



James B. Lewis
State Treasurer

STATE OF NEW MEXICO
OFFICE OF THE TREASURER
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STATE TREASURER'S INVESTMENT COMMITTEE
Treasurer's Conference Room
Wednesday, June 13, 2012, 9:00 a.m.

MEETING AGENDA (25 Min)

Roll Call

Introduction of Guests and Presenters

- | | |
|-------------------------------------|--------|
| 1. Approval of June 13, 2012 Agenda | Action |
| 2. Approval of May 9, 2012 Minutes | Action |
| 3. Benchmark Memo | Action |
| 4. Dealer List | Action |

INVESTMENT REPORTS (60 min)

**Month Ended
April 30, 2012**

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

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

**Month Ended
April 30, 2012**

- | | |
|-----------------------------------------------|---------------|
| 13. State Agency Deposit Balances | Informational |
| 14. Collateral Report on Agency Deposits & CD | Informational |

COMMITTEE REPORTS (5 min)

Informational

- | | |
|-----------------------------------------------------|---------------|
| 15. LGIP Process Review FY 2012 | Informational |
| 16. Question Period | |
| 17. Next Meeting –Wednesday, July 11, 2012, 9:00 am | |
| 18. Adjournment | |

New Mexico State Treasurer's Office

STIC Committee Meeting

Meeting Minutes

Wednesday, May 9, 2012

ROLL CALL – QUORUM PRESENT:

A regular meeting of the New Mexico State Treasurer's Investment Committee (STIC) was called to order this date at 9:00 a.m. in the conference room of the NMSTO conference room of the State Treasurer's Office, 2055 South Pacheco Street, Santa Fe, New Mexico 87505.

Members present:

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

Staff Present:

Mr. Mark Valdes, NM State Deputy Treasurer
Mr. Spencer Wright, Portfolio Manager (PM)
Ms. Vikki Hanges, Portfolio Manager (PM)
Mr. Sam Collins, State Cash Manager
Mr. Arsenio Garduno, Collateral Manager
Ms. Kirene Bargas Guardado, STIC Secretary
Ms. Amy Aguilar, STIC Secretary in training

Guests Present:

Mr. Scott Smith, LFC
Ms. Deanne Woodring, Davidson Fixed Income Management [by telephone]

1. Approval of Agenda

Mr. Boushelle moved approval of the agenda as submitted. Treasurer Lewis recommended that we move discussion item 18 STIC Open Discussion to behind item 2. Mr. Boushelle moved approval with recommended change. Ms. Clarke seconded the motion, which passed unanimously by voice vote.

2. Approval of Minutes: April 11, 2012

Ms. Clarke moved approval of the April 11, 2012 Minutes. Treasurer Lewis recommended a minor change be made on page 7 and Ms. Clarke recommended a minor change be made on page 4. Mr. Cassidy seconded the motion subject to the minor revisions by Treasurer Lewis, and Ms. Clarke on pages 7 and 4.

18. STIC Open Discussion, Treasurer Lewis

Treasurer Lewis addressed the committee and clarified the perception about the hiring of a compliance officer. Treasurer Lewis stated that he is not opposed to hiring a compliance officer, but stated reasons for not employing one currently. He stated that last year with a \$3.5 million budget, a million less than 5 years ago, there was a decision to wait and see if the budget would turn around before a further decision was made in regards to hiring a compliance officer. He then stated that his intention was to have 2 CPAs on staff. Further discussion was made about past history of the Treasurer's Office and how the position of the Compliance Officer was created, and how the person that was eventually hired did not have a background in investments and could not do compliance.

Treasurer Lewis then discussed his responsibilities as the New Mexico State Treasurer, and the role of the STIC Committee. He then addressed the following issues:

- Every elected office in the State of New Mexico is independent, and an elected official reports to the citizens who elected him.
- The statute where a previous administration is supposed to leave 50% of the budget to the succeeding administration; and that a previous administration cannot bind its policies and procedures on a succeeding administration.
- The original role of the STIC committee, which is an advisory committee for reviewing and evaluating investments.
- The State Treasurer as an elected official holds the responsibility for the daily operations of the office.
- Statutes and the constitution determine the duties and responsibilities of the treasurer, and thereafter are the policies and procedures.

Mr. Smith stated that the DFA is responsible for reconciling to book, and that the Treasurer's Office is responsible for all bank relationships and resources should flow to the area where the problems are.

Treasurer Lewis responded with the following comments:

- Original statutes from the Auditor's Office state that the reconciliation should be done at the Treasurer's Office, but there was a change in statutes in 2003 that said that the reconciliation would be done at DFA once the new SHARE system was implemented.
- Secretary Clifford stated that all the statutes would be looked at.
- His concern was that practices are not following statute.

Ms. Clarke commented that to say that something needs to be reconciled to the bank or the book makes it sound like there is a third thing, and there is not. There is the book and bank and it is always a process of reconciling between the book and the bank.

Ms. Clarke addressed the comments of Treasurer Lewis about the "advice" and "consent" role of the Board of Finance, where the Treasurer stated that role is being over-reached. She noted the difference between "advice" and "consent", where advising is clearly advising and not binding.

Treasurer Lewis then asked Ms. Clarke to define "advice" and "consent."

Ms. Clarke then made the distinction, and noted that she is not an attorney, that advising is not binding upon the office's actions, but consenting suggests giving prior approval to some large subset of actions that can then be taken under an umbrella.

Treasurer Lewis then mentioned the investment policy.

Ms. Clarke responded with the following comments:

- The investment policy and the broker dealer list are approval items before the Board of Finance.
- The Board of Finance may consent to anything that fits under the investment policy or doing business with any broker who is approved under the broker dealer list.
- The difference between “advice” and “consent”; one is non-binding, but one is binding, ahead of the Treasurer’s actions as a Constitutional office.

Treasurer Lewis then stated that he did not have a problem presenting to the Board of Finance as the statutes promulgate that they have oversight of investments, but not the management of the office.

Mr. Boushelle then asked since consent can be both positive and negative, what happens and what it means if there is not consent. He then stated that according to Treasurer Lewis definition of “advice” and “consent”, which the committee can only advise or suggest. What happens if someone does not agree with the Treasurer?

Ms. Clarke again noted that she is not an attorney, and cited past practice is that benchmarks receive approval by the Board of Finance. There is consent ahead of time regarding acceptable performance benchmarks.

Treasurer Lewis then stated, what is “advice” and “consent”, with the question of who owns the liability? The discussion continued about benchmarks and suggested that benchmarks be discussed at the Board of Finance meeting in June.

Ms. Clarke confirmed that the Investment Policy by extension makes benchmarks an approval item.

Treasurer Lewis stated that he did not have a problem with that and asked who would assume liability if benchmarks are not met. Treasurer Lewis also asked who sets the standards for benchmarks, is it the Board of Finance, or is it the Treasurer’s Office.

Ms. Clarke stated that the Board of Finance has only approved benchmarks proposed by the Treasurer’s Office after going through the STIC committee. The Board of Finance has never had the practice of imposing a benchmark that was not presented by the Treasurer’s Office. Ms. Clarke stated that the first formal benchmarks were adopted in about 2006.

Treasurer Lewis stated that these standards started during the time when there was fire drill activity in this office, and wants to make sure that we have the right benchmarks and that they measure what they are supposed to measure.

Mr. Boushelle then stated that he had read somewhere that the Board of Finance raises presented benchmarks by 5 basis points, and asked Ms. Clarke if that was true.

Ms. Clarke responded with the following comments regarding performance based measures:

- There was a performance measure placed by the Legislature that said the State Treasurer’s Investment Portfolio return shall exceed the Federal Funds Rate by 5 basis points.
- This was taken off of performance measures because it is not something that can be controlled by the Board of Finance.
- A relationship between the Treasurer’s investment portfolio return and the Federal Funds rate should not be expected.
- She offered to pull any minutes and send them to the Madame Chair from Board of Finance meetings with discussions concerning benchmark or approvals of benchmarks.
- Benchmarks proposed by the Treasurer’s Office have been approved as requested by the Treasurer’s Office.

Mr. Boushelle then asked what would happen if the benchmarks were not approved by the Board of Finance?

Ms. Clarke then answered that if proposed benchmarks were not approved by the Board of Finance then she would assume that current benchmarks would stay in place.

Mr. Boushelle then asked if it gets back to the Treasurer's responsibility to set those benchmarks.

Treasurer Lewis addressed the committee with the following comments:

- The office will work with the Board of Finance to come up with something that is amicable.
- Who is responsible if something happens, is it the Treasurer or the Board? Is there dual responsibility?
- The Attorney General's office may be asked for an opinion, if we are required to have the approval by the Board of Finance do they share in the responsibility?

Ms. Hanges made the following comments:

- Benchmarks should not be set in terms of performance, but in terms of being a proxy for the market, and in what is done with the investments.
- STO has a different objective, and it is not a total rate of return portfolio as we have to pay bills and there are liquidity needs that need to be met.

Treasurer Lewis responded with the following comments:

- He did not have a problem with looking at measurements, but we have to make sure everyone is looking at them in the same way.
- He agreed with Ms. Hanges that all involved need to understand what we are trying to measure, the purpose, and the intent.

Ms. Roseborough mentioned that benchmarks would be discussed further on item 15, and recommendations are in draft form for purposes of discussion today, and stated that she will reach out to key stakeholders, Dr. Clifford, Mr. Abbey and Mr. Smith for their review. Ms. Roseborough stated that after today's conversation the draft version can be modified, and we can continue our outreach with our key stakeholders, and then be prepared to present to the Board of Finance on the 21st, upon approval from STIC on June 13, 2012.

Mr. Cassidy then stated his appreciation for the Treasurer reaching out and discussing these items. Mr. Cassidy stated that he did recognize the fact that the STIC Committee is strictly advisory for the purpose of creating transparency as a result of the past problems in the office, and that all things that happened in 2006 are a result of what happened in the past, and the perception that this committee is becoming more than just an advisory committee is really out of necessity and out of our goodwill to try to do something to help the Treasurer and to make sure there is no embarrassment, quite frankly, from elected officials among voters of the State of New Mexico. He then addressed issues that he felt needed attention, such as internal audit vs. the compliance auditor; the fact that the books are not reconciled with DFA's books, and the adoption and setting of benchmarks.

3. Public Member Update, Ms. Roseborough

Ms. Roseborough recognized that the State Board of Finance approved Member Paul Cassidy for a returning term as a public member of the State Treasurer's Investment Committee.

Ms. Clarke thanked Mr. Cassidy for continuing to serve, and recognized his credentials and value to the Board.

Treasurer Lewis agreed and recognized both Mr. Boushelle and Mr. Cassidy, and thanked Ms. Woodring for sitting and listening through the discussions.

4. Executive Summary, Mr. Wright

The executive summary contents were presented in its entirety.

Mr. Smith asked if the duration had been extended in the general fund core in the last quarter, and asked about trades, and other transactions that had occurred within the portfolio.

Mr. Wright stated that the duration was extended, and explained the strategy.

Mr. Smith asked a question about the bond proceeds accounts and if the lack of being able to reconcile contributes to the need to remain more lucrative than ordinary as opposed to pushing money into the core, and extending the duration increasing our yield. He then asked what percent of the portfolio was being held because of a lack of liquidity; and because of not being able to reconcile.

Mr. Wright responded and explained that funds have been transferred from the Bond Proceeds account to the General Fund as we have caught up in reconciling. The effect is that we have seen more net withdrawals out of the bond proceeds funds into the General Fund over the past quarter, as we repay the General Fund for Capital spending.

Both Mr. Wright and Mr. Smith agreed that this allows us to be more efficient in terms of investing in the core vs. the liquidity, and will allow us to have higher General Fund balances, and how anticipated bond proceeds and raising rates will affect the balances.

5. Investment Policy Compliance Report, Mr. Wright

The investment policy compliance report contents were presented in its entirety.

7. General Fund, Mr. Wright

The general fund and cash projection contents were presented in its entirety.

Mr. Boushelle asked will the duration be brought to closely match the benchmark, is it the best thing to do, or are just trying to match the benchmark?

Mr. Wright responded, that when rates go up the Fed will not lead the change in the market, and so our thought is to let the duration come in naturally over time to something more consistent with the benchmark.

8. LGIP, Ms. Hanges

The STIC binder LGIP contents were presented in its entirety, and Ms. Hanges noted a correction in the date of March 29th to February 29th.

9. Tax-Exempt BPIP, Ms. Hanges

The STIC binder Tax-Exempt BPIP contents were presented in its entirety.

10. Taxable BPIP, Ms. Hanges

The STIC binder Taxable BPIP contents were presented in its entirety.

Mr. Cassidy asked “what happens when testing the portfolio for duration and while waiting for rates to rise? If rates rise, will we have to sell securities to meet cash flow needs; and if there are losses, can the fund handle that?”

Ms. Hanges responded that there is sufficient short term liquidity to cover all the project needs, but a lot of the callables are in-the-money and could be sources of liquidity as well, if necessary.

11. Severance Tax Bonding Fund, Mr. Wright

The STIC binder Severance Tax Bonding Fund contents were presented in its entirety.

12. Broker Dealer Activities, Ms. Roseborough

The STIC binder Summary of Broker Activities and the Broker Dealer List contents were presented in its entirety.

Following was discussion regarding the broker dealer list Memo and the stated recommendations. Various questions from the portfolio managers arose regarding some of the additions and deletions within the recommendations. There were also questions regarding the process followed. Due to the questions presented, Ms. Clarke suggested that action be deferred, and recommended that upon the review and recommendations, that staff bring the finalized Broker Dealer list to the STIC for approval in June.

Mr. Boushelle motioned to act on Ms. Clarke's suggestion.

Treasurer Lewis then recommended a sub-committee of Mr. Boushelle and Mr. Cassidy be assigned to come to STO to review the internal process, interview the administrator and portfolio managers, and provide feedback and recommendations. Mr. Boushelle and Mr. Cassidy agreed.

Ms. Clarke moved to table the action on committee approval of the Broker Dealer list until the June STIC meeting, and in the meantime the two private sector members should meet as a sub-committee to review the internal Treasurer's process and report back to the committee at the June STIC meeting.

Mr. Cassidy seconded the motion, which passed unanimously by voice vote.

Ms. Clarke thanked Ms. Guardado for doing all the heavy lifting on this project, and that she did not doubt that Ms. Guardado did not do all the hand holding that should have been done. She was just hesitant to approve a list that could functionally limit the firms that we do business with.

Ms. Roseborough added that there was not the intent to eliminate anyone from the list. A procedure was followed, a process with strict guidelines and deadlines and STO did adhere to the process.

Treasurer Lewis stated that we may look at timing issues, and thinks that reviewing the process will make us healthier, with transparency to ensure that we treated everybody equally across the board.

13. State Agency Deposit Balances, Mr. Collins

The STIC binder contents were presented in its entirety.

Treasurer Lewis asked about the funds in BBVA Compass at 102%, the amount of \$229M, why the amount?

Mr. Collins deferred the question to the portfolio managers.

Mr. Wright responded that Spain has seen 2 downgrades this year; the rate is now BBB. At the time of the downgrade there was a significant balance with BBVA Compass in LGIP. Upon downgrade, it became an inappropriate investment for the LGIP fund, so Ms. Hanges worked with S&P, BBVA Compass, and the FHLB in order to obtain a loan letter of credit behind the deposits. We withdrew funds from LGIP and increased deposits in the General Fund and the BPIPs. Since then, BBVA has been downgraded again, but we are comfortable with the collateralization. However, this is a valid discussion on whether we should maintain exposure to BBVA.

Ms. Clarke noted that in 1 or 2 prior STIC meetings there was discussion about the return on the holdings which was increased to compensate for the additional risk of 20 to 25 basis points.

Mr. Cassidy asked if the letter of credit with the FHLB had provisions that it can be drawn anytime if needed, and asked if there an expiration date. Mr. Cassidy noted that we need to make sure that if something happened to the bank, the letter of credit will not expire.

Ms. Hanges responded that when BBVA was downgraded, we formulated our liquidation policy letter. The letter states who we would contact and the procedures. S&P helped us to create a process for such an occurrence.

Mr. Garduno noted that the maturities are not longer than a year. That way the duration is not that far, and the letter of credit is not issued for longer than a year.

Mr. Collins noted that the funds are a transaction account so there is not a maturity on the deposit; there is just a maturity on the letter of credit.

Mr. Wright noted that it is a year.

Mr. Garduno noted that he is monitoring the institution through the quarterly risk assessment process, and what is reported to the FDIC, which is on a quarterly basis.

Mr. Cassidy asked if the rating is BBB.

Ms. Hanges noted that the short term rate is A2P2.

Mr. Wright asked Ms. Roseborough if she attended a lunch the prior day for review of BBVA.

Ms. Roseborough stated that she did attend the lunch and that BBVA representatives did not reveal a whole lot, and appeared to minimize their risk as much as possible. But 25% of their holdings are in the Spanish parent bank in her view there is a risk there. She will rely on Mr. Garduno's work through collateral management, the portfolio managers, and with Ms. Wooding's advice and guidance will continue to monitor and adjust the strategy.

Ms. Woodring noted that anytime there is more risk, and obviously there is, we need to reduce exposure. The higher yield and lower maturity will not help, but if that information is coming to STO, then she recommended reducing them down.

Ms. Hanges noted that the letters of credit have an expiration of one year, but it does not mean we get our money back in a year.

Ms. Woodring responded and said that if the bank has a problem with liquidity, we will be limited immediately.

Ms. Hanges then went into detail about the reasons behind the downgrades, and what the rates are if the parent bank and subsidiary are separated.

14. Collateral Report on Agency Deposits & CD, Mr. Garduno

The STIC binder collateral report contents were presented in its entirety.

15. Benchmark Memo, Chair Roseborough

Ms. Roseborough proposed that the Investment Advisor, Ms. Woodring, portfolio managers Mr. Wright and Ms. Hanges make their presentations.

Mr. Boushelle asked if they produced their recommendations based on a document that states how benchmarks are supposed to be set.

Mr. Wright answered yes.

Mr. Boushelle then asked if the document states that benchmarks will be established based on the expertise of the portfolio managers. (Referring to Davidson & Co., Ms. Wooding's benchmark discussion report)

Mr. Wright answered yes.

Mr. Boushelle stated that he thinks that is backwards, and that he hopes the benchmarks are based on the economy and projections, and stated his opposition to what the document states benchmarks should be based on.

Mr. Wright addressed the committee and reminded them that we do have an investment policy that is used when developing the framework to recommend benchmarks with goals of safety, liquidity, and yield.

Mr. Boushelle stated his opinions about the wording of the document that expertise of the portfolio managers.

Ms. Clarke stated the way she interprets the wording of the document is that benchmarks are based on the expertise of the portfolio manager to set the benchmark according to knowing how the fund should be managed, and on the goals of the portfolio. Not on the caliber of the portfolio manager.

Ms. Woodring stated that her wording on the document means that the content of the benchmark is driven by policy, and by the objectives of the specific funds.

Mr. Boushelle again stated his opinions about how the document is not written well and should be changed to what we are really doing.

Ms. Clarke stated that she did not think the specific wording of the document would be binding.

Ms. Roseborough clarified the purpose of the memo which is how we approach benchmarks, and act and implement the investment policy.

Mr. Boushelle addressed the document covering the approach for setting benchmarks as a portfolio manager who was strictly concerned with rate of return. He again suggested the language be cleaned up in the document.

Mr. Wright responded with the following comments:

- The document was meant to identify issues for the committee to discuss, to utilize information, and to develop a framework for the recommended benchmark by the portfolio managers.
- The portfolio managers and Ms. Roseborough have had discussions with Ms. Woodring where benchmark concerns have been addressed.

The STIC binder Benchmark Memo contents were presented in its entirety.

Mr. Cassidy asked whether the TRAN and the Severance Tax Bond Fund have an average life longer than the General Fund Liquidity Repo pool.

Mr. Wright responded, yes, and had the following comments:

- The STBF has a six month potential life for the first deposit; a five month life for the second deposit; a four month life for the third deposit; and so on. It is has a shorter life than thought.
- The TRAN issue cash flow is not designed to be an investment issuance, and should be utilized to meet cash flow needs of the state.
- The balances should be managed to a shorter standard, being mindful that we do not want to have a separate benchmark for each shorter term fund. We want to use them as a guide and to keep simplicity in the short benchmark we are using.
- The Bank of America/Merrill Lynch 0-3 Treasury which is a short term benchmark, with a duration of 1.3 years for the BPIP Fund. It is slightly shorter than the current benchmark.
- The recommended benchmarks were based on the current market. Conservatively we do not want to able to measure the market, but we want a proxy that shows the current market, and we will have the ability to see value added by the portfolio managers.

Committee members, portfolio managers, and Ms. Woodring discussed the reasoning behind having one benchmark; and discussed the possible consolidation of the BPIP funds relative to cash flow needs, investment strategy, arbitrage calculations, liquidity needs, duration, and investment policy.

Mr. Cassidy asked about the process for the committee to annually review the benchmarks, relative to performance and optimization.

Ms. Clarke recommended that the committee table or defer the approval, because of Treasurer Lewis's comments regarding the dialogue, and suggested continued discussion with stakeholders.

Ms. Clarke made the motion to place on next month's agenda for action. Treasurer Lewis seconded the motion, which passed unanimously by voice vote.

Treasurer Lewis personally thanked the Investment Division and Ms. Woodring for the recommendations. He stated that it was important for transparency and that we need input from the stakeholders prior to the setting of new benchmarks with regards to the Investment Policy.

Ms. Roseborough responded that this will be a great opportunity to demonstrate the value-added with respect to over 25 years of experience for each portfolio manager.

16. State Bond Issue Participation, Mr. Wright

Mr. Wright covered under General Fund contents.

6. 3/20/12 Quarterly Report, Ms. Woodring

The STIC binder Davidson and Co. Quarterly Report contents were presented in its entirety.

Treasurer Lewis asked if Ms. Woodring could provide guidance regarding LGIP pools, S&P ratings, and any rules by the legislature.

Ms. Woodring responded that she would provide that guidance.

Treasurer Lewis asked if Ms. Woodring would come and provide an update to the Board of Finance. Ms. Woodring agreed.

19. LGIP FY2012 Process Review, Ms. Roseborough

Ms. Roseborough mentioned that the LGIP Process Review regarding the Reserve Contingency Fund was to be completed in June.

20. Audit FY2011, Ms. Roseborough

Ms. Roseborough presented the STIC Binder Audit and finding.

21. Question Period

Ms. Roseborough asked if there were questions or comments. There were no further questions, comments, or discussion.

22. Next Meeting- Wednesday, June 13, 2012 @ 9:00 a.m. at STO.

Ms. Roseborough noted the date and time of meeting.

23. Adjournment

Ms. Roseborough adjourned the meeting at 12:25 pm.

Minutes were taken by Ms. Aguilar, on May 9, 2012.

Minutes approved by: Ms. Roseborough on June 8, 2012



STATE OF NEW MEXICO
OFFICE OF THE TREASURER

MEMORANDUM

INVESTMENT PORTFOLIO BENCHMARKS

DATE: JUNE 8, 2012

TO: STATE BOARD OF FINANCE

FROM: THE HONORABLE TREASURER, JAMES B. LEWIS
MS. LINDA ROSEBOROUGH, CHIEF INVESTMENT OFFICER *Linda*
MS. VIKKI HANGES, PORTFOLIO MANAGER
MR. T.SPENCER WRIGHT, PORTFOLIO MANAGER
MS. DEANNE WOODRING, INVESTMENT CONSULTANT, DFIM

SUBJECT: APPROVAL OF STATE TREASURER'S BENCHMARKS AND RECOMMENDATIONS

CC: STATE TREASURER'S INVESTMENT COMMITTEE

A review of the current investment and cash management strategies at the State Treasurers office has been completed. It is recommended to change the benchmarks to more accurately reflect the cash flow demands and risk profiles of the General Fund Core and Bond Proceed portfolios and to provide for better accountability of asset allocation decisions, while keeping in mind that the State Treasurer's office manages different "pools" of money to different objectives, with the stated overall objective as stated in the Investment Policy of "Safety, Liquidity & Yield, in that order".

RECOMMENDATIONS

	<i>Current Benchmark</i>	<i>Recommended Benchmark</i>
General Fund Liquidity, TRAN, Bank Balances, STBF, REPO Pool & LGIP	100% Standard & Poor's Investment Pool Index Duration 30 days	No Change
General Fund Core	<i>Current Benchmark</i> 15% BofA/ML 0-1 Treasury 70% BofA/ML 1-5 Agency Bullet 15% BofA/ML 1-5 Agency Callable Duration 1.86 years on 3/31/12	<i>Recommended Benchmark</i> 100% BofA/ML 0-5 Treasury Duration 2.15 on 3/31/12
BPPI's	<i>Current Benchmark</i> 10% BofA/ML 0-1 Treasury 90% BofA/ML 1-3 Agency All Duration 1.54 years on 3/31/12	<i>Recommended Benchmark</i> 100% BofA/ML 0-3 Treasury Duration 1.37 on 3/31/12

General Fund Core Portfolio:

Overall General Fund balances have stabilized and STO has focused on implementing a proactive role in managing cash flows to limit the required amount of funds that are needed to stay liquid and provide for daily withdrawals. This process provides 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. Therefore, the General Fund Liquidity is targeted to remain between \$400 million 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 a General Fund Core portfolio with maturities between 1 month and 5 years.

Investment Activity: The portfolio manager invests the General Fund Core in securities with the understanding that the security 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 of the portfolio.
- 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 manager evaluates allowable sectors and over-weights and under-weights asset classes based on current market conditions and market outlook.

Benchmark Recommendation General Fund Core: STO's Investment Division staff and DFIM recommend the Bank of America/ML 0-5 All -Treasury index as the Core Fund benchmark. This index has an ongoing duration of slightly over 2 years and consists of all US treasury securities. This benchmark provides for the accountability of both duration management and asset allocation.

Benchmark Characteristics:

ML 0-5 Treasury Index Symbol: GVQA
Average Monthly Duration 2.15 years
Price Volatility given 1% change in rates per \$1BLN invested: \$2,150,000.00
Maturity Structure: 0-5 year maturities
Asset Allocation: 100% Treasury Securities

General Fund Core Characteristics: As of 3/31/12

Current Duration 2.46 years
Price Volatility given 1% change in rates per \$1BLN invested: \$2,460,000.00
Maturity Structure: 0-5 years
Asset Allocation: 34.9% Treasury
63.2% Government Related
1.9% Corporates

BPIP Portfolios – Taxable and Tax Exempt:

The BPIP portfolios investment decisions are primarily driven by expected cash flow, both inflows and outflows. The portfolio manager does not have as much control on maintaining a stable duration given the variations in inflows and outflows that may occur month to month. STO has worked diligently at improving the cash flow management process in these funds, but still is impacted by unexpected flows from time to time. The goal is to maintain the portfolios with approximately 20% 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 manager invests the BPIP portfolio in securities that approximately cash-match expected cash flows 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) As security may be exchanged for another security to improve the quality, yield or the target duration of the portfolio.
- 3) If liquidity needs exceed expectations and a security needs to be sold to provide for cash flow.

Asset Allocation: The investment policy provides for the ability to diversify amongst 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 BPIP Funds: STO's Investment Division staff and DFIM recommend the Bank of America/ML 0-3 All Treasury index for both BPIP portfolio benchmarks. This index has an ongoing duration of approximately 1.40 years and consists of all treasury securities. This benchmark provides for the accountability of both duration management and asset allocation.

Benchmark Characteristics:

ML 0-3 Treasury Index Symbol: G1QA

Average Monthly Duration 1.40 years

Price Volatility given 1% change in rates per \$500MLN invested: \$700,000

Maturity Structure: 0-3 year maturities

Asset Allocation: 100% Treasury Securities

BPIP Fund Tax Exempt Characteristics: As of 3/31/12

Current Duration 1.09 years

Price Volatility given 1% change in rates per \$500MLN invested: \$545,000

Maturity Structure: 0-4 years

Asset Allocation: 10.8% Treasury
87.4% Government Related
1.9% Other

BPIP Fund Taxable Characteristics: As of 3/31/12

Current Duration 1.72 years

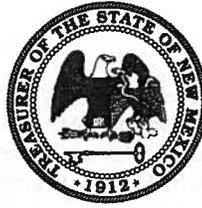
Price Volatility given 1% change in rates per \$500MLN invested: \$860,000

Maturity Structure: 0-5 years

Asset Allocation: 32.1% Treasury
57.6% Government Related
2.7% Corporates
7.7% Other

PORTFOLIO NAME	Market Value	Duration	Month	Trailing 3M	Fiscal YTD	YTD	1 YR	Since Inception	Inception Date
Local Government Investment Pool	\$ 799,887,298.00	0.16	0.01%	0.05%	0.18%	0.05%	0.29%	1.34%	7/1/2007
General Fund Liquidity	\$ 479,819,968.00	0.08	0.02%	0.07%	0.13%	0.07%	0.01%	1.02%	7/1/2007
BENCHMARK									
S&P Government Investment Pools Index		0.10	0.01%	0.01%	0.04%	0.01%	0.06%	1.14%	7/1/2007
PORTFOLIO NAME	Market Value	Duration	Month	Trailing 3M	Fiscal YTD	YTD	1 YR	Since Inception	Inception Date
Tax Exempt Bond Proceeds	\$ 378,600,173.00	1.09	-0.04%	0.09%	0.44%	0.09%	0.99%	2.65%	7/1/2007
Taxable Bond Proceeds	\$ 571,345,721.00	1.72	-0.03%	0.19%	0.64%	0.19%	1.27%	2.79%	7/1/2007
BENCHMARK									
BPIP Current Index			0.00%	0.25%	0.81%	0.25%	1.62%	3.58%	7/1/2007
ML 0-3 Year G1QA - Recommended			-0.04%	0.05%	0.44%	-0.05%	1.06%	2.78%	7/1/2007
PORTFOLIO NAME	Market Value	Duration	Month	Trailing 3M	Fiscal YTD	YTD	1 YR	Since Inception	Inception Date
General Fund Core	\$ 1,107,026,585.00	2.47	-0.16%	0.10%	0.80%	0.10%	1.61%	3.43%	7/1/2007
BENCHMARK									
General Fund Core Current Index		1.85	-0.04%	0.29%	1.31%	0.29%	2.29%	4.18%	7/1/2007
ML 0-5 Year GVQA Recommended		2.16	-0.16%	0.15%	1.28%	-0.15%	2.49%	3.82%	7/1/2007
PORTFOLIO NAME	Market Value	Duration	Month	Trailing 3M	Fiscal YTD	YTD	1 YR	Since Inception	Inception Date
General Fund Total	\$ 1,589,846,552.00	1.275	-0.12%	0.06%	0.55%	0.06%	1.06%	2.66%	7/1/2007
BENCHMARK									
50% S&P GIPS / 50% 0-5 Treasury - Recommended		1.13	-0.08%	0.08%	0.66%	-0.07%	1.28%	2.48%	

Source: JP Morgan



James B. Lewis
State Treasurer

STATE OF NEW MEXICO
OFFICE OF THE TREASURER

2055 South Pacheco Street
Building 100
Santa Fe, New Mexico 87505

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

Mark F. Valdes
Deputy State Treasurer

Date: June 8, 2012

To: State Board of Finance

From: The Honorable Treasurer, James B. Lewis
Linda Montoya Roseborough, STO Chief Investment Officer *LMR*

Re: Approval of State Treasurer's Broker Dealer July 2012-2013 List

On June 13, 2012, the New Mexico State Treasurer's Office (NMSTO) presented the July 2012-2013 recommended Broker/Dealer list to the NM State Treasurer's Investment Committee and was approved. We are now respectfully submitting the July 2012-2013 Broker/Dealer list for approval at the next scheduled Board of Finance meeting.

Regulation and Licensing

The process included the Regulation and Licensing Department to conduct background checks for each firm and broker/dealer which included verification on meeting the requirement of being certified in the State of New Mexico.

	2011-2012	2012-2013
Firms		
--Current Approved Firms	33	
--Submitted Firm Applications		38
--New Firms from submitted applications for approval		7
--Total Firms for Approval (current & new)		31
--New Firms rejected		4
--Current Firms Removed		9

4 New Firms were rejected due to the following reasons:

1. Duncan Williams
 - a. Neither firm nor dealer meet the minimum requirement of being RLD certified in the State of New Mexico; therefore they do not meet the minimum requirements of the application.
2. First Southwest
 - a. Although firm is RLD certified, the dealers submitted are not RLD certified; therefore they do not meet the minimum requirements of the application.
3. NativeOne
 - a. FINRA report indicates that all dealers submitted are not employed by the company nor are they RLD certified; therefore they do not meet the minimum requirements of the application.
4. Arbor Research
 - a. Although firm is RLD certified, the dealers submitted are not RLD certified; therefore they do not meet the minimum requirements of the application.

9 Current Firms are being removed due to the following reasons:

1. BBT
 - a. FINRA report indicates that dealer Tom Short has not been FINRA certified since 2004. The RLD report indicates Tom Short has never been employed by the firm; the RLD report also indicates that Peter De Groot is not RLD certified; therefore all dealers submitted by BBT do not meet the minimum requirements of the application.
2. BMO Capital Markets
 - a. Although contact was made via email and phone by Compliance Officer, neither Broker nor Dealer submitted an application.
3. Goldman Sacs
 - a. Electronic application received by Portfolio Manager after deadline and included an incomplete signature page. Although, application submittal instructions were included in the multiple emails sent to Broker/Dealers and NMSTO personnel, the Firm did not meet the minimum requirements of the application.
4. JP Morgan
 - a. Although contact was made via email and phone by Portfolio Manager and compliance Officer, neither Broker nor Dealer submitted an application.
5. MFR
 - a. Firm submitted dealers that do not meet the minimum requirements of the application. One dealer does not meet the 5 year minimum requirement in fixed income securities and the other dealer is not RLD certified; therefore they do not meet the minimum requirements of the application.
6. Nomura
 - a. Although contact was made via email and phone by Portfolio Manager and compliance Officer, neither Broker nor Dealer submitted an application.
7. Oppenheimer
 - a. Although contact was made via email and phone by Compliance Officer, neither Broker nor Dealer submitted an application.
8. RBS Greenwich
 - a. Although contact was made via email by Compliance Officer, neither Broker nor Dealer submitted an application. Compliance Officer received an email stated "Thanks for your help." But application was never submitted.
9. Gleacher & Company
 - a. Firm submitted dealers that are not RLD certified; therefore they do not meet the minimum requirements of the application.

	2011-2012	2012-2013
Individual Broker/Dealers		
--Current Approved Broker/Dealers	48	
--Submitted Broker/Dealer Applications		90
--New Broker/Dealers from submitted applications for approval		27
--Total Broker/Dealers for Approval (current & new)		60
--Individual Broker/Dealers Rejected		30

30 individual Broker/Dealers were rejected for various reasons; i.e. they did not meet the minimum requirements such as not being a registered Broker/Dealer within the State of New Mexico.

7/1/2012

New Mexico State Treasurer's Office

BROKER/DEALER LIST

2012-2013

	FIRM	CONTACT	CONTACT CRD	PHONE	ADDRESS	E-MAIL
1	BNP Paribas	Rick Cavallero Stephen Gavula	1673009 5070511	(212) 841-3625 212-841-3000	787 7th Avenue NY, NY 10019	<u>none provided</u>
2	BOSC, Inc.	Tom Hayes Hal Brown	1572344 2861849	505-222-8471	201 Third Street, NW Albuquerque, NM 87102	<u>thayes@bokf.com</u>
3	Bank of America Merrill Lynch	Spencer Scheffy Bill Hunnewell James Hunter Davis	4710046 1271403 2669848	800-227-3630	One Bryant Park New York, NY 10036	<u>spencer.scheffy@bamf.com</u>
4	Barclays	Peter Bjursten Jean Rogers	2497396 1083196	800-775-6771 415-263-3370	745 7th Avenue New York, NY 10019	<u>peter.bjursten@barcap.com</u>
5	Credit Suisse Securities (CSSU)	Christopher McDonough	2319449	(415) 836-7629	650 California Street San Francisco, CA 94108	<u>chris.mcdonough@credit-suisse.com</u>
6	Cantor Fitzgerald	Jaff Salim Theresa Montoya	4540267 3211864	(901)-347-1898 212-938-5000	110 East 59th Street New York, NY 10022	<u>jaff@bloomberg.net</u> <u>jsalim@cantor.com</u> <u>www.cantor.com</u>
7	Citigroup	Bill Blackwell Diane Murphy	1554624 1393843	(800)258-6663 (714) 428-6542	650 Town Center Dr., Ste 1550 Costa Mesa, CA 92660	<u>bblackwill@bloomberg.net</u> <u>www.citi.com</u>
8	Deutsche Bank	Frank Rice Martin McCann	1972699 2277479	212-250-2500	60 Wall Street New York, NY 1005	<u>Frank.Rice@db.com</u>
9	FTN Financial	Cary Cicurel Heather MacGregor	1286883 3099935	(312) 258-5000 (312) 258-5073	500 West Madison Street Suite 2940 Chicago, IL 60661	<u>cary.cicurel@ftnfinancial.com</u> <u>www.ftnfinancial.com</u>
10	George K. Baum & Company	Edmund J. Steinauer Margaret A. Monckton	707909 1378068	816-474-1100	4801 Main St. Suite 500 Kansas City, MO 64112	<u>steinauer@gkbaum.com</u>
11	Great Pacific	Chris Vinck	2447335	714-619-3000 800-284-4804	151 Kalmus Drive, H8 Costa Mesa, CA 92626	<u>cvinck@greatpac.com</u> <u>www.greatpac.com</u>
12	HSBC	Nicholas Capezzuto James Petrie	1930857 2362949	(212) 525-0113 (800) 641-4042	452 Fifth Avenue NY, NY 10018	<u>nicholas.s.capezzuto@us.hsbc.com</u> <u>www.hsbc.com</u>
13	Jefferies	Ryan Greenawalt Tracy Marcus Joseph Triolo	4374222 2617183 2765483	(212) 284-2083	Jefferies & Co. 520 Madison Ave, 8th Floor NY, NY 10022	<u>rgreenawalt@jefferies.com</u> <u>www.jefferies.com</u>
14	Lawson Financial	Gaetano Perrone Aaron Lawson	818975 2141960	602-381-8588	3352 E. Camelback Rd. Phoenix, AZ 85018	<u>Robert.Lawson@Lawson.Financial.com</u>

7/1/2012

New Mexico State Treasurer's Office

BROKER/DEALER LIST

2012-2013

	FIRM	CONTACT	CONTACT CRD	PHONE	ADDRESS	E-MAIL
15	Loop Capital Markets	Eileen Piechocki	1642606	312-913-4902	200 W. Jackson Suite 1600	eileenp@loopcap.com www.loopcapital.com
16	Mitsubishi UFJ Securities	David Brown Jeffery Estremera	1606432 4983768	212-405-7428 212-405-7000	1633 Broadway, 29th fl. NY, NY 10019-6708	dbrown@us.sc.mufg.jp www.us.sc.mufg.jp
17	Morgan Keegan	Ryan E. Ehrhart Karimeh McDaniel	3073508 4720979	901-529-5350 800-564-7291	1100 Ridgeway Loop, Suite 550 Memphis, TN 38120	www.morgankeegan.com
18	Morgan Stanley	William Kadel Nicholas Sberlati	2313729 4953286	212-761-4000 312-827-6593	1585 Broadway New York, NY 10036	wkadel@bloomberg.net william.kadel@morganstanley.com
19	Muriel Siebert & Co.	Dominic Antonello Michael Rachimi	500549 4187694	212-644-2440	885 Third Avenue, 17th Floor New York, NY 10022	marchimi@siebertnet.com dantonello@siebertnet.com www.siebertnet.com
20	Northern Trust	Antwon McGruder Charles Hawkins	4674226 2458998	(312)557-4058 800-243-3450	50 LaSalle Street Chicago, IL 60603	ntsi_trading@ntrs.com ntsi_Financials_Public_Funds_Trading@ntrs.com
21	Piper Jaffray	Victor Ume Ukeje Janine Dictor	1512919 4799531	800-398-1168 (415)616-1662	345 California Street Ste 2400 San Francisco, CA 94104	umevictor@bloomberg.net Victor.e.ume-ukeje@pjc.com www.piperjaffray.com
22	R.W.Pressprich	Edward Dixon	1217536	212-832-6200	520 Madison Ave. New York, NY 10022	erappa@pressprich.com
23	Raymond James & Associates	Steven Shapiro	502356	727-567-2900	880 Carillon Parkway St. Petersburg, FL 33716	Bill.Specht@RaymondJames.com
24	Robert W. Baird & Co.	Larry Serota Cindi Stewert	1414715 1264114	1-800-RWBAIRD	777 E. Wisconsin Ave. Milwaukee, WI 53202	LSEROIA@RWBAIRD.com
25	South Street Securities	Stephanie Pucci Jose Vega Christopher Murray	2674481 2209448 4909557	212-824-0738	825 Third Avenue, 35th Fl. NY, NY 10022	stephanie_pucci@sssnyc.com www.sssnyc.com
26	Southwest Securities, Inc.	Jeff Steiner Tammy Green	2498701 2006485	214-859-1800	1201 Elm St. Suite 3500 Dallas, TX 75270	Rlitton@swst.com
27	Stifel Nicolaus & Co	Cathleen Gillies Patrice Pandick	1703208 1126512	800-679-5446	501 N. Broadway 8th Floor St Louis, MO 63102	gilliesc@stifel.com
28	UBS Financial Services	John Kenneth Doke Jame Madden Nat Mosley	2192766 2074516 501773	(800) 273-2557 (214) 965-6177	100 Crescent Court - Suite 600 Dallas, TX 75201	doke@bloomberg.net john.doke@ubs.com

7/1/2012

New Mexico State Treasurer's Office

BROKER/DEALER LIST

2012-2013

	FIRM	CONTACT	CONTACT CRD	PHONE	ADDRESS	E-MAIL
29	Vining Sparks	Jaime Loftin Randy Wade	4195526 1572823	(901)762-5852 (800)786-1295	775 Ridge Lake Blvd., Suite 200 Memphis, TN 38120	jloftin@viningsparks.com www.viningsparks.com
30	Wedbush Securities	Andrew DePrimio	1381980	213-688-8000	1000 Wilshire Blvd. Los Angeles, CA 90017	WedbushG@wedbush.com
31	Williams Capital Group	Janice Savin David Coard	1276382 1633685	212-830-4530 212-830-4500	650 Fifth Avenue, 11th Floor NY, NY 10019	savin@willcap.com www.willcap.com

STATE OF NEW MEXICO
OFFICE OF THE TREASURER

Honorable James B. Lewis

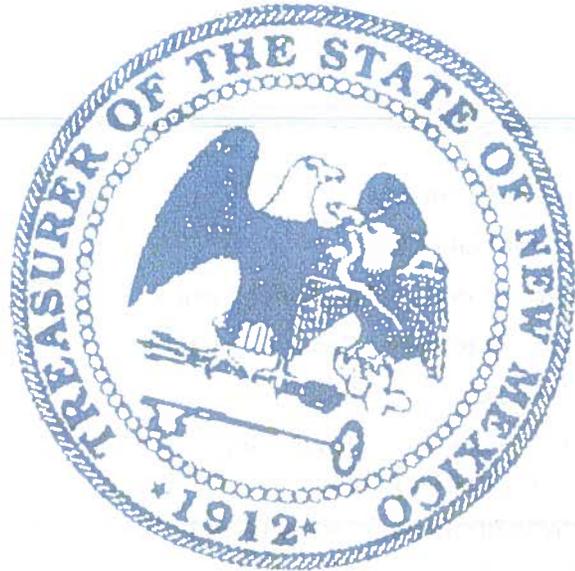


6/8/2012 2012-2013

Report to Board Of Finance
Broker/Dealers: Representative/Agent List

BROKER NAME	FIRM NAME	CRD #	Registered in NM?	Date of NM License	Series 7 license?	Date of Series 7	Years Registered	Employed Consecutively Since	Uninterrupted Experience	CIV/CRIM ACTION	REG ACTION	COMMENTS
Current Firms												
BNP Paribas Securities	BNP Paribas Securities	15794	Y	8/19/2004	SEC	10/11/1984	27.68			0	FINRA 4	NQX 2 ACTIONS
Rick Cavallero	BNP Paribas Securities	1673009	Y	1/24/2006	Y	5/6/1991	21.11	6/1/1998	14.03	0	0	
Stephen Gavula	BNP Paribas Securities	5070511	Y	1/22/2007	Y	5/15/2006	6.07	9/1/2005	6.77	0	0	
BOSC, Inc.	BOSC, Inc.	17530	Y	1/30/1997	SEC	2/14/1986	26.33			0	FINRA 1	
Tom Hayes	BOSC, Inc.	1572344	Y	12/10/1998	Y	10/18/1986	25.66	11/1/1998	13.61	0	0	
Hal Brown	BOSC, Inc.	2861849	Y	7/3/2002	Y	6/18/1988	23.99	4/1/1999	13.20	0	0	
Bank of America Merrill Lynch	Bank of America Merrill Lynch	7691	Y	10/7/1981	SEC	3/12/1959	53.28			0	FINRA 10	AMEX-2; ALL STATES; DOF6; PR.US VI; DOF c 2 ACTIONS; ST OF NJ; CMN;ST OF IL; NYSE ARCA
Spencer Scheffy	Bank of America Merrill Lynch	4710046	Y	11/1/2010	Y	11/4/2003	8.60	6/1/2002	10.03	0	0	
Bill Hunnewell	Bank of America Merrill Lynch	1271403	Y	11/1/2010	Y	11/16/1985	26.58	3/1/1988	24.29	0	0	
James Hunter Davis	Bank of America Merrill Lynch	2869848	Y	5/12/2009	Y	11/21/1995	16.56	5/1/2001	11.11	0	0	
Barclays Capital Inc.	Barclays Capital Inc.	19714	Y	2/9/1998	SEC	6/13/1989	23.00			0	FINRA 5	
Peter Bjursten	Barclays Capital Inc.	2497396	Y	8/10/2004	Y	6/2/1994	18.03	4/1/1993	19.20	0	0	
Jean Rogers	Barclays Capital Inc.	1083196	Y	9/22/2008	Y	1/18/1986	26.41	11/1/1982	29.62	0	0	
Credit Suisse	Credit Suisse	816	Y	10/7/1981	SEC	1/1/1936	76.49			0	FINRA 2	
Christopher McDonough	Credit Suisse	2319449	Y	7/22/2005	Y	3/2/1993	19.28	9/1/2001	10.78	0	0	
Cantor Fitzgerald	Cantor Fitzgerald	134	Y	1/26/1987	SEC	12/29/1947	64.49			0	FINRA 2	ARCA
Jaff Salim	Cantor Fitzgerald	4540267	Y	11/8/2006	Y	7/29/2002	9.87	5/1/2002	10.11	0	0	
Theresa Montoya	Cantor Fitzgerald	3211864	Y	5/20/2009	Y	5/18/1999	13.07	9/1/1998	13.78	0	0	
Citigroup Global	Citigroup Global	7059	Y	10/7/1981	SEC	1/25/1960	52.41			SEC	FINRA 4	SEC-PENDING ACTION; NYSE; NQX
William Blackwill	Citigroup Global	1554624	Y	9/3/2009	Y	5/16/1987	25.08	8/1/1990	21.87	0	0	
Diane Murphy	Citigroup Global	1393843	Y	7/5/1991	Y	8/15/1987	24.83	8/1/1990	21.87	0	0	
Deutsche Bank Securities	Deutsche Bank Securities	2525	Y	2/14/1984	SEC	11/26/1973	38.56			0	FINRA	
Frank Rice	Deutsche Bank Securities	1972699	Y	5/5/2005	Y	8/22/1992	19.81	9/1/1993	18.78	0	0	
Martin McCann	Deutsche Bank Securities	2277479	Y	3/1/2002	Y	11/2/1992	19.61	2/1/2002	10.36	0	0	
FTN Financial	FTN Financial	46346	Y	5/26/1999	SEC	5/19/1999	13.07			0	SEC	
Cary Cicurel	FTN Financial	1286883	Y	5/26/1999	Y	12/14/1985	26.50	9/1/1997	14.78	0	0	
Heather MacGregor	FTN Financial	3099935	Y	9/5/2001	Y	8/20/2001	10.81	6/1/1997	15.03	0	0	
Great Pacific Securities	Great Pacific Securities	29251	Y	4/25/2011	SEC	8/25/1994	17.80			0	0	
Christopher Vinck	Great Pacific Securities	2447335	Y	4/25/2011	Y	2/18/1994	18.32	2/1/2007	5.35	0	0	
HSBC	HSBC	19585	Y	7/22/1986	SEC	9/11/1989	22.76			0	FINRA	NY MERCANTILE EXCHANGE; STATE OF WA-INSURANCE
Nicholas Capezzuto	HSBC	1930857	Y	3/10/2011	Y	2/11/1991	21.34	3/1/2002	10.28	0	0	
James Petrie	HSBC	2362949	Y	12/8/2009	Y	3/5/2003	9.27	2/1/2003	9.36	0	0	
Jefferies and Company	Jefferies and Company	2347	Y	2/24/1983	SEC	9/17/1969	42.75			0	FINRA 3	ARCA; NQX
Ryan Greenawalt	Jefferies and Company	4374222	Y	6/9/2006	Y	5/1/2001	11.11	3/1/2002	10.28	0	0	
Tracy Marcus	Jefferies and Company	2617183	Y	4/27/2009	Y	5/23/1995	17.06	2/1/2002	10.36	0	0	08/2007-03/2008 UNEMPLOYED
Joseph Triolo	Jefferies and Company	2765483	Y	3/12/2012	Y	2/10/1998	14.33	10/1/1997	14.70	0	0	
Loop Capital Markets	Loop Capital Markets	43098	Y	1/3/2007	SEC	9/19/1997	14.73			0	FINRA	
Eileen Piechocki	Loop Capital Markets	1642606	Y	6/16/2011	Y	3/19/1988	24.24	1/1/2002	10.44	0	0	
Mitsubishi UFJ Securities	Mitsubishi UFJ Securities	19685	Y	9/17/2010	SEC	11/26/1990	21.55			0	0	
David Brown	Mitsubishi UFJ Securities	1606432	Y	9/17/2010	Y	2/20/1988	24.32	12/1/2000	11.53	0	0	10/2008-04/2009 UNEMPLOYED
Jeffrey Estremera	Mitsubishi UFJ Securities	4983768	Y	6/16/2011	Y	11/6/2006	5.59	6/1/2005	7.02	0	0	10/2009-01/2010 UNEMPLOYED

Morgan Keegan	Morgan Keegan	4161	Y	5/29/1984	SEC	8/27/1969	42.81			0	FINRA	ST OF MO; ST OF CA; ST OF OR; ST OF TX
Ryan E. Ehrhart	Morgan Keegan	3073508	Y	10/6/1998	Y	9/23/1998	13.72	6/1/1998	14.03	0	0	
Karimeh McDaniel	Morgan Keegan	4720979	Y	9/23/2009	Y	8/14/2004	7.82	10/1/2003	8.69	0	0	



State of New Mexico
Office of the State Treasurer
James B. Lewis, Treasurer

June 13, 2012
State Treasurer's Investment Council
Monthly Investment Report for

April 2012

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Executive Summary

- Major Stock Market Indexes fell slightly during the month of April, remaining in positive territory on a year-to-date basis.
- Global economic worries outweighed positive first quarter economic results.
- China announced slowing growth which caused concerns regarding US exports.
- In the domestic fixed income market, bond prices rose and long term yields dropped during April.
- Rising yields in Spain and Italy contributed to investor fears. Greece remained problematic – we seem to make that statement every month – as major parties failed to gain a majority and the front-runners ran on an anti-euro platform. This raised concerns about the recently agreed to terms.
- The US Economy seemed to lose momentum, repeating the springtime pattern for the past two years.
- GDP growth slowed to 2.2% from 3.3% in 2011Q4.
- In New Mexico, the municipal market continued its strength over recent months.
- General Fund balances continued to improve.
- Over our maturity sector, we have seen declines in rate levels, especially in the 3-5 year area.
- The short-term sector remained stubbornly low.

US Treasury Yields

<i>Maturity</i>	<i>March 30</i>	<i>April 30</i>
3-Month	0.07%	0.09%
6-Month	0.12%	0.14%
2-Year	0.33%	0.26%
5-Year	1.03%	0.81%
10-Year	2.21%	1.91%
30-Year	3.33%	3.11%

Source: Bloomberg LP

Portfolio Mark to Market

As detailed more fully on the next page, the portfolios¹ all reported positive balances on a mark-to-market basis. With the backup in rates, we have seen a decrease in unrealized gains in the various STO portfolios included in this report.

For each of the portfolios:

<i>Fund</i>	<i>Unrealized Gains²</i>
General Funds	\$8.4 million.
Bond Proceeds Funds	\$4.9 million.
Local Government Investment Pool	Not Meaningful
Severance Tax Bonding Fund	Not Meaningful

Portfolio Yields

As of the end of April, the portfolios had the following purchase yields:

<i>Fund</i>	<i>Portfolio Yield³</i>
General Fund Liquidity	0.19%
General Fund CORE	1.13%
Bond Proceeds - Tax Exempt	0.97%
Bond Proceeds - Taxable	1.07%
Local Government Investment Pool	0.23%
Severance Tax Bonding Fund	0.23%

¹ This report does not include balances or earnings on the Reserve Contingency Fund. The Reserve Contingency Fund was created as a vehicle to hold Reserve Primary Fund assets of various LGIP participants. The RCF was created in 2009 and is administered by the State Treasurer's Office on behalf of the fund participants.

² Calculated Unrealized Gains represent the market "value" of the portfolios as compared to their accounting book value. As such, they approximate the values if they were to be liquidated on the day that the calculation was performed. Market conditions change on a daily basis and the resulting calculations will also change with market movements. STO mark-to-market is performed using an outside pricing service that updates pricing on a weekly basis and may vary considerably from market conditions at the projected date.

³ 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.

Investment Earnings

Investment Earnings for the month of April are summarized in the table below.

For each of the portfolios:

<u>Fund</u>	<u>Monthly Earnings⁴</u>
General Funds	\$1,141,657
Bond Proceeds Funds	845,057
LGIP	149,556
Severance Tax Bonding Fund	49,671

Compensating Balances at Fiscal Agent Bank

During April, STO maintained Average Daily Collected Balances at the Fiscal Agent Bank of approximately \$121 million. This balance earned a "soft-dollar" credit against processing fees assessed by the bank.

Fiscal Agent Bank Summary:

<i>Average Collected Balance</i>	\$121,107,353
<i>Earnings Credit Rate</i>	0.50%
<i>Estimated Monthly Earnings</i>	\$50,461
<i>Estimated Fiscal Year Earnings</i>	\$490,366

Monthly Economic Summary

How low can rates go?

An atmosphere of persistent, continued low rates is failing to stimulate the economy. Given the global context and the continued slowness in the US economy, the Fed has very few tools remaining to attempt to stimulate growth.

Several politicians have hopefully suggested a third massive round of Quantitative Easing (or QE3), but it seems that QE to date has done little to provide additional stimulus and has only served to bolster bank earnings.

Operation Twist, the latest Fed action is set to expire at the end of June. Operation Twist was designed with the intent of adding duration to the Fed's Balance sheet through the purchase of

longer dated assets and the simultaneous sale of shorter assets.

At the start of Operation Twist, in the fall of 2011, the fed's holdings of Treasury and Agency securities had an average maturity of approximately 75 months. Operation Twist had set out goals of approximately 100 months for average maturity.

The Fed has already surpassed its goal of 100 months and is projected to have an average maturity on its balance sheet of 110 months at the end of June

Unfortunately, the Fed's actions have done little to quell the market's larger concerns about Europe and decreased demand from China.

In last month's report, we suggested that we had three main factors the will continue to depress rates for some time: Energy prices; Ongoing fiscal challenges in the US and Europe; and overall volatility in the markets. We have had some improvement on the energy front, but the other risks remain present.

As such, we continue to believe that rates will remain low for the foreseeable future, at least through the elections. As such, we have allowed the investment portfolios to be slightly long to the benchmark durations.

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

⁴ 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.

New Mexico State Treasurer
Monthly Fund Summary Report
(Unaudited)

As of April 30, 2012

General Fund	Holdings			Performance				Earnings	
	Cost Basis	Market Value	Unrealized Gain/Loss	12-Month Total Return	Benchmark	Index Return	Relative Performance	Monthly Earnings	YTD Earnings
Account									
Liquidity	\$ 668,469,086	\$ 668,466,529	\$ (2,557)	0.020%	S&P LGIP	0.060%	-0.040%	\$ 102,026	\$ 564,758
CORE	1,146,732,075	1,155,145,001	8,412,926	1.590%	CORE Index	2.270%	-0.680%	1,039,631	\$ 10,669,236
TRAN	-	-	-	0.000%	All-In Tran TIC	0.000%	0.000%	-	-
Totals	\$ 1,815,201,161	\$ 1,823,611,530	\$ 8,410,369	1.014%	Blended	1.46%	-0.445%	\$ 1,141,657	\$ 11,233,994
Bond Proceeds Investment Pool (BPIP)									
Account	Cost Basis	Market Value	Unrealized Gain/Loss	12-Month Total Return	Benchmark	Index Return	Relative Performance	Monthly Earnings	YTD Earnings
Tax-Exempt	\$ 344,576,464	\$ 346,076,790	\$ 1,500,326	0.840%	BPIP Tax Ex	1.350%	-0.510%	\$ 352,817	\$ 3,855,925
Taxable	553,508,540	556,925,199	3,416,659	1.130%	BPIP Taxable	1.350%	-0.220%	492,240	\$ 5,829,996
Totals	\$ 898,085,004	\$ 903,001,989	\$ 4,916,985	1.019%	Blended	1.350%	-0.331%	\$ 845,057	\$ 9,685,921
Local Government Investment Pool (New MexiGrow LGIP)									
Account	Cost Basis	Market Value	Unrealized Gain/Loss	12-Month Total Return	Benchmark	Index Return	Relative Performance	Monthly Earnings	YTD Earnings
LGIP	\$ 822,592,905	\$ 822,554,533	\$ (38,372)	0.250%	S&P LGIP	0.060%	0.190%	\$ 149,556	\$ 1,828,952
Severance Tax Bonding Fund									
Account	Cost Basis	Market Value	Unrealized Gain/Loss	12-Month Total Return	Benchmark	Index Return	Relative Performance	Monthly Earnings	YTD Earnings
STBF	\$ 287,742,794	\$ 287,742,794	\$ -	0.250%	S&P LGIP	0.060%	0.190%	\$ 49,671	274,626

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. Yield is calculated on combined balances and also includes fund flows during the month.
- (3) Source: STO Records, QED Financial Systems, JPMorgan Custody Reporting
- (4) Portfolio Holdings are overstated due to issues related to QED System.

Investment Policy Compliance Review

Primary and Secondary Bond Purchases and Sales

During the month of April, the following were the ratio of primary and secondary bond purchases in the portfolios:

Primary Bond Volume	\$ 64,431,000	35%
Secondary Bond Volume	<u>118,920,000</u>	<u>65%</u>
Total	\$183,351,000	100%

The primary market purchases were in Commercial Paper, NM Municipal bonds and IFC (World Bank).

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

As of month end, total holdings of Variable Rate Notes were \$217,700,000.

General Fund Liquidity	\$ 20,000,000
BPIP Tax-Exempt	30,000,000
LGIP	<u>167,700,000</u>
Total Holdings	\$217,700,000

The Variable Rate positions are in TLGP paper, which is backed by the FDIC, and US Government Agency securities.

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

Transaction Variances and Inter-Portfolio Transactions

During April, 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 interfund transactions during the month of April.

Portfolio Summary – General Fund

Summary

- The General Fund (Liquidity and Core Portfolios) closed the month of March at \$1.5 Billion.
- Month End balance at the Fiscal Agent Bank was \$110 million.
- Average Collected Balance at our Fiscal Agent bank was \$121 Million for the month.

Portfolio Mix

- 99% of the General Fund Core portfolio is invested in fixed income securities; 36% in Treasury securities; 52% in Agency Securities; 2% in TLGP Securities backed by the FDIC; 7% in New Mexico Municipal Bonds; 2% in Corporate Bonds, and the balance in Cash.
- 25% of the portfolio is invested in securities that mature in one year; 26% in securities that mature from 1-2 years; 26% in 2-4 years and 23% invested in securities that mature within 5 years.
- The General Fund held positions in 101 securities.
- The Weighted Average Life of the CORE portion of the general fund is 2.7 years. The Weighted Average duration is 2.3 years.
- The benchmark duration for the portfolio was 1.8 years. We have exceeded the duration based on an expectation that rates will remain stable for the next several quarters.
- We will bring in this duration over the next quarter to more closely match the benchmark duration. We will also invest any deposits into the CORE portfolio in shorter duration securities.
- The maximum security term for the CORE portfolio is 5 years.

Market Value and Investment Earnings

- Unrealized gains in the Core Portfolio were \$8.4 million as of April 30th.

- Monthly Earnings on the General Fund Portfolios were \$1.1 million.
- Year to date, the General Fund has earned \$11.2 million.
- Earnings on the General Fund are used to offset General Fund Spending.

Investment Highlights

- We continued to invest to maintain the laddered structure of portfolio.
- Maturing assets will decrease portfolio yield over the next six months.

Compensating Balances at Fiscal Agent Bank

During April, STO maintained Average Daily Collected Balances at the Fiscal Agent Bank of approximately \$121 million. This balance earned a “soft-dollar” credit against processing fees assessed by the bank.

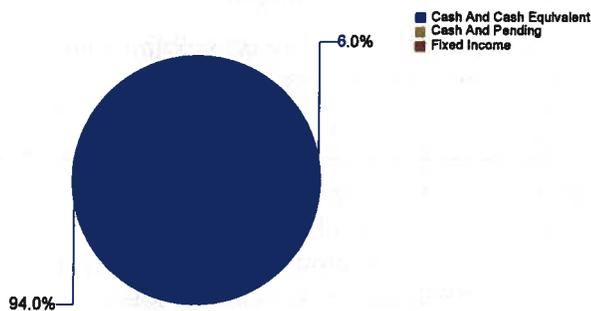
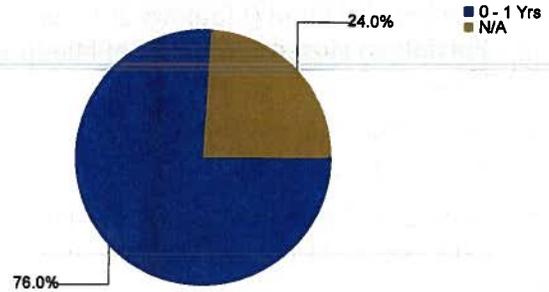
Fiscal Agent Bank Summary:

<i>Average Collected Balance</i>	\$121,107,353
<i>Earnings Credit Rate</i>	0.50%
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<i>Estimated Fiscal Year Earnings</i>	\$490,366

Portfolio Characteristics

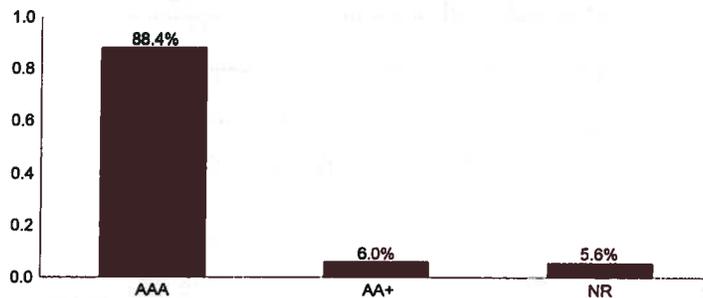
Duration Mix

Total Net Assets (Millions)	665.8
Weighted Average Life (Years)	0.12
Weighted Avg. Effective Duration (Years)	0.04
Weighted Average Coupon (%)	0.28
Weighted Average Current Yield (%)	0.19
Weighted Average Yield to Maturity (%)	0.26
Weighted Average Rating	AA+
Number of Holdings	25

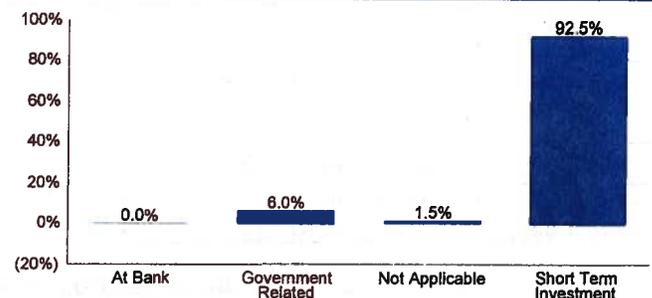


Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
894992T08	BBVA COMPASS BANK	22.54%	0.20	1/5/2012
99CC10117	REPO NOMURA SECURITIES/FIXED INCOME 30/APR/2012U	7.83%	0.23	1/5/2012
99CC10120	REPO NOMURA SECURITIES/FIXED INCOME 30/APR/2012Q	7.83%	0.23	1/5/2012
99CC10118	REPO NOMURA SECURITIES/FIXED INCOME 30/APR/2012T	7.83%	0.23	1/5/2012
99CC10122	REPO NOMURA SECURITIES/FIXED INCOME 30/APR/2012R	7.83%	0.23	1/5/2012
99CC10121	REPO NOMURA SECURITIES/FIXED INCOME 30/APR/2012S	7.83%	0.23	1/5/2012
99CC10124	REPO MITSUBISHI UFJ SECURITIES (USA),INC.	6.89%	0.23	1/5/2012
99CC10126	REPO MITSUBISHI UFJ SECURITIES (USA),INC.	6.89%	0.23	1/5/2012
99CC10125	REPO MITSUBISHI UFJ SECURITIES (USA),INC.	6.89%	0.23	1/5/2012
313374CD0	FEDERAL HOME LOAN BANKS CONS BD 1.125% 17/SEP/2014	3.02%	1.12	17/9/2014

Quality/Rating Weightings

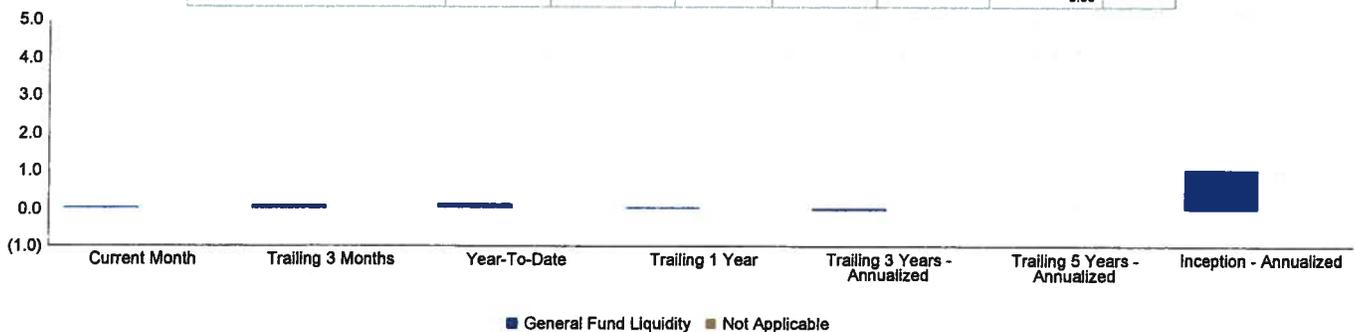


Sector Weightings (as % of Market Value)



Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years - Annualized	Trailing 5 Years - Annualized	Inception
General Fund Liquidity	0.02	0.06	0.09	0.02	(0.04)		1.00
Not Applicable							
Excess						0.00	



STATE OF NEW MEXICO

GENERAL FUND (1000)

Portfolio Classification Summary

Positions Held as of 4/30/12

TXN BASIS: TRADE

MKT-SOURCE: IDC-PREFERRED+

AMTZ ADDED: NO

ASSET CLASSIFICATION	ITEMS	YIELD	AVG-TERM	PRINCIPAL	COST-BASIS	MARKET-VALUE	GAIN/LOSS	%MARKET
REPURCHASE AGREEMENTS (O/N)	2	.2332	.00270	428,204,867	428,204,867	428,204,867		64.058
CERTIFICATES OF DEPOSIT	8	.5726	.47671	35,250,000	35,250,000	35,250,000		5.273
LINKED-CERTIFICATE OF DEPOSIT	1	.4000	.96440	2,000,000	2,000,000	2,000,000		.299
FED HOME LOAN BANKS	1	.4565	.38360	20,000,000	20,050,845	20,056,600	5,755	3.000
FNMA VAR RT NOTE 4X	1	.1777	.64110	20,000,000	20,032,512	20,024,200	-8,312	2.996
MONEY MARKET	1		.00274	2,870,674	2,870,674	2,870,674		.429
UNITS - INVESTMENT POOL 1	1			10,026,495	10,026,495	10,026,495		1.500
CASH ACCOUNT	1			150,033,693	150,033,693	150,033,693		22.444
	<u>16</u>	<u>.1998</u>	<u>.07946</u>	<u>668,385,729</u>	<u>668,469,086</u>	<u>668,466,529</u>	<u>-2,557</u>	<u>100.000</u>

SOURCE: VisualQED
 MODEL: INVENTORY
 USER: HANGES
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 AS-OF: 4/30/12
 AMRTZD: BOOK VALUES AMORTIZED THROUGH 4/30/12

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

POSITION-SIZ	DESCRIPTION	CUSIP#	RATE	MATURITY	YIELD	UNIT-COST	CURRENT BK	LOC-MKT-VALUE
2,870,674	THE RESERVE GF MMKT	GFRESERV	5.090			1.000000	2,870,674.23	2,870,674.00
150,033,693	COMPASS BANK DEPOSIT	COMPASBA	.250			1.000000	150,033,693.31	150,033,693.00
10,026,495	UNITS - INVESTMENT POOL 1	UNITS001				1.000000	10,026,494.94	10,026,495.00
162,930,862					.045		162,930,862.48	162,930,862.00

====> 0003 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> NO-MEANINGFUL-DATE <====

158,204,867	OVERNIGHT REPO	0501RP	.230	5/01/12	.233	100.000000	158,204,867.31	158,204,867.31
270,000,000	OVERNIGHT REPO	0501RP	.230	5/01/12	.233	100.000000	270,000,000.00	270,000,000.00
2,000,000	BANK OF LAS VEGAS	1622495	.550	5/07/12	.550	100.000000	2,000,000.00	2,000,000.00
8,000,000	CENTURY BAN SANTA FE	17099247	.590	6/28/12	.590	100.000000	8,000,000.00	8,000,000.00
3,000,000	BANK OF LAS VEGAS	16225130	1.000	6/29/12	1.000	100.000000	3,000,000.00	3,000,000.00
1,000,000	FARMERS & STOCKMENS	85212970	1.000	7/20/12	1.000	100.000000	1,000,000.00	1,000,000.00
5,000,000	BANK OF LAS VEGAS	16225630	.755	9/21/12	.755	100.000000	5,000,000.00	5,000,000.00
20,000,000	FED NATIONAL MTG ASSN Float	31398A7F	.311	12/20/12	.177	100.265200	20,032,541.03	20,024,200.00
8,000,000	CENTURY BANK	01709924	.400	12/27/12	.400	100.000000	8,000,000.00	8,000,000.00
475,204,867					.015		475,237,408.34	475,229,067.31

====> 0009 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2012 <====

250,000	GUADALUPE CREDIT UNION	735605	.750	3/26/13	.750	100.000000	250,000.00	250,000.00
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STATE OF NEW MEXICO
 T R E A S U R E R ' S O F F I C E

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

POSITION-SIZ	DESCRIPTION	CUSIP#	RATE	MATURITY	YIELD	UNIT-COST	CURRENT BK	LOC-MKT-VALUE
8,000,000	CENTURY BANK SANTA FE	17099245	.400	3/28/13	.400	100.000000	8,000,000.00	8,000,000.00
2,000,000	MY BANK BELEN	63000023	.400	4/17/13	.400	100.000000	2,000,000.00	2,000,000.00

10,250,000					.714		10,250,000.00	10,250,000.00
==> 0003 ITEMS IN SUBTOTAL FOR ==> FINAL-MATURITY.. ==> 2013 <==								
20,000,000	FED HOME LOAN BANK	313374CD	1.125	9/17/14	.456	100.527000	20,050,866.78	20,056,600.00

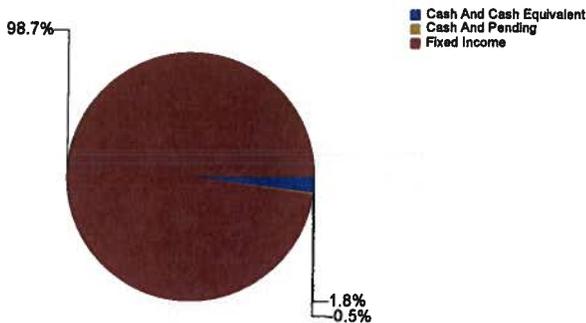
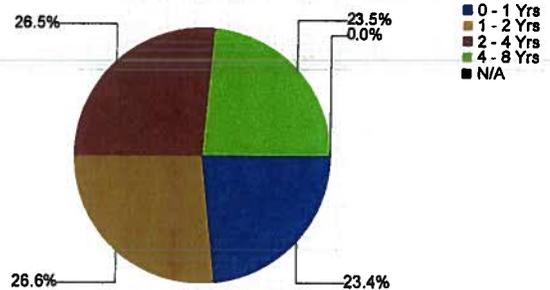
20,000,000					.365		20,050,866.78	20,056,600.00
==> 0001 ITEMS IN SUBTOTAL FOR ==> FINAL-MATURITY.. ==> 2014 <==								

668,385,729					.011		668,469,137.60	668,466,529.31
==> 0016 ITEMS IN SUBTOTAL FOR ==> FUND-NAME..... ==> GENERAL FUND <==								

Portfolio Characteristics

Duration Mix

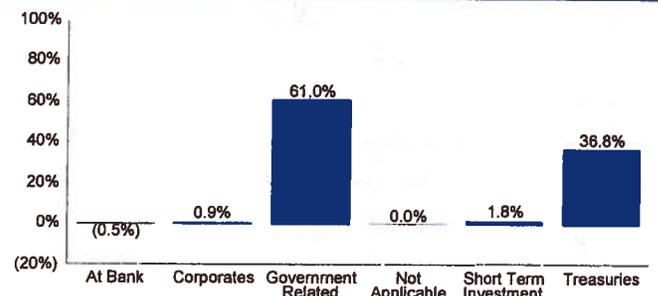
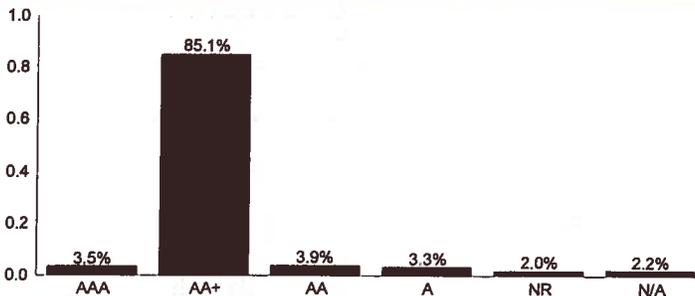
Total Net Assets (Millions) 1,162.1
Weighted Average Life (Years) 2.69
Weighted Avg. Effective Duration (Years) 2.34
Weighted Average Coupon (%) 1.95
Weighted Average Current Yield (%) 0.49
Weighted Average Yield to Maturity (%) 0.53
Weighted Average Rating AA
Number of Holdings 101



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
3135G0GY3	FEDERAL NATIONAL MORTGAGE ASSOC 1.25% MTG BDS	5.22%	1.25	30/1/2017
912828KF8	UNITED STATES OF AMER TREAS NOTES 1.875% TB	3.54%	1.88	28/2/2014
912828SJ0	UNITED STATES TREAS NTS 0.875% 28/FEB/2017	3.45%	0.88	28/2/2017
912828MB3	UNITED STATES TREAS NTS 1.125% 15/DEC/2012	2.16%	1.12	15/12/2012
31315PB73	FEDERAL AGRIC MTG CORP MTNS B FR 0.9%09/JUN/2016	2.18%	0.90	9/6/2016
912828KX7	UNITED STATES TREAS NTS 1.875% 15/JUN/2012	2.16%	1.88	15/6/2012
912828RX0	UNITED STATES TREAS NTS 0.875% 31/DEC/2018	2.16%	0.88	31/12/2018
17313YAL5	CITIGROUP FUNDING INC 1.875% 22/OCT/2012	2.16%	1.88	22/10/2012
912828LM0	USA TREASURY NTS 1.3750% NT 15/SEP/2012 USD1000	2.15%	1.39	15/9/2012
31359MNU3	FANNIE MAE 5.25% 01/AUG/2012	2.06%	5.25	1/8/2012

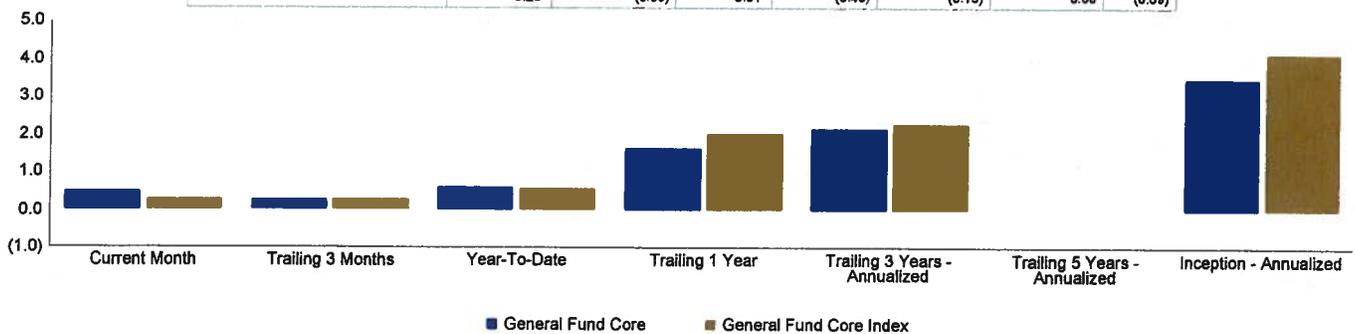
Quality/Rating Weightings

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	0.45	0.23	0.55	1.59	2.14		3.47
General Fund Core Index	0.25	0.26	0.54	2.02	2.27		4.16
Excess	0.20	(0.03)	0.01	(0.43)	(0.13)	0.00	(0.69)



STATE OF NEW MEXICO

GENERAL FUND CORE (1001)

Portfolio Classification Summary

Positions Held as of 4/30/12

TXN BASIS: TRADE

MKT-SOURCE: IDC-PREFERRED+

AMTZ ADDED: NO

ASSET CLASSIFICATION	ITEMS	YIELD	AVG-TERM	PRINCIPAL	COST-BASIS	MARKET-VALUE	GAIN/LOSS	%MARKET
REPURCHASE AGREEMENTS (O/N)	1	.2332	.00270	21,338,030	21,338,030	21,338,030		1.876
U.S. TREASURY NOTES	20	.9733	2.32959	420,000,000	422,187,526	426,071,000	3,883,474	37.454
CORPORATE BONDS	1	5.2297	.58630	10,000,000	9,997,654	10,270,600	272,946	.903
FED FARM CR BKS CONS LONG TERM	1	3.5425	.46580	5,000,000	5,022,687	5,098,900	76,213	.448
FED FARM CR BKS CALLABLE	2	1.2685	.57670	40,000,000	39,963,957	40,141,200	177,243	3.529
FED HOME LOAN BANKS	6	2.8919	.71516	70,380,000	70,678,336	71,619,511	941,175	6.296
FED AGRIC MTG CORP	1	.9125	4.10960	25,000,000	25,000,000	25,197,000	197,000	2.215
FED HOME LOAN MORTGAGE CORP BDS	10	1.0742	3.29753	171,660,000	176,074,969	177,574,805	1,499,836	15.610
FED HOME LOAN MORTGAGE CALL 4X	1	1.0000	.60000	20,000,000	20,000,000	20,043,400	43,400	1.762
FED NATL MORTGAGE ASSN DEBS	11	.9920	2.64322	231,500,000	240,608,387	241,681,277	1,072,890	21.245
FED NATL MORTGAGE ASSN MEDTRM NT	1	3.6592	.25750	1,000,000	1,003,372	1,012,070	8,698	.089
TLGP SECURITIES - FDIC	1	.7890	.47950	25,000,000	25,129,723	25,195,250	65,527	2.215
MONEY MARKET	2		.00274	1,457,734	1,457,734	1,457,734		.128
MUNICIPAL BOND	36	.5644	1.04282	63,845,000	64,648,694	64,760,143	111,449	5.693
MUNICIPAL BOND REVENUE	9	.5862	1.72723	22,395,000	23,619,708	23,682,783	63,075	2.082
UNITS - INVESTMENT POOL 1	1			1,298	1,298	1,298		
CASH ACCOUNT	1			-17,557,674	-17,557,674	-17,557,674		-1.543
	<u>105</u>	<u>1.1384</u>	<u>2.18886</u>	<u>1,111,019,388</u>	<u>1,129,174,401</u>	<u>1,137,587,327</u>	<u>8,412,926</u>	<u>100.000</u>

SOURCE: VisualQED
 MODEL: INVENTORY
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STATE OF NEW MEXICO
 T R E A S U R E R ' S O F F I C E

POSITION-SIZ	DESCRIPTION	CUSIP#	RATE	MATURITY	YIELD	UNIT-COST	CURRENT BK	LOC-MKT-VALUE
1,456,436	GF CORE MONEY MKT	RESCORE	5.030			1.000000	1,456,435.81	1,456,436.00
1,298	GF CORE AS LGIP POOL PARTICIPANT	GFCORE	.237			.999723	1,297.64	1,298.00
- 17,557,674	(TD)-CASH KEY	CASHCASH				1.000000	-17,557,674.26	-17,557,674.00
1,298	UNITS - INVESTMENT POOL 1	UNITS001				.999723	1,297.64	1,298.00
- 16,098,642					.455		-16,098,643.17	-16,098,642.00

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

21,338,030	OVERNIGHT REPO	0501RP	.230	5/01/12	.233	99.999998	21,338,029.66	21,338,029.66
2,890,000	NMFA SENIOR LIEN	64711NNU	2.000	6/01/12	.507	101.544000	2,893,600.96	2,892,572.10
790,000	NMFA REVENUE	64711NPV	2.000	6/01/12	.507	101.121000	790,984.35	790,797.90
730,000	UNIVERSITY OF NM-REFUNDING	914692M9	2.000	6/01/12	.205	100.424000	731,092.58	730,876.00
10,000,000	FEDERAL HOME LOAN BANK	3133XKSK	4.875	6/08/12	3.545	105.578000	10,013,429.01	10,044,400.00
25,000,000	US TREASURY NOTE	912828KX	1.875	6/15/12	1.084	101.746094	25,024,045.92	25,054,750.00
1,570,000	NEW MEXICO STB REF A-1	647310N2	2.000	7/01/12	.213	101.018000	1,574,678.53	1,574,553.00
4,000,000	ALBUQUERQUE NM 2012D	ABQ2012D		7/02/12		100.000000	4,000,000.00	4,000,000.00
5,800,000	SANTA FE NM PSD G02011	802088JT	3.000	8/01/12	.527	103.434000	5,835,856.84	5,840,078.00
1,100,000	LOS ALAMOS NM PSD	54422NCN	2.000	8/01/12	.406	101.524000	1,104,390.11	1,104,477.00
2,675,000	RIO RANCHO NM PSD	767171LG	2.000	8/01/12	.355	101.545000	2,686,013.04	2,685,887.25
23,500,000	FEDERAL NATL MTG ASSN DEBS	31359MNU	5.250	8/01/12	.308	102.277000	23,790,122.59	23,767,900.00
1,000,000	FANNIE MAE	3136F7GV	5.000	8/02/12	3.659	105.777000	1,003,372.60	1,012,070.00
2,385,000	GADSDEN NM ISD	362550KS	2.000	8/15/12	.305	101.361000	2,396,687.19	2,396,233.35
570,000	ESPANOLA NM PSD	29662RAJ	2.000	9/01/12	.386	101.314000	573,069.79	573,106.50
2,500,000	FARMINGTON MSD #5 NM	311441KF	2.000	9/01/12	.257	100.509000	2,512,725.00	2,513,625.00

SOURCE: VisualQED

MODEL: INVENTORY

USER: HANGES

RUN: 5/25/12 @ 11:44:55

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STATE OF NEW MEXICO
TREASURER'S OFFICE

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POSITION-SIZ	DESCRIPTION	CUSIP#	RATE	MATURITY	YIELD	UNIT-COST	CURRENT BK	LOC-MKT-VALUE
20,380,000	FEDERAL HOME LOAN BANK	3133XLX7	5.000	9/14/12	3.639	105.911392	20,483,107.00	20,737,261.40
25,000,000	US TREASURY NOTE	912828LM	1.375	9/15/12	1.231	100.351562	25,013,140.75	25,114,250.00
525,000	LOVINGTON NM PSD	547473DA	2.000	10/01/12	.508	101.311000	528,270.41	528,580.50
5,000,000	FEDERAL FARM CREDIT BANK	31331X3S	4.500	10/17/12	3.543	104.377000	5,022,687.39	5,098,900.00
25,000,000	CITIGROUP FUNDING INC	17313YAL	1.875	10/22/12	.789	102.358000	25,129,745.97	25,195,250.00
10,000,000	ABBOTT LABORATORIES	002819AA	5.150	11/30/12	5.230	99.961000	9,997,658.86	10,270,600.00
15,000,000	FEDERAL HOME LOAN BANK	3133XDTB	4.875	12/14/12	3.661	105.654000	15,114,522.58	15,423,900.00
25,000,000	US TREASURY NOTE	912828MB	1.125	12/15/12	1.327	99.453125	24,968,687.44	25,146,500.00
231,753,030					.031		232,525,918.57	233,834,597.66

==> 0024 ITEMS IN SUBTOTAL FOR ==> FINAL-MATURITY.. ==> 2012 <==

10,000,000	US TREASURY NOTES	912828PR	.625	1/31/13	.450	100.296875	10,013,079.40	10,033,200.00
550,000	BERNALILLO COUNTY	085275B5	4.000	2/01/13	.507	104.606000	564,389.08	565,037.00
10,000,000	US TREASURY NOTES	912828QK	.625	2/28/13	.478	100.261719	10,012,176.25	10,035,500.00
5,000,000	FEDERAL HOME LOAN BANK	3133XPNZ	3.500	3/08/13	3.882	98.546700	4,986,154.58	5,138,350.00
5,000,000	STATE OF CONNECTICUT-GO BONDS	20772JBS	1.720	5/15/13	1.003	101.410000	5,037,676.75	5,067,450.00
200,000	SANTA ROSA CSD #8 NM	802751DK	1.000	5/15/13	.356	100.637000	201,274.00	200,880.00
2,000,000	NMFA SENIOR LIEN	64711NNV	2.000	6/01/13	1.014	102.007000	2,021,489.39	2,022,260.00
3,605,000	NMFA REVENUE	64711NPA	2.000	6/01/13	.356	102.875000	3,669,217.41	3,670,502.85
760,000	NMFA REVENUE	64711NPW	2.000	6/01/13	.660	102.344000	771,048.07	770,586.80
1,285,000	UNIVERSITY OF NM-REFUNDING	914692N2	2.000	6/01/13	.305	102.095000	1,308,593.91	1,304,904.65
500,000	MUNICIPAL BOND REVENUE	64711NLW	2.000	6/01/13	.305	102.081000	509,180.51	509,250.00
10,000,000	FEDERAL HOME LOAN BANK	3133XXYX	1.875	6/21/13	.851	102.225000	10,117,143.15	10,183,400.00

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

POSITION-SIZ	DESCRIPTION	CUSIP#	RATE	MATURITY	YIELD	UNIT-COST	CURRENT BK	LOC-MKT-VALUE
3,225,000	NEW MEXICO STB REF A-1	647310N3	4.000	7/01/13	.437	105.577000	3,358,787.39	3,362,449.50
7,525,000	ALBUQUERQUE NM 2012C	ABQ2012C	.290	7/01/13	.294	100.000000	7,525,000.00	7,525,000.00
475,000	LOS ALAMOS NM PSD	54422NCP	2.000	8/01/13	.558	102.816000	483,566.48	484,490.50
500,000	RIO RANCHO NM PSD	767171LH	2.000	8/01/13	.558	102.792000	509,017.35	509,990.00
785,000	LOS ALAMOS PSD NM	54422NDB	2.000	8/01/13	.406	101.926000	800,119.10	800,119.10
20,000,000	FANNIE MAE	3135GOBR	.500	8/09/13	.588	99.830000	19,979,730.65	20,056,400.00
2,245,000	GADSDEN NM ISD	362550KT	2.000	8/15/13	.608	102.506000	2,285,285.16	2,291,179.65
1,100,000	ESPANOLA NM PSD	29662RAK	2.000	9/01/13	.710	102.338000	1,118,940.72	1,120,405.00
1,000,000	FARMINGTON MSD #5 NM	311441KG	3.000	9/01/13	.407	103.345000	1,033,450.00	1,034,460.00
10,000,000	US TREASURY NOTE	912828NY	.750	9/15/13	.541	100.453125	10,028,526.44	10,070,700.00
900,000	LOVINGTON NM PSD	547473DB	2.000	10/01/13	.710	102.420000	916,462.25	920,871.00
10,000,000	FEDERAL HOME LOAN BANK	313371UC	.875	12/27/13	1.110	99.419000	9,963,977.88	10,092,200.00
106,655,000					.068		107,214,285.92	107,769,586.05

==> 0024 ITEMS IN SUBTOTAL FOR ==> FINAL-MATURITY.. ==> 2013 <==

13,000,000	FEDERAL NATL MTG ASSN DEBS	31359MTP	5.125	1/02/14	.828	110.102000	13,926,577.61	13,927,680.00
20,000,000	US TREASURY NOTE	912828JZ	1.750	1/31/14	.666	102.750000	20,376,501.88	20,518,800.00
570,000	BERNALILLO COUNTY	085275B6	3.000	2/01/14	.710	105.288000	592,759.25	595,581.60
20,000,000	US TREASURY NOTE	912828QH	1.250	2/15/14	1.413	99.523438	19,942,432.55	20,353,200.00
40,000,000	US TREASURY NOTES	912828KF	1.875	2/28/14	1.048	102.240234	40,598,319.11	41,173,600.00
15,000,000	US TREASURY NOTE	912828KJ	1.750	3/31/14	.729	102.753906	15,290,730.48	15,426,000.00
20,000,000	US TREASURY NOTE	912828SL	.250	3/31/14	.262	99.976563	19,995,415.48	19,997,600.00
20,000,000	US TREASURY NOTES	912828KN	1.875	4/30/14	1.476	101.242188	20,156,484.77	20,632,800.00

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POSITION-SIZ	DESCRIPTION	CUSIP#	RATE	MATURITY	YIELD	UNIT-COST	CURRENT BK	LOC-MKT-VALUE
200,000	SANTA ROSA CSD #8 NM	802751DL	1.000	5/15/14	.507	100.985000	201,970.00	201,482.00
20,000,000	US TREASURY NOTES	912828KV	2.250	5/31/14	1.509	102.367188	20,302,512.68	20,812,600.00
3,060,000	NMFA SENIOR LIEN	64711NNW	3.000	6/01/14	1.490	104.522000	3,155,689.76	3,180,900.60
3,615,000	NMFA REVENUE	64711NPB	2.000	6/01/14	.456	104.231000	3,731,053.34	3,732,885.15
770,000	NMFA REVENUE	64711NPX	2.000	6/01/14	1.014	102.705000	785,833.90	788,841.90
165,000	UNIVERSITY OF NM-REFUNDING	914692Q6	3.000	6/01/14	.487	105.597000	173,608.64	172,913.40
330,000	UNIVERSITY OF NM-REFUNDING	914692N3	2.000	6/01/14	.487	103.376000	340,384.98	339,028.80
20,000,000	US TREASURY NOTE	912828QS	.750	6/15/14	.771	99.937500	19,991,146.28	20,195,400.00
4,780,000	NEW MEXICO STB REF A-1	647310N4	4.000	7/01/14	.710	108.388000	5,118,566.45	5,146,195.80
9,810,000	NEW MEXICO STB REF A-1	647310P4	4.000	7/01/14	.710	108.388000	10,504,840.34	10,542,610.80
15,000,000	US TREASURY NOTE	912828LC	2.625	7/31/14	1.513	103.722656	15,367,433.07	15,778,200.00
325,000	LOS ALAMOS NM PSD	54422NCQ	2.000	8/01/14	.811	103.497000	333,677.68	336,248.25
140,000	CATRON & CIBOLA COUNTY ISD 2	149321CH	2.000	8/01/14	.507	103.491000	144,692.25	144,208.40
2,005,000	GADSDEN NM ISD	362550KU	2.000	8/15/14	.862	103.177000	2,057,145.92	2,063,866.80
1,120,000	ESPANOLA NM PSD	29662RAL	2.000	9/01/14	.963	102.908000	1,147,068.67	1,153,432.00
1,000,000	FARMINGTON MSD #5 NM	311441KH	3.000	9/01/14	.558	105.571000	1,055,710.00	1,057,660.00
935,000	LOVINGTON NM PSD	547473DC	2.000	10/01/14	1.014	102.829000	957,266.79	969,912.90
10,000,000	FREDDIE MAC	3137EACY	.750	11/25/14	.772	99.966000	9,997,201.08	10,080,200.00
20,000,000	FED HOME LN MTG CALL 4X	3134G3BL	1.000	12/05/14	1.000	100.000000	20,000,000.00	20,043,400.00

261,825,000					.027		266,245,022.96	269,365,248.40

====> 0027 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ====> 2014 <====

20,000,000	US TREASURY NOTE	912828SP	.375	4/15/15	.387	99.964844	19,992,949.24	19,998,400.00
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 T R E A S U R E R ' S O F F I C E

POSITION-SIZ	DESCRIPTION	CUSIP#	RATE	MATURITY	YIELD	UNIT-COST	CURRENT BK	LOC-MKT-VALUE
225,000	SANTA ROSA CSD #8 NM	802751DM	1.000	5/15/15	.659	101.032000	227,322.00	226,532.25
20,000,000	FREDDIE MAC	3134A4VC	4.375	7/17/15	.965	112.629400	22,159,753.21	22,418,400.00
20,000,000	FANNIE MAE	3136FR3F	.950	9/08/15	.963	100.000000	20,000,000.00	20,049,800.00
20,000,000	FREDDIE MAC	3137EACM	1.750	9/10/15	1.015	102.865900	20,493,414.31	20,735,400.00
20,000,000	FEDERAL FARM CR BANKS CALLABLE	31331KS9	1.120	11/16/15	1.188	99.800000	19,963,998.77	20,060,400.00
20,000,000	FEDERAL FARM CR BANKS CALLABLE	31331KZ2	1.330	12/07/15	1.348	100.000000	20,000,000.00	20,080,800.00
11,660,000	FEDERAL HOME LOAN MTG CORP	3134G3EG	1.150	12/30/15	1.166	100.000000	11,660,000.00	11,768,204.80
10,000,000	FEDERAL HOME LOAN MTG CORP	3134G3FA	1.100	12/30/15	1.115	100.000000	10,000,000.00	10,067,600.00
141,885,000					.051		144,497,437.53	145,405,537.05
====> 0009 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2015 <====								
20,000,000	FANNIE MAE	31359MH8	5.000	3/15/16	1.026	117.575100	23,021,024.50	23,221,400.00
20,000,000	FANNIE MAE	3135G0BA	2.375	4/11/16	1.057	105.962900	21,026,796.63	21,026,796.63
20,000,000	FREDDIE MAC	3137EACT	2.500	5/27/16	1.095	106.523800	21,128,387.26	21,349,400.00
25,000,000	FEDERAL AGRICULTURAL MORTG CORP	31315PB7	.900	6/09/16	.913	100.000000	25,000,000.00	25,197,000.00
20,000,000	FANNIE MAE	31359MS6	5.375	7/15/16	1.142	120.015700	23,480,656.10	23,755,800.00
20,000,000	FEDERAL HOME LOAN MTG CORP	3137EACW	2.000	8/25/16	1.168	104.085938	20,712,069.59	20,958,800.00
20,000,000	US TREASURY NOTE	912828RF	1.000	8/31/16	.929	100.343750	20,060,097.96	20,281,200.00
20,000,000	FANNIE MAE	3135G0CM	1.250	9/28/16	1.218	100.233200	20,041,899.42	20,237,600.00
20,000,000	FED NATIONAL MTG ASSN DEBS	3136FTQJ	1.625	11/21/16	1.650	99.990000	19,998,185.43	20,093,800.00
20,000,000	FED HOME LOAN MORTGAGE CORP BDS	3134G3CB	1.625	12/05/16	1.196	100.400000	20,052,492.79	20,117,200.00
25,000,000	US TREASURY NOTES	912828RX	.875	12/31/16	1.105	100.479688	25,000,000.00	25,148,500.00
230,000,000					.031		239,521,609.68	241,387,496.63
====> 0011 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2016 <====								

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POSITION-SIZ	DESCRIPTION	CUSIP#	RATE	MATURITY	YIELD	UNIT-COST	CURRENT BK	LOC-MKT-VALUE
15,000,000	FED NATL MORTGAGE ASSN DEBS	3136FTYG	1.000	1/30/17	1.026	99.940000	14,991,630.24	15,055,650.00
40,000,000	FED NATL MORTGAGE ASSN DEBS	3135G0GY	1.250	1/30/17	1.074	100.908141	40,352,646.94	40,488,800.00
20,000,000	US TREASURY NOTES	912828SC	.875	1/31/17	.846	100.140625	20,026,901.81	20,106,200.00
20,000,000	FED HOME LOAN MORTGAGE CORP BDS	3133786Q	1.000	2/13/17	1.044	99.852000	19,972,002.58	20,095,000.00
40,000,000	US TREASURY NOTES	912828SJ	.875	2/28/17	.861	100.015625	40,026,361.81	40,193,600.00
20,000,000	FED HOME LOAN MORTGAGE CORP DBS	3137EADC	1.000	3/08/17	1.121	99.485000	19,900,044.58	19,984,600.00
155,000,000					.047		155,269,587.96	155,923,850.00
==> 0006 ITEMS IN SUBTOTAL FOR ==> FINAL-MATURITY.. ==> 2017 <==								
1111019388					.006		1129175219.45	1137587673.79
==> 0105 ITEMS IN SUBTOTAL FOR ==> FUND-NAME..... ==> GENERAL FUND CORE <==								

Portfolio Summary – Local Government Investment Pool (LGIP)

Summary

- Ending April Market Value for the LGIP was \$802mil, slightly higher than the \$798mil reported for March.
- The LGIP maintains an AAAM rating by Standard & Poor's.
- Weighted Average Maturity of the LGIP was 52 days, below the rule 2(a)-7 requirements of 60 days for short-term funds.

Portfolio Mix

- 36% of the portfolio was invested in fixed income securities, 21% in floating rate notes, 33% in demand deposit accounts with qualified banking institutions, 5% in commercial paper and 5% in a repurchase agreement.
- The LGIP held positions in 37 securities.

Investment Earnings

- In April, the fund earned \$149,556 for its participants.
- For the current fiscal year the fund has earned \$1.8 million.
- 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 0.235% at month-end.
- Net yield to participants was 0.185%.

Investment Highlights

- For the LGIP, the WAM(R), 52 days, and WAM (F), 92 days, are within their maximums of 60 and 120 days respectively.
- LGIP was able to purchase six to seven month TLGP and FDIC guaranteed securities at around 0.20% collectively.
- LGIP purchased FDIC SSGN (Structured Sale Guaranteed Notes) in the secondary market.

The timely payment of principal and interest is guaranteed by the FDIC and backed by the full faith and credit of the US Government.

- In addition to the above mentioned guarantees, the FDIC SSGNs are backed by pools of residential mortgage-backed securities from failed bank receiverships.
- The investments in FDIC SSGNs totaled \$14.3mil face amount and were 5 to 10 bps cheap to other US Treasury and Agency securities.
- International Finance Corp, a member of the World Bank Group, and rated AAA/Aaa wrote \$20mil of a 13-month fixed rate security at 0.30% for LGIP.
- LGIP was able to take advantage of occasionally attractive overnight repo rates versus a portion of the bank deposits.

Investment Strategy

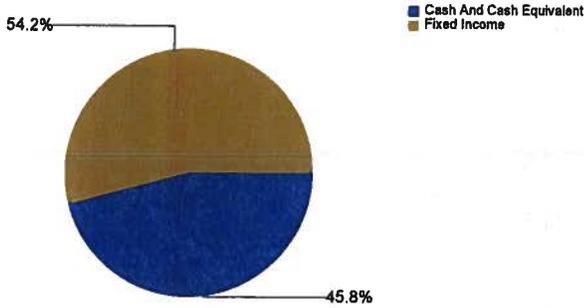
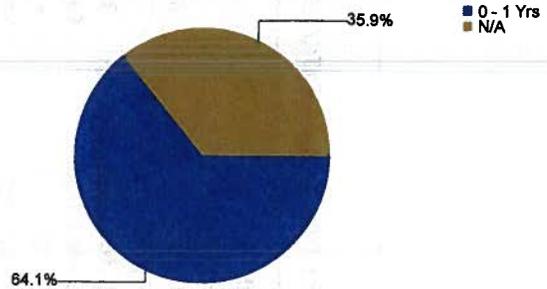
- LGIP WAMs continue to be and will most likely remain close to their maximum allowable terms of 60 and 120 days, for the WAM(R) and WAM (F) respectively.
- LGIP will maintain a longer WAM (R) as the curve remains positive between 3 and 13 month maturities. There continues to be little to no yield pickup between overnight and 3 month investments.
- LGIP has acquired an additional \$12.15mil in secondary positions of FDIC SSGNs as they have dribbled into the marketplace at a 10 bp pickup to TLGP paper.
- LGIP purchased a 13-month final maturity FHLB with a quarterly call provision at 0.30%.
- STO has made the decision to liquidate all BBVA Compass Bank deposits bringing the LGIP balance to zero.
- STO has made the decision to liquidate a 15% position of Bank of the West Bank deposits bringing the LGIP balance to less than 10% of the total assets of the fund.

- **LGIP is utilizing US Treasury and Agency Repo to reinvest the proceeds of the liquidated bank deposits. The current yield give up has been between 6 and 12 bps.**
- **As the WAM(R) recedes; LGIP will redeploy overnight funds to longer maturities along the yield curve.**
- **LGIP will continue to focus on diversification while maximizing safety of principal through investments in US Government and Agency securities, FDIC guaranteed and quasi-sovereign issues.**

Portfolio Characteristics

Duration Mix

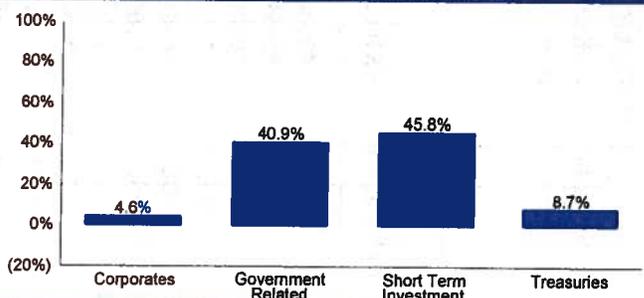
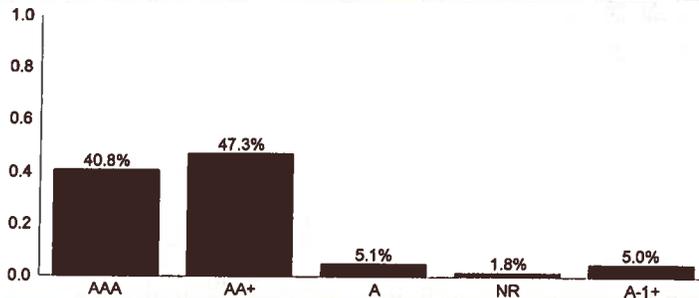
Total Net Assets (Millions)	804.5
Weighted Average Life (Years)	0.25
Weighted Avg. Effective Duration (Years)	0.14
Weighted Average Coupon (%)	0.92
Weighted Average Current Yield (%)	0.11
Weighted Average Yield to Maturity (%)	0.20
Weighted Average Rating	AA+
Number of Holdings	30



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
89499LC10	BANK OF THE WEST	24.77%	0.25	1/5/2012
894992T08	BBVA COMPASS BANK	9.41%	0.20	1/5/2012
31331KF62	FEDERAL FARM CR BKS CONS BD FLT 13 12/JUN/2013	6.21%	0.34	12/8/2013
31358MNU3	FANNIE MAE 5.25% 01/AUG/2012	5.09%	5.25	1/8/2012
99CC10007	REPO DEUTSCHE BANK SECURITIES INC. 30/APR/2012DB	4.97%	0.18	1/5/2012
61757UAJ8	MORGAN STANLEY VAR 20/JUN/2012	3.74%	0.82	20/8/2012
481247AN4	JPMORGAN CHASE & CO 0.53838% BDS 26/DEC/2012	3.71%	0.72	26/12/2012
912828KP4	UNITED STATES TREAS NTS 1.375% 15/MAY/2012	3.13%	1.38	15/5/2012
3133XYWB7	FEDERAL HOME LOAN BANKS 0.875% BDS 22/AUG/2012	3.12%	0.88	22/8/2012
912828NS5	UNITED STATES TREAS NTS 0.825% 30/JUN/2012	3.12%	0.62	30/6/2012

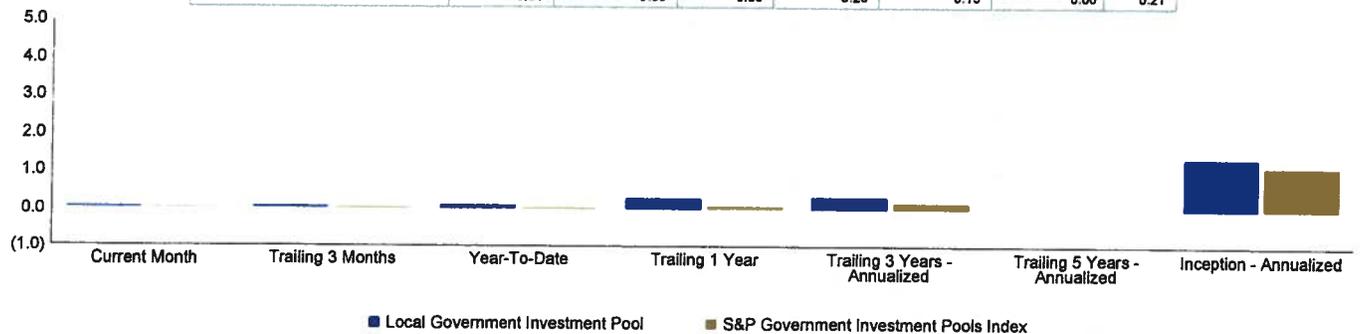
Quality/Rating Weightings

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	0.07	0.25	0.27		1.33
S&P Government Investment Pools Index	0.00	0.01	0.02	0.08	0.14		1.12
Excess	0.01	0.03	0.05	0.20	0.13	0.00	0.21



STATE OF NEW MEXICO

LGIP FUND (4101)

Portfolio Classification Summary

Positions Held as of 4/30/12

TXN BASIS: TRADE

MKT-SOURCE: IDC-PREFERRED+

AMTZ ADDED: NO

ASSET CLASSIFICATION	ITEMS	YIELD	AVG-TERM	PRINCIPAL	COST-BASIS	MARKET-VALUE	GAIN/LOSS	%MARKET
REPURCHASE AGREEMENTS (O/N)	1	.1825	.00270	40,000,000	40,000,000	40,000,000		4.984
COMMERCIAL PAPER-DISCOUNT BASED	2	.1826	.14247	39,996,000	39,985,797	39,985,797		4.982
U.S. TREASURY NOTES	4	.2126	.19413	70,000,000	70,055,546	70,063,850	8,304	8.730
CORPORATE BONDS	1	.3042	1.05210	20,000,000	20,000,000	20,000,000		2.492
TEMP CORP CU STABILIZATION FND	4	.2066	.50380	28,810,000	29,034,716	29,038,387	3,671	3.618
FED FARM CR BANKS - FLOAT	1	.3903	1.11510	50,000,000	50,012,776	49,963,000	-49,776	6.225
FED HOME LOAN BANKS	1	.2064	.31230	25,000,000	25,051,700	25,055,750	4,050	3.122
FED NATL MORTGAGE ASSN DEBS	2	.3376	.25480	40,000,000	40,490,857	40,456,000	-34,857	5.041
FNMA VAR RT NOTE 4X	1	.1777	.64110	21,000,000	21,034,137	21,025,410	-8,727	2.620
TLGP SECURITIES - FDIC	7	.1692	.33428	86,762,000	87,336,698	87,323,924	-12,774	10.881
TLGP SECURITIES-FDIC VAR RT NT4X	6	.3505	.44190	96,700,000	96,836,382	96,900,103	63,721	12.074
ABS FDIC GUARANTEED	2	.3156	.62945	14,300,000	14,271,813	14,259,828	-11,985	1.777
CASH ACCOUNT	5			268,482,484	268,482,484	268,482,484		33.453
	<u>37</u>	<u>.1706</u>	<u>.41855</u>	<u>801,050,484</u>	<u>802,592,906</u>	<u>802,554,533</u>	<u>-38,373</u>	<u>100.000</u>

SOURCE: VisualQED

MODEL: INVENTORY

USER: HANGES

RUN: 5/25/12 @ 11:44:55

BASIS: TRADE (SIC FROM QMARKET-LIBRARY)

AS-OF: 4/30/12

AMRTZD: BOOK VALUES AMORTIZED THROUGH 4/30/12

STATE OF NEW MEXICO
TREASURER'S OFFICE

PAGE: 16

POSITION-SIZ	DESCRIPTION	CUSIP#	RATE	MATURITY	YIELD	UNIT-COST	CURRENT BK	LOC-MKT-VALUE
- 13,885,791 (TD)	-WELLS FARGO CASH ACCOUNT	CASHCASH	.100			1.000000	-13,885,790.93	-13,885,791.00
2,357,231	WELLS FARGO SAVINGS	CASHCASH	.100			1.000000	2,357,231.34	2,357,231.00
199,257,246	BANK OF THE WEST	CASHCASH	.250			1.000000	199,257,245.75	199,257,246.00
75,668,950	COMPASS BANK	CASHCASH	.250			1.000000	75,668,950.31	75,668,950.00
5,084,848	US BANK	CASHCASH	.200			1.000000	5,084,848.04	5,084,848.00
268,482,484					.027		268,482,484.51	268,482,484.00

====> 0005 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> NO-MEANINGFUL-DATE <====

40,000,000	DEUTSCHE BANK US GOVT AG REPO	51DBRP	.180	5/01/12	.183	100.000000	40,000,000.00	40,000,000.00
25,000,000	US TREASURY NOTE 2ND	912828KP	1.375	5/15/12	.200	101.023438	25,011,285.00	25,011,750.00
15,000,000	STRAIGHT- A	86257YCT	.180	6/11/12	.183	99.955000	14,996,925.00	14,996,925.00
10,604,000	GOLDMAN SACHS GROUP INC.	38146FAA	3.250	6/15/12	.138	100.968000	10,644,330.48	10,641,220.04
15,000,000	BANK OF AMERICA	06050BAA	3.125	6/15/12	.144	100.886000	15,054,648.12	15,053,100.00
30,000,000	MORGAN STANLEY	61757UAJ	.701	6/20/12	.346	100.329000	30,018,715.15	30,028,800.00
22,948,000	BANK OF AMERICA CORP	06050BAJ	2.375	6/22/12	.140	100.739000	23,020,671.74	23,016,844.00
24,996,000	STRAIGHT-A CP	86257YDK	.180	6/27/12	.183	99.957000	24,988,876.14	24,988,876.14
10,000,000	BANK OF NY MELLO BK FLOAT	06405TAA	.406	6/29/12	.378	100.213700	10,003,866.34	10,008,000.00
25,000,000	US TREASURY NOTE 2nd	912828NS	.625	6/30/12	.225	100.398438	25,016,457.99	25,020,500.00
10,000,000	US TREASURY NOTE 2ND	912828NQ	.625	7/31/12	.238	100.417969	10,009,659.96	10,012,500.00
20,000,000	FEDERAL NATL MTG ASSN DEBS	31359MNU	5.250	8/01/12	.367	104.118000	20,243,941.67	20,228,000.00
20,000,000	FEDERAL NATL MTG ASSN DEBS	31359MNU	5.250	8/01/12	.308	102.277000	20,246,912.85	20,228,000.00
25,000,000	FHLB	3133XYWB	.875	8/22/12	.207	100.663000	25,051,664.05	25,055,750.00
4,348,000	US CENTRAL FED CREDIT UNION	90345AAC	1.900	10/19/12	.197	100.852000	4,382,615.78	4,381,914.40

SOURCE: VisualQED

MODEL: INVENTORY

USER: HANGES

RUN: 5/25/12 @ 11:44:55

BASIS: TRADE (SIC FROM QMARKET-LIBRARY)

AS-OF: 4/30/12

AMRTZD: BOOK VALUES AMORTIZED THROUGH 4/30/12

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

PAGE: 17

POSITION-SIZ	DESCRIPTION	CUSIP#	RATE	MATURITY	YIELD	UNIT-COST	CURRENT BK	LOC-MKT-VALUE
4,300,000	FDIC SSGN	22087WAB		10/25/12	.258	99.862000	4,294,727.51	4,295,528.00
8,650,000	WESTERN CORP FED CREDIT UNION	95806AAB	1.750	11/02/12	.197	101.101000	8,718,026.07	8,718,767.50
10,700,000	WESTERN CORP FED CREDIT UNION	95806AAB	1.750	11/02/12	.218	100.903000	10,782,372.74	10,785,065.00
5,112,000	WESTERN CORP FED CREDIT UNION	95806AAB	1.750	11/02/12	.209	100.827000	5,151,701.04	5,152,640.40
11,000,000	CITIGROUP FUNDING TLGP	17313YAN	1.875	11/15/12	.217	101.046000	11,098,347.10	11,097,570.00
4,750,000	CITIGROUP FUNDING TLGP	17313YAN	1.875	11/15/12	.207	101.043000	4,792,726.05	4,792,132.50
5,160,000	CITIGROUP FUNDING TLGP	17313YAN	1.875	11/15/12	.207	100.955000	5,206,413.99	5,205,769.20
10,000,000	US TREASURY NOTE	912828PV	.500	11/30/12	.188	100.246094	10,018,137.32	10,019,100.00
2,700,000	ALLY FINANCIAL INC FLOAT	36186CBG	.350	12/19/12	.228	100.185200	2,704,195.04	2,705,157.00
17,300,000	ALLY FINANCIAL INC	36186CBF	2.200	12/19/12	.197	101.681000	17,519,531.32	17,517,288.00
21,000,000	FED NATIONAL MTG ASSN Float	31398A7F	.311	12/20/12	.177	100.265200	21,034,168.08	21,025,410.00
17,250,000	GEN ELEC CAP CRP GE FLOAT	36967HAU	.247	12/21/12	.312	100.122027	17,267,854.39	17,283,982.50
7,000,000	GEN ELEC CAP CRP GE FLOAT	36967HAU	.247	12/21/12	.354	100.091100	7,005,405.08	7,013,790.00
29,750,000	JPMORGAN CHASE FLOAT	481247AN	.497	12/26/12	.378	100.447500	29,836,392.33	29,860,372.50

452,568,000					.016		454,120,568.33	454,144,752.18

==> 0029 ITEMS IN SUBTOTAL FOR ==> FINAL-MATURITY.. ==> 2012 <==

10,000,000	FDIC SSGN	625475AB		1/07/13	.341	99.752200	9,977,085.56	9,964,300.00
20,000,000	INTERNATIONAL FINANCE CORP	45950VBT	.300	5/20/13	.304	100.000000	20,000,000.00	20,000,000.00
50,000,000	FEDERAL FARM CR BK FLOATER	31331KF6	.184	6/12/13	.390	100.043700	50,012,776.66	49,963,000.00

80,000,000					.092		79,989,862.22	79,927,300.00

==> 0003 ITEMS IN SUBTOTAL FOR ==> FINAL-MATURITY.. ==> 2013 <==

SOURCE: VisualQED

MODEL: INVENTORY

USER: HANGES

RUN: 5/25/12 @ 11:44:55

BASIS: TRADE (SIC FROM QMARKET-LIBRARY)

AS-OF: 4/30/12

AMRTZD: BOOK VALUES AMORTIZED THROUGH 4/30/12

STATE OF NEW MEXICO
TREASURER'S OFFICE

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POSITION-SIZ	DESCRIPTION	CUSIP#	RATE	MATURITY	YIELD	UNIT-COST	CURRENT BK	LOC-MKT-VALUE
801,050,484					.009		802,592,915.06	802,554,536.18

==> 0037 ITEMS IN SUBTOTAL FOR ==> FUND-NAME..... ==> LGIP FUND <==

Portfolio Summary – Tax Exempt Bond Proceeds Investment Pool

Summary

- The Tax Exempt Bond Proceeds Investment Pool closed the month of April at \$346mil, lower than the March market value of \$377mil.
- The Pool continued to experience withdrawals in April to meet debt service and capital project payments.

Portfolio Mix

- 91% of the Tax-Exempt BPIP portfolio is invested in fixed income securities and 9% in floating rate; 52% in TLGP Securities which are backed by the FDIC, 40% in Treasury and Agency Securities, and the balance, approximately 8%, held in cash equivalents.
- 77% of the portfolio is invested in securities that mature in one year, 7% in securities that mature from 1-2 years, 7% in securities that mature from 2-4 years and 9% in securities out to 5 years.
- The Tax-Exempt BPIP held positions in 21 securities.
- Weighted Average Life of the Tax Exempt BPIP was 1.29 years. The Weighted Average duration was 1.08 years.
- The maximum security term for the BPIP portfolio is 5 years.

Investment Earnings

- Unrealized gains in the Tax-Exempt BPIP Portfolio were \$1.5mil as of April 30th.
- Monthly Earnings on the portfolio were \$352,817.
- For the current fiscal year the fund has earned approximately \$3.8mil.
- Earnings on the Bond Proceeds Investment Pool are used to offset capital and debt service spending.

Investment Highlights

- The Tax-Exempt BPIP experienced approximately \$31mil in withdrawals for capital projects during the month of April.
- Securities were sold at gains to cover April withdrawals: Bank of America, 2.10% maturing 4/30/12, \$25mil, and Citigroup, 2.125% maturing 4/30/12, \$25mil.

Performance

- The purchase yield was 0.97% vs. 1.14% at the end of March. The yield-to-worst was 0.35%.
- The average term of the fund was relatively unchanged.
- The Tax-Exempt BPIP returned 0.22% for the month of April and 0.15% for the three months ended April 30, 2012, vs. Index returns of 0.15% and 0.20% respectively.
- Interest rates moved lower in April as the five year segment of the yield curve outperformed shorter maturities, declining 23 bps. In contrast, the two and three year maturities declined by 7 and 13 bps respectively.
- The portfolio held securities longer than three years (the maximum maturity on the Index) providing the impetus for outperformance vs. the Index in April.

Investment Strategy

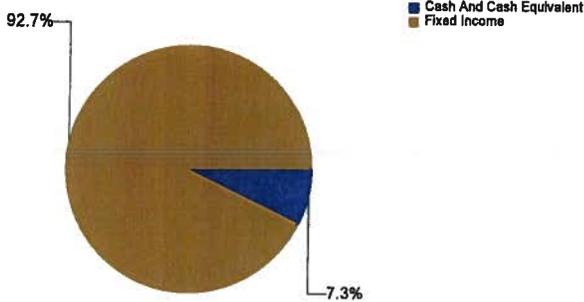
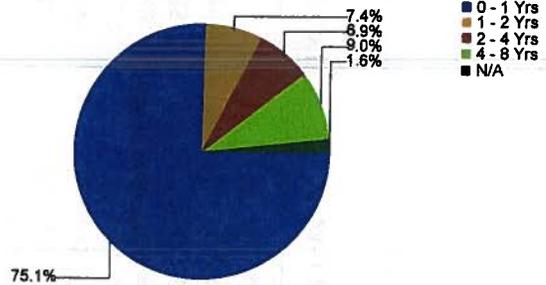
- The Tax-Exempt BPIP is continuing to experience a high level of withdrawals.
- The current market value of the Pool is \$329mil, about \$17mil lower than at month end April with expectation for another \$8mil withdrawal this week.
- Following the withdrawals the cash position will be around \$3mil.
- Callable agency positions will be potential sale candidates to meet liquidity requirements assuming the levels obtained are reasonable.

- There are enough TLGP securities maturing in June 2012, \$80mil, at a gain in the event the callable agencies are not attractive sales.
- The BPIP Tax Exempt fund will be receiving approximately \$60mil in proceeds in late June from the sale of The State of New Mexico Severance Tax Bond issuance.
- The callable agency position in this portfolio is 15% of the total market value. As the assets in the Pool have been declining due to withdrawals, the percentage of callable securities has increased.
- Currently, the Pool has an option adjusted duration of 1.03 years versus the Index at 1.46 years. The option adjusted convexity for the Pool is -0.17 and for the Index -0.30.
- The greater negative convexity of the Index vs. the Pool will have the effect of making its duration more sensitive to the movement in interest rates. This is due to the holdings in securities with optionality (callables).
- As interest rates rise, the Index duration will lengthen more than the Pool (as the callable securities lengthen) and when interest rates fall, the Index duration will shorten more than the Pool.

Portfolio Characteristics

Duration Mix

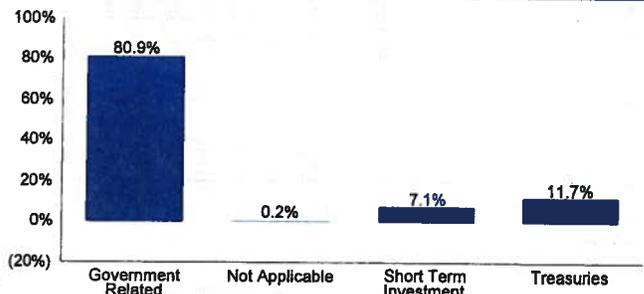
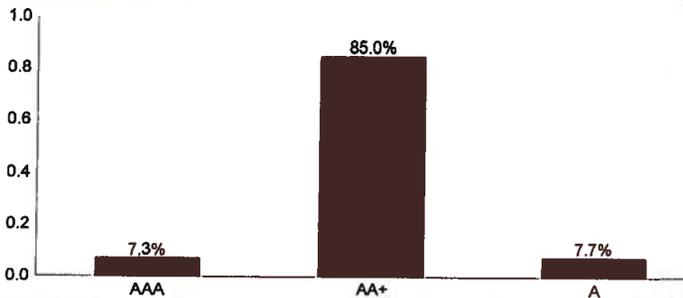
Total Net Assets (Millions) 347.2
Weighted Average Life (Years) 1.29
Weighted Avg. Effective Duration (Years) 1.08
Weighted Average Coupon (%) 2.03
Weighted Average Current Yield (%) 0.20
Weighted Average Yield to Maturity (%) 0.22
Weighted Average Rating AA+
Number of Holdings 18



Security ID	Security Name	% of Assets	Current Rate	Maturity Date
36967HAY3	GENERAL ELECTRIC CAPITAL CORP 2.825% BDS	14.76%	2.82	28/12/2012
17313YAJ0	CITIGROUP FUNDING INC 2.25% BDS 10/DEC/2012	14.71%	2.25	10/12/2012
81757UAJ8	MORGAN STANLEY VAR 20/JUN/2012	8.66%	0.82	20/6/2012
31359MRK1	FED NATL MORT ASSC 4.825% NOTES 01/MAY/2013	7.68%	4.82	1/5/2013
06050BAA9	BANK OF AMERICA CORP 3.125% BDS 15/JUN/2012	7.31%	3.12	15/6/2012
949744AC0	WELLS FARGO & CO 2.125% BDS 15/JUN/2012 USD1000	7.27%	2.12	15/6/2012
3137EACW7	FED HOME LOAN MTG 2% BDS 25/AUG/2016 USD1000	6.06%	2.00	25/8/2016
99CC10115	REPO MITSUBISHI UFJ SECURITIES (USA),INC.	5.70%	0.23	1/5/2012
912828KF8	UNITED STATES OF AMER TREAS NOTES 1.875% TB	4.46%	1.88	28/2/2014
912828MX5	UNITED STATES TREAS NTS 1.75% 15/APR/2013	4.39%	1.75	15/4/2013

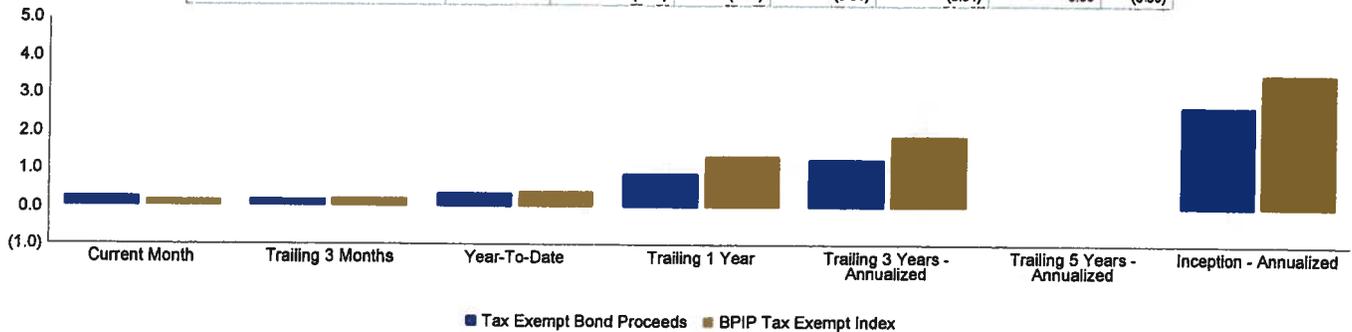
Quality/Rating Weightings

Sector Weightings (as % of Market Value)



Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
Tax Exempt Bond Proceeds	0.22	0.15	0.31	0.84	1.24		2.65
BPIP Tax Exempt Index	0.15	0.20	0.40	1.35	1.88		3.55
Excess	0.07	(0.05)	(0.08)	(0.51)	(0.64)	0.00	(0.88)



STATE OF NEW MEXICO
BOND PROCEEDS INV POOL1 TAX EX (4000)

Portfolio Classification Summary

Positions Held as of 4/30/12

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

ASSET CLASSIFICATION	ITEMS	YIELD	AVG-TERM	PRINCIPAL	COST-BASIS	MARKET-VALUE	GAIN/LOSS	%MARKET
REPURCHASE AGREEMENTS (O/N)	1	.2332	.00270	19,783,184	19,783,184	19,783,184		5.716
U.S. TREASURY NOTES	3	.7334	1.23598	40,000,000	40,407,628	40,693,650	286,022	11.759
FED FARM CR BKS CALLABLE	2	1.1330	.57376	16,110,000	16,112,760	16,164,158	51,398	4.671
FED HOME LOAN MORTGAGE CORP BDS	2	1.1455	3.43560	30,000,000	30,718,738	31,026,400	307,662	8.965
FED NATL MORTGAGE ASSN DEBS	4	.9237	1.91632	48,495,000	49,584,406	49,925,407	341,001	14.426
TLGP SECURITIES - FDIC	4	1.1703	.46757	150,000,000	151,107,557	151,593,000	485,443	43.803
TLGP SECURITIES-FDIC VAR RT NT4X	1	.8169	.13970	30,000,000	30,000,000	30,028,800	28,800	8.677
MONEY MARKET	1		.00274	1,217,093	1,217,093	1,217,093		.352
UNITS - INVESTMENT POOL 1	1			637,531	637,531	637,531		.184
CASH ACCOUNT	2			5,007,567	5,007,567	5,007,567		1.447
	<u>21</u>	<u>.9717</u>	<u>.98051</u>	<u>341,250,375</u>	<u>344,576,464</u>	<u>346,076,790</u>	<u>1,500,326</u>	<u>100.000</u>

SOURCE: VisualQED

MODEL: INVENTORY

USER: HANGES

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AMRTZD: BOOK VALUES AMORTIZED THROUGH 4/30/12

STATE OF NEW MEXICO
TREASURER'S OFFICE

PAGE: 1

POSITION-SIZ	DESCRIPTION	CUSIP#	RATE	MATURITY	YIELD	UNIT-COST	CURRENT BK	LOC-MKT-VALUE
1,217,093	THE RESERVE	BPIPXX02	5.340			1.000000	1,217,093.13	1,217,093.00
5,007,628	COMPASS BANK DEPOSIT	COMPASBA	.250			1.000000	5,007,627.83	5,007,628.00
-	61 CASH KEY	CASHCASH				.993607	60.61	61.00
637,531	UNITS - INVESTMENT POOL 1	UNITS001				1.000000	637,530.77	637,531.00

6,862,191					1.067		6,862,191.12	6,862,191.00

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

19,783,184	OVERNIGHT REPO	0501RP	.230	5/01/12	.233	100.000000	19,783,184.02	19,783,184.02
25,000,000	BANK OF AMERICA	06050BAA	3.125	6/15/12	2.004	103.285000	25,034,281.79	25,088,500.00
25,000,000	WELLS FARGO & COMPANY	949744AC	2.125	6/15/12	1.995	100.447800	25,004,304.13	25,058,500.00
30,000,000	MORGAN STANLEY	61757UAJ	1.573	6/20/12	.817	100.000000	30,000,000.00	30,028,800.00
50,000,000	CITIGROUP INC	17313YAJ	2.250	12/10/12	.759	103.400000	50,454,488.23	50,641,000.00
50,000,000	GENERAL ELECTRIC CAP CORP.	36967HAY	2.625	12/28/12	.759	104.341000	50,614,583.48	50,805,000.00

199,783,184					.036		200,890,841.65	201,404,984.02

====> 0006 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2012 <====

10,000,000	US TREASURY NOTES	912828PR	.625	1/31/13	.377	100.386719	10,018,548.91	10,033,200.00
15,000,000	US TREASURY NOTES	912828MX	1.750	4/15/13	.715	102.664063	15,147,675.10	15,220,350.00
25,000,000	FEDERAL NATL MTG ASSN DEBS	31359MRK	4.625	5/01/13	.550	106.923000	26,016,615.59	26,091,250.00

50,000,000					.143		51,182,839.60	51,344,800.00

SOURCE: VisualQED
 MODEL: INVENTORY
 USER: HANGES
 RUN: 5/25/12 @ 11:44:55
 BASIS: TRADE (SIC FROM QMARKET-LIBRARY)
 AS-OF: 4/30/12
 AMRTZD: BOOK VALUES AMORTIZED THROUGH 4/30/12

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

POSITION-SIZ	DESCRIPTION	CUSIP#	RATE	MATURITY	YIELD	UNIT-COST	CURRENT BK	LOC-MKT-VALUE
====> 0003 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2013 <====								
15,000,000	US TREASURY NOTES	912828KF	1.875	2/28/14	.986	103.035156	15,241,374.79	15,440,100.00
15,000,000					.480		15,241,374.79	15,440,100.00
====> 0001 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2014 <====								
6,110,000	FED FARM CR BKS CALLABE	3136FTDU	1.125	10/26/15	1.045	100.080000	6,112,773.25	6,129,857.50
10,000,000	FED FARM CR BKS CALLABLE	31331K2S	1.170	12/14/15	1.186	100.000000	10,000,000.00	10,034,300.00
10,000,000	FEDERAL HOME LOAN MTG CORP	3134G3FA	1.100	12/30/15	1.115	100.000000	10,000,000.00	10,067,600.00
26,110,000					.280		26,112,773.25	26,231,757.50
====> 0003 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2015 <====								
20,000,000	FEDERAL HOME LOAN MTG CORP	3137EACW	2.000	8/25/16	1.160	104.117000	20,718,926.14	20,958,800.00
10,000,000	FEDERAL NATL MTG ASSN DEBS	3135G0ES	1.375	11/15/16	1.227	100.786600	10,072,643.78	10,209,200.00
10,000,000	FED NATL MORTGAGE ASSN DEBS	3136FTUZ	1.400	12/30/16	1.419	100.000000	10,000,000.00	10,096,300.00
3,495,000	FED NATL MORTGAGE ASSN DEBS	3136FTUZ	1.400	12/30/16	1.419	100.000000	3,495,000.00	3,528,656.85
43,495,000					.165		44,286,569.92	44,792,956.85

SOURCE: VisualQED

MODEL: INVENTORY

USER: HANGES

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TREASURER'S OFFICE

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POSITION-SIZ	DESCRIPTION	CUSIP#	RATE	MATURITY	YIELD	UNIT-COST	CURRENT BK	LOC-MKT-VALUE
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====> 0004 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2016 <====

341,250,375

.021

344,576,590.33 346,076,789.37

====> 0021 ITEMS IN SUBTOTAL FOR ====> FUND-NAME..... ====> BOND PROCEEDS INV POOL1 TAX EX <

Portfolio Summary – Taxable Bond Proceeds Investment Pool

Summary

- The Taxable Bond Proceeds Investment Pool closed the month of April at \$556mil vs. \$571mil on March 31st.
- The Pool experienced some withdrawals during the month.

Portfolio Mix

- 100% of the Taxable BPIP portfolio is invested in fixed income securities; 74% in US Treasury and Agency securities, 17% in securities that are backed by the FDIC, 3% in corporates, and the balance, approximately 6%, is held in cash equivalents such as the Repo and NM CDs.
- 28% of the portfolio is invested in securities that mature in one year, 48% in securities that mature from 1-2 years, 17% in securities that mature from 2-4 years and 7% out to 5 years.
- The Taxable BPIP held positions in 51 securities.
- Weighted Average Life of the Taxable BPIP is 2.14 years. The Weighted Average duration is 1.61 years.
- The maximum security term for the BPIP portfolio is 5 years.

Investment Earnings

- The unrealized gains in the Taxable BPIP Portfolio were \$3.4mil as of April 30th.
- Monthly earnings on the portfolio were \$492,240.
- For the fiscal year the fund has earned \$5.8mil.
- Earnings on the Bond Proceeds Investment Pool are used to offset capital and debt service spending.

Investment Highlights

- The Pool experienced approximately \$15mil in withdrawals for capital projects.
- The Pool was able to meet all liquidity requirements without selling securities.

Performance

- Purchase Yield increased slightly to 1.08% from 1.05%.
- Average Term of the fund shortened slightly from 2.17 to 2.14 years.
- The Taxable BPIP returned 0.23% for the month of April and 0.17% for the three months ended April 30, 2012, vs. Index returns of 0.15% and 0.20% respectively.

Investment Strategy

- The Taxable BPIP has been experiencing some withdrawals.
- The current market value of the Pool is approximately \$548mil, \$8mil lower than the end of April.
- The current cash position in the Pool is less than \$10mil.
- Callable agency positions will be potential sale candidates, if liquidity is needed, assuming the levels obtained are reasonable.
- The BPIP Taxable fund is expected to receive approximately \$70mil in late June from sponge notes.
- The callable agency position in this portfolio is approximately 20% of the total market value. As the assets in the Pool have been declining due to withdrawals, the percentage of callable securities has increased.
- Currently, the Pool has an option adjusted duration of 1.45 years versus the Index at 1.46 years. The option adjusted convexity for the Pool is -0.36 and for the Index -0.30.

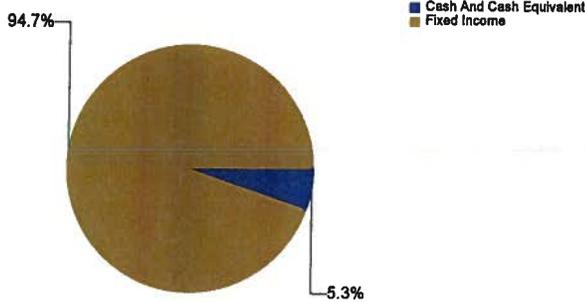
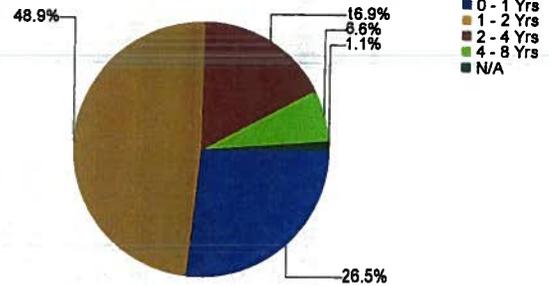
- **The greater negative convexity of the Pool vs. the Index will have the effect of making its duration more sensitive to the movement in interest rates. This is due to the holdings in securities with optionality (callables).**
- **As interest rates rise, the Pool duration will lengthen more than the Index (as the callable securities lengthen) and when interest rates fall, the Pool duration will shorten more than the Index.**

Portfolio Characteristics

Duration Mix

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

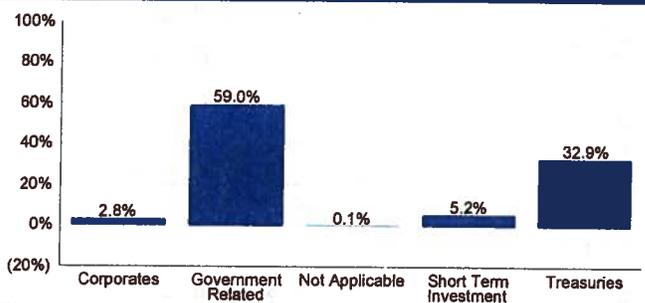
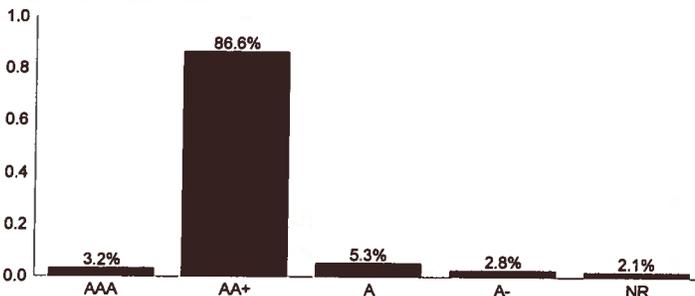
557.9
2.14
1.61
1.71
0.47
0.54
AA
44



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
912828KF8	UNITED STATES OF AMER TREAS NOTES 1.875% TB	7.40%	1.88	28/2/2014
912828NU0	UNITED STATES TREAS NTS 0.750% 15/AUG/2013	5.42%	0.75	15/8/2013
3137EACV7	FED HOME LOAN MTG 2% BDS 25/AUG/2018 USD1000	4.71%	2.00	25/8/2018
38967HAV9	GENERAL ELECTRIC CAPITAL CORP SER G2.125% NTS	4.80%	2.12	21/12/2012
3136FR3N1	FEDERAL NATIONAL MORTGAGE ASSOC 1.35% NTS	4.50%	1.35	20/9/2016
31359MTP8	FED NATL MTG ASSN 5.12% 02/JAN/2014	4.43%	5.12	2/1/2014
31398A4M1	FED NATL MORT ASSC 1.625% BDS 26/OCT/2015 USD1000	3.70%	1.62	26/10/2015
17313YAJ0	CITIGROUP FUNDING INC 2.25% BDS 10/DEC/2012	3.68%	2.25	10/12/2012
3135G0AP8	FEDERAL NATIONAL MORTGAGE ASSOC 1.25% NTS	3.68%	1.25	27/2/2014
17314JAT0	CITIBANK NA 1.75% 28/DEC/2012	3.64%	1.75	28/12/2012

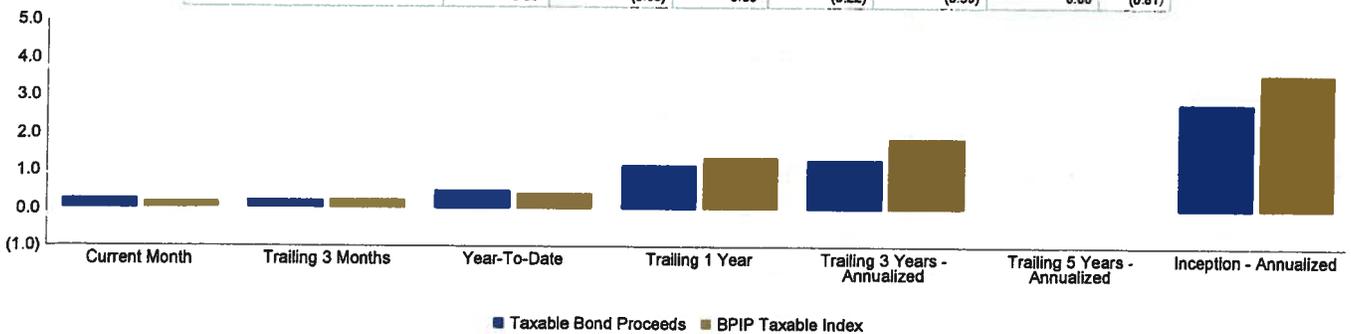
Quality/Rating Weightings

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	0.23	0.17	0.43	1.13	1.28		2.79
BPIP Taxable Index	0.15	0.20	0.40	1.35	1.88		3.60
Excess	0.08	(0.03)	0.03	(0.22)	(0.59)	0.00	(0.81)



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

Portfolio Classification Summary

Positions Held as of 4/30/12

TXN BASIS: TRADE

MKT-SOURCE: IDC-PREFERRED+

AMTZ ADDED: NO

ASSET CLASSIFICATION	ITEMS	YIELD	AVG-TERM	PRINCIPAL	COST-BASIS	MARKET-VALUE	GAIN/LOSS	%MARKET
REPURCHASE AGREEMENTS (O/N)	1	.2332	.00270	11,516,078	11,516,078	11,516,078		2.068
CERTIFICATES OF DEPOSIT	6	.7299	.24838	7,700,000	7,700,000	7,700,000		1.383
LINKED-CERTIFICATE OF DEPOSIT	2	.5500	.24110	4,000,000	4,000,000	4,000,000		.718
U.S. TREASURY NOTES	13	.7816	1.78722	180,000,000	181,622,334	183,066,700	1,444,366	32.871
CORPORATE BONDS	2	5.3744	.33880	15,000,000	15,016,734	15,235,600	218,866	2.736
TEMP CORP CU STABILIZATION FND	2	1.9051	.48400	30,000,000	29,995,893	30,235,500	239,607	5.429
FED FARM CR BKS CALLABLE	1	1.1928	.62470	4,365,000	4,363,996	4,379,972	15,976	.786
FED HOME LOAN MORTGAGE CORP BDS	4	1.3492	1.98499	72,300,000	73,099,630	73,769,048	669,418	13.246
FED NATL MORTGAGE ASSN DEBS	12	.9972	1.50426	150,110,000	152,612,408	153,213,248	600,840	27.511
TLGP SECURITIES - FDIC	3	.7587	.64045	65,155,000	65,688,350	65,915,936	227,586	11.836
MONEY MARKET	2		.00274	2,080,697	2,080,697	2,080,697		.374
UNITS - INVESTMENT POOL 1	1			292,464	292,464	292,464		.053
CASH ACCOUNT	2			5,519,956	5,519,956	5,519,956		.991
	<u>51</u>	<u>1.0771</u>	<u>1.39868</u>	<u>548,039,195</u>	<u>553,508,540</u>	<u>556,925,199</u>	<u>3,416,659</u>	<u>100.000</u>

SOURCE: VisualQED

MODEL: INVENTORY

USER: HANGES

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TREASURER'S OFFICE

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POSITION-SIZ	DESCRIPTION	CUSIP#	RATE	MATURITY	YIELD	UNIT-COST	CURRENT BK	LOC-MKT-VALUE
1,788,233	THE RESERVE	BPIP2RES	5.430			1.000000	1,788,233.27	1,788,233.00
292,464	BP2LGIP	BP2LGIP	.225			1.000000	292,464.00	292,464.00
6,005,640	COMPASS BANK DEPOSIT	COMPASBA	.250			1.000000	6,005,639.53	6,005,640.00
-	CASH KEY	CASHCASH				.999999	- 485,683.69	- 485,684.00
292,464	UNITS - INVESTMENT POOL 1	UNITS001				1.000000	292,464.00	292,464.00
7,893,117					.927		7,893,117.11	7,893,117.00

====> 0005 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> NO-MEANINGFUL-DATE <====

11,516,078	OVERNIGHT REPO	0501RP	.230	5/01/12	.233	100.000004	11,516,078.42	11,516,078.42
2,000,000	WESTERN COMMERCE BANK	2012462	.700	6/15/12	.700	100.000000	2,000,000.00	2,000,000.00
2,000,000	WESTERN BANK CLOVIS	15866000	.750	7/05/12	.750	100.000000	2,000,000.00	2,000,000.00
1,000,000	WESTERN BANK ALAMOGORDO	81186340	.750	7/13/12	.750	100.000000	1,000,000.00	1,000,000.00
600,000	WESTERN BANK CLOVIS	15894000	.750	7/19/12	.750	100.000000	600,000.00	600,000.00
1,000,000	WESTERN BANK ALAMOGORDO	10000000	.750	7/26/12	.750	100.000000	1,000,000.00	1,000,000.00
2,000,000	WESTERN COMMERCE BANK	20124770	.550	7/27/12	.550	100.000000	2,000,000.00	2,000,000.00
2,000,000	WESTERN COMMERCE BANK	20124780	.550	7/27/12	.550	100.000000	2,000,000.00	2,000,000.00
5,000,000	FEDERAL NATL MTG ASSN DEBS	31359MNU	5.250	8/01/12	.367	104.118000	5,060,985.42	5,057,000.00
5,000,000	MORGAN STANLEY	617446V8	5.750	8/31/12	5.364	101.963000	5,005,471.56	5,087,000.00
10,000,000	GOLDMAN SACHS GROUP INC	38141GCG	5.700	9/01/12	5.380	101.670000	10,011,254.05	10,148,600.00
20,000,000	US CENTRL FEDCU TEMP CU STBL FND	90345AAC	1.900	10/19/12	1.949	99.936000	19,998,002.92	20,156,000.00
10,000,000	WESTERN CORP FED CREDIT UNION	95806AAB	1.750	11/02/12	1.818	99.875000	9,997,890.05	10,079,500.00
20,000,000	CITIGROUP INC	17313YAJ	2.250	12/10/12	.757	103.404000	20,182,039.82	20,256,400.00
25,155,000	GENERAL ELECTRIC CAP CORP	36967HAV	2.125	12/21/12	.758	103.160000	25,375,262.22	25,461,136.35

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POSITION-SIZ	DESCRIPTION	CUSIP#	RATE	MATURITY	YIELD	UNIT-COST	CURRENT BK	LOC-MKT-VALUE
1,100,000	WESTERN BANK ALAMOGORDO	08118544	.700	12/27/12	.700	100.000000	1,100,000.00	1,100,000.00
20,000,000	CITIGROUP INC	17314JAT	1.750	12/28/12	.759	102.316000	20,131,158.16	20,198,400.00

138,371,078					.053		138,978,142.62	139,660,114.77

====> 0017 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2012 <====

5,000,000	US TREASURY NOTES	912828QK	.625	2/28/13	.724	99.804688	4,995,897.41	5,017,750.00
2,400,000	FEDERAL NATL MTG ASSN DEBS	3136F9DU	4.000	4/15/13	4.136	99.668600	2,398,201.52	2,485,968.00
20,000,000	US TREASURY NOTES	912828QZ	.500	5/31/13	.454	100.085938	20,009,910.69	20,062,600.00
20,000,000	US TREASURY NOTES	912828RA	.375	6/30/13	.474	99.804688	19,977,017.15	20,034,400.00
10,000,000	US TREASURY NOTES	912828NN	1.000	7/15/13	.914	100.195313	10,010,264.03	10,091,800.00
20,000,000	US TREASURY NOTES	912828NU	.750	8/15/13	.789	99.886719	19,989,963.41	20,132,800.00
10,000,000	US TREASURY NOTES	912828NU	.750	8/15/13	.946	99.539063	9,974,883.67	10,066,400.00
20,000,000	FEDERAL NATL MTG ASSN DEBS	31398A2S	1.000	9/23/13	.572	100.951000	20,120,925.42	20,191,800.00
5,000,000	US TREASURY NOTES	912828PB	.500	10/15/13	.575	99.832031	4,994,568.07	5,018,550.00

112,400,000					.065		112,471,631.37	113,102,068.00

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

14,260,000	FEDERAL NATL MTG ASSN DEBS	31359MTP	5.125	1/02/14	.828	110.102000	15,276,384.36	15,277,593.60
8,450,000	FEDERAL NATL MTG ASSN DEBS	31359MTP	5.125	1/02/14	.854	110.040000	9,048,615.30	9,052,992.00

SOURCE: VisualQED

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POSITION-SIZ	DESCRIPTION	CUSIP#	RATE	MATURITY	YIELD	UNIT-COST	CURRENT BK	LOC-MKT-VALUE
6,000,000	FEDERAL NATL MTG ASSN DEBS	3135GOAP	1.250	2/27/14	.725	101.387600	6,057,995.64	6,057,995.64
14,000,000	FEDERAL NATL MTG ASSN DEBS	3135GOAP	1.250	2/27/14	.725	101.387600	14,135,323.17	14,135,323.17
40,000,000	US TREASURY NOTES	912828KF	1.875	2/28/14	1.007	102.808594	40,628,299.36	41,173,600.00
10,000,000	US TREASURY NOTES	912828KN	1.875	4/30/14	1.298	101.742188	10,113,397.73	10,316,400.00
10,000,000	US TREASURY NOTES	912828KV	2.250	5/31/14	1.346	102.796875	10,184,932.31	10,406,300.00
10,000,000	US TREASURY NOTES	912828RV	.250	12/15/14	.330	99.769531	9,979,122.18	9,975,000.00
112,710,000					.063		115,424,070.05	116,395,204.41

====> 0008 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2014 <====

10,000,000	US TREASURY NOTES	912828NP	1.750	7/31/15	.453	104.546875	10,417,942.78	10,419,500.00
20,000,000	FED NATL MORTGAGE ASSN DEBS	31398A4M	1.625	10/26/15	.870	102.858000	20,525,731.36	20,659,600.00
4,365,000	FED FARM CR BKS CALLABLE	31331K2S	1.170	12/14/15	1.192	99.975000	4,364,061.00	4,379,971.95
7,300,000	FEDERAL HOME LOAN MTG CORP	3134G3FA	1.100	12/30/15	1.115	100.000000	7,300,000.00	7,349,348.00
41,665,000					.172		42,607,735.14	42,808,419.95

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

10,000,000	US TREASURY NOTES	912828QR	1.500	6/30/16	.656	103.699219	10,346,166.76	10,351,600.00
25,000,000	FEDERAL HOME LOAN MTG CORP	3137EACW	2.000	8/25/16	1.295	103.481700	25,756,590.18	26,198,500.00
25,000,000	FEDERAL NATL MTG ASSN DEBS	3136FR3N	1.350	9/20/16	1.369	100.000000	25,000,000.00	25,076,500.00

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POSITION-SIZ	DESCRIPTION	CUSIP#	RATE	MATURITY	YIELD	UNIT-COST	CURRENT BK	LOC-MKT-VALUE
20,000,000	FEDERAL HOME LOAN MTG CORP	3134G3BT	1.625	11/23/16	1.658	99.950000	19,991,173.00	20,104,000.00
20,000,000	FED HOME LOAN MORTGAGE CORP BDS	3134G3CB	1.625	12/05/16	1.196	100.400000	20,052,492.79	20,117,200.00
10,000,000	FED NATL MORTGAGE ASSN DEBS	3136FTUZ	1.400	12/30/16	1.419	100.000000	10,000,000.00	10,096,300.00
5,000,000	FED NATL MORTGAGE ASSN DEBS	3136FTUZ	1.400	12/30/16	1.419	100.000000	5,000,000.00	5,048,150.00
115,000,000					.063		116,146,422.73	116,992,250.00
==> 0007 ITEMS IN SUBTOTAL FOR ==> FINAL-MATURITY.. ==> 2016 <==								
20,000,000	FED NATL MORTGAGE ASSN DEBS	3136FTYG	1.000	1/30/17	1.026	99.940000	19,988,840.31	20,074,200.00
20,000,000					.366		19,988,840.31	20,074,200.00
==> 0001 ITEMS IN SUBTOTAL FOR ==> FINAL-MATURITY.. ==> 2017 <==								
548,039,195					.013		553,509,959.33	556,925,374.13
==> 0051 ITEMS IN SUBTOTAL FOR ==> FUND-NAME..... ==> BOND PROCEEDS INV POOL2 TAXABL <								

Portfolio Summary – Severance Tax Bonding Fund

Summary

- The Severance Tax Bonding Fund closed the month of April at \$287 Million.

Portfolio Mix

- Severance Tax Bonding Fund Proceeds are invested in the LGIP (45%), collateralized bank accounts (30%) and the overnight repurchase agreement pool (25%).
- Severance Taxes are remitted to the Treasury on a monthly basis and are approximately \$35MM per month.
- 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.
- STBF balances will be decreased at the end of June to meet Debt Service Costs and also transferred to the State Investment Council.

Investment Strategy

- We continue to utilize the LGIP for a core position of STBF proceeds.
- As discussed at the last meeting, we have reduced our exposure to collateralized bank deposits in the STBF.
- As we are getting closer to planned withdrawals in June, we have shifted the asset allocation toward more liquid instruments.
- Due to its short-term nature, investments of three to six month maturities are viable investments for the STBF pool.

STATE OF NEW MEXICO

STB FUND (4001)

Portfolio Classification Summary

Positions Held as of 4/30/12

TXN BASIS: TRADE

MKT-SOURCE: IDC-PREFERED+

AMTZ ADDED: NO

ASSET CLASSIFICATION	ITEMS	YIELD	AVG-TERM	PRINCIPAL	COST-BASIS	MARKET-VALUE	GAIN/LOSS	%MARKET
REPURCHASE AGREEMENTS (O/N)	1	.2332	.00270	79,379,359	79,379,359	79,379,359		27.587
UNITS - INVESTMENT POOL 1	1			132,227,895	132,227,895	132,227,895		45.954
CASH ACCOUNT	1			76,135,540	76,135,540	76,135,540		26.460
	<u>3</u>	<u>.0643</u>	<u>.00270</u>	<u>287,742,794</u>	<u>287,742,794</u>	<u>287,742,794</u>		<u>100.000</u>

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

POSITION-SIZ	DESCRIPTION	CUSIP#	RATE	MATURITY	YIELD	UNIT-COST	CURRENT BK	LOC-MKT-VALUE
76,135,540	COMPASS BANK DEPOSIT	COMPASBA	.250			1.000000	76,135,540.11	76,135,540.00
132,227,895	UNITS - INVESTMENT POOL 1	UNITS001				1.000000	132,227,895.21	132,227,895.00

208,363,435					.035		208,363,435.32	208,363,435.00
====> 0002 ITEMS IN SUBTOTAL FOR ==> FINAL-MATURITY.. ==> NO-MEANINGFUL-DATE <====								
79,379,359	OVERNIGHT REPO	0501RP	.230	5/01/12	.233	100.000000	79,379,359.28	79,379,359.28

79,379,359					.092		79,379,359.28	79,379,359.28
====> 0001 ITEMS IN SUBTOTAL FOR ==> FINAL-MATURITY.. ==> 2012 <====								

287,742,794					.025		287,742,794.60	287,742,794.28
====> 0003 ITEMS IN SUBTOTAL FOR ==> FUND-NAME..... ==> STB FUND <====								

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

Fiscal Year 2011-2012

<u>Volume at Per</u>	(\$ in thousands)												YTD	
<u>Broker/Dealer:</u>	<u>Jul-11</u>	<u>Aug-11</u>	<u>Sep-11</u>	<u>Oct-11</u>	<u>Nov-11</u>	<u>Dec-11</u>	<u>Jan-12</u>	<u>Feb-12</u>	<u>Mar-12</u>	<u>Apr-12</u>	<u>May-12</u>	<u>Jun-12</u>	<u>YTD Total</u>	<u>Percent</u>
Bank of America/MLPFS	35,000	58,450	50,029	20,000	22,300	25,045	-	10,000	40,000	24,996	-	-	285,820	10.5%
Bank of Oklahoma (Bk ABC)	-	-	2,790	-	-	-	-	7,010	-	4,500	-	-	14,300	0.5%
Barclays	20,000	-	56,750	50,000	2,700	148,000	-	20,000	4,750	14,300	-	-	316,500	11.6%
BB&T	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
BMO Capital Markets	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
BNP Paribas	70,000	-	20,000	-	20,000	20,000	40,000	-	-	-	-	-	-	0.0%
Cantor Fitzgerald	-	-	-	-	-	-	-	-	-	20,000	-	-	190,000	7.0%
Citigroup	20,000	27,260	51,635	50,000	20,000	45,000	-	45,000	16,555	-	-	-	20,000	0.7%
Credit Suisse Securities	110,000	-	-	20,000	-	-	10,000	20,000	35,000	-	-	-	275,450	10.1%
Deutsche Bank	10,000	24,950	10,000	-	-	4,385	-	-	-	-	-	-	199,385	7.3%
FTN Financial	25,000	-	11,120	-	20,000	-	-	-	-	-	-	-	44,950	1.7%
Gleacher Securities	-	-	-	-	-	-	-	-	-	20,000	-	-	76,120	2.8%
Goldman Sachs	5,000	-	80,000	-	-	-	-	-	-	-	-	-	-	0.0%
Great Pacific Securities	-	-	-	-	-	-	-	-	-	50,000	-	-	136,000	5.0%
HSBC	-	-	-	55,000	-	-	-	-	-	-	-	-	-	0.0%
JP Morgan	55,000	20,000	-	-	19,385	-	-	40,950	-	14,820	-	-	110,570	4.1%
Jefferies	-	-	40,000	-	40,000	25,000	55,000	63,500	20,000	-	-	-	114,385	4.2%
MFR	-	-	-	-	-	-	-	-	20,000	-	-	-	249,500	8.9%
Miller, Tabak Roberts	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Mitsubishi UFJ (Repo)	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Morgan Keegan	1,900	9,540	-	2,360	-	-	-	785	500	625	-	-	15,690	0.6%
Morgan Stanley	-	25,000	-	-	50,000	-	10,000	58,552	31,700	-	-	-	175,252	6.4%
Muriel Siebert & Co.	-	-	-	10,000	-	-	-	-	-	-	-	-	-	0.4%
Nomura Securities	20,000	-	-	7,000	-	-	-	-	-	-	-	-	10,000	0.4%
Northern Trust	-	-	-	-	-	-	-	-	20,000	-	-	-	47,000	1.7%
Oppenheimer	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Piper Jaffrey	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
RBS Greenwich Capital	20,000	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
South Street (Repo Only)	-	-	-	-	-	-	-	-	-	-	-	-	20,000	0.7%
Stifel Financial	3,175	-	20,000	-	-	20,000	-	-	-	-	-	-	-	0.0%
Stone & Youngberg	-	-	-	-	-	-	-	-	-	-	-	-	43,175	1.6%
UBS Financial	20,000	-	-	3,000	-	46,905	50,000	-	-	-	-	-	-	0.0%
Vining Sparks	-	-	-	-	20,000	11,660	-	-	-	-	-	-	119,905	4.4%
Williams Capital Group	-	-	-	-	-	-	-	-	-	785	-	-	32,445	1.2%
Direct Purchase	-	250	8,000	-	-	124,263	-	-	-	-	-	-	-	0.0%
Interfund	-	-	-	80,000	-	-	-	-	8,250	13,525	-	-	154,288	5.7%
Total	415,075	165,450	350,324	297,360	214,385	470,238	165,000	265,777	196,755	183,351	-	-	2,723,715	100.0%
Market type:														
Primary Market	5,075	9,790	63,574	47,360	79,385	348,763	35,000	52,775	23,250	64,431	700	-	730,103	26.3%
Secondary Market	410,000	155,660	286,750	250,000	135,000	121,475	130,000	213,002	173,505	118,920	50,000	-	2,044,312	73.7%
Total	415,075	165,450	350,324	297,360	214,385	470,238	165,000	265,777	196,755	183,351	50,700	-	2,774,415	100.0%
Security type:														
CD's	-	250	8,000	-	-	9,100	-	-	8,250	2,000	-	-	27,600	1.0%
Corporate Bonds	-	-	-	-	40,000	-	-	-	10,700	20,000	-	-	70,700	2.5%
TLGP	-	-	36,750	200,000	5,000	-	-	90,852	11,000	64,620	-	-	408,222	14.7%
Agencies	60,000	135,660	185,000	60,000	150,000	198,930	115,000	117,150	61,305	14,300	50,000	-	1,147,345	41.4%
Commercial Paper	-	-	25,029	35,000	-	147,045	-	20,000	15,000	24,996	-	-	267,070	9.6%
MBS	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Treasuries	350,000	20,000	85,000	-	-	-	50,000	-	90,000	40,000	-	-	665,000	24.0%
Municipal/Sponge	5,075	9,540	10,545	2,360	19,385	115,163	-	7,775	500	17,435	700	-	188,478	6.8%
ABS	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Money Markets	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Total	415,075	165,450	350,324	297,360	214,385	470,238	165,000	265,777	196,755	183,351	50,700	-	2,774,415	100.0%

STATE OF NEW MEXICO

Summary of Fixed-Income Purchases and Sales

TRADES During The Period 4/01/12 Through 4/30/12

TXN-DATE	CUSIP#	ASSET-TYPE	INVT#	ISSUE-NAME	RATE	MATURITY	YIELD	BRKR/DLR/AGENT	FUND	PAR-VALUE	COST/PROCEEDS	GAIN/LOSS	NXT-CALL
<u>PURCHASE TRANSACTIONS</u>													
4/02/12	86257YDK	COMMERCIAL PAPE	16347	STRAIGHT-A CP	.180	6/27/12	.1801	BANK OF AMERICA	4101	24,996,000.00	24,985,251.72		
4/17/12	63000023	LINKED-CERTIFIC	16478	MY BANK BELEN	.400	4/17/13	.4000	SYSTEM - UNIDEN	1000	2,000,000.00	2,000,000.00		
4/24/12	912828SL	U.S. TREASURY N	16487	US TREASURY NOTE	.250	3/31/14	.2622	CANTOR FITZGERA	1001	20,000,000.00	19,995,312.50		
4/24/12	912828SP	U.S. TREASURY N	16488	US TREASURY NOTE	.375	4/15/15	.3869	BNP PARIBAS	1001	20,000,000.00	19,992,968.75		
4/20/12	45950VBT	CORPORATE BONDS	16477	INTERNATIONAL FINANCE C	.300	5/20/13	.3000	FIRST TENNESSEE	4101	20,000,000.00	20,000,000.00		
4/18/12	90345AAC	TEMP CORP CU ST	16459	US CENTRAL FED CREDIT U	1.900	10/19/12	.1943	HSBC	4101	4,348,000.00	4,385,044.96		
4/18/12	95806AAB	TEMP CORP CU ST	16461	WESTERN CORP FED CREDIT	1.750	11/02/12	.2057	HSBC	4101	5,112,000.00	5,154,276.24		
4/19/12	17313YAN	TLGP SECURITIES	16463	CITIGROUP FUNDING TLGP	1.875	11/15/12	.2042	HSBC	4101	5,160,000.00	5,209,278.00		
4/11/12	54422NDB	MUNICIPAL BOND	16410	LOS ALAMOS PSD NM	2.000	8/01/13	.4004	VINING SPARKS	1001	785,000.00	800,119.10		
4/13/12	311441KF	MUNICIPAL BOND	16437	FARMINGTON MSD #5 NM	2.000	9/01/12	.2525	BANK OF OKLAHOM	1001	2,500,000.00	2,512,725.00		
4/13/12	311441KG	MUNICIPAL BOND	16439	FARMINGTON MSD #5 NM	3.000	9/01/13	.4007	BANK OF OKLAHOM	1001	1,000,000.00	1,033,450.00		
4/13/12	311441KH	MUNICIPAL BOND	16438	FARMINGTON MSD #5 NM	3.000	9/01/14	.5501	BANK OF OKLAHOM	1001	1,000,000.00	1,055,710.00		
4/13/12	802751DK	MUNICIPAL BOND	16447	SANTA ROSA CSD #8 NM	1.000	5/15/13	.3505	MORGAN KEEGAN	1001	200,000.00	201,274.00		
4/13/12	802751DL	MUNICIPAL BOND	16451	SANTA ROSA CSD #8 NM	1.000	5/15/14	.5003	MORGAN KEEGAN	1001	200,000.00	201,970.00		
4/13/12	802751DM	MUNICIPAL BOND	16449	SANTA ROSA CSD #8 NM	1.000	5/15/15	.6501	MORGAN KEEGAN	1001	225,000.00	227,322.00		
4/16/12	ABQ2012C	MUNICIPAL BOND	16450	ALBUQUERQUE NM 2012C	.290	7/01/13	.2900	BROKER DIRECT	1001	7,525,000.00	7,525,000.00		
4/16/12	ABQ2012D	MUNICIPAL BOND	16452	ALBUQUERQUE NM 2012D		7/02/12		BROKER DIRECT	1001	4,000,000.00	4,000,000.00		
4/04/12	22087WAB	ABS FDIC GUARAN	16376	FDIC SSGN		10/25/12	.2538	BARCLAYS	4101	4,300,000.00	4,294,066.00		
4/05/12	625475AB	ABS FDIC GUARAN	16386	FDIC SSGN		1/07/13	.3361	BARCLAYS	4101	10,000,000.00	9,975,220.00		
19 PURCHASES DURING PERIOD TOTAL.....										133,351,000.00	133,548,988.27		
<u>SALE TRANSACTIONS</u>													
4/04/12	06050BAG	TLGP SECURITIES	14128	BANK OF AMERICA	2.100	4/30/12	.1116	GOLDMAN SACHS	4000	25,000,000.00	25,034,500.00	32,285.33	
4/25/12	17313UAE	TLGP SECURITIES	14133	CITIGROUP INC	2.125	4/30/12	.1079	GOLDMAN SACHS	4000	25,000,000.00	25,007,000.00	6,460.67	
2 SALES DURING PERIOD TOTAL.....										50,000,000.00	50,041,500.00	38,746.00	
=== GRAND-TOTAL ===>										183,351,000.00	183,590,488.27	38,746.00	
*** END-OF-REPORT ***													



James B. Lewis
State Treasurer

STATE OF NEW MEXICO
OFFICE OF THE TREASURER

Mark F. Valdes
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: May 24, 2012
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 April 30, 2012

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 the month ending April 30, 2012.

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. The agencies are advised not to make any new deposits to those accounts 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 April 30, 2012.

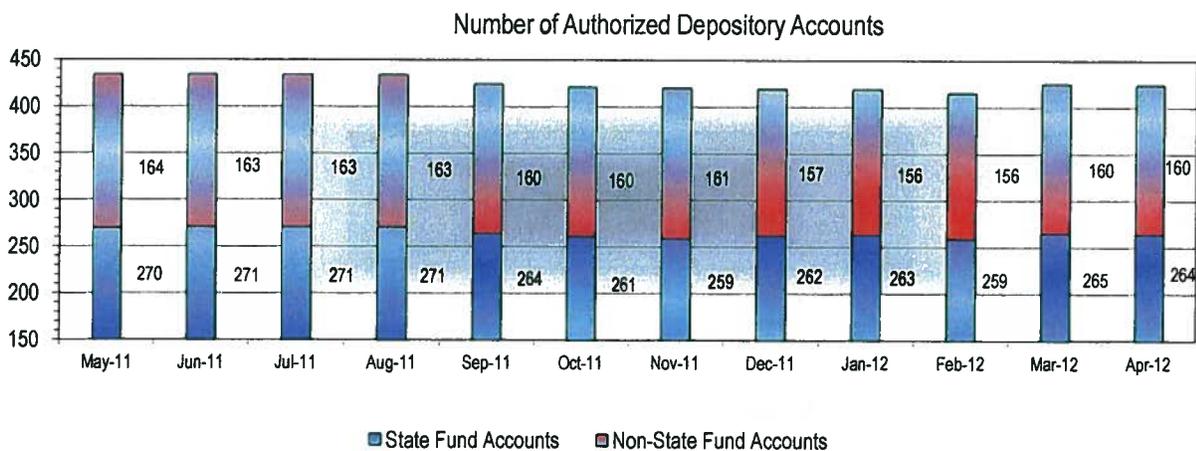
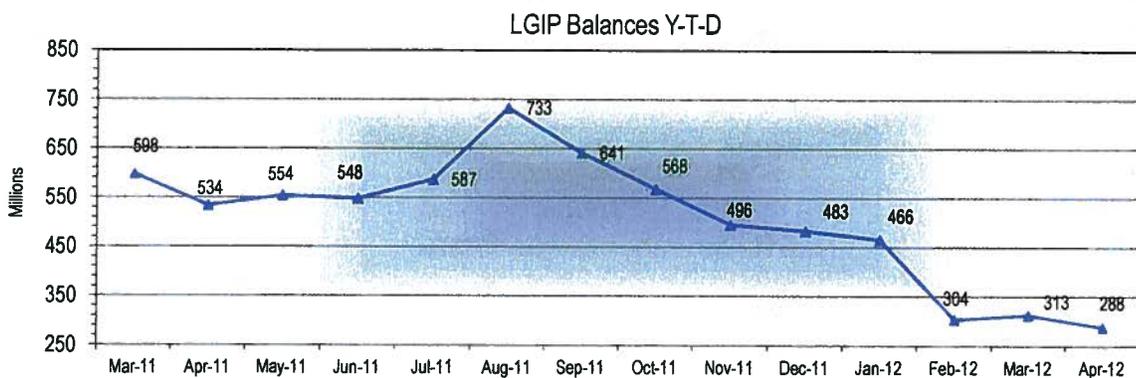
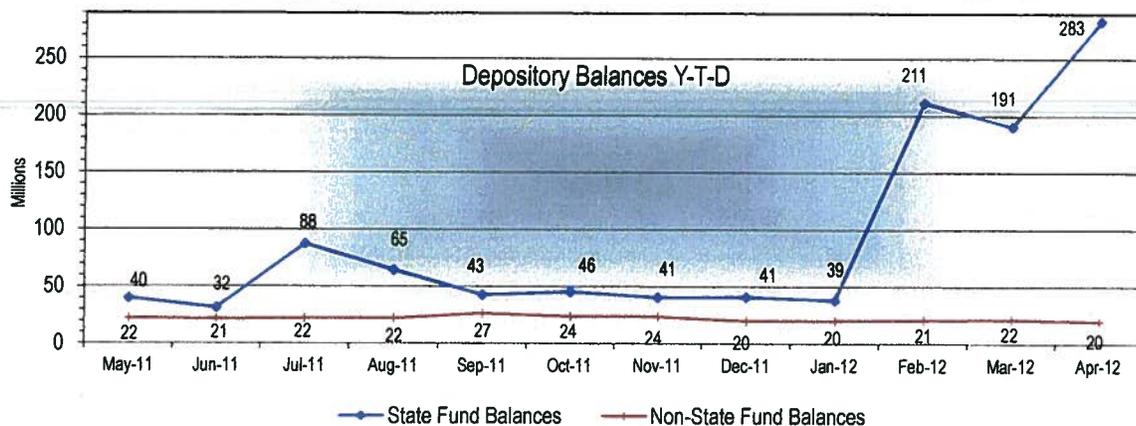
(Attachments)

State Fund Balances by Financial Institution

April - 2012

Bank 34/Alamogordo	0
Century Bank/Santa Fe	0
First National Bank/Alamogordo	145,003
Bank of America/Albuquerque	3,013,588
Wells Fargo Bank/Albuquerque	34,818,387
Compass Bank/Albuquerque	239,138,111
Bank of the West/Albuquerque	585
First American Bank/Artesia	50,777
My Bank/Belen	8,488
Carlsbad National Bank/Carlsbad	4,505
Western Commerce Bank/Carlsbad	89,145
Farmers/Stockmens Bank/Clayton	19,639
First National Bank/Clayton	4,397,521
Bank of Clovis/Clovis	0
Citizens Bank/Clovis	27,710
NM Bank & Trust/Albuquerque	323,061
Community Bank/Santa Fe	2,265
Valley National Bank/Espanola	453
Pinnacle Bank/Gallup	3,200
Grants State Bank/Grants	100
Lea County State Bank/Hobbs	132,986
Citizens Bank/Las Cruces	0
Southwest Capitol/Las Vegas	174,465
Community 1st Bank/Las Vegas	34,113
Western Bank/Lordsburg	123,999
Los Alamos National Bank/Los Alamos	15,328
James Polk Stone National Bank/Portales	62,874
International Bank/Raton	96,858
Valley Bank of Commerce/Roswell	63,587
First National Bank of Santa Fe/Santa Fe	0
First State Bank/Socorro	17,373
Centinel Bank/Taos	140,751
US Bank/Albuquerque	88,277
Bank of the Southwest/Roswell	117,154
People's Bank	19,058
AmBank	34,604
Total:	\$283,163,965

Depository Account Summary - April 2012



Depository accounts authorized in April 2012 pursuant to Section 6-1-13 NMSA : 3 13th Judicial District Court
 Depository accounts closed in March 2012: 1 13th Judicial District Court

Depository Account Summary by Agency

April 2012

STATE FUNDS

NON-STATE FUNDS

AGENCY	# OF ACCTS.	BALANCE
AOC (fines, fees etc.)	50	\$3,705,936
BERN. CO. METRO COURT	2	\$50,795
1-13 DISTRICT ATTORNEY	6	\$50,953
EDUCATION RETIREMENT BOARD	1	\$19,537
TAXATION & REVENUE DEPT.	30	\$196,390
PUBLIC SCHOOL INS. AUTHORITY	6	\$23,726,328
PUBLIC DEFENDER	9	\$7,136
SECRETARY OF STATE	1	\$0
STATE TREASURER (JDC)	28	\$188,319
STATE TREASURER (OTHER INVEST)	4	\$237,182,103
NM RACING COMMISSION	7	\$210,394
SPACEPORT AUTHORITY	1	\$1,598,203
DEPT. OF GAME & FISH	2	\$78,311
SOUTHWEST REGION ED.	1	\$1,765,217
ENERGY & MINERALS	4	\$653,935
COMMISSION PUBLIC LAND	2	\$17,673
STATE ENGINEER'S OFFICE	3	\$74,832
IRRG WKS CONST	1	\$252,219
COMMISSION FOR THE BLIND	3	\$63,712
HUMAN SERVICES DEPT.	6	\$24,662
WORKFORCE SOLUTIONS	6	\$7,963,277
DIVISION OF VOCATIONAL REHAB	1	\$0
MINER'S HOSPITAL	1	\$4,384,220
DEPARTMENT OF HEALTH	75	\$244,591
ENVIRONMENT DEPARTMENT	1	\$0
CORRECTIONS DEPARTMENT	5	\$1,224
DEPT. OF PUBLIC SAFETY	2	\$61,876
HIGHWAY & TRANSPORTATION	5	\$1,616
CENTRAL REGIONAL CO-OP	1	\$640,506

AGENCY	# OF ACCTS.	BALANCE
AOC (Bonds)	55	
1ST JUDICIAL DIST. COURT	3	\$1,111,948
2ND JUDICIAL DIST. COURT	2	\$803,804
3RD JUDICIAL DIST. COURT	2	\$1,323,700
4TH JUDICIAL DIST. COURT	4	\$158,563
5TH JUDICIAL DIST. COURT	3	\$2,116,390
6TH JUDICIAL DIST. COURT	3	\$174,056
7TH JUDICIAL DIST. COURT	4	\$153,979
8TH JUDICIAL DIST. COURT	4	\$719,854
9TH JUDICIAL DIST. COURT	4	\$551,168
10TH JUDICIAL DIST. COURT	2	\$97,687
11TH JUDICIAL DIST. COURT	10	\$1,375,834
12TH JUDICIAL DIST. COURT	8	\$1,749,160
13TH JUDICIAL DIST. COURT	63	\$2,860,124
BERNALILLO CO. METRO COURT	2	\$870,201
6TH DISTRICT ATTORNEY	3	\$42,564
7TH DISTRICT ATTORNEY	1	\$1,822
10TH DISTRICT ATTORNEY	1	\$203
11TH JUDICIAL DIST. ATTORNEY	1	\$15,037
LGIP	5	\$288,482,485
PUBLIC REG. COMMISSION	3	\$839,514
NM STATE FAIR	5	\$1,422,977
SOUTHWEST REGION ED.	1	\$15
COMM STATUS OF WOMEN	0	\$0
COMM FOR THE BLIND	0	\$0
WORKFORCE SOLUTIONS	0	\$0
MINER'S HOSPITAL	1	\$2,206
DEPARTMENT OF HEALTH	11	\$763,201
CHILDREN, YOUTH & FAMILIES	5	\$102,996
CORRECTIONS DEPARTMENT	11	\$2,109,347
DEPT. OF PUBLIC SAFETY	2	\$28,762
CENTRAL REGION CO-OP	1	\$496,602

Total: 264 \$283,163,965

Total: 160 \$308,374,199

Total Depository Balances: \$591,538,164

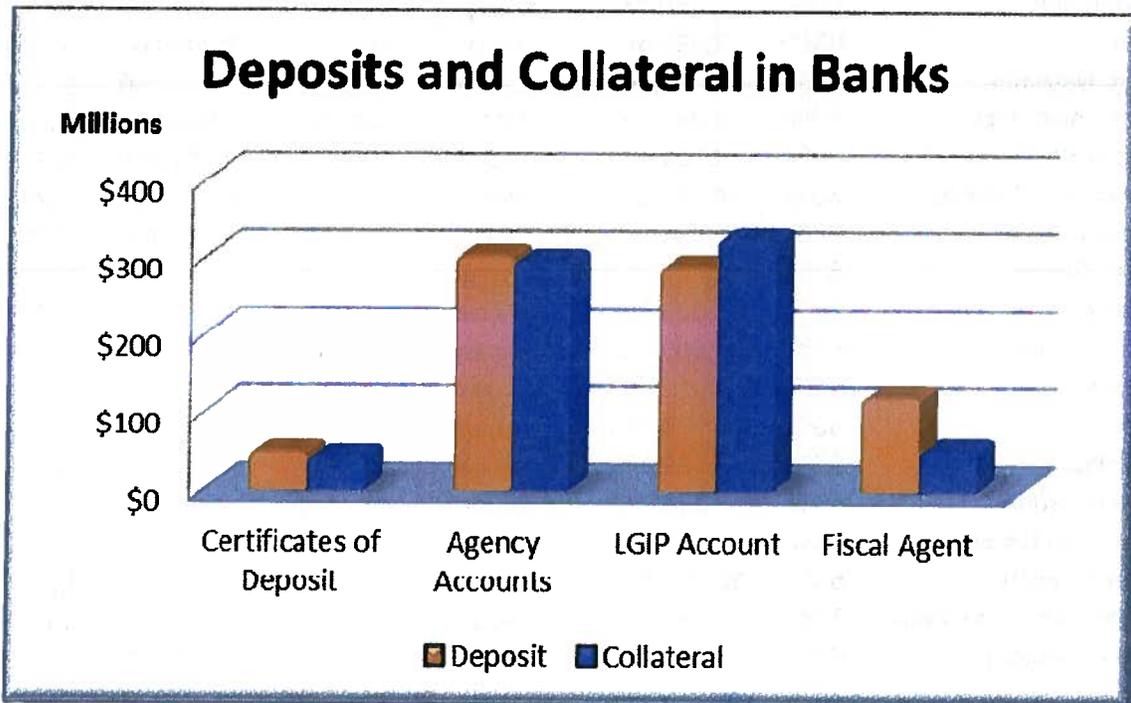
Total Depository Accounts: 424

Office of the Treasurer

Collateral Summary Review

April 30, 2012

First National Bank of Clayton and Western Bank of Clovis were under collateralized at month end. The deficiency was corrected once notified. All other depository institutions holding public funds for the month ending April 2012 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	\$ 49.0 Million	\$ 42.5 Million	86.8%
Agency Deposit	302.0 Million	295.0 Million	97.7%
LGIP Deposits	288.5 Million	324.7 Million	112.6%
Fiscal Agent	121.1 Million	52.9 Million	43.7%
Totals →	760.6 Million	715.2 Million	94.0%



Office of the Treasurer
Collateral Review
 Accumulated Total by Institution
April 30, 2012

FINANCIAL INSTITUTION	%	TOTAL	FDIC / NCUA	LESS INSURANCE	SUBJECT TO BE	COLLATERAL	EXCESS
		DEPOSITS	INSURANCE	COVERAGE	COLLATERALIZED	PLEGGED	(UNDER)
First National - Alamogordo	50%	1,264,948	250,000	1,014,948	507,474	533,477	26,003
Western - Alamogordo	75%	3,100,000	250,000	2,850,000	2,137,500	3,091,042	953,542
Bank of America	50%	3,721,016	1,525,678	2,195,338	1,097,669	7,112,726	6,015,058
Bank of the West	50%	200,577,944	250,585	200,327,359	100,163,679	203,496,225	103,332,546
BBVA Compass	102%	314,807,076	2,018,992	312,788,083	319,043,845	333,293,710	14,249,865
US Bank	50%	6,523,575	811,700	5,711,875	2,855,938	5,000,000	2,144,062
Wells Fargo	50%	54,571,566	14,524,601	40,046,966	20,023,483	64,989,560	44,966,077
First American	50%	50,777	50,777	0	0	0	0
My Bank	102%	2,443,641	580,789	1,862,851	1,900,108	2,230,000	329,892
Carlsbad National	50%	4,505	4,505	0	0	0	0
Western Commerce	50%	6,089,145	287,797	5,801,347	2,900,674	3,219,185	318,511
Farmers & Stockmen	75%	1,361,429	262,424	1,099,005	824,254	2,349,446	1,525,192
First National - Clayton	50%	4,397,521	250,000	4,147,521	2,073,760	1,292,412	(781,348)
Bank of Clovis	50%	384,692	250,000	134,692	67,346	384,692	317,346
Citizens - Clovis	50%	27,710	27,710	0	0	0	0
NM Bank & Trust	50%	323,060	314,598	8,462	4,231	250,000	245,769
Western - Clovis	50%	2,600,000	250,000	2,350,000	1,175,000	1,164,474	(10,526)
Valley National	102%	453	453	0	0	0	0
Pinnacle	50%	3,200	3,200	0	0	0	0
Grants State	50%	89,438	89,438	0	0	0	0
Lea County State	50%	133,747	133,747	0	0	0	0
Citizens - Las Cruces	50%	3,587	3,587	0	0	0	0
Southwest Capital	50%	10,773,881	277,682	10,496,199	5,248,100	5,531,690	283,590
Community 1st - Las Vegas	50%	34,113	34,113	0	0	1,000,000	1,000,000
Western - Lordsburg	50%	143,497	143,497	0	0	0	0
Los Alamos National	75%	15,328	15,328	0	0	0	0
James Polk Stone Communi	50%	559,475	559,475	0	0	0	0
International	75%	179,822	179,822	0	0	450,000	450,000
Bank of the Southwest	50%	357,303	272,606	84,697	42,348	280,242	237,894
Valley Commerce	50%	63,587	63,587	0	0	0	0
Century	102%	24,628,031	250,000	24,378,031	24,865,592	25,532,249	666,657
Community	102%	196,421	196,421	0	0	0	0
First National - Santa Fe	50%	211,484	211,484	0	0	0	0
First State	50%	59,991	59,991	0	0	0	0
AM	50%	34,604	34,604	0	0	0	0
Centinel	50%	140,751	140,751	0	0	0	0
Peoples	75%	19,058	19,058	0	0	0	0
BANK'34	102%	157,977	157,977	0	0	815,405	815,405
Union Savings	50%	0	0	0	0	0	0
Guadalupe Credit	50%	250,000	250,000	0	0	0	0
		640,304,351	25,006,977	615,297,374	484,931,000	662,016,536	177,085,526

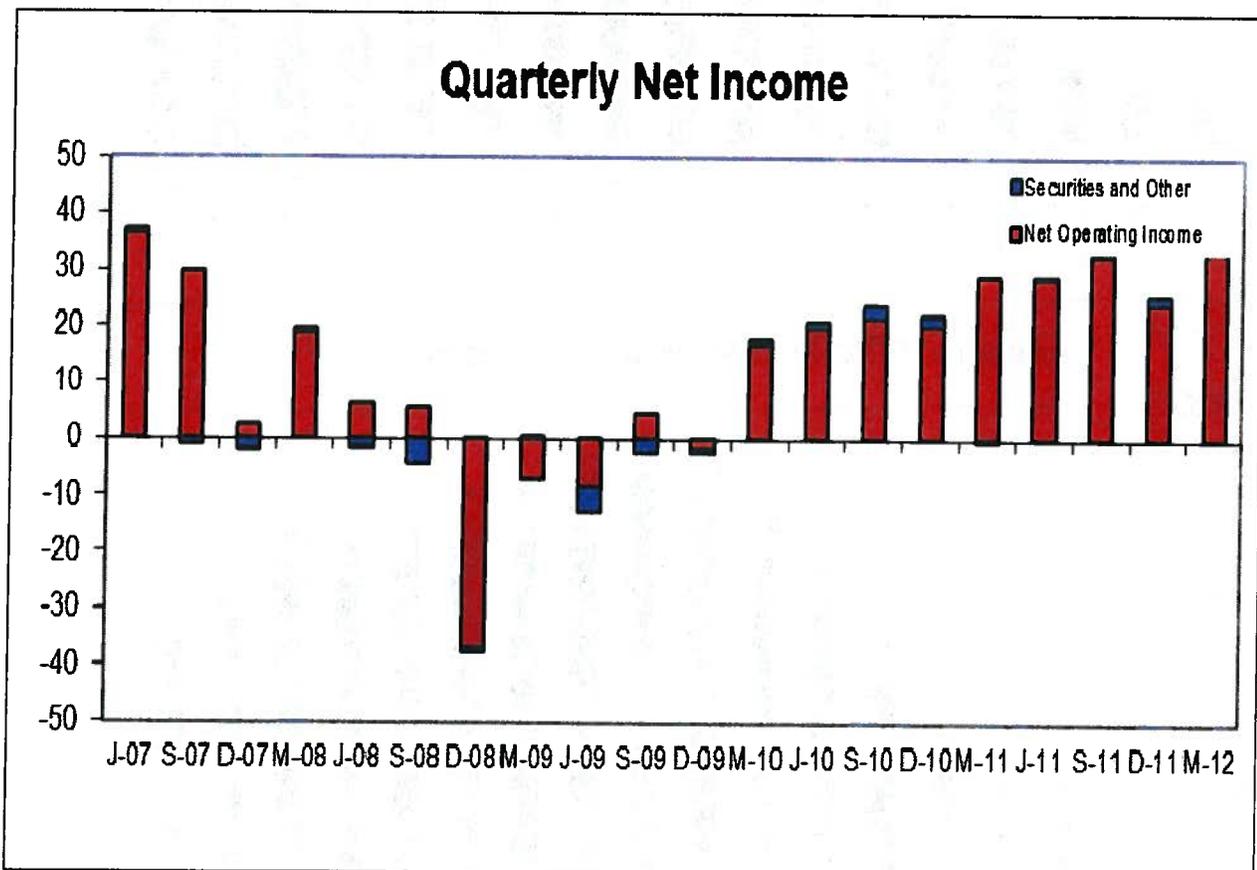
Office of the Treasurer Collateral Quarterly Review Quarter Ending March 31, 2012

Banking Sector Highlights

- **Bank Earned \$35.3 Billion is the Highest Since Second Qtr. 2007**
- **Problem Banks and Assets Decreasing**
- **Failures Declining to Lowest Level in Over Three Years**

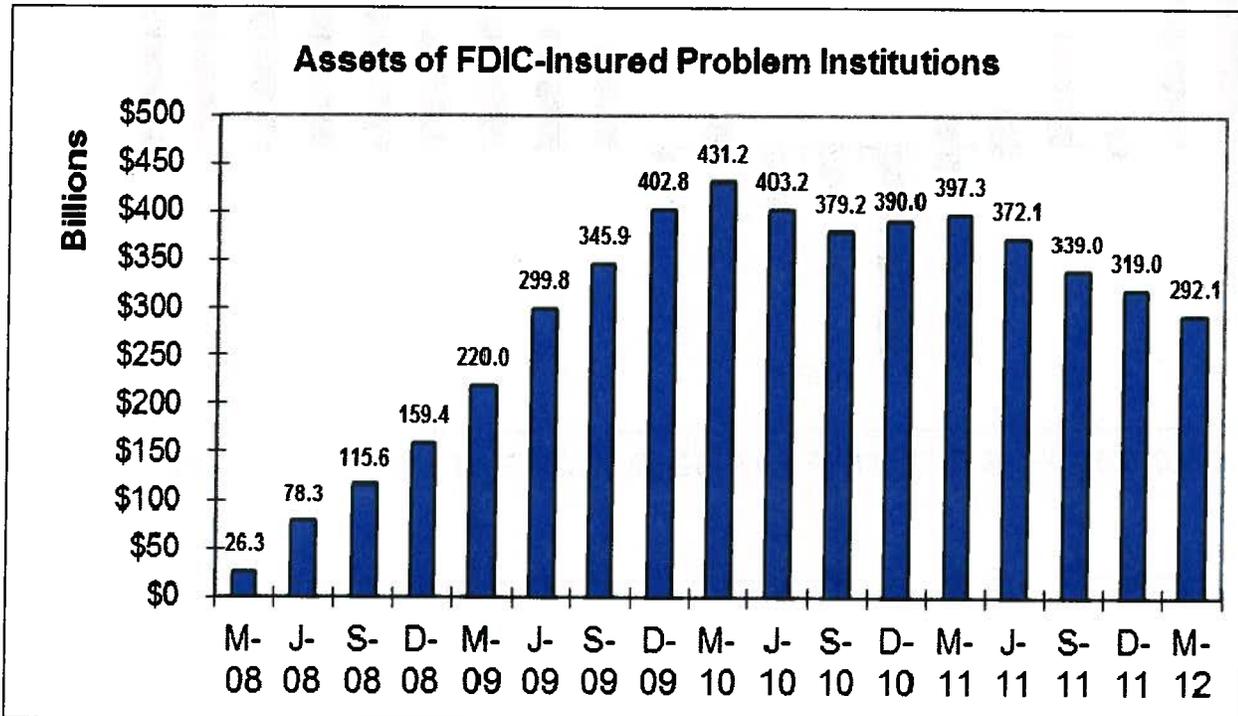
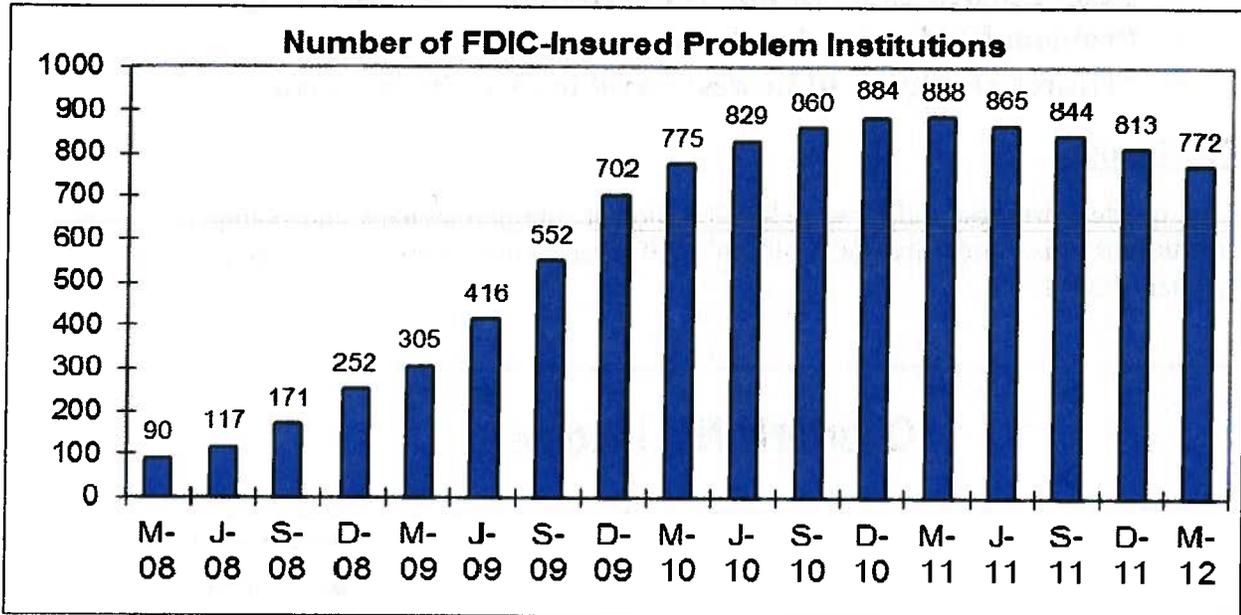
Net Income

First quarter earnings of 2012 were \$35.3 billion at commercial bank and savings institutions; this represents a \$6.6 billion (22.9 percent) improvement over the first quarter of 2011.



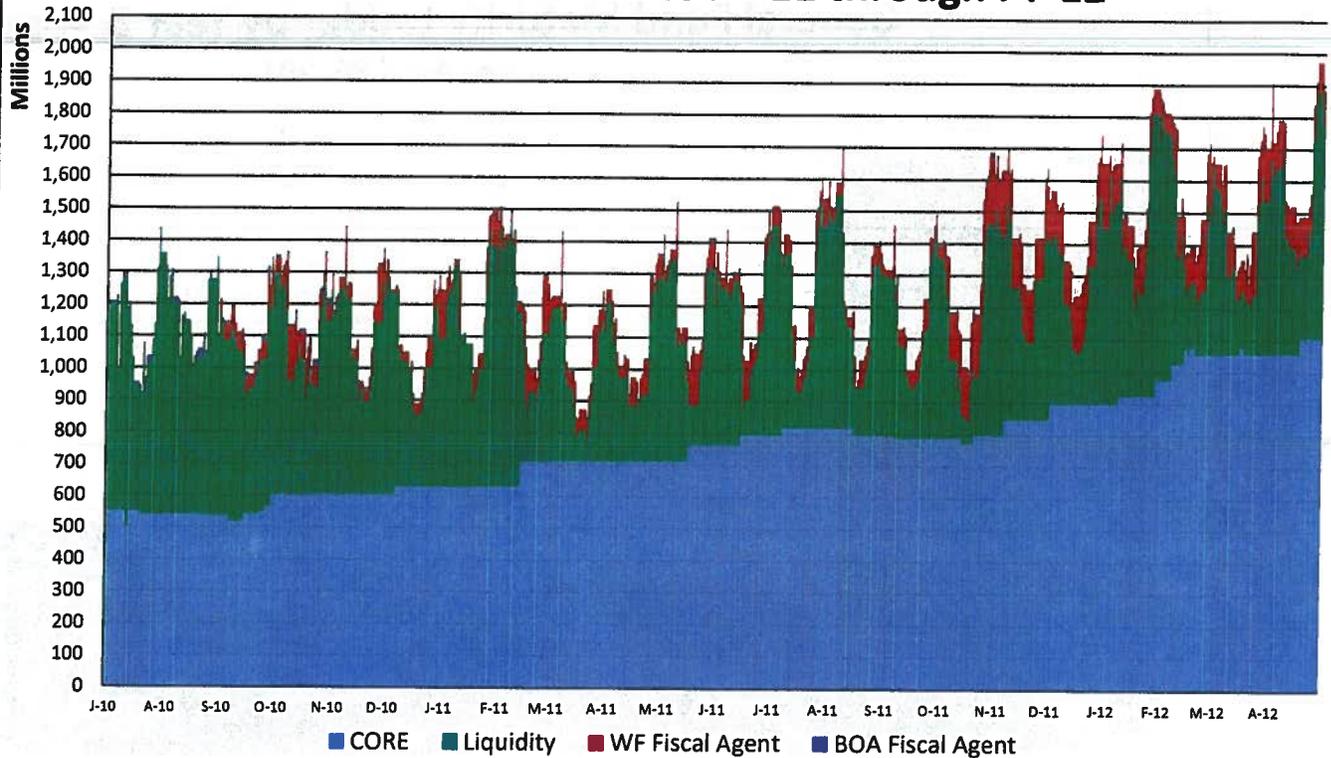
Problem Banks

The Federal Deposit Insurance Corp. (FDIC) has 772 banks on their “problem bank list” for the 1st quarter of 2012, down from 813 in the 4th quarter of 2011 and 888 from the same point a year ago. The assets of the problem institutions decreased from \$319 billion to \$292 billion. During the quarter, 27 institutions were absorbed in mergers, while 16 insured institutions failed. This is the small number of bank failures since the fourth quarter of 2008. Only one new reported institution was added during the quarter. The number of institutions insured by the FDIC fell by 50 in the first quarter from 7357 to 7,307.

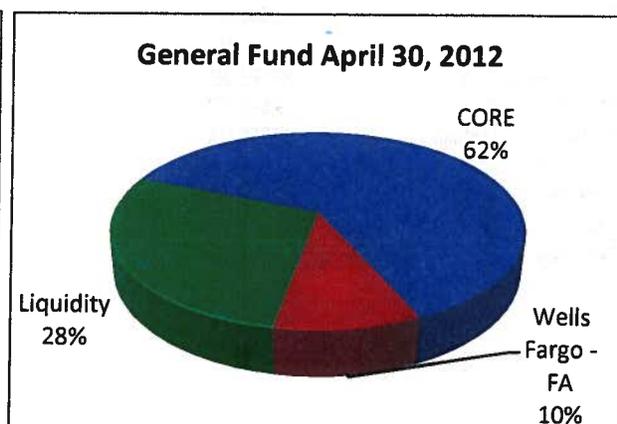
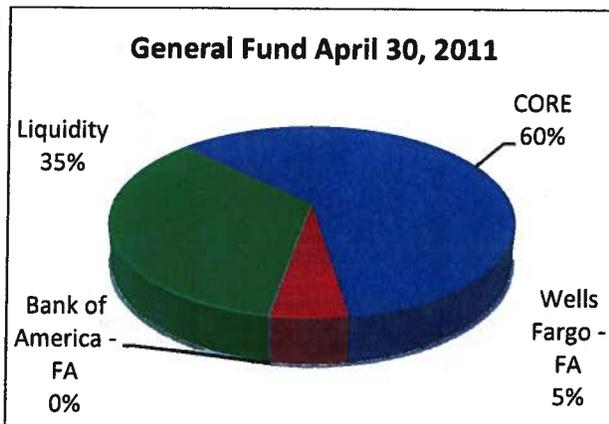




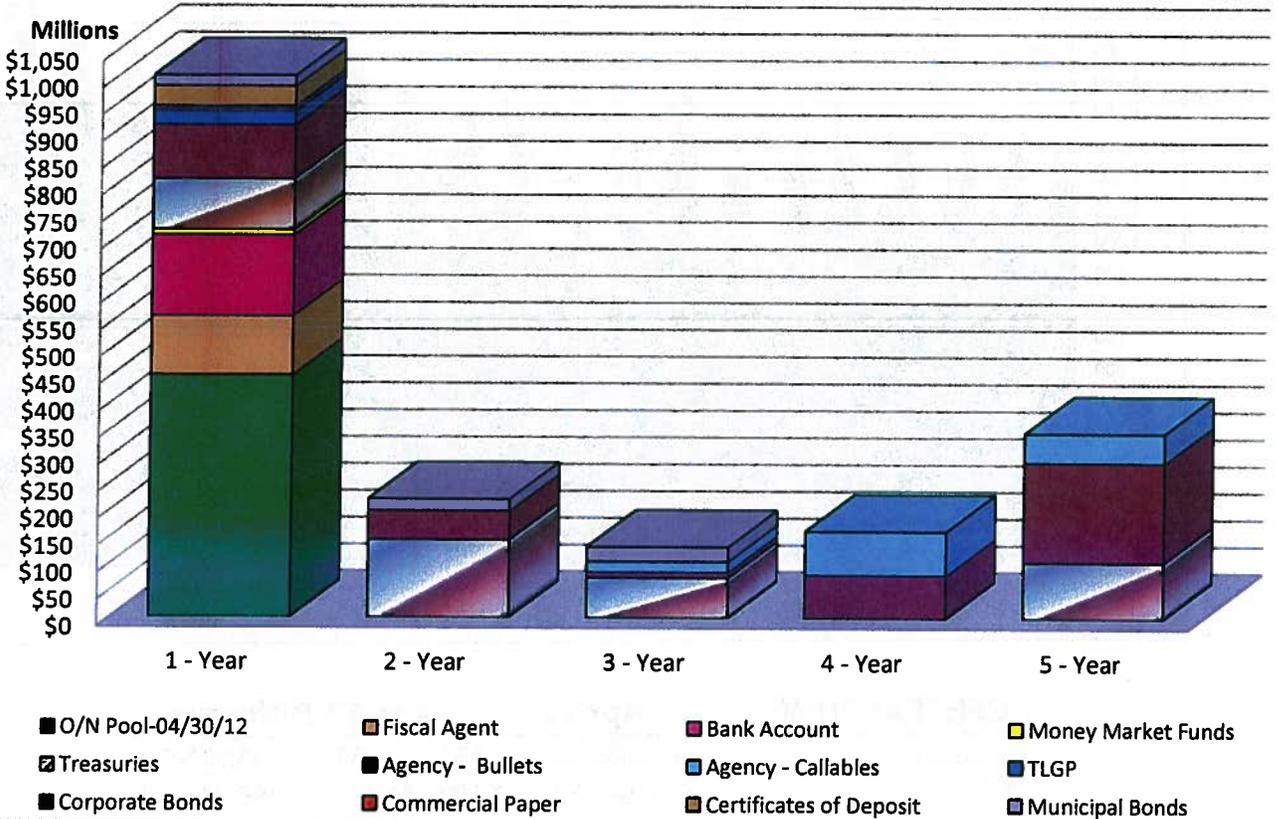
General Fund Balances FY-11 through FY-12



GENERAL FUND	Apr-11	Apr-12	Difference
Liquidity	570,885,893	665,504,331	94,618,438
CORE	712,941,591	1,109,682,890	396,741,300
Wells Fargo - FA	79,178,148	110,089,356	30,911,208
Bank of America - FA	296,310		(296,310)
Total	1,363,301,942	1,885,276,577	521,974,635



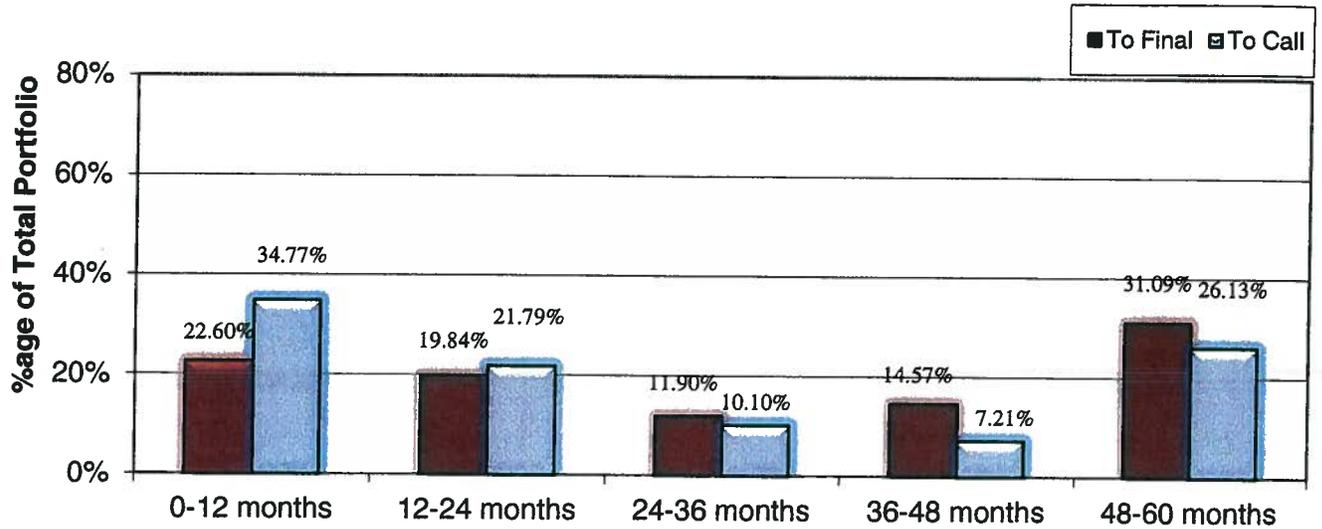
General Fund Maturity Ladder by Year & Asset Type as of April 30, 2012



Asset Allocation	1 - Year	2 - Year	3 - Year	4 - Year	5 - Year	Total	%
Agency - Bullets	99,880,000	53,000,000	10,000,000	80,000,000	185,000,000	427,880,000	23%
Agency - Callables			20,000,000	81,660,000	55,000,000	156,660,000	8%
TLGP	25,000,000					25,000,000	1%
Corporate Bonds	10,000,000					10,000,000	1%
Money Market Funds	10,027,792					10,027,792	1%
Municipal Bonds	19,585,000	22,165,000	27,055,000			68,805,000	4%
Certificates of Deposit	37,250,000					37,250,000	2%
Commercial Paper						0	0%
Treasuries	95,000,000	145,000,000	75,000,000		105,000,000	420,000,000	23%
Bank Account	150,033,615					150,033,615	8%
Fiscal Agent	110,089,356					110,089,356	6%
O/N Pool-04/30/12	449,542,897					449,542,897	24%
Total:	1,006,408,659	220,165,000	132,055,000	161,660,000	345,000,000	1,865,288,659	100%
% of Total:	54%	12%	7%	9%	18%		



General Fund CORE, Maturity Distribution
as of 4/30/2012



General Fund CORE Maturity Distribution (Cash)
as of 4/30/2012

