



OFFICE OF THE
Arizona State Treasurer



EILEEN I. KLEIN
TREASURER

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MEETING HIGHLIGHTS TREASURY AUGUST 2018 PERFORMANCE
--ENDOWMENT HITS ANOTHER MILESTONE--

PHOENIX, AZ – At today's State Board of Investment (BOI) meeting, Arizona Treasurer Eileen I. Klein reported excellent results for August 2018. Highlights included the Permanent Land Endowment Trust Fund (PLETF) hitting another all-time high in market value and discussion on the Fed rate hike earlier in the day. The BOI meets monthly to review Treasury investment activities.

At August 31, 2018, The PLETF reported total market value of \$6.17 Billion; that value is 9.5% greater than last year on the same date and the highest month-end market value in Arizona history surpassing last month's previous all-time high of \$6.02 Billion. The PLETF also reported distributions to K-12 schools of \$26.8 Million; a \$2.1 Million increase over last August.

At August 31, State Agency and Local Government Pools reported total market value of \$8.6 Billion; a 7% increase over last year's value on this date. August 2018 earnings distributions were \$12.1 Million; a 71% increase over last August, and earnings contributed \$2.6 Million to the State's General Fund for the month; an 88% increase over last August.

Treasurer Klein reported on the following: The creation of an internal Treasury operations manual, the submission of the Treasury budget to the state, and the progress of automating Treasury functions to enable state agencies to deposit and deploy dollars more quickly. She also laid out the Treasury's plan to take advantage of this rising interest rate environment.

"We have begun the process of scrubbing our portfolios of any underperforming investments," Treasurer Klein said. "Selling poor performers will impact our investment return for a month or so but with yields rising, bring us higher earnings in a short period of time," Klein added.

The next BOI meeting is Tuesday, October 30, at 1:30 PM in the Treasury office and is open to public.

About the Arizona Office of the State Treasurer and State Board of Investment

The State Treasurer is responsible for the banking and investment management duties for the state, provides investment services to local governments, and manages the Land Endowment which primarily benefits public schools. The Treasury has approximately \$14 Billion in assets under management and stewards the cash management of Arizona's \$40 Billion state budget. Eileen I. Klein is the 35th Treasurer of Arizona. The State Board of Investment reviews all Treasury investment activity, serves as trustees of the Endowment, and approves the Treasurer's Investment Policy Statement.

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