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State Treasurer

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

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**Marilyn L. Hill**  
Deputy State Treasurer

# STATE TREASURER'S INVESTMENT COMMITTEE

TREASURER'S CONFERENCE ROOM

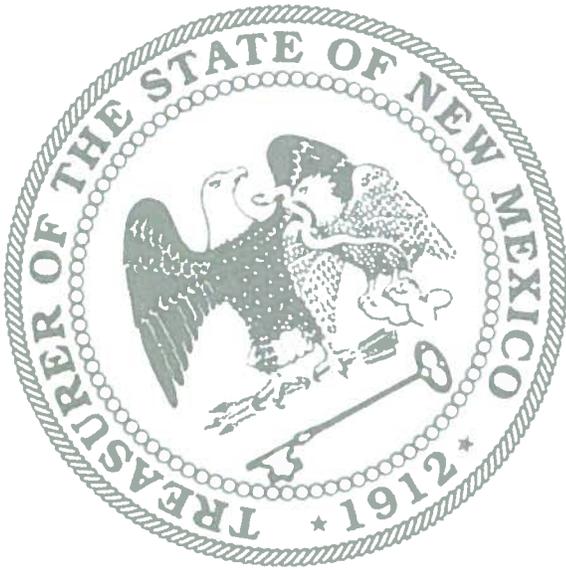


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WEDNESDAY, JULY 10, 2013  
9:00AM

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## 1. July 10, 2013 Agenda



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**STATE TREASURER'S INVESTMENT COMMITTEE**  
**Treasurer's Conference Room**  
Wednesday, July 10, 2013, 9:00 a.m.

**MEETING AGENDA (5 Min)**

Roll Call

Introduction of Presenters and Guest

1. Approval of July 10, 2013 Agenda
2. Approval of June 12, 2013 Minutes

Action

Action

**INVESTMENT REPORTS (30 min)**

**Month Ended  
May 31, 2013**

3. AG's Office Presentation

Informational

4. Executive Summary

Informational

5. Investment Policy Compliance Report

6. Portfolio Summary – General Fund and Cash Projection

Informational

7. Portfolio Summary -- Local Government Investment Pool (LGIP)

Informational

a. Longer maturing collateral & SB24 Inv. Policy change

Action

8. Portfolio Summary -- Tax-Exempt Bond Proceeds Investment Pool

Informational

9. Portfolio Summary -- Taxable Bond Proceeds Investment Pool

Informational

10. Portfolio Summary -- Severance Tax Bonding Fund

Informational

11. Broker Dealer Activities

Informational

**CASH MANAGEMENT**

**& COLLATERAL REPORTS (10 Min)**

**Month Ended  
May 31, 2013**

12. State Agency Deposit Balances

Informational

13. Collateral Report on Agency Deposits & CDs

Informational

**COMMITTEE REPORTS (20 min)**

14. Question Period

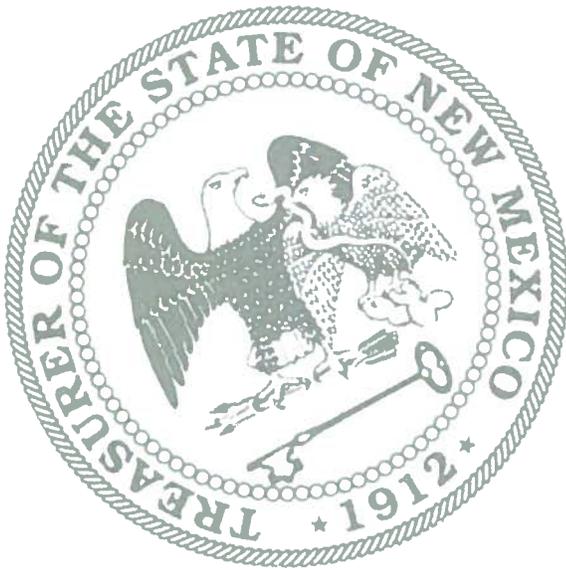
15. Investment Advisor Contract

Informational

16. Next Meeting –Wednesday, August 14, 2013, 9:00 am

17. Adjournment

Action



## 2. June 12, 2013 Minutes

**New Mexico State Treasurer's Office**  
**STIC Committee Meeting**  
**Meeting Minutes**  
**Wednesday, June 12, 2013**

**ROLL CALL- QUORUM PRESENT:**

**A regular meeting of the New Mexico State Treasurer's Investment Committee (STIC) was called to order this date at 9:01 a.m. in the conference room of The State Treasurer's Office, 2055 South Pacheco Street, Santa Fe, New Mexico 87505.**

**Members Present:**

Honorable James B. Lewis, State Treasurer  
Ms. Linda Roseborough, Chair  
Ms. Stephanie Schardin Clarke, Board of Finance Director  
Mr. Paul Boushelle, Public Member  
Mr. Paul Cassidy, Public Member

**Staff Present:**

Ms. Marilyn Hill, Deputy Treasurer  
Mr. Arsenio Garduño, Collateral Manager  
Mr. Spencer Wright, Portfolio Manager  
Ms. Vikki Hanges, Portfolio Manager  
Mr. Sam Collins, Cash Manager  
Ms. Cindy Cordova, General Counsel  
Ms. Hannah Chavez, STIC Secretary  
Mr. Heinrich Edimo, Quality Assurance & Compliance Officer  
Ms. Kirene Bargas, Investment Transaction & Trade Compliance Bureau Chief (arrived 10:20am)

**Guest Present:**

Ms. Deanne Woodring, Davidson Fixed Income Management (via phone)  
Ms. Cecilia Whitetail Eagle, Ramah Navajo Chapter (arrived 9:17am)  
Ms. Priscilla Wayne, Ramah Navajo Chapter

**1. Approval of Agenda:**

Member Cassidy moved approval of June 12, 2013 Agenda with the change of items 13 & 15 as action items to informational. Motion was seconded by Member Clarke and passed unanimously by voice vote.

**2. Approval of Minutes: May 08, 2013**

Member Boushelle moved approval of the May 08, 2013 Minutes. Motion was seconded by Member Clarke and passed unanimously by voice vote.

### **3. Executive Summary, Mr. Wright:**

The STIC Executive Summary report was presented.

- Discussion was held regarding inquiry made by Member Boushelle on investment returns versus receiving 50 basis points earnings credit rate from the fiscal agent bank. Member Clarke commented that with the fiscal agent bank fees the state is earning approximately 35 basis points, after adjusting for FDIC assessment. Member Clarke commented that she believed it is at the Treasurers discretion as to where funds should be invested as there is no limit at the fiscal agent bank; noting that the account is used for liquidity needs. She said that at some point, the fiscal agent balance could become so high that the Treasurer would need to think about diversification.
- Mr. Collins noted that as the state's Cash Manager he has a statutory responsibility to minimize "non-earning assets". There is a possibility to increase the target amount at the fiscal agent bank and we will be discussing with Ms. Woodring to see what can be done to maximize the benefits for the state in this low rate environment. Chair Roseborough reminded the committee that the states objective for STO funds is safety, liquidity, and then return. Cash Management staff and the Collateral Manager are continuing to work on cash projections. Ms. Woodring confirmed they would be meeting on Monday to evaluate the cash component.
- Member Cassidy questioned Mr. Wright's comment regarding the unrealized gains for the end of the month reported as \$11.3 million for the general fund in the STIC report. Mr. Wright responded that that was correct but such gains will be reduced as interest rates increase which is expected. STO manages the portfolios to the benchmarks. Current investment performance is in line with approved benchmarks.

### **4. Investment Policy Compliance Report, Mr. Wright:**

Highlights of the STIC investment policy compliance report were presented.

- Member Boushelle inquired about a comment that was made during the last STIC meeting regarding the portfolio managers not using a wide variety of broker dealers. Chair Roseborough stated that one of the agenda items below is to discuss the broker/dealer process.
- Chair Roseborough then indicated that the State Treasurer's Office staff is in the process of drafting a complete rewrite of the STO Investment Policy. The objective will be to remove all procedures from the policy. STO does have procedures on various processes that the investment division follows. These procedures are being reviewed by the STO Investment Division Staff, Quality Assurance & Compliance, Legal, Deputy Treasurer and Treasurer.
- Discussion was held with Member Boushelle, Chair Roseborough and Mr. Wright regarding the compliance report regarding inter-fund borrowing with Chair Roseborough indicating that internal process and accounting practices have been modified over the last few months and STO will continue to enhance the processes to address these past practices. Many of these process enhancements will be self-correcting with the integration of investments and banking into the SHARE PeopleSoft ERP Treasury Management Deal Module system.

- Member Clarke asked for an updated status from STO regarding the STO audit and finding regarding the custody bank being categorized as a depository. Ms. Cordova responded that STO has had several meetings with the auditors and other key stakeholders and a final agency determination and not been finalized; but the auditors now have a better understanding of the custody services provided to STO.
- Member Clarke noted she had a compliance question related to Board of Finance approval of the current investment advisor contract and suggested she could hold her question until agenda item #15.
- Member Cassidy requested to discuss Corporate Credit in a future STIC meeting.

**5. Portfolio Summary- General Fund and Cash Projection:**

Highlights of the STIC March 2013 quarterly investment report were presented.

- Discussion was held with Member Cassidy and Mr. Wright regarding the trend on the General Fund. Member Clarke stated that at a low point general fund reserves fell to about 5 percent of recurring appropriations, but more recently have rebounded to over 10 percent. Mr. Collins stated that year-over-year tax revenues are down by about \$116 million year-to-date since February. This will come under some pressure, possibly flatten out or come down some.

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

Highlights of the STIC quarterly investment review report were presented.

- Member Cassidy questioned Ms. Hanges asking if the Prime Floater investments are backed by agencies. Ms. Hanges confirmed yes, they are Fannie Mae backed.. Member Cassidy asked about the Corus Construction investment and Ms. Hanges replied the security is backed by the FDIC.

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

Highlights of the STIC portfolio summary general fund and cash projections report were presented.

- Discussion was held with Member Boushelle and Ms. Hanges regarding the proposed creation of the (FMIC) Federal Mortgage Insurance Corp. to be created as a new Fannie Mae. Member Cassidy commented that bills have been introduced in the house and senate (reform packages) but no action has been taken but should be monitored for impact on STO agency investments.
- Member Clarke updated the committee and the portfolio managers on the sizing of the Severance Tax Bonds that will be closing on July 23, 2013, which is still being finalized. The amount is roughly \$200 million. Due to an Executive Order, projects that do not meet the criteria might bring the balance down by \$13-20 million with an estimated sizing of \$180 million.

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

Highlights of the STIC portfolio summary local government investment pool report were presented.

**9. Portfolio Summary- Severance Tax Bonding Fund, Mr. Wright:**

Highlights of the STIC portfolio summary tax-exempt bond proceeds investment pool report were presented.

**10. Broker Dealer Activities: Mr. Wright:**

The STIC broker dealer activities report was presented.

**11. State Agency Deposit Balances, Mr. Collins:**

Highlights of the STIC state agency deposit balance report were presented.

**12. Collateral Report on Agency Deposits & CDs, Mr. Garduño:**

Highlights of the STIC collateral report on agency deposits and CDs were presented.

**13. Investment Policy Red-Lined For Longer Maturing Collateral/ SB24 Changes, Chair Roseborough**

- Member Clarke stated that the investment policy requires the Committee to recommend changes to the investment policy, and in the past the Committee's approval of proposed changes has informed the Board of Finance that the Committee recommends the changes.
- Item tabled for discussion to the next STIC meeting once all STIC members have had an opportunity to review.

Member Clarke moved to postpone action item. Seconded by Treasurer Lewis and passed unanimously by voice vote.

**14. Broker/Dealer Application & Process, Ms. Bargas**

Ms. Bargas presented the Broker/Dealer application process and results.

- Member Clarke confirmed with STO staff that the Regulation and Licensing Department had conducted background checks with the firms on the list presented and the status of each firm's registration in New Mexico and with FINRA.
- Member Cassidy moved approval of Broker/Dealer list contingent on confirmation of the firms and individuals are registered with State of New Mexico Securities Division prior to doing business with STO. Motion was seconded by Member Boushelle and passed unanimously by voice vote.

**15. Investment Consultant Contract, Chair Roseborough**

Chair Roseborough informed the committee that the Investment Consultant Contract scope did not change and indicated that the contract would be extended another year. Chair Roseborough stated that in the past the CFO has gone through the procurement process and DFA has signed off on it, and since this is a renewal it will be submitted to DFA for procurement signatures.

Member Clarke stated that the investment policy does not require STIC approval of these types of contracts. She said that her database of Board of Finance actions does not indicate that STO has sought or received approval of any investment advisor contract since receiving approval of a contract that went through June 30, 2010. She stated that based on the information available to her that the current contract with Davidson does not appear to be Board of Finance approved, which if true would not be in compliance with the Investment Policy.

**16. Question Period**

No questions were asked.

- Treasurer Lewis stated that the Board of Finance meeting will take place next Tuesday where Mr. Sam Collins and Mr. Ricky Bejarano will discuss the status of State reconciliation. Treasurer Lewis extended an invitation to the committee members to attend and Member Clarke commented that the webcast would be available as well. For those that may not be able to attend, Member Clarke offered to forward the presentation.

**17. Next Meeting- Wednesday, July 10, 2013, 9:00am**

Chair Roseborough noted the date and time of next meeting.

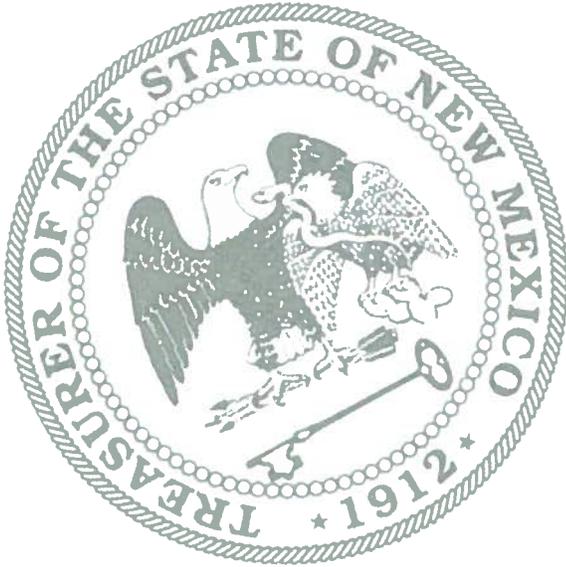
**18. Adjournment**

Chair Roseborough adjourned the meeting at 10:50am.

The adjournment was moved by Treasurer Lewis. Motion was seconded by Member Cassidy and passed unanimously by voice vote.

Minutes were taken by Ms. Hannah Chavez on June 12, 2013.

Minutes approved by Ms. Roseborough on June 27, 2013.



### 3. Executive Summary

## Executive Summary

- At the end of May, the State Treasurer managed \$3.9 billion in assets.
- During the month, the State Treasurer earned over \$1.4 million on investment positions.
- The State Treasurer earned over \$17.9 million on investment positions through the end of May.
- Markets remained increasingly volatile in May and into June.
- Equity markets moved mostly higher in May.
- Fixed income markets were significantly weaker at month-end, especially in the longer end of the curve.
- Significant interest rate moves continued into June. The 5 year note increased almost 35 Basis points in May and a further 40 basis points in June.
- May saw mixed data on employment and retail sales. GDP Growth was weaker than expected. House prices firmed somewhat.
- The US Economy continued to grow on a weak pace.
- Unemployment remains high, the housing market shows some signs of stability and inflation remains subdued.
- STO Cash balances remained strong.

### *US Treasury Yields*

<i>Maturity</i>	<i>April 30</i>	<i>May 31</i>	<i>Change</i>
<i>3-Month</i>	0.05%	0.03%	(0.02%)
<i>6-Month</i>	0.08%	0.06%	(0.02%)
<i>2-Year</i>	0.21%	0.30%	0.09%
<i>5-Year</i>	0.68%	1.02%	0.36%
<i>10-Year</i>	1.67%	2.13%	0.46%
<i>30-Year</i>	2.88%	3.28%	0.40%

*Source: Bloomberg LP*

### *Portfolio Mark-to-Market and Monthly Change*

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With the significant weakening in market yields during May, the STO-managed portfolios<sup>1</sup> had negative results on a mark-to-market basis at the end of the month.

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<sup>1</sup> This report does not include balances in or earnings on the Reserve Contingency Fund ("RCF"). The RCF was created in 2009 by the State Treasurer's Office as a vehicle to hold Reserve Primary Fund ("Primary Fund") assets of various LGIP participants after the Reserve Primary Fund encountered difficulties in the latter part of 2008 and entered into a process of liquidation.

For each of the STO portfolios:

<u>Fund</u>	<u>Unrealized Gains<sup>2</sup></u>	<u>Monthly Change in Unrealized Gains/Losses<sup>3</sup></u>
General Funds	\$4.9 million	Decreased \$6.4 million
Bond Proceeds Funds	\$1.8 million	Increased \$1.9 million
Local Government Investment Pool	Not Material	Not Material
Severance Tax Bonding Fund	Not Material	Not Material

Source: QED

#### Portfolio Yields and Duration

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

<u>Fund</u>	<u>Portfolio Yield<sup>5</sup></u>	<u>Duration<sup>4</sup></u>		<u>Percentage</u>
		<u>Portfolio</u>	<u>Benchmark</u>	
General Fund Liquidity	0.11%	22 Days		
General Fund CORE	0.77%	2.37 Years	2.26 Years	105%
Bond Proceeds - Tax Exempt	0.49%	1.57 Years	1.46 Years	108%
Bond Proceeds - Taxable	0.68%	1.33 Years	1.46 Years	91%
Local Government Investment Pool	0.16%	62 Days		
Severance Tax Bonding Fund	0.15%	1 Days		

Source: QED, JPMorgan

#### Benchmark Performance Comparisons

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

<u>Fund</u>	<u>Performance<sup>6</sup></u>		
	<u>1 Month</u>	<u>3 Months</u>	<u>12 Months</u>
General Fund Liquidity	0.01%	0.04%	0.20%
S&P Government Bond Index (Net)	0.00%	0.01%	0.06%
Relative Performance (BPs)	0.01%	0.03%	0.18%
Relative Performance (%)	∞	300%	300%
General Fund CORE	(0.41%)	(0.15%)	0.61%
BAML 0-5 US Treasury	(0.41%)	(0.19%)	0.27%
Relative Performance (BPs)	0.00%	0.04%	0.34%
Relative Performance (%)	100%	79%	226%

<sup>2</sup> Calculated Unrealized Gains represent the market "value" of the portfolios as compared to their accounting book value. As such, they approximate the values if they were to be liquidated 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>3</sup> Unaudited. Mark-to-market values are calculated using the QED system and weekly securities pricing from IDC. Market values are compared to carrying values which are adjusted for amortization/accretion of premium/discount. 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>4</sup> Portfolio Durations are also calculated as of moment in time, specifically at month end.

<sup>5</sup> Portfolio yields are calculated at a moment in time, specifically at month end. Each of these funds has considerable inflows and outflows during the month. As such, purchase yields during the month will vary with money flows and short-term investment rates.

<sup>6</sup> Relative performance is periodic total return compared to the return of the portfolio benchmarks. The Severance Tax Bonding Fund is not separately tracked.

<u>Fund</u>	<u>1 Month</u>	<u>3 Months</u>	<u>12 Months</u>
Bond Proceeds - Tax Exempt	(0.17%)	(0.06%)	0.40%
BAML 0-3 US Treasury	<u>(0.10%)</u>	<u>0.00%</u>	<u>0.30%</u>
Relative Performance (BPs)	(0.07%)	(0.06%)	0.10%
Relative Performance (%)	(170%)	∞	133%
Bond Proceeds - Taxable	(0.14%)	(0.01%)	0.43%
BAML 0-3 US Treasury	<u>(0.10%)</u>	<u>0.00%</u>	<u>0.30%</u>
Relative Performance (BPs)	(0.04%)	(0.01%)	0.13%
Relative Performance (%)	(140%)	∞	153%
Local Government Investment Pool	0.01%	0.03%	0.21%
S&P Government Bond Index (Net)	<u>0.00%</u>	<u>0.01%</u>	<u>0.06%</u>
Relative Performance (BPs)	0.01%	0.03%	0.15%
Relative Performance (%)	∞	300%	350%

Source: JPMorgan

### Investment Earnings

Investment earnings for May are summarized in the table below.

For each of the portfolios:

<u>Fund</u>	<u>Investment Earnings<sup>7</sup></u>	
	<u>MTD</u>	<u>YTD</u>
General Funds	\$989,805	\$11,826,441
Bond Proceeds Funds	448,438	6,226,260
Local Government Investment Pool	83,671	1,139,581
Severance Tax Bonding Fund	28,601	294,544

Source: QED

### Compensating Balances at Fiscal Agent Bank

During May, STO maintained Average Daily Collected Balances at the Fiscal Agent Bank of approximately \$125 million. This balance earned a "soft-dollar" credit against processing fees assessed by the bank.

Fiscal Agent Bank Summary:

Average Collected Balance	\$125,265,663.06
Earnings Credit Rate	0.50%
Estimated Monthly Earnings	\$52,194
Estimated Fiscal Year Earnings	\$444,645

Source: Wells, Fargo & Co.

<sup>7</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.

## *Monthly Investment Outlook*

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May and June were absolutely horrendous months for the bond markets as rate increases were sudden and dramatic. The key catalyst for the backup was the active discussion by the Federal Reserve that it would, if economic conditions warrant, begin scaling back its aggressive monthly purchases of Treasury and Mortgage securities.

In addition to pre-announcing the move, many participants felt that the Fed was signaling that economic growth is stronger than anticipated. Only time will tell who is right.

### *Implications for the Foreseeable Future*

We continue to believe that the period of relatively low level of interest rates will come to an end during 2014. We also believe that the risk of higher rates in the near future has increased.

Accordingly, during the month we have moved to shorten maturities while matching the duration of our portfolios. Any additions to securities held will, for the foreseeable future, be on or slightly short to our defined benchmarks.

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

*Spencer Wright, Portfolio Manager –  
General Funds and STBF*

**New Mexico State Treasurer**  
**Monthly Fund Summary Report**  
**(Unaudited)**

As of May 31, 2013

General Fund Account	Holdings			Performance				Earnings	
	Cost Basis	Market Value	Unrealized Gain/Loss	12-Month Total Return	Benchmark	Index Return	Relative Performance	Monthly Earnings	YTD Earnings
Cash Balances	\$ 125,265,633	\$ 125,265,633	\$ -						
Liquidity	705,124,199	705,125,195	996	0.22%	S&P LGIP	0.17%	0.05%	\$ 55,360	\$ 820,546
CORE	1,315,911,285	1,320,818,364	4,907,079	0.61%	ML Treasury 0-5	0.27%	0.34%	934,445	\$ 11,005,895
TRAN	-	-	-	0.00%	All-In Tran TIC	0.00%	0.00%	-	-
Totals	\$ 2,146,301,117	\$ 2,151,209,192	\$ 4,908,075	0.45%	Blended	0.17%	0.28%	\$ 989,805	\$ 11,826,441
<b>Bond Proceeds Investment Pool (BPIP)</b>									
Account	Cost Basis	Market Value	Unrealized Gain/Loss	12-Month Total Return	Benchmark	Index Return	Relative Performance	Monthly Earnings	YTD Earnings
Tax-Exempt	\$ 368,599,322	\$ 368,937,447	\$ 338,125	0.40%	ML Treasury 0-3	0.30%	0.10%	\$ 141,840	\$ 2,051,046
Taxable	537,826,617	539,316,776	1,490,159	0.43%	ML Treasury 0-3	0.30%	0.13%	306,598	4,175,214
Totals	\$ 906,425,939	\$ 908,254,223	\$ 1,828,284	0.42%	Blended	0.30%	0.12%	\$ 448,438	\$ 6,226,260
<b>Local Government Investment Pool (New MexiGrow LGIP)</b>									
LGIP	\$ 567,482,739	\$ 567,522,250	\$ 39,511	0.21%	S&P LGIP	0.17%	0.04%	\$ 83,671	\$ 1,139,581
<b>Severance Tax Bonding Fund</b>									
STBF	\$ 298,948,584	\$ 298,948,584	\$ -	0.22%	S&P LGIP	0.17%	0.05%	\$ 28,601	\$ 294,544

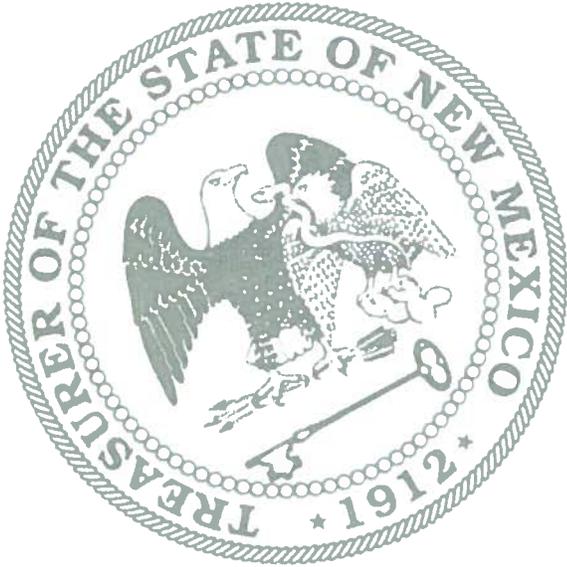
**Notes:**

- (1) These figures are generated using a combination of accrued earnings and unrealized gains. They are unaudited and may be subject to revision.
- (2) Account balances fluctuate during the month, holdings are calculated as of month-end. Performance includes adjustments for fund flows during the month.
- (3) Source: STO Records, QED Financial Systems, JPMorgan Custody Reporting

## New Mexico State Treasurers Office Performance As of May 2013

Account ID	Portfolio Name	Market Value	Month	Trailing 3M	Fiscal YTD	YTD	1 YR	Since Inception	Inception Date
10933300	Local Government Investment Pool	567,661,903	(0.01)	0.03	0.19	0.08	0.21	1.12	01-Jul-2007
10933400	Overnight Repo Pool	424,791,956	0.01	0.04	0.21	0.07	0.23	0.89	01-Jul-2007
10933500	Tax Exempt Bond Proceeds	370,232,969	(0.17)	(0.06)	0.35	0.00	0.40	2.23	01-Jul-2007
10933900	Taxable Bond Proceeds	541,641,163	(0.14)	(0.01)	0.40	0.08	0.43	2.36	01-Jul-2007
<b>00667701</b>	<b>General Fund</b>	<b>1,815,803,676</b>	<b>(0.30)</b>	<b>(0.09)</b>	<b>0.48</b>	<b>(0.02)</b>	<b>0.52</b>	<b>2.30</b>	<b>01-Jul-2007</b>
10933700	General Fund Core	1,326,590,839	(0.41)	(0.15)	0.56	(0.08)	0.61	2.96	01-Jul-2007
10933600	General Fund Liquidity	489,212,836	0.01	0.04	0.20	0.07	0.22	0.86	01-Jul-2007
06677-BEN-0006	S&P Govt Pools Net yield		0.00	0.01	0.05	0.02	0.06	0.92	01-Jul-2007
06677-BEN-0012	BPIP Index ML 0-3 Treasury		(0.10)	0.00	0.34	0.08	0.30	2.27	01-Jul-2007
06677-BEN-0013	General Core Index ML 0-5 Treasury		(0.41)	(0.19)	0.34	(0.09)	0.27	3.20	01-Jul-2007
06677-BEN-0016	S&P LGIP Gross yield		0.01	0.04	0.15	0.06	0.17	0.17	01-Jun-2012
06677-BEN-0015	General Fund Total		(0.25)	(0.11)		(0.05)		(0.06)	01-Dec-2012

Performance shown is gross of manager fees



## 4. Investment Policy Compliance Report

## Investment Policy Compliance Review

### *Primary and Secondary Bond Purchases/ Sales*

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During the month of May, the following were the ratio of primary and secondary bond transactions in the portfolios:

Primary Bond Volume	\$ 130898,000	46%
Secondary Bond Volume	<u>156,759,000</u>	<u>54%</u>
Total	\$287,657,000	100%

The total above excludes overnight repurchase agreement volume.

### *Commissions Paid*

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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*

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At the end of May, total holdings of Variable Rate Notes were \$158,234,000.

General Fund Liquidity	\$ 20,000,000
Taxable BPIP	7,000,000
Tax Exempt BPIP	7,934,000
LGIP	<u>123,320,000</u>
Total Holdings	\$158,234,000

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

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

### *Transaction Variances and Inter-Portfolio Transactions*

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During May, there were no transaction variances which posed compliance issues. All trade information was entered correctly in our internal systems and in the systems used by our custody bank. All transactions for the month settled successfully. There were no price discrepancies.

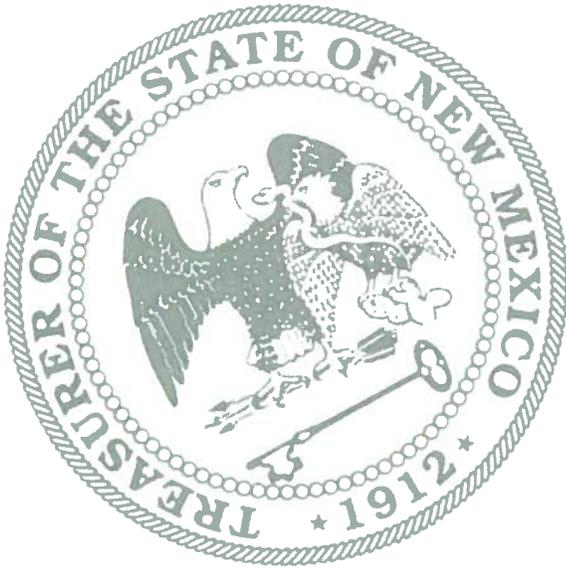
There were no inter-portfolio trades during the month.

STO continues to monitor inter-fund borrowing of cash balances between portfolios and are continuing to develop transaction procedures to ensure that such borrowing between accounts is minimized and well documented. Once STO's investments and banking transactions are integrated into the State's SHARE Oracle PeopleSoft ERP (Enterprise Resource Planning) system with the Treasury Management Deal Management and Enhanced Cash Management modules, these inter-fund borrowings will largely disappear.

### *Investment Policy Compliance*

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A security was purchased in the General Fund CORE account which violated investment policy guidelines regarding maturity restrictions. As of the date of this report, all securities held within each of the Treasurer's portfolios are in compliance with maturity restrictions.



## 5. Portfolio Summary- General Fund and Cash Projections

## **Portfolio Summary – General Fund Investment Pool**

### *Summary*

- The General Fund Investment Pool (Bank, Liquidity and Core Portfolios) closed the month of May at \$2.1 Billion, an increase of \$100MM over May balances.
- Average Collected Balance at our Fiscal Agent bank was \$125 Million for the month of May.

### *Portfolio Mix*

- At month end, 99% of the General Fund Core portfolio was invested in fixed income securities; 30% in US Government Securities; 69% in Government Related Securities (Municipal Bonds and Agency Securities), and the balance (1%) in Cash.
- 18% of the portfolio is invested in securities that mature in one year; 15% in securities that mature from 1-2 years; 61% in 2-4 years and 6% within 5 years.
- The General Fund Core portfolio held positions in 74 securities at the end of May.
- The Weighted Average Life of the CORE portion of the general fund is 2.49 years. The Weighted Average duration is 2.4 years.
- The benchmark duration for the CORE portfolio is 2.3 years.
- The maximum security term for the CORE portfolio is 5 years.

### *Performance*

- For May, the general fund CORE matched its benchmark performance. The general fund and the benchmark both lost 0.41%.
- For the last 3 months, the general fund outperformed its benchmark by 4 basis points (0.04%). The general fund lost 0.15% while the benchmark lost 0.19%.
- For the last 12-months, the general fund outperformed its benchmark by 34 basis points (0.34%). The general fund gained 0.61% while the benchmark gained 0.27%.

### *Market Value and Investment Earnings*

- Unrealized gains in the Core Portfolio at the end of May were \$4.9 million.
- Over the month, the unrealized gains decreased by \$6.4 Million due to higher rates in the secondary market.
- Monthly Earnings for May on the General Fund Portfolios were \$0.9 million.
- Year-to-date earnings were over \$11.8 million.
- Earnings on the General Fund are used to offset General Fund Spending.

### *Investment Highlights*

- Maturing securities and free cash are invested to the benchmark duration.
- Relative overweight in agency securities relative to the benchmark has resulted in a portion of performance gains.
- Relative overweight in duration has resulted in a portion of performance gains.

Compensating Balances at Fiscal Agent Bank

---

During May, STO maintained Average Daily Collected Balances at the Fiscal Agent Bank of approximately \$125 million. This balance earned a “soft-dollar” credit against processing fees assessed by the bank.

Fiscal Agent Bank Summary:

<i>Average Collected Balance</i>	\$125,265,663.06
<i>Earnings Credit Rate</i>	0.50%
<i>Estimated Monthly Earnings</i>	\$52,194
<i>Estimated Fiscal Year Earnings</i>	\$444,645

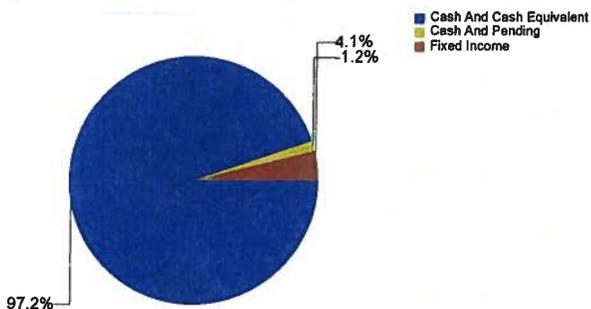
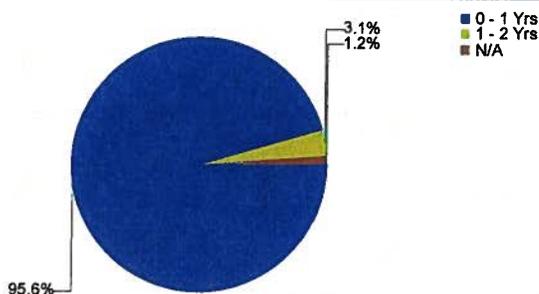
*Source: Wells, Fargo & Co.*

Portfolio Characteristics

Duration Mix

**Total Net Assets (Millions)** 489.2  
**Weighted Average Life (Years)** 0.09  
**Weighted Avg. Effective Duration (Years)** 0.06  
**Weighted Average Coupon (%)** 0.16  
**Weighted Average Current Yield (%)** 0.16  
**Weighted Average Yield to Maturity (%)** 0.16  
**Weighted Average Rating** AA  
**Number of Holdings** 22

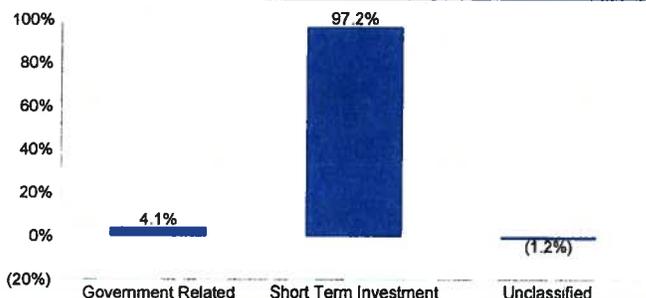
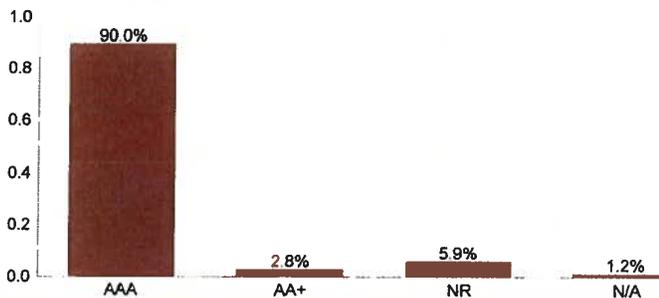
489.2  
0.09  
0.06  
0.16  
0.16  
0.16  
AA  
22



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
99DF10058	REPO BANK OF NEW YORK/SOUTH STREET SECS	9.97%	0.14	3/8/2013
99DF10059	REPO BANK OF NEW YORK/SOUTH STREET SECS	9.97%	0.14	3/8/2013
99DF10057	REPO BANK OF NEW YORK/SOUTH STREET SECS	9.84%	0.14	3/8/2013
99DF10052	REPO MITSUBISHI UFJ SECURITIES (USA),INC.	9.00%	0.15	3/8/2013
99DF10054	REPO MITSUBISHI UFJ SECURITIES (USA),INC.	9.00%	0.15	3/8/2013
99DF10056	REPO MITSUBISHI UFJ SECURITIES (USA),INC.	9.00%	0.15	3/8/2013
99DF10051	REPO MITSUBISHI UFJ SECURITIES (USA),INC.	9.00%	0.15	3/8/2013
99DF10053	REPO MITSUBISHI UFJ SECURITIES (USA),INC.	9.00%	0.15	3/8/2013
99DF10055	REPO BANK OF NEW YORK/SOUTH STREET SECS	8.56%	0.14	3/8/2013
3133804M6	FEDERAL HOME LOAN BANKS CONS BD FLT 14 23/JAN/2014	4.04%	0.10	23/1/2014

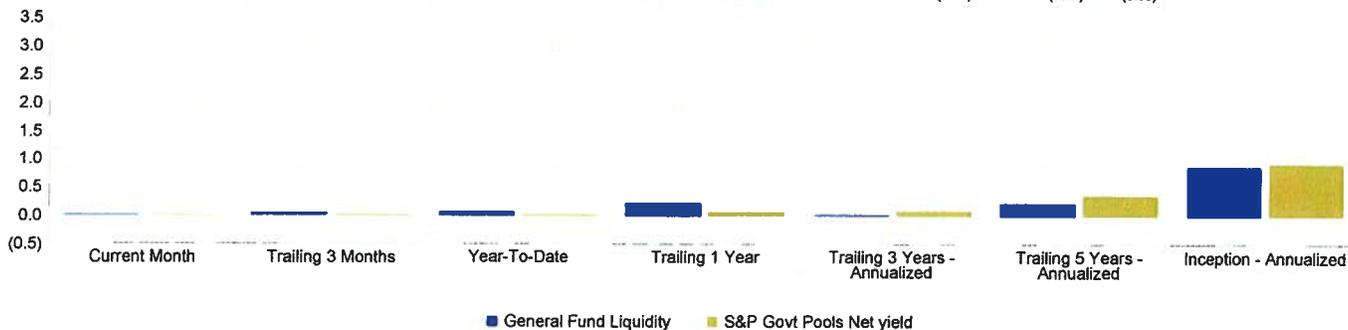
Quality/Rating Weightings

Sector Weightings (as % of Market Value)



Returns Series

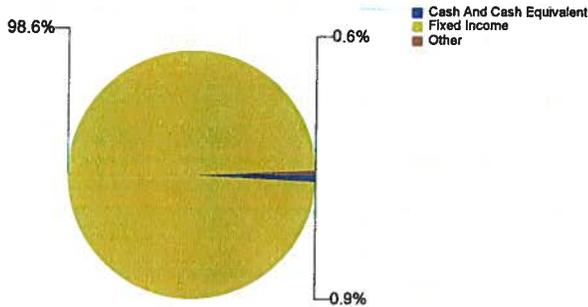
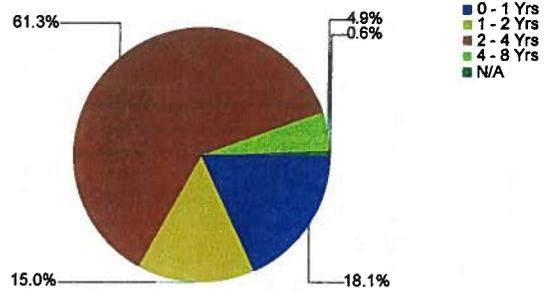
	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
General Fund Liquidity	0.01	0.04	0.07	0.22	0.02	0.21	0.88
S&P Govt Pools Net yield	0.00	0.01	0.02	0.06	0.08	0.38	0.92
Excess	0.01	0.03	0.05	0.16	(0.06)	(0.15)	(0.06)



Portfolio Characteristics

Duration Mix

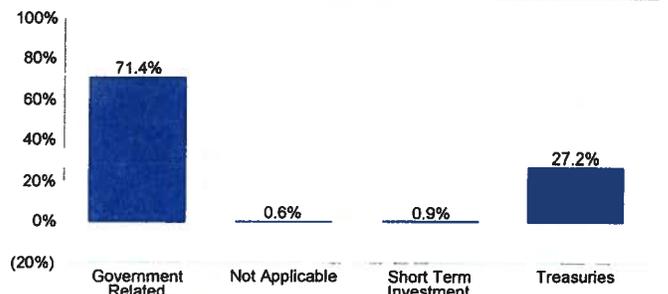
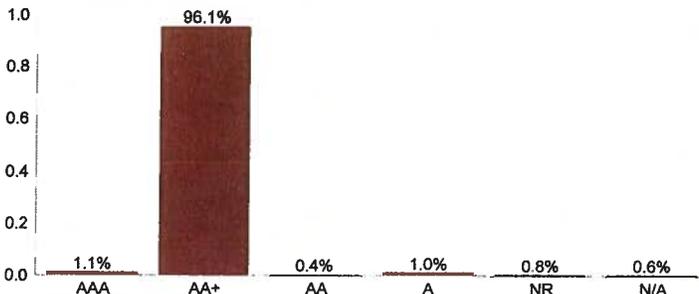
<b>Total Net Assets (Millions)</b>	<b>1,326.6</b>
<b>Weighted Average Life (Years)</b>	<b>2.47</b>
<b>Weighted Avg. Effective Duration (Years)</b>	<b>2.37</b>
<b>Weighted Average Coupon (%)</b>	<b>1.76</b>
<b>Weighted Average Current Yield (%)</b>	<b>0.53</b>
<b>Weighted Average Yield to Maturity (%)</b>	<b>0.53</b>
<b>Weighted Average Rating</b>	<b>AA+</b>
<b>Number of Holdings</b>	<b>74</b>



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
3135G0LN1	FEDERAL NATIONAL MORTGAGE ASSOC 0.5% NTS	4.57%	0.50	2/7/2015
31359MH89	FEDERAL NATIONAL MORTGAGE ASSOC 5% BDS 15/MAR/2016	3.44%	5.00	15/3/2016
3137EACW7	FEDERAL HOME LOAN MORTGAGE CORP 2% BDS 25/AUG/2016	3.18%	2.00	25/8/2016
3135G0GY3	FEDERAL NATIONAL MORTGAGE ASSOC 1.25% MTG BDS	3.10%	1.25	30/1/2017
912828KF8	UNITED STATES OF AMER TREAS NOTES 1.875% TB	3.08%	1.88	28/2/2014
912828SJ0	US 0.87500 '17	3.06%	0.88	28/2/2017
3135G0SB0	FEDERAL NATIONAL MORTGAGE ASSOC 0.375% BDS	3.03%	0.38	21/1/2015
3133834R9	FEDERAL HOME LOAN BANKS 0.375% BDS 24/JUN/2016	3.01%	0.38	24/6/2016
31359M2D4	FEDERAL NATIONAL MORTGAGE ASSOC 4.875% BDS	3.01%	4.88	15/1/2016
3135G0BA0	FEDERAL NATIONAL MORTGAGE ASSOC 2.375% NTS	2.84%	2.38	11/4/2016

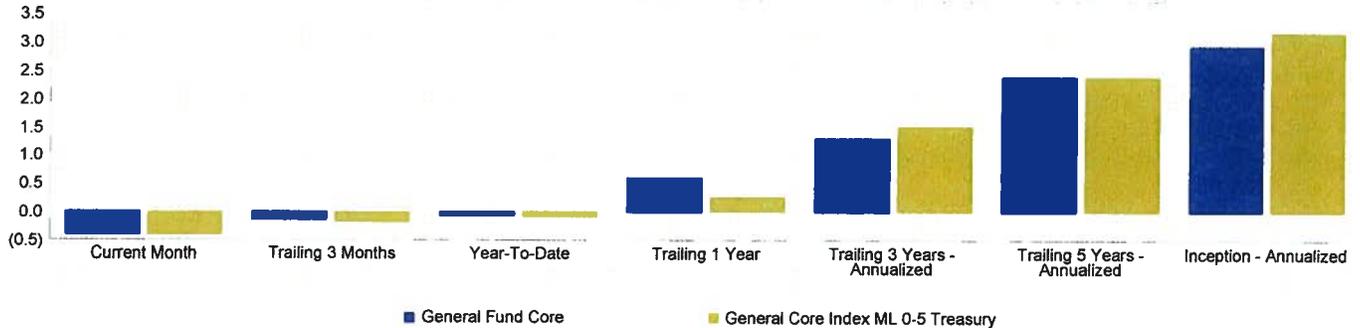
Quality/Rating Weightings

Sector Weightings (as % of Market Value)



Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
General Fund Core	(0.41)	(0.15)	(0.08)	0.61	1.32	2.40	2.96
General Core Index ML 0-5 Treasury	(0.41)	(0.19)	(0.09)	0.27	1.53	2.41	3.20
Excess	0.00	0.03	0.01	0.34	(0.21)	(0.01)	(0.25)



## Performance by Asset Class

### Composite Performance Results

#### As of May 2013

Asset Class	End Market Value	Weight	1 Month	3 Months	YTD	FYTD	1 Year
<b>General Fund</b>							
Fixed Income	1,327,629,451.33	73.12%	(0.41)	(0.15)	(0.08)	0.54	0.58
Government Related	967,366,468.45	53.27%	(0.46)	(0.17)	(0.09)	0.61	0.72
Treasuries	360,262,982.88	19.84%	(0.29)	(0.11)	(0.04)	0.41	0.32
Cash And Cash Equivalent	486,742,131.64	26.81%	0.01	0.04	0.07	0.21	0.24
Cash And Pending	(6,102,000.00)	(0.34%)	0.00	0.00	0.00	0.00	0.00
<b>TOTAL</b>	<b>1,815,803,675.68</b>	<b>100.00%</b>	<b>(0.30)</b>	<b>(0.09)</b>	<b>(0.02)</b>	<b>0.48</b>	<b>0.52</b>

Performance shown is gross of manager fees

## Performance by Asset Class

### Account Performance Results

#### As of May 2013

Asset Class	End Market Value	Weight	1 Month	3 Months	YTD	FYTD	1 Year
<b>General Fund Liquidity</b>							
Fixed Income	20,001,280.03	4.09%	(0.01)	0.06	0.16	0.23	0.24
Government Related	20,001,280.03	4.09%	(0.01)	0.06	0.16	0.23	0.24
Cash And Cash Equivalent	475,313,556.32	97.16%	0.01	0.04	0.06	0.21	0.23
Cash And Pending	(6,102,000.00)	(1.25%)	0.00	0.00	0.00	0.00	0.00
<b>TOTAL</b>	<b>489,212,836.35</b>	<b>100.00%</b>	<b>0.01</b>	<b>0.04</b>	<b>0.07</b>	<b>0.20</b>	<b>0.22</b>

Performance shown is gross of manager fees

## Performance by Asset Class

### Account Performance Results

#### As of May 2013

Asset Class	End Market Value	Weight	1 Month	3 Months	YTD	FYTD	1 Year
<b>General Fund Core</b>							
Fixed Income	1,307,628,171.30	98.57%	(0.42)	(0.16)	(0.08)	0.56	0.61
Government Related	947,365,188.42	71.41%	(0.47)	(0.17)	(0.09)	0.65	0.77
Treasuries	360,262,982.88	27.16%	(0.29)	(0.11)	(0.04)	0.41	0.32
Cash And Cash Equivalent	11,428,575.32	0.86%	0.05	0.12	0.19	0.36	0.38
<b>TOTAL</b>	<b>1,326,590,839.33</b>	<b>100.00%</b>	<b>(0.41)</b>	<b>(0.15)</b>	<b>(0.08)</b>	<b>0.56</b>	<b>0.61</b>

Performance shown is gross of manager fees

# STATE OF NEW MEXICO

## GENERAL FUND (1000)

### Portfolio Classification Summary

Positions Held as of 5/31/13

TXN BASIS: SETTLEMENT  
 MKT-SOURCE: IDC-PREFERRED+  
 AMTZ ADDED: NO

ASSET CLASSIFICATION	ITEMS	YIELD	AVG-TERM	PRINCIPAL	COST-BASIS	MARKET-VALUE	GAIN/LOSS	%MARKET
REPURCHASE AGREEMENTS (O/N)	2	.1477	.00820	440,394,114	440,394,114	440,394,114		62.456
CERTIFICATES OF DEPOSIT	8	.4139	.84392	28,750,000	28,750,000	28,750,000		4.077
AGENCY US VARIABLE ACT/360 4X	1	.1110	.64930	20,000,000	19,998,204	19,999,200	996	2.836
CASH ACCOUNT	1			215,981,881	215,981,881	215,981,881		30.630
	<u>12</u>	<u>.1123</u>	<u>.08353</u>	<u>705,125,995</u>	<u>705,124,199</u>	<u>705,125,195</u>	<u>996</u>	<u>100.000</u>

# STATE OF NEW MEXICO

## GENERAL FUND CORE (1001)

### Portfolio Classification Summary

Positions Held as of 5/31/13

TXN BASIS: SETTLEMENT  
MKT-SOURCE: IDC-PREFERED+  
AMTZ ADDED: NO

ASSET CLASSIFICATION	ITEMS	YIELD	AVG-TERM	PRINCIPAL	COST-BASIS	MARKET-VALUE	GAIN/LOSS	%MARKET
REPURCHASE AGREEMENTS (O/N)	1	.1419	.00820	1,392,284	1,392,284	1,392,284		.105
CERTIFICATES OF DEPOSIT	1	.5500	1.37530	10,000,000	10,000,000	10,000,000		.757
U.S. TREASURY BONDS	1	.3822	2.46030	15,000,000	18,474,313	18,454,650	-19,663	1.397
US TREASURY NOTE ACT/ACT 2X	16	.9079	1.88313	335,650,000	338,420,350	340,505,462	2,085,112	25.780
AGENCY US BOND 30/360 2X	7	.5498	2.40859	163,000,000	164,288,685	164,347,850	59,165	12.443
AGENCY 30/360 2X	1	.9125	3.02740	25,000,000	25,000,000	25,309,500	309,500	1.916
AGENCY US NOTES 30/360 2X	24	.8042	2.72739	514,910,000	536,681,243	538,524,830	1,843,587	40.772
FED NATL MORTGAGE ASSN DEBS	9	.6958	2.75125	195,000,000	195,250,246	195,853,550	603,304	14.828
MUNI US 30/360 2X	11	.5988	.54642	23,975,000	24,109,053	24,134,337	25,284	1.827
MUNICIPAL BOND REVENUE	4	.3449	.21981	2,280,000	2,289,140	2,289,930	790	.173
UNITS - INVESTMENT POOL 1	1			1,300	1,300	1,300		
CASH ACCOUNT	1			4,671	4,671	4,671		
	<u>77</u>	<u>.7719</u>	<u>2.41445</u>	<u>1,286,213,255</u>	<u>1,315,911,285</u>	<u>1,320,818,364</u>	<u>4,907,079</u>	<u>100.000</u>

SOURCE: VisualQED  
 MODEL: INVENTORY  
 USER: WRIGHT

STATE OF NEW MEXICO  
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 AS-OF: 5/31/13  
 AMRTZD: BOOK VALUES AMORTIZED THROUGH 5/31/13

POSITION-SIZ	DESCRIPTION	CUSIP#	RATE	MATURITY	YIELD	UNIT-BOOK	CURRENT BK	LOC-MKT-VALUE
189,916,114	OVERNIGHT REPO	0603RP	.140	6/03/13	.142	100.000000211	189,916,114.40	189,916,114.40
250,478,000	OVERNIGHT REPO	0603RP	.150	6/03/13	.152	100.000000000	250,478,000.00	250,478,000.00
500,000	WESTERN BANK CLOVIS	15955	.300	6/06/13	.300	100.000000000	500,000.00	500,000.00
8,000,000	CENTURY BAN SANTA FE	17099247	.350	6/28/13	.350	100.000000000	8,000,000.00	8,000,000.00
5,000,000	FIRST NATIONAL BANK SANTA FE	10336906	.400	10/15/13	.400	100.000000000	5,000,000.00	5,000,000.00
453,894,114							453,894,114.40	453,894,114.40

====> 0005 ITEMS IN SUBTOTAL FOR ==> FINAL-MATURITY.. ==> 2013 <====

20,000,000	FEDERAL HOME LOAN BANKS	3133804M	.273	1/23/14	.112	99.990714750	19,998,142.95	19,999,200.00
2,000,000	UNION SAVINGS BANK	00156000	.600	8/27/14	.600	100.000000000	2,000,000.00	2,000,000.00
2,000,000	Bank 34	01010047	.550	8/28/14	.550	100.000000000	2,000,000.00	2,000,000.00
8,000,000	CENTURY BANK SANTA FE	17099245	.400	9/29/14	.400	100.000000000	8,000,000.00	8,000,000.00
32,000,000							31,998,142.95	31,999,200.00

====> 0004 ITEMS IN SUBTOTAL FOR ==> FINAL-MATURITY.. ==> 2014 <====

250,000	GUADALUPE CREDIT UNION	735605	1.000	3/26/15	1.000	100.000000000	250,000.00	250,000.00
3,000,000	FARMERS & STOCKMEN'S BANK	8521510	.400	4/23/15	.400	100.000000000	3,000,000.00	3,000,000.00
3,250,000							3,250,000.00	3,250,000.00

====> 0002 ITEMS IN SUBTOTAL FOR ==> FINAL-MATURITY.. ==> 2015 <====

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MODEL: INVENTORY

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AMRTZD: BOOK VALUES AMORTIZED THROUGH 5/31/13

STATE OF NEW MEXICO  
T R E A S U R E R ' S O F F I C E

PAGE: 10

POSITION-SIZ	DESCRIPTION	CUSIP#	RATE	MATURITY	YIELD	UNIT-BOOK	CURRENT BK	LOC-MKT-VALUE
489,144,114							489,142,257.35	489,143,314.40

===> 0011 ITEMS IN SUBTOTAL FOR ===> FUND-NAME..... ===> GENERAL FUND <===

SOURCE: VisualQED  
 MODEL: INVENTORY  
 USER: WRIGHT

STATE OF NEW MEXICO  
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 AS-OF: 5/31/13  
 AMRTZD: BOOK VALUES AMORTIZED THROUGH 5/31/13

PAGE: 11

POSITION-SIZ	DESCRIPTION	CUSIP#	RATE	MATURITY	YIELD	UNIT-BOOK	CURRENT BK	LOC-MKT-VALUE
4,671	CASH KEY	CASHCASH				1.000000000	4,671.23	4,671.00
1,300	UNITS - INVESTMENT POOL 1	UNITS001				.999976923	1,299.97	1,300.00
5,971							5,971.20	5,971.00

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

2,000,000	NEW MEXICO FIN AUTH REV	64711NNV	2.000	6/01/13	1.014	100.000000000	2,000,000.00	2,000,000.00
3,605,000	NEW MEXICO FIN AUTH REV	64711NPA	2.000	6/01/13	.356	100.000000000	3,605,000.00	3,605,000.00
1,285,000	UNIVERSITY OF NM-REFUNDING	914692N2	2.000	6/01/13	.305	100.000000000	1,285,000.00	1,285,000.00
500,000	NMFA SERIES B1	64711NLW	2.000	6/01/13	.305	100.000000000	500,000.00	500,000.00
1,392,284	OVERNIGHT REPO	0603RP	.140	6/03/13	.142	99.999977735	1,392,283.69	1,392,283.69
7,525,000	ALBUQUERQUE NM 2012C	ABQ2012C	.290	7/01/13	.294	100.000000000	7,525,000.00	7,525,000.00
20,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0BR	.500	8/09/13	.588	99.984735200	19,996,947.04	20,014,600.00
10,000,000	UNITED STATES TREASURY NOTES	912828NY	.750	9/15/13	.541	100.059860100	10,005,986.01	10,019,100.00
10,000,000	FEDERAL HOME LOAN BANKS	313371UC	.875	12/27/13	1.110	99.874698200	9,987,469.82	10,040,200.00
56,307,284							56,297,686.56	56,381,183.69

====> 0009 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2013 <====

13,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	31359MTP	5.125	1/02/14	.828	102.513067231	13,326,698.74	13,349,830.00
30,000,000	FED HOME LOAN BANKS	313376UF	.375	1/29/14	.323	100.036921133	30,011,076.34	30,040,200.00

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MODEL: INVENTORY

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AMRTZD: BOOK VALUES AMORTIZED THROUGH 5/31/13

STATE OF NEW MEXICO  
T R E A S U R E R ' S O F F I C E

POSITION-SIZ	DESCRIPTION	CUSIP#	RATE	MATURITY	YIELD	UNIT-BOOK	CURRENT BK	LOC-MKT-VALUE
20,000,000	UNITED STATES TREASURY NOTES	912828JZ	1.750	1/31/14	.666	100.718555000	20,143,711.00	20,215,600.00
20,000,000	UNITED STATES TREASURY NOTES	912828QH	1.250	2/15/14	1.413	99.885170550	19,977,034.11	20,157,800.00
40,000,000	UNITED STATES TREASURY NOTES	912828KF	1.875	2/28/14	1.048	100.613375725	40,245,350.29	40,517,200.00
15,000,000	UNITED STATES TREASURY NOTES	912828KJ	1.750	3/31/14	.729	100.843592400	15,126,538.86	15,198,600.00
2,075,000	NEW MEXICO ST UNIV REVS	647429V5	.300	4/01/14	.304	100.000000000	2,075,000.00	2,072,447.75
20,000,000	UNITED STATES TREASURY NOTES	912828KN	1.875	4/30/14	1.476	100.360045950	20,072,009.19	20,312,600.00
20,000,000	UNITED STATES TREASURY NOTES	912828KV	2.250	5/31/14	1.509	100.730687400	20,146,137.48	20,412,600.00
3,060,000	NEW MEXICO FIN AUTH REV	64711NNW	3.000	6/01/14	1.490	101.513295425	3,106,306.84	3,127,717.80
3,615,000	NEW MEXICO FIN AUTH REV	64711NPB	2.000	6/01/14	.456	101.544784509	3,670,843.96	3,675,623.55
770,000	NEW MEXICO FIN AUTH REV	64711NPX	2.000	6/01/14	1.014	100.992549351	777,642.63	780,233.30
165,000	UNIVERSITY OF NM-REFUNDING	914692Q6	3.000	6/01/14	.487	102.510957576	169,143.08	169,395.60
330,000	UNIVERSITY OF NM-REFUNDING	914692N3	2.000	6/01/14	.487	101.514545455	334,998.00	335,534.10
20,000,000	UNITED STATES TREASURY NOTES	912828QS	.750	6/15/14	.771	99.978269700	19,995,653.94	20,119,600.00
15,000,000	UNITED STATES TREAS NTS	912828LC	2.625	7/31/14	1.513	101.279054267	15,191,858.14	15,424,200.00
20,000,000	FED NATL MORTGAGE ASSN DEBS	3135G0BY	.875	8/28/14	.457	100.524282900	20,104,856.58	20,154,600.00
10,000,000	FIRST NATIONAL BANK SANTA FE	01033690	.550	10/15/14	.550	100.000000000	10,000,000.00	10,000,000.00
10,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EACY	.750	11/25/14	.772	99.983782800	9,998,378.28	10,069,700.00
20,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EADA	.625	12/29/14	.364	100.418091600	20,083,618.32	20,098,400.00
-----							284,556,855.78	286,231,882.10
283,015,000								

====> 0020 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2014 <====

29,000,000	FEDERAL HOME LOAN BANK	313381YP	.250	2/20/15	.297	99.926281138	28,978,621.53	28,954,760.00
20,000,000	FED NATL MORTGAGE ASSN DEBS	3135G0HG	.375	3/16/15	.541	99.716798700	19,943,359.74	20,014,200.00

SOURCE: VisualQED

MODEL: INVENTORY

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POSITION-SIZ	DESCRIPTION	CUSIP#	RATE	MATURITY	YIELD	UNIT-BOOK	CURRENT BK	LOC-MKT-VALUE
540,000	NEW MEXICO ST UNIV REVS	647429V6	.800	4/01/15	.811	100.000000000	540,000.00	540,167.40
20,000,000	UNITED STATES TREAS NTS	912828SP	.375	4/15/15	.387	99.977609100	19,995,521.82	20,027,400.00
60,000,000	FED NATL MORTGAGE ASSN DEBS	3135G0LN	.500	7/02/15	.511	99.991664800	59,994,998.88	60,144,000.00
10,500,000	UNITED STATES TREASURY NOTES	912828TD	.250	7/15/15	.320	99.852094191	10,484,469.89	10,480,365.00
20,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134A4VC	4.375	7/17/15	.965	107.192189150	21,438,437.83	21,687,000.00
25,000	SOUTHERN SANDOVAL CNTY N MEX A	843789FH	2.000	8/01/15	.710	102.790200000	25,697.55	25,799.50
20,150,000	UNITED STATES TREAS NTS	912828EE	4.250	8/15/15	.346	108.576186551	21,878,101.59	21,868,996.50
20,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EACM	1.750	9/10/15	1.015	101.680024350	20,336,004.87	20,607,200.00
14,250,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0NV	.500	9/28/15	.503	100.009164772	14,251,305.98	14,275,507.50
15,000,000	UNITED STATES TREASURY BONDS	912810DT	9.875	11/15/15	.382	123.162726400	18,474,408.96	18,454,650.00
13,000,000	FEDERAL HOME LOAN BANKS	313380L9	.500	11/20/15	.432	100.181573462	13,023,604.55	13,026,650.00
40,000,000	FNMA	3135G0SB	.375	12/21/15	.439	99.852733275	39,941,093.31	39,906,800.00
11,660,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134G3EG	1.150	12/30/15	1.166	100.000000000	11,660,000.00	11,717,367.20
10,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134G3FA	1.100	12/30/15	1.115	100.000000000	10,000,000.00	10,042,700.00
304,125,000							310,965,626.50	311,773,563.10

===> 0016 ITEMS IN SUBTOTAL FOR ===> FINAL-MATURITY.. ===> 2015 <===

12,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0TZ	.450	1/29/16	.456	100.000000000	12,000,000.00	11,982,600.00
40,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	31359MH8	5.000	3/15/16	.763	111.697983525	44,679,193.41	44,925,200.00
580,000	NEW MEXICO ST UNIV REVS	647429V7	1.000	4/01/16	1.014	100.000000000	580,000.00	578,393.40
35,500,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0BA	2.375	4/11/16	.804	104.466096085	37,085,464.11	37,354,520.00
20,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EACT	2.500	5/27/16	1.095	104.165322500	20,833,064.50	21,111,600.00
25,000,000	FEDERAL AGRICULTURAL MORTG CORP	31315PB7	.900	6/09/16	.913	100.000000000	25,000,000.00	25,309,500.00

SOURCE: VisualQED

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POSITION-SIZ	DESCRIPTION	CUSIP#	RATE	MATURITY	YIELD	UNIT-BOOK	CURRENT BK	LOC-MKT-VALUE
40,000,000	FEDERAL HOME LOAN BANK	3133834R	.375	6/24/16	.438	99.826672350	39,930,668.94	39,710,000.00
180,000	NEW MEXICO ST SEVERANCE TAX	647310Q4	5.000	7/01/16	.709	113.096294445	203,573.33	203,954.40
10,000,000	FANNIE MAE .0375 MAT 7/8/2016	3135G0XP	.375	7/05/16	.493	99.659462200	9,965,946.22	9,933,900.00
10,000,000	FANNIE MAE .0375 MAT 7/8/2016	3135G0XP	.375	7/05/16	.493	99.659462200	9,965,946.22	9,933,900.00
10,000,000	FANNIE MAE .0375 MAT 7/8/2016	3135G0XP	.375	7/05/16	.493	99.659462200	9,965,946.22	9,933,900.00
20,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	31359MS6	5.375	7/15/16	1.142	112.998518650	22,599,703.73	22,926,000.00
40,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EACW	2.000	8/25/16	.844	103.718046500	41,487,218.60	41,719,200.00
20,000,000	UNITED STATES TREASURY NOTES	912828RF	1.000	8/31/16	.929	100.226306550	20,045,261.31	20,257,800.00
20,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0CM	1.250	9/28/16	1.218	100.158821100	20,031,764.22	20,378,600.00
20,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EAAJ	5.125	10/18/16	.561	115.290749300	23,058,149.86	22,965,000.00
34,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	31359M2D	4.875	12/15/16	.590	115.015197324	39,105,167.09	38,921,160.00
10,000,000	FEDERAL HOME LOAN BANKS	3133XHZK	4.750	12/16/16	.704	114.165320800	11,416,532.08	11,425,800.00
25,000,000	UNITED STATES TREAS NTS	912828RX	.875	12/31/16	.776	100.348771800	25,087,192.95	25,164,000.00
-----								
392,260,000							413,040,792.79	414,735,027.80

====> 0019 ITEMS IN SUBTOTAL FOR ==> FINAL-MATURITY.. ==> 2016 <====

40,000,000	FED NATL MORTGAGE ASSN DEBS	3135G0GY	1.250	1/30/17	1.069	100.702256675	40,280,902.67	40,670,400.00
20,000,000	UNITED STATES TREAS NTS	912828SC	.875	1/31/17	.846	100.104253100	20,020,850.62	20,117,200.00
20,000,000	FEDERAL HOME LOAN BANK	3133786Q	1.000	2/13/17	1.044	99.891054450	19,978,210.89	20,198,200.00
40,000,000	UNITED STATES TREAS NTS	912828SJ	.875	2/28/17	.872	100.010798625	40,004,319.45	40,212,400.00
20,000,000	FED HOME LOAN MORTGAGE CORP DBS	3137EADC	1.000	3/08/17	1.121	99.609366500	19,921,873.30	20,115,200.00
10,000,000	FED NATL MORTGAGE ASSN DEBS	3135G0JA	1.125	4/27/17	1.064	100.289854200	10,028,985.42	10,101,800.00
20,000,000	FEDERAL HOME LN MTG CORP	3137EADH	1.000	6/29/17	.934	100.315307000	20,063,061.40	20,000,800.00

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POSITION-SIZ	DESCRIPTION	CUSIP#	RATE	MATURITY	YIELD	UNIT-BOOK	CURRENT BK	LOC-MKT-VALUE	
25,500,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EADJ	1.000	7/28/17	.932	100.329479647	25,584,017.31	25,501,785.00	
25,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0MZ	.875	8/28/17	.799	100.362009840	25,090,502.46	24,843,750.00	
15,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EADL	1.000	9/29/17	.900	100.474232867	15,071,134.93	14,962,350.00	
-----									
235,500,000								236,043,858.45	236,723,885.00

==> 0010 ITEMS IN SUBTOTAL FOR ==> FINAL-MATURITY.. ==> 2017 <==

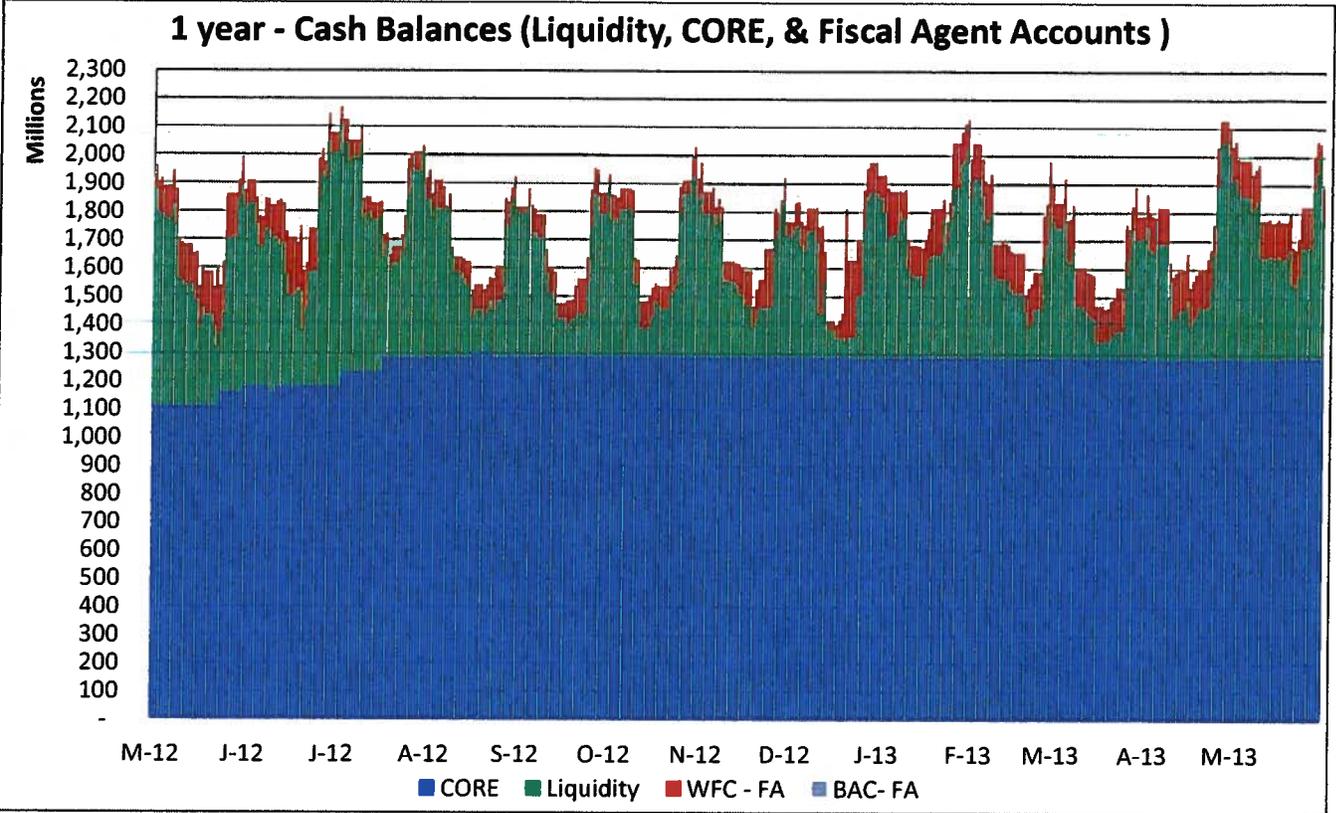
15,000,000	FED NAT'L MORTGAGE ASSN DEB	3136G1EN	1.100	3/13/18	1.115	100.000000000	15,000,000.00	14,966,850.00	
-----									
15,000,000								15,000,000.00	14,966,850.00

==> 0001 ITEMS IN SUBTOTAL FOR ==> FINAL-MATURITY.. ==> 2018 <==

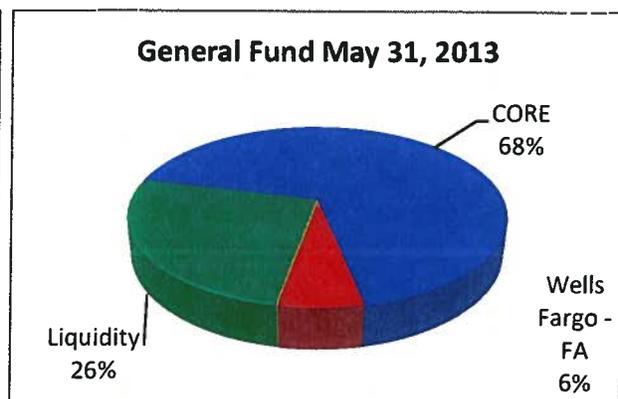
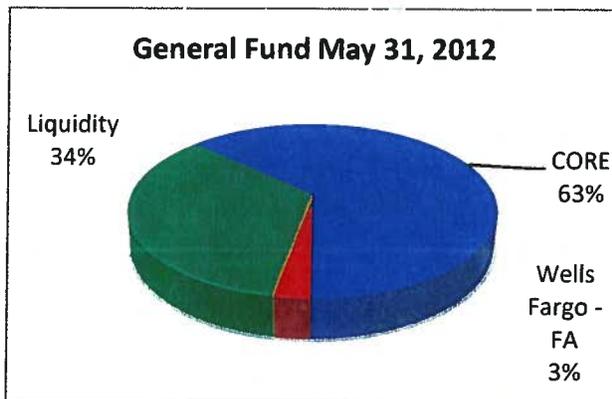
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1286213255								1315910791.28	1320818362.69

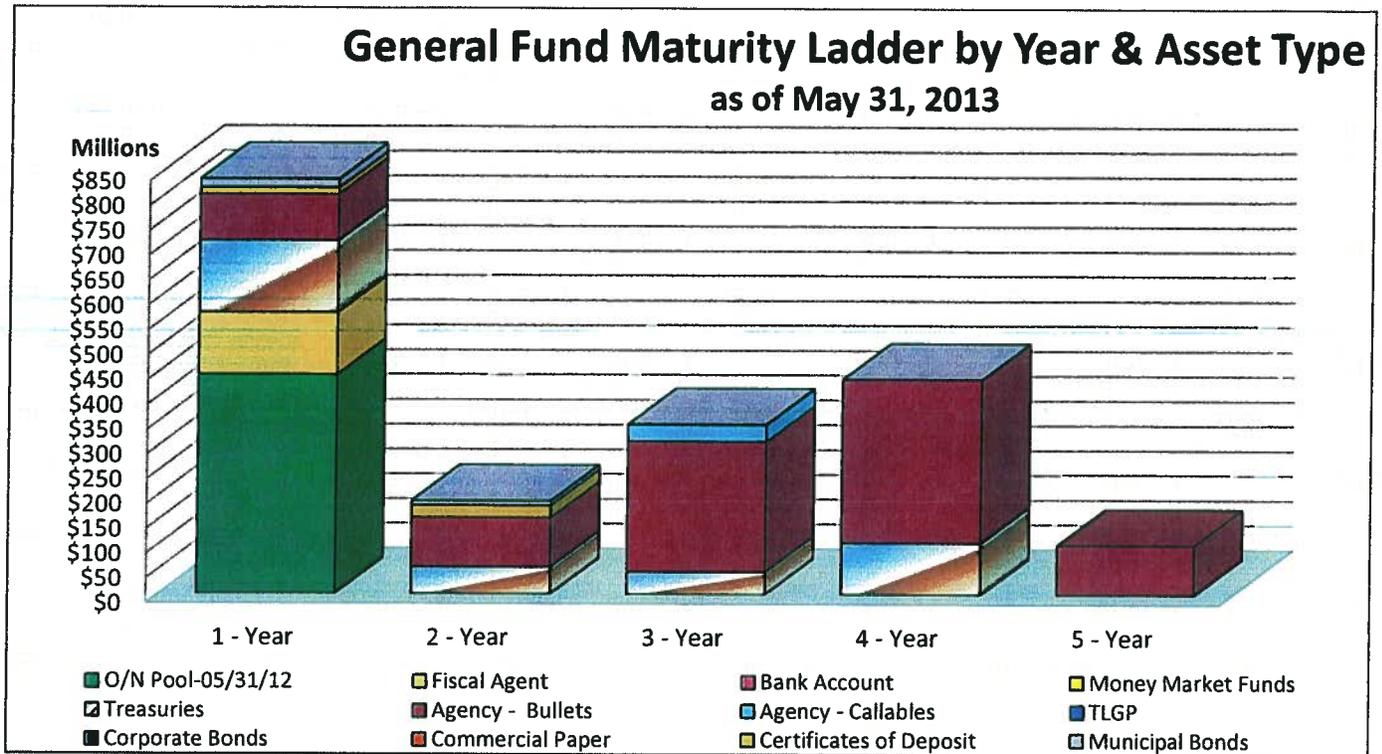
==> 0077 ITEMS IN SUBTOTAL FOR ==> FUND-NAME..... ==> GENERAL FUND CORE <==

# GFIP Cash Flows

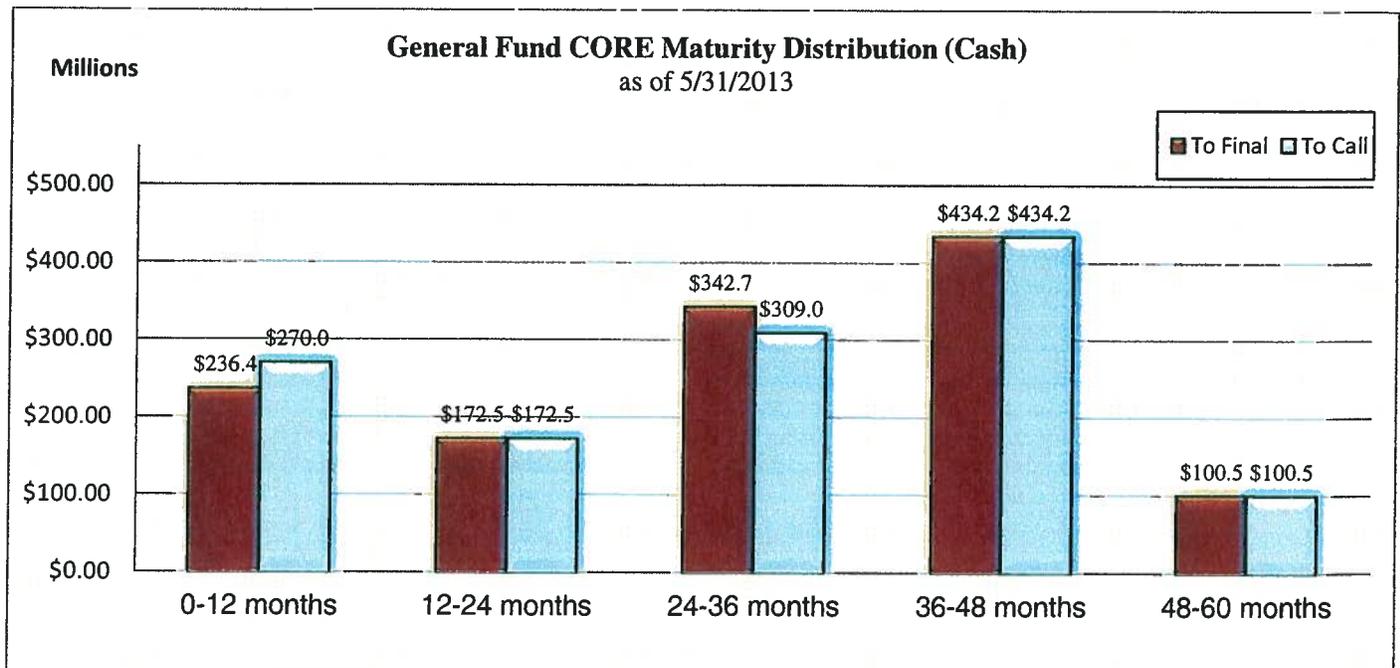
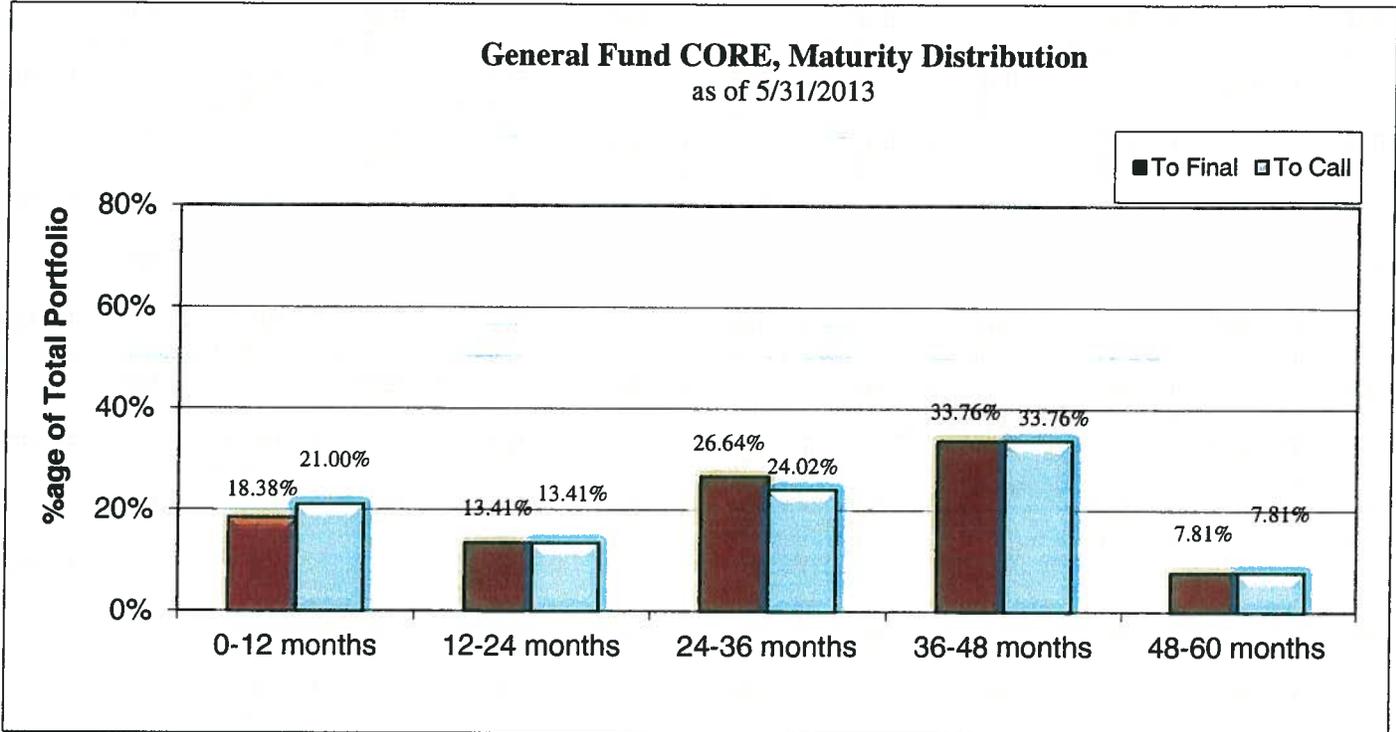


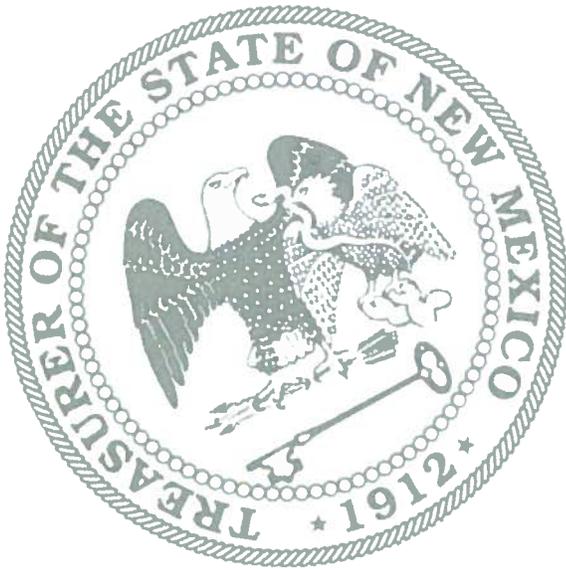
GENERAL FUND	May-12	May-13	Difference
Liquidity	640,202,318	489,144,114	(151,058,203)
CORE	1,180,451,732	1,286,208,584	105,756,852
Wells Fargo - FA	51,456,874	115,742,406	64,285,532
	<b>1,872,110,923</b>	<b>1,891,095,104</b>	<b>18,984,181</b>





Asset Allocation	1 - Year	2 - Year	3 - Year	4 - Year	5 - Year	Total	%
Agency - Bullets	93,000,000	99,000,000	262,750,000	329,000,000	100,500,000	884,250,000	47%
Agency - Callables			33,660,000			33,660,000	2%
TLGP						0	0%
Corporate Bonds						0	0%
Money Market Funds	1,300					1,300	0%
Municipal Bonds	16,990,000	8,480,000	605,000	180,000		26,255,000	1%
Certificates of Deposit	13,500,000	25,250,000				38,750,000	2%
Commercial Paper						0	0%
Treasuries	145,000,000	55,000,000	45,650,000	105,000,000		350,650,000	18%
Bank Account						0	0%
Fiscal Agent	125,265,663					125,265,663	7%
O/N Pool-05/31/12	441,786,398					441,786,398	23%
<b>Total:</b>	<b>835,543,361</b>	<b>187,730,000</b>	<b>342,665,000</b>	<b>434,180,000</b>	<b>100,500,000</b>	<b>1,900,618,361</b>	<b>100%</b>
% of Total:	44%	10%	18%	23%	5%		





## 6. Portfolio Summary- Local Government Investment Pool (LGIP)

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

### *Summary*

- Ending May market value for the LGIP was \$567mil, higher than the \$556mil reported at the end of April.
- The LGIP maintains an AAAM rating by Standard & Poor's.
- At the end of May the STO LGIP participant balance was \$4,319,634.83 or 0.8% of the Pool.
- At the end of May the Judicial District Court LGIP participant balance was \$3,813,120.35 or 0.7% of the Pool.

### *Portfolio Mix*

- At the end of May 2013 the portfolio was invested as follows: 16% in US Treasuries, 27% in US Government Agencies, 32% in collateralized demand deposit accounts with qualified banking institutions, 14% in floating rate securities, and 11% in corporates/commercial paper.
- At month-end, the LGIP held positions in 41 securities.

### *Investment Earnings*

- In May, the fund earned \$83,671 for its participants.
- For Fiscal Year 2013, the fund has earned \$1,139,581.
- 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 0.1875% at the end of May.
- Net yield to participants was 0.125%.

### *Investment Highlights*

- For the LGIP, the WAM(R) of 59 days, and WAM (F) of 89 days, were within their maximums of 60 and 120 days respectively.
- The LGIP experienced net subscriptions for the month of June.
- Maturities for May totaled \$33.7mil face amount.
- Strategy has continued to focus on term investments thereby reducing exposure to overnight repo and bank deposits.
- The WAM(R) continued to bump up against its 60 day maximum as only longer term investments offered a yield advantage vs. Wells Fargo bank deposits.
- Yields for maturities one year and shorter continued to compress, rendering repo unattractive.
- LGIP longer term investments were made when the yields obtainable are close to or above 0.10%, the Wells Fargo bank deposit account default rate for cash. As short maturity yields have compressed even further, the LGIP needs to invest further out the curve in order to achieve these levels.

- As previously noted in April's report LGIP is utilizing term investments whenever possible to diversify the portfolio away from concentrations in collateralized bank deposits and to reduce the reliance on overnight repos.
- LGIP was able to reinvest maturities of Straight-A commercial paper, \$10mil, for two and three week terms at 0.12%.
- LGIP has utilized US Treasury notes maturing in December 2013, \$24mil, at an average of around 0.11%. However, in order to keep WAMs within required ranges, shorter Agencies have been purchased, \$25.8mil, out to September and October 2013 at yields slightly above 0.10%.
- Add-on purchases of IBRD (International Bank for Reconstruction and Development) maturing in November 2013, \$10mil, yielded 0.15%.
- IADB (InterAmerican Development Bank), \$11mil, and \$1.34mil IFC (International Finance Corp.) maturing in October and November 2013 had purchase yields of 0.15%.
- Agency floating rate notes that are reset daily versus the Fed Bank Prime Loan Rate have been attractive and have been purchased when available. LGIP added \$6.04mil in May with maturities out to one year at yields of 0.16%.

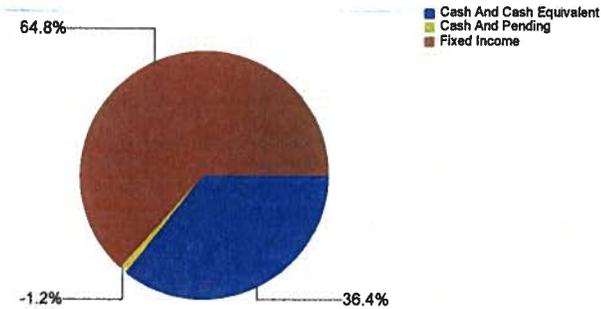
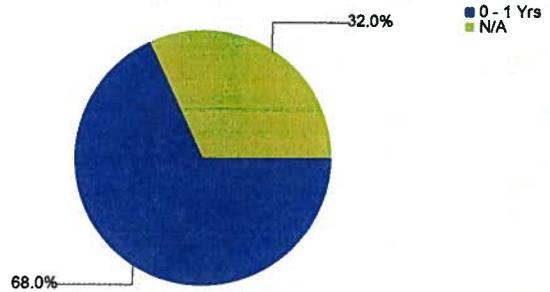
#### *Investment Strategy*

- LGIP WAMs are currently 53 and 86 days for WAM(R) and WAM (F) respectively.
- The LGIP has experienced small net withdrawals in June so far. Expectations for large withdrawals at the end of June have been offset somewhat with subscriptions.
- Maturities will total \$110mil in June.
- LGIP purchased \$5mil Straight-A Funding CP for two weeks at 0.12%. This CP program is winding down and has not been available for reinvestment of late June maturities.
- LGIP was able to purchase \$17.695mil high coupon Agency issues maturing in September and October at 0.11%.
- LGIP was also able to add \$4.87mil to its FHLMC 0.375% 10/30/13 position at a yield of 0.11%.
- Add-on purchases of \$7.9mil Agency floating rate notes that reset daily versus the Fed Bank Prime Loan Rate yielded 0.185% for one year maturities.
- As a result of the Federal Reserve hinting at "tapering" their quantitative easing security purchase strategy, short term interest rates increased slightly in the less than one year maturity space. Repo continues to be offered below 0.05% on most days, however.
- For the month of June so far, three to six month US Treasury yields have increased by about 3 basis points, while the two year has suffered a 10 basis point rise.
- Once the withdrawal volatility at the end of June subsides the LGIP will continue its quest for yield in Treasury and Agency securities out to one year maturities, continuing to bump up against the 60 day maximum for WAM(R).
- LGIP will continue to focus on maximizing safety of principal and providing adequate liquidity through the use of conservative investments.

Portfolio Characteristics

Duration Mix

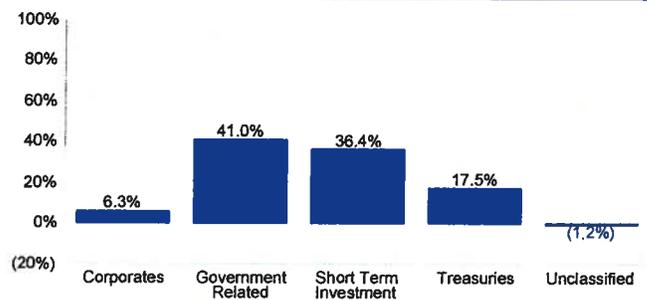
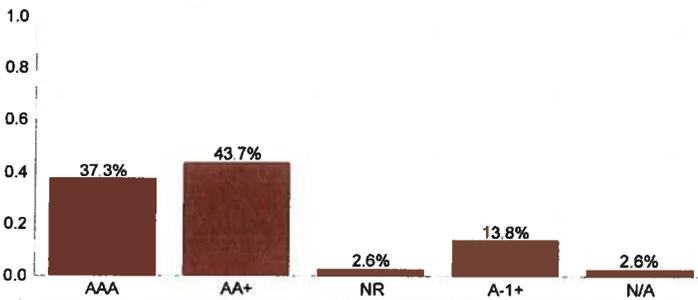
<b>Total Net Assets (Millions)</b>	<b>567.7</b>
<b>Weighted Average Life (Years)</b>	<b>0.25</b>
<b>Weighted Avg. Effective Duration (Years)</b>	<b>0.17</b>
<b>Weighted Average Coupon (%)</b>	<b>0.20</b>
<b>Weighted Average Current Yield (%)</b>	<b>0.07</b>
<b>Weighted Average Yield to Maturity (%)</b>	<b>0.08</b>
<b>Weighted Average Rating</b>	<b>AA</b>
<b>Number of Holdings</b>	<b>42</b>



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
89499LC10	BANK OF THE WEST	20.82%	0.00	1/8/2013
31331KF82	FEDERAL FARM CR BKS CONS BD FLT 13 12/JUN/2013	8.70%	0.15	12/6/2013
894993C02	WELLS FARGO CHECKING 0.15% 31/DEC/2049	5.35%	0.15	1/8/2013
89499LC36	US BANK	5.24%	0.00	1/8/2013
912828RW2	UNITED STATES TREAS NTS 0.125%31/DEC/2013	4.18%	0.12	31/12/2013
459058CB7	INTERNATIONAL BANK FOR REC & DEV 0.5% BDS	3.87%	0.50	26/11/2013
313379QY8	FEDERAL HOME LOAN BANKS CONS BD FLT 13 20/DEC/2013	3.48%	0.18	20/12/2013
912828RN2	UNITED STATES TREAS NTS 0.250% 31/OCT/2013	3.48%	0.25	31/10/2013
912828RS1	UNITED STATES TREAS NTS 0.25% 30/NOV/2013	3.48%	0.25	30/11/2013
912828RK8	UNITED STATES TREAS NTS 0.125% 30/SEP/2013	3.48%	0.12	30/9/2013

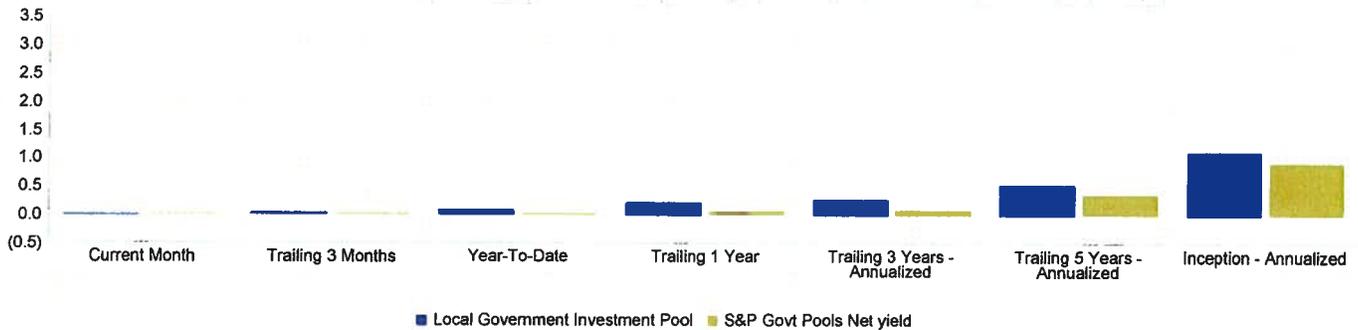
Quality/Rating Weightings

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	0.08	0.21	0.27	0.52	1.12
S&P Govt Pools Net yield	0.00	0.01	0.02	0.06	0.08	0.36	0.92
Excess	(0.02)	0.02	0.06	0.15	0.19	0.16	0.20



## Performance by Asset Class

### Account Performance Results

#### As of May 2013

Asset Class	End Market Value	Weight	1 Month	3 Months	YTD	FYTD	1 Year
<b>Local Government Investment Pool</b>							
Fixed Income	367,957,321.89	64.82%	(0.03)	0.02	0.09	0.21	0.23
Corporates	35,611,305.57	6.27%	(0.33)	(0.16)	0.06	0.22	0.26
Government Related	232,730,110.89	41.00%	0.01	0.05	0.10	0.21	0.24
Treasuries	99,615,905.43	17.55%	0.00	0.05	0.09	0.21	0.21
Cash And Cash Equivalent	206,705,128.42	36.41%	0.02	0.05	0.09	0.19	0.21
Cash And Pending	(7,000,546.88)	(1.23%)	0.00	0.00	0.00	0.00	0.00
<b>TOTAL</b>	<b>567,661,903.43</b>	<b>100.00%</b>	<b>(0.01)</b>	<b>0.03</b>	<b>0.08</b>	<b>0.19</b>	<b>0.21</b>

Performance shown is gross of manager fees

# STATE OF NEW MEXICO

## LGIP FUND (4101)

### Portfolio Classification Summary

Positions Held as of 5/31/13

TXN BASIS: SETTLEMENT  
 MKT-SOURCE: IDC-PREFERED+  
 AMTZ ADDED: NO

ASSET CLASSIFICATION	ITEMS	YIELD	AVG-TERM	PRINCIPAL	COST-BASIS	MARKET-VALUE	GAIN/LOSS	%MARKET
COMMERCIAL PAPER-DISCOUNT BASED	3	.1623	.04110	25,000,000	24,998,374	24,998,374		4.405
US TREASURY NOTE ACT/ACT 2X	6	.1699	.45375	92,500,000	92,560,231	92,584,470	24,239	16.314
AGENCY US BOND 30/360 2X	5	.1364	.37032	39,800,000	39,886,973	39,888,956	1,983	7.029
AGENCY US DISC ACT/360 360 DAY	9	.1272	.09833	54,100,000	54,093,590	54,097,715	4,125	9.532
AGENCY US NOTES 30/360 2X	1	.1537	.41640	10,000,000	10,009,238	10,010,800	1,562	1.764
AGENCY US VARIABLE ACT/360 4X	9	.1282	.41838	123,320,000	123,342,693	123,351,450	8,757	21.735
CORP US NOTE 30/360 2X	2	.1515	.43783	12,340,000	12,352,873	12,353,711	838	2.177
MEDIUM-TERM NOTES	1	.1544	.49040	22,235,000	22,272,556	22,271,243	-1,313	3.924
CORP US DISC ACT/ACT 365 DAY	1	.1855	.40270	6,265,000	6,260,417	6,259,737	-680	1.103
CASH ACCOUNT	4	.1913		181,705,794	181,705,794	181,705,794		32.017
	<u>41</u>	<u>.1598</u>	<u>.35700</u>	<u>567,265,794</u>	<u>567,482,739</u>	<u>567,522,250</u>	<u>39,511</u>	<u>100.000</u>

SOURCE: VisualQED  
 MODEL: INVENTORY  
 USER: WRIGHT  
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 BASIS: SETTLEMENT (SIC FROM QMARKET-LIBRARY)  
 AS-OF: 5/31/13  
 AMRTZD: BOOK VALUES AMORTIZED THROUGH 5/31/13

STATE OF NEW MEXICO  
 T R E A S U R E R ' S O F F I C E

PAGE: 16

POSITION-SIZ	DESCRIPTION	CUSIP#	RATE	MATURITY	YIELD	UNIT-BOOK	CURRENT BK	LOC-MKT-VALUE
30,732,021	WELLS FARGO CASH ACCOUNT	CASHCASH	.100			1.000000000	30,732,021.09	30,732,021.00
2,359,786	WELLS FARGO SAVINGS	CASHCASH	.100			1.000000000	2,359,785.83	2,359,786.00
118,515,218	BANK OF THE WEST	CASHCASH	.250			1.000000000	118,515,218.15	118,515,218.00
30,098,769	US BANK	CASHCASH	.200			1.000000000	30,098,768.85	30,098,769.00
-----								
181,705,794							181,705,793.92	181,705,794.00

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

1,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	313589GK	.140	6/03/13	.142	99.999222000	999,992.22	1,000,000.00
1,000,000	FEDERAL HOME LOAN BANKS	313385GK	.140	6/03/13	.142	99.999222000	999,992.22	1,000,000.00
5,000,000	STRAIGHT-A FUNDING LLC	86257YMK	.120	6/05/13	.122	99.998666600	4,999,933.33	4,999,933.33
50,000,000	FEDERAL FARM CREDIT BANKS	31331KF6	.111	6/12/13	.124	100.000023460	50,000,011.73	50,000,500.00
10,000,000	FEDERAL HOME LOAN BANKS	313385GU	.100	6/12/13	.101	99.996944400	9,999,694.44	9,999,900.00
10,000,000	FEDERAL HOME LOAN BANKS	313385GW	.140	6/14/13	.142	99.994944400	9,999,494.44	9,999,900.00
10,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	313589GZ	.140	6/17/13	.142	99.993777800	9,999,377.78	9,999,900.00
10,000,000	STRAIGHT-A FUNDING LLC	86257EVF	.170	6/17/13	.172	99.992444400	9,999,244.44	9,999,244.44
10,000,000	STRAIGHT-A FUNDING LLC	86257YMR	.170	6/18/13	.172	99.991972200	9,999,197.22	9,999,197.22
3,000,000	FEDERAL HOME LOAN BANKS	313385HB	.140	6/19/13	.142	99.993000000	2,999,790.00	2,999,970.00
1,000,000	INTER-AMERICAN DEVELOPMENT BANK	45818LJD	.110	7/15/13	.112	99.986556000	999,865.56	999,960.00
15,700,000	FEDERAL NATIONAL MORTGAGE ASSOCI	313589JW	.120	8/01/13	.122	99.979666688	15,696,807.67	15,698,901.00
4,000,000	FEDERAL HOME LOAN BANK	3133826A	.110	8/01/13	.123	99.998159750	3,999,926.39	3,999,920.00
6,800,000	FEDERAL HOME LOAN BANKS	3133X1BV	4.500	9/16/13	.104	101.281791618	6,887,161.83	6,885,136.00
5,000,000	FEDERAL FARM CREDIT BANKS	31331KZJ	.350	9/23/13	.103	100.077110200	5,003,855.51	5,003,800.00
20,000,000	UNITED STATES TREASURY NOTES	912828RK	.125	9/30/13	.195	99.976859200	19,995,371.84	20,003,200.00

SOURCE: VisualQED

MODEL: INVENTORY

USER: WRIGHT

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BASIS: SETTLEMENT (SIC FROM QMARKET-LIBRARY)

AS-OF: 5/31/13

AMRTZD: BOOK VALUES AMORTIZED THROUGH 5/31/13

STATE OF NEW MEXICO  
T R E A S U R E R ' S O F F I C E

POSITION-SIZ	DESCRIPTION	CUSIP#	RATE	MATURITY	YIELD	UNIT-BOOK	CURRENT BK	LOC-MKT-VALUE
12,000,000	FEDERAL HOME LOAN BANKS	313380V6	.220	10/01/13	.106	100.007968750	12,000,956.25	12,002,160.00
14,000,000	FEDERAL HOME LOAN BANKS	313382NY	.120	10/16/13	.111	100.004117214	14,000,576.41	14,000,000.00
6,265,000	CORUS CONSTRUCTION VENTURE, LLC	22087WAC		10/25/13	.186	99.926853472	6,260,417.37	6,259,737.40
1,340,000	INTERNATIONAL FINANCE CORPORATIO	45950VBF	.526	10/28/13	.155	100.152182836	1,342,039.25	1,341,500.80
10,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EACX	.375	10/30/13	.154	100.092218900	10,009,221.89	10,010,800.00
20,000,000	UNITED STATES TREASURY NOTES	912828RN	.250	10/31/13	.211	100.016075750	20,003,215.15	20,013,200.00
5,500,000	UNITED STATES TREASURY NOTES	912828JQ	2.750	10/31/13	.092	101.097361636	5,560,354.89	5,559,510.00
11,000,000	INTER-AMERICAN DEVELOPMENT BANK	4581X0BU	.375	11/08/13	.151	100.098481546	11,010,832.97	11,012,210.00
10,000,000	US TREASURY STRIP	912833KB		11/15/13		99.950000000	9,995,000.00	9,993,200.00
22,235,000	INTERNATIONAL BANK FOR RECONSTRU	459058CB	.500	11/26/13	.154	100.169036654	22,272,585.30	22,271,243.05
2,400,000	FEDERAL HOME LOAN MORTGAGE CORPO	313397PT	.120	11/26/13	.122	99.940666667	2,398,576.00	2,399,184.00
20,000,000	UNITED STATES TREASURY NOTES	912828RS	.250	11/30/13	.201	100.024341100	20,004,868.22	20,014,000.00
10,000,000	FEDERAL HOME LOAN BANKS	313381HG	.125	12/06/13	.216	99.954825700	9,995,482.57	10,000,100.00
8,200,000	FEDERAL HOME LOAN BANK	313379R2	.250	12/13/13	.141	100.020853903	8,201,710.02	8,203,690.00
20,000,000	FEDERAL HOME LOAN BANKS	313379QY	.250	12/20/13	.141	100.021649950	20,004,329.99	20,009,200.00
17,000,000	UNITED STATES TREASURY NOTES	912828RW	.125	12/31/13	.112	100.007534530	17,001,280.87	17,001,360.00
352,440,000							352,641,163.77	352,680,557.24

====> 0032 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2013 <====

20,000,000	FEDERAL HOME LOAN BANKS	3133804M	.273	1/23/14	.112	99.990714750	19,998,142.95	19,999,200.00
2,700,000	FEDERAL FARM CREDIT BANKS	3133EATL	.250	6/11/14	.165	100.087933333	2,702,374.20	2,702,403.00
4,420,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0BQ	.360	6/23/14	.152	100.220611312	4,429,751.02	4,429,016.80
27,120,000							27,130,268.17	27,130,619.80

====> 0003 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2014 <====

SOURCE: VisualQED

MODEL: INVENTORY

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BASIS: SETTLEMENT (SIC FROM QMARKET-LIBRARY)

AS-OF: 5/31/13

AMRTZD: BOOK VALUES AMORTIZED THROUGH 5/31/13

STATE OF NEW MEXICO  
T R E A S U R E R ' S O F F I C E

PAGE: 18

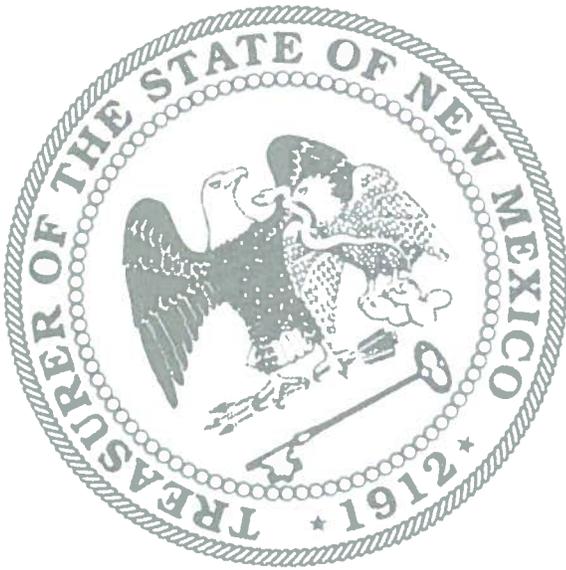
POSITION-SIZ	DESCRIPTION	CUSIP#	RATE	MATURITY	YIELD	UNIT-BOOK	CURRENT BK	LOC-MKT-VALUE
2,000,000	FEDERAL FARM CREDIT BANKS	3133EAYU	.320	1/20/15	.186	100.190257500	2,003,805.15	2,003,240.00
4,000,000	FEDERAL FARM CREDIT BANKS	3133ECBF	.250	1/26/15	.228	100.040532500	4,001,621.30	4,002,040.00
6,000,000							6,005,426.45	6,005,280.00

==> 0002 ITEMS IN SUBTOTAL FOR ==> FINAL-MATURITY.. ==> 2015 <==

567,265,794

567,482,652.31 567,522,251.04

==> 0041 ITEMS IN SUBTOTAL FOR ==> FUND-NAME..... ==> LGIP FUND <==



## 7. 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 May at \$369mil vs. \$392mil at the end of April.
- The Pool paid out approximately \$23mil for capital spending in May 2013.

### *Portfolio Mix*

- 98% of the Tax-Exempt BPIP portfolio was invested in fixed income securities and 2% in floating rate notes: 26% in Treasuries, 46% in Agency Securities, 6% in Supranational, 9% in NM municipal securities, 1% in NM bank collateralized CDs and the balance, approximately 12%, held in cash equivalents.
- 33% of the portfolio was invested in securities that mature in one year, 30% in securities that mature from 1-2 years, 36% in securities that mature from 2-4 years and 1% in securities out to 5 years.
- The Tax-Exempt BPIP held positions in 39 securities.
- Weighted Average Life of the Tax Exempt BPIP was 1.86 years. The Weighted Average duration was 1.57 years.
- The maximum security term for the BPIP portfolio is 5 years.

### *Investment Earnings*

- Unrealized gains in the Tax-Exempt BPIP Portfolio were \$338,125 as of May 31st.
- Monthly Earnings on the portfolio for May were \$141,840.
- Earnings for FY2013 were \$2,051,046.
- 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 May was longer vs. April (1.6 yrs. vs. 1.3 yrs) and vs. the Benchmark (1.4 yrs.).
- The Tax-Exempt BPIP had maturities of \$25mil in the month of May.
- The Pool purchased \$12mil 7-month FNMA bullets at a yield of 0.20%, \$21mil short one-time callable FHLMC at 0.25%, \$5mil Farmer Mac four year bullets at 0.86%, and \$3.5mil NM municipals maturing in 3 months to three years at yields of 0.30% to 0.63%.
- Short maturity securities, one year and less, along with overnight repo continued to be pushed lower. As a result, cash available was used to purchase securities further out on the curve.
- Fresh cash that was received in late April and fully invested by early May was unfortunately deployed at much lower interest rates than where two to five year maturity yields closed the month of May.

### *Performance*

- The purchase yield was unchanged at 0.49% in May vs. April.
- The Tax-Exempt BPIP returned (0.17) % for the month of May and (0.07)% for the three months ended May 31, 2013, vs. Index returns of (0.10)% and 0.00% respectively. For the trailing 12 mos. the Pool returned 0.40% vs. 0.30% for the benchmark.

- US Treasury yields were higher for two, three and five year maturities, rising 9, 18 and 34 basis points respectively. This represented a “steepening” of the yield curve.
- Interest rates were under pressure as a result of the Federal Reserve hinting at “tapering” their quantitative easing security purchase strategy.
- All spread sectors were wider vs. US Treasuries, including US Government Agency securities, especially callables, and municipals.
- Cash flows (debt service payments, capital project withdrawals, bond sale proceeds) have been the main driver of the portfolio’s structure year-to-date 2013.
- As a result of cash flows in the Pool, it takes on a “barbelled” structure when compared to the index, with cash up front to cover project withdrawals and longer investments to balance duration.
- The portfolio’s underperformance for the calendar year 2013 can be attributed to the barbelled structure of the portfolio in an increasing interest rate environment coupled with a curve steepening.
- The Pool held maturities longer than three years that underperformed as the yield curve steepened. The Benchmark maximum maturity is three years and hence added to its outperformance.
- There was a slight lengthening of callable structures held in the Pool as rates rose.
- Widening of spreads for Agencies and the NM municipal securities that the portfolio holds are not represented in the Benchmark and put further pressure on the Pool’s performance.

#### *Investment Strategy*

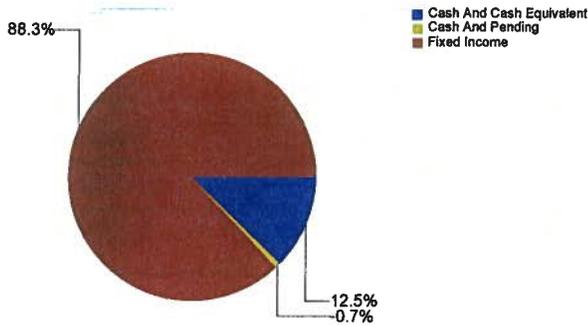
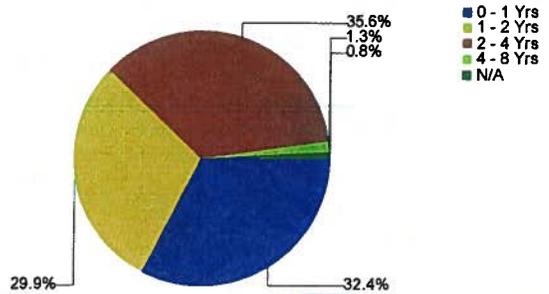
- The option-adjusted duration of the Tax-Exempt BPIP portfolio is currently 1.17 yrs. vs. 1.39 yrs. for the benchmark.
- The maturities for the Pool will total \$10mil for the month of June.
- Cash for the July 1, 2013 debt service payment was deposited into the Tax Exempt BPIP on June 20, 2013 in the amount of ~\$124mil, decreasing the overall portfolio duration.
- On July 1, 2013 the duration of the Pool will lengthen to 1.6 yrs. as a result of the debt service payment being made and a larger than normal \$26mil capital project withdrawal in June. There are usually two capital project withdrawals per month, the second of which has not yet been received.
- In anticipation of the lengthening of the Pool, \$10mil of Agency securities were sold at a net gain; \$5mil face amount of each of the FHLB 1% 6/9/17 and FNMA 1.375% 11/15/16.
- The Tax-Exempt BPIP was expected to receive proceeds from a NM Severance Tax Bond issuance on June 27, 2013. The deal was postponed with proceeds of \$173mil expected to be deposited into the account on July 23, 2013.
- The Tax-Exempt BPIP will invest close to the duration of the benchmark. Cash flow management has been a key factor during the year and will continue to be so in June and July.

#### Portfolio Characteristics

#### Duration Mix

**Total Net Assets (Millions)** 370.2  
**Weighted Average Life (Years)** 1.86  
**Weighted Avg. Effective Duration (Years)** 1.57  
**Weighted Average Coupon (%)** 1.25  
**Weighted Average Current Yield (%)** 0.44  
**Weighted Average Yield to Maturity (%)** 0.47  
**Weighted Average Rating** AA  
**Number of Holdings** 49

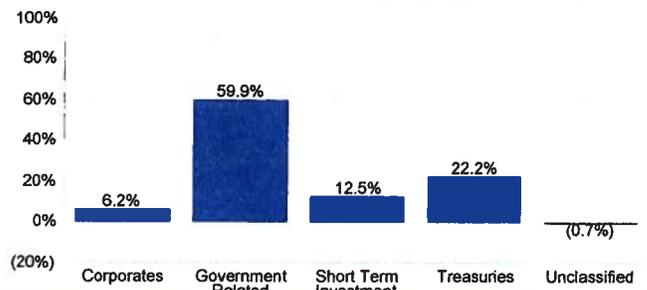
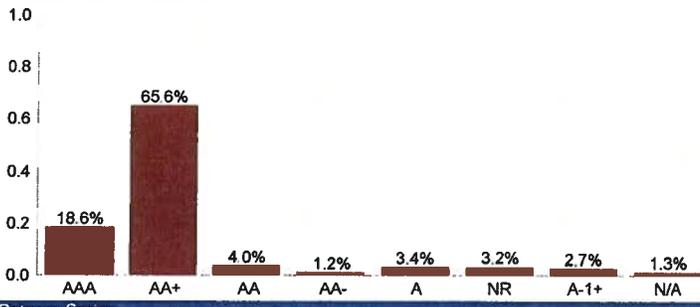
**370.2**  
**1.86**  
**1.57**  
**1.25**  
**0.44**  
**0.47**  
**AA**  
**49**



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
99DF10062	REPO BANK OF NEW YORK/SOUTH STREET SECS	8.06%	0.14	3/8/2013
3134G3NL0	FEDERAL HOME LOAN MORTGAGE CORP 0.5% MTG BDS	5.63%	0.50	24/2/2015
3137EACW7	FEDERAL HOME LOAN MORTGAGE CORP 2% BDS 25/AUG/2016	5.62%	2.00	25/8/2016
912828PM8	US 2.12500 '15	4.23%	2.13	31/12/2015
912828KF8	UNITED STATES OF AMER TREAS NOTES 1.875% TB	4.09%	1.88	28/2/2014
3134G3ZA1	FEDERAL HOME LOAN MORTGAGE CORP 0.5% BDS	4.03%	0.50	28/8/2015
45950VBW5	INTL FINANCE CORP 0.33% MTN 01/AUG/2013 USD	4.03%	0.33	1/8/2013
3136FTUZ0	FEDERAL NATL MTG ASSN CALL 1.4%30/DEC/2016	3.66%	1.40	30/12/2016
31359MTP8	FED NATL MTG ASSN 5.12% 02/JAN/2014	3.37%	5.12	2/1/2014
912828KS8	US 2.62500 '16	2.86%	2.63	29/2/2016

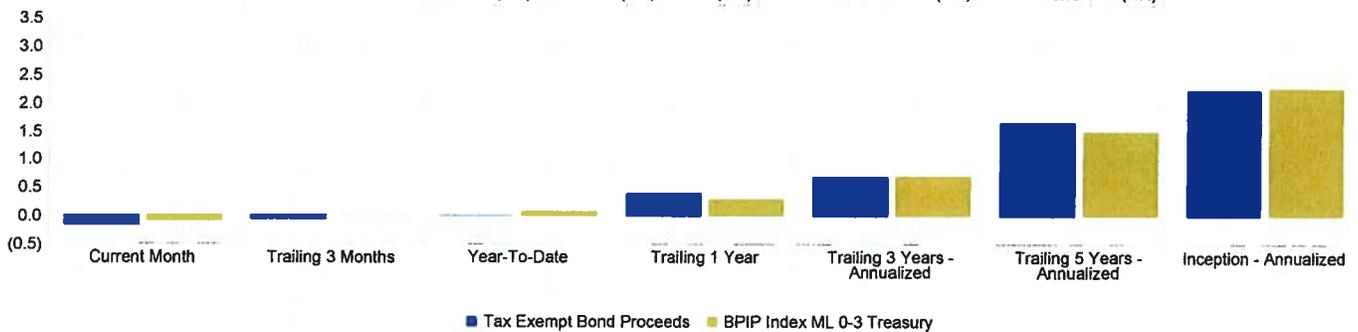
#### Quality/Rating Weightings

#### Sector Weightings (as % of Market Value)



#### Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
Tax Exempt Bond Proceeds	(0.17)	(0.06)	0.00	0.40	0.69	1.86	2.23
BPIP Index ML 0-3 Treasury	(0.10)	0.00	0.08	0.30	0.71	1.50	2.27
Excess	(0.07)	(0.07)	(0.07)	0.10	(0.02)	0.15	(0.04)



## Performance by Asset Class

### Account Performance Results

#### As of May 2013

Asset Class	End Market Value	Weight	1 Month	3 Months	YTD	FYTD	1 Year
<b>Tax Exempt Bond Proceeds</b>							
Fixed Income	326,779,339.78	88.26%	(0.21)	(0.09)	(0.01)	0.38	0.44
Corporates	22,985,254.68	6.21%	0.03	0.05	0.12	0.30	
Government Related	221,701,030.10	59.88%	(0.21)	(0.10)	(0.02)	0.41	0.49
Treasuries	82,093,055.00	22.17%	(0.27)	(0.11)	(0.01)	0.26	0.24
Cash And Cash Equivalent	46,187,014.06	12.48%	0.01	0.05	0.08	0.22	0.24
Cash And Pending	(2,733,384.60)	(0.74%)	0.00	0.00	0.00	0.00	0.00
<b>TOTAL</b>	<b>370,232,969.24</b>	<b>100.00%</b>	<b>(0.17)</b>	<b>(0.06)</b>	<b>0.00</b>	<b>0.35</b>	<b>0.40</b>

Performance shown is gross of manager fees

# STATE OF NEW MEXICO

## BOND PROCEEDS INV POOL1 TAX EX (4000)

TXN BASIS: SETTLEMENT  
MKT-SOURCE: IDC-PREFERED+  
AMTZ ADDED: NO

### Portfolio Classification Summary

Positions Held as of 5/31/13

ASSET CLASSIFICATION	ITEMS	YIELD	AVG-TERM	PRINCIPAL	COST-BASIS	MARKET-VALUE	GAIN/LOSS	%MARKET
REPURCHASE AGREEMENTS (O/N)	1	.1419	.00820	30,159,827	30,159,827	30,159,827		8.175
COMMERCIAL PAPER-DISCOUNT BASED	1	.1420	.01370	10,000,000	9,999,844	9,999,844		2.710
CERTIFICATES OF DEPOSIT	2	.6000	1.10140	3,000,000	3,000,000	3,000,000		.813
U.S. TREASURY BONDS	1	.2045	1.50140	10,000,000	10,286,960	10,280,500	-6,460	2.787
US TREASURY NOTE ACT/ACT 2X	6	.4901	2.18571	70,000,000	71,553,085	71,522,500	-30,585	19.386
US TREASURY (STRIP/ZERO) 30/360	3	.3740	1.94026	16,034,000	15,914,229	15,808,894	-105,335	4.285
AGENCY US BOND 30/360 2X	2	.5855	3.04750	15,000,000	15,014,602	14,981,450	-33,152	4.061
AGENCY US NOTES 30/360 2X	10	.5618	1.41031	119,337,000	120,249,955	120,512,518	262,563	32.665
FED NATL MORTGAGE ASSN DEBS	4	1.0270	1.98718	33,495,000	33,864,166	34,093,088	228,922	9.241
AGENCY US VARIABLE ACT/360 4X	1	.2406	.96990	7,934,000	7,972,323	7,970,020	-2,303	2.160
MEDIUM-TERM NOTES	1	.3346	.16990	15,000,000	15,000,000	15,003,900	3,900	4.067
MUNI US 30/360 2X	11	.3940	.93082	30,465,000	31,240,049	31,260,111	20,062	8.473
MUNICIPAL BOND REVENUE	2	.4120	1.73761	1,300,000	1,331,741	1,332,254	513	.361
UNITS - INVESTMENT POOL 1	1			3,011,032	3,011,032	3,011,032		.816
CASH ACCOUNT	1			1,509	1,509	1,509		
	<u>47</u>	<u>.4925</u>	<u>1.44930</u>	<u>364,737,368</u>	<u>368,599,322</u>	<u>368,937,447</u>	<u>338,125</u>	<u>100.000</u>

SOURCE: VisualQED  
 MODEL: INVENTORY  
 USER: WRIGHT  
 RUN: 6/27/13 @ 07:22:04  
 BASIS: SETTLEMENT (SIC FROM QMARKET-LIBRARY)  
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STATE OF NEW MEXICO  
 T R E A S U R E R ' S O F F I C E

PAGE: 1

POSITION-SIZ	DESCRIPTION	CUSIP#	RATE	MATURITY	YIELD	UNIT-BOOK	CURRENT BK	LOC-MKT-VALUE
1,509	CASH KEY	CASHCASH				1.000000000	1,509.40	1,509.00
3,011,032	UNITS - INVESTMENT POOL 1	UNITS001				1.000000160	3,011,032.48	3,011,032.00
3,012,541							3,012,541.88	3,012,541.00

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

30,159,827	OVERNIGHT REPO	0603RP	.140	6/03/13	.142	100.000001227	30,159,827.37	30,159,827.37
10,000,000	STRAIGHT-A FUNDING LLC	86257EVP	.140	6/05/13	.142	99.998444400	9,999,844.44	9,999,844.44
2,000,000	LOS ALAMOS CNTY N MEX INC UTIL	54423EBV	5.000	7/01/13	.355	100.386779500	2,007,735.59	2,006,980.00
15,000,000	INTL FINANCE CORP	45950VBW	.330	8/01/13	.335	100.000000000	15,000,000.00	15,003,900.00
7,350,000	ALBUQUERQUE N MEX MUN SCH DIST	013595RQ	1.000	8/01/13	.300	100.117111157	7,358,607.67	7,358,158.50
64,509,827							64,526,015.07	64,528,710.31

====> 0005 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2013 <====

11,997,000	FEDERAL NATIONAL MORTGAGE ASSOCI	31359MTP	5.125	1/02/14	.208	102.880272735	12,342,546.32	12,319,839.27
15,000,000	UNITED STATES TREASURY NOTES	912828KF	1.875	2/28/14	.986	100.659696267	15,098,954.44	15,193,950.00
400,000	TORRANCE ETC CNTYS N MEX MUN S	891400NA	1.000	5/15/14	.356	100.618540000	402,474.16	402,572.00
1,190,000	RIO RANCHO N MEX WTR & WASTEW	767175GD	2.000	5/15/14	.254	101.668168067	1,209,851.20	1,209,063.80
7,934,000	INTER-AMERICAN DEVELOPMENT BANK	45818WAE	.739	5/20/14	.240	100.483238593	7,972,340.15	7,970,020.36
6,485,000	NEW MEXICO ST SEVERANCE TAX	647310P4	4.000	7/01/14	.406	103.887406631	6,737,098.32	6,747,383.10

SOURCE: VisualQED

MODEL: INVENTORY

USER: WRIGHT

RUN: 6/27/13 @ 07:22:04

BASIS: SETTLEMENT (SIC FROM QMARKET-LIBRARY)

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STATE OF NEW MEXICO  
T R E A S U R E R ' S O F F I C E

PAGE: 2

POSITION-SIZ	DESCRIPTION	CUSIP#	RATE	MATURITY	YIELD	UNIT-BOOK	CURRENT BK	LOC-MKT-VALUE
4,780,000	NEW MEXICO ST SEVERANCE TAX	647310N4	4.000	7/01/14	.406	103.887406695	4,965,818.04	4,963,456.40
2,000,000	FARMERS & STOCKMENS BANK	8521444	.600	7/07/14	.600	100.000000000	2,000,000.00	2,000,000.00
1,000,000	FARMERS & STOCKMENS BANK	8521448	.600	7/07/14	.600	100.000000000	1,000,000.00	1,000,000.00
500,000	ALBUQUERQUE N MEX MUN SCH DIST	013595RR	2.000	8/01/14	.466	101.789546000	508,947.73	509,585.00
5,570,000	ALBUQUERQUE N MEX MUN SCH DIST	013595RE	3.000	8/01/14	.456	102.963505207	5,735,067.24	5,747,515.90
420,000	ALBUQUERQUE N MEX MUN SCH DIST	013595QT	4.000	8/01/14	.406	104.185595238	437,579.50	438,261.60
10,000,000	UNITED STATES TREASURY NOTES	912828LZ	2.125	11/30/14	.205	102.868876000	10,286,887.60	10,280,500.00
10,000,000	FEDERAL HOME LOAN MORTGAGE CORP	3134G3Y6	.375	12/10/14	.380	100.000000000	10,000,000.00	10,001,100.00
77,276,000							78,697,564.70	78,783,247.43

====> 0014 ITEMS IN SUBTOTAL FOR ==> FINAL-MATURITY.. ==> 2014 <====

20,940,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134G3NL	.500	2/24/15	.253	100.182319580	20,978,177.72	20,961,149.40
10,000,000	UNITED STATES TREASURY NOTES	912828UT	.250	3/31/15	.207	100.078511900	10,007,851.19	9,992,200.00
7,306,000	FINANCING-FED BK ENTY CPN STRP	31771JLV		4/06/15	.363	99.308000000	7,255,442.48	7,209,195.50
6,400,000	FEDERAL AGRICULTURAL MORTGAGE CO	31315PWM	.270	4/17/15	.292	99.966297500	6,397,843.04	6,390,080.00
5,888,000	FINANCING CORP CPN FICO STRIPS	31771CS5		6/06/15	.383	99.207000000	5,841,308.16	5,801,446.40
2,840,000	FINANCING CORP CPN FICO STRIPS	31771DKR		6/06/15	.383	99.207000000	2,817,478.80	2,798,252.00
900,000	ALBUQUERQUE NM GROSS RECPTS.TAX	01354PDX	2.000	7/01/15	.436	103.252597778	929,273.38	929,682.00
550,000	ALBUQUERQUE N MEX MUN SCH DIST	013595RS	2.000	8/01/15	.598	103.030789091	566,669.34	568,551.50
15,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134G3ZA	.500	8/28/15	.450	100.124703733	15,018,705.56	15,028,650.00
10,000,000	UNITED STATES TREASURY NOTES	912828TP	.250	9/15/15	.278	99.936161100	9,993,616.11	9,972,700.00
10,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	31398A4M	1.625	10/26/15	.318	103.135637000	10,313,563.70	10,283,600.00
10,000,000	FNMA	3135G0SB	.375	12/21/15	.457	99.807088000	9,980,708.80	9,976,700.00

SOURCE: VisualQED  
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PAGE: 3

POSITION-SIZ	DESCRIPTION	CUSIP#	RATE	MATURITY	YIELD	UNIT-BOOK	CURRENT BK	LOC-MKT-VALUE
10,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134G32F	.520	12/28/15	.527	100.000000000	10,000,000.00	9,984,300.00
10,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134G3FA	1.100	12/30/15	1.115	100.000000000	10,000,000.00	10,042,700.00
15,000,000	UNITED STATES TREAS NTS	912828PM	2.125	12/31/15	.433	104.336430733	15,650,464.61	15,655,050.00
-----								
134,824,000							135,751,102.89	135,594,256.80

====> 0015 ITEMS IN SUBTOTAL FOR ==> FINAL-MATURITY.. ==> 2015 <====

10,000,000	UNITED STATES TREASURY NOTES	912828KS	2.625	2/29/16	.395	106.087018400	10,608,701.84	10,587,500.00
400,000	TORRANCE ETC CNTYS N MEX MUN S	891400NC	1.000	5/15/16	.560	101.311495000	405,245.98	405,412.00
1,220,000	RIO RANCHO N MEX WTR & WASTEW	767175GF	3.000	5/15/16	.558	107.172629508	1,307,506.08	1,305,741.60
20,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EACW	2.000	8/25/16	1.160	102.708860850	20,541,772.17	20,859,600.00
10,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0VF	.750	9/13/16	.265	100.138327500	10,013,832.75	9,989,000.00
10,000,000	UNITED STATES TREASURY NOTES	912828RM	1.000	10/31/16	.428	101.935938400	10,193,593.84	10,121,100.00
10,000,000	FEDERAL NATL MTG ASSN DEBS	3135G0ES	1.375	11/15/16	1.227	100.556595700	10,055,659.57	10,229,200.00
10,000,000	FED NATL MORTGAGE ASSN DEBS	3136FTUZ	1.400	12/30/16	1.419	100.000000000	10,000,000.00	10,063,200.00
3,495,000	FED NATL MORTGAGE ASSN DEBS	3136FTUZ	1.400	12/30/16	1.419	100.000000000	3,495,000.00	3,517,088.40
-----								
75,115,000							76,621,312.23	77,077,842.00

====> 0009 ITEMS IN SUBTOTAL FOR ==> FINAL-MATURITY.. ==> 2016 <====

5,000,000	FEDERAL HOME LOAN BANKS	313379FW	1.000	6/09/17	.840	100.679003600	5,033,950.18	5,004,750.00
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SOURCE: VisualQED

MODEL: INVENTORY

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T R E A S U R E R ' S O F F I C E

PAGE: 4

POSITION-SIZ	DESCRIPTION	CUSIP#	RATE	MATURITY	YIELD	UNIT-BOOK	CURRENT BK	LOC-MKT-VALUE
5,000,000	FEDERAL AGRICULTURAL MORTGAGE CO	31315PZT	.650	7/10/17	.874	99.145962800	4,957,298.14	4,936,100.00
10,000,000							9,991,248.32	9,940,850.00

==> 0002 ITEMS IN SUBTOTAL FOR ==> FINAL-MATURITY.. ==> 2017 <==

364,737,368

368,599,785.09 368,937,447.54

==> 0047 ITEMS IN SUBTOTAL FOR ==> FUND-NAME..... ==> BOND PROCEEDS INV POOL1 TAX EX <



## 8. 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 May at \$539mil vs. \$529mil at the end of April 2013.
- The Pool paid out approximately \$8mil for capital spending in May 2013.

### *Portfolio Mix*

- 99% of the Taxable BPIP portfolio was invested in fixed income securities and 1% in floating rate securities; 32% in US Treasuries, 53% in Agency securities, 3% in Supranational, 3% in NM municipal securities and the balance, approximately 9%, was held in cash equivalents and collateralized NM bank CDs.
- 576% of the portfolio was invested in securities that mature in one year, 11% in securities that mature from 1-2 years, 31% in securities that mature from 2-4 years and 2% in securities out to 5 years.
- The Taxable BPIP held positions in 64 securities.
- Weighted Average Life of the Taxable BPIP was 1.52 years. The Weighted Average duration was 1.33 years.
- The maximum security term for the BPIP portfolio is 5 years.

### *Investment Earnings*

- The unrealized gains in the Taxable BPIP Portfolio were \$1.5mil as of May 31<sup>st</sup>.
- Monthly earnings on the portfolio for May were \$306,598.
- For fiscal year 2013, the fund has earned \$4.2mil.
- 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 May 2013 was slightly longer at 1.33 yrs. vs. 1.28 yrs. in April 2013 and was shorter than the Benchmark.
- Maturities totaled \$20.2mil during the month of May 2013.
- The Pool purchased \$3.3mil NM municipal securities maturing in 1 to 3 years at yields of 0.23% to 0.57% and \$8mil Farmer Mac 4 yr. US Government Agency securities at a yield of 0.86%.
- The Taxable BPIP was fully invested, maintaining a minimal percentage of cash to cover liquidity needs.

### *Performance*

- Purchase Yield at the end of May was 0.68%, unchanged from April.
- The Taxable BPIP returned (0.14)% for the month of May and (0.01)% for the three months ended May 30, 2013 vs. Index returns of (0.10)% and 0.00% respectively. For the trailing 12 mos. the Pool returned 0.43% vs. 0.30% for the Benchmark.
- US Treasury yields were higher for two, three and five year maturities, rising 9, 18 and 34 basis points respectively. This represented a “steepening” of the yield curve.

- Interest rates were under pressure as a result of the Federal Reserve hinting at “tapering” their quantitative easing security purchase strategy.
- All spread sectors were wider vs. US Treasuries, including US Government Agency securities, especially callables, and municipals.
- The portfolio’s underperformance for the calendar year 2013 can be attributed to the widening of spreads for Agencies and the NM municipal securities that the portfolio holds. These sectors are not represented in the Benchmark.
- The Pool held maturities longer than three years that underperformed as the yield curve steepened. The Benchmark maximum maturity is three years and hence added to its outperformance.
- There was a slight lengthening of callable structures held in the Pool as rates rose.

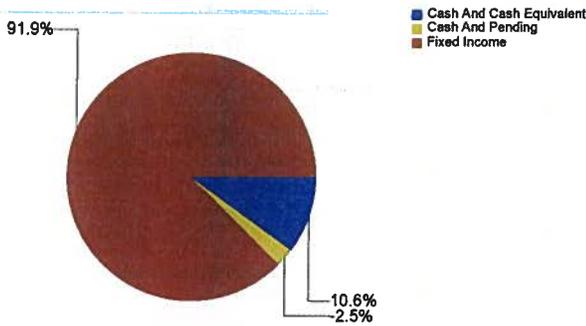
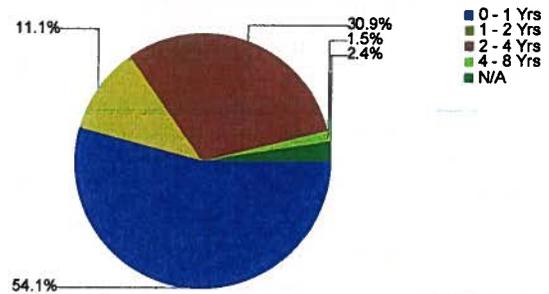
*Investment Strategy*

- The option adjusted duration of the portfolio is currently 1.34 yrs. vs. 1.39 yrs. for the Benchmark.
- The Pool has \$10mil in maturities scheduled for June.
- These maturities should provide the liquidity necessary to meet cash flows.
- Capital project withdrawals have totaled close to \$12mil so far in June.
- The Taxable BPIP has purchased \$0.405mil in NM municipal securities maturing in 2 yrs at 0.70%.
- The Taxable BPIP is expected to receive proceeds from sponge notes on June 27, 2013 in the amount of ~\$194mil. This cash infusion will materially lower the duration of the Pool to 0.98 yrs.
- Cash will be deployed in a laddered fashion to facilitate capital project withdrawals.
- The Taxable BPIP will lengthen its duration close to the benchmark.

#### Portfolio Characteristics

#### Duration Mix

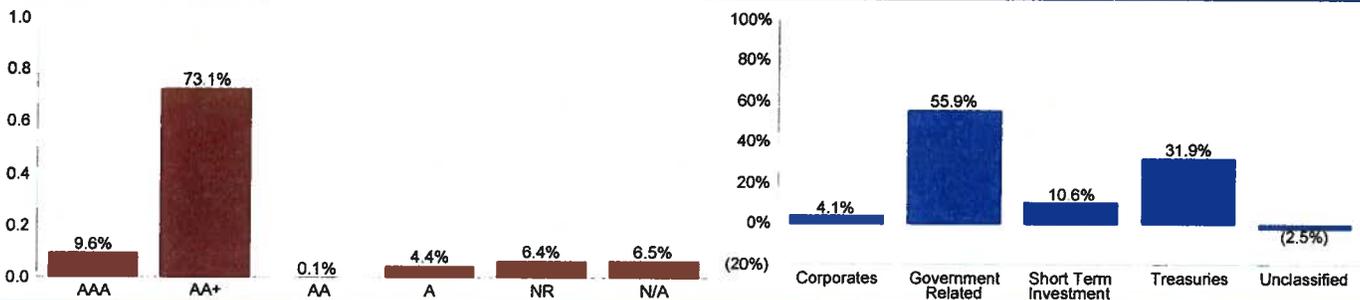
<b>Total Net Assets (Millions)</b>	<b>541.6</b>
<b>Weighted Average Life (Years)</b>	<b>1.52</b>
<b>Weighted Avg. Effective Duration (Years)</b>	<b>1.33</b>
<b>Weighted Average Coupon (%)</b>	<b>1.24</b>
<b>Weighted Average Current Yield (%)</b>	<b>0.36</b>
<b>Weighted Average Yield to Maturity (%)</b>	<b>0.38</b>
<b>Weighted Average Rating</b>	<b>A+</b>
<b>Number of Holdings</b>	<b>62</b>



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
912828KF8	UNITED STATES OF AMER TREAS NOTES 1.875% TB	7.33%	1.88	28/2/2014
912828NU0	UNITED STATES TREAS NTS 0.750% 15/AUG/2013	5.42%	0.75	15/8/2013
99DF10080	REPO BANK OF NEW YORK/SOUTH STREET SECS	4.73%	0.14	3/6/2013
3137EACW7	FEDERAL HOME LOAN MORTGAGE CORP 2% BDS 25/AUG/2016	4.72%	2.00	25/8/2016
31359MTP8	FED NATL MTG ASSN 5.12% 02/JAN/2014	4.29%	5.12	2/1/2014
31398A4M1	FED NATL MORT ASSC 1.625% BDS 26/OCT/2015 USD1000	3.71%	1.62	26/10/2015
3137EACV9	FEDERAL HOME LOAN MORTGAGE CORP 1% NTS 27/AUG/2014	3.65%	1.00	27/8/2014
3135G0AP8	FEDERAL NATIONAL MORTGAGE ASSOC 1.25% NTS	3.65%	1.25	27/2/2014
31398A2S0	FEDERAL NATIONAL MORTGAGE ASSOC 1% BDS 23/SEP/2013	3.62%	1.00	23/9/2013
3134G3Y81	FEDERAL HOME LOAN MORTGAGE CORP 0.375% BDS	3.81%	0.38	10/12/2014

#### 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	(0.14)	(0.01)	0.08	0.43	0.82	1.77	2.36
BPIP Index ML 0-3 Treasury	(0.10)	0.00	0.08	0.30	0.71	1.50	2.27
Excess	(0.04)	(0.01)	0.00	0.14	0.11	0.27	0.09



## Performance by Asset Class

### Account Performance Results

#### As of May 2013

Asset Class	End Market Value	Weight	1 Month	3 Months	YTD	FYTD	1 Year
<b>Taxable Bond Proceeds</b>							
Fixed Income	497,549,511.42	91.86%	(0.15)	(0.01)	0.08	0.43	0.46
Corporates	22,047,274.57	4.07%	0.03	0.05	0.13	0.39	0.51
Government Related	302,697,942.19	55.89%	(0.22)	(0.04)	0.09	0.45	0.53
Treasuries	172,804,294.66	31.90%	(0.07)	0.02	0.08	0.39	0.34
Cash And Cash Equivalent	57,492,862.51	10.61%	0.03	0.07	0.11	0.30	0.33
Cash And Pending	(13,401,211.00)	(2.47%)	0.00	0.00	0.00	0.00	0.00
<b>TOTAL</b>	<b>541,641,162.93</b>	<b>100.00%</b>	<b>(0.14)</b>	<b>(0.01)</b>	<b>0.08</b>	<b>0.40</b>	<b>0.43</b>

Performance shown is gross of manager fees

**STATE OF NEW MEXICO**  
**BOND PROCEEDS INV POOL2 TAXABL (4002)**

**Portfolio Classification Summary**

Positions Held as of 5/31/13

TXN BASIS: SETTLEMENT  
MKT-SOURCE: IDC-PREFERED+  
AMTZ ADDED: NO

ASSET CLASSIFICATION	ITEMS	YIELD	AVG-TERM	PRINCIPAL	COST-BASIS	MARKET-VALUE	GAIN/LOSS	%MARKET
REPURCHASE AGREEMENTS (O/N)	1	.1419	.00820	26,263,540	26,263,540	26,263,540		4.870
CERTIFICATES OF DEPOSIT	6	.4989	.49934	14,200,000	14,200,000	14,200,000		2.633
LINKED-CERTIFICATE OF DEPOSIT	2	.5000	.62740	4,000,000	4,000,000	4,000,000		.742
US TREASURY NOTE ACT/ACT 2X	12	.7890	.98121	170,000,000	171,565,424	172,192,550	627,126	31.928
AGENCY US BOND 30/360 2X	3	.5977	3.08084	50,000,000	50,049,504	49,938,550	-110,954	9.260
AGENCY US NOTES 30/360 2X	11	.6691	1.43424	173,510,000	174,792,862	175,360,643	567,781	32.515
FED NATL MORTGAGE ASSN DEBS	4	.9664	1.30487	55,000,000	55,442,351	55,836,400	394,049	10.353
AGENCY US VARIABLE ACT/360 4X	1	.2406	.96990	7,000,000	7,033,812	7,031,780	-2,032	1.304
MEDIUM-TERM NOTES	1	.3346	.16990	15,000,000	15,000,000	15,003,900	3,900	2.782
MUNI US 30/360 2X	19	.4872	.91695	16,235,000	16,568,379	16,578,877	10,498	3.074
MUNICIPAL BOND REVENUE	2	.5362	.07435	1,900,000	1,902,223	1,902,014	-209	.353
UNITS - INVESTMENT POOL 1	1			1,307,302	1,307,302	1,307,302		.242
CASH ACCOUNT	1			-298,780	-298,780	-298,780		-.055
	<u>64</u>	<u>.6776</u>	<u>1.26738</u>	<u>534,117,062</u>	<u>537,826,617</u>	<u>539,316,776</u>	<u>1,490,159</u>	<u>100.000</u>

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POSITION-SIZ	DESCRIPTION	CUSIP#	RATE	MATURITY	YIELD	UNIT-BOOK	CURRENT BK	LOC-MKT-VALUE
- 298,780	CASH KEY	CASHCASH				1.000000000	- 298,779.72	- 298,780.00
1,307,302	UNITS - INVESTMENT POOL 1	UNITS001				1.000000291	1,307,302.38	1,307,302.00
1,008,522							1,008,522.66	1,008,522.00

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

1,360,000	CLOVIS N MEX GROSS RCPTS TAX R	189387CU	2.000	6/01/13	.608	100.000000000	1,360,000.00	1,360,000.00
26,263,540	OVERNIGHT REPO	0603RP	.140	6/03/13	.142	99.999998629	26,263,539.64	26,263,539.64
20,000,000	UNITED STATES TREASURY NOTES	912828RA	.375	6/30/13	.474	99.992012300	19,998,402.46	20,004,600.00
10,000,000	UNITED STATES TREASURY NOTES	912828NN	1.000	7/15/13	.914	100.010021500	10,001,002.15	10,010,900.00
600,000	WESTERN BANK CLOVIS	15894	.600	7/15/13	.600	100.000000000	600,000.00	600,000.00
2,000,000	WESTERN BANK CLOVIS	15957	.600	7/15/13	.600	100.000000000	2,000,000.00	2,000,000.00
1,000,000	WESTERN BANK ALAMOGORDO	81186647	.600	7/22/13	.600	100.000000000	1,000,000.00	1,000,000.00
1,500,000	WESTERN BANK ALAMOGORDO	81186647	.600	7/22/13	.600	100.000000000	1,500,000.00	1,500,000.00
15,000,000	INTL FINANCE CORP	45950VBW	.330	8/01/13	.335	100.000000000	15,000,000.00	15,003,900.00
785,000	LOS ALAMOS N MEX PUB SCH DIST	54422NDB	2.000	8/01/13	.407	100.265876433	787,087.13	787,095.95
1,700,000	SAN JUAN CNTY N MEX CENT CONS	798359JP	2.000	8/01/13	.407	100.265876471	1,704,519.90	1,704,539.00
440,000	RUIDOSO N MEX MUN SCH DIST NO	781338HW	2.000	8/01/13	.355	100.274450000	441,207.58	441,174.80
100,000	SANTA FE N MEX PUB SCH DIST FO	802088JB	4.125	8/01/13	.430	100.615430000	100,615.43	100,573.00
20,000,000	UNITED STATES TREASURY NOTES	912828NU	.750	8/15/13	.789	99.991574650	19,998,314.93	20,027,400.00
10,000,000	UNITED STATES TREASURY NOTES	912828NU	.750	8/15/13	.946	99.959042100	9,995,904.21	10,013,700.00
2,245,000	GADSDEN N MEX INDPT SCH DIST N	362550KT	2.000	8/15/13	.407	100.327927840	2,252,361.98	2,252,475.85
1,750,000	GADSDEN N MEX INDPT SCH DIST N	362550LL	1.000	8/15/13	.559	100.091857143	1,751,607.50	1,752,240.00
540,000	ESPANOLA N MEX PUB SCH DIST NO	29662RAQ	2.000	9/01/13	.355	100.411701852	542,223.19	542,014.20

SOURCE: VisualQED

MODEL: INVENTORY

USER: WRIGHT

RUN: 6/27/13 @ 07:22:04

BASIS: SETTLEMENT (SIC FROM QMARKET-LIBRARY)

AS-OF: 5/31/13

AMRTZD: BOOK VALUES AMORTIZED THROUGH 5/31/13

STATE OF NEW MEXICO  
T R E A S U R E R ' S O F F I C E

PAGE: 6

POSITION-SIZ	DESCRIPTION	CUSIP#	RATE	MATURITY	YIELD	UNIT-BOOK	CURRENT BK	LOC-MKT-VALUE
20,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	31398A2S	1.000	9/23/13	.572	100.135076000	20,027,015.20	20,053,800.00
5,000,000	UNITED STATES TREASURY NOTES	912828PB	.500	10/15/13	.575	99.972053600	4,998,602.68	5,007,400.00
8,000,000	CENTURY BANK SANTA FE	17099241	.400	12/30/13	.400	100.000000000	8,000,000.00	8,000,000.00
148,283,540							148,322,403.98	148,425,352.44

==> 0021 ITEMS IN SUBTOTAL FOR ==> FINAL-MATURITY.. ==> 2013 <==

14,260,000	FEDERAL NATIONAL MORTGAGE ASSOCI	31359MTP	5.125	1/02/14	.828	102.513067181	14,618,363.38	14,643,736.60
8,450,000	FEDERAL NATIONAL MORTGAGE ASSOCI	31359MTP	5.125	1/02/14	.854	102.498118580	8,661,091.02	8,677,389.50
2,000,000	WESTERN COMMERCE BANK	2012477	.500	1/15/14	.500	100.000000000	2,000,000.00	2,000,000.00
2,000,000	WESTERN COMMERCE BANK	2012634	.500	1/15/14	.500	100.000000000	2,000,000.00	2,000,000.00
20,000,000	FED NATIONAL MTG ASSN DEB	3135G0AP	1.250	2/27/14	.725	100.393283700	20,078,656.74	20,174,400.00
40,000,000	UNITED STATES TREASURY NOTES	912828KF	1.875	2/28/14	1.007	100.644003050	40,257,601.22	40,517,200.00
10,000,000	UNITED STATES TREASURY NOTES	912828KN	1.875	4/30/14	1.298	100.521599100	10,052,159.91	10,156,300.00
200,000	SANTA ROSA N MEX CONS SCH DIST	802751DL	1.000	5/15/14	.507	100.475995000	200,951.99	201,002.00
7,000,000	INTER-AMERICAN DEVELOPMENT BANK	45818WAE	.739	5/20/14	.240	100.483238572	7,033,826.70	7,031,780.00
10,000,000	UNITED STATES TREASURY NOTES	912828KV	2.250	5/31/14	1.346	100.892505900	10,089,250.59	10,206,300.00
1,325,000	CLOVIS N MEX GROSS RCPTS TAX R	189387CV	2.000	6/01/14	.659	101.343446793	1,342,800.67	1,344,583.50
500,000	RIO RANCH NM PUBLIC SCH DIST 94	767171JU	3.000	8/01/14	.406	103.022918000	515,114.59	515,345.00
435,000	ALAMOGORDO NM MUNI SCH DIST #1	011464HB	2.000	8/01/14	.406	101.860241379	443,092.05	443,439.00
2,005,000	GADSDEN N MEX INDPT SCH DIST N	362550KU	2.000	8/15/14	.507	101.800348629	2,041,096.99	2,040,989.75
20,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EACV	1.000	8/27/14	.279	100.895965600	20,179,193.12	20,198,800.00
20,000,000	FEDERAL HOME LOAN MORTGAGE CORP	3134G3Y6	.375	12/10/14	.380	100.000000000	20,000,000.00	20,002,200.00
10,000,000	UNITED STATES TREAS NTS	912828RV	.250	12/15/14	.330	99.877328600	9,987,732.86	10,001,600.00

SOURCE: VisualQED

MODEL: INVENTORY

USER: WRIGHT

RUN: 6/27/13 @ 07:22:04

BASIS: SETTLEMENT (SIC FROM QMARKET-LIBRARY)

AS-OF: 5/31/13

AMRTZD: BOOK VALUES AMORTIZED THROUGH 5/31/13

STATE OF NEW MEXICO  
T R E A S U R E R ' S O F F I C E

PAGE: 7

POSITION-SIZ	DESCRIPTION	CUSIP#	RATE	MATURITY	YIELD	UNIT-BOOK	CURRENT BK	LOC-MKT-VALUE
1,100,000	WESTERN BANK ALAMOGORDO	81185441	.750	12/31/14	.750	100.000000000	1,100,000.00	1,100,000.00
169,275,000							170,600,931.83	171,255,065.35

==> 0018 ITEMS IN SUBTOTAL FOR ==> FINAL-MATURITY.. ==> 2014 <==

650,000	NEW MEXICO ST	647293NQ	5.000	3/01/15	.426	107.976618462	701,848.02	702,702.00
225,000	SANTA ROSA N MEX CONS SCH DIST	802751DM	1.000	5/15/15	.659	100.678951111	226,527.64	227,004.75
1,350,000	CLOVIS N MEX GROSS RCPTS TAX R	189387CW	2.000	6/01/15	.760	102.476737037	1,383,435.95	1,388,934.00
500,000	SANTA FE CNTY N MEX	801889KB	5.500	7/01/15	.436	110.503682000	552,518.41	550,815.00
10,000,000	UNITED STATES TREAS NTS	912828NP	1.750	7/31/15	.453	102.791873400	10,279,187.34	10,302,300.00
400,000	RUIDOSO N MEX MUN SCH DIST NO	781338HY	2.000	8/01/15	.568	103.096530000	412,386.12	414,104.00
200,000	ALBUQUERQUE N MEX MUN SCH DIST	013595QU	5.000	8/01/15	.507	109.684650000	219,369.30	219,498.00
350,000	ALAMOGORDO NM MUNI SCH DIST #1	011464HC	2.000	8/01/15	.558	103.118454286	360,914.59	362,341.00
15,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134G3ZA	.500	8/28/15	.450	100.124703733	15,018,705.56	15,028,650.00
20,000,000	FED NATL MORTGAGE ASSN DEBS	31398A4M	1.625	10/26/15	.870	101.819929900	20,363,985.98	20,567,200.00
20,000,000	FNMA	3135G0SB	.375	12/21/15	.457	99.807088050	19,961,417.61	19,953,400.00
20,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134G32F	.520	12/28/15	.527	100.000000000	20,000,000.00	19,968,600.00
7,300,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134G3FA	1.100	12/30/15	1.115	100.000000000	7,300,000.00	7,331,171.00
15,000,000	UNITED STATES TREAS NTS	912828PM	2.125	12/31/15	.433	104.336430733	15,650,464.61	15,655,050.00
110,975,000							112,430,761.13	112,671,769.75

==> 0014 ITEMS IN SUBTOTAL FOR ==> FINAL-MATURITY.. ==> 2015 <==

SOURCE: VisualQED

MODEL: INVENTORY

USER: WRIGHT

RUN: 6/27/13 @ 07:22:04

BASIS: SETTLEMENT (SIC FROM QMARKET-LIBRARY)

AS-OF: 5/31/13

AMRTZD: BOOK VALUES AMORTIZED THROUGH 5/31/13

STATE OF NEW MEXICO  
T R E A S U R E R ' S O F F I C E

POSITION-SIZ	DESCRIPTION	CUSIP#	RATE	MATURITY	YIELD	UNIT-BOOK	CURRENT BK	LOC-MKT-VALUE
15,500,000	FEDERAL AGRICULTURAL MORTGAGE CO	31315PVS	.430	1/08/16	.470	99.912098387	15,486,375.25	15,484,035.00
15,000,000	FANNIE MAE	3135G0VA	.500	3/30/16	.544	99.896124533	14,984,418.68	14,970,900.00
1,075,000	NEW MEXICO FIN AUTH ST TRANSN	64711RAZ	5.250	6/15/16	.234	105.204821395	1,130,951.83	1,130,018.50
10,000,000	UNITED STATES TREAS NTS	912828QR	1.500	6/30/16	.656	102.569191700	10,256,919.17	10,289,800.00
25,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EACW	2.000	8/25/16	1.295	102.282172520	25,570,543.13	26,074,500.00
10,000,000	FED NATL MORTGAGE ASSN DEBS	3136FTUZ	1.400	12/30/16	1.419	100.000000000	10,000,000.00	10,063,200.00
5,000,000	FED NATL MORTGAGE ASSN DEBS	3136FTUZ	1.400	12/30/16	1.419	100.000000000	5,000,000.00	5,031,600.00
81,575,000							82,429,208.06	83,044,053.50

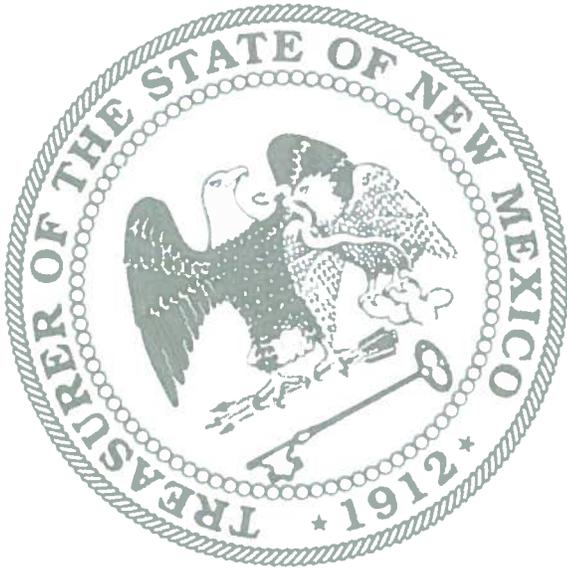
===> 0007 ITEMS IN SUBTOTAL FOR ===> FINAL-MATURITY.. ===> 2016 <===

15,000,000	FEDERAL HOME LOAN BANKS	313379FW	1.000	6/09/17	.836	100.690894000	15,103,634.10	15,014,250.00
8,000,000	FEDERAL AGRICULTURAL MORTGAGE CO	31315PZT	.650	7/10/17	.874	99.145962875	7,931,677.03	7,897,760.00
23,000,000							23,035,311.13	22,912,010.00

===> 0002 ITEMS IN SUBTOTAL FOR ===> FINAL-MATURITY.. ===> 2017 <===

534,117,062							537,827,138.79	539,316,773.04
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===> 0064 ITEMS IN SUBTOTAL FOR ===> FUND-NAME..... ===> BOND PROCEEDS INV POOL2 TAXABL <



## 9. Portfolio Summary- Severance Tax Bonding Fund

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

### *Summary*

- The Severance Tax Bonding Fund<sup>9</sup> closed the month of May at \$298 Million.
- The Severance Tax Bonding Fund earned over \$28,000 during May.
- The Severance Tax Bonding Fund earned over \$294,000 during FY2013.

### *Portfolio Mix*

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

### *Investment Strategy*

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

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<sup>9</sup> The Severance Tax Bonding Fund as included in this report excludes debt service fund amounts on outstanding Severance Tax and Supplemental Severance Tax Bonds and Notes. Such debt service balances are included in, and reported on, the Tax-Exempt Bond Purchase Investment Pool.

# STATE OF NEW MEXICO

## STB FUND (4001)

### Portfolio Classification Summary

Positions Held as of 5/31/13

TXN BASIS: SETTLEMENT  
 MKT-SOURCE: IDC-PREFERRED+  
 AMTZ ADDED: NO

ASSET CLASSIFICATION	ITEMS	YIELD	AVG-TERM	PRINCIPAL	COST-BASIS	MARKET-VALUE	GAIN/LOSS	%MARKET
REPURCHASE AGREEMENTS (O/N)	2	.1504	.00820	298,947,266	298,947,266	298,947,266		100.000
UNITS - INVESTMENT POOL 1	1			1,318	1,318	1,318		
	3	.1504	.00820	298,948,584	298,948,584	298,948,584		100.000

SOURCE: VisualQED  
 MODEL: INVENTORY  
 USER: WRIGHT

STATE OF NEW MEXICO  
 T R E A S U R E R ' S O F F I C E

RUN: 6/27/13 @ 07:22:04  
 BASIS: SETTLEMENT (SIC FROM QMARKET-LIBRARY)  
 AS-OF: 5/31/13  
 AMRTZD: BOOK VALUES AMORTIZED THROUGH 5/31/13

POSITION-SIZ	DESCRIPTION	CUSIP#	RATE	MATURITY	YIELD	UNIT-BOOK	CURRENT BK	LOC-MKT-VALUE
1,318	UNITS - INVESTMENT POOL 1	UNITS001				1.000341427	1,318.45	1,318.00
1,318							1,318.45	1,318.00

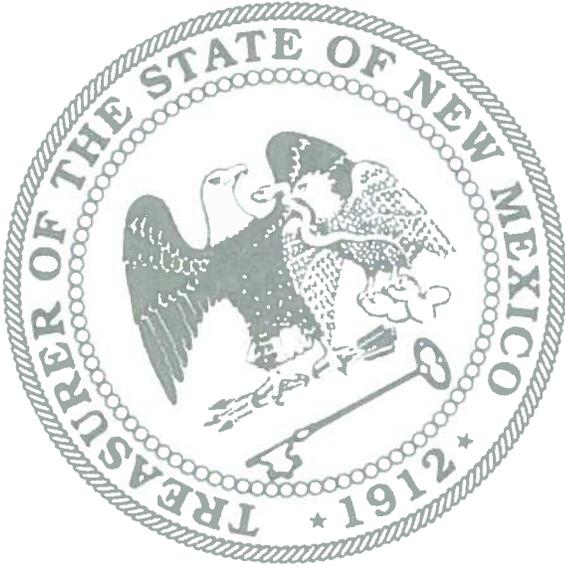
====> 0001 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> NO-MEANINGFUL-DATE <====

249,522,000	OVERNIGHT REPO	0603RP	.150	6/03/13	.152	100.000000000	249,522,000.00	249,522,000.00
49,425,266	OVERNIGHT REPO	0603RP	.140	6/03/13	.142	99.999999798	49,425,265.90	49,425,265.90
298,947,266							298,947,265.90	298,947,265.90

====> 0002 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2013 <====

298,948,584							298,948,584.35	298,948,583.90
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====> 0003 ITEMS IN SUBTOTAL FOR ====> FUND-NAME..... ====> STB FUND <====



## 10. 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  
2012-2013**

*Volume at Par* (\$ in thousands)

Broker/Dealer:	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	YTD Total	YTD Percent
Arbor Research and Trading	-	-	-	-	-	-	10,000	-	-	-	420	-	10,420	0.3%
Bank of America/MLPFS	25,000	-	25,000	-	20,000	7,500	20,000	-	35,000	25,000	38,000	40,000	235,500	6.3%
Bank of Oklahoma (Bk ABQ)	-	-	760	-	-	-	-	-	-	800	-	-	1,560	0.0%
Barclays	41,790	7,500	30,000	13,000	28,200	55,000	388,000	20,200	17,000	25,299	69,320	-	695,309	18.7%
BB&T/Scott & Stringfellow	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
BNP Paribas	101,100	66,000	26,000	-	10,000	50,000	139,000	21,000	-	-	21,800	-	434,900	11.7%
Cantor Fitzgerald	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Citigroup	25,000	-	2,970	10,000	55,750	-	-	15,000	-	-	-	-	-	0.0%
Credit Suisse Securities	-	20,000	-	-	-	-	-	-	-	-	20,940	-	129,660	3.5%
Deutsche Bank	90,000	-	-	19,050	30,000	-	23,600	-	-	-	-	-	43,600	1.2%
FTN Financial	-	-	1,760	-	20,000	7,000	388,000	307,000	-	-	-	-	834,050	22.4%
George K. Baum & Company	8,400	-	1,550	-	-	-	-	15,000	-	-	11,125	-	54,885	1.5%
Goldman Sachs	-	-	-	30,200	10,000	20,000	5,700	-	-	-	1,225	-	11,175	0.3%
Great Pacific Securities	-	-	-	-	-	-	-	24,650	-	1,000	18,819	-	110,369	3.0%
HSBC	60,000	-	-	-	-	-	14,300	-	-	-	-	-	14,300	0.4%
Jefferies	20,000	-	21,690	58,000	20,000	10,000	-	-	-	5,500	10,000	-	75,500	2.0%
Lawson Financial	-	-	-	-	-	-	-	10,000	-	10,000	28,000	-	189,690	5.1%
Loop Capital	-	-	-	-	20,000	-	-	-	-	-	-	-	-	0.0%
Mitsubishi UFJ (Repo)	-	-	-	-	-	-	-	-	-	-	10,000	-	30,000	0.8%
Morgan Keegan	-	3,225	-	-	-	-	-	-	-	-	-	-	-	0.0%
Morgan Stanley	10,000	14,250	-	15,000	-	-	-	-	-	-	-	-	3,225	0.1%
Muriel Siebert & Co.	-	-	-	-	-	-	70,000	-	36,236	35,000	27,918	-	208,404	5.6%
Nomura Securities	10,500	18,000	24,250	-	20,000	20,000	-	19,283	10,000	14,400	17,300	-	153,733	4.1%
Northern Trust	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Piper Jaffrey	-	11,280	2,600	-	-	10,000	-	-	-	-	-	-	-	0.0%
RW Pressprich	-	-	-	-	-	-	-	-	-	9,595	-	-	33,475	0.9%
Raymond James & Associates	-	-	875	-	-	-	-	-	-	-	-	-	-	0.0%
Robert W. Baird & Co.	5,000	-	4,225	-	-	10,000	1,380	-	900	2,410	1,075	-	1,950	0.1%
South Street (Repo Only)	-	-	-	-	-	-	-	-	-	1,535	-	-	25,450	0.7%
Southwest Securities	-	4,825	-	-	-	-	-	-	-	-	-	-	-	0.0%
Stifel Financial	100	2,195	375	-	1,750	15,000	-	785	-	-	180	-	5,790	0.2%
UBS Financial Services	40,000	-	-	-	20,000	-	700	12,000	-	-	-	-	32,120	0.9%
Vining Sparks	-	-	-	-	-	-	17,950	34,000	20,000	20,000	10,000	-	161,950	4.3%
Wedbush Securities	6,470	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Williams Capital Group	-	-	-	-	15,000	-	-	-	-	-	-	-	6,470	0.2%
Direct Purchase	12,100	4,000	-	15,000	-	-	-	-	-	-	-	-	15,000	0.4%
Interfund	-	37,670	-	14,720	-	94,765	-	-	26,012	3,000	-	500	155,377	4.2%
<b>Total</b>	<b>455,460</b>	<b>188,945</b>	<b>142,055</b>	<b>174,970</b>	<b>270,700</b>	<b>299,265</b>	<b>1,089,930</b>	<b>467,618</b>	<b>157,148</b>	<b>152,004</b>	<b>287,657</b>	<b>40,500</b>	<b>3,726,252</b>	<b>100.0%</b>

**Market type:**

	Column1	Column2	Column3	Column4	Column5	Column6	Column7	Column8	Column9	Column10	Column11	Column12	Column13	Column14	Column15
Primary Market	6,470	66,000	29,035	15,000	81,750	104,765	1,038,380	425,618	35,162	47,670	130,898	40,500	2,021,248	54.2%	
Secondary Market	448,990	122,945	113,020	159,970	188,950	194,500	51,550	42,000	121,986	104,334	156,759	-	1,705,004	45.8%	
<b>Total</b>	<b>455,460</b>	<b>188,945</b>	<b>142,055</b>	<b>174,970</b>	<b>270,700</b>	<b>299,265</b>	<b>1,089,930</b>	<b>467,618</b>	<b>157,148</b>	<b>152,004</b>	<b>287,657</b>	<b>40,500</b>	<b>3,726,252</b>	<b>100.0%</b>	

**Security type:**

	Column1	Column2	Column3	Column4	Column5	Column6	Column7	Column8	Column9	Column10	Column11	Column12	Column13	Column14	Column15
CD's	12,100	4,000	-	15,000	-	9,100	-	-	-	8,250	3,000	-	500	51,950	1.4%
Corporate Bonds	-	-	2,250	3,000	15,000	35,000	-	-	-	-	-	-	-	55,250	1.5%
TLGP	-	-	-	25,000	30,000	-	-	-	-	-	-	-	-	55,000	1.5%
Agencies	236,790	39,750	25,000	58,200	203,950	130,000	57,000	109,483	130,236	40,800	198,497	-	1,229,706	33.0%	
Commercial Paper	140,000	66,000	25,000	-	-	-	990,000	307,000	-	38,265	17,000	40,000	1,623,265	43.6%	
MBS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Treasuries	51,600	20,000	75,250	59,050	20,000	39,500	41,550	49,000	-	63,534	65,600	-	485,084	13.0%	
Municipal/Sponge	14,970	59,195	14,555	14,720	1,750	85,665	1,380	2,135	18,662	6,405	6,560	-	225,997	6.1%	
ABS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Money Markets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
<b>Total</b>	<b>455,460</b>	<b>188,945</b>	<b>142,055</b>	<b>174,970</b>	<b>270,700</b>	<b>299,265</b>	<b>1,089,930</b>	<b>467,618</b>	<b>157,148</b>	<b>152,004</b>	<b>287,657</b>	<b>40,500</b>	<b>3,726,252</b>	<b>100.0%</b>	

# STATE OF NEW MEXICO

## Summary of Fixed-Income Purchases and Sales

TRADES During The Period 5/01/13 Through 5/31/13

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>													
5/02/13	86257YNA	COMMERCIAL PAPE	19094	STRAIGHT-A FUNDING LLC	.120	5/13/13	.1200	BANK OF AMERICA	4101	5,000,000.00	4,999,816.65		
5/13/13	86257YMK	COMMERCIAL PAPE	19167	STRAIGHT-A FUNDING LLC	.120	6/05/13	.1200	BANK OF AMERICA	4101	5,000,000.00	4,999,616.67		
5/06/13	912828RW	US TREASURY NOT	19130	UNITED STATES TREASURY	.125	12/31/13	.1190	BANK OF AMERICA	4101	7,000,000.00	7,000,273.44		
5/09/13	912828RW	US TREASURY NOT	19130	UNITED STATES TREASURY	.125	12/31/13	.1067	JEFFRIES & CO	4101	10,000,000.00	10,001,171.88		
5/29/13	912833KB	US TREASURY NOT	19275	US TREASURY STRIP		11/15/13		HSBC	4101	10,000,000.00	9,995,000.00		
5/31/13	912828RW	US TREASURY NOT	19130	UNITED STATES TREASURY	.125	12/31/13	.1114	BANK OF AMERICA	4101	7,000,000.00	7,000,546.88		
5/09/13	3133834R	AGENCY US BOND	19156	FEDERAL HOME LOAN BANK	.375	6/24/16	.4321	BARCLAYS	1001	20,000,000.00	19,964,600.00		
5/09/13	3133834R	AGENCY US BOND	19156	FEDERAL HOME LOAN BANK	.375	6/24/16	.4321	MORGAN STANLEY	1001	20,000,000.00	19,964,600.00		
5/14/13	31331KZJ	AGENCY US BOND	19176	FEDERAL FARM CREDIT BAN	.350	9/23/13	.1024	BNP PARIBAS	4101	5,000,000.00	5,004,400.00		
5/14/13	3133X1BV	AGENCY US BOND	19177	FEDERAL HOME LOAN BANKS	4.500	9/16/13	.1033	BNP PARIBAS	4101	6,800,000.00	6,900,436.00		
5/15/13	313382NY	AGENCY US BOND	19195	FEDERAL HOME LOAN BANKS	.120	10/16/13	.1071	BARCLAYS	4101	7,000,000.00	7,000,375.76		
5/20/13	313382NY	AGENCY US BOND	19195	FEDERAL HOME LOAN BANKS	.120	10/16/13	.1092	NOMURA	4101	7,000,000.00	7,000,306.18		
5/10/13	31359MTP	AGENCY US NOTES	19166	FEDERAL NATIONAL MORTGA	5.125	1/02/14	.2050	GOLDMAN SACHS	4000	10,819,000.00	11,157,201.94		
5/10/13	31359MTP	AGENCY US NOTES	19166	FEDERAL NATIONAL MORTGA	5.125	1/02/14	.2050	MORGAN STANLEY	4000	1,178,000.00	1,214,824.28		
5/16/13	3134G3NL	AGENCY US NOTES	19208	FEDERAL HOME LOAN MORTG	.500	2/24/15	.2501	CITI GROUP	4000	20,940,000.00	20,980,204.80		2/24/14
5/20/13	31315PZT	AGENCY US NOTES	19227	FEDERAL AGRICULTURAL MO	.650	7/10/17	.8618	BANK OF AMERICA	4000	5,000,000.00	4,957,050.00		
5/20/13	31315PZT	AGENCY US NOTES	19226	FEDERAL AGRICULTURAL MO	.650	7/10/17	.8618	BANK OF AMERICA	4002	8,000,000.00	7,931,280.00		
5/16/13	3135G0XP	FED NATL MORTGA	19196	FANNIE MAE .0375 MAT 7/	.375	7/05/16	.4861	BNP PARIBAS	1001	10,000,000.00	9,965,500.00		
5/16/13	3135G0XP	FED NATL MORTGA	19197	FANNIE MAE .0375 MAT 7/	.375	7/05/16	.4861	FTN FINANCIAL S	1001	10,000,000.00	9,965,500.00		
5/16/13	3135G0XP	FED NATL MORTGA	19198	FANNIE MAE .0375 MAT 7/	.375	7/05/16	.4861	LOOP CAPITAL MA	1001	10,000,000.00	9,965,500.00		
5/21/13	3133EATL	AGENCY US VARIA	19236	FEDERAL FARM CREDIT BAN	.250	6/11/14	.1625	MORGAN STANLEY	4101	1,400,000.00	1,401,272.03		
5/21/13	3133EATL	AGENCY US VARIA	19236	FEDERAL FARM CREDIT BAN	.250	6/11/14	.1625	BARCLAYS	4101	1,300,000.00	1,301,181.17		
5/21/13	3135G0BQ	AGENCY US VARIA	19237	FEDERAL NATIONAL MORTGA	.360	6/23/14	.1606	BARCLAYS	4101	2,420,000.00	2,425,201.31		
5/23/13	3135G0BQ	AGENCY US VARIA	19237	FEDERAL NATIONAL MORTGA	.360	6/23/14	.1504	MORGAN STANLEY	4101	2,000,000.00	2,004,496.64		
5/16/13	45950VBF	CORP US NOTE 30	19201	INTERNATIONAL FINANCE C	.526	10/28/13	.1528	MORGAN STANLEY	4101	1,340,000.00	1,342,234.76		
5/23/13	4581X0BU	CORP US NOTE 30	19247	INTER-AMERICAN DEVELOPM	.375	11/08/13	.1490	BARCLAYS	4101	11,000,000.00	11,011,316.14		
5/09/13	459058CB	MEDIUM-TERM NOT	18835	INTERNATIONAL BANK FOR	.500	11/26/13	.1531	MORGAN STANLEY	4101	2,000,000.00	2,003,774.62		
5/14/13	459058CB	MEDIUM-TERM NOT	18835	INTERNATIONAL BANK FOR	.500	11/26/13	.1510	GOLDMAN SACHS	4101	8,000,000.00	8,014,800.00		
5/01/13	189134ET	MUNI US 30/360	19100	CLOUDCROFT N MEX MUN SC	2.000	8/01/14	.4005	ROBERT W BAIRD	4000	270,000.00	274,973.40		
5/01/13	189134EU	MUNI US 30/360	19099	CLOUDCROFT N MEX MUN SC	2.000	8/01/15	.4903	ROBERT W BAIRD	4000	550,000.00	567,781.50		
5/01/13	801889KB	MUNI US 30/360	19093	SANTA FE CNTY N MEX	5.500	7/01/15	.4304	FTN FINANCIAL S	4002	500,000.00	554,255.00		
5/01/13	801889MX	MUNI US 30/360	19101	SANTA FE CNTY N MEX	2.000	7/01/14	.3001	FTN FINANCIAL S	4002	350,000.00	356,380.50		
5/01/13	801889MY	MUNI US 30/360	19102	SANTA FE CNTY N MEX	2.000	7/01/15	.4004	FTN FINANCIAL S	4002	275,000.00	284,080.50		
5/01/13	802088JB	MUNI US 30/360	19095	SANTA FE N MEX PUB SCH	4.125	8/01/13	.4235	ROBERT W BAIRD	4002	100,000.00	100,872.00		
5/08/13	64711RAZ	MUNI US 30/360	19147	NEW MEXICO FIN AUTH ST	5.250	6/15/16	.2305	RAYMOND JAMES &	4002	1,075,000.00	1,134,243.25		6/15/14
5/10/13	802072RG	MUNI US 30/360	19165	SANTA FE N MEX GROSS RC	2.000	6/01/16	.6302	GEORGE K. BAUM	4000	1,225,000.00	1,274,012.25		
5/23/13	013595QT	MUNI US 30/360	19246	ALBUQUERQUE N MEX MUN S	4.000	8/01/14	.4004	ARBOR RESEARCH	4000	420,000.00	437,661.00		
5/24/13	64711NSK	MUNI US 30/360	19274	NEW MEXICO FIN AUTH REV	4.000	6/01/16	.5702	BANK OF AMERICA	4002	1,000,000.00	1,100,750.00		

# STATE OF NEW MEXICO

## Summary of Fixed-Income Purchases and Sales

TRADES During The Period 5/01/13 Through 5/31/13

TXN-DATE	CUSIP#	ASSET-TYPE	INVT#	ISSUE-NAME	RATE	MATURITY	YIELD	BRKR/DLR/AGENT	FUND	PAR-VALUE	COST/PROCEEDS	GAIN/LOSS	NXT-CALL
5/28/13	647310Q4	MUNT US 30/360	19273	NEW MEXICO ST SEVERANCE	5.000	7/01/16	.6993	SOUTHWEST	1001	180,000.00	203,567.40		
5/01/13	189134ES	MUNICIPAL BOND	19097	CLOUDCROFT N MEX MUN SC	2.000	8/01/13	.3064	ROBERT W BAIRD	4000	615,000.00	616,617.45		
<b>40 PURCHASES DURING PERIOD TOTAL.....</b>										<b>221,757,000.00</b>	<b>222,377,675.40</b>		
<b><u>SALE TRANSACTIONS</u></b>													
5/09/13	912828RW	US TREASURY NOT	17315	UNITED STATES TREASURY	.125	12/31/13	.1067	JEFFRIES & CO	1001	8,000,000.00	8,000,937.50	6,473.65	
5/09/13	912828SL	US TREASURY NOT	16487	UNITED STATES TREAS NTS	.250	3/31/14	.1315	NOMURA	1001	10,000,000.00	10,010,546.88	11,630.02	
5/09/13	912828TZ	US TREASURY NOT	18036	UNITED STATES TREASURY	.250	11/30/14	.1922	BARCLAYS	1001	10,600,000.00	10,609,523.44	8,839.35	
5/16/13	912828SL	US TREASURY NOT	16487	UNITED STATES TREAS NTS	.250	3/31/14	.1244	JEFFRIES & CO	1001	10,000,000.00	10,010,937.50	11,997.60	
5/09/13	313381YP	AGENCY US NOTES	18357	FEDERAL HOME LOAN BANK	.250	2/20/15	.2393	NOMURA	1001	300,000.00	300,056.70	286.23	
5/09/13	3133XXYX	AGENCY US NOTES	15266	FEDERAL HOME LOAN BANKS	1.875	6/21/13	.0569	UBS	1001	10,000,000.00	10,020,700.00	8,983.99	
5/16/13	31359M4D	AGENCY US NOTES	18688	FEDERAL NATIONAL MORTGA	5.000	2/13/17	.6185	BARCLAYS	1001	17,000,000.00	19,748,866.00	40,310.69	
<b>7 SALES DURING PERIOD TOTAL.....</b>										<b>65,900,000.00</b>	<b>68,701,568.02</b>	<b>88,521.53</b>	
<b>== GRAND-TOTAL ==&gt;</b>										<b>287,657,000.00</b>	<b>291,079,243.42</b>	<b>88,521.53</b>	

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



## 11. State Agency Deposit Balances



James B. Lewis  
State Treasurer

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

Marilyn Hill  
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: June 24, 2013

To: James B. Lewis, State Treasurer

For: Governor Martinez and Members of the State Board of Finance

From: Samuel K. Collins, Jr., State Cash Manager 

Subject: State Fund Deposit Activity for the month ending May 31, 2013

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 May 31, 2013.

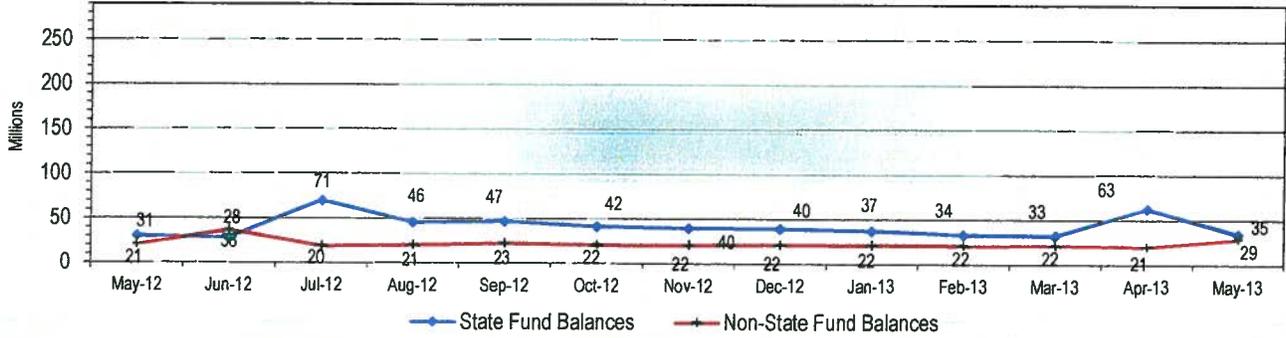
Additionally, the State Treasurer's Office is required to report to the State Board of Finance any Financial Institution that exceeds certain equity capital and deposit ratios and notify all state agencies who maintain State fund deposits within those institutions of the violation. Agencies are also 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 May 31, 2013

(Attachments)

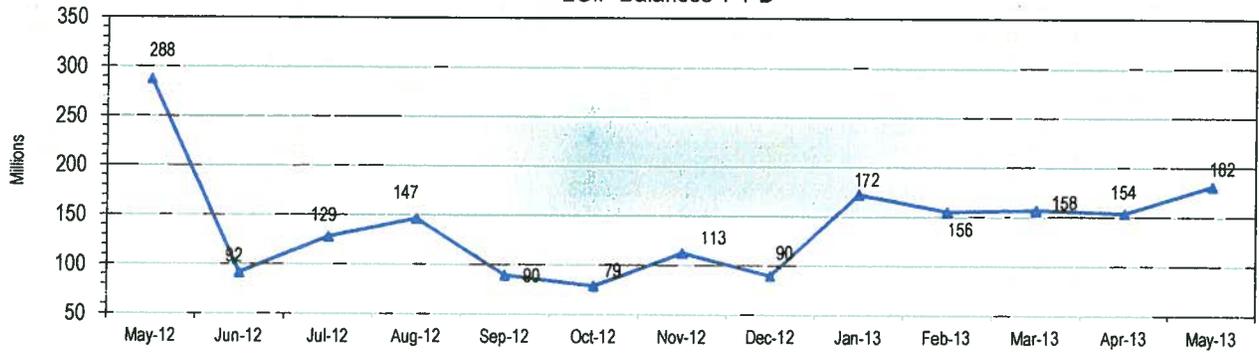


# Depository Account Summary - May 2013

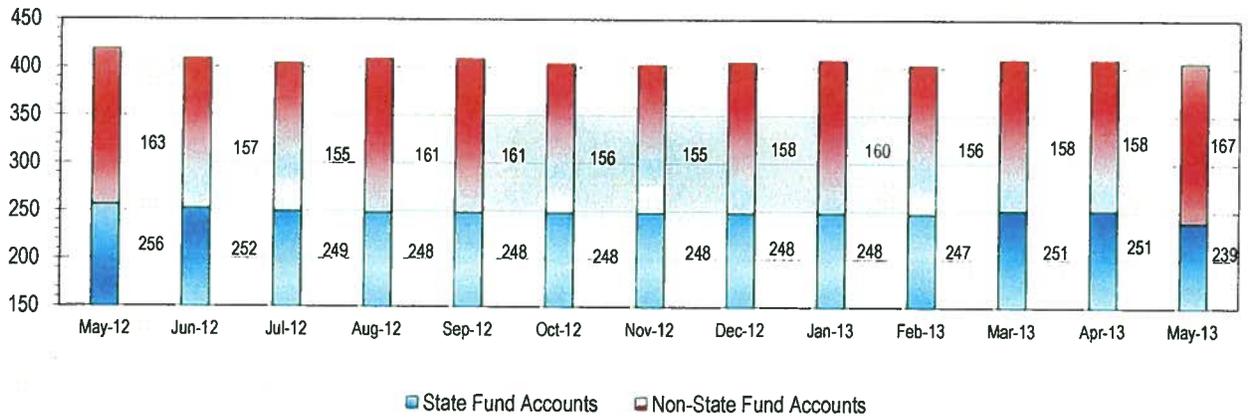
## Depository Balances Y-T-D



## LGIP Balances Y-T-D



## Number of Authorized Depository Accounts



Depository accounts authorized in May 2013 pursuant to Section 6-1-13 NMSA .

Depository accounts opened in May 2013 5 13th Judicial District Court

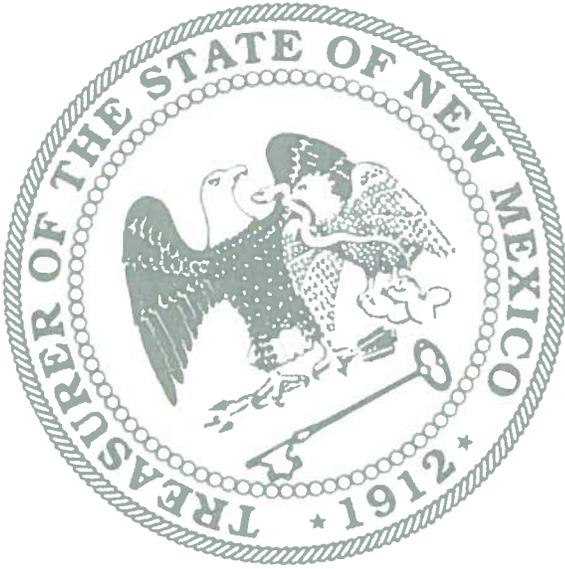
Depository accounts closed in May 2013 1 9th District Court

12 Health Department

## State Fund Balances by Financial Institution

May- 2013

Bank 34/Alamogordo	0
Century Bank/Santa Fe	0
First National Bank/Alamogordo	123,480
Bank of America/Albuquerque	2,253,575
Wells Fargo Bank/Albuquerque	24,070,328
Compass Bank/Albuquerque	2,161,207
Bank of the West/Albuquerque	586
First American Bank/Artesia	92,334
My Bank/Belen	5,181
Carlsbad National Bank/Carlsbad	900
Western Commerce Bank/Carlsbad	76,393
Farmers/Stockmens Bank/Clayton	28,694
First National Bank/Clayton	4,289,936
Bank of Clovis/Clovis	0
Citizens Bank/Clovis	32,583
NM Bank & Trust/Albuquerque	200,041
Community Bank/Santa Fe	1,983
Valley National Bank/Espanola	408
Pinnacle Bank/Gallup	100
Grants State Bank/Grants	100
Lea County State Bank/Hobbs	123,746
Citizens Bank/Las Cruces	0
Southwest Capitol/Las Vegas	152,241
Community 1st Bank/Las Vegas	127,252
Western Bank/Lordsburg	90,640
Los Alamos National Bank/Los Alamos	92,488
James Polk Stone National Bank/Portales	525
International Bank/Raton	202,831
Valley Bank of Commerce/Roswell	68,925
First National Bank of Santa Fe/Santa Fe	0
First State Bank/Socorro	16,981
Centinel Bank/Taos	86,544
US Bank/Albuquerque	109,080
Bank of the Southwest/Roswell	85,603
People's Bank	22,438
AmBank	25,137
<b>Total:</b>	<b><u>34,542,260</u></b>



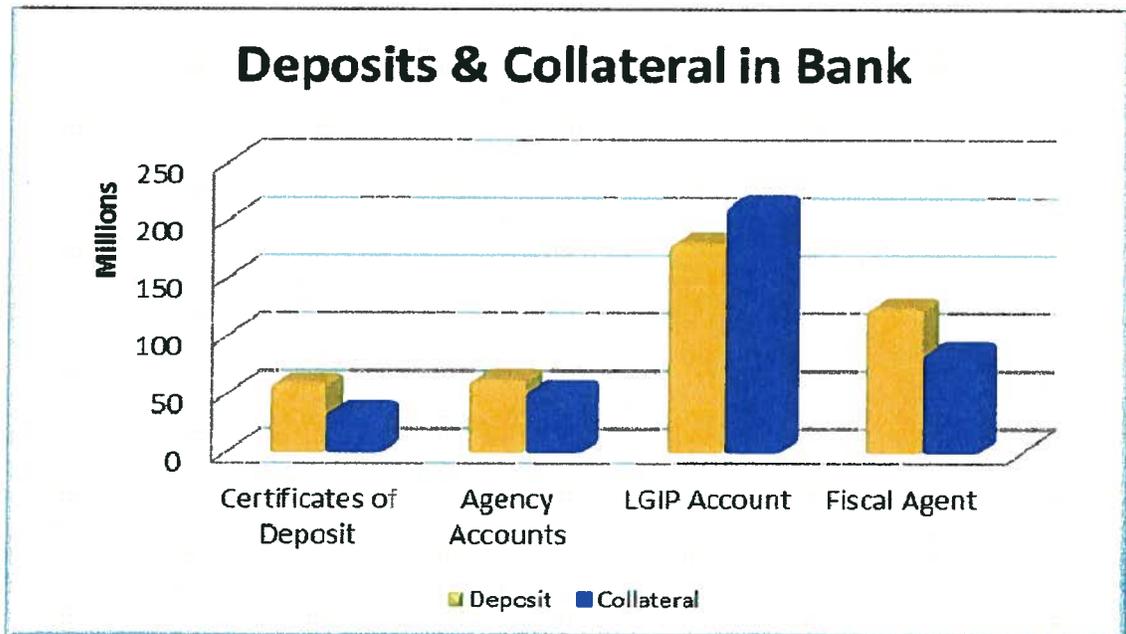
## 12. Collateral Report on Agency Deposits & CDs

# Office of the Treasurer

## Collateral Summary Review

### May 31, 2013

As of May 2013 there were one depository institution holding state funds that were deficient in their collateral levels. Western Bank of Clovis \$41,686. 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	\$ 60.0 Million	\$ 35.5 Million	59.3%
Agency Deposit	63.1 Million	53.4 Million	84.5%
LGIP Deposits	181.7 Million	214.5 Million	118.05%
Fiscal Agent	125.3 Million	86.9 Million	69.3%
<b>Totals →</b>	<b>430.1 Million</b>	<b>390.3 Million</b>	<b>90.8%</b>



Office of the Treasurer  
**Collateral Review**  
 Accumulated Total by Institution  
 May 31, 2013

FINANCIAL INSTITUTION	%	TOTAL DEPOSITS	FDIC / NCUA INSURANCE	LESS INSURANCE COVERAGE	SUBJECT TO BE COLLATERALIZED	COLLATERAL PLEDGED	EXCESS (UNDER)
First National - Alamogordo	50%	504,684	250,000	254,684	127,342	293,034	165,692
Western - Alamogordo	75%	3,600,000	250,000	3,350,000	2,512,500	3,441,613	929,113
Bank of America	50%	2,727,349	250,000	2,477,349	1,238,674	4,609,692	3,371,017
Bank of the West	50%	120,103,443	250,000	119,853,443	59,926,721	121,988,250	62,061,529
BBVA Compass	50%	2,161,228	250,000	1,911,228	955,614	4,917,936	3,962,321
US Bank	50%	31,261,030	250,000	31,011,030	15,505,515	35,000,000	19,494,485
Wells Fargo	50%	79,403,645	250,000	79,153,645	39,576,822	95,046,882	55,470,060
First American	50%	92,334	92,334	0	0	0	0
My Bank	102%	210,055	210,055	0	0	0	0
Carlsbad National	50%	900	900	0	0	0	0
Western Commerce	50%	4,076,393	250,000	3,826,393	1,913,196	2,368,735	455,539
Farmers & Stockmen	50%	6,053,640	250,000	5,803,640	2,901,820	3,538,139	636,319
First National - Clayton	50%	4,289,937	250,000	4,039,937	2,019,969	2,281,433	261,465
Bank of Clovis	50%	505,488	250,000	255,488	127,744	505,488	377,744
Citizens - Clovis	50%	32,583	32,583	0	0	0	0
NM Bank & Trust	50%	200,040	200,040	0	0	250,000	250,000
Western - Clovis	50%	3,100,000	250,000	2,850,000	1,425,000	1,383,314	(41,686)
Valley National	102%	408	408	0	0	0	0
Pinnacle	50%	100	100	0	0	0	0
Grants State	50%	89,509	89,509	0	0	0	0
Lea County State	50%	123,746	123,746	0	0	100,000	100,000
Citizens - Las Cruces	50%	3,593	3,593	0	0	0	0
Southwest Capital	50%	757,821	250,000	507,821	253,911	748,370	494,460
Community 1st - Las Vegas	102%	127,252	127,252	0	0	751,773	751,773
Western - Lordsburg	50%	143,582	143,582	0	0	0	0
Los Alamos National	102%	92,488	92,488	0	0	0	0
James Polk Stone Communi International	50%	427,241	250,000	177,241	88,620	314,059	225,438
Bank of the Southwest	50%	202,832	202,832	0	0	100,000	100,000
Valley Commerce	50%	421,158	250,000	171,158	85,579	253,550	167,971
Century	50%	68,925	68,925	0	0	0	0
Community	50%	24,638,957	250,000	24,388,957	12,194,479	12,735,000	540,522
First National - Santa Fe	102%	165,941	165,941	0	0	0	0
First State	50%	15,000,000	250,000	14,750,000	7,375,000	7,963,692	588,692
AM	50%	72,284	72,284	0	0	0	0
Centinel	50%	25,137	25,137	0	0	0	0
Peoples	50%	86,544	86,544	0	0	0	0
BANK'34	50%	22,438	22,438	0	0	0	0
Union Savings	102%	2,389,921	250,000	2,139,921	2,182,719	2,330,951	148,231
Guadalupe Credit	102%	2,000,000	250,000	1,750,000	1,785,000	2,457,302	672,302
	50%	250,000	250,000	0	0	0	0
<b>305,432,625</b>		<b>6,760,691</b>	<b>298,671,934</b>	<b>152,196,226</b>	<b>303,379,212</b>	<b>151,182</b>	<b>000</b>

# LGIP Bank Deposits

## May 31, 2013

<u>Financial Institution</u>	<u>Percentage</u>	<u>Deposit</u>	<u>Collateral</u>
Bank of the West	102.1%	118,515,218	120,963,250
US Bank	116.3%	30,098,769	35,000,000
Wells Fargo	43.5%	58,542,636	25,450,829

