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Date: February 6, 2012

AGENDA ITEM 3 a, b

TO: MEMBERS OF THE INVESTMENT COMMITTEE

- I. SUBJECT: APPROVAL OF INVESTMENT TRANSACTIONS**
- II. PROGRAM: TREASURY and INVESTMENTS**
- III. RECOMMENDATION: RECOMMENDATION TO INVESTMENT COMMITTEE TO APPROVE AND RATIFY THE INVESTMENT TRANSACTIONS FROM OCTOBER 1, 2011 TO DECEMBER 31, 2011.**

IV. ANALYSIS:
The bond transactions for the period of October 1, 2011 to December 31, 2011 are attached as Item 3a. The current investments no longer in compliance with State Fund's Investment Policy are listed in the Compliance Report, Attachment 3b. We request the Investment Committee's approval and ratification of these investment transactions. These reports are also attached as Item 7ci on the agenda of the Full Board meeting.

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

STEPHANIE CHAN, Treasury and
Investments Program Manager

Attachments

BOND TRANSACTIONS

Sixty-eight transactions were consummated during the period from October 1, 2011 to December 31, 2011.

Trade	Settle	Par/Shares	Description	Cpn	Maturity	Bk Yld	Ratings
PURCHASES:							
<u>Taxable Municipal</u>							
CONNING							
11/29/11	12/02/11	4,830,000.00	ARIZONA ST TRANSPRTN BRD	2.492	07/01/17	2.503	Aa2 / AA+
12/15/11	12/20/11	6,750,000.00	WASHINGTON ST	4.736	08/01/24	3.158	Aa1 / AA+
	Subtotal:	11,580,000.00	2 item(s)				
New England Asset Management							
10/11/11	10/14/11	2,800,000.00	KANSAS ST DEV FIN AUTH	5.501	05/01/34	4.935	Aa2 / AA+
10/19/11	10/24/11	8,450,000.00	N E OH REGL SWR DIST	6.038	11/15/40	4.645	Aa1 / AA+
10/20/11	10/25/11	4,500,000.00	JEA FL ELEC SYS REVENUE	6.406	10/01/34	5.177	Aa3 / A+
10/21/11	10/26/11	3,960,000.00	NEW YORK ST ENVRNMNTAL	5.807	06/15/39	4.725	Aa1 / AA+
10/21/11	10/26/11	200,000.00	NEW YORK ST ENVRNMNTAL	5.807	06/15/39	4.750	Aa1 / AA+
10/27/11	11/01/11	10,000,000.00	NEW YORK CITY NY MUNI WTR	5.790	06/15/41	4.970	Aa2 / AA+
10/27/11	11/03/11	15,000,000.00	ST PUB SCH BLDG AUTH PA	5.088	09/15/29	5.087	Aa2 / AA
11/14/11	11/17/11	3,000,000.00	PHOENIX AZ CIVIC IMPT CORP	6.000	07/01/35	5.625	Aa3 / AA
12/08/11	12/13/11	2,500,000.00	VIRGINIA CLG BLDG AUTH VA	4.750	02/01/21	3.090	Aa1 / AA+
12/14/11	12/19/11	3,775,000.00	PHOENIX AZ CIVIC IMPT CORP	5.750	07/01/22	4.030	Aa3 / AA
12/20/11	12/22/11	2,000,000.00	CONNECTICUT ST SPL TAX OBL	5.005	12/01/21	3.355	Aa3 / AA
12/20/11	12/22/11	2,750,000.00	OHIO ST MAJOR NEW STREET	4.418	06/15/20	2.887	Aa1 / AA
	Subtotal:	58,935,000.00	12 item(s)				

Total: Taxable Muni	70,515,000.00	14 item(s)
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<u>Corporate</u>							
CONNING							
10/25/11	10/28/11	4,000,000.00	CITIGROUP INC	6.000	08/15/17	4.184	A3 / A
10/25/11	10/28/11	4,500,000.00	CITIGROUP INC	6.000	08/15/17	4.155	A3 / A
10/31/11	11/03/11	9,000,000.00	TRAVELERS COS INC	5.900	06/02/19	3.235	A2 / A
11/03/11	11/08/11	12,500,000.00	BECTON DICKINSON	3.125	11/08/21	3.149	A2 / A+
11/03/11	11/08/11	6,250,000.00	CARGILL INC	3.250	11/15/21	3.309	A2 / A
11/03/11	11/08/11	5,000,000.00	COLGATE-PALMOLIVE CO	2.450	11/15/21	2.615	Aa3 / AA-
11/08/11	11/14/11	15,050,000.00	HALLIBURTON COMPANY	3.250	11/15/21	3.289	A2 / A
11/08/11	11/14/11	7,000,000.00	HERSHEY COMPANY	1.500	11/01/16	1.549	A2 / A
11/08/11	11/15/11	25,000,000.00	PHILIP MORRIS INTL INC	2.900	11/15/21	3.057	A2 / A
11/08/11	11/14/11	9,708,000.00	PROGRESSIVE CORP	3.750	08/23/21	3.288	A1 / A+
11/16/11	11/21/11	4,050,000.00	ROCKWELL COLLINS INC	3.100	11/15/21	3.133	A1 / A
11/17/11	11/23/11	10,000,000.00	BANK OF NEW YORK MELLON	2.400	01/17/17	2.438	Aa2 / A+
11/23/11	11/30/11	9,300,000.00	UPMC HEALTH SYSTEM	3.853	12/15/21	3.853	Aa2 / AA-
11/29/11	12/02/11	6,225,000.00	JOHN DEERE CAPITAL CORP	2.000	01/13/17	2.023	A2 / A
12/06/11	12/13/11	10,000,000.00	USAA CAPITAL CORP	2.250	12/13/16	2.288	Aa1 / AA+
	Subtotal:	137,583,000.00	15 item(s)				

Trade	Settle	Par/Shares	Description	Cpn	Maturity	Bk Yld	Ratings
New England Asset Management							
10/14/11	10/19/11	3,590,000.00	OCCIDENTAL PETROLEUM COR	2.500	02/01/16	1.562	A2 / A
10/14/11	10/19/11	3,750,000.00	OCCIDENTAL PETROLEUM COR	2.500	02/01/16	1.552	A2 / A
10/20/11	10/25/11	30,000,000.00	CITIGROUP INC	4.587	12/15/15	4.057	A3 / A
10/20/11	10/25/11	1,170,000.00	COCA-COLA CO/THE	3.300	09/01/21	2.895	Aa3 / A+
10/20/11	10/25/11	6,180,000.00	COCA-COLA CO/THE	3.300	09/01/21	2.872	Aa3 / A+
10/20/11	10/25/11	18,500,000.00	EMERSON ELECTRIC CO	5.375	10/15/17	2.305	A2 / A
10/25/11	10/28/11	10,000,000.00	CITIGROUP INC	4.587	12/15/15	3.843	A3 / A
11/03/11	11/08/11	9,400,000.00	BECTON DICKINSON	3.125	11/08/21	3.149	A2 / A+
11/10/11	11/16/11	2,690,000.00	BAKER HUGHES INC	3.200	08/15/21	2.979	A2 / A
11/15/11	11/18/11	10,000,000.00	CITIGROUP INC	4.750	05/19/15	3.692	A3 / A
11/16/11	11/21/11	3,000,000.00	COCA-COLA CO/THE	3.300	09/01/21	2.911	Aa3 / A+
11/16/11	11/21/11	4,700,000.00	ROCKWELL COLLINS INC	3.100	11/15/21	3.133	A1 / A
11/22/11	11/28/11	6,855,000.00	MEDTRONIC INC	4.125	03/15/21	2.988	A1 / AA-
11/29/11	12/02/11	5,000,000.00	BAKER HUGHES INC	3.200	08/15/21	3.069	A2 / A
11/29/11	12/02/11	5,300,000.00	WALT DISNEY COMPANY/THE	3.750	06/01/21	2.831	A2 / A
12/09/11	12/19/11	7,750,000.00	PARTNERS HEALTHCARE SYS	3.443	07/01/21	3.443	Aa2 / AA
Subtotal:		127,885,000.00	16 item(s)				

Total: Corporate	265,468,000.00	31 item(s)
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MBS Pass-Through

CONNING							
10/11/11	10/14/11	20,379,251.04	FG G06736	4.000	09/01/41	3.063	Aaa / AA+
10/12/11	10/18/11	9,000,000.00	FG J16946	3.000	11/01/26	2.423	Aaa / AA+
10/18/11	10/31/11	9,810,193.40	FG A97054	3.500	02/01/41	3.246	Aaa / AA+
10/20/11	10/31/11	10,000,000.00	FG G08462	3.500	10/01/41	3.318	Aaa / AA+
10/25/11	10/31/11	3,750,354.00	FG Q04271	4.000	11/01/41	3.113	Aaa / AA+
10/27/11	10/31/11	7,500,000.00	FN AJ3718	4.000	10/01/41	3.127	Aaa / AA+
10/31/11	11/14/11	10,748,005.07	FG A96549	4.000	01/01/41	2.988	Aaa / AA+
11/07/11	11/14/11	11,184,980.13	FG G08463	4.000	10/01/41	2.759	Aaa / AA+
11/09/11	11/14/11	14,960,222.55	FG Q03996	4.000	10/01/41	2.638	Aaa / AA+
11/15/11	11/18/11	25,000,000.00	FG Q04649	3.500	11/01/41	3.184	Aaa / AA+
11/30/11	12/12/11	29,457,591.10	FG Q04540	3.500	11/01/41	3.171	Aaa / AA+
Subtotal:		151,790,597.29	11 item(s)				
New England Asset Management							
10/26/11	11/14/11	35,000,000.00	FN AJ4748	3.500	12/01/41	3.262	Aaa / AA+
11/29/11	12/12/11	25,000,001.30	FG Q04674	4.000	12/01/41	2.840	Aaa / AA+
11/29/11	12/12/11	24,999,999.99	FG Q04822	4.000	11/01/41	2.840	Aaa / AA+
12/06/11	12/13/11	19,727,306.04	FN AB3963	3.500	11/01/41	3.002	Aaa / AA+
Subtotal:		104,727,307.33	4 item(s)				

Total: MBS Pass-Thru	256,517,904.62	15 Item(s)
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Trade	Settle	Par/Shares	Description	Cpn	Maturity	Bk Yld	Ratings
CMBS (Agency Project Loans)							
CONNING							
10/12/11	10/28/11	10,000,000.00	GNR 2011-143 C	3.800	12/16/52	3.752	Aaa / AA+
11/10/11	11/30/11	15,000,000.00	GNR 2011-149 B	4.205	12/16/52	3.655	Aaa / AA+
11/14/11	11/30/11	15,500,000.00	GNR 2011-152 D	3.699	04/16/45	3.645	Aaa / AA+
12/05/11	12/30/11	12,000,000.00	GNR 2011-164 C	4.009	09/16/52	3.571	Aaa / AA+
12/07/11	12/12/11	9,000,000.00	GNR 2011-142 B	3.485	02/16/44	3.264	Aaa / AA+
	Subtotal:	61,500,000.00	5 item(s)				
New England Asset Management							
11/01/11	11/30/11	15,000,000.00	GNR 2011-149 B	4.205	12/01/52	3.522	Aaa / AA+
	Subtotal:	15,000,000.00	1 item(s)				

Total: CMBS (Agy Proj Loans)	76,500,000.00	6 item(s)
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Total Purchases: CONNING	362,453,597.29	33 item(s)
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Total Purchases: New England Asset Management	306,547,307.33	33 item(s)
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Grand Total: PURCHASES	669,000,904.62	66 item(s)
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Trade	Settle	Par/Shares	Description	Cpn	Maturity	Trd Yld	Ratings
SALES:							
<u>Local Agency</u>							
CONNING							
12/15/11	12/16/11	1,000,000.00	FANNIE MAE	1.250	08/20/13	0.323	Aaa / AA+
	Subtotal:	1,000,000.00	1 item(s)				
Total: Local Agency		1,000,000.00	1 item(s)				
<u>Corporate</u>							
CONNING							
12/15/11	12/20/11	7,000,000.00	HERSHEY COMPANY	1.500	11/01/16	1.489	A2 / A
	Subtotal:	7,000,000.00	1 item(s)				
Total: Corporate		7,000,000.00	1 item(s)				
Total Sales:		8,000,000.00	2 item(s)				
CONNING							
Total Sales:		0.00	0 item(s)				
New England Asset Management							
Grand Total:		8,000,000.00	2 item(s)				
SALES							

MOTION: To approve and ratify the transactions described on this list.