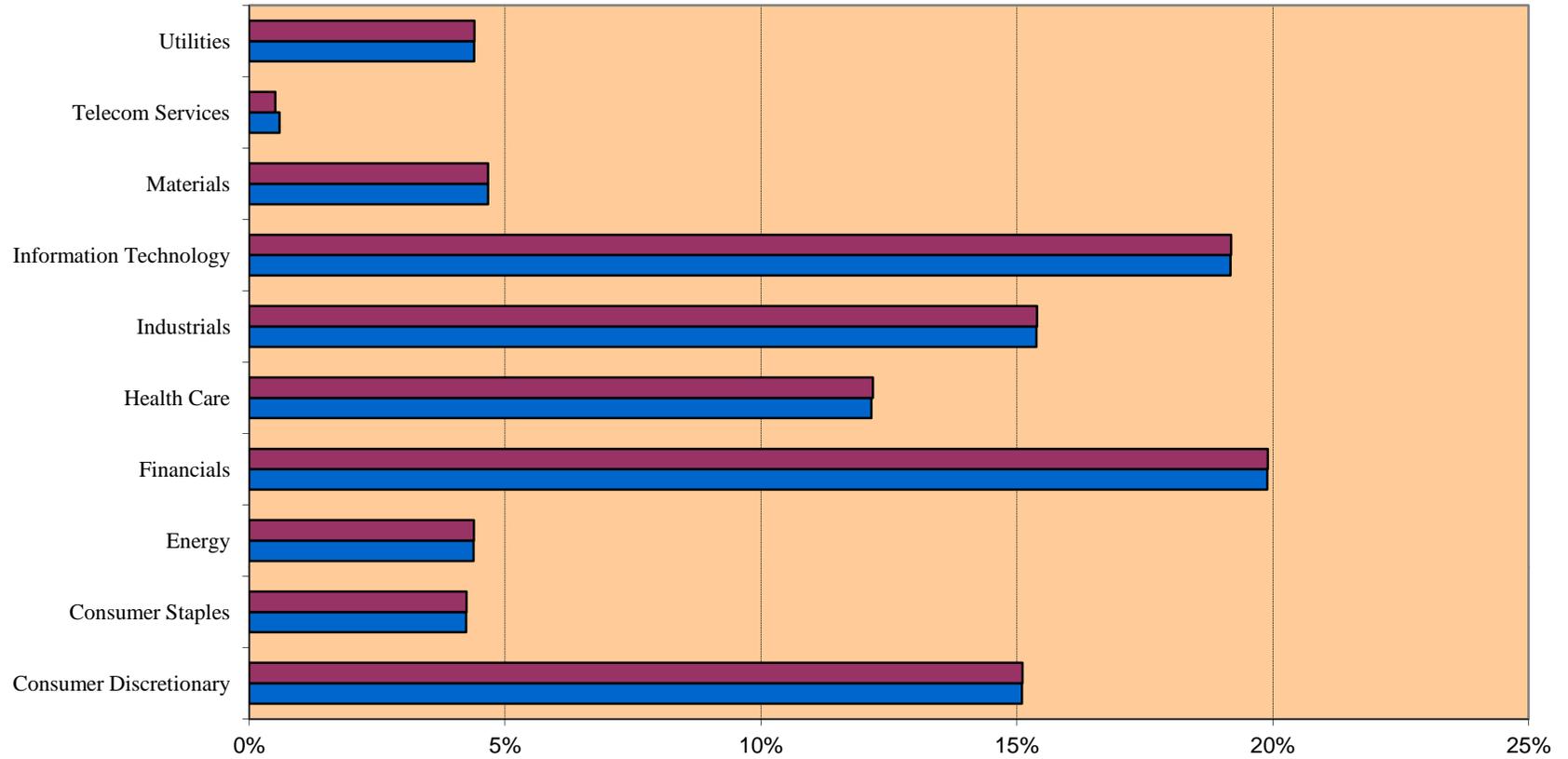


Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
S&P 600 Pool	14.95	(4.76)					(5.34)
S&P 600 (Gross)	15.00	(4.75)					(5.19)
Excess	(0.05)	(0.01)	(0.00)	(0.00)	(0.00)	(0.00)	(0.15)



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

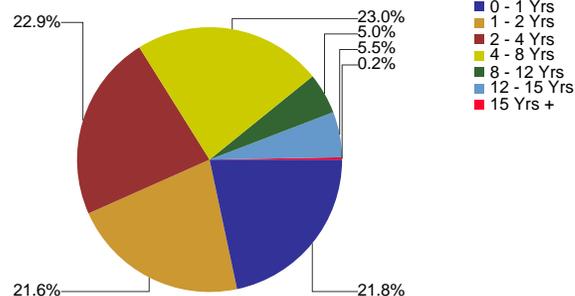


	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Information Technology	Materials	Telecom Services	Utilities
■ S&P 600 Index	15.11%	4.25%	4.39%	19.91%	12.19%	15.39%	19.19%	4.67%	0.51%	4.40%
■ STATE OF ARIZONA - POOL 204	15.10%	4.24%	4.39%	19.89%	12.16%	15.38%	19.17%	4.67%	0.60%	4.40%

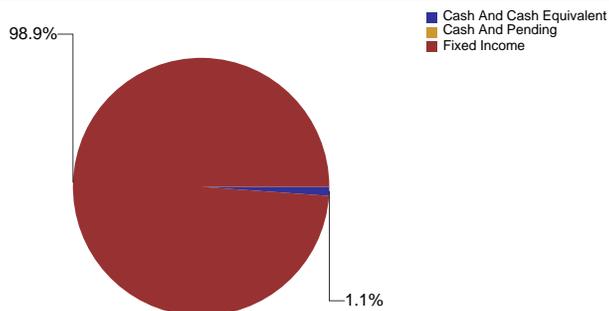
S&P 600 Index
 STATE OF ARIZONA - POOL 204

Portfolio Characteristics Duration Mix

Total Net Assets (Millions) 1,392.9
Weighted Average Life (Years) 5.21
Weighted Avg. Effective Duration (Years) 3.59
Weighted Average Coupon (%) 4.56
Weighted Average Current Yield (%) 1.61
Weighted Average Yield to Maturity (%) 1.64
Weighted Average Rating AA
Number of Holdings 239

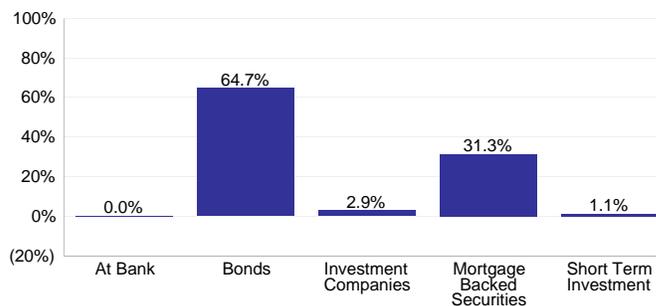
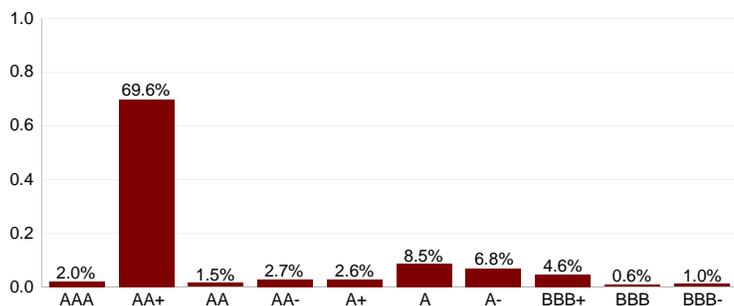


Asset Mix Top Ten Portfolio Holdings



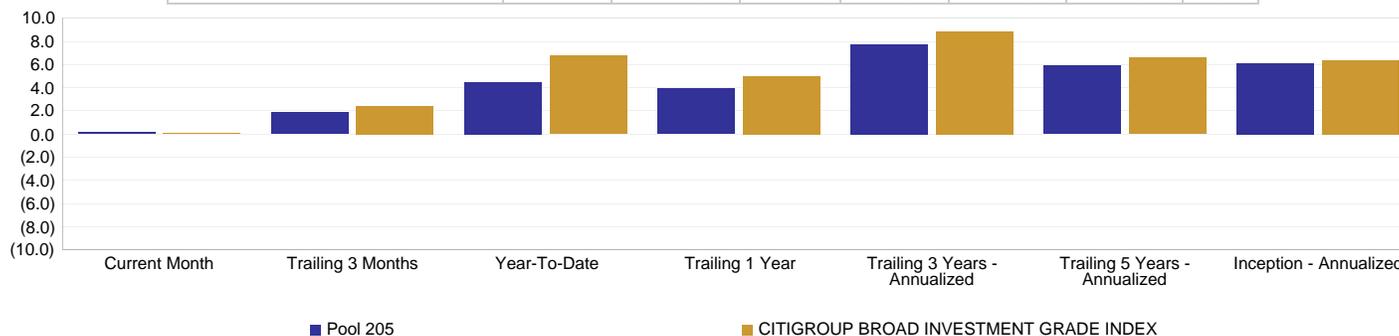
Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
31359MQV8	FEDERAL NATIONAL MORTGAGE ASSOC 4.75% BDS	1.53%	4.75	21/2/2013
947513BB	LONG TERM POOL	1.47%	0.00	31/12/2049
958268S	LONG TERM GOVT POOL	1.46%	0.00	31/12/2049
912810ED6	USA TREASURY BDS 8.125% BDS15/AUG/2019 USD1000	1.07%	8.12	15/8/2019
912810FA1	USA TREASURY BDS6.375% BDS 15/AUG/2027 USD1000	1.06%	6.38	15/8/2027
20825CAP9	CONOCOPHILLIPS 5.9% BDS 15/MAY/2038 USD1000	0.93%	5.90	15/5/2038
539992AA5	LOCAL GOVERNMENT INVESTMENT POOL	0.93%	0.00	31/12/2049
740816AD5	PRESIDENT & FELLOWS HARVARD COLLEGE 5.625% BDS	0.91%	5.62	1/10/2038
92343VAM6	VERIZON COMMUN 6.1% NTS 15/APR/2018 USD1000	0.86%	6.10	15/4/2018
912828JH4	UNITED STATES TREAS NTS 4.000% 15/AUG/2018	0.84%	4.00	15/8/2018

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



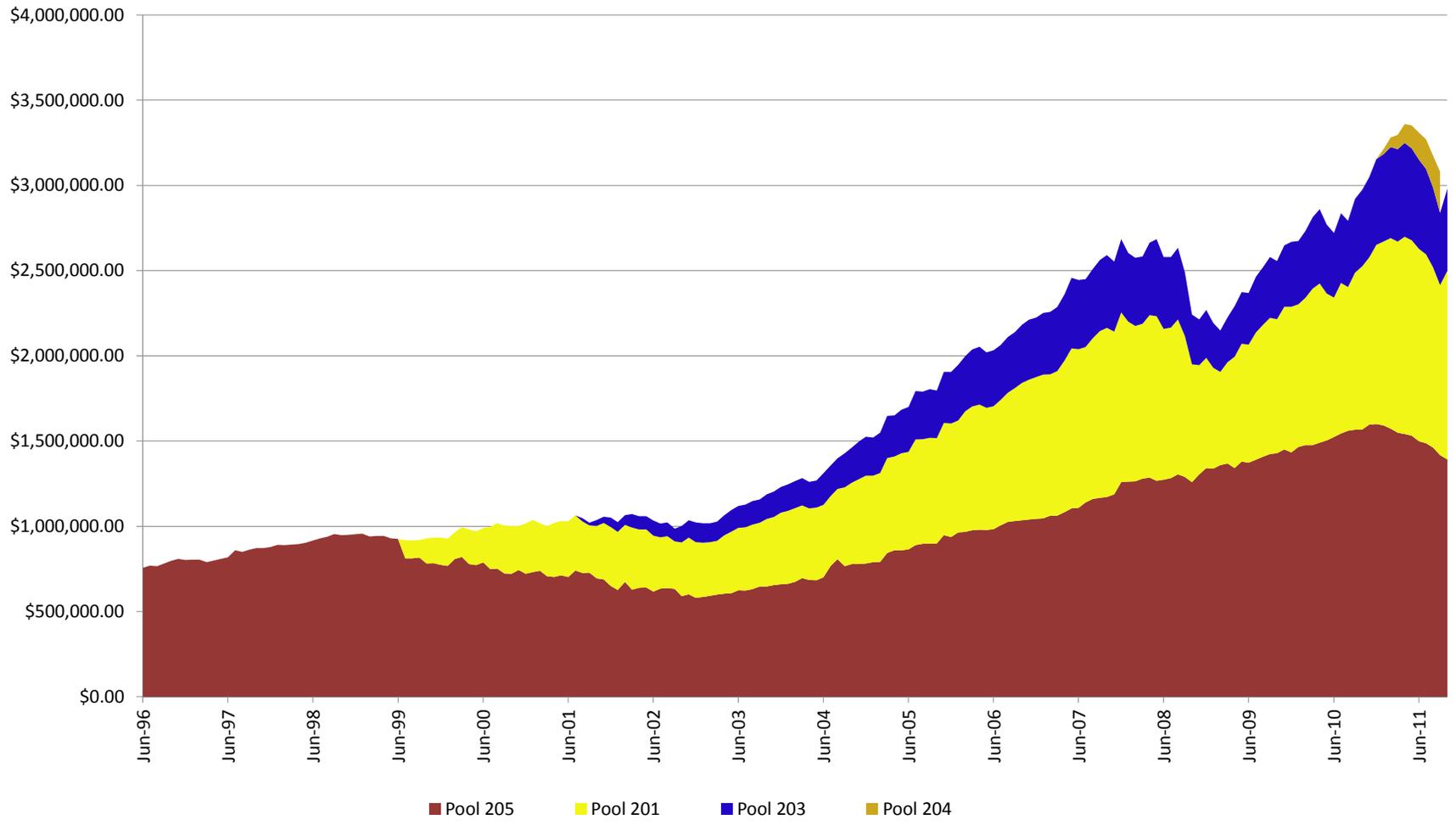
Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
Pool 205	0.14	1.86	4.48	3.91	7.75	5.92	6.10
CITIGROUP BROAD INVESTMENT GRADE INDEX	0.08	2.40	6.78	5.00	8.86	6.60	6.36
Excess	0.06	(0.55)	(2.30)	(1.08)	(1.11)	(0.68)	(0.26)



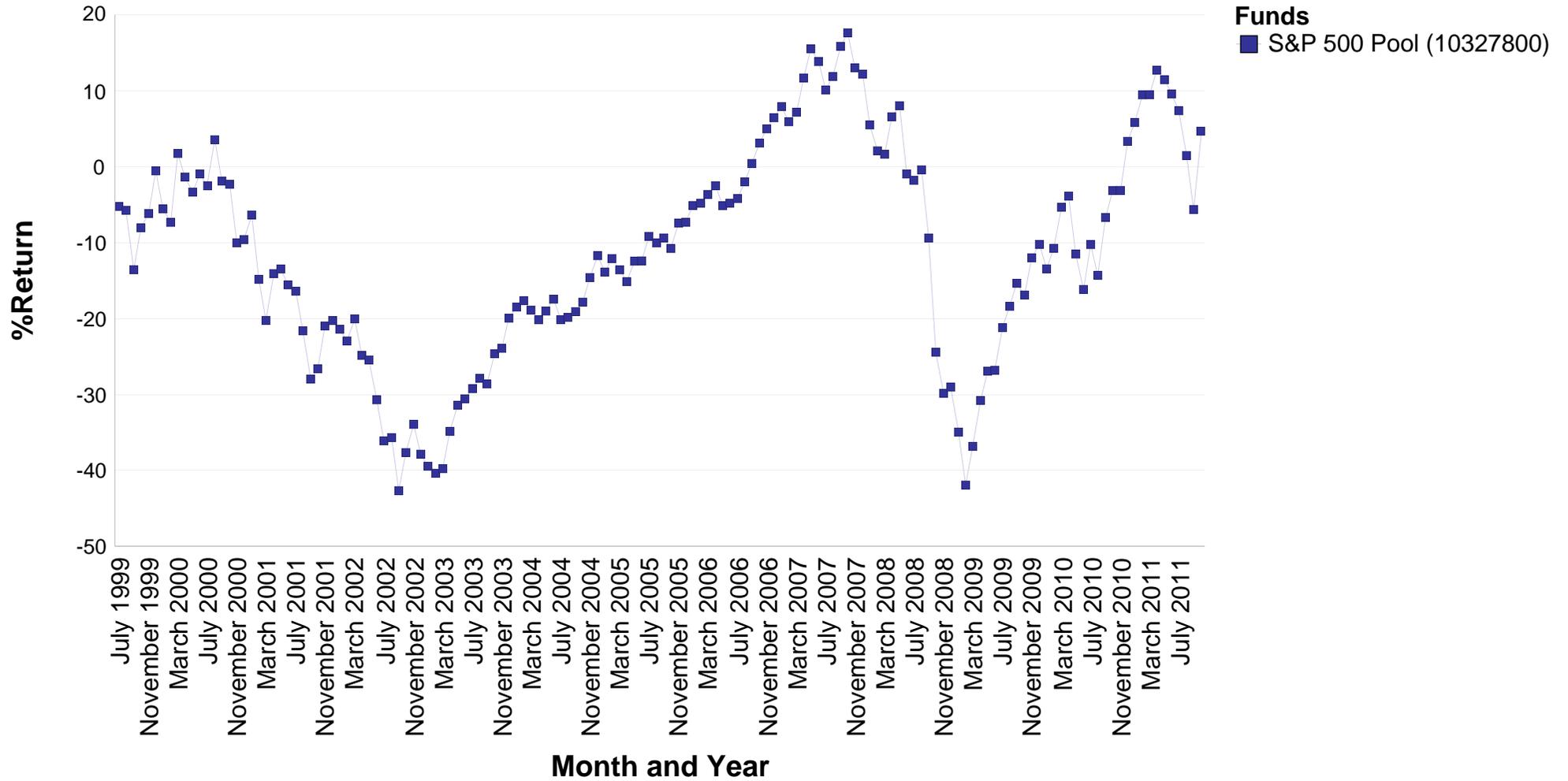
Thousands

Endowment Fund Market Value



Performance Growth by Account

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

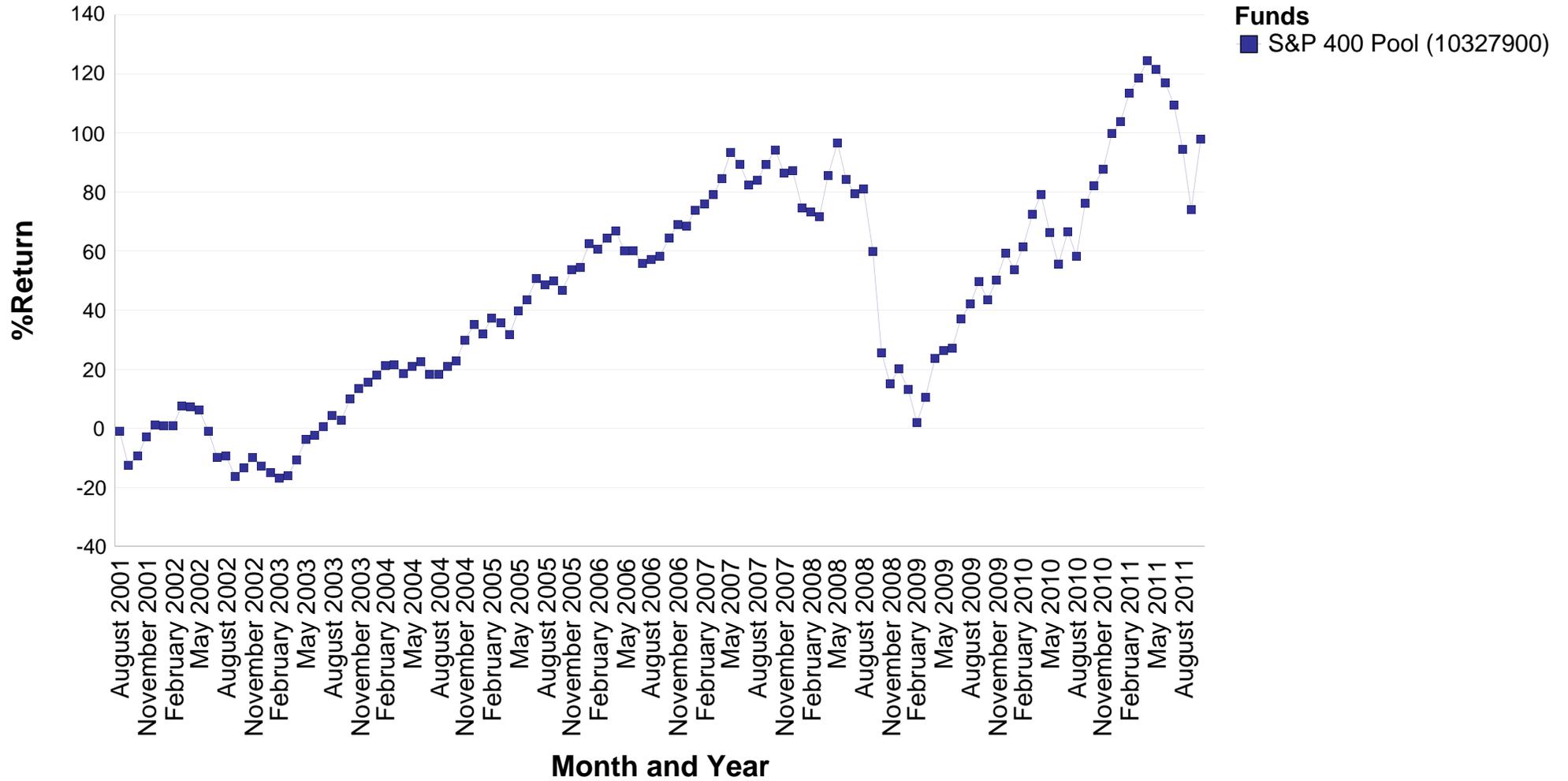


Performance Growth by Account

Arizona State Treasury (05509)

From August 2001 to October 2011

Gross of Fee

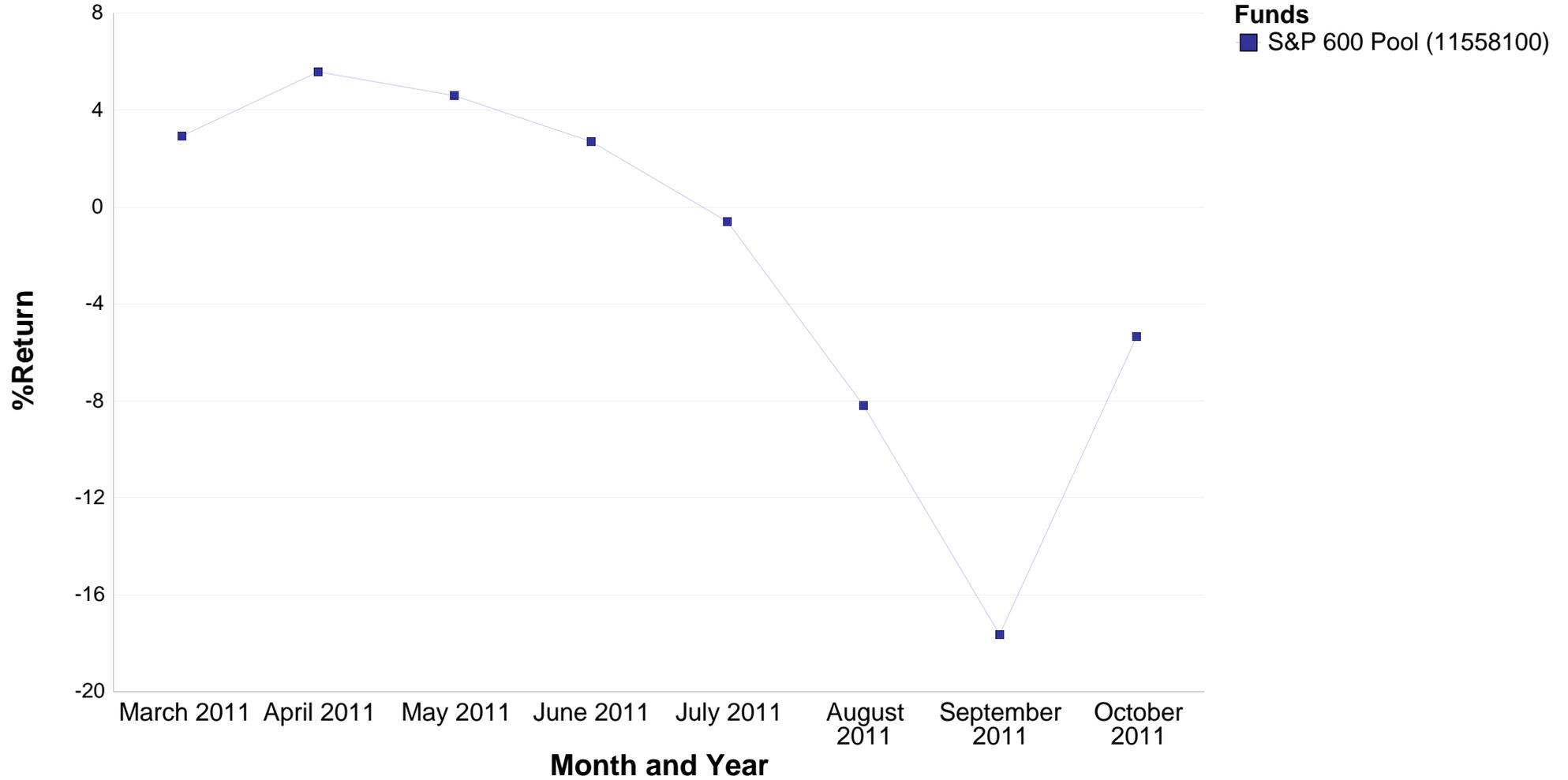


Performance Growth by Account

Arizona State Treasury (05509)

From March 2011 to October 2011

Gross of Fee



Performance Growth by Account

Arizona State Treasury (05509)

From July 1999 to October 2011

Gross of Fee

