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Date: June 28, 2010

AGENDA ITEM 19a, b

TO: MEMBERS, BOARD OF DIRECTORS

- I. **SUBJECT:** RATIFICATION OF INVESTMENT TRANSACTIONS
- II. **PROGRAM:** FINANCIAL & INVESTMENT SERVICES
- III. **RECOMMENDATION:** TO RATIFY THE INVESTMENT TRANSACTIONS *from April 1, 2010 to May 31, 2010.*
- IV. **ANALYSIS:**

The bond transactions for the period of April 1, 2010 to May 31, 2010 are attached as Item 19a-I. The current investments no longer in compliance with State Fund's Investment Policy are listed in the Compliance Report, Attachment 19b-I. We recommend the Board of Directors ratify the investment transactions for the period of April 1, 2010 to May 31, 2010.
- V. **RESULTS/COSTS:**

Reporting on the Investment Transactions fulfills a responsibility of Financial & Investment Services and the Investment Committee.

LESLIE DAWE, Financial and
Investment Services Manager

Attachments

BOARD OF DIRECTORS (OPEN)

AGENDA ITEM 19a

ATTACHMENT 19a-I

RATIFICATION OF INVESTMENT TRANSACTIONS: *Bond Transactions*

PRESENTED BY: Stephanie Chan

July 9, 2010

BOND TRANSACTIONS

Twenty-two transactions were consummated during the period from

April 1, 2010 to May 31, 2010.

Trade Date	Settle Date	Current Face	Description	Coupon Rate	Maturity Date	Yield	Rating
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PURCHASES:

Agency:

CONNING:

05/19/10	05/21/10	25,000,000.00	FANNIE MAE Notes	1.500%	06/26/13	1.506%	Aaa/AAA
		Subtotal:	25,000,000.00	1 item(s)			

GR-NEAM:

04/06/10	04/27/10	45,000,000.00	FREDDIE MAC Notes	2.500%	04/27/15	2.500%	Aaa/AAA
05/17/10	06/08/10	50,000,000.00	FANNIE MAE Notes	2.000%	06/08/15	2.000%	Aaa/AAA
05/17/10	06/08/10	10,000,000.00	FANNIE MAE Notes	2.000%	06/08/15	2.000%	Aaa/AAA
		Subtotal:	105,000,000.00	3 item(s)			

Total Agency:	130,000,000.00	4 item(s)					
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Other Government:

CONNING:

05/19/10	05/26/10	9,000,000.00	Province of Manitoba	2.625%	07/15/15	2.646%	Aa1/AA
05/19/10	05/26/10	8,000,000.00	Province of Manitoba	2.625%	07/15/15	2.646%	Aa1/AA
		Subtotal:	17,000,000.00	2 item(s)			

Total Other Government:	17,000,000.00	2 item(s)					
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Taxable Municipal:

Conning:

04/22/10	05/06/10	1,500,000.00	Los Angeles Ca Unifd Sch Dist (BAB)*	5.981%	05/01/27	5.981%	Aa2/AA-
		Subtotal:	1,500,000.00	1 item(s)			

GR-NEAM:

04/16/10	04/21/10	6,715,000.00	New York State (BAB)*	4.690%	03/01/23	4.804%	Aa2/AA
04/21/10	04/28/10	5,900,000.00	Connecticut State (BAB)*	5.027%	04/01/24	5.026%	Aa3/AA
04/29/10	05/04/10	2,000,000.00	Connecticut State (BAB)*	5.027%	04/01/24	4.969%	Aa3/AA
05/10/10	05/13/10	1,445,000.00	Minnesota St Pub Facilities Auth (BAB)*	4.500%	03/01/23	4.721%	Aaa/AAA
05/10/10	05/13/10	2,255,000.00	Minnesota St Pub Facilities Auth (BAB)*	4.500%	03/01/22	4.621%	Aaa/AAA
05/12/10	05/20/10	1,500,000.00	Boulder Larimer/Weld Cnty Colo St (BAB)*	5.740%	12/15/30	5.740%	Aa2/AA-

Trade Date	Settle Date	Current Face	Description	Coupon Rate	Maturity Date	Yield	Rating
05/17/10	05/26/10	12,730,000.00	Virginia Comwlth Trans Brd (BAB)*	4.600%	05/15/23	4.537%	Aa1/AA+
		Subtotal:	32,545,000.00	7 item(s)			
		Total Tax. Muni:	34,045,000.00	8 item(s)			

MBS/CMO/AGENCY CMBS:

Conning:

04/21/10	04/26/10	19,831,414.20	FNMA MBS, FN 932490	4.500%	02/01/40	4.273%	Aaa/AAA
05/05/10	05/18/10	24,837,824.75	FHLMC MBS, FG G13815	4.500%	05/01/25	3.347%	Aaa/AAA
05/05/10	05/28/10	8,500,000.00	GNMA AGENCY CMBS, GNR 2010-63 C	4.180%	08/16/42	4.233%	Aaa/AAA
		Subtotal:	53,169,238.95	3 item(s)			

GR-NEAM:

04/06/10	04/22/10	43,000,000.00	FNMA MBS, FN AD0929	4.500%	04/01/25	3.610%	Aaa/AAA
05/05/10	05/10/10	3,946,577.36	FNMA CMO, FNR 2010-36 CA	4.000%	02/25/28	3.147%	Aaa/AAA
05/05/10	05/10/10	22,244,556.59	FNMA CMO, FNR 2010-40 DM	4.000%	03/25/28	3.252%	Aaa/AAA
05/05/10	05/18/10	23,478,413.00	FHLMC MBS, FG G13830	4.500%	05/01/25	3.296%	Aaa/AAA
		Subtotal:	92,669,546.95	4 item(s)			

Total MBS/CMO/AGENCY CMBS:	145,838,785.90	7 item(s)
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CONNING TOTAL PURCHASES:	96,669,238.95	7 item(s)
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GR-NEAM TOTAL PURCHASES:	230,214,546.95	14 item(s)
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GRAND TOTAL PURCHASES:	326,883,785.90	21 item(s)
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SALES:

CORPORATE:

Conning:

04/07/10	04/12/10	10,000,000.00	Air Products & Chemicals	7.250%	04/15/16	4.294%	A3/A
		Subtotal:	10,000,000.00	1 item(s)			

Total Corporate:	10,000,000.00	1 item(s)
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GRAND TOTAL SALES:	10,000,000.00	1 item(s)
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* BAB – Build America Bonds

MOTION: To ratify the bond transactions.