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Date: November 2, 2009

AGENDA ITEM 18a, b, c

TO: MEMBERS OF THE BOARD OF DIRECTORS

- I. SUBJECT: RATIFICATION OF INVESTMENT TRANSACTIONS**
- II. PROGRAM: FISCAL & INVESTMENT SERVICES**
- III. RECOMMENDATION: RECOMMENDATION TO BOARD OF DIRECTORS TO RATIFY THE INVESTMENT TRANSACTIONS FROM AUGUST 1 TO SEPTEMBER 30, 2009.**

IV. ANALYSIS:

The bond transactions for the period of August 1 to September 30, 2009 are attached as Item 18a. There were no short term investment transactions as confirmed on attachment 18b. The current investments no longer in compliance with State Fund's Investment Policy are listed in the Compliance Report, Attachment 18c. We recommend the Board of Directors ratify the investment transactions for the period of August 1 to September 30, 2009.

V. RESULTS/COSTS:

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

LESLIE DAWE, Fiscal and Investment
Services Manager

Attachments

BOARD OF DIRECTORS (OPEN)

AGENDA ITEM 18a

ATTACHMENT 18a-I

RATIFICATION of INVESTMENT TRANSACTIONS
(Bonds)

PRESENTED BY: Peter Guastamachio, Leslie Dawe

November 13, 2009

BOND TRANSACTIONS

Ninety-eight transactions were consummated during the period from

August 1, 2009 to September 30, 2009.

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

09/30/09	10/05/09	30,000,000.00	US Treasury Notes	1.750%	03/31/10	0.174%	Aaa/AAA
09/30/09	10/05/09	30,000,000.00	US Treasury Notes	2.000%	09/30/10	0.395%	Aaa/AAA
09/30/09	10/05/09	30,000,000.00	US Treasury Notes	0.875%	03/31/11	0.658%	Aaa/AAA
09/30/09	10/05/09	30,000,000.00	US Treasury Notes	1.000%	09/30/11	0.976%	Aaa/AAA
Subtotal:		120,000,000.00	4 item(s)				

Total							
Government:		120,000,000.00	4 item(s)				

Agency:**CONNING:**

08/05/09	08/06/09	20,000,000.00	FHLMC Notes	2.125%	09/21/12	2.138%	Aaa/AAA
08/07/09	08/25/09	20,000,000.00	FNMA Notes	3.500%	08/25/14	3.593%	Aaa/AAA
08/13/09	08/14/09	25,000,000.00	FNMA Notes	3.000%	09/16/14	3.058%	Aaa/AAA
Subtotal:		65,000,000.00	3 item(s)				

Total Agency:		65,000,000.00	3 item(s)				
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Sovereign/Canada:**Conning:**

09/02/09	09/10/09	7,350,000.00	CANADA Government	2.375%	09/10/14	2.498%	Aaa/AAA
Subtotal:		7,350,000.00	1 item(s)				

Total							
Sovereign/Canada:		7,350,000.00	1 item(s)				

MBS/Agency CMBS:**Conning:**

08/04/09	08/13/09	10,214,275.15	FNMA MBS, FN AA5890	5.000%	07/01/39	4.429%	Aaa/AAA
			GNMA PROJECT LOANS CMBS,				
08/05/09	08/10/09	10,000,000.00	GNR 2009-51 C	5.351%	10/16/49	5.250%	Aaa/AAA
08/21/09	08/31/09	20,000,000.00	FHLMC MBS, FG G08361	4.500%	08/01/39	4.503%	Aaa/AAA
08/27/09	09/14/09	13,377,236.85	FNMA MBS, FN AA8633	5.000%	07/01/39	4.221%	Aaa/AAA
			GNMA PROJECT LOANS CMBS,				
09/03/09	09/30/09	17,550,000.00	GNR 2009-80 B	4.555%	01/16/50	4.435%	Aaa/AAA
09/10/09	09/16/09	11,767,027.00	FNMA COIN MBS, FN MC0166	4.500%	09/01/39	3.889%	Aaa/AAA
09/16/09	09/18/09	10,788,134.64	FHLMC MBS, FG J10717	4.500%	09/01/24	3.654%	Aaa/AAA
09/21/09	09/30/09	19,615,001.80	FHLMC MBS, FG G18313	4.500%	06/01/24	3.558%	Aaa/AAA

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09/21/09	09/30/09	9,987,350.00	FHLMC MBS, FG A88296	4.500%	09/01/39	4.393%	Aaa/AAA
09/23/09	09/30/09	20,000,000.00	GNMA MBS, G2 4540	4.500%	09/20/39	4.258%	Aaa/AAA
09/25/09	10/14/09	30,418,613.50	FNMA MBS, FN 928903	6.000%	12/01/37	4.055%	Aaa/AAA
09/25/09	10/14/09	6,051,631.67	FNMA MBS, FN 928903	6.000%	12/01/37	2.132%	Aaa/AAA
09/25/09	10/30/09	15,000,000.00	GNMA PROJECT LOANS CMBS, GNR 2009-90 AC	3.137%	08/01/14	3.123%	Aaa/AAA
09/25/09	10/30/09	15,000,000.00	GNMA PROJECT LOANS CMBS, GNR 2009-90 B	4.196%	08/01/19	4.154%	Aaa/AAA
09/29/09	10/14/09	24,974,617.07	FHLMC MBS, FG G04396	6.000%	06/01/38	2.291%	Aaa/AAA
Subtotal:		234,743,887.68	15 item(s)				

GR-NEAM:

08/07/09	08/13/09	5,000,000.64	FHLMC MBS, FG G05132	5.000%	12/01/38	4.599%	Aaa/AAA
08/07/09	08/13/09	40,000,000.08	FHLMC MBS, FG G05132	5.000%	12/01/38	4.599%	Aaa/AAA
08/18/09	09/14/09	48,752,229.54	FNMA MBS, FN AA7677	5.000%	06/01/39	4.349%	Aaa/AAA
08/19/09	09/29/09	16,000,000.00	GNMA MBS, GN 726807	5.000%	09/15/39	4.279%	Aaa/AAA
08/28/09	09/14/09	10,000,000.00	FHLMC MBS, FG A88924	5.000%	09/01/39	4.325%	Aaa/AAA
08/28/09	09/14/09	39,999,999.94	FNMA MBS, FN AC1612	5.000%	08/01/39	4.297%	Aaa/AAA
08/28/09	09/14/09	10,000,000.98	FNMA MBS, FN AC1612	5.000%	08/01/39	4.297%	Aaa/AAA
09/02/09	09/17/09	22,500,000.00	FHLMC MBS, FG G18323	4.500%	09/01/24	3.585%	Aaa/AAA
09/02/09	09/17/09	22,500,000.12	FNMA MBS, FN AA4553	4.500%	08/01/24	3.521%	Aaa/AAA
09/10/09	09/16/09	18,183,330.00	FNMA COIN MBS, FN MC0165	4.500%	09/01/39	4.175%	Aaa/AAA
09/15/09	10/14/09	7,487,502.60	FNMA MBS, FN AC3236	5.000%	09/01/39	4.278%	Aaa/AAA
09/15/09	10/14/09	7,491,526.05	FHLMC MBS, FG A88594	5.000%	09/01/39	4.389%	Aaa/AAA
Subtotal:		247,914,589.95	12 item(s)				

Total MBS/Agency

CMBS:	482,658,477.63	27 item(s)
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Taxable Municipal:**Conning:**

08/12/09	08/27/09	4,550,000.00	Metro Wastewater Reclamation District, Colorado Sewer Rev (BAB)*	5.775%	04/01/29	5.774%	Aa2/AAA
08/19/09	08/26/09	19,400,000.00	Texas State GO (BAB)*	5.517%	04/01/39	5.517%	Aa1/AA+
09/10/09	09/24/09	15,350,000.00	Chicago Illinois Board Education Dedicated Revenue (BAB)*	6.038%	12/01/29	6.037%	A1/AA-
09/16/09	09/29/09	13,800,000.00	Utah State GO (BAB)*	4.554%	07/01/24	4.553%	Aaa/AAA
09/30/09	10/15/09	14,450,000.00	New York NY GO (BAB)*	4.589%	10/01/22	4.589%	Aa3/AA
Subtotal:		67,550,000.00	5 item(s)				

GR-NEAM:

08/11/09	08/25/09	12,400,000.00	Hamilton County Ohio Sewer System Revenue (BAB)*	6.500%	12/01/34	6.520%	Aa3/AA+
08/11/09	08/26/09	16,100,000.00	Chicago Illinois Metropolitan Water Reclamation (BAB)*	5.720%	12/01/38	5.719%	Aaa/AAA
08/12/09	08/27/09	2,200,000.00	Metro Wastewater Reclamation District Colorado Sewer Rev (BAB)*	5.518%	04/01/24	5.517%	Aa2/AAA
08/12/09	08/27/09	3,600,000.00	Texas State GO (BAB)*	6.072%	10/01/29	6.071%	Aa1/AA+
08/14/09	08/26/09	6,760,000.00	Utah St Board Regents Rev (BAB)*	5.670%	04/01/24	5.669%	Aa2/AA
08/18/09	08/31/09	2,500,000.00	New York St Dormitory Authority St Personal Income Taxable Rev (BAB)*	4.992%	03/15/22	4.992%	AAA/AA-
08/19/09	09/02/09	9,000,000.00	Midland County Texas Hospital District Limited (BAB)*	6.440%	05/15/39	6.439%	A1/AA
08/19/09	08/26/09	13,200,000.00	Texas State GO (BAB)*	5.517%	04/01/39	5.517%	Aa1/AA+

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08/21/09	08/26/09	1,000,000.00	Texas State GO (BAB)*	5.517%	04/01/39	5.510%	Aa1/AA+
09/02/09	09/15/09	5,630,000.00	South Valley District Utah Sewer Revenue (BAB)*	6.290%	01/01/33	6.288%	AA/AA-
09/02/09	09/16/09	1,450,000.00	Oklahoma State Capital Improvement Authority (BAB)*	5.340%	07/01/24	5.339%	AA/AA-
09/10/09	09/23/09	3,895,000.00	Jordan Valley Utah Water Conservancy District (BAB)*	6.530%	10/01/39	6.530%	AA+/AA-
09/10/09	09/23/09	1,250,000.00	Jordan Valley Utah Water Conservancy District (BAB)*	6.330%	10/01/34	6.330%	AA+/AA-
09/10/09	09/24/09	11,500,000.00	Chicago Illinois Board Education Dedicated Revenue (BAB)*	6.138%	12/01/39	6.137%	A1/AA-
09/16/09	09/24/09	9,100,000.00	Colorado Springs Colorado Utilities System Improvement (BAB)*	5.545%	11/15/39	5.544%	Aa2/AA
09/30/09	10/15/09	9,500,000.00	New York NY GO (BAB)*	5.206%	10/01/31	5.206%	Aa3/AA
Subtotal:		109,085,000.00	16 item(s)				

Total Taxable			
Municipal:	176,635,000.00	21 item(s)	

CONNING TOTAL			
PURCHASES:	494,643,887.68	28 item(s)	

GR-NEAM TOTAL			
PURCHASES:	356,999,589.95	28 item(s)	

GRAND TOTAL			
PURCHASES:	851,643,477.63	56 item(s)	

SALES:**Government:****Conning:**

08/18/09	08/21/09	20,000,000.00	US Treasury Notes	4.750%	08/15/17	3.287%	Aaa/AAA
08/31/09	09/03/09	20,000,000.00	US Treasury Notes	4.750%	08/15/17	3.213%	Aaa/AAA
Subtotal:		40,000,000.00	2 item(s)				

GR-NEAM:

08/06/09	08/07/09	20,000,000.00	US Treasury Notes	4.625%	02/29/12	1.522%	Aaa/AAA
Subtotal:		20,000,000.00	1 item(s)				

Total			
Government:	60,000,000.00	3 item(s)	

Corporate:**Conning:**

08/17/09	08/20/09	15,000,000.00	Cisco Systems, Inc.	5.500%	02/22/16	3.952%	A1/A+
08/18/09	08/21/09	20,000,000.00	Emerson Electric Co.	5.625%	11/15/13	2.983%	A2/A
08/18/09	08/21/09	15,000,000.00	Cisco Systems, Inc.	5.500%	02/22/16	3.945%	A1/A+
08/18/09	08/21/09	10,000,000.00	Pitney Bowes, Inc.	4.750%	01/15/16	4.291%	A1/A
08/19/09	08/24/09	2,000,000.00	Pitney Bowes, Inc.	4.750%	01/15/16	4.263%	A1/A
08/20/09	08/25/09	3,000,000.00	Pitney Bowes, Inc.	4.750%	01/15/16	4.270%	A1/A
08/20/09	08/25/09	3,000,000.00	Pitney Bowes, Inc.	4.750%	01/15/16	4.249%	A1/A
08/20/09	08/25/09	1,000,000.00	Pitney Bowes, Inc.	4.750%	01/15/16	4.232%	A1/A
08/24/09	08/27/09	2,000,000.00	Pitney Bowes, Inc.	4.750%	01/15/16	4.264%	A1/A

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08/25/09	08/28/09	2,000,000.00	Pitney Bowes, Inc.	4.750%	01/15/16	4.284%	A1/A
08/25/09	08/28/09	12,000,000.00	Pitney Bowes, Inc.	4.750%	01/15/16	4.286%	A1/A
08/25/09	08/28/09	2,700,000.00	Pitney Bowes, Inc.	4.750%	01/15/16	4.288%	A1/A
Subtotal:		87,700,000.00	12 item(s)				

GR-NEAM:

08/07/09	08/12/09	20,000,000.00	Johnson Controls, Inc.	4.875%	09/15/13	4.874%	Baa2/BBB
08/19/09	08/24/09	10,000,000.00	Johnson Controls, Inc.	4.875%	09/15/13	4.874%	Baa2/BBB
08/19/09	08/24/09	10,000,000.00	Johnson Controls, Inc.	4.875%	09/15/13	4.874%	Baa2/BBB
Subtotal:		40,000,000.00	3 item(s)				

Total Corporate:	127,700,000.00	15 item(s)
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Taxable Municipal:**Conning:**

08/13/09	08/18/09	9,670,000.00	Stockton Calif Pension Obligation	5.140%	09/01/17	5.973%	Aa3/AAA
08/26/09	08/31/09	7,500,000.00	Fresno County Calif Pension	4.658%	08/15/18	6.955%	WR/A+
08/26/09	08/31/09	11,000,000.00	Fresno County Calif Pension	4.658%	08/15/18	6.926%	WR/A+
08/26/09	08/31/09	20,025,000.00	Fresno County Calif Pension	4.658%	08/15/18	6.784%	WR/A+
08/26/09	08/31/09	6,155,000.00	Contra Costa County Calif Fire Dept	4.900%	08/01/16	5.229%	Aa3/AA-
08/31/09	09/03/09	5,000,000.00	Riverside Calif Pension Oblig	4.910%	02/15/25	7.171%	A1/AA-
Subtotal:		59,350,000.00	6 item(s)				

GR-NEAM:

08/12/09	08/17/09	5,000,000.00	Fresno County Calif Pension	4.278%	08/15/14	5.802%	NR/A+
08/13/09	08/18/09	2,000,000.00	Fresno County Calif Pension	4.408%	08/15/15	5.916%	NR/A+
08/13/09	08/18/09	2,000,000.00	Fresno County Calif Pension	4.928%	08/15/19	6.765%	NR/A+
08/13/09	08/18/09	2,000,000.00	Fresno County Calif Pension	4.278%	08/15/14	5.720%	NR/A+
08/19/09	08/24/09	1,125,000.00	Fresno County Calif Pension	4.278%	08/15/14	5.625%	NR/A+
08/20/09	08/25/09	2,000,000.00	Fresno County Calif Pension	4.408%	08/15/15	5.826%	NR/A+
08/21/09	08/26/09	1,000,000.00	Fresno County Calif Pension	4.278%	08/15/14	5.720%	NR/A+
08/25/09	08/28/09	1,000,000.00	Fresno County Calif Pension	4.278%	08/15/14	5.650%	NR/A+
08/27/09	09/01/09	6,240,000.00	Contra Costa Cnty Calif Fire Dept	4.760%	08/01/13	4.017%	Aa3/AA-
08/27/09	09/01/09	4,000,000.00	Fresno County Calif Pension	4.278%	08/15/14	5.490%	NR/A+
08/27/09	09/01/09	2,000,000.00	Fresno County Calif Pension	4.408%	08/15/15	5.812%	NR/A+
08/28/09	09/02/09	1,000,000.00	Fresno County Calif Pension	4.408%	08/15/15	5.595%	NR/A+
09/01/09	09/04/09	1,000,000.00	Fresno County Calif Pension	4.408%	08/15/15	5.520%	NR/A+
09/02/09	09/08/09	1,000,000.00	Fresno County Calif Pension	4.408%	08/15/15	5.450%	NR/A+
09/08/09	09/11/09	2,250,000.00	Fresno County Calif Pension	4.408%	08/15/15	5.490%	NR/A+
09/08/09	09/11/09	5,500,000.00	Fresno County Calif Pension	4.928%	08/15/19	6.670%	NR/A+
09/08/09	09/11/09	5,015,000.00	Fresno County Calif Pension	4.408%	08/15/15	5.500%	NR/A+
09/15/09	09/18/09	10,000,000.00	Contra Costa Cnty Calif Pension	5.140%	06/01/17	5.060%	A1/AA-
Subtotal:		54,130,000.00	18 item(s)				

Total Taxable

Municipal:	113,480,000.00	24 item(s)
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Conning Total		
Sales:	187,050,000.00	20 item(s)

GR-NEAM Total		
Sales:	114,130,000.00	22 item(s)

GRAND TOTAL		
SALES:	301,180,000.00	42 item(s)

* BAB – Build America Bonds

MOTION: To ratify the bond transactions.