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Date: January 10, 2011

**AGENDA ITEMS 6a, b**

**TO: MEMBERS, BOARD OF DIRECTORS**

- I. SUBJECT:** RATIFICATION OF INVESTMENT TRANSACTIONS
- II. PROGRAM:** TREASURY and INVESTMENTS
- III. RECOMMENDATION:** RECOMMENDATION TO BOARD OF DIRECTORS TO RATIFY THE INVESTMENT TRANSACTIONS FROM OCTOBER 1, 2010 TO NOVEMBER 30, 2010.

**IV. ANALYSIS:**  
The bond transactions for the period of October 1, 2010 to November 30, 2010 are attached as Item 6.a. The current investments no longer in compliance with State Fund's Investment Policy are listed in the Compliance Report, Attachment 6.b. We recommend the Board of Directors ratify the investment transactions for the period of October 1, 2010 to November 30, 2010.

**V. RESULTS/COSTS:**  
Reporting on the Investment Transactions fulfills a responsibility of Treasury and Investments and the Investment Committee.

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STEPHANIE CHAN, Treasury and  
Investments Program Manager

Attachments

BOND TRANSACTIONS

Sixty transactions were consummated during the period from October 1, 2010 to  
 November 30, 2010.

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

**AGENCY:**

**GR-NEAM:**

11/16/10	12/10/10	50,000,000.00	Federal Home Loan Bank	1.500%	12/10/15	1.577%	Aaa/AAA
11/16/10	12/10/10	10,000,000.00	Federal Home Loan Bank	1.500%	12/10/15	1.577%	Aaa/AAA
		Subtotal:	60,000,000.00	2 item(s)			

<b>Total Agency:</b>	<b>60,000,000.00</b>	<b>2 item(s)</b>
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**TAXABLE MUNICIPAL:**

**CONNING:**

10/14/10	10/21/10	15,000,000.00	New Jersey St Trans TR FD (BAB)*	6.104%	12/15/28	6.104%	Aa3/AA-
11/05/10	11/17/10	16,400,000.00	Northeast Ohio Swr Dist Rev (BAB)*	6.038%	11/15/40	6.038%	Aa1/AA+
		Subtotal:	31,400,000.00	2 item(s)			

**GR-NEAM:**

11/05/10	11/23/10	2,500,000.00	Virginia St Res Auth Rev (BAB)*	5.690%	11/01/30	5.690%	Aaa/AAA
11/10/10	11/18/10	5,500,000.00	New Hampshire St Fed Hwy Rev (BAB)*	4.984%	09/01/25	5.184%	Aa2/AA
11/10/10	11/23/10	4,000,000.00	Virginia St Public Bldg Auth Rev (BAB)*	5.900%	08/01/30	5.707%	Aa1/AA+
11/12/10	11/23/10	5,550,000.00	San Antonio TX Water Rev (BAB)*	6.220%	05/15/34	6.220%	Aa1/AA
11/16/10	12/02/10	5,500,000.00	Dallas TX Indpt Sch Dist G.O. (BAB)*	6.000%	02/15/26	5.802%	Aaa/AAA
11/16/10	12/02/10	2,000,000.00	Dallas TX Indpt Sch Dist G.O.(BAB)*	4.450%	02/15/20	4.450%	Aaa/AAA
11/17/10	12/07/10	2,000,000.00	Houston TX G.O. (BAB)*	6.319%	03/01/30	6.317%	AA/AA
		Subtotal:	27,050,000.00	7 item(s)			

<b>Total Taxable Municipal:</b>	<b>58,450,000.00</b>	<b>9 item(s)</b>
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**MBS Pass-Through:**

**Conning:**

10/15/10	10/29/10	29,959,570.80	Freddie Mac MBS, FG A93748	4.000%	09/01/40	3.052%	Aaa/AAA
10/26/10	10/29/10	17,899,954.74	Freddie Mac MBS, FG G05964	4.500%	08/01/40	2.940%	Aaa/AAA
11/16/10	12/13/10	39,941,284.00	Fannie Mae MBS, FN AE5468	4.500%	10/01/40	3.478%	Aaa/AAA
11/19/10	11/30/10	24,702,839.00	Freddie Mac MBS, FG A95214	4.500%	12/01/40	3.429%	Aaa/AAA
		Subtotal:	112,503,648.54	4 item(s)			

Trade Date	Settle Date	Current Face	Description	Coupon Rate	Maturity Date	Yield	Rating
<b>GR-NEAM:</b>							
10/21/10	11/10/10	11,000,000.48	Fannie Mae MBS, FN AE6984	4.000%	10/01/40	3.277%	Aaa/AAA
10/28/10	11/18/10	1,500,000.00	Ginnie Mae MBS, GN 682572	4.000%	11/01/40	3.260%	Aaa/AAA
11/15/10	12/20/10	18,500,000.00	Ginnie Mae MBS, GNSF 30 Year 4 12/10	4.000%	12/15/39	3.422%	Aaa/AAA
11/19/10	12/13/10	35,000,000.00	Freddie Mac MBS, FGLMC 30 YR 4 12/10	4.000%	03/15/40	3.610%	Aaa/AAA
11/19/10	11/24/10	35,000,000.00	Ginnie Mae MBS, GN 734017	4.000%	11/01/40	3.433%	Aaa/AAA
11/23/10	12/13/10	28,000,000.00	Freddie Mac MBS, FGLMC 30 YR 4 12/10	4.000%	03/15/40	3.543%	Aaa/AAA
Subtotal:		129,000,000.48	6 item(s)				

<b>Total MBS Pass-Through</b>	<b>241,503,649.02</b>	<b>10 item(s)</b>
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**AGENCY CMBS:**

<b>GR-NEAM:</b>							
11/03/10	12/30/10	8,840,000.00	GNMA AGY CMBS, GNR 2010-DEC C	4.620%	02/01/44	3.867%	Aaa/AAA
11/03/10	12/30/10	15,000,000.00	GNMA AGY CMBS, GNR 2010-DEC B	3.000%	02/01/44	2.966%	Aaa/AAA
Subtotal:		23,840,000.00	2 item(s)				

<b>Total AGENCY CMBS:</b>	<b>23,840,000.00</b>	<b>2 item(s)</b>
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<b>CONNING TOTAL PURCHASES:</b>	<b>143,903,648.54</b>	<b>6 item(s)</b>
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<b>GR-NEAM TOTAL PURCHASES:</b>	<b>239,890,000.48</b>	<b>17 item(s)</b>
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<b>GRAND TOTAL PURCHASES:</b>	<b>383,793,649.02</b>	<b>23 item(s)</b>
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**SALES:**

**GOVERNMENT:**

<b>Conning:</b>							
11/29/10	12/02/10	28,901,600.00	U.S. TIPS**	1.250%	04/15/14	-0.340%	Aaa/AAA
11/29/10	12/02/10	20,461,800.00	U.S. TIPS**	1.875%	07/15/19	0.494%	Aaa/AAA
Subtotal:		49,363,400.00	2 item(s)				

<b>GR-NEAM:</b>							
10/28/10	10/29/10	1,500,000.00	U.S. TIPS**	2.158%	01/15/19	0.340%	Aaa/AAA
11/03/10	11/04/10	8,000,000.00	U.S. TIPS**	2.161%	01/15/19	0.278%	Aaa/AAA
11/15/10	11/16/10	25,000,000.00	U.S. TIPS**	2.125%	01/15/19	0.494%	Aaa/AAA
11/16/10	11/17/10	25,000,000.00	U.S. TIPS**	2.161%	01/15/19	0.629%	Aaa/AAA
11/30/10	12/01/10	20,000,000.00	U.S. TIPS**	2.125%	01/15/19	0.409%	Aaa/AAA
11/30/10	12/01/10	10,000,000.00	U.S. TIPS**	1.875%	07/15/19	0.455%	Aaa/AAA
11/30/10	12/01/10	50,000,000.00	U.S. TIPS**	2.125%	01/15/19	0.409%	Aaa/AAA
Subtotal:		139,500,000.00	7 item(s)				

<b>Total Government:</b>	<b>188,863,400.00</b>	<b>9 item(s)</b>
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Trade Date	Settle Date	Current Face	Description	Coupon Rate	Maturity Date	Yield	Rating
<b><u>TAXABLE MUNICIPAL:</u></b>							
<b>GR-NEAM:</b>							
10/18/10	10/21/10	2,500,000.00	Illinois State Taxable Pension G.O.	4.350%	06/01/18	4.640%	A1/A+
10/19/10	10/22/10	2,500,000.00	Illinois State Taxable Pension G.O.	4.350%	06/01/18	4.640%	A1/A+
10/19/10	10/22/10	1,000,000.00	Illinois State Taxable Pension G.O.	4.350%	06/01/18	4.641%	A1/A+
10/19/10	10/22/10	2,000,000.00	Illinois State Taxable Pension G.O.	4.350%	06/01/18	4.641%	A1/A+
10/20/10	10/25/10	2,000,000.00	Illinois State Taxable Pension G.O.	4.350%	06/01/18	4.641%	A1/A+
10/20/10	10/25/10	2,000,000.00	Illinois State Taxable Pension G.O.	4.350%	06/01/18	4.641%	A1/A+
10/21/10	10/26/10	1,500,000.00	Illinois State Taxable Pension G.O.	4.350%	06/01/18	4.641%	A1/A+
10/21/10	10/26/10	2,000,000.00	Illinois State Taxable Pension G.O.	4.350%	06/01/18	4.641%	A1/A+
10/28/10	11/02/10	4,500,000.00	Illinois State Taxable Pension G.O.	4.350%	06/01/18	4.706%	A1/A+
11/01/10	11/04/10	2,000,000.00	Illinois State Taxable Pension G.O.	5.100%	06/01/33	7.048%	A1/A+
11/02/10	11/05/10	3,450,000.00	Illinois State Taxable Pension G.O.	5.100%	06/01/33	7.035%	A1/A+
11/03/10	11/08/10	5,000,000.00	Illinois State Taxable Pension G.O.	5.100%	06/01/33	6.978%	A1/A+
11/04/10	11/09/10	5,000,000.00	Illinois State Taxable Pension G.O.	5.100%	06/01/33	7.098%	A1/A+
11/08/10	11/12/10	5,000,000.00	Illinois State Taxable Pension G.O.	4.950%	06/01/23	5.587%	A1/A+
11/10/10	11/16/10	6,550,000.00	Illinois State Taxable Pension G.O.	5.100%	06/01/33	7.299%	A1/A+
11/10/10	11/16/10	3,000,000.00	Illinois State Taxable Pension G.O.	5.100%	06/01/33	7.304%	A1/A+
11/12/10	11/17/10	11,955,000.00	Illinois State Taxable Pension G.O.	4.950%	06/01/23	5.988%	A1/A+
Subtotal:		61,955,000.00	17 item(s)				
<b>Total Taxable Municipal:</b>		<b>61,955,000.00</b>	<b>17 item(s)</b>				

**CORPORATE:**

**Conning:**

10/22/10	10/27/10	10,000,000.00	Pitney Bowes, Inc.	3.875%	06/15/13	2.082%	A1/BBB+
11/16/10	11/19/10	2,000,000.00	Mercantile Bankshares	4.625%	04/15/13	2.283%	Baa1/A-
Subtotal:		12,000,000.00	2 item(s)				

**GR-NEAM:**

11/01/10	11/04/10	3,150,000.00	Pitney Bowes, Inc.	4.625%	10/01/12	1.647%	A1/BBB+
11/03/10	11/08/10	3,750,000.00	Pitney Bowes, Inc.	4.625%	10/01/12	1.547%	A1/BBB+
11/04/10	11/09/10	5,000,000.00	Pitney Bowes, Inc.	4.875%	08/15/14	2.571%	A1/BBB+
11/04/10	11/09/10	4,890,000.00	Pitney Bowes, Inc.	4.875%	08/15/14	2.571%	A1/BBB+
11/04/10	11/09/10	5,000,000.00	Pitney Bowes, Inc.	5.000%	03/15/15	2.782%	A1/BBB+
11/05/10	11/10/10	10,000,000.00	Pitney Bowes, Inc.	4.875%	08/15/14	2.641%	A1/BBB+
11/08/10	11/12/10	3,100,000.00	Pitney Bowes, Inc.	4.625%	10/01/12	1.583%	A1/BBB+
11/09/10	11/15/10	2,000,000.00	Pitney Bowes, Inc.	5.000%	03/15/15	2.961%	A1/BBB+
11/16/10	11/19/10	8,000,000.00	Pitney Bowes, Inc.	5.000%	03/15/15	3.263%	A1/BBB+
Subtotal:		44,890,000.00	9 item(s)				

<b>Total Corporate:</b>		<b>56,890,000.00</b>	<b>11 item(s)</b>				
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<b>CONNING TOTAL</b>
<b>SALES:</b> 61,363,400.00    4 item(s)

<b>GR-NEAM</b>
<b>TOTAL SALES:</b> 246,345,000.00    33 item(s)

<b>GRAND TOTAL</b>
<b>SALES:</b> 307,708,400.00    37 item(s)

\* BAB – Build America Bonds

\*\* TIPS – Treasury Inflation Protected Securities

MOTION: To ratify.