



STATE OF NEW MEXICO  
OFFICE OF THE TREASURER

**THE HONORABLE TIM EICHENBERG**  
State Treasurer

**SAMUEL K. COLLINS, JR.**  
Deputy State Treasurers

**STATE TREASURER'S  
INVESTMENT COMMITTEE**

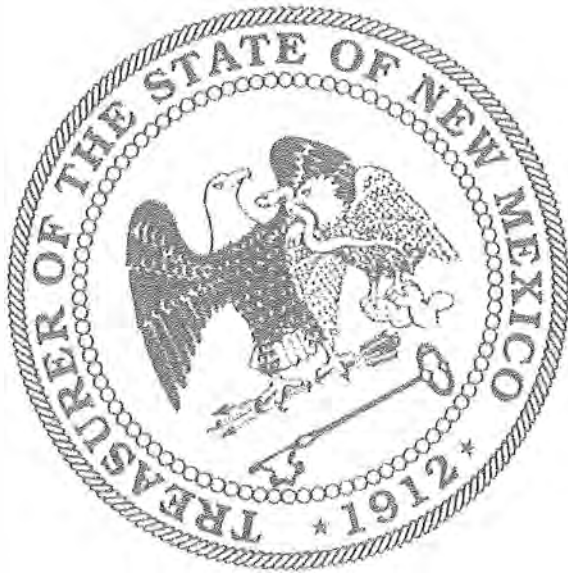
State Treasurer's conference room



"Chimayo" - New Mexico Tourism Department

**Wednesday February 10, 2016**

**9:00am**



## 1. Approval of February 10, 2016 Agenda



STATE OF NEW MEXICO  
OFFICE OF THE TREASURER

**Tim Eichenberg**  
The Honorable State Treasurer

**Samuel K. Collins, Jr.**  
Deputy State Treasurer

**STATE TREASURER'S INVESTMENT COMMITTEE**  
**Treasurer's Conference Room**  
Wednesday February 10, 2016, 9:00 a.m.

**MEETING AGENDA**

Roll Call

- |   |        |
|---|--------|
| 1. Approval of February 10, 2016 Agenda | Action |
| 2. Approval of January 13, 2016 Minutes | Action |
| 3. Public Comments                      |        |

**INVESTMENT REPORTS**

**Month Ended  
December 31, 2015**

- |  |               |
|--|---------------|
| 4. Executive Summary (Vikki Hanges)  | Informational |
| 5. Investment Accounting Report (Steve Vigil)                                      | Informational |
| 6. Investment Policy Compliance Report (Arsenio Garduño)                           | Informational |
| 7. Cash Projections (Arsenio Garduño)  | Informational |
| 8. Investment Advisor- December 2015 Quarterly Investment Report (Deanne Woodring) | Informational |
| 9. Quarterly Investment Review ( Vikki Hanges)                                     | Informational |
| 10. Portfolio Summary -- General Fund Investment Pool (Vikki Hanges)               | Informational |
| 11. Portfolio Summary -- Local Government Investment Pool (LGIP) (Jeremy Landrum)  | Informational |
| 12. Portfolio Summary -- Tax-Exempt Bond Proceeds Investment Pool (Jeremy Landrum) | Informational |
| 13. Portfolio Summary -- Taxable Bond Proceeds Investment Pool (Jeremy Landrum)    | Informational |
| 14. Portfolio Summary -- Severance Tax Bonding Fund (Vikki Hanges)                 | Informational |
| 15. Broker Dealer Activities   | Informational |
| 16. Credit   |               |

**CASH MANAGEMENT  
& COLLATERAL REPORTS**

**Month Ended  
December 31, 2015**

- |  |               |
|--|---------------|
| 17. State Agency Deposit Balances (Edward Gallegos)              | Informational |
| 18. Collateral Report on Agency Deposits & CDs (Arsenio Garduño) | Informational |

**COMMITTEE REPORTS**

19. Next Meeting –Wednesday, March 9, 2016, 9:00 am
20. Adjournment



## 2. Approval of **January 13, 2016** Minutes

*New Mexico State Treasurer's Office  
STIC Committee Meeting  
Meeting Minutes  
Wednesday, January 13, 2016*

**ROLL CALL- QUORUM PRESENT:**

A regular meeting of the New Mexico State Treasurer's Investment Committee (STIC) was called to order this date at 9:02 a.m. in the conference room of The State Treasurer's Office (STO), 2055 South Pacheco Street, Santa Fe, New Mexico 87505.

**Members Present:**

Treasurer Tim Eichenberg  
Ms. Charmaine Cook, Chief Investment Officer, Chairman  
Ms. Leila Burrows Kleats, Board of Finance Director  
Mr. Mark Pike, Public Member  
Mr. Paul Cassidy, Public Member

**Staff Present:**

Mr. Samuel Collins, Deputy State Treasurer  
Mr. Edward Gallegos, State Cash Manager  
Mr. Steve Vigil, Investment Accounting Bureau Chief  
Ms. Vikki Hanges, Portfolio Manager  
Mr. Arsenio Garduño, Collateral Manager  
Ms. Victoria Hutchison, STIC Secretary

**Guests Present:**

Ms. Deanne Woodring, Government Portfolio Advisors (via telephone)  
Ms. Sheila Duffy, Public Trust Advisors

**1. Approval of January 13, 2016 Agenda:**

Treasurer Eichenberg moved approval of the Agenda. Motion was seconded by Member Kleats and passed unanimously by voice vote.

**2. Approval of December 10, 2015 Minutes:**

Treasurer Eichenberg moved approval of the Minutes. Motion was seconded by Member Kleats and passed unanimously by voice vote.

**3. Public Comments**

There were no public comments.

#### **4. Executive Summary**

Ms. Vikki Hanges presented highlights of the Executive Summary. Ms. Hanges summarized the changes in December due to the Federal Reserve raising rates on December 16, 2015.

#### **5. Investment Accounting Report**

Mr. Steve Vigil identified that the second page of the JP Morgan to QED Inventory Reconciliations report was missing from Section 5 of the STIC binder. The missing page was distributed at the STIC meeting to be inserted in the binder following page 18 of 90.

Mr. Vigil indicated that the only reconciling item was the correction for the prior month. Member Kleats asked if the question of how the amortizations/accretions were being accounted for in the reconciliation was worked out with Financial Control. Mr. Vigil indicated that he gave a presentation to the Cash Control Unit on "Understanding the STO Monthly Investments Reconciliation and the JP Morgan Accounting Statements." Member Kleats asked for a copy of the presentation and copies were passed out to members during this meeting.

*The missing page of the Inventory Report and the presentation were added to the Online STIC Binder on January 25, 2016.*

#### **6. Investment Policy Compliance Report**

Mr. Arsenio Garduño presented highlights of the Investment Policy Compliance Report. Discussion was held concerning the plan to divest the FAMAC securities held in LGIP. Chairman Cook indicated that the State Treasurer's LGIP fund would hold the funds and not take a loss at this time.

#### **7. Cash Projections**

Mr. Arsenio Garduño presented highlights of Cash Projections. Member Cassidy asked whether the state was aware of the decrease in revenues. Mr. Collins indicated that a presentation was given to the LFC last week. Member Kleats asked for a copy of the handout provided during the presentation and Mr. Collins passed out copies to members.

*The handout was added to the Online STIC Binder on January 25, 2016.*

Member Pike inquired as to the status of DFA's Book to Bank reconciliation. Treasurer Eichenberg indicated that the process is going well and the differences have been greatly reduced.

#### **8. Portfolio Summary - General Fund Investment Pool**

Ms. Vikki Hanges presented highlights of the General Fund Investment Pool Portfolio Summary.

#### **9. Portfolio Summary – Local Government Investment Pool**

Mr. Jeremy Landrum presented highlights of the Local Government Investment Pool Portfolio Summary.

**10. Portfolio Summary - Tax-Exempt Bond Proceeds Investment Pool**

Mr. Jeremy Landrum presented highlights of the Tax-Exempt Bond Proceeds Investment Pool Portfolio Summary.

**11. Portfolio Summary - Taxable Bond Proceeds Investment Pool**

Mr. Jeremy Landrum presented highlights of the Taxable Bond Proceeds Investment Pool Portfolio Summary.

**12. Portfolio Summary - Severance Tax Bonding Fund**

Ms. Vikki Hanges presented highlights of the Severance Tax Bonding Fund Portfolio Summary. Discussion was held regarding the option of issuing a Taxation and Revenue Anticipation Note (TRAN).

**13. Broker Dealer Activities**

Chairman Cook presented the Broker-Dealer activities.

**14. State Agency Deposit Balances**

Mr. Edward Gallegos presented highlights of the State Agency Deposit Balances. A question was raised regarding whether there are existing policies governing the number of signatories on agency bank accounts outside of the master depository structure. As a cash management issue, the topic was deferred for discussion outside of the STIC meeting.

**15. Collateral Report on Agency Deposits & CDs**

Mr. Arsenio Garduño presented highlights of the Collateral Report on Agency Deposits and CDs.

**16. Credit Investing**

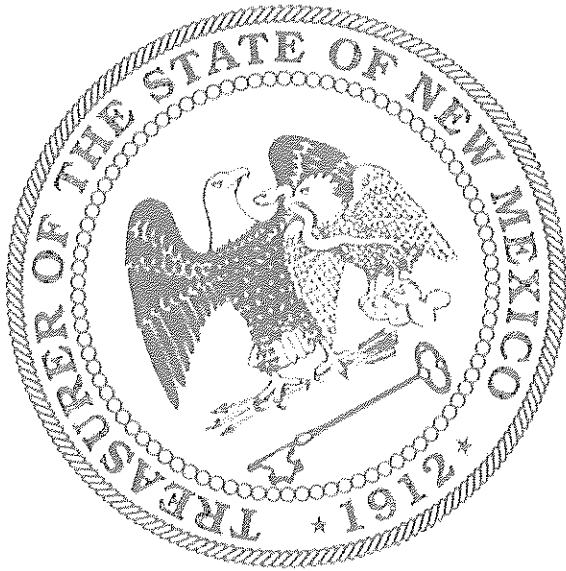
Chairman Cook indicated that the Treasurer's Office has not started on any credit files that would proceed any investments and that it will be a gradual process.

**17. Next Meeting – Wednesday, February 10, 2015, 9:00am**

**18. Adjournment**

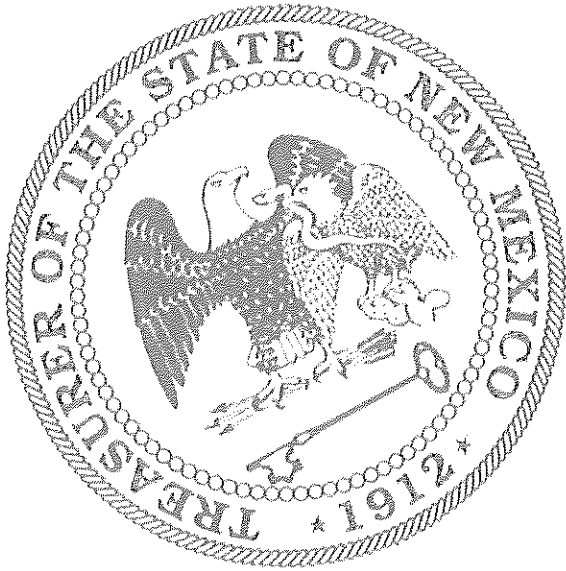
Meeting adjourned at 10:12 am

Minutes were taken by Ms. Victoria Hutchison.



### 3. Public Comments





## 4. 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 \$2.5 million on its investment positions.
- On a mark-to-market basis the portfolios decreased \$4.2 million.
- US equity markets were lower in December, with the S&P 500 Index down 1.75%.
- US Treasury yields increased across most maturities, prices were mostly lower.
- The Federal Funds rate was increased from 0.25% to 0.50% in mid-December, pushing prices lower for maturities out to five years, while longer maturities were less fazed.
- The unemployment rate held steady at 5.0%. Non farm payroll employment came in a bit higher than expected, adding 211,000 jobs, accompanied by a 36,000 upward revision in the previous month's report.
- Stabilization of global equity markets and stronger domestic employment gave the Fed the impetus needed to begin taking steps to normalize monetary policy.
- Oil prices slid, down 11% during the month of December.
- The US dollar weakened by almost 3% vs. the euro as expected Fed tightening was met with relative complacency.

Table 1 – Comparative Interest Rates

### *US Treasury Yields*

<u>Maturity</u>	<u>9/30/15</u>	<u>11/30/15</u>	<u>12/31/15</u>	<u>1 Mo.</u> <u>Change</u>	<u>3 Mo.</u> <u>Change</u>
3-Month	-0.01%	0.17%	0.17%	0.00%	0.18%
6-Month	0.07%	0.39%	0.48%	0.09%	0.41%
2-Year	0.63%	0.93%	1.05%	0.12%	0.42%
3-Year	0.90%	1.22%	1.31%	0.09%	0.41%
5-Year	1.36%	1.65%	1.76%	0.11%	0.40%
10-Year	2.04%	2.21%	2.27%	0.06%	0.23%
30-Year	2.85%	2.97%	3.01%	0.04%	0.16%

Source: Bloomberg LP

*Portfolio Mark-to-Market and Monthly Change*

---

With higher market yields, the STO portfolios all had negative results on a mark-to-market basis for the month of December.

**Table 2 - Unrealized Gains and Losses**

<i>Fund</i>	<u>Unrealized Gain/Loss<sup>1</sup></u>	<u>Monthly Change in Unrealized Gain/Loss<sup>2</sup></u>
<i>General Funds</i>	(\$0.3 million)	Decreased \$2.9 million
<i>Bond Proceeds Funds</i>	(\$2.0 million)	Decreased \$1.2 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**

<i>Fund</i>	<u>Purchase Yield<sup>4</sup></u>	<u>Effective Duration<sup>3</sup></u>		
		<u>Portfolio</u>	<u>Benchmark</u>	<u>Percentage</u>
<i>General Fund Liquidity</i>	0.25%	0.01 Years		
<i>General Fund CORE</i>	1.17%	1.92 Years	2.14 Years	90%
<i>Bond Proceeds – Tax Exempt</i>	0.77%	1.24 Years	1.34 Years	93%
<i>Bond Proceeds – Taxable</i>	0.79%	1.14 Years	1.34 Years	85%
<i>Local Government Investment Pool</i>	0.21%	0.12 Years		
<i>Severance Tax Bonding Fund</i>	0.25%	0.09 Years		

---

<sup>1</sup> 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.

<sup>2</sup> 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).

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

<sup>4</sup> 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>Performance<sup>5</sup></i>	
	<i>3 Months</i>	<i>12 Months</i>
<b>General Fund Liquidity</b>	0.04%	0.16%
S&P Government Pools Index (Gross)	<u>0.05%</u>	<u>0.15%</u>
Relative Performance (BPs)	(0.01)%	0.01%
<b>General Fund CORE</b>	(0.44)%	0.80%
BAML 0-5 US Treasury	<u>(0.53)%</u>	<u>0.81%</u>
Relative Performance (BPs)	0.09%	(0.01)%
<b>Bond Proceeds - Tax Exempt</b>	(0.24)%	0.35%
BAML 0-3 US Treasury	<u>(0.31)%</u>	<u>0.43%</u>
Relative Performance (BPs)	0.07%	(0.08)%
<b>Bond Proceeds - Taxable</b>	(0.21)%	0.48%
BAML 0-3 US Treasury	<u>(0.31)%</u>	<u>0.43%</u>
Relative Performance (BPs)	0.10%	0.05%
<b>Local Government Investment Pool</b>	0.03%	0.17%
S&P Government Pools Index (Gross)	<u>0.05%</u>	<u>0.15%</u>
Relative Performance (BPs)	(0.02)%	0.02%
<b>Severance Tax Bonding Fund</b>	0.04%	0.18%
S&P Government Pools Index (Gross)	<u>0.05%</u>	<u>0.15%</u>
Relative Performance (BPs)	(0.01)%	0.03%

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.

---

<sup>5</sup> Relative performance is periodic total return compared to the return of the portfolio benchmarks.

## Earnings

---

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

Table 5 - Investment Earnings – Periods ended December, 2015

<i>Fund</i>	<i>Investment Net Earnings<sup>6</sup></i>		
	<i>Dec FY'16</i>	<i>FY'16 YTD</i>	<i>FY'15 YTD</i>
<i>General Funds</i>	\$1,477,025	\$8,778,268	\$7,429,116
<i>Bond Proceeds Funds</i>	\$898,897	\$4,686,799	\$2,921,989
<i>Local Government Investment Pool<sup>7</sup></i>	\$145,959	\$754,090	\$477,548
<i>Severance Tax Bonding Fund</i>	\$24,518	\$75,313	\$70,771

Source: QED

- The General Funds increased investment earnings by over \$1,000,000 in FY2016 vs. the same period in FY2015 as a result of the increased investment in the Core Fund as a percentage of the total Fund.
- Bond Proceeds funds have increased investment earnings by more than \$1,500,000 as a result of high absolute balances from NM bond issuances.
- The LGIP has maintained longer WAMs in order to capture additional yield in an extremely low interest rate environment. The assets of the Pool have been higher in FY2016 vs. the same period in FY2015 with the portfolio yield increasing as the Fed raised short term interest rates.
- The STBF has utilized the LGIP and NM fully collateralized deposits to enhance yield as well as opportunistic purchases. Severance tax deposits into the fund have been coming in lower during the current fiscal year vs. the last.

## Compensating Balances at Fiscal Agent Bank

---

During December, STO maintained Average Daily Collected Balances at the Fiscal Agent Bank of approximately \$36 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>	\$35,640,818
<i>Earnings Credit Rate</i>	0.50%
<i>Estimated Monthly Earnings</i>	\$14,850
<i>Estimated Fiscal YTD Earnings</i>	\$102,360

Source: Wells, Fargo & Co.

---

<sup>6</sup> 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.

<sup>7</sup> Gross Earnings, Participant Earnings reflect 0.05% reduction for management fees.

## *Monthly Investment Outlook*

---

US Treasury yields were higher in December as the “belly” of the yield curve, two to five year maturities, underperformed. In mid-December the Federal Reserve pulled the long awaited trigger, increasing the Federal Funds rate to 0.50% from 0.25%. Stabilization in global equity markets and strength in US employment data gave the Fed the confidence they needed to begin the interest rate “normalization” process.

STO portfolios were able to take advantage of an increase in yields, purchasing securities as yields rose and prices fell. The portfolios continue to be short the durations of the benchmarks. The vegeant reemergence of equity market destabilization in January 2016 has led to a dramatic decline in US Treasury yields as we begin the new year. The trajectory of interest rate hikes continues to be muddled and if January is any indication of what could potentially lie ahead, 2016 and the data dependent Fed, could create another challenging and volatile year.

As easily as the market is discounting the Fed for the March meeting, sentiment can quickly reverse if equity markets stabilize along with oil prices. We continue to be cautious as preservation of principal is paramount. As always the investment philosophy employed is to maintain safety, liquidity and yield, in that order.

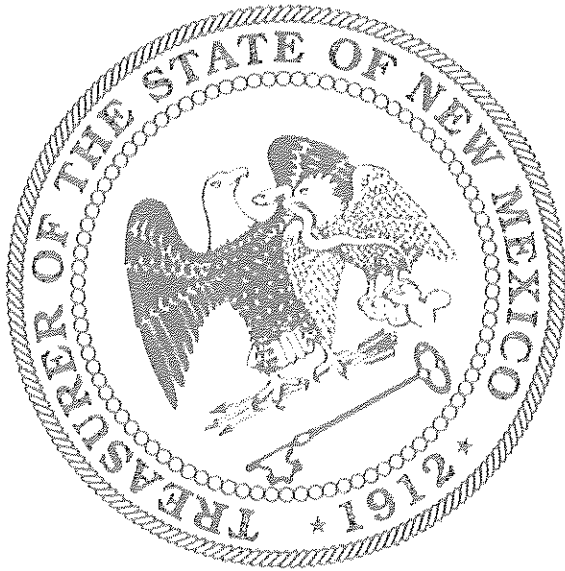
*Vikki Hanges*  
*Portfolio Manager*

**New Mexico State Treasurer**  
**Monthly Fund Summary Report**  
**(Unaudited)**  
As of December 31, 2015

General Fund	Holdings			Performance				Monthly Earnings			YTD Earnings		
	Cost Basis	Market Value	Unrealized Gain/Loss	12-Month Total Return	Benchmark	Index Return	Relative Performance	Earnings	Change in Market Value	Total	Earnings	Change in Market Value	Total
Cash Balances	\$ 35,640,818	\$ 35,640,818	\$ -										
Liquidity	381,800,726	381,800,726	-	0.16%	S&P LGIP Gross	0.15%	0.01%	\$ 49,200	\$ -	\$ 49,200	\$ 285,129	\$ -	\$ 285,129
CORE	1,444,157,566	1,443,848,599	(308,967)	0.80%	ML Treasury 0-5	0.81%	-0.01%	1,427,826	(2,899,247)	(1,471,421)	8,493,139	(7,361,509)	1,131,630
TRAN	-	-	-	0.00%	All-In Tran TIC	0.00%	0.00%	-	-	-	-	-	-
<b>Totals</b>	<b>\$ 1,861,599,110</b>	<b>\$ 1,861,290,143</b>	<b>\$ (308,967)</b>	<b>0.67%</b>	<b>Blended</b>	<b>0.67%</b>	<b>-0.01%</b>	<b>\$ 1,477,025</b>	<b>\$ (2,899,247)</b>	<b>\$ (1,422,222)</b>	<b>\$ 8,778,268</b>	<b>\$ (7,361,509)</b>	<b>\$ 1,416,759</b>
<b>Bond Proceeds Investment Pool (BPIP)</b>													
	Cost Basis	Market Value	Unrealized Gain/Loss	12-Month Total Return	Benchmark	Index Return	Relative Performance	Earnings	Change in Market Value	Total	Earnings	Change in Market Value	Total
Tax-Exempt	\$ 691,280,765	\$ 689,628,043	\$ (1,652,722)	0.35%	ML Treasury 0-3	0.43%	-0.08%	\$ 448,475	\$ (730,908)	\$ (282,433)	\$ 2,163,168	\$ (2,462,208)	\$ (299,040)
Taxable	676,364,424	676,020,705	(343,719)	0.48%	ML Treasury 0-3	0.43%	0.05%	450,422	(475,194)	(24,772)	2,523,632	(2,180,424)	343,208
<b>Totals</b>	<b>\$ 1,367,645,189</b>	<b>\$ 1,365,648,748</b>	<b>\$ (1,996,441)</b>	<b>0.41%</b>	<b>Blended</b>	<b>0.43%</b>	<b>-0.02%</b>	<b>\$ 898,897</b>	<b>\$ (1,206,102)</b>	<b>\$ (307,205)</b>	<b>\$ 4,686,799</b>	<b>\$ (4,642,632)</b>	<b>\$ 44,167</b>
<b>Local Government Investment Pool (LGIP)</b>													
	Cost Basis	Market Value	Unrealized Gain/Loss	12-Month Total Return	Benchmark	Index Return	Relative Performance	Earnings	Change in Market Value	Total	Earnings	Change in Market Value	Total
LGIP (See Note 5)	\$ 654,601,711	\$ 654,448,535	\$ (153,176)	0.17%	S&P LGIP Gross	0.15%	0.02%	\$ 145,959	\$ (102,380)	\$ 43,579	\$ 754,090	\$ (158,465)	\$ 595,625
<b>Severance Tax Bonding Fund</b>													
	Cost Basis	Market Value	Unrealized Gain/Loss	12-Month Total Return	Benchmark	Index Return	Relative Performance	Earnings	Change in Market Value	Total	Earnings	Change in Market Value	Total
STBF	\$ 145,021,775	\$ 145,019,460	\$ (2,315)	0.19%	S&P LGIP Gross	0.15%	0.04%	\$ 24,518	\$ (5,337)	\$ 19,181	\$ 75,313	\$ (4,833)	\$ 70,480
<b>Estimated Totals (all funds)</b>		<b>\$ 4,026,406,886</b>	<b>\$ (2,460,899)</b>					<b>\$ 2,546,400</b>	<b>\$ (4,213,066)</b>	<b>\$ (1,666,666)</b>	<b>\$ 14,294,470</b>	<b>\$ (12,167,439)</b>	<b>\$ 2,127,031</b>

Notes:

- (1) These figures are generated using a combination of accrued earnings, realized gains and losses and unrealized gains and losses. 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) LGIP Conforms to GASB 31, as such accounting and earnings are reported to participants on an amortized basis.
- (6) Source: STO Records, Fiscal Agent Bank Statements, QED Financial Systems, JPMorgan Custody Reporting.



## 5. Investment Accounting Report





STATE OF NEW MEXICO  
OFFICE OF THE TREASURER

THE HONORABLE TIM EICHENBERG  
State Treasurer

RICKY ANTHONY BEJARANO  
Deputy State Treasurer

**Memorandum**

Date: January 21, 2016  
To: Charmaine Cook, Chief Investment Officer & Investment Division Director  
From: Steve Vigil, Investment Accounting Bureau Chief *SV*  
CC: STO Investments Division, Leo Marquez II, STO Chief Financial Officer  
Subject: December 2015 Investment Reconciliation

**December 2015 Investments Reconciliation**

The December 2015 investment reconciliation included the following to verify the completeness and accuracy of the JP Morgan reporting:

1. Net asset values of all investment accounts.
2. Change in transaction activity between November 30<sup>th</sup> and December 31<sup>st</sup>.
3. Cash transaction activity proofs.
4. Earned income proofs.
5. Proof of change in cost.
6. Duplicate cash activity.
7. JP Morgan to QED inventory reconciliation.
8. JP Morgan to QED income reconciliation.

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

Earned interest materiality threshold is ½ basis point of the total market value of a JP Morgan account. The JPM-QED income reconciliation had no material differences. Please refer to the JPM-QED income reconciliation.

JP Morgan to QED Income Reconciliation  
For Accounting Period Ended December 31, 2015

W/P Ref  
504

JPM Account	Earned Interest	QED Fund #	Name	Earned Interest	Difference	BPS Dollar Threshold *
P 09336	48,837.29	1000	GF Liquidity	49,199.80	(362.51)	19,090.04
P 09337	1,849,625.31	1001	GF Core	1,850,497.88	(872.57)	72,192.80
P 09334	18,491.60	1101	ONREPO	18,491.57	0.03	7,890.09
P 89523	33,198.43	4001	STB	25,178.53	8,019.90	7,250.97
P 09335	794,195.16	4000	BPIP#1	783,468.03	10,727.13	34,481.78
P 09339	781,775.45	4002	BPIP#2	780,625.24	1,150.21	33,801.18
P 09333	357,724.52	4101	LGIP	357,904.94	(180.42)	32,892.24
<b>Total</b>	<b>3,883,847.76</b>			<b>3,865,365.99</b>	<b>18,481.77</b>	<b>207,599.09</b>

JP Morgan to QED Amortization/Accretion Reconciliation

JPM Account	Amortization/Accretion	QED Fund #	Name	Amortization/Accretion	Difference
P 09336	-	1000	GF Liquidity	-	-
P 09337	(435,244.10)	1001	GF Core	(471,196.97)	35,952.87
P 09334	-	1101	ONREPO	-	-
P 89523	(1,312.22)	4001	STB	(660.15)	(652.07)
P 09335	(352,479.37)	4000	BPIP#1	(360,602.13)	8,122.76
P 09339	(337,968.69)	4002	BPIP#2	(345,015.05)	7,046.36
P 09333	(216,111.49)	4101	LGIP	(211,945.73)	(4,165.76)
<b>Total</b>	<b>(1,343,115.87)</b>			<b>(1,389,420.03)</b>	<b>46,304.16</b>

\* BPS Dollar Threshold

JP Morgan 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 46,304.16 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)

JP Morgan to QED Inventory Reconciliations  
For Accounting Period Ended December 31, 2015

W/P Ref  
503

Market Value Reconciliation

JPM Account	Market Value	QED Fund #	Name	Market Value	Difference	BPS Dollar Threshold *
P 09336	381,800,725.74	1000	GF Liquidity	381,800,725.74	-	190,900.36
P 09337	1,443,855,985.58	1001	GF Core	1,443,848,594.60	7,390.98	721,927.99
P 09334	157,801,719.37	1101	ONREPO	157,817,792.95	(16,073.58)	78,900.86
P 89523	145,019,483.04	4001	STB	145,019,460.04	23.00	72,509.74
P 09335	689,635,523.77	4000	BPIP#1	689,628,040.48	7,483.29	344,817.76
P 09339	676,023,652.33	4002	BPIP#2	676,020,703.11	2,949.22	338,011.83
P 09333	657,844,781.34	4101	LGIP	657,845,384.12	(602.78)	328,922.39
<b>Total</b>	<b>4,151,981,871.17</b>			<b>4,151,980,701.04</b>	<b>1,170.13</b>	<b>2,075,990.94</b>

Cost Reconciliation

JPM Account	Cost	QED Fund #	Name	Cost	Difference	BPS Dollar Threshold *
P 09336	381,800,725.74	1000	GF Liquidity	381,800,725.74	-	190,900.36
P 09337	1,457,157,254.07	1001	GF Core	1,457,157,076.00	178.07	728,578.63
P 09334	157,801,719.37	1101	ONREPO	157,817,792.95	(16,073.58)	78,900.86
P 89523	145,023,394.85	4001	STB	145,023,369.84	25.01	72,511.70
P 09335	696,012,482.09	4000	BPIP#1	696,012,482.11	(0.02)	348,006.24
P 09339	681,918,183.36	4002	BPIP#2	681,918,183.39	(0.03)	340,959.09
P 09333	658,738,289.07	4101	LGIP	658,738,289.07	-	329,369.14
<b>Total</b>	<b>4,178,452,048.55</b>			<b>4,178,467,919.10</b>	<b>(15,870.55)</b>	<b>2,089,226.02</b>

Position Reconciliation

JPM Account	Position Size	QED Fund #	Name	Position Size	Difference	BPS Dollar Threshold *
P 09336	381,800,725.74	1000	GF Liquidity	381,800,725.74	-	190,900.36
P 09337	1,438,341,172.62	1001	GF Core	1,438,341,172.62	-	719,170.59
P 09334	157,801,719.37	1101	ONREPO	157,817,792.95	(16,073.58)	78,900.86
P 89523	144,942,095.04	4001	STB	144,942,070.04	25.00	72,471.05
P 09335	686,151,460.57	4000	BPIP#1	686,151,460.57	-	343,075.73
P 09339	672,321,979.05	4002	BPIP#2	672,321,979.05	-	336,160.99
P 09333	657,229,264.45	4101	LGIP	657,229,264.45	-	328,614.63
<b>Total</b>	<b>4,138,588,416.84</b>			<b>4,138,604,465.42</b>	<b>(16,048.58)</b>	<b>2,069,294.21</b>

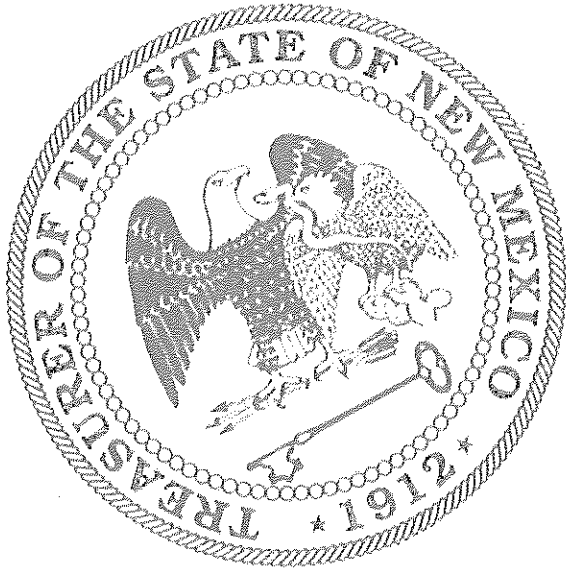
\*Basis Point (BPS)Dollar Threshold

JPM Market Value x 5 BPS

JPM Cost x 5 BPS

JPM Postion Size x 5 BPS

0.0005



## 6. 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 2015

Primary Bond Volume	\$41,817,696	8%
Secondary Bond Volume	<u>\$304,435,000</u>	<u>92%</u>
Total	\$346,252,696	100%

Source: QED

The totals above exclude 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 \$113,000,000.

Table 8 - Variable Rate Note Holdings - December 2015

General Fund	-
Taxable BPIP	-
Tax Exempt BPIP	-
LGIP	<u>\$113,000,000</u>
Total Holdings	\$113,000,000

Source: QED

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

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

### *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.

There were no price discrepancies reported and no balances left at the Custodial Bank.

There were 2 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***

Realized gains/losses are a result of a difference between amortized cost and the sale proceeds for each position at the time of sale. This amount is booked against investment earnings in the respective accounting period. There were 7 sales which resulted in realized gains/losses.

**Table 1 - Realized Gains and Losses on Securities Sold – December 2015**

<b>Trade Date</b>	<b>Account</b>	<b>Par Amount</b>	<b>Security</b>	<b>Realized G/L</b>
12/3/2015	GF CORE	18,000,000	FHLB 1.00 6/09/17	948.04
12/7/2015	BPIP TX	7,630,000	PEFCO 2.25 3/15/20	25,609.51
12/11/2015	BPIP TE	10,000,000	PEFCO 2.25 3/15/20	14,811.84
12/14/2015	GF CORE	30,000,000	FHLMC 1.00 6/29/17	13,092.00
12/14/2015	GF CORE	25,000,000	FHLMC 1.00 9/29/17	19,586.82
12/14/2015	LGIP	5,000,000	FAMCA .250 12/01/16	-
12/23/2015	GF CORE	15,000,000	FNMA 2.375 4/11/16	14,897.77
<b>Total Realized gain (loss)</b>				<b>88,945.98</b>

### ***Trade Documentation***

#### ***Purchase/Sales Activity<sup>1</sup>***

There were a total of 28 security trades tracked during the month of December by the Trade Compliance Officer in the Investment Division.

**Table 2 – Securities Trades – December 2015**

	<b>Quantity</b>	<b>Par-Value</b>	<b>Cost/Proceeds</b>	<b>Realized Gain/Loss</b>
Purchases	21	285,622,696	286,273,686	0
Sales	7	110,630,000	111,008,847	88,946
<b>Totals:</b>	<b>28</b>	<b>396,252,696</b>	<b>397,282,533</b>	<b>88,946</b>

#### ***Trade documentation and Investment Processing Compliance***

All trades have been accounted for and written documentation has been reviewed for complete compliance with internal procedures and policies.

During the month of December, there were no noted violations or breaches.

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

<sup>1</sup> Excludes daily repurchase agreement transactions.

**STATE OF NEW MEXICO**  
**Summary of Fixed-Income Purchases and Sales**  
**TRADES During The Period 12/01/15 Through 12/31/15**

TXN-DATE	CUSIP#	ASSET-TYPE	INVT#	ISSUE-NAME	RATE	MATURITY	YIELD	BRKR/DLR/AGENT	FUND	PAR-VALUE	COST/PROCEEDS	GAIN/LOSS	NXT-CALL
<b>PURCHASE TRANSACTIONS</b>													
12/23/15	1228RP	REPURCHASE AGRE	24698	OVERNIGHT REPO	.250	12/28/15	.2500	RBC CAPITAL MAR	4101	25,000,000.00	25,000,000.00		
12/28/15	0104RP	REPURCHASE AGRE	24720	OVERNIGHT REPO	.270	1/04/16	.2700	RBC CAPITAL MAR	4101	25,000,000.00	25,000,000.00		
12/14/15	1623575	CERTIFICATES OF	24656	SOUTHWEST CAPITAL BANK	.780	6/13/16	.7800	SYSTEM - UNIDEN	1001	10,000,000.00	10,000,000.00		
12/03/15	912828A4	US TREASURY NOT	24606	US TREASURY N/B	2.000	11/30/20	1.7830	TD SECURITIES	1001	20,000,000.00	20,206,250.00		
12/23/15	912828TH	US TREASURY NOT	24708	UNITED STATES TREASURY	.875	7/31/19	1.5073	JEFFRIES & CO	1001	16,000,000.00	15,647,500.00		
12/29/15	912828PN	US TREASURY NOT	24730	UNITED STATES TREASURY	2.750	12/31/17	1.1241	HSBC	4002	20,000,000.00	20,642,187.50		
12/30/15	912828RY	US TREASURY NOT	24732	UNITED STATES TREASURY	1.375	12/31/18	1.3950	WELLS FARGO SEC	4000	20,000,000.00	19,988,281.25		
12/10/15	3135G0S8	AGENCY US BOND	22029	FEDERAL NATIONAL MORTGA	.375	12/21/15	.2270	FTN FINANCIAL S	4001	28,000,000.00	28,001,148.00		
12/10/15	3135G0S8	AGENCY US BOND	22029	FEDERAL NATIONAL MORTGA	.375	12/21/15	.3168	DEUTSCHE BANK S	4001	1,027,000.00	1,027,016.43		
12/14/15	3130A5E4	AGENCY US BOND	24654	FEDERAL HOME LOAN BANKS	.300	5/26/16	.6295	INTL FCSTDNE PA	4101	5,000,000.00	4,992,650.00		
12/22/15	313375RN	AGENCY US BOND	24697	FEDERAL HOME LOAN BANKS	1.000	3/11/16	.3547	RBS GREENWICH C	4101	15,000,000.00	15,020,925.00		
12/29/15	3133XFJF	AGENCY US BOND	24731	FEDERAL HOME LOAN BANKS	5.375	5/18/16	.5229	BMO CAPITAL MAR	4101	8,000,000.00	8,148,400.00		
12/30/15	3130A5RB	AGENCY US BOND	24733	FEDERAL HOME LOAN BANKS	.220	3/01/16	.3505	BB&T CAPITAL MA	4101	3,395,000.00	3,394,297.24		
12/30/15	313375RN	AGENCY US BOND	24697	FEDERAL HOME LOAN BANKS	1.000	3/11/16	.3200	RBS GREENWICH C	4101	10,000,000.00	10,013,105.80		
12/08/15	313384WC	AGENCY US DISC	24625	FEDL HOME LOAN BK CONS		4/27/16	.5110	UBS	4101	10,000,000.00	9,980,166.67		
12/09/15	313396RB	AGENCY US DISC	24632	FEDERAL HOME LOAN MORTG		12/28/15	.2000	JEFFRIES & CO	4001	4,383,000.00	4,382,561.70		
12/14/15	313384S9	AGENCY US DISC	24655	FEDERAL HOME LOAN BANKS		12/12/16	.7659	CASTLEOAK SECUR	4101	6,000,000.00	5,954,146.67		
12/28/15	313384XE	AGENCY US DISC	24721	FEDERAL HOME LOAN BANKS		5/23/16	.5211	JEFFRIES & CO	4101	12,000,000.00	11,974,866.67		
12/23/15	3135G0BA	AGENCY US NOTES	24707	FEDERAL NATIONAL MORTGA	2.375	4/11/16	.4482	BROKER DIRECT	4001	15,000,000.00	15,082,487.30		
12/17/15	STN15SC	MUNICIPAL BOND	24687	STN SERIES 2015SC	.410	12/30/15	.4092	BROKER DIRECT	1000	8,614,496.00	8,614,496.00		
12/17/15	STN15SD	MUNICIPAL BOND	24688	STN SERIES 2015SD	.410	12/30/15	.4092	BROKER DIRECT	1000	23,203,200.00	23,203,200.00		
<b>21 PURCHASES DURING PERIOD TOTAL.....</b>										<b>285,622,696.00</b>	<b>286,273,686.23</b>		
<b>SALE TRANSACTIONS</b>													
12/03/15	313379FW	AGENCY US BOND	21561	FEDERAL HOME LOAN BANKS	1.000	6/09/17		DAIWA CAPITAL M	1001	18,000,000.00	18,020,513.19	948.04	
12/14/15	3137EADH	AGENCY US NOTES	1696D	FEDERAL HOME LN MTG COR	1.000	6/29/17		WELLS FARGO SEC	1001	30,000,000.00	30,021,900.00	13,092.00	
12/14/15	3137EADL	AGENCY US NOTES	17682	FEDERAL HOME LOAN MORTG	1.000	9/29/17	1.0153	WELLS FARGO SEC	1001	25,000,000.00	24,993,250.00	19,586.82	
12/23/15	3135G0BA	AGENCY US NOTES	17173	FEDERAL NATIONAL MORTGA	2.375	4/11/16		BROKER DIRECT	1001	15,000,000.00	15,082,487.30	14,897.77	
12/14/15	3132XODF	AGENCY US VAR 3	24499	FARMER MAC	.250	12/01/16	.2500	CASTLEOAK SECUR	4101	5,000,000.00	5,000,000.00		
12/07/15	742651DU	CORP US NOTE 30	24513	PRIVATE EXPORT FUNDING	2.250	3/15/20	1.9490	TD SECURITIES	4000	7,630,000.00	7,723,696.40	25,609.51	3/01/16
12/11/15	742651DU	CORP US NOTE 30	24451	PRIVATE EXPORT FUNDING	2.250	3/15/20		BB&T CAPITAL MA	4002	10,000,000.00	10,167,000.00	14,811.84	
<b>7 SALES DURING PERIOD TOTAL.....</b>										<b>110,630,000.00</b>	<b>111,008,846.89</b>	<b>88,945.98</b>	
<b>=== GRAND-TOTAL ===&gt;</b>										<b>396,252,696.00</b>	<b>397,282,533.12</b>	<b>88,945.98</b>	

\*\*\* END-OF-REPORT \*\*\*

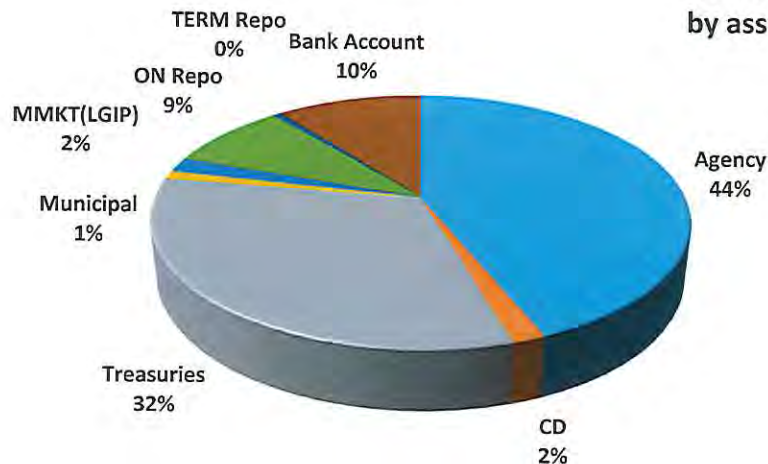
## NM State Treasurer Office Security Holding by Portfolio

December 31, 2015

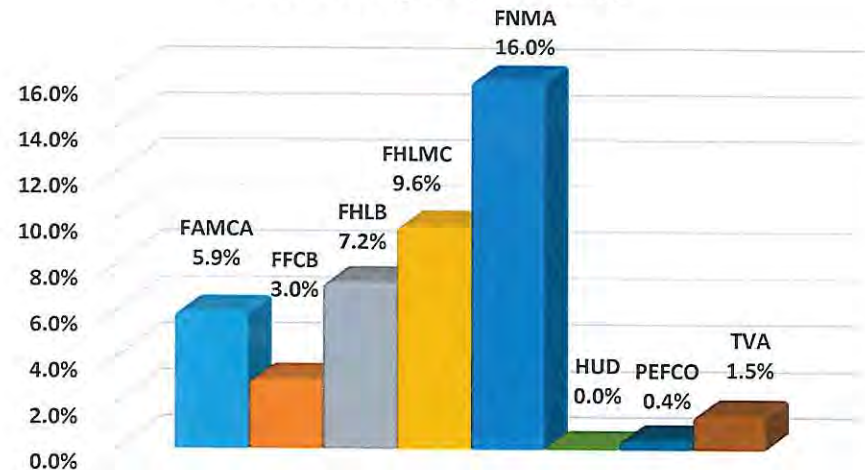
*Values are based on position holdings*

<i>Portfolio Balance</i>	<u>GF LIQ</u>	<u>GF CORE</u>	<u>BPIP TE</u>	<u>BPIP TX</u>	<u>STB</u>	<u>LGIP</u>	<u>STO Holdings</u>	
	381,800,700	1,438,341,173	686,152,334	672,322,852	144,939,936	653,834,264	3,977,391,259	
Agency	-	707,568,000	333,609,000	259,341,000	16,000,000	422,717,000	1,739,235,000	43.7%
FAMCA	-	130,500,000	8,000,000	23,500,000	1,000,000	72,800,000	235,800,000	5.9%
FFCB	-	19,627,000	30,780,000	-	-	69,250,000	119,657,000	3.0%
FHLB	-	95,000,000	28,065,000	38,450,000	-	125,670,000	287,185,000	7.2%
FHLMC	-	185,500,000	113,000,000	45,000,000	-	39,999,000	383,499,000	9.6%
FNMA	-	276,941,000	100,589,000	128,709,000	15,000,000	114,998,000	636,237,000	16.0%
HUD	-	-	1,400,000	-	-	-	1,400,000	0.0%
PEFCO	-	-	15,770,000	-	-	-	15,770,000	0.4%
TVA	-	-	36,005,000	23,682,000	-	-	59,687,000	1.5%
CD	-	52,750,000	3,000,000	10,200,000	-	-	65,950,000	1.7%
Treasuries	-	663,150,000	269,000,000	337,550,000	-	-	1,269,700,000	31.9%
Municipal	-	13,845,000	19,850,000	6,370,000	-	-	40,065,000	1.0%
MMKT(LGIP)	-	-	22,044,860	10,326,787	44,070,844	-	76,442,491	1.9%
ON Repo	181,167,860	1,028,173	38,648,474	48,535,065	74,818,709	-	344,198,281	8.7%
TERM Repo	-	-	-	-	-	25,000,000	25,000,000	0.6%
Bank Account	200,632,840	-	-	-	10,050,383	206,117,264	416,800,488	10.5%

**STO Holdings  
by asset type**

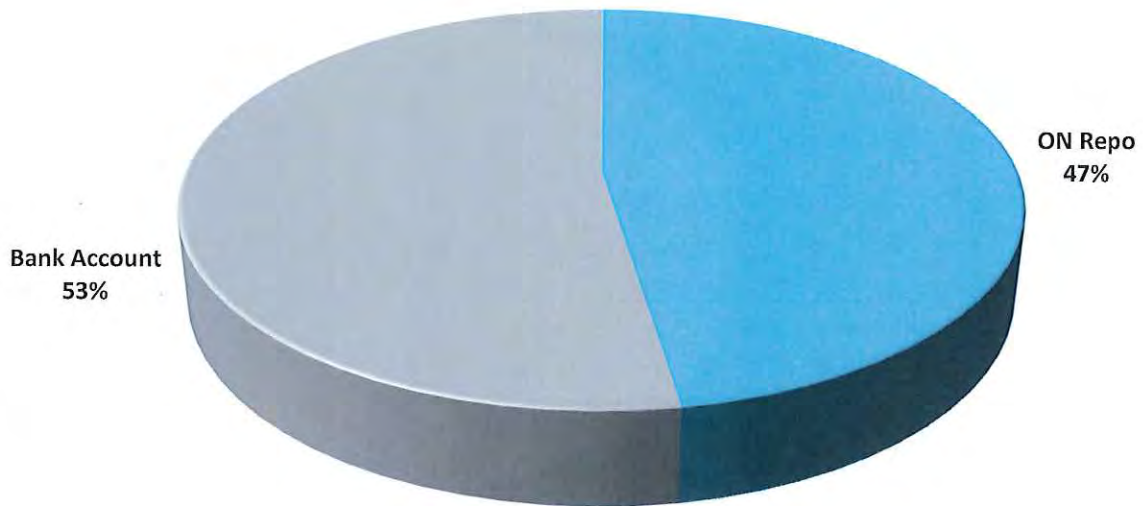


**STO US Agency Holdings**

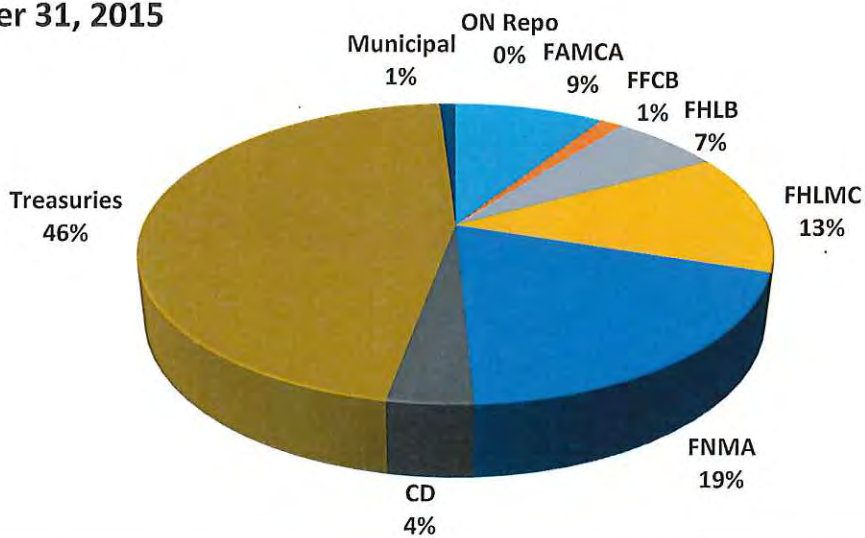




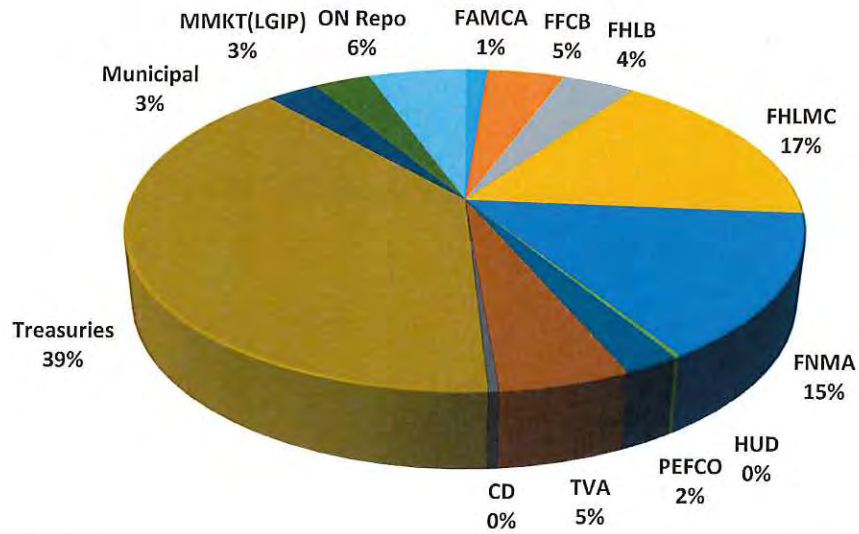
**GF Liquidity Holdings  
December 31, 2015**



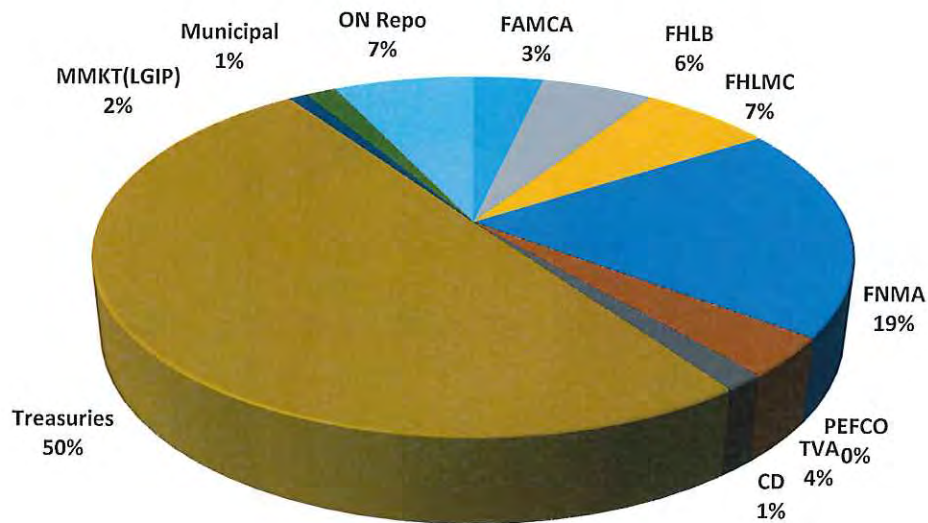
**GF CORE Holdings  
December 31, 2015**



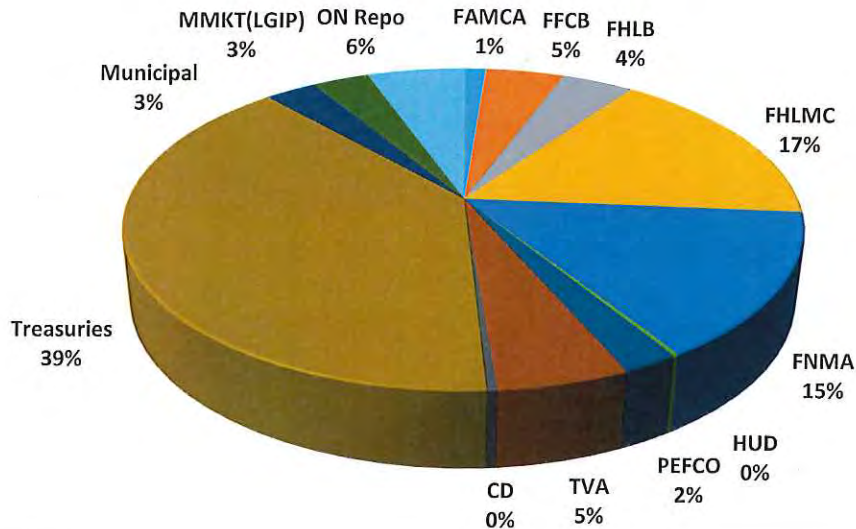
**BPIP Tax-Exempt Holdings  
December 31, 2015**



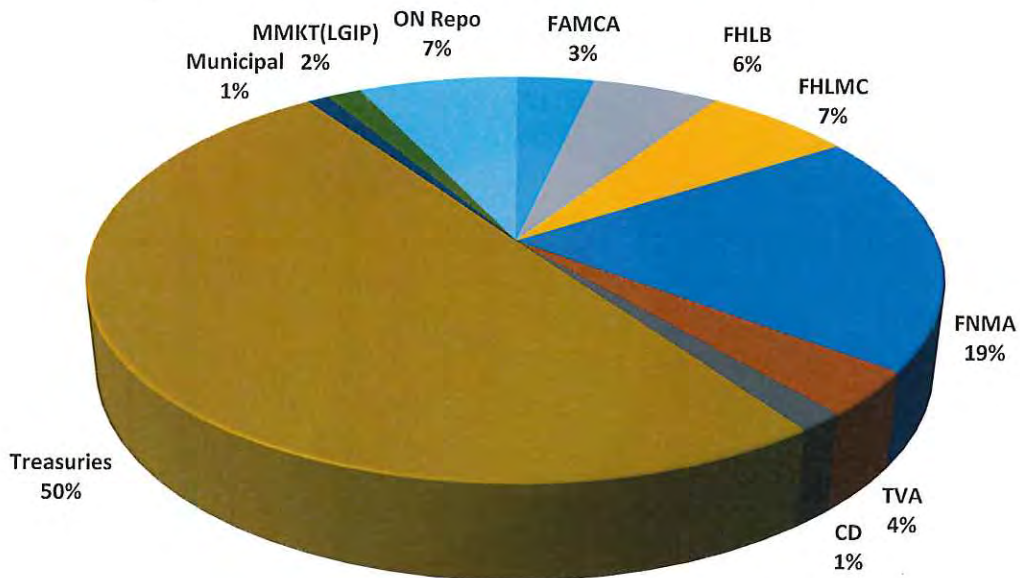
**BPIP Taxable Holdings  
December 31, 2015**



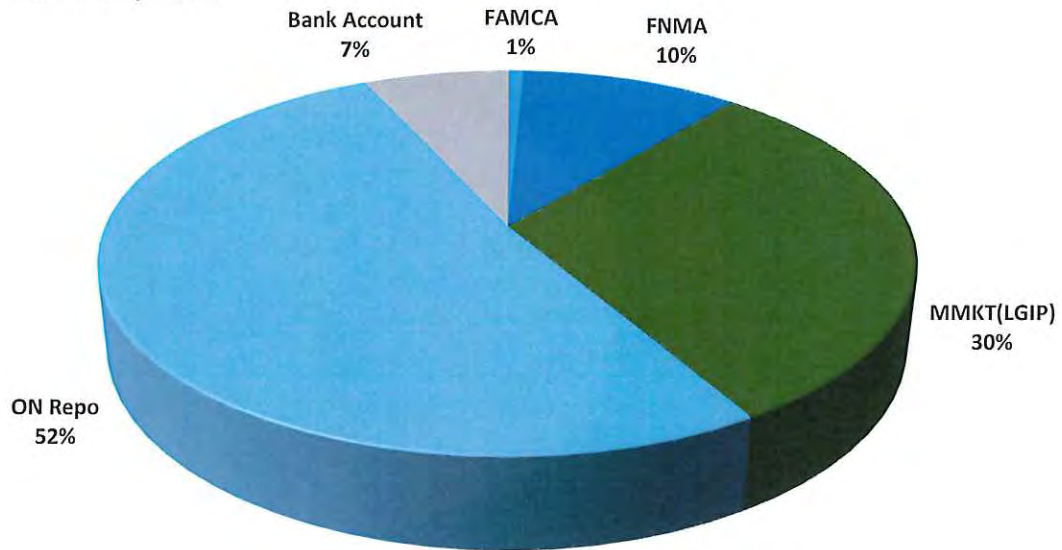
**BPIP Tax-Exempt Holdings  
December 31, 2015**



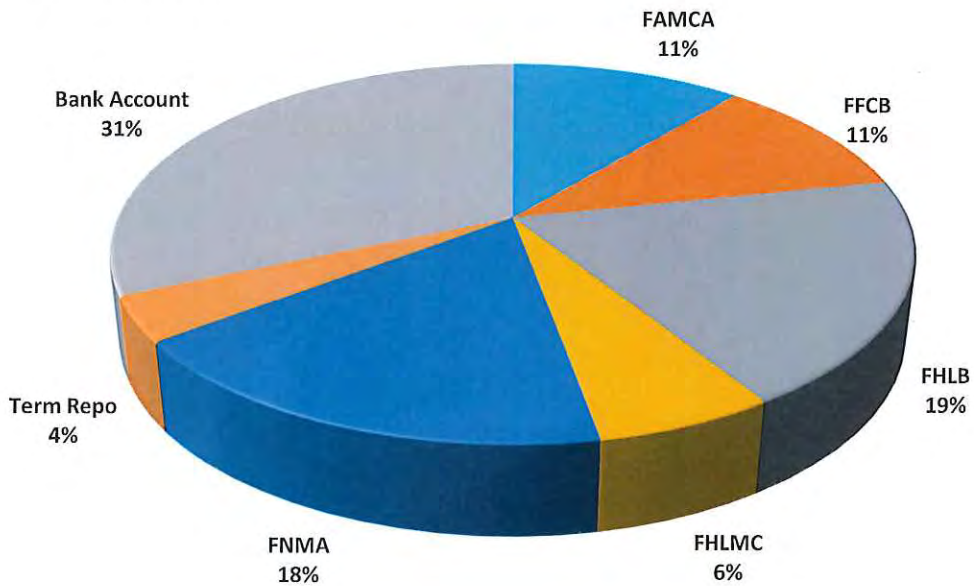
**BPIP Taxable Holdings  
December 31, 2015**

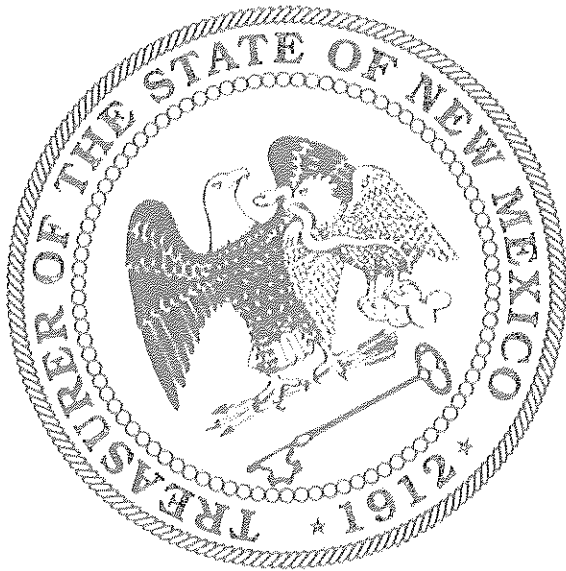


**STB Holdings  
December 31, 2015**



**LGIP Holdings  
December 31, 2015**

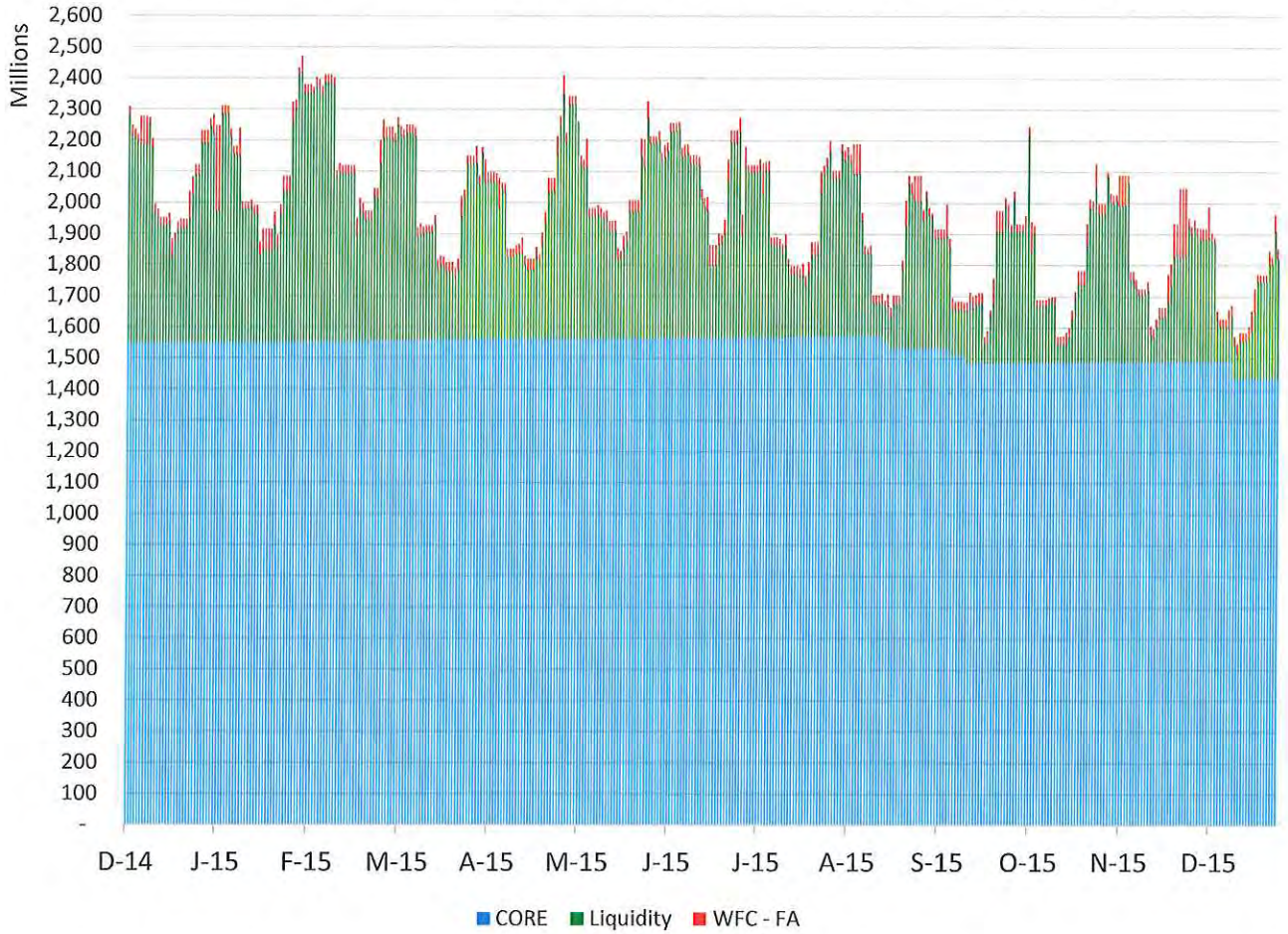




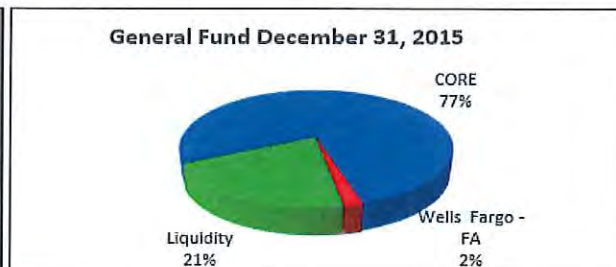
## 7. Cash Projections

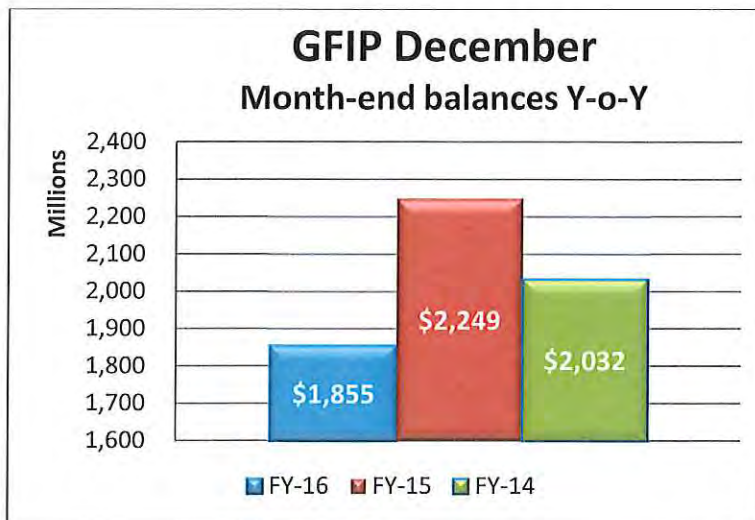
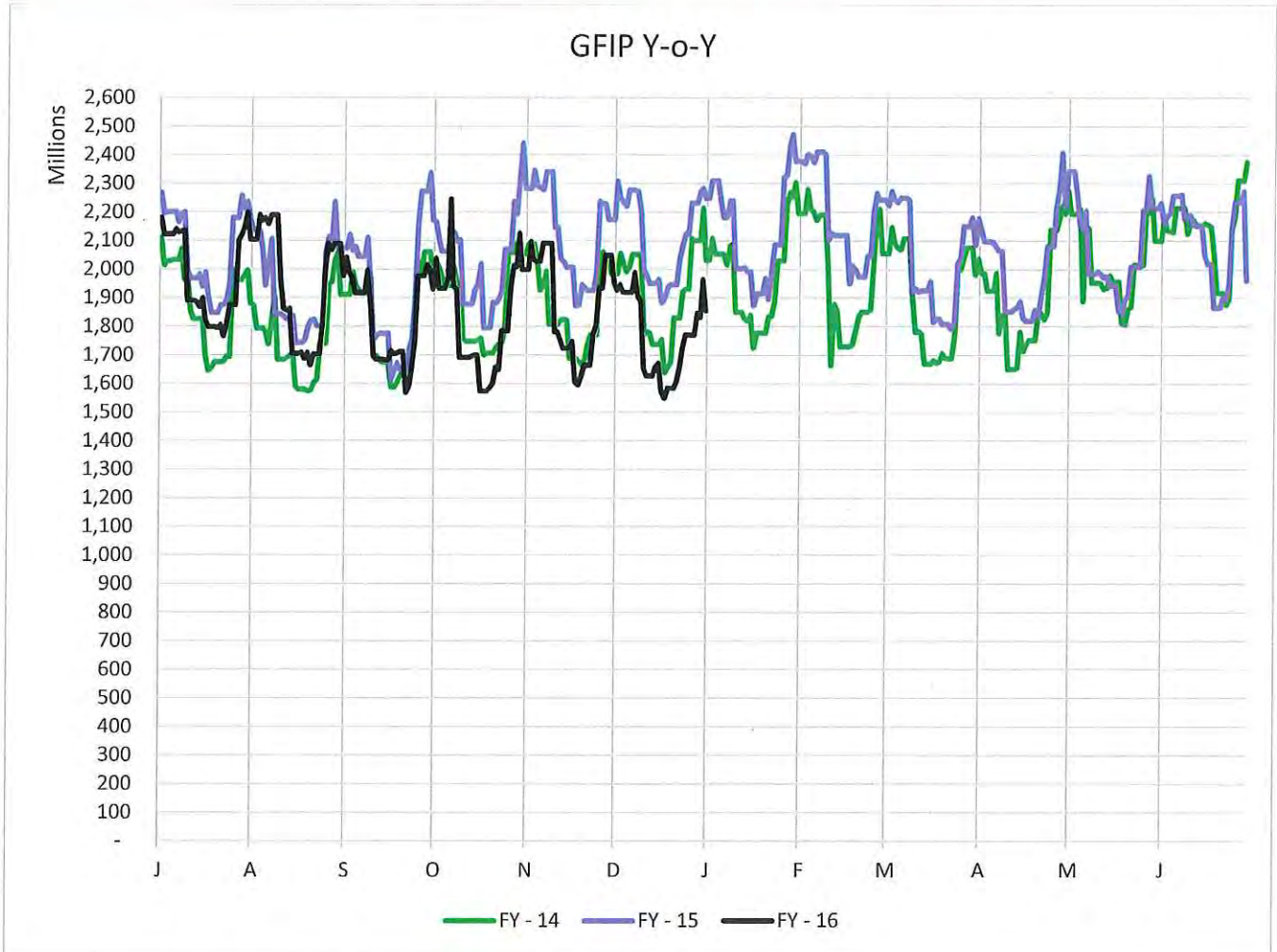


1 Year -Cash Balances (Liquidity, Core, & Fiscal Agent Accounts)



GENERAL FUND	Dec-14	Nov-15	Dec-15	Y-o-Y Change	M-o-M Change
Liquidity	419,809,370	434,229,365	381,800,700	(38,008,671)	(52,428,666)
CORE	1,552,077,063	1,491,882,690	1,438,741,173	(113,335,890)	(53,141,517)
Wells Fargo - FA	277,003,955	25,542,199	34,184,935	(242,819,020)	8,642,736
	<b>2,248,890,388</b>	<b>1,951,654,254</b>	<b>1,854,726,807</b>	<b>(394,163,581)</b>	<b>(96,927,447)</b>

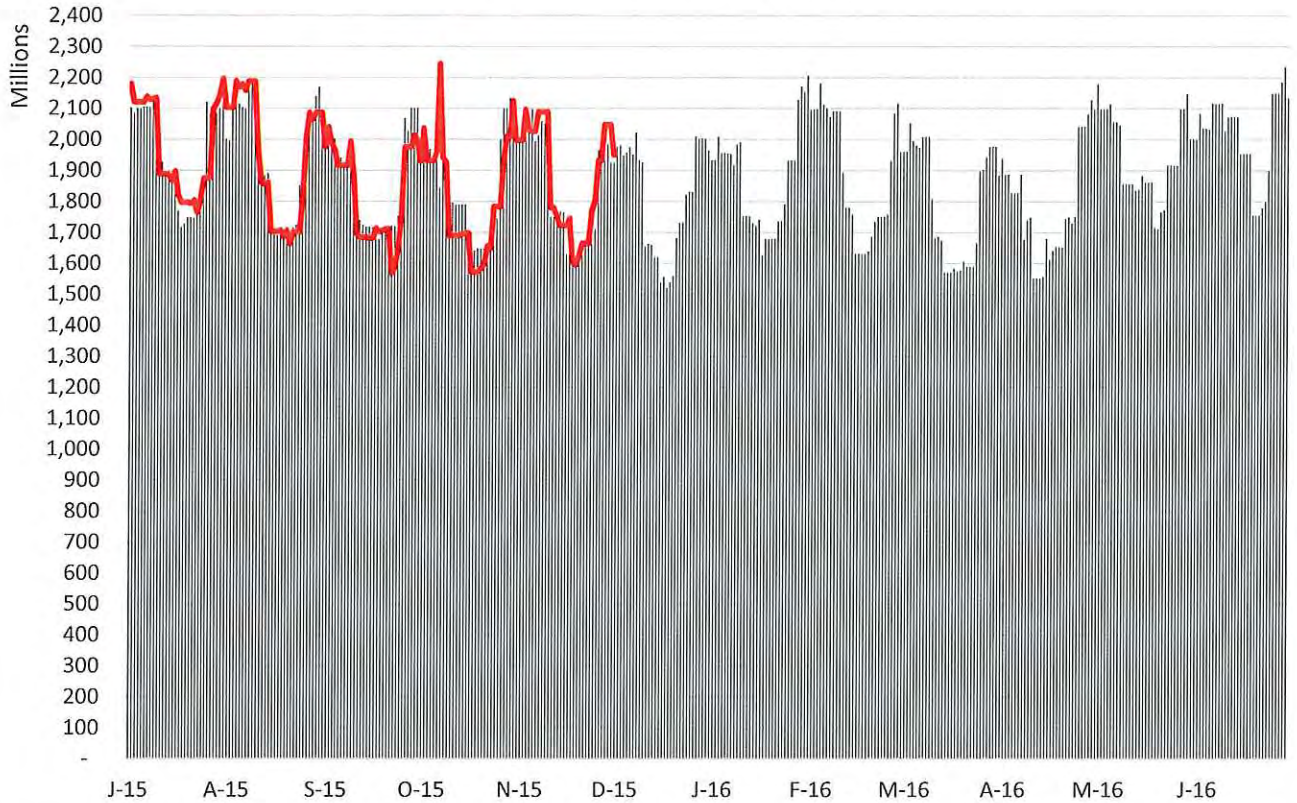




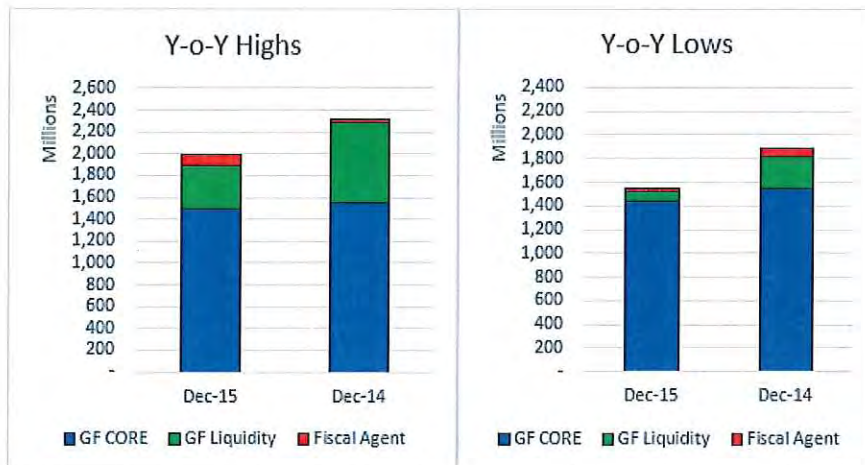
The balance as of December 31, 2015 of the General Fund Investments Pool (GFIP) Y-o-Y has decreased -17.5% from December 31, 2014 and -8.7% decrease from December 31, 2013 . M-o-M GFIP balances decreased to \$1.855 billion at December 31, 2015 from \$1.952 billion at November 30, 2015 a decrease of \$96 million or -5.0%.



## FY - 16 GFIP Balances Projections



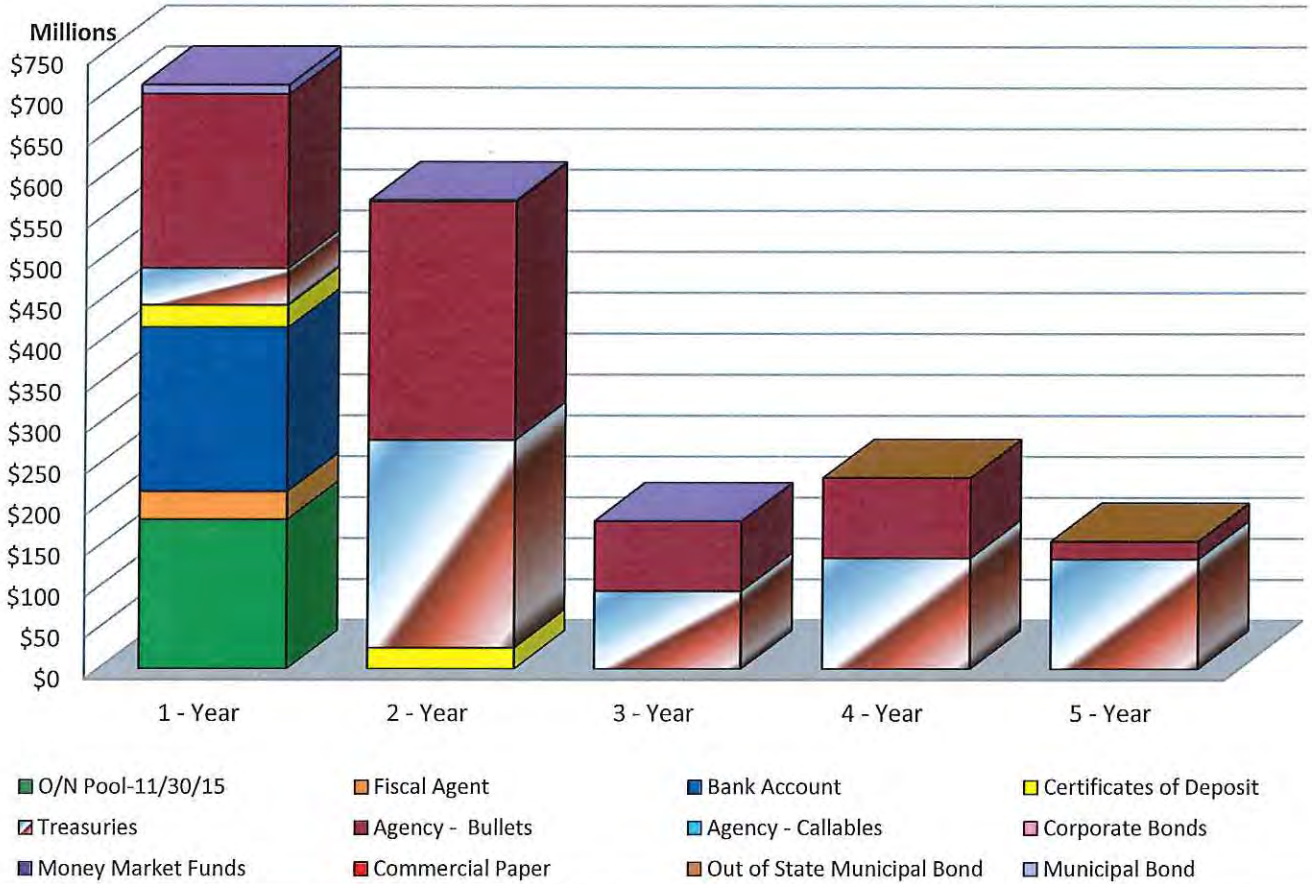
	Dec-15	Dec-14	Change
High	1,987,785,951.74	2,308,323,450.18	-16.13%
Low	1,549,932,519.13	1,884,174,003.90	-21.56%
Average	1,762,504,791.37	2,114,542,993.86	-19.97%



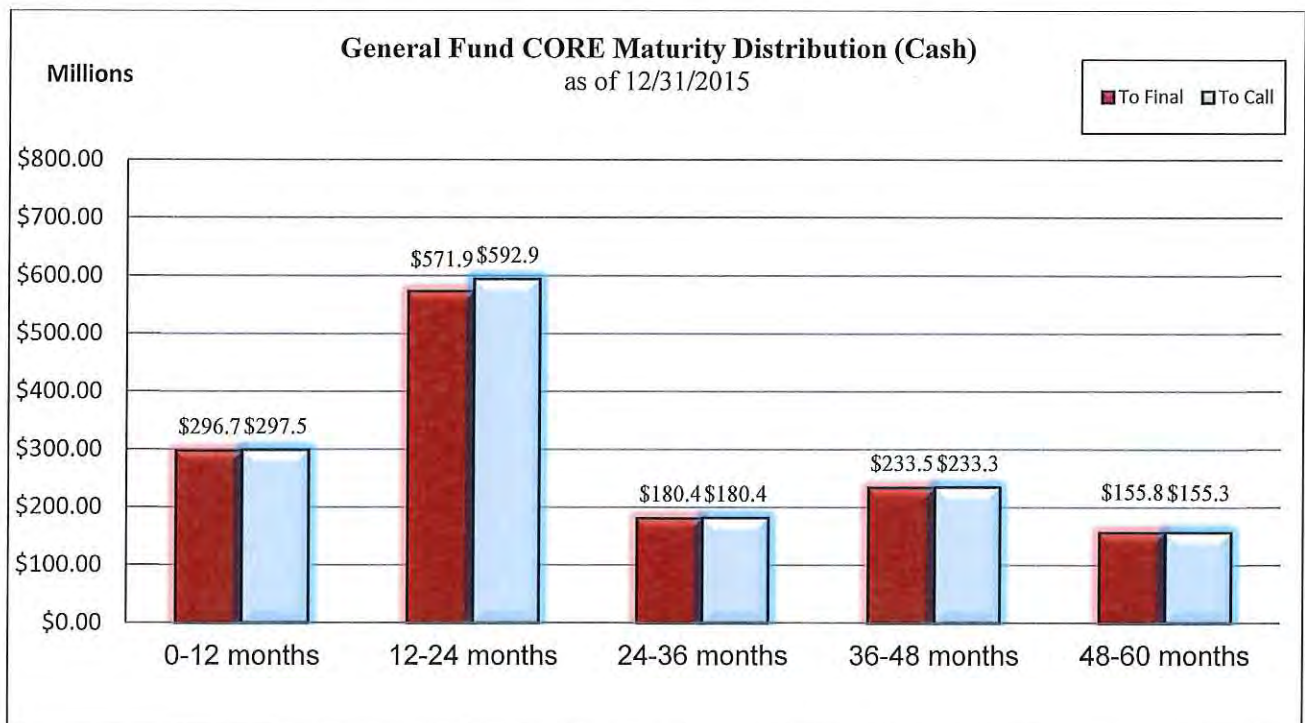
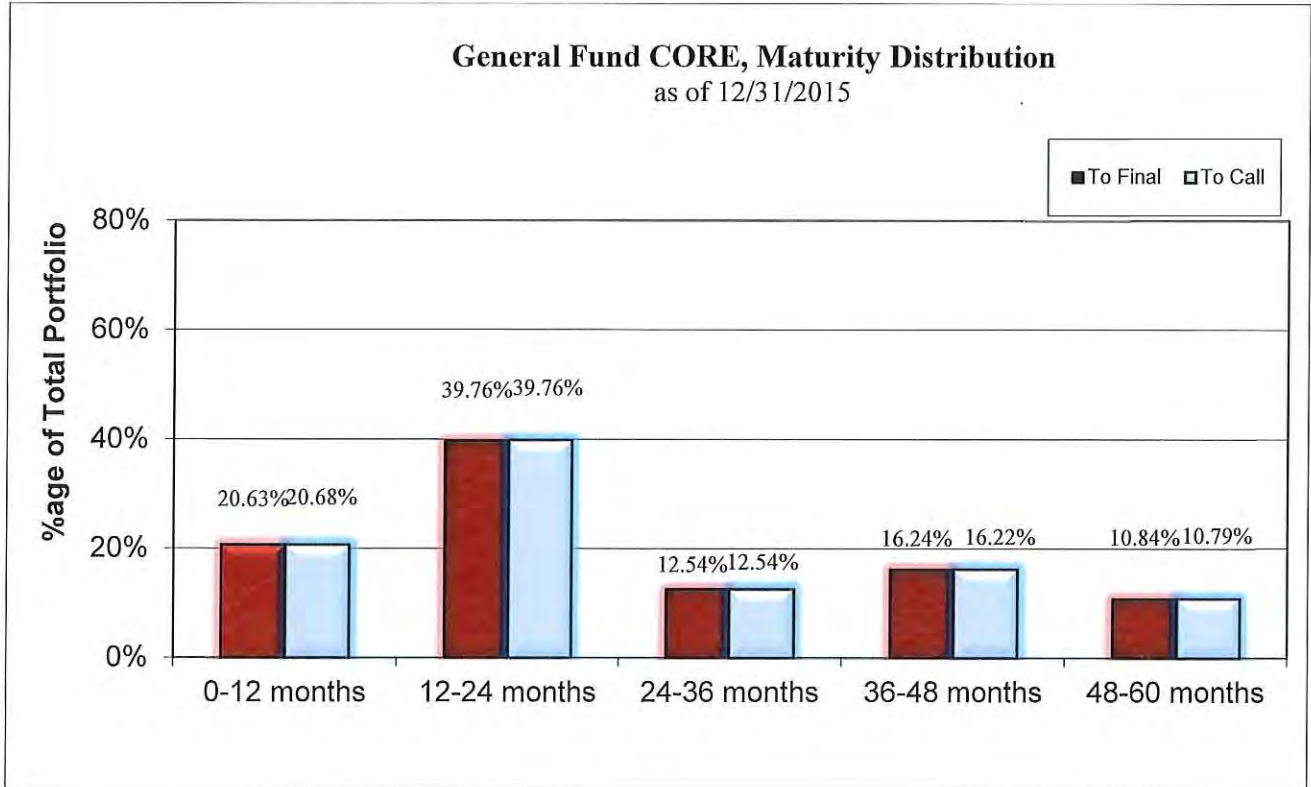




## General Fund Maturity Ladder by Year & Asset Type as of December 31, 2015



Asset Allocation	1 - Year	2 - Year	3 - Year	4 - Year	5 - Year	Total	%
Agency - Bullets	212,627,000	291,000,000	85,000,000	97,941,000	21,000,000	707,568,000	38%
Agency - Callables						0	0%
Corporate Bonds						0	0%
Money Market Funds						0	0%
Certificates of Deposit	27,000,000	25,750,000				52,750,000	3%
Municipal Bond	11,065,000	1,635,000	375,000			13,075,000	1%
Out of State Municipal Bond				175,000	595,000	770,000	0%
Commercial Paper						0	0%
Treasuries	45,000,000	253,500,000	95,000,000	135,400,000	134,250,000	663,150,000	36%
Bank Account	200,632,840					200,632,840	11%
Fiscal Agent	34,184,935					34,184,935	2%
O/N Pool-11/30/15	182,196,033					182,196,033	10%
<b>Total:</b>	<b>712,705,807</b>	<b>571,885,000</b>	<b>180,375,000</b>	<b>233,516,000</b>	<b>155,845,000</b>	<b>1,854,326,807</b>	<b>100%</b>
<b>% of Total:</b>	<b>38%</b>	<b>31%</b>	<b>10%</b>	<b>13%</b>	<b>8%</b>		





## 8. Investment Advisor- December 2015 Quarterly Investment Report

# QUARTERLY REPORT

Quarter Ending December 31, 2015



## New Mexico State Treasurer's Office Investment Portfolio Analysis



Prepared By: Government Portfolio Advisors  
Deanne Woodring, CFA – President, Senior Investment Advisor  
2188 SW Park Place, Suite 100  
Portland, OR 97205  
(503) 248-9973  
deanne@gpafixedincome.com



---

## Table of Contents

Executive Summary .....	1
Asset Allocation Analysis .....	4
Strategic Review .....	5
Quarter Strategic Change .....	6
Asset Attribution Benchmarks .....	7
Performance Analysis .....	8
Performance Data Comparison .....	9
Shock Analysis Report .....	10
Market Value Shock on Investment Funds .....	11
LGIP Shock Analysis .....	12
Investment Strategy Analysis .....	13
Disclaimer .....	14



---

## 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 Treasurer's investment team with an analysis of the risk and return components of the investment funds of the New Mexico State Treasurer's 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:

- ✓ The STO Total Fund Market Value Balances as of 12/31/15 was \$4,159,924,846 versus \$4,351,867,428 last quarter, down \$191,942,582.
- ✓ The General fund ended the quarter with a total balance of \$1,831,510,185 versus \$2,000,426,403 on 12/31/14.
- ✓ The expectation is for overall fund balances to decline with lower revenues, therefore, STO is looking to reduce the investment core fund by \$100MM over the next quarter.
- ✓ Liquidity requirements are managed in each fund to ensure cash is available when needed. The general fund liquidity ended the quarter at \$381,802,815.
- ✓ Investment components for each fund are targeted to a specific market benchmarks and all funds were invested shorter in duration than the established benchmark indicating a cautious position in anticipation of higher rates.
- ✓ 63 purchases were made this quarter, excluding repo transactions for a total of \$647,593,696. Transactions were primarily in the LGIP rolling short maturity securities. Secondary Agency securities such as PEFCO and Farmer Mac were bought and sold this quarter.
- ✓ 11 sales occurred for a total of \$188,318,753 in Proceeds. Securities were sold in the General Fund Core to provide for liquidity.
- ✓ Realized gains on the sales for the quarter across all funds totaled \$221,265.
- ✓ PEFCO bonds were traded for a net gain of approximately \$40K. The portfolio still holds \$15,770,000 in par amount.
- ✓ The LGIP earnings rate is consistent with market rates of return on 60 day and shorter securities.

(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 1.54 years and the weighted benchmark is 1.86 years. The interest rate risk exposure is less relative to the target benchmarks and are in line with the established goals and targets.

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 49.12% in agency securities and 46.06 % in US Treasury securities. The BPIP Tax-exempt fund is 48.93% in Agency securities and 38.94% in Treasury securities and the BPIP Taxable fund is 39.01% in Agency securities and 50.02% in US Treasury. The remaining credit exposure is in collateralized bank deposits and in municipal securities. The high allocation to US Treasury's is above average and due to the lack of value presented by agency securities reflected in the tight yield spreads.



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 seeking value on the yield curve and in various asset types.

### 3. GPA Observations & Recommendations

- STO managers have maintained all the portfolios shorter than the stated benchmarks in anticipation of higher rates.
- Evaluations of secondary agency holdings such as Farmer Mac, TVA and PEFCO has been completed by the portfolio managers and they will be working on transitioning to a practice of 5% per issuer in each portfolio, with the exception of the LGIP. The LGIP will transition to holding only the primary tier of Agency issuers. The primary tier are as follows: FHLB, FHLMC, FNMA and FFCB.
- STO is working with S&P on a plan of action to reduce the holdings on non-rated agency paper in the LGIP.
- Corporate securities are still under review to consider adding to the STO portfolios excluding LGIP.

GPA is reporting on the following key measures:

Asset Allocation:

- 1) Present the current asset allocation by funds.
- 2) Present the changes in asset allocation over the quarter.
- 3) Present asset allocation change fiscal year to date basis.

Performance Measurement and Risk Management:

- 1) Provide a comparison of the duration targets for each investment fund relative to the established benchmark.
- 2) Provide 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 for the invested funds and the LGIP.

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**

<i>Allocation Report by Fund</i>	GPA has compiled a report that provides a summary of the asset allocation in each fund. The allocation to US Treasury securities remains higher due to the tight spreads of Agency issues. US Treasury allocations are as follows: the Core fund increased treasury exposure and ended the quarter with 46.06%, the Taxable fund at 50.02% and the Tax-Exempt fund at 38.94%. The LGIP does not have any US treasury securities and agency securities are being purchased to add incremental yield.
<i>Change in the Quarter</i>	GPA is providing a report for asset allocation change quarter over quarter. The primary changes were in a shift in the core fund of 10% from Agency to Treasury paper and the Tax Exempt shifted by approximately 7% from LGIP holdings to Agency paper. In addition, the Severance Tax Bond fund reduced its holdings in Agency paper and added Repo. The yield spreads between US treasury and Agency securities varies throughout the yield curve and the Portfolio Managers are continually assessing the value when making purchases.
<i>Issuer Exposure</i>	The primary issuer exposure lies with the various local municipal holdings. The portfolio managers continue to seek value in local government issuers.
<i>Relative Value between Asset Classes</i>	The strategy of over-weighting US treasury securities continues to benefit the performance of the portfolios. US treasuries are also highly liquid and provide for the flexibility to sell and move into corporate or agency paper when spreads widen. For 2015, the 1-5 year treasury index performed at .975%, the 1-5 year Agency index at .969% and the 1-5 year AA-AAA Corporate index at 1.456%.

12/31/2015

<i>Portfolio Name</i>	<i>Market Value+Int</i>	<i>% Fund</i>	<i>Repo</i>	<i>Bank</i>	<i>Treasury</i>	<i>Agency</i>	<i>Corp/CP</i>	<i>Muni</i>	<i>Other</i>
Total LGIP	\$ 655,619,027	100%	3.81%	31.44%	0.00%	64.75%	0.00%		
Liquidity	\$ 300,613,472	46%							
Investments	\$ 355,005,555	54%							
LGIP GIP Index Benchmark			25.97%	16.05%	5.27%	52.23%	0.00%	0.00%	0.48%
<i>Portfolio Name</i>	<i>Market Value+Int</i>	<i>% Fund</i>	<i>Repo</i>	<i>CD/Bank</i>	<i>Treasury</i>	<i>Agency</i>	<i>Corp/CP</i>	<i>LGIP</i>	<i>Muni</i>
Total General Fund	\$ 1,831,510,185	100%					0.00%		
Liquidity	\$ 381,802,185	21%	47.45%	52.55%			0.00%		
Investment Core	\$ 1,449,708,000	79%	0.07%	3.78%	46.06%	49.12%	0.00%		0.97%
<i>Portfolio Name</i>	<i>Market Value+Int</i>	<i>% Fund</i>	<i>Repo</i>	<i>CD/Bank</i>	<i>Treasury</i>	<i>Agency</i>	<i>Corp/CP</i>	<i>LGIP</i>	<i>Muni</i>
Total Tax Exempt	\$ 691,959,590	100%	5.60%	0.41%	38.94%	48.93%	0.00%	3.19%	2.93%
Liquidity	\$ 63,696,844	9%							
Investments	\$ 628,262,746	91%							
<i>Portfolio Name</i>	<i>Market Value+Int</i>	<i>% Fund</i>	<i>Repo</i>	<i>CD/Bank</i>	<i>Treasury</i>	<i>Agency</i>	<i>Corp/CP</i>	<i>LGIP</i>	<i>Muni</i>
Total Taxable	\$ 677,926,286	100%	7.16%	1.51%	50.02%	39.01%	0.00%	1.52%	0.78%
Liquidity	\$ 69,063,395	10%							
Investments	\$ 608,862,891	90%							
<i>Portfolio Name</i>	<i>Market Value+Int</i>	<i>% Fund</i>	<i>Repo</i>	<i>CD/Bank</i>	<i>Treasury</i>	<i>Agency</i>	<i>Corp/CP</i>	<i>LGIP</i>	<i>Muni</i>
Overnight Repo Pool	\$ 157,802,618	100%	100.00%				0.00%		
Liquidity	\$ 157,802,618	100%							
Investments		0%							
<i>Portfolio Name</i>	<i>Market Value+Int</i>	<i>% Fund</i>	<i>Repo</i>	<i>CD/Bank</i>	<i>Treasury</i>	<i>Agency</i>	<i>Misc</i>	<i>LGIP</i>	<i>Muni</i>
Severance Tax Bonding	\$ 145,107,140	100%	51.56%	6.92%	0.00%	11.14%		30.38%	0.00%
Liquidity	\$ 130,548,594	90%							
Investments	\$ 14,558,546	10%							
<b>TOTAL STO FUNDS</b>	<b>\$ 4,159,924,846</b>								

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

12/31/15

## CHANGE IN PORTFOLIO FROM 9/30/15 - 12/31/15

<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>		
12/31/2015	\$ 655,619,027	3.81%	31.44%	0.00%	64.75%	0.00%	0.00%		
9/30/2015	\$ 742,818,089		23.87%	0.00%	76.13%	0.00%	0.00%		
Change over Period	\$ (87,199,062)	0.00%	7.57%	0.00%	-11.38%	0.00%	0.00%		
<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>	
12/31/2015	\$ 381,802,185	47.45%	52.55%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9/30/2015	\$ 414,963,071	51.67%	48.33%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Change over Period	\$ (33,160,886)	-4.22%	4.22%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<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>	
12/31/2015	\$ 1,449,708,000	0.07%	3.78%	46.06%	49.12%	0.00%	0.00%	0.97%	
9/30/2015	\$ 1,511,303,449	-0.02%	3.62%	36.42%	59.10%	0.00%	0.00%	0.88%	
Change over Period	\$ (61,595,449)	0.09%	0.16%	9.64%	-9.98%	0.00%	0.00%	0.09%	
<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>	
12/31/2015	\$ 691,959,590	5.60%	0.41%	38.94%	48.93%	0.00%	3.19%	2.93%	
9/30/2015	\$ 708,335,794	7.44%	0.42%	37.50%	41.34%	0.00%	10.88%	2.42%	
Change over Period	\$ (16,376,204)	-1.84%	-0.01%	1.44%	7.59%	0.00%	-7.69%	0.51%	
<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>	
12/31/2015	\$ 677,926,286	7.16%	1.51%	50.02%	39.01%	0.00%	1.52%	0.78%	
9/30/2015	\$ 712,358,599	10.09%	1.43%	47.09%	37.81%	0.00%	2.80%	0.78%	
Change over Period	\$ (34,432,313)	-2.93%	0.08%	2.93%	1.20%	0.00%	-1.28%	0.00%	
<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>	
12/31/2015	\$ 157,802,618	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
9/30/2015	\$ 149,477,392	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Change over Period	\$ 8,325,226								
<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>	
12/31/2015	\$ 145,107,140	51.56%	6.92%	0.00%	11.14%	0.00%	30.38%	0.00%	
9/30/2015	\$ 112,611,034	4.85%	8.92%	0.00%	47.11%	0.00%	39.12%	0.00%	
Change over Period	\$ 32,496,106	46.71%	-2.00%	0.00%	-35.97%	0.00%	-8.74%	0.00%	
<b>TOTAL STO FUNDS 12/31/15</b>	<b>\$ 4,159,924,846</b>								
<b>TOTAL STO FUNDS 9/30/15</b>	<b>\$ 4,351,867,428</b>								

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



BENCHMARK DATA THROUGH 12/31/15

SOURCE: Bloomberg Merrill Lynch BoA Indices

Treasury		Effective Duration	Last Quarter	Last Year	Last 3 Years		Last 5 Years	
Benchmark	Symbols				Periodic	Annualized	Periodic	Annualized
US Treasury 0-1 Year	G0QA	0.44	-0.042%	0.156%	0.433%	0.144%	0.928%	0.185%
US Treasury 0-3 Year	G1QA	1.34	-0.306%	0.426%	1.186%	0.394%	2.728%	0.540%
US Treasury 1-3 Year	G1O2	1.80	-0.436%	0.541%	1.524%	0.505%	3.548%	0.700%
US Treasury 0-5 Year	GVQA	2.14	-0.529%	0.808%	1.697%	0.563%	5.219%	1.023%
US Treasury 1-5 Year	GVQ0	2.63	-0.665%	0.975%	2.035%	0.674%	6.419%	1.252%
US Treasury 1-10 Year	G5O2	3.76	-0.863%	1.243%	2.385%	0.789%	11.349%	2.173%

Agency		Effective Duration	Last Quarter	Last Year	Last 3 Years		Last 5 Years	
Benchmark	Symbols				Periodic	Annualized	Periodic	Annualized
US Agency 1-3 Year	G1P0	1.65	-0.369%	0.695%	1.827%	0.605%	4.262%	0.838%
US Agency 1-3 Year Bullet	G1PB	1.67	-0.409%	0.644%	1.812%	0.600%	4.363%	0.858%
US Agency 1-3 Year Callable	G1PC	1.58	-0.172%	0.923%	1.914%	0.634%	3.855%	0.759%
US Agency 1-5 Year	GVPO	2.10	-0.490%	0.969%	2.312%	0.765%	6.257%	1.221%
US Agency 1-5 Year Bullet	GVPB	2.18	-0.567%	0.896%	2.229%	0.737%	6.501%	1.268%
US Agency 1-5 Year Callable	GVPC	1.74	-0.160%	1.276%	2.664%	0.880%	5.259%	1.030%

Corporate		Effective Duration	Last Quarter	Last Year	Last 3 Years		Last 5 Years	
Benchmark	Symbols				Periodic	Annualized	Periodic	Annualized
1-3 Year Corp A-AAA	C110	1.86	-0.054%	1.159%	3.695%	1.217%	9.591%	1.849%
1-3 Year Corp AA-AAA	C1B0	1.88	-0.133%	1.049%	3.058%	1.009%	7.535%	1.464%
1-5 Year Corp A-AAA	CV10	2.68	-0.157%	1.520%	4.858%	1.594%	13.817%	2.622%
1-5 Year Corp AA-AAA	CVB0	2.69	-0.236%	1.456%	4.130%	1.358%	11.079%	2.124%



### **PERFORMANCE REPORT**

<i>Performance Report</i>	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.
<i>Quarter Performance</i>	All three total return investment portfolios maintained shorter durations than the benchmarks due to the outlook and expectation of higher interest rates. Rates ended the period higher by approximately 40 basis points across the 1-3 year maturities. This resulted in outperformance for all the funds relative to the benchmarks. For the quarter, the general fund core performed at a -.45% versus the benchmark at -.53%. The BPIP tax exempt performed at -.24% versus -.31% and the taxable performed at -.21% versus -.31%.
<i>Attribution Analysis</i>	The primary contributor to return was the duration positioning relative to the benchmark. Credit exposure was minimal with the use of municipal securities. US treasury securities continue to add value in performance relative to Agency securities.
<i>Observations and Considerations</i>	<i>Duration:</i> Interest rates are expected to continue to be volatile in anticipation of a federal reserve rate change on the federal funds rate. Rates continue to be expected to be higher into 2016, however, other impacts such as oil and China's economic conditions will continue to influence the fixed income market. GPA is recommending to maintain durations in the portfolios slightly shorter to neutral the benchmarks.

**PERFORMANCE BY INVESTMENT FUND**

**12/31/2015**

<i>Portfolio Name</i>	<i>Market Value</i>	<i>Days</i>	<i>Daily Yields</i>	<i>Earnings Yield</i>
			<i>12/31/2015</i>	<i>6/30/15-12/31/15</i>
			<i>Quarter End Yield</i>	<i>Fiscal Year</i>
LGIP 30 Day Gross Yield	\$ 655,619,027	43	0.260%	0.19%
Fund Benchmark Gross Return		33	0.250%	0.18%
LGIP 30 Day Net Yield		43	0.210%	0.14%
Fund Benchmark Net Return		33	0.120%	0.10%

**STO INVESTMENT FUNDS**

<i>Portfolio Name</i>	<i>Market Value</i>	<i>12/31/2015</i>	<i>12/31/2015</i>	<i>6/30/15-12/31/15</i>	<i>% of STO</i>
		<i>Duration - End</i>	<i>Quarter Return</i>	<i>Fiscal Year</i>	
General Fund Liquidity	\$ 381,802,185	0.08	0.04%	0.08%	11.93%
Fund Benchmark		0.01	0.02%	0.03%	
<i>Portfolio Name</i>	<i>Market Value</i>	<i>Duration - End</i>	<i>Quarter Return</i>	<i>Fiscal Year</i>	<i>% of STO</i>
General Fund Core	\$ 1,449,708,000	1.82	-0.44%	0.05%	45.28%
Fund Benchmark		2.20	-0.53%	0.04%	
<i>Portfolio Name</i>	<i>Market Value</i>	<i>Duration - End</i>	<i>Quarter Return</i>	<i>Fiscal Year</i>	<i>% of STO</i>
BPIP Tax Exempt	\$ 691,959,590	1.24	-0.24%	-0.04%	21.61%
Fund Benchmark		1.40	-0.31%	-0.07%	
<i>Portfolio Name</i>	<i>Market Value</i>	<i>Duration - End</i>	<i>Quarter Return</i>	<i>Fiscal Year</i>	<i>% of STO</i>
BPIP Taxable	\$ 677,926,286	1.14	-0.21%	0.04%	21.18%
Fund Benchmark		2.00	-0.31%	-0.07%	
<b>Total STO Investment Funds</b>	<b>\$ 3,201,396,061</b>	<b>1.34</b>	<b>-0.29%</b>	<b>0.03%</b>	<b>100.00%</b>
<b>Weighted Benchmark</b>		<b>1.72</b>	<b>-0.37%</b>	<b>-0.01%</b>	

**STO OTHER FUNDS**

<i>Portfolio Name</i>	<i>Market Value</i>	<i>12/31/2015</i>	<i>12/31/2015</i>	<i>6/30/15-12/31/15</i>
		<i>Duration - End</i>	<i>Quarter Return</i>	<i>Fiscal Year</i>
Serverance Tax Bonding	\$ 145,107,140	0.09	0.04%	0.11%
<i>Portfolio Name</i>	<i>Market Value</i>	<i>Duration - End</i>	<i>Quarter Return</i>	<i>Fiscal Year</i>
Overnight Repo Pool	\$ 157,802,618	0.11	0.03%	0.06%
<b>Total STO Investment Funds</b>	<b>\$ 4,159,924,846</b>			

JP Morgan reports are based on trade date and includes accrued interest \*LGIP return data provided by STO and based on yield earnings

All other returns are total return which reflects Market Value change and accrual interest earnings.



## 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 \$10,673,336 given a 25 basis points change in the market and a parallel yield curve shift. This does not incorporate credit spread changes or yield curve shift. The exposure is less than the established benchmark by approximately \$2.5MM.
<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. The LGIP NAV reporting continues to be reviewed and is reported to S&P on a weekly basis. There is a slight variance in market pricing that is impacting the NAV. Staff is working on reconciling the reporting to match market value to participant value.

### SHOCK ANALYSIS

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

12/31/2015

**Assumptions:**

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

**STO FUNDS**

<i>Portfolio Name</i>	<i>Market Value</i>	<i>RISK Duration - End</i>	<i>Up 25 Basis Pts Market Change</i>	<i>Up 50 Basis Pts Market Change</i>	<i>Up 100 Basis Pts Market Change</i>
General Fund Core	\$ 1,449,708,000.00	1.82	\$ (6,596,171.40)	\$ (13,192,342.80)	\$ (26,384,685.60)
Fund Benchmark		2.25	\$ (8,154,607.50)	\$ (16,309,215.00)	\$ (32,618,430.00)
<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	\$ 691,959,590.00	1.24	\$ (2,145,074.73)	\$ (4,290,149.46)	\$ (8,580,298.92)
Fund Benchmark		1.45	\$ (2,508,353.51)	\$ (5,016,707.03)	\$ (10,033,414.06)
<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	\$ 677,926,286.00	1.14	\$ (1,932,089.92)	\$ (3,864,179.83)	\$ (7,728,359.66)
Fund Benchmark		1.45	\$ (2,457,482.79)	\$ (4,914,965.57)	\$ (9,829,931.15)
<b>Total STO Investment Funds</b>	<b>\$ 2,819,593,876.00</b>	<b>1.514</b>	<b>\$ (10,673,336.04)</b>	<b>\$ (21,346,672.09)</b>	<b>\$ (42,693,344.18)</b>
<b>Total Benchmark Change</b>		<b>1.861</b>	<b>\$ (13,120,443.80)</b>	<b>\$ (26,240,887.60)</b>	<b>\$ (52,481,775.20)</b>

\* Data Source: JP Morgan Custodial Reports

**ASSUMED EARNINGS COMPARISON OF PORTFOLIO TO CASH EARNINGS ANNUALIZED**

<i>Portfolio Name</i>	<i>Market Value</i>	<i>12/31/2015 Book Yield</i>	<i>1 year Earnings</i>	<i>3 year* Earnings</i>
General Fund Core	\$ 1,449,708,000.00	1.16%	\$ 16,816,612.80	\$ 50,449,838.40
Cash		0.20%	\$ 2,899,416.00	\$ 8,698,248.00
<i>Portfolio Name</i>	<i>Market Value</i>	<i>BookYield</i>	<i>Earnings</i>	<i>Earnings</i>
BPIP Tax Exempt	\$ 691,959,590.00	0.77%	\$ 5,318,401.41	\$ 15,955,204.23
Cash		0.20%	\$ 1,383,919.18	\$ 4,151,757.54
<i>Portfolio Name</i>	<i>Market Value</i>	<i>BookYield</i>	<i>Earnings</i>	<i>Earnings</i>
BPIP Taxable	\$ 677,926,286.00	0.78%	\$ 5,287,825.03	\$ 15,863,475.09
Cash		0.20%	\$ 1,355,852.57	\$ 4,067,557.72
<b>Total STO Investment Funds</b>	<b>\$ 2,819,593,876.00</b>		<b>\$ 27,422,839.24</b>	<b>\$ 82,268,517.72</b>

Data Source: JP Morgan Custodial Reports and QED reports

\* 3 year returns assumes the same rate as of 12/31/15 for the next 3 years.



**SENSITIVITY ANALYSIS**

Weighted Average Maturity:

As of 12/31/15

43

Shares Outstanding:

\$ 657,532,970 Participant Share as of 1/4/16

Market Value (NAV):

0.99966

Total \$ Unrealized Loss:

(\$223,561)

Total \$ Unrealized Gain

\$0

Market Value - JP Morgan Price

\$ 654,448,535

Unrealized

Basis Point Shift									Gain (Loss)
300	0.994465	0.995695	0.995922	0.996126	0.996310	0.996478	0.997020	\$	(2,547,445)
250	0.995307	0.996350	0.996542	0.996715	0.996871	0.997013	0.997473	\$	(2,160,131)
200	0.996148	0.997004	0.997162	0.997304	0.997432	0.997549	0.997926	\$	(1,772,817)
150	0.996990	0.997659	0.997782	0.997893	0.997993	0.998084	0.998379	\$	(1,385,503)
100	0.997831	0.998313	0.998402	<b>0.998482</b>	0.998554	0.998620	0.998832	\$	(998,189)
50	0.998673	0.998968	0.999022	0.999071	0.999115	0.999155	0.999285	\$	(610,875)
0	<b>0.999514</b>	<b>0.999622</b>	<b>0.999642</b>	<b>0.999660</b>	<b>0.999676</b>	<b>0.999691</b>	<b>0.999738</b>	\$	(223,561)
-50	1.000356	1.000277	1.000262	1.000249	1.000237	1.000226	1.000192	\$	163,753
-100	1.001197	1.000931	1.000882	<b>1.000838</b>	1.000798	1.000762	1.000645	\$	551,067
-150	1.002039	1.001586	1.001502	1.001427	1.001359	1.001297	1.001098	\$	938,381
-200	1.002880	1.002240	1.002122	1.002016	1.001920	1.001833	1.001551	\$	1,325,695
-250	1.003722	1.002895	1.002742	1.002605	1.002481	1.002368	1.002004	\$	1,713,008
-300	1.004563	1.003549	1.003362	1.003194	1.003042	1.002904	1.002457	\$	2,100,322

Redemption/Inflow O/S Shares	-30%	-10%	-5%	0%	5%	10%	30%
	460,273,079	591,779,673	624,656,321	657,532,970	690,409,618	723,286,267	854,792,861

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

Note: Market Value of LGIP differs on S&P report from JP Morgan report



**INVESTMENT STRATEGY REVIEW**

	<p><i>General Fund:</i> The Core fund was reduced and liquidity balances decreased by \$61MM and \$33MM respectively due to increased demand on outflows. The portfolio manager raised cash in the core fund by selecting maturities to sell at gains and strategically across the yield curve. At quarter end the duration of the core fund was at 1.82 or 82% of the benchmark. Liquidity balances ended the quarter at \$381MM and a strategy has been developed to move \$100MM from the core fund to liquidity over the next quarter.</p> <p><i>BPIP Taxable and Tax Exempt Funds:</i> BPIP Tax Exempt fund decreased by \$16MM due to typical outflows and the Taxable fund decreased by \$34MM. Cash flow continues to be volatile in these funds and the durations are impacted by the need for cash flow. The portfolio managers are focused on holding more liquidity in these funds to reduce the exposure to being forced to selling in a declining market value environment.</p> <p><i>LGIP Fund:</i> The LGIP balance decreases by \$87MM versus last quarter. The withdrawals were primarily STO fund holdings. The earnings rate on the pool is consistent with the market conditions and is moving upward. The gross yield ended the quarter at .26% and the net yield at .21%. The net yield places the Pool in second quartile of performers as measure by S&amp;P LGIP Index quartile rankings.</p>
<i>Investment Objectives</i>	The structure of the portfolios are consistent with the investment policy objectives of safety, liquidity and return and are currently in a protective and conservative position based on the expectation of higher rates.
<i>Investment Results</i>	<p>Earnings book yield in each fund as of 12/31/15:          LGIP Net Yield: .21% Gross yield .26%          General Fund Core Yield: 1.16% up from 1.10 last quarter          BPIP Tax Exempt Fund Yield: .77% up from .60% last quarter          BPIP Taxable Fund Yield: .78% up from .68% last quarter</p>



This report is for general informational purposes only and is not intended to provide specific advice or recommendations. Government Portfolio Advisors (GPA) is an investment advisor registered with the Securities and Exchange Commission and is required to maintain a written disclosure statement of our background and business experience.

**Questions About an Account:** GPA's monthly & quarterly reports are intended to detail the investment advisory activity managed by GPA. In addition, at the request of the account, the report may include bank balances, LGIP balances and other funds that are held but not invested at the direction of GPA. The custodian bank maintains the control of assets and executes (ie. Settles) all investment transactions. The custodian statement is the official record of security and cash holdings and transactions. GPA recognizes that clients may use these reports to facilitate record keeping and that the custodian bank statement and the GPA report should be reconciled and differences resolved. Many custodians use a settlement date basis which may result in the need to reconcile due to a timing difference.

**Account Control:**

GPA does not have the authority to withdraw funds from or deposit funds to the custodian. Our clients retain responsibility for their deposit funds to the custodian. Our clients retain responsibility for their internal accounting policies, implementing and enforcing internal controls and generating ledger entries or otherwise recording transactions.

**Market Value:**

Generally, market prices in GPA's reports are derived from closing bid prices as of the last business day of the month as supplied by Interactive Data or Bloomberg. Where prices are not available from generally recognized sources the securities are priced using a yield-based matrix system to arrive at an estimated market value. Prices that fall between data points are interpolated. Non-negotiable FDIC-insured bank certificates of deposit are priced at par. Although GPA believes the prices to be reliable, the values of the securities do not always represent the prices at which the securities could have been bought or sold.

**Amortized Cost:**

The original cost of the principal of the security is adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report. Discount or premiums with respect to short term securities (those with less than one year to maturity at time of issuance) is amortized on a straightline basis. Such discount or premium with respect to longer term securities is amortized using the constant yield basis.

**Financial Situation:**

In order to better serve you, GPA should be promptly notified of any material change in your investment objective or financial situation.

**Callable Securities:**

Securities subject to redemption prior to maturity may be redeemed in whole or in part before maturity, which could affect the yield represented. Certain call dates may not show up on the report if the call date has passed and it is continuously callable.

**Duration:**

The duration listed on the reports is duration to maturity and duration to call. Effective duration is calculated on Bloomberg and imported into these reports and reflects the OAS duration which incorporates the probability of the bond being called. Effective duration is what GPA compares to the benchmark to reflect current market risk.

**Benchmark Duration:**

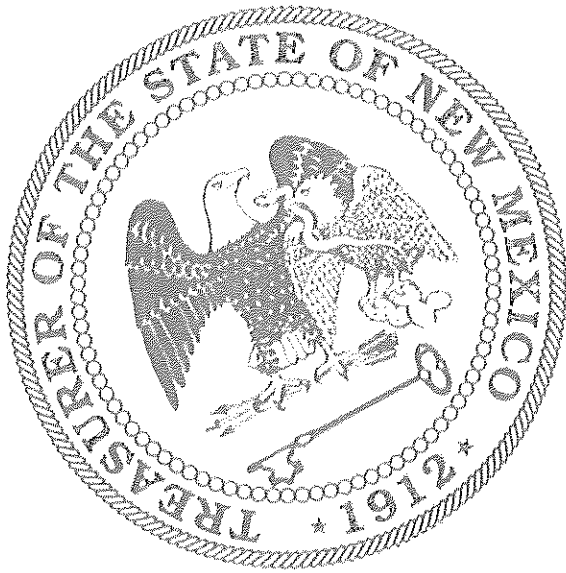
The benchmark duration is the historical weighted average of the benchmark duration over monthly periods. GPA is reporting this number as a static amount period over period.

**Portfolio:**

The securities in this portfolio are not guaranteed or otherwise protected by GPA, the FDIC (except for non-negotiable certificates of deposit) or any government agency. Investment in securities involves risks, including the possible loss of the amount invested.

**Rating:**

Information provided for ratings is based upon a good faith inquiry of selected sources, but its accuracy and completeness cannot be guaranteed.



## 9. Quarterly Investment Review

## Quarterly Investment Review

### Market Summary

---

The 4th quarter of 2015 was a story of being good enough. The quarter provided enough signs of economic positivity and market stability, or at least enough of a reprieve from market and economic negativity, to allow the Fed to increase interest rates for the first time in nearly a decade. That said, the quarter was very much a mixed bag.

We entered the quarter off the heels of pronounced international economic softening and market volatility, especially in China, and with a Fed that appeared willing to allow such developments to impact domestic monetary policy. This uncertainty was further reinforced with a disappointingly low nonfarm payrolls number (142,000 versus expectations of 200,000) reported in October. Additionally, over the course of the quarter, commodities and oil prices continued to drudge downward placing additional pressure on international economies and lending strength to the US dollar. Nonetheless, strong GDP prints, reductions in unemployment (5.1% to 5.0%), robust nonfarm payroll reports (271,000 and 211,000 for November and December respectively) and positive movements in domestic and international equity markets provided the Fed the opportunity to finally lift off zero interest rates.

In response, fixed income markets did a good job of anticipating the Fed's December hike as rates moved higher across the curve both for the period and within each month with increases accelerating the most in the few weeks prior to the hike. As expected, yield increases were most pronounced within the short end of the curve, especially from 6 months to 5 years out, as inflation continued to fall well below the Fed's long-term 2% target.

With regard to asset classes, spreads between Treasuries and Agencies have remained extremely narrow for maturities longer than one year. The portfolios have utilized Agencies as a source of cash to meet liquidity needs or for restructuring purposes. NM municipal securities were expensive when compared to yields on US Treasuries and Agencies, in most cases. The ability to purchase corporate securities in the portfolios going forward, will provide additional opportunities to add yield as spreads have widened in sympathy with weak equity markets. Stay tuned.

Table 11 – Comparative Quarterly Interest Rates

<i>US Treasury Yields</i>			
<i>Maturity</i>	<i>30-Sep</i>	<i>31-Dec</i>	<i>Change</i>
<i>3-Month</i>	-0.01%	0.17%	0.18%
<i>6-Month</i>	0.07%	0.48%	0.41%
<i>2-Year</i>	0.63%	1.05%	0.42%
<i>3-Year</i>	0.90%	1.31%	0.41%
<i>5-Year</i>	1.36%	1.76%	0.40%
<i>10-Year</i>	2.04%	2.27%	0.23%
<i>30-Year</i>	2.85%	3.01%	0.16%
<i>Source: Bloomberg LP</i>			

*Investment Strategy Employed During the Past Quarter*

---

The general strategy over the fourth quarter of 2015 was to continue to stay cautiously short of the duration of the benchmarks across portfolios. The quarter began with bond yields quite low following the Fed's decision to hold short term interest rates steady at their September Federal Open Market Committee meeting. The rate hike finally came in mid-December as US Treasury prices slumped in response, with 1 to 5 year maturities bearing the brunt of the weak performance for the quarter.

As always, we are limited by the goals of safety, liquidity and yield. With regard to specific funds, we have utilized strategies which complement each fund's particular cash needs.

*General Fund Investment Pool*

At the end of the quarter the General Fund Investment Pool had a 21% and 79% weighting between the Liquidity and CORE portions respectively. As NM state cash needs have increased during this fiscal year, \$55 million was transferred out of the CORE and into the Liquidity portion during the quarter.

The GF Core with a shorter duration vs. the benchmark, outperformed for the quarter as interest rates rose. Yield curve positioning was not as much of a factor as it had been in the first three quarters of 2015 as maturities out to five years moved higher ~40 basis points in tandem. For the last 12 months, the portfolio underweight in the five year maturity, slightly worked against the CORE portfolio.

**Table 12 – 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>	(0.44)%	0.80%
<i>BAML 0-5 US Treasury</i>	(0.53)%	0.81%
<i>Relative Performance (BPs)</i>	0.09%	(0.01)%

*Source: JP Morgan*

**Table 13 – Quarter-End General Fund Investment Pool Positioning versus Benchmark**

<i>Fund</i>	<i>Duration</i>		<i>Percentage</i>
	<i>Portfolio</i>	<i>Benchmark</i>	
<i>General Fund Liquidity</i>	0.01 Years		
<i>General Fund CORE</i>	1.92 Years	2.14 Years	90%

*Source: QED, JPMorgan*

*Bond Proceeds Funds*

With regard to relative performance, the Bond Proceeds Investment Pools outperformed their benchmarks for the fourth quarter. For the the 12-month period, the Tax Exempt Pool underperformed while the Taxable Pool outperformed, vs. benchmarks.

**Table 14 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>	(0.24)%	0.35%
<i>BAML 0-3 US Treasury</i>	(0.31)%	0.43%
<i>Relative Performance (BPs)</i>	0.07%	(0.08)%
<i>Bond Proceeds – Taxable</i>	(0.22)%	0.48%
<i>BAML 0-3 US Treasury</i>	(0.31)%	0.43%
<i>Relative Performance (BPs)</i>	0.09%	0.05%

*Source: JPMorgan*

With regard to positioning, both Pools were shorter than the duration of their benchmarks, enabling them to outperform for the quarter as interest rates rose. Cash flows from timing and size of NM debt issuances and capital project withdrawals can create differences in how the Pools are invested. For the 12-month returns, the Taxable Pool was able to take advantage of investments longer than three years, outside the scope of the 0-3 year Treasury benchmark, as the yield curve flattened.

**Table 15 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>	1.24 Years	1.34 Years	93%
<i>Bond Proceeds – Taxable</i>	1.14 Years	1.34 Years	85%

*Source: QED, JPMorgan*

*Local Government Investment Pool*

The LGIP decreased by \$88mil to end the quarter at a market value of \$654mil. On a comparative basis, the fund has performed in line relative to its peers, outperforming for the 12-month period, but slightly underperforming for the quarter. The maintenance of the weighted average maturity of the Pool, close to the maximum allowable for AAAM funds, was a drag on performance as the Fed raised short term interest rates in December.

**Table 16 - 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%	0.17%
<i>S&amp;P Government Bond Index (Gross)</i>	0.05%	0.15%
<i>Relative Performance (BPs)</i>	(0.02)%	0.02%

*Source: JPMorgan*

### *Severance Tax Bonding Fund*

The Severance Tax Bonding Fund grew over the quarter by \$25-30MM/month with the receipt of severance taxes. Balances are built throughout the quarter to cover debt service payments on outstanding severance tax bonds on Jan and July 1 and to retire severance tax and supplemental severance tax notes issued late in the quarter.

The Severance Tax Bonding Fund was primarily invested in overnight repurchase agreements which remain competitive relative to short-term investment alternatives. The Fund can purchase longer maturities vs. overnight investments to pick up additional yield as long as debt service payments can be met on a timely basis.

Table 177 – Quarterly Severance Tax Bonding Fund Relative Performance

<i>Fund</i>	<i>Performance</i>	
	<i>Quarter</i>	<i>12 Months</i>
<i>Severance Tax Bonding Fund</i>	0.04%	0.18%
<i>S&amp;P Government Bond Index (Gross)</i>	0.05%	0.15%
<i>Relative Performance (BPs)</i>	(0.01)%	0.03%

*Source: JPMorgan*

### *Expectations for the Upcoming Quarter and Year*

---

The beginning of 2016 has begun in quite a dramatic and unexpected fashion. Extremely weak global equity markets, creating a flight-to-quality, and downward trending oil prices have pushed US Treasury yields below the levels experienced following the December Fed rate hike. As oil prices declined, the attainability of the Fed's 2% inflation target moves further into the future. US Treasuries have repriced to reflect a much slower Fed tightening cycle, removing the March expectation for a 0.25% increase in Fed Funds, and jeopardizing the Fed's dot plot projection of a total 1% increase in short term rates for 2016.

Totally expecting that this time around the Fed tightening cycle would be "different", slow and measured, we have experienced quite the opposite market activity, thus far. The swift drop in yields in the US, coupled with the continuation of quantitative easing overseas, has made the bond market quite unattractive from a value standpoint. The STO portfolios have been short the duration of their benchmarks throughout the month of January, and will remain so, embracing the idea that the US Treasury market has overextended itself.

The STO portfolios will utilize weakness in bond prices, if they materialize, to add portfolio duration. With regard to corporate securities, volatility in equity markets have put pressure on yield spread advantages vs. Treasuries, and have provided a more attractive entry point. Agency securities have offered minimal yield pickups and are a source of funds for raising cash or changing portfolio structure. NM municipal securities have also become less viable investments vs. US Treasuries and Agencies, offering flat to negative yield spreads in most cases.

### *General Fund Investment Pool*

The General Fund Investment Pool will remain fully invested. In a continuation of the trend for the FY16, \$100 million has already been transferred from the Core to the Liquidity portion of the Pool in the first quarter of 2016, in order to meet cash needs. With minimal maturities occurring in the Core portfolio, all portfolio restructurings will need to be accomplished via the sale of existing holdings.



### *Bond Proceeds Pools*

The Pools are invested in a laddered fashion in order to meet monthly withdrawal requests. Both portfolios will continue to be managed with an emphasis towards meeting regular cash requests.

### *Local Government Investment Pool*

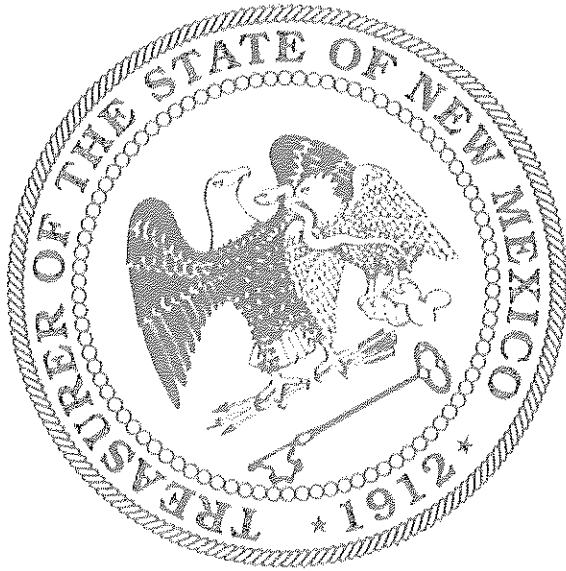
The LGIP has decreased by almost \$90mil since the end of September 2015. The yield on the Pool was between 0.205-0.264% with a net yield payable to participants of 0.155-0.214%. The WAM to reset will continue to be close to the maximum allowable 60 days. The WAM to final lengthened to 97 days as longer dated floating rate notes were purchased.

### *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.

Given continued weakness in oil and gas prices we expect deposits to be between \$25-\$30mil/month average.

*Vikki Hanges*  
*Portfolio Manager*



## 10. 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 \$1.86 Billion.

### *Portfolio Mix*

- At month end, 100% of the General Fund CORE portfolio was invested in fixed income securities; 46% in US Government Securities; 50% in Government Related Securities (Municipal Bonds and Agency Securities), and the balance ~4% in cash and cash equivalents.
- 23% of the portfolio was invested in securities that mature in one year; 39% in securities that mature from 1-2 years; 29% in 2-4 years and 9% within 5 years.
- The General Fund Core portfolio held positions in 115 securities at the end of December.
- The Weighted Average Life of the CORE portion of the General Fund was 1.98 years. The Weighted Average duration was 1.92 years.
- The benchmark duration for the CORE portfolio was 2.14 years.
- The maximum security term for the CORE portfolio is 5 years.

### *Performance*

- For the last 3 months, the General Fund outperformed its benchmark, with a loss of (0.44)% vs. (0.53)%.
- For the last 12 months, the General Fund slightly underperformed its benchmark. The General Fund gained 0.80% while the benchmark rose 0.81%.

### *Market Value and Investment Earnings*

- Unrealized gains/losses in the Core Portfolio at the end of December were (\$308,967).
- Over the month, the unrealized value of the portfolio decreased by \$2.9 million due to an increase in relative interest rates.
- Monthly net earnings for December on the General Fund Portfolios were \$1.5 million.
- Total monthly earnings including mark-to-market were (\$1.4) million.
- Year-to-date net earnings were \$8.8 million.
- Total year-to-date earnings including mark-to-market were \$1.4 million.
- STO projection of net earnings for FY16 - \$17.5 million.
- Earnings on the General Fund are used to offset General Fund Spending.

### *Investment Highlights*

- The portfolio remained shorter than the benchmark duration to preserve principal in anticipation of higher short term interest rates.
- The Core portfolio will move closer to the benchmark duration as opportunities arise.
- In December, \$55 million was transferred out of the Core portfolio and into Liquidity to meet withdrawals, with an additional \$100 million being transferred in January.

Portfolio Characteristics

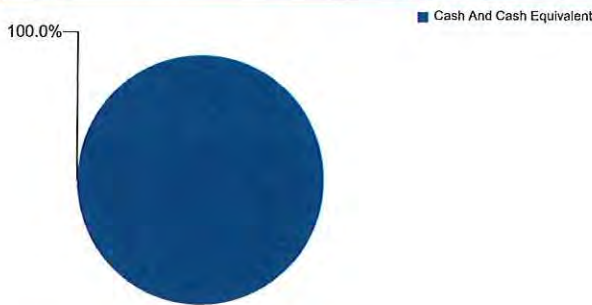
Duration Mix

Total Net Assets (Millions) 381.8  
 Weighted Average Life (Years) 0.06  
 Weighted Avg. Effective Duration (Years) 0.06  
 Weighted Average Coupon (%) 0.05  
 Weighted Average Current Yield (%) 0.05  
 Weighted Average Rating 0.05  
 Number of Holdings BB-6



Asset Mix

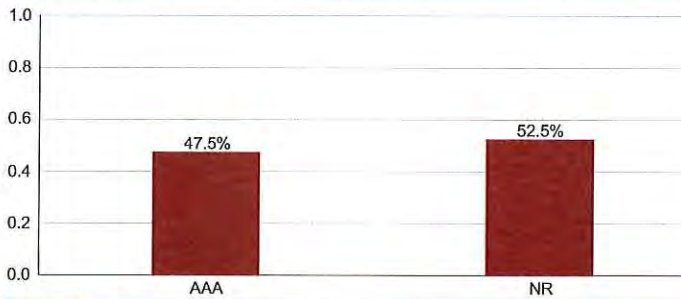
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
89499LC10	BANK OF THE WEST	52.55%	0.00	4/1/2016
99F*50051	REPO JPMORGAN CHASE BK (GREENWICH) 123115M	12.79%	0.11	4/1/2016
99F*50044	REPO JPMORGAN CHASE BK (GREENWICH) 123115P	1.83%	0.11	4/1/2016
99F*50046	REPO JPMORGAN CHASE BK (GREENWICH) 123115N	12.79%	0.11	4/1/2016
99F*50041	REPO JPMORGAN CHASE BK (GREENWICH) 123115Q	7.25%	0.11	4/1/2016
99F*50049	REPO JPMORGAN CHASE BK (GREENWICH) 123115O	12.79%	0.11	4/1/2016

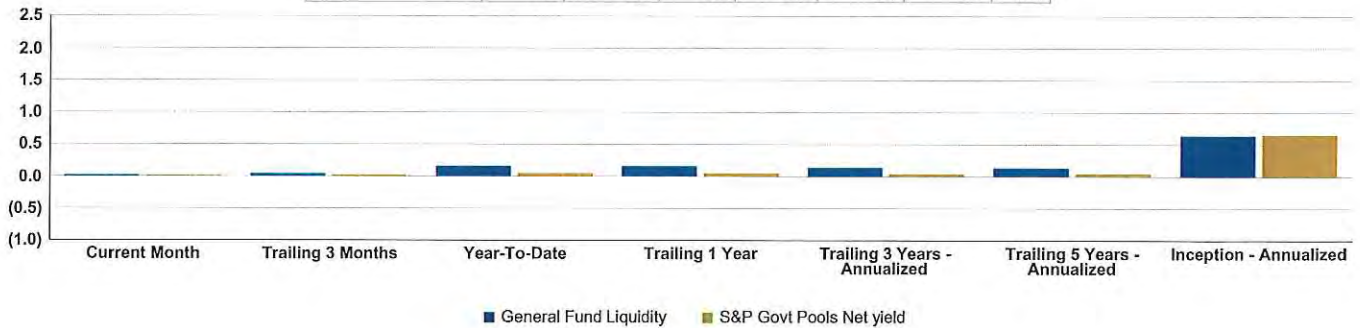
Quality/Rating Weightings

Sector Weightings (as % of Market Value)



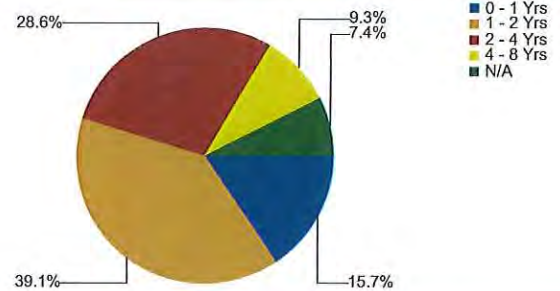
Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
General Fund Liquidity	0.01	0.04	0.16	0.16	0.14	0.13	0.64
S&P Govt Pools Net yield	0.01	0.02	0.05	0.05	0.03	0.05	0.65
Excess	0.01	0.02	0.11	0.11	0.10	0.09	(0.01)



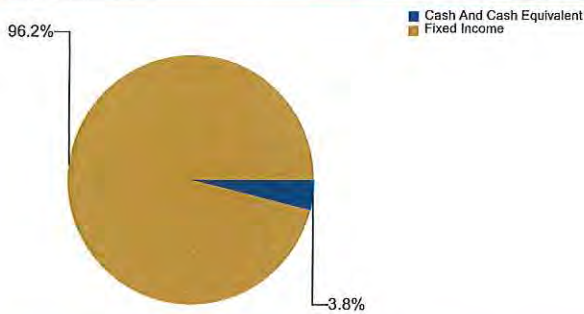
Portfolio Characteristics

Total Net Assets (Millions)	1,449.7
Weighted Average Life (Years)	1.98
Weighted Avg. Effective Duration (Years)	1.92
Weighted Average Coupon (%)	1.43
Weighted Average Current Yield (%)	0.91
Weighted Average Rating	AA
Number of Holdings	114



Asset Mix

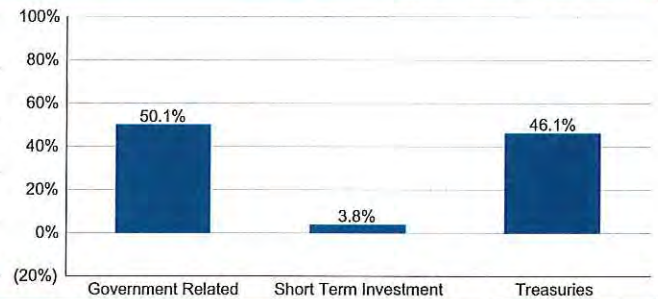
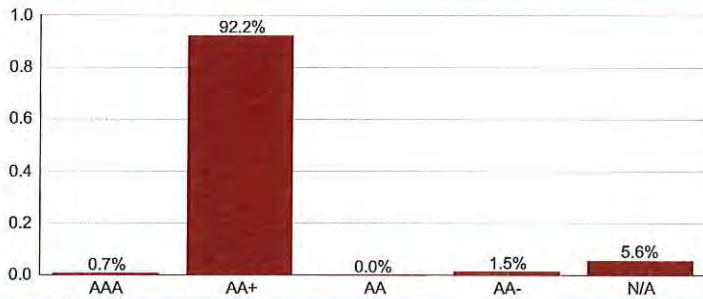
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
3137EACW7	FEDERAL HOME LOAN MORTGAGE CORP 2% BDS 25/AUG/2016	2.80%	2.00	25/8/2016
3135G0GY3	FEDERAL NATIONAL MORTGAGE ASSOC 1.25% MITG BDS	2.78%	1.25	30/1/2017
3135G0CM3	FEDERAL NATIONAL MORTGAGE ASSOC 1.25% BDS	2.78%	1.25	28/9/2016
3137EADC0	FEDERAL HOME LOAN MORTGAGE CORP 1% BDS 08/MAR/2017	2.77%	1.00	8/3/2017
912828C65	UNITED STATES OF AMERICA 1.625% 2019-03-31	2.44%	1.62	31/3/2019
912828S30	UNITED STATES OF AMERICA 0.875% 2017-02-28	2.32%	0.88	28/2/2017
912828UV0	UNITED STATES OF AMERICA 1.125% 2020-03-31	2.28%	1.12	31/3/2020
3137EADS5	FEDERAL HOME LOAN MORTGAGE CORP 0.875% MITG BDS	2.07%	0.88	14/10/2016
912828WT3	UNITED STATES OF AMERICA 0.875% 2017-07-15	2.07%	0.88	15/7/2017
912828G95	UNITED STATES OF AMERICA 1.625% 2019-12-31	1.79%	1.62	31/12/2019

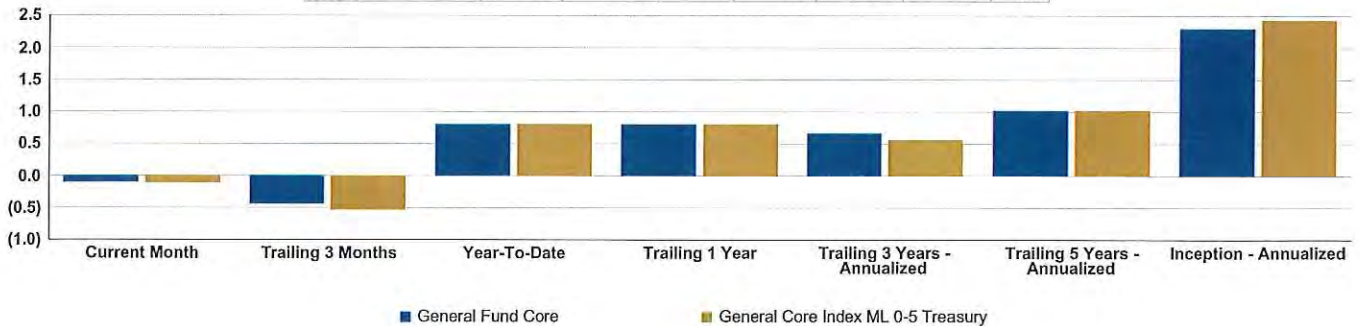
Quality/Rating Weightings

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
General Fund Core	(0.10)	(0.44)	0.80	0.80	0.67	1.02	2.30
General Core Index ML 0-5 Treasury	(0.11)	(0.53)	0.81	0.81	0.56	1.02	2.43
Excess	0.01	0.09	0.00	0.00	0.10	0.00	(0.14)



**STATE OF NEW MEXICO**  
**GENERAL FUND (1000)**  
 Portfolio Classification Summary  
 Positions Held as of 12/31/15 (TRADE Basis)

AMTZ ADDED: NO

ASSET CLASSIFICATION	ITEMS	YIELD	AVG-TERM	PRINCIPAL	COST-BASIS	MARKET-VALUE	GAIN/LOSS	%MARKET
REPURCHASE AGREEMENTS (O/N)	1	.2940	.01100	181,167,860	181,167,860	181,167,860		47.451
CASH ACCOUNT	1			200,632,866	200,632,866	200,632,866		52.549
	<u>2</u>	<u>.1395</u>	<u>.01100</u>	<u>381,800,726</u>	<u>381,800,726</u>	<u>381,800,726</u>		<u>100.000</u>

**STATE OF NEW MEXICO**  
**GENERAL FUND CORE (1001)**  
Portfolio Classification Summary  
Positions Held as of 12/31/15 (TRADE Basis)

AMTZ ADDED: NO

ASSET CLASSIFICATION	ITEMS	YIELD	AVG-TERM	PRINCIPAL	COST-BASIS	MARKET-VALUE	GAIN/LOSS	%MARKET
REPURCHASE AGREEMENTS (D/N)	1	.2940	.01100	1,028,173	1,028,173	1,028,173		.071
CERTIFICATES OF DEPOSIT	11	.7294	.92387	52,750,000	52,750,000	52,750,000		3.653
US TREASURY NOTE ACT/ACT 2X	32	1.2089	2.64027	663,150,000	666,891,012	665,329,671	-1,561,341	46.080
AGENCY US BOND 30/360 2X	11	.9337	1.28449	111,627,000	112,060,564	112,077,028	16,464	7.762
AGENCY 30/360 2X	3	.9672	.71497	66,000,000	65,996,266	66,116,560	120,294	4.579
AGENCY US BOND 30/360 ZERO CPN	1	2.2015	3.77260	22,941,000	21,006,781	21,243,825	237,044	1.471
AGENCY US NOTES 30/360 2X	22	1.2220	1.81148	442,000,000	445,350,451	446,189,140	838,689	30.903
FED NATL MORTGAGE ASSN DEBS	3	1.0788	1.37619	65,000,000	65,093,701	65,135,750	42,049	4.511
MUNI US 30/360 2X	29	.7508	.71473	11,710,000	11,845,058	11,842,927	-2,131	.820
MUNICIPAL BOND REVENUE	2	.6179	.60633	2,135,000	2,135,560	2,135,525	-35	.148
	115	1.1663	2.06943	1,438,341,173	1,444,157,566	1,443,848,599	-308,967	100.000

**STATE OF NEW MEXICO  
TREASURERS OFFICE**

Position holdings as of 12/31/15 (TRADE)  
BOOK VALUES AMORTIZED THROUGH 12/31/15

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
200,632,866	BANK OF THE WEST	CASHCASH				1.00000	200,632,865.88	200,632,866.00	.12
<u>200,632,866</u>							<u>200,632,865.88</u>	<u>200,632,866.00</u>	<u>.12</u>
====> 0001 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> NO-MEANINGFUL-DATE <====									
181,167,860	OVERNIGHT REPO	0104RP	.290	1/04/16	.290	1.00000	181,167,859.86	181,167,859.86	
<u>181,167,860</u>							<u>181,167,859.86</u>	<u>181,167,859.86</u>	
====> 0001 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2016 <====									
<u>381,800,726</u>							<u>381,800,725.74</u>	<u>381,800,725.86</u>	<u>.12</u>
====> 0002 ITEMS IN SUBTOTAL FOR ====> FUNO NAME..... ====> GENERAL FUND <====									



**STATE OF NEW MEXICO  
TREASURERS OFFICE**

Position holdings as of 12/31/15 (TRADE)  
BOOK VALUES AMORTIZED THROUGH 12/31/15

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
1,028,173	OVERNIGHT REPO	0104RP	.290	1/04/16	.290	1.00000	1,028,172.62	1,028,172.62	
3,000,000	FEDERAL FARM CREDIT BANKS	3133ECTC	.640	1/28/16	.327	100.02342	3,000,702.52	3,001,110.00	407.48
580,000	NEW MEXICO ST UNIV REVS	647429V7	1.000	4/01/16	1.000	100.00000	580,000.00	580,272.60	272.60
720,000	LOS LUNAS NM GROSS RCPTS TAX RE	545559CU	2.000	4/01/16	.530	100.36634	722,637.67	722,642.40	4.73
1,000,000	FARMERS AND STOCKMENS BANK	8521545	.450	4/29/16	.450	1.00000	1,000,000.00	1,000,000.00	
1,000,000	FARMERS AND STOCKMENS BANK	8521680	.500	4/29/16	.500	1.00000	1,000,000.00	1,000,000.00	
135,000	VILLAGE OF CORRALES NM	22026TAC	2.000	5/01/16	.750	100.41475	135,559.91	135,525.15	34.76
20,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EACT	2.500	5/27/16	1.080	100.57221	20,114,442.44	20,153,800.00	39,357.56
100,000	NEW MEXICO MILITARY INST AT ROSW	647183BV	1.182	6/01/16	1.182	100.00000	100,000.00	100,217.00	217.00
160,000	LOS ALAMOS CNTY N MEX INC GROSS	54423TAM	5.750	6/01/16	.535	102.16692	163,467.07	163,420.80	46.27
205,000	LAS VEGAS N MEX GROSS RCPTS TAX	51778TBN	2.000	6/01/16	.550	100.60231	206,234.74	206,221.80	12.94
100,000	SANTA FE N MEX GROSS RCPTS TAXRE	802072MS	5.000	6/01/16	.500	101.87018	101,870.18	101,719.00	151.18
125,000	NEW MEXICO FIN AUTH REV	64711NPZ	2.500	6/01/16	.680	100.75547	125,944.34	125,852.50	91.84
1,045,000	LAS CRUCES N MEX JT UTIL REV	517496EK	2.000	6/01/16	.501	100.62298	1,051,510.17	1,051,228.20	281.97
25,000,000	FEDERAL AGRICULTURAL MORTG CORP	31315PB7	.900	6/09/16	.900	100.00000	25,000,000.00	25,063,750.00	63,750.00
10,000,000	SOUTHWEST CAPITAL BANK	1623575	.780	6/13/16	.780	1.00000	10,000,000.00	10,000,000.00	
100,000	NEW MEXICO FIN AUTH REV	64711NTV	1.250	6/15/16	1.250	100.00000	100,000.00	100,145.00	145.00
325,000	NEW MEXICO FIN AUTH REV	64711NVG	3.000	6/15/16	.480	101.14508	328,721.50	328,893.50	172.00
3,000,000	CENTURY BANK SANTA FE	17099254	.500	6/16/16	.500	1.00000	3,000,000.00	3,000,000.00	
7,500,000	FEDERAL FARM CREDIT BANKS	3133EDDP	.520	6/17/16	.520	100.00000	7,500,000.00	7,497,075.00	2,925.00
180,000	NEW MEXICO ST SEVERANCE TAX	647310Q4	5.000	7/01/16	.699	102.14284	183,857.12	184,078.80	221.68
1,000,000	ALBUQUERQUE BERNALILLO CNTY WT J	013493ES	5.000	7/01/16	.830	102.07623	1,020,762.28	1,022,610.00	1,847.72
500,000	ALBUQUERQUE BERNALILLO CNTY WT J	013493DW	4.000	7/01/16	.830	101.57832	507,891.58	508,975.00	1,083.42
200,000	RUIDOSO N MEX WASTEWATER REV REF	781324AC	2.000	7/01/16	.800	100.59753	201,195.06	201,208.00	12.94
200,000	CITY OF ALBUQUERQUE NM	01354MEX	3.000	7/01/16	.560	101.21651	202,433.02	202,520.00	86.98
20,000,000	FEDERAL NATIONAL MORTGAGE ASSOCT	31359MS6	5.375	7/15/16	1.126	102.27583	20,455,165.02	20,504,600.00	49,434.98
16,000,000	FARMER MAC	31315PR8	.770	8/01/16	.810	99.97666	15,996,265.76	16,006,560.00	10,294.24
500,000	BELEN N MEX CONS SCH DIST NO 2 G	077581NV	2.000	8/01/16	.770	100.71424	503,571.21	504,435.00	863.79
125,000	TRUTH OR CONSEQUENCES N MEX MU G	898439EF	2.000	8/01/16	1.000	100.57974	125,724.67	126,001.25	276.58
225,000	SANDOVAL CNTY N MEX	80004PDP	2.000	8/01/16	.710	100.74933	226,685.99	227,083.50	397.51
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	
370,000	SANDOVAL CNTY NM	80004PDZ	2.000	8/01/16	.501	100.87213	373,226.89	372,963.70	263.19
2,000,000	GADSDEN INDEPENDENT SCHOOL	GISD15TX	.600	8/15/16	.600	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	100.75520	40,302,078.28	40,322,000.00	19,921.72
1,127,000	FEDERAL FARM CREDIT BANKS	31331V2U	5.125	8/25/16	.590	102.93680	1,160,097.73	1,159,153.31	944.42
20,000,000	UNITED STATES TREASURY NOTES	912828RF	1.000	8/31/16	.929	100.04619	20,009,237.04	20,040,600.00	31,362.96
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 ASSOCT	3135C0CM	1.250	9/28/16	.918	100.24460	40,097,840.73	40,144,800.00	46,959.27
170,000	GRANTS / CIBOLA CNTY N MEX SCHOI	388240CW	2.000	10/01/16	.650	101.00782	171,713.30	171,667.70	45.60
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	100.01027	30,003,081.28	30,022,200.00	19,118.72

**STATE OF NEW MEXICO  
TREASURERS OFFICE**

Position holdings as of 12/31/15 (TRADE)  
BOOK VALUES AMORTIZED THROUGH 12/31/15

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET	
10,000,000	FEDERAL HOME LOAN BANKS	3133XHZK	4.750	12/16/16	.694	103.86680	10,386,679.82	10,370,200.00	- 16,479.82	
25,000,000	UNITED STATES TREAS NTS	91282BRX	.875	12/31/16	.776	100.09828	25,024,569.88	25,015,750.00	- 8,819.88	
							<b>296,720,173</b>	<b>298,211,339.82</b>	<b>298,467,451.83</b>	<b>256,112.01</b>

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

25,000,000	FEDERAL AGRICULTURAL MORTGAGE CO	31315PN8	1.100	1/26/17	1.100	100.00000	25,000,000.00	25,046,250.00	46,250.00
40,000,000	FED NATL MORTGAGE ASSN DEBS	3135G0GY	1.250	1/30/17	1.054	100.20951	40,083,802.65	40,150,000.00	66,197.35
20,000,000	UNITED STATES TREAS NTS	912828SC	.875	1/31/17	.846	100.03142	20,006,284.48	20,001,600.00	- 4,684.48
20,000,000	FEDERAL HOME LOAN BANK	3133786Q	1.000	2/13/17	1.030	99.96604	19,993,208.57	20,024,400.00	31,191.43
20,000,000	FREDDIE MAC	3137EADT	.875	2/22/17	.928	99.93970	19,987,940.32	19,989,600.00	1,659.68
33,500,000	UNITED STATES TREAS NTS	912828SJ	.875	2/28/17	.872	100.00352	33,501,178.23	33,513,065.00	11,886.77
20,000,000	UNITED STATES TREASURY NOTES	912828MS	3.000	2/28/17	.863	102.46481	20,492,961.15	20,484,400.00	- 8,561.15
40,000,000	FED HOME LOAN MORTGAGE CDRP DBS	3137EADC	1.000	3/08/17	1.019	99.97769	39,991,076.40	40,033,200.00	42,123.60
20,000,000	FEDERAL HOME LOAN BANKS	3133782N	.875	3/10/17	.783	100.10880	20,021,759.85	19,985,800.00	- 35,959.85
250,000	GUADALUPE CREDIT UNION	35605000	1.000	3/26/17	1.000	1.00000	250,000.00	250,000.00	
20,000,000	UNITED STATES TREASURY NOTES	912828SM	1.000	3/31/17	.905	100.11665	20,023,329.15	20,031,200.00	7,870.85
9,000,000	FARMER MAC	31315PS2	.980	4/10/17	1.015	99.95547	8,995,992.32	9,003,060.00	7,067.68
20,000,000	FIRST NATIONAL SANTA FE	84000531	.850	4/10/17	.850	1.00000	20,000,000.00	20,000,000.00	
3,000,000	FARMERS AND STOCKMENS	8521625	.700	4/21/17	.700	1.00000	3,000,000.00	3,000,000.00	
10,000,000	FED NATL MORTGAGE ASSN DEBS	3135G0JA	1.125	4/27/17	1.049	100.09900	10,009,899.58	10,016,500.00	6,600.42
2,000,000	FARMERS & STOCKMENS BANK	8521016	.650	4/28/17	.650	1.00000	2,000,000.00	2,000,000.00	
8,000,000	FARMER MAC	31315PY8	.930	5/01/17	.970	99.94689	7,995,751.28	7,992,000.00	- 3,751.28
20,000,000	UNITED STATES TREASURY NOTES	912828SY	.625	5/31/17	1.009	99.46296	19,892,591.89	19,911,800.00	19,208.11
1,080,000	LAS CRUCES N MEX JT UTIL REV	517496EL	2.000	6/01/17	.750	101.75763	1,098,982.45	1,098,910.80	- 71.65
500,000	WESTERN BANK CLOVIS	15981000	.750	6/02/17	.750	1.00000	500,000.00	500,000.00	
5,000,000	FEDERAL HOME LOAN BANKS	313379FW	1.000	6/09/17	.928	100.10325	5,005,162.59	4,998,950.00	- 6,212.59
20,000,000	UNITED STATES TREASURY NOTES	912828TB	.750	6/30/17	1.028	99.58742	19,917,484.36	19,937,600.00	20,115.64
9,000,000	FEDERAL AGRICULTURAL MORTGAGE CO	31315POT	3.020	7/14/17	1.056	102.98452	9,268,606.46	9,268,470.00	- 136.46
30,000,000	UNITED STATES TREASURY NOTES	912828WT	.875	7/15/17	.966	99.86193	29,958,579.28	29,949,600.00	- 8,979.28
25,500,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EADJ	1.000	7/28/17	.919	100.12666	25,532,299.09	25,457,670.00	- 74,629.09
20,000,000	UNITED STATES TREASURY NOTES	912828NR	2.375	7/31/17	1.122	101.95889	20,391,777.62	20,421,800.00	30,022.38
300,000	SAN JUAN CNTY N MEX CENT CONS IN	798359KS	1.000	8/01/17	.751	100.39181	301,175.42	299,604.00	- 1,571.42
20,000,000	UNITED STATES TREASURY NOTES	912828HA	4.750	8/15/17	1.027	105.97303	21,194,605.07	21,200,800.00	6,194.93
10,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EAAV	5.500	8/23/17	1.072	107.19786	10,719,785.91	10,703,400.00	- 16,385.91
10,000,000	UNITED STATES TREASURY NOTES	912828D9	1.000	9/15/17	1.058	99.90231	9,990,231.14	9,994,100.00	3,868.86
4,500,000	FEDERAL AGRICULTURAL MORTGAGE CO	31315P3K	1.150	9/18/17	1.170	99.96506	4,498,427.61	4,507,920.00	9,492.39
15,000,000	FNMA	3135G0ZL	1.000	9/27/17	1.118	99.79719	14,969,578.09	14,966,250.00	- 3,328.09

**STATE OF NEW MEXICO  
TREASURERS OFFICE**

Position holdings as of 12/31/15 (TRADE)  
BOOK VALUES AMORTIZED THROUGH 12/31/15

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
5,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EADL	1.000	9/29/17	1.059	99.89723	4,994,861.51	4,986,250.00	- 8,611.51
25,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0PQ	.875	10/26/17	1.164	99.48117	24,870,291.80	24,896,750.00	26,458.20
20,000,000	UNITED STATES TREASURY NOTES	912828HH	4.250	11/15/17	1.085	105.84466	21,168,931.95	21,172,600.00	3,668.05
20,000,000	UNITED STATES TREASURY NOTES	912828UA	.625	11/30/17	1.075	99.14975	19,829,950.26	19,834,400.00	4,449.74
255,000	SILVER CITY N MEX JT UTIL SYS RE	8275DRAP	2.000	12/01/17	1.000	101.89250	259,825.88	259,036.65	- 789.23
<b>571,885,000</b>							<b>575,716,332.36</b>	<b>575,886,986.45</b>	<b>170,654.09</b>

====> 0037 ITEMS IN SUBTOTAL FOR ===== FINAL-MATURITY., =====> 2017 <=====

5,000,000	UNITED STATES TREASURY NOTES	912828UJ	.875	1/31/18	1.309	99.11116	4,955,558.21	4,975,000.00	19,441.79
15,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EADP	.875	3/07/18	1.454	98.75998	14,813,997.07	14,894,700.00	80,702.93
15,000,000	FED NATL MORTGAGE ASSN DEB	3136G1EN	1.100	3/13/18	1.100	100.00000	15,000,000.00	14,969,250.00	- 30,750.00
25,000,000	UNITED STATES TREASURY NOTES	912828UJ	.625	4/30/18	1.188	98.71089	24,677,723.23	24,678,750.00	1,026.77
25,000,000	UNITED STATES TREASURY NOTES	912828VE	1.000	5/31/18	1.228	99.45958	24,864,894.07	24,872,000.00	7,105.93
150,000	LAS CRUCES N MEX HOLD HARMLESSGR	51748QAY	4.000	6/01/18	1.500	105.91060	158,865.90	157,723.50	- 1,142.40
20,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0E3	1.125	7/20/18	1.185	99.84947	19,969,894.30	19,918,400.00	- 51,494.30
225,000	SAN JUAN CNTY N MEX CENT CONS IN	798359KT	1.000	8/01/18	1.000	99.99915	224,998.08	223,105.50	- 1,892.58
20,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0YM	1.875	9/18/18	1.438	101.15813	20,231,625.56	20,280,000.00	48,374.44
20,000,000	UNITED STATES TREASURY NOTES	912828WD	1.250	10/31/18	.944	100.85130	20,170,260.56	19,971,800.00	- 198,460.56
15,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0YT	1.625	11/27/18	1.747	99.65521	14,948,281.60	15,109,200.00	160,918.40
20,000,000	UNITED STATES TREASURY NOTES	912828RT	1.375	11/30/18	1.404	99.91802	19,983,604.71	20,042,200.00	58,595.29
<b>180,375,000</b>							<b>179,999,703.29</b>	<b>180,092,129.00</b>	<b>92,425.71</b>

====> 0012 ITEMS IN SUBTOTAL FOR ===== FINAL-MATURITY., =====> 2018 <=====

20,000,000	UNITED STATES TREASURY NOTES	912828SD	1.250	1/31/19	1.267	99.94887	19,989,773.93	19,932,800.00	- 56,973.93
20,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0ZA	1.875	2/19/19	1.678	100.59842	20,119,683.48	20,268,400.00	148,716.52
20,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EACA	3.750	3/27/19	1.762	106.22984	21,245,967.74	21,413,200.00	167,232.26
35,000,000	UNITED STATES TREASURY NOTES	912828C6	1.625	3/31/19	1.744	99.62416	34,868,455.48	35,218,750.00	350,294.52
14,000,000	UNITED STATES TREASURY NOTES	912828WW	1.625	7/31/19	1.203	101.47294	14,206,211.28	14,048,720.00	- 157,491.28
16,000,000	UNITED STATES TREASURY NOTES	912828TH	.875	7/31/19	1.507	97.80339	15,648,541.77	15,638,720.00	- 9,821.77
13,000,000	FEDERAL AGRICULTURAL MORTGAGE CO	31315P3R	1.900	9/18/19	1.920	99.92752	12,990,577.08	13,178,750.00	188,172.92
22,941,000	FEDERAL NATIONAL MORTGAGE ASSOCI	313586RC		10/09/19	2.171	91.56872	21,006,780.93	21,243,824.82	237,043.89
24,500,000	UNITED STATES TREASURY NOTES	912828F6	1.500	10/31/19	1.561	99.77373	24,444,562.86	24,423,560.00	- 21,002.86
8,000,000	FEDERAL FARM CREDIT BANKS	3133EEBN	1.800	11/12/19	1.755	100.16582	8,013,265.97	8,055,680.00	42,414.03

**STATE OF NEW MEXICO  
TREASURERS OFFICE**

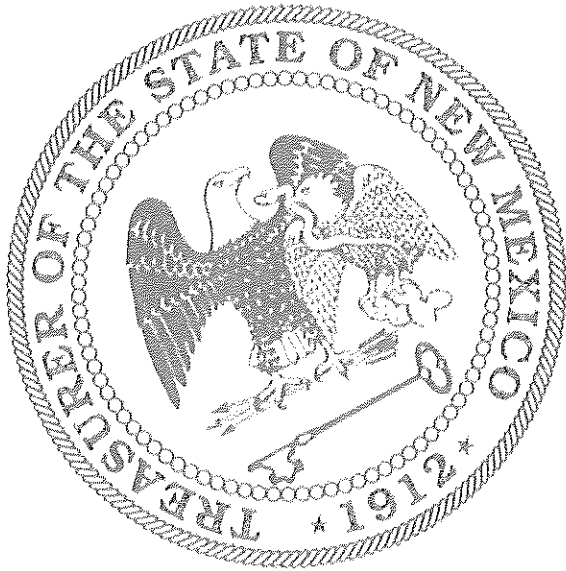
Position holdings as of 12/31/15 (TRADE)  
BOOK VALUES AMORTIZED THROUGH 12/31/15

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
14,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0ZY	1.750	11/26/19	1.701	100.18345	14,025,682.48	14,071,820.00	46,137.52
175,000	KNOX CNTY KY	499422DH	5.800	12/01/19	.780	104.57558	183,007.27	182,787.50	- 219.77
25,900,000	UNITED STATES TREASURY NOTES	912828G9	1.625	12/31/19	1.318	101.19345	26,209,103.98	25,901,036.00	- 308,067.98
<u>233,516,000</u>							<u>232,951,614.25</u>	<u>233,578,048.32</u>	<u>626,434.07</u>
====> 0013 ITEMS IN SUBTOTAL FOR ===== FINAL-MATURITY.. =====> 2019 <=====									
21,000,000	FEDERAL AGRICULTURAL MORTGAGE CO	31315P5S	1.820	1/08/20	1.590	100.89147	21,187,207.95	21,087,360.00	- 99,847.95
33,750,000	UNITED STATES TREASURY NOTES	912828UV	1.125	3/31/20	1.387	98.92323	33,386,590.24	32,990,625.00	- 395,965.24
13,500,000	UNITED STATES TREASURY NOTES	912828KS	1.375	4/30/20	1.501	99.47317	13,428,877.83	13,325,445.00	- 103,432.83
21,000,000	UNITED STATES TREASURY NOTES	912828WV	2.125	8/31/20	1.341	103.53224	21,741,771.41	21,338,730.00	- 403,041.41
4,000,000	UNITED STATES TREASURY NOTES	912828WV	2.125	8/31/20	1.654	102.10202	4,084,080.77	4,064,520.00	- 19,560.77
21,000,000	UNITED STATES TREASURY NOTES	912828VZ	2.000	9/30/20	1.375	102.86010	21,600,620.77	21,228,060.00	- 372,560.77
21,000,000	UNITED STATES TREASURY NOTES	912828WC	1.750	10/31/20	1.723	100.12164	21,025,543.87	20,967,240.00	- 58,303.87
20,000,000	US TREASURY N/B	912828A4	2.000	11/30/20	1.783	101.01557	20,203,114.01	20,202,400.00	- 714.01
<u>155,250,000</u>							<u>156,657,806.85</u>	<u>155,204,380.00</u>	<u>- 1,453,426.85</u>
====> 0008 ITEMS IN SUBTOTAL FOR ===== FINAL-MATURITY.. =====> 2020 <=====									
255,000	CHOCTAW CNTY MISS HOSP REV	170323AR	7.500	8/01/28	.770	103.90840	264,966.42	264,241.20	- 725.22
<u>255,000</u>							<u>264,966.42</u>	<u>264,241.20</u>	<u>- 725.22</u>
====> 0001 ITEMS IN SUBTOTAL FOR ===== FINAL-MATURITY.. =====> 2028 <=====									
340,000	KNOX CNTY KY	499422DL	5.875	12/01/36	.780	104.64391	355,789.31	355,357.80	- 431.51
<u>340,000</u>							<u>355,789.31</u>	<u>355,357.80</u>	<u>- 431.51</u>
====> 0001 ITEMS IN SUBTOTAL FOR ===== FINAL-MATURITY.. =====> 2036 <=====									
<u>1,438,341.173</u>							<u>1444157552.30</u>	<u>1443848594.60</u>	<u>- 308,957.70</u>

**STATE OF NEW MEXICO**  
**TREASURERS OFFICE**  
Position holdings as of 12/31/15 (TRADE)  
BOOK VALUES AMORTIZED THROUGH 12/31/15

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
---------------	-------------	--------	------	----------	-------	------------	------------	--------------	----------------

====> 0115 ITEMS IN SUBTOTAL FOR ====> FUND NAME..... ====> GENERAL FUND CORE <====



## 11. Portfolio Summary- Local Government Investment Pool

## **Portfolio Summary – Local Government Investment Pool (LGIP)**

### *Summary*

- Ending December market value for the LGIP was \$656mil, approximately \$4mil higher than the \$652mil reported at the end of November.
- The LGIP maintains an AAAM rating by Standard & Poor's.
- At the end of December the STO LGIP participant balance was \$76mil or 12% of the Pool.
- At the end of December the Judicial District Court LGIP participant balance was \$4.3mil or 0.7% of the Pool.
- At the end of December the ERB participant balance was \$75mil or 11% of the Pool.

### *Portfolio Mix*

- At the end of December 2015 the portfolio was invested as follows: 0% in US treasuries, 48% in US government agencies, 31% in collateralized demand deposit accounts with qualified banking institutions, 17% in floating rate securities, and 4% in overnight repurchase agreements.
- At month-end, the LGIP held positions in 44 securities.

### *Investment Earnings*

- In December the fund earned \$145,959.
- For FY2016, the fund has earned \$754,090.
- 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 0.264% at the end of December.
- Net yield to participants was 0.214%.

### *Investment Highlights*

- For the LGIP, the WAM(R) of 54 days, and WAM (F) of 99 days, were within their maximums of 60 and 120 days respectively.
- The LGIP experienced net subscriptions of \$4mil during December.
- Maturities for December totaled \$59mil.
- The LGIP purchased \$69mil. US government agency securities maturing from 4 to 12 months at yields between 0.35% and 0.77%. The LGIP sold \$5mil of a 12 month US agency security.
- LGIP engaged in two separate term repo trades during the month. Each trade was for \$25mil for 1 week @0.25% and 0.27%.

*Investment Strategy*

- LGIP WAMs are currently 56 and 100 days for WAM(R) and WAM (F) respectively.
- The LGIP experienced net subscriptions in January of \$7.6mil.
- Maturities totaled \$9.67mil in January.
- 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.

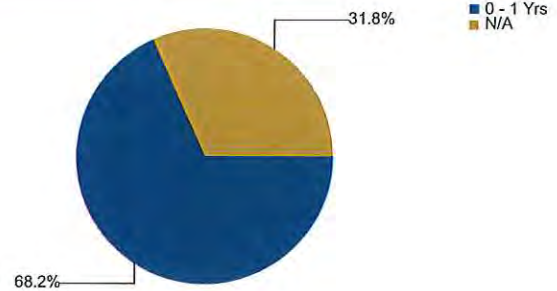
*Net Asset Value/Share*

At month-end, the Net Asset Value per Share of the Local Government Investment Pool was \$0.9996.



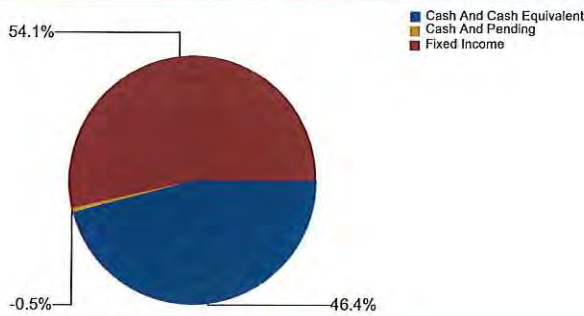
Portfolio Characteristics

Total Net Assets (Millions)	655.6
Weighted Average Life (Years)	0.17
Weighted Avg. Effective Duration (Years)	0.12
Weighted Average Coupon (%)	0.59
Weighted Average Current Yield (%)	0.20
Weighted Average Rating	BB-
Number of Holdings	44



Asset Mix

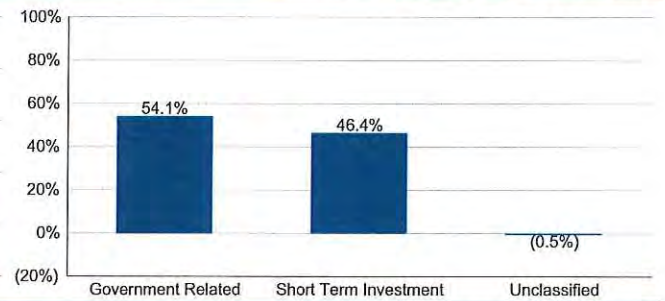
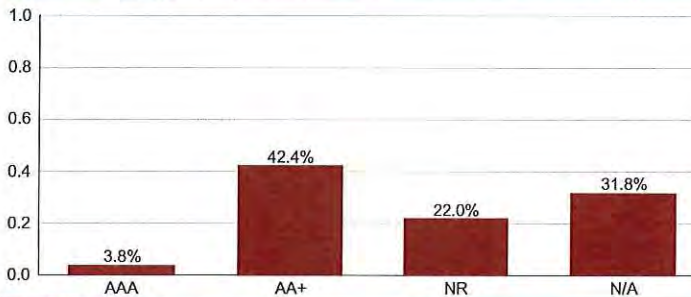
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
89499LC10	BANK OF THE WEST	21.91%	0.00	4/1/2016
894993C02	Wells Fargo Checking	4.43%		
3135G08A0	FEDERAL NATIONAL MORTGAGE ASSOC 2.375% NTS	4.22%	2.38	11/4/2016
31359M489	FEDERAL NATIONAL MORTGAGE ASSOC 5% BDS 15/MAR/2016	4.04%	5.00	15/3/2016
3135G0V48	FEDERAL NATIONAL MORTGAGE ASSOC 0.5% BDS	3.90%	0.50	30/3/2016
313378RN9	FEDERAL HOME LOAN BANKS CONS BD 1% 11/MAR/2016	3.81%	1.00	11/3/2016
99F20023	REPO RBC CAPITAL MARKETS LLC RBC122815	3.79%	0.11	4/1/2016
3132X08Y6	FEDERAL AGRICULTURAL MORTGAGE CORP MEDIUM TERM	3.79%		16/9/2016
3132X0CE9	FEDERAL AGRICULTURAL MORTGAGE CORP MEDIUM TERM	3.79%		
89499LC36	US BANK	4.58%		

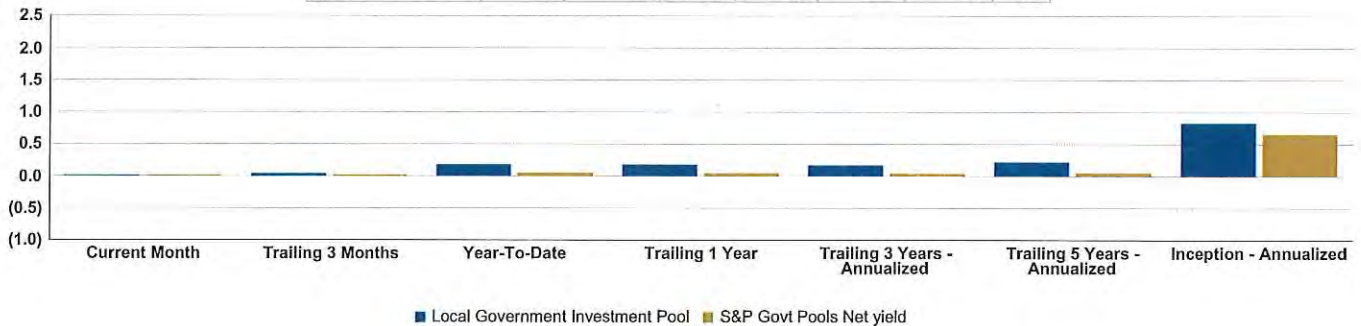
Quality/Rating Weightings

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	0.01	0.03	0.17	0.17	0.17	0.22	0.83
S&P Govt Pools Net yield	0.01	0.02	0.05	0.05	0.03	0.05	0.65
Excess	0.00	0.02	0.13	0.13	0.13	0.17	0.18



**STATE OF NEW MEXICO**  
**LGIP FUND (4101)**  
 Portfolio Classification Summary  
 Positions Held as of 12/31/15 (TRADE Basis)

AMTZ ADDED: NO

ASSET CLASSIFICATION	ITEMS	YIELD	AVG-TERM	PRINCIPAL	COST-BASIS	MARKET-VALUE	GAIN/LOSS	%MARKET
REPURCHASE AGREEMENTS (TERM)	1	.2738	.01100	25,000,000	25,000,000	25,000,000		3.820
AGENCY US BOND 30/360 2X	8	.3396	.23422	77,992,000	78,182,147	78,161,961	-20,186	11.943
AGENCY US DISC ACT/360 360 DAY	7	.4026	.35786	73,000,000	72,878,222	72,889,690	11,468	11.138
FED HOME LOAN BANKS	1	.2340	.08770	20,000,000	19,999,484	20,000,600	1,116	3.056
AGENCY 30/360 2X	1	.2023	.06030	5,000,000	4,999,885	5,000,050	165	.764
AGENCY US BOND 30/360 ZERO CPN	1	.3724	.37260	2,500,000	2,490,850	2,493,125	2,275	.381
AGENCY US NOTES 30/360 2X	13	.3214	.33672	134,620,000	135,336,044	135,250,524	-85,520	20.666
AGENCY US VARIABLE ACT/360 4X	6	.4932	.56734	88,000,000	87,995,721	87,968,170	-27,551	13.442
AGENCY US VAR 30/360 4X	1	.4698	1.26030	25,000,000	24,998,943	24,964,000	-34,943	3.815
CASH ACCOUNT	4			202,720,415	202,720,415	202,720,415		30.976
	43	.2566	.38664	653,832,415	654,601,711	654,448,535	-153,176	100.000

**STATE OF NEW MEXICO  
TREASURERS OFFICE**

Position holdings as of 12/31/15 (TRADE)  
BOOK VALUES AMORTIZED THROUGH 12/31/15

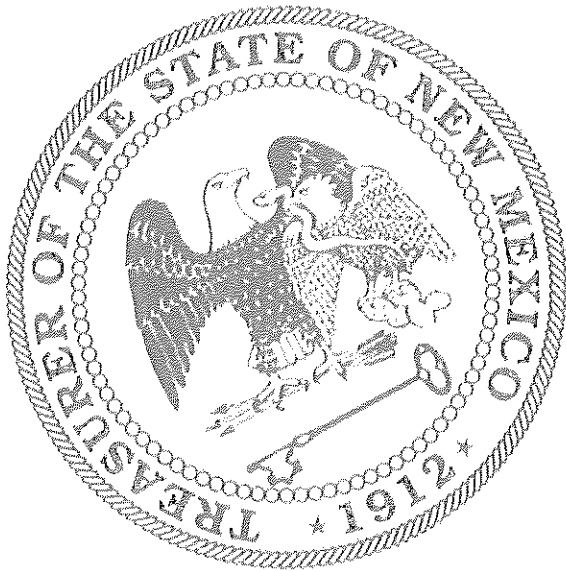
POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
25,823,329	(TD)-WELLS FARGO CASH ACCOUNT	CASHCASH	.100			1.00000	25,823,329.21	25,823,329.00	-.21
2,365,897	WELLS FARGO SAVINGS	CASHCASH	.100			1.00000	2,365,896.82	2,365,897.00	.18
144,357,244	BANK OF THE WEST	CASHCASH	.250			1.00000	144,357,244.14	144,357,244.00	-.14
30,173,945	US BANK	CASHCASH	.200			1.00000	30,173,945.13	30,173,945.00	-.13
<b>202,720,415</b>							<b>202,720,415.30</b>	<b>202,720,415.00</b>	<b>-.30</b>

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

25,000,000	OVERNIGHT REPO	0104RP	.270	1/04/16	.270	1.00000	25,000,000.00	25,000,000.00	
5,000,000	FEDERAL HOME LOAN BANKS	3130A5ZC	.160	1/22/16	.200	99.99769	4,999,884.55	5,000,050.00	165.45
4,670,000	FEDERAL HOME LOAN BANKS	3130A2P7	.320	1/22/16	.167	100.00892	4,670,416.67	4,670,467.00	50.33
20,000,000	FEDERAL HOME LOAN BANKS	3130A5RD	.200	2/01/16	.231	99.99742	19,999,483.69	20,000,600.00	1,116.31
10,000,000	FEDERAL HOME LOAN BANK	3130A0SD	.375	2/19/16	.256	100.01576	10,001,575.73	10,000,200.00	- 1,375.73
15,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	313396TS		2/29/16	.290	99.95247	14,992,870.83	14,994,150.00	1,279.17
3,395,000	FEDERAL HOME LOAN BANKS	3130A5RB	.220	3/03/16	.351	99.97930	3,394,297.24	3,394,524.70	227.46
1,250,000	FEDERAL FARM CREDIT BANKS	3133EESJ	.280	3/04/16	.255	100.00439	1,250,054.87	1,250,075.00	20.13
4,015,000	FEDERAL NATIONAL MORTGAGE ASSOCT	3136FPDC	2.000	3/08/16	.275	100.32061	4,027,872.37	4,027,928.30	55.93
8,838,000	FEDERAL NATIONAL MORTGAGE ASSOCT	3136FPET	2.000	3/10/16	.286	100.32802	8,866,990.24	8,867,253.78	263.54
25,000,000	FEDERAL HOME LOAN BANKS	313375RN	1.000	3/11/16	.341	100.12789	25,031,972.99	25,031,500.00	- 472.99
10,440,000	FEDERAL NATIONAL MORTGAGE ASSOCT	3135G0AL	2.250	3/15/16	.276	100.40525	10,482,308.46	10,477,270.80	- 5,037.66
26,000,000	FEDERAL NATIONAL MORTGAGE ASSOCT	31359MH8	5.000	3/15/16	.241	100.97696	26,254,009.41	26,242,320.00	- 11,689.41
6,492,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134G4VH	.400	3/15/16	.264	100.02790	6,493,811.31	6,492,194.76	- 1,616.55
5,000,000	FEDERAL FARM CREDIT BANK	3133EDMK	.140	3/29/16	.397	99.99709	4,999,854.46	4,998,450.00	- 1,404.46
25,677,000	FANNIE MAE	3135G0VA	.500	3/30/16	.252	100.06119	25,692,711.94	25,679,054.16	- 13,657.78
27,528,000	FEDERAL NATIONAL MORTGAGE ASSOCT	3135G0BA	2.375	4/11/16	.334	100.56583	27,683,760.89	27,670,595.04	- 13,165.85
15,000,000	FEDERAL FARM CREDIT BANKS	3133ED4L	.260	4/11/16	.492	100.00217	15,000,325.55	14,999,250.00	- 1,075.55
15,000,000	FEDERAL HOME LOAN BANKS	313384VV		4/20/16	.245	99.92514	14,988,770.83	14,984,400.00	- 4,370.83
10,000,000	FEDERAL NATIONAL MORTGAGE ASSOCT	313588WC		4/27/16	.330	99.89275	9,989,275.00	9,988,900.00	- 375.00
10,000,000	FEDL HOME LOAN BK CONS DISC	313384WC		4/27/16	.511	99.83425	9,983,425.00	9,988,900.00	5,475.00
4,582,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EADQ	.500	5/13/16	.305	100.07331	4,585,267.22	4,582,412.38	- 2,854.84
2,500,000	FEDERAL NATIONAL MORTGAGE ASSOCT	31358C7K		5/15/16	.367	99.63400	2,490,850.00	2,493,125.00	2,275.00
8,000,000	FEDERAL HOME LOAN BANKS	3133XF3F	5.375	5/18/16	.523	101.84156	8,147,324.40	8,143,040.00	- 4,284.40
12,000,000	FEDERAL HOME LOAN BANKS	313384XE		5/23/16	.521	99.79344	11,975,213.34	11,980,440.00	5,226.66
5,000,000	FEDERAL HOME LOAN BANKS	3130A5E4	.300	5/26/16	.630	99.86754	4,993,376.90	4,995,300.00	1,923.10
5,925,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134G5RF	.400	5/27/16	.250	100.06073	5,928,598.36	5,923,044.75	- 5,553.61
5,000,000	FEDERAL FARM CREDIT BANKS	313312XW		6/08/16	.341	99.84983	4,992,491.67	4,989,800.00	- 2,691.67
8,000,000	FEDERAL FARM CREDIT BANKS	3133ED4M	.280	6/09/16	.538	99.99507	7,999,605.43	7,999,520.00	- 85.43
15,000,000	FEDERAL FARM CREDIT BANKS	3133EDA7	.270	6/20/16	.538	99.99027	14,998,541.22	14,998,200.00	- 341.22

**STATE OF NEW MEXICO**  
**TREASURERS OFFICE**  
**Position holdings as of 12/31/15 (TRADE)**  
**BOOK VALUES AMORTIZED THROUGH 12/31/15**

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
5,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EAAG	5.500	7/18/16	.421	102.77307	5,138,653.64	5,128,850.00	- 9,803.64
7,800,000	FEDERAL AGRICULTURAL MORTGAGE CO	31315PA2	2.000	7/27/16	.417	100.90387	7,870,501.73	7,854,054.00	- 16,447.73
5,000,000	FEDERAL HOME LOAN BANKS	3130A6B0	.510	9/09/16	.299	100.03983	5,001,991.30	4,998,000.00	- 3,991.30
25,000,000	FEDERAL AGRICULTURAL MORTGAGE CO	3132X0BY	.160	9/16/16	.414	99.99627	24,999,068.61	24,980,750.00	- 18,318.61
3,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134G5JE	.650	9/29/16	.442	100.15421	3,004,626.23	2,999,400.00	- 5,226.23
15,000,000	FEDERAL AGRICULTURAL MORTGAGE CO	3132X0CG	.440	10/05/16	.457	99.98712	14,998,067.97	14,985,000.00	- 13,067.97
20,000,000	FEDERAL FARM CREDIT BANK	3133EFXG		10/20/16	.537	99.99163	19,998,326.22	19,992,000.00	- 6,326.22
6,000,000	FEDERAL HOME LOAN BANKS	313384S9		12/12/16	.766	99.26956	5,956,173.34	5,963,100.00	6,926.66
<u>426,112,000</u>							<u>426,882,349.61</u>	<u>426,764,119.67</u>	<u>- 118,229.94</u>
====> 0038 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ====> 2016 <====									
25,000,000	FARMER MAC	3132X0CE	.250	4/05/17	.463	99.99577	24,998,943.03	24,964,000.00	- 34,943.03
<u>25,000,000</u>							<u>24,998,943.03</u>	<u>24,964,000.00</u>	<u>- 34,943.03</u>
====> 0001 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ====> 2017 <====									
<u>653,832,415</u>							<u>654,601,707.94</u>	<u>654,448,534.67</u>	<u>- 153,173.27</u>
====> 0043 ITEMS IN SUBTOTAL FOR ==== FUND NAME..... ====> LGIP FUND <====									



## 12. 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 \$692mil vs. \$687mil at the end of November.
- The Pool received \$11.4mil in draw requests for capital spending during the month and paid out \$13mil for capital projects.

### *Portfolio Mix*

- 100% of the Tax-Exempt BPIP portfolio was invested in fixed income securities: 39% in US Treasuries, 49% in agency securities, 3% in NM municipal securities and the balance, approximately 9%, was held in cash equivalents and collateralized NM bank CDs.
- 41% of the portfolio was invested in securities that mature in one year, 32% in securities that mature from 1-2 years, 26% in securities that mature from 2-4 years and 0% in securities out to 5 years.
- The Tax-Exempt BPIP held positions in 81 securities.
- Weighted Average Life of the Tax Exempt BPIP was 1.35 years. The Weighted Average duration was 1.24 years.
- The maximum security term for the BPIP portfolio is 5 years.

### *Investment Earnings*

- Unrealized gains in the Tax-Exempt BPIP Portfolio were \$(1,652,722) on December 31<sup>st</sup>.
- Monthly net earnings on the portfolio for December were \$448,475.
- Net earnings for FY2016 were \$2,163,168.
- 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 1.24 yrs. vs. the Benchmark at 1.34 yrs.
- The Tax-Exempt BPIP had \$25mil in maturities during the month of December.
- The Pool duration shortened during the month.
- The Pool purchased \$20mil of a 3 year US Treasury and sold \$7.63mil of a 4.5 year agency security at a gain.

### *Performance*

- The purchase yield was 0.7686% at the end of December vs. 0.7612% reported for the previous month.
- The Tax-Exempt BPIP returned (0.04%) for the month of December and (0.24%) for the three months ended December 31, 2015, vs. Index returns of (0.06%) and (0.31%) respectively. For the trailing 12 mos. the Pool returned 0.35% vs. 0.43% for the benchmark.
- The Tax-Exempt BPIP had a duration shorter than the benchmark for the month of December and consequently outperformed the index.

- 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.

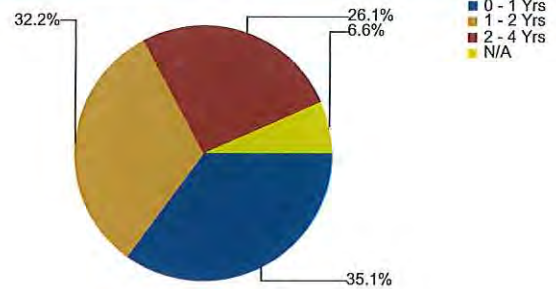
*Investment Strategy*

- The option-adjusted duration of the Tax-Exempt BPIP portfolio is currently 1.17 yrs. vs. 1.40 yrs. for the benchmark.
- For the month of January \$18mil matured.
- Capital project withdrawal requests totaled \$10.1mil for January.
- 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.

Portfolio Characteristics

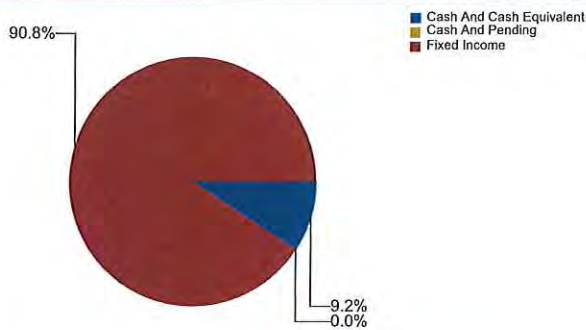
Duration Mix

Total Net Assets (Millions) 692.0  
 Weighted Average Life (Years) 1.35  
 Weighted Avg. Effective Duration (Years) 1.24  
 Weighted Average Coupon (%) 1.32  
 Weighted Average Current Yield (%) 0.85  
 Weighted Average Rating 0.85  
 Number of Holdings AA  
 81



Asset Mix

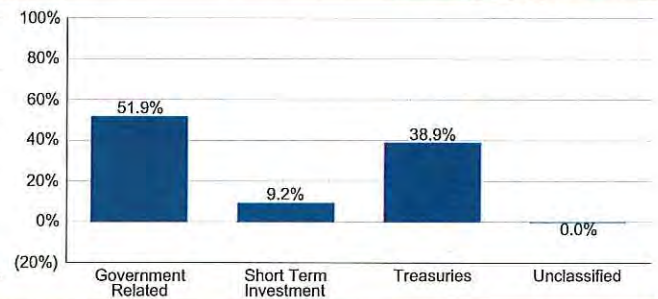
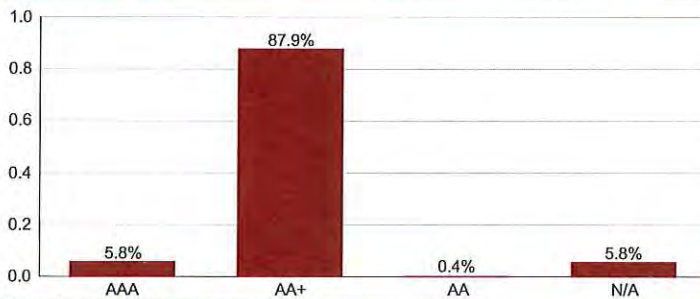
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
80059IEC2	TENNESSEE VALLEY 4.6% BDS 01/APR/2018 USD1000	4.69%	4.50	1/4/2018
912828J68	TWEE RR UNITED STATES 2X OLD 3 YEAR POINT 1.000% 2018 03-15	3.61%	1.00	15/3/2018
313560VM2	FNMA 0.750000 C'17 USD	3.47%	0.75	14/3/2017
3137EADV8	FEDERAL HOME LOAN MORTGAGE CORP NOTES FIXED .75%	3.46%	0.75	14/7/2017
3137EADN6	FEDERAL HOME LOAN MORTGAGE CORP 0.75% BDS	3.45%	0.75	12/1/2016
892998X00	LGIP POOL PARTICIPANT	3.19%	0.11	4/1/2016
99F*50040	REPO JPMORGAN CHASE BK (GREENWICH) 1231151	2.95%	0.11	4/1/2016
3137EACV7	FEDERAL HOME LOAN MORTGAGE CORP 2% BDS 25/AUG/2016	2.93%	2.00	25/8/2016
912828RY8	UNITED STATES OF AMERICA 1.375% 2018-12-31	2.89%	1.38	31/12/2018
3137EADP1	FEDERAL HOME LOAN MORTGAGE CORP 0.875% BDS	2.88%	0.88	7/3/2018

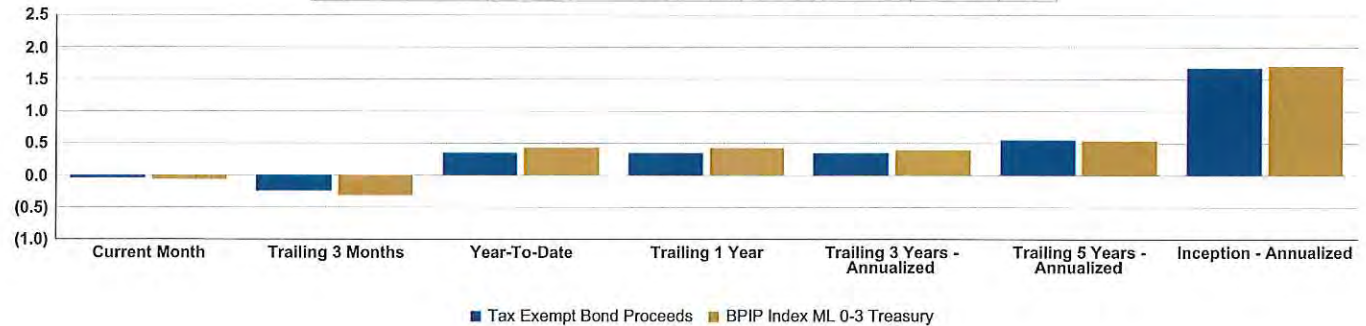
Quality/Rating Weights

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	(0.04)	(0.24)	0.35	0.35	0.35	0.55	1.67
BPIP Index ML 0-3 Treasury	(0.06)	(0.31)	0.43	0.43	0.39	0.54	1.71
Excess	0.02	0.07	(0.08)	(0.06)	(0.05)	0.01	(0.04)





**STATE OF NEW MEXICO**  
**BOND PROCEEDS INV POOL 1 TAX EX (4000)**  
Portfolio Classification Summary  
Positions Held as of 12/31/15 (TRADE Basis)

AMTZ ADDED: NO

ASSET CLASSIFICATION	ITEMS	YIELD	AVG-TERM	PRINCIPAL	COST-BASIS	MARKET-VALUE	GAIN/LOSS	%MARKET
REPURCHASE AGREEMENTS (O/N)	1	.2940	.01100	38,648,474	38,648,474	38,648,474		5.604
CERTIFICATES OF DEPOSIT	2	.7250	1.01235	3,000,000	3,000,000	3,000,000		.435
US TREASURY NOTE ACT/ACT 2X	19	.7018	1.16708	269,000,000	269,352,411	268,921,610	-430,801	38.995
AGENCY US BOND 30/360 2X	10	1.0330	1.68705	96,250,000	99,446,068	99,000,035	-446,033	14.356
AGENCY US BOND 30/360 ZERO CPN	1	.6516	1.41640	6,089,000	6,025,005	5,989,384	-35,621	.868
AGENCY US NOTES 30/360 2X	17	.8553	1.34424	210,500,000	211,554,307	210,886,780	-667,527	30.580
FED NATL MORTGAGE ASSN DEBS	1	1.2267	.87670	5,000,000	5,007,123	5,023,200	16,077	.728
CORP US NOTE 30/360 2X	1	1.3628	2.53700	15,770,000	15,978,228	15,903,414	-74,814	2.306
MUNI US 30/360 2X	20	.6481	.82629	14,795,000	15,086,497	15,078,769	-7,728	2.187
MUNICIPAL BOND REVENUE	6	.6683	1.03282	5,055,000	5,138,665	5,132,390	-6,275	.744
UNITS - INVESTMENT POOL 1	1			22,044,860	22,044,860	22,044,860		3.197
CASH ACCOUNT	1			-873	-873	-873		
	80	.7686	1.25463	686,151,461	691,280,765	689,628,043	-1,652,722	100.000

**STATE OF NEW MEXICO  
TREASURERS OFFICE**

Position holdings as of 12/31/15 (TRADE)  
BOOK VALUES AMORTIZED THROUGH 12/31/15

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
873	CASH KEY	CASHCASH				1.00000	873.29	873.00	.29
22,044,860	UNITS - INVESTMENT PDOL 1	UNITS001				1.00000	22,044,860.00	22,044,860.00	
<b>22,043,987</b>							<b>22,043,986.71</b>	<b>22,043,987.00</b>	<b>.29</b>

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

38,648,474	OVERNIGHT REPO	0104RP	.290	1/04/16	.290	1.00000	38,648,473.86	38,648,473.86	
15,000,000	UNITED STATES TREASURY NOTES	912828UG	.375	1/15/16	.320	100.00209	15,000,313.22	15,000,600.00	286.78
3,000,000	FEDERAL AGRICULTURAL MORTGAGE CO	31315PWQ	.675	1/19/16	.380	100.01469	3,000,440.61	3,000,780.00	339.39
10,000,000	UNITED STATES TREASURY NOTES	912828KS	2.625	2/29/16	.395	100.36073	10,036,073.18	10,035,200.00	873.18
7,500,000	FEDERAL NATIONAL MORTGAGE ASSOCI	31359MH8	5.000	3/15/16	.543	100.91351	7,568,513.06	7,569,900.00	1,386.94
15,000,000	UNITED STATES TREASURY NOTES	912828C4	.375	3/31/16	.406	99.99227	14,998,839.77	15,000,600.00	1,760.23
15,000,000	UNITED STATES TREASURY NOTES	912828UW	.250	4/15/16	.491	99.93083	14,989,624.82	14,997,000.00	7,375.18
400,000	TORRANCE ETC CNTYS N MEX MUN S	891400NC	1.000	5/15/16	.552	100.16621	400,664.84	400,936.00	271.16
1,220,000	RIO RANCHO N MEX WTR & WASTEWT	767175GF	3.000	5/15/16	.550	100.90926	1,231,092.95	1,232,017.00	924.05
10,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EACT	2.500	5/27/16	.479	100.81767	10,081,766.78	10,076,800.00	4,866.78
15,000,000	UNITED STATES TREASURY NOTES	912828QP	1.750	5/31/16	.522	100.50529	15,075,792.79	15,077,850.00	2,057.21
1,225,000	SANTA FE N MEX GROSS RCPTS TAX	802072RG	2.000	6/01/16	.630	100.56883	1,231,968.14	1,233,428.00	1,459.86
1,500,000	ARTESIA N MEX GROSS RCPTS TAX RE	043053BT	2.000	6/01/16	.490	100.62741	1,509,411.15	1,508,130.00	1,281.15
130,000	RUIDOSO N MEX GROSS RCPTS TAX RE	781336AX	2.000	6/01/16	.500	100.62332	130,810.32	130,704.60	105.72
750,000	SAN JUAN CNTY N MEX GROSS RCPTS	79835HGJ	3.000	6/15/16	.461	101.15413	758,655.98	758,325.00	330.98
15,000,000	UNITED STATES TREASURY NOTES	912828QR	1.500	6/30/16	.510	100.49091	15,073,636.52	15,069,150.00	4,486.52
1,120,000	ALBUQUERQUE NM GROSS RECPTS TAX	01354PFQ	.550	7/01/16	.550	100.00000	1,120,000.00	1,119,518.40	481.60
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	100.05029	15,007,543.75	15,001,200.00	6,343.75
45,000	ALAMOGORDO N MEX	011446HA	4.000	8/01/16	1.050	101.71016	45,769.57	45,769.50	.07
620,000	UNIVERSITY N MEX VALENCIA CNTYBR	914696DJ	2.000	8/01/16	.551	100.84258	625,224.01	624,966.20	257.81
1,000,000	BELEN N MEX CONS SCH DIST NO 2	077581PV	2.000	8/01/16	.451	100.90146	1,009,014.60	1,008,010.00	1,004.60
475,000	GADSDEN N MEX INOPT SCH DIST NO	362550HJ	2.000	8/15/16	.650	100.83660	478,973.83	479,013.75	39.92
2,225,000	SAN JUAN CNTY N MEX JR COLLEGEDT	798360FC	2.000	8/15/16	.440	100.96800	2,246,538.03	2,243,801.25	2,736.78
20,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EACW	2.000	8/25/16	1.144	100.55202	20,110,404.44	20,161,000.00	50,595.56
315,000	GRANT CNTY N MEX	387766BY	2.000	9/01/16	.600	100.92945	317,927.78	317,816.10	111.68
200,000	TORRANCE ETC CNTYS N MEX MUN SCH	891400NX	1.500	9/01/16	.500	100.66447	201,328.93	201,334.00	5.07
390,000	HOBBS N MEX MUN SCH DIST NO 16	433866FT	3.000	9/15/16	.530	101.73665	396,772.93	396,743.10	29.83
14,000,000	UNITED STATES TREASURY NOTES	912828RJ	1.000	9/30/16	.631	100.27360	14,038,303.81	14,027,860.00	10,443.81
10,000,000	UNITED STATES TREASURY NOTES	912828RM	1.000	10/31/16	.428	100.47298	10,047,297.60	10,019,500.00	27,797.60
5,000,000	FEDERAL NATL MTG ASSN DEBS	3135G0ES	1.375	11/15/16	1.210	100.14246	5,007,122.81	5,023,200.00	16,077.19
15,000,000	UNITED STATES TREASURY NOTES	912828WF	.625	11/15/16	.693	99.94123	14,991,184.68	14,980,050.00	11,134.68

**STATE OF NEW MEXICO  
TREASURERS OFFICE**

Position holdings as of 12/31/15 (TRADE)  
BOOK VALUES AMORTIZED THROUGH 12/31/15

POSITION-SIZE	DESCRIPTION	SEC-IO	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
15,000,000	UNITED STATES TREASURY NOTES	912828A5	.625	12/15/16	.727	99.90302	14,985,453.43	14,976,600.00	- 8,853.43
<u>251,263,474</u>							<u>251,864,938.19</u>	<u>251,866,376.76</u>	<u>1,438.57</u>

====> 0033 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ==> 2016 <====

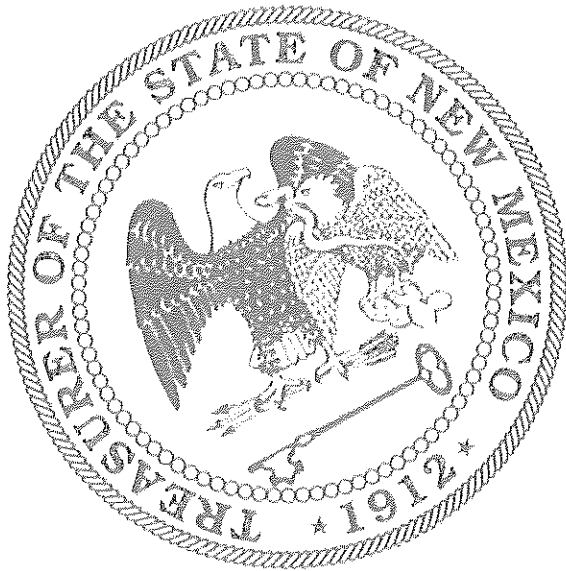
15,000,000	UNITED STATES TREASURY NOTES	9128285C	.875	1/31/17	.710	100.17753	15,026,629.56	15,001,200.00	- 25,429.56
15,000,000	UNITED STATES TREASURY NOTES	9128285J	.875	2/28/17	.788	100.10004	15,015,005.43	15,005,850.00	- 9,155.43
10,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EADC	1.000	3/08/17	.756	100.28752	10,028,751.82	10,008,300.00	- 20,451.82
24,000,000	FEDERAL NATIONAL MORTGAGE ASSOCCI	3135G0VM	.750	3/14/17	.625	100.14916	24,035,799.59	23,938,800.00	- 96,999.59
15,000,000	FEDERAL NATIONAL MORTGAGE ASSOCCI	31359M7X	5.000	5/11/17	.736	105.76337	15,864,505.37	15,806,850.00	- 57,655.37
1,495,000	ARTESIA N MEX GROSS RCPTS TAX RE	043053BU	2.000	6/01/17	.750	101.75725	1,521,270.83	1,519,129.30	- 2,141.53
6,089,000	FANNIE MAE	31359MEL		6/01/17	.643	98.94900	6,025,004.61	5,989,383.96	- 35,620.65
2,000,000	FEDERAL HOME LOAN BANKS	313383PD	1.250	6/09/17	.701	100.78387	2,015,677.47	2,007,700.00	- 7,977.47
700,000	SAN JUAN CO NM GROSS RCPTS TAX	79835HGK	4.000	6/15/17	.870	104.51648	731,615.39	730,597.00	- 1,018.39
1,000,000	FEDERAL FARM CREDIT BANKS	3133EDEB	1.100	6/28/17	.700	100.59233	1,005,923.34	1,001,830.00	- 4,093.34
5,000,000	UNITED STATES TREASURY NOTES	912828T8	.750	6/30/17	1.006	99.61979	4,980,989.64	4,984,400.00	3,410.36
600,000	ALBUQUERQUE NM GROSS RCPTS TAX	01354PFR	1.050	7/01/17	1.050	100.00000	600,000.00	597,342.00	- 2,658.00
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	31315P2T	.650	7/10/17	.862	99.67972	4,983,986.08	4,976,850.00	- 7,136.08
24,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EADV	.750	7/14/17	.740	100.01476	24,003,542.02	23,869,680.00	- 133,862.02
5,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EADJ	1.000	7/28/17	.791	100.32639	5,016,319.34	4,991,700.00	- 24,619.34
5,000,000	UNITED STATES TREASURY NOTES	912828TG	.500	7/31/17	.906	99.36408	4,968,204.05	4,962,100.00	- 6,104.05
375,000	SANDOVAL CNTY N MEX	80004PEA	3.000	8/01/17	.820	103.42139	387,830.20	387,037.50	- 792.70
300,000	ALBUQUERQUE N MEX MET ARROYO FLO	013572KE	2.000	8/01/17	.750	101.96310	305,889.29	306,147.00	257.71
250,000	ROSWELL N MEX INDPNT SCH DIST	778550JQ	2.000	8/01/17	.900	101.72491	254,312.27	254,137.50	- 174.77
2,500,000	T TO 05/01/1976	802088LN	5.000	8/01/17	.900	106.43029	2,660,757.14	2,657,950.00	- 2,807.14
5,000,000	FEDERAL NATIONAL MORTGAGE ASSOCCI	3135G0PP	1.000	9/20/17	.830	100.28963	5,014,481.29	4,989,000.00	- 25,481.29
15,000,000	FEDERAL FARM CREDIT BANKS	3133EEQX	1.000	9/25/17	.860	100.24006	15,036,008.67	14,958,450.00	- 77,558.67
5,000,000	FNMA	3135G0ZL	1.000	9/27/17	1.118	99.79719	4,989,859.36	4,988,750.00	- 1,109.36
5,000,000	FEDERAL HOME LOAN BANKS	3130A6LZ	.625	10/26/17	.733	99.80581	4,990,290.49	4,955,250.00	- 35,040.49
15,000,000	UNITED STATES TREASURY NOTES	912828UA	.625	11/30/17	.814	99.64262	14,946,392.68	14,875,800.00	- 70,592.68
6,005,000	TENNESSEE VALLEY AUTHORITY	880591CU	6.250	12/15/17	1.021	110.09775	6,611,369.62	6,584,002.10	- 27,367.52
<u>190,814,000</u>							<u>192,520,415.55</u>	<u>191,848,236.36</u>	<u>- 672,179.19</u>

====> 0027 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ==> 2017 <====

**STATE OF NEW MEXICO  
TREASURERS OFFICE**

Position holdings as of 12/31/15 (TRADE)  
BOOK VALUES AMORTIZED THROUGH 12/31/15

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	NATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
24,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EADN	.750	1/12/18	.904	99.69106	23,925,855.16	23,806,800.00	- 119,055.16
7,480,000	FEDERAL HOME LOAN BANKS	3130A5ZS	1.100	2/12/18	.959	100.08587	7,486,423.16	7,491,369.60	4,946.44
13,000,000	FEDERAL NATIONAL MORTGAGE ASSOCT	3135G0UX	1.200	2/28/18	1.196	100.00000	13,000,000.00	12,960,220.00	- 39,780.00
20,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EADP	.875	3/07/18	.928	99.88570	19,977,140.65	19,859,600.00	- 117,540.65
13,585,000	FEDERAL HOME LOAN BANKS	313378A4	1.375	3/09/18	.966	100.88271	13,704,916.03	13,627,656.90	- 77,259.13
25,000,000	UNITED STATES TREASURY NOTES	912828J6	1.000	3/15/18	.899	100.22056	25,055,139.31	24,913,000.00	- 142,139.31
30,000,000	TENNESSEE VALLEY AUTHORITY	880591EC	4.500	4/01/18	.935	107.91857	32,375,571.15	32,138,700.00	- 236,871.15
15,000,000	FEDERAL NATIONAL MORTGAGE ASSOCT	3135G0WJ	.875	5/21/18	1.114	99.43695	14,915,542.50	14,859,450.00	- 56,092.50
100,000	SANDOVAL CNTY N MEX INCENTIVE PA	800051AW	1.952	6/01/18	1.460	101.16287	101,162.87	100,489.00	- 673.87
155,000	RUIDOSO N MEX GROSS RCPTS TAX RE	781336BB	2.000	6/01/18	1.100	102.13999	158,316.99	158,225.55	- 91.44
260,000	ARTESIA N MEX GROSS RCPTS TAX RE	043053BV	2.000	6/01/18	1.000	102.38102	266,190.66	266,034.60	- 156.06
15,770,000	PRZVATE EXPORT FUNDING CORP.	742651DS	1.875	7/15/18	1.344	101.32041	15,978,228.33	15,903,414.20	- 74,814.13
5,000,000	FEDERAL NATIONAL MORTGAGE ASSOCT	3136G2LK	1.750	8/24/18	.590	100.74792	5,037,395.77	5,022,200.00	- 15,195.77
15,000,000	UNITED STATES TREASURY NOTES	912828WD	1.250	10/31/18	.944	100.85130	15,127,695.42	14,978,850.00	- 148,845.42
20,000,000	UNITED STATES TREASURY NOTES	912828RY	1.375	12/31/18	1.395	99.94145	19,988,289.16	20,014,800.00	26,510.84
<b>204,350,000</b>							<b>207,097,867.16</b>	<b>206,100,809.85</b>	<b>- 997,057.31</b>
====> 0015 ITEMS IN SUBTOTAL FOR ===== FINAL-MATURITY.. ===== 2018 <====									
14,780,000	FEDERAL FARM CREDIT BANKS	3133EE4S	1.650	7/29/19	1.650	100.00000	14,780,000.00	14,799,361.80	19,361.80
1,400,000	UNITED STATES DEPARTMENT OF HOUS	911759JA	5.450	8/01/19	.550	102.84916	1,439,888.23	1,435,714.00	- 4,174.23
<b>16,180,000</b>							<b>16,219,888.23</b>	<b>16,235,075.80</b>	<b>15,187.57</b>
====> 0002 ITEMS IN SUBTOTAL FOR ===== FINAL-MATURITY.. ===== 2019 <====									
1,500,000	S REV	013493BR	5.000	7/01/26	.500	102.24420	1,533,663.06	1,533,555.00	- 108.06
<b>1,500,000</b>							<b>1,533,663.06</b>	<b>1,533,555.00</b>	<b>- 108.06</b>
====> 0001 ITEMS IN SUBTOTAL FOR ===== FINAL-MATURITY.. ===== 2026 <====									
<b>686,151,461</b>							<b>691,280,758.90</b>	<b>689,628,040.77</b>	<b>- 1,652,718.13</b>
====> 0080 ITEMS IN SUBTOTAL FOR ===== FUND NAME..... ===== BOND PROCEEDS INV POOL1 TAX EX <									



### 13. 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 \$678mil vs. \$674mil at the end November.
- The Pool received \$23mil in draw requests for capital spending during the month and paid out \$28mil for capital projects.
- The Pool received \$31.8mil in proceeds from the State's year end bond sale.

### *Portfolio Mix*

- 100% of the Taxable BPIP portfolio was invested in fixed income securities: 50% in US Treasuries, 39% in Agency securities, 1% in NM municipal securities and the balance, approximately 10%, was held in cash equivalents and collateralized NM bank CDs.
- 57% of the portfolio was invested in securities that mature in one year, 23% in securities that mature from 1-2 years, 21% in securities that mature from 2-4 years and 0% in securities out to 5 years.
- The Taxable BPIP held positions in 61 securities.
- Weighted Average Life of the Taxable BPIP was 1.20 years. The Weighted Average duration was 1.14 years.
- The maximum security term for the BPIP portfolio is 5 years.

### *Investment Earnings*

- The unrealized gains in the Taxable BPIP were (\$343,719) as of December 31<sup>st</sup>.
- Monthly net earnings on the portfolio for December were \$450,422.
- FY2016 net earnings were roughly \$2,523,632.
- 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 1.14 years vs. the Benchmark at 1.34 years.
- Maturities totaled \$35mil in the month of December 2015.
- The Pool purchased \$20mil of 2 year US Treasuries and sold \$10mil of a 4.5 year agency security at a gain.

### *Performance*

- Purchase Yield at the end of December was 0.7905% relative to .7318% at the end of the prior month.
- The Taxable BPIP returned 0.00% for the month of December and (0.21%) for the three months ended December 31, 2015, vs. Index returns of (0.06%) and (0.31%) respectively. For the trailing 12 mos. the Pool returned 0.48% vs. 0.43% for the benchmark.
- The Taxable BPIP had a duration shorter than the benchmark for the month of December and consequently outperformed the index.

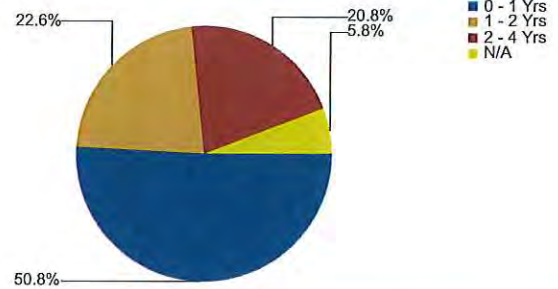
- Cash flows (debt service payments, capital project withdrawals, bond sale proceeds) will continue to be the key driver of the portfolio's structure and cash position going forward.

*Investment Strategy*

- The option adjusted duration of the portfolio is currently 1.07 yrs. vs. 1.40 yrs. for the benchmark.
- The Pool had maturities of \$19.5mil during January.
- Capital project withdrawals totaled \$20.1mil in January.
- 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.

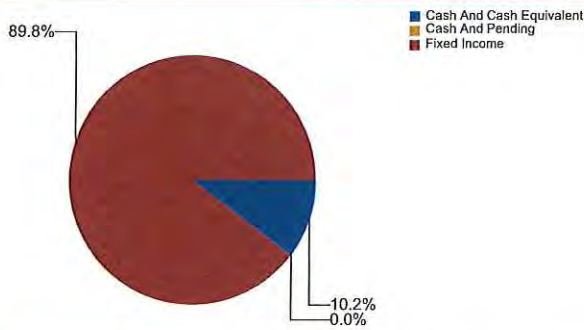
Portfolio Characteristics

Total Net Assets (Millions)	677.9
Weighted Average Life (Years)	1.20
Weighted Avg. Effective Duration (Years)	1.14
Weighted Average Coupon (%)	1.38
Weighted Average Current Yield (%)	0.78
Weighted Average Rating	AA
Number of Holdings	61



Asset Mix

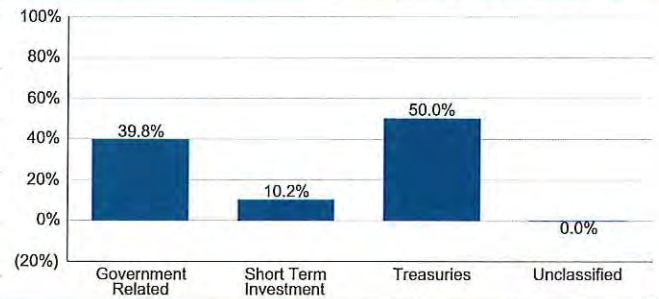
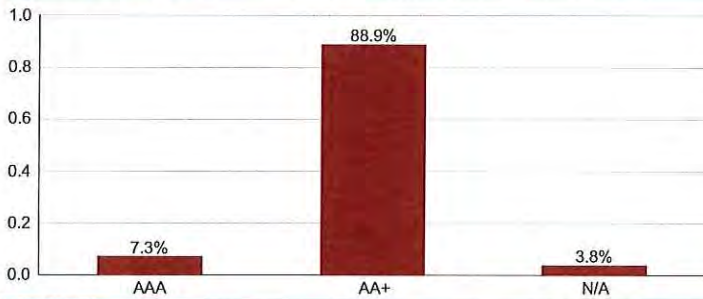
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
912829QR4	UNITED STATES 1.5% 06/16	4.45%	1.50	30/6/2016
880591EC2	TENNESSEE VALLEY 4.5% BDS 01/APR/2018 USD1000	3.78%	4.50	1/4/2018
3131EACW7	FEDERAL HOME LOAN MORTGAGE CORP 2% BDS 25/AUG/2016	3.74%	2.00	25/8/2016
912828SY7	UNITED STATES OF AMERICA 0.625% 2017-05-31	3.67%	0.62	31/5/2017
912828PH4	UNITED STATES OF AMERICA 2.750% 2017-12-31	3.05%	2.75	31/12/2017
912828LU2	US 3.12500 '16	3.02%	3.12	31/10/2016
3135G0ZG1	FNMA 1.750 '19 USD	2.98%	1.75	12/9/2019
3135G0ZY2	FEDERAL NATIONAL MORTGAGE ASSOCIATION NOTES FIXED	2.97%	1.75	28/11/2019
99F50050	REPO JPMORGAN CHASE BK (GREENWICH) 123115K	2.97%	0.11	4/1/2016
99F50042	REPO JPMORGAN CHASE BK (GREENWICH) 123115J	4.19%	0.11	4/1/2016

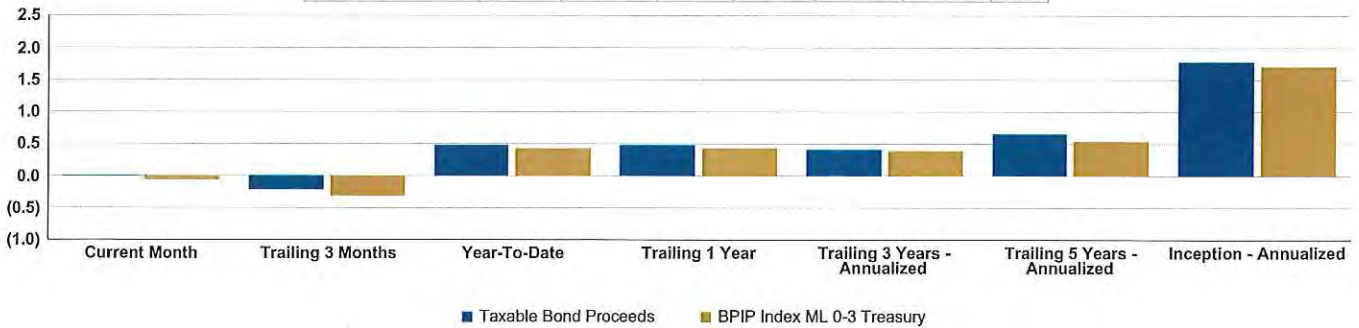
Quality/Rating Weightings

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
Taxable Bond Proceeds	0.00	(0.21)	0.48	0.48	0.41	0.65	1.78
BPIP Index ML 0-3 Treasury	(0.06)	(0.31)	0.43	0.43	0.39	0.54	1.71
Excess	0.06	0.09	0.05	0.05	0.01	0.11	0.07





**STATE OF NEW MEXICO**  
**BOND PROCEEDS INV POOL2 TAXABL (4002)**  
 Portfolio Classification Summary  
 Positions Held as of 12/31/15 (TRADE Basis)

AMTZ ADDED: NO

ASSET CLASSIFICATION	ITEMS	YIELD	AVG-TERM	PRINCIPAL	COST-BASIS	MARKET-VALUE	GAIN/LOSS	MARKET
REPURCHASE AGREEMENTS (O/N)	1	.2940	.01100	48,535,065	48,535,065	48,535,065		7.180
CERTIFICATES OF DEPOSIT	3	.5645	.62680	6,200,000	6,200,000	6,200,000		.917
LINKED-CERTIFICATE OF DEPOSIT	2	.4500	.04110	4,000,000	4,000,000	4,000,000		.592
US TREASURY NOTE ACT/ACT 2X	21	.7658	1.14736	337,550,000	338,665,593	338,421,430	-244,163	50.061
AGENCY US BOND 30/360 2X	5	.7881	1.11172	77,132,000	78,974,989	78,825,371	-149,618	11.660
AGENCY 30/360 2X	1	1.6808	3.69860	20,000,000	20,065,700	20,105,600	39,900	2.974
AGENCY US NOTES 30/360 2X	13	.9370	1.29608	162,209,000	163,139,753	163,152,516	12,763	24.134
MUNI US 30/360 2X	11	.5797	.69197	6,145,000	6,230,355	6,228,252	-2,103	.921
MUNICIPAL BOND REVENUE	1	.4361	.58630	225,000	227,055	226,557	-498	.034
UNITS - INVESTMENT POOL 1	1			10,326,787	10,326,787	10,326,787		1.528
CASH ACCOUNT	1			-873	-873	-873		
	60	.7858	1.15743	672,321,979	676,364,424	676,020,705	-343,719	100.000

**STATE OF NEW MEXICO  
TREASURERS OFFICE**

Position holdings as of 12/31/15 (TRADE)  
BOOK VALUES AMORTIZED THROUGH 12/31/15

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
-	873 CASH KEY	CASHCASH				1.00000	873.29	873.00	.29
10,326,787	UNITS - INVESTMENT POOL 1	UNITS001				1.00000	10,326,787.13	10,326,787.00	.13
10,325,914							10,325,913.84	10,325,914.00	.16

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

48,535,065	OVERNIGHT REPO	0104RP	.290	1/04/16	.290	1.00000	48,535,065.21	48,535,065.21	
15,500,000	FEDERAL AGRICULTURAL MORTGAGE CO	31315PVS	.430	1/08/16	.464	99.99933	15,499,895.84	15,500,465.00	569.16
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	100.27415	15,041,122.00	15,041,550.00	428.00
13,450,000	FEDERAL HOME LOAN BANKS	3130A3FM	.300	3/01/16	.293	100.00116	13,450,155.97	13,449,731.00	424.97
12,500,000	FEDERAL NATIONAL MORTGAGE ASSOCI	31359MH8	5.000	3/15/16	.543	100.91351	12,614,188.43	12,616,500.00	2,311.57
8,709,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135GOAL	2.250	3/15/16	.397	100.38003	8,742,096.62	8,740,091.13	2,005.49
15,000,000	FANNIE MAE	3135GOVA	.500	3/30/16	.537	99.99074	14,998,610.72	15,001,200.00	2,589.28
16,550,000	UNITED STATES TREASURY NOTES	912828UW	.250	4/15/16	.435	99.94699	16,541,227.11	16,546,690.00	5,462.89
10,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EACT	2.500	5/27/16	.479	100.81767	10,081,766.78	10,076,900.00	4,866.78
15,000,000	UNITED STATES TREASURY NOTES	912828QP	1.750	5/31/16	.522	100.50529	15,075,792.79	15,077,850.00	2,057.21
1,000,000	NEW MEXICO FIN AUTH REV	64711NSK	4.000	6/01/16	.570	101.42490	1,014,248.95	1,014,920.00	671.05
1,115,000	CLOVIS N MEX GROSS RCPTS TAX REV	189387DK	2.000	6/01/16	.381	100.67325	1,122,506.69	1,121,489.30	1,017.39
30,000,000	UNITED STATES TREAS NTS	912828QR	1.500	6/30/16	.532	100.48013	30,144,039.59	30,138,300.00	5,739.59
1,000,000	ALBUQUERQUE N MEX ARPT REV	013538JD	5.000	7/01/16	.400	102.29532	1,022,953.17	1,020,510.00	2,443.17
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	100.05062	15,007,593.57	15,001,200.00	6,393.57
195,000	LDS LUNAS N MEX SCH DIST NO 1	545562RC	2.000	7/15/16	.451	100.83291	196,624.17	196,460.55	163.62
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	100.78451	604,707.06	605,322.00	614.94
475,000	LAS CRUCES N MEX SCH DIST NO 002	517534SD	3.000	8/01/16	.650	101.36561	481,486.66	481,498.00	11.34
250,000	GALLUP MC KINLEY CNTY N MEX SCH	364010QJ	2.000	8/01/16	.710	100.74922	251,873.06	252,002.50	129.44
400,000	SAN JUAN CNTY N MEX CENT CONS IN	798359KC	3.000	8/01/16	.650	101.36565	405,462.61	405,820.00	357.39
160,000	BERNALILLO N MEX MUN SCH DIST NO	085279RZ	3.000	8/01/16	.450	101.48343	162,373.49	162,188.80	184.69
225,000	COLFAX CNTY N MEX GROSS TAX RCPT	19407BAC	2.000	8/01/16	.430	100.91347	227,055.30	226,557.00	498.30
25,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EACW	2.000	8/25/16	1.277	100.46569	25,116,422.27	25,201,250.00	84,827.73
15,000,000	UNITED STATES TREASURY NOTES	912828RJ	1.000	9/30/16	.677	100.23955	15,035,932.74	15,029,850.00	6,082.74
15,000,000	UNITED STATES TREASURY NOTES	912828RM	1.000	10/31/16	.632	100.30413	15,045,618.96	15,029,250.00	16,368.96
20,000,000	UNITED STATES TREASURY NOTES	912828LU	3.125	10/31/16	.584	102.09945	20,419,889.39	20,381,200.00	38,689.39
20,000,000	UNITED STATES TREASURY NOTES	912828RU	.875	11/30/16	.751	100.11204	20,022,408.83	20,011,800.00	10,608.83
20,000,000	UNITED STATES TREASURY NOTES	912828AS	.625	12/15/16	.665	99.96204	19,992,407.17	19,968,800.00	23,607.17

**STATE OF NEW MEXICO  
TREASURERS OFFICE**

Position holdings as of 12/31/15 (TRADE)  
BOOK VALUES AMORTIZED THROUGH 12/31/15

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
1,100,000	WESTERN BANK ALAMOGORDO	81186499	.750	12/30/16	.750	1.00000	1,100,000.00	1,100,000.00	
<u>345,864,065</u>							<u>347,053,525.15</u>	<u>347,034,460.49</u>	<u>- 19,064.66</u>

====> 0033 ITEMS IN SUBTOTAL FOR ==> FINAL-MATURITY.. ==> 2016 <==

15,000,000	UNITED STATES TREASURY NOTES	912828SC	.875	1/31/17	.700	100.18859	15,028,287.98	15,001,200.00	- 27,087.98
5,000,000	UNITED STATES TREASURY NOTES	912828SJ	.875	2/28/17	.788	100.10004	5,005,001.81	5,001,950.00	- 3,051.81
10,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EADC	1.000	3/08/17	.756	100.28752	10,028,751.82	10,008,300.00	- 20,451.82
20,000,000	UNITED STATES TREASURY NOTES	912828SM	1.000	3/31/17	.849	100.18669	20,037,338.68	20,031,200.00	- 6,138.68
10,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	31359M7X	5.000	5/11/17	.743	105.75339	10,575,338.84	10,537,900.00	- 37,438.84
25,000,000	UNITED STATES TREASURY NOTES	912828SY	.625	5/31/17	.916	99.59183	24,897,956.34	24,889,750.00	- 8,206.34
675,000	CLOVIS N MEX GROSS RCPTS TAX REV	189387DL	2.000	6/01/17	.800	101.68643	686,383.43	685,894.50	- 488.93
15,000,000	FEDERAL HOME LOAN BANKS	313379FW	1.000	6/09/17	.825	100.24941	15,037,411.76	14,996,850.00	- 40,561.76
5,000,000	UNITED STATES TREASURY NOTES	912828TB	.750	6/30/17	1.006	99.61979	4,980,989.64	4,984,400.00	3,410.36
8,000,000	FEDERAL AGRICULTURAL MORTGAGE CD	31315PZT	.650	7/10/17	.862	99.67972	7,974,377.73	7,962,960.00	- 11,417.73
5,000,000	UNITED STATES TREASURY NOTES	912828TG	.500	7/31/17	.906	99.36408	4,968,204.05	4,962,100.00	- 6,104.05
11,000,000	UNITED STATES TREASURY NOTES	912828TH	.625	8/31/17	.975	99.42430	10,936,672.54	10,929,490.00	- 7,182.54
7,500,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3136G2AU	1.750	11/24/17	.451	100.51474	7,538,605.70	7,538,250.00	- 355.70
10,000,000	FHLB	3130A5UG	1.000	12/29/17	1.000	100.00000	10,000,000.00	10,007,300.00	7,300.00
20,000,000	UNITED STATES TREASURY NOTES	912828PN	2.750	12/31/17	1.124	103.20227	20,640,454.70	20,643,800.00	3,345.30
<u>167,175,000</u>							<u>168,335,775.02</u>	<u>168,181,344.50</u>	<u>- 154,430.52</u>

====> 0015 ITEMS IN SUBTOTAL FOR ==> FINAL-MATURITY.. ==> 2017 <==

20,000,000	UNITED STATES TREASURY NOTES	912828UJ	.875	1/31/18	1.205	99.32424	19,864,848.10	19,900,000.00	35,151.90
15,000,000	UNITED STATES TREASURY NOTES	912828UR	.750	2/28/18	1.213	99.01406	14,852,108.68	14,872,200.00	20,091.32
23,682,000	TENNESSEE VALLEY AUTHORITY	880591EC	4.500	4/01/18	1.059	107.62946	25,488,809.04	25,370,289.78	- 118,519.26
10,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0WJ	.875	5/21/18	1.160	99.33102	9,933,101.77	9,906,300.00	- 26,801.77
10,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0E4	1.750	6/08/18	.650	100.47809	10,047,809.39	10,022,200.00	- 25,609.39
275,000	LOS LUNAS N MEX SCH DIST NO 1	545562RX	2.000	7/15/18	1.020	102.44895	281,734.60	282,144.50	409.90
15,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0E3	1.125	7/20/18	1.205	99.79945	14,969,917.52	14,938,800.00	- 31,117.52
15,000,000	UNITED STATES TREASURY NOTES	912828ND	1.250	10/31/18	.944	100.85130	15,127,695.42	14,978,850.00	- 148,845.42
<u>108,957,000</u>							<u>110,566,024.52</u>	<u>110,270,784.28</u>	<u>- 295,240.24</u>

====> 0008 ITEMS IN SUBTOTAL FOR ==> FINAL-MATURITY.. ==> 2018 <==

**STATE OF NEW MEXICO  
TREASURERS OFFICE**

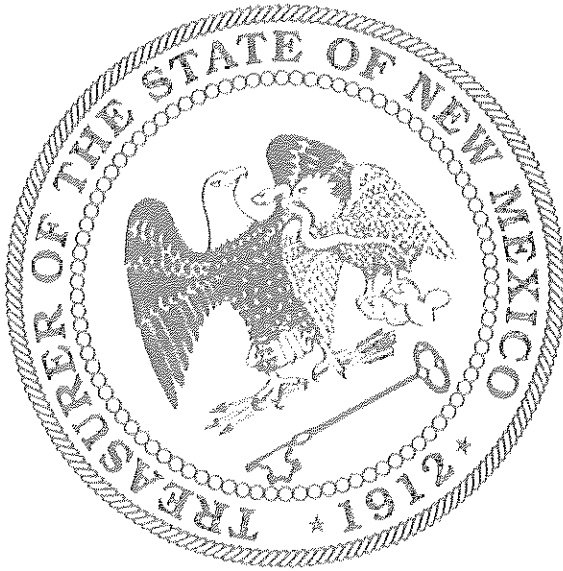
Position holdings as of 12/31/15 (TRADE)  
BOOK VALUES AMORTIZED THROUGH 12/31/15

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
20,000,000	FANNIE MAE	3135G0ZG	1.750	9/12/19	1.658	100.32850	20,065,699.99	20,105,600.00	39,900.01
20,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0ZY	1.750	11/26/19	1.727	100.08740	20,017,479.04	20,102,600.00	85,120.96
<u>40,000,000</u>							<u>40,083,179.03</u>	<u>40,208,200.00</u>	<u>125,020.97</u>

==> 0002 ITEMS IN SUBTOTAL FOR ==> FINAL-MATURITY.. ==> 2019 <==

<u>672,321,979</u>							<u>676,364,417.56</u>	<u>676,020,703.27</u>	<u>-- 343,714.29</u>
--------------------	--	--	--	--	--	--	-----------------------	-----------------------	----------------------

==> 0060 ITEMS IN SUBTOTAL FOR ==> FUND NAME..... ==> BOND PROCEEDS INV POOL2 TAXABL <



## 14. Portfolio Summary- Severance Tax Bonding Fund

## **Portfolio Summary – Severance Tax Bonding Fund**

### *Summary*

- The Severance Tax Bonding Fund closed the month of December at \$145mil.
- The Severance Tax Bonding Fund net earnings were \$24,518 during December.

### *Portfolio Mix*

- The Severance Tax Bonding Fund is 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.
  - On June 30<sup>th</sup> and December 30<sup>th</sup>, the STBF transfers available balances, in excess of debt service needs, to the Severance Tax Permanent Fund.
- Severance Taxes are remitted to the Treasury on a monthly basis and range between \$25MM and \$35MM per month.
  - The STB fund received \$26mil in December.
- The STB fund paid out \$31.8mil on December 30 for the 2015C&D Sponge Note.

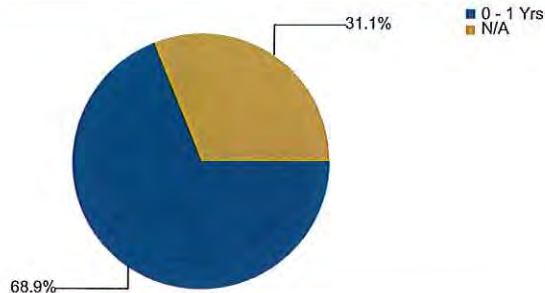
### *Investment Strategy*

- Due to its short-term nature, investments of three to six month maturities are viable investments for the STBF pool.

Portfolio Characteristics

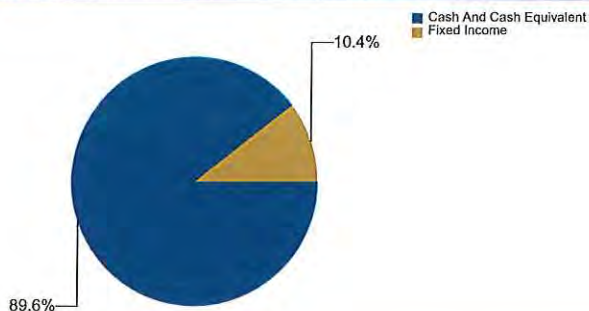
Total Net Assets (Millions) 145.1  
 Weighted Average Life (Years) 0.13  
 Weighted Avg. Effective Duration (Years) 0.09  
 Weighted Average Coupon (%) 0.34  
 Weighted Average Current Yield (%) 0.15  
 Weighted Average Rating BBB  
 Number of Holdings 7

Duration Mix



Asset Mix

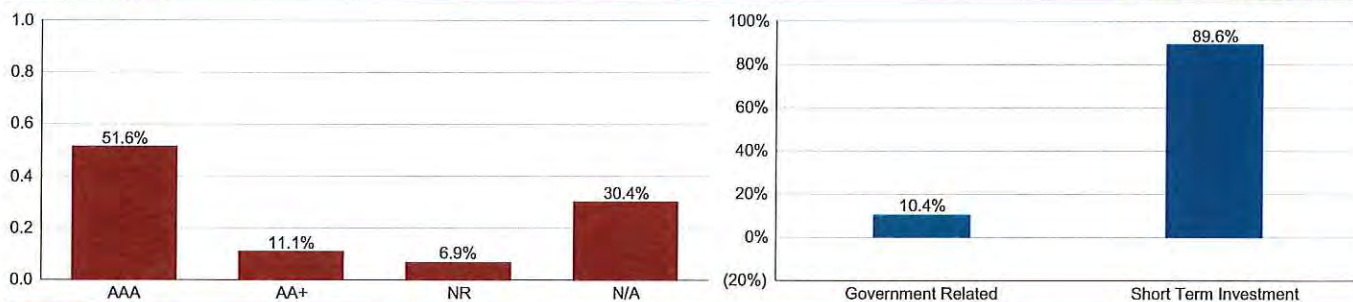
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
99F50035	REPO MITSUBISHI UFJ SECURITIES (USA),INC. 123115A	34.20%	0.11	4/1/2016
692998X00	LGP POOL PARTICIPANT	30.38%	0.11	4/1/2016
99F50037	REPO JPMORGAN CHASE BK (GREENWICH) 123115C	14.97%	0.11	4/1/2016
31315KTF7	FEDERAL AGRICULTURAL MORTGAGE CORP DISCOUNT NOTES	0.69%		
89199J5V4	FIRST NATIONAL	6.93%		
99F50038	REPO MITSUBISHI UFJ SECURITIES (USA),INC. 123115B	2.39%	0.11	4/1/2016
3135G0B40	FEDERAL NATIONAL MORTGAGE ASSOC 2.375% NTS	10.45%	2.38	11/4/2016

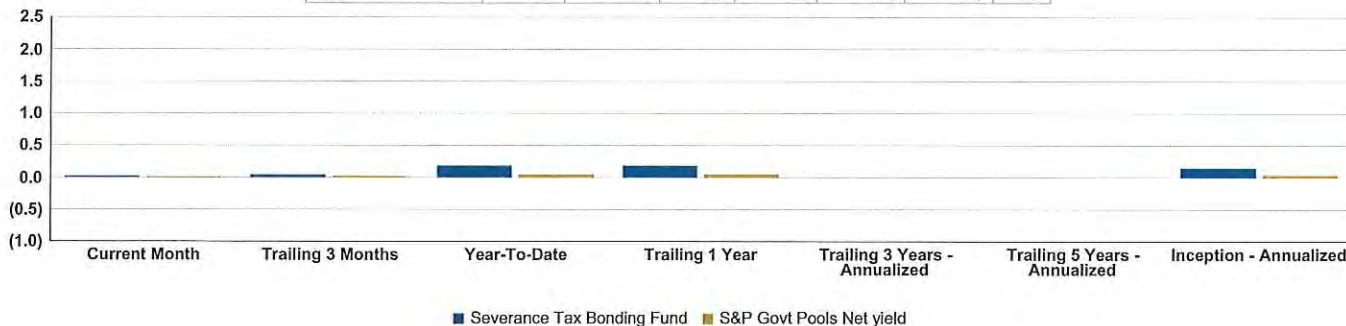
Quality/Rating Weightings

Sector Weightings (as % of Market Value)



Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years - Annualized	Trailing 5 Years - Annualized	Inception
Severance Tax Bonding Fund	0.02	0.04	0.18	0.18			0.15
S&P Govt Pools Net yield	0.01	0.02	0.05	0.05			0.04
Excess	0.01	0.02	0.14	0.14	0.00	0.00	0.11



**STATE OF NEW MEXICO**  
**STB FUND (4001)**  
 Portfolio Classification Summary  
 Positions Held as of 12/31/15 (TRADE Basis)

AMTZ ADDED: NO

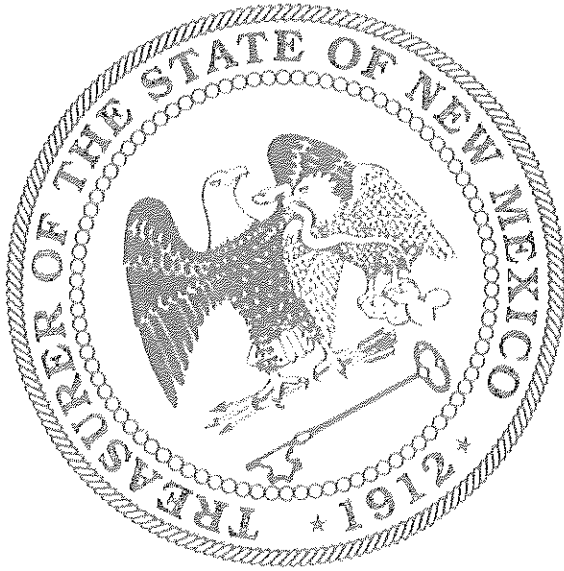
ASSET CLASSIFICATION	ITEMS	YIELD	AVG-TERM	PRINCIPAL	COST-BASIS	MARKET-VALUE	GAIN/LOSS	%MARKET
REPURCHASE AGREEMENTS (O/N)	2	.2293	.01100	74,818,709	74,818,709	74,818,709		51.592
AGENCY US DISC ACT/360 360 DAY	1	.2893	.13420	1,000,000	999,621	999,690	69	.689
AGENCY US NOTES 30/360 2X	1	.4544	.27950	15,000,000	15,080,084	15,077,700	-2,384	10.397
UNITS - INVESTMENT POOL I	1			44,070,844	44,070,844	44,070,844		30.390
CASH ACCOUNT	1			10,052,517	10,052,517	10,052,517		6.932
	<u>6</u>	<u>.1675</u>	<u>.05670</u>	<u>144,942,070</u>	<u>145,021,775</u>	<u>145,019,460</u>	<u>-2,315</u>	<u>100.000</u>



**STATE OF NEW MEXICO  
TREASURERS OFFICE**

Position holdings as of 12/31/15 (TRADE)  
BOOK VALUES AMORTIZED THROUGH 12/31/15

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
44,070,844	UNITS - INVESTMENT POOL 1	UNITS001				1.00000	44,070,843.71	44,070,844.00	.29
10,052,517	FNB MONEY MARKET DEMAND ACCOUNT	FNBCASH				1.00000	10,052,517.25	10,052,517.00	-.25
<u>54,123,361</u>							<u>54,123,360.96</u>	<u>54,123,361.00</u>	<u>.04</u>
====> 0002 ITEMS IN SUBTOTAL FOR =====> FINAL-MATURITY.. =====> NO-MEANINGFUL-DATE <=====									
53,101,000	OVERNIGHT REPO	0104RP	.200	1/04/16	.200	1.00000	53,101,000.00	53,101,000.00	
21,717,709	OVERNIGHT REPO	0104RP	.290	1/04/16	.290	1.00000	21,717,709.08	21,717,709.08	
1,000,000	FEDERAL AGRICULTURAL MORTGAGE CO	3131SKTF		2/18/16	.285	99.96200	999,620.00	999,690.00	70.00
15,000,000	FEDERAL NATIONAL MORTGAGE ASSOCCI	3135GOBA	2.375	4/11/16	.448	100.53389	15,080,084.05	15,077,700.00	- 2,384.05
<u>90,818,709</u>							<u>90,898,413.13</u>	<u>90,896,099.08</u>	<u>- 2,314.05</u>
====> 0004 ITEMS IN SUBTOTAL FOR =====> FINAL-MATURITY.. =====> 2016 <=====									
<u>144,942,070</u>							<u>145,021,774.09</u>	<u>145,019,460.08</u>	<u>- 2,314.01</u>
====> 0006 ITEMS IN SUBTOTAL FOR =====> FUND NAME..... =====> STB FUND <=====									



## 15. 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.

New Mexico State Treasurer's  
Executive Summary of Investment Activity  
Summary of Broker Participation  
Purchases and Sales By Broker, Market & Security Type  
All Funds  
2015-2016

Volume at Par (\$ in thousands)

Broker/Dealer:	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	YTD Total	YTD Percent
Barclays	20,000	10,800	22,000	50,000									102,800	6.8%
BB and T (Scott & Stringfellow)	35,286		1,089	30,440	7,630	13,395							87,840	5.8%
BMO Capital Markets			2,000	15,000	10,677	8,000							35,677	2.3%
BNP Paribas		1,800											1,800	0.1%
BOSC, Inc		500	200										700	0.0%
Cantor Fitzgerald													-	0.0%
CastleOak Securities LP	23,000	5,000	62,000		18,000	11,000							119,000	7.8%
Daiwa Capital Markets America		8,100	5,000			18,000							31,100	2.0%
Deutsche Bank		21,152	150	36,000	5,000	1,027							63,329	4.2%
Drexel Hamilton LLC													-	0.0%
First Southwest			15,275	3,225									-	0.0%
FTN Financial						28,000							28,000	1.8%
George K Baum & Co													-	0.0%
Government Perspectives, Inc													-	0.0%
* Guggenheim Securities LLC	1,000	20,000											21,000	1.4%
HSBC						20,000							20,000	1.3%
Int'l FCStone		14,780	3,000	20,000		5,000							42,780	2.8%
Jefferies		5,100	1,900			32,383							38,783	2.6%
JP Morgan & Co													-	0.0%
KeyBanc Capital Markets	1,700	63,985		13,101	10,380								89,166	5.9%
* Loop Capital Markets	5,000												5,000	0.3%
MBS (Multi-Bank Securities)													-	0.0%
MFR Securities													-	0.0%
Mizuho Securities USA	11,441	11,900	14,500	35,000									72,841	4.8%
Morgan Stanley		44,000	26,280		24,463								94,723	6.2%
Mutual Securities Inc.													-	0.0%
* Piper Jaffray		285											285	0.0%
Raymond, James & Associates													-	0.0%
RBS Securities		31,000				25,000							56,000	3.7%
Robert W. Baird & Co.	1,790	3,255			1,000								6,045	0.4%
* Samuel A Ramirez & Co.	19,000	15,000											34,000	2.2%
Societe General Americas			26,842	21,000									47,842	3.2%
Southwest Securities	6,250	3,100	1,250	525									11,125	0.7%
Stifel Nicklaus & Co			255										255	0.0%
TD Securities	10,000			20,000	46,000	27,630							103,630	6.8%
UBS Financial Services						10,000							10,000	0.7%
Vining Sparks													-	0.0%
Wedbush Securities	17,950	16,230											34,180	2.3%
Wells Fargo Securities	11,856	32,000	26,800	31,675	45,355	75,000							222,686	14.7%
Direct Purchase			4,800	2,000		41,818							48,618	3.2%
Interfund					41,000	30,000							71,000	4.7%
<b>Total</b>	<b>164,273</b>	<b>307,987</b>	<b>212,721</b>	<b>277,966</b>	<b>209,505</b>	<b>346,253</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,518,705</b>	<b>100.0%</b>

\* Broker-Dealers not on Approved Broker-Dealer List as of October 1, 2015

Volume at Par

(\$ in thousands)

Broker/Dealer:	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	YTD Total	YTD Percent
<b>Market type:</b>														
-	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	YTD Total	YTD %
Primary Market	1,790	3,640	55,480	4,750	6,000	41,818	-	-	-	-	-	-	113,478	7.5%
Secondary Market	162,483	304,347	157,241	273,216	203,505	304,435	-	-	-	-	-	-	1,405,227	92.5%
<b>Total</b>	<b>164,273</b>	<b>307,987</b>	<b>212,721</b>	<b>277,966</b>	<b>209,505</b>	<b>346,253</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,518,705</b>	<b>100.0%</b>
<b>Security type:</b>														
- 2	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	YTD Total	YTD %
ABS	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Agencies	135,547	304,347	197,241	186,216	179,005	228,435	-	-	-	-	-	-	1,230,791	81.0%
Certificates of Deposit/Bank MMDA	-	-	-	2,000	-	10,000	-	-	-	-	-	-	12,000	0.8%
Commercial Paper	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Corporate Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
MBS	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Municipal/Sponge	1,790	3,640	5,480	3,750	1,000	31,818	-	-	-	-	-	-	47,478	3.1%
Treasuries	26,936	-	10,000	86,000	29,500	76,000	-	-	-	-	-	-	228,436	15.0%
<b>Total</b>	<b>164,273</b>	<b>307,987</b>	<b>212,721</b>	<b>277,966</b>	<b>209,505</b>	<b>346,253</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,518,705</b>	<b>100.0%</b>

\* Broker-Dealers not on Approved Broker-Dealer List as of October 1, 2015

**STATE OF NEW MEXICO**  
**Summary of Fixed-Income Purchases and Sales**  
**TRADES During The Period 12/01/15 Through 12/31/15**

TXN-DATE	CUSIP#	ASSET-TYPE	INVS#	ISSUE-NAME	RATE	MATURITY	YIELD	BRKR/DLR/AGENT	FUND	PAR-VALUE	COST/PROCEEDS	GAIN/LOSS	NXT-CALL
<b>PURCHASE TRANSACTIONS</b>													
12/14/15	1623575	CERTIFICATES OF	24656	SOUTHWEST CAPITAL BANK	.780	6/13/16	.7800	SYSTEM - UNIDEN	1001	10,000,000.00	10,000,000.00		
12/03/15	912828A4	US TREASURY NOT	24606	US TREASURY N/B	2.000	11/30/20	1.7830	TD SECURITIES	1001	20,000,000.00	20,206,250.00		
12/23/15	912828TH	US TREASURY NOT	24708	UNITED STATES TREASURY	.875	7/31/19	1.5073	JEFFRIES & CO	1001	16,000,000.00	15,647,500.00		
12/29/15	912828PN	US TREASURY NOT	24730	UNITED STATES TREASURY	2.750	12/31/17	1.1241	HSBC	4002	20,000,000.00	20,642,187.50		
12/30/15	912828RY	US TREASURY NOT	24732	UNITED STATES TREASURY	1.375	12/31/18	1.3950	WELLS FARGO SEC	4000	20,000,000.00	19,988,281.25		
12/10/15	3135G0SB	AGENCY US BOND	22029	FEDERAL NATIONAL MORTGA	.375	12/21/15	.2270	FTN FINANCIAL S	4001	28,000,000.00	28,001,148.00		
12/10/15	3135G0SB	AGENCY US BOND	22029	FEDERAL NATIONAL MORTGA	.375	12/21/15	.3168	DEUTSCHE BANK S	4001	1,027,000.00	1,027,016.43		
12/14/15	3130A5E4	AGENCY US BOND	24654	FEDERAL HOME LOAN BANKS	.300	5/26/16	.6295	INTL FCSTONE PA	4101	5,000,000.00	4,992,650.00		
12/22/15	313375RN	AGENCY US BOND	24697	FEDERAL HOME LOAN BANKS	1.000	3/11/16	.3547	RBS GREENWICH C	4101	15,000,000.00	15,020,925.00		
12/29/15	3133X3FJ	AGENCY US BOND	24731	FEDERAL HOME LOAN BANKS	5.375	5/18/16	.5229	BMO CAPITAL MAR	4101	8,000,000.00	8,148,400.00		
12/30/15	3130A5RB	AGENCY US BOND	24733	FEDERAL HOME LOAN BANKS	.220	3/01/16	.3505	BB&T CAPITAL MA	4101	3,395,000.00	3,394,297.24		
12/30/15	313375RN	AGENCY US BOND	24697	FEDERAL HOME LOAN BANKS	1.000	3/11/16	.3200	RBS GREENWICH C	4101	10,000,000.00	10,013,105.80		
12/08/15	313384NC	AGENCY US DISC	24625	FEDL HOME LOAN BK CONS		4/27/16	.5110	UBS	4101	10,000,000.00	9,980,166.67		
12/09/15	313396RB	AGENCY US DISC	24632	FEDERAL HOME LOAN MORTG		12/28/15	.2000	JEFFRIES & CO	4001	4,383,000.00	4,382,561.70		
12/14/15	313384S9	AGENCY US DISC	24655	FEDERAL HOME LOAN BANKS		12/12/16	.7659	CASTLEOAK SECUR	4101	6,000,000.00	5,954,146.67		
12/28/15	313384XE	AGENCY US DISC	24721	FEDERAL HOME LOAN BANKS		5/23/16	.5211	JEFFRIES & CO	4101	12,000,000.00	11,974,866.67		
12/23/15	3135G0BA	AGENCY US NOTES	24707	FEDERAL NATIONAL MORTGA	2.375	4/11/16	.4482	BROKER DIRECT	4001	15,000,000.00	15,082,487.30		
12/17/15	STN15SC	MUNICIPAL BOND	24687	STN SERIES 2015SC	.410	12/30/15	.4092	BROKER DIRECT	1000	8,614,496.00	8,614,496.00		
12/17/15	STN15SD	MUNICIPAL BOND	24688	STN SERIES 2015SD	.410	12/30/15	.4092	BROKER DIRECT	1000	23,203,200.00	23,203,200.00		
19 PURCHASES DURING PERIOD TOTAL.....										235,622,696.00	236,273,686.23		
<b>SALE TRANSACTIONS</b>													
12/03/15	313379FW	AGENCY US BOND	21561	FEDERAL HOME LOAN BANKS	1.000	6/09/17		DAIWA CAPITAL M	1001	18,000,000.00	18,020,513.19	948.04	
12/14/15	3137EADH	AGENCY US NOTES	16960	FEDERAL HOME LN MTG COR	1.000	6/29/17		WELLS FARGO SEC	1001	30,000,000.00	30,021,900.00	13,092.00	
12/14/15	3137EADL	AGENCY US NOTES	17682	FEDERAL HOME LOAN MORTG	1.000	9/29/17	1.0153	WELLS FARGO SEC	1001	25,000,000.00	24,993,250.00	19,586.82	
12/23/15	3135G0BA	AGENCY US NOTES	17173	FEDERAL NATIONAL MORTGA	2.375	4/11/16		BROKER DIRECT	1001	15,000,000.00	15,082,487.30	14,897.77	
12/14/15	3132X0DF	AGENCY US VAR 3	24499	FARMER MAC	.250	12/01/16	.2500	CASTLEOAK SECUR	4101	5,000,000.00	5,000,000.00		3/01/16
12/07/15	742651DU	CORP US NOTE 30	24513	PRIVATE EXPORT FUNDING	2.250	3/15/20	1.9490	TD SECURITIES	4000	7,630,000.00	7,723,696.40	25,609.51	
12/11/15	742651DU	CORP US NOTE 30	24451	PRIVATE EXPORT FUNDING	2.250	3/15/20		BB&T CAPITAL MA	4002	10,000,000.00	10,167,000.00	14,811.84	
7 SALES DURING PERIOD TOTAL.....										110,630,000.00	111,008,846.89	88,945.98	
== GRAND-TOTAL ==>										346,252,696.00	347,282,533.12	88,945.98	

\*\*\* END-OF-REPORT \*\*\*

**STATE OF NEW MEXICO**  
**Summary of Fixed-Income Purchases and Sales**  
**TRADES During The Period 9/30/15 Through 12/31/15**

TXN-DATE	CUSIP#	ASSET-TYPE	INVT#	ISSUE-NAME	RATE	MATURITY	YIELD	BRKR/DLR/AGENT	FUND	PAR-VALUE	COST/PROCEEDS	GAIN/LOSS	NXT-CALL
10/09/15	3134G5RF	AGENCY US NOTES	24342	FEDERAL HOME LOAN MORTG	.400	5/27/16	.2500	WELLS FARGO SEC	4101	5,925,000.00	5,930,522.10		
10/13/15	3135GOAL	AGENCY US NOTES	23413	FEDERAL NATIONAL MORTGA	2.250	3/15/16	.2200	WELLS FARGO SEC	4101	750,000.00	756,378.75		
10/23/15	3135GOBA	AGENCY US NOTES	24413	FEDERAL NATIONAL MORTGA	2.375	4/11/16	.2451	KEYBANC CAPITAL	4101	2,565,000.00	2,590,008.75		
10/27/15	31359MH8	AGENCY US NOTES	23527	FEDERAL NATIONAL MORTGA	5.000	3/15/16	.2080	DEUTSCHE BANK S	4101	13,000,000.00	13,236,821.00		
10/28/15	31359MH8	AGENCY US NOTES	23527	FEDERAL NATIONAL MORTGA	5.000	3/15/16	.2080	DEUTSCHE BANK S	4101	3,000,000.00	3,054,252.00		
11/05/15	3135G0UX	AGENCY US NOTES	24485	FEDERAL NATIONAL MORTGA	1.200	2/28/18	.3796	CASTLEOAK SECUR	4000	13,000,000.00	13,006,500.00		2/28/16
11/16/15	31359MH8	AGENCY US NOTES	23527	FEDERAL NATIONAL MORTGA	5.000	3/15/16	.3080	DEUTSCHE BANK S	4101	5,000,000.00	5,076,775.00		
11/17/15	3135G0BA	AGENCY US NOTES	24413	FEDERAL NATIONAL MORTGA	2.375	4/11/16	.3042	MORGAN STANLEY	4101	4,463,000.00	4,499,654.62		
11/18/15	3135G0BA	AGENCY US NOTES	24413	FEDERAL NATIONAL MORTGA	2.375	4/11/16	.3447	ISSUER DIRECT	4101	20,500,000.00	20,663,877.00		
11/18/15	3135G0WJ	AGENCY US NOTES	23147	FEDERAL NATIONAL MORTGA	.875	5/21/18	1.1597	MORGAN STANLEY	4000	10,000,000.00	9,929,900.00		
11/18/15	3135G0WJ	AGENCY US NOTES	24547	FEDERAL NATIONAL MORTGA	.875	5/21/18	1.1597	MORGAN STANLEY	4002	10,000,000.00	9,929,900.00		
12/23/15	3135GOBA	AGENCY US NOTES	24707	FEDERAL NATIONAL MORTGA	2.375	4/11/16	.4482	BROKER DIRECT	4001	15,000,000.00	15,082,487.30		
10/13/15	3133EFKG	AGENCY US VARIA	24351	FEDERAL FARM CREDIT BAN		10/20/16	1.2500	INTL FCSSTONE PA	4101	20,000,000.00	19,998,000.00		
11/16/15	3133ED4L	AGENCY US VARIA	24532	FEDERAL FARM CREDIT BAN	.260	4/11/16	.2463	TD SECURITIES	4101	15,000,000.00	15,000,607.50		
11/16/15	3133ED4M	AGENCY US VARIA	24530	FEDERAL FARM CREDIT BAN	.280	6/09/16	.2893	WELLS FARGO SEC	4101	8,000,000.00	7,999,520.00		
11/16/15	3133EDA7	AGENCY US VARIA	24531	FEDERAL FARM CREDIT BAN	.270	6/20/16	.2890	WELLS FARGO SEC	4101	15,000,000.00	14,998,200.00		
11/09/15	3132XODF	AGENCY US VAR 3	24499	FARMER MAC	.250	12/01/16	.2500	CASTLEOAK SECUR	4101	5,000,000.00	5,000,000.00		3/01/16
10/23/15	742651DS	CORP US NOTE 30	24414	PRIVATE EXPORT FUNDING	1.875	7/15/18	1.3442	BB&T CAPITAL MA	4000	15,770,000.00	15,992,830.10		
10/29/15	742651DU	CORP US NOTE 30	24451	PRIVATE EXPORT FUNDING	2.250	3/15/20	1.8752	BB&T CAPITAL MA	4002	10,000,000.00	10,156,800.00		
11/12/15	742651DU	CORP US NOTE 30	24513	PRIVATE EXPORT FUNDING	2.250	3/15/20	2.0304	BB&T CAPITAL MA	4000	7,630,000.00	7,699,127.80		
10/01/15	013538J0	MUNI US 30/360	24300	ALBUQUERQUE N MEX ARPT	5.000	7/01/16	.4002	FIRST SOUTHWEST	4002	1,000,000.00	1,033,770.00		
10/07/15	798360FC	MUNI US 30/360	24329	SAN JUAN CNTY N MEX JR	2.000	8/15/16	.4401	FIRST SOUTHWEST	4000	2,225,000.00	2,251,433.00		
10/21/15	798359KS	MUNI US 30/360	24396	SAN JUAN CNTY N MEX CEN	1.000	8/01/17	.7505	SOUTHWEST	1001	300,000.00	301,251.00		
10/21/15	798359KT	MUNI US 30/360	24397	SAN JUAN CNTY N MEX CEN	1.000	8/01/18	1.0003	SOUTHWEST	1001	225,000.00	224,997.75		
11/13/15	077581PV	MUNICIPAL BOND	24528	BELÉN N MEX CONS SCH DI	2.000	8/01/16	.4506	ROBERT W OATRD	4000	1,000,000.00	1,009,700.00		
12/17/15	STN155C	MUNICIPAL BOND	24687	STN SERIES 20155C	.410	12/30/15	.4092	BROKER DIRECT	1000	8,614,496.00	8,614,496.00		
12/17/15	STN155D	MUNICIPAL BOND	24688	STN SERIES 20155D	.410	12/30/15	.4092	BROKER DIRECT	1000	23,203,200.00	23,203,200.00		
65 PURCHASES DURING PERIOD TOTAL.....										651,682,696.00	658,927,113.23		

**SALE TRANSACTIONS**

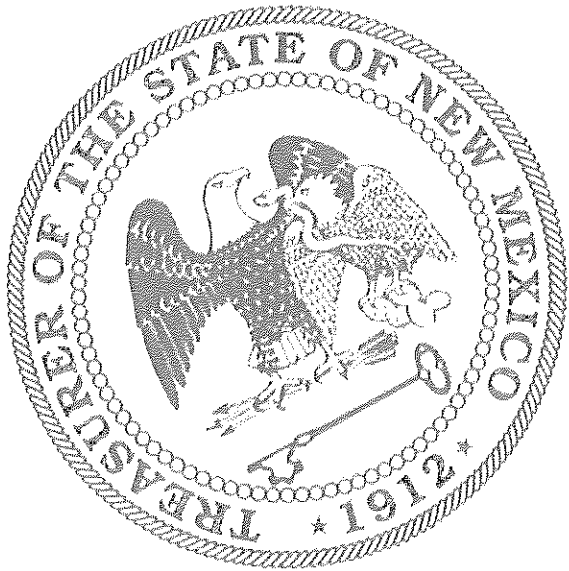
12/03/15	313379FW	AGENCY US BOND	21561	FEDERAL HOME LOAN BANKS	1.000	6/09/17		DAIWA CAPITAL M	1001	18,000,000.00	18,020,513.19	948.04	
10/07/15	3137EAAJ	AGENCY US NOTES	18821	FEDERAL HOME LOAN MORTG	5.125	10/18/16	.4113	WELLS FARGO SEC	1001	20,000,000.00	20,965,900.00	30,132.81	
10/15/15	31359MH8	AGENCY US NOTES	15555	FEDERAL NATIONAL MORTGA	5.000	3/15/16	.2027	DEUTSCHE BANK S	1001	15,000,000.00	15,297,529.50	29,058.22	
10/20/15	31359MH8	AGENCY US NOTES	15555	FEDERAL NATIONAL MORTGA	5.000	3/15/16		HIZUHO SECURITII	1001	20,000,000.00	20,382,600.00	36,655.38	
11/18/15	3135G0BA	AGENCY US NOTES	17173	FEDERAL NATIONAL MORTGA	2.375	4/11/16		ISSUER DIRECT	1001	20,500,000.00	20,663,877.00	36,473.33	
12/14/15	3137EADH	AGENCY US NOTES	16960	FEDERAL HOME LN MTG COR	1.000	6/29/17		WELLS FARGO SEC	1001	30,000,000.00	30,021,900.00	13,092.00	
12/14/15	3137EADL	AGENCY US NOTES	17682	FEDERAL HOME LOAN MORTG	1.000	9/29/17	1.0153	WELLS FARGO SEC	1001	25,000,000.00	24,993,250.00	19,586.82	
12/23/15	3135GOBA	AGENCY US NOTES	17173	FEDERAL NATIONAL MORTGA	2.375	4/11/16		BROKER DIRECT	1001	15,000,000.00	15,082,487.30	14,897.77	
12/14/15	3132XODF	AGENCY US VAR 3	24499	FARMER MAC	.250	12/01/16	.2500	CASTLEOAK SECUR	4101	5,000,000.00	5,000,000.00		3/01/16

**STATE OF NEW MEXICO**  
**Summary of Fixed-Income Purchases and Sales**  
**TRADES During The Period 9/30/15 Through 12/31/15**

TXN-DATE	CUSIP#	ASSET-TYPE	INVT#	ISSUE-NAME	RATE	MATURITY	YIELD	BRKR/DLR/AGENT	FUND	PAR-VALUE	COST/PROCEEDS	GAIN/LOSS	NXT-CALL
12/07/15	742651DU	CORP US NOTE 30	24513	PRIVATE EXPORT FUNDING	2.250	3/15/20	1.9490	TD SECURITIES	4000	7,630,000.00	7,723,696.40	25,609.51	
12/11/15	742651DU	CORP US NOTE 30	24451	PRIVATE EXPORT FUNDING	2.250	3/15/20		BB&T CAPITAL MA	4002	10,000,000.00	10,167,000.00	14,811.84	
11 SALES DURING PERIOD TOTAL.....										186,130,000.00	188,318,753.39	221,265.72	
== GRAND-TOTAL ==>										837,812,696.00	847,245,866.62	221,265.72	

\*\*\* END-OF-REPORT \*\*\*





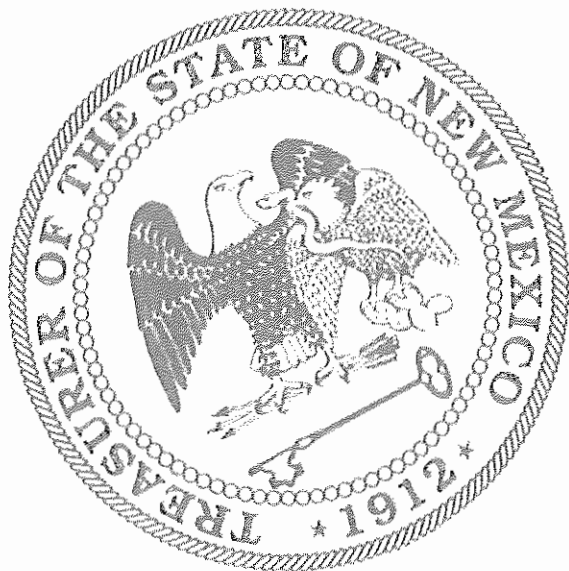
## 16. Credit

APPROVED COMMERCIAL PAPER ISSUERS  
February 2016

Issuer	Rating/Credit Outlook						Comments:			
	Moody's		S&P		Fitch					
BANK OF NY CO INC.	P-1	STABLE	A-1	STABLE	F1+	STABLE				
CATERPILLAR FIN SERV CRP	P-1	STABLE	A-1	STABLE	F1	STABLE				
CHEVRON FUNDING CORP	P-1	STABLE	A-1+	NR	NR	NR				
DEERE & COMPANY	P-1	STABLE	A-1	STABLE	NR	NR				
ELI LILLY & CO	P-1	STABLE	A-1+	STABLE	F1	STABLE				
EXXON MOBIL CORP	P-1	STABLE	A-1+	NR	NR	NR	2/2/16 - Watchlist negative for long term debt at AAA			
HSBC USA INC	P-1	STABLE	A-1	STABLE	F1+	STABLE				
IBM CORP	P-1	STABLE	A-1+	STABLE	F1	STABLE				
PNC BANK NA	P-1	STABLE	A-1	STABLE	F1	STABLE				
PROCTER & GAMBLE CO	P-1	STABLE	A-1+	STABLE	NR	NR				
TOYOTA MOTOR CREDIT CORP	P-1	STABLE	A-1+	STABLE	F1	STABLE				
USAA CAPITAL CORP	P-1	STABLE	A-1+	STABLE	NR	NR				
US BANK NA	P-1	NR	A-1+	NR	F1+	NR				
WAL-MART STORES INC	P-1	STABLE	A-1+	STABLE	F1+	STABLE				
WALT DISNEY COMPANY	P-1	STABLE	A-1	STABLE	F1	STABLE				
WELLS FARGO & COMPANY	P-1	STABLE	A-1	STABLE	F1+	STABLE				

APPROVED MEDIUM TERM NOTE/CORPORATE BOND ISSUERS  
February 2016

Issuer	Mkt Cap		Rating/Credit Outlook					Comments:			
	(Bil)	Moody's		S&P		Fitch					
3M CO	\$93.55	Aa3	NEG	AA-	STABLE	NR	NR				
APPLE INC	\$637.82	Aa1	STABLE	AA+	STABLE	NR	NR				
BERKSHIRE HATHWAY	\$327.10	Aa2	STABLE	AA/*-	NR	A+	STABLE	8/11/15 - S&P WatchList Negative			
CHEVRON CORP	\$166.80	Aa1	STABLE	AA-	STABLE	NR	NR	2/2/16 - S&P from AA to AA- Outlook Stable from Neg			
COCA-COLA CO	\$181.26	Aa3	STABLE	AA	NEG	A+	NEG				
COLGATE-PALM CO	\$59.47	Aa3	STABLE	AA-	STABLE	AA-	STABLE				
EXXON MOBIL CORP	\$330.64	Aaa	STABLE	AAA/*-	NR	NR	NR	2/2/16 - S&P Watchlist Negative			
GEN ELECTRIC CO	\$283.71	A1	STABLE	AA+	NEG	NR	NR				
IBM CORP	\$146.48	Aa3	STABLE	AA-	STABLE	A+	STABLE				
INTEL CORP	\$153.17	A1	STABLE	A+	STABLE	A+	STABLE				
JOHN DEERE CAP	\$25.39	A2	STABLE	A	STABLE	NR	NR				
JOHNSON & JOHNSON	\$265.03	Aaa	STABLE	AAA	STABLE	AAA	STABLE				
MICROSOFT CORP	\$375.95	Aaa	STABLE	AAA	STABLE	AA+	STABLE				
PEPSICO INC	\$143.72	A1	STABLE	A	STABLE	A	STABLE				
PFIZER INC	\$206.44	A1	STABLE	AA/*-	STABLE	A+/*-	STABLE	11/23/15 - S&P/Fitch Watchlist Negative - Merger w/Allergan			
PROCTER & GAMBLE	\$200.58	Aa3	STABLE	AA-	STABLE	NR	NR				
TOYOTA MTR CRED	\$207.58	Aa3	STABLE	AA-	STABLE	A	STABLE				
US BANCORP	\$73.03	A1	STABLE	A+	STABLE	AA	STABLE				
US BANK NA	\$73.03	A1	STABLE	AA-	STABLE	AA	STABLE				
WAL-MART STORES	\$214.22	Aa2	STABLE	AA	STABLE	AA	STABLE				
WALT DISNEY CO	\$180.65	A2	STABLE	A	STABLE	A	STABLE				
WELLS FARGO CO	\$267.53	A2	STABLE	A	STABLE	AA-	STABLE	12/8/15 - Downgraded by S&P from A+ to A			
WELLS FARGO BANK	\$267.53	Aa2	STABLE	AA-	STABLE	AA	STABLE				



## 17. State Agency Deposit Balances




**Tim Eichenberg**  
State Treasurer

STATE OF NEW MEXICO  
**OFFICE OF THE TREASURER**

**Samuel Collins**  
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: January 22, 2016  
To: Tim Eichenberg, State Treasurer  
For: Governor Martinez and Members of the State Board of Finance  
From: Edward Gallegos, State Cash Manager   
Subject: State Fund Deposit Activity for the month ending December 31, 2015

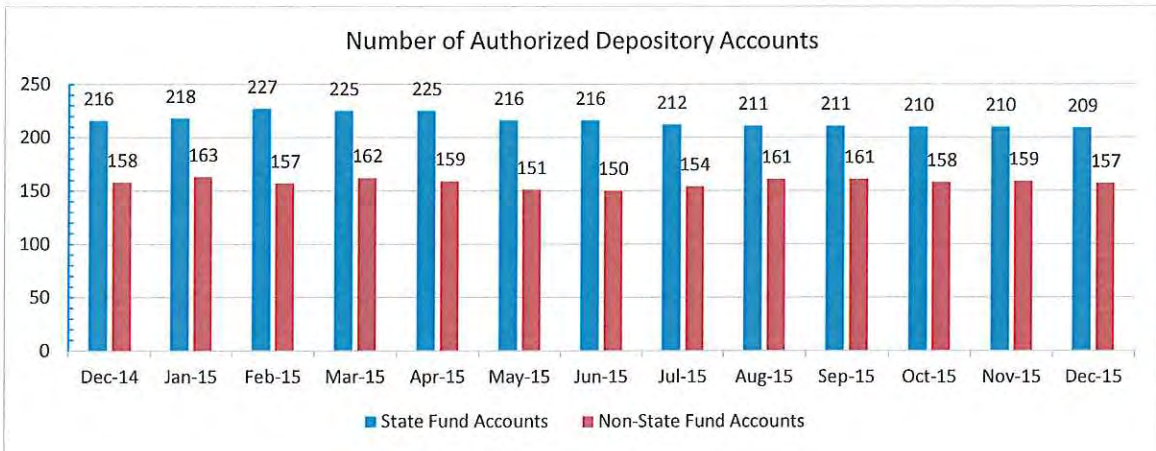
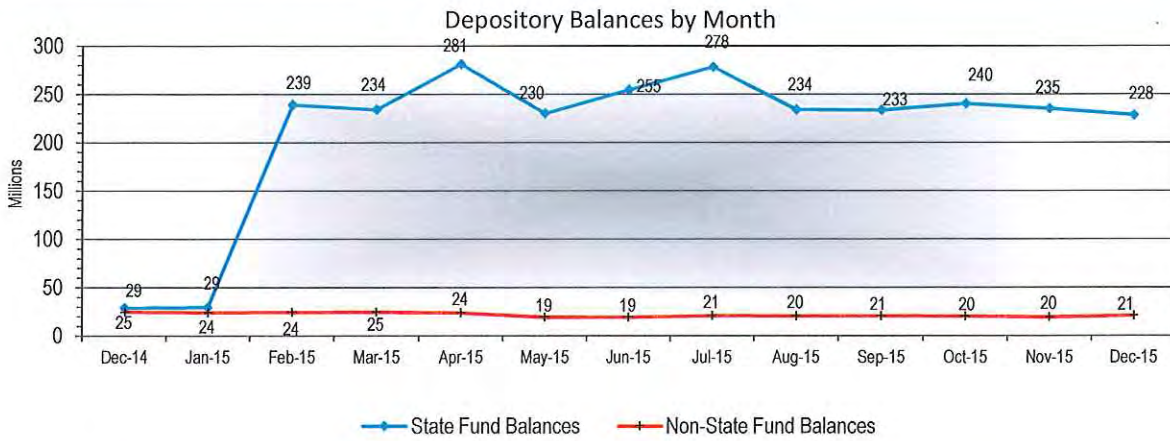
Pursuant to section 8-6-3.1 NMSA 1978, the State Cash Manager shall submit to the State Board of Finance a report showing state fund balances in each Financial Institution. Attached for your review is a summary of State fund balances in each institution through December 31, 2015

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, 2015

(Attachments 3)

# Depository Account Summary for December 2015



**Depository accounts authorized in December 2015 pursuant to Section 6-1-13 NMSA :**

Depository accounts opened in December 2015

Depository accounts closed in December 2015      2    4th Judicial District Court

Total closed      2

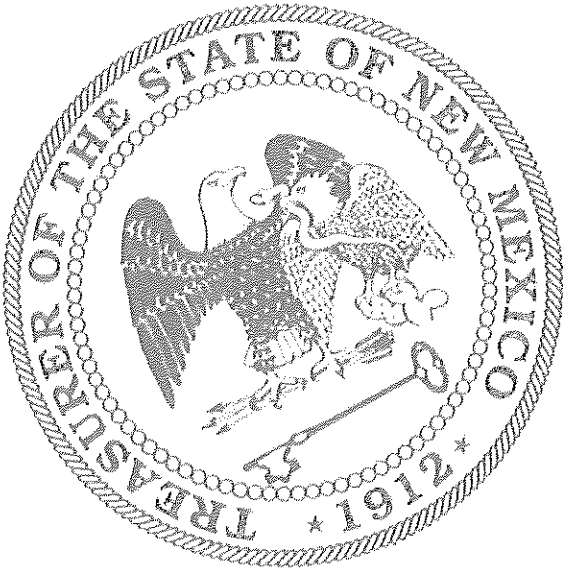


## State Fund Balances by Financial Institution December 2015

First National Bank/Alamogordo	\$ 111,145
Century Bank/Santa Fe	\$ 408
Bank of America/Albuquerque	\$ 720,236
Wells Fargo Bank/Albuquerque	\$ 21,993,412
Compass Bank/Albuquerque	\$ 2,781,746
Bank of the West/Albuquerque	\$ 200,635,835
First American Bank/Artesia	\$ 73,473
Carlsbad National Bank/Carlsbad	\$ 800
Western Commerce Bank/Carlsbad	\$ 83,413
Farmers/Stockmens Bank/Clayton	\$ 11,951
First National Bank/Clayton	\$ 763,075
Citizens Bank/Clovis	\$ 7,826
NM Bank & Trust/Albuquerque	\$ 122,447
Community Bank/Santa Fe	\$ -
Lea County State Bank/Hobbs	\$ 114,997
Southwest Capitol/Las Vegas	\$ 193,229
Community 1st Bank/Las Vegas	\$ 430,167
Western Bank/Lordsburg	\$ 98,044
Los Alamos National Bank/Los Alamos	\$ 12,920
International Bank/Raton	\$ 7,973
Valley Bank of Commerce/Roswell	\$ 105,387
First State Bank/Socorro	\$ 4,485
Centinel Bank/Taos	\$ 70,963
US Bank/Albuquerque	\$ 12,480
Bank of the Southwest/Roswell	\$ 62,144
Washington Federal	\$ 9,498

**Total: \$ 228,428,054**





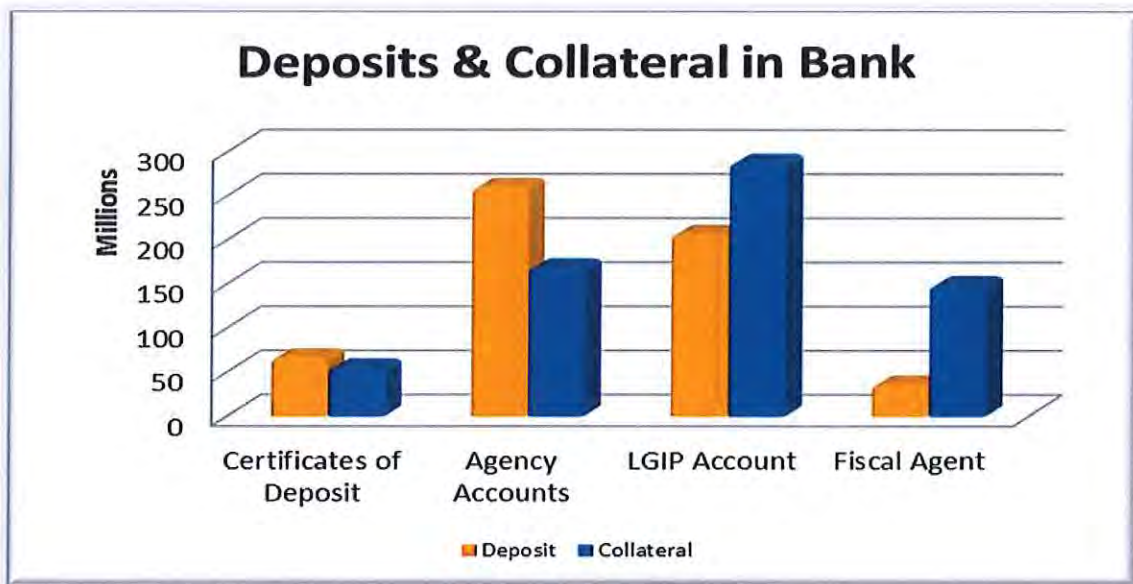
## 18. Collateral Report on Agency Deposits & CDs

# Office of the Treasurer

## Collateral Summary Review

### December 31, 2015

As of December 2015 there was one depository institution holding state funds that was deficient in their collateral levels. Century Bank was deficient by \$13,696. Once notified of their deficiency Century 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	\$ 66.0 Million	\$ 54.6 Million	82.9%
Agency Deposit	259.2 Million	167.8 Million	64.7%
LGIP Deposits	206.1 Million	286.7 Million	139.1%
Fiscal Agent	35.6 Million	148.0 Million	415.3%
Totals →	566.9 Million	657.1 Million	115.9%

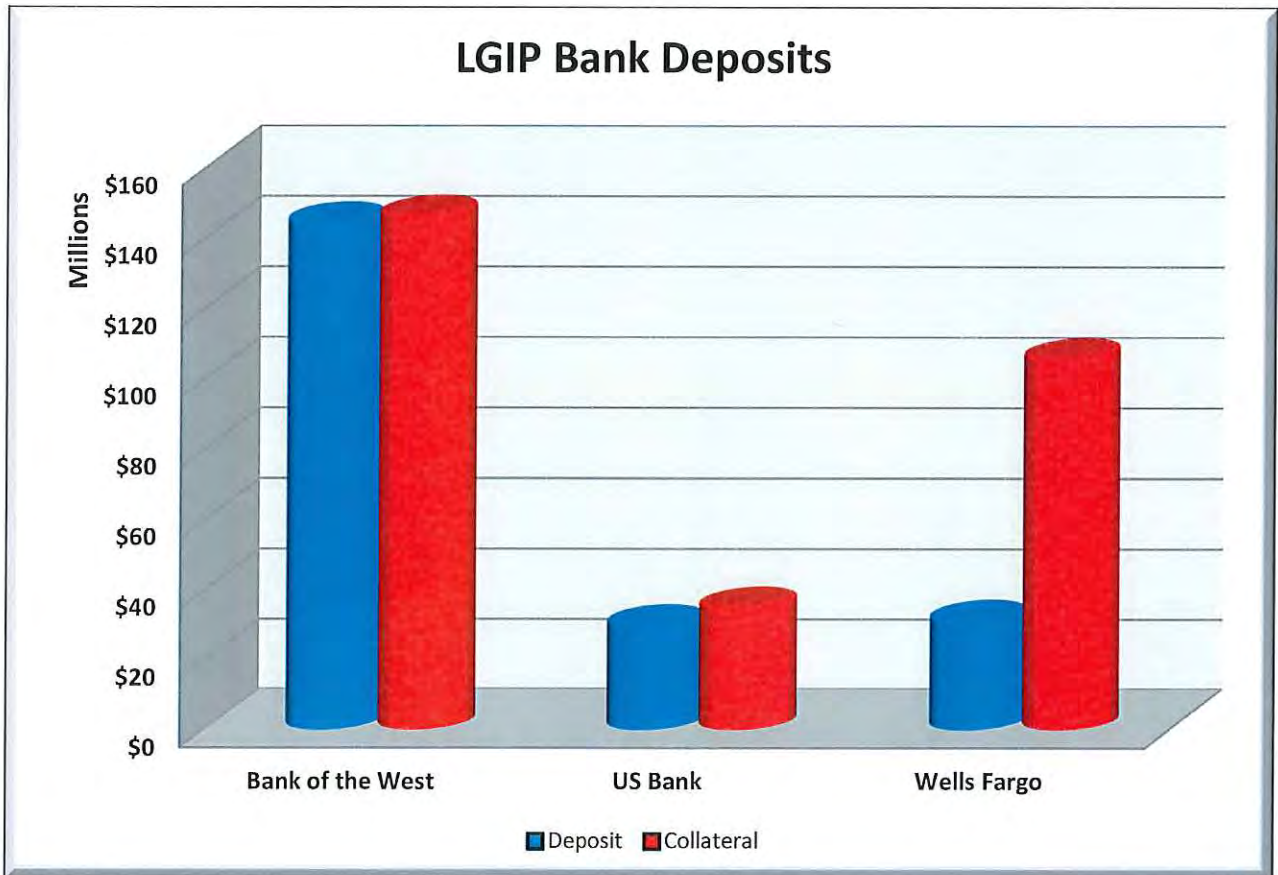


Office of the Treasurer  
 Collateral Review  
 Accumulated Total by Institution  
 December 31, 2016

FINANCIAL INSTITUTION	%	TOTAL DEPOSITS	FDIC / NCUA INSURANCE	LESS INSURANCE COVERAGE	SUBJECT TO BE COLLATERALIZED	COLLATERAL PLEDGED	EXCESS (UNDER)
First National - Alamogordo	50%	111,146	111,146	0	0	1,288,748	1,288,748
Western - Alamogordo	75%	3,600,000	250,000	3,350,000	2,512,500	3,254,910	742,410
Bank of America	50%	822,940	250,000	572,940	286,470	655,459	368,989
Bank of the West	50%	346,320,368	250,000	346,070,368	173,035,184	246,849,539	73,814,355
BBVA Compass	50%	2,781,763	250,000	2,531,763	1,265,881	2,500,000	1,234,119
US Bank	50%	31,377,595	250,000	31,127,595	15,563,797	40,000,000	24,436,203
Wells Fargo	50%	66,787,784	250,000	66,537,784	33,268,892	147,684,294	114,415,401
First American	50%	73,473	73,473	0	0	0	0
My Bank	50%	350,175	250,000	100,175	50,087	250,000	199,913
Carlsbad National	50%	800	800	0	0	0	0
Western Commerce	50%	4,083,413	250,000	3,833,413	1,916,706	3,530,347	1,613,641
Farmers & Stockmen	50%	10,016,429	250,000	9,766,429	4,883,215	5,100,000	216,785
First National - Clayton	50%	763,079	763,079	0	0	513,135	513,135
Bank of Clovis	50%	459,123	250,000	209,123	104,562	822,288	717,726
Citizens - Clovis	50%	7,826	7,826	0	0	0	0
NM Bank & Trust	50%	284,781	284,781	0	0	270,788	270,788
Western - Clovis	50%	3,100,000	250,000	2,850,000	1,425,000	2,558,070	1,133,070
Lea County State	50%	114,998	114,998	0	0	100,000	100,000
Citizens - Las Cruces	50%	3,603	3,603	0	0	0	0
Southwest Capital	50%	10,728,286	250,000	10,478,286	5,239,143	5,711,963	472,820
Community 1st - Las Vegas	102%	430,167	250,000	180,167	183,771	604,615	420,844
Western - Lordsburg	50%	121,044	121,044	0	0	0	0
Los Alamos National	102%	12,920	12,920	0	0	0	0
James Polk Stone Communi	50%	333,231	250,000	83,231	41,615	152,207	110,591
International	50%	106,810	106,810	0	0	148,433	148,433
Bank of the Southwest	50%	726,609	250,000	476,609	238,304	458,802	220,498
Valley Commerce	50%	105,387	105,387	0	0	0	0
Century	50%	5,171,123	250,000	4,921,123	2,460,562	2,446,865	(13,696)
First National - Santa Fe	102%	40,052,517	250,000	39,802,517	40,598,568	41,975,045	1,376,477
First State	50%	65,250	65,250	0	0	0	0
Centinel	50%	70,963	70,963	0	0	0	0
BANK'34	102%	2,000,000	250,000	1,750,000	1,785,000	2,216,564	431,564
Guadalupe Credit	50%	250,000	250,000	0	0	0	0
Washington Federal	50%	29,724	29,724	0	0	0	0
		<b>531,263,325</b>	<b>6,621,803</b>	<b>524,641,522</b>	<b>284,859,257</b>	<b>509,092,071</b>	<b>224,232,814</b>

# LGIP Bank Deposits December 31, 2015

<u>Financial Insitution</u>	<u>Percentage</u>	<u>Deposit</u>	<u>Collateral</u>
Bank of the West	101.2%	144,357,244	146,046,738
US Bank	116.0%	30,173,945	35,000,000
Wells Fargo	334.4%	31,586,075	105,630,893
<b>Totals</b>	<b>139.1%</b>	<b>206,117,264</b>	<b>286,677,632</b>



*Standards & Poors requires bank deposits to be collateralized @ 100% collateral levels to maintain rating*