



**James B. Lewis**  
State Treasurer

STATE OF NEW MEXICO  
**OFFICE OF THE TREASURER**  
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Deputy State Treasurer

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# STATE TREASURER'S INVESTMENT COMMITTEE

State Treasurer's conference room



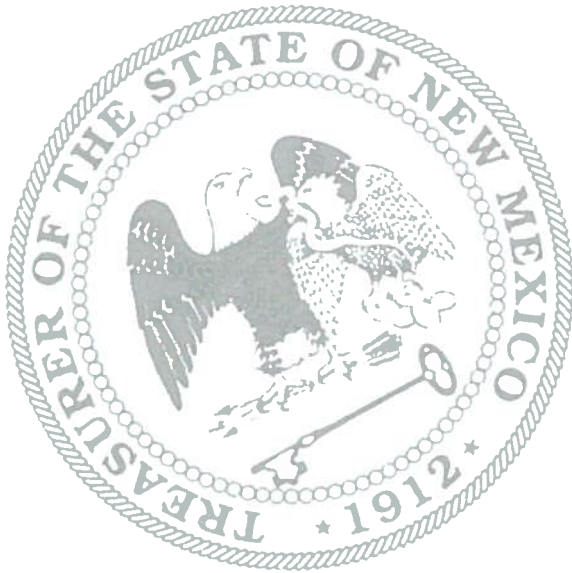
"Golf- Towa Golf Club Park"- New Mexico Tourism Department

**Wednesday, July 9, 2014**

**9:00am**

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## 1. Approval of July 9, 2014 Agenda



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**STATE TREASURER'S INVESTMENT COMMITTEE**  
**Treasurer's Conference Room**  
Wednesday, July 9, 2014, 9:00 a.m.

**MEETING AGENDA (5 Min)**

Roll Call

Introduction of Presenters and Guest

- |  |        |
|--|--------|
| 1. Approval of July 9, 2014 Agenda             | Action |
| 2. Approval of June 11, 2014 Minutes           | Action |
| 3. Approval of Benchmarks for Fiscal Year 2015 | Action |

**INVESTMENT REPORTS (45 min)**

**Month Ended  
May 31, 2014**

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

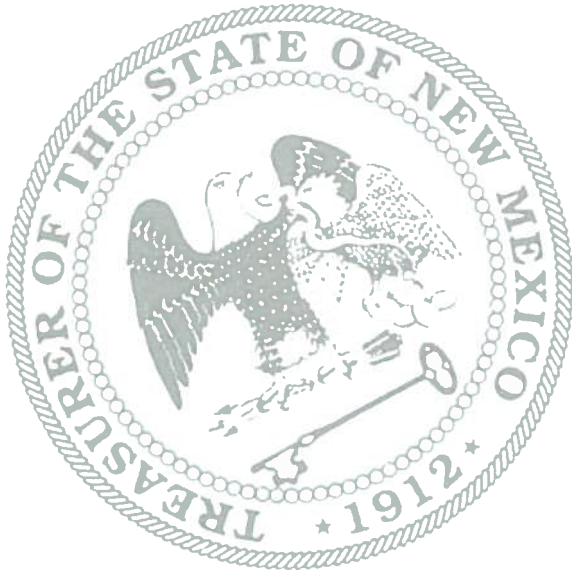
**CASH MANAGEMENT  
& COLLATERAL REPORTS (10 Min)**

**Month Ended  
May 31, 2014**

- |  |               |
|--|---------------|
| 14. State Agency Deposit Balances              | Informational |
| 15. Collateral Report on Agency Deposits & CDs | Informational |

**COMMITTEE REPORTS (5 min)**

- |  |        |
|--|--------|
| 16. Question Period                                      |        |
| 17. Next Meeting --Wednesday, September 10, 2014 9:00 am |        |
| 18. Adjournment  | Action |



## 2. Approval of June 11, 2014 Minutes

**New Mexico State Treasurer's Office**  
**STIC Committee Meeting**  
**Meeting Minutes**  
**Wednesday, June 11, 2014**

**ROLL CALL- QUORUM PRESENT:**

A regular meeting of the New Mexico State Treasurer's Investment Committee (STIC) was called to order this date at 9:03 a.m. in the conference room of The State Treasurer's Office (STO), 2055 South Pacheco Street, Santa Fe, New Mexico 87505.

**Members Present:**

Ms. Marilyn Hill, Deputy Treasurer- Designee for the Honorable James B. Lewis, State Treasurer  
Ms. Linda Roseborough, Chair  
Ms. Stephanie Schardin Clarke, Board of Finance Director  
Mr. Paul Cassidy, Public Member

**Members Absent:**

Mr. Mark Pike, Public Member

**Staff Present:**

Mr. Sam Collins, Cash Manager  
Ms. Cindy Cordova, General Counsel  
Mr. Arsenio Garduño, Collateral Manager  
Ms. Vikki Hanges, Portfolio Manager  
Mr. Steve Vigil, Investment Accounting Bureau Chief  
Mr. Spencer Wright, Portfolio Manager  
Ms. Hannah Chavez, STIC Secretary  
Ms. Crystal Bowers, Administrative Assistant  
Ms. Denise Payne, Overnight Repo Coordinator

**Guest Present:**

Mr. Hector Dorbecker, LFC Analyst  
Ms. Deanne Woodring, GPA Government Portfolio Advisors (via phone)  
Ms. Laura Montoya, Sandoval County Treasurer

**1. Approval of June11, 2014 Agenda:**

Deputy Treasurer Hill moved approval of the Agenda. Motion was seconded by Member Cassidy and passed unanimously by voice vote.

**2. Approval of May 14, 2014 Minutes:**

Deputy Treasurer Hill moved approval of the Minutes. Motion was seconded by Member Clarke noting in the May 14, 2014 meeting she stated that if the STIC didn't exist then the reporting that goes before the Board of Finance would have to be reconsidered. Motion was passed unanimously by voice vote.

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

Highlights of the Executive Summary report were presented.

**4. Investment Compliance Report, Chair Roseborough:**

Highlights of the Investment Compliance Report were presented.

**5. Investment Accounting Report, Mr. Vigil:**

Highlights of the Investment Accounting Report were presented.

**6. Cash Projection, Mr. Collins and Mr. Garduño:**

The STIC Cash Projections were presented.

**7. Portfolio Summary- General Fund, Mr. Wright:**

Highlights of the Portfolio Summary General Fund report were presented.

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

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

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

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

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

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

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

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

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

The Broker Dealer Activities report was presented.

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

Highlights of the State Agency Deposit Balance report were presented.

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

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

**15. Broker Dealer 2015 List, Chair Linda Roseborough:**

The Broker Dealer 2015 list was presented to the committee for approval.

Member Clark moved approval to recommend the Broker Dealer list subject to:

- Removal of the five individuals who did not meet the criteria and asked for a review the eligible status of one additional applicant.

Motion was seconded by Member Cassidy and passed unanimously by voice vote.

**16. Question Period:**

No questions were presented.

**17. Next Meeting- Wednesday, July 9, 2014, 9:00am**

Chair Roseborough noted the date and time of next meeting.

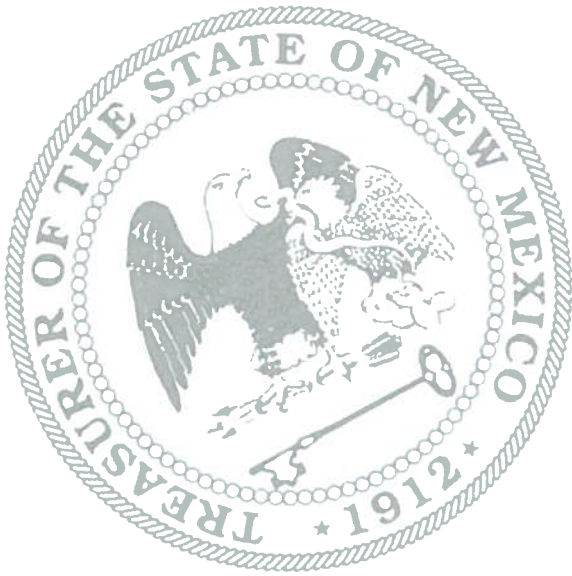
**18. Adjournment**

The adjournment was moved by Member Clarke. Motion was seconded by Deputy Treasurer Hill. Chair Roseborough adjourned the meeting at 10:19 a.m.

Minutes were taken by Ms. Hannah Chavez on June 12, 2014.

Minutes approved by Chair Roseborough on June 16, 2014.





### 3. Approval of Benchmarks for Fiscal Year 2015



**James B. Lewis**  
State Treasurer

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**MEMORANDUM**

**DATE:** June 27, 2014

**TO:** The Honorable Treasurer, James B. Lewis 

**From:** Linda T. Roseborough, Chief Investment Officer   
Vikki Hanges, Portfolio Manager  
Spencer Wright, Portfolio Manager  
Arsenio Garduño, Collateral Manager  
Deanne Woodring, Government Portfolio Advisors (GPA), President

**SUBJECT:** Portfolio Benchmark Recommendations for FY 2015

**CC:** State Treasurer's Investment Committee

**Recommendation:** No change to current benchmarks.

**Objectives per Investment Policy approved on May 20, 2014:**

All funds will be invested in a manner that is in conformance with federal, state and other legal requirements.

In addition, the Authorized Investment Officers will observe the following priorities in making investment decisions, in the order described:

1. **Safety** – the first priority is the preservation and protection of the principal of the funds to be invested;
2. **Maintenance of Liquidity Needs** – the second level of priority is maintaining sufficient availability of cash, or the capacity to obtain it without sacrificing principal loss, in order to satisfy the reasonably anticipated, continuing operational requirements of the specific fund invested; and
3. **Maximum Return on Investments** – the third priority is maximizing investment return, consistent with the higher priorities of safety and liquidity of principal.

State Treasurer's Portfolios	Current Benchmark	Recommended Benchmark as of 6/27/14
General Fund Liquidity, Bank Balances, REPO Pool, STBF, TRAN & Local Government Investment Pool	100% Standard & Poor's Investment Pool Index 30 Day Yield	No Change
General Fund Core	100% BofA/ML 0-5 Treasury	No Change Duration 2.25 on 04/30/2014
Bond Proceed Pools (Tax-exempt & Taxable)	100% BoA/ML 0-3 Treasury	No Change Duration 1.47 on 04/30/2014

### General Fund Core Portfolio

Since June 8, 2012 when the benchmarks currently used were adopted, the State Treasurer's Office has focused on a proactive role in managing cash flows to limit the required amount of funds that are needed to stay liquid and to provide for daily withdrawals. The process deployed has provided the portfolio managers with the ability to optimize the investment portfolio through more stabilized and growing core fund balances. It has been determined that the monthly cash balances required by the General Fund are approximately \$400 million and the General Fund Liquidity is targeted to remain between \$400 and \$500 million and is expected to provide a return similar to the S&P GIP money market index. The remaining excess liquid funds are invested in the General Fund Core portfolio with maturities between 1 month and 5 years.

**Investment Activity:** The portfolio managers utilize the benchmark to guide investment decisions when purchasing securities in the General Fund Core. Securities will typically be held to maturity; however, securities may be sold in the following situations:

1. A security with declining credit may be sold early to minimize the loss of principal.
2. A security may be exchanged for another security to improve the quality, yield or the target duration in an effort to adjust to benchmark performance.
3. If liquidity needs exceed expectations, a security may be sold to provide for cash flow.

**Asset Allocation:** The investment policy provides for the ability to diversify among asset classes in US Treasury, Agency, Corporates, Municipal and Mortgage Backed Securities. The portfolio managers evaluate allowable sectors and over-weights and under-weights asset classes based on current market conditions and market outlook.

**Benchmark Recommendation:** The State Treasurer's Investment Division staff and GPA recommend the Bank of America/ML 0-5 All – Treasury index as the Core Fund benchmark. This index has an ongoing duration of 2.25 years and consists of all US Treasury securities. This benchmark provides for the accountability of duration management.

The reason for incorporating an all treasury index versus a blended asset class benchmark is twofold: 1) It provides for the ability to articulate the value added from divesting in various asset class alternatives and 2) The blended indices do not represent the current allocations and would be difficult extract value added from asset class diversification.

### Benchmark Characteristics

ML 0-5 Treasury Index Symbol: GVQA  
 Average Monthly Duration 2.25 years  
 Price Volatility given 1% change in rates per \$1 BLN invested: \$2.250M  
 Maturity Structure: 0-5 year maturities  
 Asset Allocation: 100% Treasury Securities

### General Fund Core Characteristics as of 4/30/14

Current Duration 2.28 years vs. Benchmark 2.24  
 Price Volatility given 1% change in rates per \$1 BLN invested: \$2.280M  
 Maturity Structure: 0-5 year maturities  
 Asset Allocation: 28.1% Treasury Securities  
 65.0% Agencies  
 2.6% Municipals  
 0.0% Corporates  
 3.0% LGIP & REPO  
 1.3% Other (Certificate of Deposit)

### Bond Proceeds Investment Pool Portfolios (Tax-exempt & Taxable)

The Bond Proceeds Portfolios investment decisions are primarily driven by expected cash flows. The portfolio managers do not have as much control on maintaining a stable duration given the variations of inflows and outflows that may occur monthly. The State Treasurer's office coordinates with the Board of Finance to get monthly information regarding capital expenditure activity in order to ensure the portfolios maintain liquidity to cover the expenses which historically has required maintaining approximately 20% in liquidity with 80% fully invested. Given the life-cycle of most project funds, the final maturity of any single security maturity is typically 3 years, but the investment policy allows for an individual security maturity of 5 years.

#### Investment Activity:

The portfolio managers invest the Bond Proceeds pools in securities that approximately cash-match expected cash flows. The benchmark is utilized to guide investment decisions on the purchase of securities. Typically, securities will be held to maturity with the understanding that securities may need to be sold under the following circumstances:

1. A security with declining credit may be sold early to minimize the loss of principal.
2. A security may be exchanged for another security to improve the quality, yield or the target duration in an effort to adjust to benchmark performance.
3. If liquidity needs exceed expectations, a security may be sold to provide for cash flow.

**Asset Allocation:** The investment policy provides for the ability to diversify among asset classes in US Treasury, Agency, Corporates, Municipal and Mortgage Backed Securities. However, given the nature of these funds, the portfolio manager will primarily invest in treasury and agency securities with various structures.

**Benchmark Recommendation:** The State Treasurer's Investment Division staff and GPA recommend the Bank of America/ML 0-3 All – Treasury index for the Bond Proceeds portfolios benchmark. This index has a stable duration of approximately 1.47 years and consists of all Treasury securities. This benchmark provides for the accountability of duration management.

The reason for incorporating an all treasury index versus a blended asset class benchmark is twofold: 1) It provides for the ability to articulate the value added from divesting in various asset class alternatives and 2) The blended indices do not represent the current allocations and would be difficult extract value added from asset class diversification.

#### **Benchmark Characteristics**

ML 0-3 Treasury Index Symbol: G1QA  
 Average Monthly Duration 1.47 years  
 Price Volatility given 1% change in rates per \$500 MLN invested: \$735M  
 Maturity Structure: 0-3 year maturities  
 Asset Allocation: 100% Treasury Securities

#### **Bond Proceeds Investment Pool Tax-Exempt Characteristics as of 4/30/14**

Current Duration 1.23 years vs. Benchmark 1.47 years  
 Price Volatility given 1% change in rates per \$500 MLN invested: \$615M  
 Maturity Structure: 0-4 year maturities  
 Asset Allocation: 57.05% Treasury Securities  
 35.1% Agencies  
 6.2% Municipals  
 0.0% Corporates  
 0.9% LGIP & REPO  
 0.8% Other (Certificate of Deposit)

#### **Bond Proceeds Investment Pool Taxable Characteristics as of 4/30/14**

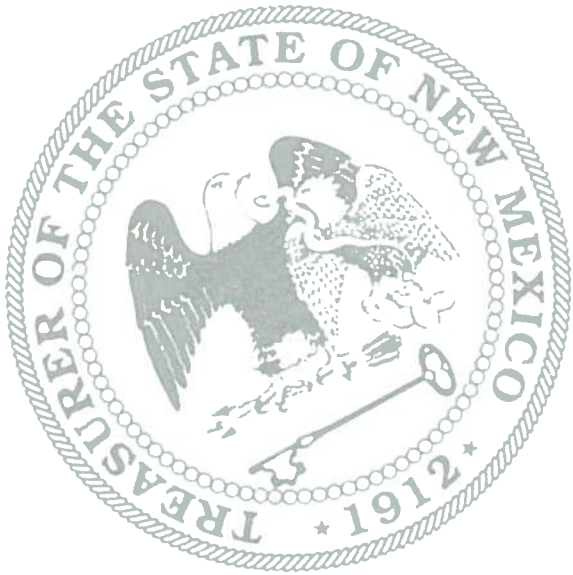
Current Duration 1.28 years vs. Benchmark 1.47 years  
 Price Volatility given 1% change in rates per \$500 MLN invested: \$640M  
 Maturity Structure: 0-5 year maturities  
 Asset Allocation: 47.8% Treasury Securities  
 44.7% Agencies  
 4.4% Municipals  
 0.0% Corporates  
 0.4% LGIP & REPO  
 2.7% Other

**Disclosure:** Price Volatility is estimate based and does not incorporate yield curve changes or spread changes.

**Relative Performance of the State Treasurer's Portfolios as of April 30, 2014 as reported in the State Treasurer's Investment Committee June reports:**

<b><i>Fund</i></b>	<b><i>Performance as of April 30, 2014</i></b>		
	<b><i>1 Month</i></b>	<b><i>3 Months</i></b>	<b><i>12 Months</i></b>
<b><i>General Fund Liquidity</i></b>	<b>0.01%</b>	<b>0.03%</b>	<b>0.11%</b>
<b><i>S&amp;P Government Bond Index (Gross)</i></b>	<b><u>0.01%</u></b>	<b><u>0.02%</u></b>	<b><u>0.10%</u></b>
<b><i>Relative Performance (BPs)</i></b>	<b>0.00%</b>	<b>0.01%</b>	<b>0.01%</b>
<b><i>Relative Performance (%)</i></b>	<b>100%</b>	<b>150%</b>	<b>110%</b>
<b><i>General Fund CORE</i></b>	<b>0.24%</b>	<b>0.20%</b>	<b>0.26%</b>
<b><i>BAML 0-5 US Treasury</i></b>	<b><u>0.20%</u></b>	<b><u>0.07%</u></b>	<b><u>(0.03%)</u></b>
<b><i>Relative Performance (BPs)</i></b>	<b>0.04%</b>	<b>0.13%</b>	<b>0.29%</b>
<b><i>Relative Performance (%)</i></b>	<b>120%</b>	<b>286%</b>	<b>NM</b>
<b><i>Fund</i></b>	<b><i>1 Month</i></b>	<b><i>3 Months</i></b>	<b><i>12 Months</i></b>
<b><i>Bond Proceeds - Tax Exempt</i></b>	<b>0.09%</b>	<b>0.11%</b>	<b>0.24%</b>
<b><i>BAML 0-3 US Treasury</i></b>	<b><u>0.10%</u></b>	<b><u>0.10%</u></b>	<b><u>0.33%</u></b>
<b><i>Relative Performance (BPs)</i></b>	<b>(0.01%)</b>	<b>0.01%</b>	<b>(0.09%)</b>
<b><i>Relative Performance (%)</i></b>	<b>90%</b>	<b>110%</b>	<b>73%</b>
<b><i>Bond Proceeds – Taxable</i></b>	<b>0.10%</b>	<b>0.11%</b>	<b>0.24%</b>
<b><i>BAML 0-3 US Treasury</i></b>	<b><u>0.10%</u></b>	<b><u>0.10%</u></b>	<b><u>0.33%</u></b>
<b><i>Relative Performance (BPs)</i></b>	<b>0.00%</b>	<b>0.01%</b>	<b>(0.09%)</b>
<b><i>Relative Performance (%)</i></b>	<b>100%</b>	<b>110%</b>	<b>73%</b>
<b><i>Local Government Investment Pool</i></b>	<b>0.01%</b>	<b>0.05%</b>	<b>0.14%</b>
<b><i>S&amp;P Government Bond Index (Gross)</i></b>	<b><u>0.01%</u></b>	<b><u>0.02%</u></b>	<b><u>0.10%</u></b>
<b><i>Relative Performance (BPs)</i></b>	<b>0.00%</b>	<b>0.03%</b>	<b>0.04%</b>
<b><i>Relative Performance (%)</i></b>	<b>100%</b>	<b>250%</b>	<b>140%</b>

***Source: JPMorgan, STO Calculations***



## 4. Executive Summary

## Executive Summary

- At the end of May, the State Treasurer managed \$4.1 billion in assets.
- During the month, the office earned approximately \$1.7 million on its investment positions.
- US Equity markets did slightly better in May.
- GDP results were revised from 0.1% downward in May to (1.0%). In June, the number was revised further downward to (2.9%). The weakness in the economy continued to bolster rates over the range of our maturity curve.
- The Fed continued to taper back its monthly purchases of MBS and UST Securities, reducing monthly purchases by \$10B/month.
- US Treasury prices benefited from the increased focus on the international situation as well as the weakness in the broader economy.
- Overnight rates remained low at .05%, at the level of the Fed's overnight reverse repurchase facility. Counterparty exposure was maintained at \$10 Billion/counterparty for the 139 approved participants. All collateral pledged by the Fed has been UST securities.
- Overnight rates increased somewhat in June from 0.05% to 0.08%

Table 1 - Comparative Interest Rates

<i>US Treasury Yields</i>			
<i>Maturity</i>	<i>April 30</i>	<i>May 31</i>	<i>Change</i>
<i>3-Month</i>	0.03%	0.03%	0.00%
<i>6-Month</i>	0.05%	0.05%	0.00%
<i>2-Year</i>	0.41%	0.37%	(0.04%)
<i>5-Year</i>	1.67%	1.54%	(0.14%)
<i>10-Year</i>	2.65%	2.47%	(0.17%)
<i>30-Year</i>	3.46%	3.32%	(0.13%)

*Source: Bloomberg LP*

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

With the strengthening in market yields, the STO portfolios<sup>1</sup> all had positive results on a mark-to-market basis. Rates in the longer end of our maturity area strengthened significantly, resulting in a steeper yield curve.

Continued focus on the international situation and significant commitments by the ECB led US Treasury Rates lower.

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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.



Table 2 - Unrealized Gains and Losses

<u>Fund</u>	<u>Unrealized Gain/Loss<sup>2</sup></u>	<u>Monthly Change in Unrealized Gain/Loss<sup>3</sup></u>
General Funds	\$7.6 million	Increased \$3.8 million
Bond Proceeds Funds	\$2.7 million	Increased \$0.8 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:

Table 3 - Portfolio Yields and Duration

<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	0.16%	0.05 Years		
General Fund CORE	0.93%	2.44 Years	2.16 Years	113%
Bond Proceeds – Tax Exempt	0.45%	1.48 Years	1.40 Years	106%
Bond Proceeds – Taxable	0.46%	1.40 Years	1.40 Years	100%
Local Government Investment Pool	0.08%	0.57		
Severance Tax Bonding Fund	0.09%	0.06 Years		

Source: QED, JPMorgan

On a “book yield” comparison, each of the STO portfolios exceeds the yield on their respective benchmark portfolios.

### Interest Rate Risk Exposure and Projected “Shock” Analysis

As mentioned above, STO Portfolios are managed to perform relative to the performance of benchmark durations.

As such, we understand that interest rates will change and the value of the portfolio will change with the underlying changes in market rates. Should interest rates increase, generally the market value of the portfolios will decrease. Should rates decline, we would expect that the value of the portfolios will increase.

As investors, we are looking to outperform our benchmarks on a relative basis. Factors which can impact relative market performance include securities selection, duration management, credit allocation and to

<sup>2</sup> Calculated Unrealized Gains or Losses represent the market “value” of the portfolios as compared to their accounting book value as of the effective date of calculation. As such, they approximate the values which could be realized/lost if the positions were to be liquidated at market prices on the day that the calculation was performed. Market conditions change on a daily basis and the resulting calculations will also change with market movements.

<sup>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> Weighted Average Effective Duration. Portfolio durations are calculated as of moment in time, specifically at month end.

<sup>5</sup> Weighted Average Yield to Maturity. 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. Monthly earnings as included in this report take these fund flows into consideration.

some degree, timing. Against this backdrop are the stated policy goals of safety, liquidity and yield, in that order.

In addition to changes the overall rates, the shape of the yield curve can change, affecting the value of the STO portfolios. Changes in underlying credit spreads will also impact market value.

Each of the STO portfolios' performance is affected by a variable known as convexity. Convexity essentially predicts the potential change in a portfolio's duration given an assumed shift in rates. Portfolios with significant embedded optionality can perform differently under interest rate modeling. For the purposes of this analysis, we have assumed that there are no convexity changes to the portfolios.

Given these factors, we would expect the following potential market value changes in the portfolio and the benchmark given an instantaneous "shock" of a parallel shift in interest rates.

For each of the portfolios:

Table 4 – Portfolio Shock Analysis – Interest Rate Changes

Expected Portfolio Gains/Losses  
Parallel Shifts in Yield Curve  
(Millions of Dollars)

Portfolio	Shift (in Basis Points)												
	+100 Bps		+50 Bps		+25 Bps		No Change	-25 Bps		-50 Bps		-100 Bps	
	\$	%	\$	%	\$	%	\$	\$	%	\$	%	\$	%
General Fund CORE	(\$32.4)	2.2	(\$16.2)	1.1	(\$8.8)	0.5	\$1,474	\$8.8	0.6	\$16.2	1.1	\$32.4	2.2
BAML 0-5 Index		2.2		1.1		0.6			0.6		1.1		2.3
BPIP Tax-Exempt	(\$4.4)	1.1	(\$2.0)	0.5	(\$1.2)	0.3	\$400	\$1.2	0.3	\$2.0	0.5	\$4.4	0.9
BPIP Taxable	(\$8.9)	1.2	(\$4.2)	0.6	(\$2.1)	0.3	\$714	\$2.1	0.3	\$4.2	0.5	\$8.9	1.1
BAML 0-3 Index		1.4		0.7		0.4			0.4		0.7		1.4

It is important to recognize that the portfolios have a lower bound of rates which is effectively 0.00%. While the analysis presented above assumes projected decreases in rates, any interest rate decreases will effectively be limited by the lower bound. As such, the 50 and 100 bps decrease projections indicated above would be limited by that bound.

## Benchmark Performance Comparisons

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

Table 5 - Relative Performance of STO Funds

<i>Fund</i>	<i>Performance<sup>6</sup></i>		
	<i>1 Month</i>	<i>3 Months</i>	<i>12 Months</i>
<i>General Fund Liquidity</i>	0.01%	0.03%	0.10%
<i>S&amp;P Government Bond Index (Gross)</i>	<u>0.01%</u>	<u>0.03%</u>	<u>0.10%</u>
<i>Relative Performance (BPs)</i>	0.00%	0.00%	0.00%
<i>Relative Performance (%)</i>	100%	100%	100%
<i>General Fund CORE</i>	0.33%	0.39%	1.01%
<i>BAML 0-5 US Treasury</i>	<u>0.32%</u>	<u>0.27%</u>	<u>0.70%</u>
<i>Relative Performance (BPs)</i>	0.01%	0.12%	0.31%
<i>Relative Performance (%)</i>	103%	144%	144%
<i>Bond Proceeds - Tax Exempt</i>	0.13%	0.17%	0.53%
<i>BAML 0-3 US Treasury</i>	<u>0.13%</u>	<u>0.16%</u>	<u>0.56%</u>
<i>Relative Performance (BPs)</i>	0.00%	0.01%	(0.03%)
<i>Relative Performance (%)</i>	100%	106%	95%
<i>Bond Proceeds - Taxable</i>	0.12%	0.17%	0.51%
<i>BAML 0-3 US Treasury</i>	<u>0.13%</u>	<u>0.16%</u>	<u>0.56%</u>
<i>Relative Performance (BPs)</i>	0.00%	0.01%	(0.05%)
<i>Relative Performance (%)</i>	92%	106%	91%
<i>Local Government Investment Pool</i>	0.02%	0.04%	0.17%
<i>S&amp;P Government Bond Index (Gross)</i>	<u>0.01%</u>	<u>0.03%</u>	<u>0.10%</u>
<i>Relative Performance (BPs)</i>	0.01%	0.01%	0.07%
<i>Relative Performance (%)</i>	200%	133%	170%
<i>Severance Tax Bonding Fund</i>	0.01%	0.02%	
<i>S&amp;P Government Bond Index (Gross)</i>	<u>0.01%</u>	<u>0.03%</u>	<u>0.10%</u>
<i>Relative Performance (BPs)</i>	0.01%	(0.01%)	
<i>Relative Performance (%)</i>	200%	67%	

Source: JPMorgan, STO Calculations

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

Our Bond Proceeds funds have somewhat underperformed their indexes, however we have moved to a position of additional liquidity in order to meet spending targets articulated by DFA. While the underperformance looks dramatic on a percentage basis, the actual lag to benchmark returns is approximately 5 basis points. Similarly, the relative outperformance of the General Fund CORE is only 31 basis points on an annualized basis.

<sup>6</sup> Relative performance is periodic total return compared to the return of the portfolio benchmarks.

## Investment Earnings

Investment earnings for May are summarized in the table below.

Table 6 - Investment Earnings

<i>Fund</i>	<i>Investment Earnings<sup>7</sup></i>		
	<i>MTD</i>	<i>YTD</i>	<i>FY'13 YTD</i>
<i>General Funds</i>	\$1,176,527	\$11,048,596	\$11,826,441
<i>Bond Proceeds Funds</i>	\$464,083	\$4,849,754	\$6,226,260
<i>Local Government Investment Pool<sup>8</sup></i>	\$88,004	\$850,644	\$1,139,581
<i>Severance Tax Bonding Fund</i>	\$16,131	\$116,990	\$294,544

Source: QED

The overall decrease in rates has resulted in decreased investment income as compared to a year ago, particularly in the shorter end of the curve.

### *Projected Investment Income*

In January, the Legislative Finance Committee released its most recent Consensus Revenue Estimate, projecting earnings on the STO portion of the General Fund Investment Pool of approximately \$12.1 million.

Several components of the General Fund Investment Pool are deemed "Self-Earning Accounts". As such, a portion of the General Fund Investment Pool Earnings is credited to the beneficiaries of these accounts on a monthly basis. For those beneficiaries, earnings are stated as interest income.

Adjusting for the effect of Self-Earning Account balances, we currently estimate that the interest earnings on the STO portion of the General Fund Investment Pool will be approximately \$8.9 Million.

Table 7 - Projected Investment Income on STO Balances of the General Fund Investment Pool

<i>Fund</i>	<i>YTD<sup>9</sup></i>	<i>Projected FY</i>
General Fund Investment Pool <sup>10</sup>	\$11.0MM	\$12.0MM
<u>Less Self-Earnings Account Offsets<sup>11</sup></u>	<u>(\$2.2MM)</u>	<u>(\$ 2.4MM)</u>
Projected Net Earnings on STO Balances	\$8.8MM	\$ 9.6MM
<i>LFC Revenue Projection (as of Dec 2013)</i>		\$12.1MM
<i>STO Projection as a % of LFC Revenue Projection</i>		79%

Source: QED, LFC, DFA, STO Calculation

Many variables effect estimated interest income for the STO portion of the General Fund Investment Pool, including performance and tax collections by the State and timing of collections and expenditures of the state budget. These projections may vary substantially from actual results.

The State Treasurer does not participate in the development of the Consensus Revenue Estimate and therefore cannot comment on the various factors included in the estimate of revenue on the STO balances as compiled by the LFC.

<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.

<sup>8</sup> Gross Earnings, Participant Earnings reflect 0.05% reduction for management fees.

<sup>9</sup> Gross of Self-Earning Account Income. Self-Earnings Account Income is deducted from STO interest earnings and credited by beneficiaries by DFA.

<sup>10</sup> Does not include Fiscal Agent Bank balances that earn credits against bank fees levied by the Fiscal Agent Bank.

<sup>11</sup> Estimated, based on historical norms.

In June, the DFA released the General Fund Accrual Report representing accrued investment earnings of \$24.9 million in the General Fund Investment Pool through February 2014. The DFA number represents a variance which is being evaluated by the State Treasurer's Office.

### *Compensating Balances at Fiscal Agent Bank*

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During May, STO maintained Average Daily Collected Balances at the Fiscal Agent Bank of approximately \$55 million versus a target balance established by the State Board of Finance of \$50 million. This balance earned a credit against processing fees assessed by the bank.

Table 8 - Compensating Balances at Fiscal Agent Bank

<i>Average Collected Balance</i>	\$55,792,543
<i>Earnings Credit Rate</i>	0.50%
<i>Estimated Monthly Earnings</i>	\$23,246
<i>Estimated Fiscal YTD Earnings</i>	\$581,821

*Source: Wells, Fargo & Co.*

### *Monthly Investment Outlook*

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Continued weakness in the economy concerned market participants. The fixed income markets were stronger through the month of May and continuing into June. The short-end of the markets remained strong into the month of June.

We expect that the Federal Reserve's will continue to "taper" its purchases of US Treasury and mortgage-backed securities. The Federal Reserve reaffirmed its view that monetary policy will remain highly accommodative even after the asset purchase program ends. We believe that rate increases will not happen until the second quarter of 2015.

#### *Implications for the Foreseeable Future*

The Federal Reserve has announced that they will keep short term interest rates low for an extended period time. As such, we will try and use the curve to our advantage. With the backup in yields during May, we have more confidence about using the curve to our advantage.

The relative steepness in the 3-5 year area argues for additional investment which will offset potential interest rate increases. STO will use the opportunity to maintain durations of the portfolios to be on top or slightly long to the benchmark durations.

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

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

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

As of May 31, 2014

General Fund	Holdings			Performance				Earnings		
	Account	Cost Basis	Market Value	Unrealized Gain/Loss	12-Month Total Return	Benchmark	Index Return	Relative Performance	Monthly Earnings	YTD Earnings
Cash Balances	\$ 55,792,543	\$ 55,792,543	\$ -							
Liquidity	615,310,296	615,310,296	-	0.10%	S&P LGIP Gross	0.10%	0.00%	\$ 42,423	\$ 393,624	
CORE	1,456,527,014	1,464,121,317	7,594,303	1.01%	ML Treasury 0-5	0.70%	0.31%	1,134,104	10,654,972	
TRAN	-	-	-	0.00%	All-In Tran TIC	0.00%	0.00%	-	-	
<b>Totals</b>	<b>\$ 2,127,629,853</b>	<b>\$ 2,135,224,156</b>	<b>\$ 7,594,303</b>	<b>0.74%</b>	<b>Blended</b>	<b>0.48%</b>	<b>0.26%</b>	<b>\$ 1,176,527</b>	<b>\$ 11,048,596</b>	
<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	\$ 399,288,325	\$ 400,234,380	\$ 946,055	0.53%	ML Treasury 0-3	0.56%	-0.03%	\$ 144,241	\$ 1,546,850	
Taxable	675,756,319	677,535,612	1,779,293	0.51%	ML Treasury 0-3	0.56%	-0.05%	319,842	3,302,904	
<b>Totals</b>	<b>\$ 1,075,044,644</b>	<b>\$ 1,077,769,992</b>	<b>\$ 2,725,348</b>	<b>0.52%</b>	<b>Blended</b>	<b>0.56%</b>	<b>-0.04%</b>	<b>\$ 464,083</b>	<b>\$ 4,849,754</b>	
<b>Local Government Investment Pool (LGIP)</b>										
Account	Cost Basis	Market Value	Unrealized Gain/Loss	12-Month Total Return	Benchmark	Index Return	Relative Performance	Monthly Earnings	YTD Earnings	
LGIP	\$ 644,428,470	\$ 644,511,561	\$ 83,091	0.17%	S&P LGIP Gross	0.10%	0.07%	\$ 88,004	\$ 850,644	
<b>Severance Tax Bonding Fund</b>										
Account	Cost Basis	Market Value	Unrealized Gain/Loss	12-Month Total Return	Benchmark	Index Return	Relative Performance	Monthly Earnings	YTD Earnings	
STBF	\$ 358,215,521	\$ 358,218,293	\$ 2,772	0.17%	S&P LGIP Gross	0.10%	0.07%	\$ 16,131	\$ 116,990	
<b>Estimated Totals (all funds)</b>			<b>\$ 10,405,514</b>					<b>\$ 1,744,745</b>	<b>\$ 16,865,984</b>	

**Notes:**

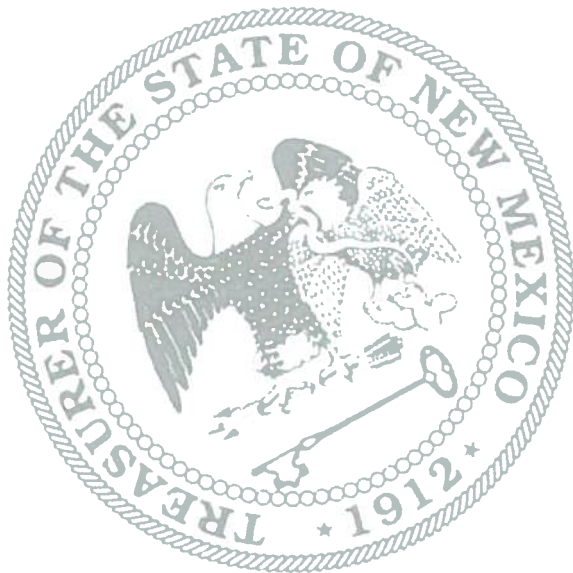
- (1) These figures are generated using a combination of accrued earnings and unrealized gains. They are unaudited and may be subject to revision.
- (2) Account balances fluctuate during the month, holdings are calculated as of month-end. Performance includes adjustments for fund flows during the month.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

## New Mexico State Treasurers Office

Performance  
As of May 2014

Account ID	Portfolio Name	Market Value	Month	Trailing 3M	Fiscal YTD	YTD	1 YR	Since Inception	Inception Date
10933300	Local Government Investment Pool	645,264,134	0.02	0.04	0.16	0.08	0.17	0.98	01-Jul-2007
10933400	Overnight Repo Pool	164,896,850	0.01	0.02	0.07	0.03	0.08	0.77	01-Jul-2007
10933500	Tax Exempt Bond Proceeds	397,738,678	0.13	0.17	0.65	0.34	0.53	1.99	01-Jul-2007
10933900	Taxable Bond Proceeds	679,904,645	0.12	0.17	0.64	0.34	0.51	2.09	01-Jul-2007
18952300	Severance Tax Bonding Fund	358,608,562	0.00	0.02				0.02	01-Mar-2014
<b>00667701</b>	<b>General Fund</b>	<b>2,006,052,029</b>	<b>0.25</b>	<b>0.30</b>	<b>1.06</b>	<b>0.59</b>	<b>0.80</b>	<b>2.08</b>	<b>01-Jul-2007</b>
10933700	General Fund Core	1,490,733,732	0.33	0.39	1.38	0.77	1.01	2.67	01-Jul-2007
10933600	General Fund Liquidity	515,318,298	0.01	0.03	0.09	0.04	0.10	0.75	01-Jul-2007
06677-BEN-0006	S&P Govt Pools Net yield		0.00	0.01	0.02	0.01	0.03	0.79	01-Jul-2007
06677-BEN-0012	BPIP Index ML 0-3 Treasury		0.13	0.16	0.60	0.33	0.56	2.02	01-Jul-2007
06677-BEN-0013	General Core Index ML 0-5 Treasury		0.32	0.27	1.02	0.73	0.70	2.84	01-Jul-2007
06677-BEN-0016	S&P LGIP Gross yield		0.01	0.03	0.09	0.04	0.10	0.13	01-Jun-2012
06677-BEN-0017	General Fund Total		0.19	0.16	0.62	0.44	0.43	0.31	30-Jun-2012

Performance shown is gross of manager fees



## 5. Investment Compliance Report



## Investment Compliance Review

### Primary and Secondary Bond Purchases/ Sales

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

Table 9 - Primary/Secondary Market Volume

Primary Bond Volume	\$830,000	1%
Secondary Bond Volume	<u>141,934,000</u>	<u>99%</u>
Total	\$142,764,000	100%

Source: QED

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

### Commissions Paid

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

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

### Variable Rate and Structured Note Holdings

At the end of May, total holdings of Variable Rate Notes were \$123,920,000.

Table 10 - Variable Rate Note Holdings

Taxable BPIP	-
Tax Exempt BPIP	-
LGIP	<u>\$123,920,000</u>
Total Holdings	\$123,920,000

Source: QED

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

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

### Transaction Variances and Inter-Portfolio Transactions

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.

### Unrealized Gains and Losses

The current version of the STO Investment Policy requires separate reporting of all investment mark to market gains and losses calculated versus book values during the period. The investment policy requires detailed reporting on a securities holding basis.

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

In the listing of the specific portfolio holdings, a position level mark-to market calculation is included as required by the current State Treasurer's Investment Policy.

### ***Realized Gains and Losses***

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

Table 11 - Realized Gains and Losses on Securities Sold

<u>Trade Date</u>	<u>Account</u>	<u>Par Amount</u>	<u>Security</u>	<u>Realized Gain/Loss</u>
5/1	<i>BPIP Tax Exempt</i>	\$15MM	UST 2.625% 6/30/14	\$1,919.53
5/1	<i>BPIP Taxable</i>	\$20MM	UST 2.50% 4/30/15	49,918.09
5/15	<i>BPIP Taxable</i>	\$10MM	UST 2.25% 5/31/14	<u>5,319.89</u>
Total				\$523,895.77

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

### ***Trade Documentation***<sup>12</sup>

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#### ***Purchase/Sales Activity***<sup>13</sup>

There were a total of 39 security trades tracked during the month of May by the Trade Documentation Compliance Team.

Detail concerning each transaction can be found at the end of this section.

Table 12 - Securities Trades

	Number	Par-Value	Cost/Proceeds	Recognized Gain/Loss
Securities Purchased	36	\$139,009,000	\$139,153,757	\$ -0-
Securities Sold	<u>3</u>	<u>45,000,000</u>	<u>45,549,023</u>	<u>57,157.51</u>
Total	39	\$184,009,000	\$184,702,780	\$ 57,157.51

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

All trades have been accounted for and written documentation has been audited for compliance. There are no pending items. All trades settled successfully and there were no failed trades for the month.

There was no compliance issues associated with investment trade processing.

All investment activity is in compliance with applicable investment statutes.

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<sup>12</sup> Trade Documentation information is presented on settlement date.

<sup>13</sup> Excludes daily repurchase agreement transactions.

**STATE OF NEW MEXICO**  
**Summary of Fixed-Income Purchases and Sales**  
**SETTLEMENTS During The Period 5/01/14 Through 5/31/14**

TXN-DATE	CUSIP#	ASSET-TYPE	INVT#	ISSUE-NAME	RATE	MATURITY	YIELD	BRKR/DLR/AGENT	FUND	PAR-VALUE	COST/PROCEEDS	GAIN/LOSS	NXT-CALL
<b>PURCHASE TRANSACTIONS</b>													
5/02/14	912828RM	US TREASURY	NOT	21342 UNITED STATES TREASURY	1.000	10/31/16	.6317	BANK OF AMERICA	4002	15,000,000.00	15,136,523.44		
5/02/14	912828S1	US TREASURY	NOT	21343 UNITED STATES TREASURY	.875	2/28/17	.7882	BANK OF AMERICA	4000	15,000,000.00	15,036,328.13		
5/02/14	912828S3	US TREASURY	NOT	21344 UNITED STATES TREASURY	.875	2/28/17	.7882	BANK OF AMERICA	4002	5,000,000.00	5,012,109.38		
5/16/14	912828TG	US TREASURY	NOT	21440 UNITED STATES TREASURY	.500	7/31/17	.9058	UBS	4000	5,000,000.00	4,935,937.50		
5/16/14	912828TK	US TREASURY	NOT	21441 UNITED STATES TREASURY	.500	7/31/17	.9058	UBS	4002	5,000,000.00	4,935,937.50		
5/28/14	912828RT	US TREASURY	NOT	21494 UNITED STATES TREASURY	1.375	11/30/18	1.4037	CREDIT SUISSE	1001	20,000,000.00	19,975,000.00		
5/01/14	31315PV2	AGENCY US FLOAT		21255 FARMER MAC	.112	5/01/15	.1115	CASTLEDAK SECUR	4101	20,000,000.00	20,000,000.00		
5/01/14	31315PY8	AGENCY US BOND		21302 FARMER MAC	.930	5/01/17	.9700	CASTLEDAK SECUR	1001	8,000,000.00	7,990,560.88		
5/02/14	313371PC	AGENCY US BOND		21082 FEDERAL HOME LOAN BANKS	.875	12/12/14	.1018	MORGAN STANLEY	4101	1,550,000.00	1,557,319.36		
5/08/14	3130A1QC	AGENCY US BOND		21387 FEDERAL HOME LOAN BANKS	.125	4/21/15	.1369	MORGAN STANLEY	4101	3,600,000.00	3,599,591.29		
5/11/14	3133EDKV	AGENCY US BOND		21405 FEDERAL FARM CREDIT BAN	.130	5/01/15	.1321	DAIWA CAPITAL M	4101	5,000,000.00	4,999,900.00		
5/02/14	31315PMQ	AGENCY US NOTES		21338 FEDERAL AGRICULTURAL MO	.675	1/19/16	.3800	CASTLEDAK SECUR	4000	3,000,000.00	3,015,101.98		
5/09/14	3137EADD	AGENCY US NOTES		21388 FEDERAL HOME LOAN MORTG	.500	4/17/15	.1319	NOMURA	4101	825,000.00	827,848.73		
5/09/14	3137EADD	AGENCY US NOTES		21388 FEDERAL HOME LOAN MORTG	.500	4/17/15	.1319	MORGAN STANLEY	4101	1,890,000.00	1,896,525.83		
5/14/14	3137EADA	AGENCY US NOTES		21406 FEDERAL HOME LOAN MORTG	.625	12/29/14	.1069	MORGAN STANLEY	4101	1,100,000.00	1,103,559.90		
5/21/14	3137EADD	AGENCY US NOTES		21388 FEDERAL HOME LOAN MORTG	.500	4/17/15	.1218	NOMURA	4101	5,000,000.00	5,017,110.00		
5/22/14	3137EADA	AGENCY US NOTES		21406 FEDERAL HOME LOAN MORTG	.625	12/29/14	.1005	UBS	4101	1,000,000.00	1,003,160.00		
5/22/14	3137EADD	AGENCY US NOTES		21388 FEDERAL HOME LOAN MORTG	.500	4/17/15	.1217	NOMURA	4101	800,000.00	802,729.60		
5/22/14	3137EADD	AGENCY US NOTES		21388 FEDERAL HOME LOAN MORTG	.500	4/17/15	.1264	MORGAN STANLEY	4101	644,000.00	646,170.28		
5/29/14	3133EDMK	AGENCY US VARIA		21495 FEDERAL FARM CREDIT BAN	.140	3/29/16	.1499	MIZUHO SECURITI	4101	5,000,000.00	4,999,050.00		
5/05/14	80207RAJ	MUNI US 30/360		21336 SANTA FE N MEX CROSS RC	5.000	6/01/15	.3706	FIRST SOUTHWEST	1001	200,000.00	209,898.00		
5/05/14	988852BB	MUNI US 30/360		21337 WILL CNTY ILL SCH DIST	4.500	10/01/24	.3702	SOUTHWEST	1001	345,000.00	364,954.80		10/01/15
5/07/14	5P552015	MUNI US 30/360		21378 SANTA FE PUBLIC SCHOOL	.350	8/01/15	.3500	BROKER DIRECT	1001	9,000,000.00	9,000,000.00		
5/07/14	5P552016	MUNI US 30/360		21377 SANTA FE PUBLIC SCHOOLS	.750	8/01/16	.7499	BROKER DIRECT	1001	2,000,000.00	2,000,000.00		
5/15/14	76717PAJ	MUNI US 30/360		20269 RIO RANCHO NM EVENT	5.000	6/01/20	.2402	SOUTHWEST	1001	385,000.00	404,103.70		6/01/15
5/16/14	914438CC	MUNI US 30/360		21415 UNIVERSITY MASS BLDG AU	5.125	11/03/34	.2214	SOUTHWEST	1001	375,000.00	383,418.75		11/01/14
5/20/14	781338JK	MUNI US 30/360		21254 RUIDOSO MUNICIPAL SCHOO	2.000	8/03/14	.2031	STIFFEL NICOLAU	1001	250,000.00	250,885.00		
5/20/14	781338JK	MUNI US 30/360		21253 RUIDOSO MUNICIPAL SCHOO	2.000	8/03/15	.2008	STIFFEL NICOLAU	1001	225,000.00	229,565.25		
5/21/14	64711REK	MUNI US 30/360		21451 NEW MEXICO FIN AUTH ST	4.000	12/15/14	.1808	FIRST SOUTHWEST	1001	500,000.00	510,810.00		
5/21/14	914692M4	MUNI US 30/360		21452 UNIVERSITY N MEX UNIV R	3.000	6/01/15	.2003	SOUTHWEST	1001	650,000.00	668,674.50		
5/22/14	64711RHM	MUNI US 30/360		21455 NEW MEXICO FIN AUTH ST	5.000	12/15/15	.3302	FIRST SOUTHWEST	1001	100,000.00	107,278.00		
5/27/14	013493BE	MUNI US 30/360		21470 ALBUQUERQUE BERNALILLO	4.250	7/01/15	.2703	SOUTHWEST	1001	200,000.00	208,692.00		
5/28/14	64711OET	MUNI US 30/360		21480 NEW MEXICO ED ASSISTAN	4.000	12/01/15	.2802	SOUTHWEST	1001	750,000.00	793,962.50		
5/28/14	488574EY	MUNICIPAL BOND		21496 JACKSON OHIO LOC SCH DI	5.250	12/01/24	.2046	SOUTHWEST	1001	500,000.00	500,210.00		6/01/14
5/28/14	511678LT	MUNICIPAL BOND		21497 LAKELAND FLA ELEC & WTR	5.750	10/01/19	.4403	SOUTHWEST	1001	520,000.00	521,071.20		6/12/14
5/21/14	047856DL	MUNICIPAL BOND		21453 ATLANTA GA URBAN RESIDE		10/01/16	.2003	SOUTHWEST	1001	600,000.00	511,770.00		4/01/15
<b>36 PURCHASES DURING PERIOD TOTAL.....</b>										<b>139,009,000.00</b>	<b>139,153,757.50</b>		

**STATE OF NEW MEXICO**  
**Summary of Fixed-Income Purchases and Sales**  
**SETTLEMENTS During The Period 5/01/14 Through 5/31/14**

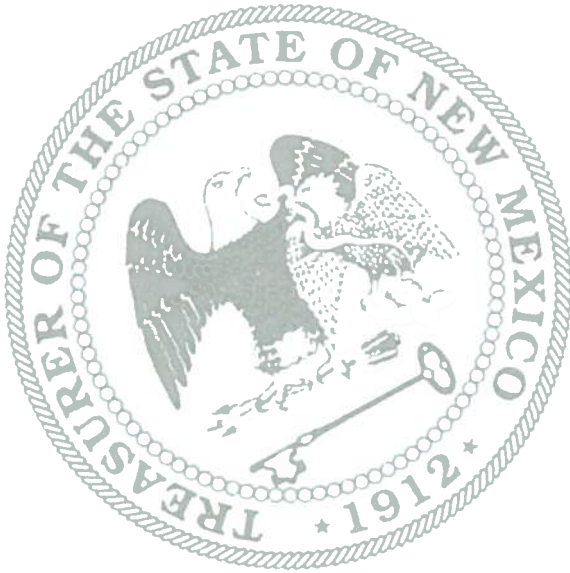
TXN-DATE	CUSIP#	ASSET-TYPE	INVT#	ISSUE-NAME	RATE	MATURITY	YIELD	BRKR/DLR/AGENT	FUND	PAR-VALUE	COST/PROCEEDS	GAIN/LOSS	NXT-CALL
<b>SALE TRANSACTIONS</b>													
5/02/14	912828KY	US TREASURY	NOT	19624 UNITED STATES TREASURY	2.625	6/30/14		HSBC	4000	15,000,000.00	15,062,695.31	1,919.53	
5/02/14	912828NZ	US TREASURY	NOT	19465 UNITED STATES TREASURY	2.500	4/30/15	.0985	TD SECURITIES	4002	20,000,000.00	20,477,343.75	49,918.09	
5/16/14	912828KV	US TREASURY	NOT	15241 UNITED STATES TREASURY	2.250	5/31/14		MIZUHO SECURITI	4002	10,000,000.00	10,008,984.38	5,319.89	
<b>3 SALES DURING PERIOD TOTAL.....</b>										<b>45,000,000.00</b>	<b>45,549,023.44</b>	<b>57,157.51</b>	
<b>*** GRAND-TOTAL ***</b>										<b>184,009,000.00</b>	<b>184,702,780.94</b>	<b>57,157.51</b>	
<b>*** END-OF-REPORT ***</b>													

**STATE OF NEW MEXICO**  
**Summary of Fixed-Income Purchases and Sales**  
**SETTLEMENTS During The Period 5/01/14 Through 5/31/14**

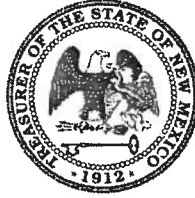
TXN-DATE	CUSIP#	ASSET-TYPE	INVST#	ISSUE-NAME	RATE	MATURITY	YIELD	BRKR/DLR/AGENT	FUND	PAR-VALUE	COST/PROCEEDS	GAIN/LOSS	NXT-CALL
<b>PURCHASE TRANSACTIONS</b>													
5/02/14	912828RM	US TREASURY	NOT	21342 UNITED STATES TREASURY	1.000	10/31/16	.6317	BANK OF AMERICA	4002	15,000,000.00	15,136,523.44		
5/02/14	912828SJ	US TREASURY	NOT	21343 UNITED STATES TREASURY	.875	2/28/17	.7882	BANK OF AMERICA	4000	15,000,000.00	15,036,328.13		
5/02/14	912828SJ	US TREASURY	NOT	21344 UNITED STATES TREASURY	.875	2/28/17	.7882	BANK OF AMERICA	4002	5,000,000.00	5,012,109.38		
5/16/14	912828TG	US TREASURY	NOT	21440 UNITED STATES TREASURY	.500	7/31/17	.9058	UBS	4000	5,000,000.00	4,935,937.50		
5/16/14	912828TG	US TREASURY	NOT	21441 UNITED STATES TREASURY	.500	7/31/17	.9058	UBS	4002	5,000,000.00	4,935,937.50		
5/28/14	912828RT	US TREASURY	NOT	21494 UNITED STATES TREASURY	1.375	11/30/18	1.4037	CREDIT SUISSE	1001	20,000,000.00	19,975,000.00		
5/01/14	31315PV2	AGENCY US	FLOAT	21255 FARMER MAC	.112	5/01/15	.1115	CASTLEOAK SECUR	4101	20,000,000.00	20,000,000.00		
5/01/14	31315PY8	AGENCY US	BOND	21302 FARMER MAC	.930	5/01/17	.9700	CASTLEOAK SECUR	1001	8,000,000.00	7,990,560.88		
5/02/14	313371PC	AGENCY US	BOND	21082 FEDERAL HOME LOAN BANKS	.875	12/12/14	.1018	MORGAN STANLEY	4101	1,550,000.00	1,557,319.36		
5/08/14	3130A1QG	AGENCY US	BOND	21387 FEDERAL HOME LOAN BANKS	.125	4/21/15	.1369	MORGAN STANLEY	4101	3,600,000.00	3,599,591.29		
5/13/14	3133EDKV	AGENCY US	BOND	21405 FEDERAL FARM CREDIT BAN	.130	5/01/15	.1321	DAIWA CAPITAL M	4101	5,000,000.00	4,999,900.00		
5/02/14	31315PWQ	AGENCY US	NOTES	21338 FEDERAL AGRICULTURAL MO	.675	1/19/16	.3800	CASTLEOAK SECUR	4000	3,000,000.00	3,015,101.98		
5/09/14	3137EADD	AGENCY US	NOTES	21388 FEDERAL HOME LOAN MORTG	.500	4/17/15	.1319	NOMURA	4101	825,000.00	827,848.73		
5/09/14	3137EADD	AGENCY US	NOTES	21388 FEDERAL HOME LOAN MORTG	.500	4/17/15	.1319	MORGAN STANLEY	4101	1,890,000.00	1,896,525.83		
5/14/14	3137EADA	AGENCY US	NOTES	21406 FEDERAL HOME LOAN MORTG	.625	12/29/14	.1069	MORGAN STANLEY	4101	1,100,000.00	1,103,559.90		
5/21/14	3137EADD	AGENCY US	NOTES	21388 FEDERAL HOME LOAN MORTG	.500	4/17/15	.1218	NOMURA	4101	5,000,000.00	5,017,110.00		
5/22/14	3137EADA	AGENCY US	NOTES	21406 FEDERAL HOME LOAN MORTG	.625	12/29/14	.1005	UBS	4101	1,000,000.00	1,003,160.00		
5/22/14	3137EADD	AGENCY US	NOTES	21388 FEDERAL HOME LOAN MORTG	.500	4/17/15	.1217	NOMURA	4101	800,000.00	802,729.60		
5/22/14	3137EADD	AGENCY US	NOTES	21388 FEDERAL HOME LOAN MORTG	.500	4/17/15	.1264	MORGAN STANLEY	4101	644,000.00	646,170.28		
5/29/14	3133EDMK	AGENCY US	VARIA	21495 FEDERAL FARM CREDIT BAN	.140	3/29/16	.1499	MIZUHO SECURITI	4101	5,000,000.00	4,999,050.00		
5/05/14	80207RAJ	MUNI US	30/360	21336 SANTA FE N MEX GROSS RC	5.000	6/01/15	.3706	FIRST SOUTHWEST	1001	200,000.00	209,898.00		
5/05/14	968852B8	MUNI US	30/360	21337 WILL CNTY ILL SCH DIST	4.500	10/01/24	.3702	SOUTHWEST	1001	345,000.00	364,954.80		10/01/15
5/07/14	SFPS2015	MUNI US	30/360	21378 SANTA FE PUBLIC SCHOOL	.350	8/01/15	.3500	BROKER DIRECT	1001	9,000,000.00	9,000,000.00		
5/07/14	SFPS2016	MUNI US	30/360	21377 SANTA FE PUBLIC SCHOOLS	.750	8/01/16	.7499	BROKER DIRECT	1001	2,000,000.00	2,000,000.00		
5/15/14	76717PAJ	MUNI US	30/360	20269 RIO RANCHO NM EVENT	5.000	6/01/20	.2402	SOUTHWEST	1001	385,000.00	404,103.70		6/01/15
5/16/14	914438CC	MUNI US	30/360	21415 UNIVERSITY MASS BLDG AU	5.125	11/01/34	.2214	SOUTHWEST	1001	375,000.00	383,418.75		11/01/14
5/20/14	781338JK	MUNI US	30/360	21254 RUIDOSO MUNICIPAL SCHOO	2.000	8/01/14	.2031	STIFFEL NICOLAU	1001	250,000.00	250,885.00		
5/20/14	781338JL	MUNI US	30/360	21253 RUIDOSS MUNICIPAL SCHOO	2.000	8/01/15	.3008	STIFFEL NICOLAU	1001	225,000.00	229,565.25		
5/21/14	64711REK	MUNI US	30/360	21451 NEW MEXICO FIN AUTH ST	4.000	12/15/14	.1808	FIRST SOUTHWEST	1001	500,000.00	510,810.00		
5/21/14	914692N4	MUNI US	30/360	21452 UNIVERSITY N MEX UNIV R	3.000	6/01/15	.2003	SOUTHWEST	1001	650,000.00	668,674.50		
5/22/14	64711RHW	MUNI US	30/360	21455 NEW MEXICO FIN AUTH ST	5.000	12/15/15	.3302	FIRST SOUTHWEST	1001	100,000.00	107,278.00		
5/27/14	013493BE	MUNI US	30/360	21470 ALBUQUERQUE BERNALILLO	4.250	7/01/15	.2703	SOUTHWEST	1001	200,000.00	208,692.00		
5/28/14	647110ET	MUNI US	30/360	21480 NEW MEXICO EDL ASSISTAN	4.000	12/01/15	.2802	SOUTHWEST	1001	750,000.00	791,962.50		
5/28/14	468574EY	MUNICIPAL	BOND	21496 JACKSON OHIO LOC SCH DI	5.250	12/01/24	.2046	SOUTHWEST	1001	500,000.00	500,210.00		6/01/14
5/28/14	511678LT	MUNICIPAL	BOND	21497 LAKELAND FLA ELEC & WTR	5.750	10/01/19	.4403	SOUTHWEST	1001	520,000.00	521,071.20		6/12/14
5/21/14	047856DL	MUNICIPAL	BOND	21453 ATLANTA GA URBAN RESIDE		10/01/16	.2003	SOUTHWEST	1001	600,000.00	511,770.00		4/01/15
<b>36 PURCHASES DURING PERIOD TOTAL.....</b>										<b>139,009,000.00</b>	<b>139,153,757.50</b>		

**STATE OF NEW MEXICO**  
**Summary of Fixed-Income Purchases and Sales**  
**SETTLEMENTS During The Period 5/01/14 Through 5/31/14**

TXN-DATE	CUSIP#	ASSET-TYPE	INVT#	ISSUE-NAME	RATE	MATURITY	YIELD	BRKR/DLR/AGENT	FUND	PAR-VALUE	COST/PROCEEDS	GAIN/LOSS	NXT-CALL
<b><u>SALE TRANSACTIONS</u></b>													
5/02/14	912828KY	US TREASURY NOT	19624	UNITED STATES TREASURY	2.625	6/30/14		HSBC	4000	15,000,000.00	15,062,695.31	1,919.53	
5/02/14	912828MZ	US TREASURY NOT	19465	UNITED STATES TREASURY	2.500	4/30/15	.0985	TD SECURITIES	4002	20,000,000.00	20,477,343.75	49,918.09	
5/16/14	912828KV	US TREASURY NOT	15241	UNITED STATES TREASURY	2.250	5/31/14		MIZUHO SECURITI	4002	10,000,000.00	10,008,984.38	5,319.89	
<b>3 SALES DURING PERIOD TOTAL.....</b>										<b>45,000,000.00</b>	<b>45,549,023.44</b>	<b>57,157.51</b>	
<b>=== GRAND-TOTAL ==&gt;</b>										<b>184,009,000.00</b>	<b>184,702,780.94</b>	<b>57,157.51</b>	
<b>*** END-OF-REPORT ***</b>													



## 6. Investment Accounting Report



**James B. Lewis**  
State Treasurer

STATE OF NEW MEXICO  
OFFICE OF THE TREASURER  
2055 South Pacheco Street, (Suite 100 & 200)  
P.O. Box 5135  
Santa Fe, New Mexico 87505

**Marilyn L. Hill**  
Deputy State  
Treasurer

Phone: (505) 955-1120  
FAX (505) 955-1195

**MEMORANDUM**

DATE: June 24, 2014  
TO: Linda Roseborough, Chief Investment Officer & Investments Division Director  
FROM: Steve Vigil, Investment Accounting Bureau Chief  
CC: STO Investments Division  
SUBJECT: Weekly S&P Reconciliation and May 2014 Investments Reconciliation

**Weekly S&P Reconciliation**

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

**May 2014 Investments Reconciliation**

The Investment Accounting Bureau (IAB) completed the May 2014 investments reconciliation that included the following:

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

Market value materiality threshold is the total market value of a JP Morgan account times 5basis points.  
Please refer to the JPM-QED investment inventory reconciliation.

A trade/settle difference signifies a difference that arises from an investment transaction (buy or sell) that has a trade date in one month and the settlement date typically in the following month. In the case of the securities held elsewhere, it is common business practice for trade/settlement dates to be in two different months.

### JP Morgan to QED Inventory Reconciliation Items (Exceeds Material Threshold)

While completing the JP Morgan to QED inventory reconciliation for the General Fund Core and General Fund Core accounts, the IAB identified a difference of \$238.6 million. The cause of the discrepancy is a trade/settle difference. JP Morgan memo posted the following purchase activity to the JP Morgan accounting system during June 2014. IAB made an adjusting entry on the JPM-SHARE trial balance reconciliation in order to resolve the investment inventory discrepancy issue as it relates to the account balances on the May 2014 working trial balance. **Resolution:** All purchase activity is memo posted on the JP Morgan Accounting System.

Transaction	Trade Date	Settlement Date
\$3.2 million City of Albuquerque GO note purchase	4-8-14	6-30-14
\$70.3 million STB Series 2014S-A Sponge Note	4-22-14	6-26-14
\$65.1 million SSTB Series 2014S-B Sponge Note	4-22-14	6-26-14
\$100 million Bank of the West bank balance (Short Term Investment Fund asset category)	5-19-14	5-19-14
\$1 million Gadsden Independent Schools bond	9-11-13	6-13-14

### Bond Proceeds Investment Pool #1 JP to QED Inventory Reconciliation Item (Exceeds Materiality Threshold)

The JP Morgan to QED inventory reconciliation for the Bond Proceeds Investment Pool #1 revealed one difference of \$3.9 million. The \$3.9 million represents the good faith deposit for the STB 2014A project fund. The \$3.9 million good faith deposit was recorded in QED with an effective accounting date of May 21, 2014 and was noted as cash available for investment. **Resolution:** The transaction was recorded using to May 21, 2014 in QED to reflect when the economic event occurred and to comply with the existence or occurrence financial statement assertion.



JP Morgan to QED Inventory Reconciliations  
May-14

W/P Ref  
503

Market Value Reconciliation

JPM		QED				
Account	Market Value	Fund #	Name	Market Value	Difference	BPS Dollar Thresold *
P 09336	515,310,296.50	1000	GF Liquidity	754,008,796.50	(238,698,500.00)	257,655.15
P 09337	1,468,016,505.72	1001	GF Core	1,469,021,223.82	(1,004,718.10)	734,008.25
P 09334	164,895,933.70	1101	ONREPO	164,898,310.27	(2,376.57)	82,447.97
P 89523	358,218,293.01	4001	STB	358,218,293.01	-	179,109.15
P 09335	396,251,078.82	4000	BPIP#1	400,234,378.83	(3,983,300.01)	198,125.54
P 09339	677,533,167.16	4002	BPIP#2	677,535,609.65	(2,442.49)	338,766.58
P 09333	644,511,722.32	4101	LGIP	644,511,055.44	666.88	322,255.86
<b>Total</b>	<b>4,224,736,997.23</b>			<b>4,468,427,667.52</b>	<b>(243,690,670.29)</b>	<b>2,112,368.50</b>

Cost Reconciliation

JPM		QED				
Account	Cost	Fund #	Name	Cost	Difference	BPS Dollar Thresold *
P 09336	515,317,924.50	1000	GF Liquidity	754,016,424.50	(238,698,500.00)	257,658.96
P 09337	1,475,741,356.98	1001	GF Core	1,476,741,356.99	(1,000,000.01)	737,870.68
P 09334	164,895,933.70	1101	ONREPO	164,898,310.27	(2,376.57)	82,447.97
P 89523	358,363,301.16	4001	STB	358,694,322.70	(331,021.54)	179,181.65
P 09335	399,199,191.92	4000	BPIP#1	403,182,491.94	(3,983,300.02)	199,599.60
P 09339	681,259,998.29	4002	BPIP#2	681,259,998.28	0.01	340,630.00
P 09333	645,230,258.13	4101	LGIP	645,230,258.13	-	322,615.13
<b>Total</b>	<b>4,240,007,964.68</b>			<b>4,484,023,162.81</b>	<b>(244,015,198.13)</b>	<b>2,120,003.98</b>

Position Reconciliation

JPM		QED				
Account	Position Size	Fund #	Name	Position Size	Difference	BPS Dollar Thresold *
P 09336	515,310,296.50	1000	GF Liquidity	754,008,796.50	(238,698,500.00)	257,655.15
P 09337	1,436,381,924.37	1001	GF Core	1,437,381,924.37	(1,000,000.00)	718,190.96
P 09334	164,895,933.70	1101	ONREPO	164,898,310.27	(2,376.57)	82,447.97
P 89523	357,960,143.01	4001	STB	357,960,143.01	-	178,980.07
P 09335	391,580,481.21	4000	BPIP#1	395,563,781.21	(3,983,300.00)	195,790.24
P 09339	668,950,620.95	4002	BPIP#2	668,950,620.95	-	334,475.31
P 09333	643,984,617.10	4101	LGIP	643,984,617.10	-	321,992.31
<b>Total</b>	<b>4,179,064,016.84</b>			<b>4,422,748,193.41</b>	<b>(243,684,176.57)</b>	<b>2,089,532.01</b>

\*Basis Point (BPS)Dollar Threshold

JPM Market Value x 5 BPS

JPM Cost x 5 BPS

JPM Postion Size x 5 BPS

0.0005

JP Morgan to QED Income Reconciliation  
May-14

W/P Ref  
504

JPM Account	QED Fund #	Name	QED Earned Interest	JPM Earned Interest	Difference	BPS Dollar Threshold *
P 09336	1000	GF Liquidity	43,196.30	33,200.12	(9,996.18)	25,765.51
P 09337	1001	GF Core	2,090,854.75	2,086,371.75	(4,483.00)	73,400.83
P 09334	1101	ONREPO	4,811.61	4,811.65	0.04	8,244.80
P 89523	4001	STB	91,219.70	94,087.72	2,868.02	17,910.91
P 09335	4000	BPIP#1	449,663.42	450,003.44	340.02	19,812.55
P 09339	4002	BPIP#2	780,969.24	781,461.95	492.71	33,876.66
P 09333	4101	LGIP	240,074.00	239,247.30	(826.70)	32,225.59
<b>Total</b>			<b>3,700,789.02</b>	<b>3,689,183.93</b>	<b>(11,605.09)</b>	<b>211,236.85</b>

JP Morgan to QED Amortization/Accretion Reconciliation

JPM Account	QED Fund #	Name	QED Amortization/Accretion	JPM Amortization/Accretion	Difference
P 09336	1000	GF Liquidity	(773.56)	(790.95)	(17.39)
P 09337	1001	GF Core	(956,750.66)	(972,324.62)	(15,573.96)
P 09334	1101	ONREPO	-	-	-
P 89523	4001	STB	(75,088.82)	(75,098.58)	(9.76)
P 09335	4000	BPIP#1	(307,342.22)	(305,071.84)	2,270.38
P 09339	4002	BPIP#2	(516,364.78)	(519,031.69)	(2,666.91)
P 09333	4101	LGIP	(152,069.80)	(154,418.28)	(2,348.48)
<b>Total</b>			<b>(2,008,389.84)</b>	<b>(2,026,735.96)</b>	<b>(18,346.12)</b>

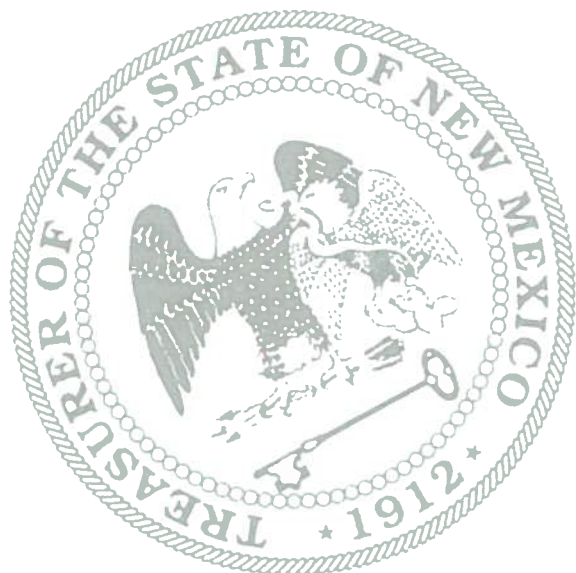
BPS Dollar Threshold \*

JP Morgan Market Value x .5 Basis Points (BPS)

0.005%

**Note:** QED uses multiple methods (referenced below) to compute amortization/accretion where the configuration is matched with an asset type. JP Morgan uses, but is not limited to, the pro rata, straight line, and level yield methods for amortization/accretion. Therefore, the (18,346.12) difference stems from the accounting method JP Morgan uses to compute amortization/accretion vs. QED.

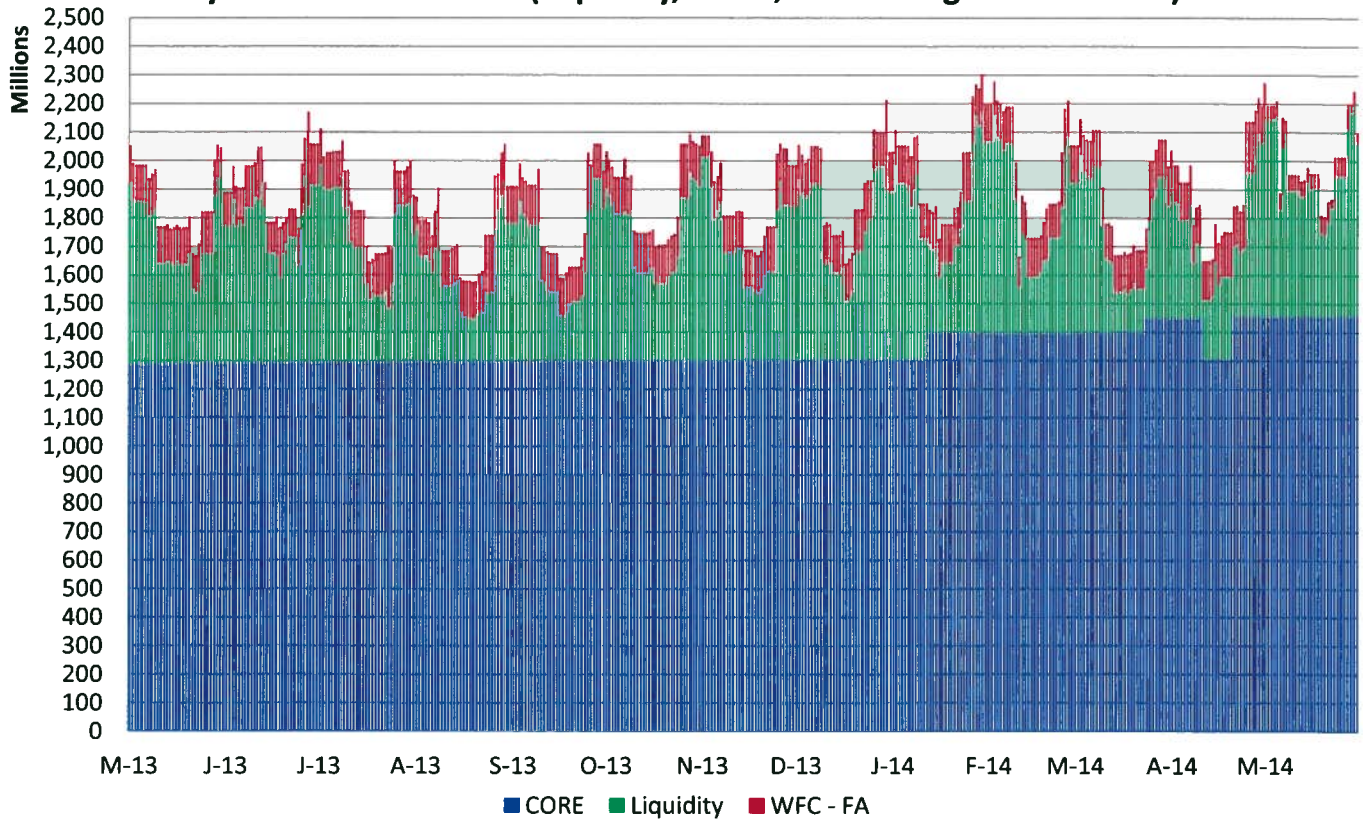
- 0 No Amortization (System Config Table Default)
- 1 Straight Line
- 2 Scientific, Simple Approximation
- 3 Constant Yield, Iterative with PSI effect
- 4 Level Yield, Smoothed
- 5 Cash Basis, Premium Offset by interest-rcvd
- 6 Sum of Years Digits
- 7 Straight Line Prem, Disc=Interest
- 8 Mod'd Cash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



## 7. Cash Projection

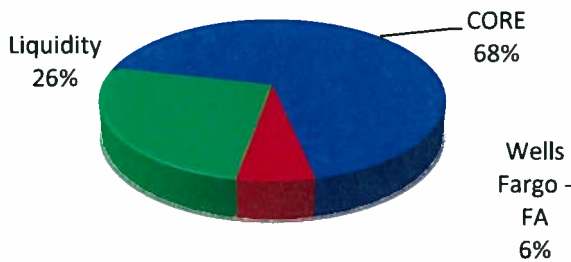


## 1 year - Cash Balances (Liquidity, CORE, & Fiscal Agent Accounts)

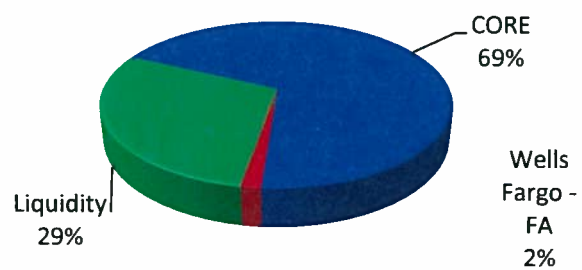


GENERAL FUND	May-13	Apr-14	May-14	Y-o-Y Change	M-o-M Change
Liquidity	489,144,114	619,114,088	615,310,296	126,166,182	(3,803,792)
CORE	1,286,208,584	1,451,167,584	1,452,576,924	166,368,340	1,409,340
Wells Fargo - FA	115,742,406	127,056,717	32,039,217	(83,703,189)	(95,017,501)
	<b>1,891,095,104</b>	<b>2,197,338,389</b>	<b>2,099,926,437</b>	<b>208,831,333</b>	<b>(97,411,952)</b>

General Fund May 31, 2013

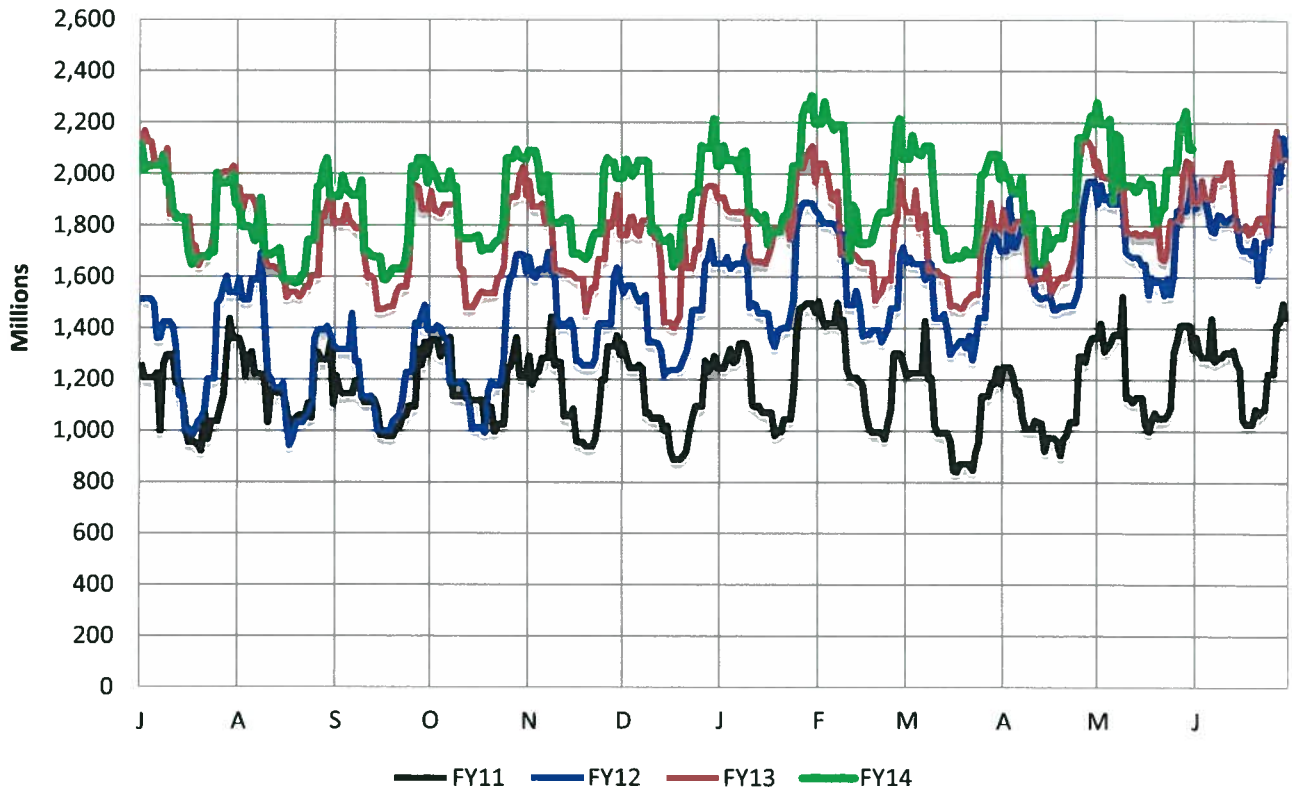


General Fund May 31, 2014

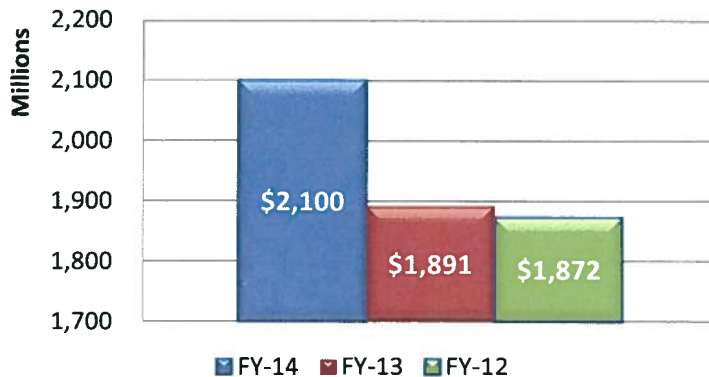




## General Fund Investment Pool Historical Balance



### GFIP May Month-end balances Y-o-Y

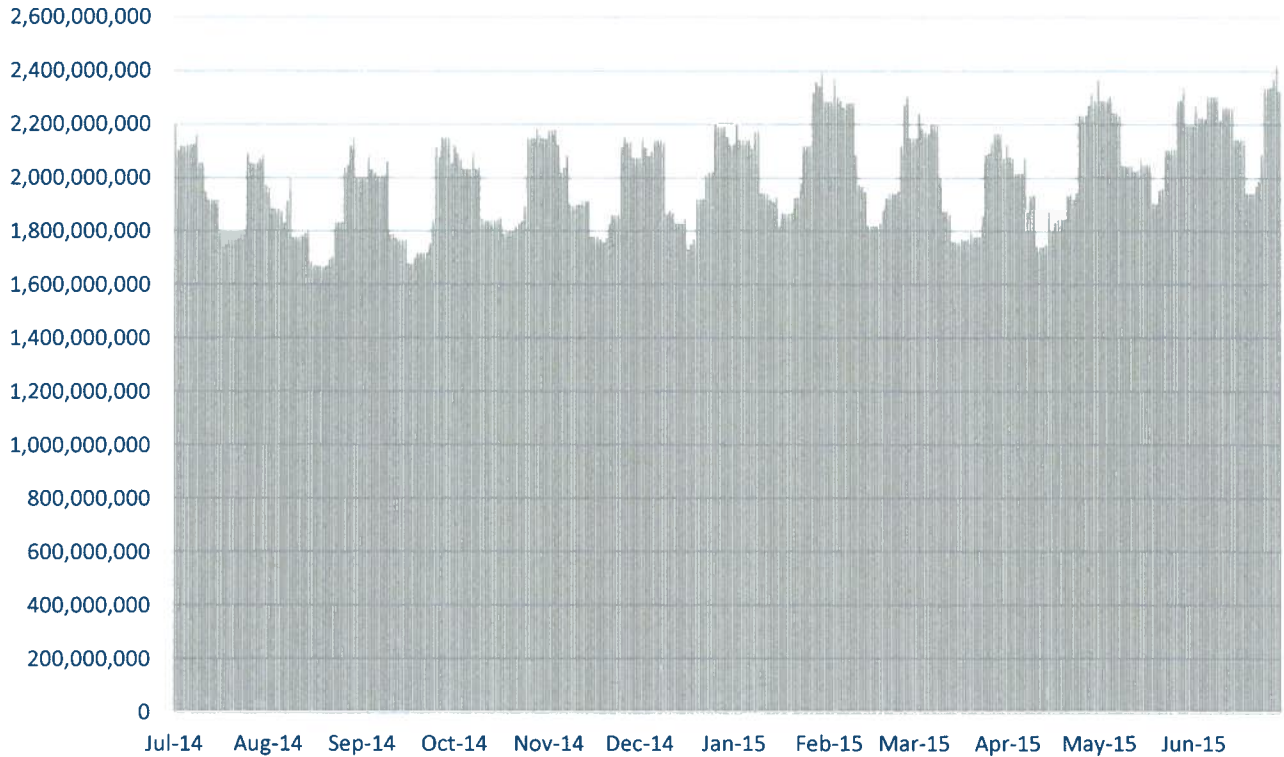


The balance as of May 31, 2014 of the General Fund Investments Pool (GFIP) Y-o-Y has increased 11.0% from May 31, 2013 and 12.2% increase from May 31, 2012 . M-o-M GFIP balances decreased to \$2.100 billion at May 31, 2014 from \$2.194 billion at April 30, 2014 a decrease of \$94.1 million or 4.5%.

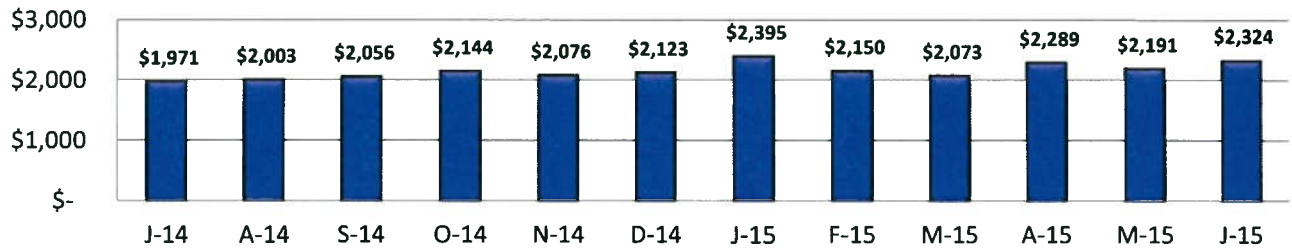




## FY - 15 GFIP Balance Projections



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

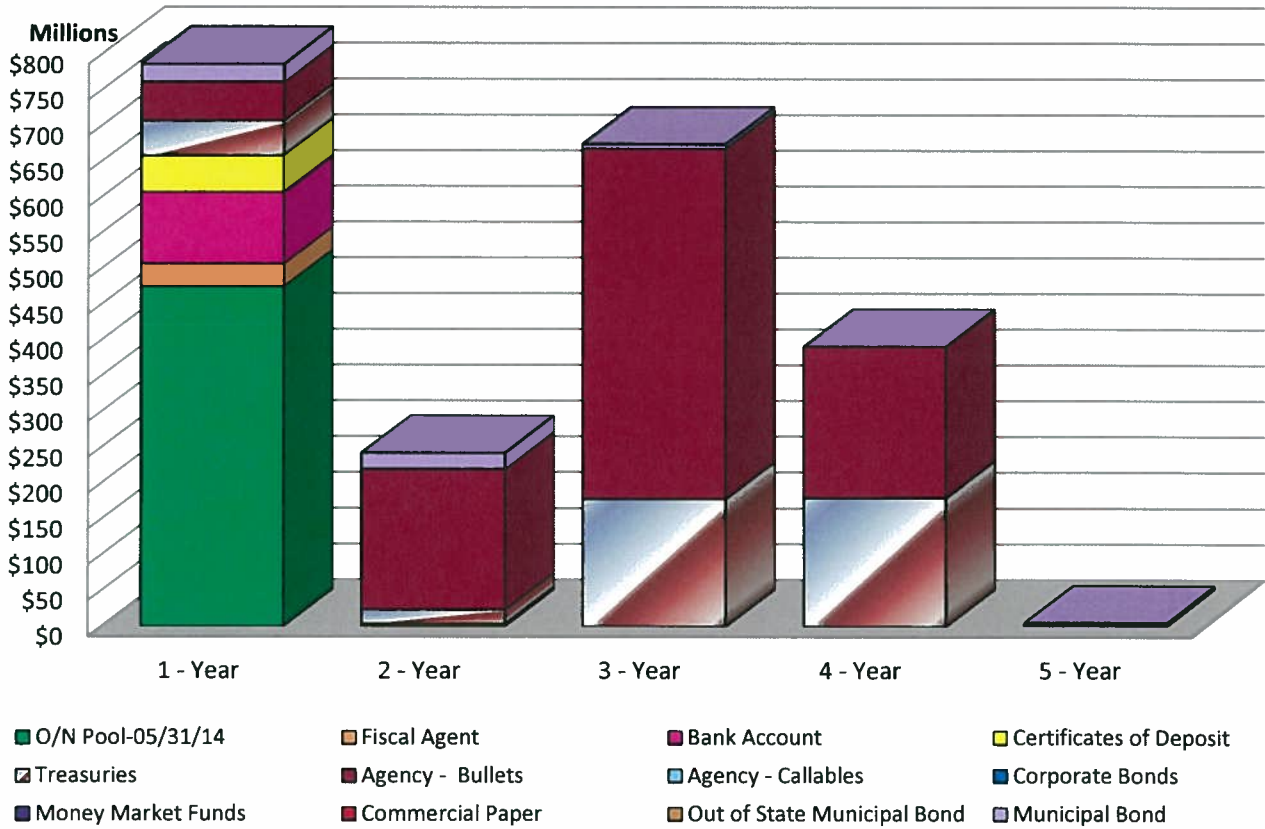


Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14
\$ 1,971	\$ 2,003	\$ 2,056	\$ 2,144	\$ 2,076	\$ 2,123

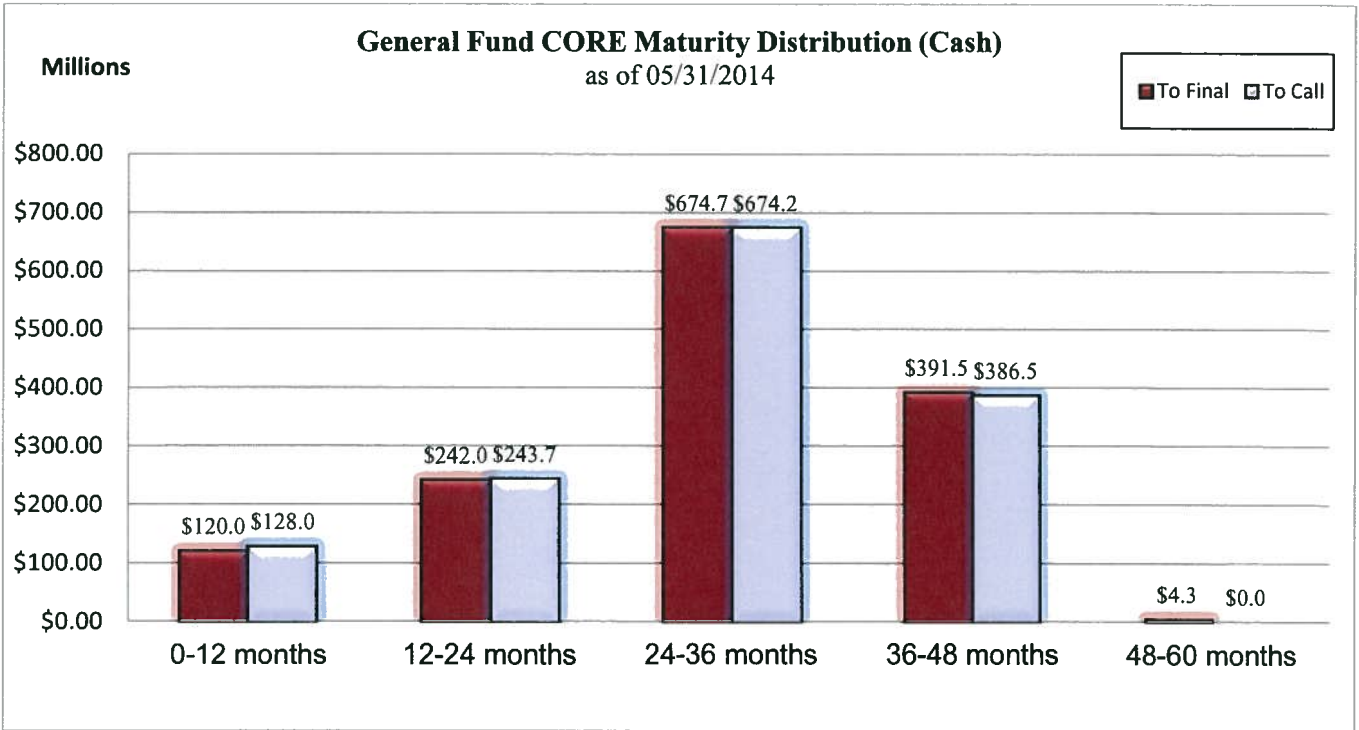
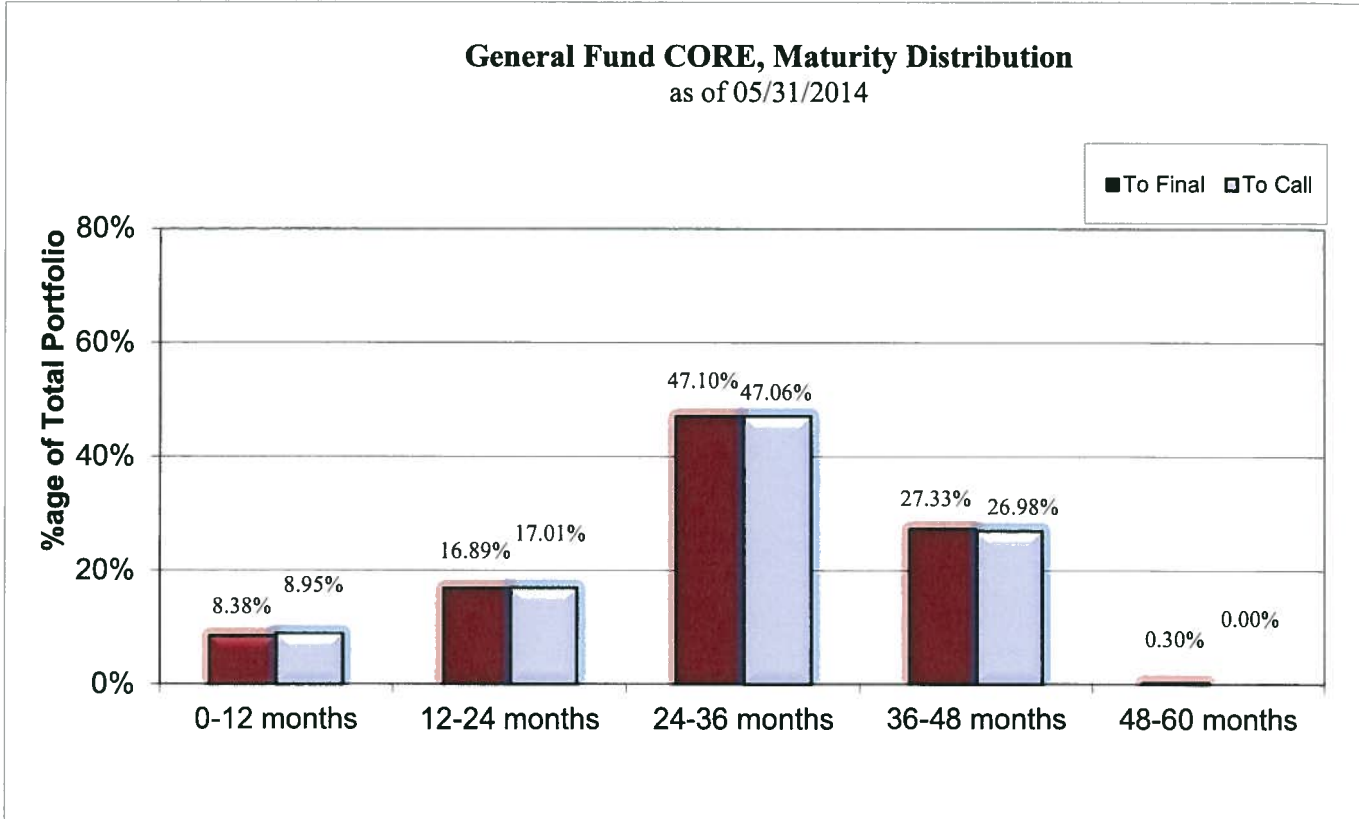
Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15
\$ 2,395	\$ 2,150	\$ 2,073	\$ 2,289	\$ 2,191	\$ 2,324



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



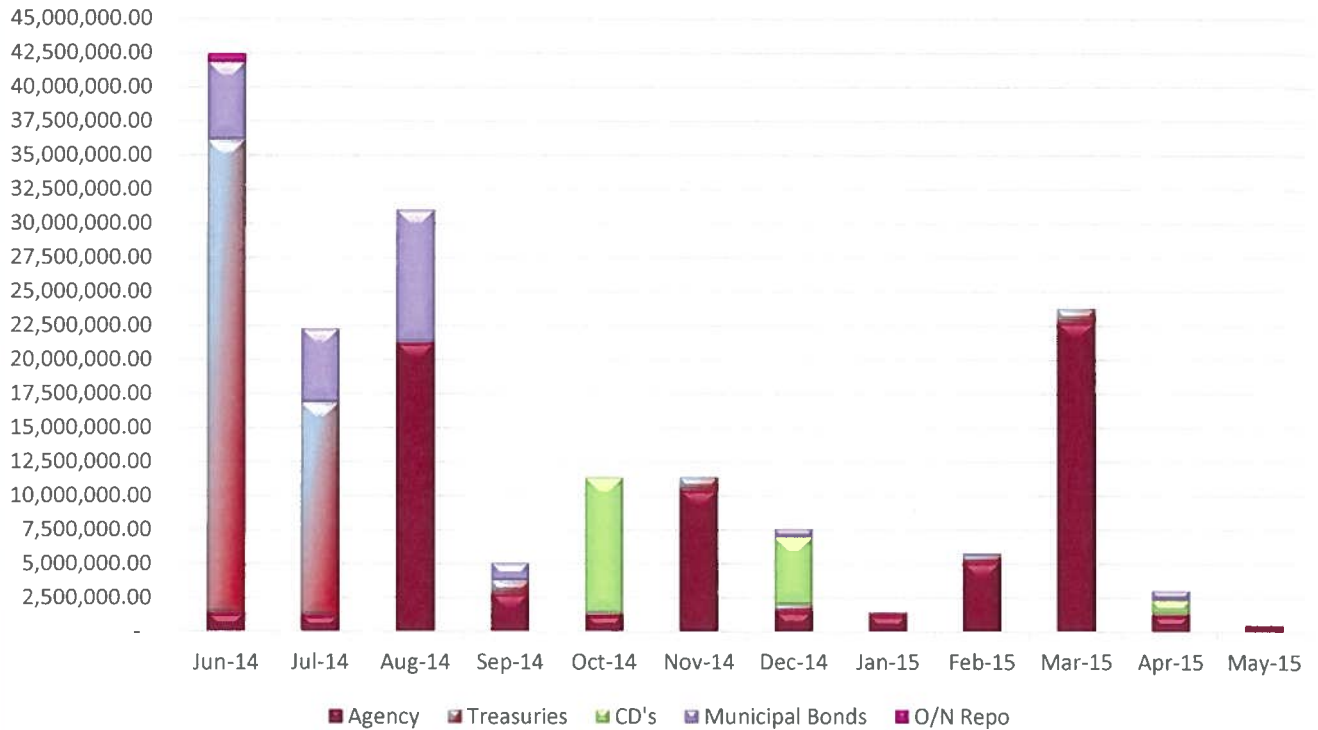
Asset Allocation	1 - Year	2 - Year	3 - Year	4 - Year	5 - Year	Total	%
Agency - Bullets	54,000,000	195,500,000	490,000,000	211,500,000	0	951,000,000	45%
Agency - Callables	0	0	0	0	0	0	0%
Corporate Bonds	0	0	0	0	0	0	0%
Money Market Funds	1,301	0	0	0	0	1,301	0%
Certificates of Deposit	51,250,000	3,500,000	0	0	0	54,750,000	3%
Municipal Bond	25,380,412	22,985,000	5,595,000	0	1,605,000	55,565,412	3%
Out of State Municipal Bond	0	500,000	850,000	0	2,725,000	4,075,000	0%
Commercial Paper	0	0	0	0	0	0	0%
Treasuries	49,000,000	20,000,000	178,500,000	180,000,000	0	427,500,000	20%
Bank Account	100,000,000	0	0	0	0	100,000,000	5%
Fiscal Agent	32,039,217	0	0	0	0	32,039,217	2%
O/N Pool-05/31/14	474,995,507	0	0	0	0	474,995,507	23%
<b>Total:</b>	<b>786,666,437</b>	<b>242,485,000</b>	<b>674,945,000</b>	<b>391,500,000</b>	<b>4,330,000</b>	<b>2,099,926,437</b>	<b>100%</b>
<b>% of Total:</b>	<b>37%</b>	<b>12%</b>	<b>32%</b>	<b>19%</b>	<b>0%</b>		



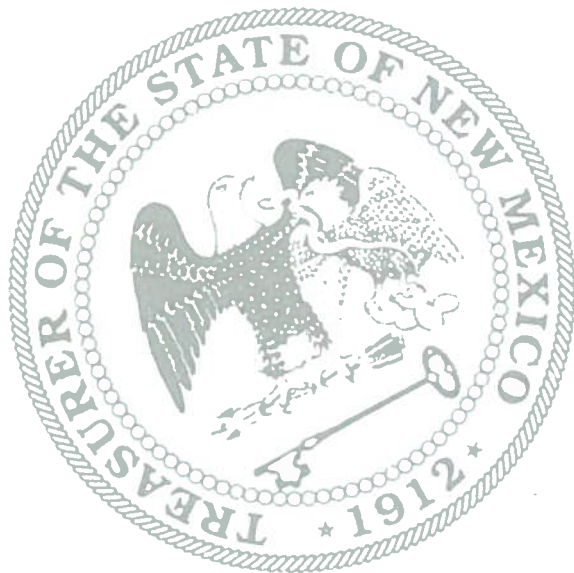




GF CORE Cash Flows Principal & Interest  
by Asset Type



	Agency	Treasuries	CD's	Municipal Bonds	O/N Repo
<b>Jun-14</b>	1,406,563	34,724,375	14,540	5,710,261	600,623
<b>Jul-14</b>	1,250,125	15,609,375	7,386	5,434,663	
<b>Aug-14</b>	21,250,419	62,500	-	9,702,626	
<b>Sep-14</b>	2,798,125	971,563	14,540	1,303,342	
<b>Oct-14</b>	1,275,038	62,500	10,004,978	18,419	
<b>Nov-14</b>	10,446,575	937,500	-	12,259	
<b>Dec-14</b>	1,521,563	446,875	5,004,581	620,370	
<b>Jan-15</b>	1,250,125	-	-	252,239	
<b>Feb-15</b>	5,147,850	475,000	1,232	206,950	
<b>Mar-15</b>	22,798,125	971,563	2,344	18,367	
<b>Apr-15</b>	1,275,038	62,500	1,001,184	715,413	
<b>May-15</b>	409,075	938	-	142,259	
	<b>70,828,619</b>	<b>54,324,688</b>	<b>16,050,783</b>	<b>24,137,168</b>	<b>600,623</b>



## 8. Portfolio Summary- General Fund Investment Pool

## Portfolio Summary – General Fund Investment Pool

### *Summary*

- The General Fund Investment Pool (Bank balances, Liquidity and Core Portfolios) closed the month of May at \$2.2 Billion.

### *Portfolio Mix*

- At month end, 97% of the General Fund CORE portfolio was invested in fixed income securities; 28% in US Government Securities; 69% in Government Related Securities (Municipal Bonds and Agency Securities), and the balance ~3% in Cash.
- 9% of the portfolio was invested in securities that mature in one year; 17% in securities that mature from 1-2 years; 65% in 2-4 years and 9% within 5 years.
- The General Fund Core portfolio held positions in 136 securities at the end of May.
- The Weighted Average Life of the CORE portion of the general fund was 2.48 years. The Weighted Average duration was 2.40 years.
- The benchmark duration for the CORE portfolio was 2.26 years.
- The maximum security term for the CORE portfolio is 5 years.
- The portfolio held positions in 151 securities.

### *Performance*

- For May, the General Fund CORE portfolio outperformed its benchmark performance by one basis point. The general fund increased 0.33% and the benchmark increased 0.32%.
- For the last 3 months, the general fund outperformed its benchmark by twelve basis points or 0.12%. The general fund gained 0.39% while the benchmark rose 0.27%.
- For the last 12-months, the general fund outperformed its benchmark by thirty-one basis points. The general fund gained 1.01% while the benchmark rose 0.70%.

### *Market Value and Investment Earnings*

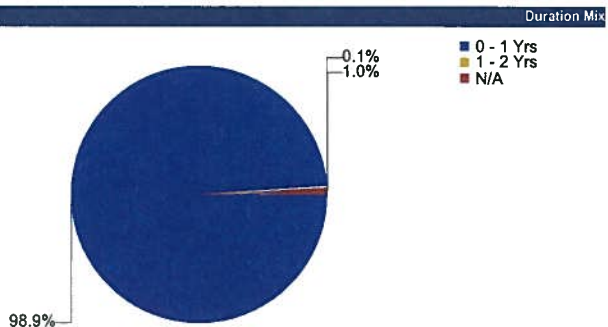
- Unrealized gains in the Core Portfolio at the end of May were \$3.8 million.
- Over the month, the unrealized value of the portfolio increased by \$2.0 million due to an decrease in relative interest rates.
- Monthly Earnings for May on the General Fund Portfolios were \$1.6 million.
- Year-to-date earnings were over \$9.9 million.
- The most recent LFC Consensus Revenue Estimate projected the STO portion of General Fund Investment Pool earnings at \$12.1 Million.
- STO projection of those earnings for FY14 is \$9.4 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.

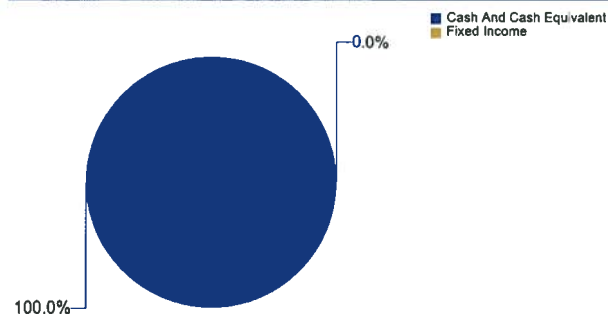
Portfolio Characteristics

**Total Net Assets (Millions)** 515.3  
**Weighted Average Life (Years)** 0.02  
**Weighted Avg. Effective Duration (Years)** 0.02  
**Weighted Average Coupon (%)** 0.12  
**Weighted Average Current Yield (%)** 0.12  
**Weighted Average Yield to Maturity (%)** 0.12  
**Weighted Average Rating** AA  
**Number of Holdings** 41



Asset Mix

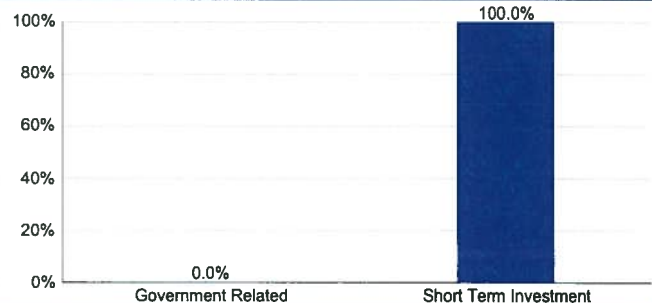
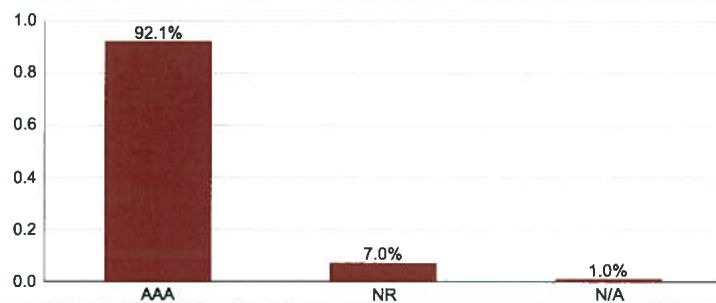
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
99EF00051	REPO MITSUBISHI UFJ SECURITIES (USA),INC	9.63%	0.10	1/8/2014
99EF00059	REPO MITSUBISHI UFJ SECURITIES (USA),INC	8.64%	0.10	1/8/2014
99EF00057	REPO MITSUBISHI UFJ SECURITIES (USA),INC	5.55%	0.10	1/8/2014
99EF00065	REPO MITSUBISHI UFJ SECURITIES (USA),INC	5.55%	0.10	1/8/2014
99EF00067	REPO MITSUBISHI UFJ SECURITIES (USA),INC	5.55%	0.10	1/8/2014
99EF00069	REPO MITSUBISHI UFJ SECURITIES (USA),INC	5.55%	0.10	1/8/2014
99EF00064	REPO MITSUBISHI UFJ SECURITIES (USA),INC	5.55%	0.10	1/8/2014
99EF00061	REPO MITSUBISHI UFJ SECURITIES (USA),INC	3.49%	0.10	1/8/2014
99EF00063	REPO MITSUBISHI UFJ SECURITIES (USA),INC	2.89%	0.10	1/8/2014
99EF00071	REPO MITSUBISHI UFJ SECURITIES (USA),INC	2.89%	0.10	1/8/2014
99EF00075	REPO MITSUBISHI UFJ SECURITIES (USA),INC	2.89%	0.10	1/8/2014
99EF00077	REPO MITSUBISHI UFJ SECURITIES (USA),INC	2.89%	0.10	1/8/2014
99EF00062	REPO MITSUBISHI UFJ SECURITIES (USA),INC	2.89%	0.10	1/8/2014
99EF00066	REPO MITSUBISHI UFJ SECURITIES (USA),INC	2.89%	0.10	1/8/2014
99EF00068	REPO MITSUBISHI UFJ SECURITIES (USA),INC	2.89%	0.10	1/8/2014
99EF00074	REPO MITSUBISHI UFJ SECURITIES (USA),INC	2.89%	0.10	1/8/2014
99EF00076	REPO MITSUBISHI UFJ SECURITIES (USA),INC	2.89%	0.10	1/8/2014
99EF00078	REPO MITSUBISHI UFJ SECURITIES (USA),INC	2.89%	0.10	1/8/2014

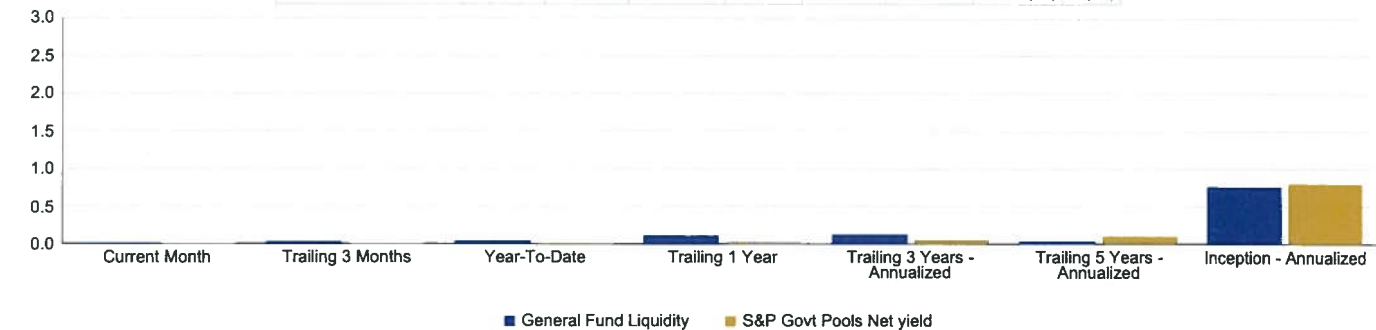
Quality/Rating Weightings

Sector Weightings (as % of Market Value)



Returns Series

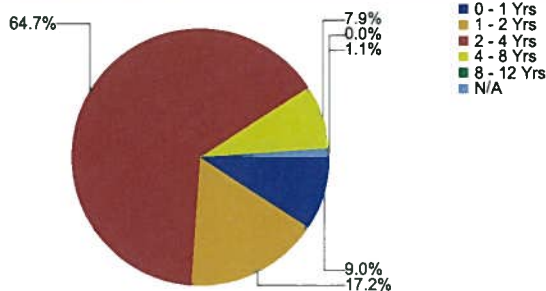
	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
General Fund Liquidity	0.01	0.03	0.04	0.10	0.12	0.03	0.75
S&P Govt Pools Net yield	0.00	0.01	0.01	0.03	0.05	0.10	0.79
Excess	0.00	0.02	0.03	0.08	0.07	(0.07)	(0.04)



Portfolio Characteristics

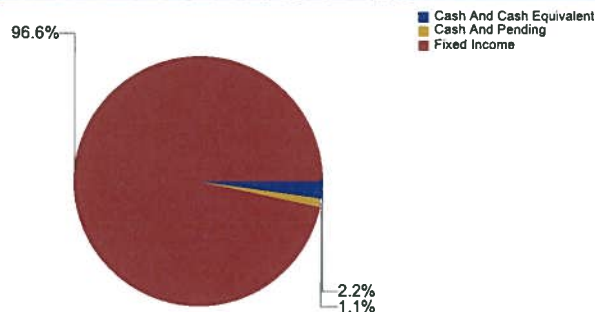
**Total Net Assets (Millions)** 1,490.7  
**Weighted Average Life (Years)** 2.48  
**Weighted Avg. Effective Duration (Years)** 2.40  
**Weighted Average Coupon (%)** 1.78  
**Weighted Average Current Yield (%)** 0.69  
**Weighted Average Yield to Maturity (%)** 0.69  
**Weighted Average Rating** AA-  
**Number of Holdings** 151

Duration Mix



Asset Mix

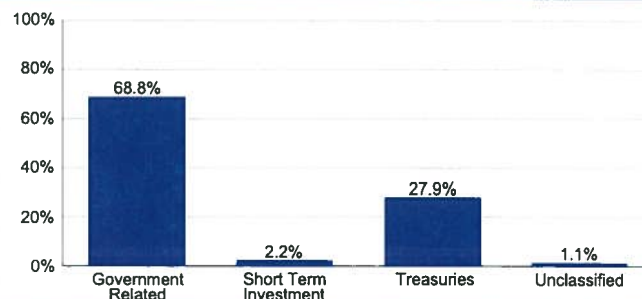
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
31359MH89	FEDERAL NATIONAL MORTGAGE ASSOC 5% BDS 15/MAR/2016	4.45%	5.00	15/3/2016
31359GOLN1	FEDERAL NATIONAL MORTGAGE ASSOC 0.5% NTS	4.09%	0.50	2/7/2015
3137EACW7	FEDERAL HOME LOAN MORTGAGE CORP 2% BDS 25/AUG/2016	2.83%	2.00	25/8/2016
31359G0Y3	FEDERAL NATIONAL MORTGAGE ASSOC 1.25% MTG BDS	2.77%	1.25	30/1/2017
912826C65	UNITED STATES OF AMERICA NOTES FIXED 1.825%	2.74%	1.82	31/3/2019
3137EADC0	FEDERAL HOME LOAN MORTGAGE CORP 1% BDS 06/MAR/2017	2.74%	1.00	8/3/2017
31359M2D4	FEDERAL NATIONAL MORTGAGE ASSOC 4.875% BDS	2.60%	4.88	15/12/2016
3133834R9	FEDERAL HOME LOAN BANKS 0.375% BDS 24/JUN/2016	2.54%	0.38	24/6/2016
31359G0B0	FEDERAL NATIONAL MORTGAGE ASSOC 2.375% NTS	2.50%	2.38	11/4/2016
9128265J0	UNITED STATES 0.875% 02/17	2.29%	0.88	28/2/2017

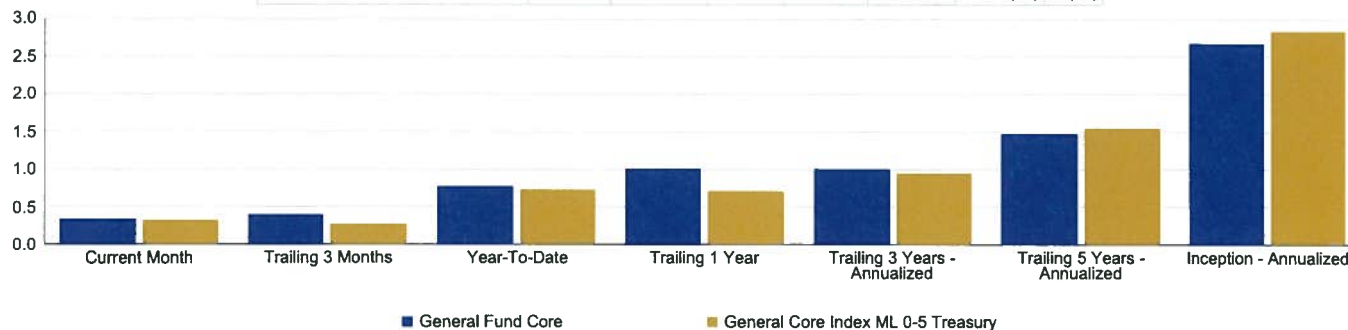
Quality/Rating Weightings

Sector Weightings (as % of Market Value)



Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
General Fund Core	0.33	0.39	0.77	1.01	1.00	1.47	2.67
General Core Index ML 0-5 Treasury	0.32	0.27	0.73	0.70	0.94	1.54	2.84
Excess	0.01	0.12	0.04	0.30	0.06	(0.07)	(0.17)



**STATE OF NEW MEXICO**  
**GENERAL FUND (1000)**  
**Portfolio Classification Summary**  
**Positions Held as of 5/31/14 (TRADE Basis)**

AMTZ ADDED: NO

ASSET CLASSIFICATION	ITEMS	YIELD	AVG-TERM	PRINCIPAL	COST-BASIS	MARKET-VALUE	GAIN/LOSS	%MARKET
REPURCHASE AGREEMENTS (O/N)	1	.1014	.00550	474,394,884	474,394,884	474,394,884		77.097
CERTIFICATES OF DEPOSIT	10	.3681	.33083	35,750,000	35,750,000	35,750,000		5.810
MUNI US 30/360 2X	2	.2115	.08010	3,425,000	3,425,000	3,425,000		.557
MUNICIPAL BOND REVENUE	3	.2079	.07429	140,463,912	140,463,912	140,463,912		22.828
CASH ACCOUNT	2			-38,712,323	-38,712,323	-38,712,323		-6.291
	<u>18</u>	<u>.1482</u>	<u>.03845</u>	<u>615,321,473</u>	<u>615,321,473</u>	<u>615,321,473</u>		<u>100.000</u>

**STATE OF NEW MEXICO  
TREASURERS OFFICE**

Position holdings as of 5/31/14 (TRADE)  
BOOK VALUES AMORTIZED THROUGH 5/31/14

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
- 138,712,323	(TD)-CASH KEY	CASHCASH				1.00000	- 138712323.00	- 138712323.00	
100,000,000	BANK OF THE WEST	CASHCASH				1.00000	100,000,000.00	100,000,000.00	
							<b>-38,712,323.00</b>	<b>-38,712,323.00</b>	

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

474,394,884	OVERNIGHT REPO	0602RP	.100	6/02/14	.100	100.00000	474,394,884.09	474,394,884.09	
10,000,000	SOUTHWEST CAPTIAL BANK	1623135	.250	6/17/14	.250	100.00000	10,000,000.00	10,000,000.00	
3,000,000	CENTURY BANK SANTA FE	17099251	.270	6/18/14	.270	100.00000	3,000,000.00	3,000,000.00	
70,339,000	STN SERIES 2014 SA	STN2014S	.200	6/27/14	.200	100.00000	70,339,000.00	70,339,000.00	
65,159,500	SSTN SERIES 2014 SB	SSTN2014	.200	6/27/14	.200	100.00000	65,159,500.00	65,159,500.00	
4,965,412	STN SERIES 2013S-C	STN2013S	.350	6/30/14	.349	100.00001	4,965,412.41	4,965,412.41	
3,225,000	CITY OF ABQ GO NOTE	ABQ2014C	.200	7/01/14	.200	100.00000	3,225,000.00	3,225,000.00	
2,000,000	UNION SAVINGS BANK	00015400	.400	7/08/14	.400	100.00000	2,000,000.00	2,000,000.00	
2,000,000	UNION SAVINGS BANK	00156000	.600	8/27/14	.600	100.00000	2,000,000.00	2,000,000.00	
2,000,000	Bank 34	01010047	.550	8/28/14	.550	100.00000	2,000,000.00	2,000,000.00	
8,000,000	CENTURY BANK SANTA FE	17099245	.400	9/29/14	.400	100.00000	8,000,000.00	8,000,000.00	
							<b>645,083,796</b>	<b>645,083,796.50</b>	<b>645,083,796.50</b>

====> 0011 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ==== 2014 <====

5,000,000	CENTURY BANK SANTA FE	17099253	.370	3/18/15	.370	100.00000	5,000,000.00	5,000,000.00	
250,000	GUADALUPE CREDIT UNION	735605	1.000	3/26/15	1.000	100.00000	250,000.00	250,000.00	
3,000,000	FARMERS & STOCKMEN'S BANK	8521510	.400	4/23/15	.400	100.00000	3,000,000.00	3,000,000.00	
500,000	WESTERN BANK CLOVIS	0.515981	.500	6/03/15	.500	100.00000	500,000.00	500,000.00	
							<b>8,750,000</b>	<b>8,750,000.00</b>	<b>8,750,000.00</b>

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

200,000	GALLUP N MEX JT UTIL REV JT UTIL	364046EA	5.000	6/01/17	.350	100.00000	200,000.00	200,000.00	
							<b>200,000</b>	<b>200,000.00</b>	<b>200,000.00</b>

====> 0001 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ==== 2017 <====

**STATE OF NEW MEXICO**

**TREASURERS OFFICE**

Position holdings as of 5/31/14 (TRADE)

BOOK VALUES AMORTIZED THROUGH 5/31/14

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
<u>615,321,473</u>							<u>615,321,473.50</u>	<u>615,321,473.50</u>	

====> 0018 ITEMS IN SUBTOTAL FOR ====> FUND NAME..... ====> GENERAL FUND <====



**STATE OF NEW MEXICO**  
**GENERAL FUND CORE (1001)**  
Portfolio Classification Summary  
Positions Held as of 5/31/14 (TRADE Basis)

AMTZ ADDED: NO

ASSET CLASSIFICATION	ITEMS	YIELD	AVG-TERM	PRINCIPAL	COST-BASIS	MARKET-VALUE	GAIN/LOSS	%MARKET
REPURCHASE AGREEMENTS (O/N)	1	.1014	.00550	600,623	600,623	600,623		.040
CERTIFICATES OF DEPOSIT	5	.4579	.63791	19,000,000	19,000,000	19,000,000		1.280
US TREASURY NOTE ACT/ACT 2X	19	1.0619	2.97592	407,500,000	411,701,320	414,045,140	2,343,820	27.889
AGENCY US BOND 30/360 2X	10	.7865	2.44081	138,000,000	138,958,468	139,308,525	350,057	9.383
AGENCY 30/360 2X	4	.9630	2.47688	89,000,000	88,943,807	89,628,560	684,753	6.037
AGENCY US NOTES 30/360 2X	22	.9957	2.66008	544,000,000	561,850,424	565,378,375	3,527,951	38.082
FED NATL MORTGAGE ASSN DEBS	7	.7125	1.72231	180,000,000	180,184,553	180,848,550	663,997	12.182
MUNI US 30/360 2X	69	.5337	.88110	54,005,000	54,967,838	54,990,837	22,999	3.704
MUNICIPAL BOND REVENUE	11	.3721	.35573	4,425,000	4,453,358	4,454,481	1,123	.300
MUNICIPAL BOND REVENUE ZERO CPN	2	.1367	.95889	850,000	760,185	759,796	-389	.051
UNITS - INVESTMENT POOL 1	1			1,301	1,301	1,301		
CASH ACCOUNT	1			15,600,018	15,600,018	15,600,018		1.051
	<u>152</u>	<u>.9206</u>	<u>2.49701</u>	<u>1,452,981,942</u>	<u>1,477,021,895</u>	<u>1,484,616,206</u>	<u>7,594,311</u>	<u>100.000</u>

**STATE OF NEW MEXICO  
TREASURERS OFFICE**

Position holdings as of 5/31/14 (TRADE)  
BOOK VALUES AMORTIZED THROUGH 5/31/14

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
15,600,018	(TD)-CASH KEY	CASHCASH				1.00000	15,600,018.30	15,600,018.00	- .30
1,301	UNITS - INVESTMENT POOL 1	UNITS001				1.00026	1,301.34	1,301.00	- .34
<b>15,601,319</b>							<b>15,601,319.64</b>	<b>15,601,319.00</b>	<b>- .64</b>

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

3,060,000	NEW MEXICO FIN AUTH REV	64711NNW	3.000	6/01/14	1.470	100.00000	3,060,000.00	3,060,000.00	
3,615,000	NEW MEXICO FIN AUTH REV	64711NPB	2.000	6/01/14	.450	100.00000	3,615,000.00	3,615,000.00	
770,000	NEW MEXICO FIN AUTH REV	64711NPX	2.000	6/01/14	1.000	100.00000	770,000.00	770,000.00	
165,000	UNIVERSITY OF NM-REFUNDING	914692Q6	3.000	6/01/14	.480	100.00000	165,000.00	165,000.00	
330,000	UNIVERSITY OF NM-REFUNDING	914692N3	2.000	6/01/14	.480	100.00000	330,000.00	330,000.00	
250,000	MC KINLEY CNTY N MEX GROSS RCP R	581615CZ	4.500	6/01/14	.351	100.00000	250,000.00	250,000.00	
395,000	NEW MEXICO MILITARY INST AT ROSW	647183BT	.456	6/01/14	.456	100.00000	395,000.00	395,000.00	
600,623	OVERNIGHT REPO	0602RP	.100	6/02/14	.100	100.00000	600,623.03	600,623.03	
14,000,000	UNITED STATES TREASURY NOTES	912828QS	.750	6/15/14	.771	99.99909	13,999,871.97	14,002,660.00	2,788.03
200,000	ALBUQUERQUE N MEX ARPT REV SUB L	013538KJ	5.000	7/01/14	.400	100.38251	200,765.02	200,768.00	2.98
500,000	ALBUQUERQUE BERNALILLO CNTY	013493DH	4.000	7/01/14	.220	100.31462	501,573.09	501,550.00	- 23.09
135,000	ALBUQUERQUE N MEX GROSS RCPTS LO	01354MDQ	4.900	7/01/14	.202	100.39110	135,527.99	135,452.25	- 75.74
15,000,000	UNITED STATES TREAS NTS	912828LC	2.625	7/31/14	1.513	100.18158	15,027,237.20	15,062,700.00	35,462.80
2,175,000	BELEN N MEX CONS SCH DIST NO 2 G	077581NT	2.000	8/01/14	.351	100.27435	2,180,967.02	2,181,024.75	57.73
1,310,000	ARTESIA N MEX SPL HOSP DIST GO B	04310KAW	3.000	8/01/14	.401	100.43217	1,315,661.39	1,315,593.70	- 67.69
120,000	BELEN N MEX CONS SCH DIST NO 2 G	077581NM	2.500	8/01/14	.400	100.34920	120,419.04	120,398.40	- 20.64
250,000	RUIDOSO MUNICIPAL SCHOOL DISTRIC	781338JK	2.000	8/01/14	.203	100.29915	250,747.88	250,692.50	- 55.38
3,785,000	GALLUP N MEX POLLUTION CTL REV R	364070BD	5.000	8/15/14	.400	100.94352	3,820,712.11	3,819,708.45	- 1,003.66
1,750,000	GADSDEN INDEPENDENT SCHOOL DIST	G1SD14R1	.600	8/15/14	.600	100.00000	1,750,000.00	1,750,000.00	
20,000,000	FED NATL MORTGAGE ASSN DEBS	3135G0BY	.875	8/28/14	.451	100.10201	20,020,401.61	20,038,600.00	18,198.39
280,000	TAOS N MEX SCH DIST	87601UAJ	4.000	9/01/14	.170	100.95663	282,678.57	282,604.00	- 74.57
1,000,000	FARMINGTON N MEX MUN SCH DIST NO	311441KU	2.000	9/01/14	.251	100.42700	1,004,270.00	1,004,390.00	120.00
10,000,000	FIRST NATIONAL BANK SANTA FE	01033690	.550	10/15/14	.550	100.00000	10,000,000.00	10,000,000.00	
10,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EACY	.750	11/25/14	.761	99.99466	9,999,466.12	10,031,500.00	32,033.88
5,000,000	CENTURY BANK SANTA FE	17099243	.350	12/15/14	.350	100.00000	5,000,000.00	5,000,000.00	
500,000	NEW MEXICO FIN AUTH ST TRANSN RE	64711REK	4.000	12/15/14	.181	102.05611	510,280.53	510,230.00	- 50.53
<b>95,190,623</b>							<b>95,306,202.57</b>	<b>95,393,495.08</b>	<b>87,292.51</b>

====> 0026 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ==== 2014 <====

**STATE OF NEW MEXICO  
TREASURERS OFFICE**

Position holdings as of 5/31/14 (TRADE)  
BOOK VALUES AMORTIZED THROUGH 5/31/14

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
4,000,000	FEDERAL HOME LOAN BANK	313381YP	.250	2/20/15	.293	99.96898	3,998,759.02	4,003,160.00	4,400.98
20,000,000	FED NATL MORTGAGE ASSN DEBS	3135GOHG	.375	3/16/15	.534	99.87463	19,974,926.84	20,037,000.00	62,073.16
540,000	NEW MEXICO ST UNIV REVS	647429V6	.800	4/01/15	.800	100.00000	540,000.00	541,296.00	1,296.00
155,000	BERNALILLO CNTY N MEX GROSS RCPT	08527NDX	5.125	4/01/15	.271	104.03743	161,258.02	161,102.35	- 155.67
1,000,000	FARMERS AND STOCKMENS BANK	8521543	.300	4/29/15	.300	100.00000	1,000,000.00	1,000,000.00	
130,000	VILLAGE OF CORRALES NM	22026TAB	2.000	5/01/15	.450	101.41588	131,840.65	132,063.10	222.45
400,000	NEW MEXICO MILITARY INST AT ROSW	647183BU	.751	6/01/15	.751	100.00000	400,000.00	400,944.00	944.00
200,000	SANTA FE N MEX GROSS RCPTS TAX/W	80207RAJ	5.000	6/01/15	.371	104.61653	209,233.06	208,504.00	- 729.06
650,000	UNIVERSITY N MEX UNIV REVS	914692N4	3.000	6/01/15	.200	102.79547	668,170.54	668,024.50	- 146.04
200,000	NEW MEXICO FIN AUTH REV	64711NTU	.950	6/15/15	.950	100.00000	200,000.00	200,562.00	562.00
530,000	NEW MEXICO FIN AUTH REV	64711NVF	2.000	6/15/15	.200	101.81700	539,630.10	539,524.10	- 106.00
1,500,000	ALBUQUERQUE BERNALILLO CNTY WT J	013493ER	5.000	7/01/15	.461	104.89949	1,573,492.36	1,577,610.00	4,117.64
115,000	CITY OF ALBUQUERQUE NM	01354MEW	2.000	7/01/15	.310	101.78400	117,051.60	117,150.50	98.90
200,000	ALBUQUERQUE BERNALILLO CNTY WT	013493BE	4.250	7/01/15	.270	104.30196	208,603.92	208,738.00	134.08
60,000,000	FED NATL MORTGAGE ASSN DEBS	3135GOLN	.500	7/02/15	.504	99.99554	59,997,323.70	60,231,000.00	233,676.30
25,000	SOUTHERN SANDOVAL CNTY N MEX A	843789FH	2.000	8/01/15	.700	101.50720	25,376.80	25,457.75	80.95
500,000	BELEN N MEX CONS SCH DIST NO 2 G	077581NU	2.000	8/01/15	.500	101.74213	508,710.67	509,915.00	1,204.33
250,000	BERNALILLO NM MUNI SCH DIST #1	85279PF8	3.130	8/01/15	.505	103.04898	257,622.45	257,622.45	
500,000	ALBUQUERQUE N MEX MUN SCH DIST S	013595RX	2.000	8/01/15	.450	101.80105	509,005.26	509,915.00	909.74
150,000	TRUTH OR CONSEQUENCES N MEX MU G	898439EE	2.000	8/01/15	.600	101.62437	152,436.55	152,746.50	309.95
125,000	BERNALILLO N MEX MUN SCH DIST GO	085279RU	2.000	8/01/15	.500	101.74238	127,177.98	127,655.00	477.02
200,000	SANDOVAL CNTY N MEX	80004PDN	2.000	8/01/15	.490	101.75404	203,508.08	203,614.00	105.92
225,000	RUIDOSS MUNICIPAL SCHOOL DISTRIC	781338JL	2.000	8/01/15	.301	101.97732	229,448.96	229,461.75	12.79
9,000,000	SANTA FE PUBLIC SCHOOL ETN 2014	SFPS2015	.350	8/01/15	.350	100.00000	9,000,000.00	9,000,000.00	
1,000,000	GADSDEN INDEPENDENT SCHOOL DIST	GISD15R2	.800	8/15/15	.800	100.00000	1,000,000.00	1,000,000.00	
5,025,000	GALLUP N MEX POLLUTION CTL REV	364070BE	5.000	8/15/15	.500	105.40101	5,296,400.97	5,299,515.75	3,114.78
1,000,000	GADSDEN IND SCH DIST EDU TECH GO	GISD2015	.800	8/15/15	.800	100.00000	1,000,000.00	1,000,000.00	
235,000	DONA ANA CNTY N MEX	257579CM	2.000	9/01/15	.470	101.90426	239,475.00	240,031.35	556.35
300,000	LOVINGTON N MEX MUN SCH DIST NO	547473DH	2.000	9/01/15	.351	102.05526	306,165.78	306,348.00	182.22
335,000	TAOS N MEX SCH DIST	87601UAK	4.000	9/01/15	.270	104.65108	350,581.12	350,386.55	- 194.57
250,000	MID PENINSULA REGL OPEN SPACE DI	598024AU		9/01/15		99.36600	248,415.00	248,607.50	192.50
165,000	FARMINGTON N MEX MUN SCH DIST NO	311441KV	2.000	9/01/15	.301	102.10900	168,479.85	168,491.40	11.55
865,000	FARMINGTON N MEX MUN SCH DIST NO	311441LJ	2.000	9/01/15	.301	102.10900	883,242.85	883,303.40	60.55
20,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EACM	1.750	9/10/15	1.001	100.94593	20,189,186.90	20,397,000.00	207,813.10
100,000	AZTEC N MEX MUN SCH DIST NO 002	054879GZ	3.250	10/01/15	.330	103.88110	103,881.10	103,697.00	- 184.10
130,000	GRANTS / CIBOLA CNTY N MEX SCHDI	388240GD	2.000	10/01/15	.360	102.07000	132,691.00	132,957.50	266.50
2,000,000	FARMERS AND STOCKMENS BANK	8521544	.350	10/29/15	.350	100.00000	2,000,000.00	2,000,000.00	
250,000	GOAT HILL PPTYS WASH LEASE REV	38020YAH	5.000	12/01/15	.250	102.37196	255,929.90	255,995.00	65.10
750,000	NEW MEXICO EDL ASSISTANCE FNDTN	647110ET	4.000	12/01/15	.280	105.56418	791,731.32	789,045.00	- 2,686.32
300,000	NEW MEXICO FIN AUTH ST TRANSN RE	64711RDC	5.000	12/15/15	.360	107.11337	321,340.10	321,531.00	190.90
100,000	NEW MEXICO FIN AUTH ST TRANSN RE	64711RHW	5.000	12/15/15	.330	107.16203	107,162.03	107,316.00	153.97
<b>133,400,000</b>							<b>134,128,259.48</b>	<b>134,647,291.45</b>	<b>519,031.97</b>

**STATE OF NEW MEXICO  
TREASURERS OFFICE**

Position holdings as of 5/31/14 (TRADE)  
BOOK VALUES AMORTIZED THROUGH 5/31/14

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
====> 0041 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ==== 2015 <====									
60,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	31359MH8	5.000	3/15/16	.661	107.70271	64,621,624.94	64,994,400.00	372,775.06
580,000	NEW MEXICO ST UNIV REVS	647429V7	1.000	4/01/16	1.000	100.00000	580,000.00	581,148.40	1,148.40
35,500,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0BA	2.375	4/11/16	.793	102.91739	36,535,672.17	36,797,880.00	262,207.83
1,000,000	FARMERS AND STOCKMENS BANK	8521545	.450	4/29/16	.450	100.00000	1,000,000.00	1,000,000.00	
135,000	VILLAGE OF CORRALES NM	22026TAC	2.000	5/01/16	.750	102.37373	138,204.54	138,295.35	90.81
20,000,000	UNITED STATES TREASURY NOTES	912828FF	5.125	5/15/16	.505	108.97012	21,794,023.92	21,854,600.00	60,576.08
20,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EACT	2.500	5/27/16	1.080	102.78593	20,557,186.17	20,829,000.00	271,813.83
100,000	NEW MEXICO MILITARY INST AT ROSW	647183BV	1.182	6/01/16	1.182	100.00000	100,000.00	100,575.00	575.00
160,000	LOS ALAMOS CNTY N MEX INC GROSS	54423TAM	5.750	6/01/16	.535	110.36014	176,576.22	175,350.40	- 1,225.82
205,000	LAS VEGAS N MEX GROSS RCPTS TAX	51778TBN	2.000	6/01/16	.550	102.87974	210,903.46	210,928.60	25.14
100,000	SANTA FE N MEX GROSS RCPTS TAXRE	802072MS	5.000	6/01/16	.500	108.94377	108,943.77	108,203.00	- 740.77
25,000,000	FEDERAL AGRICULTURAL MORTG CORP	31315PB7	.900	6/09/16	.900	100.00000	25,000,000.00	25,300,500.00	300,500.00
100,000	NEW MEXICO FIN AUTH REV	64711NTV	1.250	6/15/16	1.250	100.00000	100,000.00	100,642.00	642.00
7,500,000	FEDERAL FARM CREDIT BANKS	3133EDDP	.520	6/17/16	.520	100.00000	7,500,000.00	7,516,050.00	16,050.00
37,500,000	FEDERAL HOME LOAN BANK	3133834R	.375	6/24/16	.432	99.88271	37,456,016.01	37,439,625.00	- 16,391.01
180,000	NEW MEXICO ST SEVERANCE TAX	647310QA	5.000	7/01/16	.699	108.87878	195,981.81	197,209.80	1,227.99
1,000,000	ALBUQUERQUE BERNALILLO CNTY WT J	013493ES	5.000	7/01/16	.830	108.59377	1,085,937.71	1,093,210.00	7,272.29
500,000	ALBUQUERQUE BERNALILLO CNTY WT J	013493DW	4.000	7/01/16	.830	106.53283	532,664.13	537,140.00	4,475.87
200,000	RUIDOSO N MEX WASTEWATER REV REF	781324AC	2.000	7/01/16	.800	102.47376	204,947.52	204,712.00	- 235.52
200,000	CITY OF ALBUQUERQUE NM	01354MEX	3.000	7/01/16	.560	104.98600	209,972.00	210,726.00	754.00
15,000,000	FANNIE MAE .0375 MAT 7/8/2016	3135G0XP	.375	7/05/16	.486	99.76878	14,965,316.49	14,973,750.00	8,433.51
20,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	31359MS6	5.375	7/15/16	1.126	108.88412	21,776,824.14	22,067,800.00	290,975.86
16,000,000	FARMER MAC	31315PR8	.770	8/01/16	.810	99.91409	15,986,254.46	16,041,600.00	55,345.54
500,000	BELEN N MEX CONS SCH DIST NO 2 G	077581NV	2.000	8/01/16	.770	102.63739	513,186.97	516,790.00	3,603.03
125,000	TRUTH OR CONSEQUENCES N MEX MU G	898439EF	2.000	8/01/16	1.000	102.13713	127,671.41	128,978.75	1,307.34
225,000	SANDOVAL CNTY N MEX	80004PDP	2.000	8/01/16	.710	102.76819	231,228.42	231,817.50	589.08
2,000,000	SANTA FE PUBLIC SCHOOLS ETN 2014	SFPS2016	.750	8/01/16	.750	100.00000	2,000,000.00	2,000,000.00	
20,000,000	UNITED STATES TREASURY NOTES	912828VR	.625	8/15/16	.620	100.01141	20,002,281.33	20,075,000.00	72,718.67
40,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EACW	2.000	8/25/16	.832	102.57878	41,031,512.92	41,434,800.00	403,287.08
20,000,000	UNITED STATES TREASURY NOTES	912828RF	1.000	8/31/16	.929	100.15618	20,031,236.86	20,239,000.00	207,763.14
20,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0CM	1.250	9/28/16	1.201	100.11209	20,022,417.34	20,343,600.00	321,182.66
600,000	ATLANTA GA URBAN RESIDENTIAL FIN	047856DL		10/01/16	.200	85.29500	511,770.00	511,188.00	- 582.00
30,000,000	FEDERAL HOME LOAN MORTGAGE CORP.	3137EADS	.875	10/14/16	.862	100.03126	30,009,376.83	30,221,100.00	211,723.17
20,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EAAJ	5.125	10/18/16	.553	110.79663	22,159,325.19	22,153,000.00	- 6,325.19
250,000	GOAT HILL PPTYS WASH LEASE REV	38020YAJ	5.250	12/01/16	.251	102.49643	256,241.08	256,302.50	61.42
34,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	31359M2D	4.875	12/15/16	.582	110.80383	37,673,300.99	37,628,140.00	- 45,160.99

**STATE OF NEW MEXICO  
TREASURERS OFFICE**

Position holdings as of 5/31/14 (TRADE)  
BOOK VALUES AMORTIZED THROUGH 5/31/14

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
10,000,000	FEDERAL HOME LOAN BANKS	3133XHJK	4.750	12/16/16	.694	110.19993	11,019,993.02	11,033,300.00	13,306.98
25,000,000	UNITED STATES TREAS NTS	912828RX	.875	12/31/16	.776	100.25262	25,063,154.61	25,166,000.00	102,845.39
<b>483,660,000</b>							<b>501,489,746.43</b>	<b>504,412,362.30</b>	<b>2,922,615.87</b>

====> 0038 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ==== 2016 <====

800,000	INDIANA BD BK REV	45462TAH	5.120	1/15/17	.281	102.97900	823,832.00	823,024.00	- 808.00
25,000,000	FEDERAL AGRICULTURAL MORTGAGE CO	31315PN8	1.100	1/26/17	1.100	100.00000	25,000,000.00	25,240,000.00	240,000.00
40,000,000	FED NATL MORTGAGE ASSN DEBS	3135G0GY	1.250	1/30/17	1.054	100.51241	40,204,963.66	40,601,600.00	396,636.34
20,000,000	UNITED STATES TREAS NTS	912828SC	.875	1/31/17	.846	100.07704	20,015,407.91	20,117,200.00	101,792.09
20,000,000	FEDERAL HOME LOAN BANK	3133786Q	1.000	2/13/17	1.030	99.91880	19,983,760.20	20,129,000.00	145,239.80
20,000,000	FREDDIE MAC	3137EADT	.875	2/22/17	.928	99.85736	19,971,472.16	20,069,200.00	97,727.84
33,500,000	UNITED STATES TREAS NTS	912828SJ	.875	2/28/17	.872	100.00851	33,502,850.68	33,670,180.00	167,329.32
20,000,000	UNITED STATES TREASURY NOTES	912828MS	3.000	2/28/17	.863	105.78835	21,157,669.95	21,256,200.00	98,530.05
40,000,000	FED HOME LOAN MORTGAGE CORP DBS	3137EADC	1.000	3/08/17	1.019	99.94870	39,979,479.53	40,273,600.00	294,120.47
20,000,000	FEDERAL HOME LOAN BANKS	3133782N	.875	3/10/17	.783	100.25206	20,050,411.07	20,070,400.00	19,988.93
20,000,000	UNITED STATES TREASURY NOTES	912828SM	1.000	3/31/17	.905	100.26351	20,052,702.08	20,156,200.00	103,497.92
9,000,000	FARMER MAC	31315PS2	.980	4/10/17	1.015	99.90140	8,991,125.72	9,035,550.00	44,424.28
10,000,000	FED NATL MORTGAGE ASSN DEBS	3135G0JA	1.125	4/27/17	1.049	100.21626	10,021,626.25	10,099,800.00	78,173.75
8,000,000	FARMER MAC	31315PY8	.930	5/01/17	.970	99.88509	7,990,807.52	8,005,680.00	14,872.48
23,000,000	FEDERAL HOME LOAN BANK	3130A1NN	.875	5/24/17	.938	99.81545	22,957,553.04	23,046,460.00	88,906.96
20,000,000	UNITED STATES TREASURY NOTES	912828SY	.625	5/31/17	1.009	98.86973	19,773,945.42	19,893,800.00	119,854.58
30,000,000	FEDERAL HOME LN MTG CORP	3137EADH	1.000	6/29/17	.981	100.05829	30,017,488.47	29,999,100.00	- 18,388.47
20,000,000	UNITED STATES TREASURY NOTES	912828TB	.750	6/30/17	1.028	99.15797	19,831,594.28	19,950,000.00	118,405.72
25,500,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EADJ	1.000	7/28/17	.919	100.25221	25,564,313.42	25,522,695.00	- 41,618.42
20,000,000	UNITED STATES TREASURY NOTES	912828NR	2.375	7/31/17	1.122	103.88685	20,777,370.61	20,939,000.00	161,629.39
5,000,000	FEDERAL HOME LOAN BANKS	3130AQEQ	1.250	8/14/17	1.351	99.97863	4,998,931.31	5,009,650.00	10,718.69
10,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EAAY	5.500	8/23/17	1.072	114.01083	11,401,082.83	11,422,400.00	21,317.17
30,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EADL	1.000	9/29/17	1.059	99.80590	29,941,771.21	30,025,500.00	83,728.79
25,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0PQ	.875	10/26/17	1.164	99.03884	24,759,709.22	24,878,000.00	118,290.78
20,000,000	UNITED STATES TREASURY NOTES	912828HH	4.250	11/15/17	1.085	110.69970	22,139,940.07	22,217,200.00	77,259.93
20,000,000	UNITED STATES TREASURY NOTES	912828UA	.625	11/30/17	1.075	98.45857	19,691,713.10	19,736,000.00	44,286.90
<b>534,800,000</b>							<b>539,601,521.71</b>	<b>542,187,439.00</b>	<b>2,585,917.29</b>

====> 0026 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ==== 2017 <====

**STATE OF NEW MEXICO  
TREASURERS OFFICE**

Position holdings as of 5/31/14 (TRADE)  
BOOK VALUES AMORTIZED THROUGH 5/31/14

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
20,000,000	UNITED STATES TREASURY NOTES	912828UJ	.875	1/31/18	1.309	98.45070	19,690,140.01	19,854,600.00	164,459.99
15,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EADP	.875	3/07/18	1.454	97.88518	14,682,777.41	14,824,950.00	142,172.59
15,000,000	FED NAT'L MORTGAGE ASSN DEB	3136G1EN	1.100	3/13/18	1.100	100.00000	15,000,000.00	14,866,800.00	- 133,200.00
20,000,000	UNITED STATES TREASURY NOTES	912828UZ	.625	4/30/18	1.422	96.97809	19,395,617.65	19,581,200.00	185,582.35
1,000,000	FEDERAL FARM CREDIT BANKS	3133EATP	1.500	6/11/18	1.604	99.59541	995,954.14	1,000,070.00	4,115.86
15,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0YT	1.625	11/27/18	1.747	99.47528	14,921,291.79	15,108,750.00	187,458.21
20,000,000	UNITED STATES TREASURY NOTES	912828RT	1.375	11/30/18	1.404	99.87532	19,975,064.10	20,001,600.00	26,535.90
<b>106,000,000</b>							<b>104,660,845.10</b>	<b>105,237,970.00</b>	<b>577,124.90</b>

====> 0007 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2018 <====

20,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0ZA	1.875	2/19/19	1.678	100.88928	20,177,855.41	20,338,200.00	160,344.59
20,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EACA	3.750	3/27/19	1.762	109.15000	21,829,999.85	22,083,800.00	253,800.15
40,000,000	UNITED STATES TREASURY NOTES	912828C6	1.625	3/31/19	1.744	99.44873	39,779,490.84	40,272,000.00	492,509.16
520,000	LAKELAND FLA ELEC & WTR REV	511678LT	5.750	10/01/19	.440	100.16186	520,841.65	520,644.80	- 196.85
<b>80,520,000</b>							<b>82,308,187.75</b>	<b>83,214,644.80</b>	<b>906,457.05</b>

====> 0004 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2019 <====

635,000	RIO RANCHO NM EVENT	76717PAJ	5.000	6/01/20	.384	104.60318	664,230.19	661,936.70	- 2,293.49
<b>635,000</b>							<b>664,230.19</b>	<b>661,936.70</b>	<b>- 2,293.49</b>

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

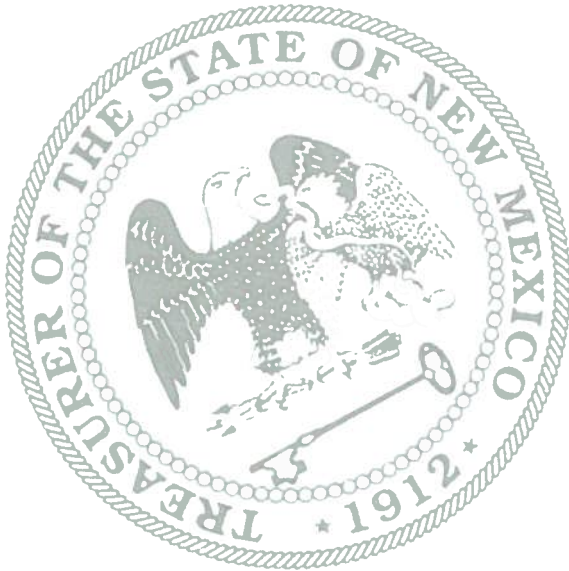
970,000	NEW MEXICO FIN AUTH REV PUB PROJ	64711MZR	5.000	6/01/22	.221	100.00000	970,000.00	970,000.00	
<b>970,000</b>							<b>970,000.00</b>	<b>970,000.00</b>	

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

**STATE OF NEW MEXICO  
TREASURERS OFFICE**

Position holdings as of 5/31/14 (TRADE)  
BOOK VALUES AMORTIZED THROUGH 5/31/14

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
345,000	WILL CNTY ILL SCH DIST NO 122	968852B8	4.500	10/01/24	.370	105.48737	363,931.43	364,382.10	450.67
500,000	JACKSON OHIO LOC SCH DIST STARK	468574EY	5.250	12/01/24	.205	100.00000	500,000.00	500,000.00	
<u>845,000</u>							<u>863,931.43</u>	<u>864,382.10</u>	<u>450.67</u>
====> 0002 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2024 <====									
255,000	CHOCTAW CNTY MISS HOSP REV	170323AR	7.500	8/01/28	.770	114.43109	291,799.29	289,414.80	- 2,384.49
<u>255,000</u>							<u>291,799.29</u>	<u>289,414.80</u>	<u>- 2,384.49</u>
====> 0001 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2028 <====									
355,000	ATLANTA GA ARPT PASSENGER FAC CH 04780TAJ	5.000	1/01/34	.341	102.71267	364,629.99	364,829.95	199.96	
375,000	UNIVERSITY MASS BLDG AUTH FACSRE 914438CC	5.125	11/01/34	.221	102.04090	382,653.38	382,612.50	- 40.88	
<u>730,000</u>						<u>747,283.37</u>	<u>747,442.45</u>	<u>159.08</u>	
====> 0002 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2034 <====									
375,000	GAYLORD MICH HOSP FIN AUTH LTDOB 368177AD	6.500	1/01/37	.290	103.61627	388,561.00	388,503.75	- 57.25	
<u>375,000</u>						<u>388,561.00</u>	<u>388,503.75</u>	<u>- 57.25</u>	
====> 0001 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2037 <====									
<u>1,452,981,942</u>							<u>1477021887.96</u>	<u>1484616201.43</u>	<u>7,594,313.47</u>
====> 0152 ITEMS IN SUBTOTAL FOR ====> FUND NAME..... ====> GENERAL FUND CORE <====									



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



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

### *Summary*

- Ending May market value for the LGIP was \$644mil, higher than the \$640mil 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 \$34,335,048 or 5.4% of the Pool.
- At the end of May the Judicial District Court LGIP participant balance was \$5,938,665 or 0.9% of the Pool.

### *Portfolio Mix*

- At the end of May 2014 the portfolio was invested as follows: 2% in US Treasuries, 32% in US Government Agencies, 47% in collateralized demand deposit accounts with qualified banking institutions, 19% in floating rate securities, and 0% in overnight repurchase agreements.
- At month-end, the LGIP held positions in 51 securities.

### *Investment Earnings*

- In May, the fund earned \$88,004.
- For Fiscal Year 2014, the fund has earned \$850,644.
- 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 0.16% at the end of May.
- Net yield to participants was 0.11%.

### *Investment Highlights*

- For the LGIP, the WAM(R) of 53 days, and WAM (F) of 119 days, were within their maximums of 60 and 120 days respectively.
- The LGIP experienced net subscriptions for the month of May, ~\$4mil.
- Maturities for May totaled \$32.5mil face amount.
- The LGIP purchased \$21.5mil fixed coupon Agencies maturing in 6 months to one year at yields between 0.10% and 0.13%.
- The LGIP purchased \$5mil of a US Government Agency floating rate note that resets its coupon daily vs. the bank prime loan rate minus 310bp, maturing in 22 months.
- LGIP utilized term investments to reduce exposure to lower yielding overnight investments.
- The LGIP continued to keep WAMs close to the maximum allowable 60 days.

### *Investment Strategy*

- LGIP WAMs are currently 50 and 119 days for WAM(R) and WAM (F) respectively.

- The LGIP has experienced net redemptions in June so far, ~ \$79mil.
- Maturities will total \$32.14mil in June.
- For the month of June thus far, interest rates have been flat to higher with the 1, 2, 3 and 5 yr. US Treasury yields up by 0, 9, 10, and 11 bp respectively.
- The LGIP has not had any security purchase or sale activity for the month of June.
- Fiscal year end 2014 LGIP participant redemptions have reduced the market value of the Pool to ~\$565mil.
- With WAMs tight to the maximums allowable to maintain the AAAM rating, the Pool has been monitoring cash flows carefully.
- As WAMs recede and participant activity subsides, the LGIP will invest in securities that are longer dated and attractive vs. overnight collateralized bank deposits and repo.
- It is expected that the LGIP WAMs will remain close to the allowable maximums.
- LGIP will continue to focus on maximizing safety of principal and providing adequate liquidity through the use of conservative investments.

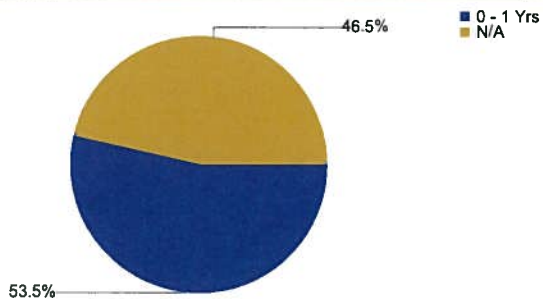
*Net Asset Value/Share*

At month-end, the Net Asset Value per Share of the Local Government Investment Pool was \$0.99989.

Portfolio Characteristics

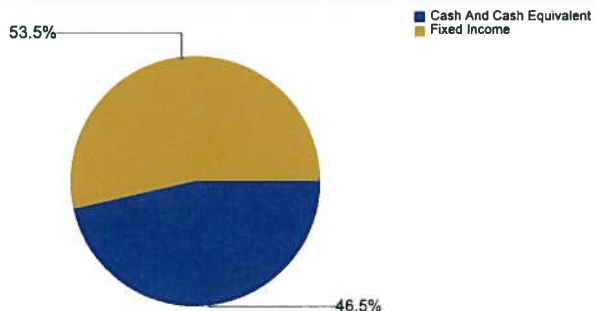
Duration Mix

**Total Net Assets (Millions)** 645.3  
**Weighted Average Life (Years)** 0.32  
**Weighted Avg. Effective Duration (Years)** 0.15  
**Weighted Average Coupon (%)** 0.40  
**Weighted Average Current Yield (%)** 0.09  
**Weighted Average Yield to Maturity (%)** 0.12  
**Weighted Average Rating** AA  
**Number of Holdings** 51



Asset Mix

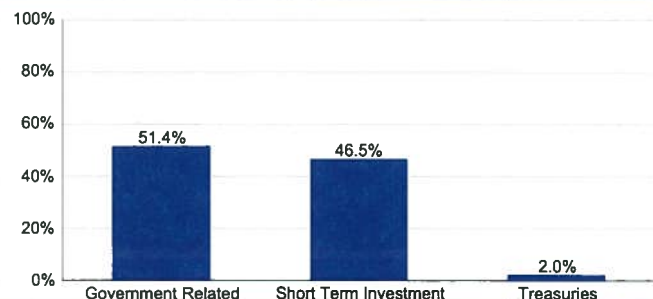
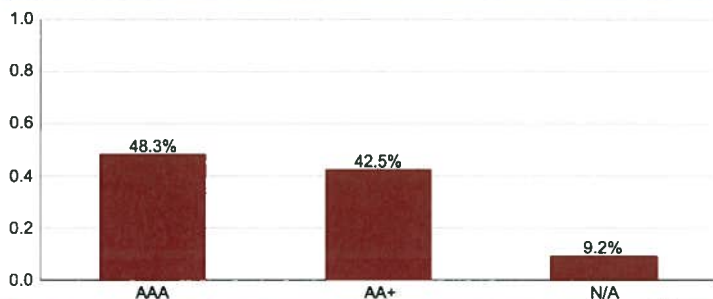
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
89499LC10	BANK OF THE WEST	21.51%	0.00	1/6/2014
894993C02	Wells Fargo Checking	19.97%	0.15	1/6/2014
89499LC36	US BANK	4.87%	0.00	1/6/2014
3135G0FY4	FEDERAL NATL MTG ASSN FR 0.75%19/DEC/2014	3.28%	0.75	19/12/2014
3133EDAW2	FEDERAL FARM FLT 12/15	3.10%	0.20	2/12/2015
31315PH28	FEDERAL AGRICULTURAL MORTGAGE CORP MEDIUM TERM	3.10%	0.16	1/7/2015
31315PV22	FEDERAL AGRICULTURAL MORTGAGE CORP MEDIUM TERM	3.10%	0.11	1/5/2015
3133ED5G3	FEDERAL FARM CREDIT BANK DISCOUNT NOTES VARIABLE	2.33%	0.21	22/10/2015
3135G08Y8	FEDERAL NATIONAL MORTGAGE ASSOC 0.875% BDS	1.95%	0.88	28/8/2014
3133ECVA9	FEDERAL FARM CREDIT BANK BOND VARIABLE 22/JUL/2014	1.94%	0.17	22/7/2014

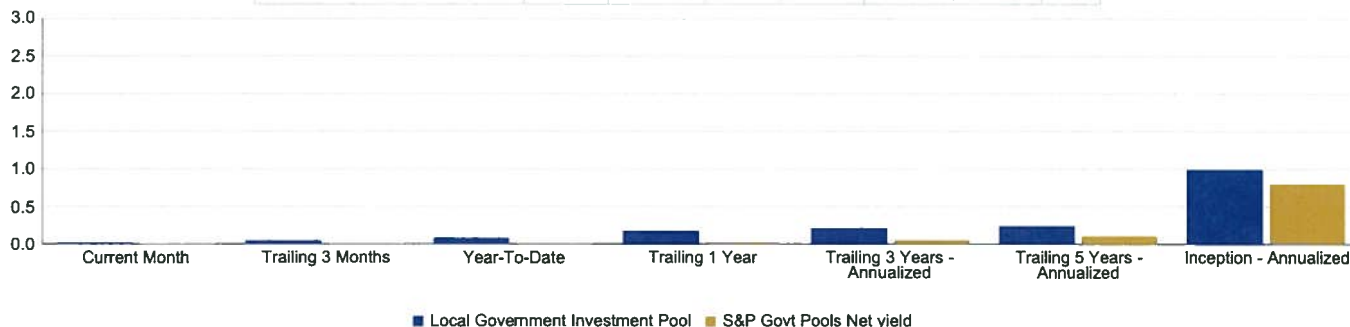
Quality/Rating Weightings

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
Local Government Investment Pool	0.02	0.04	0.06	0.17	0.21	0.24	0.98
S&P Gov Pools Net yield	0.00	0.01	0.01	0.03	0.05	0.10	0.79
Excess	0.02	0.04	0.07	0.14	0.16	0.14	0.19



**STATE OF NEW MEXICO**  
**LGIP FUND (4101)**  
**Portfolio Classification Summary**  
**Positions Held as of 5/31/14 (TRADE Basis)**

AMTZ ADDED: NO

ASSET CLASSIFICATION	ITEMS	YIELD	AVG-TERM	PRINCIPAL	COST-BASIS	MARKET-VALUE	GAIN/LOSS	%MARKET
US TREASURY NOTE ACT/ACT 2X	2	.1746	.44928	13,000,000	13,130,788	13,135,040	4,252	2.038
AGENCY US FLOAT ACT/360 12X	1	.1130	.91780	20,000,000	20,000,000	20,000,200	200	3.103
AGENCY US BOND 30/360 2X	19	.1574	.44513	102,919,000	103,017,271	103,031,126	13,855	15.986
AGENCY US DISC ACT/360 360 DAY	4	.1702	.21591	29,435,000	29,399,581	29,426,355	26,774	4.566
FED HOME LOAN BANKS	1	.0983	.25750	7,645,000	7,645,059	7,645,765	706	1.186
AGENCY US NOTES 30/360 2X	8	.1478	.44991	66,903,000	67,131,732	67,135,149	3,417	10.416
AGENCY US VARIABLE ACT/360 4X	12	.1794	.94406	103,920,000	103,941,423	103,975,309	33,886	16.132
CASH ACCOUNT	4			300,162,617	300,162,617	300,162,617		46.572
	<u>51</u>	<u>.0855</u>	<u>.60072</u>	<u>643,984,617</u>	<u>644,428,471</u>	<u>644,511,561</u>	<u>83,090</u>	<u>100.000</u>

**STATE OF NEW MEXICO  
TREASURERS OFFICE**

Position holdings as of 5/31/14 (TRADE)  
BOOK VALUES AMORTIZED THROUGH 5/31/14

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
128,854,572	WELLS FARGO CASH ACCOUNT	CASHCASH	.100			1.00000	128,854,572.06	128,854,572.00	- .06
2,362,147	WELLS FARGO SAVINGS	CASHCASH	.100			1.00000	2,362,146.79	2,362,147.00	.21
138,821,018	BANK OF THE WEST	CASHCASH	.250			1.00000	138,821,017.89	138,821,018.00	.11
30,124,880	US BANK	CASHCASH	.200			1.00000	30,124,880.36	30,124,880.00	-.36
<b>300,162,617</b>							<b>300,162,617.10</b>	<b>300,162,617.00</b>	<b>- .10</b>

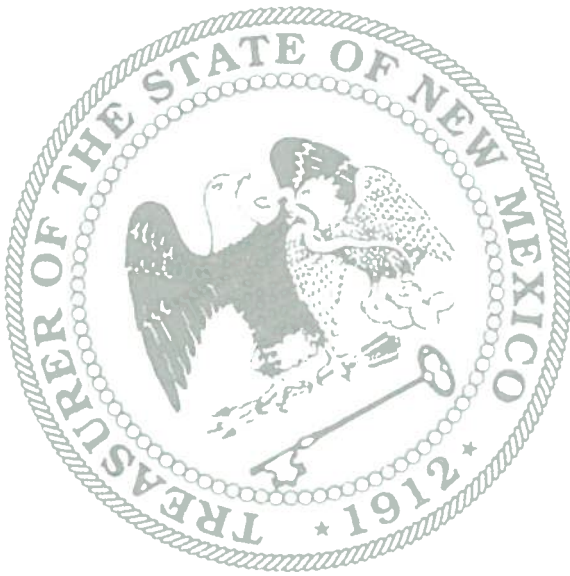
====> 0004 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ==== NO-MEANINGFUL-DATE <====

2,400,000	FEDERAL HOME LOAN MORTGAGE CORPO	313397XT		6/06/14	.135	99.93175	2,398,362.00	2,400,000.00	1,638.00
10,000,000	FEDERAL AGRICULTURAL MORTGAGE CO	31315MAV	6.680	6/10/14	.106	100.16427	10,016,426.76	10,014,300.00	- 2,126.76
2,700,000	FEDERAL FARM CREDIT BANKS	3133EATL	.250	6/11/14	.163	100.00104	2,700,028.05	2,700,081.00	52.95
4,720,000	FEDERAL HOME LOAN BANKS	3133X7FK	5.250	6/18/14	.110	100.24260	4,731,450.77	4,730,856.00	- 594.77
12,320,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0BQ	.360	6/23/14	.170	100.00961	12,321,183.40	12,321,848.00	664.60
9,035,000	FEDERAL NATIONAL MORTGAGE ASSOCI	313586QR		7/05/14	.161	99.88201	9,024,339.55	9,033,735.10	9,395.55
2,750,000	FEDERAL FARM CREDIT BANKS	3133EAW3	.250	7/17/14	.136	100.01459	2,750,401.09	2,750,550.00	148.91
5,374,000	FEDERAL FARM CREDIT BANKS	3133EAYL	.300	7/18/14	.100	100.02611	5,375,403.08	5,375,450.98	47.90
12,500,000	FEDERAL FARM CR BKS	3133ECVA	.170	7/22/14	.174	99.99894	12,499,867.16	12,499,867.16	
9,000,000	FEDERAL HOME LOAN BANKS	313385ZS		7/23/14	.125	99.94340	8,994,906.25	8,999,640.00	4,733.75
5,000,000	FEDERAL HOME LOAN BANKS	313383QG	.190	7/24/14	.146	100.00641	5,000,320.64	5,000,750.00	429.36
12,500,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0BY	.875	8/28/14	.161	100.17242	12,521,551.95	12,524,125.00	2,573.05
7,645,000	FEDERAL HOME LOAN BANKS	3130A0ZR	.100	9/02/14	.097	100.00077	7,645,059.07	7,645,764.50	705.43
2,700,000	FEDERAL HOME LOAN BANKS	313383XP	.125	9/03/14	.170	99.98849	2,699,689.24	2,700,378.00	688.76
10,000,000	FEDERAL HOME LOAN BANKS	3130A03D	.125	9/12/14	.182	99.98388	9,998,387.73	10,001,400.00	3,012.27
5,375,000	FEDERAL HOME LOAN BANKS	3130A02A	.170	9/18/14	.152	100.00534	5,375,286.89	5,376,397.50	1,110.61
4,490,000	FEDERAL FARM CREDIT BANKS	31331GL8	3.000	9/22/14	.160	100.87492	4,529,283.99	4,530,275.30	991.31
10,000,000	FEDERAL HOME LOAN BANKS	3130A04R	.125	9/23/14	.172	99.98529	9,998,529.18	10,001,200.00	2,670.82
10,000,000	UNITED STATES TREASURY NOTES	912828LQ	2.375	9/30/14	.179	100.72526	10,072,526.10	10,075,400.00	2,873.90
1,331,000	FEDERAL FARM CREDIT BANKS	3133ECL7	.200	10/15/14	.177	100.00842	1,331,112.04	1,331,399.30	287.26
10,000,000	FEDERAL FARM CREDIT BANKS	3133ED5P	.160	10/24/14	.175	99.99403	9,999,403.44	10,002,100.00	2,696.56
7,456,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0DW	.625	10/30/14	.165	100.19036	7,470,193.61	7,471,881.28	1,687.67
9,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	31358C7G		11/15/14	.226	99.79971	8,981,973.45	8,992,980.00	11,006.55
3,054,000	FEDERAL FARM CREDIT BANKS	31331KHW	1.625	11/19/14	.172	100.67736	3,074,686.70	3,075,469.62	782.92
2,176,000	FEDERAL NATIONAL MORTGAGE ASSOCI	31398AZV	2.625	11/20/14	.177	101.14803	2,200,981.21	2,201,524.48	543.27
7,925,000	FEDERAL HOME LOAN BANKS	313371PC	.875	12/12/14	.119	100.40098	7,956,777.94	7,955,749.00	- 1,028.94
21,012,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0FY	.750	12/19/14	.158	100.32538	21,080,368.86	21,087,643.20	7,274.34
2,100,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EADA	.625	12/29/14	.100	100.30289	2,106,360.64	2,106,279.00	- 81.64
<b>202,563,000</b>							<b>202,854,860.79</b>	<b>202,907,044.42</b>	<b>52,183.63</b>

====> 0028 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ==== 2014 <====

**STATE OF NEW MEXICO**  
**TREASURERS OFFICE**  
**Position holdings as of 5/31/14 (TRADE)**  
**BOOK VALUES AMORTIZED THROUGH 5/31/14**

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
2,000,000	FEDERAL FARM CREDIT BANKS	3133EAYU	.320	1/20/15	.143	100.07347	2,001,469.39	2,001,800.00	330.61
5,000,000	FARMER MAC	31315PZ5	.200	1/20/15	.200	100.00000	5,000,000.00	5,003,000.00	3,000.00
4,000,000	FEDERAL FARM CREDIT BANKS	3133ECBF	.250	1/26/15	.225	100.01584	4,000,633.59	4,003,600.00	2,966.41
2,500,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EACH	2.875	2/09/15	.158	101.86949	2,546,737.18	2,546,400.00	- 337.18
3,600,000	FEDERAL HOME LOAN BANKS	3130A16W	.125	3/04/15	.172	99.96402	3,598,704.86	3,599,604.00	899.14
7,000,000	FED HOME LN BANK FHLB	3130A1DM	.150	3/12/15	.162	99.99044	6,999,330.70	7,000,560.00	1,229.30
6,000,000	FEDERAL HOME LOAN BANKS	3130A1D3	.130	3/12/15	.152	99.98300	5,998,979.85	5,998,500.00	- 479.85
2,000,000	FEDERAL FARM CREDIT BANKS	3133ECLM	.230	3/16/15	.199	100.02342	2,000,468.35	2,001,760.00	1,291.65
3,000,000	UNITED STATES TREASURY NOTES	912828MW	2.500	3/31/15	.159	101.94205	3,058,261.37	3,059,640.00	1,378.63
9,159,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EADD	.500	4/17/15	.125	100.32879	9,189,113.42	9,182,996.58	- 6,116.84
3,600,000	FEDERAL HOME LOAN BANKS	3130A1QG	.125	4/21/15	.137	99.98940	3,599,618.55	3,599,136.00	- 482.55
7,000,000	FEDERAL FARM CREDIT BANKS	3133EANP	.350	5/01/15	.207	100.12963	7,009,074.08	7,014,280.00	5,205.92
20,000,000	FARMER MAC	31315PV2	.112	5/01/15	.112	100.00000	20,000,000.00	20,000,200.00	200.00
5,000,000	FEDERAL FARM CREDIT BANKS	3133EDKV	.130	5/01/15	.132	99.99810	4,999,905.02	4,998,350.00	- 1,555.02
20,000,000	FARMER MAC FAMCA FLOAT	31315PH2	.130	7/01/15	.160	100.00000	20,000,000.00	20,005,000.00	5,000.00
1,400,000	FEDERAL FARM CREDIT BANKS	3133ECTP	.200	8/03/15	.199	100.00000	1,400,000.00	1,401,022.00	1,022.00
15,000,000	FEDERAL FARM CREDIT BANKS	3133ED5G	.210	10/22/15	.155	100.07581	15,011,372.19	15,013,350.00	1,977.81
20,000,000	FEDERAL FARM CREDIT BANK	3133EDAW	.200	12/02/15	.205	99.99137	19,998,274.22	20,014,800.00	16,525.78
<b>136,259,000</b>							<b>136,411,942.77</b>	<b>136,443,998.58</b>	<b>32,055.81</b>
====> 0018 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2015 <====									
5,000,000	FEDERAL FARM CREDIT BANK	3133EDMK	.140	3/29/16	.150	99.98108	4,999,054.13	4,997,900.00	- 1,154.13
<b>5,000,000</b>							<b>4,999,054.13</b>	<b>4,997,900.00</b>	<b>- 1,154.13</b>
====> 0001 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2016 <====									
<b>643,984,617</b>							<b>644,428,474.79</b>	<b>644,511,560.00</b>	<b>83,085.21</b>
====> 0051 ITEMS IN SUBTOTAL FOR ====> FUND NAME..... ====> LGIP FUND <====									



## 10. 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 \$400mil vs. \$399mil at the end of April.
- The Pool paid out \$8mil for capital spending in May 2014.

### *Portfolio Mix*

- 100% of the Tax-Exempt BPIP portfolio was invested in fixed income securities and 0% in floating rate notes: 56% in Treasuries, 33% in Agency Securities, 6% in NM municipal securities, 1% in NM bank collateralized CDs and the balance, approximately 4%, held in cash equivalents.
- 35% of the portfolio was invested in securities that mature in one year, 42% in securities that mature from 1-2 years, 23% in securities that mature from 2-4 years and 0% in securities out to 5 years.
- The Tax-Exempt BPIP held positions in 51 securities.
- Weighted Average Life of the Tax Exempt BPIP was 1.38 years. The Weighted Average duration was 1.37 years.
- The maximum security term for the BPIP portfolio is 5 years.

### *Investment Earnings*

- Unrealized gains in the Tax-Exempt BPIP Portfolio were \$946,055 as of May 31<sup>st</sup>
- Monthly Earnings on the portfolio for May were \$144,241.
- Earnings for FY2014 were \$1,546,850.
- 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 increased (1.37 yrs.) vs. April (1.30 yrs.) and was shorter than the Benchmark (1.39 yrs.).
- The Tax-Exempt BPIP had maturities of \$19.524mil in the month of May.
- The Pool paid out \$8mil for capital spending in May 2014.
- The Pool sold \$15mil very short maturity US Treasury securities at a gain to meet project withdrawals and raise cash to purchase longer dated securities.
- The Pool purchased \$20mil US Treasury securities maturing in three years at yields between 0.79% and 0.91%.
- The Pool duration lengthened slightly in May as cash balances net of project withdrawals were used to purchase higher yielding longer maturity securities vs. low repo yields.

### *Performance*

- The purchase yield was 0.44% at the end of May, higher than the 0.42% reported for April.
- The Tax-Exempt BPIP returned 0.13% for the month of May and 0.17% for the three months ended May 31, 2014, vs. Index returns of 0.13% and 0.16% respectively. For the trailing 12 mos. the Pool returned 0.53% vs. 0.56% for the benchmark.



- The Tax-Exempt BPIP had a duration similar to the benchmark for the month of May, matching performance as interest rates fell.
- Cash flows (debt service payments, capital project withdrawals, bond sale proceeds) will continue to be the key driver of the portfolio's structure and cash position going forward.

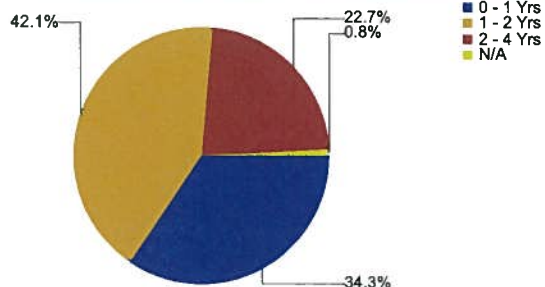
#### *Investment Strategy*

- The option-adjusted duration of the Tax-Exempt BPIP portfolio is currently 1.35 yrs. vs. 1.41 yrs. for the benchmark.
- For the month of June \$0mil maturities are scheduled.
- Capital project withdrawals will total approximately ~\$14mil in June.
- The Tax-Exempt BPIP has sold \$5mil short maturity US Treasury securities, at a gain, to raise cash for the May capital project withdrawals.
- The Pool received ~\$133mil, June 23, to pay debt service due on July 1, 2014.
- The Pool received ~\$162mil from bond proceeds settling on June 24, 2014.
- The Tax-Exempt BPIP has purchased \$105mil US Treasury securities maturing from 1 to 3 years at yields of 0.17% to 0.73%.
- The Pool will continue to purchase 1 to 3 year Treasury and Agency securities as maturities and cash flows allow.
- The Tax-Exempt BPIP has maintained duration shorter than that of the benchmark in order to provide adequate liquidity for project withdrawals while minimizing overnight cash positions.
- Project withdrawals will have the effect of lengthening duration and as they have had a high degree of variability month-to-month, cash flow management will dominate portfolio decisions.

Portfolio Characteristics

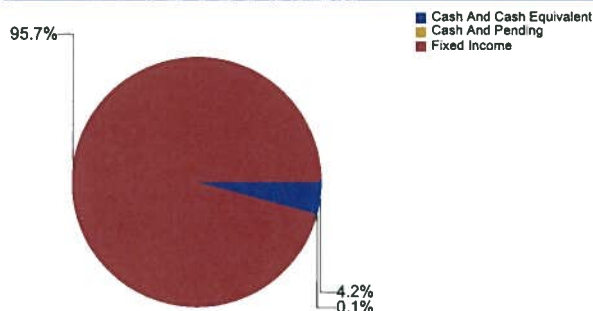
Duration Mix

**Total Net Assets (Millions)** 397.7  
**Weighted Average Life (Years)** 1.38  
**Weighted Avg. Effective Duration (Years)** 1.37  
**Weighted Average Coupon (%)** 1.36  
**Weighted Average Current Yield (%)** 0.34  
**Weighted Average Yield to Maturity (%)** 0.34  
**Weighted Average Rating** AA  
**Number of Holdings** 50



Asset Mix

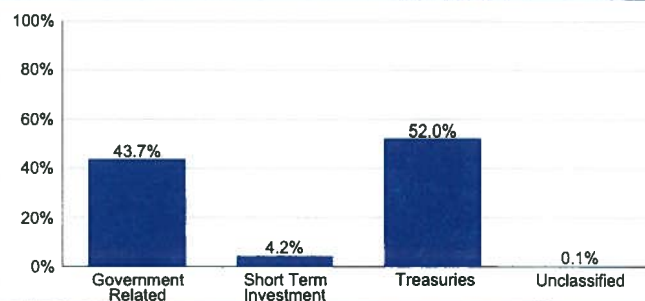
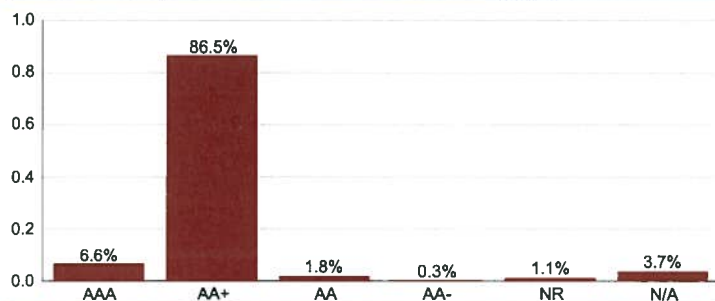
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
3137EACW7	FEDERAL HOME LOAN MORTGAGE CORP 2% BDS 25/AUG/2016	5.24%	2.00	25/8/2016
912828PM6	UNITED STATES 2.125% 12/15	3.92%	2.12	31/12/2015
912828QP8	UNITED STATES 1.75% 05/16	3.88%	1.75	31/5/2016
912828PJ3	UNITED STATES 1.375% 11/15	3.84%	1.38	30/11/2015
912828LQ1	UNITED STATES 2.375% 09/14	3.82%	2.38	30/9/2014
912828LS7	UNITED STATES 2.375% 10/14	3.82%	2.38	31/10/2014
912828SJ0	UNITED STATES 0.875% 02/17	3.80%	0.88	28/2/2017
3134G3ZA1	FEDERAL HOME LOAN MORTGAGE CORP 0.5% BDS	3.79%	0.50	28/8/2015
912828RB8	UNITED STATES TREAS NTS 0.5%15/AUG/2014	3.78%	0.50	15/8/2014
3130A0JV3	FEDERAL HOME LOAN BANKS BOND FIXED -19%	3.78%	0.19	6/1/2015

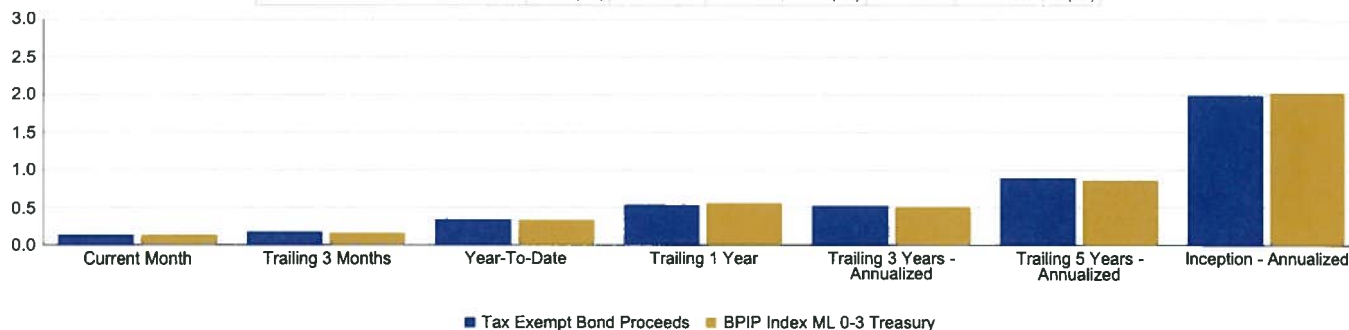
Quality/Rating Weightings

Sector Weightings (as % of Market Value)



Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 years	Inception
Tax Exempt Bond Proceeds	0.13	0.17	0.34	0.53	0.52	0.89	1.99
BPIP Index ML 0-3 Treasury	0.13	0.16	0.33	0.56	0.51	0.86	2.02
Excess	(0.00)	0.01	0.00	(0.02)	0.02	0.03	(0.04)



**STATE OF NEW MEXICO**  
**BOND PROCEEDS INV POOL1 TAX EX (4000)**  
Portfolio Classification Summary  
Positions Held as of 5/31/14 (TRADE Basis)

AMTZ ADDED: NO

ASSET CLASSIFICATION	ITEMS	YIELD	AVG-TERM	PRINCIPAL	COST-BASIS	MARKET-VALUE	GAIN/LOSS	%MARKET
REPURCHASE AGREEMENTS (O/N)	1	.1014	.00550	10,757,681	10,757,681	10,757,681		2.686
CERTIFICATES OF DEPOSIT	2	.6000	.10140	3,000,000	3,000,000	3,000,000		.749
U.S. TREASURY BONDS	1	.2045	.50140	10,000,000	10,095,402	10,101,200	5,798	2.522
US TREASURY NOTE ACT/ACT 2X	16	.4110	1.51012	194,000,000	195,901,179	196,221,290	320,111	48.985
US TREASURY (STRIP/ZERO) 30/360	3	.3740	.94026	16,034,000	15,914,229	15,947,085	32,856	3.981
AGENCY US BOND 30/360 2X	3	.2881	.99881	35,000,000	35,013,205	35,058,900	45,695	8.752
AGENCY US NOTES 30/360 2X	8	.7020	1.95803	76,900,000	78,328,084	78,763,436	435,352	19.663
FED NATL MORTGAGE ASSN DEBS	3	.5320	1.59043	20,000,000	20,215,877	20,310,150	94,273	5.070
MUNI US 30/360 2X	11	.4521	.41065	21,970,000	22,145,319	22,155,708	10,389	5.531
MUNICIPAL BOND REVENUE	1	.4364	1.08490	900,000	915,250	916,830	1,580	.229
UNITS - INVESTMENT POOL 1	1			3,018,800	3,018,800	3,018,800		.754
CASH ACCOUNT	1			4,325,454	4,325,454	4,325,454		1.080
	<u>51</u>	<u>.4446</u>	<u>1.39168</u>	<u>395,905,935</u>	<u>399,630,480</u>	<u>400,576,534</u>	<u>946,054</u>	<u>100.000</u>

**STATE OF NEW MEXICO  
TREASURERS OFFICE**

Position holdings as of 5/31/14 (TRADE)  
BOOK VALUES AMORTIZED THROUGH 5/31/14

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
4,325,454	(TD)-CASH KEY	CASHCASH				1.00000	4,325,453.77	4,325,454.00	.23
3,018,800	UNITS - INVESTMENT POOL 1	UNITS001				1.00000	3,018,800.32	3,018,800.00	-.32
<b>7,344,254</b>							<b>7,344,254.09</b>	<b>7,344,254.00</b>	<b>-.09</b>

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

10,757,681	OVERNIGHT REPO	0602RP	.100	6/02/14	.100	100.00000	10,757,680.89	10,757,680.89	
6,485,000	NEW MEXICO ST SEVERANCE TAX	647310P4	4.000	7/01/14	.400	100.29932	6,504,410.67	6,505,233.20	822.53
4,780,000	NEW MEXICO ST SEVERANCE TAX	647310N4	4.000	7/01/14	.400	100.29932	4,794,307.33	4,793,145.00	- 1,162.33
2,000,000	FARMERS & STOCKMENS BANK	8521444	.600	7/07/14	.600	100.00000	2,000,000.00	2,000,000.00	
1,000,000	FARMERS & STOCKMENS BANK	8521448	.600	7/07/14	.600	100.00000	1,000,000.00	1,000,000.00	
500,000	ALBUQUERQUE N MEX MUN SCH DIST	013595RR	2.000	8/01/14	.460	100.25590	501,279.51	501,385.00	105.49
5,570,000	ALBUQUERQUE N MEX MUN SCH DIST	013595RE	3.000	8/01/14	.450	100.42386	5,593,608.87	5,595,120.70	1,511.83
270,000	CLOUDCROFT N MEX MUN SCH DIST	189134ET	2.000	8/01/14	.400	100.26596	270,718.10	270,683.10	- 35.00
420,000	ALBUQUERQUE N MEX MUN SCH DIST	013595QT	4.000	8/01/14	.400	100.59865	422,514.31	422,616.60	102.29
15,000,000	UNITED STATES TREASURY NOTES	912828RB	.500	8/15/14	.160	100.07039	15,010,558.73	15,013,500.00	2,941.27
15,000,000	UNITED STATES TREASURY NOTES	912828LQ	2.375	9/30/14	.176	100.72636	15,108,953.45	15,113,100.00	4,146.55
15,000,000	UNITED STATES TREASURY NOTES	912828LS	2.375	10/31/14	.190	100.90151	15,135,226.11	15,141,750.00	6,523.89
10,000,000	UNITED STATES TREASURY NOTES	912828LZ	2.125	11/30/14	.205	100.95401	10,095,401.47	10,101,200.00	5,798.53
10,000,000	UNITED STATES TREASURY NOTES	912828ME	2.625	12/31/14	.164	101.42613	10,142,613.46	10,146,100.00	3,486.54
<b>96,782,681</b>							<b>97,337,272.90</b>	<b>97,361,514.49</b>	<b>24,241.59</b>

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

15,000,000	FEDERAL HOME LOAN BANKS	3130A0JV	.190	1/06/15	.193	99.99844	14,999,765.91	15,004,800.00	5,034.09
10,000,000	UNITED STATES TREASURY NOTES	912828UT	.250	3/31/15	.207	100.03555	10,003,555.28	10,013,300.00	9,744.72
7,306,000	FINANCING-FED BK ENTY CPN STRP	31771JLV		4/06/15	.358	99.30800	7,255,442.48	7,267,351.26	11,908.78
6,400,000	FEDERAL AGRICULTURAL MORTGAGE CO	31315PWM	.270	4/17/15	.288	99.98431	6,398,996.10	6,409,216.00	10,219.90
5,888,000	FINANCING CORP CPN FICO STRIPS	31771CS5		6/06/15	.378	99.20700	5,841,308.16	5,855,439.36	14,131.20
2,840,000	FINANCING CORP CPN FICO STRIPS	31771DKR		6/06/15	.378	99.20700	2,817,478.80	2,824,294.80	6,816.00
10,000,000	FEDERAL HOME LOAN BANKS	313379ER	.500	6/12/15	.255	100.25184	10,025,183.57	10,037,500.00	12,316.43
900,000	ALBUQUERQUE NM GROSS RECPTS.TAX	01354PDX	2.000	7/01/15	.430	101.69446	915,250.17	916,830.00	1,579.83
5,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0LN	.500	7/02/15	.266	100.25364	5,012,682.02	5,019,250.00	6,567.98
550,000	ALBUQUERQUE N MEX MUN SCH DIST	013595RS	2.000	8/01/15	.590	101.63628	558,999.53	560,906.50	1,906.97
550,000	CLOUDCROFT N MEX MUN SCH DIST	189134EU	2.000	8/01/15	.490	101.75393	559,646.59	560,070.50	423.91

**STATE OF NEW MEXICO  
TREASURERS OFFICE**

Position holdings as of 5/31/14 (TRADE)  
BOOK VALUES AMORTIZED THROUGH 5/31/14

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
15,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134G3ZA	.500	8/28/15	.444	100.06879	15,010,318.85	15,054,450.00	44,131.15
10,000,000	UNITED STATES TREASURY NOTES	912828TP	.250	9/15/15	.278	99.96408	9,996,408.22	10,010,900.00	14,491.78
10,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	31398A4M	1.625	10/26/15	.314	101.83285	10,183,285.39	10,195,700.00	12,414.61
15,000,000	UNITED STATES TREASURY NOTES	912828PJ	1.375	11/30/15	.352	101.52664	15,228,995.68	15,260,100.00	31,104.32
10,000,000	FNMA	3135G05B	.375	12/21/15	.451	99.88255	9,988,255.24	10,016,600.00	28,344.76
15,000,000	UNITED STATES TREAS NTS	912828PM	2.125	12/31/15	.433	102.66063	15,399,094.79	15,445,350.00	46,255.21
<b>139,434,000</b>							<b>140,194,666.78</b>	<b>140,452,058.42</b>	<b>257,391.64</b>

====> 0017 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ====> 2015 <====

3,000,000	FEDERAL AGRICULTURAL MORTGAGE CO	31315PWQ	.675	1/19/16	.380	100.47975	3,014,392.43	3,013,620.00	- 772.43
10,000,000	UNITED STATES TREASURY NOTES	912828KS	2.625	2/29/16	.395	103.87970	10,387,969.65	10,410,500.00	22,530.35
7,500,000	FEDERAL NATIONAL MORTGAGE ASSOCI	31359MH8	5.000	3/15/16	.543	107.92303	8,094,227.59	8,124,300.00	30,072.41
15,000,000	UNITED STATES TREASURY NOTES	912828UW	.250	4/15/16	.491	99.55120	14,932,680.53	14,978,250.00	45,569.47
400,000	TORRANCE ETC CNTYS N MEX MUN S	891400NC	1.000	5/15/16	.552	100.87044	403,481.75	405,196.00	1,714.25
1,220,000	RIO RANCHO N MEX WTR & WASTEW	767175GF	3.000	5/15/16	.550	104.75855	1,278,054.33	1,281,951.60	3,897.27
10,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EACT	2.500	5/27/16	.479	103.99610	10,399,609.65	10,414,500.00	14,890.35
15,000,000	UNITED STATES TREASURY NOTES	912828QP	1.750	5/31/16	.522	102.43707	15,365,560.59	15,411,300.00	45,739.41
1,225,000	SANTA FE N MEX GROSS RCPTS TAX	802072RG	2.000	6/01/16	.630	102.71820	1,258,297.90	1,259,398.00	1,100.10
20,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EACW	2.000	8/25/16	1.144	101.88101	20,376,202.75	20,717,400.00	341,197.25
14,000,000	UNITED STATES TREASURY NOTES	912828RJ	1.000	9/30/16	.631	100.85105	14,119,147.44	14,161,840.00	42,692.56
10,000,000	UNITED STATES TREASURY NOTES	912828RM	1.000	10/31/16	.428	101.37125	10,137,124.73	10,109,400.00	- 27,724.73
5,000,000	FEDERAL NATL MTG ASSN DEBS	3135G0ES	1.375	11/15/16	1.210	100.39819	5,019,909.39	5,095,200.00	75,290.61
<b>112,345,000</b>							<b>114,786,658.73</b>	<b>115,382,855.60</b>	<b>596,196.87</b>

====> 0013 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ====> 2016 <====

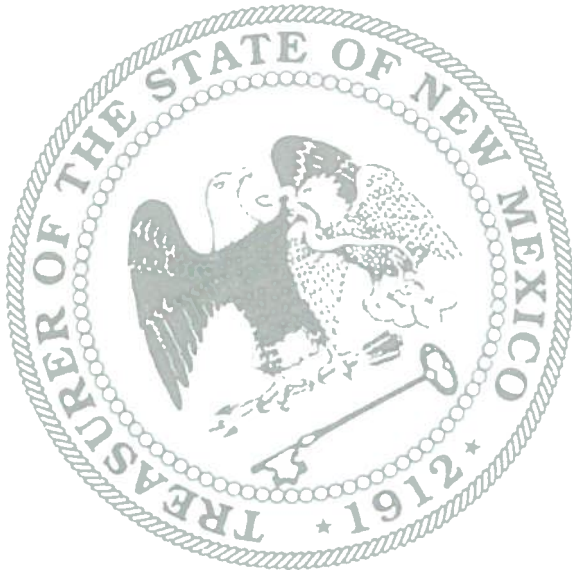
15,000,000	UNITED STATES TREASURY NOTES	912828SJ	.875	2/28/17	.788	100.23526	15,035,288.47	15,076,200.00	40,911.53
10,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EADC	1.000	3/08/17	.756	100.66761	10,066,761.42	10,068,400.00	1,638.58
5,000,000	UNITED STATES TREASURY NOTES	912828TB	.750	6/30/17	1.006	99.22390	4,961,194.88	4,987,500.00	26,305.12
5,000,000	FEDERAL AGRICULTURAL MORTGAGE CO	31315PZT	.650	7/10/17	.862	99.35156	4,967,577.77	4,961,550.00	- 6,027.77
5,000,000	UNITED STATES TREASURY NOTES	912828TG	.500	7/31/17	.906	98.73615	4,936,807.57	4,942,200.00	5,392.43
<b>40,000,000</b>							<b>39,967,630.11</b>	<b>40,035,850.00</b>	<b>68,219.89</b>

====> 0005 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ====> 2017 <====

**STATE OF NEW MEXICO**  
**TREASURERS OFFICE**  
 Position holdings as of 5/31/14 (TRADE)  
 BOOK VALUES AMORTIZED THROUGH 5/31/14

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
<u>395,905,935</u>							<u>399,630,482.61</u>	<u>400,576,532.51</u>	<u>946,049.90</u>

====> 0051 ITEMS IN SUBTOTAL FOR ====> FUND NAME..... ====> BOND PROCEEDS INV POOL1 TAX EX <



## 11. 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 \$677mil vs. \$683mil at the end of April 2014.
- The Pool paid out approximately \$6mil for capital spending in May 2014.

### *Portfolio Mix*

- 100% of the Taxable BPIP portfolio was invested in fixed income securities and 0% in floating rate securities; 47% in US Treasuries, 44% in Agency securities, 5% in NM municipal securities and the balance, approximately 4%, was held in cash equivalents and collateralized NM bank CDs.
- 41% of the portfolio was invested in securities that mature in one year, 37% in securities that mature from 1-2 years, 22% in securities that mature from 2-4 years and 0% in securities out to 5 years.
- The Taxable BPIP held positions in 82 securities.
- Weighted Average Life of the Taxable BPIP was 1.34 years. The Weighted Average duration was 1.32 years.
- The maximum security term for the BPIP portfolio is 5 years.

### *Investment Earnings*

- The unrealized gains in the Taxable BPIP Portfolio were \$1,779,293 as of May 31<sup>st</sup>.
- Monthly earnings on the portfolio for May were \$319,842.
- For fiscal year 2014, the fund has earned \$3,302,904.
- 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 was unchanged (1.32 yrs.) vs. month end April, and was shorter than the Benchmark (1.39 yrs.).
- Maturities totaled \$17.2mil in the month of May 2014.
- The Pool paid out ~\$6mil for capital projects in May.
- The Taxable BPIP sold \$30mil short maturity US Treasury securities at gains to meet project withdrawals and raise cash for purchases.
- Realized gains on the sales totaled \$55,237.98.
- The Pool purchased \$25mil US Treasury securities maturing between two and three years at yields between 0.63% and 0.91%, utilizing excess cash generated from sales.
- The purchases lengthened portfolio duration closer to the benchmark.

### *Performance*

- Purchase Yield at the end of May was 0.46% similar to April.
- The Taxable BPIP returned 0.12% for the month of May and 0.17% for the three months ended May 31, 2014, vs. Index returns of 0.13% and 0.16% respectively. For the trailing 12 mos. the Pool returned 0.51% vs. 0.56% for the benchmark.



- The Taxable BPIP had a similar duration to the benchmark, closely matching performance as interest rates fell.
- Cash flows (debt service payments, capital project withdrawals, bond sale proceeds) will continue to be the key driver of the portfolio's structure and cash position going forward.

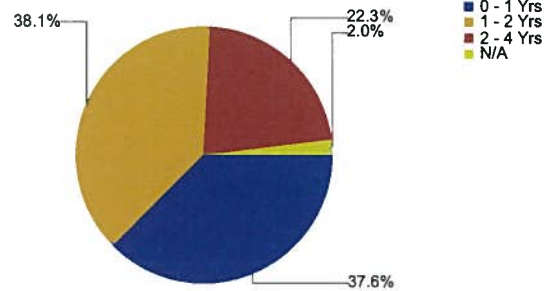
#### *Investment Strategy*

- The option adjusted duration of the portfolio is currently 1.35 yrs. vs. 1.41 yrs. for the benchmark.
- The Pool has maturities of \$3.02mil scheduled for June.
- Capital project withdrawals will total ~\$49mil in June.
- The second May capital project withdrawal, ~\$3mil, was accounted for in QED in the month of June.
- The Taxable BPIP has sold \$61.5mil short maturity US Treasury securities at gains to meet project withdrawals and raise cash for purchases.
- The Pool received \$135mil from sponge notes.
- The Pool purchased \$81mil US Treasury securities maturing between 2 and 3 years at yields between 0.39% and 0.97%, utilizing excess cash generated from sales and from sponge notes.
- The Pool purchased \$8.709mil US Government Agency securities maturing in 2 years at yields of 0.40%.
- The purchases lengthened portfolio duration closer to the benchmark.
- The Pool will continue to purchase 1 to 3 year Treasury and Agency securities as maturities and cash flows allow.
- The Taxable BPIP has maintained duration shorter than the benchmark in order to provide adequate liquidity for project withdrawals while minimizing overnight cash positions.
- Project withdrawals will have the effect of lengthening duration and as they have had a high degree of variability month-to-month, cash flow management will dominate portfolio decisions.

Portfolio Characteristics

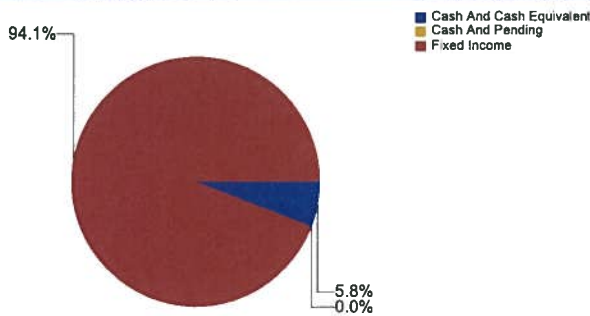
Duration Mix

**Total Net Assets (Millions)** 679.9  
**Weighted Average Life (Years)** 1.34  
**Weighted Avg. Effective Duration (Years)** 1.32  
**Weighted Average Coupon (%)** 1.38  
**Weighted Average Current Yield (%)** 0.30  
**Weighted Average Yield to Maturity (%)** 0.30  
**Weighted Average Rating** A+  
**Number of Holdings** 83



Asset Mix

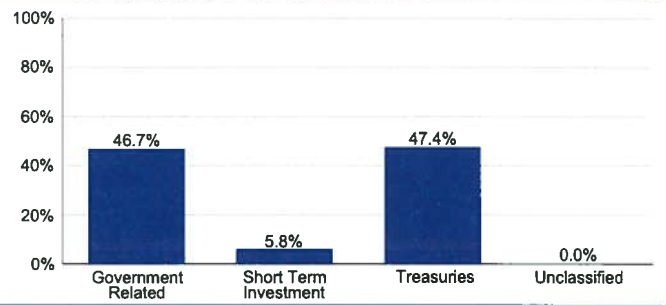
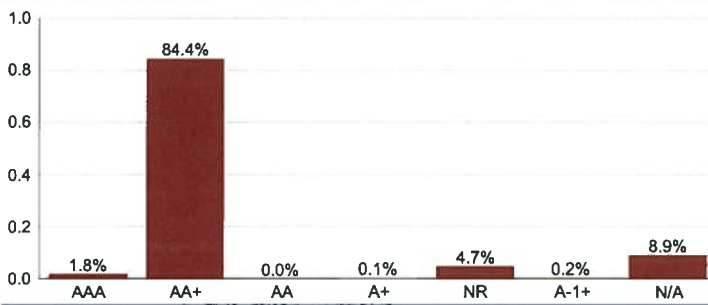
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
3137EACH7	FEDERAL HOME LOAN MORTGAGE CORP 2% BDS 25/AUG/2016	3.83%	2.00	25/8/2016
912828DV9	US 4 12500 '15	3.06%	4.12	15/5/2015
912828HL0	UNITED STATES 1.875% 06/15	3.02%	1.88	30/6/2015
912828MW7	UNITED STATES 2.5% 03/15	3.01%	2.50	31/3/2015
31398AMM1	FED NATL MORT ASSC 1.825% BDS 26/OCT/2015 USD1000	3.01%	1.62	26/10/2015
912828LS7	UNITED STATES 2.375% 10/14	2.98%	2.38	31/10/2014
912828RU6	UNITED STATES 0.875% 11/16	2.97%	0.88	30/11/2016
3137EACV9	FEDERAL HOME LOAN MORTGAGE CORP 1% NTS 27/AUG/2014	2.96%	1.00	27/8/2014
3135G0SB0	FEDERAL NATIONAL MORTGAGE ASSOC 0.375% BDS	2.95%	0.38	21/12/2015
912828TQ3	UNITED STATES 0.25% 09/14	2.95%	0.25	30/9/2014

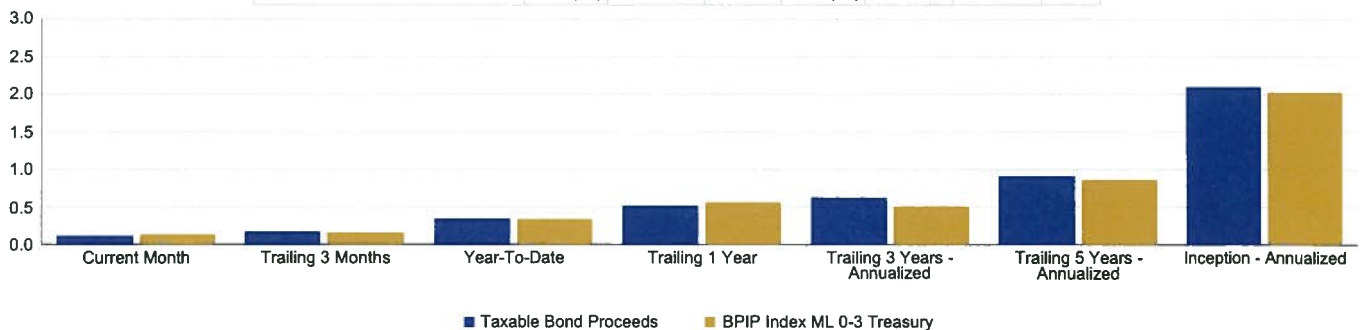
Quality/Rating Weightings

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	0.12	0.17	0.34	0.51	0.62	0.91	2.09
BPIP Index ML 0-3 Treasury	0.13	0.16	0.33	0.56	0.51	0.86	2.02
Excess	(0.01)	0.01	0.01	(0.05)	0.11	0.05	0.07



**STATE OF NEW MEXICO**  
**BOND PROCEEDS INV POOL2 TAXABL (4002)**  
**Portfolio Classification Summary**  
**Positions Held as of 5/31/14 (TRADE Basis)**

AMTZ ADDED: NO

ASSET CLASSIFICATION	ITEMS	YIELD	AVG-TERM	PRINCIPAL	COST-BASIS	MARKET-VALUE	GAIN/LOSS	%MARKET
REPURCHASE AGREEMENTS (O/N)	1	.1014	.00550	8,399,928	8,399,928	8,399,928		1.239
CERTIFICATES OF DEPOSIT	5	.3852	.49131	14,200,000	14,200,000	14,200,000		2.095
LINKED-CERTIFICATE OF DEPOSIT	2	.4500	1.62740	4,000,000	4,000,000	4,000,000		.590
US TREASURY NOTE ACT/ACT 2X	23	.4350	1.43345	317,000,000	320,788,055	321,514,740	726,685	47.431
AGENCY US BOND 30/360 2X	7	.4090	1.42973	99,170,000	99,533,280	99,661,420	128,140	14.702
AGENCY US DISC ACT/360 360 DAY	2	.1631	.10472	10,472,000	10,460,105	10,470,651	10,546	1.545
AGENCY US NOTES 30/360 2X	12	.5515	1.46229	165,000,000	167,152,788	167,864,030	711,242	24.764
FED NATL MORTGAGE ASSN DEBS	1	.8704	1.40550	20,000,000	20,213,258	20,391,400	178,142	3.008
MUNI US 30/360 2X	25	.4566	.52785	27,220,000	27,512,645	27,537,411	24,766	4.062
MUNICIPAL BOND REVENUE	3	.3062	.13327	2,180,000	2,187,570	2,187,339	-231	.323
UNITS - INVESTMENT POOL 1	1			1,308,693	1,308,693	1,308,693		.193
CASH ACCOUNT	1			328,050	328,050	328,050		.048
	<u>83</u>	<u>.4631</u>	<u>1.34034</u>	<u>669,278,671</u>	<u>676,084,372</u>	<u>677,863,662</u>	<u>1,779,290</u>	<u>100.000</u>

**STATE OF NEW MEXICO  
TREASURERS OFFICE**

Position holdings as of 5/31/14 (TRADE)  
BOOK VALUES AMORTIZED THROUGH 5/31/14

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
328,050	(TD)-CASH KEY	CASHCASH				1.00000	328,049.51	328,050.00	.49
1,308,693	UNITS - INVESTMENT POOL 1	UNITS001				1.00000	1,308,693.07	1,308,693.00	-.07
<b>1,636,743</b>							<b>1,636,742.58</b>	<b>1,636,743.00</b>	<b>.42</b>

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

1,325,000	CLOVIS N MEX GROSS RCPTS TAX R	189387CV	2.000	6/01/14	.650	100.00000	1,325,000.00	1,325,000.00	
8,399,928	OVERNIGHT REPO	0602RP	.100	6/02/14	.100	100.00000	8,399,927.88	8,399,927.88	
420,000	NEW MEXICO FIN AUTH REV	64711NTE	3.000	6/15/14	.351	100.10284	420,431.92	420,340.20	- 91.72
200,000	NEW MEXICO FIN AUTH REV	64711NTT	.600	6/15/14	.600	100.00000	200,000.00	200,010.00	10.00
350,000	SANTA FE CNTY N MEX	801889MX	2.000	7/01/14	.300	100.14141	350,494.95	350,458.50	- 36.45
11,675,000	ALBUQUERQUE NM 2013C	ABQ2013C	.350	7/01/14	.350	100.00000	11,675,000.00	11,675,000.00	
9,175,000	FEDERAL NATIONAL MORTGAGE ASSOCI	313586QR		7/05/14	.162	99.87400	9,163,439.50	9,173,715.50	10,276.00
2,600,000	WESTERN BANK CLOVIS	15985	.450	7/15/14	.450	100.00000	2,600,000.00	2,600,000.00	
2,500,000	WESTERN BANK ALAMOGORDO	78945612	.350	7/22/14	.350	100.00000	2,500,000.00	2,500,000.00	
10,000,000	UNITED STATES TREAS NTS	912828LC	2.625	7/31/14	.201	100.40141	10,040,141.36	10,041,800.00	1,658.64
1,297,000	FEDERAL AGRICULTURAL MORTGAGE CO	31315LA2	.155	7/31/14	.155	99.97417	1,296,664.94	1,296,935.15	270.21
500,000	RIO RANCH NM PUBLIC SCH DIST 94	767171JU	3.000	8/01/14	.400	100.43234	502,161.69	502,175.00	13.31
435,000	ALAMOGORDO NM MUNI SCH DIST #1	011464HB	2.000	8/01/14	.400	100.26600	436,157.08	436,204.95	47.87
725,000	TRUTH OR CONSEQUENCES N MEX MU G	898439ED	2.000	8/01/14	.501	100.24913	726,806.19	726,834.25	28.06
1,560,000	SAN JUAN CNTY N MEX CENT CONS IN	798359KA	3.000	8/01/14	.251	100.45759	1,567,138.45	1,566,988.80	- 149.65
2,005,000	GADSDEN N MEX INDPT SCH DIST N	362550KU	2.000	8/15/14	.500	100.30734	2,011,162.20	2,011,315.75	153.55
20,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EACV	1.000	8/27/14	.275	100.17285	20,034,569.72	20,044,200.00	9,630.28
20,000,000	UNITED STATES TREASURY NOTES	912828TQ	.250	9/30/14	.216	100.01136	20,002,272.90	20,011,800.00	9,527.10
20,000,000	UNITED STATES TREASURY NOTES	912828LS	2.375	10/31/14	.220	100.88904	20,177,808.39	20,189,000.00	11,191.61
15,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EACY	.750	11/25/14	.174	100.27796	15,041,693.95	15,047,250.00	5,556.05
10,000,000	UNITED STATES TREAS NTS	912828RV	.250	12/15/14	.330	99.95718	9,995,718.08	10,009,400.00	13,681.92
4,000,000	CENTURY BANK SANTA FE	17099248	.300	12/30/14	.300	100.00000	4,000,000.00	4,000,000.00	
1,100,000	WESTERN BANK ALAMOGORDO	81185441	.750	12/31/14	.750	100.00000	1,100,000.00	1,100,000.00	
15,000,000	UNITED STATES TREASURY NOTES	912828ME	2.625	12/31/14	.167	101.42458	15,213,686.38	15,219,150.00	5,463.62
<b>158,266,928</b>							<b>158,780,275.58</b>	<b>158,847,505.98</b>	<b>67,230.40</b>

====> 0024 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ==== 2014 <====

10,000,000	FEDERAL HOME LOAN BANKS	3130A0JV	.190	1/06/15	.193	99.99844	9,999,843.94	10,003,200.00	3,356.06
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# STATE OF NEW MEXICO

## TREASURERS OFFICE

Position holdings as of 5/31/14 (TRADE)  
BOOK VALUES AMORTIZED THROUGH 5/31/14

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
7,000,000	UNITED STATES TREASURY NOTES	912828RZ	.250	1/15/15	.263	99.99209	6,999,446.17	7,007,140.00	7,693.83
15,000,000	FARMER MAC	31315PZ5	.200	1/20/15	.200	100.00000	15,000,000.00	15,009,000.00	9,000.00
9,170,000	FEDERAL HOME LOAN BANKS	3133XASA	4.500	2/18/15	.200	103.06558	9,451,113.92	9,455,370.40	4,256.48
9,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134G4FJ	.305	2/23/15	.213	100.06689	9,006,019.75	9,012,870.00	6,850.25
650,000	NEW MEXICO ST	647293NQ	5.000	3/01/15	.420	103.42527	672,264.24	673,406.50	1,142.26
4,000,000	CENTURY BANK SANTA FE	17099249	.350	3/30/15	.350	100.00000	4,000,000.00	4,000,000.00	
20,000,000	UNITED STATES TREASURY NOTES	912828MW	2.500	3/31/15	.316	101.80974	20,361,948.95	20,397,600.00	35,651.05
10,000,000	FEDERAL AGRICULTURAL MORTGAGE CO	31315PX3	.245	4/21/15	.261	99.98576	9,998,575.73	10,012,300.00	13,724.27
225,000	SANTA ROSA N MEX CONS SCH DIST	802751DM	1.000	5/15/15	.650	100.33262	225,748.39	226,280.25	531.86
20,000,000	UNITED STATES TREASURY NOTES	912828DV	4.125	5/15/15	.311	103.62932	20,725,863.27	20,761,000.00	35,136.73
1,350,000	CLOVIS N MEX GROSS RCPTS TAX R	189387CW	2.000	6/01/15	.750	101.24266	1,366,775.97	1,370,682.00	3,906.03
15,000,000	FEDERAL HOME LOAN BANKS	313379ER	.500	6/12/15	.255	100.25184	15,037,775.35	15,056,250.00	18,474.65
20,000,000	UNITED STATES TREASURY NOTES	912828NL	1.875	6/30/15	.327	101.66726	20,333,452.42	20,377,400.00	43,947.58
500,000	SANTA FE CNTY N MEX	801889KB	5.500	7/01/15	.430	105.47296	527,364.82	528,665.00	1,300.18
275,000	SANTA FE CNTY N MEX	801889MY	2.000	7/01/15	.400	101.72728	279,750.03	280,084.75	334.72
405,000	RUIDOSO N MEX WASTEWATER REV	781324AB	2.000	7/01/15	.700	101.40021	410,670.86	411,475.95	805.09
10,000,000	UNITED STATES TREAS NTS	912828NP	1.750	7/31/15	.453	101.50600	10,150,599.74	10,187,100.00	36,500.26
400,000	RUIDOSO N MEX MUN SCH DIST NO	781338HY	2.000	8/01/15	.560	101.67163	406,686.50	408,028.00	1,341.50
200,000	ALBUQUERQUE N MEX MUN SCH DIST	013595QU	5.000	8/01/15	.500	105.22712	210,454.24	211,052.00	597.76
350,000	ALAMOGORDO NM MUNI SCH DIST #1	011464HC	2.000	8/01/15	.550	101.68329	355,891.53	357,024.50	1,132.97
550,000	LAS CRUCES N MEX SCH DIST NO 002	517534SC	2.000	8/01/15	.450	101.80083	559,904.57	559,938.50	33.93
1,100,000	RIO RANCHO N MEX PUB SCH DIST NO	767171ME	2.000	8/01/15	.450	101.80083	1,119,809.14	1,121,813.00	2,003.86
400,000	SAN JUAN CNTY N MEX CENT CONS IN	798359KB	3.000	8/01/15	.450	102.96348	411,853.91	412,556.00	702.09
15,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134G3ZA	.500	8/28/15	.444	100.06879	15,010,318.85	15,054,450.00	44,131.15
15,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EACM	1.750	9/10/15	.341	101.79111	15,268,667.03	15,297,750.00	29,082.97
20,000,000	FED NATL MORTGAGE ASSN DEBS	31398A4M	1.625	10/26/15	.858	101.06629	20,213,257.63	20,391,400.00	178,142.37
15,000,000	UNITED STATES TREASURY NOTES	912828PJ	1.375	11/30/15	.352	101.52664	15,228,995.68	15,260,100.00	31,104.32
20,000,000	FNMA	3135G0SB	.375	12/21/15	.451	99.88255	19,976,510.48	20,033,200.00	56,689.52
15,000,000	UNITED STATES TREAS NTS	912828PM	2.125	12/31/15	.433	102.66063	15,399,094.79	15,445,350.00	46,255.21
<b>255,575,000</b>							<b>258,708,657.90</b>	<b>259,322,486.85</b>	<b>613,828.95</b>

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

15,500,000	FEDERAL AGRICULTURAL MORTGAGE CO	31315PVS	.430	1/08/16	.464	99.94636	15,491,686.02	15,536,580.00	44,893.98
2,000,000	WESTERN COMMERCE BANK	2012823	.450	1/15/16	.450	100.00000	2,000,000.00	2,000,000.00	
2,000,000	WESTERN COMMERCE BANK	2010824	.450	1/15/16	.450	100.00000	2,000,000.00	2,000,000.00	
15,000,000	UNITED STATES TREASURY NOTES	912828QJ	2.125	2/29/16	.429	102.94818	15,442,226.92	15,483,450.00	41,223.08
12,500,000	FEDERAL NATIONAL MORTGAGE ASSOCI	31359MH8	5.000	3/15/16	.543	107.92303	13,490,379.32	13,540,500.00	50,120.68

**STATE OF NEW MEXICO  
TREASURERS OFFICE**

Position holdings as of 5/31/14 (TRADE)  
BOOK VALUES AMORTIZED THROUGH 5/31/14

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
15,000,000	FANNIE MAE	3135GOVA	.500	3/30/16	.537	99.93292	14,989,937.42	15,045,750.00	55,812.58
15,000,000	UNITED STATES TREASURY NOTES	912828UW	.250	4/15/16	.491	99.55120	14,932,680.53	14,978,250.00	45,569.47
10,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EACT	2.500	5/27/16	.479	103.99610	10,399,609.65	10,414,500.00	14,890.35
15,000,000	UNITED STATES TREASURY NOTES	912828QP	1.750	5/31/16	.522	102.43707	15,365,560.59	15,411,300.00	45,739.41
1,000,000	NEW MEXICO FIN AUTH REV	64711NSK	4.000	6/01/16	.570	106.81093	1,068,109.29	1,073,420.00	5,310.71
1,075,000	NEW MEXICO FIN AUTH ST TRANSN	64711RAZ	5.250	6/15/16	.231	100.19497	1,077,095.89	1,076,687.75	- 408.14
10,000,000	UNITED STATES TREAS NTS	912828QR	1.500	6/30/16	.656	101.74120	10,174,119.56	10,226,600.00	52,480.44
15,000,000	UNITED STATES TREASURY NOTES	912828VL	.625	7/15/16	.531	100.19882	15,029,822.55	15,065,700.00	35,877.45
600,000	RIO RANCHO N MEX PUB SCH DIST NO	767171MF	2.000	8/01/16	.650	102.89946	617,396.76	620,148.00	2,751.24
475,000	LAS CRUCES N MEX SCH DIST NO 002	517534SD	3.000	8/01/16	.650	105.04703	498,973.37	499,567.00	593.63
250,000	GALLUP MC KINLEY CNTY N MEX SCH	364010QJ	2.000	8/01/16	.710	102.76780	256,919.50	257,575.00	655.50
400,000	SAN JUAN CNTY N MEX CENT CONS IN	798359KC	3.000	8/01/16	.650	105.04718	420,188.72	422,016.00	1,827.28
25,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EACW	2.000	8/25/16	1.277	101.58554	25,396,386.11	25,896,750.00	500,363.89
15,000,000	UNITED STATES TREASURY NOTES	912828RJ	1.000	9/30/16	.677	100.74496	15,111,744.67	15,173,400.00	61,655.33
15,000,000	UNITED STATES TREASURY NOTES	912828RM	1.000	10/31/16	.632	100.88053	15,132,080.01	15,164,100.00	32,019.99
20,000,000	UNITED STATES TREASURY NOTES	912828RU	.875	11/30/16	.751	100.30512	20,061,023.26	20,150,000.00	88,976.74
<b>205,800,000</b>							<b>208,955,940.14</b>	<b>210,036,293.75</b>	<b>1,080,353.61</b>

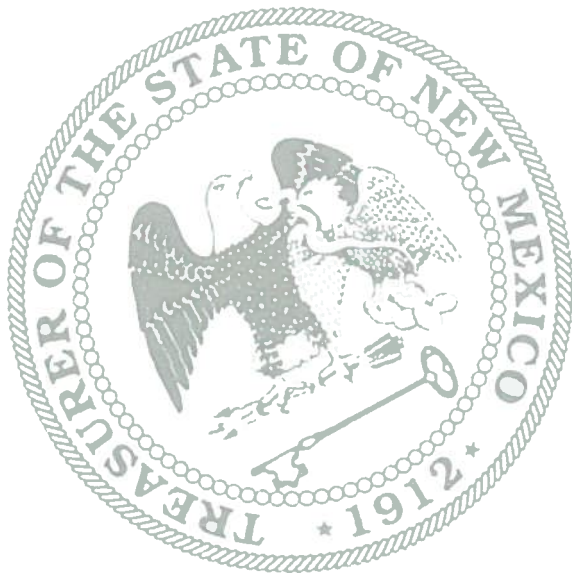
====> 0021 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ====> 2016 <====

5,000,000	UNITED STATES TREASURY NOTES	912828SJ	.875	2/28/17	.788	100.23526	5,011,762.82	5,025,400.00	13,637.18
10,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EADC	1.000	3/08/17	.756	100.66761	10,066,761.42	10,068,400.00	1,638.58
15,000,000	FEDERAL HOME LOAN BANKS	313379FW	1.000	6/09/17	.825	100.52065	15,078,098.06	15,058,650.00	- 19,448.06
5,000,000	UNITED STATES TREASURY NOTES	912828TB	.750	6/30/17	1.006	99.22390	4,961,194.88	4,987,500.00	26,305.12
8,000,000	FEDERAL AGRICULTURAL MORTGAGE CO	31315PZT	.650	7/10/17	.862	99.35156	7,948,124.43	7,938,480.00	- 9,644.43
5,000,000	UNITED STATES TREASURY NOTES	912828TG	.500	7/31/17	.906	98.73615	4,936,807.57	4,942,200.00	5,392.43
<b>48,000,000</b>							<b>48,002,749.18</b>	<b>48,020,630.00</b>	<b>17,880.82</b>

====> 0006 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ====> 2017 <====

<b>669,278,671</b>							<b>676,084,365.38</b>	<b>677,863,659.58</b>	<b>1,779,294.20</b>
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====> 0083 ITEMS IN SUBTOTAL FOR ==== FUND NAME..... ====> BOND PROCEEDS INV POOL2 TAXABL <



## 12. Portfolio Summary- Severance Tax Bonding Fund

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

### *Summary*

- The Severance Tax Bonding Fund<sup>13</sup> closed the month of May at \$358 Million.
- The Severance Tax Bonding Fund earned over \$16,000 during April.
- The Severance Tax Bonding Fund earned over \$116,000 during FY2014.

### *Portfolio Mix*

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

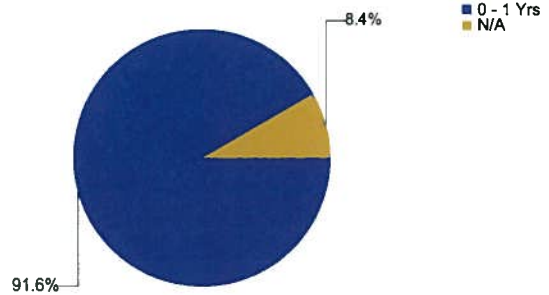
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<sup>13</sup> The Severance Tax Bonding Fund as included in this report excludes debt service fund amounts on outstanding Severance Tax and Supplemental Severance Tax Bonds and Notes. Such debt service balances are included in, and reported on, the Tax-Exempt Bond Purchase Investment Pool.



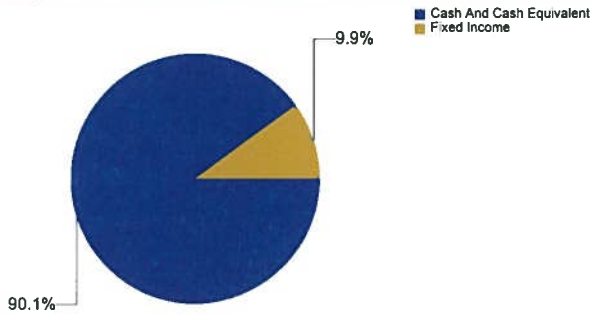
Portfolio Characteristics

Total Net Assets (Millions)	358.6
Weighted Average Life (Years)	0.03
Weighted Avg. Effective Duration (Years)	0.03
Weighted Average Coupon (%)	0.35
Weighted Average Current Yield (%)	0.11
Weighted Average Yield to Maturity (%)	0.12
Weighted Average Rating	AAA
Number of Holdings	11



Asset Mix

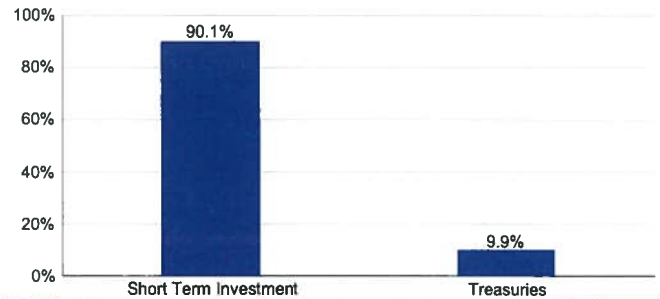
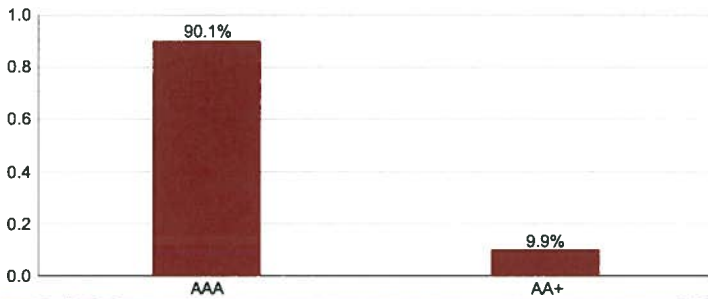
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
99EF00037	REPO MITSUBISHI UFJ SECURITIES (USA),INC	14.13%	0.10	1/6/2014
99EF00039	REPO MITSUBISHI UFJ SECURITIES (USA),INC	14.13%	0.10	1/6/2014
99EF00047	REPO MITSUBISHI UFJ SECURITIES (USA),INC	14.13%	0.10	1/6/2014
99EF00043	REPO MITSUBISHI UFJ SECURITIES (USA),INC	13.20%	0.10	1/6/2014
99EF00046	REPO MITSUBISHI UFJ SECURITIES (USA),INC	13.06%	0.10	1/6/2014
892998X00	LGIP POOL PARTICIPANT	8.37%	0.11	
99EF00041	REPO MITSUBISHI UFJ SECURITIES (USA),INC	6.62%	0.10	1/6/2014
99EF00038	REPO MITSUBISHI UFJ SECURITIES (USA),INC	6.38%	0.10	1/6/2014
912828KY5	UNITED STATES TREAS NTS 2.625% 30/JUN/2014	5.65%	2.62	30/6/2014
912828ME7	UNITED STATES 2.625% 12/14	4.29%	2.63	31/12/2014

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
Severance Tax Bonding Fund	0.00	0.02					0.02
MERRIL-U.S. Treasury Notes & Bonds 0-5 Years (Gross)	0.32	0.27					0.27
Excess	(0.31)	(0.25)	0.00	0.00	0.00	0.00	(0.25)



**STATE OF NEW MEXICO**  
**STB FUND (4001)**  
**Portfolio Classification Summary**  
**Positions Held as of 5/31/14 (TRADE Basis)**

AMTZ ADDED: NO

ASSET CLASSIFICATION	ITEMS	YIELD	AVG-TERM	PRINCIPAL	COST-BASIS	MARKET-VALUE	GAIN/LOSS	%MARKET
REPURCHASE AGREEMENTS (O/N)	1	.1014	.00550	292,950,950	292,950,950	292,950,950		81.780
US TREASURY NOTE ACT/ACT 2X	2	.1176	.29824	35,000,000	35,255,378	35,258,150	2,772	9.843
UNITS - INVESTMENT POOL 1	1			30,009,193	30,009,193	30,009,193		8.377
	4	.0945	.03674	357,960,143	358,215,521	358,218,293	2,772	100.000

**STATE OF NEW MEXICO**  
**TREASURERS OFFICE**  
 Position holdings as of 5/31/14 (TRADE)  
 BOOK VALUES AMORTIZED THROUGH 5/31/14

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
30,009,193	UNITS - INVESTMENT POOL 1	UNITS001				1.00000	30,009,192.60	30,009,193.00	.40
<b>30,009,193</b>							<b>30,009,192.60</b>	<b>30,009,193.00</b>	<b>.40</b>

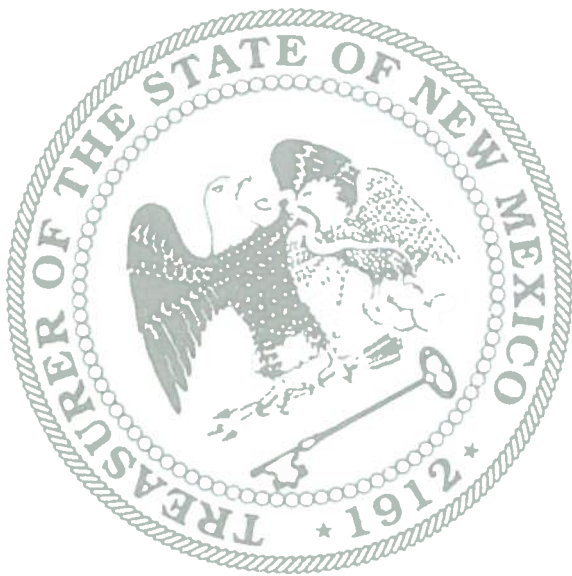
====> 0001 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ====> NO-MEANINGFUL-DATE <====

292,950,950	OVERNIGHT REPO	0602RP	.100	6/02/14	.100	100.00000	292,950,950.41	292,950,950.41	
20,000,000	UNITED STATES TREASURY NOTES	912828KY	2.625	6/30/14	.090	100.20303	20,040,605.27	20,039,000.00	- 1,605.27
15,000,000	UNITED STATES TREASURY NOTES	912828ME	2.625	12/31/14	.155	101.43181	15,214,771.57	15,219,150.00	4,378.43
<b>327,950,950</b>							<b>328,206,327.25</b>	<b>328,209,100.41</b>	<b>2,773.16</b>

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

<b>357,960,143</b>							<b>358,215,519.85</b>	<b>358,218,293.41</b>	<b>2,773.56</b>
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====> 0004 ITEMS IN SUBTOTAL FOR ==== FUND NAME..... ====> STB FUND <====



## 13. 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  
2013-2014

Volume at Par (\$ in thousands)

Broker/Dealer:	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	YTD Total	Percent
Arbor Research and Trading	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
BAML	13,528	-	-	-	-	20,000	15,000	24,000	-	-	35,000	-	107,528	3.7%
Bardays	15,000	26,077	-	15,597	8,714	15,000	52,400	512	20,000	43,000	-	-	196,300	6.7%
BB and T (Scott & Stringfellow)	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
BMO Capital Markets	55,000	-	10,000	40,000	-	35,000	5,000	16,000	2,000	114,250	-	-	277,250	9.5%
BNP Paribas	-	8,250	-	20,000	-	-	20,000	-	-	-	-	-	48,250	1.7%
BOSC, Inc	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Cantor, Fitzgerald	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Carolina Capital Markets	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
CastleOak Securities LP	16,000	-	10,000	-	-	-	-	-	20,000	45,000	-	-	91,000	3.1%
Chigroup	12,500	30,000	10,000	5,000	20,000	30,000	-	5,000	18,000	-	-	-	131,500	4.5%
Credit Suisse	-	-	-	-	-	-	-	-	-	-	20,000	-	20,000	0.7%
CRT Capital Group	-	20,000	-	-	-	-	-	-	-	-	-	-	20,000	0.7%
Daiwa Capital Markets America	-	21,000	-	-	24,575	-	34,000	-	3,600	-	5,000	-	88,175	3.0%
Deutsche Bank	-	-	-	40,000	-	15,000	70,000	-	-	375	-	-	125,375	4.3%
Fidelity Capital Markets	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
First Southwest	200	200	11,880	5,110	250	-	5,025	460	100	200	730	-	23,955	0.8%
FTN Financial	6,000	20,000	-	-	-	-	30,000	-	-	-	-	-	56,000	1.9%
George K Baum & Co	-	-	-	-	-	-	475	-	615	-	-	-	1,090	0.0%
Goldman Sachs	15,000	-	10,000	20,000	10,000	2,400	20,000	30,800	-	60,000	-	-	168,200	5.8%
Great Pacific	25,000	10,000	-	-	-	-	-	-	-	3,000	-	-	38,000	1.3%
Guggenheim Securities LLC	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Harvestons Securities Inc	-	-	-	-	-	-	7,500	-	-	-	-	-	7,500	0.3%
HSBC	18,578	15,000	-	-	-	-	-	-	-	-	15,000	-	48,578	1.7%
InCapital LLC	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Jefferies	15,000	-	2,500	2,500	-	-	42,500	3,000	15,000	24,000	-	-	104,500	3.6%
KeyBanc Capital Markets	-	-	-	-	-	-	-	-	20,000	-	-	-	20,000	0.7%
Lawson Financial	-	2,675	-	-	-	-	-	300	-	-	-	-	2,975	0.1%
Loop Capital Markets	-	-	-	-	-	-	10,000	-	-	-	-	-	10,000	0.3%
MFR Securities	-	-	-	-	-	-	14,000	-	-	5,000	-	-	19,000	0.7%
Mitibushi UFJ	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Mizuho Securities USA	15,000	-	-	-	7,000	-	20,000	-	-	25,000	15,000	-	82,000	2.8%
Morgan Stanley	-	6,000	14,175	31,190	2,725	2,610	28,250	206	22,155	2,730	8,784	-	118,824	4.1%
Muriel Siebert & Co.	-	-	-	-	-	-	5,000	-	-	-	-	-	5,000	0.2%
Mutual Securities	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Nomura	1,300	-	-	2,410	800	10,000	15,000	500	-	-	6,625	-	36,635	1.3%
Northern Trust	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Piper Jaffrey	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Raymond, James & Associates	-	-	1,000	-	-	-	-	-	-	-	-	-	1,000	0.0%
RBS Securities	-	-	-	-	-	-	110,000	41,000	7,000	10,500	-	-	168,500	5.8%
Robert W Baird & Co.	-	500	3,000	-	1,320	-	-	-	-	2,030	845	-	7,695	0.3%
RW Pressprich	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Societe General Americas	-	-	-	10,000	-	-	40,000	20,000	-	13,000	-	-	83,000	2.8%
South Street	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Southwest Securities	-	-	-	235	1,000	-	5,000	-	135	2,080	4,780	-	13,230	0.5%
Stifel Nicklaus	12,000	750	-	-	-	1,331	-	-	-	475	-	-	14,556	0.5%
SunTrust Robinson Humphrey	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Tradition Asiel Securities	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
TD Securities	10,500	15,800	-	20,000	-	7,500	84,170	9,000	3,000	40,000	20,000	-	209,970	7.2%
UBS Financial Services	-	-	-	-	-	20,000	3,670	-	-	-	11,000	-	34,670	1.2%
Vining Sparks	-	-	-	-	-	-	-	100	-	-	-	-	100	0.0%
Wedbush Securities	-	-	-	-	-	-	-	-	-	10,000	-	-	10,000	0.3%
Wells Fargo Securities	16,900	-	6,297	1,880	-	24,000	66,050	150	22,874	63,645	-	-	201,808	6.9%
Williams Capital Group	-	-	-	-	-	-	-	-	-	5,000	-	-	5,000	0.2%
Direct Purchase	12,065	-	5,000	14,750	-	143,224	4,000	-	-	146,499	-	-	325,538	11.1%
Interfund	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
<b>Total</b>	<b>259,569</b>	<b>176,252</b>	<b>83,652</b>	<b>228,682</b>	<b>76,384</b>	<b>326,065</b>	<b>707,040</b>	<b>146,027</b>	<b>141,479</b>	<b>634,784</b>	<b>142,764</b>	-	<b>2,922,698</b>	<b>100.0%</b>
<b>Market type:</b>														
-	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	YTD Total	YTD %
Primary Market	84,785	136,252	46,152	30,785	24,045	154,565	124,900	-	20,770	216,849	830	-	839,813	28.7%
Secondary Market	174,804	40,000	37,500	197,897	52,339	171,500	582,140	146,027	120,709	417,935	141,934	-	2,082,785	71.3%
<b>Total</b>	<b>259,569</b>	<b>176,252</b>	<b>83,652</b>	<b>228,682</b>	<b>76,384</b>	<b>326,065</b>	<b>707,040</b>	<b>146,027</b>	<b>141,479</b>	<b>634,784</b>	<b>142,764</b>	-	<b>2,922,698</b>	<b>100.0%</b>
<b>Security type:</b>														
-	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	YTD Total	YTD %
ABB	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Agencies	110,804	150,642	57,972	96,697	72,089	95,231	344,540	73,812	100,474	201,000	26,409	-	1,329,870	45.5%
Certificates of Deposit	7,100	-	5,000	12,000	-	18,000	4,000	-	-	-	-	-	46,100	1.6%
Commercial Paper	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Corporate Bonds	-	1,485	-	-	-	-	-	-	-	-	-	-	1,485	0.1%
MBS	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Municipal/Sponge	5,165	4,125	5,880	9,985	4,295	127,834	6,000	1,065	1,005	151,284	6,335	-	322,773	11.0%
Treasuries	136,500	20,000	15,000	110,000	-	85,000	352,500	71,150	40,000	282,500	110,000	-	1,222,650	41.8%
<b>Total</b>	<b>259,569</b>	<b>176,252</b>	<b>83,652</b>	<b>228,682</b>	<b>76,384</b>	<b>326,065</b>	<b>707,040</b>	<b>146,027</b>	<b>141,479</b>	<b>634,784</b>	<b>142,764</b>	-	<b>2,922,678</b>	<b>100.0%</b>

**STATE OF NEW MEXICO**  
**Summary of Fixed-Income Purchases and Sales**  
**TRADES During The Period 5/01/14 Through 5/31/14**

TXN-DATE	CUSIP#	ASSET-TYPE	INVT#	ISSUE-NAME	RATE	MATURITY	YIELD	BRKR/DLR/AGENT	FUND	PAR-VALUE	COST/PROCEEDS	GAIN/LOSS	NXT-CALL
<b>PURCHASE TRANSACTIONS</b>													
5/01/14	912828RM	US TREASURY NOT	21342	UNITED STATES TREASURY	1.000	10/31/16	.6317	BANK OF AMERICA	4002	15,000,000.00	15,136,523.44		
5/01/14	912828SJ	US TREASURY NOT	21343	UNITED STATES TREASURY	.875	2/28/17	.7882	BANK OF AMERICA	4000	15,000,000.00	15,036,328.13		
5/01/14	912828SJ	US TREASURY NOT	21344	UNITED STATES TREASURY	.875	2/28/17	.7882	BANK OF AMERICA	4002	5,000,000.00	5,012,109.38		
5/15/14	912828TG	US TREASURY NOT	21440	UNITED STATES TREASURY	.500	7/31/17	.9058	UBS	4000	5,000,000.00	4,935,937.50		
5/15/14	912828TG	US TREASURY NOT	21441	UNITED STATES TREASURY	.500	7/31/17	.9058	UBS	4002	5,000,000.00	4,935,937.50		
5/27/14	912828RT	US TREASURY NOT	21494	UNITED STATES TREASURY	1.375	11/30/18	1.4037	CREDIT SUISSE	1001	20,000,000.00	19,975,000.00		
5/01/14	313371PC	AGENCY US BOND	21082	FEDERAL HOME LOAN BANKS	.875	12/12/14	.1018	MORGAN STANLEY	4101	1,550,000.00	1,557,319.36		
5/07/14	3130A1QG	AGENCY US BOND	21387	FEDERAL HOME LOAN BANKS	.125	4/21/15	.1369	MORGAN STANLEY	4101	3,600,000.00	3,599,591.29		
5/12/14	3133EDKV	AGENCY US BOND	21405	FEDERAL FARM CREDIT BAN	.130	5/01/15	.1321	DAIWA CAPITAL M	4101	5,000,000.00	4,999,900.00		
5/08/14	3137EADD	AGENCY US NOTES	21388	FEDERAL HOME LOAN MORTG	.500	4/17/15	.1319	NOMURA	4101	825,000.00	827,848.73		
5/08/14	3137EADD	AGENCY US NOTES	21388	FEDERAL HOME LOAN MORTG	.500	4/17/15	.1319	MORGAN STANLEY	4101	1,890,000.00	1,896,525.83		
5/12/14	3137EADA	AGENCY US NOTES	21406	FEDERAL HOME LOAN MORTG	.625	12/29/14	.1069	MORGAN STANLEY	4101	1,100,000.00	1,103,559.90		
5/20/14	3137EADD	AGENCY US NOTES	21388	FEDERAL HOME LOAN MORTG	.500	4/17/15	.1218	NOMURA	4101	5,000,000.00	5,017,110.00		
5/21/14	3137EADA	AGENCY US NOTES	21406	FEDERAL HOME LOAN MORTG	.625	12/29/14	.1005	UBS	4101	1,000,000.00	1,003,160.00		
5/21/14	3137EADD	AGENCY US NOTES	21388	FEDERAL HOME LOAN MORTG	.500	4/17/15	.1217	NOMURA	4101	800,000.00	802,729.60		
5/21/14	3137EADD	AGENCY US NOTES	21388	FEDERAL HOME LOAN MORTG	.500	4/17/15	.1264	MORGAN STANLEY	4101	644,000.00	646,170.28		
5/21/14	3133EDMK	AGENCY US VARIA	21495	FEDERAL FARM CREDIT BAN	.140	3/29/16	.1499	MIZUHO SECURITI	4101	5,000,000.00	4,999,050.00		
5/09/14	01354MEW	MUNI US 30/360	21442	CITY OF ALBUQUERQUE NM	2.000	7/01/15	.3102	ROBERT W BAIRD	1001	115,000.00	117,051.60		
5/09/14	01354MEX	MUNI US 30/360	21443	CITY OF ALBUQUERQUE NM	3.000	7/01/16	.5602	ROBERT W BAIRD	1001	200,000.00	209,972.00		
5/12/14	76717PAJ	MUNI US 30/360	20269	RIO RANCHO NM EVENT	5.000	6/01/20	.2402	SOUTHWEST	1001	385,000.00	404,103.70		6/01/15
5/13/14	914438CC	MUNI US 30/360	21415	UNIVERSITY MASS BLDG AU	5.125	11/01/34	.2214	SOUTHWEST	1001	375,000.00	383,418.75		11/01/14
5/16/14	64711REK	MUNI US 30/360	21451	NEW MEXICO FIN AUTH ST	4.000	12/15/14	.1808	FIRST SOUTHWEST	1001	500,000.00	510,810.00		
5/16/14	914692N4	MUNI US 30/360	21452	UNIVERSITY N MEX UNIV R	3.000	6/01/15	.2003	SOUTHWEST	1001	650,000.00	668,674.50		
5/19/14	64711RHW	MUNI US 30/360	21455	NEW MEXICO FIN AUTH ST	5.000	12/15/15	.3302	FIRST SOUTHWEST	1001	100,000.00	107,278.00		
5/21/14	013493BE	MUNI US 30/360	21470	ALBUQUERQUE BERNALILLO	4.250	7/01/15	.2703	SOUTHWEST	1001	200,000.00	208,692.00		
5/22/14	647110ET	MUNI US 30/360	21480	NEW MEXICO EDL ASSISTAN	4.000	12/01/15	.2802	SOUTHWEST	1001	750,000.00	791,962.50		
5/22/14	64711NVF	MUNI US 30/360	21520	NEW MEXICO FIN AUTH REV	2.000	6/15/15	.2002	ROBERT W BAIRD	1001	530,000.00	539,630.10		
5/28/14	388240GD	MUNI US 30/360	21521	GRANTS / CIBOLA CNTY N	2.000	10/01/15	.3604	FIRST SOUTHWEST	1001	130,000.00	132,691.00		
5/29/14	45462TAH	MUNI US 30/360	21512	INDIANA BD BK REV	5.120	1/15/17	.2811	SOUTHWEST	1001	800,000.00	823,832.00		1/15/15
5/27/14	468574EY	MUNICIPAL BOND	21496	JACKSON OHIO LOC SCH DI	5.250	12/01/24	.2046	SOUTHWEST	1001	500,000.00	500,210.00		6/01/14
5/27/14	511678LT	MUNICIPAL BOND	21497	LAKELAND FLA ELEC & WTR	5.750	10/01/19	.4403	SOUTHWEST	1001	520,000.00	521,071.20		6/12/14
5/16/14	047856DL	MUNICIPAL BOND	21453	ATLANTA GA URBAN RESIDE		10/01/16	.2003	SOUTHWEST	1001	600,000.00	511,770.00		4/01/15
<b>32 PURCHASES DURING PERIOD TOTAL.....</b>										<b>97,764,000.00</b>	<b>97,915,968.29</b>		

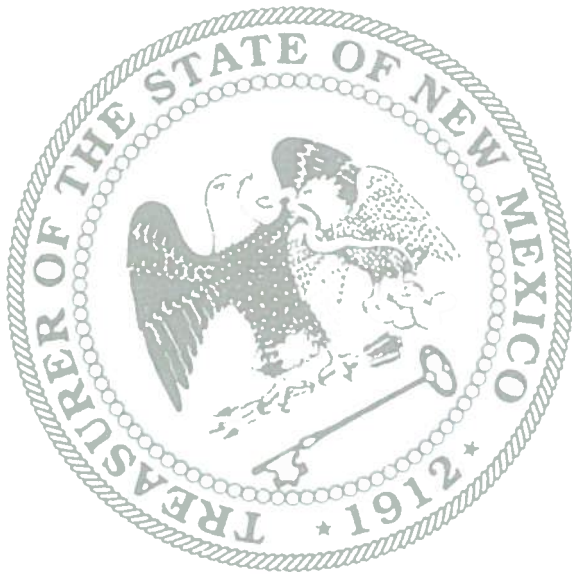
**SALE TRANSACTIONS**

5/01/14	912828KY	US TREASURY NOT	19624	UNITED STATES TREASURY	2.625	6/30/14		HSBC	4000	15,000,000.00	15,062,695.31	1,919.53	
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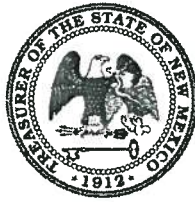
**STATE OF NEW MEXICO**  
**Summary of Fixed-Income Purchases and Sales**  
**TRADES During The Period 5/01/14 Through 5/31/14**

TXN-DATE	CUSIP#	ASSET-TYPE	INVST#	ISSUE-NAME	RATE	MATURITY	YIELD	BRKR/DLR/AGENT	FUND	PAR-VALUE	COST/PROCEEDS	GAIN/LOSS	NXT-CALL
5/01/14	912828MZ	US TREASURY NOT	19465	UNITED STATES TREASURY	2.500	4/30/15	.0985	TD SECURITIES	4002	20,000,000.00	20,477,343.75	49,918.09	
5/15/14	912828KV	US TREASURY NOT	15241	UNITED STATES TREASURY	2.250	5/31/14		MIZUHO SECURITI	4002	10,000,000.00	10,008,984.38	5,319.89	
3 SALES DURING PERIOD TOTAL.....										<b>45,000,000.00</b>	<b>45,549,023.44</b>	<b>57,157.51</b>	
=== GRAND-TOTAL ==>										<b>142,764,000.00</b>	<b>143,464,991.73</b>	<b>57,157.51</b>	
*** END-OF-REPORT ***													





## 14. State Agency Deposit Balances




**James B. Lewis**  
State Treasurer

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

**Marilyn L. 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

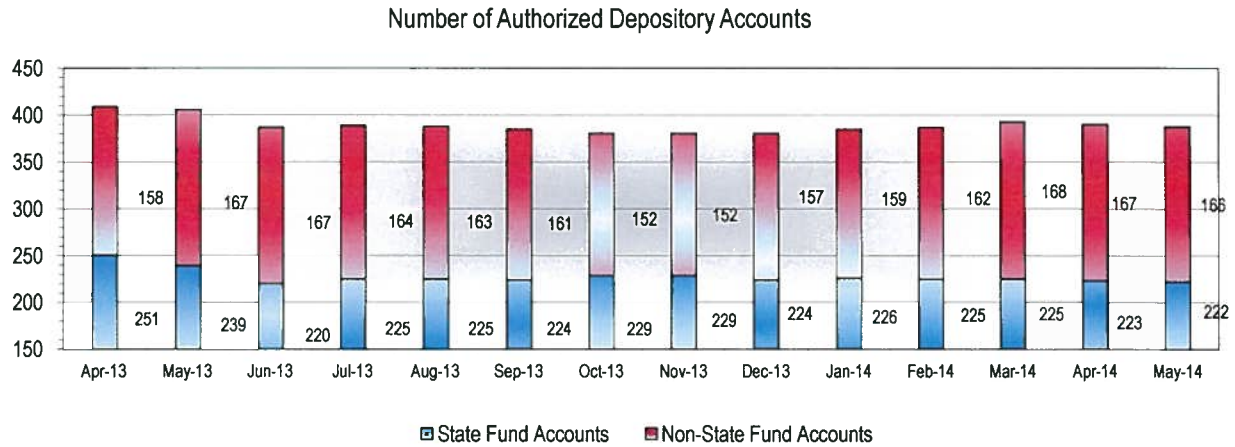
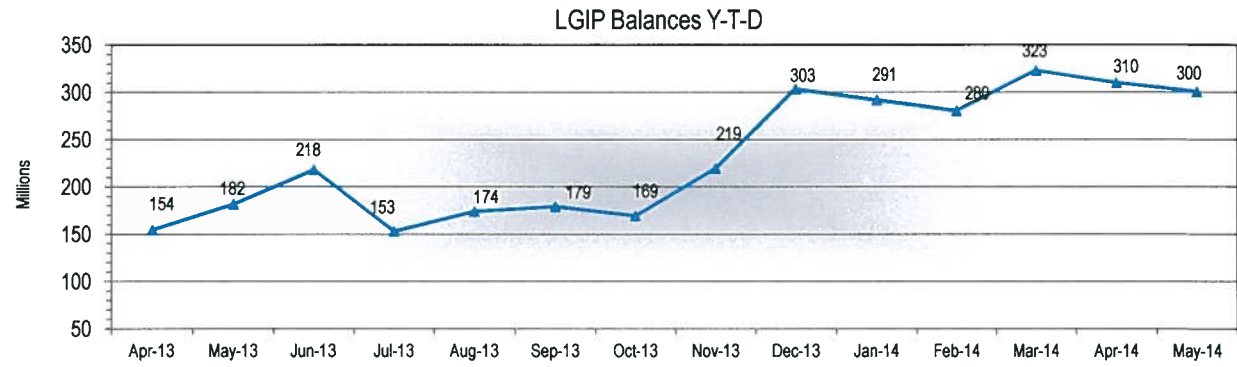
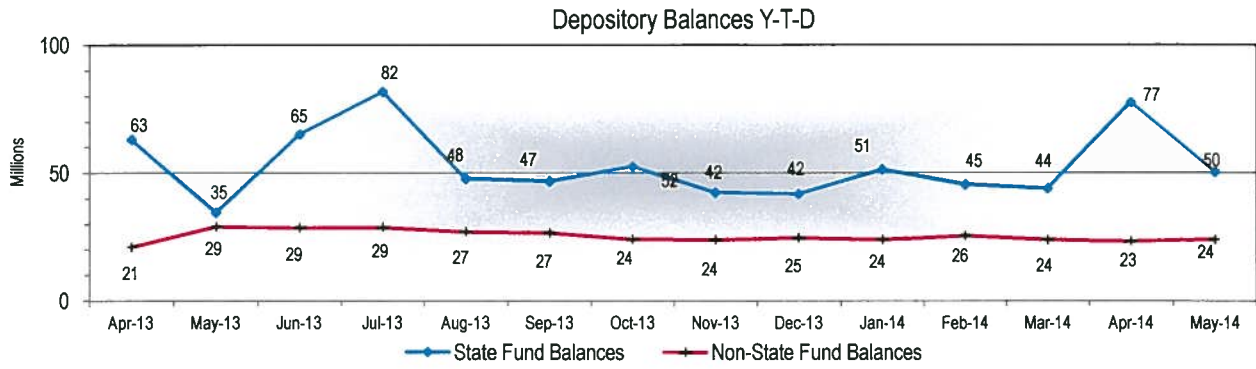
Date: June 24, 2014  
To: James B. Lewis, State Treasurer  
For: Governor Martinez and Members of the State Board of Finance  
From: Samuel K. Collins, Jr., State Cash Manager   
Subject: State Fund Deposit Activity for the month ending May 31, 2014

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

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

(Attachments)

# Depository Account Summary - May 2014



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

Depository accounts opened in May 2014    1   Admin of Courts

Depository accounts closed in May 2014    1   13th Judicial District Court  
     2   TRD

**Depository Account Summary by Agency**

**May 2014**

**STATE FUNDS**

**NON-STATE FUNDS**

<u>AGENCY</u>	<u># OF ACCTS.</u>	<u>BALANCE</u>	<u>AGENCY</u>	<u># OF ACCTS.</u>	<u>BALANCE</u>
AOC (fines, fees etc.)	53	\$3,169,773	AOC	50	\$0
BERN. CO. METRO COURT	2	\$808,270	1ST JUDICIAL DIST. COURT	3	\$1,433,727
1-13 DISTRICT ATTORNEY	6	\$46,839	2ND JUDICIAL DIST. COURT	2	\$1,006,912
EDUCATION RETIREMENT BOARD	1	\$191,597	3RD JUDICIAL DIST. COURT	2	\$1,245,695
TAXATION & REVENUE DEPT.	27	\$115,980	4TH JUDICIAL DIST. COURT	4	\$131,704
PUBLIC SCHOOL INS. AUTHORITY	6	\$35,016,096	5TH JUDICIAL DIST. COURT	3	\$1,499,709
NMRHCA	1	\$0	6TH JUDICIAL DIST. COURT	3	\$424,985
PUBLIC DEFENDER	1	\$595	7TH JUDICIAL DIST. COURT	4	\$145,611
SECRETARY OF STATE	1	\$0	8TH JUDICIAL DIST. COURT	4	\$285,910
STATE TREASURER (JDC)	35	\$210,387	9TH JUDICIAL DIST. COURT	2	\$681,335
STATE TREASURER (OTHER INVEST)	0	\$0	10TH JUDICIAL DIST. COURT	2	\$465,128
NM RACING COMMISSION	6	\$84,080	11TH JUDICIAL DIST. COURT	10	\$621,285
SPACEPORT AUTHORITY	0	\$0	12TH JUDICIAL DIST. COURT	4	\$1,510,677
DEPT. OF GAME & FISH	2	\$90,670	13TH JUDICIAL DIST. COURT	68	\$8,818,086
SOUTHWEST REGION ED.	1	\$2,177,892	BERNALILLO CO. METRO COURT	2	\$115,602
ENERGY & MINERALS	4	\$299,966	6TH DISTRICT ATTORNEY	3	\$19,396
COMMISSION PUBLIC LAND	2	\$0	7TH DISTRICT ATTORNEY	1	\$1,569
STATE ENGINEER'S OFFICE	4	\$675,032	10TH DISTRICT ATTORNEY	1	\$25
IRRG WKS CONST	1	\$252,426	11TH JUDICIAL DIST. ATTORNEY	1	\$2,128
HUMAN SERVICES DEPT.	6	\$28,161	ATTORNEY GENERAL	1	\$3,401
WORKFORCE SOLUTIONS	5	\$1,422,023	LGIP	4	\$300,162,617
DIVISION OF VOCATIONAL REHAB	1	\$26,633	PUBLIC REG. COMMISSION	2	\$628,511
MINER'S HOSPITAL	5	\$4,216,176	SUPERSTENDENT OF INSURANCE	1	\$98,514
DEPARTMENT OF HEALTH	38	\$775,638	NM STATE FAIR	5	\$1,272,428
ENVIRONMENT DEPARTMENT	1	\$0	SOUTHWEST REGION ED.	1	\$15
CHILDREN YOUTH AND FAMILIES	2	\$518	MINER'S HOSPITAL	1	\$6,072
CORRECTIONS DEPARTMENT	5	\$1,332	DEPARTMENT OF HEALTH	11	\$792,306
DEPT. OF PUBLIC SAFETY	2	\$2,742	CHILDREN, YOUTH & FAMILIES	6	\$90,232
HIGHWAY & TRANSPORTATION	4	\$1,039	CORRECTIONS DEPARTMENT	12	\$2,557,191
CENTRAL REGIONAL CO-OP	1	\$645,012	DEPT. OF PUBLIC SAFETY	2	\$25,194
			CENTRAL REGION CO-OP	1	\$211,707
			sub-total:	166	<b>\$324,257,672</b>

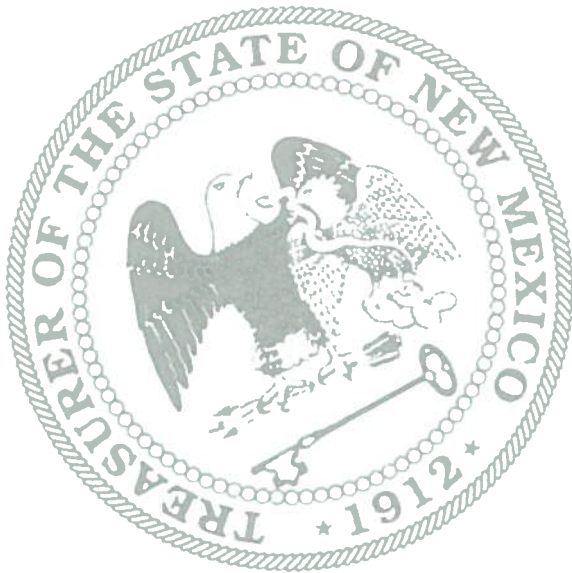
sub-total: 225    **\$50,258,877**

**Total Depository Balance:    \$374,516,549**  
**Total Depository Accounts:     391**

**State Fund Balances by Financial Institution****May-2014**

First National Bank/Alamogordo	\$	139,767
Bank of America/Albuquerque	\$	963,818
Wells Fargo Bank/Albuquerque	\$	40,917,847
Compass Bank/Albuquerque	\$	2,281,773
Bank of the West/Albuquerque	\$	11,058
First American Bank/Artesia	\$	66,019
My Bank/Belen	\$	5,963
Carlsbad National Bank/Carlsbad	\$	800
Western Commerce Bank/Carlsbad	\$	107,233
Farmers/Stockmens Bank/Clayton	\$	21,382
First National Bank/Clayton	\$	4,225,405
Citizens Bank/Clovis	\$	18,793
NM Bank & Trust/Albuquerque	\$	161,369
Community Bank/Santa Fe	\$	2,470
Valley National Bank/Espanola	\$	500
Grants State Bank/Grants	\$	-
Lea County State Bank/Hobbs	\$	173,712
Southwest Capitol/Las Vegas	\$	143,984
Community 1st Bank/Las Vegas	\$	46,014
Western Bank/Lordsburg	\$	64,976
Los Alamos National Bank/Los Alamos	\$	18,199
International Bank/Raton	\$	39,877
Valley Bank of Commerce/Roswell	\$	119,296
First State Bank/Socorro	\$	8,777
Centinel Bank/Taos	\$	107,162
US Bank/Albuquerque	\$	46,800
Bank of the Southwest/Roswell	\$	520,326
People's Bank	\$	18,151
AmBank	\$	17,364
Washington Federal	\$	10,042

**Total: \$ 50,258,877**



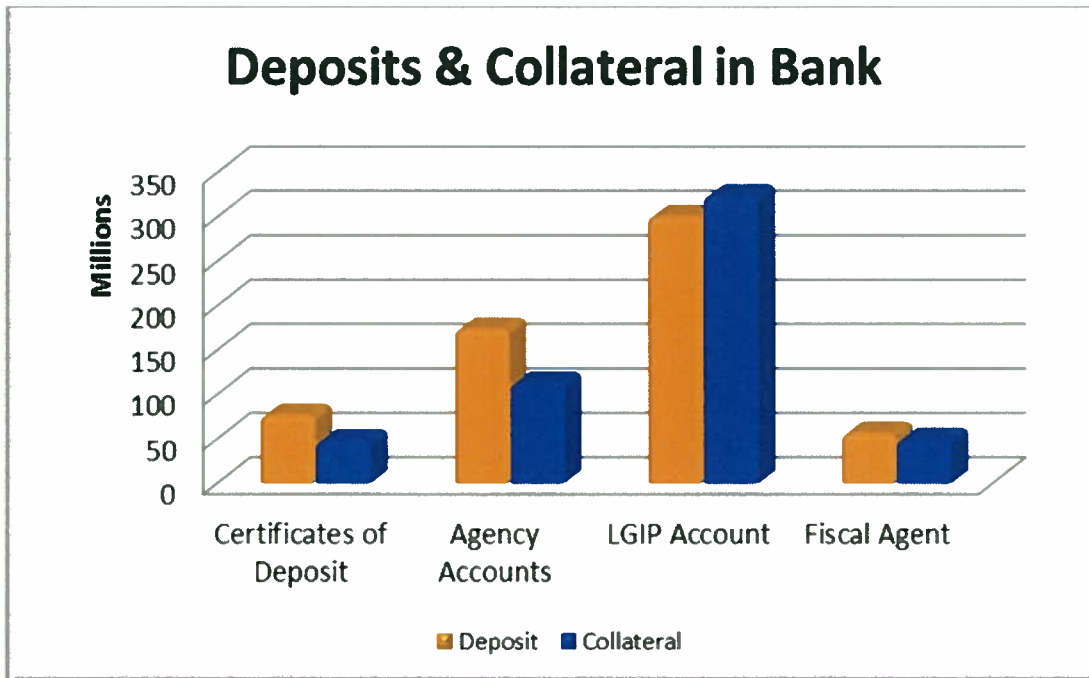
## 15. Collateral Report on Agency Deposits & CDs

# Office of the Treasurer

## Collateral Summary Review

### May 31, 2014

All depository institutions holding public funds for the month ending May 2014 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	\$ 76.0 Million	\$ 47.2 Million	62.1%
Agency Deposit	173.1 Million	112.2 Million	64.8%
LGIP Deposits	300.2 Million	323.0 Million	107.6%
Fiscal Agent	55.8 Million	48.8 Million	87.5%
Totals →	605.0 Million	631.3 Million	87.8%





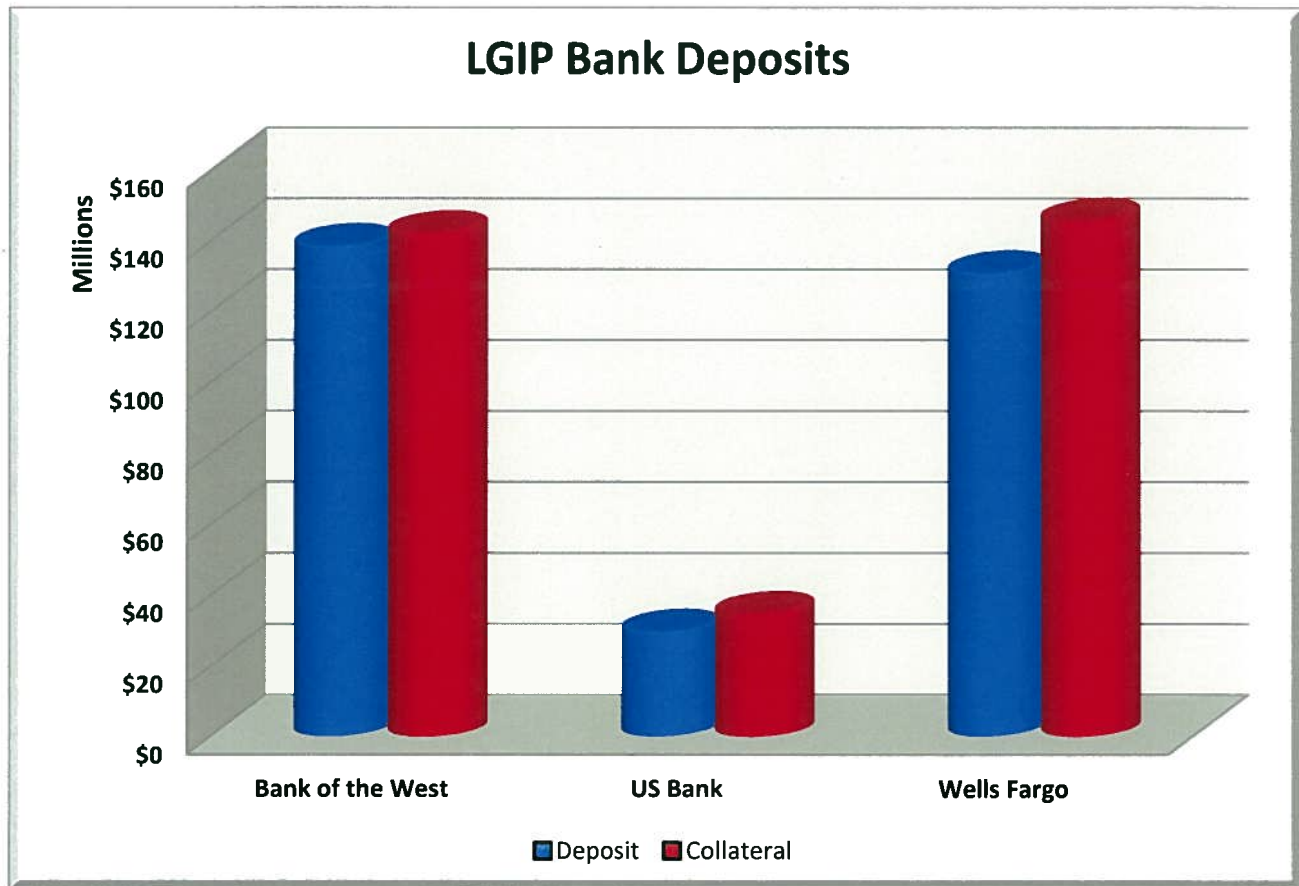
Office of the Treasurer  
**Collateral Review**  
 Accumulated Total by Institution  
 May 31, 2014

FINANCIAL INSTITUTION	%	TOTAL DEPOSITS	FDIC / NCUA INSURANCE	LESS INSURANCE COVERAGE	SUBJECT TO BE COLLATERALIZED	COLLATERAL PLEDGED	EXCESS (UNDER)
First National - Alamogordo	50%	144,367	144,367	0	0	1,589,600	1,589,600
Western - Alamogordo	75%	3,612,064	250,000	3,362,064	2,521,548	3,141,727	620,179
Bank of America	50%	1,144,218	250,000	894,218	447,109	4,964,391	4,517,281
Bank of the West	50%	240,082,720	250,000	239,832,720	119,916,360	195,802,508	75,886,148
BBVA Compass	50%	2,281,791	250,000	2,031,791	1,015,895	6,692,620	5,676,725
US Bank	50%	31,299,374	250,000	31,049,374	15,524,687	35,000,000	19,475,313
Wells Fargo	50%	190,624,779	250,000	190,374,779	95,187,390	185,642,823	90,455,433
First American	50%	66,019	66,019	0	0	0	0
My Bank	102%	179,505	179,505	0	0	0	0
Carlsbad National	50%	800	800	0	0	0	0
Western Commerce	50%	4,107,718	250,000	3,857,718	1,928,859	2,273,823	344,964
Farmers & Stockmen	50%	10,042,495	250,000	9,792,495	4,896,247	5,190,181	293,934
First National - Clayton	50%	4,225,405	250,000	3,975,405	1,987,702	2,345,400	357,698
Bank of Clovis	50%	681,335	250,000	431,335	215,667	829,284	613,617
Citizens - Clovis	50%	18,793	18,793	0	0	0	0
NM Bank & Trust	50%	161,368	161,368	0	0	274,035	274,035
Western - Clovis	50%	3,100,000	250,000	2,850,000	1,425,000	2,010,211	585,211
Valley National	102%	500	500	0	0	0	0
Grants State	50%	30,103	30,103	0	0	0	0
Lea County State	102%	173,712	173,712	0	0	100,000	100,000
Citizens - Las Cruces	50%	3,597	3,597	0	0	0	0
Southwest Capital	50%	10,771,101	250,000	10,521,101	5,260,550	5,411,966	151,416
Community 1st - Las Vegas	102%	46,014	46,014	0	0	566,828	566,828
Western - Lordsburg	50%	132,864	132,864	0	0	0	0
Los Alamos National	102%	18,199	18,199	0	0	0	0
James Polk Stone Communi	50%	211,707	211,707	0	0	158,969	158,969
International	50%	68,297	68,297	0	0	0	0
Bank of the Southwest	50%	876,307	250,000	626,307	313,153	333,608	20,455
Valley Commerce	50%	119,296	119,296	0	0	0	0
Century	50%	29,735,697	250,000	29,485,697	14,742,849	17,781,357	3,038,509
Community	102%	163,634	163,634	0	0	0	0
First National - Santa Fe	50%	10,004,822	250,000	9,754,822	4,877,411	7,654,413	2,777,002
First State	50%	74,491	74,491	0	0	0	0
AM	102%	17,364	17,364	0	0	0	0
Centinel	50%	107,162	107,162	0	0	0	0
Peoples	102%	18,151	18,151	0	0	0	0
BANK'34	102%	2,000,965	250,000	1,750,965	1,785,984	2,276,448	490,464
United Labor Bank	50%	4,000,000	250,000	3,750,000	1,875,000	2,941,745	1,066,745
Guadalupe Credit	50%	250,000	250,000	0	0	0	0
Washington Federal	50%	30,352	30,352	0	0	0	0
		<b>550,627,083</b>	<b>6,286,293</b>	<b>544,340,790</b>	<b>273,921,413</b>	<b>482,981,937</b>	<b>209,060,524</b>



# LGIP Bank Deposits May 31, 2014

<u>Financial Insitution</u>	<u>Percentage</u>	<u>Deposit</u>	<u>Collateral</u>
Bank of the West	102.5%	138,821,018	142,268,852
US Bank	116.2%	30,124,880	35,000,000
Wells Fargo	111.1%	131,216,719	145,761,170
<b>Totals</b>	<b>107.6%</b>	<b>300,162,617</b>	<b>323,030,022</b>



# March 2014 Quarterly Risk Assessment

<b>Finacial Institution</b>	<b>Location</b>	<b>FDIC CERT. #</b>	<b>Mar-14</b>	<b>Dec-13</b>
AM Bank	Silver City	34302	102%	75%
BANK'34	Alamogordo	02889	102%	102%
BBVA Compass	Albuquerque	19048	75%	50%
Community 1st Bank Las Vegas	Las Vegas	16854	102%	102%
Community Bank	Santa Fe	21000	75%	102%
Los Alamos National Bank	Los Alamos	18799	102%	102%
MyBank	Belen	33616	102%	102%
Peoples Bank	Taos	04751	102%	102%
Valley National Bank	Espanola	19245	102%	102%
Western Bank Alamo	Alamogordo	22525	75%	75%