



Arizona Treasurer's Report

Hon. Eileen I. Klein

September 2018 Education Edition



PLETF highlights and information for September 2018

- Market value of \$6,095,273,020 is up 6.3% over September 2017
- Made 3rd monthly Prop 123 distribution for FY2019 of \$26.8 Million to AZ public schools (up \$2.1 Million over September 2017)
- Teachers, want your students to learn about the Treasury? See the vault and trading room? Contact us to set up an educational tour.



MEET YOUR INVESTMENT ADVISOR: Tim White is Director of Endowments for the Permanent Land Endowment Trust Fund (PLETF) and the longest-tenured investment manager at the Treasury serving 26 years under 8 Treasurers since 1992. During his tenure, the PLETF market value has gone from \$475 Million to an all-time high of \$6.17 Billion in 2018 and has distributed more than \$1.75 Billion to K-12 schools. Under Tim's leadership, the PLETF has frequently outperformed many other endowments as reported by the National Association of College & University Business Officers on a 1, 3, 5, and 10-year basis. By managing money committed to public schools in perpetuity, Tim places tremendous importance on protecting the financial welfare of current and future generations of Arizona children. Tim is a graduate of Northern Arizona University with a degree in Finance and studied at the Kellogg School of Business at Northwestern University.

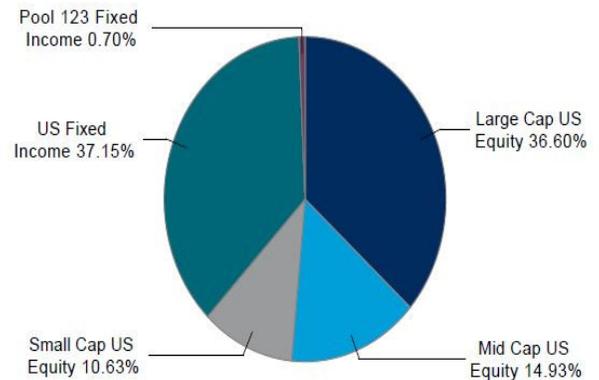
Performance



	1 Mth	YTD	1 Year	3 Year	5 Year	10 Year	ITD	Incept Date
TOTAL ENDOWMENT RETURN	-0.44	6.13	10.13	10.83	8.81	8.73	6.65	07/99
TOTAL ENDOWMENT BENCHMARK	-0.54	5.70	9.78	10.89	8.98	9.03	6.81	07/99
Excess	0.10	0.43	0.34	-0.07	-0.17	-0.30	-0.16	

Asset Allocation

	Ending Market Value
TOTAL ENDOWMENT RETURN	6,095,273,020



SEPTEMBER PERFORMANCE

- **6.13% YTD Return vs. Benchmark 5.70% (for 2018)**
- **Realized Gains \$14.9M**
- **Market Value \$6.1 Billion**
- **-0.44% Investment Return (beat benchmark of -0.54%)**

“The Endowment’s long-held indexing strategy has fueled our excellent performance throughout 2018 and continues to win for Arizona public schools.”

-Arizona Treasurer Klein

SEPTEMBER DISTRIBUTIONS

- **Prop 123 to Schools \$26.8M**
- **Delivered on-time from Pool 123 on September 24**
- **Land Proceeds Deposited in Schools Account \$7.2M**
- **Budget Appropriations to Schools \$326M on 9/4**

What is the PLETF? The Permanent Land Endowment Trust Fund (PLETF or Endowment) is exclusively managed by the Treasury for the primary benefit of Arizona public schools. After the PLETF receives proceeds from Trust Land sales, the Treasury invests the money and makes monthly distributions to 13 separate beneficiaries. The largest distributions, nearly 93%, go to K-12 schools. The passing of Prop 123 requires distributions be 6.9% of the PLETF’s 5-year average market value through FY 2025. Investment policy is set by the State Board of Investment (BOI) which meets monthly to review all Treasury investment activities. Visit aztreasury.gov for BOI reports and meeting dates. Separate from the PLETF, the Treasury also distributes state aid appropriated by the Legislature to schools.