



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

Date: August 30, 2010

AGENDA ITEM 9 a, b

TO: MEMBERS OF THE INVESTMENT COMMITTEE

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

IV. ANALYSIS:
The bond transactions for the period of June 1, 2010 to July 31, 2010 are attached as Item 9a-l. The current investments no longer in compliance with State Fund's Investment Policy are listed in the Compliance Report, Attachment 9b-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 & Investment Services.

STEPHANIE CHAN, Treasury and
Strategic Analysis Manager

Attachments

INVESTMENT COMMITTEE MEETING (OPEN)

AGENDA ITEM 9a

ATTACHMENT 9a-I

BOND TRANSACTIONS for JUNE 1, 2010 TO JULY 31, 2010

PRESENTED BY: Stephanie Chan

September 9, 2010

BOND TRANSACTIONS

Thirty-three transactions were consummated during the period from June 1, 2010 to

July 31, 2010.

Trade Date	Settle Date	Current Face	Description	Coupon Rate	Maturity Date	Yield	Rating
------------	-------------	--------------	-------------	-------------	---------------	-------	--------

PURCHASES:

Agency:

CONNING:

06/10/10	06/14/10	25,000,000.00	FANNIE MAE Notes	2.375%	07/28/15	2.437%	Aaa/AAA
06/28/10	07/12/10	50,000,000.00	FREDDIE MAC Notes	1.500%	07/12/13	1.500%	Aaa/AAA
07/08/10	07/09/10	20,000,000.00	FANNIE MAE Notes	1.250%	08/20/13	1.257%	Aaa/AAA
07/12/10	07/15/10	25,000,000.00	FANNIE MAE Notes	1.250%	08/20/13	1.258%	Aaa/AAA
07/23/10	07/29/10	35,000,000.00	FANNIE MAE Notes	1.250%	07/29/13	1.273%	Aaa/AAA
Subtotal:		155,000,000.00	5 item(s)				

GR-NEAM:

06/10/10	06/23/10	50,000,000.00	FANNIE MAE Notes	1.000%	06/23/15	1.603%	Aaa/AAA
06/10/10	06/23/10	10,000,000.00	FANNIE MAE Notes	1.000%	06/23/15	1.603%	Aaa/AAA
07/12/10	07/14/10	50,000,000.00	FANNIE MAE Notes	1.000%	07/14/15	1.000%	Aaa/AAA
07/22/10	08/11/10	8,000,000.00	FANNIE MAE Notes	1.000%	08/11/15	1.428%	Aaa/AAA
Subtotal:		118,000,000.00	4 item(s)				

Total Agency:	273,000,000.00	9 item(s)
----------------------	-----------------------	------------------

Taxable Municipal:

CONNING:

06/17/10	06/25/10	13,500,000.00	Kentucky St Tpk Auth Econ Dev (BAB)*	5.244%	07/01/25	5.244%	Aa2/AA+
07/08/10	07/13/10	10,000,000.00	Irvine Ranch CA Water District	2.605%	03/15/14	1.881%	Aaa/AAA
07/27/10	08/05/10	13,700,000.00	Texas St Trans Commission (BAB)*	5.178%	04/01/30	5.177%	Aaa/AAA
Subtotal:		37,200,000.00	3 item(s)				

GR-NEAM:

06/10/10	06/16/10	9,000,000.00	Denver Colorado City & County (BAB)*	5.650%	08/01/30	5.650%	Aaa/AAA
06/11/10	07/08/10	2,000,000.00	Austin TX Elec Util Sys Rev (BAB)*	5.086%	11/15/25	5.085%	A1/A+
Subtotal:		11,000,000.00	2 item(s)				

Total Tax. Muni:	48,200,000.00	5 item(s)
-------------------------	----------------------	------------------

MBS Pass-Through:

Conning:

06/11/10	06/16/10	24,914,732.50	FHLMC MBS, FG G05894	4.500%	04/01/40	3.927%	Aaa/AAA
06/15/10	06/17/10	25,000,000.00	FHLMC MBS, FG J12435	4.000%	06/01/25	3.185%	Aaa/AAA

Trade Date	Settle Date	Current Face	Description	Coupon Rate	Maturity Date	Yield	Rating
06/24/10	06/30/10	35,027,157.81	FHLMC MBS, FG A92164	4.500%	05/01/40	3.712%	Aaa/AAA
07/08/10	07/14/10	20,699,339.98	FNMA MBS, FN AD3107	5.000%	04/01/40	3.508%	Aaa/AAA
07/15/10	07/20/10	20,534,972.03	FNMA MBS, FN AD2272	5.000%	03/01/40	3.409%	Aaa/AAA
07/27/10	08/17/10	18,000,000.00	FHLMC MBS, FG E02703	4.000%	07/01/25	2.885%	Aaa/AAA
07/27/10	08/17/10	18,000,000.00	FNMA MBS, FN 890193	3.500%	08/01/25	2.879%	Aaa/AAA
Subtotal:		162,176,202.32	7 item(s)				

GR-NEAM:

06/04/10	06/21/10	35,000,000.19	GNMA MBS, GN 736732	4.500%	05/01/40	3.903%	Aaa/AAA
06/17/10	07/19/10	15,000,541.00	FHLMC MBS, FG J12374	4.000%	06/01/25	3.190%	Aaa/AAA
07/02/10	07/19/10	30,000,000.00	FNMA MBS, FN AD8370	4.000%	07/01/25	3.013%	Aaa/AAA
Subtotal:		80,000,541.19	3 item(s)				

Total MBS Pass-Through	242,176,743.51	10 item(s)
-------------------------------	-----------------------	-------------------

CMO:

GR-NEAM:

07/06/10	07/30/10	25,000,000.00	GNMA CMO, GNR 2010-85 DJ	3.500%	12/01/39	2.869%	Aaa/AAA
07/07/10	07/30/10	25,000,000.00	FNMA CMO, FNR 2010-90 ML	3.250%	04/01/28	2.637%	Aaa/AAA
07/15/10	07/20/10	14,077,341.65	FNMA CMO, FNR 2010-57 HA	3.500%	02/01/40	2.539%	Aaa/AAA
07/15/10	07/20/10	20,241,942.81	GNMA CMO, GNR 2010-78 PC	3.500%	04/01/40	2.573%	Aaa/AAA
Subtotal:		84,319,284.46	4 item(s)				

Total CMO:	84,319,284.46	4 item(s)
-------------------	----------------------	------------------

AGENCY CMBS:

GR-NEAM:

06/03/10	07/30/10	20,000,000.00	GNMA AGY CMBS, GNR 2010-83 C	3.437%	11/01/51	4.094%	Aaa/AAA
06/23/10	08/30/10	4,000,000.00	GNMA AGY CMBS, TEMP JEF-GNA D	4.070%	09/02/41	3.871%	Aaa/AAA
Subtotal:		24,000,000.00	2 item(s)				

Total AGENCY CMBS:	24,000,000.00	2 item(s)
---------------------------	----------------------	------------------

CONNING TOTAL PURCHASES:	354,376,202.32	15 item(s)
---------------------------------	-----------------------	-------------------

GR-NEAM TOTAL PURCHASES:	317,319,825.65	15 item(s)
---------------------------------	-----------------------	-------------------

GRAND TOTAL PURCHASES:	671,696,027.97	30 item(s)
-------------------------------	-----------------------	-------------------

Trade Date	Settle Date	Current Face	Description	Coupon Rate	Maturity Date	Yield	Rating
------------	-------------	--------------	-------------	-------------	---------------	-------	--------

SALES:

CORPORATE:

Conning:

06/16/10	06/21/10	5,000,000.00	Atlantic Richfield (BP)	9.125%	03/01/11	12.361%	Aa2/AA-
07/12/10	07/15/10	25,000,000.00	Wachovia Corporation	0.657%	03/15/11	0.070%	A1/AA-
		Subtotal:	30,000,000.00				2 item(s)

Total Corporate:	30,000,000.00	2 item(s)
-------------------------	----------------------	------------------

MBS Pass-Through:

Conning:

07/26/10	07/29/10	4,739,844.38	FNMA MBS, FN 255431	4.500%	09/01/14	0.999%	Aaa/AAA
		Subtotal:	4,739,844.38				1 item(s)

Total MBS:	4,739,844.38	1 item(s)
-------------------	---------------------	------------------

GRAND TOTAL

SALES:	34,739,844.38	3 item(s)
---------------	----------------------	------------------

* BAB – Build America Bonds

MOTION: To approve and recommend ratification.