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Date: May 10, 2010

AGENDA ITEM 11 a, b

TO: MEMBERS OF THE INVESTMENT COMMITTEE

- I. SUBJECT: APPROVAL OF INVESTMENT TRANSACTIONS**
- II. PROGRAM: FINANCIAL AND INVESTMENT SERVICES**
- III. RECOMMENDATION: TO BOARD OF DIRECTORS TO RATIFY THE INVESTMENT TRANSACTIONS FROM February 1, 2010 TO March 31, 2010.**

IV. ANALYSIS:
The bond transactions for the period of February 1, 2010 to March 31, 2010 are attached as Item 11a-l. The current investments no longer in compliance with State Fund's Investment Policy are listed in the Compliance Report, Attachment 11b-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 Financial and Investment Services.

LESLIE DAWE, Financial and
Investment Services Manager

Attachments

INVESTMENT COMMITTEE MEETING (OPEN)

AGENDA ITEM 11a

ATTACHMENT 11a-I

BOND TRANSACTIONS for FEBRUARY 1, 2010 TO MARCH 31, 2010

PRESENTED BY: Stephanie Chan

May 20, 2010

BOND TRANSACTIONS

Forty-eight transactions were consummated during the period from February 1, 2010 to
March 31, 2010.

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

Government:

GR-NEAM:

03/04/10	03/05/10	25,000,000.00	US Treasury Notes	2.375%	02/28/15	2.280%	Aaa/AAA
		Subtotal:	25,000,000.00	1 item(s)			

Total Government:	25,000,000.00	1 item(s)					
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Local Agency:

Conning:

03/03/10	03/08/10	25,000,000.00	FREDDIE MAC Notes	4.875%	06/13/18	3.658%	Aaa/AAA
03/11/10	03/16/10	25,000,000.00	FANNIE MAE Notes	5.375%	06/12/17	3.533%	Aaa/AAA
03/25/10	03/30/10	25,000,000.00	FANNIE MAE Notes	4.875%	12/15/16	3.530%	Aaa/AAA
03/25/10	03/30/10	25,000,000.00	FREDDIE MAC Notes	5.000%	02/16/17	3.595%	Aaa/AAA

Total Agency:	100,000,000.00	4 item(s)					
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GR-NEAM:

03/04/10	03/05/10	25,000,000.00	FREDDIE MAC Notes	1.625%	04/15/13	1.658%	Aaa/AAA
03/09/10	03/30/10	50,000,000.00	FANNIE MAE Notes	2.000%	03/30/15	2.000%	Aaa/AAA
03/12/10	03/30/10	50,000,000.00	FREDDIE MAC Notes	2.125%	03/30/15	2.125%	Aaa/AAA
03/19/10	03/30/10	50,000,000.00	FREDDIE MAC Notes	2.125%	03/30/15	2.125%	Aaa/AAA
		Subtotal:	175,000,000.00	4 tem(s)			

Total Agency:	275,000,000.00	8 item(s)					
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Taxable Municipal:

Conning:

02/10/10	02/18/10	20,000,000.00	Hawaii St (BAB)*	4.950%	02/01/23	4.847%	Aa2/AA
02/18/10	03/04/10	8,325,000.00	Los Angeles CA Unifd Sch Dist (BAB)*	6.758%	07/01/34	6.757%	Aa3/AA-
		Subtotal:	28,325,000.00	2 tem(s)			

GR-NEAM:

02/03/10	02/08/10	17,900,000.00	Pennsylvania St (BAB)*	5.450%	02/15/30	5.433%	Aa2/AA
02/03/10	02/08/10	5,000,000.00	Dallas TX Area Rapid Trans (BAB)*	6.249%	12/01/34	6.010%	Aa3/AAA
02/04/10	02/09/10	3,145,000.00	District Columbia Income Tax Rev (BAB)*	5.591%	12/01/34	5.545%	Aa2/AAA

Trade Date	Settle Date	Current Face	Description	Coupon Rate	Maturity Date	Yield	Rating
02/05/10	02/10/10	5,000,000.00	Virginia College Bldg Auth VA (BAB)*	5.750%	02/01/30	5.760%	Aa1/AA+
02/10/10	02/18/10	20,720,000.00	Hawaii St (BAB)*	5.510%	02/01/29	5.464%	Aa2/AA
02/10/10	02/18/10	10,500,000.00	Hawaii St (BAB)*	5.530%	02/01/30	5.484%	Aa2/AA
02/11/10	02/24/10	11,525,000.00	Virginia St Pub Bldg Auth (BAB)*	5.750%	08/01/30	5.900%	Aa1/AA+
Subtotal:		73,790,000.00	7 tem(s)				

Total Tax. Muni:	102,115,000.00	9 item(s)
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MBS/AGENCY CMBS:

Conning:

02/22/10	02/26/10	25,000,000.00	FNMA MBS, FN AD1045	4.500%	02/01/40	4.352%	Aaa/AAA
03/02/10	03/16/10	28,855,846.51	FNMA MBS, FN AD1609	4.000%	02/01/25	3.500%	Aaa/AAA
03/02/10	03/16/10	22,053,819.93	FHLMC MBS, FG J11559	4.000%	01/01/25	3.519%	Aaa/AAA
03/03/10	03/11/10	24,765,358.00	FHLMC MBS, FG G05774	5.000%	01/01/40	4.132%	Aaa/AAA
03/24/10	04/13/10	20,241,065.03	FNMA MBS, FN AD4288	5.000%	04/01/40	4.244%	Aaa/AAA
03/25/10	04/13/10	11,269,126.09	FHLMC MBS, FG A91570	5.000%	03/01/40	4.332%	Aaa/AAA
Subtotal:		132,185,215.56	6 item(s)				

GR-NEAM:

02/05/10	03/30/10	13,500,000.00	GNMA AGY CMBS, GNR 2010-28 C	4.450%	07/16/34	4.864%	Aaa/AAA
02/05/10	03/30/10	16,000,000.00	GNMA AGY CMBS, GNR 2010-28 B	4.391%	12/16/28	4.291%	Aaa/AAA
02/08/10	02/17/10	35,000,000.00	FHLMC MBS, FG G13765	4.500%	01/01/25	3.325%	Aaa/AAA
02/08/10	02/17/10	50,000,000.00	FNMA MBS, FN AD0778	4.500%	01/01/25	3.280%	Aaa/AAA
02/08/10	02/17/10	15,000,000.00	FNMA MBS, FN AD0778	4.500%	01/01/25	3.280%	Aaa/AAA
02/22/10	03/18/10	39,892,238.00	GNMA MBS, GN 782888	5.000%	02/15/40	4.022%	Aaa/AAA
02/22/10	03/18/10	39,892,237.60	GNMA MBS, GN 782889	5.000%	02/15/40	4.022%	Aaa/AAA
03/09/10	03/12/10	15,055,737.00	FNMA MBS, MC0254	4.500%	03/01/40	4.101%	Aaa/AAA
03/23/10	04/19/10	45,000,000.00	FNMA MBS, 15 YR 4.5	4.500%	04/25/24	3.348%	Aaa/AAA
Subtotal:		269,340,212.60	9 item(s)				

Total MBS/Agency CMBS:	401,525,428.16	15 item(s)
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CONNING TOTAL PURCHASES:	260,510,215.56	12 item(s)
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GR-NEAM TOTAL PURCHASES:	543,130,212.60	21 item(s)
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GRAND TOTAL PURCHASES:	803,640,428.16	33 item(s)
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Trade Date	Settle Date	Current Face	Description	Coupon Rate	Maturity Date	Trade Yield	Rating
<u>SALES:</u>							
<u>CMO:</u>							
Conning:							
03/02/10	03/05/10	8,886,566.03	FNMA CMO, FNR 2003-117 XF	0.579%	08/25/33	0.700%	Aaa/AAA
03/02/10	03/05/10	15,290,189.25	FNMA CMO, FNR 2006-49 PF	0.479%	04/25/36	0.701%	Aaa/AAA
03/02/10	03/05/10	7,192,404.41	FNMA CMO, FNR 2005-73 DF	0.479%	08/25/35	0.876%	Aaa/AAA
03/02/10	03/05/10	17,818,315.50	FHLMC CMO, FHR 2779 FX	0.581%	01/15/33	0.686%	Aaa/AAA
03/02/10	03/05/10	3,808,841.70	FHLMC CMO, FHR 2779 FX	0.581%	01/15/33	0.686%	Aaa/AAA
	Subtotal:	52,996,316.89	5 item(s)				

GR-NEAM:							
03/01/10	03/03/10	9,329,259.50	FHLMC CMO, 2812 MF	0.681%	06/15/34	0.801%	Aaa/AAA
03/01/10	03/03/10	9,572,865.60	FNMA CMO, 06-20 BF	0.639%	04/25/36	0.813%	Aaa/AAA
03/02/10	03/05/10	16,290,966.50	FNMA CMO, 06-16 FC	0.529%	03/25/36	0.786%	Aaa/AAA
03/01/10	03/04/10	6,929,436.22	FNMA CMO, 2005-103 EF	0.529%	11/25/35	0.651%	Aaa/AAA
03/01/10	03/04/10	4,712,645.55	FNMA CMO, 05-123 FX	0.679%	07/25/34	0.883%	Aaa/AAA
	Subtotal:	46,835,173.37	5 item(s)				

Total CMO:	99,831,490.26	10 item(s)
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CORPORATE:

GR-NEAM:							
02/18/10	02/23/10	5,000,000.00	Air Products & Chemicals	4.150%	02/01/13	2.672%	A3/A
03/01/10	03/04/10	5,000,000.00	Air Products & Chemicals	4.150%	02/01/13	2.534%	A3/A
03/03/10	03/08/10	3,000,000.00	Air Products & Chemicals	4.150%	02/01/13	2.424%	A3/A
03/09/10	03/12/10	1,000,000.00	Air Products & Chemicals	4.150%	02/01/13	2.403%	A3/A
03/12/10	03/17/10	5,830,000.00	Air Products & Chemicals	4.150%	02/01/13	2.498%	A3/A
	Subtotal:	19,830,000.00	5 item(s)				

Total Corporate:	19,830,000.00	5 item(s)
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Conning Total Sales:	52,996,316.89	5 item(s)
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GR-NEAM Total Sales:	66,665,173.37	10 item(s)
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GRAND TOTAL SALES:	119,661,490.26	15 item(s)
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* BAB – Build America Bonds

MOTION: To approve and recommend ratification.