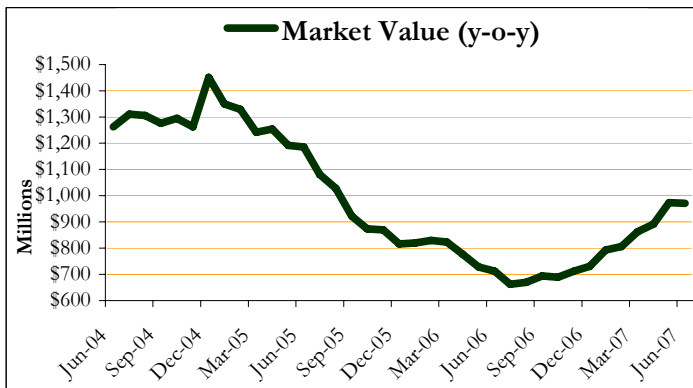


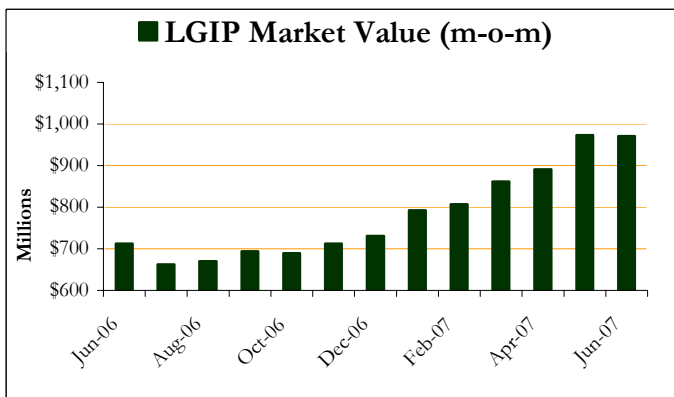
NEW MEXICO STATE TREASURER'S EXECUTIVE SUMMARY OF INVESTMENT ACTIVITY

As of June 30, 2007

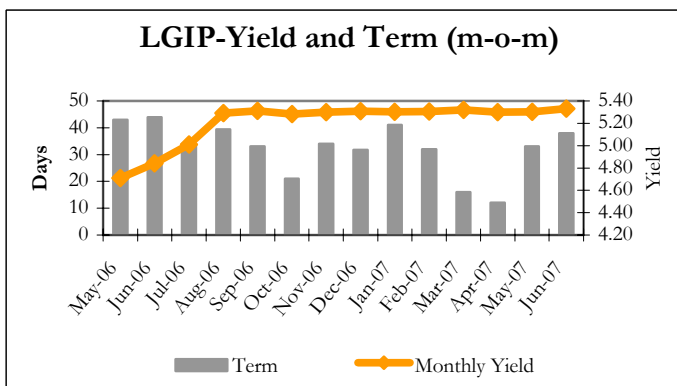
NEW MEXIGROW LOCAL GOVERNMENT INVESTMENT POOL (LGIP)



- The year-over-year market value of the LGIP portfolio as of June 30 was \$970 million, compared to a market value of \$713 million at the same period last year and \$1.38 billion at the same period two years ago.



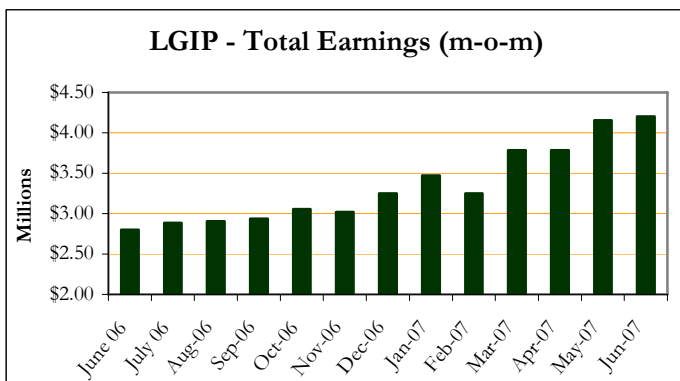
- During the month the market value of the portfolio decreased .3%, from \$973 million in May to \$970 million. Participant contributions were \$86.3 million and withdrawals were \$90.8 million.



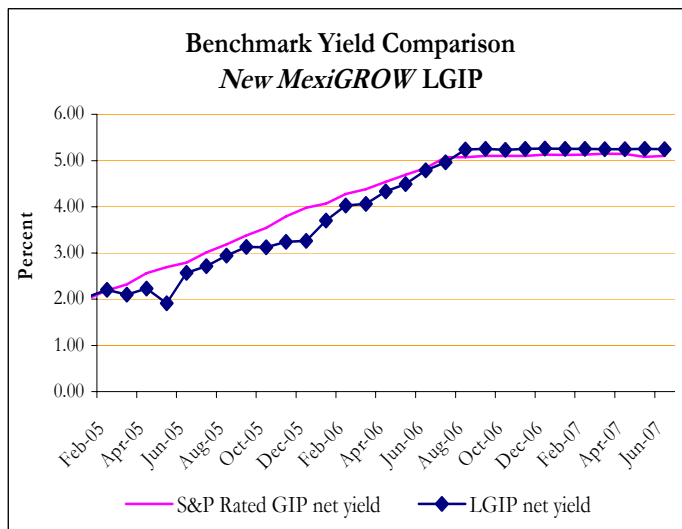
- The gross yield was 5.33% at June 30, an increase from May month-end of 5.30%. The weighted average maturity at June 30 was 38 days, up from the May 31 weighted average maturity of 33 days and within the S&P-set limit of 50 days.

Asset Type	Yield	Market Value	% of Portfolio	Term (days)
Agencies	5.30%	\$63,713,945	6.6%	318
Commercial Paper	5.38%	\$323,418,694	33.3%	49
Money Market Funds	5.30%	\$582,700,000	60%	1
LGIP Bank Account	4.94%	\$637,134	.1%	1
Total:	5.33%	\$970,469,773	100.0%	38

- The month-end portfolio holdings were 6.6% in U.S. government agency securities, 33.3% in A-1+ commercial paper, 60% in AAA money market funds, and 0.1% in the bank account balance.
- June investment activity in the LGIP portfolio was comprised of the purchase of \$187.6 million in A-1+ commercial paper with an annualized yield of 5.38% and average term of 74 days.



- LGIP earnings for June totaled \$4.2 million, a slight increase from May earnings of \$4.1 million. Fiscal year-to-date earnings totaled \$40.8 million compared to \$31.8 million through the same period last fiscal year.



- The 30-day net yield of the LGIP as of June 30 was 5.25%, outperforming the 30-day net S&P Rated Government Investment Pool (GIP) index (5.1%) by 15 basis points. The 30-day gross yield of the LGIP at month-end, 5.33%, matched the 30-day gross S&P Rated GIP index of 5.33%. The administrative fee assessed to participants for May was 4 basis points; fees collected through June 30, the fiscal year-end, totaled \$384,000.

NEW MEXICO STATE TREASURER'S EXECUTIVE SUMMARY OF INVESTMENT ACTIVITY

As of June 30, 2007

Investment Strategy Employed During the Past Quarter

- **New MexiGROW LGIP:** 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 98% of A-1+ rated investments. The weighted average maturity (WAM) was maintained at 50 days or less, averaging a 27.5 day WAM during the quarter. Maturity dates of purchased securities were laddered by week to provide constant cash inflows; however, the money market funds continued to be the primary instrument used for liquidity needs due to their competitive short-term rates. Use of A-1+ commercial paper was maximized and longer-term callable agency securities with semi-annual or quarterly call features were reintroduced to the portfolio by quarter-end in order to enhance the overall pool yield.

Investment Strategy Plan For the Next Quarter

- **New MexiGROW LGIP:** Compliance with rating criteria will continue to mandate the investing strategy for the LGIP. Investment in commercial paper and agency discount notes will be utilized for shorter-term investments. Callable agency securities will be utilized to enhance yields and extend WAM. 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.

Asset Mix and Maturity Targets

- **New MexiGROW LGIP:** 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 and callable bonds, money market funds, and the overnight repurchase pool depending on the most favorable yield and portfolio investment compliance limits. Commercial paper and agency discount notes will be utilized for shorter-term maturities, agency callable securities for longer-term maturities, and money markets for liquidity and investment when advantageous.
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