

OFFICE OF THE  
**ARIZONA STATE TREASURER**



**Doug Ducey**  
TREASURER



**APRIL 2013**

**Presented To:**

**Arizona State Board of Investment**

**MAY 28, 2013**

**STATE BOARD OF INVESTMENT**

**A G E N D A**

**May 28, 2013**

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

**May 28, 2013**

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**Minutes of  
BOARD OF INVESTMENT MEETING**

The regular meeting of the State Board of Investment was held on April 23, 2013 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  
Beth Ford, Treasurer, Pima County - *Via Teleconference*  
Lauren Kingry, Superintendent, Department of Financial Institutions  
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, Senior Portfolio Manager, Arizona State Treasurer's Office  
Tim White, Senior Portfolio Manager, Arizona State Treasurer's Office  
Chris Petkiewicz, Portfolio Manager, Arizona State Treasurer's Office  
Kevin Donnellan, Director of Communications, Arizona State Treasurer's Office  
Dale Stomberg, Investment Accounting Manager, Arizona State Treasurer's Office  
Sheila Asher, VP, Relationship Manager, JP Morgan

Pursuant to A.R.S. 35-311, the following reports for March, 2013 were submitted for the Board's approval:

Review of Treasurer's Monthly Reports:

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

***1. Call to Order:***

Treasurer Ducey called the April 23, 2013 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 April 23, 2013 meeting.

**3. *Approval of Minutes:***

Mr. Kingry made a motion to approve the March 26, 2013 minutes. Mr. Papp seconded the motion. Motion carried.

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

***Earnings Distribution – Investment Pools***

Mr. Petkiewicz 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 March, 2013.

***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 yields for the LGIP and LGIP-Gov Pools, as well as the comparisons to their relative benchmarks for the month of March, 2013.

***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 March, 2013.

***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 March 31, 2013.

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

Mr. Petkiewicz reported the total net assets, the weighted average life, the weighted average rating, and the total number of holdings on the LGIP, LGIP-Gov, and LGIP Medium Term pools for the month of March, 2013.

***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 March, 2013.

***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 March 31, 2013.

***Investments Outstanding in State Agency Pools***

Ms. Humbert reported the total net assets, the weighted average life, the weighted average duration, the weighted average rating, and the total number of holdings for the State Agency Investment Pools as of March 31, 2013.

***Operating Monies Average Invested Balance***

Ms. Humbert reported the Operating Monies average invested balance for the month of March, 2013.

***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 March, 2013.

***Endowment Funds Yield Analysis***

Mr. White reported the net yield of the Endowment Fund Fixed Income Pool for the month of March, 2013.

***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 March, 2013 and FY13 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 March, 2013.

***Equity Funds Purchases & Sales***

Mr. White reported the purchases and sales (summary) of the Endowment Equity Pools for the month of March, 2013.

***Investments Outstanding in Endowment Funds***

Mr. White reported the par, book, market value, and unrealized gains/loss of the Endowment Funds as of March 31, 2013.

***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 March 31, 2013.

***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 March 31, 2013.

***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 March 31, 2013.

***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 March 31, 2013.

***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 March 31, 2013.

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

Mr. White reported the total net assets, the weighted average life, the weighted average duration, the weighted average yield to maturity, the weighted average rating, and the total number of holdings for the Fixed Income Pool for the month of March, 2013.

***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 March, 2013.

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

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

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

No proposed changes.

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

There were no Securities Dealers to be approved.

**7. *General Business:***

There was no general business.

**8. *Call to the Public***

There was no public comment.

**9. *Notice of Next Meeting:***

Treasurer Ducey advised the Board that the next regular meeting of the Board of Investment will be Tuesday, May 28, 2013 at 1:30 p.m. at 1700 West Washington, State Capitol, West Wing, Treasurer's Conference Room, Phoenix, Arizona.

**10. *Adjournment:***

Mr. Kingry made a motion to adjourn the BOI meeting. Mr. Papp seconded the motion. Upon unanimous approval the BOI Meeting was adjourned at 2:00 p.m.

Respectfully Submitted by:

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Barbara Conley  
Executive Consultant II

Approved by:

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Doug Ducey, Chair

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Date

**EARNINGS DISTRIBUTION - INVESTMENT POOLS**  
**APRIL 2013**

<b>Recipient</b>	<b>Earnings Distributed</b>			<b>Fiscal YTD Investment Management Fees Received</b>
	<b>APRIL 2013</b>	<b>Fiscal YTD 12/13</b>	<b>Fiscal YTD 11/12</b>	
General Fund	\$1,331,215	\$11,633,495	\$8,953,161	
2 State Agencies - Full Faith & Credit	537,903	5,174,481	6,172,048	\$541,028
3 State Agencies - Diversified ( <i>Combined</i> )	1,142,833	11,044,451	8,567,824	1,097,770
4 State Agencies - Gov	472,074	4,458,953	3,876,910	535,058
5 LGIP	185,845	2,160,411	2,180,403	632,429
7 LGIP Gov	92,130	1,294,495	897,862	667,999
10 Tax-exempt Non-AMT Municipal Bonds	0	0	N/A	13,654
12 CAWCD Medium-Term	427,661	4,879,411	5,226,837	136,461
15 GADA Long-Term	16,027	170,632	253,031	6,045
16 ECDH Medium-Term	491,969	4,606,211	654,408	180,406
<b>Subtotal</b>	<b>\$4,697,658</b>	<b>\$45,422,540</b>	<b>\$36,782,486</b>	<b>\$3,810,850</b>
<b>NAV POOL</b>				
500 LGIP - Med Term	318,549	2,904,386	2,735,055	137,123
700 LGIP - FF&C Med Term	160,491	1,804,071	1,119,953	110,472
<b>Total</b>	<b>\$5,176,698</b>	<b>\$50,130,997</b>	<b>\$40,637,494</b>	<b>\$4,058,445</b>
<b>APRIL 2012 TOTALS</b>	<b>\$5,079,187</b>			<b>\$3,661,829</b>

**LGIP & LGIP- GOV  
 PORTFOLIO YIELD ANALYSIS  
 APRIL 30, 2013**

**NET EARNINGS**

<b>FUND</b>	<b>DESCRIPTION</b>	<b>Current Month 04/30/13</b>	<b>Prior Month 03/31/13</b>	<b>Prior Year 4/30/12</b>	<b>Net Asset Value Per Share</b>
5	LGIP	189,606	195,973	254,239	1.0000
7	LGIP - GOV	93,987	106,664	122,327	1.0000
<b>TOTAL LGIP &amp; LGIP-GOV</b>		<b>283,593</b>	<b>302,638</b>	<b>376,566</b>	

**YIELDS**

<b><u>MONTHLY</u></b>		<b>Current Month 04/30/13</b>	<b>Prior Month 03/31/13</b>	<b>Prior Year 4/30/12</b>
5	LGIP (NET)	0.18%	0.18%	0.21%
	S & P LGIP INDEX	0.07%	0.07%	0.10%
7	LGIP - GOV (NET)	0.09%	0.10%	0.10%
	3 MONTH T-BILL	0.05%	0.08%	0.08%
<b><u>YEAR TO DATE</u></b>				
5	LGIP (NET)	0.21%	0.21%	0.18%
	S & P LGIP INDEX	0.09%	0.09%	0.08%
7	LGIP - GOV (NET)	0.12%	0.12%	0.07%
	3 MONTH T-BILL	0.08%	0.08%	0.03%

\* 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  
APRIL 30, 2013**

**NET EARNINGS**

FUND	DESCRIPTION	Current Month 04/30/13	Prior Month 03/31/13	Prior Year 4/30/12	Net Asset Value Per Share
500	LGIP - MED TERM POOL	342,140	288,371	309,597	1.0422
700	LGIP - FF&C MED TERM POOL	175,288	152,645	164,036	1.0165
	<b>TOTAL LGIP MEDIUM TERM POOLS</b>	<b>517,428</b>	<b>441,016</b>	<b>473,633</b>	

**YIELDS**

**MONTHLY**

	Current Month 04/30/13	Prior Month 03/31/13	Prior Year 4/30/12
500 LGIP - MED TERM (NET)	1.43%	1.16%	1.71%
MERRILL 1-5 US D M INDEX	1.02%	1.14%	1.27%
700 LGIP - FF&C MED TERM (NET)	0.88%	0.75%	1.25%
75% MERRILL 1-5 US TREAS INDEX / 25% MERRILL GNMA MORTGAGE MASTER INDEX	0.70%	0.83%	0.75%

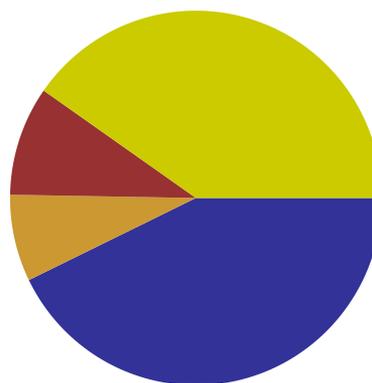
**YEAR TO DATE**

500 LGIP - MED TERM (NET)	1.43%	1.43%	1.74%
MERRILL 1-5 US D M INDEX	1.01%	1.01%	1.45%
700 LGIP - FF&C MED TERM (NET)	1.11%	1.13%	1.12%
75% MERRILL 1-5 US TREAS INDEX / 25% MERRILL GNMA MORTGAGE MASTER INDEX	0.68%	0.67%	0.86%

## Manager Allocation - Daily Arizona State Treasury (05509) As of April 30, 2013

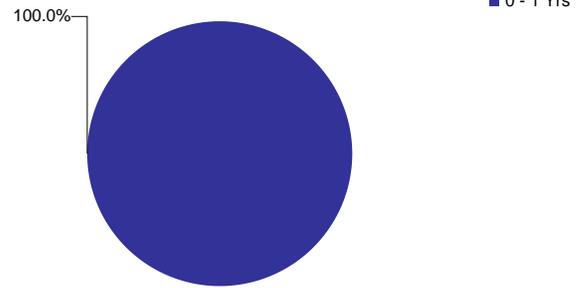
LGIP composite (00550903)		
Account Name	Market Value(MIL)	Percent of Portfolio
State of Arizona - Pool 5 (LGIP) (10327300)	1,379.21	42.8%
State of Arizona - Pool 500 (LGIP - Med Term) (10327700)	302.82	9.4%
State of Arizona - Pool 7 (LGIP - FF&C) (10327400)	1,295.86	40.2%
State of Arizona - Pool 700 (LGIP-FF&C Med Term) (10563200)	245.62	7.6%
<b>TOTAL</b>	<b>3,223.52</b>	<b>100.0%</b>

- State of Arizona - Pool 5 (LGIP) (10327300)
- State of Arizona - Pool 500 (LGIP - Med Term) (10327700)
- State of Arizona - Pool 7 (LGIP - FF&C) (10327400)
- State of Arizona - Pool 700 (LGIP-FF&C Med Term) (10563200)

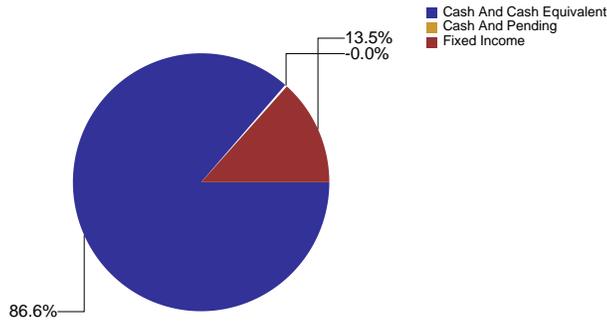


Portfolio Characteristics Duration Mix

**Total Net Assets (Millions)** 1,379.2  
**Weighted Average Life (Years)** 0.10  
**Weighted Avg. Effective Duration (Years)** 0.07  
**Weighted Average Maturity (Years)** 0.07  
**Weighted Average Rating** AA+  
**Number of Holdings** 71

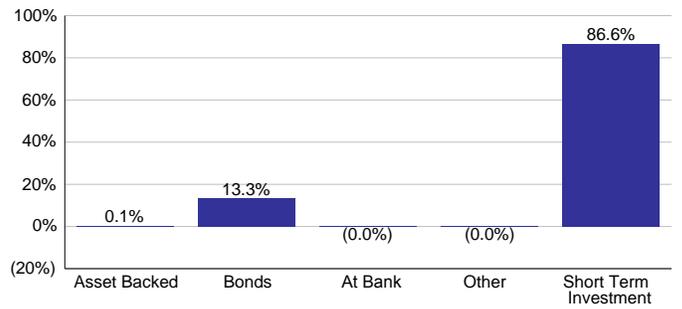
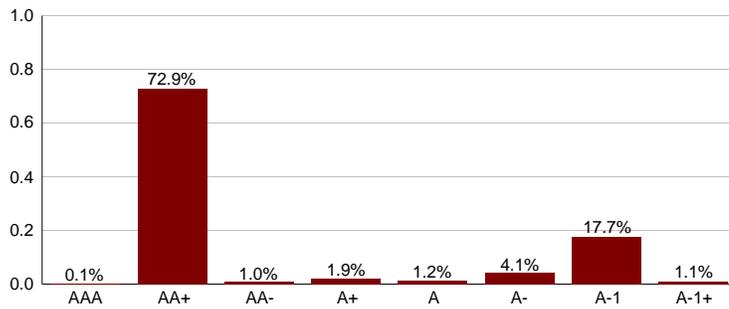


Asset Mix Sector Weightings (as % of Market Value)



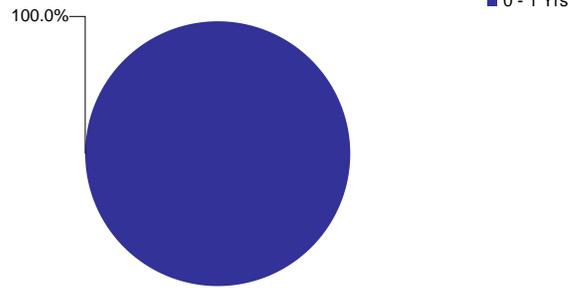
Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
46999W014	TRI-PARTY REPO JP MORGAN 0.30% 15/MAY/2013	18.29%	0.30	1/5/2013
46999W022	TRI-PARTY REPO JP MORGAN REPO SWEEP 0.20%	7.27%	0.20	1/5/2013
85299S323	TRI-PARTY REPO SOUTH STREET 0.18% 16/MAY/2013	7.25%	0.18	16/5/2013
15199X007	TRI-PARTY REPO DEUTSCHE 0.09% 16/MAY/2013	7.25%	0.09	16/5/2013
38299Y923	TRI-PARTY REPO GOLDMAN SACHS .10% 13/MAY/2013	7.25%	0.10	13/5/2013
15199R059	TRI-PARTY REPO DEUTSCHE 0.11% 14/MAY/2013	7.25%	0.11	14/5/2013
853990G78	SOUTH STREET .16%	6.89%	0.16	8/5/2013
31599FR00	FIDELITY INVESTMENTS-PRIME MONEY MARKET PORTFOLIO	2.90%	0.10	3/6/2013
85299S331	TRI-PARTY REPO SOUTH STREET 0.22% 01/MAY/2013	2.36%	0.22	1/5/2013
3133EASW9	FEDERAL FARM CR BKS CONS BD FLT 13 06/AUG/2013	1.45%	0.21	6/8/2013

Quality/Rating Weightings Sector Weightings (as % of Market Value)

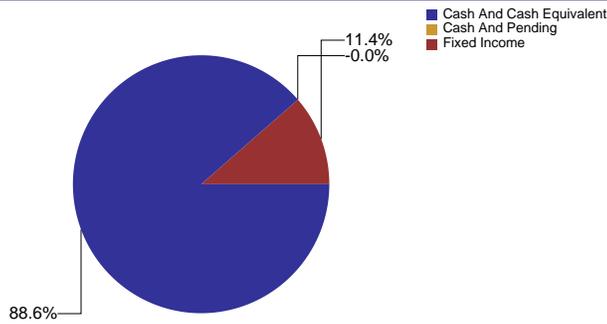


Portfolio Characteristics Duration Mix

**Total Net Assets (Millions)** 1,295.9  
**Weighted Average Life (Years)** 0.08  
**Weighted Avg. Effective Duration (Years)** 0.09  
**Weighted Average Maturity (Years)** 0.08  
**Weighted Average Rating** AA+  
**Number of Holdings** 20

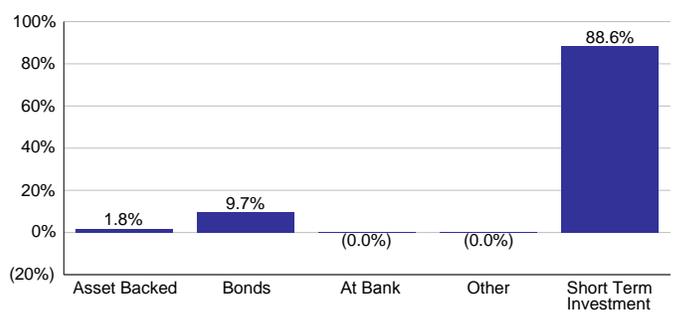
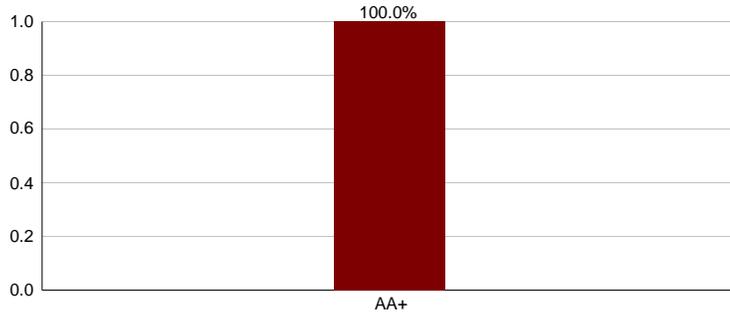


Asset Mix Top Ten Security Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
65599D044	TRI-PARTY REPO NOMURA 0.09% 06/MAY/2013	30.86%	0.09	6/5/2013
85299S331	TRI-PARTY REPO SOUTH STREET 0.22% 01/MAY/2013	12.50%	0.22	1/5/2013
65599C939	TRI-PARTY REPO NOMURA 0.13% 08/MAY/2013	9.65%	0.13	8/5/2013
912828RD4	UNITED STATES TREAS NTS 0.125% 31/AUG/2013	7.72%	0.12	31/8/2013
9127956R7	UNITED STATES TREAS BILLS DT	7.72%	0.00	30/5/2013
65599D085	TRI-PARTY REPO NOMURA 0.18% 01/MAY/2013	7.36%	0.18	1/5/2013
912796AJ8	UNITED STATES TREAS BILLS DT	3.86%	0.00	6/6/2013
912796AV1	UNITED STATES TREAS BILLS DT	3.86%	0.00	8/8/2013
9127957A3	UNITED STATES TREAS BILLS DT	3.86%	0.00	25/7/2013
G3R992550	FIDELITY INVESTMENTS-TREASURY PORTFOLIO SHARES	3.09%	0.00	3/6/2013

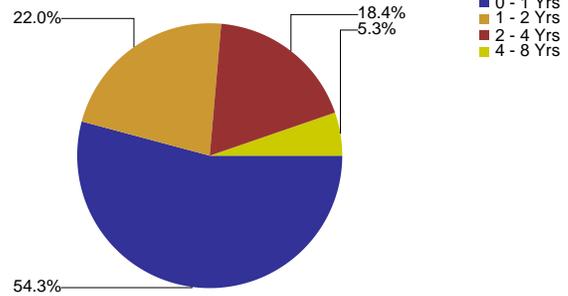
Quality/Rating Weightings Sector Weightings (as % of Market Value)



Portfolio Characteristics

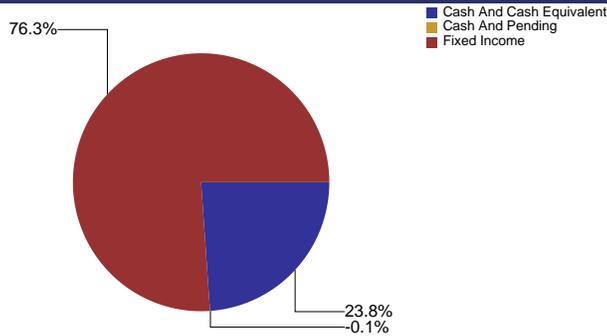
Duration Mix

**Total Net Assets (Millions)** 302.8  
**Weighted Average Life (Years)** 1.61  
**Weighted Avg. Effective Duration (Years)** 1.21  
**Weighted Average Rating** AA  
**Number of Holdings** 200



Asset Mix

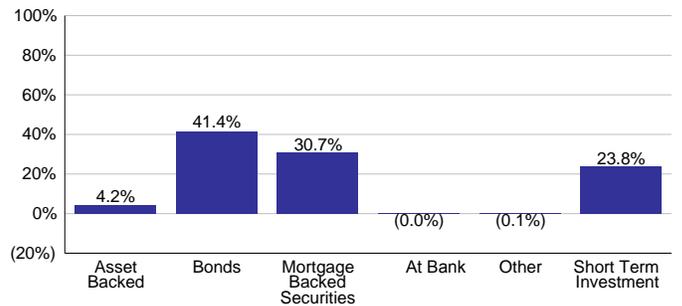
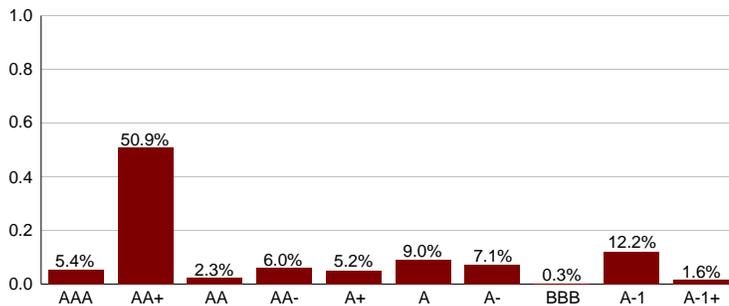
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
85299S331	TRI-PARTY REPO SOUTH STREET 0.22% 01/MAY/2013	9.90%	0.22	1/5/2013
31417CUR4	FNMA MORTPASS 2.5% 01/AUG/2027 CI PN# AB5991	4.59%	2.50	1/8/2027
31419JM47	FNMA MORTPASS 4.5% 01/NOV/2040 CL PN# AE7578	3.50%	4.50	1/11/2040
41068UU20	HANNOVER FDG CO. LLC CORPORATE COMMERCIAL PAPER	1.65%	0.00	2/7/2013
3137ARRT5	FREDDIE MAC 4080 DA 2.000% 15/MAR/2041	1.60%	2.00	15/3/2041
3132GU4P6	FHLMCGLD MORTPASS 3.5% 01/JUL/2042 Q0 PN# Q09530	1.60%	3.50	1/7/2042
3138A5CF7	FNMA MORTPASS 4% 01/FEB/2026 CI PN# AH3669	1.52%	4.00	1/2/2026
31418AHW1	FNMA MORTPASS 2.5% 01/AUG/2027 CI PN# MA1144	1.51%	2.50	1/8/2027
31416XE97	FNMA MORTPASS 4% 01/DEC/2040 CL PN# AB1959	1.48%	4.00	1/12/2040
31292LFA8	FHLMCGLD MORTPASS 3.5% 01/FEB/2042 C0 PN# C03761	1.44%	3.50	1/2/2042

Quality/Rating Weightings

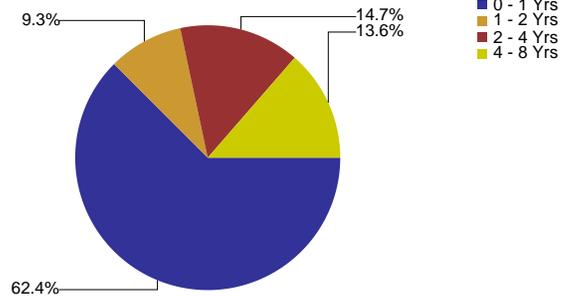
Sector Weightings (as % of Market Value)



Portfolio Characteristics

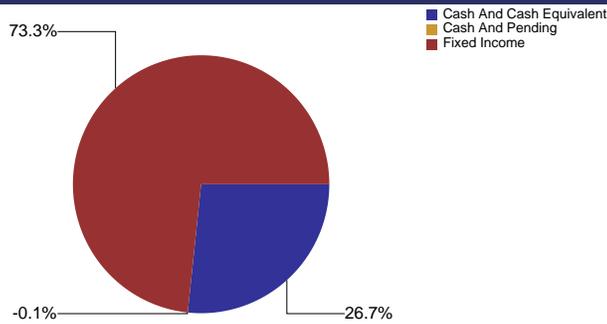
Duration Mix

Total Net Assets (Millions) **245.6**  
 Weighted Average Life (Years) **1.80**  
 Weighted Avg. Effective Duration (Years) **1.21**  
 Weighted Average Rating **AA+**  
 Number of Holdings **76**



Asset Mix

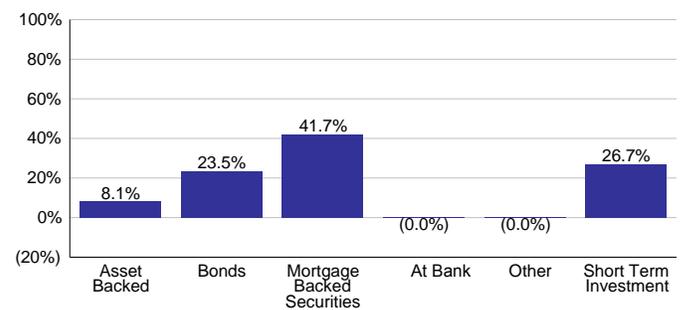
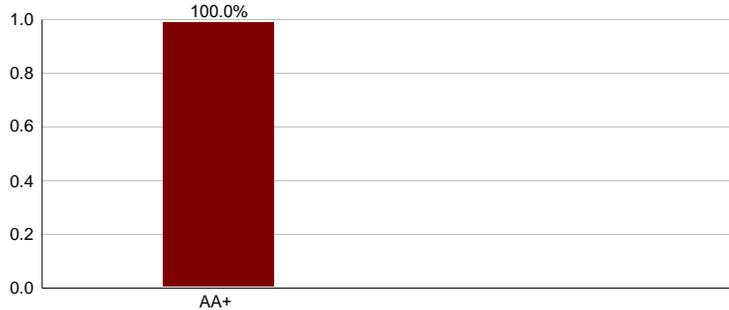
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
65599D044	TRI-PARTY REPO NOMURA 0.09% 06/MAY/2013	10.17%	0.09	6/5/2013
65599D085	TRI-PARTY REPO NOMURA 0.18% 01/MAY/2013	9.36%	0.18	1/5/2013
22087WAC3	CORUS CONSTRUCTION VENTURE LLC 0% NTS 25/OCT/2013	8.11%	0.00	25/10/2013
30299FD00	FDIC US BANK CDARS ACCOUNT	6.14%	0.30	3/6/2013
912828RD4	UNITED STATES TREAS NTS 0.125% 31/AUG/2013	4.07%	0.12	31/8/2013
36202FL61	GNMA II MORTPASS 4% 20/NOV/2040 JM PN# 004849	3.73%	4.00	20/11/2040
36179MGW4	GNMA II MORTPASS 3% 20/JUL/2042 JM PN# MA0213	3.15%	3.00	20/7/2042
38378H4K9	GINNIE MAE 2012-124 KB 2.000% 20/JUL/2042	3.04%	2.00	20/7/2042
36179MAH3	GNMA II MORTPASS 3.5% 20/APR/2027 SF PN# MA0008	2.69%	3.50	20/4/2027
36225E3Y6	GNMA II MORTPASS 03% 20/SEP/2040 AT PN# 082614	2.59%	3.00	20/9/2040

Quality/Rating Weightings

Sector Weightings (as % of Market Value)



**STATE AGENCY POOLS  
 PORTFOLIO EARNINGS ANALYSIS  
 April 30, 2013**

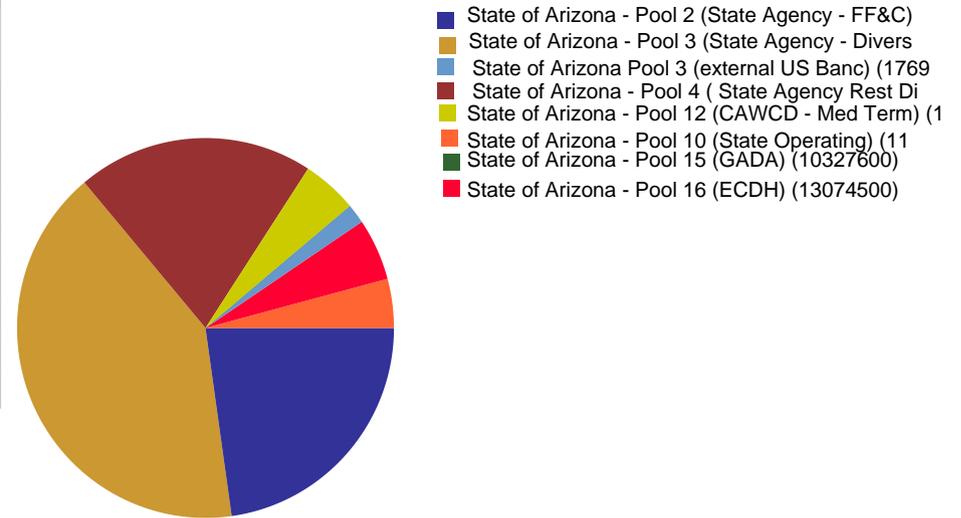
<b>FUND</b>	<b>DESCRIPTION</b>	<b>Current Month 04/30/13</b>	<b>Prior Month 03/31/13</b>	<b>Prior Year 4/30/12</b>	<b>Net Asset Value Per Share</b>
2	STATE AGENCIES - FULL FAITH & CREDIT	817,266	828,383	791,566	1.0044
3	STATE AGENCIES - DIVERSIFIED				
	INTERNAL MANAGERS	1,762,314	1,908,598	2,009,584	1.0038
	EXTERNAL MANAGERS	43,409	35,406	0	1.0012
	<b>FUND 3 TOTAL</b>	<b>1,805,723</b>	<b>1,944,004</b>	<b>2,009,584</b>	<b>1.0037</b>
4	STATE AGENCIES - GOV	775,906	786,463	603,039	1.0026
10	TAX-EXEMPT NON-AMT MUNICIPAL BONDS	41,126	N/A	N/A	1.0002
12	CAWCD MEDIUM-TERM	427,661	450,068	503,366	1.0274
15	GADA LONG-TERM	16,027	16,522	20,749	1.0169
16	ECDH MEDIUM-TERM	491,969	459,741	300,683	1.0112
	<b>TOTAL STATE AGENCIES</b>	<b>4,375,678</b>	<b>4,485,180</b>	<b>4,228,987</b>	

**STATE AGENCY POOLS  
PORTFOLIO YIELD ANALYSIS  
APRIL 30, 2013**

FUND	DESCRIPTION	Current Month 04/30/13	Prior Month 03/31/13	Prior Year 4/30/12
2	STATE AGENCIES - FULL FAITH & CREDIT 75% MERRILL 0-1 US TREAS INDEX / 25% MERRILL GNMA MORTGAGE MASTER INDEX	0.79% 0.52%	0.81% 0.63%	1.11% 0.55%
3	STATE AGENCIES - DIVERSIFIED INTERNAL MANAGERS EXTERNAL MANAGERS COMBINED 50% 3 MONTH LIBOR INDEX / 50% MERRILL 1-3 US BROAD MARKET INDEX	0.94% 0.53% 0.93% 0.47%	0.99% 0.42% 0.97% 0.47%	1.02% N/A 1.02% 0.73%
4	STATE AGENCIES - GOV 50% MERRILL 6 MTH US T-BILL INDEX / 50% MERRILL 1-3 UNSUB. US TREAS / AGY INDEX	0.85% 0.15%	0.84% 0.19%	0.90% 0.23%
10	TAX-EXEMPT NON-AMT MUNICIPAL BONDS SIFMA MUNICIPAL SWAP INDEX	0.18% 0.18%	N/A N/A	N/A N/A
12	CAWCD MEDIUM-TERM BARCLAYS CAPITAL US AGG. BOND INDEX	2.05% 1.73%	2.07% 1.86%	2.21% 2.07%
15	GADA LONG-TERM MERRILL 3-5 US BROAD MARKET EX CORP	1.61% 1.30%	1.61% 1.51%	2.09% 1.52%
16	ECDH MEDIUM-TERM BARCLAYS CAPITAL US AGG. BOND INDEX	1.81% 1.73%	1.64% 1.86%	1.83% 2.07%

## Manager Allocation - Daily Arizona State Treasury (05509) As of April 30, 2013

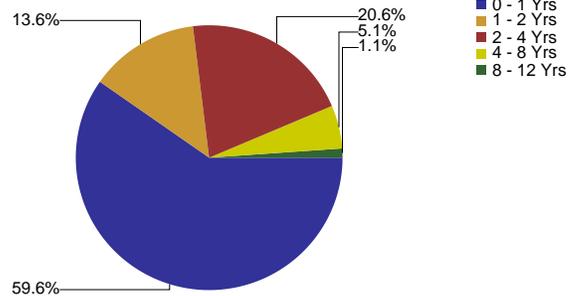
Pool Composite (00550904)		
Account Name	Market Value(MIL)	Percent of Portfolio
State of Arizona - Pool 2 (State Agency - FF&C) (10327000)	1,429.05	22.7%
State of Arizona - Pool 3 (State Agency - Diversified) (10327100)	2,596.65	41.2%
State of Arizona - Pool 3 (external US Banc) (17699900)	100.58	1.6%
State of Arizona - Pool 4 (State Agency Rest Div) (10327200)	1,270.91	20.2%
State of Arizona - Pool 10 ( State Operating) (11741000)	294.33	4.7%
State of Arizona - Pool 12 (CAWCD - Med Term) (10327500)	257.65	4.1%
State of Arizona - Pool 15 (GADA) (10327600)	12.31	0.2%
State of Arizona - Pool 16 (ECDH) (13074500)	334.28	5.3%
<b>TOTAL</b>	<b>6,295.76</b>	<b>100.0%</b>



Portfolio Characteristics

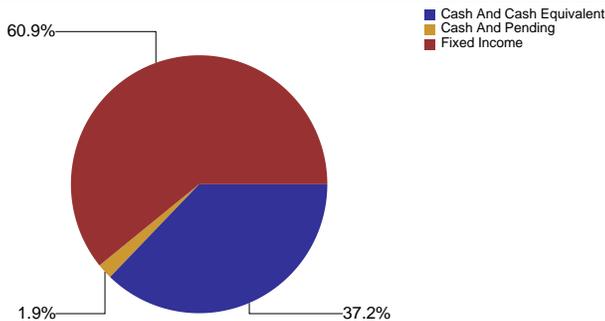
Duration Mix

Total Net Assets (Millions) **1,429.0**  
 Weighted Average Life (Years) **1.63**  
 Weighted Avg. Effective Duration (Years) **1.29**  
 Weighted Average Rating **AA+**  
 Number of Holdings **115**



Asset Mix

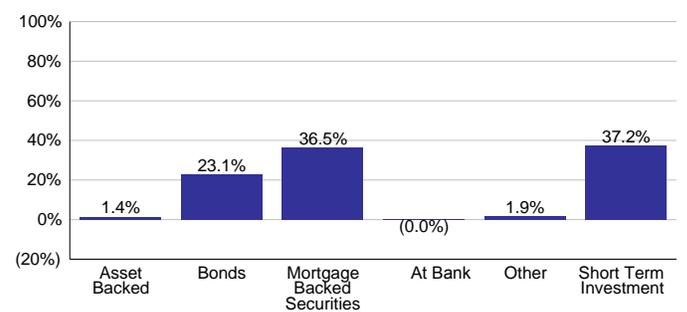
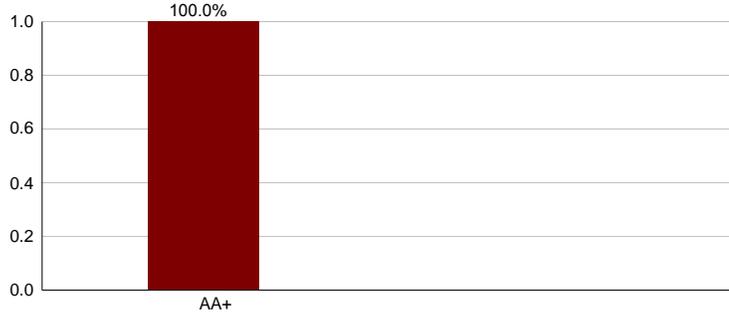
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
65599D085	TRI-PARTY REPO NOMURA 0.18% 01/MAY/2013	11.16%	0.18	1/5/2013
60699M028	TRI-PARTY REPO MIZUHO .15%	7.13%	0.15	1/5/2013
60699C343	TRI-PARTY REPO BANK OF AMERICA 0.12% 01/MAY/2013	7.13%	0.12	1/5/2013
60699C467	TRI-PARTY REPO MIZUHO 0.17% 01/MAY/2013	7.13%	0.17	1/5/2013
65599D051	TRI-PARTY REPO NOMURA 0.08% 07/MAY/2013	3.57%	0.08	7/5/2013
912828QH6	UNITED STATES TREAS NTS 1.250% 15/FEB/2014	2.88%	1.25	15/2/2014
38375GHL8	GINNIE MAE 2012-84 LB 2.000% 16/MAY/2042	2.87%	2.00	16/5/2042
62889KAA9	NCUA GTD NTS MASTER TRUST 0% BDS 12/JUN/2013	2.85%	0.00	12/6/2013
38377X5L2	GINNIE MAE 2012-137 FA VARIABLE 20/NOV/2042	1.77%	0.50	20/11/2042
38378EGJ6	GINNIE MAE 2012-51 EA 1.500% 20/SEP/2040	1.69%	1.50	20/9/2040

Quality/Rating Weightings

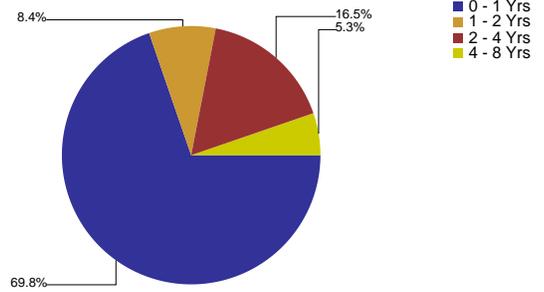
Sector Weightings (as % of Market Value)



Portfolio Characteristics

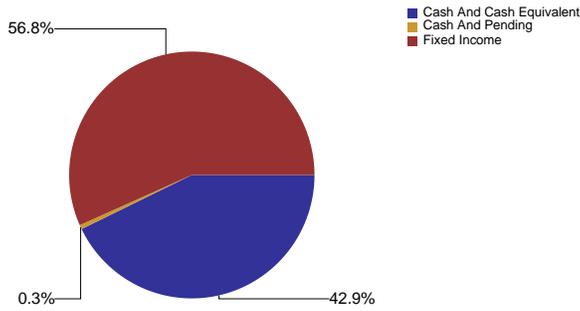
Duration Mix

Total Net Assets (Millions) **2,697.2**  
 Weighted Average Life (Years) **1.41**  
 Weighted Avg. Effective Duration (Years) **0.95**  
 Weighted Average Rating **AA**  
 Number of Holdings **325**



Asset Mix

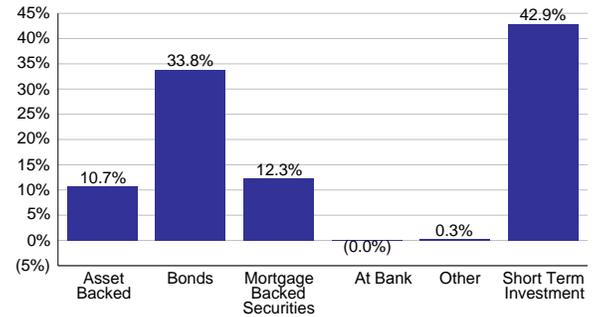
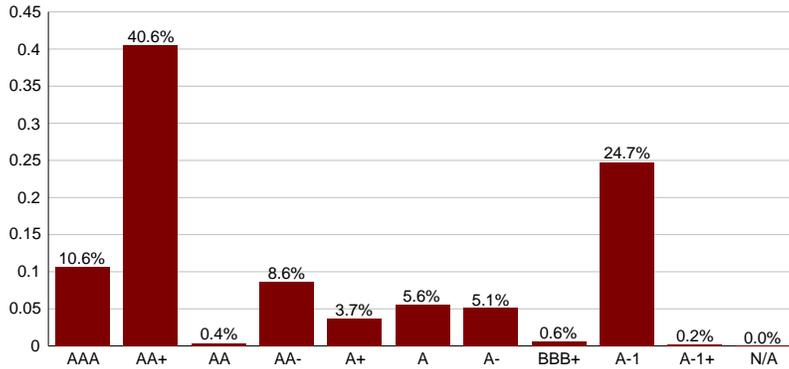
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
60699C467	TRI-PARTY REPO MIZUHO 0.17% 01/MAY/2013	5.58%	0.17	1/5/2013
6555POSA8	NORDEA NORTH AMER. I CORPORATE COMMERCIAL PAPER	2.26%	0.00	10/5/2013
G3R99Z543	FIDELITY INVESTMENTS-MONEY MARKET PORTFOLIO SHARES	1.87%	0.00	3/6/2013
65599D051	TRI-PARTY REPO NOMURA 0.08% 07/MAY/2013	1.86%	0.08	7/5/2013
85520LS22	STARBIRD FDG. CORP. CORPORATE COMMERCIAL PAPER	1.86%	0.00	2/5/2013
52468JS21	LEGACY CAPITAL COMPANY CORPORATE COMMERCIAL PAPER	1.86%	0.00	2/5/2013
0556NOSU0	BNP PARIBAS FIN INC CORPORATE COMMERCIAL PAPER	1.86%	0.00	28/5/2013
53127TSE4	LIBERTY FUNDING LLC CORPORATE COMMERCIAL PAPER	1.72%	0.00	14/5/2013
87019QME5	SWEDBANK (SPARBANK) CERTIFICATE OF DEPOSIT FIXED	1.69%	1.00	15/7/2013
85299S331	TRI-PARTY REPO SOUTH STREET 0.22% 01/MAY/2013	1.59%	0.22	1/5/2013

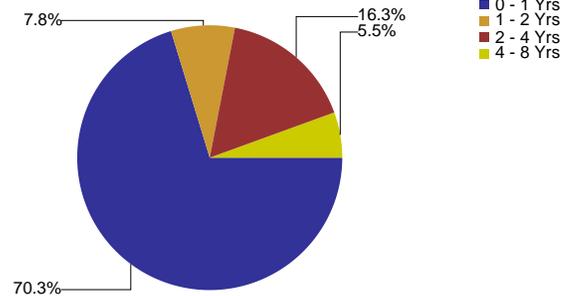
Quality/Rating Weightings

Sector Weightings (as % of Market Value)



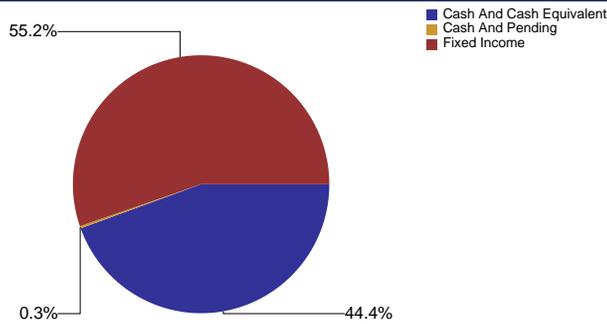
Portfolio Characteristics Duration Mix

**Total Net Assets (Millions)** 2,596.6  
**Weighted Average Life (Years)** 1.41  
**Weighted Avg. Effective Duration (Years)** 0.94  
**Weighted Average Rating** AA  
**Number of Holdings** 187



Asset Mix

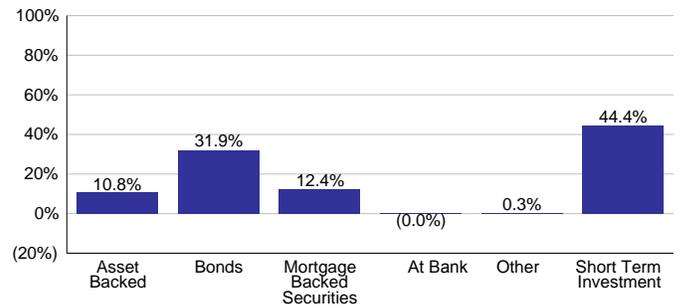
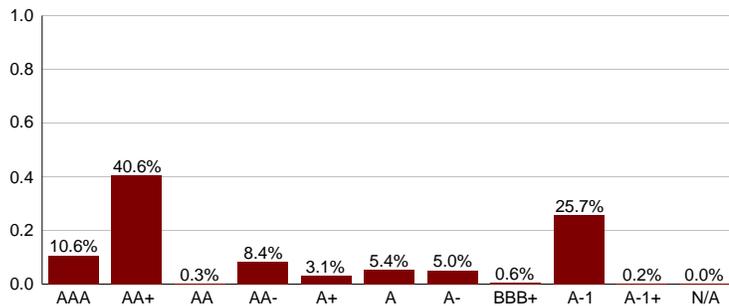
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
60699C467	TRI-PARTY REPO MIZUHO 0.17% 01/MAY/2013	5.80%	0.17	1/5/2013
6555P0SA8	NORDEA NORTH AMER. I CORPORATE COMMERCIAL PAPER	2.35%	0.00	10/5/2013
G3R992543	FIDELITY INVESTMENTS-MONEY MARKET PORTFOLIO SHARES	1.94%	0.00	3/6/2013
65599D051	TRI-PARTY REPO NOMURA 0.08% 07/MAY/2013	1.93%	0.08	7/5/2013
85520LS22	STARBIRD FDG. CORP. CORPORATE COMMERCIAL PAPER	1.93%	0.00	2/5/2013
52468JS21	LEGACY CAPITAL COMPANY CORPORATE COMMERCIAL PAPER	1.93%	0.00	2/5/2013
0556N0SU0	BNP PARIBAS FIN INC CORPORATE COMMERCIAL PAPER	1.93%	0.00	28/5/2013
53127TSE4	LIBERTY FUNDING LLC CORPORATE COMMERCIAL PAPER	1.79%	0.00	14/5/2013
87019QME5	SWEDBANK (SPARBANK) CERTIFICATE OF DEPOSIT FIXED	1.75%	1.00	15/7/2013
85299S331	TRI-PARTY REPO SOUTH STREET 0.22% 01/MAY/2013	1.66%	0.22	1/5/2013

Quality/Rating Weightings

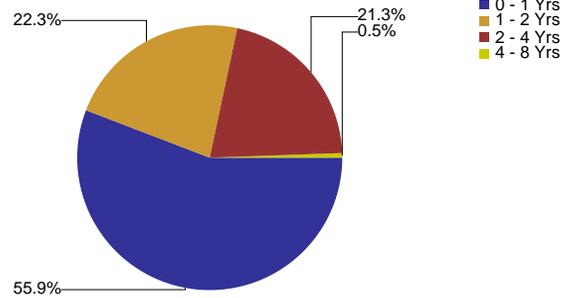
Sector Weightings (as % of Market Value)



Portfolio Characteristics

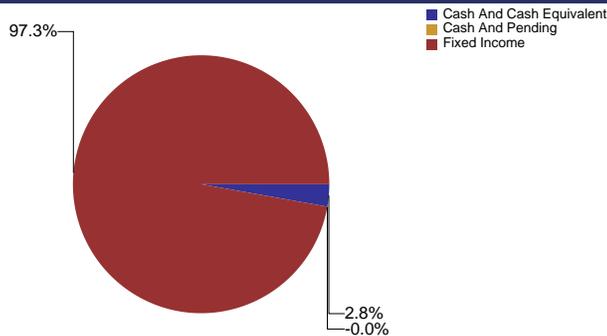
Duration Mix

**Total Net Assets (Millions)** 100.6  
**Weighted Average Life (Years)** 1.53  
**Weighted Avg. Effective Duration (Years)** 1.02  
**Weighted Average Rating** AA  
**Number of Holdings** 138



Asset Mix

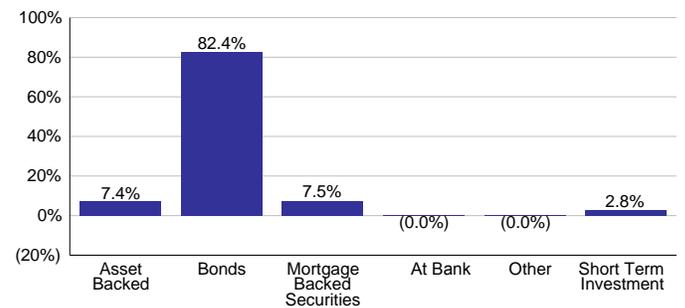
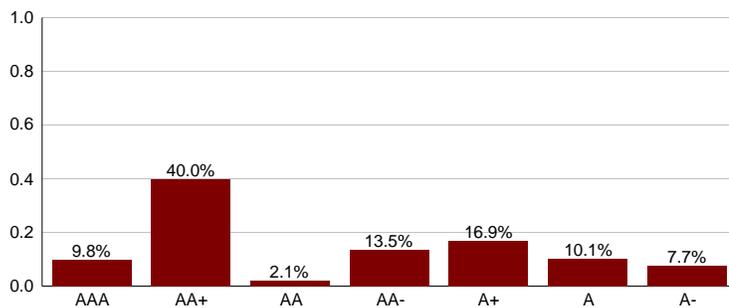
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
313379P60	FEDERAL HOME LOAN BANKS CONS BD FLT 13 25/NOV/2013	3.98%	0.00	25/11/2013
3135G0KR3	FEDERAL NATIONAL MORTGAGE ASSOC 0.7% NTS	2.49%	0.70	15/5/2015
3133EARS9	FEDERAL FARM CR BKS CONS BD 0.38% 29/MAY/2014	2.49%	0.38	29/5/2014
3135G0KS1	FEDERAL NATIONAL MORTGAGE ASSOC 0.56% NTS	2.49%	0.56	10/2/2015
3133EAZU5	FEDERAL FARM CREDIT BANKS 0.45% BDS 24/APR/2015	2.48%	0.45	24/4/2015
12623MAC7	CNH EQUIPMENT TST 0.94% BDS 15/MAY/2017 USD1000	2.00%	0.94	15/5/2017
64952WBG7	NEW YORK LIFE GLOBAL FUNDING VAR BDS 18/JUN/2014	1.99%	0.00	8/6/2014
949746NA5	WELLS FARGO COMPANY VARIABLE 28/OCT/2015	1.83%	0.00	28/10/2015
59157BAF9	METLIFE INSTITUTIONAL FUNDING II BDS	1.80%	0.00	4/4/2014
78008TXB5	ROYAL BANK OF CANADA FRN 30/OCT/2014 USD1000	1.75%	0.00	30/10/2014

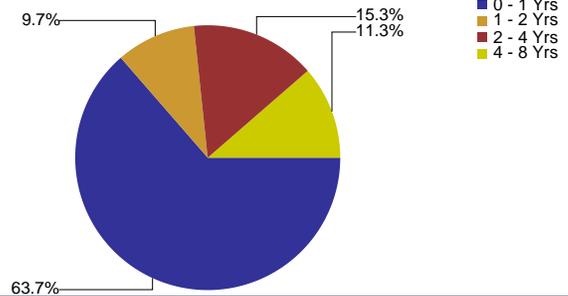
Quality/Rating Weightings

Sector Weightings (as % of Market Value)

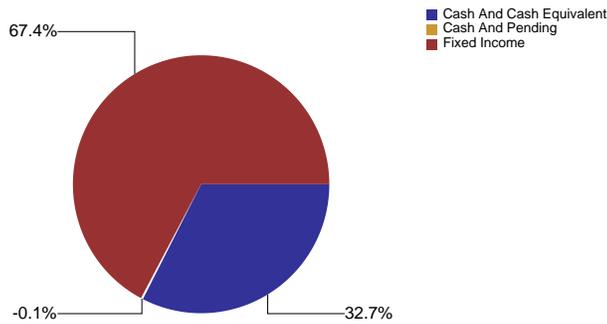


Portfolio Characteristics Duration Mix

Total Net Assets (Millions) **1,270.9**  
 Weighted Average Life (Years) **1.81**  
 Weighted Avg. Effective Duration (Years) **1.22**  
 Weighted Average Rating **AA+**  
 Number of Holdings **96**

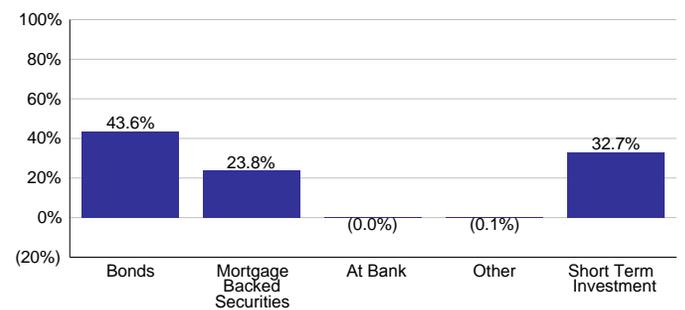
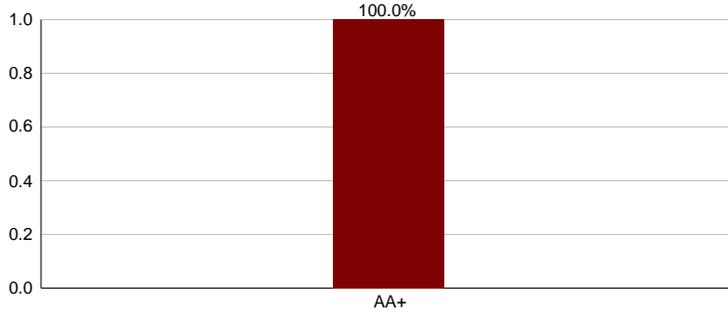


Asset Mix Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
85299S331	TRI-PARTY REPO SOUTH STREET 0.22% 01/MAY/2013	13.33%	0.22	1/5/2013
46999W014	TRI-PARTY REPO JP MORGAN 0.30% 15/MAY/2013	4.37%	0.30	1/5/2013
65599D051	TRI-PARTY REPO NOMURA 0.08% 07/MAY/2013	3.93%	0.08	7/5/2013
15199R059	TRI-PARTY REPO DEUTSCHE 0.11% 14/MAY/2013	3.93%	0.11	14/5/2013
313385FX9	FEDL HOME LOAN BK CONS DISC NT MATURES 22/MAY/2009	3.15%	0.00	22/5/2013
3133813R4	FEDERAL HOME LOAN BANKS 1% BDS 09/NOV/2017	2.57%	1.00	9/11/2017
3133EAJF6	FEDERAL FARM CR BKS CONS BD FLT 15 22/SEP/2015	2.36%	0.22	22/9/2015
85299S323	TRI-PARTY REPO SOUTH STREET 0.18% 16/MAY/2013	2.36%	0.18	16/5/2013
3137AUBR9	FREDDIE MAC 4111 AG 1.750% 15/AUG/2039	2.30%	1.75	15/8/2039
3134G3A42	FEDERAL HOME LOAN MORTGAGE CORP 1% BDS 14/AUG/2017	1.97%	1.00	14/8/2017

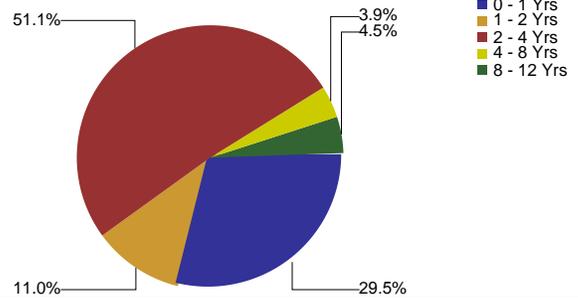
Quality/Rating Weightings Sector Weightings (as % of Market Value)



Portfolio Characteristics

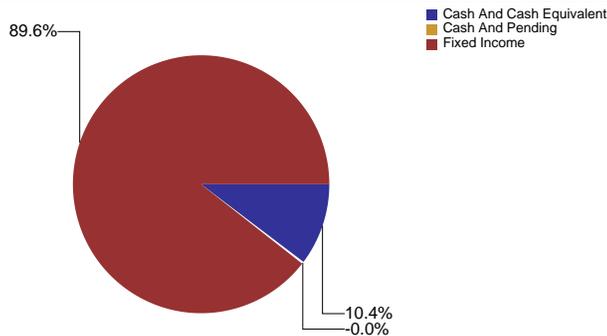
Duration Mix

Total Net Assets (Millions) **294.3**  
 Weighted Average Life (Years) **1.46**  
 Weighted Avg. Effective Duration (Years) **1.54**  
 Weighted Average Rating **AA**  
 Number of Holdings **54**



Asset Mix

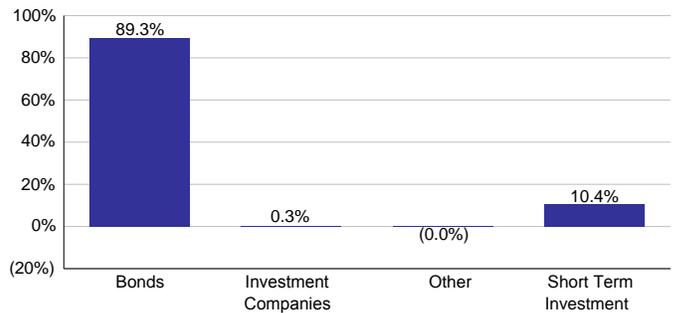
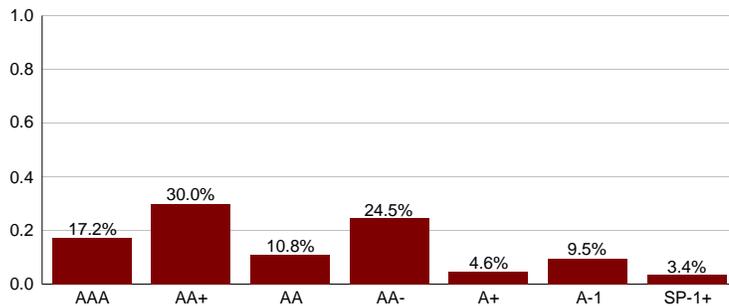
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
576000NS8	MASSACHUSETTS ST SCH BLDG AUTH DEDICATED SALES TAX	18.97%	5.00	15/8/2030
576000BF9	MASSACHUSETTS ST SCH BLDG AUTH DEDICATED SALES TAX	13.27%	5.00	15/8/2023
04057PAQ1	ARIZONA SCH FACS BRD CTFS PARTN SER A 01/SEP/2013	3.81%	5.00	1/9/2013
677520Q68	OHIO ST FOR ISSUES DTD PRIOR TO 3/25/05 SEE 677519	3.75%	5.00	1/8/2016
64966KEE9	NEW YORK NY 4% BDS 01/AUG/2014 USD1000	3.59%	4.00	1/8/2014
040654PW9	ARIZONA ST TRANSN BRD HWY REV 01/JUL/2024 05.000	3.52%	5.00	1/7/2024
23530MFX5	CITY OF DALLAS, WTRW MUNI COMMERCIAL PAPER - TAX	3.35%	0.18	1/5/2013
91412GRL1	UNIVERSITY CALIF REVS RFDG GEN-SER AF 15/MAY/2015	2.99%	5.00	15/5/2015
91412T3M7	RGTS OF UNIV OF CA MUNI COMMERCIAL PAPER - TAX	2.89%	0.13	10/7/2013
677521E77	OHIO STATE RFDG-COMMON SCHS-SER A 15/SEP/2016	2.84%	5.00	15/9/2016

Quality/Rating Weightings

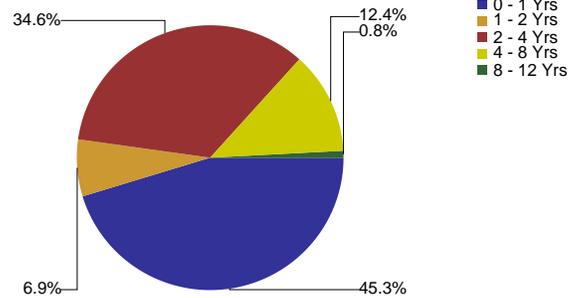
Sector Weightings (as % of Market Value)



Portfolio Characteristics

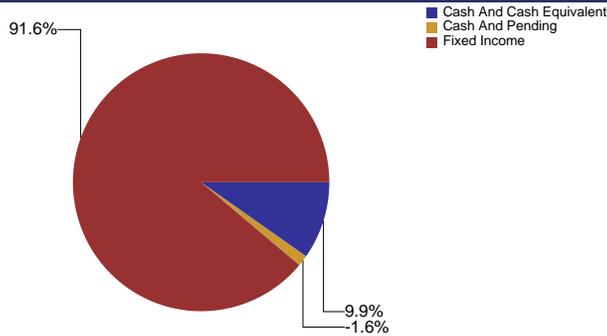
Duration Mix

Total Net Assets (Millions) **257.7**  
 Weighted Average Life (Years) **2.73**  
 Weighted Avg. Effective Duration (Years) **1.85**  
 Weighted Average Rating **AA**  
 Number of Holdings **104**



Asset Mix

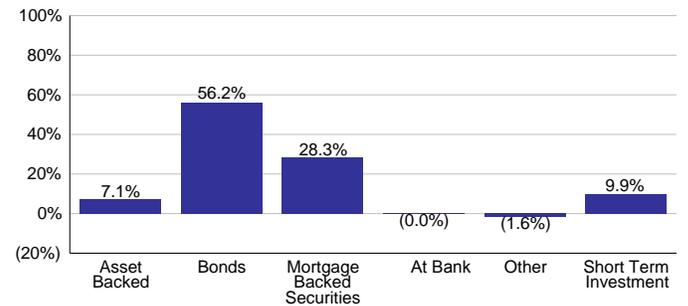
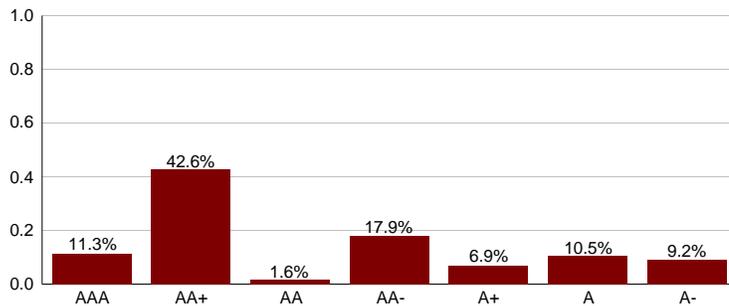
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
85299S331	TRI-PARTY REPO SOUTH STREET 0.22% 01/MAY/2013	4.24%	0.22	1/5/2013
191216AN0	COCA-COLA CO 0.75% SNR NTS 15/NOV/2013 USD1000	3.08%	0.75	15/11/2013
3136A9LG1	FANNIE MAE 2012-114 GB 1.750% 25/MAR/2040	2.63%	1.75	25/3/2040
928989466	JP MORGAN PRIME MMF AGENCY SHARES	2.08%	0.00	31/12/2049
92343VAY0	VERIZON COMMUNICATIONS INC 3% BDS 01/APR/2016	2.03%	3.00	1/4/2016
3128HXS7	FHLMC GOLD MORTPASS 2.5% 15/AUG/2042 PN# S05928	1.93%	2.50	15/8/2042
78008TXB5	ROYAL BANK OF CANADA FRN 30/OCT/2014 USD1000	1.93%	0.00	30/10/2014
59217GAF6	METROPOLITAN LIFE GLOBAL FUNDING I FRN 10/JAN/2014	1.92%	0.00	10/1/2014
89233P6S0	TOYOTA MOTOR CREDIT CORP 1.25% BDS 05/OCT/2017	1.92%	1.25	5/10/2017
94974BFK1	WELLS FARGO & CO. MEDIUM TERM NOTE VARIABLE DTD	1.91%	0.00	23/4/2018

Quality/Rating Weightings

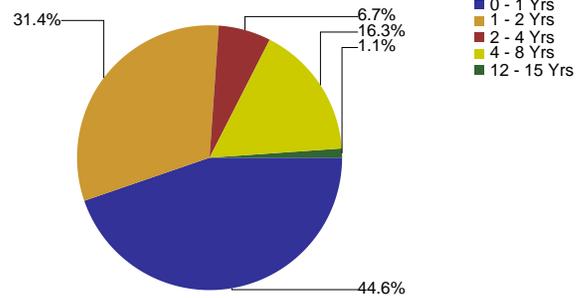
Sector Weightings (as % of Market Value)



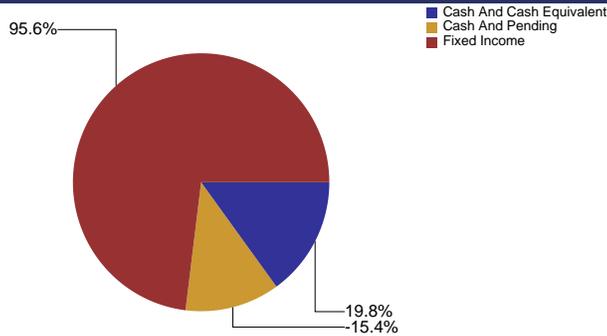
Portfolio Characteristics

Total Net Assets (Millions) **12.3**  
 Weighted Average Life (Years) **3.19**  
 Weighted Avg. Effective Duration (Years) **1.57**  
 Weighted Average Rating **AA+**  
 Number of Holdings **23**

Duration Mix



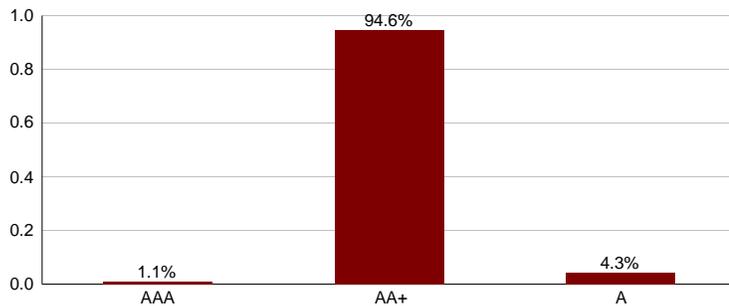
Asset Mix



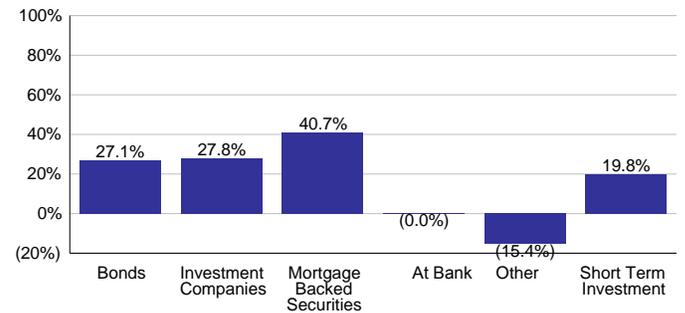
Top Ten Portfolio Holdings

Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
3136AD2H1	FANNIE MAE 2013-43 XP 1.500% 25/AUG/2041	14.12%	1.50	25/8/2041
928989466	JP MORGAN PRIME MMF AGENCY SHARES	13.61%	0.00	31/12/2049
539998153	LOCAL GOV INVS POOL 4	13.23%	0.00	31/12/2049
A41995373	LOCAL GOV INVS POOL 700	10.86%	0.00	31/12/2049
3133EAX29	FEDERAL FARM CR BKS CONS BD 0.98%	7.06%	0.98	18/9/2017
3136FTN70	FEDERAL NATL MTG ASSN CALL 3%28/NOV/2025	5.31%	3.00	28/11/2025
3137A7HC7	FREDDIE MAC 3800 KE 3.500% 15/FEB/2026	3.77%	3.50	15/2/2026
10138MAH8	BOTTLING GROUP 6.95% SNR NTS 15/MAR/2014 USD1000	3.74%	6.95	15/3/2014
3134G24S8	FEDERAL HOME LN MTG CORP CALL 2.25%14/NOV/2018	3.59%	2.25	14/11/2018
G3R992543	FIDELITY INVESTMENTS-MONEY MARKET PORTFOLIO SHARES	3.53%	0.00	3/6/2013

Quality/Rating Weightings



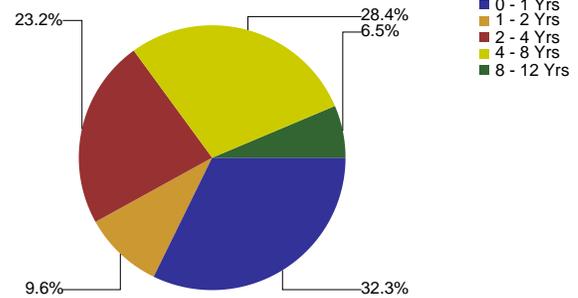
Sector Weightings (as % of Market Value)



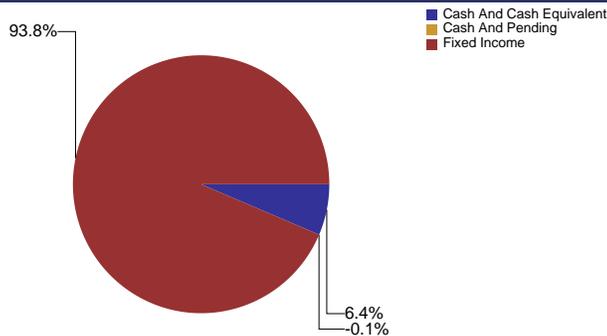
Portfolio Characteristics Duration Mix

Total Net Assets (Millions)  
Weighted Average Life (Years)  
Weighted Avg. Effective Duration (Years)  
Weighted Average Rating  
Number of Holdings

334.3  
2.72  
3.07  
AA  
90

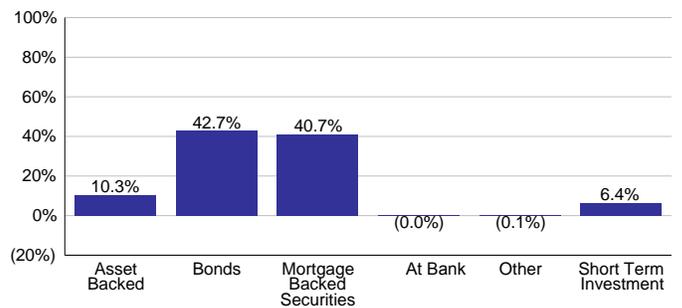
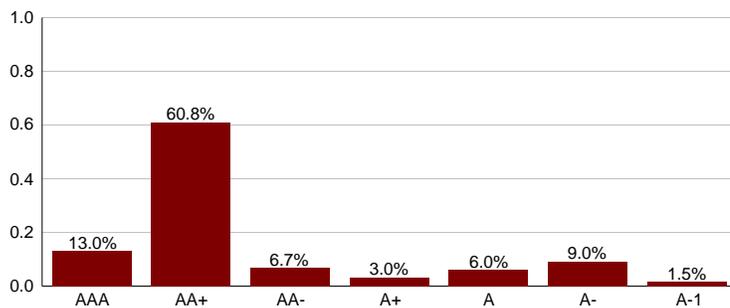


Asset Mix Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
85299S331	TRI-PARTY REPO SOUTH STREET 0.22% 01/MAY/2013	4.18%	0.22	1/5/2013
3137ATR20	FREDDIE MAC 4097 VH 1.500% 15/OCT/2041	4.01%	1.50	15/10/2041
3128HXW76	FHLMC GOLD MORTPASS 3.00% 15/AUG/2042 POOL#S06070	3.06%	3.00	15/8/2042
3134G35R7	FEDERAL HOME LOAN MORTGAGE CORP 2.25% NTS	2.36%	2.25	13/3/2020
63534PAH0	NATIONAL CITY BANK(CLEVELAND) FLTG RATE NTS	2.07%	0.00	7/6/2017
31398NY24	FANNIE MAE 2010-123B PM 4.000% 25/JUL/2040	2.00%	4.00	25/7/2040
3137AL2X6	FREDDIE MAC 3990 BH 3.500% 15/JAN/2032	1.69%	3.50	15/1/2032
31398T7A3	FANNIE MAE 2010-113 LV 4.000% 25/JUN/2030	1.66%	4.00	25/6/2030
38377XC75	GINNIE MAE 2011-133 MN 3.500% 16/APR/2035	1.65%	3.50	16/4/2035
3137AJMF8	FREDDIE MAC K-016 A-2 2.968% 25/OCT/2021	1.60%	2.97	25/10/2021

Quality/Rating Weightings Sector Weightings (as % of Market Value)



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

Through April 30, 2013

(in millions of dollars)

<u>Month</u>	<u>Fiscal Year</u> <u>2010/2011</u>	<u>Fiscal Year</u> <u>2011/2012</u>	<u>Fiscal Year</u> <u>2012/2013</u>
JULY	1,077	1,209	1,817
AUGUST	761	818	1,475
SEPTEMBER	590	744	1,420
OCTOBER	358	668	1,205
NOVEMBER	570	858	1,316
DECEMBER	592	979	1,464
JANUARY	835	1,511	1,885
FEBRUARY	863	1,501	1,899
MARCH	802	1,373	1,815
APRIL	1,002	1,725	2,109
MAY	1,128	2,036	
JUNE	1,358	2,331	
<b>Y-T-D</b>			
<b>Average</b>	<b>\$828</b>	<b>\$1,313</b>	<b>\$1,640</b>
<b>Budget Stabilization Average Fund Balance - April</b>			<b><u>\$453</u></b>
<b>Total Average Cash Available - April</b>			<b>\$2,562</b>

**EARNINGS DISTRIBUTED  
ENDOWMENT FUNDS  
APRIL 2013**

**Distributed in Current Month**

<b>Recipient</b>	<b>APRIL 2013</b>	<b>Fiscal YTD 12/13</b>	<b>Fiscal YTD 11/12</b>
101 A & M Colleges	\$20,921	\$167,224	\$219,761
102 State Hospital	\$11,675	\$95,341	\$121,789
103 Leg., Exec., & Jud.	\$16,128	\$135,560	\$180,394
104 Military Institute	\$1,102	\$9,567	\$12,795
105 Miners Hospital	\$26,407	\$230,042	\$291,416
107 Normal School ASU/NAU	\$6,714	\$57,261	\$75,066
108 Penitentiaries	\$14,477	\$195,108	\$288,865
109 Permanent Common School	\$5,946,675	\$50,524,425	\$64,714,976
110 School for Deaf & Blind	\$9,557	\$82,492	\$107,779
111 School of Mines	\$23,029	\$189,388	\$249,403
112 State Charitable-Pioneers Home	\$117,452	\$900,998	\$1,133,026
112 State Charitable-Corrections	\$58,726	\$450,499	\$566,513
112 State Charitable-Youth Treatment	\$58,726	\$450,499	\$566,513
113 University Fund	\$36,995	\$306,623	\$398,273
114 U of A Land - 1881	\$88,895	\$703,898	\$851,091
<b>Total</b>	<b>\$6,437,479</b>	<b>\$54,498,927</b>	<b>\$69,777,658</b>

Posted in USAS in current month

**ENDOWMENT FUNDS  
 PORTFOLIO YIELD ANALYSIS  
 APRIL 30, 2013**

**NET EARNINGS**

<b>FUND</b>	<b>DESCRIPTION</b>	<b>Current Month 04/30/13</b>	<b>Prior Month 03/31/13</b>	<b>Prior Year 4/30/12</b>
205	ENDOWMENTS - FIXED INCOME	\$3,283,134	\$3,447,867	\$3,648,094

**YIELDS**

<b><u>MONTHLY</u></b>	<b>Current Month 04/30/13</b>	<b>Prior Month 03/31/13</b>	<b>Prior Year 4/30/12</b>
205 ENDOWMENTS - FIXED INCOME	4.65%	4.87%	5.40%

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

<b>Endowment Fund</b>	<b>Apr-13 NET GAIN(LOSS)</b>	<b>Apr-12 NET GAIN(LOSS)</b>
Fixed Income Pool	(281,364)	(258,562)
Equity Pool (500)	714,689	250,408
Equity Pool (400)	5,825,041	3,056,876
Equity Pool (600)	1,238,830	946,689
<b>Totals</b>	<b>7,497,196</b>	<b>3,995,411</b>

<b>Endowment Fund</b>	<b>2012/2013 FISCAL YEAR TO DATE GAINS(LOSSES)</b>	<b>2011/ 2012 FISCAL YEAR TO DATE GAINS(LOSSES)</b>
Fixed Income Pool	695,568	340,034
Equity Pool (500)	4,815,321	(813,417)
Equity Pool (400)	18,231,087	18,690,631
Equity Pool (600)	6,961,318	2,486,356
<b>Totals</b>	<b>30,703,294</b>	<b>20,703,604</b>

**ENDOWMENT FUNDS FIXED-INCOME POOL**  
**PURCHASES & SALES**  
 Month of April 2013

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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>
US TREAS	0.38	3/15/2015	N/A	\$2,500,000	\$2,507,774	0.23%	Aaa/AA+
US TREAS	0.25	10/15/2015	N/A	\$5,000,000	\$5,000,874	0.29%	Aaa/AA+
US TREAS	1.38	11/30/2015	N/A	\$5,000,000	\$5,166,241	0.30%	Aaa/AA+
US TREAS	0.38	1/15/2016	N/A	\$5,000,000	\$5,013,646	0.31%	Aaa/AA+
US TREAS	0.38	1/15/2016	N/A	\$5,000,000	\$5,013,630	0.31%	Aaa/AA+
US TREAS	0.13	4/15/2018	N/A	\$100,000	\$107,920	0.13%	Aaa/AA+
GOLDMAN SACHS	1.48	4/30/2018	N/A	\$9,000,000	\$9,000,000	1.20%	A3/A-

<b>TOTAL ENDOWMENT FUNDS PURCHASES</b>	<b>\$31,600,000</b>	<b>\$31,810,085</b>
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**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>
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<b>TOTAL ENDOWMENT FUNDS SALES</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
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\*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**  
Month of April 2013

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**I. Equity Fund Purchases**

	<u>SHARES</u>	<u>PURCHASE COST</u>	<u>COMMISSIONS</u>
S&P 400 Mid-Cap Fund	227,799	\$8,627,212	\$1,707
S&P 500 Large-Cap Fund	25,937	\$3,846,469	\$195
S&P 600 Small-Cap Fund	62,151	\$1,668,533	\$466
<b>TOTAL EQUITY PURCHASES</b>	<b>315,887</b>	<b>\$14,142,215</b>	<b>\$2,368</b>

**II. Equity Funds Sales**

	<u>SHARES</u>	<u>SALES AMOUNT</u>	<u>COMMISSIONS</u>
S&P 400 Mid-Cap Fund	48,430	\$9,518,502	\$363
S&P 500 Large-Cap Fund	26,488	\$4,022,664	\$199
S&P 600 Small-Cap Fund	39,291	\$2,717,313	\$295
<b>TOTAL EQUITY SALES</b>	<b>114,209</b>	<b>\$16,258,480</b>	<b>\$857</b>

**ENDOWMENT FUNDS**  
**INVESTMENTS OUTSTANDING**  
 APRIL 30, 2013  
 (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>	548	3,793	6,630	2,837	
	<i>Shares in Fixed Income Pools</i>	3,946	2,476	4,044	1,569	
	Total	4,495	6,269	10,675	4,406	<b>1.703</b>
102	State Hospital					
	<i>Shares in Equity Pools</i>	350	2,429	4,235	1,806	
	<i>Shares in Fixed Income Pools</i>	2,394	1,588	2,454	866	
	Total	2,745	4,017	6,689	2,672	<b>1.665</b>
103	Leg., Exec. & Jud					
	<i>Shares in Equity Pools</i>	445	3,322	5,377	2,055	
	<i>Shares in Fixed Income Pools</i>	3,425	2,177	3,511	1,333	
	Total	3,870	5,499	8,887	3,388	<b>1.616</b>
104	Military Institute					
	<i>Shares in Equity Pools</i>	29	214	355	141	
	<i>Shares in Fixed Income Pools</i>	232	139	238	99	
	Total	261	353	593	240	<b>1.679</b>
105	Miners Hospital					
	<i>Shares in Equity Pools</i>	1,102	8,893	13,325	4,432	
	<i>Shares in Fixed Income Pools</i>	7,607	5,896	7,796	1,900	
	Total	8,709	14,790	21,121	6,332	<b>1.428</b>
107	Normal School ASU/NAU					
	<i>Shares in Equity Pools</i>	206	1,517	2,489	972	
	<i>Shares in Fixed Income Pools</i>	1,490	994	1,527	532	
	Total	1,696	2,511	4,015	1,504	<b>1.599</b>
108	Penitentiaries					
	<i>Shares in Equity Pools</i>	677	4,791	8,189	3,398	
	<i>Shares in Fixed Income Pools</i>	4,694	3,176	4,811	1,635	
	Total	5,372	7,967	13,000	5,033	<b>1.632</b>

**ENDOWMENT FUNDS**  
**INVESTMENTS OUTSTANDING**  
 APRIL 30, 2013  
 (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>	200,189	1,551,520	2,419,912	868,392	
<i>Shares in Fixed Income Pools</i>	1,418,046	1,038,749	1,453,363	414,614	
Total	1,618,235	2,590,269	3,873,274	1,283,005	<b>1.495</b>
110 School for Deaf & Blind					
<i>Shares in Equity Pools</i>	285	2,071	3,446	1,375	
<i>Shares in Fixed Income Pools</i>	2,126	1,360	2,179	819	
Total	2,411	3,431	5,625	2,194	<b>1.640</b>
111 School of Mines					
<i>Shares in Equity Pools</i>	616	4,556	7,441	2,884	
<i>Shares in Fixed Income Pools</i>	4,555	3,014	4,668	1,654	
Total	5,170	7,571	12,109	4,538	<b>1.599</b>
112 State Charitable					
<i>Shares in Equity Pools</i>	6,163	45,779	74,496	28,717	
<i>Shares in Fixed Income Pools</i>	42,840	30,713	43,906	13,193	
Total	49,002	76,492	118,402	41,910	<b>1.548</b>
113 University Fund					
<i>Shares in Equity Pools</i>	1,026	7,563	12,398	4,835	
<i>Shares in Fixed Income Pools</i>	7,564	4,981	7,753	2,772	
Total	8,590	12,544	20,151	7,607	<b>1.606</b>
114 U Of A Land - 1881					
<i>Shares in Equity Pools</i>	3,147	25,109	38,039	12,930	
<i>Shares in Fixed Income Pools</i>	22,851	16,768	23,420	6,652	
Total	25,998	41,877	61,460	19,583	<b>1.468</b>
<b>TOTALS - ALL FUNDS</b>					
<i>Shares in Equity Pools</i>	214,783	1,661,558	2,596,331	934,774	
<i>Shares in Fixed Income Pools</i>	1,521,770	1,112,032	1,559,670	447,638	
<b>Grand Total</b>	<b>1,736,554</b>	<b>2,773,589</b>	<b>4,156,002</b>	<b>1,382,412</b>	
<b>PRIOR YEAR:</b>					
<b>APRIL 2012 BALANCES</b>	<b>1,705,503</b>	<b>2,605,441</b>	<b>3,565,841</b>	<b>960,400</b>	

Note: Prior Year Shares Outstanding adjusted due to 7/01/12 combining of equity pool shares and fixed income pool shares.

**ENDOWMENT FUNDS  
INVESTMENTS OUTSTANDING  
APRIL 30, 2013**

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**ASSET ALLOCATION PERCENTAGE**

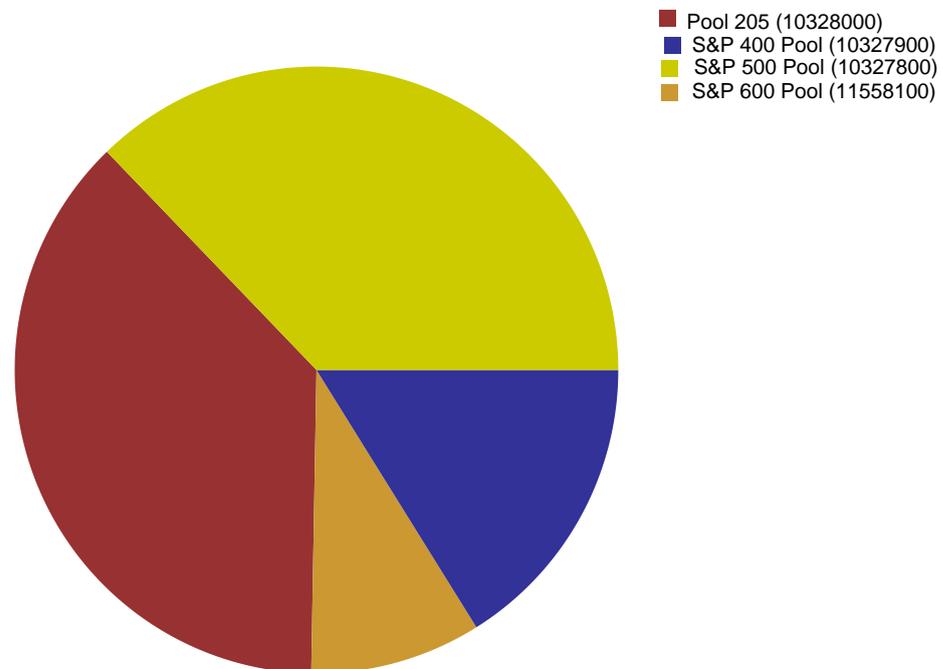
	SHARES OUTSTANDING	BOOK VALUE	MARKET VALUE	<b>APRIL 2012 MARKET VALUE</b>
<i>Shares in Equity Pools</i>	12.37%	59.91%	62.47%	<b>59.43%</b>
<i>Shares in Fixed Income Pools</i>	87.63%	40.09%	37.53%	<b>40.57%</b>
	-----	-----	-----	-----
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>
	=====	=====	=====	=====

**Performance Worksheet**  
**Arizona State Treasury (05509)**  
 As of April 2013  
 Primary - US Dollar

<b>Total Endowment Fund Composite (00550902)</b>													
ID	Name	Beginning Market Value	Ending Market Value	Cashflow	Current Month	Trailing Three Months	Year to Date	Fiscal Year To Date	Trailing One Year	Trailing Three Years	Trailing Five Years	Since Inception	Inception Date
10327800	S&P 500 Pool	1,514,868,732.64	1,541,213,282.72	-2,855,990	1.93	7.18	12.73	19.39	16.87	12.79	5.29	2.35	07/01/1999
10327900	S&P 400 Pool	670,594,938.80	673,571,372.66	-1,223,996	0.63	6.48	14.15	24.72	18.89	13.95	7.39	8.64	08/01/2001
10328000	Pool 205	1,550,846,492.22	1,559,670,294.94	-3,148,024	0.77	1.39	0.80	2.56	3.38	4.46	5.04	5.83	07/01/1999
11558100	S&P 600 Pool	383,443,392.29	381,546,676.80	-815,997	(0.28)	5.47	11.57	20.25	17.45			10.98	03/01/2011
<b>00550902</b>	<b>Total Endowment Fund Composite</b>	<b>4,119,753,555.95</b>	<b>4,156,001,627.12</b>	<b>-8,044,006</b>	<b>1.08</b>	<b>4.67</b>	<b>8.05</b>	<b>13.29</b>	<b>11.77</b>	<b>9.42</b>	<b>6.01</b>	<b>5.78</b>	<b>07/01/1999</b>

## Manager Allocation - Daily Arizona State Treasury (05509) As of April 30, 2013

Total Endowment Fund Composite (00550902)		
Account Name	Market Value(MIL)	Percent of Portfolio
Pool 205 (10328000)	1,559.67	37.5%
S&P 400 Pool (10327900)	673.57	16.2%
S&P 500 Pool (10327800)	1,541.21	37.1%
S&P 600 Pool (11558100)	381.55	9.2%
<b>TOTAL</b>	<b>4,156.00</b>	<b>100.0%</b>



Portfolio Characteristics

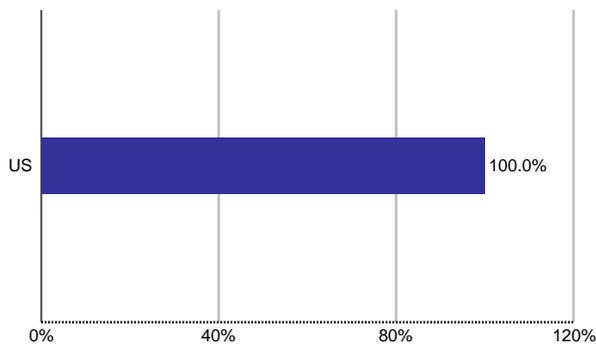
Risk Measures

Total Asset Value (in Millions)	1,541.2	Tracking Error	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Since Inception
P/E Ratio	18.20	Information Ratio	0.04	0.04	0.15	1.62
Price to Book Ratio	2.14	Std Deviation of Port.	(0.54)	(0.43)	0.40	(0.38)
Dividend Yield (%)	2.15	Std Deviation of Bench.	10.22	14.99	18.76	15.89
Return on Equity (%)	34.44	Sharpe Ratio of Port.	10.23	15.01	18.83	15.77
Sales Growth (%)	7.13	Sharpe Ratio of Bench.	1.64	0.85	0.26	(0.00)
Market Capitalization (\$ Millions)	103,993.59	R-Squared	1.64	0.85	0.26	0.04
Earnings per Share (\$)	5.25	Jensen's Alpha	1.00	1.00	1.00	0.99
Number of Holdings	502		(0.01)	0.01	0.10	(0.65)

Top Ten Portfolio Holdings

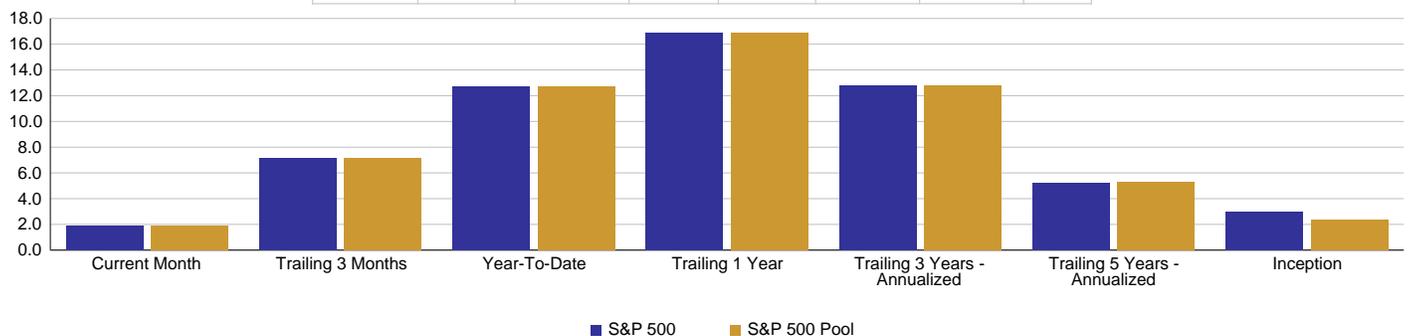
Security ID	Security Name	% of Assets
78462F103	SPDR S&P 500 ETF TRUST	3.82%
037833100	APPLE INC - COM NPV	2.80%
30231G102	EXXON MOBIL CORP - COM NPV	2.69%
594918104	MICROSOFT CORP - COM USD.00000625	1.68%
478160104	JOHNSON & JOHNSON - COM USD1	1.61%
166764100	CHEVRON CORP - COM USD3	1.60%
369604103	GENERAL ELECTRIC CO - COM USD.63	1.56%
38259P508	GOOGLE INC - CL A COM USD.001	1.49%
459200101	INTL BUSINESS MACHINES CORP - COM USD.2	1.43%
742718109	PROCTER & GAMBLE CO - COM NPV	1.42%

Top Ten Currency Weights

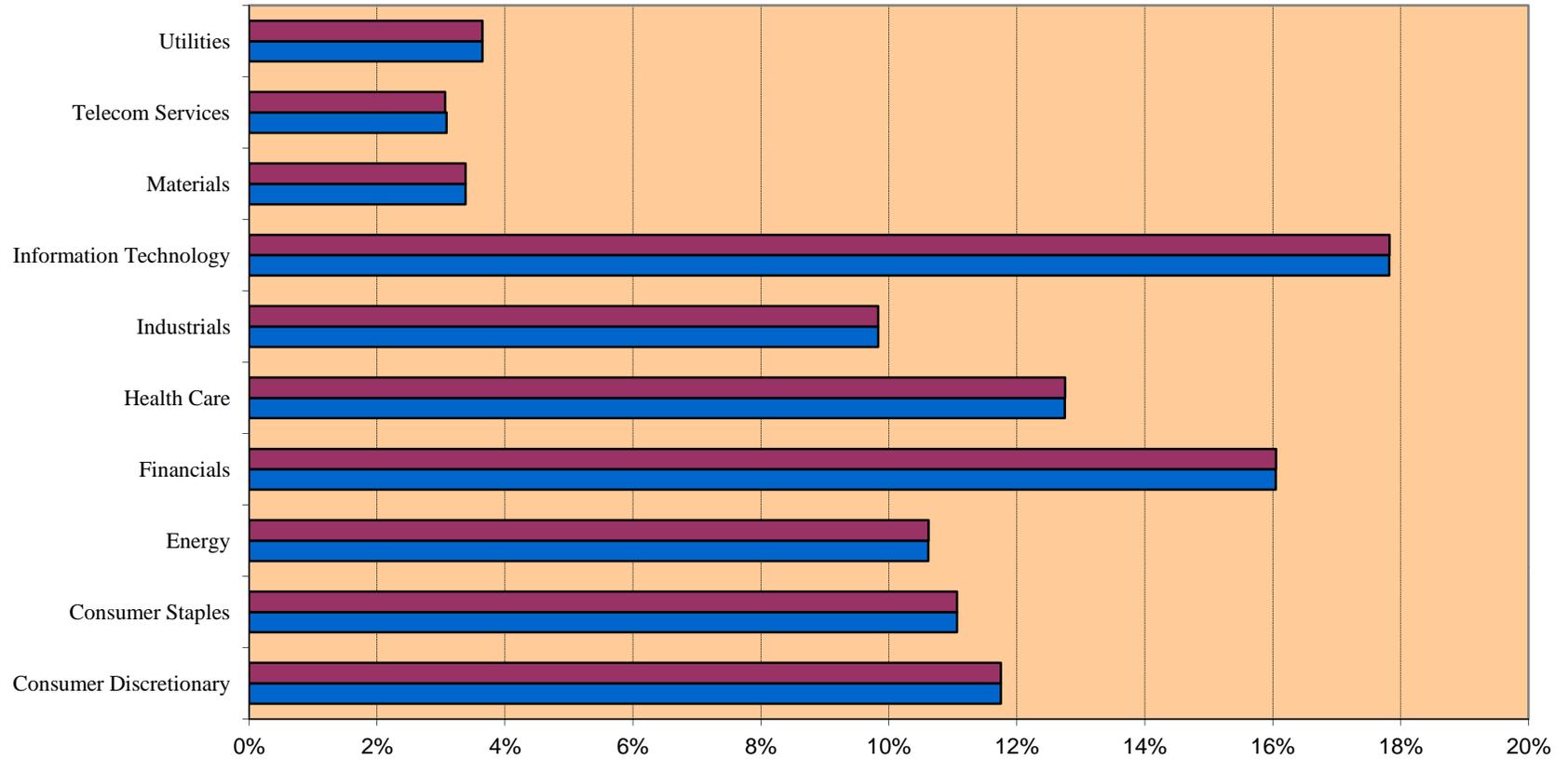


Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
S&P 500 Pool	1.93	7.18	12.73	16.87	12.79	5.29	2.35
S&P 500	1.93	7.18	12.74	16.89	12.80	5.21	3.00
Excess	0.00	(0.01)	(0.01)	(0.02)	(0.02)	0.08	(0.64)



**STATE OF ARIZONA  
POOL 201 (S&P 500)  
As of April 30, 2013**



	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Information Technology	Materials	Telecom Services	Utilities
■ S&P 500 Index	11.75%	11.07%	10.62%	16.05%	12.75%	9.83%	17.83%	3.38%	3.06%	3.65%
■ STATE OF ARIZONA - POOL 201	11.75%	11.06%	10.62%	16.05%	12.75%	9.83%	17.82%	3.38%	3.09%	3.65%



Portfolio Characteristics

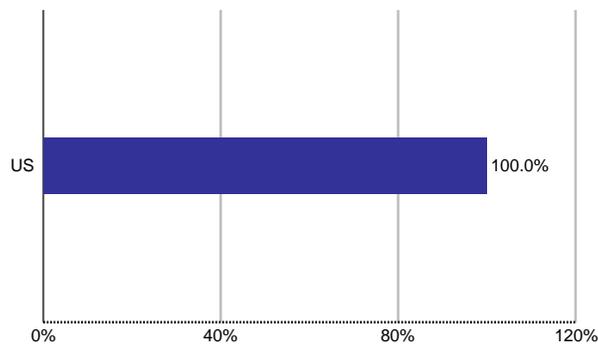
Risk Measures

<b>Total Asset Value (in Millions)</b>	<b>673.6</b>		<b>Trailing 1 Year</b>	<b>0.05</b>	<b>Trailing 3 Years</b>	<b>0.12</b>	<b>Trailing 5 Years</b>	<b>1.86</b>	<b>Since Inception</b>	<b>1.99</b>
<b>P/E Ratio</b>	<b>22.80</b>	<b>Tracking Error</b>	<b>0.86</b>	<b>1.25</b>	<b>(0.57)</b>	<b>(0.09)</b>				
<b>Price to Book Ratio</b>	<b>1.44</b>	<b>Information Ratio</b>	<b>11.46</b>	<b>17.80</b>	<b>21.77</b>	<b>17.26</b>				
<b>Dividend Yield (%)</b>	<b>15.69</b>	<b>Std Deviation of Port.</b>	<b>11.50</b>	<b>17.86</b>	<b>22.48</b>	<b>18.17</b>				
<b>Return on Equity (%)</b>	<b>6.63</b>	<b>Std Deviation of Bench.</b>	<b>1.64</b>	<b>0.78</b>	<b>0.32</b>	<b>0.40</b>				
<b>Sales Growth (%)</b>	<b>4,514.04</b>	<b>Sharpe Ratio of Port.</b>	<b>1.63</b>	<b>0.76</b>	<b>0.36</b>	<b>0.38</b>				
<b>Market Capitalization (\$ Millions)</b>	<b>2.57</b>	<b>Sharpe Ratio of Bench.</b>	<b>1.00</b>	<b>1.00</b>	<b>0.99</b>	<b>0.99</b>				
<b>Earnings per Share (\$)</b>	<b>402</b>	<b>R-Squared</b>	<b>0.11</b>	<b>0.23</b>	<b>(0.70)</b>	<b>0.36</b>				
<b>Number of Holdings</b>		<b>Jensen's Alpha</b>								

Top Ten Portfolio Holdings

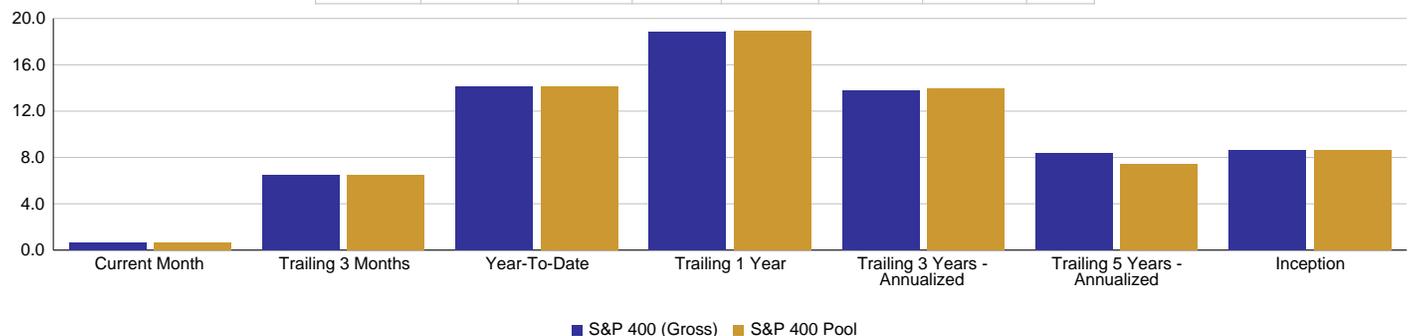
Security ID	Security Name	% of Assets
78467Y107	SPDR S&P MIDCAP 400 ETF TRUST	4.53%
92532F100	VERTEX PHARMACEUTICALS INC - COM USD.01	1.19%
485170302	KANSAS CITY SOUTHERN - COM NPV	0.86%
29444U502	EQUINIX INC - COM USD.001	0.74%
436106108	HOLLYFRONTIER CORP - COM USD.01	0.72%
756109104	REALTY INCOME CORP - COM USD1	0.71%
031100100	AMETEK INC - COM USD1	0.71%
554382101	MACERICH CO - COM USD.01	0.69%
171340102	CHURCH & DWIGHT INC - COM NPV	0.63%
018581108	ALLIANCE DATA SYSTEMS CORP - COM USD.01	0.61%

Top Ten Currency Weights

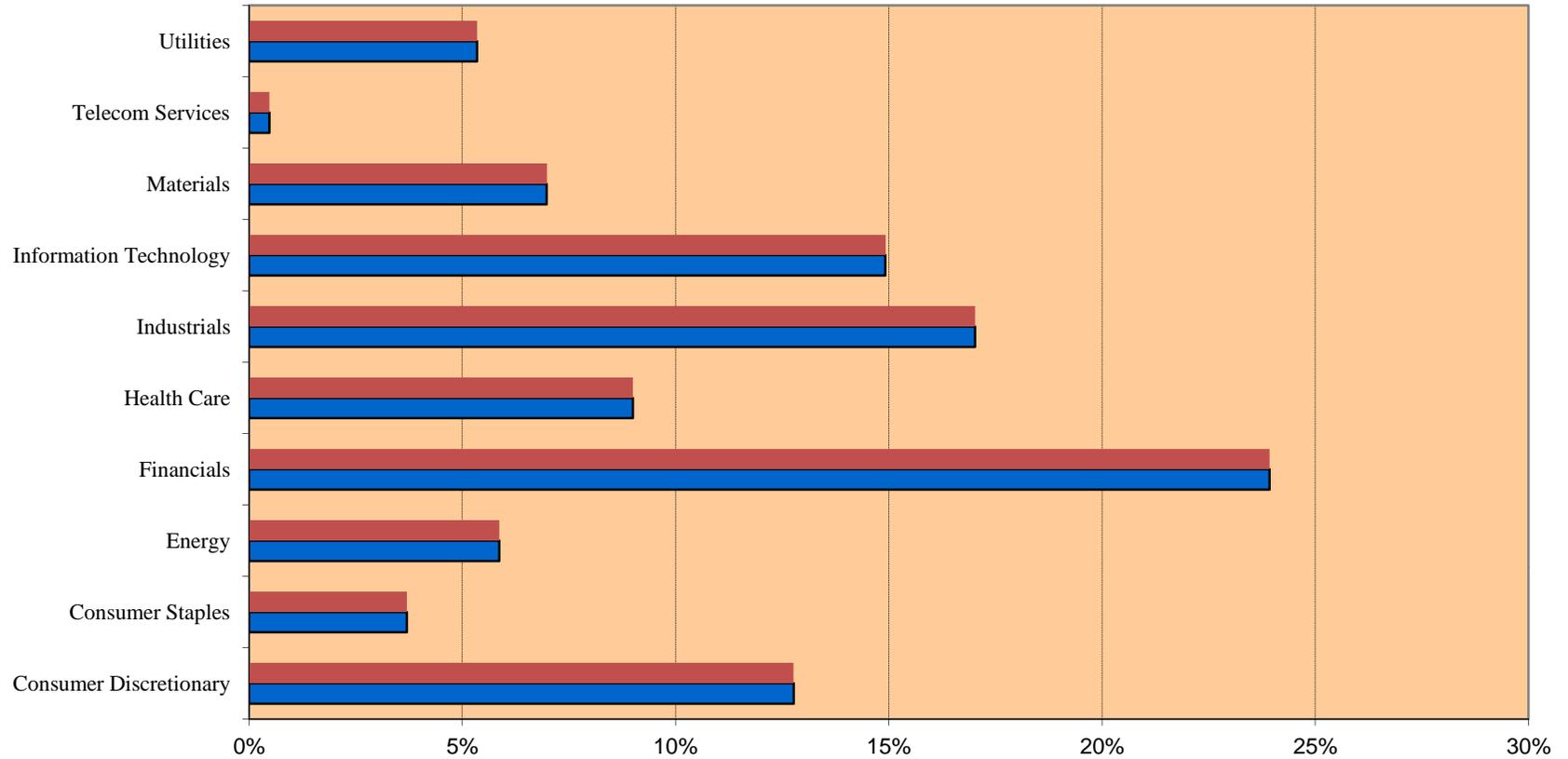


Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
S&P 400 Pool	0.63	6.48	14.15	18.89	13.95	7.39	8.64
S&P 400 (Gross)	0.63	6.48	14.16	18.84	13.76	8.37	8.66
<b>Excess</b>	<b>0.00</b>	<b>0.01</b>	<b>(0.01)</b>	<b>0.05</b>	<b>0.18</b>	<b>(0.98)</b>	<b>(0.01)</b>



**STATE OF ARIZONA  
POOL 203 (S&P MIDCAP 400)  
As of April 30, 2013**



	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Information Technology	Materials	Telecom Services	Utilities
■ S&P MIDCAP 400	12.76%	3.70%	5.87%	23.93%	9.00%	17.02%	14.92%	6.98%	0.48%	5.35%
■ STATE OF ARIZONA - POOL 203	12.77%	3.70%	5.86%	23.93%	9.00%	17.02%	14.92%	6.98%	0.48%	5.35%



Portfolio Characteristics

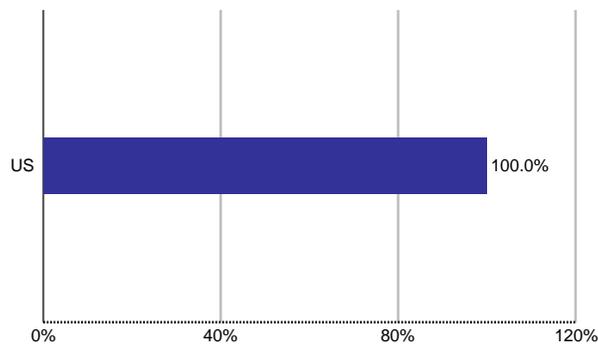
Risk Measures

Total Asset Value (in Millions)	381.5	Tracking Error	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Since Inception
P/E Ratio	25.30	Information Ratio	0.06	-	-	0.09
Price to Book Ratio	1.92	Std Deviation of Port.	1.84	-	-	(0.05)
Dividend Yield (%)	1.22	Std Deviation of Bench.	11.58	-	-	16.95
Return on Equity (%)	15.42	Sharpe Ratio of Port.	11.60	-	-	16.98
Sales Growth (%)	7.16	Sharpe Ratio of Bench.	1.50	-	-	0.64
Market Capitalization (\$ Millions)	1,419.72	R-Squared	1.48	-	-	0.64
Earnings per Share (\$)	1.43	Jensen's Alpha	1.00	-	-	1.00
Number of Holdings	603		0.17	-	-	0.02

Top Ten Portfolio Holdings

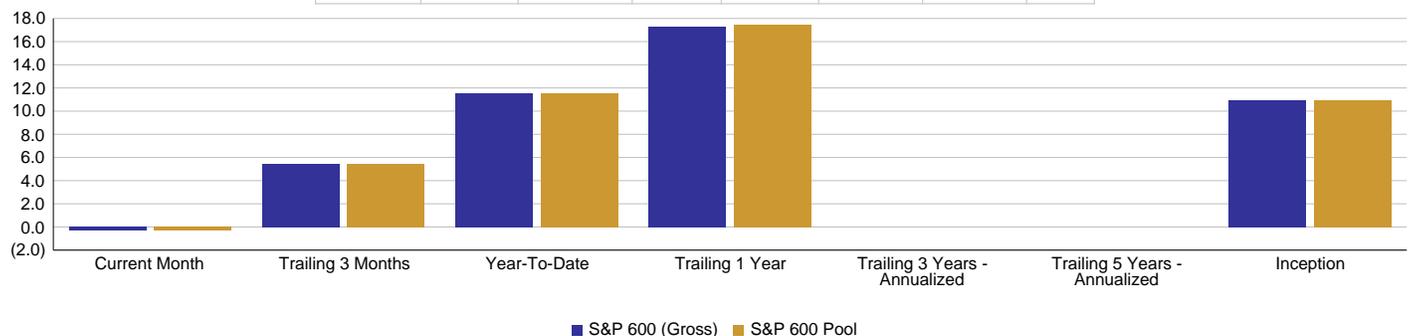
Security ID	Security Name	% of Assets
464287804	ISHARES TRUST CORE S&P SMALL-CAP ETF	4.95%
402635304	GULFPORT ENERGY CORP - COM USD.01	0.60%
875465106	TANGER FACTORY OUTLET CTRS - COM USD.01	0.59%
232572107	CYMER INC - COM USD.001	0.55%
405217100	HAIN CELESTIAL GROUP INC - COM USD.01	0.51%
88554D205	3D SYSTEMS CORP - COM NPV	0.51%
74267C106	PROASSURANCE CORP - COM NPV	0.51%
36159R103	GEO GROUP INC - COM USD.01	0.50%
229678107	CUBIST PHARMACEUTICALS INC - COM USD.001	0.50%
549764108	LUFKIN INDUSTRIES INC - COM USD1	0.50%

Top Ten Currency Weights

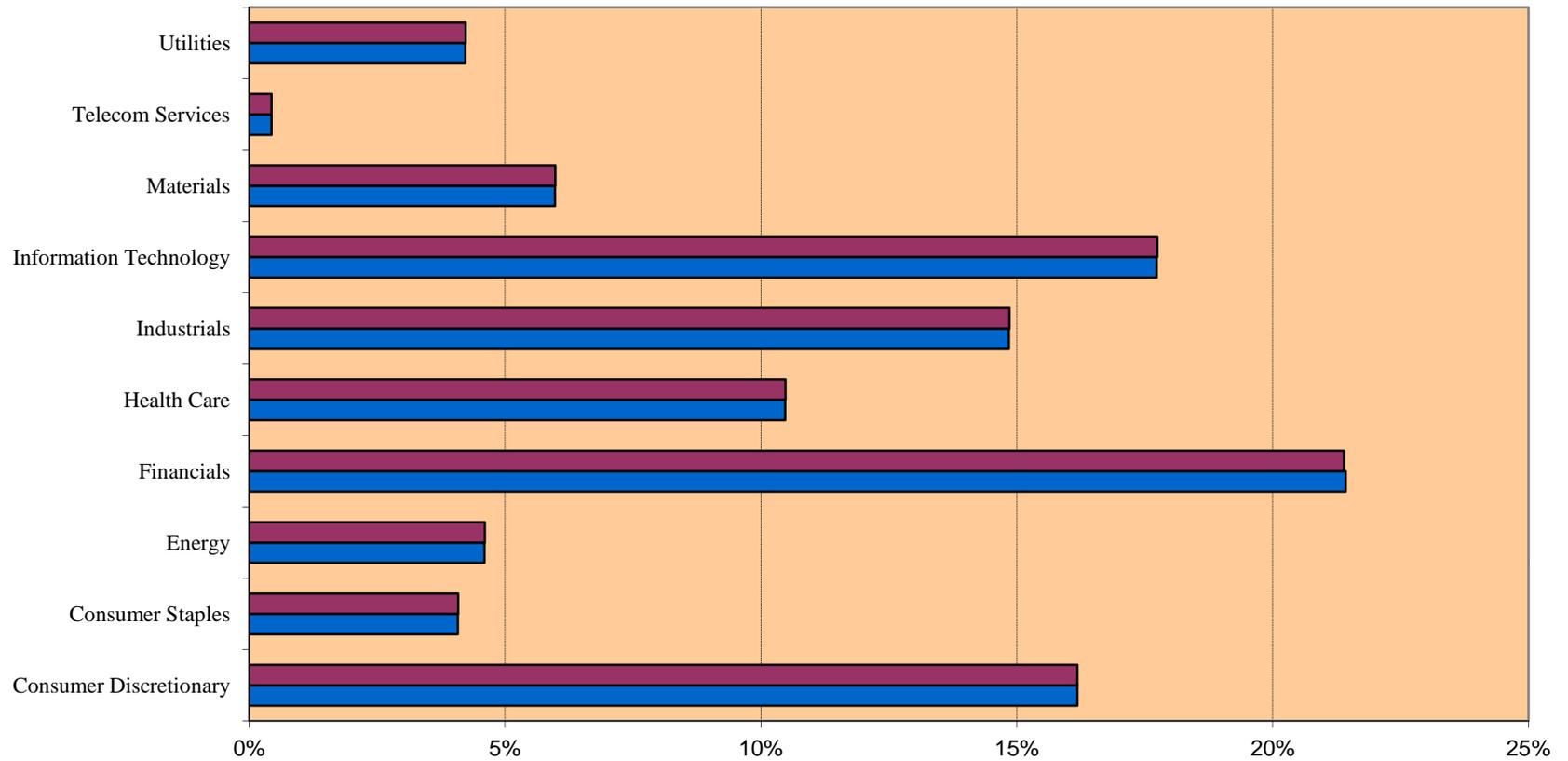


Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
S&P 600 Pool	(0.28)	5.47	11.57	17.45			10.98
S&P 600 (Gross)	(0.27)	5.42	11.51	17.31			10.98
Excess	(0.01)	0.05	0.06	0.14	(0.00)	(0.00)	0.00



**STATE OF ARIZONA  
POOL 204 (S&P 600 Index)  
As of April 30, 2013**

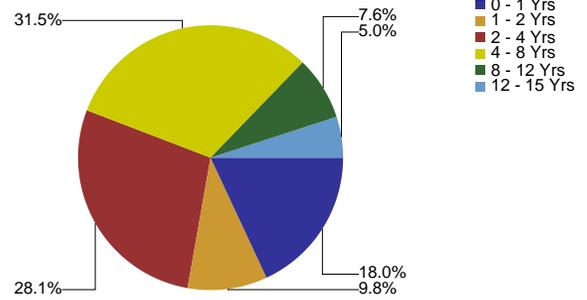


	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Information Technology	Materials	Telecom Services	Utilities
■ S&P 600 Index	16.18%	4.09%	4.60%	21.39%	10.48%	14.86%	17.75%	5.98%	0.44%	4.23%
■ STATE OF ARIZONA - POOL 204	16.18%	4.08%	4.60%	21.43%	10.47%	14.85%	17.74%	5.98%	0.44%	4.23%

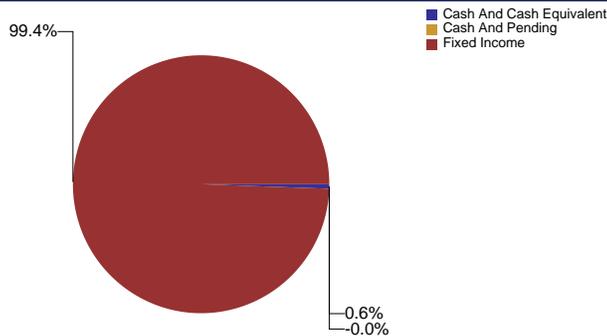


Portfolio Characteristics Duration Mix

**Total Net Assets (Millions)** 1,559.7  
**Weighted Average Life (Years)** 5.80  
**Weighted Avg. Effective Duration (Years)** 4.25  
**Weighted Average Coupon (%)** 3.94  
**Weighted Average Current Yield (%)** 0.35  
**Weighted Average Yield to Maturity (%)** 0.38  
**Weighted Average Rating** AA  
**Number of Holdings** 282



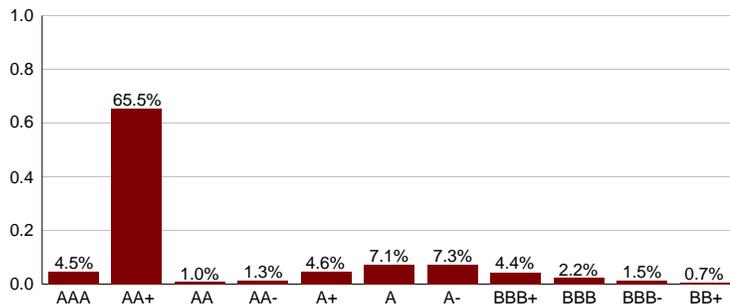
Asset Mix



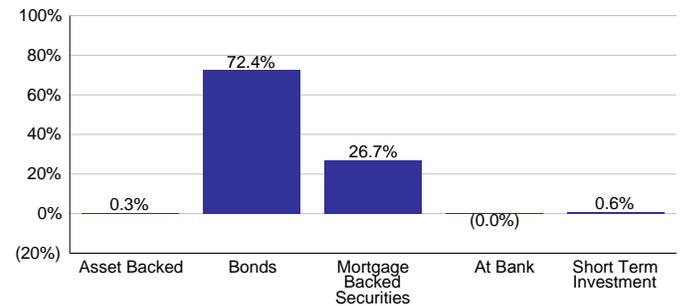
Top Ten Portfolio Holdings

Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
912828PE4	US TREASURY 1.25000 '15	1.15%	1.25	31/10/2015
912810FA1	USA TREASURY BDS6.375% BDS 15/AUG/2027 USD1000	0.98%	6.38	15/8/2027
31677QAV1	FIFTH THIRD BANCORP 1.45% BDS 28/FEB/2018 USD1000	0.97%	1.45	28/2/2018
912810ED6	US TREASURY 8.12500 '19	0.94%	8.12	15/8/2019
20825CAP9	CONOCOPHILLIPS 5.9% BDS 15/MAY/2038 USD1000	0.84%	5.90	15/5/2038
740816AD5	PRESIDENT & FELLOWS HARVARD COLLEGE 5.625% BDS	0.83%	5.62	1/10/2038
92343VAM6	VERIZON COMMUN 6.1% NTS 15/APR/2018 USD1000	0.78%	6.10	15/4/2018
3137AF2R2	FREDDIE MAC 3920 AC 2.500% 15/SEP/2041	0.78%	2.50	15/9/2041
59562VAT4	MIDAMERICAN ENERGY HLDGS 5.75% SNR NTS 01/APR/2018	0.78%	5.75	1/4/2018
912828HH6	US TREASURY 4.25000 '17	0.76%	4.25	15/11/2017

Quality/Rating Weightings

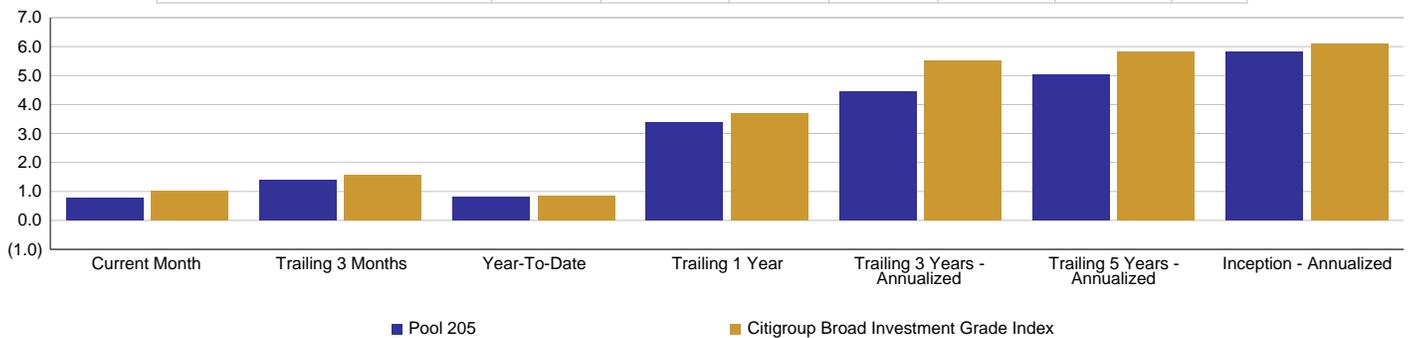


Sector Weightings (as % of Market Value)



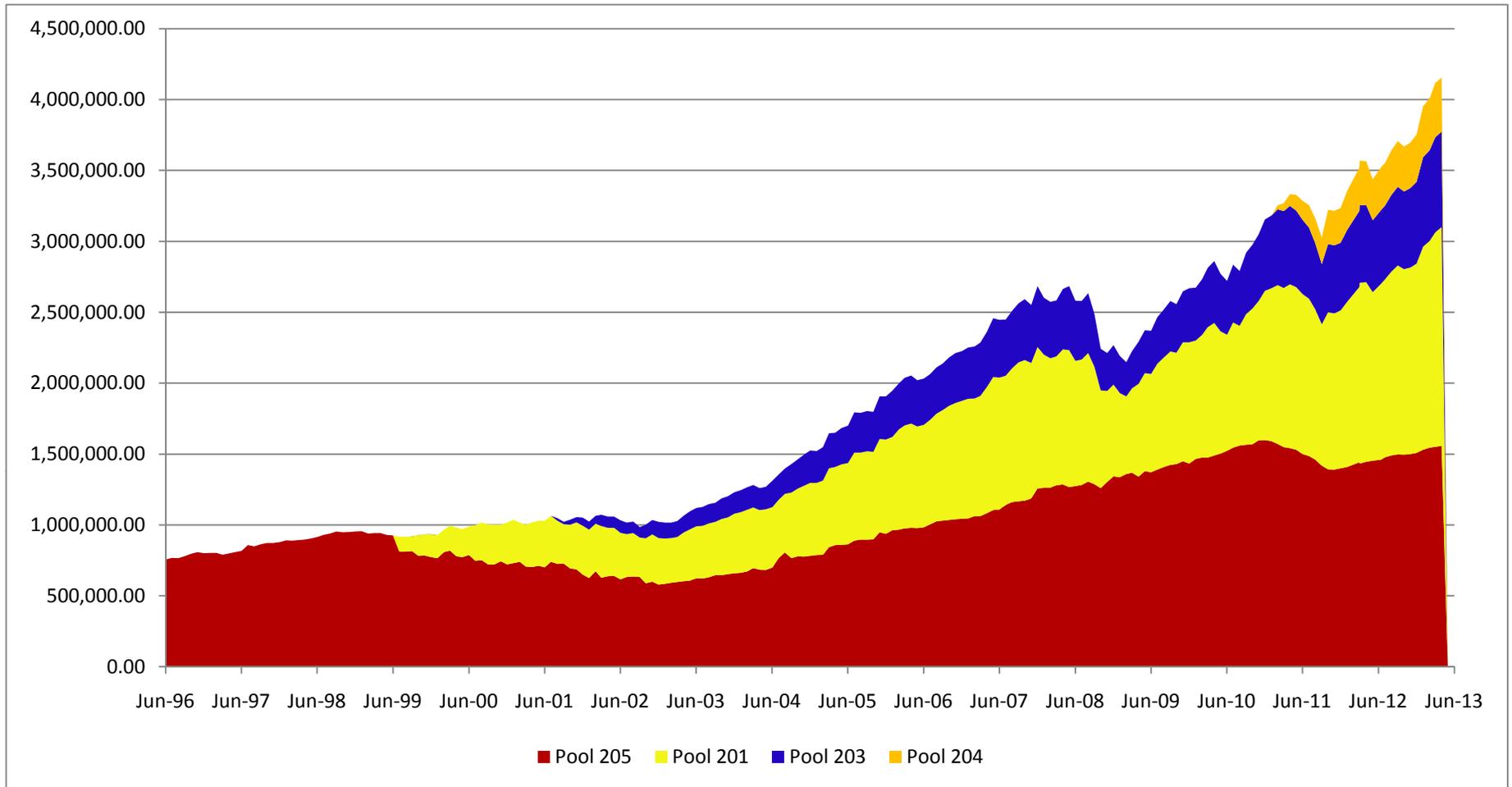
Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
Pool 205	0.77	1.39	0.80	3.38	4.46	5.04	5.83
Citigroup Broad Investment Grade Index	1.02	1.57	0.83	3.67	5.52	5.81	6.10
Excess	(0.25)	(0.18)	(0.03)	(0.29)	(1.07)	(0.77)	(0.28)



Thousands

# Endowment Fund Market Value

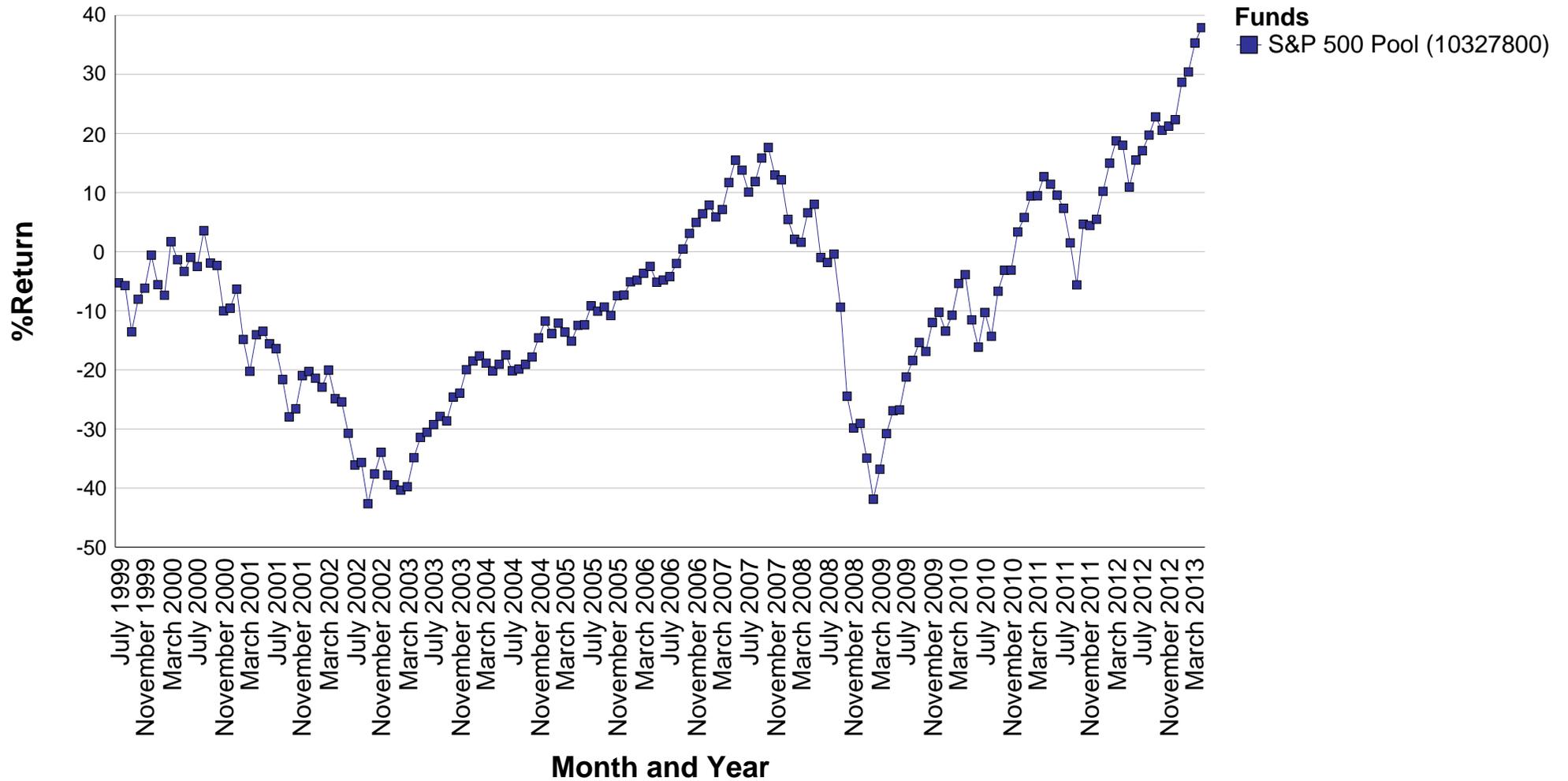


## Performance Growth by Account

Arizona State Treasury (05509)

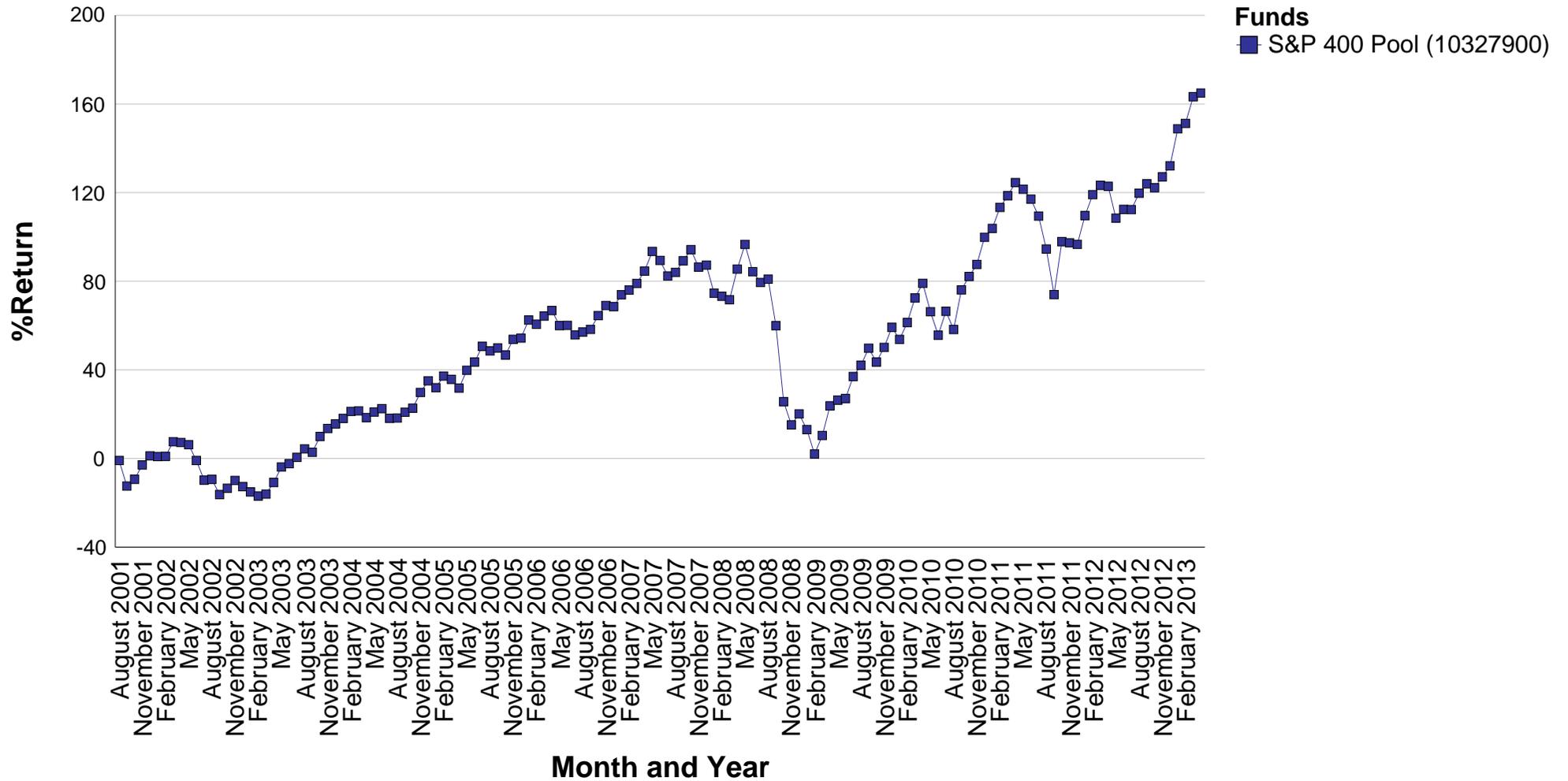
From July 1999 to April 2013

Gross of Fee



## Performance Growth by Account

Arizona State Treasury (05509)  
From August 2001 to April 2013  
Gross of Fee

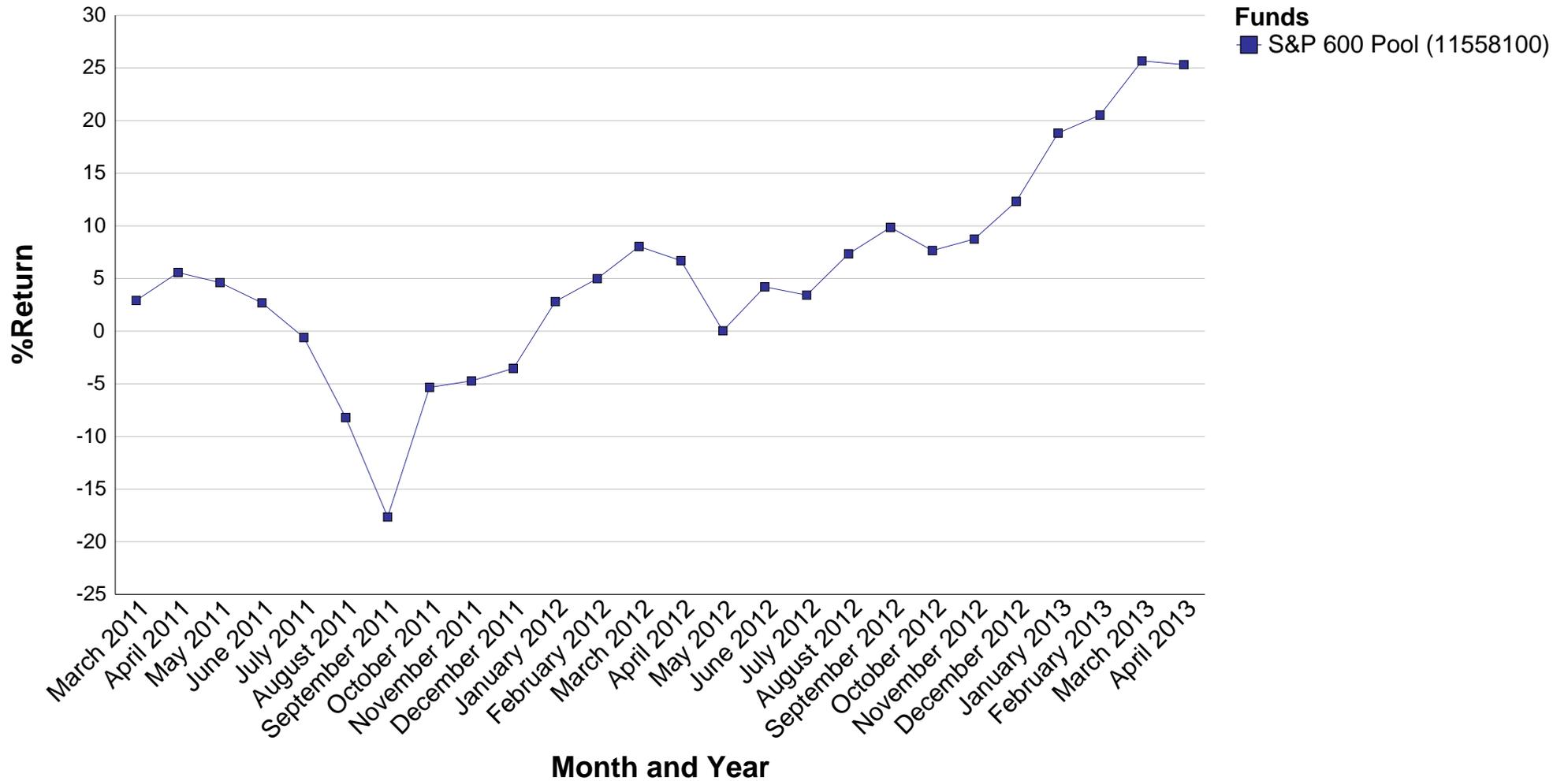


## Performance Growth by Account

Arizona State Treasury (05509)

From March 2011 to April 2013

Gross of Fee



## Performance Growth by Account

Arizona State Treasury (05509)

From July 1999 to April 2013

Gross of Fee

