

INVESTMENT COMMITTEE MEETING (OPEN)

AGENDA ITEM 9c

ATTACHMENT 9c-I

COMPLIANCE REPORT for JUNE 1, 2009 to JULY 31, 2009

PRESENTED BY: Leslie Dawe

September 10, 2009

COMPLIANCE REPORT

As of July 31, 2009

The following is a list of securities currently not in compliance with State Fund's Investment Policy. State Fund's Investment Policy is reviewed annually by the Investment Committee and approved by the Board of Directors.

Description	Current Face	Maturity Date	Coupon Rate	Book Yield	Rating	Portfolio Manager
<u>Long-term Investments</u>						
<u>Bonds Rated Below A *</u>						
American Express Travel	10,000,000.00	11/21/11	5.250%	5.610%	A2/BBB+	GR-NEAM
American Express Co.	13,000,000.00	07/15/13	4.875%	4.600%	A3/BBB+	GR-NEAM
American Express Co.	47,725,000.00	09/12/16	5.500%	5.420%	A3/BBB+	Conning
California St Tax Var Purpose	5,000,000.00	04/01/16	5.950%	5.090%	Baa1/A	GR-NEAM
California State GO	26,540,000.00	04/01/39	7.550%	7.220%	Baa1/A	GR-NEAM
Fifth Third Bancorp	34,000,000.00	06/01/18	4.500%	4.530%	Baa2/BBB-	GR-NEAM
Johnson Controls, Inc.	40,000,000.00	09/15/13	4.875%	4.640%	Baa2/BBB	GR-NEAM
Lehman Brothers Holdings	10,000,000.00	08/15/10	7.875%	0.000%	WR/D	Conning
Lehman Brothers Holdings	20,000,000.00	12/23/10	3.011%	0.000%	WR/D	GR-NEAM
Lehman Brothers Holdings	10,000,000.00	01/24/13	5.625%	0.000%	WR/NA	GR-NEAM
Lehman Brothers Holdings	45,000,000.00	03/13/14	4.800%	0.000%	WR/D	Conning
Lehman Brothers Holdings	10,000,000.00	09/26/14	6.200%	0.000%	WR/D	GR-NEAM
Mercantile Bankshares	22,620,000.00	04/15/13	4.625%	5.350%	Baa1/A-	Conning
Suntrust Bank	10,000,000.00	04/01/11	6.375%	4.160%	A3/BBB+	Conning
Suntrust Bank	11,000,000.00	09/11/17	6.000%	6.000%	Baa1/BBB+	GR-NEAM
Total: Bonds Rated Below A	314,885,000.00	15 item (s)				

* In compliance at the time of purchase.

MOTION: To approve and recommend ratification.