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Date: May 4, 2009

AGENDA ITEM 9

TO: MEMBERS OF THE INVESTMENT COMMITTEE

- I. SUBJECT: APPROVAL OF INVESTMENT TRANSACTIONS**
- II. PROGRAM: FISCAL & INVESTMENT SERVICES**
- III. RECOMMENDATION: RECOMMENDATION TO BOARD OF DIRECTORS TO RATIFY THE INVESTMENT TRANSACTIONS FROM FEBRUARY 1 TO MARCH 31, 2009.**

IV. ANALYSIS:

The bond transactions for the period of February 1 to March 31, 2009 are attached as Item 9-I. There were no short term investment transactions as confirmed on attachment 9-II. The current investments no longer in compliance with State Fund's Investment Policy are listed in the Compliance Report, Attachment 9-III. 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 Fiscal & Investment Services.

LESLIE DAWE, Fiscal and Investment
Services Manager

Attachments

INVESTMENT COMMITTEE MEETING (OPEN)

AGENDA ITEM 9

ATTACHMENT 9-I

BOND TRANSACTIONS FOR FEBRUARY 1, 2009 to MARCH 31, 2009

PRESENTED BY: Leslie Dawe

May 14, 2009

BOND TRANSACTIONS

Nineteen transactions were consummated during the period from February 1, 2009 to
March 31, 2009.

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

03/27/09	03/30/09	25,000,000.00	Province of New Brunswick	5.200%	02/21/17	4.671%	Aa1/AA-
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Total Canadian:	25,000,000.00	1 item(s)
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Mortgage-Backed:

02/02/09	02/13/09	17,379,878.87	FHLMC Pool, FG G05209	4.500%	02/01/39	4.363%	Aaa/AAA
02/17/09	02/20/09	14,447,230.34	FHLMC Pool, FG A61528	5.000%	07/01/36	4.275%	Aaa/AAA
02/03/09	02/27/09	50,000,000.00	GNMA Project Loans, GNR 2009-5 B	5.070%	12/16/43	5.300%	Aaa/AAA
02/23/09	03/12/09	13,884,747.08	FHLMC Pool, FG A83972	5.000%	01/01/39	4.433%	Aaa/AAA
02/23/09	03/12/09	24,669,932.00	FHLMC Pool, FG A84299	5.000%	02/01/39	4.434%	Aaa/AAA
02/24/09	02/27/09	10,000,000.00	FHLMC CMO, FHR 3456 DK	5.000%	06/15/38	4.914%	Aaa/AAA
02/26/09	03/03/09	35,325,000.00	GNMA Project Loans, GNR 2009-5 B	5.070%	08/16/49	5.251%	Aaa/AAA
03/11/09	03/30/09	6,168,103.61	FHLMC Pool, FG A84603	5.000%	02/01/39	4.427%	Aaa/AAA
03/11/09	03/30/09	49,936,921.00	FHLMC Pool, FG A84603	5.000%	02/01/39	4.427%	Aaa/AAA
03/18/09	03/30/09	21,871,518.86	FNMA Pool, FN 992237	6.000%	11/01/38	3.753%	Aaa/AAA
03/23/09	03/30/09	19,130,931.00	FNMA Pool, FN AA5213	4.500%	03/01/39	4.001%	Aaa/AAA

Total Mortgage-Backed Sec.:	262,814,262.76	11 item(s)
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Taxable Municipal:

03/18/09	03/26/09	9,925,000.00	Connecticut State Taxable Municipal	5.460%	03/01/19	5.459%	Aa3/AA
03/25/09	03/30/09	16,290,000.00	Virginia St Housing Authority Dev	5.170%	11/01/15	5.169%	Aa1/AA+

Total Taxable Municipal:	26,215,000.00	2 item(s)
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TOTAL PURCHASES:	314,029,262.76	14 item(s)
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SALES:**Corporate:**

03/19/09	03/24/09	10,000,000.00	Citigroup, Inc.	5.000%	09/15/14	13.358%	Baa1/A-
03/20/09	03/25/09	5,000,000.00	Citicorp	7.250%	10/15/11	20.249%	Baa1/A-

Total Corporate:	15,000,000.00	2 item(s)
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Mortgage-Backed Securities:

03/24/09	03/27/09	2,185,934.97	FNMA Pool, FN 638997	6.500%	04/01/32	4.543%	Aaa/AAA
03/24/09	03/27/09	30,859,501.05	FNMA Pool, FN 953582	6.000%	12/01/37	2.496%	Aaa/AAA
03/24/09	03/27/09	34,581,573.20	FHLMC Pool, FG A51027	6.500%	08/01/36	3.319%	Aaa/AAA

Total Mortgage-Backed Sec.:	67,627,009.22	3 item(s)
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TOTAL SALES:	82,627,009.22	5 item(s)
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MOTION: To approve and recommend ratification.

INVESTMENT COMMITTEE MEETING (OPEN)

AGENDA ITEM 9

ATTACHMENT 9-II

SHORT-TERM INVESTMENT TRANSACTIONS for
FEBRUARY 1, 2009 to MARCH 31, 2009

PRESENTED BY: Leslie Dawe

May 14, 2009

SHORT-TERM INVESTMENT TRANSACTIONS

There were no transactions in the period from February 1, 2009 to March 31, 2009.

MOTION: To approve and recommend ratification.

INVESTMENT COMMITTEE MEETING (OPEN)

AGENDA ITEM 9

ATTACHMENT 9-III

COMPLIANCE REPORT for FEBRUARY 1, 2009 to MARCH 31, 2009

PRESENTED BY: Leslie Dawe

May 14, 2009

COMPLIANCE REPORT

As of March 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	Reason for Out of Compliance
<u>Long-term Investments</u>						
<u>Corp. Bonds Rated Below A</u>						
Intl Lease Finance Corp.	10,000,000.00	07/01/09	4.750%	5.330%	Baa2/BBB+	Rating below standard *
American General Finance	10,000,000.00	09/15/12	5.900%	5.950%	Baa2/BB+	Rating below standard *
American General Finance	10,000,000.00	09/15/16	5.750%	5.560%	Baa2/BB+	Rating below standard *
CIT Group, Inc.	10,000,000.00	12/15/10	4.750%	4.490%	Baa2/BBB	Rating below standard *
CIT Group, Inc.	15,000,000.00	02/13/14	5.000%	4.760%	Baa2/BBB	Rating below standard *
CIT Group, Inc.	20,000,000.00	09/30/14	5.125%	5.090%	Baa2/BBB	Rating below standard *
CIT Group, Inc.	10,000,000.00	02/13/17	5.650%	5.700%	Baa2/BBB	Rating below standard *
Fifth Third Bancorp	34,000,000.00	06/01/18	4.500%	4.530%	A3/BBB+	Rating below standard *
Johnson Controls, Inc.	40,000,000.00	09/15/13	4.875%	4.640%	Baa2/BBB	Rating below standard *
Lehman Brothers Holdings	20,000,000.00	12/23/10	3.011%	0.000%	WR/D	Rating below standard*
Lehman Brothers Holdings	45,000,000.00	03/13/14	4.800%	0.000%	WR/D	Rating below standard*
Lehman Brothers Holdings	10,000,000.00	01/24/13	5.625%	0.000%	WR/NA	Rating below standard*
Lehman Brothers Holdings	10,000,000.00	09/26/14	6.200%	0.000%	WR/D	Rating below standard*
Lehman Brothers Holdings	10,000,000.00	08/15/10	7.875%	0.000%	WR/D	Rating below standard*
M&I Marshall & Ilsley Bk	20,500,000.00	01/17/17	5.000%	5.040%	A3/BBB+	Rating below standard*
M&I Marshall & Ilsley Bk	8,100,000.00	09/04/12	5.250%	4.530%	A3/BBB+	Rating below standard*
Total: Bonds Rated Below A	282,600,000.00	16 item (s)				

* In compliance at the time of purchase.

MOTION: To approve and recommend ratification.