OFFICE OF THE

ARIZONA STATE TREASURER

JEFF DEWIT

TREASURER

DECEMBER 2015

Presented To:

Arizona State Board of Investment

January 26, 2016

STATE BOARD OF INVESTMENT

A G E N D A

January 26, 2016

1. Call to Order
2. Chairman Remarks
3. Approval of December 29, 2015 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. Endowment Investments and Performance Reports
    G. Broker Activity Report
5. Proposed Changes to the Investment Policy
    A. Review of Proposed Changes
    B. Public Comment on Proposed Changes
    C. Discussion and Action on Proposed Changes
6. Review and Approval of Proposed/Pending Securities Dealers
7. General Business
    A. Approval of Endowment Distributions for FY 2017
8. Call to the Public
9. Notice of Next Meeting
10. Adjournment

REPORT OF THE STATE TREASURER

FOR

January 26, 2016

TABLE OF CONTENTS

Page

Minutes of Board of Investment Meeting .....ii-viii

Review of Treasurer's Monthly Reports:

A. Earnings Distribution; Investment Pools 1

B. Operating Monies Invested Balances 2

C. State Agency Pools Investments and Performance Reports 3-21

D. LGIP Pools Investments and Performance Reports 22-32

E. Earnings Distributed Endowment Funds 33

F. Endowment Investments and Performance Reports…….....34-51

G. Broker Activity Report……52-59

Minutes of
BOARD OF INVESTMENT MEETING

The regular meeting of the State Board of Investment was held on December 29, 2015 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 1:30 p.m.

Members Present:

Jeff DeWit, Chair, State Treasurer
Harry A. Papp, CFA and Managing Partner, L. Roy Papp & Associate
Craig Brown, Director, Arizona Department of Administration
Andy Tobin, Superintendent, Department of Financial Institutions

Others Present:

Sean Dollman, Deputy Treasurer of Administration, Arizona State Treasurer's Office
Patty Humbert, Chief Investment Officer, Arizona State Treasurer's Office
Dennis Stevenson, Portfolio Manager, Arizona State Treasurer's Office
Jake Richardson, Investment Analyst, Arizona State Treasurer's Office
Dale Stomberg, Investment Accounting Manager, Arizona State Treasurer's Office
Pam Kirk, Assistant Investment Accounting Manager, Arizona State Treasurer's Office
Dajana Zlaticanin, Program and Project Specialist, Arizona State Treasurer's Office
Ken Price, Human Resource Manager, Arizona State Treasurer's Office

Pursuant to A.R.S. 35-311, the following reports for November, 2015 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

Endowment Investments and Performance Reports

1. **Call to Order:**
   Treasurer DeWit called the December 29, 2015 BOI meeting to order at approximately 1:30 p.m.

2. **Treasurers Comments:**
   Treasurer DeWit welcomed the board members and guests and thanked all present for attending the December 29, 2015 meeting.

3. **Approval of Minutes:**
   Mr. Papp made a motion to approve the November 30, 2015 minutes. Mr. Brown 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 November, 2015.

Mr. Tobin and Mr. Brown asked for clarification regarding the pools. Ms. Humbert gave a brief explanation.

Mr. Brown inquired as to the November earnings compared to the YTD. Ms. Humbert explained the YTD is July until present.

Treasurer DeWit spoke in regards to Pool 10 and earnings. Discussion ensued.

Operating Monies Average Invested Balance

Ms. Humbert reported the Operating Monies average invested balance for the month of November, 2015.

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 November, 2015.

Mr. Brown asked for clarification regarding the yields. Ms. Humbert gave a brief explanation.

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 November 30, 2015.

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 November 30, 2015.

Mr. Brown asked for clarification regarding external versus internal managers. Treasurer DeWit gave a brief explanation. Discussion ensued.

Mr. Brown and Mr. Tobin made inquiries regarding bond purchases. Ms. Humbert gave brief explanations.

Mr. Tobin inquired about the Volkswagen roll off. Discussion ensued.

Mr. Papp gave a brief economic update on Puerto Rico in regards to municipal bonds.

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

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

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

Mr. Stevenson reported the net yield for the LGIP and LGIP-Gov Pools and the comparison to the benchmark for the month of November, 2015.

Pool 500 & Pool 700 Portfolio Yield Analysis

Mr. Stevenson reported the net yield for the LGIP Medium Term Pools and the comparison to the benchmark for the month of November, 2015.

Mr. Brown asked for clarification on the holdings. Mr. Stevenson gave a brief explanation.

Manager Allocation of Invested Monies for the LGIP Pools

Mr. Stevenson 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 November 30, 2015.

LGIP Pools Investments and Performance Reports

Mr. Stevenson 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 November, 2015.

Mr. Brown inquired regarding the timing and purchase of corporate bonds. Mr. Stevenson and Ms. Humbert gave a brief explanation. Discussion ensued.

Review of Treasurer's Monthly Report – Endowments:

Ms. Humbert 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

Ms. Humbert reported the earnings distributed for the Endowment Funds for the month of November, 2015.

Net Realized Capital Gains/Losses – Endowment Funds

Ms. Humbert 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 November, 2015 and fiscal year to date.

Mr. Tobin asked for clarification regarding the net gain loss. Ms. Humbert gave a brief explanation. Discussion ensued.

Endowment Funds Fixed-Income Pool Purchases & Sales

Ms. Humbert reported the purchases and sales of the Endowment Fixed Income Pool for the month of November, 2015.

Mr. Tobin inquired in regards to endowment funds purchases. Ms. Humbert gave a brief explanation. Discussion ensued.

Equity Funds Purchases & Sales

Ms. Humbert reported the purchases and sales (summary) of the Endowment Equity Pools for the month of November, 2015.

Mr. Tobin inquired in regards to commissions. Ms. Humbert gave a brief explanation.

Investments Outstanding in Endowment Funds

Ms. Humbert reported the par, book, market value, and unrealized gains/loss of the Endowment Funds as of November 30, 2015.

Performance of Investments in Endowment Funds

Ms. Humbert 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 November 30, 2015.

Manager Allocation of Invested Monies for the Endowment Pools

Ms. Humbert reported the percentage of the total market value of all of the Endowment investments allocated to each of the Endowment Pools, as of November 30, 2015.

Equity Holdings Investments Outstanding S&P 500

Ms. Humbert reported the investments outstanding by portfolio characteristics and industry sector for the S&P 500 Pool as of November 30, 2015.

Equity Holdings Investments Outstanding S&P 400

Ms. Humbert reported the investments outstanding by portfolio characteristics and industry sector for the S&P 400 Pool as of November 30, 2015.

Equity Holdings Investments Outstanding S&P 600

Ms. Humbert reported the investments outstanding by portfolio characteristics and industry sector for the S&P 600 Pool as of November 30, 2015.

Fixed Income 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 for the Fixed Income Pool for the month of November, 2015.

Endowment Investments and Performance Growth by Account Reports

Ms. Humbert reported the performance and growth for each of the Endowment Funds from the inception date of each fund through the end of November 30, 2015.

Approval of Treasurer's Report

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

5. **Proposed Changes to Investment Policy:**
   No proposed changes.

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

7. **General Business:**
   No General Business.

8. **Call to the Public:**
   There was no Public comment.
   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, January 26, 2016 at 1:30 p.m. at 1700 West Washington, State Capitol, West Wing, Treasurer's Conference Room, Phoenix, Arizona.

10. Adjournment:

Mr. Tobin made a motion to adjourn the BOI meeting. Mr. Papp seconded the motion. Upon unanimous approval the BOI Meeting was adjourned at 3:15 p.m.

Respectfully Submitted by:

_____
Christine Thurston
Executive Consultant II

Approved by:

_____ _____
Jeff DeWit, Chair Date

EARNINGS DISTRIBUTION - INVESTMENT POOLS
DECEMBER 2015

Recipient	Earnings Distributed DECEMBER 2015	Earnings Distributed Fiscal YTD 15/16	Earnings Distributed Fiscal YTD 14/15	Fiscal YTD Investment Management Fees Received
General Fund	$1,007,281	$5,893,103	$5,603,266	
2 State Agencies - Full Faith & Credit	361,003	2,033,176	2,641,437	$262,712
3 State Agencies - Diversified *(Combined)*	578,518	3,522,791	3,575,142	389,698
4 State Agencies - Gov	385,699	2,223,854	2,916,753	247,122
5 LGIP	209,540	953,722	550,160	310,726
7 LGIP Gov	174,714	595,562	283,757	261,100
10 Restricted Operating	297,457	1,728,418	1,616,360	367,961
12 CAWCD Medium-Term	280,874	1,883,730	2,610,263	86,414
16 ECDH Medium-Term	412,633	2,410,633	2,838,925	105,208
Subtotal	**$3,707,720**	**$21,244,989**	**$22,636,063**	**$2,030,941**
NAV POOL				
500 LGIP - Med Term	230,642	1,448,400	1,367,383	67,043
700 LGIP - FF&C Med Term	115,372	676,326	723,621	40,323
Total	**$4,053,733**	**$23,369,715**	**$24,727,066**	**$2,138,308**
DECEMBER 2014 TOTALS	**$4,165,080**			**$2,113,186**

OPERATING MONIES
AVERAGE INVESTED BALANCE
Through December 31, 2015
(in millions of dollars)

Month	Fiscal Year 2013/2014	Fiscal Year 2014/2015	Fiscal Year 2015/2016
JULY	1,942	1,876	1,795
AUGUST	1,709	1,369	1,554
SEPTEMBER	1,974	1,638	1,874
OCTOBER	1,824	1,521	1,701
NOVEMBER	1,853	1,535	1,686
DECEMBER	1,895	1,478	1,734
JANUARY	2,234	1,754	
FEBRUARY	2,427	1,959	
MARCH	2,107	1,686	
APRIL	2,100	1,879	
MAY	2,312	2,163	
JUNE	2,462	2,307	
Y-T-D Average	**$2,070**	**$1,764**	**$1,724**

Budget Stabilization Average Fund Balance - December 2015 **$459**
Total Average Cash Available - December 2015 **$2,193**

STATE AGENCY POOLS
PORTFOLIO EARNINGS ANALYSIS
DECEMBER 2015

FUND	DESCRIPTION	Current Month 12/31/15	Prior Month 11/30/15	Prior Year 12/31/14	Net Asset Value Per Share
2	STATE AGENCIES - FULL FAITH & CREDIT	462,651	423,981	516,731	0.9962
3	STATE AGENCIES - DIVERSIFIED				
	INTERNAL MANAGERS	733,356	727,141	766,834	0.9960
	EXTERNAL MANAGERS	83,651	80,381	60,054	0.9981
	FUND 3 TOTAL	817,008	807,522	826,888	0.9962
4	STATE AGENCIES - GOV	498,947	474,397	569,662	0.9957
10	RESTRICTED OPERATING				
	INTERNAL MANAGERS	758,700	718,572	776,629	0.9962
	EXTERNAL MANAGERS	87,086	112,831	80,938	0.9989
	FUND 10 TOTAL	845,786	831,402	857,567	0.9968
12	CAWCD MEDIUM-TERM	280,874	186,898	358,071	1.0014
16	ECDH MEDIUM-TERM	412,633	236,848	509,179	0.9936
	TOTAL STATE AGENCIES	3,317,899	2,961,048	3,638,098	

STATE AGENCY POOLS
PORTFOLIO YIELD ANALYSIS
DECEMBER 2015

FUND	DESCRIPTION	Current Month 12/31/15	Prior Month 11/30/15	Prior Year 12/31/14
2	STATE AGENCIES - FULL FAITH & CREDIT	0.55%	0.56%	0.69%
	75% MERRILL 0-1 US TREAS INDEX / 25% MERRILL US GNMA MORTGAGE BACKED INDEX	1.10%	1.01%	0.74%
3	STATE AGENCIES - DIVERSIFIED			
	INTERNAL MANAGERS	0.70%	0.71%	0.79%
	EXTERNAL MANAGERS	0.96%	0.96%	0.70%
	COMBINED	0.72%	0.73%	0.78%
	50% 3 MONTH LIBOR INDEX / 50% MERRILL 1-3 US BROAD MARKET INDEX	0.98%	0.83%	0.61%
4	STATE AGENCIES - GOV	0.58%	0.58%	0.83%
	50% MERRILL 6 MTH US T-BILL INDEX / 50% MERRILL 1-3 UNSUB. US TREAS / AGY INDEX	0.78%	0.68%	0.39%
10	RESTRICTED OPERATING			
	INTERNAL MANAGERS	0.89%	0.88%	0.85%
	EXTERNAL MANAGERS	0.34%	0.45%	0.32%
	COMBINED	0.77%	0.78%	0.73%
	50% 3 MONTH LIBOR INDEX / 50% MERRILL 1-3 US BROAD MARKET INDEX	0.98%	0.83%	0.61%
12	CAWCD MEDIUM-TERM	1.04%	0.73%	1.36%
	MERRILL 1-5 US D M INDEX	1.76%	1.63%	1.46%
16	ECDH MEDIUM-TERM	1.41%	0.84%	1.76%
	MERRILL 1-5 US D M INDEX	1.76%	1.63%	1.46%

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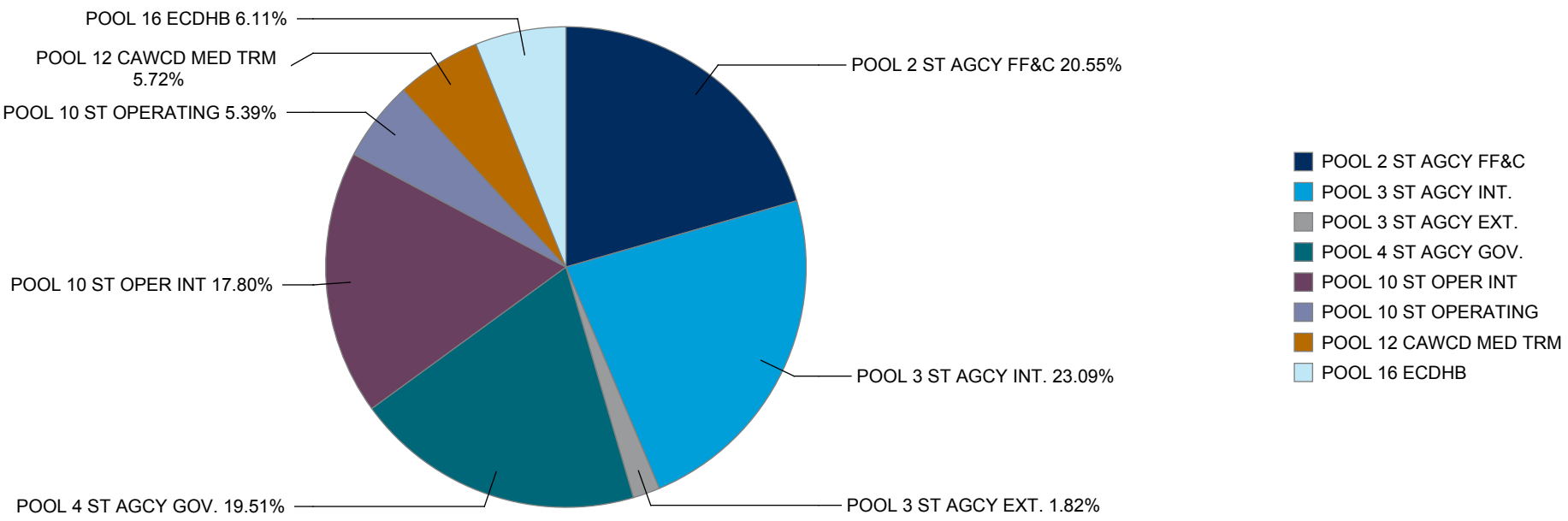
December 31, 2015

STATE AGENCY

Manager Allocation



	Market Value	% of Portfolio
POOL 2 ST AGCY FF&C	1,152,534,590	20.5
POOL 3 ST AGCY INT.	1,295,336,288	23.1
POOL 3 ST AGCY EXT.	102,228,350	1.8
POOL 4 ST AGCY GOV.	1,094,231,027	19.5
POOL 10 ST OPER INT	998,742,560	17.8
POOL 10 ST OPERATING	302,385,912	5.4
POOL 12 CAWCD MED TRM	321,080,149	5.7
POOL 16 ECDHB	342,938,678	6.1
TOTAL STATE AGENCY	5,609,477,553	100.0

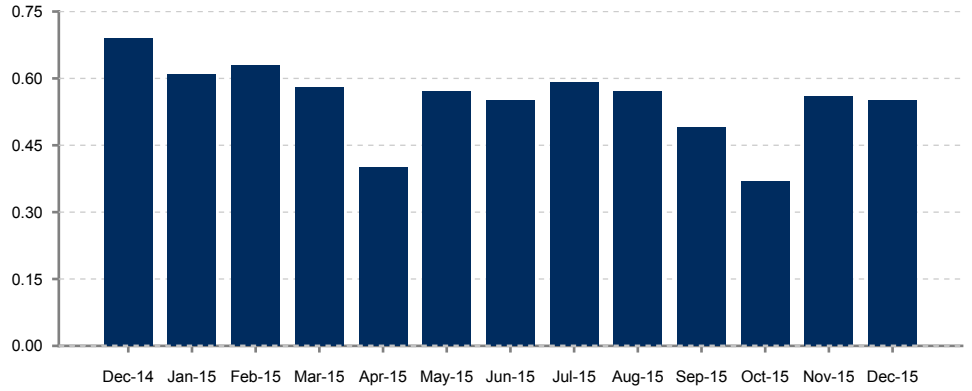
OFFICE OF THE ARIZONA STATE TREASURER

December 31, 2015

POOL 2 ST AGCY FF&C

STATE STREET.

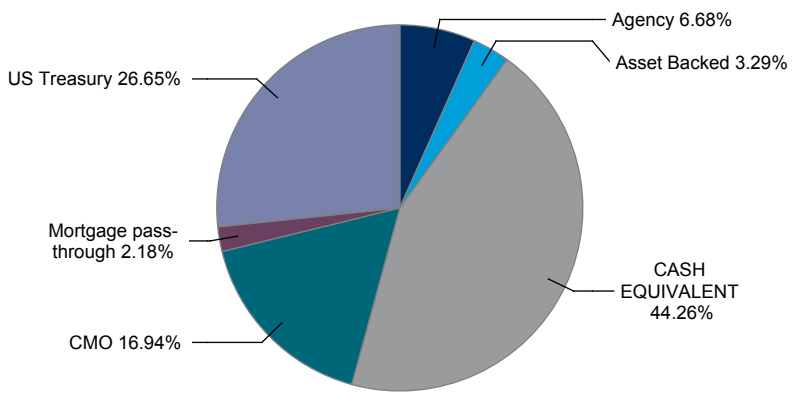
Net Yield



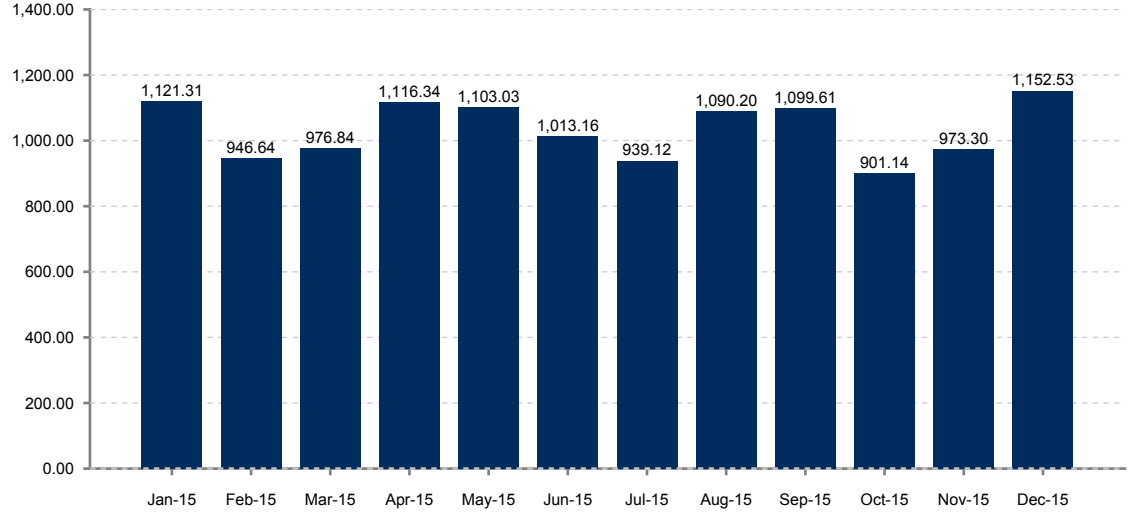
	Current Mth	Prior Mth	1 Year Ago
POOL 2 ST AGCY FF&C	0.55	0.56	0.69

Asset Allocation

	Ending Market Value
POOL 2 ST AGCY FF&C	1,152,534,590



Net Asset Values over Time ($MM)



Top 10 Holdings

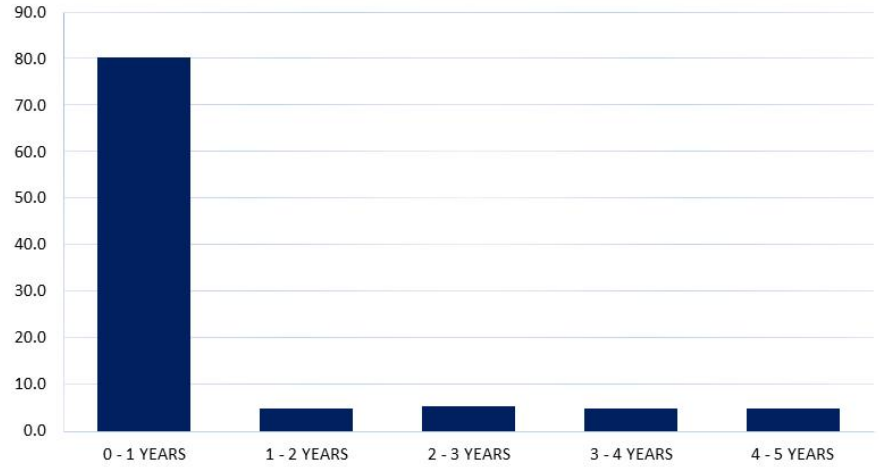
Security Name	Ending Market Value	% of Portfolio
POOL 2 ST AGCY FF&C		
AMHERST PIERPONT	179,450,705	15.57
WELLS FARGO REPO	100,001,944	8.68
BANK OF AMERICA REPO	60,764,466	5.27
TREASURY BILL	49,991,200	4.34
US TREASURY N/B	45,977,278	3.99
US TREASURY FRN	39,982,893	3.47
TREASURY BILL	29,864,460	2.59
GOVERNMENT NATIONAL MORTGAGE A	26,738,810	2.32
US TREASURY N/B	20,261,166	1.76
US TREASURY N/B	20,230,043	1.76

OFFICE OF THE ARIZONA STATE TREASURER

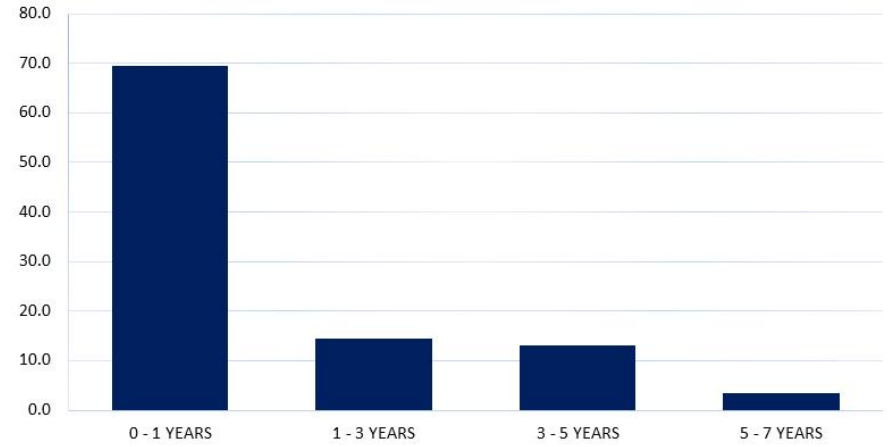
December 31, 2015

POOL 2 ST AGCY FF&C

Duration Distribution



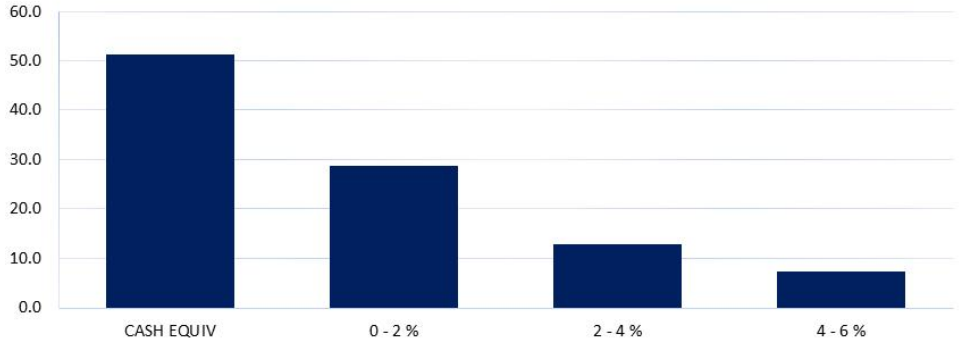
Expected Maturity Distribution



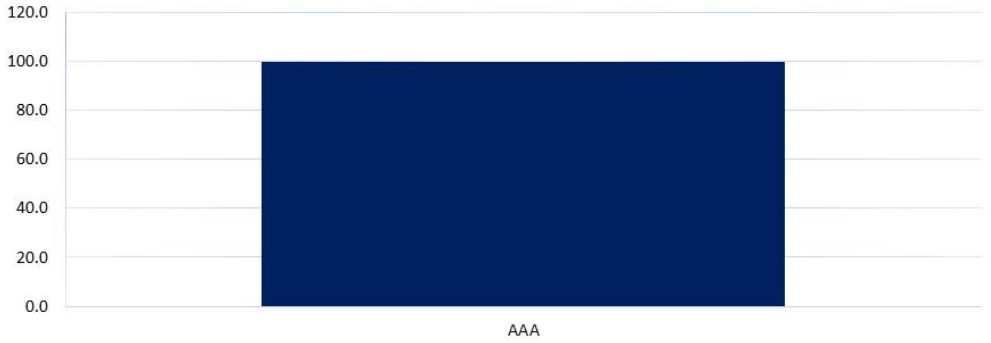
Portfolio Level Characteristics

	POOL 2 ST AGCY FF&C
Weighted Average Life	1.09
Coupon	1.27
Effective Duration	0.72
Quality Rating (Moody's)	AAA

Coupon Distribution



Rating Distribution



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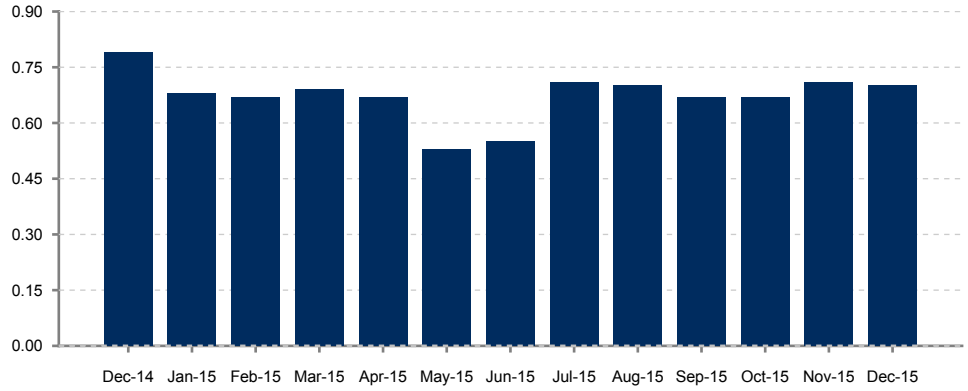
December 31, 2015

POOL 3 ST AGCY INT.

STATE STREET.

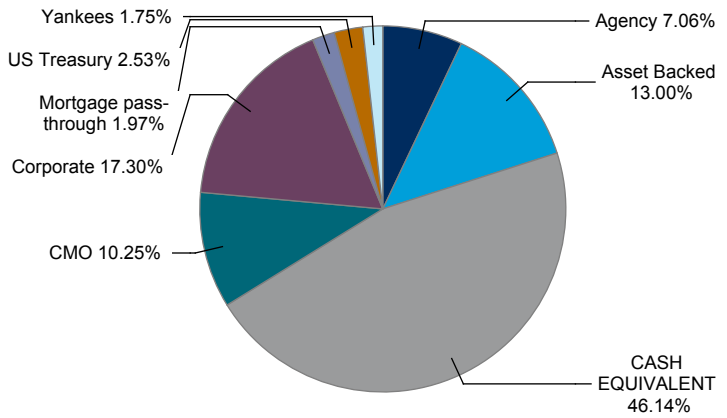
Net Yield



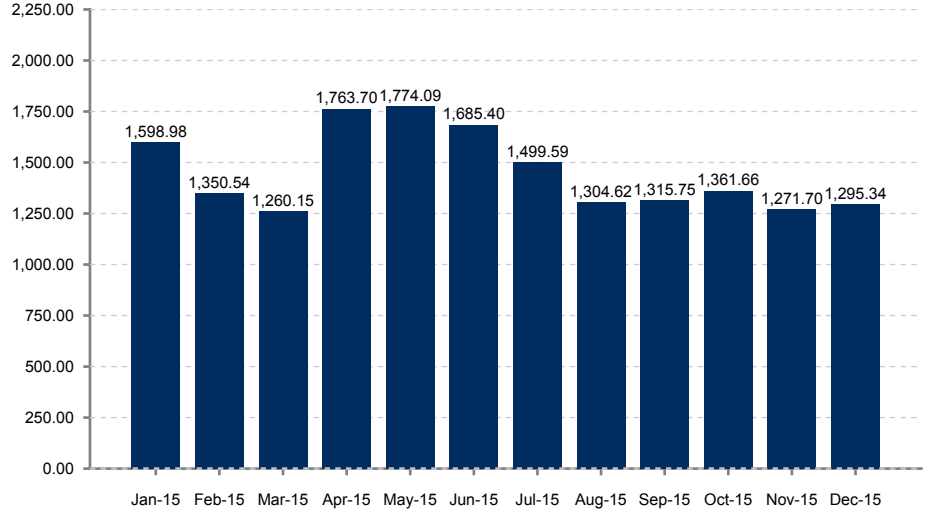
	Current Mth	Prior Mth	1 Year Ago
POOL 3 ST AGCY INT.	0.70	0.71	0.79

Asset Allocation

	Ending Market Value
POOL 3 ST AGCY INT.	1,295,336,288



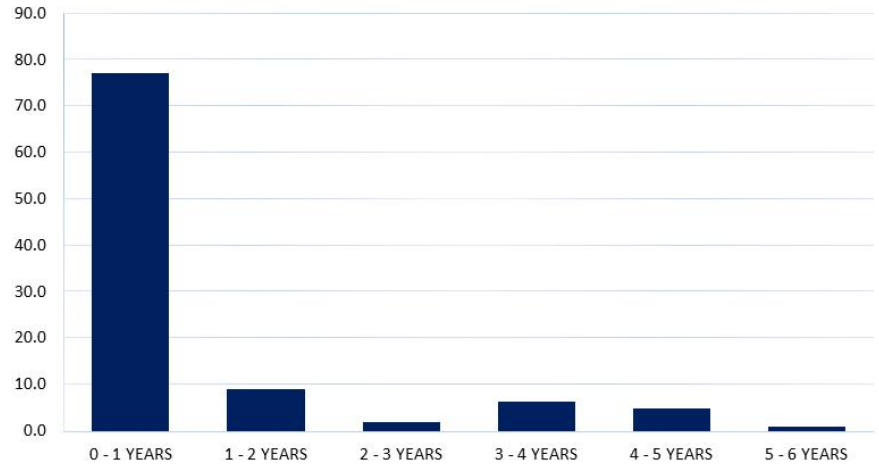
Net Asset Values over Time ($MM)



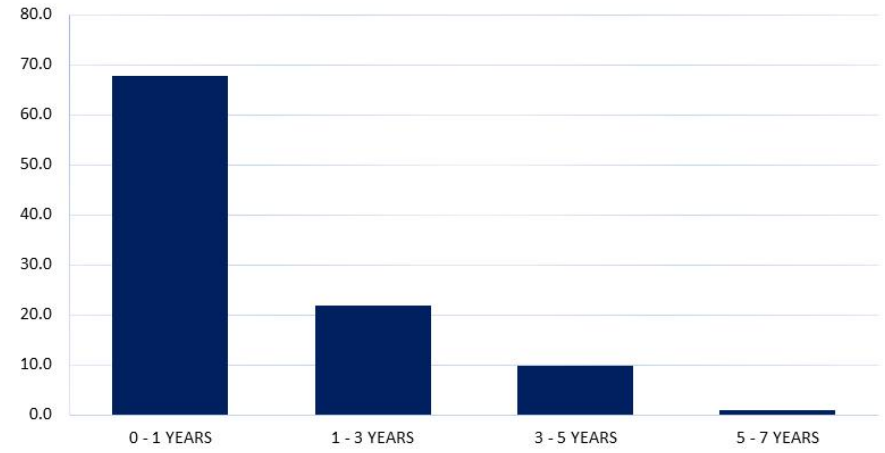
Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 3 ST AGCY INT.		
SOUTH STREET REPO	165,100,401	12.75
SUN TRUST ROBINSON REPO	125,031,250	9.65
AMHERST PIERPONT	125,004,167	9.65
CANADIAN IMPERIAL BK	29,938,435	2.31
FANNIE MAE	22,529,405	1.74
US TREASURY N/B	20,010,435	1.54
WELLS FARGO BANK NA	20,003,313	1.54
TREASURY BILL	19,990,000	1.54
TREASURY BILL	19,982,000	1.54
FORD CREDIT AUTO LEASE TRUST	15,825,637	1.22

Duration Distribution



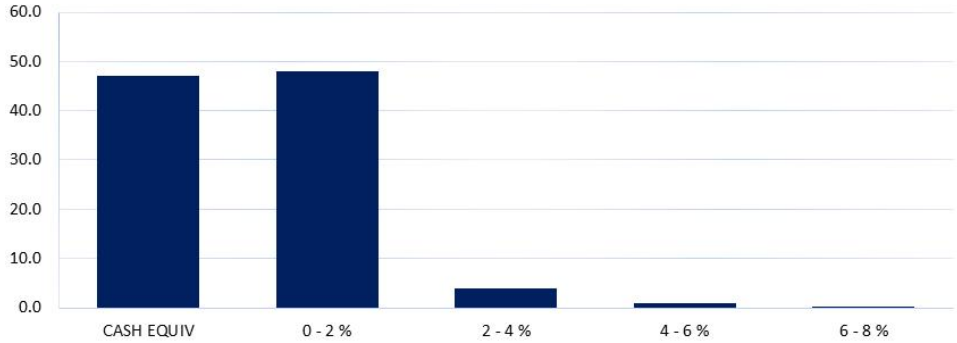
Expected Maturity Distribution



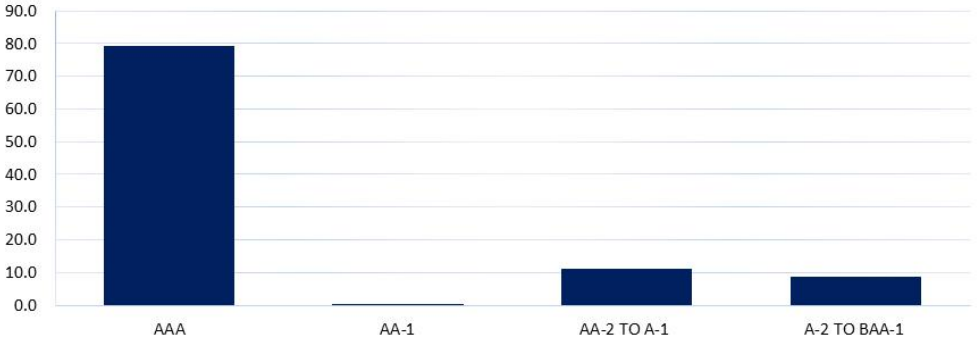
Portfolio Level Characteristics

	POOL 3 ST AGCY INT.
Weighted Average Life	1.03
Coupon	1.06
Effective Duration	0.79
Quality Rating (Moody's)	AA-1

Coupon Distribution



Rating Distribution

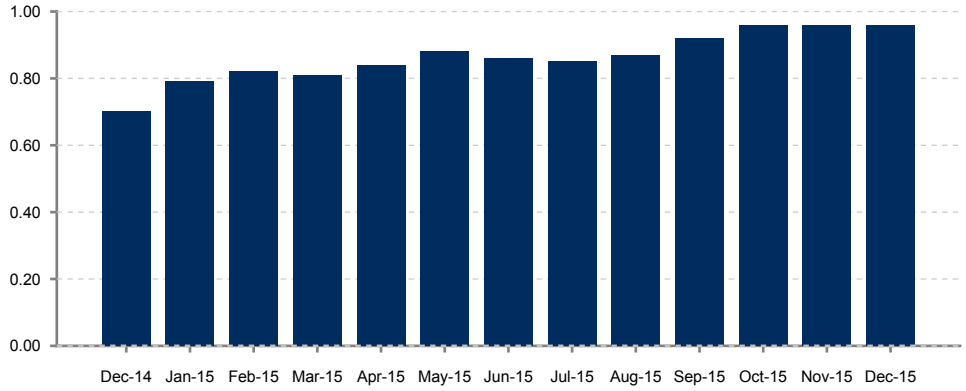


OFFICE OF THE ARIZONA STATE TREASURER

December 31, 2015

POOL 3 ST AGCY EXT.

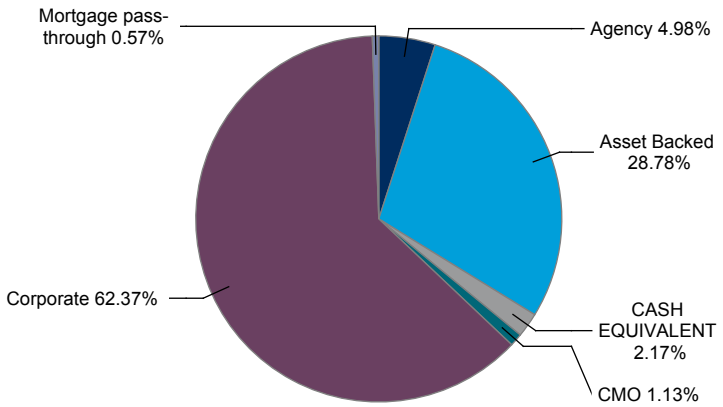
Net Yield



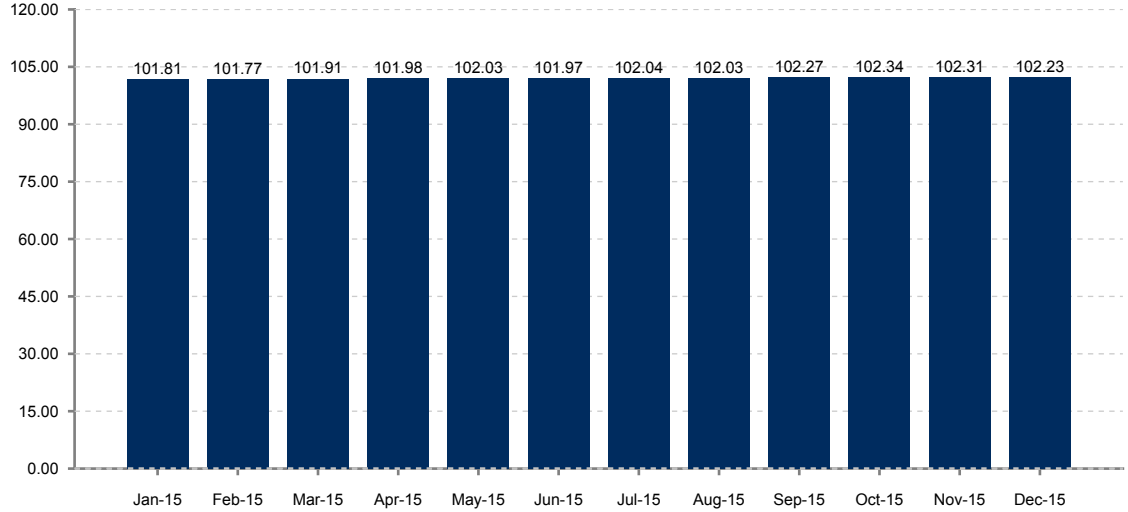
	Current Mth	Prior Mth	1 Year Ago
POOL 3 ST AGCY EXT.	0.96	0.96	0.70

Asset Allocation

	Ending Market Value
POOL 3 ST AGCY EXT.	102,228,350



Net Asset Values over Time ($MM)



Top 10 Holdings

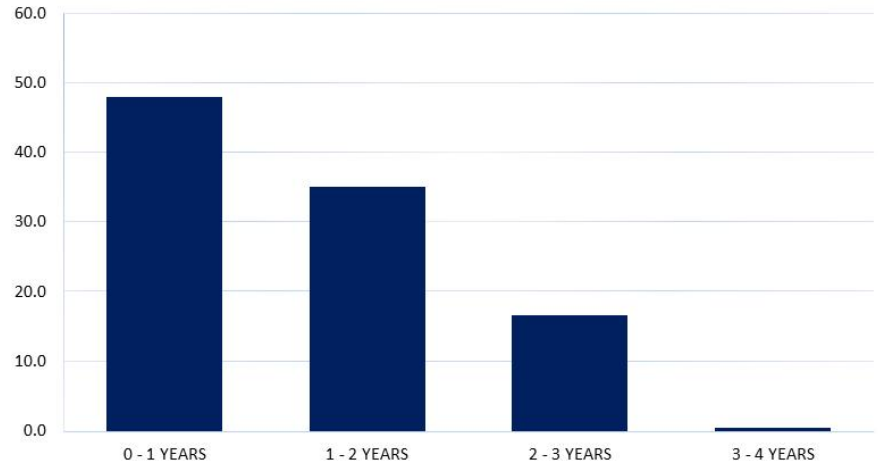
Security Name	Ending Market Value	% of Portfolio
POOL 3 ST AGCY EXT.		
ROYAL BK OF CANADA	1,801,073	1.76
MUFG UNION BANK NA	1,618,115	1.58
COSTCO WHOLESALE CORP	1,599,428	1.56
DISCOVER CARD EXECUTION NOTE T	1,575,323	1.54
3M COMPANY	1,540,225	1.51
MERCEDES BENZ AUTO RECEIVABLES	1,526,172	1.49
JOHN DEERE OWNER TRUST	1,510,613	1.48
PEPSICO INC	1,507,594	1.47
JPMORGAN CHASE + CO	1,506,554	1.47
CITIBANK CREDIT CARD ISSUANCE	1,504,151	1.47

OFFICE OF THE ARIZONA STATE TREASURER

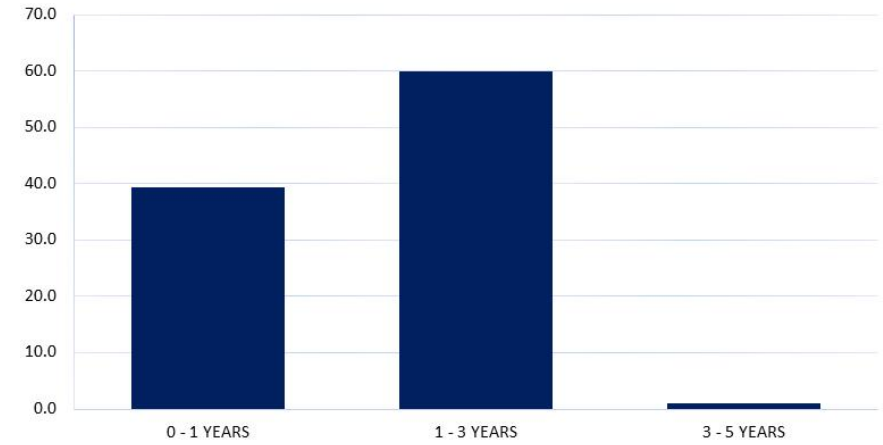
December 31, 2015

POOL 3 ST AGCY EXT

Duration Distribution



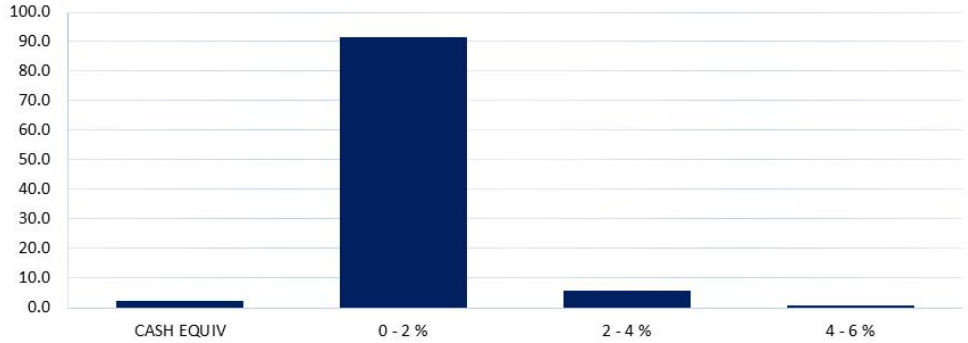
Expected Maturity Distribution



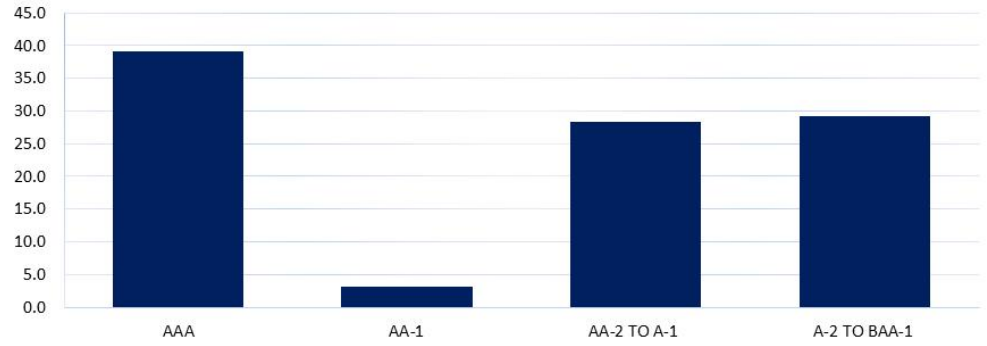
Portfolio Level Characteristics

	POOL 3 ST AGCY EXT.
Weighted Average Life	1.38
Coupon	1.21
Effective Duration	1.15
Quality Rating (Moody's)	AA-3

Coupon Distribution



Rating Distribution



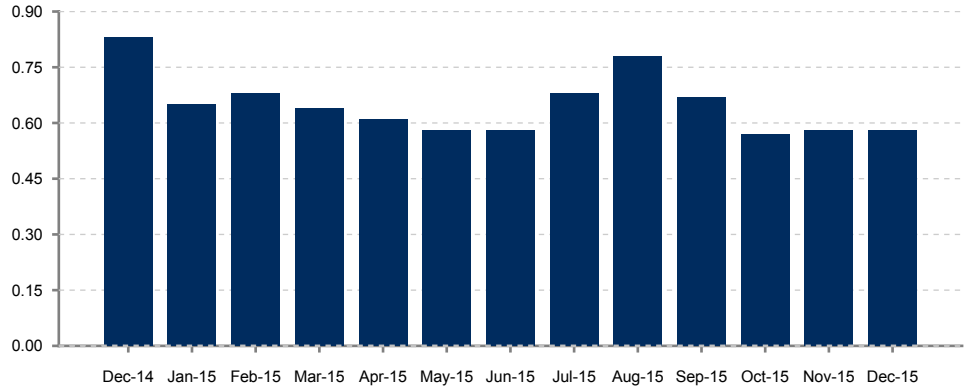
OFFICE OF THE ARIZONA STATE TREASURER

December 31, 2015

POOL 4 ST AGCY GOV.

STATE STREET.

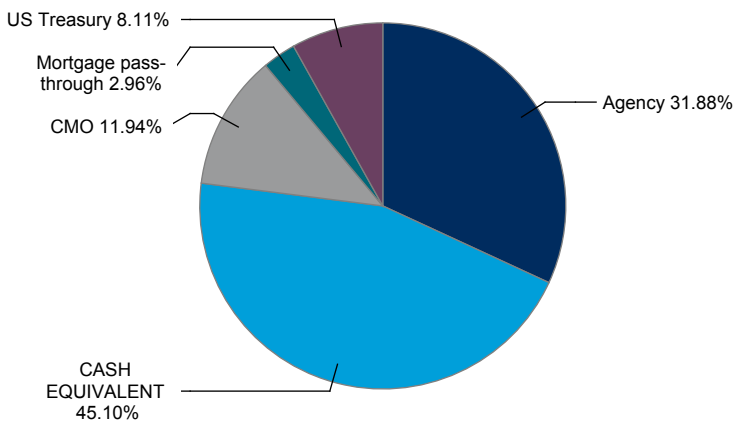
Net Yield



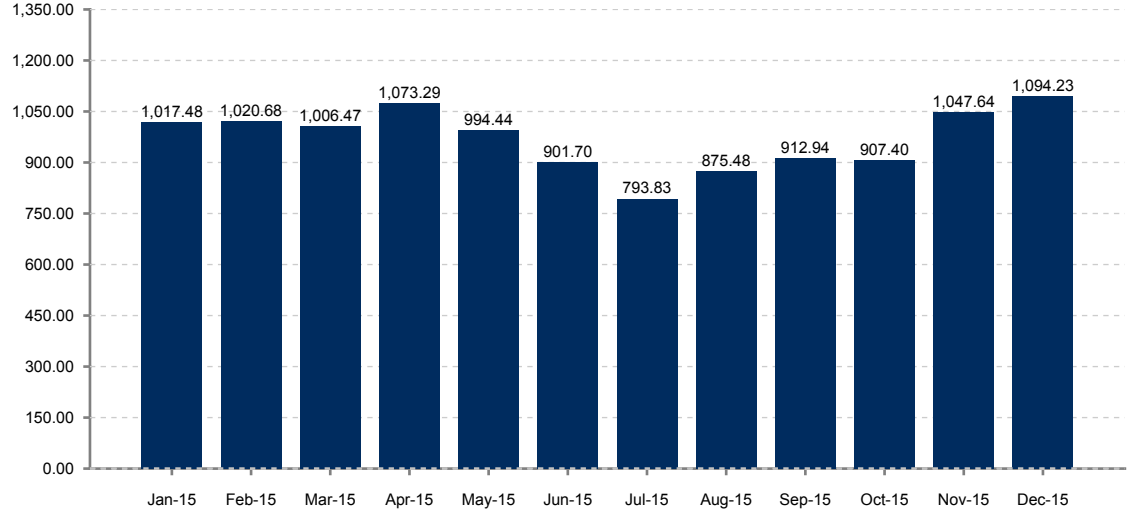
	Current Mth	Prior Mth	1 Year Ago
POOL 4 ST AGCY GOV.	0.58	0.58	0.83

Asset Allocation

	Ending Market Value
POOL 4 ST AGCY GOV.	1,094,231,027



Net Asset Values over Time ($MM)



Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 4 ST AGCY GOV.		
SOUTH STREET REPO	168,982,586	15.44
AMHERST PIERPONT	125,004,167	11.42
FED HOME LN DISCOUNT NT	39,991,120	3.65
FANNIEMAE ACES	24,058,201	2.20
US TREASURY N/B	20,168,132	1.84
FEDERAL FARM CREDIT BANK	20,050,814	1.83
FEDERAL FARM CREDIT BANK	20,000,918	1.83
TREASURY BILL	19,995,660	1.83
FED HOME LN DISCOUNT NT	19,995,140	1.83
FED HOME LN DISCOUNT NT	19,993,760	1.83

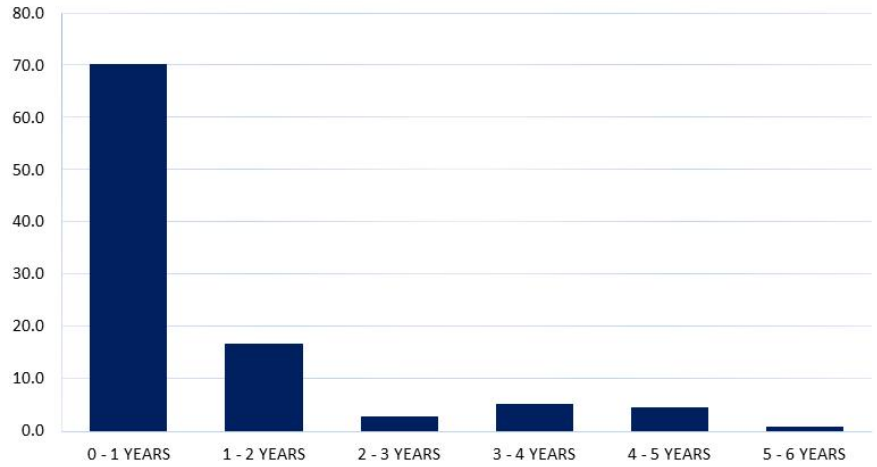
OFFICE OF THE ARIZONA STATE TREASURER

December 31, 2015

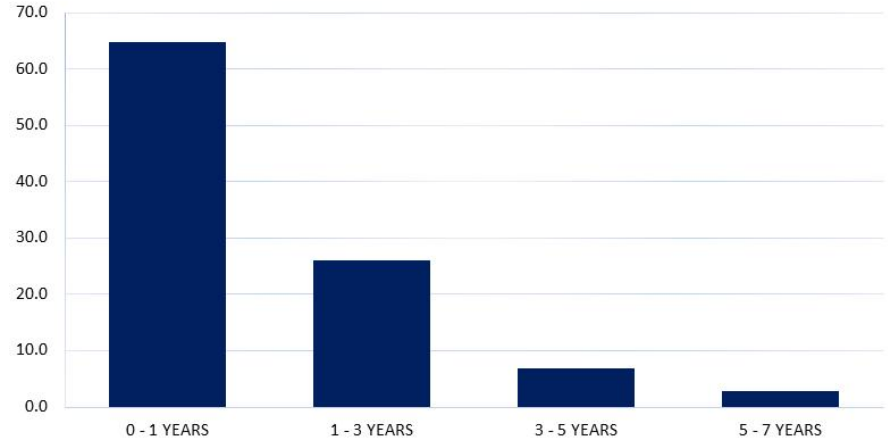
POOL 4 ST AGCY GOV

STATE STREET.

Duration Distribution



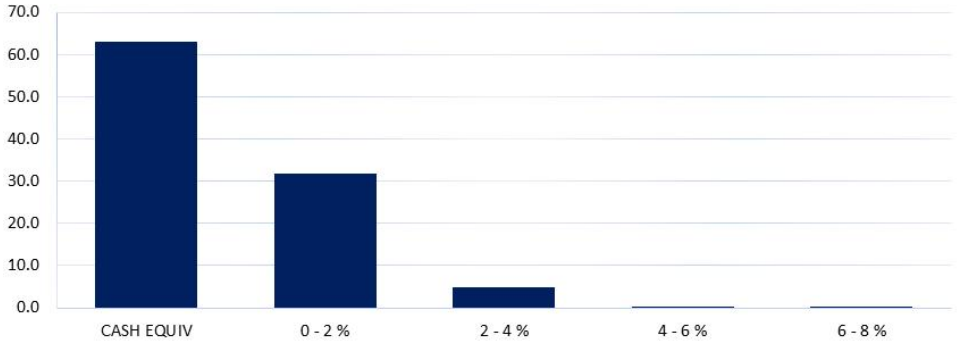
Expected Maturity Distribution



Portfolio Level Characteristics

	POOL 4 ST AGCY GOV.
Weighted Average Life	1.11
Coupon	0.72
Effective Duration	0.92
Quality Rating (Moody's)	AAA

Coupon Distribution



Rating Distribution

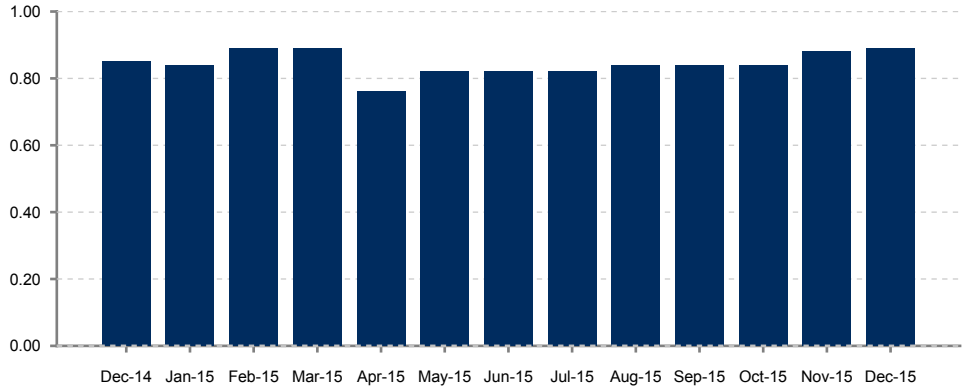
OFFICE OF THE ARIZONA STATE TREASURER

December 31, 2015

POOL 10 ST OPERATING INT

STATE STREET.

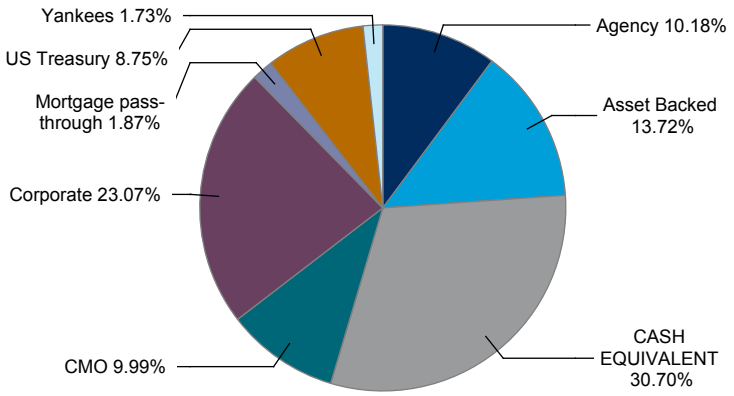
Net Yield



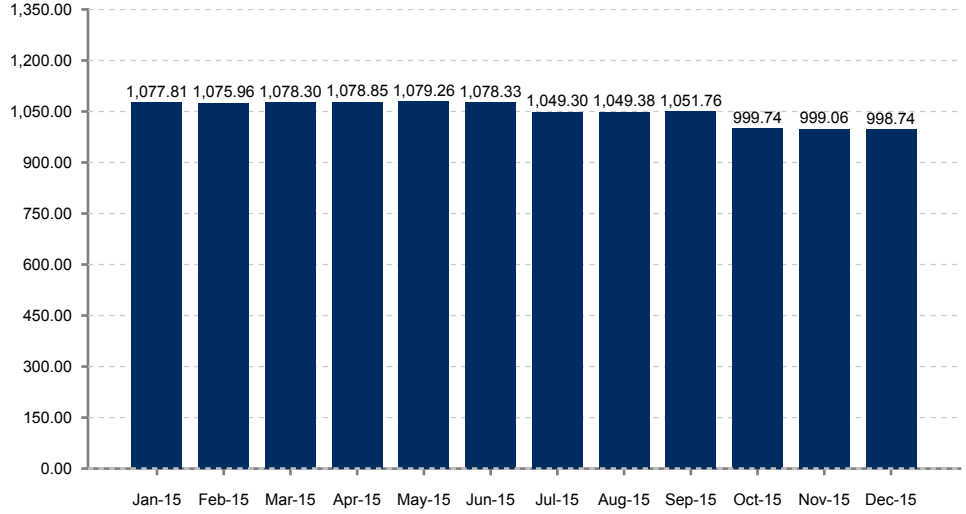
	Current Mth	Prior Mth	1 Year Ago
POOL 10 ST OPER INT	0.89	0.88	0.85

Asset Allocation

	Ending Market Value
POOL 10 ST OPER INT	998,742,560



Net Asset Values over Time ($MM)



Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 10 ST OPER INT		
CEDAR SPRING CPTL CO	34,997,978	3.50
BANK OF NOVA SCOTIA	30,015,500	3.01
SVENSKA HANDLSBNKN A	30,013,387	3.01
ANGLESEA FDG PLC & ANG	29,999,175	3.00
HANNOVER FDG CO. LLC	29,998,333	3.00
SWEDBANK	29,943,067	3.00
OLD LINE FUNDING LLC	29,891,350	2.99
US TREASURY N/B	20,044,990	2.01
US TREASURY N/B	20,003,202	2.00
US TREASURY N/B	19,998,737	2.00

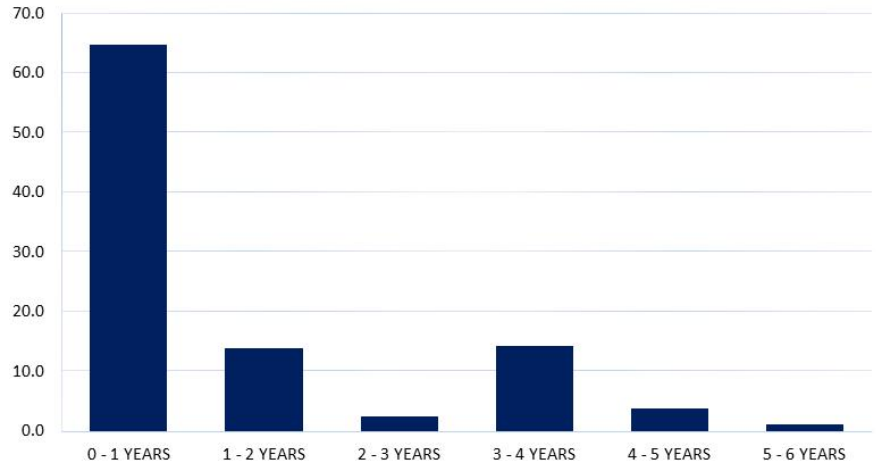
OFFICE OF THE ARIZONA STATE TREASURER

December 31, 2015

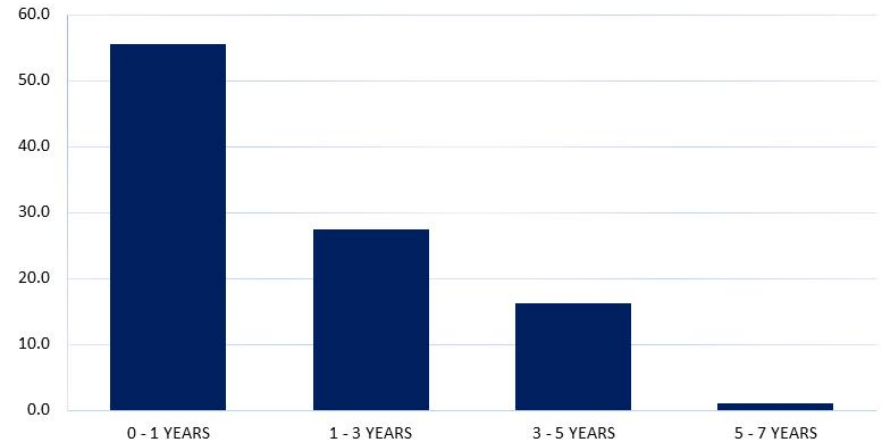
POOL 10 ST OPERATING INT

STATE STREET.

Duration Distribution



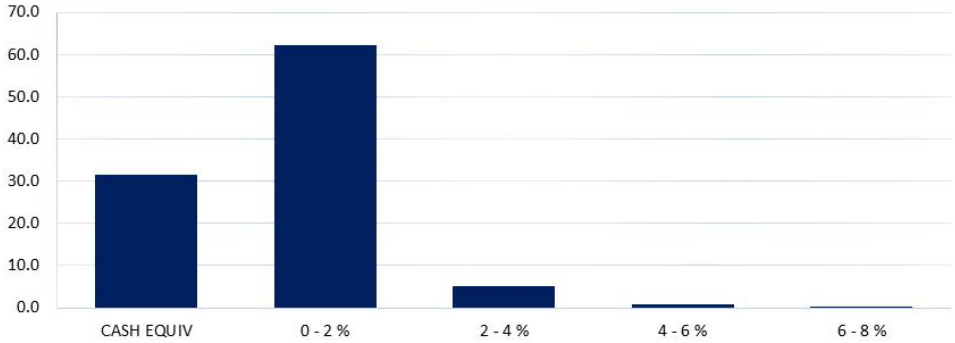
Expected Maturity Distribution



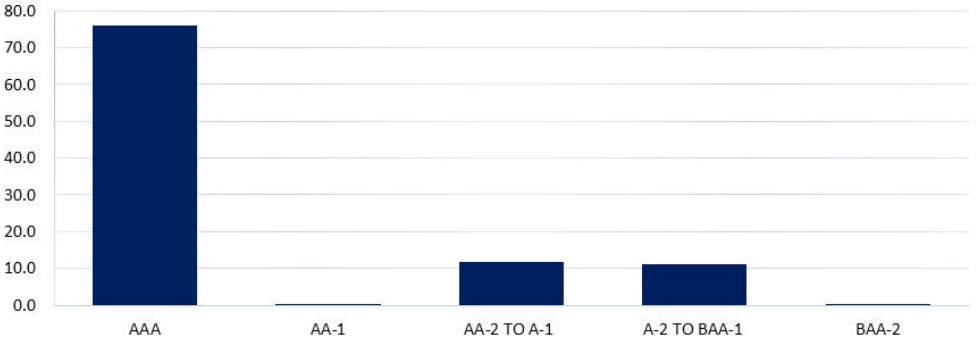
Portfolio Level Characteristics

	POOL 10 ST OPERATING INT
Weighted Average Life	1.34
Coupon	0.91
Effective Duration	1.14
Quality Rating (Moody's)	AA-1

Coupon Distribution



Rating Distribution

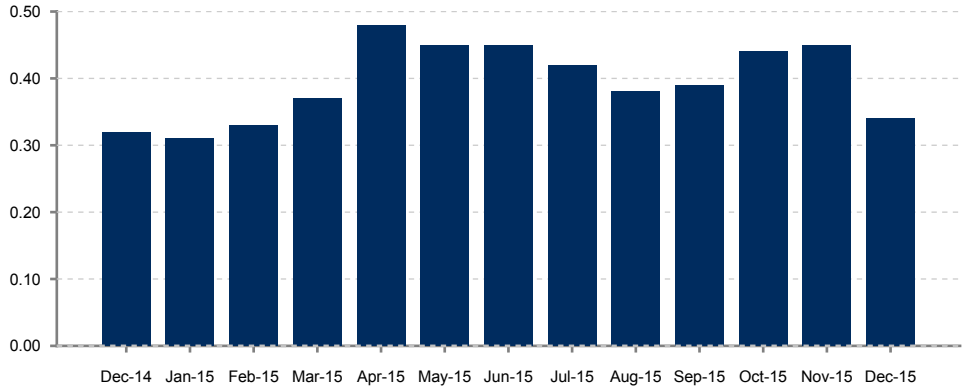


OFFICE OF THE ARIZONA STATE TREASURER

December 31, 2015

POOL 10 ST OPERATING Ext

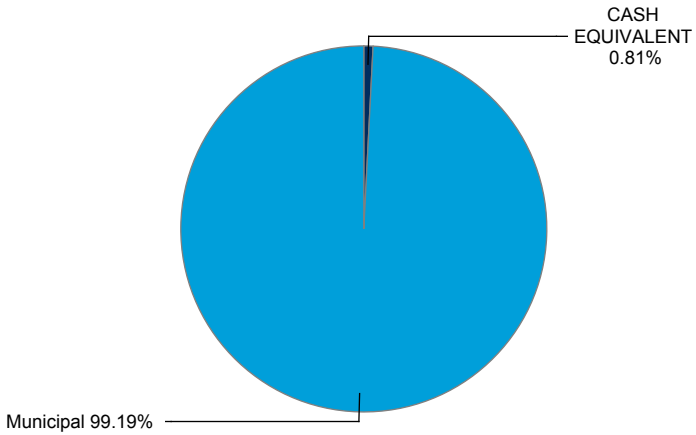
Net Yield



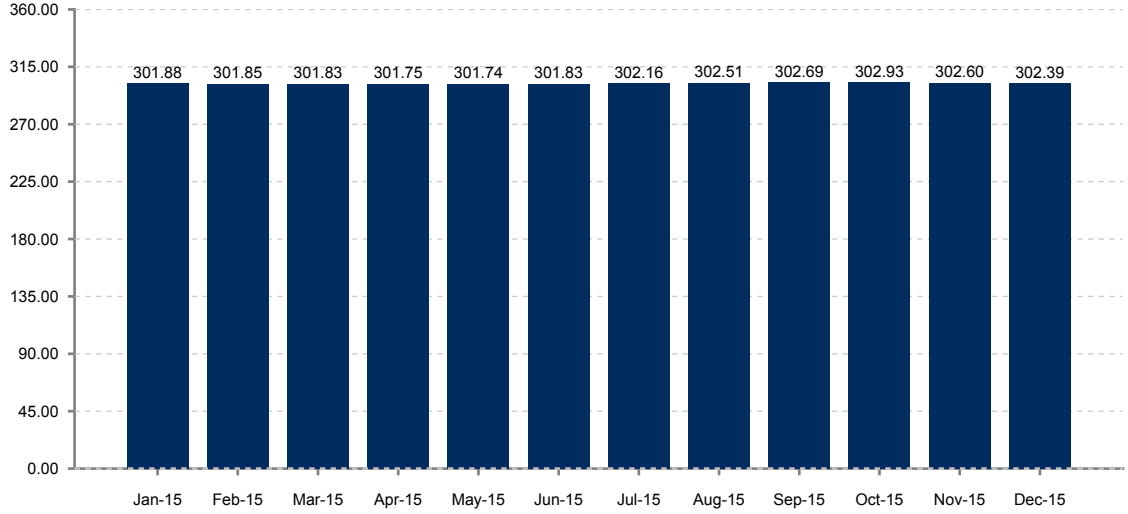
	Current Mth	Prior Mth	1 Year Ago
POOL 10 ST OPERATING	0.34	0.45	0.32

Asset Allocation

	Ending Market Value
POOL 10 ST OPERATING	302,385,912



Net Asset Values over Time ($MM)



Top 10 Holdings

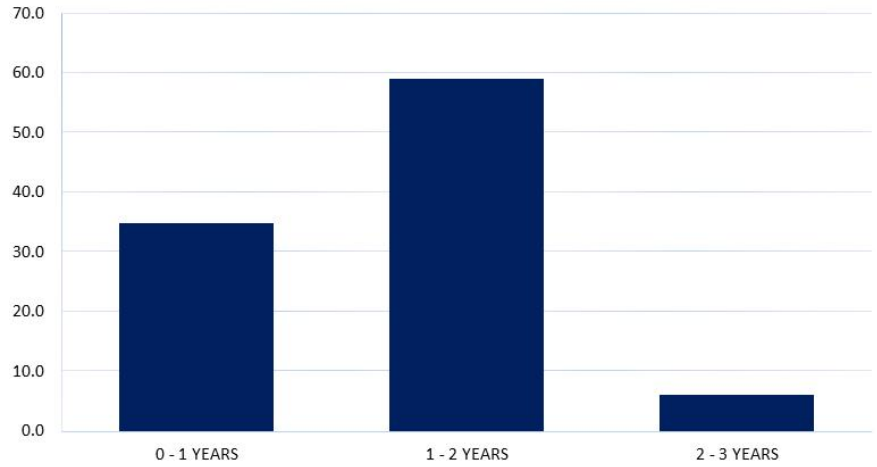
Security Name	Ending Market Value	% of Portfolio
POOL 10 ST OPERATING		
PORTLAND OR CMNTY CLG DIST	12,504,261	4.14
PORTLAND OR SWR SYS REVENUE	11,707,245	3.87
TEXAS ST	11,263,101	3.72
MULTNOMAH CNTY OR SCH DIST 1J	10,629,924	3.52
MADISON WIS	10,469,586	3.46
NORTH SLOPE BORO AK	10,359,033	3.43
OHIO ST	10,018,527	3.31
BEAUFORT CNTY SC SCH DIST	10,015,484	3.31
SPOKANE CNTY WA SCH DIST 81 S	9,822,727	3.25
JOHNSON CNTY KS UNIF SCH DIST	9,569,965	3.16

OFFICE OF THE ARIZONA STATE TREASURER

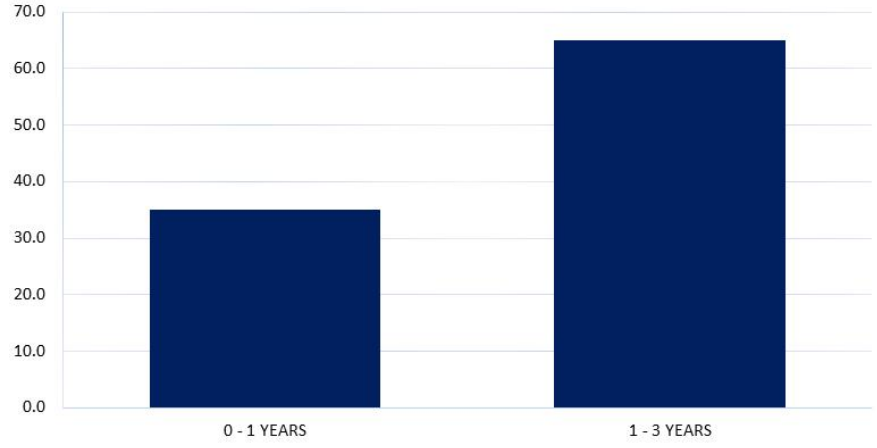
December 31, 2015

POOL 10 ST OPERATING Ext

Duration Distribution



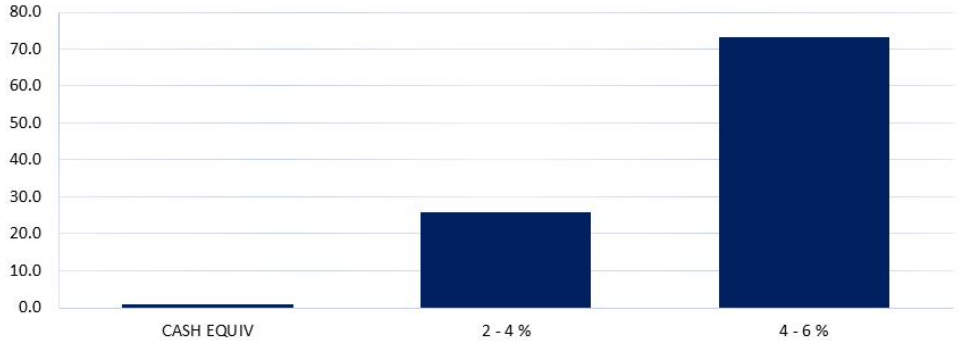
Expected Maturity Distribution



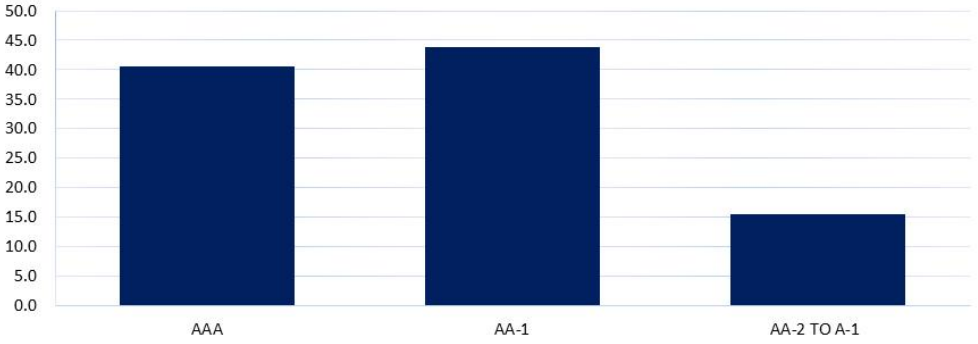
Portfolio Level Characteristics

	POOL 10 ST OPERATING
Weighted Average Life	1.18
Coupon	4.55
Effective Duration	1.14
Quality Rating (Moody's)	AA-1

Coupon Distribution



Rating Distribution



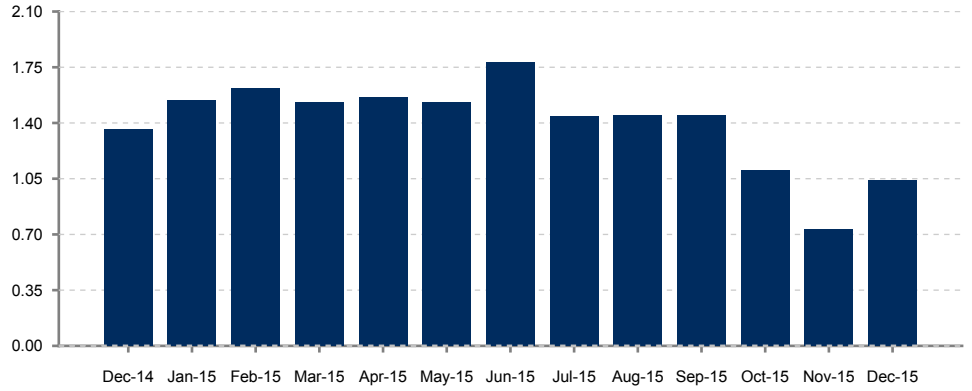
OFFICE OF THE ARIZONA STATE TREASURER

December 31, 2015

POOL 12 CAWCD MED TRM

STATE STREET.

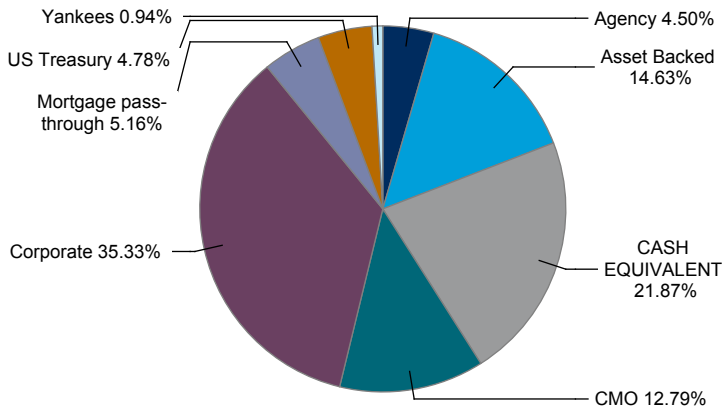
Net Yield



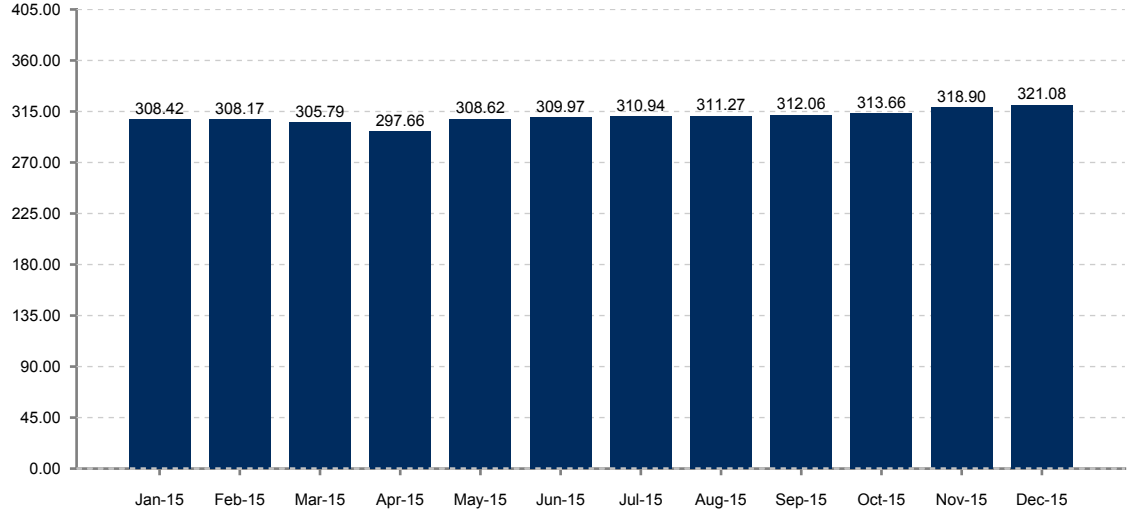
	Current Mth	Prior Mth	1 Year Ago
POOL 12 CAWCD MED TRM	1.04	0.73	1.36

Asset Allocation

	Ending Market Value
POOL 12 CAWCD MED TRM	321,080,149



Net Asset Values over Time ($MM)



Top 10 Holdings

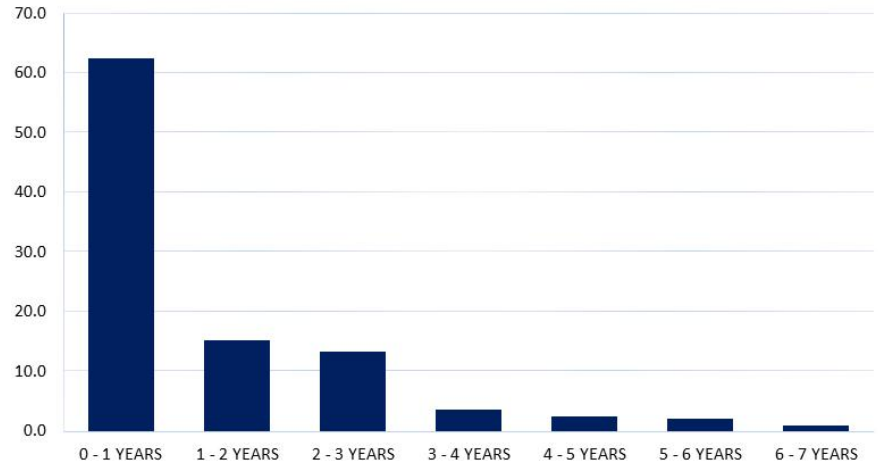
Security Name	Ending Market Value	% of Portfolio
POOL 12 CAWCD MED TRM		
FANNIE MAE	6,480,119	2.02
FNMA POOL AV9175	6,342,322	1.98
FANNIE MAE	5,415,723	1.69
FNMA POOL MA1763	5,377,720	1.67
SOUTH STREET REPO	5,211,777	1.62
US TREASURY N/B	5,185,307	1.61
GOLDMAN SACHS GROUP INC	5,036,027	1.57
PFIZER INC	5,010,968	1.56
WELLS FARGO + COMPANY	5,006,156	1.56
GENERAL MILLS INC	5,004,896	1.56

OFFICE OF THE ARIZONA STATE TREASURER

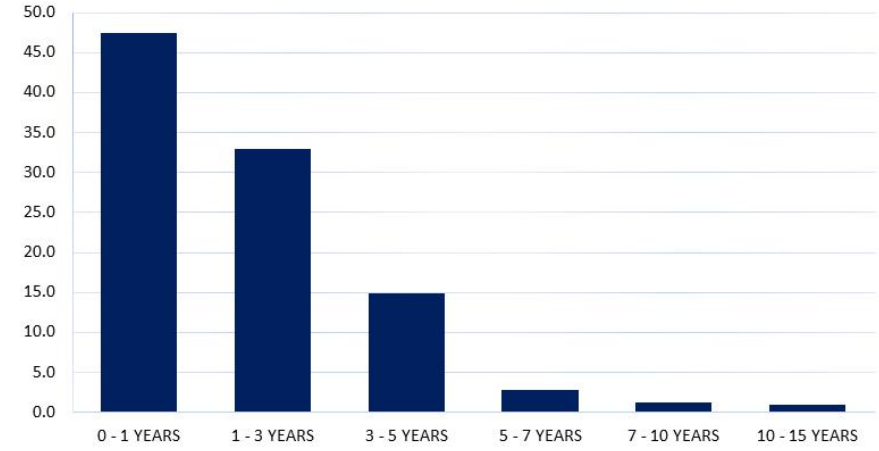
December 31, 2015

POOL 12 CAWCD MED TRM

Duration Distribution



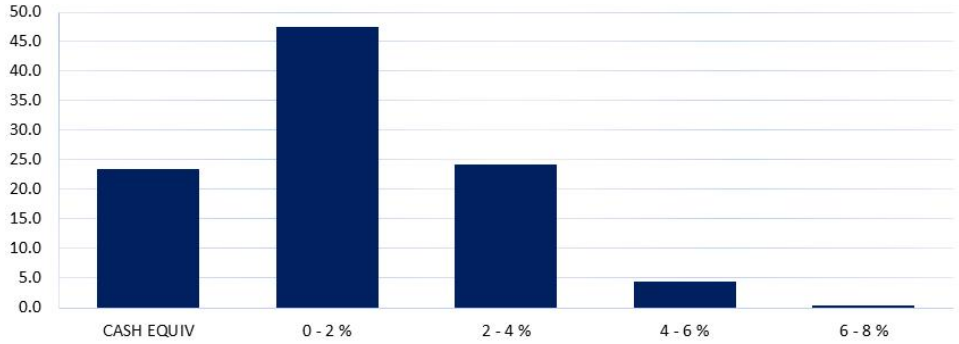
Expected Maturity Distribution



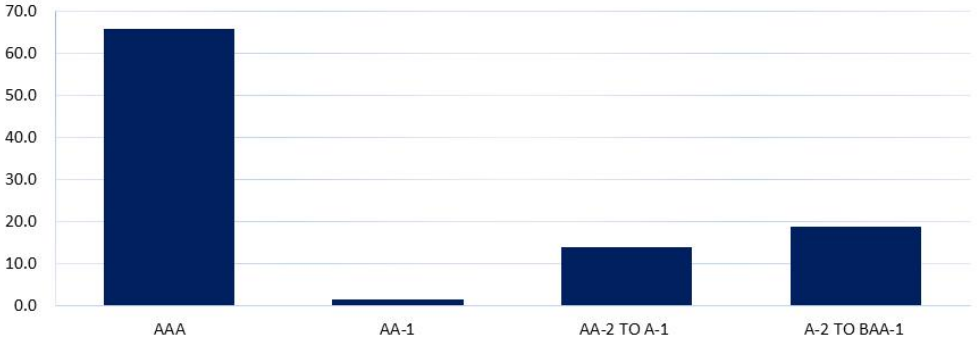
Portfolio Level Characteristics

	POOL 12 CAWCD MED TRM
Weighted Average Life	1.67
Coupon	1.55
Effective Duration	1.10
Quality Rating (Moody's)	AA-2

Coupon Distribution



Rating Distribution



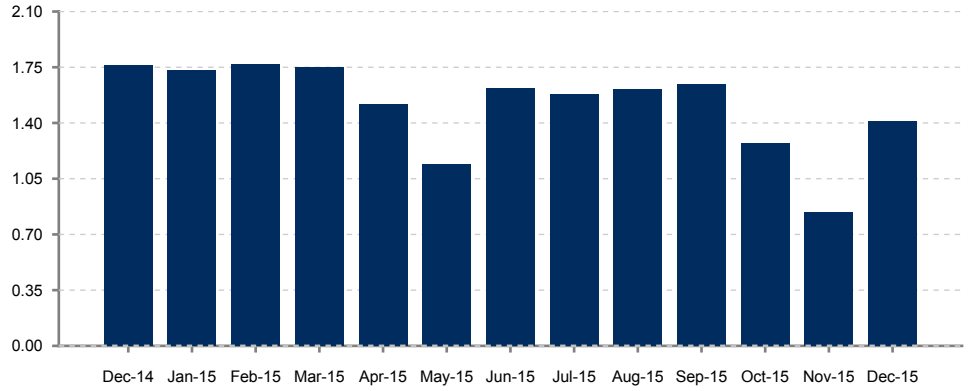
OFFICE OF THE ARIZONA STATE TREASURER

December 31, 2015

POOL 16 ECDHB

STATE STREET.

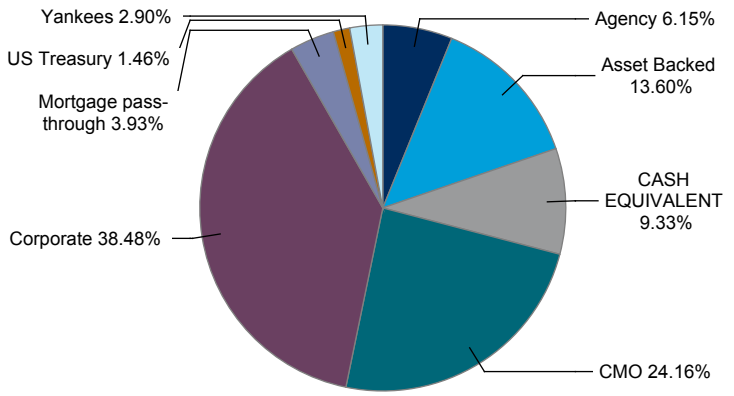
Net Yield



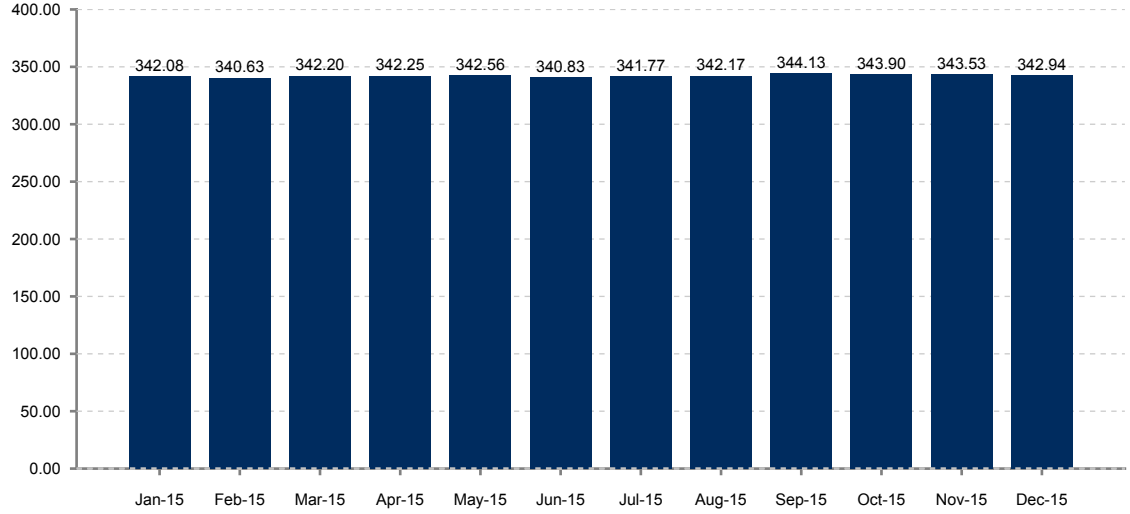
	Current Mth	Prior Mth	1 Year Ago
POOL 16 ECDHB	1.41	0.84	1.76

Asset Allocation

	Ending Market Value
POOL 16 ECDHB	342,938,678



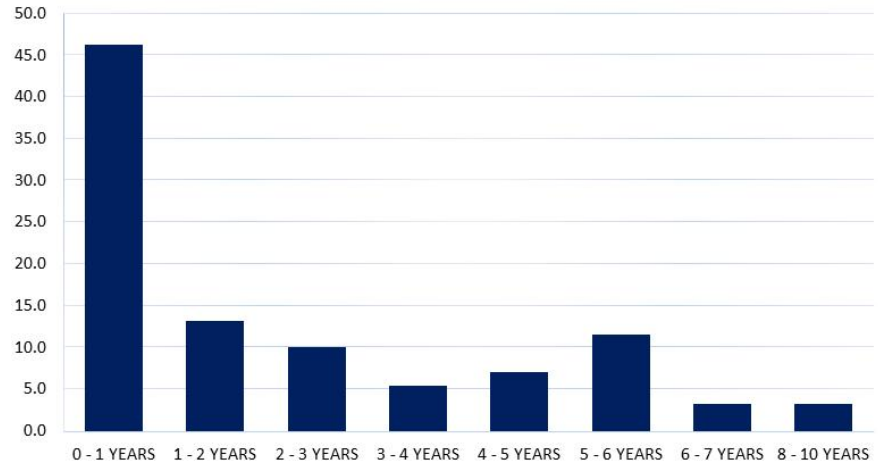
Net Asset Values over Time ($MM)



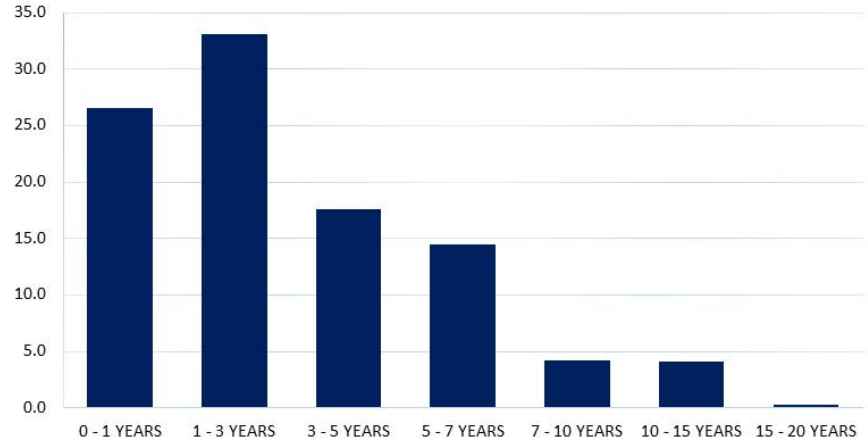
Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 16 ECDHB		
SOUTH STREET REPO	10,000,097	2.92
FREDDIEMAC STRIP	7,911,996	2.31
FREDDIE MAC	7,191,708	2.10
NATIONAL CITY BANK	6,960,043	2.03
FANNIE MAE	6,443,455	1.88
FREDDIE MAC	5,589,545	1.63
FREDDIE MAC	5,206,698	1.52
GOVERNMENT NATIONAL MORTGAGE A	5,193,977	1.51
FHLMC MULTIFAMILY STRUCTURED P	5,173,139	1.51
FREDDIE MAC	5,153,953	1.50

Duration Distribution



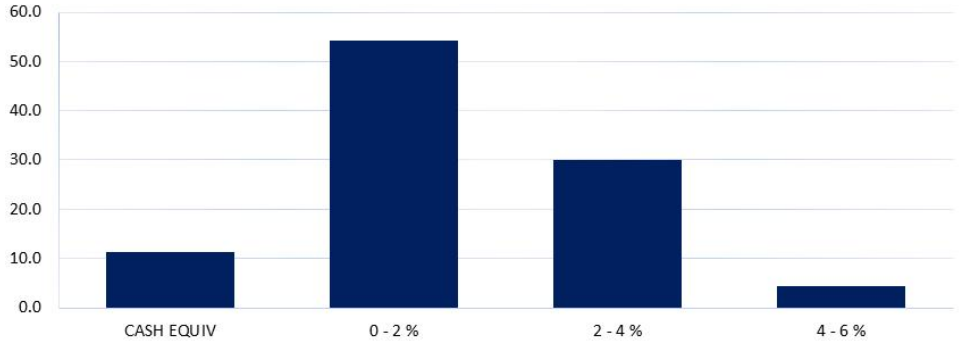
Expected Maturity Distribution



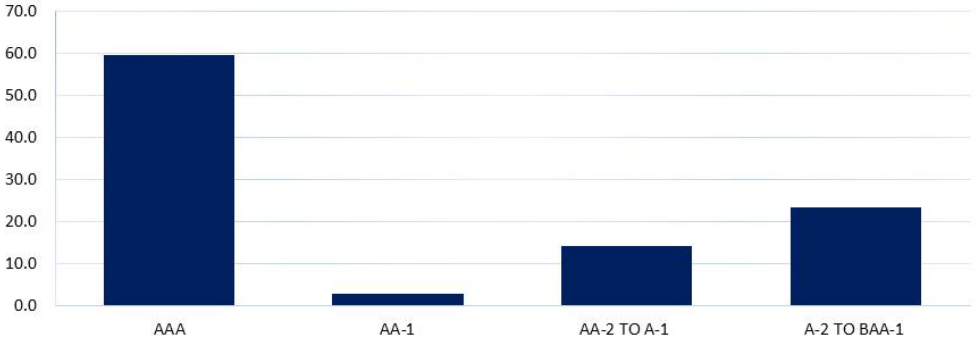
Portfolio Level Characteristics

	POOL 16 ECDHB
Weighted Average Life	3.10
Coupon	1.86
Effective Duration	2.18
Quality Rating (Moody's)	AA-2

Coupon Distribution



Rating Distribution



LGIP & LGIP- GOV
PORTFOLIO YIELD ANALYSIS
DECEMBER 2015

NET EARNINGS

FUND	DESCRIPTION	Current Month 12/31/15	Prior Month 11/30/15	Prior Year 12/31/14	Net Asset Value Per Share
5	LGIP	211,409	178,196	**123,269**	1.0000
7	LGIP - GOV	178,412	96,104	**70,833**	1.0000
	TOTAL LGIP & LGIP-GOV	**389,821**	**274,301**	**194,103**	

YIELDS

	MONTHLY	Current Month 12/31/15	Prior Month 11/30/15	Prior Year 12/31/14
5	LGIP (NET)	0.22%	0.17%	**0.12%**
	S & P LGIP INDEX	0.13%	0.11%	**0.05%**
7	LGIP - GOV (NET)	0.21%	0.12%	**0.08%**
	3 MONTH T-BILL	0.21%	0.11%	**0.01%**
	YEAR TO DATE			
5	LGIP (NET)	0.17%	0.16%	**0.09%**
	S & P LGIP INDEX	0.09%	0.09%	**0.05%**
7	LGIP - GOV (NET)	0.13%	0.11%	**0.06%**
	3 MONTH T-BILL	0.07%	0.04%	**0.01%**

* 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
DECEMBER 2015

NET EARNINGS

FUND	DESCRIPTION	Current Month 12/31/15	Prior Month 11/30/15	Prior Year 12/31/14	Net Asset Value Per Share
500	LGIP - MED TERM POOL	230,642	246,058	**208,809**	1.0296
700	LGIP - FF&C MED TERM POOL	115,372	110,138	**110,475**	1.0063
	TOTAL LGIP MEDIUM TERM POOLS	**346,013**	**356,196**	**319,284**	

YIELDS

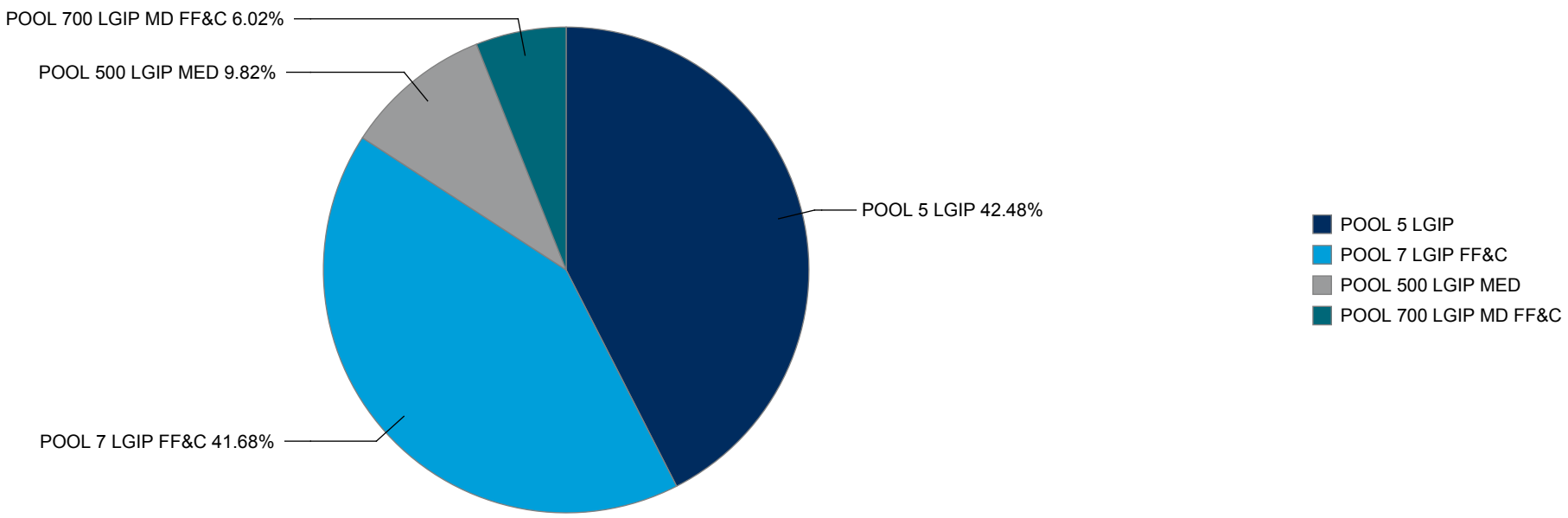
	MONTHLY	Current Month 12/31/15	Prior Month 11/30/15	Prior Year 12/31/14
500	LGIP - MED TERM (NET)	1.13%	1.23%	**0.96%**
	MERRILL 1-5 US D M INDEX	1.76%	1.63%	**1.46%**
700	LGIP - FF&C MED TERM (NET)	0.92%	0.93%	**0.90%**
	75% MERRILL 1-5 US TREAS INDEX / 25% MERRILL US GNMA MORTGAGE BACKED INDEX	1.65%	1.56%	**1.35%**
	YEAR TO DATE			
500	LGIP - MED TERM (NET)	1.19%	1.20%	**1.06%**
	MERRILL 1-5 US D M INDEX	1.55%	1.51%	**1.34%**
700	LGIP - FF&C MED TERM (NET)	0.92%	0.92%	**0.94%**
	75% MERRILL 1-5 US TREAS INDEX / 25% MERRILL US GNMA MORTGAGE BACKED INDEX	1.45%	1.41%	**1.33%**

OFFICE OF THE ARIZONA STATE TREASURER

December 31, 2015

LGIP

Manager Allocation



	Market Value	% of Portfolio
POOL 5 LGIP	1,042,545,237	42.5
POOL 7 LGIP FF&C	1,022,759,345	41.7
POOL 500 LGIP MED	240,988,783	9.8
POOL 700 LGIP MD FF&C	147,620,968	6.0
TOTAL LGIP	2,453,914,333	100.0

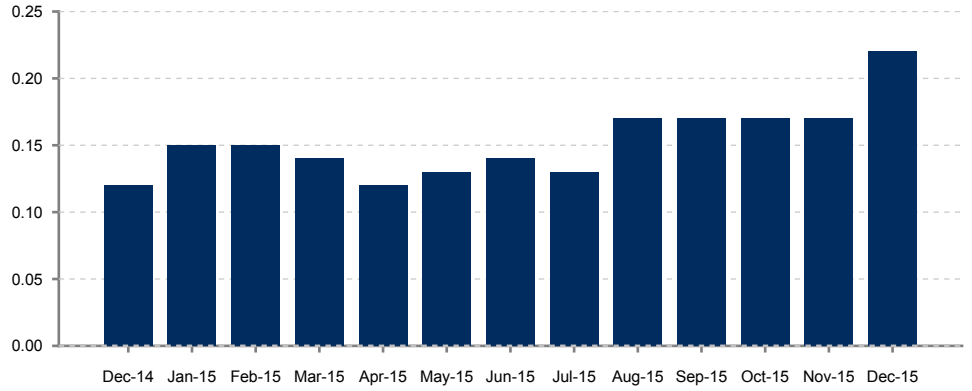
OFFICE OF THE ARIZONA STATE TREASURER

December 31, 2015

POOL 5 LGIP

STATE STREET.

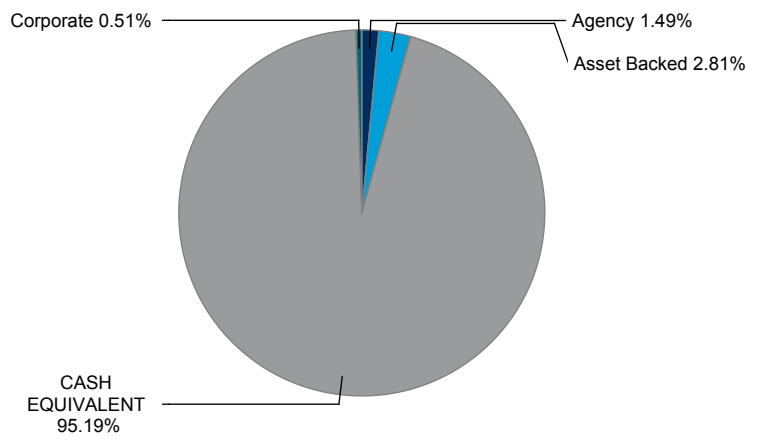
Net Yield



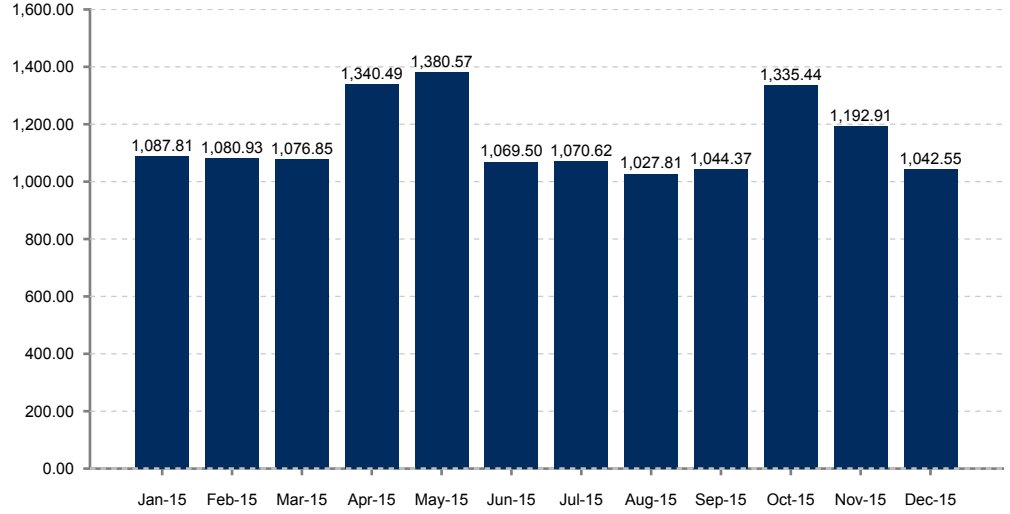
	Current Mth	Prior Mth	1 Year Ago
POOL 5 LGIP	0.22	0.17	0.12

Asset Allocation

	Ending Market Value
POOL 5 LGIP	1,042,545,237



Net Asset Values over Time ($MM)



Top 10 Holdings

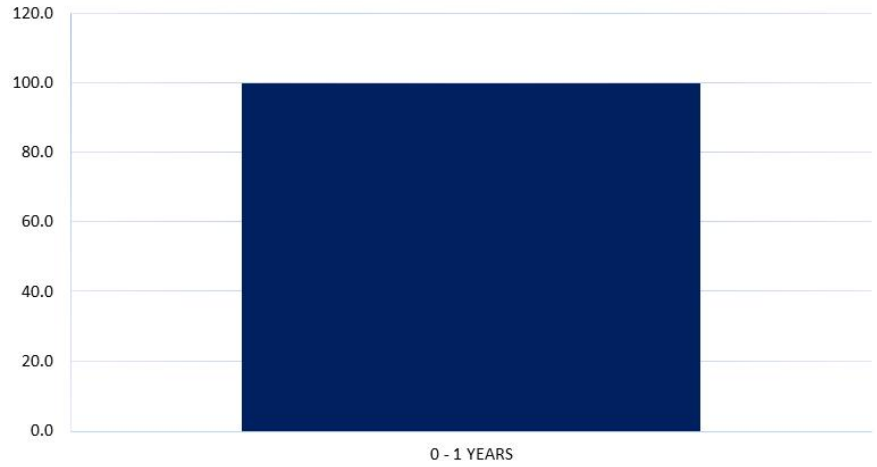
Security Name	Ending Market Value	% of Portfolio
POOL 5 LGIP		
WELLS FARGO REPO	150,001,417	14.39
CONOCOPHILLIPS QATAR F	42,052,056	4.03
AIR PRODUCTS & CHEMI	39,996,200	3.84
CHEVRON CORP	39,992,483	3.84
BANK OF AMERICA REPO	39,236,201	3.76
BANK OF MONTREAL-	30,154,523	2.89
MOUNTCLIFF	29,999,250	2.88
BARTON CAPITAL CORP.	29,995,250	2.88
COCA-COLA COMPANY	24,994,583	2.40
ALLIANCE BANK OF ARIZONA MONEY	20,381,085	1.95

OFFICE OF THE ARIZONA STATE TREASURER

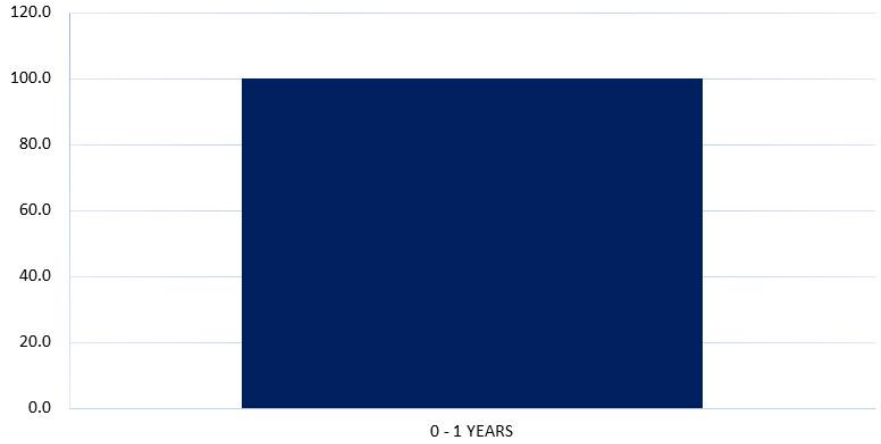
December 31, 2015

POOL 5 LGIP

Duration Distribution



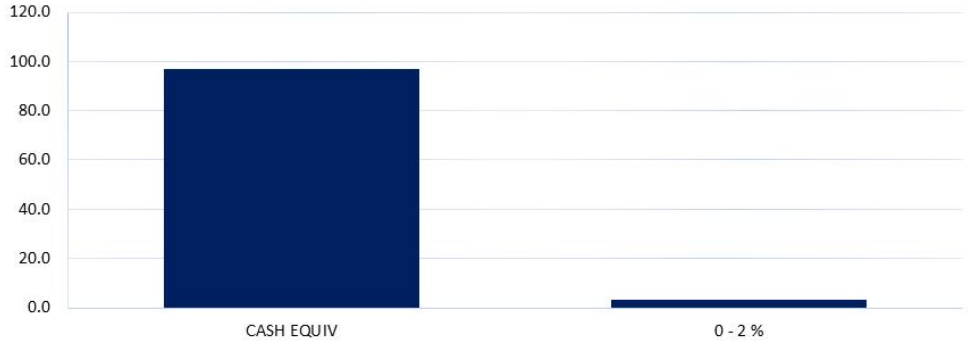
Expected Maturity Distribution



Portfolio Level Characteristics

	POOL 5 LGIP
Weighted Average Life	0.08
Coupon	0.04
Effective Duration	0.07
Quality Rating (Moody's)	AAA

Coupon Distribution



Rating Distribution

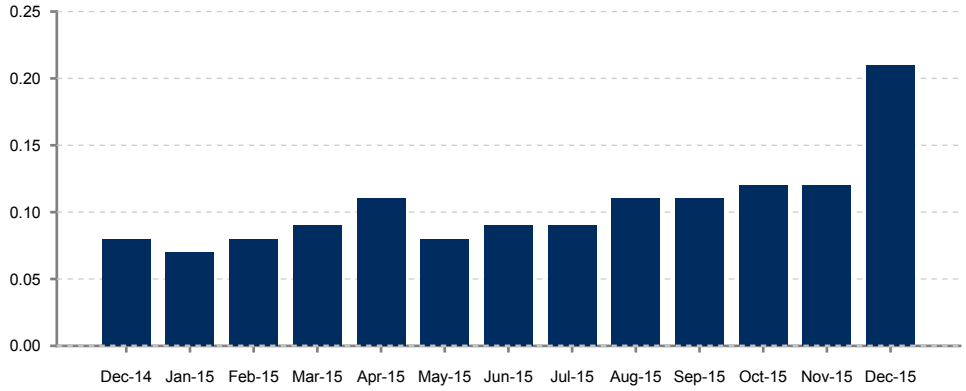
OFFICE OF THE ARIZONA STATE TREASURER

December 31, 2015

POOL 7 LGIP FF&C

STATE STREET.

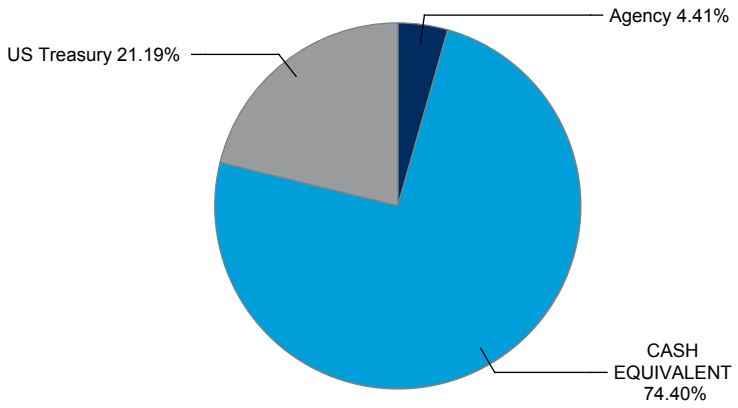
Net Yield



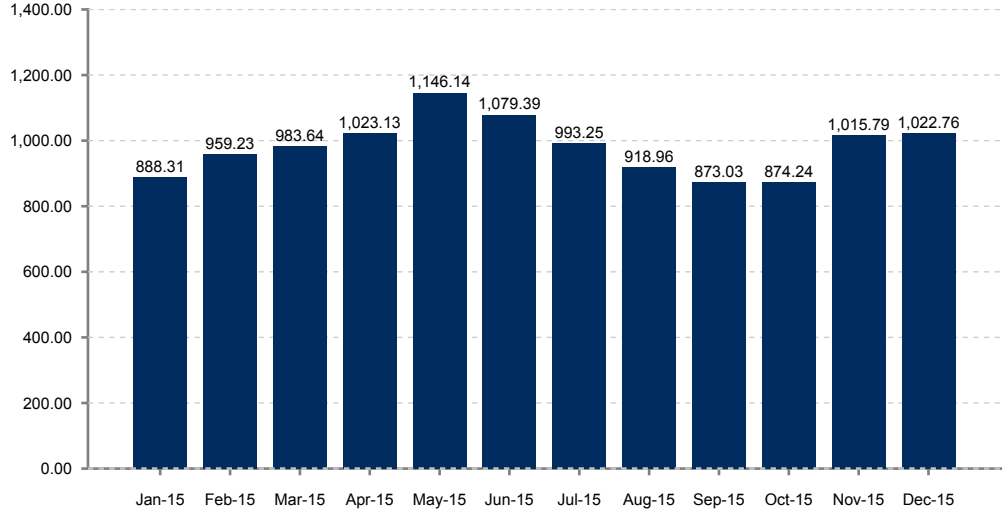
	Current Mth	Prior Mth	1 Year Ago
POOL 7 LGIP FF&C	0.21	0.12	0.08

Asset Allocation

	Ending Market Value
POOL 7 LGIP FF&C	1,022,759,345



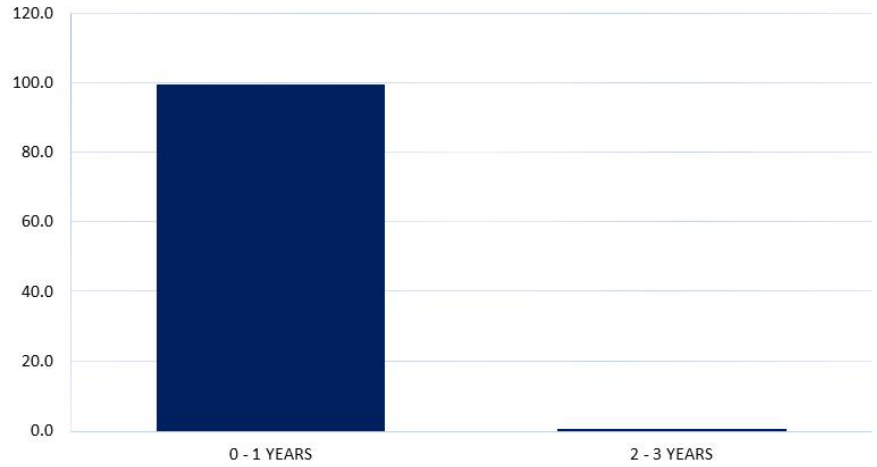
Net Asset Values over Time ($MM)



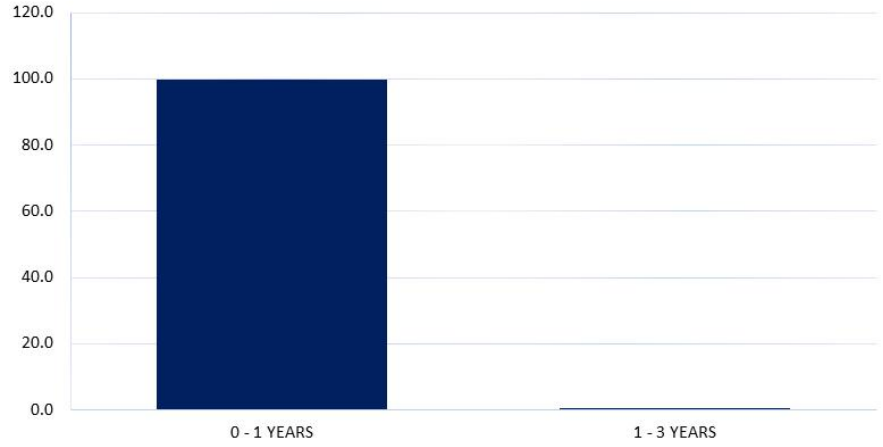
Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 7 LGIP FF&C		
DAIWA CAPITAL MARKETS REPO	200,002,778	19.56
WELLS FARGO REPO	150,001,417	14.67
SOUTH STREET REPO	100,001,389	9.78
ALLIANCE BANK OF ARIZONA MONEY	68,394,513	6.69
GUGGENHEIM SECURITIES REPO	50,004,861	4.89
TREASURY BILL	49,978,950	4.89
US TREASURY FRN	40,027,137	3.91
TREASURY BILL	29,958,930	2.93
US TREASURY FRN	25,010,934	2.45
SOUTH STREET REPO	22,710,610	2.22

Duration Distribution



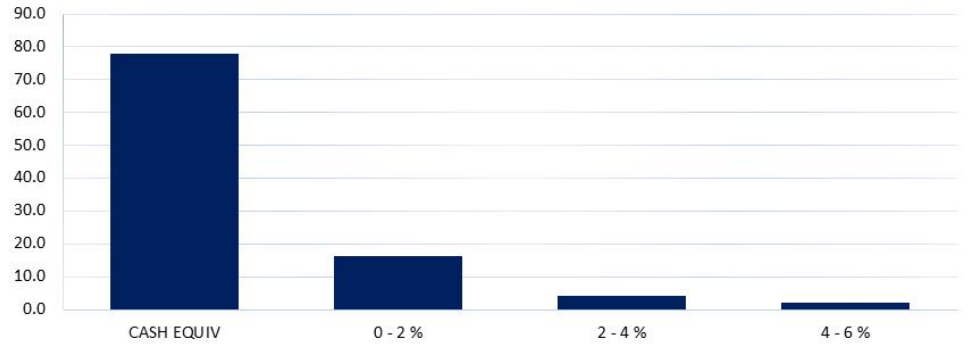
Expected Maturity Distribution



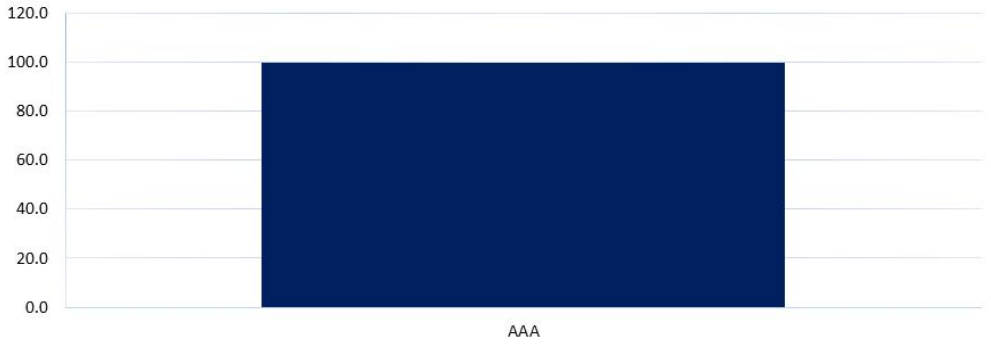
Portfolio Level Characteristics

	POOL 7 LGIP FF&C
Weighted Average Life	0.16
Coupon	0.59
Effective Duration	0.12
Quality Rating (Moody's)	AAA

Coupon Distribution



Rating Distribution



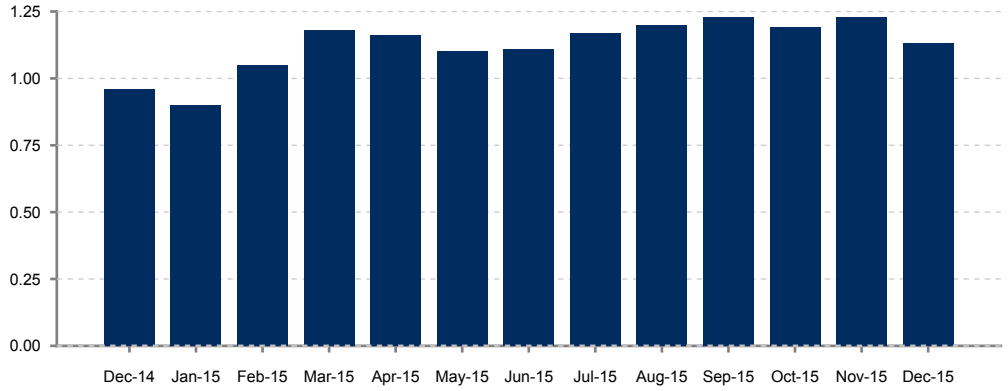
OFFICE OF THE ARIZONA STATE TREASURER

December 31, 2015

POOL 500 LGIP MED

STATE STREET.

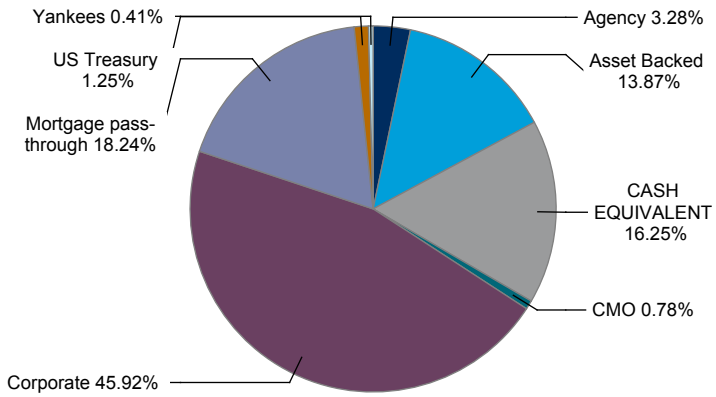
Net Yield



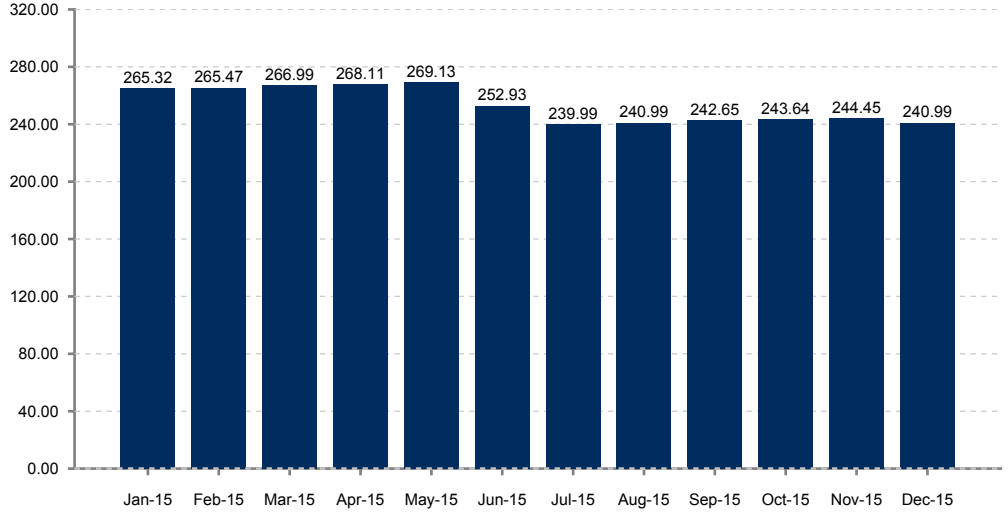
	Current Mth	Prior Mth	1 Year Ago
POOL 500 LGIP MED	1.13	1.23	0.96

Asset Allocation

	Ending Market Value
POOL 500 LGIP MED	240,988,783



Net Asset Values over Time ($MM)



Top 10 Holdings

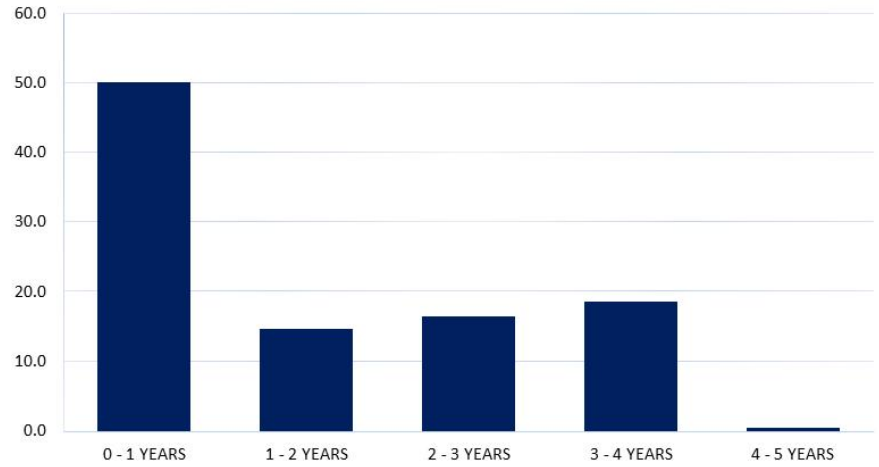
Security Name	Ending Market Value	% of Portfolio
POOL 500 LGIP MED		
SOUTH STREET REPO	34,000,331	14.11
FNMA POOL AB5991	9,131,941	3.79
MERCK + CO INC	5,471,921	2.27
MICROSOFT CORP	5,045,343	2.09
ELI LILLY + CO	5,008,633	2.08
CHEVRON CORP	4,982,678	2.07
NISSAN MOTOR ACCEPTANCE	4,976,496	2.07
APPLE INC	4,966,796	2.06
FORD CREDIT FLOORPLAN MASTER O	4,963,803	2.06
TOYOTA MOTOR CREDIT CORP	4,944,951	2.05

OFFICE OF THE ARIZONA STATE TREASURER

December 31, 2015

POOL 500 LGIP MED

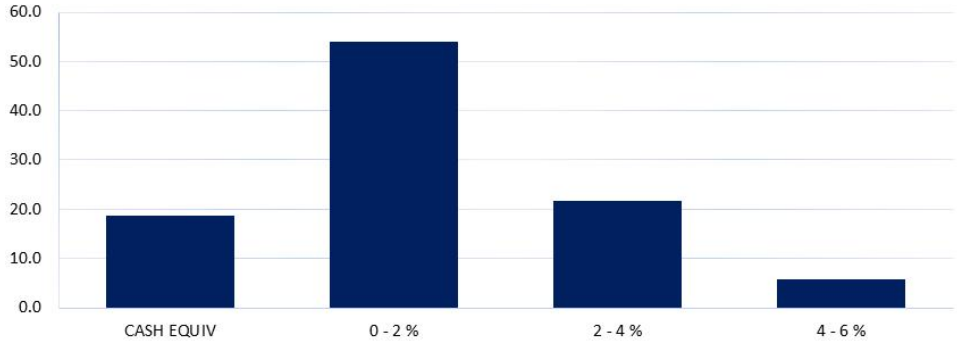
Duration Distribution



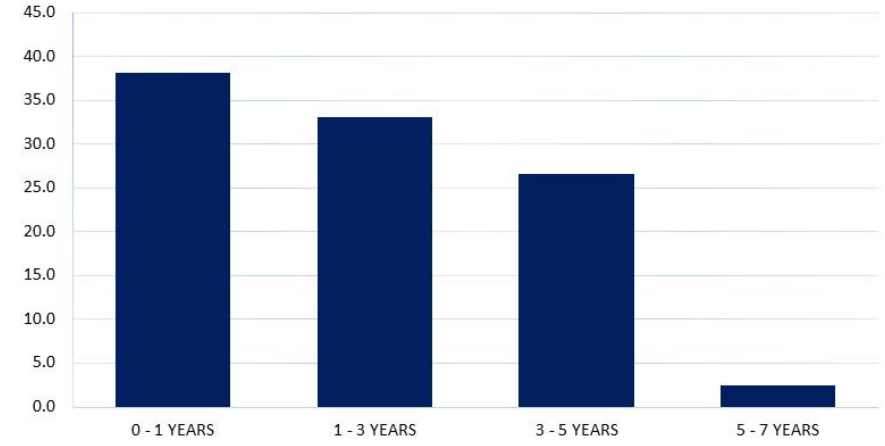
Portfolio Level Characteristics

	POOL 500 LGIP MED
Weighted Average Life	1.96
Coupon	1.84
Effective Duration	1.38
Quality Rating (Moody's)	AA-2

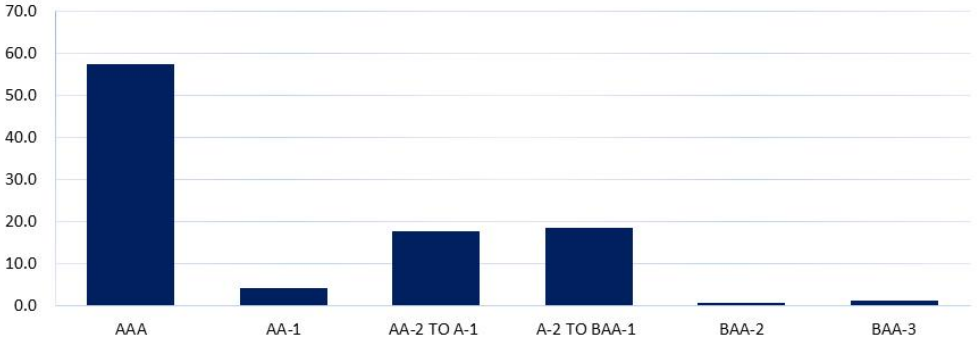
Coupon Distribution



Expected Maturity Distribution



Rating Distribution

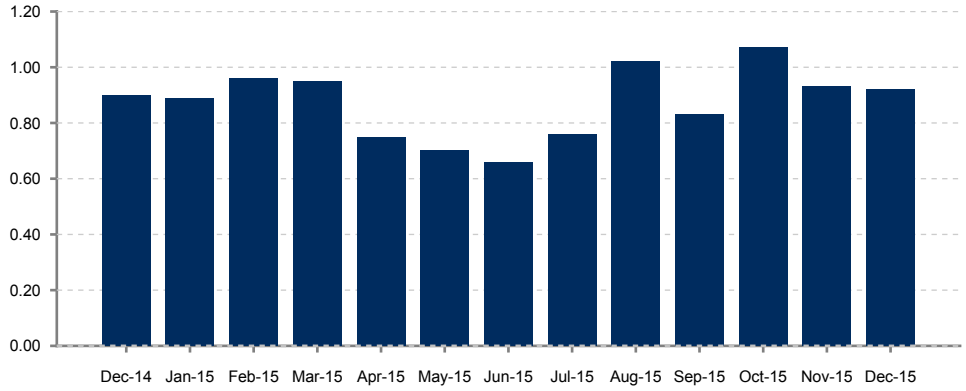


OFFICE OF THE ARIZONA STATE TREASURER

December 31, 2015

POOL 700 LGIP MD FF&C

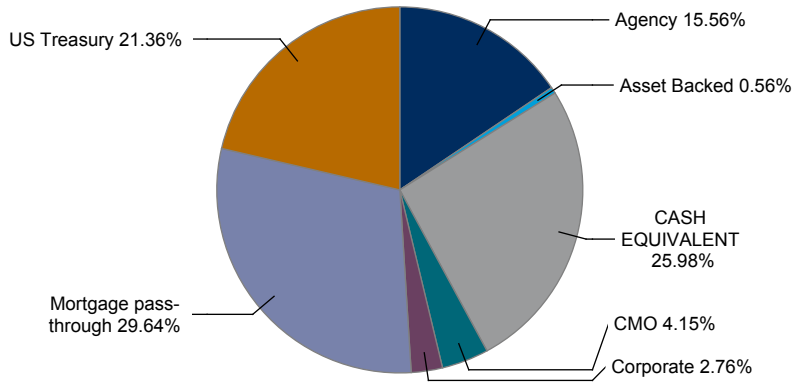
Net Yield



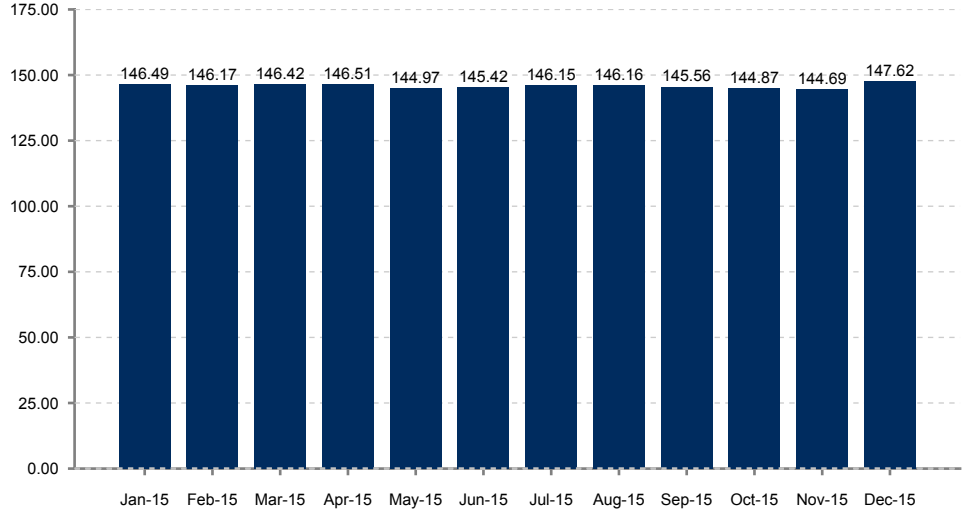
	Current Mth	Prior Mth	1 Year Ago
POOL 700 LGIP MD FF&C	0.92	0.93	0.90

Asset Allocation

	Ending Market Value
POOL 700 LGIP MD FF&C	147,620,968



Net Asset Values over Time ($MM)



Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 700 LGIP MD FF&C		
SOUTH STREET REPO	21,000,204	14.23
FDIC US BANK CDARS ACCOUNT	15,199,527	10.30
GNMA II POOL MA0213	5,197,544	3.52
OVERSEAS PRIVATE INV COR	5,190,010	3.52
US TREASURY N/B	5,124,907	3.47
US TREASURY N/B	4,979,827	3.37
US TREASURY N/B	4,978,077	3.37
AID ISRAEL	4,960,180	3.36
GNMA II POOL 004849	3,530,725	2.39
PRIVATE EXPORT FUNDING	3,488,328	2.36

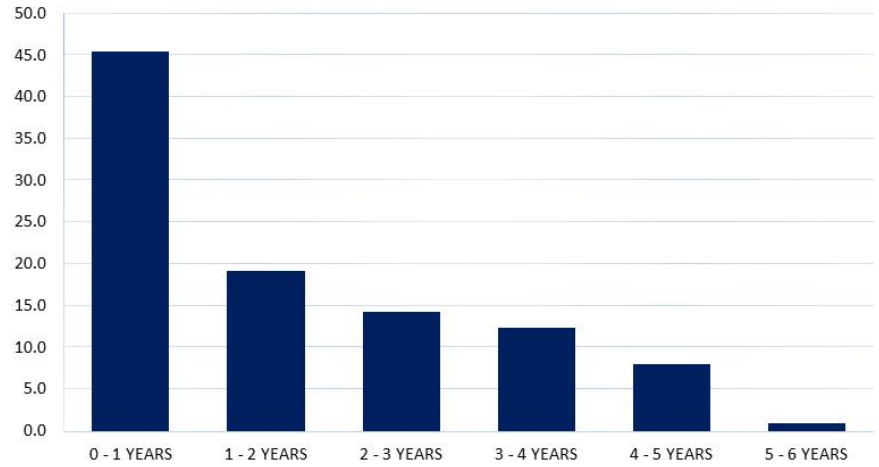
OFFICE OF THE ARIZONA STATE TREASURER

December 31, 2015

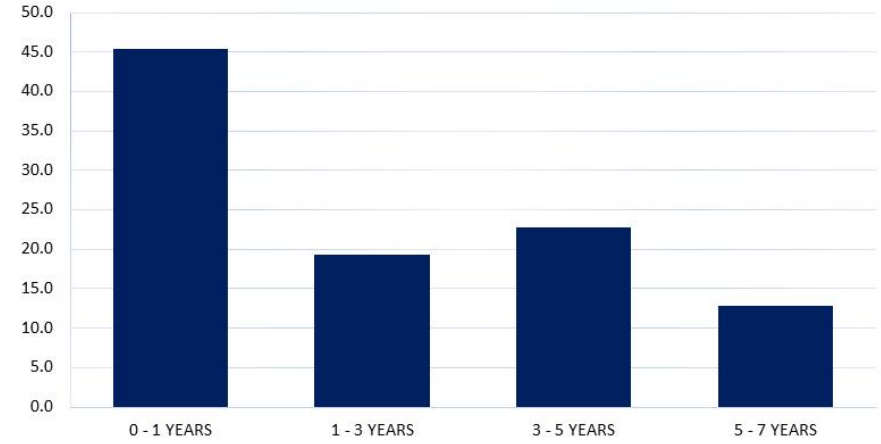
POOL 700 LGIP MD FF&C

STATE STREET.

Duration Distribution



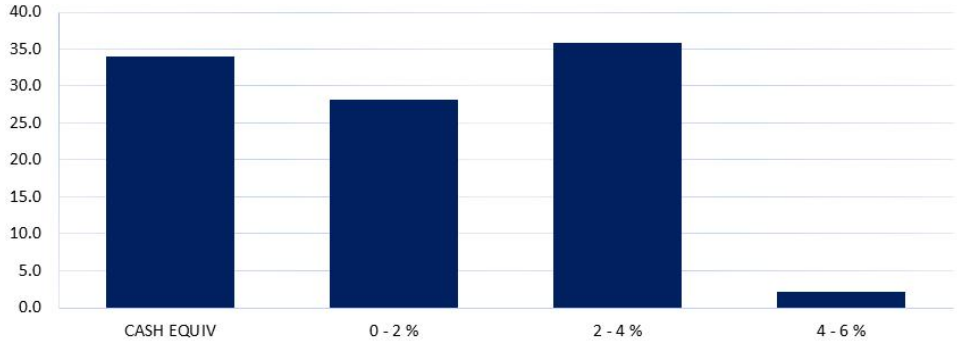
Expected Maturity Distribution



Portfolio Level Characteristics

	POOL 700 LGIP MD FF&C
Weighted Average Life	2.06
Coupon	1.94
Effective Duration	1.67
Quality Rating (Moody's)	AAA

Coupon Distribution



Rating Distribution

EARNINGS DISTRIBUTED
ENDOWMENT FUNDS
DECEMBER 2015

Recipient		Distributed in Current Month DECEMBER 2015	Fiscal YTD 15/16	Fiscal YTD 14/15
101	A & M Colleges	$20,991	$125,946	$113,981
102	State Hospital	$13,015	$78,092	$69,206
103	Leg., Exec., & Jud.	$17,116	$102,697	$92,615
104	Military Institute	$1,166	$6,994	$6,392
105	Miners Hospital	$39,311	$235,863	$194,489
107	Normal School ASU/NAU	$7,749	$46,493	$41,033
108	Penitentiaries	$27,365	$164,193	$141,228
109	Permanent Common School	$7,265,434	$43,592,607	$37,992,212
110	School for Deaf & Blind	$10,929	$65,572	$58,150
111	School of Mines	$23,731	$142,384	$128,997
112	State Charitable-Pioneers Home	$115,161	$690,966	$623,643
112	State Charitable-Corrections	$57,581	$345,483	$311,822
112	State Charitable-Youth Treatment	$57,581	$345,483	$311,822
113	University Fund	$40,307	$241,841	$214,513
114	U of A Land - 1881	$116,795	$700,768	$564,613
	Total	**$7,814,230**	**$46,885,381**	**$40,864,715**

NET REALIZED CAPITAL GAINS / LOSSES - ENDOWMENT FUNDS

Endowment Fund	Dec-15 NET GAIN(LOSS)	Dec-14 NET GAIN(LOSS)
Fixed Income Pool	(325,008)	174,570
500 Large-Cap Fund	2,287,087	4,277,939
400 Mid-Cap Fund	5,832,269	4,279,673
600 Small-Cap Fund	3,219,584	5,442,779
Totals	**11,013,932**	**14,174,961**

Endowment Fund	2015/2016 FISCAL YEAR TO DATE GAINS(LOSSES)	2014/ 2015 FISCAL YEAR TO DATE GAINS(LOSSES)
Fixed Income Pool	(1,191,032)	(1,306,692)
500 Large-Cap Fund	12,461,706	14,040,385
400 Mid-Cap Fund	19,233,339	18,925,460
600 Small-Cap Fund	20,208,706	11,768,954
Totals	**50,712,720**	**43,428,107**

ENDOWMENT FUNDS FIXED-INCOME POOL
PURCHASES & SALES
DECEMBER 2015

I. Endowment Funds Purchases

SECURITY DESCRIPTION	RATE	MATURITY	*WAL YEARS	PAR VALUE	PURCHASE COST	YIELD	MOODY'S / S&P RATING
FNMA MTG	2.76	5/1/2025	8.72	$4,920,000	$4,874,834	2.94%	Aaa/AA+
FNMA MTG	2.50	11/1/2027	4.33	$5,357,139	$5,460,097	2.02%	Aaa/AA+
FREDDIE MAC MTG	3.00	10/15/2029	9.80	$6,280,000	$6,340,576	2.91%	Aaa/AA+
FREDDIE MAC MTG	3.50	12/1/2033	6.12	$5,000,000	$5,248,993	2.60%	Aaa/AA+
FREDDIE MAC MTG	3.50	3/15/2026	4.93	$6,669,550	$7,112,513	2.09%	Aaa/AA+
GNMA MTG	2.50	6/20/2028	4.32	$9,571,855	$9,743,351	2.05%	Aaa/AA+
GS MTG	3.68	8/10/2043	2.11	$1,247,034	$1,295,028	1.89%	Aaa/NR
PHARMACIA CORP	6.75	12/15/2027	NA	$3,000,000	$3,760,920	4.06%	A1/AA
US TREASURY	2.25	11/15/2025	NA	$5,000,000	$4,986,843	2.30%	Aaa/AA+
US TREASURY	6.50	11/15/2026	NA	$2,500,000	$3,560,017	2.17%	Aaa/AA+
US TREASURY	6.00	2/15/2026	NA	$5,000,000	$6,758,849	2.31%	Aaa/AA+
TOTAL ENDOWMENT FUNDS PURCHASES				**$54,545,578**	**$59,142,020**		

II. Endowment Funds Sales

SECURITY DESCRIPTION	RATE	MATURITY	PAR VALUE	AMORTIZED COST/PROCEEDS	SALES GAINS/(LOSSES)	MOODY'S / S&P RATING
US TREASURY	2.13	12/31/2015	$2,000,000	$2,020,904	(291)	Aaa/AA+
TOTAL ENDOWMENT FUNDS SALES			**$2,000,000**	**$2,020,904**	**($291)**	

*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.

I. Equity Fund Purchases

	SHARES	PURCHASE COST	COMMISSIONS
400 Mid-Cap Fund	197,036	$8,384,280	$1,173
500 Large-Cap Fund	284,925	$16,564,867	$2,138
600 Small-Cap Fund	320,191	$8,729,548	$2,398
TOTAL EQUITY PURCHASES	**802,152**	**$33,678,696**	**$5,709**

II. Equity Funds Sales

	SHARES	SALES AMOUNT	COMMISSIONS
400 Mid-Cap Fund	200,380	$9,776,125	$1,503
500 Large-Cap Fund	88,439	$6,678,545	$663
600 Small-Cap Fund	177,631	$7,758,350	$1,049
TOTAL EQUITY SALES	**466,450**	**$24,213,020**	**$3,216**

ENDOWMENT FUNDS
INVESTMENTS OUTSTANDING
DECEMBER 31, 2015
(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	481	3,385	7,758	4,372	
	Shares in Fixed Income Pools	4,347	3,041	4,652	1,611	
	Total	4,828	6,426	12,410	5,984	**1.931**
102	State Hospital					
	Shares in Equity Pools	323	2,371	5,211	2,840	
	Shares in Fixed Income Pools	2,811	2,098	3,008	910	
	Total	3,134	4,468	8,219	3,751	**1.839**
103	Leg., Exec, & Jud					
	Shares in Equity Pools	388	2,916	6,254	3,337	
	Shares in Fixed Income Pools	3,728	2,609	3,989	1,381	
	Total	4,116	5,525	10,243	4,718	**1.854**
104	Military Institute					
	Shares in Equity Pools	25	184	407	223	
	Shares in Fixed Income Pools	248	165	266	101	
	Total	274	349	673	324	**1.928**
105	Miners Hospital					
	Shares in Equity Pools	1,107	9,810	17,852	8,042	
	Shares in Fixed Income Pools	9,752	8,317	10,436	2,120	
	Total	10,859	18,126	28,288	10,162	**1.561**
107	Normal School ASU/NAU					
	Shares in Equity Pools	197	1,571	3,173	1,603	
	Shares in Fixed Income Pools	1,806	1,365	1,933	568	
	Total	2,003	2,936	5,106	2,170	**1.739**
108	Penitentiaries					
	Shares in Equity Pools	723	5,888	11,659	5,771	
	Shares in Fixed Income Pools	6,557	5,223	7,017	1,794	
	Total	7,280	11,111	18,676	7,566	**1.681**

ENDOWMENT FUNDS
INVESTMENTS OUTSTANDING
DECEMBER 31, 2015
(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	183,468	1,461,344	2,957,410	1,496,066	
	Shares in Fixed Income Pools	1,642,043	1,305,959	1,757,322	451,363	
	Total	1,825,512	2,767,303	4,714,732	1,947,429	**1.704**
110	School for Deaf & Blind					
	Shares in Equity Pools	256	1,929	4,128	2,199	
	Shares in Fixed Income Pools	2,393	1,710	2,561	850	
	Total	2,649	3,640	6,689	3,049	**1.838**
111	School of Mines					
	Shares in Equity Pools	539	4,038	8,693	4,655	
	Shares in Fixed Income Pools	4,997	3,630	5,347	1,717	
	Total	5,536	7,669	14,041	6,372	**1.831**
112	State Charitable					
	Shares in Equity Pools	5,455	41,091	87,924	46,833	
	Shares in Fixed Income Pools	47,895	37,321	51,257	13,936	
	Total	53,349	78,412	139,181	60,769	**1.775**
113	University Fund					
	Shares in Equity Pools	983	7,785	15,840	8,055	
	Shares in Fixed Income Pools	9,111	6,809	9,751	2,942	
	Total	10,094	14,593	25,591	10,997	**1.754**
114	U Of A Land - 1881					
	Shares in Equity Pools	3,359	30,819	54,146	23,327	
	Shares in Fixed Income Pools	30,782	25,647	32,943	7,296	
	Total	34,141	56,466	87,089	30,623	**1.542**
	TOTALS - ALL FUNDS					
	Shares in Equity Pools	197,305	1,573,131	3,180,455	1,607,324	
	Shares in Fixed Income Pools	1,766,469	1,403,894	1,890,482	486,588	
	Grand Total	**1,963,774**	**2,977,024**	**5,070,937**	**2,093,913**	
	PRIOR YEAR: DECEMBER 2014 BALANCES	**1,965,888**	**2,963,642**	**5,057,605**	**2,093,963**	

ENDOWMENT FUNDS
INVESTMENTS OUTSTANDING
DECEMBER 31, 2015

ASSET ALLOCATION PERCENTAGE

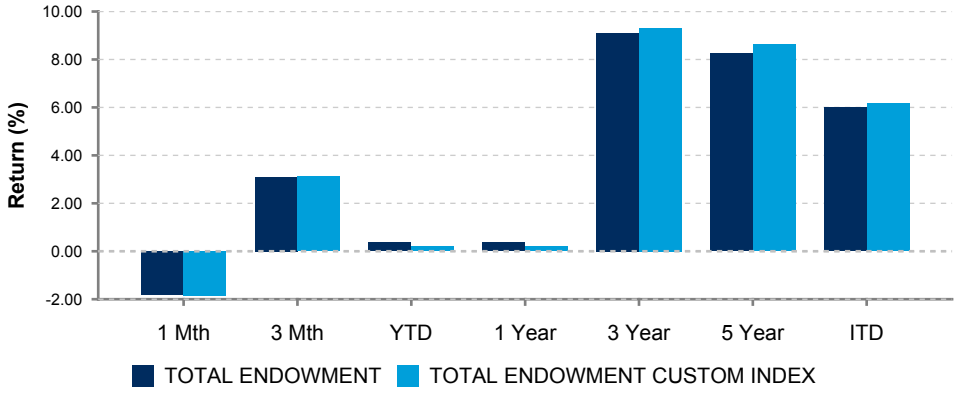
	SHARES OUTSTANDING	**BOOK VALUE**	MARKET VALUE	DECEMBER 2014 MARKET VALUE
Shares in Equity Pools	10.05%	**52.84%**	62.72%	62.92%
Shares in Fixed Income Pools	89.95%	**47.16%**	37.28%	37.08%
Total	100.00%	**100.00%**	100.00%	100.00%

OFFICE OF THE ARIZONA STATE TREASURER

December 31, 2015

Total Endowment Summary

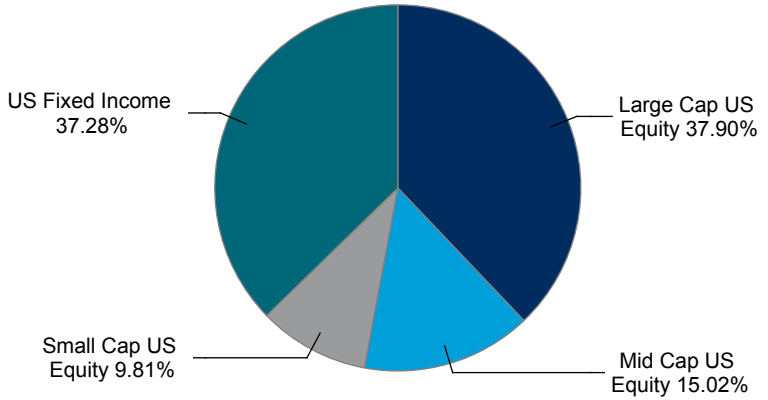
Performance



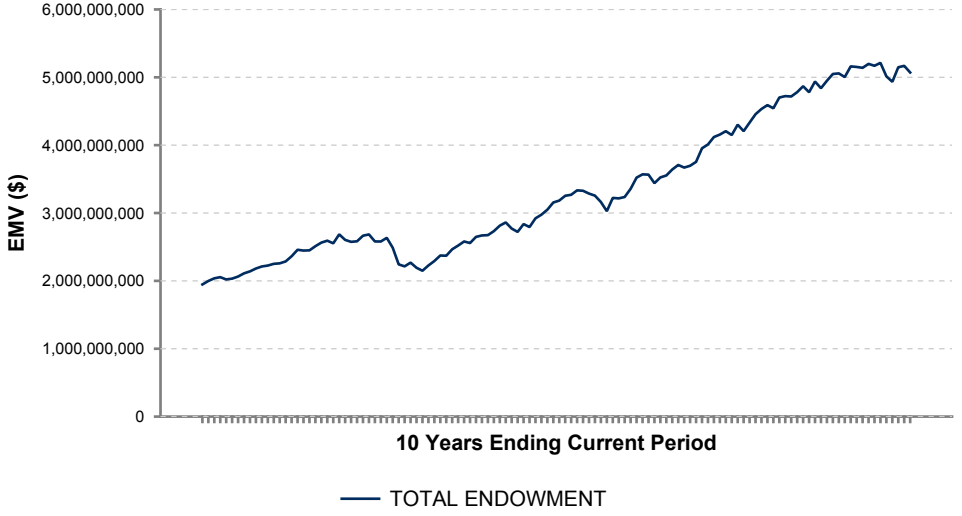
	1 Mth	3 Mth	YTD	1 Year	3 Year	5 Year	ITD	Incept Date
TOTAL ENDOWMENT	-1.82	3.09	0.37	0.37	9.10	8.24	5.99	07/99
TOTAL ENDOWMENT CUSTOM INDEX	-1.84	3.12	0.19	0.19	9.31	8.63	6.17	07/99
Excess	0.02	-0.03	0.18	0.18	-0.21	-0.40	-0.18	

Asset Allocation

	Ending Market Value
TOTAL ENDOWMENT	5,070,937,007

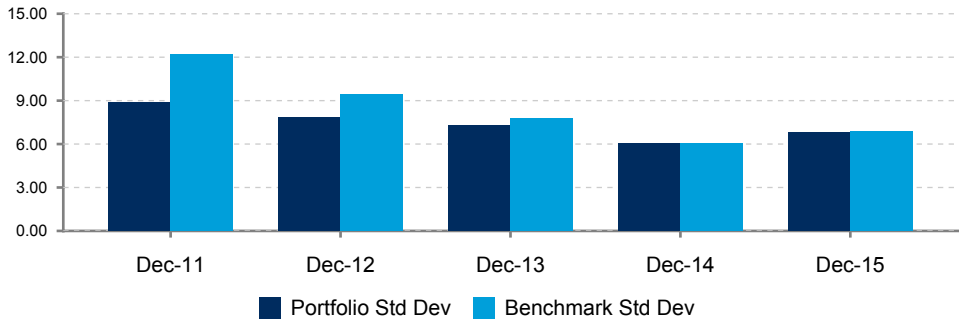


Ending Market Value



3 Year Risk Statistics

	Return	Portfolio Std Dev	Benchmark Std Dev	Sharpe Ratio	Beta	Tracking Error	Information Ratio
TOTAL ENDOWMENT	9.10	6.79	6.88	1.33	0.99	0.30	-0.68



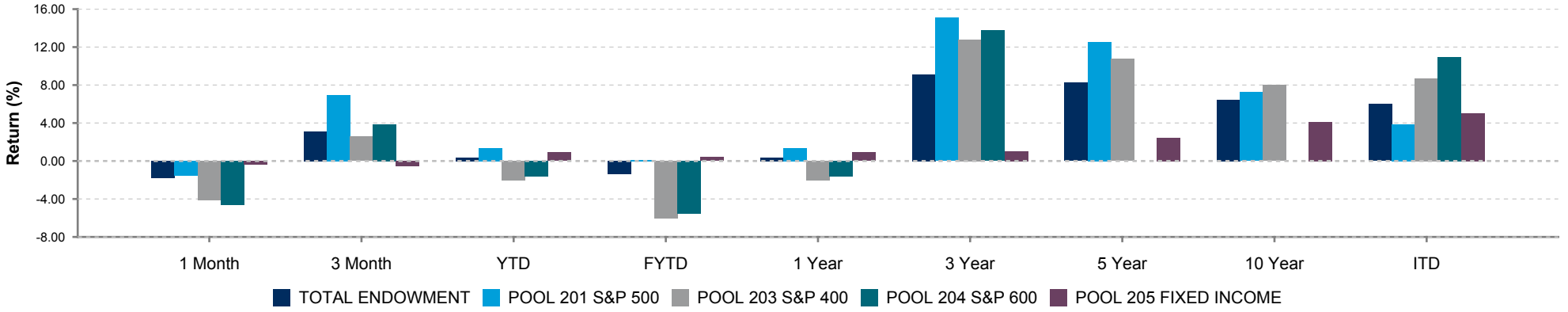
OFFICE OF THE ARIZONA STATE TREASURER

December 31, 2015

Total Returns Net Mgr

STATE STREET.

Return Comparison



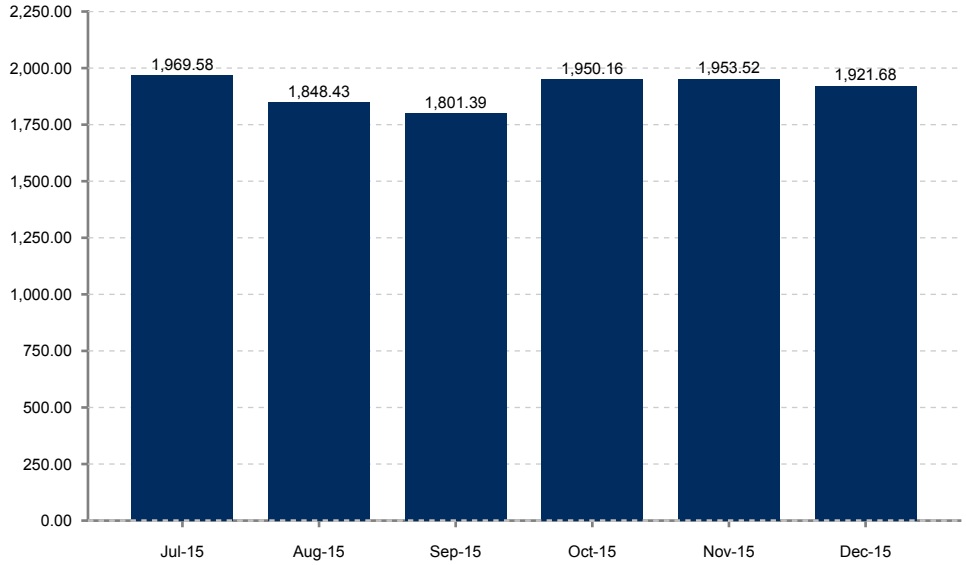
	Market Value	Actual Weight	1 Mth	3 Mth	YTD	FYTD	1 Year	3 Year	5 Year	10 Year	ITD	Inc Date
TOTAL ENDOWMENT	5,070,937,007	100.00	-1.82	3.09	0.37	-1.34	0.37	9.10	8.24	6.44	5.99	Jul-01-99
TOTAL ENDOWMENT CUSTOM INDEX			-1.84	3.12	0.19	-1.30	0.19	9.31	8.63	6.68	6.17	Jul-01-99
Excess			0.02	-0.03	0.18	-0.05	0.18	-0.21	-0.40	-0.23	-0.18	
POOL 201 S&P 500	1,921,678,127	37.90	-1.57	6.97	1.35	0.11	1.35	15.09	12.53	7.24	3.85	Jul-01-99
S&P 500 INDEX (DAILY)			-1.58	7.04	1.38	0.15	1.38	15.13	12.57	7.31	4.40	Jul-01-99
Excess			0.01	-0.07	-0.03	-0.04	-0.03	-0.04	-0.04	-0.06	-0.55	
POOL 203 S&P 400	761,561,705	15.02	-4.12	2.58	-2.02	-6.06	-2.02	12.78	10.74	7.99	8.70	Aug-01-01
S&P 400 MIDCAP INDEX (DAILY)			-4.17	2.60	-2.18	-6.11	-2.18	12.76	10.68	8.18	8.71	Aug-01-01
Excess			0.04	-0.03	0.16	0.05	0.16	0.02	0.07	-0.19	-0.01	
POOL 204 S&P 600	497,214,875	9.81	-4.67	3.85	-1.62	-5.58	-1.62	13.74			10.95	Mar-01-11
S&P SM 600 TR			-4.79	3.72	-1.97	-5.89	-1.97	13.57			10.85	Mar-01-11
Excess			0.12	0.13	0.36	0.31	0.36	0.17			0.09	
POOL 205 FIXED INCOME	1,890,482,301	37.28	-0.34	-0.57	0.91	0.39	0.91	1.03	2.43	4.11	5.01	Jul-01-99
CITIGROUP BIG (DAILY)			-0.33	-0.53	0.53	0.59	0.53	1.41	3.23	4.60	5.30	Jul-01-99
Excess			-0.02	-0.04	0.38	-0.20	0.38	-0.38	-0.80	-0.48	-0.30	

OFFICE OF THE ARIZONA STATE TREASURER

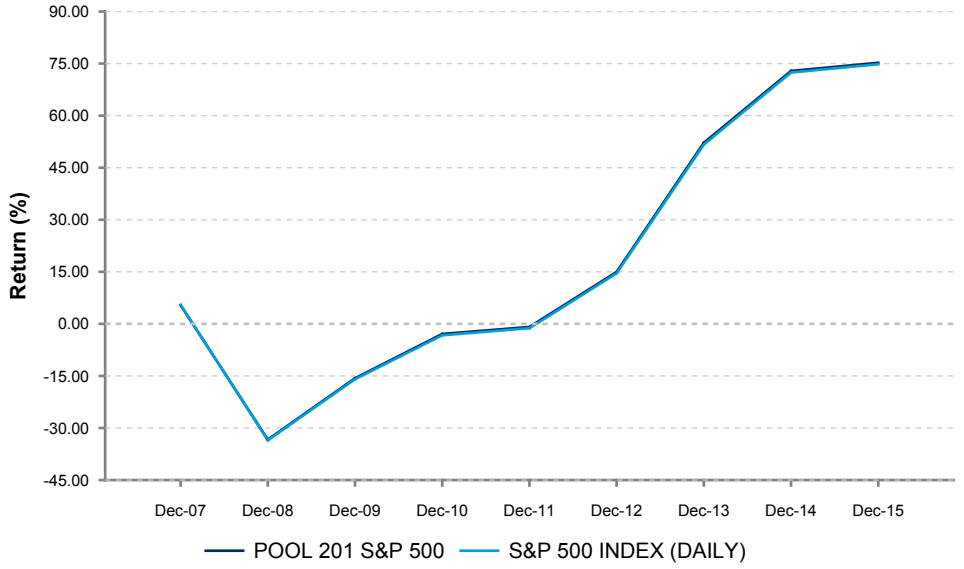
December 31, 2015

POOL 201 S&P 500

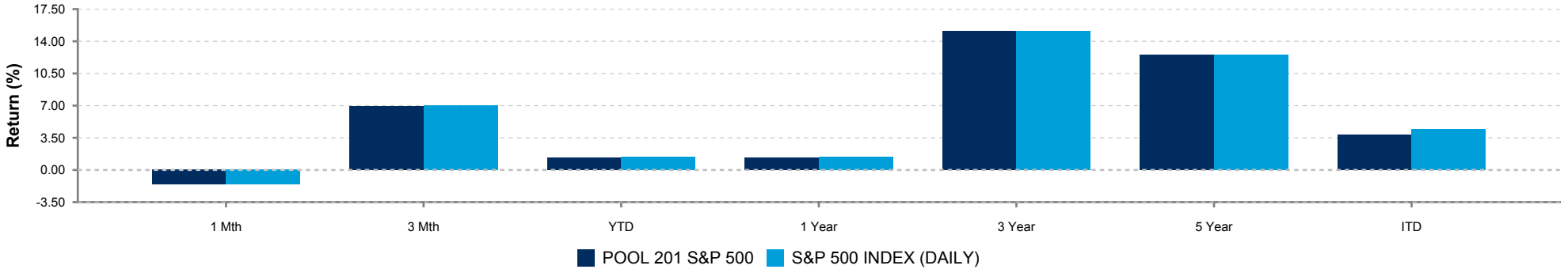
Net Asset Values over Time ($MM)



Cumulative Return (%)



Rates of Return

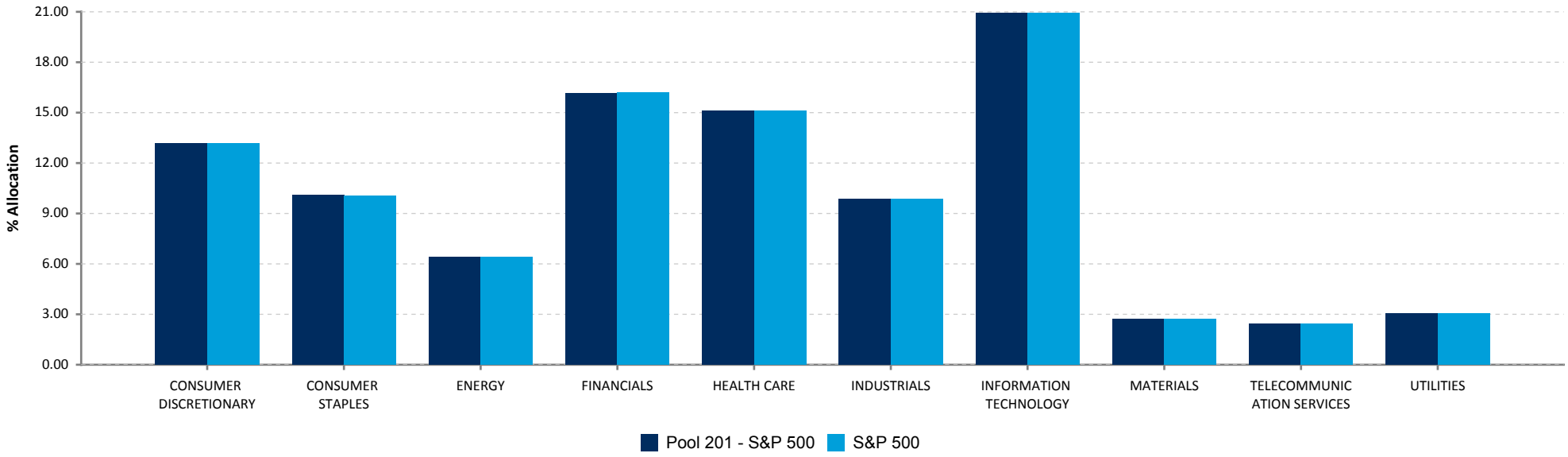


	1 Mth	3 Mth	YTD	1 Year	3 Year	5 Year	ITD	Dec 31 2015	Dec 31 2014	Dec 31 2013
POOL 201 S&P 500	-1.57	6.97	1.35	1.35	15.09	12.53	3.85	1.35	13.60	32.38
S&P 500 INDEX (DAILY)	-1.58	7.04	1.38	1.38	15.13	12.57	4.40	1.38	13.69	32.39
Excess	0.01	-0.07	-0.03	-0.03	-0.04	-0.04	-0.55	-0.03	-0.08	-0.01

OFFICE OF THE ARIZONA STATE TREASURER

December 31, 2015

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



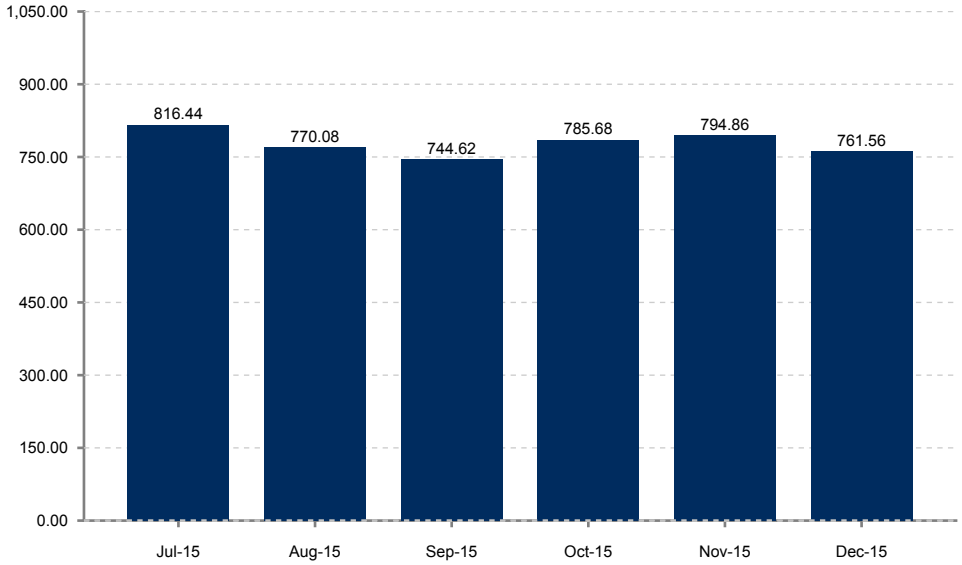
	Fund Weight	Benchmark Weight	Relative Weight
POOL 201 S&P 500	100.00	100.00	0.00
CONSUMER DISCRETIONARY	13.36	13.37	-0.01
CONSUMER STAPLES	9.56	9.56	-0.00
ENERGY	7.02	6.99	0.03
FINANCIALS	16.29	16.32	-0.03
HEALTH CARE	14.57	14.57	0.00
INDUSTRIALS	9.91	9.90	0.01
INFORMATION TECHNOLOGY	21.19	21.20	-0.02
MATERIALS	2.83	2.83	0.00
TELECOMMUNICATION SERVICES	2.33	2.33	-0.00
UTILITIES	2.94	2.93	0.01

OFFICE OF THE ARIZONA STATE TREASURER

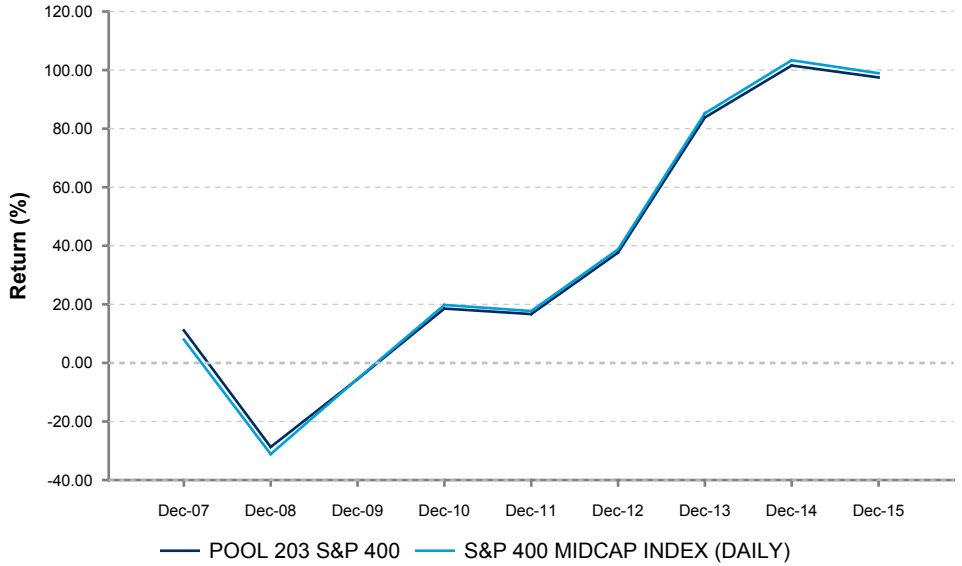
December 31, 2015

POOL 203 S&P 400

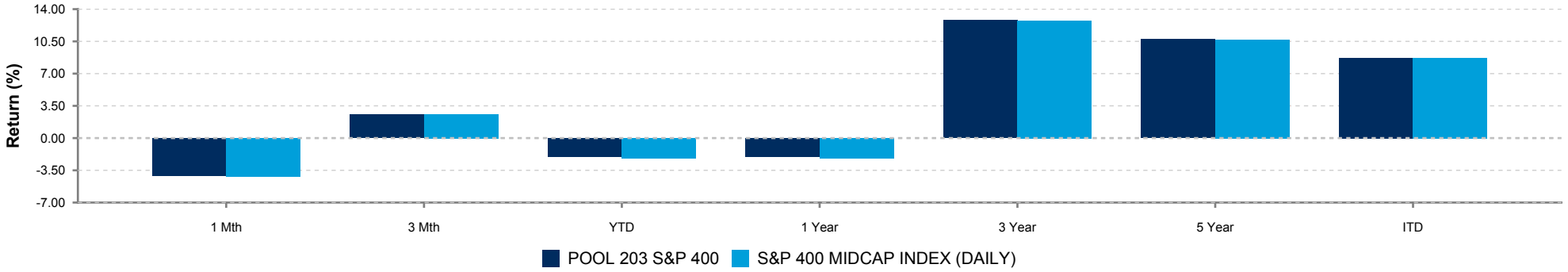
Net Asset Values over Time ($MM)



Cumulative Return (%)



Rates of Return

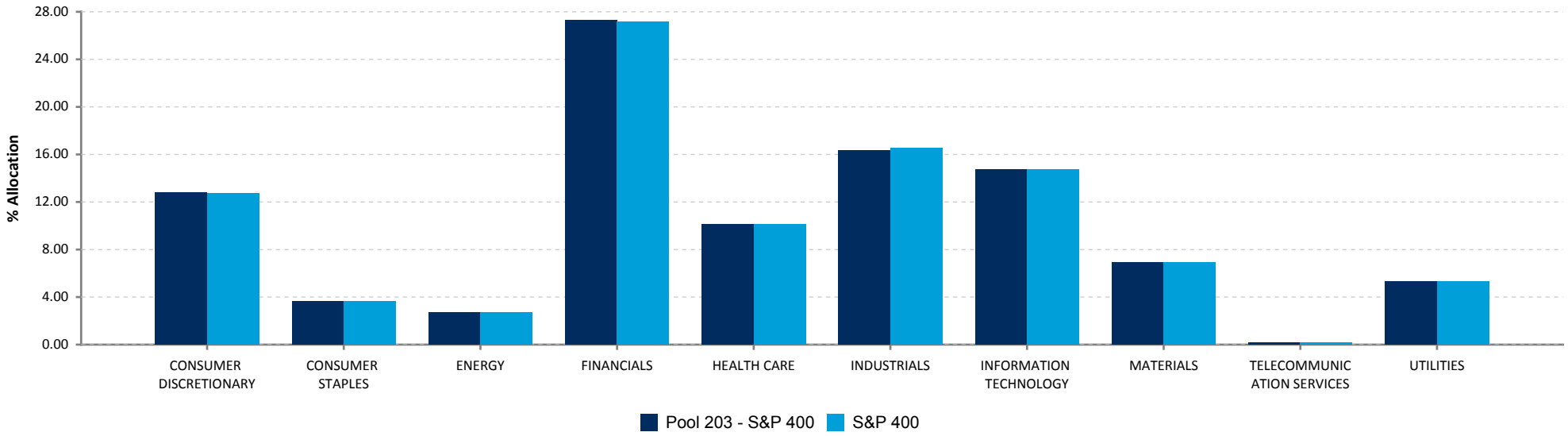


	1 Mth	3 Mth	YTD	1 Year	3 Year	5 Year	ITD	Dec 31 2015	Dec 31 2014	Dec 31 2013
POOL 203 S&P 400	-4.12	2.58	-2.02	-2.02	12.78	10.74	8.70	-2.02	9.64	33.51
S&P 400 MIDCAP INDEX (DAILY)	-4.17	2.60	-2.18	-2.18	12.76	10.68	8.71	-2.18	9.77	33.50
Excess	0.04	-0.03	0.16	0.16	0.02	0.07	-0.01	0.16	-0.12	0.01

OFFICE OF THE ARIZONA STATE TREASURER

December 31, 2015

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



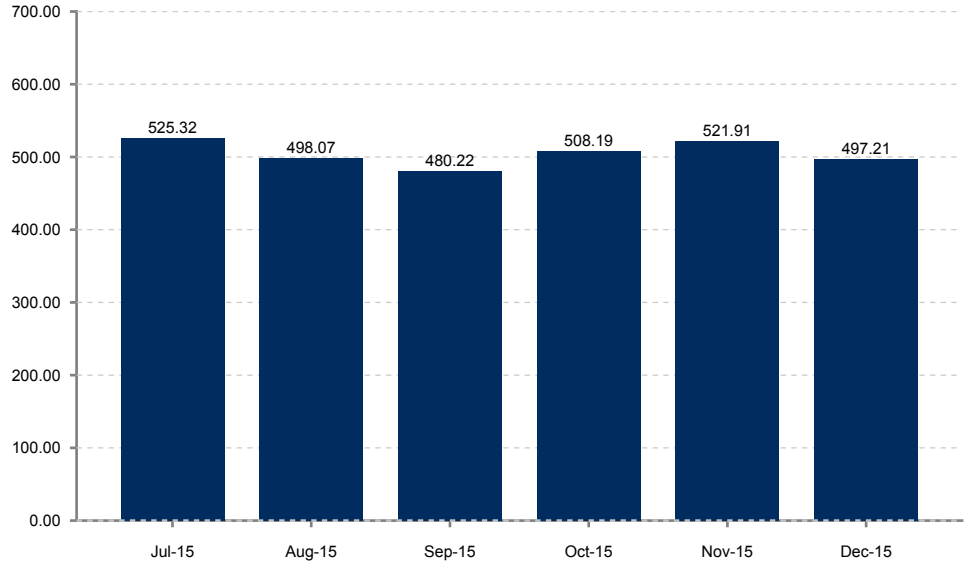
	Weight Fund	Weight Benchmark	Weight Relative
POOL 203 S&P 400	100.00	100.00	0.00
CONSUMER DISCRETIONARY	12.78	12.76	0.02
CONSUMER STAPLES	4.29	4.28	0.01
ENERGY	3.15	3.14	0.00
FINANCIALS	26.94	26.87	0.07
HEALTH CARE	9.69	9.69	0.01
INDUSTRIALS	16.68	16.86	-0.18
INFORMATION TECHNOLOGY	14.03	13.99	0.03
MATERIALS	7.22	7.18	0.04
TELECOMMUNICATION SERVICES	0.17	0.17	0.00
UTILITIES	5.06	5.06	0.00

OFFICE OF THE ARIZONA STATE TREASURER

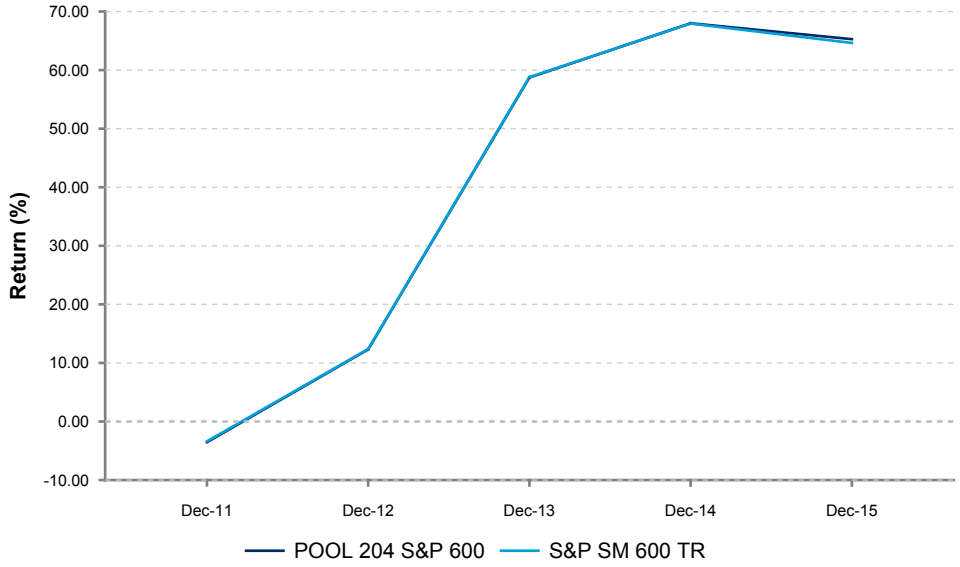
December 31, 2015

POOL 204 S&P 600

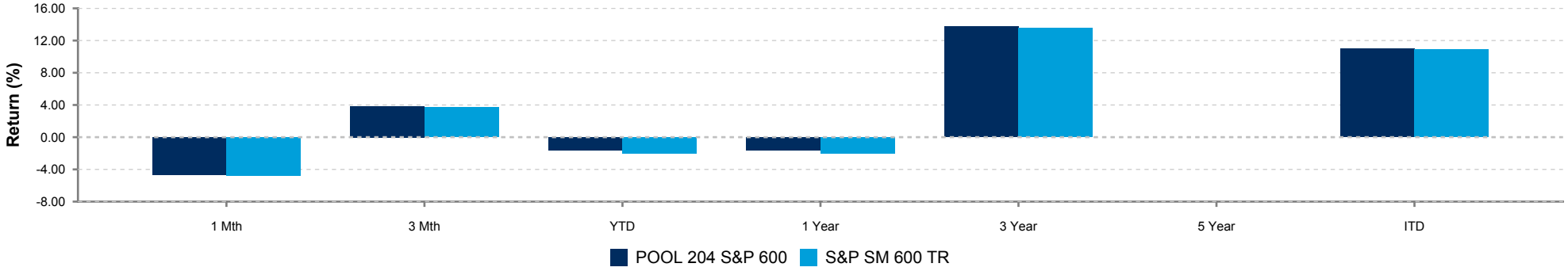
Net Asset Values over Time ($MM)



Cumulative Return (%)



Rates of Return

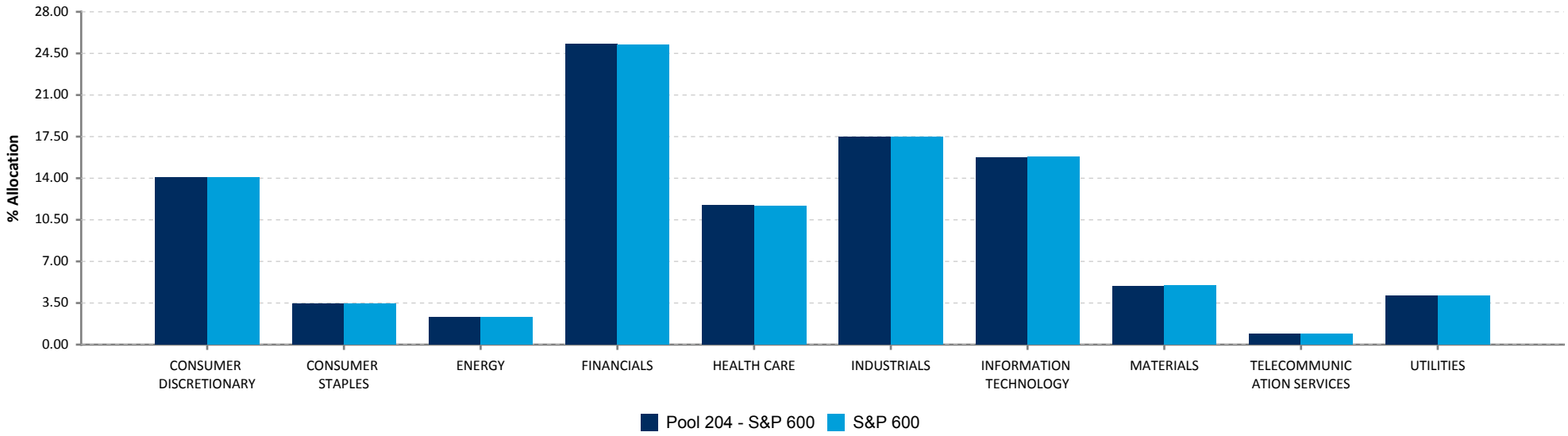


	1 Mth	3 Mth	YTD	1 Year	3 Year	5 Year	ITD	Dec 31 2015	Dec 31 2014	Dec 31 2013
POOL 204 S&P 600	-4.67	3.85	-1.62	-1.62	13.74		10.95	-1.62	5.84	41.32
S&P SM 600 TR	-4.79	3.72	-1.97	-1.97	13.57		10.85	-1.97	5.76	41.31
Excess	0.12	0.13	0.36	0.36	0.17		0.09	0.36	0.09	0.01

OFFICE OF THE ARIZONA STATE TREASURER

December 31, 2015

POOL 204 S&P 600
Sector Allocation vs S&P SMALLCAP 600



	Weight Fund	Weight Benchmark	Weight Relative
POOL 204 S&P 600	100.00	100.00	0.00
CONSUMER DISCRETIONARY	13.80	13.81	-0.01
CONSUMER STAPLES	3.40	3.41	-0.00
ENERGY	2.61	2.62	-0.00
FINANCIALS	25.00	24.93	0.07
HEALTH CARE	10.92	10.93	-0.02
INDUSTRIALS	17.62	17.64	-0.01
INFORMATION TECHNOLOGY	16.51	16.53	-0.02
MATERIALS	5.03	5.03	-0.00
TELECOMMUNICATION SERVICES	0.85	0.85	-0.00
UTILITIES	4.25	4.25	0.00

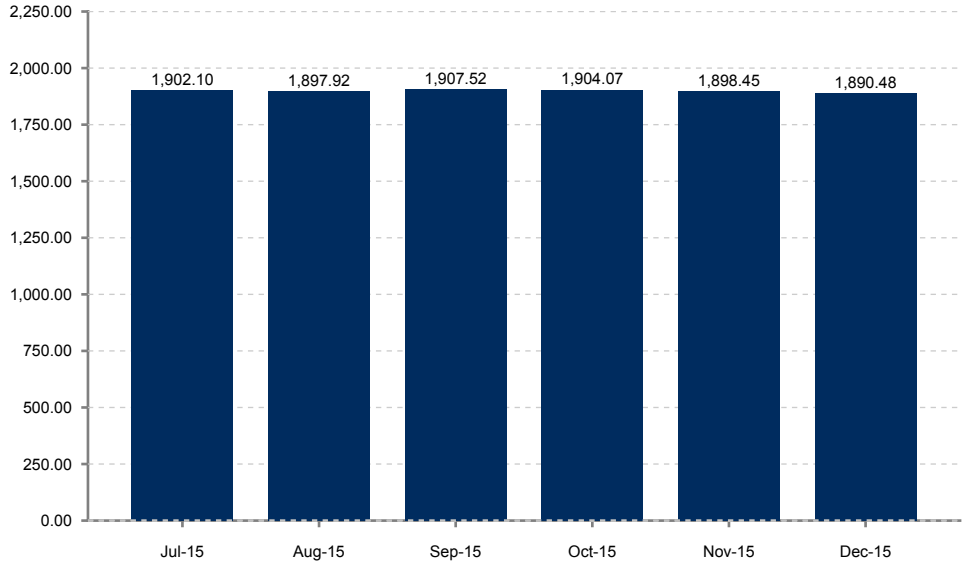
OFFICE OF THE ARIZONA STATE TREASURER

December 31, 2015

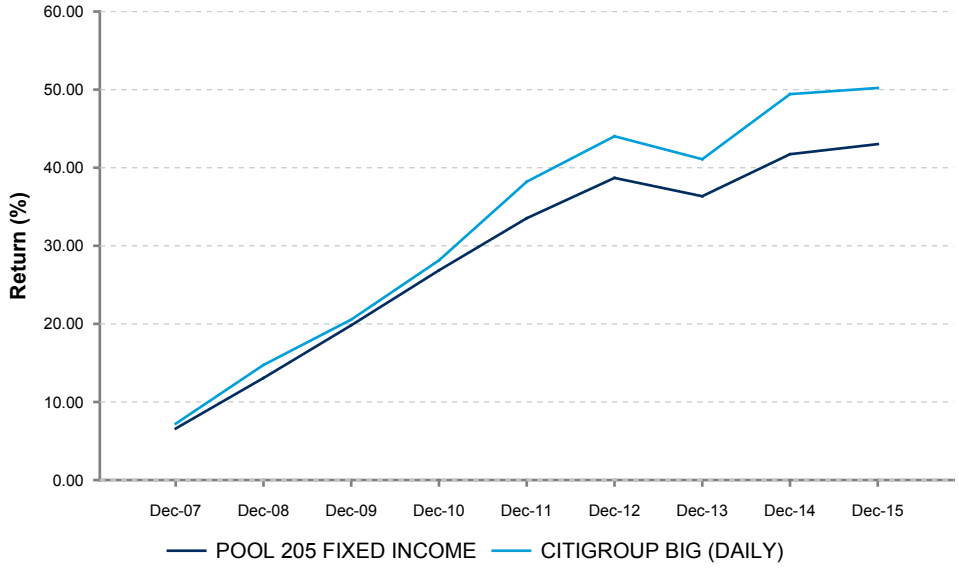
POOL 205 FIXED INCOME

STATE STREET.

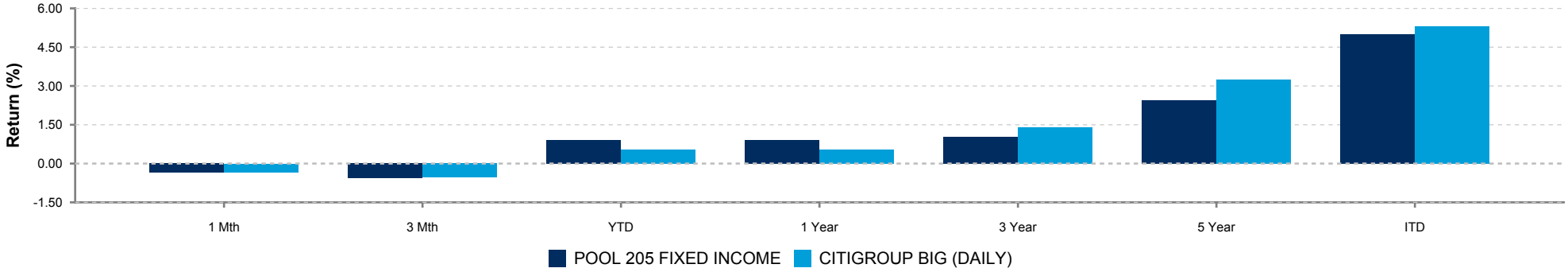
Net Asset Values over Time ($MM)



Cumulative Return (%)



Rates of Return



	1 Mth	3 Mth	YTD	1 Year	3 Year	5 Year	ITD	Dec 31 2015	Dec 31 2014	Dec 31 2013
POOL 205 FIXED INCOME	-0.34	-0.57	0.91	0.91	1.03	2.43	5.01	0.91	3.95	-1.69
CITIGROUP BIG (DAILY)	-0.33	-0.53	0.53	0.53	1.41	3.23	5.30	0.53	5.91	-2.04
Excess	-0.02	-0.04	0.38	0.38	-0.38	-0.80	-0.30	0.38	-1.96	0.35

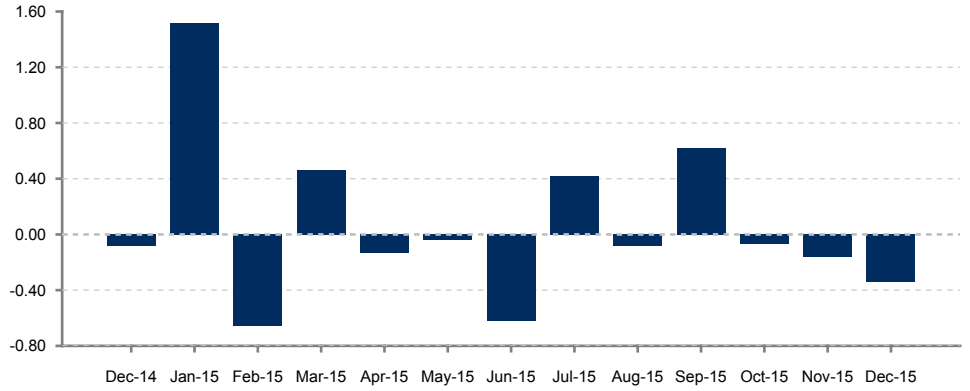
OFFICE OF THE ARIZONA STATE TREASURER

December 31, 2015

POOL 205 FIXED INCOME

STATE STREET.

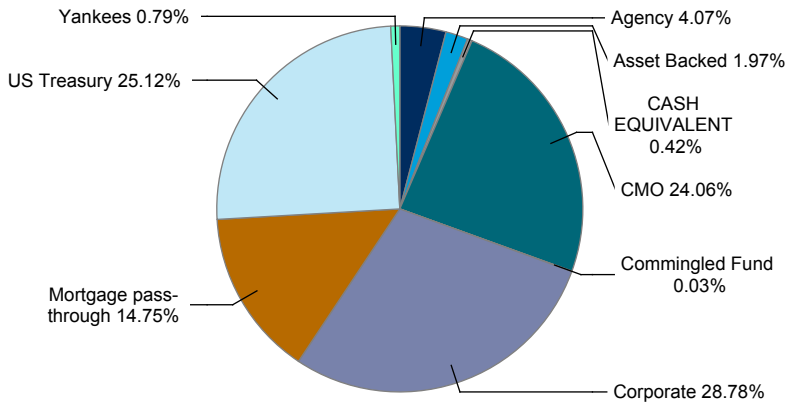
Net Mgr Return



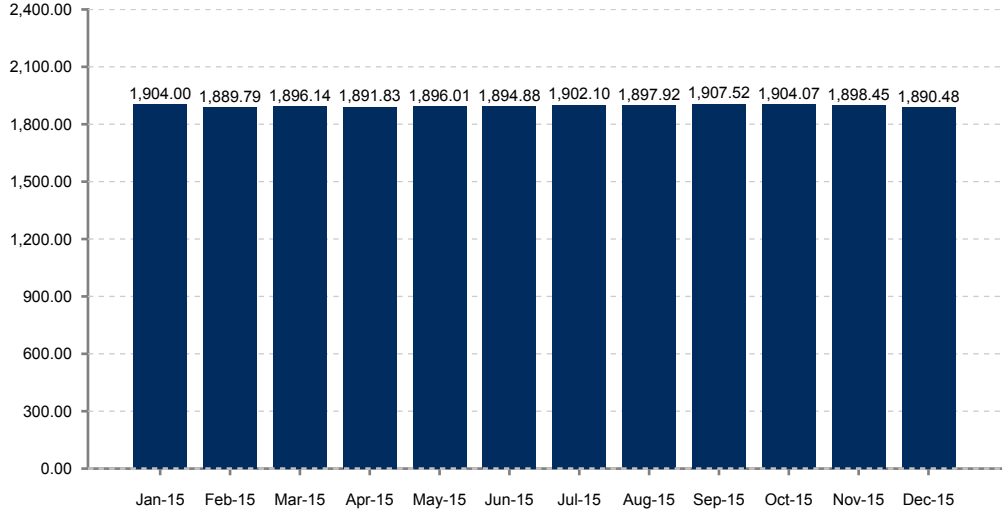
	Current Mth	Prior Mth	1 Year Ago
POOL 205 FIXED INCOME	-0.34	-0.16	-0.08

Asset Allocation

	Ending Market Value
POOL 205 FIXED INCOME	1,890,482,301



Net Asset Values over Time ($MM)



Top 10 Holdings

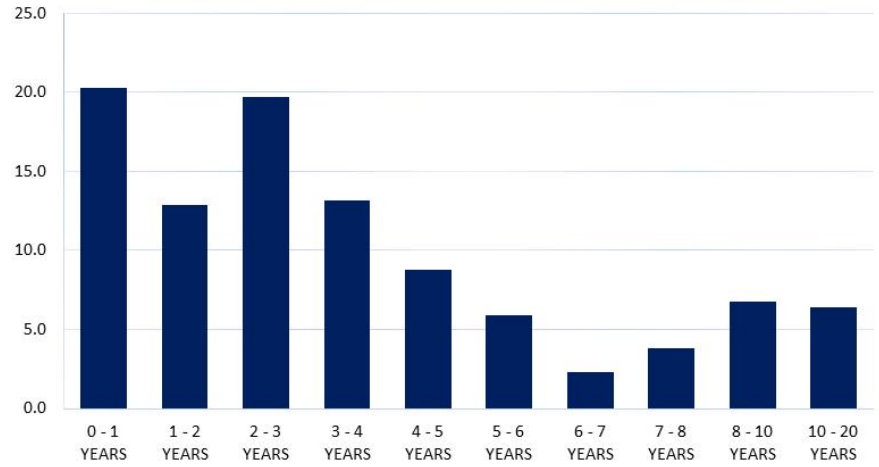
Security Name	Ending Market Value	% of Portfolio
POOL 205 FIXED INCOME		
US TREASURY N/B	16,972,251	0.90
FIFTH THIRD BANK	14,938,338	0.79
US TREASURY N/B	14,424,879	0.76
US TREASURY N/B	14,423,542	0.76
US TREASURY N/B	14,287,275	0.76
3M COMPANY	13,199,643	0.70
IBM CORP	12,791,782	0.68
PRES + FELLOWS OF HARVAR	12,675,158	0.67
US TREASURY N/B	12,635,415	0.67
US TREASURY N/B	11,601,634	0.61

OFFICE OF THE ARIZONA STATE TREASURER

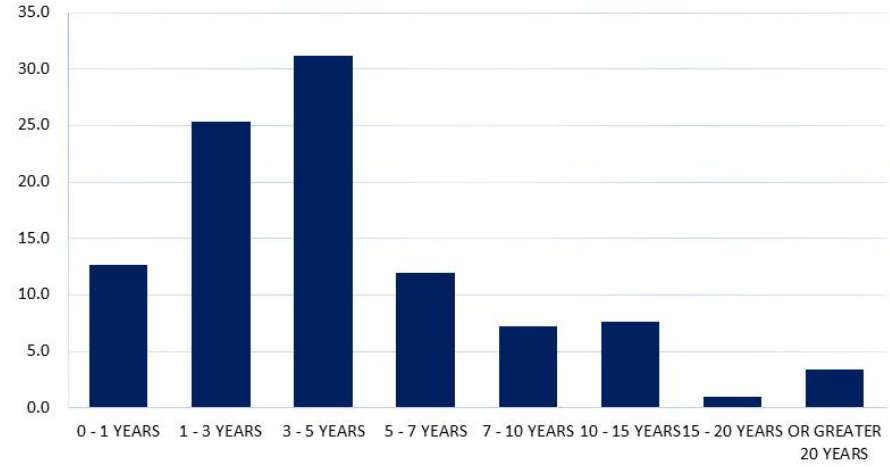
December 31, 2015

POOL 205 FIXED INCOME

Duration Distribution



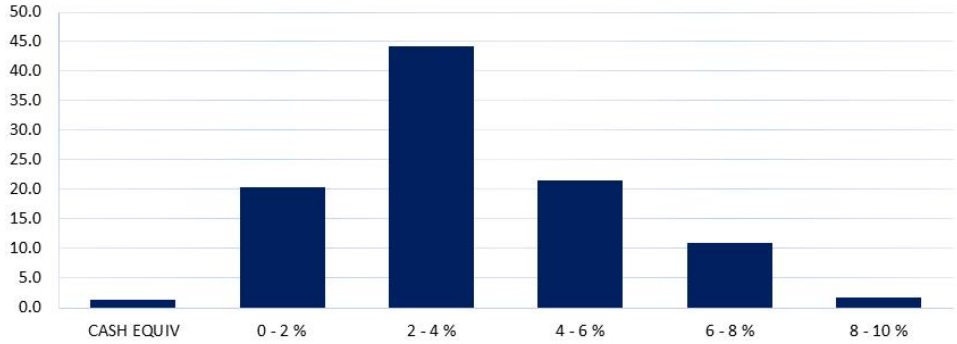
Expected Maturity Distribution



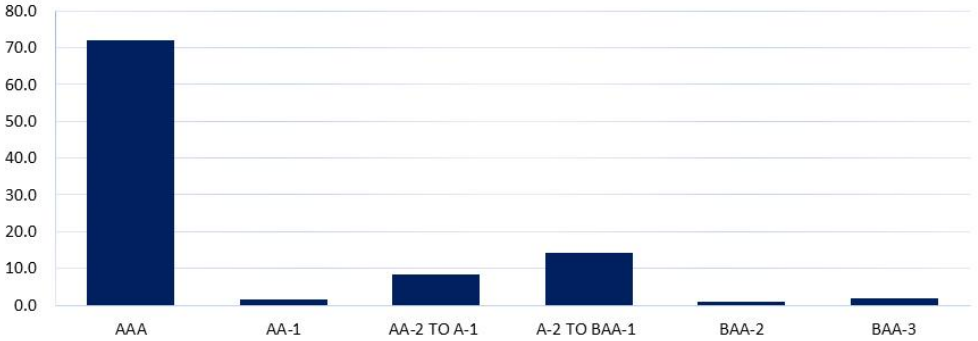
Portfolio Level Characteristics

	POOL 205 FIXED INCOME
Weighted Average Life	4.97
Coupon	3.61
Effective Duration	3.73
Quality Rating (Moody's)	AA-1

Coupon Distribution

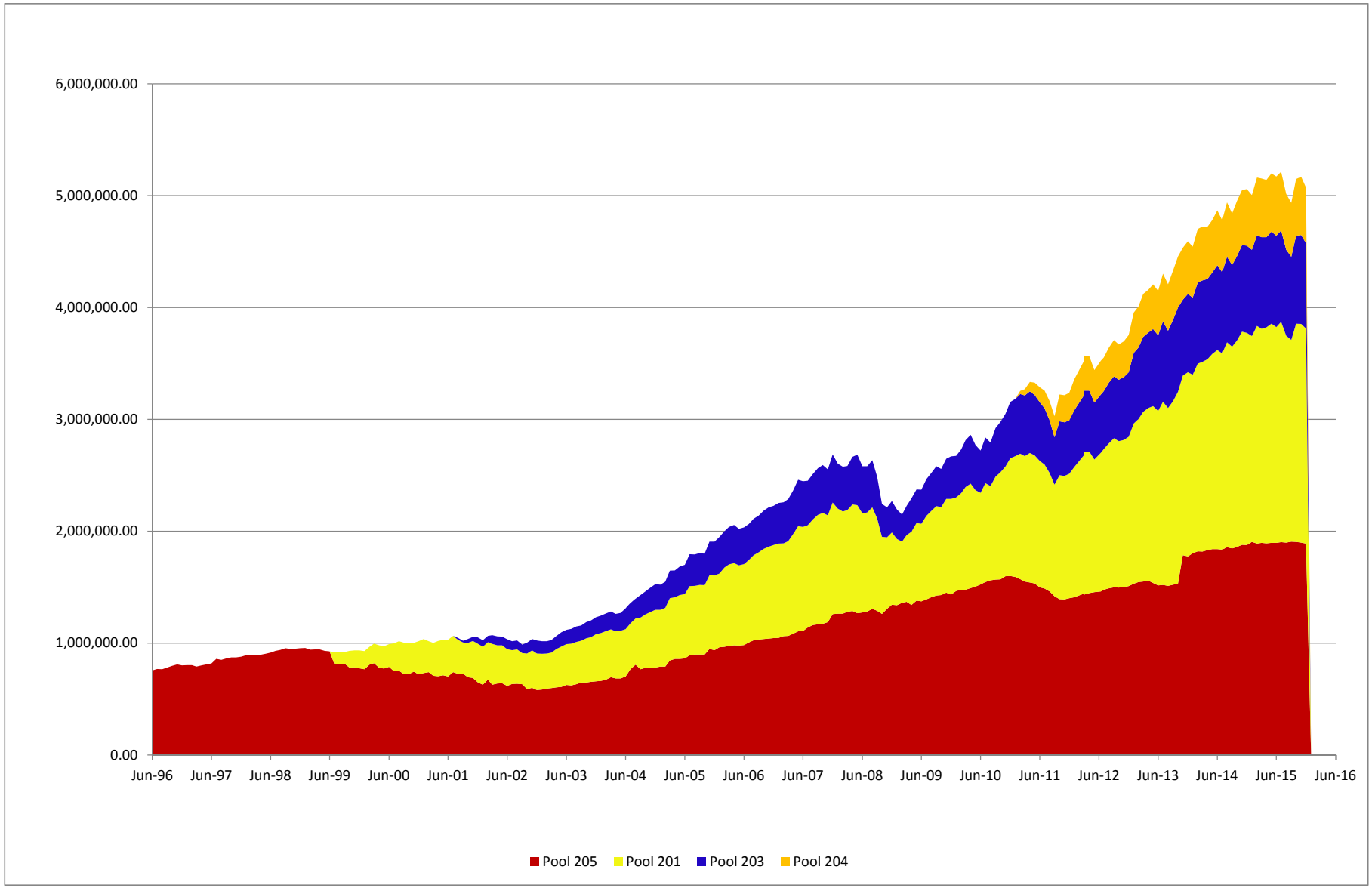


Rating Distribution



Thousands

Endowment Fund Market Value



BROKER ACTIVITY REPORT
STATE AGENCY POOLS 2, 3 Int., 4, 12,16 & 10 Int.
OCTOBER 1 - DECEMBER 31, 2015

Broker Name	Asset Group	Sum Of Book Value	Pct Of Type	Pct Of Total
AMHERST SECURITIES				
	REPO	6,340,184,547	17.67%	17.03%
BA SECURITIES INC.				
	REPO	840,010,404	2.34%	2.26%
	COMMERCIAL PAPER	49,973,533	7.57%	0.13%
	CORP NOTES	10,000,000	22.90%	0.03%
	US TREAS	79,756,120	36.22%	0.21%
BARCLAYS CAPITAL INC.				
	COMMERCIAL PAPER	39,975,160	6.06%	0.11%
	CORP NOTES	18,976,250	43.45%	0.05%
	US AGENCY	123,949,654	47.01%	0.33%
	US TREAS	20,200,086	9.17%	0.05%
BNY MELLON CAPITAL				
	COMMERCIAL PAPER	9,997,150	1.52%	0.03%
CANTOR FITZGERALD				
	COMMERCIAL PAPER	34,967,778	5.30%	0.09%
CITIGROUP				
	CD's	30,000,000	50.00%	0.08%
	COMMERCIAL PAPER	43,121,941	6.54%	0.12%
DAIWA CAPITAL MARKETS				
	REPO	3,491,059,819	9.73%	9.38%
DEUTSCHE BANC				
	REPO	486,367,276	1.36%	1.31%
	CORP NOTES	5,003,613	11.46%	0.01%
	CORP ABS	17,000,000	22.08%	0.05%
	US TREAS	20,379,204	9.26%	0.05%

BROKER ACTIVITY REPORT
STATE AGENCY POOLS 2, 3 Int., 4, 12,16 & 10 Int.
OCTOBER 1 - DECEMBER 31, 2015

Broker Name	Asset Group	Sum Of Book Value	Pct Of Type	Pct Of Total
FIRST TENNESSEE				
	US AGENCY	59,939,011	22.73%	0.16%
GOLDMAN SACHS				
	CD's	30,002,336	50.00%	0.08%
GREAT PACIFIC				
	COMMERCIAL PAPER	124,970,792	18.94%	0.34%
GUGGENHEIM SECURITIES, LLC				
	REPO	457,000,000	1.27%	1.23%
JEFFERIES&CO				
	US AGENCY	19,927,292	7.56%	0.05%
JP MORGAN CHASE				
	COMMERCIAL PAPER	101,981,831	15.46%	0.27%
	CORP NOTES	2,994,720	6.86%	0.01%
	CORP ABS	31,000,000	40.26%	0.08%
MITSUBISHI				
	COMMERCIAL PAPER	4,997,983	0.76%	0.01%
MIZUHO SECURITIES				
	REPO	84,000,000	0.23%	0.23%
	US AGENCY	59,849,794	22.70%	0.16%
RAYMOND JAMES				
	USA-MBS	30,272,453	100.00%	0.08%
RBC CAPITAL MARKETS				
	COMMERCIAL PAPER	134,827,532	20.44%	0.36%
	CORP ABS	18,999,635	24.67%	0.05%
	US TREAS	69,921,428	31.76%	0.19%
ROBERT W. BAIRD				
	CORP NOTES	6,695,726	15.33%	0.02%

BROKER ACTIVITY REPORT
STATE AGENCY POOLS 2, 3 Int., 4, 12,16 & 10 Int.
OCTOBER 1 - DECEMBER 31, 2015

Broker Name	Asset Group	Sum Of Book Value	Pct Of Type	Pct Of Total
SOUTH STREET				
	REPO	19,409,701,182	54.11%	52.14%
SUNTRUST ROBINSON				
	REPO	375,000,000	1.05%	1.01%
WELLS FARGO				
	REPO	4,389,051,464	12.24%	11.79%
	COMMERCIAL PAPER	114,915,983	17.42%	0.31%
	CORP ABS	10,000,000	12.99%	0.03%
	US TREAS	29,913,106	13.59%	0.08%

BROKER ACTIVITY REPORT
LGIP POOLS 5, 7, 500 and 700
OCTOBER 1 - DECEMBER 31, 2015

Broker Name	Asset Group	Sum Of Book Value	Pct Of Type	Pct Of Total
AMHERST SECURITIES				
	REPO	1,958,815,453	6.66%	6.38%
	US TREAS	10,289,164	6.70%	0.03%
BA SECURITIES INC.				
	REPO	5,159,989,596	17.55%	16.79%
	COMMERCIAL PAPER	89,957,311	8.30%	0.29%
	US AGENCY	1,000,000	4.24%	0.00%
	US TREAS	2,995,857	1.95%	0.01%
BARCLAYS CAPITAL INC.				
	COMMERCIAL PAPER	59,968,972	5.53%	0.20%
	CORP NOTES	998,750	10.72%	0.00%
	US AGENCY	1,000,000	4.24%	0.00%
	US TREAS	20,200,086	13.16%	0.07%
BNP PARIBAS				
	COMMERCIAL PAPER	9,991,667	0.92%	0.03%
BNY MELLON CAPITAL				
	COMMERCIAL PAPER	19,994,739	1.85%	0.07%
	CORP NOTES	2,012,245	21.60%	0.01%
CANTOR FITZGERALD				
	COMMERCIAL PAPER	37,963,780	3.50%	0.12%
	USA-MBS	1,071,413	26.31%	0.00%
DAIWA CAPITAL MARKETS				
	REPO	8,708,940,181	29.63%	28.34%
	US TREAS	40,091,672	26.11%	0.13%
DEUTSCHE BANC				
	REPO	503,632,724	1.71%	1.64%
	CORP NOTES	6,303,830	67.68%	0.02%
	US TREAS	9,981,684	6.50%	0.03%

BROKER ACTIVITY REPORT
LGIP POOLS 5, 7, 500 and 700
OCTOBER 1 - DECEMBER 31, 2015

Broker Name	Asset Group	Sum Of Book Value	Pct Of Type	Pct Of Total
FIRST TENNESSEE				
	CD's	30,140,700	60.11%	0.10%
	US AGENCY	574,302	2.44%	0.00%
GOLDMAN SACHS				
	CD's	20,001,557	39.89%	0.07%
	COMMERCIAL PAPER	22,920,014	2.12%	0.07%
GREAT PACIFIC				
	COMMERCIAL PAPER	393,753,622	36.34%	1.28%
	US AGENCY	19,991,756	84.83%	0.07%
GUGGENHEIM SECURITIES, LLC				
	REPO	568,000,000	1.93%	1.85%
JP MORGAN CHASE				
	COMMERCIAL PAPER	122,954,650	11.35%	0.40%
MITSUBISHI				
	COMMERCIAL PAPER	109,976,236	10.15%	0.36%
MIZUHO SECURITIES				
	REPO	31,000,000	0.11%	0.10%
RAYMOND JAMES				
	USA-MBS	994,432	24.42%	0.00%
RBC CAPITAL MARKETS				
	COMMERCIAL PAPER	19,989,917	1.84%	0.07%
	USA-MBS	1,008,018	24.75%	0.00%
ROBERT W. BAIRD				
	USA-MBS	999,120	24.53%	0.00%
SOUTH STREET				
	REPO	4,686,298,816	15.94%	15.25%

BROKER ACTIVITY REPORT
LGIP POOLS 5, 7, 500 and 700
OCTOBER 1 - DECEMBER 31, 2015

Broker Name	Asset Group	Sum Of Book Value	Pct Of Type	Pct Of Total
SUNTRUST ROBINSON				
	US AGENCY	1,000,000	4.24%	0.00%
WELLS FARGO				
	REPO	7,779,948,536	26.47%	25.32%
	COMMERCIAL PAPER	196,038,840	18.09%	0.64%
	CORP ABS	5,000,000	100.00%	0.02%
	US TREAS	69,990,363	45.58%	0.23%

BROKER ACTIVITY REPORT
ENDOWMENT FIXED INCOME POOL 205
OCTOBER 1 - DECEMBER 31, 2015

Broker Name	Asset Group	Sum Of Book Value	Pct Of Type	Pct Of Total
BA SECURITIES INC.				
	US TREAS	7,336,274	26.35%	8.52%
BREAN CAPITAL				
	USA MBS	4,874,834	9.16%	5.66%
CANTOR FITZGERALD				
	CORP CMO	1,295,028	100.00%	1.50%
	USA MBS	28,173,346	52.92%	32.71%
	US TREAS	5,194,642	18.66%	6.03%
DEUTSCHE BANC				
	US TREAS	4,986,843	17.91%	5.79%
FIRST TENNESSEE				
	CORP-NOTES	3,760,920	100.00%	4.37%
GOLDMAN SACHS				
	US TREAS	3,560,017	12.79%	4.13%
PIPER JAFFRAY				
	USA MBS	14,731,704	27.67%	17.10%
RBC CAPITAL MARKETS				
	USA MBS	5,460,097	10.26%	6.34%
WELLS FARGO				
	US TREAS	6,758,849	24.28%	7.85%

BROKER ACTIVITY REPORT
ENDOWMENT EQUITY POOLS 201, 203, & 204
OCTOBER 1 - DECEMBER 31, 2015

Broker Name	Asset Group	Sum Of Book Value	Pct Of Type	Pct Of Total
BLOOMBERG				
	LARGE CAP	17,314,424	34.75%	16.82%
	MID CAP	10,240,089	41.27%	9.95%
	SMALL CAP	6,788,097	24.00%	6.59%
CANTOR FITZGERALD				
	MID CAP	63,867	0.26%	0.06%
LIQUIDNET				
	LARGE CAP	20,198	0.04%	0.02%
	MID CAP	4,030,255	16.24%	3.92%
	SMALL CAP	2,915,205	10.31%	2.83%
MKM HOLDINGS				
	LARGE CAP	30,549,689	61.30%	29.68%
	MID CAP	10,129,153	40.82%	9.84%
	SMALL CAP	18,271,423	64.60%	17.75%
RAYMOND JAMES AND ASSOCIATES INC				
	LARGE CAP	1,948,279	3.91%	1.89%
	MID CAP	348,780	1.41%	0.34%
	SMALL CAP	309,087	1.09%	0.30%