OFFICE OF THE

ARIZONA STATE TREASURER

JEFF DEWIT
TREASURER

FEBRUARY 2017

Presented To:

Arizona State Board of Investment

March 28, 2017

STATE BOARD OF INVESTMENT

A G E N D A

March 28, 2017

1. Call to Order
2. Chairman Remarks
3. Approval of February 28, 2017 Minutes
4. Review of Treasurer's Monthly Reports
   A. Earnings Distribution; Investment Pools
   B. Operating Monies Invested Balances
   C. State Agency Pools Investments and Performance Reports
   D. LGIP Pools Investments and Performance Reports
   E. Earnings Distributed Endowment Funds
   F. Land Sales Monthly Proceeds Endowment Funds
   G. 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

March 28, 2017

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Minutes of
BOARD OF INVESTMENT MEETING

The regular meeting of the State Board of Investment was held on February 28, 2017 in the Office of the State Treasurer, 1700 West Washington, State Capitol, West Wing, Treasurer's Conference Room, Phoenix, Arizona. Treasurer DeWit called the meeting to order at approximately 1:33 p.m.

Members Present:

Jeff DeWit, Chair, State Treasurer
Harry A. Papp, CFA & Managing Partner, L. Roy Papp & Associate
Beth Ford, Treasurer, Pima County, Via-Teleconference
Craig Brown, Director, Arizona Department of Administration
Robert Charlton, Superintendent, Arizona Department of Financial Institutions

Others Present:

Mark Swenson, Deputy Treasurer of Policy & Research, Arizona State Treasurer's Office
Patty Humbert, Chief Investment Officer, Arizona State Treasurer's Office
Tim White, Senior Portfolio Manager, Arizona State Treasurer's Office
Michael Leslein, Asst. Investment Accounting Manager, Arizona State Treasurer's Office
Cindy Landa Cox, Treasurer, Mohave County

Pursuant to A.R.S. 35-311, the following reports for January, 2017 were submitted for the Board's approval:

Review of Treasurer's Monthly Reports:

Earnings Distribution; Investment Pools

Operating Monies Invested Balances

State Agency Pools Investments and Performance Reports

LGIP Pools Investments and Performance Reports

Earnings Distributed Endowment Funds

Land Sales Monthly Proceeds Endowment Funds

Endowment Investments and Performance Reports

1. **Call to Order:**
   Treasurer DeWit called the February 28, 2017 BOI meeting to order at approximately 1:33 p.m.

2. **Treasurers Comments:**
   Treasurer DeWit welcomed the board members and guests and thanked all present for attending the February 28, 2017 meeting.

3. **Approval of Minutes:**
   Mr. Papp made a motion to approve the January 24, 2017 minutes. Ms. Ford 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 January, 2017.

Operating Monies Average Invested Balance

Ms. Humbert reported the Operating Monies average invested balance for the month of January, 2017.

Review of Treasurer's Monthly Report – Agency Pools:

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 January, 2017.

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 January 31, 2017.

Investments Outstanding in State Agency Pools

Ms. Humbert reported the total net assets, asset allocation, the weighted average life, the weighted average duration and the weighted average rating for the State Agency Investment Pools as of January 31, 2017.

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 yield for the LGIP and LGIP-Gov Pools and the comparison to the benchmark for the month of January, 2017.

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 January, 2017.

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 January 31, 2017.

LGIP Pools Investments and Performance Reports

Ms. Humbert reported the total net assets, asset allocation, the weighted average life, the weighted average duration, and the weighted average rating on the LGIP, LGIP-Gov, and LGIP Medium Term pools for the month of January, 2017.

Mr. Brown inquired in regards to the ten million dollar withdrawal from Pool 700. Ms. Humbert will report back to the Board with client information.

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 January, 2017.

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 January, 2017 and 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 January, 2017.

Equity Funds Purchases & Sales

Mr. White reported the purchases and sales (summary) of the Endowment Equity Pools for the month of January, 2017.

Investments Outstanding in Endowment Funds

Mr. White reported the par, book, market value, and unrealized gains/loss of the Endowment Funds as of January 31, 2017.

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 January 31, 2017.

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 January 31, 2017.

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 January 31, 2017.

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 January 31, 2017.

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 January 31, 2017.

Fixed Income Investments and Performance Reports

Mr. White reported the total net assets, asset allocation, the weighted average life, the weighted average duration and the weighted average rating for the Fixed Income Pool for the month of January, 2017.

Mr. Papp updated the Board on the possibility of the numbers triggering a rebalancing. Discussion ensued.

The IRMC will review options for changes to the Investment Policy regarding market impact rebalancing and report back to the Board.

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 January 31, 2017.

Approval of Treasurer's Report

Mr. Brown made a motion to approve the Treasurer's Report. Mr. Charlton seconded the motion. Motion carried.

5. **Proposed Changes to Investment Policy:**
   Ms. Humbert presented proposed changes to the Investment Policy for approval by the Board.

   Mr. Brown made a motion to approve the changes to the Investment Policy as presented. Mr. Papp seconded the motion. Motion carried.

6. **Review and approval of Proposed/Pending Securities Dealers:**
   There were no Securities Dealers to approve.

7. **General Business:**
   Ms. Humbert presented the Revised Endowment Distribution for FY 2018.

   Mr. Brown made a motion to approve the Revised Endowment Distribution for FY 2018 as presented. Mr. Papp seconded the motion. Motion carried.

8. **Call to the Public:**
   There was no Public comment.

   Mohave County Treasurer Cindy Landa Cox gave a brief update on Mohave County.

   Mr. Papp provided the members of the board with a brief economic update.

9. **Notice of Next Meeting:**
   Treasurer DeWit advised the Board that the next regular meeting of the Board of Investment will be Tuesday, March 28, 2017 at 1:30 p.m. at 1700 West Washington, State Capitol, West Wing, Treasurer's Conference Room, Phoenix, Arizona.

10. **Adjournment:**
    Mr. Charlton made a motion to adjourn the BOI meeting. Mr. Brown seconded the motion. Upon unanimous approval the BOI Meeting was adjourned at 3:03 p.m.

Respectfully Submitted by:

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Christine Thurston
Executive Consultant II

Approved by

__________________ ______________________________
Jeff DeWit, Chair Date

EARNINGS DISTRIBUTION - INVESTMENT POOLS
FEBRUARY 2017

Recipient	Earnings Distributed FEBRUARY 2017	Fiscal YTD 16/17	Fiscal YTD 15/16	Fiscal YTD Investment Management Fees Received
General Fund	$1,838,633	$11,681,248	$8,692,248	
2 State Agencies - Full Faith & Credit	502,451	4,300,883	2,862,214	355,898
3 State Agencies - Diversified (Combined)	856,668	6,593,594	4,833,663	552,571
4 State Agencies - Gov	494,429	3,912,092	3,092,695	355,995
5 LGIP	614,604	3,963,469	1,497,249	444,901
7 LGIP Gov	423,019	2,862,525	1,067,058	411,451
9A Public School Credit Enhancement	48,122	106,008	N/A	9,383
10 Restricted Operating	416,121	3,123,900	2,378,857	459,414
12 CAWCD Medium-Term	410,071	3,279,918	2,631,533	125,877
16 ECDH Medium-Term	479,549	3,780,358	3,320,572	141,488
Subtotal	**$6,083,667**	**$43,603,995**	**$30,376,090**	**$2,856,978**
NAV POOL				
500 LGIP - Med Term	346,734	2,451,706	1,957,083	99,837
700 LGIP - FF&C Med Term	132,218	1,042,345	947,701	52,504
Total	**$6,562,618**	**$47,098,046**	**$33,280,873**	**$3,009,319**
FEBRUARY 2016 TOTALS	**$5,105,896**			**$2,884,508**

*Note: Pool 15 AHCCCS Operating Earnings are reported in General Fund

**Note: Pool 15 AHCCCS Operating Management Fees are reported in Pool 3 State Agencies Diversified (Combined)

OPERATING MONIES
AVERAGE INVESTED BALANCE
Through February 28, 2017
(in millions)

Month	Fiscal Year 2014/2015	Fiscal Year 2015/2016	Fiscal Year 2016/2017
JULY	$1,876	$1,795	$2,012
AUGUST	1,369	1,554	1,504
SEPTEMBER	1,638	1,874	1,694
OCTOBER	1,521	1,701	1,672
NOVEMBER	1,535	1,686	1,633
DECEMBER	1,478	1,734	1,693
JANUARY	1,754	2,140	2,255
FEBRUARY	1,959	2,295	2,306
MARCH	1,686	2,092	
APRIL	1,879	2,407	
MAY	2,163	2,720	
JUNE	2,307	2,590	
Y-T-D Average	**$1,764**	**$2,049**	**$1,846**

Budget Stabilization Average Fund Balance - February 2017	**$455**
Total Average Cash Available - February 2017	**$2,761**

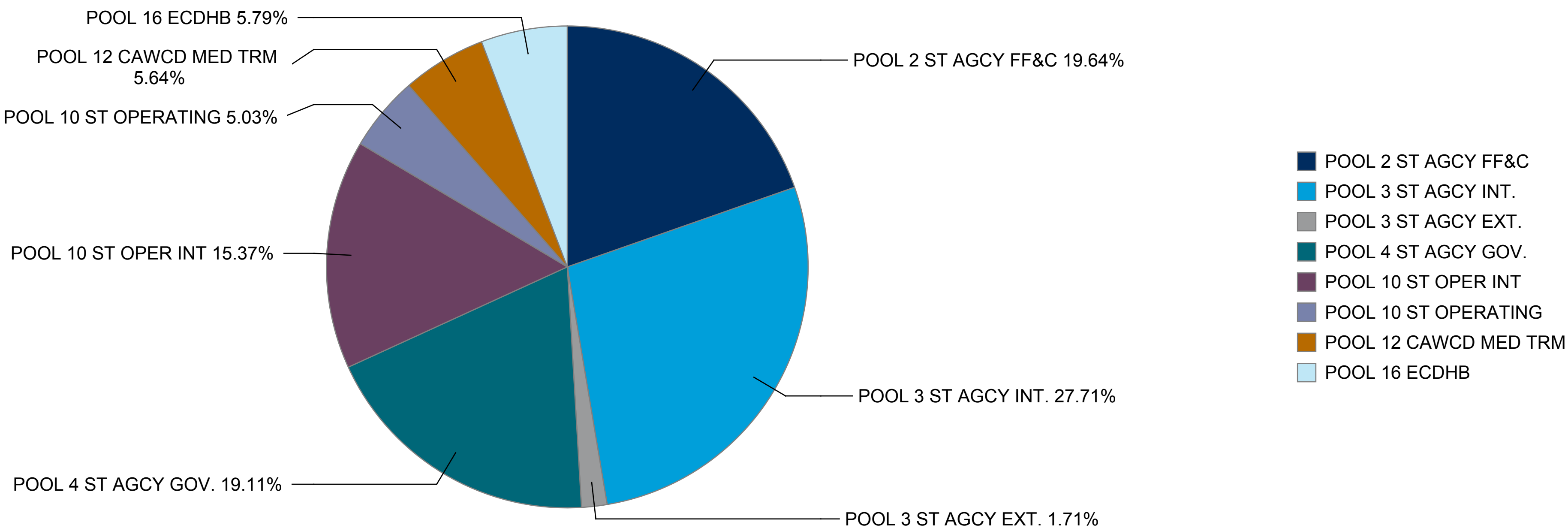
STATE AGENCY POOLS
PORTFOLIO EARNINGS ANALYSIS
FEBRUARY 2017

FUND	DESCRIPTION	Current Month 02/28/17	Prior Month 01/31/17	Prior Year 02/29/16	Net Asset Value Per Share
2	**STATE AGENCIES - FULL FAITH & CREDIT**	658,443	735,687	**582,981**	0.9959
3	**STATE AGENCIES - DIVERSIFIED**				
	INTERNAL MANAGERS	1,372,316	1,393,365	**1,000,948**	0.9979
	EXTERNAL MANAGERS	107,777	112,709	**84,339**	0.9998
	FUND 3 TOTAL	1,480,093	1,506,074	**1,085,287**	0.9980
4	**STATE AGENCIES - GOV**	716,472	736,065	**722,698**	0.9979
9A	**PUBLIC SCHOOL CREDIT ENHANCEMENT**	65,049	14,989	**N/A**	0.9959
10	**RESTRICTED OPERATING**				
	INTERNAL MANAGERS	948,350	963,643	**797,982**	0.9974
	EXTERNAL MANAGERS	183,397	191,572	**139,221**	1.0002
	FUND 10 TOTAL	1,131,748	1,155,214	**937,203**	0.9981
12	**CAWCD MEDIUM-TERM**	410,071	427,021	**380,889**	1.0016
15	**AHCCCS OPERATING**	23,348	27,959	**12,110**	N/A
16	**ECDH MEDIUM-TERM**	479,549	480,271	**455,837**	0.9974
	TOTAL STATE AGENCIES	**4,899,724**	**5,068,291**	**4,177,005**	

STATE AGENCY POOLS
PORTFOLIO YIELD ANALYSIS
FEBRUARY 2017

FUND	DESCRIPTION	Current Month 02/28/17	Prior Month 01/31/17	Prior Year 02/29/16
2	STATE AGENCIES - FULL FAITH & CREDIT	0.90%	0.82%	0.73%
	75% MERRILL 0-1 US TREAS INDEX / 25% MERRILL US GNMA MORTGAGE BACKED INDEX	1.22%	1.22%	0.99%
3	STATE AGENCIES - DIVERSIFIED			
	INTERNAL MANAGERS	1.12%	1.05%	0.87%
	EXTERNAL MANAGERS	1.36%	1.28%	1.04%
	COMBINED	1.13%	1.07%	0.88%
	50% 3 MONTH LIBOR INDEX / 50% MERRILL 1-3 US BROAD MARKET INDEX	1.26%	1.25%	0.93%
4	STATE AGENCIES - GOV	0.83%	0.78%	0.69%
	50% MERRILL 6 MTH US T-BILL INDEX / 50% MERRILL 1-3 UNSUB. US TREAS / AGY INDEX	0.95%	0.91%	0.64%
9A	PUBLIC SCHOOL CREDIT ENHANCEMENT	0.90%	0.82%	N/A
10	RESTRICTED OPERATING			
	INTERNAL MANAGERS	1.33%	1.22%	1.00%
	EXTERNAL MANAGERS	0.79%	0.74%	0.58%
	COMBINED	1.19%	1.10%	0.90%
	50% 3 MONTH LIBOR INDEX / 50% MERRILL 1-3 US BROAD MARKET INDEX	1.26%	1.25%	0.93%
12	CAWCD MEDIUM-TERM	1.56%	1.41%	1.51%
	75% MERRILL 1-5 US D M INDEX / 25% S & P LGIP INDEX	1.49%	1.49%	1.56%
15	AHCCCS OPERATING	0.16%	0.23%	0.44%
16	ECDH MEDIUM-TERM	1.78%	1.61%	1.66%
	75% MERRILL 1-5 US D M INDEX / 25% S & P LGIP INDEX	1.49%	1.49%	1.56%

Manager Allocation



	Market Value	% of Portfolio
POOL 2 ST AGCY FF&C	1,190,772,153	19.6
POOL 3 ST AGCY INT.	1,679,832,001	27.7
POOL 3 ST AGCY EXT.	103,811,799	1.7
POOL 4 ST AGCY GOV.	1,158,687,772	19.1
POOL 10 ST OPER INT	931,552,271	15.4
POOL 10 ST OPERATING	304,832,414	5.0
POOL 12 CAWCD MED TRM	342,124,843	5.6
POOL 16 ECDHB	350,781,848	5.8
TOTAL STATE AGENCY	6,062,405,569	100.0

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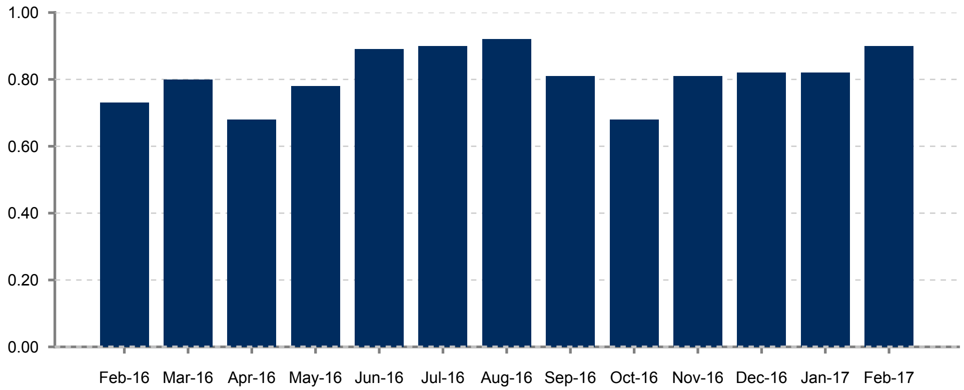
February 28, 2017

POOL 2 ST AGCY FF&C

STATE STREET.

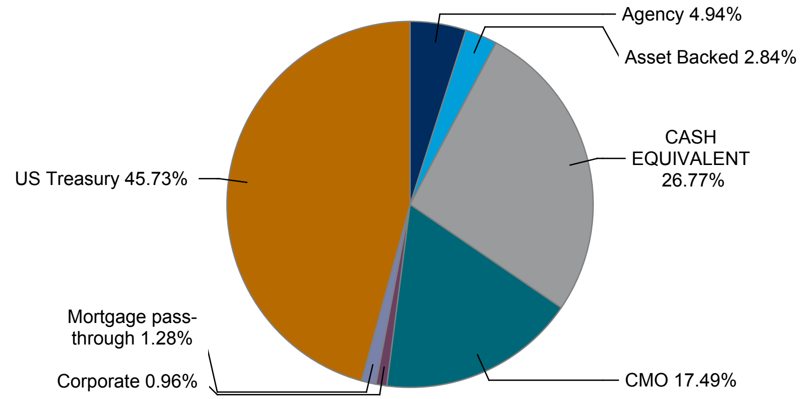
Net Yield



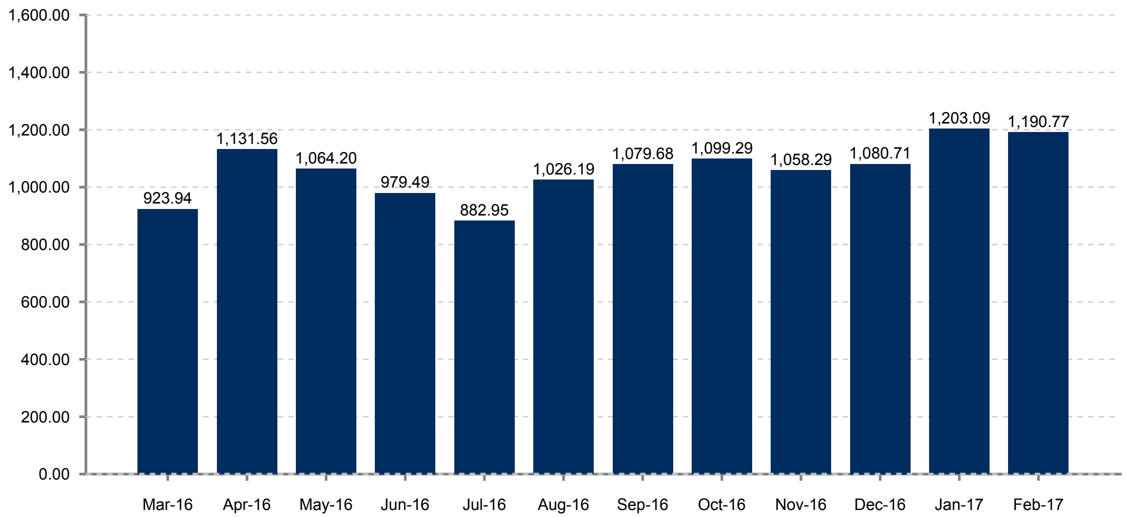
	Current Mth	Prior Mth	1 Year Ago
POOL 2 ST AGCY FF&C	0.90	0.82	0.73

Asset Allocation

	Ending Market Value
POOL 2 ST AGCY FF&C	1,190,772,153



Net Asset Values over Time ($MM)



Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 2 ST AGCY FF&C		
RBC CAPITAL MARKETS R	100,001,389	8.40
BMO TRIPARTY MTGE CLA	100,001,361	8.40
US TREASURY N/B	70,130,810	5.89
US TREASURY N/B	61,268,588	5.15
WI TREASURY SEC	59,999,129	5.04
US TREASURY N/B	50,055,696	4.20
US TREASURY N/B	40,074,684	3.37
US TREASURY FRN	40,019,512	3.36
US TREASURY N/B	30,373,770	2.55
US TREASURY N/B	30,099,490	2.53

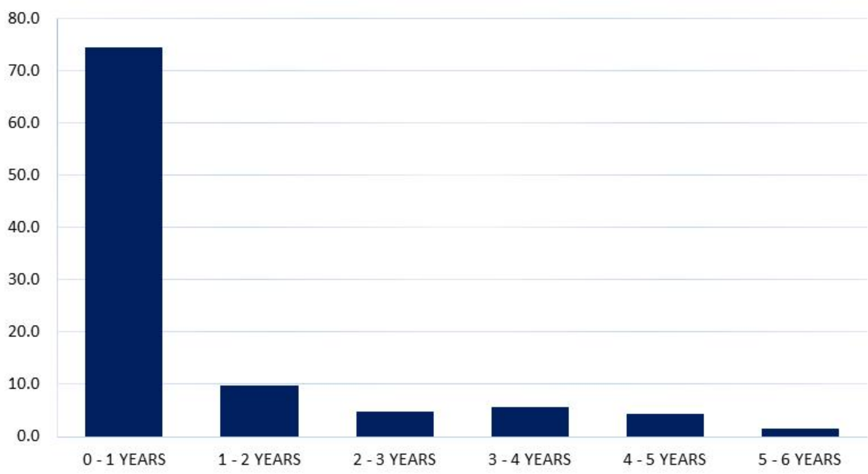
OFFICE OF THE ARIZONA STATE TREASURER

February 28, 2017

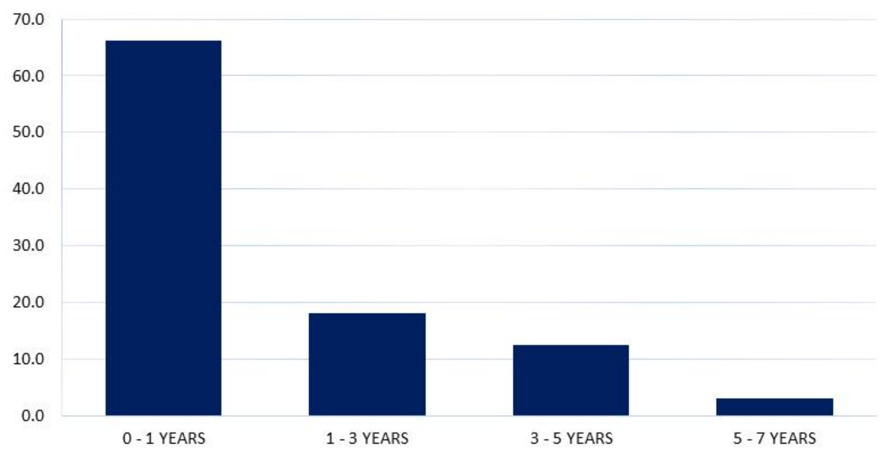
POOL 2 ST AGCY FF&C

STATE STREET.

Duration Distribution



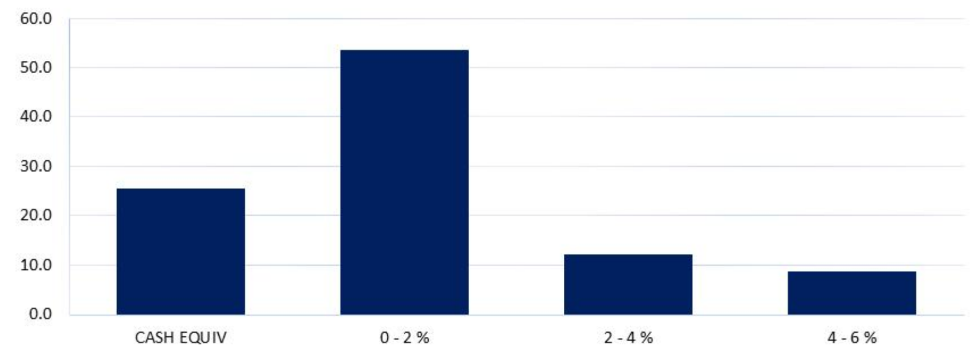
Expected Maturity Distribution



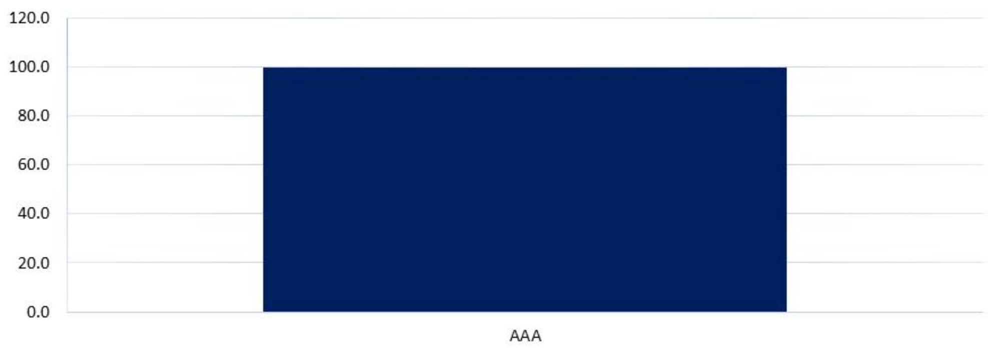
Portfolio Level Characteristics

	POOL 2 ST AGCY FF&C
Weighted Average Life	1.09
Coupon	1.48
Effective Duration	0.79
Quality Rating (Moody's)	AAA

Coupon Distribution



Rating Distribution



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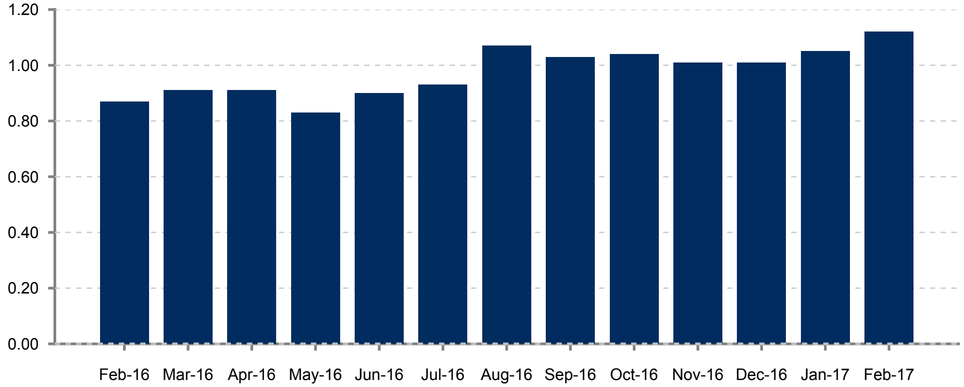
POOL 3 ST AGCY INT.

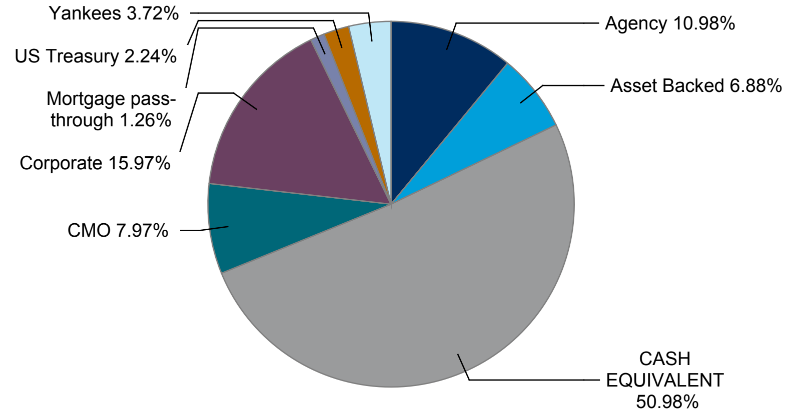
Net Yield



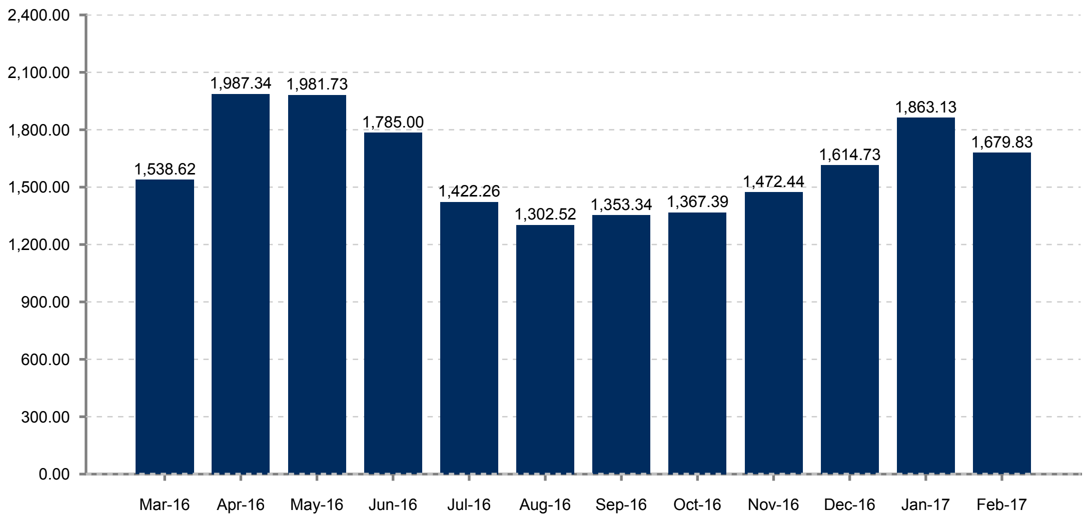
	Current Mth	Prior Mth	1 Year Ago
POOL 3 ST AGCY INT.	1.12	1.05	0.87

Asset Allocation

	Ending Market Value
POOL 3 ST AGCY INT.	1,679,832,001



Net Asset Values over Time ($MM)



Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 3 ST AGCY INT.		
SOUTH STREET REPO	267,004,302	15.89
GOTHAM FDG CORP	40,087,796	2.39
OLD LINE FUNDING LLC	39,899,778	2.38
WORKING CAP. MAN. CO	36,302,748	2.16
CANADIAN IMPERIAL BK	30,120,209	1.79
IBM CORP	30,077,602	1.79
CREDIT AGRICOLE	30,061,750	1.79
FREDDIE MAC	30,004,035	1.79
INSTITUTIONAL SECURED	29,990,800	1.79
MIZUHO BANK LTD	29,951,933	1.78

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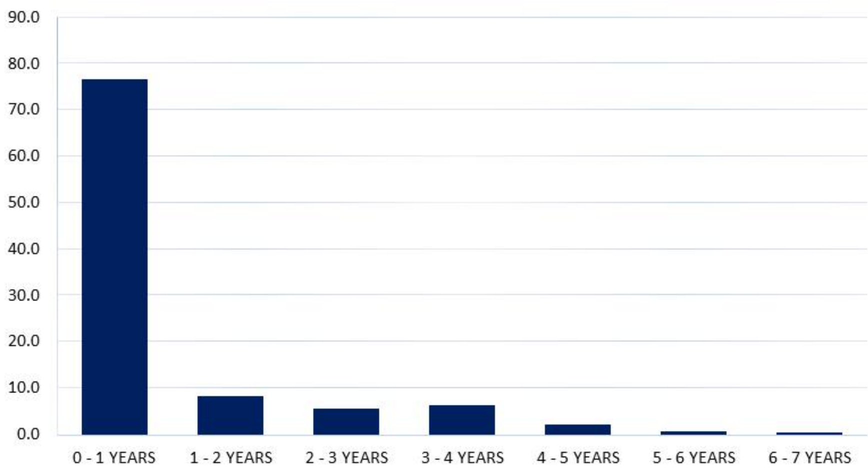
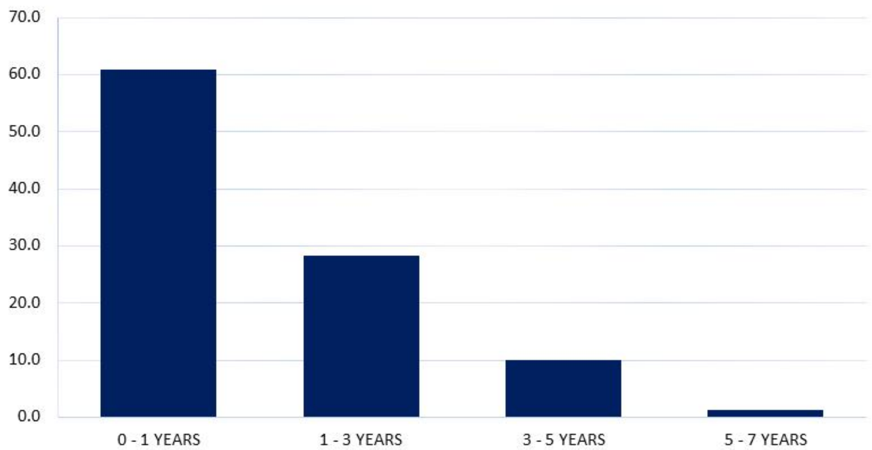
POOL 3 ST AGCY INT

Duration Distribution



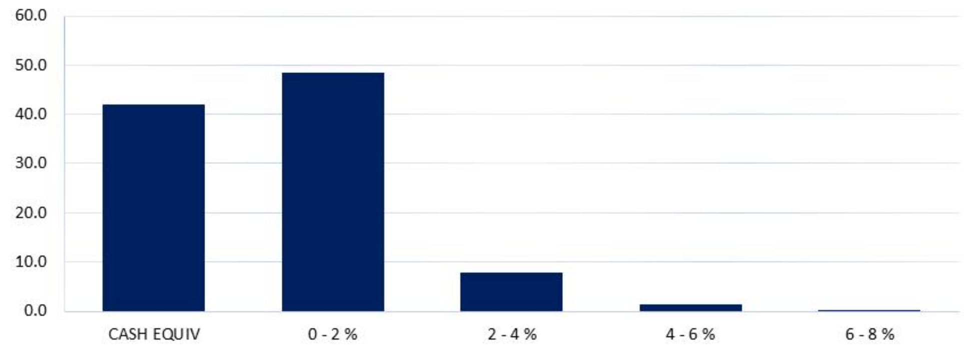
Expected Maturity Distribution



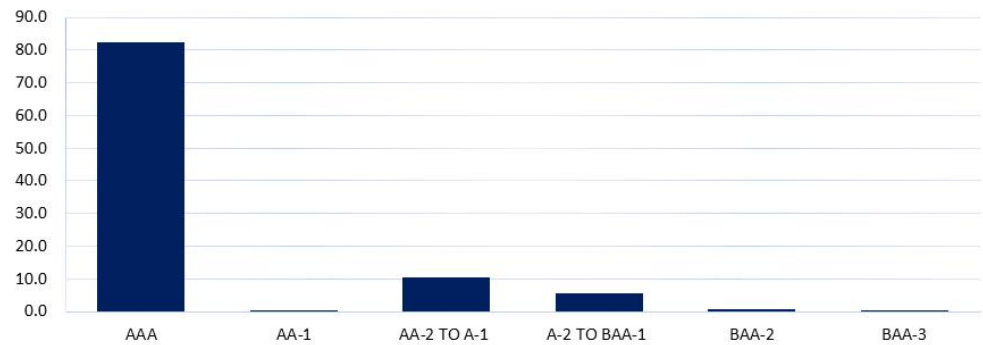
Portfolio Level Characteristics

	POOL 3 ST AGCY INT.
Weighted Average Life	0.98
Coupon	1.01
Effective Duration	0.70
Quality Rating (Moody's)	AA-1

Coupon Distribution



Rating Distribution



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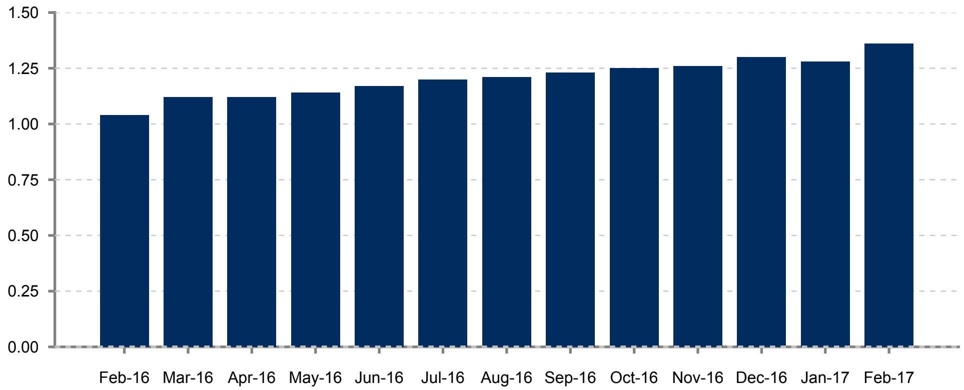
POOL 3 ST AGCY EXT.

STATE STREET.

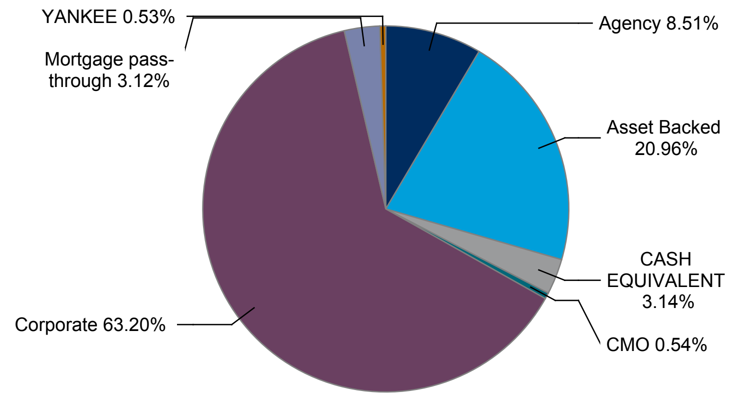
Net Yield



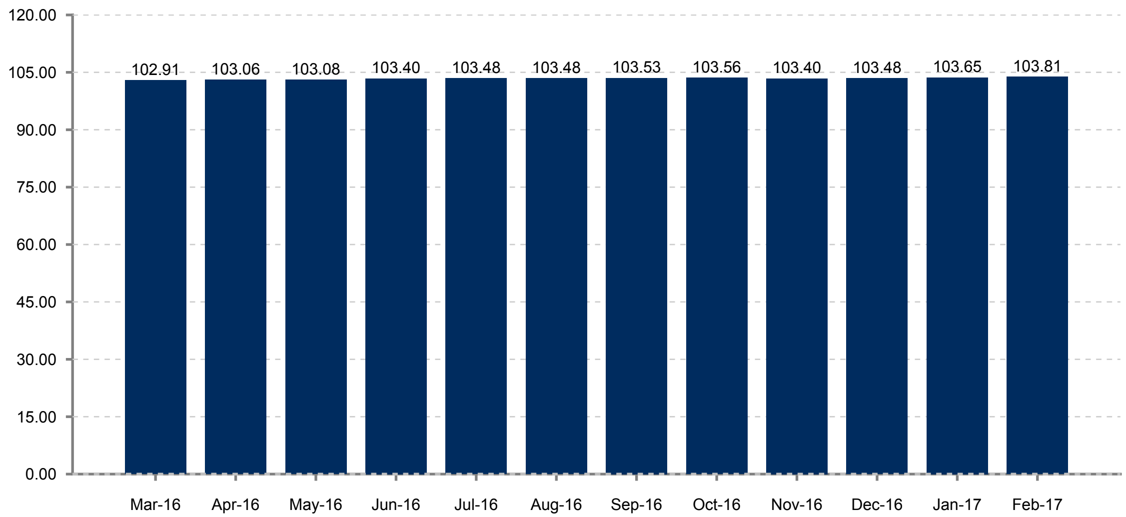
	Current Mth	Prior Mth	1 Year Ago
POOL 3 ST AGCY EXT.	1.36	1.28	1.04

Asset Allocation

	Ending Market Value
POOL 3 ST AGCY EXT.	103,811,799



Net Asset Values over Time ($MM)



Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 3 ST AGCY EXT.		
FANNIE MAE	2,965,206	2.86
FREDDIE MAC	2,787,865	2.69
FNMA POOL MA1443	2,266,184	2.18
DISCOVER CARD EXECUTION NOTE T	2,100,349	2.02
FANNIE MAE	1,983,840	1.91
BRANCH BANKING + TRUST	1,853,207	1.79
3M COMPANY	1,538,326	1.48
SVENSKA HANDLSBNKN A	1,500,329	1.45
HONEYWELL INTERNATIONAL	1,497,338	1.44
PNC BANK NA	1,409,592	1.36

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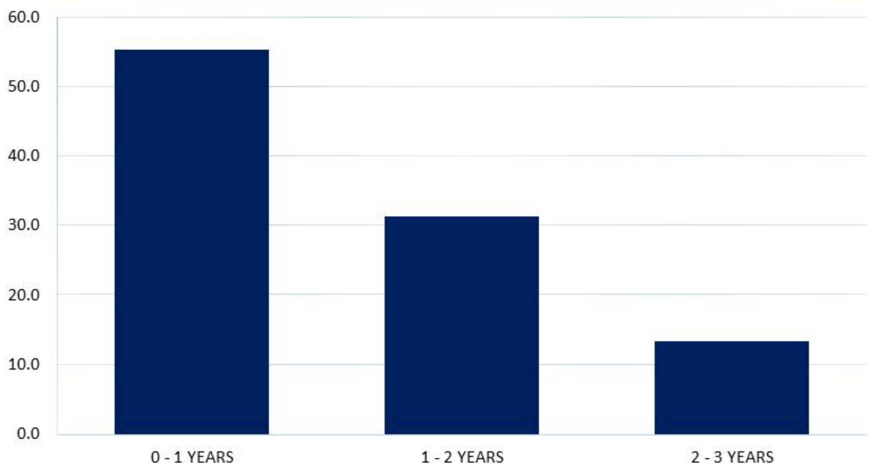
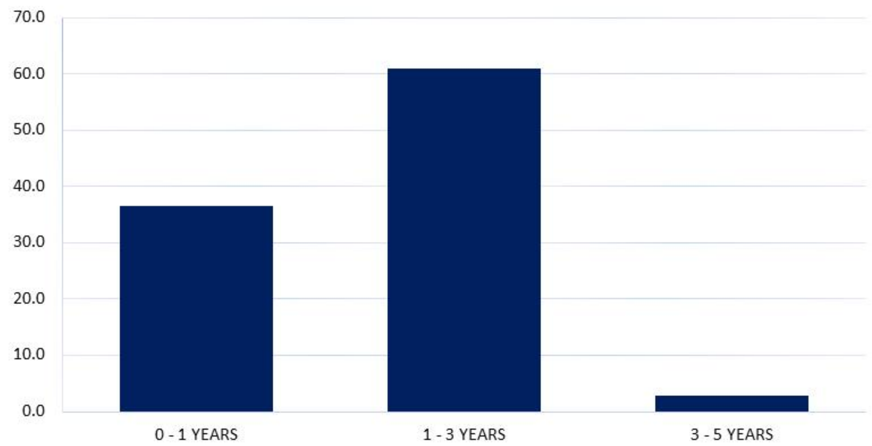
POOL 3 ST AGCY EXT

Duration Distribution



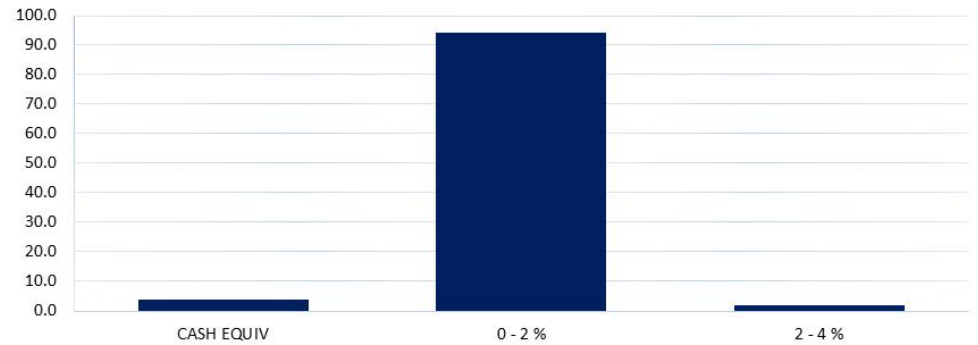
Expected Maturity Distribution



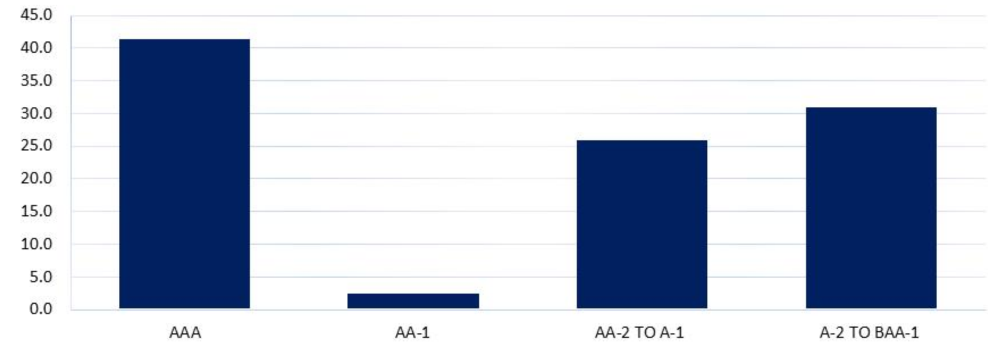
Portfolio Level Characteristics

	POOL 3 ST AGCY EXT.
Weighted Average Life	1.52
Coupon	1.41
Effective Duration	1.01
Quality Rating (Moody's)	AA-3

Coupon Distribution



Rating Distribution



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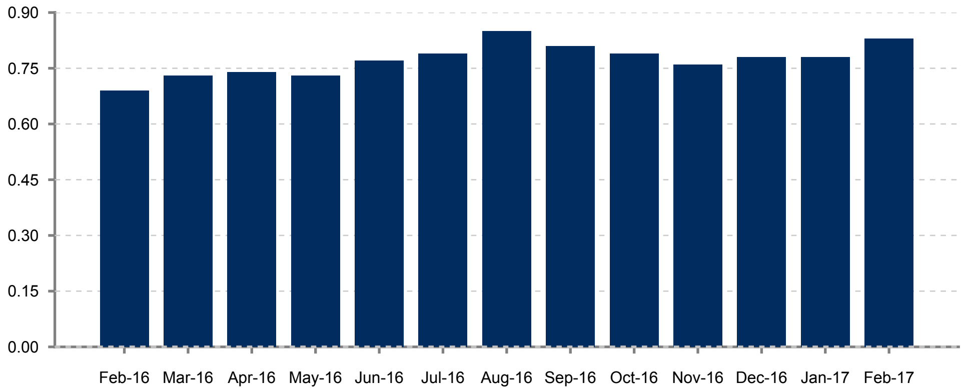
POOL 4 ST AGCY GOV.

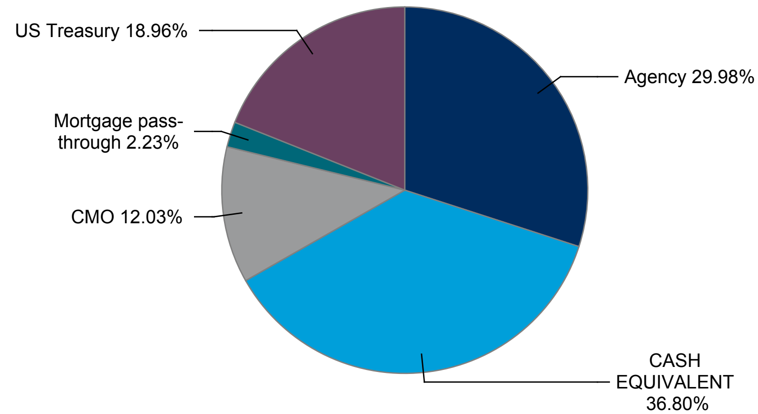
Net Yield



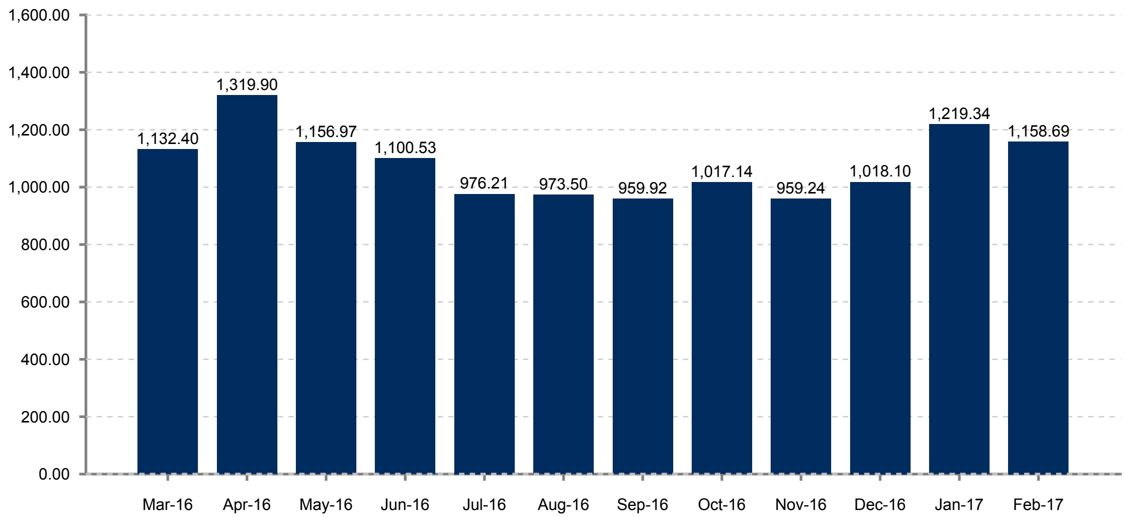
	Current Mth	Prior Mth	1 Year Ago
POOL 4 ST AGCY GOV.	0.83	0.78	0.69

Asset Allocation

	Ending Market Value
POOL 4 ST AGCY GOV.	1,158,687,772



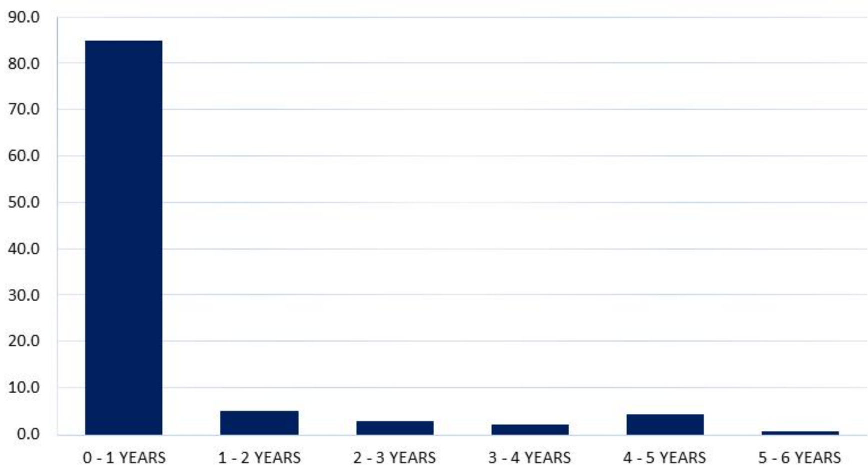
Net Asset Values over Time ($MM)



Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 4 ST AGCY GOV.		
AMHERST PIERPONT	190,856,071	16.47
US TREASURY N/B	40,074,748	3.46
FED HOME LN DISCOUNT NT	32,494,583	2.80
US TREASURY N/B	30,056,013	2.59
FED HOME LN DISCOUNT NT	29,988,100	2.59
FED HOME LN DISCOUNT NT	29,986,875	2.59
FED HOME LN DISCOUNT NT	29,985,425	2.59
FED HOME LN DISCOUNT NT	29,963,442	2.59
FED HOME LN DISCOUNT NT	29,939,670	2.58
FED HOME LN DISCOUNT NT	23,466,959	2.03

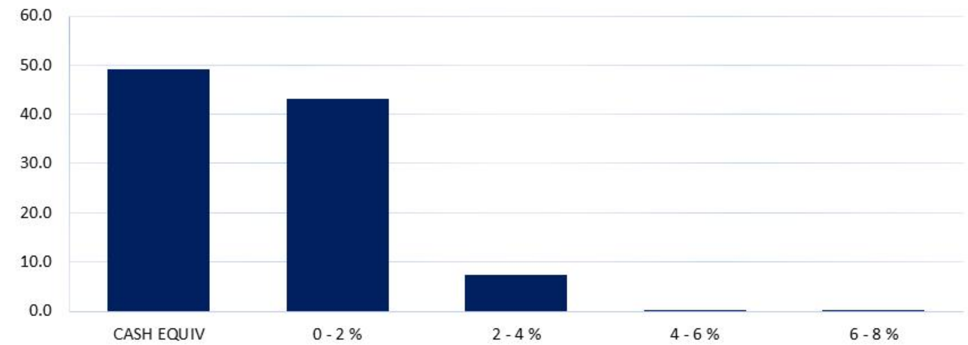
Duration Distribution



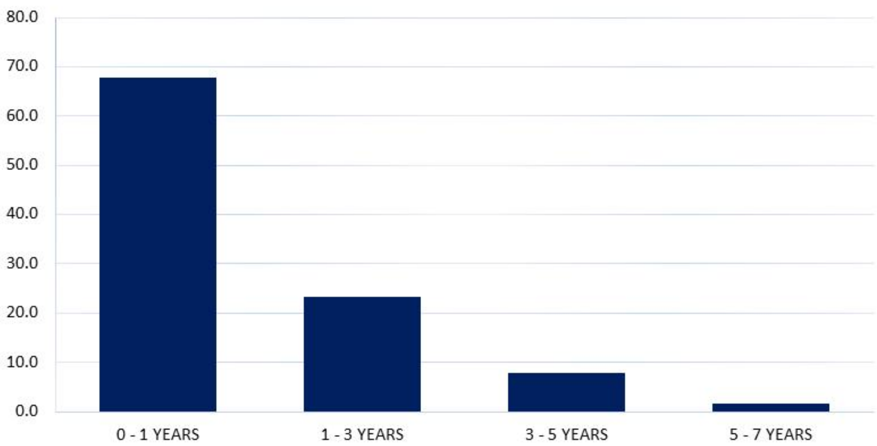
Portfolio Level Characteristics

	POOL 4 ST AGCY GOV.
Weighted Average Life	0.99
Coupon	0.88
Effective Duration	0.68
Quality Rating (Moody's)	AAA

Coupon Distribution



Expected Maturity Distribution



Rating Distribution

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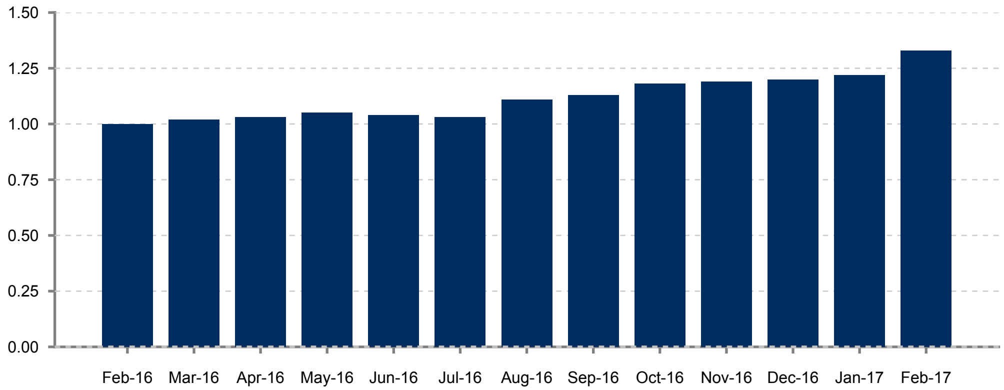
POOL 10 ST OPERATING INT

STATE STREET.

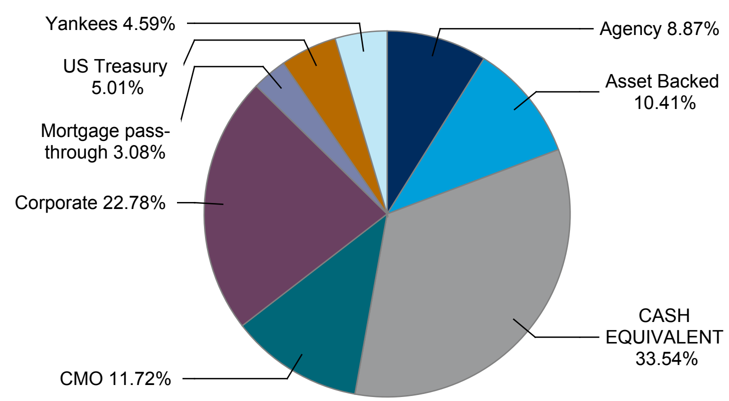
Net Yield



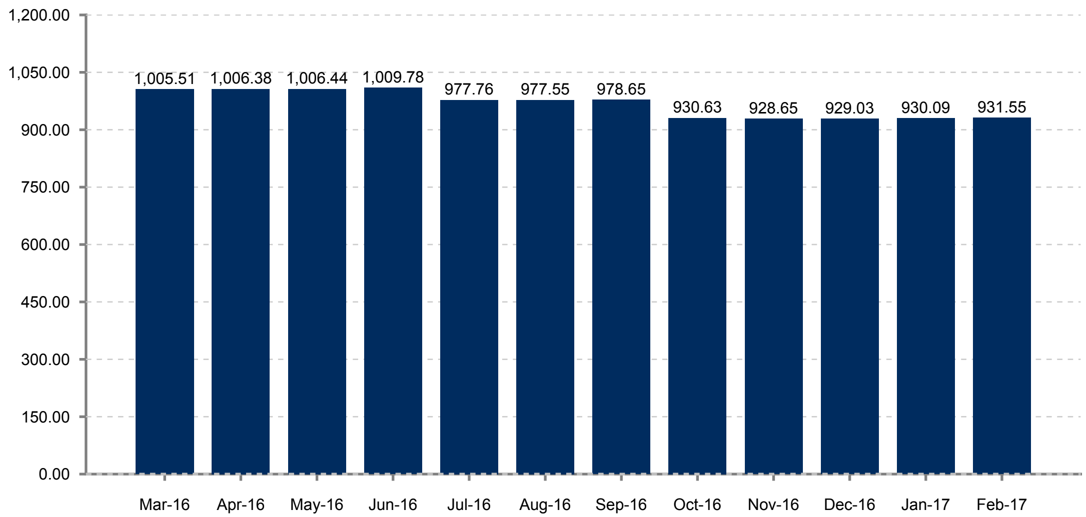
	Current Mth	Prior Mth	1 Year Ago
POOL 10 ST OPER INT	1.33	1.22	1.00

Asset Allocation

	Ending Market Value
POOL 10 ST OPER INT	931,552,271



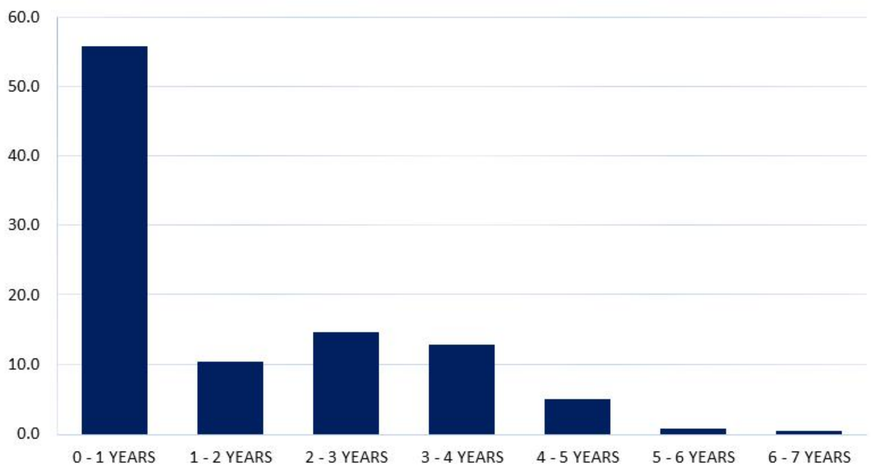
Net Asset Values over Time ($MM)



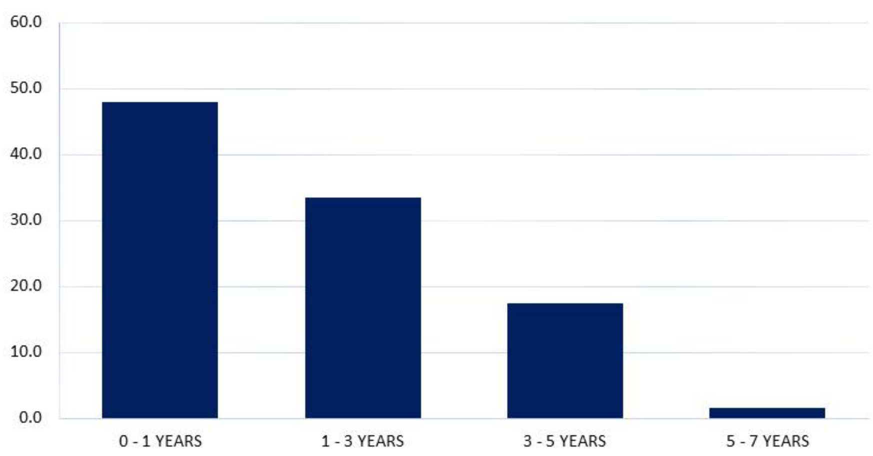
Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 10 ST OPER INT		
VICTORY RECEIVABLES	29,987,967	3.22
WESTPAC BANKING CORP.	24,956,840	2.68
NESTLE FIN FRANCE S.	24,861,146	2.67
US TREASURY N/B	20,167,960	2.16
BNK OF TKYO MTBSHI L	20,124,967	2.16
BANK OF MONTREAL	20,042,311	2.15
INSTITUTIONAL SECURED	19,993,867	2.15
OLD LINE FUNDING LLC	19,974,500	2.14
SHELL INTNL FNC B.V	19,967,806	2.14
PFIZER INC	19,928,600	2.14

Duration Distribution



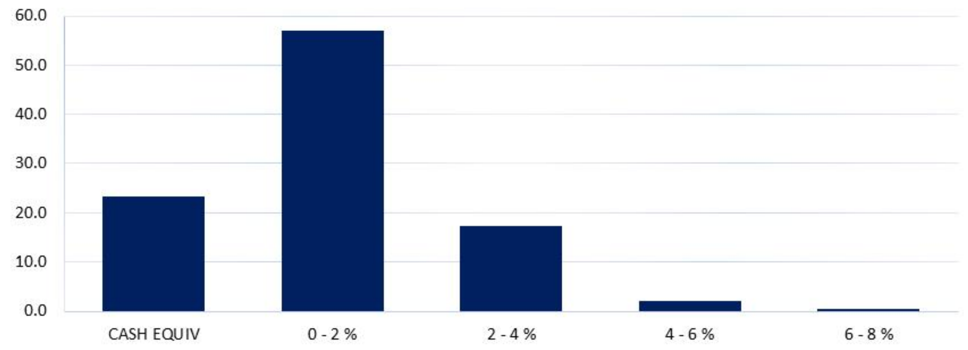
Expected Maturity Distribution



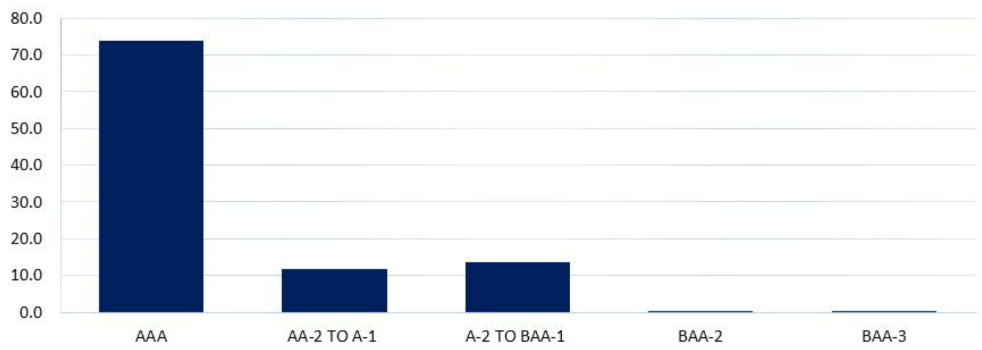
Portfolio Level Characteristics

	POOL 10 ST OPERATING INT
Weighted Average Life	1.42
Coupon	1.30
Effective Duration	1.28
Quality Rating (Moody's)	AA-1

Coupon Distribution



Rating Distribution



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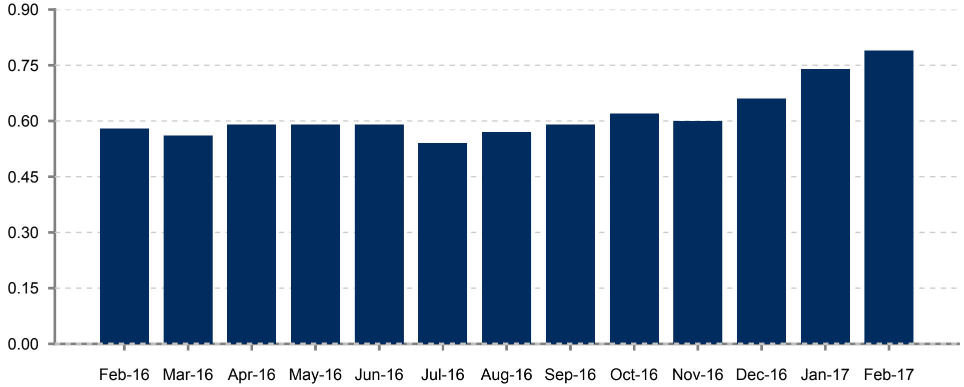
POOL 10 ST OPERATING Ext

STATE STREET.

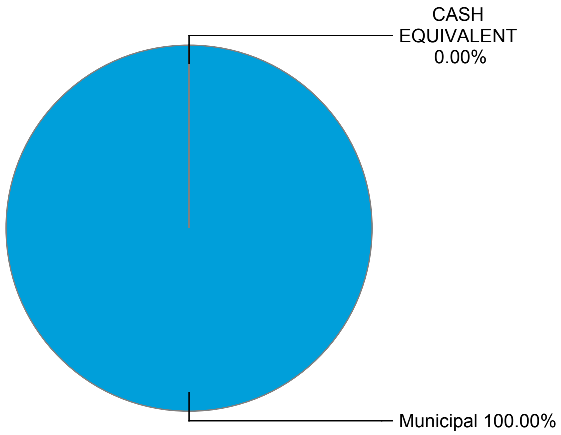
Net Yield



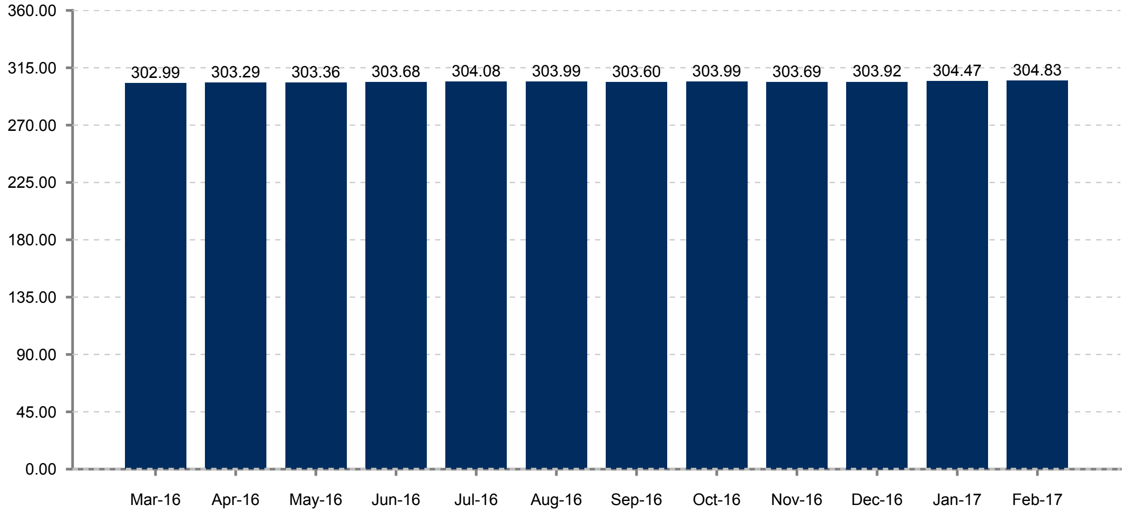
	Current Mth	Prior Mth	1 Year Ago
POOL 10 ST OPERATING	0.79	0.74	0.58

Asset Allocation

	Ending Market Value
POOL 10 ST OPERATING	304,832,414



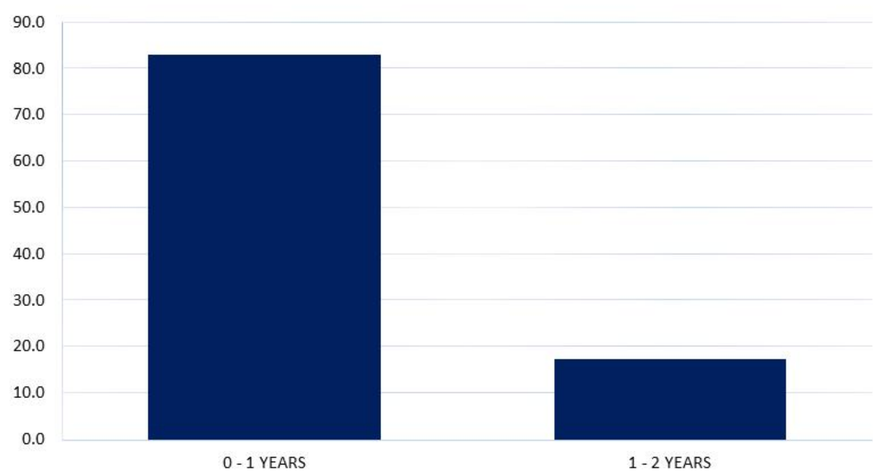
Net Asset Values over Time ($MM)



Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 10 ST OPERATING		
LOUISVILLE JEFFERSON	14,720,626	4.83
NORTH BROWARD FL HOS	14,006,666	4.59
INDIANA ST FIN AUTH HLT	13,031,202	4.27
PORTLAND OR CMNTY CL	12,019,070	3.94
PORTLAND OR SWR SYS	11,253,909	3.69
PENNSYLVANIA ST INDL D	10,699,441	3.51
LEAWOOD KS	10,517,141	3.45
VIRGINIA BEACH VA	10,424,674	3.42
MADISON WI	10,291,132	3.38
MULTNOMAH CNTY OR SC	10,227,496	3.36

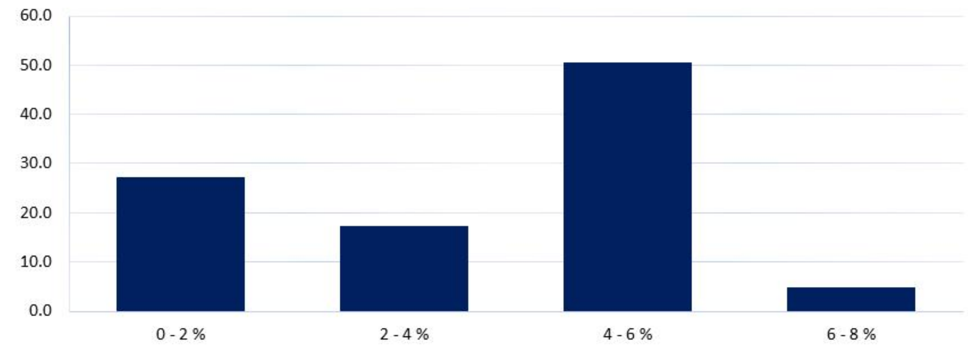
Duration Distribution



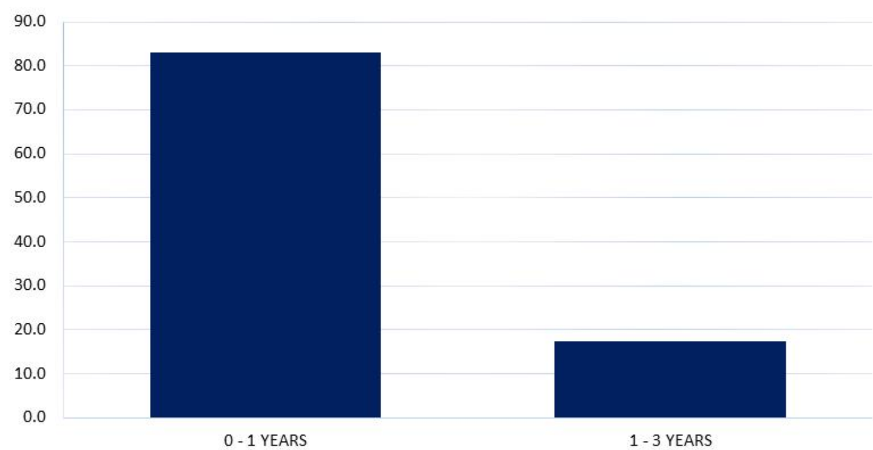
Portfolio Level Characteristics

	POOL 10 ST OPERATING
Weighted Average Life	0.55
Coupon	3.80
Effective Duration	0.54
Quality Rating (Moody's)	AA-1

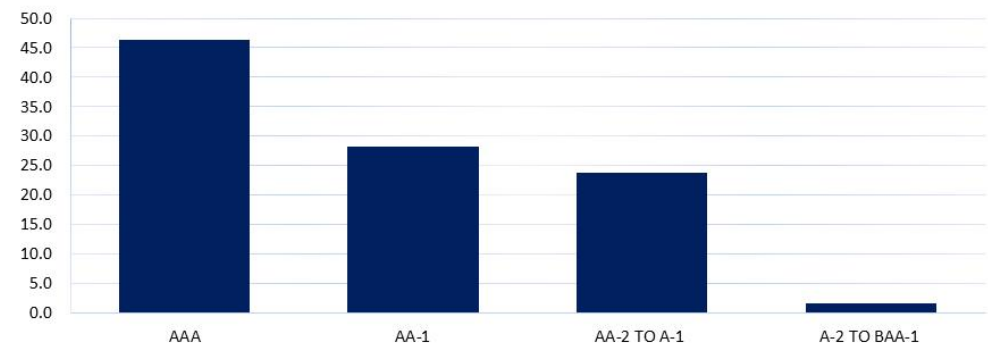
Coupon Distribution



Expected Maturity Distribution



Rating Distribution



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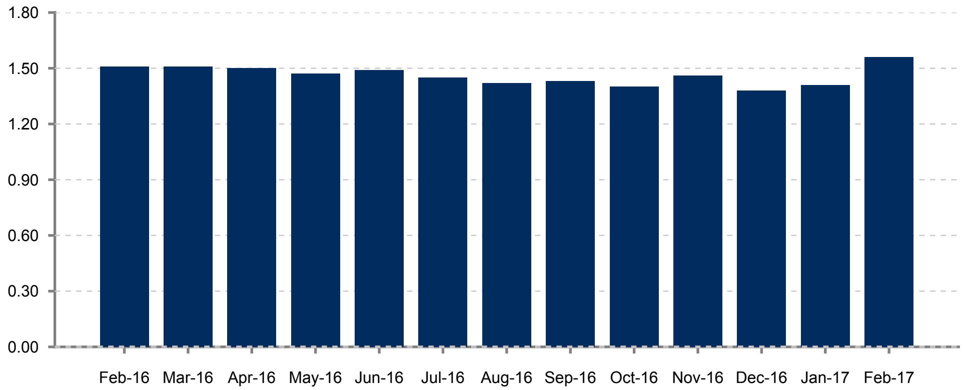
POOL 12 CAWCD MED TRM

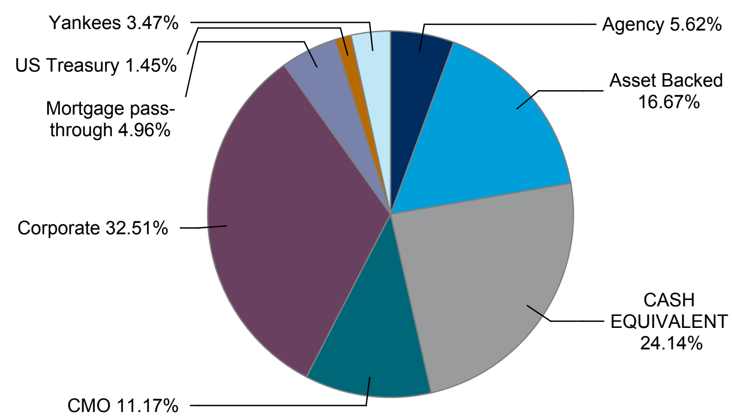
Net Yield



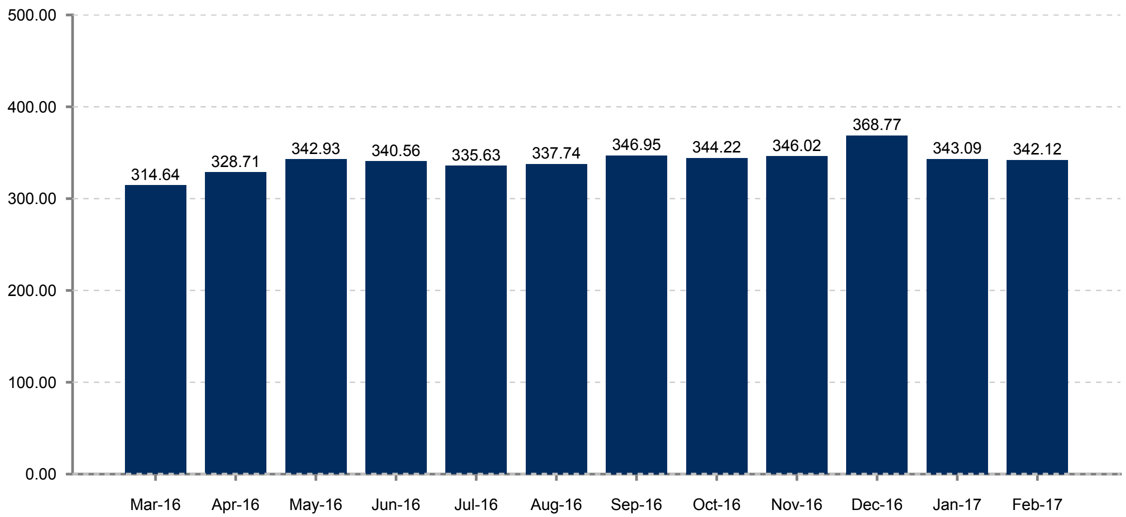
	Current Mth	Prior Mth	1 Year Ago
POOL 12 CAWCD MED TRM	1.56	1.41	1.51

Asset Allocation

	Ending Market Value
POOL 12 CAWCD MED TRM	342,124,843



Net Asset Values over Time ($MM)



Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 12 CAWCD MED TRM		
GUGGENHEIM SECURITIES REPO	15,848,388	4.63
GM FINANCIAL AUTOMOBILE LEASIN	10,011,948	2.93
MIZUHO BANK LTD	7,388,144	2.16
HONDA AUTO RECEIVABLES OWNER T	5,981,747	1.75
FANNIE MAE	5,399,331	1.58
FNMA POOL AV9175	5,364,180	1.57
GOLDMAN SACHS GROUP INC	5,061,534	1.48
BNK OF TKYO MTBSHI L	5,043,853	1.47
CISCO SYSTEMS INC	5,041,438	1.47
WELLS FARGO + COMPANY	5,030,688	1.47

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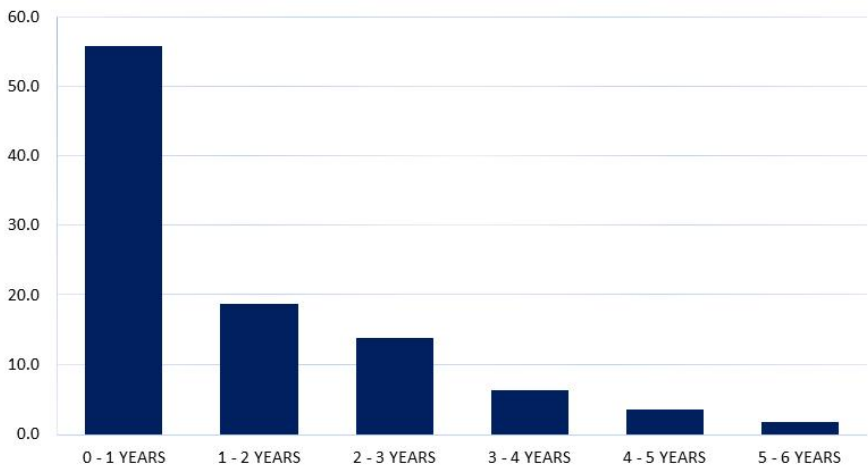
POOL 12 CAWCD MED TRM

STATE STREET.

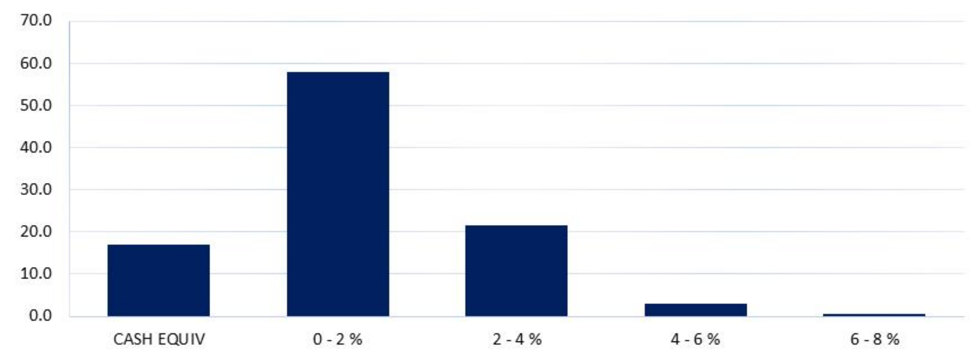
Duration Distribution



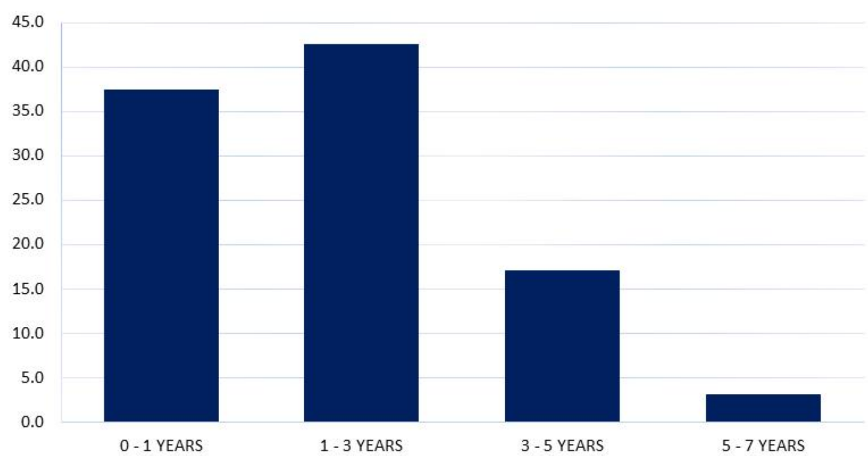
Portfolio Level Characteristics

	POOL 12 CAWCD MED TRM
Weighted Average Life	1.74
Coupon	1.61
Effective Duration	1.12
Quality Rating (Moody's)	AA-2

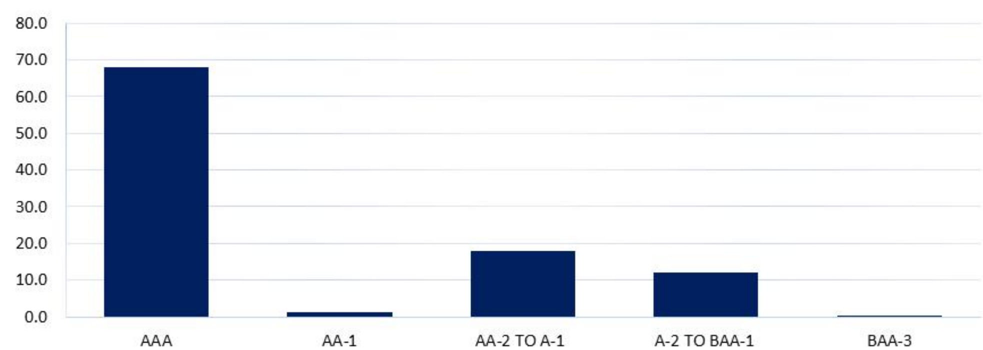
Coupon Distribution



Expected Maturity Distribution



Rating Distribution



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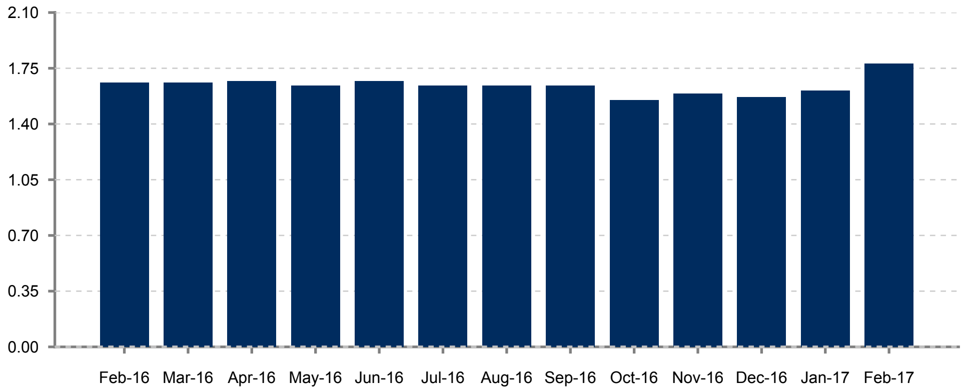
POOL 16 ECDHB

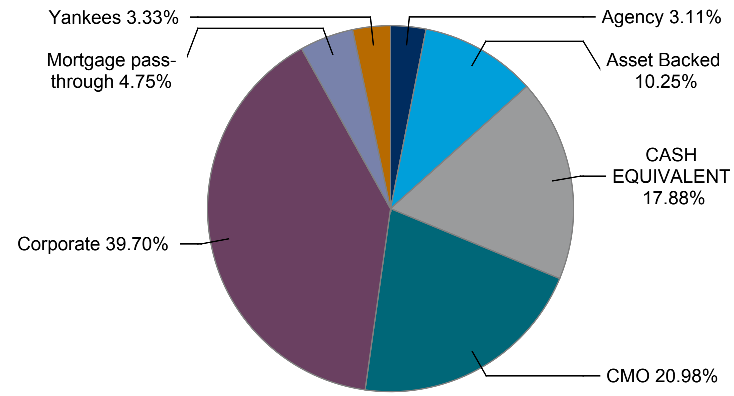
Net Yield



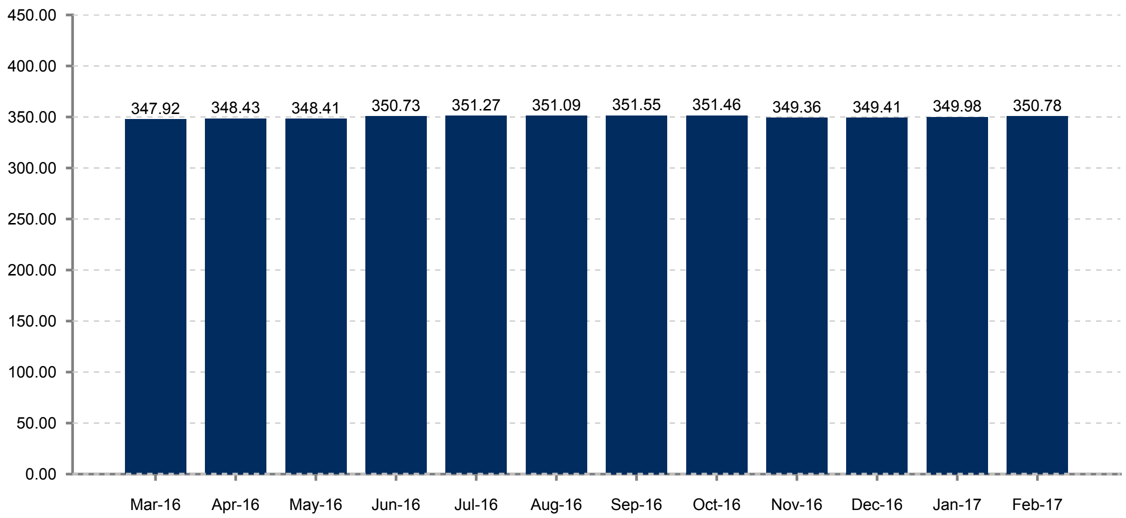
	Current Mth	Prior Mth	1 Year Ago
POOL 16 ECDHB	1.78	1.61	1.66

Asset Allocation

	Ending Market Value
POOL 16 ECDHB	350,781,848



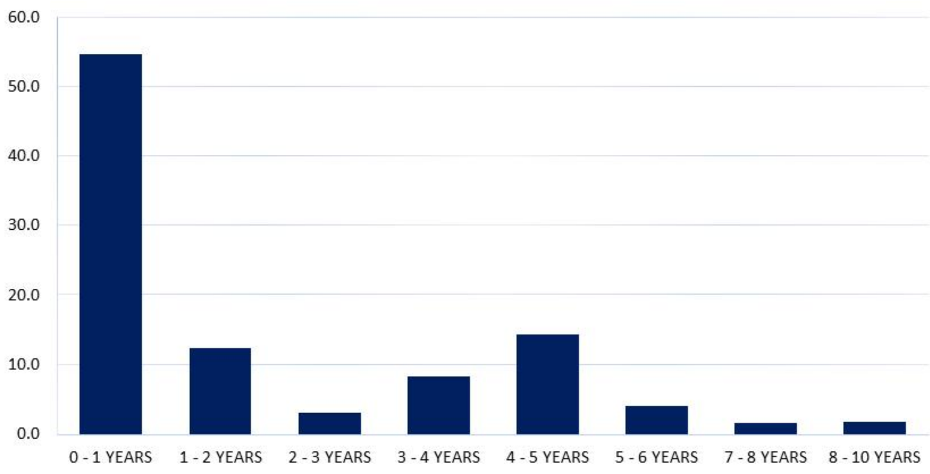
Net Asset Values over Time ($MM)



Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 16 ECDHB		
GUGGENHEIM SECURITIES REPO	17,006,732	4.85
NATIONAL CITY BANK	7,027,191	2.00
FREDDIEMAC STRIP	6,424,310	1.83
FANNIE MAE	6,374,849	1.82
FHLMC MULTIFAMILY STRUCTURED P	5,169,812	1.47
GOVERNMENT NATIONAL MORTGAGE A	5,163,491	1.47
BNK OF TKYO MTBSHI L	5,043,853	1.44
CISCO SYSTEMS INC	5,041,438	1.44
CHEVRON CORP	5,034,201	1.44
NISSAN MOTOR ACCEPTANCE	5,032,063	1.43

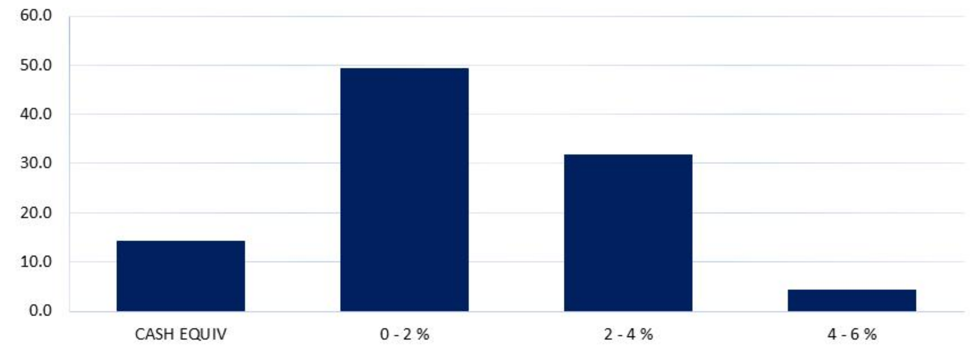
Duration Distribution



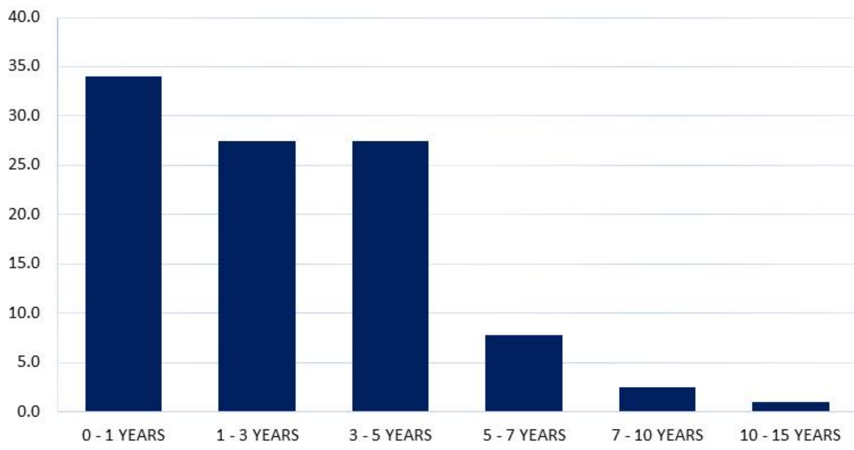
Portfolio Level Characteristics

	POOL 16 ECDHB
Weighted Average Life	2.39
Coupon	1.94
Effective Duration	1.73
Quality Rating (Moody's)	AA-3

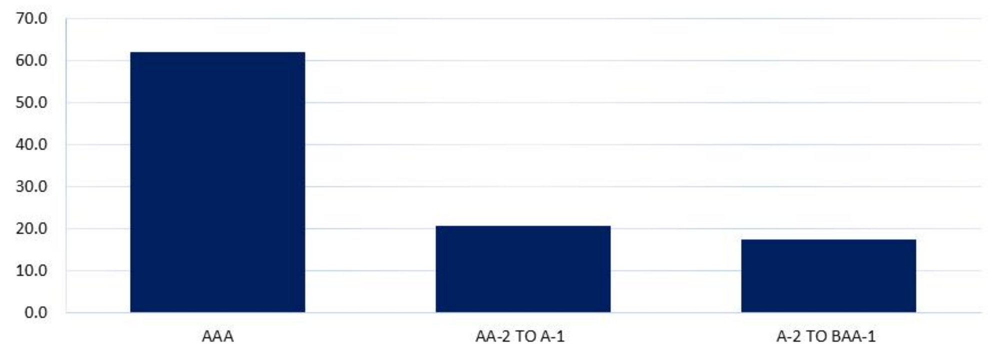
Coupon Distribution



Expected Maturity Distribution



Rating Distribution



LGIP & LGIP- GOV
PORTFOLIO YIELD ANALYSIS
FEBRUARY 2017

NET EARNINGS

FUND	DESCRIPTION	Current Month 02/28/17	Prior Month 01/31/17	Prior Year 02/29/16	Net Asset Value Per Share
5	**LGIP**	619,133	613,089	**285,595**	1.0000
7	**LGIP - GOV**	430,470	428,285	**246,427**	1.0000
	TOTAL LGIP & LGIP-GOV	**1,049,603**	**1,041,374**	**532,022**	

YIELDS

	MONTHLY	Current Month 02/28/17	Prior Month 01/31/17	Prior Year 2/29/16
5	**LGIP (NET)**	0.64%	0.59%	**0.36%**
	S & P LGIP INDEX	0.66%	0.61%	**0.28%**
7	**LGIP - GOV (NET)**	0.46%	0.43%	**0.30%**
	3 MONTH T-BILL	0.52%	0.51%	**0.30%**
	YEAR TO DATE			
5	**LGIP (NET)**	0.50%	0.48%	**0.21%**
	S & P LGIP INDEX	0.50%	0.48%	**0.13%**
7	**LGIP - GOV (NET)**	0.39%	0.38%	**0.17%**
	3 MONTH T-BILL	0.39%	0.37%	**0.12%**

* 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
FEBRUARY 2017

NET EARNINGS

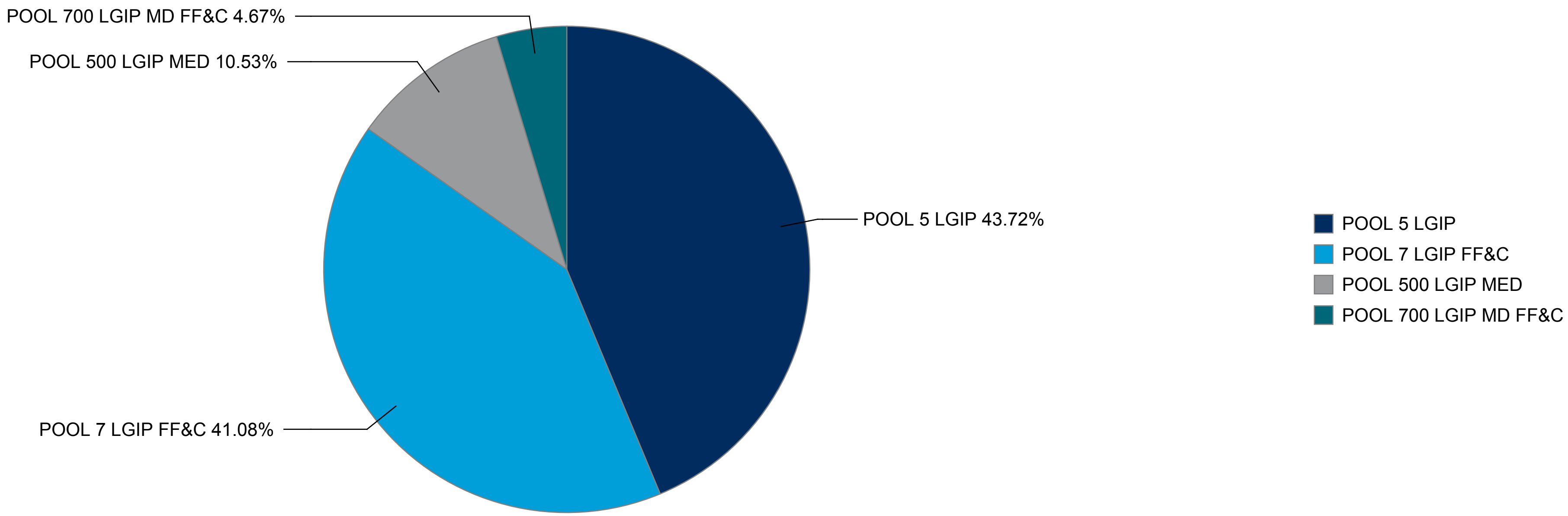
FUND	DESCRIPTION	Current Month 02/28/17	Prior Month 01/31/17	Prior Year 02/29/16	Net Asset Value Per Share
500	LGIP - MED TERM POOL	346,734	332,964	260,035	1.0305
700	LGIP - FF&C MED TERM POOL	132,218	109,343	136,832	1.0080
	TOTAL LGIP MEDIUM TERM POOLS	**478,952**	**442,307**	**396,867**	

YIELDS

	MONTHLY	Current Month 02/28/17	Prior Month 01/31/17	Prior Year 2/29/16
500	LGIP - MED TERM (NET)	1.48%	1.36%	1.34%
	75% MERRILL 1-5 US D M INDEX / 25% S & P LGIP INDEX	1.49%	1.49%	1.56%
700	LGIP - FF&C MED TERM (NET)	1.28%	0.95%	1.16%
	75% MERRILL 1-5 US TREAS INDEX / 15% MERRILL US GNMA 15 YR INDEX / 10% MERRILL US 3 MO T-BILL INDEX	1.44%	1.44%	1.29%
	YEAR TO DATE			
500	LGIP - MED TERM (NET)	1.35%	1.33%	1.21%
	75% MERRILL 1-5 US D M INDEX / 25% S & P LGIP INDEX	1.31%	1.29%	1.55%
700	LGIP - FF&C MED TERM (NET)	1.10%	1.07%	0.97%
	75% MERRILL 1-5 US TREAS INDEX / 15% MERRILL US GNMA 15 YR INDEX / 10% MERRILL US 3 MO T-BILL INDEX	1.18%	1.15%	1.42%

STATE STREET.

Manager Allocation



	Market Value	% of Portfolio
POOL 5 LGIP	1,268,443,590	43.7
POOL 7 LGIP FF&C	1,191,757,865	41.1
POOL 500 LGIP MED	305,635,608	10.5
POOL 700 LGIP MD FF&C	135,531,865	4.7
TOTAL LGIP	2,901,368,928	100.0

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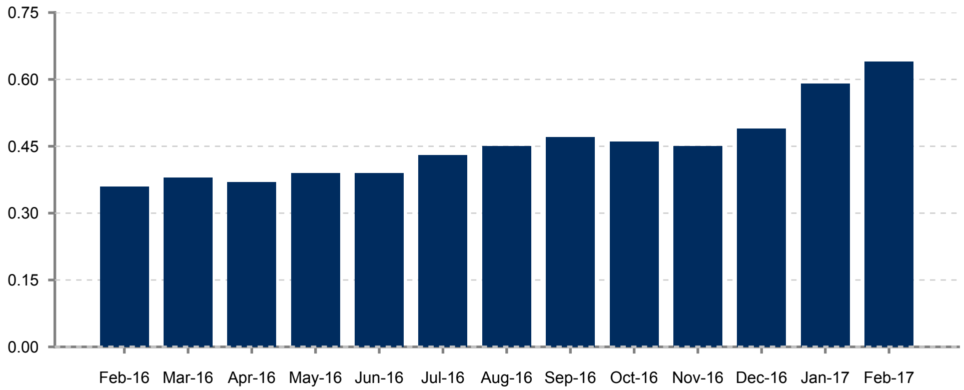
February 28, 2017

POOL 5 LGIP

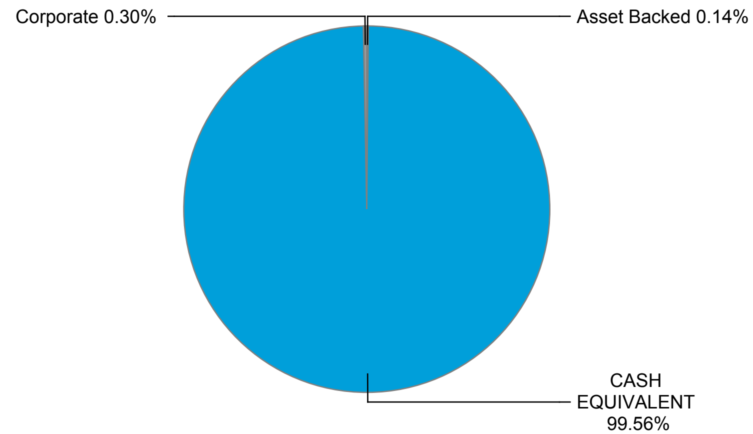
Net Yield



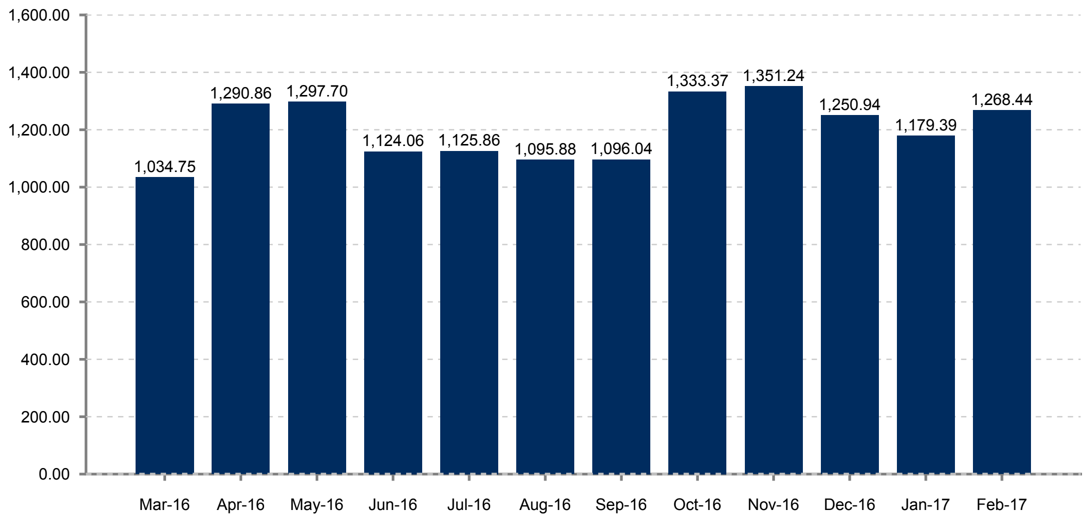
	Current Mth	Prior Mth	1 Year Ago
POOL 5 LGIP	0.64	0.59	0.36

Asset Allocation

	Ending Market Value
POOL 5 LGIP	1,268,443,590



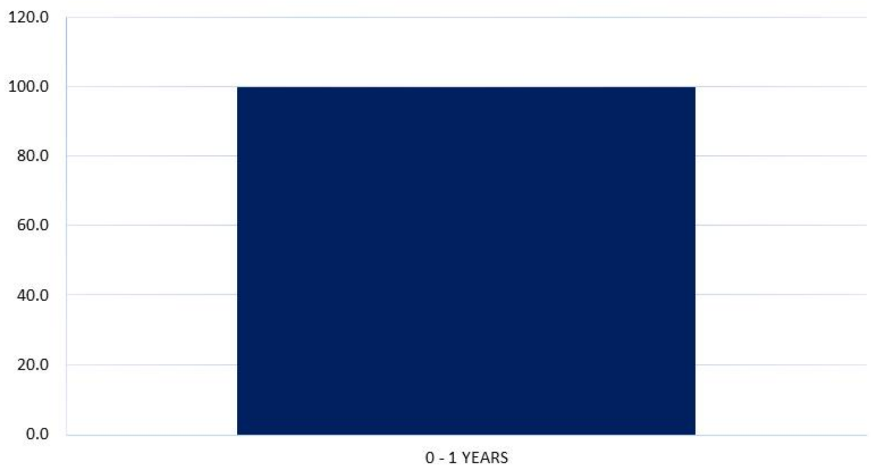
Net Asset Values over Time ($MM)



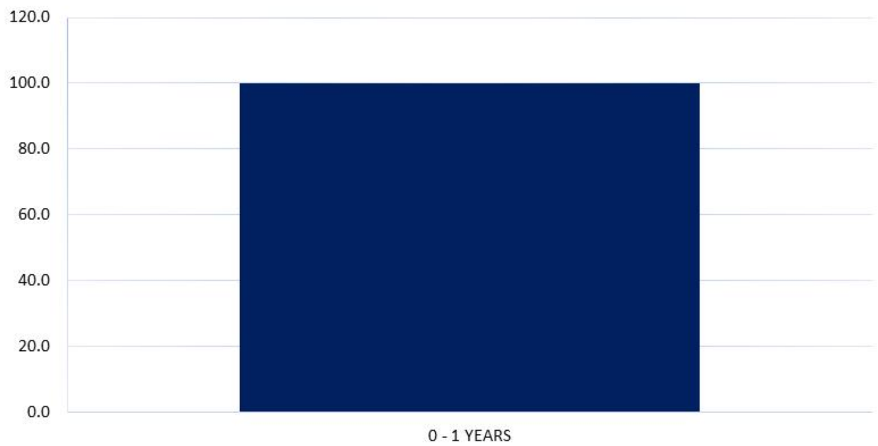
Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 5 LGIP		
WELLS FARGO REPO	220,003,300	17.34
BANK OF AMERICA REPO	100,001,389	7.88
FIDELITY INVESTMENTS MONEY	50,235,036	3.96
FANNIE DISCOUNT NOTE	50,000,000	3.94
UNITED PARCEL SERVIC	29,999,533	2.37
LEXINGTN PKR CAP CO LL	29,996,625	2.36
SUMITOMO MTSU BKG CORP	29,995,975	2.36
APPLE INC	29,972,667	2.36
WHEELS INC	25,000,000	1.97
INSTITUTIONAL SECURED	24,999,375	1.97

Duration Distribution



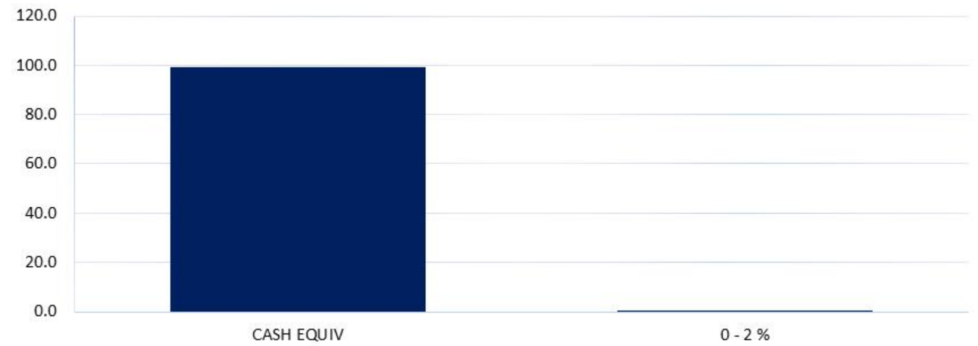
Expected Maturity Distribution



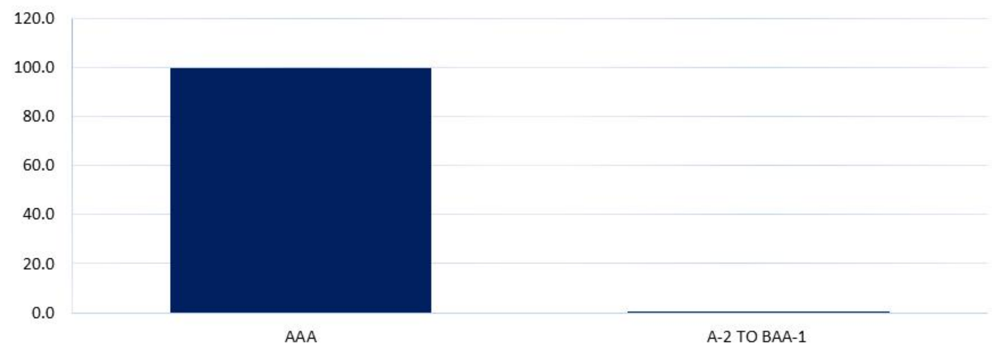
Portfolio Level Characteristics

	POOL 5 LGIP
Weighted Average Life	0.06
Coupon	0.01
Effective Duration	0.06
Quality Rating (Moody's)	AAA

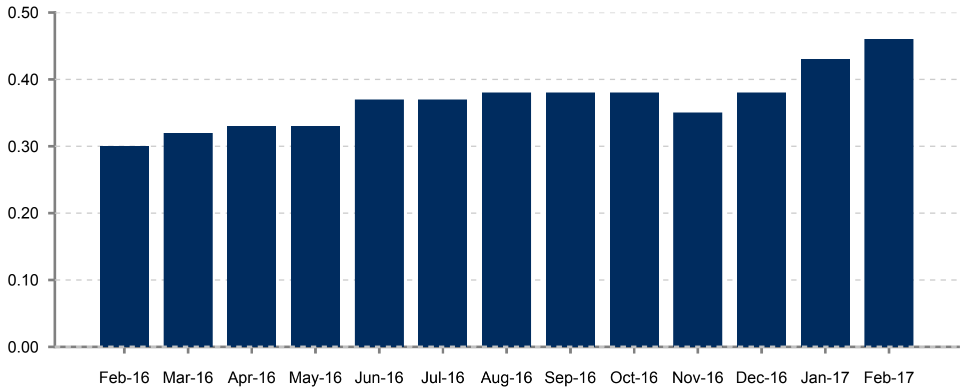
Coupon Distribution



Rating Distribution



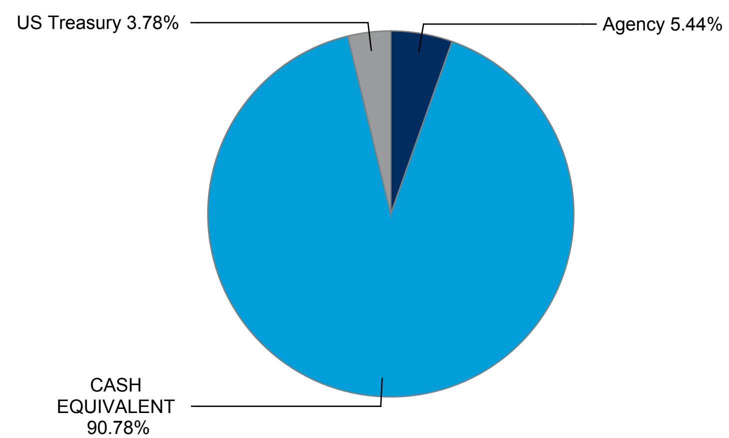
Net Yield



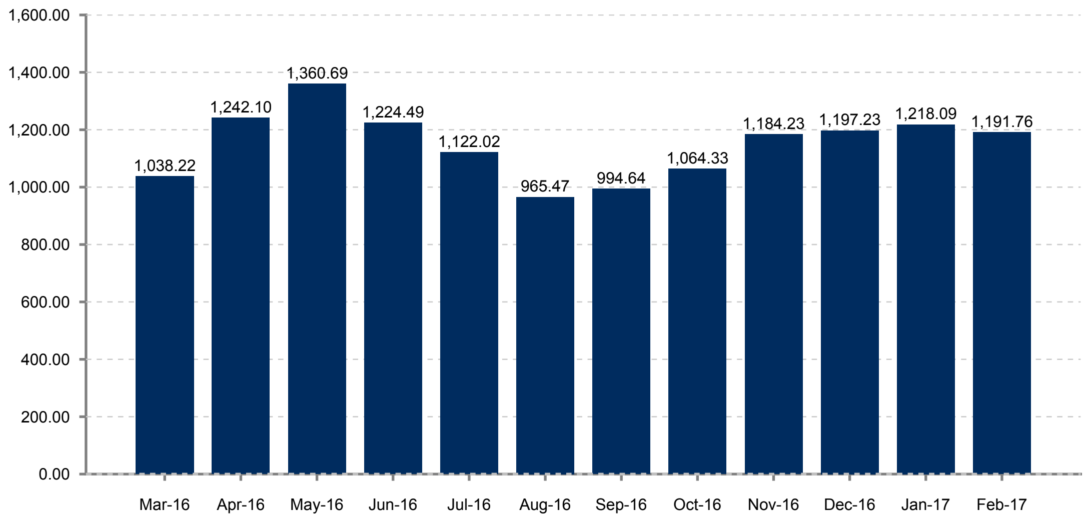
	Current Mth	Prior Mth	1 Year Ago
POOL 7 LGIP FF&C	0.46	0.43	0.30

Asset Allocation

	Ending Market Value
POOL 7 LGIP FF&C	1,191,757,865



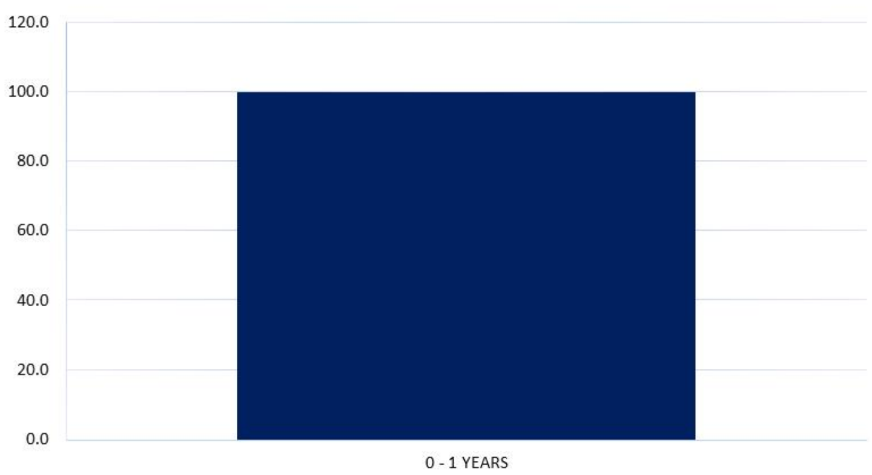
Net Asset Values over Time ($MM)



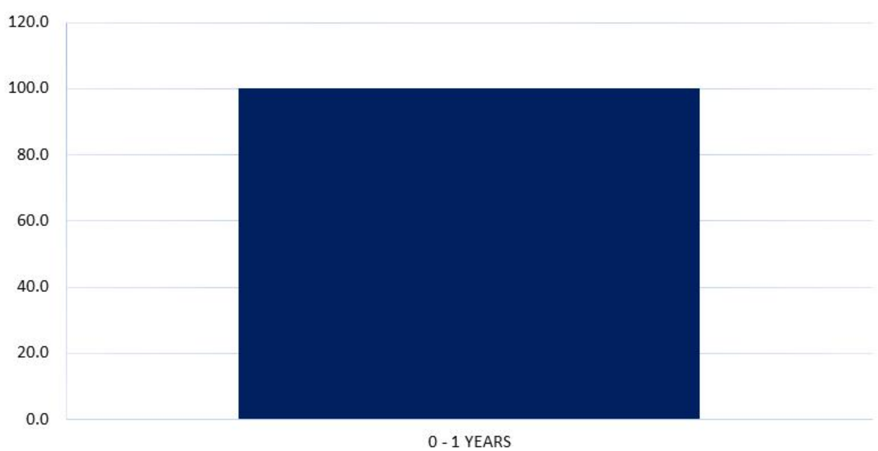
Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 7 LGIP FF&C		
DAIWA CAPITAL MARKETS REPO	200,002,889	16.78
WI TREASURY SEC	104,988,650	8.81
TREASURY BILL	104,885,134	8.80
TREASURY BILL	89,925,884	7.55
TREASURY BILL	89,845,200	7.54
MIZUHO	88,635,717	7.44
TREASURY BILL	79,920,559	6.71
TREASURY BILL	74,968,624	6.29
TREASURY BILL	64,843,858	5.44
FIDELITY INVESTMENTS MONEY	40,093,266	3.36

Duration Distribution



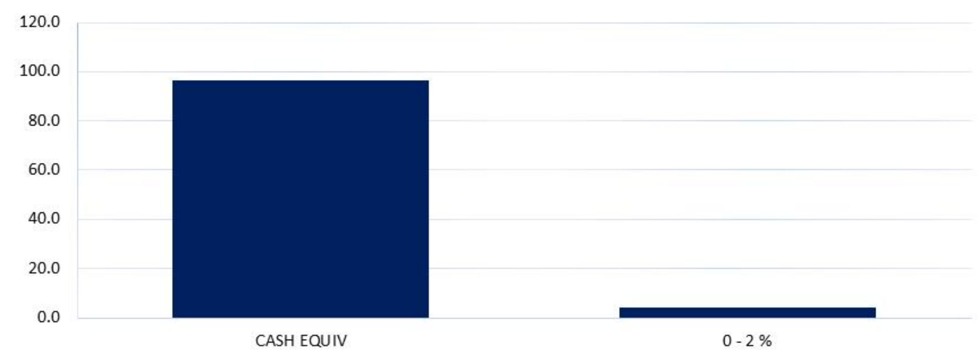
Expected Maturity Distribution



Portfolio Level Characteristics

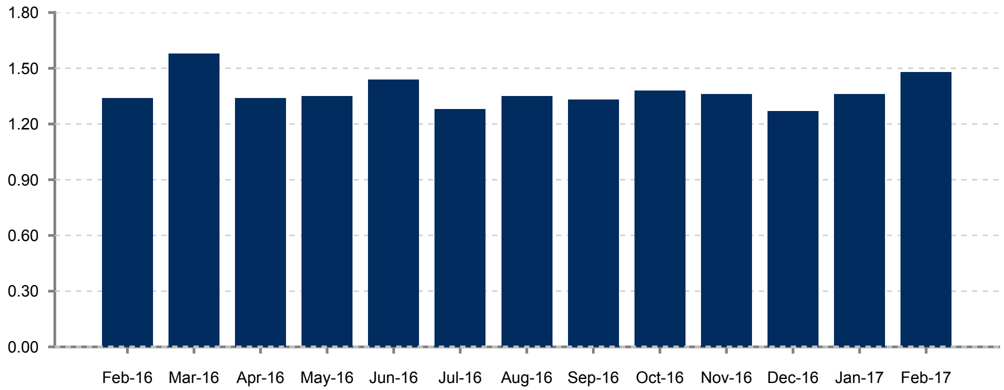
	POOL 7 LGIP FF&C
Weighted Average Life	0.13
Coupon	0.04
Effective Duration	0.13
Quality Rating (Moody's)	AAA

Coupon Distribution



Rating Distribution

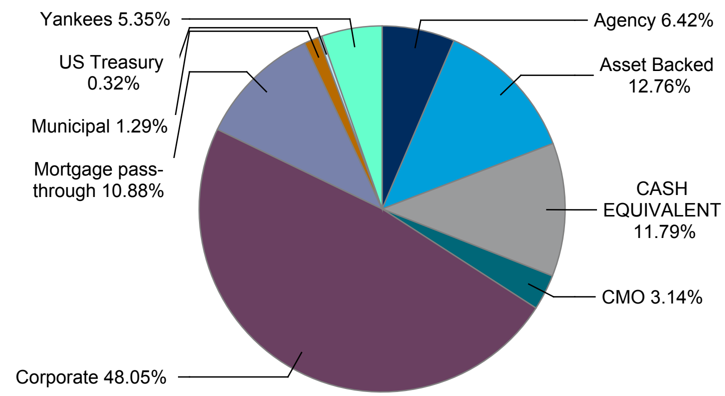
Net Yield



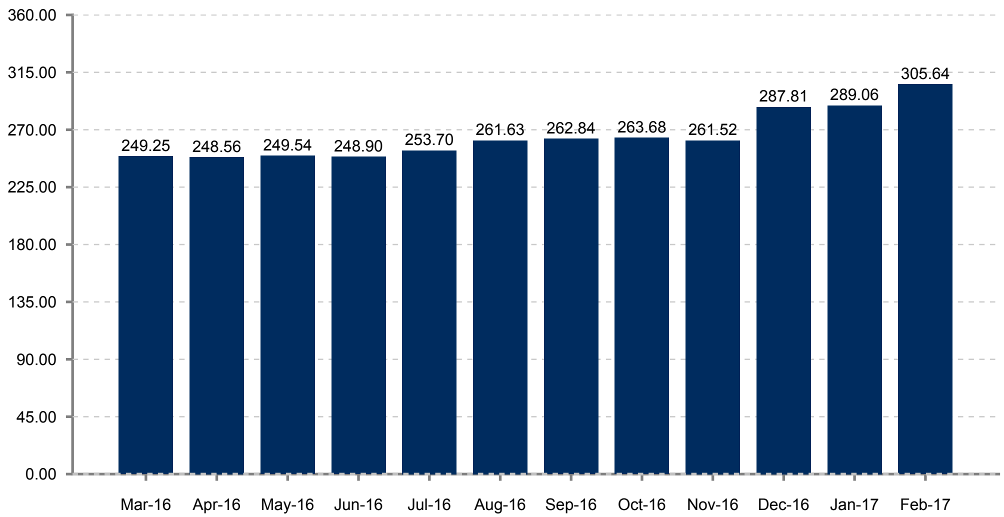
	Current Mth	Prior Mth	1 Year Ago
POOL 500 LGIP MED	1.48	1.36	1.34

Asset Allocation

	Ending Market Value
POOL 500 LGIP MED	305,635,608



Net Asset Values over Time ($MM)



Top 10 Holdings

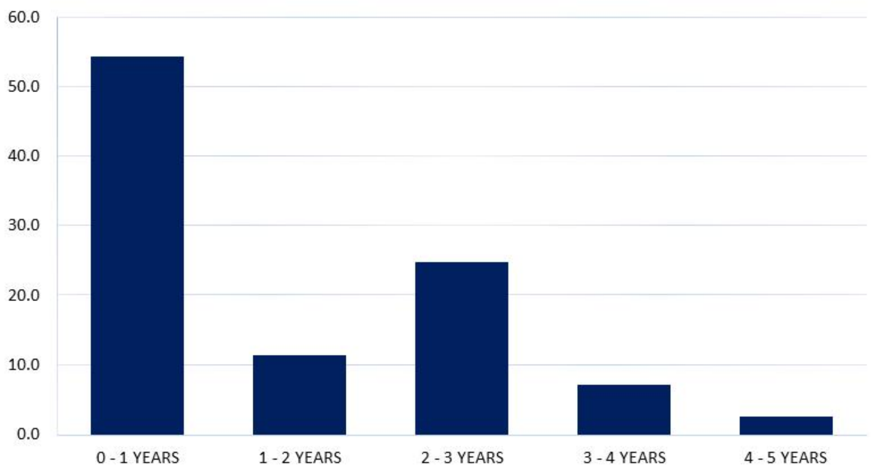
Security Name	Ending Market Value	% of Portfolio
POOL 500 LGIP MED		
GUGGENHEIM SECURITIES REPO	17,000,250	5.56
VISA INC	9,998,750	3.27
MICROSOFT CORP	8,038,726	2.63
GOLDMAN SACHS GROUP INC	7,973,674	2.61
FNMA POOL AB5991	7,145,245	2.34
HERSHEY COMPANY	6,024,928	1.97
MERCK + CO INC	5,548,942	1.82
CHEVRON CORP	5,034,201	1.65
NISSAN MOTOR ACCEPTANCE	5,032,063	1.65
ELI LILLY + CO	5,028,460	1.65

OFFICE OF THE ARIZONA STATE TREASURER

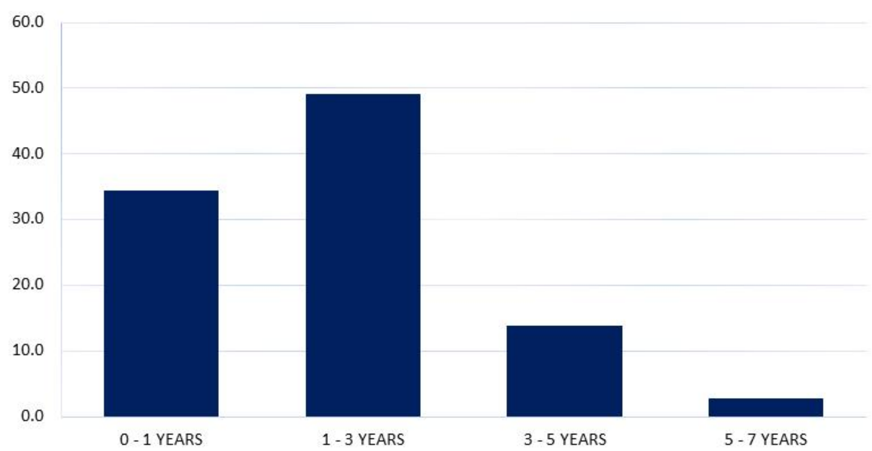
February 28, 2017

POOL 500 LGIP MED

Duration Distribution



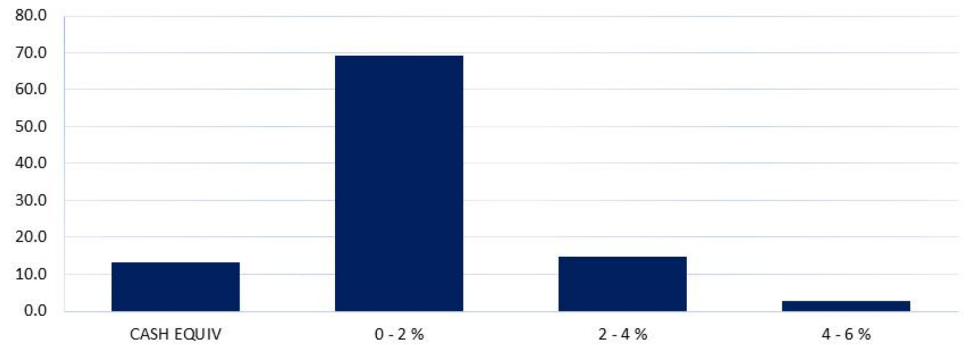
Expected Maturity Distribution



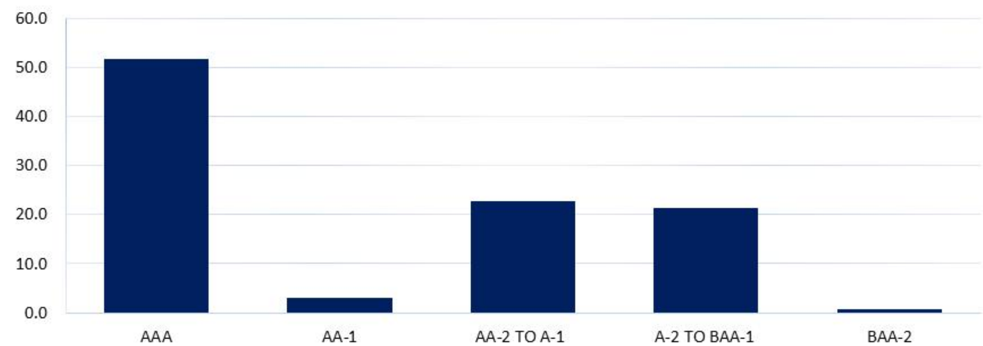
Portfolio Level Characteristics

	POOL 500 LGIP MED
Weighted Average Life	1.80
Coupon	1.70
Effective Duration	1.34
Quality Rating (Moody's)	AA-2

Coupon Distribution



Rating Distribution



OFFICE OF THE ARIZONA STATE TREASURER

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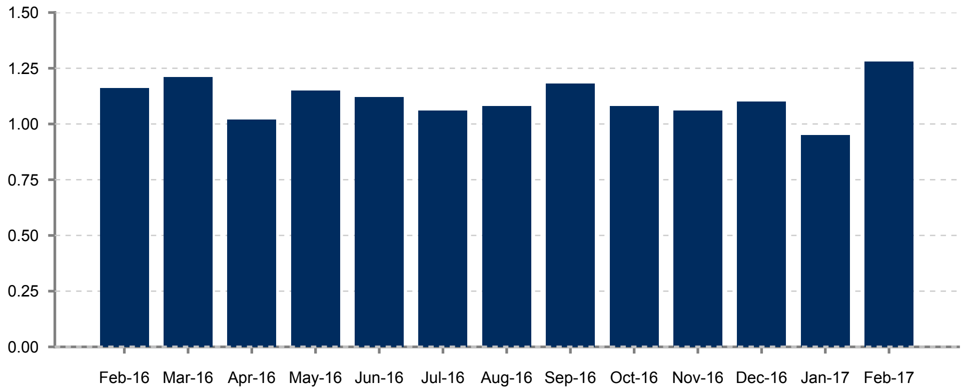
POOL 700 LGIP MD FF&C

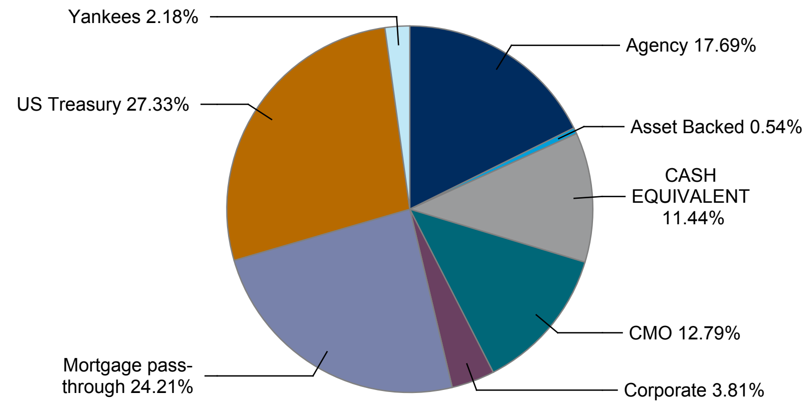
Net Yield



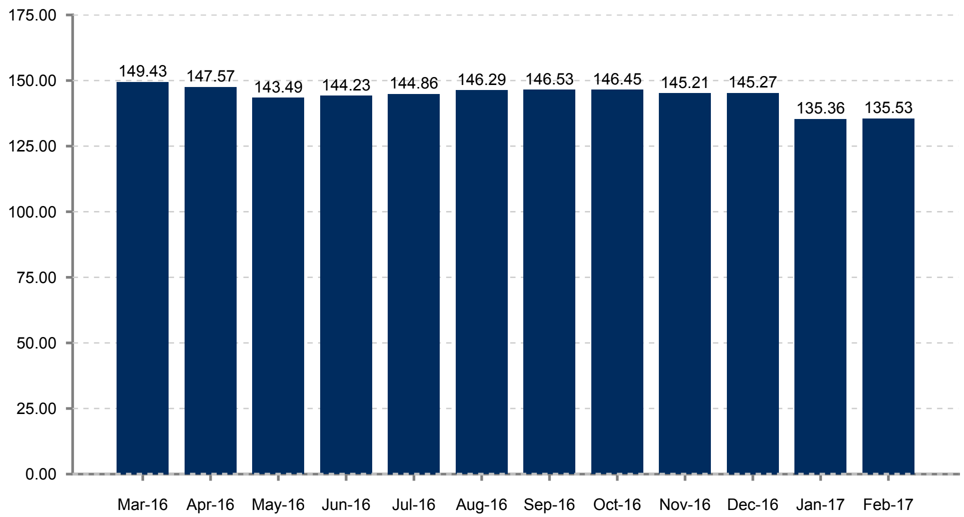
	Current Mth	Prior Mth	1 Year Ago
POOL 700 LGIP MD FF&C	1.28	0.95	1.16

Asset Allocation

	Ending Market Value
POOL 700 LGIP MD FF&C	135,531,865



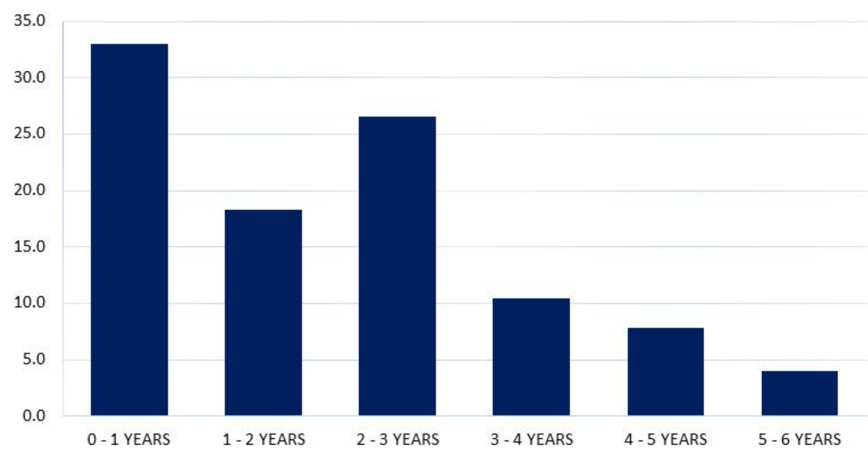
Net Asset Values over Time ($MM)

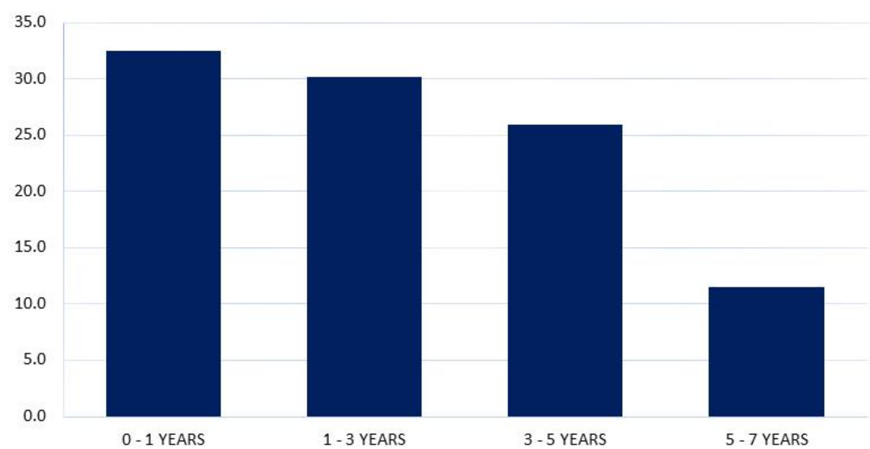


Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 700 LGIP MD FF&C		
GUGGENHEIM SECURITIES REPO	13,000,191	9.59
US TREASURY N/B	5,023,240	3.71
US TREASURY N/B	5,011,365	3.70
US TREASURY N/B	5,008,438	3.70
US TREASURY N/B	5,005,954	3.69
OVERSEAS PRIVATE INV COR	4,531,050	3.34
GNMA II POOL MA0213	4,427,368	3.27
PRIVATE EXPORT FUNDING	3,526,515	2.60
OVERSEAS PRIVATE INV COR	3,018,900	2.23
US TREASURY N/B	2,988,677	2.21

Duration Distribution

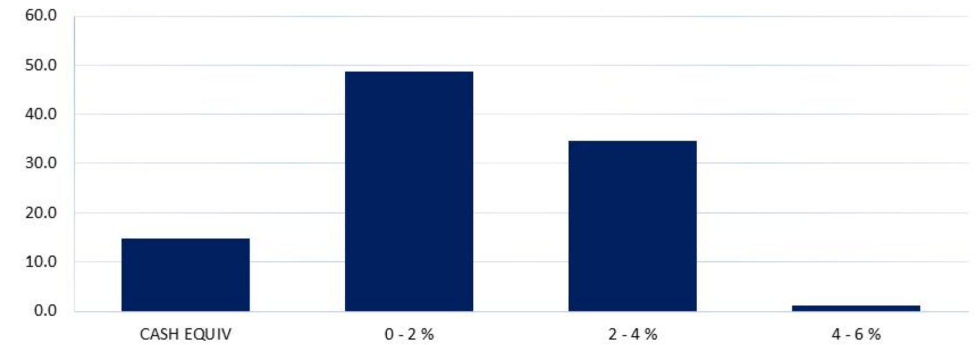




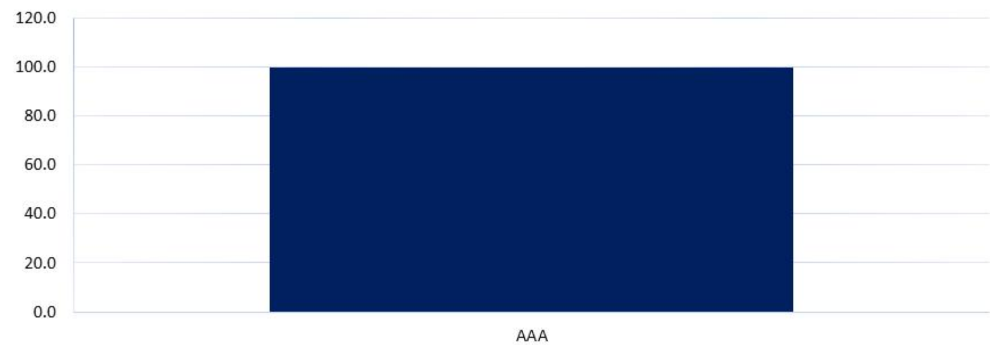
Portfolio Level Characteristics

	POOL 700 LGIP MD FF&C
Weighted Average Life	2.31
Coupon	1.70
Effective Duration	1.99
Quality Rating (Moody's)	AAA

Coupon Distribution



Rating Distribution



EARNINGS DISTRIBUTED
ENDOWMENT FUNDS
FEBRUARY 2017

Recipient		Distributed in Current Month FEBRUARY 2017	Fiscal YTD 16/17	Fiscal YTD 15/16
101	A & M Colleges	$62,695	$501,560	$167,928
102	State Hospital	39,692	317,536	104,122
103	Leg., Exec., & Jud.	51,413	411,304	136,929
104	Military Institute	3,456	27,648	9,326
105	Miners Hospital	126,965	1,015,720	314,484
107	Normal School ASU/NAU	23,855	190,840	61,990
108	Penitentiaries	85,542	684,336	218,924
109	Permanent Common School	22,463,210	179,705,681	58,123,476
110	School for Deaf & Blind	33,142	265,139	87,429
111	School of Mines	70,914	567,312	189,846
112	State Charitable-Pioneers Home	346,473	2,771,783	921,288
112	State Charitable-Corrections	173,236	1,385,892	460,644
112	State Charitable-Youth Treatment	173,236	1,385,892	460,644
113	University Fund	122,961	983,685	322,455
114	U of A Land - 1881	384,475	3,075,803	934,357
	Total	**$24,161,266**	**$193,290,130**	**$62,513,842**

Land Sales Monthly Proceeds
Endowment Funds

	Year						
Month	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
January	3,622,869	21,196,075	85,209,777	29,493,046	7,126,212	5,108,687	2,960,815
February	8,915,155	92,150,173	24,412,865	33,969,801	2,535,244	1,083,178	1,103,303
March	1,244,602	1,015,640	13,469,847	1,323,549	1,096,232	1,106,860	
April	2,413,502	1,796,774	4,599,024	2,252,527	1,968,281	28,981,969	
May	1,889,780	926,085	12,685,871	1,100,261	19,123,417	20,147,116	
June	3,446,620	22,369,423	6,493,351	4,564,719	33,179,898	31,844,678	
July	2,803,278	823,328	5,694,705	4,196,738	6,092,396	2,469,997	
August	3,470,996	33,621,311	2,304,138	24,838,430	1,038,971	13,094,287	
September	5,202,040	17,307,221	10,399,639	1,960,673	1,967,125	(12,580,728)	
October	5,799,335	1,403,700	1,240,497	3,150,170	2,366,519	10,614,885	
November	2,045,107	5,131,627	8,995,327	34,193,583	1,358,711	28,490,238	
December	5,123,133	28,846,813	3,574,631	1,136,538	4,264,354	6,127,407	
Calendar Year	45,976,416	226,588,170	179,079,672	142,180,034	82,117,360	136,488,573	4,064,118
Fiscal Year (July 1st to June 30th)	139,820,630	163,898,058	234,004,734	104,912,840	134,505,415	105,360,563	52,280,204

NET REALIZED CAPITAL GAINS / LOSSES - ENDOWMENT FUNDS

Endowment Fund	February 2017 NET GAIN(LOSS)	February 2016 NET GAIN(LOSS)
Fixed Income Pool	($361,454)	($63,192)
500 Large-Cap Fund	1,940,048	1,692,149
400 Mid-Cap Fund	1,065,241	(194,998)
600 Small-Cap Fund	2,313,715	2,330,929
Totals	$4,957,550	$3,764,887

Endowment Fund	2016/2017 FISCAL YEAR TO DATE GAINS(LOSSES)	2015/2016 FISCAL YEAR TO DATE GAINS(LOSSES)
Fixed Income Pool	($1,781,891)	($1,586,257)
500 Large-Cap Fund	14,554,439	16,127,120
400 Mid-Cap Fund	18,386,110	23,607,817
600 Small-Cap Fund	18,677,580	24,590,243
Totals	$49,836,238	$62,738,922

ENDOWMENT FUNDS FIXED-INCOME POOLS
PURCHASES & SALES
FEBRUARY 2017

I. Endowment Funds Purchases

POOL	SECURITY DESCRIPTION	RATE	MATURITY	*WAL YEARS	PAR VALUE	PURCHASE COST	YIELD	MOODY'S / S&P RATING
205	FANNIE MAE MTG	2.50	10/01/2031	4.62	4,948,495	4,981,485	2.34%	AAA/AA+
123	INSTIT SECURED CP	0.80	03/31/2017	N/A	10,000,000	9,991,778	0.80%	AAA/AA+
	TOTAL ENDOWMENT FUNDS PURCHASES				**$14,948,495**	**$14,973,263**		

II. Endowment Funds Sales

POOL	SECURITY DESCRIPTION	RATE	MATURITY	PAR VALUE	AMORTIZED COST/PROCEEDS	SALES GAINS/(LOSSES)	MOODY'S / S&P RATING
	TOTAL ENDOWMENT FUNDS SALES			**$0**	**$0**	**$0**	

*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
FEBRUARY 2017

I. Equity Fund Purchases

	SHARES	PURCHASE COST	COMMISSIONS
400 Mid-Cap Fund	214,429	$8,790,853	$1,379
500 Large-Cap Fund	47,812	6,328,114	359
600 Small-Cap Fund	296,630	6,533,203	1,894
TOTAL EQUITY PURCHASES	**558,871**	**$21,652,170**	**$3,632**

II. Equity Funds Sales

	SHARES	SALES AMOUNT	COMMISSIONS
400 Mid-Cap Fund	80,878	$6,156,159	$276
500 Large-Cap Fund	139,356	10,899,904	965
600 Small-Cap Fund	110,568	4,382,010	680
TOTAL EQUITY SALES	**330,802**	**$21,438,073**	**$1,921**

ENDOWMENT FUNDS
INVESTMENTS OUTSTANDING
FEBRUARY 28, 2017
(In Thousands)

FUND	NAME OF FUND	SHARES OUTSTANDING	BOOK VALUE	MARKET VALUE	UNREALIZED GAINS (LOSSES)	**Mkt Value/ Book Value**
101	A & M Colleges					
	Shares in Equity Pools	425	$2,988	$8,331	$5,343	
	Shares in Fixed Income Pools	4,263	3,052	4,711	1,659	
	Total	4,687	6,040	13,041	7,002	**2.159**
102	State Hospital					
	Shares in Equity Pools	288	2,114	5,654	3,540	
	Shares in Fixed Income Pools	2,970	2,309	3,282	973	
	Total	3,258	4,423	8,936	4,513	**2.020**
103	Leg., Exec, & Jud					
	Shares in Equity Pools	345	2,605	6,765	4,160	
	Shares in Fixed Income Pools	3,684	2,640	4,071	1,431	
	Total	4,029	5,244	10,836	5,591	**2.066**
104	Military Institute					
	Shares in Equity Pools	22	161	435	273	
	Shares in Fixed Income Pools	243	165	268	103	
	Total	265	326	703	377	**2.154**
105	Miners Hospital					
	Shares in Equity Pools	996	8,826	19,541	10,715	
	Shares in Fixed Income Pools	10,043	8,745	11,099	2,354	
	Total	11,039	17,571	30,640	13,069	**1.744**
107	Normal School ASU/NAU					
	Shares in Equity Pools	181	1,463	3,543	2,081	
	Shares in Fixed Income Pools	1,867	1,454	2,063	609	
	Total	2,047	2,916	5,606	2,690	**1.923**
108	Penitentiaries					
	Shares in Equity Pools	674	5,708	13,209	7,501	
	Shares in Fixed Income Pools	6,900	5,683	7,626	1,943	
	Total	7,574	11,391	20,834	9,444	**1.829**

ENDOWMENT FUNDS
INVESTMENTS OUTSTANDING
FEBRUARY 28, 2017
(In Thousands)

	NAME OF FUND	SHARES OUTSTANDING	BOOK VALUE	MARKET VALUE	UNREALIZED GAINS (LOSSES)	**Mkt Value/ Book Value**
109	Permanent Common School					
	Shares in Equity Pools	165,962	1,329,566	3,254,856	1,925,290	
	Shares in Fixed Income Pools	1,674,608	1,362,245	1,850,664	488,419	
	Total	1,840,570	2,691,811	5,105,520	2,413,709	**1.897**
110	School for Deaf & Blind					
	Shares in Equity Pools	226	1,704	4,437	2,733	
	Shares in Fixed Income Pools	2,549	1,928	2,817	889	
	Total	2,775	3,632	7,254	3,622	**1.997**
111	School of Mines					
	Shares in Equity Pools	478	3,584	9,378	5,794	
	Shares in Fixed Income Pools	4,924	3,654	5,442	1,788	
	Total	5,402	7,238	14,820	7,582	**2.048**
112	State Charitable					
	Shares in Equity Pools	4,831	36,396	94,751	58,355	
	Shares in Fixed Income Pools	47,143	37,397	52,100	14,703	
	Total	51,975	73,792	146,850	73,058	**1.990**
113	University Fund					
	Shares in Equity Pools	871	6,899	17,079	10,180	
	Shares in Fixed Income Pools	8,979	6,844	9,923	3,079	
	Total	9,850	13,743	27,002	13,259	**1.965**
114	U Of A Land - 1881					
	Shares in Equity Pools	3,269	31,837	64,119	32,282	
	Shares in Fixed Income Pools	33,649	29,055	37,186	8,131	
	Total	36,918	60,892	101,305	40,413	**1.664**
	TOTALS - ALL FUNDS					
	Shares in Equity Pools	178,569	1,433,850	3,502,098	2,068,248	
	Shares in Fixed Income Pools	1,801,820	1,465,170	1,991,251	526,081	
	Grand Total	1,980,389	$2,899,020	$5,493,348	$2,594,328	
	PRIOR YEAR: FEBRUARY 2016 BALANCES	**1,959,929**	**$2,971,567**	**$4,938,652**	**$1,967,085**	

ENDOWMENT FUNDS
INVESTMENTS OUTSTANDING
FEBRUARY 28, 2017

ASSET ALLOCATION PERCENTAGE

	SHARES OUTSTANDING	**BOOK VALUE**	MARKET VALUE	FEBRUARY 2016 MARKET VALUE
Shares in Equity Pools	9.02%	**49.46%**	63.75%	61.19%
Shares in Fixed Income Pools	90.98%	**50.54%**	36.25%	38.81%
Total	100.00%	**100.00%**	100.00%	100.00%

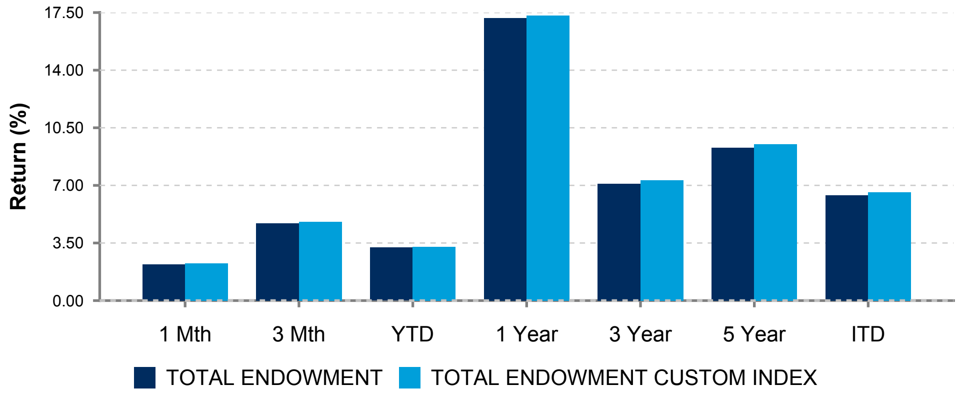
OFFICE OF THE ARIZONA STATE TREASURER

February 28, 2017

Total Endowment Summary

STATE STREET.

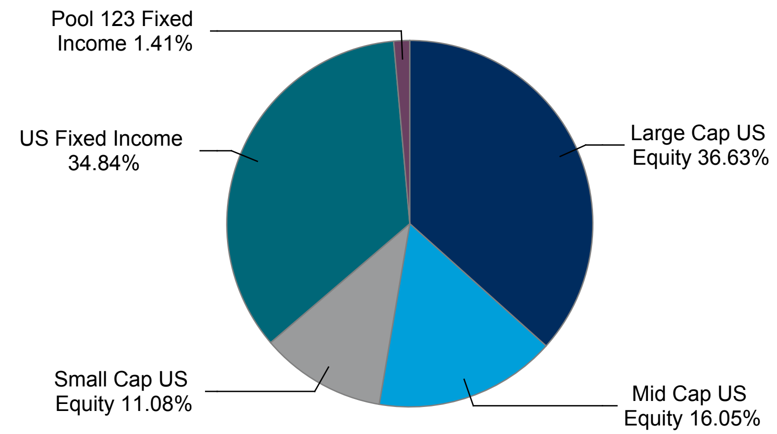
Performance



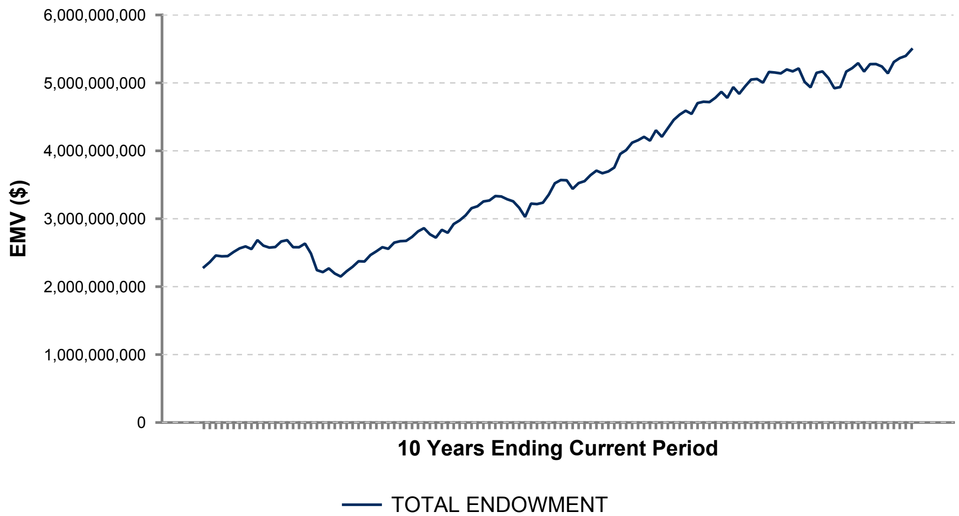
	1 Mth	3 Mth	YTD	1 Year	3 Year	5 Year	ITD	Incept Date
TOTAL ENDOWMENT	2.21	4.69	3.22	17.18	7.11	9.30	6.39	07/99
TOTAL ENDOWMENT CUSTOM INDEX	2.27	4.78	3.26	17.33	7.30	9.49	6.57	07/99
Excess	-0.06	-0.08	-0.05	-0.15	-0.19	-0.19	-0.18	

Asset Allocation

	Ending Market Value
TOTAL ENDOWMENT	5,493,348,262

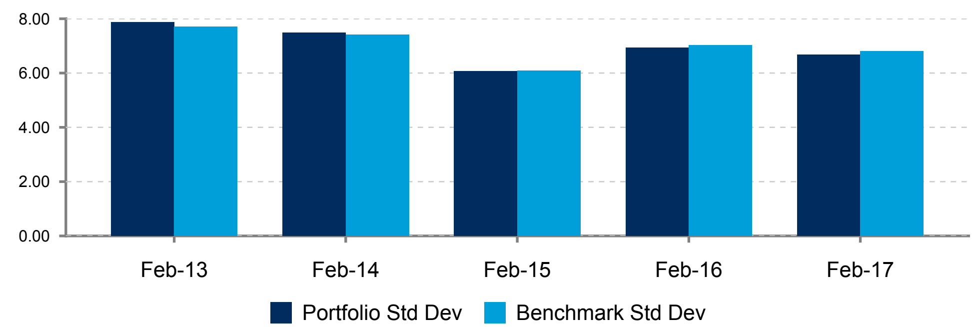


Ending Market Value



3 Year Risk Statistics

	Return	Portfolio Std Dev	Benchmark Std Dev	Sharpe Ratio	Beta	Tracking Error	Information Ratio
TOTAL ENDOWMENT	7.11	6.68	6.80	1.04	0.98	0.37	-0.51



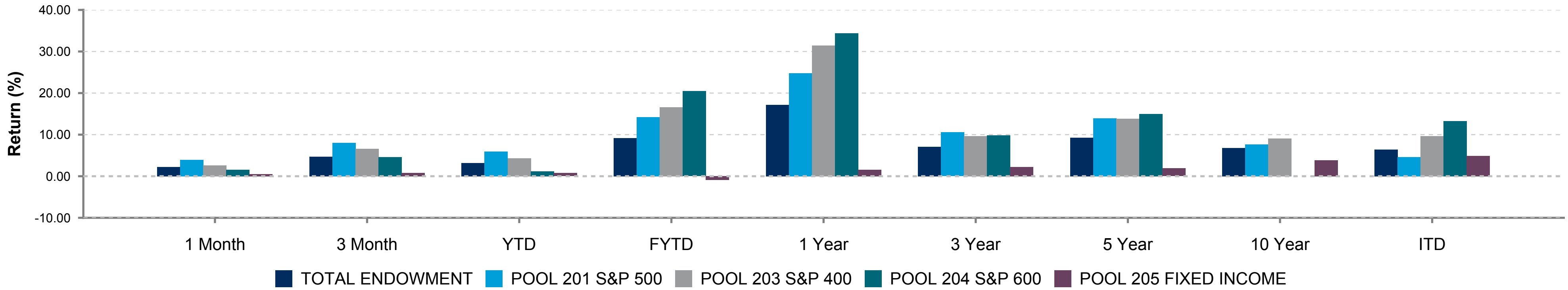
OFFICE OF THE ARIZONA STATE TREASURER

February 28, 2017

Total Returns Net Mgr

STATE STREET.

Return Comparison



	Market Value	Actual Weight	1 Mth	3 Mth	YTD	FYTD	1 Year	3 Year	5 Year	10 Year	ITD	Inc Date
TOTAL ENDOWMENT	5,493,348,262	100.00	2.21	4.69	3.22	9.17	17.18	7.11	9.30	6.80	6.39	Jul-01-99
TOTAL ENDOWMENT CUSTOM INDEX			2.27	4.78	3.26	8.87	17.33	7.30	9.49	7.05	6.57	Jul-01-99
Excess			-0.06	-0.08	-0.05	0.30	-0.15	-0.19	-0.19	-0.25	-0.18	
POOL 201 S&P 500	2,012,007,883	36.63	3.97	8.03	5.94	14.18	24.75	10.55	13.95	7.63	4.59	Jul-01-99
S&P 500 INDEX (DAILY)			3.97	8.04	5.94	14.23	24.98	10.63	14.01	7.62	5.12	Jul-01-99
Excess			-0.00	-0.01	0.00	-0.05	-0.23	-0.08	-0.06	0.01	-0.53	
POOL 203 S&P 400	881,682,292	16.05	2.64	6.63	4.36	16.59	31.44	9.66	13.85	9.06	9.63	Aug-01-01
S&P 400 MIDCAP INDEX (DAILY)			2.62	6.63	4.34	16.73	31.73	9.64	13.83	9.15	9.65	Aug-01-01
Excess			0.02	0.00	0.01	-0.14	-0.28	0.02	0.02	-0.09	-0.01	
POOL 204 S&P 600	608,407,457	11.08	1.58	4.60	1.20	20.45	34.40	9.82	14.99		13.26	Mar-01-11
S&P SM 600 TR			1.59	4.60	1.19	20.55	34.97	9.75	14.93		13.24	Mar-01-11
Excess			-0.01	0.00	0.01	-0.10	-0.57	0.07	0.06		0.02	
POOL 205 FIXED INCOME	1,913,609,850	34.84	0.50	0.80	0.75	-0.86	1.53	2.22	1.89	3.83	4.86	Jul-01-99
CITIGROUP BIG (DAILY)			0.68	1.02	0.89	-1.69	1.49	2.63	2.23	4.36	5.15	Jul-01-99
Excess			-0.18	-0.22	-0.15	0.83	0.05	-0.42	-0.35	-0.53	-0.30	
POOL 123 FIXED INCOME	77,640,781	1.41	0.08	0.23	0.15	0.52					0.54	Jun-01-16
ASTO - POOL 5 BENCHMARK			0.05	0.14	0.10	0.33					0.36	Jun-01-16
Excess			0.03	0.08	0.05	0.19					0.18	

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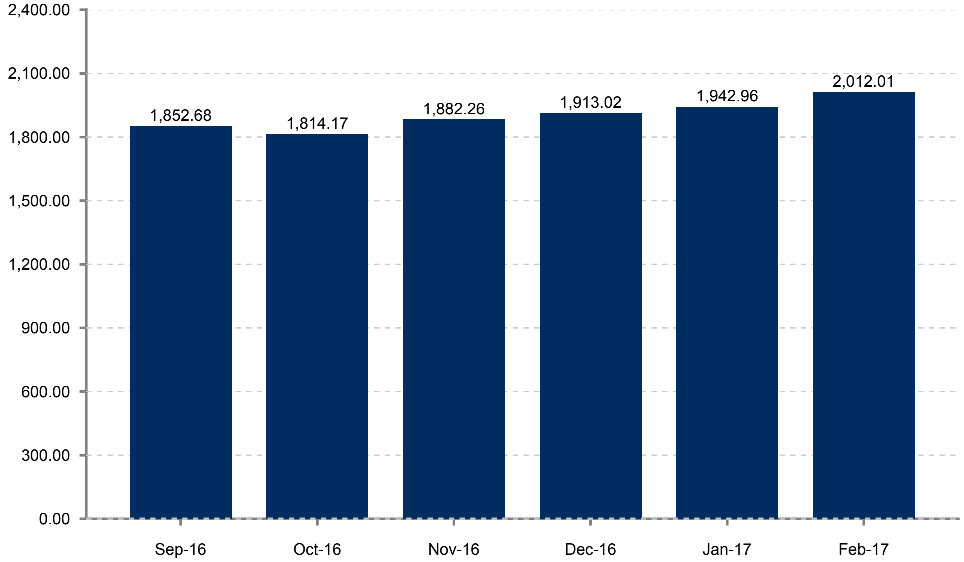
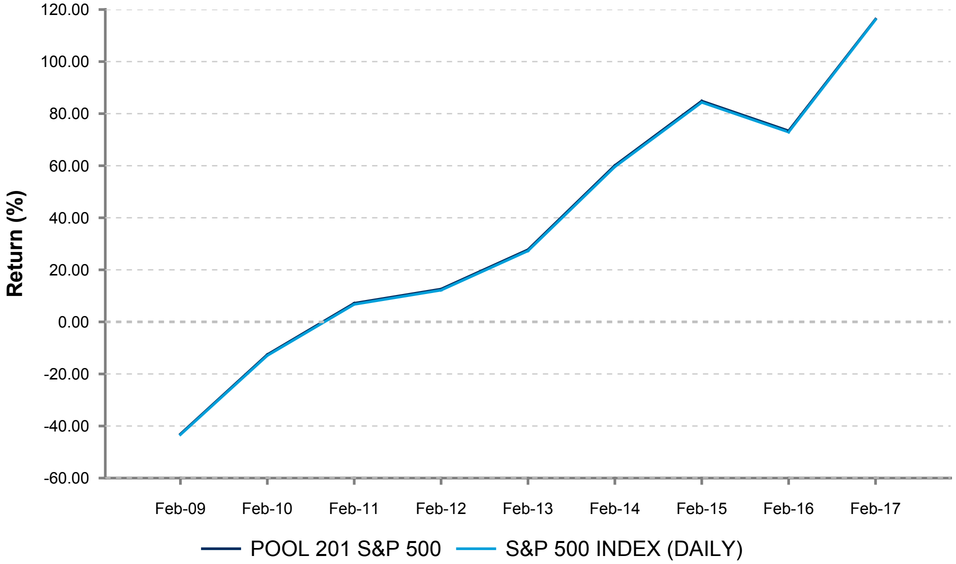
POOL 201 S&P 500

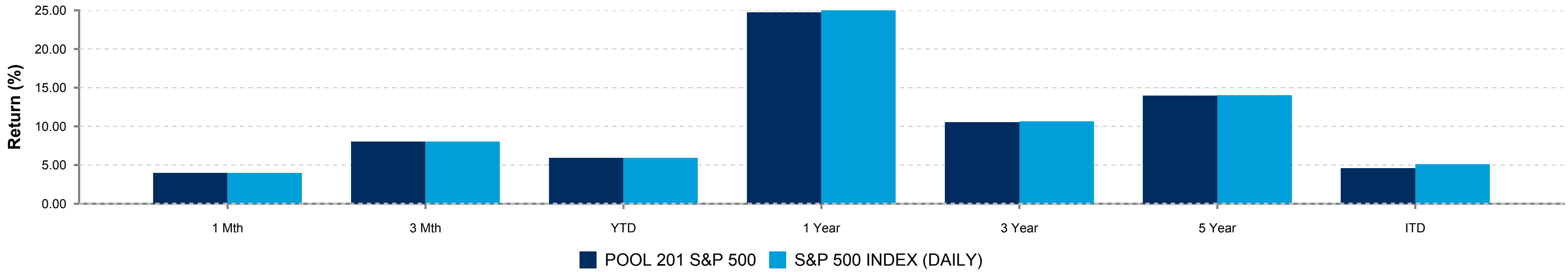
Net Asset Values over Time ($MM)



Cumulative Return (%)



Rates of Return



	1 Mth	3 Mth	YTD	1 Year	3 Year	5 Year	ITD	Feb 28 2017	Feb 29 2016	Feb 28 2015
POOL 201 S&P 500	3.97	8.03	5.94	24.75	10.55	13.95	4.59	24.75	-6.20	15.47
S&P 500 INDEX (DAILY)	3.97	8.04	5.94	24.98	10.63	14.01	5.12	24.98	-6.19	15.51
Excess	-0.00	-0.01	0.00	-0.23	-0.08	-0.06	-0.53	-0.23	-0.00	-0.03

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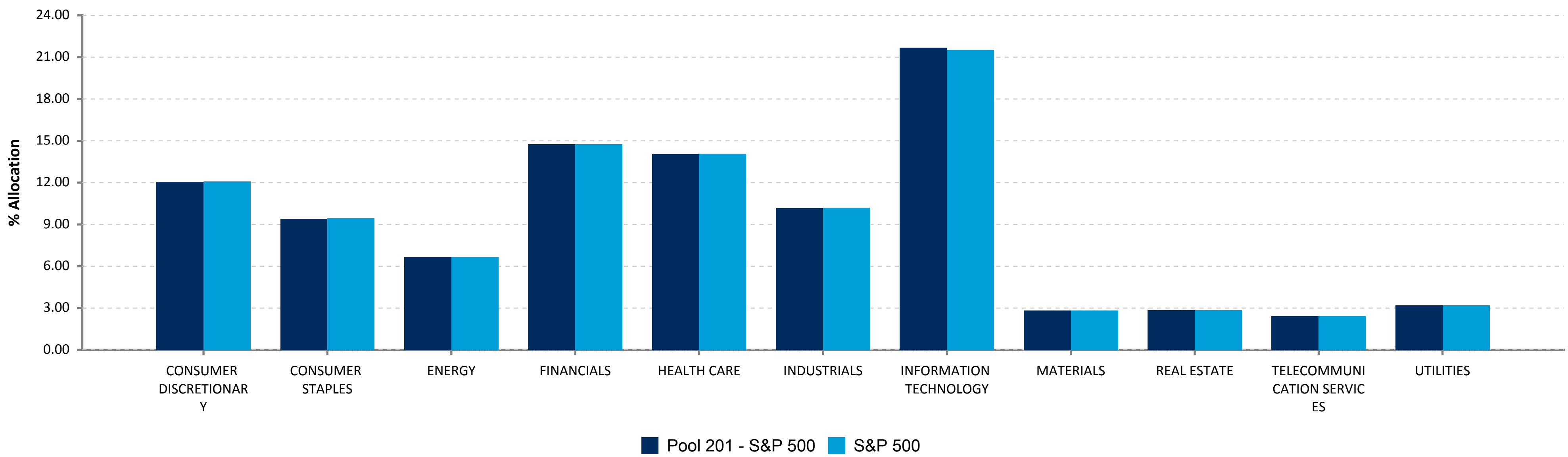
POOL 201 S&P 500
Sector Allocation vs S&P 500



	Fund Weight	Benchmark Weight	Relative Weight
POOL 201 S&P 500	100.00	100.00	0.00
CONSUMER DISCRETIONARY	12.29	12.31	-0.02
CONSUMER STAPLES	9.33	9.34	-0.00
ENERGY	7.22	7.21	0.01
FINANCIALS	14.54	14.56	-0.02
HEALTH CARE	13.64	13.65	-0.02
INDUSTRIALS	10.18	10.23	-0.05
INFORMATION TECHNOLOGY	21.37	21.27	0.10
MATERIALS	2.91	2.92	-0.00
REAL ESTATE	2.83	2.83	-0.01
TELECOMMUNICATION SERVICES	2.54	2.52	0.02
UTILITIES	3.15	3.15	-0.01

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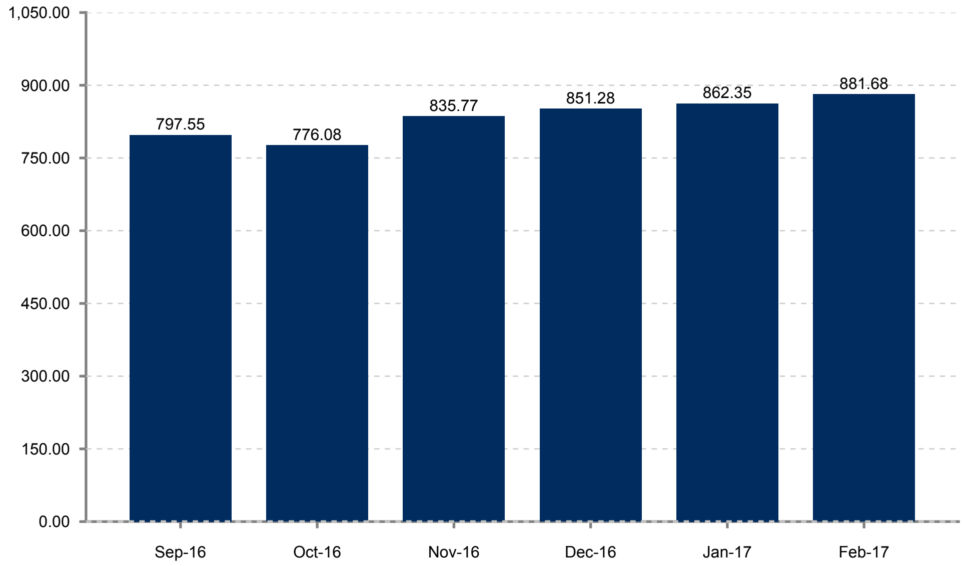
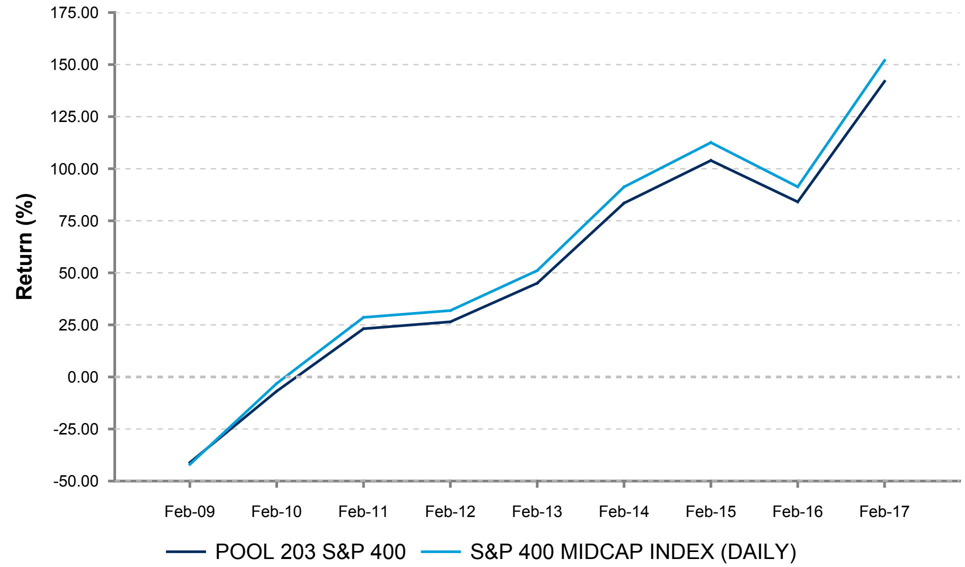
POOL 203 S&P 400

STATE STREET.

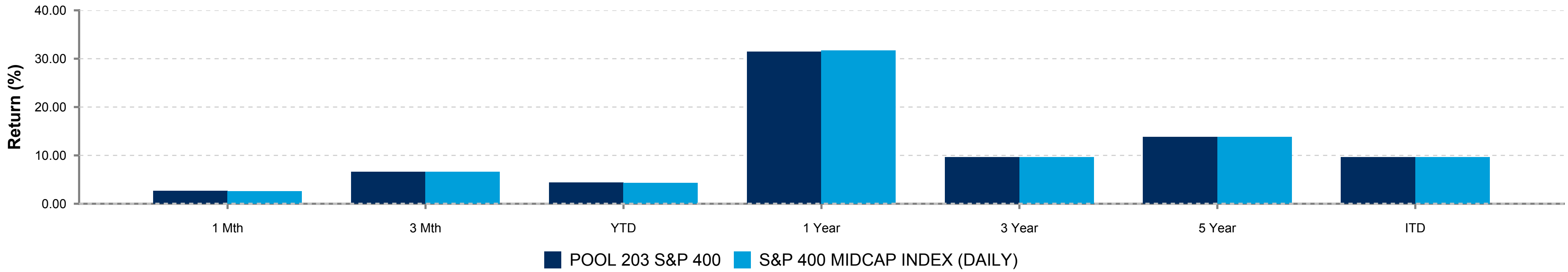
Net Asset Values over Time ($MM)



Cumulative Return (%)

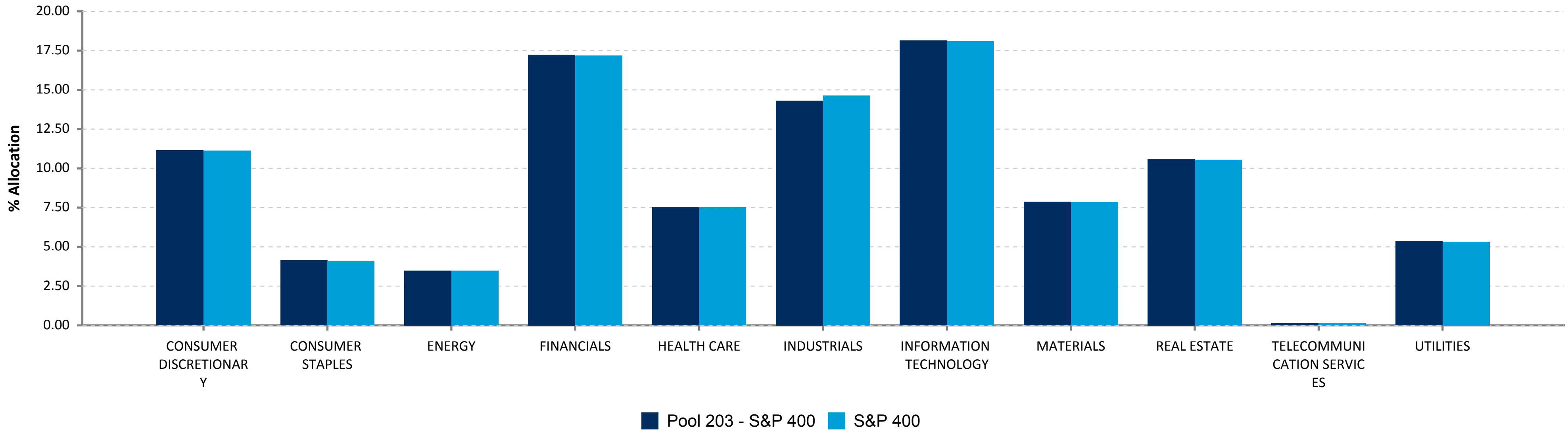


Rates of Return



	1 Mth	3 Mth	YTD	1 Year	3 Year	5 Year	ITD	Feb 28 2017	Feb 29 2016	Feb 28 2015
POOL 203 S&P 400	2.64	6.63	4.36	31.44	9.66	13.85	9.63	31.44	-9.74	11.15
S&P 400 MIDCAP INDEX (DAILY)	2.62	6.63	4.34	31.73	9.64	13.83	9.65	31.73	-9.99	11.14
Excess	0.02	0.00	0.01	-0.28	0.02	0.02	-0.01	-0.28	0.25	0.01

POOL 203 S&P 400
Sector Allocation vs S&P MID CAP 400



	Weight Fund	Weight Benchmark	Weight Relative
POOL 203 S&P 400	100.00	100.00	0.00
CONSUMER DISCRETIONARY	11.21	11.19	0.02
CONSUMER STAPLES	4.32	4.32	0.01
ENERGY	3.87	3.87	0.01
FINANCIALS	17.05	17.02	0.03
HEALTH CARE	7.15	7.14	0.01
INDUSTRIALS	14.82	15.02	-0.19
INFORMATION TECHNOLOGY	17.79	17.76	0.02
MATERIALS	7.83	7.82	0.01
REAL ESTATE	10.42	10.35	0.07
TELECOMMUNICATION SERVICES	0.17	0.17	0.00
UTILITIES	5.36	5.35	0.01

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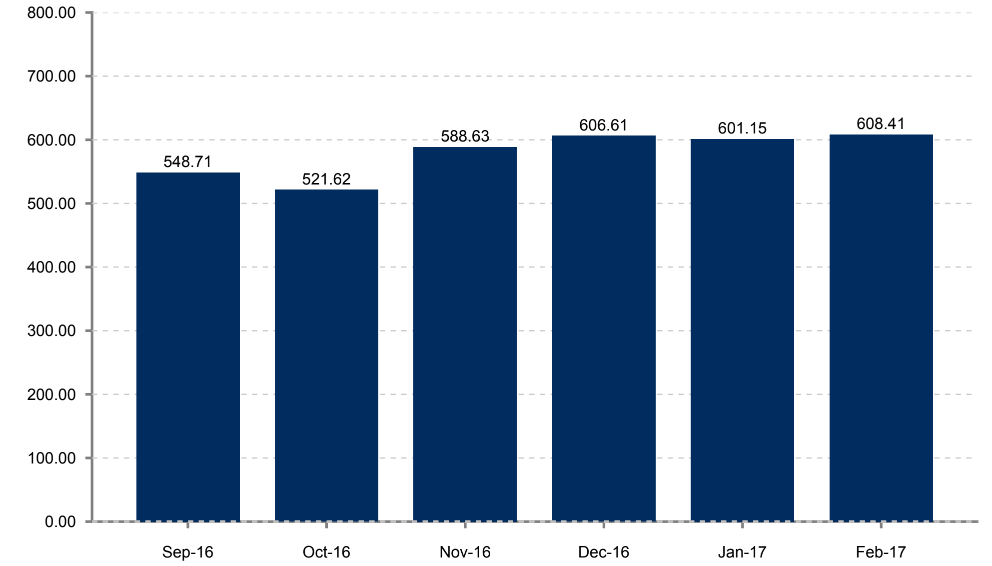
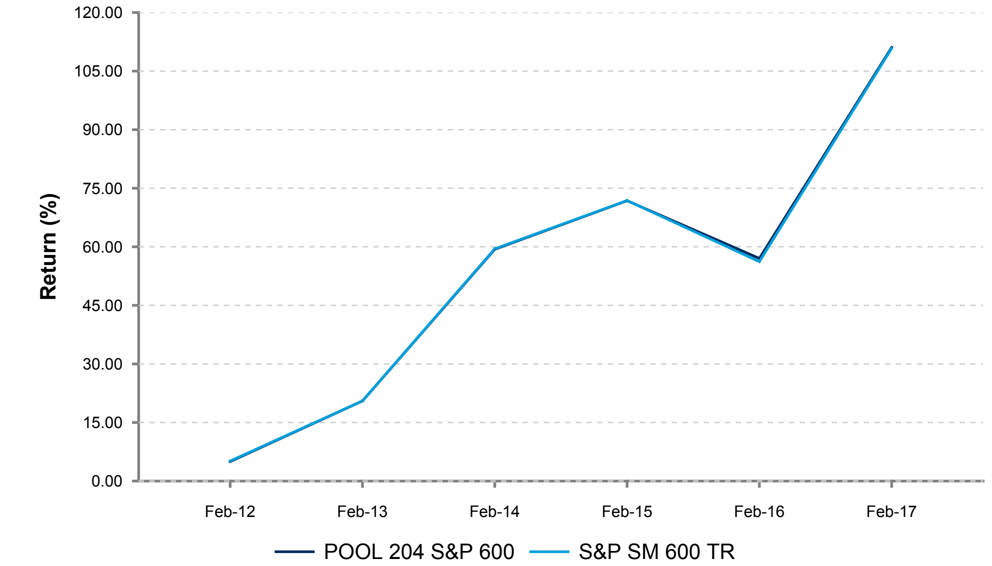
POOL 204 S&P 600

STATE STREET.

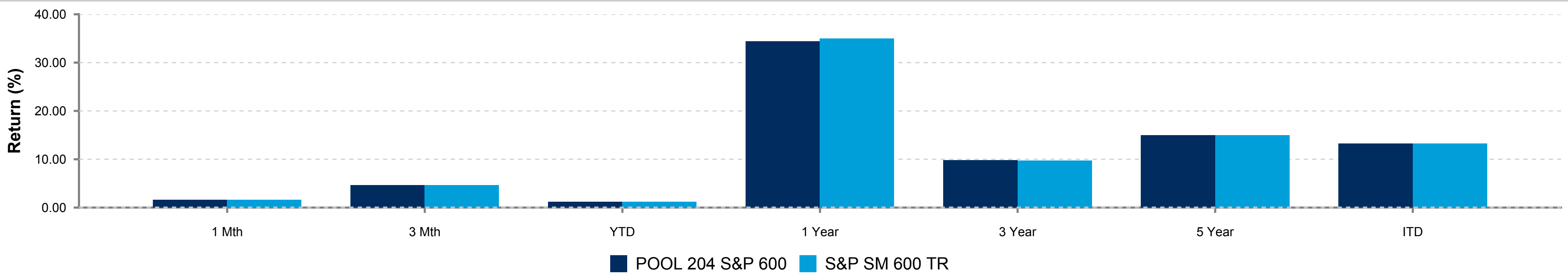
Net Asset Values over Time ($MM)



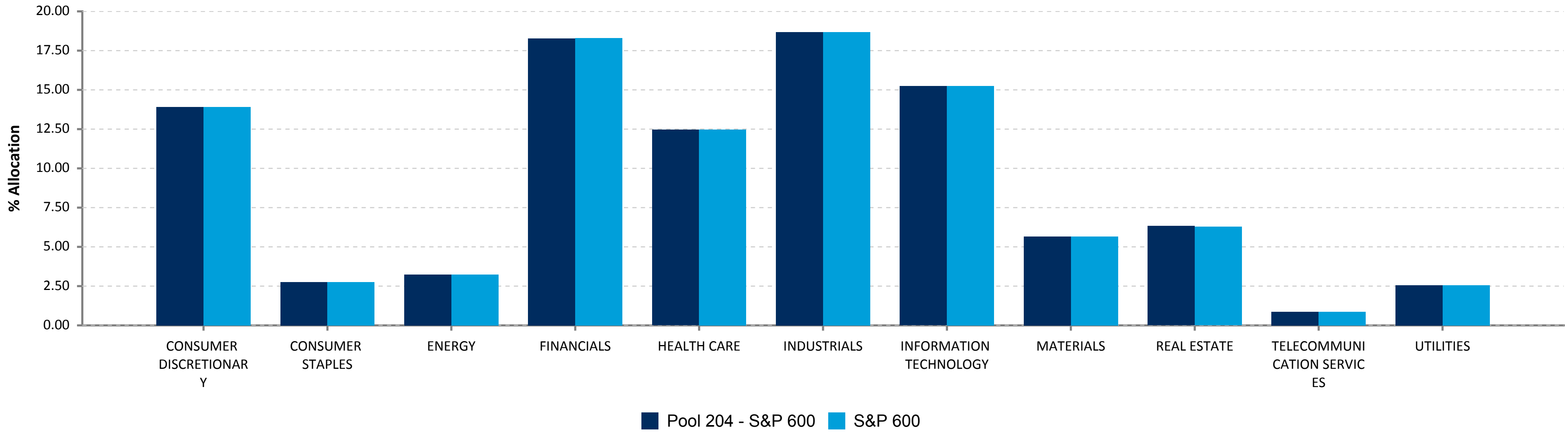
Cumulative Return (%)



Rates of Return

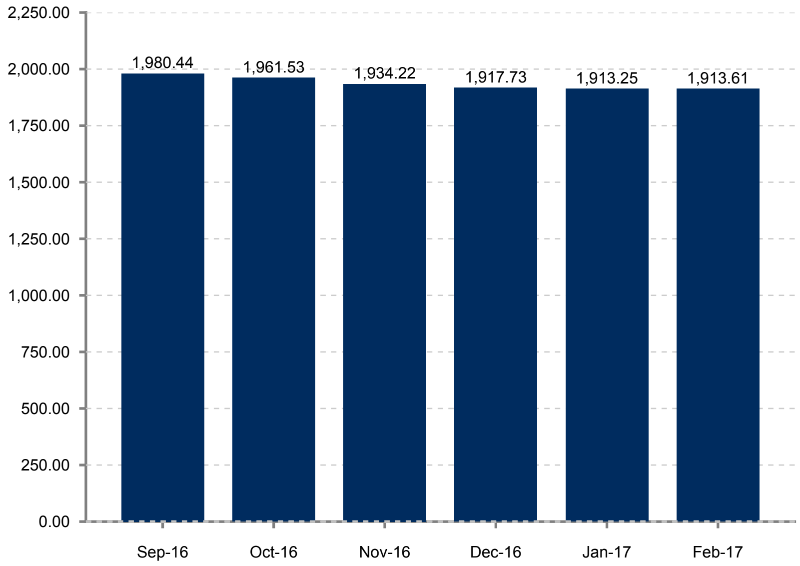


	1 Mth	3 Mth	YTD	1 Year	3 Year	5 Year	ITD	Feb 28 2017	Feb 29 2016	Feb 28 2015
POOL 204 S&P 600	1.58	4.60	1.20	34.40	9.82	14.99	13.26	34.40	-8.60	7.81
S&P SM 600 TR	1.59	4.60	1.19	34.97	9.75	14.93	13.24	34.97	-9.10	7.75
Excess	-0.01	0.00	0.01	-0.57	0.07	0.06	0.02	-0.57	0.51	0.05

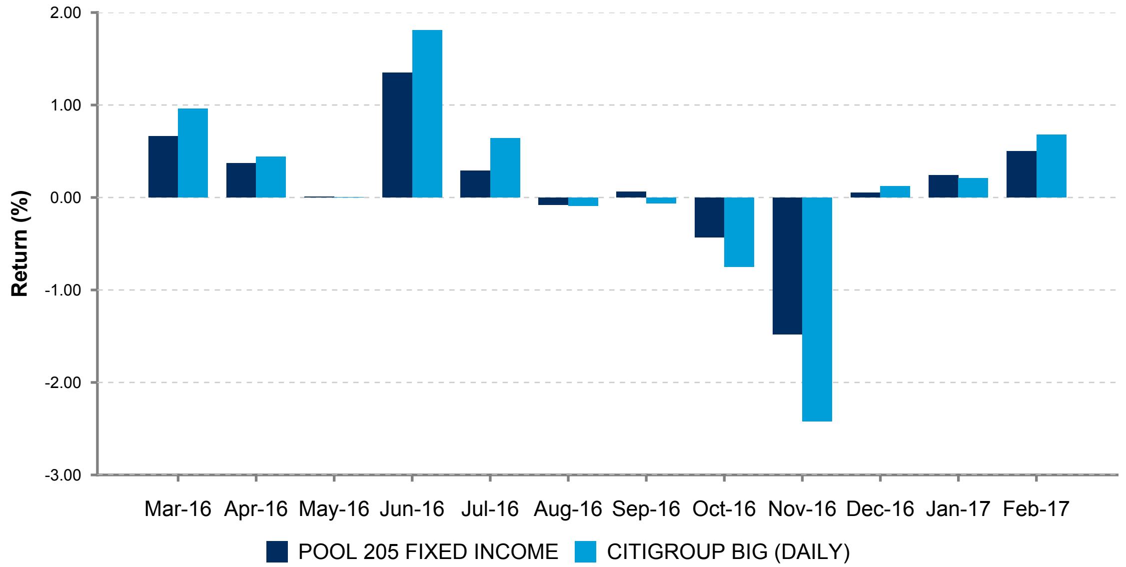


	Weight Fund	Weight Benchmark	Weight Relative
POOL 204 S&P 600	100.00	100.00	0.00
CONSUMER DISCRETIONARY	13.83	13.84	-0.01
CONSUMER STAPLES	2.76	2.76	0.00
ENERGY	3.60	3.60	-0.00
FINANCIALS	18.10	18.12	-0.02
HEALTH CARE	11.74	11.75	-0.01
INDUSTRIALS	18.58	18.60	-0.02
INFORMATION TECHNOLOGY	15.76	15.77	-0.01
MATERIALS	5.82	5.83	-0.00
REAL ESTATE	6.22	6.14	0.08
TELECOMMUNICATION SERVICES	1.08	1.08	0.00
UTILITIES	2.51	2.51	-0.00

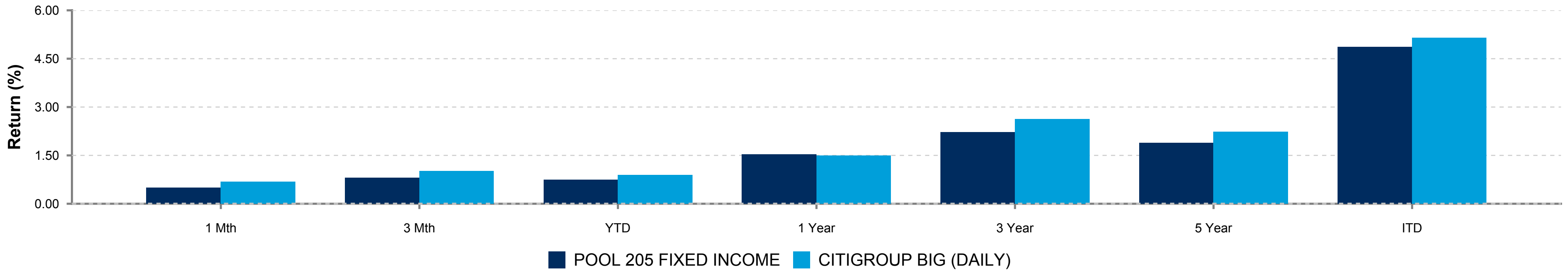
Net Asset Values over Time ($MM)



Monthly Returns



Rates of Return



	1 Mth	3 Mth	YTD	1 Year	3 Year	5 Year	ITD	Feb 28 2017	Feb 29 2016	Feb 28 2015
POOL 205 FIXED INCOME	0.50	0.80	0.75	1.53	2.22	1.89	4.86	1.53	1.71	3.41
CITIGROUP BIG (DAILY)	0.68	1.02	0.89	1.49	2.63	2.23	5.15	1.49	1.46	4.99
Excess	-0.18	-0.22	-0.15	0.05	-0.42	-0.35	-0.30	0.05	0.25	-1.58

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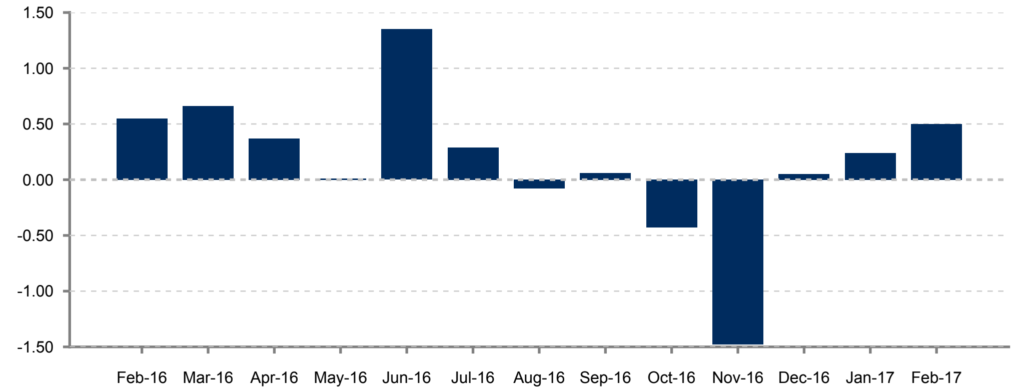
POOL 205 FIXED INCOME

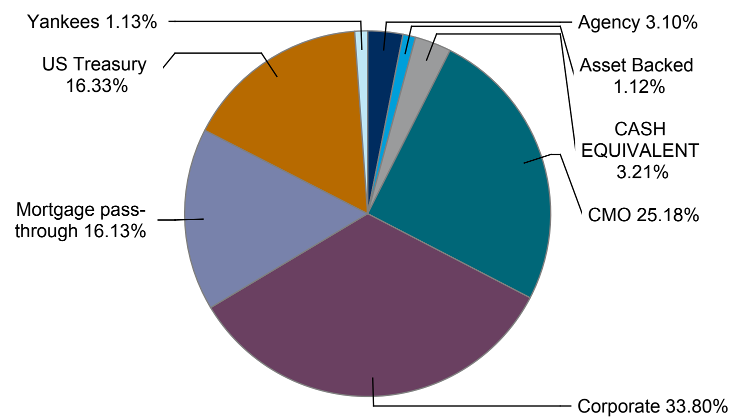
Net Mgr Return



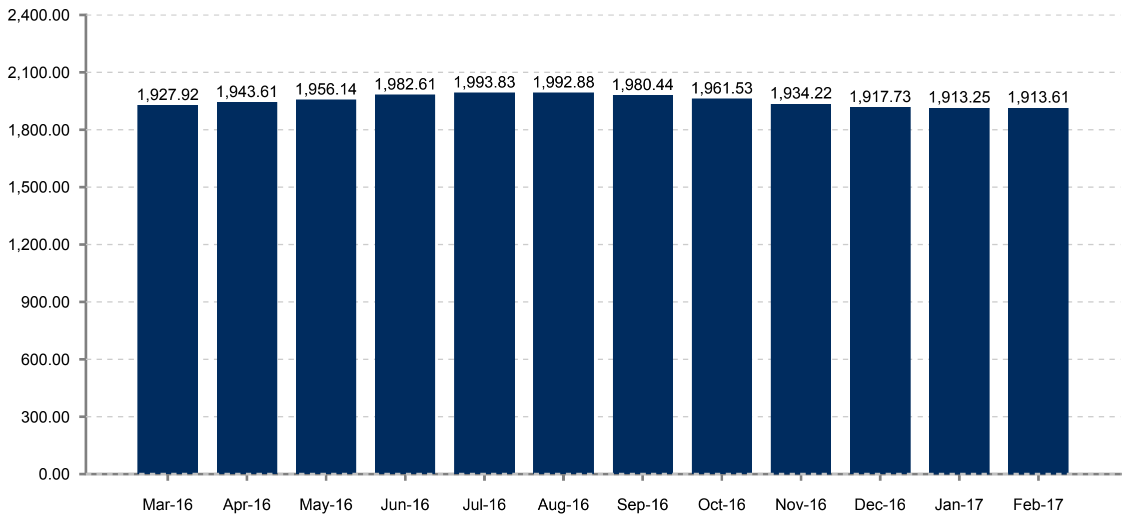
	Current Mth	Prior Mth	1 Year Ago
POOL 205 FIXED INCOME	0.50	0.24	0.55

Asset Allocation

	Ending Market Value
POOL 205 FIXED INCOME	1,913,609,850



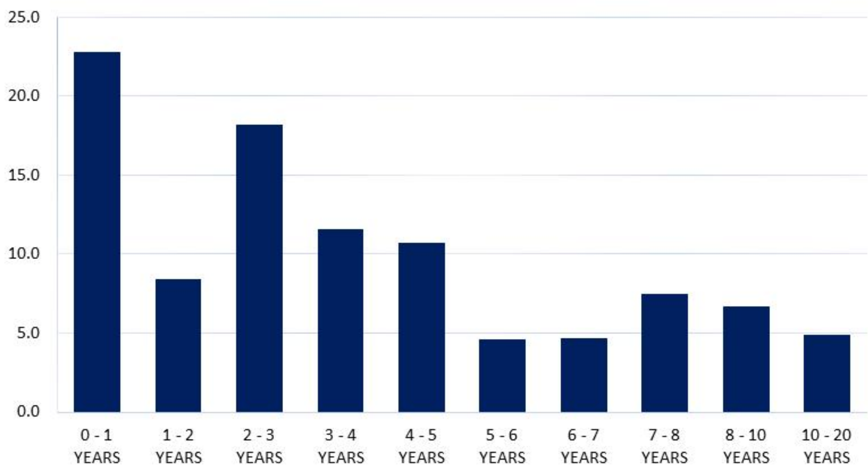
Net Asset Values over Time ($MM)



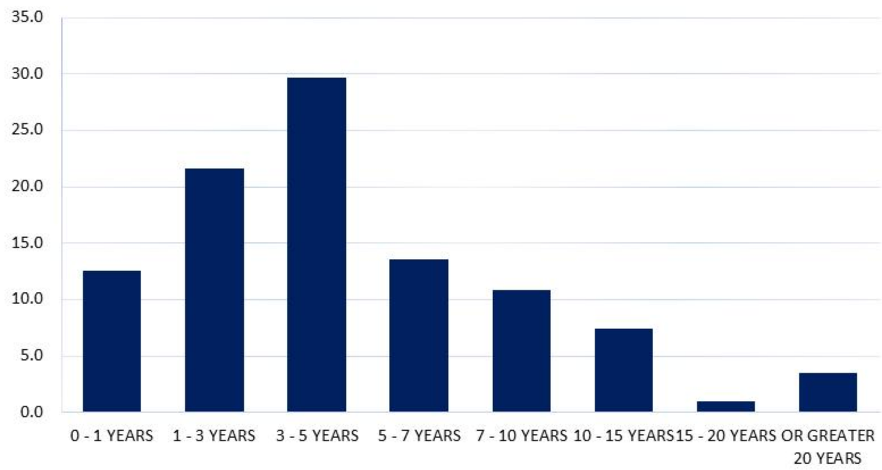
Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 205 FIXED INCOME		
BLACKROCK PROV TEMP	42,017,302	2.20
US TREASURY N/B	27,527,210	1.44
US TREASURY N/B	20,527,876	1.07
GOVERNMENT NATIONAL	20,063,981	1.05
US TREASURY N/B	17,229,127	0.90
US TREASURY N/B	16,964,386	0.89
US TREASURY N/B	16,252,156	0.85
WELLS FARGO + COMPAN	15,493,061	0.81
FIFTH THIRD BANK	15,006,133	0.78
CROWN POINT CAP CO.	14,970,517	0.78

Duration Distribution



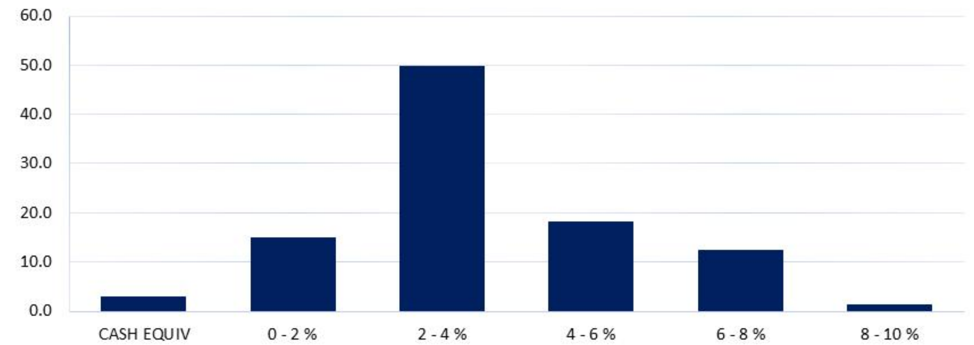
Expected Maturity Distribution



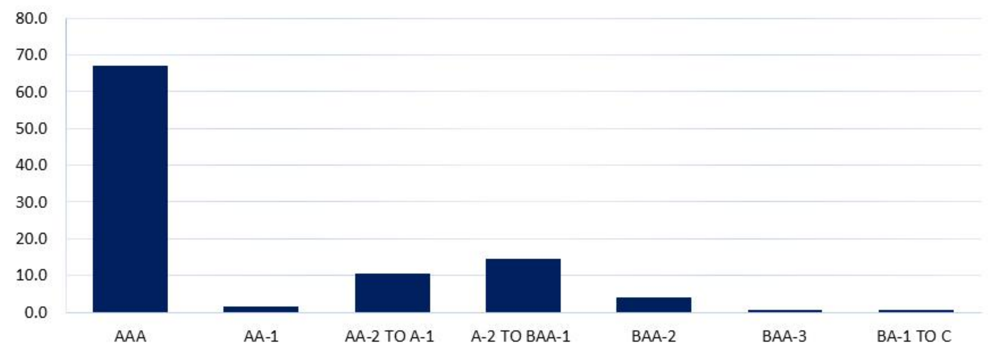
Portfolio Level Characteristics

	POOL 205 FIXED INCOME
Weighted Average Life	5.14
Coupon	3.68
Effective Duration	3.81
Quality Rating (Moody's)	AA-2

Coupon Distribution

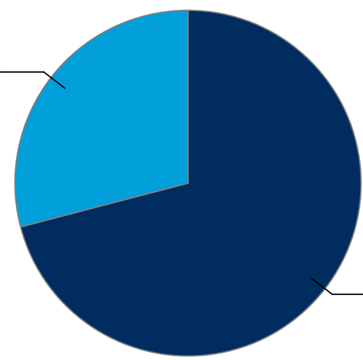


Rating Distribution

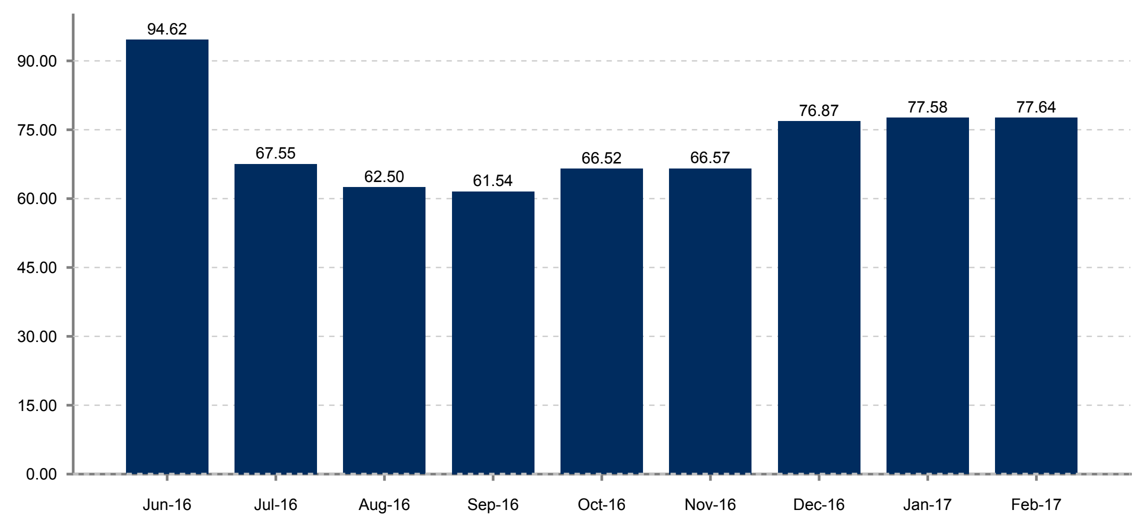


Asset Allocation

	Ending Market Value
POOL 123 ST	77,640,781



Net Asset Values over Time ($MM)



Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 123 ST		
LOCAL GOVERNMENT INV	22,581,347	29.08
BLACKROCK PROV TEMP	20,097,568	25.89
SHEFFIELD RECEIVABLE	14,988,188	19.30
INSTITUTIONAL SECURED	9,993,333	12.87
CROWN POINT CAP CO.	9,980,344	12.85

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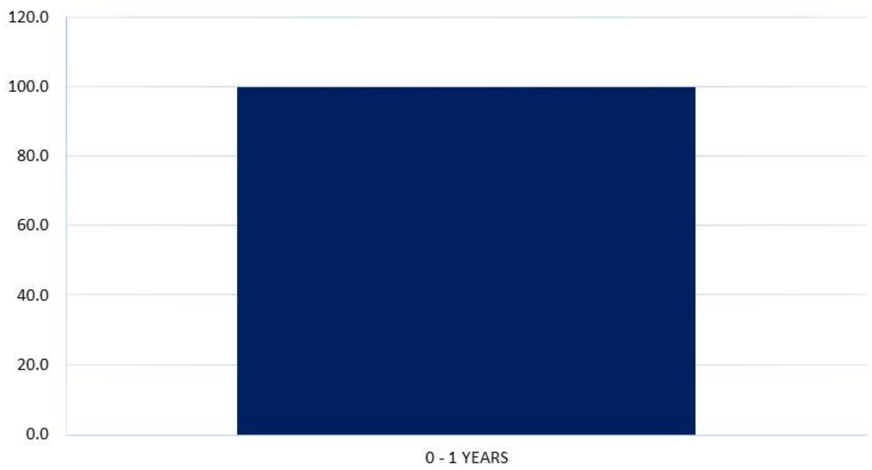
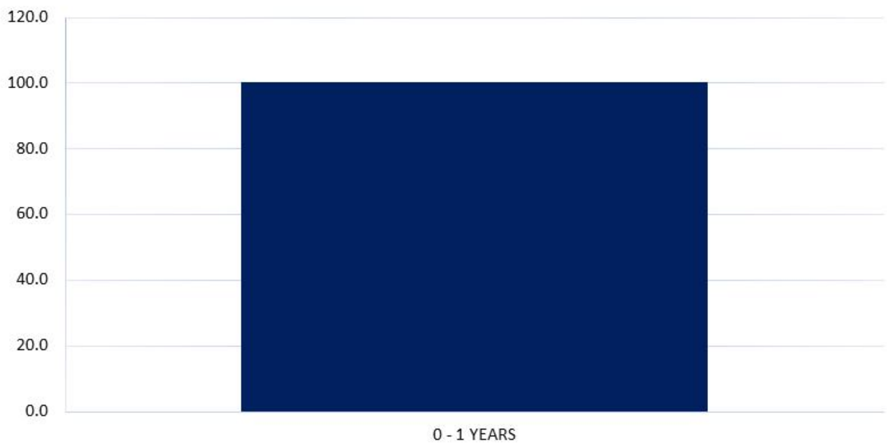
POOL 123 ST

Duration Distribution



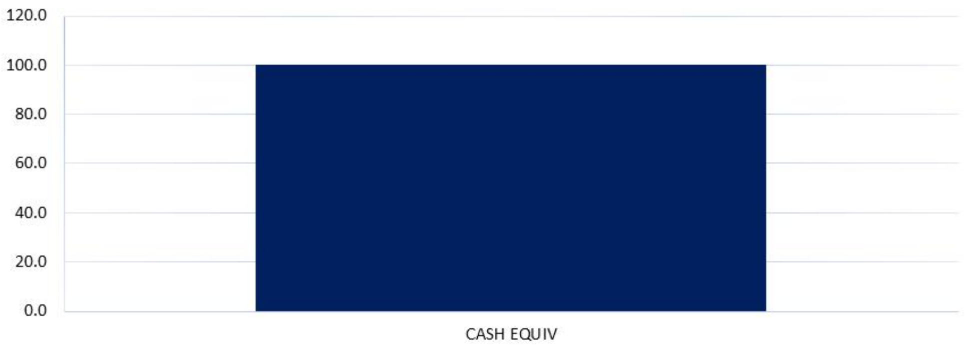
Expected Maturity Distribution



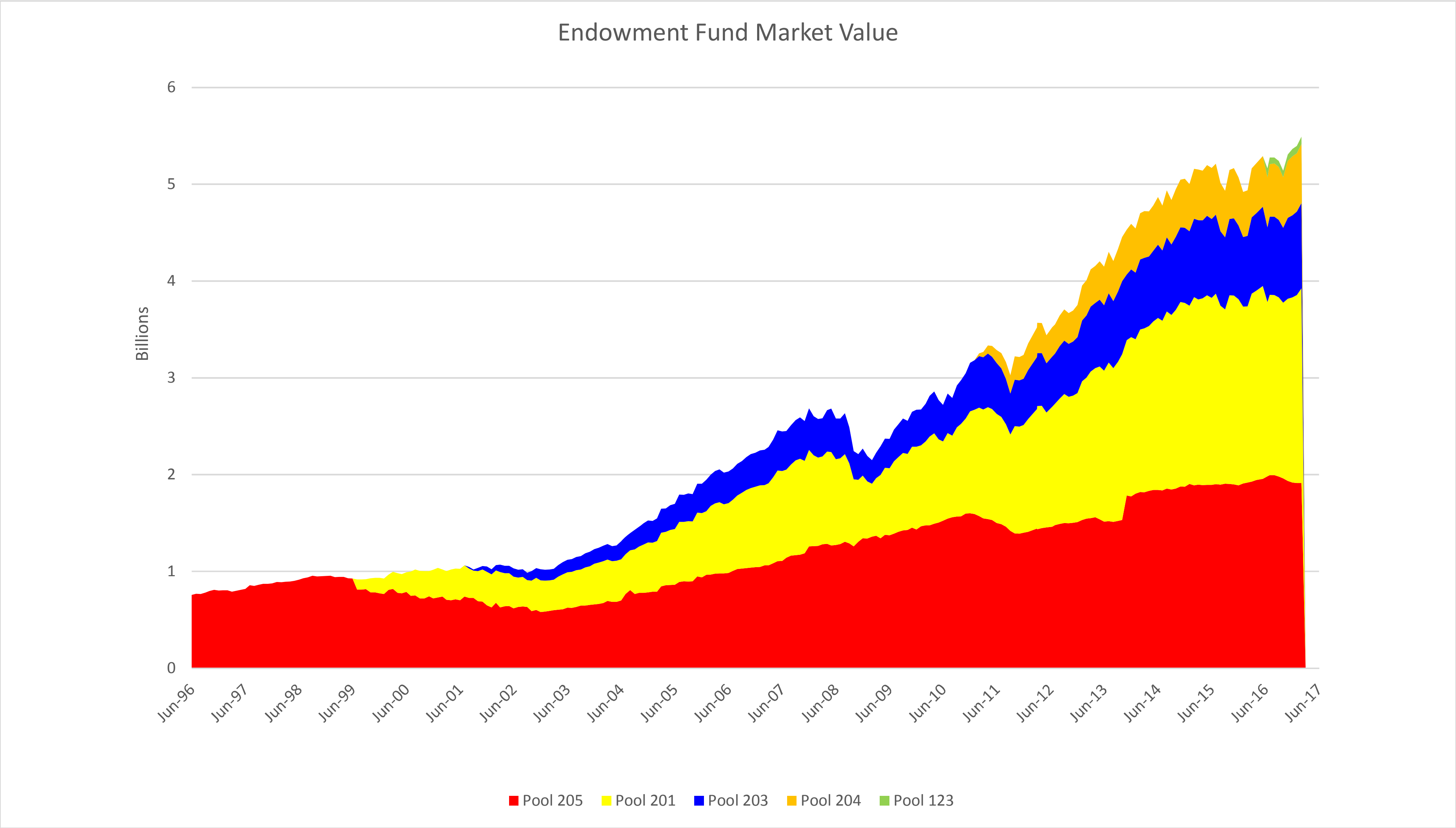
Portfolio Level Characteristics

	POOL 123 ST
Weighted Average Life	0.05
Coupon	0.00
Effective Duration	0.05
Quality Rating (Moody's)	AAA

Coupon Distribution



Rating Distribution


Endowment Fund Market Value
Billions
6
5
4
3
2
1
0
Jun-96
Jun-97
Jun-98
Jun-99
Jun-00
Jun-01
Jun-02
Jun-03
Jun-04
Jun-05
Jun-06
Jun-07
Jun-08
Jun-09
Jun-10
Jun-11
Jun-12
Jun-13
Jun-14
Jun-15
Jun-16
Jun-17
Pool 205
Pool 201
Pool 203
Pool 204
Pool 123