



TIM EICHENBERG
The Honorable State Treasurer

STATE OF NEW MEXICO
OFFICE OF THE TREASURER
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STATE TREASURER'S INVESTMENT COMMITTEE

State Treasurer's conference room



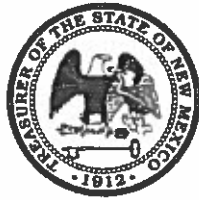
"Gallup, New Mexico" New Mexico True

Wednesday, February 11, 2015

9:00am



1. Approval of February 11, 2015 Agenda



Tim Eichenberg
The Honorable State Treasurer

STATE OF NEW MEXICO
OFFICE OF THE TREASURER
2055 South Pacheco St. Bldg. 100
Santa Fe, New Mexico 87505

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STATE TREASURER'S INVESTMENT COMMITTEE
Treasurer's Conference Room
Wednesday, February 11, 2015, 9:00 a.m.

MEETING AGENDA (5 Min)

Roll Call

Introduction of Presenters and Guest

1. Approval of February 11, 2015 Agenda
2. Approval of January 14, 2015 Minutes

Action

Action

INVESTMENT REPORTS (45 min)

Month Ended

December 31, 2014

3. Executive Summary
4. Investment Policy Compliance Report
5. Investment Accounting Report
6. Investment Advisor- December 2014 Quarterly Investment Report
7. Quarterly Investment Review
8. Cash Projection
9. Portfolio Summary -- General Fund
10. Portfolio Summary -- Local Government Investment Pool (LGIP)
11. Portfolio Summary -- Tax-Exempt Bond Proceeds Investment Pool
12. Portfolio Summary -- Taxable Bond Proceeds Investment Pool
13. Portfolio Summary -- Severance Tax Bonding Fund
14. Broker Dealer Activities

Informational

Informational

Informational

Informational

Informational

Informational

Informational

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Informational

**CASH MANAGEMENT
& COLLATERAL REPORTS (10 Min)**

Month Ended

December 31, 2014

15. State Agency Deposit Balances
16. Collateral Report on Agency Deposits & CDs

Informational

Informational

COMMITTEE REPORTS (10 min)

17. Question Period
18. Next Meeting – Wednesday, March 11, 2015, 9:00 am
19. Adjournment

Action



2. Approval of January 14, 2015 Minutes

New Mexico State Treasurer's Office
STIC Committee Meeting
Meeting Minutes
Wednesday, January 14, 2015

A regular meeting of the New Mexico State Treasurer's Investment Committee (STIC) was called to order this date at 9:06 a.m. in the conference room of The State Treasurer's Office (STO), 2055 South Pacheco Street, Santa Fe, New Mexico 87505.

Members Present:

Honorable Tim Eichenberg, State Treasurer, Chair
Ms. Stephanie Schardin Clarke, Board of Finance Director
Mr. Paul Cassidy, Public Member
Mr. Mark Pike, Public Member

Staff Present:

Ms. Vikki Hanges, Portfolio Manager
Mr. Jeremy Landrum, Portfolio Manager
Mr. Arsenio Garduno, Collateral Manager
Mr. Dominic Chavez, Cash Management Bureau Chief
Ms. Kirene Bargas, Investment Bureau Chief and Compliance Officer
Mr. Steve Vigil, Investment Accounting Bureau Chief
Mr. Derek Dominguez, Investment Accountant
Mr. Leo Marquez, Chief Financial Officer
Ms. Deborah Bransford, STIC Acting Secretary

Guest Present:

Ms. Deanne Woodring, GPA Government Portfolio Advisors
Sheila Duffy, Public Guest

1. Approval of January 14, 2015 Agenda:

Member Clarke moved approval of the Agenda. Motion was seconded by Member Pike and passed unanimously by voice vote.

2. Approval of December 10, 2014 Minutes:

Member Cassidy moved approval of the Minutes. Motion was seconded by Member Pike and passed unanimously by voice vote.

3. Executive Summary, Ms. Hanges:

Highlights of the Executive Summary report were presented.

4. Investment Compliance Report, Ms. Bargas:

Highlights of the Investment Compliance Report were presented.

5. Investment Accounting Report, Mr. Steve Vigil:

Highlights of the Investment Accounting Report were presented.

6. Cash Projection, Mr. Garduno:

The STIC Cash Projections were presented.

7. Portfolio Summary- General Fund Investment Pool, Ms. Hanges:

Highlights of the Portfolio Summary General Fund report were presented.

8. Portfolio Summary- Local Government Investment Pool (LGIP), Ms. Hanges:

Highlights of the Portfolio Summary Local Government Investment Pool report were presented.

- Treasurer Eichenberg indicated he would like to extend options to counties especially in rural areas

9. Portfolio Summary- Tax-Exempt Bond Proceeds Investment Pool, Ms. Hanges:

Highlights of the Portfolio Summary Tax-exempt Bond Proceeds Investment Pool report were presented.

10. Portfolio Summary-Taxable Bond Proceeds Investment Pool, Ms. Hanges:

Highlights of the Portfolio Summary Taxable Bond Proceeds Investment Pool report were presented.

11. Portfolio Summary- Severance Tax Bonding Fund, Ms. Hanges:

Highlights of the Portfolio Summary Severance Tax Bonding Fund report were presented.

12. Broker Dealer Activities: Ms. Hanges:

The Broker Dealer Activities report was presented.

13. State Agency Deposit Balances, Mr. Dominic Chavez:

Highlights of the State Agency Deposit Balance report were presented.

14. Collateral Report on Agency Deposits & CDs, Mr. Garduno:

Highlights of the Collateral Report on Agency Deposits and CDs were presented.

15. Earnings Discussion:

- Discussion on effects on portfolio due to drop in price of oil. Mr. Garduno indicated they had not been seen yet. Member Clarke indicated that the delay in reporting was likely the reason but should be seen with the next month or two.

16. Question Period:

No questions were presented.

17. Next Meeting - Wednesday, February 11, 2015, 9:00am

18. Adjournment

Honorable Tim Eichenberg, State Treasurer, Chair adjourned meeting at 10:02

Minutes were taken by Ms. Deborah Bransford on January 14, 2015.

Minutes approved by Deputy Treasurer Ricky A. Bejarano/ Kirene Bargas on February 5, 2015.



3. Executive Summary

Executive Summary

- At the end of December, the State Treasurer managed \$4.0 billion in assets.
- During the month, the office earned approximately \$1.9 million on its investment positions.
- US Equity markets fell in December, posting year-to-date returns of over 11%.
- US Treasury prices were considerably lower for maturities in the two to five year segment of the yield curve, where STO invests.
- Oil prices continued to fall, and an unexpected drop in average hourly earnings, pushed the yield on the thirty year Treasury bond lower, reflecting sluggish inflation growth expectations.
- Steady increases in nonfarm payrolls, a lower unemployment rate of 5.6% and a 3rd quarter GDP figure of 5% all contributed to the weakness in the shorter end of the yield curve as expectations for a June 2015 Fed rate increase set the tone for interest rates for the month of December.
- Weak global growth, strength of the US\$ and continued overseas monetary stimulus could improve the demand for US Treasury debt.

Table 1 - Comparative Interest Rates`

US Treasury Yields

<u>Maturity</u>	<u>November 30</u>	<u>December 31</u>	<u>Change</u>
3-Month	0.01%	0.04%	0.03%
6-Month	0.07%	0.12%	0.05%
2-Year	0.47%	0.67%	0.20%
5-Year	1.48%	1.65%	0.17%
10-Year	2.16%	2.17%	0.01%
30-Year	2.89%	2.75%	-0.14%

Source: Bloomberg LP

Portfolio Mark-to-Market and Monthly Change

With the increase in market yields, the STO portfolios all had negative results on a mark-to-market basis.

Table 2 - Unrealized Gains and Losses

<u>Fund</u>	<u>Unrealized Gain/Loss¹</u>	<u>Monthly Change in Unrealized Gain/Loss²</u>
<i>General Funds</i>	\$3.1 million	Decreased \$5.1 million
<i>Bond Proceeds Funds</i>	\$1.3 million	Decreased \$1.8 million
<i>Local Government Investment Pool</i>	Not Material	Not Material
<i>Severance Tax Bonding Fund</i>	Not Material	Not Material

Source: QED

Portfolio Purchase Yields and Durations

As of the end of December, the portfolios had the following weighted average purchase yields and durations:

Table 3 - Portfolio Purchase Yields and Durations

<u>Fund</u>	<u>Purchase Yield⁴</u>	<u>Effective Duration³</u>		<u>Percentage</u>
		<u>Portfolio</u>	<u>Benchmark</u>	
<i>General Fund Liquidity</i>	0.12%	0.01 Years		
<i>General Fund CORE</i>	0.95%	2.11 Years	2.17 Years	97%
<i>Bond Proceeds – Tax Exempt</i>	0.52%	1.22 Years	1.37 Years	89%
<i>Bond Proceeds – Taxable</i>	0.56%	1.29 Years	1.37 Years	94%
<i>Local Government Investment Pool</i>	0.16%	0.15 Years		
<i>Severance Tax Bonding Fund</i>	0.10%	0.10 Years		

Source: QED, JPMorgan

¹ Calculated Unrealized Gains or Losses represent the “market value” of the portfolios as compared to their “net book value” as of the effective date of calculation. Net book value = original book value less amortization/plus accretion of premium/discount. As such, they approximate the values which could be realized/lost if the positions were to be liquidated at market prices on the day that the calculation was performed. Market conditions change on a daily basis and the resulting calculations will also change with market movements.

² Unaudited. Change in Unrealized Gain/Loss from previous month. Mark-to-market values are calculated using the QED system and weekly securities pricing from IDC. Securities, such as Certificates of Deposits, for which there is no quoted market price, are carried at cost basis (amortized through the holding date).

³ Effective Duration. Portfolio durations are calculated as of a moment in time, specifically at month end. Source: JP Morgan.

⁴ Portfolio Purchase Yields are calculated at a moment in time, specifically at month end, reflecting the weighted average yield of all portfolio holdings at purchase.

Benchmark Performance Comparisons

As of the end of December, the STO portfolios had the following performance numbers relative to their respective benchmarks:

Table 4 - Relative Performance of STO Funds

<i>Fund</i>	<i>Performance⁵</i>	
	<i>3 Months</i>	<i>12 Months</i>
<i>General Fund Liquidity</i>	0.04%	0.12%
S&P Government Bond Index (Gross)	<u>0.02%</u>	<u>0.10%</u>
Relative Performance (BPs)	0.02%	0.02%
<i>General Fund CORE</i>	0.35%	1.04%
BAML 0-5 US Treasury	<u>0.38%</u>	<u>1.00%</u>
Relative Performance (BPs)	(0.03)%	0.04%
<i>Bond Proceeds - Tax Exempt</i>	0.11%	0.50%
BAML 0-3 US Treasury	<u>0.11%</u>	<u>0.46%</u>
Relative Performance (BPs)	0.00%	0.04%
<i>Bond Proceeds – Taxable</i>	0.13%	0.50%
BAML 0-3 US Treasury	<u>0.11%</u>	<u>0.46%</u>
Relative Performance (BPs)	0.02%	0.04%
<i>Local Government Investment Pool</i>	0.03%	0.15%
S&P Government Bond Index (Gross)	<u>0.02%</u>	<u>0.10%</u>
Relative Performance (BPs)	0.01%	0.05%
<i>Severance Tax Bonding Fund</i>	0.02%	
S&P Government Bond Index (Gross)	<u>0.02%</u>	<u>0.10%</u>
Relative Performance (BPs)	0.00%	

Source: JPMorgan, STO Calculations

In our management of the STO funds, we try and exceed benchmarks on a 3-month and 12-month basis. Monthly market swings will affect our performance more dramatically on a short-term basis than on a longer investment horizon. We feel that longer horizons keep our focus on the investment goal which is to meet or exceed our benchmark levels.

⁵ Relative performance is periodic total return compared to the return of the portfolio benchmarks.

Investment Earnings

Investment net earnings for December are summarized in the table below.

Table 5 - Investment Earnings - Periods ended December 31

<i>Fund</i>	<i>Investment Net Earnings⁶</i>		
	<i>Dec FY'15</i>	<i>FY'15 YTD</i>	<i>FY'14 YTD</i>
<i>General Funds</i>	\$1,295,646	\$7,429,116	\$5,461,831
<i>Bond Proceeds Funds</i>	\$474,916	\$2,933,384	\$2,753,971
<i>Local Government Investment Pool⁷</i>	\$79,267	\$501,817	\$452,171
<i>Severance Tax Bonding Fund</i>	\$25,135	\$70,772	\$54,565

Source: QED

An increase in rates for two to five year maturities has resulted in increased investment income as compared to a year ago, except in the case of repo where the Severance Tax Bonding Fund is predominantly invested.

Compensating Balances at Fiscal Agent Bank

During December, STO maintained Average Daily Collected Balances at the Fiscal Agent Bank of approximately \$49 million. This balance earned a credit against processing fees assessed by the bank.

Table 6 - Compensating Balances at Fiscal Agent Bank

<i>Average Collected Balance</i>	\$48,985,708
<i>Earnings Credit Rate</i>	0.50%
<i>Estimated Monthly Earnings</i>	\$20,411
<i>Estimated Fiscal YTD Earnings</i>	\$95,431

Source: Wells, Fargo & Co.

Monthly Investment Outlook

The fixed income markets were considerably weaker in the intermediate segment of the Treasury yield curve through the month of December. Interest rates have reversed direction in January so far with the flattening yield curve trend continuing. Oil prices appear to have settled into the \$45 area with the markets fearful that low oil prices are indicating economic weakness. The strength of the US dollar has also put pressure on earnings for corporations with overseas operations. The move by the ECB to increase their version of quantitative easing to 60 billion euros of bond purchases pushed interest rates for European markets even lower.

Lack of inflationary pressures continues to fuel the US bond market, although it seems that interest rates have been seesawing, one month higher followed by one month lower. We will see what February brings. The weakness in Europe coupled with the Greek elections have helped to drive US stocks lower, another catalyst for investors to seek out solace in the US bond market.

⁶ Each fund is managed using different objectives, as more fully detailed in this report. As such, returns and earnings on the funds will vary on a month to month basis. Investment Net Earnings = Accrued income + realized gains and losses net of amortization/accretion for premiums/discounts.

⁷ Gross Earnings, Participant Earnings reflect 0.05% reduction for management fees.

Forward rates have now moved the expectation for a Federal Reserve rate hike to September of 2015 and some investors see this timeline moving out even further. The flattening yield curve trend should continue as inflation is below the 2% Fed target and the pressure of lower oil prices could push this indicator even lower.

Implications for the Foreseeable Future

We can't emphasize enough how attractive US Treasury securities are when compared to levels of our overseas counterparts. The strength of the US\$, if sustained, is also icing on the cake. This relative value could continue to keep rates low and allow the Fed to maintain their current policy. The difficulty we face in 2015 is that the Fed is unsure about monetary policy, indicating that any moves will be data dependent. This uncertainty will be expressed in the portfolios with close to benchmark durations and portfolio positioning, specifically in the General Fund, toward a more curve neutral posture. The Bond Proceeds Pools will continue to be short the duration of the benchmark as the luxury of selling securities at a gain to cover withdrawals may disappear.

We continue to try and add value where and when it becomes available, through selective credit additions as well as active duration management relative to established benchmarks.

Vikki Hanges
Senior Portfolio Manager

New Mexico State Treasurer
Monthly Fund Summary Report
(Unaudited)

As of December, 2014

General Fund	Holdings			Performance				Gross Earnings	
	Cost Basis	Market Value	Unrealized Gain/Loss	12-Month Total Return	Benchmark	Index Return	Relative Performance	Monthly Earnings	YTD Earnings
Cash Balances	\$ 48,985,708	\$ 48,985,708	\$ -						
Liquidity	419,817,174	419,816,472	(702)	0.12%	S&P LGIP Gross	0.10%	0.02%	\$ 40,801	\$ 316,096
CORE	1,570,568,484	1,573,689,787	3,121,303	1.04%	ML Treasury 0-5	1.00%	0.04%	1,254,845	7,113,020
TRAN	-	-	-	0.00%	All-In Tran TIC	0.00%	0.00%	-	-
Totals	\$ 2,039,371,366	\$ 2,042,491,967	\$ 3,120,601	0.85%	Blended	0.77%	0.08%	\$ 1,295,646	\$ 7,429,116
Bond Proceeds Investment Pool (BPIP)									
				12-Month Total		Index	Relative	Monthly	YTD Earnings
Account	Cost Basis	Market Value	Unrealized Gain/Loss	Return	Benchmark	Return	Performance	Earnings	
Tax-Exempt	\$ 440,836,441	\$ 441,333,907	\$ 497,466	0.50%	ML Treasury 0-3	0.46%	0.04%	\$ 188,548	\$ 1,141,451
Taxable	755,618,161	756,391,063	772,902	0.50%	ML Treasury 0-3	0.46%	0.04%	286,368	1,791,933
Totals	\$ 1,196,454,602	\$ 1,197,724,970	\$ 1,270,368	0.50%	Blended	0.46%	0.04%	\$ 474,916	\$ 2,933,384
Local Government Investment Pool (LGIP)									
				12-Month Total		Index	Relative	Monthly	YTD Earnings
Account	Cost Basis	Market Value	Unrealized Gain/Loss	Return	Benchmark	Return	Performance	Earnings	
LGIP	\$ 580,442,862	\$ 580,413,575	\$ (29,287)	0.15%	S&P LGIP Gross	0.10%	0.05%	\$ 79,267	\$ 501,817
Severance Tax Bonding Fund									
				12-Month Total		Index	Relative	Monthly	YTD Earnings
Account	Cost Basis	Market Value	Unrealized Gain/Loss	Return	Benchmark	Return	Performance	Earnings	
STBF	\$ 136,047,196	\$ 136,036,387	\$ (10,809)	0.12%	S&P LGIP Gross	0.10%	0.02%	\$ 25,135	\$ 70,772
Estimated Totals (all funds)		\$ 3,956,666,899	\$ 4,350,873					\$ 1,874,964	\$ 10,935,089

Notes:

- (1) These figures are generated using a combination of accrued earnings and unrealized gains. They are unaudited and may be subject to revision.
- (2) Account balances fluctuate during the month, holdings are calculated as of month-end. Performance includes adjustments for fund flows during the month.
- (3) Holdings are reported on a "Trade Basis"
- (4) Cash Balances are month-end cash balances at Fiscal Agent Bank (Wells Fargo)
- (5) Source: STO Records, Wells Fargo Bank Statements, QED Financial Systems, JPMorgan Custody Reporting



4. Investment Policy Compliance Report

Investment Compliance Review

Primary and Secondary Bond Purchases/ Sales

During the month of December, the following were the ratios of primary and secondary bond transactions in the portfolios:

Table 7 - Primary/Secondary Market Volume - December 2014

Primary Bond Volume	\$195,286,000	31%
Secondary Bond Volume	<u>199,942,000</u>	<u>69%</u>
Total	\$395,228,000	100%

Source: QED

The totals above exclude overnight repurchase agreement volume which is approximately \$500MM/day.

Commissions Paid

As counterparty, the state transacts in purchase or sale sizes sufficient to achieve competitive results in the bidding or offering process. Implied in the market-clearing prices that we are offered is some form of dealer markup.

With regard to specific transactions, we process the bulk of our trades using an electronic trading platform. As such, we understand, and document, the market at the time of transaction. These trade terms are held as a part of our trade documentation as approved by STIC.

Variable Rate and Structured Note Holdings

At the end of December, total holdings of Variable Rate Notes were \$120,400,000.

Table 8 - Variable Rate Note Holdings - November 2014

General Fund	-
Taxable BPIP	-
Tax Exempt BPIP	-
LGIP	<u>\$114,400,000</u>
Total Holdings	\$114,400,000

Source: QED

The Variable Rate positions are primarily in US Government Agency securities.

We did not hold any structured notes during the month of November.

Transaction Variances and Inter-Portfolio Transactions

During December, there were no transaction variances which posed any potential compliance issues. All trade information was entered correctly in our internal systems and in the systems used by our custody bank and were promptly reconciled by the Investment Transactions Bureau.

All transactions for the month settled successfully. There were no price discrepancies reported, no late-posted transactions and no balances left at the Custodial Bank.

There were 0 inter-portfolio trades during the month.

Unrealized Gains and Losses

The STO Investment Policy requires security-by-security reporting of all investment mark to market gains and losses calculated versus book values during the period.

The Executive Summary of this report includes a tabular reference to the aggregate mark-to-market per portfolio. In the section detailing each specific portfolio, a further summary of mark to market calculations are included.

In the listing of the specific portfolio holdings, a position level mark-to market calculation is included.

Realized Gains and Losses

Sale proceeds are compared to the amortized basis for each position and the differential is booked as a realized gain or loss for the appropriate period. Securities are sold in order to effect changes in the overall fund's duration and liquidity in light of overall changes in rates and economic outlook.

Table 9 - Realized Gains and Losses on Securities Sold - November 2014

<u>Trade Date</u>	<u>Account</u>	<u>Par Amount</u>	<u>Security</u>	<u>Realized Gain/Loss</u>
12/12	BPIP2 TAX	\$7.17M	FHLB 4.5% 2/18/15	\$1,176.58
Total				\$1,176.58

Realized gains/losses are compared to accounting book value at the time of the sale. Gains (and losses) are applied as an adjustment against investment earnings in the respective accounting period.

Trade Documentation¹

Purchase/Sales Activity²

There were a total of 24 security trades tracked during the month of December by the Trade Documentation Compliance Officer in the Investment Transactions Bureau.

	Number	Par-Value	Cost/Proceeds	Recognized Gain/Loss
Securities Purchased	23	\$387,358,850.00	\$387,123,358.41	\$ -0-
Securities Sold	1	\$7,170,000.00	\$7,225,072.77	\$1,176.58
Total	24	\$394,528,850.00	\$394,348,431.18	\$1,176.58

Trade documentation and Investment Processing Compliance

All trades have been accounted for by the Investment Transactions Bureau and written documentation has been thoroughly audited for complete compliance with all applicable procedures and policies.

There are no pending items which were not entered in the month. All trades settled successfully and there were no failed trades for the month.

All investment activity is in compliance with applicable investment statutes and the STO Investment Policy.

END OF REPORT.

STATE OF NEW MEXICO
Summary of Fixed-Income Purchases and Sales
SETTLEMENTS During The Period 12/01/14 Through 12/31/14

TXN-DATE	CUSIP#	ASSET-TYPE	INVT#	ISSUE-NAME	RATE	MATURITY	YIELD	BKR/DLR/AGENT	FUND	PAR-VALUE	COST/PROCEEDS	GAIN/LOSS	NOT-CALL
PURCHASE TRANSACTIONS													
12/31/14	81186499	CERTIFICATES OF	22619	WESTERN BANK ALAMOGORDO	.750	12/30/16	.7500	SYSTEM - UNIDEN	4002	1,100,000.00	1,100,000.00		
12/30/14	9128285M	US TREASURY NOTE	22608	UNITED STATES TREASURY	1.000	3/31/17	.8488	JEFFRIES & CO	4002	20,000,000.00	20,067,187.50		
12/30/14	9128285V	US TREASURY NOTE	22609	UNITED STATES TREASURY	.625	5/31/17	.9164	UBS	4002	25,000,000.00	24,826,171.88		
12/30/14	912828UJ	US TREASURY NOTE	22607	UNITED STATES TREASURY	.875	1/31/18	1.2046	JEFFRIES & CO	4002	20,000,000.00	19,800,781.25		
12/31/14	912828UR	US TREASURY NOTE	22618	UNITED STATES TREASURY	.750	2/28/18	1.2133	DEUTSCHE BANK S	4002	15,000,000.00	14,784,960.94		
12/03/14	3130A16G	AGENCY US BOND	22479	FEDERAL HOME LOAN BANKS	2.000	12/19/18	.2493	STIFFEL NICOLAU	4000	3,000,000.00	3,002,331.00		
12/04/14	3130A22T	AGENCY US BOND	22480	FEDERAL HOME LOAN BANKS	.220	12/04/15	.2230	DAIWA CAPITAL M	4101	5,000,000.00	4,999,850.00		
12/05/14	3133EDBP	AGENCY US BOND	22493	FEDERAL FARM CREDIT BAN	3.620	12/11/23	.3250	MORGAN STANLEY	4101	13,667,000.00	13,674,955.83		
12/05/14	3133EEBN	AGENCY US BOND	22421	FEDERAL FARM CREDIT BAN	1.800	11/12/19	1.7552	KEYBANC CAPITAL	1001	1,000,000.00	1,002,110.00		
12/26/14	31331KVK	AGENCY US BOND	22589	FEDERAL FARM CREDIT BAN	.875	8/18/15	.2627	MIZUHO SECURITI	1001	20,000,000.00	20,078,800.00		
12/30/14	31331KVK	AGENCY US BOND	22610	FEDERAL FARM CREDIT BAN	.875	8/18/15	.2536	MIZUHO SECURITI	4002	20,000,000.00	20,078,600.00		
12/30/14	31331KVK	AGENCY US BOND	22597	FEDERAL FARM CREDIT BAN	.875	8/18/15	.2536	MIZUHO SECURITI	4101	10,000,000.00	10,039,300.00		
12/31/14	313384AB	AGENCY US DISC	22620	FEDERAL HOME LOAN BANKS		1/02/15		UBS	1000	25,000,000.00	25,000,000.00		
12/15/14	62889KAB	AGENCY 30/360 2	22520	NCLA QUARN NTS TR 2011-	1.400	6/12/15	.2008	STIFFEL NICOLAU	4101	5,000,000.00	5,029,450.00		
12/08/14	31344AVX	AGENCY US BOND	22334	FEDERAL HOME LOAN MORTG		1/15/15	.1284	BB&T CAPITAL MA	4101	10,441,000.00	10,439,621.79		
12/31/14	31344AVX	AGENCY US BOND	22334	FEDERAL HOME LOAN MORTG		1/15/15	.1250	BB&T CAPITAL MA	4101	13,165,000.00	13,164,314.37		
12/16/14	313500ZY	AGENCY US NOTES	22539	FEDERAL NATIONAL MORTGCA	1.750	11/26/19	1.6885	TD SECURITIES	1001	5,000,000.00	5,014,525.00		
12/18/14	313500ZY	AGENCY US NOTES	22539	FEDERAL NATIONAL MORTGCA	1.750	11/26/19	1.7011	SOC GEN AMERICA	1001	9,000,000.00	9,020,790.00		
12/11/14	3877668Y	MUNI US 30/360	22447	GRANT CNTY N MEX	2.000	9/01/16	.6004	STIFFEL NICOLAU	4000	315,000.00	322,541.10		
12/24/14	013446HA	MUNI US 30/360	22438	ALAMOGORDO N MEX	4.000	8/01/16	1.0504	SUNTRUST ROBINS	4000	45,000.00	47,103.75		
12/11/14	3877668X	MUNICIPAL BOND	22446	GRANT CNTY N MEX	2.000	9/01/15	.3211	STIFFEL NICOLAU	4000	340,000.00	344,114.00		
12/30/14	55TN14SD	MUNICIPAL BOND	22581	55TN SERIES 2014S-D	.210	12/31/14		BROKER DIRECT	1000	154,580,500.00	154,580,500.00		
12/30/14	55TN14SC	MUNICIPAL BOND	22573	55TN SERIES 2014S-C	.210	12/31/14		BROKER DIRECT	1000	10,705,350.00	10,705,350.00		
23 PURCHASES DURING PERIOD TOTAL.....										387,358,850.00	387,123,358.41		
SALE TRANSACTIONS													
12/15/14	3133XASA	AGENCY US BOND	20714	FEDERAL HOME LOAN BANKS	4.500	2/18/15		MIZUHO SECURITI	4002	7,170,000.00	7,225,072.77	1,176.58	
1 SALES DURING PERIOD TOTAL.....										7,170,000.00	7,225,072.77	1,176.58	
*** GRAND-TOTAL ***										394,528,850.00	394,348,431.18	1,176.58	
*** END-OF-REPORT ***													

¹ Trade Documentation information is presented on settlement date.

² Excludes daily repurchase agreement transactions.

STATE OF NEW MEXICO
Summary of Fixed-Income Purchases and Sales
SETTLEMENTS During The Period 12/01/14 Through 12/31/14

TXN-DATE	CUSIP#	ASSET-TYPE	INVS#	ISSUE-NAME	RATE	MATURITY	YIELD	BRKR/DLR/AGENT	FUND	PAR-VALUE	COST/PROCEEDS	GAIN/LOSS	NXT-CALL
<u>PURCHASE TRANSACTIONS</u>													
12/31/14	81186499	CERTIFICATES OF	22619	WESTERN BANK ALAMOGORDO	.750	12/30/16	.7500	SYSTEM - UNIDEN	4002	1,100,000.00	1,100,000.00		
12/30/14	9128285M	US TREASURY NOT	22608	UNITED STATES TREASURY	1.000	3/31/17	.8488	JEFFRIES & CO	4002	20,000,000.00	20,067,187.50		
12/30/14	9128285Y	US TREASURY NOT	22609	UNITED STATES TREASURY	.625	5/31/17	.9164	UBS	4002	25,000,000.00	24,826,171.88		
12/30/14	912828UJ	US TREASURY NOT	22607	UNITED STATES TREASURY	.875	1/31/18	1.2046	JEFFRIES & CO	4002	20,000,000.00	19,800,781.25		
12/31/14	912828UR	US TREASURY NOT	22618	UNITED STATES TREASURY	.750	2/28/18	1.2133	DEUTSCHE BANK S	4002	15,000,000.00	14,784,960.94		
12/03/14	3130A16G	AGENCY US BOND	22479	FEDERAL HOME LOAN BANKS	2.000	12/19/18	.2493	STIFFEL NICOLAU	4000	3,000,000.00	3,002,331.00		
12/04/14	3130A22T	AGENCY US BOND	22480	FEDERAL HOME LOAN BANKS	.220	12/04/15	.2230	DAIWA CAPITAL M	4101	5,000,000.00	4,999,850.00		
12/05/14	3133EDBP	AGENCY US BOND	22493	FEDERAL FARM CREDIT BAN	3.620	12/11/23	.1250	MORGAN STANLEY	4101	13,667,000.00	13,674,955.83		
12/05/14	3133EEBN	AGENCY US BOND	22421	FEDERAL FARM CREDIT BAN	1.800	11/12/19	1.7552	KEYBANC CAPITAL	1001	1,000,000.00	1,002,110.00		
12/26/14	31331KVK	AGENCY US BOND	22589	FEDERAL FARM CREDIT BAN	.875	8/18/15	.2627	MIZUHO SECURITI	1001	20,000,000.00	20,078,800.00		
12/30/14	31331KVK	AGENCY US BOND	22610	FEDERAL FARM CREDIT BAN	.875	8/18/15	.2536	MIZUHO SECURITI	4002	20,000,000.00	20,078,600.00		
12/30/14	31331KVK	AGENCY US BOND	22597	FEDERAL FARM CREDIT BAN	.875	8/18/15	.2536	MIZUHO SECURITI	4101	10,000,000.00	10,039,300.00		
12/31/14	313384AB	AGENCY US DISC	22620	FEDERAL HOME LOAN BANKS		1/02/15		UBS	1000	25,000,000.00	25,000,000.00		
12/15/14	62889KAB	AGENCY 30/360 2	22520	NCUA GUARN NTS TR 2011-	1.400	6/12/15	.2008	STIFFEL NICOLAU	4101	5,000,000.00	5,029,450.00		
12/08/14	3134A4VX	AGENCY US BOND	22334	FEDERAL HOME LOAN MORTG		1/15/15	.1284	BB&T CAPITAL MA	4101	10,441,000.00	10,439,621.79		
12/31/14	3134A4VX	AGENCY US BOND	22334	FEDERAL HOME LOAN MORTG		1/15/15	.1250	BB&T CAPITAL MA	4101	13,165,000.00	13,164,314.37		
12/16/14	3135G0ZY	AGENCY US NOTES	22539	FEDERAL NATIONAL MORTGA	1.750	11/26/19	1.6885	TD SECURITIES	1001	5,000,000.00	5,014,525.00		
12/18/14	3135G0ZY	AGENCY US NOTES	22539	FEDERAL NATIONAL MORTGA	1.750	11/26/19	1.7011	SOC GEN AMERICA	1001	9,000,000.00	9,020,790.00		
12/11/14	387766BY	MUNI US 30/360	22447	GRANT CNTY N MEX	2.000	9/01/16	.6004	STIFFEL NICOLAU	4000	315,000.00	322,541.10		
12/24/14	011446HA	MUNI US 30/360	22438	ALAMOGORDO N MEX	4.000	8/01/16	1.0504	SUNTRUST ROBINS	4000	45,000.00	47,103.75		
12/11/14	387766BX	MUNICIPAL BOND	22446	GRANT CNTY N MEX	2.000	9/01/15	.3211	STIFFEL NICOLAU	4000	340,000.00	344,114.00		
12/30/14	SSTN14SD	MUNICIPAL BOND	22581	SSTN SERIES 2014S-D	.210	12/31/14		BROKER DIRECT	1000	154,580,500.00	154,580,500.00		
12/30/14	STN145C	MUNICIPAL BOND	22573	STN SERIES 2014S-C	.210	12/31/14		BROKER DIRECT	1000	10,705,350.00	10,705,350.00		
23 PURCHASES DURING PERIOD TOTAL.....										387,358,850.00	387,123,358.41		
<u>SALE TRANSACTIONS</u>													
12/15/14	3133XASA	AGENCY US BOND	20714	FEDERAL HOME LOAN BANKS	4.500	2/18/15		MIZUHO SECURITI	4002	7,170,000.00	7,225,072.77	1,176.58	
1 SALES DURING PERIOD TOTAL.....										7,170,000.00	7,225,072.77	1,176.58	
=== GRAND-TOTAL ==>										394,528,850.00	394,348,431.18	1,176.58	
*** END-OF-REPORT ***													



5. Investment Accounting Report



THE HONORABLE TIM EICHENBERG
State Treasurer

STATE OF NEW MEXICO
OFFICE OF THE TREASURER

RICKY A. BEJARANO
Deputy State Treasurer

Memorandum

Date: January 30, 2015
To: Ricky Bejarano, Deputy State Treasurer
From: Steve Vigil, Investment Accounting Bureau Chief SV
CC: STO Investments Division
Subject: Weekly S&P Reconciliation and December 2014 Investment Reconciliation

Weekly S&P Reconciliation

All weekly S&P reconciliations were completed timely for December 2014. The reconciliations and accompanying data were submitted to S&P timely in order for the Office of the State Treasurer (STO) to maintain its rating affirmation.

December 2014 Investments Reconciliation

The Investment Accounting Bureau (IAB) complete the December 2014 investment reconciliation that included the following:

1. Asset and liabilities proofs to verify accuracy of the net asset value for all investment accounts.
2. Trial balance proofs to validate the change in transaction activity between November 30th and December 31st.
3. Cash proofs to verify cash transaction activity.
4. Earned income proof to validate the income earned for December 2014.
5. Proof of change in cost to corroborate that the cost of investments rolled forward correctly.
6. Verification that multiple cash transactions of the same investment holdings have not been duplicated in error.
7. JP Morgan to QED inventory reconciliation.
8. JP Morgan to QED income reconciliation.

Market value materiality threshold is the total market value of a JP Morgan account times 5 basis points. The JPM-QED investment inventory reconciliation resulted in no material differences. Please refer to the JPM-QED investment inventory reconciliation.

Earned interest materiality threshold is the total market value of a JP Morgan account times .5 basis point. The JPM-QED investment income reconciliation had a material difference of \$9,312.48 due to a cash position not accruing interest in QED. IAB has since worked with the investment transaction team to fix and enter the rate, so the position accrues interest. Please refer to the JPM-QED income reconciliation.

JP Morgan to QED Inventory Reconciliations
Dec-14

W/P Ref
503

Market Value Reconciliation

JPM Account	Market Value	QED Fund #	Name	Market Value	Difference	BPS Dollar Thresold *
P 09336	419,816,472.71	1000	GF Liquidity	419,816,472.71	-	209,908.24
P 09337	1,573,689,761.07	1001	GF Core	1,573,701,211.97	(11,450.90)	786,844.88
P 09334	166,056,077.10	1101	ONREPO	166,061,627.23	(5,550.13)	83,028.04
P 89523	136,036,386.76	4001	STB	136,036,386.76	-	68,018.19
P 09335	441,333,906.14	4000	BPIP#1	441,333,906.14	-	220,666.95
P 09339	756,391,061.24	4002	BPIP#2	756,391,061.24	-	378,195.53
P 09333	589,016,268.34	4101	LGIP	588,982,188.19	34,080.15	294,508.13
Total	4,082,339,933.36			4,082,322,854.24	17,079.12	2,041,169.97

Cost Reconciliation

JPM Account	Cost	QED Fund #	Name	Cost	Difference	BPS Dollar Thresold *
P 09336	419,842,892.36	1000	GF Liquidity	419,842,892.36	-	209,921.45
P 09337	1,590,797,524.66	1001	GF Core	1,590,797,524.67	(0.01)	795,398.76
P 09334	166,056,077.10	1101	ONREPO	166,061,627.23	(5,550.13)	83,028.04
P 89523	136,057,941.76	4001	STB	136,057,941.76	-	68,028.97
P 09335	444,012,215.61	4000	BPIP#1	444,012,215.62	(0.01)	222,006.11
P 09339	761,629,857.50	4002	BPIP#2	761,629,857.50	-	380,814.93
P 09333	589,372,646.18	4101	LGIP	589,336,657.45	35,988.73	294,686.32
Total	4,107,769,155.17			4,107,738,716.59	30,438.58	2,053,884.58

Position Reconciliation

JPM Account	Position Size	QED Fund #	Name	Position Size	Difference	BPS Dollar Thresold *
P 09336	419,809,370.51	1000	GF Liquidity	419,809,370.51	-	209,904.69
P 09337	1,552,077,063.08	1001	GF Core	1,552,077,063.08	-	776,038.53
P 09334	166,056,077.10	1101	ONREPO	166,061,627.23	(5,550.13)	83,028.04
P 89523	136,026,546.76	4001	STB	136,026,546.76	-	68,013.27
P 09335	438,399,029.12	4000	BPIP#1	438,399,029.12	-	219,199.51
P 09339	751,397,925.50	4002	BPIP#2	751,397,925.50	-	375,698.96
P 09333	588,612,965.63	4101	LGIP	588,576,976.90	35,988.73	294,306.48
Total	4,052,378,977.70			4,052,348,539.10	30,438.60	2,026,189.49

*Basis Point (BPS)Dollar Threshold

JPM Market Value x 5 BPS

JPM Cost x 5 BPS

JPM Postion Size x 5 BPS

0.0005

JP Morgan to QED Income Reconciliation
Dec-14

W/P Ref
504

JPM Account	Earned Interest	QED Fund #	Name	Earned Interest	Difference	BPS Dollar Thresold *
P 09336	74,032.38	1000	GF Liquidity	74,032.69	(0.31)	20,990.82
P 09337	2,214,963.77	1001	GF Core	2,214,964.73	(0.96)	78,684.49
P 09334	7,235.30	1101	ONREPO	7,235.35	(0.05)	8,302.80
P 89523	62,321.53	4001	STB	53,009.05	9,312.48	6,801.82
P 09335	391,364.62	4000	BPIP#1	391,171.13	193.49	22,066.70
P 09339	668,997.33	4002	BPIP#2	668,967.42	29.91	37,819.55
P 09333	174,629.40	4101	LGIP	173,940.00	689.40	29,450.81
Total	3,593,544.33			3,583,320.37	10,223.96	204,117.00

JP Morgan to QED Amortization/Accretion Reconciliation

JPM Account	Amortization/Accretion	QED Fund #	Name	Amortization/Accretion	Difference
P 09336	(8,839.37)	1000	GF Liquidity	(8,778.97)	(60.40)
P 09337	(965,049.58)	1001	GF Core	(960,119.41)	(4,930.17)
P 09334	-	1101	ONREPO	-	-
P 89523	(32,186.74)	4001	STB	(32,121.00)	(65.74)
P 09335	(197,296.81)	4000	BPIP#1	(202,622.74)	5,325.93
P 09339	(387,524.34)	4002	BPIP#2	(383,775.42)	(3,748.92)
P 09333	(85,772.64)	4101	LGIP	(94,672.09)	8,899.45
Total	(1,676,669.48)			(1,682,089.63)	5,420.15

BPS Dollar Threshold *

JPM Market Value x .5 Basis Points (BPS)
0.005%

Note: QED uses multiple methods (referenced below) to compute amortization/accretion where the configuration is matched with an asset type. JP Morgan uses, but is not limited to, the pro rata, straight line, and level yield methods for amortization/accretion. Therefore, the 5,420.15 difference stems from the accounting method JP Morgan uses to compute amortization/accretion vs. QED.

- 0 No Amortization (System Config Table Default)
- 1 Straight Line
- 2 Scientific, Simple Approximation
- 3 Constant Yield, Iterative with PSI effect
- 4 Level Yield, Smoothed
- 5 Cash Basis, Premium Offset by interest-rcvd
- 6 Sum of Years Digits
- 7 Straight Line Prem, Disc=Interest
- 8 Mod'd Cash Basis: Straight-Line-Prem up to Int-sold/rcvd
- 9 No Amortization (Explicit)

STATE OF NEW MEXICO
Summary of Fixed-Income Purchases and Sales
TRADES During The Period 12/01/14 Through 12/31/14

TXN-DATE	CUSIP#	ASSET-TYPE	INVT#	ISSUE-NAME	RATE	MATURITY	YIELD	BRKR/DLR/AGENT	FUND	PAR-VALUE	COST/PROCEEDS	GAIN/LOSS	NXT-CALL
<u>PURCHASE TRANSACTIONS</u>													
12/31/14	81186499	CERTIFICATES OF	22619	WESTERN BANK ALAMOGORDO	.750	12/30/16	.7500	SYSTEM - UNIDEN	4002	1,100,000.00	1,100,000.00		
12/29/14	9128285M	US TREASURY NOT	22608	UNITED STATES TREASURY	1.000	3/31/17	.8488	JEFFRIES & CO	4002	20,000,000.00	20,067,187.50		
12/29/14	9128285Y	US TREASURY NOT	22609	UNITED STATES TREASURY	.625	5/31/17	.9164	UBS	4002	25,000,000.00	24,826,171.88		
12/29/14	912828UJ	US TREASURY NOT	22607	UNITED STATES TREASURY	.875	1/31/18	1.2046	JEFFRIES & CO	4002	20,000,000.00	19,800,781.25		
12/30/14	912828UR	US TREASURY NOT	22618	UNITED STATES TREASURY	.750	2/28/18	1.2133	DEUTSCHE BANK S	4002	15,000,000.00	14,784,960.94		
12/02/14	3130A16G	AGENCY US BOND	22479	FEDERAL HOME LOAN BANKS	2.000	12/19/18	.2493	STIFFEL NICOLAU	4000	3,000,000.00	3,002,331.00		
12/03/14	3130A22T	AGENCY US BOND	22480	FEDERAL HOME LOAN BANKS	.220	12/04/15	.2230	DAIWA CAPITAL M	4101	5,000,000.00	4,999,850.00		
12/04/14	3133EDBP	AGENCY US BOND	22493	FEDERAL FARM CREDIT BAN	3.620	12/11/23	.1250	MORGAN STANLEY	4101	13,667,000.00	13,674,955.83		
12/04/14	3133EEBN	AGENCY US BOND	22421	FEDERAL FARM CREDIT BAN	1.800	11/12/19	1.7552	KEYBANC CAPITAL	1001	1,000,000.00	1,002,110.00		
12/24/14	31331KVK	AGENCY US BOND	22589	FEDERAL FARM CREDIT BAN	.875	8/18/15	.2627	MIZUHO SECURITI	1001	20,000,000.00	20,078,800.00		
12/29/14	31331KVK	AGENCY US BOND	22610	FEDERAL FARM CREDIT BAN	.875	8/18/15	.2536	MIZUHO SECURITI	4002	20,000,000.00	20,078,600.00		
12/29/14	31331KVK	AGENCY US BOND	22597	FEDERAL FARM CREDIT BAN	.875	8/18/15	.2536	MIZUHO SECURITI	4101	10,000,000.00	10,039,300.00		
12/31/14	313384AB	AGENCY US DISC	22620	FEDERAL HOME LOAN BANKS		1/02/15		UBS	1000	25,000,000.00	25,000,000.00		
12/10/14	62889KAB	AGENCY 30/360 2	22520	NCUA GUARN NTS TR 2011-	1.400	6/12/15	.2008	STIFFEL NICOLAU	4101	5,000,000.00	5,029,450.00		
12/05/14	3134A4VX	AGENCY US BOND	22334	FEDERAL HOME LOAN MORTG		1/15/15	.1284	BB&T CAPITAL MA	4101	10,441,000.00	10,439,621.79		
12/30/14	3134A4VX	AGENCY US BOND	22334	FEDERAL HOME LOAN MORTG		1/15/15	.1250	BB&T CAPITAL MA	4101	13,165,000.00	13,164,314.37		
12/31/14	3134A4VX	AGENCY US BOND	22334	FEDERAL HOME LOAN MORTG		1/15/15	.1250	BB&T CAPITAL MA	4101	7,939,000.00	7,938,641.63		
12/31/14	3137F0FN	AGENCY US BOND	22628	FEDERAL HOME LOAN MORTG		1/15/15	.1250	BB&T CAPITAL MA	4101	630,000.00	629,971.56		
12/15/14	3135G0ZY	AGENCY US NOTES	22539	FEDERAL NATIONAL MORTGA	1.750	11/26/19	1.6885	TD SECURITIES	1001	5,000,000.00	5,014,525.00		
12/17/14	3135G0ZY	AGENCY US NOTES	22539	FEDERAL NATIONAL MORTGA	1.750	11/26/19	1.7011	SOC GEN AMERICA	1001	9,000,000.00	9,020,790.00		
12/22/14	SSTN14SD	MUNICIPAL BOND	22581	SSTN SERIES 2014S-D	.210	12/31/14		BROKER DIRECT	1000	154,580,500.00	154,580,500.00		
12/22/14	STN14SC	MUNICIPAL BOND	22573	STN SERIES 2014S-C	.210	12/31/14		BROKER DIRECT	1000	10,705,350.00	10,705,350.00		
22 PURCHASES DURING PERIOD TOTAL.....										395,227,850.00	394,978,212.75		
<u>SALE TRANSACTIONS</u>													
12/12/14	3133XASA	AGENCY US BOND	20714	FEDERAL HOME LOAN BANKS	4.500	2/18/15		MIZUHO SECURITI	4002	7,170,000.00	7,225,072.77	1,176.58	
1 SALES DURING PERIOD TOTAL.....										7,170,000.00	7,225,072.77	1,176.58	
=== GRAND-TOTAL ==>										402,397,850.00	402,203,285.52	1,176.58	
*** END-OF-REPORT ***													



6. Investment Advisor- December 2014 Quarterly Investment Report

QUARTERLY REPORT

Quarter Ending December 31, 2014



New Mexico State Treasurer's Office Investment Portfolio Analysis



Deanne Woodring, CFA – President, Senior Investment Advisor
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GPA QUARTERLY OBSERVATIONS: ENDING DECEMBER 31, 2014

Market Commentary

Market Yields: During the fourth quarter treasury yields were mixed with a large decline in the 10 year note and a slight increase in two year notes. The two year note increased in yield from .57 to a quarter ending yield of .66. Five year notes declined 11 basis points from a yield of 1.76 to 1.65. The yield decline in the 10 year was 32 basis points from a yield of 2.49 to 2.17. The two year to five year curve flatten from a spread of 119 basis points to 99 basis points.

FOMC: The Fed's bond buying program ended in October and the Fed continued to suggest that they would start raising the Fed Funds rate in 2015. The market consensus is for an increase to commence in June but the Fed has made it clear that any increase would be based upon economic conditions.

Employment: The unemployment rate fell throughout the quarter to 5.6% which is the lowest level since 2008. Nonfarm payrolls were strong during the quarter with weakness in payroll growth. Average hourly earnings ended the year with a YOY growth rate of 1.7% down from 2.1%. The Fed will watch this data closely in the next few months as slow wage growth will most likely delay any increase in Fed Funds.

GDP: Third quarter GDP was revised to +5.0% from 3.9%. Fourth quarter GDP is expected to be in excess of 2.3%. Economic growth for the last half of 2014 was stronger than previous forecasts.

Market Outlook

Fed Funds: The consensus call on Fed Funds is for the Fed to raise rates to .25 by June 2015 and by .50 by December 2015. We believe that the significant decline in the price of oil along with the beginning of quantitative easing in Europe will possibly delay any easing until the end of the year. Inflation will most likely be very low during the first half of 2015 with little pressure from commodities, employment, or European growth.

2 year: The 2 year treasury note is forecasted by over 80 economist contributing to Bloomberg to trade at .79, 1.02, 1.28 and 1.55 for the end of each quarter in 2015. We believe that you would need to see oil stabilize at 50 to 75 dollars along with some growth in European economic conditions for these projections to be close to forecast.

Portfolio Positioning: GPA is currently recommending that portfolios stay neutral to their respective benchmark durations. We value the carry trade as we think the Fed may be slow to raise Fed Funds. We will continue to recommend credit when spreads justify additions as economic conditions should continue to be strong. We also are suggesting that portfolios position their maturities for a flattening yield curve. We expect rates to rise modestly with the two year rising more than the five year note.

Quarterly Yield Change

	3/31/14	6/30/14	9/30/14	12/31/14
3-month bill	.04	.02	.02	.04
2- year note	.42	.46	.57	.66
5- year note	1.72	1.62	1.76	1.65
10- year note	2.72	2.53	2.49	2.17

Economist's Survey Projections

	Q3-14	Q4-14	Q1-15	Q2-15
Real GDP	5.00	2.50	2.80	2.90
CPI	1.80	1.50	1.40	1.10
Unemployment	6.07	5.60	5.70	5.60

Economist's Survey Projections for Rates

	Q3-14	Q4-14 est	Q1-15 est	Q2-15 est
Fed Funds	.25	.25	.25	.35
2 Year	.57	.67	.79	1.02
10 year	2.49	2.17	2.43	2.65

EXECUTIVE SUMMARY

The purpose of this review is an analysis to provide the Treasurer of New Mexico, the State Treasurer's Investment Council ("STIC") and the State Treasurers investment team with of the risk and return components of the investment funds of the New Mexico State Treasurers Office ("STO"). The report includes an overview of performance measurements, asset allocation and investment strategy for the period.

STO's investment strategy is specific to each fund based on the objectives of the funds. The four primary investment funds are the LGIP, General fund core, BPIP taxable and BPIP tax exempt. The remaining funds provide for liquidity and specific cash requirements. The key points of reference throughout this analysis will be on three specific strategies: 1) Management strategies to ensure that the policy objectives are being met, 2) Risk strategies to protect the market value of the funds, and 3) Investment strategy considerations based on the current rate environment.

Quarterly Statistics:

- ✓ Total Fund Market Value Balances as of 12/31/14 - \$4,083,738,806
- ✓ Liquidity requirements are managed in each fund to ensure cash is available when needed and the general fund liquidity was below the target \$500MM as of 12/31/14.
- ✓ Investment components for each fund are targeted to a specific market benchmark
- ✓ 39 purchases were made this quarter, excluding repo transactions
- ✓ The purchases included \$30MM into the First Natl Bank of Santa Fe term CD's and \$164MM of State SSTN series 2014S- and 2014-C issuance.
- ✓ 11 sales occurred this quarter for a net profit of \$28,598.36. Sales occurred to provide for the purchase of the CD's and reduce credit exposure in the municipal market.

(Source: JP Morgan)

The overall investment funds are characterized as well-diversified, low risk portfolios with sufficient liquidity balances.

KEY POINTS OF FOCUS FOR THE NMSTO – INVESTMENT PROGRAM

1. Objectives: Safety, Liquidity and Return

The investment policy objectives of safety, liquidity and return will be the basis of evaluation on the quarterly reports. Safety is addressed through asset diversification and credit quality. Liquidity is addressed through maturity distribution, cash flow analysis and overnight investments. Return is achieved through the selection of credit sector and maturity/duration management.

2. Risk: Credit Risk and Interest Rate Risk

The risks associated with STO's investment funds are: 1) Interest rate risk, which represents the negative impact on market value if interest rates move up. This is controlled by the overall maturity of the portfolio. 2) Credit risk, which is the risk associated with the ability of the issuers to pay its debt obligations. 3) Reinvestment rate risk, which is the risk associated with maturities and short-term securities that are coming due and are then reinvested at lower rates during declining interest rate cycles. The LGIP pool remains within the policy constraints of a weighted average maturity of under 60 days.

Ranking on Interest rate risk: **LOW**

Interest rate risk is directly correlated to average duration of each fund and articulates the amount of price movement that will occur given interest rate changes. Market benchmarks have been established for each of the investment funds to create discipline in market exposure. GPA is monitoring the duration of the three longer investment funds: General Fund Total, BPIP Tax Exempt and BPIP Taxable. The average duration of the combined investment specified funds is 1.50 years and the weighted benchmark is 1.656 years. The interest rate risk exposure of the funds are in line with the established goals and targets. It should be noted that certain pre-refunded municipal securities may show maturity dates to final that are beyond the restricted 5 year maximum maturity, however, these securities will be refunded to much shorter dates and the duration measure is based on those dates.

Ranking on Credit risk: **LOW -MEDIUM**

The portfolio continues to be invested in high quality securities with the majority of investments held in US treasury and Agency securities. The general core fund holds 66.1 % in agency securities and 27.12% in US Treasury securities. The BPIP Tax-exempt fund is 37.25% in Agency securities and 58.97% in Treasury securities and the BPIP Taxable fund is 37.58% in Agency securities and 52.67% in US Treasury. The remaining credit exposure is in bank deposits, which are collateralized and in municipal securities. There has been an increase in exposure in the First National Bank of Santa Fe with the investment of Term CD's, these funds are 102% collateralized. Many of the pre-refunded municipal securities will be maturing over the next two quarters. These securities are fully secured with US treasury securities.

Ranking on reinvestment rate risk: **LOW**

Reinvestment risk is the opportunity risk of having too much held in liquidity or being exposed to higher concentrations of callable securities in a declining market. STO is effectively incorporating a cash flow model to manage liquidity and callable holdings are being added in limited amounts, when there is value in that sector.

3. GPA Observations & Recommendations

- STO managers are focused on maintaining durations that are neutral to established benchmarks.
- Spreads have begun to widen out on agency issues relative to treasury securities, so when opportunities arise evaluate reducing treasury holdings and increasing agency exposure will provide value.
- STO managers are utilizing the yield curve and aligning the general core fund to be more aligned with the maturity exposure in the index.
- Procedures to support additional credit management should continue to be explored.

GPA is reporting on the following key measures:

Asset Allocation:

- 1) Presents the current asset allocation by funds
- 2) Presents the changes in asset allocation over the quarter

Performance Measurement and Risk Management:

- 1) Provides a comparison of the duration targets for each investment fund relative to the established benchmark.
- 2) Provides a return comparison over the last quarter, fiscal year and rolling one year period on the investment funds relative to the established benchmarks.
- 3) Potential price changes on the portfolio given changes in interest rates – Shock Analysis

Investment Strategy Review:

- 1) Provide an analysis on the current strategy
- 2) Considerations based on market outlook and funds objectives.

GPA relies on the performance data and information provided from STO's custodial bank JP Morgan and STO's internal reporting system.

ASSET ALLOCATION REPORT

<p><i>Allocation Report by Fund</i></p>	<p>GPA has compiled a report that provides a summary of the asset allocation in each fund. The BPIP funds are holding in excess of 50% in US Treasury securities with the remaining funds concentrated on Agency holdings. The General Fund Core holds 27.12% in US Treasury securities and 66.11% in Agency securities.</p>
<p><i>Change in Allocation over the Period</i></p>	<p>Most of the funds held are similar allocations this quarter versus last quarter. The primary changes were in the short term and overnight markets, where the repurchase and overnight funds continue to have pressure at 0% rates. The GF liquidity is utilizing bank balance versus REPO and the Severance Tax Bonding fund shifted from Repo to the LGIP Pool. In addition, the portfolio manager is working to add more 3-5 paper in the General Fund Core to better match the 0-5 benchmark maturity distributions.</p>
<p><i>Issuer Exposure</i></p>	<p>The portfolio manager is maintaining a higher exposure to Treasury securities due to the tight spreads. In the General fund core, it is expected that the number of municipal securities will decline given the normalization of yields in that sector. STO will continue to look to add value through New Mexico issued securities.</p>
<p><i>Relative Value between Asset Classes</i></p>	<p>GPA suggests evaluation of additional asset classes that are allowable under State Statute to provide for balance credit exposure. It is important to have an approval list of the securities that meet specific criteria of the State Treasurers office.</p>

12/31/14		ASSET ALLOCATION AND DIVERSIFICATION							
Portfolio Name	Market Value+Int	% Fund	Repo	Bank	Treasury	Agency	Corp/CP	Muni	Other
Total LGIP	\$ 580,719,740.74	100%		41.41%	0.52%	59.54%			-1.47%
Liquidity	\$ 231,927,363.71	40%							
Investments	\$ 348,792,377.03	60%							
LGIP GIP Index Benchmark			27.87%	13.46%	5.28%	52.22%	0.18%	0.07%	0.92%
Portfolio Name	Market Value+Int	% Fund	Repo	CD/Bank	Treasury	Agency	Corp/CP	LGIP	Muni
Total General Fund	\$ 2,000,426,403.81	100%							
Liquidity	\$ 419,841,850.46	21%	46.03%	47.69%		5.95%		0.00%	0.33%
Investment Core	\$ 1,580,584,553.35	79%	0.03%	4.42%	27.12%	66.11%		0.06%	2.26%
Portfolio Name	Market Value+Int	% Fund	Repo	CD/Bank	Treasury	Agency	Corp/CP	LGIP	Muni
Total Tax Exempt	\$ 442,259,454.58	100%	0.34%	1.14%	58.97%	37.25%			2.30%
Liquidity	\$ 6,525,283.48	1%							
Investments	\$ 435,734,171.10	99%							
Portfolio Name	Market Value+Int	% Fund	Repo	CD/Bank	Treasury	Agency	Corp/CP	LGIP	Muni
Total Taxable	\$ 758,224,706.93	100%	6.60%	1.87%	52.67%	37.58%		0.04%	1.24%
Liquidity	\$ 64,559,180.71	9%							
Investments	\$ 693,665,526.22	91%							
Portfolio Name	Market Value+Int	% Fund	Repo	CD/Bank	Treasury	Agency	Corp/CP	LGIP	Muni
Overnight Repo Pool	\$ 166,056,243.24	100%	100.00%						
Liquidity	\$ 166,056,243.24	100%							
Investments		0%							
Portfolio Name	Market Value+Int	% Fund	Repo	CD/Bank	Treasury	Agency	Misc	LGIP	Muni
Severance Tax Bonding	\$ 136,052,256.93	100%	28.44%	18.38%		16.18%		36.77%	0.23%
Liquidity	\$ 113,731,369.71	84%							
Investments	\$ 22,320,887.22	16%							
TOTAL STO FUNDS	\$ 4,083,738,806.23								

Source : JP Morgan Reports - Balances -Trade Date

Source: Asset Allocation STO - JP Morgan Reports

The benchmarks for STO Funds are 100% US Treasury Securities

Assumption: QED is traded date accounting, therefore, negative cash balances were reduced from Repo or bank deposits

12/31/14

CHANGE IN PORTFOLIO FROM 9/30/14 -12/31/14

<i>LGIP Fund</i>	<i>Market Value+Int</i>	<i>Repo</i>	<i>Bank</i>	<i>Treasury</i>	<i>Agency</i>	<i>Corp/CP</i>	<i>Other</i>		
12/31/2014	\$ 580,719,740.74	0.00%	41.41%	0.52%	59.54%			-1.47%	
9/30/2014	\$ 570,769,681.10	0.00%	42.80%	0.50%	59.30%			0.00%	
Change over Period	\$ 9,950,059.64	0.00%	-1.39%	0.02%	0.24%			-1.47%	
<i>General Fund Liquidity</i>	<i>Market Value+Int</i>	<i>Repo</i>	<i>CD/Bank</i>	<i>Treasury</i>	<i>Agency</i>	<i>Corp/CP</i>	<i>LGIP</i>	<i>Muni</i>	
12/31/2014	\$ 419,841,850.46	46.03%	47.69%		5.95%		0.00%	0.33%	
9/30/2014	\$ 668,950,258.48	69.88%	29.92%	0.00%	0.00%		0.00%	0.20%	
Change over Period	\$ (249,108,408.02)	-23.85%	17.77%	0.00%	5.95%		0.00%	0.13%	
<i>General Fund Core</i>	<i>Market Value+Int</i>	<i>Repo</i>	<i>CD/Bank</i>	<i>Treasury</i>	<i>Agency</i>	<i>Corp/CP</i>	<i>LGIP</i>	<i>Muni</i>	
12/31/2014	\$ 1,580,584,553.35	0.03%	4.42%	27.12%	66.11%	0.00%	0.06%	2.26%	
9/30/2014	\$ 1,489,515,361.07	0.08%	3.68%	25.82%	67.08%	0.00%	0.00%	4.50%	
Change over Period	\$ 91,069,192.28	-0.05%	0.74%	1.30%	-0.97%	0.00%	0.06%	-2.24%	
<i>BPIP Tax Exempt</i>	<i>Market Value+Int</i>	<i>Repo</i>	<i>CD/Other</i>	<i>Treasury</i>	<i>Agency</i>	<i>Corp/CP</i>	<i>LGIP</i>	<i>Muni</i>	
12/31/2014	\$ 442,259,454.58	0.34%	1.14%	58.97%	37.25%		0.00%	2.30%	
9/30/2014	\$ 500,377,764.30	2.82%	0.60%	59.26%	35.12%		0.40%	1.80%	
Change over Period	\$ (58,118,309.72)	-2.48%	0.54%	-0.29%	2.13%		-0.40%	0.50%	
<i>BPIP Taxable</i>	<i>Market Value+Int</i>	<i>Repo</i>	<i>CD/Other</i>	<i>Treasury</i>	<i>Agency</i>	<i>Corp/CP</i>	<i>LGIP</i>	<i>Muni</i>	
12/31/2014	\$ 758,224,706.93	6.60%	1.87%	52.67%	37.58%		0.04%	1.24%	
9/30/2014	\$ 670,944,486.24	0.06%	2.68%	50.18%	45.21%		0.49%	1.38%	
Change over Period	\$ 87,280,220.69	6.54%	-0.81%	2.49%	-7.63%		-0.45%	-0.14%	
<i>Overnight Repo Pool</i>	<i>Market Value+Int</i>	<i>Repo</i>	<i>CD/Other</i>	<i>Treasury</i>	<i>Agency</i>	<i>Corp/CP</i>	<i>LGIP</i>	<i>Muni</i>	
12/31/2014	\$ 166,056,243.24	100.00%							
9/30/2014	\$ 175,500,000.00	100.00%							
Change over Period	\$ (9,443,756.76)								
<i>Severance Tax Bonding</i>	<i>Market Value+Int</i>	<i>Repo</i>	<i>CD/Other</i>	<i>Treasury</i>	<i>Agency</i>	<i>Corp/CP</i>	<i>LGIP</i>	<i>Muni</i>	
12/31/2014	\$ 136,052,256.93	28.44%	18.38%	0.00%	16.18%		36.77%	0.23%	
9/30/2014	\$ 170,638,827.87	66.85%	0.00%	8.32%	7.06%		17.59%	0.18%	
Change over Period	\$ (34,586,570.94)	-38.41%	18.38%	-8.32%			19.18%	0.05%	
TOTAL STO FUNDS 12/31/14	\$ 4,083,738,806.23								
TOTAL STO FUNDS 9/30/14	\$ 4,246,696,379.06								

Source : JP Morgan Reports - Balances

Source: Asset Allocation STO - QED Reports

Assumption: QED is traded date accounting, therefore, negative cash balances were reduced from Repo or bank deposits

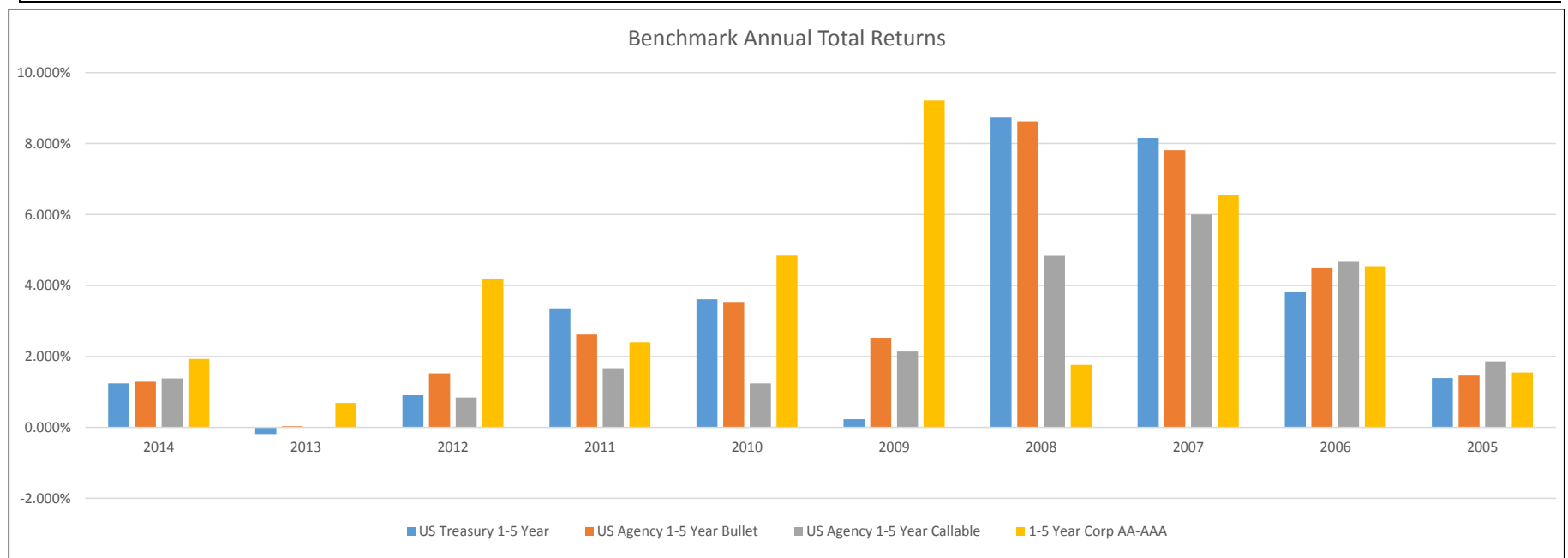
PERFORMANCE REPORT

<p><i>Performance Report</i></p>	<p>The following performance report compares the total return of each portfolio relative to the established benchmark. The LGIP portfolio is reported on a book yield basis. The only funds that utilize total return tracking are the general fund core and the two BPIP funds.</p>
<p><i>Quarter Performance</i></p>	<p>All three investment portfolios had slightly shorter durations than the benchmarks and that positioning resulted in outperforming the benchmark returns. For the trailing year, the general fund core performed at a 1.04% versus the benchmark at 1.00%. The BPIP tax exempt performed at .50% versus .46% and the taxable performed at .50% versus .46%.</p>
<p><i>Attribution Analysis</i></p>	<p>The primary contributor to return was the duration positioning relative to the benchmark. Credit exposure was minimal with the use of municipal securities. Asset Class performance is included in this report to compare the allowable asset class returns and the durations of each index.</p>
<p><i>Observations and Considerations</i></p>	<p><i>Duration:</i> Interest rates are expected to continue to be volatile and the directional course is expected to be unchanged to slightly up through 2015. Last quarter, all indications were headed towards higher rates, however, changes in the global markets and gas prices have significantly changed to support a continued low rate environment through 2015.</p> <p><i>Credit:</i> Diversification should provide additional value, however, spreads remain very tight in credit and is expected to widen as rates rise. Continued evaluation and effort should be made into developing a credit process.</p> <p><i>Liquidity:</i> The liquidity management process is improving and providing clearer communication within the investment team.</p>

ASSET CLASS BENCHMARK COMPARISONS

Benchmarks	Date	Core Fund Size
GVQ0	12/31/2014	\$ 100,000,000.00
GVPB		
GVPC		
CVB0		
UVA0		

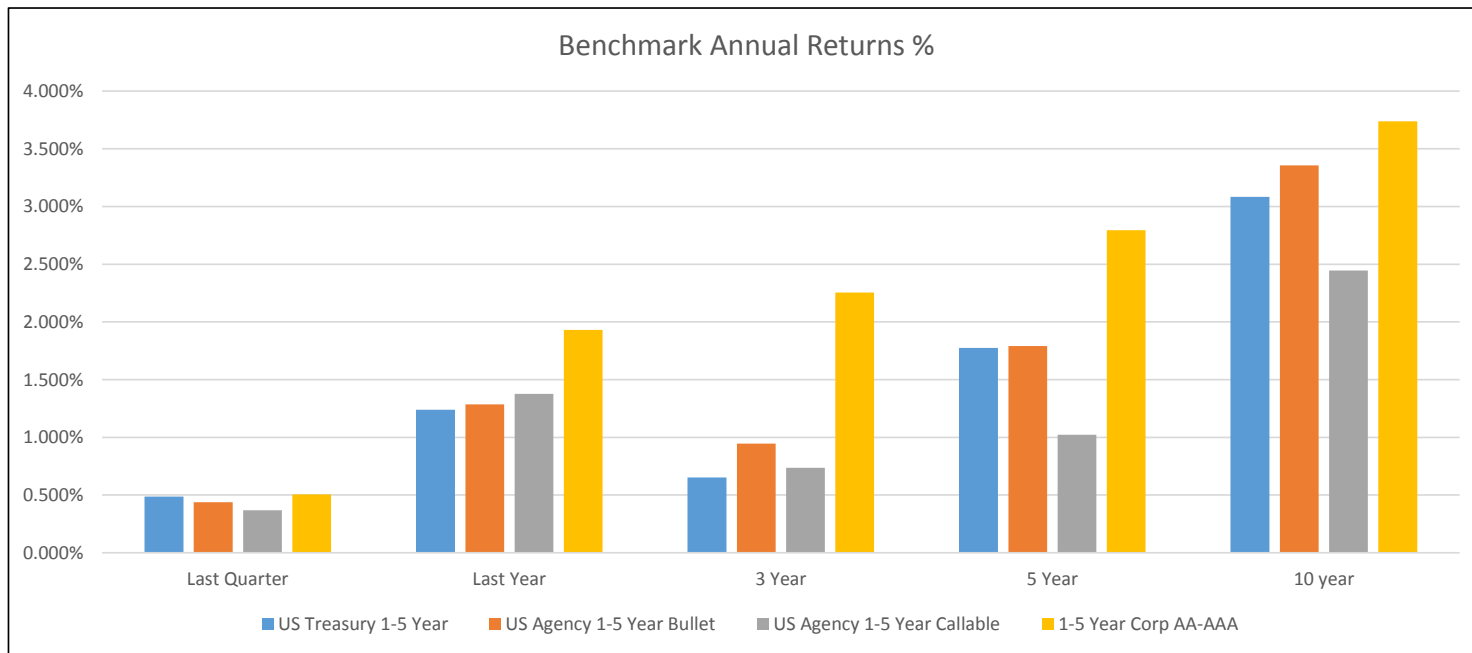
Benchmark	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
US Treasury 1-5 Year	1.239%	-0.187%	0.910%	3.356%	3.611%	0.232%	8.730%	8.159%	3.810%	1.388%
US Agency 1-5 Year Bullet	1.287%	0.034%	1.522%	2.618%	3.536%	2.528%	8.628%	7.815%	4.485%	1.460%
US Agency 1-5 Year Callable	1.376%	-0.006%	0.845%	1.668%	1.239%	2.135%	4.836%	6.001%	4.667%	1.860%
1-5 Year Corp AA-AAA	1.931%	0.691%	4.173%	2.401%	4.838%	9.215%	1.763%	6.565%	4.547%	1.550%
1-5 Year Municipals	1.297%	1.236%	1.630%	3.660%	1.850%	5.564%	5.653%	5.002%	3.221%	1.208%



Source: Bloomberg BofA Merrill Lynch

Benchmark	Duration	Annualized Returns (%)				
		Last Quarter	Last Year	3 Year	5 Year	10 year
US Treasury 1-5 Year	2.743	0.487%	1.239%	0.652%	1.775%	3.083%
US Agency 1-5 Year Bullet	2.499	0.438%	1.287%	0.945%	1.792%	3.357%
US Agency 1-5 Year Callable	1.801	0.369%	1.376%	0.737%	1.023%	2.445%
1-5 Year Corp AA-AAA	2.848	0.505%	1.931%	2.255%	2.796%	3.737%
1-5 Year Municipals	2.47	-0.023%	1.297%	1.388%	1.931%	3.017%

Benchmark	Duration	Historical Returns for Invested Core Portfolio				
		Last Quarter	Last Year	3 Year	5 Year	10 year
US Treasury 1-5 Year	2.743	\$ 486,617.57	\$ 1,238,630.41	\$ 1,968,917.56	\$ 9,197,415.31	\$ 35,475,464.90
US Agency 1-5 Year Bullet	2.499	\$ 438,099.51	\$ 1,286,966.05	\$ 2,863,193.47	\$ 9,288,015.41	\$ 39,116,472.83
US Agency 1-5 Year Callable	1.801	\$ 368,802.16	\$ 1,376,450.43	\$ 2,227,617.48	\$ 5,220,155.86	\$ 27,324,373.01
1-5 Year Corp AA-AAA	2.848	\$ 504,920.67	\$ 1,931,249.62	\$ 6,918,333.44	\$ 14,782,043.51	\$ 44,327,356.10
1-5 Year Municipals	2.47	\$ (23,311.11)	\$ 1,296,942.66	\$ 4,220,758.18	\$ 10,033,809.02	\$ 34,618,630.77



SHOCK ANALYSIS REPORT

<i>Shock Analysis</i>	The following shock analysis report illustrates market value change that can be expected given instantaneous interest rate changes.
<i>Strategy to Manage Risk</i>	It is inherent in owning longer term fixed income securities that the market value will change given interest rate moves. It is also inherent that the longer maturities historically have provided higher returns over interest rate cycles. The purpose of the shock analysis is to illustrate and manage the expected change in market value on the portfolio given a change in current interest rates.
<i>Expected Change in Market Value</i>	The total market value of the portfolio would move by approximately \$12,000,000 given a 25 basis points change in the market and a parallel yield curve shift. This does not incorporate credit spread changes. The exposure is less than the establish benchmark by approximately \$1,2MM.
<i>LGIP Market Value Change</i>	The LGIP shock report is included and this analysis shows the NAV price change expected on the LGIP fund given changes in interest rates and overall portfolio size. The LGIP policy establishes for the NAV to remain between 99.85 and 100.15.

SHOCK ANALYSIS

Review of price sensitivity of the investment portfolio given an upward movement in rates.

12/31/14

Assumptions:

1. Assumes parallel yield curve shift
2. Assume point in time change
3. Represents market value change that is unrealized

STO FUNDS

		<i>RISK</i>	<i>Up 25 Basis Pts</i>	<i>Up 50 Basis Pts</i>	<i>Up 100 Basis Pts</i>
<i>Portfolio Name</i>	<i>Market Value</i>	<i>Duration - End</i>	<i>Market Change</i>	<i>Market Change</i>	<i>Market Change</i>
General Fund Core	\$ 1,580,584,553.35	2.12	\$ (8,377,098.13)	\$ (16,754,196.27)	\$ (33,508,392.53)
Fund Benchmark		2.25	\$ (8,890,788.11)	\$ (17,781,576.23)	\$ (35,563,152.45)
<i>Portfolio Name</i>	<i>Market Value</i>	<i>Duration - End</i>	<i>Market Change</i>	<i>Market Change</i>	<i>Market Change</i>
BPIP Tax Exempt	\$ 442,259,454.58	1.22	\$ (1,348,891.34)	\$ (2,697,782.67)	\$ (5,395,565.35)
Fund Benchmark		1.45	\$ (1,603,190.52)	\$ (3,206,381.05)	\$ (6,412,762.09)
<i>Portfolio Name</i>	<i>Market Value</i>	<i>Duration - End</i>	<i>Market Change</i>	<i>Market Change</i>	<i>Market Change</i>
BPIP Taxable	\$ 758,224,706.93	1.22	\$ (2,312,585.36)	\$ (4,625,170.71)	\$ (9,250,341.42)
Fund Benchmark		1.45	\$ (2,748,564.56)	\$ (5,497,129.13)	\$ (10,994,258.25)
Total STO Investment Funds	\$ 2,781,068,714.86	1.732	\$ (12,038,574.83)	\$ (24,077,149.65)	\$ (48,154,299.30)
Total Benchmark Change		1.905	\$ (13,242,543.20)	\$ (26,485,086.40)	\$ (52,970,172.79)

* Data Source: JP Morgan Custodial Reports

ASSUMED EARNINGS COMPARISON OF PORTFOLIO TO CASH EARNINGS

		<i>12/31/2014</i>	<i>1 year</i>	<i>3 year*</i>
<i>Portfolio Name</i>	<i>Market Value</i>	<i>Book Yield</i>	<i>Earnings</i>	<i>Earnings</i>
General Fund Core	\$ 1,580,584,553.35	0.955%	\$ 15,100,904.82	\$ 45,302,714.47
Cash		0.10%	\$ 1,580,584.55	\$ 4,741,753.66
<i>Portfolio Name</i>	<i>Market Value</i>	<i>Book Yield</i>	<i>Earnings</i>	<i>Earnings</i>
BPIP Tax Exempt	\$ 442,259,454.58	0.516%	\$ 2,279,847.49	\$ 6,839,542.47
Cash		0.10%	\$ 442,259.45	\$ 1,326,778.36
<i>Portfolio Name</i>	<i>Market Value</i>	<i>Book Yield</i>	<i>Earnings</i>	<i>Earnings</i>
BPIP Taxable	\$ 758,224,706.93	0.56%	\$ 4,227,860.97	\$ 12,683,582.90
Cash		0.10%	\$ 758,224.71	\$ 2,274,674.12
Total STO Investment Funds	\$ 2,781,068,714.86		\$ 21,608,613.28	\$ 64,825,839.83

Data Source: JP Morgan Custodial Reports and QED reports

* 3 year returns assumes the same rate as of 12/31/14 for the next 3 years.

SENSITIVITY ANALYSIS

12/31/2014

Weighted Average Maturity:	52.4		**
Shares Outstanding:	581,835,461	Book Value	As of 1/5/15
Market Value (NAV):	0.99970		As of 1/5/15
Total \$ Unrealized Loss:	\$174,551		
Total \$ Unrealized Gain	\$0		

Basis Point Shift								Gain (Loss)
300	0.993419	0.994881	0.995151	0.995393	0.995613	0.995812	0.996456	\$ (2,680,428)
250	0.994444	0.995679	0.995906	0.996111	0.996296	0.996465	0.997008	\$ (2,262,782)
200	0.995470	0.996476	0.996662	0.996829	0.996980	0.997117	0.997561	\$ (1,845,136)
150	0.996495	0.997274	0.997417	0.997547	0.997663	0.997770	0.998113	\$ (1,427,489)
100	0.997521	0.998072	0.998173	0.998264	0.998347	0.998422	0.998665	\$ (1,009,843)
50	0.998546	0.998869	0.998929	0.998982	0.999031	0.999075	0.999217	\$ (592,197)
0	0.999571	0.999667	0.999684	0.999700	0.999714	0.999727	0.999769	\$ (174,551)
-50	1.000597	1.000464	1.000440	1.000418	1.000398	1.000380	1.000321	\$ 243,096
-100	1.001622	1.001262	1.001195	1.001136	1.001082	1.001032	1.000874	\$ 660,742
-150	1.002648	1.002059	1.001951	1.001853	1.001765	1.001685	1.001426	\$ 1,078,388
-200	1.003673	1.002857	1.002707	1.002571	1.002449	1.002337	1.001978	\$ 1,496,034
-250	1.004699	1.003654	1.003462	1.003289	1.003132	1.002990	1.002530	\$ 1,913,681
-300	1.005724	1.004452	1.004218	1.004007	1.003816	1.003643	1.003082	\$ 2,331,327

Redemption/Inflow	-30%	-10%	-5%	0%	5%	10%	30%
O/S Shares	407,284,823	523,651,915	552,743,688	581,835,461	610,927,234	640,019,007	756,386,099

Shift Upon NAV = $NAV - (APM/365) * (Bp/10,000)$

Dilution Upon NAV = $(NAV + Change) / (1 + Change)$

* Source: S&P rating matrix

** Provided by STO on S&P Report

INVESTMENT STRATEGY REVIEW

<p><i>Investment Strategy</i></p>	<p><i>General Fund:</i> The strategy has been to increase the size of the investment fund as overall general fund balances grow. Approximately, \$90MM was shifted from liquidity to investments this quarter. The duration of the core fund is at 2.12, slightly shorter than the benchmark and will be managed neutral to the benchmark over the coming quarter, with additions in the 3-5 year maturity ranges. Liquidity balances ended the quarter at \$419MM which is below the \$500MM target and is being managed closely. The total general fund balance decreased by \$150MM this quarter.</p> <p><i>BPIP Taxable and Tax Exempt Funds:</i> BPIP Tax Exempt fund declined by \$58MM due to cash flow demands and the Taxable fund increased by \$87MM. The Portfolio Managers continue to work on outreach to improve cash flow management. The liquidity balances are being managed low in the Tax Exempt fund and securities may need to be sold to meet cash flow needs. There are several securities that can be sold at profits. If market rates move upwards, it will become more important to manage the cash flows to prevent from having to sell securities at losses to provide for cash needs. It is a continuing effort to improve forecasting in these funds.</p> <p><i>LGIP Fund:</i> The LGIP balance remained stable with the slight growth of \$9MM. The earnings on the pool continues to be in excess of the second quartile of net yields for the S&P government funds. Net returns on those funds are at .08%, and the top quartile includes funds with more credit securities.</p>
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<i>Investment Objectives</i>	The structure of the portfolios are consistent with the investment policy objectives of safety, liquidity and return.
<i>Investment Results</i>	Earnings book yield in each fund as of 12/31/14: LGIP Net Yield: .124% General Fund Core Yield: .955% BPIP Tax Exempt Fund Yield: .516% BPIP Taxable Fund Yield: .56%
<i>Investment Team Projects</i>	<ol style="list-style-type: none"> 1) Trade Documentation Review 2) Broker Dealer Review and Recommendations 3) Credit Process for Review and Presentation



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7. Quarterly Investment Review

Quarterly Investment Review

Market Summary

The fourth quarter of 2014 was characterized by the continuing flattening of the yield curve. With inflation below the Federal Reserve's 2% target rate, the 30 year Treasury yield showed the greatest decline, outperforming all shorter maturities. For the quarter, the 30 year US Treasury returned over 10% and almost 30% for the calendar year 2014. The 2 year Treasury, held hostage by the prospect of the Federal Reserve raising short term interest rates in mid-2015, returned a paltry 0.15% for the quarter and 0.70% for the calendar year.

The main themes that affected the capital markets in the fourth quarter of 2014 included the precipitous decline in the level of oil prices and deflationary pressure, the ending of the Fed's purchases of treasury and mortgage securities, quantitative easing (QE), steady improvement in labor markets, the aggressive liquidity programs occurring in Europe, Japan and China, the strength of the US dollar vs. other major currencies, and the relatively attractive yields that US Treasuries offer vs. foreign sovereign yields. As the new year unfolded prospects for the Federal Reserve tightening monetary policy any time soon began to wane as expectations moved to late 2015 and perhaps even 2016.

Equity markets were strong during the quarter as the S&P 500 Index returned over 4% and more than 11% for the calendar year. Accommodative global monetary policies and economic weakness across Europe were good catalysts for US equity strength.

On our area of the curve, rates ended the quarter higher for maturities shorter than five years. The dynamic of low inflation coupled with improving economic growth is pushing longer rates lower but keeping a floor under shorter maturities that are sensitive to the Federal Funds rate. We have positioned the portfolios to reduce the negative effects of rising interest rates. The end of December was extremely sloppy as the employment picture was continuing to improve and the GDP rate of 5% was reported for the third quarter 2014.

With regard to asset classes, municipals were expensive vs. treasuries and agencies, with occasionally attractive 1 year and shorter new issue positions. However, for the most part, municipal issuance for NM debt was very light and spreads were unenticingly tight. Bullet agency securities widened a bit, especially in the five year maturity as interest rates rose in late December, providing a very short window of opportunity. Callable agencies were negatively affected by an increase in volatility.

Table 10 – Comparative Quarterly Interest Rates

<i>US Treasury Yields</i>			
<i>Maturity</i>	<i>Sept 30</i>	<i>Dec 31</i>	<i>Change</i>
<i>3-Month</i>	0.02%	0.04%	0.02%
<i>6-Month</i>	0.03%	0.12%	0.09%
<i>2-Year</i>	0.57%	0.67%	0.10%
<i>5-Year</i>	1.76%	1.65%	(0.11%)
<i>10-Year</i>	2.49%	2.17%	(0.32%)
<i>30-Year</i>	3.20%	2.75%	(0.45%)

Source: Bloomberg LP

The chart below (Figure 1) shows the daily spread between the five year and two year treasury yields over the past year. As you can see, the spread between the two maturities has narrowed significantly since mid-September, from 1.25% to 0.78%. This has been a significant relationship change as expectations for a Fed Funds rate increase during a period of below target inflation and plunging oil prices has fueled the outperformance of the five year treasury.

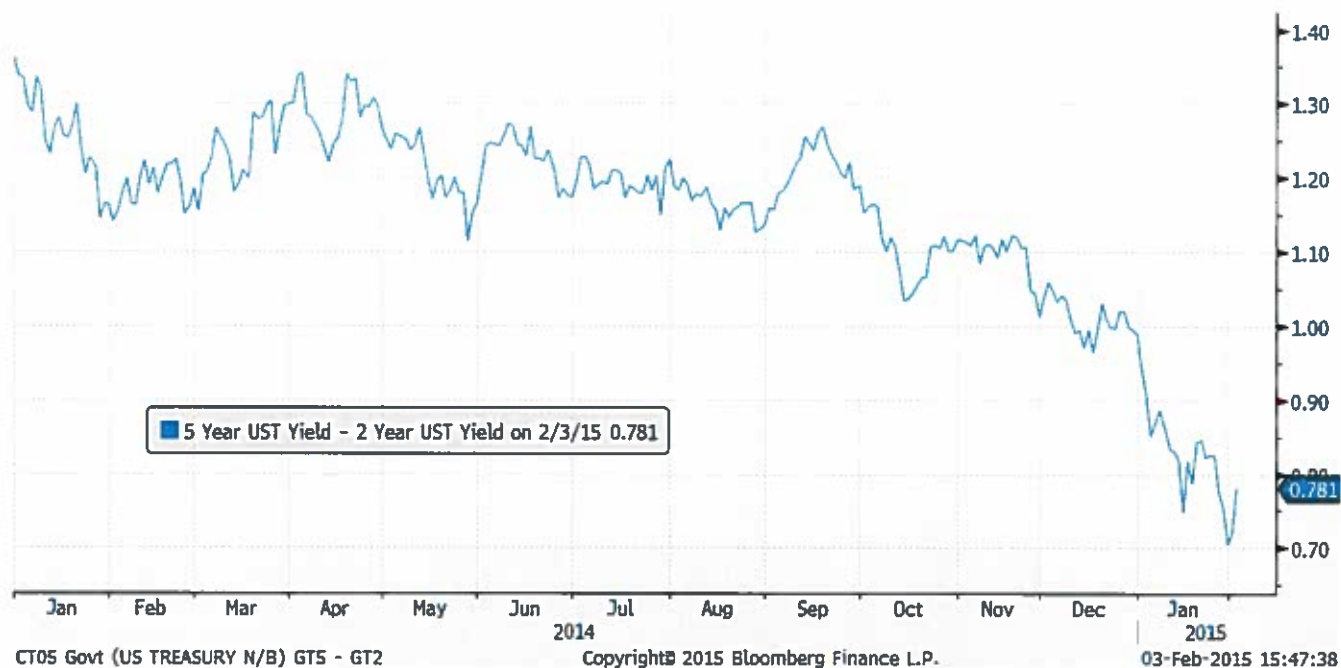


Figure 1- 12 Month Comparison of 2 Year and 5 Year US Treasury Yield

Investment Strategy Employed During the Past Quarter

Over the past quarter, our general strategy has been to stay close to the duration of the benchmark index. With a “bulleted” structure, overweighting the two to three year segment of the yield curve vs. reduced exposure to five year maturities, the portfolio was not optimally positioned to take advantage of the yield curve flattening. A move toward a more neutral yield curve posture vs. the index was employed when maturities became available. As our objective had been to be more defensive in a rising interest rate environment, the two year area of the yield curve had afforded the opportunity to capture a portion of the steepness in yields while allowing maturities to roll down the curve for greater reinvestment potential.

The decline in yields for the five year maturity vs. higher two year yields during the fourth quarter resulted in slight underperformance to our benchmarks. We do not attempt to “time” the market or “trade” the portfolios, but we are sensitive to where we can add additional performance through the addition of duration, credit or other methods.

As always, we are limited by the goals of safety, liquidity and yield. The development of better cash forecasting models has helped the relative performance of the STO portfolios.

With regard to specific funds, we have utilized strategies which complement each fund's particular cash needs.

General Fund Investment Pool

The General Fund Investment Pool has maintained the percentage weighting between the Liquidity and CORE portions of 30% and 70%, respectively. The success of managing cash flow expectations has been instrumental in allowing a larger portion of the Pool to work for higher returns via investment in longer maturities. This has been an advantage vs. investing excessively in the overnight market at excruciatingly low rates.

As mentioned earlier in the text, the positioning of the GF CORE has not been optimal considering the outperformance of the five year Treasury, where the Pool was underweighted vs. the benchmark. While the five year declined in yield during the quarter, the two year was actually higher in yield creating a drag on relative performance. For the 12 months ended December 31, 2014 the Pool was able to outperform the benchmark as the duration of the portfolio was longer for most of the earlier part of the year.

The Pool has added some five year agency securities as they offered value when compared to US Treasury yields of similar duration. A combination of 1 year and five year bullets were purchased with a weighted average duration equal to the benchmark duration. This allowed for an increase in exposure to the five year segment of the yield curve without lengthening the overall risk of the portfolio.

Table 11 – Quarterly General Fund Investment Pool Relative Performance

<i>Fund</i>	<i>Performance</i>	
	<i>Quarter</i>	<i>12 Months</i>
<i>General Fund CORE</i>	0.35%	1.04%
<i>BAML 0-5 US Treasury</i>	<u>0.38%</u>	<u>1.00%</u>
<i>Relative Performance (BPs)</i>	(0.03)%	0.04%

Source: JP Morgan

Table 12 – Quarter-End General Fund Investment Pool Positioning versus Benchmark

<i>Fund</i>	<i>Duration</i>		
	<i>Portfolio</i>	<i>Benchmark</i>	<i>Percentage</i>
<i>General Fund Liquidity</i>	0.01 Years		
<i>General Fund CORE</i>	2.11 Years	2.17 Years	97%

Source: QED, JPMorgan

Bond Proceeds Funds

With regard to relative performance, the Bond Proceeds Investment Pool matched or outperformed their benchmarks on a 3 and 12-month basis.

Table 13 Quarterly Bond Proceeds Investment Pool Relative Performance

<i>Fund</i>	<i>Performance</i>	
	<i>Quarter</i>	<i>12 Months</i>
<i>Bond Proceeds - Tax Exempt</i>	0.11%	0.50%
<i>BAML 0-3 US Treasury</i>	<u>0.11%</u>	<u>0.46%</u>
<i>Relative Performance (BPs)</i>	0.00%	0.04%
<i>Bond Proceeds – Taxable</i>	0.13%	0.50%
<i>BAML 0-3 US Treasury</i>	<u>0.11%</u>	<u>0.46%</u>
<i>Relative Performance (BPs)</i>	0.02%	0.04%

Source: JPMorgan

With regard to positioning, we have allowed the portfolios to drift somewhat shorter, as we allow for capital project withdrawals and payment of debt service.

Table 14 Quarter-End Bond Proceeds Investment Pool Positioning versus Benchmark

<i>Fund</i>	<i>Duration</i>		
	<i>Portfolio</i>	<i>Benchmark</i>	<i>Percentage</i>
<i>Bond Proceeds - Tax Exempt</i>	1.22 Years	1.37 Years	89%
<i>Bond Proceeds – Taxable</i>	1.29 Years	1.37 Years	94%

Source: QED, JPMorgan

Local Government Investment Pool

The LGIP remained relatively stable during the fourth quarter ending at \$580mil. On a comparative basis, the fund has performed well relative to its peers, but given the overall level of rates, managing the fund has been challenging with limited opportunities for adding value.

Table 15 – Quarterly Local Government Investment Pool Relative Performance

<i>Fund</i>	<i>Performance</i>	
	<i>Quarter</i>	<i>12 Months</i>
<i>Local Government Investment Pool</i>	0.03%	0.15%
<i>S&P Government Bond Index (Gross)</i>	<u>0.02%</u>	<u>0.10%</u>
<i>Relative Performance (BPs)</i>	0.01%	0.05%

Source: JPMorgan

Severance Tax Bonding Fund

The Severance Tax Bonding Fund grew over the quarter by approximately \$45MM/month with the receipt of severance taxes. Balances built throughout the quarter and were withdrawn to cover debt service payments on outstanding severance tax bonds on January 1 and to retire severance tax and supplemental severance tax notes issued late in the quarter.

The Severance Tax Bonding Fund is primarily invested in overnight repurchase agreements which remain competitive relative to short-term investment alternatives.

Expectations for the Upcoming Quarter and Year

The fixed income markets were considerably weaker in the intermediate segment of the Treasury yield curve through the month of December. Interest rates have reversed direction in January so far with the flattening yield curve trend continuing. Oil prices appear to have settled into the \$45 area with the markets fearful that low oil prices are indicating economic weakness. The strength of the US dollar has also put pressure on earnings for corporations with overseas operations. The move by the ECB to increase their version of quantitative easing to 60 billion euros of bond purchases pushed interest rates for European markets even lower.

Lack of inflationary pressures continues to fuel the US bond market, although it seems that interest rates have been seesawing, one month higher followed by one month lower. We will see what February brings. The weakness in Europe coupled with the Greek elections have helped to drive US stocks lower, another catalyst for investors to seek out solace in the US bond market.

Forward rates have now moved the expectation for a Federal Reserve rate hike to September of 2015 and some investors see this timeline moving out even further. The flattening yield curve trend should continue as inflation is below the 2% Fed target and the pressure of lower oil prices could push this indicator even lower.

We can't emphasize enough how attractive US Treasury securities are when compared to levels of our overseas counterparts. The strength of the US\$, if sustained, is also icing on the cake. This relative value could continue to keep rates low and allow the Fed to maintain their current policy. The difficulty we face in 2015 is that the Fed is unsure about monetary policy, indicating that any moves will be data dependent. This uncertainty will be expressed in the portfolios with close to benchmark durations and portfolio positioning, specifically in the General Fund, toward a more curve neutral posture. The Bond Proceeds Pools will continue to be short the duration of the benchmark as the luxury of selling securities at a gain to cover withdrawals may disappear.

We continue to try and add value where and when it becomes available, through selective credit additions as well as active duration management relative to established benchmarks.

General Fund Investment Pool

The General Fund Investment Pool will remain fully invested. Given the outlook articulated above, reinvestment of maturing bonds will be at the benchmark duration, utilizing securities that we expect will continue to outperform to the curve on a relative basis.

Bond Proceeds Pools

During the next quarter, the Bond Proceeds pools will increase in size with a NM bond issuance in late March with proceeds deposited into the Tax Exempt Pool. There will be a debt service payment on March 1 of approximately \$70mil that will be paid from the Tax Exempt Pool as well.

Local Government Investment Pool

The LGIP has increased by about \$50mil since the end of December 2014. The yield on the Pool has remained a consistent 0.16% with a net yield payable to participants at 0.11%. The WAMs will continue, to be close to the maximum allowable 60 and 120 days as maturities shorter than six months continue to be relatively unattractive.

We continue to advocate forming an alternative longer duration LGIP to offer communities additional investment alternatives. New Mexico municipalities are aggressively pursuing external investment strategies which may contribute to a decrease in participant balances.

Severance Tax Bonding Fund

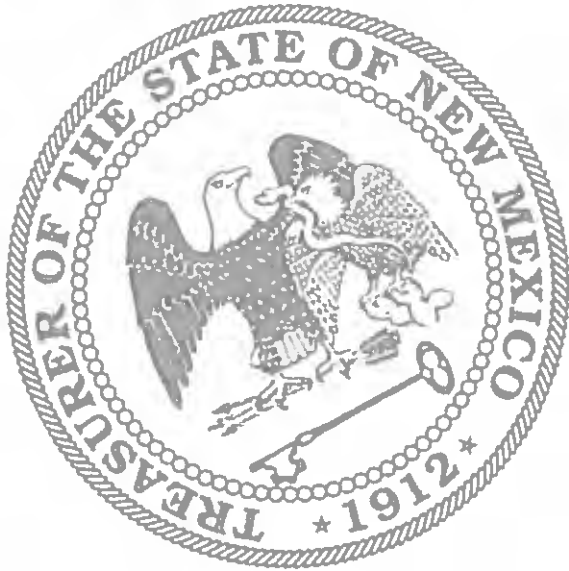
The Severance Tax Bonding Fund will see generally increasing balances over the quarter as fund additions will be made on a monthly basis. We will actively manage investments of available proceeds into the June timeframe in order to meet expected debt service payments.

Deposits into the fund for January were \$40mil, slightly below the fourth quarter 2014 average of \$45mil. We expect that revenues from oil and gas may reduce the deposits received for the first quarter of 2015.

Vikki Hanges
Senior Portfolio Manager

STATE OF NEW MEXICO
Summary of Fixed-Income Purchases and Sales
TRADES During The Period 12/01/14 Through 12/31/14

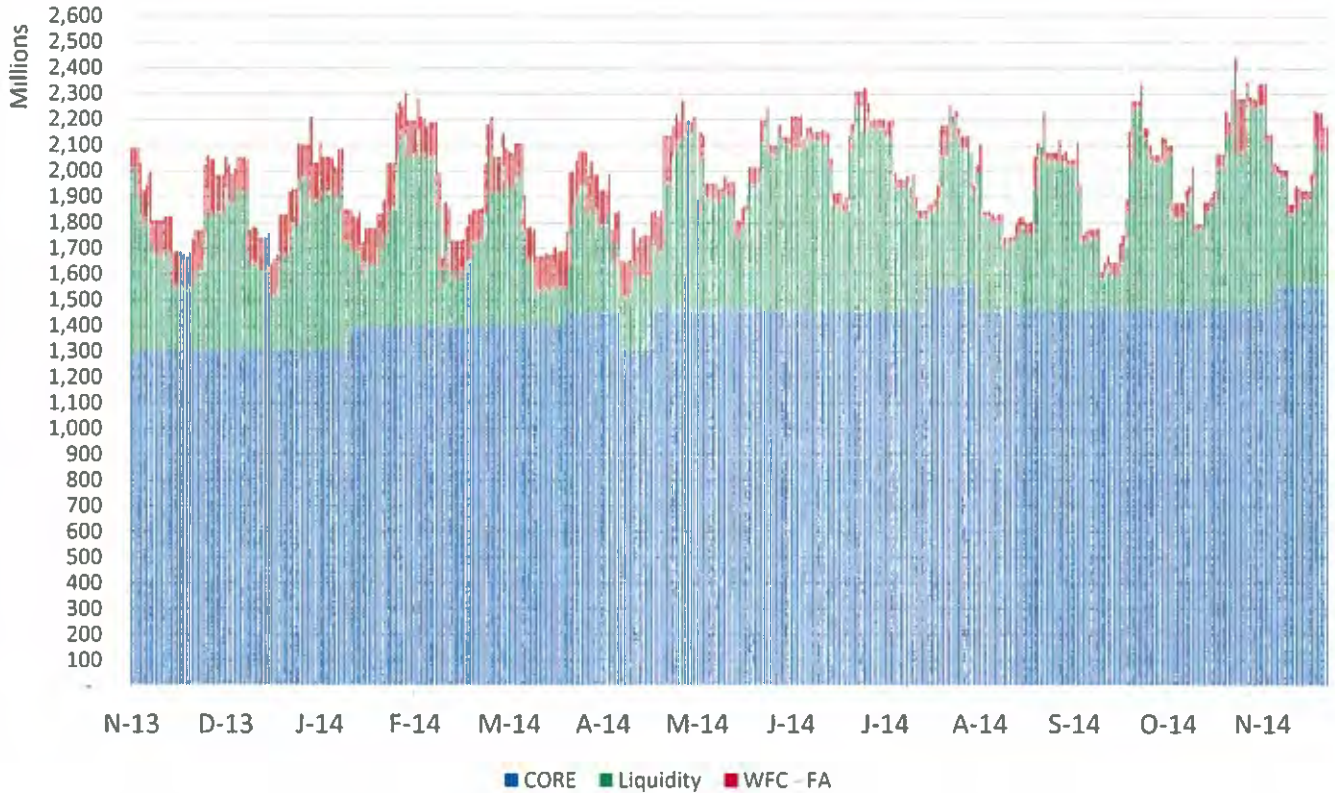
TXN-DATE	CUSIP#	ASSET-TYPE	INVT#	ISSUE-NAME	RATE	MATURITY	YIELD	BRKR/DLR/AGENT	FUND	PAR-VALUE	COST/PROCEEDS	GAIN/LOSS	NXT-CALL
PURCHASE TRANSACTIONS													
12/31/14	81186499	CERTIFICATES OF	22619	WESTERN BANK ALAMOGORDO	.750	12/30/16	.7500	SYSTEM - UNIDEN	4002	1,100,000.00	1,100,000.00		
12/29/14	912828SM	US TREASURY NOT	22608	UNITED STATES TREASURY	1.000	3/31/17	.8488	JEFFRIES & CO	4002	20,000,000.00	20,067,187.50		
12/29/14	912828SY	US TREASURY NOT	22609	UNITED STATES TREASURY	.625	5/31/17	.9164	UBS	4002	25,000,000.00	24,826,171.88		
12/29/14	912828UJ	US TREASURY NOT	22607	UNITED STATES TREASURY	.875	1/31/18	1.2046	JEFFRIES & CO	4002	20,000,000.00	19,800,781.25		
12/30/14	912828UR	US TREASURY NOT	22618	UNITED STATES TREASURY	.750	2/28/18	1.2133	DEUTSCHE BANK S	4002	15,000,000.00	14,784,960.94		
12/02/14	3130A16G	AGENCY US BOND	22479	FEDERAL HOME LOAN BANKS	2.000	12/19/18	.2493	STIFFEL NICOLAU	4000	3,000,000.00	3,002,331.00		
12/03/14	3130A22T	AGENCY US BOND	22480	FEDERAL HOME LOAN BANKS	.220	12/04/15	.2230	DAIWA CAPITAL M	4101	5,000,000.00	4,999,850.00		
12/04/14	3133EDBP	AGENCY US BOND	22493	FEDERAL FARM CREDIT BAN	3.620	12/11/23	.1250	MORGAN STANLEY	4101	13,667,000.00	13,674,955.83		
12/04/14	3133EEBN	AGENCY US BOND	22421	FEDERAL FARM CREDIT BAN	1.800	11/12/19	1.7552	KEYBANC CAPITAL	1001	1,000,000.00	1,002,110.00		
12/24/14	31331KVK	AGENCY US BOND	22589	FEDERAL FARM CREDIT BAN	.875	8/18/15	.2627	MIZUHO SECURITI	1001	20,000,000.00	20,078,800.00		
12/29/14	31331KVK	AGENCY US BOND	22610	FEDERAL FARM CREDIT BAN	.875	8/18/15	.2536	MIZUHO SECURITI	4002	20,000,000.00	20,078,600.00		
12/29/14	31331KVK	AGENCY US BOND	22597	FEDERAL FARM CREDIT BAN	.875	8/18/15	.2536	MIZUHO SECURITI	4101	10,000,000.00	10,039,300.00		
12/31/14	313384AB	AGENCY US DISC	22620	FEDERAL HOME LOAN BANKS		1/02/15		UBS	1000	25,000,000.00	25,000,000.00		
12/10/14	62889KAB	AGENCY 30/360 2	22520	NCUA GUARN NTS TR 2011-	1.400	6/12/15	.2008	STIFFEL NICOLAU	4101	5,000,000.00	5,029,450.00		
12/05/14	3134A4VX	AGENCY US BOND	22334	FEDERAL HOME LOAN MORTG		1/15/15	.1284	BB&T CAPITAL MA	4101	10,441,000.00	10,439,621.79		
12/30/14	3134A4VX	AGENCY US BOND	22334	FEDERAL HOME LOAN MORTG		1/15/15	.1250	BB&T CAPITAL MA	4101	13,165,000.00	13,164,314.37		
12/31/14	3134A4VX	AGENCY US BOND	22334	FEDERAL HOME LOAN MORTG		1/15/15	.1250	BB&T CAPITAL MA	4101	7,939,000.00	7,938,641.63		
12/31/14	3137FOFN	AGENCY US BOND	22628	FEDERAL HOME LOAN MORTG		1/15/15	.1250	BB&T CAPITAL MA	4101	630,000.00	629,971.56		
12/15/14	3135GOZY	AGENCY US NOTES	22539	FEDERAL NATIONAL MORTGA	1.750	11/26/19	1.6885	TD SECURITIES	1001	5,000,000.00	5,014,525.00		
12/17/14	3135GOZY	AGENCY US NOTES	22539	FEDERAL NATIONAL MORTGA	1.750	11/26/19	1.7011	SOC GEN AMERICA	1001	9,000,000.00	9,020,790.00		
12/22/14	SSTN14SD	MUNICIPAL BOND	22581	SSTN SERIES 2014S-D	.210	12/31/14		BROKER DIRECT	1000	154,580,500.00	154,580,500.00		
12/22/14	STN14SC	MUNICIPAL BOND	22573	STN SERIES 2014S-C	.210	12/31/14		BROKER DIRECT	1000	10,705,350.00	10,705,350.00		
22 PURCHASES DURING PERIOD TOTAL.....										395,227,850.00	394,978,212.75		
SALE TRANSACTIONS													
12/12/14	3133XASA	AGENCY US BOND	20714	FEDERAL HOME LOAN BANKS	4.500	2/18/15		MIZUHO SECURITI	4002	7,170,000.00	7,225,072.77	1,176.58	
1 SALES DURING PERIOD TOTAL.....										7,170,000.00	7,225,072.77	1,176.58	
=== GRAND-TOTAL ==>										402,397,850.00	402,203,285.52	1,176.58	
*** END-OF-REPORT ***													



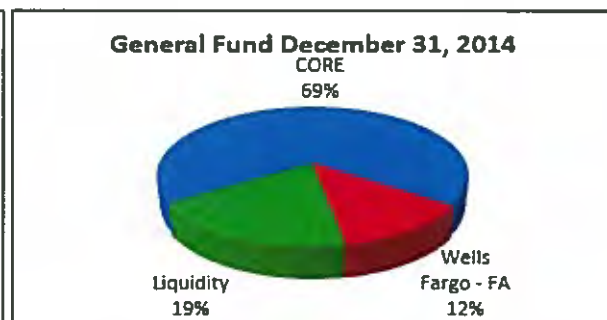
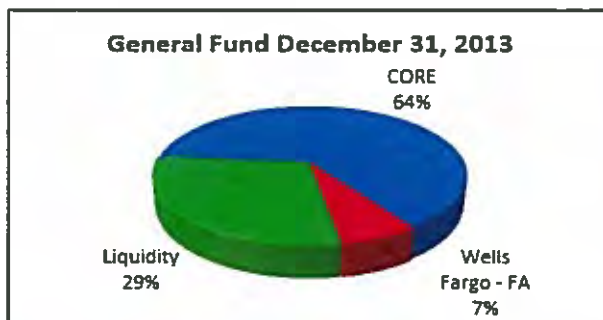
8. Cash Projections



1 Year -Cash Balances (Liquidity, Core, & Fiscal Agent Accounts)

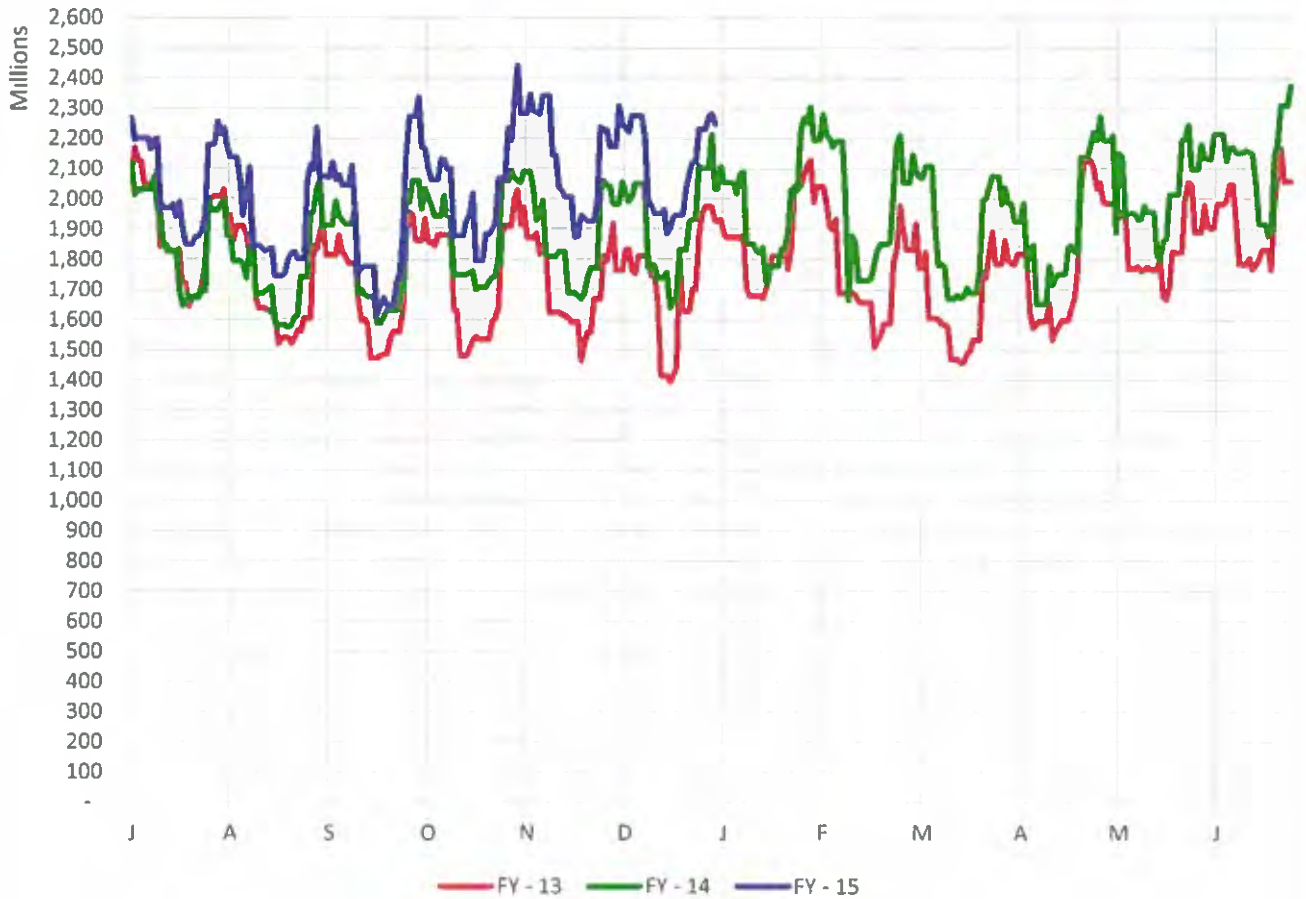


GENERAL FUND	Dec-13	Nov-14	Dec-14	Y-o-Y Change	M-o-M Change
Liquidity	595,716,168	533,651,824	419,809,370	(175,906,798)	(113,842,454)
CORE	1,298,535,360	1,549,441,180	1,552,077,063	253,541,703	2,635,883
Wells Fargo - FA	137,755,614	90,947,147	277,003,955	139,248,340	186,056,808
	2,032,007,142	2,174,040,151	2,248,890,388	216,883,246	74,850,236

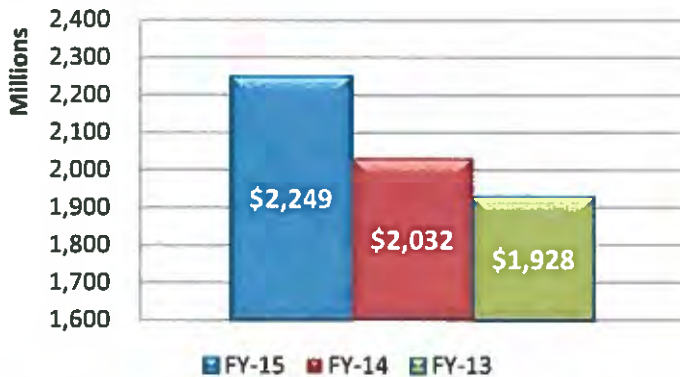




GFIP Y-o-Y



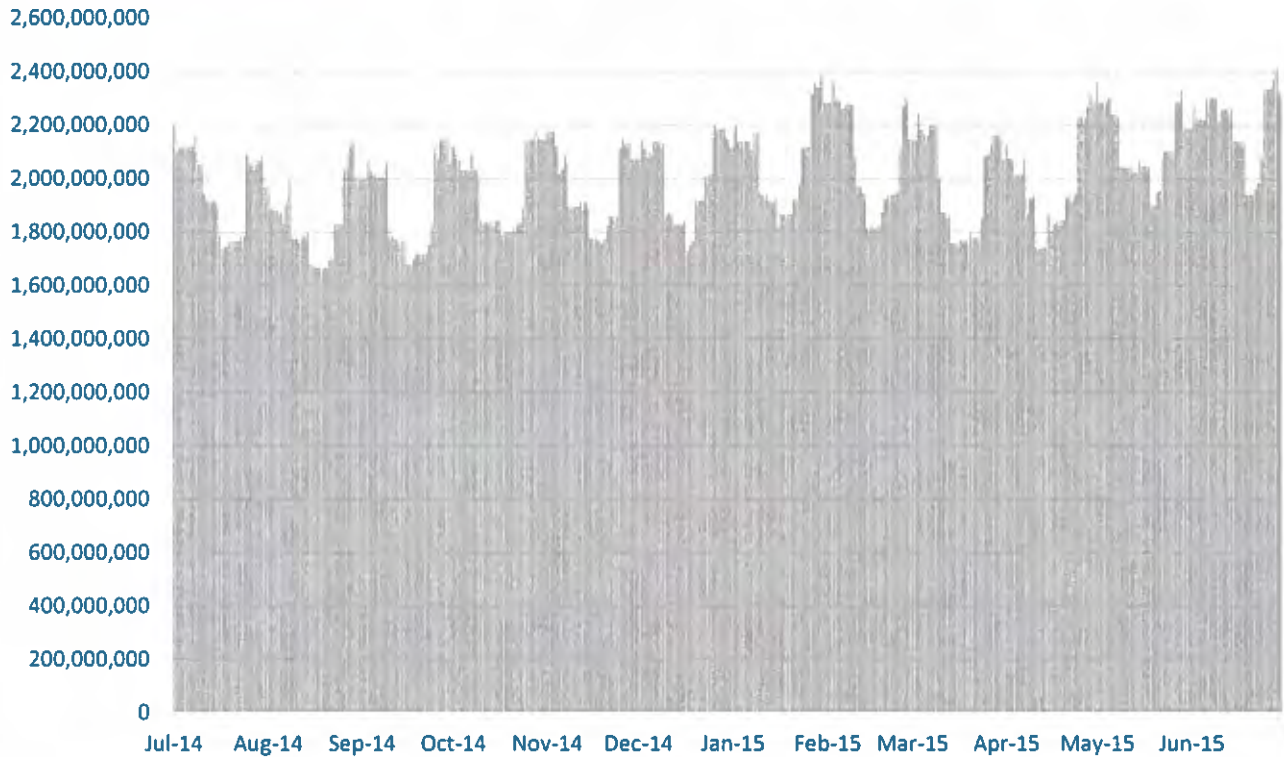
**GFIP December
Month-end balances Y-o-Y**



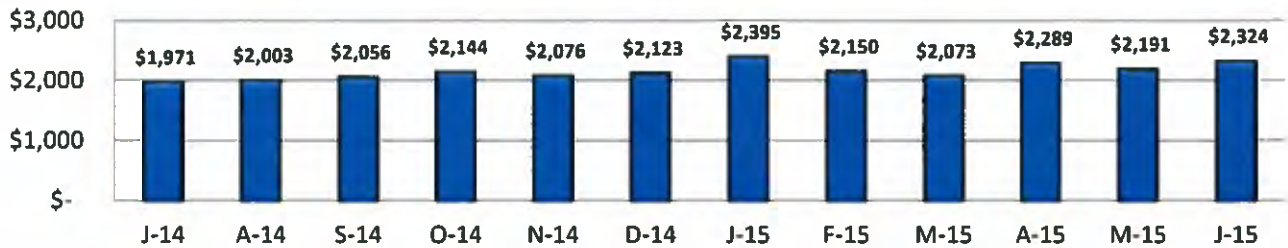
The balance as of December 31, 2014 of the General Fund Investments Pool (GFIP) Y-o-Y has increase 10.7% from December 31, 2013 and 16.7% increase from December 31, 2012 . M-o-M GFIP balances increase to \$2.249 billion at December 31, 2014 from \$2.174 billion at November 30, 2014 a increase of \$74.9 million or 3.4%.



FY - 15 GFIP Balance Projections



GFIP Projected Month-Ending Balances FY-15 (in millions)

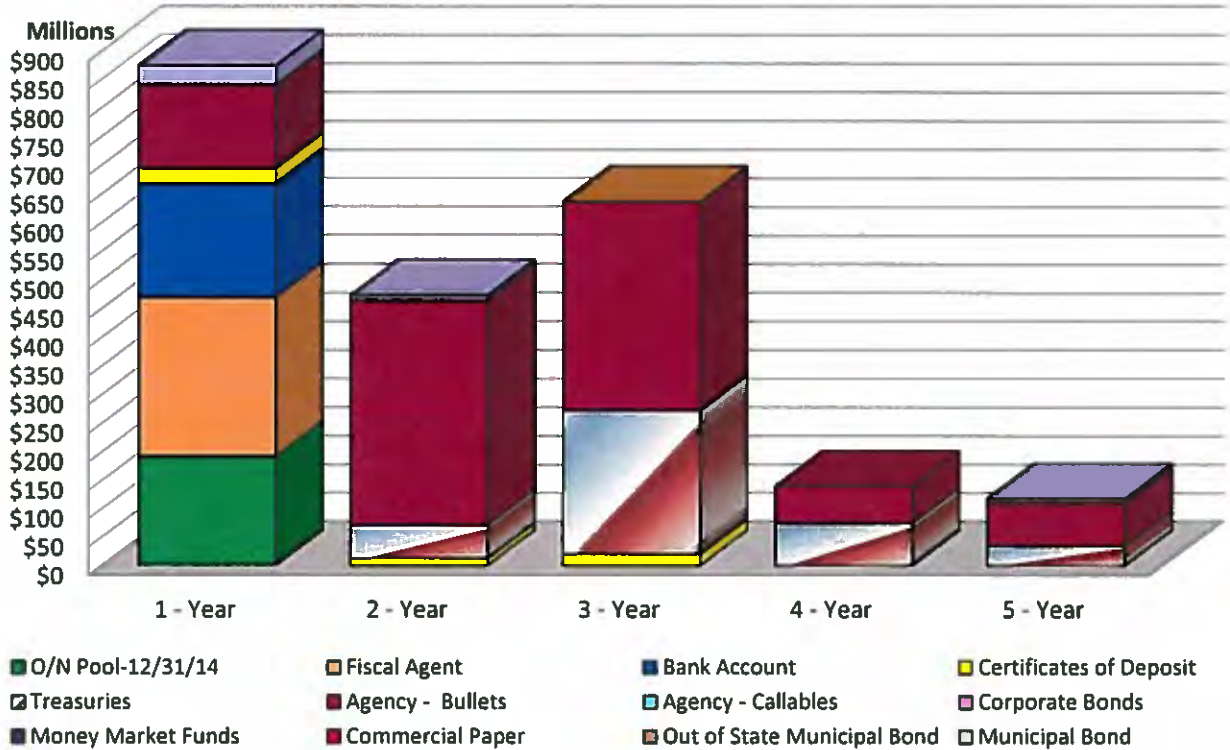


Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14
\$ 1,971	\$ 2,003	\$ 2,056	\$ 2,144	\$ 2,076	\$ 2,123

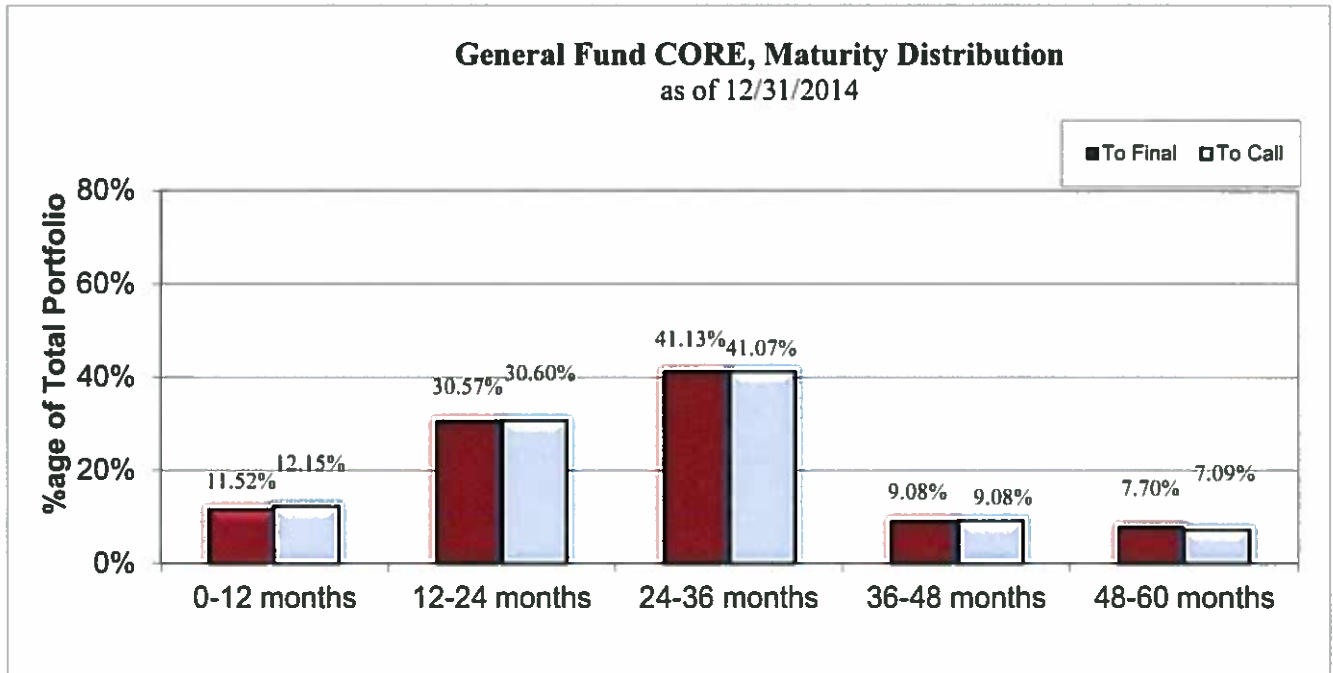
Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15
\$ 2,395	\$ 2,150	\$ 2,073	\$ 2,289	\$ 2,191	\$ 2,324



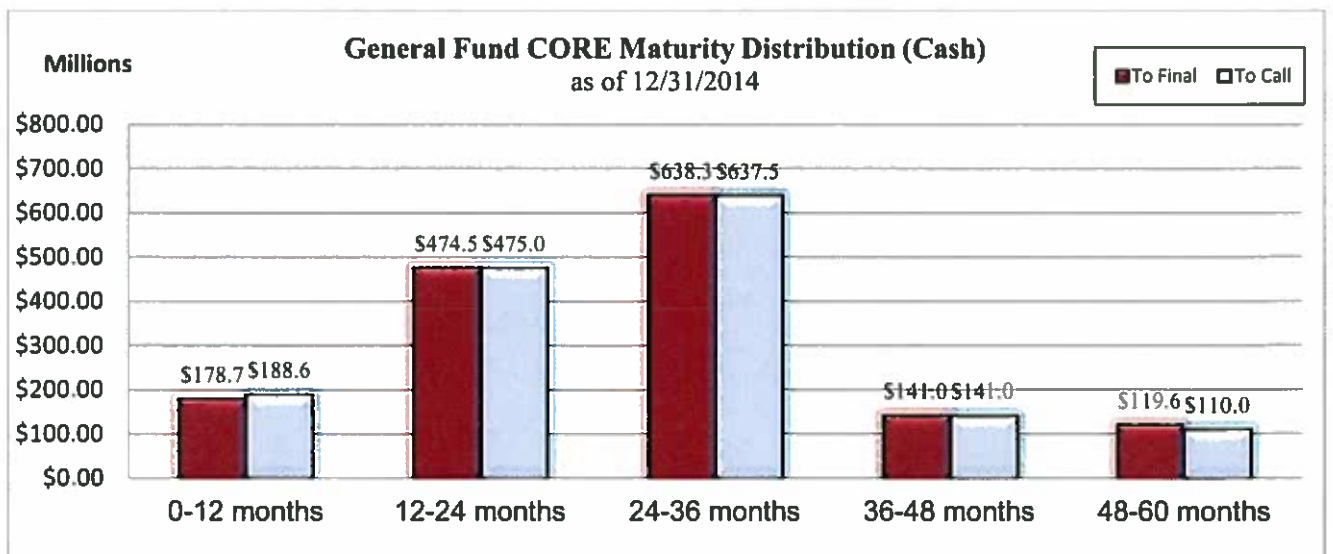
General Fund Maturity Ladder by Year & Asset Type as of December 31, 2014



Asset Allocation	1 - Year	2 - Year	3 - Year	4 - Year	5 - Year	Total	%
Agency - Bullets	145,000,000	394,627,000	364,000,000	66,000,000	75,000,000	1,044,627,000	46%
Agency - Callables					2,725,000	2,725,000	0%
Corporate Bonds						0	0%
Money Market Funds	1,302					1,302	0%
Certificates of Deposit	24,750,000	13,000,000	20,000,000			57,750,000	3%
Municipal Bond	32,485,000	7,480,000			795,000	40,760,000	2%
Out of State Municipal Bond	2,405,000	600,000	800,000		6,065,000	9,870,000	0%
Commercial Paper						0	0%
Treasuries		58,750,000	253,500,000	75,000,000	35,000,000	422,250,000	19%
Bank Account	200,208,711					200,208,711	9%
Fiscal Agent	277,003,955					277,003,955	12%
O/N Pool-12/31/14	193,694,420					193,694,420	9%
Total:	875,548,388	474,457,000	638,300,000	141,000,000	119,585,000	2,248,890,388	100%
% of Total:	39%	21%	28%	6%	5%		



	Dec-14	Nov-14	Change \$	Change%
0-12 months	\$178,735,063.08	\$169,949,198.49	\$8,785,864.59	4.9%
12-24 months	\$474,457,000.00	\$406,857,000.00	\$67,600,000.00	14.2%
24-36 months	\$638,300,000.00	\$707,550,000.00	-\$69,250,000.00	-10.8%
36-48 months	\$141,000,000.00	\$141,000,000.00	\$0.00	0.0%
48-60 months	\$119,585,000.00	\$124,085,000.00	-\$4,500,000.00	-3.8%





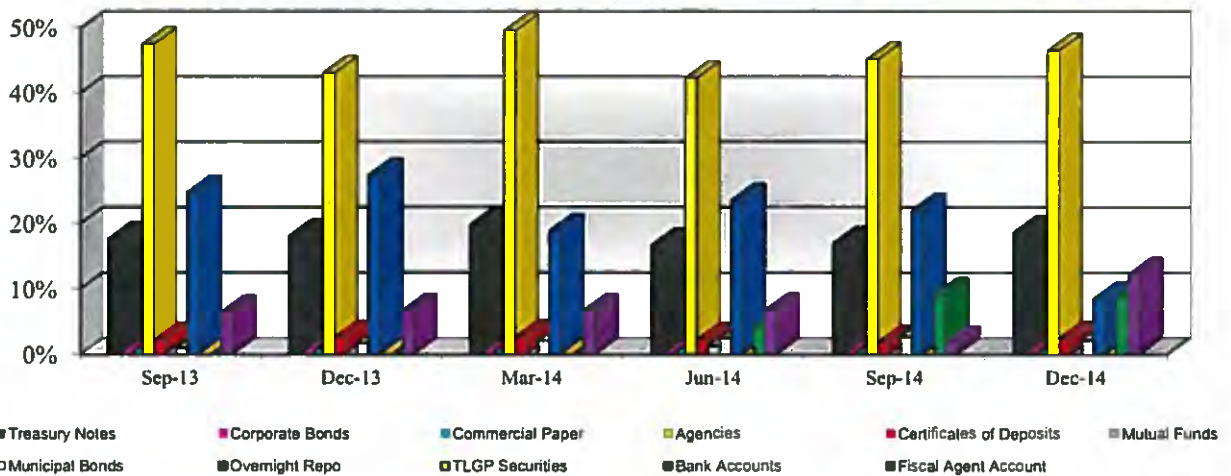
General Fund Portfolio Allocation - Month ending December, 2014

Allocation by Amount

Number of Items	99	107	134	169	170	165
	Sep-13	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14
Treasury Notes	349,150,000	369,150,000	393,000,000	388,500,000	368,500,000	422,250,000
Corporate Bonds	0	0	0	0	0	0
Commercial Paper	0	0	0	0	0	0
TLGP Securities	0	0	0	0	0	0
Agencies	933,910,000	875,750,000	982,250,000	984,500,000	980,852,000	1,047,352,000
Bank Accounts	0	0	0	100,000,000	200,087,647	200,208,711
Certificates of Deposits	45,750,000	54,750,000	54,750,000	54,750,000	42,750,000	57,750,000
Money Market	1,300	1,301	1,301	30,001,301	1,302	1,302
Municipal Bonds	20,630,412	36,520,412	42,975,412	60,035,000	60,135,000	50,630,000
Overnight Repo	488,183,824	558,079,815	374,214,397	547,780,525	477,722,813	193,694,420
Fiscal Agent Account	127,565,471	137,755,614	134,841,869	159,519,679	40,575,934	277,003,955
Total :	1,965,191,007	2,032,007,142	1,982,032,979	2,325,086,505	2,170,624,696	2,248,890,388

Allocation by Percent

	Sep-13	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14
Treasury Notes	17.8%	18.2%	19.8%	16.7%	17.0%	18.8%
Corporate Bonds	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Commercial Paper	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
TLGP Securities	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Agencies	47.5%	43.1%	49.6%	42.3%	45.2%	46.6%
Certificates of Deposits	2.3%	2.7%	2.8%	2.4%	2.0%	2.6%
Bank Accounts	0.0%	0.0%	0.0%	4.3%	9.2%	8.9%
Mutual Funds	0.0%	0.0%	0.0%	1.3%	0.0%	0.0%
Municipal Bonds	1.0%	1.8%	2.2%	2.6%	2.8%	2.3%
Overnight Repo	24.8%	27.5%	18.9%	23.6%	22.0%	8.6%
Fiscal Agent Account	6.5%	6.8%	6.8%	6.9%	1.9%	12.3%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%





9. Portfolio Summary- General Fund Investment Pool

Portfolio Summary – General Fund Investment Pool

Summary

- The General Fund Investment Pool (Bank balances, Liquidity and Core Portfolios) closed the month of December at \$2.0 Billion.

Portfolio Mix

- At month end, 100% of the General Fund CORE portfolio was invested in fixed income securities; 27% in US Government Securities; 66% in Government Related Securities (Municipal Bonds and Agency Securities), and the balance ~7% in Cash and cash equivalents.
- 12% of the portfolio was invested in securities that mature in one year; 31% in securities that mature from 1-2 years; 52% in 2-4 years and 5% within 5 years.
- The General Fund Core portfolio held positions in 160 securities at the end of December.
- The Weighted Average Life of the CORE portion of the general fund was 2.17 years. The Weighted Average duration was 2.11 years.
- The benchmark duration for the CORE portfolio was 2.17 years.
- The maximum security term for the CORE portfolio is 5 years.

Performance

- For the last 3 months, the General Fund underperformed the performance of its benchmark. The General Fund gained 0.35% while the benchmark gained 0.38%.
- For the last 12-months, the General Fund outperformed its benchmark by 17 basis points. The General Fund gained 1.04% while the benchmark rose 1.00%.

Market Value and Investment Earnings

- Unrealized gains in the Core Portfolio at the end of December were \$3.1 million.
- Over the month, the unrealized value of the portfolio decreased by \$5.1 million due to an increase in relative interest rates.
- Monthly net earnings for December on the General Fund Portfolios were \$1.3 million.
- Year-to-date net earnings were over \$7 million.
- STO projection of those net earnings for FY15 is \$15.0 million.
- Earnings on the General Fund are used to offset General Fund Spending.

Investment Highlights

- Maturing securities and free cash are invested to the benchmark duration.
- With the yield curve flattening, the portfolio may opportunistically unwind a portion of the bulleted posture.

STATE OF NEW MEXICO
GENERAL FUND (1000)
Portfolio Classification Summary
Positions Held as of 12/31/14 (TRADE Basis)

AMTZ ADDED: NO

ASSET CLASSIFICATION	ITEMS	YIELD	AVG-TERM	PRINCIPAL	COST-BASIS	MARKET-VALUE	GAIN/LOSS	%MARKET
REPURCHASE AGREEMENTS (O/N)	1	.0304	.00550	193,265,659	193,265,659	193,265,659		46.036
AGENCY US DISC ACT/360 360 DAY	1		.00550	25,000,000	25,000,000	25,000,000		5.955
MUNI US 30/360 2X	1	.2148	.12600	1,335,000	1,342,804	1,342,102	-702	.320
CASH ACCOUNT	1			200,208,711	200,208,711	200,208,711		47.690
	<u>4</u>	<u>.0147</u>	<u>.00623</u>	<u>419,809,370</u>	<u>419,817,174</u>	<u>419,816,472</u>	<u>-702</u>	<u>100.000</u>

STATE OF NEW MEXICO
GENERAL FUND CORE (1001)
Portfolio Classification Summary
Positions Held as of 12/31/14 (TRADE Basis)

AMTZ ADDED: NO

ASSET CLASSIFICATION	ITEMS	YIELD	AVG-TERM	PRINCIPAL	COST-BASIS	MARKET-VALUE	GAIN/LOSS	%MARKET
REPURCHASE AGREEMENTS (O/N)	1	.0304	.00550	428,761	428,761	428,761		.027
CERTIFICATES OF DEPOSIT	12	.5506	1.35315	57,750,000	57,750,000	57,750,000		3.670
US TREASURY NOTE ACT/ACT 2X	20	1.0526	2.68124	422,250,000	426,090,479	427,036,983	946,504	27.136
AGENCY US BOND 30/360 2X	15	.8161	2.01923	165,852,000	166,869,334	166,890,251	20,917	10.605
AGENCY 30/360 2X	4	.8944	1.75768	86,000,000	85,982,398	86,164,300	181,902	5.475
AGENCY US NOTES 30/360 2X	26	1.0496	2.30830	625,500,000	639,705,500	641,511,065	1,805,565	40.765
FED NATL MORTGAGE ASSN DEBS	5	.7701	1.30101	145,000,000	145,170,049	145,331,050	161,001	9.235
MUNI US 30/360 2X	68	.4672	.71711	45,320,000	46,005,304	46,007,970	2,666	2.924
MUNICIPAL BOND REVENUE	4	.5109	.65114	1,015,000	1,026,229	1,026,371	142	.065
MUNICIPAL BOND REVENUE ZERO CPN	4	1.2529	.53781	2,960,000	1,539,128	1,541,734	2,606	.098
UNITS - INVESTMENT POOL 1	1			1,302	1,302	1,302		
	<u>160</u>	<u>.9554</u>	<u>2.16716</u>	<u>1,552,077,063</u>	<u>1,570,568,484</u>	<u>1,573,689,787</u>	<u>3,121,303</u>	<u>100.000</u>

STATE OF NEW MEXICO
TREASURERS OFFICE
Position holdings as of 12/31/14 (TRADE)
BOOK VALUES AMORTIZED THROUGH 12/31/14

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
200,208,711	BANK OF THE WEST	CASHCASH				1.00000	200,208,711.16	200,208,711.00	- .16
<u>200,208,711</u>							<u>200,208,711.16</u>	<u>200,208,711.00</u>	- .16
====> 0001 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> NO-MEANINGFUL-DATE <====									
25,000,000	FEDERAL HOME LOAN BANKS	313384AB		1/02/15		100.00000	25,000,000.00	25,000,000.00	
193,265,659	OVERNIGHT REPO	0102RP	.030	1/02/15	.030	1.00000	193,265,659.35	193,265,659.35	
<u>218,265,659</u>							<u>218,265,659.35</u>	<u>218,265,659.35</u>	
====> 0002 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2015 <====									
1,335,000	LANCASTER TEX INDPT SCH DIST	514462C8	5.000	2/15/35	.212	100.58458	1,342,804.15	1,342,102.20	- 701.95
<u>1,335,000</u>							<u>1,342,804.15</u>	<u>1,342,102.20</u>	- 701.95
====> 0001 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2035 <====									
<u>419,809,370</u>							<u>419,817,174.66</u>	<u>419,816,472.55</u>	- 702.11
====> 0004 ITEMS IN SUBTOTAL FOR ====> FUND NAME..... ====> GENERAL FUND <====									

STATE OF NEW MEXICO
TREASURERS OFFICE
Position holdings as of 12/31/14 (TRADE)
BOOK VALUES AMORTIZED THROUGH 12/31/14

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
1,302	UNITS - INVESTMENT POOL 1	UNITS001				1.00021	1,302.27	1,302.00	-.27
1,302							1,302.27	1,302.00	-.27

====> 0001 ITEMS IN SUBTOTAL FOR =====> FINAL-MATURITY.. =====> NO-MEANINGFUL-DATE <=====

428,761	OVERNIGHT REPO	0102RP	.030	1/02/15	.030	1.00000	428,760.81	428,760.81	
20,000,000	FED NATL MORTGAGE ASSN DEBS	3135G0HG	.375	3/16/15	.534	99.96683	19,993,365.30	20,008,800.00	15,434.70
5,000,000	CENTURY BANK SANTA FE	17099253	.370	3/18/15	.370	1.00000	5,000,000.00	5,000,000.00	
250,000	GUADALUPE CREDIT UNION	735605	1.000	3/26/15	1.000	1.00000	250,000.00	250,000.00	
540,000	NEW MEXICO ST UNIV REVS	647429V6	.800	4/01/15	.800	100.00000	540,000.00	540,307.80	307.80
155,000	BERNALILLO CNTY N MEX GROSS RCPT	08527NDX	5.125	4/01/15	.271	101.21185	156,878.36	156,763.90	-114.46
345,000	LOS LUNAS NM GROSS RCPTS TAX RE	54559CT	2.000	4/01/15	.301	100.42410	346,463.16	346,463.16	
3,000,000	FARMERS & STOCKMEN'S BANK	8521510	.400	4/23/15	.400	1.00000	3,000,000.00	3,000,000.00	
1,000,000	FARMERS AND STOCKMENS BANK	8521543	.300	4/29/15	.300	1.00000	1,000,000.00	1,000,000.00	
130,000	VILLAGE OF CORRALES NM	22026TAB	2.000	5/01/15	.450	100.51529	130,669.88	130,708.50	38.62
400,000	NEW MEXICO MILITARY INST AT ROSW	647183BU	.751	6/01/15	.751	100.00000	400,000.00	400,080.00	80.00
200,000	SANTA FE N MEX GROSS RCPTS TAX/W	80207RAJ	5.000	6/01/15	.371	101.92529	203,850.57	203,466.00	-384.57
650,000	UNIVERSITY N MEX UNIV REVS	914692N4	3.000	6/01/15	.200	101.16535	657,574.76	657,481.50	-93.26
1,610,000	SANDOVAL CNTY NM INCENT PAY REV	800051AT	.579	6/01/15	.579	100.00000	1,610,000.00	1,610,016.10	16.10
1,030,000	LAS CRUCES N MEX GROSS RCPTS TAX	51748TGS	2.000	6/01/15	.201	100.74880	1,037,712.69	1,037,076.10	-636.59
500,000	WESTERN BANK CLOVIS	0.515981	.500	6/03/15	.500	1.00000	500,000.00	500,000.00	
200,000	NEW MEXICO FIN AUTH REV	64711NTU	.950	6/15/15	.950	100.00000	200,000.00	200,196.00	196.00
530,000	NEW MEXICO FIN AUTH REV	64711NVF	2.000	6/15/15	.200	100.81906	534,341.04	534,171.10	-169.94
3,000,000	CENTURY BANK SANTA FE	17099254	.200	6/17/15	.200	1.00000	3,000,000.00	3,000,000.00	
10,000,000	SOUTHWEST CAPITAL BANK	1623234	.200	6/17/15	.200	1.00000	10,000,000.00	10,000,000.00	
1,500,000	ALBUQUERQUE BERNALILLO CNTY WT J	013493ER	5.000	7/01/15	.461	102.26452	1,533,967.83	1,535,340.00	1,372.17
115,000	CITY OF ALBUQUERQUE NM	01354MEW	2.000	7/01/15	.310	100.84360	115,970.14	115,994.75	24.61
200,000	ALBUQUERQUE BERNALILLO CNTY WT	013493BE	4.250	7/01/15	.270	101.98718	203,974.35	203,984.00	9.65
300,000	WESTMORELAND CNTY PA MUN AUTH MU	961017BV		7/01/15		99.69200	299,076.00	299,535.00	459.00
100,000	ABQ BERN CNTY WT JT WTR & SWR S	013493DV	3.000	7/01/15	.271	101.36286	101,362.86	101,350.00	-12.86
60,000,000	FED NATL MORTGAGE ASSN DEBS	3135G0LN	.500	7/02/15	.504	99.99795	59,998,770.72	60,055,800.00	57,029.28
25,000	SOUTHERN SANDOVAL CNTY N MEX A	843789FH	2.000	8/01/15	.700	100.75508	25,188.77	25,227.75	38.98
500,000	BELEN N MEX CONS SCH DIST NO 2 G	077581NU	2.000	8/01/15	.500	100.87230	504,361.51	504,985.00	623.49
250,000	BERNALILLO NM MUNI SCH DIST #1	85279PF8	3.130	8/01/15	.505	101.52668	253,816.70	253,816.70	
500,000	ALBUQUERQUE N MEX MUN SCH DIST S	013595RX	2.000	8/01/15	.450	100.90168	504,508.38	504,985.00	476.62
150,000	TRUTH OR CONSEQUENCES N MEX MU G	898439EE	2.000	8/01/15	.600	100.81356	151,220.34	151,366.50	146.16
125,000	BERNALILLO N MEX MUN SCH DIST GO	085279RU	2.000	8/01/15	.500	100.87242	126,090.53	126,138.75	48.22
200,000	SANDOVAL CNTY N MEX	80004PDN	2.000	8/01/15	.490	100.87824	201,756.48	201,822.00	65.52

STATE OF NEW MEXICO
TREASURERS OFFICE
Position holdings as of 12/31/14 (TRADE)
BOOK VALUES AMORTIZED THROUGH 12/31/14

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
225,000	RUIDOSS MUNICIPAL SCHOOL DISTRIC	781338JL	2.000	8/01/15	.301	100.98950	227,226.38	227,243.25	16.87
9,000,000	SANTA FE PUBLIC SCHOOL ETN 2014	SFPS2015	.350	8/01/15	.350	100.00000	9,000,000.00	9,000,000.00	
3,500,000	ALBUQUERQUE N MEX MUN SCH DISTNO	013595TL	2.000	8/01/15	.220	101.03683	3,536,288.91	3,534,895.00	- 1,393.91
520,000	SYLACAUGA ALA HEALTH CARE AUTHRE	871244AA	5.375	8/01/15	.341	102.93082	535,240.24	535,246.40	6.16
1,000,000	GADSDEN INDEPENDENT SCHOOL DIST	GISD15R2	.800	8/15/15	.800	100.00000	1,000,000.00	1,000,000.00	
5,025,000	GALLUP N MEX POLLUTION CTL REV	364070BE	5.000	8/15/15	.500	102.79150	5,165,272.65	5,165,298.00	25.35
1,000,000	GADSDEN IND SCH DIST EDU TECH GO	GISD2015	.800	8/15/15	.800	100.00000	1,000,000.00	1,000,000.00	
20,000,000	FEDERAL FARM CREDIT BANKS	31331KVK	.875	8/18/15	.263	100.38546	20,077,092.05	20,074,200.00	- 2,892.05
235,000	DONA ANA CNTY N MEX	257579CM	2.000	9/01/15	.470	101.01689	237,389.69	237,676.65	286.96
300,000	LOVINGTON N MEX MUN SCH DIST NO	547473DH	2.000	9/01/15	.351	101.09718	303,291.54	303,417.00	125.46
335,000	TAOS N MEX SCH DIST	87601UAK	4.000	9/01/15	.270	102.48241	343,316.07	343,180.70	- 135.37
250,000	MID PENINSULA REGL OPEN SPACE DI	598024AU		9/01/15		99.36600	248,415.00	249,267.50	852.50
165,000	FARMINGTON N MEX MUN SCH DIST NO	311441KV	2.000	9/01/15	.301	101.13073	166,865.71	166,879.35	13.64
865,000	FARMINGTON N MEX MUN SCH DIST NO	311441LJ	2.000	9/01/15	.301	101.13074	874,780.86	874,852.35	71.49
20,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EACM	1.750	9/10/15	1.001	100.51443	20,102,885.19	20,205,000.00	102,114.81
100,000	AZTEC N MEX MUN SCH DIST NO 002	054879GZ	3.250	10/01/15	.330	102.18505	102,185.05	102,085.00	- 100.05
130,000	GRANTS / CIBOLA CNTY N MEX SCHDI	388240GD	2.000	10/01/15	.360	101.22671	131,594.72	131,517.10	- 77.62
2,000,000	FARMERS AND STOCKMENS BANK	8521544	.350	10/29/15	.350	1.00000	2,000,000.00	2,000,000.00	
750,000	NEW MEXICO EDL ASSISTANCE FNDTN	647110ET	4.000	12/01/15	.280	103.40291	775,521.84	774,960.00	- 561.84
300,000	NEW MEXICO FIN AUTH ST TRANSN RE	64711RDC	5.000	12/15/15	.360	104.42152	313,264.57	313,374.00	109.43
100,000	NEW MEXICO FIN AUTH ST TRANSN RE	64711RHW	5.000	12/15/15	.330	104.45138	104,451.38	104,533.00	81.62
178,733,761							179,254,763.03	179,428,261.72	173,498.69

====> 0054 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2015 <====

13,750,000	UNITED STATES TREASURY NOTES	912828UG	.375	1/15/16	.206	100.17558	13,774,142.85	13,758,662.50	- 15,480.35
3,000,000	FEDERAL FARM CREDIT BANKS	3133ECTC	.640	1/28/16	.327	100.33579	3,010,073.61	3,010,950.00	876.39
60,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	31359MH8	5.000	3/15/16	.661	105.20062	63,120,371.97	63,274,200.00	153,828.03
580,000	NEW MEXICO ST UNIV REVS	647429V7	1.000	4/01/16	1.000	100.00000	580,000.00	579,077.80	- 922.20
720,000	LOS LUNAS NM GROSS RECPTS TAX RE	545559CU	2.000	4/01/16	.530	101.82863	733,166.17	732,412.80	- 753.37
35,500,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0BA	2.375	4/11/16	.793	102.00734	36,212,606.57	36,375,075.00	162,468.43
1,000,000	FARMERS AND STOCKMENS BANK	8521545	.450	4/29/16	.450	1.00000	1,000,000.00	1,000,000.00	
135,000	VILLAGE OF CORRALES NM	22026TAC	2.000	5/01/16	.750	101.65466	137,233.79	136,860.30	- 373.49
20,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EACT	2.500	5/27/16	1.080	101.97454	20,394,908.46	20,565,400.00	170,491.54
100,000	NEW MEXICO MILITARY INST AT ROSW	647183BV	1.182	6/01/16	1.182	100.00000	100,000.00	100,072.00	72.00
160,000	LOS ALAMOS CNTY N MEX INC GROSS	54423TAM	5.750	6/01/16	.535	107.34933	171,758.93	171,515.20	- 243.73
205,000	LAS VEGAS N MEX GROSS RCPTS TAX	51778TBN	2.000	6/01/16	.550	102.04289	209,187.92	208,890.90	- 297.02
100,000	SANTA FE N MEX GROSS RCPTS TAXRE	802072MS	5.000	6/01/16	.500	106.34396	106,343.96	105,719.00	- 624.96

STATE OF NEW MEXICO

TREASURERS OFFICE

Position holdings as of 12/31/14 (TRADE)
BOOK VALUES AMORTIZED THROUGH 12/31/14

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
125,000	NEW MEXICO FIN AUTH REV	64711NPZ	2.500	6/01/16	.680	102.56089	128,201.11	127,376.25	- 824.86
25,000,000	FEDERAL AGRICULTURAL MORTG CORP	31315PB7	.900	6/09/16	.900	100.00000	25,000,000.00	25,117,750.00	117,750.00
100,000	NEW MEXICO FIN AUTH REV	64711NTV	1.250	6/15/16	1.250	100.00000	100,000.00	100,028.00	28.00
325,000	NEW MEXICO FIN AUTH REV	64711NVG	3.000	6/15/16	.480	103.65030	336,863.48	336,904.75	41.27
7,500,000	FEDERAL FARM CREDIT BANKS	3133EDDP	.520	6/17/16	.520	100.00000	7,500,000.00	7,481,400.00	- 18,600.00
12,500,000	FEDERAL HOME LOAN BANK	3133834R	.375	6/24/16	.432	99.91576	12,489,470.37	12,469,500.00	- 19,970.37
180,000	NEW MEXICO ST SEVERANCE TAX	647310Q4	5.000	7/01/16	.699	106.40616	191,531.09	192,256.20	725.11
1,000,000	ALBUQUERQUE BERNALILLO CNTY WT J	013493ES	5.000	7/01/16	.830	106.20297	1,062,029.69	1,067,940.00	5,910.31
500,000	ALBUQUERQUE BERNALILLO CNTY WT J	013493DW	4.000	7/01/16	.830	104.71540	523,577.01	526,195.00	2,617.99
200,000	RUIDOSO N MEX WASTEWATER REV REF	781324AC	2.000	7/01/16	.800	101.78545	203,570.90	203,214.00	- 356.90
200,000	CITY OF ALBUQUERQUE NM	01354MEX	3.000	7/01/16	.560	103.63935	207,278.70	207,520.00	241.30
20,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	31359MS6	5.375	7/15/16	1.126	106.46368	21,292,736.95	21,474,600.00	181,863.05
16,000,000	FARMER MAC	31315PR8	.770	8/01/16	.810	99.93709	15,989,934.50	15,966,400.00	- 23,534.50
500,000	BELEN N MEX CONS SCH DIST NO 2 G	077581NV	2.000	8/01/16	.770	101.93169	509,658.43	511,720.00	2,061.57
125,000	TRUTH OR CONSEQUENCES N MEX MU G	898439EF	2.000	8/01/16	1.000	101.56634	126,957.93	127,672.50	714.57
225,000	SANDOVAL CNTY N MEX	80004PDP	2.000	8/01/16	.710	102.02712	229,561.03	229,738.50	177.47
2,000,000	SANTA FE PUBLIC SCHOOLS ETN 2014	SFPS2016	.750	8/01/16	.750	100.00000	2,000,000.00	2,000,000.00	
40,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EACW	2.000	8/25/16	.832	101.90977	40,763,909.15	40,955,200.00	191,290.85
1,127,000	FEDERAL FARM CREDIT BANKS	31331V2U	5.125	8/25/16	.590	107.43425	1,210,784.03	1,210,420.54	- 363.49
20,000,000	UNITED STATES TREASURY NOTES	91282BRF	1.000	8/31/16	.929	100.11566	20,023,131.94	20,150,000.00	126,868.06
2,000,000	Bank 34	01010047	.600	8/31/16	.600	1.00000	2,000,000.00	2,000,000.00	
40,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0CM	1.250	9/28/16	.918	100.57226	40,228,904.38	40,408,400.00	179,495.62
600,000	ATLANTA GA URBAN RESIDENTIAL FIN	047856DL		10/01/16	.200	85.29500	511,770.00	512,376.00	606.00
10,000,000	FIRST NATIONAL SANTA FE	84000530	.600	10/10/16	.600	1.00000	10,000,000.00	10,000,000.00	
30,000,000	FEDERAL HOME LOAN MORTGAGE CORP.	3137EADS	.875	10/14/16	.862	100.02353	30,007,058.11	30,111,900.00	104,841.89
20,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EAAJ	5.125	10/18/16	.553	108.16376	21,632,752.72	21,563,200.00	- 69,552.72
20,000,000	FEDERAL HOME LOAN BANK	3130A3J7	.625	11/23/16	.645	99.96233	19,992,465.24	19,976,400.00	- 16,065.24
34,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	31359M2D	4.875	12/15/16	.582	108.33554	36,834,083.44	36,712,180.00	- 121,903.44
10,000,000	FEDERAL HOME LOAN BANKS	3133XH2K	4.750	12/16/16	.694	107.87475	10,787,475.33	10,828,000.00	40,524.67
25,000,000	UNITED STATES TREAS NTS	91282BRX	.875	12/31/16	.776	100.19607	25,049,018.42	25,093,750.00	44,731.58
474,457,000							486,482,518.18	487,680,877.24	1,198,359.06

====> 0043 ITEMS IN SUBTOTAL FOR =====> FINAL-MATURITY.. =====> 2016 <====

800,000	INDIANA BD BK REV	45462TAH	5.120	1/15/17	.281	100.18790	801,503.21	800,928.00	- 575.21
25,000,000	FEDERAL AGRICULTURAL MORTGAGE CO	31315PN8	1.100	1/26/17	1.100	100.00000	25,000,000.00	25,103,750.00	103,750.00
40,000,000	FED NATL MORTGAGE ASSN DEBS	3135G0GY	1.250	1/30/17	1.054	100.40149	40,160,595.37	40,358,400.00	197,804.63
20,000,000	UNITED STATES TREAS NTS	912828SC	.875	1/31/17	.846	100.06034	20,012,067.54	20,057,800.00	45,732.46

STATE OF NEW MEXICO

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Position holdings as of 12/31/14 (TRADE)
BOOK VALUES AMORTIZED THROUGH 12/31/14

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
20,000,000	FEDERAL HOME LOAN BANK	3133786Q	1.000	2/13/17	1.030	99.93617	19,987,233.24	20,050,200.00	62,966.76
20,000,000	FREDDIE MAC	3137EADT	.875	2/22/17	.928	99.88759	19,977,517.00	20,032,400.00	54,883.00
33,500,000	UNITED STATES TREAS NTS	912828SJ	.875	2/28/17	.872	100.00669	33,502,240.61	33,581,070.00	78,829.39
20,000,000	UNITED STATES TREASURY NOTES	912828MS	3.000	2/28/17	.863	104.56286	20,912,572.36	20,959,400.00	46,827.64
40,000,000	FED HOME LOAN MORTGAGE CORP DBS	3137EADC	1.000	3/08/17	1.019	99.95934	39,983,735.12	40,116,000.00	132,264.88
20,000,000	FEDERAL HOME LOAN BANKS	3133782N	.875	3/10/17	.783	100.19949	20,039,897.77	19,987,600.00	- 52,297.77
20,000,000	UNITED STATES TREASURY NOTES	912828SM	1.000	3/31/17	.905	100.20942	20,041,883.88	20,084,400.00	42,516.12
9,000,000	FARMER MAC	31315PS2	.980	4/10/17	1.015	99.92118	8,992,906.47	9,015,030.00	22,123.53
20,000,000	FIRST NATIONAL SANTA FE	84000531	.850	4/10/17	.850	1.00000	20,000,000.00	20,000,000.00	
10,000,000	FED NATL MORTGAGE ASSN DEBS	3135G0JA	1.125	4/27/17	1.049	100.17321	10,017,321.41	10,055,800.00	38,478.59
8,000,000	FARMER MAC	31315PY8	.930	5/01/17	.970	99.90769	7,992,615.35	7,992,880.00	264.65
20,000,000	UNITED STATES TREASURY NOTES	912828SY	.625	5/31/17	1.009	99.08762	19,817,523.77	19,886,000.00	68,476.23
23,000,000	FEDERAL HOME LOAN BANKS	313379FW	1.000	6/09/17	.928	100.17429	23,040,086.64	22,978,840.00	- 61,246.64
30,000,000	FEDERAL HOME LN MTG CORP	3137EADH	1.000	6/29/17	.981	100.04750	30,014,249.35	30,059,100.00	44,850.65
20,000,000	UNITED STATES TREASURY NOTES	912828TB	.750	6/30/17	1.028	99.31538	19,863,076.16	19,925,000.00	61,923.84
9,000,000	FEDERAL AGRICULTURAL MORTGAGE CO	31315PDT	3.020	7/14/17	1.056	104.90180	9,441,162.32	9,438,390.00	- 2,772.32
30,000,000	UNITED STATES TREASURY NOTES	912828WT	.875	7/15/17	.966	99.77330	29,931,990.12	29,964,900.00	32,909.88
25,500,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EADJ	1.000	7/28/17	.919	100.20623	25,552,589.13	25,490,310.00	- 62,279.13
20,000,000	UNITED STATES TREASURY NOTES	912828NR	2.375	7/31/17	1.122	103.18002	20,636,003.51	20,726,600.00	90,596.49
20,000,000	UNITED STATES TREASURY NOTES	912828HA	4.750	8/15/17	1.027	109.60642	21,921,283.42	21,962,600.00	41,316.58
10,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EAAY	5.500	8/23/17	1.072	111.51439	11,151,438.79	11,174,700.00	23,261.21
10,000,000	UNITED STATES TREASURY NOTES	912828D9	1.000	9/15/17	1.058	99.84605	9,984,604.83	10,005,500.00	20,895.17
4,500,000	FEDERAL AGRICULTURAL MORTGAGE CO	31315P3K	1.150	9/18/17	1.170	99.94523	4,497,535.20	4,509,180.00	11,644.80
15,000,000	FNMA	3135G0ZL	1.000	9/27/17	1.118	99.68252	14,952,377.83	14,969,850.00	17,472.17
30,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EADL	1.000	9/29/17	1.059	99.83935	29,951,805.81	29,934,000.00	- 17,805.81
25,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0PQ	.875	10/26/17	1.164	99.20080	24,800,199.06	24,788,750.00	- 11,449.06
20,000,000	UNITED STATES TREASURY NOTES	912828HH	4.250	11/15/17	1.085	108.91888	21,783,775.89	21,811,000.00	27,224.11
20,000,000	UNITED STATES TREASURY NOTES	912828UA	.625	11/30/17	1.075	98.71236	19,742,471.56	19,743,800.00	1,328.44
638,300,000							644,504,262.72	645,564,178.00	1,059,915.28

====> 0032 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2017 <====

5,000,000	UNITED STATES TREASURY NOTES	912828UJ	.875	1/31/18	1.309	98.69275	4,934,637.64	4,959,750.00	25,112.36
15,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EADP	.875	3/07/18	1.454	98.20516	14,730,774.18	14,819,250.00	88,475.82
15,000,000	FED NAT'L MORTGAGE ASSN DEB	3136G1EN	1.100	3/13/18	1.100	100.00000	15,000,000.00	14,852,250.00	- 147,750.00
25,000,000	UNITED STATES TREASURY NOTES	912828UZ	.625	4/30/18	1.188	98.16896	24,542,239.83	24,492,250.00	- 49,989.83
25,000,000	UNITED STATES TREASURY NOTES	912828VE	1.000	5/31/18	1.228	99.24040	24,810,100.78	24,757,750.00	- 52,350.78
1,000,000	FEDERAL FARM CREDIT BANKS	3133EATP	1.500	6/11/18	1.604	99.65225	996,522.49	997,710.00	1,187.51

STATE OF NEW MEXICO

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Position holdings as of 12/31/14 (TRADE)
BOOK VALUES AMORTIZED THROUGH 12/31/14

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
20,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135GOYM	1.875	9/18/18	1.438	101.57394	20,314,787.24	20,325,600.00	10,812.76
15,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135GOYT	1.625	11/27/18	1.747	99.54070	14,931,104.84	15,072,150.00	141,045.16
20,000,000	UNITED STATES TREASURY NOTES	912828RT	1.375	11/30/18	1.404	99.89077	19,978,153.30	19,961,000.00	- 17,153.30
141,000,000							140,238,320.30	140,237,710.00	- 610.30

====> 0009 ITEMS IN SUBTOTAL FOR =====> FINAL-MATURITY.. =====> 2018 <=====

20,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135GOZA	1.875	2/19/19	1.678	100.78314	20,156,627.30	20,303,400.00	146,772.70
20,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EACA	3.750	3/27/19	1.762	108.08347	21,616,693.79	21,767,000.00	150,306.21
35,000,000	UNITED STATES TREASURY NOTES	912828C6	1.625	3/31/19	1.744	99.51299	34,829,546.45	35,155,750.00	326,203.55
2,725,000	FEDERAL HOME LOAN BANKS	3130A2H8	2.500	7/09/19	.660	100.95731	2,751,086.83	2,755,520.00	4,433.17
13,000,000	FEDERAL AGRICULTURAL MORTGAGE CO	31315P3R	1.900	9/18/19	1.920	99.90915	12,988,189.25	13,089,830.00	101,640.75
8,000,000	FEDERAL FARM CREDIT BANKS	3133EEBN	1.800	11/12/19	1.755	100.20714	8,016,571.30	8,005,600.00	- 10,971.30
14,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135GOZY	1.750	11/26/19	1.701	100.22867	14,032,014.27	14,008,400.00	- 23,614.27
175,000	KNOX CNTY KY	499422DH	5.800	12/01/19	.780	109.53087	191,679.03	190,814.75	- 864.28
112,900,000							114,582,408.22	115,276,314.75	693,906.53

====> 0008 ITEMS IN SUBTOTAL FOR =====> FINAL-MATURITY.. =====> 2019 <=====

635,000	RIO RANCHO NM EVENT	76717PAJ	5.000	6/01/20	.384	101.91978	647,190.58	646,868.15	- 322.43
635,000							647,190.58	646,868.15	- 322.43

====> 0001 ITEMS IN SUBTOTAL FOR =====> FINAL-MATURITY.. =====> 2020 <=====

250,000	GREENSBURG SALEM PA SCH DIST	395704HS	3.750	1/01/22	.301	100.00000	250,000.00	250,000.00	
250,000							250,000.00	250,000.00	

====> 0001 ITEMS IN SUBTOTAL FOR =====> FINAL-MATURITY.. =====> 2022 <=====

STATE OF NEW MEXICO
TREASURERS OFFICE
Position holdings as of 12/31/14 (TRADE)
BOOK VALUES AMORTIZED THROUGH 12/31/14

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
345,000	WILL CNTY ILL SCH DIST NO 122	968852B8	4.500	10/01/24	.370	103.08972	355,659.52	355,853.70	194.18
<u>345,000</u>							<u>355,659.52</u>	<u>355,853.70</u>	<u>194.18</u>
====> 0001 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ==== 2024 <====									
160,000	ALBUQUERQUE BERNALILLO CNTY WT	013493AV	4.500	7/01/25	.300	102.09679	163,354.86	163,364.80	9.94
<u>160,000</u>							<u>163,354.86</u>	<u>163,364.80</u>	<u>9.94</u>
====> 0001 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ===== 2025 <=====									
750,000	VOLUSIA CNTY FLA SCH BRD CTFS PA 92884EFD		5.000	8/01/27	.281	102.74851	770,613.80	770,610.00	- 3.80
<u>750,000</u>							<u>770,613.80</u>	<u>770,610.00</u>	<u>- 3.80</u>
====> 0001 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ==== 2027 <====									
255,000	CHOCTAW CNTY MISS HOSP REV	170323AR	7.500	8/01/28	.770	110.56958	281,952.44	279,416.25	- 2,536.19
<u>255,000</u>							<u>281,952.44</u>	<u>279,416.25</u>	<u>- 2,536.19</u>
====> 0001 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ==== 2028 <====									
320,000	PASCO CNTY FLA SCH BRD CTFS PART 702528DG		5.000	8/01/30	.281	102.74851	328,795.22	328,793.60	- 1.62
<u>320,000</u>							<u>328,795.22</u>	<u>328,793.60</u>	<u>- 1.62</u>
====> 0001 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ==== 2030 <====									
355,000	ATLANTA GA ARPT PASSENGER FAC CH 04780TAJ		5.000	1/01/34	.341	100.00000	355,000.00	355,000.00	
<u>355,000</u>							<u>355,000.00</u>	<u>355,000.00</u>	

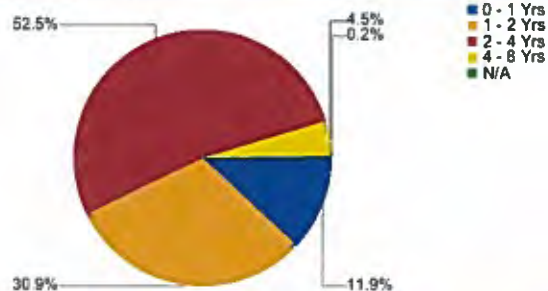
STATE OF NEW MEXICO
TREASURERS OFFICE
 Position holdings as of 12/31/14 (TRADE)
 BOOK VALUES AMORTIZED THROUGH 12/31/14

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
====> 0001 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ==== 2034 <====									
300,000	GUAM GOVT WTRWKS AUTH WTR & WAST	40065FAJ	5.875	7/01/35	.300	102.78322	308,349.66	308,133.00	- 216.66
790,000	SYLACAUGA ALA HEALTH CARE AUTHRE	871244AC	6.000	8/01/35	.300	103.31909	816,220.84	815,967.30	- 253.54
<u>1,090,000</u>							<u>1,124,570.50</u>	<u>1,124,100.30</u>	- 470.20
====> 0002 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ==== 2035 <====									
340,000	KNOX CNTY KY	499422DL	5.875	12/01/36	.780	109.67321	372,888.91	370,984.20	- 1,904.71
<u>340,000</u>							<u>372,888.91</u>	<u>370,984.20</u>	- 1,904.71
====> 0001 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ==== 2036 <====									
375,000	GAYLORD MICH HOSP FIN AUTH LTDOB	368177AD	6.500	1/01/37	.290	100.00000	375,000.00	375,592.50	592.50
<u>375,000</u>							<u>375,000.00</u>	<u>375,592.50</u>	592.50
====> 0001 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ==== 2037 <====									
1,810,000	PROSPER TEX INDPT SCH DIST	743600LB		8/15/40	3.750	26.51200	479,867.20	480,555.00	687.80
<u>1,810,000</u>							<u>479,867.20</u>	<u>480,555.00</u>	687.80
====> 0001 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ==== 2040 <====									
<u>1,552,077,063</u>							<u>1570568467.75</u>	<u>1573689782.21</u>	3,121,314.46
====> 0160 ITEMS IN SUBTOTAL FOR ==== FUND NAME..... ==== GENERAL FUND CORE <====									

Portfolio Characteristics

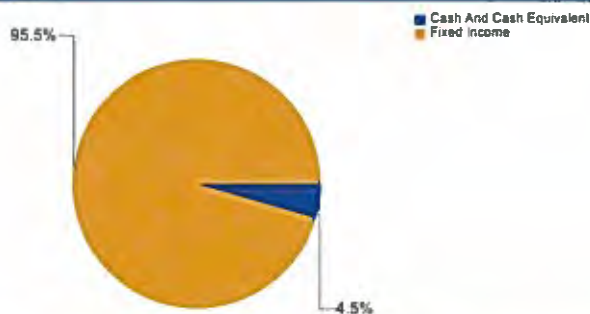
Total Net Assets (Millions) 1,580.6
Weighted Average Life (Years) 2.17
Weighted Avg. Effective Duration (Years) 2.11
Weighted Average Coupon (%) 1.74
Weighted Average Current Yield (%) 0.82
Weighted Average Yield to Maturity (%) 0.83
Weighted Average Rating AA-
Number of Holdings 160

Duration Mix



Asset Mix

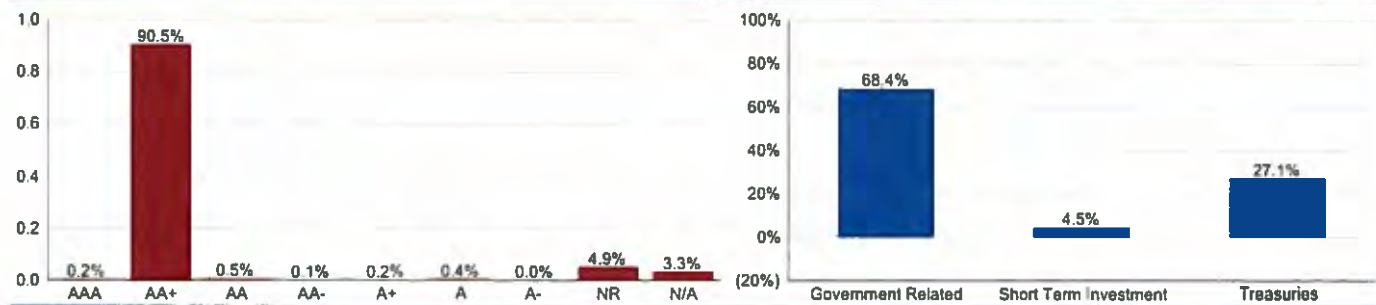
Top Ten Portfolio Holdings



Security ID	Security Name	Total Assets	Coupon Rate	Maturity Date
31359MH89	FEDERAL NATIONAL MORTGAGE ASSOC 5% BDS 15MAR/2015	4.08%	5.00	15/2/2015
3135GQJH1	FEDERAL NATIONAL MORTGAGE ASSOC 0.875% NTS	3.81%	0.50	2/7/2018
3137EACW7	FEDERAL HOME LOAN MORTGAGE CORP 2% BDS 25AUG/2018	2.81%	2.00	25/8/2018
3135GQDY3	FEDERAL NATIONAL MORTGAGE ASSOC 1.25% MTD BDS	2.57%	1.25	30/1/2017
3135GQCM3	FEDERAL NATIONAL MORTGAGE ASSOC 1.25% BDS	2.56%	1.25	28/9/2018
3137EADC0	FEDERAL HOME LOAN MORTGAGE CORP 1% BDS 08MAR/2017	2.55%	1.00	03/2/2017
31359M2D4	FEDERAL NATIONAL MORTGAGE ASSOC 4.875% BDS	2.33%	4.88	15/12/2018
3135GQBA0	FEDERAL NATIONAL MORTGAGE ASSOC 2.375% NTS	2.31%	2.38	11/4/2016
912828C85	UNITED STATES OF AMERICA NOTES FIXED 1.625%	2.23%	1.62	31/3/2019
912828EJ0	UNITED STATES 0.875% 02/17	2.13%	0.88	28/2/2017

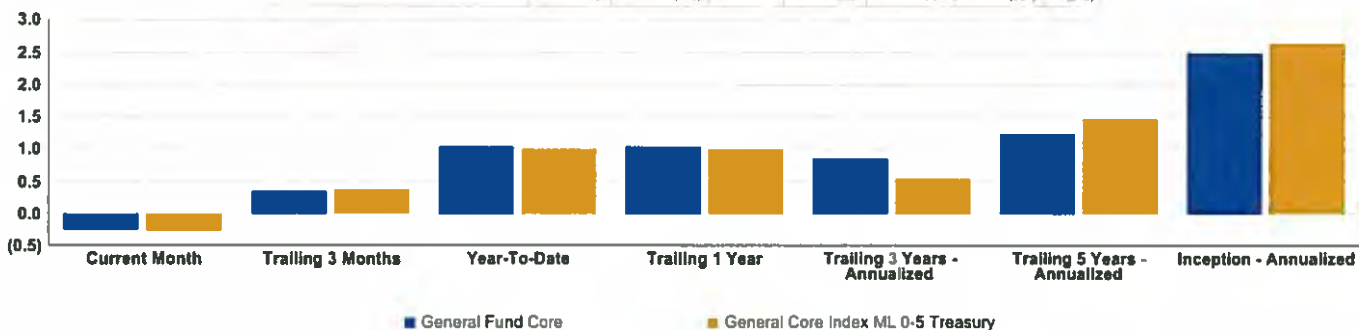
Quality/Rating Weightings

Sector Weightings (as % of Market Value)



Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
General Fund Core	(0.24)	0.38	1.04	1.04	0.88	1.23	2.50
General Core Index ML 0-5 Treasury	(0.26)	0.38	1.00	1.00	0.54	1.46	2.85
Essex	0.02	(0.03)	0.04	0.04	0.31	(0.24)	(0.18)





10. Portfolio Summary- Local Government Investment Pool

Portfolio Summary – Local Government Investment Pool (LGIP)

Summary

- Ending December market value for the LGIP was \$580mil, higher than the \$572mil reported at the end of November.
- The LGIP maintains an AAAM rating by Standard & Poor's.
- At the end of November the STO LGIP participant balance was \$52,334,425 or 9.1% of the Pool.
- At the end of October the Judicial District Court LGIP participant balance was \$4,563,503 or 0.7% of the Pool.

Portfolio Mix

- At the end of December 2014 the portfolio was invested as follows: 0% in US Treasuries, 39% in US Government Agencies, 40% in collateralized demand deposit accounts with qualified banking institutions, 21% in floating rate securities, and 0% in overnight repurchase agreements.
- At month-end, the LGIP held positions in 44 securities.

Investment Earnings

- In December the fund earned \$79,267.
- For Fiscal Year 2015, the fund has earned \$501,817.
- Earnings in the LGIP are retained by participants after a management fee of 0.05% is paid to the General Fund.

Performance

- Gross Yield on the LGIP was 0.162% at the end of November.
- Net yield to participants was 0.112%.

Investment Highlights

- For the LGIP, the WAM(R) of 54 days, and WAM (F) of 94 days, were within their maximums of 60 and 120 days respectively.
- The LGIP experienced net subscriptions for the month of December, ~\$8mil.
- Maturities for December totaled \$50.857mil face amount.
- The LGIP purchased \$65.842mil. US Government Agency securities maturing out to one year at yields between 0.125% and 0.25%.
- LGIP utilized term investments to reduce exposure to lower yielding overnight investments.
- The LGIP continued to keep WAMs close to the maximum allowable 60 days.

Investment Strategy

- LGIP WAMs are currently 54 and 86 days for WAM(R) and WAM (F) respectively.
- The LGIP has experienced net subscriptions in December so far, ~ \$54mil.
- Maturities will total \$64.606mil in January.

- For the month of January, interest rates are lower with the 1, 2, 3 and 5 yr. US Treasury yields down by 6, 19, 26, and 40 bp respectively.
- With WAMs tight to the maximums allowable to maintain the AAAM rating, the Pool has been monitoring cash flows carefully.
- As WAMs recede the LGIP will invest in securities that are longer dated and attractive vs. overnight collateralized bank deposits and repo.
- It is expected that the LGIP WAMs will remain close to the allowable maximums.
- LGIP will continue to focus on maximizing safety of principal and providing adequate liquidity through the use of conservative investments.

Net Asset Value/Share

At month-end, the Net Asset Value per Share of the Local Government Investment Pool was \$0.99980.

STATE OF NEW MEXICO
LGIP FUND (4101)
Portfolio Classification Summary
Positions Held as of 12/31/14 (TRADE Basis)

AMTZ ADDED: NO

ASSET CLASSIFICATION	ITEMS	YIELD	AVG-TERM	PRINCIPAL	COST-BASIS	MARKET-VALUE	GAIN/LOSS	%MARKET
US TREASURY NOTE ACT/ACT 2X	1	.1593	.24660	3,000,000	3,017,156	3,017,460	304	.520
AGENCY US FLOAT ACT/360 12X	1	.1130	.33150	20,000,000	20,000,000	20,002,400	2,400	3.446
AGENCY US BOND 30/360 2X	17	.1923	.53495	107,932,000	108,095,859	108,052,568	-43,291	18.616
FED HOME LOAN BANKS	2	.1078	.14946	27,000,000	26,998,792	26,995,980	-2,812	4.651
AGENCY 30/360 2X	1	.2036	.44660	5,000,000	5,026,787	5,025,650	-1,137	.866
AGENCY US BOND 30/360 ZERO CPN	3	.1310	.06127	49,175,000	49,166,645	49,168,466	1,821	8.471
AGENCY US NOTES 30/360 2X	5	.1736	.45094	35,574,000	35,782,715	35,774,625	-8,090	6.164
AGENCY US VARIABLE ACT/360 4X	10	.1615	.56119	100,400,000	100,427,544	100,449,062	21,518	17.306
CASH ACCOUNT	4			231,927,364	231,927,364	231,927,364		39.959
	<u>44</u>	<u>.0970</u>	<u>.42167</u>	<u>580,008,364</u>	<u>580,442,862</u>	<u>580,413,575</u>	<u>-29,287</u>	<u>100.000</u>

**STATE OF NEW MEXICO
TREASURERS OFFICE**

Position holdings as of 12/31/14 (TRADE)
BOOK VALUES AMORTIZED THROUGH 12/31/14

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
60,412,707	(TD)-WELLS FARGO CASH ACCOUNT	CASHCASH	.100			1.00000	60,412,706.67	60,412,707.00	.33
2,363,532	WELLS FARGO SAVINGS	CASHCASH	.100			1.00000	2,363,532.12	2,363,532.00	-.12
139,008,577	BANK OF THE WEST	CASHCASH	.250			1.00000	139,008,577.23	139,008,577.00	-.23
30,142,548	US BANK	CASHCASH	.200			1.00000	30,142,547.69	30,142,548.00	.31
231,927,364							231,927,363.71	231,927,364.00	.29

====> 0004 ITEMS IN SUBTOTAL FOR =====> FINAL-MATURITY.. =====> NO-MEANINGFUL-DATE <=====

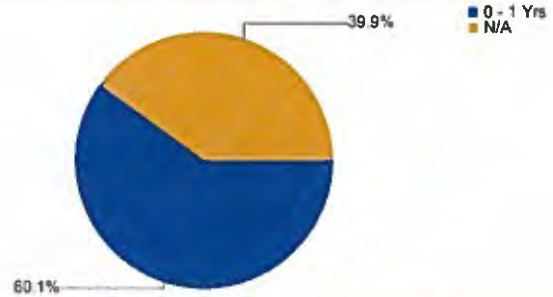
15,000,000	FEDERAL HOME LOAN BANKS	3130A2LD	.090	1/15/15	.110	99.99922	14,999,883.01	14,999,700.00	- 183.01
46,545,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134A4VX		1/15/15	.127	99.98825	46,539,532.79	46,541,276.40	1,743.61
630,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137F0FN		1/15/15	.125	99.99549	629,971.56	629,949.60	- 21.96
2,000,000	FEDERAL FARM CREDIT BANKS	3133EAYU	.320	1/20/15	.143	100.00471	2,000,094.22	2,000,140.00	45.78
5,000,000	FARMER MAC	31315P2S	.200	1/20/15	.200	100.00000	5,000,000.00	5,000,150.00	150.00
4,000,000	FEDERAL FARM CREDIT BANKS	3133ECBF	.250	1/26/15	.225	100.00037	4,000,014.60	4,000,440.00	425.40
2,500,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EACH	2.875	2/09/15	.158	100.28651	2,507,162.66	2,505,525.00	- 1,637.66
3,600,000	FEDERAL HOME LOAN BANKS	3130A16W	.125	3/04/15	.172	99.99168	3,599,700.50	3,599,748.00	47.50
7,000,000	FED HOME LN BANK FHLB	3130A1DM	.150	3/12/15	.162	99.99757	6,999,829.88	6,999,720.00	- 109.88
6,000,000	FEDERAL HOME LOAN BANKS	3130A1D3	.130	3/12/15	.152	99.99569	5,999,741.45	5,999,520.00	- 221.45
2,000,000	FEDERAL FARM CREDIT BANKS	3133ECLM	.230	3/16/15	.199	100.00641	2,000,128.25	2,000,620.00	491.75
5,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134G36G	.350	3/18/15	.111	100.05117	5,002,558.50	5,001,750.00	- 808.50
3,000,000	UNITED STATES TREASURY NOTES	912828MW	2.500	3/31/15	.159	100.57185	3,017,155.52	3,017,460.00	304.48
12,000,000	FEDERAL HOME LOAN BANKS	3130A3C5	.070	4/14/15	.102	99.99091	11,998,908.75	11,996,280.00	- 2,628.75
12,074,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EADD	.500	4/17/15	.129	100.10914	12,087,177.73	12,085,470.30	- 1,707.43
3,600,000	FEDERAL HOME LOAN BANKS	3130A1QG	.125	4/21/15	.137	99.99635	3,599,868.49	3,599,316.00	- 552.49
32,000,000	FEDERAL FARM CREDIT BANKS	3133EANP	.350	5/01/15	.135	100.07032	32,022,503.68	32,027,520.00	5,016.32
20,000,000	FARMER MAC	31315PV2	.112	5/01/15	.112	100.00000	20,000,000.00	20,002,400.00	2,400.00
5,000,000	FEDERAL FARM CREDIT BANKS	3133EDKV	.130	5/01/15	.132	99.99930	4,999,965.02	4,998,300.00	- 1,665.02
10,000,000	FEDERAL HOME LOAN BANKS	3130A27D	.125	6/02/15	.127	99.99922	9,999,922.20	9,998,600.00	- 1,322.20
5,000,000	NCUA GUARN NTS TR 2011-M1	62889KAB	1.400	6/12/15	.201	100.53575	5,026,787.45	5,025,650.00	- 1,137.45
5,077,000	TENNESSEE VALLEY AUTHORITY	880591DY	4.375	6/15/15	.183	101.90814	5,173,876.49	5,167,979.84	- 5,896.65
6,655,000	FEDERAL HOME LOAN BANKS	3130A2FT	.125	6/19/15	.172	99.97818	6,653,547.84	6,654,534.15	986.31
4,000,000	FEDERAL FARM CREDIT BANKS	3133EDPH	.100	6/30/15	.120	99.99060	3,999,623.99	4,000,000.00	376.01
20,000,000	FARMER MAC FAMCA FLOAT	31315PH2	.130	7/01/15	.159	100.00000	20,000,000.00	20,004,000.00	4,000.00
2,000,000	FEDERAL HOME LN MTG CORP	3134A4MK		7/15/15	.185	99.85700	1,997,140.00	1,997,240.00	100.00
1,400,000	FEDERAL FARM CREDIT BANKS	3133ECTP	.200	8/03/15	.199	100.00000	1,400,000.00	1,400,742.00	742.00
5,000,000	FEDERAL HOME LOAN BANKS	3130A2P9	.200	8/17/15	.198	100.00128	5,000,064.12	4,996,000.00	- 4,064.12
10,000,000	FEDERAL FARM CREDIT BANKS	31331KVK	.875	8/18/15	.254	100.39122	10,039,122.42	10,037,100.00	- 2,022.42
10,000,000	FEDERAL HOME LOAN BANKS	3130A2P2	.210	8/21/15	.210	100.00000	10,000,000.00	9,997,000.00	- 3,000.00

STATE OF NEW MEXICO
TREASURERS OFFICE
Position holdings as of 12/31/14 (TRADE)
BOOK VALUES AMORTIZED THROUGH 12/31/14

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
10,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EACM	1.750	9/10/15	.224	101.05412	10,105,412.48	10,102,500.00	- 2,912.48
5,000,000	FEDERAL HOME LOAN BANK	3130A2WZ	.190	9/11/15	.213	99.98387	4,999,193.39	4,997,550.00	- 1,643.39
4,000,000	FEDERAL HOME LOAN BANKS	3133703B	1.750	9/11/15	.203	101.07265	4,042,905.83	4,040,880.00	- 2,025.83
6,000,000	FEDERAL AGRICULTURAL MORTGAGE CO	31315PGT	2.125	9/15/15	.223	101.34007	6,080,403.99	6,079,380.00	- 1,023.99
15,000,000	FEDERAL FARM CREDIT BANKS	3133ED5G	.210	10/22/15	.155	100.04323	15,006,484.18	15,009,450.00	2,965.82
10,000,000	FEDERAL HOME LOAN BANKS	3130A3HV	.125	11/18/15	.213	99.92285	9,992,285.35	9,984,900.00	- 7,385.35
7,000,000	FEDERAL HOME LOAN BANKS	3130A3E7	.160	12/01/15	.223	99.94252	6,995,976.27	6,989,570.00	- 6,406.27
15,000,000	FEDERAL FARM CREDIT BANK	3133EDAW	.200	12/02/15	.205	99.99541	14,999,311.32	15,007,950.00	8,638.68
5,000,000	FEDERAL HOME LOAN BANKS	3130A22T	.220	12/04/15	.223	99.99722	4,999,860.85	4,991,700.00	- 8,160.85
343,081,000							343,516,114.78	343,488,011.29	- 28,103.49
====> 0039 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ==== 2015 <====									
5,000,000	FEDERAL FARM CREDIT BANK	3133EDMK	.140	3/29/16	.150	99.98767	4,999,383.63	4,998,200.00	- 1,183.63
5,000,000							4,999,383.63	4,998,200.00	- 1,183.63
====> 0001 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ==== 2016 <====									
580,008,364							580,442,862.12	580,413,575.29	- 29,286.83
====> 0044 ITEMS IN SUBTOTAL FOR ==== FUND NAME..... ==== LGIP FUND <====									

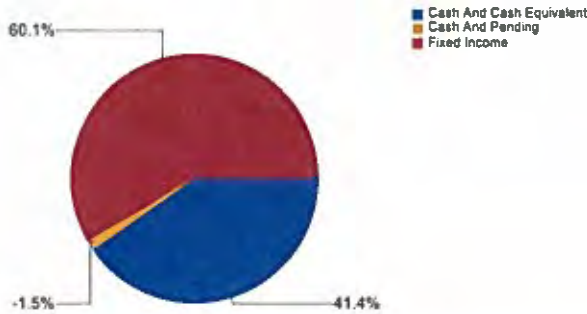
Portfolio Characteristics

Total Net Assets (Millions)	580.7
Weighted Average Life (Years)	0.25
Weighted Avg. Effective Duration (Years)	0.15
Weighted Average Coupon (%)	0.26
Weighted Average Current Yield (%)	0.11
Weighted Average Yield to Maturity (%)	0.13
Weighted Average Rating	AA-
Number of Holdings	45



Asset Mix

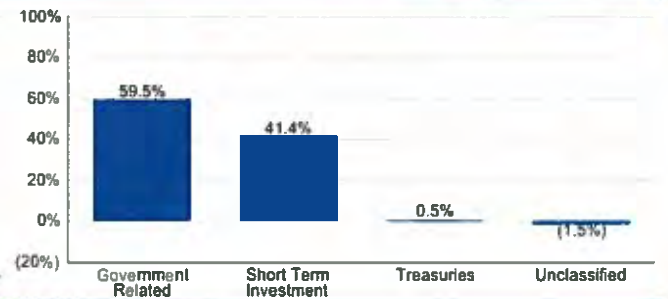
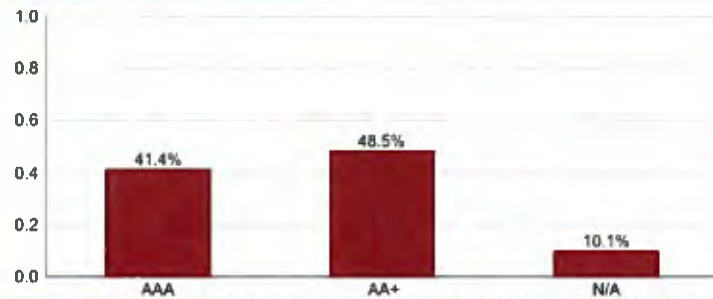
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
89499LC10	BANK OF THE WEST	23.89%	0.00	2/1/2015
313AAV19	FEDERAL HOME LOAN MORTGAGE CORP DISCOUNT NOTES	7.90%	0.00	18/1/2019
3133EAMP9	FEDERAL FARM CR BKS CONS BD FLT 18 01/MAY/2018	6.44%	0.35	1/5/2018
89499LC36	US BANK	6.12%	0.00	2/1/2015
31319PH28	FEDERAL AGRICULTURAL MORTGAGE CORP MEDIUM TERM	3.40%	0.20	1/7/2015
31319PV22	FEDERAL AGRICULTURAL MORTGAGE CORP MEDIUM TERM	3.29%	0.12	1/5/2015
3133EDSG3	FEDERAL FARM CREDIT BANK DISCOUNT NOTES VARIABLE	2.85%	0.21	22/10/2015
3133EDAW2	FEDERAL FARM FLT 12/18	2.85%	0.20	2/12/2018
3130AZLD8	FEDERAL HOME LOAN BANKS BOND FIXED 09%	2.85%	0.09	15/1/2015
894993C02	Wells Fargo Checking	11.71%	0.11	2/1/2015

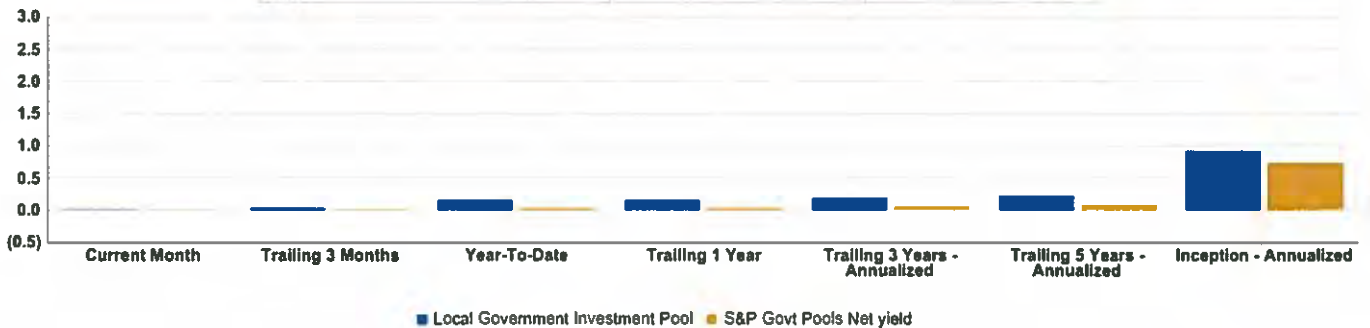
Quality/Rating Weightings

Sector Weightings (as % of Market Value)



Returns Series

	Current Month	Trailing 3 Months	Year To Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
Local Government Investment Pool	0.00	0.03	0.15	0.15	0.19	0.23	0.92
S&P Govt Pools Net yield	0.00	0.01	0.02	0.02	0.04	0.07	0.73
Excess	0.00	0.02	0.13	0.13	0.14	0.16	0.18





11. Portfolio Summary- Tax Exempt Bond Proceeds Investment Pool

Portfolio Summary – Tax Exempt Bond Proceeds Investment Pool

Summary

- The Tax Exempt Bond Proceeds Investment Pool closed the month of December at \$441mil vs. \$461mil at the end of November.
- The Pool paid out \$38mil for capital spending in December 2014.
- The Pool received \$18mil towards the payment of debt service.

Portfolio Mix

- 100% of the Tax-Exempt BPIP portfolio was invested in fixed income securities and 0% in floating rate notes: 63% in Treasuries, 34% in Agency Securities, 2% in NM municipal securities, and 1% in cash equivalents.
- 39% of the portfolio was invested in securities that mature in one year, 47% in securities that mature from 1-2 years, 14% in securities that mature from 2-4 years and 0% in securities out to 5 years.
- The Tax-Exempt BPIP held positions in 55 securities.
- Weighted Average Life of the Tax Exempt BPIP was 1.24 years. The Weighted Average duration was 1.22 years.
- The maximum security term for the BPIP portfolio is 5 years.

Investment Earnings

- Unrealized gains in the Tax-Exempt BPIP Portfolio were \$497,466 on December 31st.
- Monthly net earnings on the portfolio for December were \$188,548.
- Net earnings for FY2015 were \$1,141,451.
- Earnings on the Bond Proceeds Investment Pool are used to offset capital and debt service spending.

Investment Highlights

- The duration of the Tax-Exempt BPIP at the end of December was 1.22 yrs. vs. the Benchmark at 1.37 yrs.
- The Tax-Exempt BPIP had maturities of \$10mil in the month of December.
- A total of \$3mil in US Government Agency callable securities were purchased @0.25% YTC.
- The Pool paid out \$38mil for capital spending in December 2014.
- The Pool duration remained relatively stable during the month of December.

Performance

- The purchase yield was 0.52% at the end of December vs. 0.50% reported for the previous month.
- The Tax-Exempt BPIP returned (0.14)% for the month of December and 0.11% for the three months ended December 31, 2014, vs. Index returns of (0.17)% and 0.46% respectively. For the trailing 12 mos. the Pool returned 0.50% vs. 0.46% for the benchmark.
- The Tax-Exempt BPIP had a duration shorter than the benchmark for the month of December, and was able to outperform.

- Cash flows (debt service payments, capital project withdrawals, bond sale proceeds) will continue to be the key driver of the portfolio's structure and cash position going forward.

Investment Strategy

- The option-adjusted duration of the Tax-Exempt BPIP portfolio is currently 1.15 yrs. vs. 1.39 yrs. for the benchmark.
- For the month of January \$15mil maturities are scheduled.
- Capital project withdrawals will total approximately ~\$18mil in January.
- The Pool received \$17.5mil toward debt service in January.
- Cash will be accumulated in order to pay debt service of close to \$70mil on March 1, 2015.
- New issue NM GO will yield over \$150mil in bonds proceeds toward the end of March.
- The Pool will continue to purchase 1 to 3 year Treasury and Agency securities as maturities and cash flows allow.
- The Tax-Exempt BPIP has maintained duration shorter than that of the benchmark in order to provide adequate liquidity for project withdrawals while minimizing overnight cash positions.
- Project withdrawals will have the effect of lengthening duration and as they have had a high degree of variability month-to-month, cash flow management will dominate portfolio decisions.

STATE OF NEW MEXICO
BOND PROCEEDS INV POOL1 TAX EX (4000)
Portfolio Classification Summary
Positions Held as of 12/31/14 (TRADE Basis)

AMTZ ADDED: NO

ASSET CLASSIFICATION	ITEMS	YIELD	AVG-TERM	PRINCIPAL	COST-BASIS	MARKET-VALUE	GAIN/LOSS	%MARKET
REPURCHASE AGREEMENTS (O/N)	1	.0304	.00550	1,504,655	1,504,655	1,504,655		.341
CERTIFICATES OF DEPOSIT	2	.7250	2.01235	3,000,000	3,000,000	3,000,000		.680
US TREASURY NOTE ACT/ACT 2X	20	.5064	1.42328	259,000,000	260,254,502	260,387,860	133,358	59.000
US TREASURY (STRIP/ZERO) 30/360	3	.3740	.35396	16,034,000	15,914,229	16,007,933	93,704	3.627
AGENCY US BOND 30/360 2X	4	.2584	.41460	45,000,000	45,002,432	45,013,750	11,318	10.199
AGENCY US NOTES 30/360 2X	9	.7281	1.45524	81,900,000	82,887,633	83,084,983	197,350	18.826
FED NATL MORTGAGE ASSN DEBS	3	.5328	1.00413	20,000,000	20,128,253	20,185,850	57,597	4.574
MUNI US 30/360 2X	10	.4603	.96389	8,700,000	8,873,517	8,876,875	3,358	2.011
MUNICIPAL BOND REVENUE	2	.4059	.54519	1,240,000	1,250,846	1,251,627	781	.284
UNITS - INVESTMENT POOL 1	1			2,020,374	2,020,374	2,020,374		.458
	55	.5155	1.25427	438,399,029	440,836,441	441,333,907	497,466	100.000

STATE OF NEW MEXICO
TREASURERS OFFICE
Position holdings as of 12/31/14 (TRADE)
BOOK VALUES AMORTIZED THROUGH 12/31/14

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
2,020,374	UNITS - INVESTMENT POOL 1	UNITS001				1.00000	2,020,374.29	2,020,374.00	-.29
2,020,374							2,020,374.29	2,020,374.00	-.29

====> 0001 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ==== NO-MEANINGFUL-DATE <====

1,504,655	OVERNIGHT REPO	0102RP	.030	1/02/15	.030	1.00000	1,504,654.83	1,504,654.83	
15,000,000	FEDERAL HOME LOAN BANKS	3130A0JV	.190	1/06/15	.193	99.99996	14,999,994.20	15,000,150.00	155.80
10,000,000	UNITED STATES TREASURY NOTES	912828UT	.250	3/31/15	.207	100.01045	10,001,044.68	10,003,500.00	2,455.32
7,306,000	FINANCING-FED BK ENTY CPN STRP	31771JLV		4/06/15	.358	99.30800	7,255,442.48	7,296,429.14	40,986.66
6,400,000	FEDERAL AGRICULTURAL MORTGAGE CO	31315PWM	.270	4/17/15	.288	99.99469	6,399,660.24	6,402,048.00	2,387.76
10,000,000	FEDERAL HOME LOAN BANKS	3130A2AM	.125	6/03/15	.152	99.98853	9,998,853.02	9,998,200.00	- 653.02
5,888,000	FINANCING CORP CPN FICO STRIPS	31771CSS		6/06/15	.378	99.20700	5,841,308.16	5,876,871.68	35,563.52
2,840,000	FINANCING CORP CPN FICO STRIPS	31771DKR		6/06/15	.378	99.20700	2,817,478.80	2,834,632.40	17,153.60
10,000,000	FEDERAL HOME LOAN BANKS	313379ER	.500	6/12/15	.255	100.10935	10,010,934.97	10,013,100.00	2,165.03
900,000	ALBUQUERQUE NM GROSS RECPTS.TAX	01354PDX	2.000	7/01/15	.430	100.78311	907,047.99	908,091.00	1,043.01
5,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135GOLN	.500	7/02/15	.266	100.11752	5,005,875.76	5,004,650.00	- 1,225.76
15,000,000	UNITED STATES TREASURY NOTES	912828VN	.250	7/31/15	.168	100.04754	15,007,130.74	15,010,500.00	3,369.26
550,000	ALBUQUERQUE N MEX MUN SCH DIST	013595RS	2.000	8/01/15	.590	100.81950	554,507.27	555,483.50	976.23
550,000	CLOUDCROFT N MEX MUN SCH DIST	189134EU	2.000	8/01/15	.490	100.87818	554,830.00	555,010.50	180.50
670,000	RIO RANCHO N MEX PUB SCH DIST NO	767171MS	1.000	8/01/15	.251	100.43627	672,922.98	672,874.30	- 48.68
3,250,000	GADSDEN N MEX INDPT SCH DIST NO	362550MH	4.000	8/15/15	.300	102.29778	3,324,677.72	3,321,012.50	- 3,665.22
15,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134G3ZA	.500	8/28/15	.444	100.03650	15,005,474.66	15,025,800.00	20,325.34
340,000	GRANT CNTY N MEX	387766BX	2.000	9/01/15	.321	101.11703	343,797.89	343,536.00	- 261.89
10,000,000	UNITED STATES TREASURY NOTES	912828TP	.250	9/15/15	.278	99.98041	9,998,040.86	10,005,500.00	7,459.14
10,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	31398A4M	1.625	10/26/15	.314	101.07157	10,107,156.92	10,113,800.00	6,643.08
15,000,000	UNITED STATES TREASURY NOTES	912828PJ	1.375	11/30/15	.352	100.93085	15,139,627.50	15,150,000.00	10,372.50
10,000,000	FNMA	3135G0SB	.375	12/21/15	.451	99.92650	9,992,650.08	10,002,300.00	9,649.92
15,000,000	UNITED STATES TREAS NTS	912828PM	2.125	12/31/15	.433	101.68138	15,252,207.74	15,273,000.00	20,792.26
170,198,655							170,695,319.49	170,871,143.85	175,824.36

====> 0023 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ==== 2015 <====

15,000,000	UNITED STATES TREASURY NOTES	912828UG	.375	1/15/16	.320	100.05741	15,008,610.79	15,009,450.00	839.21
3,000,000	FEDERAL AGRICULTURAL MORTGAGE CO	31315PWQ	.675	1/19/16	.380	100.30876	3,009,262.87	3,007,860.00	- 1,402.87
10,000,000	UNITED STATES TREASURY NOTES	912828KS	2.625	2/29/16	.395	102.57909	10,257,908.74	10,260,200.00	2,291.26

STATE OF NEW MEXICO

TREASURERS OFFICE

Position holdings as of 12/31/14 (TRADE)
BOOK VALUES AMORTIZED THROUGH 12/31/14

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
7,500,000	FEDERAL NATIONAL MORTGAGE ASSOCI	31359MH8	5.000	3/15/16	.543	105.34761	7,901,070.99	7,909,275.00	8,204.01
15,000,000	UNITED STATES TREASURY NOTES	912828C4	.375	3/31/16	.406	99.96139	14,994,207.83	14,997,600.00	3,392.17
15,000,000	UNITED STATES TREASURY NOTES	912828UW	.250	4/15/16	.491	99.69123	14,953,684.81	14,976,600.00	22,915.19
400,000	TORRANCE ETC CNTYS N MEX MUN S	891400NC	1.000	5/15/16	.552	100.61168	402,446.71	403,100.00	653.29
1,220,000	RIO RANCHO N MEX WTR & WASTEWT	767175GF	3.000	5/15/16	.550	103.34417	1,260,798.86	1,262,456.00	1,657.14
10,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EACT	2.500	5/27/16	.479	102.82779	10,282,778.75	10,282,700.00	- 78.75
15,000,000	UNITED STATES TREASURY NOTES	912828QP	1.750	5/31/16	.522	101.72550	15,258,824.63	15,273,000.00	14,175.37
1,225,000	SANTA FE N MEX GROSS RCPTS TAX	802072RG	2.000	6/01/16	.630	101.92870	1,248,626.58	1,252,734.00	4,107.42
15,000,000	UNITED STATES TREASURY NOTES	912828QR	1.500	6/30/16	.510	101.47440	15,221,159.63	15,226,200.00	5,040.37
1,500,000	FARMERS & STOCKMENS BANK	8521620	.500	7/06/16	.500	1.00000	1,500,000.00	1,500,000.00	
15,000,000	UNITED STATES TREASURY NOTES	912828VL	.625	7/15/16	.531	100.14344	15,021,515.47	15,029,250.00	7,734.53
45,000	ALAMOGORDO N MEX	011446HA	4.000	8/01/16	1.050	104.61887	47,078.49	46,888.20	- 190.29
475,000	GADSDEN N MEX INDPT SCH DIST NO	362550MJ	2.000	8/15/16	.650	102.17454	485,329.08	485,331.25	2.17
20,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EACW	2.000	8/25/16	1.144	101.39425	20,278,849.29	20,477,600.00	198,750.71
315,000	GRANT CNTY N MEX	387766BY	2.000	9/01/16	.600	102.31718	322,299.13	321,983.55	- 315.58
14,000,000	UNITED STATES TREASURY NOTES	912828RJ	1.000	9/30/16	.631	100.63814	14,089,339.99	14,102,760.00	13,420.01
10,000,000	UNITED STATES TREASURY NOTES	912828RM	1.000	10/31/16	.428	101.04044	10,104,043.75	10,071,900.00	- 32,143.75
5,000,000	FEDERAL NATL MTG ASSN DEBS	3135GOES	1.375	11/15/16	1.210	100.30440	5,015,219.76	5,067,400.00	52,180.24
15,000,000	UNITED STATES TREASURY NOTES	912828WF	.625	11/15/16	.693	99.87435	14,981,152.41	15,001,200.00	20,047.59
15,000,000	UNITED STATES TREASURY NOTES	912828A5	.625	12/15/16	.727	99.80212	14,970,317.33	14,992,950.00	22,632.67
204,680,000							206,614,525.89	206,958,438.00	343,912.11
====> 0023 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ==== 2016 <====									
15,000,000	UNITED STATES TREASURY NOTES	912828SC	.875	1/31/17	.710	100.34057	15,051,085.51	15,043,350.00	- 7,735.51
15,000,000	UNITED STATES TREASURY NOTES	912828SJ	.875	2/28/17	.788	100.18539	15,027,808.99	15,036,300.00	8,491.01
10,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EADC	1.000	3/08/17	.756	100.52812	10,052,811.56	10,029,000.00	- 23,811.56
5,000,000	UNITED STATES TREASURY NOTES	912828TB	.750	6/30/17	1.006	99.36903	4,968,451.40	4,981,250.00	12,798.60
1,500,000	FARMERS & STOCKMENS BANK	8521621	.950	7/05/17	.950	1.00000	1,500,000.00	1,500,000.00	
5,000,000	FEDERAL AGRICULTURAL MORTGAGE CO	31315PZT	.650	7/10/17	.862	99.47199	4,973,599.66	4,960,750.00	- 12,849.66
5,000,000	UNITED STATES TREASURY NOTES	912828TG	.500	7/31/17	.906	98.96670	4,948,335.07	4,943,350.00	- 4,985.07
5,000,000	FNMA	3135GOZL	1.000	9/27/17	1.118	99.68252	4,984,125.94	4,989,950.00	5,824.06
61,500,000							61,506,218.13	61,483,950.00	- 22,268.13
====> 0008 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ==== 2017 <====									
438,399,029							440,836,437.80	441,333,905.85	497,468.05

STATE OF NEW MEXICO
TREASURERS OFFICE
Position holdings as of 12/31/14 (TRADE)
BOOK VALUES AMORTIZED THROUGH 12/31/14

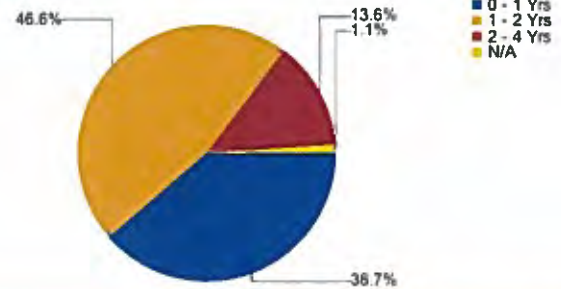
POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
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====> 0055 ITEMS IN SUBTOTAL FOR ====> FUND NAME..... ====> BOND PROCEEDS INV POOL1 TAX EX <

Portfolio Characteristics

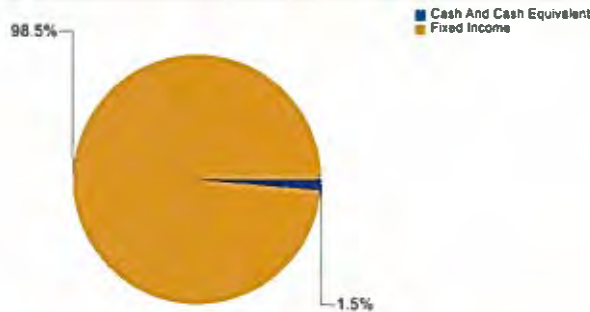
Duration Mix

Total Net Assets (Millions)	442.3
Weighted Average Life (Years)	1.24
Weighted Avg. Effective Duration (Years)	1.22
Weighted Average Coupon (%)	1.00
Weighted Average Current Yield (%)	0.44
Weighted Average Yield to Maturity (%)	0.44
Weighted Average Rating	AA
Number of Holdings	55



Asset Mix

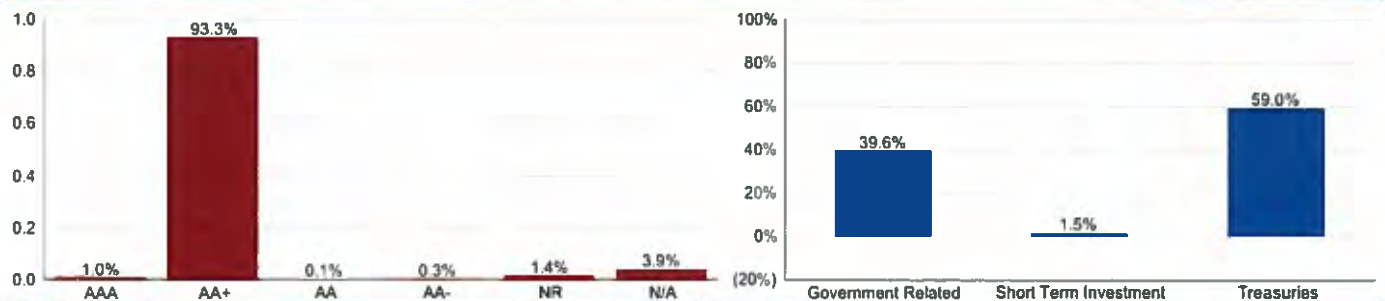
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
3137EACW7	FEDERAL HOME LOAN MORTGAGE CORP 2% BDB 25/AUG/2016	4.90%	2.00	25/8/2016
912828PM6	UNITED STATES 2.125% 12/15	3.45%	2.12	31/12/2015
912828QR4	UNITED STATES 1.5% 06/16	3.44%	1.50	30/6/2016
912828PJ3	UNITED STATES 1.375% 11/15	3.43%	1.38	30/11/2015
912828SC5	UNITED STATES 0.875% 01/17	3.41%	0.88	31/1/2017
912828SJ0	UNITED STATES 0.875% 02/17	3.41%	0.88	28/2/2017
912828VL1	US 0.62500 '16	3.41%	0.62	15/7/2016
3134G3ZA1	FEDERAL HOME LOAN MORTGAGE CORP 0.5% BDB	3.40%	0.50	28/8/2015
912828UG3	US 0.37500 '16	3.40%	0.38	15/1/2016
912828QP8	UNITED STATES 1.75% 05/16	3.46%	1.75	31/5/2016

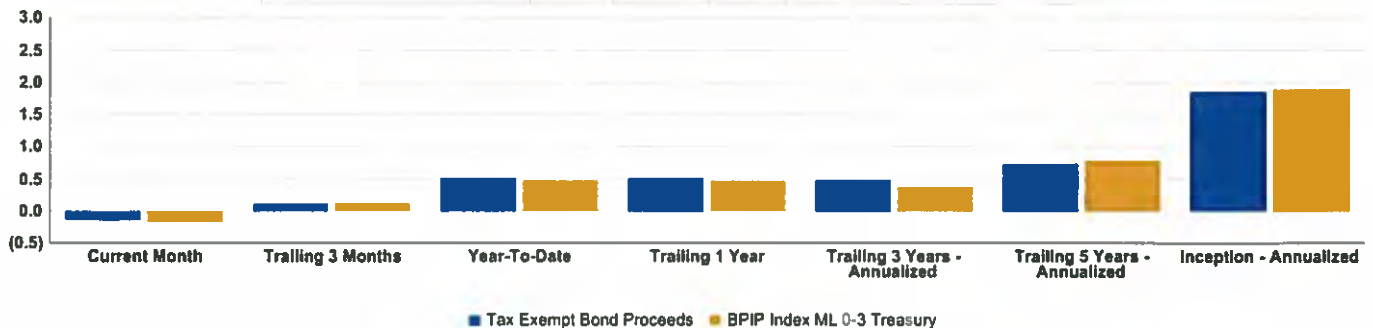
Quality Rating Weightings

Sector Weightings (as % of Market Value)



Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
Tax Exempt Bond Proceeds	(0.14)	0.11	0.50	0.50	0.47	0.72	1.85
BPIP Index ML 0-3 Treasury	(0.17)	0.11	0.46	0.46	0.37	0.78	1.86
Excess	0.03	(0.01)	0.05	0.05	0.11	(0.06)	(0.03)





12. Portfolio Summary- Taxable Bond Proceeds Investment Pool

Portfolio Summary – Taxable Bond Proceeds Investment Pool

Summary

- The Taxable Bond Proceeds Investment Pool closed the month of December at \$756mil vs. \$620mil at the end of November 2014.
- The Pool paid out approximately \$28mil for capital spending in December 2014.
- The Pool received \$165mil from sponge note proceeds.

Portfolio Mix

- 100% of the Taxable BPIP portfolio was invested in fixed income securities and 0% in floating rate securities; 53% in US Treasuries, 38% in Agency securities, 1% in NM municipal securities and the balance, approximately 8%, was held in cash equivalents and collateralized NM bank CDs.
- 39% of the portfolio was invested in securities that mature in one year, 47% in securities that mature from 1-2 years, 14% in securities that mature from 2-4 years and 0% in securities out to 5 years.
- The Taxable BPIP held positions in 69 securities.
- Weighted Average Life of the Taxable BPIP was 1.30 years. The Weighted Average duration was 1.29 years.
- The maximum security term for the BPIP portfolio is 5 years.

Investment Earnings

- The unrealized gains in the Taxable BPIP were \$772,902 as of December 31st.
- Monthly net earnings on the portfolio for December were \$286,368.
- Year-to-date net earnings were roughly \$1,791,933.
- Earnings on the Bond Proceeds Investment Pool are used to offset capital and debt service spending.

Investment Highlights

- The duration of the Taxable BPIP at the end of December was 1.29 years vs. the Benchmark at 1.37 years.
- Maturities totaled \$5.1mil in the month of December 2014.
- The Pool paid out ~\$28mil for capital projects in December.
- The Pool rolled a Western Bank of Alamogordo CD, \$1.1mil, at 0.75% 12/30/16.
- The Pool purchased \$100mil US Treasuries and Agencies maturing in 1-3 years with sponge note proceeds.
- The Pool sold \$7.17mil Agency securities at a gain to cover project withdrawals.

Performance

- Purchase Yield at the end of December was 0.56%.
- The Taxable BPIP returned (0.12)% for the month of December and 0.13% for the three months ended December 31, 2014, vs. Index returns of (0.17%) and 0.11% respectively. For the trailing 12 mos. the Pool returned 0.50% vs. 0.46% for the benchmark.

- The Taxable BPIP had a duration shorter than the benchmark for the month of December, and was able to outperform.
- Cash flows (debt service payments, capital project withdrawals, bond sale proceeds) will continue to be the key driver of the portfolio's structure and cash position going forward.

Investment Strategy

- The option adjusted duration of the portfolio is currently 1.25 yrs. vs. 1.39 yrs. for the benchmark.
- The Pool has maturities of \$15mil scheduled for January.
- Capital project withdrawals will total ~\$12mil in January.
- The Pool will continue to purchase 1 to 3 year Treasury and Agency securities as maturities and cash flows allow.
- The Taxable BPIP has maintained duration shorter than the benchmark in order to provide adequate liquidity for project withdrawals while minimizing overnight cash positions.
- Project withdrawals will have the effect of lengthening duration and as they have had a high degree of variability month-to-month, cash flow management will dominate portfolio decisions.

STATE OF NEW MEXICO
BOND PROCEEDS INV POOL2 TAXABL (4002)
Portfolio Classification Summary
Positions Held as of 12/31/14 (TRADE Basis)

AMTZ ADDED: NO

ASSET CLASSIFICATION	ITEMS	YIELD	AVG-TERM	PRINCIPAL	COST-BASIS	MARKET-VALUE	GAIN/LOSS	%MARKET
REPURCHASE AGREEMENTS (O/N)	1	.0304	.00550	50,046,445	50,046,445	50,046,445		6.616
CERTIFICATES OF DEPOSIT	4	.4804	.97660	10,200,000	10,200,000	10,200,000		1.349
LINKED-CERTIFICATE OF DEPOSIT	2	.4500	1.04110	4,000,000	4,000,000	4,000,000		.529
US TREASURY NOTE ACT/ACT 2X	24	.6471	1.70224	396,000,000	398,161,019	398,470,120	309,101	52.680
AGENCY US BOND 30/360 2X	7	.4150	.93253	102,000,000	102,147,456	102,184,970	37,514	13.510
AGENCY US NOTES 30/360 2X	12	.5593	1.07618	159,709,000	161,335,409	161,648,961	313,552	21.371
FED NATL MORTGAGE ASSN DEBS	1	.8704	.81920	20,000,000	20,124,839	20,227,600	102,761	2.674
MUNI US 30/360 2X	17	.5761	.79375	9,130,000	9,290,513	9,300,487	9,974	1.230
UNITS - INVESTMENT POOL 1	1			312,480	312,480	312,480		.041
	<u>69</u>	<u>.5576</u>	<u>1.30360</u>	<u>751,397,925</u>	<u>755,618,161</u>	<u>756,391,063</u>	<u>772,902</u>	<u>100.000</u>

STATE OF NEW MEXICO
TREASURERS OFFICE
Position holdings as of 12/31/14 (TRADE)
BOOK VALUES AMORTIZED THROUGH 12/31/14

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
312,480	UNITS - INVESTMENT POOL 1	UNITS001				1.00000	312,480.33	312,480.00	- .33
312,480							312,480.33	312,480.00	- .33

====> 0001 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ==== NO-MEANINGFUL-DATE <====

50,046,445	OVERNIGHT REPO	0102RP	.030	1/02/15	.030	1.00000	50,046,445.17	50,046,445.17	
15,000,000	FARMER MAC	31315PZ5	.200	1/20/15	.200	100.00000	15,000,000.00	15,000,450.00	450.00
2,000,000	FEDERAL HOME LOAN BANKS	3133XASA	4.500	2/18/15	.200	100.56078	2,011,215.65	2,011,220.00	4.35
9,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134G4FJ	.305	2/23/15	.213	100.01326	9,001,193.31	9,002,070.00	876.69
650,000	NEW MEXICO ST	647293NQ	5.000	3/01/15	.420	100.76162	654,950.50	655,102.50	152.00
4,000,000	CENTURY BANK SANTA FE	17099249	.350	3/30/15	.350	1.00000	4,000,000.00	4,000,000.00	
20,000,000	UNITED STATES TREASURY NOTES	912828MW	2.500	3/31/15	.316	100.53302	20,106,603.61	20,116,400.00	9,796.39
10,000,000	FEDERAL AGRICULTURAL MORTGAGE CO	31315PX3	.245	4/21/15	.261	99.99507	9,999,506.59	10,002,400.00	2,893.41
225,000	SANTA ROSA N MEX CONS SCH DIST	802751DM	1.000	5/15/15	.650	100.12958	225,291.56	225,499.50	207.94
21,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0KM	.500	5/27/15	.147	100.14320	21,030,071.51	21,023,520.00	- 6,551.51
1,350,000	CLOVIS N MEX GROSS RCPTS TAX R	189387CW	2.000	6/01/15	.750	100.51855	1,357,000.43	1,358,343.00	1,342.57
15,000,000	FEDERAL HOME LOAN BANKS	313379ER	.500	6/12/15	.255	100.10935	15,016,402.46	15,019,650.00	3,247.54
20,000,000	UNITED STATES TREASURY NOTES	912828NL	1.875	6/30/15	.327	100.76831	20,153,662.34	20,171,800.00	18,137.66
500,000	SANTA FE CNTY N MEX	801889KB	5.500	7/01/15	.430	102.52934	512,646.70	513,045.00	398.30
275,000	SANTA FE CNTY N MEX	801889MY	2.000	7/01/15	.400	100.79820	277,195.05	277,351.25	156.20
405,000	RUIDOSO N MEX WASTEWATER REV	781324AB	2.000	7/01/15	.700	100.64768	407,623.11	408,005.10	381.99
10,000,000	UNITED STATES TREAS NTS	912828NP	1.750	7/31/15	.453	100.75222	10,075,222.07	10,091,800.00	16,577.93
400,000	RUIDOSO N MEX MUN SCH DIST NO	781338HY	2.000	8/01/15	.560	100.83714	403,348.55	403,988.00	639.45
200,000	ALBUQUERQUE N MEX MUN SCH DIST	013595QU	5.000	8/01/15	.500	102.61729	205,234.57	205,472.00	237.43
350,000	ALAMOGORDO NM MUNI SCH DIST #1	011464HC	2.000	8/01/15	.550	100.84296	352,950.35	353,489.50	539.15
550,000	LAS CRUCES N MEX SCH DIST NO 002	517534SC	2.000	8/01/15	.450	100.90157	554,958.61	555,010.50	51.89
1,100,000	RIO RANCHO N MEX PUB SCH DIST NO	767171ME	2.000	8/01/15	.450	100.90157	1,109,917.23	1,110,967.00	1,049.77
400,000	SAN JUAN CNTY N MEX CENT CONS IN	798359KB	3.000	8/01/15	.450	101.48364	405,934.54	406,264.00	329.46
20,000,000	FEDERAL FARM CREDIT BANKS	31331KVK	.875	8/18/15	.254	100.39122	20,078,244.84	20,074,200.00	- 4,044.84
15,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134C3ZA	.500	8/28/15	.444	100.03650	15,005,474.66	15,025,800.00	20,325.34
15,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EACM	1.750	9/10/15	.341	100.97254	15,145,880.82	15,153,750.00	7,869.18
20,000,000	FED NATL MORTGAGE ASSN DEBS	31398A4M	1.625	10/26/15	.858	100.62420	20,124,839.02	20,227,600.00	102,760.98
15,000,000	UNITED STATES TREASURY NOTES	912828PJ	1.375	11/30/15	.352	100.93085	15,139,627.50	15,150,000.00	10,372.50
20,000,000	FNMA	3135G0SB	.375	12/21/15	.451	99.92650	19,985,300.17	20,004,600.00	19,299.83
15,000,000	UNITED STATES TREAS NTS	912828PM	2.125	12/31/15	.433	101.68138	15,252,207.74	15,273,000.00	20,792.26
302,451,445							303,638,948.66	303,867,242.52	228,293.86

====> 0030 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ==== 2015 <====

**STATE OF NEW MEXICO
TREASURERS OFFICE**

Position holdings as of 12/31/14 (TRADE)
BOOK VALUES AMORTIZED THROUGH 12/31/14

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
15,500,000	FEDERAL AGRICULTURAL MORTGAGE CO	31315PVS	.430	1/08/16	.464	99.96585	15,494,707.33	15,521,855.00	27,147.67
2,000,000	WESTERN COMMERCE BANK	2012823	.450	1/15/16	.450	1.00000	2,000,000.00	2,000,000.00	
2,000,000	WESTERN COMMERCE BANK	2010824	.450	1/15/16	.450	1.00000	2,000,000.00	2,000,000.00	
15,000,000	UNITED STATES TREASURY NOTES	912828QJ	2.125	2/29/16	.429	101.96004	15,294,005.84	15,307,050.00	13,044.16
12,500,000	FEDERAL NATIONAL MORTGAGE ASSOCI	31359MH8	5.000	3/15/16	.543	105.34761	13,168,451.66	13,182,125.00	13,673.34
8,709,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135GOAL	2.250	3/15/16	.397	102.22599	8,902,861.44	8,891,540.64	- 11,320.80
15,000,000	FANNIE MAE	3135GOVA	.500	3/30/16	.537	99.95419	14,993,128.41	15,088,650.00	95,521.59
30,000,000	UNITED STATES TREASURY NOTES	912828UW	.250	4/15/16	.435	99.76332	29,928,996.96	29,953,200.00	24,203.04
10,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EACT	2.500	5/27/16	.479	102.82779	10,282,778.75	10,282,700.00	- 78.75
15,000,000	UNITED STATES TREASURY NOTES	912828QP	1.750	5/31/16	.522	101.72550	15,258,824.63	15,273,000.00	14,175.37
1,000,000	NEW MEXICO FIN AUTH REV	64711NSK	4.000	6/01/16	.570	104.83202	1,048,320.19	1,050,590.00	2,269.81
30,000,000	UNITED STATES TREAS NTS	912828QR	1.500	6/30/16	.532	101.44187	30,432,561.73	30,452,400.00	19,838.27
2,600,000	WESTERN BANK CLOVIS	15985	.500	7/13/16	.500	1.00000	2,600,000.00	2,600,000.00	
15,000,000	UNITED STATES TREASURY NOTES	912828VL	.625	7/15/16	.531	100.14438	15,021,657.58	15,029,250.00	7,592.42
2,500,000	WESTERN BANK ALAMOGORDO	81187124	.550	7/22/16	.550	1.00000	2,500,000.00	2,500,000.00	
600,000	RIO RANCHO N MEX PUB SCH DIST NO	767171MF	2.000	8/01/16	.650	102.12288	612,737.28	614,064.00	1,326.72
475,000	LAS CRUCES N MEX SCH DIST NO 002	517534SD	3.000	8/01/16	.650	103.69524	492,552.41	492,408.75	- 143.66
250,000	GALLUP MC KINLEY CNTY N MEX SCH	364010QJ	2.000	8/01/16	.710	102.02684	255,067.11	255,265.00	197.89
400,000	SAN JUAN CNTY N MEX CENT CONS IN	798359KC	3.000	8/01/16	.650	103.69536	414,781.42	415,620.00	838.58
25,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EACW	2.000	8/25/16	1.277	101.17567	25,293,917.15	25,597,000.00	303,082.85
15,000,000	UNITED STATES TREASURY NOTES	912828RJ	1.000	9/30/16	.677	100.55866	15,083,798.42	15,110,100.00	26,301.58
15,000,000	UNITED STATES TREASURY NOTES	912828RM	1.000	10/31/16	.632	100.66845	15,100,267.54	15,107,850.00	7,582.46
20,000,000	UNITED STATES TREASURY NOTES	912828LU	3.125	10/31/16	.584	104.61469	20,922,938.26	20,906,200.00	- 16,738.26
20,000,000	UNITED STATES TREASURY NOTES	912828RU	.875	11/30/16	.751	100.23402	20,046,803.08	20,087,600.00	40,796.92
20,000,000	UNITED STATES TREASURY NOTES	912828AS	.625	12/15/16	.665	99.92254	19,984,507.02	19,990,600.00	6,092.98
1,100,000	WESTERN BANK ALAMOGORDO	81186499	.750	12/30/16	.750	1.00000	1,100,000.00	1,100,000.00	
294,634,000							298,233,664.21	298,809,068.39	575,404.18

====> 0026 ITEMS IN SUBTOTAL FOR =====> FINAL-MATURITY.. =====> 2016 <=====

15,000,000	UNITED STATES TREASURY NOTES	912828SC	.875	1/31/17	.700	100.36179	15,054,268.64	15,043,350.00	- 10,918.64
5,000,000	UNITED STATES TREASURY NOTES	912828SJ	.875	2/28/17	.788	100.18539	5,009,269.66	5,012,100.00	2,830.34
10,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EADC	1.000	3/08/17	.756	100.52812	10,052,811.56	10,029,000.00	- 23,811.56
20,000,000	UNITED STATES TREASURY NOTES	912828SM	1.000	3/31/17	.849	100.33512	20,067,024.89	20,084,400.00	17,375.11
25,000,000	UNITED STATES TREASURY NOTES	912828SY	.625	5/31/17	.916	99.30624	24,826,561.24	24,857,500.00	30,938.76
15,000,000	FEDERAL HOME LOAN BANKS	313379FW	1.000	6/09/17	.825	100.42109	15,063,163.73	14,986,200.00	- 76,963.73
5,000,000	UNITED STATES TREASURY NOTES	912828TB	.750	6/30/17	1.006	99.36903	4,968,451.40	4,981,250.00	12,798.60
8,000,000	FEDERAL AGRICULTURAL MORTGAGE CO	31315PZT	.650	7/10/17	.862	99.47199	7,957,759.46	7,937,200.00	- 20,559.46

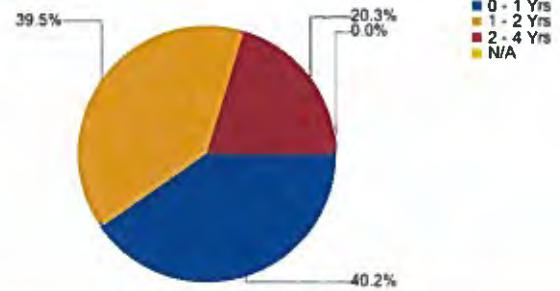
STATE OF NEW MEXICO
TREASURERS OFFICE
Position holdings as of 12/31/14 (TRADE)
BOOK VALUES AMORTIZED THROUGH 12/31/14

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
5,000,000	UNITED STATES TREASURY NOTES	912828TG	.500	7/31/17	.906	98.96670	4,948,335.07	4,943,350.00	- 4,985.07
11,000,000	UNITED STATES TREASURY NOTES	912828TM	.625	8/31/17	.975	99.08311	10,899,142.55	10,895,170.00	- 3,972.55
<u>119,000,000</u>							<u>118,846,788.20</u>	<u>118,769,520.00</u>	<u>- 77,268.20</u>
====> 0010 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ==== 2017 <====									
20,000,000	UNITED STATES TREASURY NOTES	912828UJ	.875	1/31/18	1.205	99.00564	19,801,127.37	19,839,000.00	37,872.63
15,000,000	UNITED STATES TREASURY NOTES	912828UR	.750	2/28/18	1.213	98.56764	14,785,145.47	14,793,750.00	8,604.53
<u>35,000,000</u>							<u>34,586,272.84</u>	<u>34,632,750.00</u>	<u>46,477.16</u>
====> 0002 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ==== 2018 <====									
<u>751,397,925</u>							<u>755,618,154.24</u>	<u>756,391,060.91</u>	<u>772,906.67</u>
====> 0069 ITEMS IN SUBTOTAL FOR ==== FUND NAME..... ==== BOND PROCEEDS INV POOL2 TAXABL <									

Portfolio Characteristics

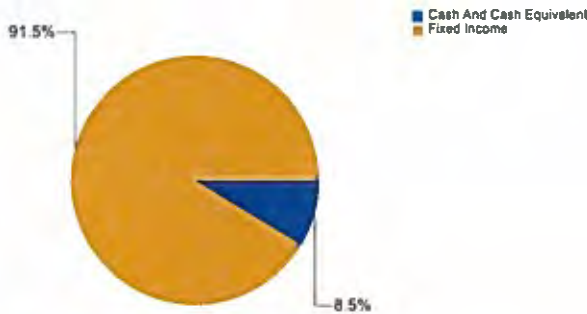
Duration M

Total Net Assets (Millions)	758.2
Weighted Average Life (Years)	1.30
Weighted Avg. Effective Duration (Years)	1.29
Weighted Average Coupon (%)	1.15
Weighted Average Current Yield (%)	0.46
Weighted Average Yield to Maturity (%)	0.46
Weighted Average Rating	AA-
Number of Holdings	70



Asset Mix

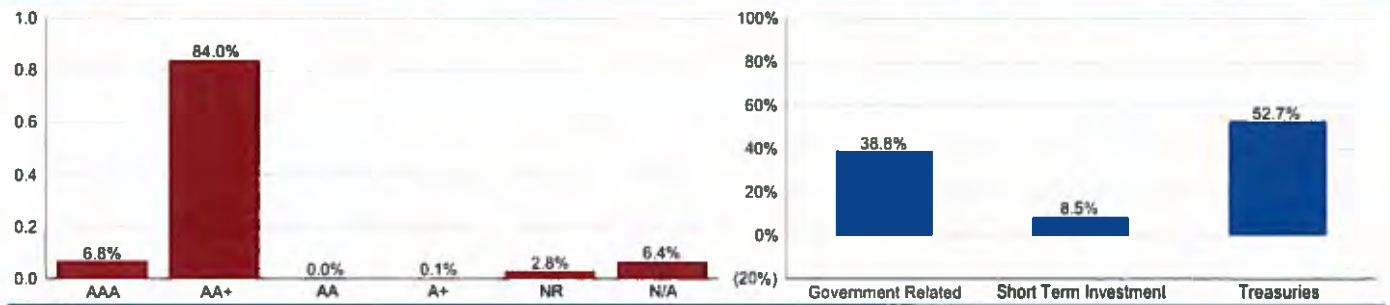
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
95E150120	REPO MITSUBISHI UFJ SECURITIES (USA),INC. 1231141	5.09%	0.03	2/1/2015
912828DR4	UNITED STATES 1.5% 04/15	4.02%	1.50	30/8/2016
912828LW8	UNITED STATES 0.25% 04/15	3.95%	0.25	15/4/2016
3137EACHY7	FEDERAL HOME LOAN MORTGAGE CORP 7% BDS 25/AUG/2016	3.40%	2.00	25/8/2016
912828SY7	UNITED STATES 0.625% 05/17	3.26%	0.62	31/5/2017
3135GOKM4	FEDERAL NATIONAL MORTGAGE ASSOC 0.5% BDS	2.77%	0.50	27/8/2015
912828LJ2	US 3 12500 '16	2.77%	3.12	31/10/2018
31396AAM1	FED NATL MORT ASSC 1.625% BDS 26/OCT/2015 US01000	2.64%	1.62	26/10/2015
912828MW7	UNITED STATES 2.5% 03/15	2.67%	2.50	31/3/2015
912828HLD	UNITED STATES 1.875% 08/15	2.66%	1.88	30/8/2015

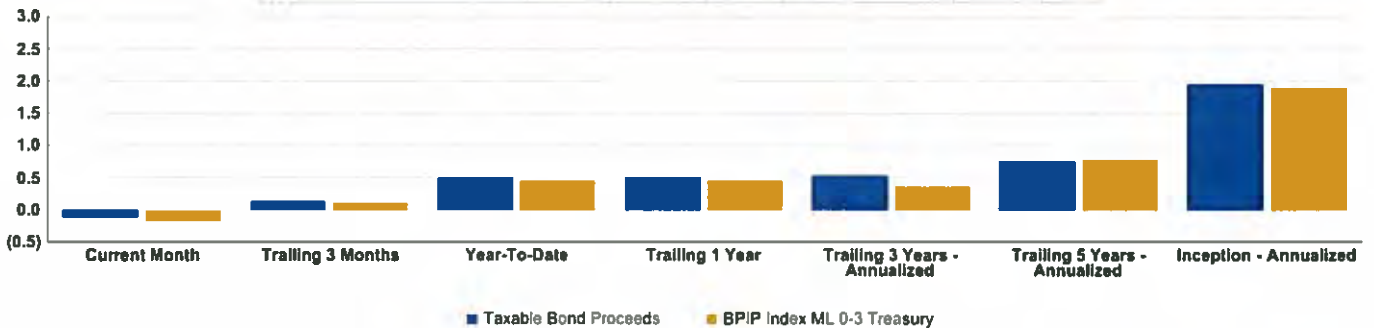
Quality/Rating Weightings

Sector Weightings (as % of Market Value)



Returns Series

	Current Month	Trailing 3 Months	Year To Date	Trailing 1 Year	Trailing 3 Years - Annualized	Trailing 5 Years - Annualized	Inception
Taxable Bond Proceeds	(0.12)	0.13	0.50	0.90	0.93	0.74	1.95
BPIP Index ML 0-3 Treasury	(0.17)	0.11	0.46	0.46	0.37	0.78	1.88
Excess	0.05	0.02	0.04	0.04	0.17	(0.04)	0.07





13. Portfolio Summary- Severance Tax Bonding Fund

Portfolio Summary – Severance Tax Bonding Fund

Summary

- The Severance Tax Bonding Fund⁸ closed the month of December at \$136 Million.
- The Severance Tax Bonding Fund net earnings were over \$25,000 during December.
- The Severance Tax Bonding Fund year-to-date net earnings are over \$70,000.

Portfolio Mix

- Severance Tax Bonding Fund Proceeds are primarily invested in the overnight repurchase agreement pool.
- Severance Tax Bonding Fund holdings are pledged and used to pay debt service on Severance Tax and Supplemental Severance Tax Bonds.
- Once debt service needs are met, the balance in the Severance Tax Bonding Fund is transferred to the Severance Tax Permanent Fund.
- Severance Taxes are remitted to the Treasury on a monthly basis and range between \$30MM and \$35MM per month.
- On December 30th and June 30th, the STBF will transfer available balances, in excess of debt service needs, to the Severance Tax Permanent Fund.

Investment Strategy

- The STBF received \$39.5mil in January 2015.
- Due to its short-term nature, investments of three to six month maturities are viable investments for the STBF pool.

⁸ The Severance Tax Bonding Fund as included in this report excludes debt service fund amounts on outstanding Severance Tax and Supplemental Severance Tax Bonds and Notes. Such debt service balances are included in, and reported on, the Tax-Exempt Bond Purchase Investment Pool.

STATE OF NEW MEXICO
STB FUND (4001)
Portfolio Classification Summary
Positions Held as of 12/31/14 (TRADE Basis)

AMTZ ADDED: NO

ASSET CLASSIFICATION	ITEMS	YIELD	AVG-TERM	PRINCIPAL	COST-BASIS	MARKET-VALUE	GAIN/LOSS	%MARKET
REPURCHASE AGREEMENTS (O/N)	1	.0304	.00550	38,698,403	38,698,403	38,698,403		28.447
AGENCY US BOND 30/360 2X	1	.2786	.97260	12,000,000	12,011,671	12,002,760	-8,911	8.823
AGENCY US NOTES 30/360 2X	1	.1034	.13970	10,000,000	10,002,013	10,000,300	-1,713	7.351
MUNI US 30/360 2X	1	.1522	.45480	300,000	306,965	306,780	-185	.226
UNITS - INVESTMENT POOL 1	1			50,016,772	50,016,772	50,016,772		36.767
CASH ACCOUNT	1			25,011,372	25,011,372	25,011,372		18.386
	<u>6</u>	<u>.0412</u>	<u>.21996</u>	<u>136,026,547</u>	<u>136,047,196</u>	<u>136,036,387</u>	<u>-10,809</u>	<u>100.000</u>

STATE OF NEW MEXICO
TREASURERS OFFICE
Position holdings as of 12/31/14 (TRADE)
BOOK VALUES AMORTIZED THROUGH 12/31/14

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
50,016,772	UNITS - INVESTMENT POOL 1	UNITS001				1.00000	50,016,772.45	50,016,772.00	- .45
25,011,372	FNB MONEY MARKET DEMAND ACCOUNT	FNBCASH				1.00000	25,011,371.57	25,011,372.00	.43
<u>75,028,144</u>							<u>75,028,144.02</u>	<u>75,028,144.00</u>	- .02

====> 0002 ITEMS IN SUBTOTAL FOR =====> FINAL-MATURITY.. =====> NO-MEANINGFUL-DATE <=====

38,698,403	OVERNIGHT REPO	0102RP	.030	1/02/15	.030	1.00000	38,698,402.74	38,698,402.74	
10,000,000	FEDERAL HOME LOAN BANK	313381YP	.250	2/20/15	.102	100.02013	10,002,013.09	10,000,300.00	- 1,713.09
300,000	NEW MEXICO FIN AUTH ST TRANSN RE	64711RAY	5.250	6/15/15	.150	102.32155	306,964.66	306,780.00	- 184.66
12,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0SB	.375	12/21/15	.275	100.09726	12,011,671.10	12,002,760.00	- 8,911.10
<u>60,998,403</u>							<u>61,019,051.59</u>	<u>61,008,242.74</u>	- 10,808.85

====> 0004 ITEMS IN SUBTOTAL FOR =====> FINAL-MATURITY.. =====> 2015 <=====

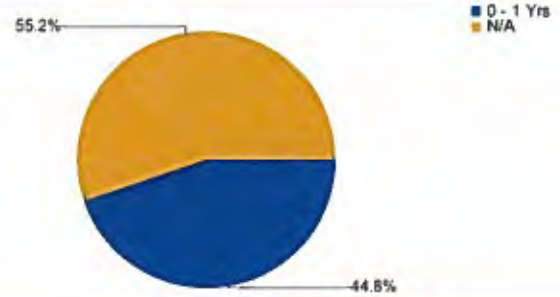
<u>136,026,547</u>							<u>136,047,195.61</u>	<u>136,036,386.74</u>	- 10,808.87
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====> 0006 ITEMS IN SUBTOTAL FOR =====> FUND NAME..... =====> STB FUND <=====

Portfolio Characteristics

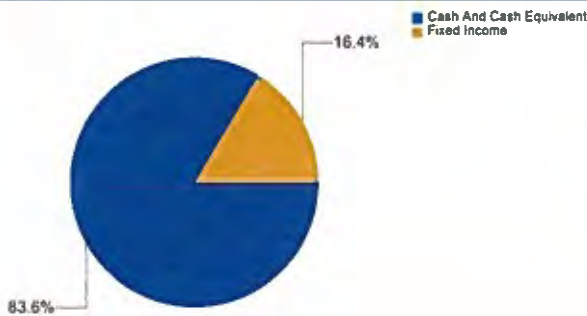
Duration Mix

Total Net Assets (Millions)	136.1
Weighted Average Life (Years)	0.10
Weighted Avg. Effective Duration (Years)	0.10
Weighted Average Coupon (%)	0.11
Weighted Average Current Yield (%)	0.06
Weighted Average Yield to Maturity (%)	0.10
Weighted Average Rating	A+
Number of Holdings	7



Asset Mix

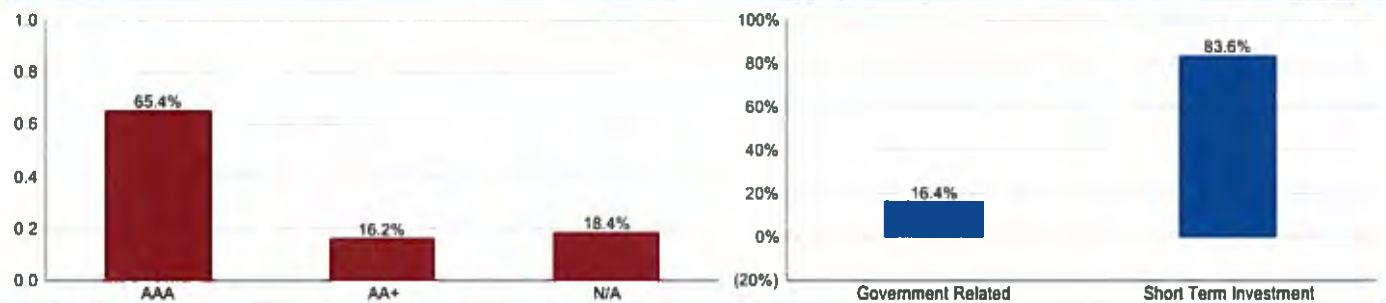
Top Ten Portfolio Holdings



Security ID	Security Name	Tot of Assltd	Coupon Rate	Maturity Date
892968A00	LGIP POOL PARTICIPANT	36.77%	0.11	
99E*50121	REPO MITSUBISHI UF J SECURITIES (USA) INC 123114A	28.38%	0.03	2/1/2015
89196J5Y4	FIRST NATIONAL	18.38%		
99E*50123	REPO MITSUBISHI UF J SECURITIES (USA) INC 123114B	0.08%	0.03	2/1/2015
313361YP4	FEDERAL HOME LOAN BANKS 0.25% BDS 20/FEB/2015	7.36%	0.25	20/2/2015
64711RAY2	NEW MEXICO FIN AUTH ST TRANSN REV SR LIEN SER A	0.23%	5.25	15/8/2015
31350G5B0	FEDERAL NATIONAL MORTGAGE ASSOC 0.375% BDS	0.82%	0.38	21/12/2015

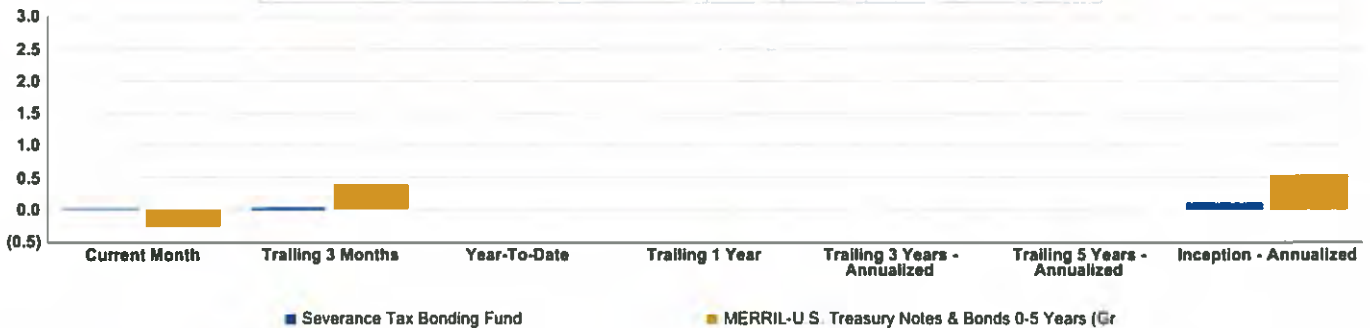
Quality/Rating Weightings

Sector Weightings (as % of Market Value)



Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
Severance Tax Bonding Fund	0.01	0.02					0.09
MERRIL-U.S. Treasury Notes & Bonds 0-5 Years (Gross)	(0.26)	0.38					0.54
Excess	0.27	(0.36)	0.00	0.00	0.00	0.00	(0.45)





14. Broker Dealer Activities

Broker-Dealer Activities

The attached summaries detail activities by STO with our Broker-Dealer counterparties. Activities by dealer and by security type are summarized.

11

New Mexico State Treasurer's
Executive Summary of Investment Activity
Summary of Broker Participation
Purchases and Sales By Broker, Market & Security Type
All Funds
2014-2015

Volume of Pkr

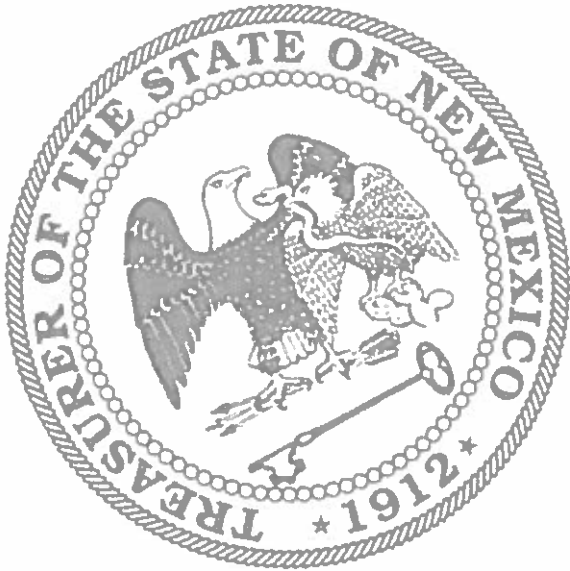
(\$ in thousands)

Broker/Dealer	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	YTD Total	Percent
Arbor Research and Trading	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
BAML	-	20,000	-	-	-	-	-	-	-	-	-	-	20,000	1.1%
Barclays	-	-	-	60,000	-	-	12,645	-	-	-	-	-	72,645	4.2%
BB and T (Scott & Stringfellow)	32,000	-	18,796	20,850	-	32,175	-	-	-	-	-	-	103,821	5.9%
BMO Capital Markets	30,000	30,000	10,000	35,000	-	-	-	-	-	-	-	-	105,000	6.0%
BNP Paribas	-	10,000	-	-	-	-	-	-	-	-	-	-	10,000	0.6%
BOSC, Inc	-	-	-	-	7,000	-	-	-	-	-	-	-	7,000	0.4%
Cantor, Fitzgerald	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Carolina Capital Markets	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
CastleOak Securities LP	-	61,000	13,635	-	10,000	-	11,077	-	-	-	-	-	95,712	5.5%
Calgroup	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
CRT Capital Group	20,000	-	-	-	-	-	-	-	-	-	-	-	20,000	1.1%
DA Davidson & Co	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Dawa Capital Markets America	-	-	4,000	-	-	5,000	-	-	-	-	-	-	9,000	0.5%
Deutsche Bank	-	5,000	-	15,000	10,000	15,000	10,000	-	-	-	-	-	55,000	3.1%
Drexel Hamilton LLC	5,000	-	15,000	-	-	-	-	-	-	-	-	-	20,000	1.1%
First Southwest	-	-	125	-	-	-	300	-	-	-	-	-	425	0.0%
FTN Financial	5,000	-	3,170	475	7,000	-	-	-	-	-	-	-	15,645	0.9%
G.J. Clarke & Co	35,000	14,800	29,000	-	-	-	-	-	-	-	-	-	78,800	4.5%
George K Baum & Co	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Goldman Sachs	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Government Perspectives, Inc	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Great Pacific Securities	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Guggenheim Securities LLC	-	-	15,000	-	-	-	-	-	-	-	-	-	15,000	0.9%
Harvesters Securities Inc	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
HSSC	-	-	-	-	13,750	-	-	-	-	-	-	-	13,750	0.8%
InCapital LLC	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Jefferies	-	-	-	9,200	-	40,000	-	-	-	-	-	-	49,200	2.9%
JP Morgan & Co	40,000	-	-	-	-	-	-	-	-	-	-	-	40,000	2.3%
KeyBanc Capital Markets	-	-	-	-	-	1,000	-	-	-	-	-	-	1,000	0.1%
Lawson Financial	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Loop Capital Markets	-	5,000	-	-	-	-	-	-	-	-	-	-	5,000	0.3%
MBS (Multi-Bank Securities)	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
MFR Securities	-	5,000	-	-	-	-	-	-	-	-	-	-	5,000	0.3%
Mitubishi UFJ Securities	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Mizuho Securities USA	5,000	-	15,000	10,000	15,500	50,000	-	-	-	-	-	-	95,500	5.5%
Morgan Stanley	15,000	5,000	-	2,000	-	13,667	-	-	-	-	-	-	35,667	2.0%
Munel Seibel & Co.	5,000	-	-	-	-	-	-	-	-	-	-	-	5,000	0.3%
Mutual Securities ninc.	-	-	4,500	-	-	-	-	-	-	-	-	-	4,500	0.3%
Nomura	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Northern Trust	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Pierpont	-	-	-	10,000	-	-	-	-	-	-	-	-	10,000	0.6%
Piper Jaffray	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Raymond, James & Associates	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
RBS Securities	20,000	40,000	-	20,000	-	-	-	-	-	-	-	-	80,000	4.8%
Robert W. Baird & Co.	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
RW Preasprich	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
RBC Capital Markets	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Samuel A Ramirez & Co.	-	5,000	-	-	-	-	-	-	-	-	-	-	5,000	0.3%
Sea Port Securities	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Societe General America	20,000	18,820	12,000	8,000	45,000	9,000	-	-	-	-	-	-	112,820	6.4%
South Street Securities	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Southwest Securities	8,235	6,437	11,950	2,845	400	-	-	-	-	-	-	-	27,867	1.8%
Storie Agee & Leach, Inc.	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Stiel Nicklaus & Co	5,000	-	-	-	10,655	8,000	-	-	-	-	-	-	23,655	1.4%
SunTrust Robinson Humphrey	-	-	-	-	45	-	-	-	-	-	-	-	45	0.0%
TD Securities	10,000	-	-	-	35,000	5,000	-	-	-	-	-	-	50,000	2.9%
Tradion Asset Securities	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
UBS Financial Services	-	1,415	-	-	-	50,000	-	-	-	-	-	-	51,415	2.9%
Vining Sparks	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Wedbush Securities	-	-	-	-	1,025	-	5,000	-	-	-	-	-	6,025	0.3%
Wells Fargo Securities	15,000	5,000	12,655	131,077	7,000	-	41,000	-	-	-	-	-	211,732	12.1%
Williams Capital Group	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Zions Direct	-	2,000	4,500	-	-	-	-	-	-	-	-	-	6,500	0.4%
Direct Purchase	10,200	2,000	-	40,000	-	166,368	-	-	-	-	-	-	218,568	12.5%
Interfund	-	-	63,500	-	-	-	-	-	-	-	-	-	63,500	3.6%
Total	278,435	238,272	232,831	384,447	182,375	395,228							1,749,810	100.0%

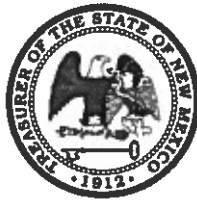
Volume at Par

(\$ in thousands)

									YTD
Broker/Dealer:	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	YTD Total	Percent
Market type:									
-	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	YTD Total	YTD %
Primary Market	102,200	45,000	98,881	60,000	20,700	195,286	-	522,067	31.3%
Secondary Market	176,235	191,272	133,950	304,447	141,675	199,942	-	1,147,521	68.7%
Total	278,435	236,272	232,831	364,447	162,375	395,228	-	1,669,588	100.0%
Security type:									
- 2	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	YTD Total	YTD %
ABS	-	-	-	-	-	-	-	-	0.0%
Agencies	159,725	148,962	108,451	211,127	91,000	148,842	-	868,107	52.0%
Certificates of Deposit/Bank MMDA	8,100	2,000	63,500	40,000	-	1,100	-	114,700	6.9%
Commercial Paper	-	-	-	-	-	-	-	-	0.0%
Corporate Bonds	-	-	-	-	-	-	-	-	0.0%
MBS	-	-	-	-	-	-	-	-	0.0%
Municipal/Sponge	5,610	5,310	15,880	3,320	2,125	165,286	-	197,531	11.8%
Treasuries	105,000	80,000	45,000	110,000	69,250	80,000	-	489,250	29.3%
Total	278,435	236,272	232,831	364,447	162,375	395,228	-	1,669,588	100.0%



15. State Agency Deposit Balances




Tim Eichenberg
State Treasurer

STATE OF NEW MEXICO
OFFICE OF THE TREASURER

Ricky A Bejarano
Deputy State Treasurer

P. O. Box 5135
2055 South Pacheco, Suite 100
Santa Fe, New Mexico 87505
Phone: (505) 955-1120
FAX (505) 955-1195

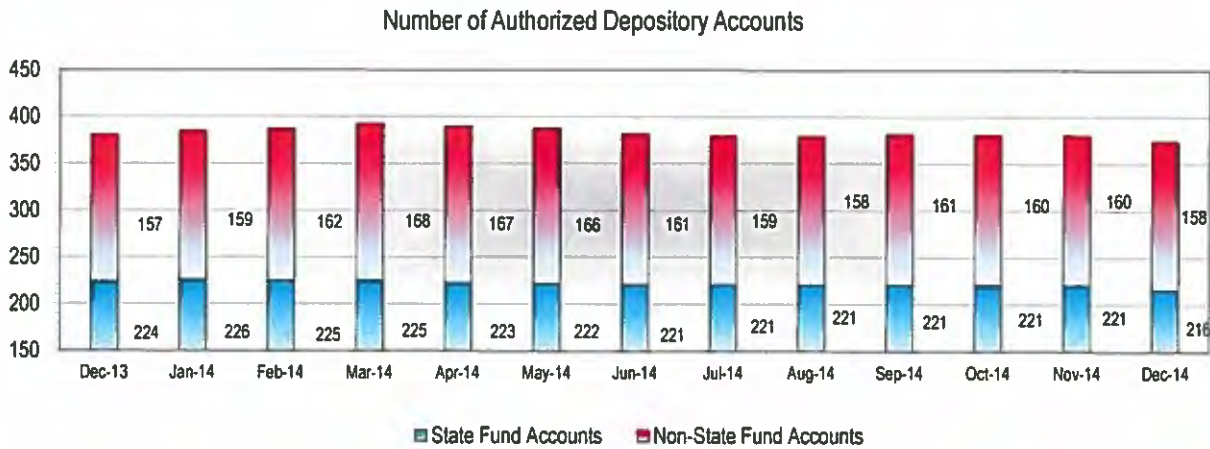
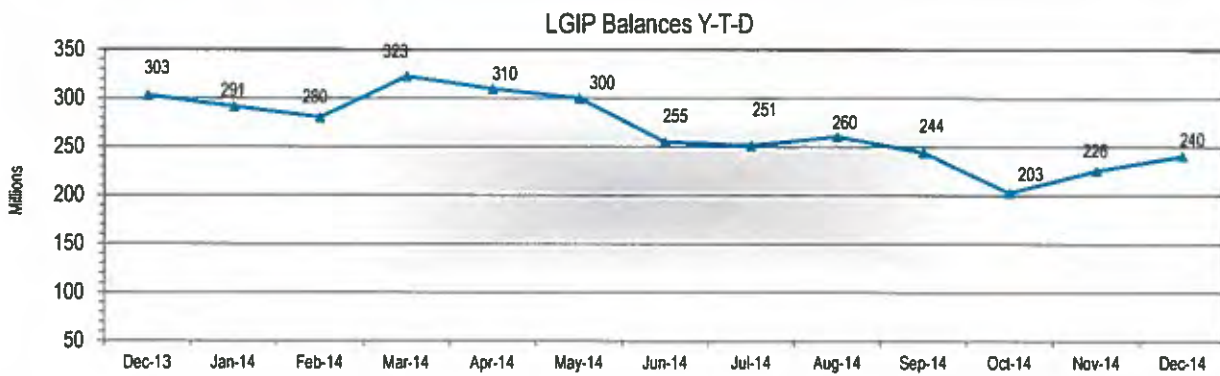
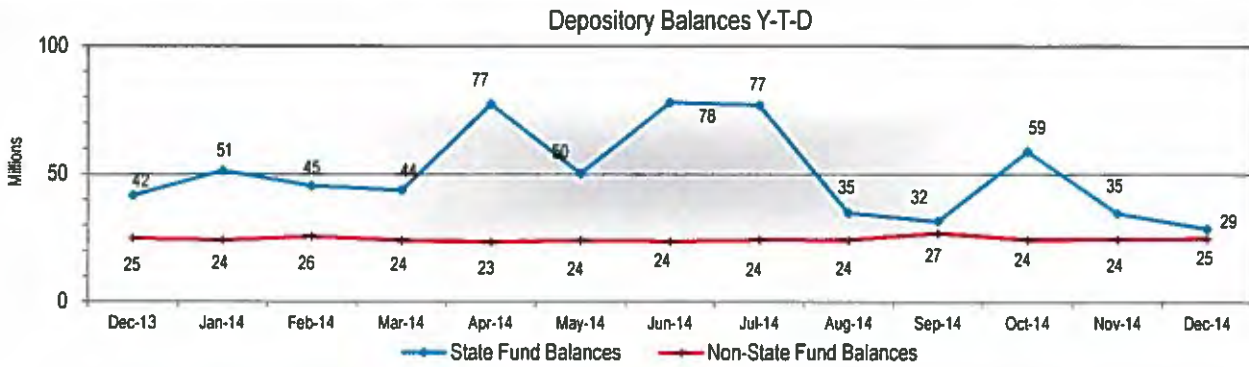
Date: Jan 23, 2014
To: Tim Eichenberg, State Treasurer
For: Governor Martinez and Members of the State Board of Finance
From: Dominic Chavez, Interim State Cash Manager 
Subject: State Fund Deposit Activity for the month ending December 31, 2014

Pursuant to section 8-6-3.1 NMSA 1978, the State Cash Manager shall submit to the State Board of Finance a report showing state fund balances in each Financial Institution. Attached for your review is a summary of State fund balances in each institution through December 31, 2014.

Additionally, the State Treasurer's Office is required to report to the State Board of Finance any Financial Institution that exceeds certain equity capital and deposit ratios and notify all state agencies who maintain State fund deposits within those institutions of the violation. Agencies are also advised not to make any new deposits until the violations are corrected. Pursuant to section 6-10-24.1 NMSA 1978 there were no Financial Institutions exceeding the statutory limitations on equity capital and deposit ratios for the month ending December 31, 2014

(Attachments)

Depository Account Summary -December 2014



Depository accounts authorized in Dec 2014 pursuant to Section 6-1-13 NMSA :

Depository accounts opened in Dec 2014 1 13th Judicial District Court

Depository accounts closed in Dec 2014 2 Administration Office of the Courts
1 13th Judicial District Court

Depository Account Summary by Agency

December 2014

<u>STATE FUNDS</u>			<u>NON-STATE FUNDS</u>		
AGENCY	# OF ACCTS.	BALANCE	AGENCY	# OF ACCTS.	BALANCE
AOC (fines, fees etc.)	51	\$3,046,306	AOC	50	\$0
BERN. CO. METRO COURT	2	\$630,749	1ST JUDICIAL DIST. COURT	3	\$1,292,751
1-13 DISTRICT ATTORNEY	5	\$26,990	2ND JUDICIAL DIST. COURT	2	\$1,303,933
EDUCATION RETIREMENT BOARD	1	\$308,080	3RD JUDICIAL DIST. COURT	2	\$1,270,042
TAXATION & REVENUE DEPT.	26	\$114,176	4TH JUDICIAL DIST. COURT	3	\$156,452
PUBLIC SCHOOL INS. AUTHORITY	6	\$13,969,866	5TH JUDICIAL DIST. COURT	3	\$1,892,296
NMRHCA	1	\$0	6TH JUDICIAL DIST. COURT	3	\$376,811
PUBLIC DEFENDER	1	\$445	7TH JUDICIAL DIST. COURT	4	\$164,600
SECRETARY OF STATE	1	\$0	8TH JUDICIAL DIST. COURT	4	\$493,901
STATE TREASURER (JDC)	34	\$1,553,464	9TH JUDICIAL DIST. COURT	2	\$497,450
STATE TREASURER (OTHER INVEST)	0	\$0	10TH JUDICIAL DIST. COURT	2	\$464,635
NM RACING COMMISSION	6	\$256,128	11TH JUDICIAL DIST. COURT	11	\$698,758
SPACEPORT AUTHORITY	0	\$0	12TH JUDICIAL DIST. COURT	4	\$816,187
DEPT. OF GAME & FISH	2	\$89,967	13TH JUDICIAL DIST. COURT	66	\$8,374,539
SOUTHWEST REGION ED.	1	\$2,810,987	BERNALILLO CO. METRO COURT	1	\$121,932
ENERGY & MINERALS	4	\$230,185	6TH DISTRICT ATTORNEY	3	\$78
COMMISSION PUBLIC LAND	2	\$14,375	7TH DISTRICT ATTORNEY	1	\$1,360
STATE ENGINEER'S OFFICE	4	\$121,054	10TH DISTRICT ATTORNEY	1	\$306
IRRG WKS CONST	1	\$252,470	11TH JUDICIAL DIST. ATTORNEY	1	\$1,249
HUMAN SERVICES DEPT.	6	\$10,405	ATTORNEY GENERAL	1	\$2,025
WORKFORCE SOLUTIONS	5	\$272,147	LGIP	4	\$240,495,977
DIVISION OF VOCATIONAL REHAB	1	\$31,052	PUBLIC REG. COMMISSION	2	\$626,979
MINER'S HOSPITAL	5	\$3,956,997	SUPERSTENDENT OF INSURANCE	1	\$97,672
DEPARTMENT OF HEALTH	38	\$773,623	NM STATE FAIR	1	\$2,086,837
ENVIRONMENT DEPARTMENT	1	\$0	SOUTHWEST REGION ED.	1	\$15
CHILDREN YOUTH & FAMILIES	1	\$1,345	MINER'S HOSPITAL	11	\$11,653
CORRECTIONS DEPARTMENT	5	\$1,124	DEPARTMENT OF HEALTH	6	\$853,091
DEPT. OF PUBLIC SAFETY	2	\$14,693	CHILDREN, YOUTH & FAMILIES	12	\$88,045
HIGHWAY & TRANSPORTATION	4	\$1,189	CORRECTIONS DEPARTMENT	2	\$2,779,927
CENTRAL REGIONAL CO-OP	1	\$254,880	DEPT. OF PUBLIC SAFETY	1	\$24,601
			CENTRAL REGION CO-OP		306,495
				<u>158</u>	<u>\$265,300,597</u>
			sub-total:		
	<u>216</u>	<u>\$28,742,697</u>			
sub-total:		\$294,043,294			
Total Depository Balance:		374			
Total Depository Accounts:					

State Fund Balances by Financial Institution

Dec-2014

First National Bank/Alamogordo	\$ 138,499
Bank of America/Albuquerque	\$ 600,308
Wells Fargo Bank/Albuquerque	\$ 19,228,594
Compass Bank/Albuquerque	\$ 3,010,792
Bank of the West/Albuquerque	\$ 2,510
First American Bank/Artesia	\$ 62,183
My Bank/Belen	\$ 5,932
Carlsbad National Bank/Carlsbad	\$ 800
Western Commerce Bank/Carlsbad	\$ 129,917
Farmers/Stockmens Bank/Clayton	\$ 19,784
First National Bank/Clayton	\$ 3,970,716
Citizens Bank/Clovis	\$ 13,588
NM Bank & Trust/Albuquerque	\$ 135,722
Community Bank/Santa Fe	\$ 869
Valley National Bank/Espanola	\$ 500
Grants State Bank/Grants	\$ -
Lea County State Bank/Hobbs	\$ 195,185
Southwest Capitol/Las Vegas	\$ 219,975
Community 1st Bank/Las Vegas	\$ 545,166
Western Bank/Lordsburg	\$ 50,897
Los Alamos National Bank/Los Alamos	\$ 18,566
International Bank/Raton	\$ 57,062
Valley Bank of Commerce/Roswell	\$ 100,427
First State Bank/Socorro	\$ 3,380
Centinel Bank/Taos	\$ 68,377
US Bank/Albuquerque	\$ 43,834
Bank of the Southwest/Roswell	\$ 88,070
People's Bank	\$ 15,162
Washington Federal	\$ 15,882

Total: \$ 28,742,697



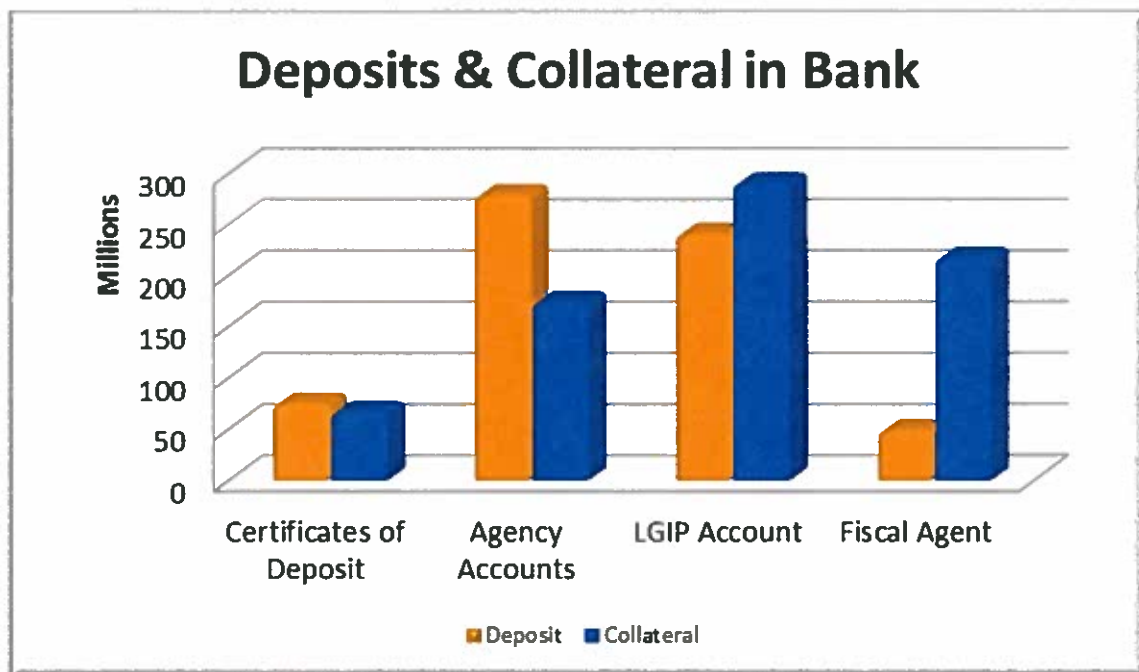
16. Collateral Report on Agency Deposits & CDs

Office of the Treasurer

Collateral Summary Review

December 31, 2014

As of December 2014 there were one depository institution holding state funds that were deficient in their collateral levels. International Bank was deficient by \$72,391. Once notified of their deficiency International Bank pledged additional collateral. All other depository institutions holding public funds met the minimum collateral requirements. The required ratio of collateral for each depository institution holding public funds is determined by a statutorily defined quarterly risk assessment and is not intended as an opinion as to the financial health of the subject institution.



Balances

	<u>Deposit</u>	<u>Collateral</u>	<u>Percentage</u>
Certificate of Deposit	\$ 75.0 Million	\$ 66.4 Million	88.8%
Agency Deposit	278.6 Million	173.8 Million	62.4%
LGIP Deposits	240.5 Million	289.7 Million	120.5%
Fiscal Agent	49.0 Million	217.1 Million	443.17%
Totals →	643.1 Million	747.1 Million	116.2%



Office of the Treasurer

Collateral Review

Accumulated Total by Institution

December 31, 2014

FINANCIAL INSTITUTION	%	TOTAL	FDIC / NCUA	LESS INSURANCE	SUBJECT TO BE	COLLATERAL	EXCESS
		DEPOSITS	INSURANCE	COVERAGE	COLLATERALIZED	PLEGGED	(UNDER)
First National - Alamogordo	50%	138,499	138,499	0	0	1,502,057	1,502,057
Western - Alamogordo	50%	3,612,893	250,000	3,362,893	1,681,446	2,221,733	540,287
Bank of America	50%	769,220	250,000	519,220	259,610	762,225	502,615
Bank of the West	50%	340,486,209	250,000	340,236,209	170,118,105	245,545,205	75,427,101
BBVA Compass	75%	3,010,790	250,000	2,760,790	2,070,593	2,500,000	429,407
US Bank	50%	31,207,420	250,000	30,957,420	15,478,710	40,000,000	24,521,290
Wells Fargo	50%	110,167,210	250,000	109,917,210	54,958,605	141,874,344	86,915,740
First American	50%	62,183	62,183	0	0	0	0
My Bank	75%	355,776	250,000	105,776	79,332	250,000	170,668
Carlsbad National	50%	800	800	0	0	0	0
Western Commerce	50%	4,131,590	250,000	3,881,590	1,940,795	4,069,957	2,129,162
Farmers & Stockmen	50%	10,044,648	250,000	9,794,648	4,897,324	5,303,991	406,667
First National - Clayton	50%	3,970,716	250,000	3,720,716	1,860,358	2,740,183	879,825
Bank of Clovis	50%	497,450	250,000	247,450	123,725	816,176	692,451
Citizens - Clovis	50%	13,587	13,587	0	0	0	0
NM Bank & Trust	50%	135,722	135,722	0	0	274,920	274,920
Western - Clovis	75%	3,100,000	250,000	2,850,000	2,137,500	2,837,346	699,846
Valley National	102%	500	500	0	0	0	0
Grants State	50%	1,249	1,249	0	0	0	0
Lea County State	50%	195,184	195,184	0	0	100,000	100,000
Citizens - Las Cruces	50%	3,600	3,600	0	0	0	0
Southwest Capital	50%	10,922,108	250,000	10,672,108	5,336,054	5,647,466	311,412
Community 1st - Las Vegas	102%	545,186	545,186	0	0	479,623	479,623
Western - Lordsburg	50%	106,832	106,832	0	0	0	0
Los Alamos National	102%	18,566	18,566	0	0	0	0
James Polk Stone Communi	50%	306,495	306,495	0	0	156,260	156,260
International	50%	394,782	394,782	0	0	0	0
Bank of the Southwest	50%	467,912	250,000	217,912	108,956	310,486	201,530
Valley Commerce	50%	100,427	100,427	0	0	0	0
Century	50%	12,727,925	250,000	12,477,925	6,238,963	11,617,589	5,378,627
Community	102%	153,301	153,301	0	0	0	0
First National - Santa Fe	102%	55,011,372	250,000	54,761,372	55,856,599	55,882,787	26,188
First State	50%	55,214	55,214	0	0	0	0
AM	50%	15,211	15,211	0	0	0	0
Centinel	50%	68,377	68,377	0	0	0	0
Peoples	102%	15,162	15,162	0	0	0	0
BANK'34	50%	2,000,000	250,000	1,750,000	875,000	2,584,711	1,709,711
United Labor Bank	50%	0	0	0	0	3,074,557	3,074,557
Guadalupe Credit	50%	250,000	250,000	0	0	0	0
Washington Federal	50%	36,260	36,260	0	0	0	0
		595,101,535	6,868,296	588,233,238	324,021,674	530,551,617	206,529,943

LGIP Bank Deposits December 31, 2014

<u>Financial Insitution</u>	<u>Percentage</u>	<u>Deposit</u>	<u>Collateral</u>
Bank of the West	101.9%	139,008,577	141,677,594
US Bank	116.1%	30,142,548	35,000,000
Wells Fargo	158.4%	71,344,852	113,017,272
Totals	120.5%	240,495,977	289,694,866

