



1275 Market Street
San Francisco, CA 94103
(415) 565-1456
www.statefundca.com

Date: January 10, 2011

AGENDA ITEM 4 a, b

TO: MEMBERS OF THE INVESTMENT COMMITTEE

- I. SUBJECT: APPROVAL 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 4a-l. The current investments no longer in compliance with State Fund's Investment Policy are listed in the Compliance Report, Attachment 4b-l. We request the Investment Committee's approval of these investment transactions and their recommendation to the Board of Directors to ratify the transactions.

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

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)			

Total Agency:	60,000,000.00	2 item(s)
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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)			

Total Taxable Municipal:	58,450,000.00	9 item(s)
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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
GR-NEAM:							
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)				

Total MBS Pass-Through	241,503,649.02	10 item(s)
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AGENCY CMBS:

GR-NEAM:							
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)				

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

GOVERNMENT:

Conning:							
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)				

GR-NEAM:							
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)				

Total Government:	188,863,400.00	9 item(s)
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Trade Date	Settle Date	Current Face	Description	Coupon Rate	Maturity Date	Yield	Rating
<u>TAXABLE MUNICIPAL:</u>							
GR-NEAM:							
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)				
Total Taxable Municipal:		61,955,000.00	17 item(s)				

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)				

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

GR-NEAM
TOTAL SALES: 246,345,000.00 33 item(s)

GRAND TOTAL
SALES: 307,708,400.00 37 item(s)

* BAB – Build America Bonds

** TIPS – Treasury Inflation Protected Securities

MOTION: To approve and recommend ratification.