

OFFICE OF THE
ARIZONA STATE TREASURER



JEFF DEWIT
TREASURER



JANUARY 2016

Presented To:

Arizona State Board of Investment

February 25, 2016

STATE BOARD OF INVESTMENT

A G E N D A

February 25, 2016

1. Call to Order
2. Chairman Remarks
3. Approval of January 26, 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. Endowment Investments and Performance Reports
5. Proposed Changes to the Investment Policy
 - A. Review of Proposed Changes
 - B. Public Comment on Proposed Changes
 - C. Discussion and Action on Proposed Changes
6. Review and Approval of Proposed/Pending Securities Dealers
7. General Business
8. Call to the Public
9. Notice of Next Meeting
10. Adjournment

REPORT OF THE STATE TREASURER

FOR

February 25, 2016

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**Minutes of
BOARD OF INVESTMENT MEETING**

The regular meeting of the State Board of Investment was held on January 26, 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 1:31 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
Beth Ford, Treasurer, Pima County, Via Teleconference

Others Present:

Mark Swenson, Deputy Treasurer of Policy & Research, Arizona State Treasurer's Office
Sean Dollman, Deputy Treasurer of Administration, Arizona State Treasurer's Office
Lorraine Jones, Deputy Treasurer of Operations, Arizona State Treasurer's Office
Patty Humbert, Chief Investment Officer, Arizona State Treasurer's Office
Tim White, Senior Portfolio Manager, Arizona State Treasurer's Office
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
Doug Safford, CFA and Director, Wells Fargo

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

1. Call to Order:

Treasurer DeWit called the January 26, 2016 BOI meeting to order at approximately 1:31 p.m.

2. Treasurers Comments:

Treasurer DeWit welcomed the board members and guests and thanked all present for attending the January 26, 2016 meeting.

3. Approval of Minutes:

Mr. Papp made a motion to approve the December 29, 2015 minutes. Mr. Tobin 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 December, 2015.

Operating Monies Average Invested Balance

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

Mr. Brown asked for clarification regarding net yields. Ms. Humbert gave a brief explanation. Discussion ensued.

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 December 31, 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 December 31, 2015.

Mr. Tobin asked for clarification regarding net assets and operating balances for 2014 compared to 2015. Ms. Humbert gave a brief explanation.

Mr. Brown asked for clarification regarding the reduction in the net asset value and how it relates to market changes and withdrawals. Ms. Humbert gave a brief explanation. Discussion ensued.

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 December, 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 December, 2015.

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 December 31, 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 December, 2015.

Treasurer DeWit inquired in regards to the duration on the Merrill 1-5. Ms. Humbert and Mr. Stevenson provided an answer of 2.5 to 3 year duration. Treasurer DeWit asked the investment team to explore a shorter term index. Ms. Humbert and Mr. Stevenson will research and provide information to include Merrill 1-3.

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 December, 2015.

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 December, 2015 and fiscal year to date.

Mr. Tobin asked for clarification regarding the losses in Small-Cap Fund in comparing 2014 to 2015. Mr. Papp gave a brief explanation.

Endowment Funds Fixed-Income Pool Purchases & Sales

Mr. White reported the purchases and sales of the Endowment Fixed Income Pool for the month of December, 2015.

Mr. Tobin asked for duration explanation. Mr. White provided a brief explanation. Discussion ensued.

Equity Funds Purchases & Sales

Mr. White reported the purchases and sales (summary) of the Endowment Equity Pools for the month of December, 2015.

Investments Outstanding in Endowment Funds

Mr. White reported the par, book, market value, and unrealized gains/loss of the Endowment Funds as of December 31, 2015.

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 December 31, 2015.

Mr. Brown asked if Endowment Funds are internally or externally managed. Mr. White responded the Endowment Funds are internally managed. Discussion ensued.

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 December 31, 2015.

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 December 31, 2015.

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 December 31, 2015.

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 December 31, 2015.

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 December, 2015.

Treasurer DeWit explained the difference between internally versus externally managed funds. Discussion ensued. The investment team will provide the members of the board with information regarding the ATSO investment management fees compared to ASRS and PSPRS.

Mr. Brown asked for clarification regarding the rating distribution. Mr. White gave a brief explanation. Discussion ensued.

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 December 31, 2015.

Broker Activity Report

Mr. White reported the quarterly broker activity for all internally managed pools for the period of October 1, 2015 through December 31, 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:

- a. Approval of Endowment Distributions for FY 2017

Ms. Humbert briefed the Board on the Endowment Distribution for Fiscal Year 2017.

Treasurer DeWit asked for a motion for approval as presented.

Mr. Tobin made a motion to approve the Endowment Distribution for FY 2017 as presented. Ms. Ford seconded the motion. Motion carried.

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, February 23, 2016 at 1:30 p.m. at 1700 West Washington, State Capitol, West Wing, Treasurer's Conference Room, Phoenix, Arizona.

10. Adjournment:

Mr. Papp made a motion to adjourn the BOI meeting. Mr. Brown seconded the motion. Upon unanimous approval the BOI Meeting was adjourned at 2:50 p.m.

Respectfully Submitted by:

Christine Thurston
Executive Consultant II

Approved by:

Jeff DeWit, Chair

Date

EARNINGS DISTRIBUTION - INVESTMENT POOLS
JANUARY 2016

Recipient	Earnings Distributed			Fiscal YTD Investment Management Fees Received
	JANUARY 2016	Fiscal YTD 15/16	Fiscal YTD 14/15	
General Fund	\$1,079,883	\$6,972,986	\$6,613,385	
2 State Agencies - Full Faith & Credit	400,522	2,433,698	3,045,230	\$310,625
3 State Agencies - Diversified (<i>Combined</i>)	875,395	4,398,185	4,144,371	461,605
4 State Agencies - Gov	431,118	2,654,972	3,299,036	301,077
5 LGIP	263,250	1,216,971	690,900	358,525
7 LGIP Gov	230,057	825,618	341,289	307,658
10 Restricted Operating	320,832	2,049,250	1,897,619	428,803
12 CAWCD Medium-Term	366,914	2,250,644	3,013,199	100,925
16 ECDH Medium-Term	454,102	2,864,735	3,338,302	123,003
Subtotal	\$4,422,071	\$25,667,061	\$26,383,331	\$2,392,220
NAV POOL				
500 LGIP - Med Term	248,648	1,697,047	1,569,789	78,340
700 LGIP - FF&C Med Term	134,544	810,870	833,989	47,245
Total	\$4,805,263	\$28,174,978	\$28,787,110	\$2,517,805
JANUARY 2015 TOTALS	\$4,072,774			\$2,478,811

OPERATING MONIES
AVERAGE INVESTED BALANCE

Through January 31, 2016

(in millions of dollars)

<u>Month</u>	<u>Fiscal Year</u> <u>2013/2014</u>	<u>Fiscal Year</u> <u>2014/2015</u>	<u>Fiscal Year</u> <u>2015/2016</u>
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	2,140
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	\$1,784
Budget Stabilization Average Fund Balance - January 2016			<u>\$459</u>
Total Average Cash Available - January 2016			<u>\$2,599</u>

**STATE AGENCY POOLS
PORTFOLIO EARNINGS ANALYSIS
JANUARY 2016**

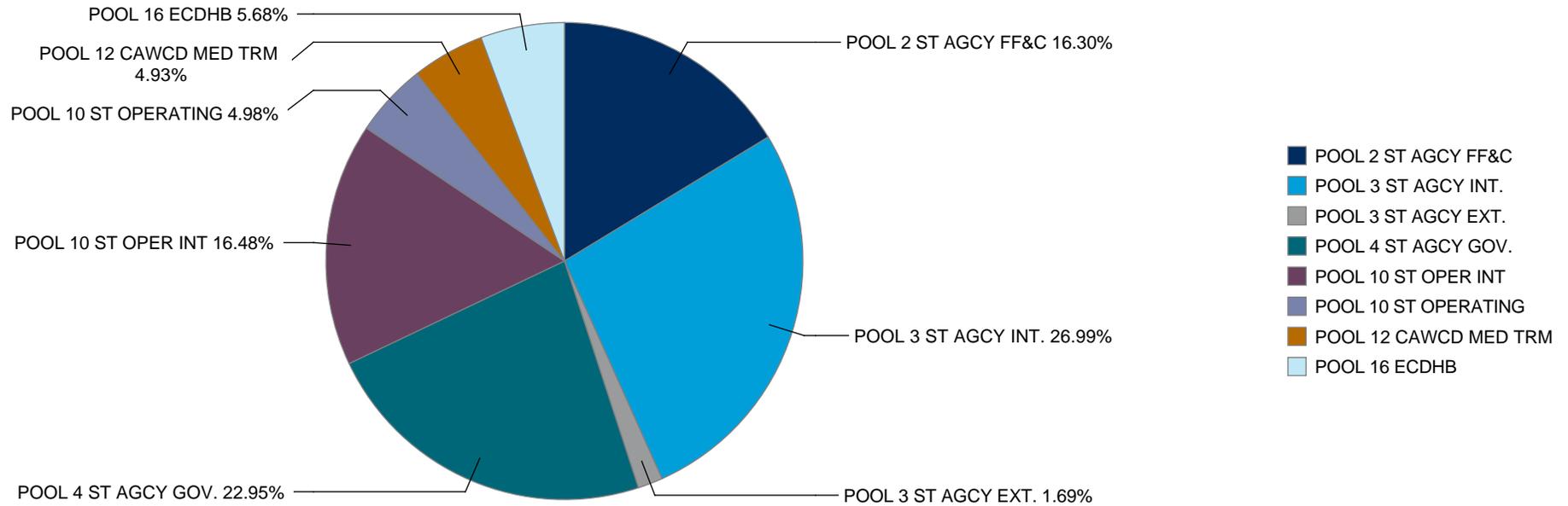
FUND	DESCRIPTION	Current Month 01/31/16	Prior Month 12/31/15	Prior Year 01/31/15	Net Asset Value Per Share
2	STATE AGENCIES - FULL FAITH & CREDIT	544,516	462,651	487,890	0.9981
3	STATE AGENCIES - DIVERSIFIED				
	INTERNAL MANAGERS	911,390	733,356	753,959	0.9986
	EXTERNAL MANAGERS	90,167	83,651	68,582	1.0003
	FUND 3 TOTAL	1,001,557	817,008	822,541	0.9988
4	STATE AGENCIES - GOV	630,543	498,947	483,934	0.9989
10	RESTRICTED OPERATING				
	INTERNAL MANAGERS	797,858	758,700	771,805	0.9996
	EXTERNAL MANAGERS	114,395	87,086	78,472	1.0011
	FUND 10 TOTAL	912,253	845,786	850,276	0.9999
12	CAWCD MEDIUM-TERM	366,914	280,874	402,936	1.0050
15	AHCCCS OPERATING	11,275	N/A	N/A	0.0000
16	ECDH MEDIUM-TERM	454,102	412,633	499,377	1.0005
	TOTAL STATE AGENCIES	3,921,159	3,317,899	3,546,956	

**STATE AGENCY POOLS
PORTFOLIO YIELD ANALYSIS
JANUARY 2016**

FUND	DESCRIPTION	Current Month 01/31/16	Prior Month 12/31/15	Prior Year 01/31/15
2	STATE AGENCIES - FULL FAITH & CREDIT 75% MERRILL 0-1 US TREAS INDEX / 25% MERRILL US GNMA MORTGAGE BACKED INDEX	0.63% 1.01%	0.55% 1.10%	0.61% 0.64%
3	STATE AGENCIES - DIVERSIFIED INTERNAL MANAGERS EXTERNAL MANAGERS COMBINED 50% 3 MONTH LIBOR INDEX / 50% MERRILL 1-3 US BROAD MARKET INDEX	0.76% 1.04% 0.77% 0.93%	0.70% 0.96% 0.72% 0.98%	0.68% 0.79% 0.69% 0.53%
4	STATE AGENCIES - GOV 50% MERRILL 6 MTH US T-BILL INDEX / 50% MERRILL 1-3 UNSUB. US TREAS / AGY INDEX	0.65% 0.62%	0.58% 0.78%	0.65% 0.27%
10	RESTRICTED OPERATING INTERNAL MANAGERS EXTERNAL MANAGERS COMBINED 50% 3 MONTH LIBOR INDEX / 50% MERRILL 1-3 US BROAD MARKET INDEX	0.94% 0.45% 0.82% 0.93%	0.89% 0.34% 0.77% 0.98%	0.84% 0.31% 0.73% 0.53%
12	CAWCD MEDIUM-TERM MERRILL 1-5 US D M INDEX	1.39% 1.55%	1.04% 1.76%	1.54% 1.25%
15	AHCCCS OPERATING	0.41%	N/A	N/A
16	ECDH MEDIUM-TERM MERRILL 1-5 US D M INDEX	1.55% 1.55%	1.41% 1.76%	1.73% 1.25%



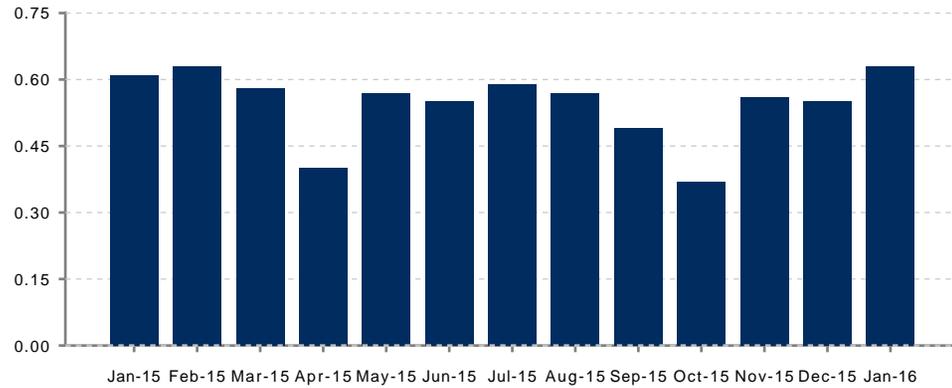
Manager Allocation



	Market Value	% of Portfolio
POOL 2 ST AGCY FF&C	991,951,033	16.3
POOL 3 ST AGCY INT.	1,642,479,165	27.0
POOL 3 ST AGCY EXT.	102,542,979	1.7
POOL 4 ST AGCY GOV.	1,396,548,733	23.0
POOL 10 ST OPER INT	1,002,870,261	16.5
POOL 10 ST OPERATING	303,139,786	5.0
POOL 12 CAWCD MED TRM	299,734,153	4.9
POOL 16 ECDHB	345,749,062	5.7
TOTAL STATE AGENCY	6,085,015,171	100.0



Net Yield

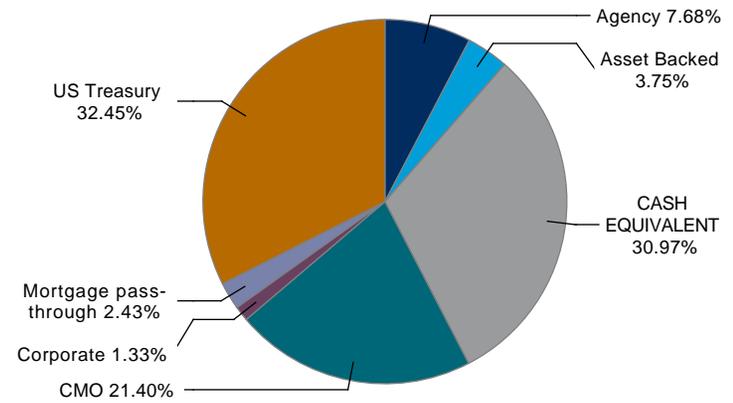


Current Mth Prior Mth 1 Year Ago

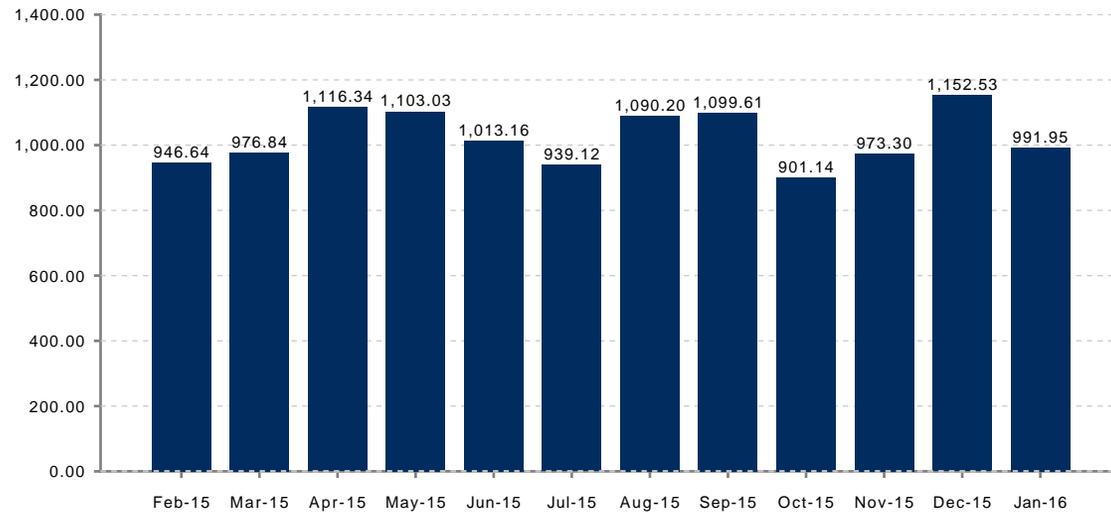
POOL 2 ST AGCY FF&C	0.63	0.55	0.61
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Asset Allocation

POOL 2 ST AGCY FF&C	Ending Market Value
	991,951,033



Net Asset Values over Time (\$MM)

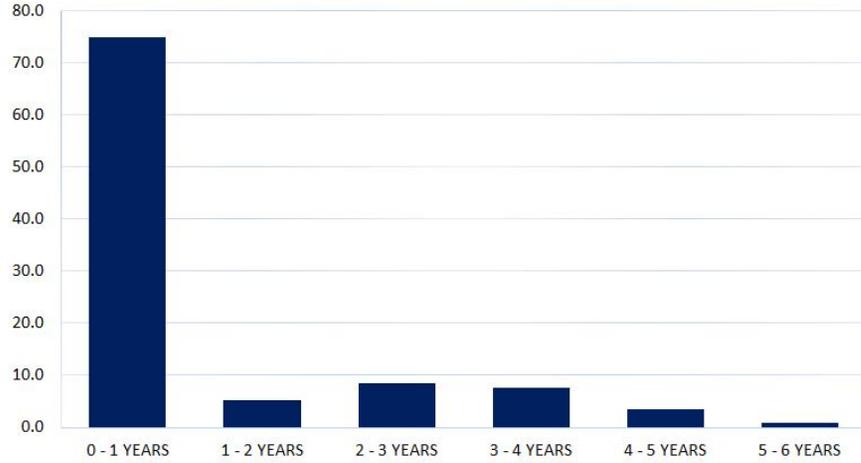


Top 10 Holdings

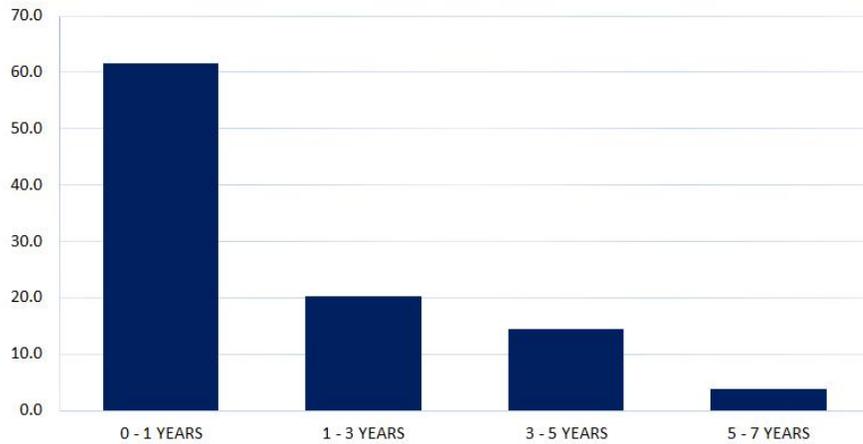
Security Name	Ending Market Value	% of Portfolio
POOL 2 ST AGCY FF&C		
WELLS FARGO REPO	100,002,917	10.08
TREASURY BILL	49,989,900	5.04
US TREASURY N/B	46,007,462	4.64
US TREASURY FRN	40,014,550	4.03
SOUTH STREET REPO	38,262,796	3.86
TREASURY BILL	29,908,860	3.02
GOVERNMENT NATIONAL MORTGAGE A	26,942,054	2.72
US TREASURY N/B	20,284,303	2.04
US TREASURY N/B	20,238,615	2.04
US TREASURY N/B	20,222,829	2.04



Duration Distribution



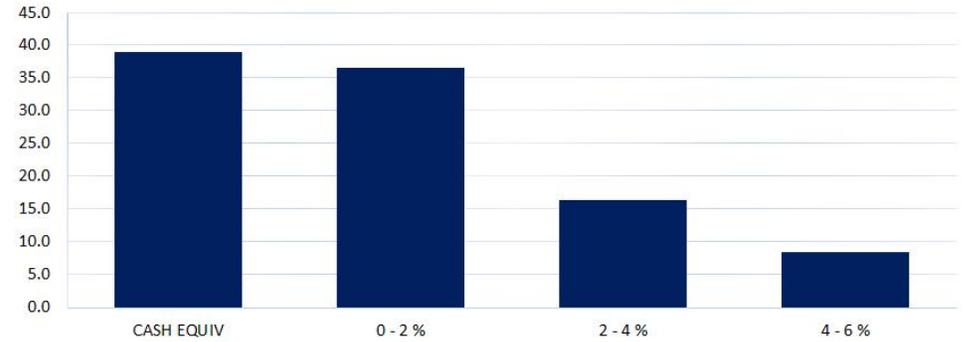
Expected Maturity Distribution



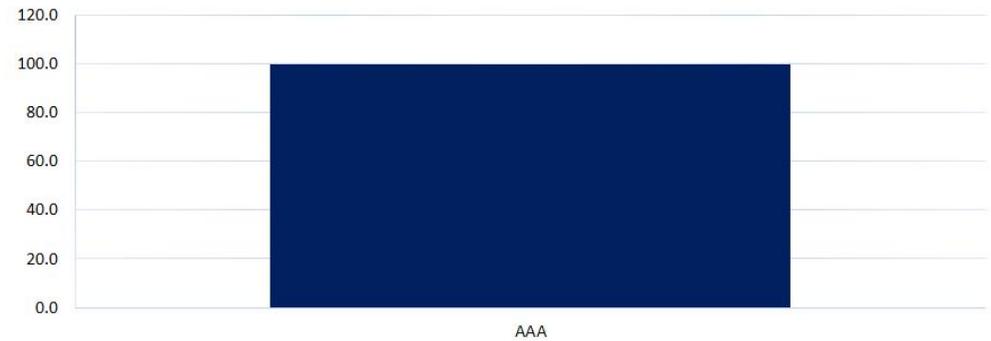
Portfolio Level Characteristics

	POOL 2 ST AGCY FF&C
Weighted Average Life	1.32
Coupon	1.29
Effective Duration	0.85
Quality Rating (Moody's)	AAA

Coupon Distribution



Rating Distribution





Net Yield



Current Mth **Prior Mth** **1 Year Ago**

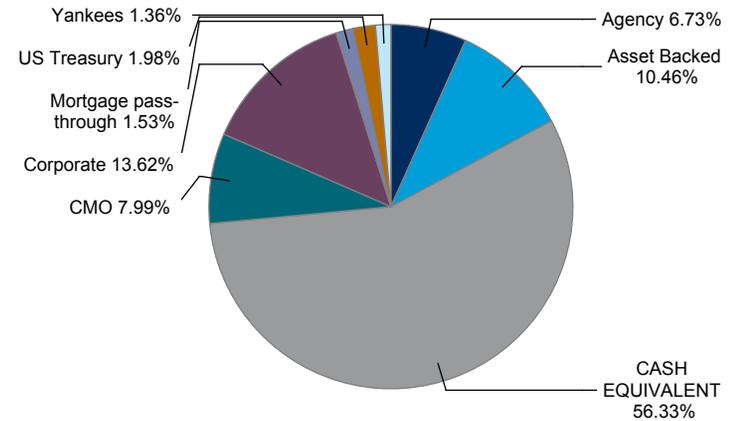
POOL 3 ST AGCY INT.	0.76	0.70	0.68
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Asset Allocation

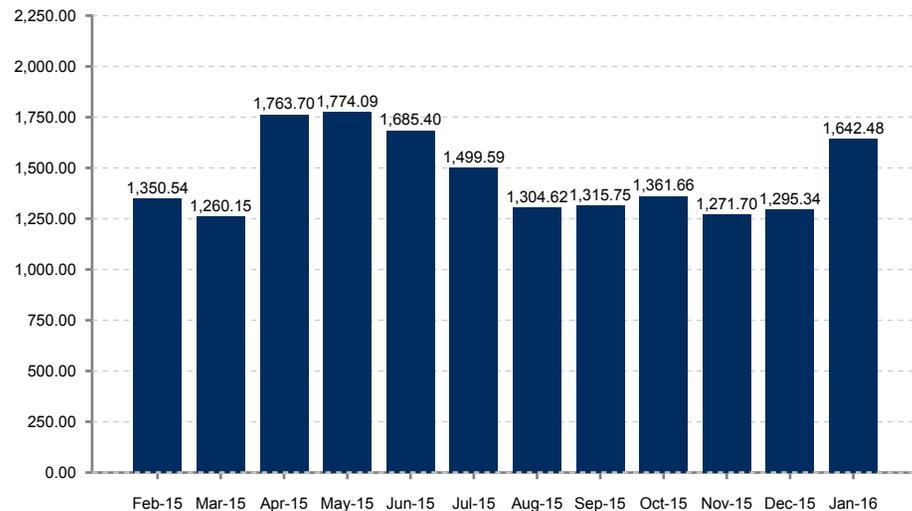
POOL 3 ST AGCY INT.

Ending Market Value

1,642,479,165



Net Asset Values over Time (\$MM)

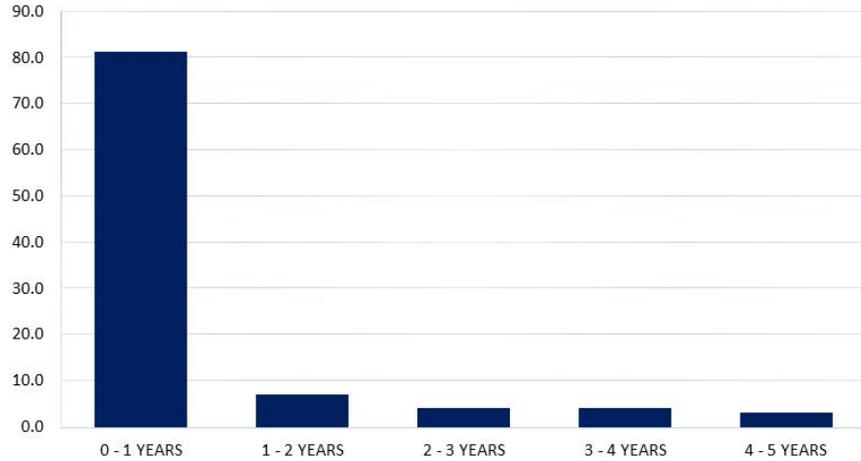


Top 10 Holdings

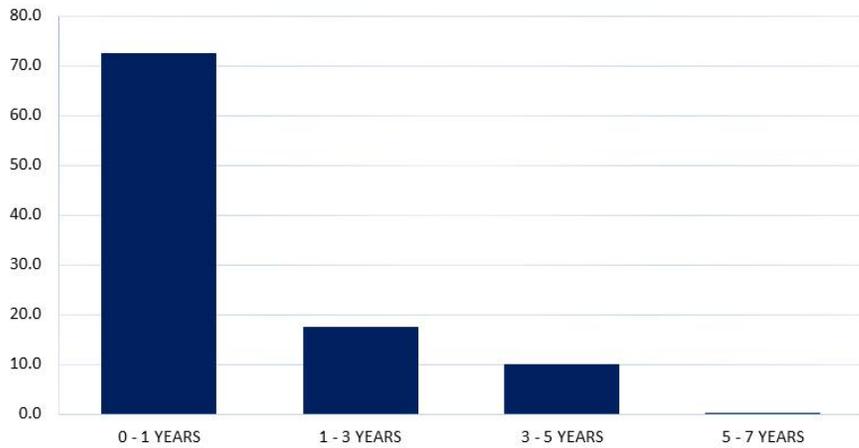
Security Name	Ending Market Value	% of Portfolio
POOL 3 ST AGCY INT.		
SOUTH STREET REPO	274,217,231	16.70
SUN TRUST ROBINSON REPO	125,034,028	7.61
BNK OF TKYO-MTBSHI L	40,014,667	2.44
SVENSKA HANDLSBNKN A	30,013,444	1.83
CREDIT AGRICOLE	30,007,434	1.83
HANNOVER FDG CO. LLC	30,000,000	1.83
SHEFFIELD RECEIVABLE	29,999,167	1.83
CANADIAN IMPERIAL BK	29,967,232	1.82
LIBERTY FUNDING LLC	29,938,800	1.82
CROWN POINT CAP CO.	29,908,008	1.82



Duration Distribution



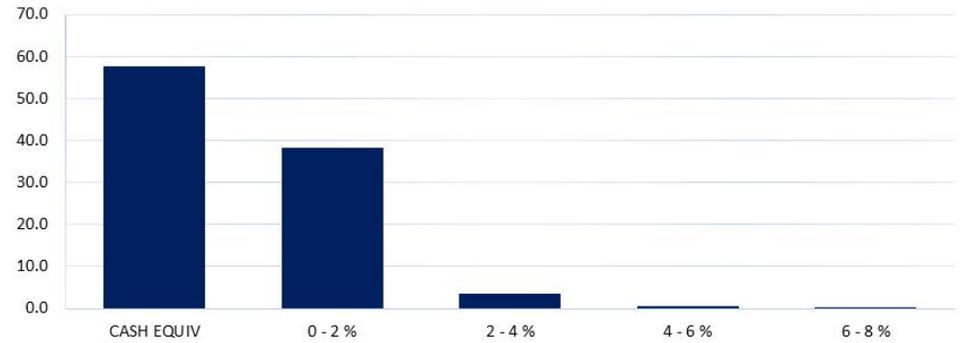
Expected Maturity Distribution



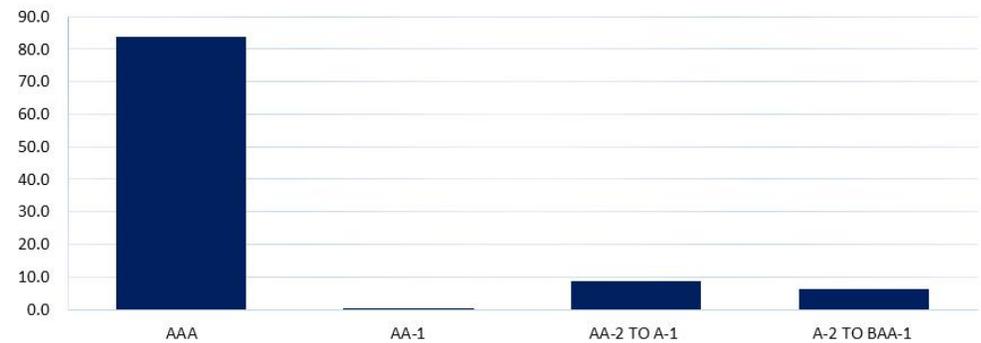
Portfolio Level Characteristics

	POOL 3 ST AGCY INT.
Weighted Average Life	0.94
Coupon	0.83
Effective Duration	0.65
Quality Rating (Moody's)	AA-1

Coupon Distribution

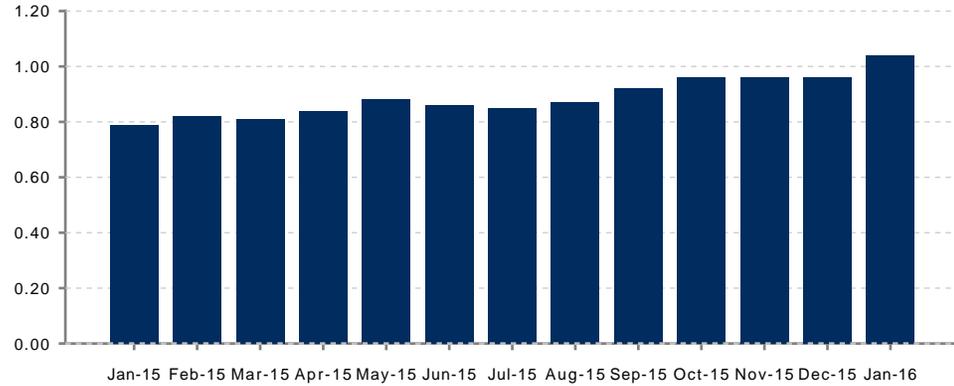


Rating Distribution





Net Yield



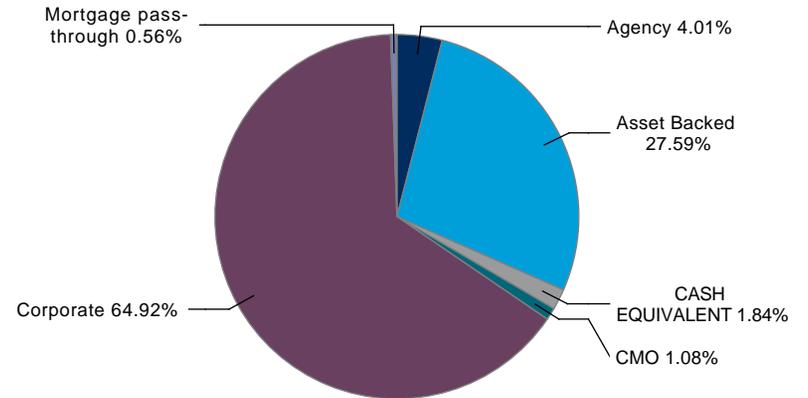
	Current Mth	Prior Mth	1 Year Ago
POOL 3 ST AGCY EXT.	1.04	0.96	0.79

Asset Allocation

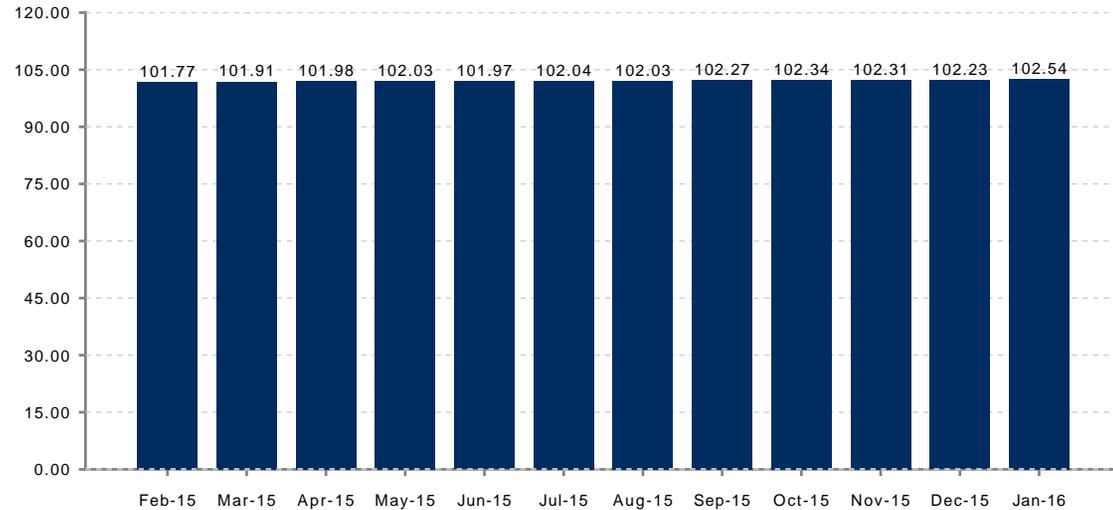
POOL 3 ST AGCY EXT.

Ending Market Value

102,542,979



Net Asset Values over Time (\$MM)

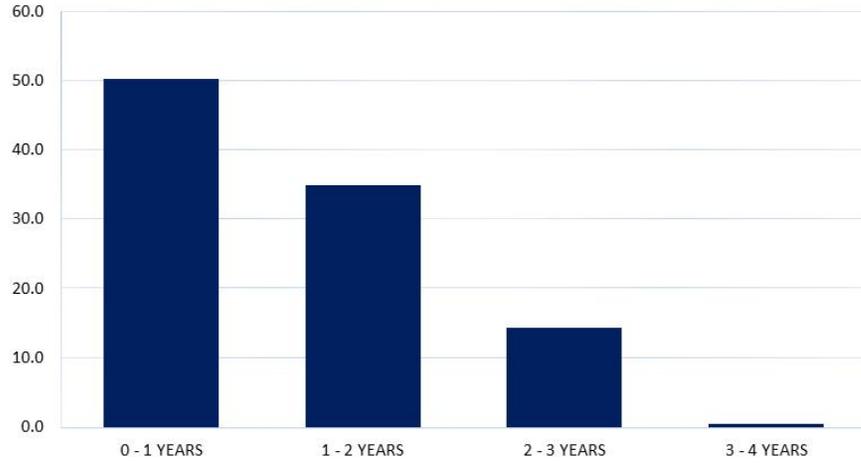


Top 10 Holdings

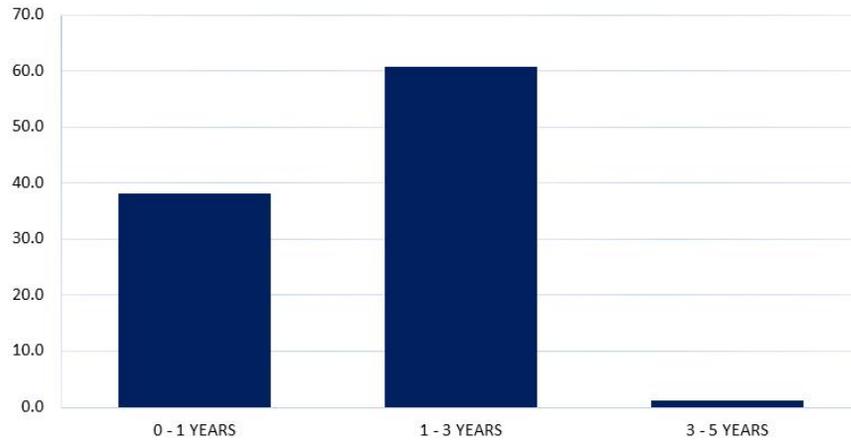
Security Name	Ending Market Value	% of Portfolio
POOL 3 ST AGCY EXT.		
ROYAL BK OF CANADA	1,802,647	1.76
MUFG UNION BANK NA	1,619,258	1.58
COSTCO WHOLESALE CORP	1,606,913	1.57
DISCOVER CARD EXECUTION NOTE T	1,575,499	1.54
3M COMPANY	1,556,603	1.52
MERCEDES BENZ AUTO RECEIVABLES	1,529,984	1.49
JPMORGAN CHASE + CO	1,507,794	1.47
FANNIE MAE	1,507,740	1.47
CITIBANK CREDIT CARD ISSUANCE	1,505,304	1.47
FEDERAL FARM CREDIT BANK	1,504,359	1.47



Duration Distribution



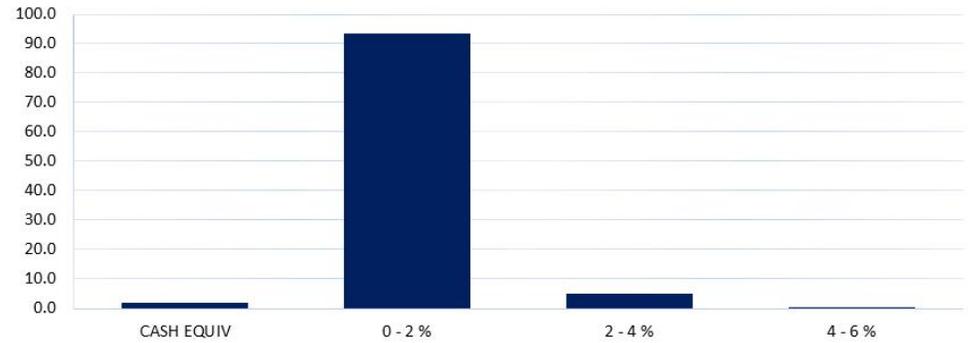
Expected Maturity Distribution



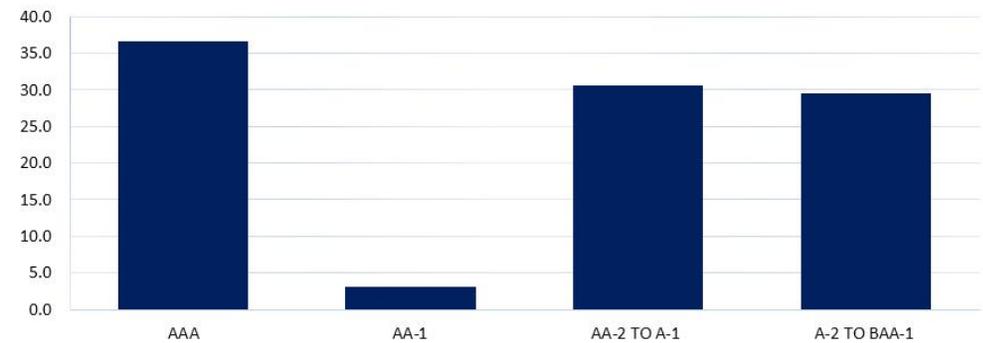
Portfolio Level Characteristics

	POOL 3 ST AGCY EXT.
Weighted Average Life	1.40
Coupon	1.19
Effective Duration	1.08
Quality Rating (Moody's)	AA-3

Coupon Distribution

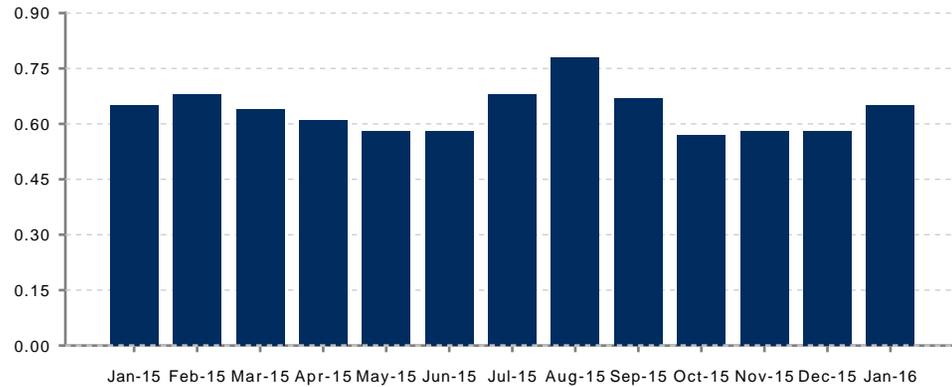


Rating Distribution





Net Yield

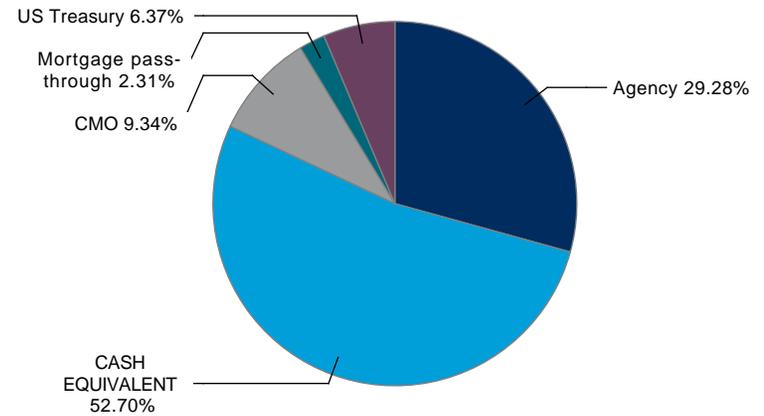


Current Mth Prior Mth 1 Year Ago

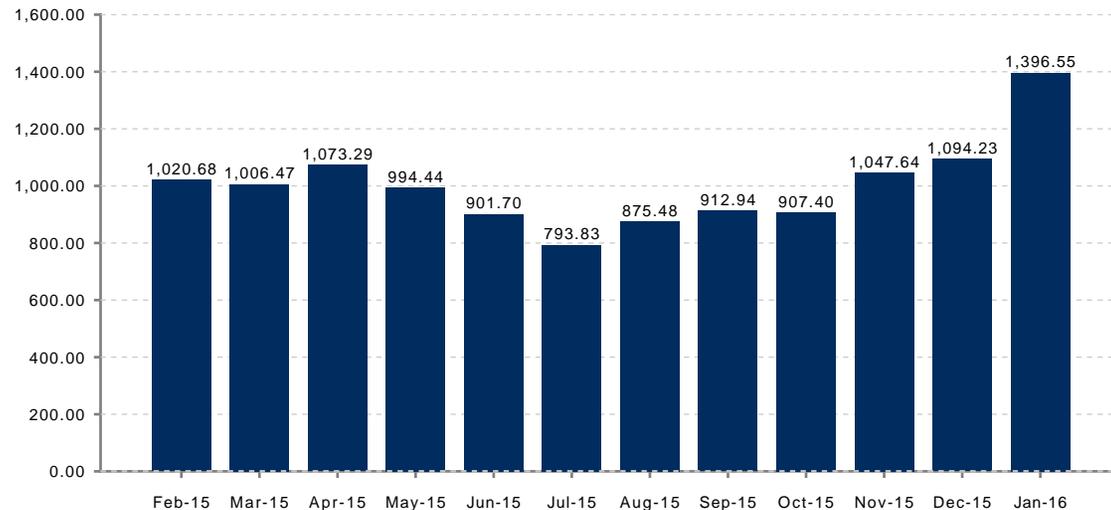
POOL 4 ST AGCY GOV.	0.65	0.58	0.65
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Asset Allocation

	Ending Market Value
POOL 4 ST AGCY GOV.	1,396,548,733



Net Asset Values over Time (\$MM)

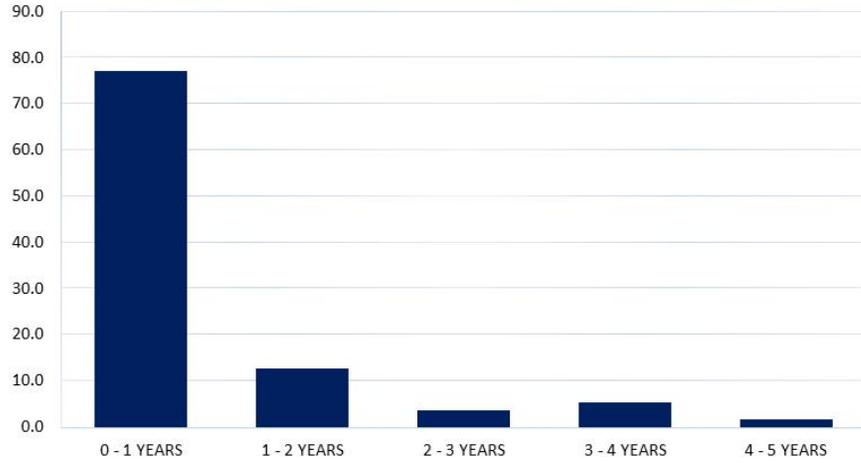


Top 10 Holdings

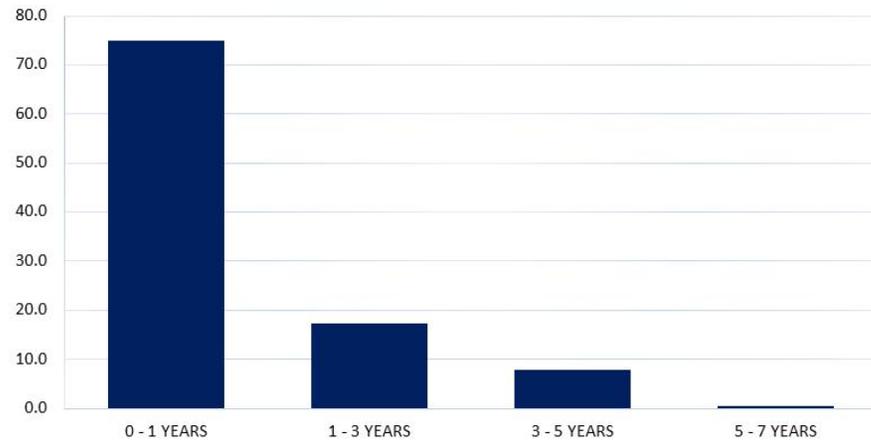
Security Name	Ending Market Value	% of Portfolio
POOL 4 ST AGCY GOV.		
AMHERST PIERPONT	200,012,778	14.32
SOUTH STREET REPO	155,799,969	11.16
AMHERST PIERPONT	80,002,800	5.73
FED HOME LN DISCOUNT NT	49,902,650	3.57
FED HOME LN DISCOUNT NT	39,998,840	2.86
FED HOME LN DISCOUNT NT	24,948,650	1.79
FANNIEMAE ACES	23,946,351	1.71
US TREASURY N/B	20,177,198	1.44
FREDDIE MAC	20,074,331	1.44
FEDERAL FARM CREDIT BANK	20,065,539	1.44



Duration Distribution



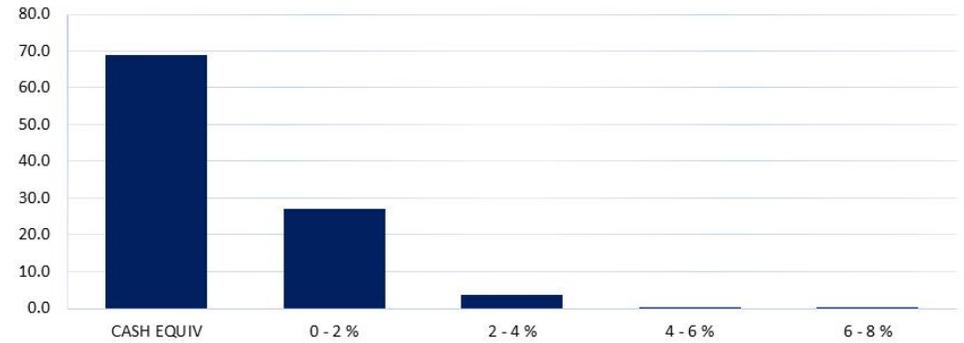
Expected Maturity Distribution



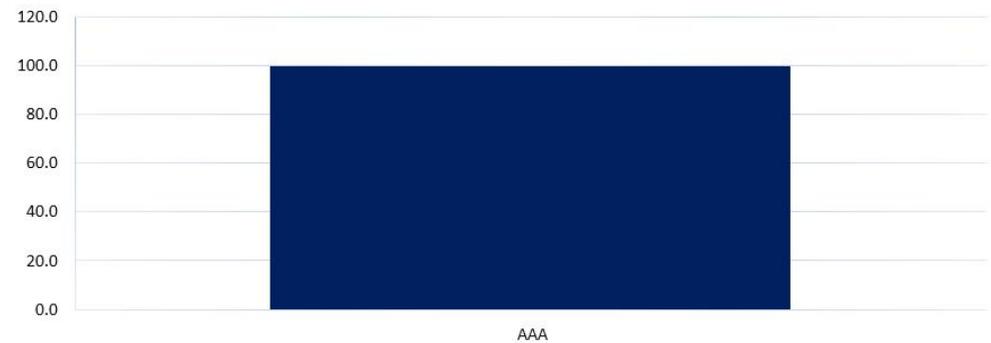
Portfolio Level Characteristics

	POOL 4 ST AGCY GOV.
Weighted Average Life	0.83
Coupon	0.64
Effective Duration	0.68
Quality Rating (Moody's)	AAA

Coupon Distribution

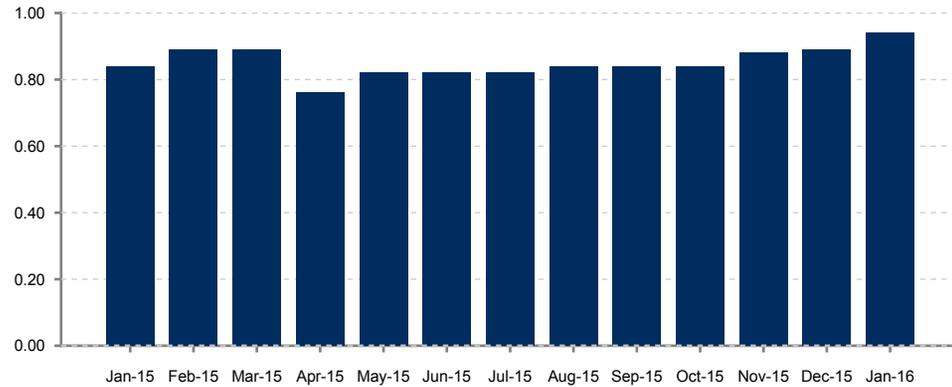


Rating Distribution





Net Yield

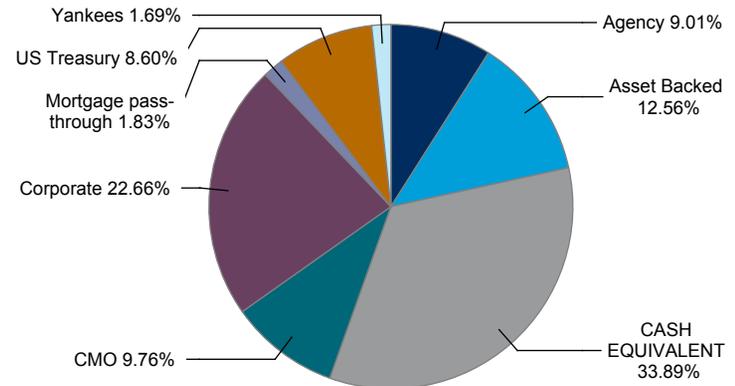


Current Mth **Prior Mth** **1 Year Ago**

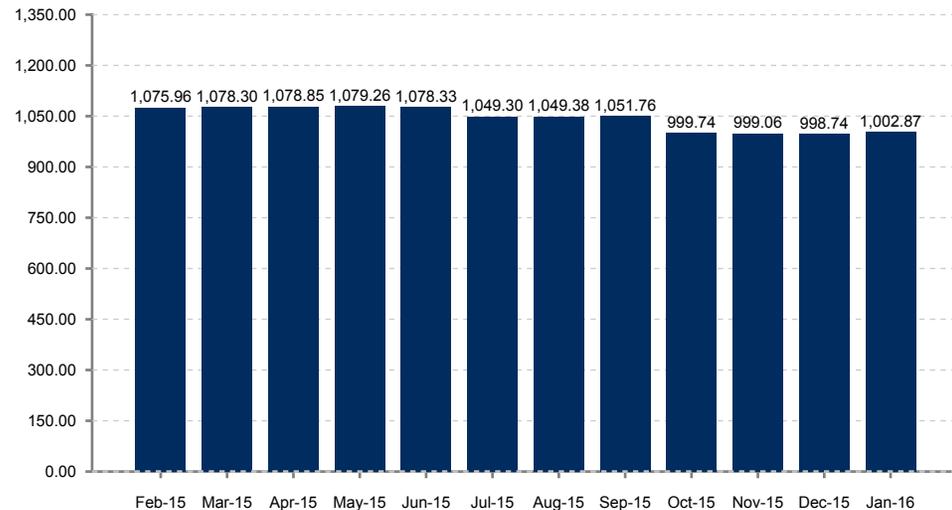
POOL 10 ST OPER INT	0.94	0.89	0.84
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Asset Allocation

Ending Market Value	
POOL 10 ST OPER INT	1,002,870,261



Net Asset Values over Time (\$MM)

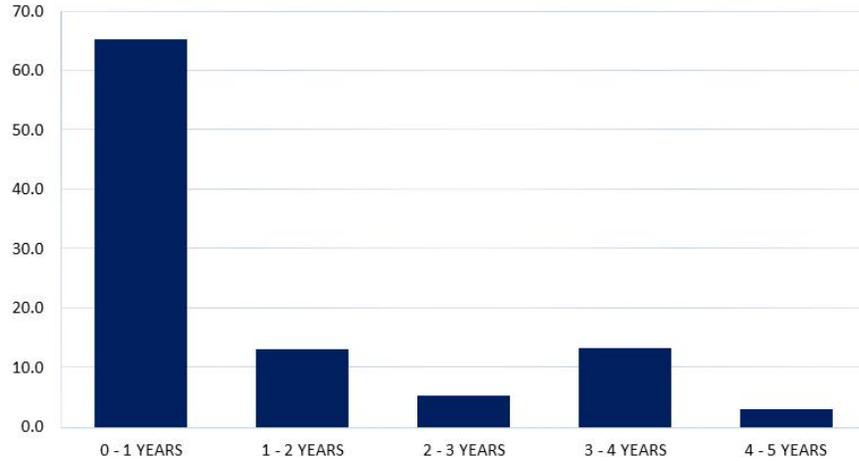


Top 10 Holdings

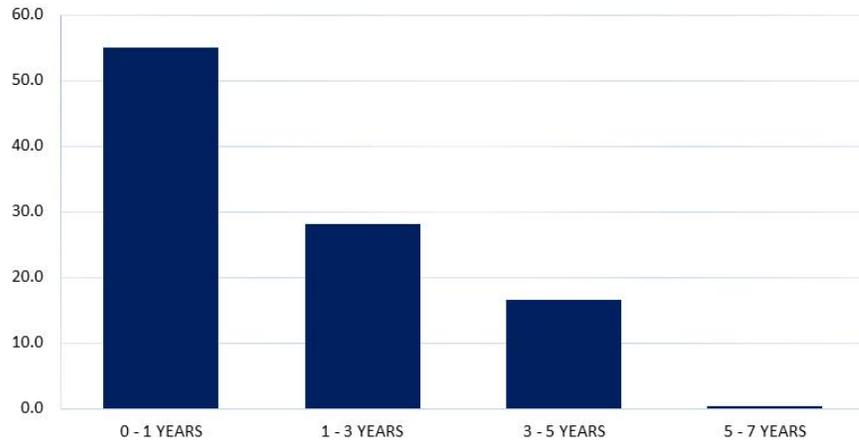
Security Name	Ending Market Value	% of Portfolio
POOL 10 ST OPER INT		
CEDAR SPRING CPTL CO	34,864,375	3.48
BANK OF NOVA SCOTIA	30,031,517	2.99
SVENSKA HANDLSBNKN A	30,019,975	2.99
SWEDBANK	29,957,533	2.99
OLD LINE FUNDING LLC	29,912,533	2.98
AMERICAN HONDA FINAN	24,977,083	2.49
THUNDER BAY FNDNG LLC	24,925,139	2.49
BEDFORD ROW FDG CORP	24,907,431	2.48
US TREASURY N/B	20,333,679	2.03
US TREASURY N/B	20,009,951	2.00



Duration Distribution



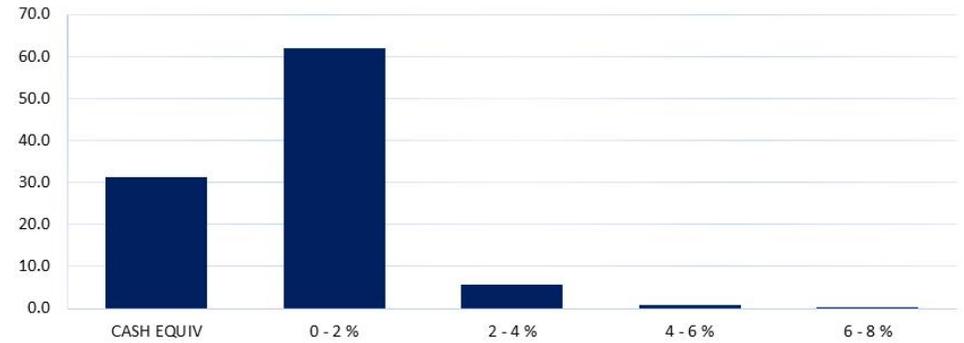
Expected Maturity Distribution



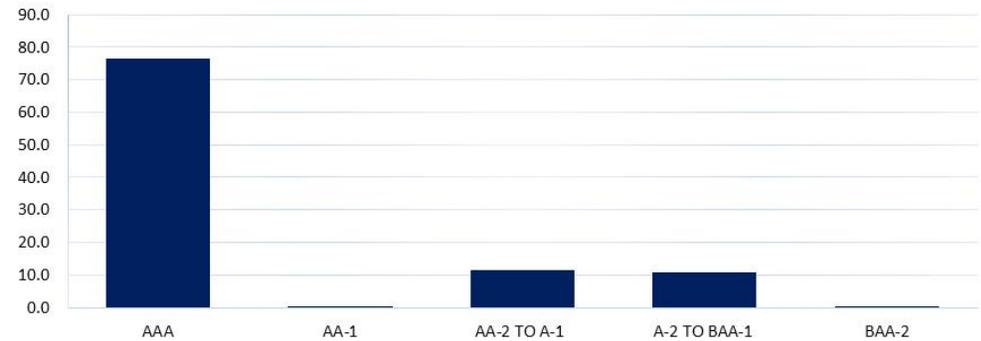
Portfolio Level Characteristics

	POOL 10 ST OPERATING INT
Weighted Average Life	1.30
Coupon	0.91
Effective Duration	1.08
Quality Rating (Moody's)	AA-1

Coupon Distribution

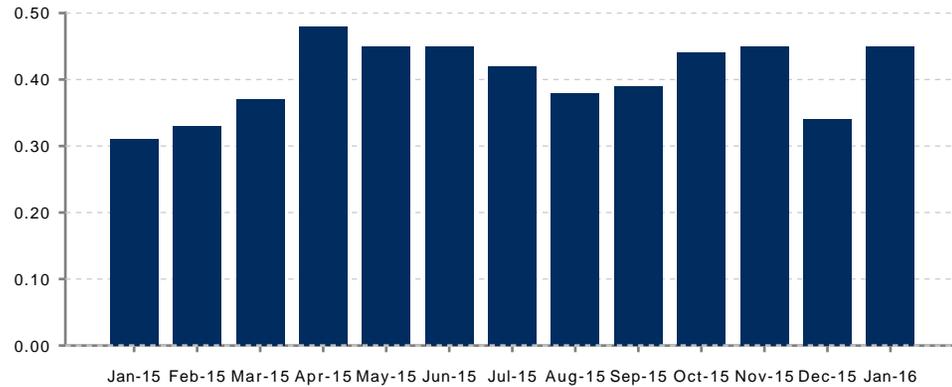


Rating Distribution





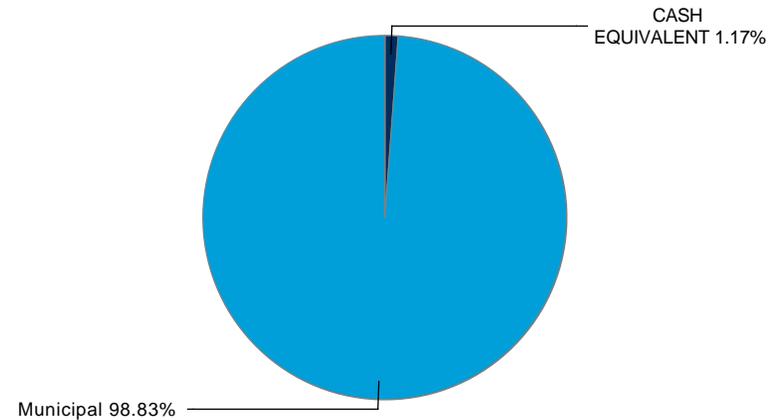
Net Yield



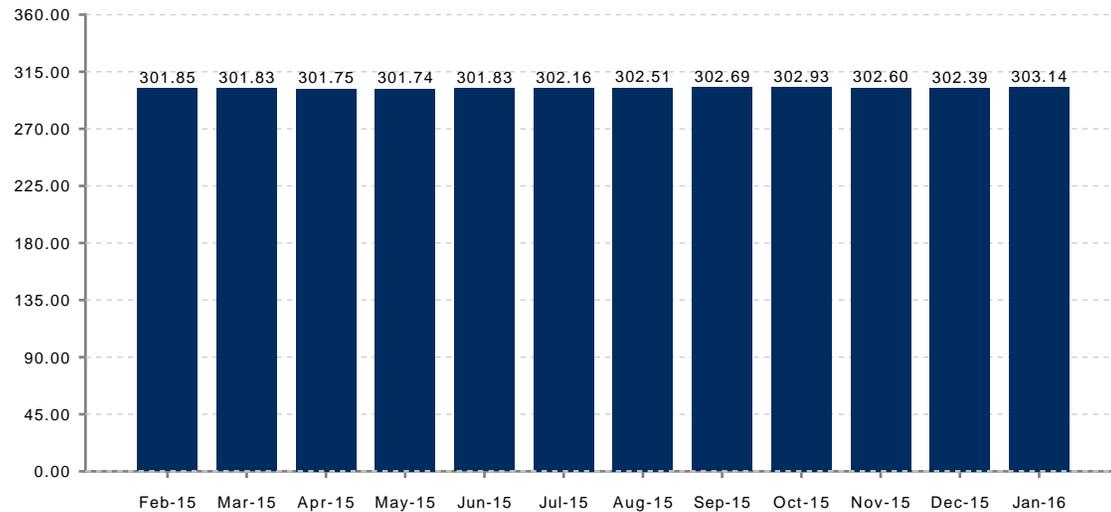
	Current Mth	Prior Mth	1 Year Ago
POOL 10 ST OPERATING	0.45	0.34	0.31

Asset Allocation

	Ending Market Value
POOL 10 ST OPERATING	303,139,786



Net Asset Values over Time (\$MM)

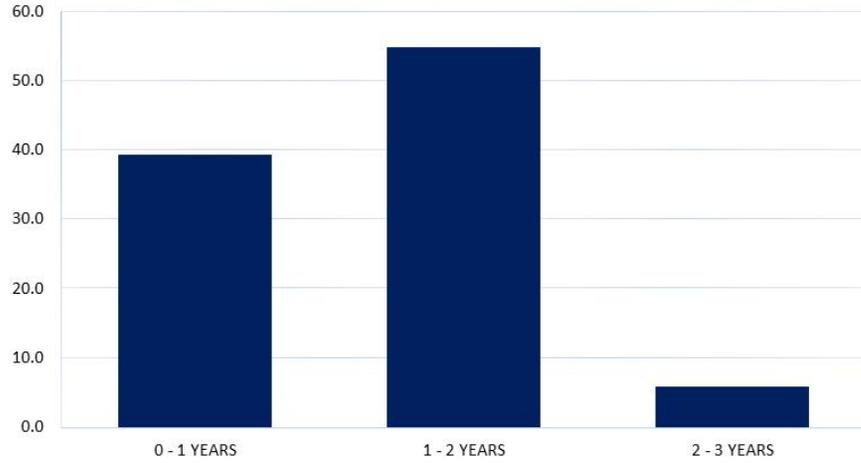


Top 10 Holdings

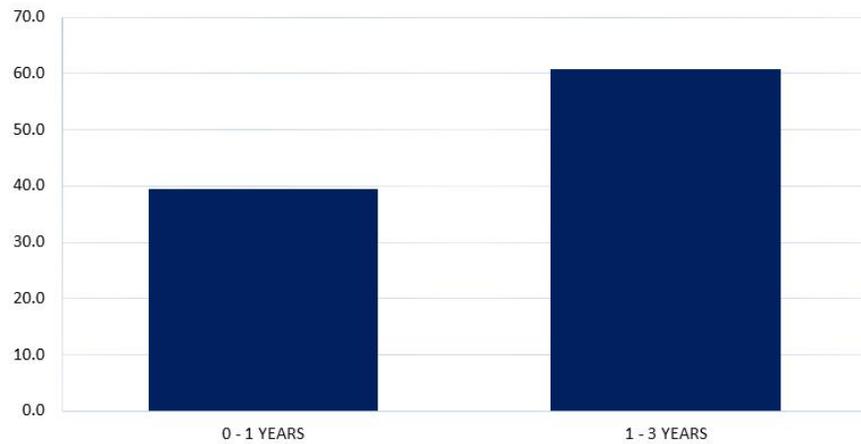
Security Name	Ending Market Value	% of Portfolio
POOL 10 ST OPERATING		
PORTLAND OR CMNTY CLG DIST	12,544,622	4.14
PORTLAND OR SWR SYS REVENUE	11,754,929	3.88
TEXAS ST	11,273,276	3.72
MULTNOMAH CNTY OR SCH DIST 1J	10,664,874	3.52
MADISON WIS	10,514,274	3.47
NORTH SLOPE BORO AK	10,405,433	3.43
BEAUFORT CNTY SC SCH DIST	10,038,775	3.31
OHIO ST	10,031,753	3.31
SPOKANE CNTY WA SCH DIST 81 S	9,885,374	3.26
JOHNSON CNTY KS UNIF SCH DIST	9,597,621	3.17



Duration Distribution



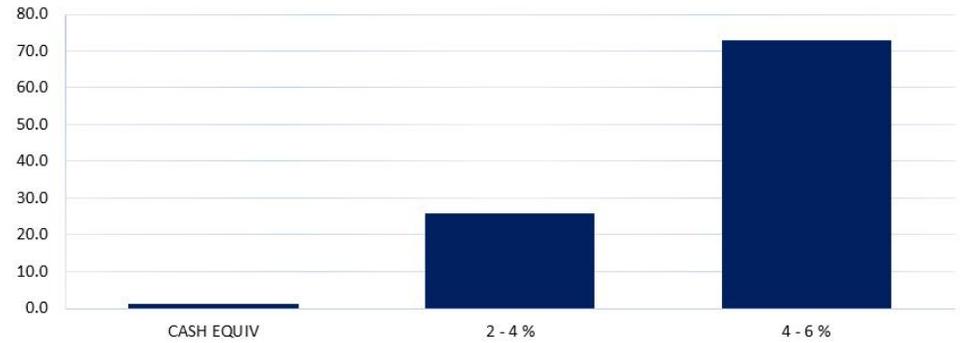
Expected Maturity Distribution



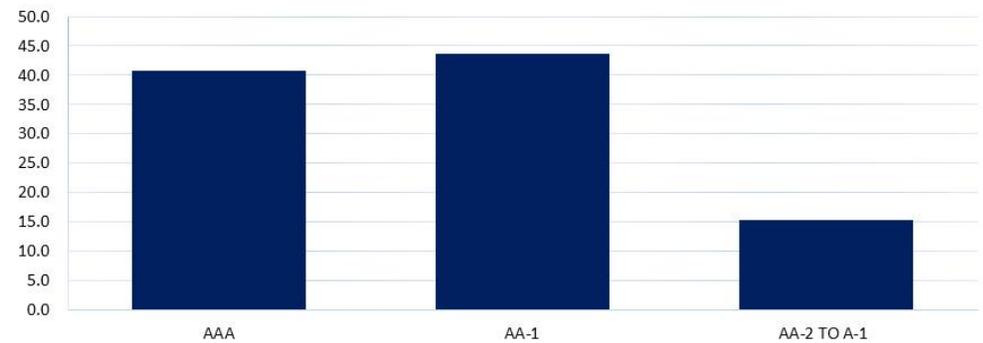
Portfolio Level Characteristics

	POOL 10 ST OPERATING
Weighted Average Life	1.11
Coupon	4.54
Effective Duration	1.07
Quality Rating (Moody's)	AA-1

Coupon Distribution

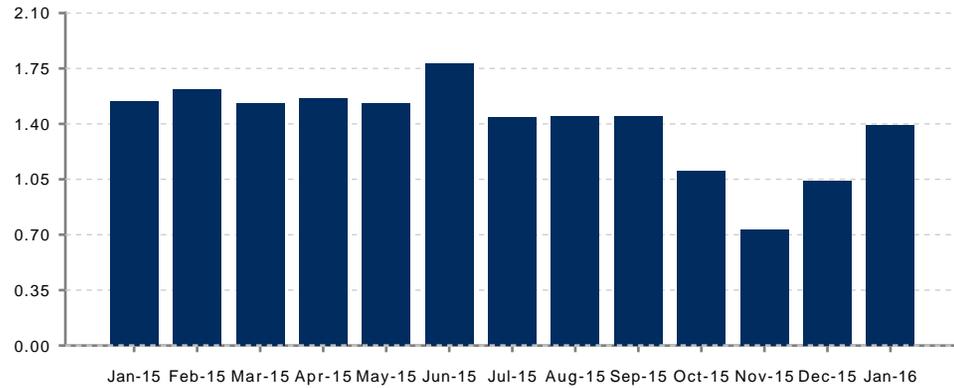


Rating Distribution





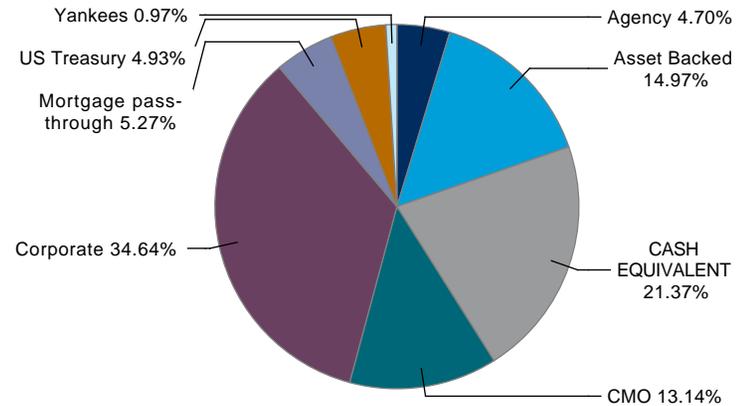
Net Yield



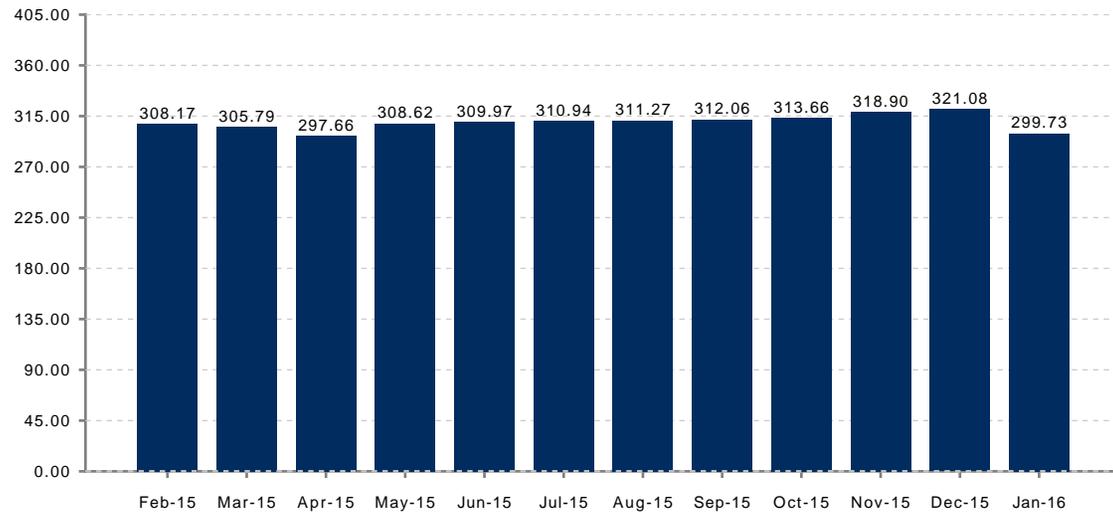
	Current Mth	Prior Mth	1 Year Ago
POOL 12 CAWCD MED TRM	1.39	1.04	1.54

Asset Allocation

	Ending Market Value
POOL 12 CAWCD MED TRM	299,734,153



Net Asset Values over Time (\$MM)

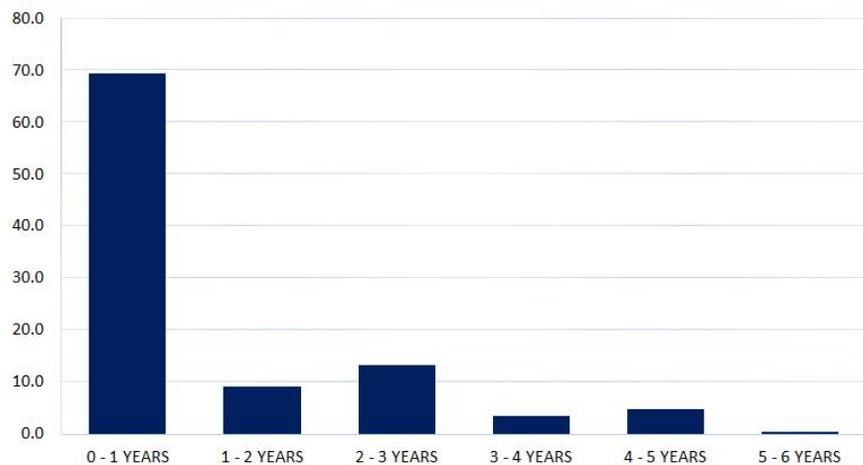


Top 10 Holdings

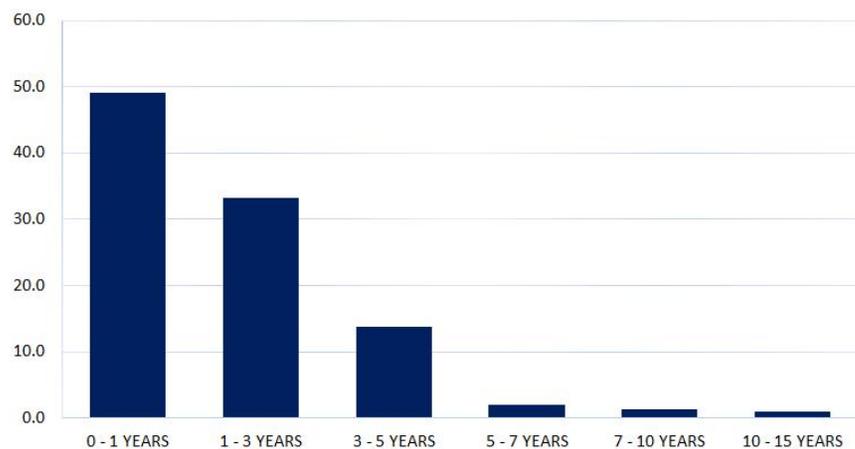
Security Name	Ending Market Value	% of Portfolio
POOL 12 CAWCD MED TRM		
SOUTH STREET REPO	26,823,994	8.95
FANNIE MAE	6,633,369	2.21
FNMA POOL AV9175	6,310,301	2.11
FANNIE MAE	5,487,997	1.83
FNMA POOL MA1763	5,381,771	1.80
US TREASURY N/B	5,199,844	1.73
BARCLAYS BANK PLC	5,028,275	1.68
US TREASURY N/B	5,021,887	1.68
GOLDMAN SACHS GROUP INC	5,017,203	1.67
TOYOTA MOTOR CREDIT CORP	5,004,126	1.67



Duration Distribution



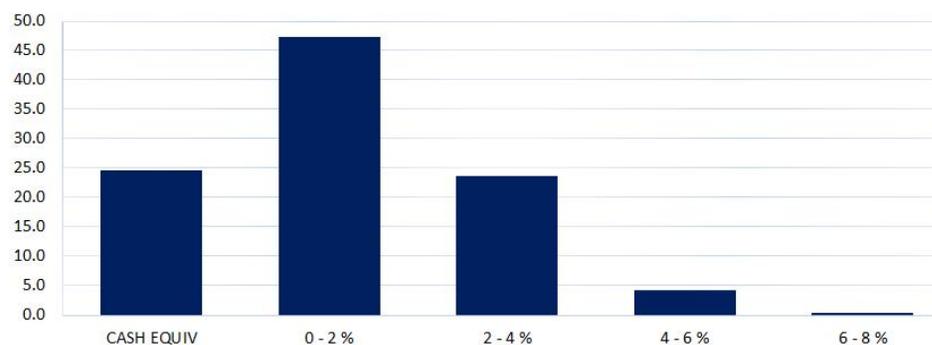
Expected Maturity Distribution



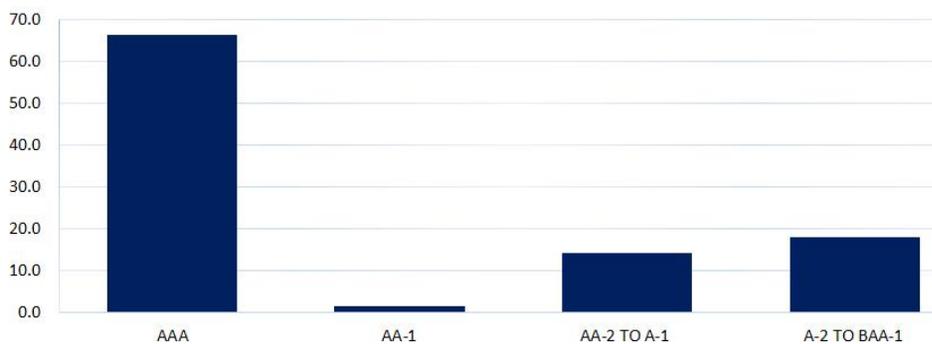
Portfolio Level Characteristics

	POOL 12 CAWCD MED TRM
Weighted Average Life	1.67
Coupon	1.70
Effective Duration	1.04
Quality Rating (Moody's)	AA-1

Coupon Distribution

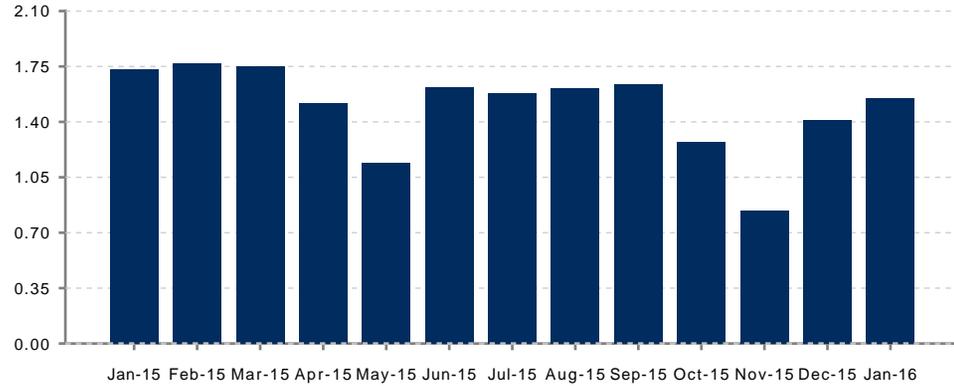


Rating Distribution





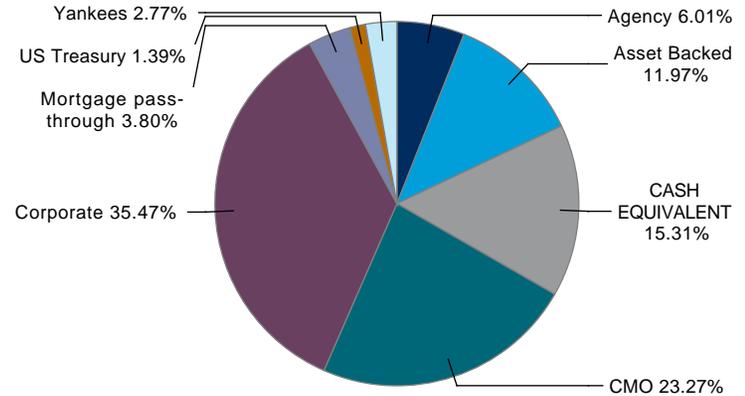
Net Yield



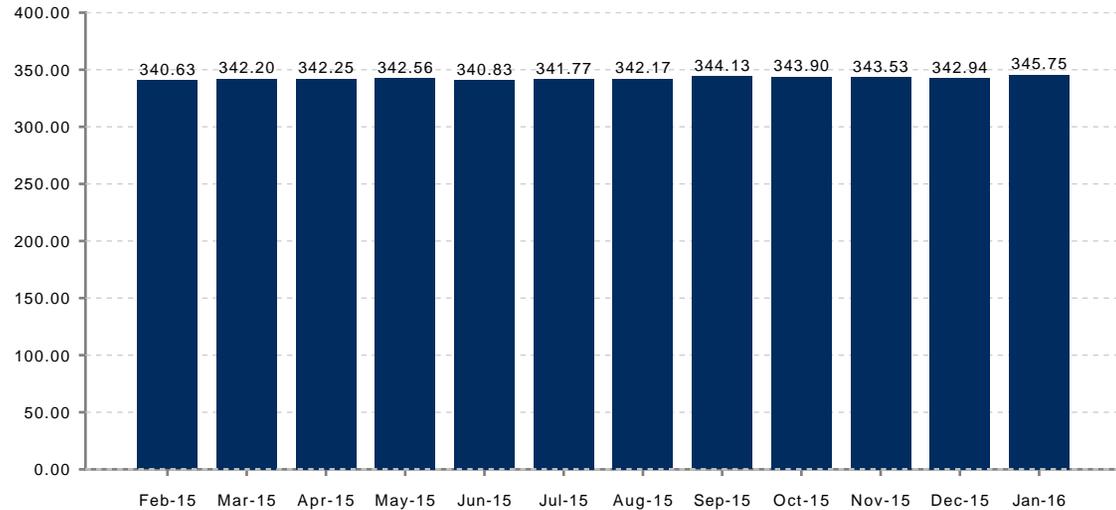
	Current Mth	Prior Mth	1 Year Ago
POOL 16 ECDHB	1.55	1.41	1.73

Asset Allocation

	Ending Market Value
POOL 16 ECDHB	345,749,062



Net Asset Values over Time (\$MM)

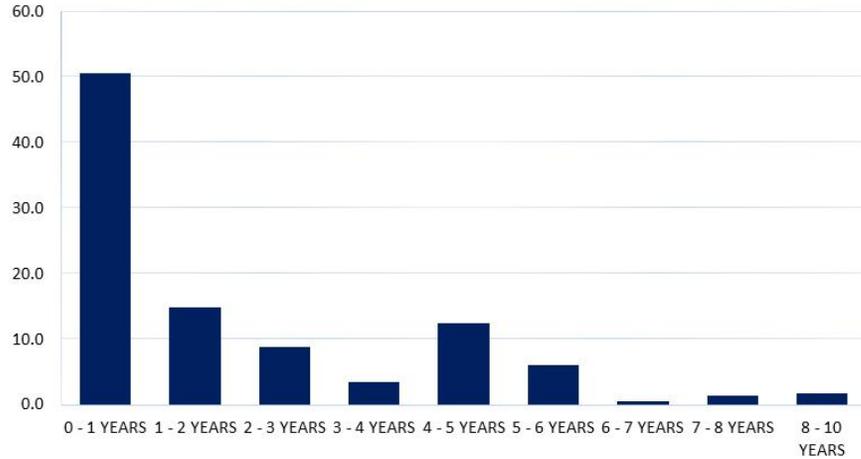


Top 10 Holdings

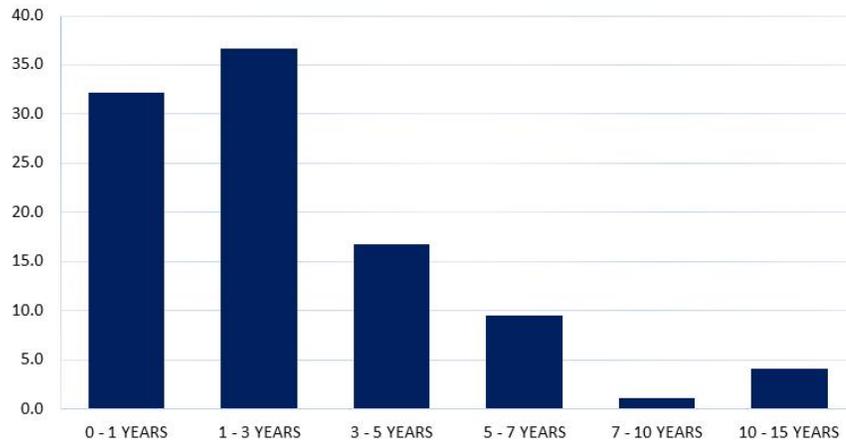
Security Name	Ending Market Value	% of Portfolio
POOL 16 ECDHB		
SOUTH STREET REPO	22,000,513	6.36
FREDDIEMAC STRIP	7,916,028	2.29
FREDDIE MAC	7,059,255	2.04
NATIONAL CITY BANK	6,965,152	2.01
FANNIE MAE	6,589,552	1.91
MIZUHO BANK LTD	5,975,653	1.73
FREDDIE MAC	5,721,840	1.65
FHLMC MULTIFAMILY STRUCTURED P	5,263,509	1.52
FREDDIE MAC	5,244,864	1.52
GOVERNMENT NATIONAL MORTGAGE A	5,236,872	1.51



Duration Distribution



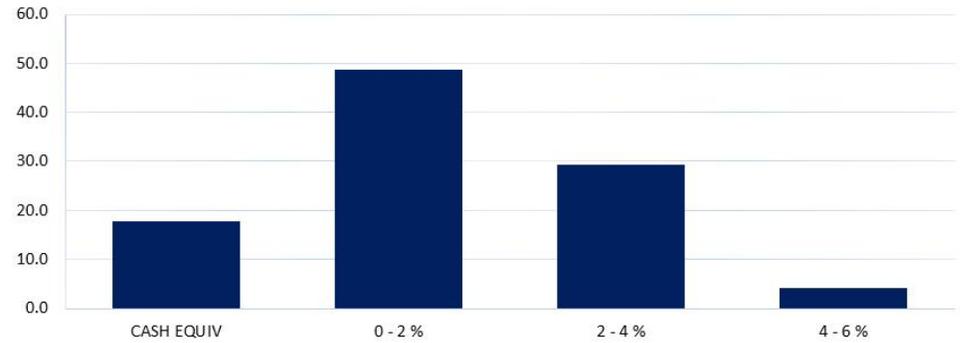
Expected Maturity Distribution



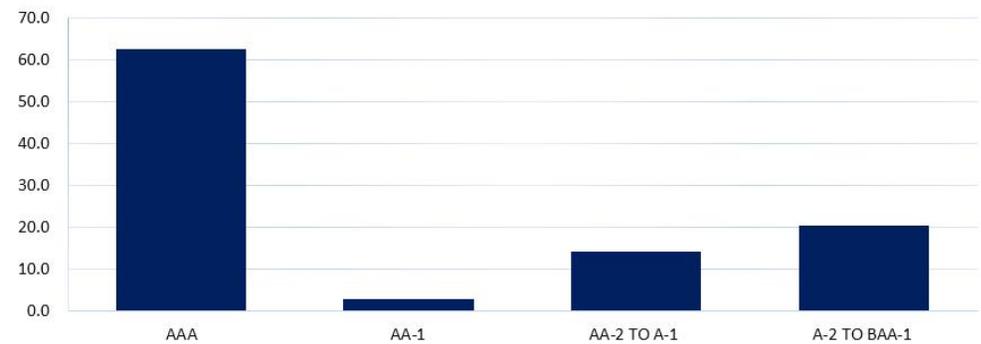
Portfolio Level Characteristics

	POOL 16 ECDHB
Weighted Average Life	2.64
Coupon	1.86
Effective Duration	1.88
Quality Rating (Moody's)	AA-2

Coupon Distribution



Rating Distribution



**LGIP & LGIP- GOV
PORTFOLIO YIELD ANALYSIS
JANUARY 2016**

NET EARNINGS

FUND	DESCRIPTION	Current Month 01/31/16	Prior Month 12/31/15	Prior Year 01/31/15	Net Asset Value Per Share
5	LGIP	265,845	211,409	142,172	1.0000
7	LGIP - GOV	235,067	178,412	58,141	1.0000
	TOTAL LGIP & LGIP-GOV	500,912	389,821	200,313	

YIELDS

MONTHLY

	Current Month 01/31/16	Prior Month 12/31/15	Prior Year 1/31/15
5 LGIP (NET)	0.31%	0.22%	0.15%
S & P LGIP INDEX	0.20%	0.13%	0.05%
7 LGIP - GOV (NET)	0.28%	0.21%	0.07%
3 MONTH T-BILL	0.24%	0.21%	0.02%

YEAR TO DATE

5 LGIP (NET)	0.19%	0.17%	0.10%
S & P LGIP INDEX	0.11%	0.09%	0.05%
7 LGIP - GOV (NET)	0.15%	0.13%	0.06%
3 MONTH T-BILL	0.09%	0.07%	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
JANUARY 2016**

NET EARNINGS

FUND	DESCRIPTION	Current Month 01/31/16	Prior Month 12/31/15	Prior Year 01/31/15	Net Asset Value Per Share
500	LGIP - MED TERM POOL	248,648	230,642	202,406	1.0331
700	LGIP - FF&C MED TERM POOL	134,544	115,372	110,369	1.0122
	TOTAL LGIP MEDIUM TERM POOLS	383,192	346,013	312,775	

YIELDS

MONTHLY

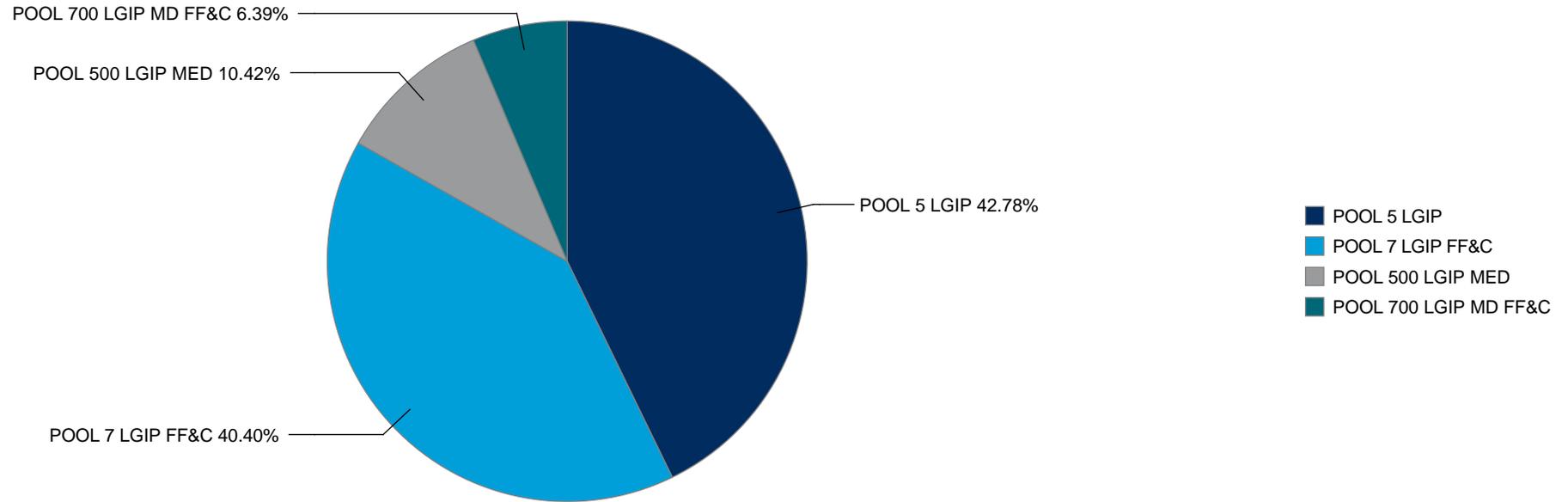
	Current Month 01/31/16	Prior Month 12/31/15	Prior Year 1/31/15
500 LGIP - MED TERM (NET)	1.21%	1.13%	0.90%
MERRILL 1-5 US D M INDEX	1.55%	1.76%	1.25%
700 LGIP - FF&C MED TERM (NET)	1.07%	0.92%	0.89%
75% MERRILL 1-5 US TREAS INDEX / 25% MERRILL US GNMA MORTGAGE BACKED INDEX	1.34%	1.65%	1.06%

YEAR TO DATE

500 LGIP - MED TERM (NET)	1.19%	1.19%	1.04%
MERRILL 1-5 US D M INDEX	1.55%	1.55%	1.33%
700 LGIP - FF&C MED TERM (NET)	0.94%	0.92%	0.93%
75% MERRILL 1-5 US TREAS INDEX / 25% MERRILL US GNMA MORTGAGE BACKED INDEX	1.43%	1.45%	1.29%



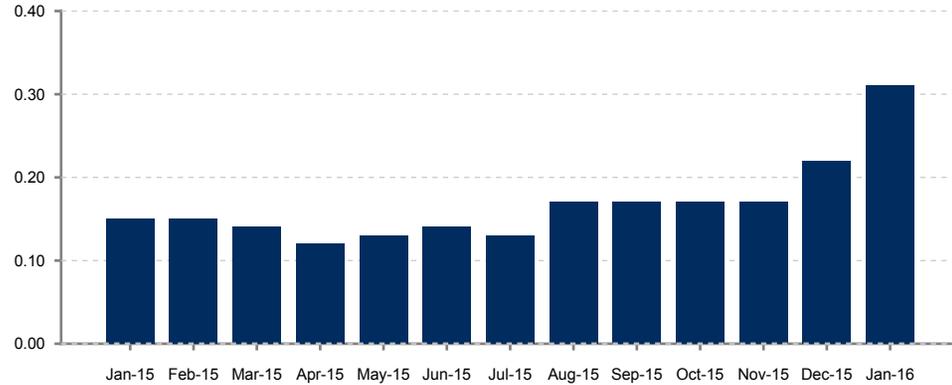
Manager Allocation



	Market Value	% of Portfolio
POOL 5 LGIP	997,676,871	42.8
POOL 7 LGIP FF&C	942,157,420	40.4
POOL 500 LGIP MED	243,026,768	10.4
POOL 700 LGIP MD FF&C	149,097,720	6.4
TOTAL LGIP	2,331,958,779	100.0



Net Yield

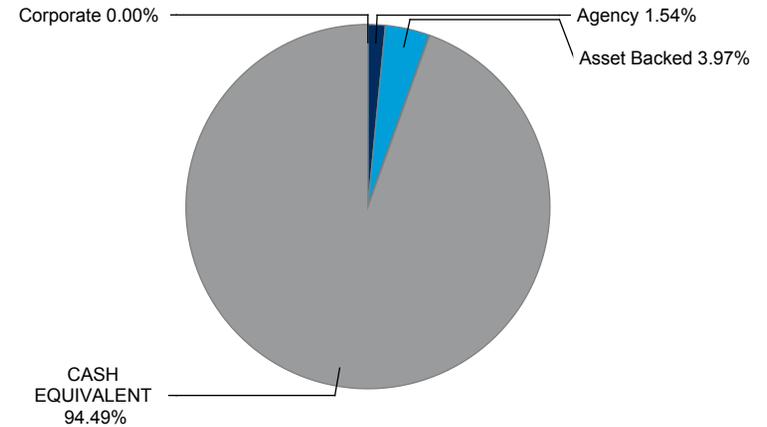


Current Mth Prior Mth 1 Year Ago

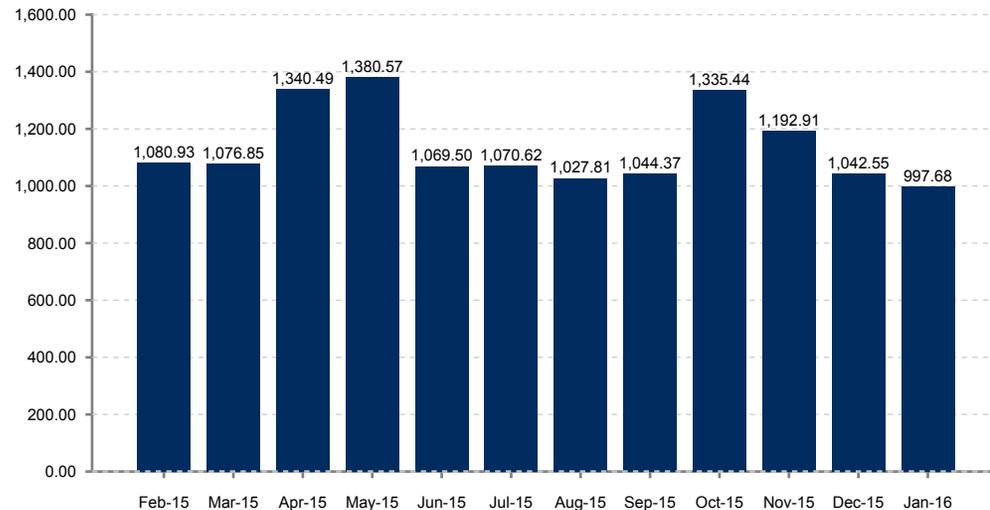
POOL 5 LGIP	0.31	0.22	0.15
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Asset Allocation

Ending Market Value	
POOL 5 LGIP	997,676,871



Net Asset Values over Time (\$MM)

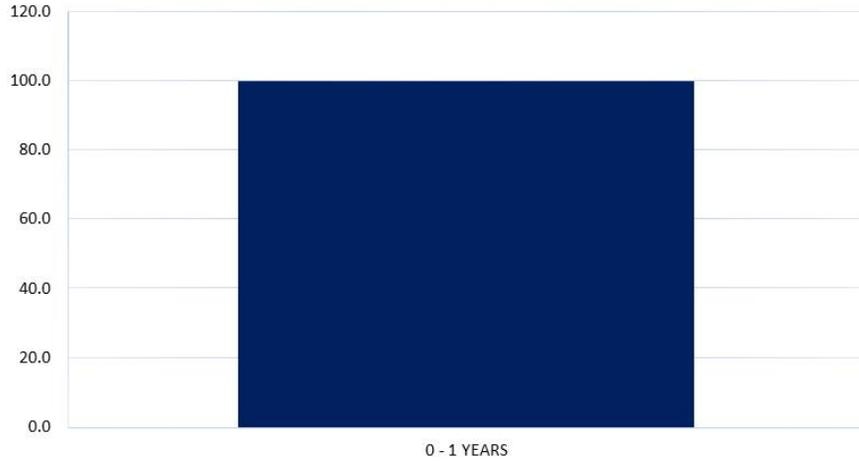


Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 5 LGIP		
WELLS FARGO REPO	150,005,667	15.04
CHEVRON CORP	39,999,544	4.01
ARCHER DANIELS MIDLA	37,765,823	3.79
BANK OF AMERICA REPO	34,267,051	3.43
BANK OF MONTREAL-	30,161,015	3.02
AIR PRODUCTS & CHEMI	29,994,333	3.01
ABBOT LABORATORIES	29,981,333	3.01
GENERAL ELECTRIC CO	29,979,700	3.00
UNITED PARCEL SERVIC	29,951,553	3.00
VICTORY RECEIVABLES	24,992,500	2.51



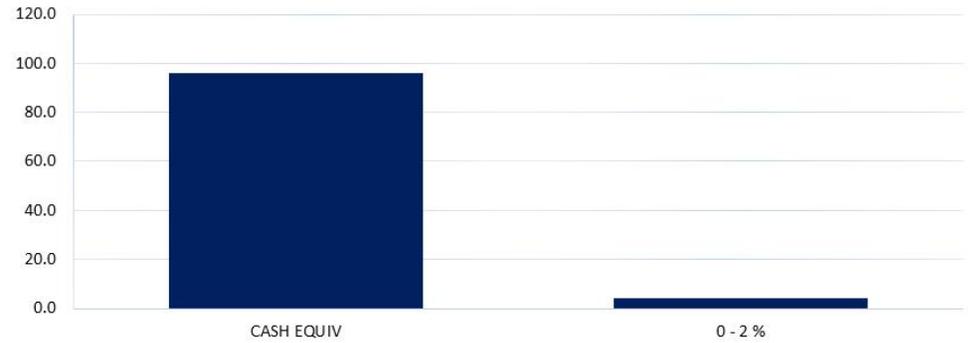
Duration Distribution



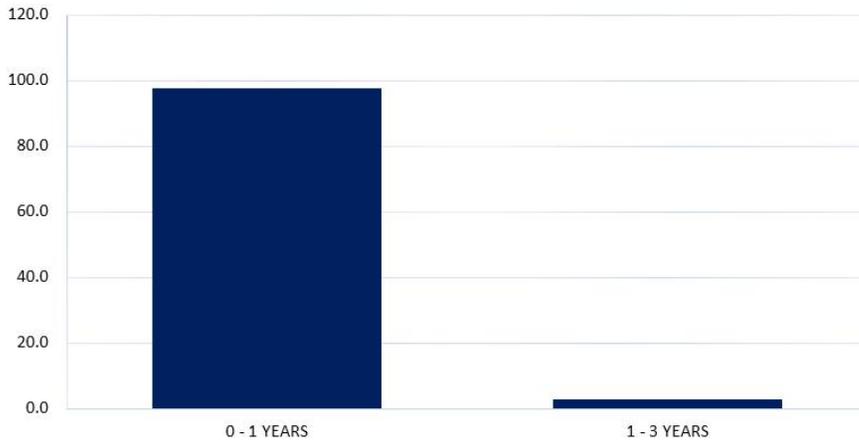
Portfolio Level Characteristics

	POOL 5 LGIP
Weighted Average Life	0.12
Coupon	0.05
Effective Duration	0.11
Quality Rating (Moody's)	AAA

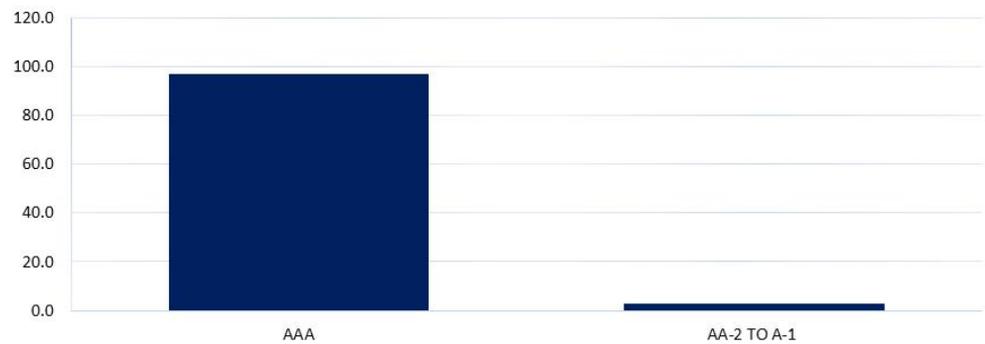
Coupon Distribution



Expected Maturity Distribution

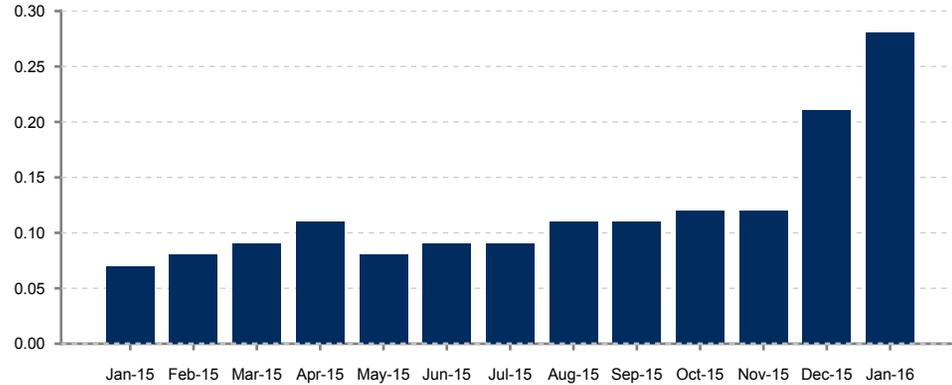


Rating Distribution





Net Yield

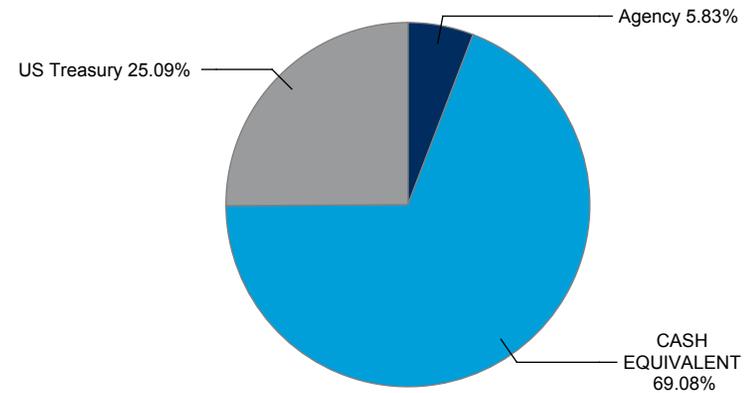


Current Mth **Prior Mth** **1 Year Ago**

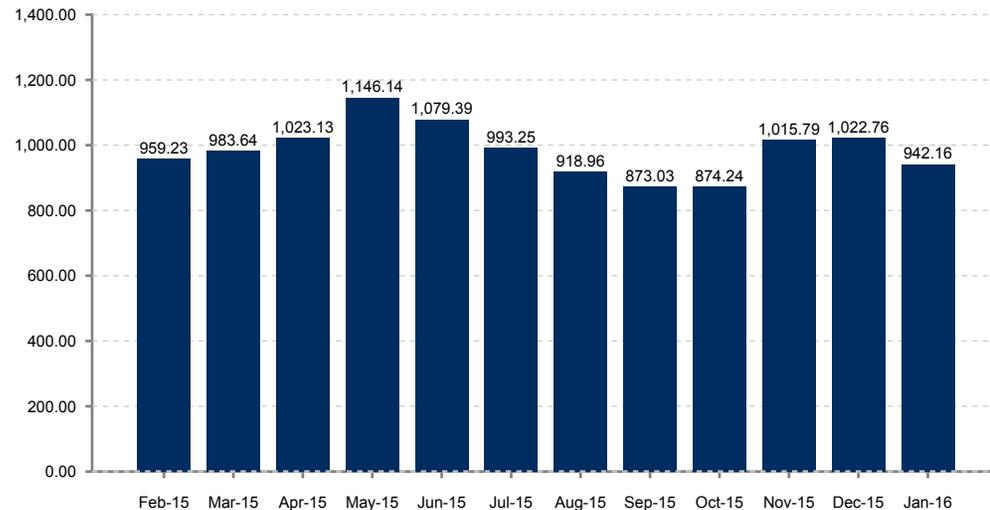
POOL 7 LGIP FF&C	0.28	0.21	0.07
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Asset Allocation

	Ending Market Value
POOL 7 LGIP FF&C	942,157,420



Net Asset Values over Time (\$MM)

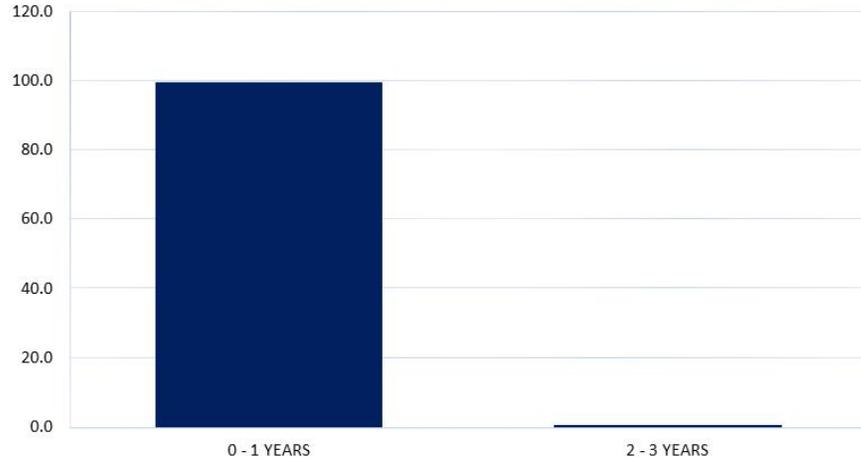


Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 7 LGIP FF&C		
DAIWA CAPITAL MARKETS REPO	200,007,167	21.23
WELLS FARGO REPO	150,005,667	15.92
ALLIANCE BANK OF ARIZONA MONEY	74,650,934	7.92
BANK OF AMERICA REPO	62,451,125	6.63
TREASURY BILL	49,990,350	5.31
US TREASURY FRN	40,032,936	4.25
TREASURY BILL	29,962,619	3.18
UNITED STATES TREAS NTS	25,016,327	2.66
US TREASURY N/B	20,447,761	2.17
US TREASURY N/B	20,204,028	2.14



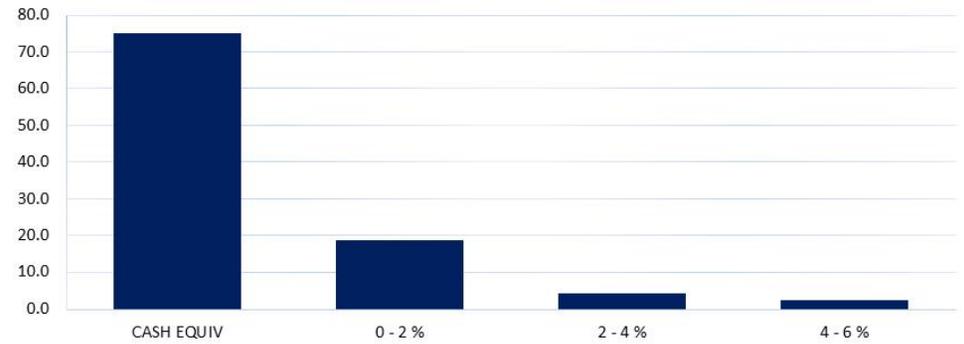
Duration Distribution



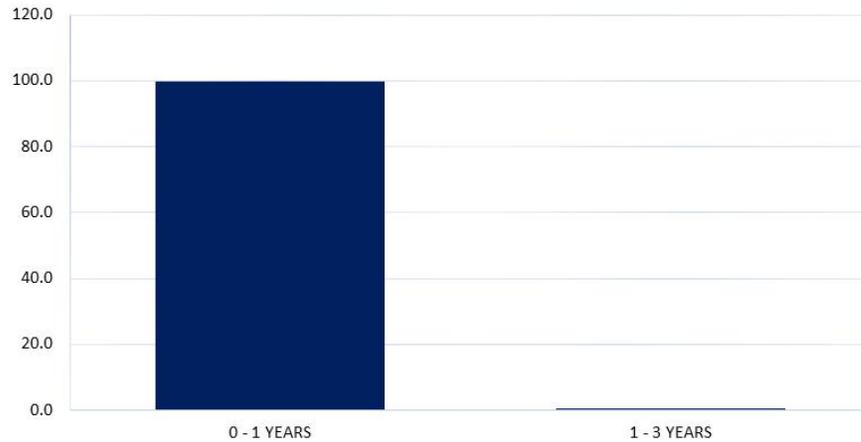
Portfolio Level Characteristics

	POOL 7 LGIP FF&C
Weighted Average Life	0.16
Coupon	0.48
Effective Duration	0.13
Quality Rating (Moody's)	AAA

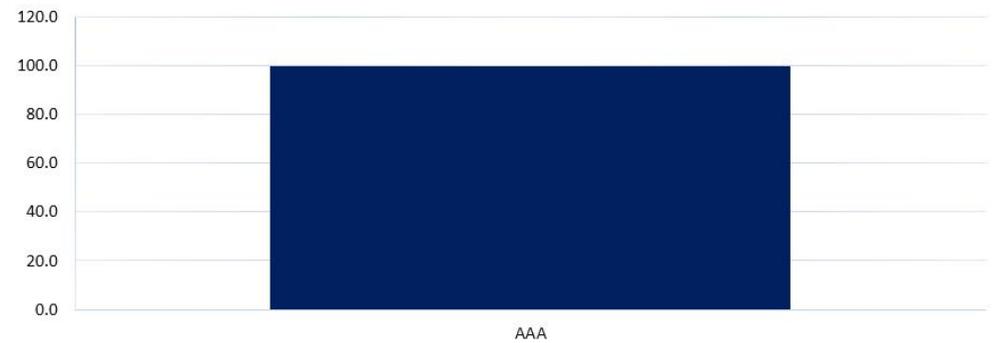
Coupon Distribution



Expected Maturity Distribution

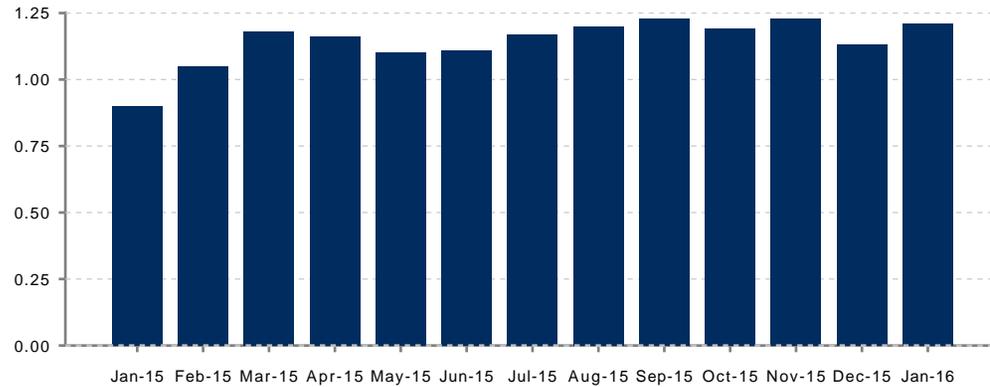


Rating Distribution





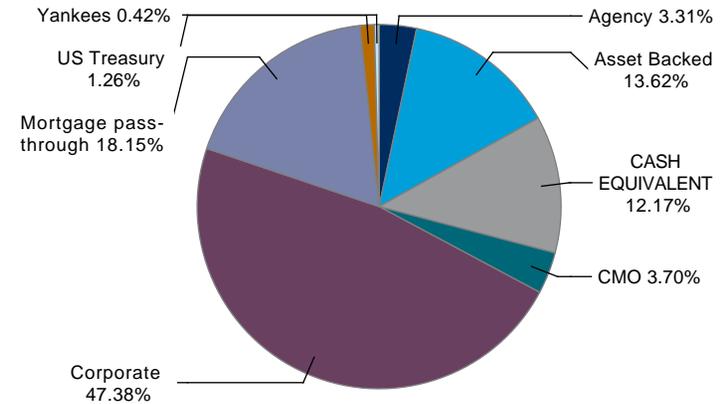
Net Yield



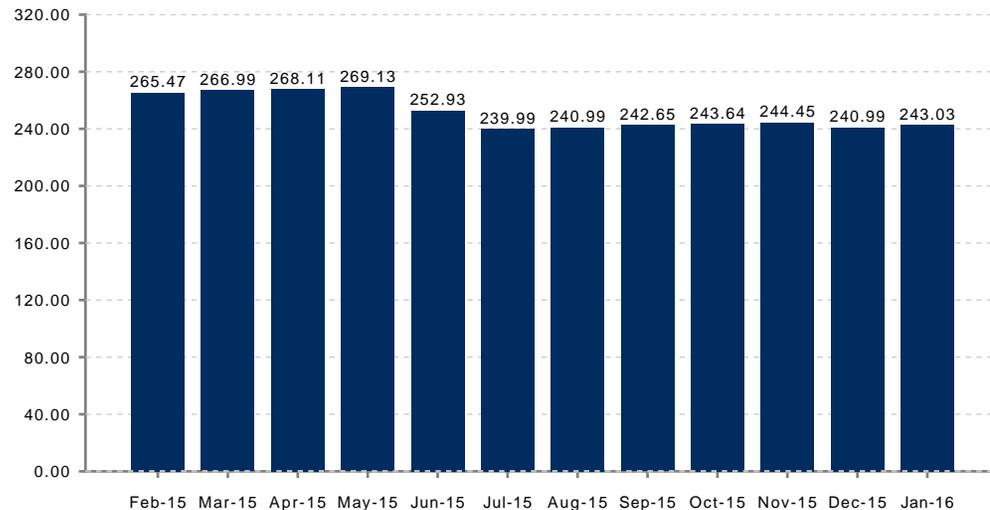
	Current Mth	Prior Mth	1 Year Ago
POOL 500 LGIP MED	1.21	1.13	0.90

Asset Allocation

	Ending Market Value
POOL 500 LGIP MED	243,026,768



Net Asset Values over Time (\$MM)

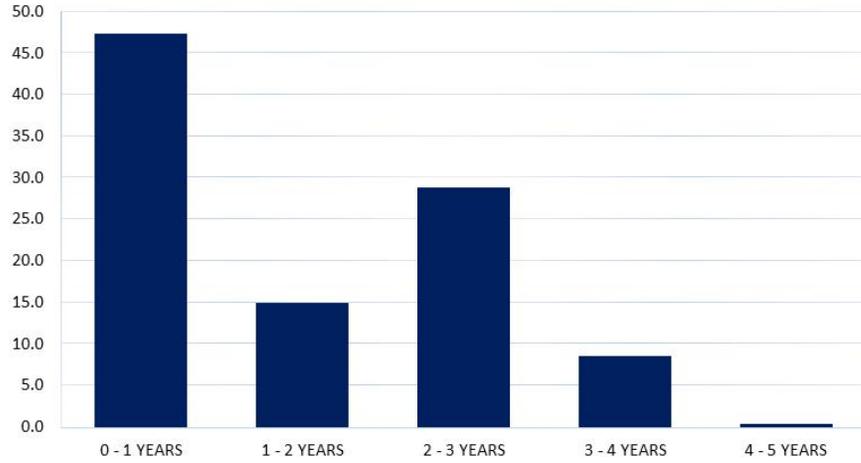


Top 10 Holdings

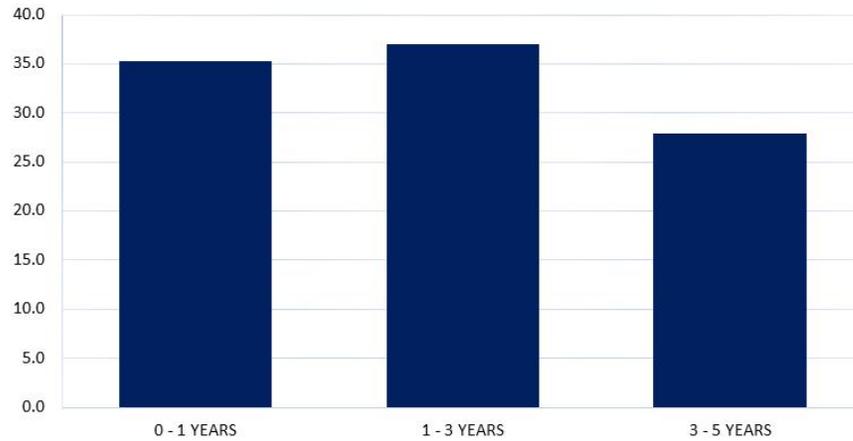
Security Name	Ending Market Value	% of Portfolio
POOL 500 LGIP MED		
SOUTH STREET REPO	24,000,560	9.88
FNMA POOL AB5991	9,081,312	3.74
MERCK + CO INC	5,466,734	2.25
MICROSOFT CORP	5,103,145	2.10
ELI LILLY + CO	5,036,741	2.07
FORD CREDIT FLOORPLAN MASTER O	5,004,967	2.06
NISSAN MOTOR ACCEPTANCE	5,001,689	2.06
CHEVRON CORP	4,990,540	2.05
APPLE INC	4,955,069	2.04
TOYOTA MOTOR CREDIT CORP	4,933,669	2.03



Duration Distribution



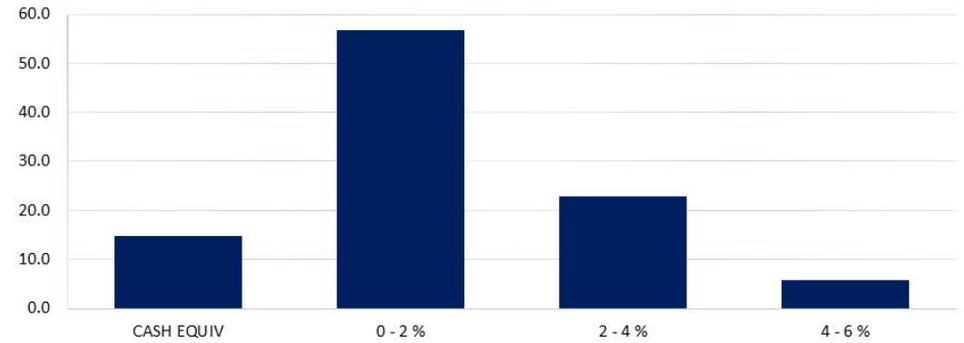
Expected Maturity Distribution



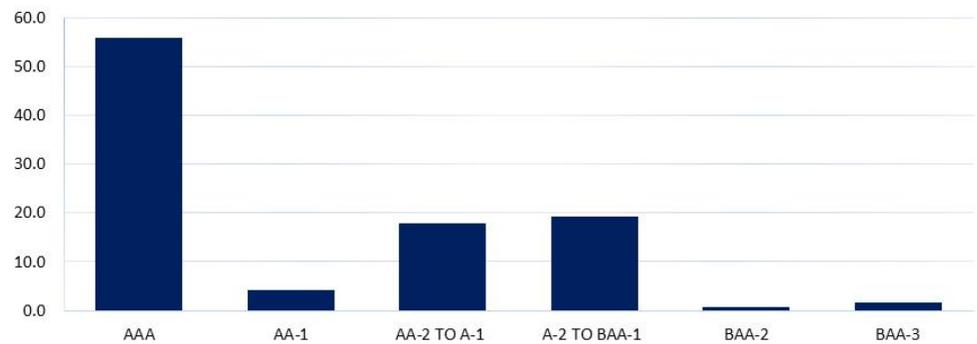
Portfolio Level Characteristics

	POOL 500 LGIP MED
Weighted Average Life	1.97
Coupon	1.84
Effective Duration	1.37
Quality Rating (Moody's)	AA-2

Coupon Distribution

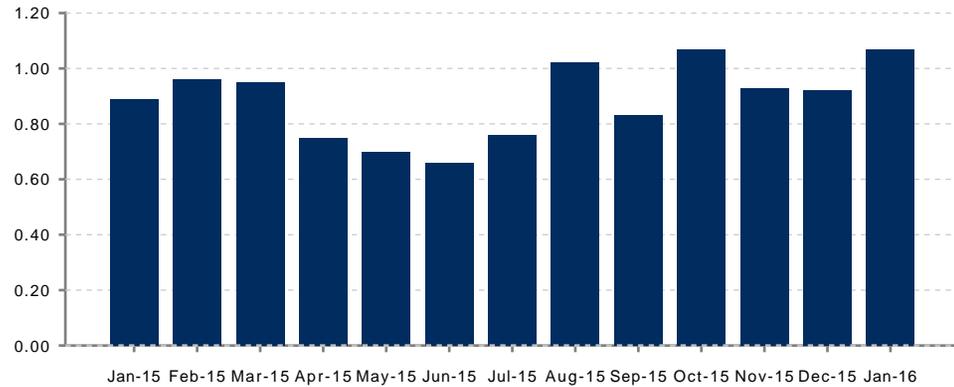


Rating Distribution





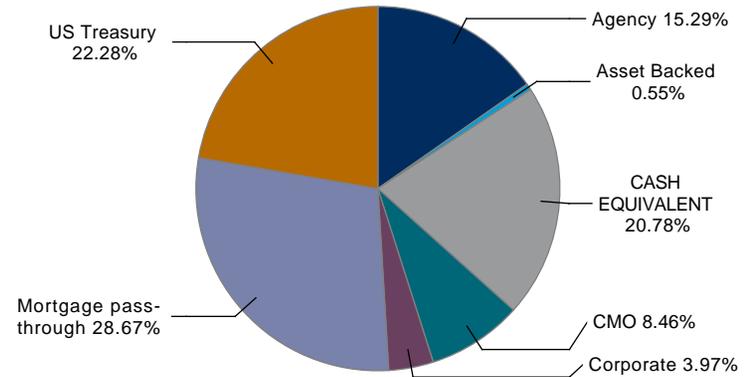
Net Yield



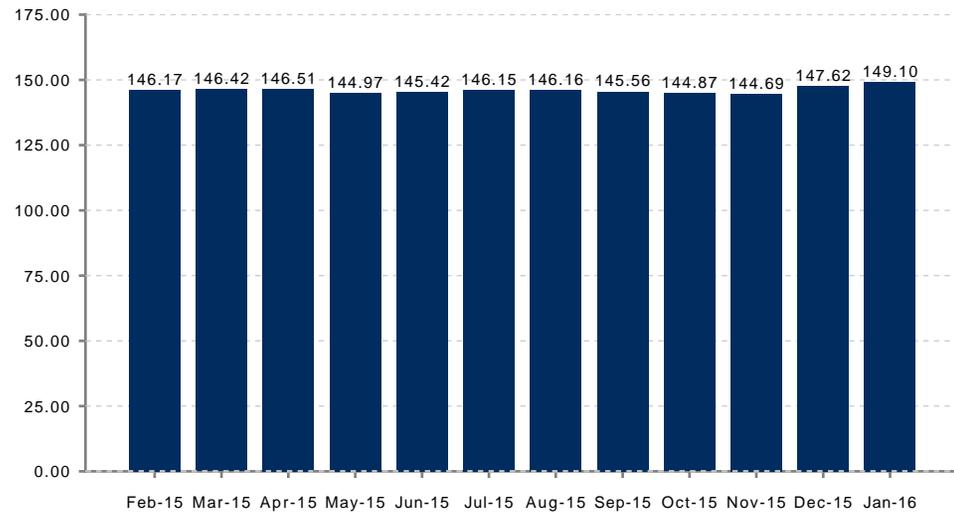
	Current Mth	Prior Mth	1 Year Ago
POOL 700 LGIP MD FF&C	1.07	0.92	0.89

Asset Allocation

	Ending Market Value
POOL 700 LGIP MD FF&C	149,097,720



Net Asset Values over Time (\$MM)

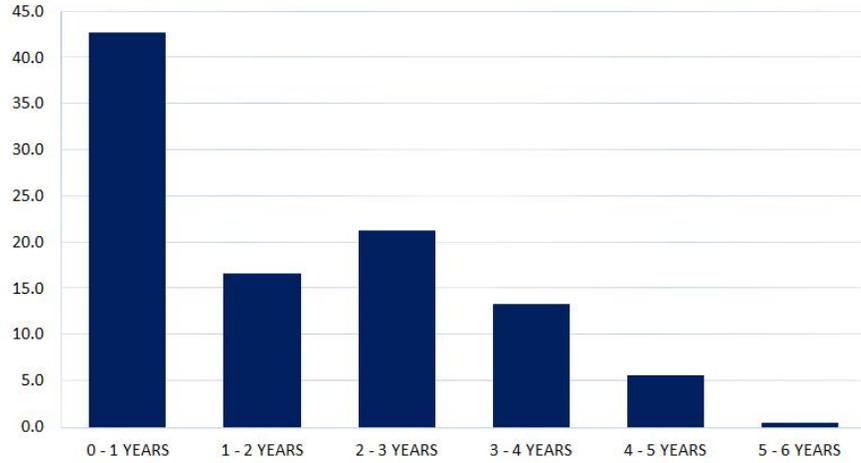


Top 10 Holdings

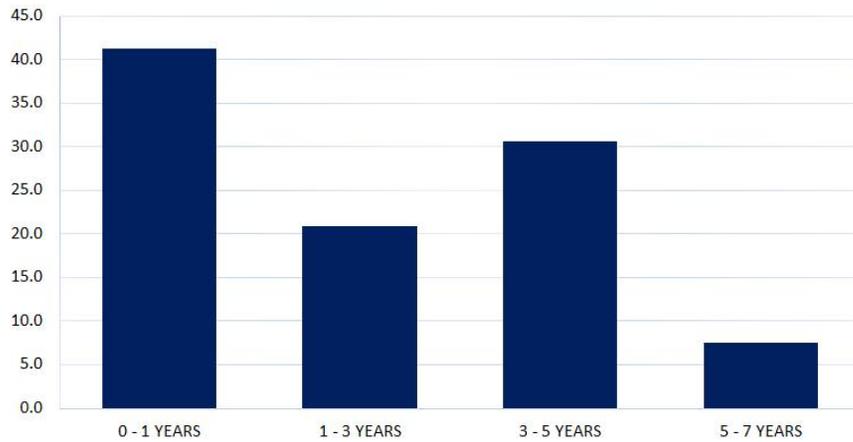
Security Name	Ending Market Value	% of Portfolio
POOL 700 LGIP MD FF&C		
FDIC US BANK CDARS ACCOUNT	15,203,133	10.20
SOUTH STREET REPO	14,000,327	9.39
OVERSEAS PRIVATE INV COR	5,198,467	3.49
GNMA II POOL MA0213	5,165,371	3.46
US TREASURY N/B	5,133,482	3.44
US TREASURY N/B	5,007,041	3.36
US TREASURY N/B	4,994,644	3.35
AID ISRAEL	4,976,125	3.34
PRIVATE EXPORT FUNDING	3,565,233	2.39
GNMA II POOL 004849	3,504,680	2.35



Duration Distribution



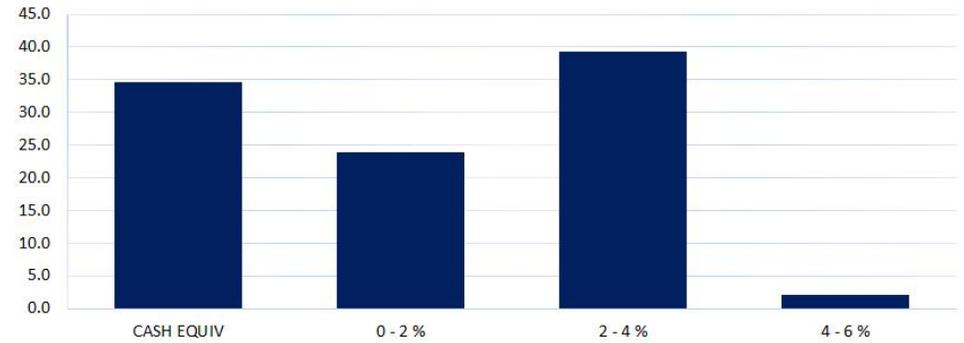
Expected Maturity Distribution



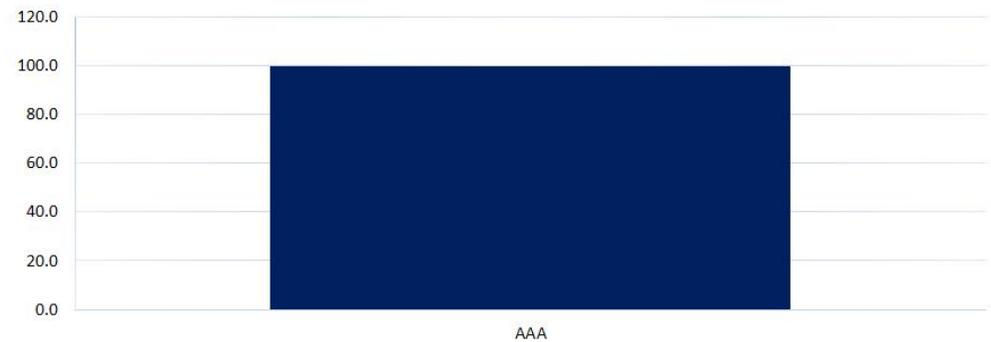
Portfolio Level Characteristics

	POOL 700 LGIP MD FF&C
Weighted Average Life	2.13
Coupon	1.94
Effective Duration	1.69
Quality Rating (Moody's)	AAA

Coupon Distribution



Rating Distribution



**EARNINGS DISTRIBUTED
ENDOWMENT FUNDS
JANUARY 2016**

Distributed in Current Month

Recipient	JANUARY 2016	Fiscal YTD 15/16	Fiscal YTD 14/15
101 A & M Colleges	\$20,991	\$146,937	\$132,978
102 State Hospital	\$13,015	\$91,107	\$80,741
103 Leg., Exec., & Jud.	\$17,116	\$119,813	\$108,051
104 Military Institute	\$1,166	\$8,160	\$7,457
105 Miners Hospital	\$39,311	\$275,174	\$226,904
107 Normal School ASU/NAU	\$7,749	\$54,242	\$47,872
108 Penitentiaries	\$27,365	\$191,558	\$164,766
109 Permanent Common School	\$7,265,434	\$50,858,041	\$44,324,248
110 School for Deaf & Blind	\$10,929	\$76,500	\$67,842
111 School of Mines	\$23,731	\$166,115	\$150,497
112 State Charitable-Pioneers Home	\$115,161	\$806,127	\$727,584
112 State Charitable-Corrections	\$57,581	\$403,064	\$363,792
112 State Charitable-Youth Treatment	\$57,581	\$403,064	\$363,792
113 University Fund	\$40,307	\$282,148	\$250,265
114 U of A Land - 1881	\$116,795	\$817,562	\$658,715
Total	\$7,814,230	\$54,699,611	\$47,675,501

NET REALIZED CAPITAL GAINS / LOSSES - ENDOWMENT FUNDS

Endowment Fund	Jan-16	Jan-15
-----	NET GAIN(LOSS)	NET GAIN(LOSS)
Fixed Income Pool	(332,033)	(249,198)
500 Large-Cap Fund	1,973,265	5,884,275
400 Mid-Cap Fund	4,569,475	5,980,830
600 Small-Cap Fund	2,050,608	3,900,507
	-----	-----
Totals	8,261,315	15,516,415
	=====	=====

Endowment Fund	2015/2016	2014/ 2015
-----	FISCAL YEAR TO DATE	FISCAL YEAR TO DATE
	GAINS(LOSSES)	GAINS(LOSSES)
Fixed Income Pool	(1,523,065)	(1,555,890)
500 Large-Cap Fund	14,434,971	19,924,661
400 Mid-Cap Fund	23,802,815	24,906,290
600 Small-Cap Fund	22,259,314	15,669,461
	-----	-----
Totals	58,974,035	58,944,522
	=====	=====

**ENDOWMENT FUNDS FIXED-INCOME POOL
PURCHASES & SALES
JANUARY 2016**

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I. Endowment Funds Purchases

<u>SECURITY DESCRIPTION</u>	<u>RATE</u>	<u>MATURITY</u>	<u>*WAL YEARS</u>	<u>PAR VALUE</u>	<u>PURCHASE COST</u>	<u>YIELD</u>	<u>MOODY'S / S&P RATING/FITCH</u>
WALT DISNEY	0.94	1/8/2019	NA	\$10,000,000	\$10,000,000	0.94%	A2/A/A
FREMF MTG	3.68	8/25/2045	3.51	\$5,695,000	\$5,834,062	2.89%	NR/NR/A-

TOTAL ENDOWMENT FUNDS PURCHASES

\$15,695,000

\$15,834,062

II. Endowment Funds Sales

<u>SECURITY DESCRIPTION</u>	<u>RATE</u>	<u>MATURITY</u>	<u>PAR VALUE</u>	<u>AMORTIZED COST/PROCEEDS</u>	<u>SALES GAINS/(LOSSES)</u>	<u>MOODY'S / S&P RATING</u>
US TREASURY	2.00	1/31/2016	\$2,000,000	\$2,019,688	1,208	Aaa/AA+

TOTAL ENDOWMENT FUNDS SALES

\$2,000,000

\$2,019,688

\$1,208

*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
JANUARY 2016**

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I. Equity Fund Purchases

	<u>SHARES</u>	<u>PURCHASE COST</u>	<u>COMMISSIONS</u>
400 Mid-Cap Fund	157,697	\$10,196,904	\$363
500 Large-Cap Fund	59,087	\$8,967,332	\$235
600 Small-Cap Fund	129,112	\$5,664,973	\$747
TOTAL EQUITY PURCHASES	345,896	\$24,829,208	\$1,345

II. Equity Funds Sales

	<u>SHARES</u>	<u>SALES AMOUNT</u>	<u>COMMISSIONS</u>
400 Mid-Cap Fund	127,210	\$8,027,771	\$526
500 Large-Cap Fund	18,397	\$2,815,814	\$138
600 Small-Cap Fund	141,034	\$6,364,418	\$238
TOTAL EQUITY SALES	286,641	\$17,208,004	\$903

**ENDOWMENT FUNDS
INVESTMENTS OUTSTANDING**

JANUARY 31, 2016
(In Thousands)

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FUND	NAME OF FUND	SHARES OUTSTANDING	BOOK VALUE	MARKET VALUE	UNREALIZED GAINS (LOSSES)	Mkt Value/ Book Value
101	A & M Colleges					
	<i>Shares in Equity Pools</i>	480	3,380	7,337	3,957	
	<i>Shares in Fixed Income Pools</i>	4,339	3,035	4,695	1,659	
	Total	4,819	6,415	12,031	5,616	1.876
102	State Hospital					
	<i>Shares in Equity Pools</i>	323	2,367	4,929	2,562	
	<i>Shares in Fixed Income Pools</i>	2,806	2,094	3,036	942	
	Total	3,129	4,461	7,965	3,503	1.785
103	Leg., Exec, & Jud					
	<i>Shares in Equity Pools</i>	387	2,911	5,914	3,002	
	<i>Shares in Fixed Income Pools</i>	3,721	2,604	4,026	1,422	
	Total	4,109	5,516	9,940	4,424	1.802
104	Military Institute					
	<i>Shares in Equity Pools</i>	25	184	385	201	
	<i>Shares in Fixed Income Pools</i>	248	165	268	104	
	Total	273	348	653	305	1.875
105	Miners Hospital					
	<i>Shares in Equity Pools</i>	1,107	9,802	16,898	7,096	
	<i>Shares in Fixed Income Pools</i>	9,744	8,310	10,542	2,232	
	Total	10,850	18,112	27,440	9,328	1.515
107	Normal School ASU/NAU					
	<i>Shares in Equity Pools</i>	197	1,571	3,007	1,436	
	<i>Shares in Fixed Income Pools</i>	1,807	1,366	1,955	589	
	Total	2,004	2,937	4,962	2,024	1.689
108	Penitentiaries					
	<i>Shares in Equity Pools</i>	722	5,879	11,029	5,149	
	<i>Shares in Fixed Income Pools</i>	6,547	5,215	7,083	1,868	
	Total	7,269	11,094	18,112	7,018	1.633

**ENDOWMENT FUNDS
INVESTMENTS OUTSTANDING**

JANUARY 31, 2016
(In Thousands)

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NAME OF FUND	SHARES OUTSTANDING	BOOK VALUE	MARKET VALUE	UNREALIZED GAINS (LOSSES)	Mkt Value/ Book Value
109 Permanent Common School					
<i>Shares in Equity Pools</i>	183,382	1,460,659	2,800,275	1,339,616	
<i>Shares in Fixed Income Pools</i>	1,641,235	1,305,316	1,775,717	470,401	
Total	1,824,617	2,765,975	4,575,992	1,810,017	1.654
110 School for Deaf & Blind					
<i>Shares in Equity Pools</i>	256	1,926	3,904	1,978	
<i>Shares in Fixed Income Pools</i>	2,389	1,707	2,584	877	
Total	2,644	3,633	6,488	2,855	1.786
111 School of Mines					
<i>Shares in Equity Pools</i>	538	4,031	8,221	4,190	
<i>Shares in Fixed Income Pools</i>	4,988	3,624	5,397	1,773	
Total	5,526	7,655	13,618	5,962	1.779
112 State Charitable					
<i>Shares in Equity Pools</i>	5,446	41,024	83,155	42,132	
<i>Shares in Fixed Income Pools</i>	47,811	37,256	51,729	14,472	
Total	53,257	78,280	134,884	56,604	1.723
113 University Fund					
<i>Shares in Equity Pools</i>	981	7,772	14,981	7,209	
<i>Shares in Fixed Income Pools</i>	9,096	6,798	9,842	3,044	
Total	10,077	14,570	24,823	10,253	1.704
114 U Of A Land - 1881					
<i>Shares in Equity Pools</i>	3,354	30,777	51,223	20,446	
<i>Shares in Fixed Income Pools</i>	30,739	25,611	33,258	7,647	
Total	34,093	56,388	84,480	28,093	1.498
TOTALS - ALL FUNDS					
<i>Shares in Equity Pools</i>	197,199	1,572,284	3,011,257	1,438,973	
<i>Shares in Fixed Income Pools</i>	1,765,468	1,403,101	1,910,131	507,030	
Grand Total	1,962,667	2,975,385	4,921,387	1,946,003	
PRIOR YEAR:					
JANUARY 2015 BALANCES	1,966,017	2,964,139	5,003,913	2,039,774	

ENDOWMENT FUNDS
INVESTMENTS OUTSTANDING
 JANUARY 31, 2016

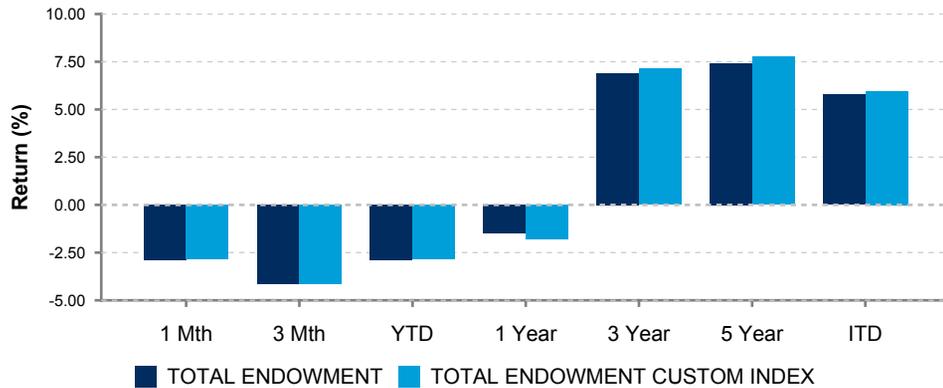
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ASSET ALLOCATION PERCENTAGE

	SHARES OUTSTANDING	BOOK VALUE	MARKET VALUE	JANUARY 2015 MARKET VALUE
<i>Shares in Equity Pools</i>	10.05%	52.84%	61.19%	61.95%
<i>Shares in Fixed Income Pools</i>	89.95%	47.16%	38.81%	38.05%
	-----	-----	-----	-----
Total	100.00%	100.00%	100.00%	100.00%
	=====	=====	=====	=====



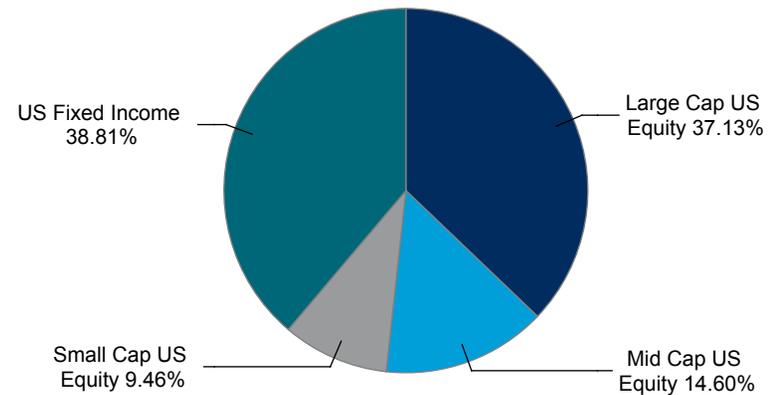
Performance



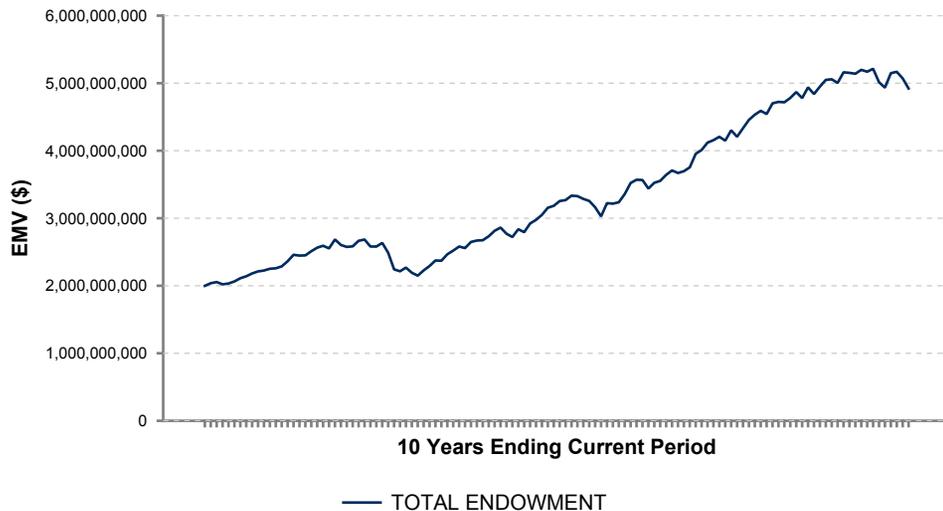
	1 Mth	3 Mth	YTD	1 Year	3 Year	5 Year	ITD	Incept Date
TOTAL ENDOWMENT	-2.89	-4.17	-2.89	-1.48	6.90	7.43	5.78	07/99
TOTAL ENDOWMENT CUSTOM INDEX	-2.84	-4.17	-2.84	-1.79	7.14	7.76	5.95	07/99
Excess	-0.05	0.01	-0.05	0.31	-0.24	-0.33	-0.18	

Asset Allocation

	Ending Market Value
TOTAL ENDOWMENT	4,921,387,303

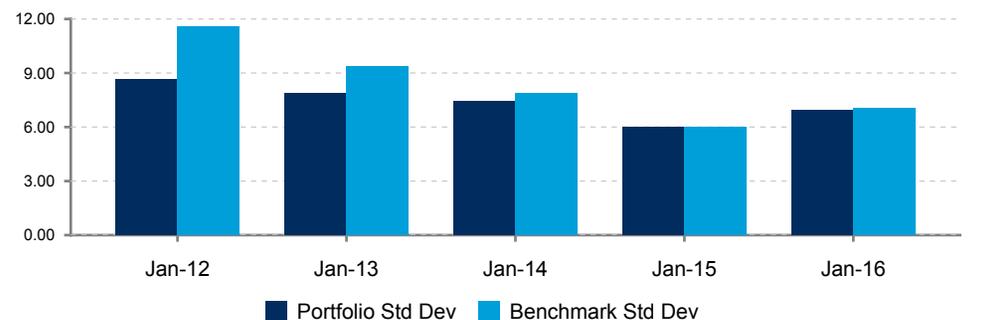


Ending Market Value



3 Year Risk Statistics

	Return	Portfolio Std Dev	Benchmark Std Dev	Sharpe Ratio	Beta	Tracking Error	Information Ratio
TOTAL ENDOWMENT	6.90	6.94	7.03	0.99	0.99	0.30	-0.80



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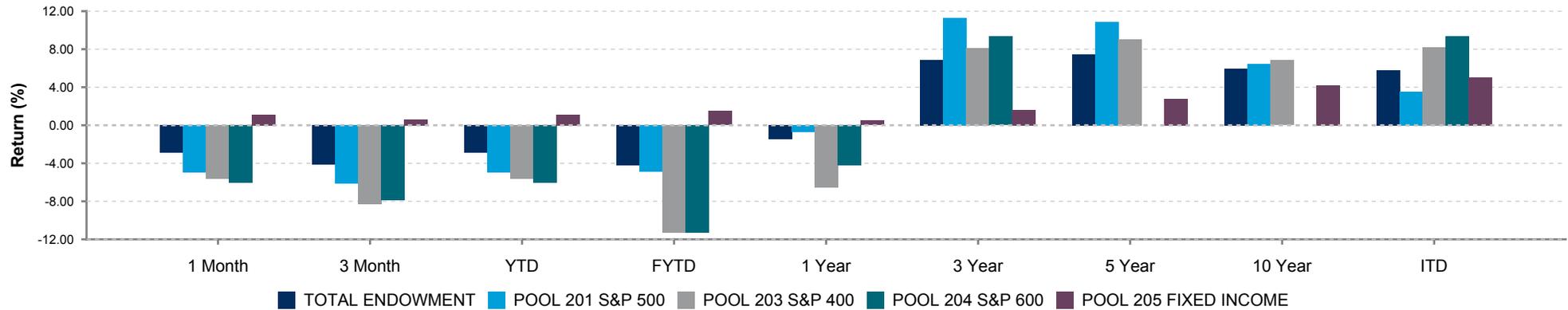
January 31, 2016

Total Returns Net Mgr



STATE STREET

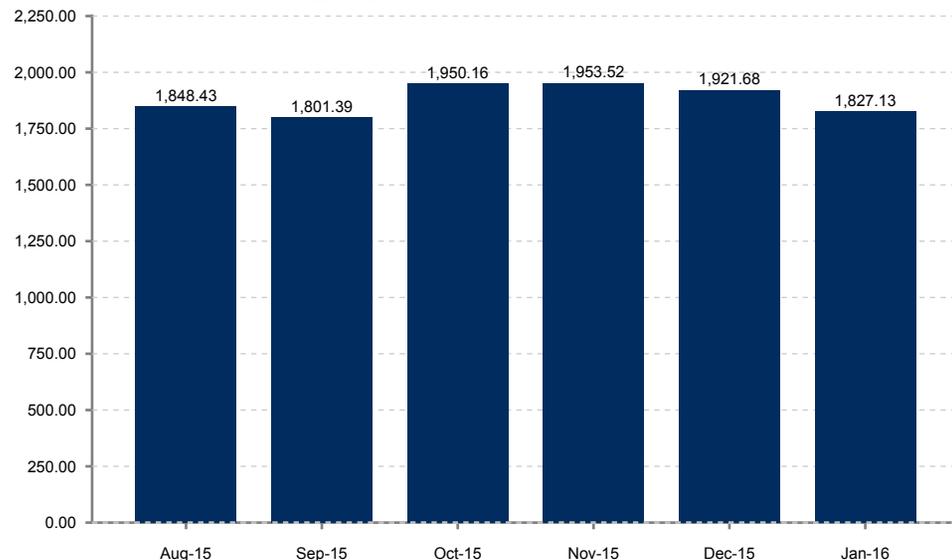
Return Comparison



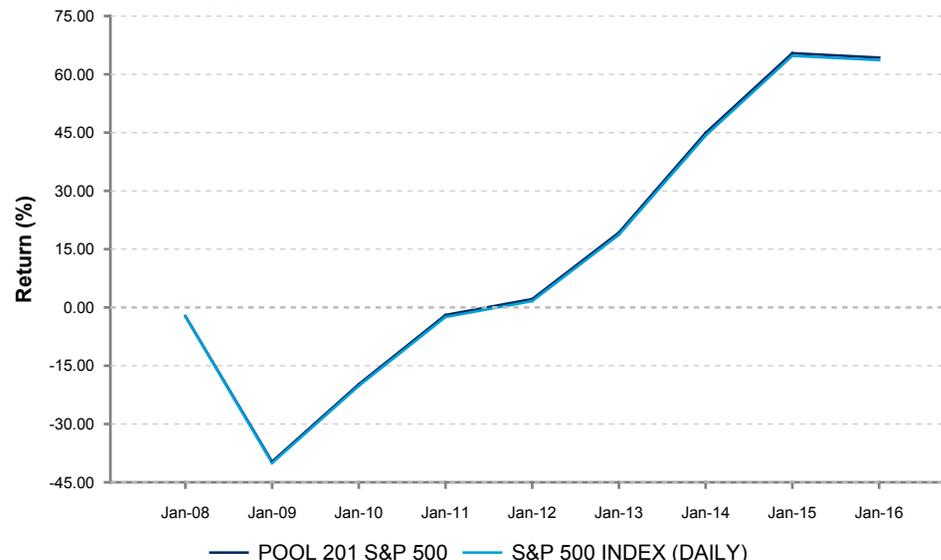
	Market Value	Actual Weight	1 Mth	3 Mth	YTD	FYTD	1 Year	3 Year	5 Year	10 Year	ITD	Inc Date
TOTAL ENDOWMENT	4,921,387,303	100.00	-2.89	-4.17	-2.89	-4.20	-1.48	6.90	7.43	5.95	5.78	Jul-01-99
TOTAL ENDOWMENT CUSTOM INDEX			-2.84	-4.17	-2.84	-4.10	-1.79	7.14	7.76	6.17	5.95	Jul-01-99
Excess			-0.05	0.01	-0.05	-0.10	0.31	-0.24	-0.33	-0.23	-0.18	
POOL 201 S&P 500	1,827,133,700	37.13	-4.94	-6.17	-4.94	-4.84	-0.68	11.27	10.88	6.45	3.51	Jul-01-99
S&P 500 INDEX (DAILY)			-4.96	-6.18	-4.96	-4.82	-0.67	11.30	10.91	6.48	4.06	Jul-01-99
Excess			0.02	0.02	0.02	-0.02	-0.02	-0.03	-0.03	-0.04	-0.55	
POOL 203 S&P 400	718,598,387	14.60	-5.59	-8.31	-5.59	-11.31	-6.51	8.10	9.05	6.82	8.21	Aug-01-01
S&P 400 MIDCAP INDEX (DAILY)			-5.69	-8.40	-5.69	-11.46	-6.70	8.03	8.95	6.93	8.22	Aug-01-01
Excess			0.10	0.09	0.10	0.15	0.18	0.07	0.09	-0.11	-0.00	
POOL 204 S&P 600	465,524,469	9.46	-6.03	-7.88	-6.03	-11.27	-4.23	9.34			9.36	Mar-01-11
S&P SM 600 TR			-6.17	-8.27	-6.17	-11.70	-4.69	9.13			9.24	Mar-01-11
Excess			0.14	0.39	0.14	0.43	0.45	0.22			0.12	
POOL 205 FIXED INCOME	1,910,130,747	38.81	1.10	0.59	1.10	1.49	0.49	1.60	2.76	4.22	5.05	Jul-01-99
CITIGROUP BIG (DAILY)			1.34	0.72	1.34	1.93	-0.19	2.11	3.48	4.73	5.36	Jul-01-99
Excess			-0.24	-0.13	-0.24	-0.45	0.68	-0.51	-0.72	-0.51	-0.31	



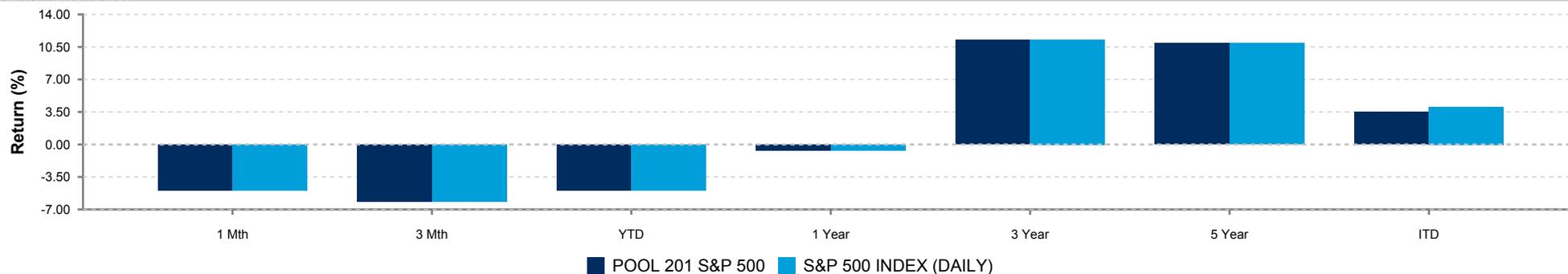
Net Asset Values over Time (\$MM)



Cumulative Return (%)



Rates of Return



	1 Mth	3 Mth	YTD	1 Year	3 Year	5 Year	ITD	Jan 31 2016	Jan 31 2015	Jan 31 2014
POOL 201 S&P 500	-4.94	-6.17	-4.94	-0.68	11.27	10.88	3.51	-0.68	14.14	21.52
S&P 500 INDEX (DAILY)	-4.96	-6.18	-4.96	-0.67	11.30	10.91	4.06	-0.67	14.22	21.52
Excess	0.02	0.02	0.02	-0.02	-0.03	-0.03	-0.55	-0.02	-0.08	0.00

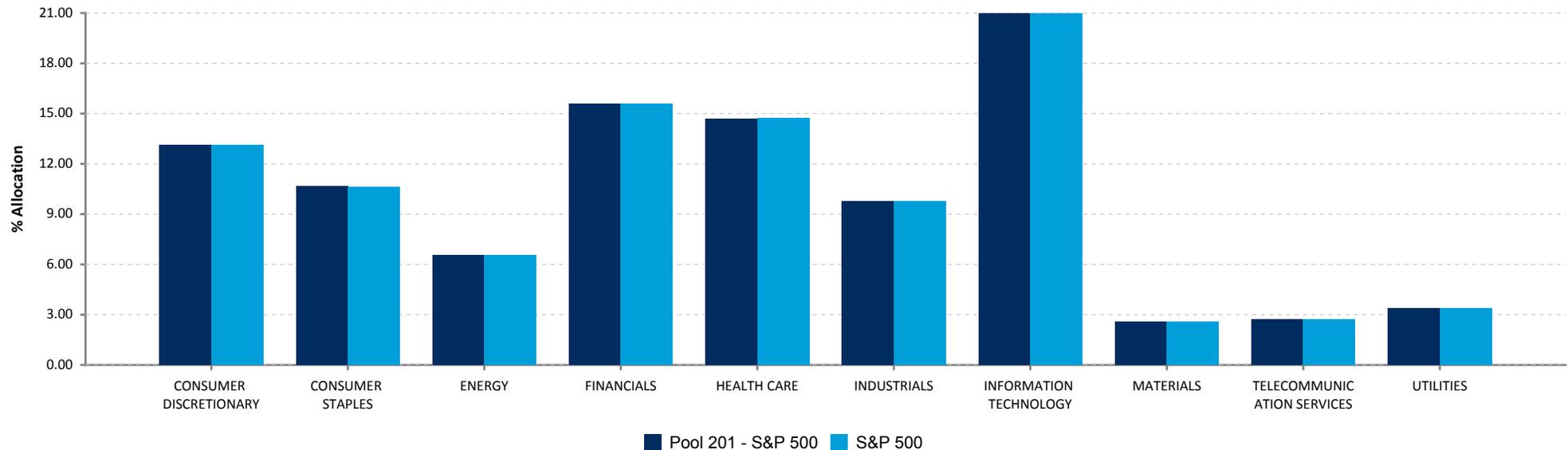
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POOL 201 S&P 500
Sector Allocation vs S&P 500



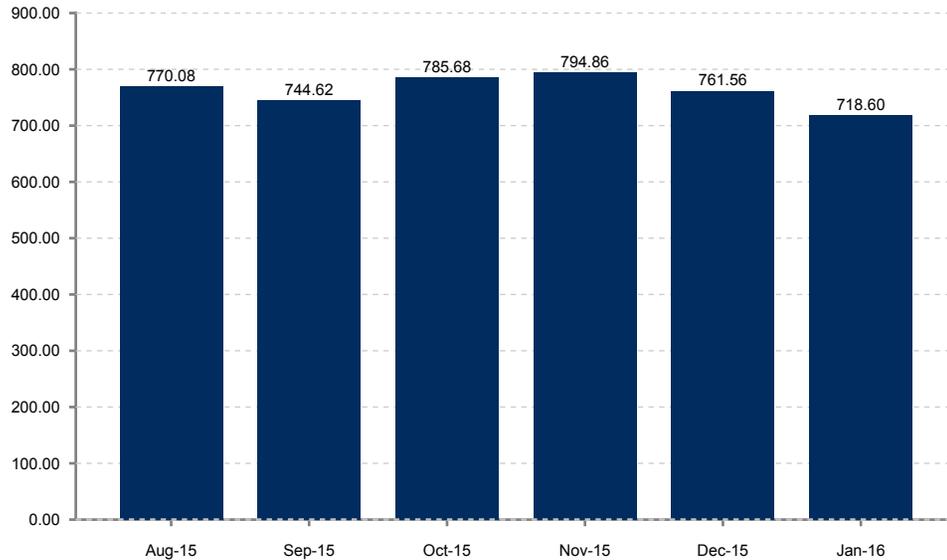
STATE STREET.



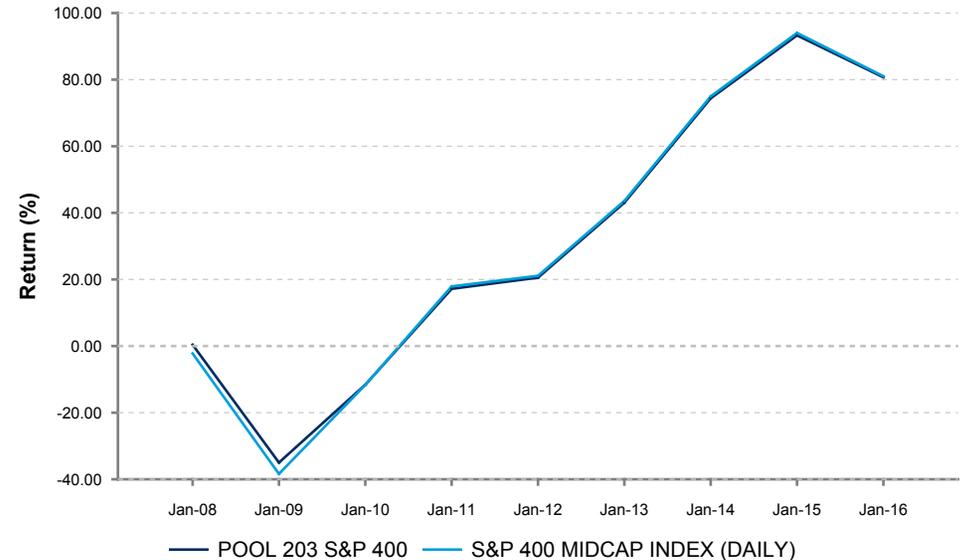
	Fund Weight	Benchmark Weight	Relative Weight
POOL 201 S&P 500	100.00	100.00	0.00
CONSUMER DISCRETIONARY	13.19	13.19	0.00
CONSUMER STAPLES	10.09	10.06	0.02
ENERGY	6.42	6.42	-0.00
FINANCIALS	16.17	16.19	-0.02
HEALTH CARE	15.12	15.12	0.00
INDUSTRIALS	9.85	9.84	0.01
INFORMATION TECHNOLOGY	20.94	20.95	-0.01
MATERIALS	2.74	2.73	0.00
TELECOMMUNICATION SERVICES	2.43	2.43	-0.00
UTILITIES	3.06	3.06	0.00



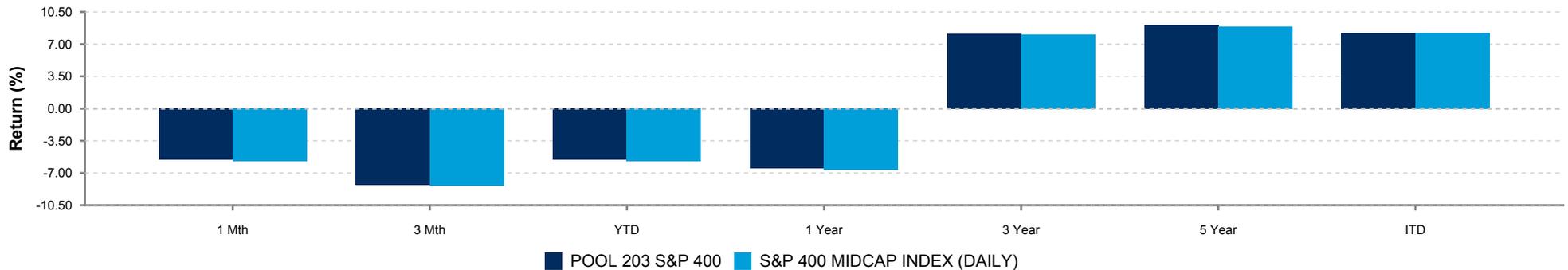
Net Asset Values over Time (\$MM)



Cumulative Return (%)



Rates of Return



	1 Mth	3 Mth	YTD	1 Year	3 Year	5 Year	ITD	Jan 31 2016	Jan 31 2015	Jan 31 2014
POOL 203 S&P 400	-5.59	-8.31	-5.59	-6.51	8.10	9.05	8.21	-6.51	10.84	21.91
S&P 400 MIDCAP INDEX (DAILY)	-5.69	-8.40	-5.69	-6.70	8.03	8.95	8.22	-6.70	10.89	21.87
Excess	0.10	0.09	0.10	0.18	0.07	0.09	-0.00	0.18	-0.05	0.05

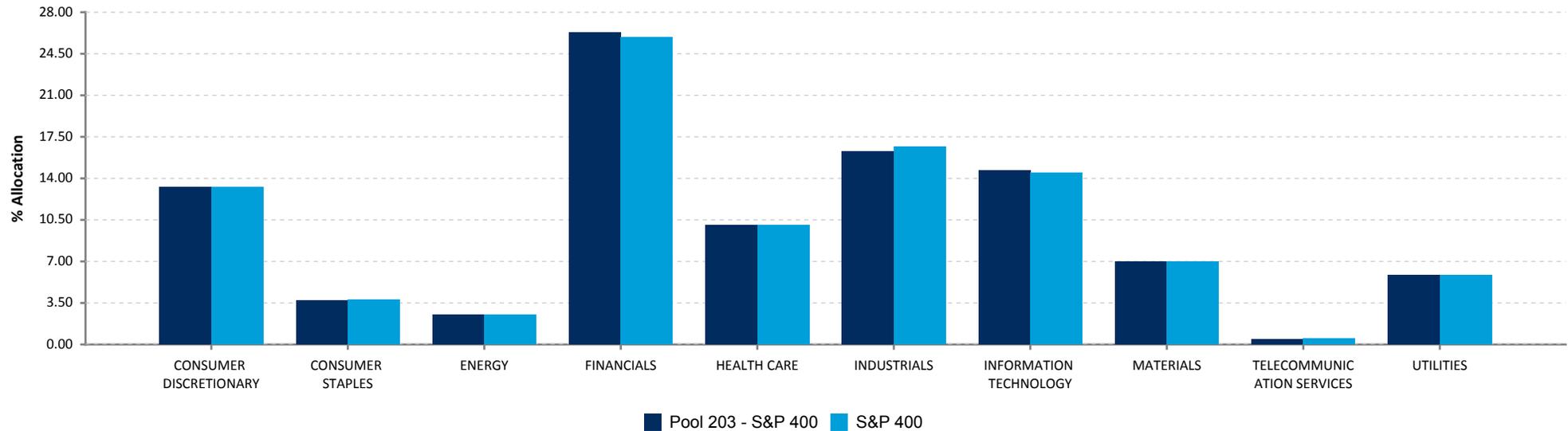
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POOL 203 S&P 400
Sector Allocation vs S&P MID CAP 400



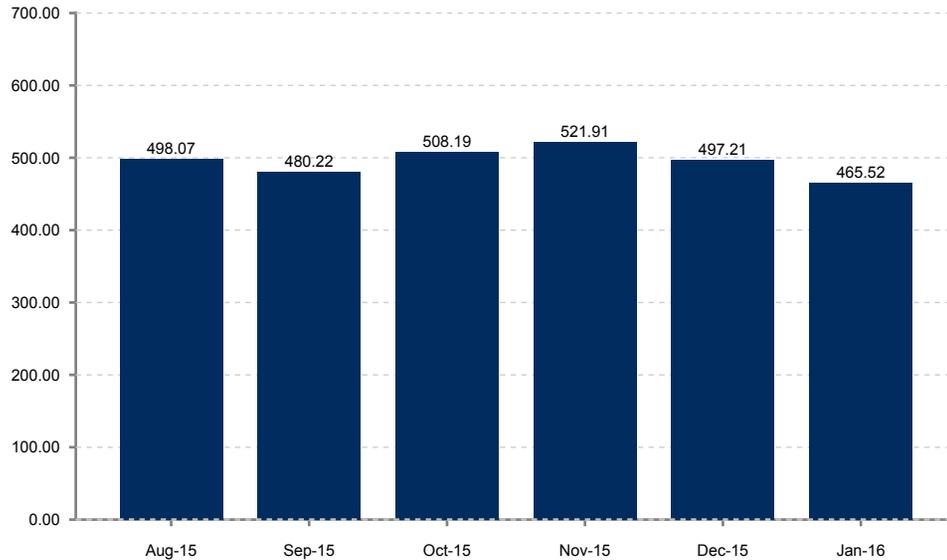
STATE STREET.



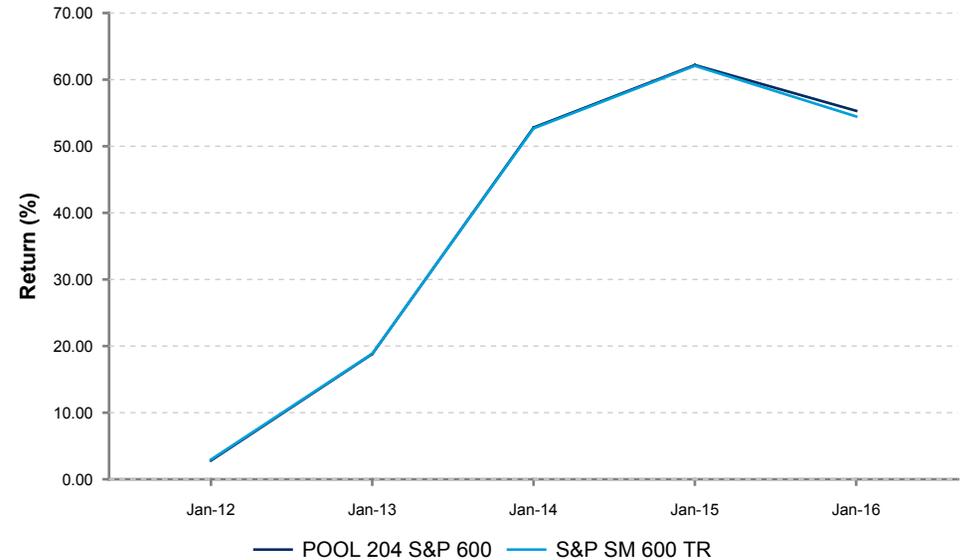
	Weight Fund	Weight Benchmark	Weight Relative
POOL 203 S&P 400	100.00	100.00	0.00
CONSUMER DISCRETIONARY	12.78	12.76	0.02
CONSUMER STAPLES	3.63	3.62	0.01
ENERGY	2.69	2.69	0.00
FINANCIALS	27.30	27.19	0.11
HEALTH CARE	10.10	10.10	0.01
INDUSTRIALS	16.14	16.51	-0.37
INFORMATION TECHNOLOGY	14.95	14.48	0.47
MATERIALS	6.93	6.92	0.02
TELECOMMUNICATION SERVICES	0.17	0.45	-0.28
UTILITIES	5.31	5.29	0.01



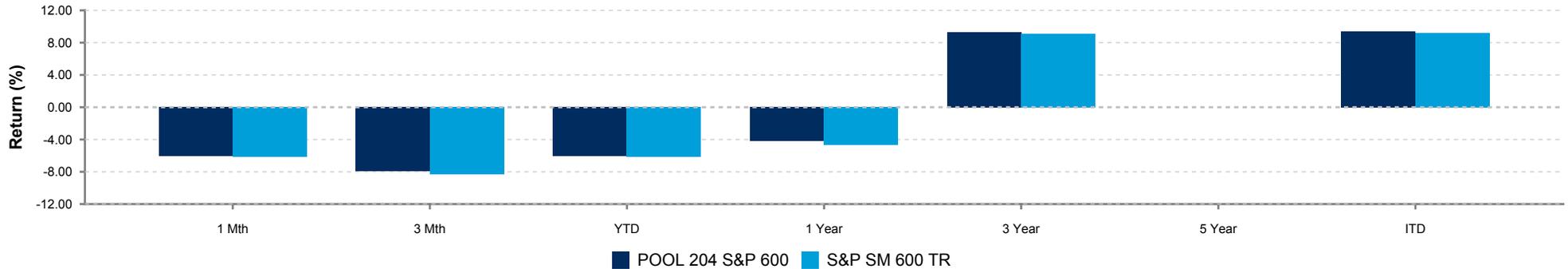
Net Asset Values over Time (\$MM)



Cumulative Return (%)



Rates of Return



	1 Mth	3 Mth	YTD	1 Year	3 Year	5 Year	ITD	Jan 31 2016	Jan 31 2015	Jan 31 2014
POOL 204 S&P 600	-6.03	-7.88	-6.03	-4.23	9.34	9.36	9.36	-4.23	6.14	28.62
S&P SM 600 TR	-6.17	-8.27	-6.17	-4.69	9.13	9.24	9.24	-4.69	6.15	28.44
Excess	0.14	0.39	0.14	0.45	0.22	0.12	0.12	0.45	-0.01	0.18

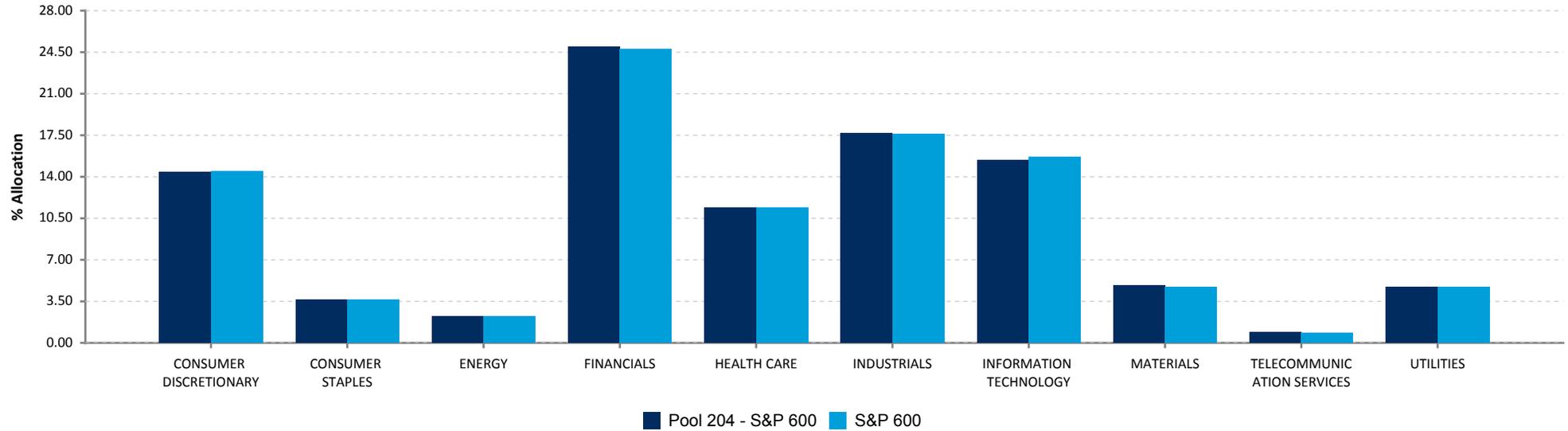
OFFICE OF THE ARIZONA STATE TREASURER

January 31, 2016

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



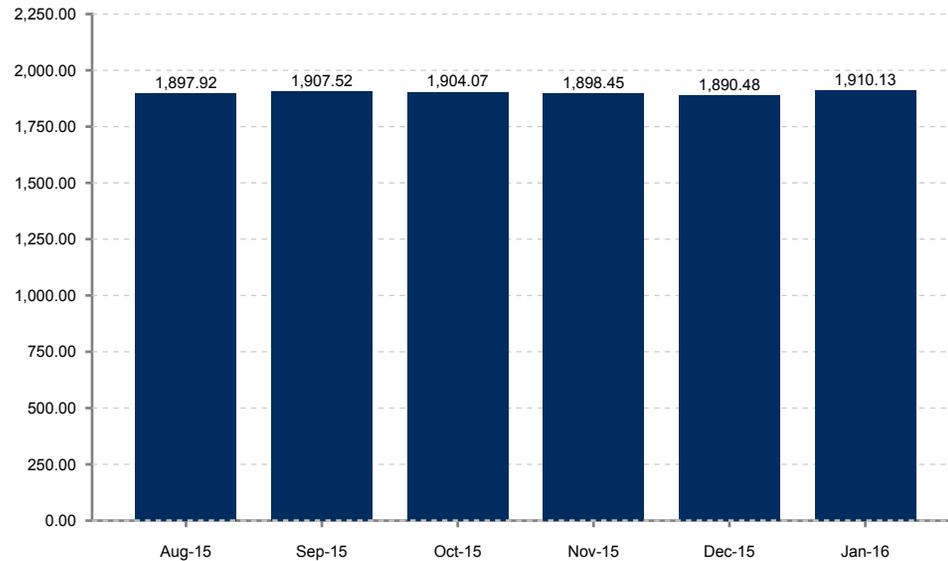
STATE STREET.



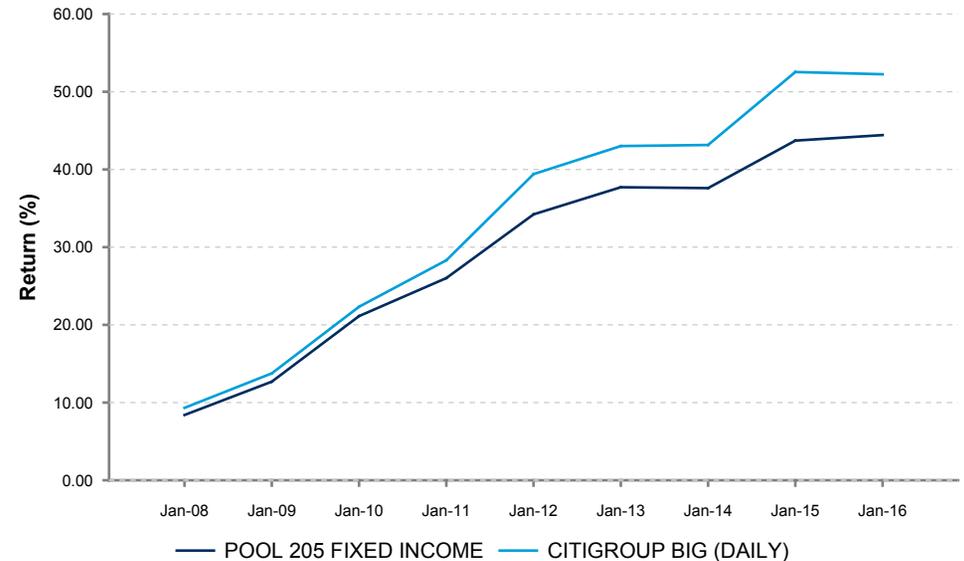
	Weight Fund	Weight Benchmark	Weight Relative
POOL 204 S&P 600	100.00	100.00	0.00
CONSUMER DISCRETIONARY	14.08	14.09	-0.01
CONSUMER STAPLES	3.48	3.47	0.01
ENERGY	2.30	2.30	-0.00
FINANCIALS	25.32	25.20	0.12
HEALTH CARE	11.77	11.68	0.09
INDUSTRIALS	17.47	17.48	-0.01
INFORMATION TECHNOLOGY	15.75	15.77	-0.02
MATERIALS	4.82	5.00	-0.18
TELECOMMUNICATION SERVICES	0.88	0.88	0.00
UTILITIES	4.14	4.12	0.01



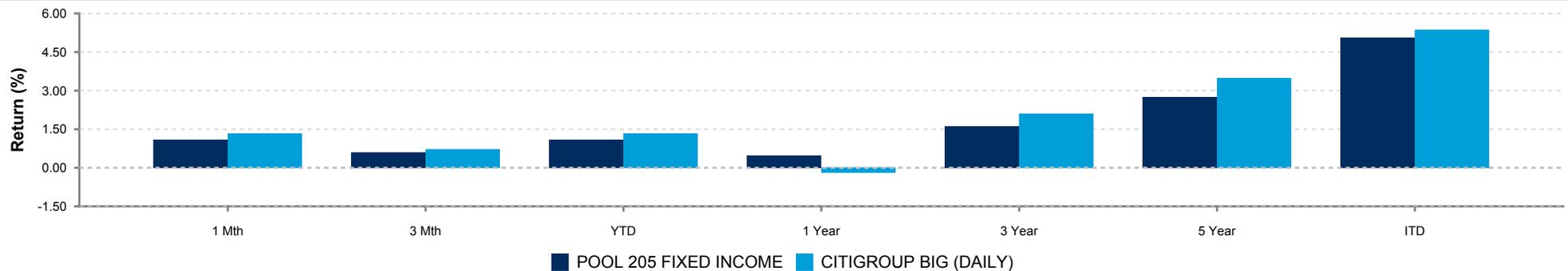
Net Asset Values over Time (\$MM)



Cumulative Return (%)



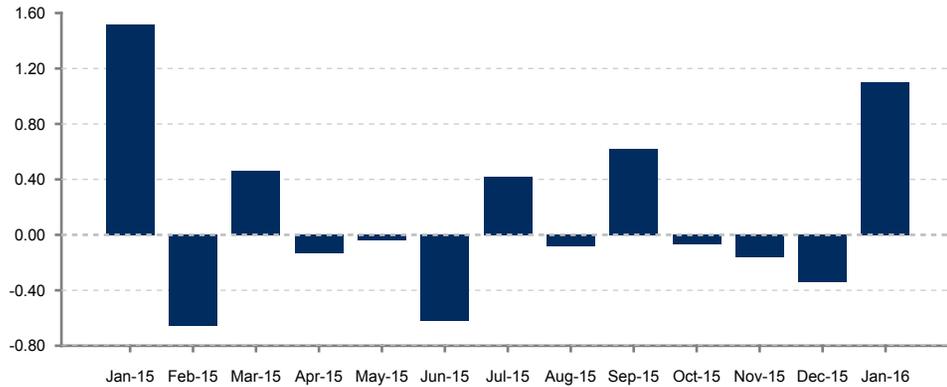
Rates of Return



	1 Mth	3 Mth	YTD	1 Year	3 Year	5 Year	ITD	Jan 31 2016	Jan 31 2015	Jan 31 2014
POOL 205 FIXED INCOME	1.10	0.59	1.10	0.49	1.60	2.76	5.05	0.49	4.44	-0.08
CITIGROUP BIG (DAILY)	1.34	0.72	1.34	-0.19	2.11	3.48	5.36	-0.19	6.56	0.10
Excess	-0.24	-0.13	-0.24	0.68	-0.51	-0.72	-0.31	0.68	-2.12	-0.18



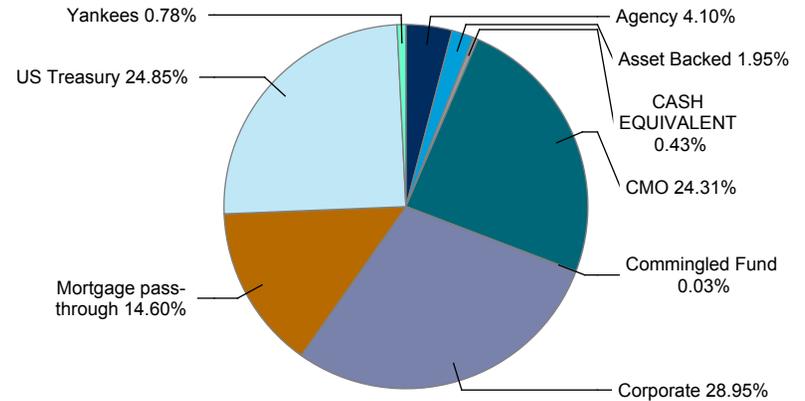
Net Mqr Return



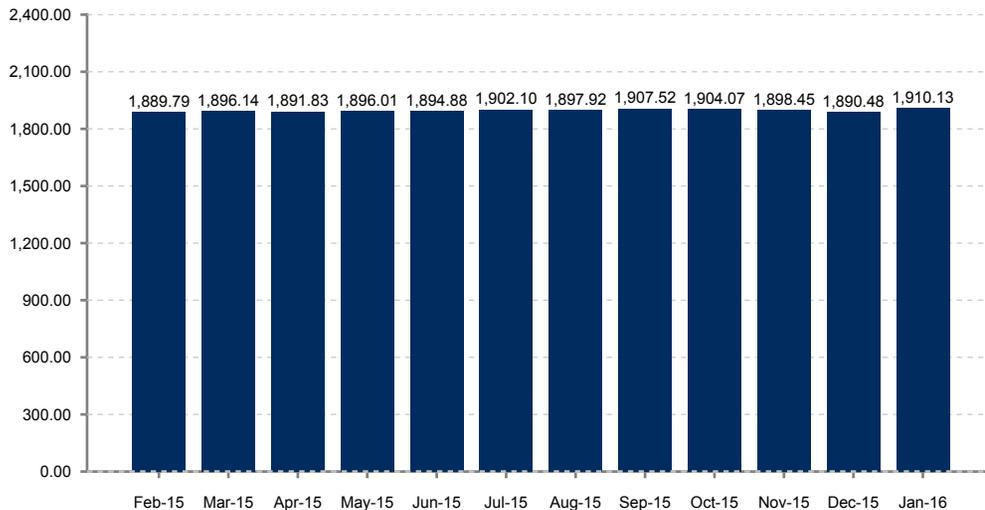
	Current Mth	Prior Mth	1 Year Ago
POOL 205 FIXED INCOME	1.10	-0.34	1.52

Asset Allocation

	Ending Market Value
POOL 205 FIXED INCOME	1,910,130,747



Net Asset Values over Time (\$MM)

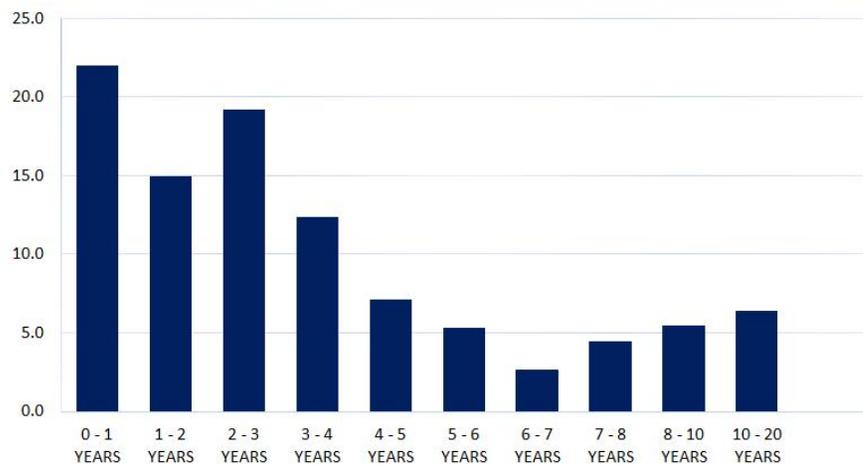


Top 10 Holdings

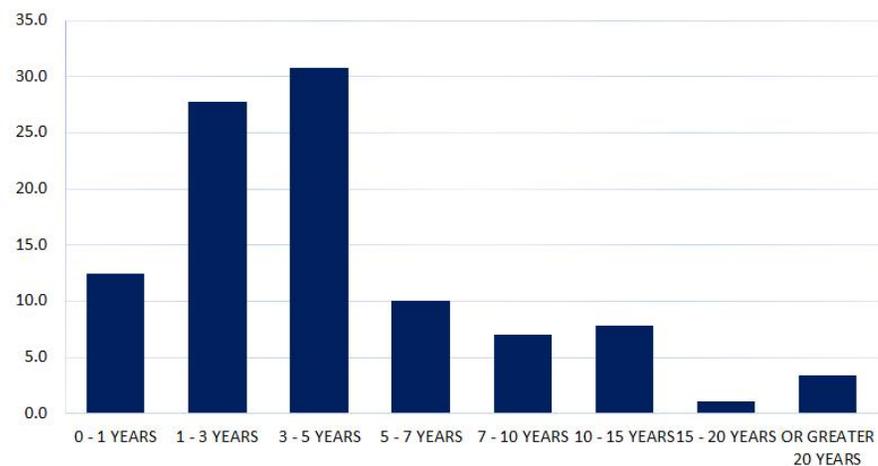
Security Name	Ending Market Value	% of Portfolio
POOL 205 FIXED INCOME		
US TREASURY N/B	17,466,580	0.91
FIFTH THIRD BANK	14,975,993	0.78
US TREASURY N/B	14,938,808	0.78
US TREASURY N/B	14,850,101	0.78
US TREASURY N/B	14,744,497	0.77
3M COMPANY	13,447,598	0.70
PRES + FELLOWS OF HARVAR	12,858,247	0.67
US TREASURY N/B	12,810,110	0.67
IBM CORP	12,728,869	0.67
US TREASURY N/B	11,657,256	0.61



Duration Distribution



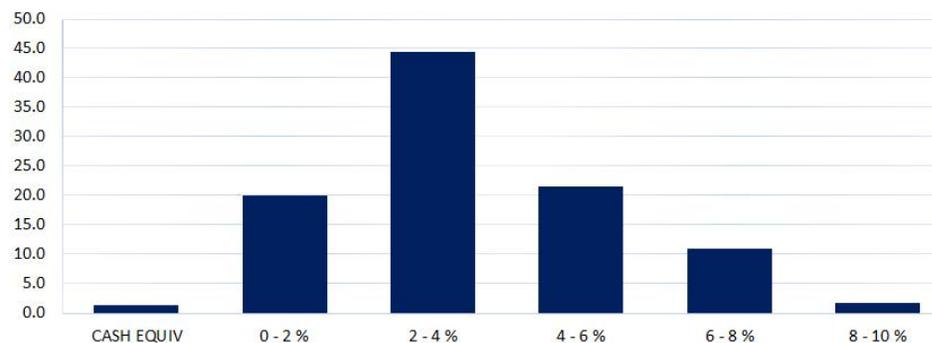
Expected Maturity Distribution



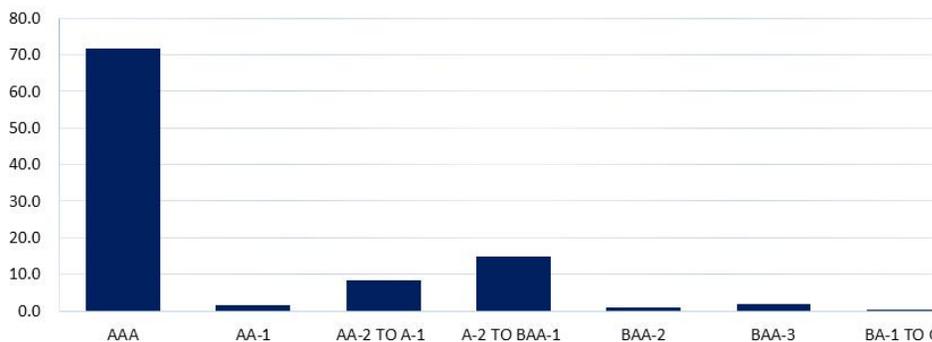
Portfolio Level Characteristics

	POOL 205 FIXED INCOME
Weighted Average Life	4.89
Coupon	3.62
Effective Duration	3.60
Quality Rating (Moody's)	AA-1

Coupon Distribution



Rating Distribution



Thousands

Endowment Fund Market Value

