

OFFICE OF THE
ARIZONA STATE TREASURER



JEFF DEWIT
TREASURER



OCTOBER 2016

Presented To:

Arizona State Board of Investment

November 29, 2016

STATE BOARD OF INVESTMENT

A G E N D A

November 29, 2016

1. Call to Order
2. Chairman Remarks
3. Approval of October 27, 2016 Minutes
4. Review of Treasurer's Monthly Reports
 - A. Earnings Distribution; Investment Pools
 - B. Operating Monies Invested Balances
 - C. State Agency Pools Investments and Performance Reports
 - D. LGIP Pools Investments and Performance Reports
 - E. Earnings Distributed Endowment Funds
 - F. Land Sales Monthly Proceeds Endowment Funds
 - G. Endowment Investments and Performance Reports
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

November 29, 2016

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**Minutes of
BOARD OF INVESTMENT MEETING**

The regular meeting of the State Board of Investment was held on October 27, 2016 in the Office of the State Treasurer, 1700 West Washington, State Capitol, West Wing, Treasurer's Conference Room, Phoenix, Arizona. Treasurer DeWit called the meeting to order at approximately 2:01 p.m.

Members Present:

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

Others Present:

Mark Swenson, Deputy Treasurer of Policy & Research, 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
Eric Stivers, Collateral Analyst, Arizona State Treasurer's Office
Dale Stomberg, Investment Accounting Manager, Arizona State Treasurer's Office
Michael Leslein, Asst. Investment Accounting Manager, Arizona State Treasurer's Office
Stephen Byrne, Managing Director, Credit Suisse First Boston

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

Review of Treasurer's Monthly Reports:

Earnings Distribution; Investment Pools
Operating Monies Invested Balances
State Agency Pools Investments and Performance Reports
LGIP Pools Investments and Performance Reports
Earnings Distributed Endowment Funds
Land Sales Monthly Proceeds Endowment Funds
Endowment Investments and Performance Reports
Broker Activity Report

1. Call to Order:

Treasurer DeWit called the October 27, 2016 BOI meeting to order at approximately 2:01 p.m.

2. Treasurers Comments:

Treasurer DeWit welcomed the board members and guests and thanked all present for attending the October 27, 2016 meeting.

3. Approval of Minutes:

Mr. Papp made a motion to approve the September 29, 2016 minutes. Mr. Charlton 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 September, 2016.

Operating Monies Average Invested Balance

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

Equity Funds Purchases & Sales

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

Investments Outstanding in Endowment Funds

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

Broker Activity Report

Ms. White reported the quarterly broker activity for all internally managed pools for the period of July 1, 2016 through September 30, 2016.

Approval of Treasurer's Report

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

5. Proposed Changes to Investment Policy:

No proposed changes to Investment Policy.

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

Stephen Byrne from Credit Suisse First Boston presented to the Board.

Treasurer DeWit called for a motion to approve Credit Suisse First Boston Securities Dealer. Mr. Papp made a motion to approve Credit Suisse First Boston. Mr. Smarik seconded the motion. Motion carried.

7. General Business:

There was no General Business.

8. Call to the Public:

There was no Public comment.

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

9. Notice of Next Meeting:

Treasurer DeWit advised the Board that the next regular meeting of the Board of Investment will be Tuesday, November 29, 2016 at 1:30 p.m. at 1700 West Washington, State Capitol, West Wing, Treasurer's Conference Room, Phoenix, Arizona.

10. Adjournment:

Mr. Smarik made a motion to adjourn the BOI meeting. Ms. Ford seconded the motion. Upon unanimous approval the BOI Meeting was adjourned at 3:01 p.m.

Respectfully Submitted by:

Christine Thurston
Executive Consultant II

Approved by:

Jeff DeWit, Chair

Date

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**EARNINGS DISTRIBUTION - INVESTMENT POOLS
OCTOBER 2016**

Recipient	Earnings Distributed			Fiscal YTD Investment Management Fees Received
	OCTOBER 2016	Fiscal YTD 16/17	Fiscal YTD 15/16	
General Fund	\$1,318,653	\$5,370,407	\$3,938,188	
2 State Agencies - Full Faith & Credit	476,577	2,211,586	1,327,075	172,443
3 State Agencies - Diversified (Combined)	852,201	3,142,579	2,372,971	263,436
4 State Agencies - Gov	492,590	1,953,194	1,449,278	169,591
5 LGIP	447,361	1,688,762	571,756	209,825
7 LGIP Gov	323,316	1,312,410	326,981	195,951
10 Restricted Operating	400,766	1,485,340	1,138,562	235,727
12 CAWCD Medium-Term	408,751	1,622,721	1,415,959	62,781
16 ECDH Medium-Term	460,359	1,899,158	1,761,152	71,447
Subtotal	\$5,180,574	\$20,686,157	\$14,301,921	\$1,381,201
NAV POOL				
500 LGIP - Med Term	308,834	1,170,596	971,700	48,230
700 LGIP - FF&C Med Term	133,512	538,718	450,816	27,061
Total	\$5,622,920	\$22,395,471	\$15,724,437	\$1,456,492
OCTOBER 2015 TOTALS	\$3,738,132			\$1,412,196

*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 October 31, 2016
(in millions)

<u>Month</u>	Fiscal Year <u>2014/2015</u>	Fiscal Year <u>2015/2016</u>	Fiscal Year <u>2016/2017</u>
JULY	1,876	1,795	2,012
AUGUST	1,369	1,554	1,504
SEPTEMBER	1,638	1,874	1,694
OCTOBER	1,521	1,701	1,672
NOVEMBER	1,535	1,686	
DECEMBER	1,478	1,734	
JANUARY	1,754	2,140	
FEBRUARY	1,959	2,295	
MARCH	1,686	2,092	
APRIL	1,879	2,407	
MAY	2,163	2,720	
JUNE	2,307	2,590	
Y-T-D Average	\$1,764	\$2,049	\$1,720
Budget Stabilization Average Fund Balance - October 2016			<u>\$454</u>
Total Average Cash Available - October 2016			\$2,126

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

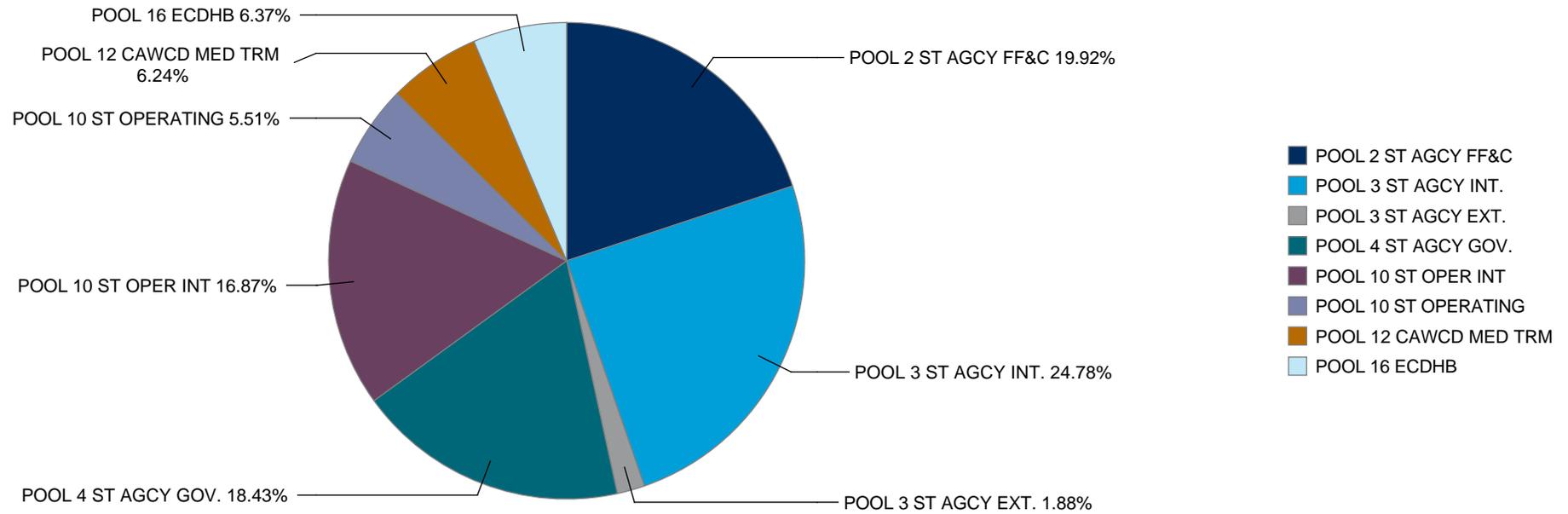
FUND	DESCRIPTION	Current Month 10/31/16	Prior Month 09/30/16	Prior Year 10/31/15	Net Asset Value Per Share
2	STATE AGENCIES - FULL FAITH & CREDIT	579,297	659,474	313,551	0.9985
3	STATE AGENCIES - DIVERSIFIED				
	INTERNAL MANAGERS	1,096,027	1,040,042	748,125	0.9996
	EXTERNAL MANAGERS	109,068	104,033	83,199	1.0017
	FUND 3 TOTAL	1,205,095	1,144,075	831,324	0.9998
4	STATE AGENCIES - GOV	629,406	611,382	466,149	0.9998
10	RESTRICTED OPERATING				
	INTERNAL MANAGERS	935,099	906,748	722,253	1.0004
	EXTERNAL MANAGERS	159,777	146,464	113,386	0.9997
	FUND 10 TOTAL	1,094,876	1,053,213	835,639	1.0002
12	CAWCD MEDIUM-TERM	408,751	399,399	289,422	1.0053
15	AHCCCS OPERATING	17,592	9,461	N/A	N/A
16	ECDH MEDIUM-TERM	460,359	469,536	371,571	1.0046
	TOTAL STATE AGENCIES	4,395,376	4,346,539	3,107,656	

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

FUND	DESCRIPTION	Current Month 10/31/16	Prior Month 09/30/16	Prior Year 10/31/15
2	STATE AGENCIES - FULL FAITH & CREDIT	0.68%	0.81%	0.37%
	75% MERRILL 0-1 US TREAS INDEX / 25%	0.94%	0.88%	0.87%
	MERRILL US GNMA MORTGAGE BACKED INDEX			
3	STATE AGENCIES - DIVERSIFIED			
	INTERNAL MANAGERS	1.04%	1.03%	0.67%
	EXTERNAL MANAGERS	1.25%	1.23%	0.96%
	COMBINED	1.06%	1.05%	0.69%
	50% 3 MONTH LIBOR INDEX / 50% MERRILL	1.02%	0.97%	0.71%
	1-3 US BROAD MARKET INDEX			
4	STATE AGENCIES - GOV	0.79%	0.81%	0.57%
	50% MERRILL 6 MTH US T-BILL INDEX / 50%	0.69%	0.62%	0.48%
	MERRILL 1-3 UNSUB. US TREAS / AGY INDEX			
10	RESTRICTED OPERATING			
	INTERNAL MANAGERS	1.18%	1.13%	0.84%
	EXTERNAL MANAGERS	0.62%	0.59%	0.44%
	COMBINED	1.04%	1.00%	0.75%
	50% 3 MONTH LIBOR INDEX / 50% MERRILL	1.02%	0.97%	0.71%
	1-3 US BROAD MARKET INDEX			
12	CAWCD MEDIUM-TERM	1.40%	1.43%	1.10%
	75% MERRILL 1-5 US D M INDEX / 25% S & P LGIP	1.23%	1.16%	1.19%
	INDEX			
15	AHCCCS OPERATING	0.59%	0.43%	N/A
16	ECDH MEDIUM-TERM	1.55%	1.64%	1.27%
	75% MERRILL 1-5 US D M INDEX / 25% S & P LGIP	1.23%	1.16%	1.19%
	INDEX			



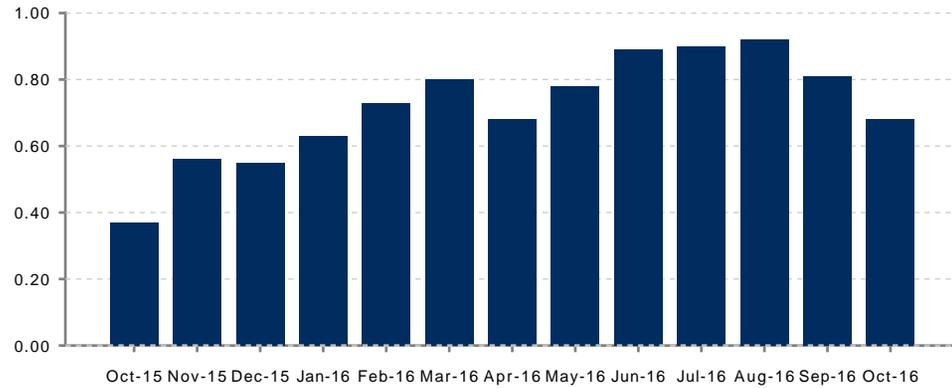
Manager Allocation



	Market Value	% of Portfolio
POOL 2 ST AGCY FF&C	1,099,290,202	19.9
POOL 3 ST AGCY INT.	1,367,386,777	24.8
POOL 3 ST AGCY EXT.	103,562,718	1.9
POOL 4 ST AGCY GOV.	1,017,144,747	18.4
POOL 10 ST OPER INT	930,628,934	16.9
POOL 10 ST OPERATING	303,986,389	5.5
POOL 12 CAWCD MED TRM	344,219,419	6.2
POOL 16 ECDHB	351,464,947	6.4
TOTAL STATE AGENCY	5,517,684,138	100.0



Net Yield

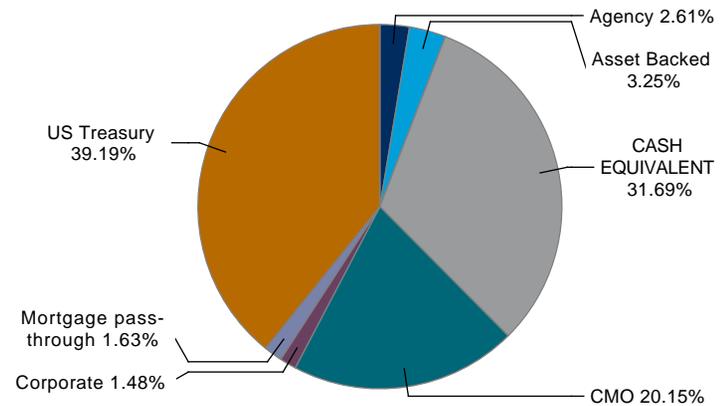


Current Mth Prior Mth 1 Year Ago

POOL 2 ST AGCY FF&C	0.68	0.81	0.37
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Asset Allocation

POOL 2 ST AGCY FF&C	Ending Market Value
	1,099,290,202



Net Asset Values over Time (\$MM)

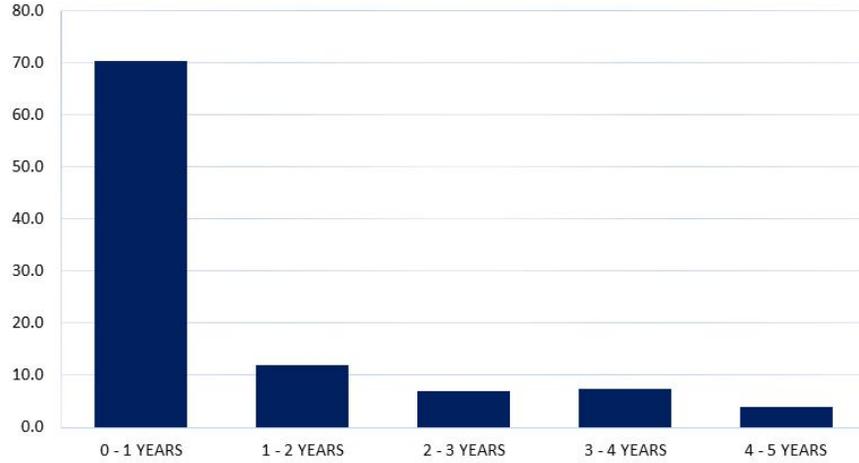


Top 10 Holdings

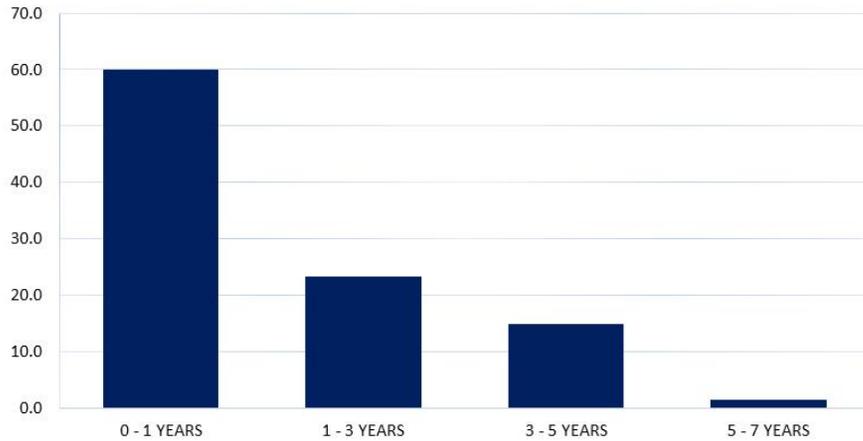
Security Name	Ending Market Value	% of Portfolio
POOL 2 ST AGCY FF&C		
SOUTH STREET REPO	258,455,495	23.51
US TREASURY N/B	62,512,923	5.69
US TREASURY N/B	40,133,887	3.65
US TREASURY FRN	40,011,700	3.64
US TREASURY N/B	30,089,141	2.74
TREASURY BILL	29,996,360	2.73
TREASURY BILL	29,964,360	2.73
GOVERNMENT NATIONAL MORTGAGE A	23,778,581	2.16
US TREASURY N/B	20,289,883	1.85
US TREASURY FRN	20,026,300	1.82



Duration Distribution



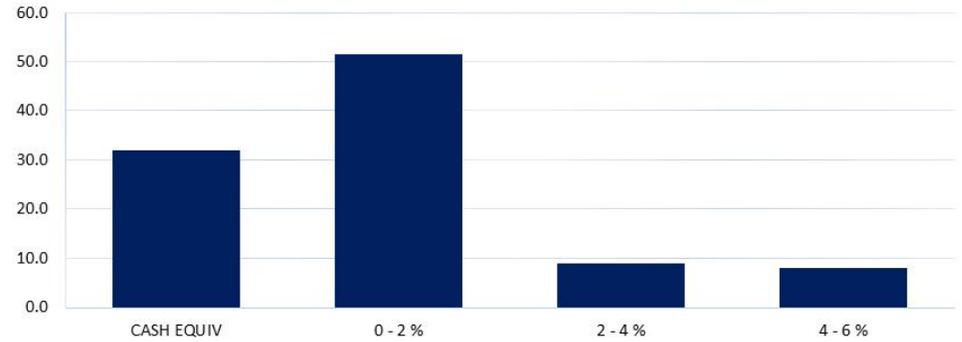
Expected Maturity Distribution



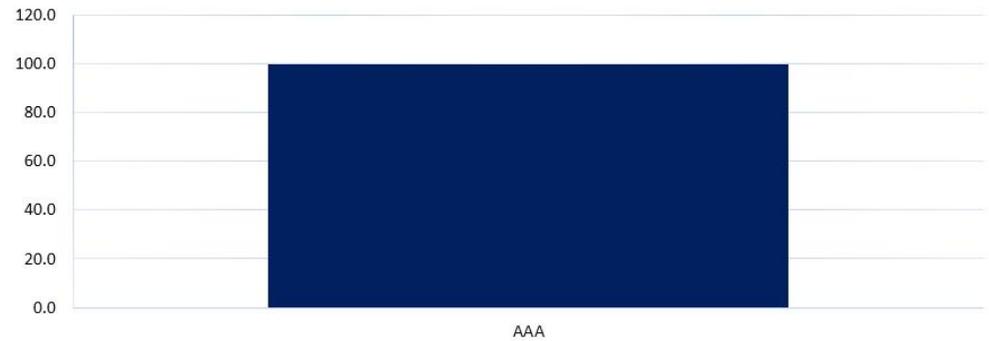
Portfolio Level Characteristics

	POOL 2 ST AGCY FF&C
Weighted Average Life	1.29
Coupon	1.53
Effective Duration	0.91
Quality Rating (Moody's)	AAA

Coupon Distribution

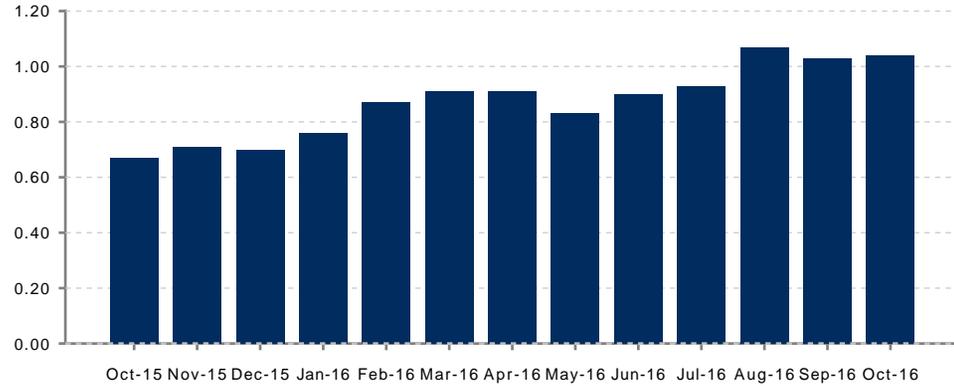


Rating Distribution





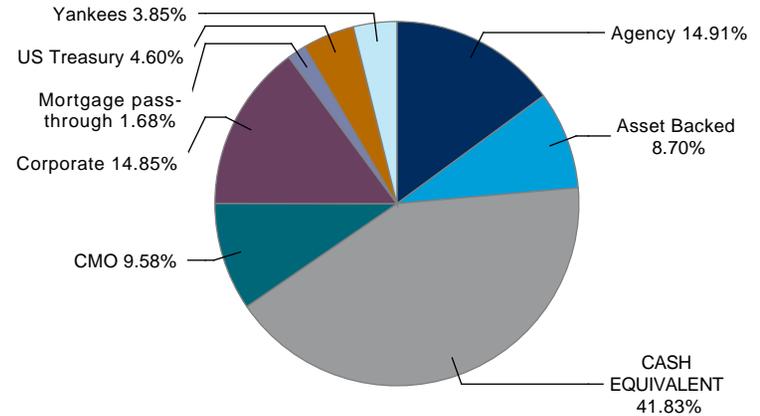
Net Yield



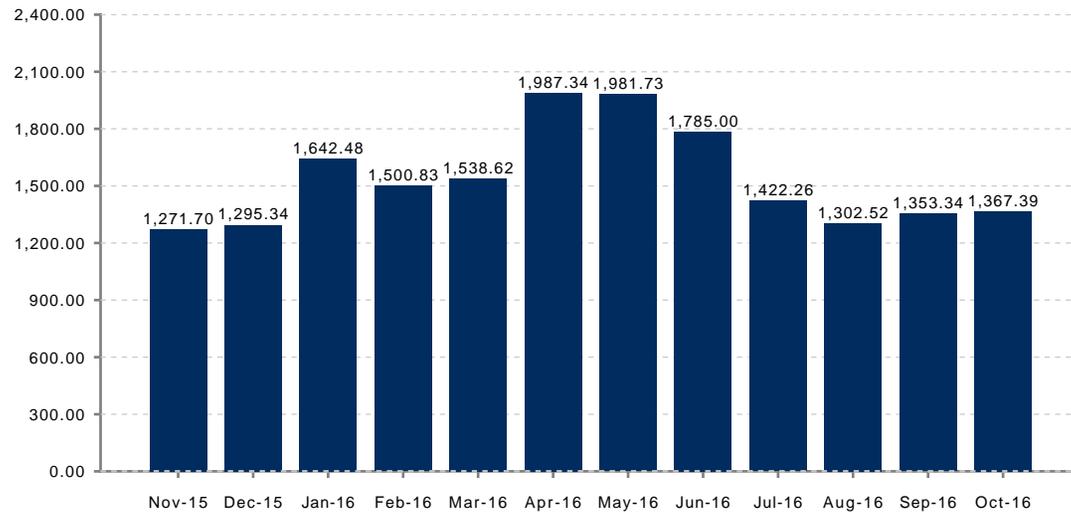
	Current Mth	Prior Mth	1 Year Ago
POOL 3 ST AGCY INT.	1.04	1.03	0.67

Asset Allocation

	Ending Market Value
POOL 3 ST AGCY INT.	1,367,386,777



Net Asset Values over Time (\$MM)

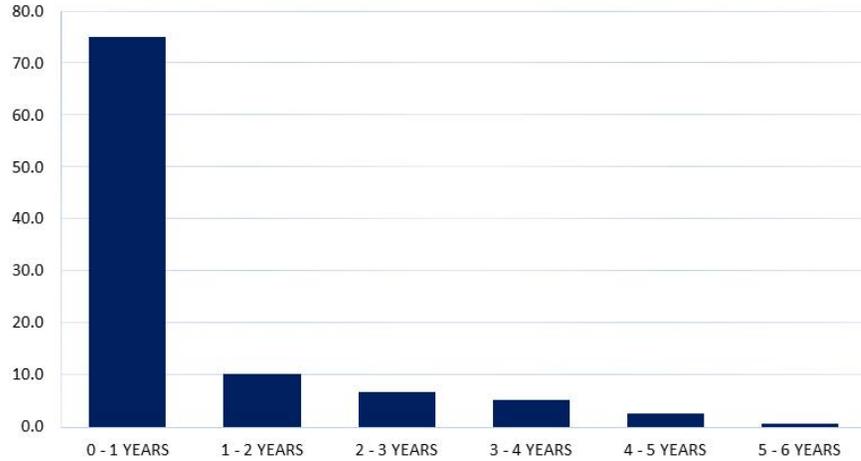


Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 3 ST AGCY INT.		
SOUTH STREET REPO	177,307,530	12.97
CANADIAN IMPERIAL BK	30,067,767	2.20
FREDDIE MAC	30,028,672	2.20
ANGLESEA FDG PLC & ANG	30,000,000	2.19
LEXINGTN PKR CAP CO LL	24,997,917	1.83
PHILIP MORRIS INTL	24,992,708	1.83
MOUNTCLIFF	24,978,542	1.83
CONCORD MIN CPTL CO	24,975,917	1.83
ATLANTIC ASSET SECUR	24,975,500	1.83
SHEFFIELD RECEIVABLE	24,965,972	1.83



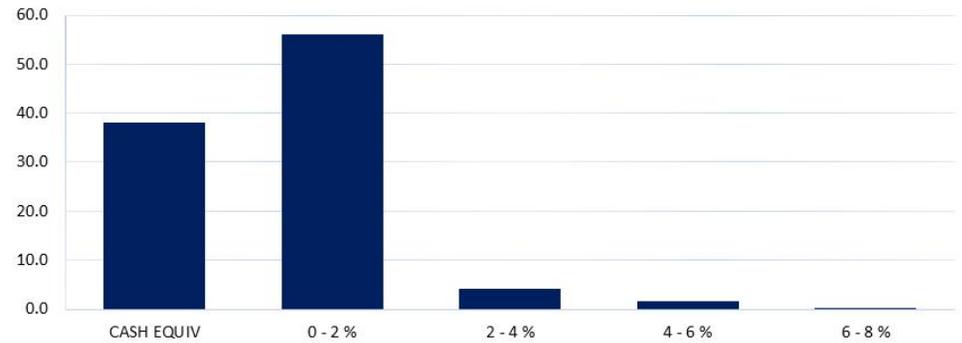
Duration Distribution



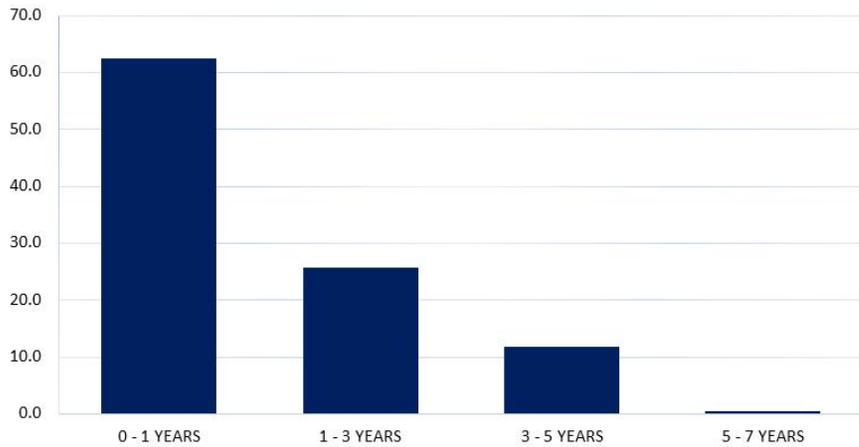
Portfolio Level Characteristics

	POOL 3 ST AGCY INT.
Weighted Average Life	1.03
Coupon	0.97
Effective Duration	0.73
Quality Rating (Moody's)	AA-1

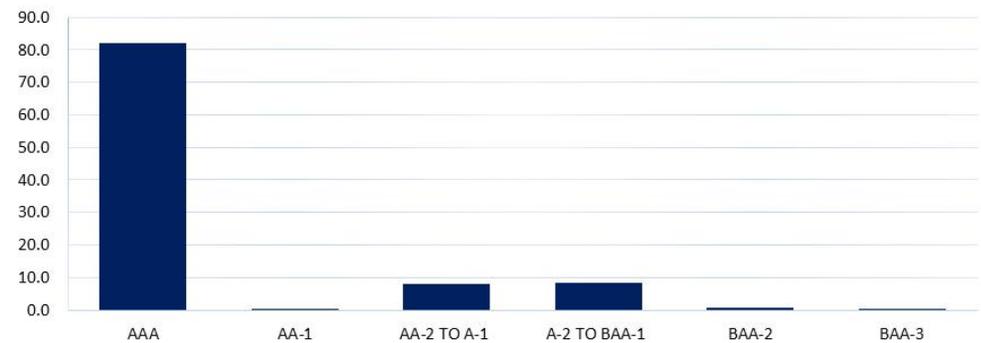
Coupon Distribution



Expected Maturity Distribution

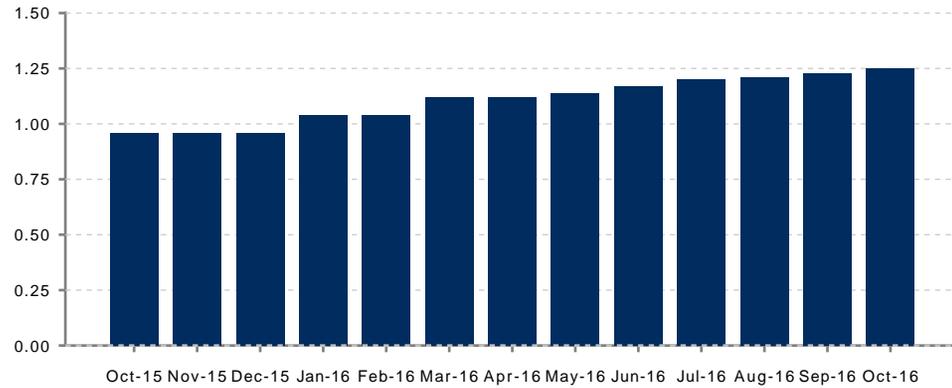


Rating Distribution





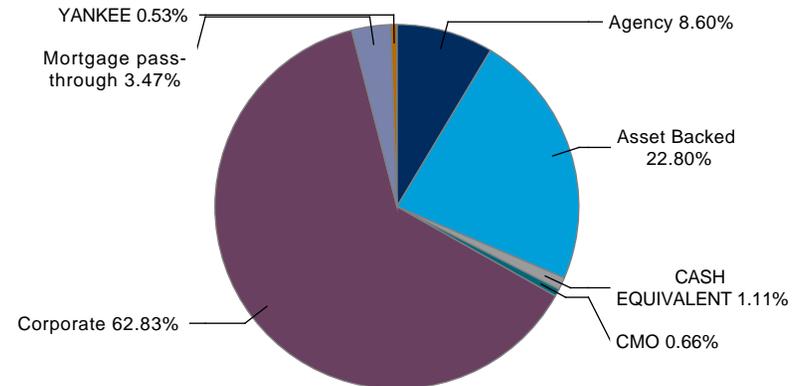
Net Yield



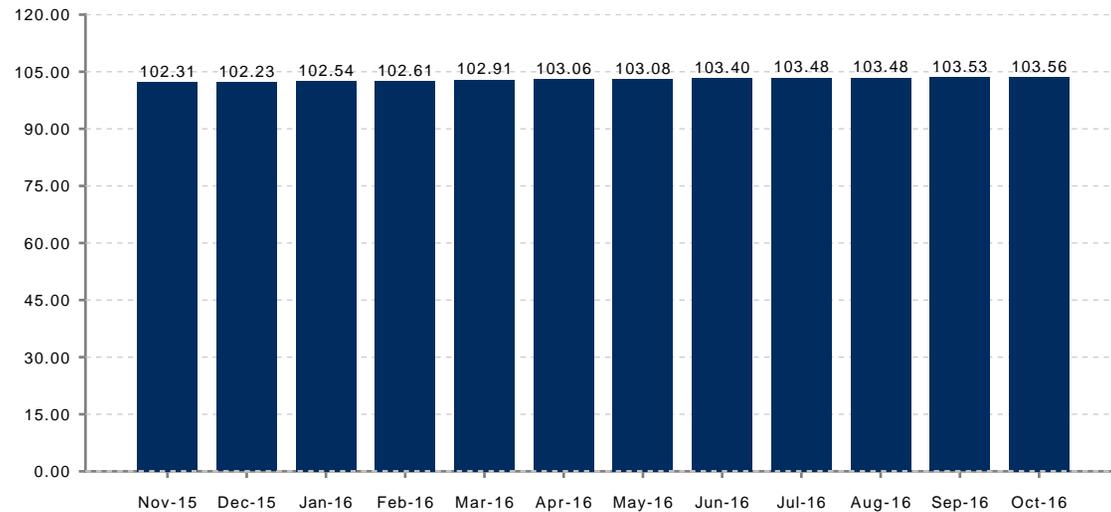
	Current Mth	Prior Mth	1 Year Ago
POOL 3 ST AGCY EXT.	1.25	1.23	0.96

Asset Allocation

	Ending Market Value
POOL 3 ST AGCY EXT.	103,562,718



Net Asset Values over Time (\$MM)

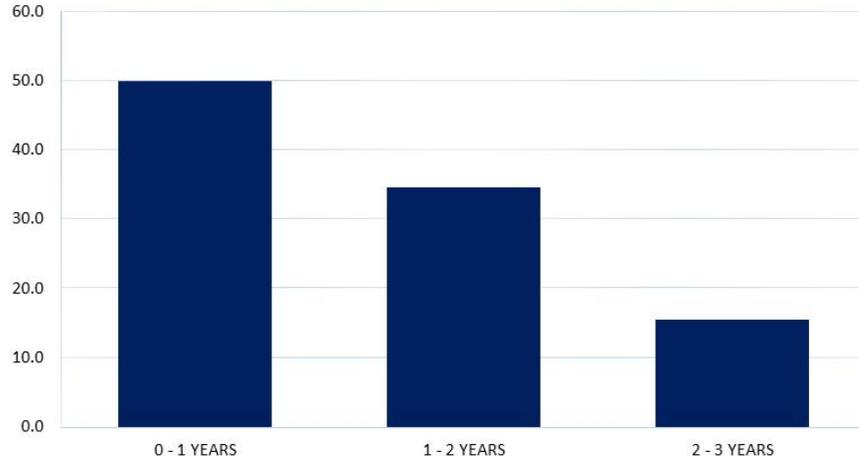


Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 3 ST AGCY EXT.		
FANNIE MAE	2,997,798	2.89
FREDDIE MAC	2,805,815	2.71
FNMA POOL MA1443	2,514,051	2.43
DISCOVER CARD EXECUTION NOTE T	2,121,580	2.05
FANNIE MAE	2,003,578	1.93
CITIBANK CREDIT CARD ISSUANCE	1,733,600	1.67
3M COMPANY	1,544,875	1.49
PEPSICO INC	1,505,684	1.45
HONEYWELL INTERNATIONAL	1,498,289	1.45
CISCO SYSTEMS INC	1,406,079	1.36



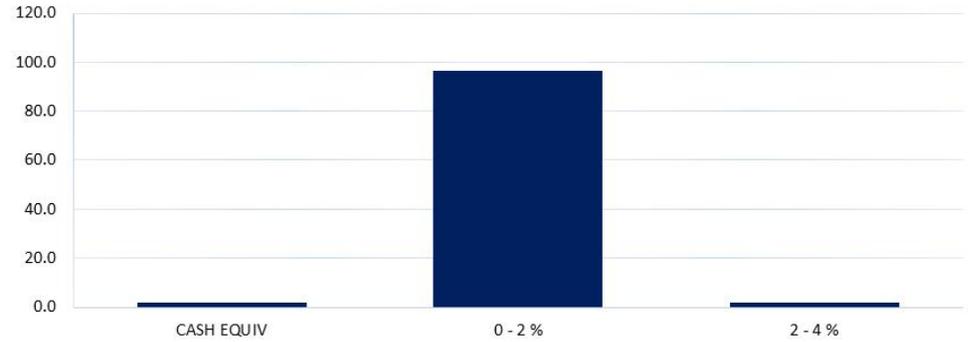
Duration Distribution



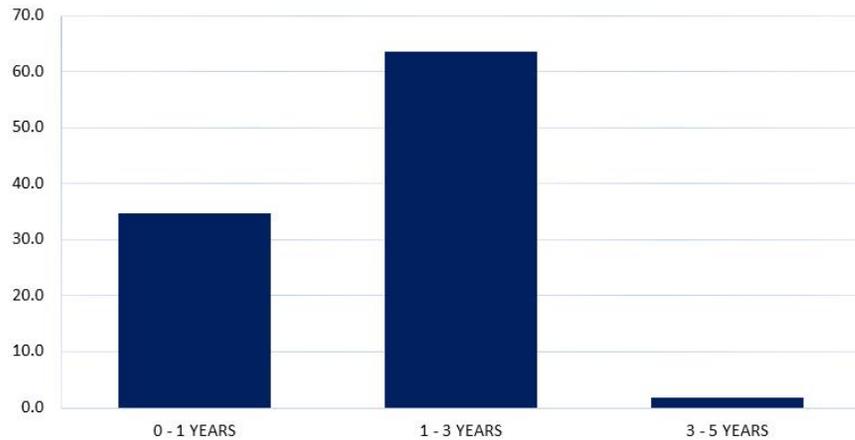
Portfolio Level Characteristics

	POOL 3 ST AGCY EXT.
Weighted Average Life	1.53
Coupon	1.29
Effective Duration	1.07
Quality Rating (Moody's)	AA-3

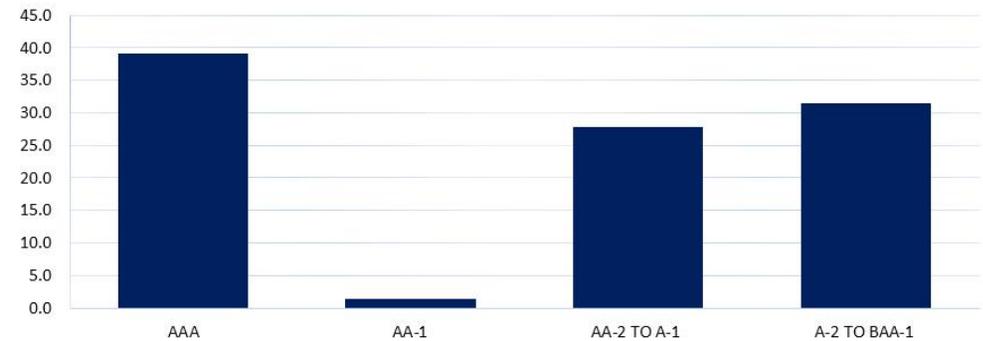
Coupon Distribution



Expected Maturity Distribution

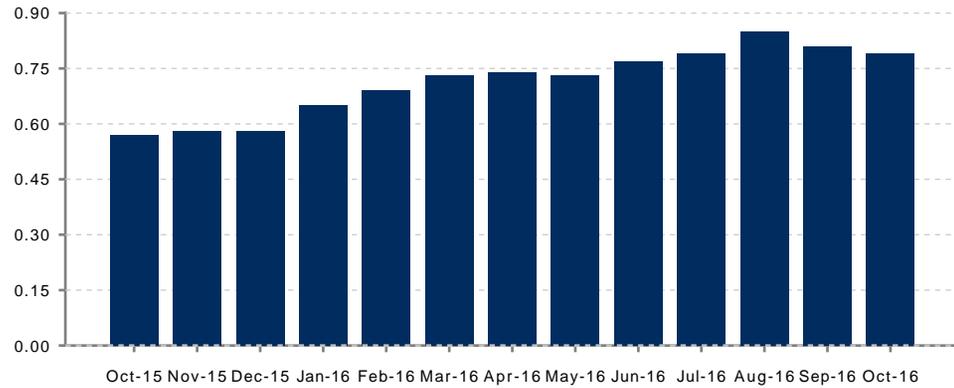


Rating Distribution





Net Yield

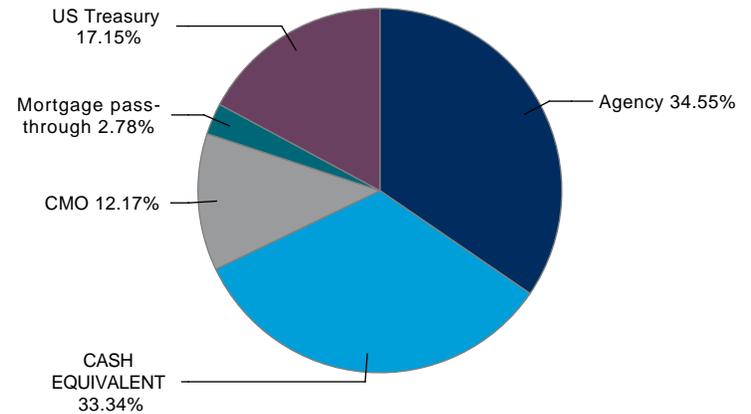


Current Mth Prior Mth 1 Year Ago

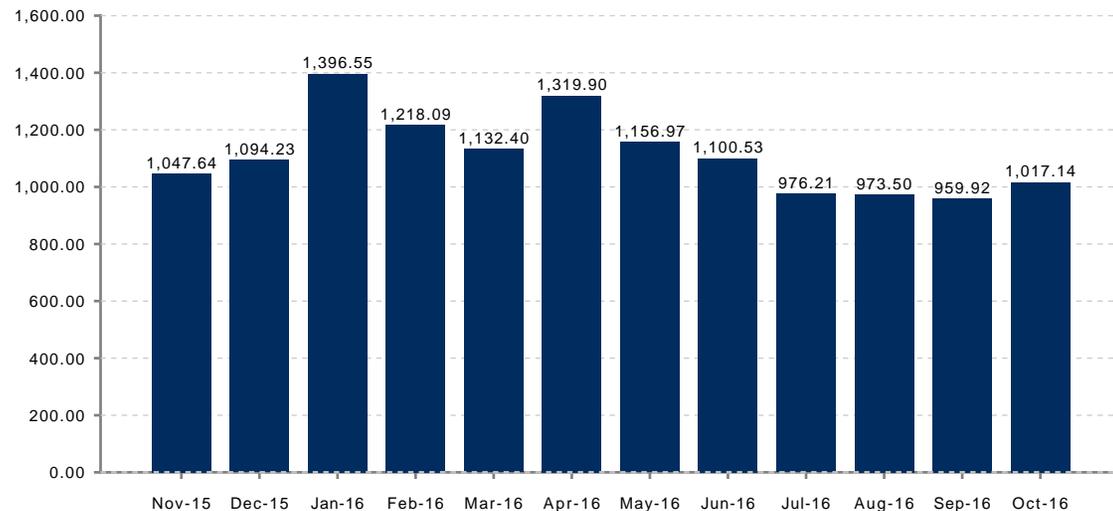
POOL 4 ST AGCY GOV.	0.79	0.81	0.57
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Asset Allocation

	Ending Market Value
POOL 4 ST AGCY GOV.	1,017,144,747



Net Asset Values over Time (\$MM)

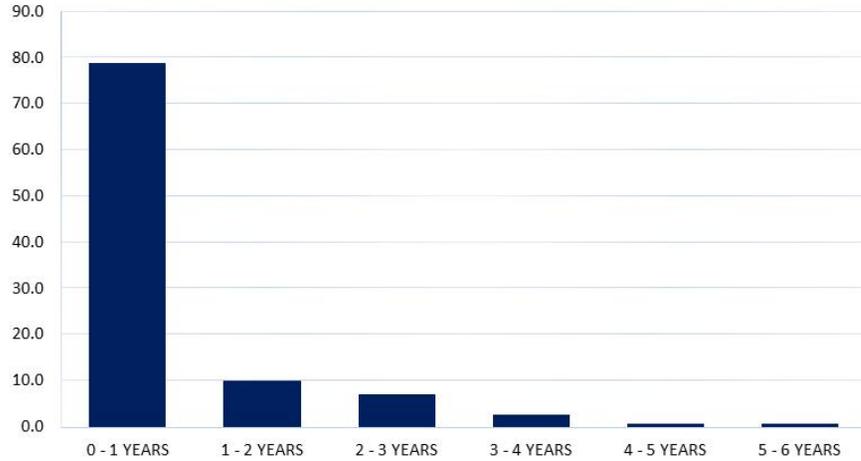


Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 4 ST AGCY GOV.		
SOUTH STREET REPO	111,549,336	10.97
SOUTH STREET REPO	92,696,070	9.11
US TREASURY N/B	30,100,415	2.96
FANNIEMAE ACES	21,721,008	2.14
FARMER MAC	20,156,375	1.98
US TREASURY N/B	20,060,199	1.97
FEDERAL FARM CREDIT BANK	20,028,020	1.97
FREDDIE MAC	20,019,115	1.97
FEDERAL FARM CREDIT BANK	20,011,560	1.97
FEDERAL FARM CREDIT BANK	20,010,355	1.97



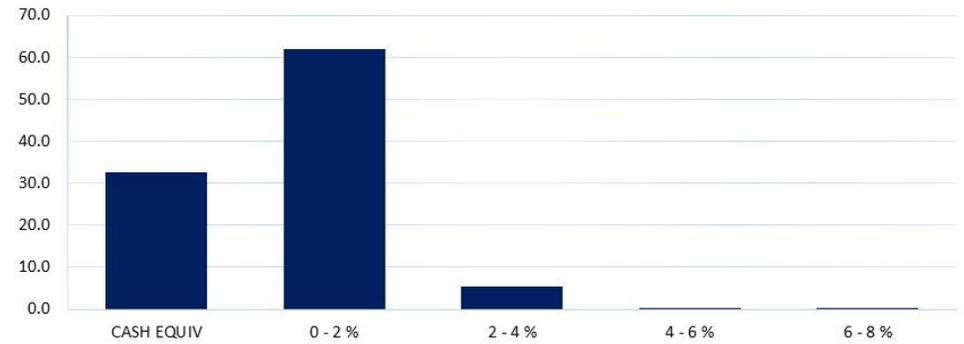
Duration Distribution



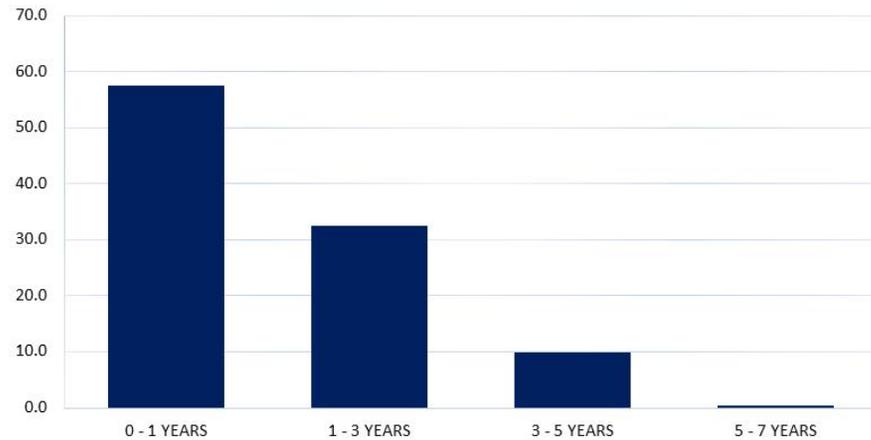
Portfolio Level Characteristics

	POOL 4 ST AGCY GOV.
Weighted Average Life	1.09
Coupon	0.93
Effective Duration	0.72
Quality Rating (Moody's)	AAA

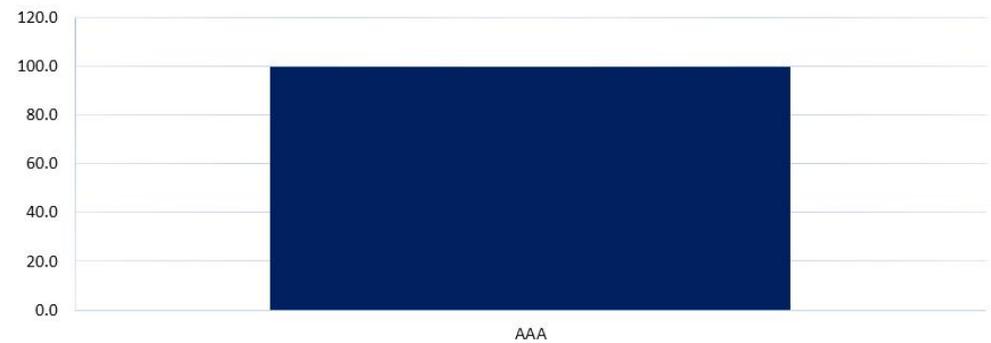
Coupon Distribution



Expected Maturity Distribution

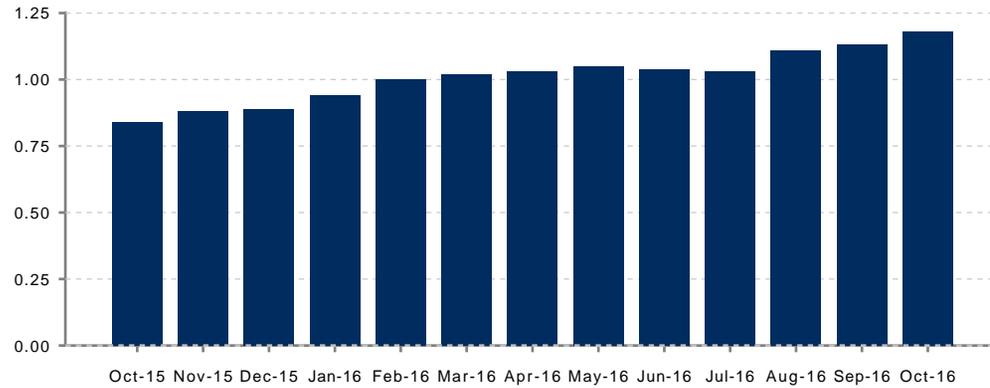


Rating Distribution





Net Yield

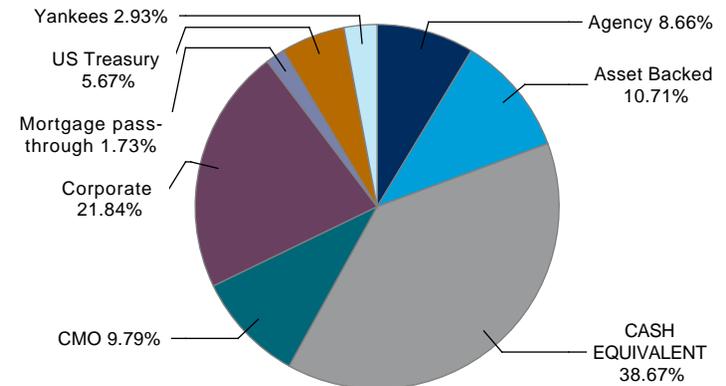


Current Mth **Prior Mth** **1 Year Ago**

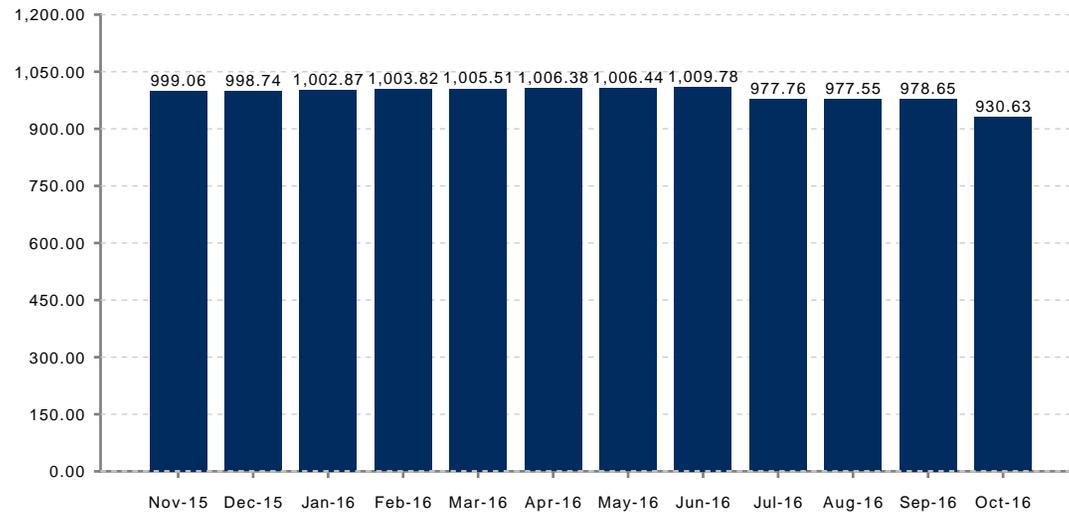
POOL 10 ST OPER INT	1.18	1.13	0.84
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Asset Allocation

	Ending Market Value
POOL 10 ST OPER INT	930,628,934



Net Asset Values over Time (\$MM)

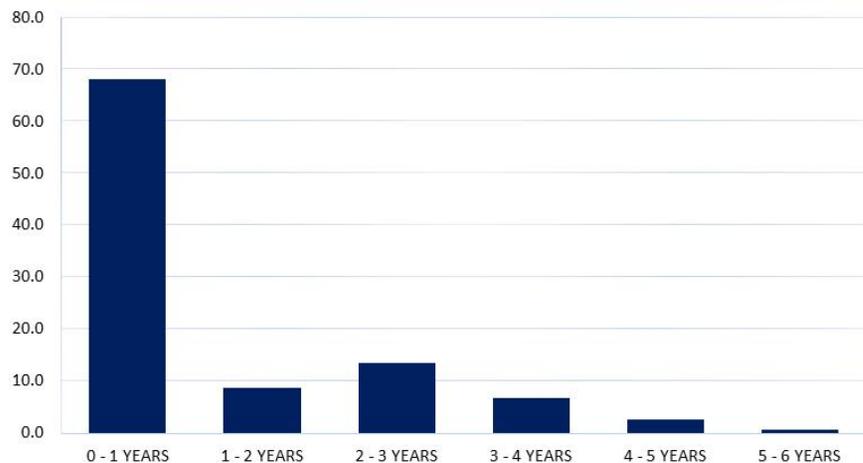


Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 10 ST OPER INT		
KELLS FDG LLC	29,998,075	3.22
MANHATTAN ASSET FDG.	24,988,431	2.69
ATLANTIC ASSET SECUR	24,975,500	2.68
ING (US) FUNDING LLC	24,941,139	2.68
WESTPAC BANKING CORP.	24,857,813	2.67
US TREASURY N/B	20,401,230	2.19
BNK OF TKYO-MTBSHI L	20,038,643	2.15
TREASURY BILL	19,997,650	2.15
LIBERTY FUNDING LLC	19,965,883	2.15
SUMITOMO MTSU BKG CORP	19,957,956	2.14



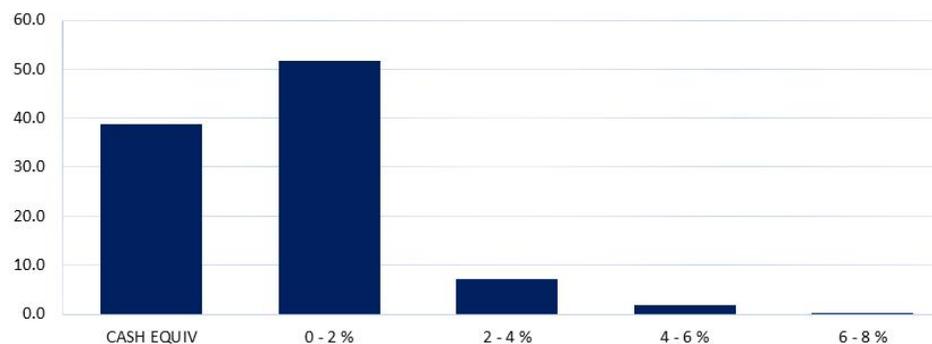
Duration Distribution



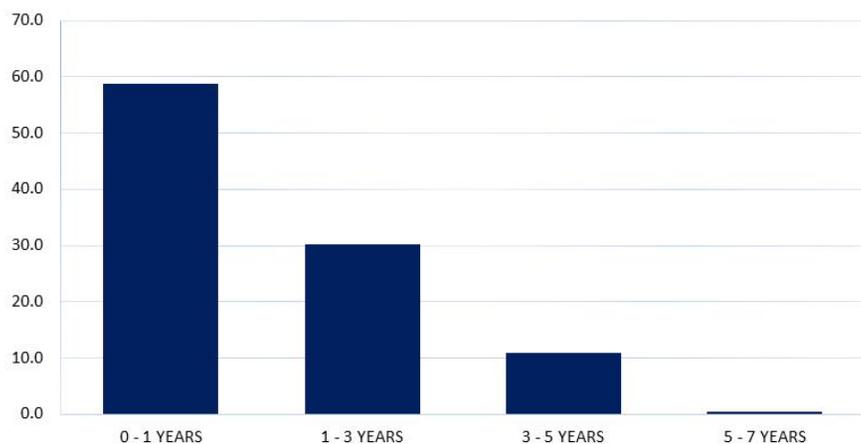
Portfolio Level Characteristics

	POOL 10 ST OPERATING INT
Weighted Average Life	1.18
Coupon	1.03
Effective Duration	1.03
Quality Rating (Moody's)	AA-1

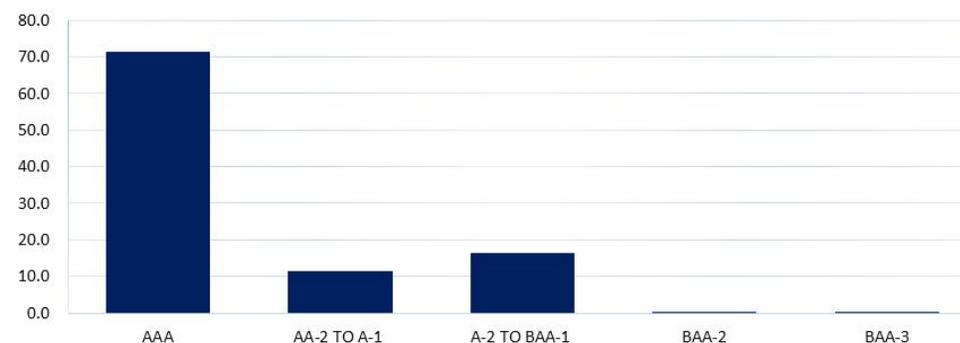
Coupon Distribution



Expected Maturity Distribution

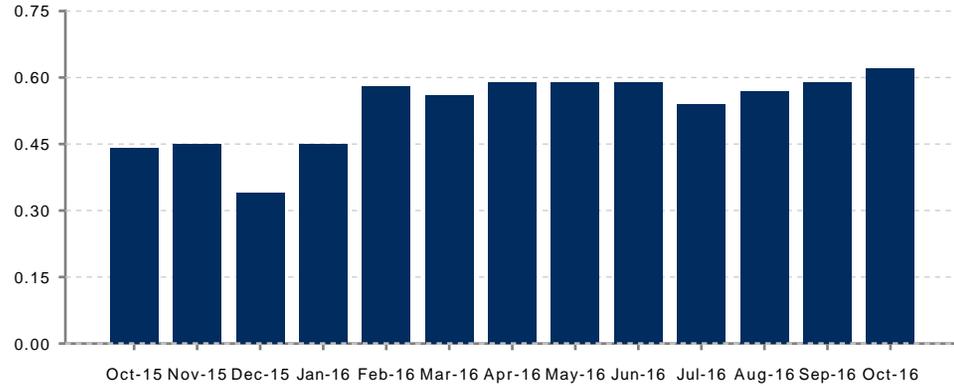


Rating Distribution





Net Yield

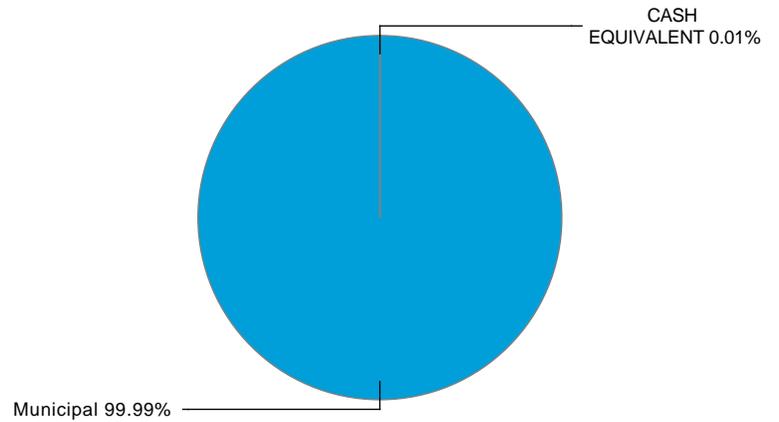


Current Mth **Prior Mth** **1 Year Ago**

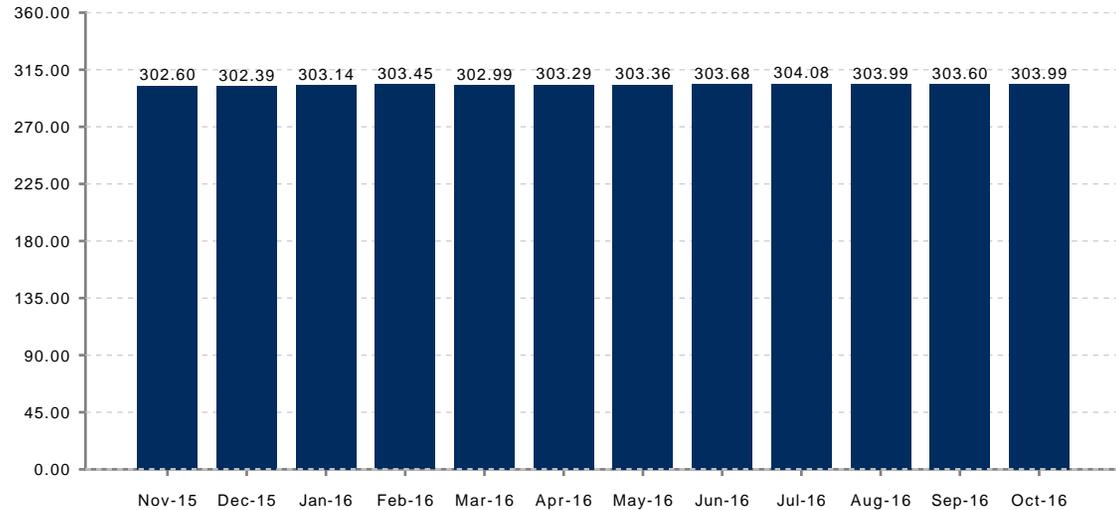
POOL 10 ST OPERATING	0.62	0.59	0.44
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Asset Allocation

	Ending Market Value
POOL 10 ST OPERATING	303,986,389



Net Asset Values over Time (\$MM)

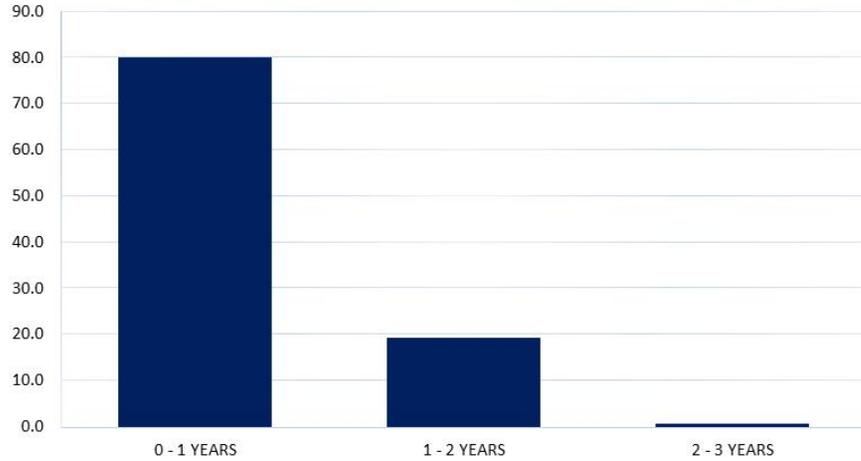


Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 10 ST OPERATING		
HOUSTON TX UTILITY SYS REVENUE	13,909,256	4.58
WISCONSIN ST HLTH EDUCTNL FA	12,808,810	4.21
PORTLAND OR CMNTY CLG DIST	12,285,554	4.04
HOUSTON TX INDEP SCH DIST	11,609,323	3.82
PORTLAND OR SWR SYS REVENUE	11,503,378	3.78
VIRGINIA BEACH VA	10,641,400	3.50
LEAWOOD KS	10,487,166	3.45
MULTNOMAH CNTY OR SCH DIST 1J	10,452,691	3.44
MADISON WI	10,266,557	3.38
NORTH SLOPE BORO AK	10,239,739	3.37



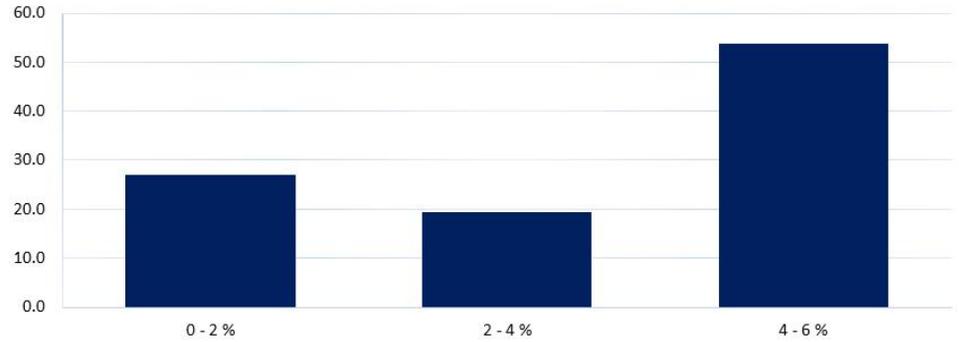
Duration Distribution



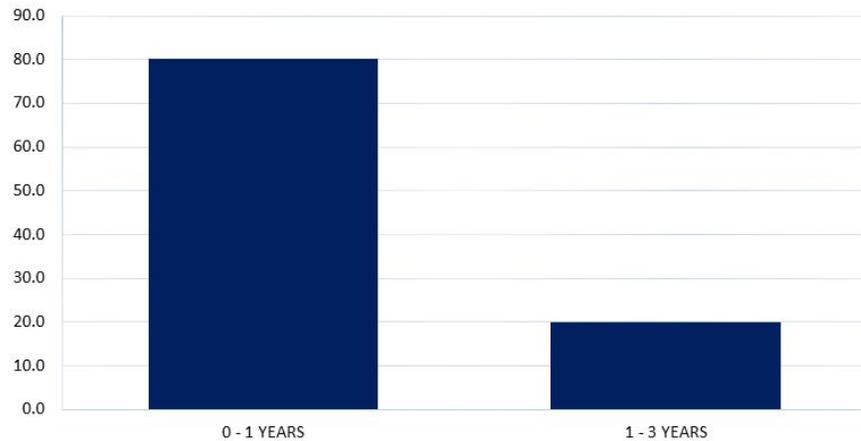
Portfolio Level Characteristics

	POOL 10 ST OPERATING
Weighted Average Life	0.63
Coupon	3.74
Effective Duration	0.61
Quality Rating (Moody's)	AA-1

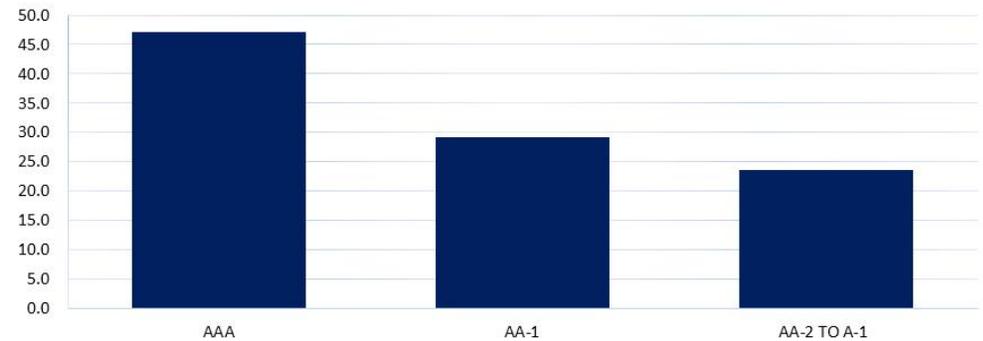
Coupon Distribution



Expected Maturity Distribution

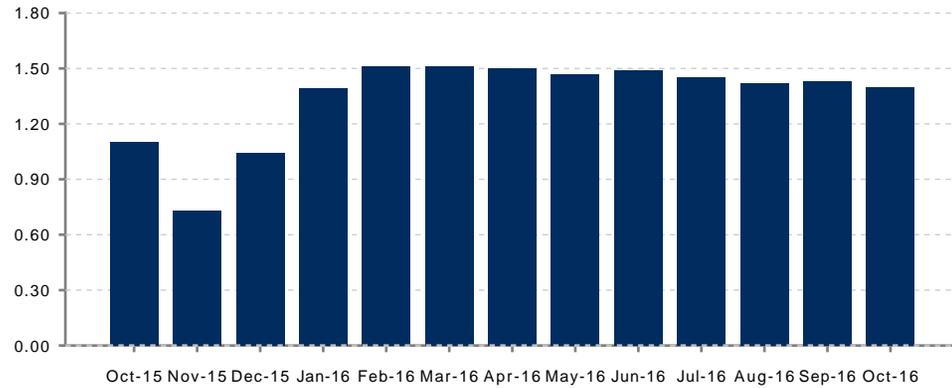


Rating Distribution





Net Yield

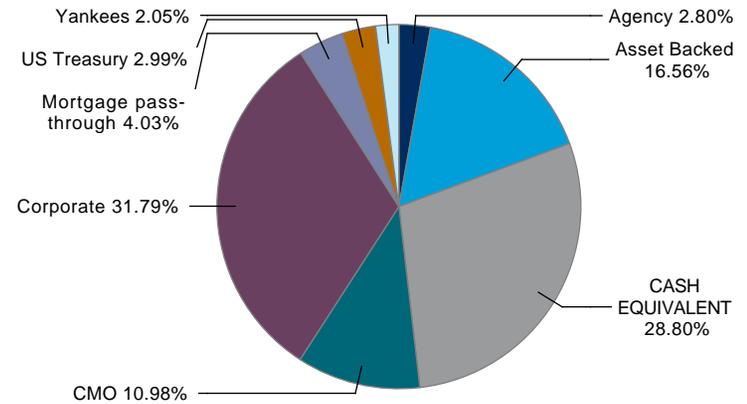


Current Mth **Prior Mth** **1 Year Ago**

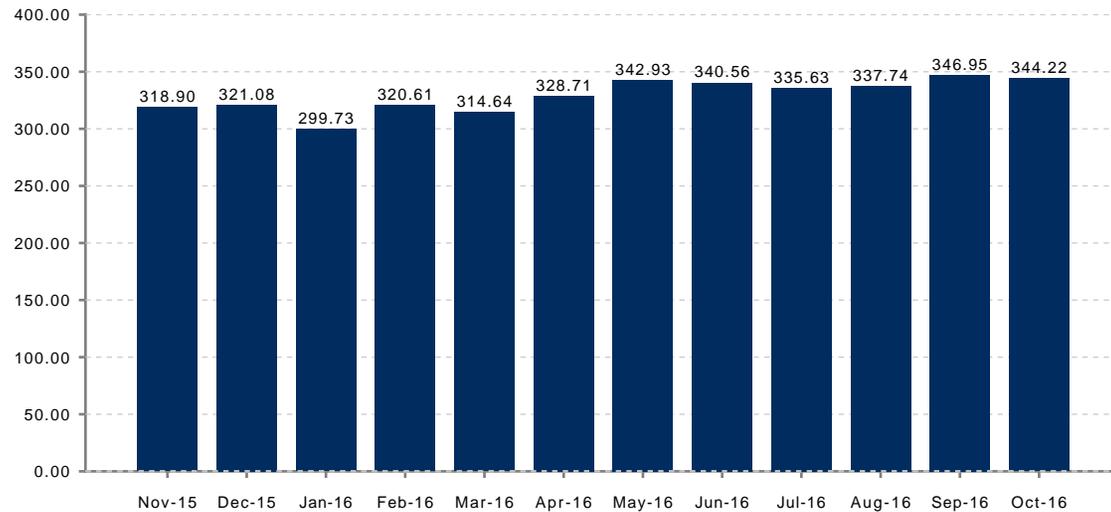
POOL 12 CAWCD MED TRM	1.40	1.43	1.10
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Asset Allocation

POOL 12 CAWCD MED TRM	Ending Market Value 344,219,419
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Net Asset Values over Time (\$MM)

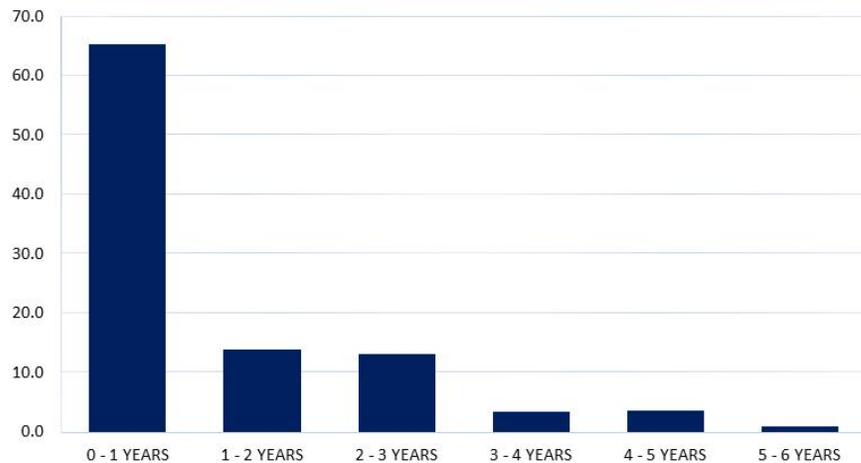


Top 10 Holdings

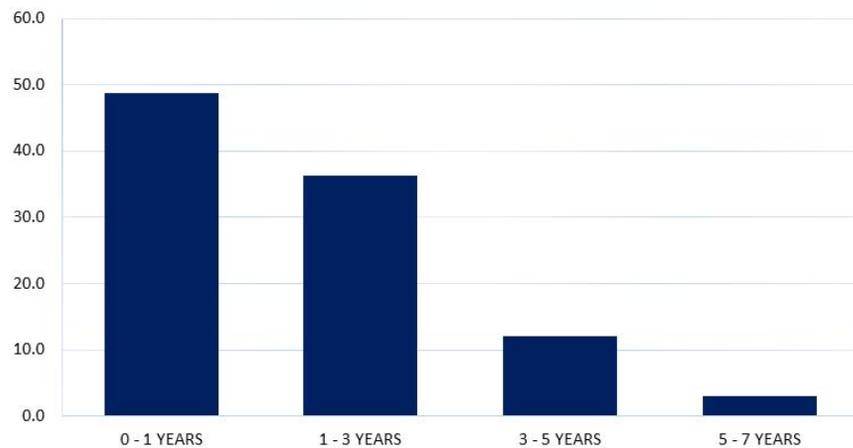
Security Name	Ending Market Value	% of Portfolio
POOL 12 CAWCD MED TRM		
GUGGENHEIM SECURITIES REPO	17,559,848	5.10
GM FINANCIAL AUTOMOBILE LEASIN	10,060,236	2.92
HONDA AUTO RECEIVABLES OWNER T	6,005,416	1.74
FNMA POOL AV9175	5,708,898	1.66
FANNIE MAE	5,465,035	1.59
US TREASURY N/B	5,074,487	1.47
APPLE INC	5,060,603	1.47
GOLDMAN SACHS GROUP INC	5,046,565	1.47
US TREASURY N/B	5,034,903	1.46
CHRYSLER CAPITAL AUTO RECEIVAB	5,026,052	1.46



Duration Distribution



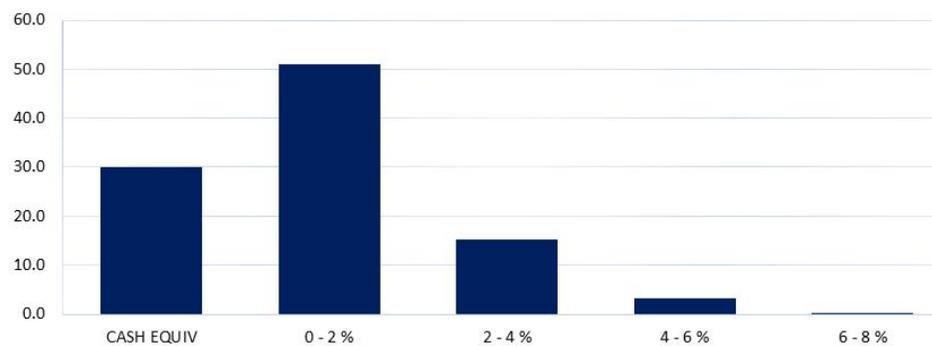
Expected Maturity Distribution



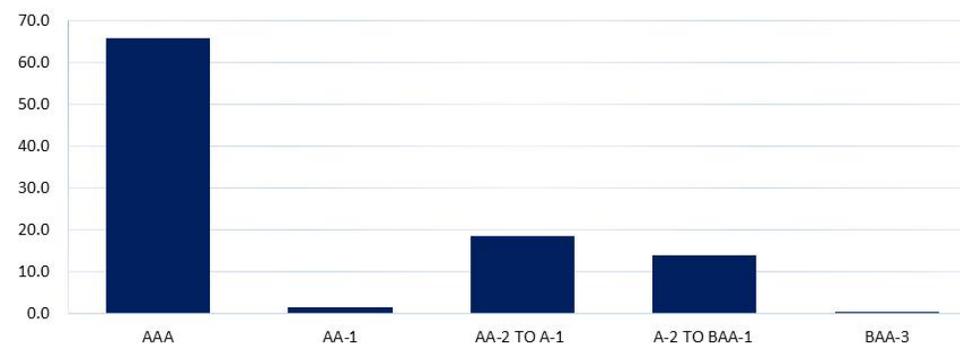
Portfolio Level Characteristics

	POOL 12 CAWCD MED TRM
Weighted Average Life	1.45
Coupon	1.45
Effective Duration	0.98
Quality Rating (Moody's)	AA-2

Coupon Distribution

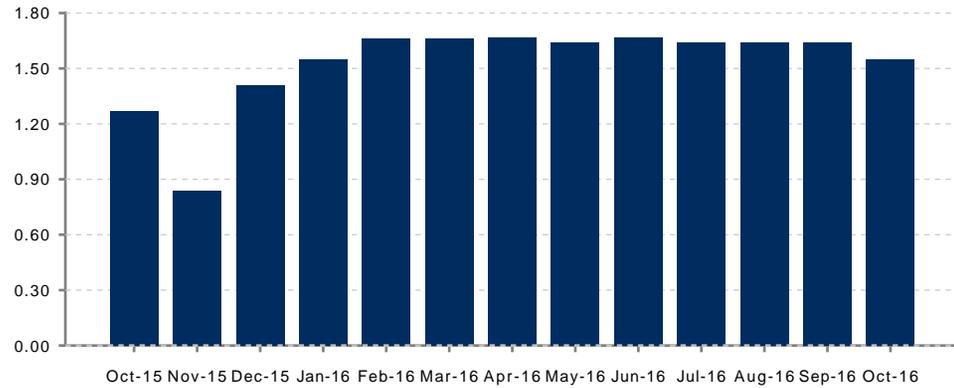


Rating Distribution





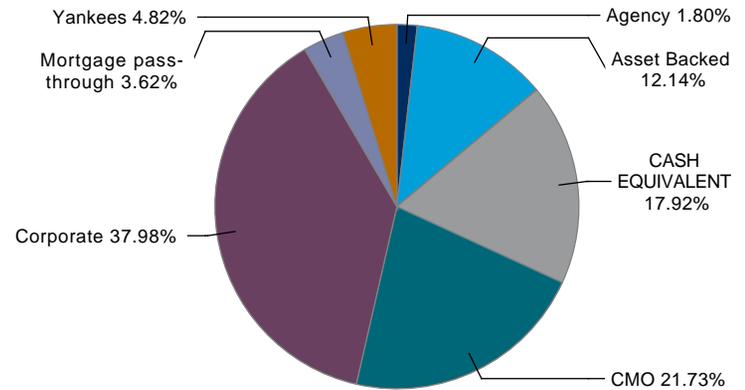
Net Yield



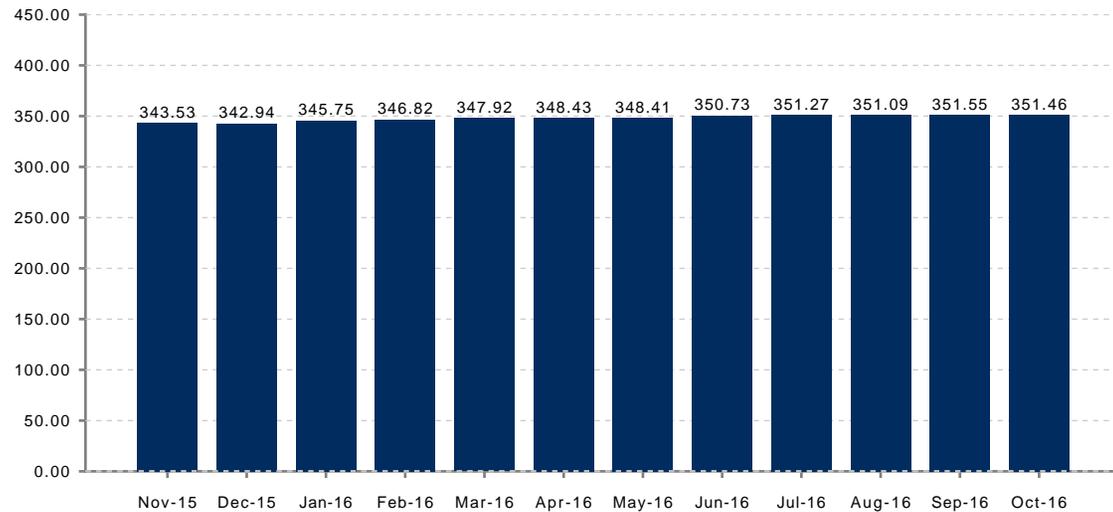
	Current Mth	Prior Mth	1 Year Ago
POOL 16 ECDHB	1.55	1.64	1.27

Asset Allocation

	Ending Market Value
POOL 16 ECDHB	351,464,947



Net Asset Values over Time (\$MM)

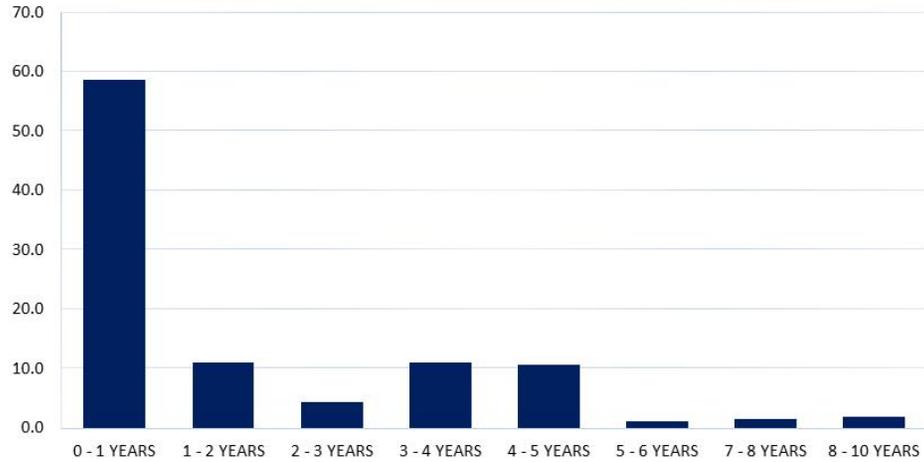


Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 16 ECDHB		
GUGGENHEIM SECURITIES REPO	16,000,200	4.55
FREDDIEMAC STRIP	7,218,367	2.05
NATIONAL CITY BANK	7,012,870	2.00
FANNIE MAE	6,543,435	1.86
FREDDIE MAC	5,591,265	1.59
FREDDIE MAC	5,374,957	1.53
FHLMC MULTIFAMILY STRUCTURED P	5,284,025	1.50
GOVERNMENT NATIONAL MORTGAGE A	5,196,743	1.48
FREDDIE MAC	5,162,955	1.47
FANNIE MAE	5,153,378	1.47



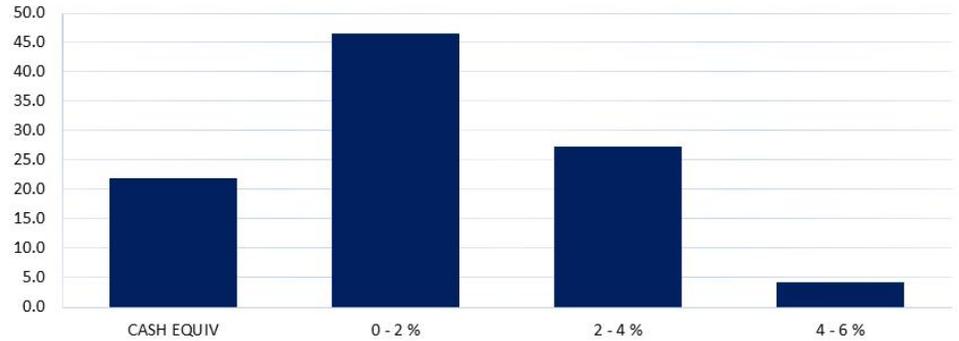
Duration Distribution



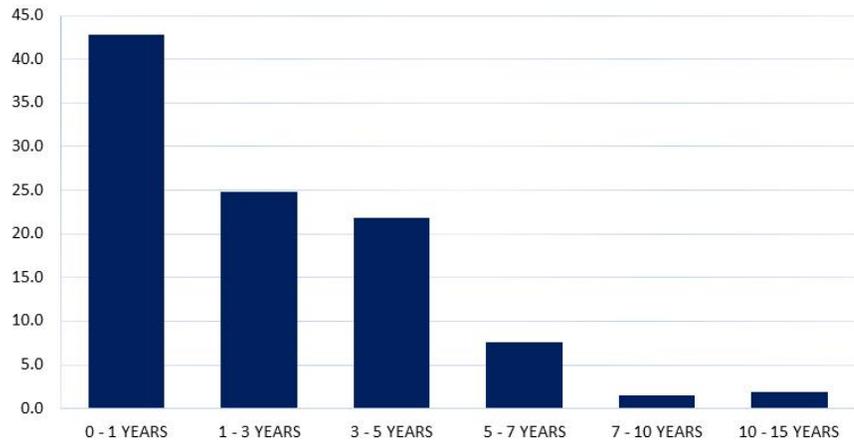
Portfolio Level Characteristics

	POOL 16 ECDHB
Weighted Average Life	2.27
Coupon	1.79
Effective Duration	1.58
Quality Rating (Moody's)	AA-2

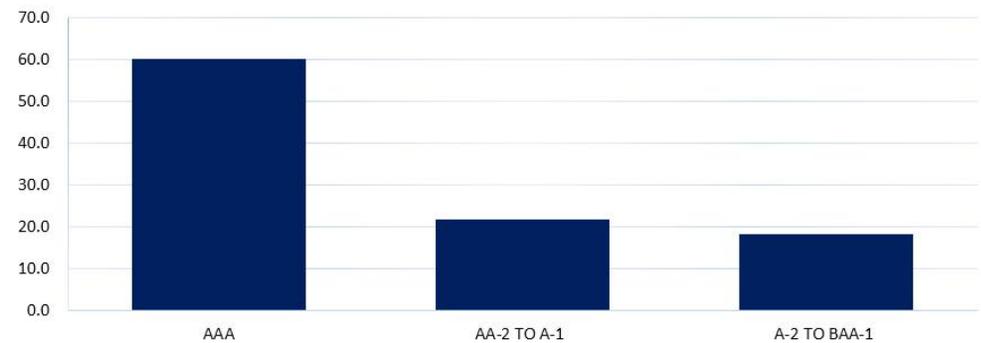
Coupon Distribution



Expected Maturity Distribution



Rating Distribution



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

NET EARNINGS

FUND	DESCRIPTION	Current Month 10/31/16	Prior Month 09/30/16	Prior Year 10/31/15	Net Asset Value Per Share
5	LGIP	455,066	416,711	166,664	1.0000
7	LGIP - GOV	330,133	311,664	86,834	1.0000
	TOTAL LGIP & LGIP-GOV	785,199	728,375	253,498	

YIELDS

<u>MONTHLY</u>		Current Month 10/31/16	Prior Month 09/30/16	Prior Year 10/31/15
5	LGIP (NET)	0.46%	0.47%	0.17%
	S & P LGIP INDEX	0.47%	0.44%	0.10%
7	LGIP - GOV (NET)	0.38%	0.38%	0.12%
	3 MONTH T-BILL	0.31%	0.28%	0.01%
<u>YEAR TO DATE</u>				
5	LGIP (NET)	0.45%	0.45%	0.16%
	S & P LGIP INDEX	0.43%	0.42%	0.08%
7	LGIP - GOV (NET)	0.38%	0.38%	0.11%
	3 MONTH T-BILL	0.29%	0.28%	0.02%

* 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
OCTOBER 2016**

NET EARNINGS

FUND	DESCRIPTION	Current Month 10/31/16	Prior Month 09/30/16	Prior Year 10/31/15	Net Asset Value Per Share
500	LGIP - MED TERM POOL	308,834	286,568	244,984	1.0350
700	LGIP - FF&C MED TERM POOL	133,512	141,511	131,993	1.0127
	TOTAL LGIP MEDIUM TERM POOLS	442,346	428,080	376,977	

YIELDS

MONTHLY

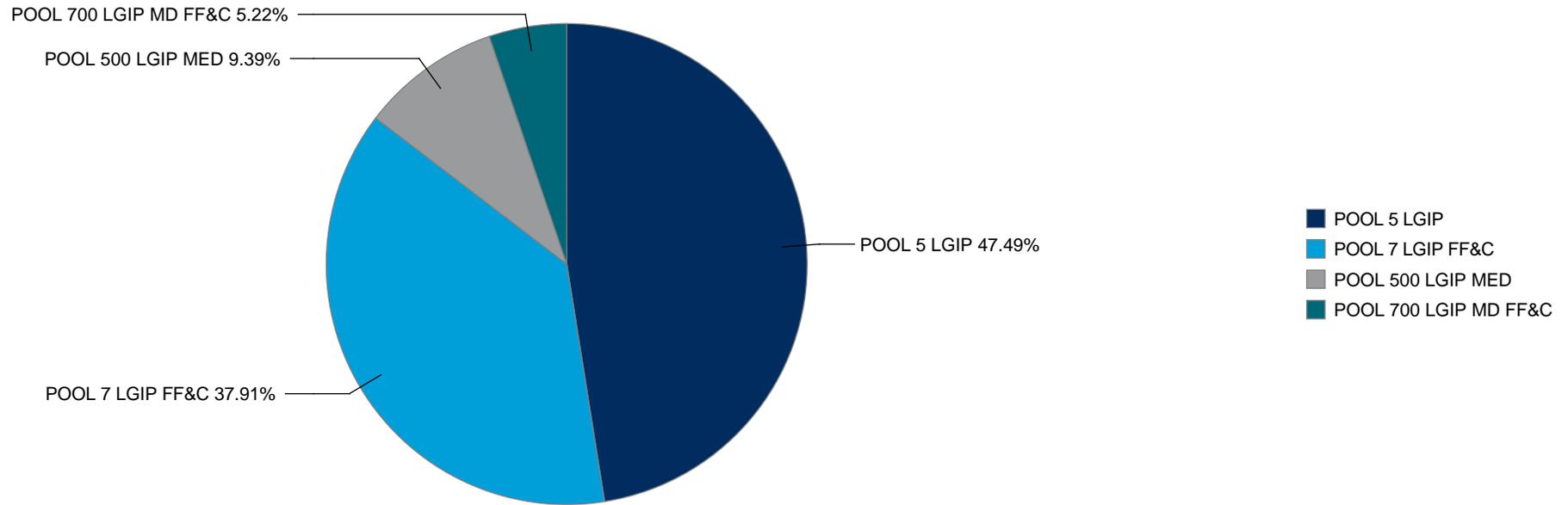
	Current Month 10/31/16	Prior Month 09/30/16	Prior Year 10/31/15
500 LGIP - MED TERM (NET)	1.38%	1.33%	1.19%
75% MERRILL 1-5 US D M INDEX / 25% S & P LGIP INDEX	1.23%	1.16%	1.19%
700 LGIP - FF&C MED TERM (NET)	1.08%	1.18%	1.07%
75% MERRILL 1-5 US TREAS INDEX / 15% MERRILL US GNMA 15 YR INDEX / 10% MERRILL US 3 MO T-BILL INDEX	1.03%	0.93%	1.03%

YEAR TO DATE

500 LGIP - MED TERM (NET)	1.34%	1.32%	1.20%
75% MERRILL 1-5 US D M INDEX / 25% S & P LGIP INDEX	1.16%	1.13%	1.13%
700 LGIP - FF&C MED TERM (NET)	1.10%	1.11%	0.92%
75% MERRILL 1-5 US TREAS INDEX / 15% MERRILL US GNMA 15 YR INDEX / 10% MERRILL US 3 MO T-BILL INDEX	0.94%	0.91%	1.00%



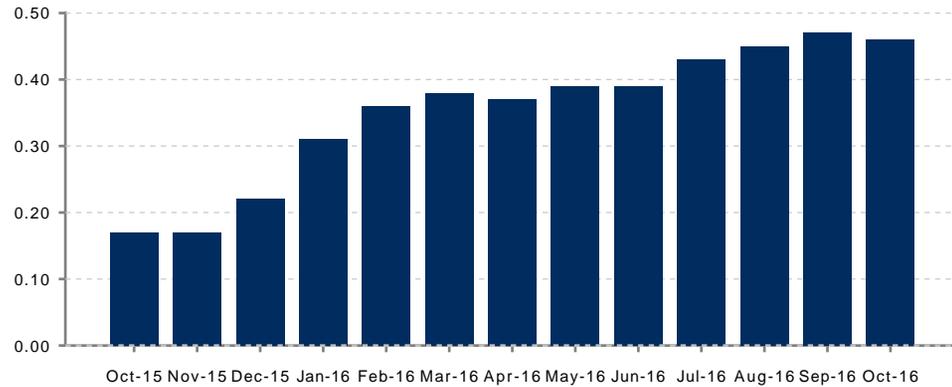
Manager Allocation



	Market Value	% of Portfolio
POOL 5 LGIP	1,333,373,664	47.5
POOL 7 LGIP FF&C	1,064,332,446	37.9
POOL 500 LGIP MED	263,681,537	9.4
POOL 700 LGIP MD FF&C	146,446,106	5.2
TOTAL LGIP	2,807,833,753	100.0



Net Yield

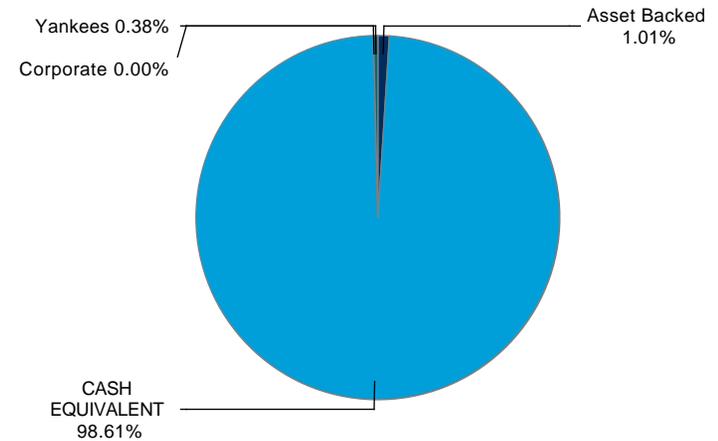


Current Mth Prior Mth 1 Year Ago

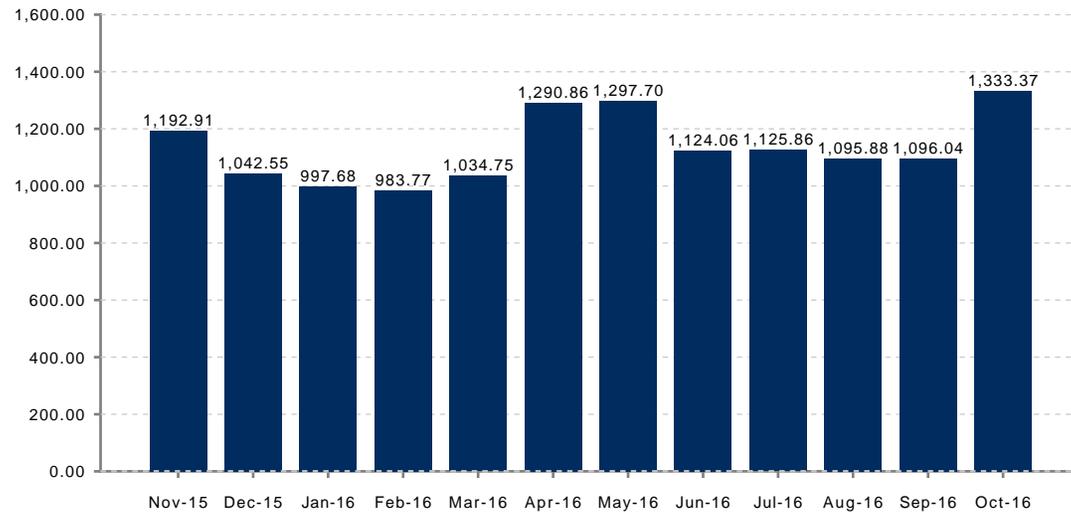
POOL 5 LGIP	0.46	0.47	0.17
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Asset Allocation

	Ending Market Value
POOL 5 LGIP	1,333,373,664



Net Asset Values over Time (\$MM)

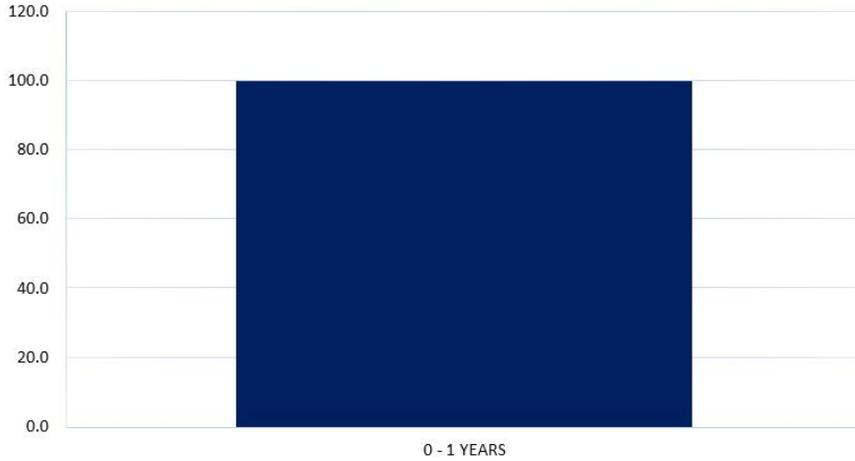


Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 5 LGIP		
WELLS FARGO REPO	150,007,083	11.25
BANK OF AMERICA REPO	100,000,778	7.50
WELLS FARGO REPO	98,943,074	7.42
FIDELITY INVESTMENTS MONEY	50,099,750	3.76
ATLANTIC ASSET SECUR	29,996,250	2.25
PFIZER INC	29,993,500	2.25
PEPSICO INC	29,991,225	2.25
WALT DISNEY CO	29,972,467	2.25
INTL BUS MACH CORP	29,971,067	2.25
APPLE INC	29,962,900	2.25



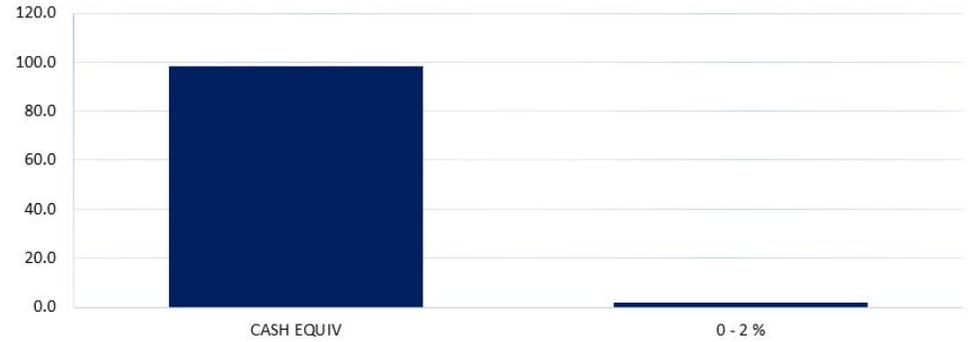
Duration Distribution



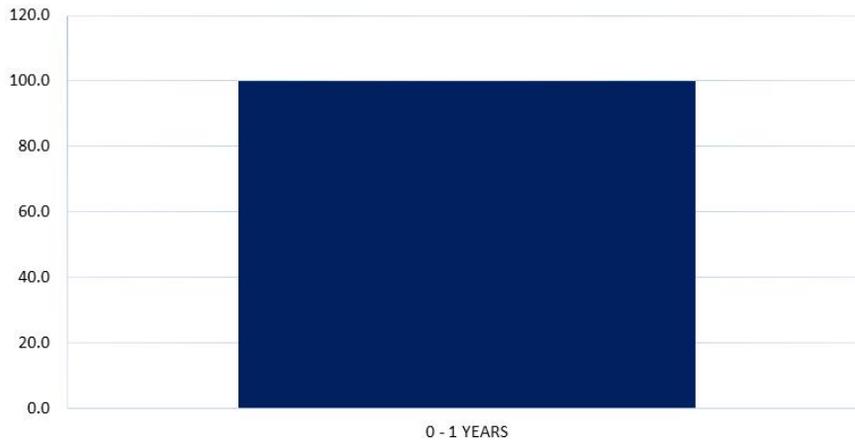
Portfolio Level Characteristics

	POOL 5 LGIP
Weighted Average Life	0.07
Coupon	0.09
Effective Duration	0.07
Quality Rating (Moody's)	AAA

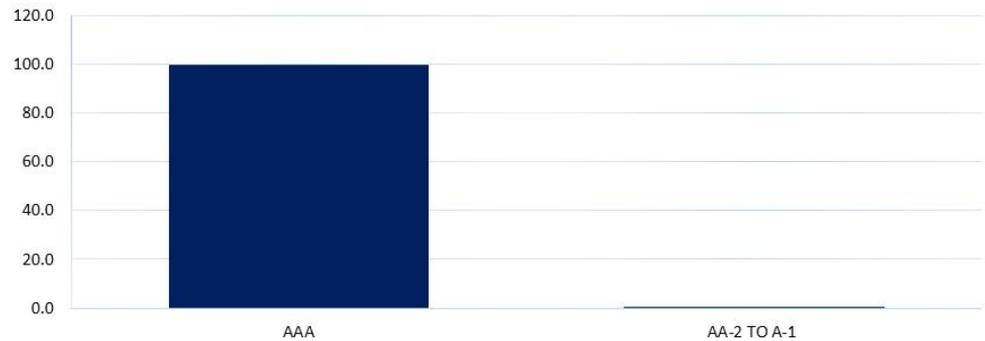
Coupon Distribution



Expected Maturity Distribution

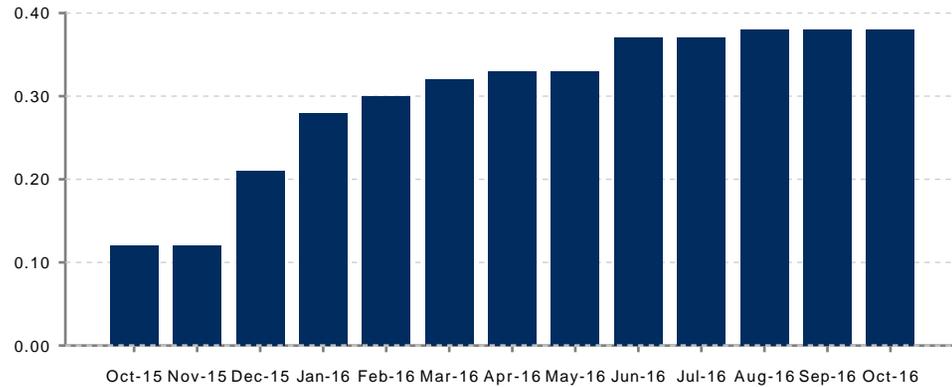


Rating Distribution





Net Yield



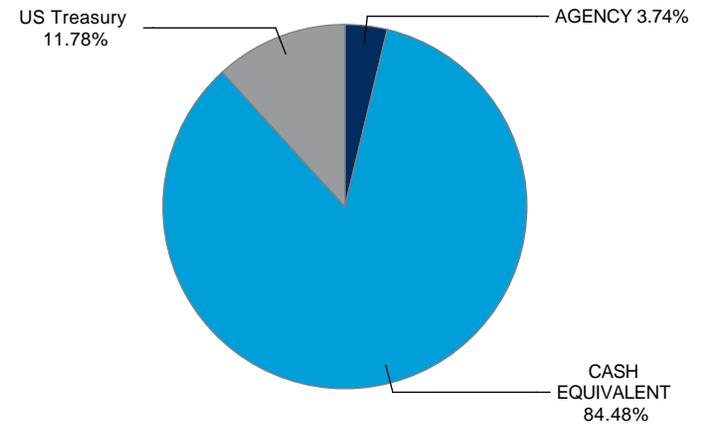
Current Mth **Prior Mth** **1 Year Ago**

POOL 7 LGIP FF&C	0.38	0.38	0.12
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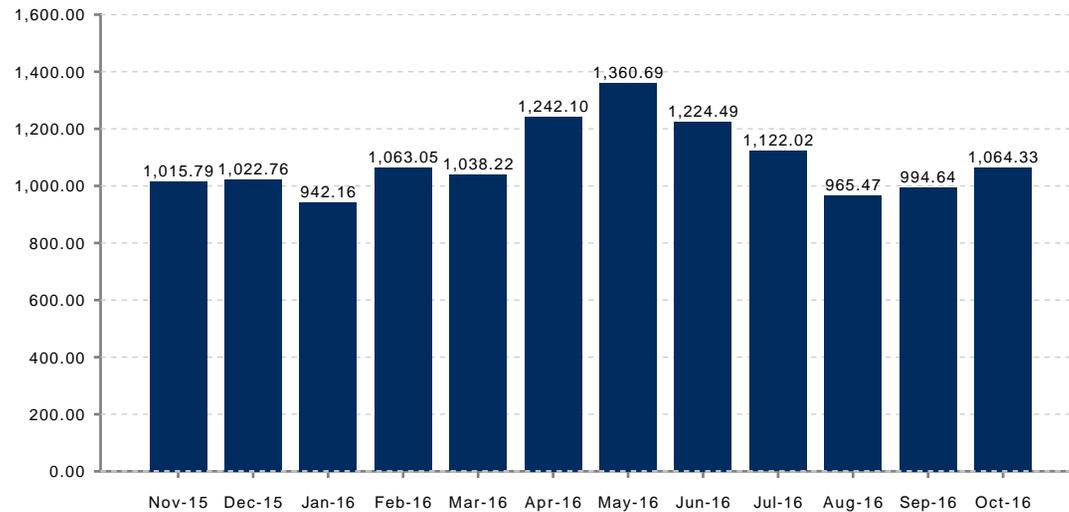
Asset Allocation

Ending Market Value

POOL 7 LGIP FF&C	1,064,332,446
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Net Asset Values over Time (\$MM)

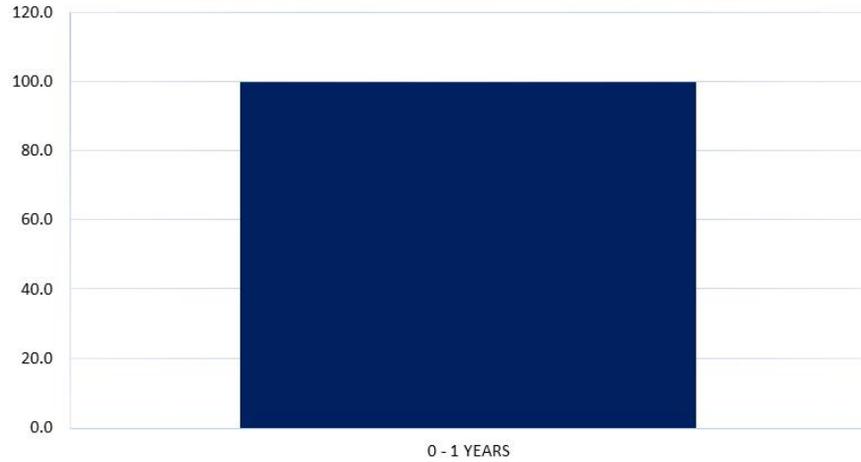


Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 7 LGIP FF&C		
DAIWA CAPITAL MARKETS REPO	200,002,222	18.79
WELLS FARGO REPO	150,007,083	14.09
AMHERST PIERPONT	139,800,577	13.14
TREASURY BILL	89,786,070	8.44
ALLIANCE BANK OF ARIZONA MONEY	79,389,971	7.46
TREASURY BILL	49,919,500	4.69
FIDELITY INVESTMENTS MONEY	40,044,049	3.76
TREASURY BILL	39,964,360	3.75
TREASURY BILL	39,952,480	3.75
TREASURY BILL	39,845,480	3.74



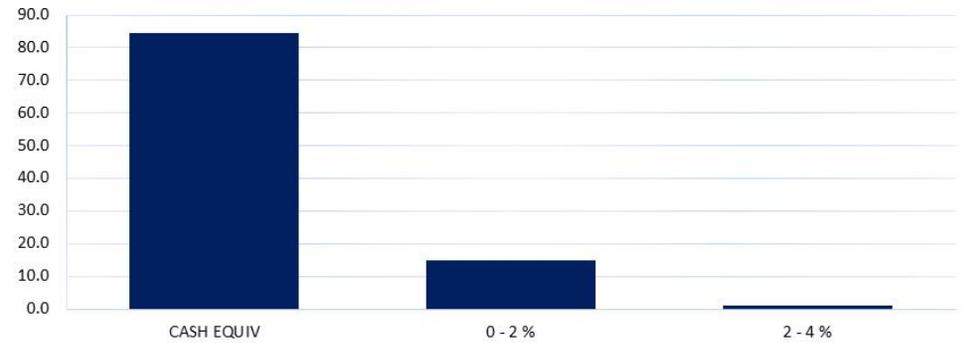
Duration Distribution



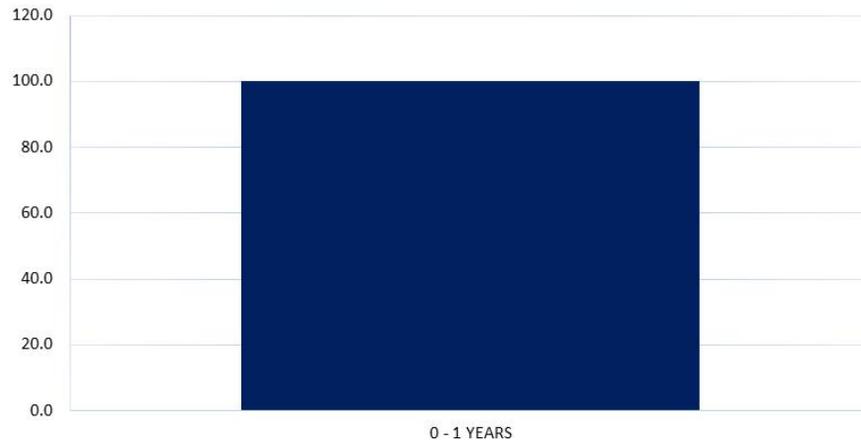
Portfolio Level Characteristics

	POOL 7 LGIP FF&C
Weighted Average Life	0.18
Coupon	0.26
Effective Duration	0.17
Quality Rating (Moody's)	AAA

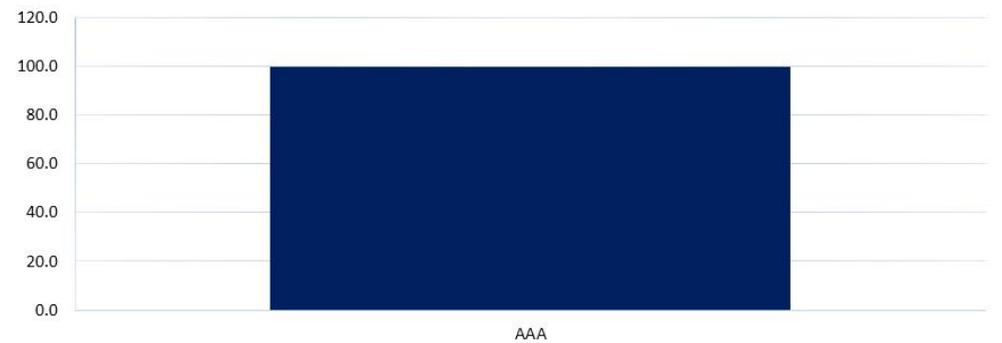
Coupon Distribution



Expected Maturity Distribution

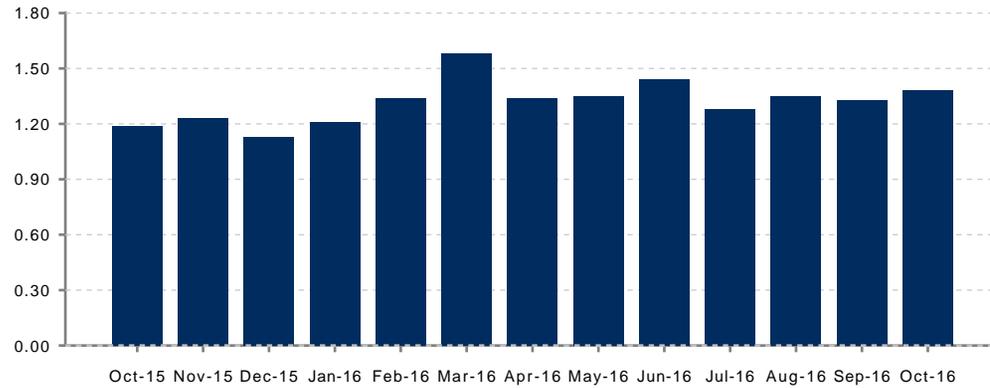


Rating Distribution





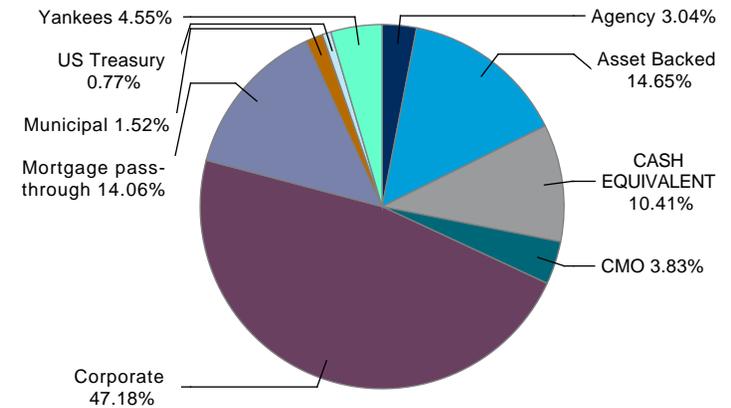
Net Yield



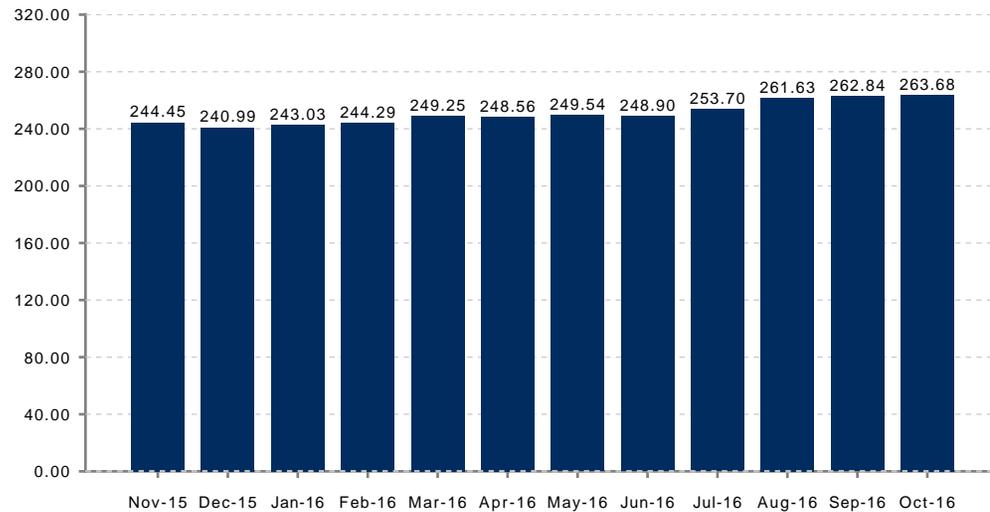
	Current Mth	Prior Mth	1 Year Ago
POOL 500 LGIP MED	1.38	1.33	1.19

Asset Allocation

	Ending Market Value
POOL 500 LGIP MED	263,681,537



Net Asset Values over Time (\$MM)

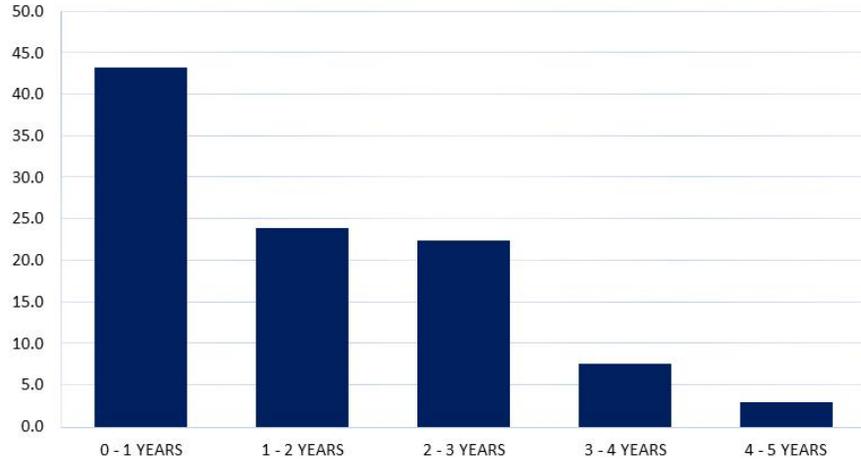


Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 500 LGIP MED		
GUGGENHEIM SECURITIES REPO	18,002,605	6.83
MICROSOFT CORP	8,124,240	3.08
FNMA POOL AB5991	7,872,472	2.99
HERSHEY COMPANY	6,059,771	2.30
MERCK + CO INC	5,543,115	2.10
ELI LILLY + CO	5,026,257	1.91
CHEVRON CORP	5,019,447	1.90
FORD CREDIT FLOORPLAN MASTER O	5,014,096	1.90
NISSAN MOTOR ACCEPTANCE	5,009,396	1.90
APPLE INC	5,003,731	1.90



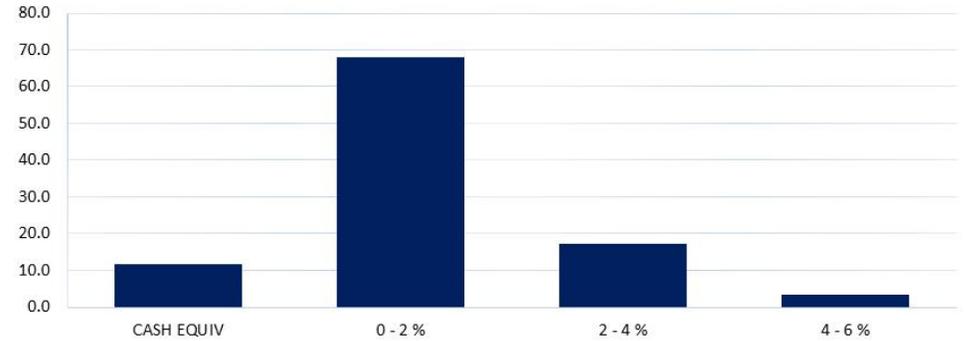
Duration Distribution



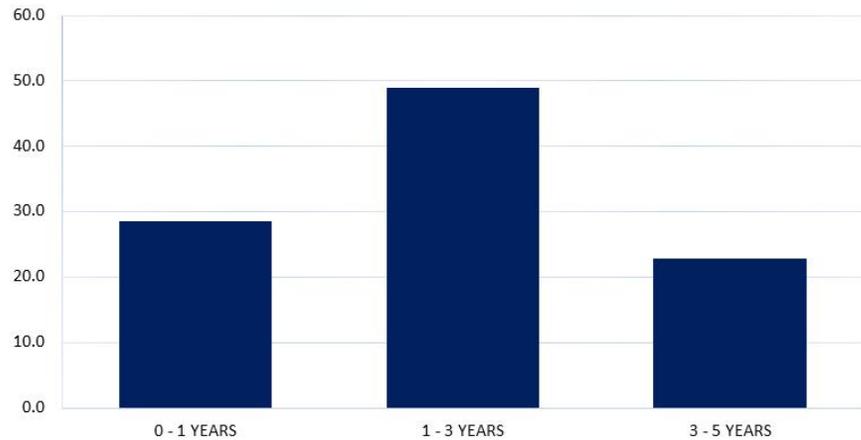
Portfolio Level Characteristics

	POOL 500 LGIP MED
Weighted Average Life	1.94
Coupon	1.68
Effective Duration	1.38
Quality Rating (Moody's)	AA-2

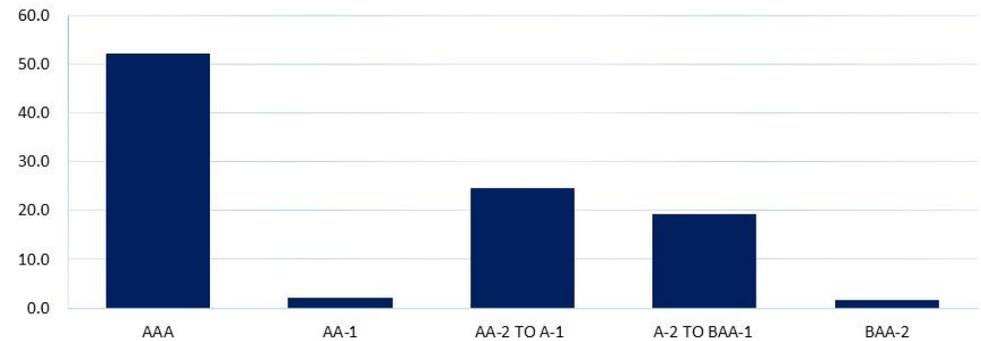
Coupon Distribution



Expected Maturity Distribution

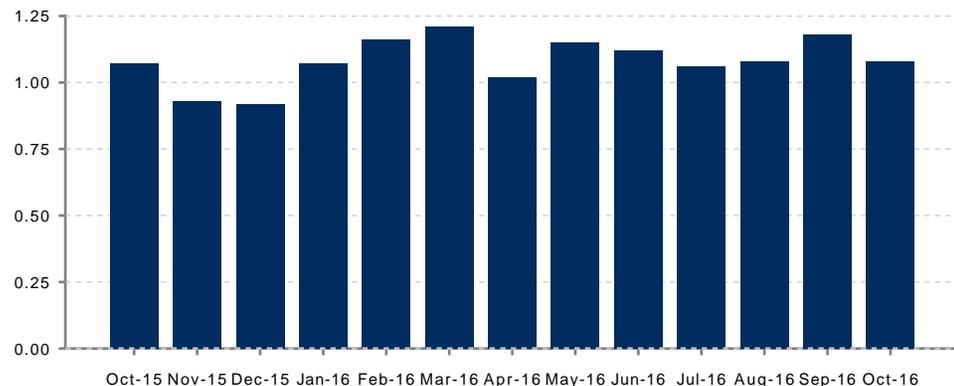


Rating Distribution





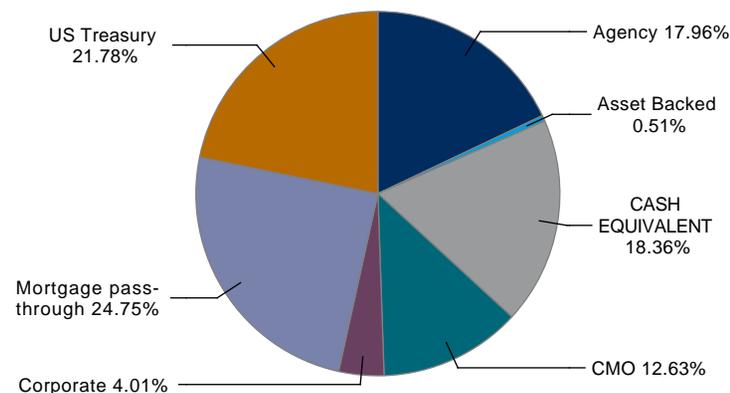
Net Yield



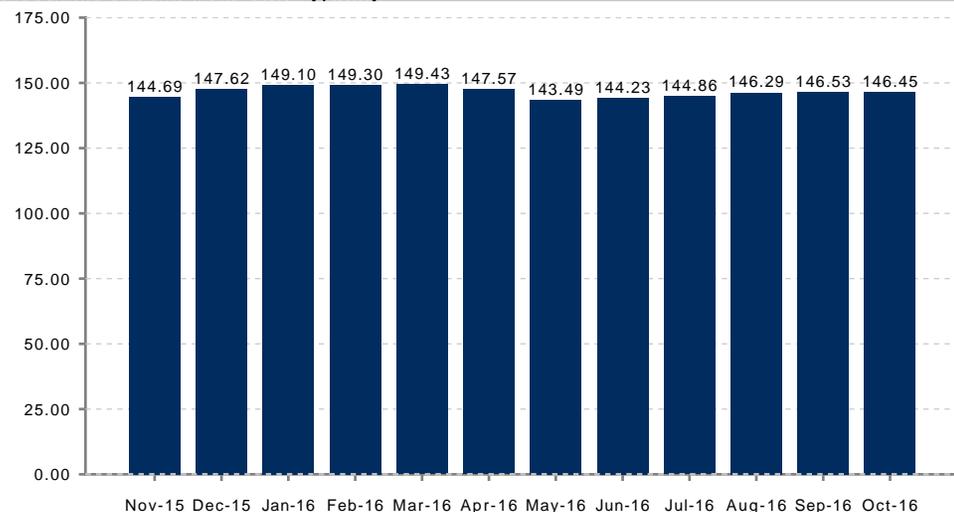
	Current Mth	Prior Mth	1 Year Ago
POOL 700 LGIP MD FF&C	1.08	1.18	1.07

Asset Allocation

	Ending Market Value
POOL 700 LGIP MD FF&C	146,446,106



Net Asset Values over Time (\$MM)

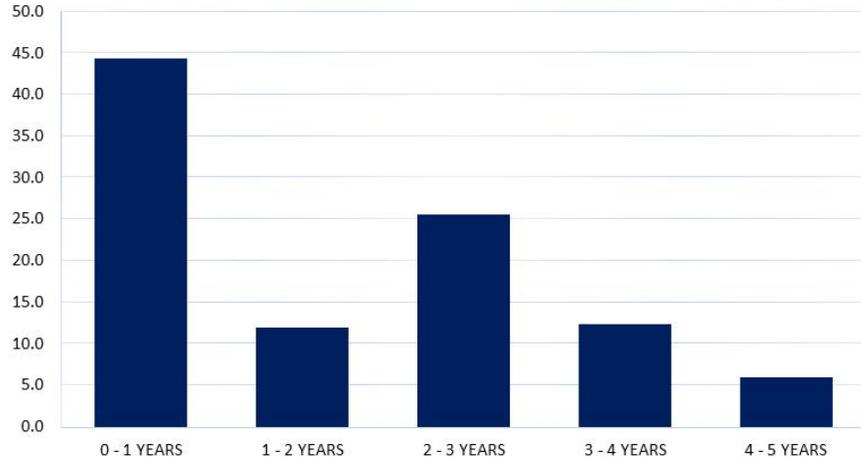


Top 10 Holdings

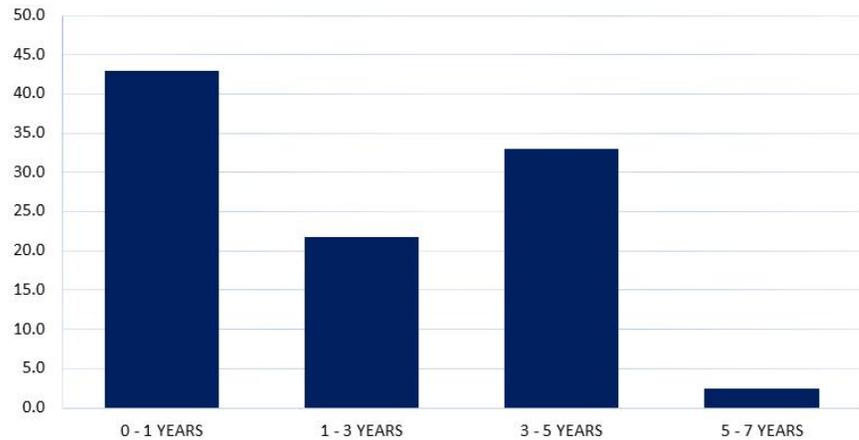
Security Name	Ending Market Value	% of Portfolio
POOL 700 LGIP MD FF&C		
GUGGENHEIM SECURITIES REPO	24,000,300	16.39
US TREASURY N/B	5,001,274	3.42
US TREASURY N/B	4,998,949	3.41
AID ISRAEL	4,998,731	3.41
GNMA II POOL MA0213	4,795,682	3.27
OVERSEAS PRIVATE INV COR	4,503,150	3.07
PRIVATE EXPORT FUNDING	3,549,008	2.42
US TREASURY N/B	3,001,234	2.05
GNMA POOL 775134	2,893,403	1.98
GOVERNMENT NATIONAL MORTGAGE A	2,649,637	1.81



Duration Distribution



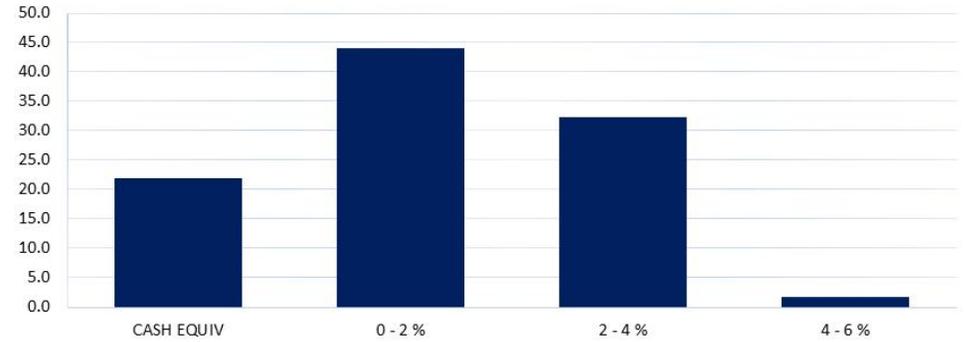
Expected Maturity Distribution



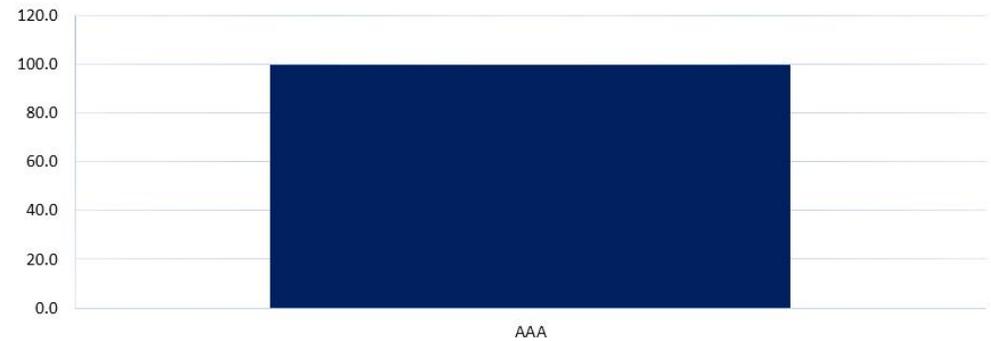
Portfolio Level Characteristics

	POOL 700 LGIP MD FF&C
Weighted Average Life	1.98
Coupon	1.70
Effective Duration	1.62
Quality Rating (Moody's)	AAA

Coupon Distribution



Rating Distribution



**EARNINGS DISTRIBUTED
ENDOWMENT FUNDS
OCTOBER 2016**

Distributed in Current Month

Recipient	OCTOBER 2016	Fiscal YTD 16/17	Fiscal YTD 15/16
101 A & M Colleges	\$62,695	\$250,780	\$83,964
102 State Hospital	\$39,692	\$158,768	\$52,061
103 Leg., Exec., & Jud.	\$51,413	\$205,652	\$68,465
104 Military Institute	\$3,456	\$13,824	\$4,663
105 Miners Hospital	\$126,965	\$507,860	\$157,242
107 Normal School ASU/NAU	\$23,855	\$95,420	\$30,995
108 Penitentiaries	\$85,542	\$342,168	\$109,462
109 Permanent Common School	\$22,463,210	\$89,852,840	\$29,061,738
110 School for Deaf & Blind	\$33,142	\$132,569	\$43,715
111 School of Mines	\$70,914	\$283,656	\$94,923
112 State Charitable-Pioneers Home	\$346,473	\$1,385,892	\$460,644
112 State Charitable-Corrections	\$173,236	\$692,946	\$230,322
112 State Charitable-Youth Treatment	\$173,236	\$692,946	\$230,322
113 University Fund	\$122,961	\$491,842	\$161,228
114 U of A Land - 1881	\$384,475	\$1,537,901	\$467,178
Total	\$24,161,266	\$96,645,065	\$31,256,921

**Land Sales Monthly Proceeds
Endowment Funds**

Month	Year						
	2011	2012	2013	2014	2015	2016	2017
January	3,622,868.55	21,196,074.71	85,209,777.01	29,493,046.28	7,126,211.56	5,108,687.17	
February	8,915,154.72	92,150,172.81	24,412,865.22	33,969,800.59	2,535,243.50	1,083,177.76	
March	1,244,602.03	1,015,640.38	13,469,846.94	1,323,548.74	1,096,232.05	1,106,859.54	
April	2,413,502.46	1,796,773.65	4,599,023.88	2,252,527.11	1,968,280.90	28,981,968.64	
May	1,889,780.18	926,085.06	12,685,870.73	1,100,260.56	19,123,417.30	20,147,116.27	
June	3,446,619.87	22,369,423.34	6,493,350.52	4,564,719.20	33,179,898.41	31,844,677.79	
July	2,803,278.12	823,327.93	5,694,705.30	4,196,737.56	6,092,396.05	2,469,997.05	
August	3,470,995.89	33,621,310.51	2,304,138.37	24,838,429.94	1,038,970.78	13,094,287.08	
September	5,202,039.54	17,307,220.68	10,399,638.98	1,960,672.85	1,967,125.20	(12,580,727.94)	
October	5,799,334.80	1,403,700.22	1,240,496.83	3,150,170.16	2,366,518.63	10,614,884.64	
November	2,045,106.93	5,131,627.46	8,995,327.48	34,193,583.02	1,358,710.81		
December	5,123,132.98	28,846,813.20	3,574,630.63	1,136,538.16	4,264,354.38		
Calendar Year	45,976,416.07	226,588,169.95	179,079,671.89	142,180,034.17	82,117,359.57	101,870,928.00	-
Fiscal Year (July 1st to June 30th)	139,820,629.67	163,898,058.21	234,004,734.30	104,912,840.07	134,505,415.41	105,360,563.02	13,598,440.83

NET REALIZED CAPITAL GAINS / LOSSES - ENDOWMENT FUNDS

Endowment Fund	October 2016 NET GAIN(LOSS)	October 2015 NET GAIN(LOSS)
Fixed Income Pool	(\$468,139)	(\$320,352)
500 Large-Cap Fund	775,438	(764,360)
400 Mid-Cap Fund	(1,419,137)	4,316,287
600 Small-Cap Fund	(334,469)	4,330,509
Totals	(\$1,446,306)	\$7,562,084

Endowment Fund	2016/2017 FISCAL YEAR TO DATE GAINS(LOSSES)	2015/2016 FISCAL YEAR TO DATE GAINS(LOSSES)
Fixed Income Pool	(\$1,723,555)	(\$530,310)
500 Large-Cap Fund	7,884,309	9,657,290
400 Mid-Cap Fund	10,897,559	13,008,899
600 Small-Cap Fund	9,867,252	18,116,939
Totals	\$26,925,565	\$40,252,819

**ENDOWMENT FUNDS FIXED-INCOME POOLS
PURCHASES & SALES
OCTOBER 2016**

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I. Endowment Funds Purchases

<u>POOL</u>	<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</u>
205	FNMA MTG	5.27	10/25/2032	8.40	\$3,895,734	\$4,332,140	3.65%	AAA/AA+
205	GNMA MTG	6.12	11/20/2042	3.96	4,938,966	5,723,867	1.79%	AAA/AA+
123	LEGACY CAPITAL CP	0.98	12/05/2016	NA	14,000,000	13,982,088	0.98%	P1/A1

TOTAL ENDOWMENT FUNDS PURCHASES

\$22,834,700

\$24,038,095

II. Endowment Funds Sales

<u>POOL</u>	<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>
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TOTAL ENDOWMENT FUNDS SALES

\$0

\$0

\$0

*WAL is the weighted average life of the security based on the Bloomberg calculation at the time the trade is executed. The calculation is used only with mortgage-backed pass-through/CMO securities.

**EQUITY FUNDS
PURCHASES & SALES
OCTOBER 2016**

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I. Equity Fund Purchases

	<u>SHARES</u>	<u>PURCHASE COST</u>	<u>COMMISSIONS</u>
400 Mid-Cap Fund	240,343	\$3,251,214	\$444
500 Large-Cap Fund	48,295	\$977,267	\$362
600 Small-Cap Fund	302,469	\$5,105,371	\$1,588
TOTAL EQUITY PURCHASES	591,107	\$9,333,852	\$2,394

II. Equity Funds Sales

	<u>SHARES</u>	<u>SALES AMOUNT</u>	<u>COMMISSIONS</u>
400 Mid-Cap Fund	90,721	\$1,181,093	\$0
500 Large-Cap Fund	56,782	\$3,345,675	\$346
600 Small-Cap Fund	378,173	\$2,672,411	\$1,563
TOTAL EQUITY SALES	525,676	\$7,199,179	\$1,909

**ENDOWMENT FUNDS
INVESTMENTS OUTSTANDING**

OCTOBER 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>	433	\$3,044	\$7,465	\$4,421	
	<i>Shares in Fixed Income Pools</i>	4,354	3,117	4,844	1,727	
	Total	4,787	6,161	12,309	6,148	1.998
102	State Hospital					
	<i>Shares in Equity Pools</i>	293	2,150	5,057	2,907	
	<i>Shares in Fixed Income Pools</i>	3,025	2,352	3,366	1,014	
	Total	3,318	4,502	8,423	3,921	1.871
103	Leg., Exec., & Jud					
	<i>Shares in Equity Pools</i>	351	2,654	6,063	3,409	
	<i>Shares in Fixed Income Pools</i>	3,759	2,693	4,182	1,488	
	Total	4,110	5,347	10,245	4,898	1.916
104	Military Institute					
	<i>Shares in Equity Pools</i>	23	165	390	225	
	<i>Shares in Fixed Income Pools</i>	248	168	275	107	
	Total	270	333	666	333	1.999
105	Miners Hospital					
	<i>Shares in Equity Pools</i>	1,011	8,960	17,450	8,490	
	<i>Shares in Fixed Income Pools</i>	10,216	8,896	11,366	2,470	
	Total	11,228	17,856	28,816	10,960	1.614
107	Normal School ASU/NAU					
	<i>Shares in Equity Pools</i>	181	1,454	3,131	1,677	
	<i>Shares in Fixed Income Pools</i>	1,875	1,455	2,086	631	
	Total	2,057	2,909	5,217	2,308	1.793
108	Penitentiaries					
	<i>Shares in Equity Pools</i>	684	5,800	11,807	6,007	
	<i>Shares in Fixed Income Pools</i>	7,025	5,785	7,815	2,030	
	Total	7,709	11,585	19,622	8,037	1.694

ENDOWMENT FUNDS
INVESTMENTS OUTSTANDING
OCTOBER 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>	167,733	1,341,900	2,893,706	1,551,807	
<i>Shares in Fixed Income Pools</i>	1,695,190	1,378,421	1,885,994	507,572	
Total	1,862,923	2,720,321	4,779,700	2,059,379	1.757
110 School for Deaf & Blind					
<i>Shares in Equity Pools</i>	230	1,736	3,975	2,239	
<i>Shares in Fixed Income Pools</i>	2,597	1,964	2,889	925	
Total	2,827	3,700	6,865	3,164	1.855
111 School of Mines					
<i>Shares in Equity Pools</i>	486	3,644	8,388	4,744	
<i>Shares in Fixed Income Pools</i>	5,016	3,722	5,580	1,858	
Total	5,502	7,366	13,968	6,602	1.896
112 State Charitable					
<i>Shares in Equity Pools</i>	4,918	37,048	84,843	47,795	
<i>Shares in Fixed Income Pools</i>	48,136	38,184	53,554	15,370	
Total	53,054	75,233	138,397	63,164	1.840
113 University Fund					
<i>Shares in Equity Pools</i>	886	7,021	15,291	8,269	
<i>Shares in Fixed Income Pools</i>	9,157	6,979	10,187	3,208	
Total	10,043	14,001	25,478	11,477	1.820
114 U Of A Land - 1881					
<i>Shares in Equity Pools</i>	3,148	29,351	54,310	24,959	
<i>Shares in Fixed Income Pools</i>	32,276	27,484	35,908	8,425	
Total	35,424	56,835	90,218	33,383	1.587
TOTALS - ALL FUNDS					
<i>Shares in Equity Pools</i>	180,379	1,444,926	3,111,876	1,666,950	
<i>Shares in Fixed Income Pools</i>	1,822,872	1,481,221	2,028,047	546,825	
Grand Total	2,003,252	\$2,926,148	\$5,139,923	\$2,213,775	
PRIOR YEAR:					
OCTOBER 2015 BALANCES	1,967,871	\$2,982,905	\$5,148,112	\$2,165,207	

**ENDOWMENT FUNDS
INVESTMENTS OUTSTANDING
OCTOBER 31, 2016**

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ASSET ALLOCATION PERCENTAGE

	SHARES OUTSTANDING	BOOK VALUE	MARKET VALUE	OCTOBER 2015 MARKET VALUE
<i>Shares in Equity Pools</i>	9.00%	49.38%	60.54%	63.01%
<i>Shares in Fixed Income Pools</i>	91.00%	50.62%	39.46%	36.99%
	-----	-----	-----	-----
Total	100.00%	100.00%	100.00%	100.00%
	=====	=====	=====	=====



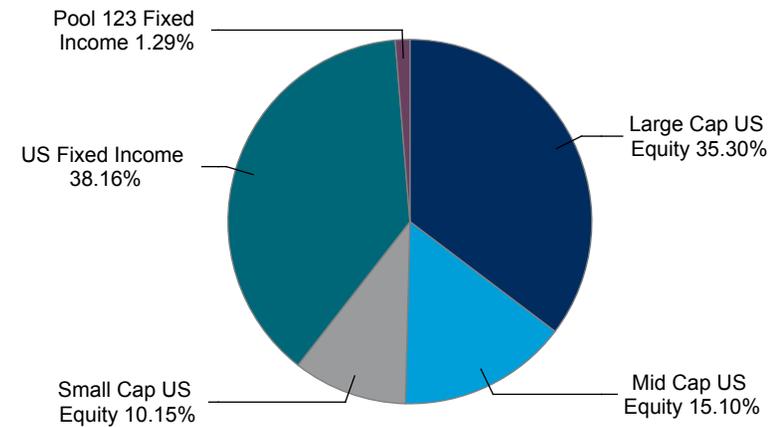
Performance



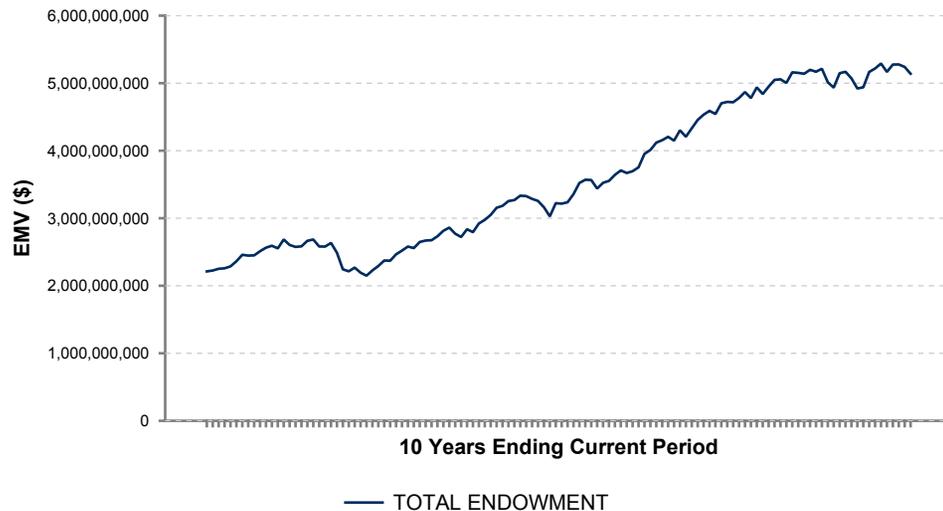
	1 Mth	3 Mth	YTD	1 Year	3 Year	5 Year	ITD	Incept Date
TOTAL ENDOWMENT	-1.67	-1.43	5.85	4.47	5.89	8.98	6.05	07/99
TOTAL ENDOWMENT CUSTOM INDEX	-1.83	-1.64	6.36	4.91	6.27	9.26	6.24	07/99
Excess	0.16	0.21	-0.51	-0.44	-0.38	-0.28	-0.20	

Asset Allocation

	Ending Market Value
TOTAL ENDOWMENT	5,139,922,927



Ending Market Value



3 Year Risk Statistics

	Return	Portfolio Std Dev	Benchmark Std Dev	Sharpe Ratio	Beta	Tracking Error	Information Ratio
TOTAL ENDOWMENT	5.89	6.71	6.87	0.86	0.98	0.34	-1.10



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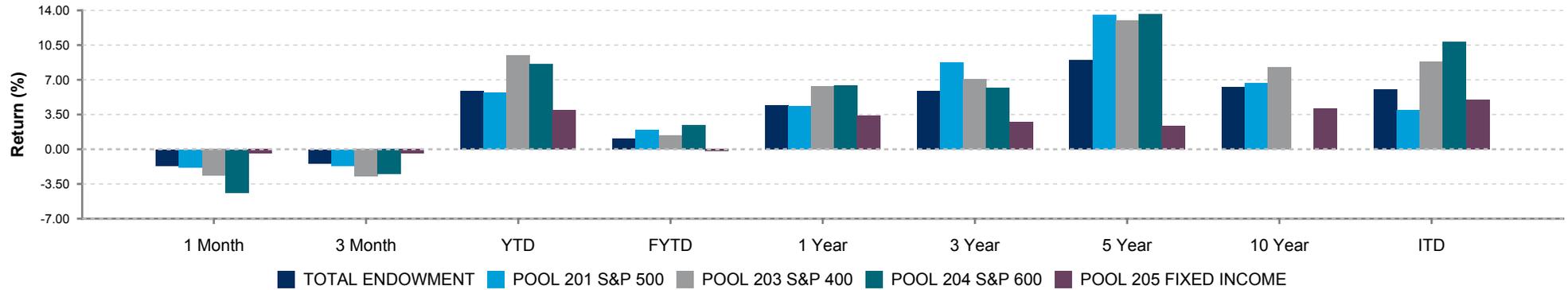
October 31, 2016

Total Returns Net Mgr



STATE STREET

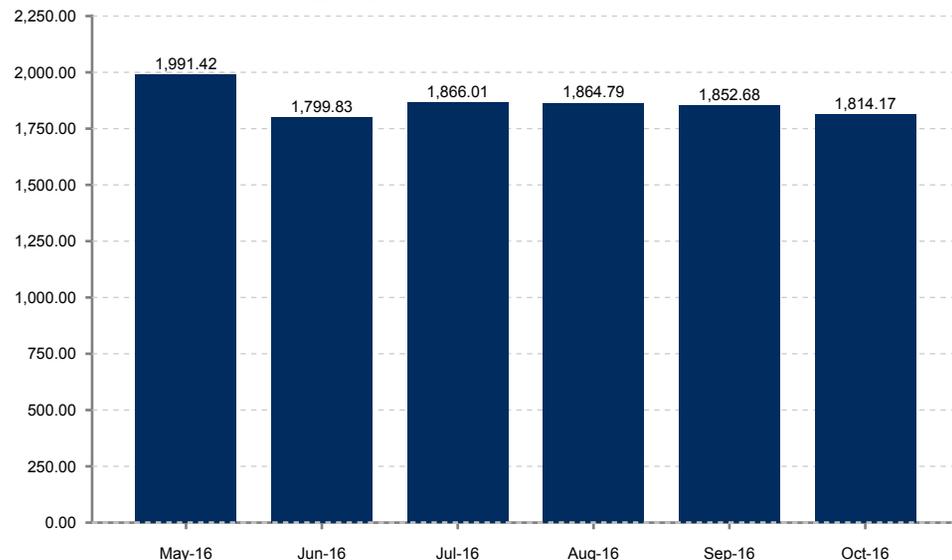
Return Comparison



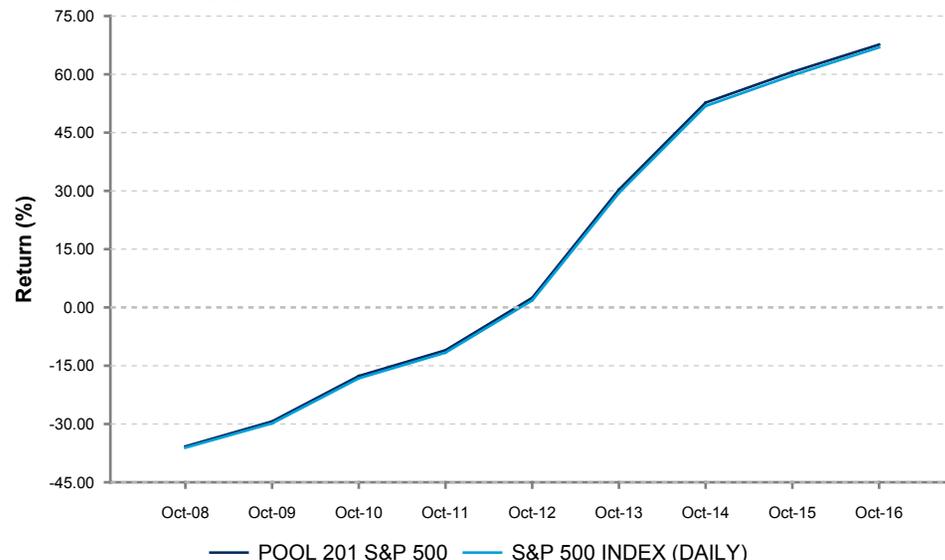
	Market Value	Actual Weight	1 Mth	3 Mth	YTD	FYTD	1 Year	3 Year	5 Year	10 Year	ITD	Inc Date
TOTAL ENDOWMENT	5,139,922,927	100.00	-1.67	-1.43	5.85	1.07	4.47	5.89	8.98	6.30	6.05	Jul-01-99
TOTAL ENDOWMENT CUSTOM INDEX			-1.83	-1.64	6.36	1.04	4.91	6.27	9.26	6.59	6.24	Jul-01-99
Excess			0.16	0.21	-0.51	0.03	-0.44	-0.38	-0.28	-0.28	-0.20	
POOL 201 S&P 500	1,814,172,011	35.30	-1.82	-1.66	5.75	1.96	4.39	8.76	13.51	6.70	3.99	Jul-01-99
S&P 500 INDEX (DAILY)			-1.82	-1.67	5.87	1.96	4.51	8.84	13.57	6.70	4.53	Jul-01-99
Excess			0.00	0.01	-0.12	-0.00	-0.12	-0.07	-0.06	0.00	-0.54	
POOL 203 S&P 400	776,079,409	15.10	-2.65	-2.74	9.50	1.38	6.34	7.11	12.99	8.28	8.85	Aug-01-01
S&P 400 MIDCAP INDEX (DAILY)			-2.68	-2.81	9.39	1.36	6.26	7.06	12.92	8.38	8.85	Aug-01-01
Excess			0.03	0.07	0.11	0.03	0.09	0.06	0.07	-0.09	-0.00	
POOL 204 S&P 600	521,624,782	10.15	-4.39	-2.48	8.61	2.46	6.47	6.22	13.65		10.87	Mar-01-11
S&P SM 600 TR			-4.48	-2.56	8.78	2.40	6.35	6.13	13.56		10.82	Mar-01-11
Excess			0.09	0.08	-0.17	0.06	0.12	0.09	0.09		0.05	
POOL 205 FIXED INCOME	1,961,527,672	38.16	-0.43	-0.45	3.94	-0.17	3.41	2.72	2.32	4.11	4.99	Jul-01-99
CITIGROUP BIG (DAILY)			-0.75	-0.90	5.08	-0.27	4.44	3.48	2.90	4.73	5.34	Jul-01-99
Excess			0.32	0.45	-1.14	0.10	-1.03	-0.76	-0.58	-0.62	-0.35	
POOL 123 FIXED INCOME	66,519,054	1.29	0.05	0.19		0.22					0.24	Jun-01-16
ASTO - POOL 5 BENCHMARK			0.04	0.12		0.15					0.19	Jun-01-16
Excess			0.01	0.07		0.06					0.06	



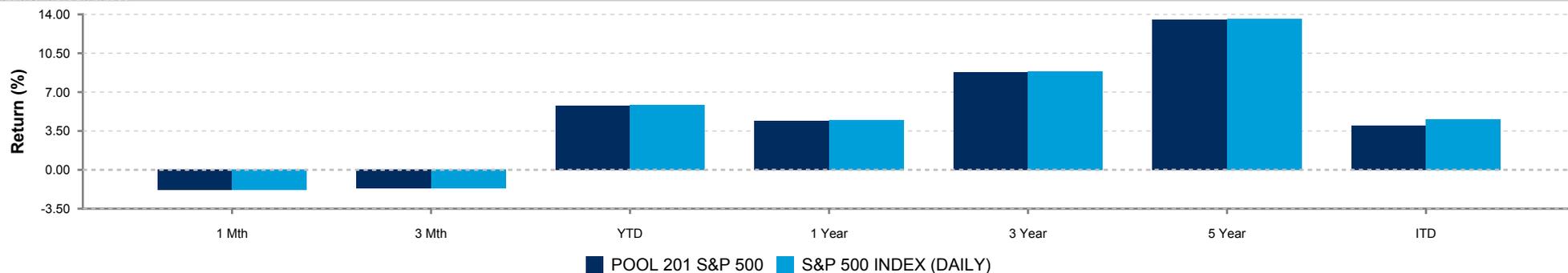
Net Asset Values over Time (\$MM)



Cumulative Return (%)



Rates of Return



	1 Mth	3 Mth	YTD	1 Year	3 Year	5 Year	ITD	Oct 31 2016	Oct 31 2015	Oct 31 2014
POOL 201 S&P 500	-1.82	-1.66	5.75	4.39	8.76	13.51	3.99	4.39	5.17	17.20
S&P 500 INDEX (DAILY)	-1.82	-1.67	5.87	4.51	8.84	13.57	4.53	4.51	5.20	17.27
Excess	0.00	0.01	-0.12	-0.12	-0.07	-0.06	-0.54	-0.12	-0.03	-0.07

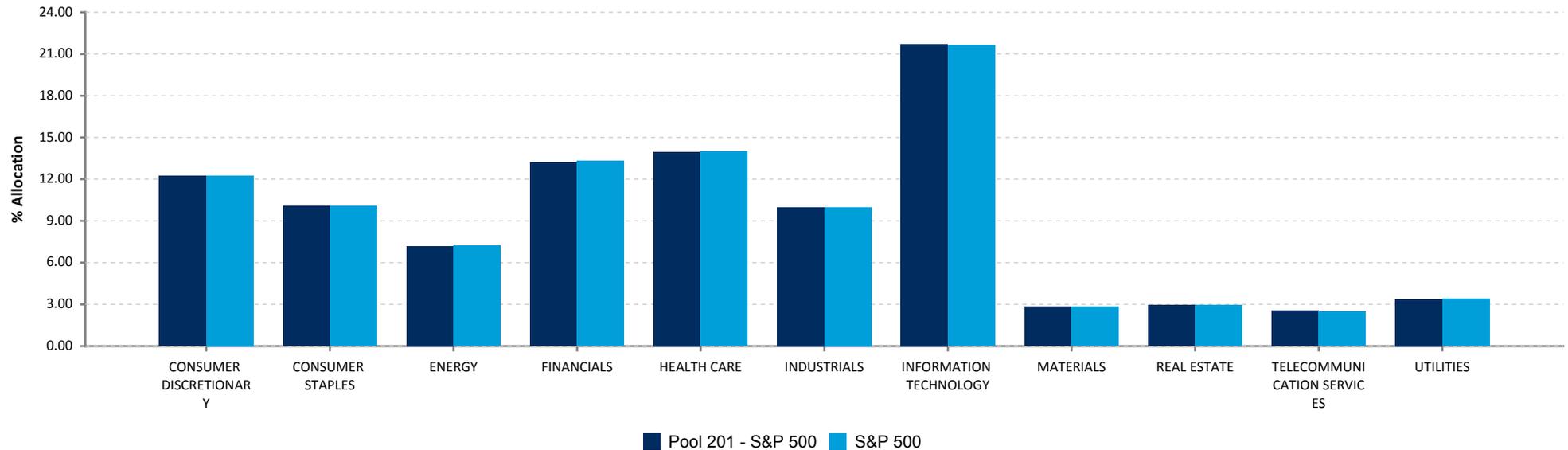
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POOL 201 S&P 500
Sector Allocation vs S&P 500



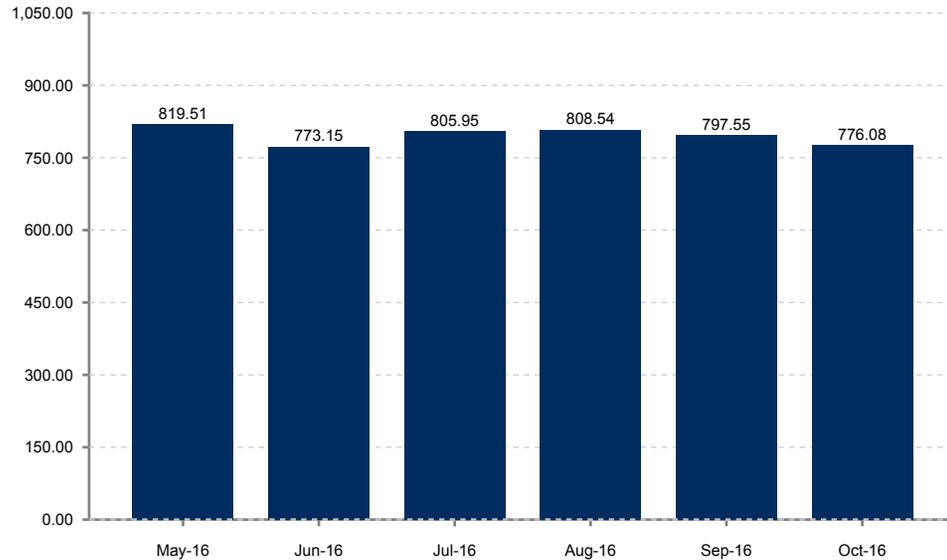
STATE STREET



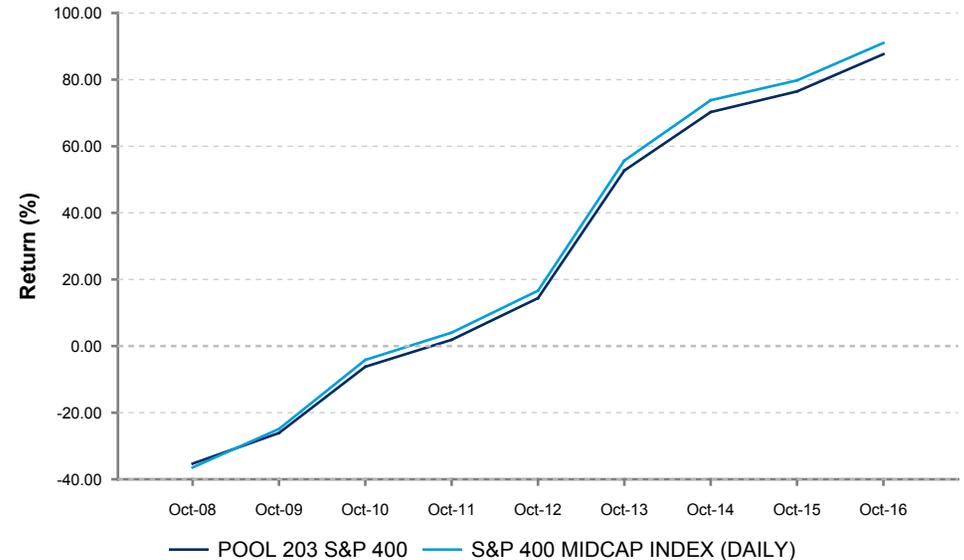
	Fund Weight	Benchmark Weight	Relative Weight
POOL 201 S&P 500	100.00	100.00	0.00
CONSUMER DISCRETIONARY	12.28	12.30	-0.01
CONSUMER STAPLES	9.91	9.88	0.02
ENERGY	7.26	7.28	-0.01
FINANCIALS	12.76	12.78	-0.01
HEALTH CARE	14.66	14.68	-0.01
INDUSTRIALS	9.92	10.03	-0.11
INFORMATION TECHNOLOGY	21.31	21.24	0.07
MATERIALS	2.90	2.83	0.07
REAL ESTATE	3.07	3.06	0.01
TELECOMMUNICATION SERVICES	2.64	2.64	-0.00
UTILITIES	3.28	3.28	0.00



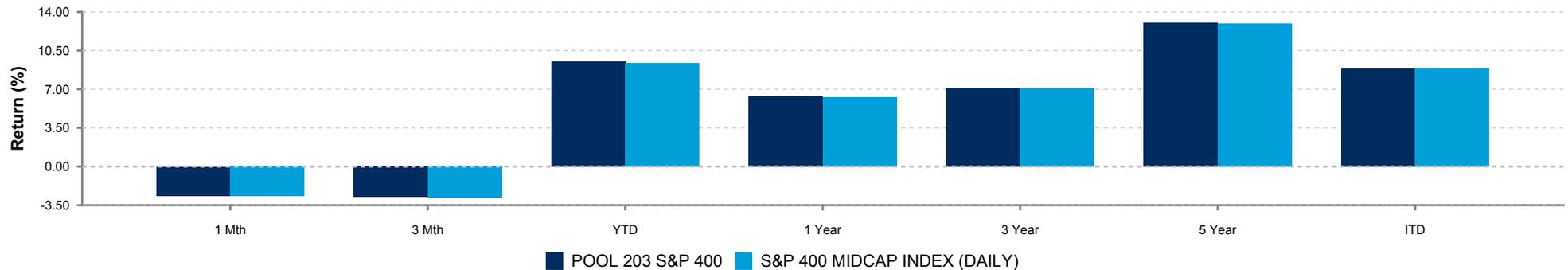
Net Asset Values over Time (\$MM)



Cumulative Return (%)



Rates of Return



	1 Mth	3 Mth	YTD	1 Year	3 Year	5 Year	ITD	Oct 31 2016	Oct 31 2015	Oct 31 2014
POOL 203 S&P 400	-2.65	-2.74	9.50	6.34	7.11	12.99	8.85	6.34	3.64	11.50
S&P 400 MIDCAP INDEX (DAILY)	-2.68	-2.81	9.39	6.26	7.06	12.92	8.85	6.26	3.42	11.65
Excess	0.03	0.07	0.11	0.09	0.06	0.07	-0.00	0.09	0.22	-0.15

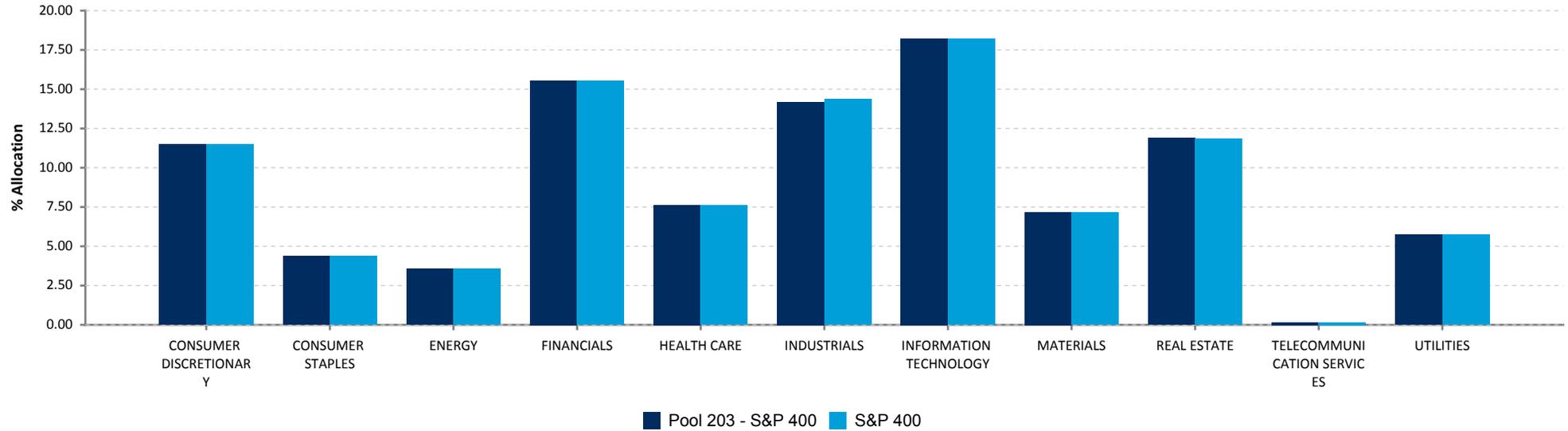
OFFICE OF THE ARIZONA STATE TREASURER

October 31, 2016

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



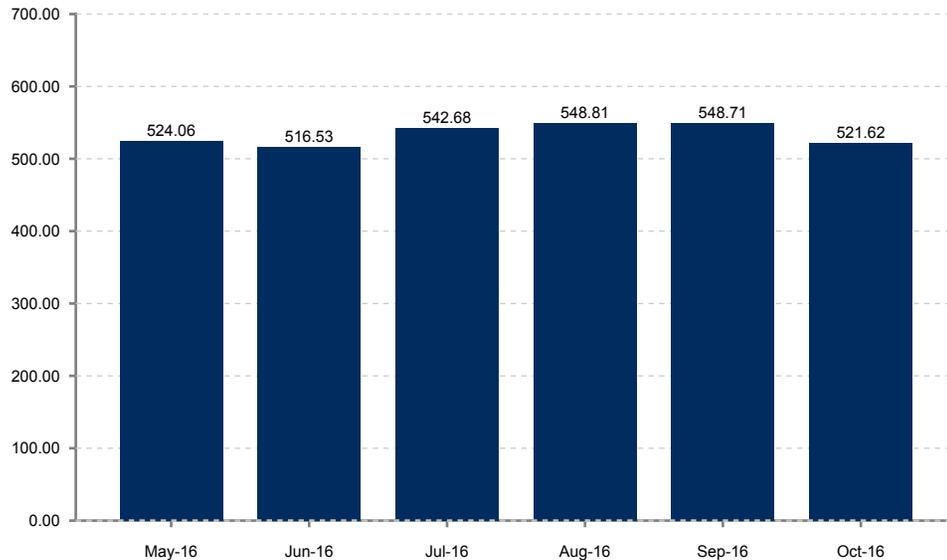
STATE STREET



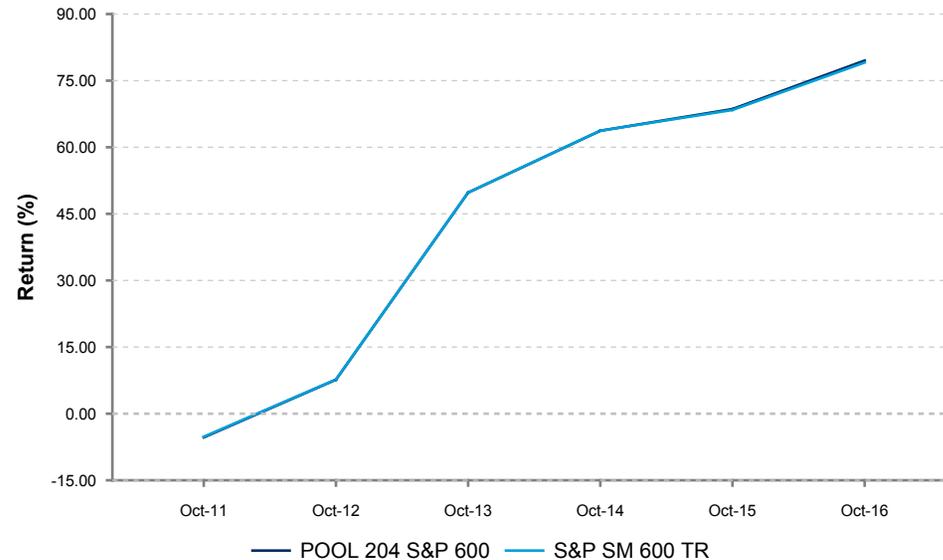
	Weight Fund	Weight Benchmark	Weight Relative
POOL 203 S&P 400	100.00	100.00	0.00
CONSUMER DISCRETIONARY	11.65	11.64	0.02
CONSUMER STAPLES	4.26	4.25	0.01
ENERGY	3.90	3.82	0.08
FINANCIALS	15.09	15.06	0.03
HEALTH CARE	8.16	8.15	0.01
INDUSTRIALS	14.02	14.18	-0.17
INFORMATION TECHNOLOGY	17.99	18.07	-0.08
MATERIALS	7.26	7.24	0.02
REAL ESTATE	11.94	11.87	0.07
TELECOMMUNICATION SERVICES	0.17	0.17	0.00
UTILITIES	5.57	5.55	0.02



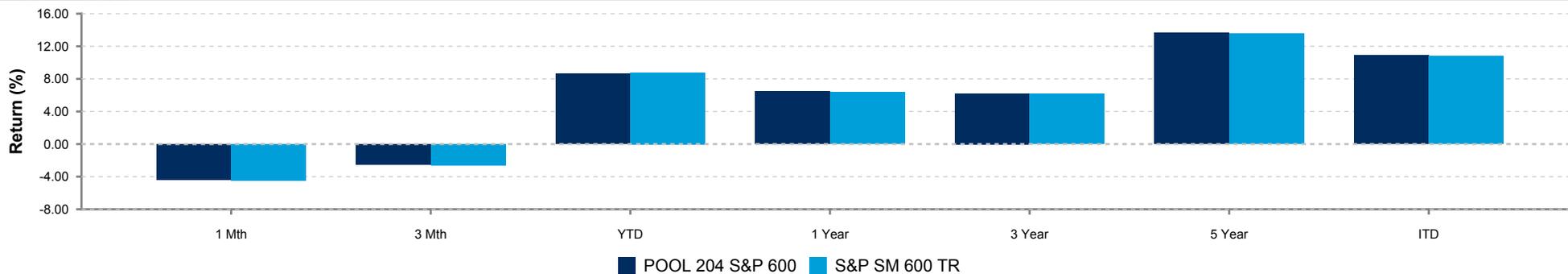
Net Asset Values over Time (\$MM)



Cumulative Return (%)



Rates of Return



	1 Mth	3 Mth	YTD	1 Year	3 Year	5 Year	ITD	Oct 31 2016	Oct 31 2015	Oct 31 2014
POOL 204 S&P 600	-4.39	-2.48	8.61	6.47	6.22	13.65	10.87	6.47	2.99	9.30
S&P SM 600 TR	-4.48	-2.56	8.78	6.35	6.13	13.56	10.82	6.35	2.85	9.29
Excess	0.09	0.08	-0.17	0.12	0.09	0.09	0.05	0.12	0.14	0.01

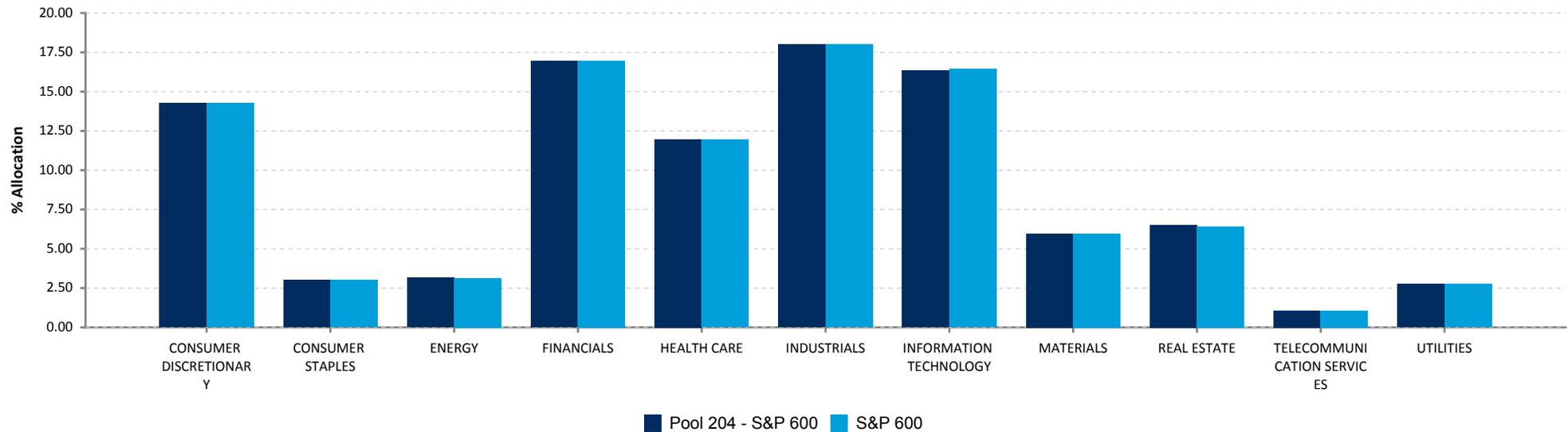
OFFICE OF THE ARIZONA STATE TREASURER

October 31, 2016

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



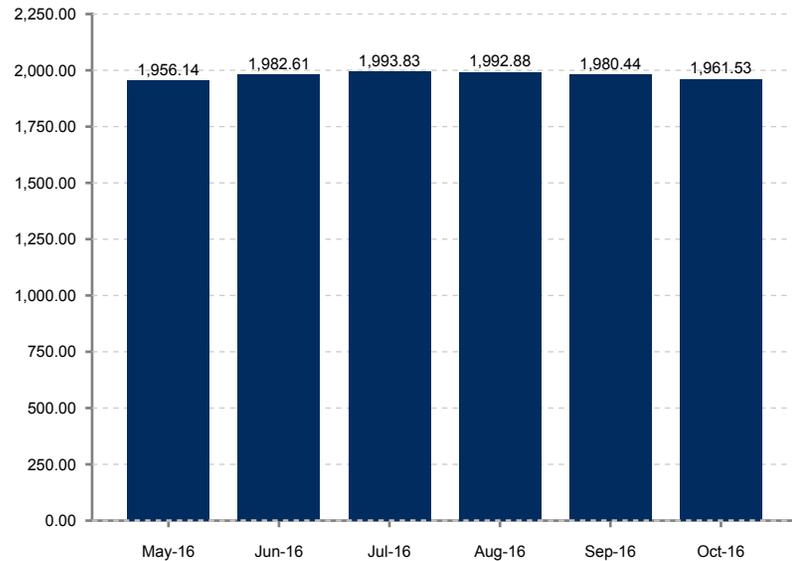
STATE STREET



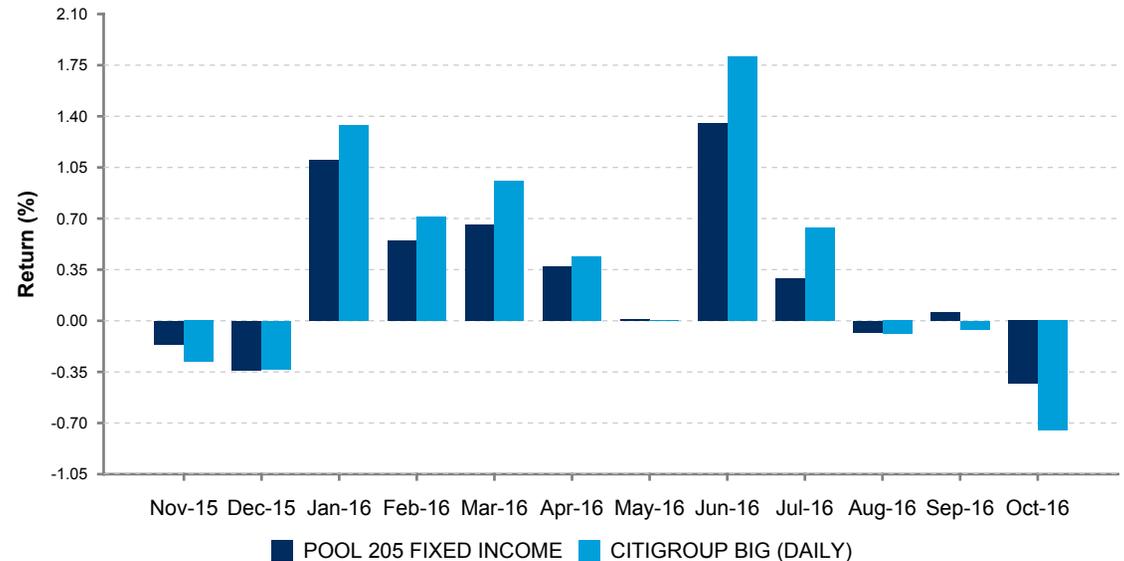
	Weight Fund	Weight Benchmark	Weight Relative
POOL 204 S&P 600	100.00	100.00	0.00
CONSUMER DISCRETIONARY	13.64	13.57	0.07
CONSUMER STAPLES	3.02	3.02	0.01
ENERGY	3.25	3.25	-0.00
FINANCIALS	16.33	16.33	0.00
HEALTH CARE	12.35	12.36	-0.02
INDUSTRIALS	18.05	18.07	-0.02
INFORMATION TECHNOLOGY	16.17	16.31	-0.14
MATERIALS	5.79	5.79	-0.00
REAL ESTATE	7.00	6.90	0.10
TELECOMMUNICATION SERVICES	1.01	1.01	-0.00
UTILITIES	3.40	3.39	0.01



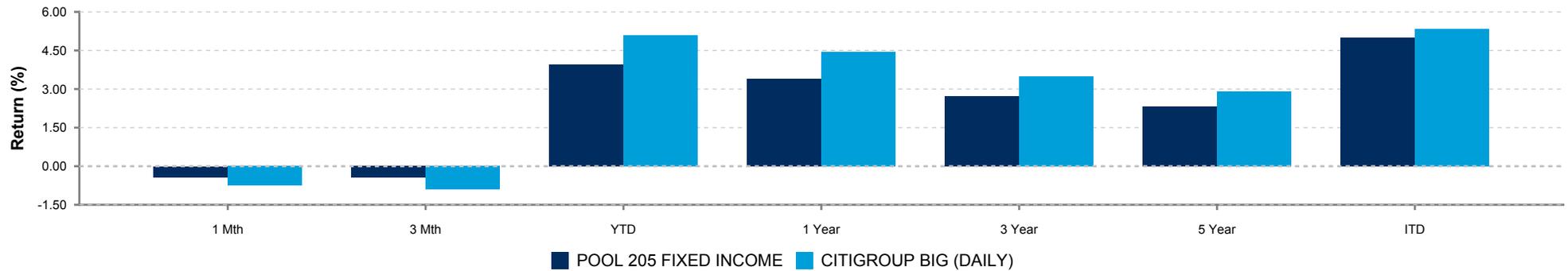
Net Asset Values over Time (\$MM)



Monthly Returns



Rates of Return

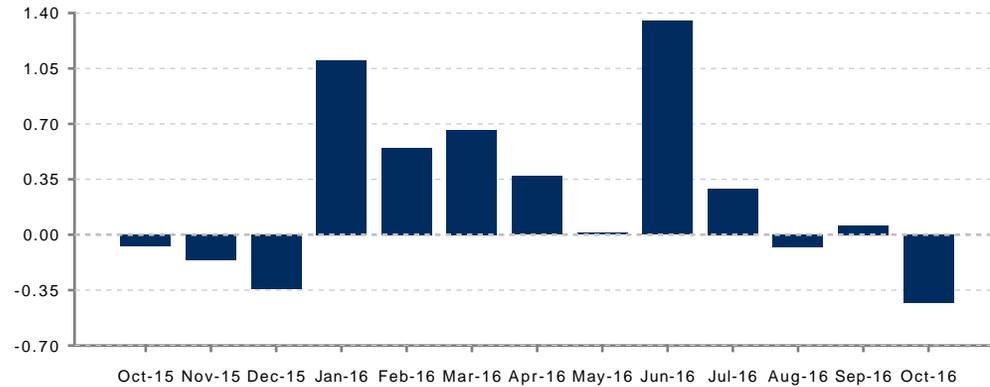


	1 Mth	3 Mth	YTD	1 Year	3 Year	5 Year	ITD	Oct 31 2016	Oct 31 2015	Oct 31 2014
POOL 205 FIXED INCOME	-0.43	-0.45	3.94	3.41	2.72	2.32	4.99	3.41	1.89	2.86
CITIGROUP BIG (DAILY)	-0.75	-0.90	5.08	4.44	3.48	2.90	5.34	4.44	1.93	4.09
Excess	0.32	0.45	-1.14	-1.03	-0.76	-0.58	-0.35	-1.03	-0.04	-1.23

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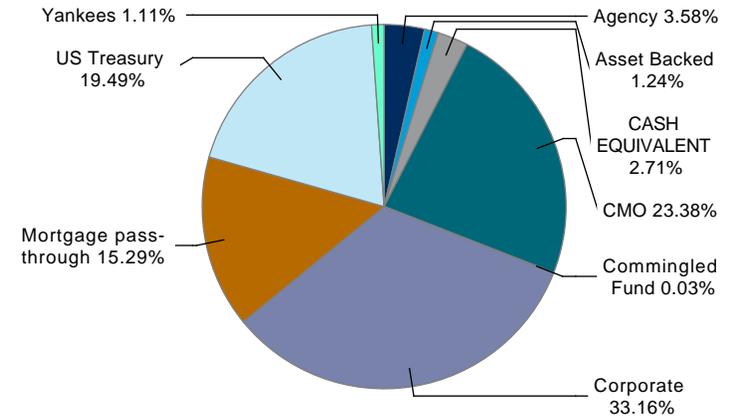
Net Mqr Return



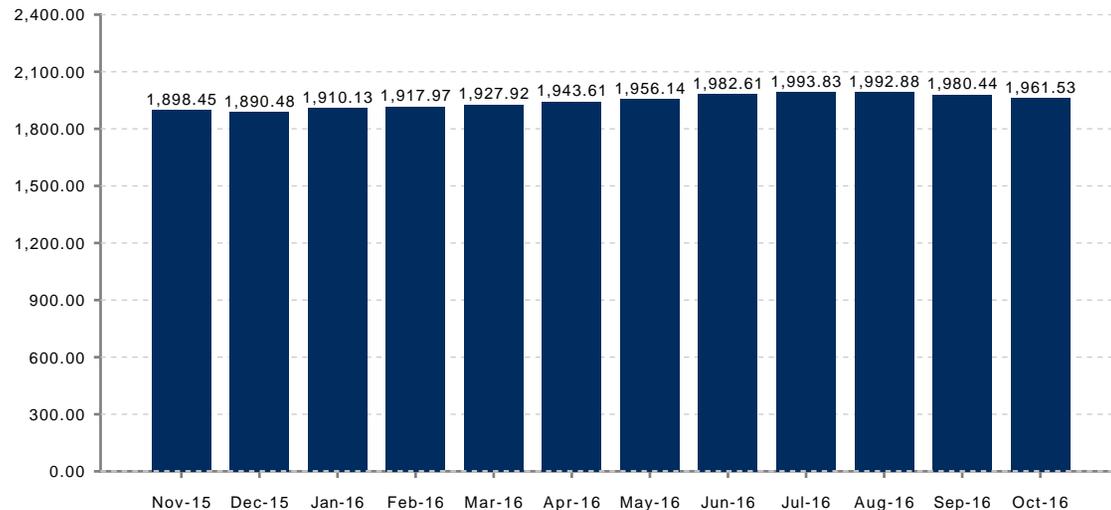
	Current Mth	Prior Mth	1 Year Ago
POOL 205 FIXED INCOME	-0.43	0.06	-0.07

Asset Allocation

	Ending Market Value
POOL 205 FIXED INCOME	1,961,527,672



Net Asset Values over Time (\$MM)

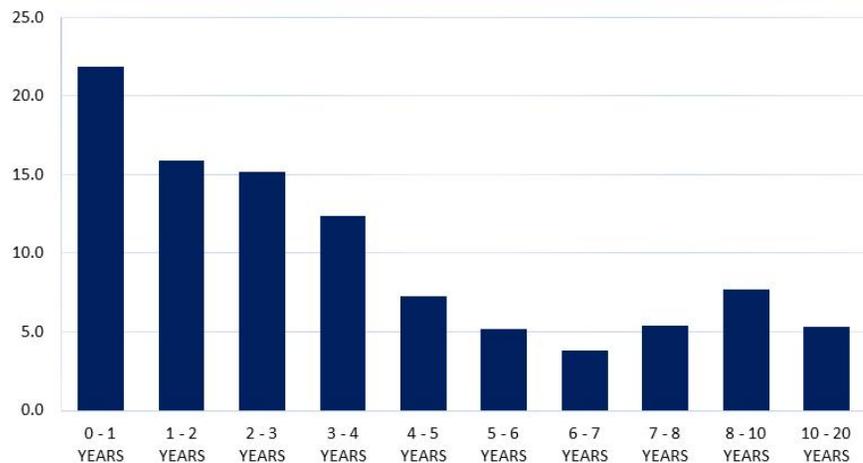


Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 205 FIXED INCOME		
BLACKROCK PROV TEMP	33,699,658	1.72
US TREASURY N/B	18,231,302	0.93
US TREASURY N/B	17,938,500	0.91
US TREASURY N/B	17,165,805	0.88
WELLS FARGO + COMPAN	15,346,253	0.78
US TREASURY N/B	15,339,923	0.78
USAA CAPITAL CORP	15,173,267	0.77
FIFTH THIRD BANK	15,032,963	0.77
SHEFFIELD RECEIVABLE	14,987,917	0.76
BANK OF NY MELLON COR	14,851,550	0.76



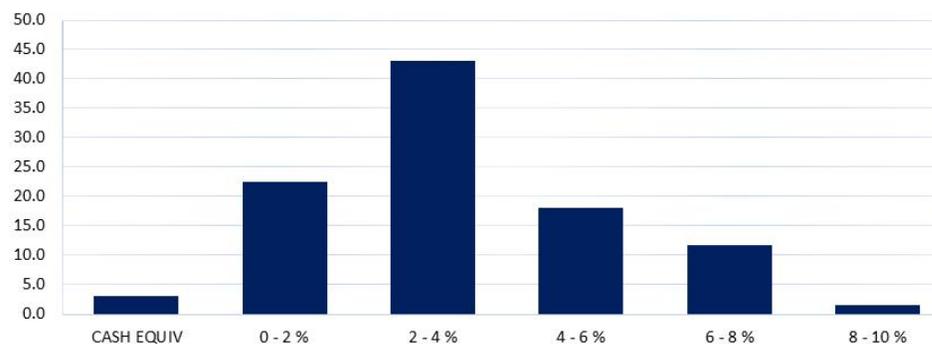
Duration Distribution



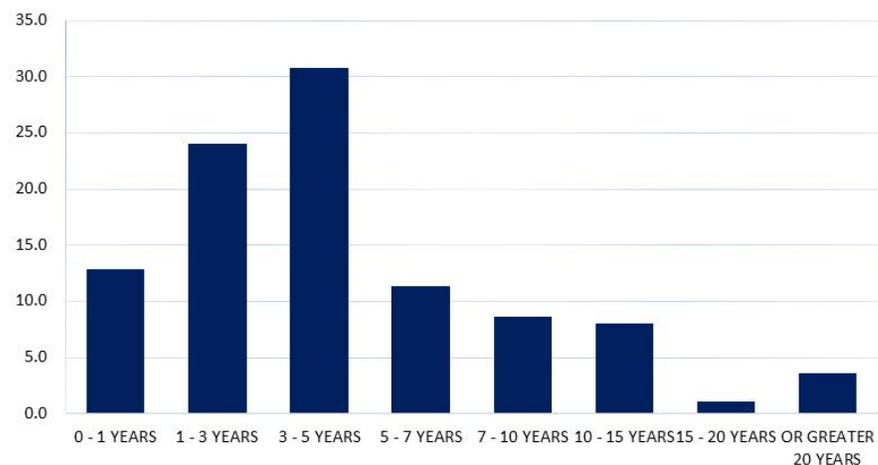
Portfolio Level Characteristics

	POOL 205 FIXED INCOME
Weighted Average Life	4.99
Coupon	3.51
Effective Duration	3.69
Quality Rating (Moody's)	AA-2

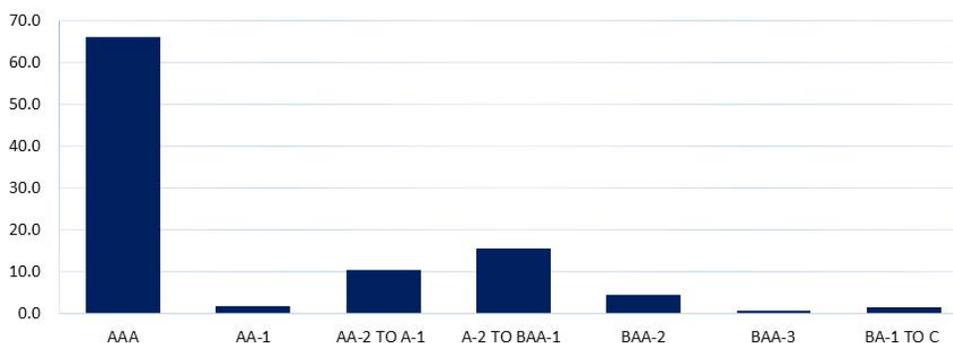
Coupon Distribution



Expected Maturity Distribution



Rating Distribution



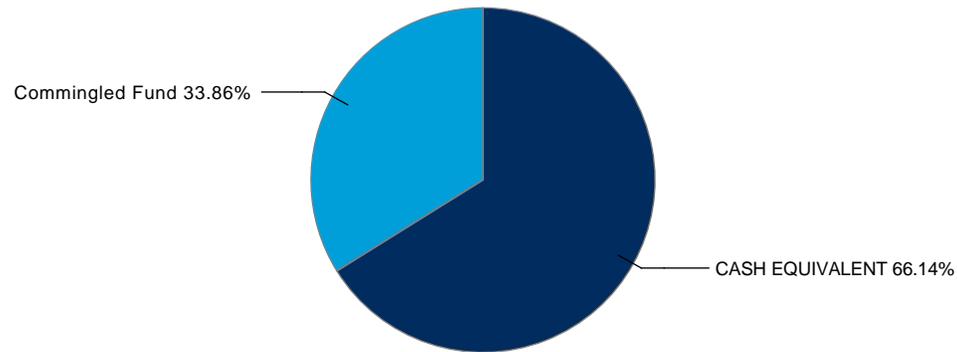


Asset Allocation

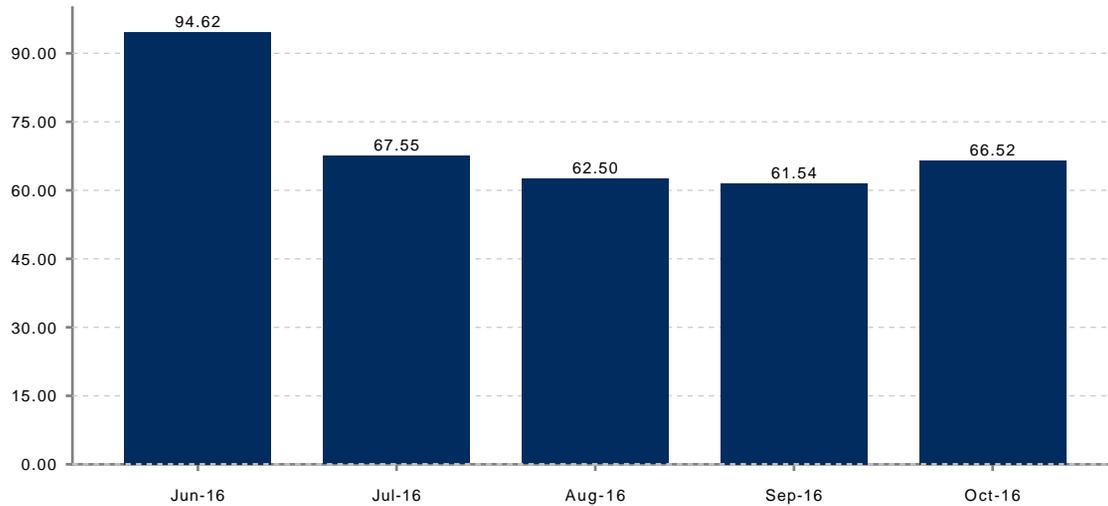
Ending Market Value

POOL 123 ST

66,519,054



Net Asset Values over Time (\$MM)

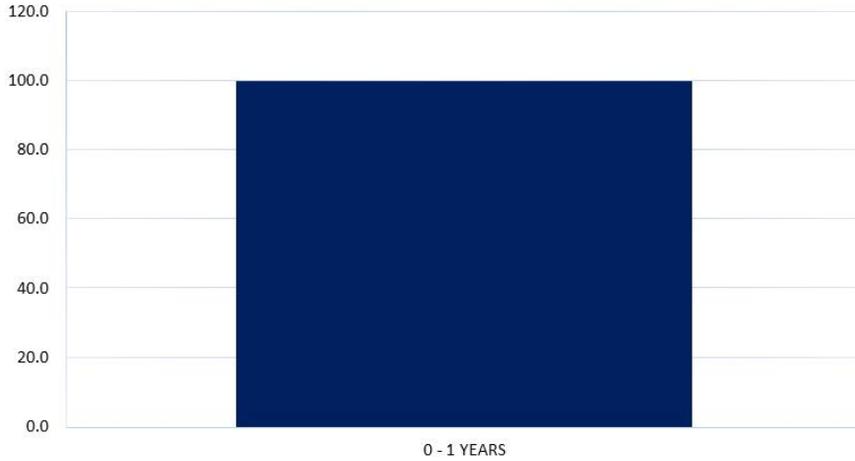


Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 123 ST		
LOCAL GOVERNMENT INV	22,534,214	33.88
BLACKROCK PROV TEMP	15,030,325	22.60
SHEFFIELD RECEIVABLE	14,987,917	22.53
LEGACY CAPITAL COMPA	13,987,042	21.03
STATE STR INSTL LIQUID	2,302	0.00



Duration Distribution



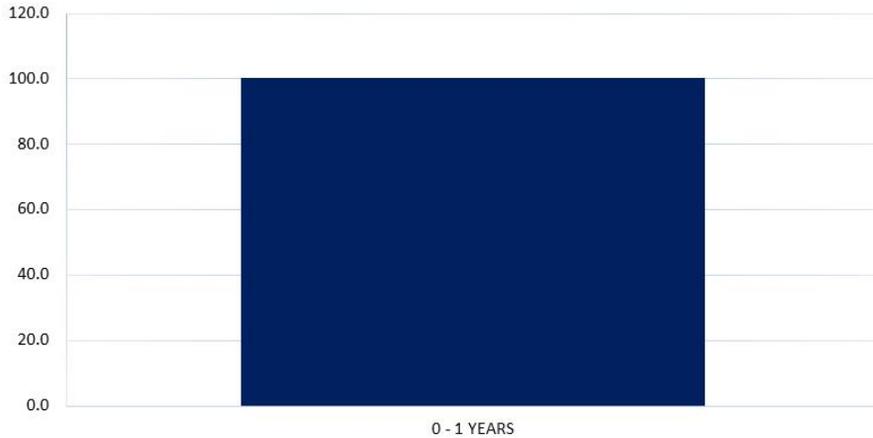
Portfolio Level Characteristics

	POOL 123 ST
Weighted Average Life	0.06
Coupon	0.00
Effective Duration	0.06
Quality Rating (Moody's)	AAA

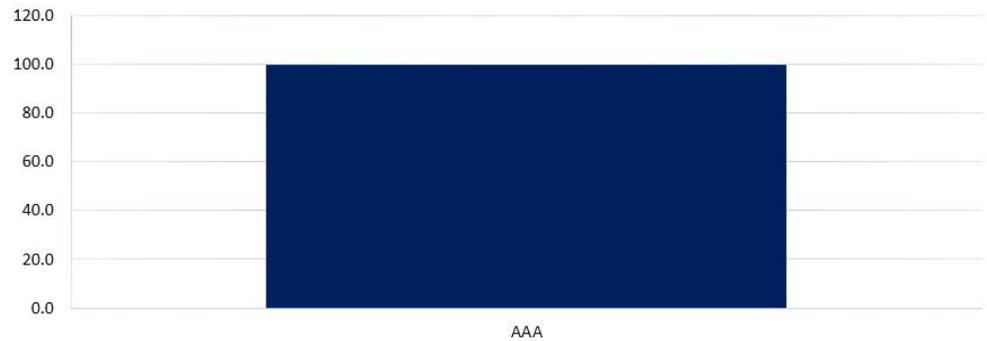
Coupon Distribution



Expected Maturity Distribution



Rating Distribution



Endowment Fund Market Value

