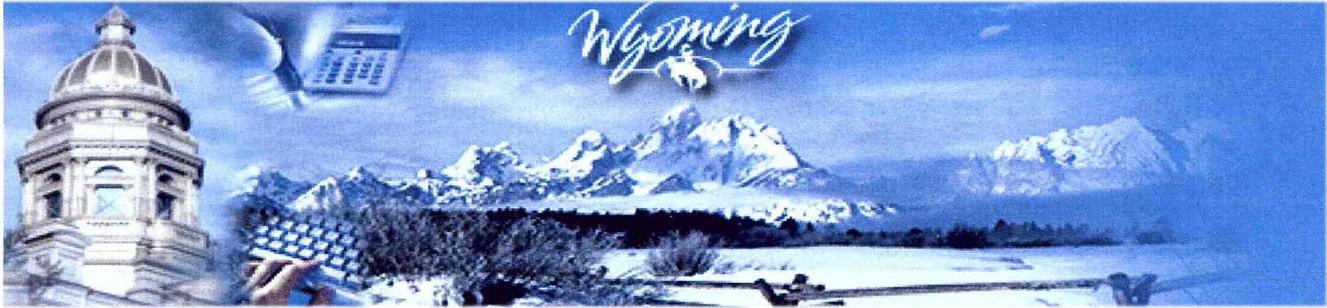




**WYOMING STATE TREASURER'S
INVESTMENT REPORT**

Fiscal Year 2010 Interim
(July 1, 2009 – December 31, 2009)

February 2010



WYOMING STATE TREASURER'S
INVESTMENT REPORT
Fiscal Year 2010 Interim
(July 1, 2009 – December 31, 2009)



The State Treasurer is statutorily mandated to present an annual report to include permanent fund investments, income from those investments, gains and losses for each fund and the extent to which state investment policies have been implemented and performance goals achieved.

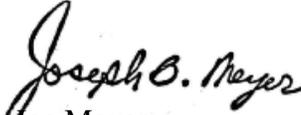
I am pleased to present this mid-year report for Fiscal Year 2010, covering the period July 1 – December 31, 2009, which updates the materials presented in our Fiscal Year 2009 Investment Report issued last fall.

This time last year saw the State portfolio on its way to a record decline in market value. By February 2009, the \$11 billion portfolio had an unrealized loss of \$1.3 billion, almost 12 percent. But markets healed through the remainder of FY 09, and by June 30 that unrealized loss was cut in half. I am happy to report that by December 31, the portfolio overall was back in the black.

We did see some realized losses last year that were carried into this year, but realized gains are positive through December reducing those carried losses. In short, things are moving in the right direction. We continue to believe that a well-diversified portfolio crafted with proper due diligence will ensure that we meet our primary investment goal: preservation of principal.

Granted, it may be awhile before we again see Wyoming's investment income reached its 2008 record high of \$723 million. But we are projecting \$358 million for FY 10, and that is still the next largest source of revenue to the Wyoming's state general fund after taxes.

Transparency remains a priority. Please visit our website <http://treasurer.state.wy.us> for additional information, such as an overview of Wyoming investment strategies, the state investment policy, monthly and quarterly investment performance reports, and up-to-date portfolio status.


Joe Meyer
Wyoming State Treasurer

**WYOMING STATE TREASURER'S
INVESTMENT REPORT**

**Fiscal Year 2010 Interim
(July 1, 2009 – December 31, 2009)**

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WYOMING STATE INVESTMENT PORTFOLIO

Fiscal Year 2010 Interim Report: July 1 - December 31, 2009

PORTFOLIO OVERVIEW

The State Treasurer manages all non-pension funds of the state. As stated in the Master Investment Policy and Sub-Policies approved by the State Loan and Investment Board, the Treasurer invests the state portfolio "in a manner that strives for maximum safety, provides adequate liquidity to meet all operating requirements, and achieves the highest possible investment return consistent with the primary objectives of safety and liquidity."

The State's portfolio is in a diversified asset allocation. Modern portfolio theory, creating a diversified portfolio of asset classes, allows the investor to achieve a high rate of return while minimizing the volatility of the portfolio. Simply put, the State's portfolio diversification protects the corpus of the funds and allows maximum returns within acceptable risk.

The State portfolio consists of nine investment pools in seven fund types. Seven pools — the Permanent Wyoming Mineral Trust Fund, the Permanent Land Funds, the Hathaway Scholarship Endowment Fund, the Excellence in Higher Education Endowment Fund and the Workers Compensation Fund — may hold equities, fixed income and cash. The State Agency Pool and the Tobacco Settlement Fund may only hold fixed income and cash.

	FY 09 (\$ Millions)		FY 10 thru 12.31.09	
	<u>Cost</u>	<u>Market</u>	<u>Cost</u>	<u>Market</u>
Permanent Mineral Trust Fund	\$4,262.2	\$3,893.8	\$4,371.6	\$4,351.1
Permanent Land Funds				
- Common School Perm Land Fund	1,794.5	1,622.5	1,863.4	1,848.6
- University Permanent Land Fund	15.9	14.8	16.0	16.4
- Remaining Permanent Land Funds	95.6	86.7	89.0	87.9
Hathaway Scholarship Fund	455.6	431.1	464.7	472.9
Higher Education Endowment Fund	102.5	96.1	102.9	103.7
Workers Compensation Fund	1,135.3	1,079.8	1,165.9	1,190.6
Tobacco Settlement Fund	59.0	57.0	59.4	59.1
State Agency Pool	<u>3,635.9</u>	<u>3,627.5</u>	<u>3,383.5</u>	<u>3,473.0</u>
Total	\$11,556.5	\$10,909.4	\$11,516.3	\$11,603.3

As shown above, the Treasurer's investment portfolio grew across all funds on a cost basis the first six months of FY 10; except the Permanent Land Fund pool where funds were taken out for construction projects, and the State Agency Pool, which was down \$250 million.

The portfolio continued to recover from FY 09 market declines, where February 2009 saw the portfolio's overall market value \$1.3 billion below cost. By June 30, 2009, the portfolio's total market value had recovered by half, ending the year \$647.1 million below cost. On December 31, 2009, the portfolio's total market value was \$87.0 million above cost. The Permanent Mineral Trust Fund and Permanent Land Funds remain slightly below cost, but continue to recover, too.

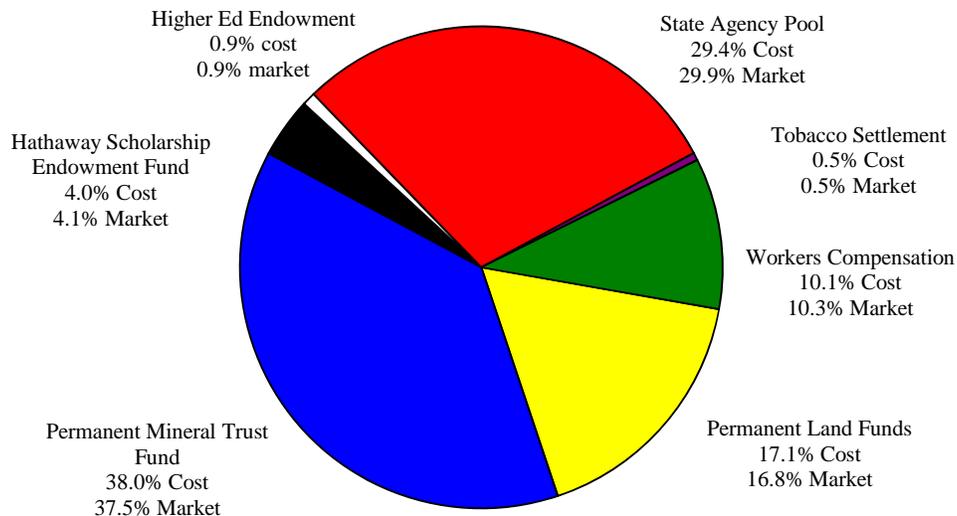
The State Treasurer distributes investment earnings to statutory recipients. Interest, dividends and real estate rentals are treated as ordinary income and disbursed accordingly. Capital gains and losses are reconciled for each fund at the end of the fiscal year. If capital gains and losses are net positive,

WYOMING STATE INVESTMENT PORTFOLIO

December 31, 2009

The State Treasurer's Office manages \$11.5 billion in non-pension investable funds across seven fund types. Five funds, the Permanent Wyoming Mineral Trust Fund, the Permanent Land Funds, the Hathaway Scholarship Endowment Fund, the Excellence in Higher Education Endowment Fund and the Worker's Compensation Fund may hold equities under current law. The other funds cannot: the State Agency Pool and the Tobacco Settlement Fund.

	Cost Basis	Market Value
Permanent Wyoming Mineral Trust Fund	\$4,371,557,370	\$4,351,684,977
<i>Funded with constitutional and statutory mineral severance tax revenues, and occasional direct legislative appropriations. Income from the PWMTF goes to the state general fund. Up to 55 percent of the PWMTF may be invested in equities.</i>		
Permanent Land Funds	1,968,401,656	1,953,400,631
<i>Funded with royalties, leases, fees and permits, and other revenue generated from state lands. Investment income from these funds go to state public institutions. The Common School Permanent Land Fund is the largest of the land funds: \$1.863 billion book/cost, \$1.843 billion market; its investment income helps to fund Wyoming's K-12 schools. Up to 55 percent of the Permanent Land Funds may be invested in equities.</i>		
Hathaway Scholarship Endowment Fund	464,686,332	472,958,268
<i>Funded with federal mineral royalties. Investment income is used to pay higher education tuition for qualifying Wyoming high school graduates at the University of Wyoming and Wyoming's community colleges. Up to 55 percent of the Hathaway Scholarship Fund may be invested in equities.</i>		
Excellence in Higher Education Endowment Fund	102,857,500	103,751,446
<i>Funded with federal mineral royalties. Investment income is used to pay for recruitment and retention of faculty, to establish endowed faculty positions and to support the work of endowed faculty at the University of Wyoming and Wyoming's community colleges. Up to 55 percent of the Higher Ed. Endowment Fund may be invested in equities.</i>		
Workers Compensation Fund	1,165,906,630	1,190,838,311
<i>Funded with employer premiums. Investment income is used to assist in the payment of Workers Compensation costs including administrative and indemnity costs, and vendor payments. Up to 45 percent of the Workers Compensation Fund may be invested in equities.</i>		
Tobacco Settlement Fund	59,403,753	59,145,972
<i>Funded with settlement proceeds received by Wyoming under the 1998 Master Settlement Agreement between states and tobacco companies. Income from the fund goes to health improvement programs.</i>		
State Agency Pool	<u>3,383,450,737</u>	<u>3,471,518,307</u>
<i>Monies from all other state funds pooled for investment. Income is distributed back to a specific state agency or to the state general fund.</i>		
GRAND TOTAL ALL FUNDS	\$11,516,263,979	\$11,603,297,912



the Treasurer distributes the net capital gain as income. If capital losses exceed capital gains at year end, the losses are carried forward through the next fiscal year.

The Treasurer distributed \$429.1 million in FY 09. The Treasurer has distributed almost \$194 million in investment income through December 31, 2009:

Permanent Wyoming Mineral Trust Fund	\$66,345,708
Common School Permanent Land Fund	26,894,654
University Permanent Land Fund	217,053
Remaining Permanent Land Funds	1,441,814
Hathaway Scholarship Endowment Fund	7,982,245
Higher Education Endowment Fund	1,742,334
Workers Compensation Fund	21,960,883
Tobacco Settlement Fund	1,334,844
State Agency Pool	<u>65,961,566</u>
TOTAL	\$193,934,443

Fiscal Year 2009 deferred losses totaled \$201.1 million. Below is a comparison of net capital gains through December 31, 2009, FY 09 year end, and the resulting current status of deferred losses:

	<u>Net Gains thru 12.31.09</u>	<u>FY 09 Deferral</u>	<u>12.31.09 Net Status</u>
Permanent Wyoming Mineral Trust Fund	\$29,371,088	(\$118,886,938)	(\$89,515,850)
Common School Permanent Land Fund	13,128,660	(52,101,771)	(38,973,110)
University Permanent Land Fund	99,200	(613,249)	(514,049)
Remaining Permanent Land Funds	671,987	(2,551,526)	(1,879,540)
Hathaway Scholarship Endowment Fund	4,054,195	(10,293,331)	(6,239,136)
Higher Education Endowment Fund	859,623	(2,548,356)	(1,688,733)
Workers Compensation Fund	11,323,487	(14,040,044)	(2,716,557)
Tobacco Settlement Fund	668,862	(56,759)	612,103
State Agency Pool	<u>34,660,386</u>	<u>0</u>	<u>34,660,386</u>
TOTAL	\$94,837,489	(\$201,091,975)	(\$106,254,486)

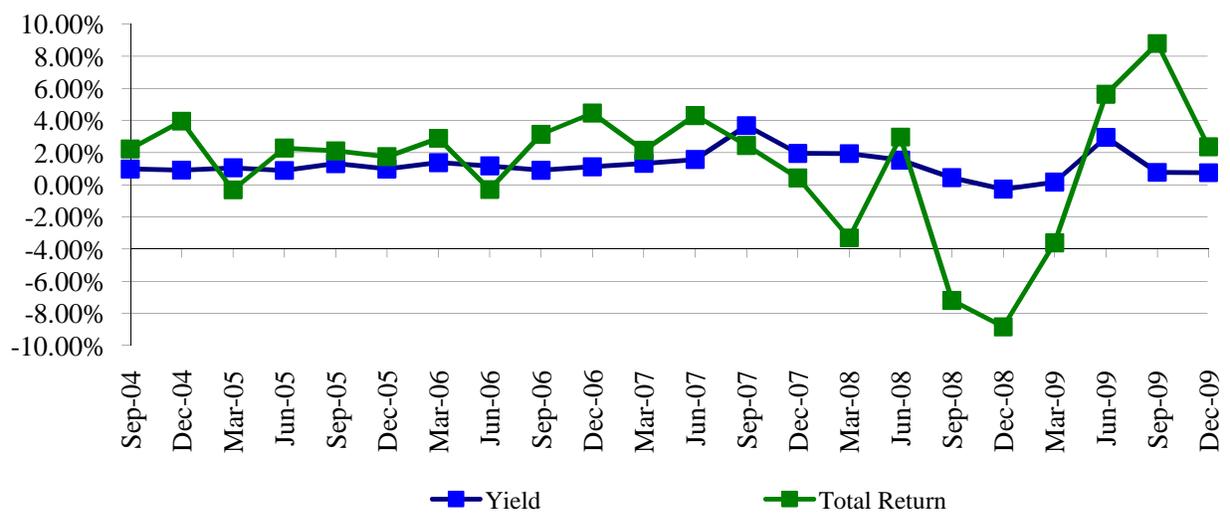
The State portfolio's FY 09 cash yield was 3.89 percent, but the total return was a negative 6.39 percent. By comparison, the FY 10 estimated annualized yield is just under 3.5 percent, and the total return is a positive 9.55 percent for the fiscal year to date.

The chart on page 4 shows historic total return and yield for the Permanent Wyoming Mineral Trust Fund. Performance by fund and manager is detailed later in this report.

ASSET ALLOCATION

Asset allocation is the distribution of investments among asset classes. It is the major determinant of both the long-term rates of return and the volatility of asset values. There are two parts to the asset allocation decision: identifying asset allocation possibilities and choosing the best combination of assets to meet investment objectives. RV Kuhns, investment advisor to the State Loan and Investment Board, works with the State Treasurer's Office to establish and annually review asset allocation targets.

PERMANENT WYOMING MINERAL TRUST FUND YIELD AND TOTAL RETURN COMPARED



Note: "Yield" is spendable investment income including dividends, interest and realized capital gains. "Total Return" is comprised of dividends, interest, and realized and unrealized capital gains and losses. The chart above shows yield as more stable, while total return has varied over market cycles.

<u>Quarter Ending</u>	<u>Yield</u>		<u>Total Return</u>	
	<u>Quarter</u>	<u>Annual</u>	<u>Quarter</u>	<u>Annual</u>
September 30, 2004	0.99%		2.24%	
December 31, 2004	0.92%		3.97%	
March 21, 2005	1.06%		-0.31%	
June 30, 2005	0.90%	3.87%	2.29%	8.40%
September 30, 2005	1.33%		2.12%	
December 31, 2005	0.99%		1.76%	
March 21, 2006	1.39%		2.90%	
June 30, 2006	1.18%	4.81%	-0.29%	6.62%
September 30, 2006	0.91%		3.15%	
December 31, 2006	1.13%		4.47%	
March 21, 2007	1.34%		2.15%	
June 30, 2007	1.58%	4.96%	4.32%	14.83%
September 30, 2007	3.69%		2.46%	
December 31, 2007	1.96%		0.44%	
March 21, 2008	1.95%		-3.30%	
June 30, 2008	1.55%	9.02%	2.98%	2.44%
September 30, 2008	0.45%		-7.19%	
December 31, 2008	-0.26%		-8.83%	
March 21, 2009	0.17%		-3.61%	
June 30, 2009	2.96%	3.42%	5.65%	-13.82%
September 30, 2009	0.78%		8.80%	
December 31, 2009	0.76%	3.08% annualized	2.37%	11.38% year-to-date

Note: Sept 08 - March 09 "yield" calculated under the prior accounting method where net realized capital gains(losses) were distributed throughout the year with dividends and interest; prior quarters adjusted in June 30, 2009 yield figure to new method of carrying net capital losses into new fiscal year.

The State's portfolio includes US and international stocks, real estate, private equity, absolute return strategies, bonds and cash. Each investment pool has a specific target allocation of each of these types of investments listed in the State's Investment Policy. The Treasurer's Office systematically invests money using monthly dollar cost averaging to achieve and maintain each pool's investment allocation.

The Treasurer's Office is mindful of the stated investment goal of the State's portfolio as set forth in the State Loan and Investment Board's Investment Policy: that the portfolio is to be invested "in a manner that strives for maximum safety, provides adequate liquidity to meet all operating requirements and achieves the highest possible investment return consistent with the primary objectives of safety and liquidity."

Fund Allocation

The Permanent Mineral Trust Fund and Permanent Land Funds may hold up to 55 percent in equities under current law. The State's Investment Policy sets out a long-term target allocation of 50 percent equities and 50 percent fixed income and cash.

The Hathaway Scholarship Endowment and Higher Education Endowment Funds were originally invested by law in only fixed income and cash. In November 2006, voters approved a constitutional amendment making them permanent funds. The Treasurer has gradually moved these funds into equities with a target of 45 percent by June 30, 2010.

The Workers Compensation Fund began diversification into equities as a result of legislation passed in 2005, which allows up to a 45 percent equity allocation as determined by the director of the Department of Employment. The Department has set the equity target at 30 percent for FY 10, which the Treasurer will achieve by fiscal year end.

The December 31, 2009 allocation mix of the portfolio is shown below; charts at the end of this report provide a detailed allocation for each fund.

	<u>Equities</u>	<u>Fixed</u>	<u>Wyo*</u>	<u>Cash</u>
Permanent Wyoming Mineral Trust Fund	47.1%	43.7%	3.0%	6.2%
Common School Permanent Land Fund	47.5	33.3	7.4	11.8
University Permanent Land Fund	48.1	34.1	0.0	17.8
Remaining Permanent Land Funds	49.5	42.6	0.0	7.9
Hathaway Scholarship Endowment Fund	35.7	54.1	0.0	10.2
Higher Education Endowment Fund	37.9	53.6	0.0	8.5
Workers Compensation Fund	24.9	65.1	0.0	10.0
Tobacco Settlement Fund	0.0	95.8	0.0	4.2
State Agency Pool	<u>0.0</u>	<u>90.3</u>	<u>3.8</u>	<u>5.9</u>
TOTAL	30.3%	58.6%	3.5%	7.6%

** Wyoming specific investments detailed later.*

Total external fixed income and cash funding was \$5.611 billion on a cost basis on June 30, 2009, with a market value of \$5.528 billion. External equity manager funding was \$3.366 billion (cost basis), with a market value of \$2.796. By December 31, 2009, externally managed fixed income and

WYOMING STATE INVESTMENT PORTFOLIO

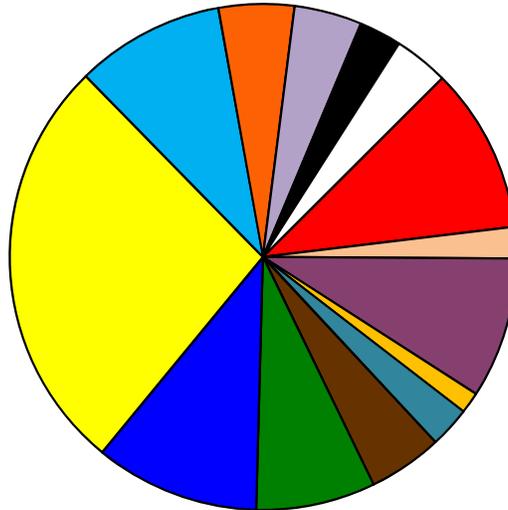
December 31, 2009

**\$11.516 Billion
Cost Basis**

FIXED INCOME

- Internal Bonds \$1,213.5 M 10.5% ●
- Core-Plus \$3,073.3 M 26.7% ●
- Mortgages \$1,096.0 M 9.5% ●
- Corporates \$557.0 M 4.8% ●
- Global \$495.9 M 4.3% ●
- Convertibles \$313.6 M 2.7% ●
- Wyoming Investments \$399.1 M 3.5% ○

**TOTAL
\$7,148.4 M
62.1%**



CASH \$876.5 M 7.6%

EQUITIES

- Large Cap US \$1,219.9 M 10.6% ●
- Small / Mid US \$231.4 M 2.0% ●
- International \$1,036.3 M 9.0% ●
- Private Equity \$156.5 M 1.4% ●
- Real Estate \$301.4 M 2.6% ●
- Absolute Return \$545.8 M 4.7% ●
- Options \$0.0 M 0.0% ●

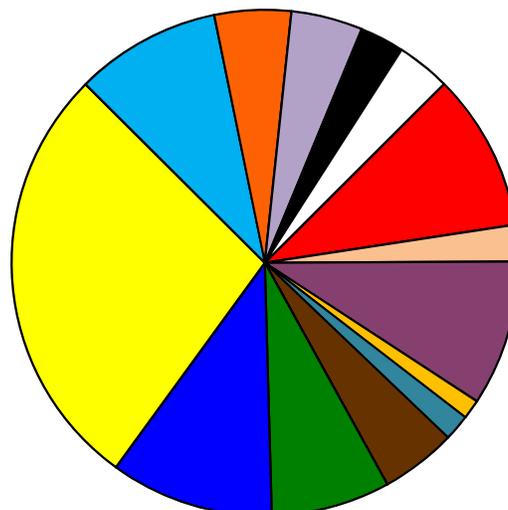
**TOTAL
\$3,491.4 M
30.3%**

**\$11.603 Billion
Market Value**

FIXED INCOME

- Internal Bonds \$1,213.1 M 10.5% ●
- Core-Plus \$3,184.3 M 27.4% ●
- Mortgages \$1,082.0 M 9.3% ●
- Corporates \$566.3 M 4.9% ●
- Global \$530.4 M 4.6% ●
- Convertibles \$327.3 M 2.8% ●
- Wyoming Investments \$399.1 M 3.4% ○

**TOTAL
\$7,302.5 M
62.9%**



CASH \$880.5 M 7.6%

EQUITIES

- Large Cap US \$1,171.4 M 10.1% ●
- Small / Mid US \$270.4 M 2.3% ●
- International \$1,078.2 M 9.3% ●
- Private Equity \$143.8 M 1.2% ●
- Real Estate \$194.8 M 1.7% ●
- Absolute Return \$561.7 M 4.8% ●
- Options \$0.0 M 0.0% ●

**TOTAL
\$3,420.2 M
29.5%**

WYOMING STATE INVESTMENT PORTFOLIO
December 31, 2009

EXTERNAL EQUITIES		Cost Basis	Market Value
Large Cap Index	State Street Global Advisors	\$1,219,106,142	\$1,170,800,164
Small / Mid Cap	GAMCO	231,357,580	270,411,123
International	Capital Guardian Trust	401,316,703	440,371,836
	Fisher Investments	554,666,447	562,233,894
Options Overlay	First Quadrant	0	0
Private Equity	Access Venture Partners <i>(\$10 M committed)</i>	3,500,000	2,914,736
	Cheyenne Capital Fund <i>(\$257.95 committed)</i>	153,047,445	140,896,013
Real Estate	ING Clarion	141,303,630	79,139,487
	UBS Realty	141,303,630	101,058,117
	Heitman <i>(\$10 M committed)</i>	3,799,147	1,957,794
	TA Realty <i>(\$15 M committed)</i>	15,000,000	12,609,652
Absolute Return	Aurora I	162,461,240	166,305,403
	Aurora II	82,730,730	86,717,277
	Grosvenor <i>(\$150 M committed)</i>	56,909,504	56,909,504
	PAAMCO	243,738,970	251,719,509
Total External Equities		\$3,410,241,169	\$3,344,044,508
<i>excludes outstanding commitments</i>			
EXTERNAL FIXED INCOME, CONVERTIBLES AND CASH			
Convertibles	Nicholas Applegate	\$313,619,580	\$327,338,338
Core-Plus	Neuberger Berman	1,082,309,270	1,145,628,575
	PIMCO	886,426,991	929,745,242
	WAMCO	1,104,525,246	1,108,944,368
Corporates	Logan Circle	241,680,221	250,437,455
	WAMCO	315,325,761	315,876,373
Mortgages	JPMorgan	557,536,394	540,205,971
	PIMCO	538,479,601	541,761,930
Global	PIMCO	495,871,100	530,363,744
Total External Fixed Income and Convertibles		\$5,535,774,163	\$5,690,301,995
Cash Manager	JPMorgan	876,453,801	880,539,946
Total External Cash		\$876,453,801	\$880,539,946
TOTAL EXTERNAL MANAGEMENT		\$9,822,469,133	\$9,914,886,449
INTERNALLY MANAGED FUNDS			
Fixed Income	Bonds	\$1,213,474,694	\$1,213,093,832
Equity Index Fund	Exchange Traded Funds	80,359,484	75,616,837
U. S. Equities	UW Portfolio Management Program	840,010	580,136
Total Internal Portfolio		\$1,294,674,188	\$1,289,290,805
Wyoming Investments		\$399,120,658	\$399,120,658
TOTAL INTERNAL MANAGEMENT		\$1,693,794,846	\$1,688,411,463
GRAND TOTAL ALL FUNDS		\$11,516,263,979	\$11,603,297,912

Note: Access Venture, Cheyenne Capital Fund, Heitman and TA Realty cost basis as of December 31, 2009; market values as of September 30, 2009, because of report timing.

cash reached \$6.412 billion (cost) and \$6.571 billion (market). Externally managed equities were \$3.410 billion (cost) and \$3.344 billion (market).

The Treasurer's internally managed fixed income portfolio stood at \$1.213 billion at both cost and market on December 31, 2009.

The charts on the following pages illustrate the diversification of the State's portfolio and detail funding levels of the asset classes and the managers who collaborate with the State Treasurer's Office in the management of the State's portfolio.

INVESTMENT MANAGER OVERSIGHT

The Treasurer continues to host investment managers as part of on-going operational due diligence in managing the State portfolio. Members of the Treasurer's staff also conduct on-site manager visits throughout the year. The Treasurer, of course, remains in regular contact with all managers throughout the year.

SELECT COMMITTEE ON CAPITAL FINANCING AND INVESTMENTS

The State Treasurer met with the Select Committee on Capital Financing and Investments on September 10, 2009, and January 21, 2010. Items discussed included on-going review of the state investment portfolio, spending policies and accounting procedures. The Committee proposed no legislation for the 2010 Budget Session.

STATE TREASURER'S WEBSITE

The Sovereign Wealth Fund Institute gives Wyoming one of its highest rankings in terms of public transparency. See <http://www.swfinstitute.org/research/transparencyindex.php#>.

The State Treasurer's Office continually updates investment information on its website: <http://treasurer.state.wy.us/investmentbank.asp#invest>.

MORE INFORMATION

For more information on the state investment portfolio and process, please contact Michael Walden-Newman, Chief Investment Officer at 307-777-6704, or mwalde@state.wy.us.

For more information on the distribution of investment income, including spending policies, please contact Sharon Garland, Deputy State Treasurer at 307-777-7475, or sgarla@state.wy.us.

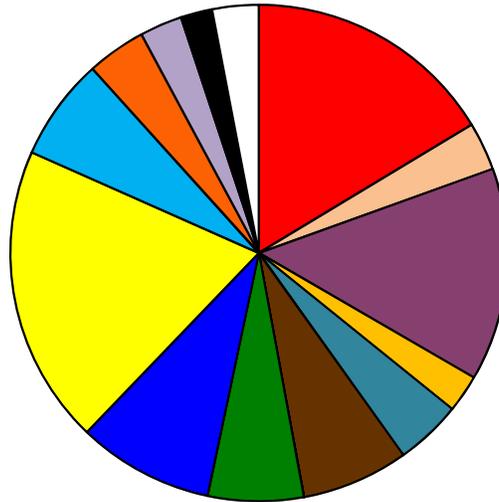
WYOMING STATE INVESTMENT PORTFOLIO
Permanent Wyoming Mineral Trust Fund
December 31, 2009

\$4.372 Billion
Cost Basis

FIXED INCOME

- Internal Bonds \$387.4 M 8.9% ●
- Core-Plus \$851.0 M 19.5% ●
- Mortgages \$291.6 M 6.7% ●
- Corporates \$168.4 M 3.9% ●
- Global \$120.6 M 2.8% ●
- Convertibles \$89.9 M 2.1% ●
- Wyoming Investments \$132.1 M 3.0% ○

TOTAL
\$2,040.9 M
46.7%



EQUITIES

- Large Cap US \$714.4 M 16.3% ●
- Small / Mid US \$137.8 M 3.2% ●
- International \$606.0 M 13.9% ●
- Private Equity \$107.3 M 2.5% ●
- Real Estate \$188.6 M 4.3% ●
- Absolute Return \$304.6 M 7.0% ●
- Options \$0.0 M 0.0% ●

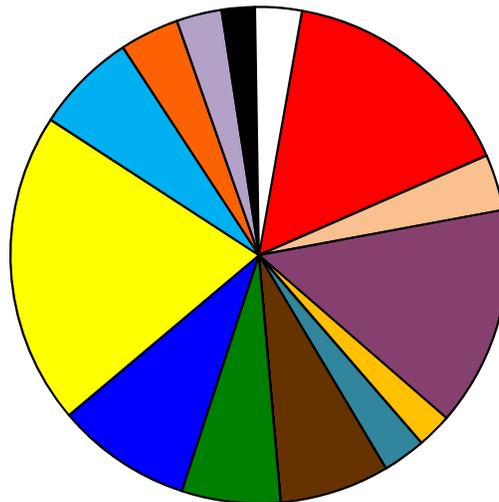
TOTAL
\$2,058.7 M
47.1%

\$4.351 Billion
Market Value

FIXED INCOME

- Internal Bonds \$384.1 M 8.8% ●
- Core-Plus \$885.1 M 20.3% ●
- Mortgages \$286.6 M 6.6% ●
- Corporates \$168.4 M 3.9% ●
- Global \$128.5 M 3.0% ●
- Convertibles \$93.4 M 2.1% ●
- Wyoming Investments \$132.1 M 3.0% ○

TOTAL
\$2,078.1 M
47.8%



EQUITIES

- Large Cap US \$681.2 M 15.7% ●
- Small / Mid US \$158.6 M 3.6% ●
- International \$622.6 M 14.3% ●
- Private Equity \$98.6 M 2.3% ●
- Real Estate \$122.3 M 2.8% ●
- Absolute Return \$310.6 M 7.1% ●
- Options \$0.0 M 0.0% ●

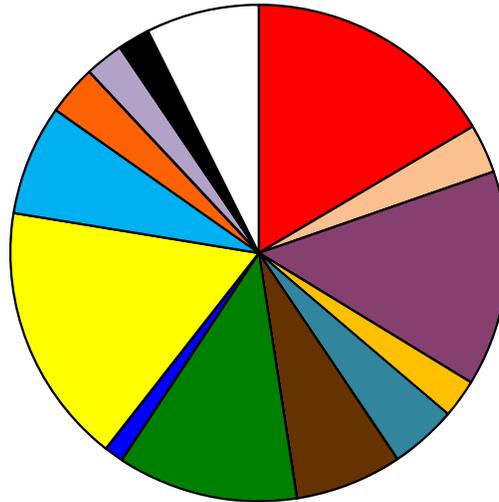
TOTAL
\$1,993.8 M
45.8%

WYOMING STATE INVESTMENT PORTFOLIO
Common School Permanent Land Fund
December 31, 2009
\$1.863 Billion
Cost Basis

FIXED INCOME

- Internal Bonds \$23.3 M 1.3% ●
- Core-Plus \$317.0 M 17.0% ●
- Mortgages \$134.0 M 7.2% ●
- Corporates \$60.7 M 3.3% ●
- Global \$46.9 M 2.5% ●
- Convertibles \$38.9 M 2.1% ●
- Wyoming Investments \$137.3 M 7.4% ○

TOTAL
\$758.1 M
40.7%



CASH \$219.3 M 11.8%

EQUITIES

- Large Cap US \$307.4 M 16.5% ●
- Small / Mid US \$59.2 M 3.2% ●
- International \$261.8 M 14.1% ●
- Private Equity \$46.6 M 2.5% ●
- Real Estate \$81.2 M 4.4% ●
- Absolute Return \$129.6 M 7.0% ●
- Options \$0.0 M 0.0% ●

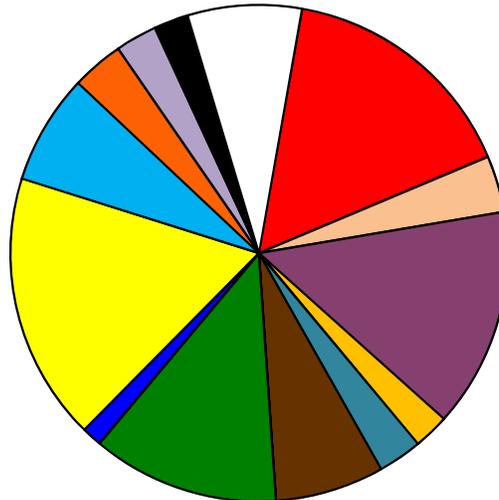
TOTAL
\$885.9 M
47.5%

\$1.849 Billion
Market Value

FIXED INCOME

- Internal Bonds \$24.5 M 1.3% ●
- Core-Plus \$322.4 M 17.4% ●
- Mortgages \$132.4 M 7.2% ●
- Corporates \$62.6 M 3.4% ●
- Global \$50.2 M 2.7% ●
- Convertibles \$41.2 M 2.2% ●
- Wyoming Investments \$137.3 M 7.4% ○

TOTAL
\$770.5 M
41.7%



CASH \$225.1 M 12.2%

EQUITIES

- Large Cap US \$293.5 M 15.9% ●
- Small / Mid US \$68.0 M 3.7% ●
- International \$264.3 M 14.3% ●
- Private Equity \$42.8 M 2.3% ●
- Real Estate \$52.8 M 2.9% ●
- Absolute Return \$131.5 M 7.1% ●
- Options \$0.0 M 0.0% ●

TOTAL
\$852.9 M
46.1%

WYOMING STATE INVESTMENT PORTFOLIO
Hathaway Scholarship Endowment Fund
December 31, 2009

\$464.7 Million
Cost Basis

FIXED INCOME

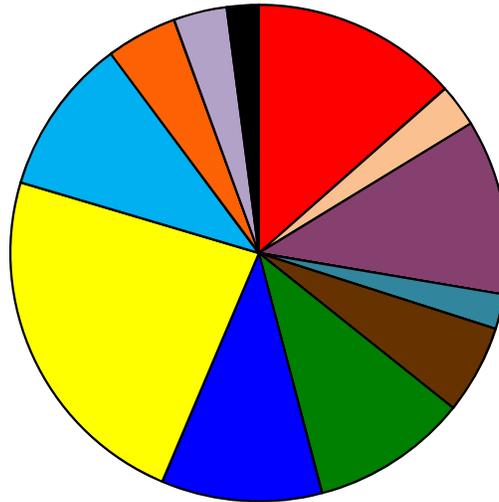
- Internal Bonds \$48.6 M 10.5% ●
- Core-Plus \$107.9 M 23.2% ●
- Mortgages \$47.6 M 10.2% ●
- Corporates \$21.5 M 4.6% ●
- Global \$16.2 M 3.5% ●
- Convertibles \$9.6 M 2.1% ●

TOTAL
\$251.4 M
54.1%

EQUITIES

- Large Cap US \$62.7 M 13.5% ●
- Small / Mid US \$12.9 M 2.8% ●
- International \$53.1 M 11.4% ●
- Real Estate \$10.5 M 2.3% ●
- Absolute Return \$26.9 M 5.8% ●
- Options \$0.0 M 0.0% ●

TOTAL
\$166.0 M
35.7%



CASH \$47.3 M 10.2%

\$472.9 Million
Market Value

FIXED INCOME

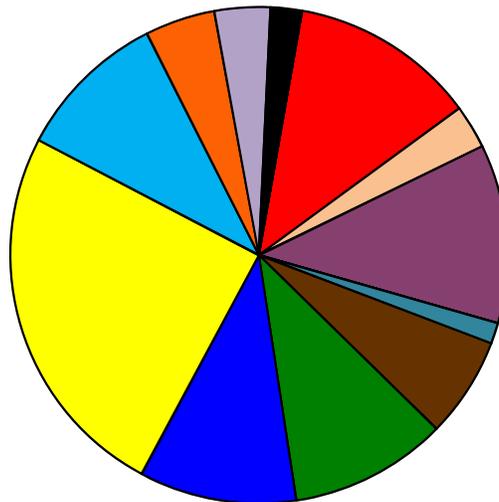
- Internal Bonds \$48.4 M 10.2% ●
- Core-Plus \$117.4 M 24.8% ●
- Mortgages \$46.8 M 9.9% ●
- Corporates \$21.5 M 4.6% ●
- Global \$17.2 M 3.6% ●
- Convertibles \$9.6 M 2.0% ●

TOTAL
\$260.9 M
55.2%

EQUITIES

- Large Cap US \$57.5 M 12.2% ●
- Small / Mid US \$13.4 M 2.8% ●
- International \$55.1 M 11.6% ●
- Real Estate \$6.4 M 1.4% ●
- Absolute Return \$30.9 M 6.5% ●
- Options \$0.0 M 0.0% ●

TOTAL
\$163.4 M
34.5%



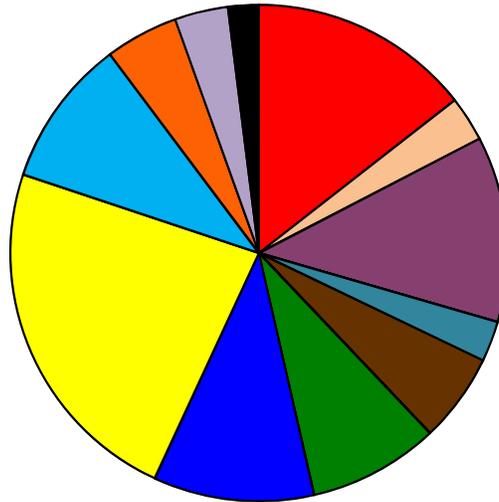
CASH \$48.6 M 10.3%

WYOMING STATE INVESTMENT PORTFOLIO
Higher Education Endowment Fund
December 31, 2009
\$102.9 Million
Cost Basis

FIXED INCOME

- Internal Bonds \$10.8 M 10.5% ●
- Core-Plus \$23.9 M 23.2% ●
- Mortgages \$9.9 M 9.6% ●
- Corporates \$4.9 M 4.8% ●
- Global \$3.6 M 3.5% ●
- Convertibles \$2.0 M 2.0% ●

TOTAL
\$55.1 M
53.6%



CASH \$8.8 M 8.5%

EQUITIES

- Large Cap US \$14.9 M 14.4% ●
- Small / Mid US \$3.0 M 2.9% ●
- International \$12.4 M 12.1% ●
- Real Estate \$2.7 M 2.6% ●
- Absolute Return \$6.0 M 5.8% ●
- Options \$0.0 M 0.0% ●

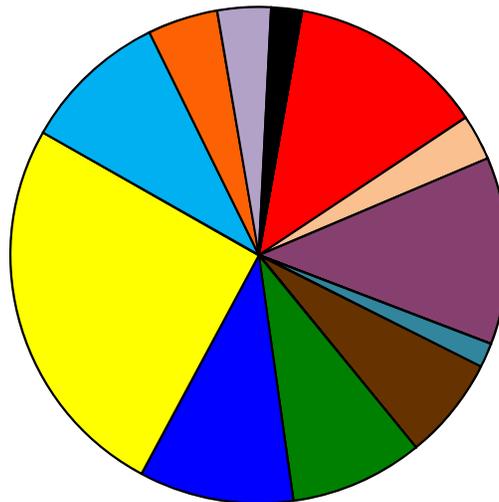
TOTAL
\$39.0 M
37.9%

\$103.7 Million
Market Value

FIXED INCOME

- Internal Bonds \$10.4 M 10.1% ●
- Core-Plus \$26.3 M 25.4% ●
- Mortgages \$9.8 M 9.5% ●
- Corporates \$4.8 M 4.6% ●
- Global \$3.6 M 3.5% ●
- Convertibles \$2.1 M 2.0% ●

TOTAL
\$57.1 M
55.0%



CASH \$9.0 M 8.7%

EQUITIES

- Large Cap US \$13.3 M 12.9% ●
- Small / Mid US \$3.1 M 3.0% ●
- International \$12.7 M 12.2% ●
- Real Estate \$1.7 M 1.6% ●
- Absolute Return \$6.9 M 6.7% ●
- Options \$0.0 M 0.0% ●

TOTAL
\$37.7 M
36.3%

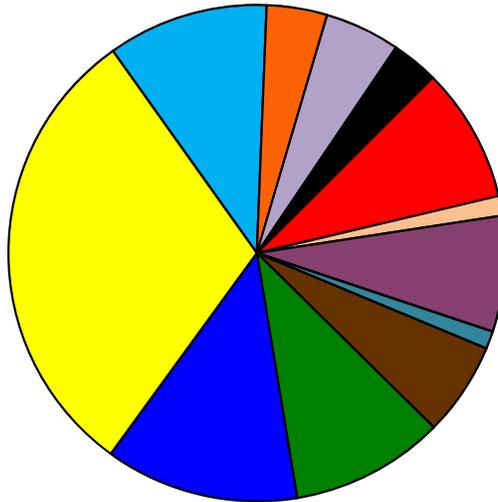
WYOMING STATE INVESTMENT PORTFOLIO
Workers Compensation Fund
December 31, 2009
\$1.166 Billion
Cost Basis

FIXED INCOME

Internal Bonds	\$146.8 M	12.6%	●
Core-Plus	\$351.5 M	30.2%	●
Mortgages	\$121.9 M	10.5%	●
Corporates	\$46.0 M	3.9%	●
Global	\$57.0 M	4.9%	●
Convertibles	\$35.6 M	3.0%	●
TOTAL	\$758.8 M	65.1%	

EQUITIES

Large Cap US	\$102.6 M	8.8%	●
Small / Mid US	\$15.0 M	1.3%	●
International	\$87.8 M	7.5%	●
Real Estate	\$13.4 M	1.2%	●
Absolute Return	\$71.2 M	6.1%	●
Options	\$0.0 M	0.0%	●
TOTAL	\$290.1 M	24.9%	



CASH \$117.0 M 10.0%

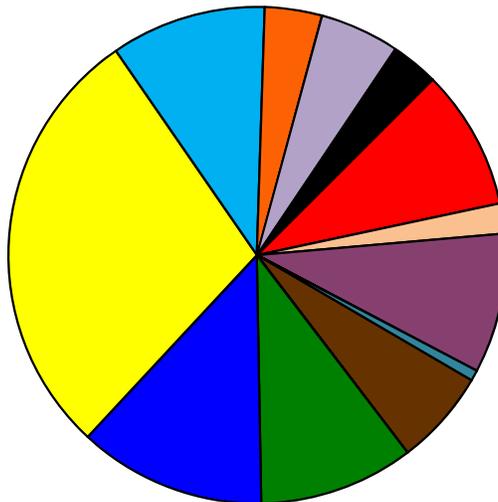
\$1.191 Billion
Market Value

FIXED INCOME

Internal Bonds	\$145.4 M	12.2%	●
Core-Plus	\$338.7 M	28.5%	●
Mortgages	\$120.4 M	10.1%	●
Corporates	\$44.4 M	3.7%	●
Global	\$61.6 M	5.2%	●
Convertibles	\$36.9 M	3.1%	●
TOTAL	\$747.5 M	62.8%	

EQUITIES

Large Cap US	\$109.0 M	9.2%	●
Small / Mid US	\$23.4 M	2.0%	●
International	\$108.2 M	9.1%	●
Real Estate	\$8.4 M	0.7%	●
Absolute Return	\$74.0 M	6.2%	●
Options	\$0.0 M	0.0%	●
TOTAL	\$323.0 M	27.1%	



CASH \$120.1 M 10.1%

MARKET PERFORMANCE SUMMARY ANALYSIS - ALL INVESTMENTS

	FY 10 (July-December 2009)			Market Return		
	Total Investment	Current Market	% of MV	July-Dec	3 Year	5 Year
	Value	Value		2009		
<u>INVESTMENTS BY FUND</u>						
Permanent Wyoming Mineral Trust Fund	\$4,371,557,370	\$4,351,684,977	37.5%	11.38%	1.57%	4.19%
Permanent Land Fund	88,992,181	87,946,757	0.8%	11.32%	1.33%	N/A
Common School Permanent Land Fund	1,863,395,425	1,849,027,960	15.9%	11.95%	1.92%	4.26%
University Permanent Land Fund	16,014,051	16,425,914	0.1%	10.80%	0.98%	N/A
Hathaway Scholarship Endowment Fund	464,686,332	472,958,268	4.1%	10.12%	N/A	N/A
Higher Education Endowment Fund	102,857,500	103,751,446	0.9%	10.35%	N/A	N/A
Workers Compensation Fund	1,165,906,630	1,190,838,311	10.3%	9.97%	5.72%	5.03%
Tobacco Settlement Fund	59,403,753	59,145,972	0.5%	6.37%	6.39%	5.42%
State Agency Pool	<u>3,383,450,737</u>	<u>3,471,518,307</u>	29.9%	5.75%	5.90%	5.34%
Wyoming State Total Fund	<u>\$11,516,263,979</u>	<u>\$11,603,297,912</u>	100.0%	9.55%	3.59%	4.64%
Wyoming State Custom Index				7.74%	2.79%	3.87%
<u>INVESTMENTS BY ASSET CLASS AND MANAGER</u>						
<u>US Equity</u>						
State Street Global Advisors (Index)	\$1,219,106,142	\$1,170,800,164		22.47%	-5.37%	0.60%
UW Portfolio Management Program	840,010	580,136		10.49%	-7.42%	N/A
S&P 500				22.59%	-5.63%	0.42%
US Large Cap Equity	<u>1,219,946,152</u>	<u>1,171,380,300</u>	10.1%			
Gabelli (Sm-Mid Cap Value)	\$231,357,580	\$270,411,123		25.40%	1.23%	5.82%
Russell 2500 Value				28.48%	-6.97%	0.84%
US SMID Cap Equity	<u>231,357,580</u>	<u>270,411,123</u>	2.3%			
Total US Equity	<u>\$1,451,303,732</u>	<u>\$1,441,791,423</u>	12.4%			
<u>International Equity</u>						
Int'l Exchange Traded Funds	\$80,359,484	\$75,616,837		17.79%	-7.47%	2.59%
Fisher	554,666,447	562,233,894		26.91%	-1.85%	5.88%
Capital Guardian	401,316,703	440,371,836		22.19%	-5.00%	4.32%
MSCI EAFE				22.18%	-5.57%	4.02%
Total International Equity	<u>\$1,036,342,635</u>	<u>\$1,078,222,567</u>	9.3%			
<u>US Fixed Income</u>						
WAMCO Core Plus	\$1,104,525,246	\$1,108,944,368		6.49%	5.69%	5.02%
Neuberger Berman Core Plus	1,082,309,270	1,145,628,575		10.07%	7.61%	N/A
PIMCO Core Plus	886,426,991	929,745,242		6.19%	8.48%	N/A
BC Aggregate				3.95%	6.04%	4.97%
PIMCO Mortgages	538,479,601	541,761,930		4.16%	7.25%	N/A
JP Morgan Mortgages	557,536,394	540,205,971		5.49%	2.71%	N/A
BC Mortgages				2.89%	7.04%	5.78%
WAMCO Corporates	315,325,761	315,876,373		10.75%	3.76%	N/A
Logan Circle Corporates	241,680,221	250,437,455		11.68%	4.63%	N/A
BC Credit				8.58%	5.74%	4.67%
PIMCO Global/Emerging Markets	495,871,100	530,363,744		9.65%	N/A	N/A
Global/EM Custom Index				8.72%	N/A	N/A
Wyoming State Treasurer's Office	1,213,474,694	1,213,093,832		0.83%	5.34%	4.88%
BC Gov't/Credit				3.94%	5.81%	4.71%
Total US Fixed Income	<u>\$6,435,629,277</u>	<u>\$6,576,057,490</u>	56.7%			

Note [1]: Performance shown is gross of fees with the exception of convertible bonds and absolute return, which are shown net of fees.

Note [2]: Returns are stated in traditional total return terms and do not specify realized income.

Note [3]: Performance shown for UW Portfolio Management Program includes their participation in the State Agency Pool.

Note [4]: The Global/EM Custom Index consists of 32.5% Barclays Capital Aggregate ex-US Hedged, 5% Barclays Capital Aggregate ex-US Unhedged, 47.5% JP Morgan EMBI Global, and 15% JP Morgan GBI-EM Global Diversified Unhedged.

MARKET PERFORMANCE (continued)
SUMMARY ANALYSIS - ALL INVESTMENTS

Manager/Investment Type	FY 10 (July through December 2009)			Market Return		
	Total Investment Value	Current Market Value	% of MV	FY09 Return	3 Year Return	5 Year Return
<u>Convertible Bonds</u>						
Nicholas Applegate Convertibles	\$313,619,580	\$327,338,338	2.8%	21.12%	4.71%	6.96%
ML All Quality Convertible				23.24%	0.06%	2.69%
<u>Cash & Cash Equivalents</u>						
JP Morgan Asset Mgmt						
Wyoming Treasury Cash		\$704,985,717		0.10%	2.64%	3.26%
90 Day U.S. T-Bills				0.11%	2.40%	3.02%
Wyoming Treasury Extended Cash		175,554,229		1.55%	5.09%	4.49%
JP Morgan Blended Index				1.59%	5.41%	4.74%
Total Cash & Cash Equivalents	\$876,453,801	\$880,539,946	7.6%			
<u>Private Equity</u>						
Cheyenne Capital Fund, LP	\$153,047,445	\$140,896,013			SEE NOTE [4]	
Access Venture Partner II	3,500,000	2,914,736			SEE NOTE [4]	
S&P 500 + 5%				25.61%	-0.91%	5.44%
Total Private Equity	\$156,547,445	\$143,810,749	1.2%			
<u>Real Estate</u>						
Clarion Core	\$141,303,630	\$79,139,487		-15.76%	-14.25%	N/A
UBS Core	141,303,630	101,058,117		-7.53%	-6.44%	N/A
NCREIF ODCE				-10.55%	-9.81%	0.71%
TA Realty Value-Added	15,000,000	12,609,652			SEE NOTE [4]	
Heitman Value-Added	3,799,147	1,957,794			SEE NOTE [4]	
NCREIF Property				-5.36%	-3.42%	4.75%
Total Real Estate	\$301,406,407	\$194,765,050	1.7%			
<u>Absolute Return</u>						
PAAMCO	\$243,738,970	\$251,719,509		8.74%	N/A	N/A
Aurora L.P.	162,461,240	166,305,403		8.76%	N/A	N/A
Aurora L.P. II	82,730,730	86,717,277		6.47%	N/A	N/A
HFN FoF Multi-Strat				5.21%	-1.39%	2.37%
Grosvenor Global Recovery Fund	56,909,504	56,909,504		N/A	N/A	N/A
Global Recovery Custom Index				25.13%	-5.81%	N/A
Total Absolute Return	\$545,840,444	\$561,651,693	4.8%			
<u>Overlay Strategies</u>						
First Quadrant	\$0	\$0		N/A	N/A	N/A
<u>LDIs and Other Wyoming Investments</u>						
	\$399,120,658	\$399,120,658	3.4%	N/A	N/A	N/A

Note [1]: Performance shown is gross of fees with the exception of convertible bonds and absolute return, which are shown net of fees.

Note [2]: Returns are stated in traditional total return terms and do not specify realized income.

Note [3]: Performance for Private Equity and Value-Added Real Estate investments is calculated on an IRR basis. For further analysis, please refer to the supplementary alternatives performance report.

Note [4]: Market values for non-core real estate and private equity are on a one-quarter lag due to available valuations. However, Investment (Cost) Values are not lagged.

Note [5]: First Quadrant overlay strategy has been deactivated and the collateral amount has been disbursed.

Note [6]: Valuation shown for Grosvenor Global Recovery Fund represents cash held with the manager pending investment in the actual product in January 2010.

Note [7]: The Global Recovery Custom Index consists of 50% Credit Suisse Distressed Index, 20% Credit Suisse High Yield Index, and 30% ABX Index.

Note [8]: Market values shown for LDIs and Other Wyoming Investments reflect cost value of the investments, and include Inter-Fund borrowing activity.

PERMANENT WYOMING MINERAL TRUST FUND
Fiscal Years 06 through 10 (July-December 2009) Analyzed and Compared

	(\$ Millions)				July-December 2009
	<u>FY 06</u>	<u>FY 07</u>	<u>FY 08</u>	<u>FY 09</u>	<u>FY 10</u>
Beginning Book Value	\$2,472.6	\$2,968.4	\$3,329.5	\$3,896.6	\$4,262.2
Beginning Market Value	2,557.8	3,070.6	3,728.1	4,135.4	3,893.8
- Difference	85.2	102.2	398.6	238.9	(368.3)
- Percent	3.4%	3.4%	12.0%	6.1%	-8.6%
Income yet to be transferred to General Fund					\$51.6
Additions to Corpus					
- Constitutional Severance Tax 1.5% Deposit	\$243.6	\$193.1	\$213.6	\$290.7	\$24.6
- Add'l Severance Tax 1%	162.4	128.7	142.4	193.8	16.4
- .5% of 1% Sev Tax going to PMTF Reserve					(6.6)
- Additional Legislative Deposits	89.9	20.0	40.0	0.0	0.0
- Spending Policy Reversions	0.0	19.2	171.1	0.0	0.0
Reduction of Corpus					
- Deferred Realized Capital Gain (Loss)	0.0	0.0	0.0	(118.9)	14.9
Total Increase to Corpus	\$495.8	\$361.0	\$567.1	\$365.6	\$49.3
Ending Book Value	\$2,968.4	\$3,329.5	\$3,896.6	\$4,262.2	\$4,363.1
Ending Market Value	3,070.6	3,728.1	4,135.4	3,893.8	4,351.7
- Difference	102.2	398.6	238.9	(368.3)	(11.4)
- Percent	3.4%	12.0%	6.1%	-8.6%	-0.3%
Total Distributed Income (gross of fees)	\$127.9	\$156.7	\$329.3	\$142.8	\$54.5
- Interest	81.1	87.4	101.5	101.4	38.9
- Dividend	19.8	31.8	38.4	38.8	15.6
- Realized Net Capital Gain	26.9	37.6	189.4	2.5	0.0
Change in Book Value	\$495.8	\$361.0	\$567.1	\$365.6	\$100.9
Change in Market Value	512.9	657.5	407.3	(241.6)	457.8
Cash Yield	4.81%	4.96%	9.02%	3.42%	3.08%
Total Return	6.62%	14.83%	2.44%	-13.82%	11.38%

1. Note: "Total Income" is spendable investment income including dividends, interest and realized capital gains. "Total Return" is comprised of dividends, interest and realized and unrealized capital gains. The Treasurer's Office calculates the "Cash Yield" return above based on average book value. RV Kuhns calculates total return based on the time-weighted rate of return - essentially compounded growth.

2. In May 2009, the State Treasurer adopted an interpretative policy effective July 1, 2008, for accounting purposes whereby earnings consisting of interest, dividends and real estate rentals would be treated as ordinary income and disbursed accordingly. The policy also provides that capital losses from FY 09 will be made good from future capital gains and not ordinary income.

3. "Ending Book Values" from FY06 through FY07 do not correspond to prior year reports due to corrections made to "Spending Policy Reversions" in FY08. "Ending Book Value" for FY10 does not correspond to PWMTF balances in this report due to an investment made at year end but not booked.

COMMON SCHOOL PERMANENT LAND FUND
Fiscal Years 06 through 09 (July-December 2009) Analyzed and Compared

	(\$ Millions)			July-December 2009	
	<u>FY 06</u>	<u>FY 07</u>	<u>FY 08</u>	<u>FY 09</u>	<u>FY 10</u>
Beginning Book Value	\$1,164.9	\$1,318.6	\$1,466.2	\$1,682.7	\$1,794.4
Beginning Market Value	1,165.2	1,371.6	1,676.7	1,766.0	1,622.5
- Difference	0.4	53.1	210.5	83.3	(172.0)
- Percent	0.0%	4.0%	14.4%	5.0%	-9.6%
- Sales, Royalties, etc.	\$153.7	\$147.7	\$161.3	\$163.8	\$54.1
- Additional Legislative Deposits	0.0	0.0	0.0	0.0	0.0
- Spending Policy Reversions	0.0	0.0	55.1	0.0	0.0
Reduction of Corpus					
- Deferred Realized Capital Gain (Loss)	0.0	0.0	0.0	(52.1)	5.6
Total Increase to Corpus	\$153.7	\$147.7	\$216.5	\$111.7	\$59.7
Ending Book Value	\$1,318.6	\$1,466.2	\$1,682.7	\$1,794.4	\$1,854.2
Ending Market Value	1,371.6	1,676.7	1,766.0	1,622.5	1,849.0
- Difference	53.1	210.5	83.3	(172.0)	(5.2)
- Percent	4.0%	14.4%	5.0%	-9.6%	-0.3%
Total Distributed Income (gross of fees)	\$55.9	\$68.5	\$137.1	\$60.1	\$23.1
- Interest	37.6	36.1	37.7	40.5	16.4
- Dividend	9.0	13.8	16.5	17.8	6.7
- Realized Net Capital Gain	9.3	18.6	82.9	1.8	0.0
Change in Book Value	\$153.7	\$147.7	\$216.5	\$111.7	\$59.7
Change in Market Value	206.4	305.1	89.3	(143.6)	226.6
Cash Yield	4.59%	4.98%	9.51%	3.37%	3.09%
Total Return	6.02%	14.87%	2.27%	-13.25%	11.95%

1. Note: "Total Income" is spendable investment income including dividends, interest and realized capital gains. "Total Return" is comprised of dividends, interest and realized and unrealized capital gains. The Treasurer's Office calculates the "Cash Yield" return above based on average book value. RV Kuhns calculates total return based on the time-weighted rate of return - essentially compounded growth.

2. In May 2009, the State Treasurer adopted an interpretative policy effective July 1, 2008, for accounting purposes whereby earnings consisting of interest, dividends and real estate rentals would be treated as ordinary income and disbursed accordingly. The policy also provides that capital losses from FY 09 will be made good from future capital gains and not ordinary income.

3. "Ending Book Values" from FY06 through FY07 do not correspond to prior year reports due to corrections made to "Spending Policy Reversions" in FY08. "Ending Book Value" for FY10 does not correspond to CSPLF balances in this report due to income not yet distributed.

WYOMING INVESTMENTS

December 31, 2009

<u>Program</u>	<u>See Notes</u>	<u>Statutory Allotment</u>	<u>Outstanding Investments</u>	<u>Amount Available</u>
<u>Investments for Public Purposes</u>				
Farm Loans	A	\$275,000,000	\$32,285,153	\$242,714,847
Irrigation Loans	B	20,000,000	5,850,986	14,149,014
Joint Powers Loans	C	60,000,000	11,370,625	48,629,375
Student Loans	D	25,000,000	8,421,338	16,578,662
Hot Springs State Park	E	2,000,000	194,685	1,805,315
Small Business Assistance & FmHA Ag Loans	F	0	507,304	0
Shoshone Municipal Pipeline Treatment Plant	G	16,500,000	13,501,417	0
Sheridan Area Water Treatment Project	H	6,750,000	1,231,442	0
Laramie Territorial Park Loan	I	10,000,000	10,000,000	0
Reimbursement to Counties for Deferred Taxes	J	2,000,000	22,184	1,977,816
Industrial Development Bonds	K	100,000,000	0	100,000,000
Airport Loans-Aeronautics Commission	L	10,000,000	5,413,022	4,586,978
		<u>\$527,250,000</u>	<u>\$88,798,155</u>	<u>\$430,442,008</u>

*The list of investments shown above are investments of state funds for a specific public purpose, other than permissible investments made in compliance with state investment policy under W.S. 9-4-715 through 9-4-719 and 9-4-831, which are authorized or directed by the legislature in law. As stipulated in W.S. 9-4-715(n), total investments of permanent funds for a specific public purpose authorized or directed by the legislature are limited to \$500 million excluding investments made pursuant to W.S. 37-5-406. Prior to the convening of each general session of the legislature, the State Treasurer shall, after consultation with the State Loan and Investment Board, recommend to the Select Committee on Capital Financing and Investments whether any adjustment should be made in the limitation. The Treasurer closely monitors the outstanding balances of all public purpose investments to ensure the statutory limitation is not exceeded. Most of these investments are made from the Permanent Wyoming Mineral Trust Fund.

In addition to the specific public purpose investments listed above, the following statutory commitments have been made:

		<u>Commitment Amount</u>	<u>Outstanding Amount</u>	<u>Commitment Amount Available</u>
Student Loan Stand-By Commitment	M	\$0	\$0	\$0
WCDA Mortgage Bonds	N	25,000,000	649,160	0
		<u>\$25,000,000</u>	<u>\$649,160</u>	<u>\$0</u>

Also, there are statutory loans from the general fund as follows:

		<u>Total Statutory Loan Amounts</u>	<u>Outstanding Investments</u>	<u>Loan Funds Not Yet Requested</u>
Wyoming Gas Pipeline Authority	O	\$4,652,895	\$4,088,795	\$0
Wyoming Infrastructure Authority	P	15,192,605	6,942,605	8,000,000
		<u>\$19,845,500</u>	<u>\$11,031,400</u>	<u>\$8,000,000</u>

		<u>Commitment Amount</u>	<u>Outstanding Investments</u>	<u>Amount Available</u>
<u>Other Wyoming Investments</u>				
Basin Electric Power Bond			\$34,500,000	
Cheyenne Stage II GIC			9,125,718	
Drainage District Bonds			24,000	
Time Deposit Open Account Banking Program	Q	150,000,000	118,400,000	0
Wyoming Community College Bonds			0	
Wyoming Real Estate - Land	R	16,950,721	6,592,226	10,358,495
		<u>\$166,950,721</u>	<u>\$168,641,944</u>	<u>\$10,358,495</u>

Total Wyoming Investments

\$269,120,658

WYOMING INVESTMENTS NOTES & STATUTORY REFERENCES

Investments for Public Purposes:

- (A) Farm loans under W.S. 11-34-129; \$275 million authorized of which \$27.5 million is for beginning agriculture producer loans and \$55M is for a livestock enhancement program
- (B) Irrigation district loans under W.S. 11-34-301;
- (C) Joint Powers loans under W.S. 16-1-109; increased from \$30 million to \$60 million during 2008 legislative session and includes University of Wyoming as eligible entity
- (D) W.S. 9-4-715(f), student loans;
- (E) Hot Springs state park loans under W.S. 36-8-318;
- (F) Guaranteed portion of certain Small Business Assistance Act loans and guaranteed portion of certain Farmers Home Administration. Up to \$55 million was previously authorized and no new loans were to be made after December 31, 2006. W.S. 9-4-701(e) was repealed when investment statutes were amended in the 2008 legislative session;
- (G) Shoshone municipal water treatment project, under 1987 Wyoming Session Laws, Chapter 117, as amended;
- (H) Sheridan area water treatment project, under 1989 Wyoming Session Laws, Chapter 230, as amended;
- (I) Laramie territorial park, under 1989 Wyoming Session Laws, Chapter 285, as amended;
- (J) W.S. 9-4-715(j), deferred property taxes;
- (K) W.S. 9-4-715(m), industrial development bonds;
- (L) Airport construction, development & improvement loans under W.S. 10-3-403.

Statutory commitments:

- (M) W.S. 21-16-714, Student Loan Stand-By Commitment. This would be an investment only if it were needed to cover a default in the Student Loan Program. There has been no such incident since the legislation was established. The statutory allotment for this commitment is \$175 million. There are currently no outstanding commitment agreements in place to cover outstanding student loans.
- (N) Purchase of up to \$100 million WCDA bonds was authorized from the Common School Permanent Land Fund; however, the authorization period ended with only \$25 million actually used;

Statutory loans from the general fund:

- (O) 2003 Session Laws, Chapter 171, Sec. 4 - \$279,500 for operating expenses; 2004 Session Laws, Chapter 83, Sec. 3 - \$284,600 for payment of insurance costs & professional services; 2004 Session Laws, Chapter 95, Sec. 321 - \$1,383,550 for operating expenses; 2006 Session Laws, Chapter 35, Sec. 304 - \$1,267,253 for operating expenses; 2008 Session Laws, Chapter 48, Sec 304 - \$1,437,992 for operating expenses;
- (P) 2004 Session Laws, Chapter 84, Sec. 4 - \$250,000 for operating expenses; 2005 Session Laws, Ch. 191, Sec. 191 - \$1,610,500 for operating expenses and \$5,000,000 for transmission development projects; 2006 Session Laws, Chapter 35, Sec 305 - \$1,623,540 for operating expenses and \$5,000,000 for transmission development projects; 2008 Session Laws, Ch 48, Sec 305 - \$1,708,565 for operating costs.

Other Wyoming Investments:

- (Q) W.S. 9-4-803 authorizes the State Treasurer to deposit state funds in approved Wyoming banks and savings and loans. Currently, the amount the State Treasurer has made available to banks each year amounts to five percent (5%) of the State Agency Pool assets.
- (R) W.S. 9-4-715(k) authorizes the investment of funds received from sale of state trust lands plus up to \$2,000,000 one-time seed money contained in the common school permanent land fund (CSPLF) by purchasing land and improvements within Wyoming as assets of the Trust. Funds were also appropriated to the State Loan and Investment Board from the CSPLF in 2005 and 2006 for this purpose as well.

WYOMING INVESTMENTS BY FUND

December 31, 2009

<u>Interest Paid</u>			<u>Yield</u>		<u>Loan Balance</u>		
<u>Fund</u>	<u>Investment</u>	<u>Amount</u>	<u>By Investment</u>	<u>By Fund</u>	<u>Fund</u>	<u>Investment</u>	<u>Amount</u>
<u>General Fund</u>					<u>General Fund</u>		
	Pipeline Authority	0.00	4.00%			Pipeline Authority	4,088,795.00
	Wyo Infrastructure Authority	53,342.48	4.00%			Wyo Infrastructure Authority	6,942,605.00
	Subtotal	\$53,342.48		4.00%		Subtotal	\$11,031,400.00
<u>State Agency Pool</u>					<u>State Agency Pool</u>		
	Ag Loans	0.00	4.22%			Ag Loans	320,245.23
	TDOAs	331,360.74	1.40%			TDOAs	118,400,000.00
	Subtotal	331,360.74		1.40%		Subtotal	118,720,245.23
	Total	\$384,703.22		1.62%		Total	\$129,751,645.23
<u>Common School Perm. Land Fund</u>					<u>Common School Perm. Land Fund</u>		
	Comm College Bonds	210.00	6.00%			Comm College Bonds	0.00
	Lovell Drainage District	0.00	4.00%			Lovell Drainage District	24,000.00
	WCDA	24,774.20	6.70%			WCDA	649,160.09
	Wyoming Real Estate	0.00	0.00%			Wyoming Real Estate	6,592,226.00
	Subtotal	\$24,984.20		0.61%		Subtotal	\$7,265,386.09
<u>Permanent Mineral Trust Fund</u>					<u>Permanent Mineral Trust Fund</u>		
	Aeronautics Loans	0.00	5.00%			Aeronautics Loans	5,413,021.67
	Farm Loans	113,900.35	7.75%			Farm Loans	32,285,152.75
	Hot Springs St Park	0.00	6.25%			Hot Springs St Park	194,684.71
	Irrigation Loans	0.00	5.00%			Irrigation Loans	5,850,986.13
	JPA Loans	494,462.31	6.90%			JPA Loans	11,370,624.52
	Local Government Loans	150,000.00	1.50%			Local Government Loans	10,000,000.00
	Local Government Loans	0.00	4.00%			Local Government Loans	22,184.15
	SBAA	4,858.93	3.72%			SBAA	187,059.24
	Student Loans					Student Loans	8,421,337.80
	Water Develop Loans	598,757.81	4.00%			Water Develop Loans	14,732,858.56
	WIA Basin Electric	809,025.00	4.69%			WIA Basin Electric	34,500,000.00
	GIC AIG Financial	0.00	6.50%			GIC AIG Financial	9,125,717.57
	GIC Metropolitan Life	150,573.53	0.00%			GIC Metropolitan Life	0.00
	Subtotal	\$2,321,577.93		5.16%		Subtotal	\$132,103,627.10
	TOTAL	\$2,731,265.35				TOTAL	\$269,120,658.42

WYO-STAR WYOMING STATE TREASURER'S ASSET RESERVE

In 1987 the Wyoming State Legislature authorized any county, municipality, school district or any other local government entity to participate in the WYO-STAR program (W.S. 9-1-416).

The Wyoming State Treasurer established an investment pool or common fund in which all monies are commingled for investment purposes. Each participant has an individual interest in the pool based on the ratio of that participant's cash balance as a percentage of the total cash balance of the pool. Separate accounts are maintained for each governmental entity. All investments conform to the statute covering the State Treasurer's other investments (W.S. 9-4-831).

J. P. Morgan Asset Management continues to manage the WYO-STAR portfolio. Safety of principal is always the foremost objective of the investment manager. Liquidity being the second objective, WYO-STAR continues to guarantee the return of funds on a 24-hour notice.

During FY97 WYO-STAR rules were amended to allow income to be distributed to participants on a monthly basis. Also, ACH (automated clearing house) has replaced wire transfer in returning participants' funds. Timeliness and cost savings prompted this change.

General information about the WYO-STAR program, daily rate information and forms have been made available through the Treasurer's website. Participants can access their accounts via the internet. This service is called Internet Participant Access System (IPAS). In mid-October 2007, the IPAS system was upgraded to improve the participant's overall ease of use. This service has been received by participants as very beneficial.

In late November and early December 2007, WYO-STAR participants were notified about the investment pool's exposure to subprime mortgage investments. Participants were informed that WYO-STAR has (i) zero exposure to subprime mortgages, (ii) has zero exposure to corporate bonds, (iii) does not hold asset backed commercial paper, and (iv) all securities carry a AAA rating or an implied AAA rating.

In September 2008, participants were notified to reinforce that, in the current financial crisis; the primary goal of the WYO-STAR portfolio is to pursue a short-term and extended-term fixed income investment strategy. The WYO-STAR portfolio maintains an exceptionally strong credit and liquidity profile. This rigorous risk management approach has been tailored to meet the State's investment guidelines and position the WYO-STAR portfolio defensively.

WYO-STAR investments, conformance to state statutes, and manager performance are reviewed quarterly by the consultant R.V. Kuhns & Associates, Inc. hired by the State Loan and Investment Board. This board is made up of the five elected officials, the Governor, Secretary of State, Auditor, Treasurer and Superintendent of Public Instruction.

WYO-STAR yields realized in FY10 are as follows:

07/09	0.882%	08/09	1.110%
09/09	1.035%	10/09	1.156%
11/09	0.777%	12/09	1.367%

The annualized yield for the first six months of FY10 was 1.064%.

As of December 31, 2009, there were 153 active participants. (Some participants have multiple accounts). WYO-STAR pool balance on December 31, 2009, was \$325,708,006.49. Participants earned \$1,649,404.20 in the first six months of FY10.

SPENDING POLICY RESERVE ACCOUNTS

PERMANENT WYOMING MINERAL TRUST FUND

COMMON SCHOOL PERMANENT LAND FUND

EXCELLENCE IN HIGHER EDUCATION FUND

The Wyoming State Legislature established investment earnings spending policy reserve accounts for three of the state's permanent funds; the Permanent Wyoming Mineral Trust Fund (PWMTF), the Common School Account within the Permanent Land Fund (CSPLF) and the Excellence in Higher Education Fund (Higher Ed Fund).

In the 2000 session, the Legislature established annual spending policy amounts for earnings from PWMTF and the CSPLF. To the extent earnings exceed the amount set in statute for the PWMTF, the excess flows to the PWMTF reserve account. For the CSPLF, earnings in excess of the spending policy amount still flow to the common school land income account and school foundation program account, however, an automatic appropriation is made from "over the \$200 million cap" in federal mineral royalties which would otherwise be deposited into the school foundation program account in an amount equal to the excess earnings to the CSPLF reserve account. Monies in the reserve accounts are available to supplement earnings for those years in which earnings fail to reach the spending policy amounts. If the reserve accounts reach more than 75% of the spending policy amount, the excess reserves are placed in the appropriate corpus. The purpose of these spending policies is to make the earnings flow consistent and to protect the corpus from inflation.

In the 2007 session, an annual spending policy amount and a spending policy reserve account was established for the Higher Ed Fund. Like the PWMTF spending policy and reserve account, to the extent earnings from the Higher Ed Fund exceed the spending policy amount, excess earnings flow to the Higher Ed reserve account. Once the reserve account reaches more than 75% of the spending policy amount, the excess reserves are placed in the Higher Ed Fund corpus. The 2007 legislation also provided for a continuous appropriation from the Higher Ed reserve account to supplement the spending from the earnings of the Higher Ed Fund in those years earnings fail to meet the spending policy amount. (This automatic appropriation of funds from the PWMTF and CSPLF reserve accounts was repealed in 2004.)

The spending policy amount for fiscal year 2010 for each of these permanent funds is based on the statutory percentage rate of five percent (5%) of the average five (5) year rolling average market value. The following three pages illustrate how the spending policy reserve accounts for the PWMTF, the CSPLF and the Higher Ed fund work and also provide projections of future cash flows based on the January 2010 CREG projections. Projections do not include any future capital gains that might be realized and assumes no statutory changes are made.

SPENDING POLICY: PERMANENT WYOMING MINERAL TRUST FUND (PWMTF)
 Prepared following Jan 2010 CREG meeting

last update 01/22/10

W.S. 9-4-719 established annual spending policy amounts from the PWMTF (currently five percent (5%) of the average five (5) year rolling average market value) and created the PWMTF reserve account. To the extent earnings from the PWMTF exceed the five percent (5%) spending policy amount, the excess earnings flow to the PWMTF reserve account. If the balance in the reserve account reaches more than 75% of the spending policy amount, the excess in the reserve account is transferred to the PWMTF corpus.

The spending policy amount for fiscal year 2009 was \$157,100,790. Total PWMTF investment income for FY09 was \$135,264,226. Investment earnings did not exceed this spending policy amount, therefore, no funds were deposited into the PWMTF reserve account at the end of FY09. In addition, the 2009 fiscal year end balance in the reserve account did not exceed 75% of this spending policy amount, thus no funds were transferred to the PWMTF corpus at the end of FY 2009.

The spending policy amount for fiscal year 2010, using the current 5% spending policy level, is \$173,857,429 while the investment income projection for FY10 is \$125,700,000, based on the Jan 2010 CREG estimate. Since the investment income projection is less than the spending policy amount, no investment income is projected to flow to the reserve account at the end of FY2010. However, due to a 2009 legislative appropriation of severance tax to the reserve account (Chapter 159, Section 350), an estimated \$26.6 million is estimated to flow to the corpus of the PWMTF at the end of FY 2010 using a 5% spending policy level. Investment income projections for FY11 through FY14 are lower than the 5% spending policy amount, thus no investment income is projected to flow either to the reserve account or to corpus.

As of	Total Market Value (a)	For FY	Rolling 5-year Average	Spending Policy Level	Spending Policy Amount	Investment Income	Investment Income over Spending Policy to Reserve Acct.	Legislative Appropriation	Year End Reserve Bal. Before Reversion	75% of Spending Policy	Over 75% reverts to Corpus	Ending Reserve Balance
7/1/97	1,396,009,173	1998										
7/1/98	1,507,006,444	1999										
7/1/99	1,540,767,270	2000										
7/1/00	1,539,636,928	2001										
7/1/01	1,755,553,508	2002	1,547,794,665	8.000%	123,823,573	90,510,496	0			92,867,680	0	
7/1/02	1,864,380,749	2003	1,641,468,980	7.625%	125,162,010	58,647,855	0			93,871,507	0	
7/1/03	2,050,845,569	2004	1,750,236,805	5.000%	87,511,840	98,110,315	10,598,475 (f)		10,598,475	65,633,881	0	10,598,475
7/1/04	2,218,179,475	2005	1,885,719,246	5.000%	94,285,962	87,789,397	0	44,500,000 (b)	56,747,488 (c)	70,714,472	0	55,098,475 (d)
7/1/05	2,557,758,285	2006	2,089,343,517	5.000%	104,467,176	123,952,616	19,485,440 (f)		74,583,915	78,350,382	0	74,583,915
7/1/06	3,070,623,840	2007	2,352,357,584	5.000%	117,617,879	150,487,083	32,869,204 (f)		107,453,119	88,213,409	19,239,709 (e)	88,213,409
7/1/07	3,728,082,077	2008	2,725,097,849	5.000%	136,254,892	321,357,789	185,102,897		273,316,306	102,191,169	171,125,137	102,191,169
7/1/08	4,135,435,366	2009	3,142,015,809	5.000%	157,100,790	135,264,226	0		102,191,169	117,825,593	0	102,191,169
7/1/09	3,893,843,313	2010	3,477,148,576	5.000%	173,857,429 *	125,700,000 **	0	54,750,000 (g)	156,941,169	130,393,072	26,548,098	130,393,072
7/1/10	4,109,843,313	2011	3,787,565,582	5.000%	189,378,279	128,100,000 **	0		130,393,072	142,033,709	0	130,393,072
7/1/11	4,392,043,313	2012	4,051,849,476	5.000%	202,592,474	135,500,000 **	0		130,393,072	151,944,355	0	130,393,072
7/1/12	4,717,343,313	2013	4,249,701,724	5.000%	212,485,086	145,300,000 **	0		130,393,072	159,363,815	0	130,393,072
7/1/13	5,093,743,313	2014	4,441,363,313	5.000%	222,068,166	156,200,000 **	0		130,393,072	166,551,124	0	130,393,072

Source: W.S. 9-4-719

* FY 2010 spending policy amount calculated using actual market value as of 06/30/09

**Investment Income based on Jan 2010 CREG estimate--All amounts shown in yellow are projections

Notes:

- (a) Total Market Value for FY10 & Prior are Actual Market Values, FY11 and beyond are based on the 06/30/09 market value plus Jan 2010 CREG projected additions
- (b) Appropriation from General Fund to this reserve account-2004 budget session
- (c) Reflects addition of \$1,649,014 realized earned income on reserve account.
- (d) Reflects balance following correction of \$1,649,014 realized earned income-transfer out to general fund.
- (e) Reflects \$12,109,656 reduction of reversion to corpus following correction of market values
- (f) Reflects reduction in amount to reserve following correction of market values--\$9,599,515 transferred back to general fund
- (g) 2009 Budget Bill (Ch 159 Sec. 350) - FY2010 50% of 1% PWMTF Severance Tax (amount shown based on Jan 2010 CREG projections)

SPENDING POLICY: COMMON SCHOOL PERMANENT LAND FUND (CSPLF)

Prepared following Jan 2010 CREG meeting

last update 01/22/10

W.S. 9-4-719 established annual spending policy amounts from the CSPLF (currently five percent (5%) of the average five (5) year rolling average market value) and created the CSPLF reserve account. To the extent earnings from the CSPLF exceed the five percent (5%) spending policy amount, the excess earnings flow to the CSPLF reserve account via an appropriation of federal mineral royalty revenue that would otherwise flow to the school foundation program account (prior to 2008, this appropriation was from general funds). If the balance in the reserve account reaches more than 75% of the spending policy amount, the excess in the reserve

The spending policy amount for fiscal year 2009 was \$69,955,134. Total CSPLF investment income for FY09 was \$56,672,431. In FY09, investment earnings did not exceed the spending policy amount, therefore, no funds were deposited into the CSPLF reserve account. The 2009 fiscal year end balance in the reserve account did not exceed 75% of this spending policy amount, therefore no funds were transferred to the CSPLF

The spending policy amount for fiscal year 2010, using the current 5% spending policy level, is \$76,036,718 while the investment income projection for FY10 based on the Jan 2010 CREG estimates is \$47,900,000. Since projected investment income is less than the spending policy amount, no excess earnings are projected to flow to the reserve account and no funds would flow to corpus at the end of FY2010. In addition, investment income projections for FY11 through FY14 are also lower than the 5% spending level thus no funds would flow to the reserve account or the corpus.

As of	Total Market Value (a)	For FY	Rolling 5-year Average	Spending Policy Level	Spending Policy Amount	Investment Income	Investment Income over Spending Policy to Reserve Acct.	Legislative Appropriation	Year End Reserve Bal. Before Reversion	75% of Spending Policy	Over 75% reverts to Corpus	Ending Reserve Balance
7/1/97	782,431,215	1998										
7/1/98	838,949,498	1999										
7/1/99	857,362,587	2000										
7/1/00	839,611,767	2001										
7/1/01	899,161,216	2002	843,503,257	8.200%	69,167,267	37,700,000	0		51,875,450		0	
7/1/02	930,348,643	2003	873,086,742	7.825%	68,319,038	36,070,760	0		51,239,278		0	
7/1/03	1,013,895,764	2004	908,075,995	5.000%	45,403,800	48,190,294	2,786,494 (h)		2,786,494	34,052,850	0	2,786,494
7/1/04	1,014,318,667	2005	939,467,211	5.000%	46,973,361	51,092,246	4,118,885 (h)	30,000,000 (b)	37,852,862 (e)	35,230,020	2,622,841 (g)	34,282,538 (f)
7/1/05	1,165,218,792	2006	1,004,588,616	5.000%	50,229,431	53,845,180	3,615,749 (h)		37,898,288	37,672,073	226,214 (g)	37,672,073
7/1/06	1,371,627,543	2007	1,099,081,882	5.000%	54,954,094	65,520,931	10,566,837 (h)	(13,500,000) (c)	30,538,910	41,215,571	0	30,538,910
7/1/07	1,678,302,393	2008	1,248,672,632	5.000%	62,433,632	133,866,782	71,433,150	(4,200,000) (d)	101,972,060	46,825,224	55,146,837	46,825,224
7/1/08	1,766,046,029	2009	1,399,102,685	5.000%	69,955,134	56,672,431	0	167,274 (i)	46,825,224	52,466,351	0	46,825,224
7/1/09	1,622,477,081	2010	1,520,734,368	5.000%	76,036,718 *	47,900,000 **	0		46,825,224	57,027,539	0	46,825,224
7/1/10	1,773,077,081	2011	1,642,306,025	5.000%	82,115,301	51,700,000 **	0		46,825,224	61,586,476	0	46,825,224
7/1/11	1,918,377,081	2012	1,751,655,933	5.000%	87,582,797	55,100,000 **	0		46,825,224	65,687,097	0	46,825,224
7/1/12	2,063,377,081	2013	1,828,670,871	5.000%	91,433,544	59,300,000 **	0		46,825,224	68,575,158	0	46,825,224
7/1/13	2,208,377,081	2014	1,917,137,081	5.000%	95,856,854	63,100,000 **	0		46,825,224	71,892,641	0	46,825,224

* FY 2010 spending policy amount calculated using actual market value as of 06/30/09

**Investment Income based on Jan 2010 CREG estimate--All amounts shown in yellow are projections

Source: W.S. 9-4-719

- (a) Total Market Value for FY10 & Prior are Actual Market Values and FY11 and beyond are based on the 06/30/09 market value plus Jan 2010 CREG projected additions
- (b) \$30,000,000 was appropriated from the school foundation account into this reserve account-2004 budget session
- (c) \$13,500,000 was appropriated from this reserve account into the Hathaway scholarship expenditure account-2006 budget session
- (d) \$4,200,000 was appropriated from this reserve account for distribution to the community colleges and the University of Wyoming to begin to implement the plan for excellence in the higher education endowment--\$2.8 million to UW and \$1.4 million equally split among the seven (7) community colleges.
- (e) Reflects addition of \$947,482 realized earned income on reserve account.
- (f) Reflects balance following correction of \$947,482 realized earned income-transfer out to CSPLF income fund.
- (g) Reflects reduction in amount to revert to corpus following correction of market values--\$1,099,854 transferred back to reserve
- (h) Reflects reduction in amount to reserve following correction of market values--\$1,076,494 transferred back to general fund
- (i) UW Reversion of Special Approp 06 SF0086 Ch 45

SPENDING POLICY: EXCELLENCE IN HIGHER EDUCATION ENDOWMENT (Higher Ed)
 Prepared following Jan 2010 CREG meeting

last update 01/22/10

W.S. 9-4-719 established annual spending policy amounts from the Excellence in Higher Education (Higher Ed) Endowment fund (currently five percent (5%) of the average five (5) year rolling average market value) and created the Excellence in Higher Education Endowment (Higher Ed) reserve account. To the extent investment earnings from the Higher Ed Endowment fund exceed the five percent (5%) spending policy amount, the excess earnings flow to the Higher Ed reserve account. If the investment earnings from the Higher Education Endowment fund are less than the five percent (5%) spending policy amount, an amount equal to the difference is taken from the Higher Ed reserve account and distributed to the University of Wyoming and seven community college foundations in accordance with W.S. 21-16-1201.

The spending policy amount for fiscal year 2009 was \$3,867,815. Total investment income from the Higher Education Endowment fund for FY09 was \$3,926,014. Therefore, there was an excess investment earnings (\$58,199) over the spending policy amount that was transferred to the Higher Ed reserve account at the end of FY09. However, the 2009 fiscal year end balance in the reserve account did not exceed 75% of this spending policy amount, thus no funds flowed from the reserve account to the corpus of the Higher Education Endowment Fund.

Using the current 5% spending policy level, the spending policy amount for FY2010 is \$4,102,047. Investment income projected for FY10 through FY14 shown below reflects Jan 2010 CREG estimates. Legislation passed during the 2009 legislative session (Chapter 159, Sec 242), diverted \$3,852,480 of the over \$200 million federal mineral royalty revenue from the school foundation account to the Higher Ed reserve account. Based on current projections, this will result in a total of \$1,235,294 that would flow to the Higher Ed corpus at the end of FY10. Projected investment income for FY11 through FY14 is less than the five percent (5%) spending policy amount, thus no income is projected to flow into the reserve account or corpus for those years. Normally, the amount of revenue needed to ensure distribution of the full spending policy amount is taken from the reserve account, however, current projections indicate there will be insufficient funds in the reserve account to distribute the full spending policy amount in FY12, FY13 & FY14 as indicated in the pink box below.

As of	Total Market Value	For FY	Rolling 5-year Average	Spending Policy Level	Spending Policy Amount	Investment Income	Earnings over 5% of spending policy amount to Reserve Acct	Legislative Appropriations	Earnings less than 5% of spending policy from Reserve Acct to be distributed	Year End Reserve Balance Before Reversion to Corpus or to cover shortfall	75% of Spending Policy	Over 75% reverts to Corpus	Ending Reserve Balance
7/1/05	929,697 (a)	2006	929,697.09	5.000%	46,484.85	0	(46,485)			0	34,864	0	0
7/1/06	48,379,952 (a)	2007	48,379,952	5.000%	2,418,998	726,921	0			0	1,814,248	0	0
7/1/07	78,867,967 (a)	2008	63,623,960	5.000%	3,181,198	4,474,394	1,293,196			1,293,196	2,385,898	0	1,293,196
7/1/08	104,820,958 (b)	2009	77,356,292	5.000%	3,867,815	3,926,014	58,199		0	1,351,395	2,900,861	0	1,351,395
7/1/09	96,094,847 (b)	2010	82,040,931	5.000%	4,102,047 *	3,210,000 **	0	3,852,480 (d)	(892,047)	4,311,829	3,076,535	1,235,294	3,076,535
7/1/10	97,330,141 (c)	2011	85,098,773	5.000%	4,254,939	2,960,000 **	0		(1,294,939)	1,781,596	3,191,204	0	1,781,596
7/1/11	97,330,141 (c)	2012	94,888,811	5.000%	4,744,441	2,940,000 **	0		(1,804,441)	0	3,558,330	0	0
7/1/12	97,330,141 (c)	2013	98,581,246	5.000%	4,929,062	2,940,000 **	0		(1,989,062)	0	3,696,797	0	0
7/1/13	97,330,141 (c)	2014	97,083,082	5.000%	4,854,154	2,940,000 **	0		(1,914,154)	0	3,640,616	0	0

* FY 2010 spending policy amount calculated using actual market value as of 06/30/09

**Investment Income based on Jan 2010 CREG estimate--All amounts shown in yellow are projections

distribute to to UW & colleges for difference between 5% spending policy amount & projected investment income	
FY10	\$0
FY11	\$0
FY12	\$22,844
FY13	\$1,989,062
FY14	\$1,914,154

Source: W.S. 9-4-719
 Higher Ed Spending Policy began 07/01/06

Notes:

- (a) Total Market Value for FY06 - FY08 are based on Higher Ed portion of SAP market value
- (b) Total Market Value for FY09 and FY10 is based on actual market values
- (c) Total Market Value for FY11 and beyond is based on the 06/30/09 market value plus Jan 2010 CREG additions and includes reversions from reserve account to corpus
- (d) 2009 Session-budget bill, Chapter 159, Sec 342 - excess of \$200 mm Federal Mineral Royalty revenue that would otherwise flow to the school foundation account

HATHAWAY STUDENT SCHOLARSHIP RESERVE ACCOUNT

Wyoming State Statute 21-16-1302 created the Hathaway student scholarship reserve account (Hathaway reserve account). Unlike the permanent fund spending policy reserve accounts which are funded by excess investment income over a specific spending policy amount as mentioned on previous pages of this report, the Hathaway reserve account is comprised of any unencumbered, unobligated funds remaining in the Hathaway expenditure account at the end of each fiscal year. In addition funds in the Hathaway reserve account are available specifically for use whenever the balance in the Hathaway expenditure account is insufficient to cover requests from the University of Wyoming and the seven (7) community colleges for scholarships awarded.

State statutes allow the reserve account to hold \$12 million or the amount equal to 3.75% of the previous rolling five-year average market value of the Hathaway student scholarship endowment fund (corpus). If the balance in the Hathaway reserve account exceeds either of these amounts at the end of the fiscal year, the excess is transferred to corpus after July 1 each year.

The following page provides a summary of the flows of funds into and out of the Hathaway reserve account since its creation as well as a projection of the reserve account balances for future fiscal years based on current market values and projected scholarship payments.

RESERVE ACCOUNT: HATHAWAY STUDENT SCHOLARSHIP ENDOWMENT

last update 01/22/10

W.S. 21-16-1302 established the Hathaway student scholarship reserve account. All unexpended and unencumbered monies within the Hathaway scholarship expenditure account at the end of each fiscal year are deposited into the Hathaway student scholarship reserve account. To the extent funds within the Hathaway scholarship expenditure account are not sufficient in any fiscal year to fully fund scholarships awarded pursuant to 21-16-1304 through 21-16-1306, monies are transferred from the reserve account to the expenditure account for distribution to eligible institutions to fund scholarships. At the end of each fiscal year, if funds in the reserve account are more than the greater of \$12 million or the amount equal to 3.75% of the previous five-year average market value of the Hathaway student scholarship endowment fund (corpus), the excess is transferred to corpus on or after July 1 each year.

During FY09, \$3,964,942 was transferred out of the Hathaway reserve to the Hathaway expenditure account to fully fund scholarships awarded during the fiscal year. At the end of FY09, a total of \$7,757,555 was transferred from the Hathaway scholarship expenditure account to the Hathaway scholarship reserve account and \$3,792,613 was transferred from the Hathaway reserve account to the corpus of the Hathaway Student Scholarship Endowment fund leaving a balance of \$12,000,000 in the Hathaway reserve account at the end of fiscal year 2009.

Projected investment income used to determine the amount available for Hathaway scholarships is based on Jan 2010 CREG estimates while projected expenditures for Hathaway scholarships are based on estimates provided by the the Dept. of Education's Sept. 2, 2009 projections.

HATH as of 7/1	For FY	Total HATH Investments at MARKET	Rolling 5 Year Average	Percentage in Statute <small>21-16-1302 (b)</small>	3.75% of 5 Yr Avg	Statutory Amount	X Greater of the 3.75% or Stat Amt <i>Comparison of statutory amt and</i>	Transfers into Reserve from Expenditure Account	Transfers from Reserve to Expenditure Account (for scholarships)	Cash Balance of Reserve (after transfers)	Amount Reverts to Corpus	Ending Cash Balance of Reserve s/be
2005	FY06	3,397,432 (a)	3,397,432									
2006	FY07	210,027,477 (a)	106,712,454					23,418,453	0	23,418,453	0	23,418,453
2007	FY08	298,312,993 (a)	170,579,301	3.75%	6,396,724	12,000,000	12,000,000	9,551,260	(1,717,263)	31,252,450	(19,252,450)	12,000,000
2008	FY09	417,997,280 (b)	232,433,795	3.75%	8,716,267	12,000,000	12,000,000	7,757,555	(3,964,942) (e)	15,792,613	(3,792,613)	12,000,000
2009	FY10	431,076,939 (b)	272,162,424	3.75%	10,206,091	12,000,000	12,000,000	0	(844,438)	11,155,562	0	11,155,562
2010	FY11	438,206,739 (c)	359,124,286	3.75%	13,467,161	12,000,000	13,467,161	0	(2,228,191)	8,927,371	0	8,927,371
2011	FY12	438,206,739 (d)	404,760,138	3.75%	15,178,505	12,000,000	15,178,505	0	(1,984,158)	6,943,213	0	6,943,213
2012	FY13	438,206,739 (d)	432,738,887	3.75%	16,227,708	12,000,000	16,227,708	0	(1,921,585)	5,021,628	0	5,021,628
2013	FY14	438,206,739 (d)	436,780,779	3.75%	16,379,279	12,000,000	16,379,279	0	(1,784,714)	3,236,914	0	3,236,914

FY 2010 are projections based on actual market value as of 06/30/09

Amounts shown in yellow for balance of FY10 thru FY14 are projections based on market value as of 06/30/09 and the Dept of Ed's scholarship projections (v4 09/02/09)

Source: W.S. 21-16-1302(b)

(a) Total Market Value for FY06 - FY08 are based on Hathaway portion of SAP market value

(b) Total Market Value for FY09 & FY10 is the actual market value as of fiscal year end

(c) Total Market Value for FY11 is based on the the 06/30/09 market value plus plus the addition of a \$7,129,791 coal lease bonus payment

(Of the \$50 appropriation from coal lease bonus payments, a total of \$42,870,209 was rec'd during FY09 and the balance of \$7,129,791 is anticipated to be received during FY10)

(d) Total Market Value for FY12 through FY14 anticipates no additional funds going to corpus

(e) Reflects net transfer-two colleges requested payment for full fall enrollment estimate rather than 75% of estimate

INTERFUND BORROWING
SCHOOL FOUNDATION PROGRAM

Interfund borrowing is being used again in fiscal year 2010 to fund temporary cash flow shortfalls in the School Foundation Fund in order to make school foundation program payments to Wyoming school districts as requested by Wyoming Statutes.

For several years the state issued tax and revenue anticipation notes (TRANs), as authorized by W.S. 9-4-1101 through 9-4-1105, to fund this temporary cash flow shortfalls. However, during fiscal years 2008, 2009 and again in 2010, the State of Wyoming did not issue any tax and revenue anticipation notes. Instead, school foundation program payments were made by temporary interfund borrowing from the corpus of the Common School Permanent Land Fund (CSPLF) at 6% interest as allowed by W.S. 21-13-316.

A cash flow analysis spreadsheet is included on the following page that shows the schedule of actual and projected revenue receipts, the schedule of statutory school foundation payments and the incorporation of interfund borrowing from and repayment to the CSPLF for fiscal year 2010 as of December 31, 2009.

The amount of interest paid to the Common School Permanent Land Fund account is reported as income to the account and is distributed among all school districts during the next fiscal year as provided by Wyoming Statute.

There are several reasons for the lack of liquidity to make scheduled school foundation program payments. They include timing of receipt of revenues primarily from federal mineral royalties and ad valorem taxes and the statutory schedule of payments to school districts which distributes the majority of foundation program revenues towards the beginning of the school year. As illustrated on the cash flow analysis spreadsheet, revenue shortfalls to the school foundation account occur primarily in October and February of each year.

The State Treasurer could also use the provisions of W.S. 9-1-417, which allows utilization of loans from the general fund or budget reserve account, up to \$60 million, to assist in meeting the cash flow needs for obligations of the school foundation program which come due prior to the receipt of program revenues. Loans from the general fund must be repaid as soon as anticipated revenue is received.

Liquidity needs are built into the state's investment asset allocation plan for the CSPLF each year. To ensure liquidity needs are met, the CSPLF portfolio holds a larger portion of its assets in cash and short-term bonds than held by the Permanent Wyoming Mineral Trust Fund.

STATE OF WYOMUBG
School Foundation Account - with CSPLF Borrowing
FISCAL YEAR 2010
Estimated Cash Flow - Through December 31, 2009

	Actual July 09	Actual Aug 09	Actual Sept 09	Actual Oct 09	Actual Nov 09	Actual Dec 09	Estimate Jan 10	Estimate Feb 10	Estimate Mar 10	Estimate Apr 10	Estimate May 10	Estimate Jun 10	Estimate Year End Adj Pd (13th Pd 10)	Estimate FY10 Totals	LSO & CREG FY10 Estimates Oct 09
Beginning Balance	346,729,650	346,367,664	38,212,080	57,543,847	3,496,576	34,263,917	283,195	364,024	952,327	242,265	381,550	25,573,952	302,836,946	346,729,650	338,883,551
Revenues and Transfers															
Auto Tax	347,956	143,003	8,697,776	5,221,941	1,581,016	1,080,678	1,622,381	268,759	128,962	643,301	126,703	137,523		20,000,000	20,000,000
Car Company Tax	30,412	259,494	31,159	60,340							18,595			400,000	400,000
Property Tax	1,718,244	1,084,162	597,942	4,584,941	67,089,412	99,035,789	25,077,326	5,212,032	2,588,564	2,064,066	42,847,918	98,734,001		350,634,398	350,634,398
Penalty-Delinq taxes														0	18,940
Federal Mineral Royalty (under 200mm)	7,392,000	7,392,000	7,392,000	7,392,000	7,392,000	7,392,000	7,392,000	7,392,000	7,392,000	7,392,000	7,392,000	7,392,000		88,704,000	
FMR (over 200mm)			35,759,730	489,738			47,932,000			47,932,000		47,932,000		179,505,468	232,500,000
Interest - WY Municipalities	77,861	191,301	137,583	118,211	154,220	576,389	31,591	37,059	77,515	20,583	9,585	68,101		1,500,000	1,000,000
Interest - Investments		744,105	567,314	112,054	91,911	27,621	451,069	802,738	314,332	149,699	365,432	373,725		4,000,000	4,000,000
Recapture		2,709,102				3,961,659	72,096,418		76,058,077		76,058,077	76,058,077		306,941,410	304,232,307
Comm School Income Fund (Trsfr from)							25,700,000					25,700,000	20,000,000	71,400,000	51,400,000
Net Capital Gain/(Loss)		(187,668)	83,208	86,197	77,986	24,324								84,048	
CSPLF Interfund Borrowing				212,000,000	0	(82,000,000)	(124,000,000)	218,000,000	(81,000,000)	(50,000,000)	(93,000,000)	0		0	
Total Revenues and Transfers	9,566,473	12,335,502	53,266,712	230,065,422	76,386,546	30,098,461	56,302,785	231,712,588	5,559,450	7,661,649	33,818,310	256,395,427	20,000,000	1,023,169,325	964,185,645
Expenditures															
Entitlements - School Districts		(178,490,831)		(167,063,272)				(174,326,455)						(519,880,558)	(527,143,741)
ECA Entitlements		(21,936,137)		(20,531,715)				(22,316,973)						(64,784,825)	(64,784,825)
Entitlement/Adjustments	40,987	107,634	12,013	(4,997)	587,693		(540,555)	(540,555)	(540,555)	(540,555)	(540,555)	(540,555)		(2,500,000)	(2,500,000)
Combined Incentive Payments				(103,474)	(6,661)			(89,865)						(200,000)	(200,000)
Tax Shortfall Grants				(5,383,196)										(5,383,196)	(15,000,000)
Distance Learn Incentive														0	(250,000)
Recapture Loan		(74,676,089)										74,676,089		0	
Vocational Education Grants	(18,393)		(72,189)		(76,715)	(69,846)		(11,298)				(1,560)		(250,000)	(250,000)
SF01 & SF70 Summer School	(20,937)	(2,359,527)	(245,899)	(90,129)	(5,451,168)	(5,149)	(197,078)		(206,797)		(202,803)	(220,514)		(9,000,000)	(9,000,000)
SF70 At-Risk	(9,512)	(10,310)	(10,081)	(11,089)	(901)	(74,271)	(8,026)	(12,263)	(9,928)	(10,061)	(19,636)	(16,877)	(272)	(193,227)	
SF70 Distance Education	(10,724)	(6,751)	(6,568)	(17,717)	(9,130)	(21,802)	(23,528)	(26,416)	(23,727)	(29,673)	(20,064)	(577)		(206,072)	
SF70 Student Enrichment	(11,522)	(3,500)	(18,558)	(41,937)	(51,931)	(1,618)	(8,707)	(6,410)		0	(16,637)	(83,459)		(244,279)	
SF70 Food Service				(3,604,214)										(3,604,214)	(3,650,000)
SF70 Distance Education Grant		(77,519)			(19,702)	(1,222)	(41,965)	(41,965)	(41,965)	(41,965)	(41,965)	(41,965)		(350,233)	
COP Payments	(787,596)	(805,825)	(601,012)	(675,822)	(789,185)	(612,991)	(1,152,099)	(1,302,136)	(1,220,107)	(1,248,693)	(1,147,068)	(1,186,028)		(11,528,563)	(11,528,563)
SF01 & SF70 Instructional Facilitators	20,265	(19,825,481)	122,487											(19,682,729)	(19,756,000)
National Bd Certification Payment Reimb								(1,000,000)						(1,000,000)	(872,000)
Education Reform	(54,470)	(570,635)	(2,042,077)	(1,968,564)	(106,787)	(771,227)	(1,173,299)	(3,282,365)	(1,088,673)	(3,455,663)	(1,833,260)	(1,479,158)	(1,297,206)	(19,123,384)	(19,123,384)
Student Performance Data System	(7,154)	(6,505)	(18,901)	(17,603)	52,272	(68,554)	(194,903)	(155,583)	(155,463)	(156,569)	(155,362)	(211,203)	(155,267)	(1,250,794)	(1,250,794)
WDE Budget	(294,077)	(132,857)	(321,165)	(325,706)	(681,854)	(149,300)	(407,634)	(882,554)	(347,209)	(457,368)	(511,267)	(493,514)	(191,453)	(5,195,957)	(5,195,957)
+ C.S. Spending Policy Trsfr to C.S. Reserve														0	
* Capital Facilities Bond Debt Service (FMR)			(6,235,269)	1,729,500	1,167,000		3,729,500							390,731	
National Guard Youth Challenge	11	(60,153)	(46,393)	(145,121)	17,015	(101,920)	(36,927)	(149,215)	(197,768)	(73,421)	(3,857)	(240,479)	(10,760)	(1,048,989)	(1,048,989)
School Funding Equity Litigation	(77,236)	(63,898)	(67,679)	(63,172)	(45,692)	(47,677)	(407,547)	(236,590)	(279,768)	(215,308)	(227,535)	(321,052)	(1,601)	(2,054,755)	(2,054,755)
Capital Construction	(8,698,974)	(21,530,537)	(20,430,263)	(751,058,89)	(22,025,113)	(12,777,556)	(54,941,225)	(26,532,886)	(535,282)	(398,458)	(3,255,553)	(48,774,223)		(220,651,129)	(127,543,162)
Teacher Shortage Loan Repayment	873	(6,700)	1,123	(574)	(84,803)	454	3,240	(1,329)	(313,153)	(5,558)	4,281	2,147		(400,000)	(400,000)
Trust Land Preservation - OSLI		(35,465)	(102,032)	(42,832)	(33,544)	(132,834)	(164,109)	(164,109)	(164,109)	(164,109)	(164,109)	(164,109)		(1,331,361)	(1,331,360)
Retirement System Audit							(15,909)	(15,909)	(15,909)	(15,909)	(15,909)	(15,909)		(95,454)	
09 HB 001 Section 342 Higher Ed			(3,852,480)											(3,852,480)	
09 SF 124 Sec 2 (WS 21-13-306) Foundation				(85,000,000)	(17,000,000)	(48,197,697)	(650,000)	(30,000)	(1,120,000)	(715,000)	(465,000)	0		(150,197,697)	(150,197,697)
Interfund Borrowing Interest Expense					(1,060,000)	(1,060,000)								(5,100,000)	(3,335,000)
Total Education Expenditures	(9,928,459)	(320,491,086)	(33,934,944)	(284,112,693)	(45,619,205)	(64,079,183)	(56,221,956)	(231,124,285)	(6,269,512)	(7,522,364)	(8,625,908)	20,867,567	(1,657,136)	(1,048,719,165)	(966,416,227)
Ending Balance	346,367,664	38,212,080	57,543,847	3,496,576	34,263,917	283,195	364,024	952,327	242,265	381,550	25,573,952	302,836,946	321,179,810	321,179,810	336,652,969
CSPLF Loan Balance	0	0	0	212,000,000	212,000,000	130,000,000	6,000,000	224,000,000	143,000,000	93,000,000	0	0	0		

+ W.S. 9-4-719(g) and W.S. 9-4-601(d)(vi)

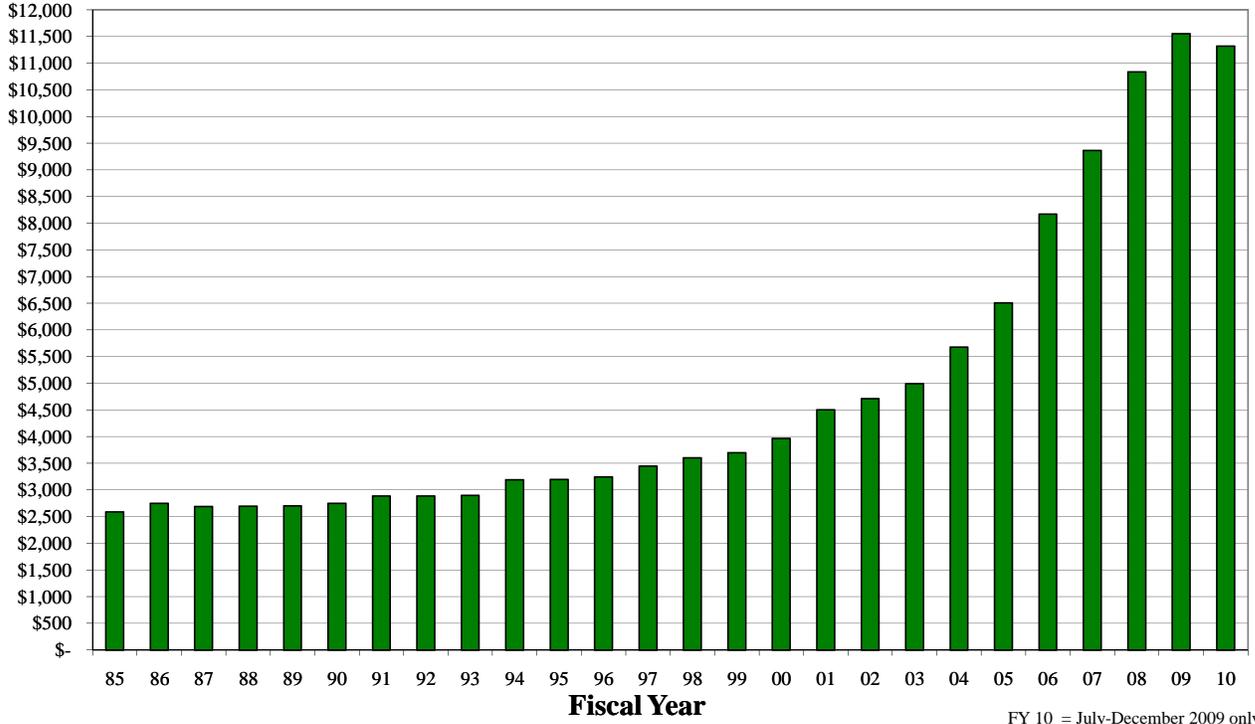
* W.S. 9-4-605

FMR Divert/Repay Cap Fac Bond Debt Service

WYOMING STATE TREASURER'S OFFICE

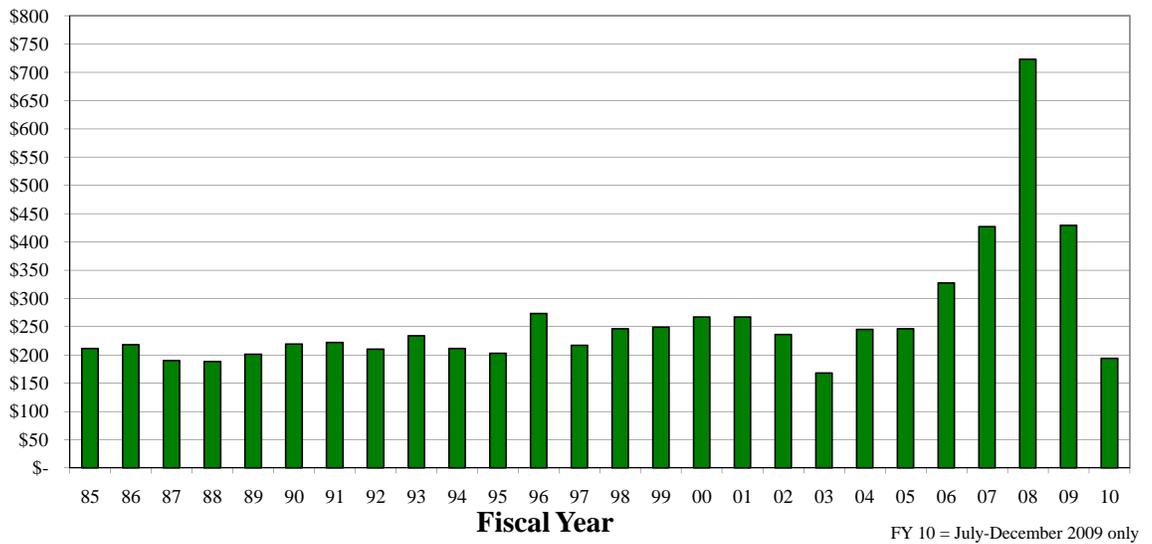
TOTAL STATE PORTFOLIO

(\$ Millions)



INVESTMENT INCOME

(\$ Millions)



**WYOMING STATE TREASURER
JOE MEYER**

