OFFICE OF THE

ARIZONA STATE TREASURER

Doug Ducey
TREASURER

SEPTEMBER 2014

Presented To:

Arizona State Board of Investment

OCTOBER 28, 2014

STATE BOARD OF INVESTMENT

A G E N D A

October 28, 2014

1. Call to Order
2. Chairman Remarks
3. Approval of September 23, 2014 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
    G. Broker Activity Report
5. Proposed Changes to the Investment Policy
    A. Review of Proposed Changes
    B. Public Comment on Proposed Changes
    C. Discussion and Action on Proposed Changes
6. Review and Approval of Proposed/Pending Securities Dealers
7. General Business
8. Call to the Public
9. Notice of Next Meeting
10. Adjournment

REPORT OF THE STATE TREASURER

FOR

October 28, 2014

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Minutes of
BOARD OF INVESTMENT MEETING

The regular meeting of the State Board of Investment was held on September 23, 2014 in the Office of the State Treasurer, 1700 West Washington, State Capitol, West Wing, Treasurer's Conference Room, Phoenix, Arizona. Treasurer Ducey called the meeting to order at approximately 1:30 p.m.

Members Present:

Doug Ducey, Chair, State Treasurer
Lauren Kingry, Superintendent, Department of Financial Institutions
Beth Ford, Treasurer, Pima County, Via Tele-Conference
Harry A. Papp, CFA and Managing Partner, L. Roy Papp & Associate
Brian McNeil, Director of Arizona Department of Administration

Others Present:

Mark Swenson, Deputy Treasurer, 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
Chris Petkiewicz, Portfolio Manager, Arizona State Treasurer's Office
Dale Stomberg, Investment Accounting Manager, Arizona State Treasurer's Office
Martin Kelly, Investment Analyst, Arizona State Treasurer's Office
Kevin Donnellan, Director of Communications, Arizona State Treasurer's Office
Doug Safford, Director, Wells Fargo Securities
Jeff DeWit, Arizona State Treasurer Elect
Sean Dollman, Operations Manager, Jeff DeWit for State Treasurer
Christine Thurston, Staff, Jeff DeWit for State Treasurer

Pursuant to A.R.S. 35-311, the following reports for August, 2014 were submitted for the Board's approval:

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

Earnings Distribution; Investment Pools

Operating Monies Invested Balances

State Agency Pools Investments and Performance Reports

LGIP Pools Investments and Performance Reports

Earnings Distributed Endowment Funds

Endowment Investments and Performance Reports

1. **Call to Order:**
   Treasurer Ducey called the September 23, 2014 BOI meeting to order at approximately 1:30 pm.

2. **Treasurers Comments:**
   Treasurer Ducey welcomed the board members and guests and thanked all present for attending the September 23, 2014 meeting.

3. **Approval of Minutes:**
   Mr. Papp made a motion to approve the August 25, 2014 minutes. Mr. Kingry seconded the motion. Motion carried.

4. **Approval of Amended Minutes:**
   Mr. Kingry made a motion to approve the May 29, 2014 minutes. Ms. Ford seconded the motion. Motion carried.

5. **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 August, 2014.

Operating Monies Average Invested Balance

Ms. Humbert reported the Operating Monies average invested balance for the month of August, 2014.

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 August, 2014.

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 August 31, 2014.

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 August 31, 2014.

Review of Treasurer's Monthly Report – LGIP Investment Pools:

Mr. Petkiewicz 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. Petkiewicz reported the net yield for the LGIP and LGIP-Gov Pools and the comparison to the benchmark for the month of August, 2014.

Pool 500 & Pool 700 Portfolio Yield Analysis

Mr. Petkiewicz reported the net yield for the LGIP Medium Term Pools and the comparison to the benchmark for the month of August, 2014.

Manager Allocation of Invested Monies for the LGIP Pools

Mr. Petkiewicz reported the total market value invested in all of the LGIP Pools as a percentage of the total that was allocated to each of the LGIP, LGIP-Gov, and LGIP Medium Term Pools as of August 31, 2014.

LGIP Pools Investments and Performance Reports

Mr. Petkiewicz reported the total net assets, asset allocation, the weighted average life, the weighted average duration, and the weighted average rating on the LGIP, LGIP-Gov, and LGIP Medium Term pools for the month of August, 2014.

> *Mr. Kingry referenced page 33, Pool 700 of the Treasurer's Report, regarding the NCUA Guaranteed Note. Mr. Petkiewicz stated that the NCUA Guaranteed Note is full faith and credit, just like FDIC.*

Review of Treasurer's Monthly Report – Endowments:

Ms. Humbert 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

Ms. Humbert reported the earnings distributed for the Endowment Funds for the month of August, 2014.

Net Realized Capital Gains/Losses – Endowment Funds

Ms. Humbert reported the net realized capital gains for the Endowment Fixed Income, S&P 500, S&P 400 and S&P 600 pools for the month of August 2014 and fiscal year to date.

Endowment Funds Fixed-Income Pool Purchases & Sales

Ms. Humbert reported the purchases and sales of the Endowment Fixed Income Pool for the month of August, 2014.

Equity Funds Purchases & Sales

Ms. Humbert reported the purchases and sales (summary) of the Endowment Equity Pools for the month of August, 2014.

Investments Outstanding in Endowment Funds

Ms. Humbert reported the par, book, market value, and unrealized gains/loss of the Endowment Funds as of August 31, 2014.

Performance of Investments in Endowment Funds

Ms. Humbert reported the performance of the Endowment Funds for the current month, the year to date, trailing one year, trailing three years, trailing five years, and since inception for the Endowment Funds as of August 31, 2014.

Manager Allocation of Invested Monies for the Endowment Pools

Ms. Humbert reported the percentage of the total market value of all of the Endowment investments allocated to each of the Endowment Pools, as of August 31, 2014.

Equity Holdings Investments Outstanding S&P 500

Ms. Humbert reported the investments outstanding by portfolio characteristics and industry sector for the S&P 500 Pool as of August 31, 2014.

Equity Holdings Investments Outstanding S&P 400

Ms. Humbert reported the investments outstanding by portfolio characteristics and industry sector for the S&P 400 Pool as of August 31, 2014.

Equity Holdings Investments Outstanding S&P 600

Ms. Humbert reported the investments outstanding by portfolio characteristics and industry sector for the S&P 600 Pool as of August 31, 2014.

Fixed Income Investments and Performance Reports

Ms. Humbert reported the total net assets, asset allocation, the weighted average life, the weighted average duration and the weighted average rating for the Fixed Income Pool for the month of August, 2014.

Endowment Investments and Performance Growth by Account Reports

Ms. Humbert reported the performance and growth for each of the Endowment Funds from the inception date of each fund through the end of August, 2014.

Mr. Kingry referenced page 49, Pool 204 S&P 600 with regard to the comingled fund. Ms. Humbert explained that the comingled fund in this case, is actually the index spiders and comes up on the report as comingled funds.

Approval of Treasurer's Report

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

6. **Proposed Changes to Investment Policy:**
   No proposed changes.

7. **Review and approval of Proposed/Pending Securities Dealers:**
   Approval to add two proposed Broker Dealer Firms to the *Approved Broker Dealer List.*

Ms. Humbert provided a brief overview regarding the proposed Broker Dealer firms. The proposed firms, subject for approval are as follows; Incapital LLC CRD #101420 and Mitsubishi UFJ Securities USA, INC CRD # 19685. After a brief discussion, Treasurer Ducey asked for a motion for approval as presented.

Mr. Papp made a motion to approve the Broker Dealer Firms as presented. Mr. Kingry seconded the motion. Motion carried.

8. **General Business:**
   There was no general business.

9. **Call to the Public**
   Mr. DeWit stated that he looks forward to meeting with the team, stated he is very excited, adding that there is a great level of trust that Arizona places on this office and looks forward to working hard to protect the taxpayers. Mr. Ducey is confident that Mr. DeWit is very competent in taking over the office, stating that he looks forward to helping with the transition at the proper time. Ms. Ford also extended her congratulations to Mr. DeWit.

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

10. **Notice of Next Meeting:**

    Treasurer Ducey advised the Board that the next regular meeting of the Board of Investment will be Tuesday, October 28, 2014 at 1:30 p.m. at 1700 West Washington, State Capitol, West Wing, Treasurer's Conference Room, Phoenix, Arizona.

11. Adjournment:

Mr. Kingry made a motion to adjourn the BOI meeting. Mr. McNeil seconded the motion. Upon unanimous approval the BOI Meeting was adjourned at 2:11 p.m.

Respectfully Submitted by:

____
Barbara Conley
Executive Consultant II

Approved by:

__________________________________ __________________________________
Doug Ducey, Chair Date

EARNINGS DISTRIBUTION - INVESTMENT POOLS
SEPTEMBER 2014

Recipient	Earnings Distributed SEPTEMBER 2014	Fiscal YTD 14/15	Fiscal YTD 13/14	Fiscal YTD Investment Management Fees Received
General Fund	$951,645	$2,961,007	$3,759,193	
2 State Agencies - Full Faith & Credit	413,884	1,341,771	1,657,101	$119,834
3 State Agencies - Diversified *(Combined)*	576,512	1,875,477	3,568,297	186,073
4 State Agencies - Gov	497,882	1,507,444	1,319,363	114,927
5 LGIP	74,093	233,582	434,376	159,462
7 LGIP Gov	32,494	116,599	78,105	124,036
10 Restricted Operating	261,979	814,242	0	196,948
12 CAWCD Medium-Term	415,879	1,254,832	1,402,476	41,590
15 GADA Long-Term	14,098	43,354	61,799	1,680
16 ECDH Medium-Term	462,269	1,397,312	1,421,726	51,912
Subtotal	**$3,700,733**	**$11,545,619**	**$13,702,436**	**$996,462**
NAV POOL				
500 LGIP - Med Term	229,309	724,110	792,152	35,166
700 LGIP - FF&C Med Term	118,560	374,373	529,656	22,561
Total	**$4,048,603**	**$12,644,102**	**$15,024,244**	**$1,054,189**
SEPTEMBER 2013 TOTALS	**$4,899,479**			**$1,156,055**

OPERATING MONIES
AVERAGE INVESTED BALANCE
Through September 30, 2014
(in millions of dollars)

Month	Fiscal Year 2012/2013	Fiscal Year 2013/2014	Fiscal Year 2014/2015
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	
NOVEMBER	1,316	1,853	
DECEMBER	1,464	1,895	
JANUARY	1,885	2,234	
FEBRUARY	1,899	2,427	
MARCH	1,815	2,107	
APRIL	2,109	2,100	
MAY	2,428	2,312	
JUNE	2,679	2,462	
Y-T-D Average	**$1,793**	**$2,070**	**$1,628**

Budget Stabilization Average Fund Balance -September 2014	**$456**
Total Average Cash Available - September 2014	**$2,094**

STATE AGENCY POOLS
PORTFOLIO EARNINGS ANALYSIS
September 30, 2014

FUND	DESCRIPTION	Current Month 09/30/14	Prior Month 08/31/14	Prior Year 9/30/13	Net Asset Value Per Share
2	STATE AGENCIES - FULL FAITH & CREDIT	471,338	508,887	767,632	0.9926
3	STATE AGENCIES - DIVERSIFIED				
	INTERNAL MANAGERS	767,549	804,257	1,685,619	0.9949
	EXTERNAL MANAGERS	63,091	56,446	49,744	0.9998
	FUND 3 TOTAL	830,640	860,703	1,735,363	0.9952
4	STATE AGENCIES - GOV	580,390	544,197	689,082	0.9881
10	RESTRICTED OPERATING				
	INTERNAL MANAGERS	752,490	817,065	N/A	0.9946
	EXTERNAL MANAGERS	65,973	66,423	66,101	1.0010
	FUND 10 TOTAL	818,463	883,488	66,101	0.9960
12	CAWCD MEDIUM-TERM	415,879	410,508	469,356	1.0065
15	GADA LONG-TERM	14,098	14,215	17,954	0.9919
16	ECDH MEDIUM-TERM	462,269	467,946	468,722	0.9898
	TOTAL STATE AGENCIES	3,593,076	3,689,943	4,214,210	

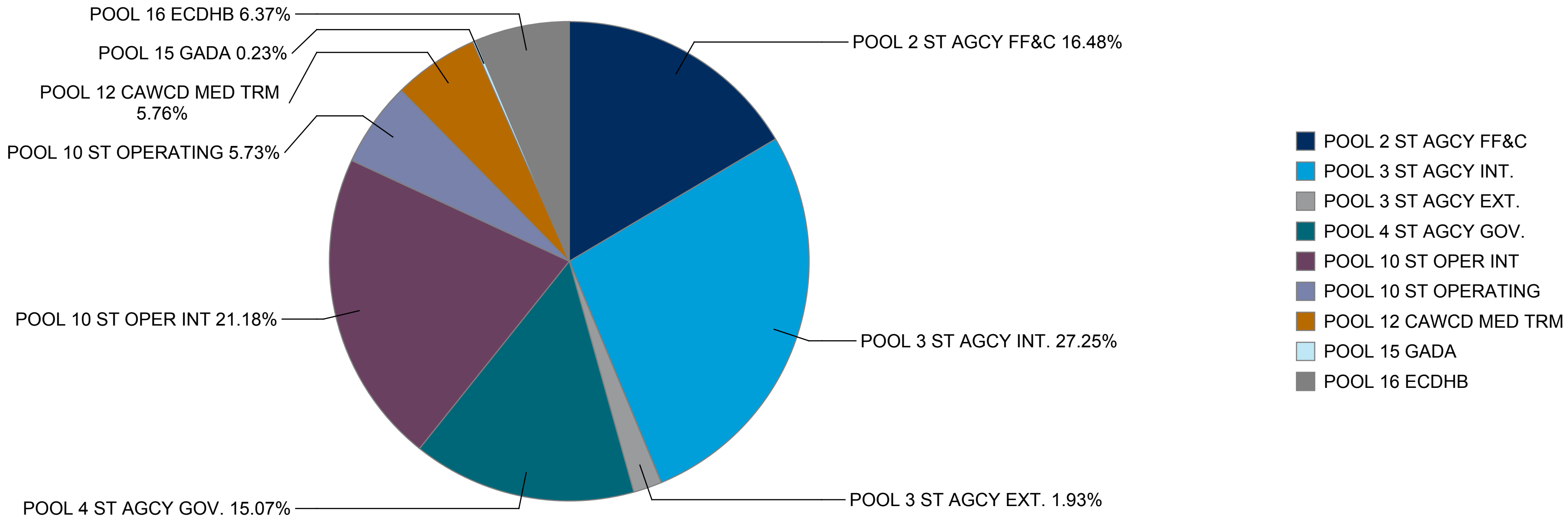
STATE AGENCY POOLS
PORTFOLIO YIELD ANALYSIS
SEPTEMBER 30, 2014

FUND	DESCRIPTION	Current Month 09/30/14	Prior Month 08/31/14	Prior Year 9/30/13
2	**STATE AGENCIES - FULL FAITH & CREDIT**	0.67%	0.76%	**0.88%**
	75% MERRILL 0-1 US TREAS INDEX / 25% MERRILL US GNMA MORTGAGE BACKED INDEX	0.77%	0.75%	**0.81%**
3	**STATE AGENCIES - DIVERSIFIED**			
	INTERNAL MANAGERS	0.71%	0.84%	**0.92%**
	EXTERNAL MANAGERS	0.76%	0.66%	**0.60%**
	COMBINED	0.71%	0.82%	**0.91%**
	50% 3 MONTH LIBOR INDEX / 50% MERRILL 1-3 US BROAD MARKET INDEX	0.55%	0.50%	**0.46%**
4	**STATE AGENCIES - GOV**	0.88%	0.80%	**0.76%**
	50% MERRILL 6 MTH US T-BILL INDEX / 50% MERRILL 1-3 UNSUB. US TREAS / AGY INDEX	0.32%	0.28%	**0.19%**
10	**RESTRICTED OPERATING**			
	INTERNAL MANAGERS	0.82%	0.86%	**N/A**
	EXTERNAL MANAGERS	0.27%	0.26%	**0.27%**
	COMBINED	0.70%	0.73%	**0.27%**
	SIFMA MUNICIPAL SWAP INDEX	N/A	N/A	**0.06%**
	****50% 3 MONTH LIBOR INDEX / 50% MERRILL 1-3 US BROAD MARKET INDEX**	0.55%	0.50%	**N/A**
12	**CAWCD MEDIUM-TERM**	1.68%	1.61%	**2.00%**
	***MERRILL 1-5 US D M INDEX**	1.37%	1.26%	**1.20%**
15	**GADA LONG-TERM**	1.42%	1.38%	**1.80%**
	MERRILL 3-5 US BROAD MARKET EX CORP	1.80%	1.69%	**1.65%**
16	**ECDH MEDIUM-TERM**	1.66%	1.63%	**1.69%**
	***MERRILL 1-5 US D M INDEX**	1.37%	1.26%	**1.20%**

*Note: Beginning with May 2014, the Benchmark for Pools 12 and 16 were changed from Barclays Capital US AGG Bond Index to Merrill 1-5 US DM Index.

**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	866,950,450	16.5
POOL 3 ST AGCY INT.	1,433,301,692	27.3
POOL 3 ST AGCY EXT.	101,350,367	1.9
POOL 4 ST AGCY GOV.	792,781,398	15.1
POOL 10 ST OPER INT	1,113,816,874	21.2
POOL 10 ST OPERATING	301,608,857	5.7
POOL 12 CAWCD MED TRM	302,718,010	5.8
POOL 15 GADA	12,010,728	0.2
POOL 16 ECDHB	335,124,580	6.4
TOTAL STATE AGENCY	5,259,662,955	100.0

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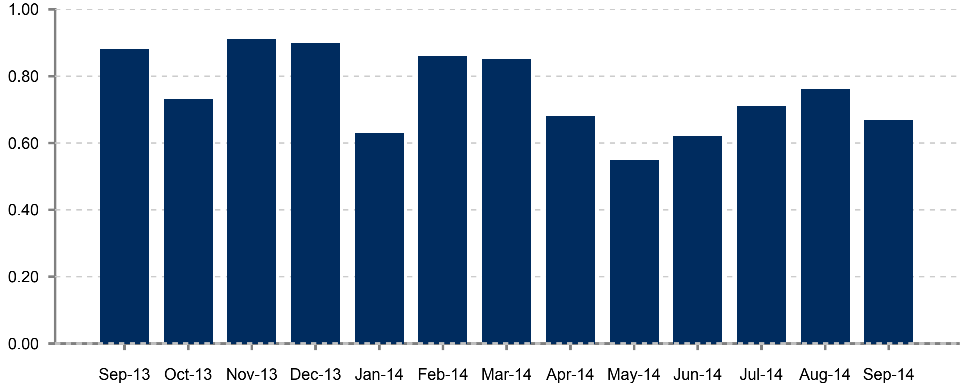
POOL 2 ST AGCY FF&C

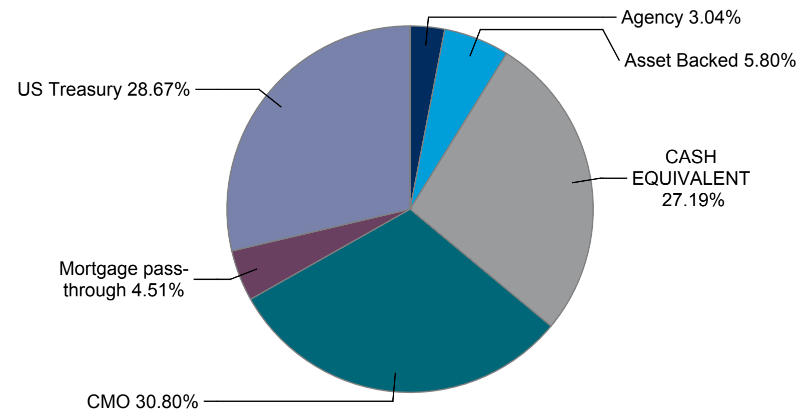
Net Yield



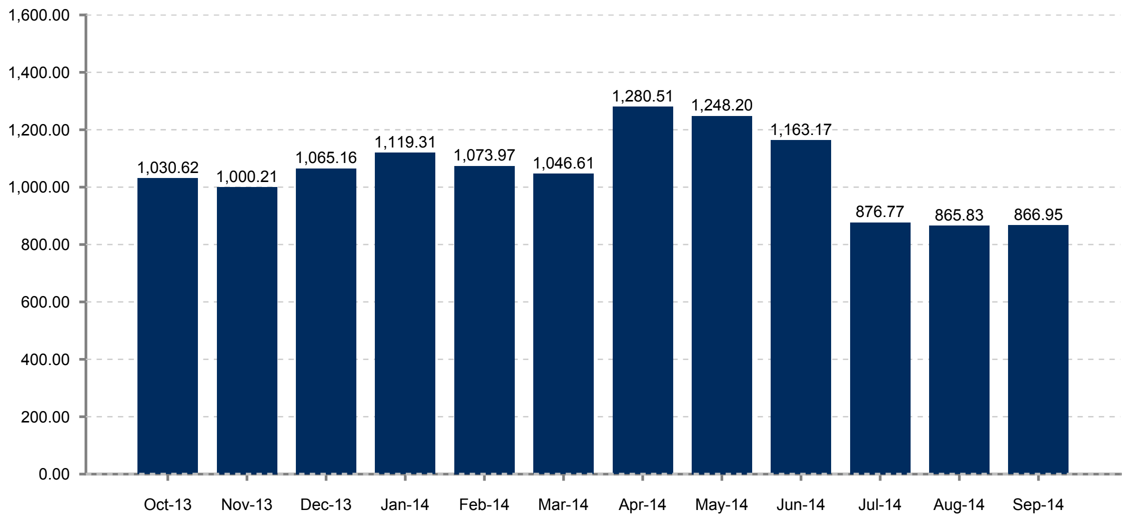
	Current Mth	Prior Mth	1 Year Ago
POOL 2 ST AGCY FF&C	0.67	0.76	0.88

Asset Allocation

	Ending Market Value
POOL 2 ST AGCY FF&C	866,950,450



Net Asset Values over Time ($MM)



Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 2 ST AGCY FF&C		
WELLS FARGO REPO	215,757,572	24.89
US TREASURY N/B	71,382,969	8.23
UNITED STATES TREASURY NOTE/BO	50,055,795	5.77
GOVERNMENT NATIONAL MORTGAGE A	31,939,799	3.68
GOVERNMENT NATIONAL MORTGAGE A	22,087,409	2.55
US TREASURY FRN	20,006,435	2.31
UNITED STATES TREAS BILLS	19,998,832	2.31
GOVERNMENT NATIONAL MORTGAGE A	19,041,590	2.20
GOVERNMENT NATIONAL MORTGAGE A	18,282,423	2.11
AID ISRAEL	14,332,831	1.65

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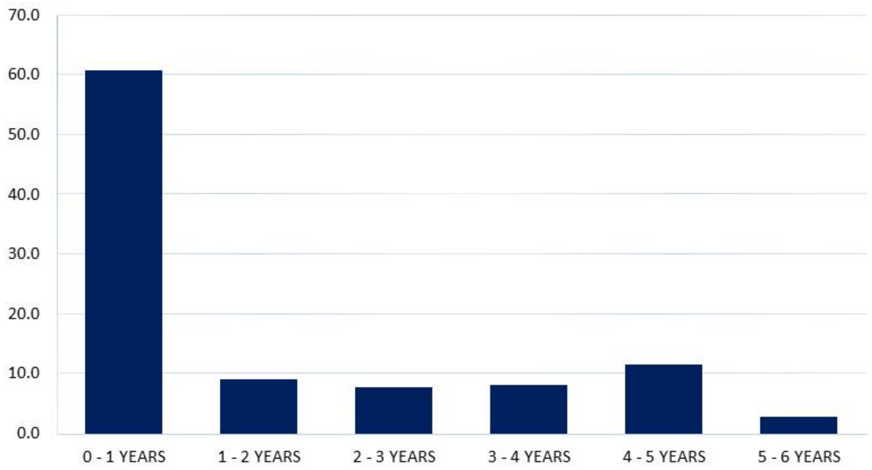
POOL 2 ST AGCY FF&C

STATE STREET.

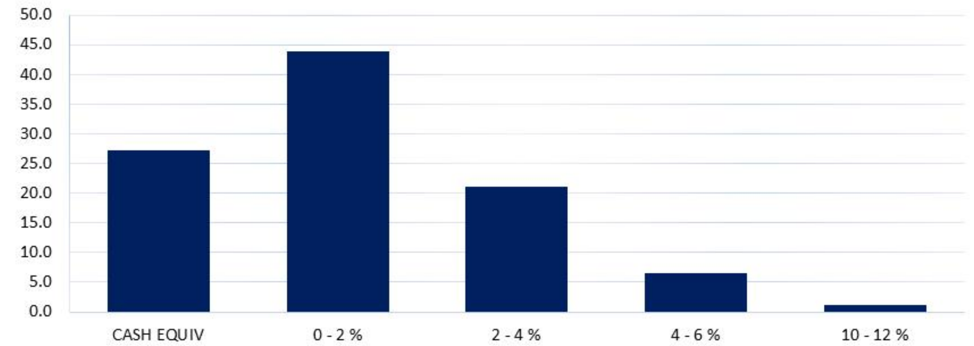
Duration Distribution



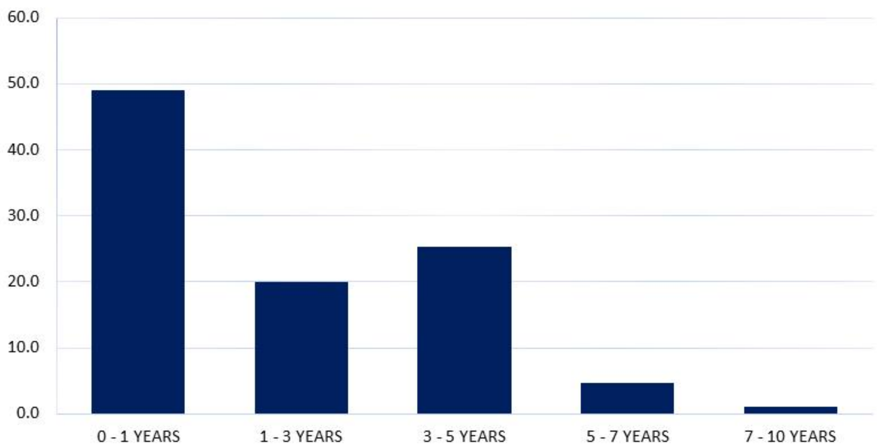
Portfolio Level Characteristics

	POOL 2 ST AGCY FF&C
Weighted Average Life	1.87
Coupon	1.66
Effective Duration	1.36
Quality Rating (Moody's)	AAA

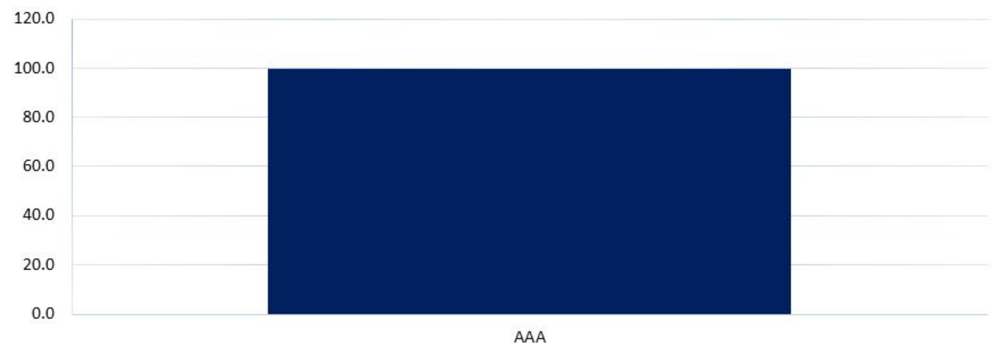
Coupon Distribution



Expected Maturity Distribution



Rating Distribution



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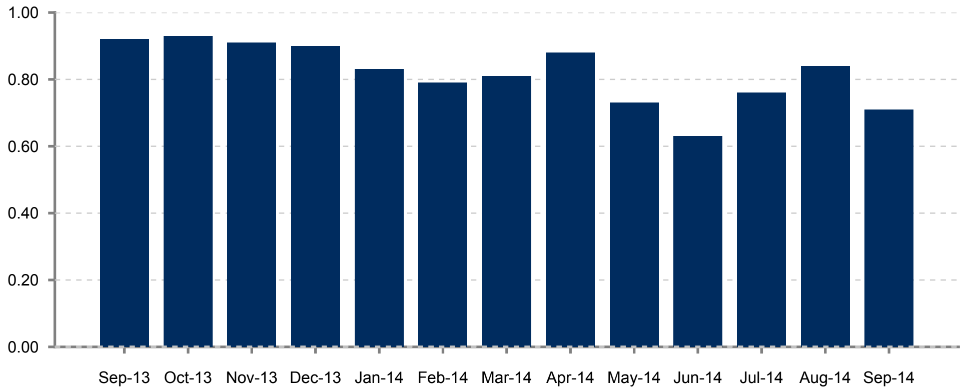
POOL 3 ST AGCY INT.

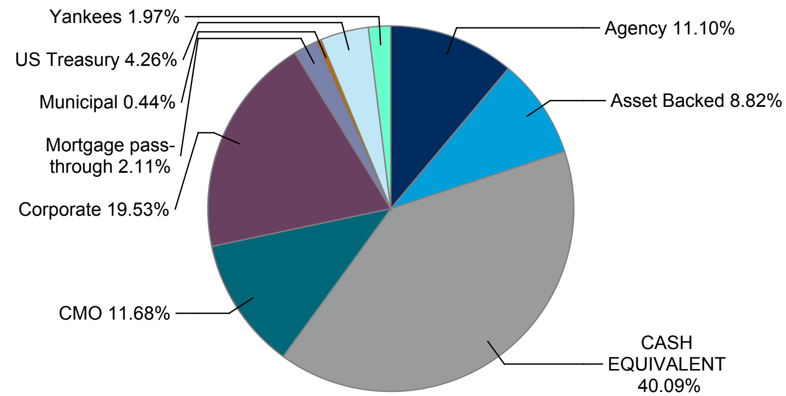
Net Yield



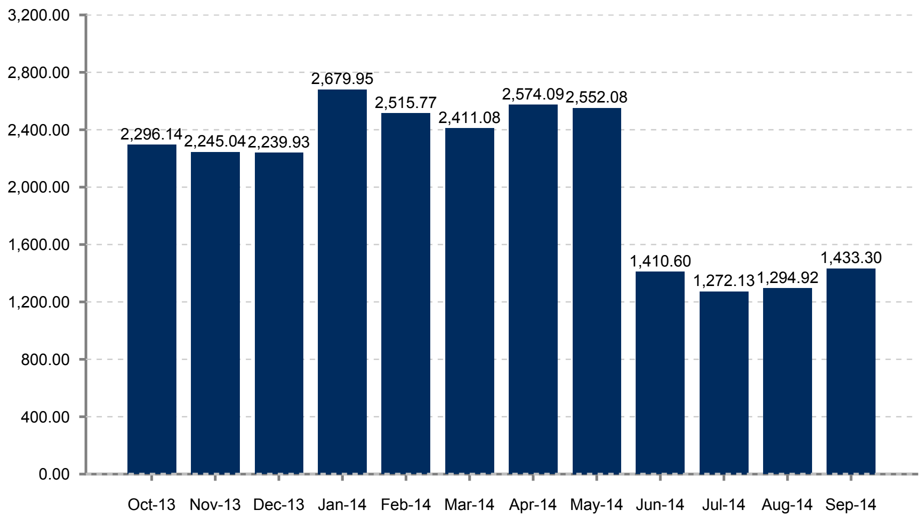
	Current Mth	Prior Mth	1 Year Ago
POOL 3 ST AGCY INT.	0.71	0.84	0.92

Asset Allocation

	Ending Market Value
POOL 3 ST AGCY INT.	1,433,301,692



Net Asset Values over Time ($MM)



Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 3 ST AGCY INT.		
SOUTH STREET REPO	272,991,645	19.05
FREDDIE MAC	36,066,384	2.52
WELLS FARGO REPO	25,000,208	1.74
CROWN POINT CAP CO.	24,999,514	1.74
CONCORD MIN CPTL CO	24,999,514	1.74
LEXINGTN PKR CAP CO LL	24,999,514	1.74
RIDGEFIELD FUNDING CO	24,999,514	1.74
CAN AST & CAN LTD JT	24,999,278	1.74
CEDAR SPRING CPTL CO	24,999,077	1.74
FEDERAL NATL MTG ASSN	22,386,625	1.56

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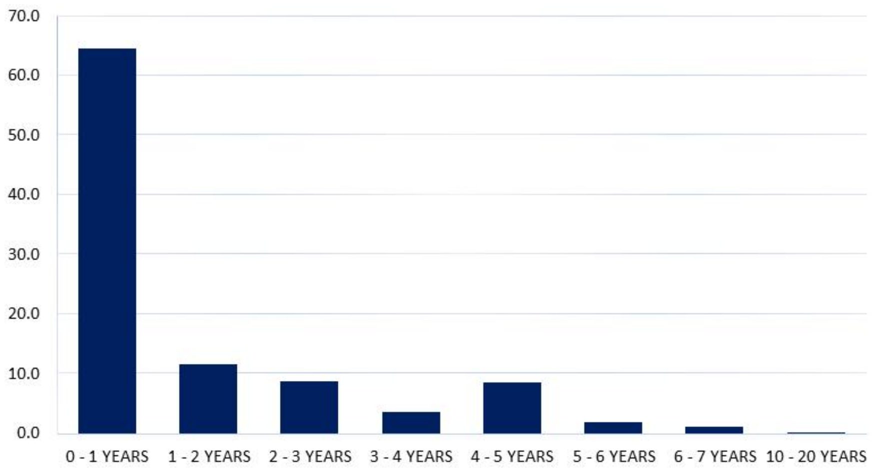
POOL 3 ST AGCY INT

STATE STREET.

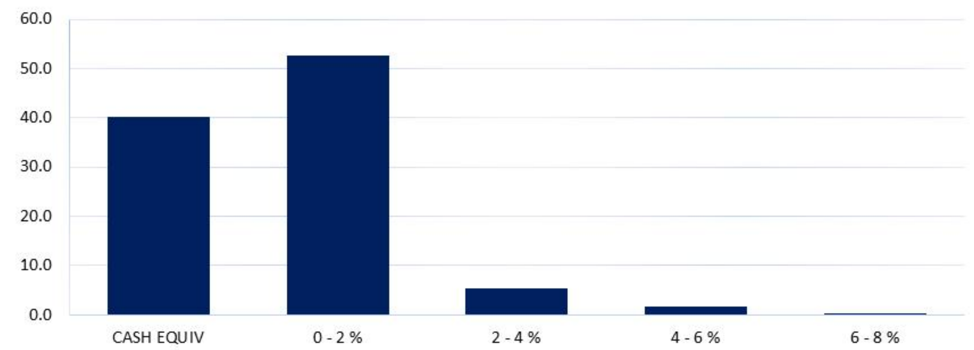
Duration Distribution



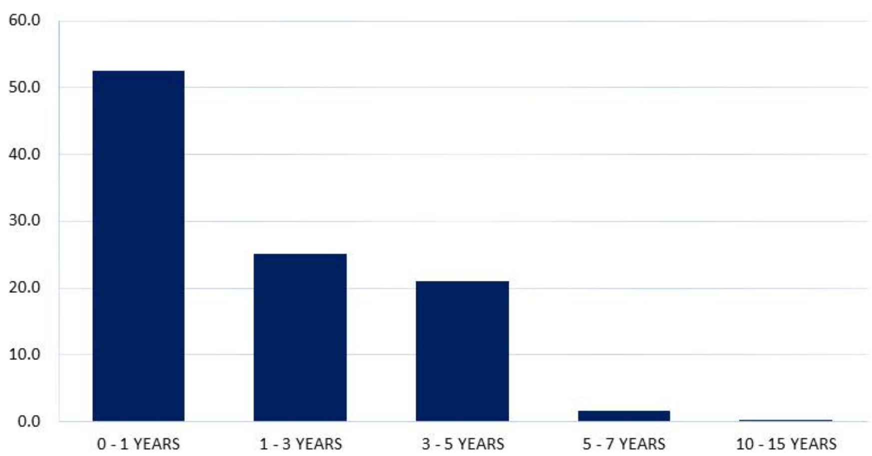
Portfolio Level Characteristics

	POOL 3 ST AGCY INT.
Weighted Average Life	1.44
Coupon	1.05
Effective Duration	1.19
Quality Rating (Moody's)	AA-1

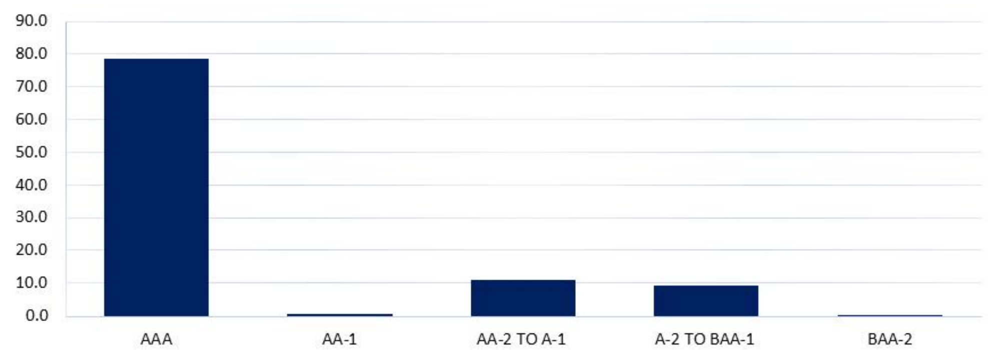
Coupon Distribution



Expected Maturity Distribution



Rating Distribution



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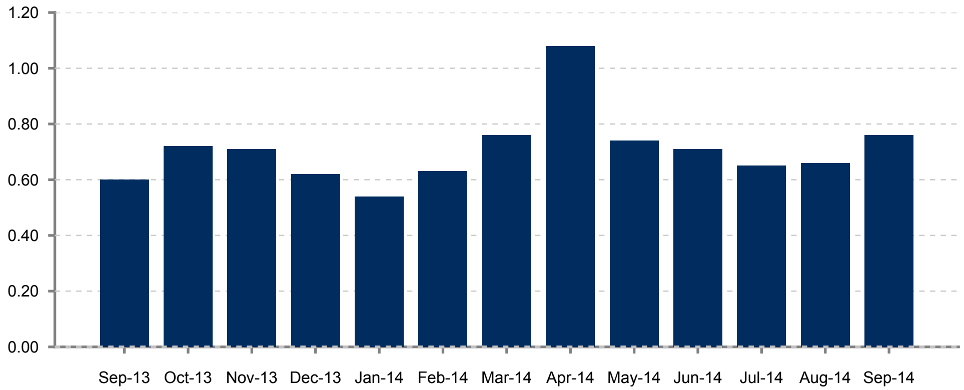
POOL 3 ST AGCY EXT.

STATE STREET.

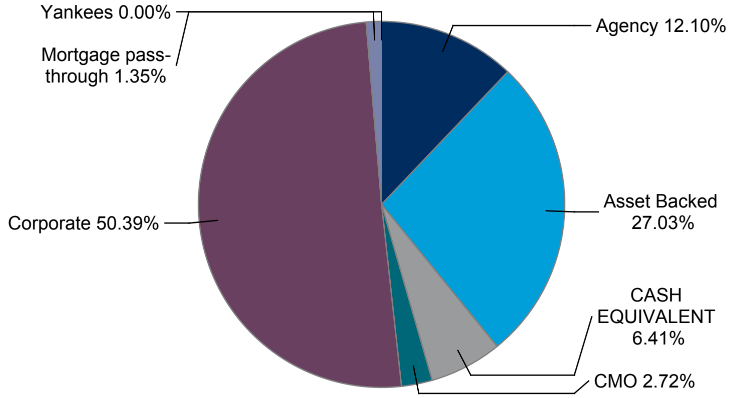
Net Yield



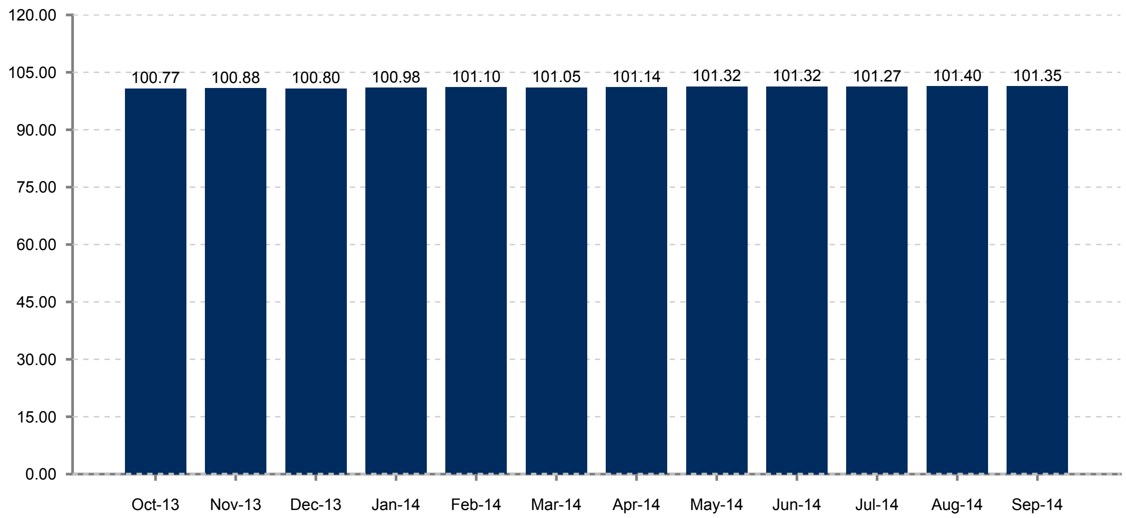
	Current Mth	Prior Mth	1 Year Ago
POOL 3 ST AGCY EXT.	0.76	0.66	0.60

Asset Allocation

	Ending Market Value
POOL 3 ST AGCY EXT.	101,350,367



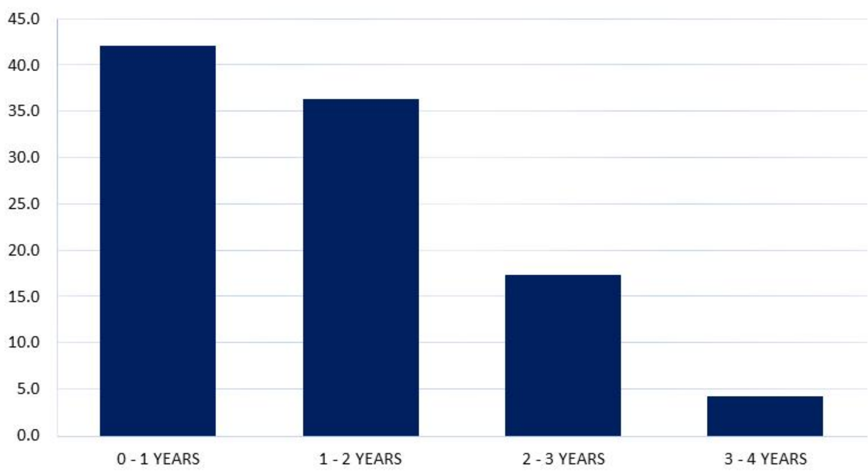
Net Asset Values over Time ($MM)



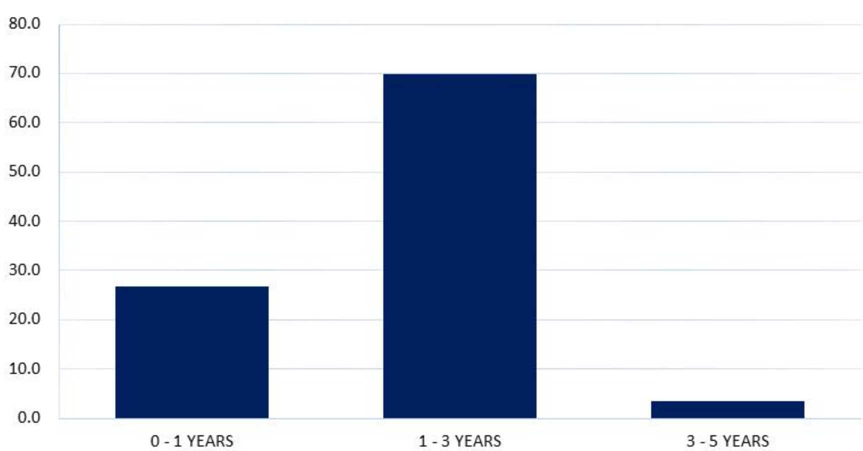
Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 3 ST AGCY EXT.		
WELLS FARGO BANK NA	2,304,211	2.27
ROYAL BK OF CANADA	1,803,513	1.78
MUFG UNION BANK NA	1,668,293	1.65
PACCAR FINANCIAL CORP	1,610,613	1.59
DISCOVER CARD EXECUTION NOTE T	1,574,752	1.55
HYUNDAI AUTO RECEIVABLES TRUST	1,528,644	1.51
JPMORGAN CHASE + CO	1,507,829	1.49
BANK OF AMERICA NA	1,502,672	1.48
CITIBANK CREDIT CARD ISSUANCE	1,502,333	1.48
FANNIE MAE	1,501,168	1.48

Duration Distribution



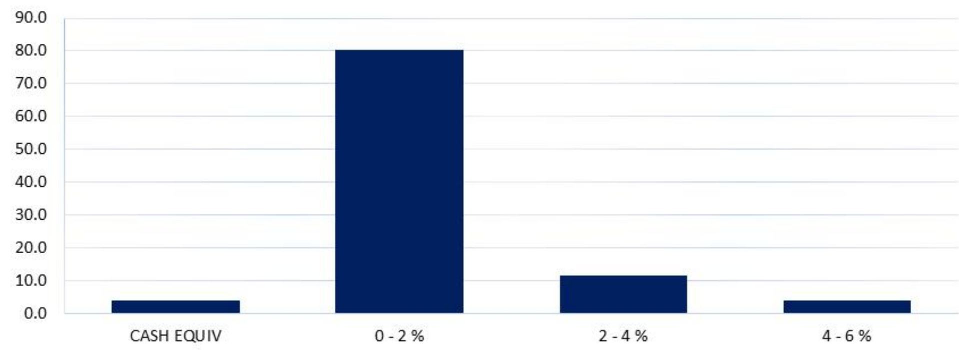
Expected Maturity Distribution



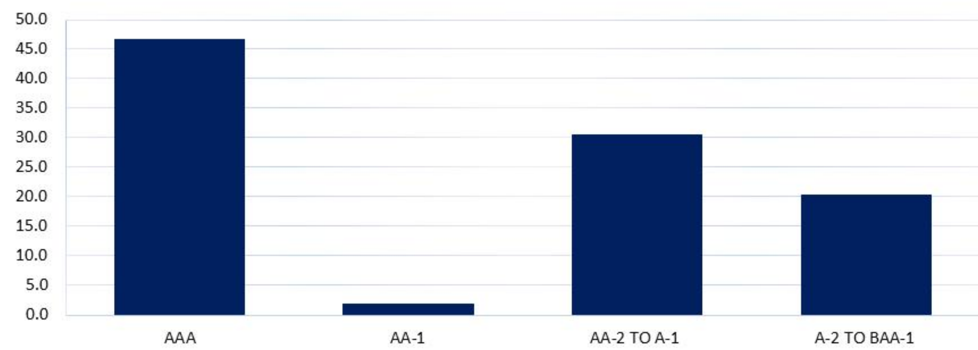
Portfolio Level Characteristics

	POOL 3 ST AGCY EXT.
Weighted Average Life	1.60
Coupon	1.28
Effective Duration	1.26
Quality Rating (Moody's)	AA-2

Coupon Distribution



Rating Distribution



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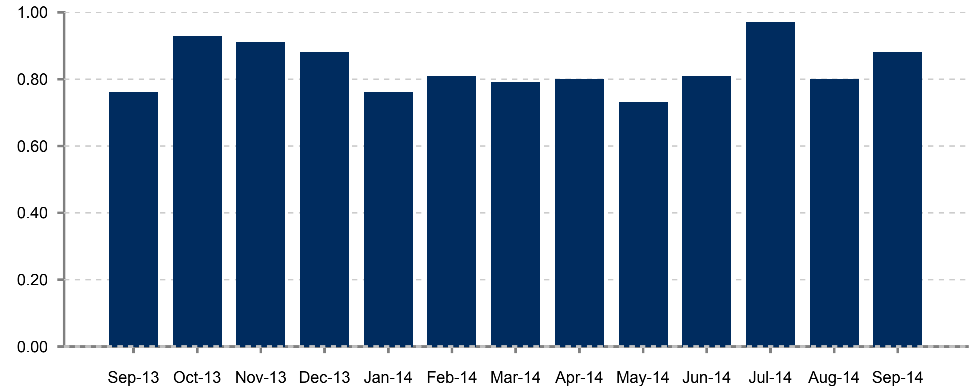
POOL 4 ST AGCY GOV.

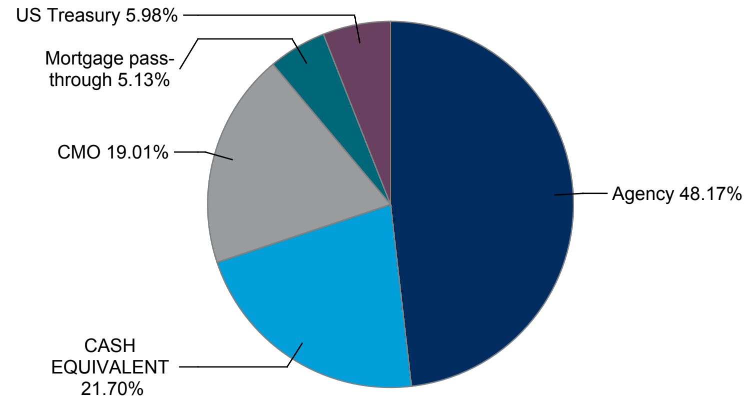
Net Yield



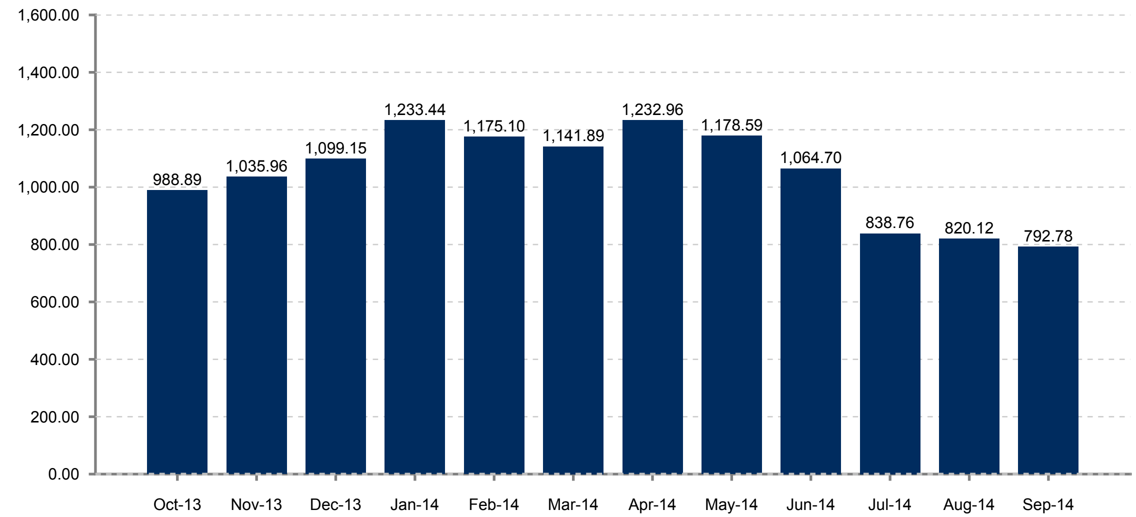
	Current Mth	Prior Mth	1 Year Ago
POOL 4 ST AGCY GOV.	0.88	0.80	0.76

Asset Allocation

	Ending Market Value
POOL 4 ST AGCY GOV.	792,781,398



Net Asset Values over Time ($MM)



Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 4 ST AGCY GOV.		
SOUTH STREET REPO	100,008,638	12.61
SOUTH STREET REPO	50,000,972	6.31
FANNIE MAE	39,386,349	4.97
FEDERAL HOME LOAN BANK	32,306,114	4.08
FEDERAL FARM CREDIT BANK	30,024,829	3.79
FREDDIE MAC	23,237,418	2.93
WELLS FARGO REPO	22,197,021	2.80
FEDERAL FARM CREDIT BANK	20,022,575	2.53
FEDERAL FARM CREDIT BANK	20,013,339	2.52
FEDERAL FARM CREDIT BANK	20,011,133	2.52

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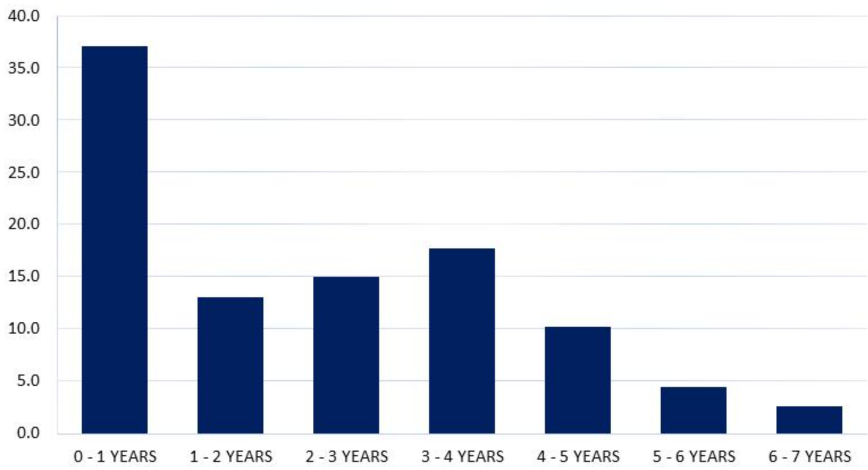
POOL 4 ST AGCY GOV

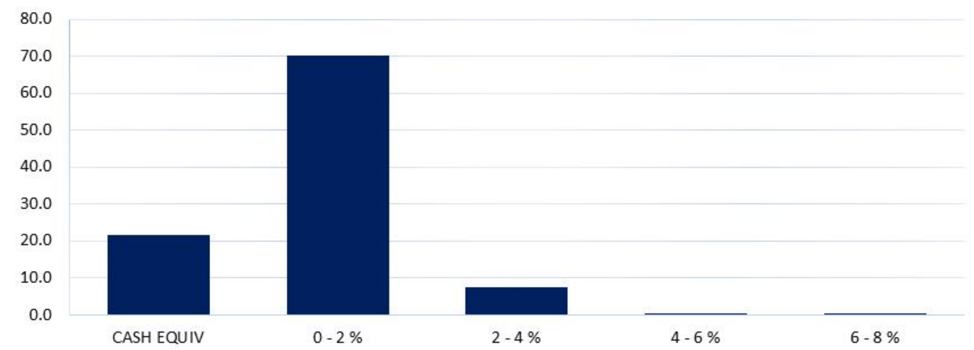
Duration Distribution



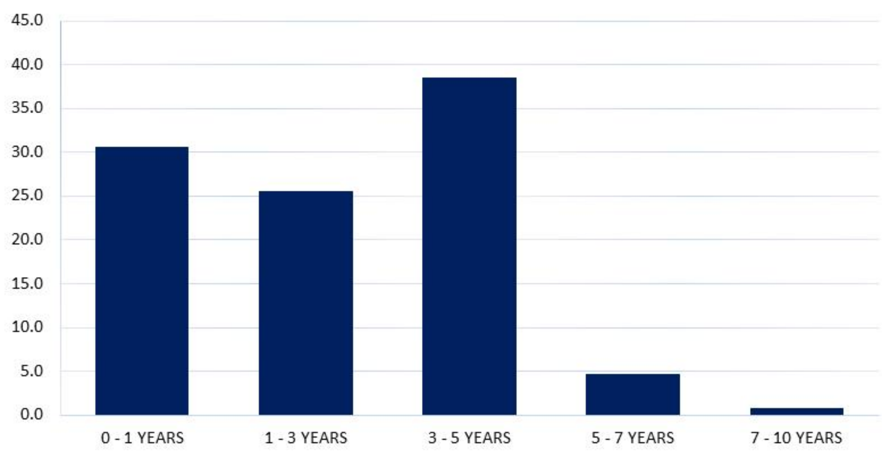
Portfolio Level Characteristics

	POOL 4 ST AGCY GOV.
Weighted Average Life	2.37
Coupon	1.22
Effective Duration	2.05
Quality Rating (Moody's)	AAA

Coupon Distribution



Expected Maturity Distribution



Rating Distribution

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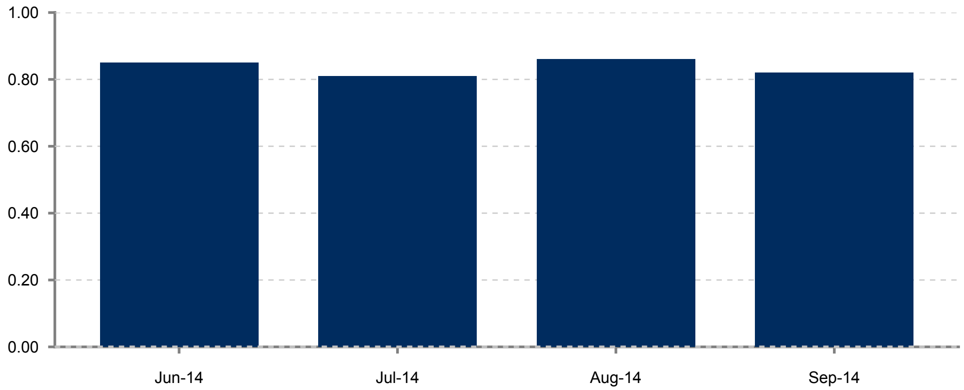
POOL 10 ST OPERATING INT

STATE STREET.

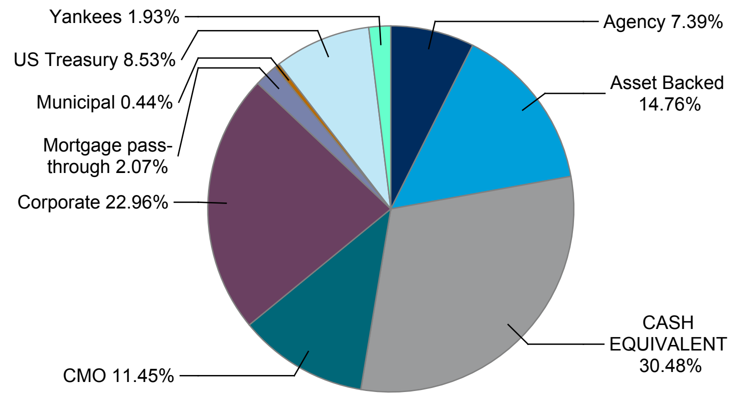
Net Yield



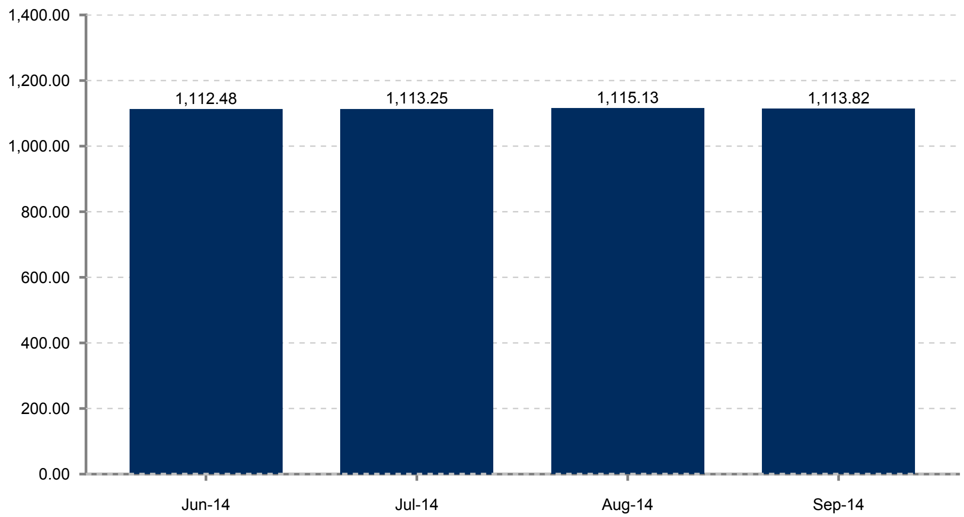
	Current Mth	Prior Mth	1 Year Ago
POOL 10 ST OPER INT	0.82	0.86	

Asset Allocation

	Ending Market Value
POOL 10 ST OPER INT	1,113,816,874



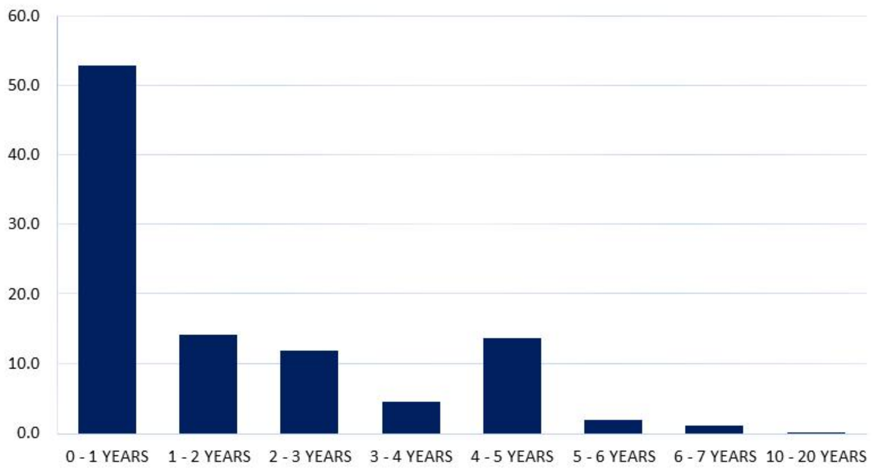
Net Asset Values over Time ($MM)



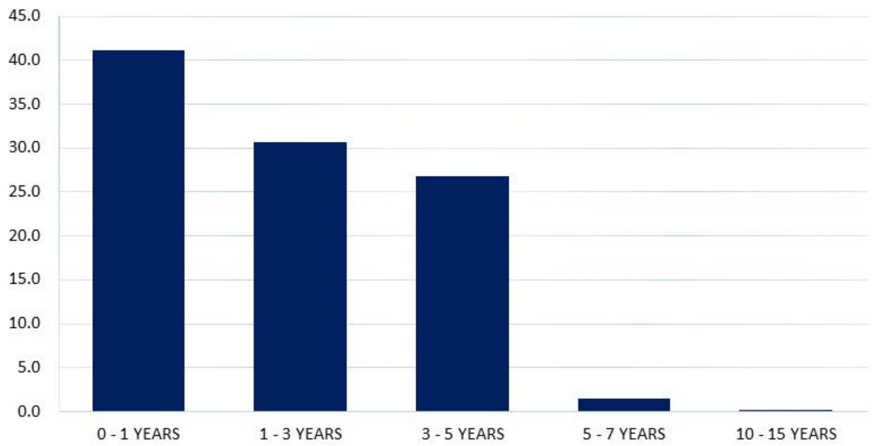
Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 10 ST OPER INT		
SOUTH STREET REPO	127,008,689	11.40
SOUTH STREET REPO	74,991,459	6.73
SOUTH STREET REPO	50,000,972	4.49
ING (US) FUNDING LLC	39,979,667	3.59
MOUNTCLIFF	29,997,075	2.69
US TREASURY N/B	20,036,992	1.80
US TREASURY N/B	20,004,885	1.80
US TREASURY N/B	19,893,000	1.79
FEDERAL NATL MTG ASSN	17,044,660	1.53
FANNIE MAE	16,588,805	1.49

Duration Distribution



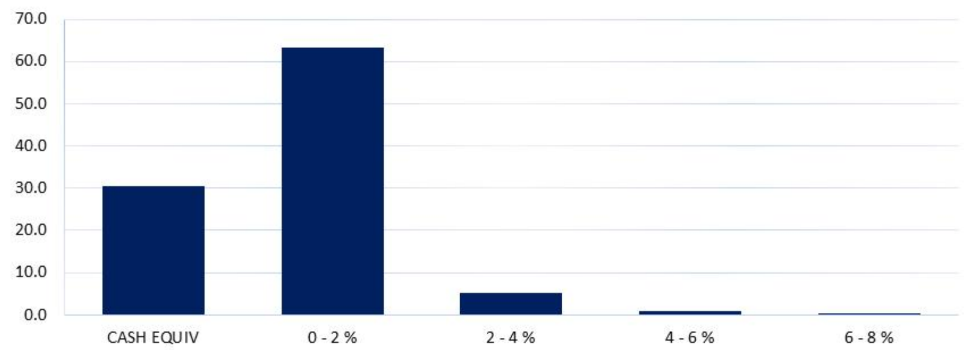
Expected Maturity Distribution



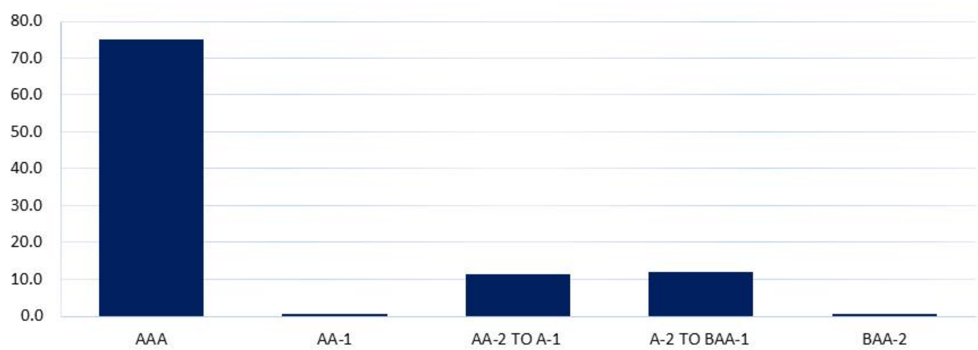
Portfolio Level Characteristics

	POOL 10 ST OPERATING INT
Weighted Average Life	1.84
Coupon	1.20
Effective Duration	1.57
Quality Rating (Moody's)	AA-1

Coupon Distribution



Rating Distribution



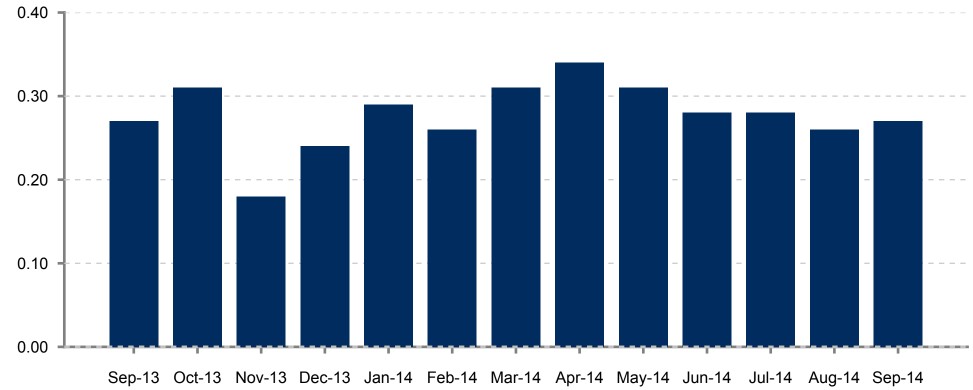
OFFICE OF THE ARIZONA STATE TREASURER

September 30, 2014

POOL 10 ST OPERATING Ext

STATE STREET.

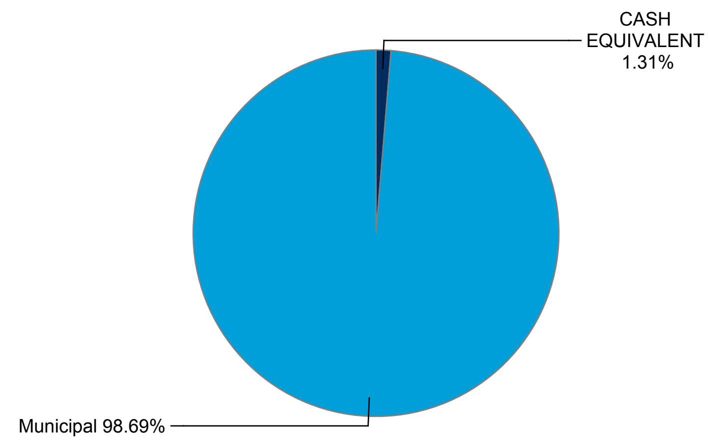
Net Yield



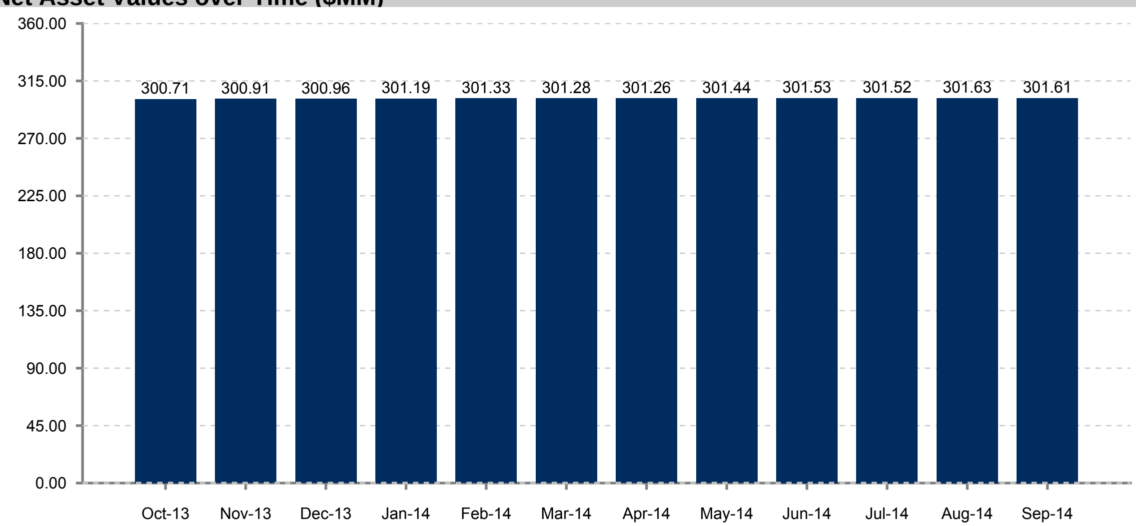
	Current Mth	Prior Mth	1 Year Ago
POOL 10 ST OPERATING	0.27	0.26	0.27

Asset Allocation

	Ending Market Value
POOL 10 ST OPERATING	301,608,857



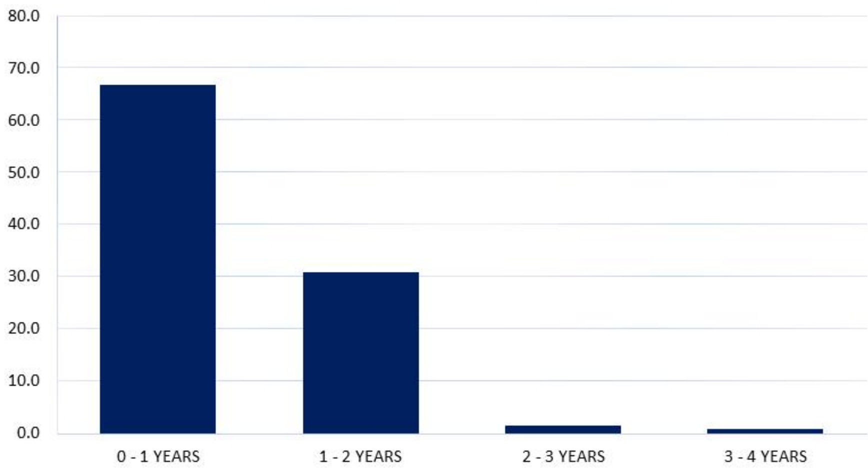
Net Asset Values over Time ($MM)



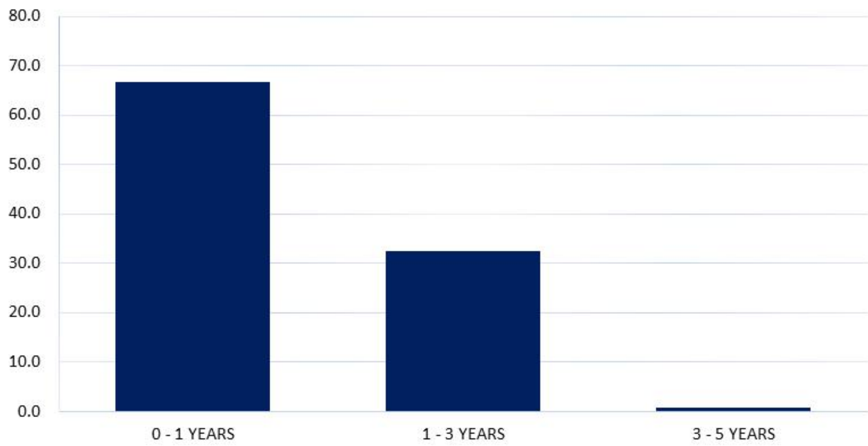
Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 10 ST OPERATING		
MASSACHUSETTS ST SCH BLDG AUTH	36,662,756	12.16
SAN ANTONIO TX	12,615,824	4.18
MASSACHUSETTS ST SCH BLDG AUTH	10,485,559	3.48
OHIO ST	10,457,503	3.47
MINNESOTA ST	10,424,250	3.46
ARIZONA ST TRANSPRTN BRD HIGHW	9,766,384	3.24
WISCONSIN ST	9,200,668	3.05
NORTH CAROLINA ST CAPITAL IMPT	8,328,806	2.76
OHIO ST	7,923,113	2.63
GEORGIA ST	7,893,107	2.62

Duration Distribution



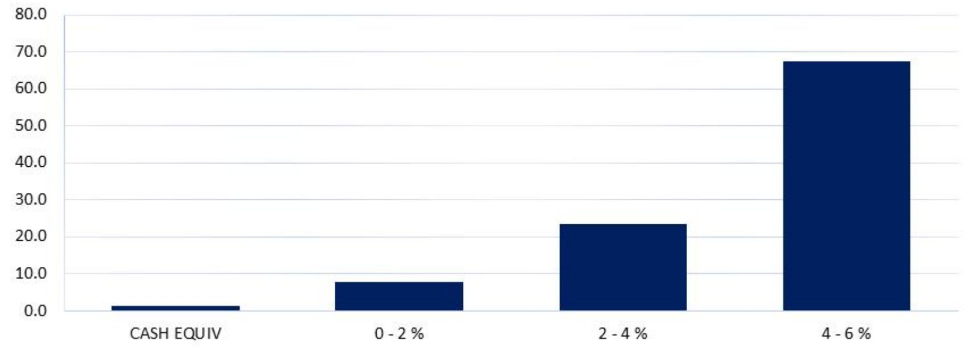
Expected Maturity Distribution



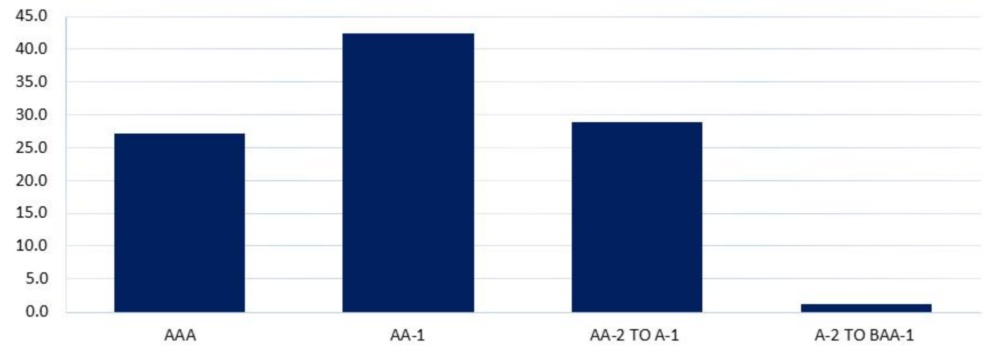
Portfolio Level Characteristics

	POOL 10 ST OPERATING
Weighted Average Life	0.89
Coupon	4.36
Effective Duration	0.87
Quality Rating (Moody's)	AA-1

Coupon Distribution



Rating Distribution



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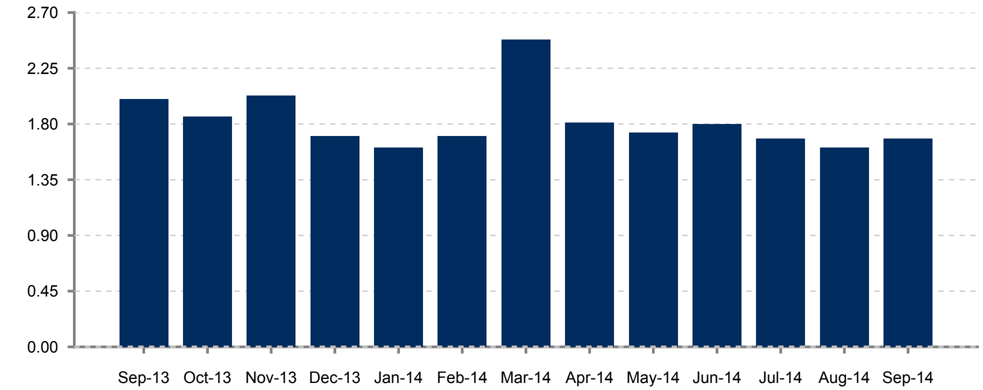
POOL 12 CAWCD MED TRM

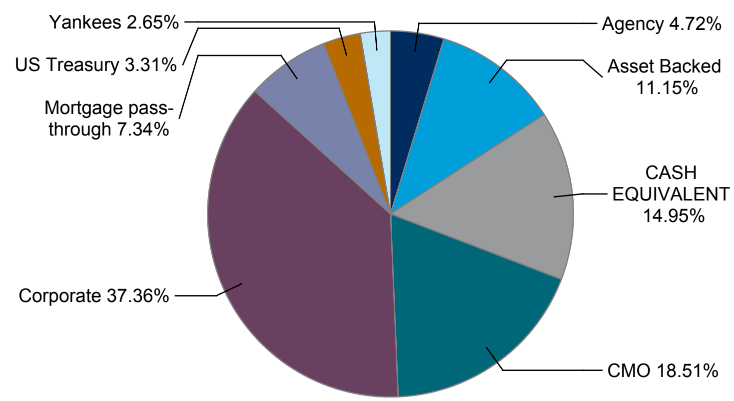
Net Yield



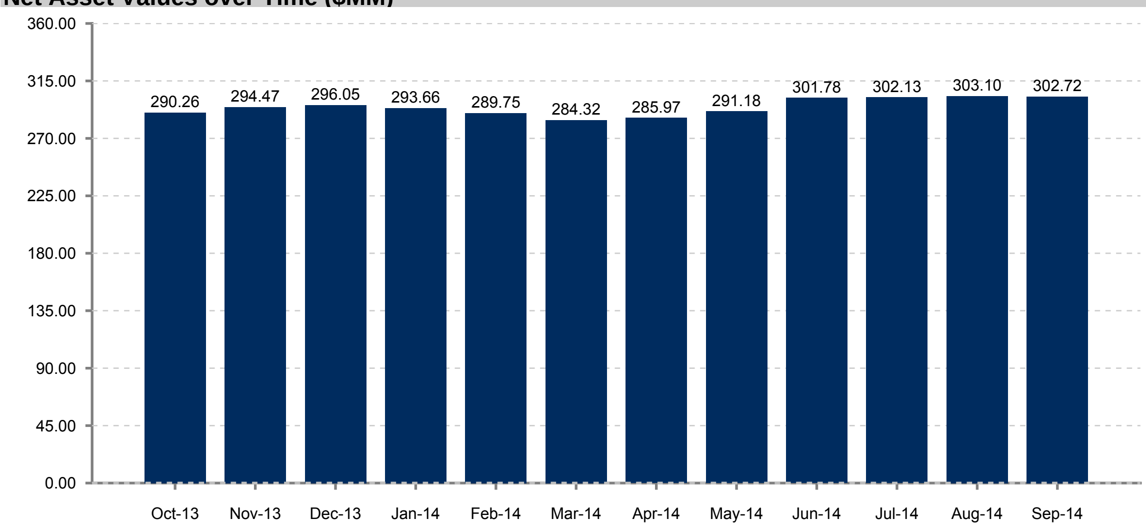
	Current Mth	Prior Mth	1 Year Ago
POOL 12 CAWCD MED TRM	1.68	1.61	2.00

Asset Allocation

	Ending Market Value
POOL 12 CAWCD MED TRM	302,718,010



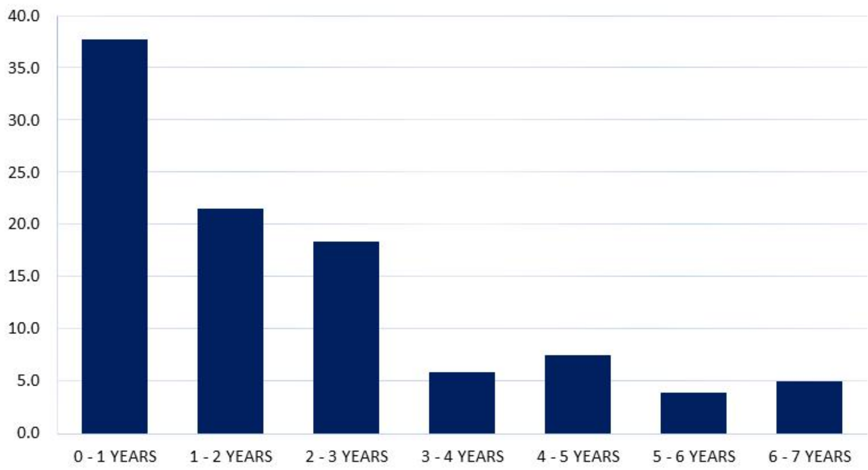
Net Asset Values over Time ($MM)



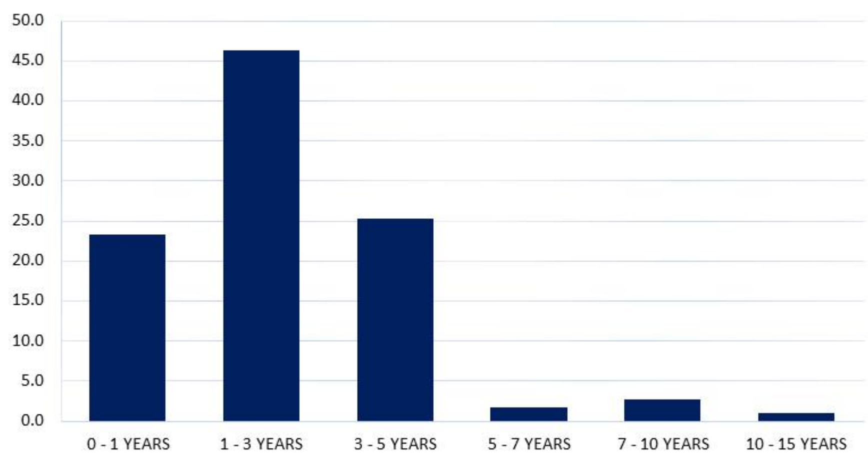
Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 12 CAWCD MED TRM		
WELLS FARGO REPO	14,926,166	4.93
MOUNTCLIFF	10,000,000	3.30
CREDIT AGRICOLE NORTH AMER INC	9,999,694	3.30
FANNIE MAE	7,756,968	2.56
FNMA POOL AV9175	7,223,307	2.39
FNMA POOL MA1763	6,840,386	2.26
FANNIE MAE	5,756,393	1.90
FANNIE MAE	5,344,457	1.77
VERIZON COMMUNICATIONS	5,228,880	1.73
GOLDMAN SACHS GROUP INC	5,121,831	1.69

Duration Distribution



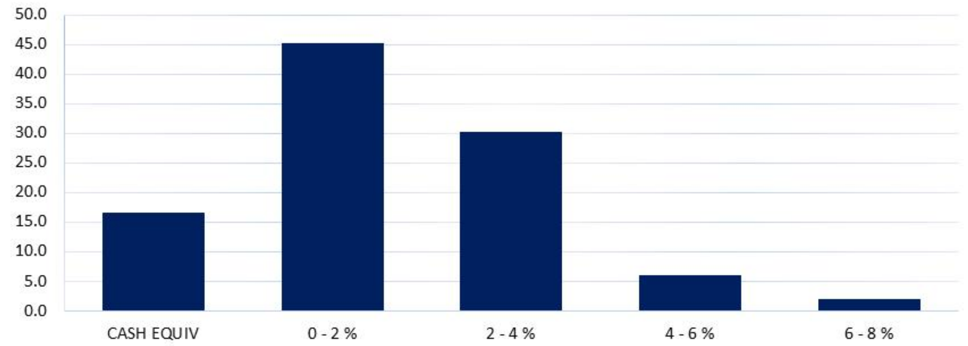
Expected Maturity Distribution



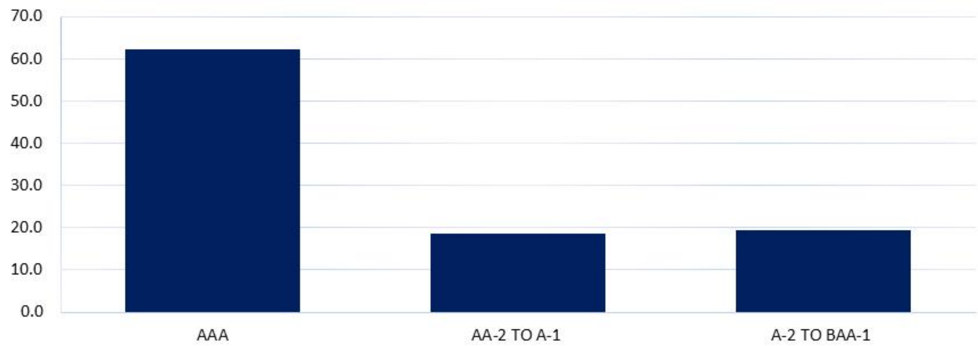
Portfolio Level Characteristics

	POOL 12 CAWCD MED TRM
Weighted Average Life	2.42
Coupon	1.84
Effective Duration	1.94
Quality Rating (Moody's)	AA-2

Coupon Distribution



Rating Distribution



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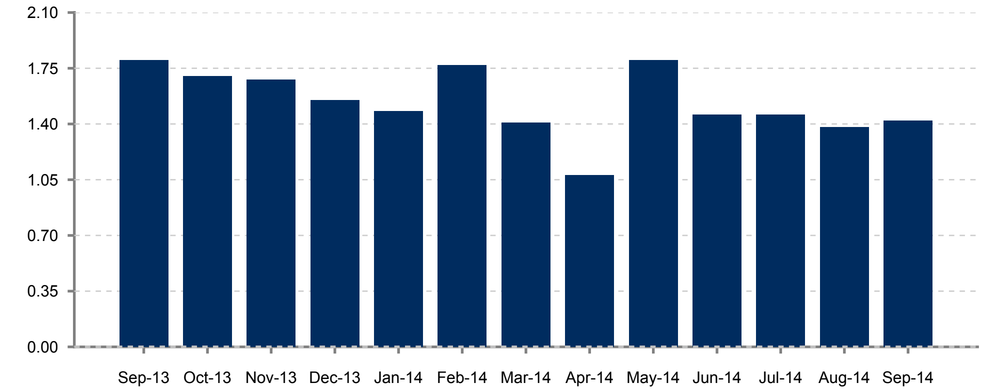
POOL 15 GADA

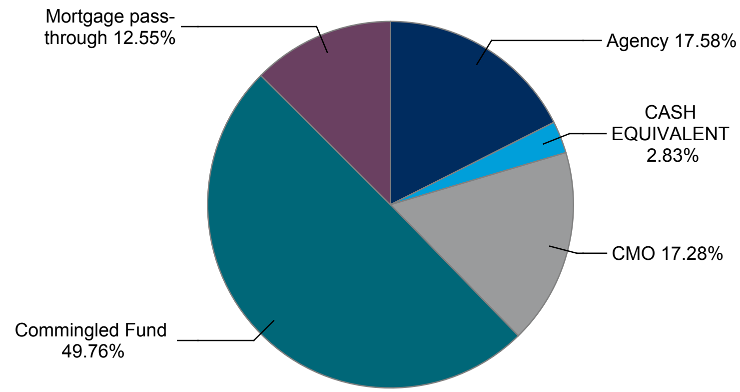
Net Yield



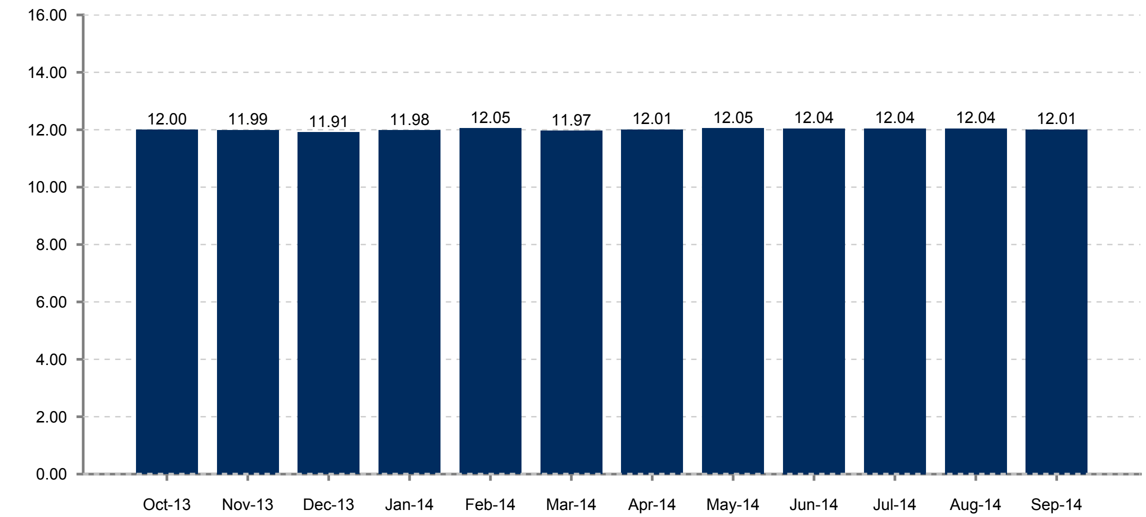
	Current Mth	Prior Mth	1 Year Ago
POOL 15 GADA	1.42	1.38	1.80

Asset Allocation

	Ending Market Value
POOL 15 GADA	12,010,728



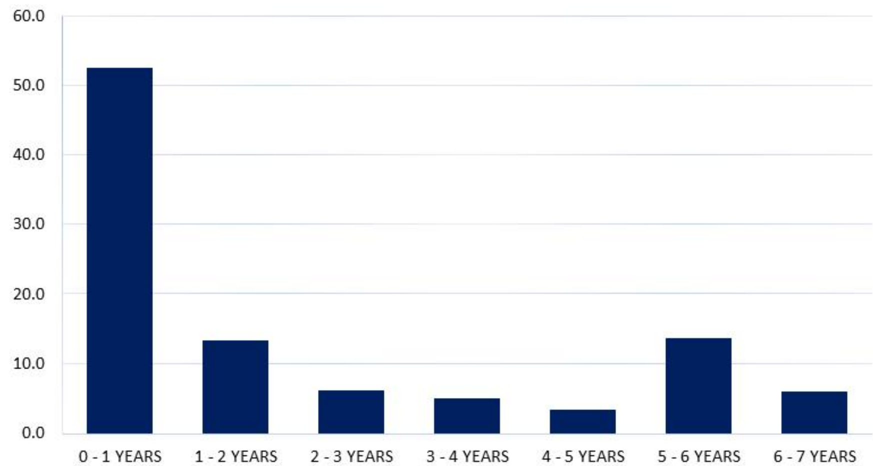
Net Asset Values over Time ($MM)



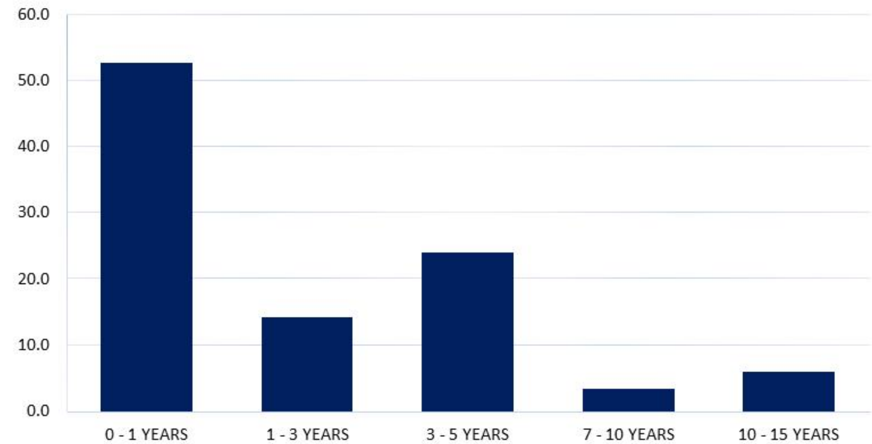
Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 15 GADA		
LOCAL GOV INVS POOL 4	5,443,254	45.32
FANNIE MAE	1,647,466	13.72
FEDERAL FARM CREDIT BANK	996,017	8.29
FANNIE MAE	724,162	6.03
LOCAL GOV INVS POOL 700	540,518	4.50
FREDDIE MAC	499,845	4.16
FEDERAL HOME LOAN BANK	393,402	3.28
FNMA POOL AJ1622	362,771	3.02
SSC GOVERNMENT MM GVXX	340,581	2.84
GOVERNMENT NATIONAL MORTGAGE A	243,280	2.03

Duration Distribution



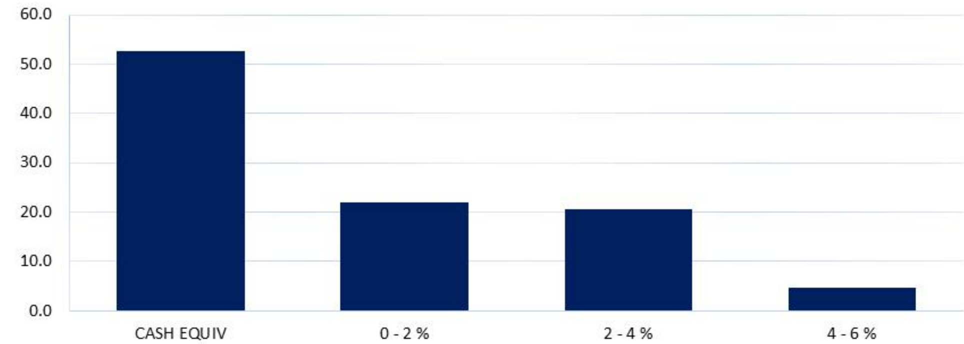
Expected Maturity Distribution



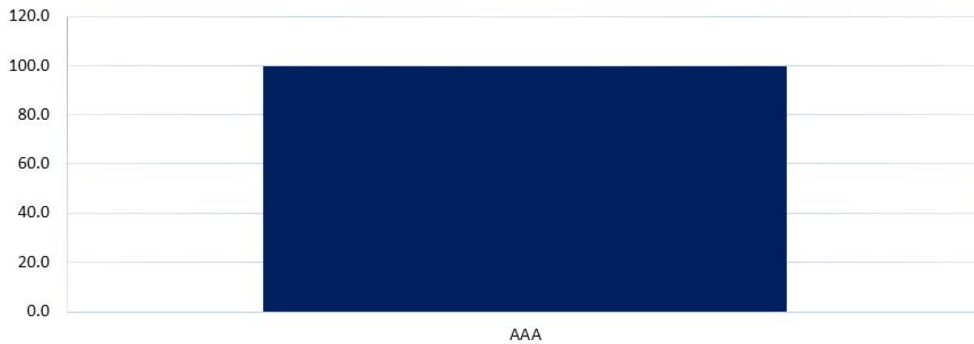
Portfolio Level Characteristics

	POOL 15 GADA
Weighted Average Life	2.28
Coupon	1.15
Effective Duration	1.82
Quality Rating (Moody's)	AAA

Coupon Distribution



Rating Distribution



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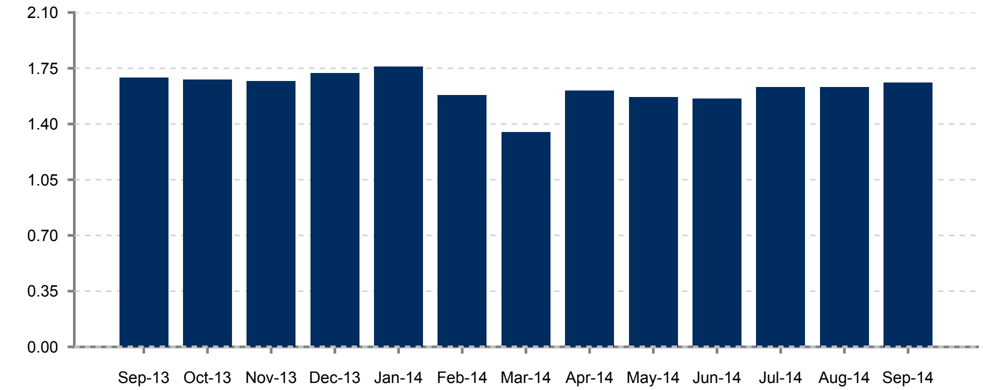
September 30, 2014

POOL 16 ECDHB

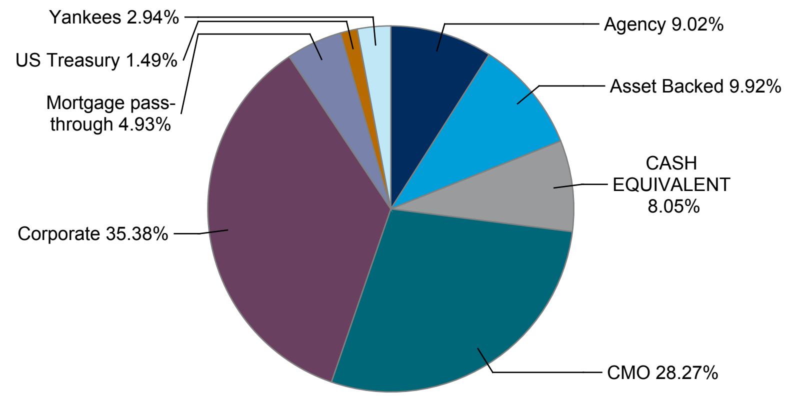
Net Yield



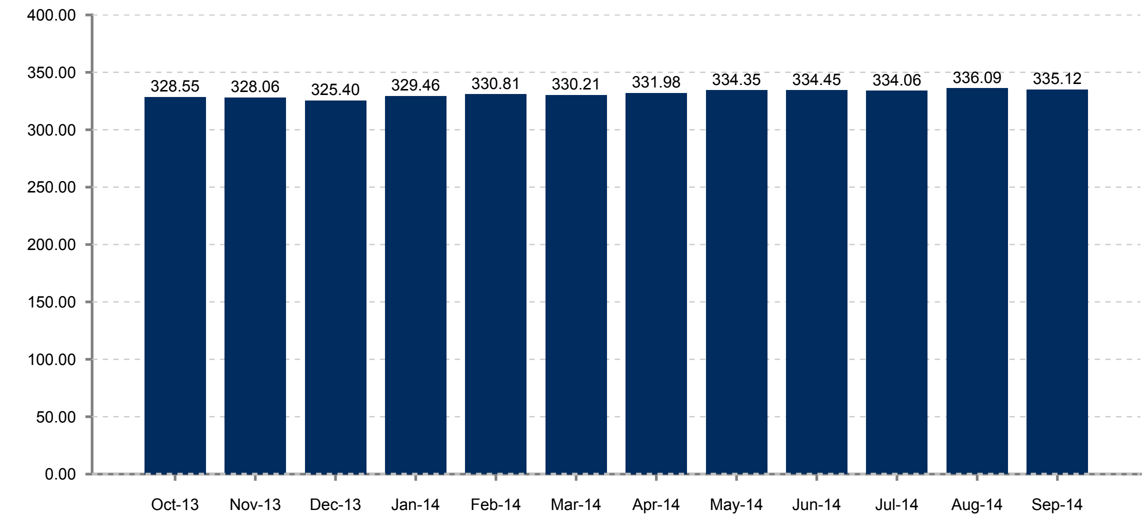
	Current Mth	Prior Mth	1 Year Ago
POOL 16 ECDHB	1.66	1.63	1.69

Asset Allocation

	Ending Market Value
POOL 16 ECDHB	335,124,580



Net Asset Values over Time ($MM)



Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 16 ECDHB		
WELLS FARGO REPO	10,000,000	2.98
FREDDIE MAC	9,950,344	2.97
FREDDIEMAC STRIP	8,973,602	2.68
NATIONAL CITY BANK	6,975,694	2.08
FANNIE MAE	6,409,916	1.91
FREDDIE MAC	5,397,903	1.61
FREDDIE MAC	5,155,458	1.54
GOVERNMENT NATIONAL MORTGAGE A	5,140,388	1.53
AT+T INC	5,132,001	1.53
FHLMC MULTIFAMILY STRUCTURED P	5,115,265	1.53

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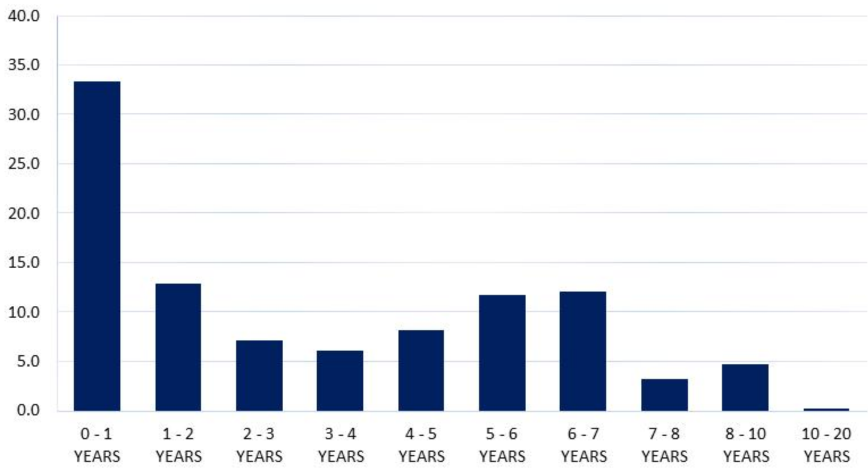
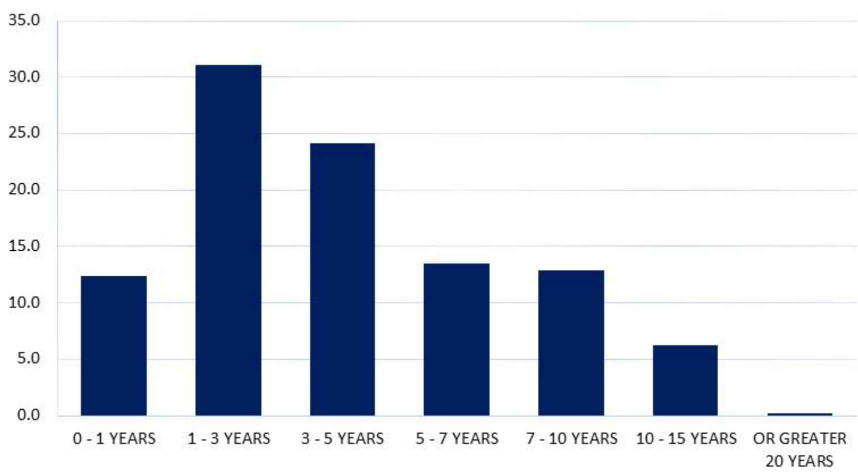
September 30, 2014

POOL 16 ECDHB

Duration Distribution



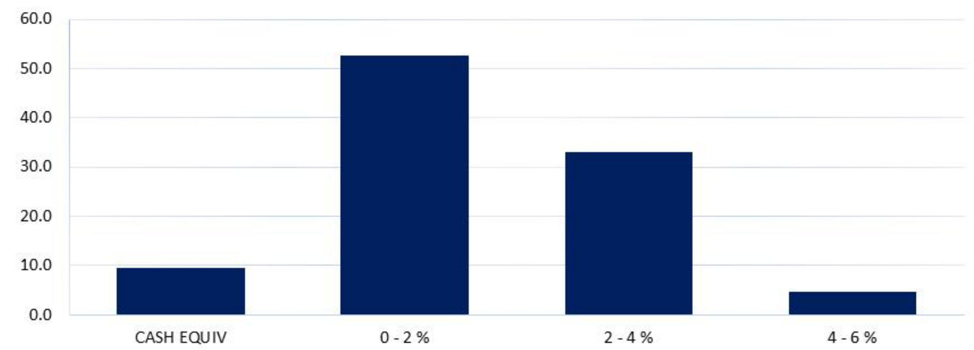
Expected Maturity Distribution



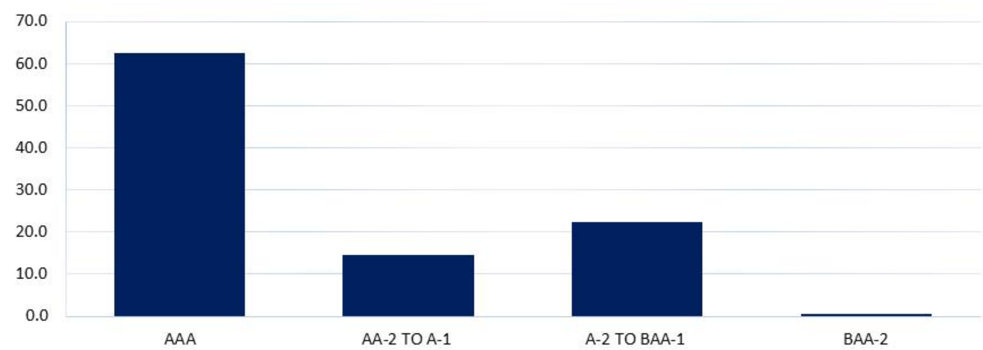
Portfolio Level Characteristics

	POOL 16 ECDHB
Weighted Average Life	4.19
Coupon	1.86
Effective Duration	3.22
Quality Rating (Moody's)	AA-2

Coupon Distribution



Rating Distribution



LGIP & LGIP- GOV
PORTFOLIO YIELD ANALYSIS
SEPTEMBER 30, 2014

NET EARNINGS

FUND	DESCRIPTION	Current Month 09/30/14	Prior Month 08/31/14	Prior Year 9/30/13	Net Asset Value Per Share
5	LGIP	74,772	87,417	135,220	1.0000
7	LGIP - GOV	32,885	43,385	28,894	1.0000
	TOTAL LGIP & LGIP-GOV	107,657	130,802	164,115	

YIELDS

	MONTHLY	Current Month 09/30/14	Prior Month 08/31/14	Prior Year 9/30/13
5	LGIP (NET)	0.08%	0.09%	0.14%
	S & P LGIP INDEX	0.05%	0.05%	0.05%
7	LGIP - GOV (NET)	0.05%	0.06%	0.04%
	3 MONTH T-BILL	0.01%	0.02%	0.01%
	YEAR TO DATE			
5	LGIP (NET)	0.08%	0.08%	0.14%
	S & P LGIP INDEX	0.05%	0.05%	0.05%
7	LGIP - GOV (NET)	0.05%	0.06%	0.03%
	3 MONTH T-BILL	0.02%	0.02%	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
SEPTEMBER 30, 2014

NET EARNINGS

FUND	DESCRIPTION	Current Month 09/30/14	Prior Month 08/31/14	Prior Year 9/30/13	Net Asset Value Per Share
500	LGIP - MED TERM POOL	229,309	238,668	302,263	1.0315
700	LGIP - FF&C MED TERM POOL	118,560	128,719	218,891	1.0047
	TOTAL LGIP MEDIUM TERM POOLS	347,870	367,387	521,155	

YIELDS

	MONTHLY	Current Month 09/30/14	Prior Month 08/31/14	Prior Year 9/30/13
500	LGIP - MED TERM (NET)	1.10%	1.11%	1.27%
	MERRILL 1-5 US D M INDEX	1.37%	1.26%	1.20%
700	LGIP - FF&C MED TERM (NET)	0.88%	0.94%	1.12%
	75% MERRILL 1-5 US TREAS INDEX / 25% MERRILL US GNMA MORTGAGE BACKED INDEX	1.43%	1.33%	1.23%

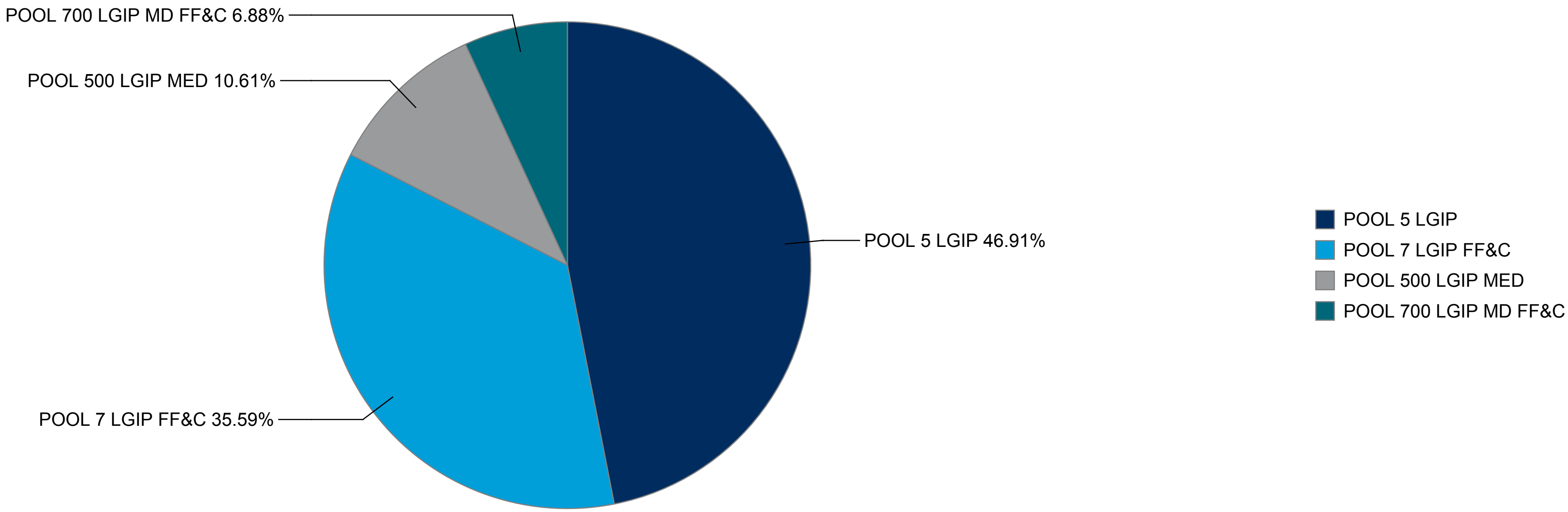
	YEAR TO DATE			
500	LGIP - MED TERM (NET)	1.13%	1.15%	1.20%
	MERRILL 1-5 US D M INDEX	1.31%	1.29%	1.29%
700	LGIP - FF&C MED TERM (NET)	0.92%	0.94%	0.91%
	75% MERRILL 1-5 US TREAS INDEX / 25% MERRILL US GNMA MORTGAGE BACKED INDEX	1.39%	1.37%	1.28%

OFFICE OF THE ARIZONA STATE TREASURER

September 30, 2014

LGIP

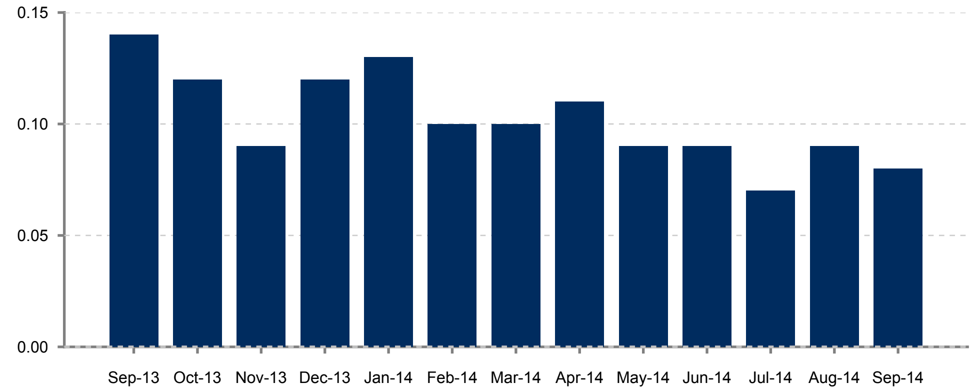
Manager Allocation



	Market Value	% of Portfolio
POOL 5 LGIP	1,123,758,115	46.9
POOL 7 LGIP FF&C	852,643,578	35.6
POOL 500 LGIP MED	254,157,000	10.6
POOL 700 LGIP MD FF&C	164,852,406	6.9
TOTAL LGIP	2,395,411,099	100.0

STATE STREET.

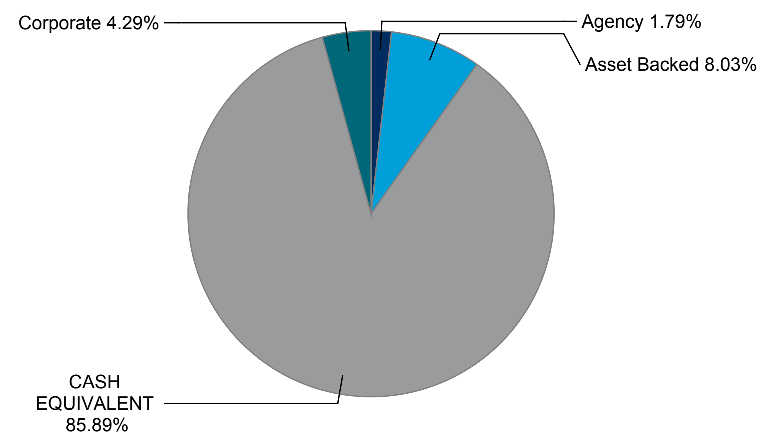
Net Yield



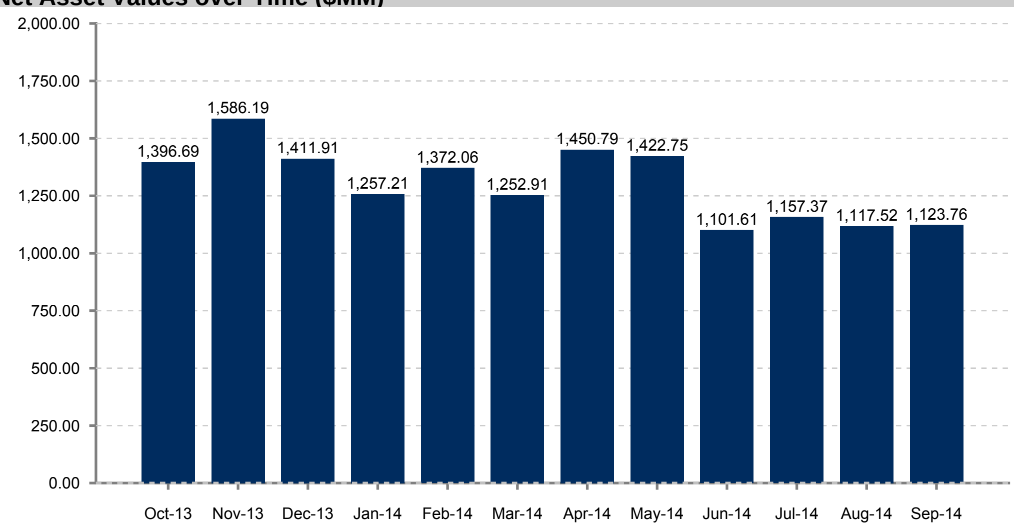
	Current Mth	Prior Mth	1 Year Ago
POOL 5 LGIP	0.08	0.09	0.14

Asset Allocation

	Ending Market Value
POOL 5 LGIP	1,123,758,115



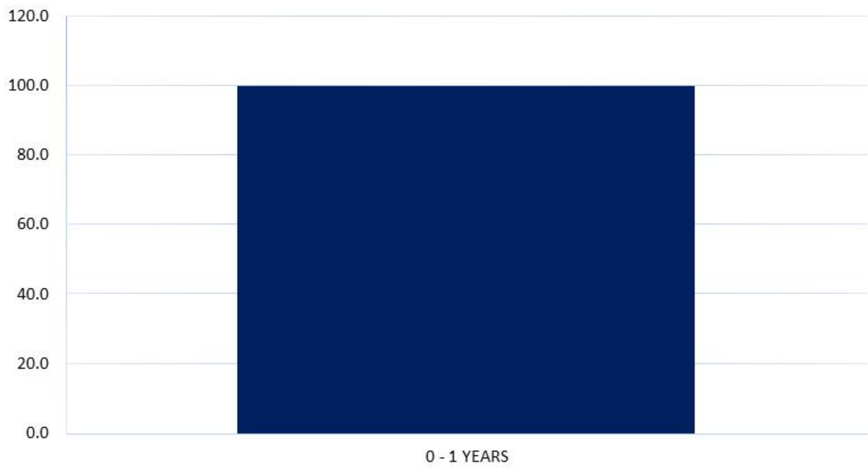
Net Asset Values over Time ($MM)



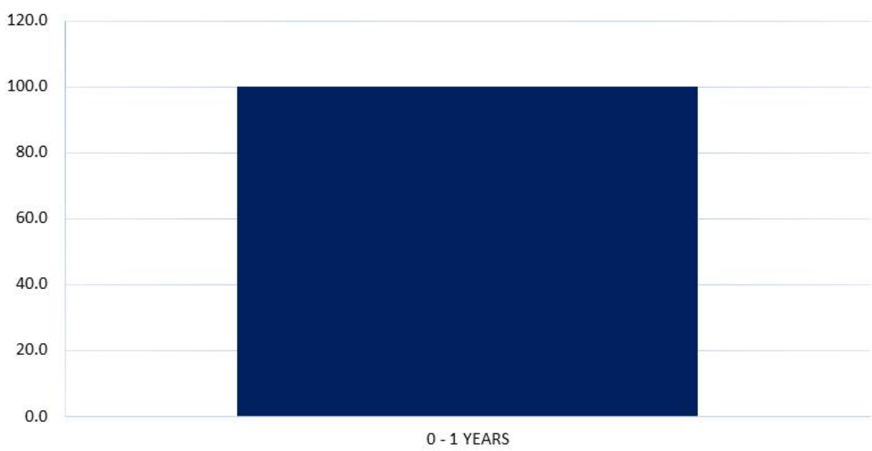
Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 5 LGIP		
WELLS FARGO REPO	175,001,458	15.57
BANK OF AMERICA REPO	100,000,000	8.90
WELLS FARGO REPO	67,470,153	6.00
FED HOME LN DISCOUNT NT	49,999,681	4.45
FREDDIE MAC DISCOUNT NT	49,998,400	4.45
KELLS FDG LLC	19,996,111	1.78
CARMAX AUTO OWNER TRUST	15,562,664	1.38
VICTORY RECEIVABLES	14,999,000	1.33
JOHN DEERE OWNER TRUST	12,502,442	1.11
CREDIT AGRICOLE	11,618,108	1.03

Duration Distribution



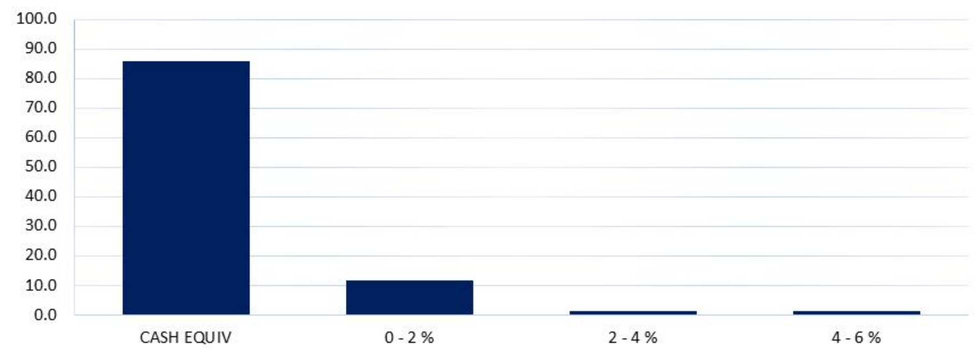
Expected Maturity Distribution



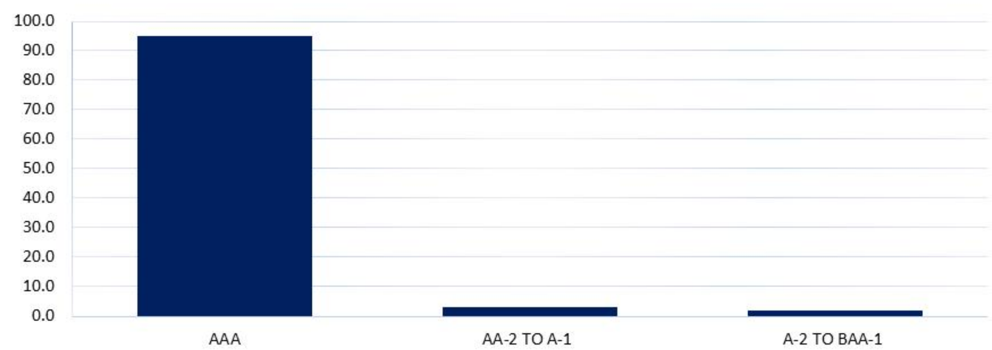
Portfolio Level Characteristics

	POOL 5 LGIP
Weighted Average Life	0.11
Coupon	0.20
Effective Duration	0.10
Quality Rating (Moody's)	AAA

Coupon Distribution



Rating Distribution



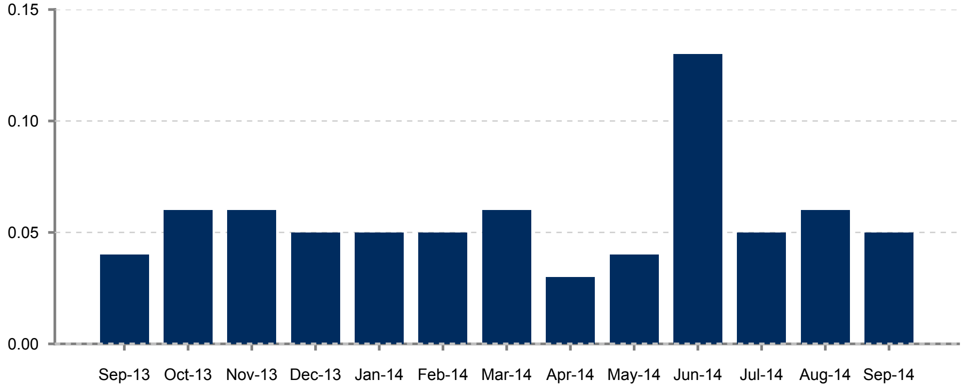
OFFICE OF THE ARIZONA STATE TREASURER

September 30, 2014

POOL 7 LGIP FF&C

STATE STREET.

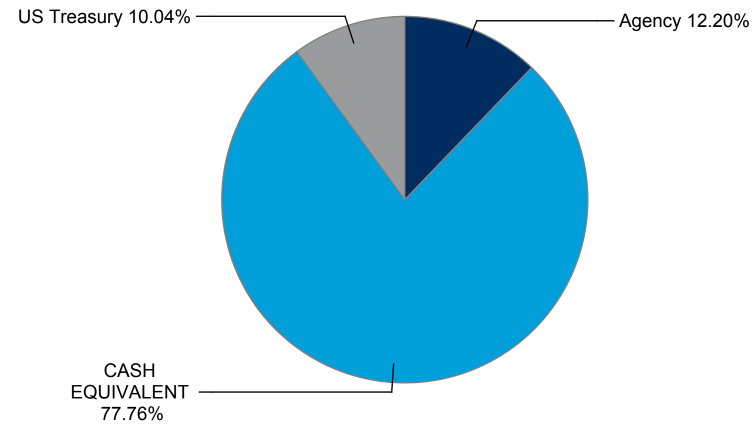
Net Yield



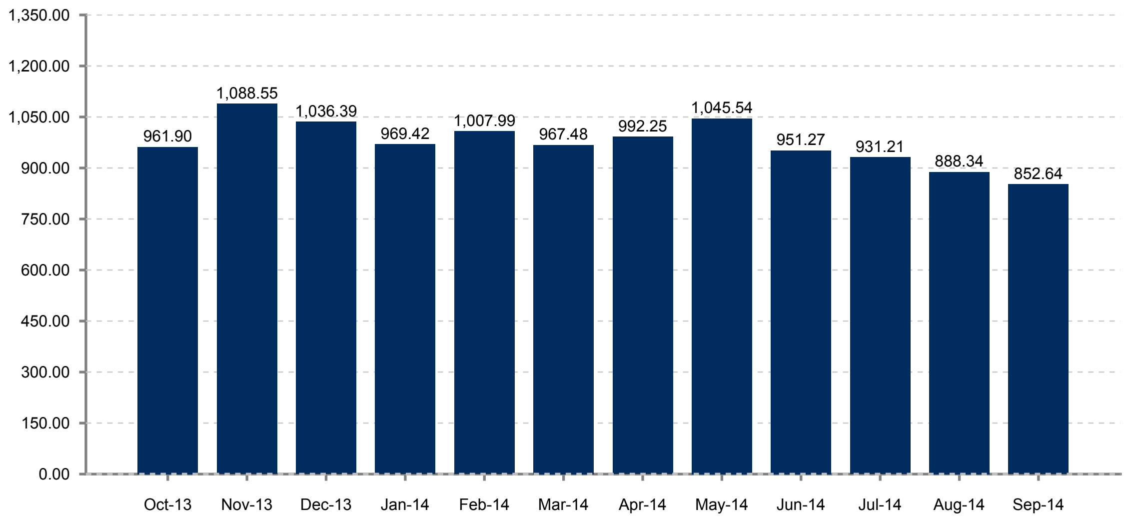
	Current Mth	Prior Mth	1 Year Ago
POOL 7 LGIP FF&C	0.05	0.06	0.04

Asset Allocation

	Ending Market Value
POOL 7 LGIP FF&C	852,643,578



Net Asset Values over Time ($MM)

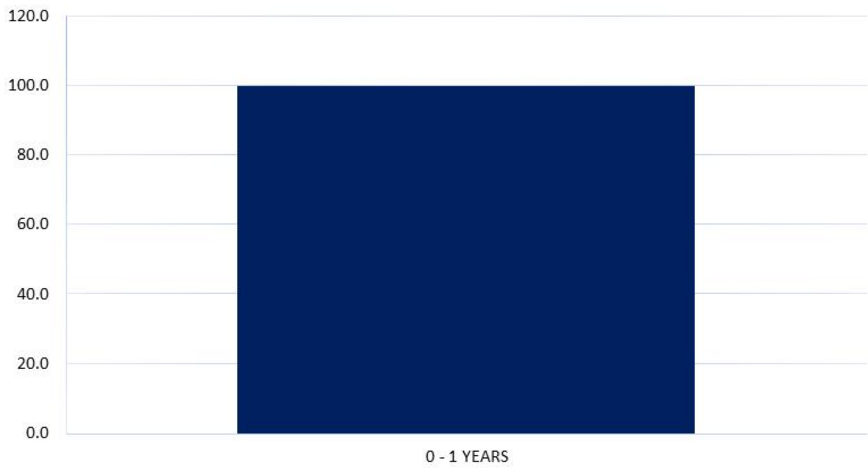


Top 10 Holdings

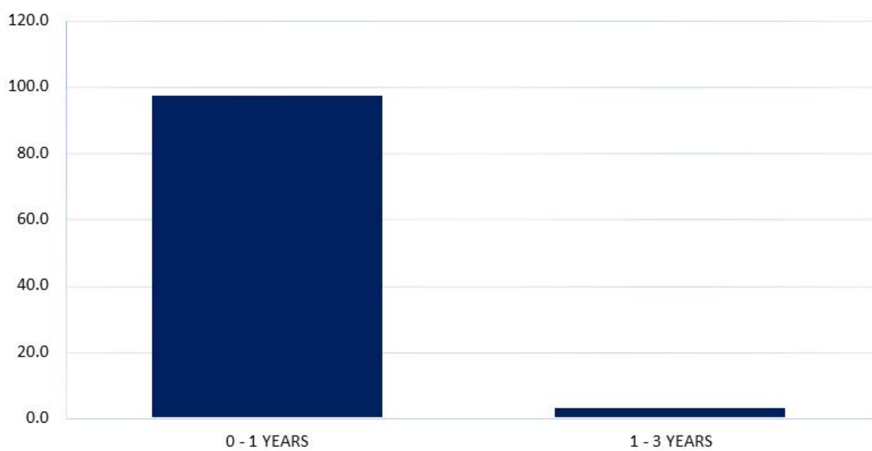
Security Name	Ending Market Value	% of Portfolio
POOL 7 LGIP FF&C		
DAIWA CAPITAL MARKETS REPO	200,000,111	23.46
GUGGENHEIM SECURITIES REPO	100,002,333	11.73
GUGGENHEIM SECURITIES REPO	100,001,167	11.73
WELLS FARGO REPO	100,000,833	11.73
ALLIANCE BANK OF ARIZONA MONEY	90,383,657	10.60
US TREASURY N/B	50,527,030	5.93
TREASURY BILL	44,994,195	5.28
AID ISRAEL	33,996,675	3.99
US TREASURY FRN	25,007,894	2.93
TREASURY BILL	24,998,800	2.93

STATE STREET.

Duration Distribution



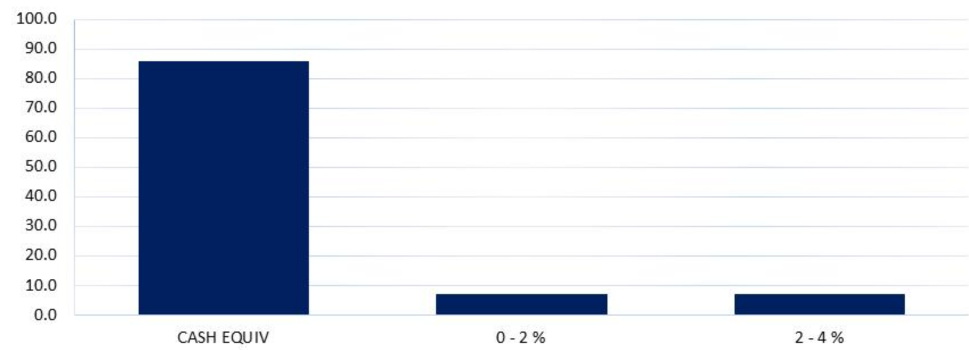
Expected Maturity Distribution



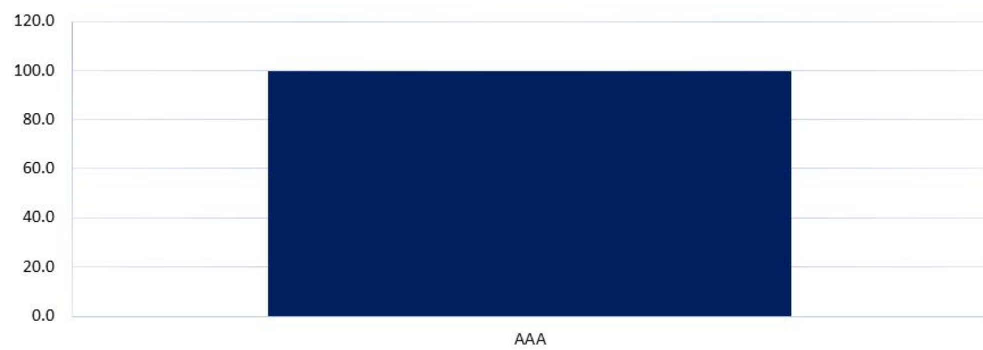
Portfolio Level Characteristics

	POOL 7 LGIP FF&C
Weighted Average Life	0.12
Coupon	0.65
Effective Duration	0.09
Quality Rating (Moody's)	AAA

Coupon Distribution



Rating Distribution



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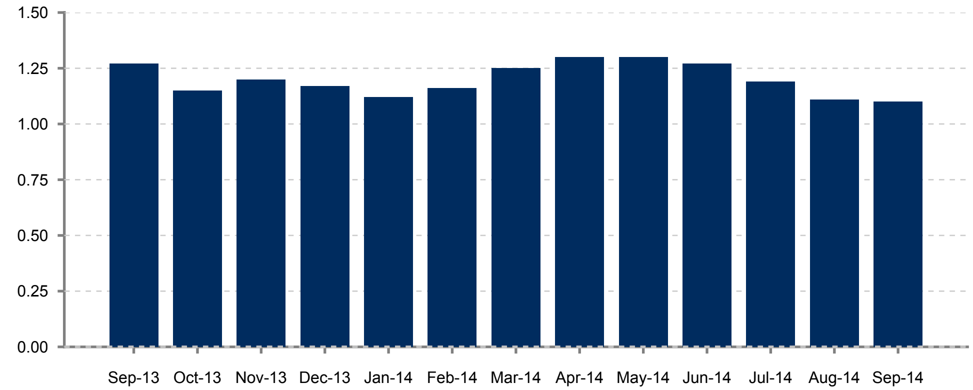
September 30, 2014

POOL 500 LGIP MED

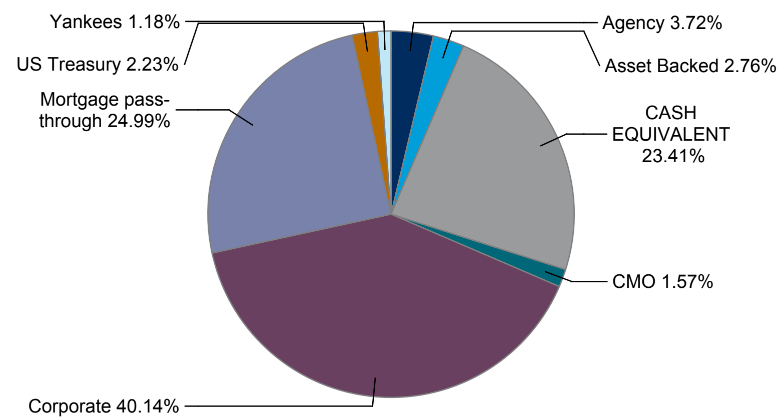
Net Yield



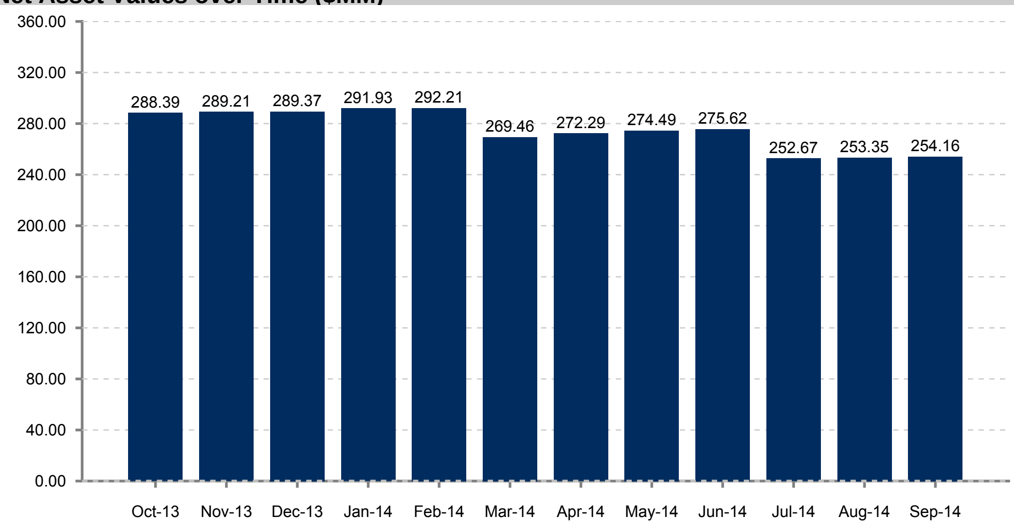
	Current Mth	Prior Mth	1 Year Ago
POOL 500 LGIP MED	1.10	1.11	1.27

Asset Allocation

	Ending Market Value
POOL 500 LGIP MED	254,157,000



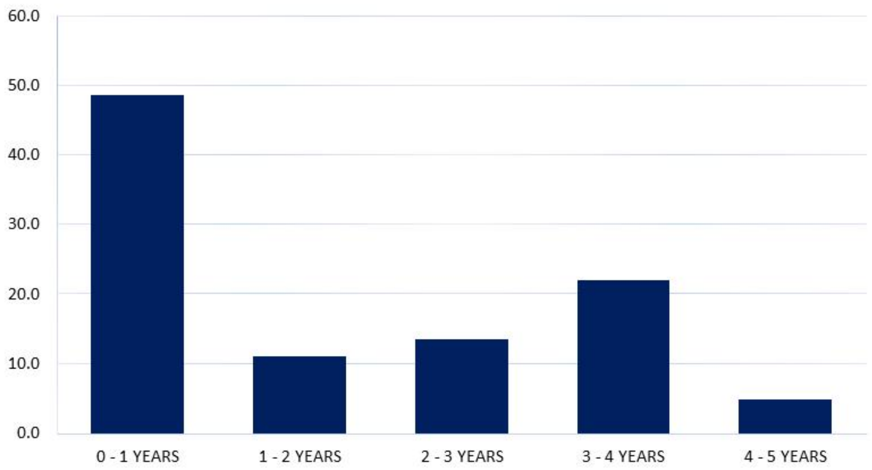
Net Asset Values over Time ($MM)



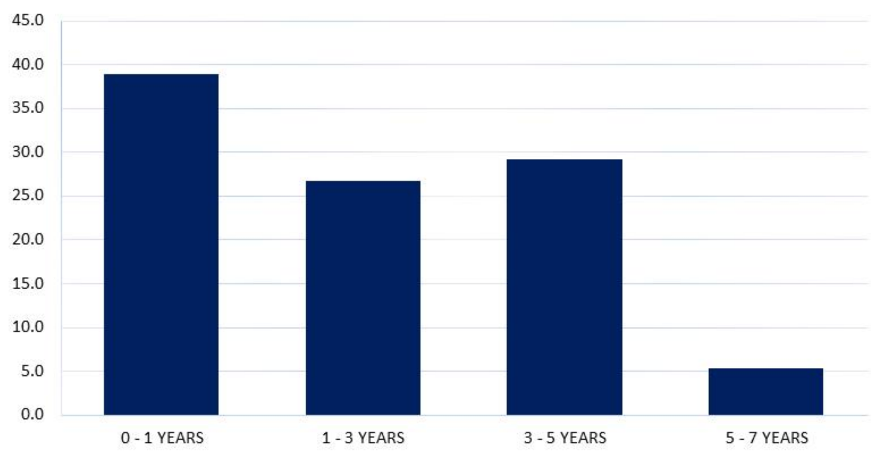
Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 500 LGIP MED		
WELLS FARGO REPO	22,000,000	8.66
SUN TRUST ROBINSON REPO	20,000,306	7.87
FNMA POOL AB5991	11,260,962	4.43
FNMA POOL AE7578	7,096,688	2.79
RIDGEFIELD FUNDING CO	4,999,728	1.97
FED HM LN PC POOL G18465	4,444,181	1.75
FED HM LN PC POOL Q09530	4,172,681	1.64
SAMSUNG ELECTRON AMERICA	4,045,131	1.59
FREDDIE MAC	4,004,552	1.58
FNMA POOL AB1959	3,729,183	1.47

Duration Distribution



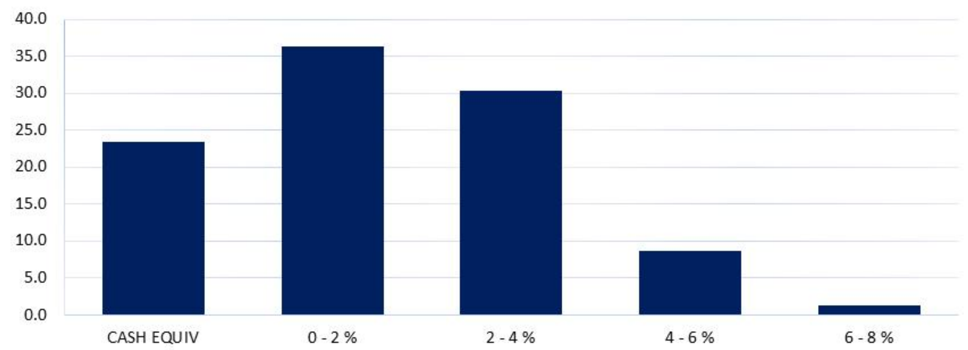
Expected Maturity Distribution



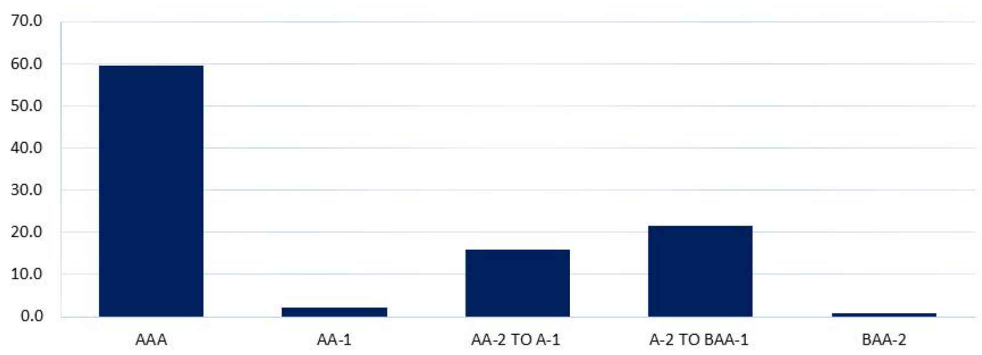
Portfolio Level Characteristics

	POOL 500 LGIP MED
Weighted Average Life	2.01
Coupon	1.99
Effective Duration	1.58
Quality Rating (Moody's)	AA-2

Coupon Distribution



Rating Distribution



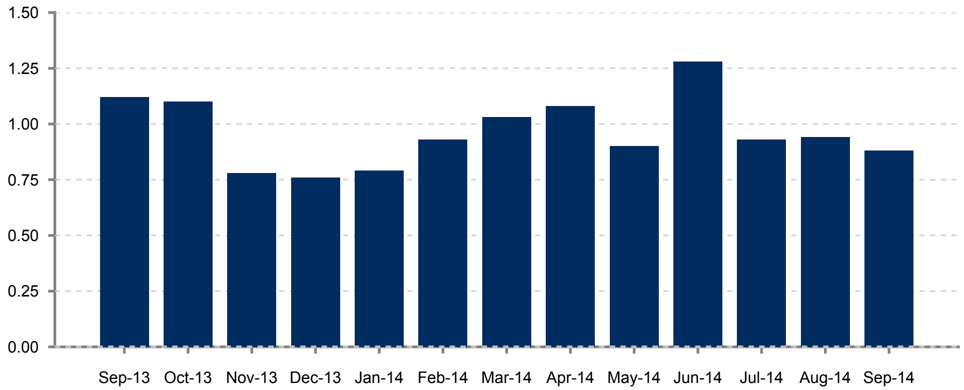
OFFICE OF THE ARIZONA STATE TREASURER

September 30, 2014

POOL 700 LGIP MD FF&C

STATE STREET.

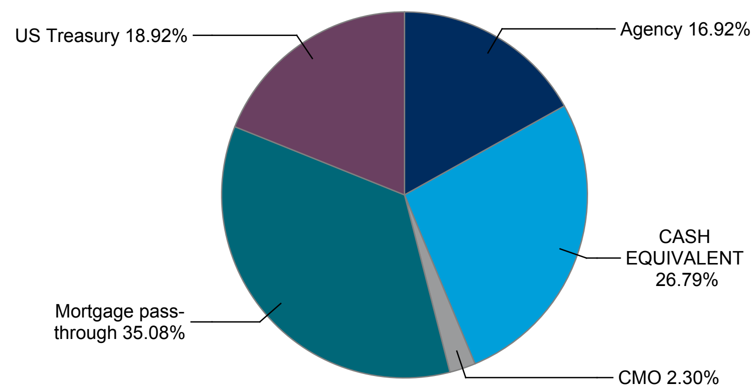
Net Yield



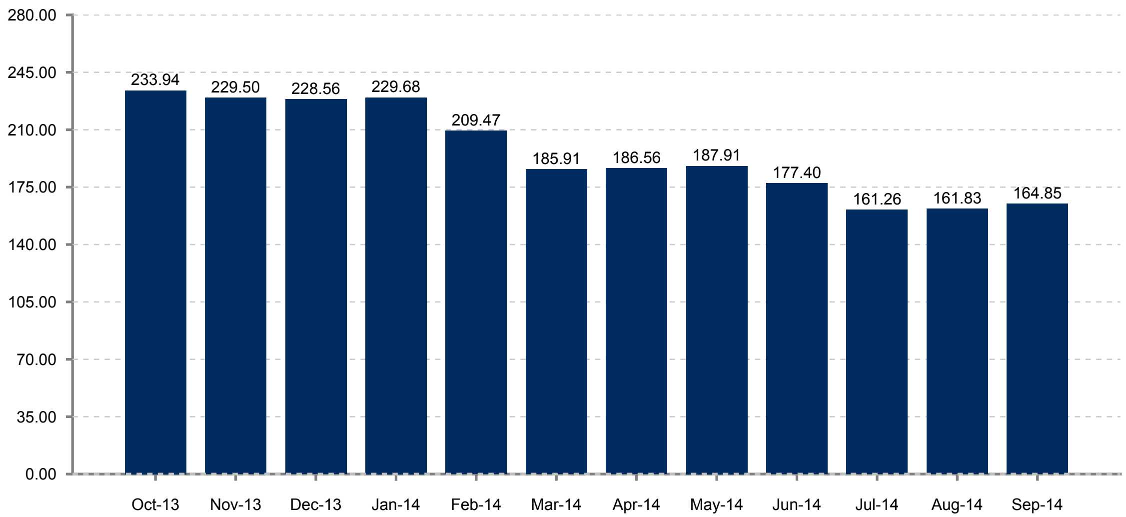
	Current Mth	Prior Mth	1 Year Ago
POOL 700 LGIP MD FF&C	0.88	0.94	1.12

Asset Allocation

	Ending Market Value
POOL 700 LGIP MD FF&C	164,852,406



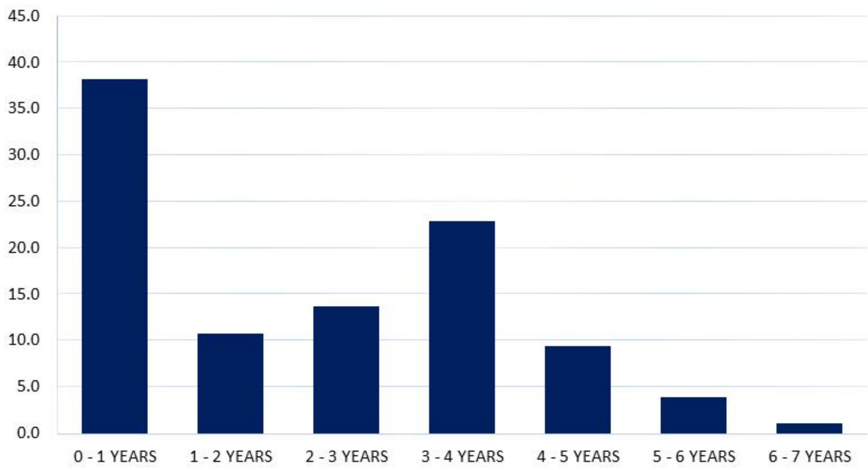
Net Asset Values over Time ($MM)



Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 700 LGIP MD FF&C		
WELLS FARGO REPO	27,000,000	16.38
FDIC US BANK CDARS ACCOUNT	15,144,522	9.19
GNMA II POOL MA0213	6,381,233	3.87
GNMA II POOL 004849	6,028,976	3.66
US TREASURY N/B	5,244,095	3.18
US TREASURY N/B	4,952,413	3.00
AID ISRAEL	4,894,800	2.97
NCUA GUARANTEED NOTES	4,080,028	2.47
GNMA POOL AA8339	3,979,351	2.41
GNMA II POOL MA0008	3,944,202	2.39

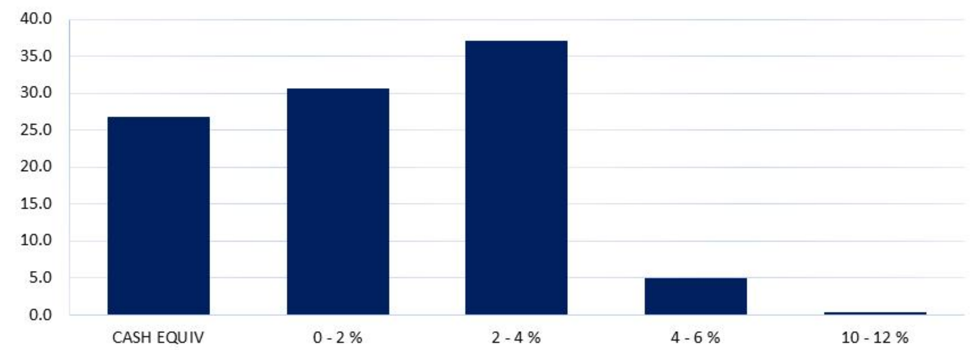
Duration Distribution



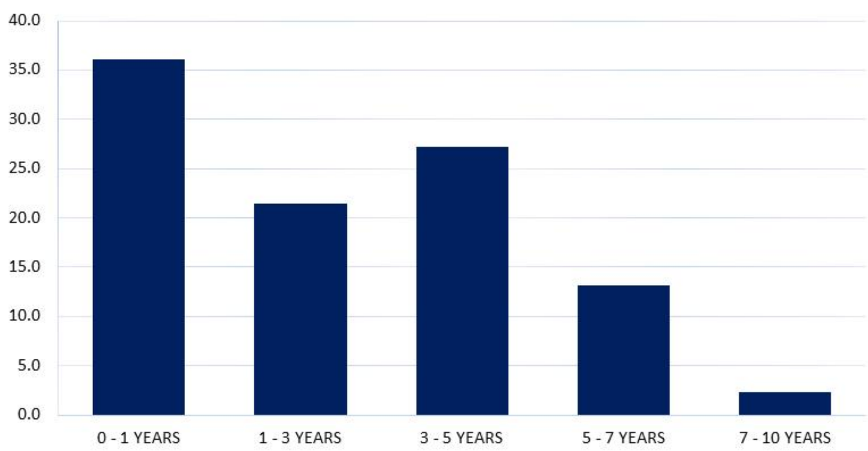
Portfolio Level Characteristics

	POOL 700 LGIP MD FF&C
Weighted Average Life	2.50
Coupon	1.76
Effective Duration	2.06
Quality Rating (Moody's)	AAA

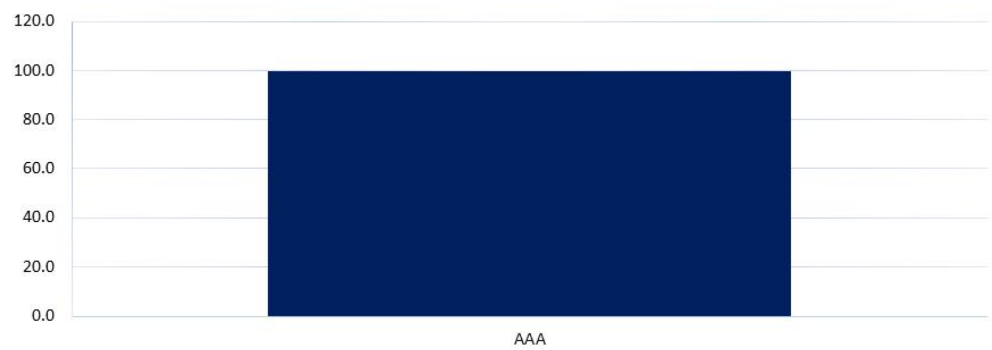
Coupon Distribution



Expected Maturity Distribution



Rating Distribution



EARNINGS DISTRIBUTED
ENDOWMENT FUNDS
SEPTEMBER 2014

Recipient		Distributed in Current Month SEPTEMBER 2014	Fiscal YTD 14/15	Fiscal YTD 13/14
101	A & M Colleges	$18,997	$56,990	$53,438
102	State Hospital	$11,534	$34,603	$31,660
103	Leg., Exec., & Jud.	$15,436	$46,307	$43,100
104	Military Institute	$1,065	$3,196	$3,010
105	Miners Hospital	$32,415	$97,245	$83,254
107	Normal School ASU/NAU	$6,839	$20,517	$18,654
108	Penitentiaries	$23,538	$70,614	$61,503
109	Permanent Common School	$6,332,035	$18,996,106	$16,945,452
110	School for Deaf & Blind	$9,692	$29,075	$26,667
111	School of Mines	$21,500	$64,499	$60,413
112	State Charitable-Pioneers Home	$103,941	$311,822	$294,229
112	State Charitable-Corrections	$51,970	$155,911	$147,115
112	State Charitable-Youth Treatment	$51,970	$155,911	$147,115
113	University Fund	$35,752	$107,257	$99,508
114	U of A Land - 1881	$94,102	$282,306	$243,037
	Total	**$6,810,786**	**$20,432,358**	**$18,258,156**

Posted in USAS in current month

NET REALIZED CAPITAL GAINS / LOSSES - ENDOWMENT FUNDS

Endowment Fund	Sep-14 NET GAIN(LOSS)	Sep-13 NET GAIN(LOSS)
Fixed Income Pool	(277,625)	(235,760)
500 Large-Cap Fund	4,335,152	3,274,466
400 Mid-Cap Fund	6,654,240	10,547,169
600 Small-Cap Fund	1,467,366	2,657,381
Totals	**12,179,133**	**16,243,256**

Endowment Fund	2014/2015 FISCAL YEAR TO DATE GAINS(LOSSES)	2013/ 2014 FISCAL YEAR TO DATE GAINS(LOSSES)
Fixed Income Pool	(851,828)	(817,483)
500 Large-Cap Fund	7,809,714	34,070
400 Mid-Cap Fund	12,291,058	10,955,237
600 Small-Cap Fund	6,873,550	4,256,641
Totals	**26,122,495**	**14,428,465**

ENDOWMENT FUNDS FIXED-INCOME POOL
PURCHASES & SALES
Month of September 2014

I. Endowment Funds Purchases

SECURITY DESCRIPTION	RATE	MATURITY	*WAL YEARS	PAR VALUE	PURCHASE COST	YIELD	MOODY'S / S&P RATING
FNMA MTG	3.50	2/25/2027	6.30	$1,677,940	$1,764,383	2.61%	Aaa/AA+
FNMA MTG	3.00	1/25/2033	5.44	$4,725,412	$4,857,576	2.35%	Aaa/AA+
FHR MTG	3.00	4/15/2039	4.36	$5,000,000	$5,148,021	2.30%	Aaa/AA+
FHR MTG	4.00	9/15/2039	8.37	$5,000,000	$5,327,830	3.20%	Aaa/AA+
CITIGROUP MTG	1.24	5/10/2047	2.42	$1,120,373	$1,114,427	1.47%	Aaa/NR
TOTAL ENDOWMENT FUNDS PURCHASES				**$17,523,725**	**$18,212,236**		

II. Endowment Funds Sales

SECURITY DESCRIPTION	RATE	MATURITY	PAR VALUE	AMORTIZED COST/PROCEEDS	SALES GAINS/(LOSSES)	MOODY'S / S&P RATING
TOTAL ENDOWMENT FUNDS SALES			**$0**	**$0**	**$0**	

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

I. Equity Fund Purchases

	SHARES	PURCHASE COST	COMMISSIONS
400 Mid-Cap Fund	382,330	$13,078,132	$2,868
500 Large-Cap Fund	229,987	$12,705,520	$1,725
600 Small-Cap Fund	256,822	$6,636,733	$1,926
TOTAL EQUITY PURCHASES	**869,139**	**$32,420,385**	**$6,520**

II. Equity Funds Sales

	SHARES	SALES AMOUNT	COMMISSIONS
400 Mid-Cap Fund	173,258	$11,475,283	$1,300
500 Large-Cap Fund	223,339	$12,489,506	$1,675
600 Small-Cap Fund	235,011	$6,617,718	$1,763
TOTAL EQUITY SALES	**631,608**	**$30,582,506**	**$4,738**

ENDOWMENT FUNDS
INVESTMENTS OUTSTANDING
SEPTEMBER 30, 2014
(In Thousands)

FUND	NAME OF FUND	SHARES OUTSTANDING	BOOK VALUE	MARKET VALUE	UNREALIZED GAINS (LOSSES)	**Mkt Value/ Book Value**
101	A & M Colleges					
	Shares in Equity Pools	492	3,462	7,481	4,019	
	Shares in Fixed Income Pools	4,457	3,118	4,673	1,555	
	Total	4,949	6,580	12,155	5,575	**1.847**
102	State Hospital					
	Shares in Equity Pools	324	2,343	4,923	2,581	
	Shares in Fixed Income Pools	2,818	2,091	2,955	864	
	Total	3,142	4,434	7,878	3,444	**1.777**
103	Leg., Exec, & Jud					
	Shares in Equity Pools	396	2,974	6,014	3,039	
	Shares in Fixed Income Pools	3,806	2,663	3,990	1,327	
	Total	4,201	5,638	10,004	4,366	**1.774**
104	Military Institute					
	Shares in Equity Pools	26	188	393	205	
	Shares in Fixed Income Pools	255	169	267	98	
	Total	280	357	660	303	**1.846**
105	Miners Hospital					
	Shares in Equity Pools	1,119	9,891	17,009	7,118	
	Shares in Fixed Income Pools	9,868	8,409	10,346	1,937	
	Total	10,987	18,300	27,355	9,055	**1.495**
107	Normal School ASU/NAU					
	Shares in Equity Pools	190	1,442	2,893	1,451	
	Shares in Fixed Income Pools	1,738	1,285	1,822	537	
	Total	1,928	2,727	4,715	1,988	**1.729**
108	Penitentiaries					
	Shares in Equity Pools	728	5,870	11,070	5,200	
	Shares in Fixed Income Pools	6,605	5,242	6,925	1,683	
	Total	7,333	11,112	17,995	6,883	**1.619**

ENDOWMENT FUNDS
INVESTMENTS OUTSTANDING
SEPTEMBER 30, 2014
(In Thousands)

	NAME OF FUND	SHARES OUTSTANDING	BOOK VALUE	MARKET VALUE	UNREALIZED GAINS (LOSSES)	**Mkt Value/ Book Value**
109	Permanent Common School					
	Shares in Equity Pools	182,835	1,435,799	2,779,022	1,343,223	
	Shares in Fixed Income Pools	1,635,308	1,293,835	1,714,587	420,751	
	Total	1,818,144	2,729,634	4,493,609	1,763,975	**1.646**
110	School for Deaf & Blind					
	Shares in Equity Pools	261	1,958	3,961	2,003	
	Shares in Fixed Income Pools	2,439	1,741	2,557	816	
	Total	2,699	3,698	6,518	2,819	**1.762**
111	School of Mines					
	Shares in Equity Pools	550	4,116	8,365	4,249	
	Shares in Fixed Income Pools	5,107	3,709	5,355	1,646	
	Total	5,658	7,825	13,720	5,895	**1.753**
112	State Charitable					
	Shares in Equity Pools	5,518	41,315	83,867	42,552	
	Shares in Fixed Income Pools	48,518	37,724	50,870	13,147	
	Total	54,036	79,038	134,737	55,699	**1.705**
113	University Fund					
	Shares in Equity Pools	992	7,808	15,085	7,276	
	Shares in Fixed Income Pools	9,209	6,861	9,655	2,794	
	Total	10,201	14,669	24,740	10,071	**1.687**
114	U Of A Land - 1881					
	Shares in Equity Pools	3,425	31,424	52,059	20,635	
	Shares in Fixed Income Pools	31,439	26,194	32,963	6,769	
	Total	34,864	57,618	85,021	27,403	**1.476**
	TOTALS - ALL FUNDS					
	Shares in Equity Pools	196,857	1,548,591	2,992,142	1,443,551	
	Shares in Fixed Income Pools	1,761,565	1,393,040	1,846,965	453,924	
	Grand Total	**1,958,422**	**2,941,631**	**4,839,107**	**1,897,476**	
	PRIOR YEAR: SEPTEMBER 2013 BALANCES	**1,739,596**	**2,783,172**	**4,332,566**	**1,549,394**	

ENDOWMENT FUNDS
INVESTMENTS OUTSTANDING
SEPTEMBER 30, 2014

ASSET ALLOCATION PERCENTAGE

	SHARES OUTSTANDING	**BOOK VALUE**	MARKET VALUE	SEPTEMBER 2013 MARKET VALUE
Shares in Equity Pools	10.05%	**52.64%**	61.83%	64.85%
Shares in Fixed Income Pools	89.95%	**47.36%**	38.17%	35.15%
Total	100.00%	**100.00%**	100.00%	100.00%

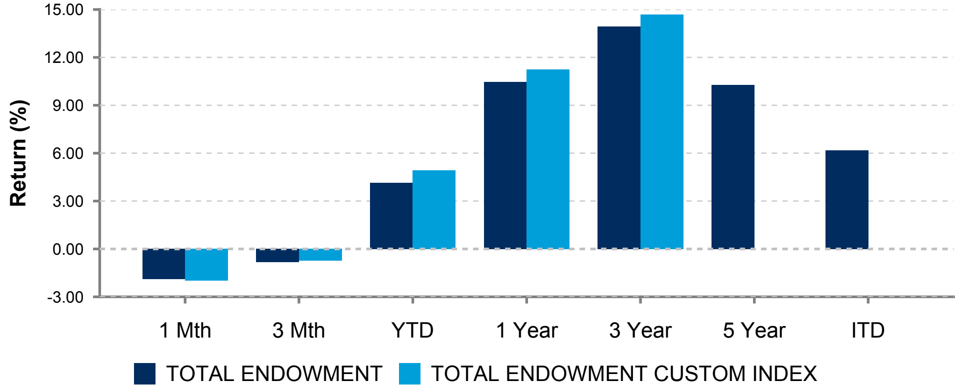
OFFICE OF THE ARIZONA STATE TREASURER

September 30, 2014

Total Endowment Summary

STATE STREET.

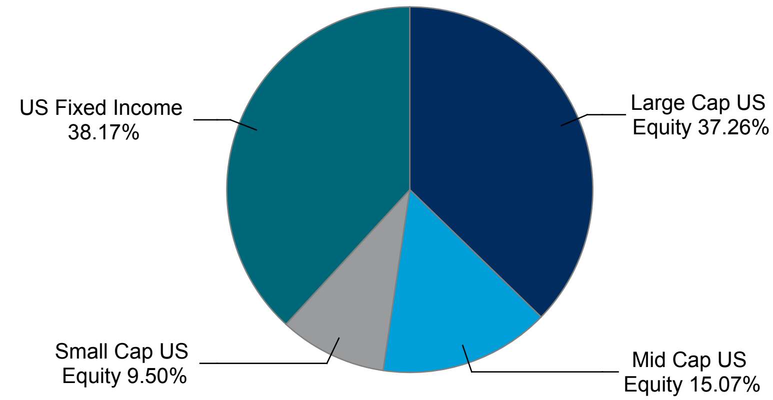
Performance



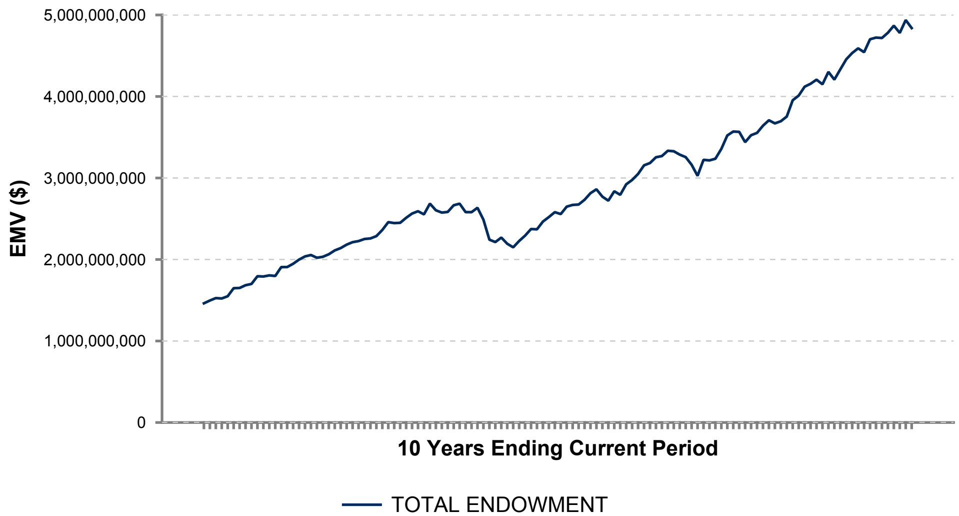
	1 Mth	3 Mth	YTD	1 Year	3 Year	5 Year	ITD	Incept Date
TOTAL ENDOWMENT	-1.90	-0.82	4.16	10.48	13.95	10.28	6.19	07/99
TOTAL ENDOWMENT CUSTOM INDEX	-1.98	-0.74	4.92	11.26	14.69			07/99
Excess	0.08	-0.08	-0.76	-0.78	-0.75			

Asset Allocation

	Ending Market Value
TOTAL ENDOWMENT	4,839,106,749

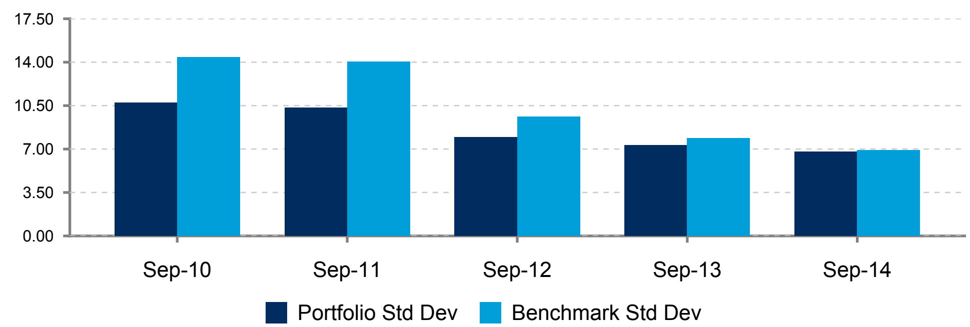


Ending Market Value



3 Year Risk Statistics

	Return	Portfolio Std Dev	Benchmark Std Dev	Sharpe Ratio	Beta	Tracking Error	Information Ratio
TOTAL ENDOWMENT	13.95	6.78	6.93	2.05	0.98	0.38	-1.98



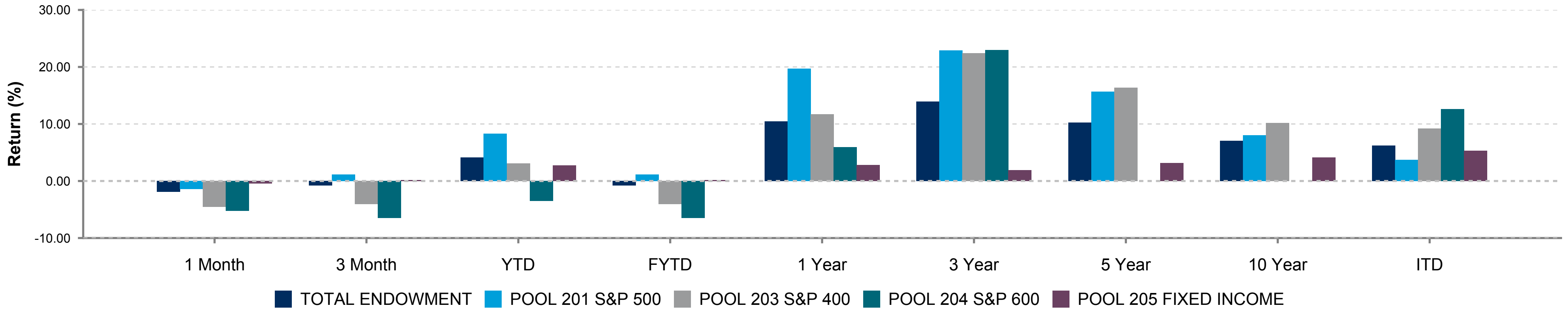
OFFICE OF THE ARIZONA STATE TREASURER

September 30, 2014

Total Returns Net Mgr

STATE STREET.

Return Comparison



	Market Value	Actual Weight	1 Mth	3 Mth	YTD	FYTD	1 Year	3 Year	5 Year	10 Year	ITD	Inc Date
TOTAL ENDOWMENT	4,839,106,749	100.00	-1.90	-0.82	4.16	-0.82	10.48	13.95	10.28	7.06	6.19	Jul-01-99
TOTAL ENDOWMENT CUSTOM INDEX			-1.98	-0.74	4.92	-0.74	11.26	14.69				Jul-01-99
Excess			0.08	-0.08	-0.76	-0.08	-0.78	-0.75				
POOL 201 S&P 500	1,803,292,303	37.26	-1.40	1.14	8.29	1.14	19.68	22.94	15.69	8.04	3.75	Jul-01-99
S&P 500 INDEX (DAILY)			-1.40	1.13	8.34	1.13	19.73	22.99	15.70	8.11	4.35	Jul-01-99
Excess			0.01	0.01	-0.05	0.01	-0.05	-0.05	-0.01	-0.07	-0.60	
POOL 203 S&P 400	729,164,542	15.07	-4.55	-4.08	3.09	-4.08	11.69	22.44	16.35	10.20	9.22	Aug-01-01
S&P 400 MIDCAP INDEX (DAILY)			-4.55	-3.98	3.22	-3.98	11.82	22.43	16.37	10.29	9.25	Aug-01-01
Excess			-0.00	-0.10	-0.12	-0.10	-0.13	0.01	-0.01	-0.09	-0.03	
POOL 204 S&P 600	459,685,375	9.50	-5.26	-6.50	-3.50	-6.50	5.95	22.98			12.63	Mar-01-11
S&P SM 600 TR			-5.37	-6.73	-3.72	-6.73	5.74	22.86			12.57	Mar-01-11
Excess			0.11	0.22	0.22	0.22	0.20	0.12			0.06	
POOL 205 FIXED INCOME	1,846,964,529	38.17	-0.44	0.15	2.77	0.15	2.84	1.92	3.19	4.16	5.29	Jul-01-99
CITIGROUP BIG (DAILY)			-0.69	0.16	4.06	0.16	3.90	2.41	4.03	4.73	5.59	Jul-01-99
Excess			0.26	-0.01	-1.30	-0.01	-1.07	-0.49	-0.84	-0.57	-0.31	

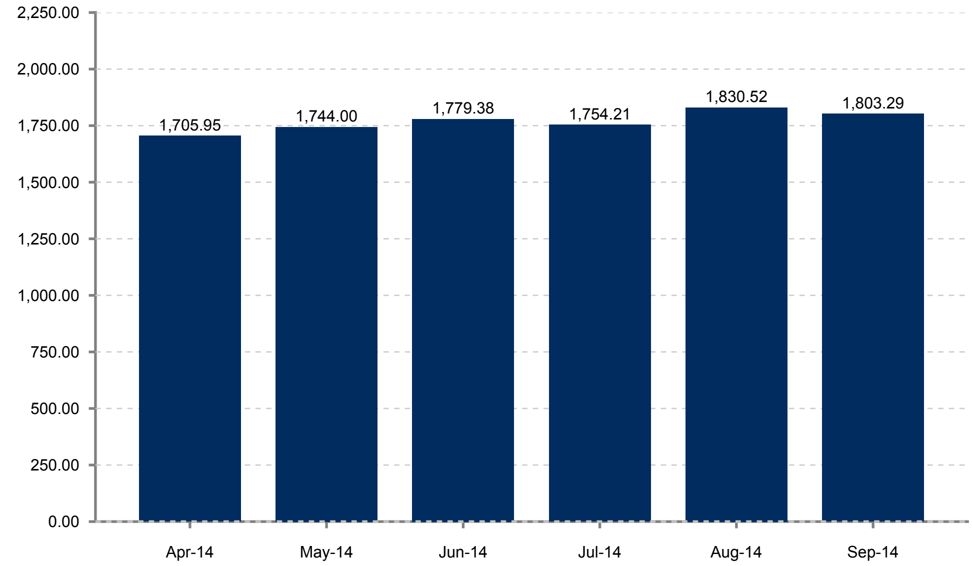
OFFICE OF THE ARIZONA STATE TREASURER

September 30, 2014

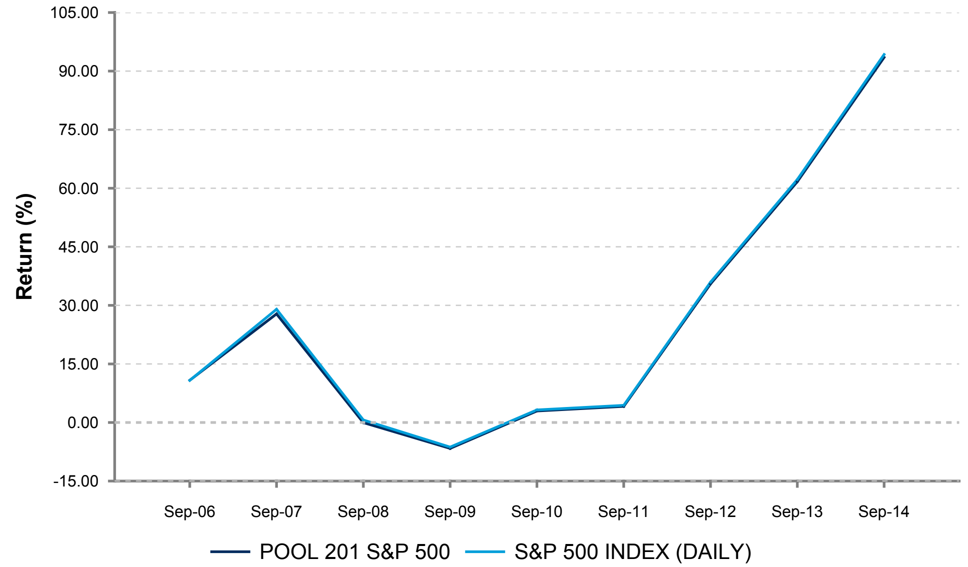
POOL 201 S&P 500

STATE STREET.

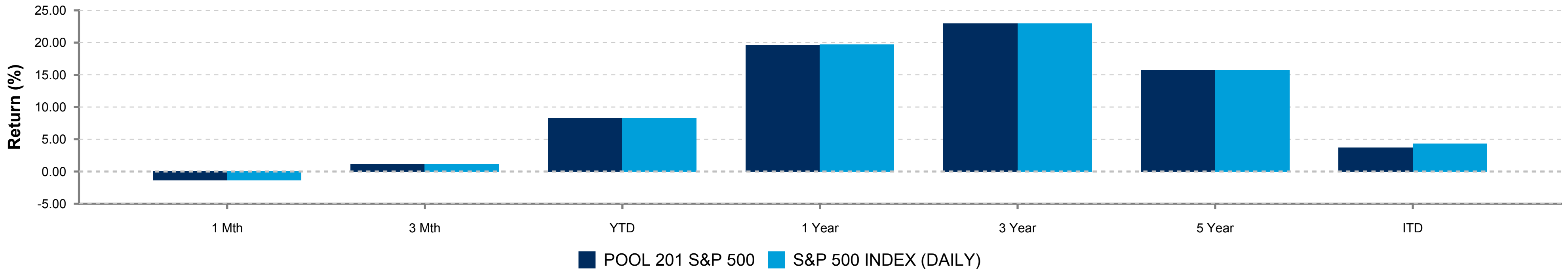
Net Asset Values over Time ($MM)



Cumulative Return (%)

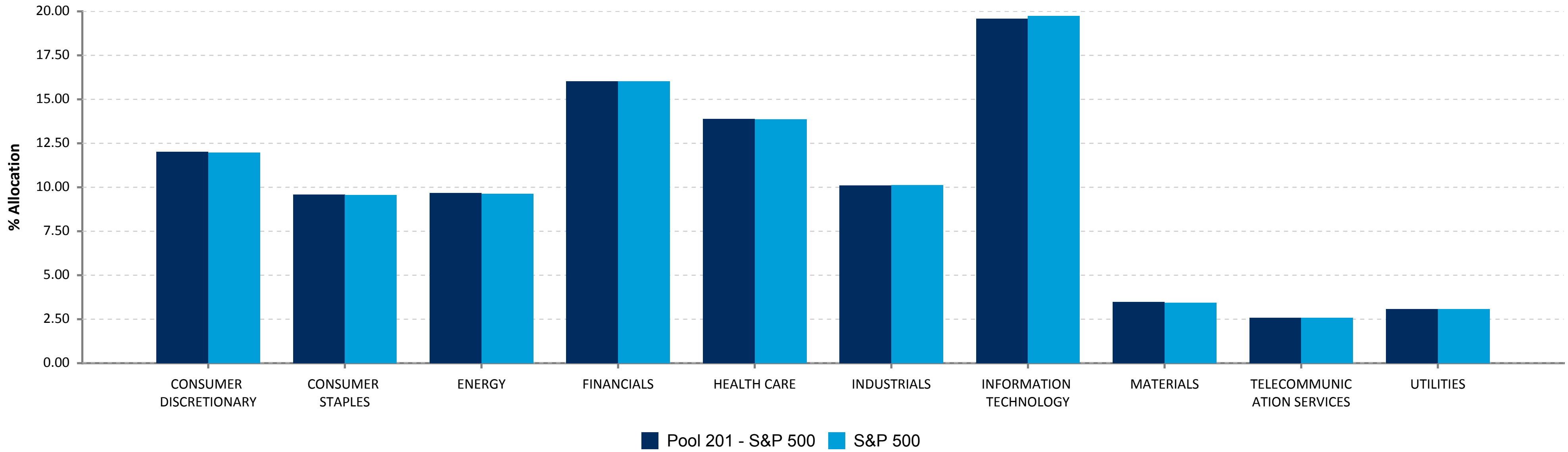


Rates of Return



	1 Mth	3 Mth	YTD	1 Year	3 Year	5 Year	ITD	Sep 30 2014	Sep 30 2013	Sep 30 2012
POOL 201 S&P 500	-1.40	1.14	8.29	19.68	22.94	15.69	3.75	19.68	19.33	30.12
S&P 500 INDEX (DAILY)	-1.40	1.13	8.34	19.73	22.99	15.70	4.35	19.73	19.34	30.20
Excess	0.01	0.01	-0.05	-0.05	-0.05	-0.01	-0.60	-0.05	-0.02	-0.08

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



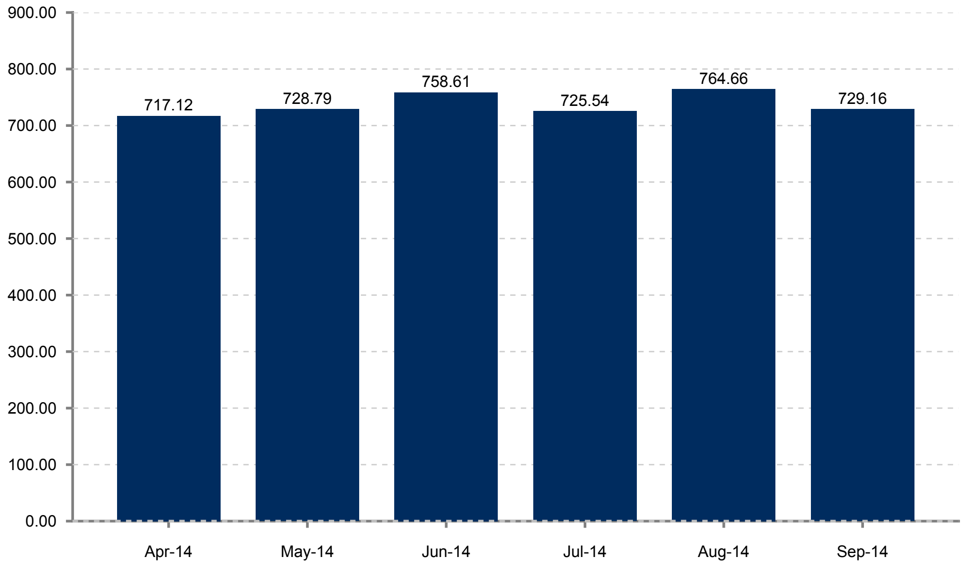
	Fund Weight	Benchmark Weight	Relative Weight
POOL 201 S&P 500	100.00	100.00	0.00
CONSUMER DISCRETIONARY	12.16	12.17	-0.01
CONSUMER STAPLES	9.39	9.40	-0.01
ENERGY	10.35	10.33	0.02
FINANCIALS	15.86	15.87	-0.01
HEALTH CARE	13.63	13.63	-0.00
INDUSTRIALS	10.08	10.07	0.01
INFORMATION TECHNOLOGY	19.43	19.43	-0.01
MATERIALS	3.47	3.47	-0.00
TELECOMMUNICATION SERVICES	2.53	2.54	-0.00
UTILITIES	3.10	3.09	0.01

OFFICE OF THE ARIZONA STATE TREASURER

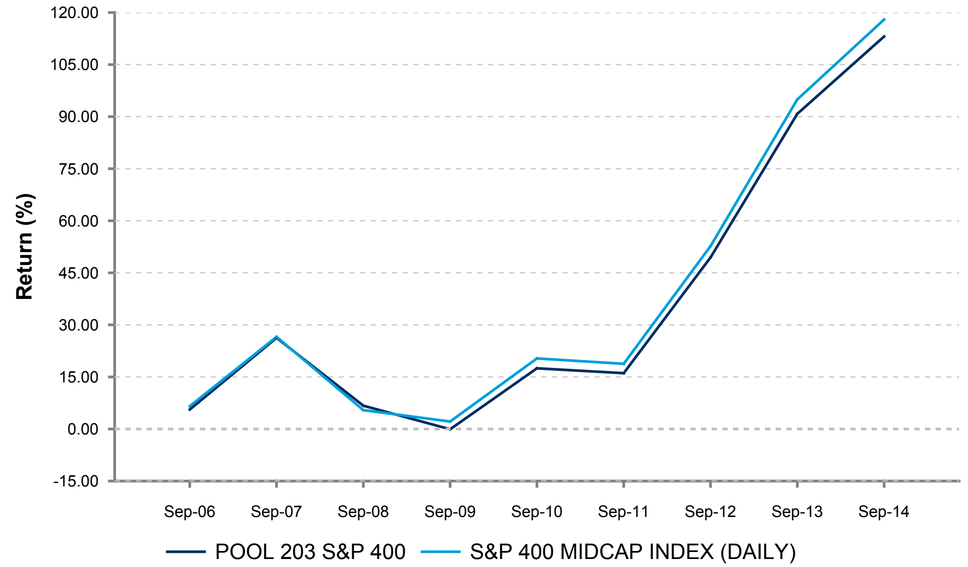
September 30, 2014

POOL 203 S&P 400

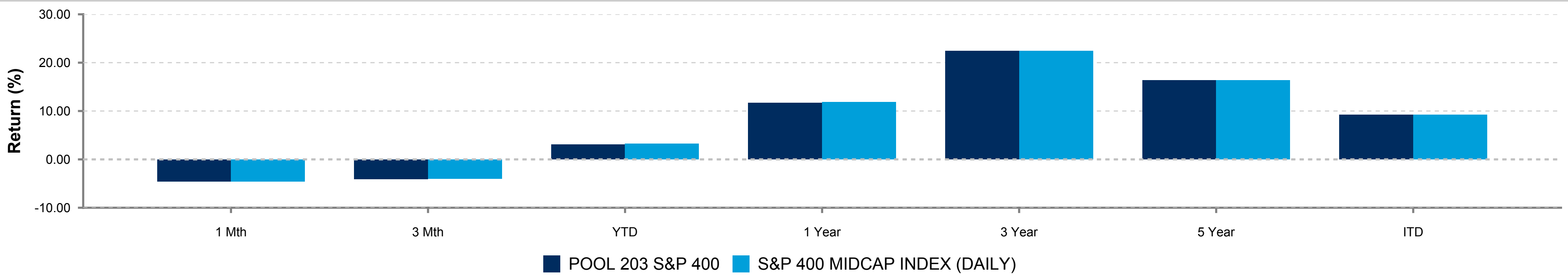
Net Asset Values over Time ($MM)



Cumulative Return (%)



Rates of Return

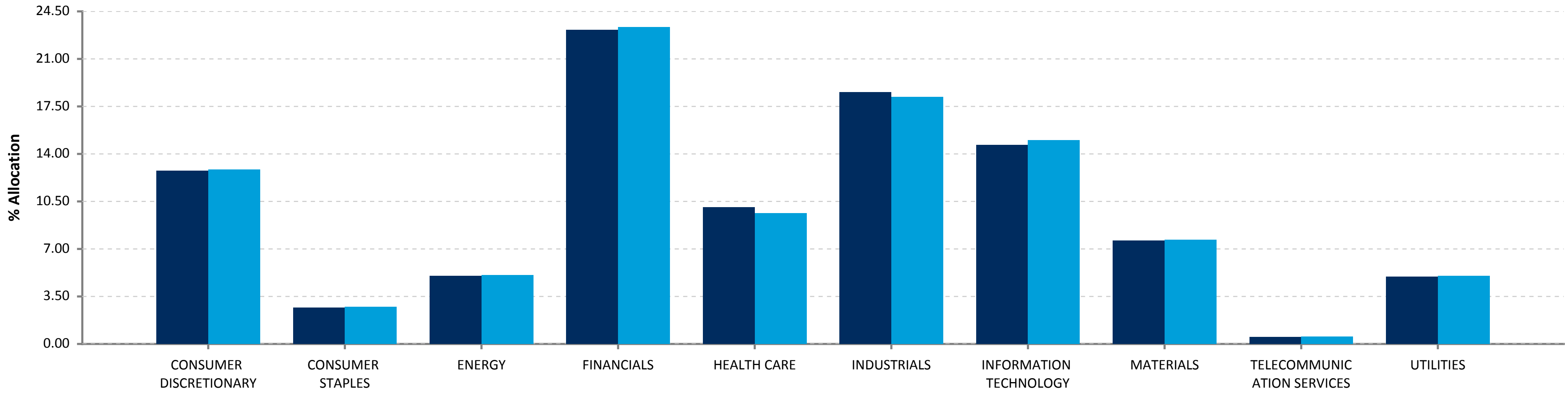


	1 Mth	3 Mth	YTD	1 Year	3 Year	5 Year	ITD	Sep 30 2014	Sep 30 2013	Sep 30 2012
POOL 203 S&P 400	-4.55	-4.08	3.09	11.69	22.44	16.35	9.22	11.69	27.69	28.72
S&P 400 MIDCAP INDEX (DAILY)	-4.55	-3.98	3.22	11.82	22.43	16.37	9.25	11.82	27.68	28.54
Excess	-0.00	-0.10	-0.12	-0.13	0.01	-0.01	-0.03	-0.13	0.01	0.18

OFFICE OF THE ARIZONA STATE TREASURER

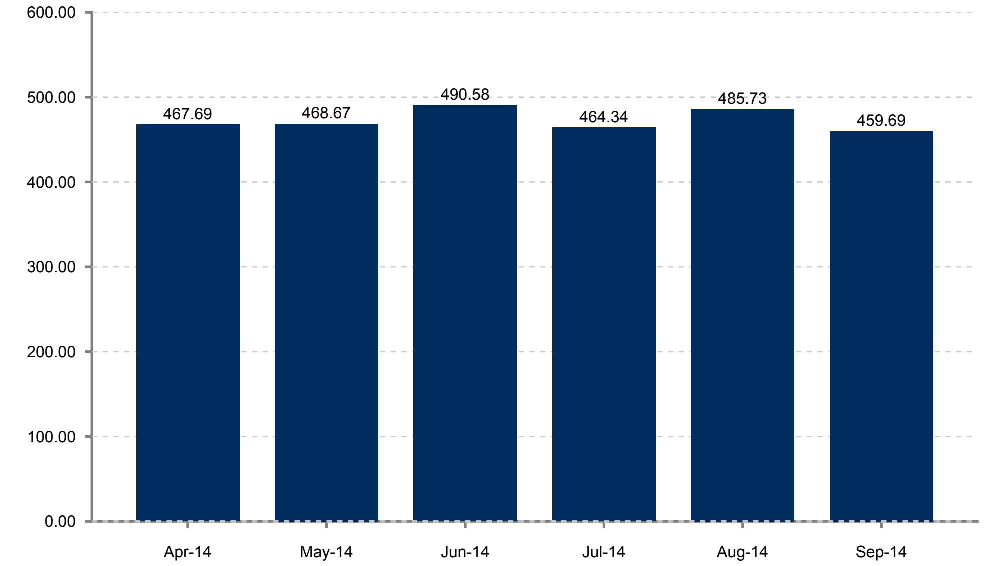
September 30, 2014

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

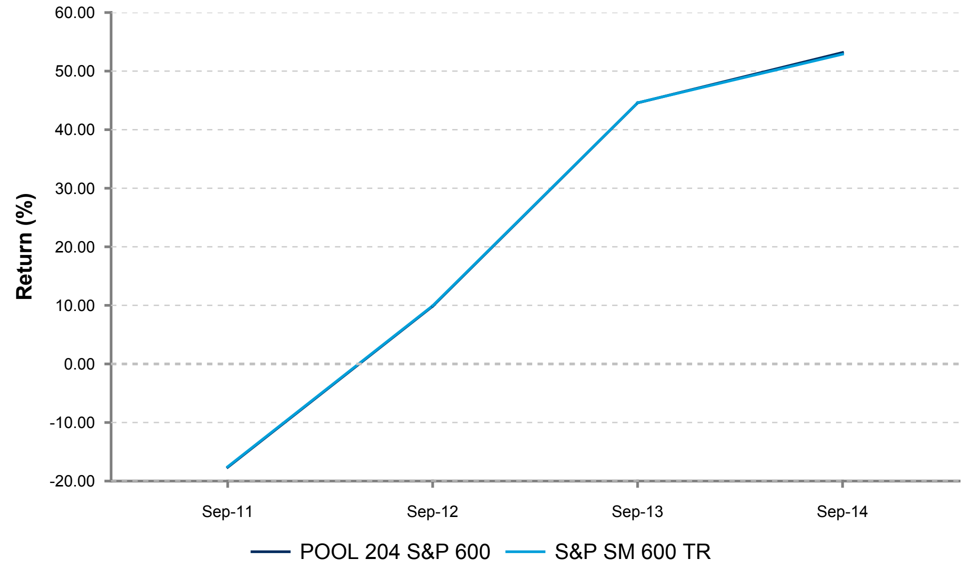


	Weight Fund	Weight Benchmark	Weight Relative
POOL 203 S&P 400	100.00	100.00	0.00
CONSUMER DISCRETIONARY	12.53	12.53	0.01
CONSUMER STAPLES	2.61	2.61	0.00
ENERGY	4.96	5.05	-0.08
FINANCIALS	23.26	23.20	0.06
HEALTH CARE	9.64	9.64	-0.00
INDUSTRIALS	18.79	18.77	0.02
INFORMATION TECHNOLOGY	14.96	14.99	-0.03
MATERIALS	7.69	7.67	0.02
TELECOMMUNICATION SERVICES	0.51	0.51	-0.00
UTILITIES	5.04	5.03	0.01

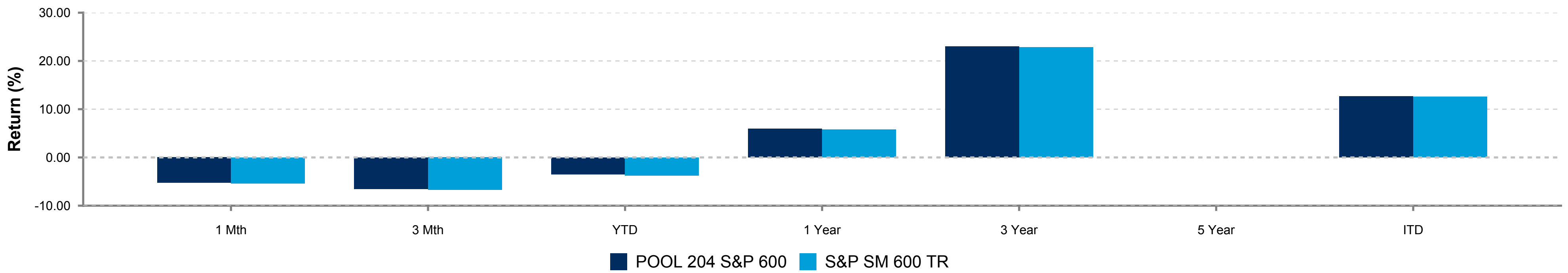
Net Asset Values over Time ($MM)



Cumulative Return (%)



Rates of Return

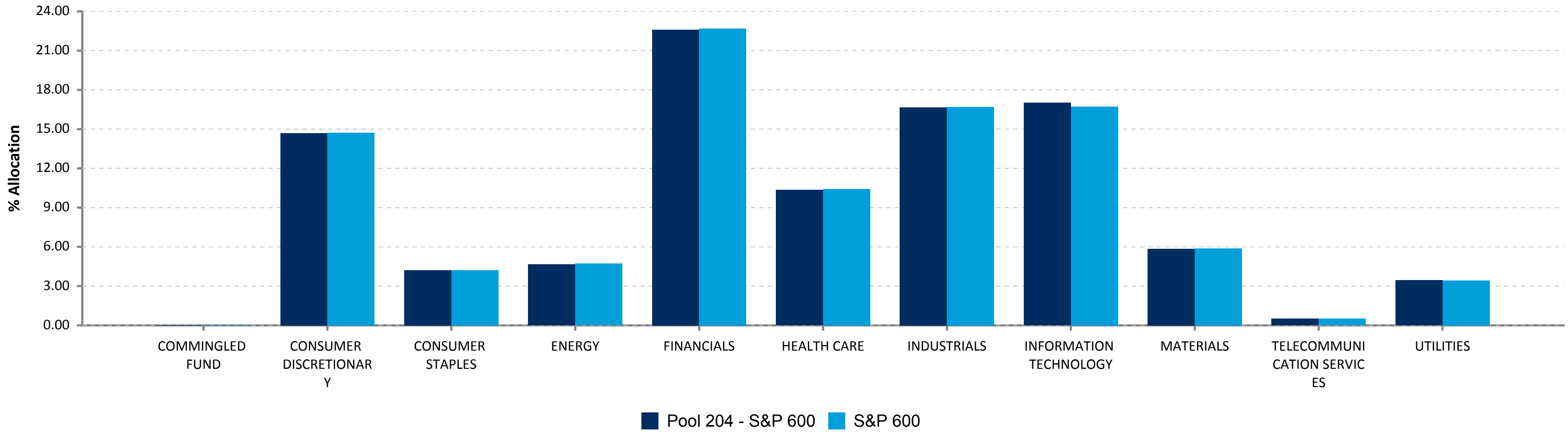


	1 Mth	3 Mth	YTD	1 Year	3 Year	5 Year	ITD	Sep 30 2014	Sep 30 2013	Sep 30 2012
POOL 204 S&P 600	-5.26	-6.50	-3.50	5.95	22.98		12.63	5.95	31.62	33.38
S&P SM 600 TR	-5.37	-6.73	-3.72	5.74	22.86		12.57	5.74	31.51	33.35
Excess	0.11	0.22	0.22	0.20	0.12		0.06	0.20	0.10	0.04

OFFICE OF THE ARIZONA STATE TREASURER

September 30, 2014

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



	Weight Fund	Weight Benchmark	Weight Relative
POOL 204 S&P 600	100.00	100.00	0.00
COMMINGLED FUND	0.01	0.00	0.01
CONSUMER DISCRETIONARY	14.61	14.60	0.01
CONSUMER STAPLES	3.98	3.98	-0.00
ENERGY	4.99	4.99	-0.00
FINANCIALS	22.02	22.01	0.01
HEALTH CARE	10.69	10.72	-0.03
INDUSTRIALS	16.75	16.74	0.01
INFORMATION TECHNOLOGY	16.93	16.94	-0.02
MATERIALS	6.04	6.04	0.00
TELECOMMUNICATION SERVICES	0.51	0.51	0.00
UTILITIES	3.48	3.47	0.01

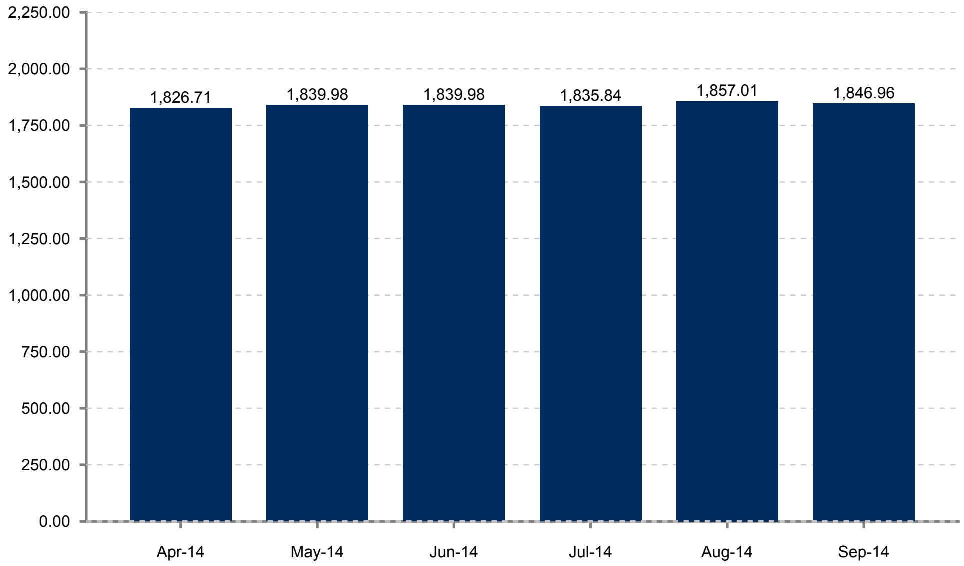
OFFICE OF THE ARIZONA STATE TREASURER

September 30, 2014

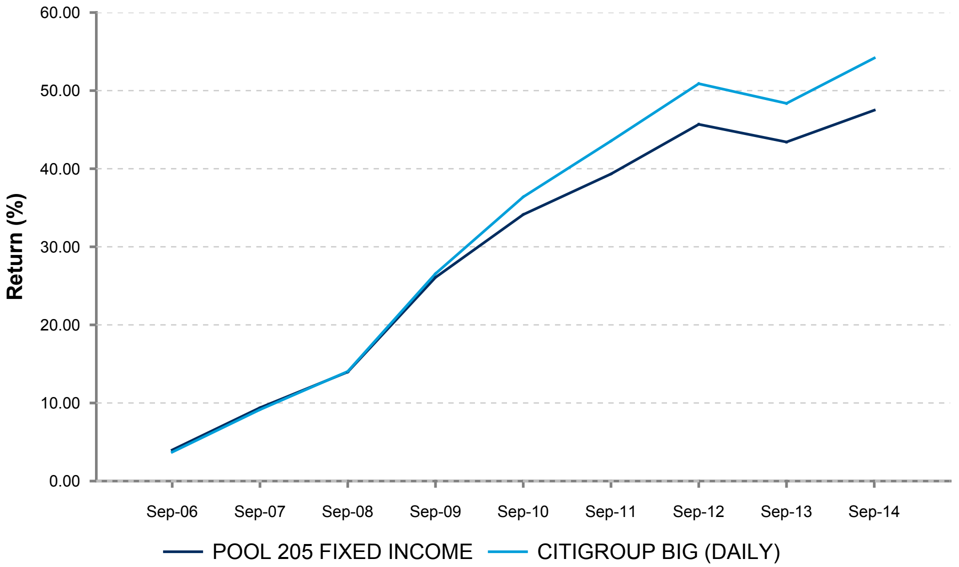
POOL 205 FIXED INCOME

STATE STREET.

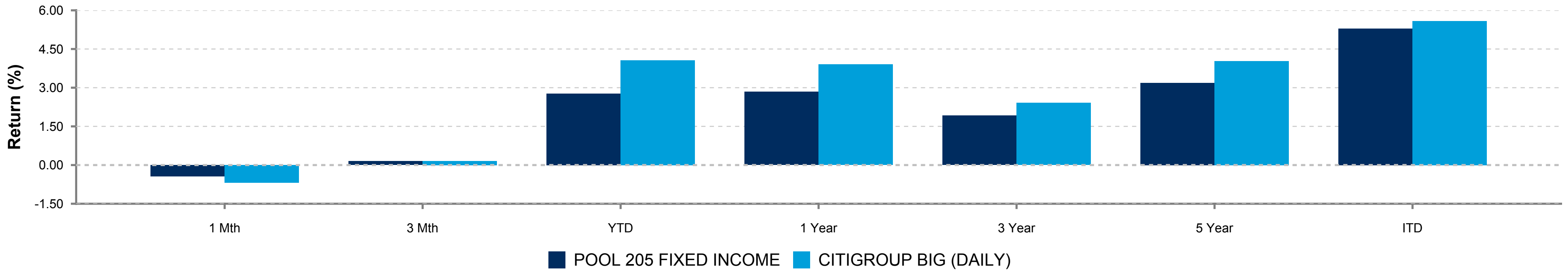
Net Asset Values over Time ($MM)



Cumulative Return (%)



Rates of Return



	1 Mth	3 Mth	YTD	1 Year	3 Year	5 Year	ITD	Sep 30 2014	Sep 30 2013	Sep 30 2012
POOL 205 FIXED INCOME	-0.44	0.15	2.77	2.84	1.92	3.19	5.29	2.84	-1.55	4.56
CITIGROUP BIG (DAILY)	-0.69	0.16	4.06	3.90	2.41	4.03	5.59	3.90	-1.67	5.11
Excess	0.26	-0.01	-1.30	-1.07	-0.49	-0.84	-0.31	-1.07	0.12	-0.55

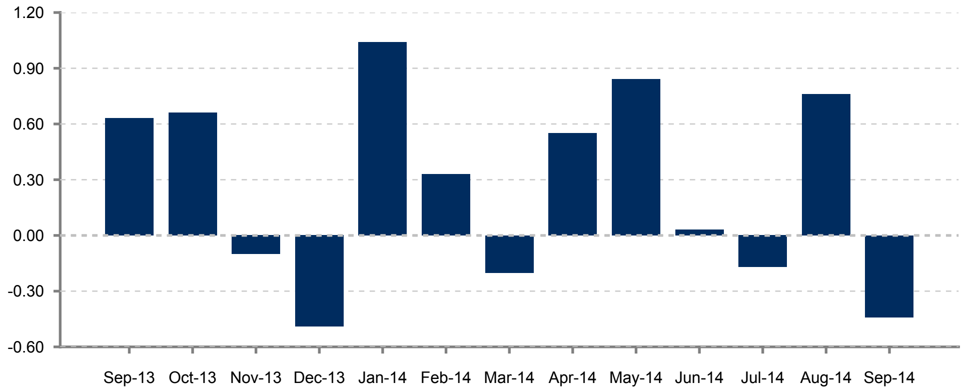
OFFICE OF THE ARIZONA STATE TREASURER

September 30, 2014

POOL 205 FIXED INCOME

STATE STREET.

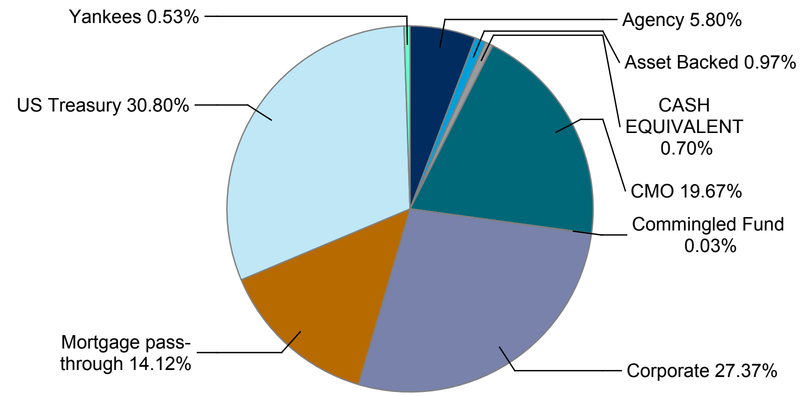
Net Mgr Return



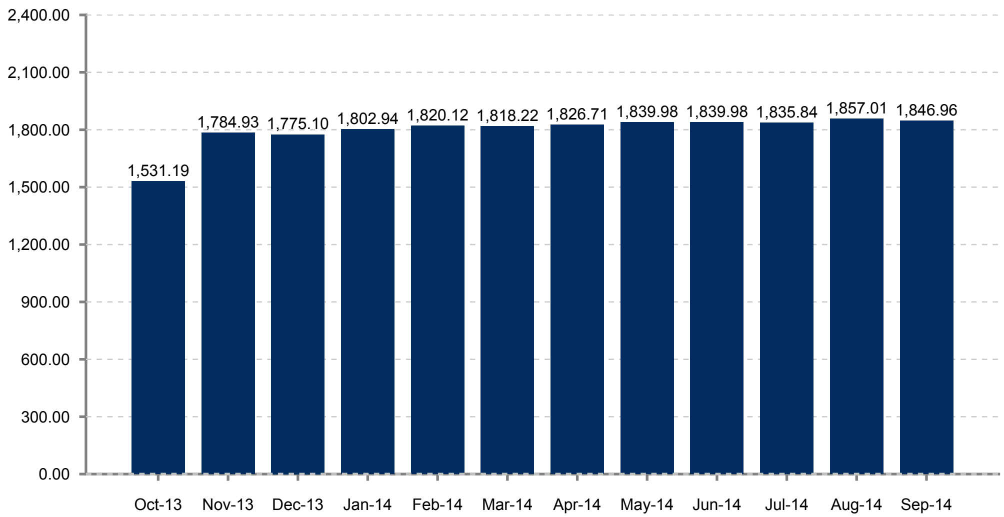
	Current Mth	Prior Mth	1 Year Ago
POOL 205 FIXED INCOME	-0.44	0.76	0.63

Asset Allocation

	Ending Market Value
POOL 205 FIXED INCOME	1,846,964,529



Net Asset Values over Time ($MM)



Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 205 FIXED INCOME		
UNITED STATES TREASURY NOTE/BO	17,795,260	0.96
FIFTH THIRD BANK/OHIO SR UNSECURED	14,833,863	0.80
US TREASURY N/B	14,070,480	0.76
US TREASURY N/B	13,097,520	0.71
CONOCOPHILLIPS	12,642,319	0.68
PRES + FELLOWS OF HARVAR	12,527,840	0.68
US TREASURY N/B	12,332,099	0.67
FNMA POOL AV6108	12,016,923	0.65
BERKSHIRE HATHAWAY ENERG	11,580,360	0.63
FNMA POOL AL0215	11,433,233	0.62

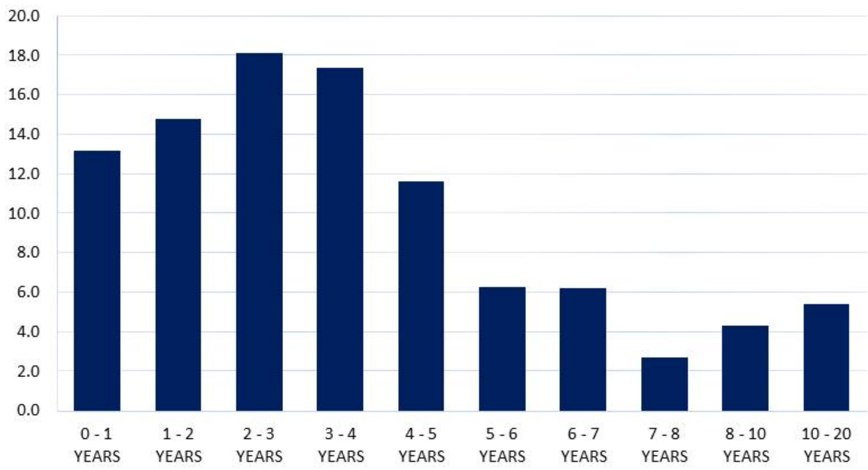
OFFICE OF THE ARIZONA STATE TREASURER

September 30, 2014

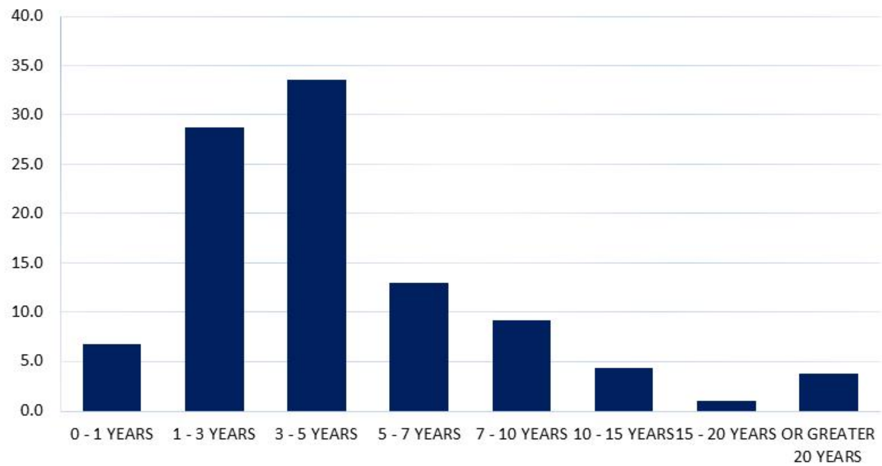
POOL 205 FIXED INCOME

STATE STREET.

Duration Distribution



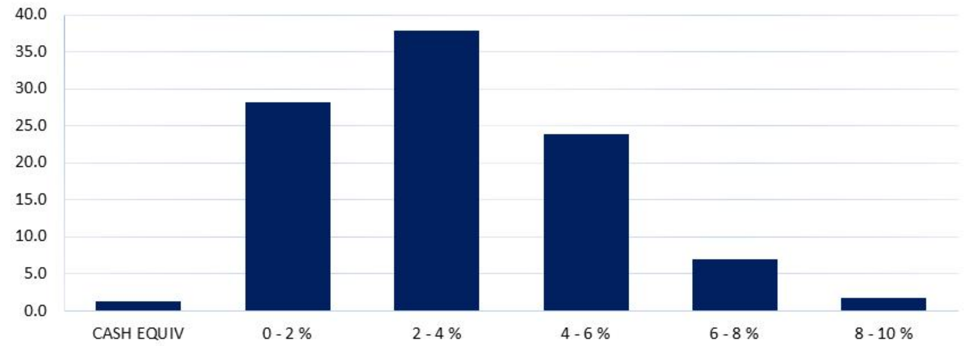
Expected Maturity Distribution



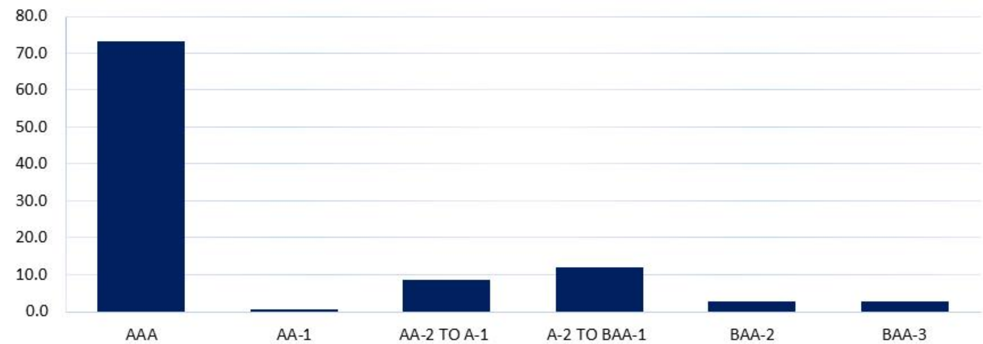
Portfolio Level Characteristics

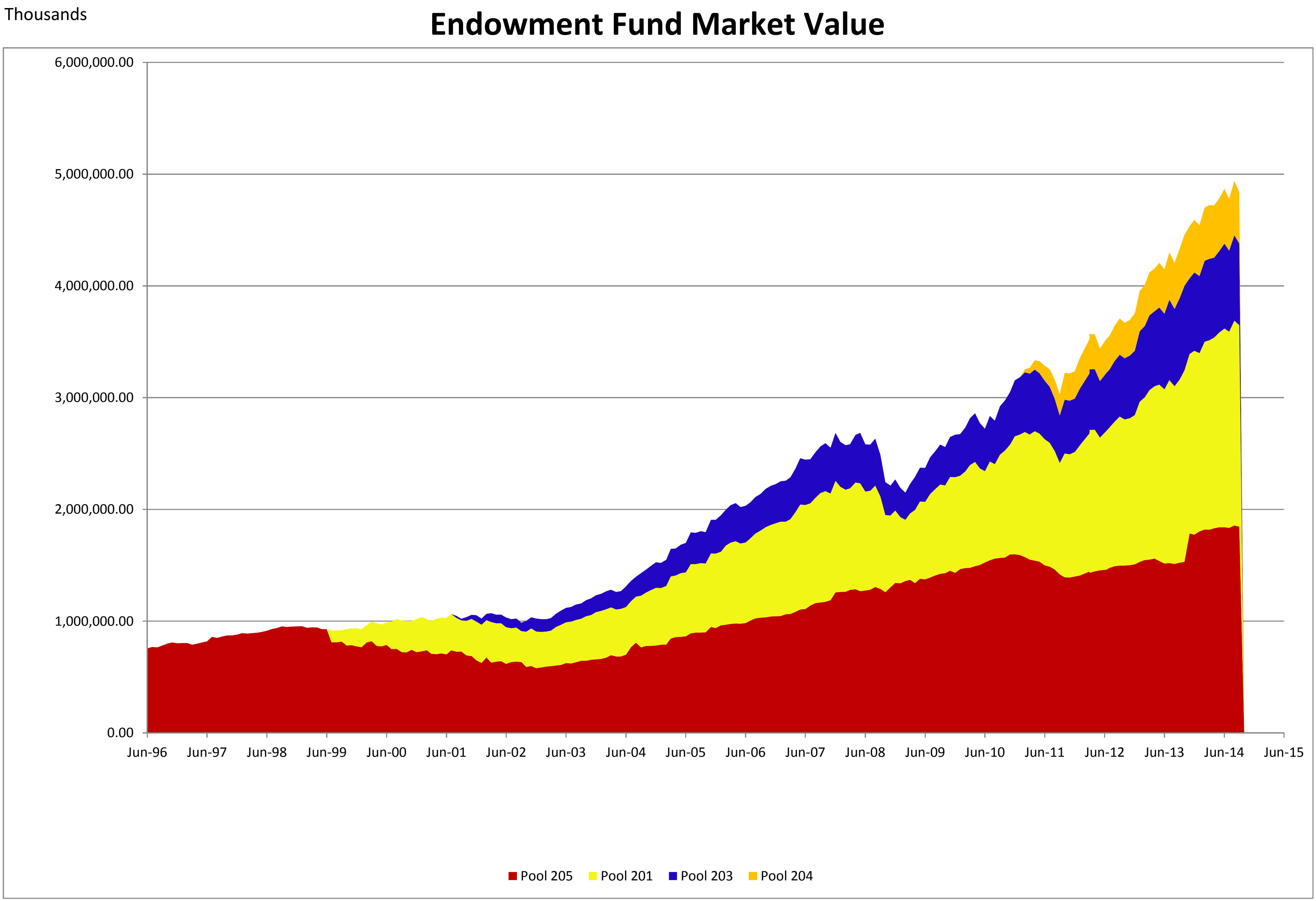
	POOL 205 FIXED INCOME
Weighted Average Life	5.05
Coupon	3.30
Effective Duration	3.89
Quality Rating (Moody's)	AA-1

Coupon Distribution



Rating Distribution




Thousands
Endowment Fund Market Value
6,000,000.00
5,000,000.00
4,000,000.00
3,000,000.00
2,000,000.00
1,000,000.00
0.00
Jun-96
Jun-97
Jun-98
Jun-99
Jun-00
Jun-01
Jun-02
Jun-03
Jun-04
Jun-05
Jun-06
Jun-07
Jun-08
Jun-09
Jun-10
Jun-11
Jun-12
Jun-13
Jun-14
Jun-15
Pool 205
Pool 201
Pool 203
Pool 204

BROKER ACTIVITY REPORT
STATE AGENCY POOLS 2, 3 Int., 4, 12, 15, 16 & 10 Int.
JULY 1 - SEPTEMBER 30, 2014

Broker Name	Asset Group	Sum Of Book Value	Pct Of Type	Pct Of Total
BA SECURITIES INC.				
	REPO	1,050,000,000	2.70%	2.61%
	COMMERCIAL PAPER	172,381,945	17.11%	0.43%
	US TREAS	82,092,269	39.29%	0.20%
BARCLAYS CAPITAL INC.				
	COMMERCIAL PAPER	57,791,069	5.73%	0.14%
	USA-MBS	15,338,756	12.37%	0.04%
	US TREAS	61,349,903	29.36%	0.15%
CANTOR FITZGERALD				
	COMMERCIAL PAPER	169,998,642	16.87%	0.42%
	USA-MBS	20,144,223	16.24%	0.05%
CITIGROUP				
	COMMERCIAL PAPER	101,637,679	10.09%	0.25%
DAIWA				
	REPO	2,140,280,130	5.51%	5.32%
DEUTSCHE BANC				
	REPO	471,872,630	1.22%	1.17%
FIRST TENNESSEE				
	USA-MBS	36,026,084	29.05%	0.09%
GOLDMAN SACHS				
	COMMERCIAL PAPER	49,999,806	4.96%	0.12%
GUGGENHEIM SECURITIES, LLC				
	REPO	2,634,789,518	6.79%	6.55%
JP MORGAN CHASE				
	COMMERCIAL PAPER	98,414,806	9.77%	0.24%
	USA-MBS	1,826,627	1.47%	0.00%

BROKER ACTIVITY REPORT
STATE AGENCY POOLS 2, 3 Int., 4, 12, 15, 16 & 10 Int.
JULY 1 - SEPTEMBER 30, 2014

Broker Name	Asset Group	Sum Of Book Value	Pct Of Type	Pct Of Total
MIZUHO SECURITIES				
	REPO	2,048,220,214	5.28%	5.09%
	USA-MBS	14,457,118	11.66%	0.04%
MORGAN STANLEY CAP				
	COMMERCIAL PAPER	150,354,691	14.92%	0.37%
	US TREAS	4,900,102	2.35%	0.01%
RBC DAIN RAUSCHER				
	COMMERCIAL PAPER	188,132,242	18.67%	0.47%
ROBERT W. BAIRD				
	US-AGENCY	9,999,470	50.07%	0.02%
	USA-MBS	11,833,766	9.54%	0.03%
SOUTH STREET				
	REPO	19,498,351,198	50.22%	48.46%
STATE STREET				
	MONEY-MARKET	25,785,390	100.00%	0.06%
STIFEL NICOLAUS				
	CORP NOTES	25,039,063	100.00%	0.06%
	USA-MBS	20,733,658	16.72%	0.05%
SUNTRUST ROBINSON				
	REPO	45,725,953	0.12%	0.11%
WELLS FARGO				
	REPO	10,938,131,827	28.17%	27.18%
	COMMERCIAL PAPER	18,999,335	1.89%	0.05%
	US-AGENCY	9,972,267	49.93%	0.02%
	USA-MBS	3,670,774	2.96%	0.01%
	US TREAS	60,581,929	29.00%	0.15%

BROKER ACTIVITY REPORT
LGIP POOLS 5, 7, 500 and 700
JULY 1 - SEPTEMBER 30, 2014

Broker Name	Asset Group	Sum Of Book Value	Pct Of Type	Pct Of Total
BA SECURITIES INC.				
	REPO	5,425,000,000	11.90%	11.57%
	COMMERCIAL PAPER	132,568,718	16.10%	0.28%
BARCLAYS CAPITAL INC.				
	COMMERCIAL PAPER	102,084,963	12.39%	0.22%
	CORP NOTES	1,015,000	3.21%	0.00%
	CORP ABS	30,100,000	51.59%	0.06%
CANTOR FITZGERALD				
	COMMERCIAL PAPER	44,994,008	5.46%	0.10%
CITIGROUP				
	COMMERCIAL PAPER	122,473,185	14.87%	0.26%
	US AGENCY	49,999,667	39.90%	0.11%
DAIWA CAPITAL MARKETS				
	REPO	1,779,719,870	3.91%	3.80%
DEUTSCHE BANC				
	REPO	1,703,127,370	3.74%	3.63%
	CORP ABS	4,000,000	6.86%	0.01%
FIRST TENNESSEE				
	COMMERCIAL PAPER	9,998,794	1.21%	0.02%
GOLDMAN SACHS				
	CD'S	21,612,924	35.07%	0.05%
	CORP NOTES	500,000	1.58%	0.00%
	US AGENCY	9,478,785	7.56%	0.02%
GOVERNMENT PERSPECTIVES				
	US AGENCY	10,004,065	7.98%	0.02%

BROKER ACTIVITY REPORT
LGIP POOLS 5, 7, 500 and 700
JULY 1 - SEPTEMBER 30, 2014

Broker Name	Asset Group	Sum Of Book Value	Pct Of Type	Pct Of Total
GUGGENHEIM SECURITIES, LLC				
	REPO	3,770,210,482	8.27%	8.04%
JP MORGAN CHASE				
	CD'S	20,010,040	32.47%	0.04%
	COMMERCIAL PAPER	163,988,205	19.91%	0.35%
	CORP ABS	11,750,000	20.14%	0.03%
MIZUHO SECURITIES				
	REPO	101,779,786	0.22%	0.22%
MFR INC.				
	COMMERCIAL PAPER	4,999,436	0.61%	0.01%
MORGAN STANLEY CAP				
	COMMERCIAL PAPER	100,523,640	12.20%	0.21%
	US TREAS	44,986,163	47.24%	0.10%
OPPENHEIMER				
	CORP NOTES	3,639,913	11.52%	0.01%
PIPER JAFFRAY				
	US AGENCY	4,079,166	3.26%	0.01%
RAYMOND JAMES				
	CORP NOTES	1,037,148	3.28%	0.00%
RBC DAIN RAUSCHER				
	CD'S	20,006,757	32.46%	0.04%
	COMMERCIAL PAPER	104,007,855	12.63%	0.22%
	CORP NOTES	2,696,410	8.54%	0.01%
	CORP ABS	12,500,000	21.42%	0.03%
RBS SECURITIES				
	COMMERCIAL PAPER	7,999,520	0.97%	0.02%

BROKER ACTIVITY REPORT
LGIP POOLS 5, 7, 500 and 700
JULY 1 - SEPTEMBER 30, 2014

Broker Name	Asset Group	Sum Of Book Value	Pct Of Type	Pct Of Total
ROBERT W. BAIRD				
	USA-MBS	8,253,810	100.00%	0.02%
SOUTH STREET				
	REPO	10,101,648,802	22.17%	21.55%
STATE STREET				
	MONEY-MARKET	109,044,616	100.00%	0.23%
STIFEL NICOLAUS				
	CORP NOTES	15,023,438	47.56%	0.03%
SUNTRUST ROBINSON				
	REPO	139,274,047	0.31%	0.30%
UBS				
	COMMERCIAL PAPER	9,998,733	1.21%	0.02%
WELLS FARGO				
	REPO	22,551,868,173	49.49%	48.10%
	COMMERCIAL PAPER	19,996,625	2.43%	0.04%
	CORP NOTES	7,678,913	24.31%	0.02%
	US AGENCY	51,740,452	41.29%	0.11%
	US TREAS	50,250,631	52.76%	0.11%

BROKER ACTIVITY REPORT
ENDOWMENT FIXED INCOME POOL 205
JULY 1 - SEPTEMBER 30, 2014

Broker Name	Asset Group	Sum Of Book Value	Pct Of Type	Pct Of Total
BA SECURITIES INC.				
	US TREAS	12,430,502	71.33%	6.19%
CANTOR FITZGERALD				
	CORP CMO	1,114,427	100.00%	0.55%
	USA MBS	16,464,272	18.26%	8.19%
CRT CAPITAL				
	USA MBS	28,609,453	31.73%	14.24%
PIPER JAFFRAY				
	USA MBS	25,158,852	27.91%	12.52%
RAYMOND JAMES				
	USA MBS	10,021,868	11.12%	4.99%
STATE STREET				
	MONEY-MARKET	92,235,840	100.00%	45.90%
SUNTRUST ROBINSON				
	USA MBS	9,900,909	10.98%	4.93%
WELLS FARGO				
	US TREAS	4,995,729	28.67%	2.49%

BROKER ACTIVITY REPORT
ENDOWMENT EQUITY POOLS 201, 203, & 204
JULY 1 - SEPTEMBER 30, 2014

Broker Name	Asset Group	Sum Of Book Value	Pct Of Type	Pct Of Total
BA SECURITIES INC.				
	LARGE CAP	19,561	0.06%	0.02%
	MID CAP	1,983,708	3.81%	1.65%
	SMALL CAP	1,147,446	3.10%	0.95%
BARCLAYS CAPITAL INC.				
	LARGE CAP	29,463,070	94.36%	24.51%
	MID CAP	24,049,804	46.24%	20.01%
	SMALL CAP	19,215,025	51.99%	15.99%
BLOOMBERG				
	LARGE CAP	1,722,964	5.52%	1.43%
	MID CAP	25,389,970	48.82%	21.12%
	SMALL CAP	14,003,516	37.89%	11.65%
CANTOR FITZGERALD				
	MID CAP	559,443	1.08%	0.47%
	SMALL CAP	2,583,340	6.99%	2.15%
JP MORGAN CHASE				
	LARGE CAP	19,865	0.06%	0.02%
	MID CAP	25,906	0.05%	0.02%
	SMALL CAP	10,941	0.03%	0.01%