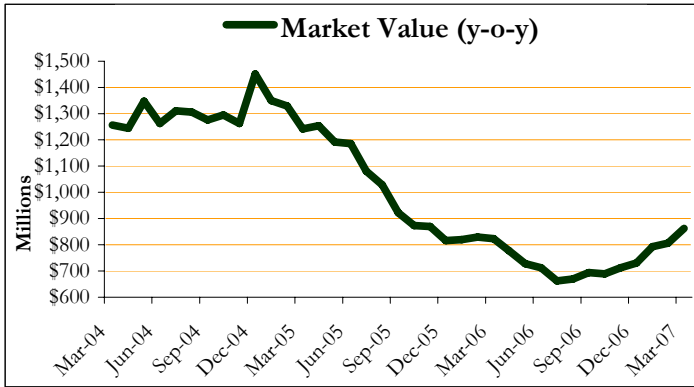


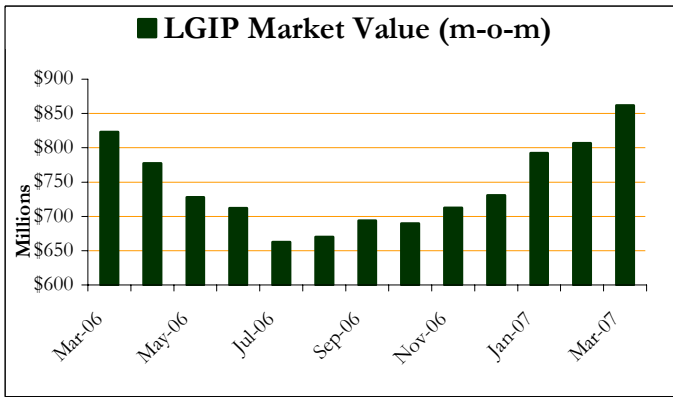
NEW MEXICO STATE TREASURER'S EXECUTIVE SUMMARY OF INVESTMENT ACTIVITY

As of March 31, 2007

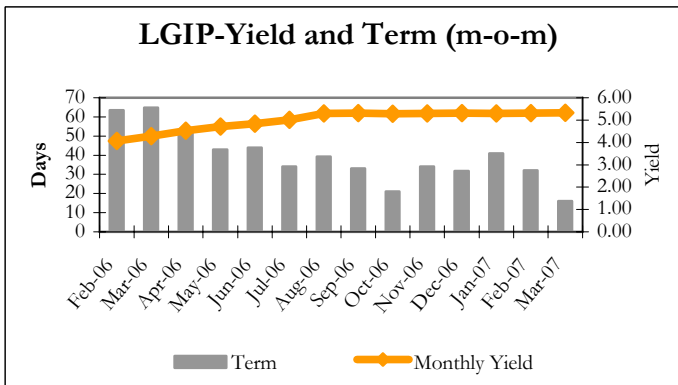
NEW MEXIGROW LOCAL GOVERNMENT INVESTMENT POOL (LGIP)



- The year-over-year market value of the LGIP portfolio as of March 31 was \$861.6 million, compared to a market value of \$823 million at the same period last year and \$1.29 billion at the same period two years ago.



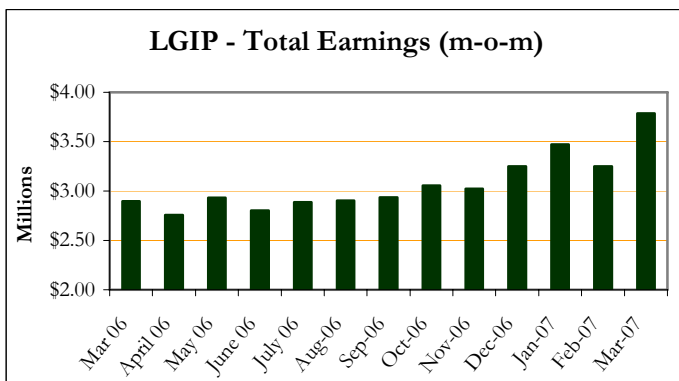
- During March the market value of the portfolio increased 6.8%, from \$806.6 million in February to \$861.6 million. Participant contributions were \$85.5 million and withdrawals were \$31.9 million.



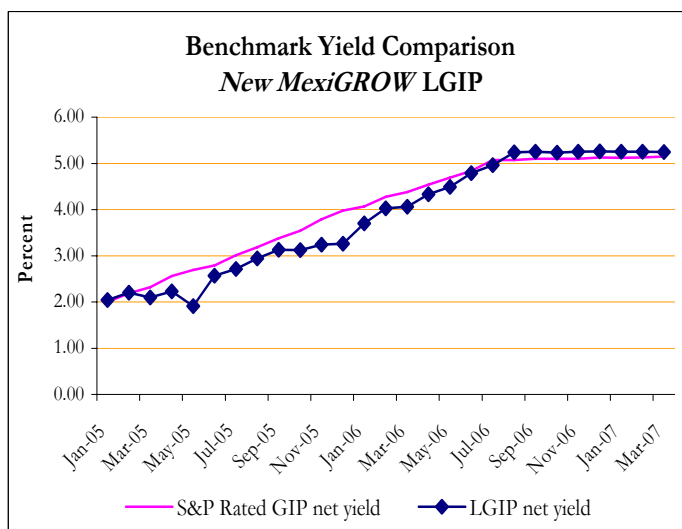
- The gross yield was 5.32% at March 31, an increase from the 5.30% at February 28. The weighted average maturity at March 31 was 16 days, down from the February 28 weighted average maturity of 32 days and within the S&P set limit of 50 days.

Asset Type	Yield	Market Value	% of Portfolio	Term (days)
Agencies	5.26%	\$116,293,308	13.5%	35
Commercial Paper	5.37%	\$254,555,715	29.5%	36
Money Market Funds	5.31%	\$489,400,000	56.8%	1
LGIP Bank Account	4.99%	\$1,348,390	0.2%	1
Total:	5.32%	\$861,597,413	100.0%	16

- The month-end portfolio holdings were 13.5% in U.S. government agency securities, 29.5% in A-1+ commercial paper, 56.8% in AAA money market funds, and 0.2% in the bank account balance.
- March investment activity in the LGIP portfolio included the purchase of \$60 million in A-1+ commercial paper with an annualized yield of 5.35% and average term of 14 days.



- LGIP earnings for March totaled \$3.7 million, a 12% increase from February earnings of \$3.3 million. Fiscal year-to-date earnings for the LGIP totaled \$28.7 million compared to \$23.3 million through the same period last fiscal year.



- The 30-day net yield of the LGIP as of March 31 was 5.25%, outperforming the 30-day net S&P Rated Government Investment Pool index (5.14%) by 11 basis points. The 30-day gross yield of the LGIP at month-end, 5.32%, trailed the 30-day gross S&P Rated GIP index of 5.35% by 3 basis points. The administrative fee assessed to participants for March was 4.5 basis points; fees collected through March totaled \$288,000.

NEW MEXICO STATE TREASURER'S EXECUTIVE SUMMARY OF INVESTMENT ACTIVITY

As of March 31, 2007

Investment Strategy Employed During the Past Quarter

- **New MexiGROWLGIP:** In compliance with the S&P AAAM rating maintenance criteria that the asset mix and asset types purchased for the portfolio be at least 50% A-1+ (or AAA) rated with the remaining 50% being A-1 (or AA) rated, the portfolio maintained at least 95% of A-1+ rated investments. The weighted average maturity was maintained at 50 days or less. Maturity dates of purchased securities were laddered by week to provide constant cash inflows; however, the money market funds were the primary instrument used for liquidity needs due to their competitive short-term rates.

Investment Strategy Plan For the Next Quarter

- **New MexiGROWLGIP:** Compliance with rating criteria will continue to mandate the investing strategy for the LGIP. Investment in high-quality commercial paper will be revisited once internal STO research into the underlying assets of these securities has determined that exposure to sub-prime mortgages, if any, is minimal. Investment in agency discount notes will be utilized for longer term investments and/or when investment in CP is maximized. AAA rated money market funds will continue to be used for investment, taking advantage of the favorable short-term rates while they last. Additionally, the overnight repurchase pool will be re-introduced to the LGIP as a secondary liquidity investment.

Asset Mix and Maturity Targets

- **New MexiGROWLGIP:** The WAM for the LGIP will be maintained at 50 days or less, but primarily staying within 30 days while short-term rates are favorable. Asset allocation will fluctuate between commercial paper, agency discount notes, money market funds and the overnight repurchase pool depending on the most favorable yield and portfolio investment compliance limits. Commercial paper will be utilized for shorter-term maturities, agency discount notes for longer-term maturities, and money markets for liquidity and investment when advantageous.