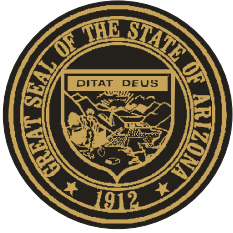


OFFICE OF THE
ARIZONA STATE TREASURER



JEFF DEWIT
TREASURER



FEBRUARY 2018

Presented To:

Arizona State Board of Investment

March 27, 2018

STATE BOARD OF INVESTMENT

A G E N D A

March 27, 2018

1. Call to Order
2. Chairman Remarks
3. Approval of February 27, 2018 Minutes
4. Review of Treasurer's Monthly Reports
 - A. Earnings Distribution; Investment Pools
 - B. Operating Monies Invested Balances
 - C. State Agency Pools Investments and Performance Reports
 - D. LGIP Pools Investments and Performance Reports
 - E. Earnings Distributed Endowment Funds
 - F. Land Sales Monthly Proceeds Endowment Funds
 - G. Endowment Investments and Performance Reports
5. Proposed Changes to the Investment Policy
 - A. Review of Proposed Changes
 - B. Public Comment on Proposed Changes
 - C. Discussion and Action on Proposed Changes
6. Review and Approval of Proposed/Pending Securities Dealers
7. General Business
8. Call to the Public
9. Notice of Next Meeting
10. Adjournment

REPORT OF THE STATE TREASURER

FOR

March 27, 2018

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**Minutes of
BOARD OF INVESTMENT MEETING**

The regular meeting of the State Board of Investment was held on February 27, 2018 in the Office of the State Treasurer, 1700 West Washington, State Capitol, West Wing, Treasurer's Conference Room, Phoenix, Arizona. Treasurer DeWit called the meeting to order at approximately 1:33 p.m.

Members Present:

Jeff DeWit, Chair, State Treasurer
Harry A. Papp, CFA & Managing Partner, L. Roy Papp & Associate
Beth Ford, Treasurer, Pima County, Via - Teleconference
Mike Smarik, Deputy Comptroller, Arizona Department of Administration

Others Present:

Mark Swenson, Deputy Treasurer of Policy & Research, Arizona State Treasurer's Office
Lorraine Jones, Deputy Treasurer of Operations, Arizona State Treasurer's Office
Patty Humbert, Chief Investment Officer, Arizona State Treasurer's Office
Tim White, Senior Portfolio Manager, Arizona State Treasurer's Office
Dennis Stevenson, Portfolio Manager, Arizona State Treasurer's Office
Michael Leslein, Investment Accounting Manager, Arizona State Treasurer's Office
Patrick Quigley, Director of Financial Operations, Arizona State Treasurer's Office
Ken Price, Human Resource Manager, Arizona State Treasurer's Office
Dajana Zlaticanin, Communications Director, Arizona State Treasurer's Office

Pursuant to A.R.S. 35-311, the following reports for January 2018 were submitted for the Board's approval:

Review of Treasurer's Monthly Reports:

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

1. Call to Order:

Treasurer DeWit called the February 27, 2018 BOI meeting to order at approximately 1:33 p.m.

2. Treasurers Comments:

Treasurer DeWit welcomed the board members and guests and thanked all present for attending the February 27, 2018 meeting.

3. Approval of Minutes:

Mr. Papp made a motion to approve the January 25, 2018 report. Ms. Ford seconded the motion. Motion carried.

4. Review of Treasurer's Monthly Report

Earnings Distribution – Investment Pools

Ms. Humbert reported the earnings distributed month-to-date, year-to-date, prior year-to-date, and investment management fees deposited in the General Fund for the month of January 2018.

Operating Monies Average Invested Balance

Ms. Humbert reported the Operating Monies average invested balance for the month of January 2018.

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 January 2018.

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 January 31, 2018.

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 January 31, 2018.

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

Mr. Stevenson presented the monthly report for the LGIP Investment Pools portion of the Arizona State Treasurer's Office to the Board of Investment as follows:

LGIP (Pool 5) & LGIP GOV (Pool 7) Portfolio Yield Analysis

Mr. Stevenson reported the net yield for the LGIP and LGIP-Gov Pools and the comparison to the benchmark for the month of January 2018.

Pool 500 & Pool 700 Portfolio Yield Analysis

Mr. Stevenson reported the net yield for the LGIP Medium Term Pools and the comparison to the benchmark for the month of January 2018.

Manager Allocation of Invested Monies for the LGIP Pools

Mr. Stevenson reported the total market value invested in all of the LGIP Pools as a percentage of the total that was allocated to each of the LGIP, LGIP-Gov, and LGIP Medium Term Pools as of January 31, 2018.

LGIP Pools Investments and Performance Reports

Mr. Stevenson reported the total net assets, asset allocation, the weighted average life, the weighted average duration, and the weighted average rating on the LGIP, LGIP-Gov, and LGIP Medium Term pools for the month of January 2018.

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 January 2018.

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 January 2018 and fiscal year to date.

Endowment Funds Fixed-Income Pool Purchases & Sales

Mr. White reported the purchases and sales of the Endowment Fixed Income Pool for the month of January 2018.

Equity Funds Purchases & Sales

Mr. White reported the purchases and sales (summary) of the Endowment Equity Pools for the month of January 2018.

Investments Outstanding in Endowment Funds

Mr. White reported the par, book, market value, and unrealized gains/loss of the Endowment Funds as of January 31, 2018.

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 January 31, 2018.

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 January 31, 2018.

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 January 31, 2018.

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 January 31, 2018.

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 January 31, 2018.

Fixed Income Investments and Performance Reports

Mr. White reported the total net assets, asset allocation, the weighted average life, the weighted average duration and the weighted average rating for the Fixed Income Pool for the month of January 2018.

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 January 31, 2018.

Approval of Treasurer's Report

Mr. Smarik made a motion to approve the Treasurer's Report as presented. Mr. Papp seconded the motion. Motion carried.

5. Proposed Changes to Investment Policy:

There were no Proposed Changes to the Investment Policy.

6. Review and approval of Proposed/Pending Securities Dealers

There were no Proposed/Pending Securities Dealers.

7. General Business:

There was no General Business.

8. Call to the Public:

There was no Public comment.

9. Notice of Next Meeting:

Treasurer DeWit advised the Board that the next regular meeting of the Board of Investment will be Thursday, March 29, 2018 at 1:30 p.m. at 1700 West Washington, State Capitol, West Wing, Treasurer's Conference Room, Phoenix, Arizona.

10. Adjournment:

Mr. Smarik made a motion to adjourn the BOI meeting. Mr. Papp seconded the motion. Upon unanimous approval the BOI Meeting was adjourned at 2:28 p.m.

Respectfully Submitted by:

Christine Thurston
Executive Consultant II

Approved by:

Jeff DeWit, Chair

Date

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**EARNINGS DISTRIBUTION - INVESTMENT POOLS
 FEBRUARY 2018**

Recipient	Earnings Distributed			Fiscal YTD Investment Management Fees Received
	FEBRUARY 2018	Fiscal YTD 17/18	Fiscal YTD 16/17	
General Fund *	\$2,763,383	\$15,139,110	\$11,681,248	
2 State Agencies - Full Faith & Credit	1,023,406	6,896,614	4,349,004	327,766
3 State Agencies - Diversified (Combined) **	1,236,191	9,653,926	6,593,594	533,364
4 State Agencies - Gov	958,713	6,988,202	3,912,092	362,747
5 LGIP	1,463,487	9,982,223	3,963,469	467,534
7 LGIP Gov	1,423,628	9,277,991	2,862,525	483,406
9A Public School Credit Enhancement ***	0	0	0	31,522
10 Restricted Operating	542,710	4,231,906	3,123,900	438,530
12 CAWCD Medium-Term	538,575	4,336,784	3,279,918	137,144
16 ECDH Medium-Term	567,245	4,511,285	3,780,358	142,139
Subtotal	\$10,517,337	\$71,018,040	\$43,546,108	\$2,924,153
NAV POOL				
500 LGIP - Med Term	526,586	3,901,310	2,451,706	123,878
700 LGIP - FF&C Med Term	197,322	1,509,853	1,042,345	53,939
Total	\$11,241,245	\$76,429,203	\$47,040,159	\$3,101,970
FEBRUARY 2017 TOTALS	\$6,566,960			\$2,631,586

* Note: Pool 15 AHCCCS Operating Earnings are reported in General Fund

** Note: Pool 15 AHCCCS Operating Management Fees are reported in Pool 3 State Agencies Diversified (Combined)

*** Note: Pool 9A represents \$80 million invested in School Funding Obligations; earnings on this investment revert to the General Fund

OPERATING MONIES
AVERAGE INVESTED BALANCE
 Through February 28, 2018
 (in millions)

<u>Month</u>	<u>Fiscal Year</u> <u>2015/2016</u>	<u>Fiscal Year</u> <u>2016/2017</u>	<u>Fiscal Year</u> <u>2017/2018</u>
JULY	\$1,795	\$2,012	\$1,635
AUGUST	1,554	1,504	1,303
SEPTEMBER	1,874	1,694	1,455
OCTOBER	1,701	1,672	1,473
NOVEMBER	1,686	1,633	1,417
DECEMBER	1,734	1,693	1,400
JANUARY	2,140	2,255	2,140
FEBRUARY	2,295	2,306	2,244
MARCH	2,092	1,968	
APRIL	2,407	1,961	
MAY	2,720	2,215	
JUNE	2,590	2,147	
Y-T-D Average	\$2,049	\$1,922	\$1,633
Budget Stabilization Average Fund Balance - February 2018			<u>\$456</u>
Total Average Cash Available - February 2018			<u>\$2,700</u>

**STATE AGENCY POOLS
 PORTFOLIO EARNINGS ANALYSIS
 FEBRUARY 2018**

FUND	DESCRIPTION	Current Month 02/28/18	Prior Month 01/31/18	Prior Year 02/28/17	Net Asset Value Per Share
2	STATE AGENCIES - FULL FAITH & CREDIT	1,139,540	1,226,115	723,492	0.9704
3	STATE AGENCIES - DIVERSIFIED				
	INTERNAL MANAGERS	2,262,556	2,000,020	1,372,316	1.0100
	EXTERNAL MANAGERS	136,531	142,639	107,777	0.9900
	FUND 3 TOTAL	2,399,087	2,142,659	1,480,093	1.0054
4	STATE AGENCIES - GOV	1,347,128	1,406,873	716,472	0.9936
9A	PUBLIC SCHOOL CREDIT ENHANCEMENT	138,189	104,199	69,292	0.9704
10	RESTRICTED OPERATING				
	INTERNAL MANAGERS	1,246,823	1,351,820	948,350	0.9900
	EXTERNAL MANAGERS	145,638	218,150	183,397	1.0000
	FUND 10 TOTAL	1,392,461	1,569,970	1,131,747	0.9935
12	CAWCD MEDIUM-TERM	538,575	613,753	410,071	0.9953
15	AHCCCS OPERATING	39,473	90,844	23,348	N/A
16	ECDH MEDIUM-TERM	567,245	600,404	479,549	0.9901
	TOTAL STATE AGENCIES	7,561,696	7,754,818	5,034,064	

**STATE AGENCY POOLS
PORTFOLIO YIELD ANALYSIS
FEBRUARY 2018**

FUND	DESCRIPTION	Current Month 02/28/18	Prior Month 01/31/18	Prior Year 02/28/17
2	STATE AGENCIES - FULL FAITH & CREDIT	1.56%	1.35%	0.90%
	75% MERRILL 0-1 US TREAS INDEX / 25%	2.11%	1.94%	1.22%
	MERRILL US GNMA MORTGAGE BACKED INDEX			
3	STATE AGENCIES - DIVERSIFIED			
	INTERNAL MANAGERS	1.71%	1.60%	1.12%
	EXTERNAL MANAGERS	1.69%	1.60%	1.36%
	COMBINED	1.71%	1.60%	1.13%
	50% 3 MONTH LIBOR INDEX / 50% MERRILL	2.16%	2.00%	1.26%
	1-3 US BROAD MARKET INDEX			
4	STATE AGENCIES - GOV	1.54%	1.40%	0.83%
	50% MERRILL 6 MTH US T-BILL INDEX / 50%	2.03%	1.86%	0.95%
	MERRILL 1-3 UNSUB. US TREAS / AGY INDEX			
9A	PUBLIC SCHOOL CREDIT ENHANCEMENT	1.56%	1.35%	0.90%
10	RESTRICTED OPERATING			
	INTERNAL MANAGERS	1.67%	1.65%	1.33%
	EXTERNAL MANAGERS	0.97%	1.24%	0.79%
	COMBINED	1.55%	1.58%	1.19%
	50% 3 MONTH LIBOR INDEX / 50% MERRILL	2.16%	2.00%	1.26%
	1-3 US BROAD MARKET INDEX			
12	CAWCD MEDIUM-TERM	1.87%	1.86%	1.56%
	75% MERRILL 1-5 US D M INDEX / 25% S & P LGIP	2.30%	2.17%	1.49%
	INDEX			
15	AHCCCS OPERATING	0.36%	0.61%	0.16%
16	ECDH MEDIUM-TERM	2.11%	2.02%	1.78%
	75% MERRILL 1-5 US D M INDEX / 25% S & P LGIP	2.30%	2.17%	1.49%
	INDEX			

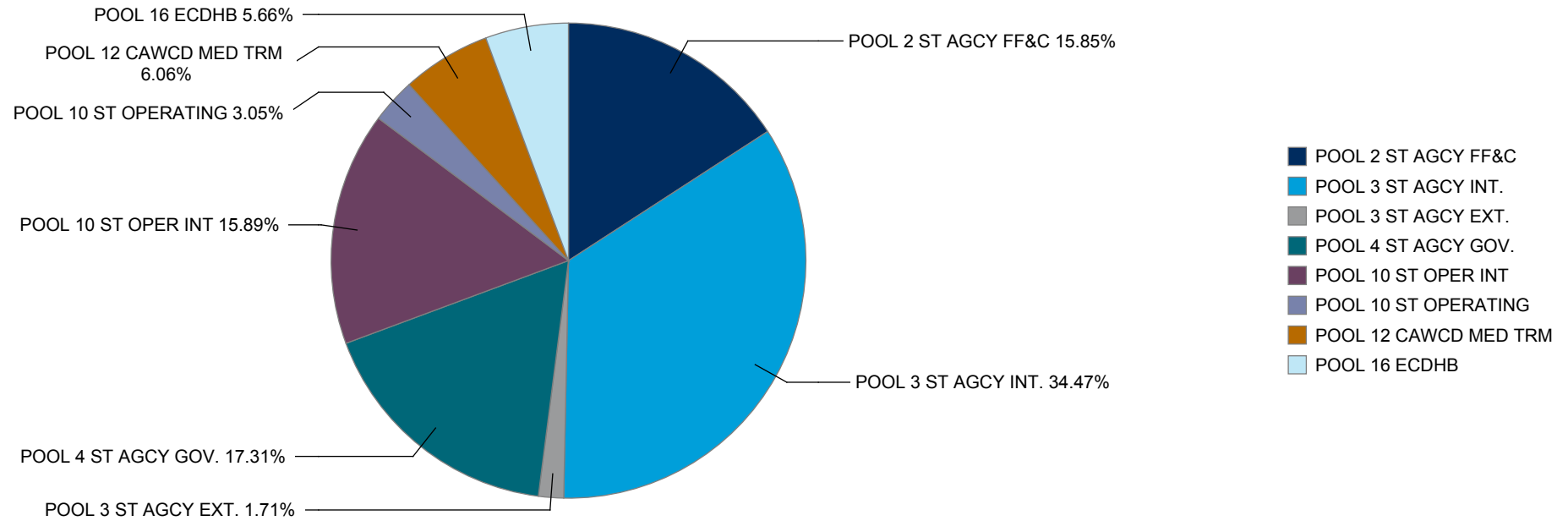
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February 28, 2018

STATE AGENCY



Manager Allocation



	Market Value	% of Portfolio
POOL 2 ST AGCY FF&C	972,835,283	15.9
POOL 3 ST AGCY INT.	2,115,588,613	34.5
POOL 3 ST AGCY EXT.	104,826,213	1.7
POOL 4 ST AGCY GOV.	1,062,538,091	17.3
POOL 10 ST OPER INT	975,396,561	15.9
POOL 10 ST OPERATING	186,905,003	3.0
POOL 12 CAWCD MED TRM	372,071,782	6.1
POOL 16 ECDHB	347,567,320	5.7
TOTAL STATE AGENCY	6,137,728,866	100.0

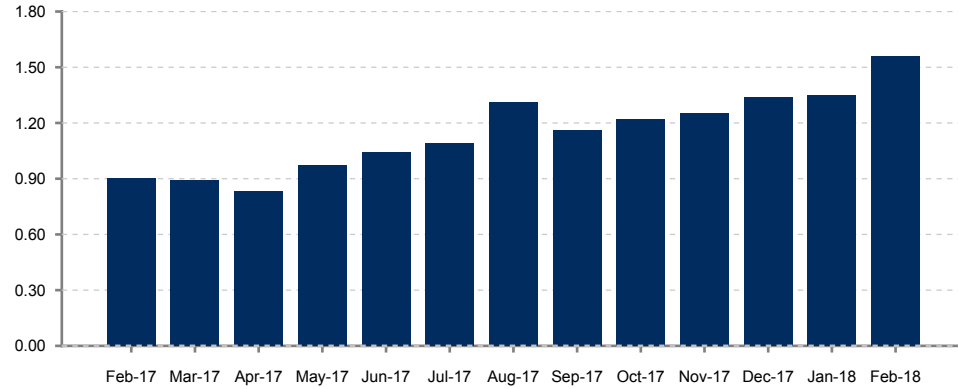
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February 28, 2018

POOL 2 ST AGCY FF&C



Net Yield



Current Mth Prior Mth 1 Year Ago

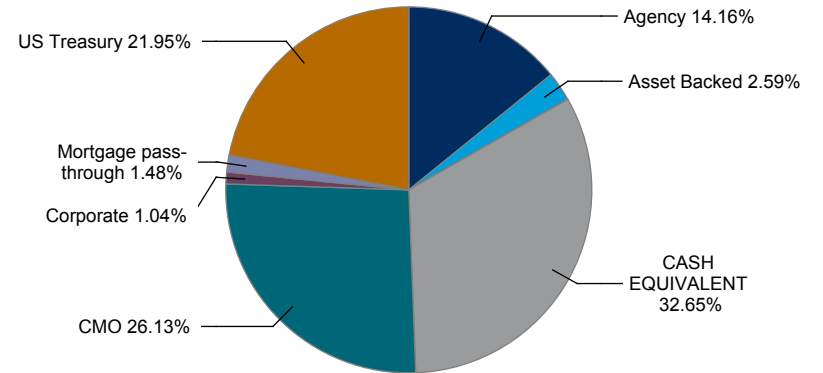
POOL 2 ST AGCY FF&C	1.56	1.35	0.90
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Asset Allocation

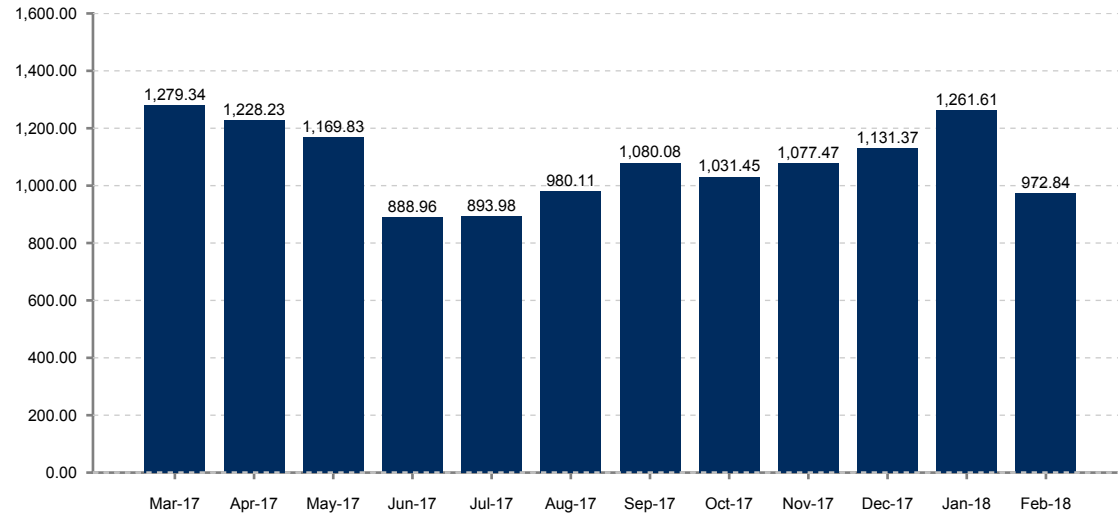
POOL 2 ST AGCY FF&C

Ending Market Value

972,835,283



Net Asset Values over Time (\$MM)

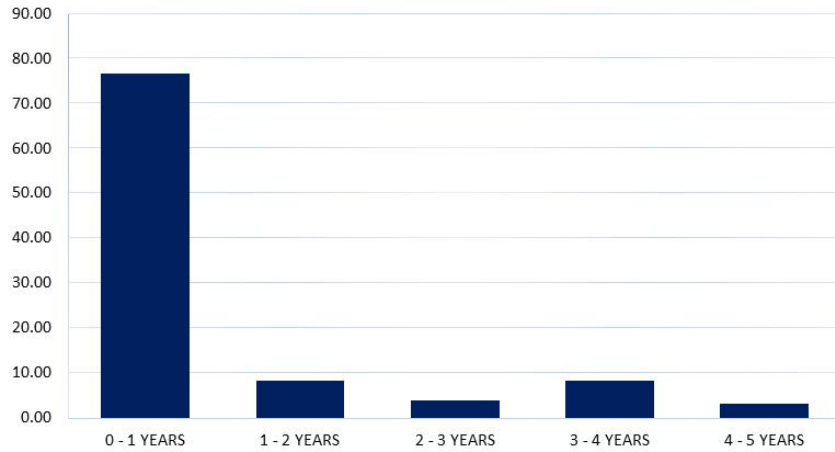


Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 2 ST AGCY FF&C		
DAIWA CAPITAL MARKETS	98,483,095	10.12
US TREASURY N/B	45,044,548	4.63
TREASURY BILL	30,000,000	3.08
TREASURY BILL	29,925,098	3.08
TREASURY BILL	29,847,924	3.07
TREASURY BILL	29,837,436	3.07
TREASURY BILL	29,778,469	3.06
US TREASURY N/B	20,116,229	2.07
US TREASURY N/B	20,062,277	2.06
TREASURY BILL	19,995,283	2.06



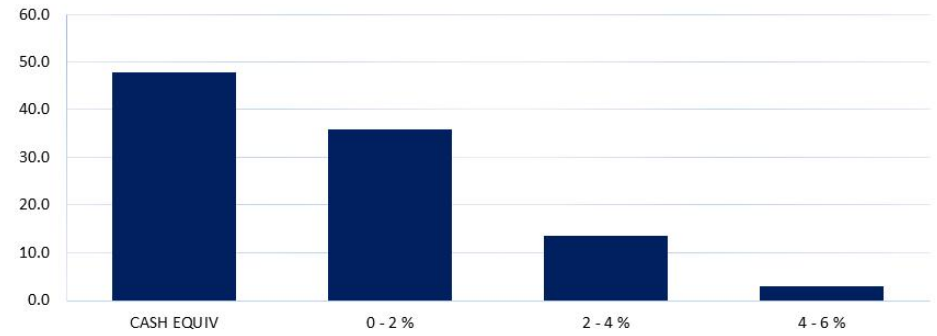
Duration Distribution



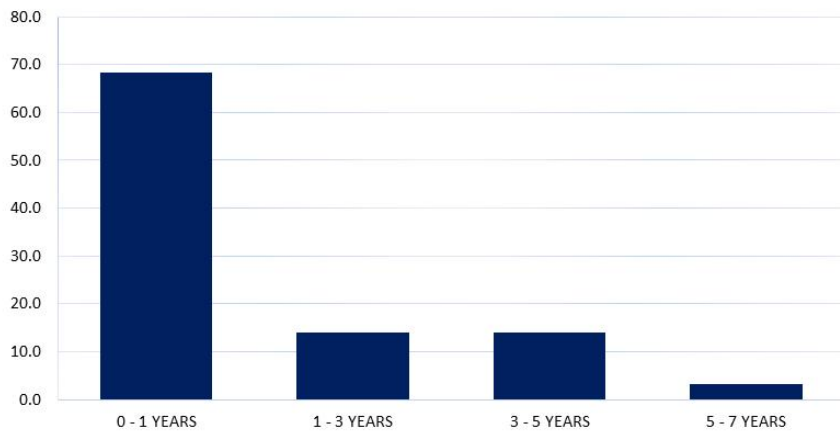
Portfolio Level Characteristics

	POOL 2 ST AGCY FF&C
Weighted Average Life	1.15
Coupon	1.18
Effective Duration	0.83
Quality Rating (Moody's)	AAA

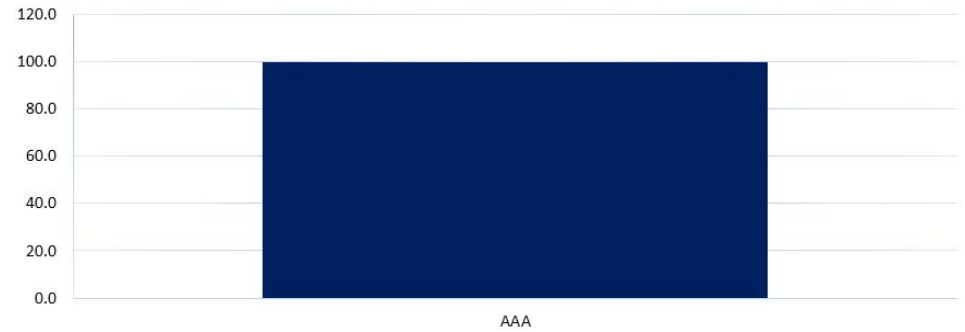
Coupon Distribution



Expected Maturity Distribution



Rating Distribution



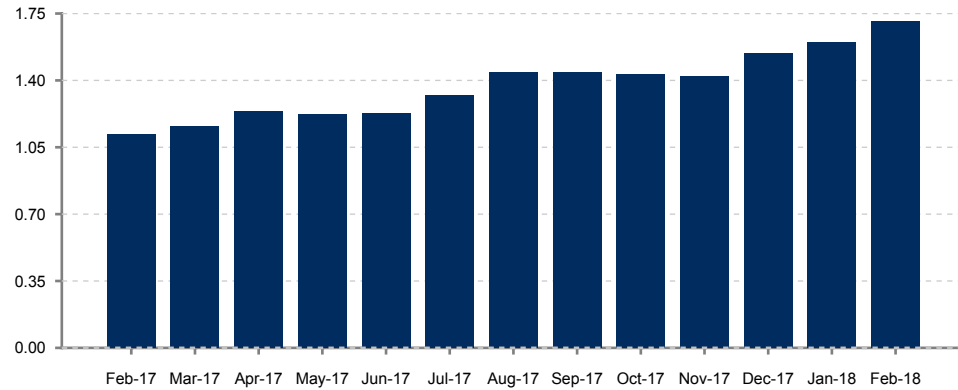
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February 28, 2018

POOL 3 ST AGCY INT.



Net Yield

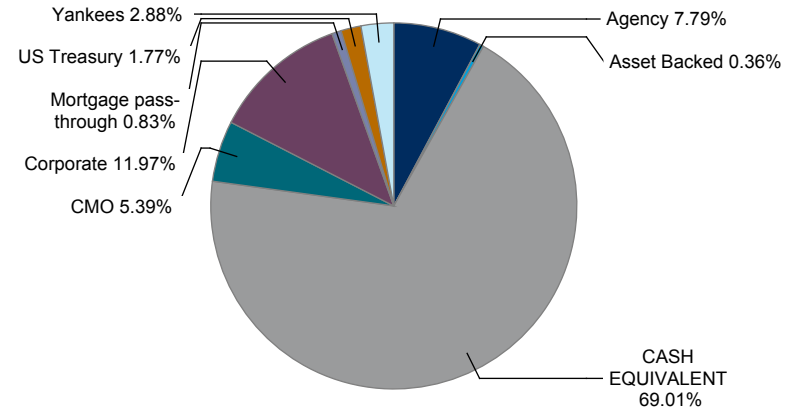


Current Mth **Prior Mth** **1 Year Ago**

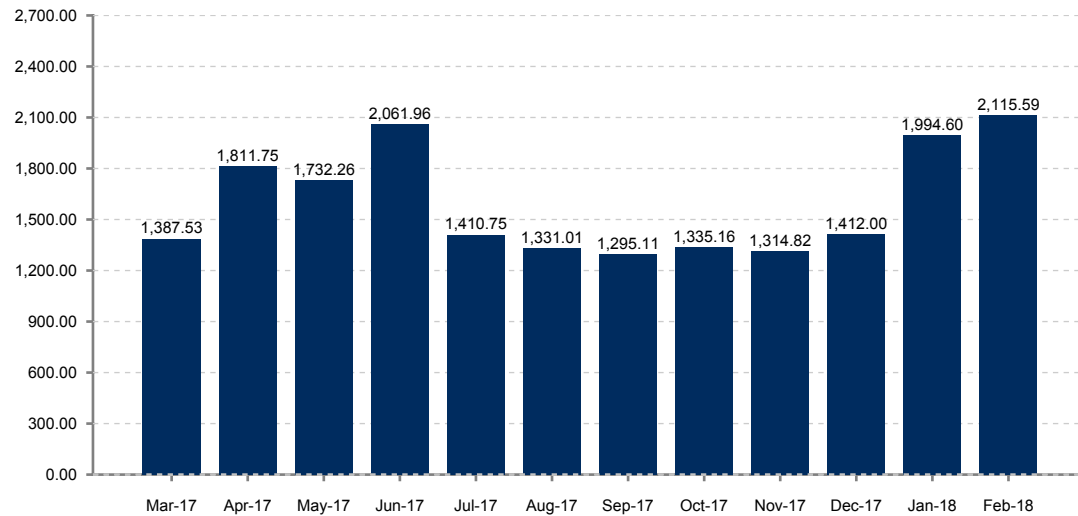
POOL 3 ST AGCY INT.	1.71	1.60	1.12
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Asset Allocation

POOL 3 ST AGCY INT.	Ending Market Value 2,115,588,613
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Net Asset Values over Time (\$MM)

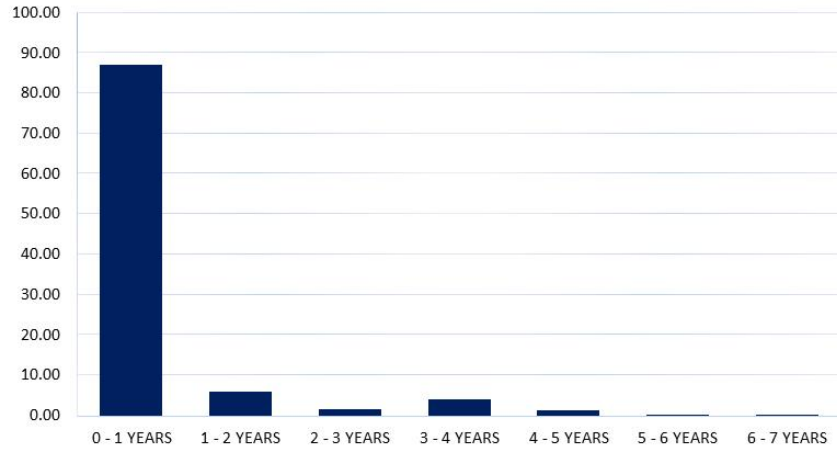


Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 3 ST AGCY INT.		
SOUTH STREET REPO	400,016,667	18.91
AMHERST PIERPONT	197,497,547	9.34
SOUTH STREET REPO	175,006,806	8.27
IBM CORP	30,149,345	1.43
STARBIRD FDG. CORP	30,000,000	1.42
INSTITUTIONAL SECURED	30,000,000	1.42
MANHATTAN ASSET FDG.	29,970,300	1.42
SWEDBANK	29,928,333	1.41
SUMITOMO MTSU BKG CORP	29,774,363	1.41
MOUNTCLIFF	24,921,208	1.18



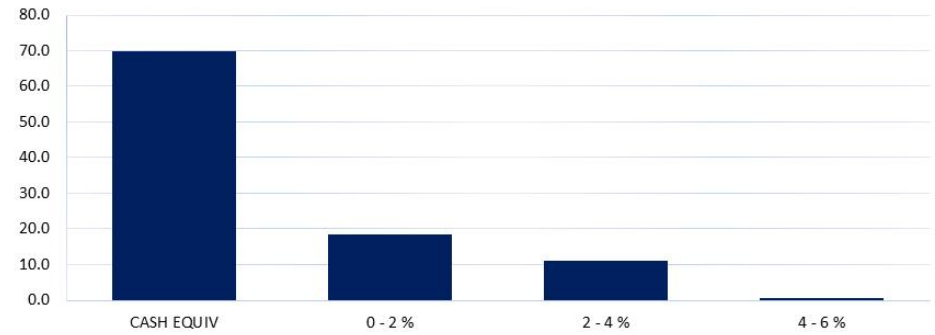
Duration Distribution



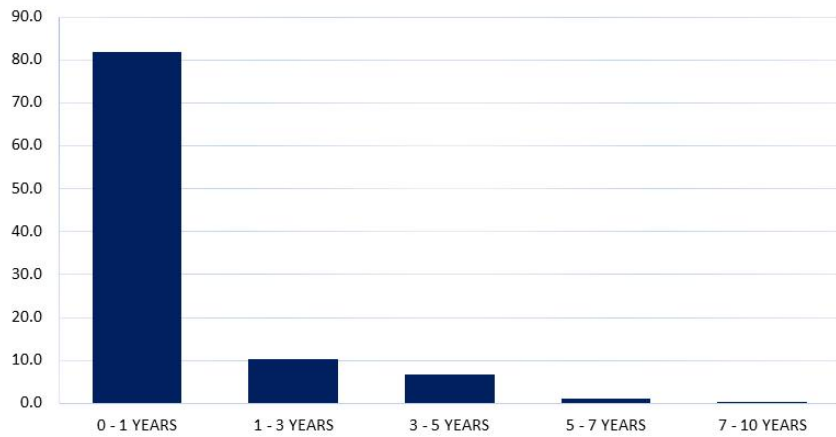
Portfolio Level Characteristics

	POOL 3 ST AGCY INT.
Weighted Average Life	0.71
Coupon	1.62
Effective Duration	0.52
Quality Rating (Moody's)	AA-1

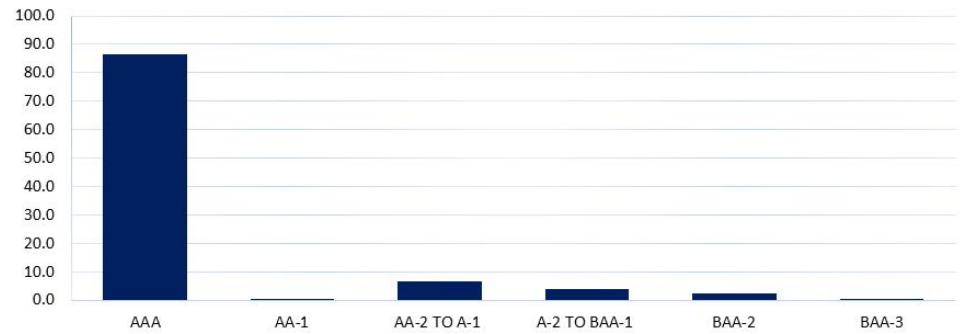
Coupon Distribution



Expected Maturity Distribution



Rating Distribution



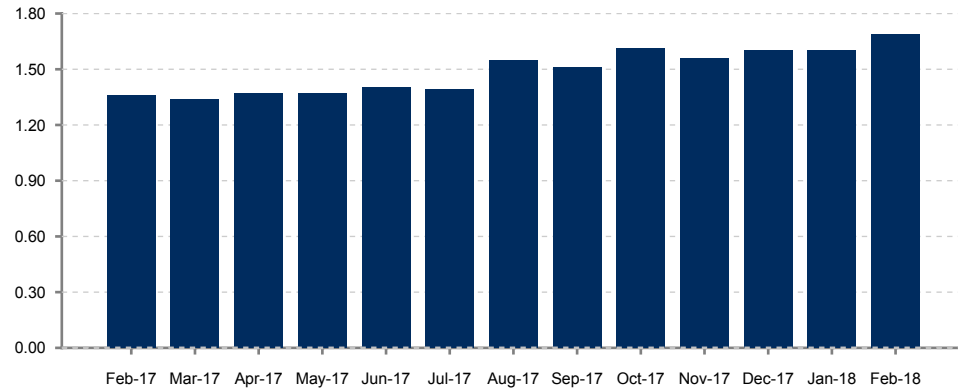
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February 28, 2018

POOL 3 ST AGCY EXT.



Net Yield

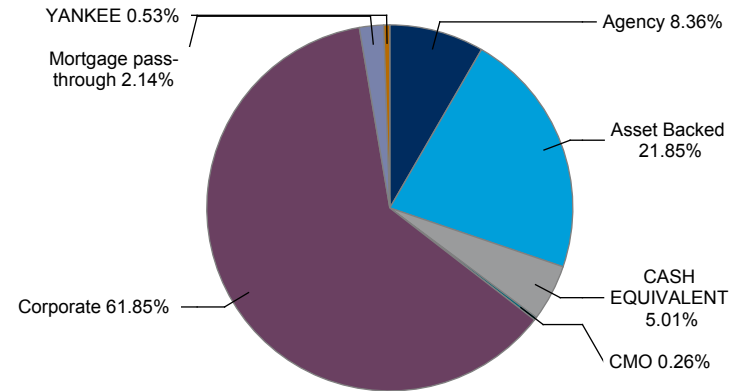


Current Mth **Prior Mth** **1 Year Ago**

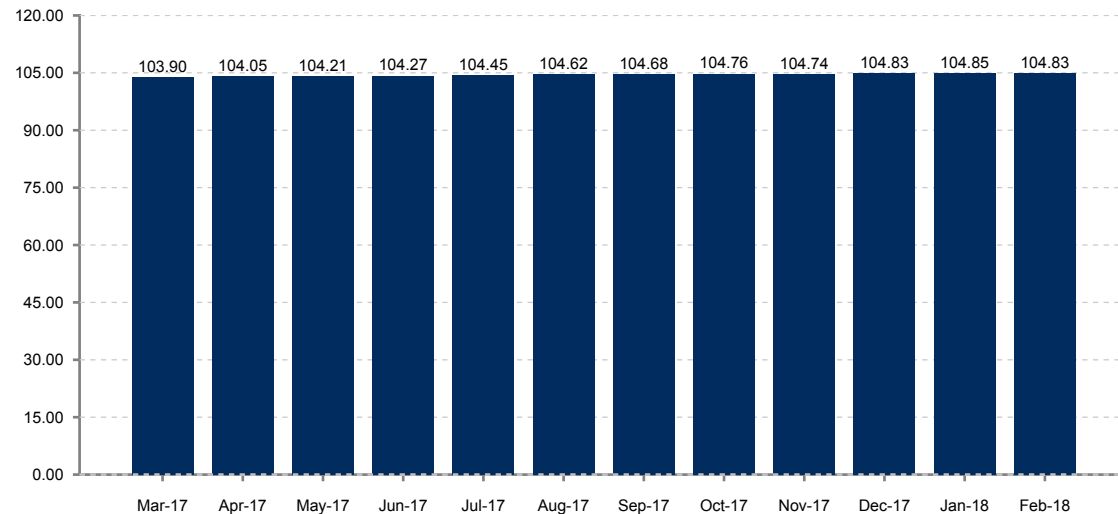
POOL 3 ST AGCY EXT.	1.69	1.60	1.36
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Asset Allocation

Ending Market Value	
POOL 3 ST AGCY EXT.	104,826,213



Net Asset Values over Time (\$MM)

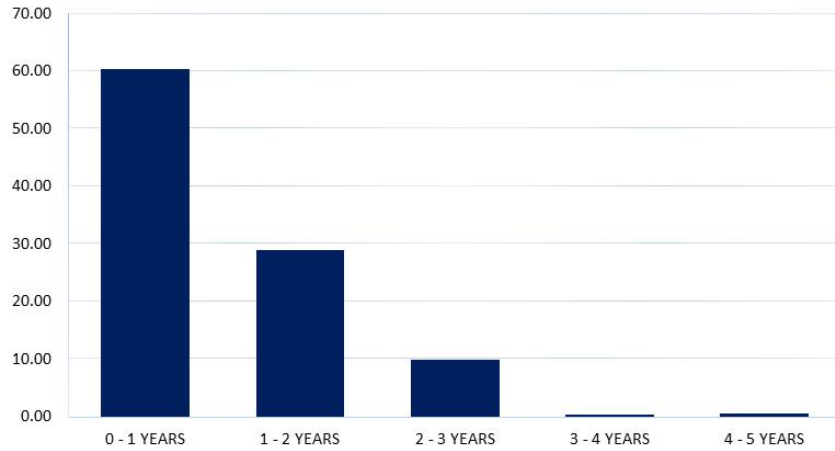


Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 3 ST AGCY EXT.		
FANNIE MAE	2,957,568	2.82
FREDDIE MAC	2,766,061	2.64
DISCOVER CARD EXECUTION NOTE T	2,081,792	1.99
FED HOME LN DISCOUNT NT	2,050,000	1.96
FANNIE MAE	1,972,862	1.88
BRANCH BANKING + TRUST	1,863,084	1.78
MANUF + TRADERS TRUST CO	1,815,222	1.73
CITIBANK NA	1,752,646	1.67
FNMA POOL MA1443	1,595,131	1.52
3M COMPANY	1,531,592	1.46



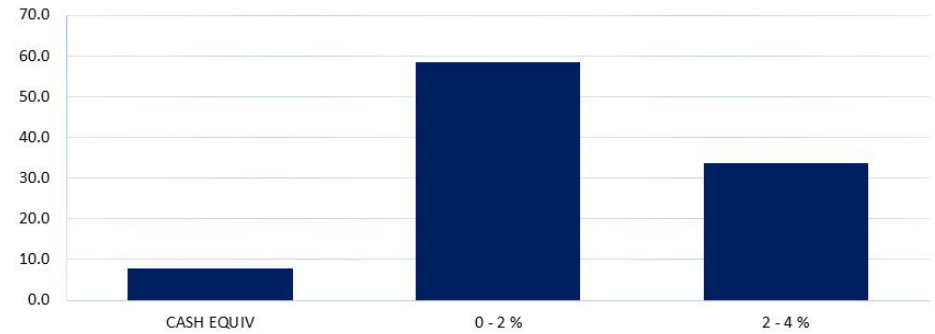
Duration Distribution



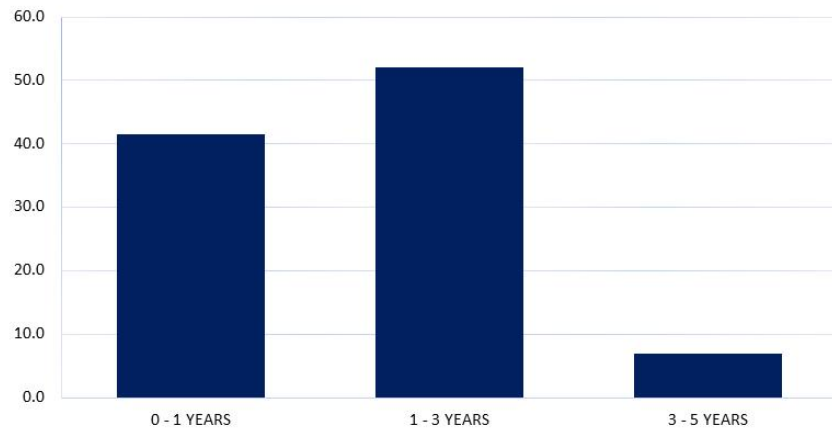
Portfolio Level Characteristics

	POOL 3 ST AGCY EXT.
Weighted Average Life	1.41
Coupon	1.77
Effective Duration	0.86
Quality Rating (Moody's)	AA-3

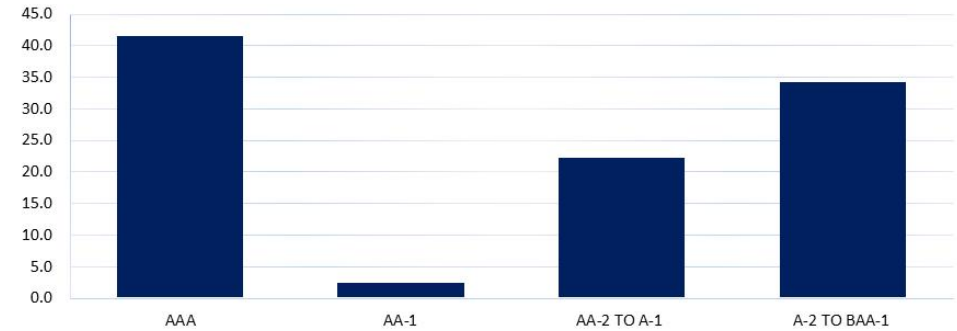
Coupon Distribution



Expected Maturity Distribution



Rating Distribution



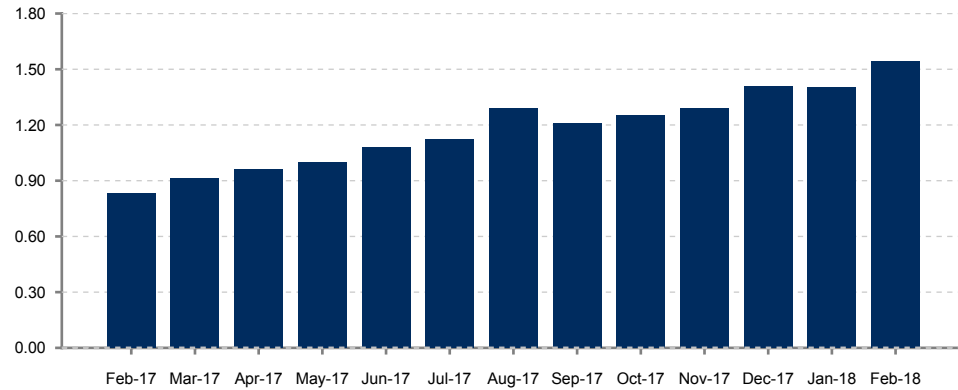
OFFICE OF THE ARIZONA STATE TREASURER

February 28, 2018

POOL 4 ST AGCY GOV.



Net Yield

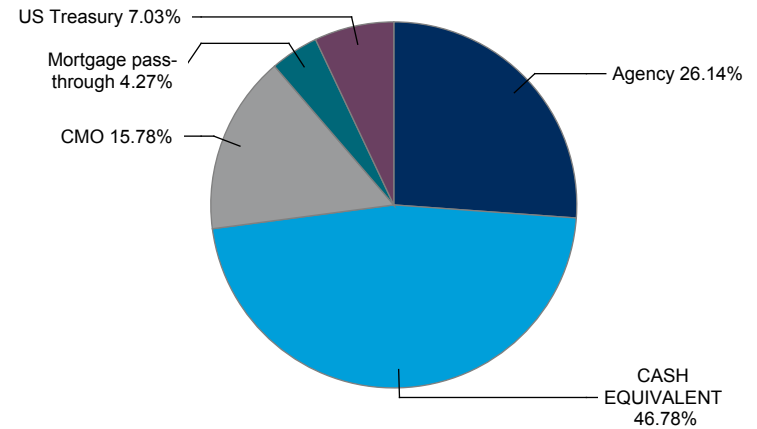


Current Mth **Prior Mth** **1 Year Ago**

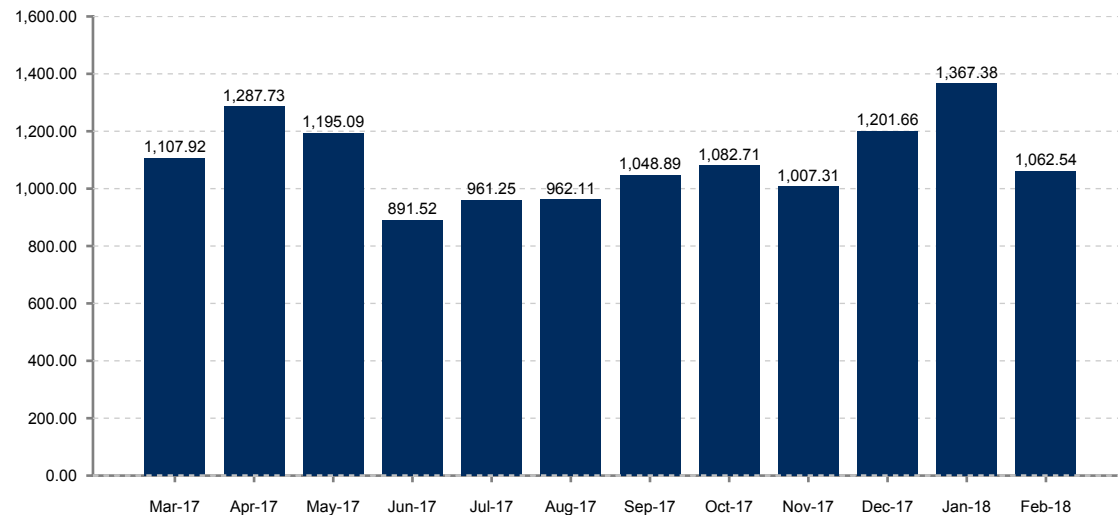
POOL 4 ST AGCY GOV.	1.54	1.40	0.83
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Asset Allocation

	Ending Market Value
POOL 4 ST AGCY GOV.	1,062,538,091



Net Asset Values over Time (\$MM)

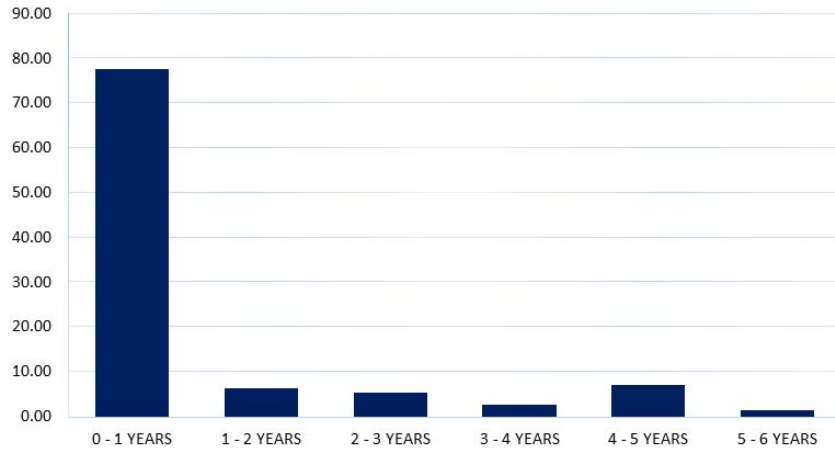


Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 4 ST AGCY GOV.		
AMHERST PIERPONT	102,514,287	9.65
FED HOME LN DISCOUNT NT	39,786,640	3.74
US TREASURY N/B	30,029,698	2.83
TREASURY BILL	30,000,000	2.82
TREASURY BILL	29,837,436	2.81
FED HOME LN DISCOUNT NT	20,385,733	1.92
FEDERAL FARM CREDIT BANK	20,045,024	1.89
FARMER MAC	20,036,707	1.89
TREASURY BILL	19,995,283	1.88
FEDERAL FARM CREDIT BANK	19,972,762	1.88



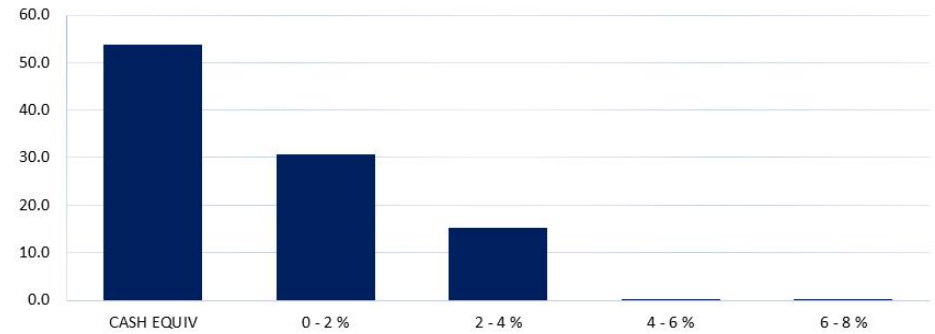
Duration Distribution



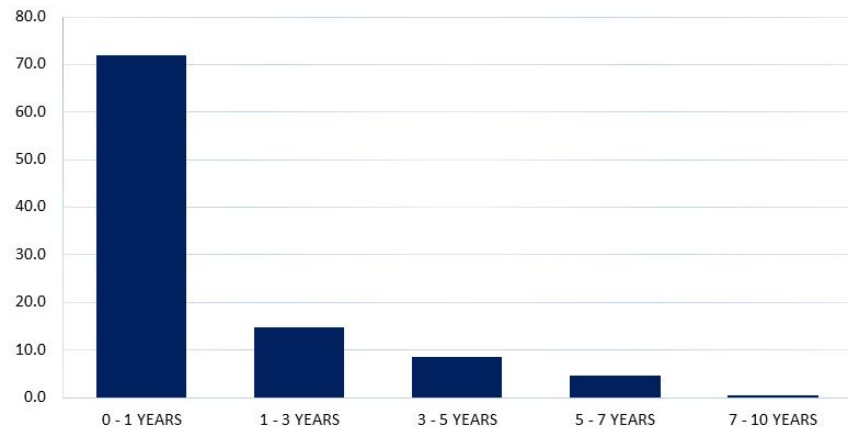
Portfolio Level Characteristics

	POOL 4 ST AGCY GOV.
Weighted Average Life	1.13
Coupon	0.96
Effective Duration	0.91
Quality Rating (Moody's)	AAA

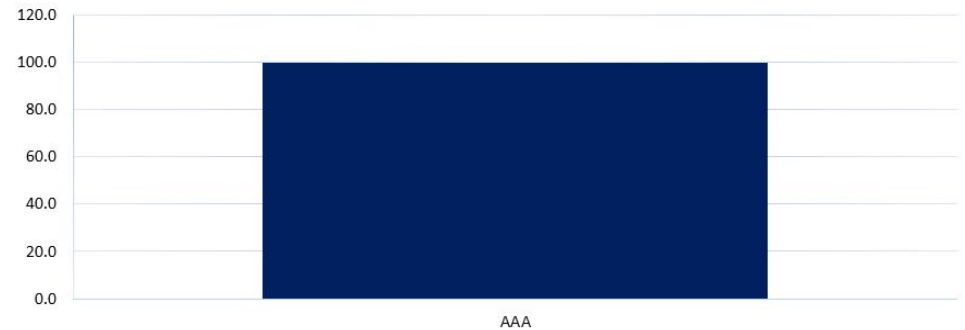
Coupon Distribution



Expected Maturity Distribution



Rating Distribution



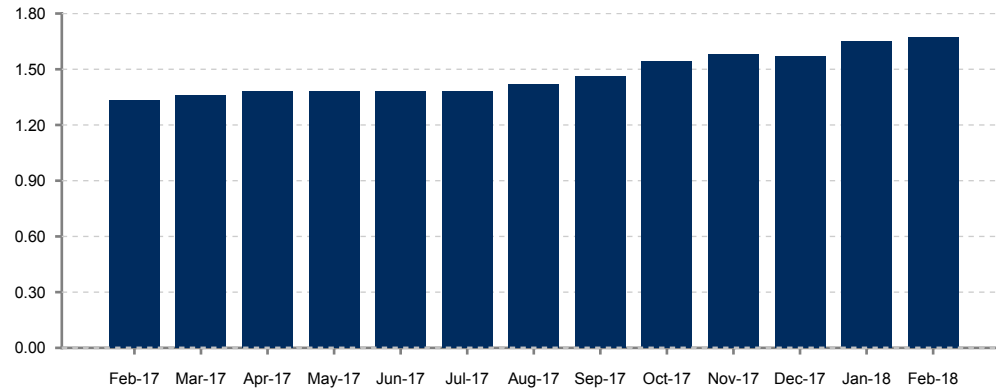
OFFICE OF THE ARIZONA STATE TREASURER

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POOL 10 ST OPERATING INT



Net Yield



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

POOL 10 ST OPER INT

1.67

1.65

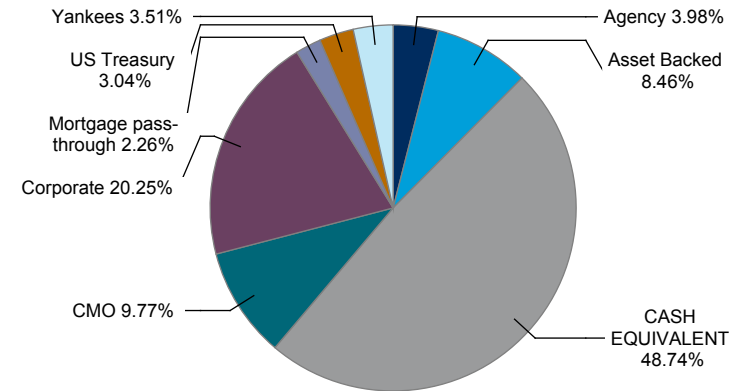
1.33

Asset Allocation

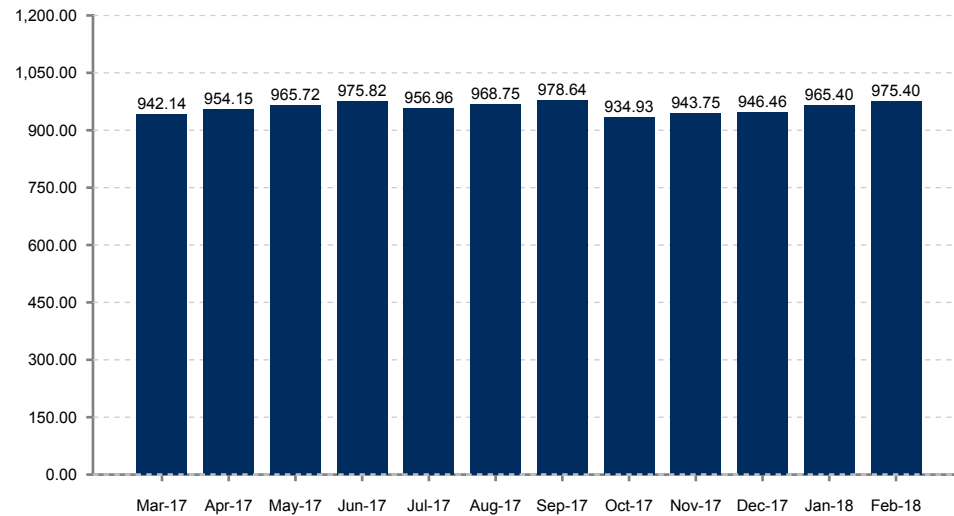
POOL 10 ST OPER INT

Ending Market Value

975,396,561



Net Asset Values over Time (\$MM)

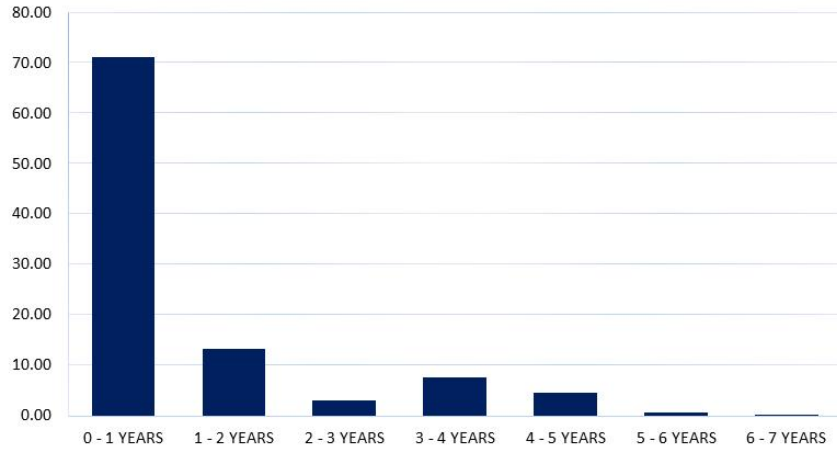


Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 10 ST OPER INT		
RBC CAPITAL MARKETS REPO	59,046,690	6.05
DAIWA CAPITAL MARKETS REPO	41,305,906	4.23
CHARIOT FNDG LLC	29,804,700	3.06
ROYAL BK OF CANADA	24,977,042	2.56
BANK OF NOVA SCOTIA	20,136,939	2.06
GENERAL ELECTRIC CO	19,996,533	2.05
BANK TOKYO MIT UFJ NY	19,996,400	2.05
MOUNTCLIFF	19,996,111	2.05
SHELL INTNL FNC B.V	19,988,733	2.05
MIZUHO BANK LTD	19,988,156	2.05



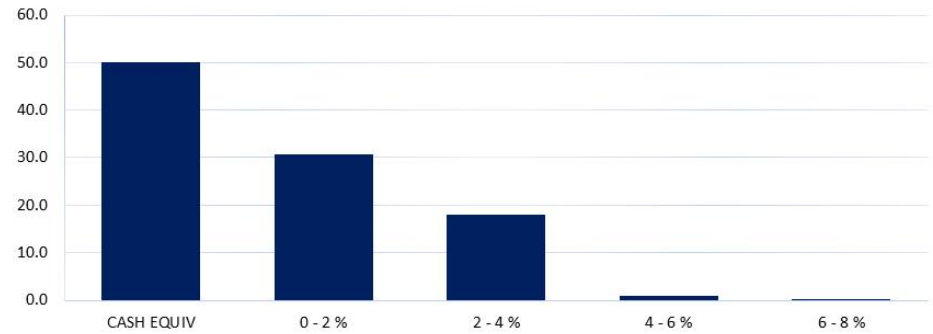
Duration Distribution



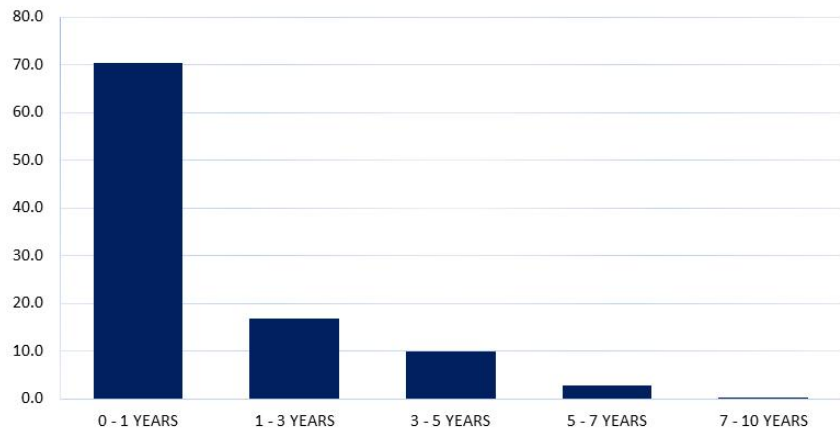
Portfolio Level Characteristics

	POOL 10 ST OPERATING INT
Weighted Average Life	1.07
Coupon	1.55
Effective Duration	0.97
Quality Rating (Moody's)	AA-1

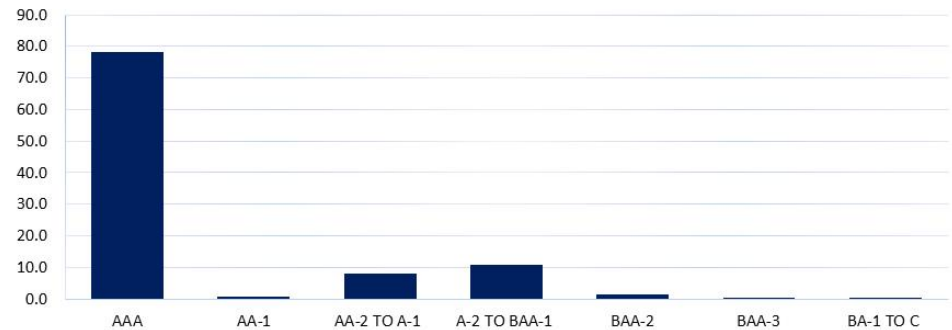
Coupon Distribution



Expected Maturity Distribution



Rating Distribution



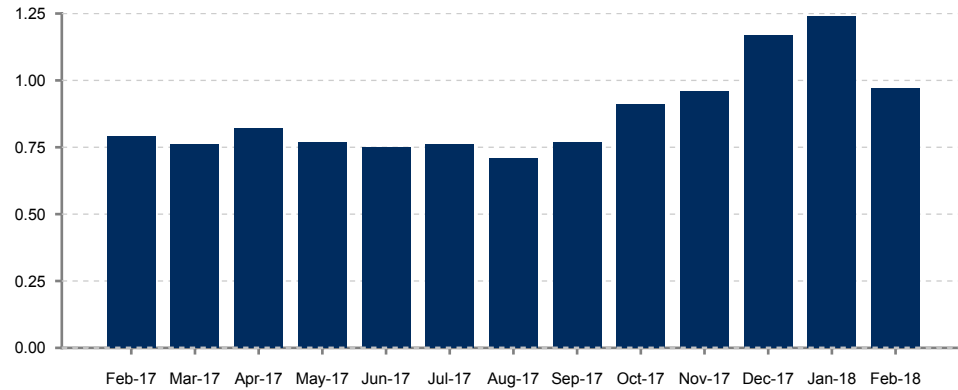
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POOL 10 ST OPERATING Ext



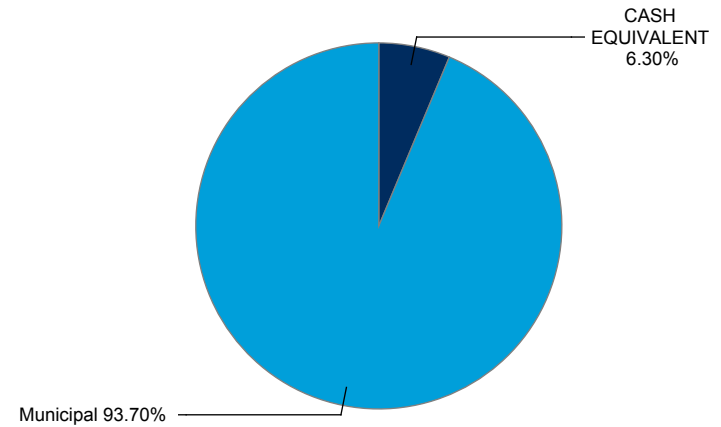
Net Yield



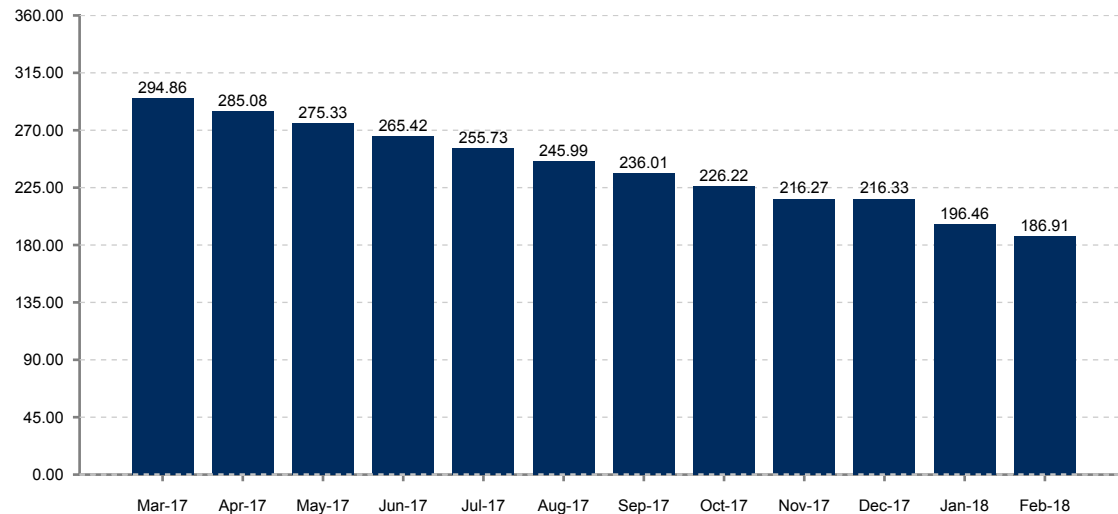
	Current Mth	Prior Mth	1 Year Ago
POOL 10 ST OPERATING	0.97	1.24	0.79

Asset Allocation

	Ending Market Value
POOL 10 ST OPERATING	186,905,003



Net Asset Values over Time (\$MM)

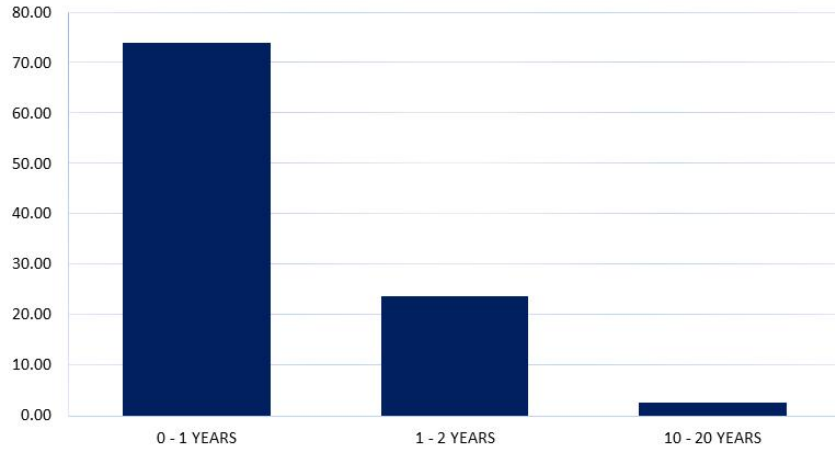


Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 10 ST OPERATING		
DREYFUS TAX EXEMPT CA	12,417,976	6.64
BALTIMORE CNTY MD	12,174,870	6.51
ALPINE UT SCH DIST	10,518,129	5.63
PRINCE GEORGES CNTY	10,383,530	5.56
PENNSYLVANIA ST INDL D	10,228,541	5.47
SHELBY CNTY TN	10,035,905	5.37
TEXAS ST	9,299,751	4.98
INDIANA ST FIN AUTH HOS	9,005,686	4.82
WISCONSIN ST PETROLEU	8,897,686	4.76
UNIV OF ILLINOIS IL	8,705,306	4.66



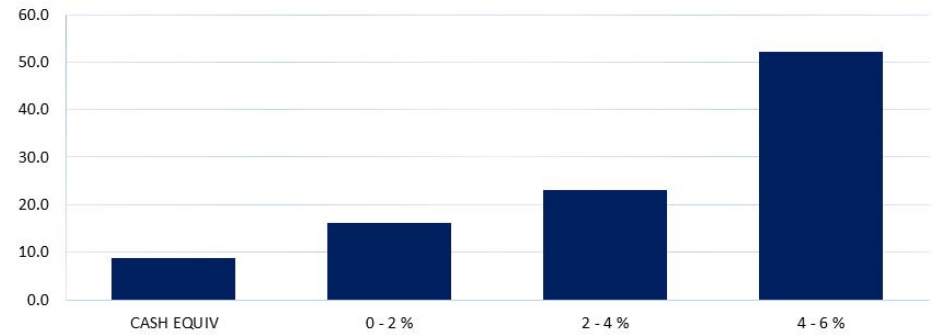
Duration Distribution



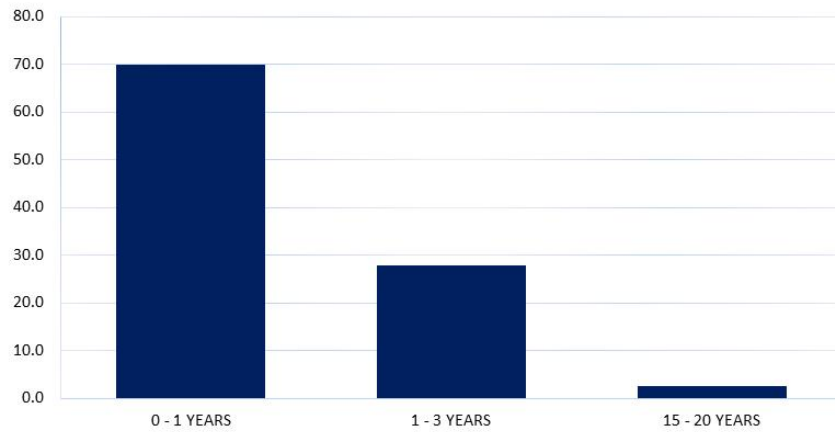
Portfolio Level Characteristics

	POOL 10 ST OPERATING
Weighted Average Life	1.00
Coupon	3.92
Effective Duration	0.96
Quality Rating (Moody's)	AA-1

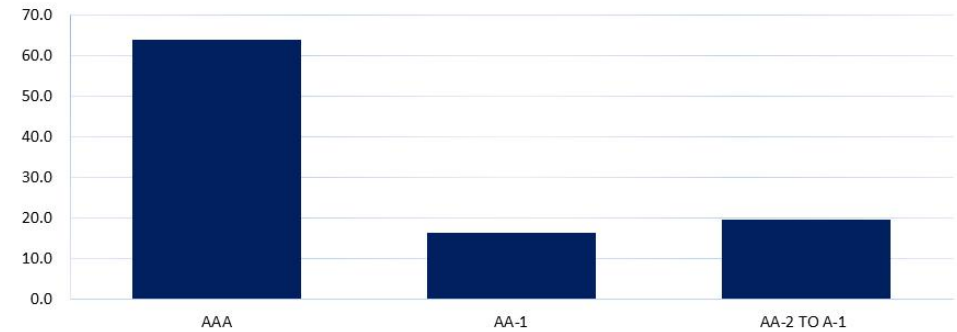
Coupon Distribution



Expected Maturity Distribution



Rating Distribution



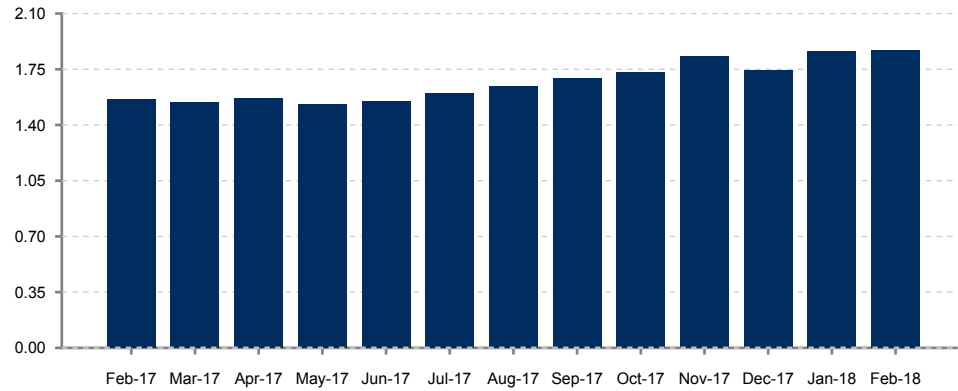
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POOL 12 CAWCD MED TRM



Net Yield

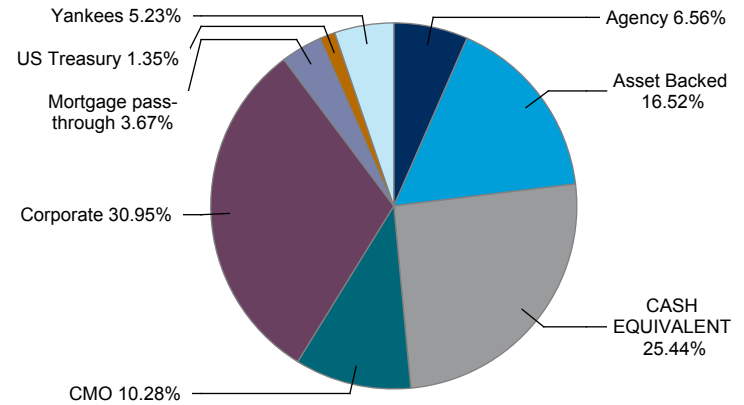


Current Mth **Prior Mth** **1 Year Ago**

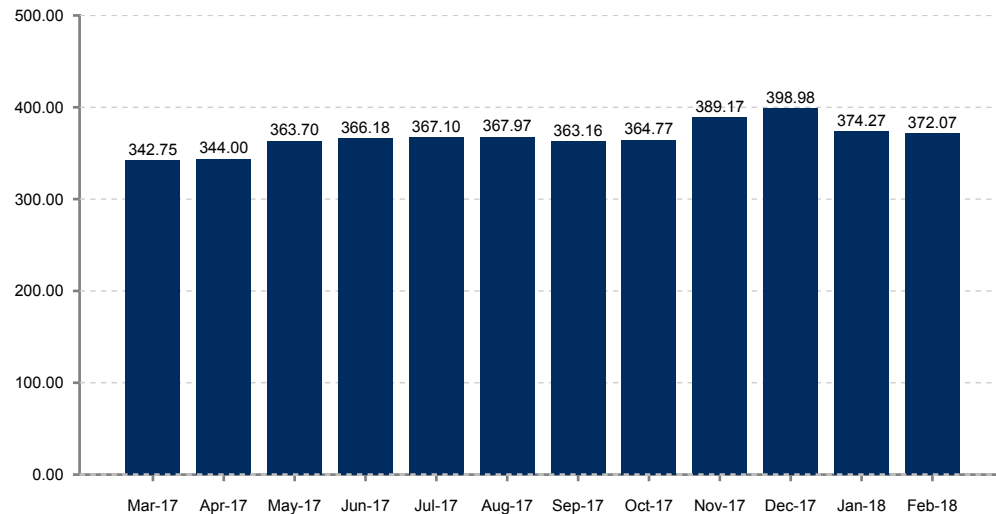
POOL 12 CAWCD MED TRM	1.87	1.86	1.56
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Asset Allocation

	Ending Market Value
POOL 12 CAWCD MED TRM	372,071,782



Net Asset Values over Time (\$MM)

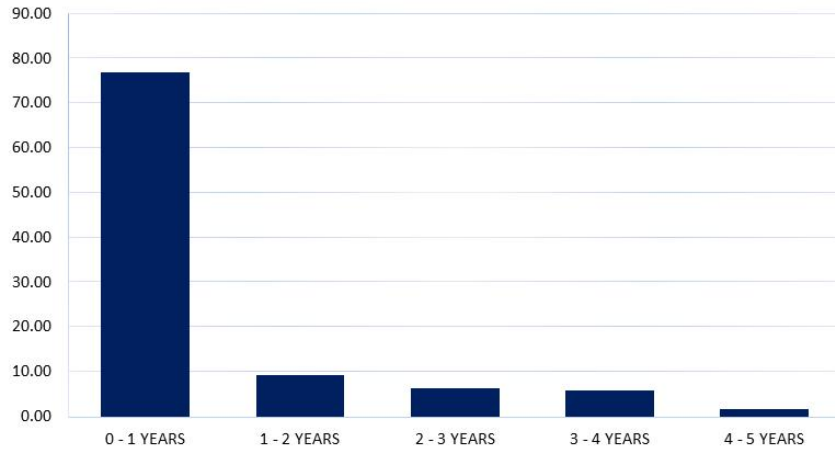


Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 12 CAWCD MED TRM		
GUGGENHEIM SECURITIES REPO	39,349,464	10.58
LEXINGTN PKR CAP CO LL	9,976,106	2.68
GM FINANCIAL AUTOMOBILE LEASIN	6,407,640	1.72
FORD CREDIT AUTO OWNER TRUST	5,492,798	1.48
FANNIE MAE	5,335,200	1.43
CISCO SYSTEMS INC	5,036,524	1.35
JOHN DEERE CAPITAL CORP	5,036,293	1.35
BRANCH BANKING + TRUST	5,035,363	1.35
CHEVRON CORP	5,034,841	1.35
NISSAN MOTOR ACCEPTANCE	5,032,906	1.35



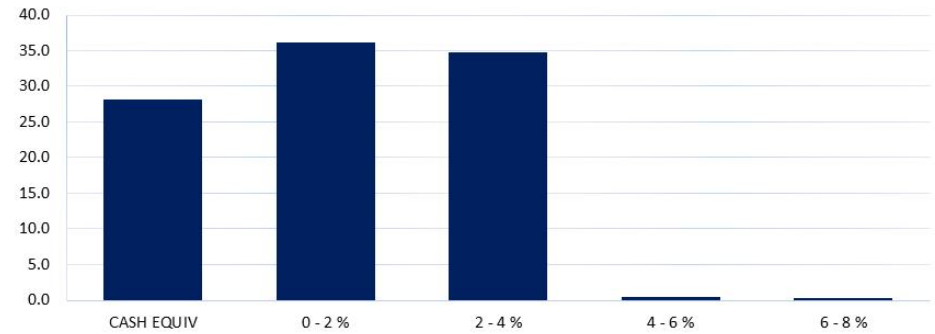
Duration Distribution



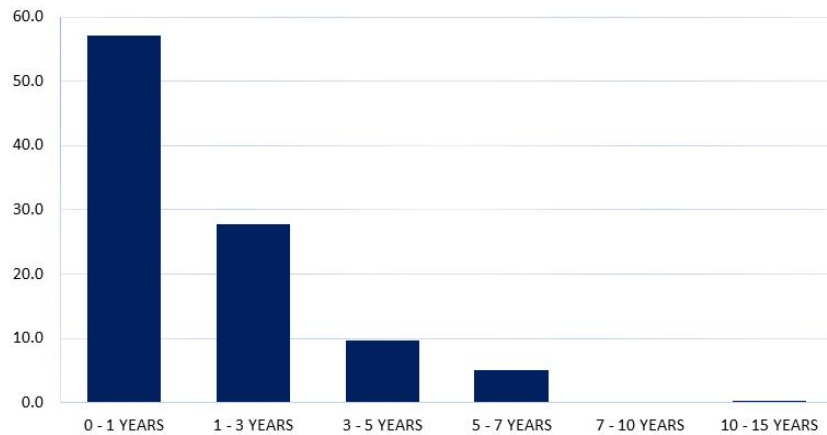
Portfolio Level Characteristics

	POOL 12 CAWCD MED TRM
Weighted Average Life	1.51
Coupon	1.99
Effective Duration	0.84
Quality Rating (Moody's)	AA-2

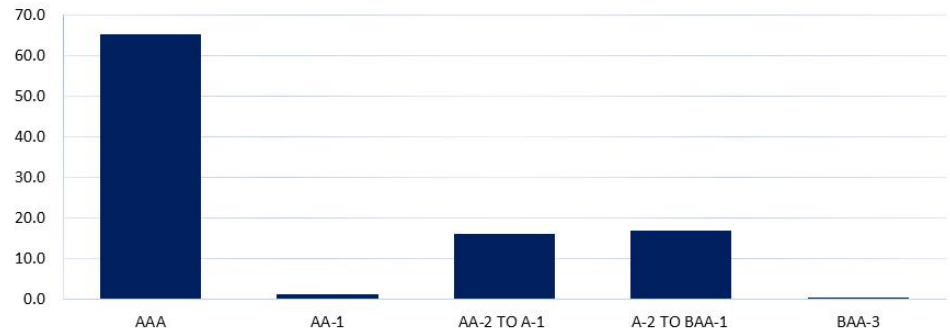
Coupon Distribution



Expected Maturity Distribution



Rating Distribution



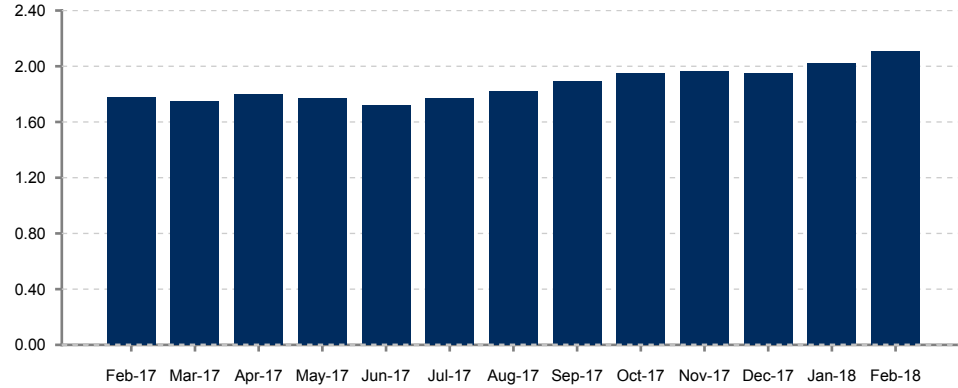
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POOL 16 ECDHB



Net Yield



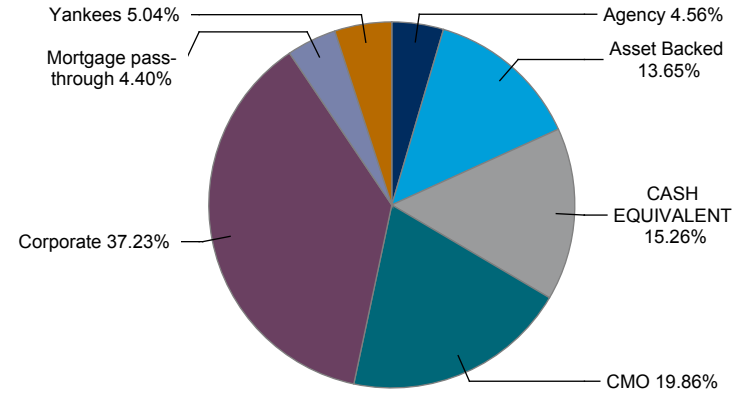
	Current Mth	Prior Mth	1 Year Ago
POOL 16 ECDHB	2.11	2.02	1.78

Asset Allocation

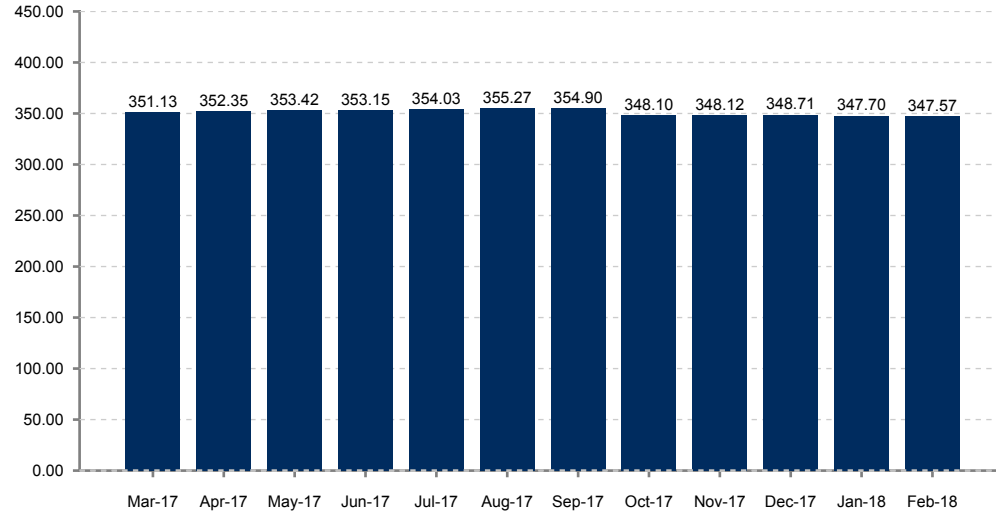
POOL 16 ECDHB

Ending Market Value

347,567,320



Net Asset Values over Time (\$MM)

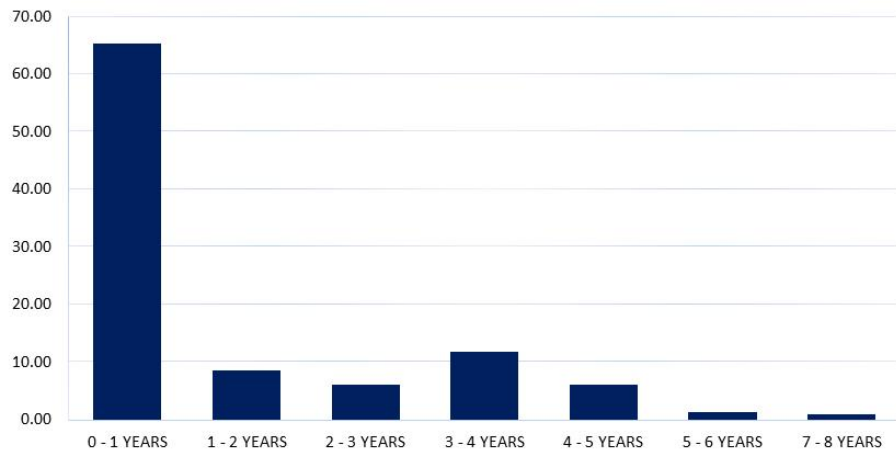


Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 16 ECDHB		
GUGGENHEIM SECURITIES REPO	18,000,690	5.18
FANNIE MAE	6,200,005	1.78
FREDDIEMAC STRIP	5,274,157	1.52
ATLANTIC ASSET SECUR	5,101,520	1.47
GOVERNMENT NATIONAL MORTGAGE A	5,040,905	1.45
AMERICAN EXPRESS CREDIT	5,040,118	1.45
NISSAN MOTOR ACCEPTANCE	5,037,291	1.45
CISCO SYSTEMS INC	5,036,524	1.45
JOHN DEERE CAPITAL CORP	5,036,293	1.45
BRANCH BANKING + TRUST	5,035,363	1.45



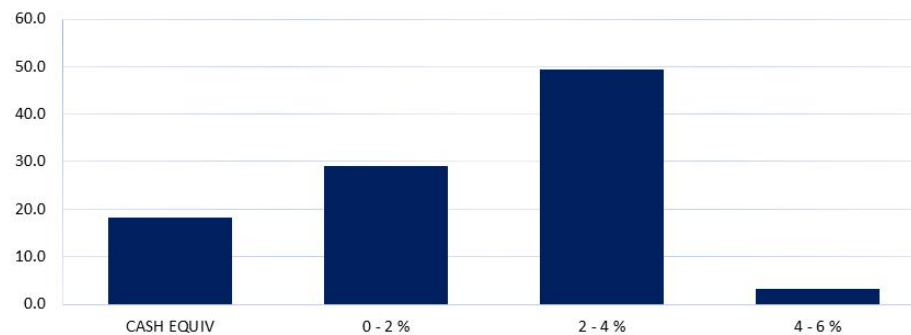
Duration Distribution



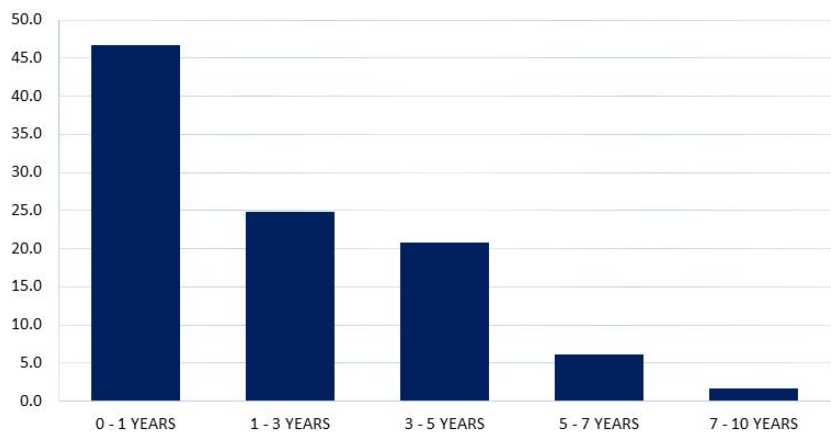
Portfolio Level Characteristics

	POOL 16 ECDHB
Weighted Average Life	1.96
Coupon	2.25
Effective Duration	1.24
Quality Rating (Moody's)	AA-3

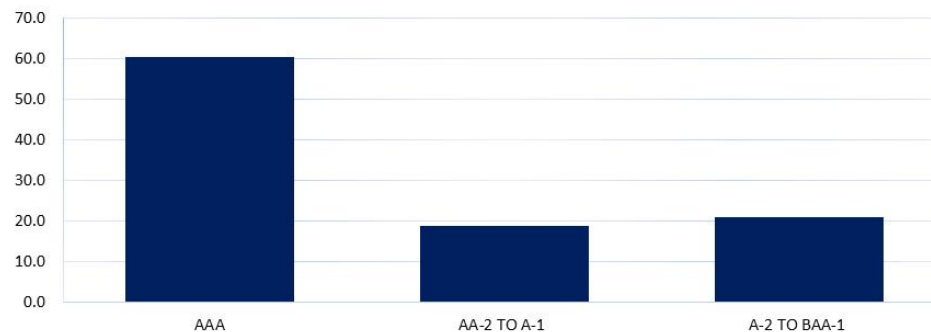
Coupon Distribution



Expected Maturity Distribution



Rating Distribution



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**LGIP & LGIP- GOV
 PORTFOLIO YIELD ANALYSIS
 FEBRUARY 2018**

NET EARNINGS

FUND	DESCRIPTION	Current Month 02/28/18	Prior Month 01/31/18	Prior Year 02/28/17	Net Asset Value Per Share
5	LGIP	1,495,874	1,634,507	619,133	1.0000
7	LGIP - GOV	1,459,767	1,519,965	430,470	1.0000
	TOTAL LGIP & LGIP-GOV	2,955,641	3,154,472	1,049,603	

YIELDS

<u>MONTHLY</u>		Current Month 02/28/18	Prior Month 01/31/18	Prior Year 2/28/17
5	LGIP (NET)	1.43%	1.42%	0.64%
	S & P LGIP INDEX	1.34%	1.25%	0.66%
7	LGIP - GOV (NET)	1.35%	1.27%	0.46%
	3 MONTH T-BILL	1.57%	1.42%	0.52%
<u>YEAR TO DATE</u>				
5	LGIP (NET)	1.18%	1.15%	0.50%
	S & P LGIP INDEX	1.09%	1.06%	0.50%
7	LGIP - GOV (NET)	1.07%	1.03%	0.39%
	3 MONTH T-BILL	1.22%	1.17%	0.39%

* 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
 FEBRUARY 2018**

NET EARNINGS

FUND	DESCRIPTION	Current Month 02/28/18	Prior Month 01/31/18	Prior Year 02/28/17	Net Asset Value Per Share
500	LGIP - MED TERM POOL	526,586	537,733	346,734	1.0221
700	LGIP - FF&C MED TERM POOL	197,322	205,387	132,218	0.9952
	TOTAL LGIP MEDIUM TERM POOLS	723,908	743,121	478,952	

YIELDS

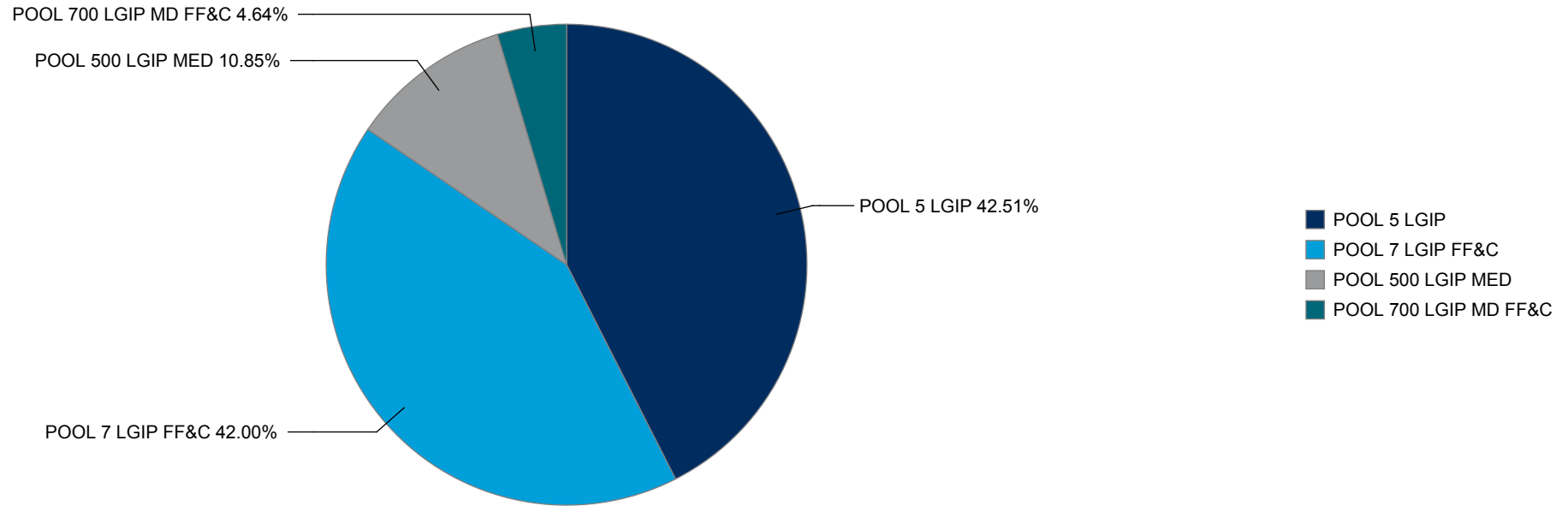
MONTHLY

	Current Month 02/28/18	Prior Month 01/31/18	Prior Year 2/28/17
500 LGIP - MED TERM (NET)	1.93%	1.80%	1.48%
75% MERRILL 1-5 US D M INDEX / 25% S & P LGIP INDEX	2.30%	2.17%	1.49%
700 LGIP - FF&C MED TERM (NET)	1.69%	1.59%	1.28%
75% MERRILL 1-5 US TREAS INDEX / 15% MERRILL US GNMA 15 YR INDEX / 10% MERRILL US 3 MO T-BILL INDEX	2.37%	2.22%	1.44%

YEAR TO DATE

500 LGIP - MED TERM (NET)	1.74%	1.71%	1.35%
75% MERRILL 1-5 US D M INDEX / 25% S & P LGIP INDEX	1.86%	1.80%	1.31%
700 LGIP - FF&C MED TERM (NET)	1.54%	1.52%	1.10%
75% MERRILL 1-5 US TREAS INDEX / 15% MERRILL US GNMA 15 YR INDEX / 10% MERRILL US 3 MO T-BILL INDEX	1.85%	1.78%	1.18%

Manager Allocation



	Market Value	% of Portfolio
POOL 5 LGIP	1,391,668,476	42.5
POOL 7 LGIP FF&C	1,375,096,630	42.0
POOL 500 LGIP MED	355,296,895	10.9
POOL 700 LGIP MD FF&C	151,746,998	4.6
TOTAL LGIP	3,273,808,998	100.0

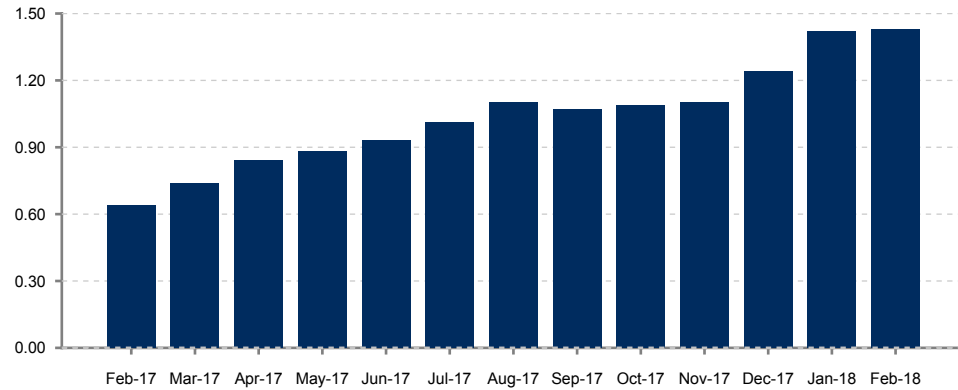
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POOL 5 LGIP



Net Yield

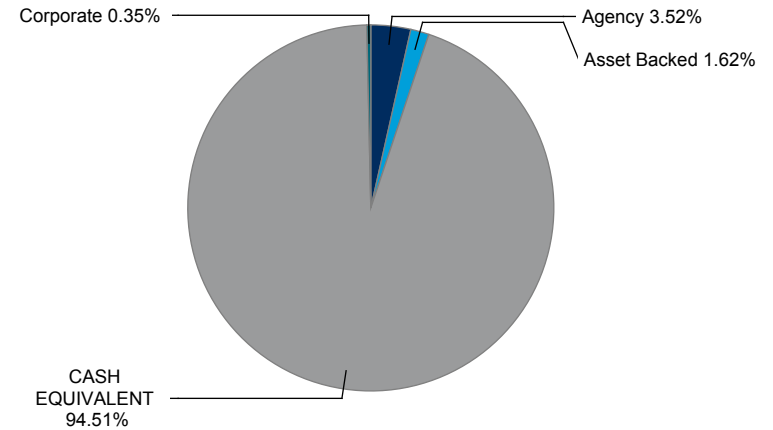


Current Mth **Prior Mth** **1 Year Ago**

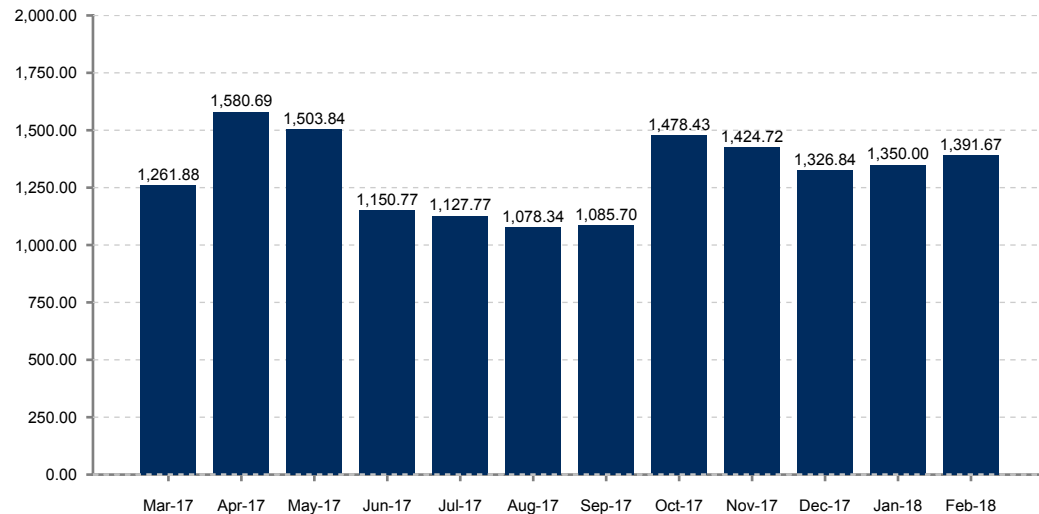
POOL 5 LGIP	1.43	1.42	0.64
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Asset Allocation

Ending Market Value	
POOL 5 LGIP	1,391,668,476



Net Asset Values over Time (\$MM)

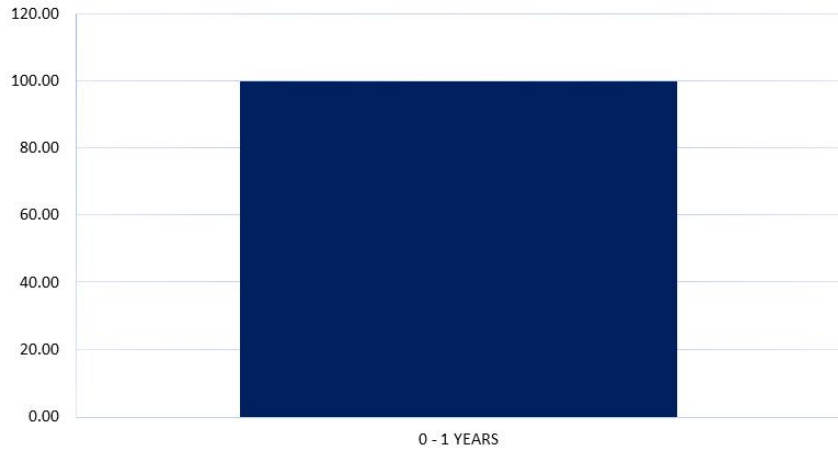


Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 5 LGIP		
CREDIT AGRICOLE REPO	200,007,500	14.37
BANK OF AMERICA REPO	100,003,611	7.19
FIDELITY INVESTMENTS MONEY	50,868,161	3.66
RBC CAPITAL MARKETS REPO	40,956,921	2.94
INTEL CORPORATION	39,993,422	2.87
INTL BUS MACH CORP	39,951,700	2.87
TREASURY BILL	39,936,533	2.87
COCA-COLA COMPANY	32,918,325	2.37
NORTHWESTERN UNIVRS	29,913,458	2.15
LIBERTY FUNDING LLC	26,907,540	1.93



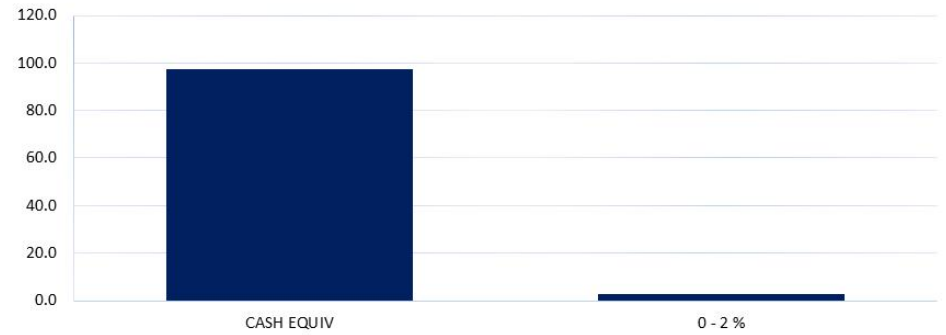
Duration Distribution



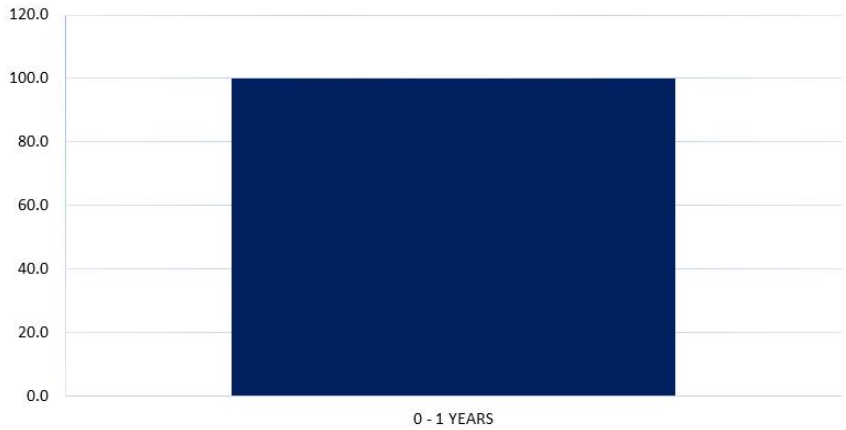
Portfolio Level Characteristics

	POOL 5 LGIP
Weighted Average Life	0.11
Coupon	0.01
Effective Duration	0.10
Quality Rating (Moody's)	AAA

Coupon Distribution



Expected Maturity Distribution



Rating Distribution



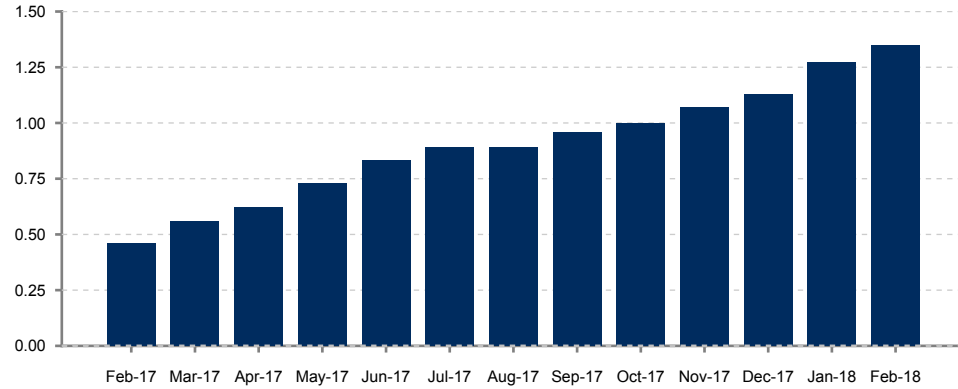
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POOL 7 LGIP FF&C



Net Yield



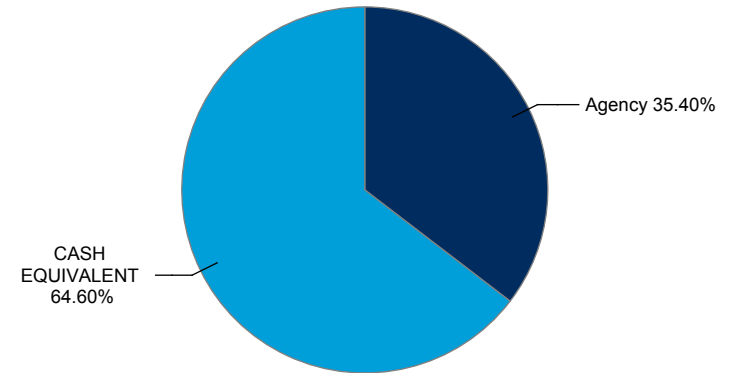
	Current Mth	Prior Mth	1 Year Ago
POOL 7 LGIP FF&C	1.35	1.27	0.46

Asset Allocation

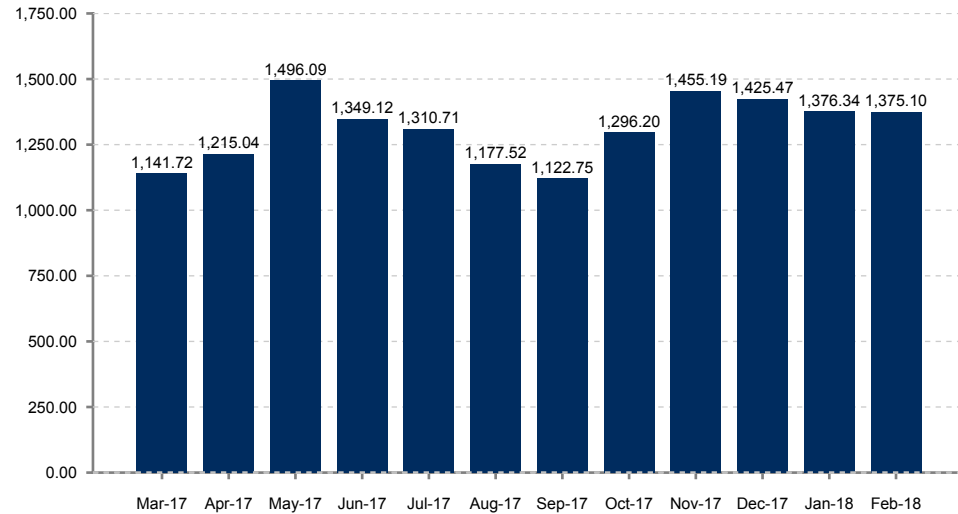
POOL 7 LGIP FF&C

Ending Market Value

1,375,096,630



Net Asset Values over Time (\$MM)

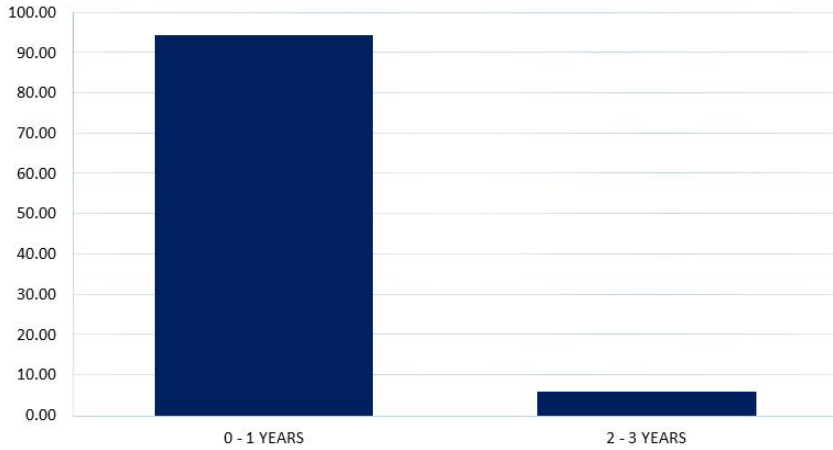


Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 7 LGIP FF&C		
WELLS FARGO REPO	220,016,500	16.00
TREASURY BILL	119,847,478	8.72
TREASURY BILL	119,814,948	8.71
TREASURY BILL	99,741,679	7.25
TREASURY BILL	79,921,071	5.81
TREASURY BILL	79,848,841	5.81
TREASURY BILL	79,757,493	5.80
TREASURY BILL	79,732,040	5.80
TREASURY BILL	79,333,468	5.77
DAIWA CAPITAL MARKETS REPO	55,661,996	4.05



Duration Distribution



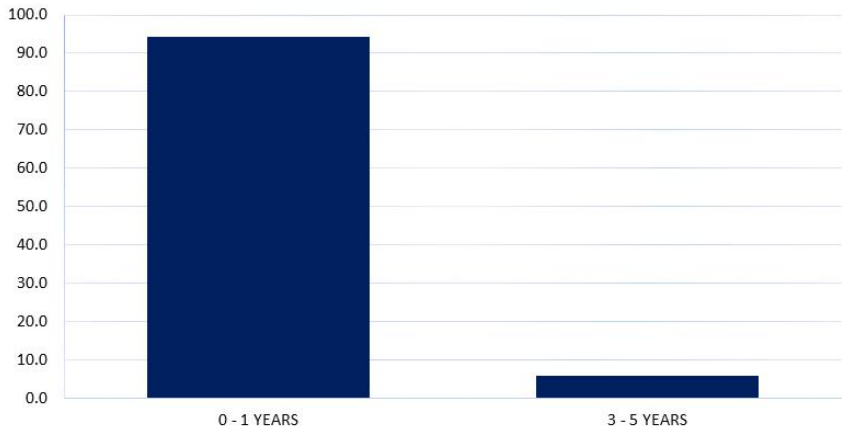
Portfolio Level Characteristics

	POOL 7 LGIP FF&C
Weighted Average Life	0.36
Coupon	0.00
Effective Duration	0.33
Quality Rating (Moody's)	AAA

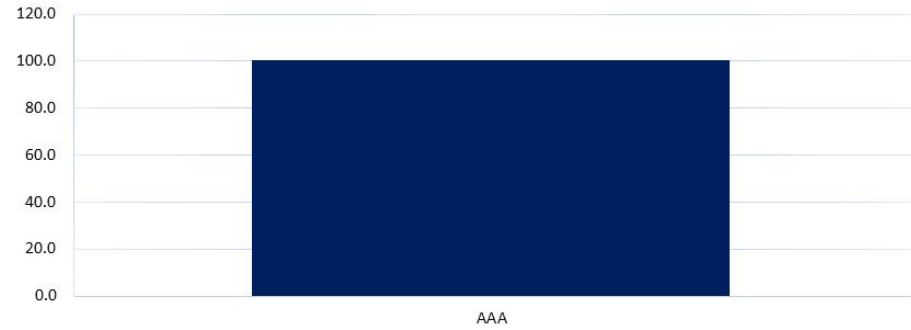
Coupon Distribution



Expected Maturity Distribution



Rating Distribution



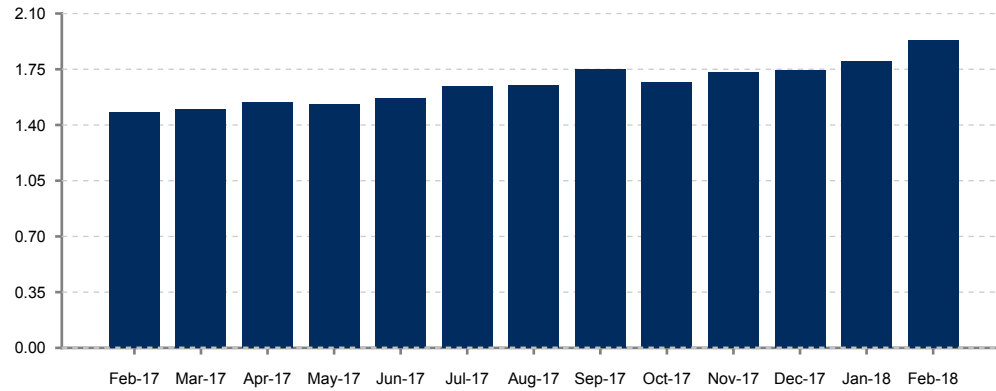
OFFICE OF THE ARIZONA STATE TREASURER

February 28, 2018

POOL 500 LGIP MED



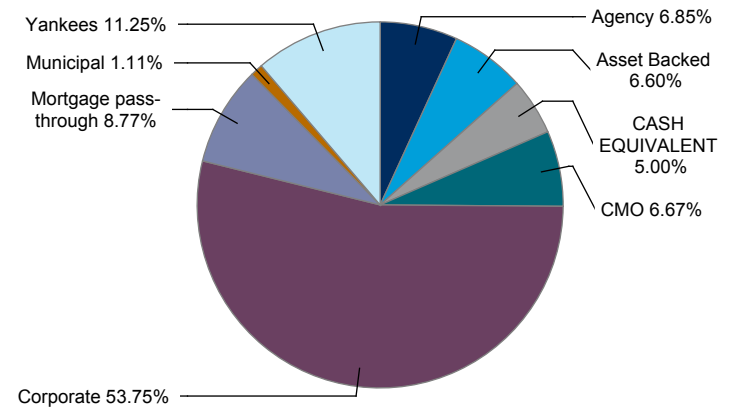
Net Yield



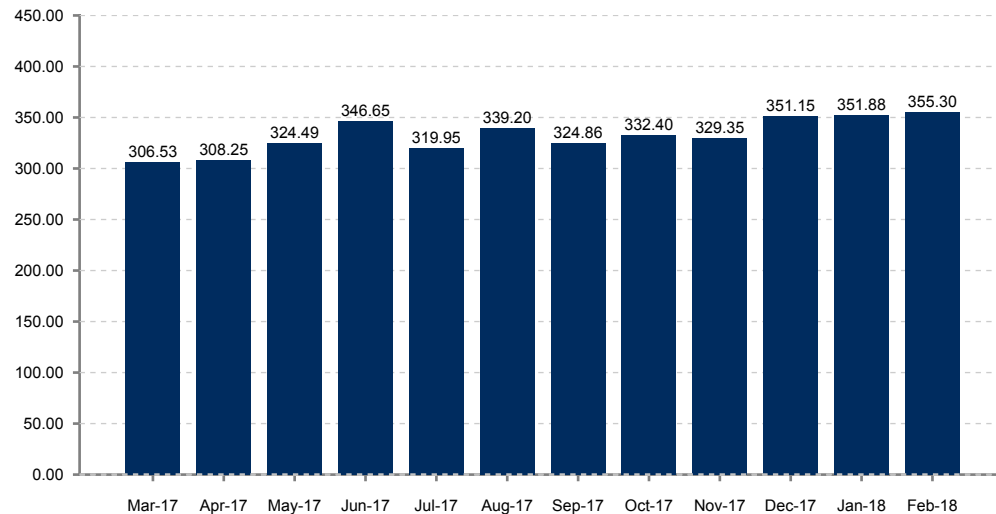
	Current Mth	Prior Mth	1 Year Ago
POOL 500 LGIP MED	1.93	1.80	1.48

Asset Allocation

	Ending Market Value
POOL 500 LGIP MED	355,296,895



Net Asset Values over Time (\$MM)

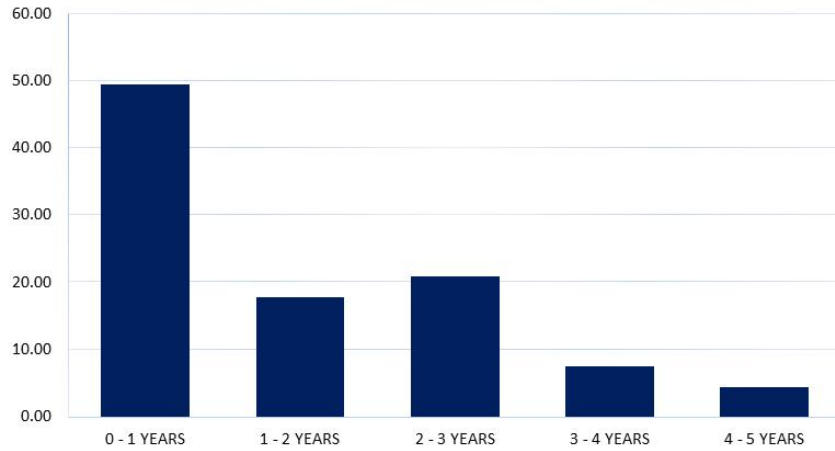


Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 500 LGIP MED		
GUGGENHEIM SECURITIES REPO	18,001,650	5.07
MICROSOFT CORP	7,920,324	2.23
GOLDMAN SACHS GROUP INC	7,893,249	2.22
APPLE INC	7,040,532	1.98
MANUF + TRADERS TRUST CO	7,013,225	1.97
HERSHEY COMPANY	5,975,775	1.68
BANK OF AMERICA CORP	5,811,264	1.64
FNMA POOL AB5991	5,796,509	1.63
MERCK + CO INC	5,540,129	1.56
BANK OF MONTREAL	5,041,562	1.42



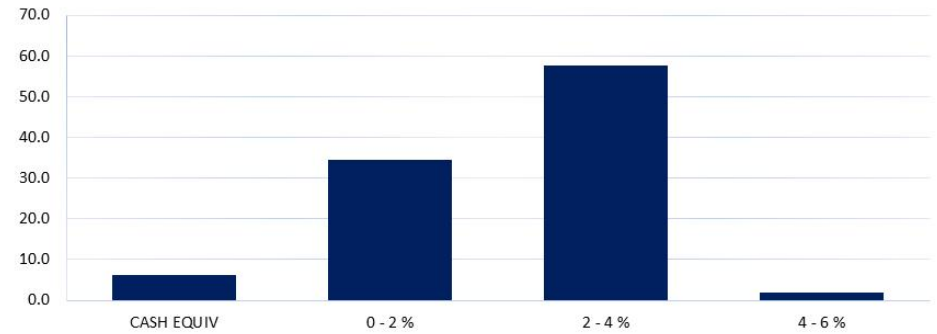
Duration Distribution



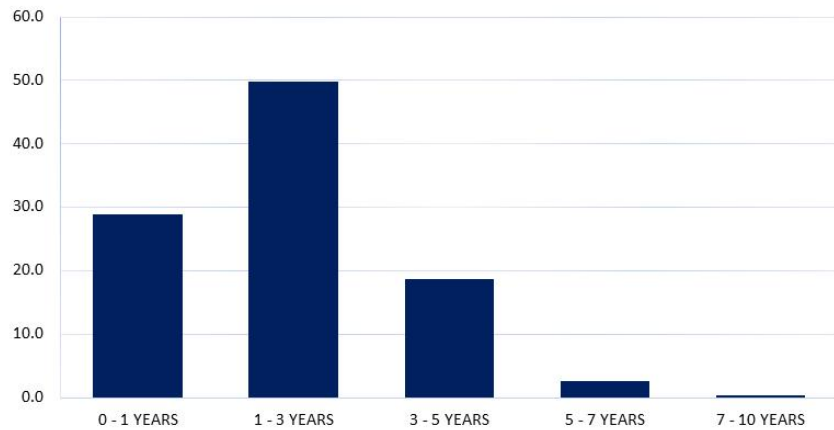
Portfolio Level Characteristics

	POOL 500 LGIP MED
Weighted Average Life	1.99
Coupon	2.18
Effective Duration	1.36
Quality Rating (Moody's)	AA-3

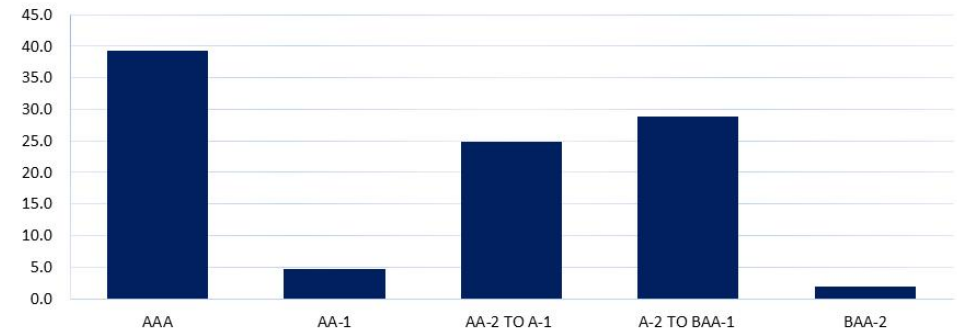
Coupon Distribution



Expected Maturity Distribution



Rating Distribution



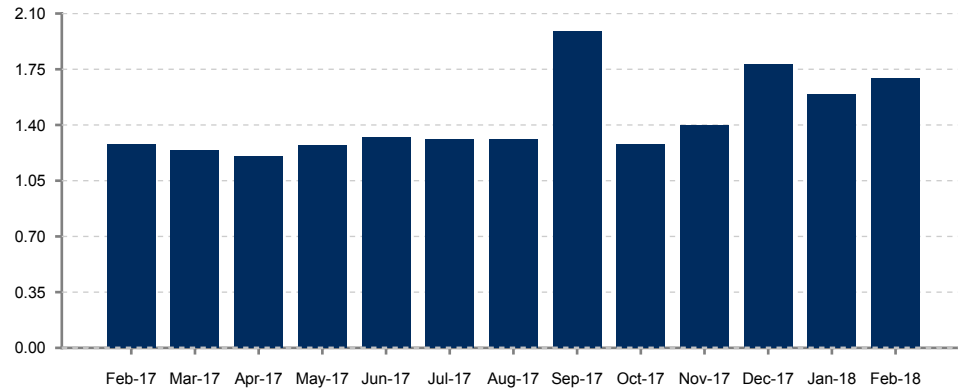
OFFICE OF THE ARIZONA STATE TREASURER

February 28, 2018

POOL 700 LGIP MD FF&C



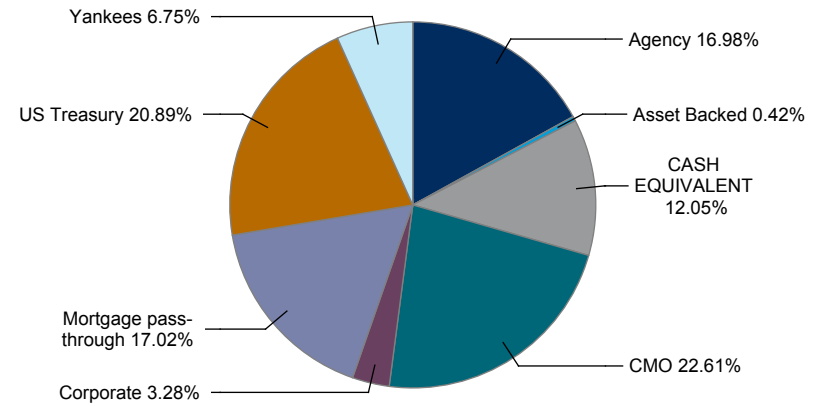
Net Yield



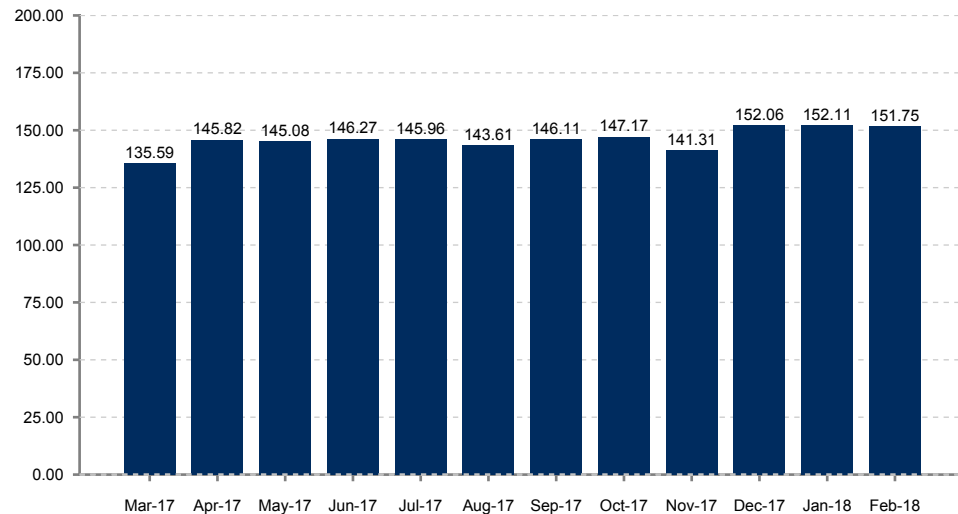
	Current Mth	Prior Mth	1 Year Ago
POOL 700 LGIP MD FF&C	1.69	1.59	1.28

Asset Allocation

	Ending Market Value
POOL 700 LGIP MD FF&C	151,746,998



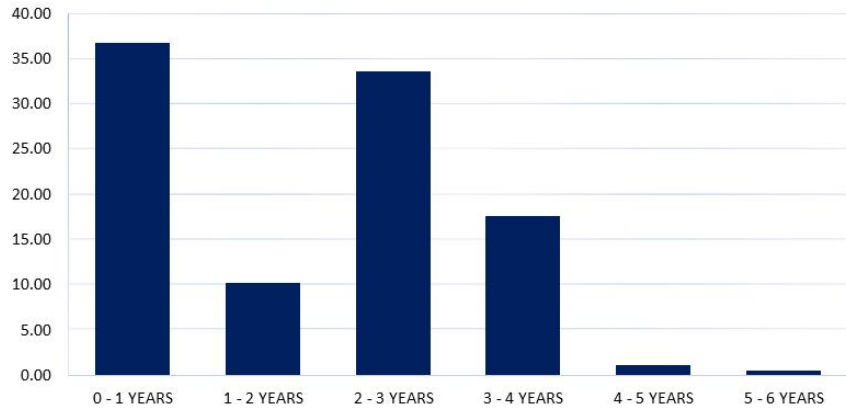
Net Asset Values over Time (\$MM)



Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 700 LGIP MD FF&C		
GUGGENHEIM SECURITIES REPO	13,000,498	8.57
GOVERNMENT NATIONAL MORTGAGE A	7,165,695	4.72
AID JORDAN	6,321,756	4.17
TREASURY BILL	4,989,588	3.29
US TREASURY N/B	4,987,305	3.29
OVERSEAS PRIVATE INV COR	4,986,778	3.29
US TREASURY N/B	4,965,889	3.27
US TREASURY N/B	4,942,028	3.26
US TREASURY N/B	4,938,768	3.25
US TREASURY N/B	4,880,851	3.22

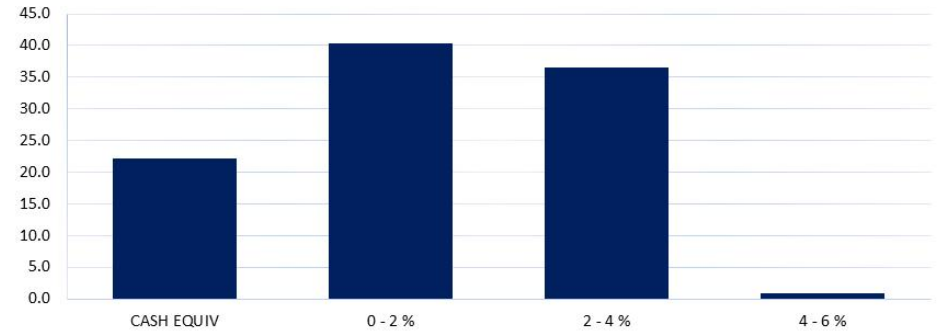
Duration Distribution



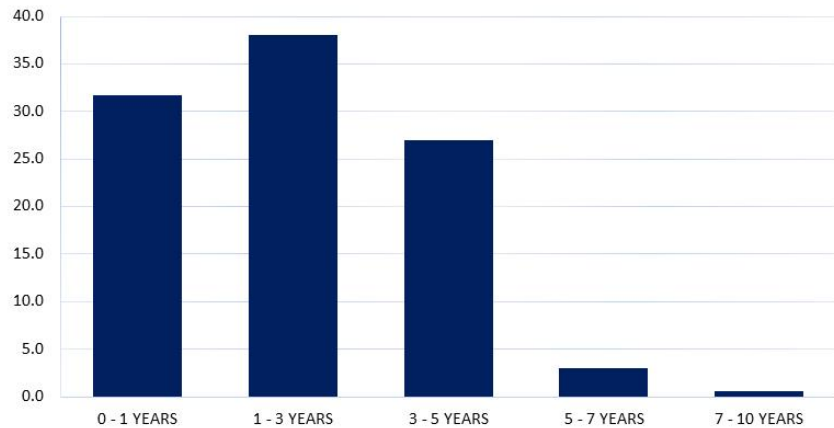
Portfolio Level Characteristics

	POOL 700 LGIP MD FF&C
Weighted Average Life	2.12
Coupon	1.77
Effective Duration	1.80
Quality Rating (Moody's)	AAA

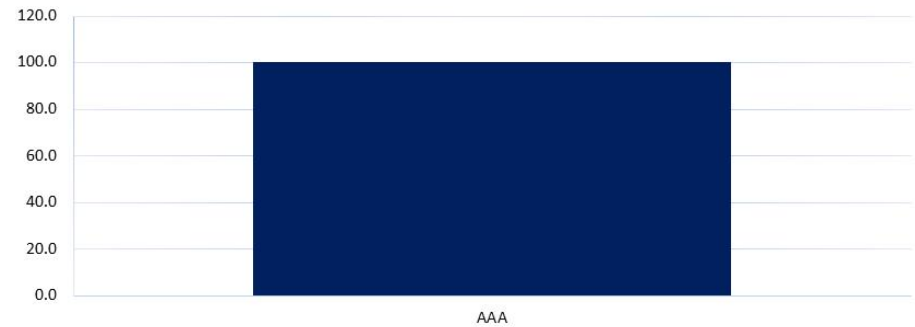
Coupon Distribution



Expected Maturity Distribution



Rating Distribution



**EARNINGS DISTRIBUTED
 ENDOWMENT FUNDS
 FEBRUARY 2018**

Distributed in Current Month

Recipient	FEBRUARY 2018	Fiscal YTD 17/18	Fiscal YTD 16/17
101 A & M Colleges	\$66,488	\$531,900	\$501,560
102 State Hospital	42,992	343,936	317,536
103 Leg., Exec., & Jud.	54,897	439,176	411,304
104 Military Institute	3,642	29,135	27,648
105 Miners Hospital	143,641	1,149,126	1,015,720
107 Normal School ASU/NAU	26,115	208,918	190,840
108 Penitentiaries	95,352	762,812	684,336
109 Permanent Common School	24,660,436	197,283,492	179,705,681
110 School for Deaf & Blind	35,595	284,759	265,139
111 School of Mines	75,273	602,188	567,312
112 State Charitable-Pioneers Home	370,145	2,961,158	2,771,783
112 State Charitable-Corrections	185,072	1,480,579	1,385,892
112 State Charitable-Youth Treatment	185,072	1,480,579	1,385,892
113 University Fund	132,996	1,063,970	983,685
114 U of A Land - 1881	433,184	3,465,469	3,075,803
Total	\$26,510,900	\$212,087,198	\$193,290,130

Land Sales Monthly Proceeds Endowment Funds

Month	Year						
	2012	2013	2014	2015	2016	2017	2018
January	21,196,075	85,209,777	29,493,046	7,126,212	5,108,687	2,960,815	809,822
February	92,150,173	24,412,865	33,969,801	2,535,244	1,083,178	1,103,303	744,295
March	1,015,640	13,469,847	1,323,549	1,096,232	1,106,860	3,045,043	
April	1,796,774	4,599,024	2,252,527	1,968,281	28,981,969	78,134,289	
May	926,085	12,685,871	1,100,261	19,123,417	20,147,116	27,642,672	
June	22,369,423	6,493,351	4,564,719	33,179,898	31,844,678	2,451,110	
July	823,328	5,694,705	4,196,738	6,092,396	2,469,997	13,838,188	
August	33,621,311	2,304,138	24,838,430	1,038,971	13,094,287	5,746,802	
September	17,307,221	10,399,639	1,960,673	1,967,125	(12,580,728)	19,937,751	
October	1,403,700	1,240,497	3,150,170	2,366,519	10,614,885	480,710	
November	5,131,627	8,995,327	34,193,583	1,358,711	28,490,238	9,500,048	
December	28,846,813	3,574,631	1,136,538	4,264,354	6,127,407	3,869,818	
Calendar Year	226,588,170	179,079,672	142,180,034	82,117,360	136,488,573	168,710,549	1,554,117
Fiscal Year (July 1st to June 30th)	163,898,058	234,004,734	104,912,840	134,505,415	105,360,563	163,553,318	54,927,434

NET REALIZED CAPITAL GAINS / LOSSES - ENDOWMENT FUNDS

Endowment Fund	February 2018 NET GAIN(LOSS)	February 2017 NET GAIN(LOSS)
Fixed Income Pool	(\$516,327)	(\$361,454)
500 Large-Cap Fund	5,272,271	1,940,048
400 Mid-Cap Fund	812,742	1,065,241
600 Small-Cap Fund	3,537,477	2,313,715
Totals	\$9,106,163	\$4,957,550

Endowment Fund	2017/2018 FISCAL YEAR TO DATE GAINS(LOSSES)	2016/2017 FISCAL YEAR TO DATE GAINS(LOSSES)
Fixed Income Pool	(\$1,059,760)	(\$1,781,891)
500 Large-Cap Fund	74,155,397	14,554,439
400 Mid-Cap Fund	43,230,111	18,386,110
600 Small-Cap Fund	31,710,521	18,677,580
Totals	\$148,036,268	\$49,836,238

**ENDOWMENT FUNDS FIXED-INCOME POOLS
 PURCHASES & SALES
 FEBRUARY 2018**

I. Endowment Funds Purchases

<u>POOL</u>	<u>SECURITY DESCRIPTION</u>	<u>RATE</u>	<u>MATURITY</u>	<u>*WAL YEARS</u>	<u>PAR VALUE</u>	<u>PURCHASE COST</u>	<u>YIELD</u>	<u>MOODY'S RATING</u>
205	AMERICAN EXPRESS	0.00	02/27/2023	NA	\$10,000,000	\$10,000,000	2.57%	A3
205	CEDAR SPRINGS	0.00	02/22/2018	NA	15,000,000	14,993,542	1.55%	P-1
205	CEDAR SPRINGS	0.00	05/31/2018	NA	10,000,000	9,944,194	2.06%	P-1
205	CROWN POINT	0.00	02/22/2018	NA	12,000,000	11,995,167	1.45%	P-1
205	FNMA MTG	3.50	07/25/2043	8.48	3,256,347	3,234,468	3.59%	Aaa
205	FNMA MTG	4.00	12/01/2044	7.12	5,131,552	5,285,499	3.47%	Aaa
205	FNMA MTG	3.00	11/01/2031	4.63	9,806,852	9,786,932	3.02%	Aaa
205	FORD MOTOR	2.83	04/05/2021	NA	5,000,000	5,000,000	2.82%	Baa2
205	FORD MOTOR	2.60	11/04/2019	NA	20,000,000	19,925,600	2.82%	Baa2
205	FREDDIE MAC	3.00	03/15/2031	6.86	5,937,612	5,894,007	3.12%	Aaa
205	FREDDIE MAC	3.50	05/15/2043	4.92	4,968,951	5,044,262	3.15%	Aaa
205	FREDDIE MAC	4.00	04/15/2029	5.64	5,000,000	5,225,000	3.11%	Aaa
205	GM FINL AUTO LEASING	1.79	04/20/2020	1.22	8,000,000	8,000,000	1.79%	Aaa
205	GOTHAM	0.00	03/28/2018	NA	8,000,000	7,989,044	1.70%	P-1
205	GOTHAM	0.00	05/04/2018	NA	10,000,000	9,958,000	1.81%	P-1
205	GNMA MTG	3.50	02/20/2048	8.38	10,000,000	10,000,000	3.50%	Aaa
205	GNMA MTG	3.00	09/20/2041	2.41	5,732,860	5,750,776	2.81%	Aaa
205	GNMA MTG	3.00	07/20/2045	4.07	5,640,643	5,614,203	3.10%	Aaa
205	GNMA MTG	2.50	07/20/2044	2.68	10,000,000	9,791,406	3.31%	Aaa
205	HALKIN FINANCE	0.00	03/23/2018	NA	10,000,000	9,987,167	1.65%	P-1
205	MOUNTCLIFF	0.00	05/31/2018	NA	10,000,000	9,940,889	1.91%	P-1
205	SHEFFIELD RECEIVABLES	0.00	03/26/2018	NA	10,000,000	9,985,964	1.63%	P-1
205	US TREASURY	2.25	02/15/2027	NA	5,000,000	4,768,750	2.83%	Aaa
205	US TREASURY	5.25	02/15/2029	NA	5,000,000	6,136,133	2.83%	Aaa
205	US TREASURY	2.00	11/15/2026	NA	5,000,000	4,682,031	2.82%	Aaa
205	VICTORY RECEIVABLES	0.00	05/04/2018	NA	10,000,000	9,958,000	1.81%	P-1
123	BEDFORD ROW	0.00	03/16/2018	NA	2,000,000	1,997,333	1.60%	P-1
123	CEDAR SPRINGS	0.00	02/22/2018	NA	2,500,000	2,498,924	1.55%	P-1
123	CEDAR SPRINGS	0.00	03/14/2018	NA	1,507,000	1,505,560	1.72%	P-1
123	CONCORD MINUTEMEN	0.00	03/22/2018	NA	2,000,000	1,997,600	1.60%	P-1
123	CROWN POINT	0.00	02/22/2018	NA	3,000,000	2,998,792	1.45%	P-1
123	GOLDEN	0.00	03/15/2018	NA	2,000,000	1,998,222	1.60%	P-1
123	GOLDEN	0.00	04/20/2018	NA	3,000,000	2,991,798	1.94%	P-1
123	GOTHAM	0.00	03/28/2018	NA	2,000,000	1,997,261	1.70%	P-1
123	HALKIN FINANCE	0.00	03/21/2018	NA	2,000,000	1,996,889	1.60%	P-1
123	HALKIN FINANCE	0.00	03/22/2018	NA	2,000,000	1,997,464	1.63%	P-1
123	MANHATTAN ASSET	0.00	02/20/2018	NA	5,000,000	4,997,708	1.50%	P-1
123	MANHATTAN ASSET	0.00	03/21/2018	NA	4,000,000	3,996,016	1.63%	P-1
123	MANHATTAN ASSET	0.00	03/27/2018	NA	4,000,000	3,994,169	1.64%	P-1
123	MOUNTCLIFF	0.00	03/12/2018	NA	2,000,000	1,997,646	1.63%	P-1
123	MOUNTCLIFF	0.00	03/22/2018	NA	2,000,000	1,997,418	1.66%	P-1
TOTAL ENDOWMENT FUNDS PURCHASES					\$257,481,817	\$257,853,832		

II. Endowment Funds Sales

<u>POOL</u>	<u>SECURITY DESCRIPTION</u>	<u>RATE</u>	<u>MATURITY</u>	<u>PAR VALUE</u>	<u>AMORTIZED COST/PROCEEDS</u>	<u>SALES GAINS/(LOSSES)</u>	<u>MOODY'S RATING</u>
TOTAL ENDOWMENT FUNDS SALES				\$0	\$0	\$0	

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

**EQUITY FUNDS
 PURCHASES & SALES
 FEBRUARY 2018**

I. Equity Fund Purchases

	<u>SHARES</u>	<u>PURCHASE COST</u>	<u>COMMISSIONS</u>
400 Mid-Cap Fund	101,367	\$7,281,400	\$75
500 Large-Cap Fund	40,209	2,846,869	63
600 Small-Cap Fund	255,557	9,307,689	1,917
TOTAL EQUITY PURCHASES	397,133	\$19,435,958	\$2,055

II. Equity Funds Sales

	<u>SHARES</u>	<u>SALES AMOUNT</u>	<u>COMMISSIONS</u>
400 Mid-Cap Fund	66,798	\$13,383,910	\$263
500 Large-Cap Fund	144,533	14,036,859	1,085
600 Small-Cap Fund	206,916	10,286,572	867
TOTAL EQUITY SALES	418,247	\$37,707,341	\$2,215

ENDOWMENT FUNDS
INVESTMENTS OUTSTANDING
FEBRUARY 28, 2018
(In Thousands)

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FUND	NAME OF FUND	SHARES OUTSTANDING	BOOK VALUE	MARKET VALUE	UNREALIZED GAINS (LOSSES)	Mkt Value/ Book Value
101	A & M Colleges					
	<i>Shares in Equity Pools</i>	401	\$2,822	\$8,046	\$5,224	
	<i>Shares in Fixed Income Pools</i>	4,014	2,873	5,313	2,439	
	Total	4,415	5,696	13,359	7,663	2.345
102	State Hospital					
	<i>Shares in Equity Pools</i>	308	2,629	6,174	3,545	
	<i>Shares in Fixed Income Pools</i>	3,167	2,613	4,193	1,580	
	Total	3,475	5,242	10,367	5,125	1.978
103	Leg., Exec., & Jud					
	<i>Shares in Equity Pools</i>	327	2,469	6,557	4,088	
	<i>Shares in Fixed Income Pools</i>	3,493	2,503	4,624	2,121	
	Total	3,820	4,973	11,181	6,208	2.249
104	Military Institute					
	<i>Shares in Equity Pools</i>	22	173	443	270	
	<i>Shares in Fixed Income Pools</i>	241	170	319	149	
	Total	263	343	762	419	2.223
105	Miners Hospital					
	<i>Shares in Equity Pools</i>	965	8,565	19,348	10,783	
	<i>Shares in Fixed Income Pools</i>	9,703	8,456	12,844	4,387	
	Total	10,668	17,022	32,192	15,170	1.891
107	Normal School ASU/NAU					
	<i>Shares in Equity Pools</i>	184	1,583	3,691	2,108	
	<i>Shares in Fixed Income Pools</i>	1,900	1,519	2,515	996	
	Total	2,084	3,102	6,206	3,104	2.000
108	Penitentiaries					
	<i>Shares in Equity Pools</i>	643	5,447	12,889	7,442	
	<i>Shares in Fixed Income Pools</i>	6,574	5,414	8,702	3,288	
	Total	7,217	10,861	21,591	10,730	1.988

ENDOWMENT FUNDS
INVESTMENTS OUTSTANDING
 FEBRUARY 28, 2018
 (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>	162,345	1,320,448	3,255,631	1,935,183	
<i>Shares in Fixed Income Pools</i>	1,634,869	1,337,731	2,164,045	826,314	
Total	1,797,214	2,658,179	5,419,676	2,761,497	2.039
110 School for Deaf & Blind					
<i>Shares in Equity Pools</i>	233	1,937	4,677	2,740	
<i>Shares in Fixed Income Pools</i>	2,615	2,056	3,461	1,406	
Total	2,848	3,993	8,138	4,146	2.038
111 School of Mines					
<i>Shares in Equity Pools</i>	454	3,408	9,104	5,696	
<i>Shares in Fixed Income Pools</i>	4,667	3,465	6,178	2,712	
Total	5,121	6,873	15,282	8,409	2.223
112 State Charitable					
<i>Shares in Equity Pools</i>	4,574	34,460	91,733	57,273	
<i>Shares in Fixed Income Pools</i>	44,426	35,241	58,806	23,564	
Total	49,000	69,702	150,539	80,837	2.160
113 University Fund					
<i>Shares in Equity Pools</i>	828	6,560	16,599	10,038	
<i>Shares in Fixed Income Pools</i>	8,522	6,497	11,280	4,783	
Total	9,349	13,057	27,879	14,821	2.135
114 U Of A Land - 1881					
<i>Shares in Equity Pools</i>	3,125	30,427	62,660	32,233	
<i>Shares in Fixed Income Pools</i>	32,120	27,736	42,517	14,781	
Total	35,245	58,163	105,177	47,014	1.808
TOTALS - ALL FUNDS					
<i>Shares in Equity Pools</i>	174,409	1,420,929	3,497,552	2,076,623	
<i>Shares in Fixed Income Pools</i>	1,756,311	1,436,274	2,324,796	888,522	
Grand Total	\$1,930,720	\$2,857,204	\$5,822,348	\$2,965,144	
PRIOR YEAR:					
FEBRUARY 2017 BALANCES	\$1,980,389	\$2,899,020	\$5,493,348	\$2,594,328	

**ENDOWMENT FUNDS
INVESTMENTS OUTSTANDING
FEBRUARY 28, 2018**

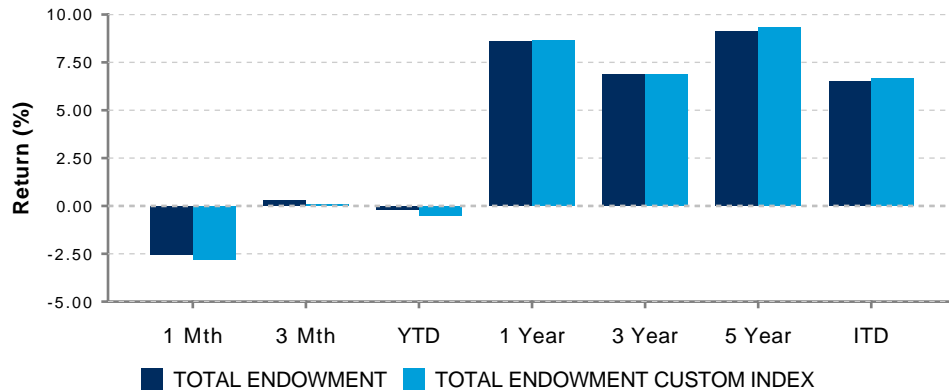
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ASSET ALLOCATION PERCENTAGE

	SHARES OUTSTANDING	BOOK VALUE	MARKET VALUE	FEBRUARY 2017 MARKET VALUE
<i>Shares in Equity Pools</i>	9.03%	49.73%	60.07%	63.75%
<i>Shares in Fixed Income Pools</i>	90.97%	50.27%	39.93%	36.25%
	-----	-----	-----	-----
Total	100.00%	100.00%	100.00%	100.00%
	=====	=====	=====	=====



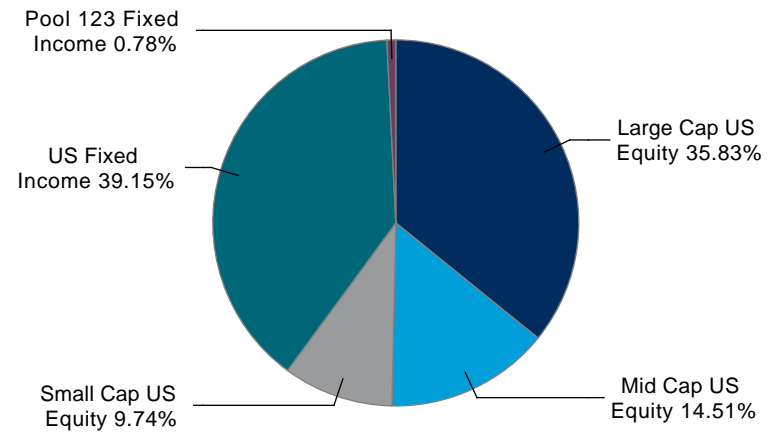
Performance



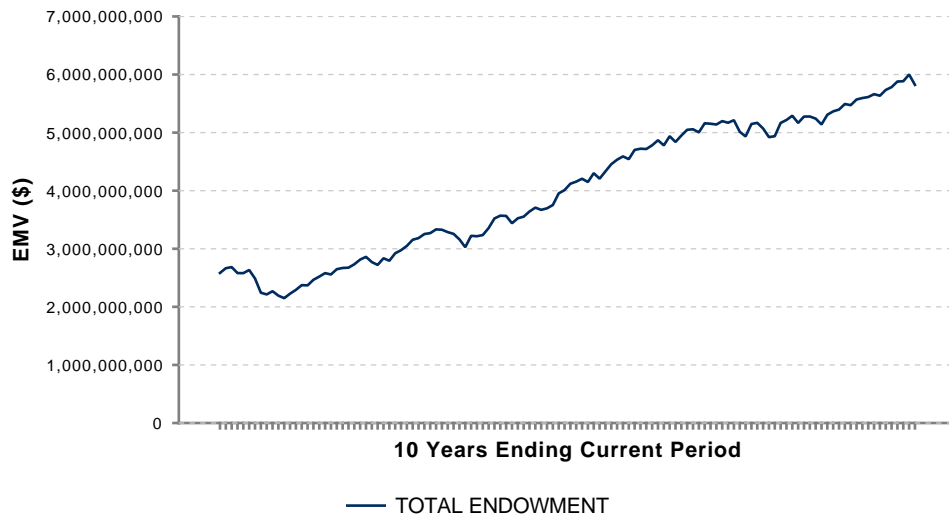
	1 Mth	3 Mth	YTD	1 Year	3 Year	5 Year	ITD	Incept Date
TOTAL ENDOWMENT	-2.54	0.27	-0.19	8.61	6.87	9.12	6.51	07/99
TOTAL ENDOWMENT CUSTOM INDEX	-2.79	0.07	-0.48	8.64	6.86	9.32	6.68	07/99
Excess	0.25	0.20	0.29	-0.03	0.01	-0.20	-0.17	

Asset Allocation

	Ending Market Value
TOTAL ENDOWMENT	5,822,347,653

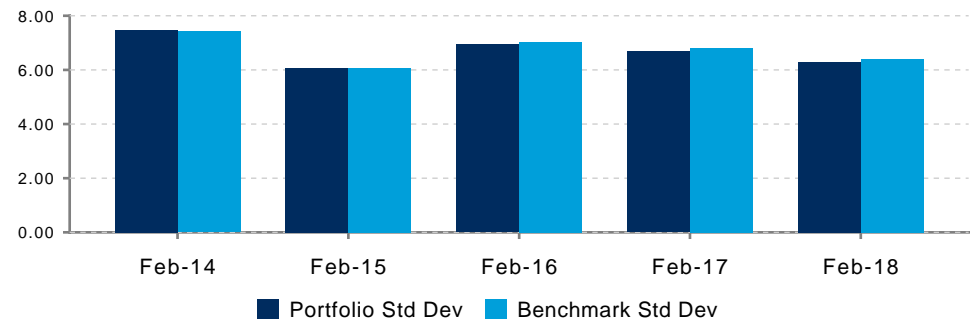


Ending Market Value



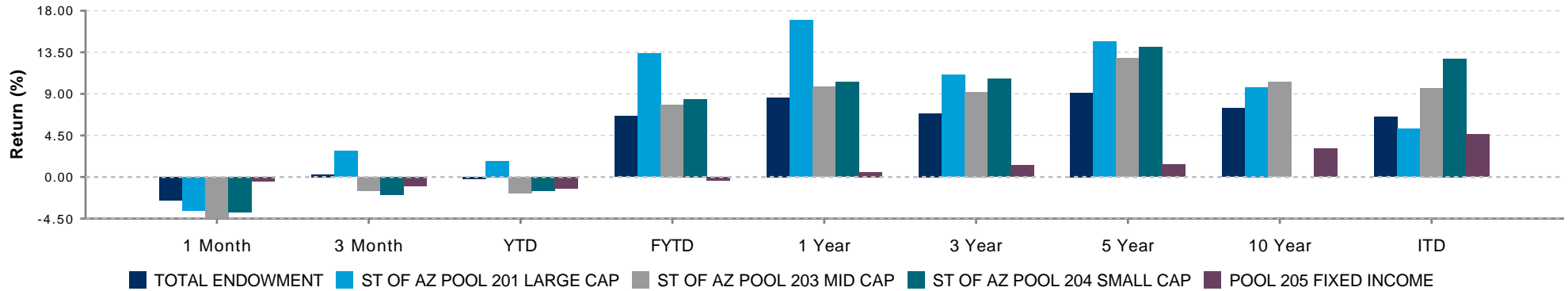
3 Year Risk Statistics

	Return	Portfolio Std Dev	Benchmark Std Dev	Sharpe Ratio	Beta	Tracking Error	Information Ratio
TOTAL ENDOWMENT	6.87	6.28	6.40	1.02	0.98	0.36	0.02





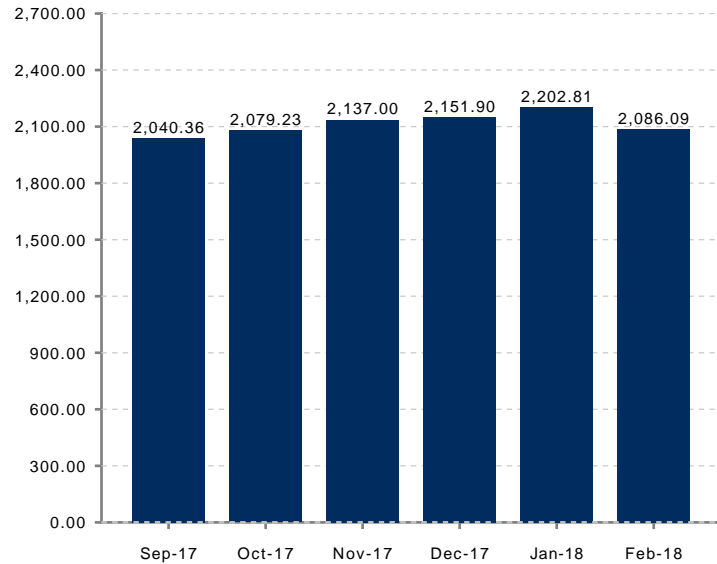
Return Comparison



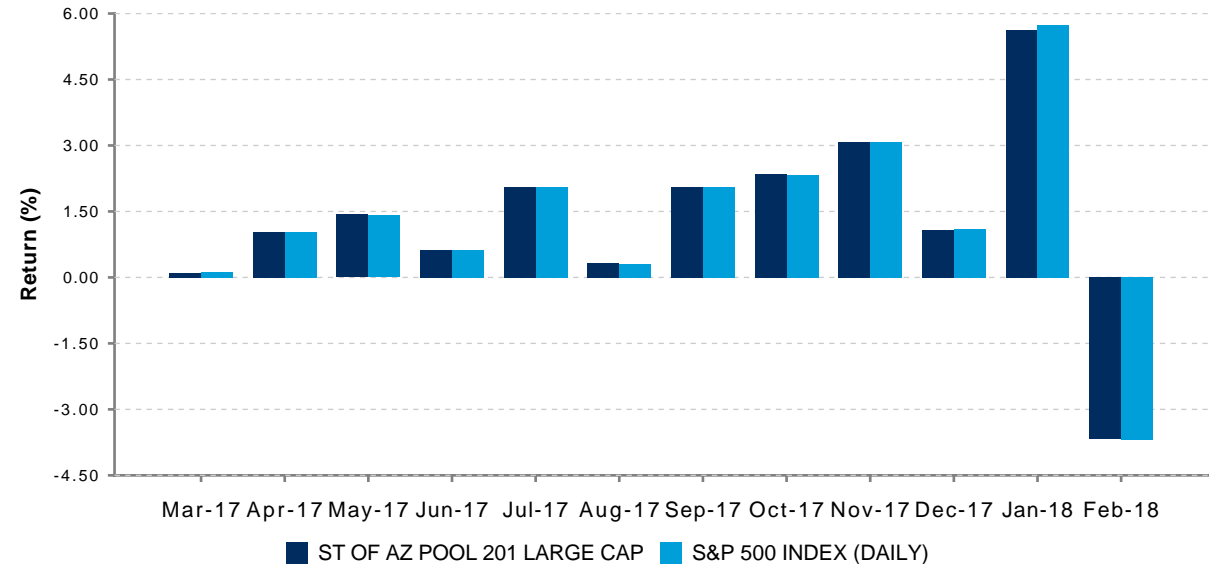
	Market Value	Actual Weight	1 Mth	3 Mth	YTD	FYTD	1 Year	3 Year	5 Year	10 Year	ITD	Inc Date
TOTAL ENDOWMENT	5,822,347,653	100.00	-2.54	0.27	-0.19	6.58	8.61	6.87	9.12	7.45	6.51	Jul-01-99
TOTAL ENDOWMENT CUSTOM INDEX			-2.79	0.07	-0.48	6.44	8.64	6.86	9.32	7.76	6.68	Jul-01-99
Excess			0.25	0.20	0.29	0.15	-0.03	0.01	-0.20	-0.31	-0.17	
ST OF AZ POOL 201 LARGE CAP	2,086,089,781	35.83	-3.67	2.83	1.74	13.35	16.99	11.04	14.65	9.73	5.22	Jul-01-99
S&P 500 INDEX (DAILY)			-3.69	2.96	1.83	13.46	17.10	11.14	14.73	9.73	5.73	Jul-01-99
Excess			0.01	-0.13	-0.08	-0.11	-0.11	-0.10	-0.08	-0.00	-0.51	
ST OF AZ POOL 203 MID CAP	844,634,660	14.51	-4.47	-1.53	-1.72	7.83	9.78	9.21	12.87	10.26	9.64	Aug-01-01
S&P 400 MIDCAP INDEX (DAILY)			-4.43	-1.47	-1.69	7.83	9.53	9.10	12.81	10.69	9.64	Aug-01-01
Excess			-0.03	-0.06	-0.03	-0.00	0.25	0.10	0.06	-0.43	0.00	
ST OF AZ POOL 204 SMALL CAP	566,827,545	9.74	-3.84	-1.91	-1.47	8.44	10.26	10.64	14.07		12.82	Mar-01-11
S&P SM 600 TR			-3.87	-1.95	-1.44	8.57	10.29	10.61	14.04		12.81	Mar-01-11
Excess			0.04	0.04	-0.02	-0.13	-0.03	0.04	0.02		0.01	
POOL 205 FIXED INCOME	2,279,224,425	39.15	-0.46	-1.01	-1.25	-0.41	0.52	1.26	1.37	3.09	4.62	Jul-01-99
CITIGROUP BIG (DAILY)			-0.96	-1.65	-2.11	-0.90	0.52	1.15	1.71	3.61	4.90	Jul-01-99
Excess			0.50	0.64	0.85	0.49	0.01	0.10	-0.34	-0.51	-0.28	
POOL 123 FIXED INCOME	45,571,241	0.78	0.10	0.28	0.18	0.81	1.13				0.96	Jun-01-16
ASTO-POOL 5 BENCHMARK			0.12	0.34	0.24	0.79	1.08				0.82	Jun-01-16
Excess			-0.02	-0.06	-0.06	0.02	0.05				0.13	



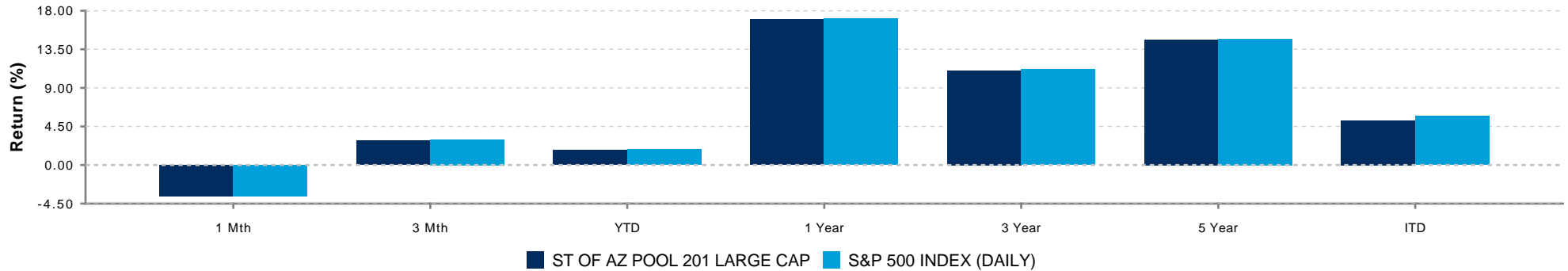
Net Asset Values over Time (\$MM)



Monthly Returns



Rates of Return

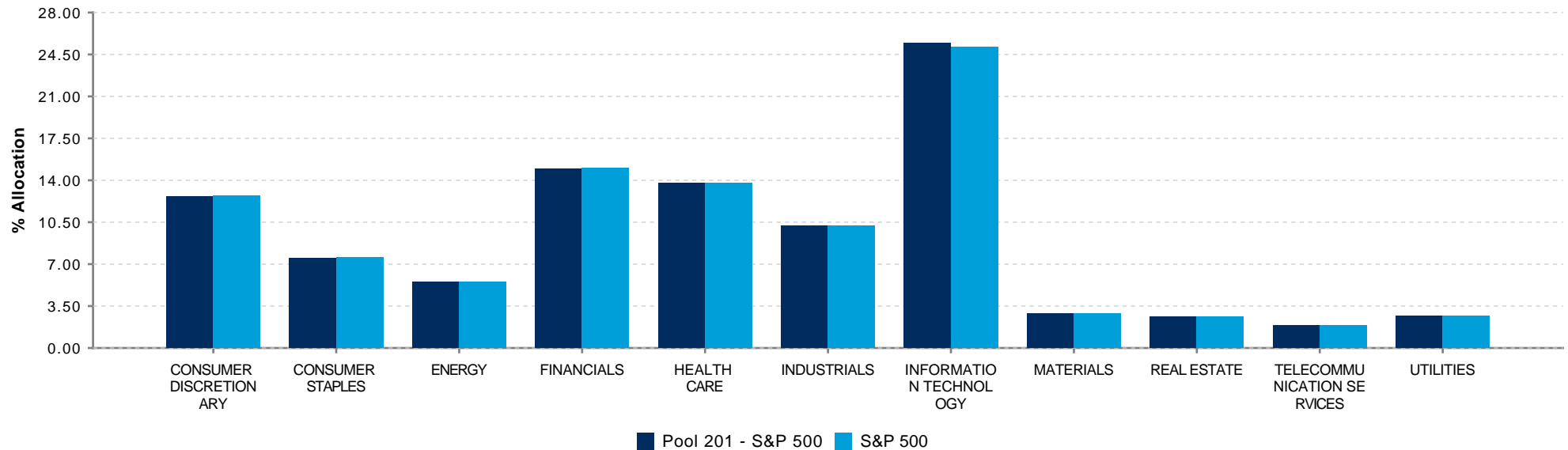


	1 Mth	3 Mth	YTD	1 Year	3 Year	5 Year	ITD	Feb 29 2016	Feb 28 2017	Feb 28 2018
ST OF AZ POOL 201 LARGE CAP	-3.67	2.83	1.74	16.99	11.04	14.65	5.22	-6.20	24.75	16.99
S&P 500 INDEX (DAILY)	-3.69	2.96	1.83	17.10	11.14	14.73	5.73	-6.19	24.98	17.10
Excess	0.01	-0.13	-0.08	-0.11	-0.10	-0.08	-0.51	-0.00	-0.23	-0.11

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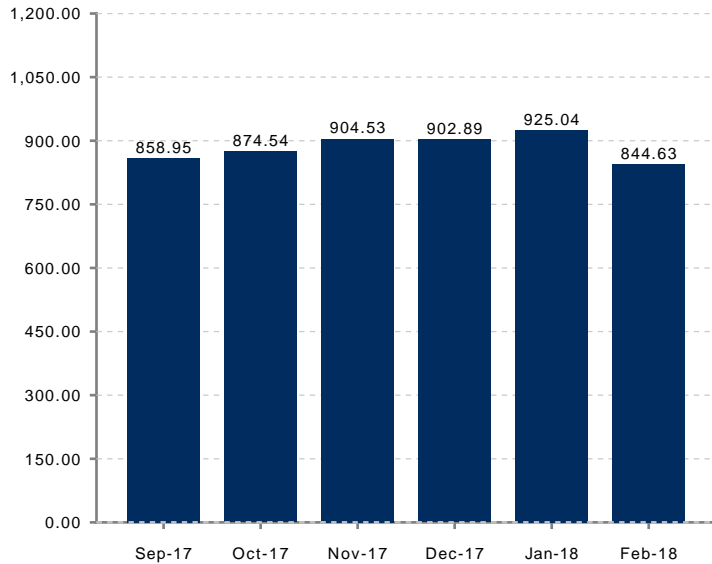
ST OF AZ POOL 201 LARGE CAP
Sector Allocation vs S&P 500



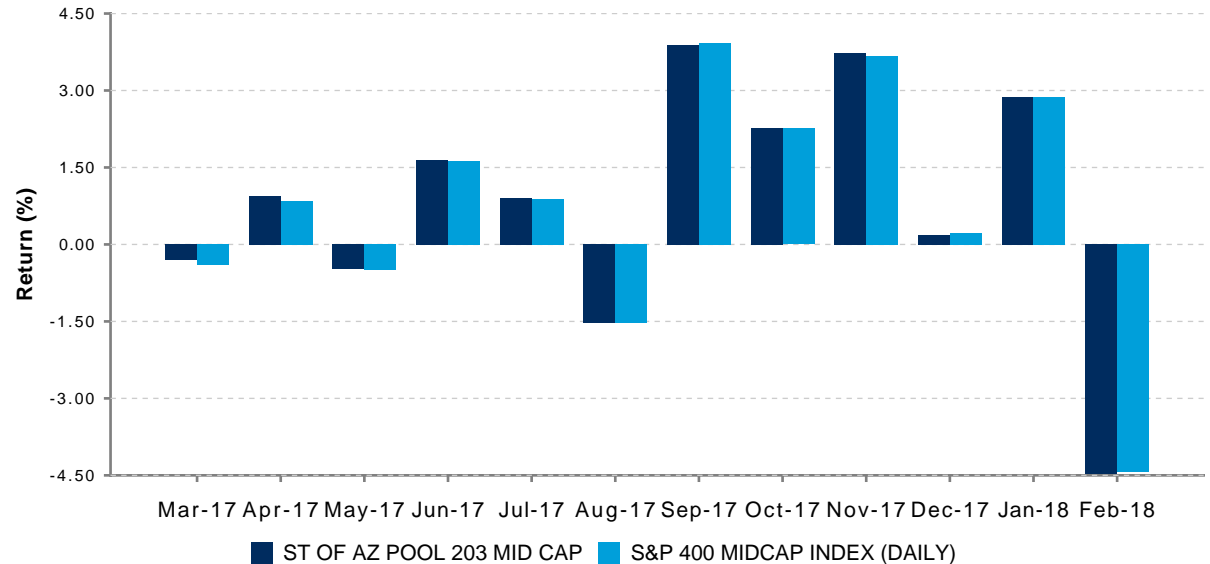
	Fund Weight	Benchmark Weight	Relative Weight
ST OF AZ POOL 201 LARGE CAP	100.00	100.00	0.00
CONSUMER DISCRETIONARY	12.58	12.62	-0.04
CONSUMER STAPLES	7.86	7.87	-0.02
ENERGY	5.95	5.97	-0.02
FINANCIALS	14.84	14.89	-0.05
HEALTH CARE	13.85	13.89	-0.05
INDUSTRIALS	10.21	10.27	-0.06
INFORMATION TECHNOLOGY	24.45	24.20	0.24
MATERIALS	2.94	2.95	-0.01
REAL ESTATE	2.68	2.69	-0.01
TELECOMMUNICATION SERVICES	1.96	1.94	0.02
UTILITIES	2.68	2.69	-0.01



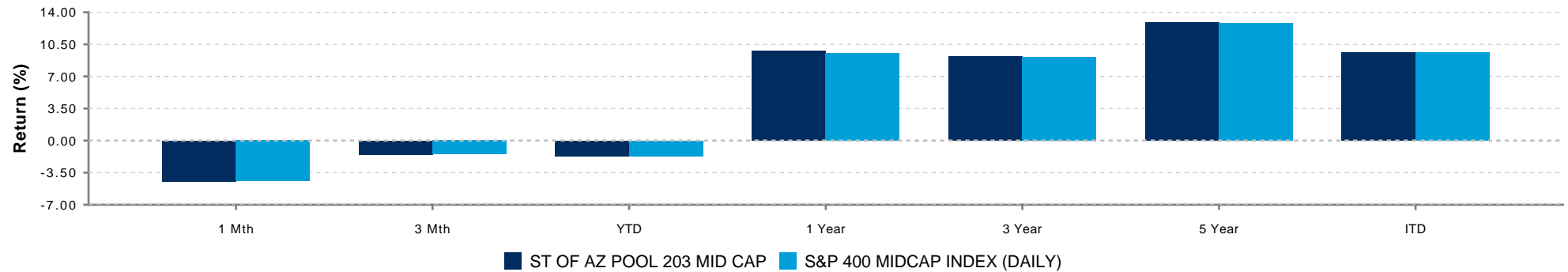
Net Asset Values over Time (\$MM)



Monthly Returns



Rates of Return

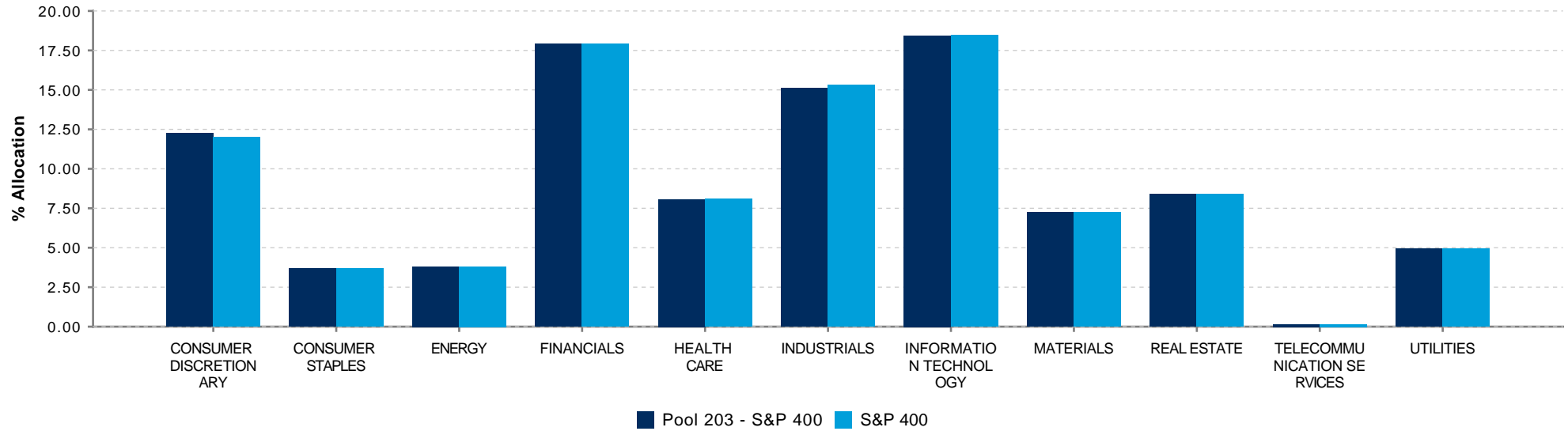


	1 Mth	3 Mth	YTD	1 Year	3 Year	5 Year	ITD	Feb 29 2016	Feb 28 2017	Feb 28 2018
ST OF AZ POOL 203 MID CAP	-4.47	-1.53	-1.72	9.78	9.21	12.87	9.64	-9.74	31.44	9.78
S&P 400 MIDCAP INDEX (DAILY)	-4.43	-1.47	-1.69	9.53	9.10	12.81	9.64	-9.99	31.73	9.53
Excess	-0.03	-0.06	-0.03	0.25	0.10	0.06	0.00	0.25	-0.28	0.25

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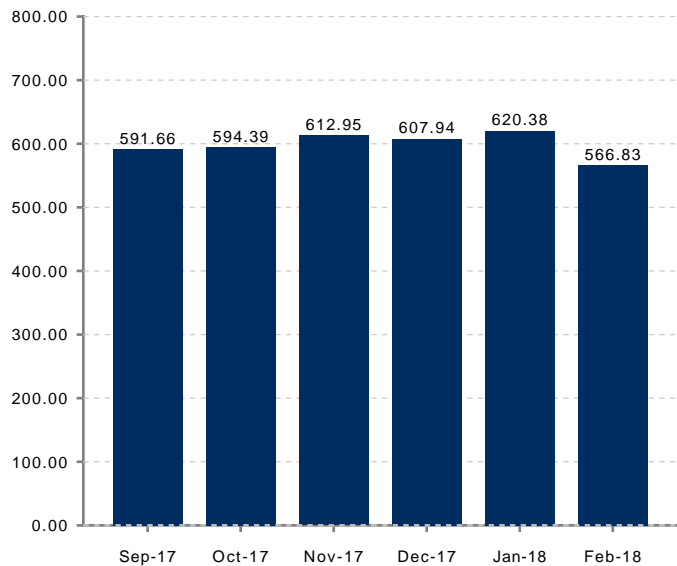
ST OF AZ POOL 203 MID CAP
Sector Allocation vs S&P MID CAP 400



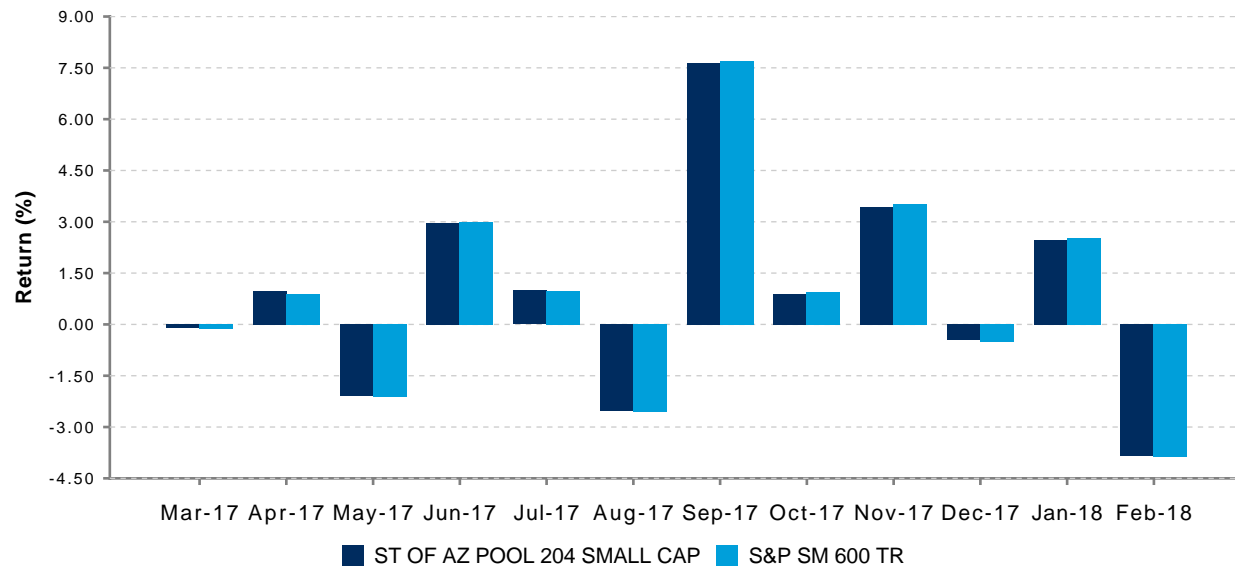
	Weight Fund	Weight Benchmark	Weight Relative
ST OF AZ POOL 203 MID CAP	100.00	100.00	0.00
CONSUMER DISCRETIONARY	12.25	12.25	0.01
CONSUMER STAPLES	3.76	3.75	0.01
ENERGY	4.12	4.11	0.01
FINANCIALS	17.58	17.56	0.03
HEALTH CARE	8.00	7.99	0.01
INDUSTRIALS	15.16	15.35	-0.20
INFORMATION TECHNOLOGY	18.16	18.14	0.02
MATERIALS	7.19	7.18	0.01
REAL ESTATE	8.67	8.57	0.10
TELECOMMUNICATION SERVICES	0.14	0.14	0.00
UTILITIES	4.97	4.96	0.01



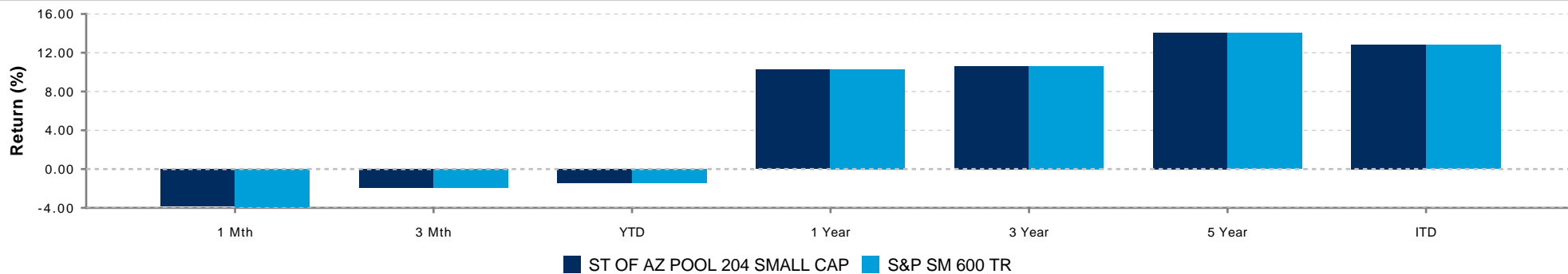
Net Asset Values over Time (\$MM)



Monthly Returns



Rates of Return

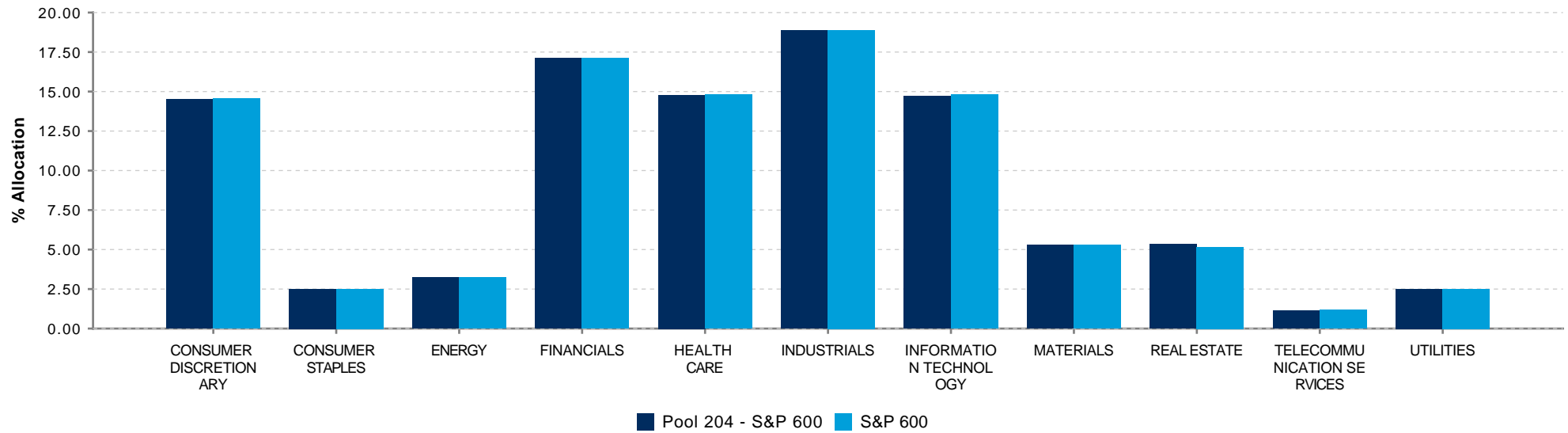


	1 Mth	3 Mth	YTD	1 Year	3 Year	5 Year	ITD	Feb 29 2016	Feb 28 2017	Feb 28 2018
ST OF AZ POOL 204 SMALL CAP	-3.84	-1.91	-1.47	10.26	10.64	14.07	12.82	-8.60	34.40	10.26
S&P SM 600 TR	-3.87	-1.95	-1.44	10.29	10.61	14.04	12.81	-9.10	34.97	10.29
Excess	0.04	0.04	-0.02	-0.03	0.04	0.02	0.01	0.51	-0.57	-0.03

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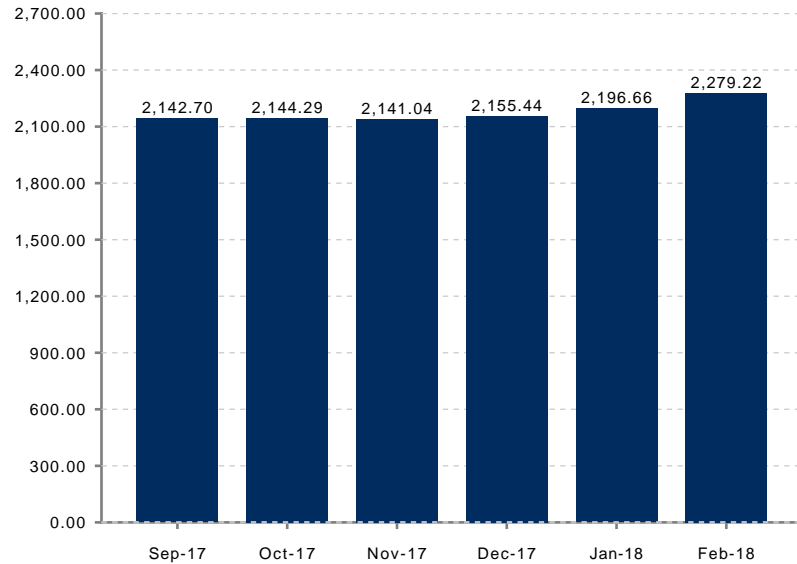
ST OF AZ POOL 204 SMALL CAP
Sector Allocation vs S&P SMALLCAP 600



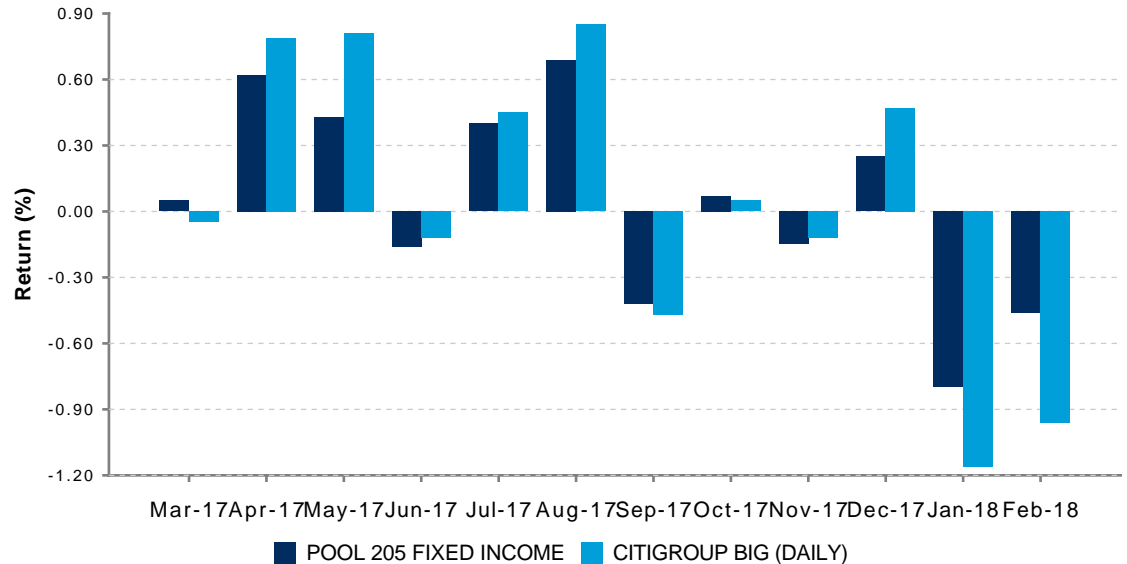
	Weight Fund	Weight Benchmark	Weight Relative
ST OF AZ POOL 204 SMALL CAP	100.00	100.00	0.00
CONSUMER DISCRETIONARY	14.97	15.21	-0.25
CONSUMER STAPLES	2.53	2.53	-0.00
ENERGY	3.44	3.45	-0.00
FINANCIALS	16.34	16.35	-0.01
HEALTH CARE	14.53	14.55	-0.02
INDUSTRIALS	19.18	19.20	-0.02
INFORMATION TECHNOLOGY	14.33	14.12	0.21
MATERIALS	5.41	5.42	-0.00
REAL ESTATE	5.53	5.45	0.08
TELECOMMUNICATION SERVICES	1.19	1.19	0.00
UTILITIES	2.53	2.53	-0.00



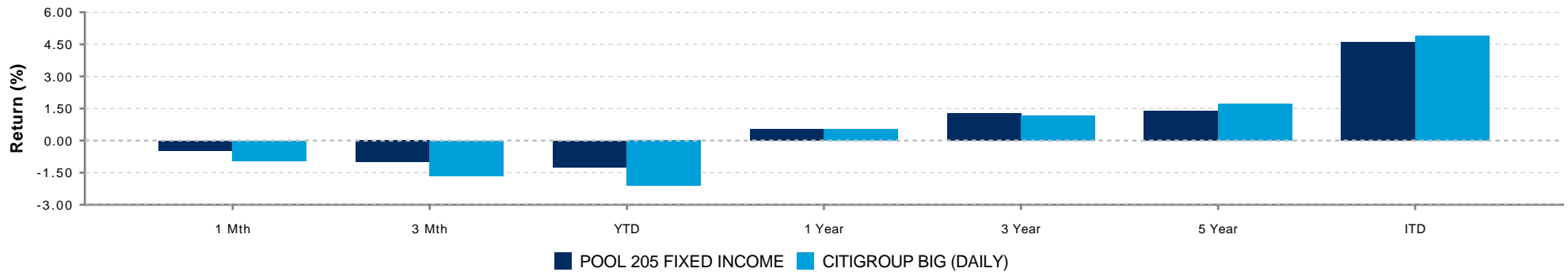
Net Asset Values over Time (\$MM)



Monthly Returns



Rates of Return



	1 Mth	3 Mth	YTD	1 Year	3 Year	5 Year	ITD	Feb 28 2018	Feb 28 2017	Feb 29 2016
POOL 205 FIXED INCOME	-0.46	-1.01	-1.25	0.52	1.26	1.37	4.62	0.52	1.53	1.71
CITIGROUP BIG (DAILY)	-0.96	-1.65	-2.11	0.52	1.15	1.71	4.90	0.52	1.49	1.46
Excess	0.50	0.64	0.85	0.01	0.10	-0.34	-0.28	0.01	0.05	0.25

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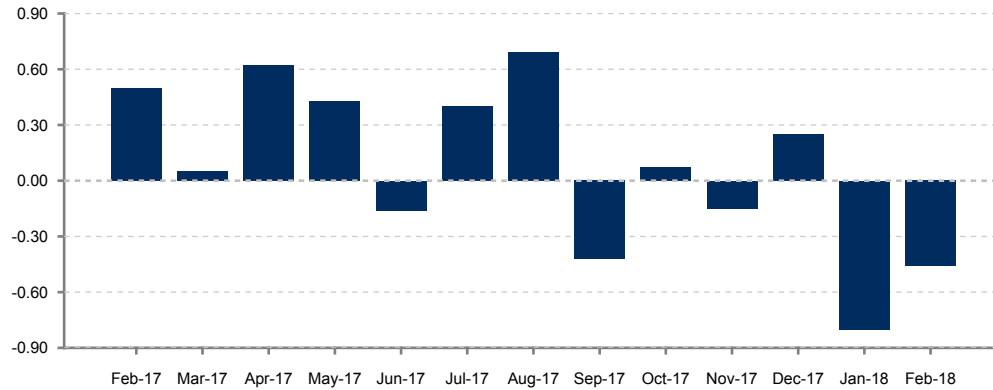
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POOL 205 FIXED INCOME



Net Mgr Return



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

POOL 205 FIXED INCOME

-0.46

-0.80

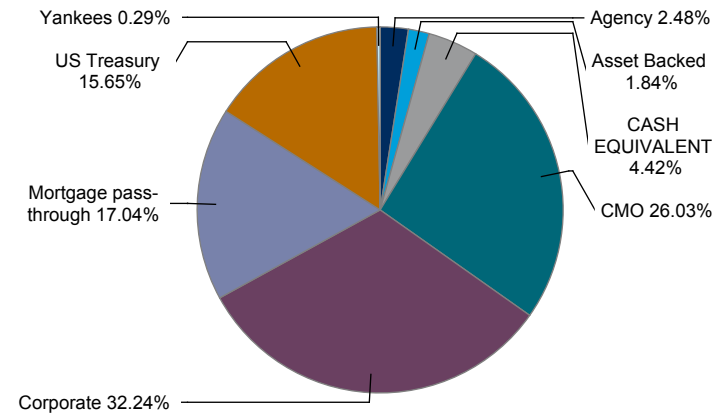
0.50

Asset Allocation

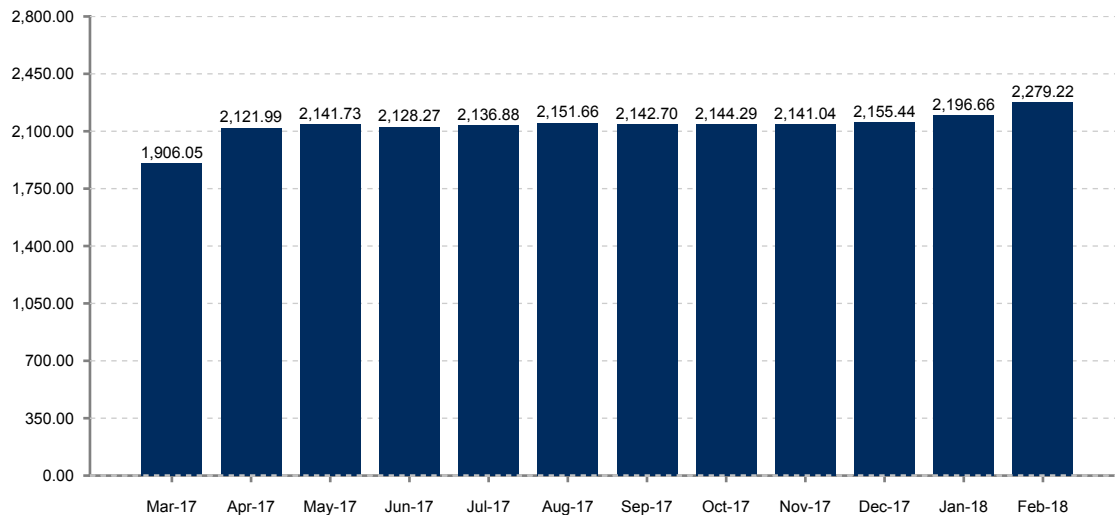
POOL 205 FIXED INCOME

Ending Market Value

2,279,224,425



Net Asset Values over Time (\$MM)

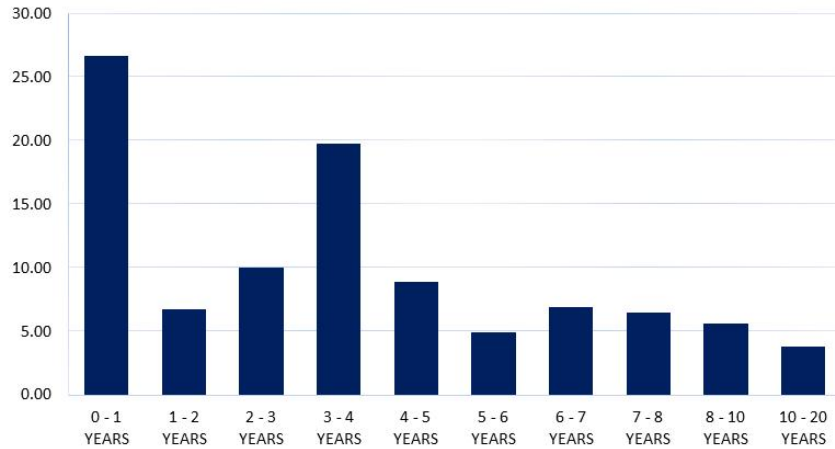


Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 205 FIXED INCOME		
US TREASURY N/B	34,020,994	1.49
BLACKROCK PROV TEMP	29,511,377	1.29
US TREASURY N/B	26,323,157	1.15
US TREASURY N/B	25,959,241	1.14
US TREASURY N/B	24,452,327	1.07
US TREASURY N/B	23,805,094	1.04
US TREASURY N/B	21,557,503	0.95
PEPSICO INC	20,124,312	0.88
PNC BANK NA	20,087,002	0.88
FORD MOTOR CREDIT CO	20,045,134	0.88



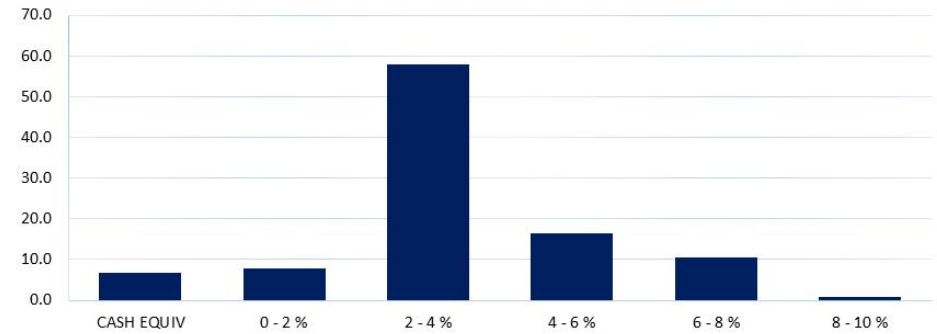
Duration Distribution



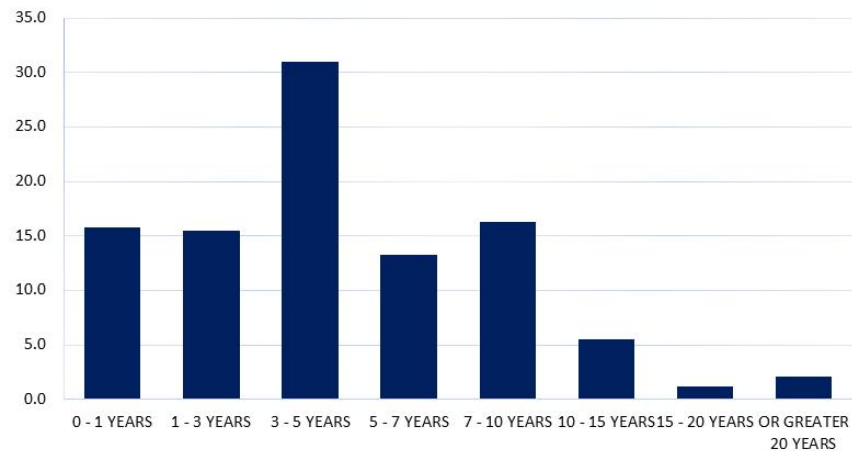
Portfolio Level Characteristics

	POOL 205 FIXED INCOME
Weighted Average Life	5.01
Coupon	3.48
Effective Duration	3.69
Quality Rating (Moody's)	AA-2

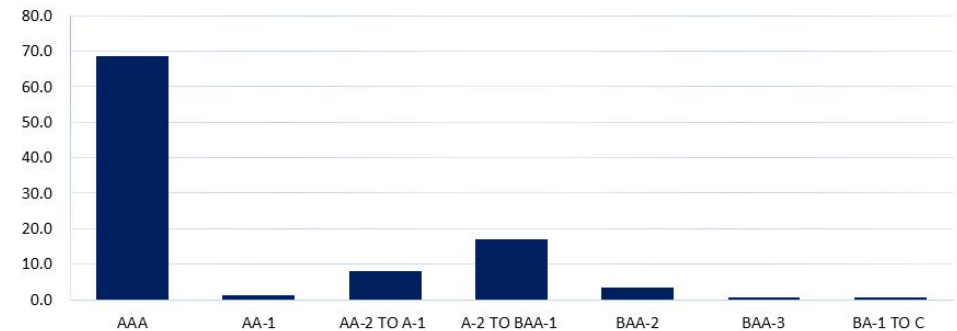
Coupon Distribution



Expected Maturity Distribution



Rating Distribution



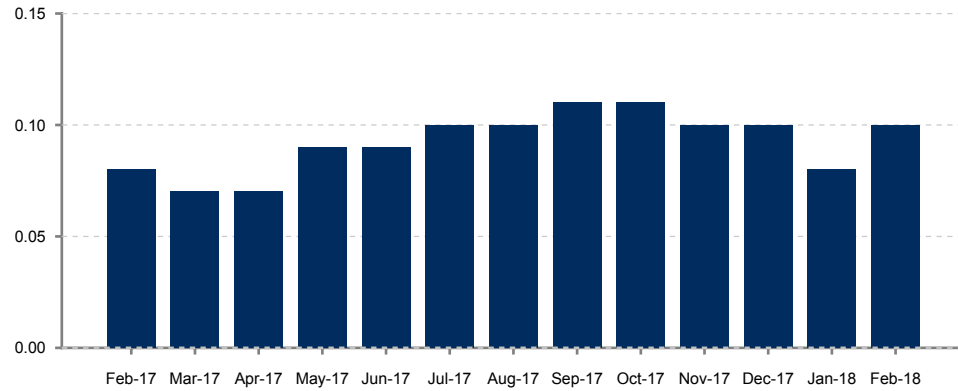
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POOL 123 ST



Net Yield

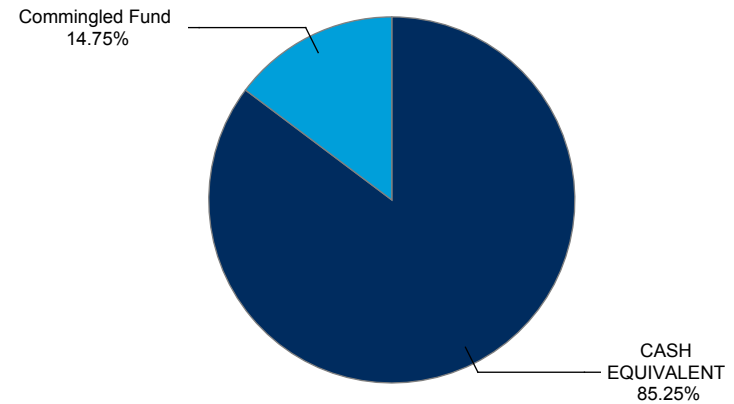


Current Mth **Prior Mth** **1 Year Ago**

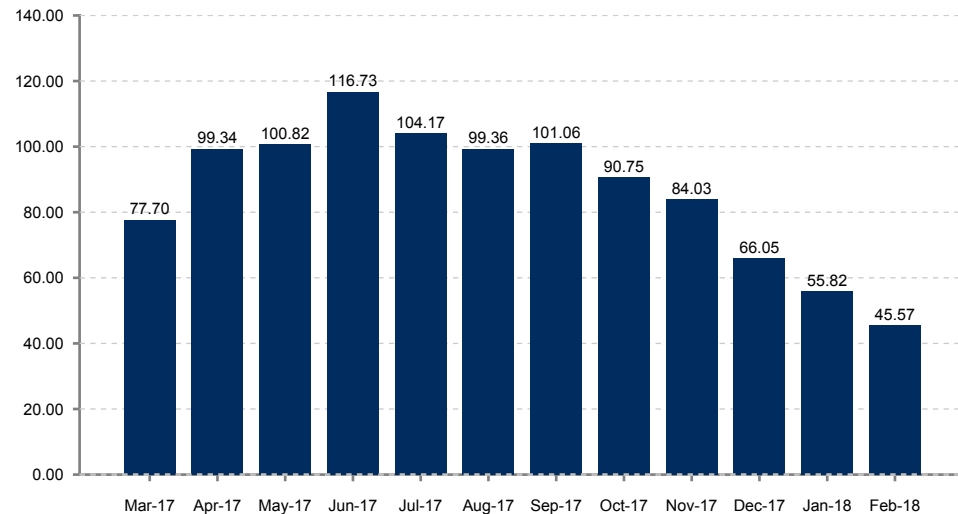
ST OF AZ POOL 123 ST FIXED INC	0.10	0.08	0.08
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Asset Allocation

	Ending Market Value
ST OF AZ POOL 123 ST FIXED INC	45,571,241



Net Asset Values over Time (\$MM)

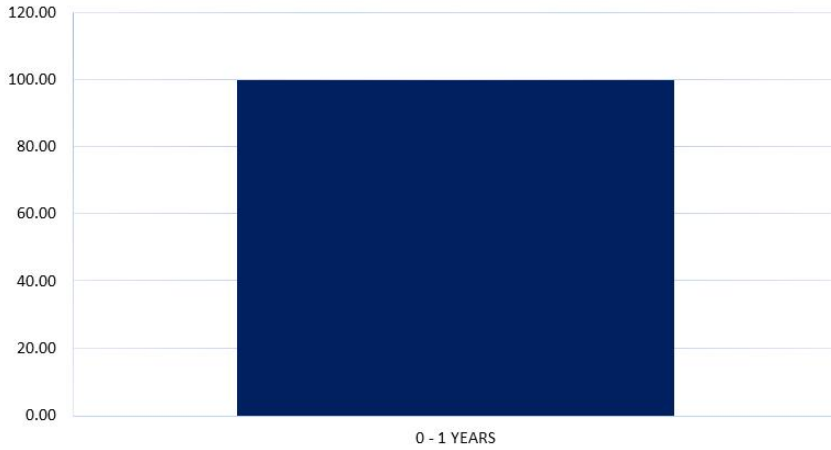


Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
ST OF AZ POOL 123 ST FIXED INC		
LOCAL GOVERNMENT INVEST POOL	6,725,266	14.76
BLACKROCK PROV TEMP BLACKROCK PROV TEMP FUND 24	4,384,108	9.62
MANHATTAN ASSET FDG.	3,996,378	8.77
MANHATTAN ASSET FDG.	3,995,262	8.77
GOLDEN FUNDING CORP	2,991,958	6.57
SHEFFIELD RECEIVABLE	2,498,474	5.48
MOUNTCLIFF	1,999,004	4.39
GOLDEN FUNDING CORP	1,998,756	4.39
BEDFORD ROW FDG CORP	1,998,667	4.39
UNITED PARCEL SERVIC	1,998,389	4.39



Duration Distribution



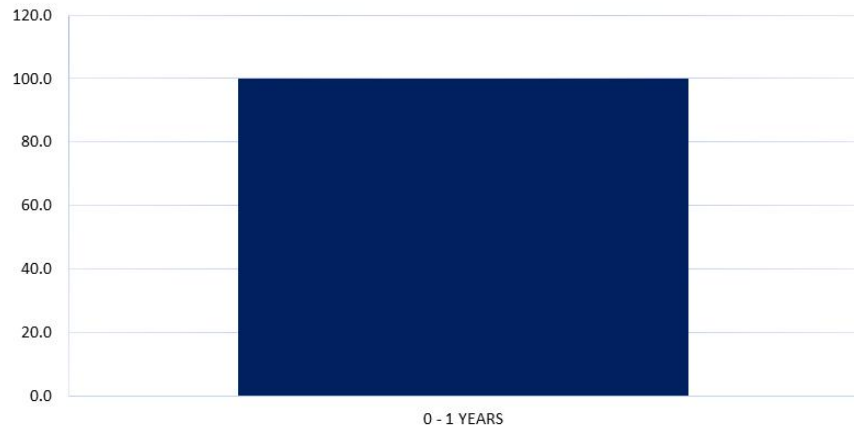
Portfolio Level Characteristics

	POOL 123 ST
Weighted Average Life	0.05
Coupon	0.00
Effective Duration	0.05
Quality Rating (Moody's)	AAA

Coupon Distribution



Expected Maturity Distribution



Rating Distribution



Endowment Fund Market Value

