OFFICE OF THE

ARIZONA STATE TREASURER

JEFF DEWIT
TREASURER

MAY 2016

Presented To:

Arizona State Board of Investment

June 28, 2016

STATE BOARD OF INVESTMENT

A G E N D A

June 28, 2016

1. Call to Order
2. Chairman Remarks
3. Approval of May 24, 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
    - A. Approval of Endowment Distributions for FY2016 & FY2017
8. Call to the Public
9. Notice of Next Meeting
10. Adjournment

REPORT OF THE STATE TREASURER

FOR

June 28, 2016

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Minutes of
BOARD OF INVESTMENT MEETING

The regular meeting of the State Board of Investment was held on May 24, 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 10:00 a.m.

Members Present:

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

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
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
Eric Stivers, Collateral Analyst, Arizona State Treasurer's Office
Kenneth Hoser, Accountant I, Arizona State Treasurer's Office
Dale Stomberg, Investment Accounting Manager, Arizona State Treasurer's Office
Ron Hansen, Reporter, Arizona Republic
Rex Nowlan, Section Chief, Arizona Attorney General's Office

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

Endowment Investments and Performance Reports

1. **Call to Order:**
   Treasurer DeWit called the May 24, 2016 BOI meeting to order at approximately 10:00 a.m.

2. **Treasurers Comments:**
   Treasurer DeWit welcomed the board members and guests and thanked all present for attending the May 24, 2016 meeting.

3. **Approval of Minutes:**
   Mr. Papp made a motion to approve the April 26, 2016 minutes. Ms. Ford seconded the motion. Motion carried.

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

Earnings Distribution – Investment Pools

Ms. Humbert reported the earnings distributed month-to-date, year-to-date, prior year-to-date, and investment management fees deposited in the General Fund for the month of April, 2016.

Operating Monies Average Invested Balance

Ms. Humbert reported the Operating Monies average invested balance for the month of April, 2016.

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 April, 2016.

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 April 30, 2016.

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 April 30, 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 April, 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 April, 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 April 30, 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 April, 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 April, 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 April, 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 April, 2016.

Equity Funds Purchases & Sales

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

Investments Outstanding in Endowment Funds

Mr. White reported the par, book, market value, and unrealized gains/loss of the Endowment Funds as of April 30, 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 April 30, 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 April 30, 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 April 30, 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 April 30, 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 April 30, 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 April, 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 April 30, 2016.

Treasurer DeWit thanked and congratulated Mr. White for an outstanding job on managing the Endowment Fund.

Approval of Treasurer's Report

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

5. Proposed Changes to Investment Policy:

Chief Investment Officer Patty Humbert presented on the Investment Risk Management Committee recommendation that the State Board of Investment approve a one-time deviation from the Investment Policy. This is pursuant to Section X of the Investment Policy to rebalance the Permanent Land Endowment Trust Fund to target allocations as stipulated in Section III, Chapter 2, ENDOWMENTS. This rebalance will help raise cash for the upcoming distribution as ordered by the passage of Proposition 123 on May 17, 2016. Discussion ensued. Treasurer DeWit asked for a motion as presented.

Mr. Papp made a motion to approve the Arizona Permanent Land Endowment Trust Fund Rebalance as presented. Ms. Ford seconded the motion. Motion carried.

Treasurer DeWit asked for a motion regarding the sales for rebalance as presented.

Mr. Partridge made a motion to approve the sales for rebalance under the direction Treasurer DeWit in conjunction with the Chief Investment Officer Patty Humbert. Mr. Charlton seconded the motion. Motion carried.

The IRMC will report back to the Board with proposed revisions to the Investment Policy regarding the liquidity component.

The IRMC will research setting up a segregated account for the Proposition 123 distribution payments.

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

No proposed/pending securities dealers.

7. General Business:

Deputy Treasurer Mark Swenson presented the proposed letter for request of the Attorney General's opinion in regards to distributions from the Endowment.

Mr. Partridge requested that the Board convene in Executive Session to receive legal advise regarding the proposed letter to Attorney General. At approximately 11:05am, Treasurer DeWit asked for a motion as presented.

Mr. Partridge called for a motion to approve the Executive Session. Mr. Papp seconded the motion. Motion carried.

At 11:25am, Treasurer DeWit asked for a motion to reconvene regular session.

Mr. Papp called for a motion to reconvene the regular session. Mr. Partridge seconded the motion. Motion carried.

Treasurer DeWit read the following amendment to the proposed letter: Please advise the Board of any and all other issues to which the Board should be aware in order to act consistent with the law.

Treasurer DeWit asked for a motion as presented.

Mr. Partridge called for a motion to approve the amendment to the Attorney General letter. Mr. Charlton seconded the motion. Motion married.

Ms. Ford asked for a motion to approve Deputy Treasurer Swenson to send the letter on behalf of the Board to the Attorney General. Mr. Partridge 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, June 28, 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. Clark seconded the motion.
Upon unanimous approval the BOI Meeting was adjourned at 11:33 a.m.

Respectfully Submitted by:

____
Christine Thurston
Executive Consultant II

Approved by:

______________________________ ______________________________
Jeff DeWit, Chair Date

EARNINGS DISTRIBUTION - INVESTMENT POOLS
MAY 2016

	Earnings Distributed			Fiscal YTD Investment
Recipient	MAY 2016	Fiscal YTD 15/16	Fiscal YTD 14/15	Management Fees Received
General Fund	$1,913,390	$13,773,456	$10,800,167	
2 State Agencies - Full Faith & Credit	553,866	4,388,127	4,507,400	$488,242
3 State Agencies - Diversified *(Combined)*	628,615	6,828,651	6,243,438	788,799
4 State Agencies - Gov	486,211	4,534,260	4,804,223	518,856
5 LGIP	433,326	2,574,777	1,198,665	559,770
7 LGIP Gov	353,485	1,990,460	629,663	513,421
10 Restricted Operating	367,488	3,453,117	3,014,765	666,731
12 CAWCD Medium-Term	418,129	3,855,559	4,561,945	159,913
16 ECDH Medium-Term	481,392	4,763,419	5,066,900	192,682
Subtotal	**$5,635,901**	**$46,161,826**	**$40,827,165**	**$3,888,414**
NAV POOL				
500 LGIP - Med Term	285,991	2,849,380	2,557,837	123,401
700 LGIP - FF&C Med Term	139,367	1,362,481	1,237,022	74,074
Total	**$6,061,259**	**$50,373,688**	**$44,622,023**	**$4,085,889**
MAY 2015 TOTALS	**$3,957,738**			**$3,952,693**

*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 May 31, 2016
(in millions of dollars)

Month	Fiscal Year 2013/2014	Fiscal Year 2014/2015	Fiscal Year 2015/2016
JULY	1,942	1,876	1,795
AUGUST	1,709	1,369	1,554
SEPTEMBER	1,974	1,638	1,874
OCTOBER	1,824	1,521	1,701
NOVEMBER	1,853	1,535	1,686
DECEMBER	1,895	1,478	1,734
JANUARY	2,234	1,754	2,140
FEBRUARY	2,427	1,959	2,295
MARCH	2,107	1,686	2,092
APRIL	2,100	1,879	2,407
MAY	2,312	2,163	2,720
JUNE	2,462	2,307	
Y-T-D Average	**$2,070**	**$1,764**	**$2,000**

Budget Stabilization Average Fund Balance - May 2016	**$461**
Total Average Cash Available - May 2016	**$3,181**

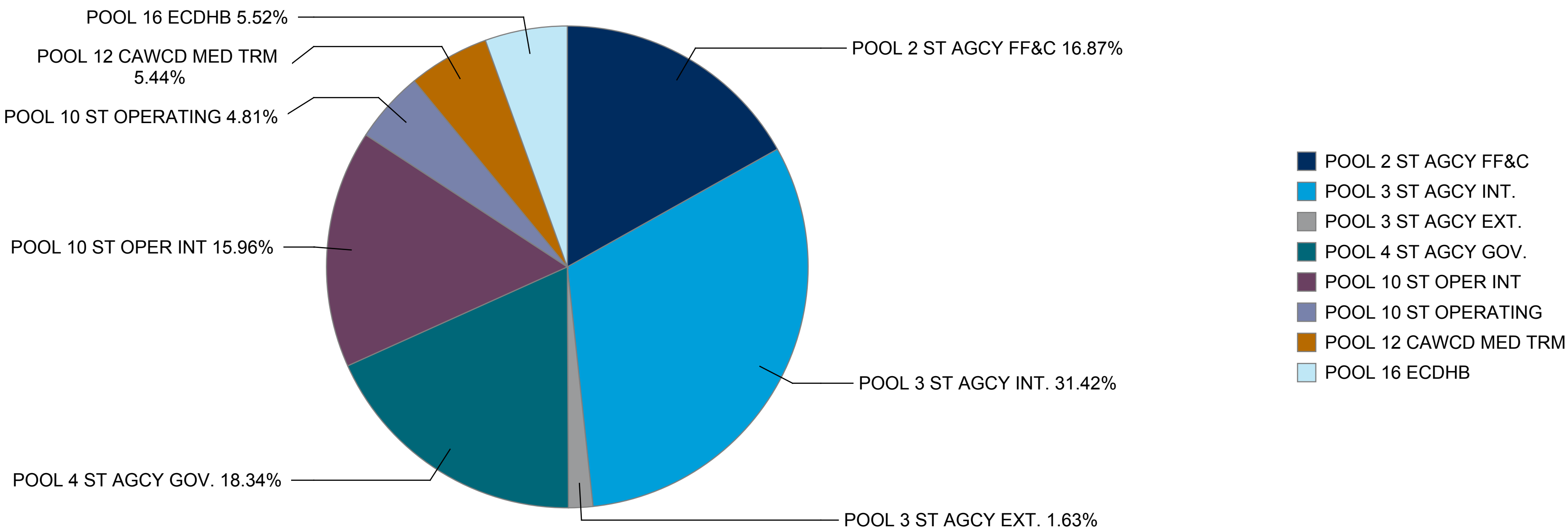
STATE AGENCY POOLS
PORTFOLIO EARNINGS ANALYSIS
MAY 2016

FUND	DESCRIPTION	Current Month 05/31/16	Prior Month 04/30/16	Prior Year 05/31/15	Net Asset Value Per Share
2	STATE AGENCIES - FULL FAITH & CREDIT	635,908	544,648	486,198	0.9978
3	STATE AGENCIES - DIVERSIFIED				
	INTERNAL MANAGERS	1,405,064	1,204,090	772,458	0.9992
	EXTERNAL MANAGERS	99,206	94,060	75,982	1.0019
	FUND 3 TOTAL	1,504,270	1,298,150	848,440	0.9993
4	STATE AGENCIES - GOV	737,123	700,195	478,265	0.9989
10	RESTRICTED OPERATING				
	INTERNAL MANAGERS	892,240	851,437	747,936	0.9998
	EXTERNAL MANAGERS	152,669	146,979	114,411	1.0000
	FUND 10 TOTAL	1,044,909	998,417	862,347	0.9999
12	CAWCD MEDIUM-TERM	418,129	401,821	387,833	1.0047
15	AHCCCS OPERATING	9,331	10,720	N/A	N/A
16	ECDH MEDIUM-TERM	481,392	474,007	331,072	1.0028
	TOTAL STATE AGENCIES	4,831,060	4,427,957	3,394,154	

STATE AGENCY POOLS
PORTFOLIO YIELD ANALYSIS
MAY 2016

FUND	DESCRIPTION	Current Month 05/31/16	Prior Month 04/30/16	Prior Year 05/31/15
2	STATE AGENCIES - FULL FAITH & CREDIT	0.78%	0.68%	0.57%
	75% MERRILL 0-1 US TREAS INDEX / 25% MERRILL US GNMA MORTGAGE BACKED INDEX	1.01%	0.92%	0.74%
3	STATE AGENCIES - DIVERSIFIED			
	INTERNAL MANAGERS	0.83%	0.91%	0.53%
	EXTERNAL MANAGERS	1.14%	1.12%	0.88%
	COMBINED	0.85%	0.92%	0.55%
	50% 3 MONTH LIBOR INDEX / 50% MERRILL 1-3 US BROAD MARKET INDEX	0.93%	0.87%	0.59%
4	STATE AGENCIES - GOV	0.73%	0.74%	0.58%
	50% MERRILL 6 MTH US T-BILL INDEX / 50% MERRILL 1-3 UNSUB. US TREAS / AGY INDEX	0.67%	0.58%	0.34%
10	RESTRICTED OPERATING			
	INTERNAL MANAGERS	1.05%	1.03%	0.82%
	EXTERNAL MANAGERS	0.59%	0.59%	0.45%
	COMBINED	0.94%	0.93%	0.73%
	50% 3 MONTH LIBOR INDEX / 50% MERRILL 1-3 US BROAD MARKET INDEX	0.93%	0.87%	0.59%
12	CAWCD MEDIUM-TERM	1.47%	1.50%	1.53%
	MERRILL 1-5 US D M INDEX	1.53%	1.40%	1.35%
15	AHCCCS OPERATING	0.34%	0.39%	N/A
16	ECDH MEDIUM-TERM	1.64%	1.67%	1.14%
	MERRILL 1-5 US D M INDEX	1.53%	1.40%	1.35%

Manager Allocation



	Market Value	% of Portfolio
POOL 2 ST AGCY FF&C	1,064,201,957	16.9
POOL 3 ST AGCY INT.	1,981,725,976	31.4
POOL 3 ST AGCY EXT.	103,075,276	1.6
POOL 4 ST AGCY GOV.	1,156,966,551	18.3
POOL 10 ST OPER INT	1,006,443,755	16.0
POOL 10 ST OPERATING	303,364,536	4.8
POOL 12 CAWCD MED TRM	342,932,144	5.4
POOL 16 ECDHB	348,413,640	5.5
TOTAL STATE AGENCY	6,307,123,840	100.0

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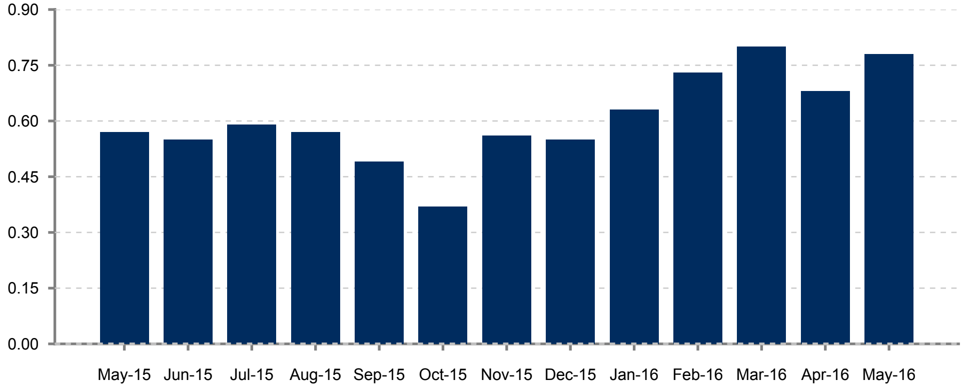
May 31, 2016

POOL 2 ST AGCY FF&C

STATE STREET.

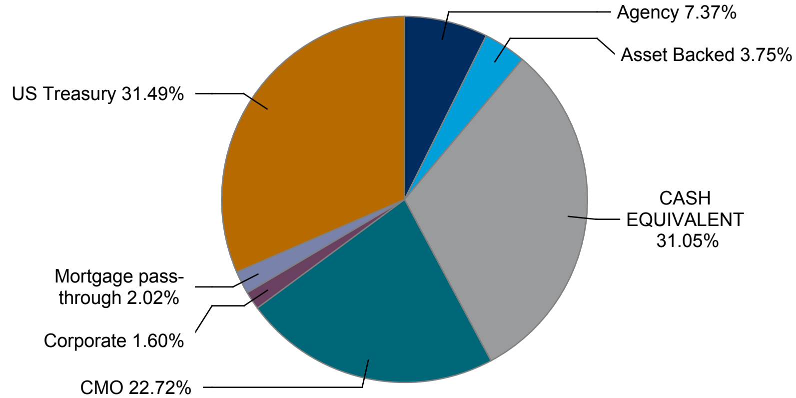
Net Yield



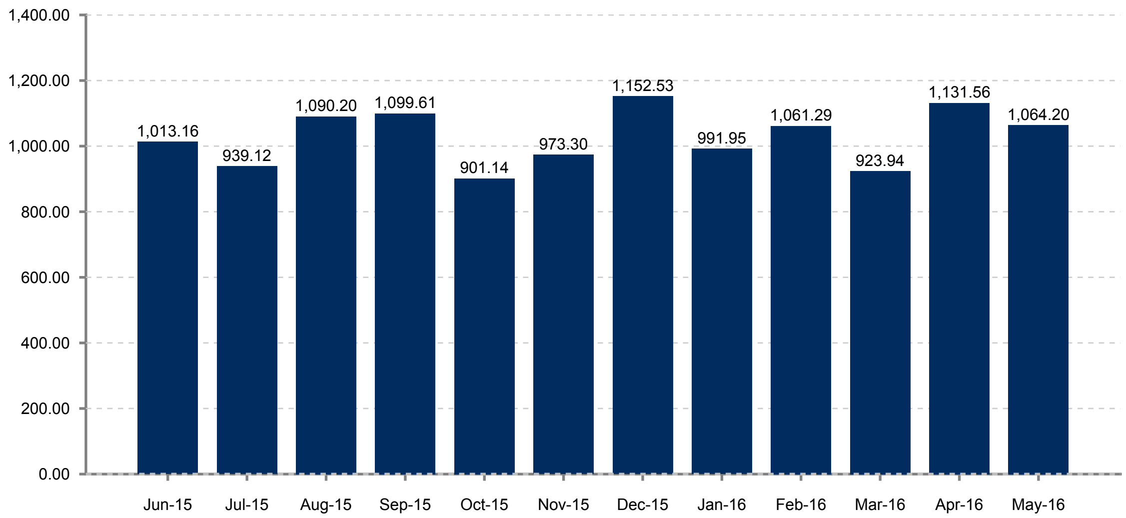
	Current Mth	Prior Mth	1 Year Ago
POOL 2 ST AGCY FF&C	0.78	0.68	0.57

Asset Allocation

	Ending Market Value
POOL 2 ST AGCY FF&C	1,064,201,957



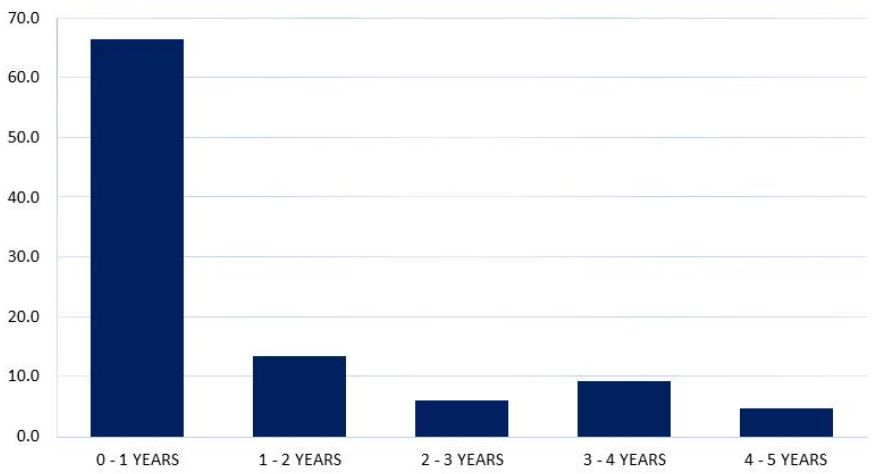
Net Asset Values over Time ($MM)



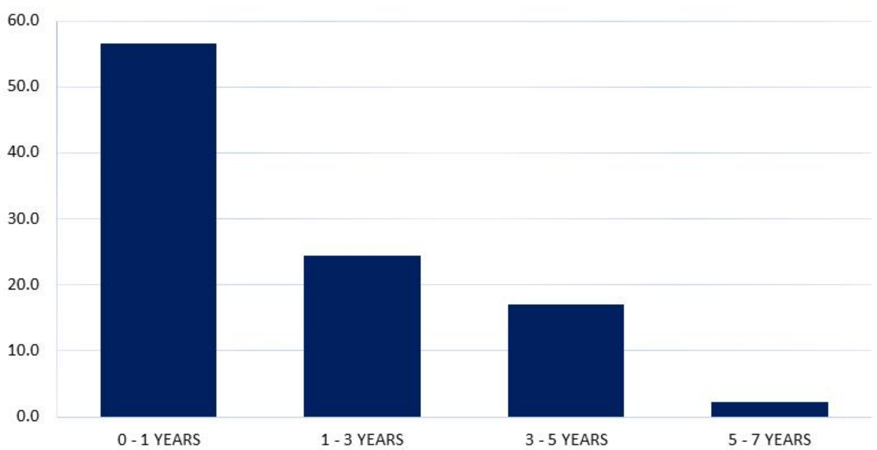
Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 2 ST AGCY FF&C		
SOUTH STREET REPO	128,691,528	12.09
SOUTH STREET REPO	111,987,311	10.52
US TREASURY N/B	41,506,592	3.90
US TREASURY FRN	40,014,179	3.76
TREASURY BILL	29,995,233	2.82
TREASURY BILL	29,940,300	2.81
TREASURY BILL	29,859,810	2.81
GOVERNMENT NATIONAL MORTGAGE A	25,567,509	2.40
US TREASURY N/B	20,536,038	1.93
US TREASURY N/B	20,321,434	1.91

Duration Distribution



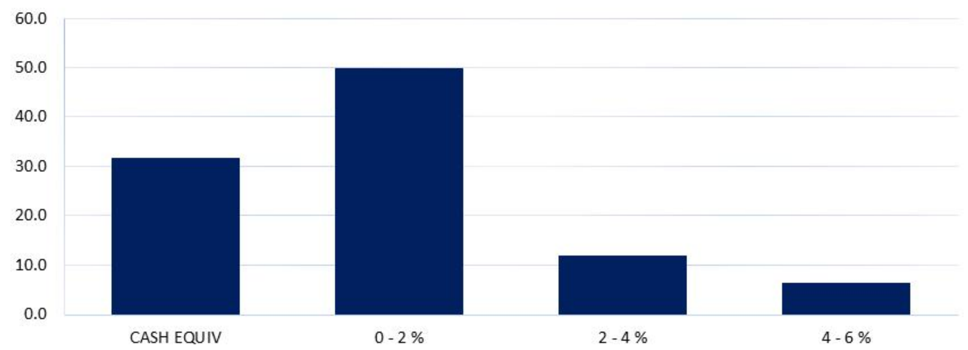
Expected Maturity Distribution



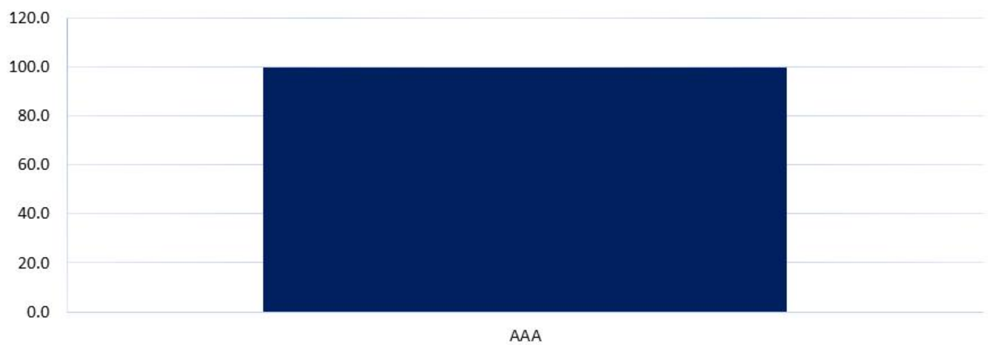
Portfolio Level Characteristics

	POOL 2 ST AGCY FF&C
Weighted Average Life	1.50
Coupon	1.52
Effective Duration	1.07
Quality Rating (Moody's)	AAA

Coupon Distribution



Rating Distribution



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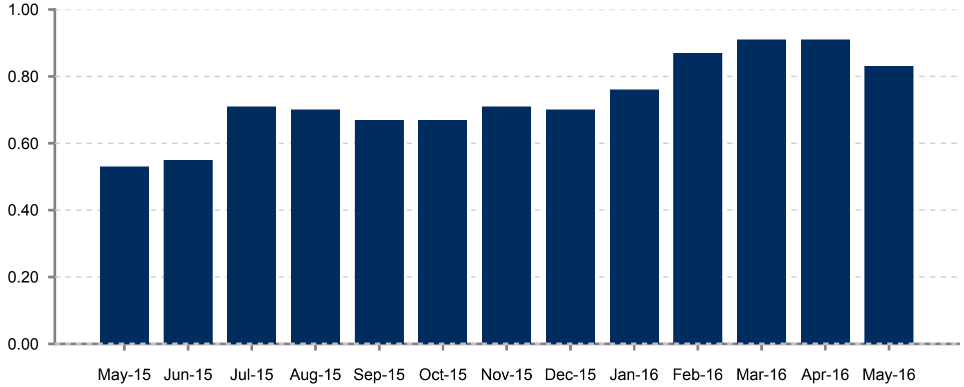
POOL 3 ST AGCY INT.

STATE STREET.

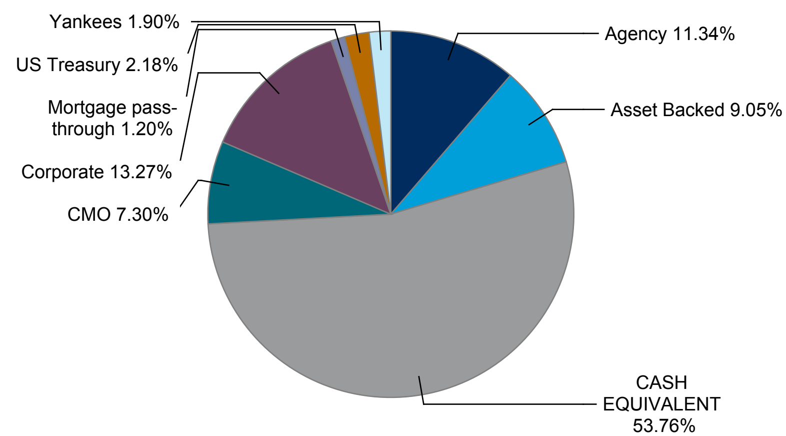
Net Yield



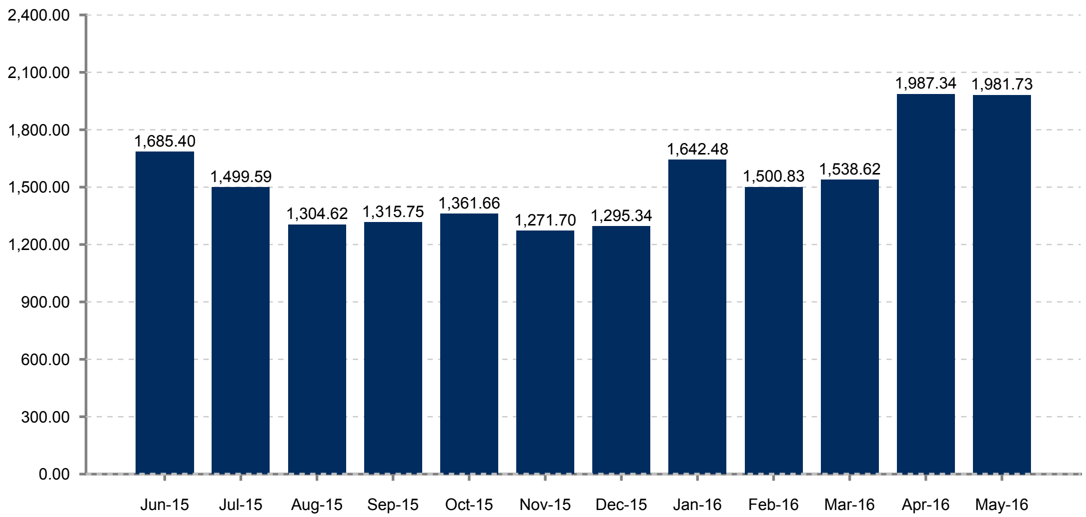
	Current Mth	Prior Mth	1 Year Ago
POOL 3 ST AGCY INT.	0.83	0.91	0.53

Asset Allocation

	Ending Market Value
POOL 3 ST AGCY INT.	1,981,725,976



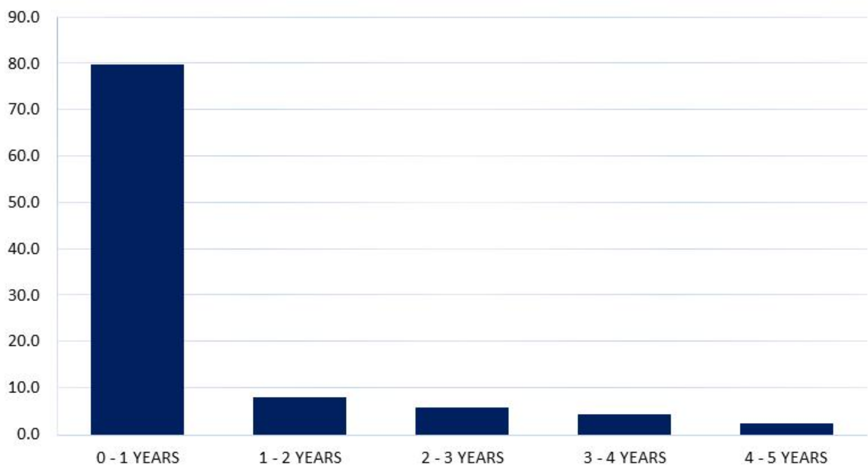
Net Asset Values over Time ($MM)



Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 3 ST AGCY INT.		
SOUTH STREET REPO	245,683,724	12.40
PHILIP MORRIS INTL	42,275,410	2.13
BANK OF MONTREAL-	40,026,871	2.02
MANHATTAN ASSET FDG.	39,987,222	2.02
ATLANTIC ASSET SECUR	39,968,422	2.02
BANK TOKYO MIT UFJ NY	39,966,244	2.02
CREDIT AGRICOLE	30,094,600	1.52
SVENSKA HANDLSBNKN A	30,093,119	1.52
CANADIAN IMPERIAL BK	30,062,460	1.52
FREDDIE MAC	30,010,035	1.51

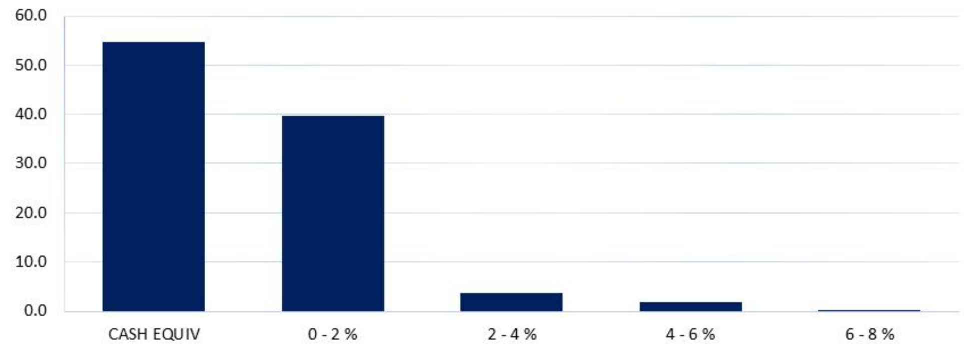
Duration Distribution



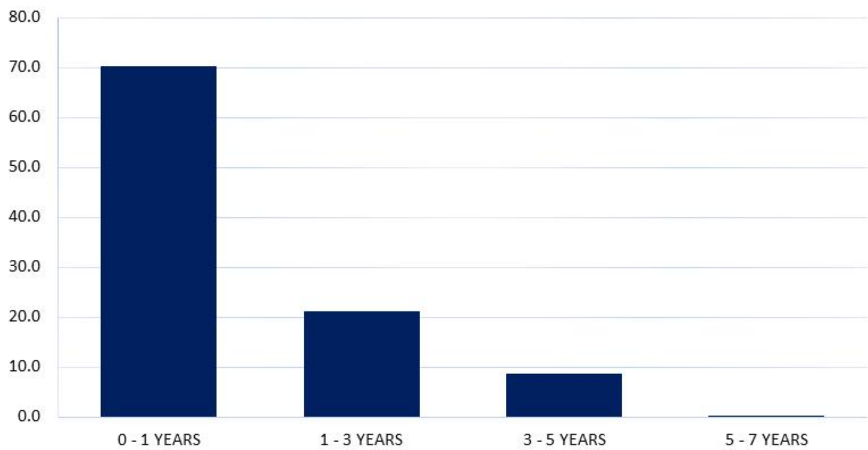
Portfolio Level Characteristics

	POOL 3 ST AGCY INT.
Weighted Average Life	0.95
Coupon	0.84
Effective Duration	0.66
Quality Rating (Moody's)	AA-1

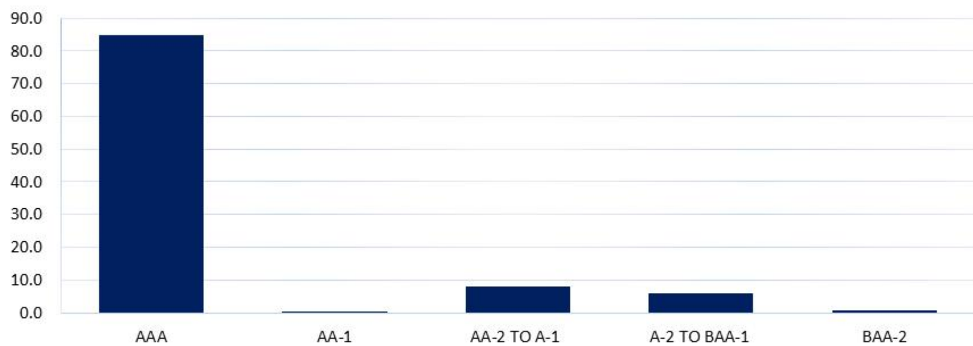
Coupon Distribution



Expected Maturity Distribution



Rating Distribution



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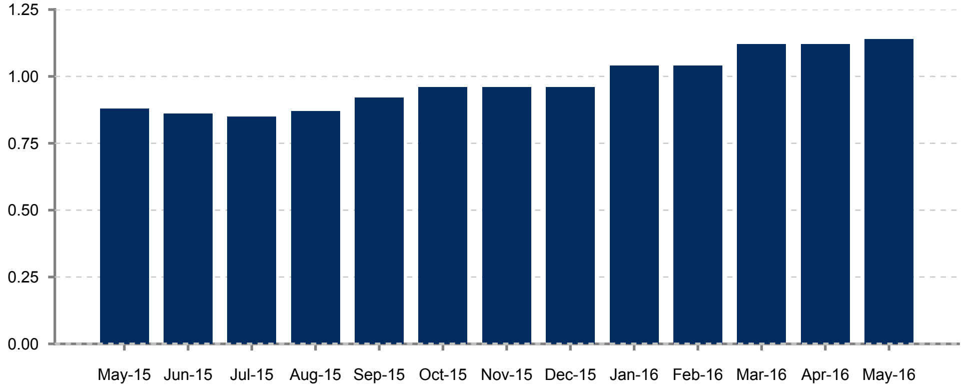
POOL 3 ST AGCY EXT.

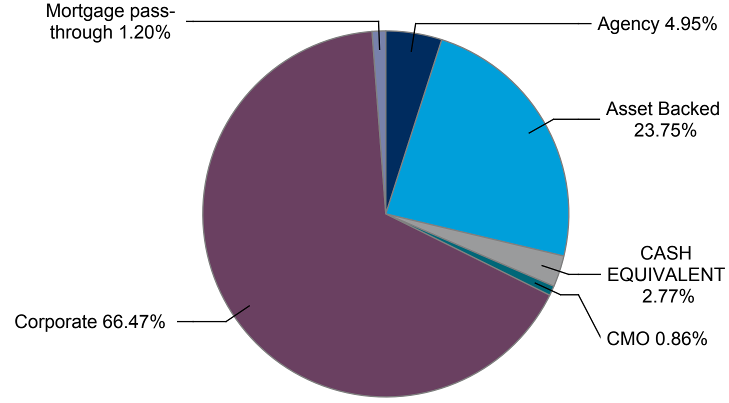
Net Yield



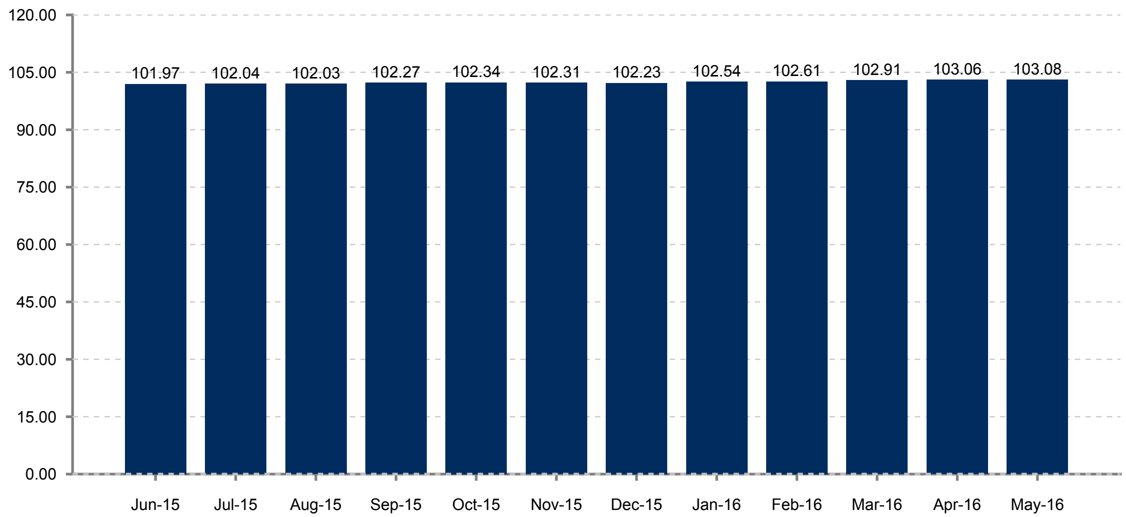
	Current Mth	Prior Mth	1 Year Ago
POOL 3 ST AGCY EXT.	1.14	1.12	0.88

Asset Allocation

	Ending Market Value
POOL 3 ST AGCY EXT.	103,075,276



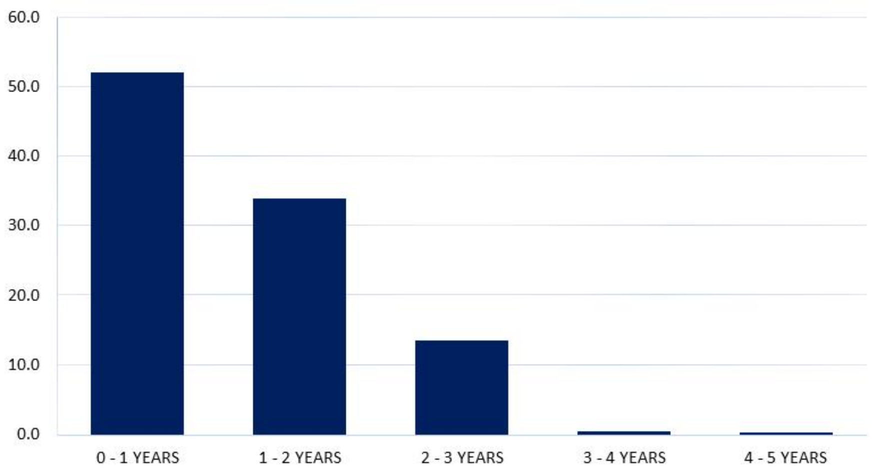
Net Asset Values over Time ($MM)



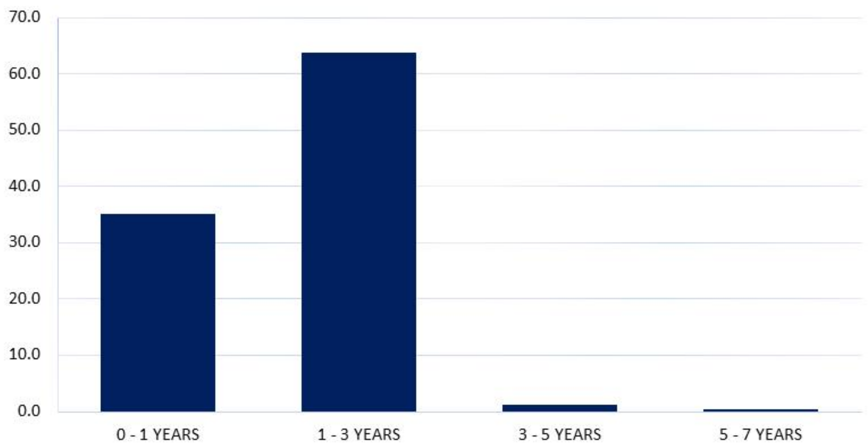
Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 3 ST AGCY EXT.		
FREDDIE MAC	1,998,602	1.94
ROYAL BK OF CANADA	1,803,545	1.75
CITIBANK CREDIT CARD ISSUANCE	1,735,867	1.68
MUFG UNION BANK NA	1,623,680	1.58
COSTCO WHOLESALE CORP	1,612,899	1.56
3M COMPANY	1,550,745	1.50
PEPSICO INC	1,510,568	1.47
FEDERAL FARM CREDIT BANK	1,501,474	1.46
CISCO SYSTEMS INC	1,405,257	1.36
PNC BANK NA	1,400,069	1.36

Duration Distribution



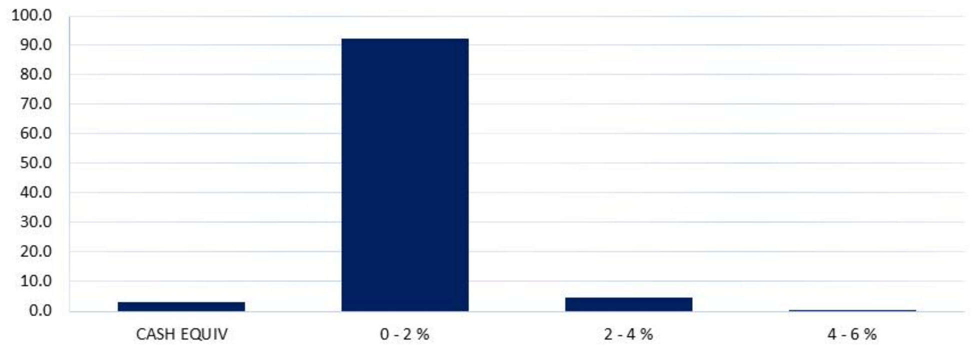
Expected Maturity Distribution



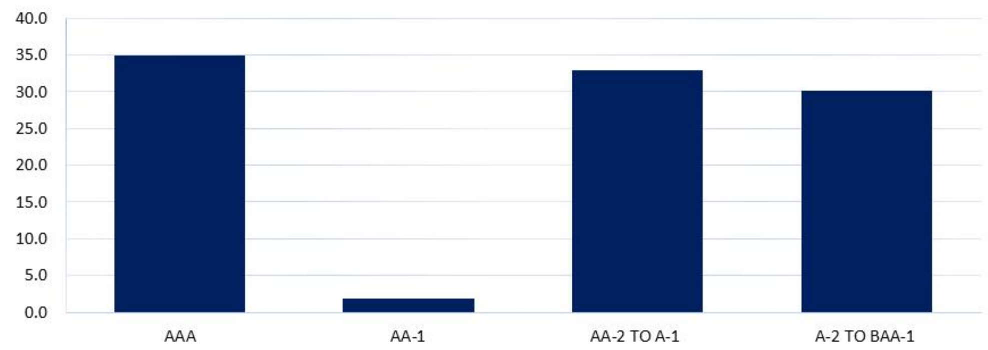
Portfolio Level Characteristics

	POOL 3 ST AGCY EXT.
Weighted Average Life	1.44
Coupon	1.26
Effective Duration	1.09
Quality Rating (Moody's)	AA-3

Coupon Distribution



Rating Distribution



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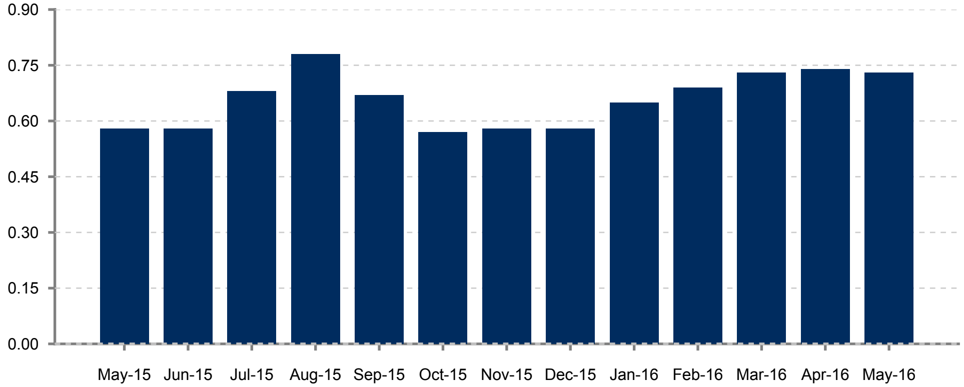
POOL 4 ST AGCY GOV.

STATE STREET.

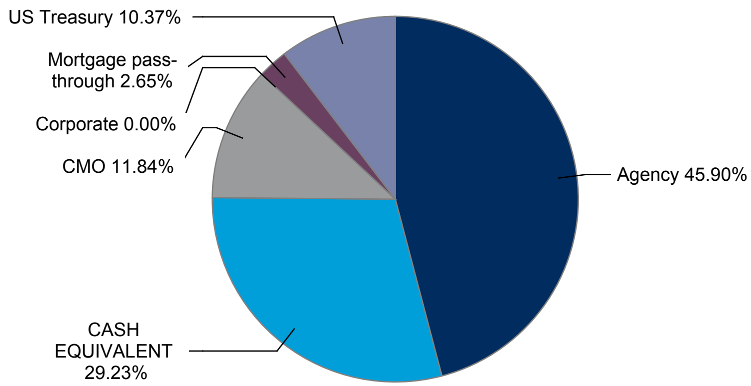
Net Yield



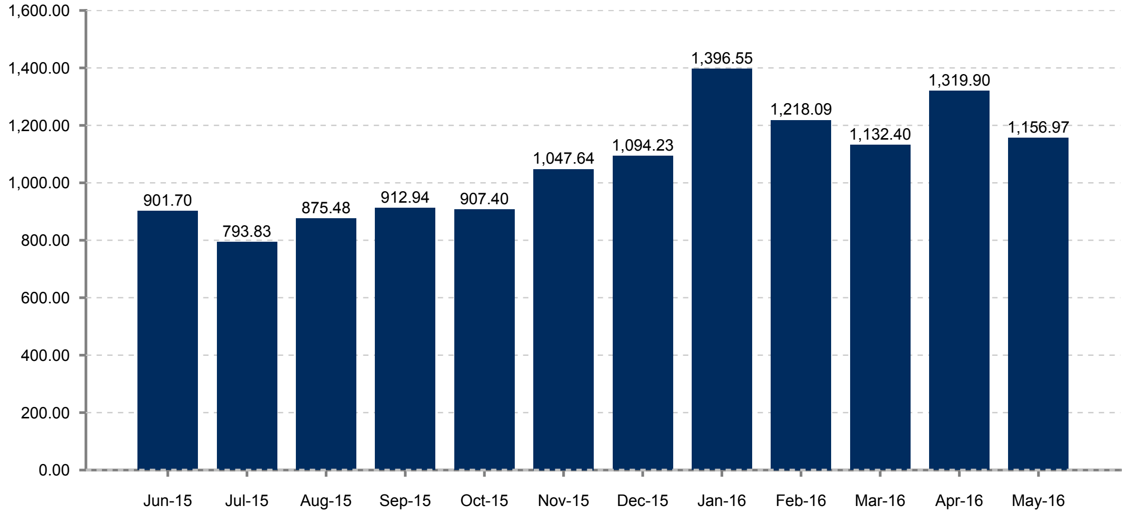
	Current Mth	Prior Mth	1 Year Ago
POOL 4 ST AGCY GOV.	0.73	0.74	0.58

Asset Allocation

	Ending Market Value
POOL 4 ST AGCY GOV.	1,156,966,551



Net Asset Values over Time ($MM)



Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 4 ST AGCY GOV.		
SOUTH STREET REPO	51,310,672	4.43
SUN TRUST ROBINSON REPO	50,008,167	4.32
FED HOME LN DISCOUNT NT	49,980,700	4.32
FED HOME LN DISCOUNT NT	29,994,660	2.59
FED HOME LN DISCOUNT NT	29,950,560	2.59
FED HOME LN DISCOUNT NT	24,988,275	2.16
FANNIEMAE ACES	22,613,839	1.95
US TREASURY N/B	20,753,296	1.79
FEDERAL FARM CREDIT BANK	20,040,170	1.73
FREDDIE MAC	20,022,481	1.73

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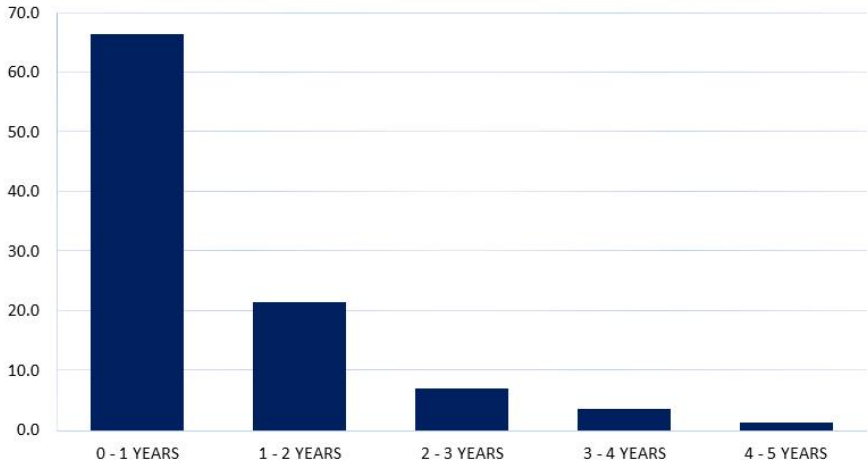
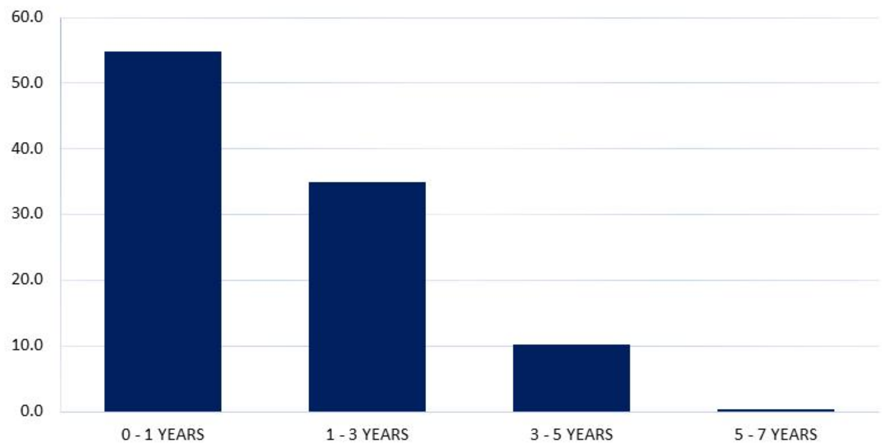
POOL 4 ST AGCY GOV

Duration Distribution



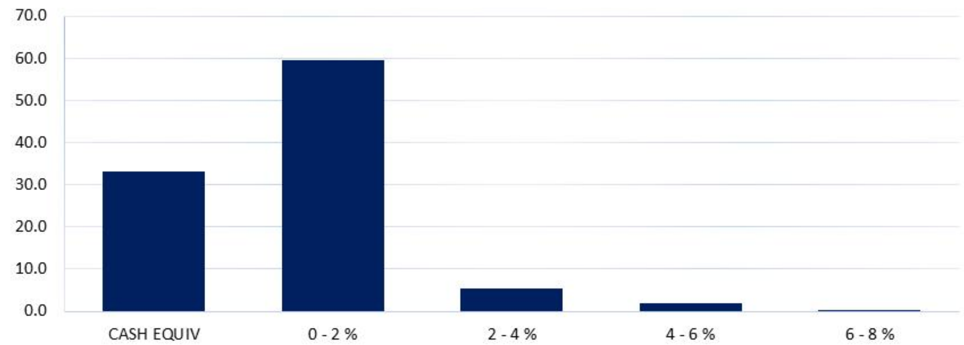
Expected Maturity Distribution



Portfolio Level Characteristics

	POOL 4 ST AGCY GOV.
Weighted Average Life	1.23
Coupon	0.83
Effective Duration	0.87
Quality Rating (Moody's)	AAA

Coupon Distribution



Rating Distribution

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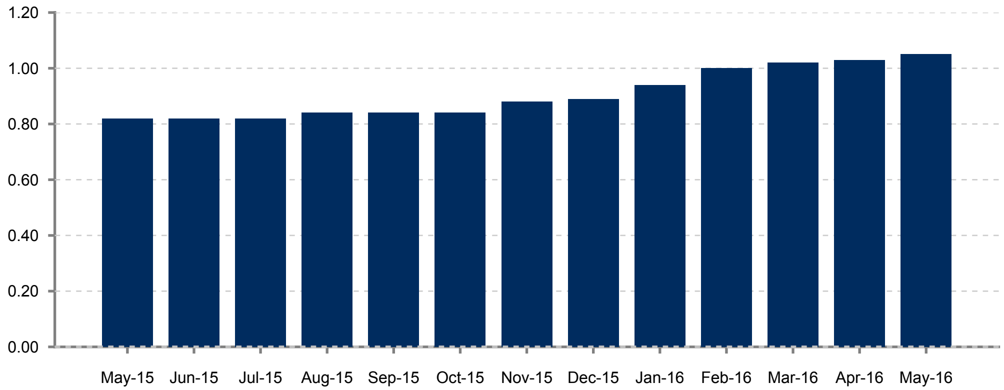
POOL 10 ST OPERATING INT

STATE STREET.

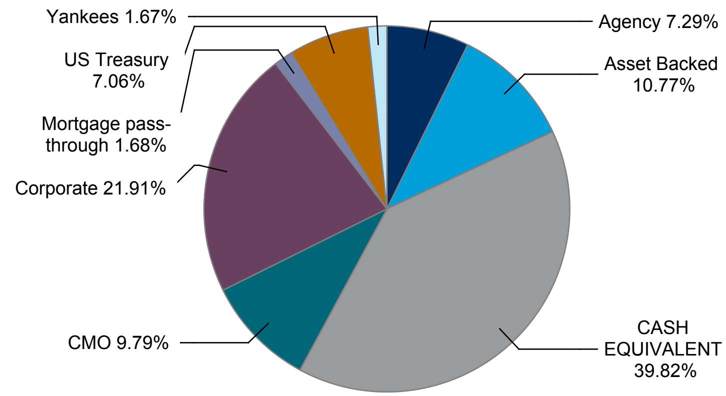
Net Yield



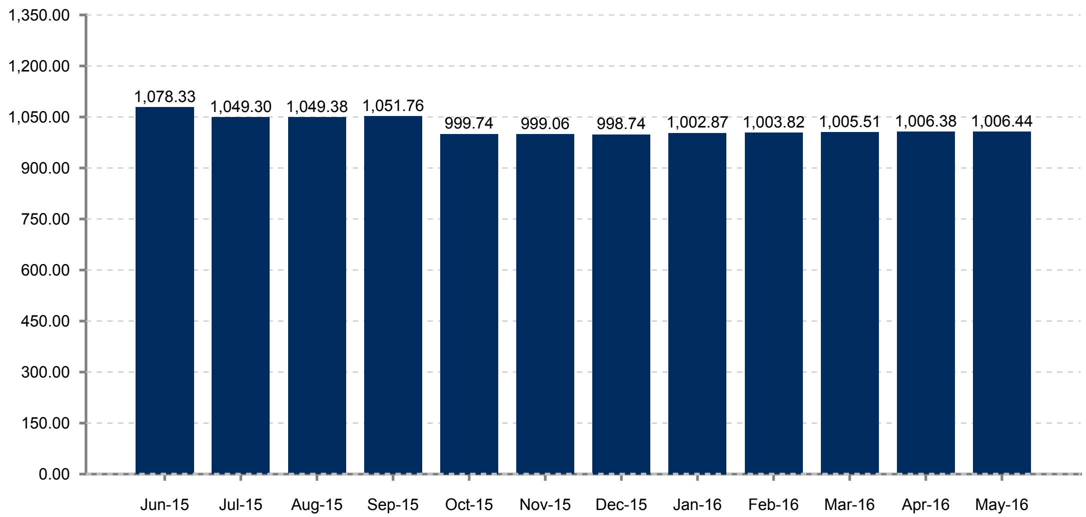
	Current Mth	Prior Mth	1 Year Ago
POOL 10 ST OPER INT	1.05	1.03	0.82

Asset Allocation

	Ending Market Value
POOL 10 ST OPER INT	1,006,443,755



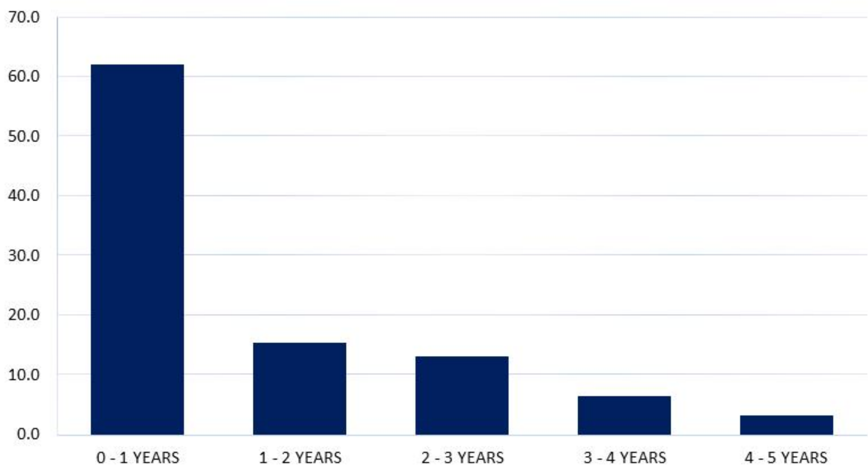
Net Asset Values over Time ($MM)



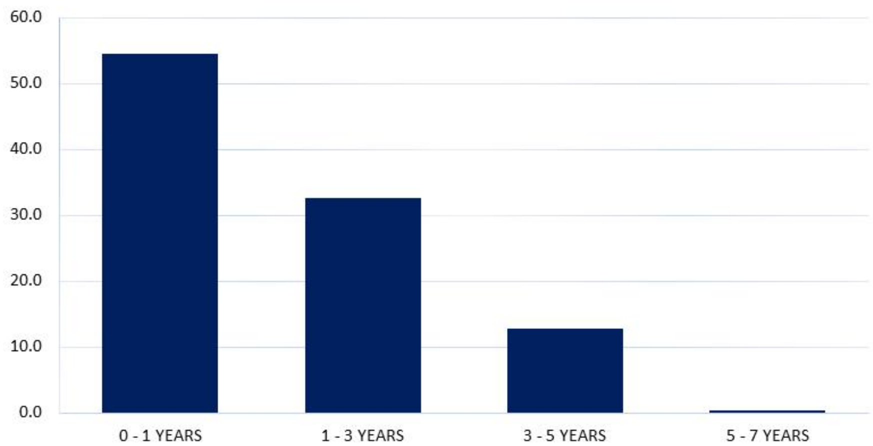
Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 10 ST OPER INT		
CEDAR SPRING CPTL CO	34,970,250	3.47
OLD LINE FUNDING LLC	29,995,217	2.98
ING (US) FUNDING LLC	29,994,975	2.98
HANNOVER FDG CO. LLC	24,994,792	2.48
ATLANTIC ASSET SECUR	24,994,327	2.48
THUNDER BAY FNDNG LLC	24,989,840	2.48
BEDFORD ROW FDG CORP	24,979,695	2.48
ARCHER DANIELS MIDLA	23,991,720	2.38
SOUTH STREET REPO	21,958,860	2.18
US TREASURY N/B	20,281,280	2.02

Duration Distribution



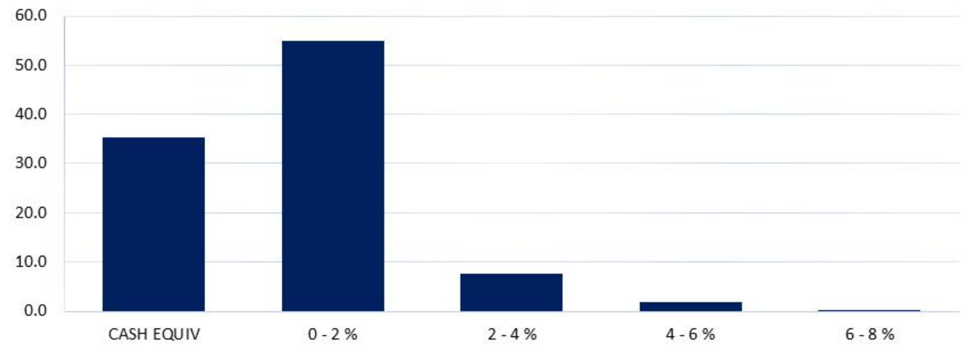
Expected Maturity Distribution



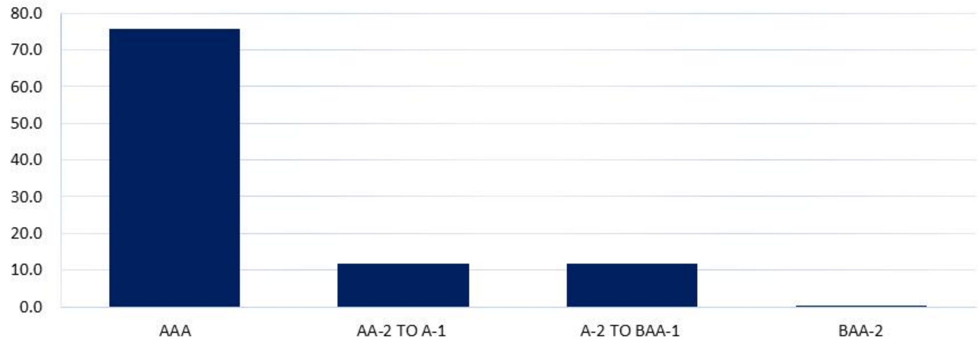
Portfolio Level Characteristics

	POOL 10 ST OPERATING INT
Weighted Average Life	1.18
Coupon	0.96
Effective Duration	0.98
Quality Rating (Moody's)	AA-1

Coupon Distribution



Rating Distribution



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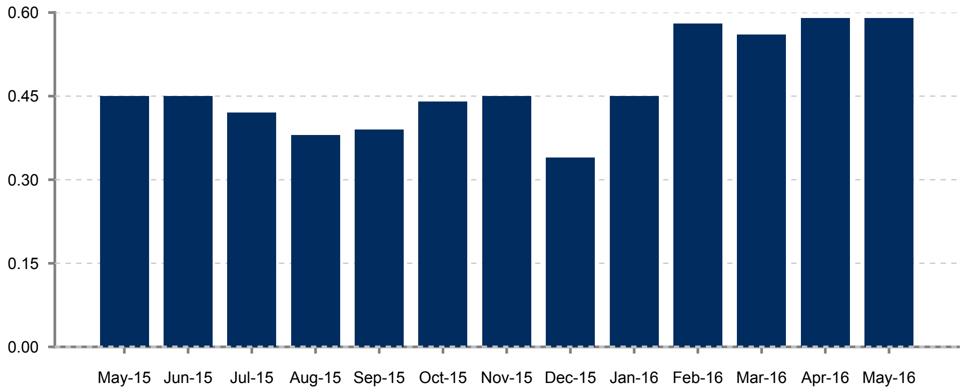
POOL 10 ST OPERATING Ext

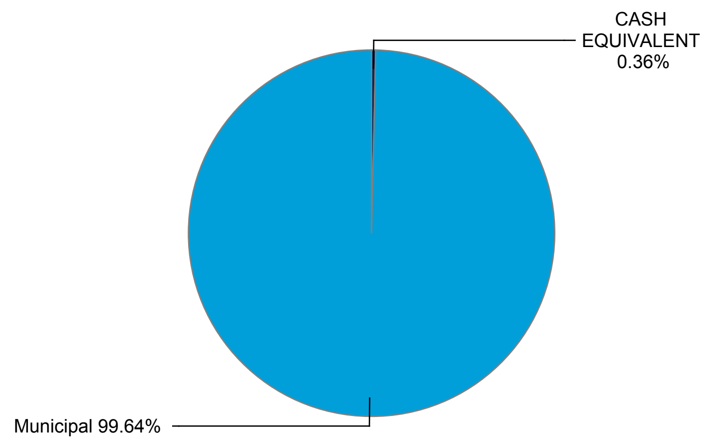
Net Yield



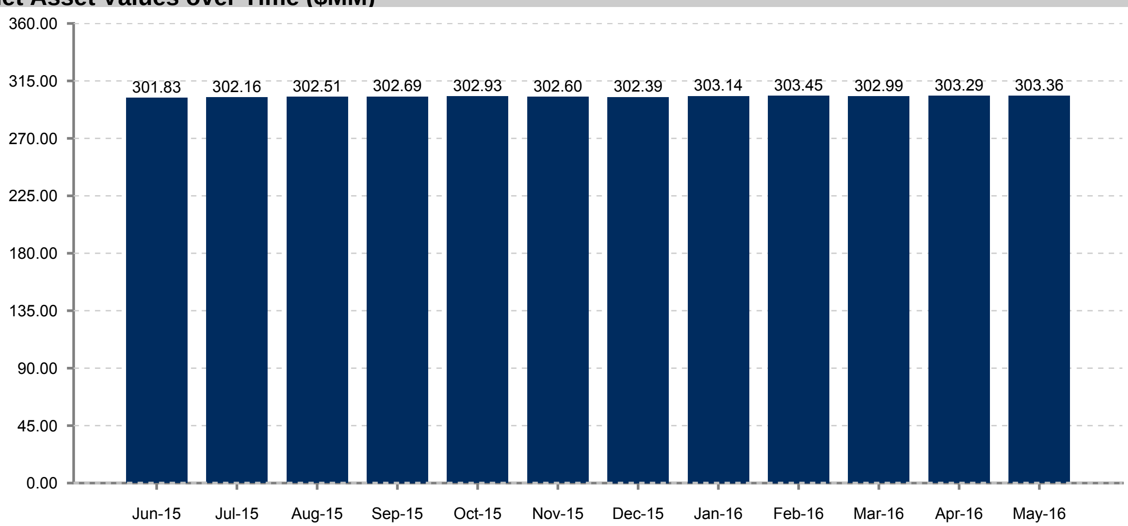
	Current Mth	Prior Mth	1 Year Ago
POOL 10 ST OPERATING	0.59	0.59	0.45

Asset Allocation

	Ending Market Value
POOL 10 ST OPERATING	303,364,536



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	12,548,030	4.14
HOUSTON TX INDEP SCH DIST	11,780,657	3.88
PORTLAND OR SWR SYS REVENUE	11,748,550	3.87
VIRGINIA BEACH VA	10,855,340	3.58
MULTNOMAH CNTY OR SCH DIST 1J	10,679,174	3.52
NORTH SLOPE BORO AK	10,414,839	3.43
MADISON WI	10,389,876	3.42
SPOKANE CNTY WA SCH DIST 81 S	9,896,594	3.26
BEAUFORT CNTY SC SCH DIST	9,857,389	3.25
OHIO ST	9,800,454	3.23

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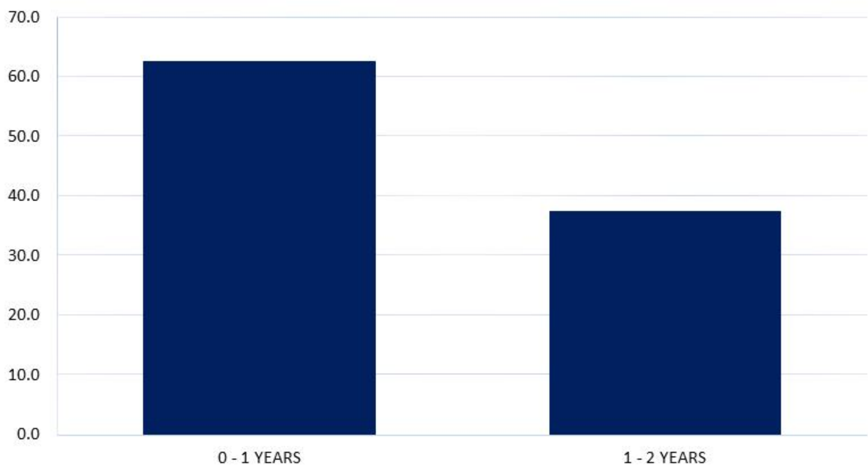
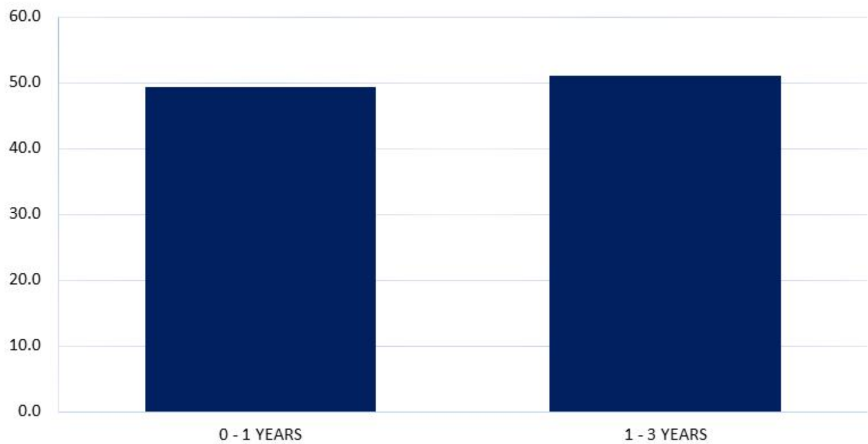
POOL 10 ST OPERATING Ext

STATE STREET.

Duration Distribution



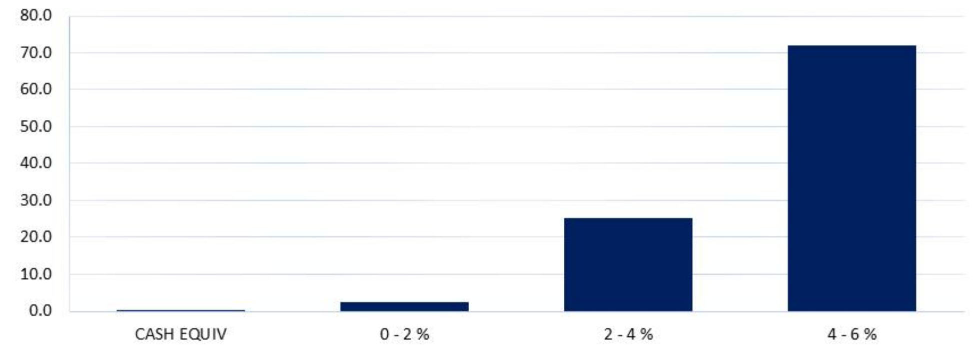
Expected Maturity Distribution



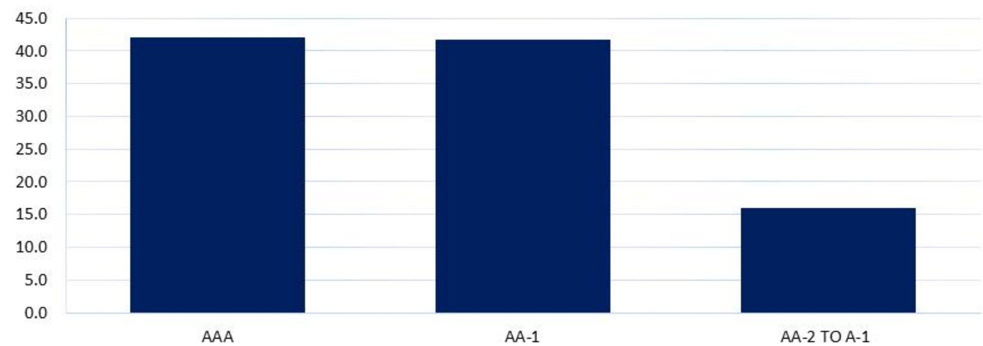
Portfolio Level Characteristics

	POOL 10 ST OPERATING
Weighted Average Life	0.91
Coupon	4.51
Effective Duration	0.88
Quality Rating (Moody's)	AA-1

Coupon Distribution



Rating Distribution



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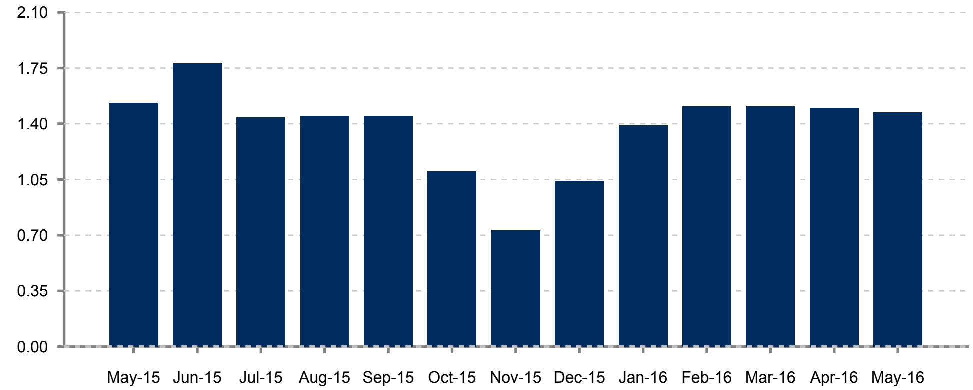
POOL 12 CAWCD MED TRM

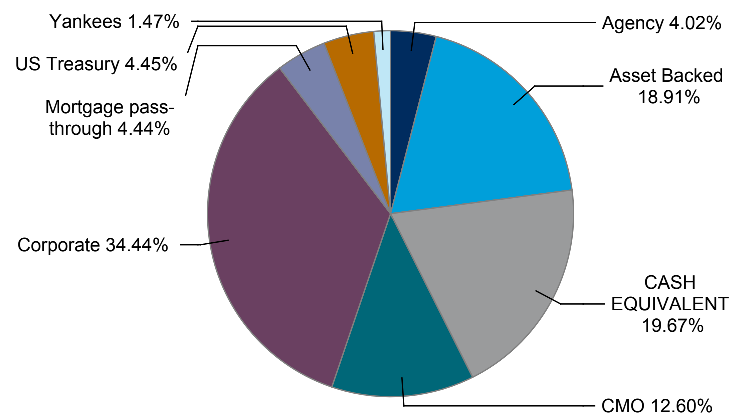
Net Yield



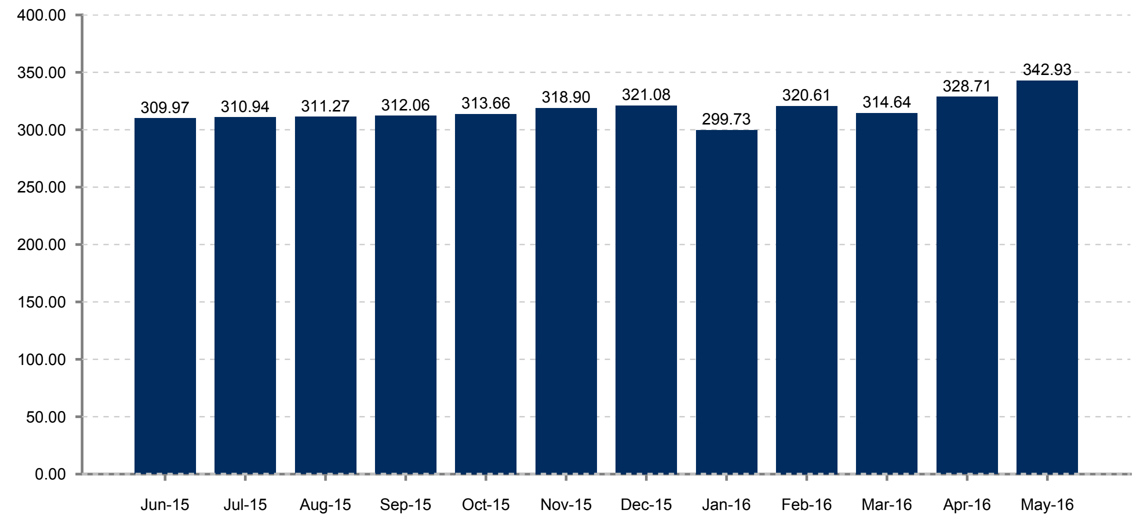
	Current Mth	Prior Mth	1 Year Ago
POOL 12 CAWCD MED TRM	1.47	1.50	1.53

Asset Allocation

	Ending Market Value
POOL 12 CAWCD MED TRM	342,932,144



Net Asset Values over Time ($MM)

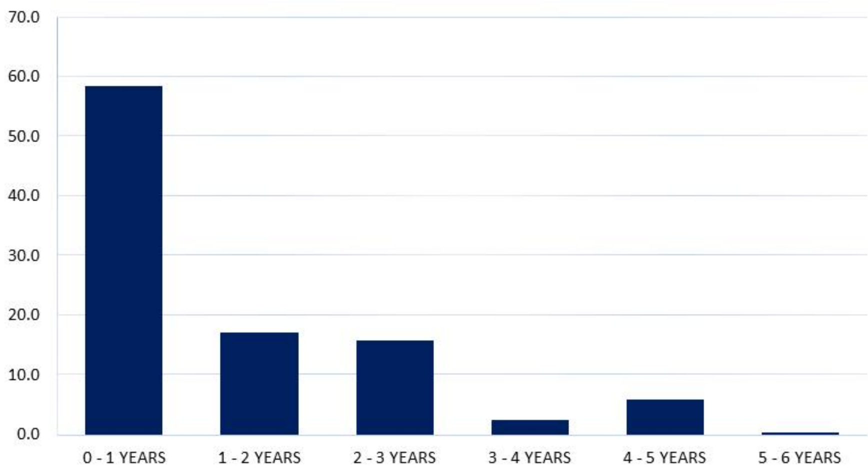


Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 12 CAWCD MED TRM		
GUGGENHEIM SECURITIES REPO	11,000,119	3.21
GM FINANCIAL AUTOMOBILE LEASIN	9,986,937	2.91
FANNIE MAE	6,240,654	1.82
FNMA POOL AV9175	6,090,453	1.78
SOUTH STREET REPO	6,055,617	1.77
HONDA AUTO RECEIVABLES OWNER T	6,008,250	1.75
FANNIE MAE	5,470,419	1.60
US TREASURY N/B	5,134,010	1.50
APPLE INC	5,070,908	1.48
GOLDMAN SACHS GROUP INC	5,050,011	1.47

STATE STREET.

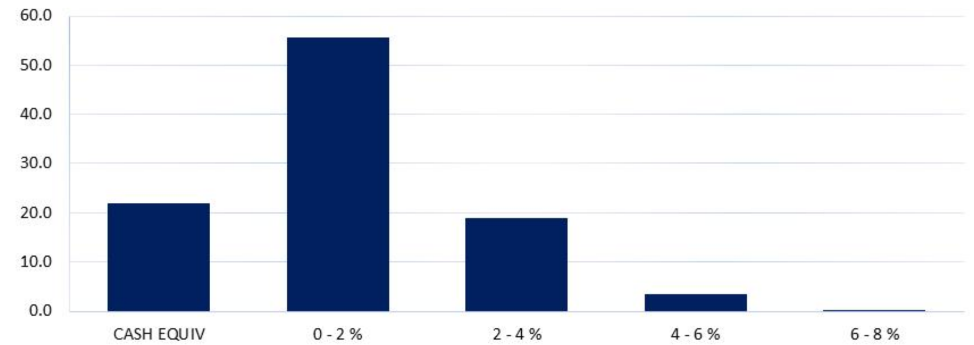
Duration Distribution



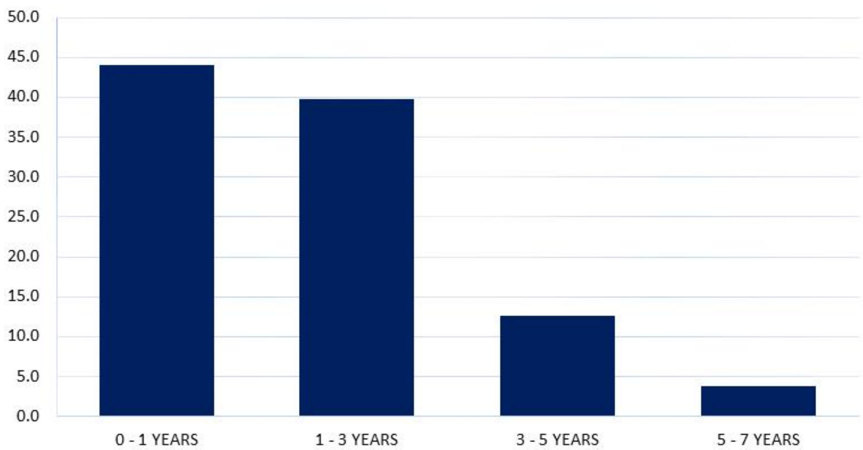
Portfolio Level Characteristics

	POOL 12 CAWCD MED TRM
Weighted Average Life	1.71
Coupon	1.61
Effective Duration	1.20
Quality Rating (Moody's)	AA-1

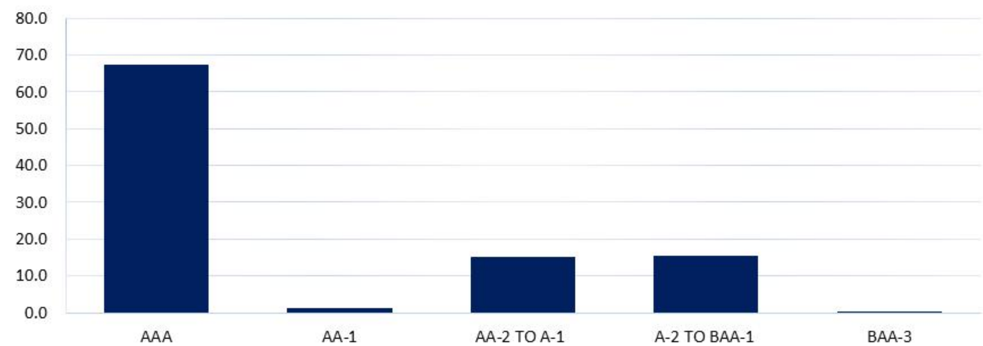
Coupon Distribution



Expected Maturity Distribution



Rating Distribution



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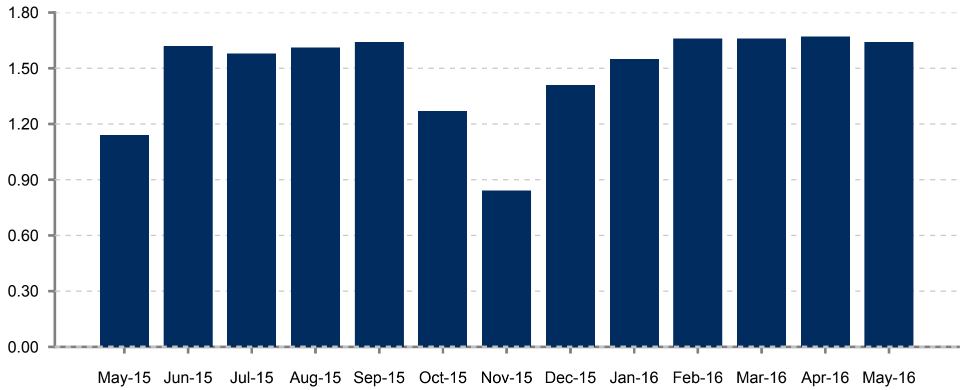
POOL 16 ECDHB

STATE STREET.

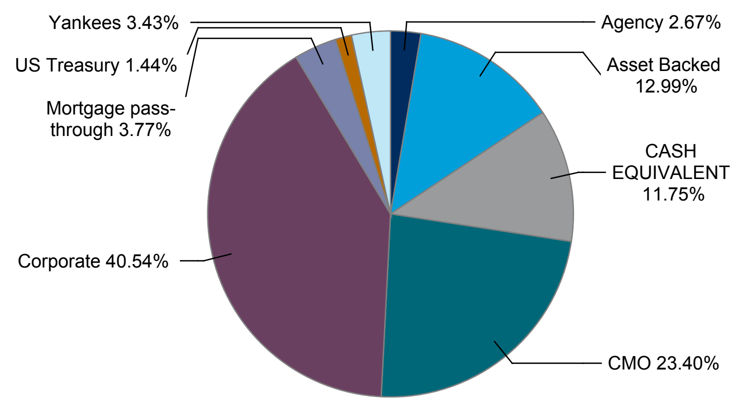
Net Yield



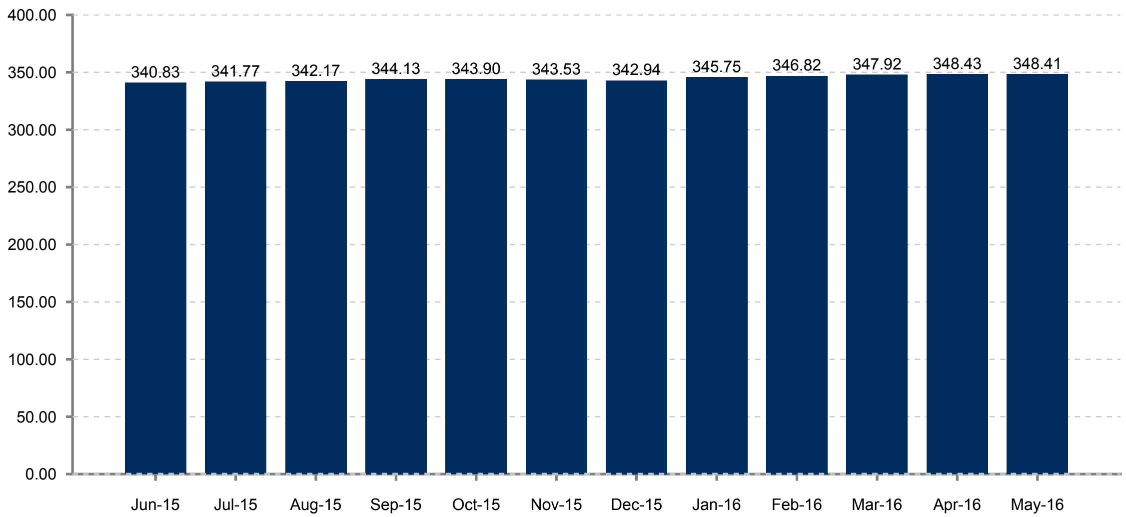
	Current Mth	Prior Mth	1 Year Ago
POOL 16 ECDHB	1.64	1.67	1.14

Asset Allocation

	Ending Market Value
POOL 16 ECDHB	348,413,640



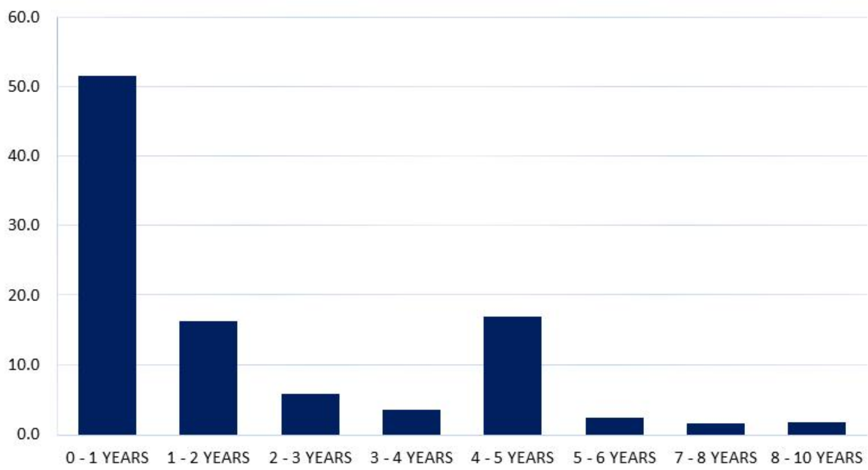
Net Asset Values over Time ($MM)



Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 16 ECDHB		
GUGGENHEIM SECURITIES REPO	8,000,087	2.30
FREDDIEMAC STRIP	7,580,272	2.18
NATIONAL CITY BANK	7,003,047	2.01
FANNIE MAE	6,565,264	1.88
FREDDIE MAC	6,512,867	1.87
MIZUHO BANK LTD	5,992,392	1.72
FREDDIE MAC	5,754,137	1.65
FHLMC MULTIFAMILY STRUCTURED P	5,290,797	1.52
GOVERNMENT NATIONAL MORTGAGE A	5,220,194	1.50
FREDDIE MAC	5,199,903	1.49

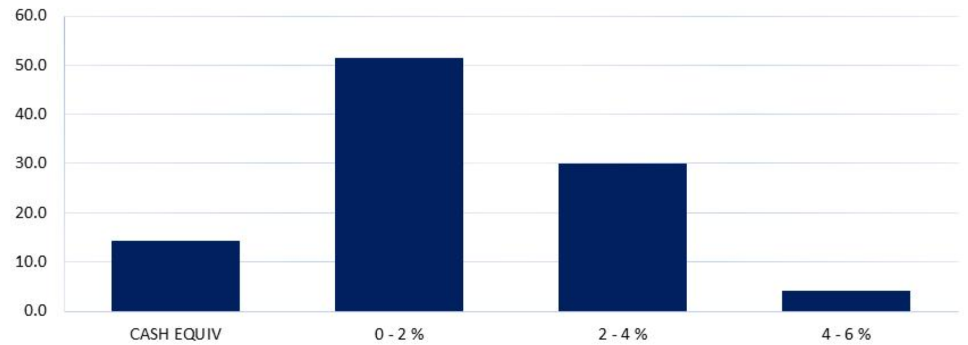
Duration Distribution



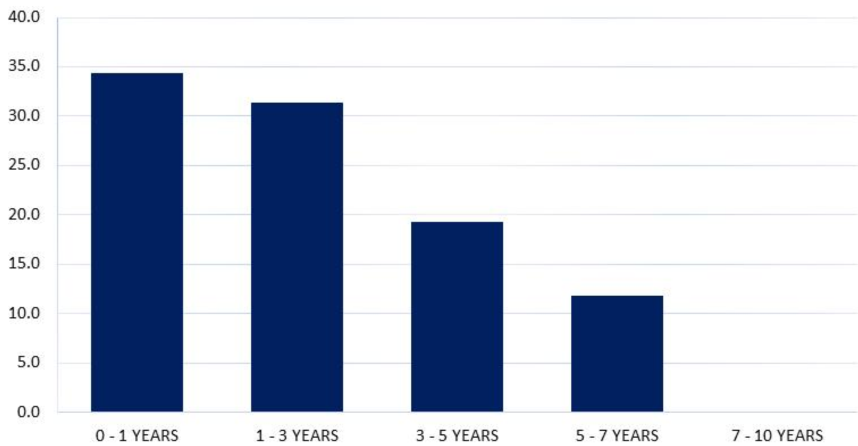
Portfolio Level Characteristics

	POOL 16 ECDHB
Weighted Average Life	2.58
Coupon	1.86
Effective Duration	1.83
Quality Rating (Moody's)	AA-2

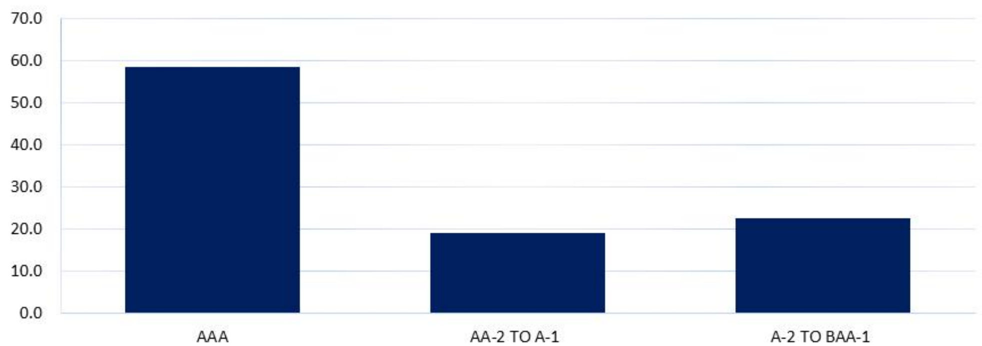
Coupon Distribution



Expected Maturity Distribution



Rating Distribution



LGIP & LGIP- GOV
PORTFOLIO YIELD ANALYSIS
MAY 2016

NET EARNINGS

FUND	DESCRIPTION	Current Month 05/31/16	Prior Month 04/30/16	Prior Year 05/31/15	Net Asset Value Per Share
5	**LGIP**	440,265	328,943	**151,096**	1.0000
7	**LGIP - GOV**	364,577	292,915	**74,201**	1.0000
	TOTAL LGIP & LGIP-GOV	**804,842**	**621,858**	**225,297**	

YIELDS

	MONTHLY	Current Month 05/31/16	Prior Month 04/30/16	Prior Year 5/31/15
5	**LGIP (NET)**	0.39%	0.37%	**0.13%**
	S & P LGIP INDEX	0.36%	0.35%	**0.06%**
7	**LGIP - GOV (NET)**	0.33%	0.33%	**0.08%**
	3 MONTH T-BILL	0.26%	0.22%	**0.01%**
	YEAR TO DATE			
5	**LGIP (NET)**	0.26%	0.25%	**0.11%**
	S & P LGIP INDEX	0.19%	0.17%	**0.05%**
7	**LGIP - GOV (NET)**	0.21%	0.20%	**0.07%**
	3 MONTH T-BILL	0.16%	0.14%	**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
MAY 2016

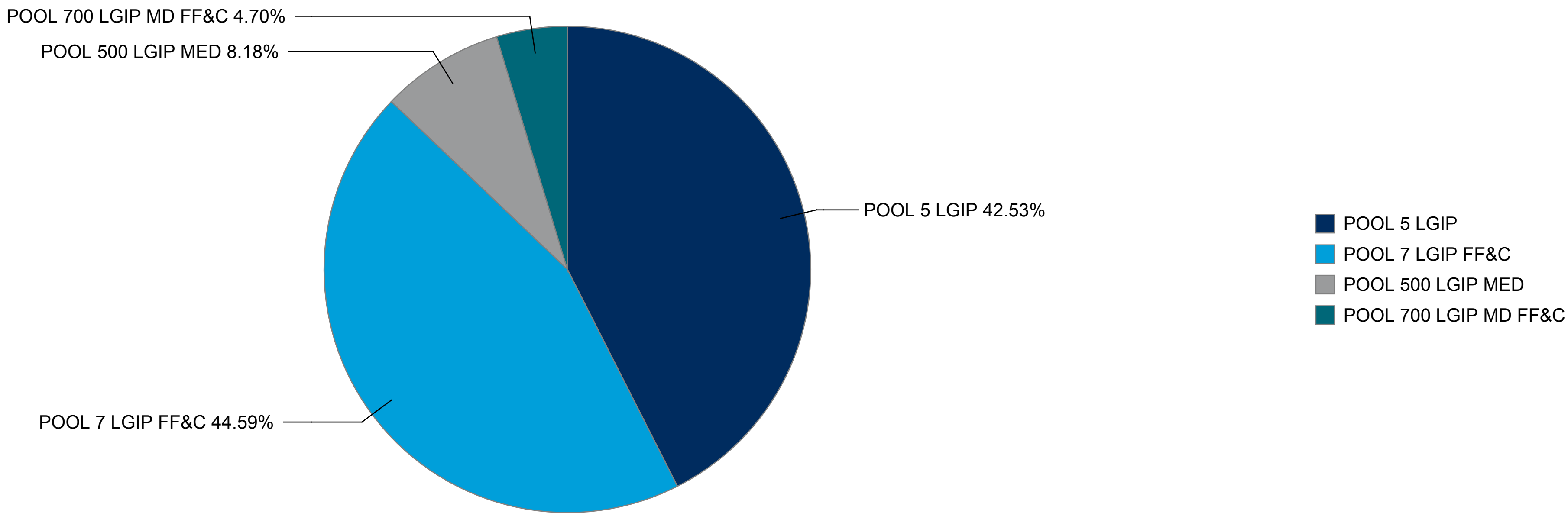
NET EARNINGS

FUND	DESCRIPTION	Current Month 05/31/16	Prior Month 04/30/16	Prior Year 05/31/15	Net Asset Value Per Share
500	LGIP - MED TERM POOL	285,991	272,506	251,761	1.0342
700	LGIP - FF&C MED TERM POOL	139,367	122,939	86,526	1.0111
	TOTAL LGIP MEDIUM TERM POOLS	425,358	395,445	338,287	

YIELDS

	MONTHLY	Current Month 05/31/16	Prior Month 04/30/16	Prior Year 5/31/15
500	LGIP - MED TERM (NET)	1.35%	1.34%	1.10%
	MERRILL 1-5 US D M INDEX	1.53%	1.40%	1.35%
700	LGIP - FF&C MED TERM (NET)	1.15%	1.02%	0.70%
	75% MERRILL 1-5 US TREAS INDEX / 25% MERRILL US GNMA MORTGAGE BACKED INDEX	1.36%	1.28%	1.28%
	YEAR TO DATE			
500	LGIP - MED TERM (NET)	1.27%	1.26%	1.07%
	MERRILL 1-5 US D M INDEX	1.52%	1.52%	1.34%
700	LGIP - FF&C MED TERM (NET)	1.01%	1.00%	0.90%
	75% MERRILL 1-5 US TREAS INDEX / 25% MERRILL US GNMA MORTGAGE BACKED INDEX	1.38%	1.38%	1.28%

Manager Allocation



	Market Value	% of Portfolio
POOL 5 LGIP	1,297,704,931	42.5
POOL 7 LGIP FF&C	1,360,691,946	44.6
POOL 500 LGIP MED	249,539,896	8.2
POOL 700 LGIP MD FF&C	143,492,998	4.7
TOTAL LGIP	3,051,429,771	100.0

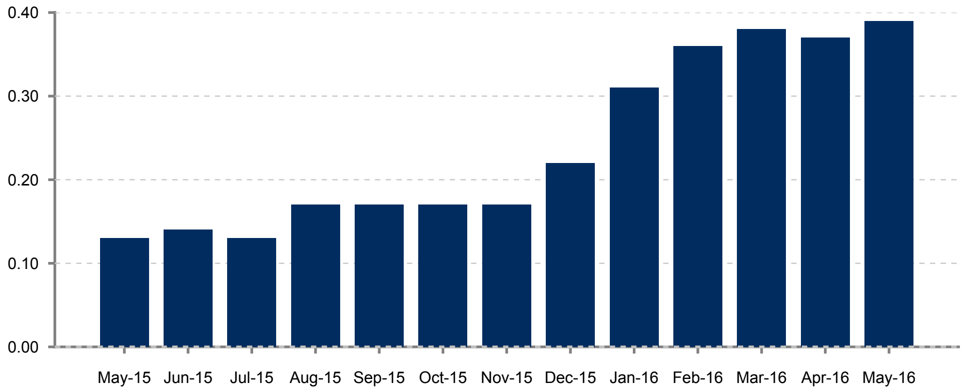
OFFICE OF THE ARIZONA STATE TREASURER

May 31, 2016

POOL 5 LGIP

STATE STREET.

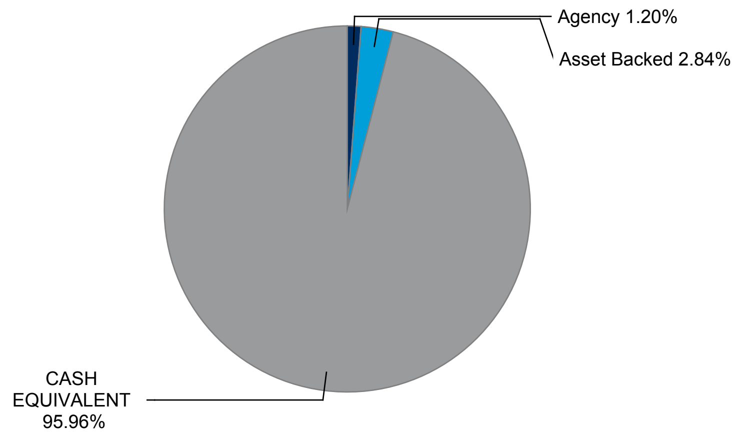
Net Yield



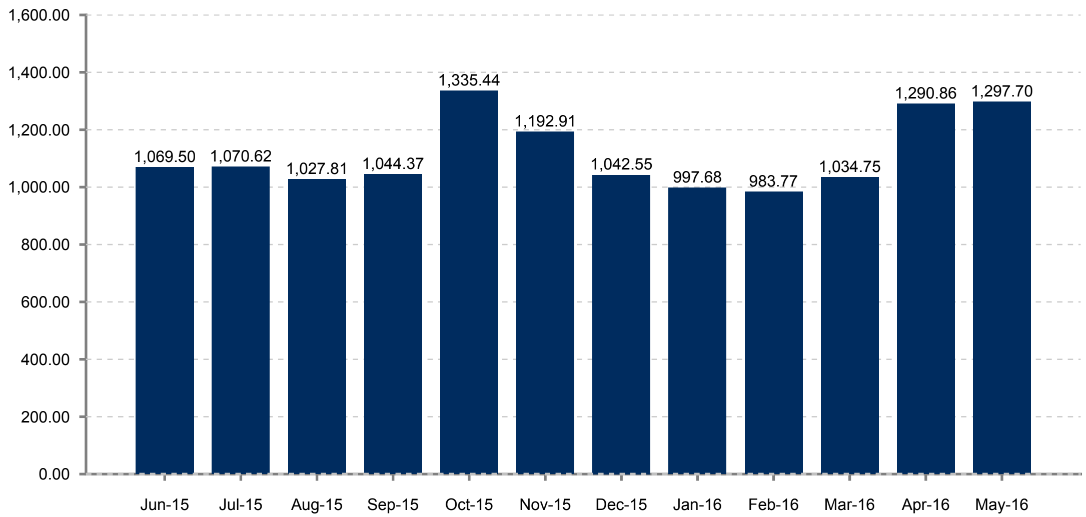
	Current Mth	Prior Mth	1 Year Ago
POOL 5 LGIP	0.39	0.37	0.13

Asset Allocation

	Ending Market Value
POOL 5 LGIP	1,297,704,931



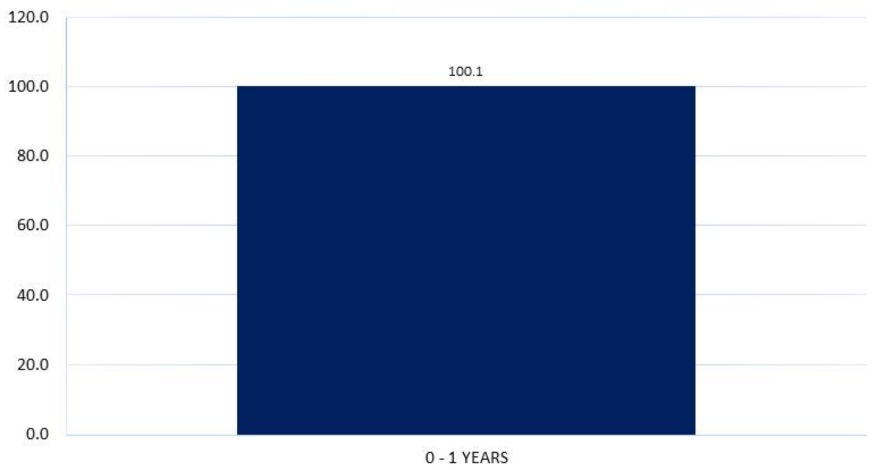
Net Asset Values over Time ($MM)



Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 5 LGIP		
WELLS FARGO REPO	100,004,667	7.71
BANK OF AMERICA REPO	100,000,750	7.71
FIDELITY INVESTMENTS MONEY	50,008,658	3.85
WAL-MART STORES INC	39,992,400	3.08
GENERAL ELECTRIC CO	39,986,800	3.08
EMERSON ELECTRIC CO	34,989,655	2.70
APPLE INC	29,976,617	2.31
STARBIRD FDG. CORP	29,968,483	2.31
BANK TOKYO MIT UFJ NY	29,963,833	2.31
ANGLESEA FDG PLC & ANG	29,963,167	2.31

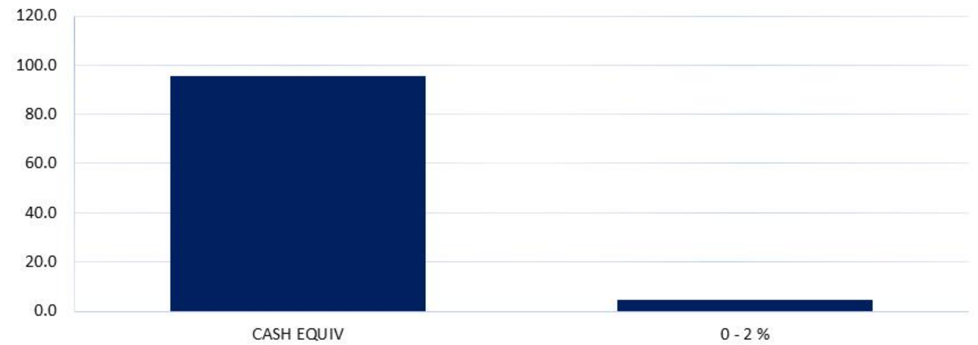
Duration Distribution



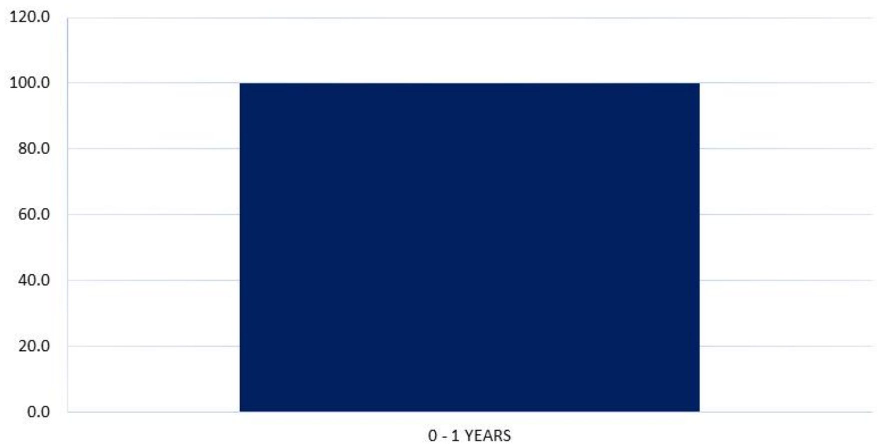
Portfolio Level Characteristics

	POOL 5 LGIP
Weighted Average Life	0.08
Coupon	0.02
Effective Duration	0.08
Quality Rating (Moody's)	AAA

Coupon Distribution



Expected Maturity Distribution



Rating Distribution

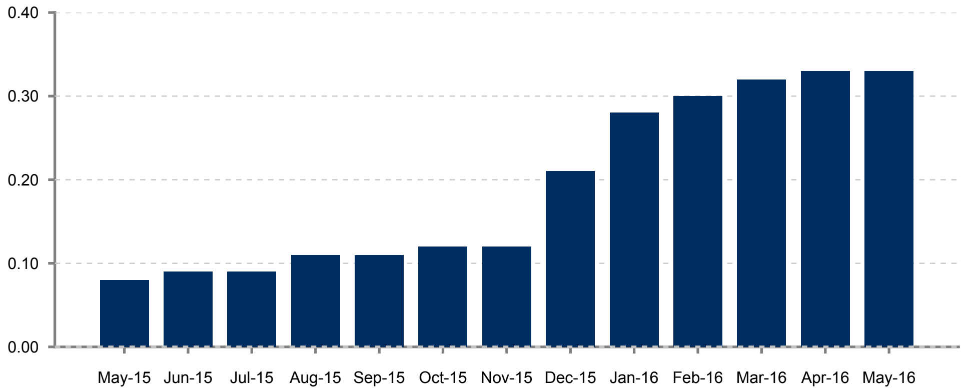
OFFICE OF THE ARIZONA STATE TREASURER

May 31, 2016

POOL 7 LGIP FF&C

STATE STREET.

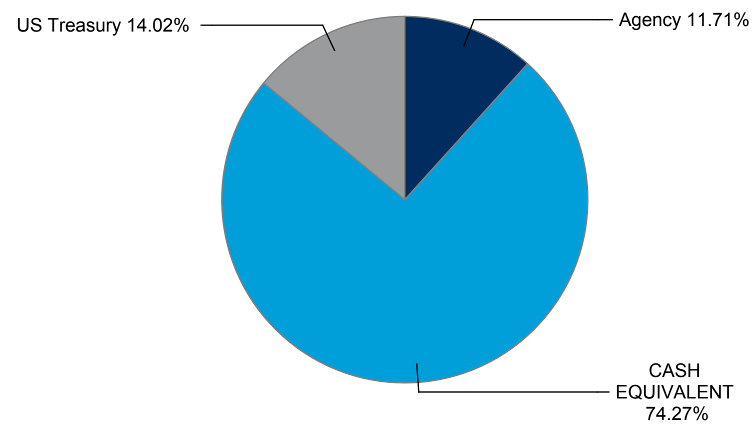
Net Yield



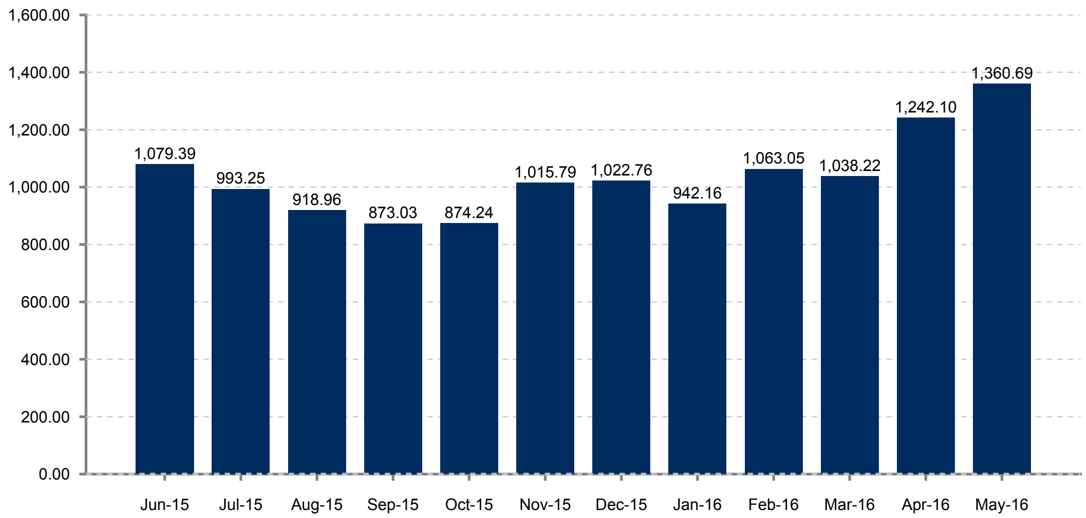
	Current Mth	Prior Mth	1 Year Ago
POOL 7 LGIP FF&C	0.33	0.33	0.08

Asset Allocation

	Ending Market Value
POOL 7 LGIP FF&C	1,360,691,946



Net Asset Values over Time ($MM)



Top 10 Holdings

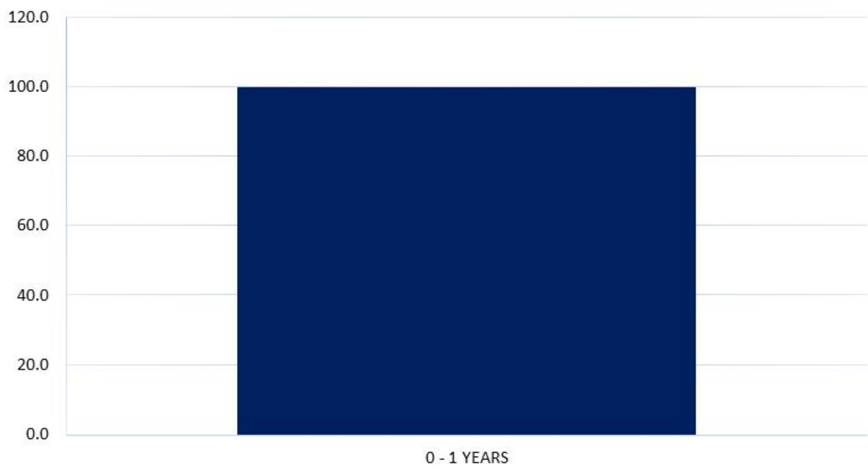
Security Name	Ending Market Value	% of Portfolio
POOL 7 LGIP FF&C		
WELLS FARGO REPO	200,009,333	14.70
DAIWA CAPITAL MARKETS REPO	200,002,111	14.70
AMHERST PIERPONT	100,001,000	7.35
ALLIANCE BANK OF ARIZONA MONEY	79,246,962	5.82
TREASURY BILL	69,942,362	5.14
WELLS FARGO REPO	69,365,290	5.10
TREASURY BILL	59,707,217	4.39
FIDELITY INVESTMENTS MONEY	50,001,575	3.67
GUGGENHEIM SECURITIES REPO	50,000,542	3.67
TREASURY BILL	49,780,211	3.66

OFFICE OF THE ARIZONA STATE TREASURER

May 31, 2016

POOL 7 LGIP FF&C

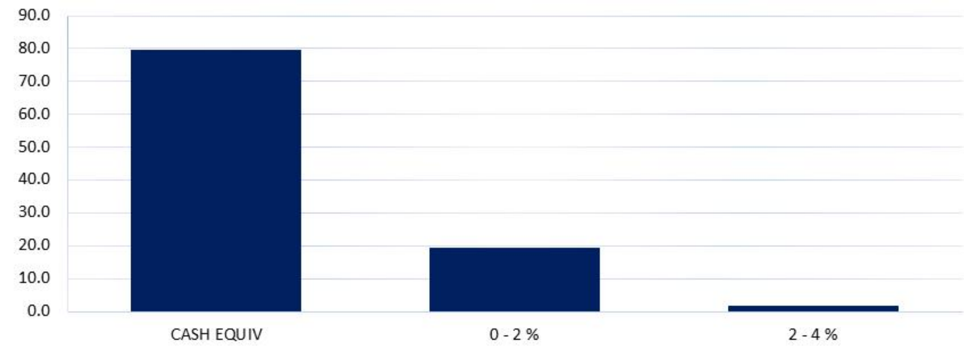
Duration Distribution



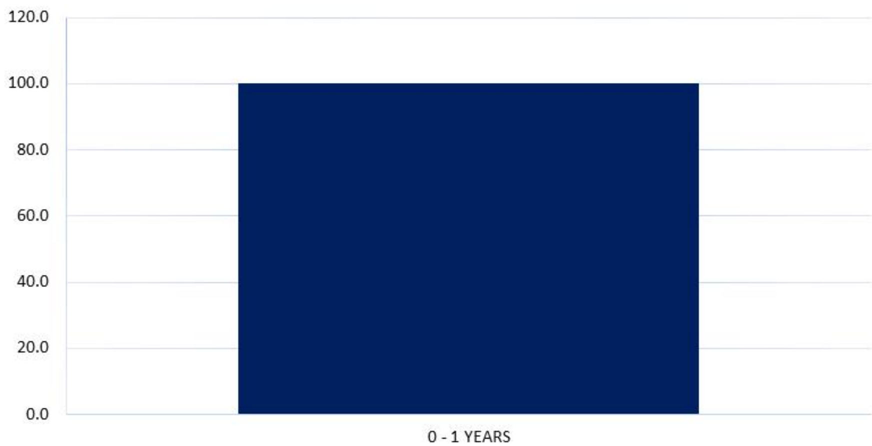
Portfolio Level Characteristics

	POOL 7 LGIP FF&C
Weighted Average Life	0.21
Coupon	0.20
Effective Duration	0.20
Quality Rating (Moody's)	AAA

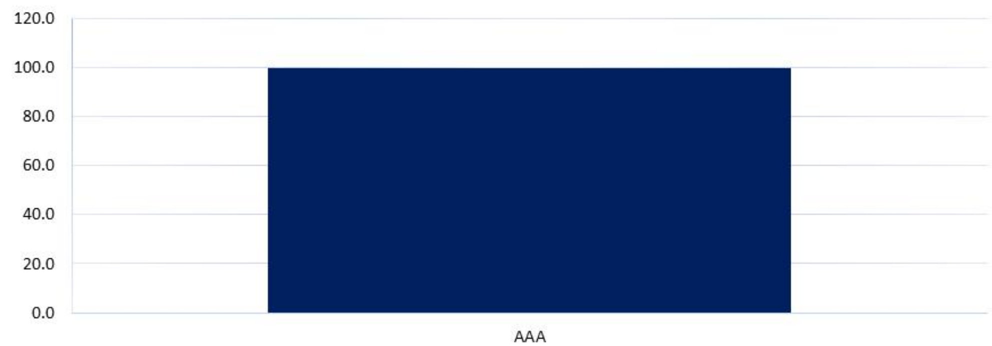
Coupon Distribution



Expected Maturity Distribution



Rating Distribution

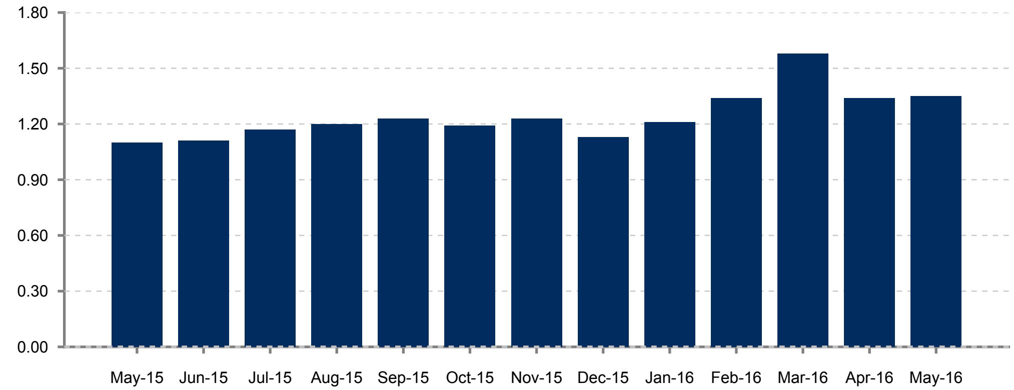


OFFICE OF THE ARIZONA STATE TREASURER

May 31, 2016

POOL 500 LGIP MED

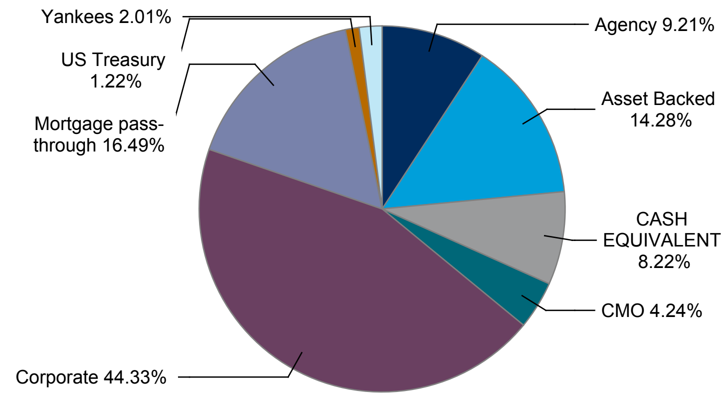
Net Yield



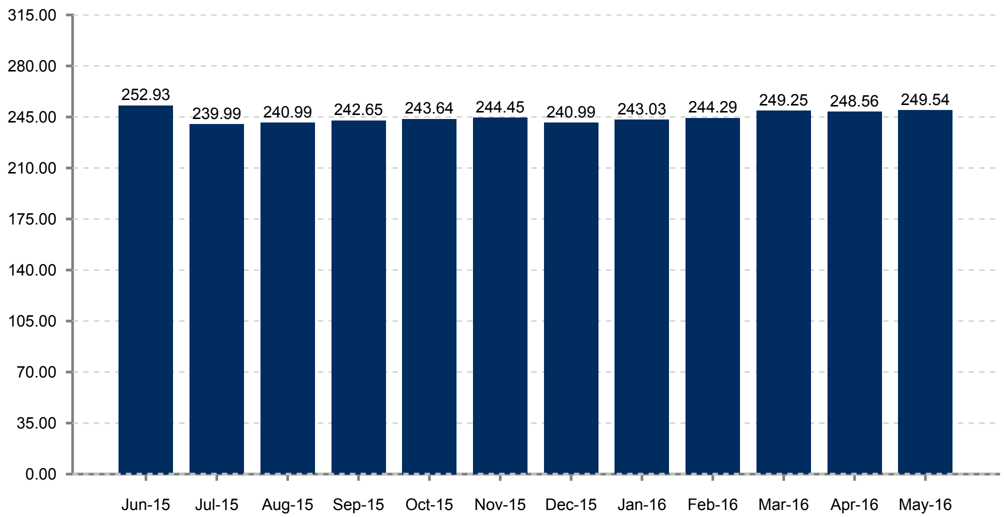
	Current Mth	Prior Mth	1 Year Ago
POOL 500 LGIP MED	1.35	1.34	1.10

Asset Allocation

	Ending Market Value
POOL 500 LGIP MED	249,539,896



Net Asset Values over Time ($MM)



Top 10 Holdings

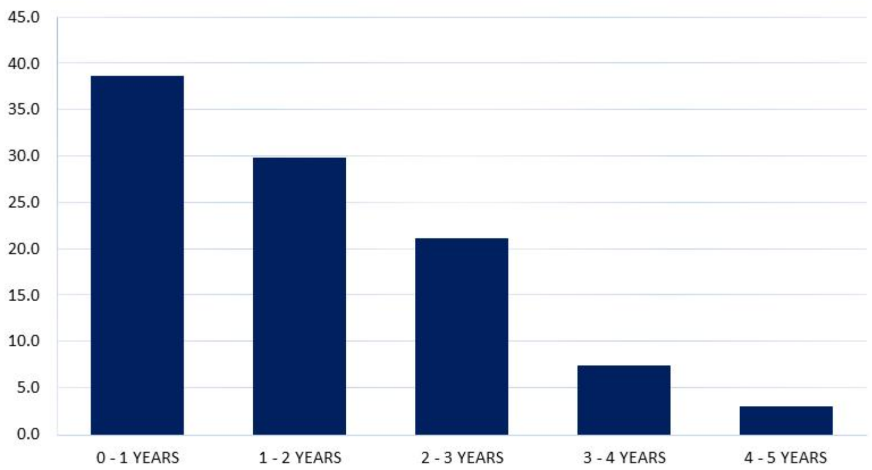
Security Name	Ending Market Value	% of Portfolio
POOL 500 LGIP MED		
GUGGENHEIM SECURITIES REPO	18,000,195	7.21
FNMA POOL AB5991	8,667,756	3.47
MERCK + CO INC	5,510,747	2.21
MICROSOFT CORP	5,108,003	2.05
ELI LILLY + CO	5,034,935	2.02
CHEVRON CORP	5,024,757	2.01
FREDDIE MAC	5,019,408	2.01
NISSAN MOTOR ACCEPTANCE	5,009,941	2.01
FORD CREDIT FLOORPLAN MASTER O	4,999,753	2.00
APPLE INC	4,957,415	1.99

OFFICE OF THE ARIZONA STATE TREASURER

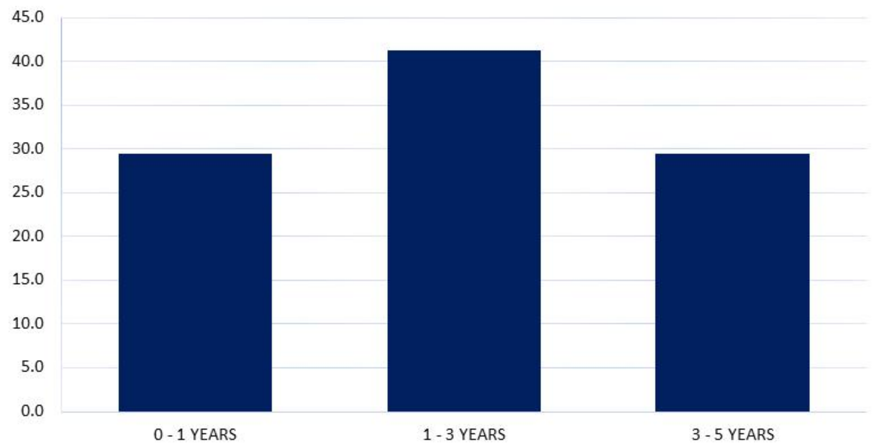
May 31, 2016

POOL 500 LGIP MED

Duration Distribution



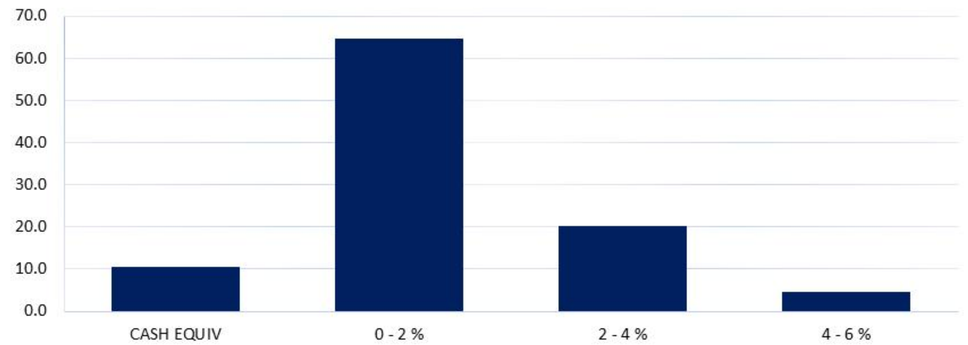
Expected Maturity Distribution



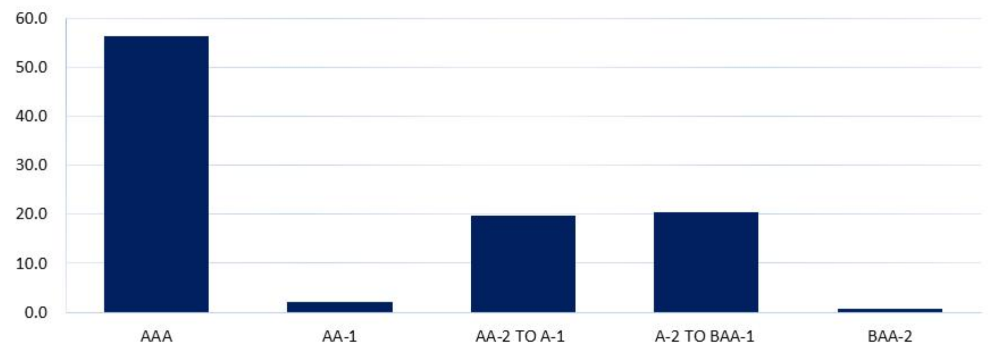
Portfolio Level Characteristics

	POOL 500 LGIP MED
Weighted Average Life	2.03
Coupon	1.82
Effective Duration	1.49
Quality Rating (Moody's)	AA-2

Coupon Distribution



Rating Distribution



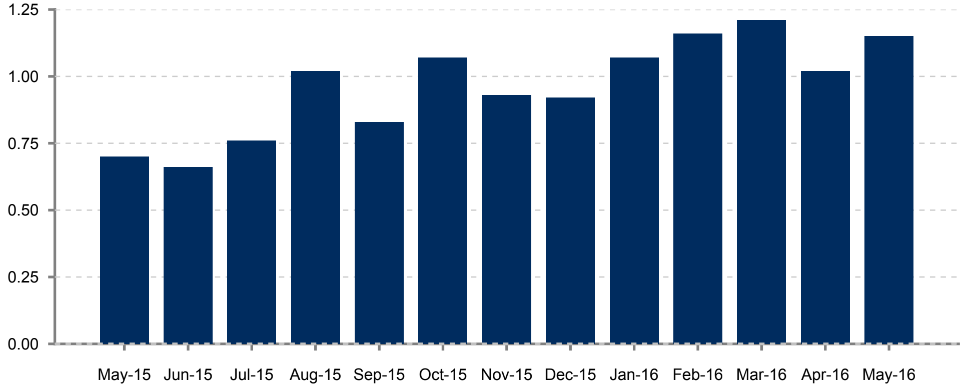
OFFICE OF THE ARIZONA STATE TREASURER

May 31, 2016

POOL 700 LGIP MD FF&C

STATE STREET.

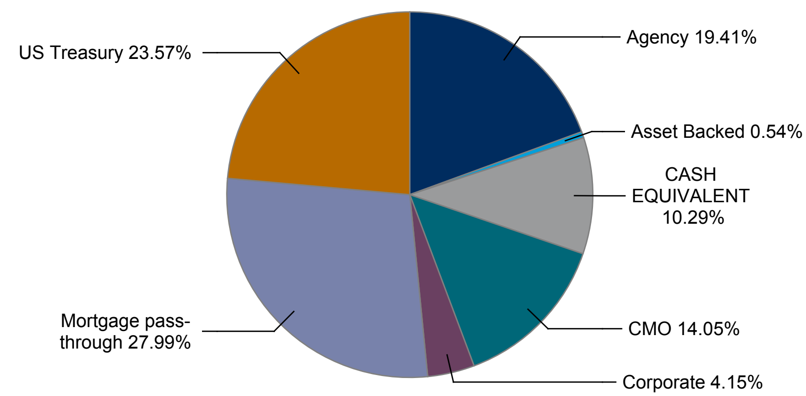
Net Yield



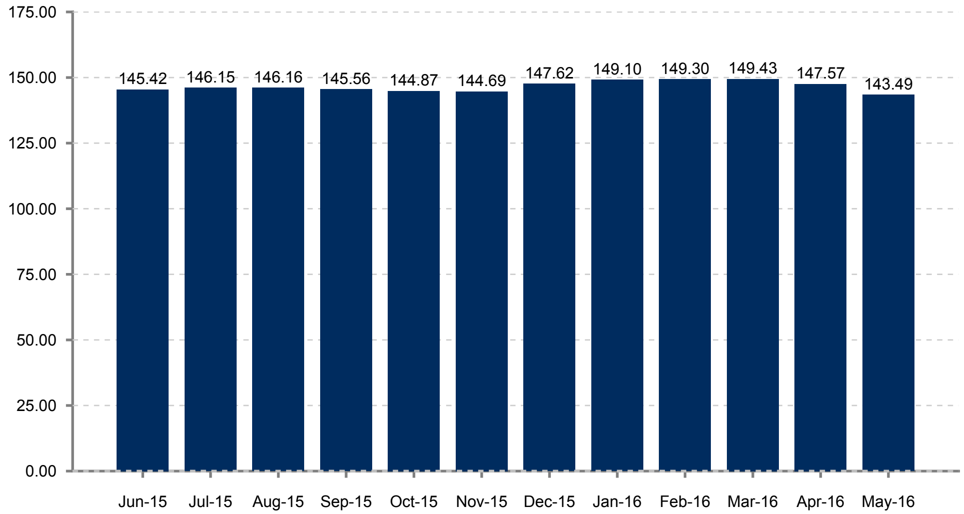
	Current Mth	Prior Mth	1 Year Ago
POOL 700 LGIP MD FF&C	1.15	1.02	0.70

Asset Allocation

	Ending Market Value
POOL 700 LGIP MD FF&C	143,492,998



Net Asset Values over Time ($MM)



Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 700 LGIP MD FF&C		
GUGGENHEIM SECURITIES REPO	13,000,141	9.06
OVERSEAS PRIVATE INV COR	5,210,013	3.63
GNMA II POOL MA0213	5,119,130	3.57
US TREASURY N/B	5,070,238	3.53
US TREASURY N/B	4,999,161	3.48
US TREASURY N/B	4,992,454	3.48
AID ISRAEL	4,986,345	3.47
PRIVATE EXPORT FUNDING	3,558,178	2.48
GNMA POOL 775134	3,129,769	2.18
GNMA II POOL 004849	3,053,716	2.13

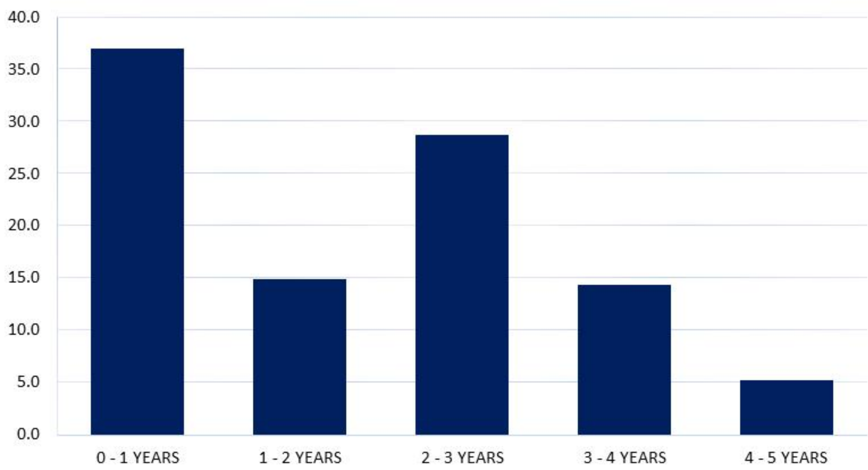
OFFICE OF THE ARIZONA STATE TREASURER

May 31, 2016

POOL 700 LGIP MD FF&C

STATE STREET.

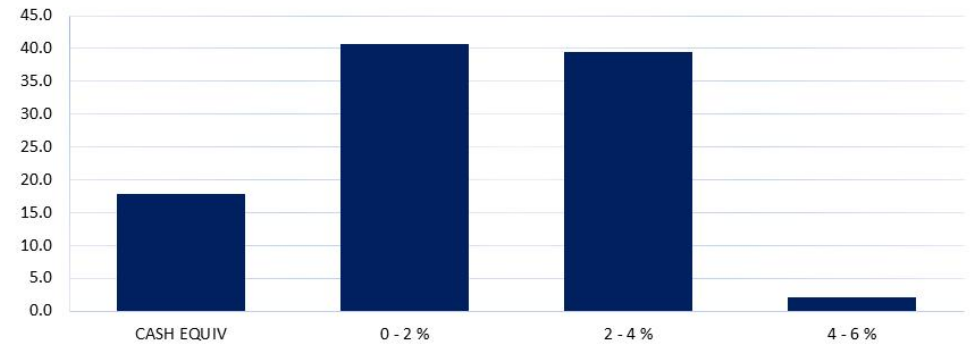
Duration Distribution



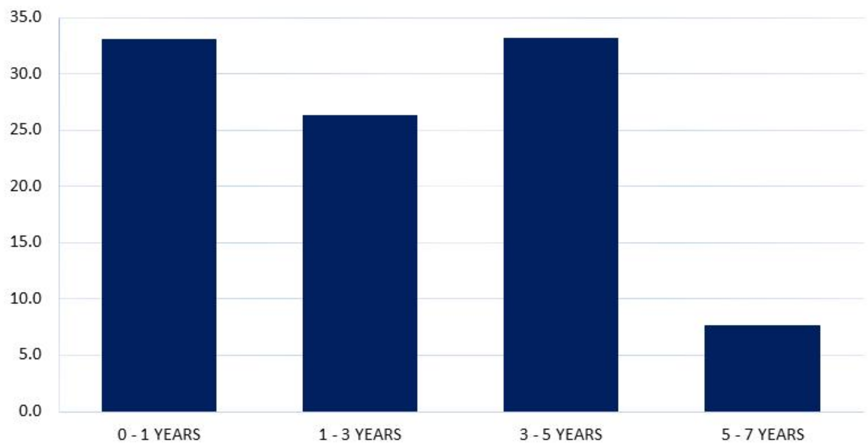
Portfolio Level Characteristics

	POOL 700 LGIP MD FF&C
Weighted Average Life	2.28
Coupon	1.82
Effective Duration	1.82
Quality Rating (Moody's)	AAA

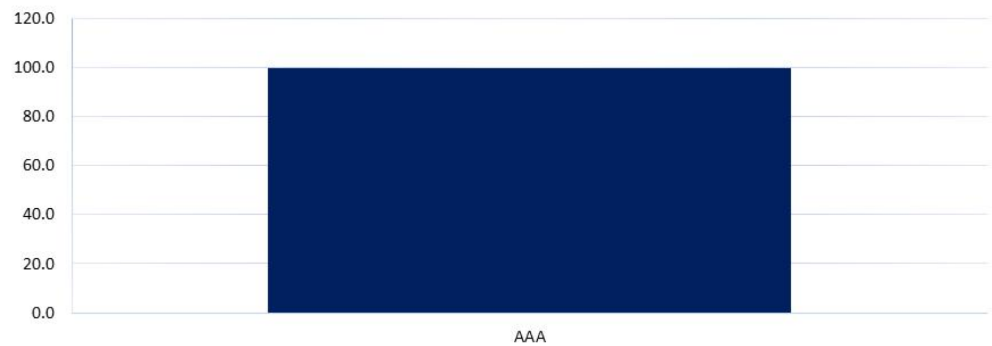
Coupon Distribution



Expected Maturity Distribution



Rating Distribution



EARNINGS DISTRIBUTED
ENDOWMENT FUNDS
MAY 2016

Distributed in Current Month

Recipient		MAY 2016	Fiscal YTD 15/16	Fiscal YTD 14/15
101	A & M Colleges	$20,991	$230,901	$208,965
102	State Hospital	$13,015	$143,168	$126,878
103	Leg., Exec., & Jud.	$17,116	$188,278	$169,794
104	Military Institute	$1,166	$12,823	$11,719
105	Miners Hospital	$39,311	$432,416	$356,563
107	Normal School ASU/NAU	$7,749	$85,237	$75,227
108	Penitentiaries	$27,365	$301,020	$258,918
109	Permanent Common School	$7,265,434	$79,919,779	$69,652,390
110	School for Deaf & Blind	$10,929	$120,215	$106,609
111	School of Mines	$23,731	$261,038	$236,495
112	State Charitable-Pioneers Home	$115,161	$1,266,771	$1,143,346
112	State Charitable-Corrections	$57,581	$633,386	$571,673
112	State Charitable-Youth Treatment	$57,581	$633,386	$571,673
113	University Fund	$40,307	$443,376	$393,274
114	U of A Land - 1881	$116,795	$1,284,741	$1,035,123
	Total	**$7,814,230**	**$85,956,532**	**$74,918,645**

NET REALIZED CAPITAL GAINS / LOSSES - ENDOWMENT FUNDS

Endowment Fund		May-16 NET GAIN(LOSS)	May-15 NET GAIN(LOSS)
Fixed Income Pool		(245,627)	(337,198)
500 Large-Cap Fund		4,009,092	(59,865)
400 Mid-Cap Fund		11,473,421	380,571
600 Small-Cap Fund		1,901,936	3,009,564
	Totals	**17,138,821**	**2,993,072**

Endowment Fund		2015/2016 FISCAL YEAR TO DATE GAINS(LOSSES)	2014/ 2015 FISCAL YEAR TO DATE GAINS(LOSSES)
Fixed Income Pool		(1,658,146)	(2,503,594)
500 Large-Cap Fund		20,398,159	30,016,076
400 Mid-Cap Fund		53,173,911	52,082,114
600 Small-Cap Fund		34,289,186	25,027,494
	Totals	**106,203,111**	**104,622,091**

ENDOWMENT FUNDS FIXED-INCOME POOL
PURCHASES & SALES
MAY 2016

I. Endowment Funds Purchases

SECURITY DESCRIPTION	RATE	MATURITY	*WAL YEARS	PAR VALUE	PURCHASE COST	YIELD	MOODY'S / S&P RATING
AT&T INC	2.80	2/17/2021	NA	$10,000,000	$10,298,233	2.29%	Baa1/BBB+
CHEVRON CORP	2.95	5/16/2016	NA	$10,000,000	$10,000,000	2.95%	Aa2/AA-
CVS HEALTH	2.13	6/1/2021	NA	$8,000,000	$7,977,680	2.18%	Baa1/BBB+
JP MORGAN CHASE	2.70	5/18/2023	NA	$10,000,000	$9,973,400	2.74%	A3/A-
REGIONS FINANCIAL CORP	3.20	2/8/2021	NA	$3,000,000	$3,063,403	2.91%	Baa3/BBB
SOUTHERN CO	2.95	7/1/2023	NA	$5,000,000	$4,995,750	2.96%	Baa2/BBB+
USAA CAPITAL CORP	2.00	6/1/2021	NA	$15,000,000	$14,983,650	2.02%	Aa1/AA+
WASTE MGMT	2.40	5/15/2023	NA	$5,000,000	$4,994,900	2.42%	Baa2/A-
WESTPAC BANKING	2.85	5/13/2026	NA	$7,000,000	$6,972,840	2.89%	Aa2/AA-
WF RBS COMM MTG	3.72	5/15/2047	7.85	$9,250,000	$9,973,592	2.62%	Aaa/NR
TOTAL ENDOWMENT FUNDS PURCHASES				**$82,250,000**	**$83,233,449**		

II. Endowment Funds Sales

SECURITY DESCRIPTION	RATE	MATURITY	PAR VALUE	AMORTIZED COST/PROCEEDS	SALES GAINS/(LOSSES)	MOODY'S / S&P RATING
KELLOGG CO	4.45	5/30/2016	$4,000,000	$4,088,201	4,685	Baa2/BBB
OCCIDENTAL PETRO	4.13	6/1/2016	$5,000,000	$5,101,700	5,629	A3/A
US TREASURY	1.00	9/30/2016	$10,000,000	$10,034,714	5,408	Aaa/AA+
US TREASURY	0.25	5/15/2016	$5,000,000	$5,005,883	-15	Aaa/AA+
US TREASURY	7.25	5/15/2016	$5,000,000	$5,180,958	2,260	Aaa/AA+
US TREASURY	0.63	7/15/2016	$5,000,000	$5,012,865	2,380	Aaa/AA+
US TREASURY	7.50	11/15/2016	$5,000,000	$5,362,925	89,010	Aaa/AA+
US TREASURY	0.75	12/31/2017	$10,000,000	$10,031,516	8,648	Aaa/AA+
TOTAL ENDOWMENT FUNDS SALES			**$49,000,000**	**$49,818,763**	**$118,004**	

*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
MAY 2016

I. Equity Fund Purchases

	SHARES	PURCHASE COST	COMMISSIONS
400 Mid-Cap Fund	300,783	$15,335,458	$929
500 Large-Cap Fund	91,743	$5,714,235	$308
600 Small-Cap Fund	289,512	$5,858,307	$2,060
TOTAL EQUITY PURCHASES	**682,038**	**$26,907,999**	**$3,296**

II. Equity Funds Sales

	SHARES	SALES AMOUNT	COMMISSIONS
400 Mid-Cap Fund	356,587	$18,802,994	$2,182
500 Large-Cap Fund	21,799	$857,470	$164
600 Small-Cap Fund	474,902	$10,763,538	$2,235
TOTAL EQUITY SALES	**853,288**	**$30,424,002**	**$4,581**

ENDOWMENT FUNDS
INVESTMENTS OUTSTANDING
MAY 31, 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	478	3,364	8,077	4,713	
	Shares in Fixed Income Pools	4,298	3,007	4,725	1,718	
	Total	4,777	6,371	12,802	6,432	**2.010**
102	State Hospital					
	Shares in Equity Pools	321	2,356	5,427	3,071	
	Shares in Fixed Income Pools	2,918	2,223	3,208	985	
	Total	3,240	4,579	8,635	4,056	**1.886**
103	Leg., Exec, & Jud					
	Shares in Equity Pools	385	2,897	6,509	3,612	
	Shares in Fixed Income Pools	3,687	2,580	4,053	1,473	
	Total	4,072	5,477	10,562	5,084	**1.928**
104	Military Institute					
	Shares in Equity Pools	25	183	423	241	
	Shares in Fixed Income Pools	246	163	270	107	
	Total	271	346	693	348	**2.006**
105	Miners Hospital					
	Shares in Equity Pools	1,104	9,776	18,640	8,864	
	Shares in Fixed Income Pools	9,926	8,518	10,912	2,394	
	Total	11,030	18,294	29,552	11,258	**1.615**
107	Normal School ASU/NAU					
	Shares in Equity Pools	197	1,582	3,335	1,753	
	Shares in Fixed Income Pools	1,813	1,373	1,993	620	
	Total	2,010	2,955	5,328	2,373	**1.803**
108	Penitentiaries					
	Shares in Equity Pools	750	6,355	12,665	6,310	
	Shares in Fixed Income Pools	6,801	5,507	7,476	1,969	
	Total	7,550	11,862	20,141	8,279	**1.698**

ENDOWMENT FUNDS
INVESTMENTS OUTSTANDING
MAY 31, 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	183,632	1,469,095	3,101,487	1,632,392	
	Shares in Fixed Income Pools	1,655,046	1,321,965	1,819,365	497,400	
	Total	1,838,678	2,791,060	4,920,852	2,129,792	**1.763**
110	School for Deaf & Blind					
	Shares in Equity Pools	254	1,917	4,297	2,380	
	Shares in Fixed Income Pools	2,565	1,905	2,819	914	
	Total	2,819	3,822	7,116	3,294	**1.862**
111	School of Mines					
	Shares in Equity Pools	537	4,025	9,070	5,045	
	Shares in Fixed Income Pools	4,953	3,600	5,445	1,845	
	Total	5,490	7,625	14,515	6,890	**1.904**
112	State Charitable					
	Shares in Equity Pools	5,426	40,877	91,646	50,769	
	Shares in Fixed Income Pools	47,422	36,953	52,131	15,177	
	Total	52,849	77,831	143,777	65,946	**1.847**
113	University Fund					
	Shares in Equity Pools	977	7,738	16,497	8,759	
	Shares in Fixed Income Pools	9,017	6,738	9,912	3,174	
	Total	9,994	14,476	26,409	11,933	**1.824**
114	U Of A Land - 1881					
	Shares in Equity Pools	3,370	31,062	56,914	25,851	
	Shares in Fixed Income Pools	30,774	25,696	33,829	8,133	
	Total	34,144	56,759	90,743	33,984	**1.599**
	TOTALS - ALL FUNDS					
	Shares in Equity Pools	197,457	1,581,228	3,334,988	1,753,761	
	Shares in Fixed Income Pools	1,779,466	1,420,230	1,956,138	535,908	
	Grand Total	**1,976,923**	**3,001,457**	**5,291,126**	**2,289,669**	
	PRIOR YEAR: MAY 2015 BALANCES	**1,964,980**	**2,967,899**	**5,197,993**	**2,230,094**	

ENDOWMENT FUNDS
INVESTMENTS OUTSTANDING
MAY 31, 2016

ASSET ALLOCATION PERCENTAGE

	SHARES OUTSTANDING	**BOOK VALUE**	MARKET VALUE	MAY 2015 MARKET VALUE
Shares in Equity Pools	9.99%	**52.68%**	63.03%	63.52%
Shares in Fixed Income Pools	90.01%	**47.32%**	36.97%	36.48%
Total	100.00%	**100.00%**	100.00%	100.00%

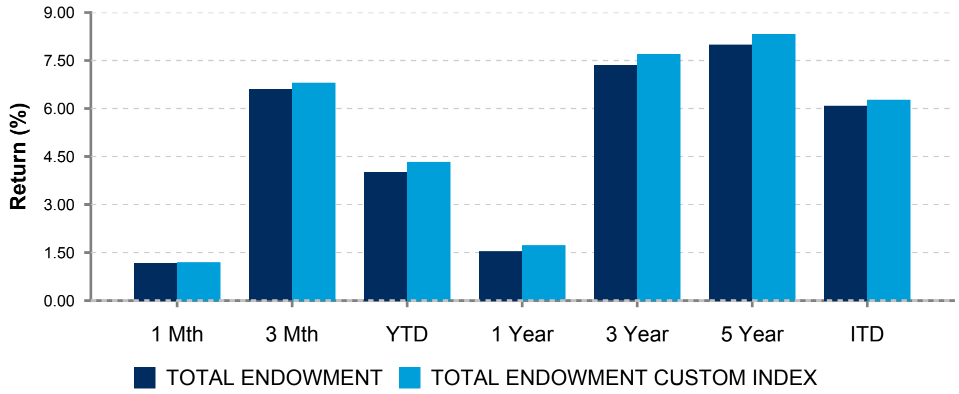
OFFICE OF THE ARIZONA STATE TREASURER

May 31, 2016

Total Endowment Summary

STATE STREET.

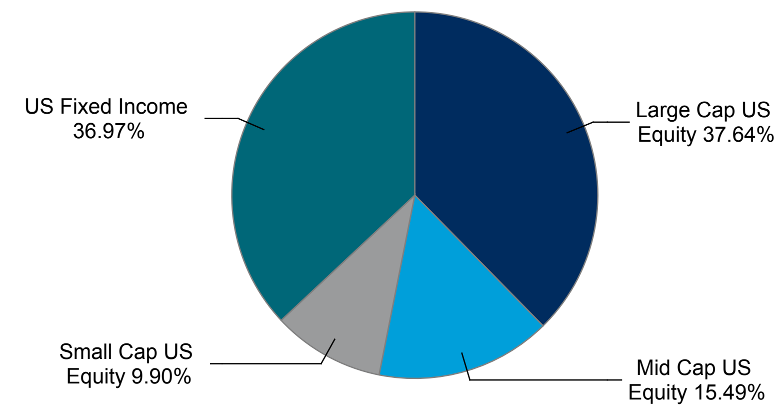
Performance



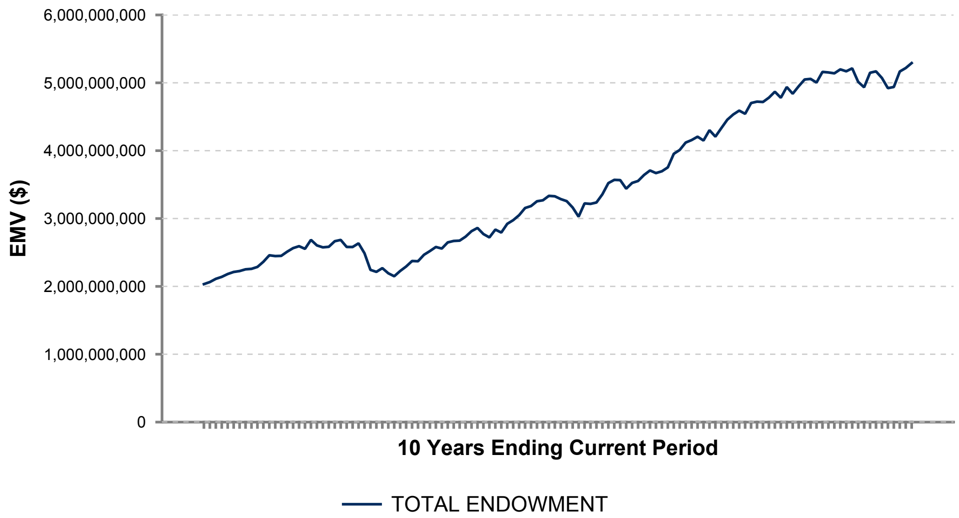
	1 Mth	3 Mth	YTD	1 Year	3 Year	5 Year	ITD	Incept Date
TOTAL ENDOWMENT	1.18	6.60	4.01	1.54	7.35	8.00	6.09	07/99
TOTAL ENDOWMENT CUSTOM INDEX	1.19	6.81	4.34	1.72	7.70	8.33	6.28	07/99
Excess	-0.01	-0.22	-0.32	-0.18	-0.35	-0.33	-0.19	

Asset Allocation

	Ending Market Value
TOTAL ENDOWMENT	5,291,125,714

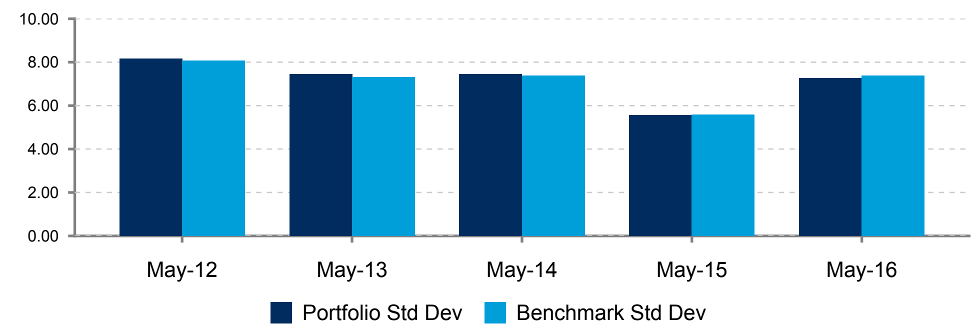


Ending Market Value



3 Year Risk Statistics

	Return	Portfolio Std Dev	Benchmark Std Dev	Sharpe Ratio	Beta	Tracking Error	Information Ratio
TOTAL ENDOWMENT	7.35	7.26	7.38	1.00	0.98	0.30	-1.17



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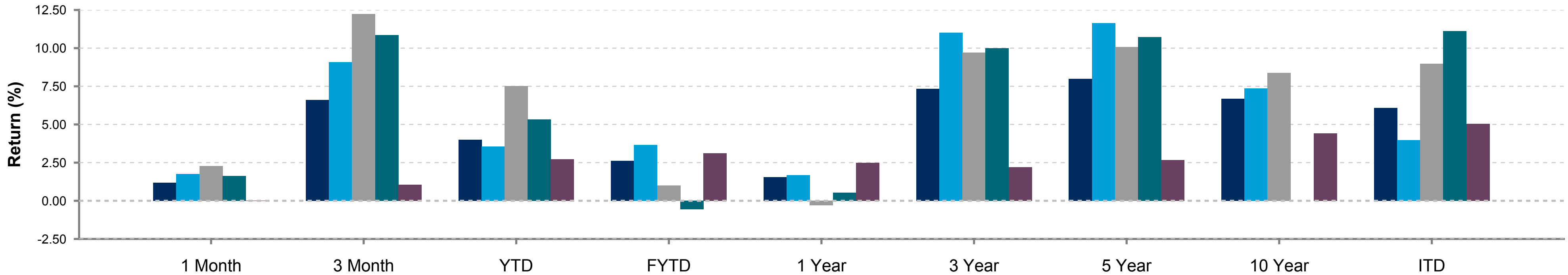
Total Returns Net Mgr

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	5,291,125,714	100.00	1.18	6.60	4.01	2.62	1.54	7.35	8.00	6.68	6.09	Jul-01-99
TOTAL ENDOWMENT CUSTOM INDEX			1.19	6.81	4.34	2.98	1.72	7.70	8.33	7.01	6.28	Jul-01-99
Excess			-0.01	-0.22	-0.32	-0.37	-0.18	-0.35	-0.33	-0.33	-0.19	
POOL 201 S&P 500	1,991,419,868	37.64	1.77	9.08	3.56	3.67	1.67	11.02	11.63	7.37	3.97	Jul-01-99
S&P 500 INDEX (DAILY)			1.80	9.12	3.57	3.72	1.72	11.06	11.67	7.41	4.51	Jul-01-99
Excess			-0.02	-0.05	-0.01	-0.05	-0.05	-0.04	-0.04	-0.04	-0.54	
POOL 203 S&P 400	819,507,166	15.49	2.27	12.25	7.53	1.01	-0.29	9.72	10.07	8.38	8.98	Aug-01-01
S&P 400 MIDCAP INDEX (DAILY)			2.31	12.38	7.48	0.91	-0.42	9.69	10.00	8.51	8.99	Aug-01-01
Excess			-0.04	-0.14	0.05	0.10	0.13	0.03	0.07	-0.13	-0.01	
POOL 204 S&P 600	524,061,022	9.90	1.63	10.86	5.33	-0.55	0.53	10.01	10.72		11.13	Mar-01-11
S&P SM 600 TR			1.66	11.28	5.59	-0.63	0.39	9.95	10.66		11.10	Mar-01-11
Excess			-0.03	-0.42	-0.26	0.09	0.14	0.06	0.06		0.03	
POOL 205 FIXED INCOME	1,956,137,658	36.97	0.01	1.05	2.72	3.11	2.48	2.19	2.66	4.42	5.05	Jul-01-99
CITIGROUP BIG (DAILY)			-0.00	1.40	3.49	4.10	2.98	2.92	3.34	5.06	5.38	Jul-01-99
Excess			0.01	-0.36	-0.77	-0.98	-0.50	-0.72	-0.68	-0.64	-0.34	

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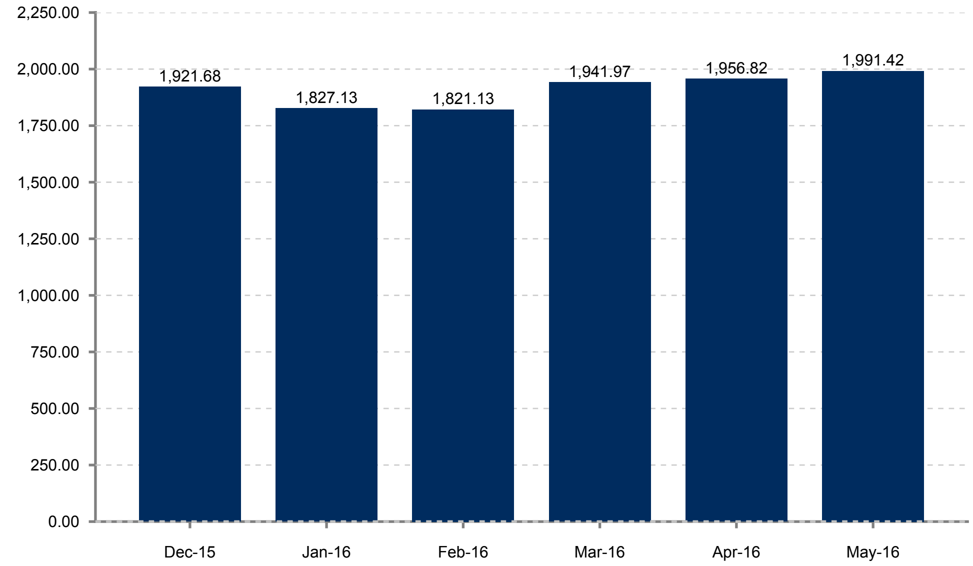
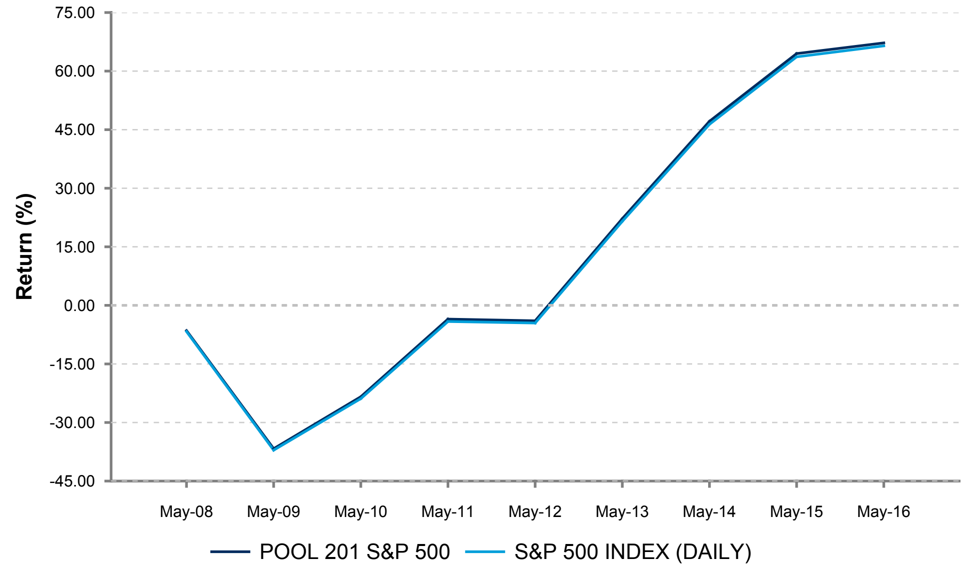
POOL 201 S&P 500

STATE STREET

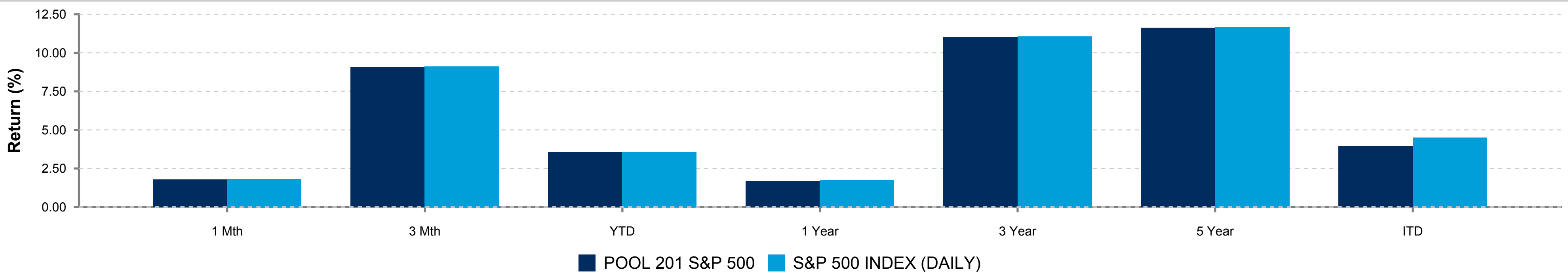
Net Asset Values over Time ($MM)



Cumulative Return (%)



Rates of Return



	1 Mth	3 Mth	YTD	1 Year	3 Year	5 Year	ITD	May 31 2016	May 31 2015	May 31 2014
POOL 201 S&P 500	1.77	9.08	3.56	1.67	11.02	11.63	3.97	1.67	11.78	20.41
S&P 500 INDEX (DAILY)	1.80	9.12	3.57	1.72	11.06	11.67	4.51	1.72	11.81	20.45
Excess	-0.02	-0.05	-0.01	-0.05	-0.04	-0.04	-0.54	-0.05	-0.02	-0.03

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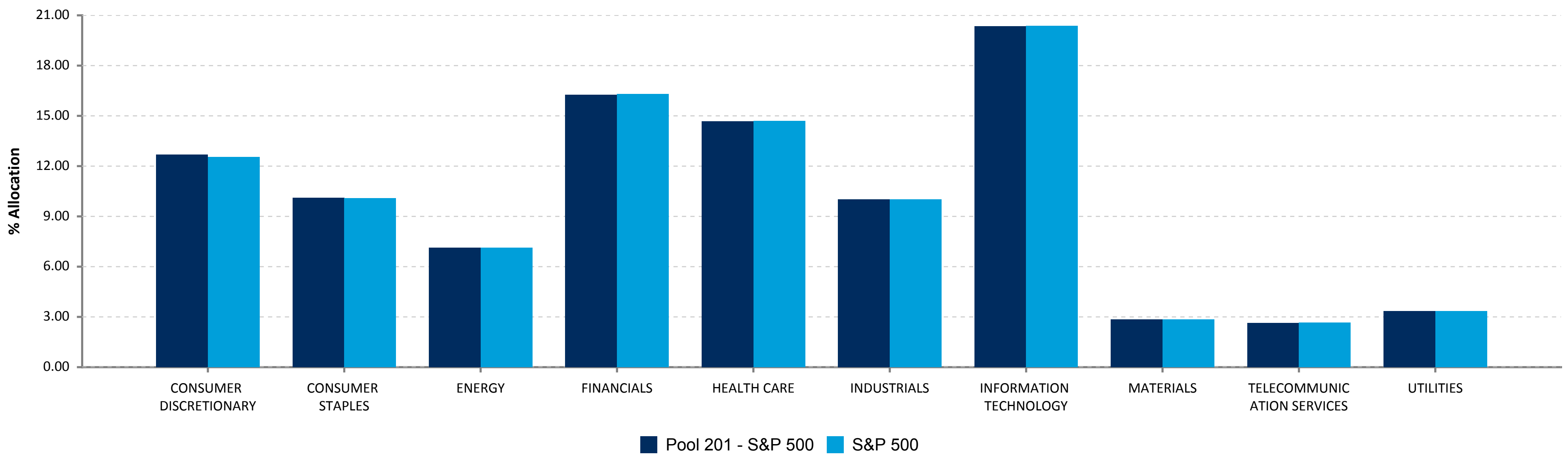
POOL 201 S&P 500
Sector Allocation vs S&P 500



	Fund Weight	Benchmark Weight	Relative Weight
POOL 201 S&P 500	100.00	100.00	0.00
CONSUMER DISCRETIONARY	12.98	12.99	-0.01
CONSUMER STAPLES	10.21	10.20	0.01
ENERGY	7.29	7.30	-0.01
FINANCIALS	16.07	16.08	-0.00
HEALTH CARE	14.59	14.60	-0.01
INDUSTRIALS	10.16	10.17	-0.01
INFORMATION TECHNOLOGY	19.69	19.67	0.02
MATERIALS	2.95	2.95	-0.00
TELECOMMUNICATION SERVICES	2.71	2.69	0.03
UTILITIES	3.34	3.35	-0.00

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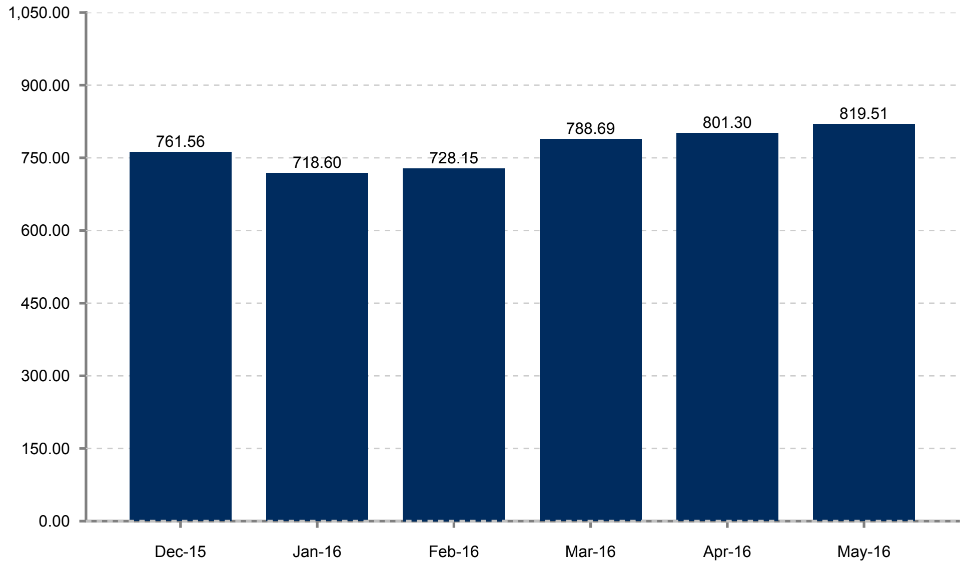
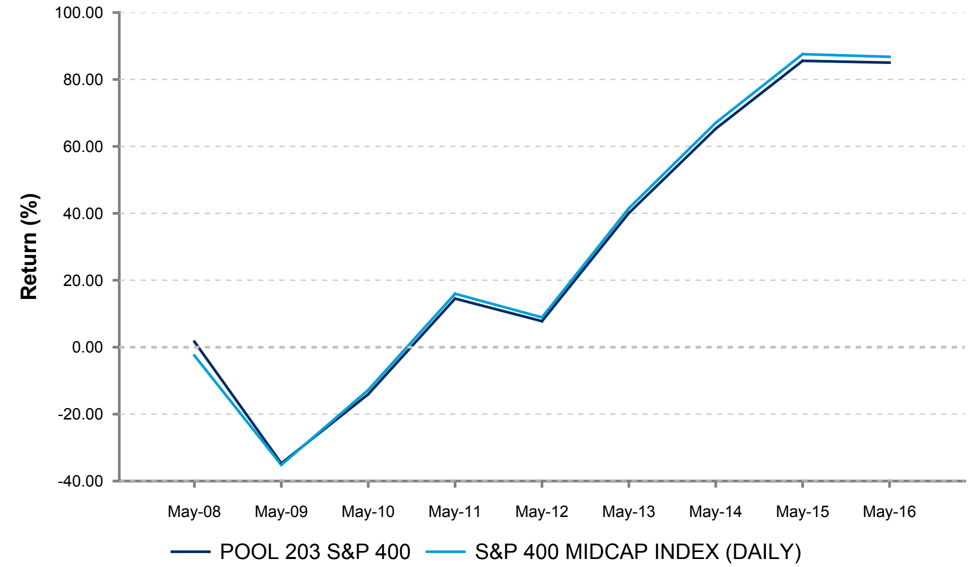
POOL 203 S&P 400

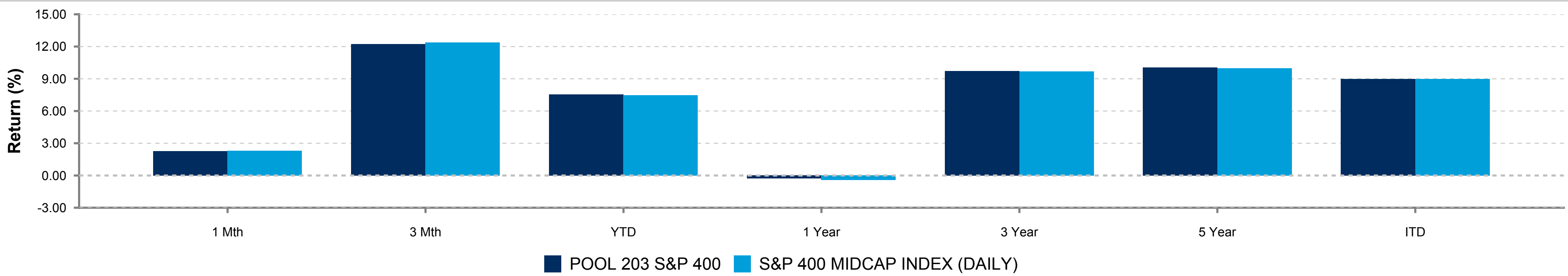
Net Asset Values over Time ($MM)



Cumulative Return (%)



Rates of Return



	1 Mth	3 Mth	YTD	1 Year	3 Year	5 Year	ITD	May 31 2016	May 31 2015	May 31 2014
POOL 203 S&P 400	2.27	12.25	7.53	-0.29	9.72	10.07	8.98	-0.29	12.27	18.00
S&P 400 MIDCAP INDEX (DAILY)	2.31	12.38	7.48	-0.42	9.69	10.00	8.99	-0.42	12.28	18.04
Excess	-0.04	-0.14	0.05	0.13	0.03	0.07	-0.01	0.13	-0.01	-0.04

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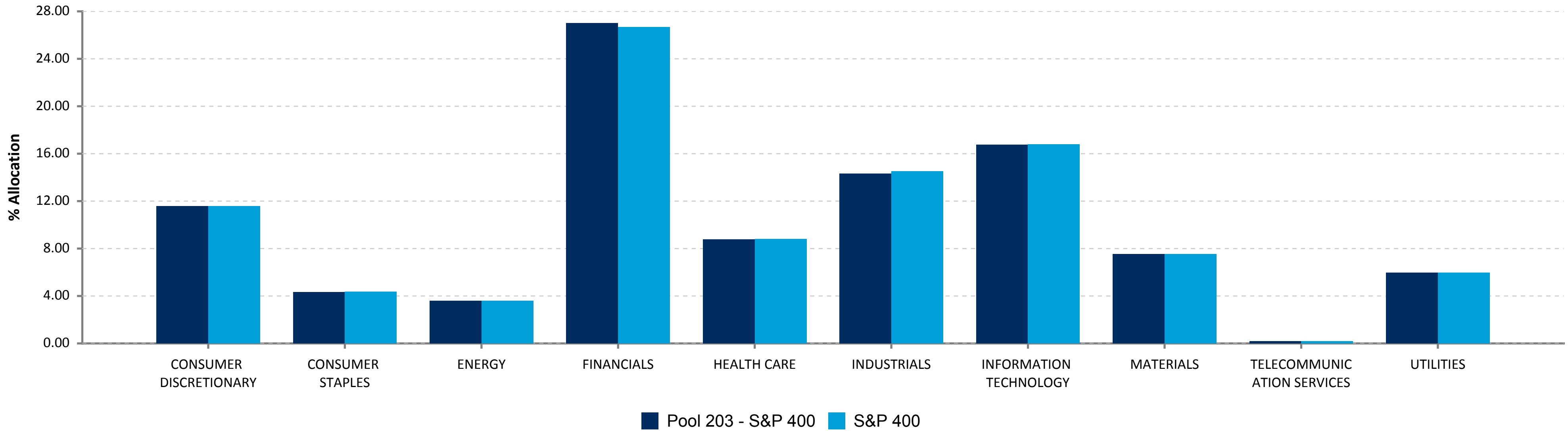
POOL 203 S&P 400
Sector Allocation vs S&P MID CAP 400



	Weight Fund	Weight Benchmark	Weight Relative
POOL 203 S&P 400	100.00	100.00	0.00
CONSUMER DISCRETIONARY	12.44	12.37	0.07
CONSUMER STAPLES	4.22	4.23	-0.02
ENERGY	3.85	3.84	0.01
FINANCIALS	25.88	25.89	-0.01
HEALTH CARE	8.61	8.60	0.01
INDUSTRIALS	15.72	15.87	-0.14
INFORMATION TECHNOLOGY	15.72	15.66	0.06
MATERIALS	7.54	7.52	0.02
TELECOMMUNICATION SERVICES	0.19	0.19	-0.00
UTILITIES	5.83	5.84	-0.01

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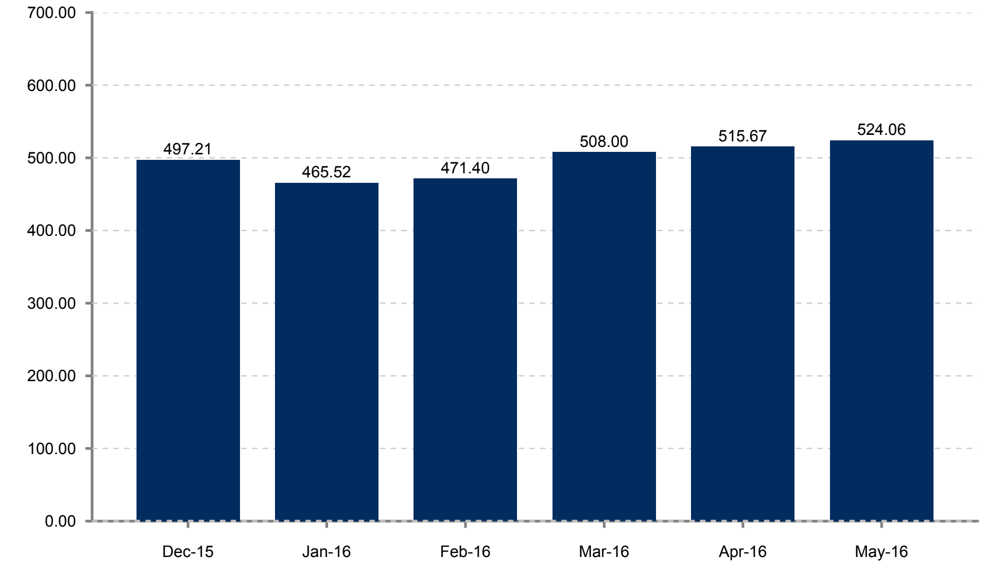
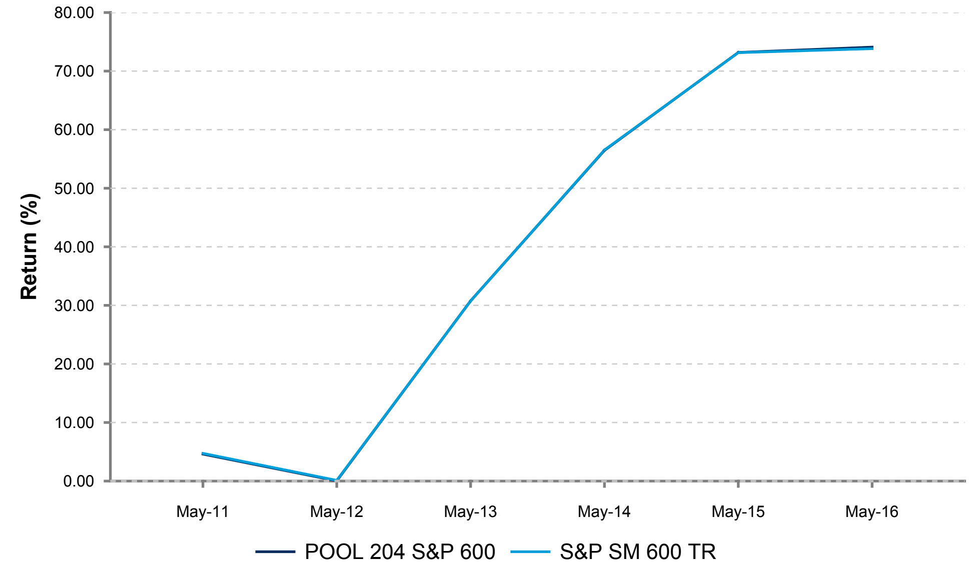
POOL 204 S&P 600

STATE STREET.

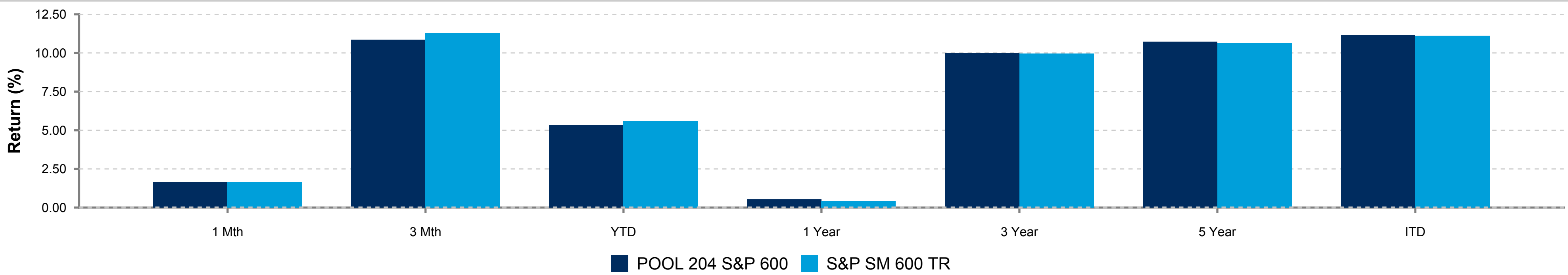
Net Asset Values over Time ($MM)



Cumulative Return (%)



Rates of Return



	1 Mth	3 Mth	YTD	1 Year	3 Year	5 Year	ITD	May 31 2016	May 31 2015	May 31 2014
POOL 204 S&P 600	1.63	10.86	5.33	0.53	10.01	10.72	11.13	0.53	10.69	19.65
S&P SM 600 TR	1.66	11.28	5.59	0.39	9.95	10.66	11.10	0.39	10.62	19.71
Excess	-0.03	-0.42	-0.26	0.14	0.06	0.06	0.03	0.14	0.07	-0.06

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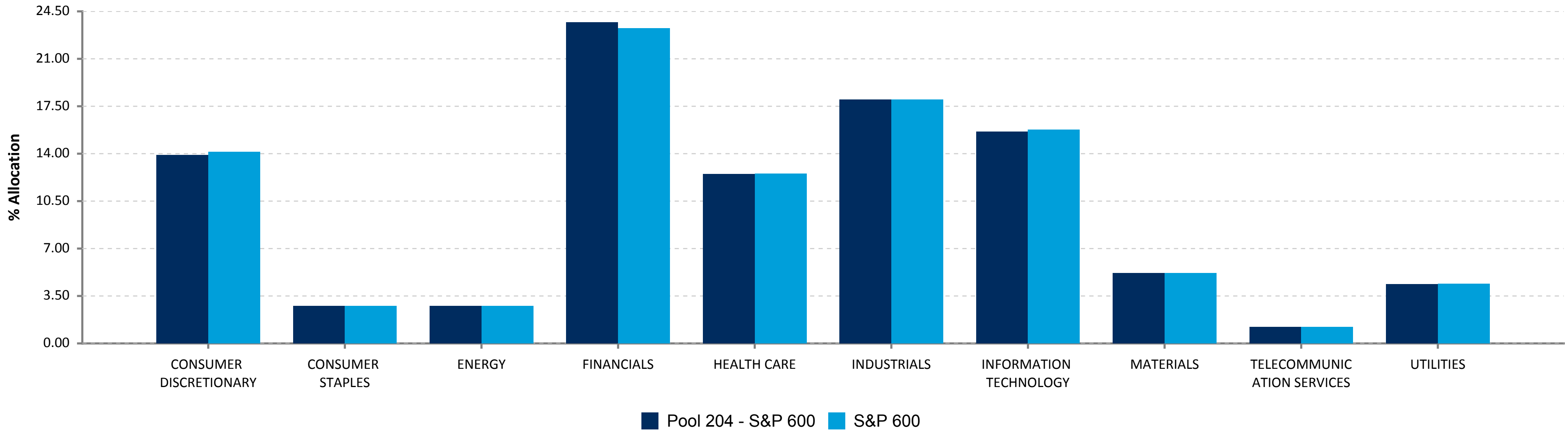
POOL 204 S&P 600
Sector Allocation vs S&P SMALLCAP 600



	Weight Fund	Weight Benchmark	Weight Relative
POOL 204 S&P 600	100.00	100.00	0.00
CONSUMER DISCRETIONARY	14.47	14.40	0.07
CONSUMER STAPLES	2.72	2.73	-0.01
ENERGY	2.97	2.99	-0.02
FINANCIALS	23.79	23.40	0.39
HEALTH CARE	12.35	12.44	-0.09
INDUSTRIALS	17.35	17.47	-0.12
INFORMATION TECHNOLOGY	15.83	15.98	-0.15
MATERIALS	5.12	5.15	-0.03
TELECOMMUNICATION SERVICES	1.15	1.15	-0.01
UTILITIES	4.26	4.29	-0.03

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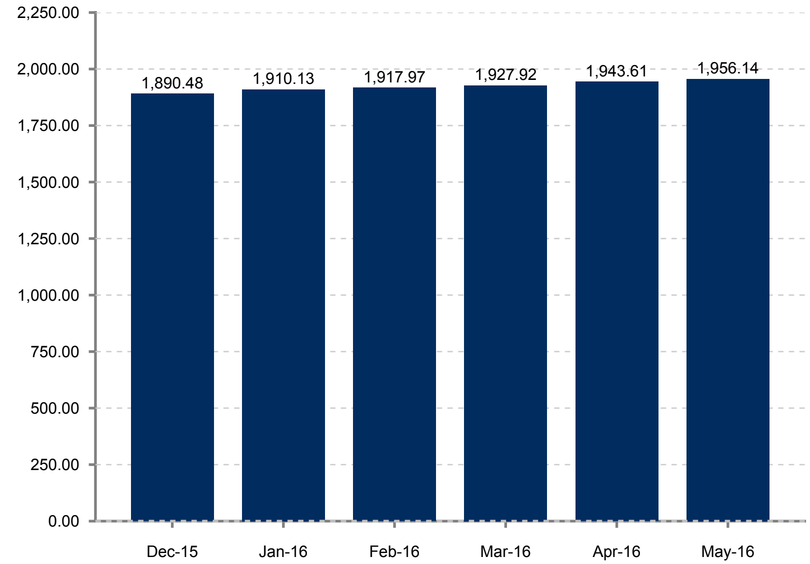
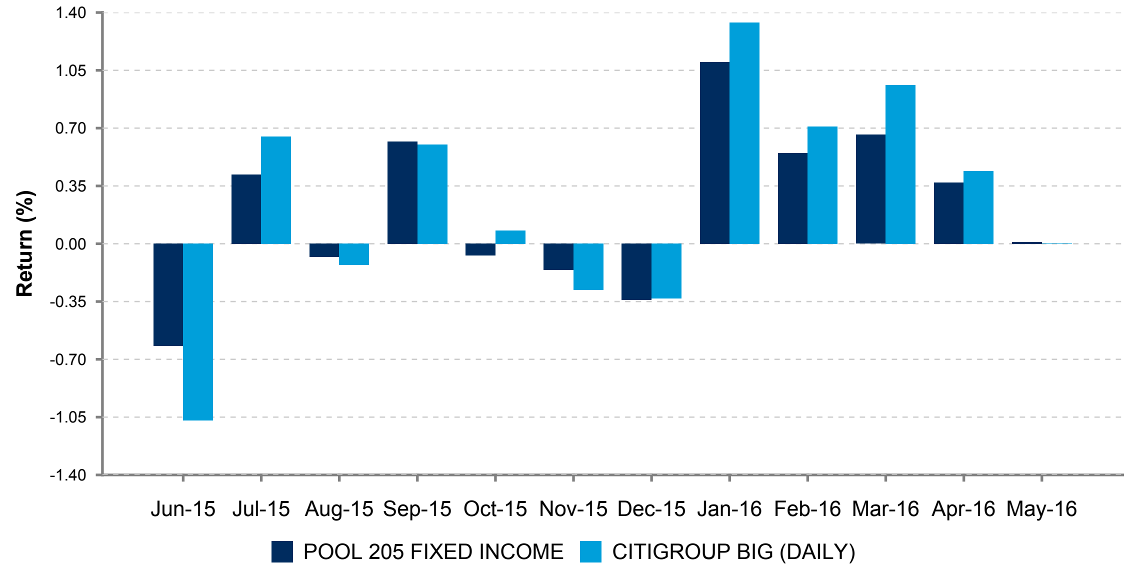
POOL 205 FIXED INCOME

STATE STREET.

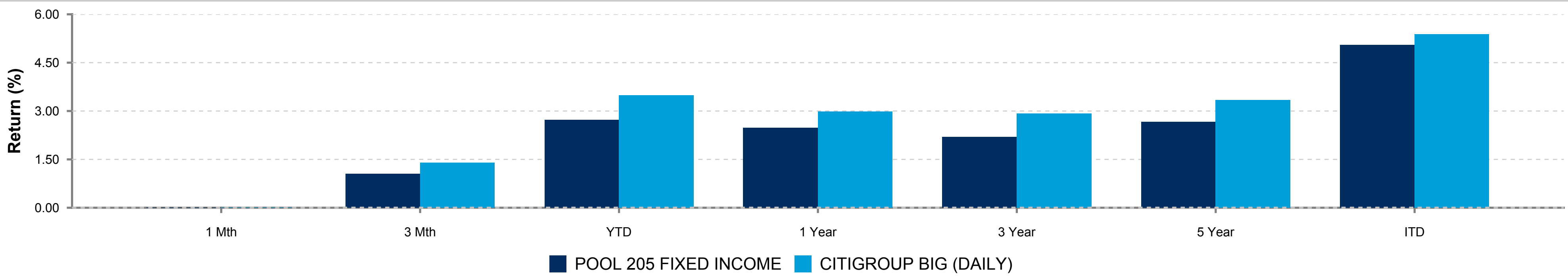
Net Asset Values over Time ($MM)



Monthly Returns



Rates of Return



	1 Mth	3 Mth	YTD	1 Year	3 Year	5 Year	ITD	May 31 2016	May 31 2015	May 31 2014
POOL 205 FIXED INCOME	0.01	1.05	2.72	2.48	2.19	2.66	5.05	2.48	2.49	1.62
CITIGROUP BIG (DAILY)	-0.00	1.40	3.49	2.98	2.92	3.34	5.38	2.98	3.03	2.74
Excess	0.01	-0.36	-0.77	-0.50	-0.72	-0.68	-0.34	-0.50	-0.54	-1.13

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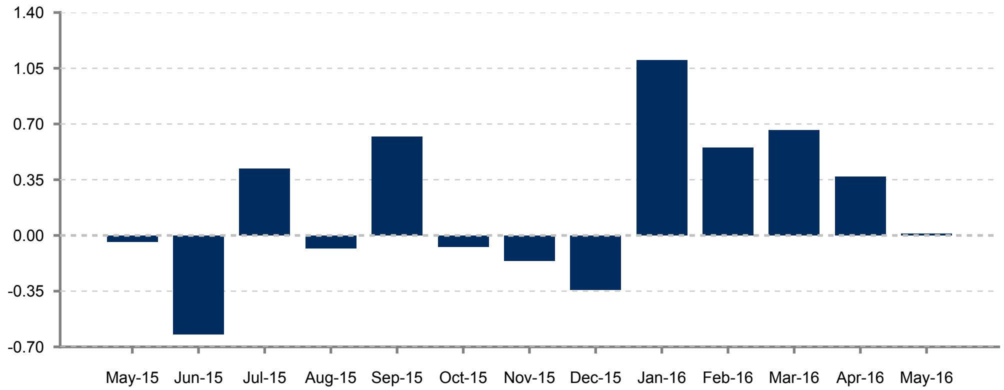
POOL 205 FIXED INCOME

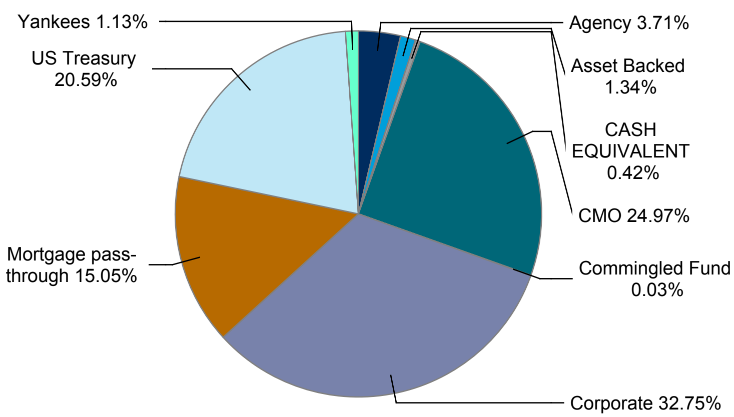
Net Mgr Return



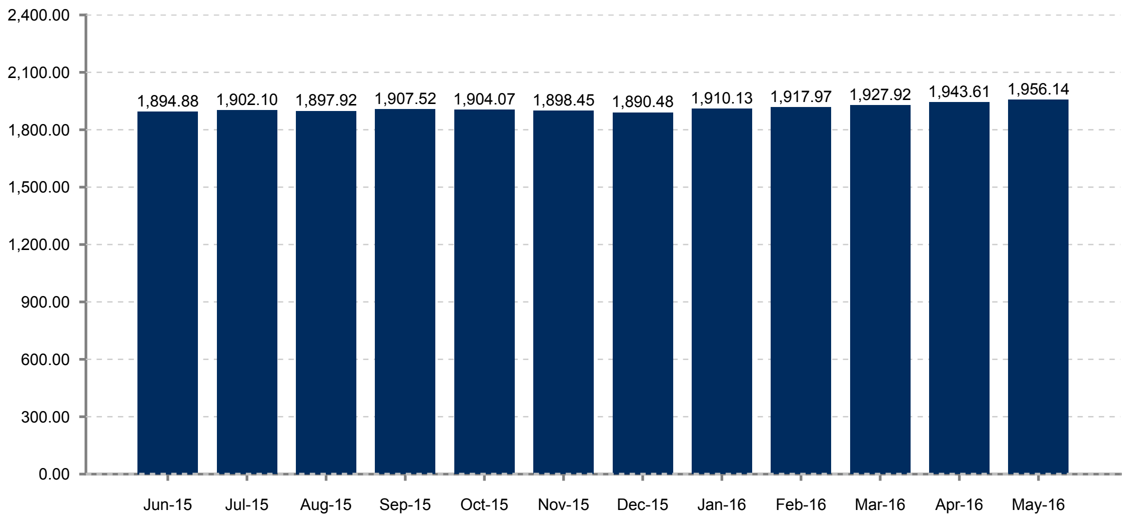
	Current Mth	Prior Mth	1 Year Ago
POOL 205 FIXED INCOME	0.01	0.37	-0.04

Asset Allocation

	Ending Market Value
POOL 205 FIXED INCOME	1,956,137,658



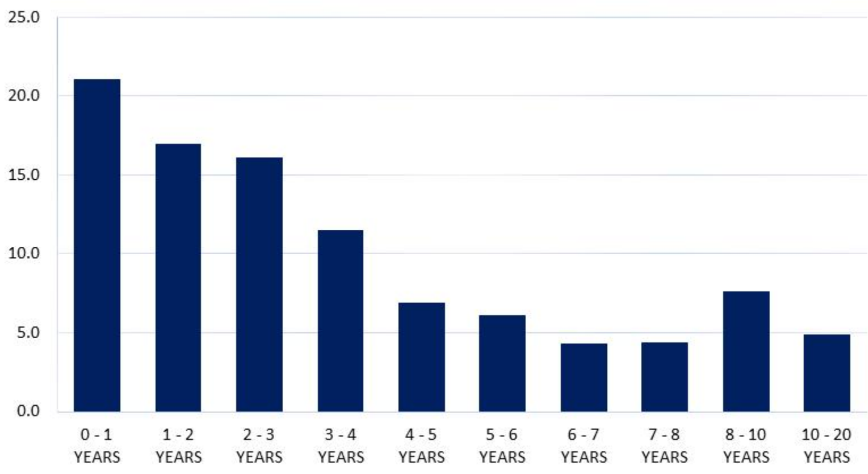
Net Asset Values over Time ($MM)



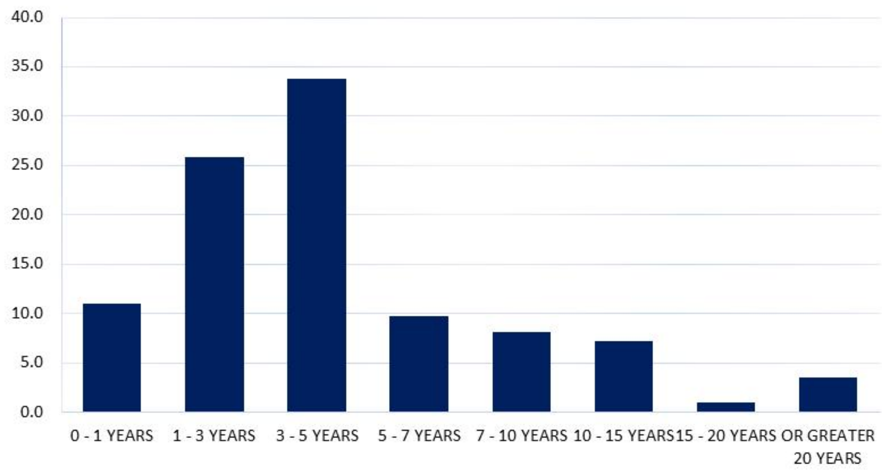
Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 205 FIXED INCOME		
US TREASURY N/B	17,382,092	0.89
WELLS FARGO + COMPANY	15,370,534	0.79
FIFTH THIRD BANK	15,028,573	0.77
USAA CAPITAL CORP	14,995,767	0.77
US TREASURY N/B	14,951,138	0.76
US TREASURY N/B	14,778,500	0.76
US TREASURY N/B	14,696,777	0.75
3M COMPANY	13,811,428	0.71
IBM CORP	13,527,316	0.69
PRES + FELLOWS OF HARVAR	13,403,832	0.69

Duration Distribution



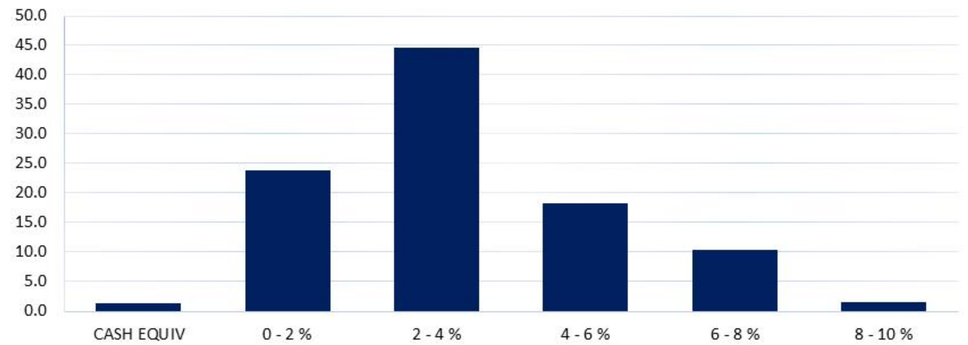
Expected Maturity Distribution



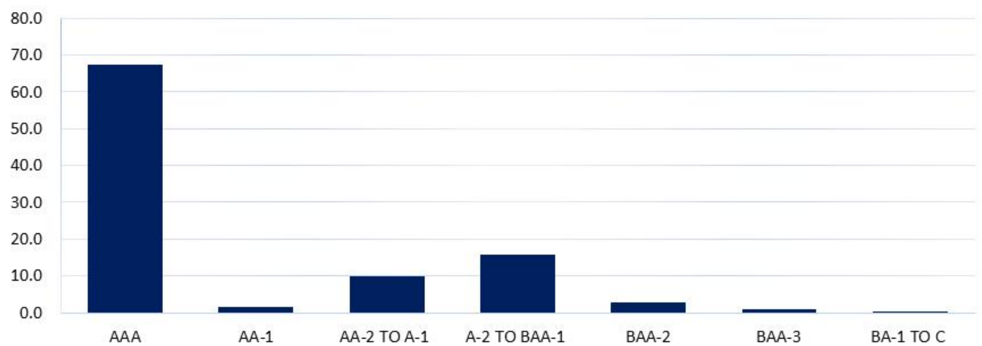
Portfolio Level Characteristics

	POOL 205 FIXED INCOME
Weighted Average Life	5.05
Coupon	3.46
Effective Duration	3.73
Quality Rating (Moody's)	AA-2

Coupon Distribution



Rating Distribution



Thousands

Endowment Fund Market Value