



1275 Market Street  
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Date: November 8, 2010

**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 AUGUST 1, 2010 TO SEPTEMBER 30, 2010.**

**IV. ANALYSIS:**

The bond transactions for the period of August 1, 2010 to September 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.

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STEPHANIE CHAN, Treasury and  
Investments Program Manager

Attachments

INVESTMENT COMMITTEE MEETING (OPEN)

AGENDA ITEM 4a

ATTACHMENT 4a-l

BOND TRANSACTIONS for AUGUST 1, 2010 TO SEPTEMBER 30, 2010

PRESENTED BY: Stephanie Chan

November 18, 2010

BOND TRANSACTIONS

Twenty-seven transactions were consummated during the period from August 1, 2010 to  
September 30, 2010.

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

**AGENCY:**

**GR-NEAM:**

08/24/10	09/23/10	50,000,000.00	FREDDIE MAC Notes	0.950%	09/23/15	0.950%	Aaa/AAA
08/24/10	09/23/10	10,000,000.00	FREDDIE MAC Notes	0.950%	09/23/15	0.950%	Aaa/AAA
Subtotal:		60,000,000.00	2 item(s)				

<b>Total Agency:</b>	<b>60,000,000.00</b>	<b>2 item(s)</b>
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**TAXABLE MUNICIPAL:**

**CONNING:**

08/12/10	08/24/10	6,000,000.00	Ohio St (REV) Water Dev Auth (BAB)*	4.879%	12/01/34	4.878%	Aaa/AAA
09/15/10	09/21/10	10,000,000.00	Ohio St (REV) Water Dev Auth (BAB)*	4.817%	12/01/30	4.816%	Aaa/AAA
09/24/10	09/30/10	9,500,000.00	Utah St (G.O.) (BAB)*	3.539%	07/01/25	3.539%	Aaa/AAA
Subtotal:		25,500,000.00	3 item(s)				

<b>Total Taxable Municipal:</b>	<b>25,500,000.00</b>	<b>3 item(s)</b>
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**MBS Pass-Through:**

**Conning:**

08/23/10	08/26/10	13,943,689.00	FNMA MBS, FN AD9601	4.500%	08/01/40	2.900%	Aaa/AAA
08/23/10	08/26/10	35,000,000.00	FNMA MBS, FN AE0312	4.000%	09/01/40	3.307%	Aaa/AAA
09/09/10	09/14/10	6,932,244.41	FHLMC MBS, FG A92639	4.500%	06/01/40	2.725%	Aaa/AAA
09/09/10	09/14/10	19,934,382.60	FHLMC MBS, FG A93231	4.000%	08/01/40	3.356%	Aaa/AAA
09/09/10	09/17/10	15,245,689.00	FNMA MBS, FN MC0351 (CRA/COIN)	4.000%	09/01/40	3.290%	Aaa/AAA
Subtotal:		91,056,005.01	5 item(s)				

**GR-NEAM:**

08/05/10	08/17/10	19,999,999.70	FHLMC MBS, FG J12551	4.000%	08/01/25	2.847%	Aaa/AAA
08/05/10	08/24/10	15,000,000.00	FHLMC MBS, FG J12911	4.000%	09/01/25	2.847%	Aaa/AAA
08/05/10	08/30/10	15,000,000.00	FHLMC MBS, FG J12876	4.000%	08/01/25	2.847%	Aaa/AAA
09/09/10	09/22/10	49,000,000.00	FHLMC MBS, FG J12989	3.500%	09/01/25	2.735%	Aaa/AAA
09/09/10	09/17/10	18,140,466.00	FNMA MBS, FN MC0361 (CRA/COIN)	4.000%	09/01/40	3.427%	Aaa/AAA
09/16/10	10/18/10	10,000,000.00	FHLMC MBS, FG 3.5 10/10	3.500%	04/15/25	2.847%	Aaa/AAA
Subtotal:		127,140,465.70	6 item(s)				

<b>Total MBS Pass-Through</b>	<b>218,196,470.71</b>	<b>11 item(s)</b>
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Trade Date	Settle Date	Current Face	Description	Coupon Rate	Maturity Date	Yield	Rating
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**CMO:**

**CONNING:**

08/25/10	09/30/10	12,000,000.00	GNMA CMO, GNR 2010-118 A	1.900%	11/15/53	1.490%	Aaa/AAA
		Subtotal:	12,000,000.00	1 item(s)			

<b>Total CMO:</b>	<b>12,000,000.00</b>	<b>1 item(s)</b>
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**AGENCY CMBS:**

**GR-NEAM:**

08/30/10	10/29/10	20,000,000.00	GNMA AGY CMBS, GNR 2010	2.717%	10/01/41	2.578%	Aaa/AAA
		Subtotal:	20,000,000.00	1 item(s)			

<b>Total AGENCY CMBS:</b>	<b>20,000,000.00</b>	<b>1 item(s)</b>
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<b>CONNING TOTAL PURCHASES:</b>	<b>128,556,005.01</b>	<b>9 item(s)</b>
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<b>GR-NEAM TOTAL PURCHASES:</b>	<b>207,140,465.70</b>	<b>9 item(s)</b>
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<b>GRAND TOTAL PURCHASES:</b>	<b>335,696,470.71</b>	<b>18 item(s)</b>
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**SALES:**

**TAXABLE MUNICIPAL:**

**Conning:**

08/10/10	08/13/10	6,000,000.00	Illinois State	3.850%	06/01/13	3.257%	A1/A+
		Subtotal:	6,000,000.00	1 item(s)			

**GR-NEAM:**

08/24/10	08/27/10	1,500,000.00	San Francisco CA City & County	6.000%	08/01/24	5.549%	Aa3/AAA
08/25/10	08/30/10	1,500,000.00	San Francisco CA City & County	6.000%	08/01/24	5.550%	Aa3/AAA
08/25/10	08/30/10	1,000,000.00	San Francisco CA City & County	6.000%	08/01/24	5.554%	Aa3/AAA
08/26/10	08/27/10	1,005,000.00	San Francisco CA City & County	6.000%	08/01/24	5.503%	Aa3/AAA
09/09/10	09/14/10	10,200,000.00	California State	7.550%	04/01/39	6.918%	A1/A-
09/10/10	09/15/10	5,340,000.00	California State	7.550%	04/01/39	6.970%	A1/A-
09/10/10	09/15/10	6,000,000.00	California State	7.550%	04/01/39	6.982%	A1/A-
09/10/10	09/15/10	5,000,000.00	California State	7.550%	04/01/39	6.950%	A1/A-
		Subtotal:	31,545,000.00	8 item(s)			

<b>Total Taxable Municipal:</b>	<b>37,545,000.00</b>	<b>9 item(s)</b>
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<b>GRAND TOTAL SALES:</b>	<b>37,545,000.00</b>	<b>9 item(s)</b>
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\* BAB – Build America Bonds

MOTION: To approve and recommend ratification.