

March 31, 2009

Dear *New MexiGROW* LGIP Participant,

In our announcement on February 27, 2009, we explained the LGIP's plan in response to the Reserve Primary Fund's decision to modify future distributions as a result of anticipated and pending litigation against it. We also told you at that time that we would notify participants in writing as to how the revised plan would affect each participant's account(s). For your reference, we enclose a copy of the announcement dated February 27, 2009. In a separate letter to participants on February 27, 2009, regarding the LGIP end-of-month procedures, we told you that a third party would review and certify the account balances of participants affected by the Reserve Primary Fund's actions. Since that time, Fiscal Strategy Group, Inc., has reviewed the LGIP's revised plan, verified the accuracy of the LGIP's calculations, and provided its opinion regarding the methodology used to implement the revised plan.

The LGIP continues to operate the same procedurally, although you may have noticed that the returns earned have recently declined. Please be aware that this decrease is attributable to a shift in strategy by which the LGIP has been divested of all money market mutual funds and has invested those assets in Treasury bills and fully-collateralized bank deposits to focus on safety, liquidity and return in that order.

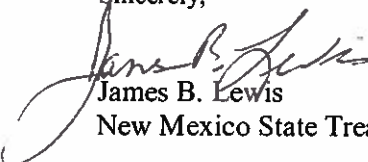
Going forward, you will continue to receive monthly statements on both the LGIP and the RCF. Please be aware that your pro rata share of the Reserve Primary Fund investment is at this time a non-performing asset that represents claims against future distributions of principle from the Reserve Primary Fund. As such, your balances in the RCF will not earn interest. As principal distributions are made from the Reserve Primary Fund, your pro rata share will be paid directly to you and your balance in the RCF will be reduced by a like amount.

In an effort to maintain complete disclosure regarding your holdings in the LGIP, this month's statement package for the LGIP looks a little different and includes the following additional information:

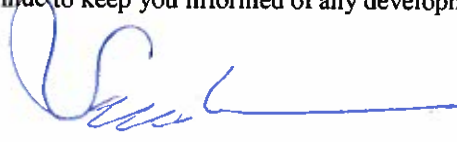
- **March 2009 LGIP Statement** – This statement reflects the transfer of your pro rata share of the Reserve Primary Fund investment from the LGIP to the new Reserve Contingency Fund.
- **March 2009 Reserve Contingency Fund (RCF) Statement** – This statement reflects the deposit of the Reserve Primary Fund investment into the RCF from the LGIP.
- **RCF Worksheet** – This worksheet illustrates the calculations that determined your pro rata share of the Reserve Primary Fund that was deposited into the RCF.
- **Independent, Third-Party Verification** – As we stated above, the State Treasurer's Office (STO) engaged Financial Strategy Group, Inc., of Albuquerque to confirm participant account balances in the LGIP as of specific dates; review the methodology used to implement the plan; and verify the calculations used to allocate a portion of participant account balances to the Reserve Contingency Fund with regard to the LGIP's investment in the Reserve Fund Primary Fund.

The STO continues to evaluate information received from the Reserve Primary Fund to determine whether the STO has any recourse in light of the Reserve Primary Fund's actions. The STO will continue to manage LGIP funds with discipline and expertise, and we will continue to keep you informed of any developments affecting the RCF and the LGIP.

Sincerely,



James B. Lewis
New Mexico State Treasurer



Scott Newman, CFA
Interim, Chief Investment Officer



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New MexiGROW LGIP deposits are not guaranteed or insured by any bank, the State of New Mexico, the Federal Deposit Insurance Corporation, the Federal Reserve Board, or any other agency. *New MexiGROW* LGIP deposits involve certain investment risks. Yield and total return may fluctuate and are not guaranteed.