

OFFICE OF THE  
**ARIZONA STATE TREASURER**



**JEFF DEWIT**  
TREASURER



**MAY 2015**

**Presented To:**

**Arizona State Board of Investment**

**JUNE 23, 2015**

**STATE BOARD OF INVESTMENT**

**A G E N D A**

**June 23, 2015**

1. Call to Order
2. Chairman Remarks
3. Approval of May 26, 2015 Minutes
4. Review of Treasurer's Monthly Reports
  - A. Earnings Distribution; Investment Pools
  - B. Operating Monies Invested Balances
  - C. State Agency Pools Investments and Performance Reports
  - D. LGIP Pools Investments and Performance Reports
  - E. Earnings Distributed Endowment Funds
  - F. Endowment Investments and Performance Reports
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**

**June 23, 2015**

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**Minutes of  
BOARD OF INVESTMENT MEETING**

The regular meeting of the State Board of Investment was held on May 26, 2015 in the Office of the State Treasurer, 1700 West Washington, State Capitol, West Wing, Treasurer's Conference Room, Phoenix, Arizona. Treasurer DeWit called the meeting to order at approximately 1:30 p.m.

**Members Present:**

Jeff DeWit, Chair, State Treasurer  
Beth Ford, Treasurer, Pima County, Via Tele-Conference  
Harry A. Papp, CFA and Managing Partner, L. Roy Papp & Associate

**Others Present:**

Mark Swenson, Deputy Treasurer of Policy & Research, Arizona State Treasurer's Office  
Carlton Woodruff, Deputy Treasurer of Operations, Arizona State Treasurer's Office  
Patty Humbert, Chief Investment Officer, Arizona State Treasurer's Office  
Tim White, Senior Portfolio Manager, Arizona State Treasurer's Office  
Dennis Stevenson, Portfolio Manager, Arizona State Treasurer's Office  
Jake Richardson, Investment Analyst, Arizona State Treasurer's Office  
Dale Stomberg, Investment Accounting Manager, Arizona State Treasurer's Office  
Sean Dollman, Director of Government Affairs, Arizona State Treasurer's Office  
Dajana Zlaticanin, Program and Project Specialist, Arizona State Treasurer's Office  
Pam Kirk, Assistant Investment Accounting Manager, Arizona State Treasurer's Office  
Doug Safford, CFA and Director, Wells Fargo  
Makayla Burgess, Student, Sunrise Mountain High School

Pursuant to A.R.S. 35-311, the following reports for April, 2015 were submitted for the Board's approval:

Review of Treasurer's Monthly Reports:

Earnings Distribution; Investment Pools  
Operating Monies Invested Balances  
State Agency Pools Investments and Performance Reports  
LGIP Pools Investments and Performance Reports  
Earnings Distributed Endowment Funds  
Endowment Investments and Performance Reports

**1. Call to Order:**

Treasurer DeWit called the May 26, 2015 BOI meeting to order at approximately 1:30 pm.

**2. Treasurers Comments:**

Treasurer DeWit welcomed the board members and guests and thanked all present for attending the May 26, 2015 meeting.

**3. Approval of Minutes:**

Mr. Papp made a motion to approve the April 28, 2015 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, 2015.

**Operating Monies Average Invested Balance**

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

**Review of Treasurer's Monthly Report – Agency Pools:**

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

**State Agency Pools Portfolio Yield Analysis**

Ms. Humbert reported the net yields for the State Agency Pools for the month of April, 2015.

**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, 2015.

**Investments Outstanding in State Agency Pools**

Ms. Humbert reported the total net assets, asset allocation, the weighted average life, the weighted average duration and the weighted average rating for the State Agency Investment Pools as of April 30, 2015.

**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, 2015.

### **Pool 500 & Pool 700 Portfolio Yield Analysis**

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

### **Manager Allocation of Invested Monies for the LGIP Pools**

Mr. Stevenson reported the total market value invested in all of the LGIP Pools as a percentage of the total that was allocated to each of the LGIP, LGIP-Gov, and LGIP Medium Term Pools as of April 30, 2015.

### **LGIP Pools Investments and Performance Reports**

Mr. Stevenson reported the total net assets, asset allocation, the weighted average life, the weighted average duration, and the weighted average rating on the LGIP, LGIP-Gov, and LGIP Medium Term pools for the month of April, 2015.

### **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, 2015.

#### **Net Realized Capital Gains/Losses – Endowment Funds**

Mr. White reported the net realized capital gains for the Endowment Fixed Income, S&P 500, S&P 400 and S&P 600 pools for the month of April, 2015 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, 2015.

#### **Equity Funds Purchases & Sales**

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

#### **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, 2015.

### **Performance of Investments in Endowment Funds**

Mr. White reported the performance of the Endowment Funds for the current month, the year to date, trailing one year, trailing three years, trailing five years, and since inception for the Endowment Funds as of April 30, 2015.

### **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, 2015.

### **Equity Holdings Investments Outstanding S&P 500**

Mr. White reported the investments outstanding by portfolio characteristics and industry sector for the S&P 500 Pool as of April 30, 2015.

### **Equity Holdings Investments Outstanding S&P 400**

Mr. White reported the investments outstanding by portfolio characteristics and industry sector for the S&P 400 Pool as of April 30, 2015.

### **Equity Holdings Investments Outstanding S&P 600**

Mr. White reported the investments outstanding by portfolio characteristics and industry sector for the S&P 600 Pool as of April 30, 2015.

### **Fixed Income Investments and Performance Reports**

Mr. White reported the total net assets, asset allocation, the weighted average life, the weighted average duration and the weighted average rating for the Fixed Income Pool for the month of April, 2015.

### **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, 2015.

### **Approval of Treasurer's Report**

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

**5. Proposed Changes to Investment Policy:**

*Mr. Papp provided the members of the board with an explanation regarding the rebalancing mechanics of the endowment. He requested the IRMC to conduct a study with rebalancing options and report back to the members of the board with the results at the next meeting.*

*Treasurer DeWit agreed with the request and asked the investment team to report back next month with the study.*

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

There were no Securities Dealers to be approved.

**7. General Business**

No General Business.

**8. Call to the Public**

There was no Public comment.

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

**9. Notice of Next Meeting:**

Treasurer DeWit advised the Board that the next regular meeting of the Board of Investment will be Tuesday, June 23, 2015 at 1:30 p.m. at 1700 West Washington, State Capitol, West Wing, Treasurer's Conference Room, Phoenix, Arizona.

**10. Adjournment:**

Ms. Ford made a motion to adjourn the BOI meeting. Mr. Papp seconded the motion. Upon unanimous approval the BOI Meeting was adjourned at 2:23 p.m.

Respectfully Submitted by:

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Christine Thurston  
Executive Consultant II

Approved by:

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Jeff DeWit, Chair

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Date

**EARNINGS DISTRIBUTION - INVESTMENT POOLS**  
**MAY 2015**

<b>Recipient</b>	<b>Earnings Distributed</b>			<b>Fiscal YTD Investment Management Fees Received</b>
	<b>MAY 2015</b>	<b>Fiscal YTD 14/15</b>	<b>Fiscal YTD 13/14</b>	
General Fund	\$1,140,704	\$10,800,167	\$13,819,609	
2 State Agencies - Full Faith & Credit	413,537	4,507,400	5,522,331	\$460,290
3 State Agencies - Diversified ( <i>Combined</i> )	467,833	6,243,438	11,619,757	714,262
4 State Agencies - Gov	371,108	4,804,223	5,025,306	442,859
5 LGIP	149,161	1,198,665	1,398,977	595,731
7 LGIP Gov	72,953	629,663	395,226	482,028
10 Restricted Operating	285,251	3,014,765	0	702,160
12 CAWCD Medium-Term	387,833	4,561,945	4,984,792	152,966
15 GADA Long-Term	N/A	137,809	187,475	5,004
16 ECDH Medium-Term	331,072	5,066,900	5,039,577	189,982
<b>Subtotal</b>	<b>\$3,619,451</b>	<b>\$40,964,974</b>	<b>\$47,993,049</b>	<b>\$3,745,281</b>
<b>NAV POOL</b>				
500 LGIP - Med Term	251,761	2,557,837	2,881,006	131,437
700 LGIP - FF&C Med Term	86,526	1,237,022	1,818,974	75,976
<b>Total</b>	<b>\$3,957,738</b>	<b>\$44,759,832</b>	<b>\$52,693,030</b>	<b>\$3,952,693</b>
<b>MAY 2014 TOTALS</b>	<b>\$4,439,168</b>			<b>\$4,260,981</b>

**OPERATING MONIES**  
**AVERAGE INVESTED BALANCE**

Through May 31, 2015

(in millions of dollars)

<u>Month</u>	<u>Fiscal Year</u> <u>2012/2013</u>	<u>Fiscal Year</u> <u>2013/2014</u>	<u>Fiscal Year</u> <u>2014/2015</u>
JULY	1,817	1,942	1,876
AUGUST	1,475	1,709	1,369
SEPTEMBER	1,420	1,974	1,638
OCTOBER	1,205	1,824	1,521
NOVEMBER	1,316	1,853	1,535
DECEMBER	1,464	1,895	1,478
JANUARY	1,885	2,234	1,754
FEBRUARY	1,899	2,427	1,959
MARCH	1,815	2,107	1,686
APRIL	2,109	2,100	1,879
MAY	2,428	2,312	2,163
JUNE	2,679	2,462	
<b>Y-T-D</b>			
<b>Average</b>	<b>\$1,793</b>	<b>\$2,070</b>	<b>\$1,714</b>
<b>Budget Stabilization Average Fund Balance - May 2015</b>			<b><u>\$457</u></b>
<b>Total Average Cash Available - May 2015</b>			<b><u>\$2,620</u></b>

**STATE AGENCY POOLS  
 PORTFOLIO EARNINGS ANALYSIS  
 MAY 2015**

<b>FUND</b>	<b>DESCRIPTION</b>	<b>Current Month 05/31/15</b>	<b>Prior Month 04/30/15</b>	<b>Prior Year 05/31/14</b>	<b>Net Asset Value Per Share</b>
2	STATE AGENCIES - FULL FAITH & CREDIT	486,198	312,423	557,485	0.9972
3	STATE AGENCIES - DIVERSIFIED				
	INTERNAL MANAGERS	772,458	732,600	1,530,053	0.9988
	EXTERNAL MANAGERS	75,982	70,599	63,172	1.0014
	<b>FUND 3 TOTAL</b>	<b>848,440</b>	<b>803,199</b>	<b>1,593,225</b>	0.9990
4	STATE AGENCIES - GOV	478,265	495,101	744,710	0.9975
10	RESTRICTED OPERATING				
	INTERNAL MANAGERS	747,936	673,948	N/A	0.9995
	EXTERNAL MANAGERS	114,411	118,981	79,229	0.9992
	<b>FUND 10 TOTAL</b>	<b>862,347</b>	<b>792,929</b>	<b>79,229</b>	0.9995
12	CAWCD MEDIUM-TERM	387,833	384,654	419,446	1.0083
15	GADA LONG-TERM	N/A	N/A	18,508	0.0000
16	ECDH MEDIUM-TERM	331,072	427,474	450,400	1.0006
	<b>TOTAL STATE AGENCIES</b>	<b>3,394,154</b>	<b>3,215,779</b>	<b>3,863,002</b>	

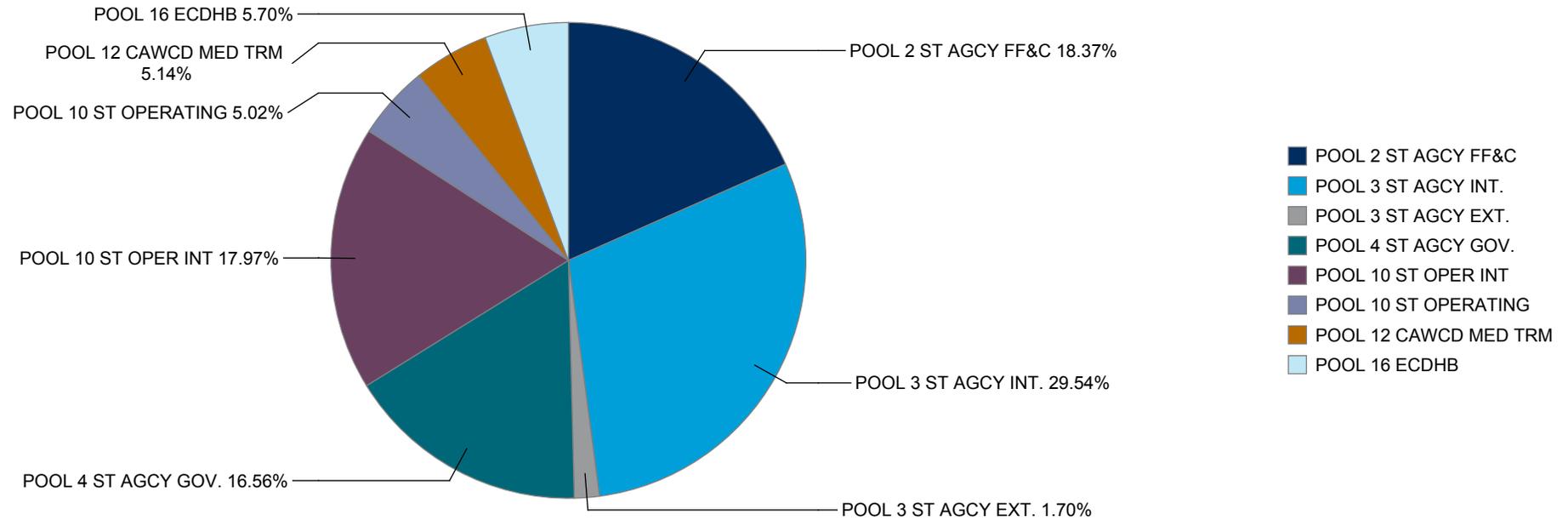
**STATE AGENCY POOLS  
PORTFOLIO YIELD ANALYSIS  
MAY 2015**

FUND	DESCRIPTION	Current Month 05/31/15	Prior Month 04/30/15	Prior Year 05/31/14
2	STATE AGENCIES - FULL FAITH & CREDIT 75% MERRILL 0-1 US TREAS INDEX / 25% MERRILL US GNMA MORTGAGE BACKED INDEX	0.57% 0.74%	0.40% 0.70%	<b>0.55%</b> <b>0.76%</b>
3	STATE AGENCIES - DIVERSIFIED INTERNAL MANAGERS EXTERNAL MANAGERS COMBINED 50% 3 MONTH LIBOR INDEX / 50% MERRILL 1-3 US BROAD MARKET INDEX	0.53% 0.88% 0.55% 0.59%	0.67% 0.84% 0.68% 0.58%	<b>0.73%</b> <b>0.74%</b> <b>0.73%</b> <b>0.43%</b>
4	STATE AGENCIES - GOV 50% MERRILL 6 MTH US T-BILL INDEX / 50% MERRILL 1-3 UNSUB. US TREAS / AGY INDEX	0.58% 0.34%	0.61% 0.32%	<b>0.73%</b> <b>0.22%</b>
10	RESTRICTED OPERATING INTERNAL MANAGERS EXTERNAL MANAGERS COMBINED SIFMA MUNICIPAL SWAP INDEX **50% 3 MONTH LIBOR INDEX / 50% MERRILL 1-3 US BROAD MARKET INDEX	0.82% 0.45% 0.73% NA 0.59%	0.76% 0.48% 0.70% NA 0.58%	<b>NA</b> <b>0.31%</b> <b>0.31%</b> <b>0.08%</b> <b>NA</b>
12	CAWCD MEDIUM-TERM *MERRILL 1-5 US D M INDEX	1.53% 1.35%	1.56% 1.36%	<b>1.73%</b> <b>1.13%</b>
15	GADA LONG-TERM MERRILL 3-5 US BROAD MARKET EX CORP	N/A N/A	N/A N/A	<b>1.80%</b> <b>1.58%</b>
16	ECDH MEDIUM-TERM *MERRILL 1-5 US D M INDEX	1.14% 1.35%	1.52% 1.36%	<b>1.57%</b> <b>1.13%</b>

\*\*Note: Beginning with June 2014, the Benchmark for Pool 10 was changed from SIFMA Municipal Swap Index to the Benchmark used for Pool 3.



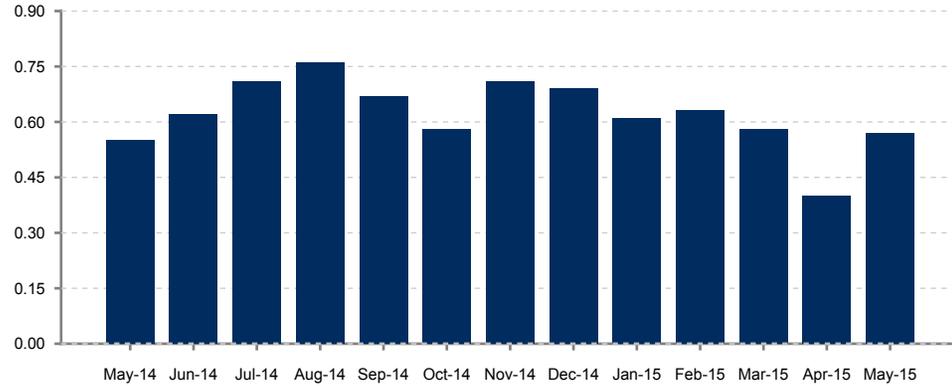
Manager Allocation



	Market Value	% of Portfolio
POOL 2 ST AGCY FF&C	1,103,026,776	18.4
POOL 3 ST AGCY INT.	1,774,094,250	29.5
POOL 3 ST AGCY EXT.	102,033,516	1.7
POOL 4 ST AGCY GOV.	994,436,668	16.6
POOL 10 ST OPER INT	1,079,262,781	18.0
POOL 10 ST OPERATING	301,741,447	5.0
POOL 12 CAWCD MED TRM	308,617,312	5.1
POOL 16 ECDHB	342,564,506	5.7
TOTAL STATE AGENCY	6,005,777,256	100.0



**Net Yield**

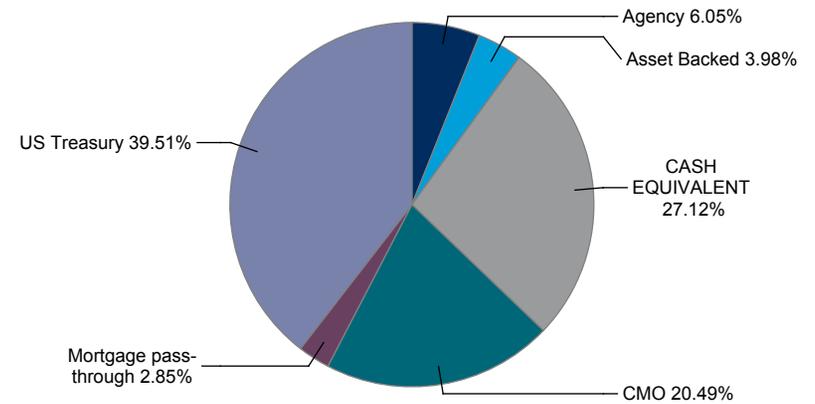


**Current Mth**      **Prior Mth**      **1 Year Ago**

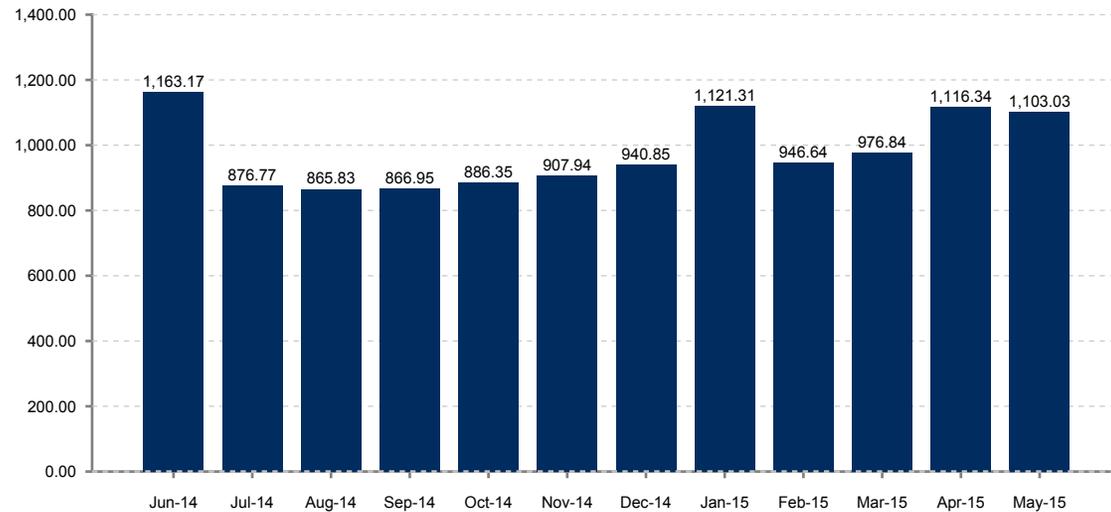
POOL 2 ST AGCY FF&C	0.57	0.40	0.55
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**Asset Allocation**

	Ending Market Value
POOL 2 ST AGCY FF&C	1,103,026,776



**Net Asset Values over Time (\$MM)**

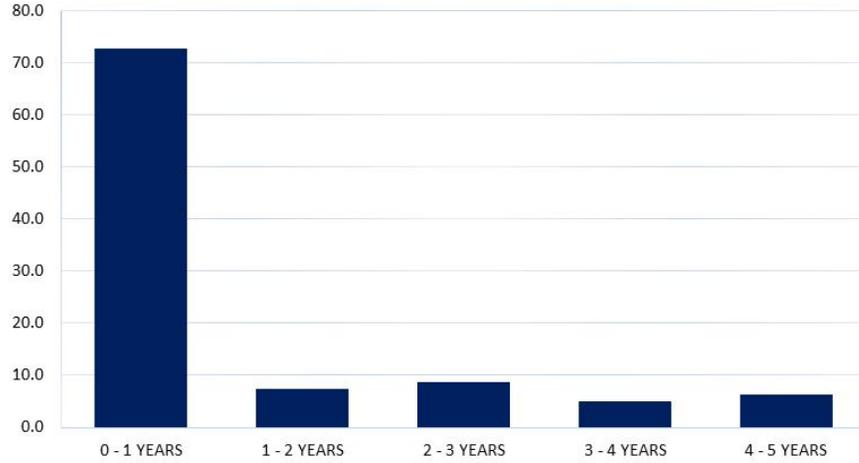


**Top 10 Holdings**

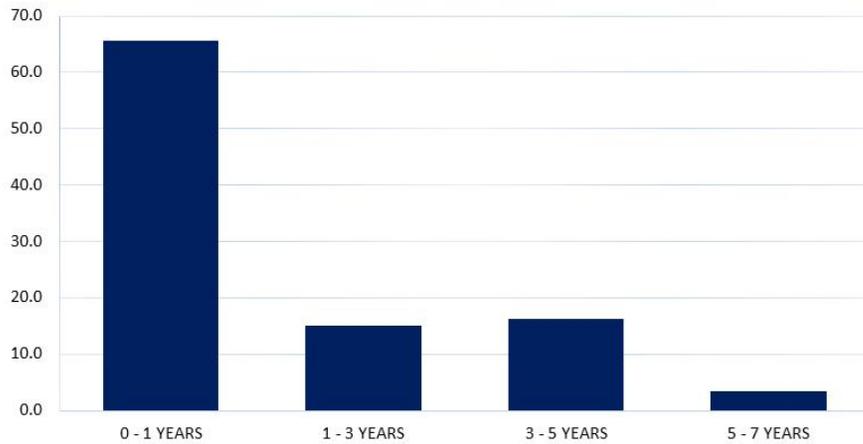
Security Name	Ending Market Value	% of Portfolio
POOL 2 ST AGCY FF&C		
DAIWA CAPITAL MARKETS REPO	127,979,141	11.60
SOUTH STREET REPO	70,000,875	6.35
US TREASURY N/B	51,088,340	4.63
US TREASURY N/B	46,953,486	4.26
US TREASURY N/B	40,240,939	3.65
WELLS FARGO REPO	31,290,369	2.84
US TREASURY N/B	30,645,697	2.78
US TREASURY N/B	30,563,822	2.77
US TREASURY N/B	30,175,589	2.74
GOVERNMENT NATIONAL MORTGAGE A	29,023,341	2.63



**Duration Distribution**



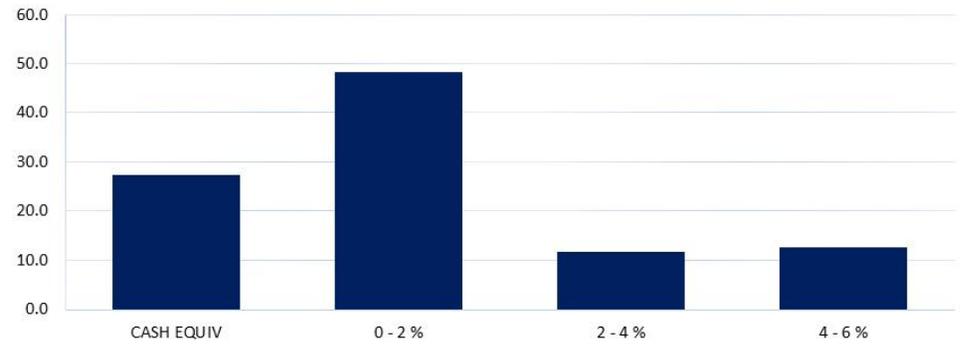
**Expected Maturity Distribution**



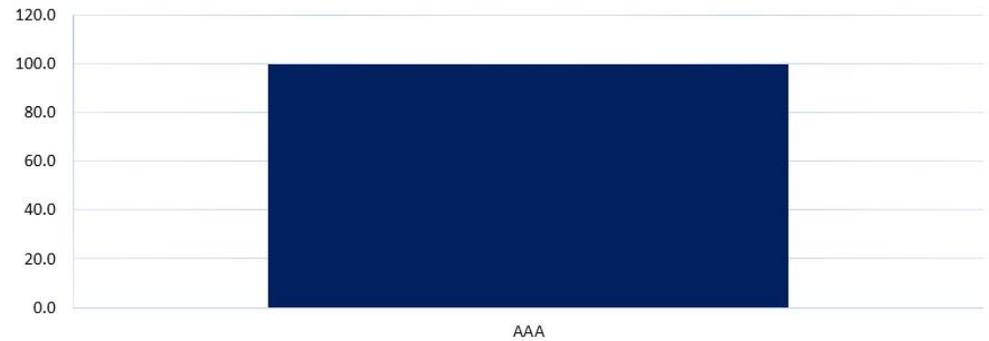
**Portfolio Level Characteristics**

	POOL 2 ST AGCY FF&C
Weighted Average Life	1.39
Coupon	1.75
Effective Duration	1.02
Quality Rating (Moody's)	AAA

**Coupon Distribution**



**Rating Distribution**





**Net Yield**

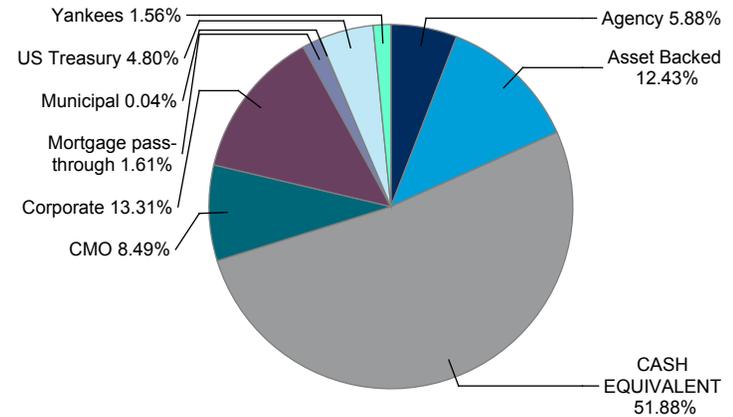


**Current Mth**      **Prior Mth**      **1 Year Ago**

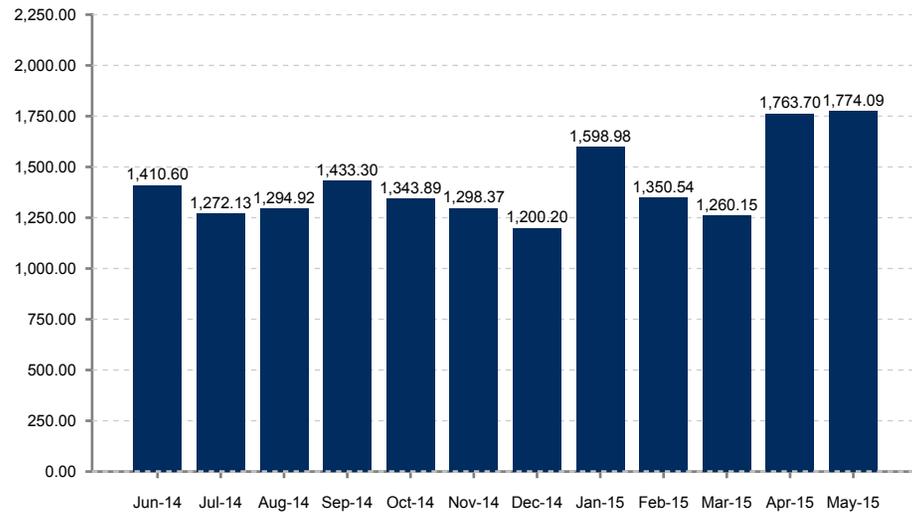
POOL 3 ST AGCY INT.	0.53	0.67	0.73
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**Asset Allocation**

<b>Ending Market Value</b>	
POOL 3 ST AGCY INT.	1,774,094,250



**Net Asset Values over Time (\$MM)**

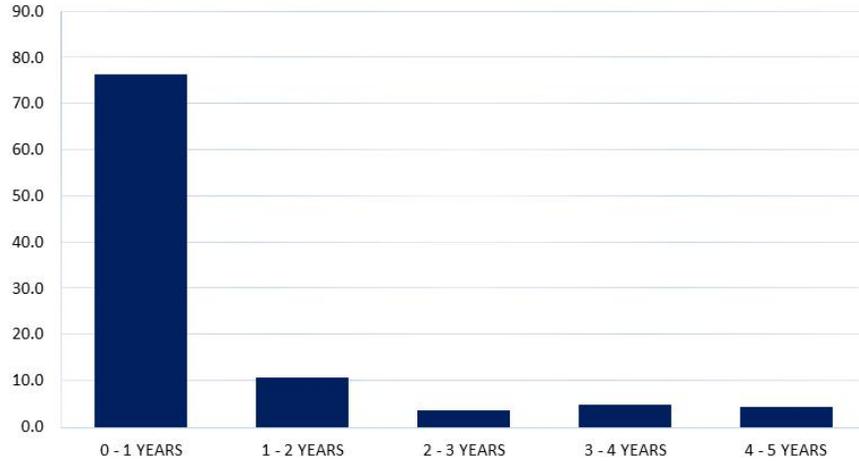


**Top 10 Holdings**

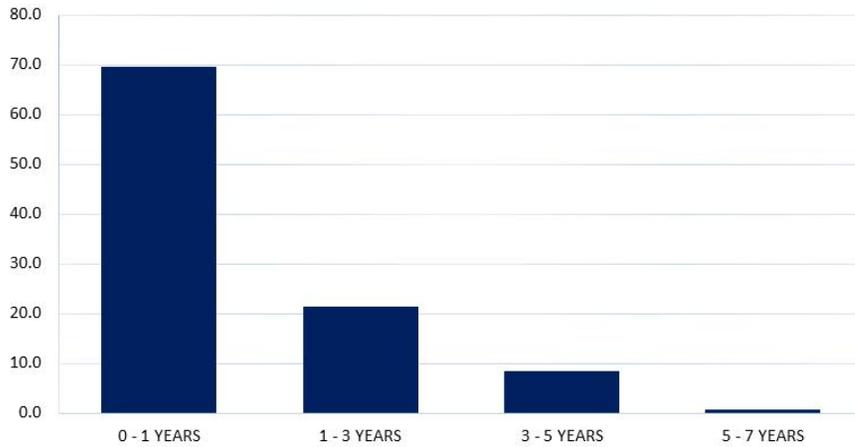
Security Name	Ending Market Value	% of Portfolio
POOL 3 ST AGCY INT.		
SOUTH STREET REPO	288,986,214	16.29
SUN TRUST ROBINSON REPO	100,014,639	5.64
GUGGENHEIM SECURITIES REPO	100,001,556	5.64
LEXINGTN PKR CAP CO LL	50,000,000	2.82
CAN AST & CAN LTD JT	49,996,111	2.82
MOUNTCLIFF	39,999,778	2.25
GOTHAM FDG CORP	33,997,270	1.92
CONCORD MIN CPTL CO	29,997,783	1.69
CATERPLR FIN SRV CO.	29,997,000	1.69
INSTITUTIONAL SECURED	29,989,825	1.69



**Duration Distribution**



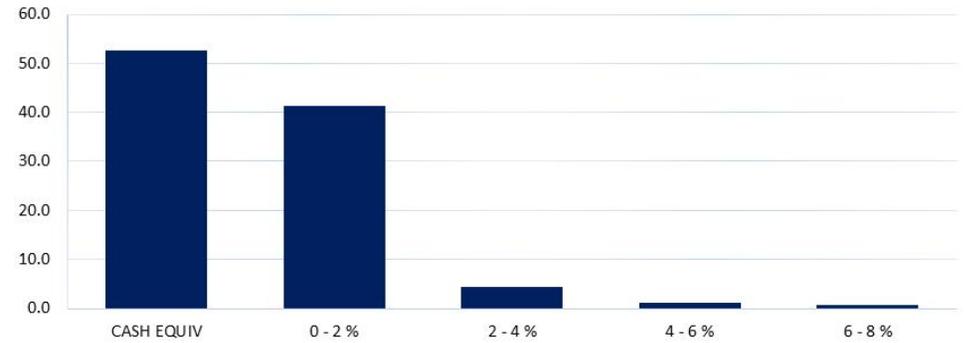
**Expected Maturity Distribution**



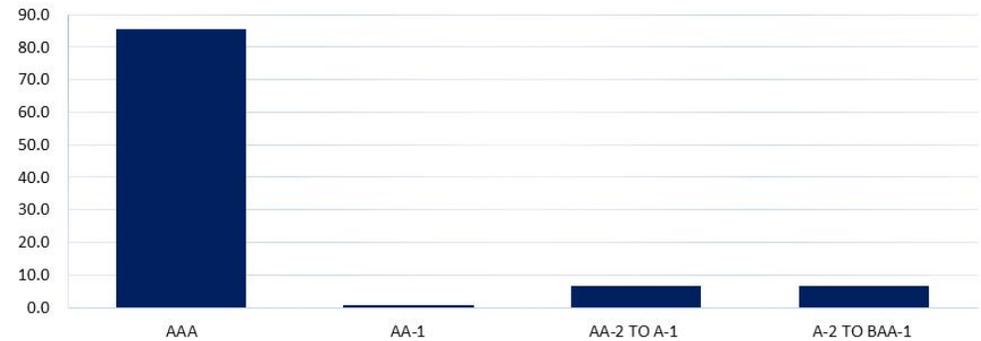
**Portfolio Level Characteristics**

	POOL 3 ST AGCY INT.
Weighted Average Life	0.97
Coupon	0.98
Effective Duration	0.75
Quality Rating (Moody's)	AA-1

**Coupon Distribution**



**Rating Distribution**





**Net Yield**

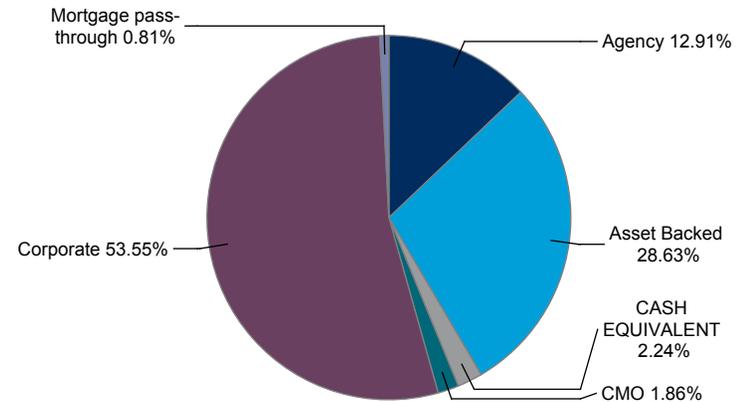


**Current Mth**      **Prior Mth**      **1 Year Ago**

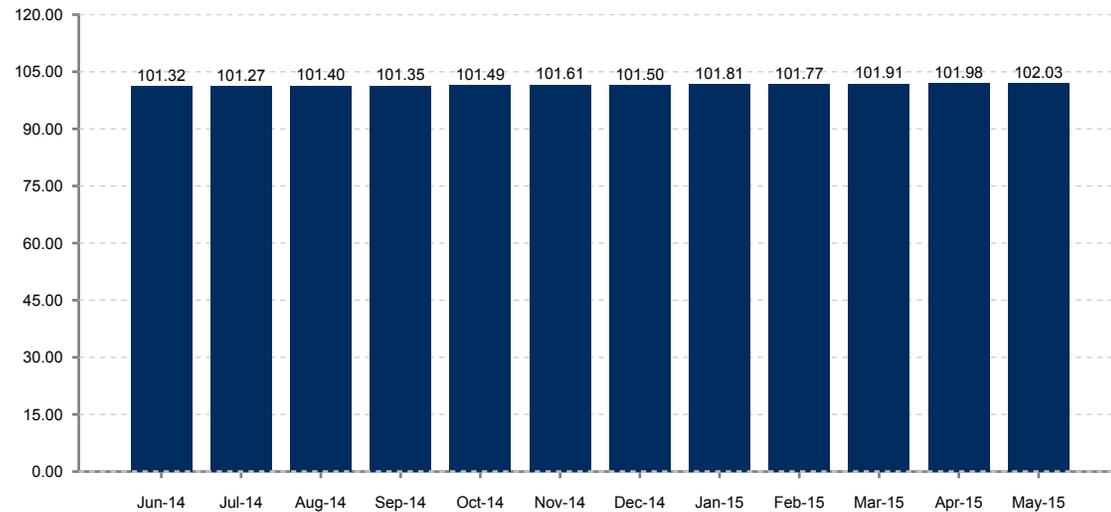
POOL 3 ST AGCY EXT.	0.88	0.84	0.74
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**Asset Allocation**

<b>Ending Market Value</b>	
POOL 3 ST AGCY EXT.	102,033,516



**Net Asset Values over Time (\$MM)**

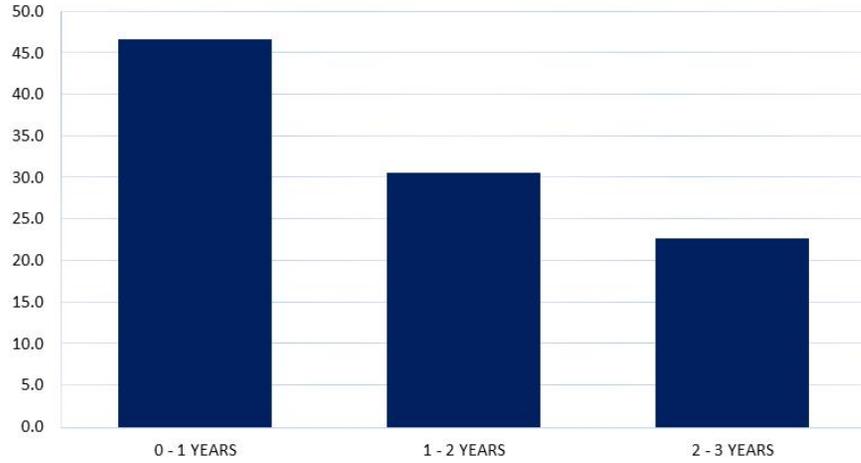


**Top 10 Holdings**

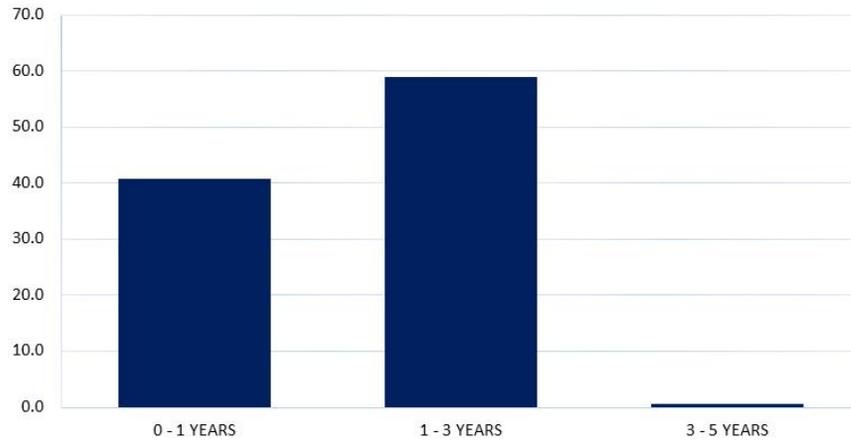
Security Name	Ending Market Value	% of Portfolio
POOL 3 ST AGCY EXT.		
ROYAL BK OF CANADA	1,807,429	1.77
FREDDIE MAC	1,767,206	1.73
MUFG UNION BANK NA	1,656,726	1.62
COSTCO WHOLESALE CORP	1,608,389	1.58
DISCOVER CARD EXECUTION NOTE T	1,577,210	1.55
JPMORGAN CHASE + CO	1,509,461	1.48
FANNIE MAE	1,506,588	1.48
CITIBANK CREDIT CARD ISSUANCE	1,505,392	1.48
FANNIE MAE	1,503,154	1.47
NISSAN AUTO RECEIVABLES OWNER	1,500,731	1.47



**Duration Distribution**



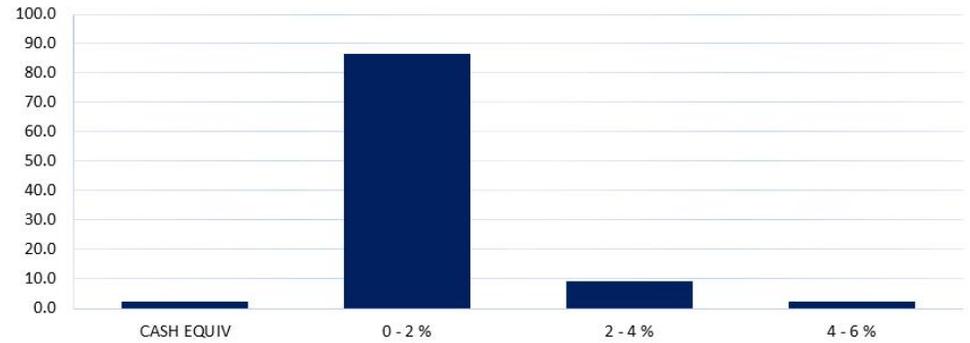
**Expected Maturity Distribution**



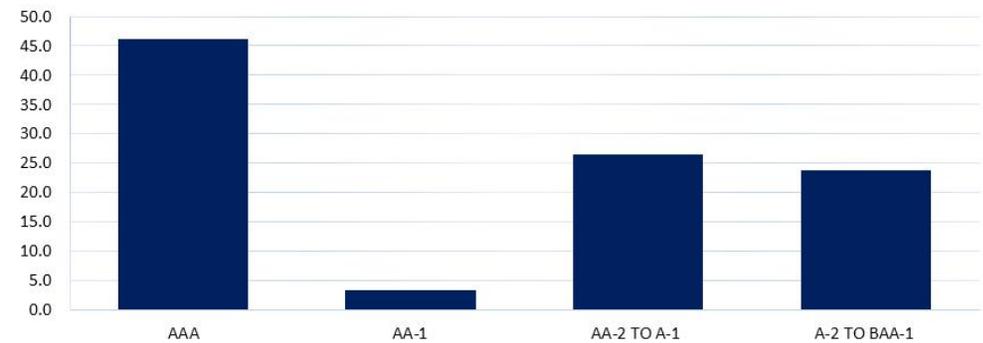
**Portfolio Level Characteristics**

	POOL 3 ST AGCY EXT.
Weighted Average Life	1.45
Coupon	1.25
Effective Duration	1.29
Quality Rating (Moody's)	AA-2

**Coupon Distribution**



**Rating Distribution**





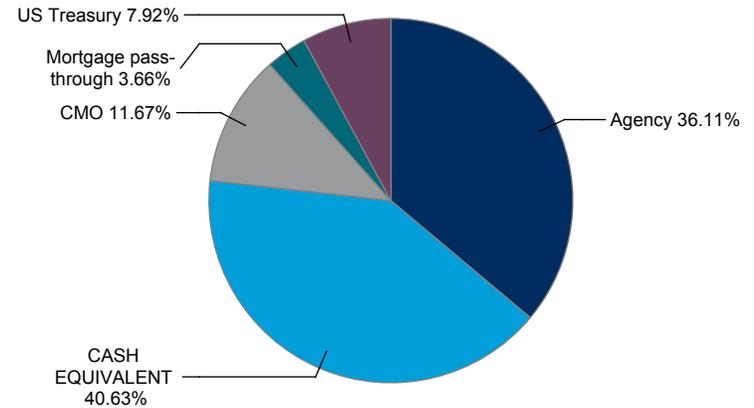
**Net Yield**



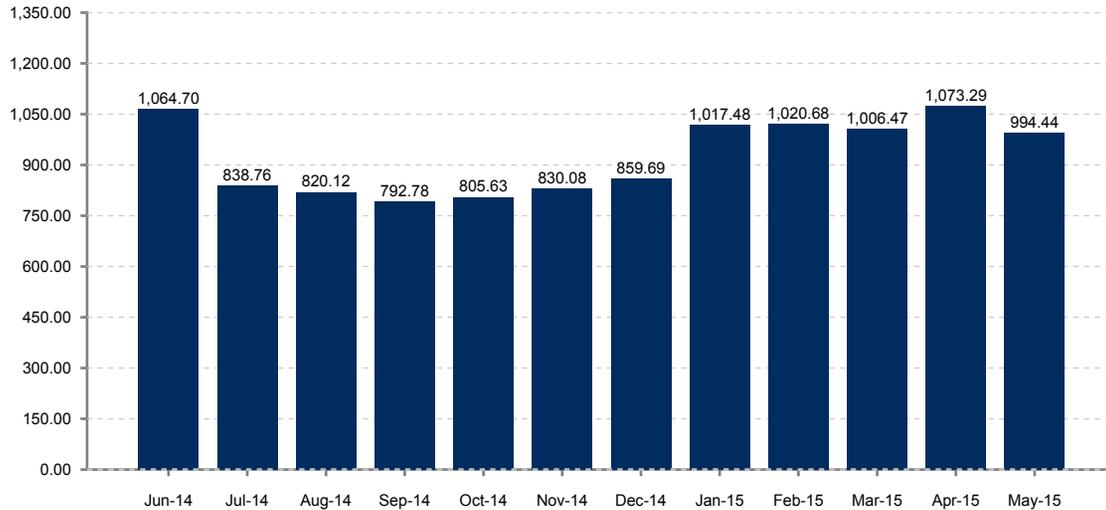
	Current Mth	Prior Mth	1 Year Ago
POOL 4 ST AGCY GOV.	0.58	0.61	0.73

**Asset Allocation**

	Ending Market Value
POOL 4 ST AGCY GOV.	994,436,668



**Net Asset Values over Time (\$MM)**

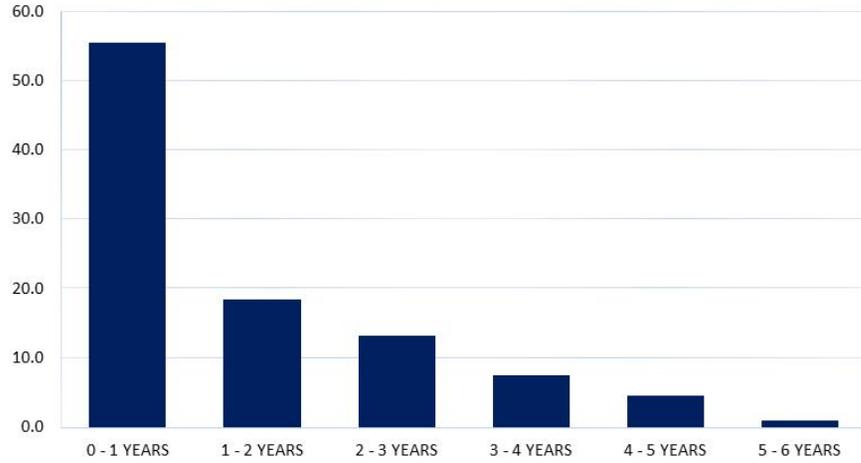


**Top 10 Holdings**

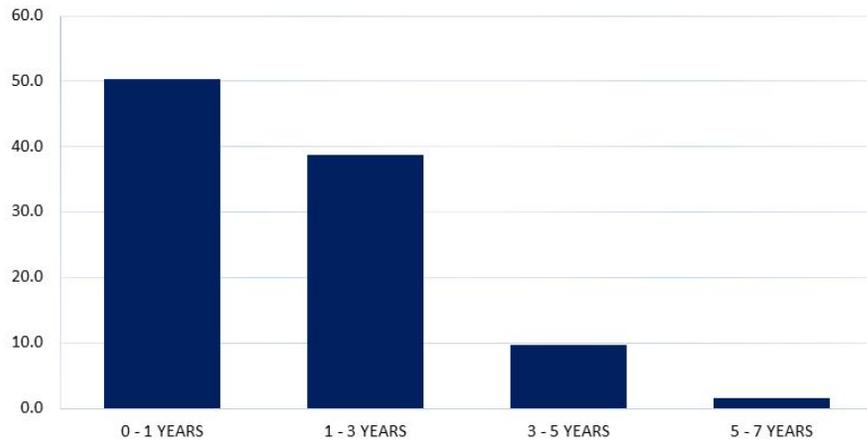
Security Name	Ending Market Value	% of Portfolio
POOL 4 ST AGCY GOV.		
SOUTH STREET REPO	209,714,726	21.09
FED HOME LN DISCOUNT NT	49,634,015	4.99
FED HOME LN DISCOUNT NT	39,989,200	4.02
FANNIE MAE	39,616,504	3.98
FEDERAL HOME LOAN BANK	32,480,156	3.27
FEDERAL FARM CREDIT BANK	30,009,818	3.02
FED HOME LN DISCOUNT NT	24,998,733	2.51
FED HOME LN DISCOUNT NT	24,994,965	2.51
FED HOME LN DISCOUNT NT	24,994,792	2.51
FREDDIE MAC	20,994,222	2.11



**Duration Distribution**



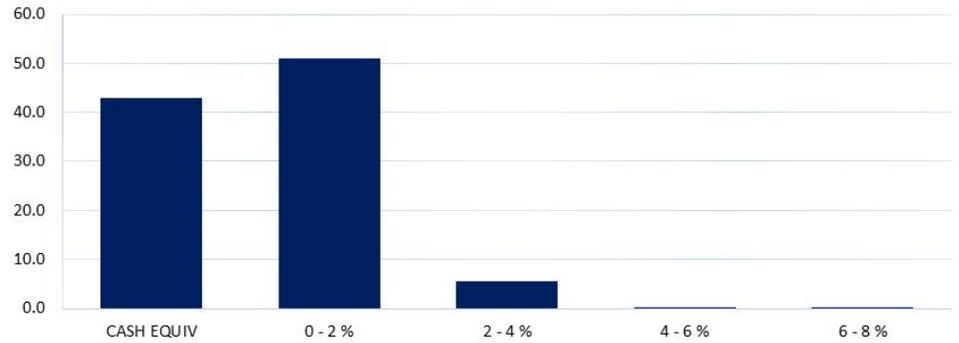
**Expected Maturity Distribution**



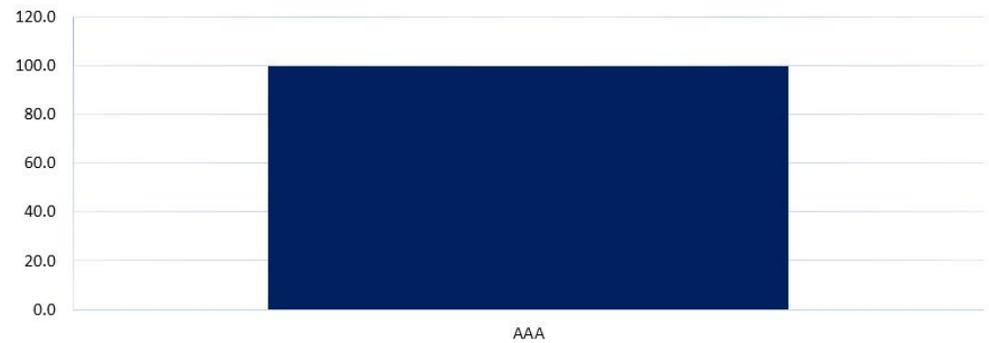
**Portfolio Level Characteristics**

	POOL 4 ST AGCY GOV.
Weighted Average Life	1.48
Coupon	0.91
Effective Duration	1.18
Quality Rating (Moody's)	AAA

**Coupon Distribution**

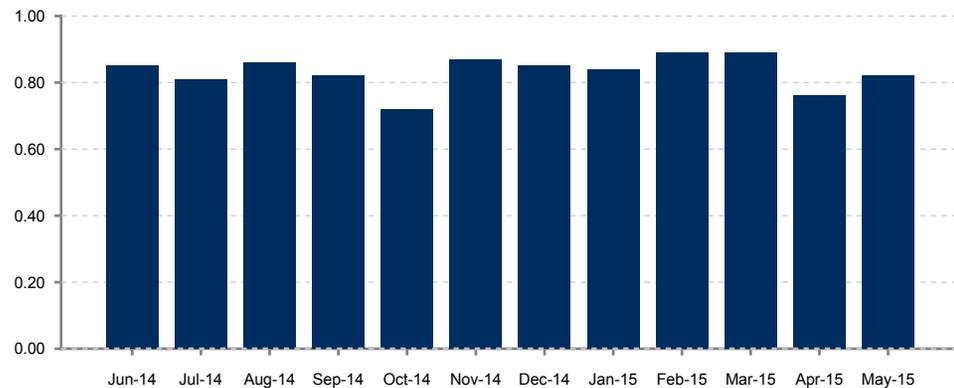


**Rating Distribution**





**Net Yield**



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

POOL 10 ST OPER INT

0.82

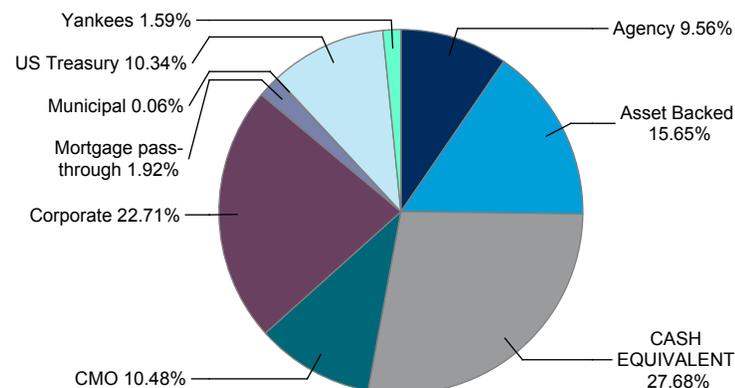
0.76

**Asset Allocation**

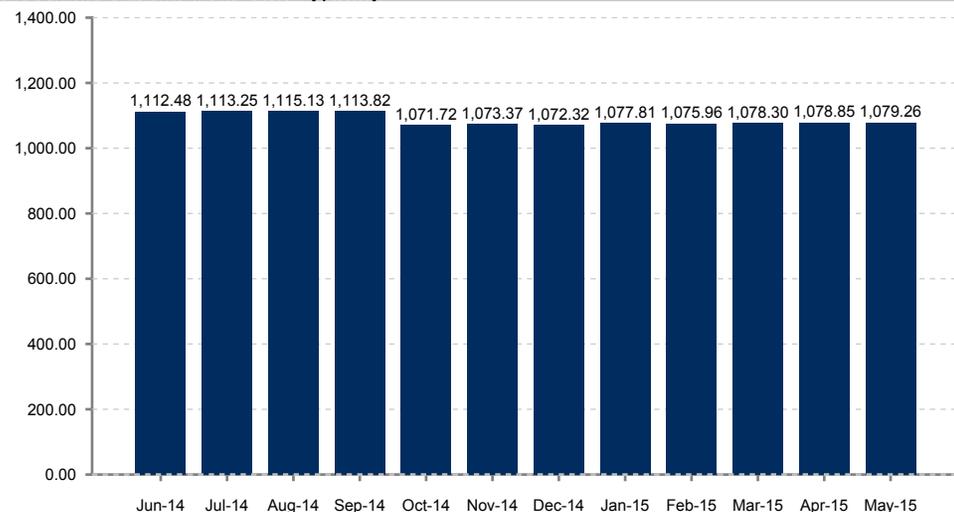
POOL 10 ST OPER INT

**Ending Market Value**

1,079,262,781



**Net Asset Values over Time (\$MM)**

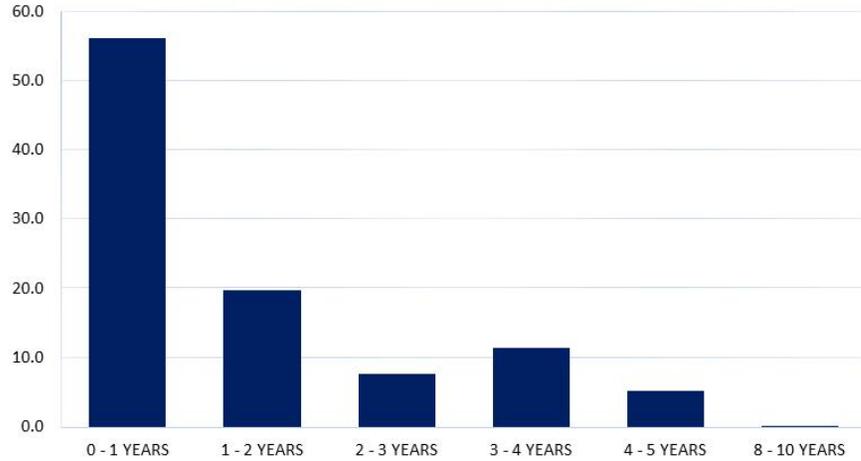


**Top 10 Holdings**

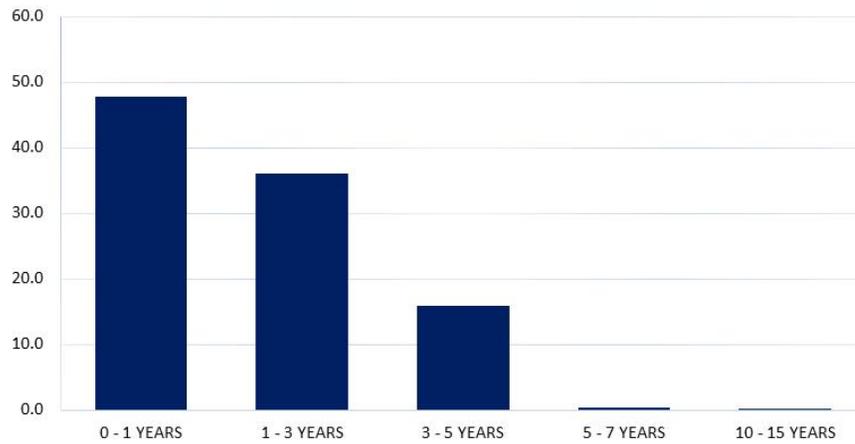
Security Name	Ending Market Value	% of Portfolio
POOL 10 ST OPER INT		
SOUTH STREET REPO	101,308,060	9.39
MOUNTCLIFF	39,992,422	3.71
CONCORD MIN CPTL CO	39,987,556	3.71
GOTHAM FDG CORP	29,997,592	2.78
INSTITUTIONAL SECURED	29,986,308	2.78
BARCLAYS U.S. FDG LLC	29,985,050	2.78
US TREASURY N/B	20,336,760	1.88
US TREASURY N/B	20,186,055	1.87
US TREASURY N/B	20,074,809	1.86
US TREASURY N/B	20,051,765	1.86



**Duration Distribution**



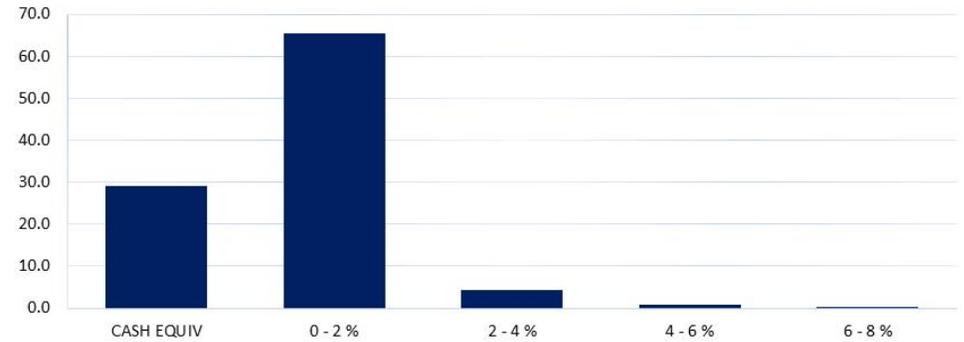
**Expected Maturity Distribution**



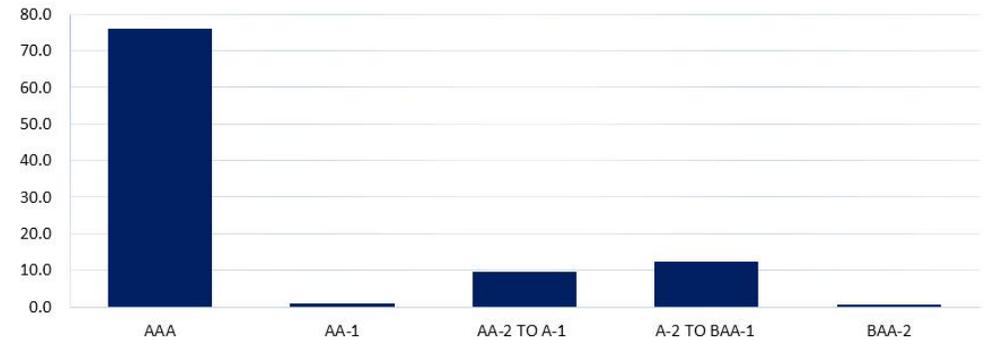
**Portfolio Level Characteristics**

	POOL 10 ST OPERATING INT
Weighted Average Life	1.55
Coupon	1.07
Effective Duration	1.27
Quality Rating (Moody's)	AA-1

**Coupon Distribution**



**Rating Distribution**





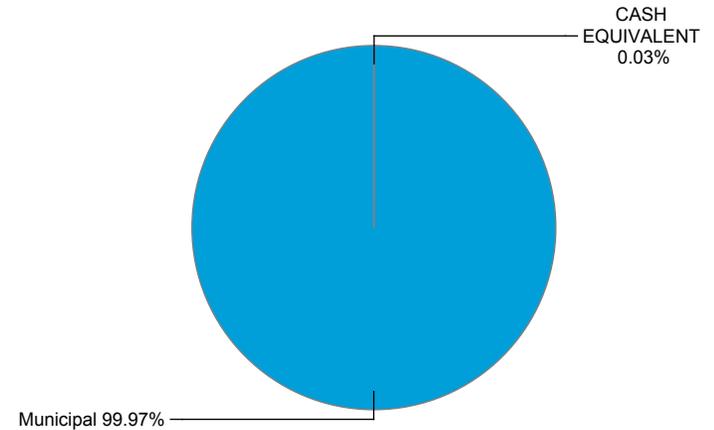
**Net Yield**



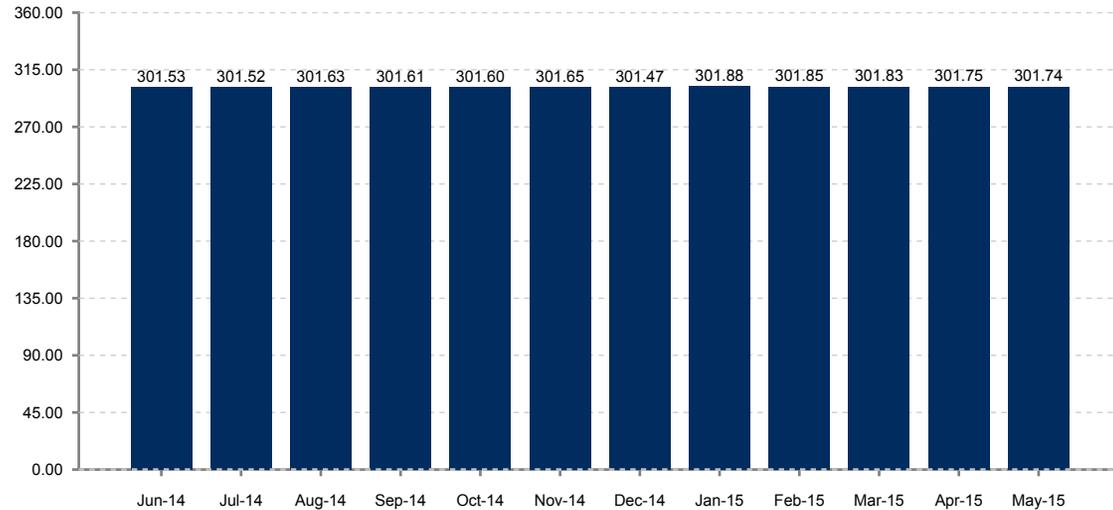
	Current Mth	Prior Mth	1 Year Ago
POOL 10 ST OPERATING	0.45	0.48	0.31

**Asset Allocation**

	Ending Market Value
POOL 10 ST OPERATING	301,741,447



**Net Asset Values over Time (\$MM)**

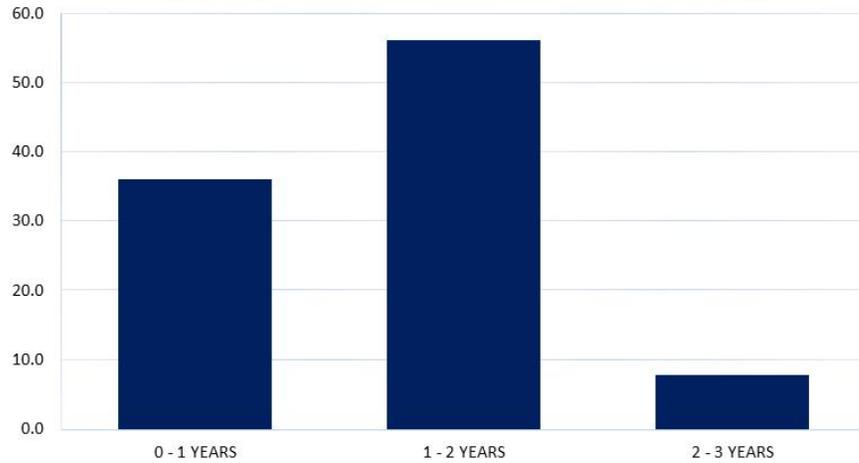


**Top 10 Holdings**

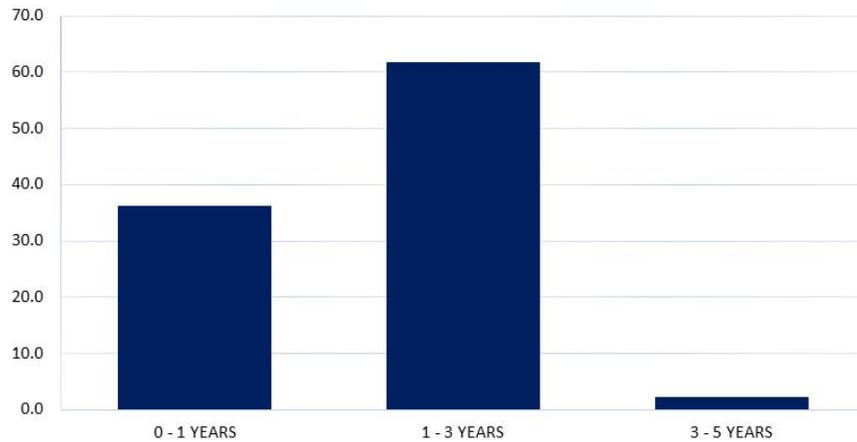
Security Name	Ending Market Value	% of Portfolio
POOL 10 ST OPERATING		
MASSACHUSETTS ST SCH BLDG AUTH	33,363,523	11.06
PORTLAND OR CMNTY CLG DIST	12,870,589	4.27
SAN ANTONIO TX	12,427,489	4.12
TEXAS ST	11,524,407	3.82
MULTNOMAH CNTY OR SCH DIST 1J	10,897,568	3.61
OHIO ST	10,235,733	3.39
BEAUFORT CNTY SC SCH DIST	10,180,750	3.37
ARIZONA ST TRANSPRTN BRD HIGHW	9,560,515	3.17
VIRGINIA ST PUBLIC BLDG AUTH P	8,173,771	2.71
ARIZONA ST WTR INFRASTRUCTURE	8,100,924	2.68



**Duration Distribution**



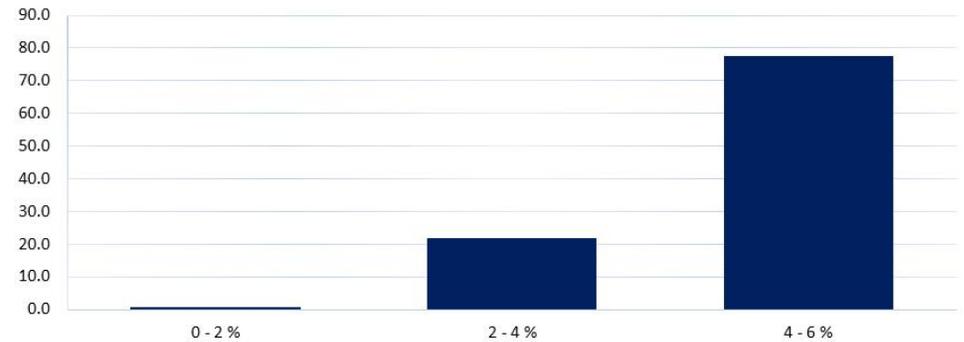
**Expected Maturity Distribution**



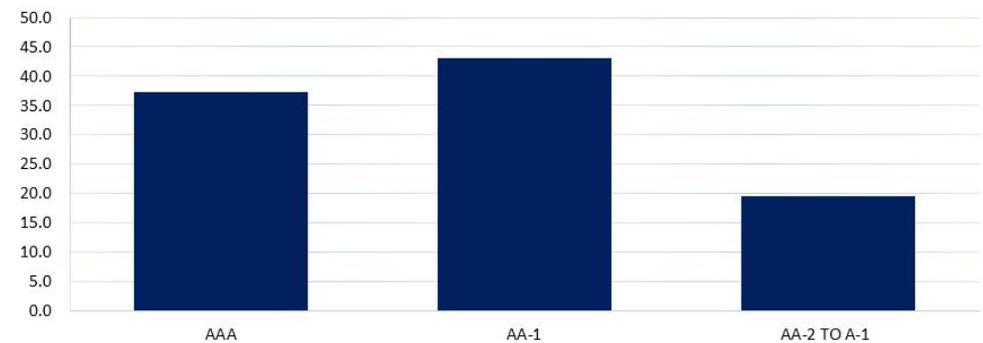
**Portfolio Level Characteristics**

	POOL 10 ST OPERATING
Weighted Average Life	1.29
Coupon	4.67
Effective Duration	1.24
Quality Rating (Moody's)	AA-1

**Coupon Distribution**



**Rating Distribution**





**Net Yield**

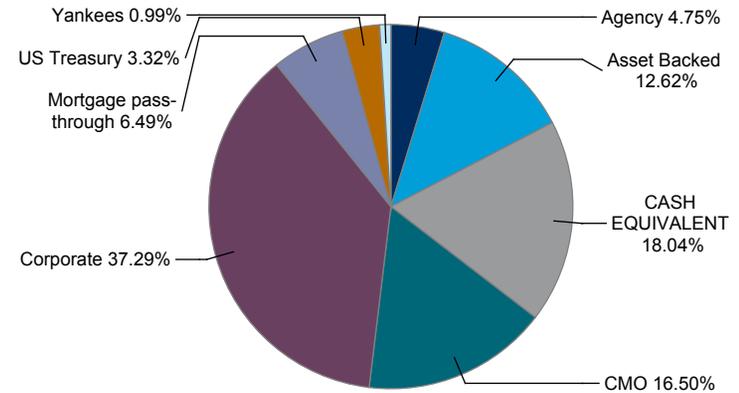


**Current Mth**      **Prior Mth**      **1 Year Ago**

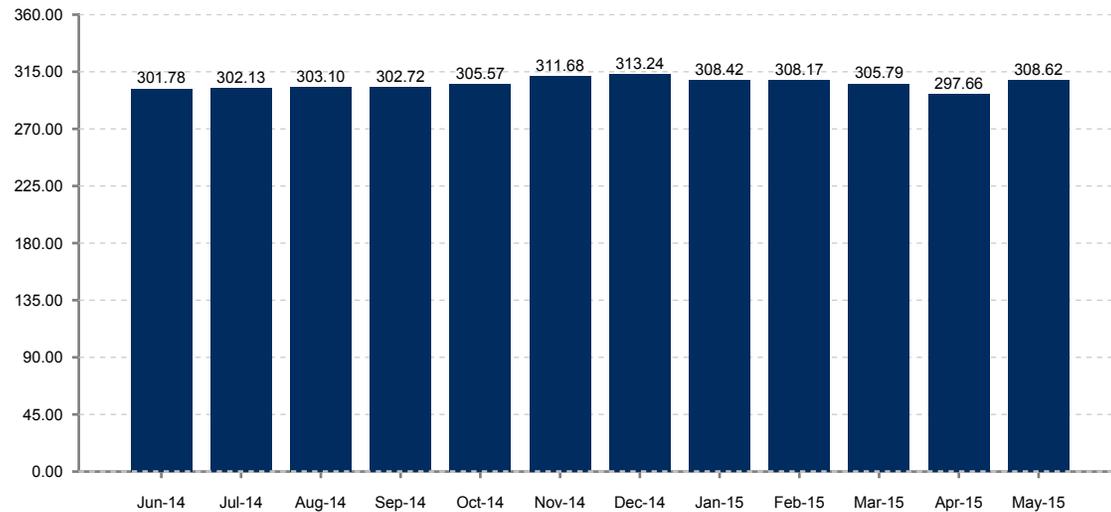
POOL 12 CAWCD MED TRM	1.53	1.56	1.73
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**Asset Allocation**

	Ending Market Value
POOL 12 CAWCD MED TRM	308,617,312



**Net Asset Values over Time (\$MM)**

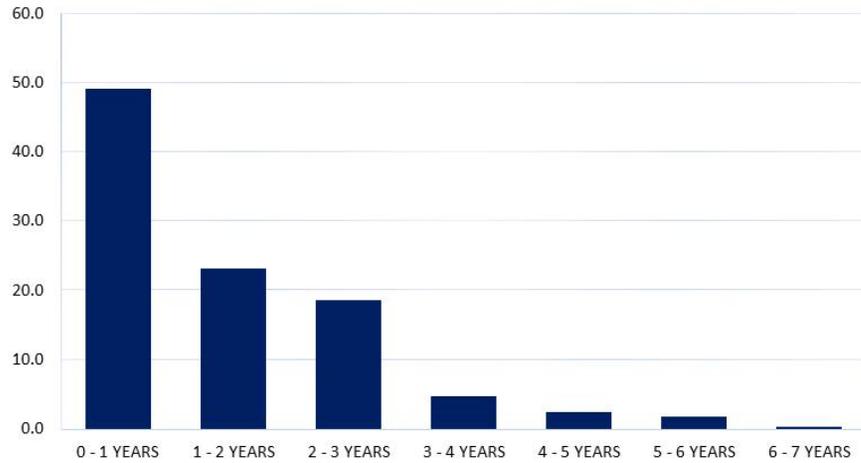


**Top 10 Holdings**

Security Name	Ending Market Value	% of Portfolio
POOL 12 CAWCD MED TRM		
BANK OF AMERICA REPO	39,607,601	12.83
FANNIE MAE	7,063,970	2.29
FNMA POOL AV9175	6,920,294	2.24
FNMA POOL MA1763	6,023,118	1.95
FANNIE MAE	5,454,980	1.77
FANNIE MAE	5,369,801	1.74
GOLDMAN SACHS GROUP INC	5,072,339	1.64
WELLS FARGO + COMPANY	5,039,204	1.63
TOYOTA MOTOR CREDIT CORP	5,036,449	1.63
PFIZER INC	5,032,420	1.63



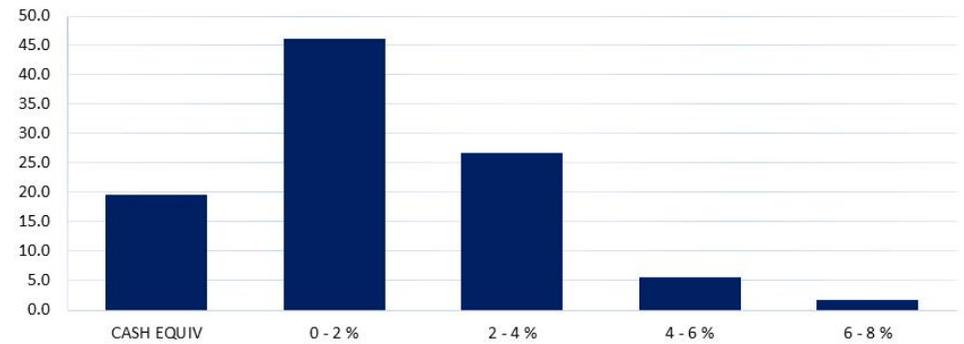
**Duration Distribution**



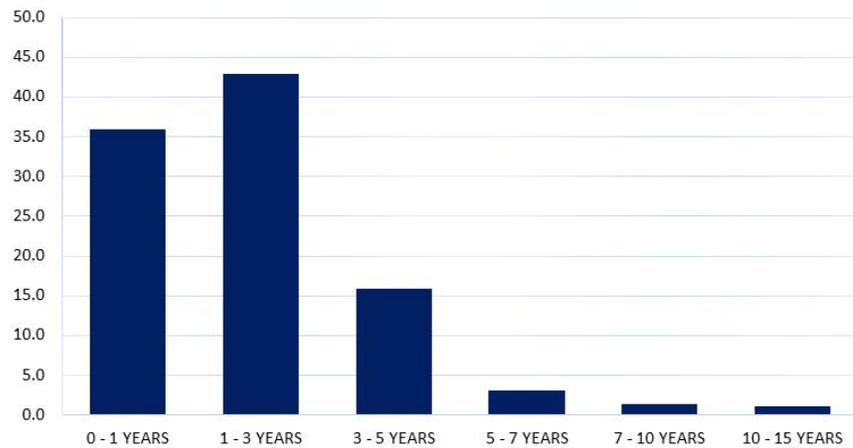
**Portfolio Level Characteristics**

	POOL 12 CAWCD MED TRM
Weighted Average Life	1.98
Coupon	2.01
Effective Duration	1.32
Quality Rating (Moody's)	AA-2

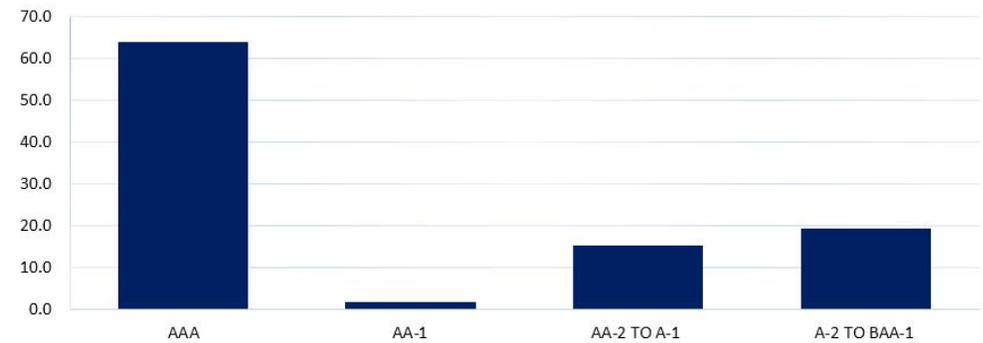
**Coupon Distribution**



**Expected Maturity Distribution**



**Rating Distribution**





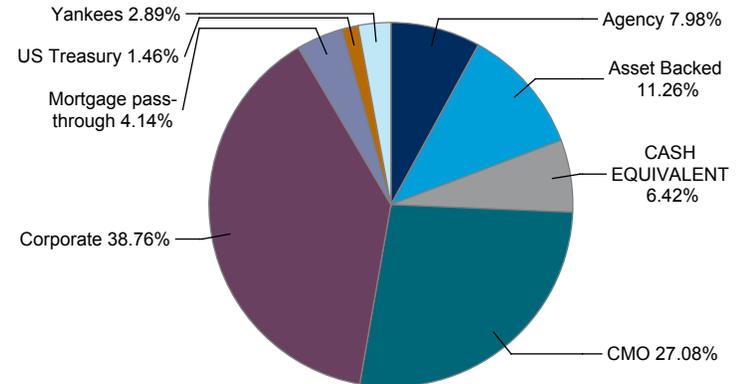
**Net Yield**



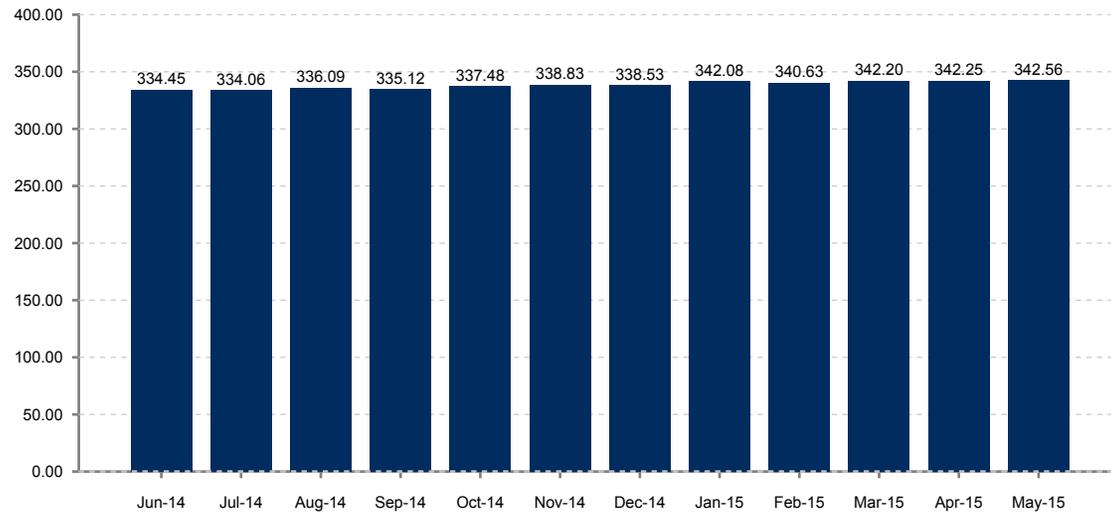
	Current Mth	Prior Mth	1 Year Ago
POOL 16 ECDHB	1.14	1.52	1.57

**Asset Allocation**

	Ending Market Value
POOL 16 ECDHB	342,564,506



**Net Asset Values over Time (\$MM)**

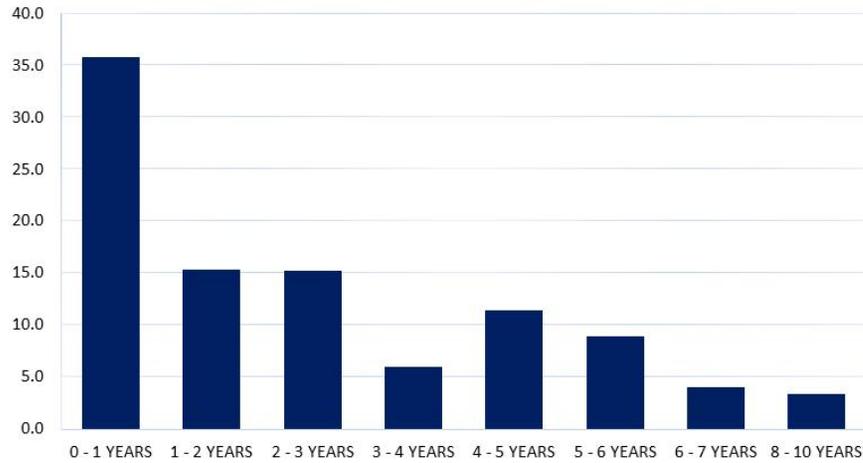


**Top 10 Holdings**

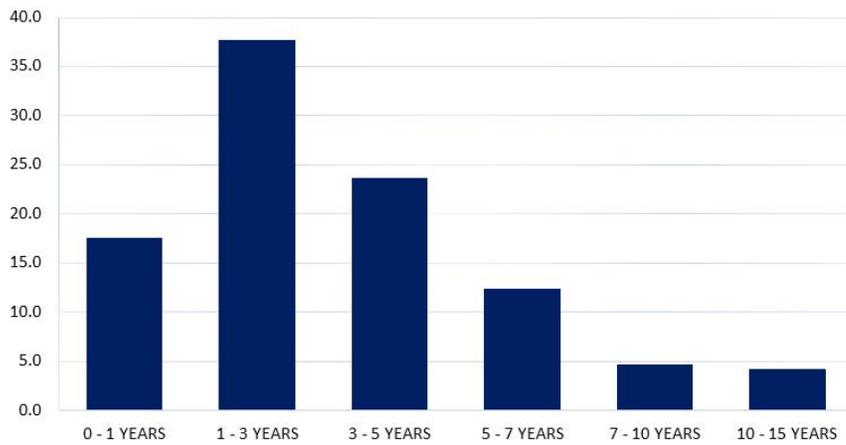
Security Name	Ending Market Value	% of Portfolio
POOL 16 ECDHB		
BANK OF AMERICA REPO	20,000,117	5.84
FREDDIEMAC STRIP	8,783,218	2.56
FREDDIE MAC	8,621,957	2.52
NATIONAL CITY BANK	6,978,304	2.04
FANNIE MAE	6,534,872	1.91
CNH EQUIPMENT TRUST	6,009,413	1.75
FREDDIE MAC	5,590,612	1.63
FREDDIE MAC	5,265,788	1.54
FHLMC MULTIFAMILY STRUCTURED P	5,261,925	1.54
GOVERNMENT NATIONAL MORTGAGE A	5,256,258	1.53



**Duration Distribution**



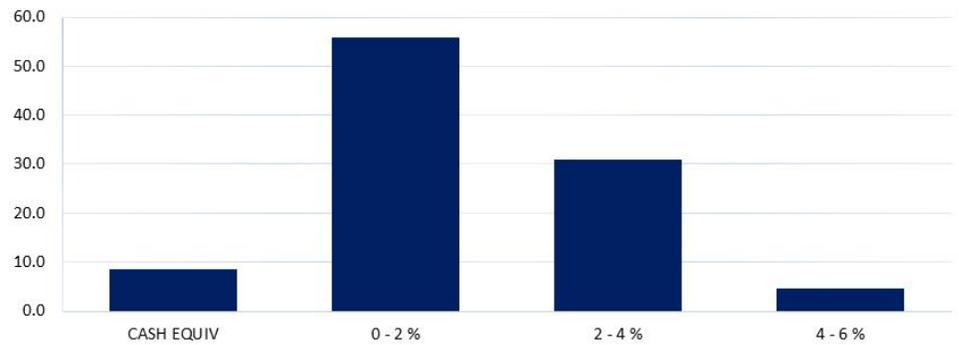
**Expected Maturity Distribution**



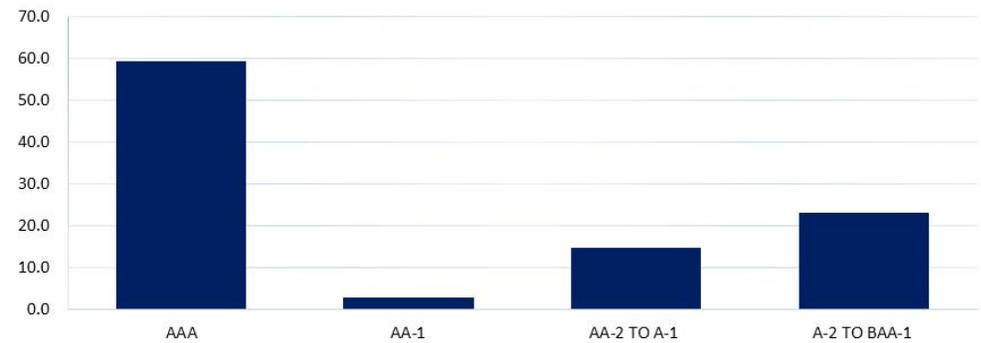
**Portfolio Level Characteristics**

	POOL 16 ECDHB
Weighted Average Life	3.45
Coupon	2.01
Effective Duration	2.47
Quality Rating (Moody's)	AA-2

**Coupon Distribution**



**Rating Distribution**



**LGIP & LGIP- GOV  
 PORTFOLIO YIELD ANALYSIS  
 MAY 2015**

**NET EARNINGS**

<b>FUND</b>	<b>DESCRIPTION</b>	<b>Current Month 05/31/15</b>	<b>Prior Month 04/30/15</b>	<b>Prior Year 05/31/14</b>	<b>Net Asset Value Per Share</b>
5	LGIP	151,096	115,279	110,301	1.0000
7	LGIP - GOV	74,201	87,672	31,528	1.0000
	<b>TOTAL LGIP &amp; LGIP-GOV</b>	<b>225,297</b>	<b>202,950</b>	<b>141,829</b>	

**YIELDS**

**MONTHLY**

	<b>Current Month 05/31/15</b>	<b>Prior Month 04/30/15</b>	<b>Prior Year 5/31/14</b>
5 LGIP (NET)	0.13%	0.12%	0.09%
S & P LGIP INDEX	0.06%	0.06%	0.05%
7 LGIP - GOV (NET)	0.08%	0.11%	0.04%
3 MONTH T-BILL	0.01%	0.01%	0.02%

**YEAR TO DATE**

5 LGIP (NET)	0.11%	0.11%	0.12%
S & P LGIP INDEX	0.05%	0.05%	0.05%
7 LGIP - GOV (NET)	0.07%	0.07%	0.05%
3 MONTH T-BILL	0.01%	0.01%	0.04%

\* 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 2015**

**NET EARNINGS**

FUND	DESCRIPTION	Current Month 05/31/15	Prior Month 04/30/15	Prior Year 05/31/14	Net Asset Value Per Share
500	LGIP - MED TERM POOL	251,761	255,376	291,847	1.0353
700	LGIP - FF&C MED TERM POOL	86,526	90,574	142,489	1.0112
	<b>TOTAL LGIP MEDIUM TERM POOLS</b>	<b>338,287</b>	<b>345,950</b>	<b>434,336</b>	

**YIELDS**

**MONTHLY**

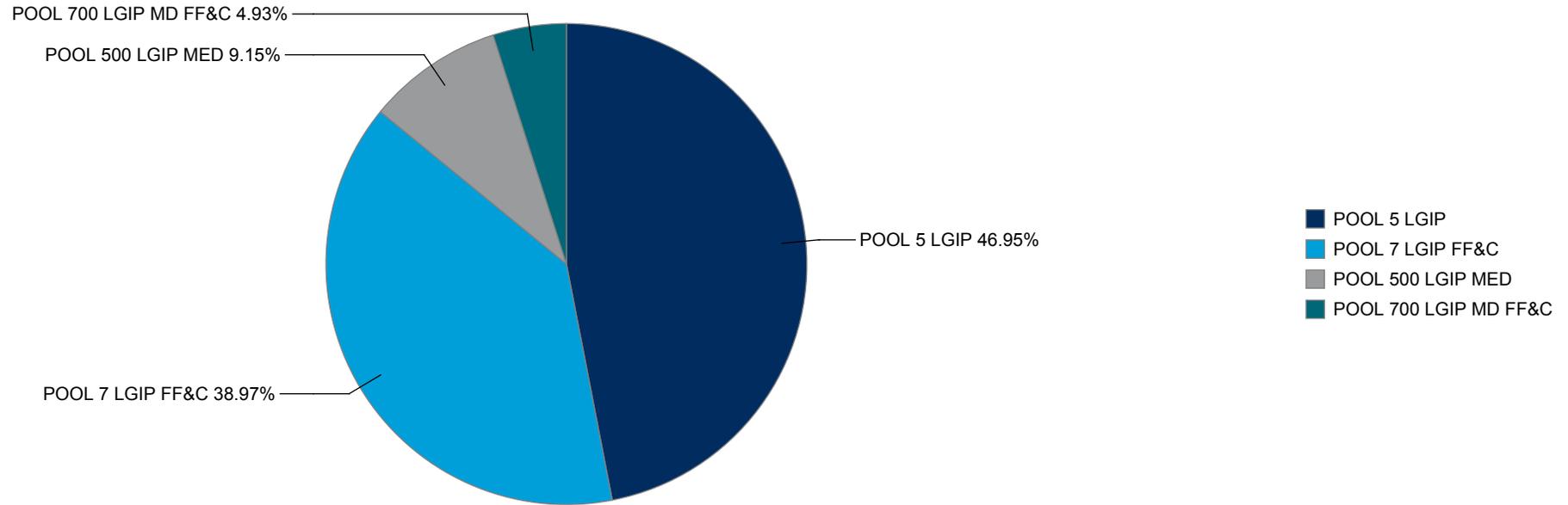
	Current Month 05/31/15	Prior Month 04/30/15	Prior Year 5/31/14
500 LGIP - MED TERM (NET)	1.10%	1.16%	1.30%
MERRILL 1-5 US D M INDEX	1.35%	1.36%	1.13%
700 LGIP - FF&C MED TERM (NET)	0.70%	0.75%	0.90%
75% MERRILL 1-5 US TREAS INDEX / 25% MERRILL US GNMA MORTGAGE BACKED INDEX	1.28%	1.23%	1.22%

**YEAR TO DATE**

500 LGIP - MED TERM (NET)	1.07%	1.07%	1.20%
MERRILL 1-5 US D M INDEX	1.34%	1.33%	1.20%
700 LGIP - FF&C MED TERM (NET)	0.90%	0.92%	0.92%
75% MERRILL 1-5 US TREAS INDEX / 25% MERRILL US GNMA MORTGAGE BACKED INDEX	1.28%	1.28%	1.28%



Manager Allocation



	Market Value	% of Portfolio
POOL 5 LGIP	1,380,569,081	46.9
POOL 7 LGIP FF&C	1,146,143,257	39.0
POOL 500 LGIP MED	269,133,899	9.2
POOL 700 LGIP MD FF&C	144,965,658	4.9
TOTAL LGIP	2,940,811,896	100.0



**Net Yield**

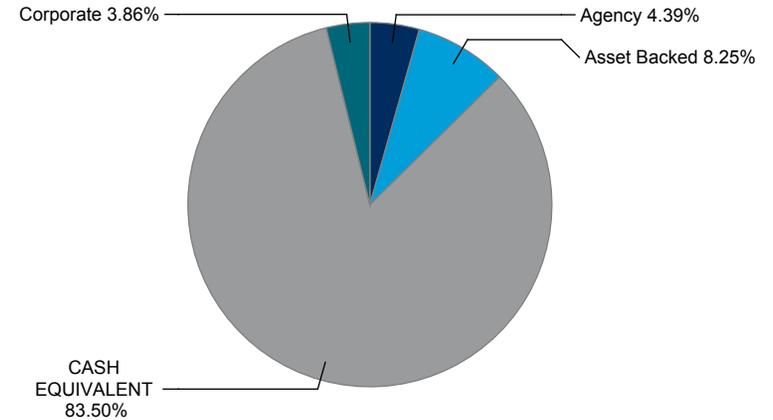


**Current Mth**                      **Prior Mth**                      **1 Year Ago**

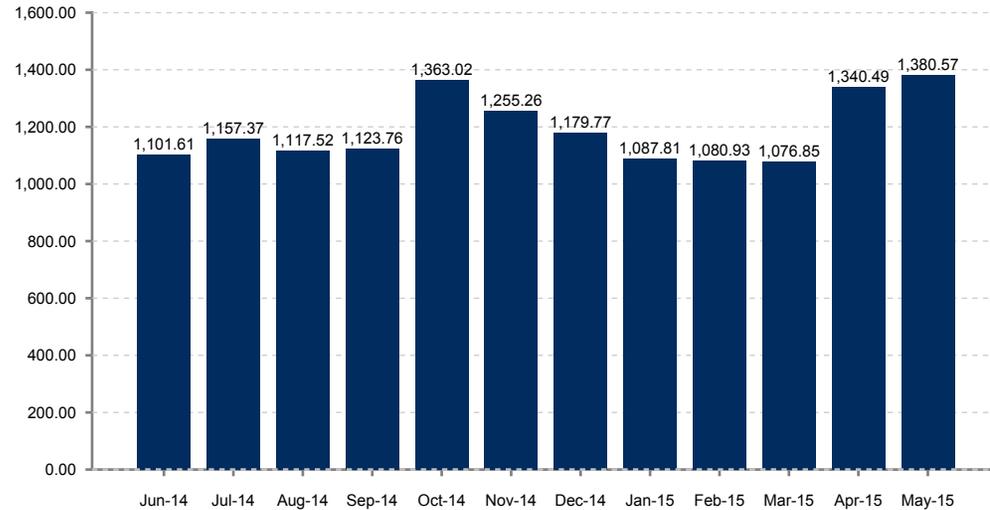
POOL 5 LGIP	0.13	0.12	0.09
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**Asset Allocation**

	Ending Market Value
POOL 5 LGIP	1,380,569,081



**Net Asset Values over Time (\$MM)**

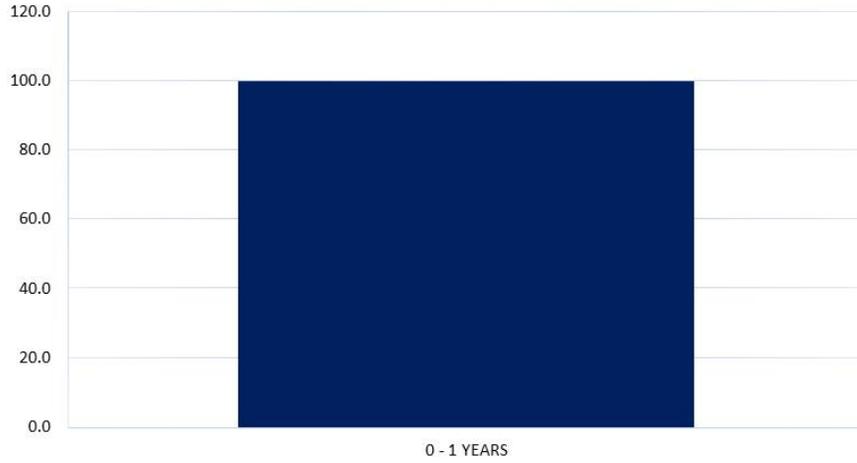


**Top 10 Holdings**

Security Name	Ending Market Value	% of Portfolio
POOL 5 LGIP		
WELLS FARGO REPO	118,410,050	8.58
WELLS FARGO REPO	75,000,750	5.43
TOYOTA MOTOR CREDIT	49,988,806	3.62
LEXINGTN PKR CAP CO LL	39,986,778	2.90
CEDAR SPRING CPTL CO	39,984,800	2.90
EXXON MOBIL CORP	29,998,533	2.17
APPLE INC	29,996,933	2.17
CONOCOPHILLIPS QATAR F	29,996,700	2.17
BANK OF NOVA SCOTIA/THE	29,994,538	2.17
INSTITUTIONAL SECURED	29,989,825	2.17



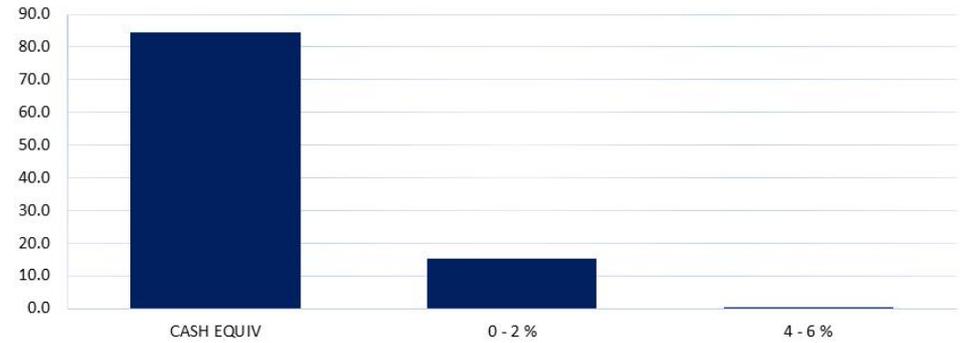
**Duration Distribution**



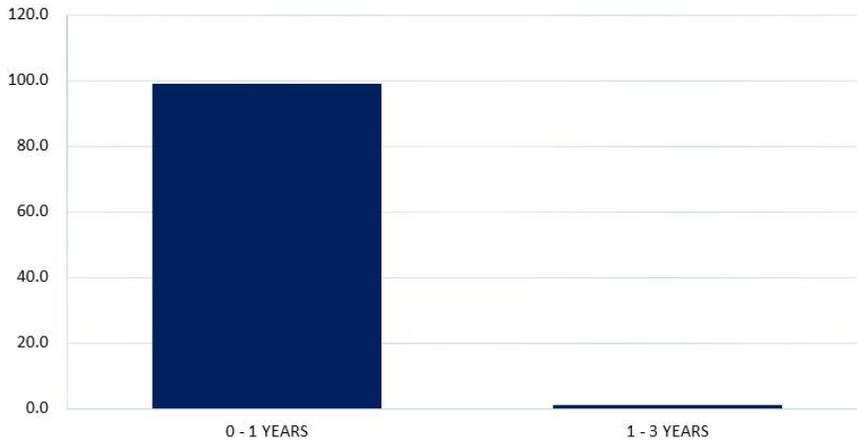
**Portfolio Level Characteristics**

	POOL 5 LGIP
Weighted Average Life	0.14
Coupon	0.10
Effective Duration	0.13
Quality Rating (Moody's)	AAA

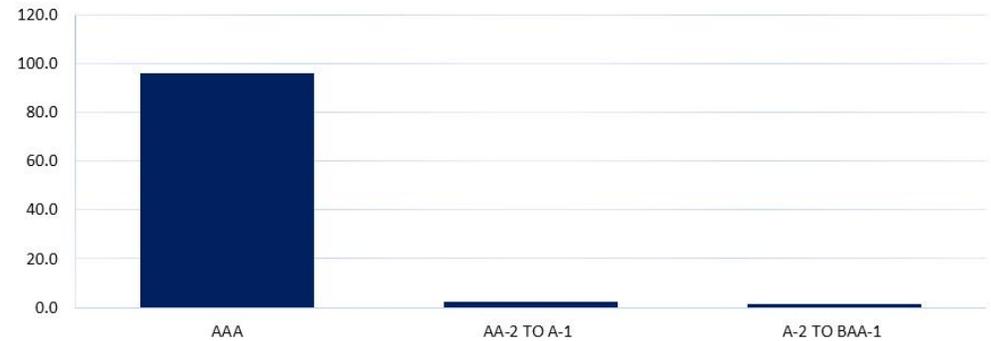
**Coupon Distribution**



**Expected Maturity Distribution**

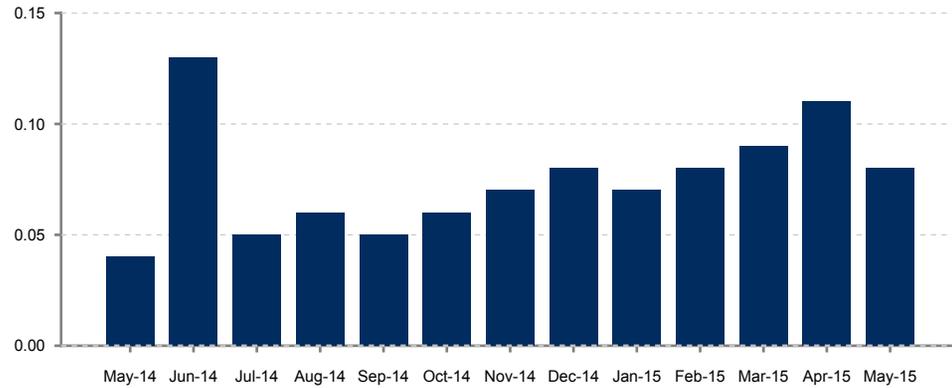


**Rating Distribution**





**Net Yield**

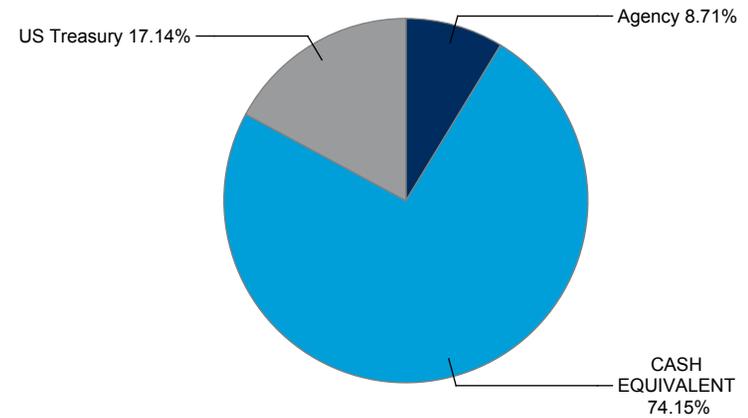


**Current Mth**      **Prior Mth**      **1 Year Ago**

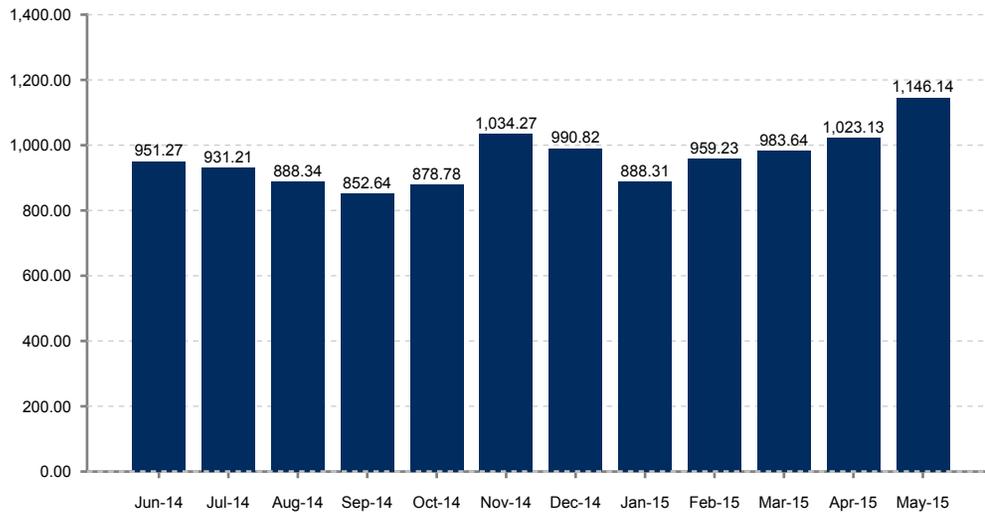
POOL 7 LGIP FF&C	0.08	0.11	0.04
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**Asset Allocation**

	Ending Market Value
POOL 7 LGIP FF&C	1,146,143,257



**Net Asset Values over Time (\$MM)**

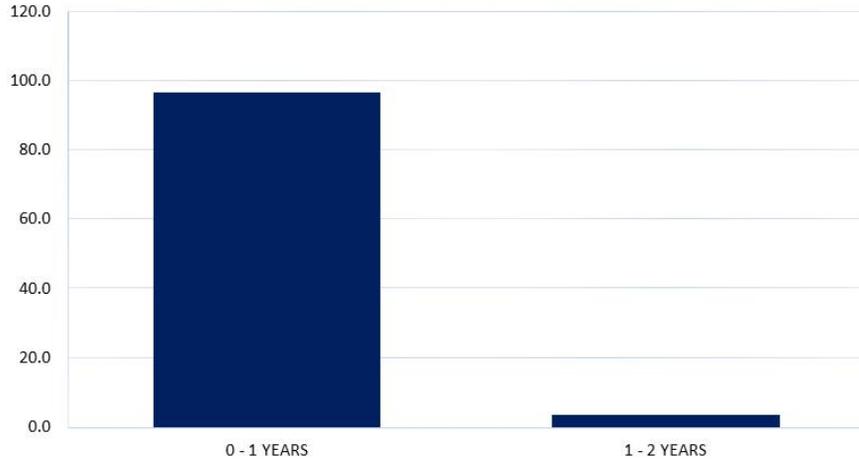


**Top 10 Holdings**

Security Name	Ending Market Value	% of Portfolio
POOL 7 LGIP FF&C		
WELLS FARGO REPO	225,002,250	19.63
WELLS FARGO REPO	150,005,250	13.09
GUGGENHEIM SECURITIES REPO	100,011,194	8.73
GUGGENHEIM SECURITIES REPO	100,003,972	8.73
DAIWA CAPITAL MARKETS REPO	72,023,526	6.28
ALLIANCE BANK OF ARIZONA MONEY	68,297,767	5.96
TREASURY BILL	40,018,879	3.49
US TREASURY FRN	40,006,014	3.49
TREASURY BILL	34,994,750	3.05
TREASURY BILL	29,997,030	2.62



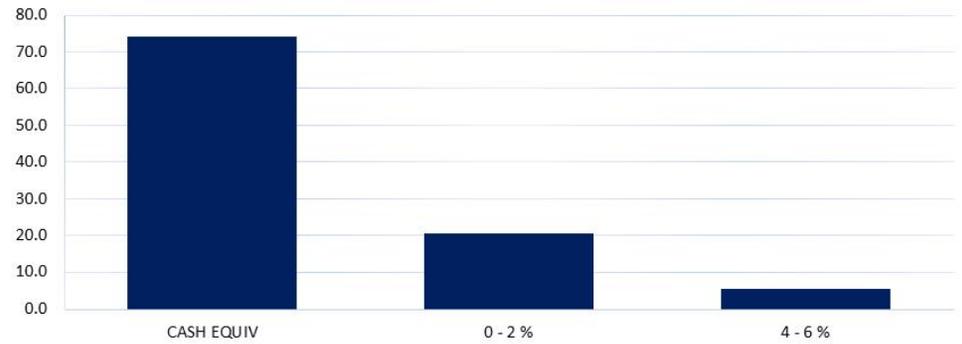
**Duration Distribution**



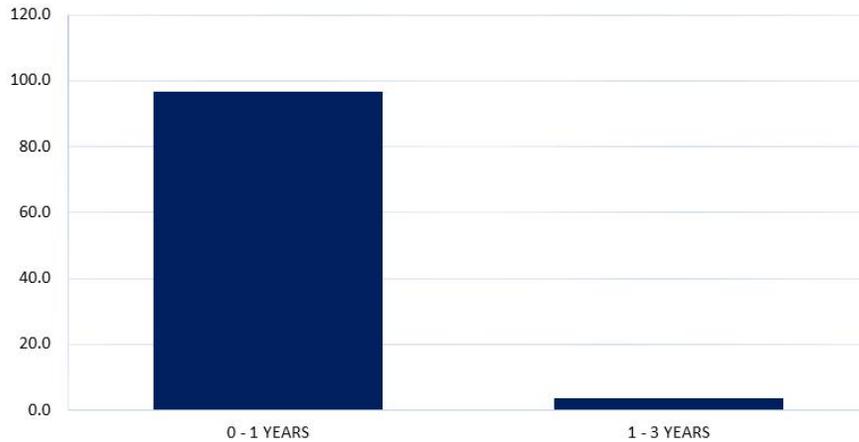
**Portfolio Level Characteristics**

	POOL 7 LGIP FF&C
Weighted Average Life	0.19
Coupon	0.52
Effective Duration	0.17
Quality Rating (Moody's)	AAA

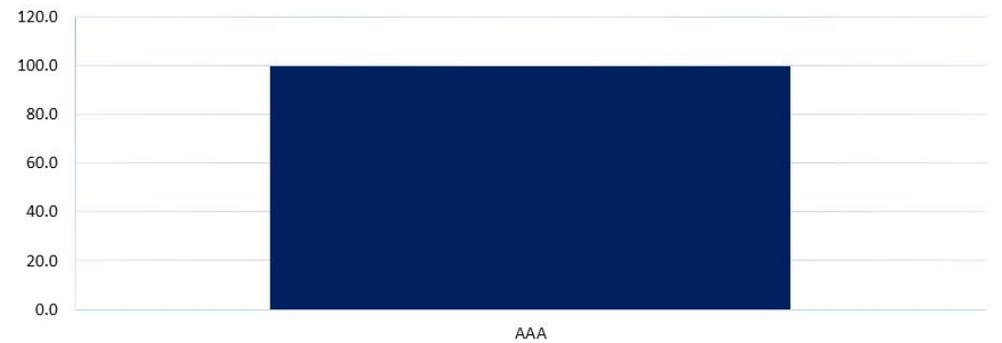
**Coupon Distribution**



**Expected Maturity Distribution**



**Rating Distribution**





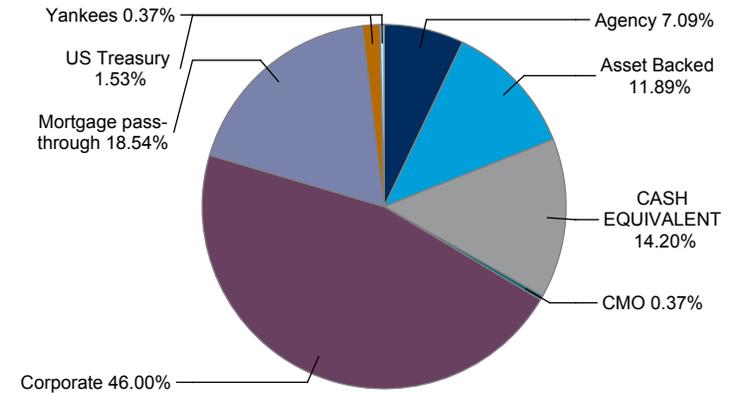
**Net Yield**



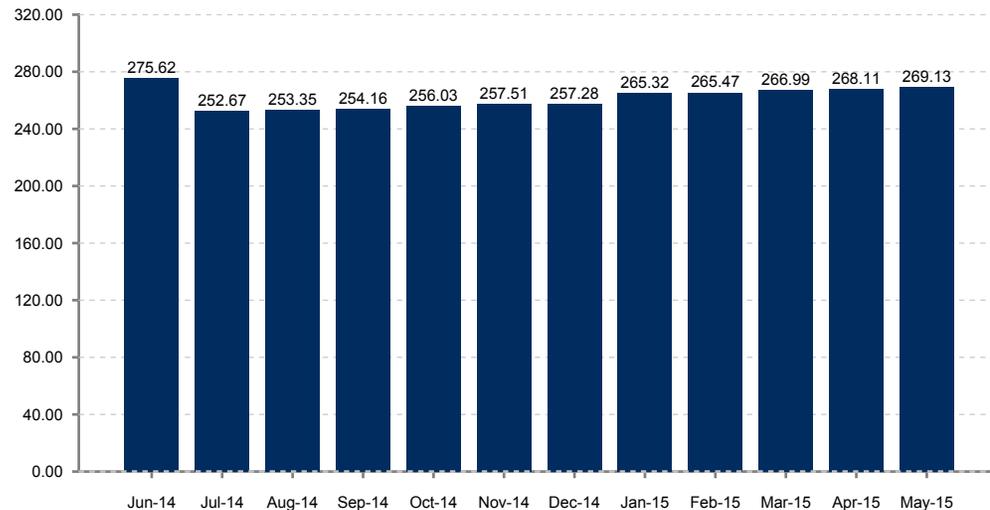
	Current Mth	Prior Mth	1 Year Ago
POOL 500 LGIP MED	1.10	1.16	1.30

**Asset Allocation**

	Ending Market Value
POOL 500 LGIP MED	269,133,899



**Net Asset Values over Time (\$MM)**

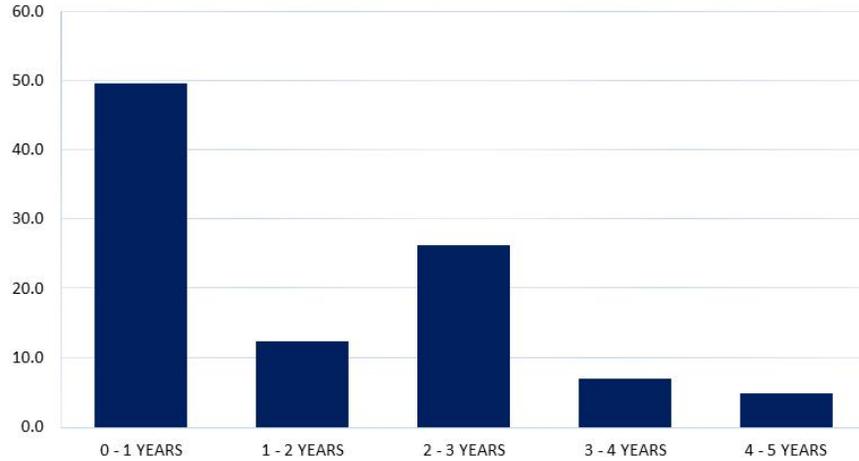


**Top 10 Holdings**

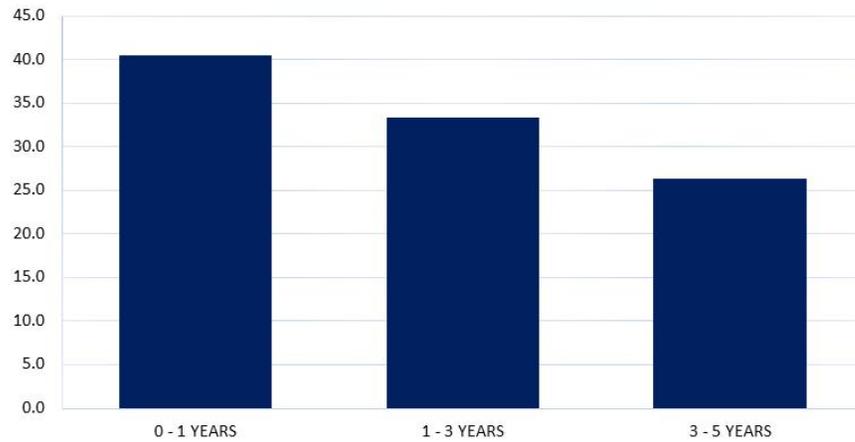
Security Name	Ending Market Value	% of Portfolio
POOL 500 LGIP MED		
BANK OF AMERICA REPO	23,000,134	8.55
FNMA POOL AB5991	10,192,687	3.79
FNMA POOL AE7578	6,126,191	2.28
VOLKSWAGEN AUTO LEASE TRUST	6,007,372	2.23
MERCK + CO INC	5,528,515	2.05
FANNIE DISCOUNT NOTE	5,159,484	1.92
MICROSOFT CORP	5,061,117	1.88
CHEVRON CORP	5,030,520	1.87
NISSAN MOTOR ACCEPTANCE	5,028,195	1.87
ELI LILLY + CO	5,024,068	1.87



**Duration Distribution**



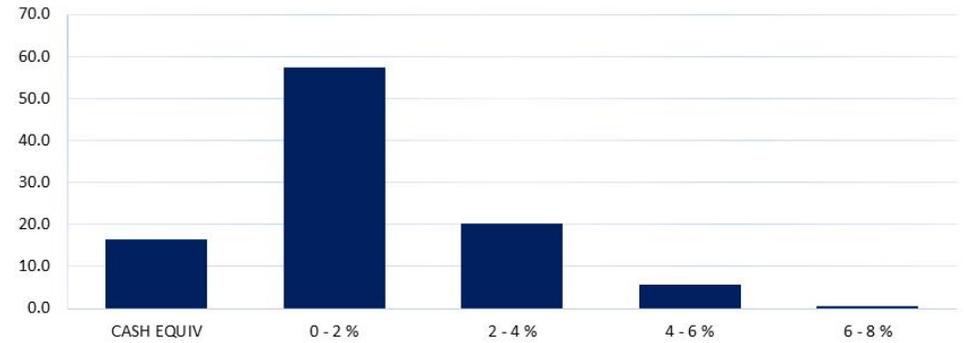
**Expected Maturity Distribution**



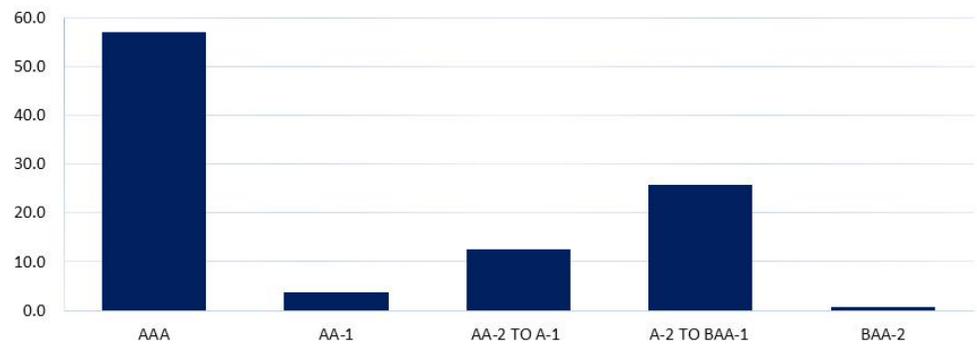
**Portfolio Level Characteristics**

	POOL 500 LGIP MED
Weighted Average Life	2.01
Coupon	1.72
Effective Duration	1.48
Quality Rating (Moody's)	AA-2

**Coupon Distribution**

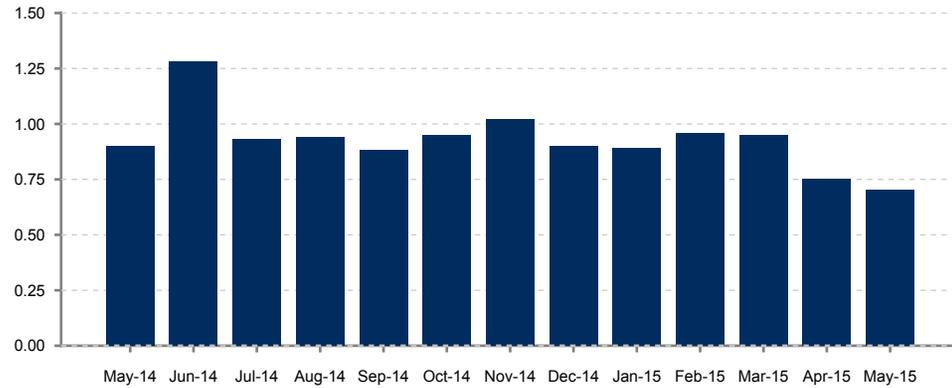


**Rating Distribution**





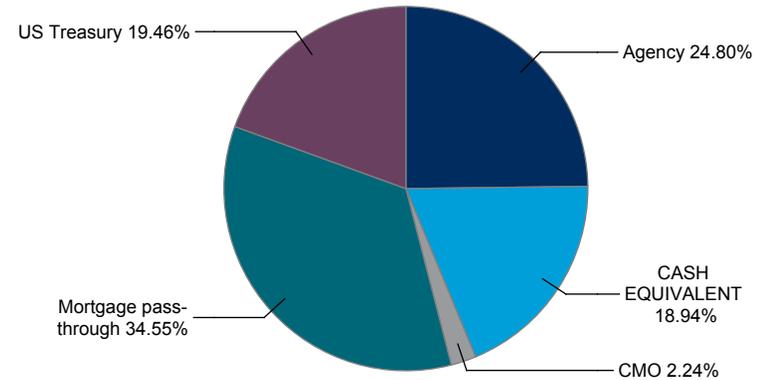
**Net Yield**



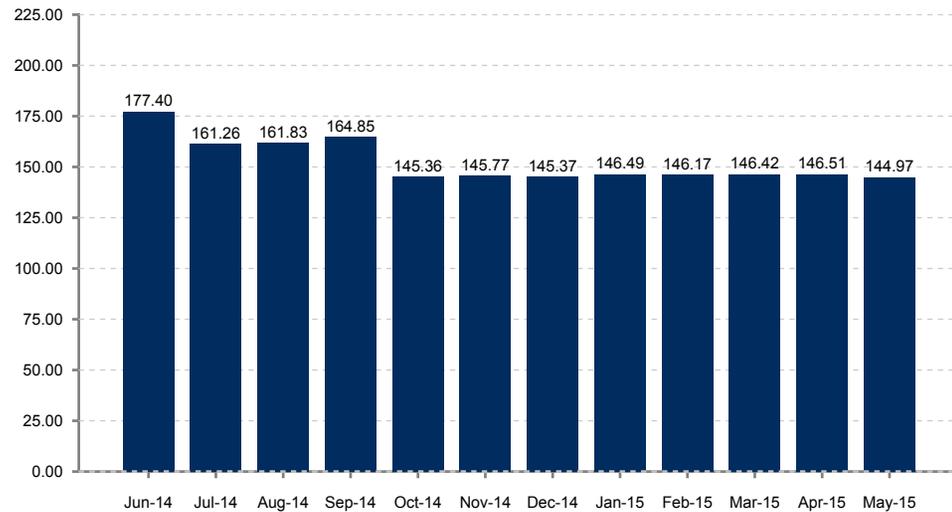
	Current Mth	Prior Mth	1 Year Ago
POOL 700 LGIP MD FF&C	0.70	0.75	0.90

**Asset Allocation**

	Ending Market Value
POOL 700 LGIP MD FF&C	144,965,658



**Net Asset Values over Time (\$MM)**

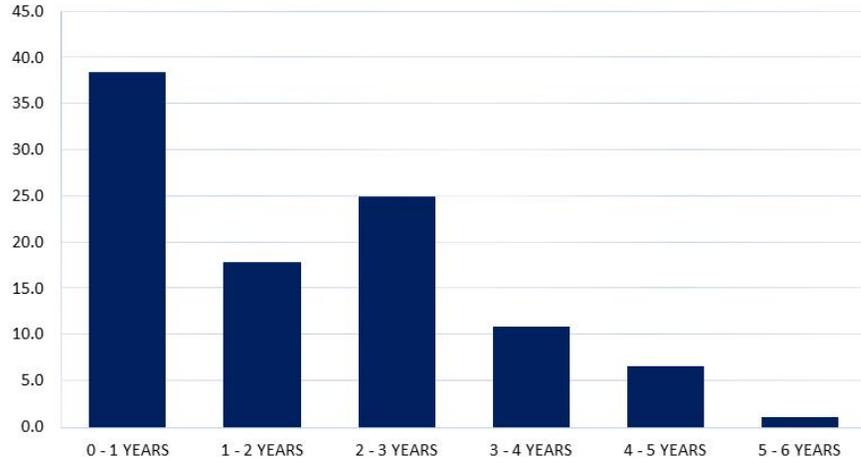


**Top 10 Holdings**

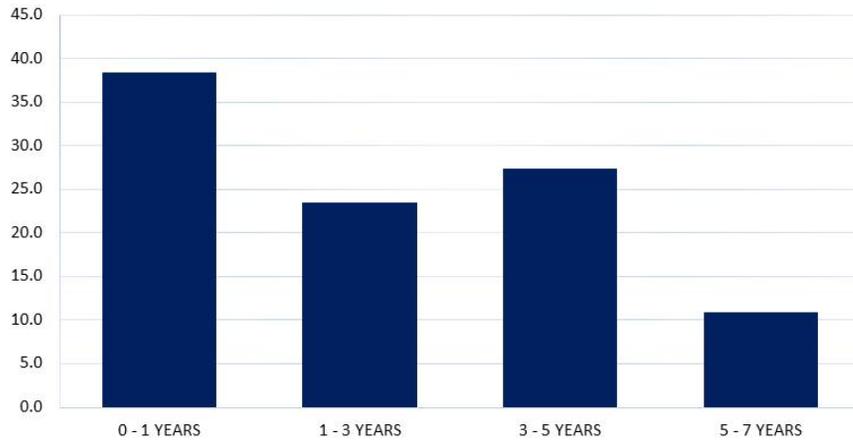
Security Name	Ending Market Value	% of Portfolio
POOL 700 LGIP MD FF&C		
FDIC US BANK CDARS ACCOUNT	15,174,857	10.47
BANK OF AMERICA REPO	10,000,058	6.90
HOUSING URBAN DEVELOPMNT	9,183,823	6.34
GNMA II POOL MA0213	6,365,950	4.39
US TREASURY N/B	5,198,453	3.59
US TREASURY N/B	5,002,481	3.45
AID ISRAEL	4,947,030	3.41
GNMA II POOL 004849	4,493,391	3.10
NCUA GUARANTEED NOTES	4,057,967	2.80
AID EGYPT	3,750,306	2.59



**Duration Distribution**



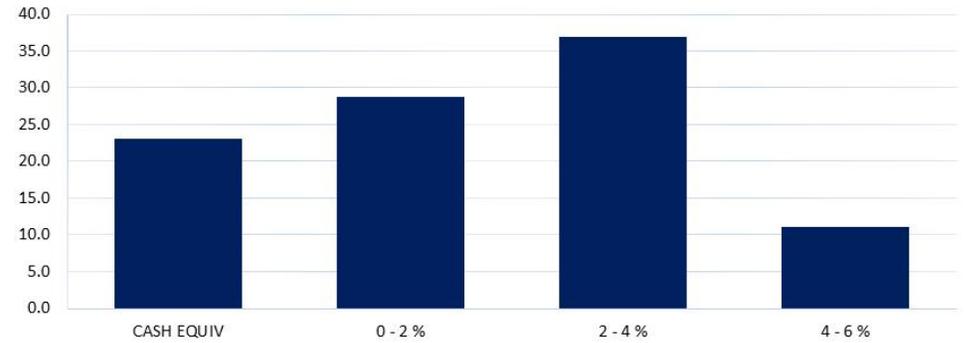
**Expected Maturity Distribution**



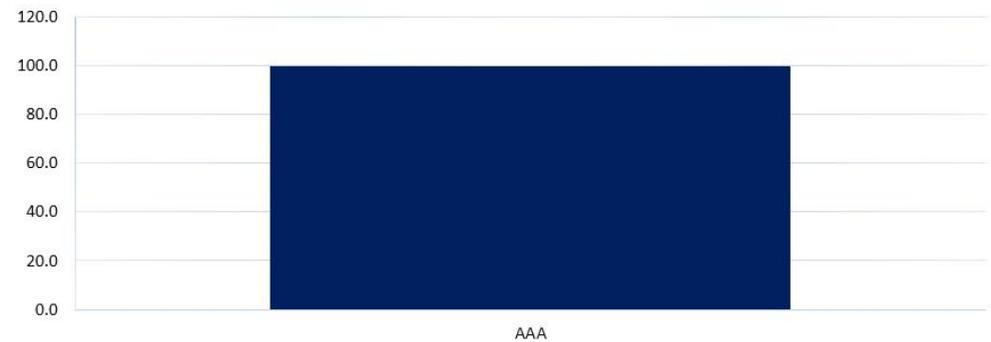
**Portfolio Level Characteristics**

	POOL 700 LGIP MD FF&C
Weighted Average Life	2.17
Coupon	2.31
Effective Duration	1.73
Quality Rating (Moody's)	AAA

**Coupon Distribution**



**Rating Distribution**



**EARNINGS DISTRIBUTED  
ENDOWMENT FUNDS  
MAY 2015**

**Distributed in Current Month**

Recipient	MAY 2015	Fiscal YTD 14/15	Fiscal YTD 13/14
101 A & M Colleges	\$18,997	\$208,965	\$195,940
102 State Hospital	\$11,534	\$126,878	\$116,086
103 Leg., Exec., & Jud.	\$15,436	\$169,794	\$158,034
104 Military Institute	\$1,065	\$11,719	\$11,037
105 Miners Hospital	\$32,415	\$356,563	\$305,263
107 Normal School ASU/NAU	\$6,839	\$75,227	\$68,400
108 Penitentiaries	\$23,538	\$258,918	\$225,511
109 Permanent Common School	\$6,332,035	\$69,652,390	\$62,133,324
110 School for Deaf & Blind	\$9,692	\$106,609	\$97,778
111 School of Mines	\$21,500	\$236,495	\$221,515
112 State Charitable-Pioneers Home	\$103,941	\$1,143,346	\$1,078,841
112 State Charitable-Corrections	\$51,970	\$571,673	\$539,420
112 State Charitable-Youth Treatment	\$51,970	\$571,673	\$539,420
113 University Fund	\$35,752	\$393,274	\$364,864
114 U of A Land - 1881	\$94,102	\$1,035,123	\$891,137
<b>Total</b>	<b>\$6,810,786</b>	<b>\$74,918,645</b>	<b>\$66,946,572</b>

Posted in USAS in current month

**NET REALIZED CAPITAL GAINS / LOSSES - ENDOWMENT FUNDS**

<b>Endowment Fund</b>	<b>May-15 NET GAIN(LOSS)</b>	<b>May-14 NET GAIN(LOSS)</b>
Fixed Income Pool	(337,198)	(159,604)
500 Large-Cap Fund	(59,865)	897,898
400 Mid-Cap Fund	380,571	(445,764)
600 Small-Cap Fund	3,009,564	306,852
<b>Totals</b>	<b>2,993,072</b>	<b>599,382</b>

<b>Endowment Fund</b>	<b>2014/2015 FISCAL YEAR TO DATE GAINS(LOSSES)</b>	<b>2013/ 2014 FISCAL YEAR TO DATE GAINS(LOSSES)</b>
Fixed Income Pool	(2,503,594)	(307,619)
500 Large-Cap Fund	30,016,076	45,190,179
400 Mid-Cap Fund	52,082,114	56,993,667
600 Small-Cap Fund	25,027,494	23,387,302
<b>Totals</b>	<b>104,622,091</b>	<b>125,263,529</b>

**ENDOWMENT FUNDS FIXED-INCOME POOL  
PURCHASES & SALES  
MAY 2015**

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**I. Endowment Funds Purchases**

<u>SECURITY DESCRIPTION</u>	<u>RATE</u>	<u>MATURITY</u>	<u>*WAL YEARS</u>	<u>PAR VALUE</u>	<u>PURCHASE COST</u>	<u>YIELD</u>	<u>MOODY'S / S&amp;P RATING</u>
APPLE	0.58	5/6/2020	NA	\$10,000,000	\$10,000,000	0.30%	Aa1/AA+
CNH EQUIPMENT	0.84	8/15/2018	1.13	\$10,000,000	\$9,999,375	0.84%	Aaa/AAA
FG	2.50	12/1/2029	5.06	\$5,068,014	\$5,198,322	1.97%	Aaa/AA+
FHR	3.00	3/15/2033	4.59	\$4,977,373	\$5,189,352	2.00%	Aaa/AA+
GNMA	2.95	10/16/2029	7.07	\$2,958,810	\$3,070,295	2.36%	Aaa/AA+
SHELL INTL	1.00	5/11/2020	NA	\$10,000,000	\$10,000,000	0.45%	Aa1/AA
US Treasury	5.50	8/15/2028	NA	\$2,500,000	\$3,406,429	2.41%	Aaa/AA+
US Treasury	6.50	11/15/2026	NA	\$2,500,000	\$3,591,882	2.20%	Aaa/AA+
US Treasury	5.25	11/15/2028	NA	\$2,500,000	\$3,339,266	2.35%	Aaa/AA+
US Treasury	6.50	11/15/2026	NA	\$2,500,000	\$3,548,633	2.32%	Aaa/AA+
WELLS FARGO CMO	3.54	5/15/2048	9.90	\$5,000,000	\$5,209,658	3.08%	Aaa/NR
WELLS FARGO CMO	1.53	5/15/2048	2.77	\$3,500,000	\$3,502,889	1.51%	Aaa/NR

**TOTAL ENDOWMENT FUNDS PURCHASES**

**\$61,504,197**

**\$66,056,102**

**II. Endowment Funds Sales**

<u>SECURITY DESCRIPTION</u>	<u>RATE</u>	<u>MATURITY</u>	<u>PAR VALUE</u>	<u>AMORTIZED COST/PROCEEDS</u>	<u>SALES GAINS/(LOSSES)</u>	<u>MOODY'S / S&amp;P RATING</u>
US Treasury	0.25	5/31/2015	\$5,000,000	\$5,006,297	465	Aaa/AA+
US Treasury	0.25	5/31/2015	\$5,000,000	\$5,006,113	30	Aaa/AA+

**TOTAL ENDOWMENT FUNDS SALES**

**\$10,000,000**

**\$10,012,410**

**\$495**

\*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 2015**

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**I. Equity Fund Purchases**

	<u>SHARES</u>	<u>PURCHASE COST</u>	<u>COMMISSIONS</u>
400 Mid-Cap Fund	203,333	\$11,704,564	\$1,149
500 Large-Cap Fund	77,683	\$5,726,396	\$583
600 Small-Cap Fund	328,683	\$9,004,197	\$2,466
<b>TOTAL EQUITY PURCHASES</b>	<b>609,699</b>	<b>\$26,435,158</b>	<b>\$4,198</b>

**II. Equity Funds Sales**

	<u>SHARES</u>	<u>SALES AMOUNT</u>	<u>COMMISSIONS</u>
400 Mid-Cap Fund	43,492	\$5,287,367	\$326
500 Large-Cap Fund	29,845	\$1,416,923	\$224
600 Small-Cap Fund	104,124	\$8,262,909	\$404
<b>TOTAL EQUITY SALES</b>	<b>177,461</b>	<b>\$14,967,199</b>	<b>\$954</b>

**ENDOWMENT FUNDS  
INVESTMENTS OUTSTANDING**

MAY 31, 2015  
(In Thousands)

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FUND	NAME OF FUND	SHARES OUTSTANDING	BOOK VALUE	MARKET VALUE	UNREALIZED GAINS (LOSSES)	<b>Mkt Value/ Book Value</b>
101	A & M Colleges					
	<i>Shares in Equity Pools</i>	487	3,423	8,138	4,715	
	<i>Shares in Fixed Income Pools</i>	4,400	3,078	4,720	1,642	
	<b>Total</b>	<b>4,887</b>	<b>6,501</b>	<b>12,858</b>	<b>6,357</b>	<b>1.978</b>
102	State Hospital					
	<i>Shares in Equity Pools</i>	322	2,338	5,387	3,049	
	<i>Shares in Fixed Income Pools</i>	2,799	2,080	3,003	922	
	<b>Total</b>	<b>3,121</b>	<b>4,418</b>	<b>8,389</b>	<b>3,971</b>	<b>1.899</b>
103	Leg., Exec, & Jud					
	<i>Shares in Equity Pools</i>	391	2,943	6,547	3,604	
	<i>Shares in Fixed Income Pools</i>	3,763	2,634	4,037	1,403	
	<b>Total</b>	<b>4,155</b>	<b>5,577</b>	<b>10,584</b>	<b>5,007</b>	<b>1.898</b>
104	Military Institute					
	<i>Shares in Equity Pools</i>	26	186	427	241	
	<i>Shares in Fixed Income Pools</i>	251	167	270	103	
	<b>Total</b>	<b>277</b>	<b>353</b>	<b>697</b>	<b>344</b>	<b>1.974</b>
105	Miners Hospital					
	<i>Shares in Equity Pools</i>	1,112	9,831	18,601	8,770	
	<i>Shares in Fixed Income Pools</i>	9,799	8,351	10,511	2,160	
	<b>Total</b>	<b>10,911</b>	<b>18,182</b>	<b>29,112</b>	<b>10,930</b>	<b>1.601</b>
107	Normal School ASU/NAU					
	<i>Shares in Equity Pools</i>	195	1,535	3,266	1,731	
	<i>Shares in Fixed Income Pools</i>	1,790	1,344	1,920	576	
	<b>Total</b>	<b>1,985</b>	<b>2,879</b>	<b>5,186</b>	<b>2,307</b>	<b>1.801</b>
108	Penitentiaries					
	<i>Shares in Equity Pools</i>	721	5,815	12,066	6,251	
	<i>Shares in Fixed Income Pools</i>	6,536	5,187	7,011	1,824	
	<b>Total</b>	<b>7,257</b>	<b>11,002</b>	<b>19,076</b>	<b>8,075</b>	<b>1.734</b>

**ENDOWMENT FUNDS  
INVESTMENTS OUTSTANDING**

MAY 31, 2015  
(In Thousands)

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NAME OF FUND	SHARES OUTSTANDING	BOOK VALUE	MARKET VALUE	UNREALIZED GAINS (LOSSES)	Mkt Value/ Book Value
109 Permanent Common School					
<i>Shares in Equity Pools</i>	183,512	1,453,562	3,068,956	1,615,394	
<i>Shares in Fixed Income Pools</i>	1,642,147	1,303,383	1,761,505	458,122	
Total	1,825,659	2,756,945	4,830,461	2,073,516	<b>1.752</b>
110 School for Deaf & Blind					
<i>Shares in Equity Pools</i>	258	1,936	4,310	2,374	
<i>Shares in Fixed Income Pools</i>	2,410	1,720	2,585	865	
Total	2,667	3,656	6,895	3,239	<b>1.886</b>
111 School of Mines					
<i>Shares in Equity Pools</i>	545	4,083	9,119	5,036	
<i>Shares in Fixed Income Pools</i>	5,057	3,674	5,424	1,750	
Total	5,602	7,757	14,543	6,786	<b>1.875</b>
112 State Charitable					
<i>Shares in Equity Pools</i>	5,491	41,280	91,827	50,547	
<i>Shares in Fixed Income Pools</i>	48,255	37,574	51,762	14,188	
Total	53,745	78,854	143,589	64,735	<b>1.821</b>
113 University Fund					
<i>Shares in Equity Pools</i>	987	7,788	16,501	8,713	
<i>Shares in Fixed Income Pools</i>	9,152	6,828	9,817	2,989	
Total	10,138	14,616	26,318	11,702	<b>1.801</b>
114 U Of A Land - 1881					
<i>Shares in Equity Pools</i>	3,399	31,186	56,844	25,658	
<i>Shares in Fixed Income Pools</i>	31,176	25,975	33,442	7,467	
Total	34,575	57,161	90,285	33,125	<b>1.579</b>
TOTALS - ALL FUNDS					
<i>Shares in Equity Pools</i>	197,446	1,565,905	3,301,988	1,736,082	
<i>Shares in Fixed Income Pools</i>	1,767,534	1,401,994	1,896,005	494,011	
<b>Grand Total</b>	<b>1,964,980</b>	<b>2,967,899</b>	<b>5,197,993</b>	<b>2,230,094</b>	
<b>PRIOR YEAR:</b>					
<b>MAY 2014 BALANCES</b>	<b>1,954,552</b>	<b>2,928,304</b>	<b>4,781,439</b>	<b>1,853,135</b>	

**ENDOWMENT FUNDS**  
**INVESTMENTS OUTSTANDING**  
MAY 31, 2015

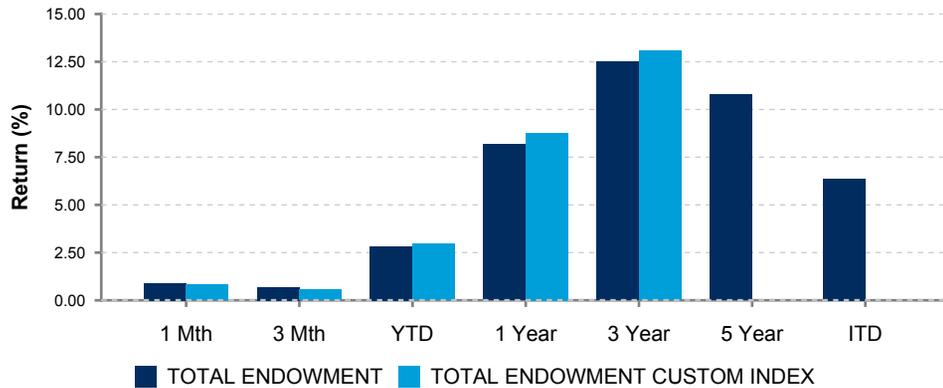
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**ASSET ALLOCATION PERCENTAGE**

	SHARES OUTSTANDING	BOOK VALUE	MARKET VALUE	MAY 2014 MARKET VALUE
<i>Shares in Equity Pools</i>	10.05%	<b>52.76%</b>	63.52%	61.52%
<i>Shares in Fixed Income Pools</i>	89.95%	<b>47.24%</b>	36.48%	38.48%
	-----	-----	-----	-----
<b>Total</b>	100.00%	<b>100.00%</b>	100.00%	100.00%
	=====	=====	=====	=====



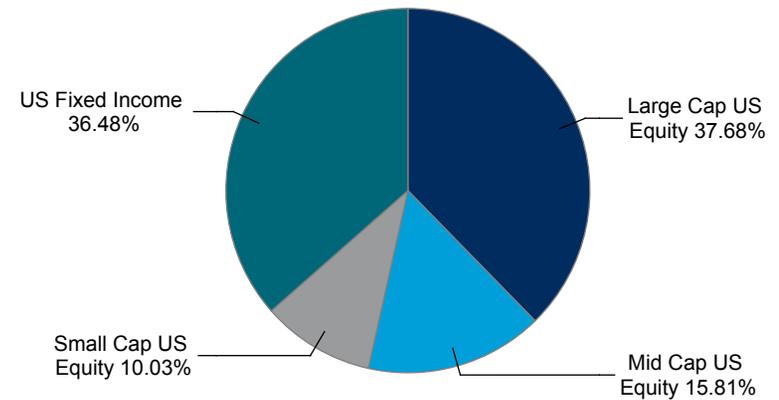
**Performance**



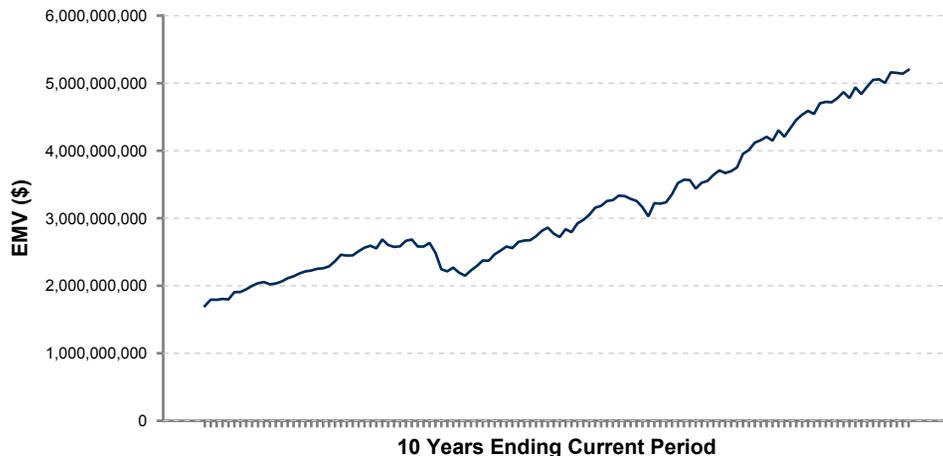
	1 Mth	3 Mth	YTD	1 Year	3 Year	5 Year	ITD	Incept Date
TOTAL ENDOWMENT	0.89	0.68	2.82	8.17	12.51	10.78	6.38	07/99
TOTAL ENDOWMENT CUSTOM INDEX	0.83	0.56	2.95	8.77	13.07			07/99
Excess	0.07	0.12	-0.13	-0.60	-0.56			

**Asset Allocation**

	Ending Market Value
TOTAL ENDOWMENT	5,197,992,761



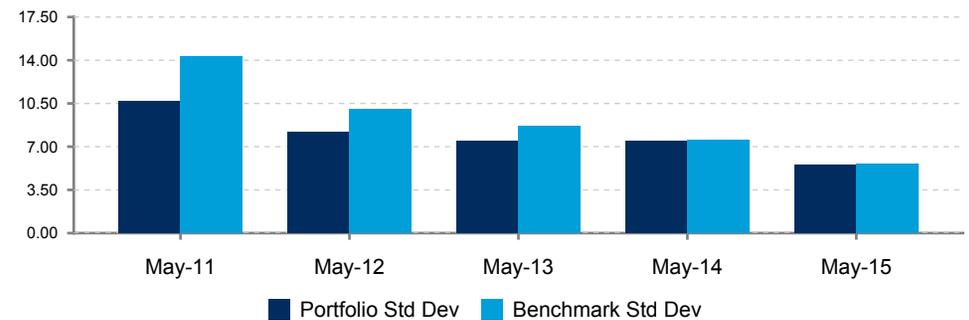
**Ending Market Value**



— TOTAL ENDOWMENT

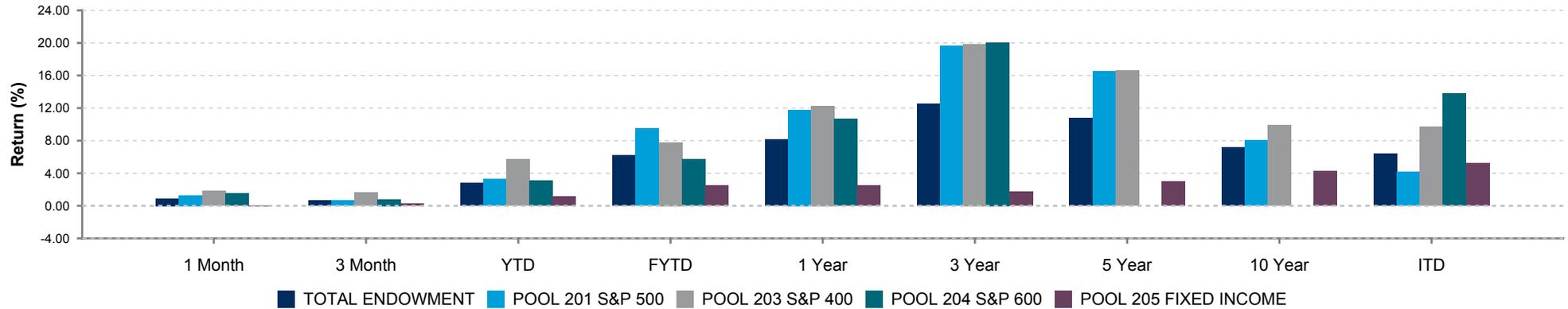
**3 Year Risk Statistics**

	Return	Portfolio Std Dev	Benchmark Std Dev	Sharpe Ratio	Beta	Tracking Error	Information Ratio
TOTAL ENDOWMENT	12.51	5.55	5.61	2.24	0.99	0.29	-1.90





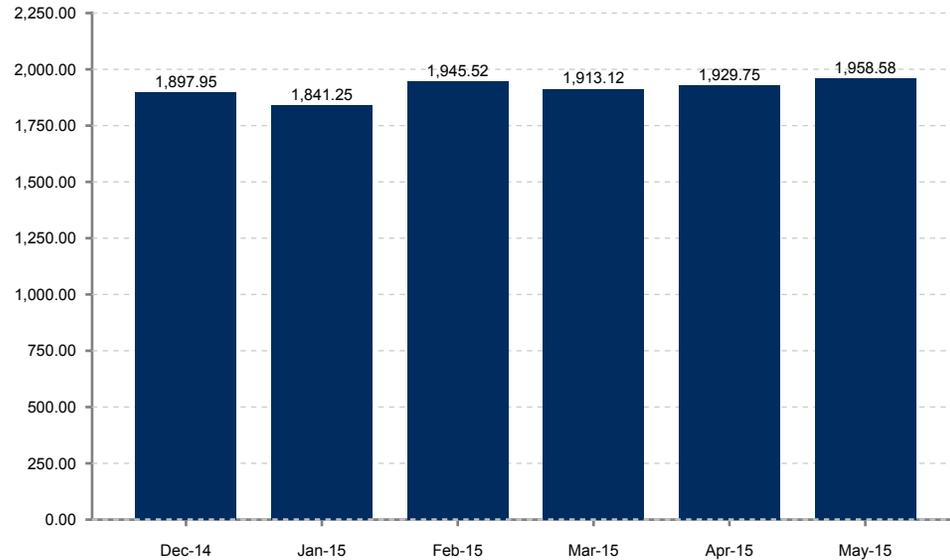
Return Comparison



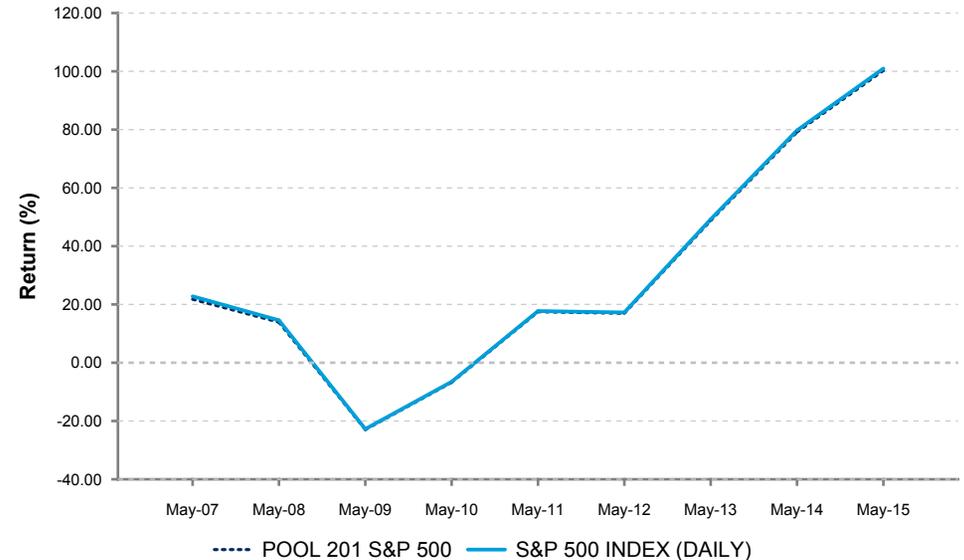
	Market Value	Actual Weight	1 Mth	3 Mth	YTD	FYTD	1 Year	3 Year	5 Year	10 Year	ITD	Inc Date
TOTAL ENDOWMENT	5,197,992,761	100.00	0.89	0.68	2.82	6.20	8.17	12.51	10.78	7.20	6.38	Jul-01-99
TOTAL ENDOWMENT CUSTOM INDEX			0.83	0.56	2.95	6.75	8.77	13.07				Jul-01-99
Excess			0.07	0.12	-0.13	-0.55	-0.60	-0.56				
POOL 201 S&P 500	1,958,583,727	37.68	1.27	0.64	3.24	9.53	11.78	19.64	16.51	8.06	4.11	Jul-01-99
S&P 500 INDEX (DAILY)			1.29	0.64	3.23	9.54	11.81	19.67	16.54	8.12	4.69	Jul-01-99
Excess			-0.01	0.00	0.01	-0.01	-0.02	-0.04	-0.03	-0.06	-0.57	
POOL 203 S&P 400	821,993,862	15.81	1.78	1.61	5.67	7.80	12.27	19.86	16.64	9.89	9.68	Aug-01-01
S&P 400 MIDCAP INDEX (DAILY)			1.78	1.58	5.59	7.82	12.28	19.87	16.55	10.14	9.70	Aug-01-01
Excess			0.00	0.03	0.08	-0.02	-0.01	-0.01	0.10	-0.25	-0.02	
POOL 204 S&P 600	521,409,938	10.03	1.53	0.80	3.09	5.71	10.69	20.07			13.79	Mar-01-11
S&P SM 600 TR			1.53	0.76	3.10	5.64	10.62	20.03			13.78	Mar-01-11
Excess			-0.01	0.04	-0.02	0.08	0.07	0.04			0.00	
POOL 205 FIXED INCOME	1,896,005,233	36.48	-0.04	0.29	1.14	2.46	2.49	1.72	3.01	4.22	5.21	Jul-01-99
CITIGROUP BIG (DAILY)			-0.26	-0.10	1.03	2.98	3.03	2.21	3.87	4.70	5.54	Jul-01-99
Excess			0.22	0.39	0.12	-0.52	-0.54	-0.49	-0.86	-0.48	-0.33	



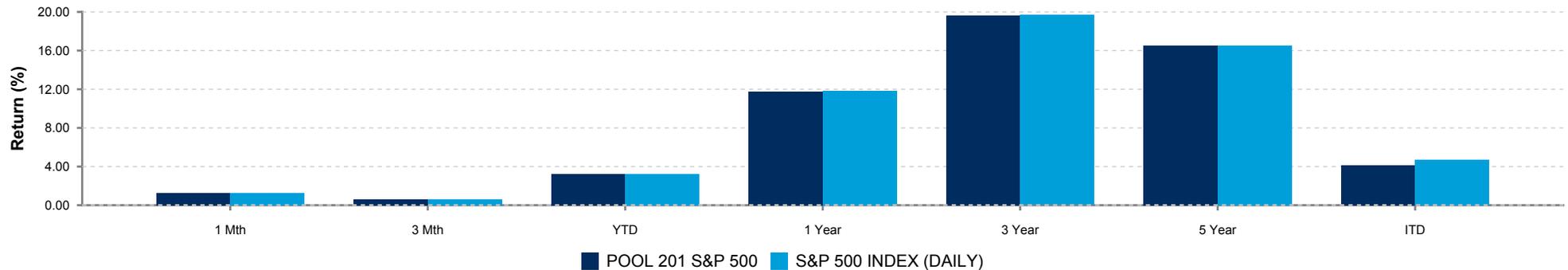
Net Asset Values over Time (\$MM)



Cumulative Return (%)



Rates of Return



	1 Mth	3 Mth	YTD	1 Year	3 Year	5 Year	ITD	May 31 2015	May 31 2014	May 31 2013
POOL 201 S&P 500	1.27	0.64	3.24	11.78	19.64	16.51	4.11	11.78	20.41	27.22
S&P 500 INDEX (DAILY)	1.29	0.64	3.23	11.81	19.67	16.54	4.69	11.81	20.45	27.28
Excess	-0.01	0.00	0.01	-0.02	-0.04	-0.03	-0.57	-0.02	-0.03	-0.06

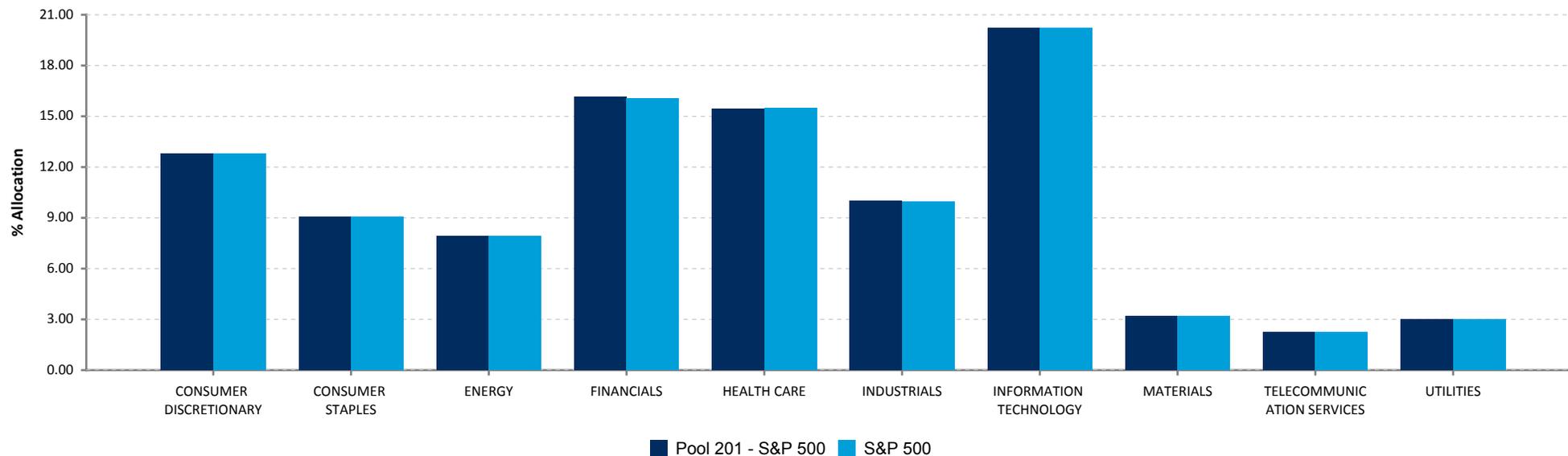
# OFFICE OF THE ARIZONA STATE TREASURER

May 31, 2015

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



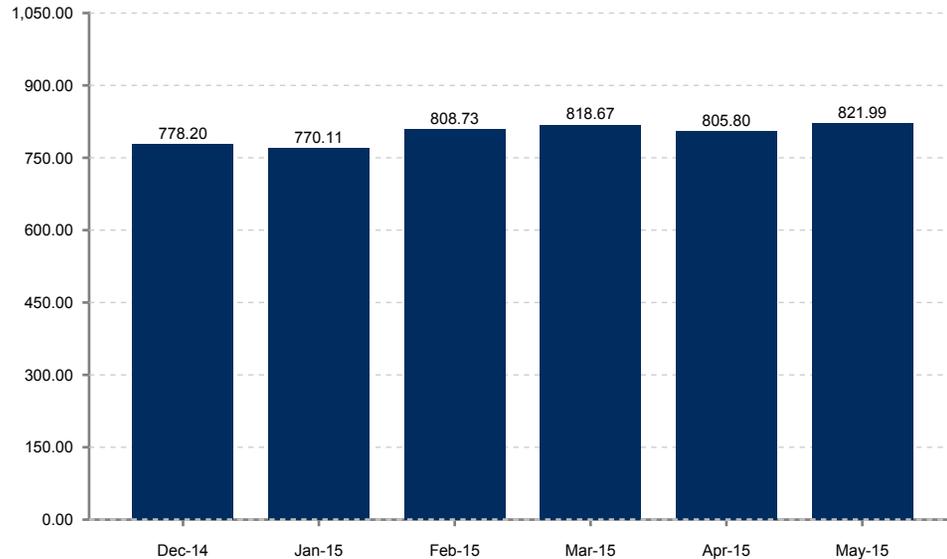
STATE STREET.



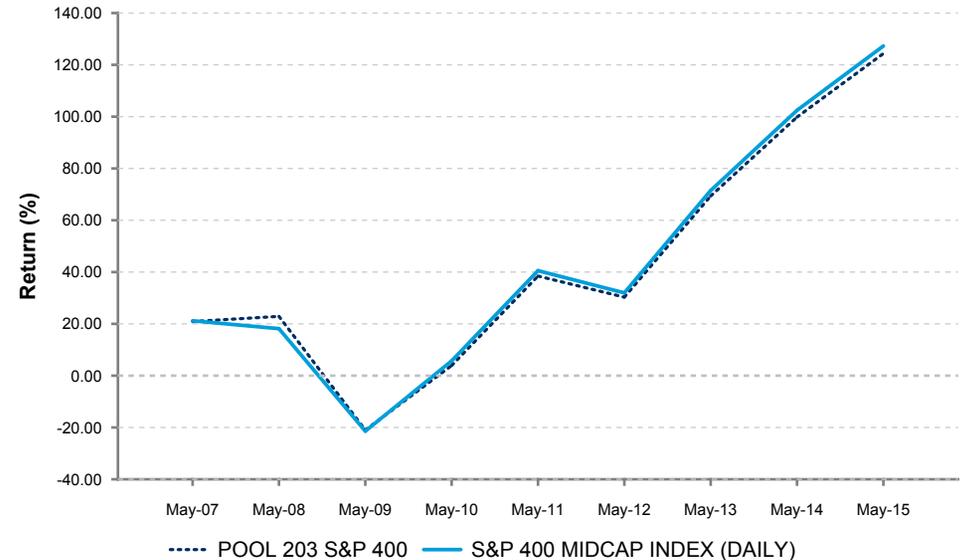
	Fund Weight	Benchmark Weight	Relative Weight
POOL 201 S&P 500	100.00	100.00	0.00
CONSUMER DISCRETIONARY	12.78	12.79	-0.01
CONSUMER STAPLES	9.13	9.12	0.01
ENERGY	8.44	8.44	-0.00
FINANCIALS	15.99	15.99	-0.00
HEALTH CARE	14.95	14.96	-0.00
INDUSTRIALS	10.08	10.08	-0.00
INFORMATION TECHNOLOGY	20.02	20.03	-0.01
MATERIALS	3.20	3.20	-0.00
TELECOMMUNICATION SERVICES	2.37	2.34	0.02
UTILITIES	3.05	3.05	-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	May 31 2015	May 31 2014	May 31 2013
POOL 203 S&P 400	1.78	1.61	5.67	12.27	19.86	16.64	9.68	12.27	18.00	29.97
S&P 400 MIDCAP INDEX (DAILY)	1.78	1.58	5.59	12.28	19.87	16.55	9.70	12.28	18.04	29.95
Excess	0.00	0.03	0.08	-0.01	-0.01	0.10	-0.02	-0.01	-0.04	0.02

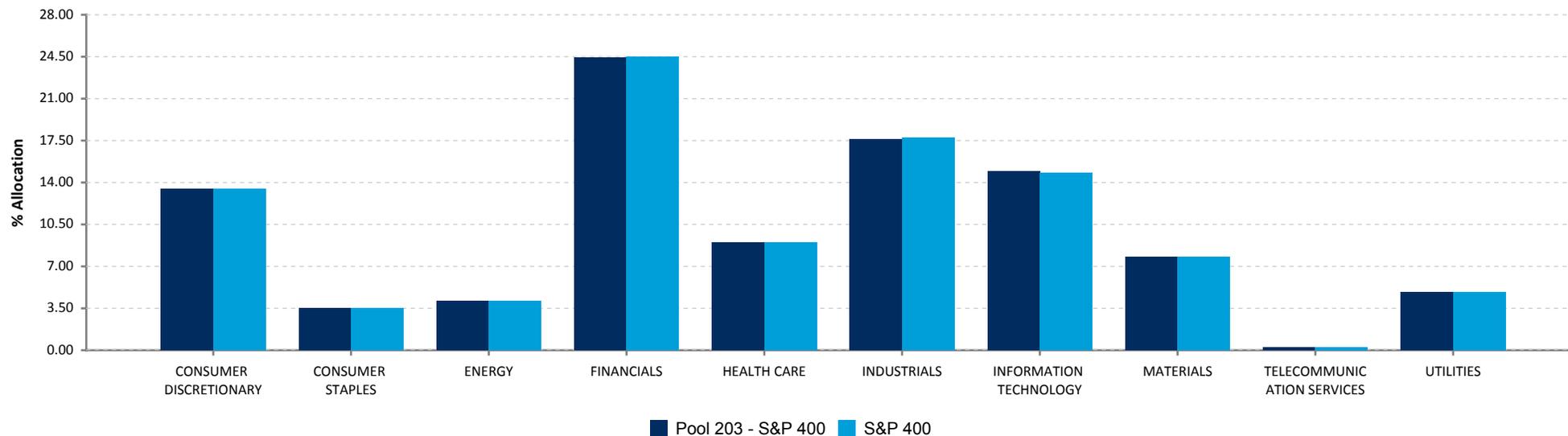
# OFFICE OF THE ARIZONA STATE TREASURER

May 31, 2015

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



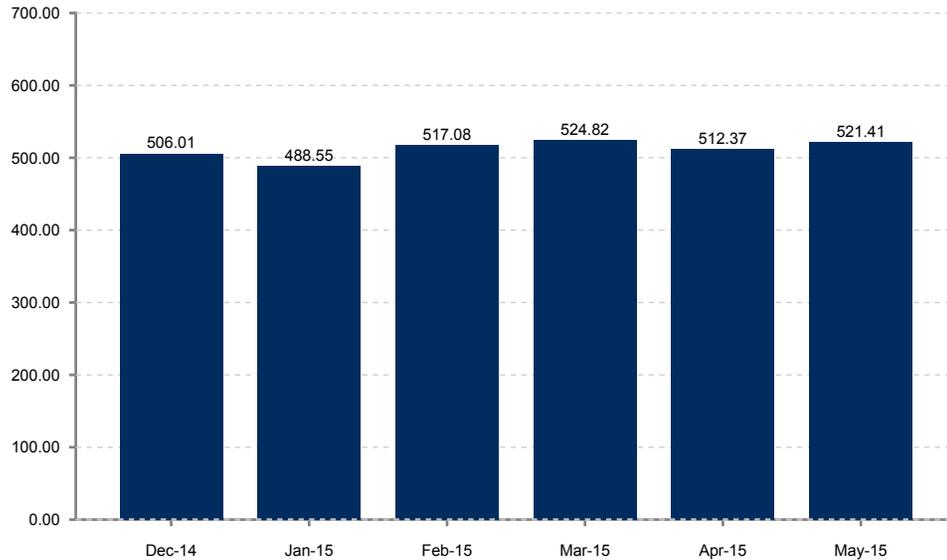
STATE STREET.



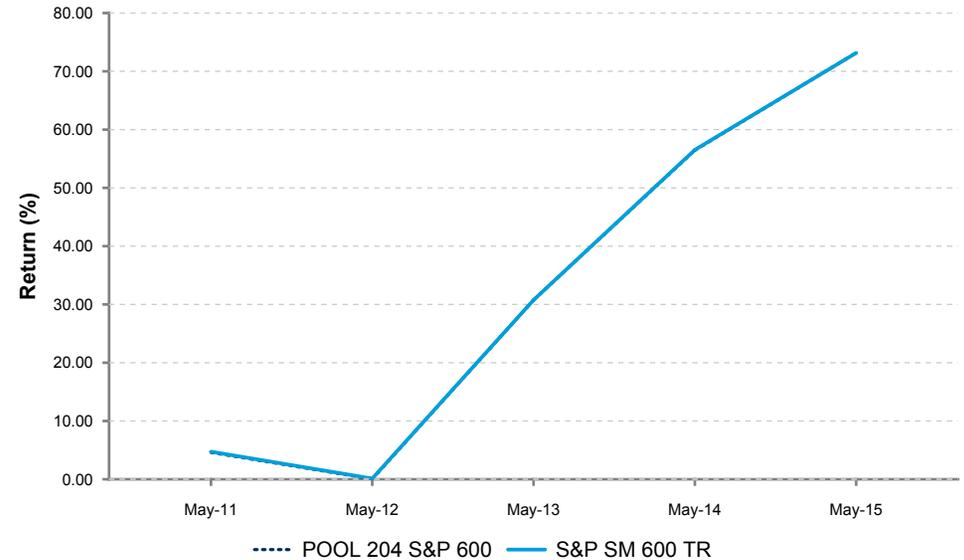
	Weight Fund	Weight Benchmark	Weight Relative
POOL 203 S&P 400	100.00	100.00	0.00
CONSUMER DISCRETIONARY	13.49	13.45	0.03
CONSUMER STAPLES	3.49	3.50	-0.01
ENERGY	4.46	4.47	-0.01
FINANCIALS	24.71	24.42	0.30
HEALTH CARE	8.64	8.66	-0.02
INDUSTRIALS	17.89	18.13	-0.23
INFORMATION TECHNOLOGY	14.37	14.40	-0.04
MATERIALS	7.77	7.78	-0.02
TELECOMMUNICATION SERVICES	0.23	0.24	-0.00
UTILITIES	4.95	4.95	-0.01



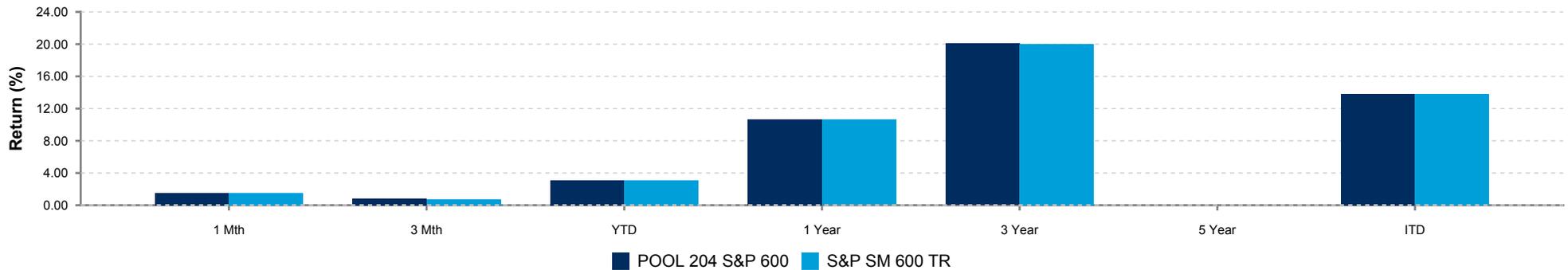
Net Asset Values over Time (\$MM)



Cumulative Return (%)



Rates of Return



	1 Mth	3 Mth	YTD	1 Year	3 Year	5 Year	ITD	May 31 2015	May 31 2014	May 31 2013
POOL 204 S&P 600	1.53	0.80	3.09	10.69	20.07	13.79	30.72	10.69	19.65	30.72
S&P SM 600 TR	1.53	0.76	3.10	10.62	20.03	13.78	30.60	10.62	19.71	30.60
Excess	-0.01	0.04	-0.02	0.07	0.04	0.00	0.11	0.07	-0.06	0.11

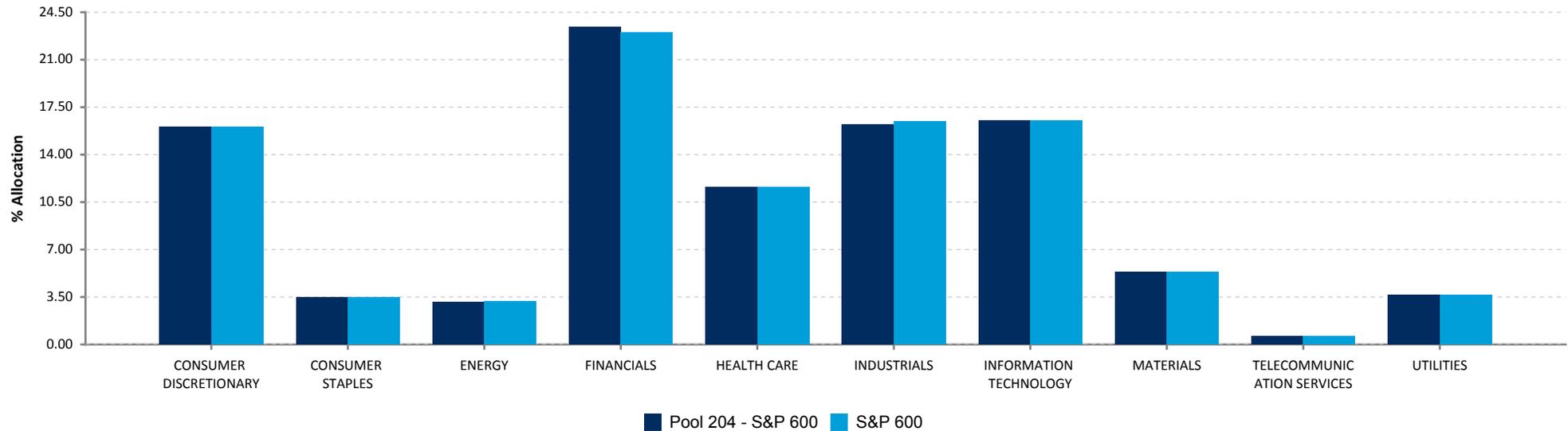
# OFFICE OF THE ARIZONA STATE TREASURER

May 31, 2015

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



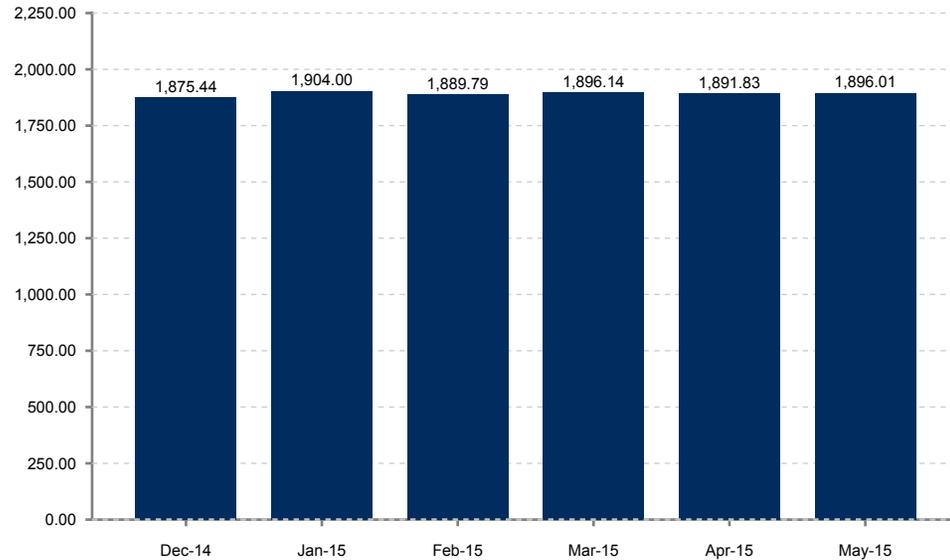
STATE STREET.



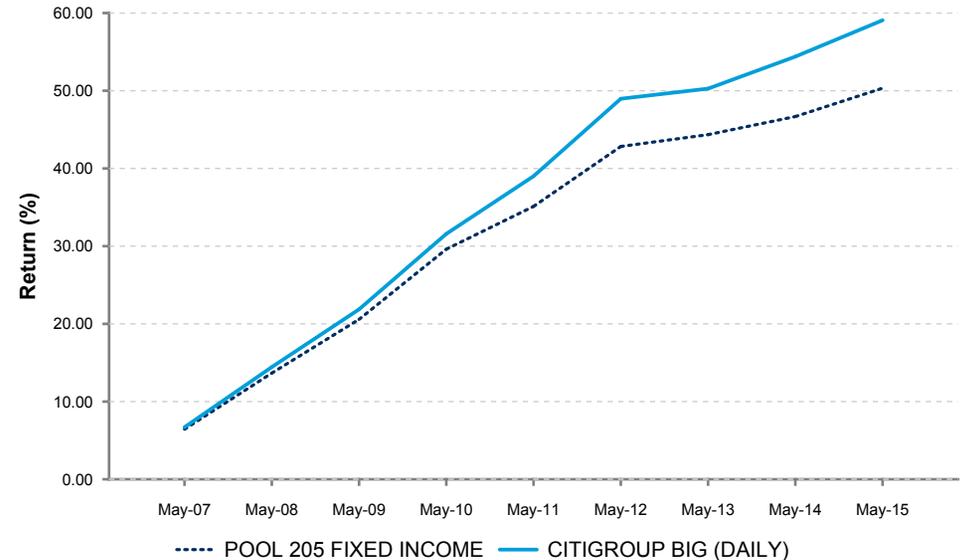
	Weight Fund	Weight Benchmark	Weight Relative
POOL 204 S&P 600	100.00	100.00	0.00
CONSUMER DISCRETIONARY	15.95	15.96	-0.01
CONSUMER STAPLES	3.30	3.31	-0.02
ENERGY	3.60	3.60	-0.00
FINANCIALS	23.62	23.52	0.10
HEALTH CARE	11.19	11.20	-0.01
INDUSTRIALS	16.30	16.31	-0.01
INFORMATION TECHNOLOGY	16.19	16.24	-0.05
MATERIALS	5.50	5.50	-0.00
TELECOMMUNICATION SERVICES	0.63	0.63	0.00
UTILITIES	3.72	3.72	-0.00



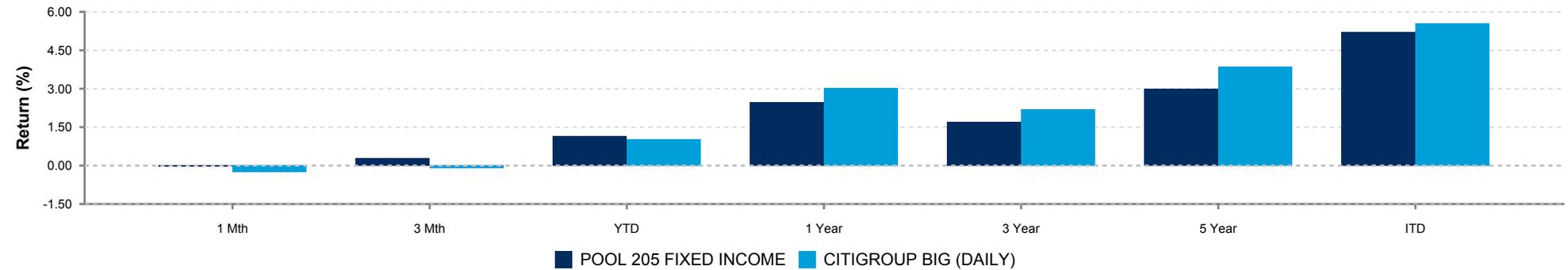
Net Asset Values over Time (\$MM)



Cumulative Return (%)



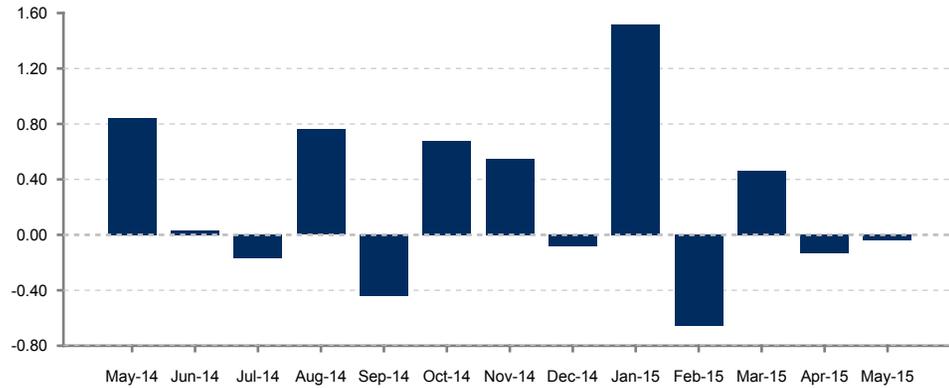
Rates of Return



	1 Mth	3 Mth	YTD	1 Year	3 Year	5 Year	ITD	May 31 2015	May 31 2014	May 31 2013
POOL 205 FIXED INCOME	-0.04	0.29	1.14	2.49	1.72	3.01	5.21	2.49	1.62	1.06
CITIGROUP BIG (DAILY)	-0.26	-0.10	1.03	3.03	2.21	3.87	5.54	3.03	2.74	0.87
Excess	0.22	0.39	0.12	-0.54	-0.49	-0.86	-0.33	-0.54	-1.13	0.19



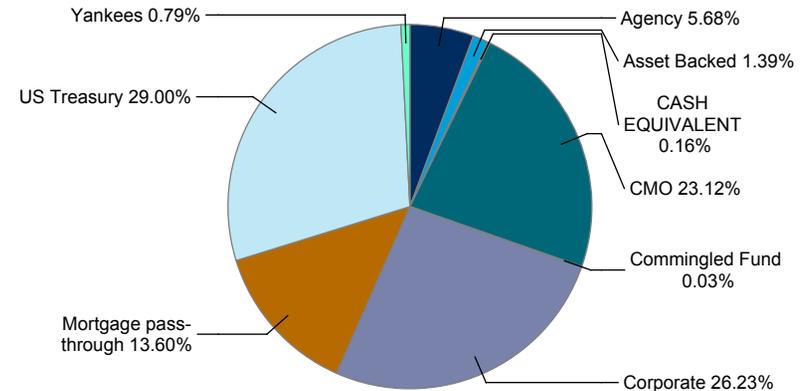
**Net Mqr Return**



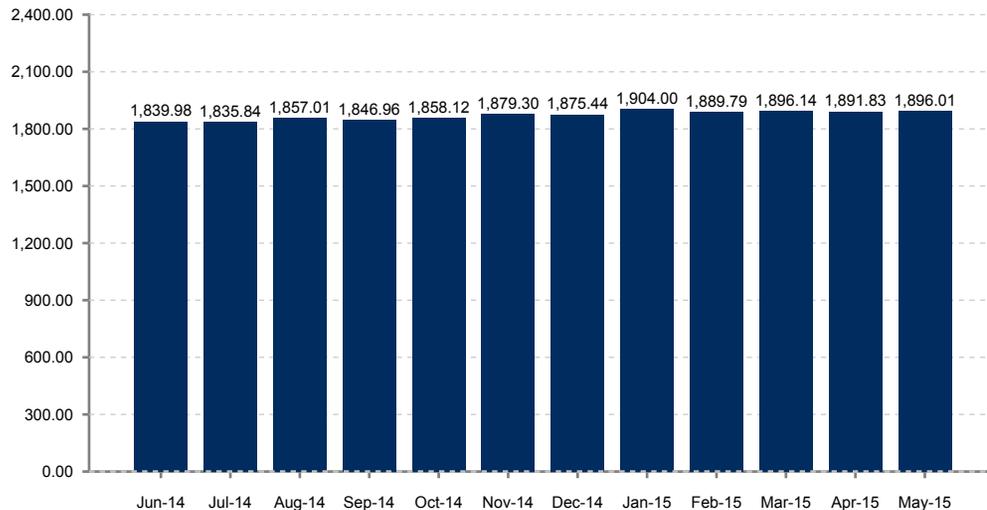
	Current Mth	Prior Mth	1 Year Ago
POOL 205 FIXED INCOME	-0.04	-0.13	0.84

**Asset Allocation**

	Ending Market Value
POOL 205 FIXED INCOME	1,896,005,233



**Net Asset Values over Time (\$MM)**

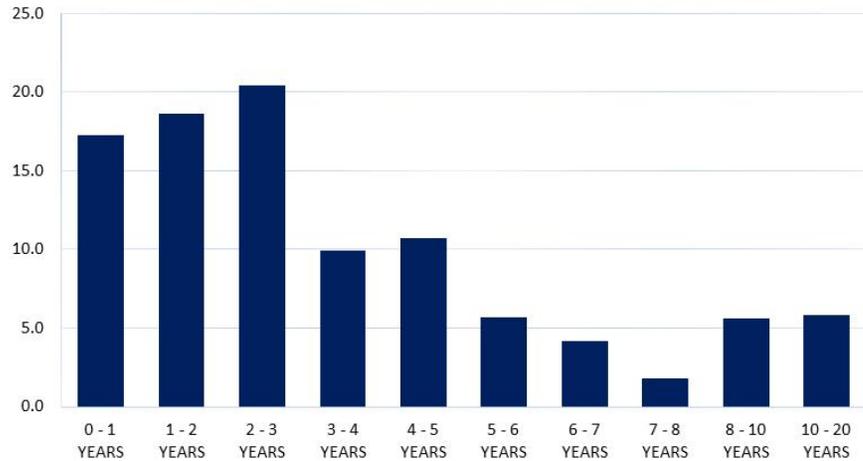


**Top 10 Holdings**

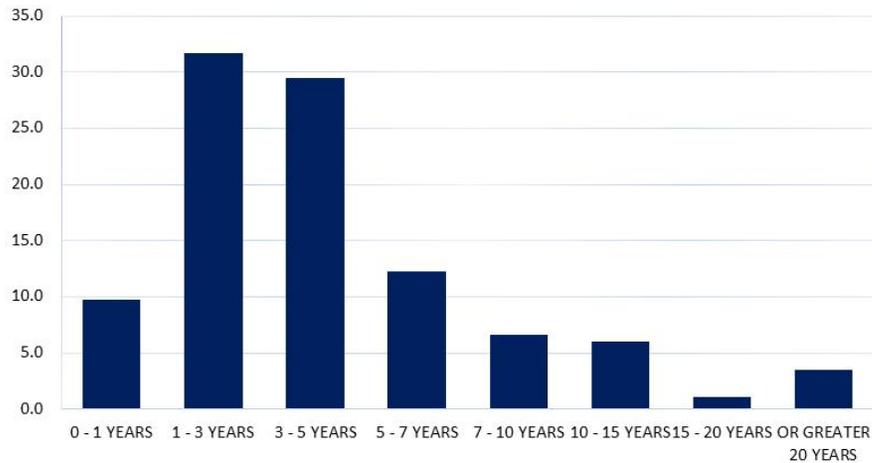
Security Name	Ending Market Value	% of Portfolio
POOL 205 FIXED INCOME		
US TREASURY N/B	17,602,427	0.93
FIFTH THIRD BANK	15,003,253	0.79
US TREASURY N/B	14,592,921	0.77
US TREASURY N/B	13,037,914	0.69
PRES + FELLOWS OF HARVAR	12,502,360	0.66
CONOCOPHILLIPS	12,070,982	0.64
US TREASURY N/B	12,054,406	0.64
FNMA POOL AV6108	11,414,210	0.60
JP MORGAN CHASE COMMERCIAL MOR	11,264,359	0.59
BERKSHIRE HATHAWAY ENERG	11,226,123	0.59



**Duration Distribution**



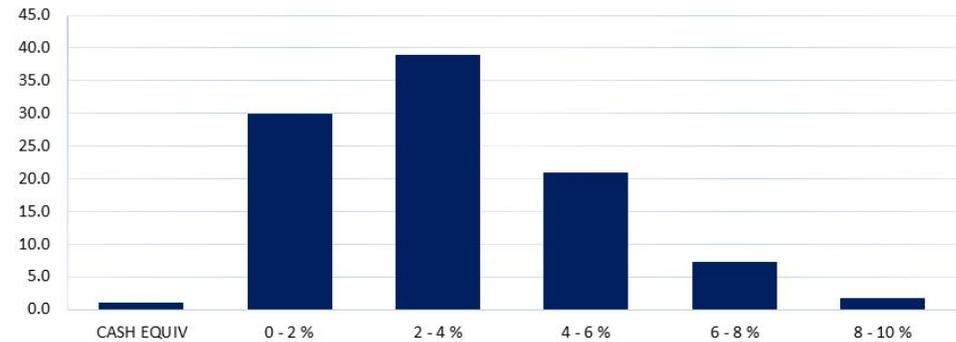
**Expected Maturity Distribution**



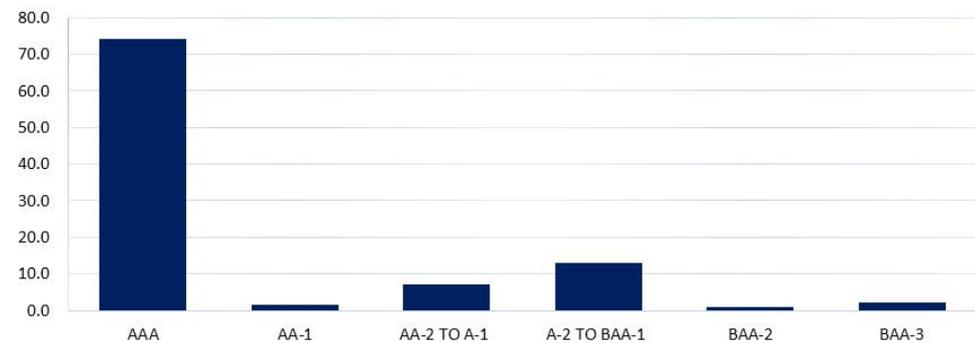
**Portfolio Level Characteristics**

	POOL 205 FIXED INCOME
Weighted Average Life	4.86
Coupon	3.28
Effective Duration	3.63
Quality Rating (Moody's)	AA-1

**Coupon Distribution**



**Rating Distribution**



Thousands

# Endowment Fund Market Value

