OFFICE OF THE

ARIZONA STATE TREASURER

JEFF DEWIT
TREASURER

SEPTEMBER 2016

Presented To:

Arizona State Board of Investment

October 27, 2016

STATE BOARD OF INVESTMENT

A G E N D A

October 27, 2016

1. Call to Order
2. Chairman Remarks
3. Approval of September 29, 2016 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
    - H. 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
    - A. Credit Suisse First Boston Presentation
7. General Business
8. Call to the Public
9. Notice of Next Meeting
10. Adjournment

REPORT OF THE STATE TREASURER

FOR

October 27, 2016

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Minutes of
BOARD OF INVESTMENT MEETING

The regular meeting of the State Board of Investment was held on September 29, 2016 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 2:03 p.m.

Members Present:

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

Others Present:

Mark Swenson, Deputy Treasurer of Policy & Research, Arizona State Treasurer's Office
Tim White, Senior Portfolio Manager, 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
Ken Price, Human Resource Manager, Arizona State Treasurer's Office
Janine Schuster, Accountant IV, Arizona State Treasurer's Office
David Pock, Public

Pursuant to A.R.S. 35-311, the following reports for August, 2016 were submitted for the Board's approval:

<u>Review of Treasurer's Monthly Reports:</u>

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 September 29, 2016 BOI meeting to order at approximately 2:03 p.m.

2. **Treasurers Comments:**
   Treasurer DeWit welcomed the board members and guests and thanked all present for attending the September 29, 2016 meeting.

3. **Approval of Minutes:**
   Mr. Papp made a motion to approve the August 25, 2016 minutes. Mr. Charlton seconded the motion. Motion carried.

4. **Review of Treasurer's Monthly Report**

Earnings Distribution – Investment Pools

Mr. White 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 August, 2016.

Operating Monies Average Invested Balance

Mr. White reported the Operating Monies average invested balance for the month of August, 2016.

Review of Treasurer's Monthly Report – Agency Pools:

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

State Agency Pools Portfolio Yield Analysis

Mr. White reported the net yields for the State Agency Pools for the month of August, 2016.

Manager Allocation of Invested Monies for the State Agency Pools

Mr. White 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 August 31, 2016.

Investments Outstanding in State Agency Pools

Mr. White 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 August 31, 2016.

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 August, 2016.

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 August, 2016.

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 August 31, 2016.

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 August, 2016.

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 August, 2016.

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 August, 2016 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 August, 2016.

Equity Funds Purchases & Sales

Mr. White reported the purchases and sales (summary) of the Endowment Equity Pools for the month of August, 2016.

Investments Outstanding in Endowment Funds

Mr. White reported the par, book, market value, and unrealized gains/loss of the Endowment Funds as of August 31, 2016.

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 August 31, 2016.

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 August 31, 2016.

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 August 31, 2016.

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 August 31, 2016.

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 August 31, 2016.

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 August, 2016.

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 August 31, 2016.

The Board Members discussed the exposure to Wells Fargo and agreed the Arizona Taxpayers money is secure with the State.

Approval of Treasurer's Report

Mr. Partridge made a motion to approve the Treasurer's Report. Ms. Ford seconded the motion. Motion carried.

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

6. **Review and approval of Proposed/Pending Securities Dealers:**
   No proposed/pending securities dealers.

7. **General Business:**
   There was 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 Thursday, October 27, 2016 at 2:00 p.m. at 1700 West Washington, State Capitol, West Wing, Treasurer's Conference Room, Phoenix, Arizona.

10. **Adjournment:**
    Mr. Partridge made a motion to adjourn the BOI meeting. Mr. Charlton seconded the motion. Upon unanimous approval the BOI Meeting was adjourned at 2:57 p.m.

Respectfully Submitted by:

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Christine Thurston
Executive Consultant II

Approved by:

______________________________ ______________________________
Jeff DeWit, Chair Date

EARNINGS DISTRIBUTION - INVESTMENT POOLS
SEPTEMBER 2016

Recipient	Earnings Distributed SEPTEMBER 2016	Earnings Distributed Fiscal YTD 16/17	Earnings Distributed Fiscal YTD 15/16	Fiscal YTD Investment Management Fees Received
General Fund	$1,309,556	$4,051,754	$2,984,004	
2 State Agencies - Full Faith & Credit	534,747	1,735,009	1,076,007	125,166
3 State Agencies - Diversified (Combined)	790,826	2,290,378	1,812,278	198,738
4 State Agencies - Gov	483,208	1,460,604	1,051,963	125,344
5 LGIP	408,333	1,241,401	411,513	155,392
7 LGIP Gov	305,007	989,094	242,336	147,889
10 Restricted Operating	374,303	1,084,574	846,549	177,778
12 CAWCD Medium-Term	399,399	1,213,970	1,126,536	46,713
16 ECDH Medium-Term	469,536	1,438,799	1,389,582	53,406
Subtotal	**$5,074,915**	**$15,505,583**	**$10,940,766**	**$1,030,427**
NAV POOL				
500 LGIP - Med Term	286,568	861,762	726,716	35,911
700 LGIP - FF&C Med Term	141,511	405,206	318,823	20,217
Total	**$5,502,995**	**$16,772,551**	**$11,986,306**	**$1,086,555**
SEPTEMBER 2015 TOTALS	**$3,934,756**			**$1,052,700**

*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 September 30, 2016
(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	
NOVEMBER	1,535	1,686	
DECEMBER	1,478	1,734	
JANUARY	1,754	2,140	
FEBRUARY	1,959	2,295	
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**	**$1,736**

Budget Stabilization Average Fund Balance - September 2016	**$455**
Total Average Cash Available - September 2016	**$2,149**

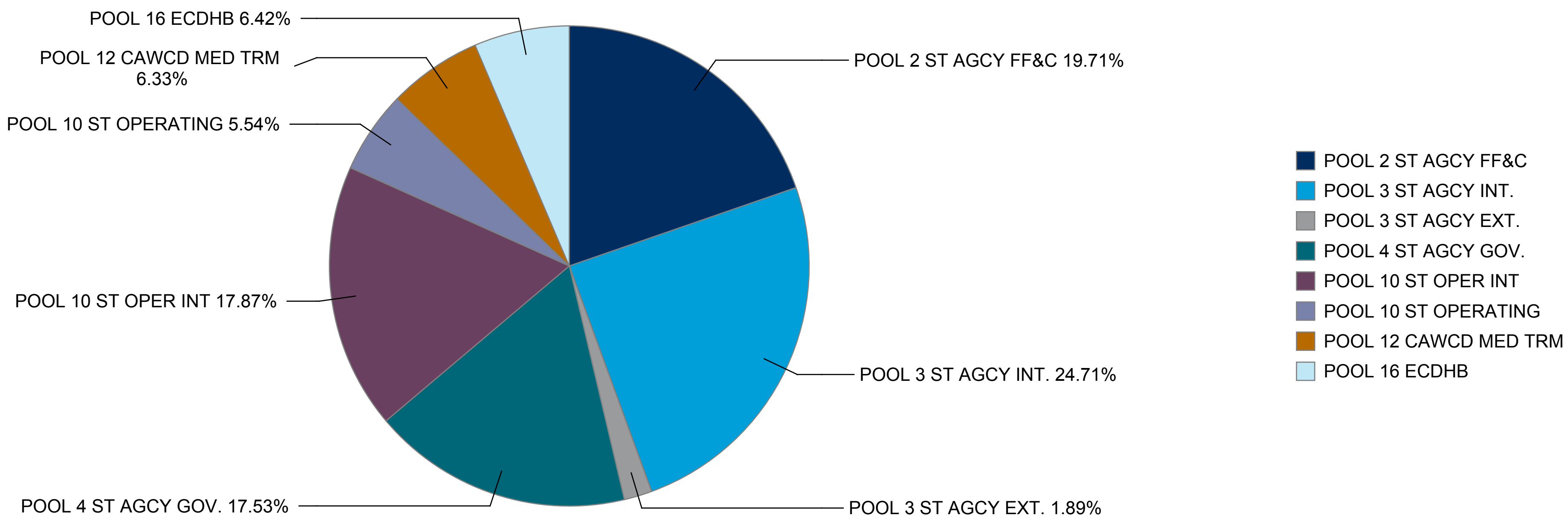
STATE AGENCY POOLS
PORTFOLIO EARNINGS ANALYSIS
SEPTEMBER 2016

FUND	DESCRIPTION	Current Month 09/30/16	Prior Month 08/31/16	Prior Year 09/30/15	Net Asset Value Per Share
2	STATE AGENCIES - FULL FAITH & CREDIT	659,474	659,467	419,931	0.9993
3	STATE AGENCIES - DIVERSIFIED				
	INTERNAL MANAGERS	1,040,042	1,086,204	744,863	1.0003
	EXTERNAL MANAGERS	104,033	105,836	76,793	1.0024
	FUND 3 TOTAL	1,144,075	1,192,039	821,656	1.0005
4	STATE AGENCIES - GOV	611,382	589,302	472,821	1.0005
10	RESTRICTED OPERATING				
	INTERNAL MANAGERS	906,748	920,398	724,451	1.0013
	EXTERNAL MANAGERS	146,464	145,441	97,636	0.9989
	FUND 10 TOTAL	1,053,213	1,065,840	822,086	1.0008
12	CAWCD MEDIUM-TERM	399,399	401,777	368,247	1.0062
15	AHCCCS OPERATING	9,461	10,017	N/A	N/A
16	ECDH MEDIUM-TERM	469,536	484,848	461,268	1.0063
	TOTAL STATE AGENCIES	**4,346,539**	**4,403,290**	**3,366,010**	

STATE AGENCY POOLS
PORTFOLIO YIELD ANALYSIS
SEPTEMBER 2016

FUND	DESCRIPTION	Current Month 09/30/16	Prior Month 08/31/16	Prior Year 09/30/15
2	**STATE AGENCIES - FULL FAITH & CREDIT**	0.81%	0.92%	**0.49%**
	75% MERRILL 0-1 US TREAS INDEX / 25% MERRILL US GNMA MORTGAGE BACKED INDEX	0.88%	0.91%	**0.80%**
3	**STATE AGENCIES - DIVERSIFIED**			
	INTERNAL MANAGERS	1.03%	1.07%	**0.67%**
	EXTERNAL MANAGERS	1.23%	1.21%	**0.92%**
	COMBINED	1.05%	1.08%	**0.69%**
	50% 3 MONTH LIBOR INDEX / 50% MERRILL 1-3 US BROAD MARKET INDEX	0.97%	0.96%	**0.68%**
4	**STATE AGENCIES - GOV**	0.81%	0.85%	**0.67%**
	50% MERRILL 6 MTH US T-BILL INDEX / 50% MERRILL 1-3 UNSUB. US TREAS / AGY INDEX	0.62%	0.64%	**0.36%**
10	**RESTRICTED OPERATING**			
	INTERNAL MANAGERS	1.13%	1.11%	**0.84%**
	EXTERNAL MANAGERS	0.59%	0.57%	**0.39%**
	COMBINED	1.00%	0.98%	**0.74%**
	50% 3 MONTH LIBOR INDEX / 50% MERRILL 1-3 US BROAD MARKET INDEX	0.97%	0.96%	**0.68%**
12	**CAWCD MEDIUM-TERM**	1.43%	1.42%	**1.45%**
	75% MERRILL 1-5 US D M INDEX / 25% S & P LGIP INDEX	1.16%	1.16%	**1.09%**
15	**AHCCCS OPERATING**	0.43%	0.46%	**N/A**
16	**ECDH MEDIUM-TERM**	1.64%	1.64%	**1.64%**
	75% MERRILL 1-5 US D M INDEX / 25% S & P LGIP INDEX	1.16%	1.16%	**1.09%**

Manager Allocation



	Market Value	% of Portfolio
POOL 2 ST AGCY FF&C	1,079,682,465	19.7
POOL 3 ST AGCY INT.	1,353,344,261	24.7
POOL 3 ST AGCY EXT.	103,529,910	1.9
POOL 4 ST AGCY GOV.	959,916,043	17.5
POOL 10 ST OPER INT	978,646,923	17.9
POOL 10 ST OPERATING	303,597,875	5.5
POOL 12 CAWCD MED TRM	346,948,650	6.3
POOL 16 ECDHB	351,554,462	6.4
TOTAL STATE AGENCY	5,477,220,594	100.0

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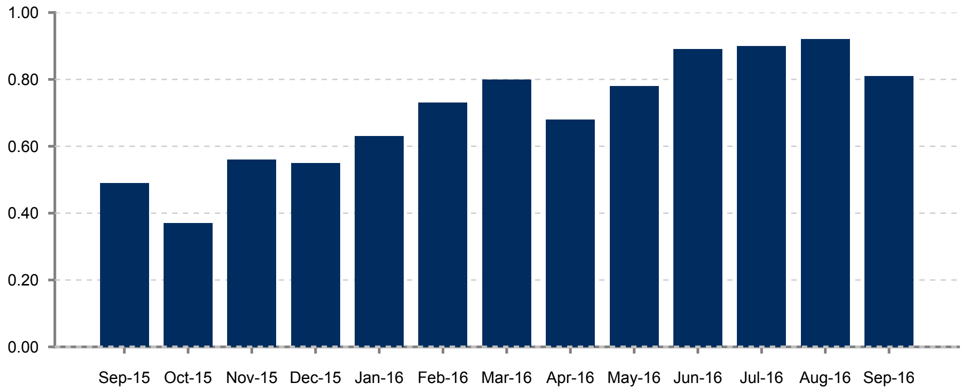
POOL 2 ST AGCY FF&C

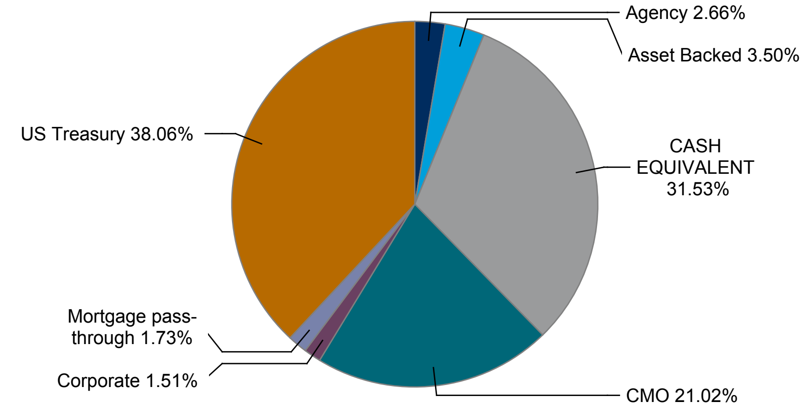
Net Yield



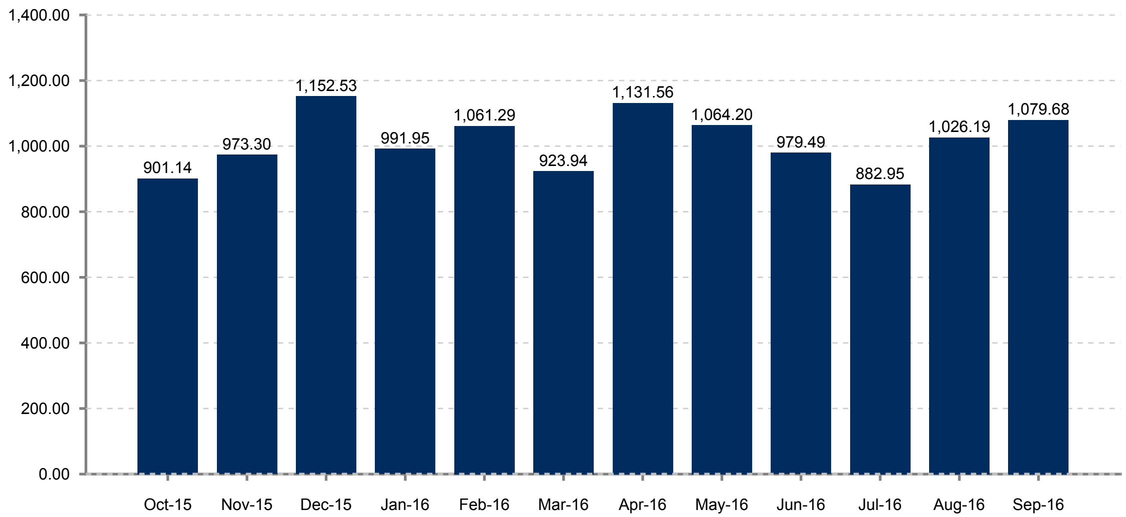
	Current Mth	Prior Mth	1 Year Ago
POOL 2 ST AGCY FF&C	0.81	0.92	0.49

Asset Allocation

	Ending Market Value
POOL 2 ST AGCY FF&C	1,079,682,465



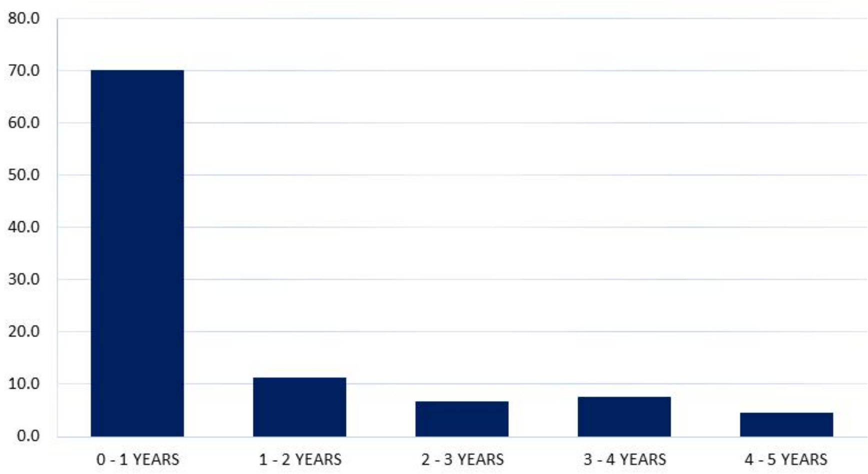
Net Asset Values over Time ($MM)



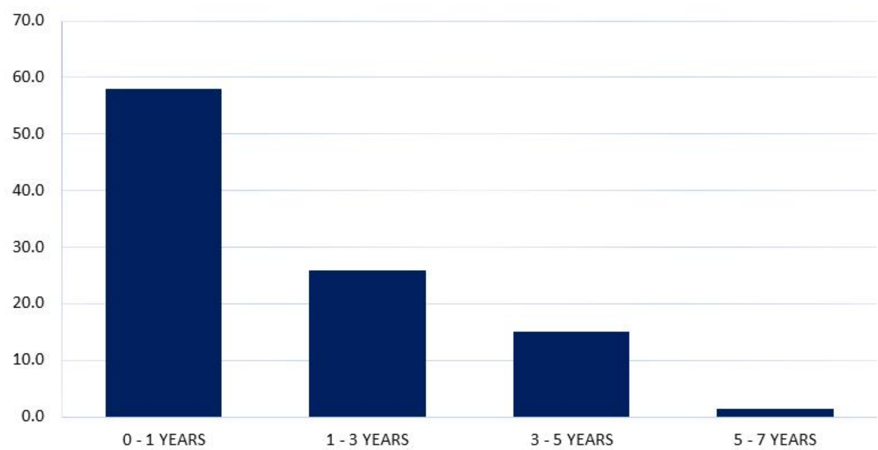
Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 2 ST AGCY FF&C		
AMHERST PIERPONT	250,004,861	23.16
US TREASURY N/B	62,468,297	5.79
US TREASURY FRN	40,034,451	3.71
US TREASURY N/B	30,089,621	2.79
TREASURY BILL	29,983,822	2.78
TREASURY BILL	29,953,440	2.77
GOVERNMENT NATIONAL MORTGAGE A	24,329,787	2.25
US TREASURY N/B	20,272,066	1.88
US TREASURY N/B	20,056,053	1.86
US TREASURY FRN	20,017,130	1.85

Duration Distribution



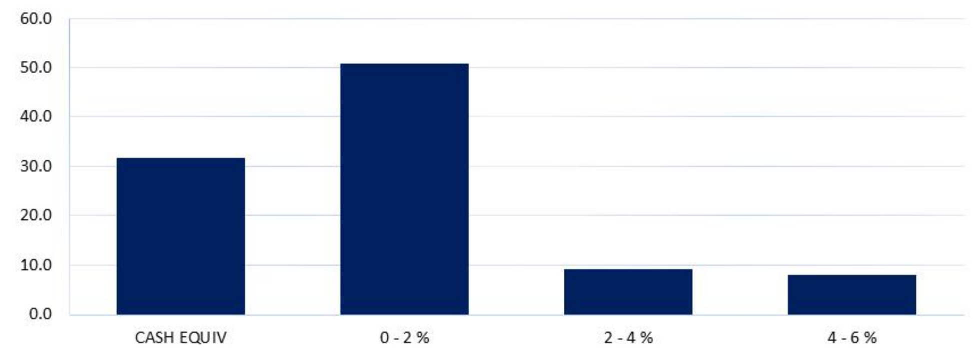
Expected Maturity Distribution



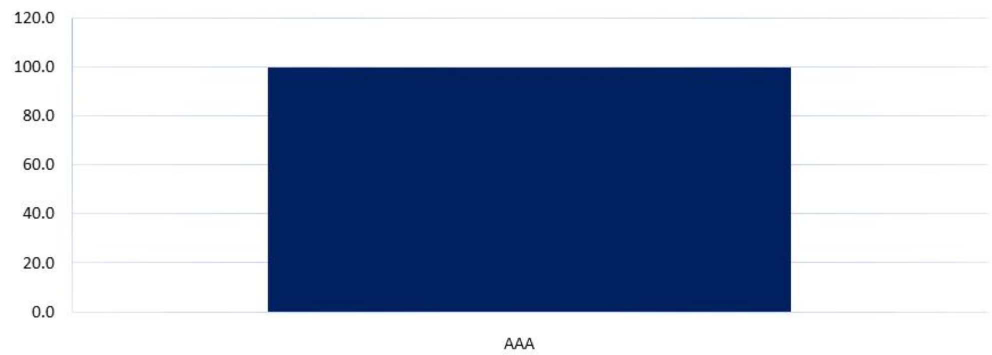
Portfolio Level Characteristics

	POOL 2 ST AGCY FF&C
Weighted Average Life	1.35
Coupon	1.55
Effective Duration	0.95
Quality Rating (Moody's)	AAA

Coupon Distribution



Rating Distribution



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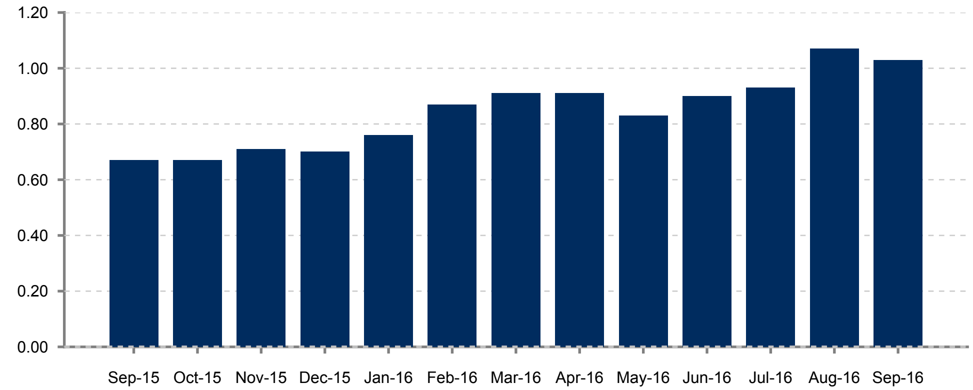
POOL 3 ST AGCY INT.

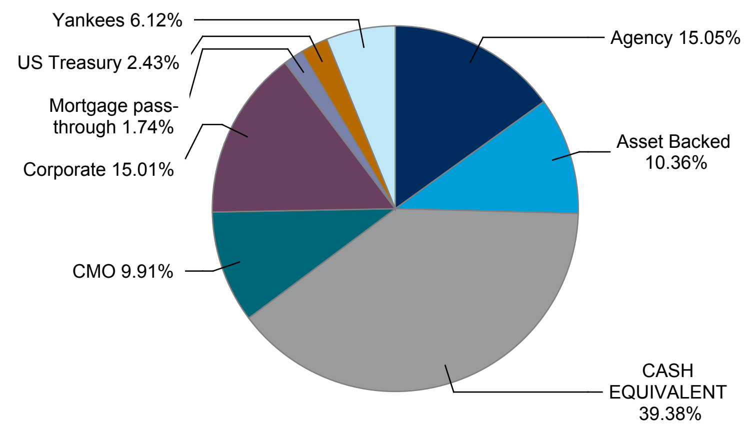
Net Yield



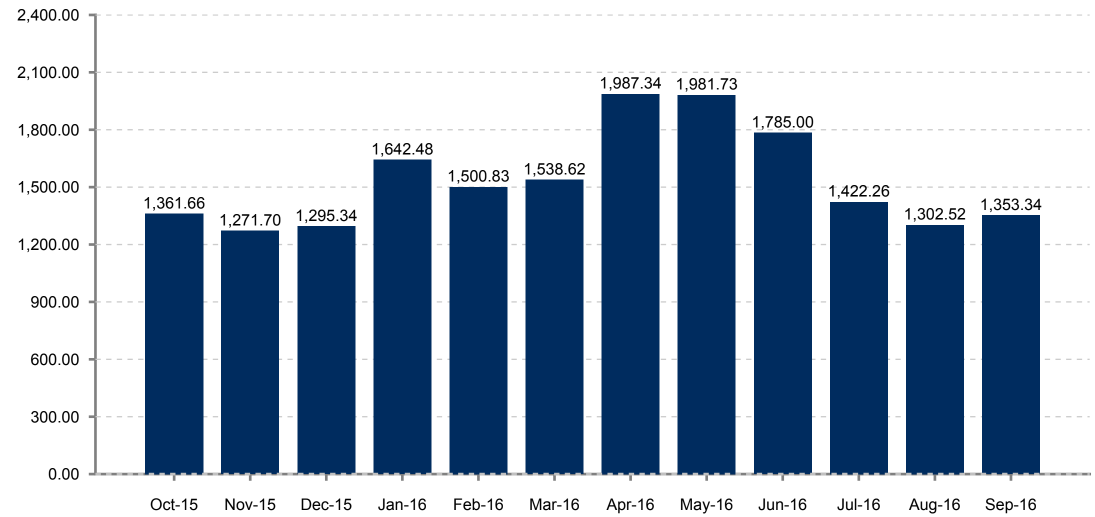
	Current Mth	Prior Mth	1 Year Ago
POOL 3 ST AGCY INT.	1.03	1.07	0.67

Asset Allocation

	Ending Market Value
POOL 3 ST AGCY INT.	1,353,344,261



Net Asset Values over Time ($MM)



Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 3 ST AGCY INT.		
SOUTH STREET REPO	290,826,524	21.49
CANADIAN IMPERIAL BK	30,013,009	2.22
FREDDIE MAC	30,011,022	2.22
ANGLESEA FDG PLC & ANG	24,999,070	1.85
MOUNTCLIFF	24,956,368	1.84
ATLANTIC ASSET SECUR	24,954,403	1.84
CONCORD MIN CPTL CO	24,953,958	1.84
SHEFFIELD RECEIVABLE	24,944,445	1.84
FEDERAL FARM CREDIT BANK	24,933,889	1.84
WESTPAC BANKING CORP.	24,825,195	1.83

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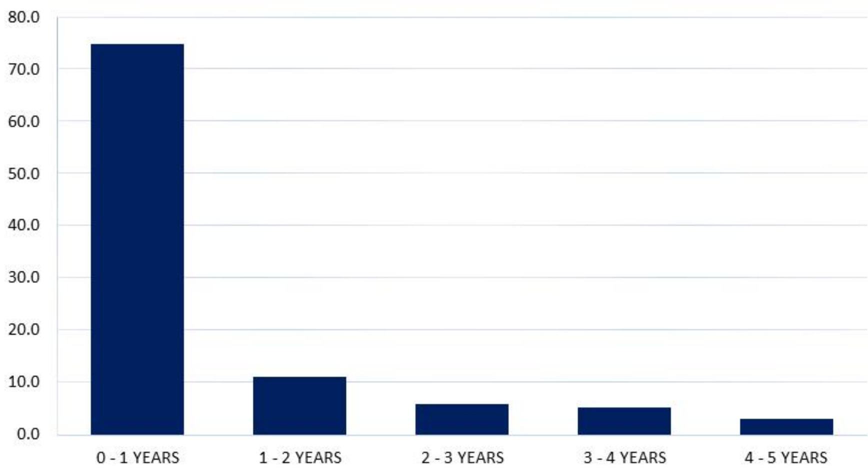
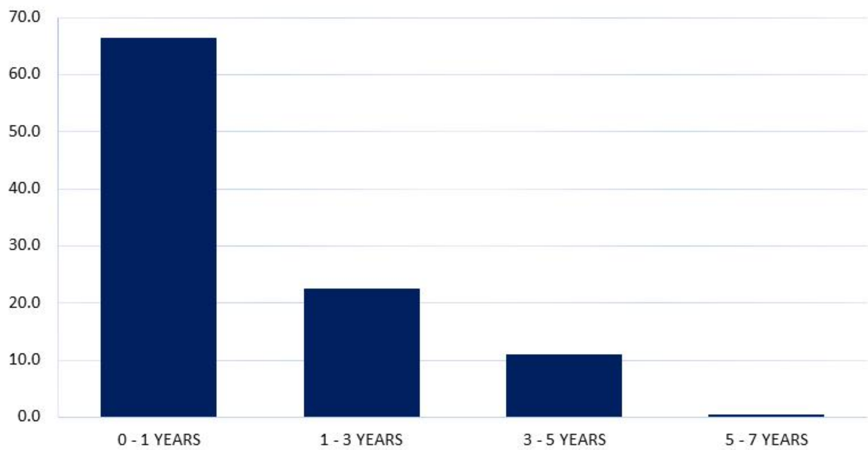
POOL 3 ST AGCY INT

STATE STREET.

Duration Distribution



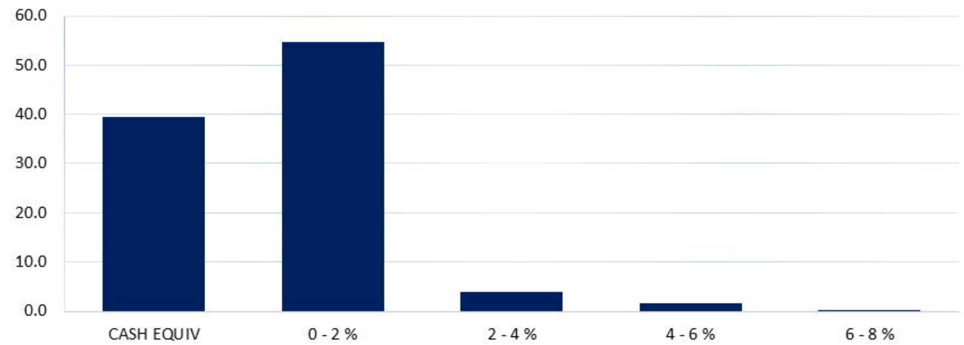
Expected Maturity Distribution



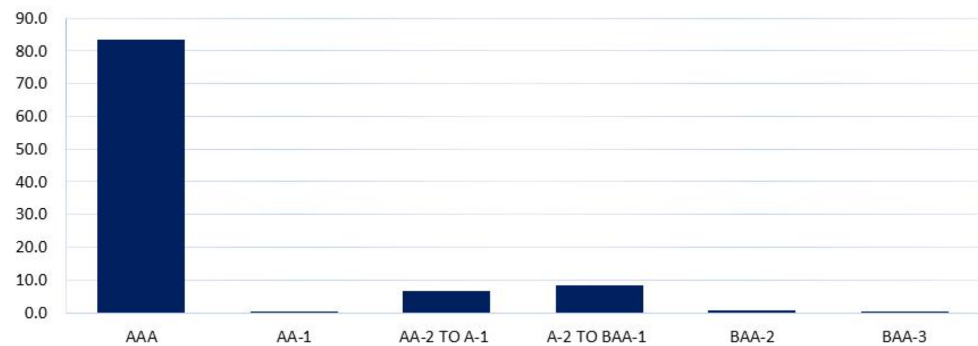
Portfolio Level Characteristics

	POOL 3 ST AGCY INT.
Weighted Average Life	1.02
Coupon	1.12
Effective Duration	0.73
Quality Rating (Moody's)	AA-1

Coupon Distribution



Rating Distribution



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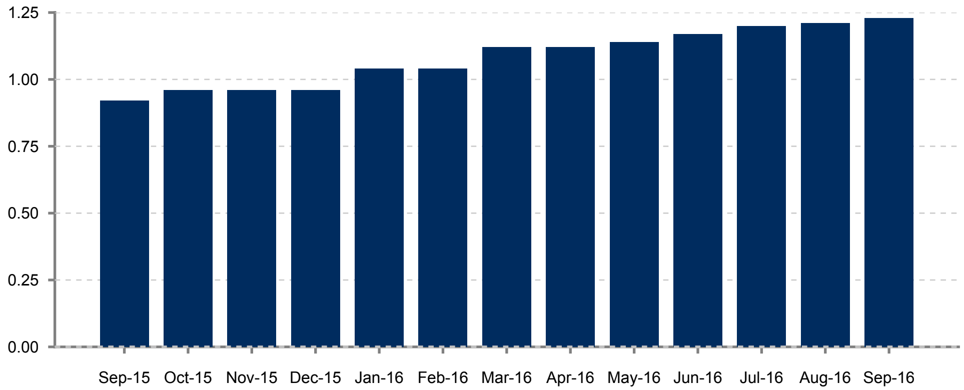
POOL 3 ST AGCY EXT.

STATE STREET.

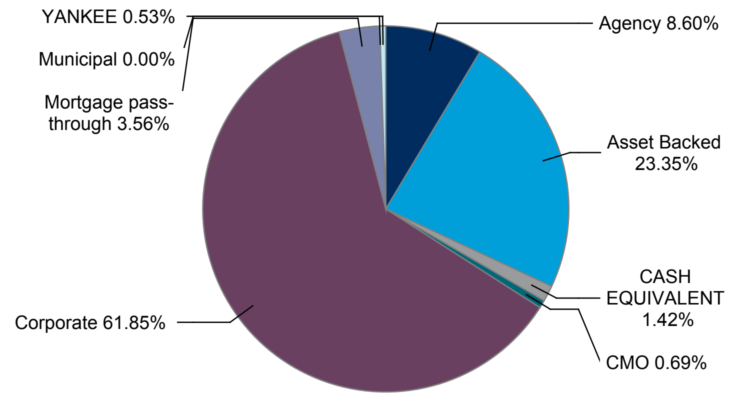
Net Yield



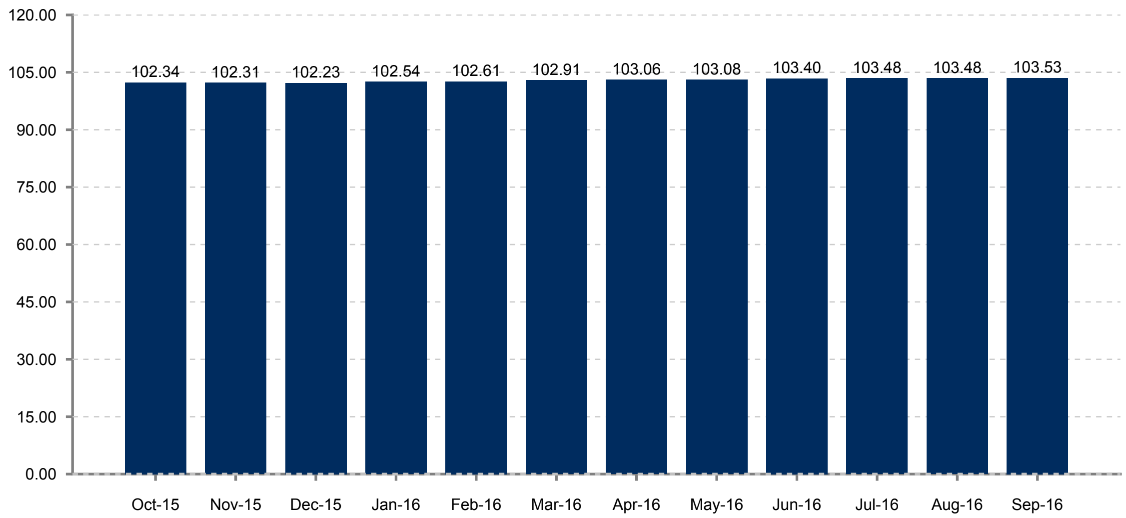
	Current Mth	Prior Mth	1 Year Ago
POOL 3 ST AGCY EXT.	1.23	1.21	0.92

Asset Allocation

	Ending Market Value
POOL 3 ST AGCY EXT.	103,529,910



Net Asset Values over Time ($MM)



Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 3 ST AGCY EXT.		
FANNIE MAE	2,999,481	2.90
FREDDIE MAC	2,806,437	2.71
FNMA POOL MA1443	2,575,347	2.49
DISCOVER CARD EXECUTION NOTE T	2,123,802	2.05
FANNIE MAE	2,002,505	1.93
CITIBANK CREDIT CARD ISSUANCE	1,732,479	1.67
3M COMPANY	1,544,382	1.49
PEPSICO INC	1,504,313	1.45
APPLE INC	1,403,793	1.36
PNC BANK NA	1,402,674	1.35

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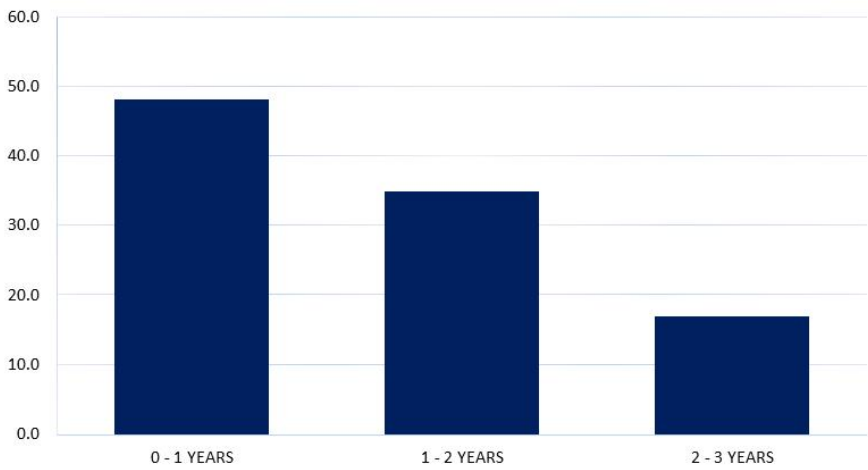
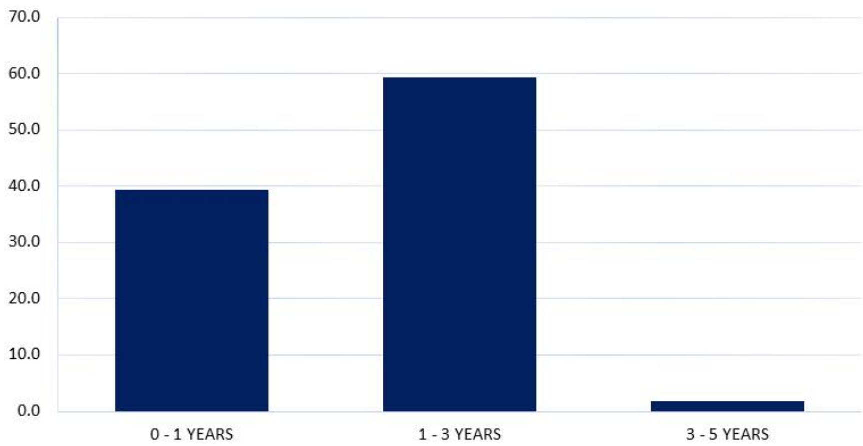
POOL 3 ST AGCY EXT

Duration Distribution



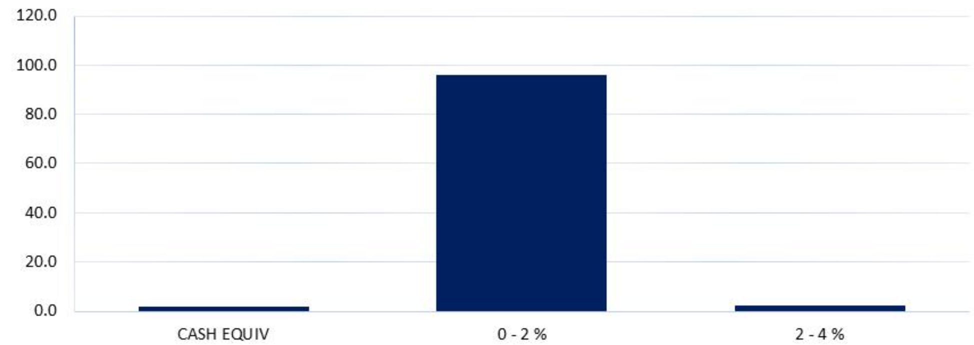
Expected Maturity Distribution



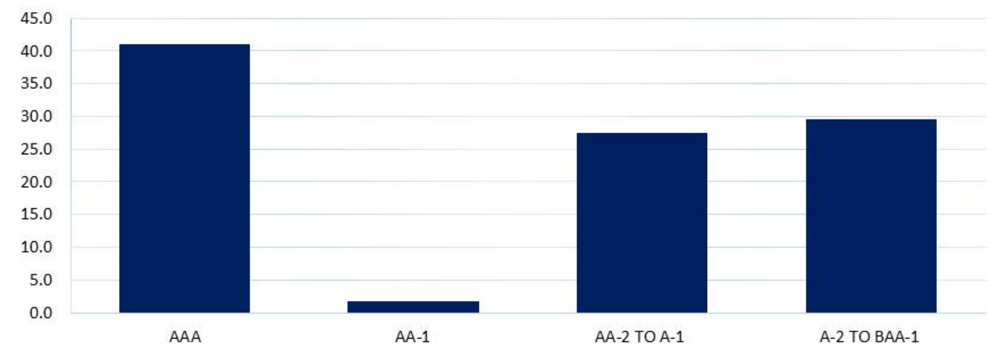
Portfolio Level Characteristics

	POOL 3 ST AGCY EXT.
Weighted Average Life	1.39
Coupon	1.28
Effective Duration	1.07
Quality Rating (Moody's)	A-1

Coupon Distribution



Rating Distribution



OFFICE OF THE ARIZONA STATE TREASURER

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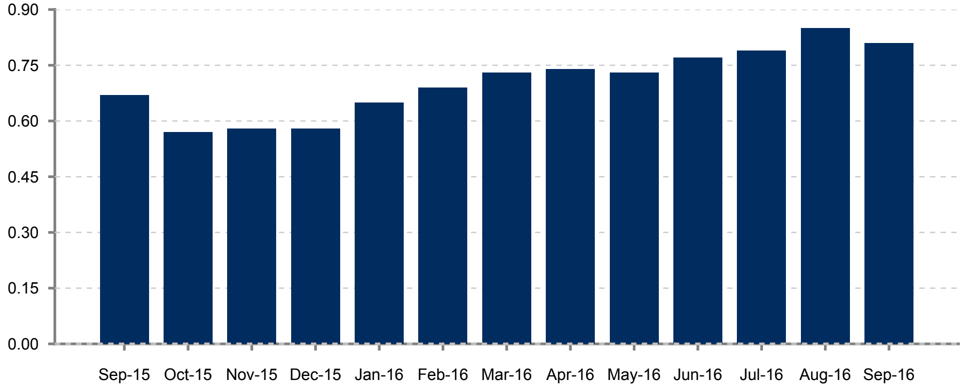
POOL 4 ST AGCY GOV.

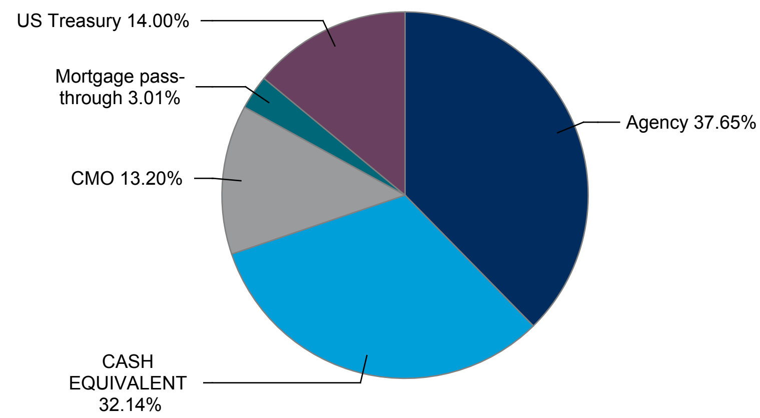
Net Yield



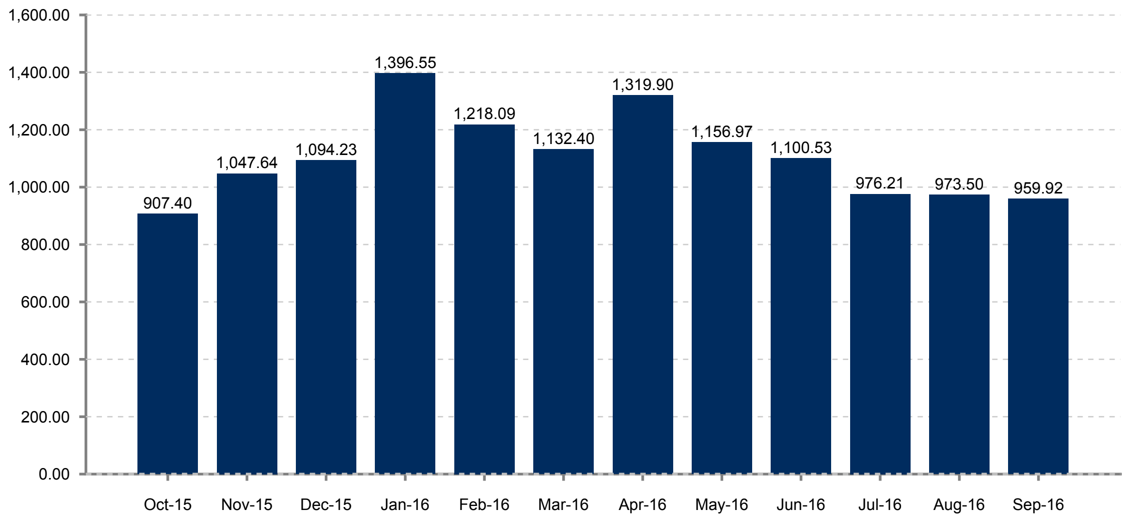
	Current Mth	Prior Mth	1 Year Ago
POOL 4 ST AGCY GOV.	0.81	0.85	0.67

Asset Allocation

	Ending Market Value
POOL 4 ST AGCY GOV.	959,916,043



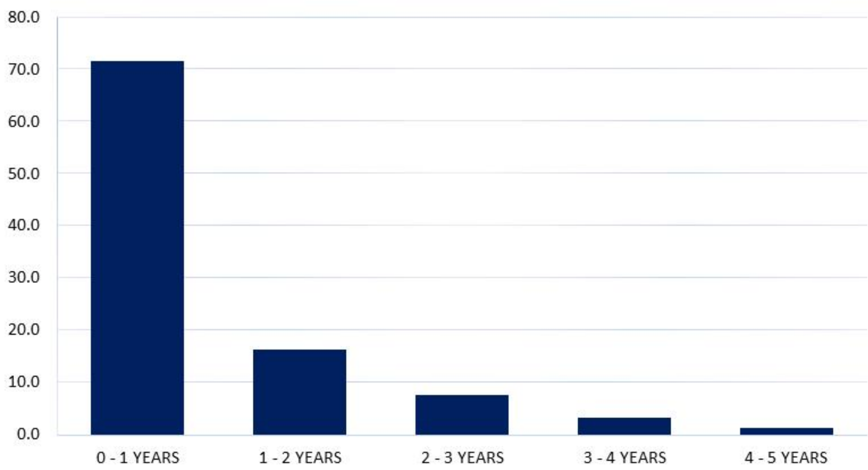
Net Asset Values over Time ($MM)



Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 4 ST AGCY GOV.		
SOUTH STREET REPO	159,185,351	16.58
SOUTH STREET REPO	61,209,415	6.38
FED HOME LN DISCOUNT NT	29,993,933	3.12
FANNIEMAE ACES	21,759,045	2.27
FARMER MAC	20,141,778	2.10
FEDERAL FARM CREDIT BANK	20,080,085	2.09
US TREASURY N/B	20,059,748	2.09
FEDERAL FARM CREDIT BANK	20,013,165	2.08
FEDERAL FARM CREDIT BANK	20,007,381	2.08
FREDDIE MAC	20,007,348	2.08

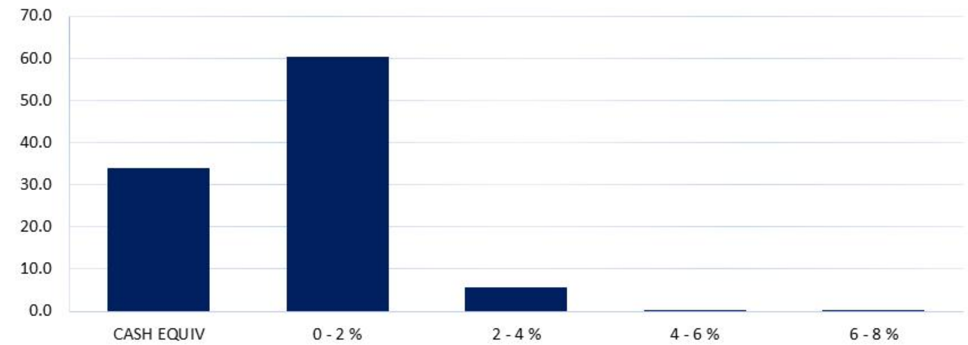
Duration Distribution



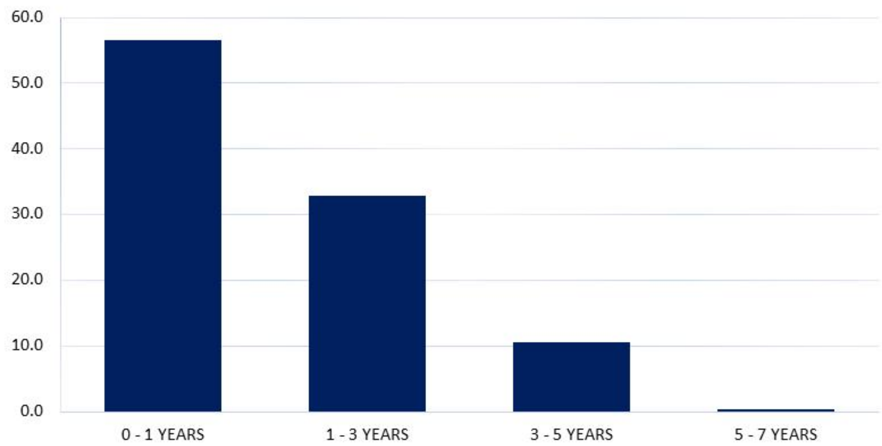
Portfolio Level Characteristics

	POOL 4 ST AGCY GOV.
Weighted Average Life	1.14
Coupon	0.95
Effective Duration	0.74
Quality Rating (Moody's)	AAA

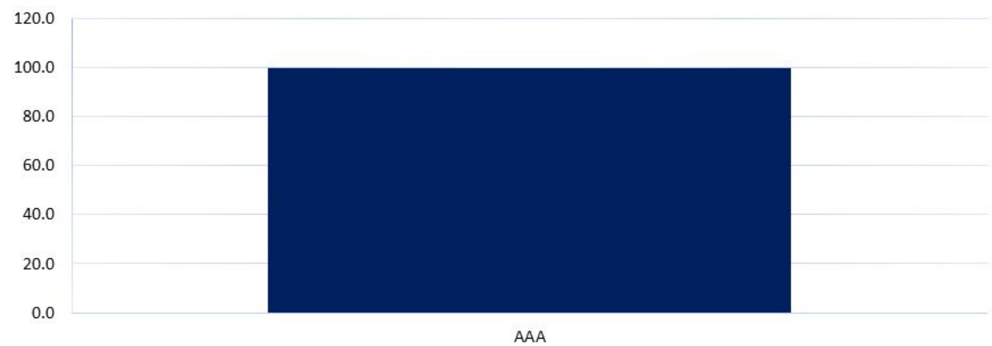
Coupon Distribution



Expected Maturity Distribution



Rating Distribution



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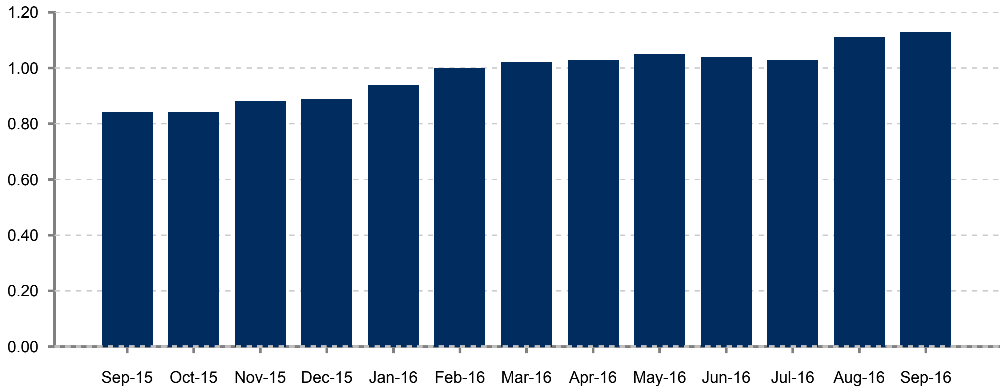
POOL 10 ST OPERATING INT

STATE STREET.

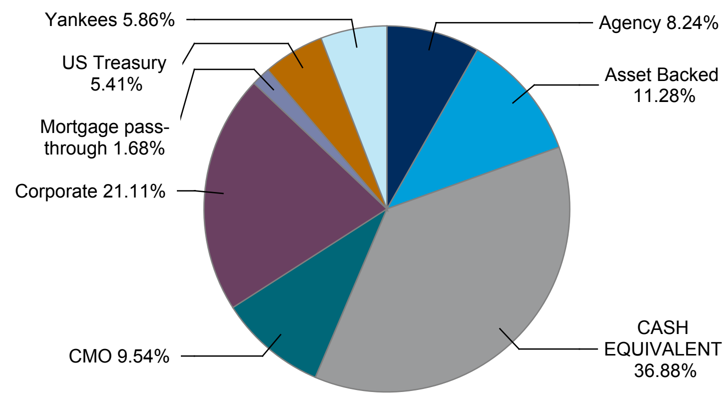
Net Yield



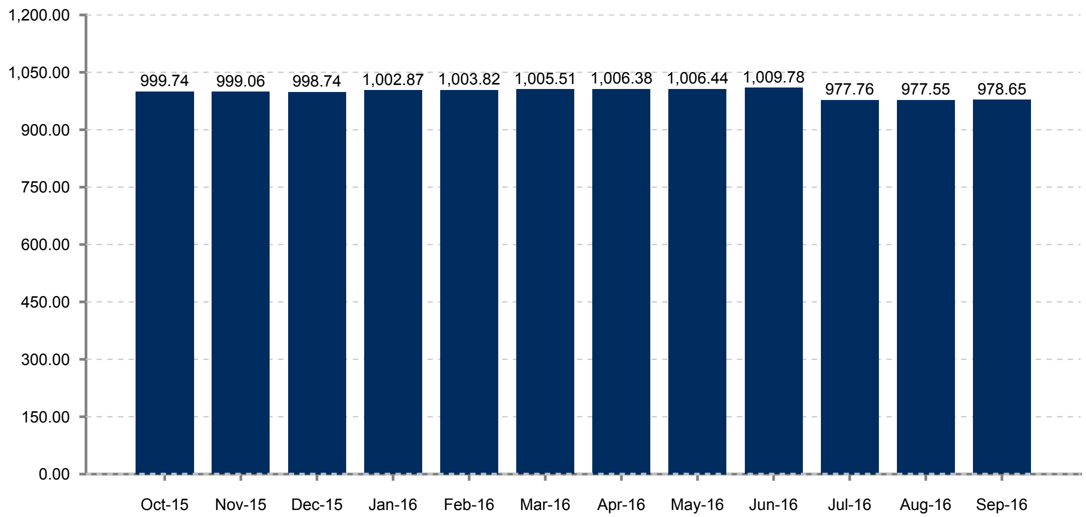
	Current Mth	Prior Mth	1 Year Ago
POOL 10 ST OPER INT	1.13	1.11	0.84

Asset Allocation

	Ending Market Value
POOL 10 ST OPER INT	978,646,923



Net Asset Values over Time ($MM)



Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 10 ST OPER INT		
KELLS FDG LLC	29,978,183	3.06
ANGLESEA FDG PLC & ANG	24,999,070	2.55
MANHATTAN ASSET FDG.	24,967,333	2.55
ATLANTIC ASSET SECUR	24,954,403	2.55
ING (US) FUNDING LLC	24,906,161	2.54
WESTPAC BANKING CORP.	24,825,195	2.54
US TREASURY N/B	20,435,980	2.09
GUGGENHEIM SECURITIES REPO	20,373,850	2.08
MIZUHO BANK LTD	20,033,500	2.05
BNK OF TKYO-MTBSHI L	20,008,809	2.04

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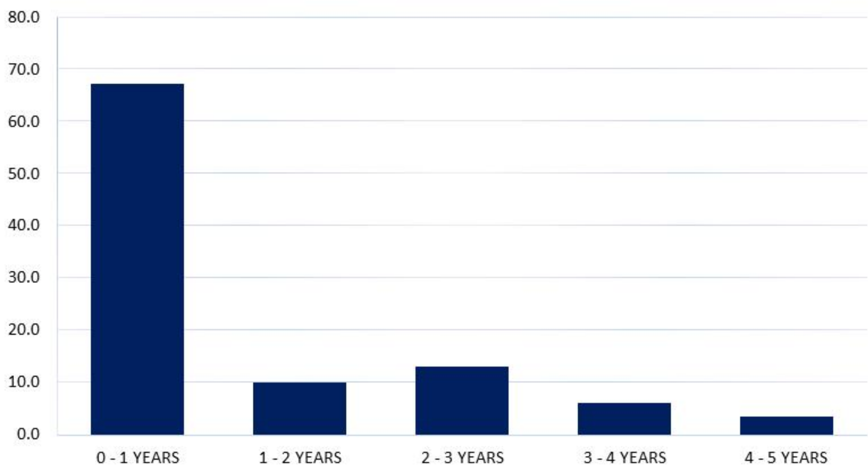
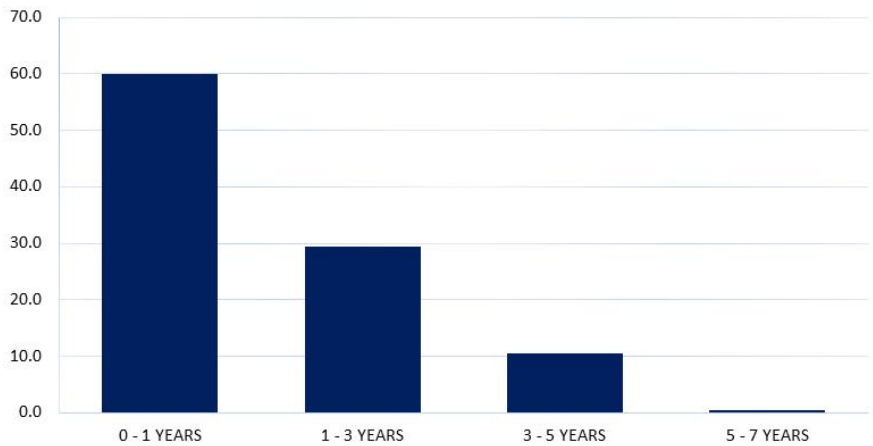
POOL 10 ST OPERATING INT

STATE STREET.

Duration Distribution



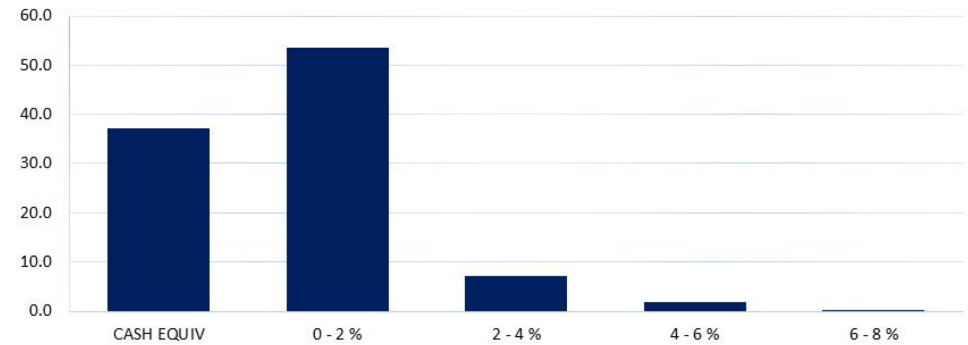
Expected Maturity Distribution



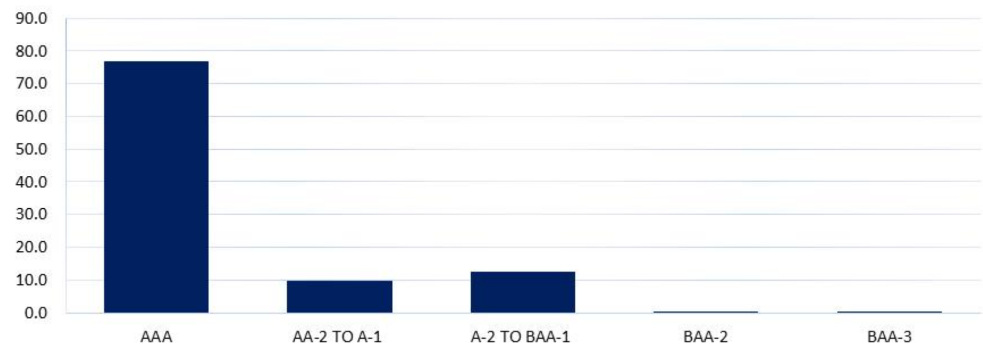
Portfolio Level Characteristics

	POOL 10 ST OPERATING INT
Weighted Average Life	1.15
Coupon	1.02
Effective Duration	1.00
Quality Rating (Moody's)	AA-2

Coupon Distribution



Rating Distribution



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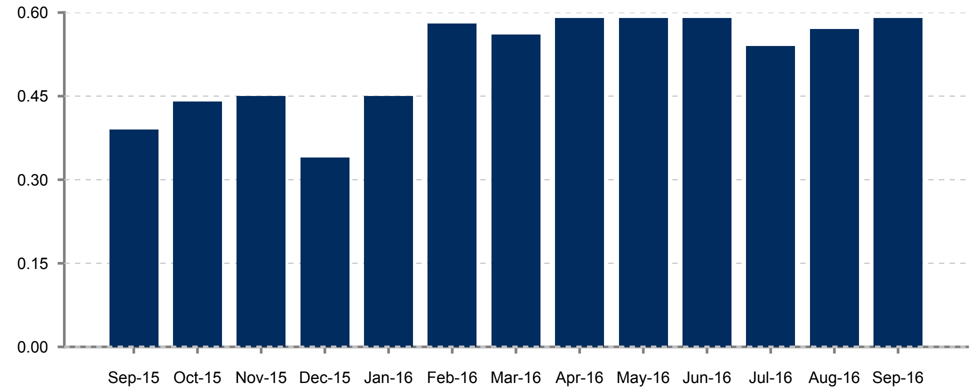
POOL 10 ST OPERATING Ext

STATE STREET.

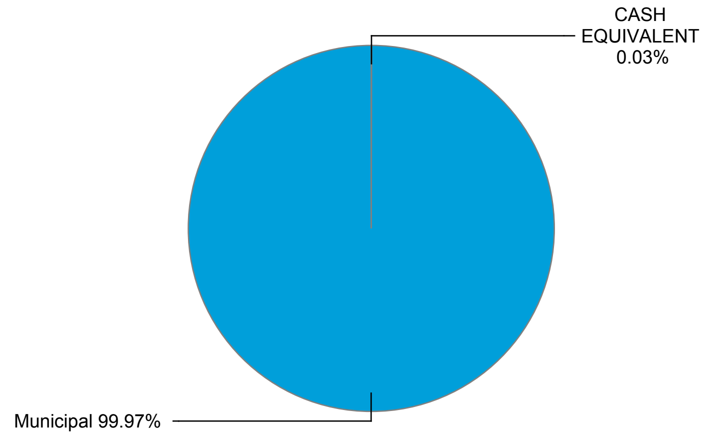
Net Yield



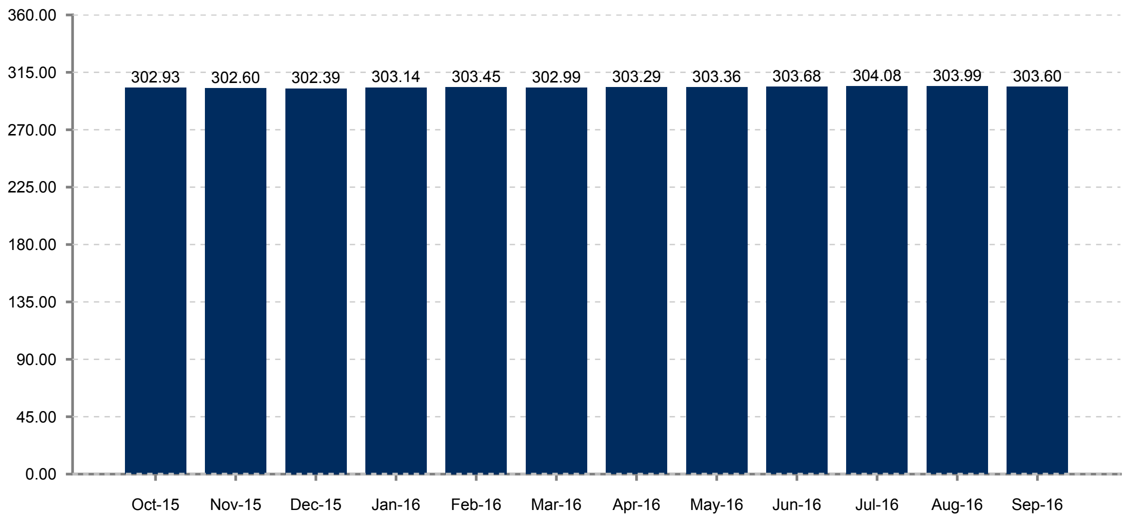
	Current Mth	Prior Mth	1 Year Ago
POOL 10 ST OPERATING	0.59	0.57	0.39

Asset Allocation

	Ending Market Value
POOL 10 ST OPERATING	303,597,875



Net Asset Values over Time ($MM)



Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 10 ST OPERATING		
WISCONSIN ST HLTH EDUCTNL FA	12,807,537	4.22
PORTLAND OR CMNTY CLG DIST	12,265,991	4.04
HOUSTON TX INDEP SCH DIST	11,593,865	3.82
PORTLAND OR SWR SYS REVENUE	11,485,393	3.78
VIRGINIA BEACH VA	10,628,580	3.50
LEAWOOD KS	10,470,254	3.45
MULTNOMAH CNTY OR SCH DIST 1J	10,434,841	3.44
MADISON WI	10,398,402	3.43
NORTH SLOPE BORO AK	10,232,130	3.37
IDAHO ST	10,133,809	3.34

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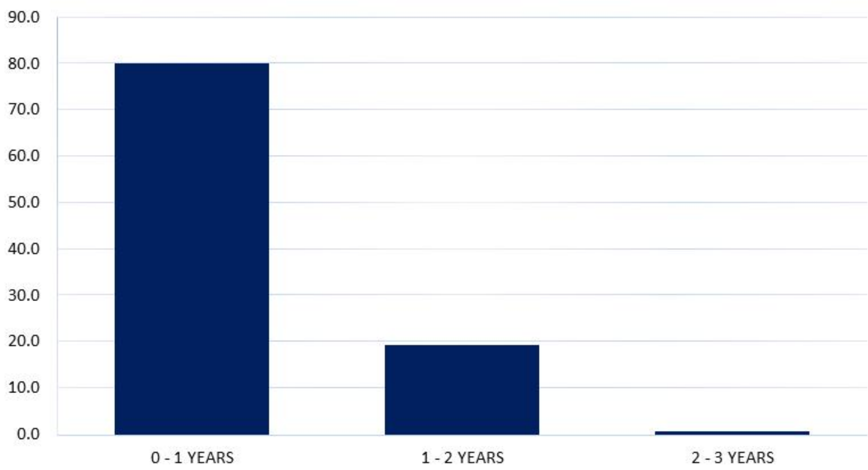
POOL 10 ST OPERATING Ext

STATE STREET.

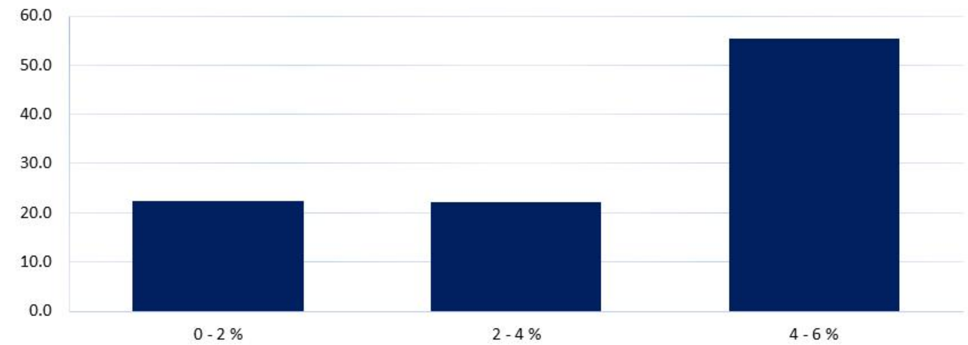
Duration Distribution



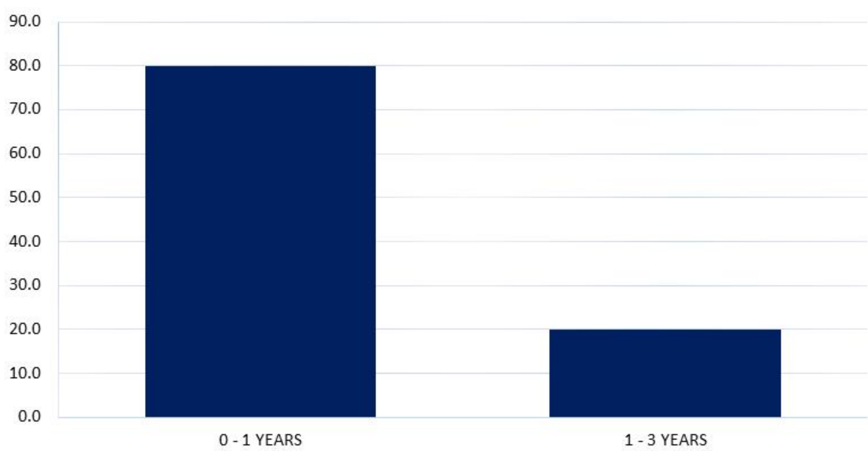
Portfolio Level Characteristics

	POOL 10 ST OPERATING
Weighted Average Life	0.70
Coupon	3.87
Effective Duration	0.68
Quality Rating (Moody's)	AA-1

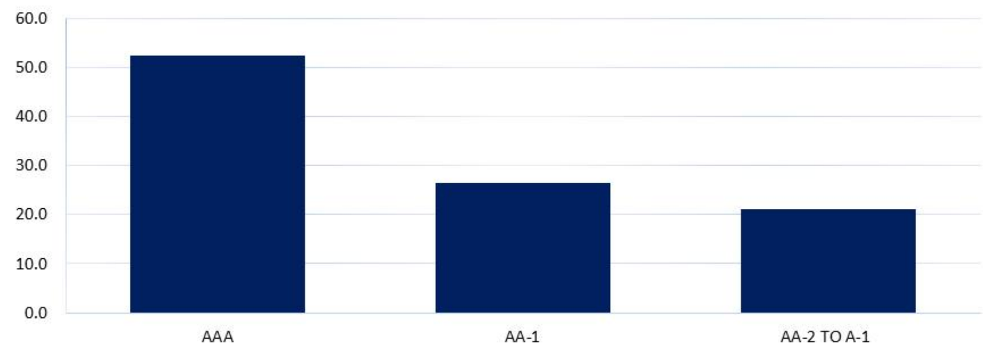
Coupon Distribution



Expected Maturity Distribution



Rating Distribution



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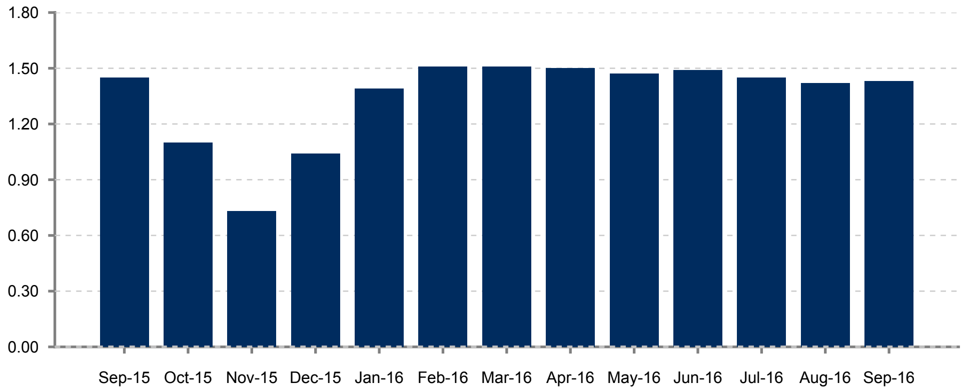
POOL 12 CAWCD MED TRM

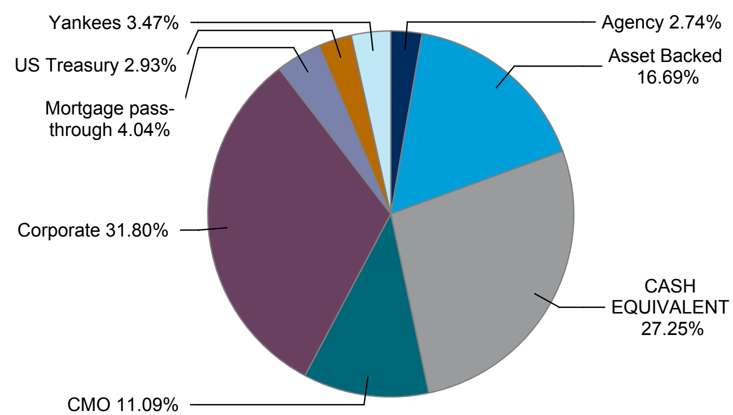
Net Yield



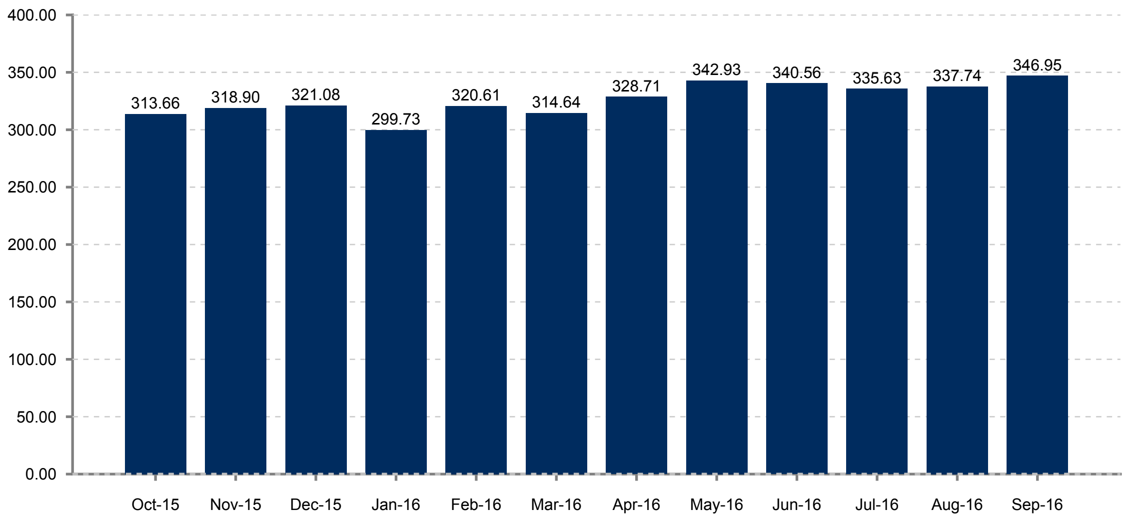
	Current Mth	Prior Mth	1 Year Ago
POOL 12 CAWCD MED TRM	1.43	1.42	1.45

Asset Allocation

	Ending Market Value
POOL 12 CAWCD MED TRM	346,948,650



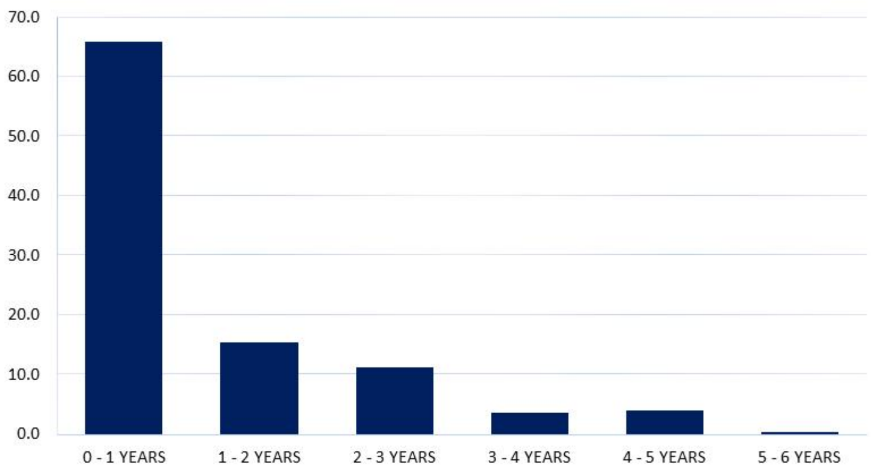
Net Asset Values over Time ($MM)



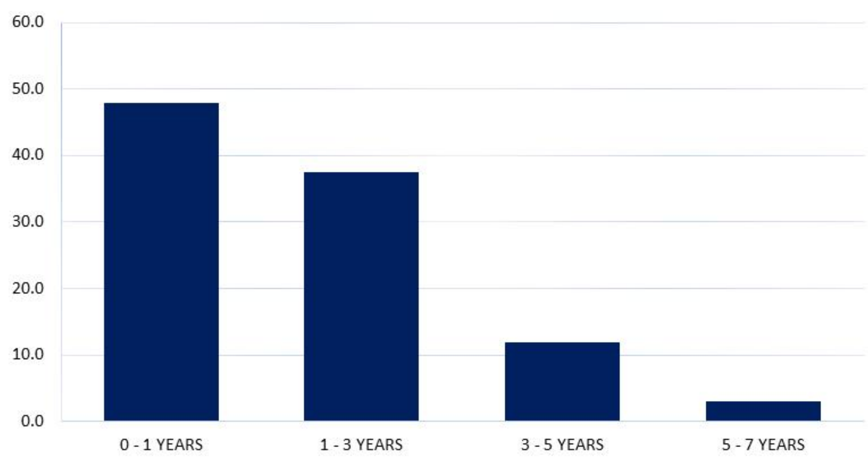
Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 12 CAWCD MED TRM		
GUGGENHEIM SECURITIES REPO	30,680,030	8.84
GM FINANCIAL AUTOMOBILE LEASIN	10,062,481	2.90
HONDA AUTO RECEIVABLES OWNER T	6,014,588	1.73
FNMA POOL AV9175	5,770,517	1.66
FANNIE MAE	5,471,157	1.58
US TREASURY N/B	5,071,985	1.46
APPLE INC	5,065,643	1.46
GOLDMAN SACHS GROUP INC	5,062,707	1.46
US TREASURY N/B	5,036,528	1.45
TOYOTA MOTOR CREDIT CORP	5,035,017	1.45

Duration Distribution



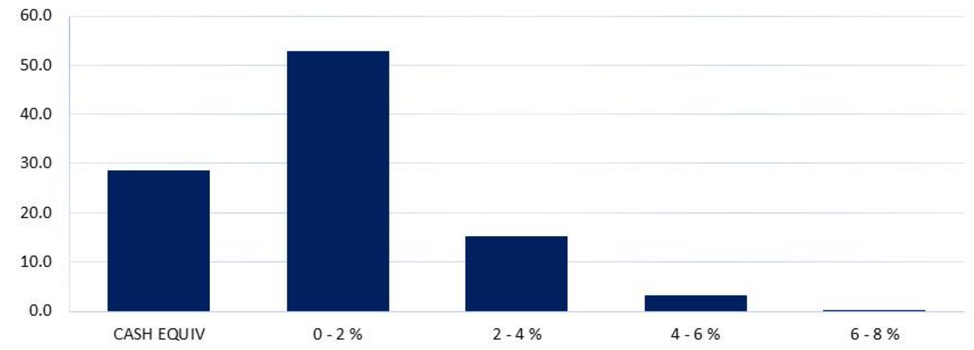
Expected Maturity Distribution



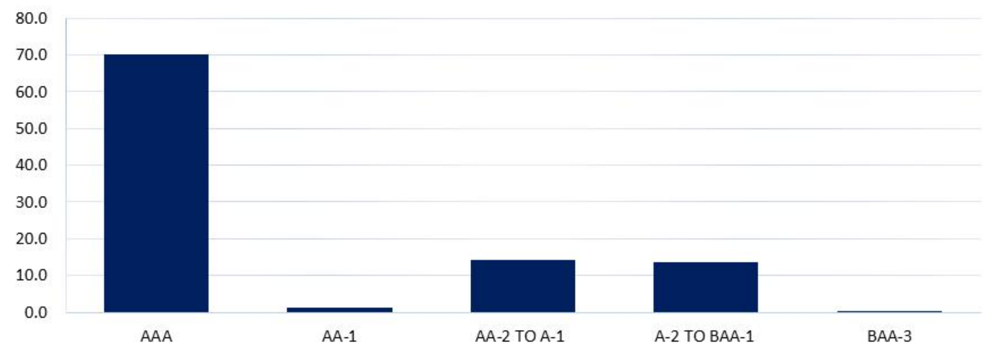
Portfolio Level Characteristics

	POOL 12 CAWCD MED TRM
Weighted Average Life	1.45
Coupon	1.52
Effective Duration	0.97
Quality Rating (Moody's)	AA-3

Coupon Distribution



Rating Distribution



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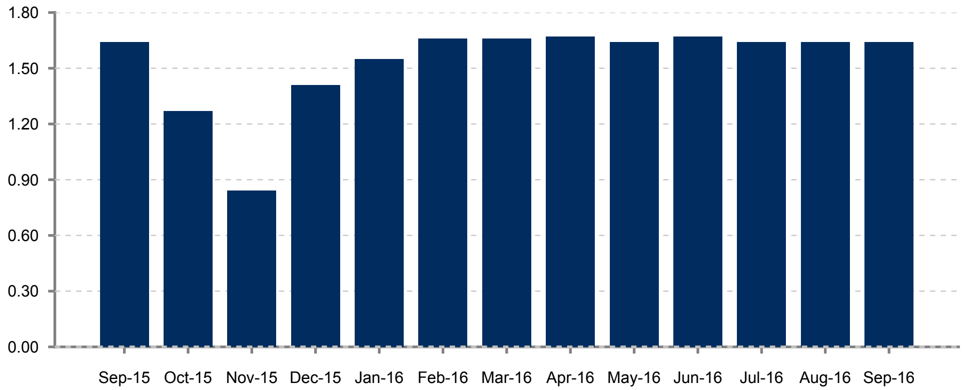
POOL 16 ECDHB

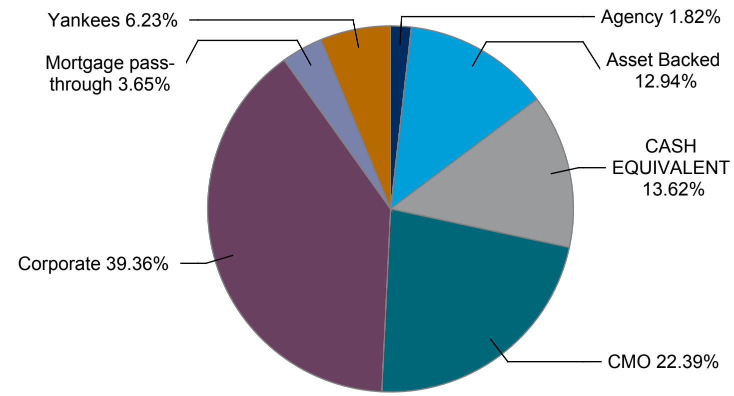
Net Yield



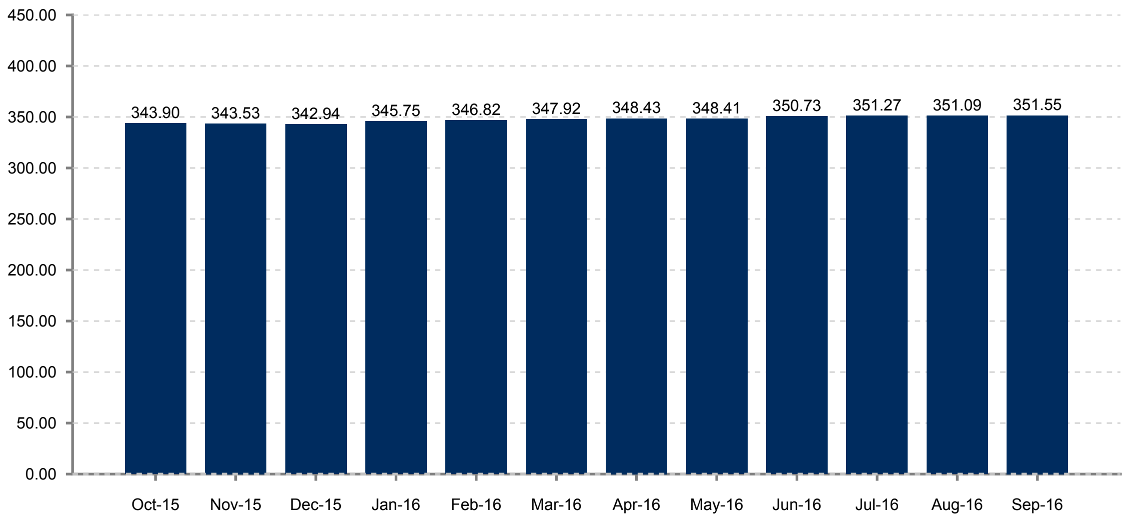
	Current Mth	Prior Mth	1 Year Ago
POOL 16 ECDHB	1.64	1.64	1.64

Asset Allocation

	Ending Market Value
POOL 16 ECDHB	351,554,462



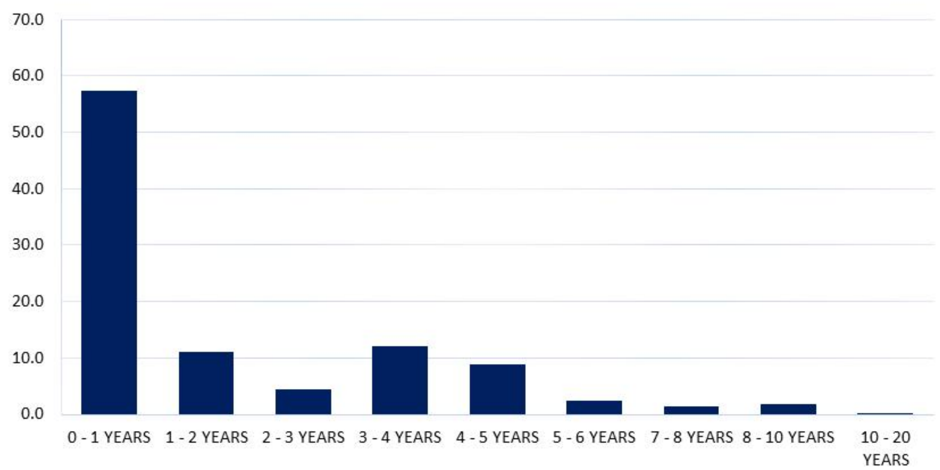
Net Asset Values over Time ($MM)



Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 16 ECDHB		
GUGGENHEIM SECURITIES REPO	11,000,260	3.13
FREDDIEMAC STRIP	7,241,133	2.06
NATIONAL CITY BANK	7,006,806	1.99
FANNIE MAE	6,605,470	1.88
FREDDIE MAC	5,912,306	1.68
FREDDIE MAC	5,705,868	1.62
FHLMC MULTIFAMILY STRUCTURED P	5,318,884	1.51
FREDDIE MAC	5,259,502	1.50
GOVERNMENT NATIONAL MORTGAGE A	5,217,777	1.48
FANNIE MAE	5,187,487	1.48

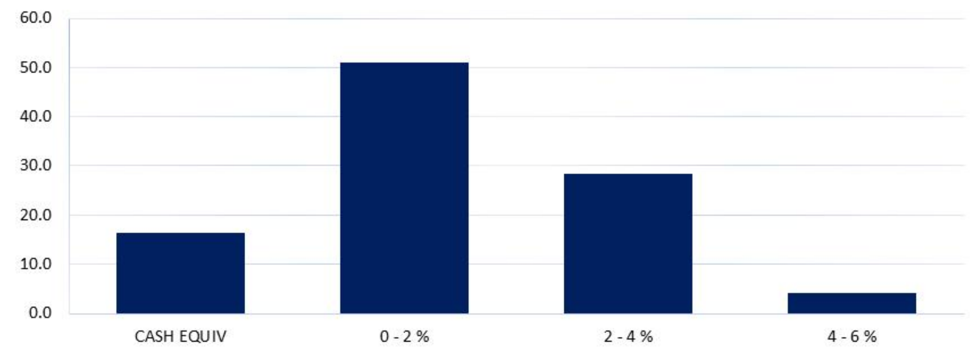
Duration Distribution



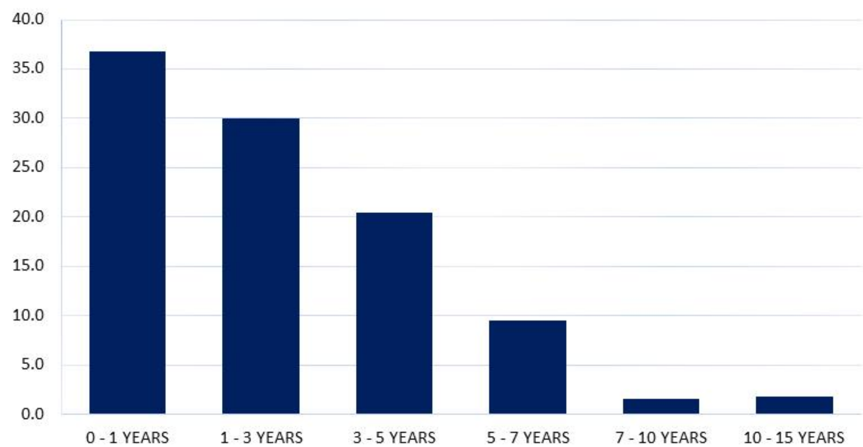
Portfolio Level Characteristics

	POOL 16 ECDHB
Weighted Average Life	2.32
Coupon	1.81
Effective Duration	1.63
Quality Rating (Moody's)	AA-3

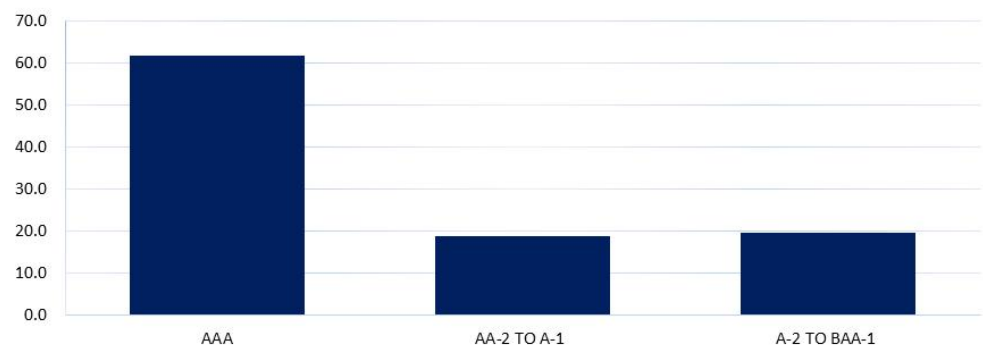
Coupon Distribution



Expected Maturity Distribution



Rating Distribution



LGIP & LGIP- GOV
PORTFOLIO YIELD ANALYSIS
SEPTEMBER 2016

NET EARNINGS

FUND	DESCRIPTION	Current Month 09/30/16	Prior Month 08/31/16	Prior Year 09/30/15	Net Asset Value Per Share
5	**LGIP**	416,711	428,094	**144,885**	1.0000
7	**LGIP - GOV**	311,664	344,371	**79,269**	1.0000
	TOTAL LGIP & LGIP-GOV	**728,375**	**772,466**	**224,154**	

YIELDS

	MONTHLY	Current Month 09/30/16	Prior Month 08/31/16	Prior Year 9/30/15
5	**LGIP (NET)**	0.47%	0.45%	**0.17%**
	S & P LGIP INDEX	0.44%	0.41%	**0.09%**
7	**LGIP - GOV (NET)**	0.38%	0.38%	**0.11%**
	3 MONTH T-BILL	0.28%	0.29%	**0.01%**
	YEAR TO DATE			
5	**LGIP (NET)**	0.45%	0.44%	**0.16%**
	S & P LGIP INDEX	0.42%	0.40%	**0.08%**
7	**LGIP - GOV (NET)**	0.38%	0.37%	**0.11%**
	3 MONTH T-BILL	0.28%	0.29%	**0.03%**

* 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
SEPTEMBER 2016

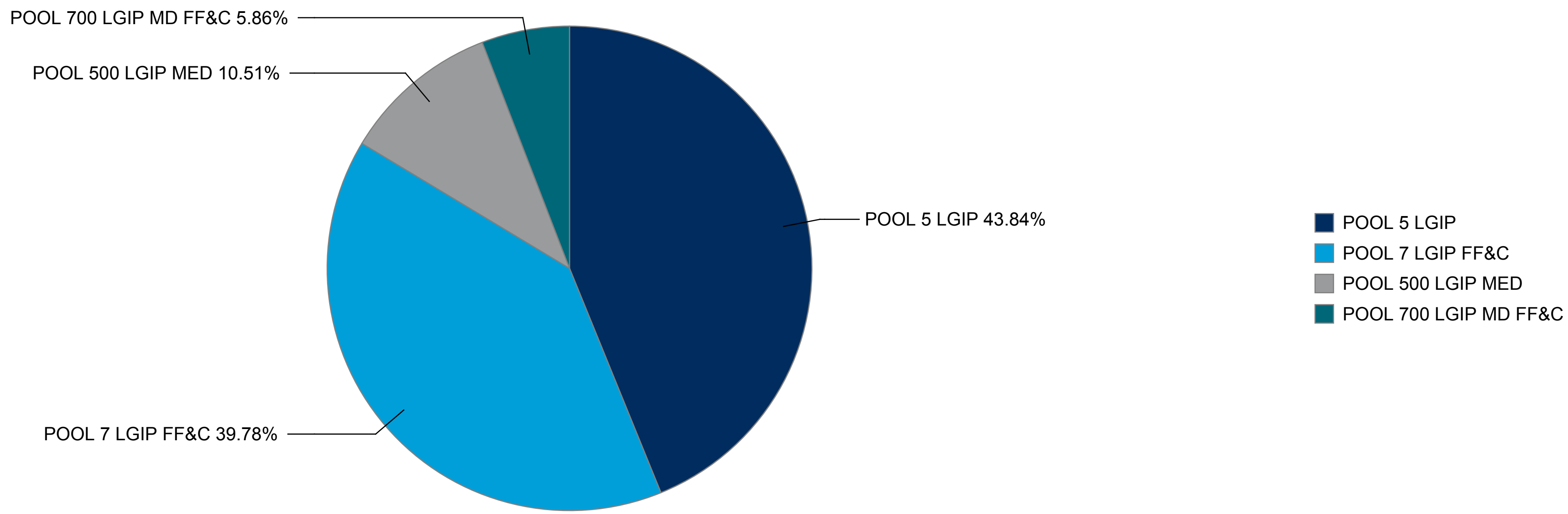
NET EARNINGS

FUND	DESCRIPTION	Current Month 09/30/16	Prior Month 08/31/16	Prior Year 09/30/15	Net Asset Value Per Share
500	**LGIP - MED TERM POOL**	286,568	299,779	**245,219**	1.0367
700	**LGIP - FF&C MED TERM POOL**	141,511	133,544	**99,373**	1.0143
	TOTAL LGIP MEDIUM TERM POOLS	**428,080**	**433,323**	**344,591**	

YIELDS

	MONTHLY	Current Month 09/30/16	Prior Month 08/31/16	Prior Year 9/30/15
500	**LGIP - MED TERM (NET)**	1.33%	1.35%	**1.23%**
	75% MERRILL 1-5 US D M INDEX / 25% S & P LGIP INDEX	1.16%	1.16%	**1.09%**
700	**LGIP - FF&C MED TERM (NET)**	1.18%	1.08%	**0.83%**
	75% MERRILL 1-5 US TREAS INDEX / 15% MERRILL US GNMA 15 YR INDEX / 10% MERRILL US 3 MO T-BILL INDEX	0.93%	0.97%	**0.92%**
	YEAR TO DATE			
500	**LGIP - MED TERM (NET)**	1.32%	1.32%	**1.20%**
	75% MERRILL 1-5 US D M INDEX / 25% S & P LGIP INDEX	1.13%	1.12%	**1.11%**
700	**LGIP - FF&C MED TERM (NET)**	1.11%	1.07%	**0.87%**
	75% MERRILL 1-5 US TREAS INDEX / 15% MERRILL US GNMA 15 YR INDEX / 10% MERRILL US 3 MO T-BILL INDEX	0.91%	0.90%	**0.99%**

Manager Allocation



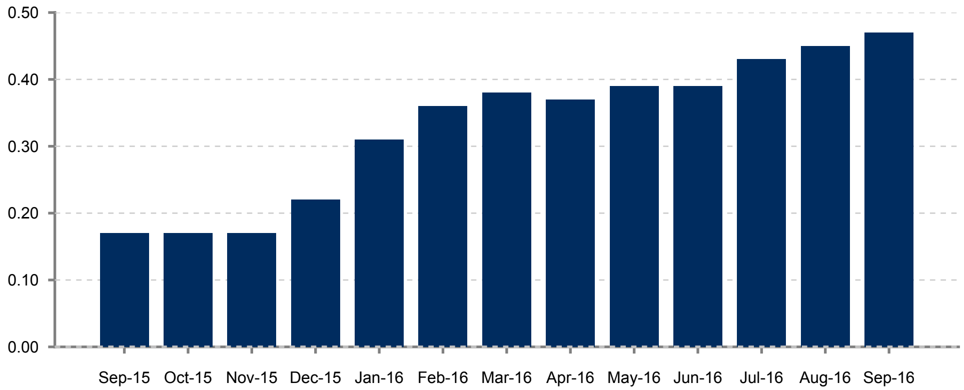
	Market Value	% of Portfolio
POOL 5 LGIP	1,096,039,703	43.8
POOL 7 LGIP FF&C	994,635,488	39.8
POOL 500 LGIP MED	262,841,884	10.5
POOL 700 LGIP MD FF&C	146,530,708	5.9
TOTAL LGIP	2,500,047,784	100.0

OFFICE OF THE ARIZONA STATE TREASURER

September 30, 2016

POOL 5 LGIP

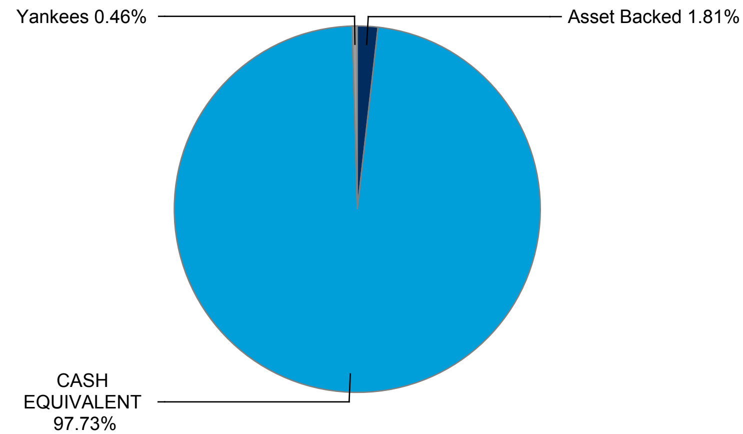
Net Yield



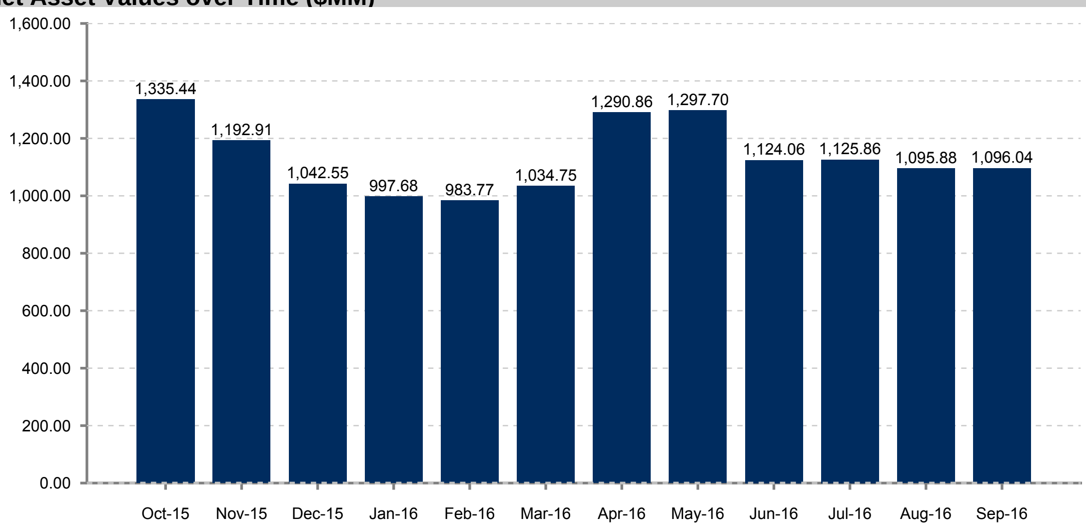
	Current Mth	Prior Mth	1 Year Ago
POOL 5 LGIP	0.47	0.45	0.17

Asset Allocation

	Ending Market Value
POOL 5 LGIP	1,096,039,703



Net Asset Values over Time ($MM)

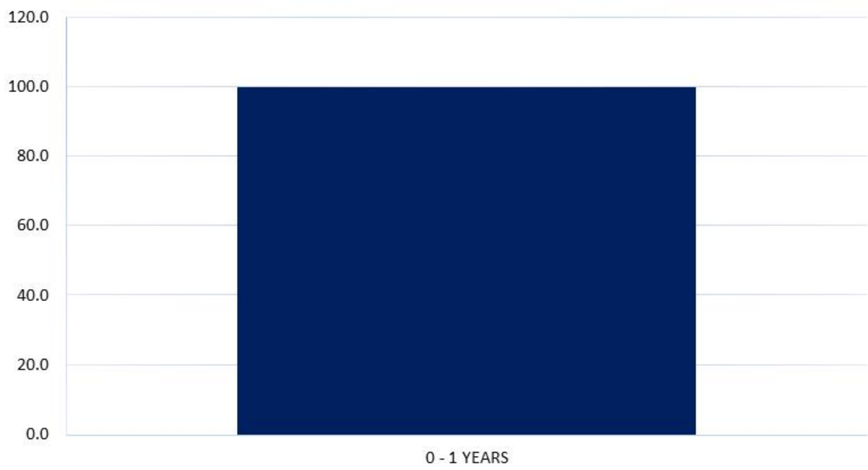


Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 5 LGIP		
WELLS FARGO REPO	150,003,583	13.69
BANK OF AMERICA REPO	100,000,972	9.12
FIDELITY INVESTMENTS MONEY	50,083,106	4.57
WELLS FARGO REPO	46,937,630	4.28
ANGLESEA FDG PLC & ANG	29,998,900	2.74
NIKE INC	29,990,775	2.74
PFIZER INC	29,978,000	2.74
ATLANTIC ASSET SECUR	29,976,875	2.74
INSTITUTIONAL SECURED	24,998,583	2.28
AMERICAN HONDA FINAN	24,992,014	2.28

STATE STREET.

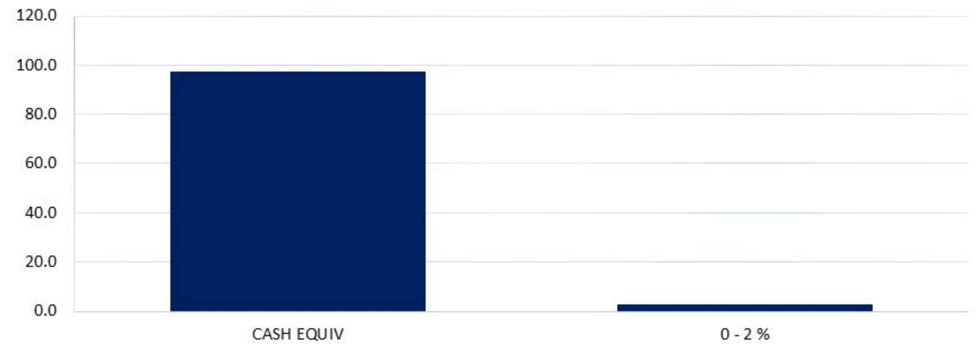
Duration Distribution



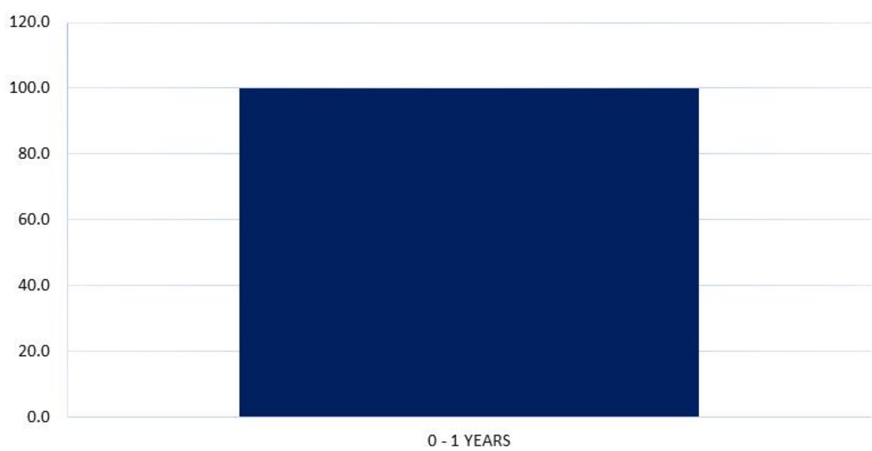
Portfolio Level Characteristics

	POOL 5 LGIP
Weighted Average Life	0.07
Coupon	0.05
Effective Duration	0.07
Quality Rating (Moody's)	AAA

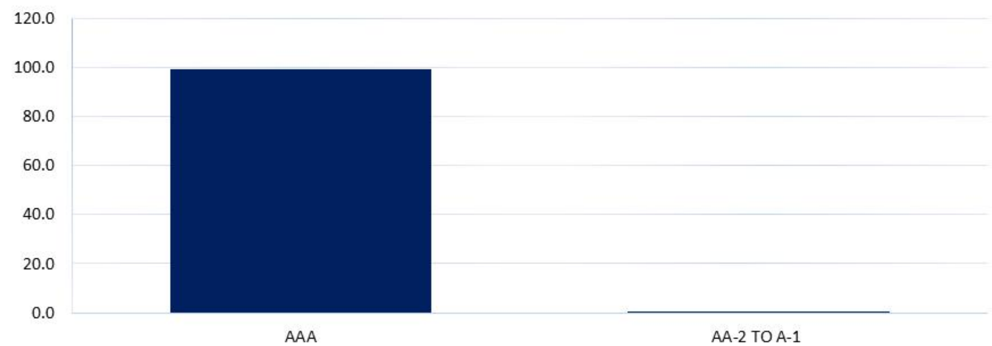
Coupon Distribution



Expected Maturity Distribution



Rating Distribution

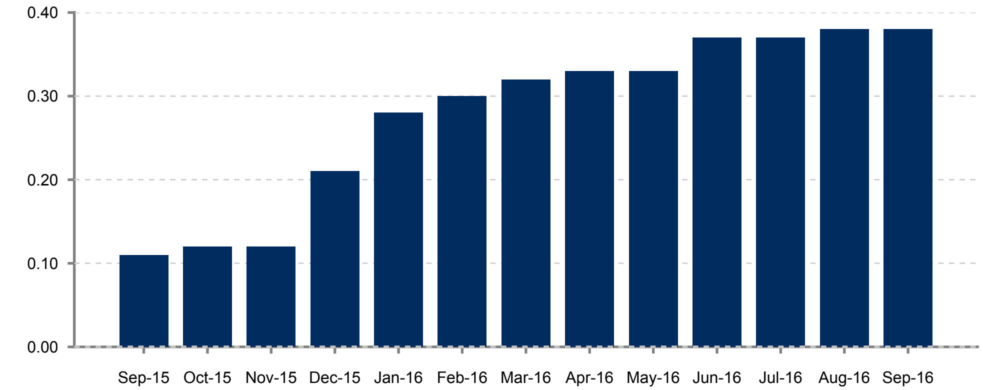


OFFICE OF THE ARIZONA STATE TREASURER

September 30, 2016

POOL 7 LGIP FF&C

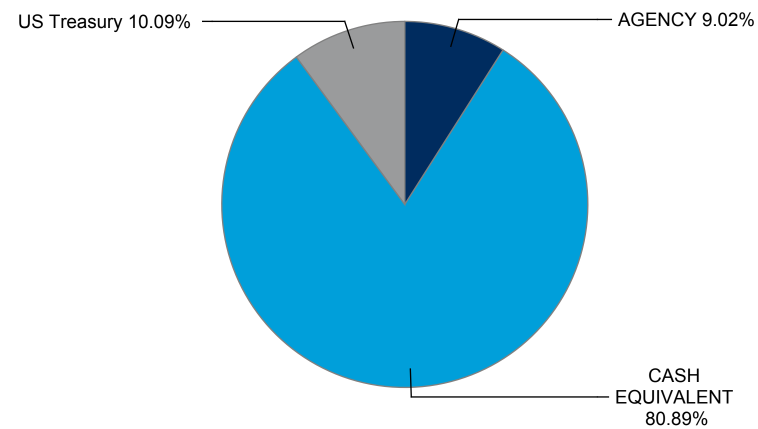
Net Yield



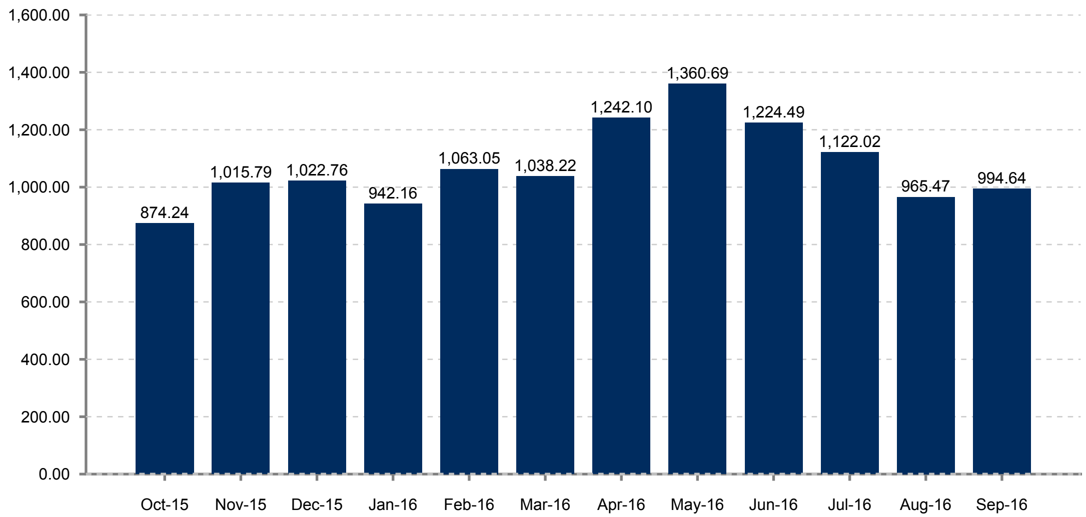
	Current Mth	Prior Mth	1 Year Ago
POOL 7 LGIP FF&C	0.38	0.38	0.11

Asset Allocation

	Ending Market Value
POOL 7 LGIP FF&C	994,635,488



Net Asset Values over Time ($MM)



Top 10 Holdings

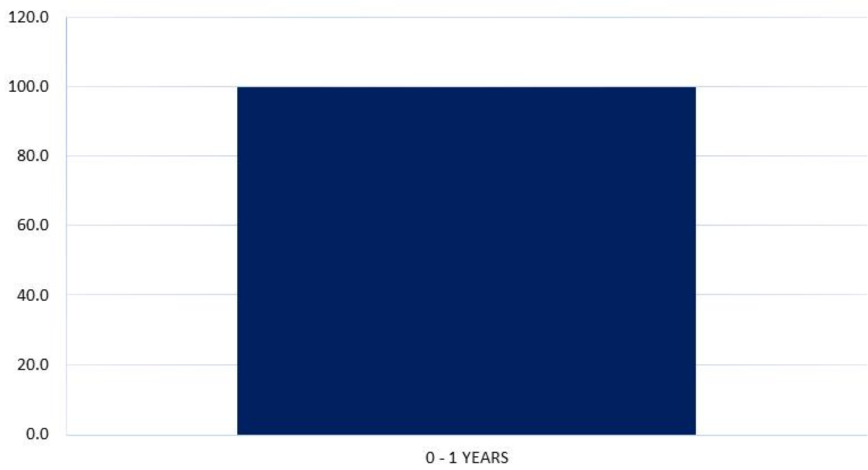
Security Name	Ending Market Value	% of Portfolio
POOL 7 LGIP FF&C		
DAIWA CAPITAL MARKETS REPO	200,003,056	20.11
WELLS FARGO REPO	150,003,583	15.08
TREASURY BILL	89,761,680	9.02
SOUTH STREET REPO	89,682,797	9.02
ALLIANCE BANK OF ARIZONA MONEY	79,361,791	7.98
TREASURY BILL	49,891,850	5.02
WELLS FARGO REPO	41,436,967	4.17
FIDELITY INVESTMENTS MONEY	40,038,111	4.03
TREASURY BILL	39,952,000	4.02
TREASURY BILL	39,937,920	4.02

OFFICE OF THE ARIZONA STATE TREASURER

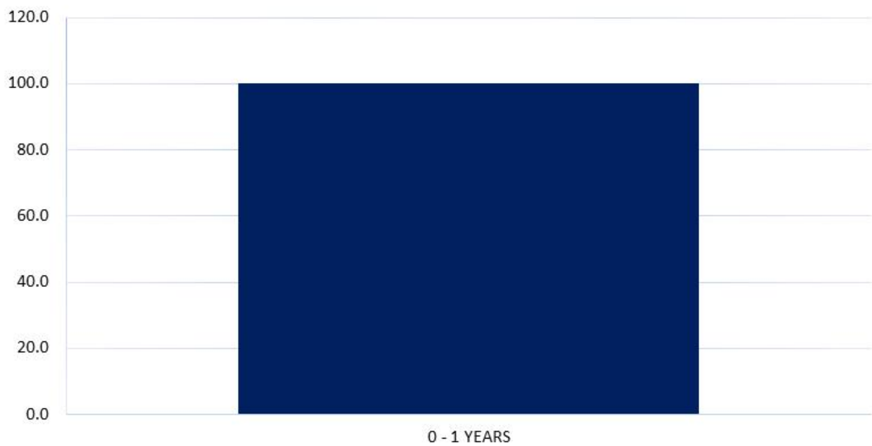
September 30, 2016

POOL 7 LGIP FF&C

Duration Distribution



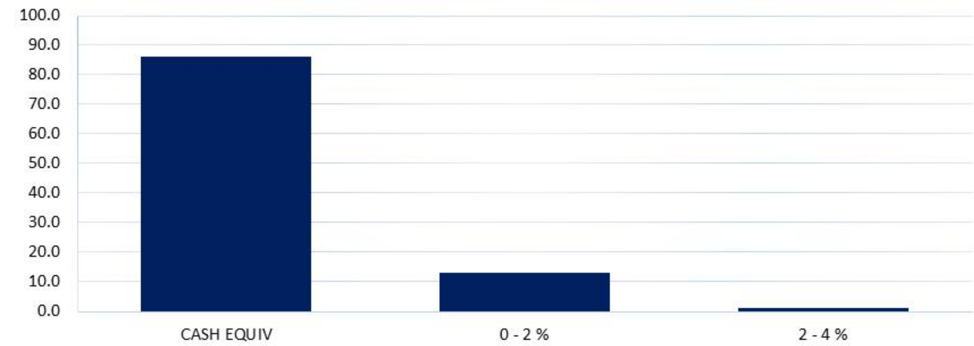
Expected Maturity Distribution



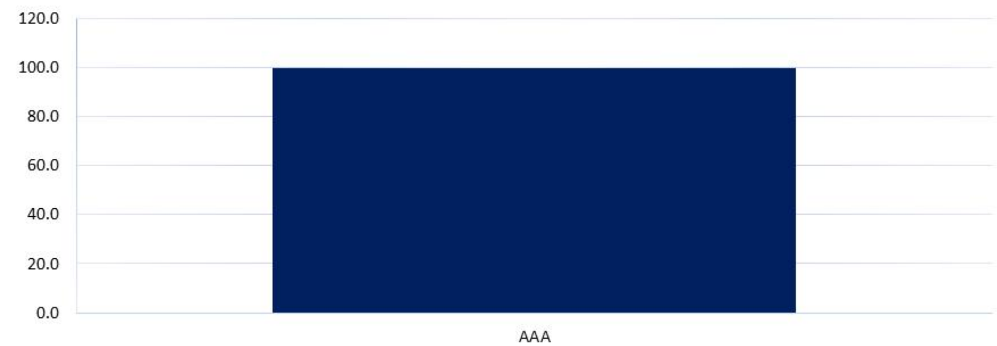
Portfolio Level Characteristics

	POOL 7 LGIP FF&C
Weighted Average Life	0.20
Coupon	0.26
Effective Duration	0.19
Quality Rating (Moody's)	AAA

Coupon Distribution



Rating Distribution

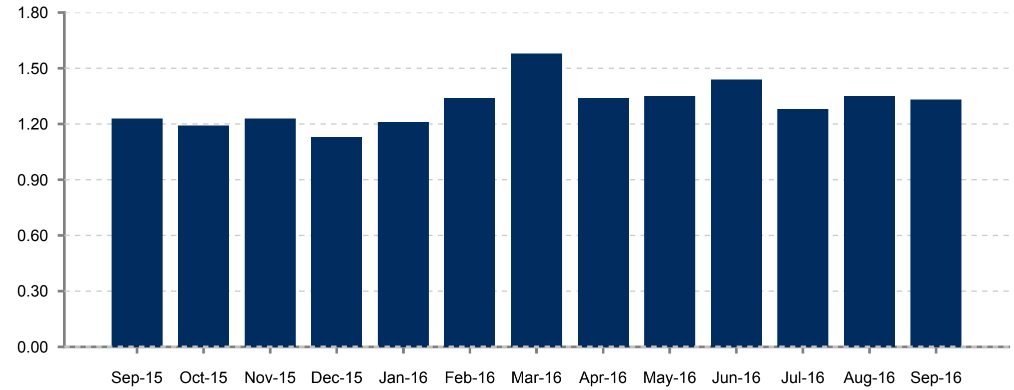


OFFICE OF THE ARIZONA STATE TREASURER

September 30, 2016

POOL 500 LGIP MED

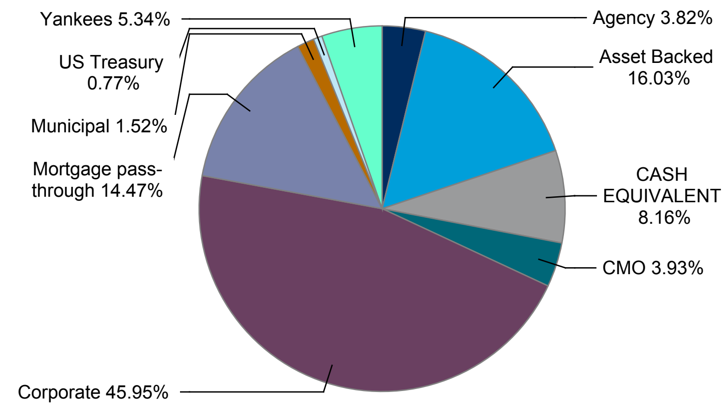
Net Yield



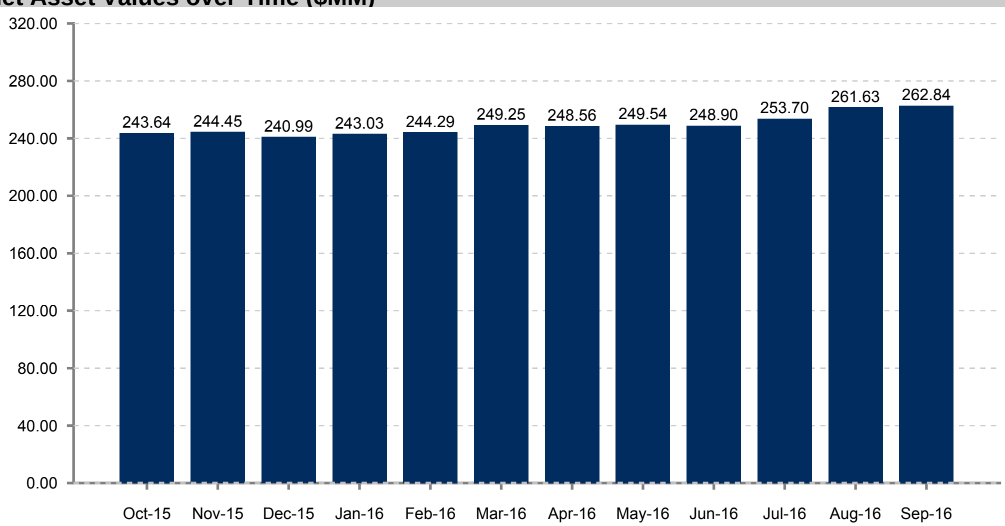
	Current Mth	Prior Mth	1 Year Ago
POOL 500 LGIP MED	1.33	1.35	1.23

Asset Allocation

	Ending Market Value
POOL 500 LGIP MED	262,841,884



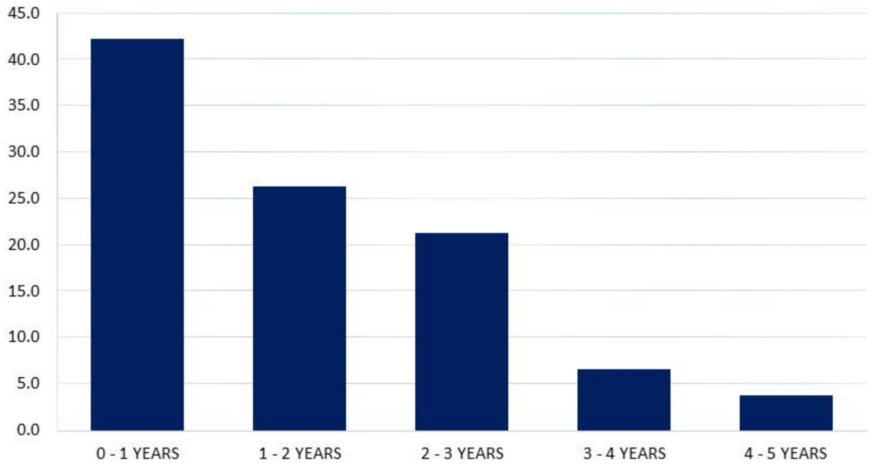
Net Asset Values over Time ($MM)



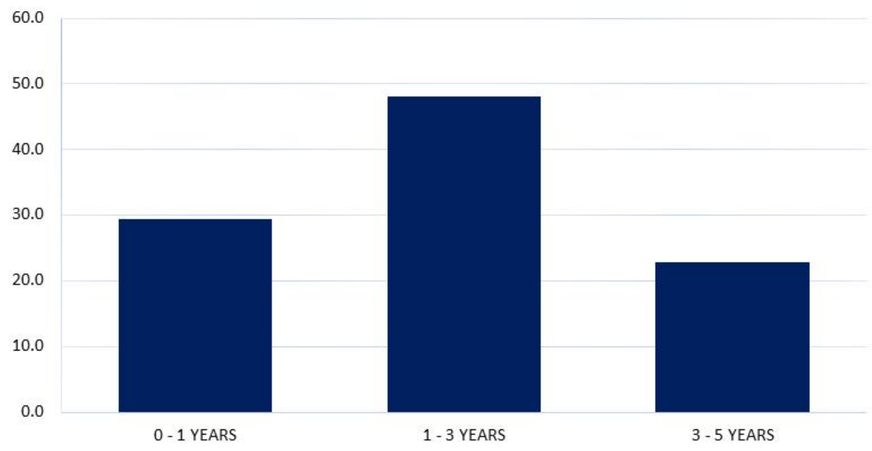
Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 500 LGIP MED		
GUGGENHEIM SECURITIES REPO	14,947,678	5.69
MICROSOFT CORP	8,152,597	3.10
FNMA POOL AB5991	8,094,304	3.08
HERSHEY COMPANY	6,070,684	2.31
MERCK + CO INC	5,531,056	2.10
FORD CREDIT FLOORPLAN MASTER O	5,016,566	1.91
ELI LILLY + CO	5,016,365	1.91
NISSAN MOTOR ACCEPTANCE	5,016,208	1.91
CHEVRON CORP	5,014,278	1.91
MERCEDES BENZ AUTO RECEIVABLES	5,000,972	1.90

Duration Distribution



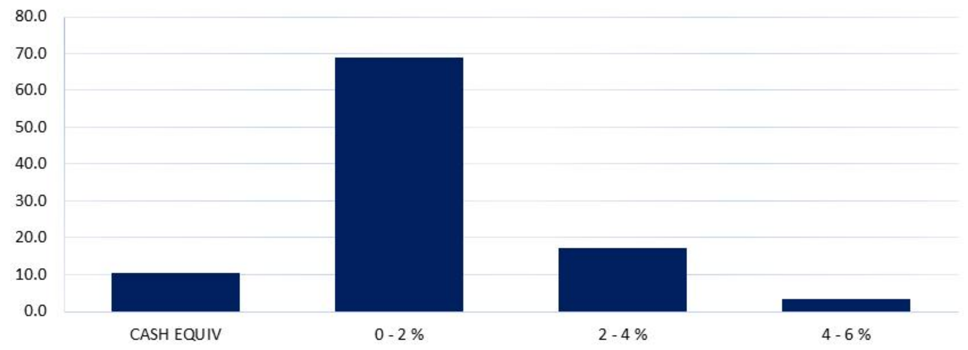
Expected Maturity Distribution



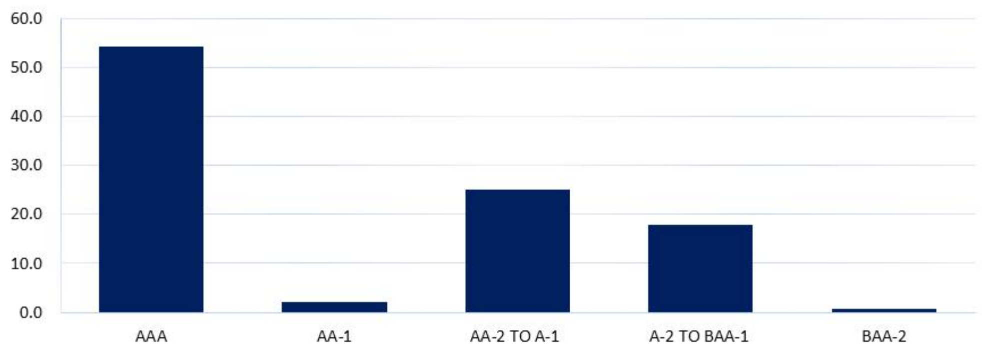
Portfolio Level Characteristics

	POOL 500 LGIP MED
Weighted Average Life	1.95
Coupon	1.68
Effective Duration	1.39
Quality Rating (Moody's)	AA-2

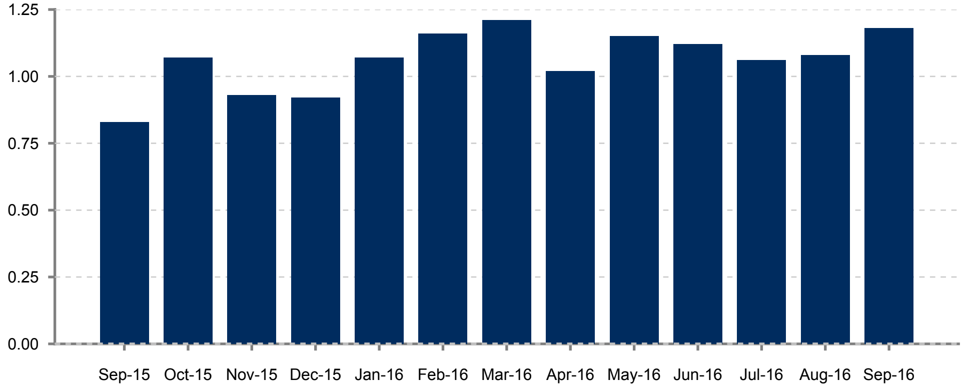
Coupon Distribution



Rating Distribution



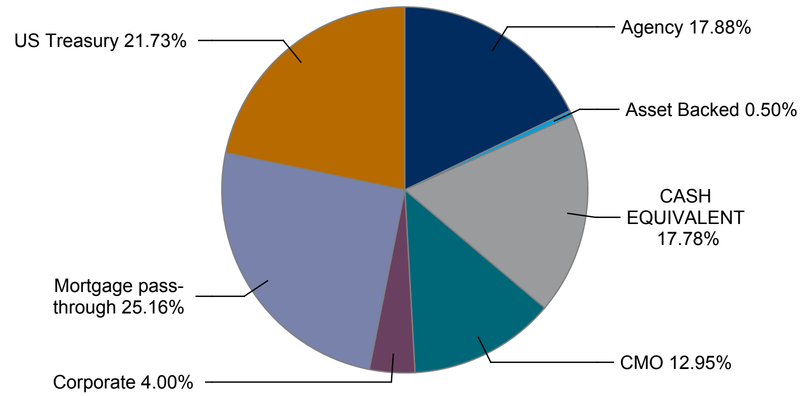
Net Yield



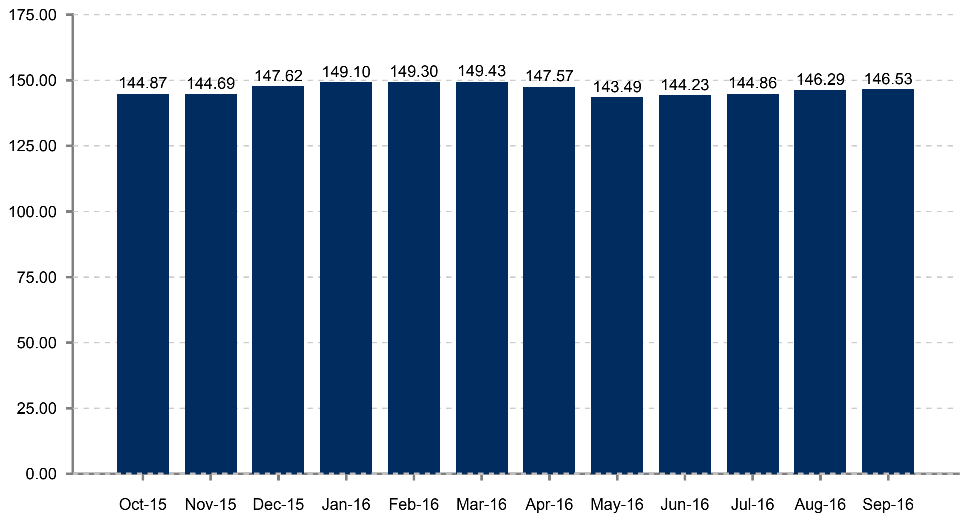
	Current Mth	Prior Mth	1 Year Ago
POOL 700 LGIP MD FF&C	1.18	1.08	0.83

Asset Allocation

	Ending Market Value
POOL 700 LGIP MD FF&C	146,530,708



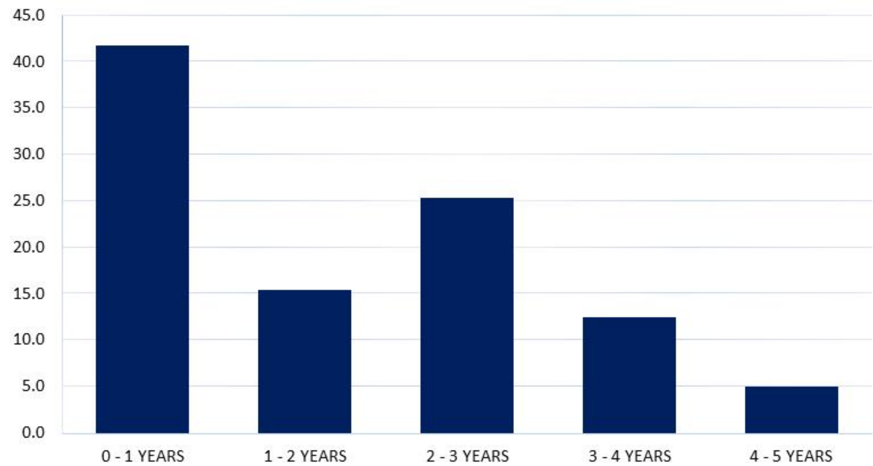
Net Asset Values over Time ($MM)



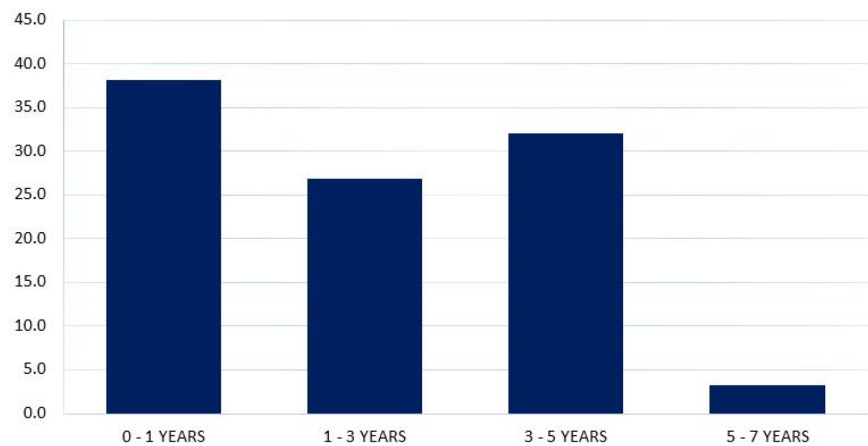
Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 700 LGIP MD FF&C		
GUGGENHEIM SECURITIES REPO	23,000,543	15.70
US TREASURY N/B	5,019,208	3.43
US TREASURY N/B	5,009,357	3.42
AID ISRAEL	4,995,922	3.41
GNMA II POOL MA0213	4,832,642	3.30
OVERSEAS PRIVATE INV COR	4,491,000	3.06
PRIVATE EXPORT FUNDING	3,552,269	2.42
US TREASURY N/B	3,002,972	2.05
GNMA POOL 775134	2,908,370	1.98
GOVERNMENT NATIONAL MORTGAGE A	2,742,823	1.87

Duration Distribution



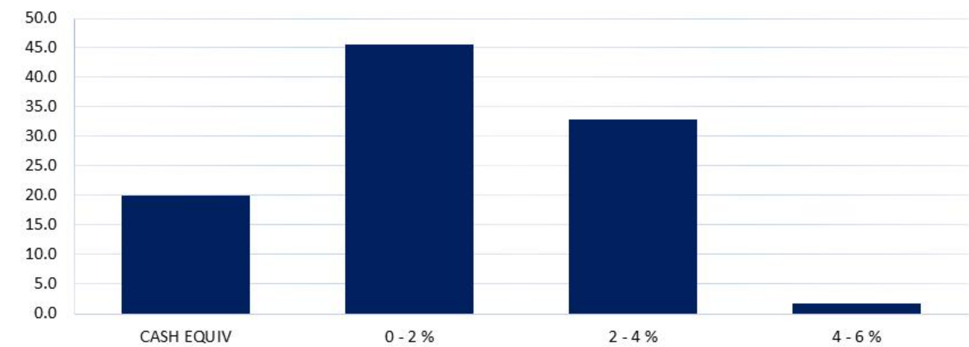
Expected Maturity Distribution



Portfolio Level Characteristics

	POOL 700 LGIP MD FF&C
Weighted Average Life	2.05
Coupon	1.68
Effective Duration	1.60
Quality Rating (Moody's)	AAA

Coupon Distribution



Rating Distribution

EARNINGS DISTRIBUTED
ENDOWMENT FUNDS
SEPTEMBER 2016

Recipient		Distributed in Current Month SEPTEMBER 2016	Fiscal YTD 16/17	Fiscal YTD 15/16
101	A & M Colleges	$62,695	$188,085	$62,973
102	State Hospital	$39,692	$119,076	$39,046
103	Leg., Exec., & Jud.	$51,413	$154,239	$51,348
104	Military Institute	$3,456	$10,368	$3,497
105	Miners Hospital	$126,965	$380,895	$117,932
107	Normal School ASU/NAU	$23,855	$71,565	$23,246
108	Penitentiaries	$85,542	$256,626	$82,096
109	Permanent Common School	$22,463,210	$67,389,630	$21,796,303
110	School for Deaf & Blind	$33,142	$99,427	$32,786
111	School of Mines	$70,914	$212,742	$71,192
112	State Charitable-Pioneers Home	$346,473	$1,039,419	$345,483
112	State Charitable-Corrections	$173,236	$519,709	$172,742
112	State Charitable-Youth Treatment	$173,236	$519,709	$172,742
113	University Fund	$122,961	$368,882	$120,921
114	U of A Land - 1881	$384,475	$1,153,426	$350,384
	Total	**$24,161,266**	**$72,483,799**	**$23,442,691**

Land Sales Monthly Proceeds
Endowment Funds

	Year						
Month	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
January	3,622,868.55	21,196,074.71	85,209,777.01	29,493,046.28	7,126,211.56	5,108,687.17	
February	8,915,154.72	92,150,172.81	24,412,865.22	33,969,800.59	2,535,243.50	1,083,177.76	
March	1,244,602.03	1,015,640.38	13,469,846.94	1,323,548.74	1,096,232.05	1,106,859.54	
April	2,413,502.46	1,796,773.65	4,599,023.88	2,252,527.11	1,968,280.90	28,981,968.64	
May	1,889,780.18	926,085.06	12,685,870.73	1,100,260.56	19,123,417.30	20,147,116.27	
June	3,446,619.87	22,369,423.34	6,493,350.52	4,564,719.20	33,179,898.41	31,844,677.79	
July	2,803,278.12	823,327.93	5,694,705.30	4,196,737.56	6,092,396.05	2,469,997.05	
August	3,470,995.89	33,621,310.51	2,304,138.37	24,838,429.94	1,038,970.78	13,094,287.08	
September	5,202,039.54	17,307,220.68	10,399,638.98	1,960,672.85	1,967,125.20	(12,580,727.94)	
October	5,799,334.80	1,403,700.22	1,240,496.83	3,150,170.16	2,366,518.63		
November	2,045,106.93	5,131,627.46	8,995,327.48	34,193,583.02	1,358,710.81		
December	5,123,132.98	28,846,813.20	3,574,630.63	1,136,538.16	4,264,354.38		
Calendar Year	45,976,416.07	226,588,169.95	179,079,671.89	142,180,034.17	82,117,359.57	91,256,043.36	-
Fiscal Year (July 1st to June 30th)	139,820,629.67	163,898,058.21	234,004,734.30	104,912,840.07	134,505,415.41	105,360,563.02	2,983,556.19

NET REALIZED CAPITAL GAINS / LOSSES - ENDOWMENT FUNDS

Endowment Fund	September 2016 NET GAIN(LOSS)	September 2015 NET GAIN(LOSS)
Fixed Income Pool	(435,470)	**(390,627)**
500 Large-Cap Fund	5,611,917	**6,981,041**
400 Mid-Cap Fund	11,225,155	**1,385,840**
600 Small-Cap Fund	5,976,242	**3,448,485**
Totals	**22,377,844**	**11,424,739**

Endowment Fund	2016/2017 FISCAL YEAR TO DATE GAINS(LOSSES)	2015/2016 FISCAL YEAR TO DATE GAINS(LOSSES)
Fixed Income Pool	(1,255,416)	**(209,958)**
500 Large-Cap Fund	7,108,870	**10,421,650**
400 Mid-Cap Fund	12,316,696	**8,692,612**
600 Small-Cap Fund	10,201,722	**13,786,431**
Totals	**28,371,871**	**32,690,734**

ENDOWMENT FUNDS FIXED-INCOME POOLS
PURCHASES & SALES
SEPTEMBER 2016

I. Endowment Funds Purchases

POOL	SECURITY DESCRIPTION	RATE	MATURITY	*WAL YEARS	PAR VALUE	PURCHASE COST	YIELD	MOODY'S / S&P RATING
205	AMERICAN HONDA FINANCE	1.44	9/9/2021	NA	$10,000,000	$10,000,000	1.44%	A1/A+
205	FNMA MTG	3.00	4/1/2043	6.88	$5,188,468	$5,408,329	2.31%	AAA/AA+
	TOTAL ENDOWMENT FUNDS PURCHASES				**$15,188,468**	**$15,408,329**		

II. Endowment Funds Sales

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
SEPTEMBER 2016

I. Equity Fund Purchases

	SHARES	PURCHASE COST	COMMISSIONS
400 Mid-Cap Fund	592,664	$20,642,947	$3,700
500 Large-Cap Fund	210,344	$18,993,138	$1,542
600 Small-Cap Fund	709,347	$14,980,675	$3,804
TOTAL EQUITY PURCHASES	**1,512,355**	**$54,616,760**	**$9,047**

II. Equity Funds Sales

	SHARES	SALES AMOUNT	COMMISSIONS
400 Mid-Cap Fund	641,151	$27,223,536	$2,970
500 Large-Cap Fund	241,725	$13,702,926	$1,813
600 Small-Cap Fund	431,358	$17,306,913	$2,497
TOTAL EQUITY SALES	**1,314,234**	**$58,233,375**	**$7,280**

ENDOWMENT FUNDS
INVESTMENTS OUTSTANDING
SEPTEMBER 30, 2016
(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	435	3,059	7,693	4,634	
	Shares in Fixed Income Pools	4,376	3,133	4,889	1,756	
	Total	4,811	6,192	12,582	6,390	**2.032**
102	State Hospital					
	Shares in Equity Pools	295	2,160	5,209	3,050	
	Shares in Fixed Income Pools	3,040	2,363	3,396	1,033	
	Total	3,334	4,523	8,605	4,082	**1.903**
103	Leg., Exec, & Jud					
	Shares in Equity Pools	353	2,668	6,248	3,581	
	Shares in Fixed Income Pools	3,777	2,706	4,220	1,513	
	Total	4,130	5,374	10,468	5,094	**1.948**
104	Military Institute					
	Shares in Equity Pools	23	166	402	236	
	Shares in Fixed Income Pools	249	169	278	109	
	Total	272	335	680	345	**2.032**
105	Miners Hospital					
	Shares in Equity Pools	1,016	8,999	17,970	8,971	
	Shares in Fixed Income Pools	10,262	8,936	11,465	2,529	
	Total	11,278	17,935	29,434	11,500	**1.641**
107	Normal School ASU/NAU					
	Shares in Equity Pools	182	1,461	3,225	1,764	
	Shares in Fixed Income Pools	1,884	1,462	2,104	643	
	Total	2,066	2,922	5,329	2,407	**1.824**
108	Penitentiaries					
	Shares in Equity Pools	687	5,825	12,158	6,333	
	Shares in Fixed Income Pools	7,055	5,810	7,882	2,072	
	Total	7,743	11,636	20,040	8,405	**1.722**

ENDOWMENT FUNDS
INVESTMENTS OUTSTANDING
SEPTEMBER 30, 2016
(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	168,196	1,345,603	2,975,106	1,629,503	
	Shares in Fixed Income Pools	1,699,976	1,382,312	1,899,239	516,927	
	Total	1,868,172	2,727,916	4,874,345	2,146,430	**1.787**
110	School for Deaf & Blind					
	Shares in Equity Pools	232	1,745	4,096	2,352	
	Shares in Fixed Income Pools	2,609	1,973	2,915	941	
	Total	2,840	3,718	7,011	3,293	**1.886**
111	School of Mines					
	Shares in Equity Pools	489	3,662	8,643	4,981	
	Shares in Fixed Income Pools	5,041	3,741	5,632	1,891	
	Total	5,530	7,403	14,275	6,872	**1.928**
112	State Charitable					
	Shares in Equity Pools	4,942	37,230	87,415	50,186	
	Shares in Fixed Income Pools	48,385	38,382	54,056	15,675	
	Total	53,327	75,612	141,472	65,860	**1.871**
113	University Fund					
	Shares in Equity Pools	891	7,055	15,753	8,698	
	Shares in Fixed Income Pools	9,201	7,013	10,279	3,266	
	Total	10,092	14,068	26,033	11,964	**1.850**
114	U Of A Land - 1881					
	Shares in Equity Pools	3,111	28,705	55,021	26,317	
	Shares in Fixed Income Pools	31,888	27,053	35,626	8,573	
	Total	34,999	55,757	90,647	34,890	**1.626**
	TOTALS - ALL FUNDS					
	Shares in Equity Pools	180,850	1,448,337	3,198,941	1,750,604	
	Shares in Fixed Income Pools	1,827,743	1,485,054	2,041,982	556,928	
	Grand Total	**2,008,593**	**2,933,391**	**5,240,922**	**2,307,532**	
	PRIOR YEAR: SEPTEMBER 2015 BALANCE	**1,970,096**	**2,986,101**	**4,933,748**	**1,947,647**	

ENDOWMENT FUNDS
INVESTMENTS OUTSTANDING
SEPTEMBER 30, 2016

ASSET ALLOCATION PERCENTAGE

	SHARES OUTSTANDING	**BOOK VALUE**	MARKET VALUE	SEPTEMBER 2015 MARKET VALUE
Shares in Equity Pools	9.00%	**49.37%**	61.04%	61.34%
Shares in Fixed Income Pools	91.00%	**50.63%**	38.96%	38.66%
Total	100.00%	**100.00%**	100.00%	100.00%

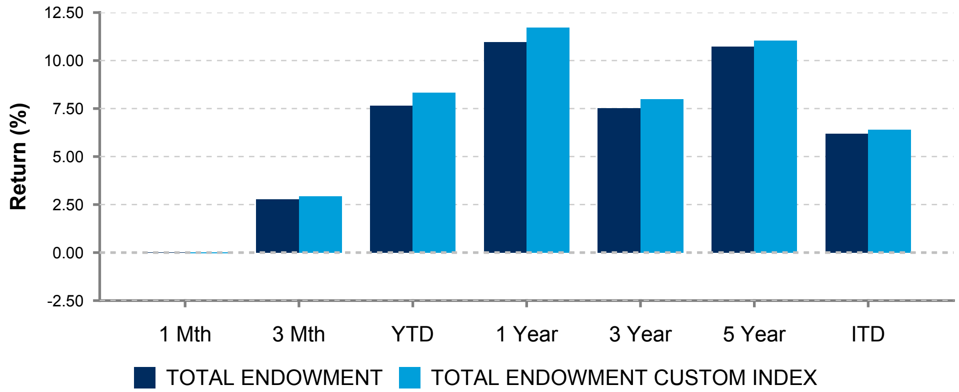
OFFICE OF THE ARIZONA STATE TREASURER

September 30, 2016

Total Endowment Summary

STATE STREET.

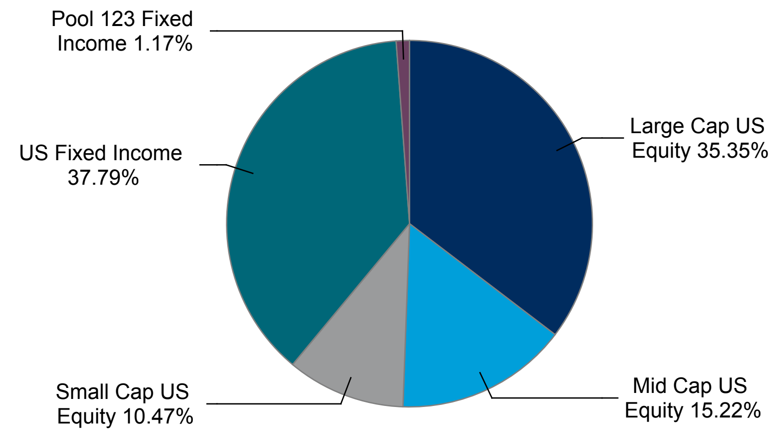
Performance



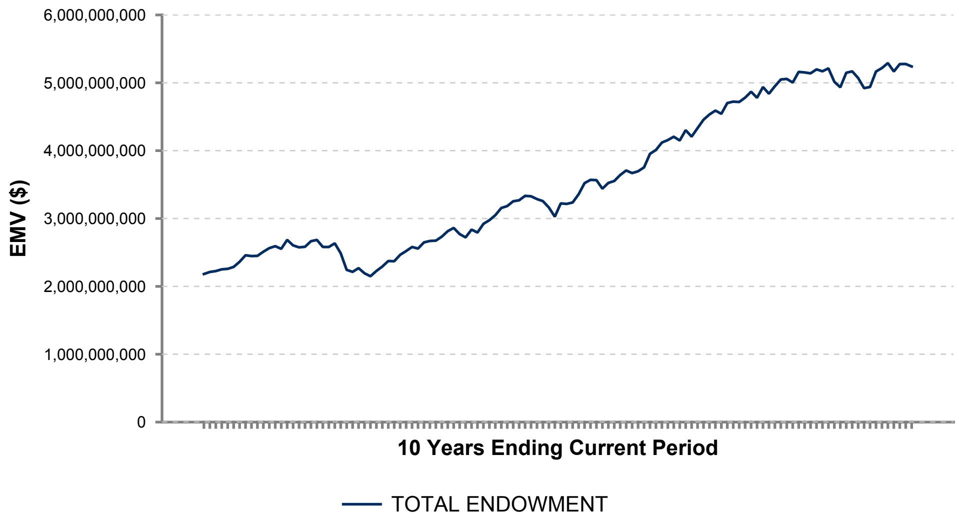
	1 Mth	3 Mth	YTD	1 Year	3 Year	5 Year	ITD	Incept Date
TOTAL ENDOWMENT	0.01	2.78	7.65	10.97	7.53	10.73	6.18	07/99
TOTAL ENDOWMENT CUSTOM INDEX	-0.05	2.92	8.34	11.72	7.99	11.05	6.39	07/99
Excess	0.05	-0.14	-0.69	-0.75	-0.46	-0.32	-0.21	

Asset Allocation

	Ending Market Value
TOTAL ENDOWMENT	5,240,922,499

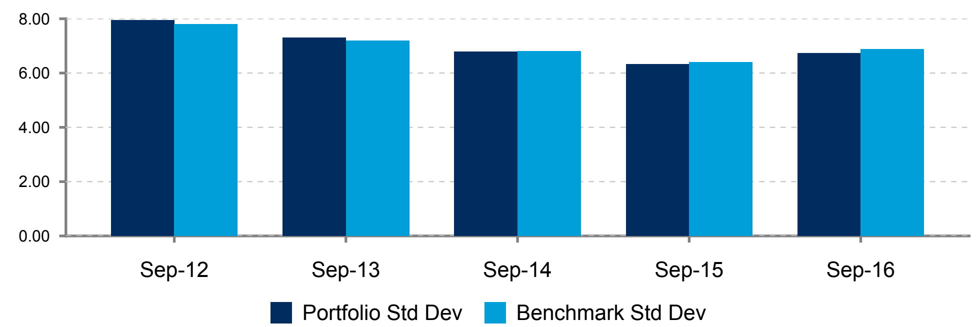


Ending Market Value



3 Year Risk Statistics

	Return	Portfolio Std Dev	Benchmark Std Dev	Sharpe Ratio	Beta	Tracking Error	Information Ratio
TOTAL ENDOWMENT	7.53	6.73	6.87	1.10	0.98	0.32	-1.42



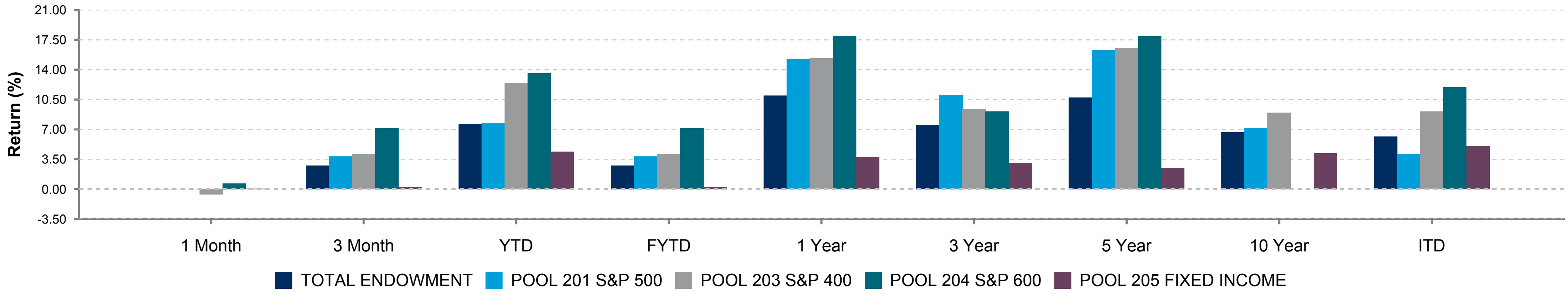
OFFICE OF THE ARIZONA STATE TREASURER

September 30, 2016

Total Returns Net Mgr

STATE STREET.

Return Comparison



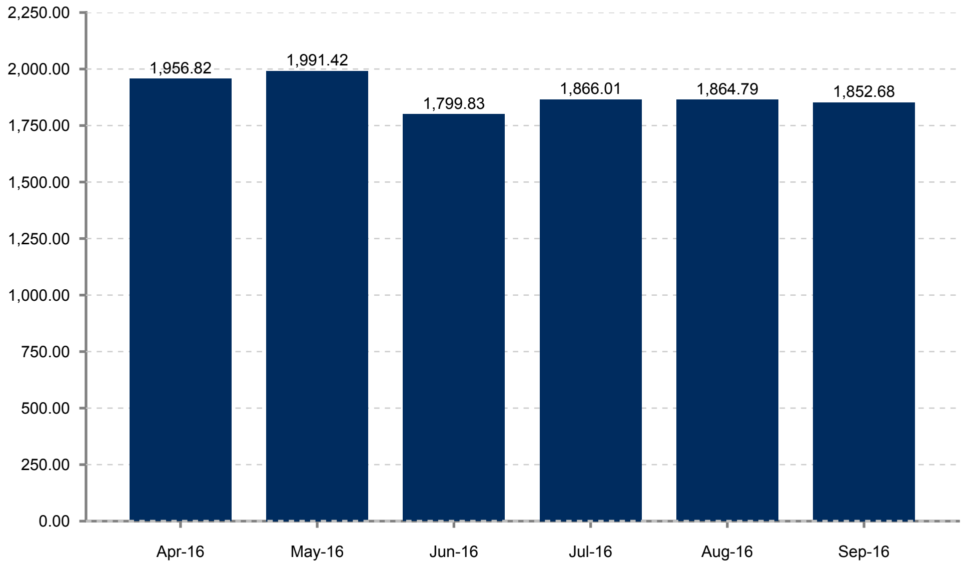
	Market Value	Actual Weight	1 Mth	3 Mth	YTD	FYTD	1 Year	3 Year	5 Year	10 Year	ITD	Inc Date
TOTAL ENDOWMENT	5,240,922,499	100.00	0.01	2.78	7.65	2.78	10.97	7.53	10.73	6.68	6.18	Jul-01-99
TOTAL ENDOWMENT CUSTOM INDEX			-0.05	2.92	8.34	2.92	11.72	7.99	11.05	7.01	6.39	Jul-01-99
Excess			0.05	-0.14	-0.69	-0.14	-0.75	-0.46	-0.32	-0.33	-0.21	
POOL 201 S&P 500	1,852,684,806	35.35	0.02	3.85	7.71	3.85	15.22	11.08	16.31	7.18	4.13	Jul-01-99
S&P 500 INDEX (DAILY)			0.02	3.85	7.84	3.85	15.43	11.16	16.37	7.24	4.66	Jul-01-99
Excess			0.01	-0.00	-0.12	-0.00	-0.21	-0.08	-0.07	-0.06	-0.54	
POOL 203 S&P 400	797,547,544	15.22	-0.62	4.14	12.48	4.14	15.38	9.39	16.56	8.99	9.09	Aug-01-01
S&P 400 MIDCAP INDEX (DAILY)			-0.64	4.14	12.40	4.14	15.33	9.35	16.50	9.11	9.10	Aug-01-01
Excess			0.01	-0.01	0.08	-0.01	0.05	0.04	0.06	-0.12	-0.01	
POOL 204 S&P 600	548,708,294	10.47	0.66	7.16	13.60	7.16	17.97	9.10	17.92		11.94	Mar-01-11
S&P SM 600 TR			0.64	7.20	13.88	7.20	18.12	9.04	17.86		11.91	Mar-01-11
Excess			0.02	-0.04	-0.28	-0.04	-0.15	0.06	0.06		0.03	
POOL 205 FIXED INCOME	1,980,444,169	37.79	0.06	0.27	4.39	0.27	3.79	3.09	2.44	4.22	5.04	Jul-01-99
CITIGROUP BIG (DAILY)			-0.06	0.49	5.87	0.49	5.32	4.02	3.07	4.88	5.42	Jul-01-99
Excess			0.12	-0.22	-1.49	-0.22	-1.53	-0.93	-0.63	-0.66	-0.37	
POOL 123 FIXED INCOME	61,537,685	1.17	0.06	0.17		0.17					0.19	Jun-01-16
ASTO - POOL 5 BENCHMARK			0.04	0.11		0.11					0.15	Jun-01-16
Excess			0.03	0.05		0.05					0.05	

OFFICE OF THE ARIZONA STATE TREASURER

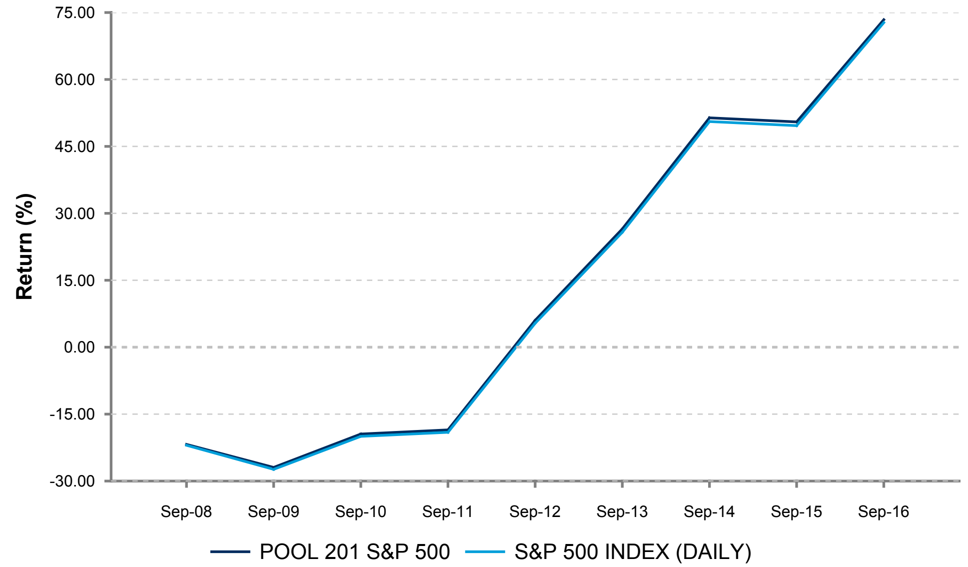
September 30, 2016

POOL 201 S&P 500

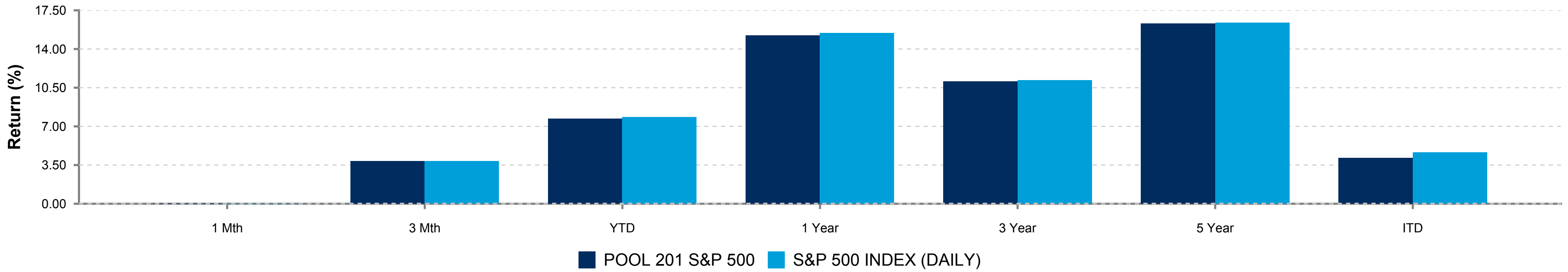
Net Asset Values over Time ($MM)



Cumulative Return (%)



Rates of Return

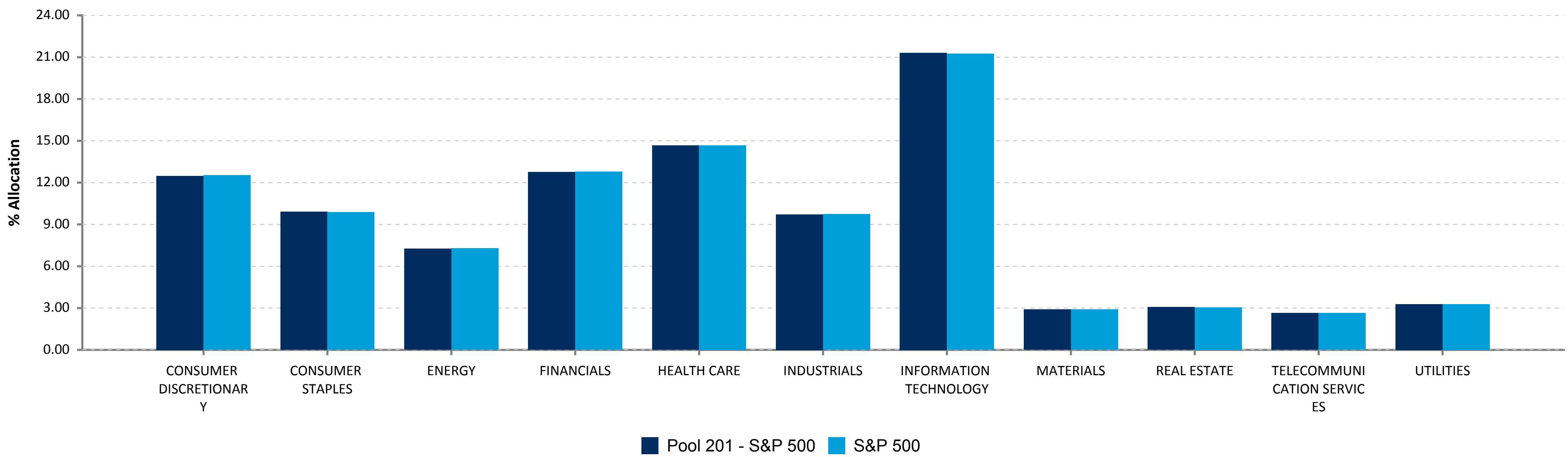


	1 Mth	3 Mth	YTD	1 Year	3 Year	5 Year	ITD	Sep 30 2016	Sep 30 2015	Sep 30 2014
POOL 201 S&P 500	0.02	3.85	7.71	15.22	11.08	16.31	4.13	15.22	-0.61	19.68
S&P 500 INDEX (DAILY)	0.02	3.85	7.84	15.43	11.16	16.37	4.66	15.43	-0.61	19.73
Excess	0.01	-0.00	-0.12	-0.21	-0.08	-0.07	-0.54	-0.21	0.01	-0.05

OFFICE OF THE ARIZONA STATE TREASURER

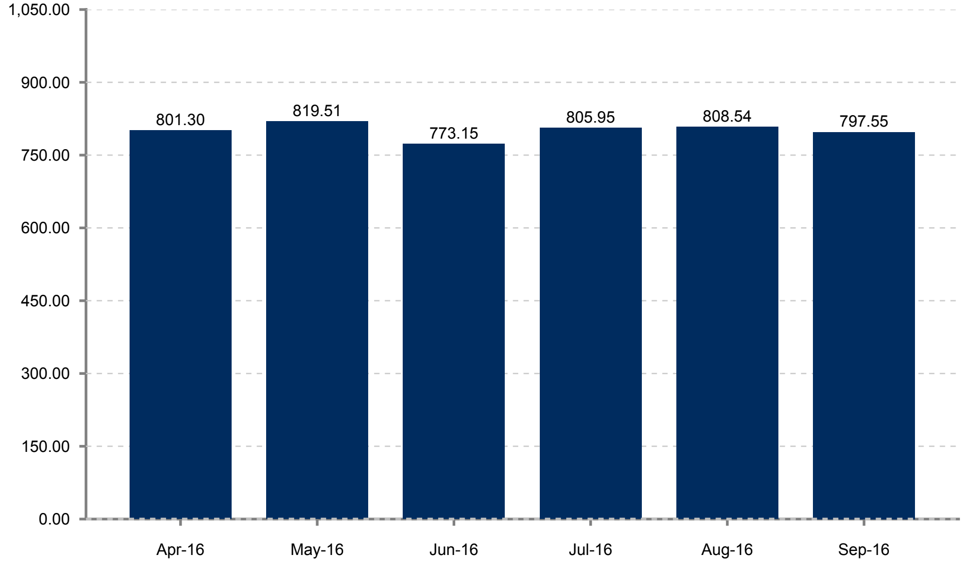
September 30, 2016

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

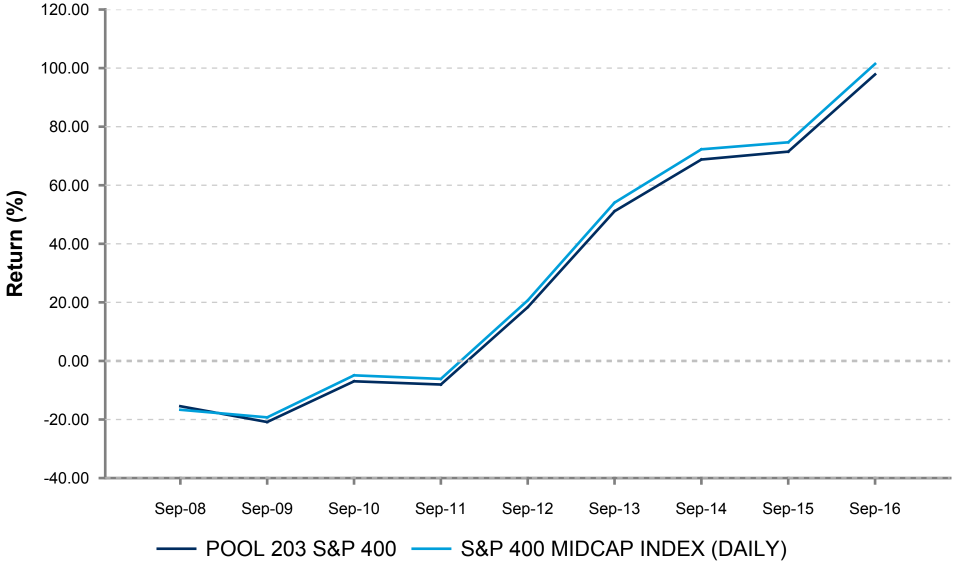


	Fund Weight	Benchmark Weight	Relative Weight
POOL 201 S&P 500	100.00	100.00	0.00
CONSUMER DISCRETIONARY	12.05	12.17	-0.12
CONSUMER STAPLES	10.04	10.05	-0.01
ENERGY	7.02	7.01	0.01
FINANCIALS	13.22	13.24	-0.02
HEALTH CARE	14.61	14.63	-0.02
INDUSTRIALS	10.10	10.00	0.09
INFORMATION TECHNOLOGY	21.06	20.99	0.08
MATERIALS	2.92	2.92	-0.00
REAL ESTATE	3.09	3.09	-0.01
TELECOMMUNICATION SERVICES	2.65	2.66	-0.01
UTILITIES	3.25	3.24	0.01

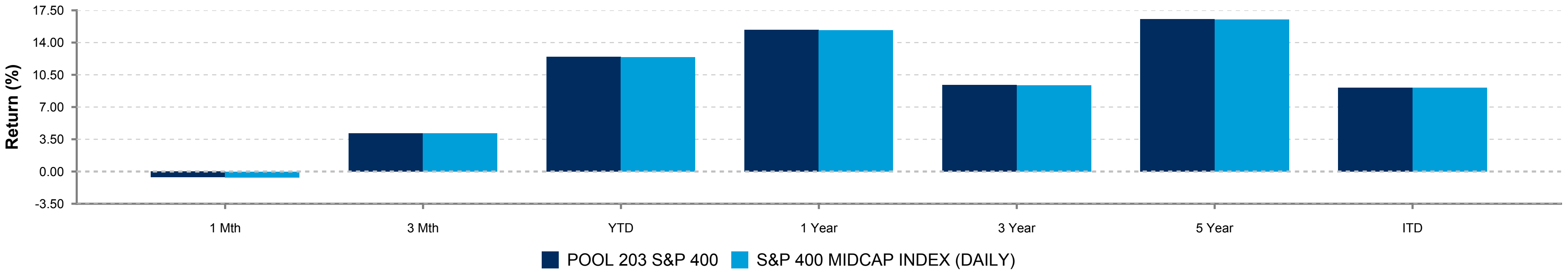
Net Asset Values over Time ($MM)



Cumulative Return (%)



Rates of Return

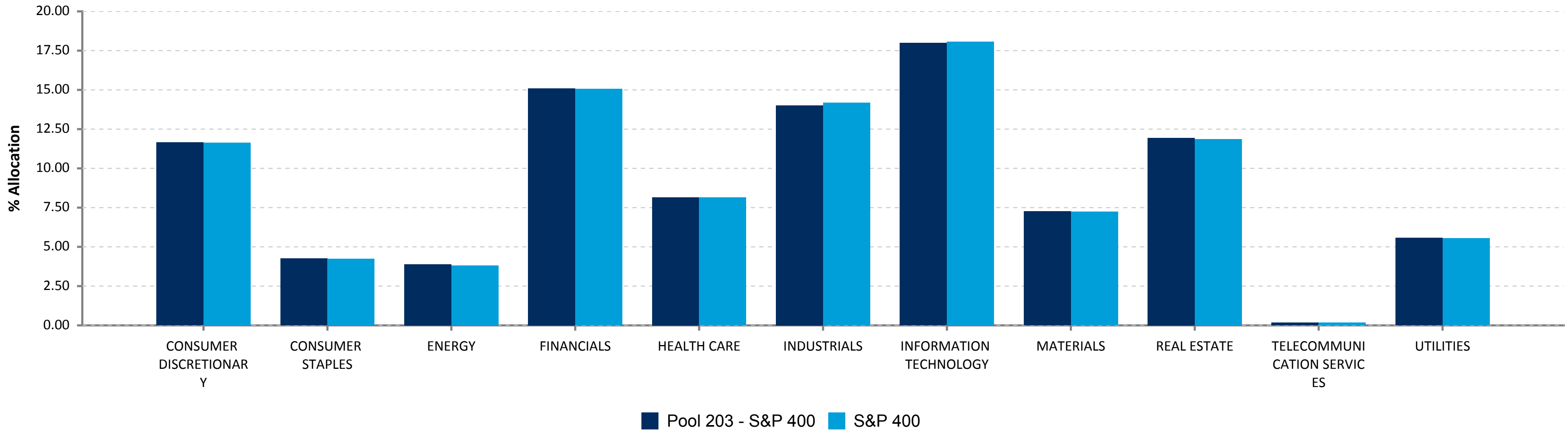


	1 Mth	3 Mth	YTD	1 Year	3 Year	5 Year	ITD	Sep 30 2016	Sep 30 2015	Sep 30 2014
POOL 203 S&P 400	-0.62	4.14	12.48	15.38	9.39	16.56	9.09	15.38	1.59	11.69
S&P 400 MIDCAP INDEX (DAILY)	-0.64	4.14	12.40	15.33	9.35	16.50	9.10	15.33	1.40	11.82
Excess	0.01	-0.01	0.08	0.05	0.04	0.06	-0.01	0.05	0.20	-0.13

OFFICE OF THE ARIZONA STATE TREASURER

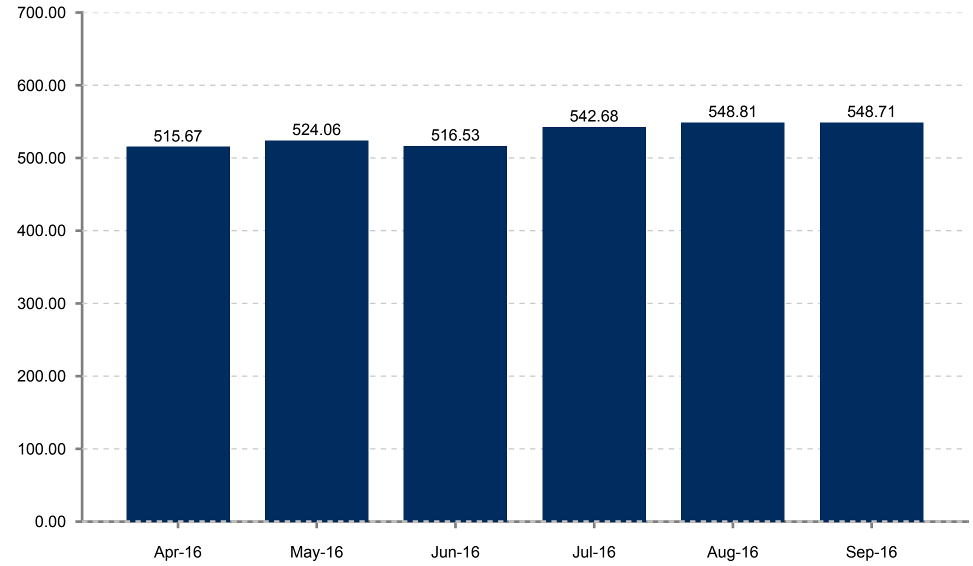
September 30, 2016

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

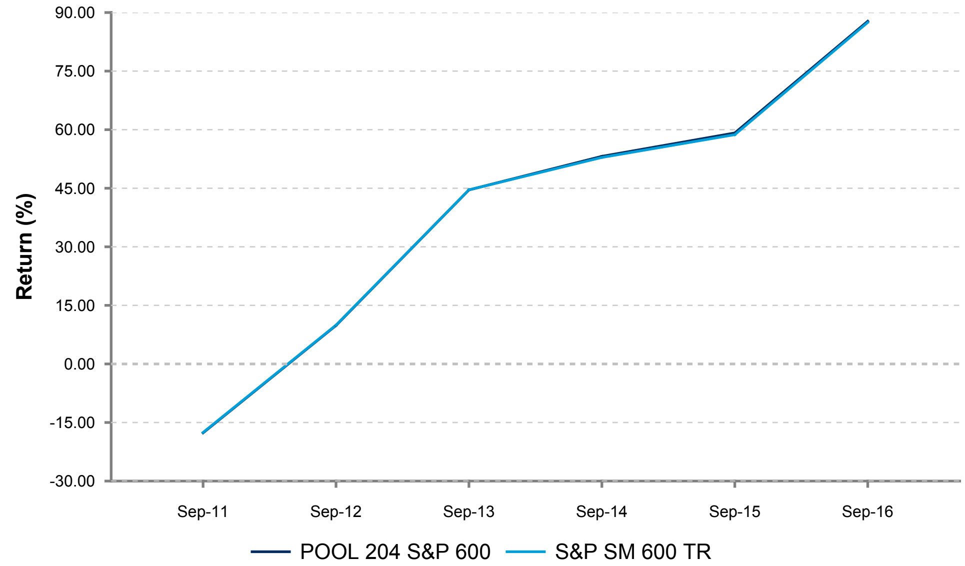


	Weight Fund	Weight Benchmark	Weight Relative
POOL 203 S&P 400	100.00	100.00	0.00
CONSUMER DISCRETIONARY	11.79	11.77	0.02
CONSUMER STAPLES	4.48	4.48	-0.00
ENERGY	3.61	3.60	0.00
FINANCIALS	15.13	14.95	0.17
HEALTH CARE	9.02	9.06	-0.04
INDUSTRIALS	14.27	14.05	0.22
INFORMATION TECHNOLOGY	17.38	17.59	-0.21
MATERIALS	7.11	7.11	0.00
REAL ESTATE	11.64	11.81	-0.16
TELECOMMUNICATION SERVICES	0.17	0.17	-0.00
UTILITIES	5.41	5.40	0.01

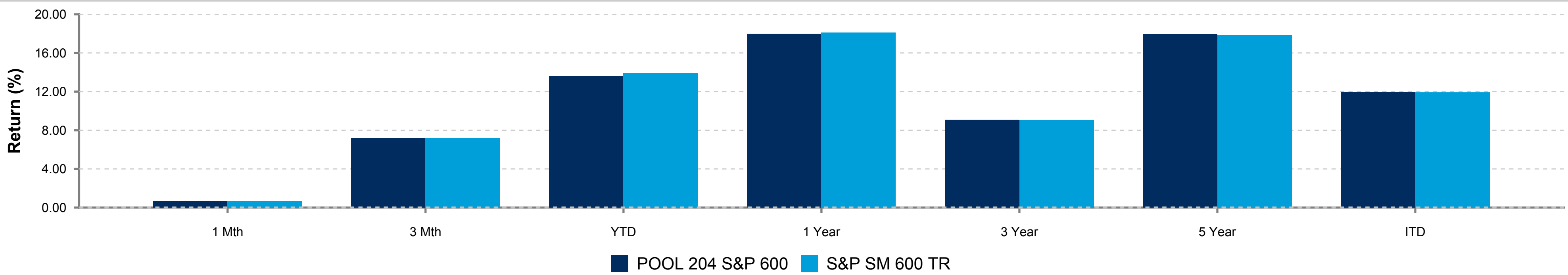
Net Asset Values over Time ($MM)



Cumulative Return (%)



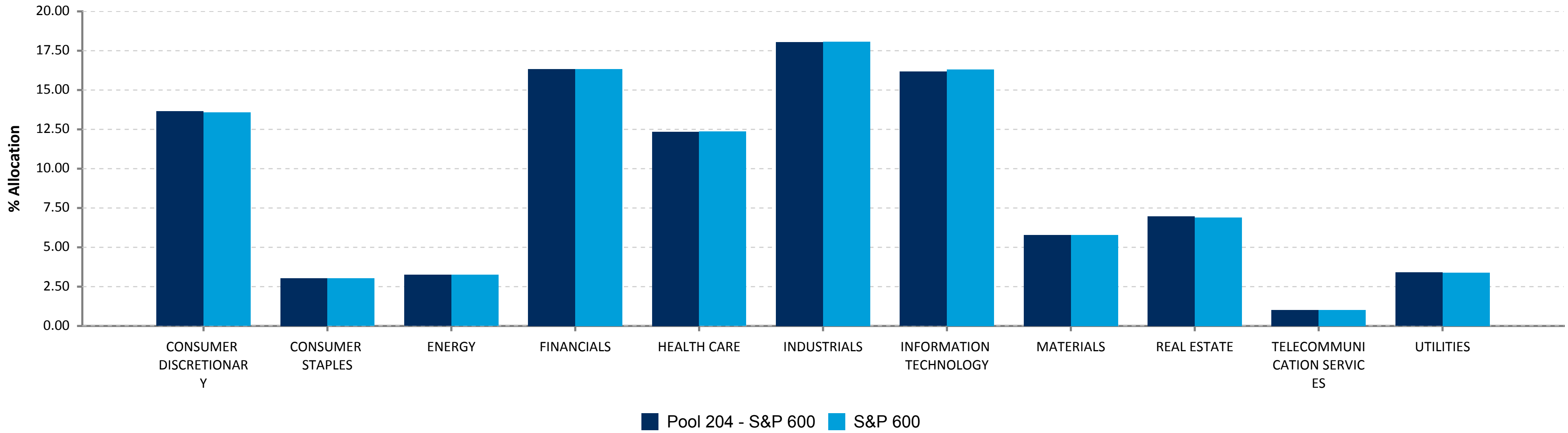
Rates of Return



	1 Mth	3 Mth	YTD	1 Year	3 Year	5 Year	ITD	Sep 30 2016	Sep 30 2015	Sep 30 2014
POOL 204 S&P 600	0.66	7.16	13.60	17.97	9.10	17.92	11.94	17.97	3.91	5.95
S&P SM 600 TR	0.64	7.20	13.88	18.12	9.04	17.86	11.91	18.12	3.81	5.74
Excess	0.02	-0.04	-0.28	-0.15	0.06	0.06	0.03	-0.15	0.10	0.20

September 30, 2016

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	13.64	13.70	-0.05
CONSUMER STAPLES	2.88	2.87	0.01
ENERGY	2.96	2.96	0.00
FINANCIALS	16.66	16.67	-0.01
HEALTH CARE	12.38	12.39	-0.01
INDUSTRIALS	17.63	17.60	0.03
INFORMATION TECHNOLOGY	16.35	16.39	-0.04
MATERIALS	5.66	5.65	0.01
REAL ESTATE	7.08	7.00	0.08
TELECOMMUNICATION SERVICES	1.01	1.01	0.00
UTILITIES	3.76	3.77	-0.01

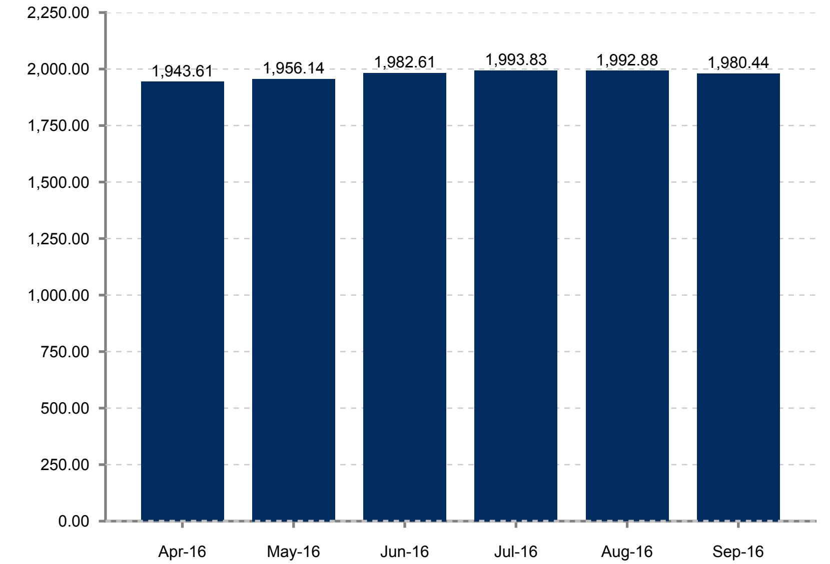
OFFICE OF THE ARIZONA STATE TREASURER

September 30, 2016

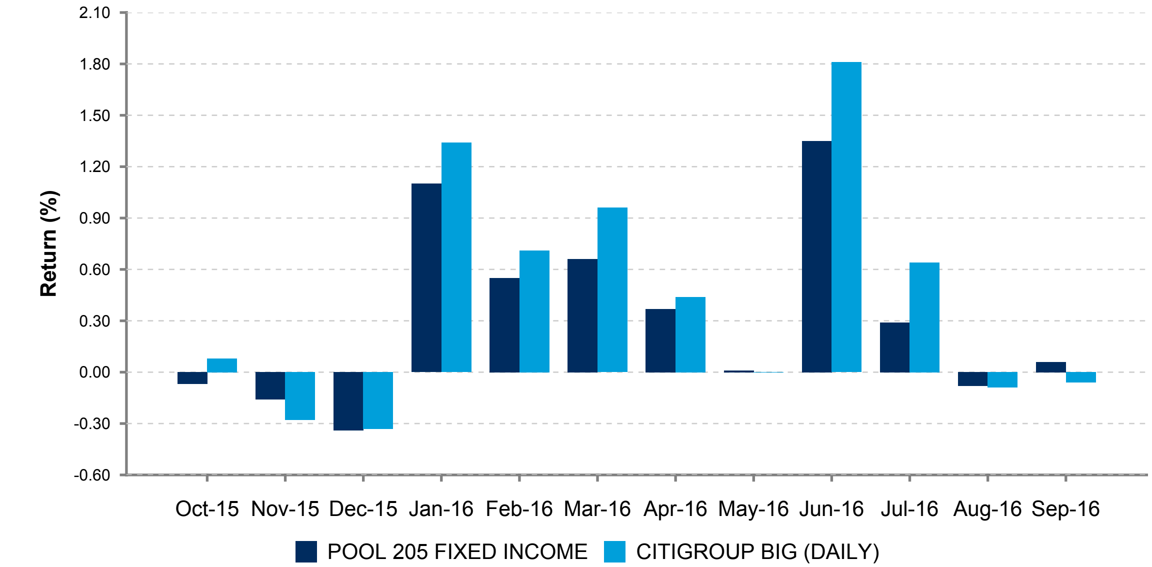
POOL 205 FIXED INCOME

STATE STREET.

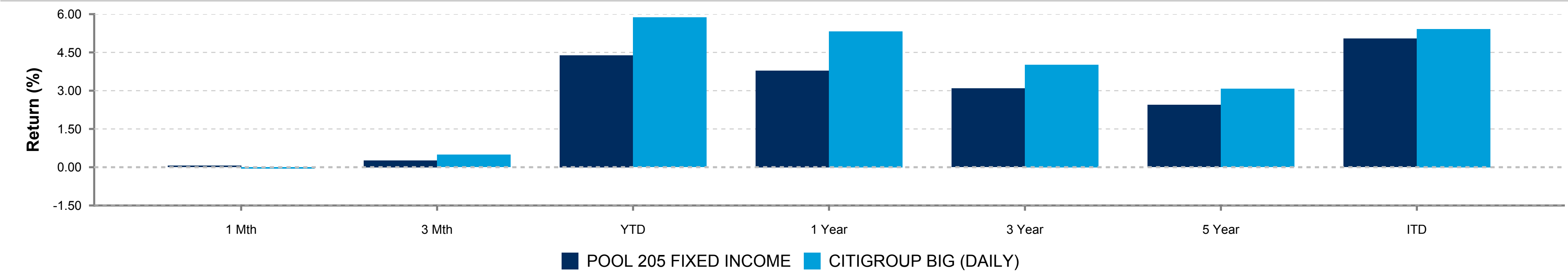
Net Asset Values over Time ($MM)



Monthly Returns



Rates of Return



	1 Mth	3 Mth	YTD	1 Year	3 Year	5 Year	ITD	Sep 30 2016	Sep 30 2015	Sep 30 2014
POOL 205 FIXED INCOME	0.06	0.27	4.39	3.79	3.09	2.44	5.04	3.79	2.66	2.84
CITIGROUP BIG (DAILY)	-0.06	0.49	5.87	5.32	4.02	3.07	5.42	5.32	2.85	3.90
Excess	0.12	-0.22	-1.49	-1.53	-0.93	-0.63	-0.37	-1.53	-0.19	-1.07

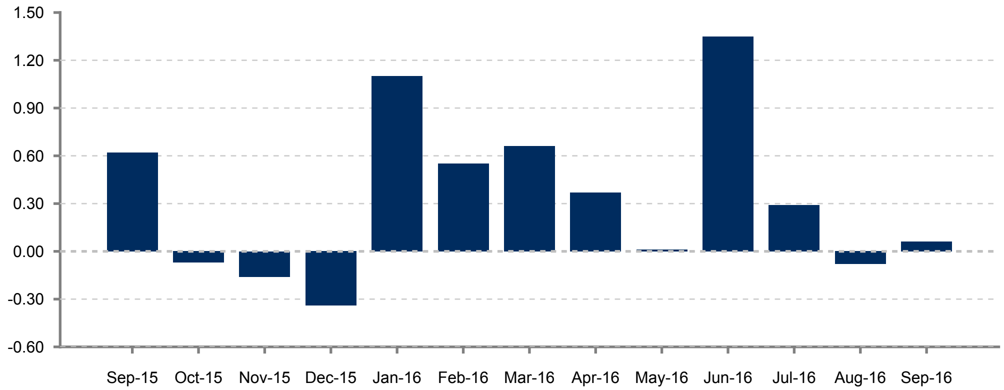
OFFICE OF THE ARIZONA STATE TREASURER

September 30, 2016

POOL 205 FIXED INCOME

STATE STREET.

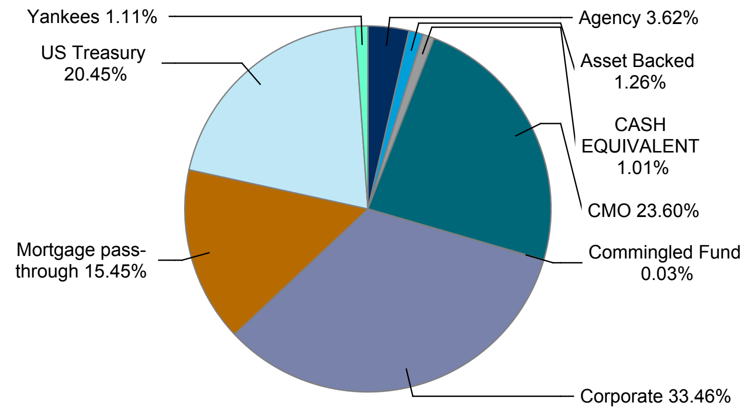
Net Mgr Return



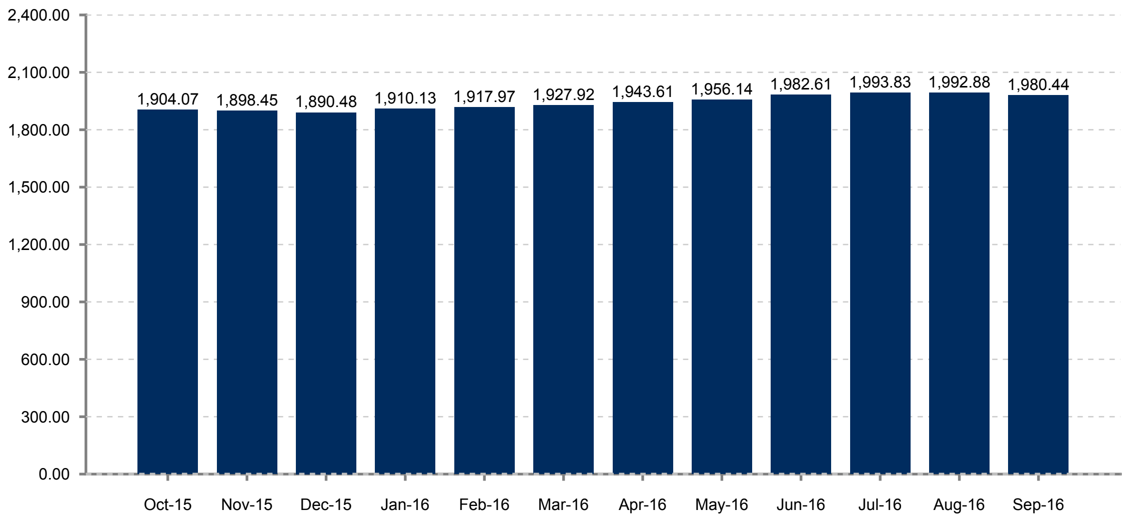
	Current Mth	Prior Mth	1 Year Ago
POOL 205 FIXED INCOME	0.06	-0.08	0.62

Asset Allocation

	Ending Market Value
POOL 205 FIXED INCOME	1,980,444,169



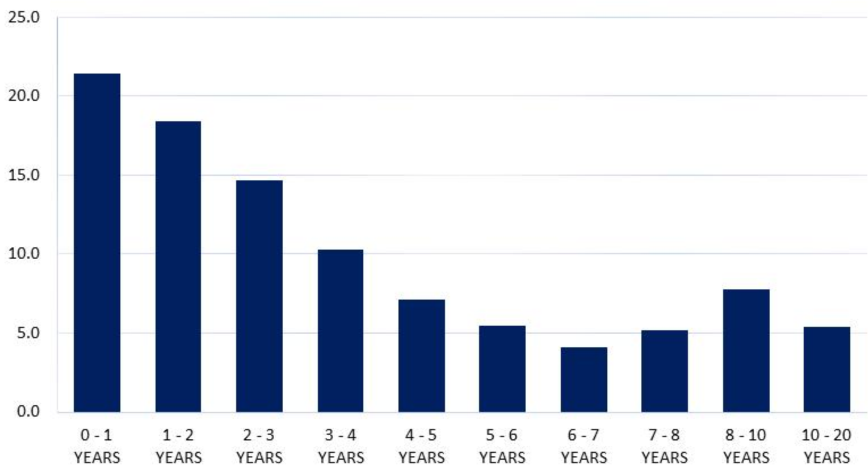
Net Asset Values over Time ($MM)



Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 205 FIXED INCOME		
US TREASURY N/B	18,512,945	0.93
US TREASURY N/B	18,182,020	0.92
US TREASURY N/B	17,423,913	0.88
US TREASURY N/B	15,672,773	0.79
WELLS FARGO + COMPANY	15,298,057	0.77
USAA CAPITAL CORP	15,260,017	0.77
US TREASURY N/B	15,115,727	0.76
FIFTH THIRD BANK	15,045,183	0.76
BANK OF NY MELLON CORP	14,996,100	0.76
SHEFFIELD RECEIVABLE	14,975,000	0.76

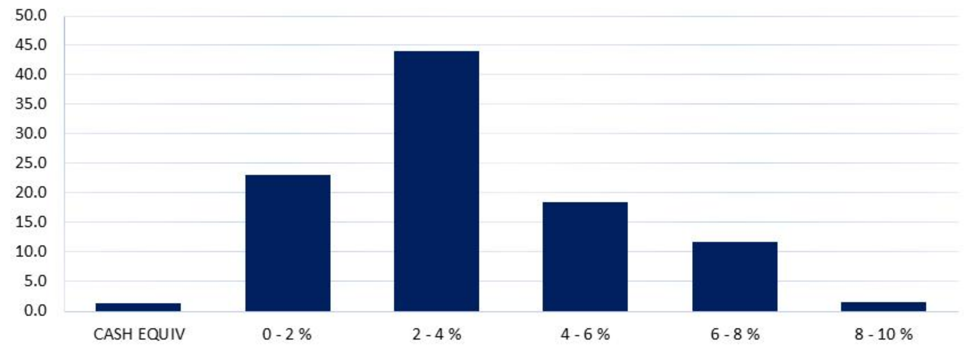
Duration Distribution



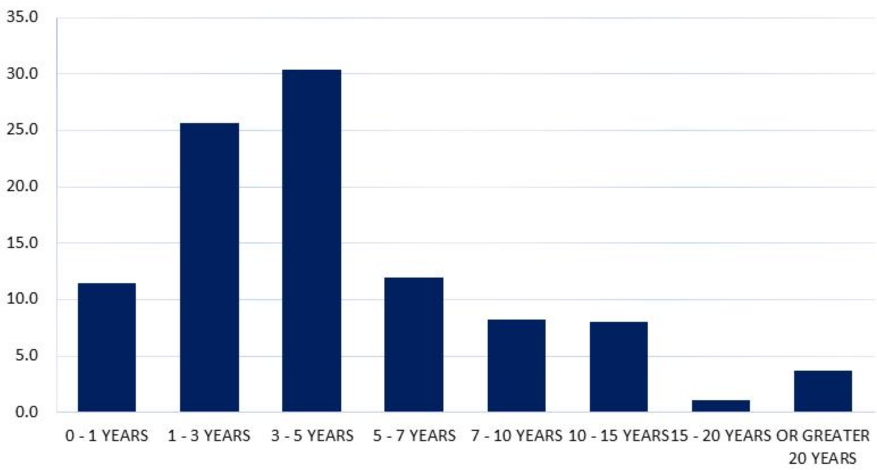
Portfolio Level Characteristics

	POOL 205 FIXED INCOME
Weighted Average Life	5.07
Coupon	3.49
Effective Duration	3.71
Quality Rating (Moody's)	AA-2

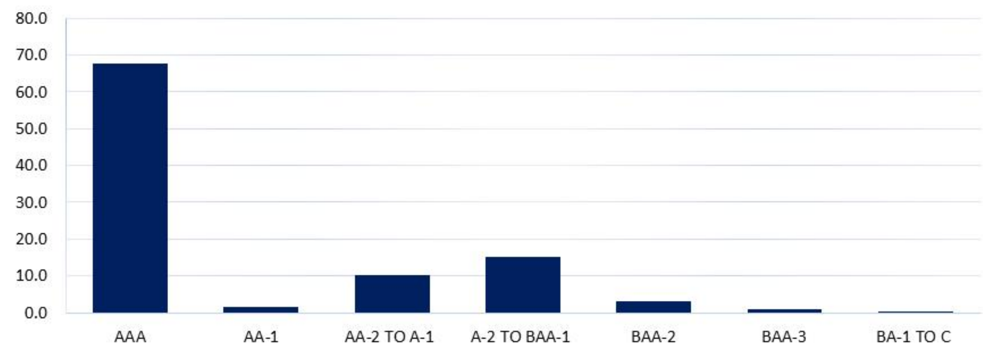
Coupon Distribution



Expected Maturity Distribution



Rating Distribution



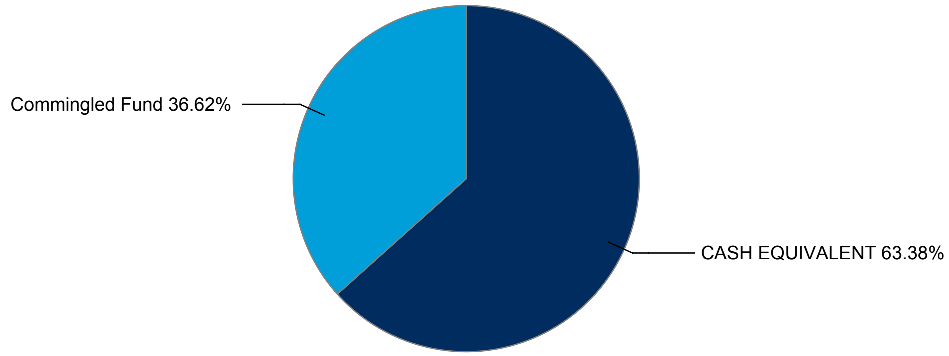
OFFICE OF THE ARIZONA STATE TREASURER

September 30, 2016

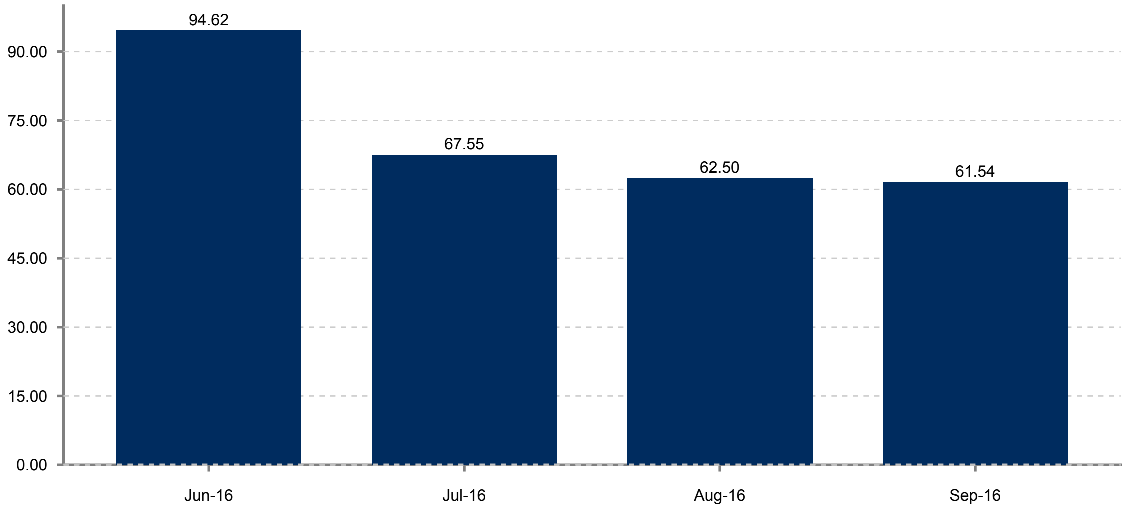
POOL 123 ST

Asset Allocation

	Ending Market Value
POOL 123 ST	61,537,685



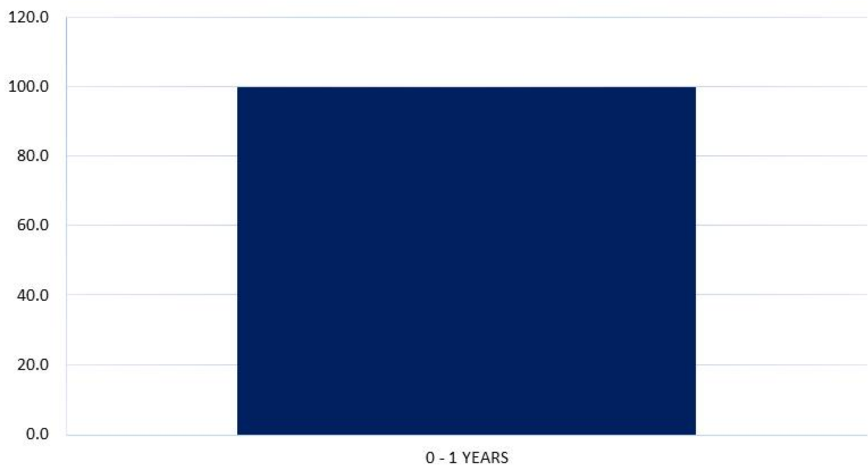
Net Asset Values over Time ($MM)



Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 123 ST		
LOCAL GOVERNMENT INVEST POOL	22,534,214	36.62
SHEFFIELD RECEIVABLE	14,975,000	24.33
KELLS FDG LLC	9,993,750	16.24
STATE STR INSTL LIQUID RESVS	9,036,313	14.68
MOUNTCLIFF	4,995,958	8.12

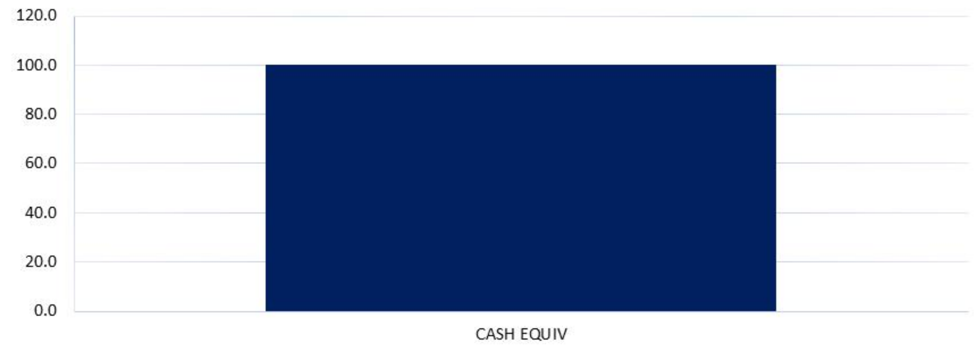
Duration Distribution



Portfolio Level Characteristics

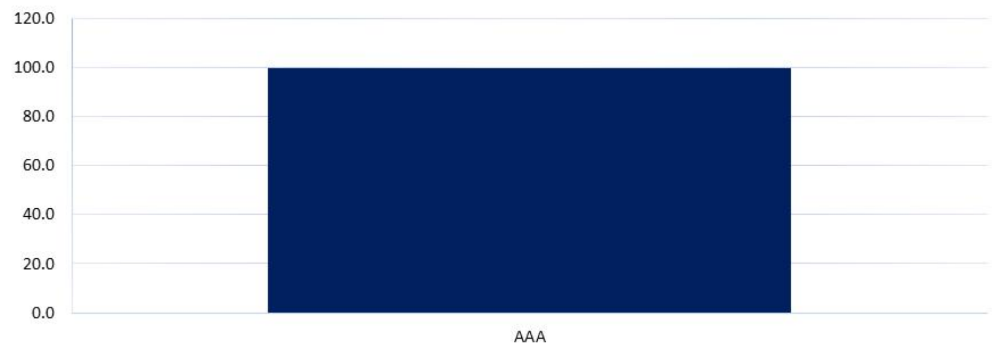
	POOL 123 ST
Weighted Average Life	0.06
Coupon	0.26
Effective Duration	0.06
Quality Rating (Moody's)	AAA

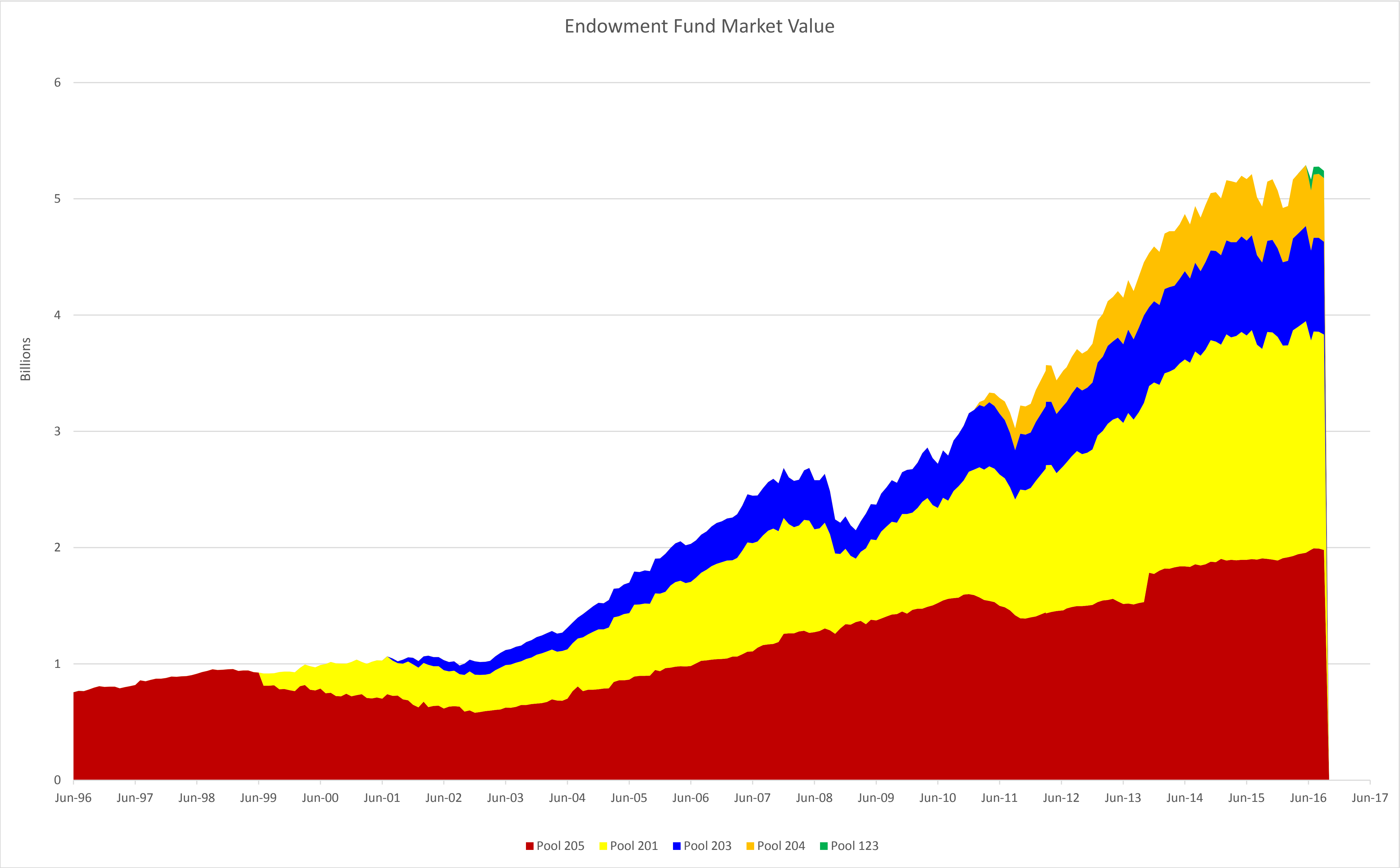
Coupon Distribution



Expected Maturity Distribution

Rating Distribution




Endowment Fund Market Value
Billions
0
1
2
3
4
5
6
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

BROKER ACTIVITY REPORT
STATE AGENCY POOLS 2, 3 Int., 4, 12, 15, 16 & 10 Int.
JULY 1 - SEPTEMBER 30, 2016

Broker Name	Asset Group	Sum Of Book Value	Pct Of Type	Pct Of Total
AMHERST SECURITIES				
	REPO	6,551,090,098	18.44%	17.76%
BA SECURITIES INC.				
	COMMERCIAL PAPER	79,908,056	9.60%	0.22%
	CORP NOTES	10,000,000	100.00%	0.03%
	CORP ABS	18,249,284	17.48%	0.05%
BARCLAYS CAPITAL INC.				
	COMMERCIAL PAPER	9,957,514	1.20%	0.03%
	US AGENCY	9,979,200	14.23%	0.03%
	US TREAS	30,007,174	11.03%	0.08%
CANTOR FITZGERALD				
	COMMERCIAL PAPER	64,956,403	7.80%	0.18%
	US AGENCY	11,738,250	16.73%	0.03%
CITIGROUP				
	CD's	20,000,000	28.57%	0.05%
	COMMERCIAL PAPER	44,683,711	5.37%	0.12%
DAIWA CAPITAL MARKETS				
	REPO	261,940,135	0.74%	0.71%
DEUTSCHE BANC				
	REPO	100,000,000	0.28%	0.27%
	US TREAS	30,075,051	11.06%	0.08%

BROKER ACTIVITY REPORT
STATE AGENCY POOLS 2, 3 Int., 4, 12, 15, 16 & 10 Int.
JULY 1 - SEPTEMBER 30, 2016

Broker Name	Asset Group	Sum Of Book Value	Pct Of Type	Pct Of Total
FIRST TENNESSEE				
	COMMERCIAL PAPER	59,931,581	7.20%	0.16%
	US AGENCY	9,984,397	14.23%	0.03%
GUGGENHEIM SECURITIES, LLC				
	CD's	20,000,000	28.57%	0.05%
	REPO	1,687,058,128	4.75%	4.57%
	COMMERCIAL PAPER	49,862,583	5.99%	0.14%
JP MORGAN CHASE				
	COMMERCIAL PAPER	174,358,211	20.95%	0.47%
	CORP ABS	30,500,000	29.21%	0.08%
	US TREAS	70,987,205	26.10%	0.19%
MITSUBISHI				
	COMMERCIAL PAPER	49,642,431	5.96%	0.13%
	CORP ABS	9,999,159	9.58%	0.03%
MIZUHO SECURITIES				
	CD's	30,000,000	42.86%	0.08%
	REPO	449,274,052	1.26%	1.22%
	COMMERCIAL PAPER	29,986,467	3.60%	0.08%
	CORP ABS	5,000,000	4.79%	0.01%
	US AGENCY	23,441,663	33.42%	0.06%
	US TREAS	19,952,781	7.34%	0.05%
PIPER JAFFRAY				
	USA MBS	1,026,820	100.00%	0.00%

BROKER ACTIVITY REPORT
STATE AGENCY POOLS 2, 3 Int., 4, 12, 15, 16 & 10 Int.
JULY 1 - SEPTEMBER 30, 2016

Broker Name	Asset Group	Sum Of Book Value	Pct Of Type	Pct Of Total
RBC CAPITAL MARKETS				
	REPO	893,976,107	2.52%	2.42%
	COMMERCIAL PAPER	219,565,494	26.38%	0.60%
	CORP ABS	25,679,018	24.59%	0.07%
	US TREAS	30,024,798	11.04%	0.08%
SOUTH STREET				
	REPO	25,059,868,509	70.52%	67.92%
WELLS FARGO				
	REPO	531,738,410	1.50%	1.44%
	COMMERCIAL PAPER	49,580,958	5.96%	0.13%
	CORP ABS	15,000,000	14.36%	0.04%
	US AGENCY	15,000,000	21.38%	0.04%
	US TREAS	90,887,160	33.42%	0.25%

BROKER ACTIVITY REPORT
LGIP POOLS 5, 7, 500 and 700
JULY 1 - SEPTEMBER 30, 2016

Broker Name	Asset Group	Sum Of Book Value	Pct Of Type	Pct Of Total
AMHERST SECURITIES				
	REPO	628,909,902	1.82%	1.75%
BA SECURITIES INC.				
	CD's	10,000,249	100.00%	0.03%
	REPO	6,400,000,000	18.52%	17.77%
	COMMERCIAL PAPER	366,201,707	28.89%	1.02%
	US TREAS	59,900,087	58.30%	0.17%
BARCLAYS CAPITAL INC.				
	COMMERCIAL PAPER	43,129,639	3.40%	0.12%
BNY MELLON CAPITAL MARKETS				
	COMMERCIAL PAPER	19,994,861	1.58%	0.06%
	COMMERCIAL NOTES	2,005,417	8.32%	0.01%
CANTOR FITZGERALD				
	COMMERCIAL PAPER	64,974,306	5.13%	0.18%
	CORP ABS	1,042,926	3.06%	0.00%
CITIGROUP				
	COMMERCIAL PAPER	92,131,518	7.27%	0.26%
	CORP NOTES	4,000,000	16.59%	0.01%
DAIWA CAPITAL MARKETS				
	REPO	12,538,059,865	36.27%	34.82%
GREAT PACIFIC				
	COMMERCIAL PAPER	29,979,567	2.37%	0.08%

BROKER ACTIVITY REPORT
LGIP POOLS 5, 7, 500 and 700
JULY 1 - SEPTEMBER 30, 2016

Broker Name	Asset Group	Sum Of Book Value	Pct Of Type	Pct Of Total
GUGGENHEIM SECURITIES, LLC				
	REPO	2,377,941,873	6.88%	6.60%
	COMMERCIAL PAPER	24,956,194	1.97%	0.07%
	US TREAS	19,937,778	19.40%	0.06%
JEFFERIES&CO				
	CORP NOTES	2,052,675	8.52%	0.01%
JP MORGAN CHASE				
	COMMERCIAL PAPER	219,754,436	17.34%	0.61%
	CORP ABS	1,999,793	5.87%	0.01%
MITSUBISHI				
	COMMERCIAL PAPER	75,877,586	5.99%	0.21%
MIZUHO SECURITIES				
	REPO	290,725,948	0.84%	0.81%
	COMMERCIAL PAPER	19,979,500	1.58%	0.06%
	CORP ABS	5,000,000	14.69%	0.01%
	US TREAS	19,915,995	19.38%	0.06%
RBC CAPITAL MARKETS				
	REPO	351,023,893	1.02%	0.97%
	COMMERCIAL PAPER	58,755,360	4.64%	0.16%
	CORP NOTES	5,007,583	20.77%	0.01%
	CORP ABS	15,000,000	44.06%	0.04%

BROKER ACTIVITY REPORT
LGIP POOLS 5, 7, 500 and 700
JULY 1 - SEPTEMBER 30, 2016

Broker Name	Asset Group	Sum Of Book Value	Pct Of Type	Pct Of Total
SOUTH STREET				
	REPO	2,215,131,491	6.41%	6.15%
STIFEL NICOLAUS				
	CORP NOTES	4,041,444	16.77%	0.01%
WELLS FARGO				
	REPO	9,763,261,590	28.25%	27.11%
	COMMERCIAL PAPER	251,709,291	19.86%	0.70%
	CORP NOTES	6,997,700	29.03%	0.02%
	CORP ABS	11,000,000	32.31%	0.03%
	US AGENCY	3,989,840	100.00%	0.01%
	US TREAS	2,993,031	2.91%	0.01%
	MUNICIPAL BONDS	4,000,000	100.00%	0.01%

BROKER ACTIVITY REPORT
ENDOWMENT FIXED INCOME POOLS 205 and 123
JULY 1 - SEPTEMBER 30, 2016

Broker Name	Asset Group	Sum Of Book Value	Pct Of Type	Pct Of Total
BA SECURITIES INC.				
	CORP NOTES	12,996,460	46.47%	8.10%
BARCLAYS CAPITAL INC.				
	COMMERCIAL PAPER	54,897,444	61.10%	34.23%
	US TREAS	7,525,670	33.63%	4.69%
BREAN CAPITAL				
	USA MBS	14,766,488	73.19%	9.21%
CANTOR FITZGERALD				
	USA MBS	5,408,329	26.81%	3.37%
CITIGROUP				
	COMMERCIAL PAPER	4,989,222	5.55%	3.11%
GOLDMAN SACHS				
	CORP NOTES	14,973,900	53.53%	9.34%
JP MORGAN CHASE				
	COMMERCIAL PAPER	9,992,222	11.12%	6.23%
RBC CAPITAL MARKETS				
	COMMERCIAL PAPER	19,962,333	22.22%	12.45%
WELLS FARGO				
	US TREAS	14,849,219	66.37%	9.26%

BROKER ACTIVITY REPORT
ENDOWMENT EQUITY POOLS 201, 203, & 204
JULY 1 - SEPTEMBER 30, 2016

Broker Name	Asset Group	Sum Of Book Value	Pct Of Type	Pct Of Total
BLOOMBERG				
	LARGE CAP	21,700,694	42.90%	14.74%
	MID CAP	30,719,308	54.67%	20.87%
	SMALL CAP	20,293,783	50.23%	13.79%
LIQUIDNET				
	MID CAP	3,170,839	5.64%	2.15%
MKM HOLDINGS				
	LARGE CAP	28,626,807	56.59%	19.45%
	MID CAP	21,792,364	38.79%	14.81%
	SMALL CAP	19,237,605	47.62%	13.07%
RAYMOND JAMES				
	LARGE CAP	262,460	0.52%	0.18%
SG AMERICAS SECURITIES LLC				
	MID CAP	504,097	0.90%	0.34%
	SMALL CAP	870,858	2.16%	0.59%