

Natural Resources Related Trust Funds Investment Report

Information as of October 31, 2010

**Meeting of Natural Resources Commission
December 9, 2010**



**Prepared By Bureau of Investments
Michigan Department of Treasury**

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**Natural Resources Related Trust Funds
Amount Available For Investment and
Asset Allocation Targets**

Fund No.	Fund Name	Total Market Value as of 10/31/10	Amount Available For Investment at 5/20/10*	Asset Allocation Targets**	
				Bonds	Equity
112	Game & Fish Protection Trust (Lifetime License)	\$9,693,696	\$1,679,794	100%	0%
124	Game & Fish Protection Trust Fund	202,556,058	169,855,847	70%	30%
129	Natural Resources Trust Fund	695,465,760	497,850,526	75%	25%
130	State Park Endowment Fund	155,307,584	140,276,349	75%	25%
143	Nongame Fish & Wildlife Trust	6,886,864	5,992,806	90%	10%
Total		\$1,069,909,963	\$815,655,322		

*Amounts provided by DNR

**Ratio Based on Amount Available For Investment.

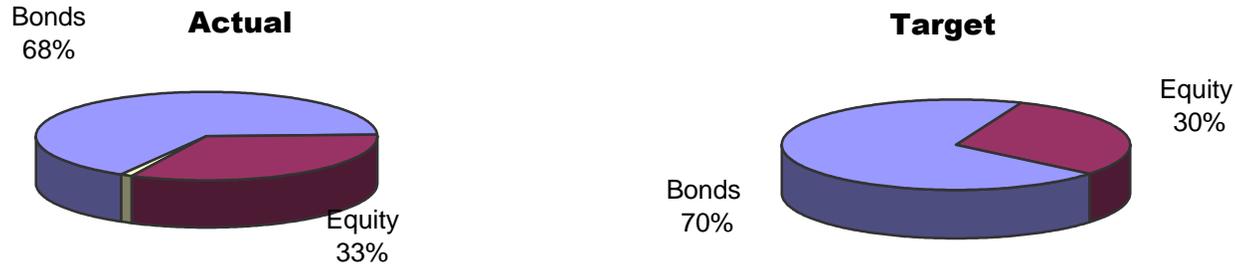
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Natural Resources Related Trust Funds
Asset Allocation By Fund
Investment Market Values as of October 31, 2010

<u>Asset Class</u>	Game & Fish Protection Trust (124)		Natural Resources Trust (129)	
	<u>Market Value</u>	<u>%</u>	<u>Market Value</u>	<u>%</u>
Bond Investments	\$115,073,424	67.7%	\$369,410,668	74.2%
Equity Investments	56,759,755	33.4%	139,496,835	28.0%
Total Bonds + Equity	\$171,833,179	101.2%	\$508,907,503	102.2%
Cash Available For Investment	-1,977,332	-1.2%	-11,056,977	-2.2%
DNR Amount Available For Investment	\$169,855,847	100.0%	\$497,850,526	100.0%
Operating Funds	32,700,211		197,615,234	
Total MV For Fund	<u>\$202,556,058</u>		<u>\$695,465,760</u>	

<u>Asset Class</u>	State Parks Endowment (130)		Nongame Fish & Wildlife Trust (143)	
	<u>Market Value</u>	<u>%</u>	<u>Market Value</u>	<u>%</u>
Bond Investments	\$102,597,375	73.1%	\$5,650,799	94.3%
Equity Investments	37,800,041	26.9%	735,801	12.3%
Total Bonds + Equity	\$140,397,417	100.1%	\$6,386,599	106.6%
Cash Available For Investment	-121,068	-0.1%	-393,793	-6.6%
DNR Amount Available For Investment	\$140,276,349	100.0%	\$5,992,806	100.0%
Operating Funds	15,031,235		894,058	
Total MV For Fund	<u>\$155,307,584</u>		<u>\$6,886,864</u>	

Natural Resources Related Trust Funds
Game & Fish Protection Trust (124)
Comparison of Actual Allocation vs. Targeted Allocation
Investment Market Values as of October 31, 2010



Total Amount Available For Investment*	Target for Bond Investments		Actual Bond Investments as of October 31, 2010		Difference of Target/Actual	
	Ratio	Amount**	Market Value	%**	Market Value	%**
\$169,855,847	70%	\$118,899,093	\$115,073,424	68%	-\$3,825,669	-2%
Total Amount Available For Investment*	Target For Equity Investments		Actual Equity Investments as of October 31, 2010		Difference of Target/Actual	
	Ratio	Amount**	Market Value	%**	Market Value	%**
\$169,855,847	30%	\$50,956,754	\$56,759,755	33%	\$5,803,001	3%

*Amount provided by DNR

** Based on Amount Available For Investment

Prepared by Bureau of Investments, Michigan Department of Treasury

**Natural Resources Related Trust Funds
Game & Fish Protection Trust (124)
Investment Holdings as of October 31, 2010**

Top 10 Bond Holdings

CUSIP	Issuer	Coupon (%)	Maturity	Par Value	Rating	YTM (%)	Price	Market Value	%**
87612EAV8	Target	3.875	07/15/2020	\$6,000,000	A2	3.289	\$105.08	\$6,304,530	3.1%
713448BH0	Pepsico	5.000	06/01/2018	5,000,000	Aa3	2.967	114.13	5,706,700	2.8%
500472AA3	Royal Philips Electronics	4.625	03/11/2013	5,000,000	A3	0.973	108.62	5,430,757	2.7%
928670AB4	Volkswagen	4.000	08/12/2020	5,000,000	A3	3.663	102.32	5,116,100	2.5%
931142CU5	Wal-mart Stores	3.625	07/08/2020	5,000,000	Aa2	3.309	102.18	5,109,200	2.5%
02666QF32	American Honda Finance Corp.	2.375	03/18/2013	4,950,000	A1	1.303	102.54	5,075,908	2.5%
70109HAK1	Parker Hannifin Corp.	3.500	09/15/2022	5,000,000	A2	3.368	100.79	5,039,745	2.5%
06048WDA5	Bank Of America Corp.	5.000	08/18/2025	5,000,000	A2	5.879	99.11	4,955,465	2.4%
59156RAX6	Metlife, Inc.	4.750	02/08/2021	4,500,000	A3	4.037	105.80	4,760,969	2.4%
69373UAA5	Paccar, Inc.	6.875	02/15/2014	4,000,000	A1	1.523	117.10	4,683,972	2.3%
	REMAINING 30 BOND HOLDINGS			56,234,756				62,890,079	31.0%
Total Bond Holdings		4.653		\$105,684,756	A1	2.770	\$110.14	\$115,073,424	

Equity Holdings

CUSIP	Issuer	Shares	Price	Market Value
922040209	Vanguard S&P 500	503,450	\$108.35	\$54,548,790
92290883	Vanguard Midcap	117,168	18.87	2,210,965

Total Equity Holdings

\$56,759,755

Cash/Commercial Paper

\$30,722,879

Total Investment Holdings

\$202,556,058

Estimated Income & Dividends Over the Next 12 Months

	<u>Return Rate*</u>	<u>Amount</u>
Bonds	Varies	\$4,850,000
Common Cash	0.25%	76,807
Equity Dividends	2.12%	1,203,307
Total Estimated Income & Dividends Over the Next 12 Months		\$6,130,114
Income Yield on Current Fund Market Value	3.03%	

*Excludes appreciation.

** % of Total Market Value

Natural Resources Related Trust Funds
Natural Resources Trust (129)
Comparison of Actual Allocation vs. Targeted Allocation
Investment Market Values as of October 31, 2010



Total Amount Available For Investment*	Target for Bond Investments		Actual Bond Investments as of October 31, 2010		Difference of Target/Actual	
	Ratio	Amount**	Market Value	%**	Market Value	%**
\$497,850,526	75%	\$373,387,895	\$369,410,668	74%	-\$3,977,226	-1%
Total Amount Available For Investment*	Target For Equity Investments		Actual Equity Investments as of October 31, 2010		Difference of Target/Actual	
	Ratio	Amount**	Market Value	%**	Market Value	%**
\$497,850,526	25%	\$124,462,632	\$139,496,835	28%	\$15,034,204	3%

*Amount provided by DNR

** Based on Amount Available For Investment

Prepared by Bureau of Investments, Michigan Department of Treasury

Natural Resources Related Trust Funds
Natural Resources Trust (129)
Investment Holdings as of October 31, 2010

Top 10 Bond Holdings

CUSIP	Issuer	Coupon (%)	Maturity	Par Value	Rating	YTM (%)	Price	Market Value	%**
36962GH31	Ge Capital Corp.	5.000	03/30/2019	\$10,500,000	Aa2	2.566	\$100.96	\$10,601,042	1.5%
36202FHX7	GNMA POOL	4.500	07/20/2040	9,937,789	Aaa	2.656	106.44	10,577,353	1.5%
87612EAV8	Target Corp.	3.875	07/15/2020	10,000,000	A2	3.289	105.08	10,507,550	1.5%
3620A2XC5	GNMA POOL	4.500	06/15/2039	9,276,071	Aaa	1.999	106.81	9,907,903	1.4%
3128X9F62	Federal Home Loan Mortgage Corp.	4.500	02/25/2020	9,444,000	Aaa	0.492	101.23	9,560,275	1.4%
3136FM3K8	Federal National Mortgage Association	3.000	08/09/2018	9,200,000	Aaa	0.683	101.78	9,363,659	1.3%
134429AT6	Campbell Soup Co.	4.500	02/15/2019	8,340,000	A2	2.981	111.08	9,264,097	1.3%
718172AH2	Philip Morris International, Inc.	4.500	03/26/2020	8,000,000	A2	3.309	109.12	8,729,464	1.3%
94980VAA6	Wells Fargo Bank N.a.	4.750	02/09/2015	8,000,000	Aa3	2.592	108.66	8,692,856	1.2%
68389XAJ4	Oracle Corp.	3.875	07/15/2020	8,000,000	A2	3.360	104.23	8,338,360	1.2%
	REMAINING 66 BOND HOLDINGS			248,605,000				273,868,110	39.4%
Total Bond Holdings		4.520		\$339,302,861	A1	2.440	\$109.83	\$369,410,668	

Equity Holdings

CUSIP	Issuer	Shares	Price	Market Value
922040209	Vanguard S&P 500	1,171,823	\$108.35	\$126,967,032
92290883	Vanguard Midcap	664,007	18.87	12,529,803

Total Equity Holdings

\$139,496,835

Cash/Commercial Paper

\$186,558,257

Total Investment Holdings

\$695,465,760

Estimated Income & Dividends Over the Next 12 Months

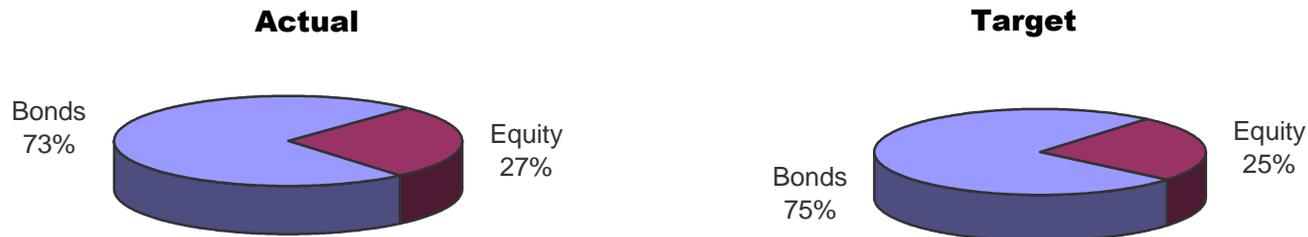
	<u>Return Rate*</u>	<u>Amount</u>
<i>Bonds</i>	<i>Varies</i>	\$15,223,000
<i>Common Cash</i>	<i>0.25%</i>	466,396
<i>Equity Dividends</i>	<i>2.12%</i>	2,957,333
Total Estimated Income & Dividends Over the Next 12 Months		\$17,847,374
Income Yield on Current Fund Market Value	2.57%	

*Excludes appreciation.

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** % of Total Market Value

**Natural Resources Related Trust Funds
State Park Endowment (130)
Comparison of Actual Allocation vs. Targeted Allocation
Investment Market Values as of October 31, 2010**



Total Amount Available For Investment*	Target for Bond Investments		Actual Bond Investments as of October 31, 2010		Difference of Target/Actual	
	Ratio	Amount**	Market Value	%**	Market Value	%**
\$140,276,349	75%	\$105,207,262	\$102,597,375	73%	-\$2,609,887	-2%
Total Amount Available For Investment*	Target For Equity Investments		Actual Equity Investments as of October 31, 2010		Difference of Target/Actual	
	Ratio	Amount**	Market Value	%**	Market Value	%**
\$140,276,349	25%	\$35,069,087	\$37,800,041	27%	\$2,730,954	2%

*Amount provided by DNR

** Based on Amount Available For Investment

Prepared by Bureau of Investments, Michigan Department of Treasury

**Natural Resources Related Trust Funds
State Park Endowment (130)
Investment Holdings as of October 31, 2010**

Top 10 Bond Holdings

CUSIP	Issuer	Coupon (%)	Maturity	Par Value	Rating	YTM (%)	Price	Market Value	%**
931422AE9	Walgreen Co.	5.250	01/15/2019	\$5,000,000	A2	3.008	\$115.77	\$5,788,575	3.7%
24422EQR3	John Deere Capital Corp.	5.350	04/03/2018	4,400,000	A2	3.028	115.49	5,081,661	3.3%
46625HHS2	Jpmorgan Chase & Co., Inc.	4.400	07/22/2020	4,000,000	Aa3	4.177	101.76	4,070,340	2.6%
92343VAL8	Verizon Communications, Inc.	5.500	02/15/2018	3,000,000	A3	3.080	115.44	3,463,086	2.2%
89152UAA0	Total Capital Sa	3.125	10/02/2015	3,250,000	Aa1	1.942	105.81	3,438,728	2.2%
097023AZ8	The Boeing Co.	4.875	02/15/2020	3,000,000	A2	3.148	113.36	3,400,689	2.2%
428236AV5	Hewlett-packard Co.	4.750	06/02/2014	3,000,000	A2	1.277	111.77	3,353,070	2.2%
904764AJ6	Unilever Capital Corp.	3.650	02/15/2014	3,000,000	A1	1.249	107.66	3,229,659	2.1%
3136FMHF4	Federal National Mortgage Association	2.200	12/30/2013	3,000,000	Aaa	0.135	100.30	3,009,123	1.9%
92343VAC8	Verizon Communications, Inc.	5.550	02/15/2016	2,500,000	A3	2.113	117.43	2,935,663	1.9%
REMAINING 35 BOND HOLDINGS				58,584,809				64,826,782	41.7%
Total Bond Holdings		4.780		\$92,734,809	A2	2.510	\$110.85	\$102,597,375	

Equity Holdings

CUSIP	Issuer	Shares	Price	Market Value
922040209	Vanguard S&P 500	333,114	\$108.35	\$36,092,879
92290883	Vanguard Midcap	90,470	18.87	1,707,162
Total Equity Holdings				\$37,800,041

Cash/Commercial Paper

\$14,910,168

Total Investment Holdings

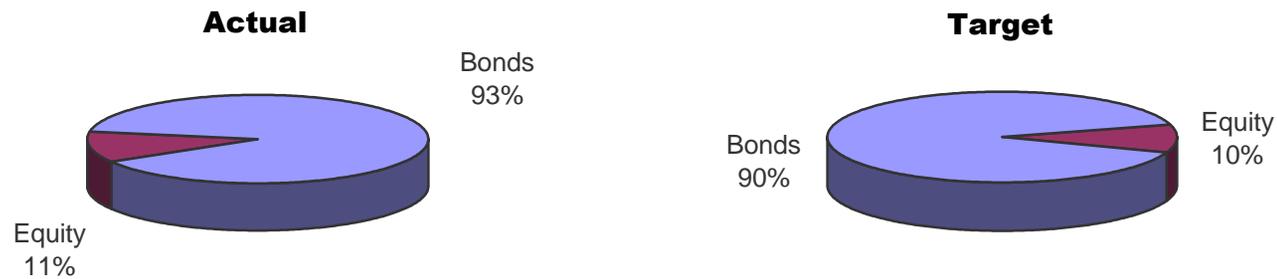
\$155,307,584

Estimated Income & Dividends Over the Next 12 Months

	<u>Return Rate*</u>	<u>Amount</u>
Bonds	Varies	\$4,395,000
Common Cash	0.25%	37,275
Equity Dividends	2.12%	801,361
Total Estimated Income & Dividends Over the Next 12 Months		\$5,153,569
Income Yield on Current Fund Market Value	3.32%	

*Excludes appreciation.

Natural Resources Related Trust Funds
Nongame Fish & Wildlife Trust (143)
Comparison of Actual Allocation vs. Targeted Allocation
Investment Market Values as of October 31, 2010



Total Amount Available For Investment*	Target for Bond Investments		Actual Bond Investments as of October 31, 2010		Difference of Target/Actual	
	Ratio	Amount**	Market Value	%**	Market Value	%**
\$5,992,806	90%	\$5,393,525	\$5,650,799	94%	\$257,273	4%
Total Amount Available For Investment*	Target For Equity Investments		Actual Equity Investments as of October 31, 2010		Difference of Target/Actual	
	Ratio	Amount**	Market Value	%**	Market Value	%**
\$5,992,806	10%	\$599,281	\$735,801	12%	\$136,520	2%

* Amount provided by DNR

** Based on Amount Available For Investment

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Natural Resources Related Trust Funds
Nongame Fish & Wildlife Trust (143)
Investment Holdings as of October 31, 2010

Bond Holdings

CUSIP	Issuer	Coupon (%)	Maturity	Par Value	Rating	YTM (%)	Price	Market Value	%**
36962G4N1	Ge Capital Corp.	2.500	08/11/2015	\$600,000	Aa2	1.425	\$99.35	\$596,104	8.7%
054303AU6	Avon Products, Inc.	5.750	03/01/2018	500,000	A2	3.089	117.18	585,898	8.5%
87612EAP1	Target Corp.	5.375	05/01/2017	500,000	A2	2.555	117.00	585,002	8.5%
250847ED8	The Detroit Edison Co.	5.600	06/15/2018	500,000	A2	3.662	113.12	565,581	8.2%
097023BC8	The Boeing Co.	3.750	11/20/2016	500,000	A2	1.985	109.97	549,855	8.0%
585055AS5	Medtronic, Inc.	4.450	03/15/2020	500,000	A1	3.301	109.20	545,989	7.9%
500472AA3	Royal Philips Electronics Nv	4.625	03/11/2013	500,000	A3	0.973	108.62	543,076	7.9%
89152UAA0	Total Capital Sa	3.125	10/02/2015	500,000	Aa1	1.942	105.81	529,035	7.7%
054303AR3	Avon Products, Inc.	4.200	07/15/2018	400,000	A2	3.092	106.91	427,645	6.2%
949746FS5	Wells Fargo & Co.	4.625	04/15/2014	250,000	A2	2.472	107.10	267,757	3.9%
74456QAT3	Public Service Electric & Gas Co.	6.330	11/01/2013	200,000	A2	1.405	114.56	229,114	3.3%
079860AL6	Bellsouth Corp.	5.200	12/15/2016	200,000	A2	2.935	112.87	225,743	3.3%
Total Bond Holdings		4.514		\$5,150,000	A2	2.250	\$110.14	\$5,650,799	

Equity Holdings

CUSIP	Issuer	Shares	Price	Market Value
922040209	Vanguard S&P 500	6,790.96	\$108.35	\$735,801

Cash/Commercial Paper

\$500,265

Total Investment Holdings

\$6,886,864

Estimated Income & Dividends Over the Next 12 Months

	<u>Return Rate*</u>	<u>Amount</u>
<i>Bonds</i>	<i>Varies</i>	\$230,000
<i>Common Cash</i>	<i>0.25%</i>	1,251
<i>Equity Dividends</i>	<i>2.12%</i>	15,599
Total Estimated Income & Dividends		15,850
Over the Next 12 Months		\$246,850
Income Yield on Current Fund Market Value	3.58%	

*Excludes appreciation.

**Natural Resources Related Trust Funds
Investment Return Performance Summary
For Periods Ending October 31, 2010**

Fund No.	Fund Name	Time-Weighted Rates of Return			
		5 Years*	3 Years*	2 Years*	1 Year
112	Game & Fish Protection Fund	3.76%	2.66%	3.94%	2.14%
124	Game & Fish Trust Fund	6.30%	4.16%	12.78%	9.75%
129	Natural Resources Trust Fund	5.89%	5.11%	9.86%	8.46%
130	State Parks Endowment Fund	6.56%	5.76%	12.15%	10.78%
143	Nongame Fish & Wildlife Trust	7.30%	7.43%	13.41%	10.86%
	Combined Natural Resources Trust Funds	6.07%	5.08%	10.69%	9.03%

*Annualized returns

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Natural Resources Related Trust Funds
Investment Return Performance By Asset Class
For Periods Ending October 31, 2010

Asset Class	Share of Fund	Time-Weighted Rates of Return			
		5 Years*	3 Years*	2 Years*	1 Year
Short Term Investments	22.5%	3.02%	1.49%	0.55%	0.25%
<i>30 Day Treasury Bill</i>		<i>2.28%</i>	<i>0.72%</i>	<i>0.10%</i>	<i>0.11%</i>
U.S. Government Bonds	5.2%	6.09%	6.22%	7.93%	6.21%
<i>Barclays Government Security Index</i>		<i>6.33%</i>	<i>7.14%</i>	<i>11.50%</i>	<i>8.48%</i>
Corporate Bonds	50.4%	7.69%	9.36%	16.38%	10.79%
<i>Barclays Credit Index</i>		<i>6.74%</i>	<i>7.93%</i>	<i>19.09%</i>	<i>11.17%</i>
S&P 500 Fund	20.4%	N/A **	N/A **	13.21%	16.55%
<i>S&P 500 Index</i>				<i>13.11%</i>	<i>16.52%</i>
Mid Cap Fund	1.5%	N/A **	N/A **	24.15%	28.24%
<i>MSCI US Mid Cap 450 Index</i>				<i>24.15%</i>	<i>28.37%</i>
Total Equities		N/A **	N/A **	13.75%	17.19%
Total Funds	100.0%	6.07%	5.08%	10.69%	9.03%

*Annualized Returns
**N/A = Not Available

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