



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

January 2012
State Treasurer's Investment Council
Monthly Investment Report

March 14, 2012



James B. Lewis
State Treasurer

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STATE TREASURER'S INVESTMENT COMMITTEE
Treasurer's Conference Room
Wednesday, March 14, 2012, 9:00 a.m.

MEETING AGENDA (5 Min)

Roll Call

Introduction of Guests and Presenters

- | | |
|--|--------|
| 1. Approval of March 14, 2012 Agenda | Action |
| 2. Approval of February 8, 2012 Minutes | Action |
| 3. Approval of Public Committee Member – Mr. J. Paul Boushelle | Action |

INVESTMENT REPORTS (50 min)

Month Ended
January 31, 2012

- | | |
|--|---------------|
| 4. Executive Summary | Informational |
| 5. Investment Policy Compliance Report | Informational |
| 6. Portfolio Summary – General Fund and Cash Projection | Informational |
| 7. Portfolio Summary -- Local Government Investment Pool (LGIP) | Informational |
| a. Downgrade of BBVA parent of BBVA Compass Bank | |
| 8. Portfolio Summary -- Tax-Exempt Bond Proceeds Investment Pool | Informational |
| 9. Portfolio Summary -- Taxable Bond Proceeds Investment Pool | Informational |
| 10. Portfolio Summary -- Severance Tax Bonding Fund | Informational |
| 11. Summary of Broker Participation | Informational |

CASH MANAGEMENT
& COLLATERAL REPORTS (10 Min)

Month Ended
January 31, 2012

- | | |
|---|---------------|
| 12. State Agency Deposit Balances | Informational |
| 13. Collateral Report on Agency Deposits & CD | Informational |

COMMITTEE REPORTS (20 min)

- | | |
|--|---------------|
| 14. Follow-up Deliverables from February 8, 2012 meeting | Informational |
| 15. Audit FY2011 | Informational |
| 16. Broker/Dealer Application & Process Update | Informational |
| 17. Question Period | |
| 18. Next Meeting –Wednesday, April 11, 2012, 9:00 am | |
| 19. Adjournment | |

New Mexico State Treasurer's Office

STIC Committee Meeting

Meeting Minutes

Wednesday, February 08, 2012

I. Call to Order

Madame Chair, Linda Roseborough called to order the meeting of the **STIC Committee** at **9:00 am** on February 08, 2012 in **NMSTO Conference Room**.

II. Roll call

The following Committee Members were present:

Honorable Treasurer James B. Lewis

Linda Roseborough, STO Chief Investment Officer

Paul Boushelle, Public Member

Paul Cassidy, Public Member

Stephanie Schardin Clarke, Board of Finance Member (Arrived at 9:03 am)

Presenters

Spencer Wright, STO Portfolio Manager (PM)

Vikki Hanges, STO Portfolio Manager (PM)

Arsenio Garduno, STO Collateral Manager

Sam Collins, STO State Cash Manager

Deanne Woodring, Davidson Fixed Income Management, Inc.

Other Attendees

Mark Valdes, STO Deputy Treasurer,

Alfredo Santistevan, STO

Kirene Bargas Guardado, STO

Virginia Murray, STO

Yasmin Dennig, STO General Counsel Approval of Agenda

Madame Chair Linda Roseborough asked for a motion to approve the agenda. The agenda was moved by Member Paul Boushelle, seconded by Member Paul Cassidy and unanimously adopted.

No questions, comments, or discussion.

III. Approval of Minutes

Madame Chair Linda Roseborough asked for a motion to approve the meeting minutes. The minutes were moved by Member Paul Cassidy and seconded by Member Paul Boushelle.

No questions, comments, or discussion.

IV. Executive Summary, Linda Roseborough

This was Madame Chair's first STIC meeting and she indicated that going forward elements will be added to the STIC investment presentation including key performance indicators and an overview of the portfolio with key points of interest.

Member Paul Boushelle asked “Given that rates will remain low will investments go out longer?” Spencer Wright and Vikki Hanges indicated that this topic will be addressed in the presentation but affirmed that we continue to move the ladder to the longer end of the maturity range. No change in overall portfolio durations as we are currently close to the benchmark or slightly longer. Below is a summary of discussion.

No further questions, comments, or discussion.

V. **Investment Policy Compliance Report, Linda Roseborough**

Madame Chair Linda Roseborough indicated there were no compliance issues.

No questions, comments, or discussion.

VI. **Quarterly Investment Review, Spencer Wright**

The STIC binder contents for the quarterly investment review were reported in its entirety.

Member Paul Boushelle commented that there will be a drop in CD rates, that banks are not making loans and that he anticipates a real drop of CDs by the banks by January of next year. Spencer Wright indicated that STO is being accommodative to the banks and Portfolio Manager Vikki Hanges indicated that STO does not have much in CDs now. Spencer Wright indicated that the Treasurer has a large authorization for a program, but the demand is just not there.

Member Paul Cassidy asked if STBF funds are separate funds and held in a separate bank account. Spencer Wright indicated that Severance Tax revenues are not general fund revenues therefore funds are maintained separately.

Member Paul Cassidy asked if corporate securities spreads are improving and if we have considered other opportunities to improve yield? Spencer Wright indicated that STO considers corporate securities as investment assets but noted that by investment policy, STO is limited to highest rating quality and rating agency categories.

Vikki Hanges indicated that STO is also looking at treasury and agency bullets vs. callable structures. She indicated that STO is looking at investing in commercial paper in highly-rated companies, such as GE, to improve yields.

Member Paul Cassidy inquired if STO was using interest rate swaps in the management of STO Funds. He also inquired if there are any issues in using interest rate swaps? Spencer Wright indicated that many issuers of debt, such as Government Agencies use interest rate swaps to perform asset-liability matching, but that STO is not using interest rate swaps in the management of STO assets.

Vikki Hanges indicated that STO bought a step coupon structure this month, but she also anticipates that this may be called prior to maturity if rates remain low. Spencer Wright reiterated that STO is not taking on any interest rate risk exposure or additional counterparty exposure.

Member Paul Cassidy mentioned that he appreciated the way the information was laid out in the quarterly investment summary and that it was helpful to see the strategy in context.

On another topic, Member Stephanie Schardin Clarke asked if the cash flow forecasting model mentioned on page 6 utilizes the Wells Fargo CEO Workstation product. Sam

Collins indicated that information is used from Wells Fargo bank however STO is not yet fully utilizing the CEO workstation to model out expected cash flows.

Member Stephanie Schardin Clarke observed on page 8 that bond proceeds accounts management strategy is mentioned, but there was no mention of managing the tax exempt pool towards the arbitrage limit on the outstanding bond series.

Spencer Wright indicated that STO pays attention to this but because rates are so low, at this time, the violation of arbitrage restrictions are not an investment consideration.

No further questions, comments, or discussion.

VII. Portfolio Summary General Fund Investments, Spencer Wright

The STIC binder General Fund contents were presented.

With regard to compensating balances left at the Fiscal Agent Bank, Member Stephanie Schardin Clarke informed the Committee that the house appropriations and house version of the FY13 budget that is progressing includes \$1.085 million appropriation for fiscal agent services. She noted that it is approximately \$200 thousand higher than the FY12 budget.

This is a significant increase and if adopted by the legislature, and should decrease the need for compensating balances at the Fiscal Agent Bank.

No further questions, comments, or discussion.

VIII. Portfolio Summary LGIP, Vikki Hanges

The STIC binder LGIP contents were presented.

Member Paul Cassidy asked how this portfolio yield compares to yields on other money market funds across the country. Vikki Hanges responded that STO is doing well at recent 27 basis point yield, stating that almost all floating rate notes have recently been re-set higher and total portfolio yield is holding around a 30 basis point yield.

Presenter Deanne Woodring commented that STO yields are better than most and stated that she is certain that STO is in the top quartile of all similar funds in the US. She stated that she believed that STO has an opportunity to promote the value and the safety of the pool to municipal entities throughout the state.

She also stated that she would encourage STO to reach out to those entities and make sure they are using the pool to their full benefit.

No further questions, comments, or discussion.

IX. Portfolio Summary Tax-Exempt BPIP, Vikki Hanges

The STIC binder Tax-Exempt BPIP contents were presented.

No questions, comments, or discussion.

X. Portfolio Summary Taxable BPIP, Vikki Hanges

The STIC binder Taxable BPIP contents were presented.

No questions, comments, or discussion.

XI. Summary of Broker Participation, Spencer Wright

The STIC binder Broker Participation contents were presented within the Executive Summary portion of the presentation.

Member Paul Cassidy asked if broker performance and number of brokers used is being tracked. Spencer Wright replied yes, and yes.

No further questions, comments, or discussion.

XII. Quarterly Financial Advisory Report, Davidson Fixed Income Management

Presenter Deanne Woodring mentioned that during the GFOA meeting she attended last week that the lobbyist for 2A7 money market funds spoke to them regarding the SEC rulings that they are looking to implement. The first of two items being considering is if these pools should go to NAV which means that they would have to be marked-to-market on a daily basis and the second item is that they are considering requiring a retention of 5% of assets from these pools and STO would not be able to withdraw the funds for a period of 30 days which will require two accounts to be set up for every fund. These items are receiving a lot of push-back from money market funds.

Member Stephanie Schardin Clarke asked if staff is finding that they are getting performance data from JP Morgan. Madame Chair, Linda Roseborough responded that STO will get this information from JP Morgan as she specifically asked JP Morgan for updated information. JP Morgan will be presenting to the Board of Finance and so they have an incentive to provide updated information. Expect to receive updated data by the end of February.

Honorable Treasurer James B. Lewis then asked if Davidson is aware of any legal issues on securities held in the STO portfolios. Presenter Deanne Woodring stated that through the statute and policy review, she will work with the STO Investments team to review this issue but is currently not aware of any issues.

Member Paul Cassidy mentioned that as we use S&P for ratings with the LGIP; and wanted to know if we have considered using Moody's and/or Fitch and asked if the requirements would be any different. Presenter Deanne Woodring stated that she did not know but would conduct some research and get back to the committee. Mr. Paul Cassidy recommended that if the Treasurer wanted to go out and market the LGIP to the communities and if we were to add another 200-300 million dollars of deposits, could we continue to achieve the same rates? Is there enough paper out there at the higher spreads? Vikki Hanges indicated that if the portfolio grows, we may be able to expand into credit side of investing.

Mr. Paul Cassidy inquired if there were concerns regarding the Goldman and Morgan Stanley bonds purchase in 2007 and inquired if they could be sold at a premium. Presenter Deanne Woodring and Spencer Wright agreed that it was a possibility and indicated that this was something they would look into.

Treasurer Lewis wanted to follow-up on Mr. Paul Cassidy's comment indicating that STO will work with the cities and the counties in their plight to achieve better returns in this environment through LGIP investments as the Municipal League has requested that STO assist as they go around the state this spring.

Treasurer Lewis also indicated that we are evaluating holding the stakeholders' meeting as previously done in August, and may look at October or November this year. Treasurer Lewis stated that we will also attend the Municipal League's monthly meetings as possible and welcomes additional recommendations.

Presenter Deanne Woodring also mentioned that due to the fact STO tracks their own collateral, this would be considered a benefit as other agencies lack this capability with regard to the collateral securing their investments.

Presenter Deanne Woodring mentioned that per the current contract, Davidson is not calculating STO's performance returns and depends on JPMC's performance numbers. Member Stephanie Schardin Clark mentioned that every state agency has performance measures within their budget process, and over some period of time the NM State Board of Finance's benchmark has been STO outperforming the benchmark by 5 basis points or more.

Member Stephanie Schardin Clarke indicated that this is not within her office's control and is not really an appropriate performance measure for the Board of Finance and is finally being taken off their list in FY13. Will double check and get back with the committee.

Treasurer Lewis mentioned that STO would take the time necessary to look at the investment policy and benchmarks to ensure they make sense. Member Stephanie Schardin Clarke pointed out going back to the benchmark discussion held in or around 2006, the STO Investment staff was torn between managing to these benchmarks versus trying to meet the revenue estimate that was in the General Fund Revenue projection; and is glad that this is not entering into this discussion right now.

Member Stephanie Schardin Clarke mentioned that she is glad to see that STO is looking at benchmarks appropriately from a safety, liquidity and return objective.

Member Paul Cassidy clarified the 2006 discussion indicating that it was a question whether we add total return to the benchmark definition because LFC wanted STO to produce cash returns and in prior periods; not during Treasurer Lewis's terms, we have had to have the portfolio sold at June 30th to produce enough cash due to revenue estimates. We have to be careful of this but it is the reason total return was added which was not a short term view. As STO looks at the benchmarks, it will have to be decided whether total return stays or goes as it is a more difficult standard to meet but it would allow us to take a longer approach in managing portfolios.

Presenter Deanne Woodring further stated that total return provides for accountability to the portfolio and that her recommendation would be to maintain a total return index with the goal over the longer term to earn higher rates through improved management of cash balances.

Presenter Deanne Woodring then provided some discussion points and a few initial alternatives by portfolio for consideration regarding benchmark information but stated that she is working with the STO Investments team to provide recommendations in the following months.

Vikki Hanges cautioned due to current market environment that it may not be an appropriate time to change our benchmarks. Member Paul Cassidy stated that at the staff level we need to think through this and talk with Deanne and come back to this

committee with a recommendation. Member Paul Cassidy stated that he has not spent enough time with this yet and asked Presenter Deanne Woodring to ensure that she work with STO Investments team and come back to this committee with recommendations.

Member Paul Cassidy did say that he would stick with total return and as our old friend Steve Bolan used to say, "make sure we are remaining benchmark aware and not benchmark driven" and this should help as we go through a market that we know will change dramatically in the next few years.

Treasurer Lewis indicated as a footnote using the term caveat emptor "let the buyer beware" that we need to be aware from the perspective of or in regards to; is this a normal market and as the environment today is so volatile we need to undertake a thoughtful approach to this study and conduct our due diligence in-house and with our advisor and then come to this committee with realistic recommendations.

No further questions, comments, or discussion.

XIII. State Agency Deposit Balances, Sam Collins

The STIC binder state agency deposit balances contents were presented in its entirety.

No questions, comments, or discussion.

XIV. Collateral Report, Arsenio Garduno

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

Collateral Manager Garduno asked if there were questions or comments. Member Paul Boushelle stated that due to the big change in January of next year, STO should flag CDs to a bank that are going to mature after December 31, 2012 to let them know that the rules are going to change to where they will have to be secured at 100%.

Treasurer Lewis indicated that with those that are already at 100%, and that we are going to visit these banks in an effort to continue building these relationships. Arsenio Garduno mentioned that the collateral policy is set by the Board of Finance.

Member Paul Boushelle indicated that he believed that it is mandated by Federal law and the Frank-Dodd Act and Honorable Treasurer Lewis indicated that we would take a look at this Federal law and determine if there is anything we want to recommend to the Board of Finance.

Presenter Deanne Woodring inquired why there is so much collateral in the LGIP at 160%. Arsenio Garduno pointed out that in December, S&P did not want to accept letters of credit so there was a trade over month-end where there were still letters of credit pledged and mortgage backed securities pledged, hence we had double coverage.

No further questions, comments, or discussion.

XV. Broker/Dealer Application & Process Update, Linda Roseborough

Chair Linda Roseborough mentioned that the Broker/Dealer Application has been finalized and we are preparing to circulate the application with responses due back by March 9, 2012. We will update the committee accordingly.

XVI. Open Questions and Comments

Chair Linda Roseborough asked if there were any other questions or comments.

Member Paul Boushelle reminded the committee that if we have legislation that we are interested in, we need to have it to our sponsor by April at the latest.

Member Paul Cassidy inquired about a budget for a Compliance Officer and if that was something that the Treasurer's office was aggressively moving to fill.

Honorable Treasurer Lewis indicated that we are in the process of weighing the pro's and con's of filling the position at this time.

Treasurer Lewis summarized the problem that STO is faced with is that we have a lot of needs for the office but we do not have a whole lot of money. As we continue to enhance professional development, professional degrees, continuous education we will have to factor all of these things into our budget going forward. We will also be looking at salary ranges.

Mr. Paul Cassidy mentioned that he hopes that the legislature will listen to the requests of the Treasurer's Office for full funding so we can have adequate staff.

Treasurer Lewis indicated that these items will be a priority next year that we bring these to the forefront to get some support. Treasurer Lewis wanted to thank Member Stephanie Schardin Clarke as we have taken some of these things to the Board of Finance under the previous administration to try to get some support; the problem is that without a professional investment staff, we can't compete with other state agencies in recruiting and retaining talented individuals to staff investment positions.

STO has had 100% annual turnover in investment positions as employees have been recruited by ERB, PERA, and other investment agencies. Treasurer Lewis reiterated his frustration at the situation regarding portfolio management personnel.

Member Paul Cassidy indicated that the Treasurer mentioned the reconciliation problem at the last meeting and thanked Mr. Spencer Wright for sending him the audit presentation.

Treasurer Lewis cautioned that the STO audit is not publically released until it is released by the State Auditor. He further commented that we are going back to ensure we are complying with all the statutes concerning the timely release of the STO Audit. He noted that the STO Audit was submitted to the State Auditor on time and Treasurer Lewis believes that it will be released soon.

STO staff is also reviewing the QED system and will be looking to interface with the SHARE system. As we get the audit done, our goal is to work with and craft a plan with DFA and the State Auditor as to where we go from here.

Understanding that Secretary Clifford has been extremely busy, we anticipate getting together after the session and we are ready to move.

Member Paul Boushelle stated that he totally agreed with Member Paul Cassidy, stating that his opinion goes back Tony Anaya's administration and he sure hopes we find a top notch controller or auditor; more than an auditor. It will be good for the staff; a safety net for them.

Treasurer Lewis agreed but indicated that the irony is that when he first came in, the first thing that the legislature wanted to do was to cut one and a half positions and he was able to convince them to first give him a chance to allow him the opportunity to conduct an assessment of the personnel levels at the State Treasury.

Treasurer Lewis also indicated that because we do not know what the SHARE system will do with respect to Treasury operations, we would be guessing at what appropriate business process would be used by the office.

Treasurer Lewis indicated that in his early days in office, he was asked to certify how much money we had in our account and was unable to do so based on any systems in the STO offices because they did not exist.

Treasurer Lewis indicated that he had spoken with the DFA Secretary Clifford and he confirmed that DFA is trying to determine whether there will be an integration into SHARE or if STO will have the need for a stand-alone GL/Bank system.

No further questions, comments, or discussion.

XVII. Next Meeting- Wednesday, March 14, 2012 @ 9:00 a.m. at STO.

Chair Linda Roseborough noted the date and time of the next meeting.

Treasurer Lewis pointed out to Member Stephanie Schardin Clarke that once the STO audit is accepted by the State Auditor, he would be happy to give an overview and update to BoF.

Member Stephanie Schardin Clarke then mentioned that they have the audit on their February 21st agenda as a place holder, but if not yet released, this item will be withdrawn until the March BoF meeting.

XVIII. Adjournment

Chair Linda Roseborough adjourned the meeting at 10:45 am.

The adjournment was moved by Paul Cassidy and seconded by Paul Boushelle.

Minutes were taken by Virginia Murray, on February 8, 2012.

Minutes approved by: Linda Roseborough on March 2, 2012.



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James B. Lewis
State Treasurer

Mark F. Valdes
Deputy State Treasurer

March 1, 2012

Mr. J. Paul Boushelle
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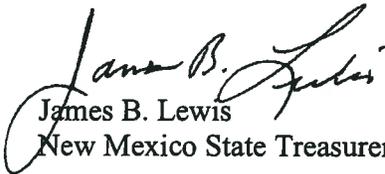
Dear Paul:

As we have discussed, I invite you to sit on the State Treasurer's Investment Committee (STIC) for the next two year period. I very much appreciate your willingness to fill this important position beginning in March 2012 through March 2014.

The State Treasurer's Investment Committee plays an important role in the oversight of the investment operations of the Treasurer's office. STIC meets once per month to hear a thorough overview of investment activities and performance, and to discuss policy and procedures. With your long tenure in the financial community of the State of New Mexico, I believe you bring excellent background, knowledge and value to the committee.

Again, I want to thank you for joining us and welcome you.

Sincerely,


James B. Lewis
New Mexico State Treasurer

Cc: STIC Members
Linda Roseborough
Stephanie Schardin Clarke
Paul Cassidy

Executive Summary

- January saw continued stability in the domestic markets, despite volatility overseas with the evolving European debt situation.
- Equity prices continued to solidify as economic numbers confirmed increased stability.
- January was the strongest opening month for US Stocks in 15 years, according to the *Wall Street Journal*.
- Economic indicators have continued to show economic strength, although unemployment continues to be a drain on the economy.
- Europe continues to grapple with the issues in Greece, although European Central Bank activity has given some stability to the overall financial system.
- Oil prices have remained high, acting as a further drag on the domestic economy.
- In the domestic fixed-income markets, US Treasury yields moved sharply lower in January.
- Short-term LIBOR rates have continued their retreat as a result of the increased funding commitments of European central banks.
- The Fed publically stated its intent to keep domestic short-term rates extremely low until 2014.
- Over our maturity sector, we have seen continued improvement in rate levels, with significant declines in the 3-5 year area.

<i>Maturity</i>	<i>December 31</i>	<i>January 31</i>
3-Month	0.01%	0.05%
6-Month	0.06%	0.08%
2-Year	0.24%	0.22%
5-Year	0.83%	0.70%
10-Year	1.88%	1.80%
30-Year	2.89%	2.94%

Mark to Market

As detailed more fully on the next page, the portfolios all reported gains on a mark-to-market basis. Lower rates and a steep yield curve have contributed to these levels.

For each of the portfolios:

<i>Fund</i>	<i>Unrealized Gains¹</i>
General Funds	\$9.1 million.
Bond Proceeds Funds	\$6.2 million.
Local Government Investment Pool	Not Meaningful
Severance Tax Bonding Fund	Not Meaningful

Portfolio Yields

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

<i>Fund</i>	<i>Portfolio Yield²</i>
General Fund Liquidity	0.31%
General Fund CORE	1.21%
Bond Proceeds - Tax Exempt	1.01%
Bond Proceeds - Taxable	1.11%
Local Government Investment Pool	0.26%
Severance Tax Bonding Fund	0.22%

We have actively managed the ratio between liquidity and CORE portfolios within the General Fund, aggressively moving assets into the longer-term CORE portfolio. This has required additional focus on cash projections to predict fund balances.

As more fully detailed in this report, the portfolios have been able to maintain their purchase yields despite the overall low rates that

¹ 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.

² 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.

we have seen in the domestic fixed income markets.

Investment Earnings

Investment Earnings for the month of January are summarized below.

For each of the portfolios:

<u>Fund</u>	<u>Monthly Earnings³</u>
General Funds	\$1,070,453
Bond Proceeds Funds	932,930
LGIP	229,458
Severance Tax Bonding Fund	28,994

Compensating Balances at Fiscal Agent Bank

During December, STO maintained Average Daily Collected Balances at the Fiscal Agent Bank of approximately \$122 million. This balance earned a "soft-dollar" credit against processing fees assessed by the bank.

Fiscal Agent Bank Summary:

Average Collected Balance	\$122,563,303
Earnings Credit Rate	0.50%
Estimated Monthly Earnings	\$51,894
Estimated Fiscal Year Earnings	\$332,577

Monthly Economic Summary and Investment Outlook

Strong Start to the Year

Domestic stock and bond markets began 2012 with renewed optimism, as investors remained focused on a potential resolution to the Greek debt crisis.

While the final details need to be ironed out, the general consensus is that the debt swap will go forward in the next weeks, allowing Greece to restructure its liability portfolio. Certainly other countries are eyeing the Greek results to see if there is a potential application to their own struggling situations.

Austerity measures placed on the populace are a strong deterrent, as the debt restructuring

certainly isn't a "free ride" in any economy. Politicians are certainly aware of the potential effects on voters and how that will translate into their re-election chances.

The ECB has flooded Euroland with liquidity, in a move reminiscent to our Fed's activities during our financial crisis. The ECB made unlimited monies available to banks at a "cost" of 1%. Subscribing significant amounts which were reinvested primarily in European government bonds. This has provided stability in those markets as well as other asset markets worldwide.

Domestically, the State Attorney Generals seemed to have negotiated a settlement of some of the egregious issues having to do with robo-signing by the largest US banks. While the benefits to homeowners are decidedly mixed, the potential limitation on bank's exposure has calmed investor sentiment in the financial sector. Bank stocks have performed well as a result.

The Federal Reserve has stated its intent to potentially add additional support to the mortgage market by purchasing MBS if needed. This action may help the struggling real estate market. An appetite for mortgage securities (driven by a search for yield) has resulted in some interest in the mortgage market.

Oil prices have remained stubbornly high. At this time, gas prices are expected to remain high as well. This could prove problematic for the re-election of the president.

Investment Update

We continue to refine our cash flow modeling allowing the portfolios to be positioned on the longer end of our maturity spectrum. We have seen significant benefits to utilizing this strategy, despite the overall lower rate environment.

We also continue to look at short-term alternatives to the repurchase agreement marketplace, where appropriate. During the past month, we have been able to move some assets into higher-yielding options that provide for full collateralization and increased yield.

We also look closely at minimizing the amount held in our liquidity balances, as the differential

³ 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.

between overnight rates and CORE earnings is so significant. We continue to identify potential shifts from the Liquidity portion of the General Fund to the CORE portion, maintaining sufficient liquidity to meet the cash flow needs of the state.

We will continue to explore additional investment options where appropriate.

STO Investment Strategy Summary:

<u>Sector</u>	<u>Portfolio Limitation</u>	<u>Current Positioning</u>
Agency	35%	Overweight
ABS	40%	Underweight
Bank CD	\$400MM	Overweight
CP	40%	Overweight
Corporate	40%	Overweight
Municipal	15%	Overweight
MBS	25%	Underweight
US Treasury	100%	Underweight
Short-Term		Underweight
Long-Term		Overweight
Callable	25%	Overweight
Non-Callable	100%	Underweight

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

New Mexico State Treasurer
Monthly Fund Summary Report
(Unaudited)

As of January 31, 2012

General Fund	Holdings			Performance				Earnings	
	Cost Basis	Market Value	Unrealized Gain/Loss	12-Month Return	Benchmark	Index Return	Relative Performance	Monthly Earnings	YTD Earnings
Account									
Liquidity	\$ 758,132,259	\$ 758,278,859	\$ 146,600	0.080%	S&P LGIP	0.060%	0.020%	\$ 95,798	\$ 463,008
CORE	1,017,369,371	1,026,402,368	9,032,997	1.870%	CORE Index	2.240%	-0.370%	974,656	7,431,864
TRAN	-	-	-	0.000%	All-In Tran TIC	0.000%	0.000%	-	-
Totals	\$ 1,775,501,630	\$ 1,784,681,227	\$ 9,179,597	1.109%	Blended	1.31%	-0.204%	\$ 1,070,453	\$ 7,894,873
Bond Proceeds Investment Pool (BPIP)									
Account	Cost Basis	Market Value	Unrealized Gain/Loss	12-Month Return	Benchmark	Index Return	Relative Performance	Monthly Earnings	YTD Earnings
Tax-Exempt	\$ 437,744,018	\$ 439,858,894	\$ 2,114,876	1.010%	BPIP Tax Ex	1.520%	-0.510%	\$ 383,329	\$ 2,750,191
Taxable	601,673,148	605,820,021	4,146,873	1.310%	BPIP Taxable	1.520%	-0.210%	549,601	4,270,586
Totals	\$ 1,039,417,166	\$ 1,045,678,915	\$ 6,261,749	1.184%	Blended	1.520%	-0.336%	\$ 932,930	\$ 7,020,777
Local Government Investment Pool (New MexiGrow LGIP)									
Account	Cost Basis	Market Value	Unrealized Gain/Loss	12-Month Return	Benchmark	Index Return	Relative Performance	Monthly Earnings	YTD Earnings
LGIP	\$ 854,560,914	\$ 854,621,924	\$ 61,010	0.330%	S&P LGIP	0.060%	0.270%	\$ 229,458	\$ 1,399,330
Severance Tax Bonding Fund									
Account	Cost Basis	Market Value	Unrealized Gain/Loss	12-Month Return	Benchmark	Index Return	Relative Performance	Monthly Earnings	YTD Earnings
STBF	\$ 168,077,300	\$ 168,077,300	\$ -	0.220%	S&P LGIP	0.140%	0.080%	\$ 28,994	\$ 162,431

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

Investment Policy Compliance Review

Primary and Secondary Bond Purchases and Sales

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

Primary Bond Volume	\$ 35,000,000	28%
Secondary Bond Volume	<u>130,000,000</u>	<u>72%</u>
Total	\$165,000,000	100%

The primary market purchases were mainly in Callable Agency Securities.

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 \$267,700,000.

General Fund Liquidity	\$ 20,000,000
BPIP Taxable	15,000,000
BPIP Tax-Exempt	55,000,000
LGIP	<u>177,700,000</u>
Total Holdings	\$267,700,000

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.

Transaction Variances and Inter-Portfolio Transactions

During January, 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 January.

Portfolio Summary – General Fund

Summary

- The General Fund (Liquidity and Core Portfolios) closed the month of December at \$1.77 Billion.
- Average Collected Balance at our Fiscal Agent bank was \$122 Million for the month.]

Portfolio Mix

- 98% of the General Fund Core portfolio is invested in fixed income securities; 39% in Treasury securities; 51% in Agency Securities; 2% in TLGP Securities backed by the FDIC; 6% in New Mexico Municipal Bonds; 2% in Corporate Bonds, and the balance in Cash.
- 23% of the portfolio is invested in securities that mature in one year; 28% in securities that mature from 1-2 years; % in 2-4 years and 21% invested in securities that mature within 5 years.
- The General Fund held positions in 100 securities.
- The Weighted Average Life of the CORE portion of the general fund is 2.3 years. The Weighted Average duration is 2.0 years.
- The maximum security term for the CORE portfolio is 5 years.

Market Value and Investment Earnings

- Unrealized gains in the Core Portfolio were \$9.2 million as of January 31st.
- Monthly Earnings on the General Fund Portfolios were \$1,070,453.
- Year to date, the General Fund has earned \$7.9 million.
- Earnings on the General Fund are used to offset General Fund Spending.

Investment Highlights

- The General Fund Core received a \$50MM transfer from the Liquidity portfolio.

- Final maturity emphasis was on 2017 to maintain laddered structure of portfolio in the event the securities are not called.
- Utilized FFCB as diversification away from FNMA and FHLMC without giving up yield.

Balances at Fiscal Agent Bank

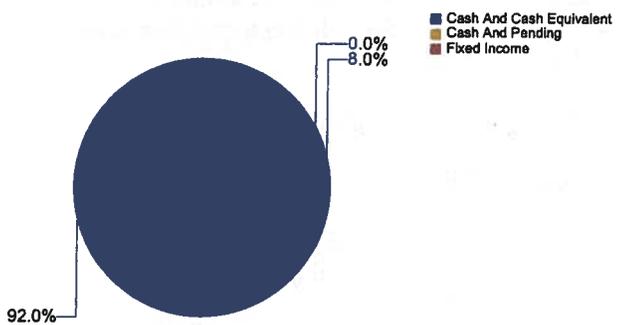
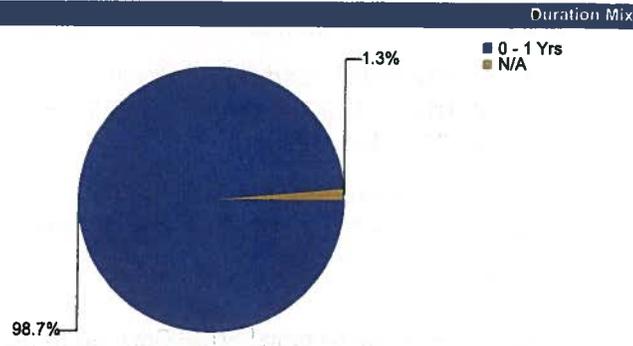
During December, STO maintained Average Daily Collected Balances at the Fiscal Agent Bank of approximately \$122 million. This balance earned a “soft-dollar” credit against processing fees assessed by the bank.

Fiscal Agent Bank Summary:

<i>Average Collected Balance</i>	\$122,563,303
<i>Earnings Credit Rate</i>	0.50%
<i>Estimated Monthly Earnings</i>	\$51,894
<i>Estimated Fiscal Year Earnings</i>	\$332,577

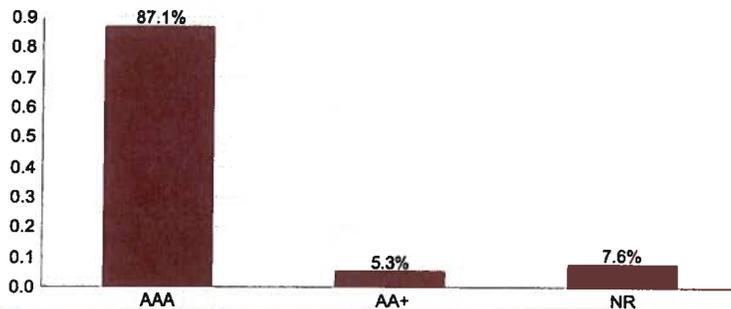
Portfolio Characteristics

Total Net Assets (Millions)	755.6
Weighted Average Life (Years)	0.14
Weighted Avg. Effective Duration (Years)	0.07
Weighted Average Coupon (%)	0.34
Weighted Average Current Yield (%)	0.32
Weighted Average Yield to Maturity (%)	0.33
Weighted Average Rating	AA
Number of Holdings	30

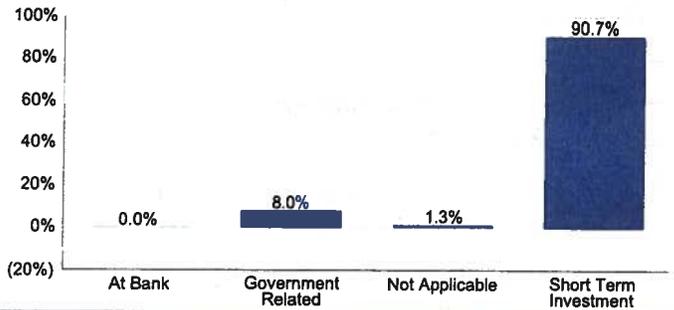


Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
99C310143	REPO NOMURA SECURITIES/FIXED INCOME 31/JAN/2012W	6.85%	0.27	1/2/2012
99C310152	REPO MITSUBISHI UFJ SECURITIES (USA),INC.	6.79%	0.30	1/2/2012
99C310155	REPO MITSUBISHI UFJ SECURITIES (USA),INC.	6.79%	0.30	1/2/2012
99C310157	REPO MITSUBISHI UFJ SECURITIES (USA),INC.	6.79%	0.30	1/2/2012
99C310145	REPO BANK OF NEW YORK/SOUTH STREET SECS	6.59%	0.30	1/2/2012
99C310147	REPO BANK OF NEW YORK/SOUTH STREET SECS	6.59%	0.30	1/2/2012
99C310153	REPO MITSUBISHI UFJ SECURITIES (USA),INC.	6.33%	0.30	1/2/2012
99C310149	REPO BANK OF NEW YORK/SOUTH STREET SECS	6.15%	0.30	1/2/2012
99C310151	REPO BANK OF NEW YORK/SOUTH STREET SECS	6.15%	0.30	1/2/2012
99C310148	REPO BANK OF NEW YORK/SOUTH STREET SECS	6.10%	0.30	1/2/2012
99C310150	REPO BANK OF NEW YORK/SOUTH STREET SECS	6.10%	0.30	1/2/2012

Quality/Rating Weightings

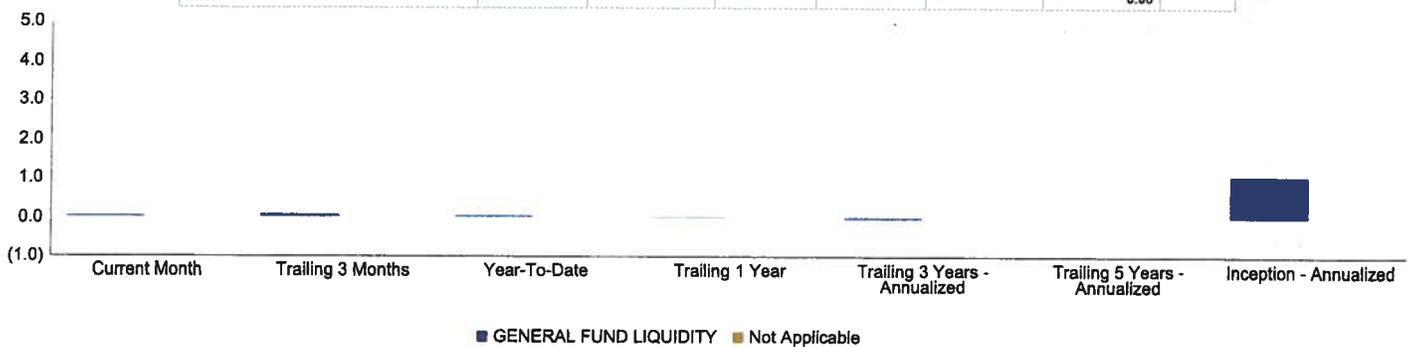


Sector Weightings (as % of Market Value)



Returns Series

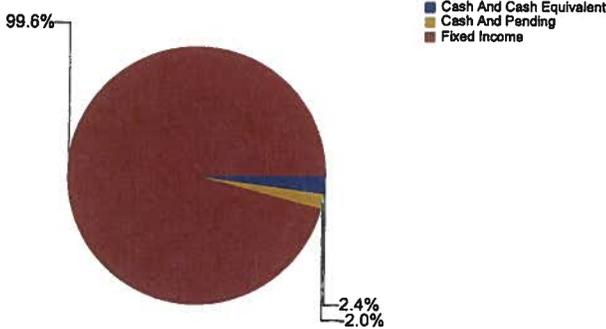
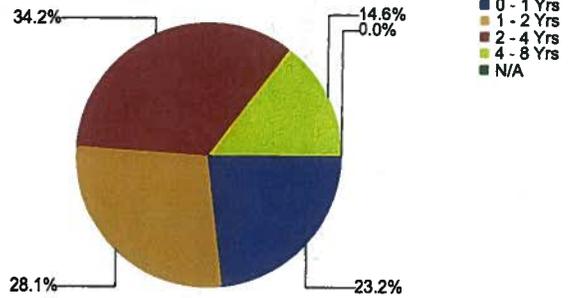
	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
GENERAL FUND LIQUIDITY	0.03	0.06	0.03	0.00	(0.04)		1.05
Not Applicable							
Excess						0.00	



Portfolio Characteristics

Duration Mix

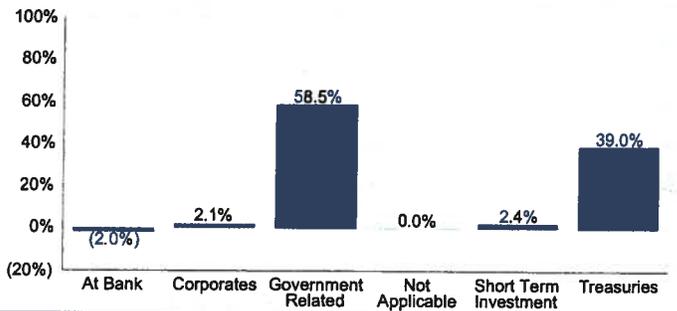
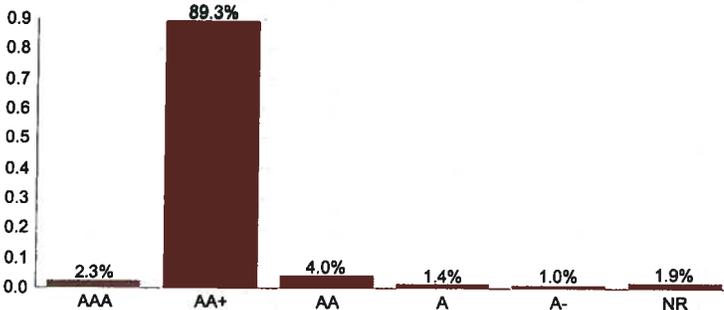
Total Net Assets (Millions) 1,009.4
Weighted Average Life (Years) 2.53
Weighted Avg. Effective Duration (Years) 2.10
Weighted Average Coupon (%) 2.07
Weighted Average Current Yield (%) 0.52
Weighted Average Yield to Maturity (%) 0.57
Weighted Average Rating AA
Number of Holdings 86



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
912828KF6	US 1.87500 '14	4.05%	1.88	28/2/2014
17313YAL5	CITIGROUP FUNDING INC 1.875% 22/OCT/2012	2.47%	1.88	22/10/2012
912828LM0	USA TREASURY NTS 1.3750% NT 15/SEP/2012 USD 1000	2.46%	1.38	15/9/2012
912828MB3	UNITED STATES TREAS NTS 1.125% 15/DEC/2012	2.45%	1.12	15/12/2012
912828KX7	UNITED STATES TREAS NTS 1.875% 15/JUN/2012	2.45%	1.88	15/6/2012
912828MQ0	UNITED STATES OF AMER TREAS BONDS 0% NTS	2.44%	0.88	29/2/2012
99C310138	REPO MITSUBISHI UFJ SECURITIES (USA),INC.	2.38%	0.30	1/2/2012
31359MS61	FEDERAL NATIONAL MORTGAGE ASSOC 5.375% BDS	2.33%	5.38	15/7/2016
31359MH89	FEDERAL NATIONAL MORTGAGE ASSOC 5% BDS 15/MAR/2016	2.31%	5.00	15/3/2016
3134A4VC5	FEDERAL HOME L MTG CORP 4.375% BDS 17/JUL/2015	2.19%	4.38	17/7/2015

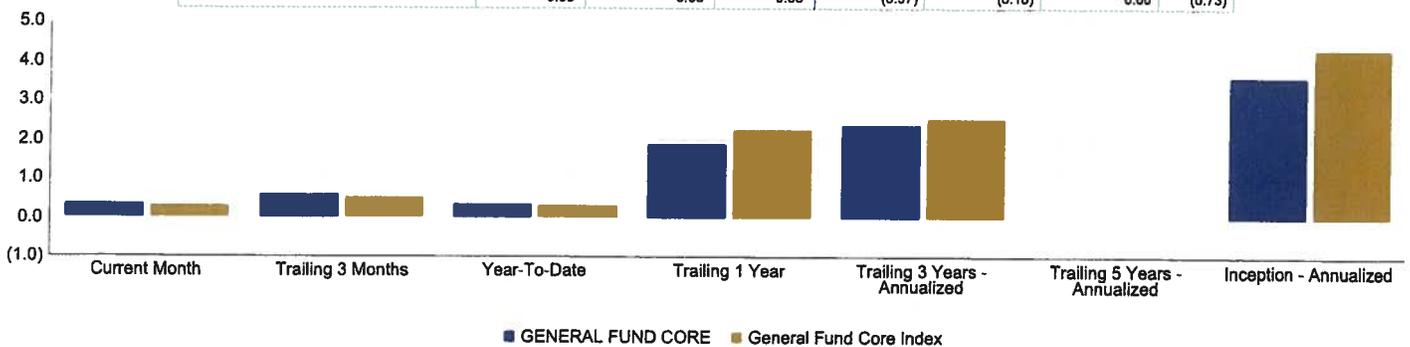
Quality/Rating Weightings

Sector Weightings (as % of Market Value)



Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
GENERAL FUND CORE	0.32	0.57	0.32	1.87	2.36		3.61
General Fund Core Index	0.28	0.48	0.28	2.24	2.54		4.34
Excess	0.03	0.08	0.03	(0.37)	(0.18)	0.00	(0.73)



STATE OF NEW MEXICO

GENERAL FUND (1000)

Portfolio Classification Summary

Positions Held as of 1/31/12

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)	3	.3017	.00270	647,985,090	647,985,090	647,985,090		85.455
CERTIFICATES OF DEPOSIT	8	.6066	.48924	35,250,000	35,250,000	35,250,000		4.649
LINKED-CERTIFICATE OF DEPOSIT	1	.3500	.21100	2,000,000	2,000,000	2,000,000		.264
CORPORATE BONDS	1	.4664	.13150	20,000,000	20,000,000	20,002,600	2,600	2.638
FED HOME LOAN BANKS	1	.4565	.63010	20,000,000	20,084,475	20,090,200	5,725	2.649
FNMA VAR RT NOTE 4X	1	.0538	.88770	20,000,000	20,045,439	20,053,800	8,361	2.645
MONEY MARKET	2		.00274	12,897,169	12,897,169	12,897,169		1.701
	<u>17</u>	<u>.3128</u>	<u>.07006</u>	<u>758,132,259</u>	<u>758,262,173</u>	<u>758,278,859</u>	<u>16,686</u>	<u>100.000</u>

STATE OF NEW MEXICO

GENERAL FUND CORE (1001)

Portfolio Classification Summary

Positions Held as of 1/31/12

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	.3042	.00270	24,500,085	24,500,085	24,500,085		2.387
U.S. TREASURY NOTES	21	.9797	1.82736	385,000,000	387,801,874	392,307,850	4,505,976	38.222
CORPORATE BONDS	2	5.4287	.50000	20,000,000	20,012,509	20,487,300	474,791	1.996
FED FARM CR BKS CONS LONG TERM	1	3.5425	.71230	5,000,000	5,034,789	5,151,250	116,461	.502
FED FARM CR BKS CALLABLE	3	1.1602	.56440	60,000,000	59,928,051	60,192,800	264,749	5.864
FED HOME LOAN BANKS	7	2.8929	.96154	70,380,000	70,844,744	72,228,042	1,383,298	7.037
FED HOME LOAN MORTGAGE CORP BDS	8	1.0715	3.08053	131,660,000	136,534,736	137,598,518	1,063,782	13.406
FED HOME LOAN MORTGAGE CALL 4X	1	1.0000	.84660	20,000,000	20,000,000	20,055,000	55,000	1.954
FED NATL MORTGAGE ASSN DEBS	10	1.0646	2.96287	188,000,000	197,257,839	198,088,663	830,824	19.299
FED NATL MORTGAGE ASSN MEDTRM NT	1	3.6592	.50410	1,000,000	1,006,868	1,024,100	17,232	.100
TLGP SECURITIES - FDIC	1	.7890	.72600	25,000,000	25,197,741	25,317,500	119,759	2.467
MONEY MARKET	2		.00274	1,457,733	1,457,733	1,457,733		.142
MUNICIPAL BOND	26	.6793	1.32681	46,270,000	47,121,566	47,212,610	91,044	4.600
MUNICIPAL BOND REVENUE	4	.6272	2.08557	19,385,000	20,710,740	20,781,421	70,681	2.025
	<u>88</u>	<u>1.2121</u>	<u>1.92323</u>	<u>997,652,818</u>	<u>1,017,409,275</u>	<u>1,026,402,872</u>	<u>8,993,597</u>	<u>100.000</u>

SOURCE: VisualQED
 MODEL: INVENTORY
 USER: HANGES
 RUN: 2/23/12 @ 14:32:47
 BASIS: TRADE (SIC FROM QMARKET-LIBRARY)
 AS-OF: 1/31/12
 AMRTZD: BOOK VALUES AMORTIZED THROUGH 1/31/12

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
10,026,495	GF LIQ AS LGIP POOL PARTICIPANT	GFINLGIP	.234			1.000000	10,026,494.94	10,026,495.00
12,897,169					.044		12,897,169.17	12,897,169.00

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

293,721,000	OVERNIGHT REPO	0201RP	.300	2/01/12	.304	100.000000	293,721,000.00	293,721,000.00
302,264,090	OVERNIGHT REPO	0201RP	.300	2/01/12	.304	100.000000	302,264,089.60	302,264,089.60
52,000,000	OVERNIGHT REPO	0201RP	.270	2/01/12	.274	100.000000	52,000,000.00	52,000,000.00
250,000	GUADALUPE CREDIT UNION	73560500	.750	3/26/12	.750	100.000000	250,000.00	250,000.00
8,000,000	CENTURY BANK SANTA FE	17099245	.550	3/28/12	.550	100.000000	8,000,000.00	8,000,000.00
2,000,000	MY BANK BELEN	63000013	.350	4/17/12	.350	100.000000	2,000,000.00	2,000,000.00
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	.054	100.265200	20,045,393.28	20,053,800.00
8,000,000	CENTURY BANK	01709924	.400	12/27/12	.400	100.000000	8,000,000.00	8,000,000.00
705,235,090					.001		705,280,482.88	705,288,889.60

====> 0013 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2012 <====

SOURCE: VisualQED

MODEL: INVENTORY

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STATE OF NEW MEXICO
TREASURER'S OFFICE

PAGE: 9

POSITION-SIZ	DESCRIPTION	CUSIP#	RATE	MATURITY	YIELD	UNIT-COST	CURRENT BK	LOC-MKT-VALUE
20,000,000	INTL BK RECON & DEVELOP CB QRTLY	45905UJZ	.460	1/02/13	.466	100.000000	20,000,000.00	20,002,600.00
20,000,000					.028		20,000,000.00	20,002,600.00

====> 0001 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2013 <====

20,000,000	FED HOME LOAN BANK	313374CD	1.125	9/17/14	.456	100.527000	20,084,511.42	20,090,200.00
20,000,000					.028		20,084,511.42	20,090,200.00

====> 0001 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2014 <====

758,132,259					.001		758,262,163.47	758,278,858.60
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====> 0017 ITEMS IN SUBTOTAL FOR ====> FUND-NAME..... ====> GENERAL FUND <====

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 MODEL: INVENTORY
 USER: HANGES
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 AS-OF: 1/31/12
 AMRTZD: BOOK VALUES AMORTIZED THROUGH 1/31/12

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
1,456,436	GF CORE MONEY MKT	RESCORE	5.030			1.000000	1,456,435.81	1,456,436.00
1,297	GF CORE AS LGIP POOL PARTICIPANT	GFCORE	.237			.999854	1,296.81	1,297.00
1,457,733					.387		1,457,732.62	1,457,733.00

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

24,500,085	OVERNIGHT REPO	0201RP	.300	2/01/12	.304	99.999998	24,500,084.63	24,500,084.63
25,000,000	US TREASURY NOTE	912828MQ	.875	2/29/12	.909	99.933594	24,999,281.94	25,014,750.00
10,000,000	MORGAN STANLEY	617446HC	6.600	4/01/12	5.627	104.142000	10,015,323.26	10,101,900.00
2,890,000	NMFA SENIOR LIEN	64711NNU	2.000	6/01/12	.507	101.544000	2,904,409.93	2,900,201.70
790,000	NMFA REVENUE	64711NPV	2.000	6/01/12	.507	101.121000	793,939.05	793,381.20
10,000,000	FEDERAL HOME LOAN BANK	3133XKSK	4.875	6/08/12	3.545	105.578000	10,047,181.01	10,154,700.00
25,000,000	US TREASURY NOTE	912828KX	1.875	6/15/12	1.084	101.746094	25,072,405.27	25,165,000.00
1,570,000	NEW MEXICO STB REF A-1	647310N2	2.000	7/01/12	.213	101.018000	1,581,697.06	1,581,461.00
5,800,000	SANTA FE NM PSD G02011	802088JT	3.000	8/01/12	.527	103.434000	5,871,733.49	5,879,924.00
1,100,000	LOS ALAMOS NM PSD	54422NCN	2.000	8/01/12	.406	101.524000	1,108,782.44	1,108,756.00
2,675,000	RIO RANCHO NM PSD	767171LG	2.000	8/01/12	.355	101.545000	2,697,030.20	2,696,293.00
1,000,000	FANNIE MAE	3136F7GV	5.000	8/02/12	3.659	105.777000	1,006,868.10	1,024,100.00
2,385,000	GADSDEN NM ISD	362550KS	2.000	8/15/12	.305	101.361000	2,406,801.02	2,405,463.30
570,000	ESPANOLA NM PSD	29662RAJ	2.000	9/01/12	.386	101.314000	575,371.33	575,295.30
13,380,000	FEDERAL HOME LOAN BANK	3133XLX7	5.000	9/14/12	3.578	106.282000	13,499,023.05	13,770,562.20
7,000,000	FEDERAL HOME LOAN BANK	3133XLX7	5.000	9/14/12	3.757	105.203000	7,054,675.65	7,204,330.00
25,000,000	US TREASURY NOTE	912828LM	1.375	9/15/12	1.231	100.351562	25,022,005.41	25,194,250.00
525,000	LOVINGTON NM PSD	547473DA	2.000	10/01/12	.508	101.311000	530,229.75	530,570.25

SOURCE: VisualQED

MODEL: INVENTORY

USER: HANGES

RUN: 2/23/12 @ 14:32:47

BASIS: TRADE (SIC FROM QMARKET-LIBRARY)

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AMRTZD: BOOK VALUES AMORTIZED THROUGH 1/31/12

STATE OF NEW MEXICO
TREASURER'S OFFICE

POSITION-SIZ	DESCRIPTION	CUSIP#	RATE	MATURITY	YIELD	UNIT-COST	CURRENT BK	LOC-MKT-VALUE
5,000,000	FEDERAL FARM CREDIT BANK	31331X3S	4.500	10/17/12	3.543	104.377000	5,034,789.12	5,151,250.00
25,000,000	CITIGROUP FUNDING INC	17313YAL	1.875	10/22/12	.789	102.358000	25,197,775.38	25,317,500.00
10,000,000	ABBOTT LABORATORIES	002819AA	5.150	11/30/12	5.230	99.961000	9,997,197.51	10,385,400.00
15,000,000	FEDERAL HOME LOAN BANK	3133XDTB	4.875	12/14/12	3.661	105.654000	15,160,230.35	15,602,100.00
25,000,000	US TREASURY NOTE	912828MB	1.125	12/15/12	1.327	99.453125	24,956,428.26	25,213,750.00
239,185,085					.002		240,033,263.21	242,271,022.58

==> 0023 ITEMS IN SUBTOTAL FOR ==> FINAL-MATURITY.. ==> 2012 <==

10,000,000	US TREASURY NOTES	912828PR	.625	1/31/13	.450	100.296875	10,017,393.11	10,046,500.00
550,000	BERNALILLO COUNTY	085275B5	4.000	2/01/13	.507	104.606000	569,178.05	570,080.50
10,000,000	US TREASURY NOTES	912828QK	.625	2/28/13	.478	100.261719	10,015,766.45	10,050,000.00
5,000,000	FEDERAL HOME LOAN BANK	3133XPNZ	3.500	3/08/13	3.882	98.546700	4,982,265.64	5,180,650.00
15,000,000	US TREASURY NOTE	912828QL	.750	3/31/13	.506	100.453125	15,042,306.50	15,101,400.00
20,000,000	US TREASURY NOTE	912828QE	.625	4/30/13	.536	100.171875	20,022,028.14	20,112,600.00
10,000,000	US TREASURY NOTE	912828NC	1.375	5/15/13	.549	101.636719	10,105,658.52	10,153,100.00
5,000,000	STATE OF CONNECTICUT-GO BONDS	20772JBS	1.720	5/15/13	1.003	101.410000	5,046,669.42	5,079,200.00
2,000,000	NMFA SENIOR LIEN	64711NNV	2.000	6/01/13	1.014	102.007000	2,026,413.03	2,025,820.00
3,605,000	NMFA REVENUE	64711NPA	2.000	6/01/13	.356	102.875000	3,684,000.58	3,685,283.35
760,000	NMFA REVENUE	64711NPW	2.000	6/01/13	.660	102.344000	773,585.96	772,319.60
10,000,000	FEDERAL HOME LOAN BANK	3133XXYX	1.875	6/21/13	.851	102.225000	10,142,722.40	10,219,700.00
3,225,000	NEW MEXICO STB REF A-1	647310N3	4.000	7/01/13	.437	105.577000	3,387,377.88	3,391,829.25
475,000	LOS ALAMOS NM PSD	54422NCP	2.000	8/01/13	.558	102.816000	485,274.69	486,058.00
500,000	RIO RANCHO NM PSD	767171LH	2.000	8/01/13	.558	102.792000	510,815.46	511,265.00

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
20,000,000	FANNIE MAE	3135G0BR	.500	8/09/13	.588	99.830000	19,975,783.51	20,059,400.00
2,245,000	GADSDEN NM ISD	362550KT	2.000	8/15/13	.608	102.506000	2,293,070.51	2,296,702.35
1,100,000	ESPANOLA NM PSD	29662RAK	2.000	9/01/13	.710	102.338000	1,122,474.89	1,123,331.00
10,000,000	US TREASURY NOTE	912828NY	.750	9/15/13	.541	100.453125	10,033,616.96	10,087,500.00
900,000	LOVINGTON NM PSD	547473DB	2.000	10/01/13	.710	102.420000	919,349.55	922,950.00
10,000,000	FEDERAL HOME LOAN BANK	313371UC	.875	12/27/13	1.110	99.419000	9,958,605.82	10,096,000.00

140,360,000					.004		141,114,357.07	141,971,689.05

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

13,000,000	FEDERAL NATL MTG ASSN DEBS	31359MTP	5.125	1/02/14	.828	110.102000	14,064,333.47	14,063,790.00
20,000,000	US TREASURY NOTE	912828JZ	1.750	1/31/14	.666	102.750000	20,429,425.83	20,604,600.00
570,000	BERNALILLO COUNTY	085275B6	3.000	2/01/14	.710	105.288000	595,992.17	598,824.90
20,000,000	US TREASURY NOTE	912828QH	1.250	2/15/14	1.413	99.523438	19,934,703.34	20,412,600.00
20,000,000	US TREASURY NOTES	912828KF	1.875	2/28/14	1.398	101.414063	20,194,534.92	20,678,200.00
20,000,000	US TREASURY NOTES	912828KF	1.875	2/28/14	.703	103.066406	20,482,409.87	20,678,200.00
15,000,000	US TREASURY NOTE	912828KJ	1.750	3/31/14	.729	102.753906	15,327,749.83	15,492,150.00
20,000,000	US TREASURY NOTES	912828KN	1.875	4/30/14	1.476	101.242188	20,175,368.60	20,731,200.00
20,000,000	US TREASURY NOTES	912828KV	2.250	5/31/14	1.509	102.367188	20,337,560.00	20,926,600.00
3,060,000	NMFA SENIOR LIEN	64711NNW	3.000	6/01/14	1.490	104.522000	3,166,966.34	3,189,774.60
3,615,000	NMFA REVENUE	64711NPB	2.000	6/01/14	.456	104.231000	3,744,904.14	3,744,778.50
770,000	NMFA REVENUE	64711NPX	2.000	6/01/14	1.014	102.705000	787,710.67	787,671.50
20,000,000	US TREASURY NOTE	912828QS	.750	6/15/14	.771	99.937500	19,990,132.00	20,237,600.00
4,780,000	NEW MEXICO STB REF A-1	647310N4	4.000	7/01/14	.710	108.388000	5,157,321.16	5,186,156.60

SOURCE: VisualQED

MODEL: INVENTORY

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STATE OF NEW MEXICO
TREASURER'S OFFICE

PAGE: 13

POSITION-SIZ	DESCRIPTION	CUSIP#	RATE	MATURITY	YIELD	UNIT-COST	CURRENT BK	LOC-MKT-VALUE
9,810,000	NEW MEXICO STB REF A-1	647310P4	4.000	7/01/14	.710	108.388000	10,584,376.69	10,621,973.70
15,000,000	US TREASURY NOTE	912828LC	2.625	7/31/14	1.513	103.722656	15,407,257.05	15,881,250.00
325,000	LOS ALAMOS NM PSD	54422NCQ	2.000	8/01/14	.811	103.497000	334,634.08	336,696.75
2,005,000	GADSDEN NM ISD	362550KU	2.000	8/15/14	.862	103.177000	2,062,788.83	2,066,733.95
1,120,000	ESPANOLA NM PSD	29662RAL	2.000	9/01/14	.963	102.908000	1,149,936.37	1,154,910.40
935,000	LOVINGTON NM PSD	547473DC	2.000	10/01/14	1.014	102.829000	959,538.15	970,324.30
10,000,000	FREDDIE MAC	3137EACY	.750	11/25/14	.772	99.966000	9,996,923.86	10,061,700.00
20,000,000	FED HOME LN MTG CALL 4X	3134G3BL	1.000	12/05/14	1.000	100.000000	20,000,000.00	20,055,000.00
239,990,000					.002		244,884,567.37	248,480,735.20

====> 0022 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2014 <====

20,000,000	FEDERAL FARM CR BANKS CALLABLE	31331KU2	.875	2/17/15	.944	99.825000	19,966,441.36	20,004,000.00
20,000,000	FREDDIE MAC	3134A4VC	4.375	7/17/15	.965	112.629400	22,325,351.06	22,489,000.00
20,000,000	FANNIE MAE	3136FR3F	.950	9/08/15	.963	100.000000	20,000,000.00	20,008,400.00
20,000,000	FREDDIE MAC	3137EACM	1.750	9/10/15	1.015	102.865900	20,529,508.44	20,798,800.00
20,000,000	FEDERAL FARM CR BANKS CALLABLE	31331KS9	1.120	11/16/15	1.188	99.800000	19,961,460.59	20,084,000.00
20,000,000	FEDERAL FARM CR BANKS CALLABLE	31331KZ2	1.330	12/07/15	1.348	100.000000	20,000,000.00	20,104,800.00
11,660,000	FEDERAL HOME LOAN MTG CORP	3134G3EG	1.150	12/30/15	1.166	100.000000	11,660,000.00	11,745,118.00
10,000,000	FEDERAL HOME LOAN MTG CORP	3134G3FA	1.100	12/30/15	1.115	100.000000	10,000,000.00	10,038,700.00
141,660,000					.004		144,442,761.45	145,272,818.00

====> 0008 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2015 <====

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STATE OF NEW MEXICO
TREASURER'S OFFICE

POSITION-SIZ	DESCRIPTION	CUSIP#	RATE	MATURITY	YIELD	UNIT-COST	CURRENT BK	LOC-MKT-VALUE
20,000,000	FANNIE MAE	31359MH8	5.000	3/15/16	1.026	117.575100	23,212,062.85	23,388,600.00
20,000,000	FANNIE MAE	3135GOBA	2.375	4/11/16	1.057	105.962900	21,090,384.30	21,090,384.30
20,000,000	FREDDIE MAC	3137EACT	2.500	5/27/16	1.095	106.523800	21,195,995.45	21,427,000.00
20,000,000	FANNIE MAE	31359MS6	5.375	7/15/16	1.142	120.015700	23,682,698.56	23,901,000.00
20,000,000	FEDERAL HOME LOAN MTG CORP	3137EACW	2.000	8/25/16	1.168	104.085938	20,752,311.90	20,924,400.00
20,000,000	US TREASURY NOTE	912828RF	1.000	8/31/16	.929	100.343750	20,063,455.56	20,350,000.00
20,000,000	FANNIE MAE	3135GOCM	1.250	9/28/16	1.218	100.233200	20,044,188.02	20,226,000.00
20,000,000	FED NATIONAL MTG ASSN DEBS	3136FTQJ	1.625	11/21/16	1.650	99.990000	19,998,001.80	20,108,600.00
20,000,000	FED HOME LOAN MORTGAGE CORP BDS	3134G3CB	1.625	12/05/16	1.196	100.400000	20,074,461.30	20,113,800.00
20,000,000	US TREASURY NOTES	912828RX	.875	12/31/16	.695	100.867188	20,173,437.50	20,176,600.00
200,000,000					.003		210,286,997.24	211,706,384.30

====> 0010 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2016 <====

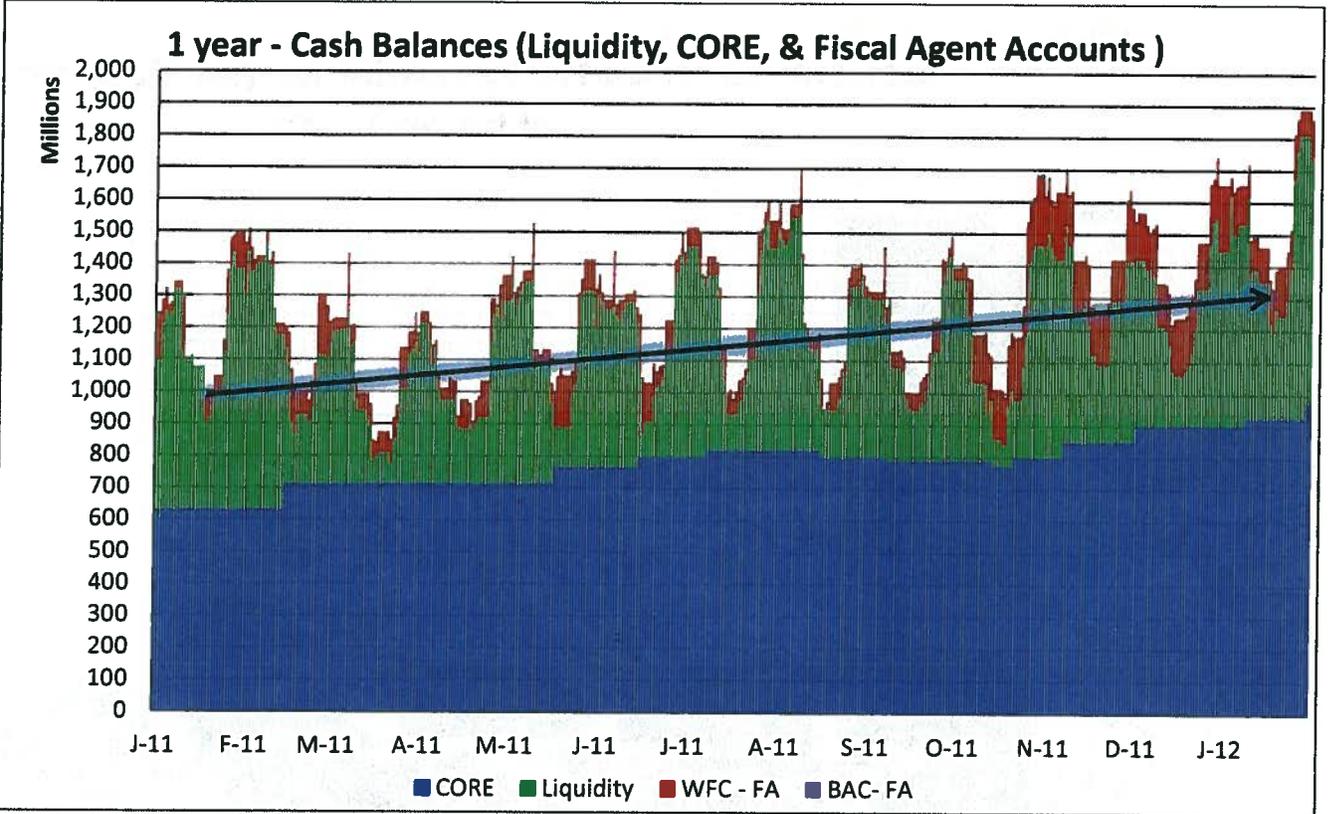
15,000,000	FED NATL MORTGAGE ASSN DEBS	3136FTYG	1.000	1/30/17	1.026	99.940000	14,991,249.18	15,042,900.00
20,000,000	FED NATL MORTGAGE ASSN DEBS	3135GOGY	1.250	1/30/17	1.059	101.000547	20,200,097.01	20,200,097.01
35,000,000					.016		35,191,346.19	35,242,997.01

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

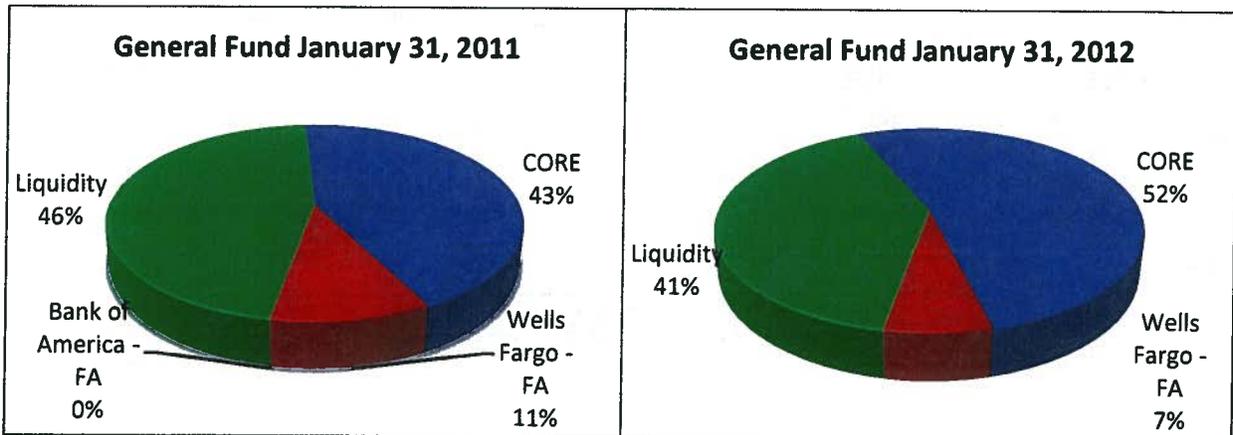
997,652,818					.001		1017411025.15	1026403379.14
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====> 0088 ITEMS IN SUBTOTAL FOR ====> FUND-NAME..... ====> GENERAL FUND CORE <====

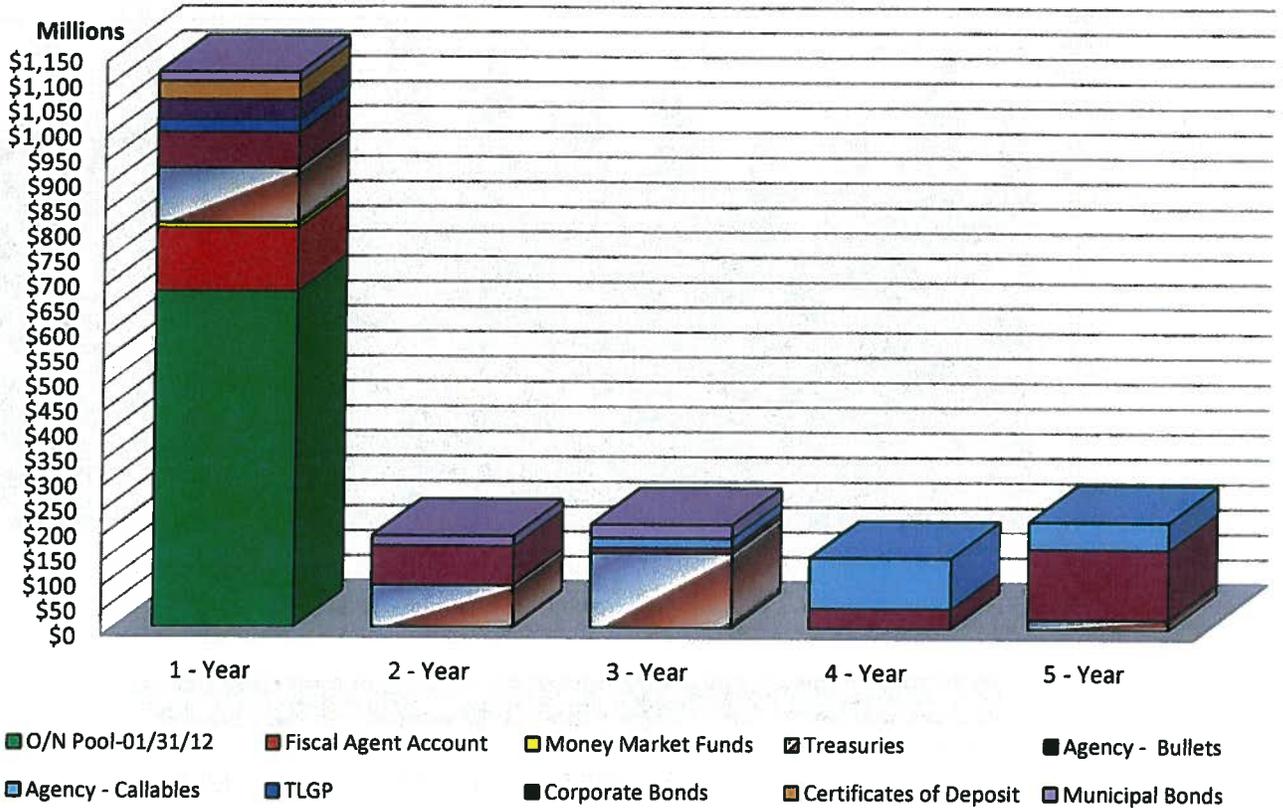
GEIP Cash Flows

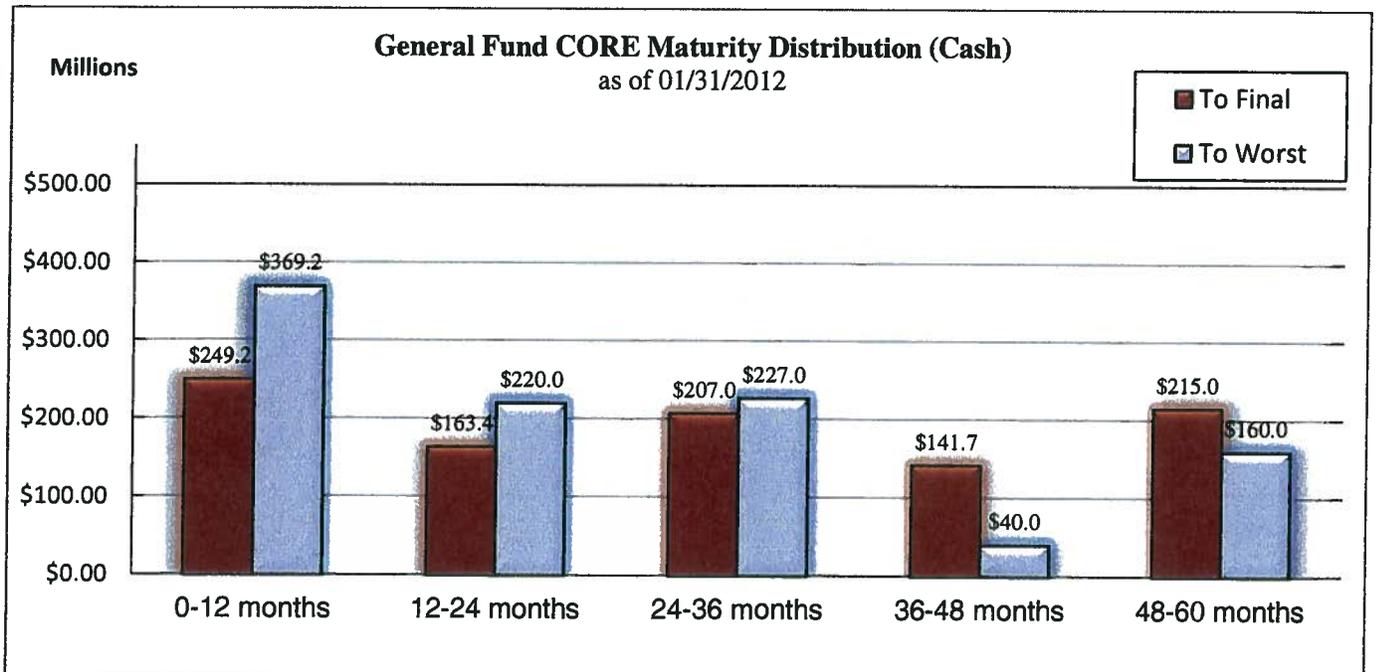
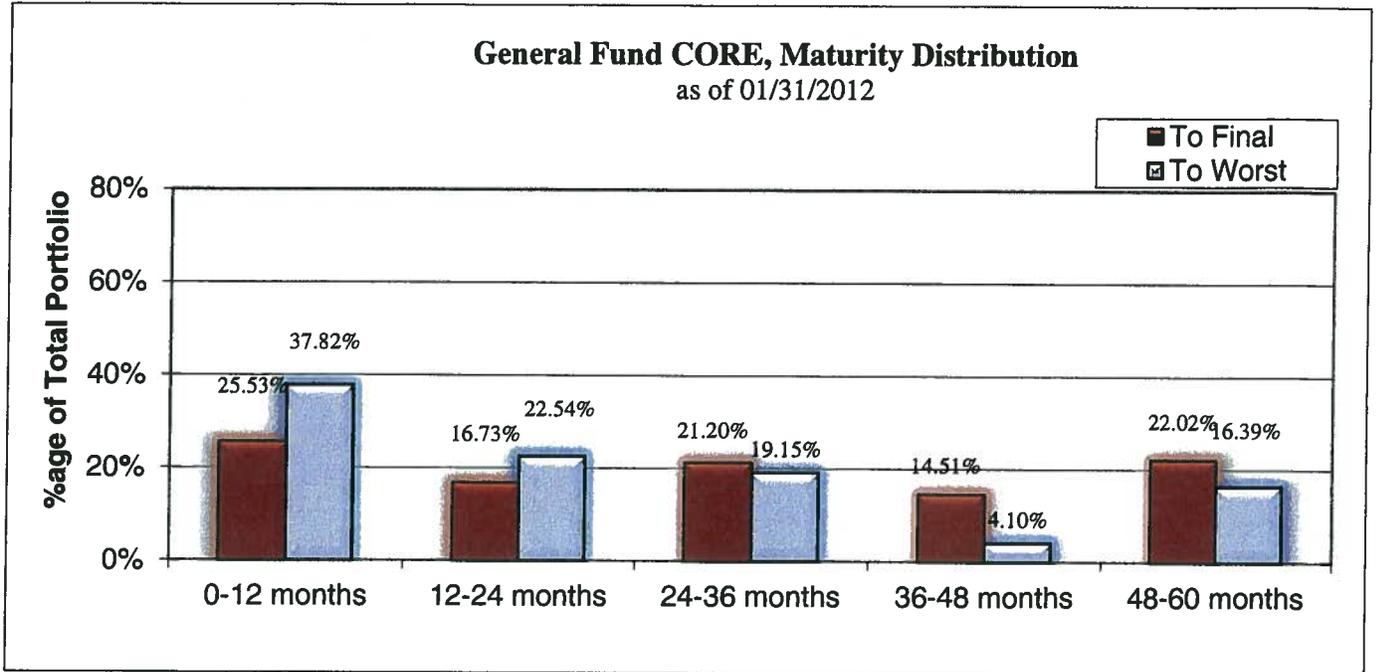
GENERAL FUND	Jan-11	Jan-12	Difference
Liquidity	677,023,299	755,167,183	78,143,884
CORE	631,128,539	976,195,085	345,066,546
Wells Fargo - FA	153,463,030	126,750,700	(26,712,330)
Bank of America - FA	70,780		(70,780)
	1,461,685,648	1,858,112,968	396,427,319



General Fund Maturity Ladder by Year & Asset Type as of January 31, 2012



Asset Allocation	1 - Year	2 - Year	3 - Year	4 - Year	5 - Year	Total	%
Agency - Bullets	71,380,000	78,000,000	10,000,000	40,000,000	140,000,000	339,380,000	18%
Agency - Callables			20,000,000	101,660,000	55,000,000	176,660,000	10%
TLGP	25,000,000					25,000,000	1%
Corporate Bonds	40,000,000					40,000,000	2%
Money Market Funds	10,027,792					10,027,792	1%
Municipal Bonds	18,305,000	20,360,000	26,990,000			65,655,000	4%
Certificates of Deposit	37,250,000					37,250,000	2%
Fiscal Agent Account	126,750,700					126,750,700	7%
Treasuries	110,000,000	85,000,000	150,000,000		20,000,000	365,000,000	20%
O/N Pool-01/31/12	672,389,476					672,389,476	36%
Total:	1,111,102,968	183,360,000	206,990,000	141,660,000	215,000,000	1,858,112,968	100%
% of Total:	60%	10%	11%	8%	12%	100%	



Portfolio Summary – Local Government Investment Pool (LGIP)

Summary

- Ending January Market Value for the LGIP was \$854MM, lower than \$881MM from December 31st.
- The LGIP maintains an AAAM rating by Standard & Poor's.
- Weighted Average Maturity of the LGIP was 44 days, below the rule 2(a)-7 requirement of 60 days for short-term funds.

Portfolio Mix

- 22% of the portfolio is invested in fixed income securities, 20% in floating rate notes, 55% of the portfolio is invested in demand deposit accounts with qualified banking institutions, and 3% in commercial paper.
- The LGIP held positions in 26 securities.

Investment Earnings

- In January, the fund earned \$229,458 for its participants.
- Since June, the fund has returned \$1.4 million.
- Earnings in the LGIP are retained by participants after a management fee of 0.05% which is paid to the General Fund.

Performance

- Gross Yield on the LGIP was 0.308% at month-end.
- Net yield to participants was 0.258%.

Investment Highlights

- For the LGIP, the WAM(R), 44 days, and WAM(F), 100 days, are within their maximums of 60 and 120 days respectively.
- LGIP was optimally invested during the month of January. There were no significant transactions.
- LGIP had net withdrawals for the month as a portion of funds deposited from the BPIPs in December were withdrawn in January to

purchase longer term investments and fund capital project withdrawals.

Investment Strategy

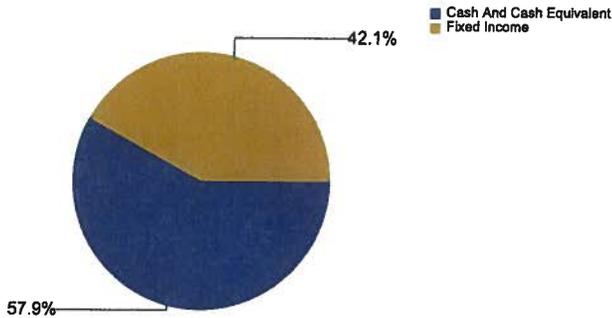
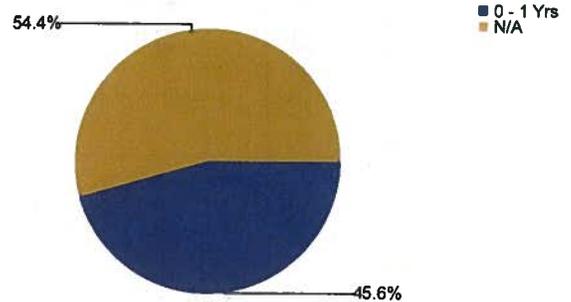
- Currently for the LGIP, the WAM(R) is 58 days, and WAM (F), 115 days, closer to their maximums of 60 and 120 days respectively.
- LGIP will continue to maintain longer WAMs as the curve remains positive out to 13 month maturities.
- Shorter term investments, less than three months, do not provide attractive alternatives to the overnight bank deposits we currently hold.
- LGIP continues to hold an approximate 25% position in Bank of the West collateralized overnight deposits. LGIP is earning 0.25% on this investment.
- Bank of the West's ratings are currently A-1/P-1 (ST) and A/A2 (LT) with both ST and LT on Moody's watchlist for possible downgrades.
- LGIP will maintain its AAAM as long as S&P maintains its A-1 ST rating on Bank of the West. This rating is not currently under review.
- Its parent, BNP Paribas, is rated A-1+/P-1 (ST) and AA-/Aa3 (LT) with its long term debt ratings on Moody's watchlist with negative implications.
- Moody's has indicated that a two notch downgrade would be their "worst case" bringing the LT debt rating to A2 from Aa3 for BNP.
- We continue to hold positions of US Government Agency collateral totaling at least 102% of principal and interest outstanding with Bank of the West.
- BBVA/Compass was downgraded by S&P on February 13, 2012 to A-/A-2 from A/A-1. S&P and Moody's ratings are currently A-2/P-2 (ST) and A-/Aa3 (LT).

- Moody's has the BBVA LT debt rating, Aa3, on their watchlist with negative implications. They have indicated their "worst case" would be a downgrade to A3.
- The BBVA/Compass downgrades are a direct result of similar actions taken on the Kingdom of Spain, the country in which BBVA, the parent of Compass Bank, resides.
- As BBVA/Compass is no longer prime rated, LGIP reduced its overnight deposit exposure to less than 10% of the fund's total assets. Hence, LGIP continues to be rated AAAM by S&P.
- LGIP must maintain 102% collateralization of principal and interest outstanding with BBVA/Compass, utilizing US Government Agency Letters of Credit (LOCs).
- The LGIP was able to maintain its overall portfolio yield by negotiating a higher interest rate of 0.25% on the remaining BBVA/Compass deposits.
- WAM extension via various US Treasury, Agency and fixed rate TLGP purchases were also instrumental in enhancing yield.

Portfolio Characteristics

Duration Mix

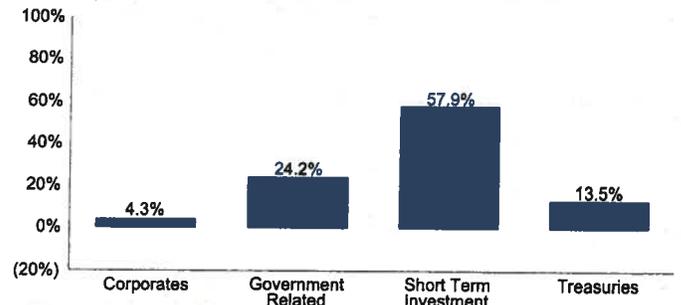
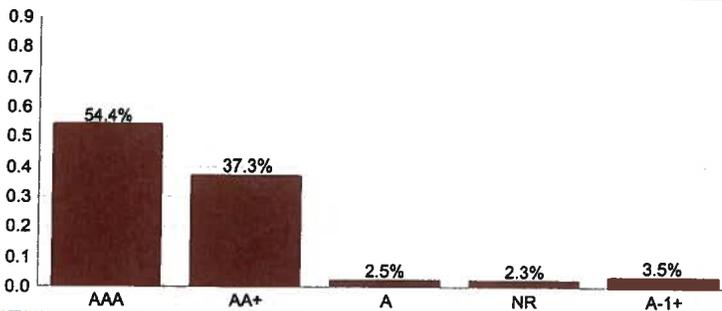
Total Net Assets (Millions)	855.7
Weighted Average Life (Years)	0.28
Weighted Avg. Effective Duration (Years)	0.12
Weighted Average Coupon (%)	0.56
Weighted Average Current Yield (%)	0.11
Weighted Average Yield to Maturity (%)	0.24
Weighted Average Rating	AA+
Number of Holdings	24



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
894992T06	BBVA COMPASS BANK	24.96%	0.20	1/2/2012
89499LC10	BANK OF THE WEST	24.91%	0.25	1/2/2012
31331KF62	FEDERAL FARM CR BKS CONS BD FLT 13 12/JUN/2013	5.84%	0.41	12/6/2013
61757UAJ9	MORGAN STANLEY VAR 20/JUN/2012	3.52%	0.91	20/6/2012
481247AN4	JPMORGAN CHASE & CO 0.53938% BDS 28/DEC/2012	3.50%	0.82	28/12/2012
89499LC44	WELLS FARGO SAVINGS	3.49%	0.40	1/2/2012
3133XYWB7	FEDERAL HOME LOAN BANKS 0.875% BDS 22/AUG/2012	2.94%	0.88	22/8/2012
912828KP4	UNITED STATES TREAS NTS 1.375% 15/MAY/2012	2.94%	1.38	15/5/2012
912828MU1	UNITED STATES TREAS NTS 1.000% 31/MAR/2012	2.94%	1.00	31/3/2012
912828NS5	UNITED STATES TREAS NTS 0.625% 30/JUN/2012	2.93%	0.62	30/6/2012

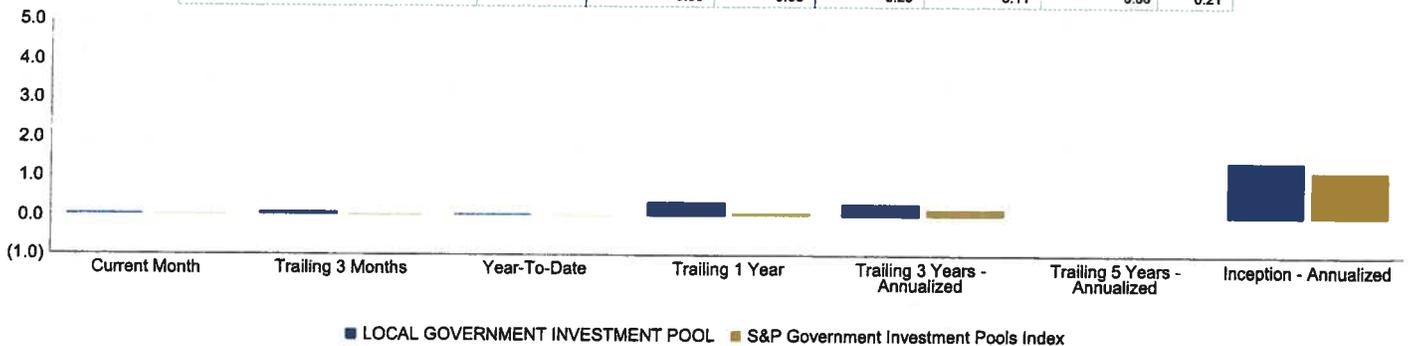
Quality/Rating Weightings

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	0.03	0.07	0.03	0.33	0.29		1.39
S&P Government Investment Pools Index	0.00	0.01	0.00	0.06	0.18		1.18
Excess	0.03	0.06	0.03	0.26	0.11	0.00	0.21



STATE OF NEW MEXICO

LGIP FUND (4101)

Portfolio Classification Summary

Positions Held as of 1/31/12

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)	5	.2179	.06249	465,664,873	465,664,873	465,664,873		54.488
COMMERCIAL PAPER-DISCOUNT BASED	2	.1927	.14467	30,045,000	30,036,784	30,036,784		3.515
U.S. TREASURY NOTES	7	.2589	.27803	115,000,000	115,210,741	115,260,800	50,059	13.487
CORPORATE BONDS	1	.4664	.13150	20,000,000	20,000,000	20,002,600	2,600	2.341
FED FARM CR BANKS - FLOAT	1	.3882	1.36160	50,000,000	50,017,797	49,978,000	-39,797	5.848
FED HOME LOAN BANKS	1	.2064	.55890	25,000,000	25,093,619	25,098,250	4,631	2.937
FED NATL MORTGAGE ASSN DEBS	1	.3666	.50140	20,000,000	20,487,961	20,465,800	-22,161	2.395
FNMA VAR RT NOTE 4X	1	.2676	.88770	21,000,000	21,047,701	21,056,490	8,789	2.464
TLGP SECURITIES-FDIC VAR RT NT4X	7	.3382	.63476	106,700,000	106,999,428	107,058,485	59,057	12.527
	<u>26</u>	<u>.2578</u>	<u>.28884</u>	<u>853,409,873</u>	<u>854,558,904</u>	<u>854,622,082</u>	<u>63,178</u>	<u>100.000</u>

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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
3,971,153	WF CHECKING JANUARY 2012	ONJAN12	.100	2/01/12	.142	100.000003	3,971,153.11	3,971,153.11
10,000,000	US TREASURY NOTE	912828KC	1.375	2/15/12	.326	101.105468	10,003,982.39	10,004,700.00
213,612,537	BBVA COMPASS BANK ACCOUNT	COMPASBA	.250	2/23/12	.203	100.000000	213,612,536.54	213,612,536.54
29,855,284	WELLS FARGO SAVINGS ACCT	WFSAVING	.400	2/23/12	.101	100.000001	29,855,284.32	29,855,284.32
213,142,248	BANK OF THE WEST	BKOFWEST	.150	2/23/12	.253	100.000000	213,142,247.91	213,142,247.91
5,083,651	US BANK	USBANK	.200	2/23/12	.101	99.999996	5,083,650.78	5,083,650.78
5,045,000	STRAIGHT-A FUNDING LLC	86257M6X	.190	3/08/12	.193	99.952500	5,044,041.45	5,044,041.45
10,000,000	MORGAN STANLEY	61757UAN	.538	3/13/12	.190	100.138000	10,013,800.00	10,007,700.00
25,000,000	STRAIGHT-A FUNDING LLC	86257FDV	.190	3/27/12	.193	99.952500	24,992,743.06	24,992,743.06
15,000,000	US TREASURY NOTE	912828MU	1.000	3/31/12	.320	100.734375	15,016,407.94	15,022,200.00
10,000,000	US TREASURY NOTE	912828MU	1.000	3/31/12	.300	100.738281	10,011,262.32	10,014,800.00
20,000,000	US TREASURY NOTE 2ND	912828NB	1.000	4/30/12	.286	100.742188	20,034,855.28	20,045,400.00
25,000,000	US TREASURY NOTE 2ND	912828KP	1.375	5/15/12	.200	101.023438	25,083,838.57	25,092,750.00
30,000,000	MORGAN STANLEY	61757UAJ	.701	6/20/12	.257	100.329000	30,098,700.00	30,100,800.00
10,000,000	BANK OF NY MELLO BK FLOAT	06405TAA	.406	6/29/12	.310	100.213700	10,021,370.00	9,992,500.00
25,000,000	US TREASURY NOTE 2nd	912828NS	.625	6/30/12	.225	100.398438	25,041,157.89	25,054,750.00
10,000,000	US TREASURY NOTE 2ND	912828NQ	.625	7/31/12	.238	100.417969	10,019,220.73	10,026,200.00
20,000,000	FEDERAL NATL MTG ASSN DEBS	31359MNU	5.250	8/01/12	.367	104.118000	20,487,916.87	20,465,800.00
25,000,000	FHLB	3133XYWB	.875	8/22/12	.207	100.663000	25,093,553.67	25,098,250.00
2,700,000	ALLY FINANCIAL INC FLOAT	36186CBG	.350	12/19/12	.377	100.185200	2,705,000.40	2,699,595.00
21,000,000	FED NATIONAL MTG ASSN FLoat	31398A7F	.311	12/20/12	.268	100.265200	21,047,693.07	21,056,490.00
17,250,000	GEN ELEC CAP CRP GE FLOAT	36967HAU	.247	12/21/12	.449	100.122027	17,271,049.60	17,314,515.00
7,000,000	GEN ELEC CAP CRP GE FLOAT	36967HAU	.247	12/21/12	.481	100.091100	7,006,377.00	7,026,180.00
29,750,000	JPMORGAN CHASE FLOAT	481247AN	.608	12/26/12	.378	100.447500	29,883,131.25	29,917,195.00
783,409,873					.001		784,540,974.15	784,641,482.17

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

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 AS-OF: 1/31/12
 AMRTZD: BOOK VALUES AMORTIZED THROUGH 1/31/12

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
20,000,000	INTL BK RECON & DEVELOP CB QRTLY	45905UJZ	.460	1/02/13	.466	100.000000	20,000,000.00	20,002,600.00
50,000,000	FEDERAL FARM CR BK FLOATER	31331KF6	.184	6/12/13	.388	100.043700	50,017,742.94	49,978,000.00
70,000,000					.008		70,017,742.94	69,980,600.00
==> 0002 ITEMS IN SUBTOTAL FOR ==> FINAL-MATURITY.. ==> 2013 <==								
853,409,873					.001		854,558,717.09	854,622,082.17
==> 0026 ITEMS IN SUBTOTAL FOR ==> FUND-NAME..... ==> LGIP FUND <==								



STATE OF NEW MEXICO
OFFICE OF THE TREASURER

MEMORANDUM

DATE: March 1, 2012
To: Members of the State Treasurer's Investment Committee
FROM: Spencer Wright, Portfolio Manager
RE: Downgrade of BBVA Compass Bank

On February 13th, Standard & Poor's downgraded the ratings of Banco Bilbao Vizcaya Argentaria, the second largest bank in Spain. BBVA is the parent company of BBVA Compass Bank.

S&P downgraded the bank to A-/A-2 from A/A-1 in connection with its exposure to the European debt crisis. The short-term rating of P-2 is not within the investment parameters for the LGIP.

At the time of the downgrade, approximately 25% of the LGIP (\$225MM) was invested in an overnight bank account at BBVA Compass, secured by a pledge of securities at 102% collateralization.

S&P guidelines allow for only 2.5% of the portfolio to be held in deposits collateralized by securities of a P-2 bank.

STO Staff discussed the situation with BBVA Compass Management at the US Headquarters in Birmingham, Alabama and also had multiple discussions with Standard & Poor's about the BBVA exposure and how to mitigate the effects of the downgrade.

STO staff negotiated the substitution of collateral with BBVA Compass into a FHLB letter of credit which would allow for 10% of the LGIP portfolio to remain on deposit with BBVA Compass. S&P guidelines allow for 7 days to cure any potential violations.

BBVA Compass raised the overnight rate on deposits to 0.25% versus the 0.20% which was being paid.

In order to mitigate the effect of a large reduction of deposits on BBVA Compass, STO invested General Fund, BPIP monies and STBF monies into new overnight deposit accounts at BBVA Compass, also secured by the FHLB letter of credit, consistent with the collateralization requirements of the State Board of Finance. The LGIP funds are secured by a separate LC from the remaining STO funds.

We will utilize these overnight deposits as an alternative to repurchase agreements in these portfolios. Each deposit allows for daily withdrawals of cash; are extremely flexible; meet the liquidity needs of STO and are consistent with the collateralization guidelines of SBoF.

Portfolio Summary – Tax Exempt Bond Proceeds Investment Pool

Summary

- The Tax Exempt Bond Proceeds Investment Pool closed the month of January at \$439Mil, lower than \$479Mil at the end of December.
- The Pool continues to experience withdrawals in early 2012.

Portfolio Mix

- 91% of the Tax-Exempt BPIP portfolio is invested in fixed income securities; 59% in TLGP Securities which are backed by the FDIC, 32% in Treasury and Agency Securities, and the balance, approximately 9%, held in cash equivalents.
- At the time of purchase, TLGP holdings, backed by the FDIC, were within the parameters of the investment policy. As balances have come down, due to spending on capital projects, the percentage of TLGP holdings relative to all holdings in the portfolio has increased. The TLGP program will expire at the end of 2012.
- 71% of the portfolio is invested in securities that mature in one year, 13% in securities that mature from 1-2 years, 9% in securities that mature from 2-4 years and 7% in securities out to 5 years.
- The Tax-Exempt BPIP held positions in 23 securities.
- Weighted Average Life of the Tax Exempt BPIP is 1.25 years. The Weighted Average duration is 1.05 years.
- The maximum security term for the BPIP portfolio is 5 years.

Investment Highlights

- The Tax-Exempt BPIP was able to provide liquidity for capital projects through the liquidation of some of its LGIP position.
- The fund ended the month fully invested.

Market Value and Investment Earnings

- Unrealized gains in the Tax-Exempt BPIP Portfolio were \$2.1 million as of January 31st.
- Monthly Earnings on the portfolio were approximately \$383,329.
- During this fiscal year, we have earned approximately \$2.75MM in this pool.
- Earnings on the Bond Proceeds Investment Pool are used to offset capital and debt service spending.

Performance

- The purchase yield increased from 0.96% to 1.02% as lower yielding cash equivalents were withdrawn.
- The average term of the fund increased from 1.10 to 1.25 years as cash withdrawals had the effect of lengthening the portfolio.
- The Tax-Exempt BPIP returned 0.16% for the month of January and 0.28% for the three months ended January 31, 2012, in line with the index returns of 0.19% and 0.31% respectively.

Investment Strategy

- The Tax-Exempt BPIP is currently experiencing a high level of withdrawals.
- Debt service payments of approximately \$67.0mil are scheduled for withdrawal on March 1, 2012.
- The shortest maturing investments held in the portfolio will be sold to provide liquidity.
- Morgan Stanley FRN maturing March 13, 2012 has been sold at a gain.
- The sale of Straight-A Funding CP will provide the remaining liquidity needed to meet the debt service payment requirement.
- The Tax-Exempt BPIP will be holding approximately \$25mil in BBVA/Compass overnight deposits following debt service payments.

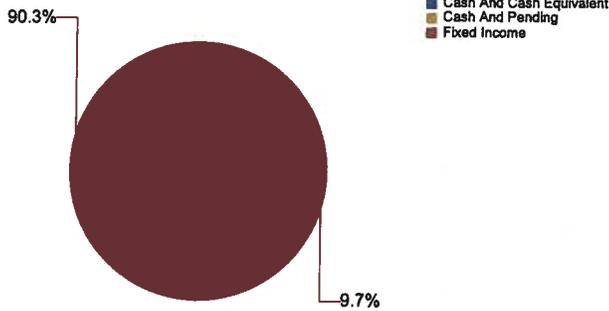
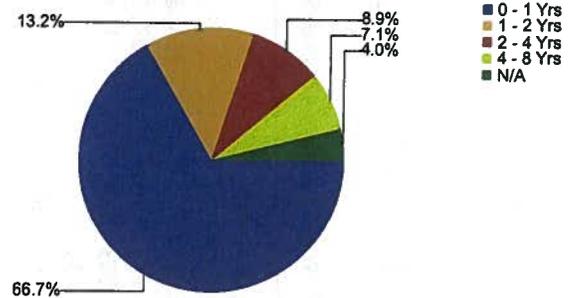
- **BBVA/Compass deposits are 102% collateralized with FHLB LOCs.**

Portfolio Characteristics

Total Net Assets (Millions) 440.2
Weighted Average Life (Years) 1.25
Weighted Avg. Effective Duration (Years) 1.05
Weighted Average Coupon (%) 1.89
Weighted Average Current Yield (%) 0.30
Weighted Average Yield to Maturity (%) 0.33
Weighted Average Rating AA+
Number of Holdings 22

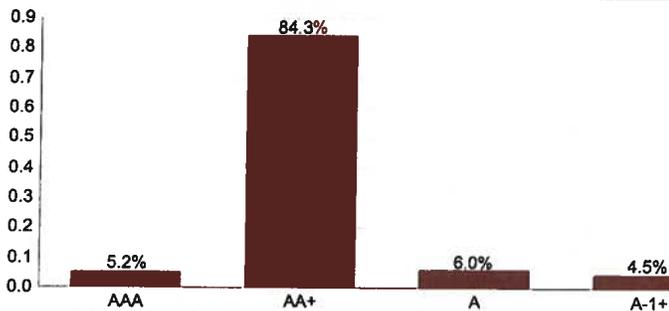
440.2
1.25
1.05
1.89
0.30
0.33
AA+
22

Duration Mix

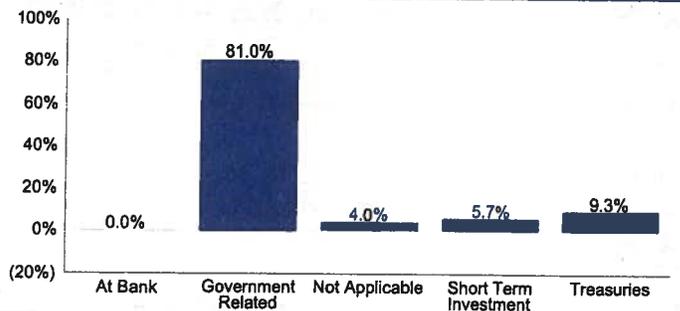


Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
38967HAY3	GENERAL ELECTRIC CAPITAL CORP 2.625% BDS	11.64%	2.62	28/12/2012
17313YAJ0	CITIGROUP FUNDING INC 2.25% BDS 10/DEC/2012	11.60%	2.25	10/12/2012
81757UAJ9	MORGAN STANLEY VAR 20/JUN/2012	6.85%	0.91	20/6/2012
31359MRK1	FED NATL MORT ASSC 4.625% NOTES 01/MAY/2013	6.04%	4.62	1/5/2013
06050BAA9	BANK OF AMERICA CORP 3.125% BDS 15/JUN/2012	5.77%	3.12	15/6/2012
17313UAE9	CITIGROUP INC 2.125% SRN 30/APR/2012 USD1000	5.74%	2.12	30/4/2012
06050BAG8	BANK OF AMERICA CORP 2.1% SRN 30/APR/2012 USD1000	5.74%	2.10	30/4/2012
949744AC0	WELLS FARGO & CO 2.125% BDS 15/JUN/2012 USD1000	5.74%	2.12	15/6/2012
81757UAN0	MORGAN STANLEY FRN 13/MAR/2012 USD1000	5.69%	0.74	13/3/2012
3137EACW7	FED HOME LOAN MTG 2% BDS 25/AUG/2016 USD1000	4.79%	2.00	25/8/2016

Quality/Rating Weightings

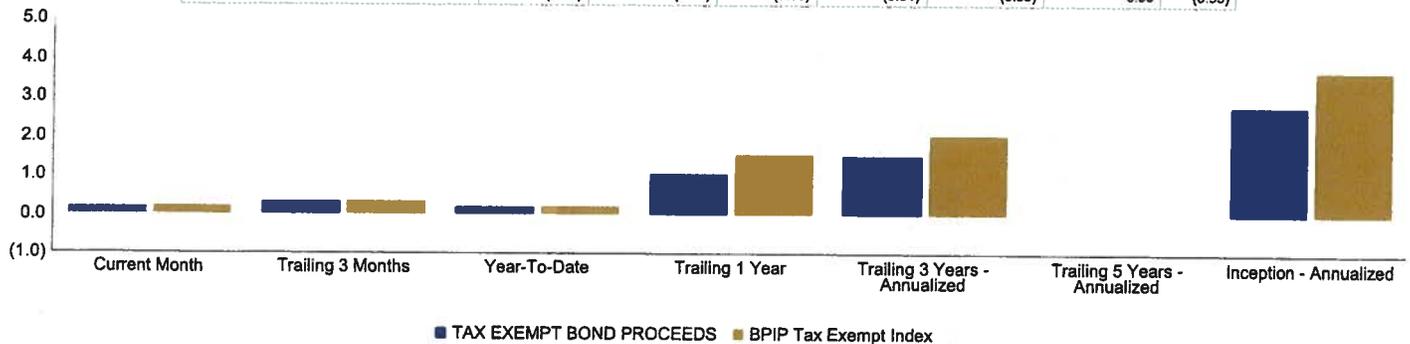


Sector Weightings (as % of Market Value)



Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
TAX EXEMPT BOND PROCEEDS	0.16	0.28	0.16	1.01	1.48		2.77
BPIP Tax Exempt Index	0.19	0.31	0.19	1.52	2.03		3.70
Excess	(0.03)	(0.03)	(0.03)	(0.51)	(0.55)	0.00	(0.93)



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

Portfolio Classification Summary

Positions Held as of 1/31/12

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	.3042	.00270	5,084,684	5,084,684	5,084,684		1.156
COMMERCIAL PAPER-DISCOUNT BASED	1	.1927	.10140	20,000,000	19,996,200	19,996,200		4.546
U.S. TREASURY NOTES	3	.7335	1.47978	40,000,000	40,483,576	40,838,200	354,624	9.284
FED FARM CR BKS CALLABLE	2	1.1329	.82030	16,110,000	16,114,159	16,177,934	63,775	3.678
FED HOME LOAN MORTGAGE CORP BDS	2	1.1455	3.68217	30,000,000	30,759,363	30,963,100	203,737	7.039
FED NATL MORTGAGE ASSN DEBS	4	.9218	2.16289	48,495,000	49,841,383	50,084,917	243,534	11.387
TLGP SECURITIES - FDIC	6	1.3704	.59728	200,000,000	201,625,704	202,749,500	1,123,796	46.094
TLGP SECURITIES-FDIC VAR RT NT4X	2	.6330	.26303	55,000,000	55,000,000	55,120,050	120,050	12.531
MONEY MARKET	2		.00274	18,844,415	18,844,415	18,844,415		4.284
	<u>23</u>	<u>1.0181</u>	<u>1.01880</u>	<u>433,534,099</u>	<u>437,749,484</u>	<u>439,859,000</u>	<u>2,109,516</u>	<u>100.000</u>

SOURCE: VisuaIQED

MODEL: INVENTORY

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AS-OF: 1/31/12

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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
17,627,322	BPIP#1 TA AS LGIP POOL PARTICIP	BP1LGIP	.225			1.000000	17,627,321.65	17,627,322.00
18,844,415					.030		18,844,414.78	18,844,415.00

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

5,084,684	OVERNIGHT REPO	0201RP	.300	2/01/12	.304	99.999998	5,084,683.89	5,084,683.89
20,000,000	STRAIGHT-A FUNDING LLC	86257M6X	.190	3/08/12	.193	99.952500	19,996,200.00	19,996,200.00
25,000,000	MORGAN STANLEY	61757UAN	1.526	3/13/12	.542	100.000000	25,000,000.00	25,019,250.00
25,000,000	BANK OF AMERICA	06050BAG	2.100	4/30/12	1.982	100.399000	25,008,280.38	25,121,750.00
25,000,000	CITIGROUP INC	17313UAE	2.125	4/30/12	1.976	100.480700	25,010,181.67	25,123,750.00
25,000,000	BANK OF AMERICA	06050BAA	3.125	6/15/12	2.004	103.285000	25,105,318.15	25,277,250.00
25,000,000	WELLS FARGO & COMPANY	949744AC	2.125	6/15/12	1.995	100.447800	25,014,009.84	25,182,750.00
30,000,000	MORGAN STANLEY	61757UAJ	1.573	6/20/12	.709	100.000000	30,000,000.00	30,100,800.00
50,000,000	CITIGROUP INC	17313YAJ	2.250	12/10/12	.759	103.400000	50,640,703.97	50,910,000.00
50,000,000	GENERAL ELECTRIC CAP CORP.	36967HAY	2.625	12/28/12	.759	104.341000	50,847,360.70	51,134,000.00
280,084,684					.002		281,706,738.60	282,950,433.89

====> 0010 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2012 <====

10,000,000	US TREASURY NOTES	912828PR	.625	1/31/13	.377	100.386719	10,024,662.08	10,046,500.00
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STATE OF NEW MEXICO
 T R E A S U R E R ' S O F F I C E

POSITION-SIZ	DESCRIPTION	CUSIP#	RATE	MATURITY	YIELD	UNIT-COST	CURRENT BK	LOC-MKT-VALUE
15,000,000	US TREASURY NOTES	912828MX	1.750	4/15/13	.715	102.664063	15,185,453.11	15,283,050.00
25,000,000	FEDERAL NATL MTG ASSN DEBS	31359MRK	4.625	5/01/13	.550	106.923000	26,269,715.30	26,286,750.00
50,000,000					.011		51,479,830.49	51,616,300.00

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

15,000,000	US TREASURY NOTES	912828KF	1.875	2/28/14	.986	103.035156	15,273,429.39	15,508,650.00
15,000,000					.037		15,273,429.39	15,508,650.00

====> 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	6,114,178.98	6,135,234.30
10,000,000	FED FARM CR BKS CALLABLE	31331K2S	1.170	12/14/15	1.186	100.000000	10,000,000.00	10,042,700.00
10,000,000	FEDERAL HOME LOAN MTG CORP	3134G3FA	1.100	12/30/15	1.115	100.000000	10,000,000.00	10,038,700.00
26,110,000					.022		26,114,178.98	26,216,634.30

====> 0003 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2015 <====

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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
20,000,000	FEDERAL HOME LOAN MTG CORP	3137EACW	2.000	8/25/16	1.160	104.117000	20,759,562.14	20,924,400.00
10,000,000	FEDERAL NATL MTG ASSN DEBS	3135GOES	1.375	11/15/16	1.227	100.786600	10,076,495.66	10,214,100.00
10,000,000	FED NATL MORTGAGE ASSN DEBS	3136FTUZ	1.400	12/30/16	1.419	100.000000	10,000,000.00	10,066,000.00
3,495,000	FED NATL MORTGAGE ASSN DEBS	3136FTUZ	1.400	12/30/16	1.419	100.000000	3,495,000.00	3,518,067.00
43,495,000					.013		44,331,057.80	44,722,567.00

====> 0004 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2016 <====

433,534,099					.001		437,749,650.04	439,859,000.19
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====> 0023 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 January at \$606Mil, lower than \$631Mil on December 31st.
- The Pool experienced some withdrawals during the month.

Portfolio Mix

- 93% of the Taxable BPIP portfolio is invested in fixed income securities; 72% in US Treasury and Agency securities, 18% in securities that are backed by the FDIC, 3% in corporates, and the balance, approximately 7%, is held in cash equivalents such as the LGIP and NM CDs.
- 32% of the portfolio is invested in securities that mature in one year, 34% in securities that mature from 1-2 years, 28% in securities that mature from 2-4 years and 6% out to 5 years.
- The Taxable BPIP held positions in 51 securities.
- Weighted Average Life of the Taxable BPIP is 2.20 years. The Weighted Average duration is 1.68 years.
- The maximum security term for the BPIP portfolio is 5 years.

Investment Highlights

- The Taxable BPIP purchased over \$90Mil face amount of US Treasury and Agency securities in January.
- US Government Agency callable securities with 2016 and 2017 final maturities with one to two years of lockout protection were purchased.
- As US Government Agency callable spreads narrowed during the month, BPIP purchased bullet Agencies in 2015 and US Treasuries across the curve.

Market Value and Investment Earnings

- The unrealized gains in the Taxable BPIP Portfolio were \$4.1 million as of January 31st.
- Monthly Earnings on the portfolio were \$549,601.
- Fiscal YTD earnings are \$4.3 Million.
- Earnings on the Bond Proceeds Investment Pool are used to offset capital and debt service spending.

Performance

- Purchase Yield increased from 0.97% to 1.12% as lower yielding money market investments were reduced to 7% of the overall portfolio from 26%.
- Average Term of the fund lengthened from 1.46 to 2.20 years as cash balances were used to purchase longer term, higher yielding securities.
- The Taxable BPIP returned 0.25% for the month of January and 0.40% for the three months ended January 31, 2012, in line with the index returns of 0.19% and 0.31% respectively.

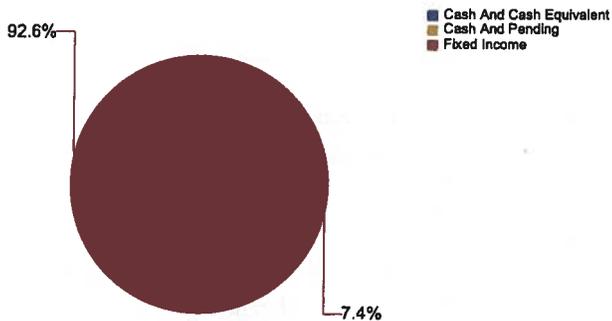
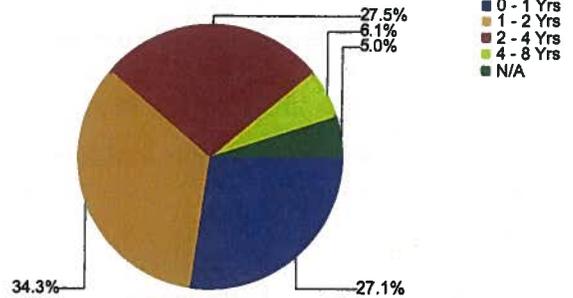
Investment Strategy

- The Taxable BPIP has been experiencing some withdrawals.
- The portfolio is fully invested with a duration slightly longer than the benchmark.
- There are no maturities until the beginning of March 2012.
- The Taxable BPIP will be holding approximately \$20mil in BBVA/Compass overnight deposits as its liquidity source.
- BBVA/Compass deposits are 102% collateralized with FHLB LOCs.

Portfolio Characteristics

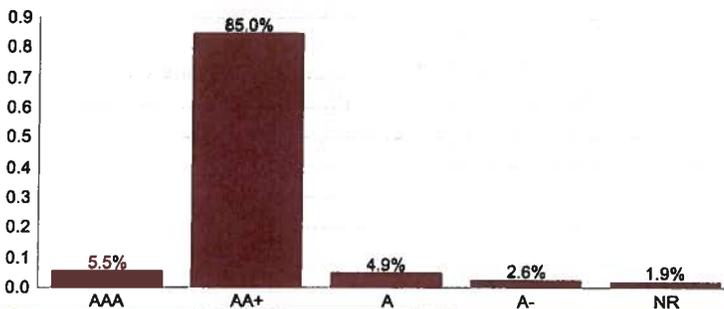
Total Net Assets (Millions)	606.6
Weighted Average Life (Years)	2.20
Weighted Avg. Effective Duration (Years)	1.68
Weighted Average Coupon (%)	1.70
Weighted Average Current Yield (%)	0.47
Weighted Average Yield to Maturity (%)	0.57
Weighted Average Rating	AA
Number of Holdings	45

Duration Mix

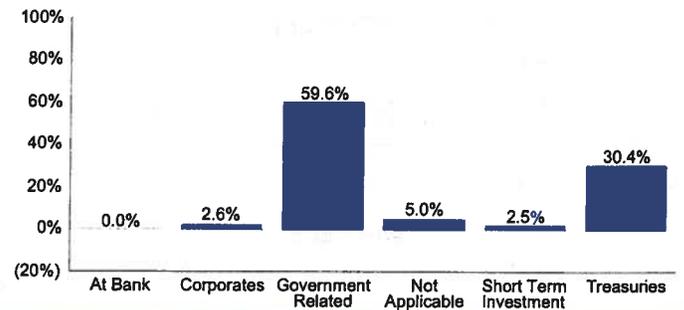


Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
912828KF6	US 1.87500 '14	8.87%	1.88	28/2/2014
912828NU0	US 0.75000 '13	5.00%	0.75	15/8/2013
892998X00	LGIP POOL PARTICIPANT	4.99%	0.26	
3137EACW7	FED HOME LOAN MTG 2% BDS 25/AUG/2016 USD1000	4.35%	2.00	25/8/2016
36987HAV9	GENERAL ELECTRIC CAPITAL CORP SERG2.125% NTS	4.23%	2.12	21/12/2012
3138FR3N1	FEDERAL NATIONAL MORTGAGE ASSOC 1.35% NTS	4.16%	1.35	20/9/2016
31359MTP8	FED NATL MTG ASSN 5.12% 02/JAN/2014	4.07%	5.12	2/1/2014
31398A4M1	FED NATL MORT ASSC 1.625% BDS 26/OCT/2015 USD1000	3.43%	1.62	26/10/2015
17313YAJ0	CITIGROUP FUNDING INC 2.25% BDS 10/DEC/2012	3.37%	2.25	10/12/2012
3135G0AP8	FED NATL MORT ASSC 1.25% NTS 27/FEB/2014 USD	3.36%	1.25	27/2/2014

Quality/Rating Weightings

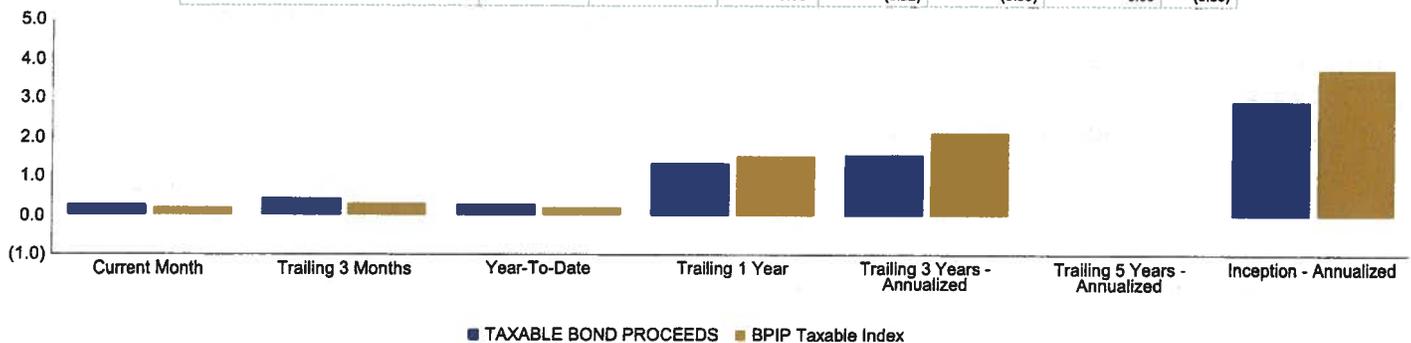


Sector Weightings (as % of Market Value)



Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
TAXABLE BOND PROCEEDS	0.25	0.40	0.25	1.31	1.54		2.91
BPIP Taxable Index	0.19	0.31	0.19	1.52	2.13		3.76
Excess	0.06	0.09	0.06	(0.22)	(0.59)	0.00	(0.85)



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

Portfolio Classification Summary

Positions Held as of 1/31/12

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	.3042	.00270	3,159,678	3,159,678	3,159,678		.522
CERTIFICATES OF DEPOSIT	6	.7299	.49496	7,700,000	7,700,000	7,700,000		1.271
LINKED-CERTIFICATE OF DEPOSIT	2	.5500	.48770	4,000,000	4,000,000	4,000,000		.660
U.S. TREASURY NOTES	14	.7818	2.03296	180,000,000	181,781,591	183,601,800	1,820,209	30.306
CORPORATE BONDS	2	5.3744	.58540	15,000,000	15,035,280	15,370,450	335,170	2.537
TEMP CORP CU STABILIZATION FND	2	1.9051	.73060	30,000,000	29,974,700	30,371,900	397,200	5.013
FED FARM CR BKS CALLABLE	1	1.1928	.87120	4,365,000	4,363,929	4,383,639	19,710	.724
FED HOME LOAN BANKS	1	4.0961	.10410	16,555,000	16,540,352	16,610,128	69,776	2.742
FED HOME LOAN MORTGAGE CORP BDS	4	1.3491	2.23158	72,300,000	73,163,696	73,705,751	542,055	12.166
FED NATL MORTGAGE ASSN DEBS	12	.9965	1.74964	150,110,000	152,997,389	153,586,115	588,726	25.352
TLGP SECURITIES - FDIC	3	.7587	.88705	65,155,000	65,898,536	66,253,031	354,495	10.936
TLGP SECURITIES-FDIC VAR RT NT4X	1	.5424	.11510	15,000,000	15,000,000	15,011,550	11,550	2.478
MONEY MARKET	2		.00274	32,066,382	32,066,382	32,066,382		5.293
	<u>51</u>	<u>1.1153</u>	<u>1.57740</u>	<u>595,411,060</u>	<u>601,681,533</u>	<u>605,820,424</u>	<u>4,138,891</u>	<u>100.000</u>

SOURCE: VisualQED
 MODEL: INVENTORY
 USER: HANGES
 RUN: 2/23/12 @ 14:32:47
 BASIS: TRADE (SIC FROM MARKET-LIBRARY)
 AS-OF: 1/31/12
 AMRTZD: BOOK VALUES AMORTIZED THROUGH 1/31/12

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
1,788,233	THE RESERVE	BPIP2RES	5.430			1.000000	1,788,233.27	1,788,233.00
30,278,149	BPIP#2 TE AS LGIP POOL PARTICIP	BP2LGIP	.225			1.000000	30,278,148.84	30,278,149.00
32,066,382					.018		32,066,382.11	32,066,382.00

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

3,159,678	OVERNIGHT REPO	0201RP	.300	2/01/12	.304	99.999995	3,159,677.84	3,159,677.84
16,555,000	FEDERAL HOME LOAN BANK	3133XPCS	3.250	3/09/12	4.096	97.381000	16,540,352.41	16,610,128.15
15,000,000	MORGAN STANLEY	61757UAN	1.526	3/13/12	.542	100.000000	15,000,000.00	15,011,550.00
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	5,121,979.22	5,116,450.00
5,000,000	MORGAN STANLEY	617446V8	5.750	8/31/12	5.364	101.963000	5,013,443.51	5,122,850.00
10,000,000	GOLDMAN SACHS GROUP INC	38141GCG	5.700	9/01/12	5.380	101.670000	10,021,821.04	10,247,600.00
20,000,000	US CENTRL FEDCU TEMP CU STBL FND	90345AAC	1.900	10/19/12	1.949	99.936000	19,987,200.00	20,250,200.00
10,000,000	WESTERN CORP FED CREDIT UNION	95806AAB	1.750	11/02/12	1.818	99.875000	9,987,500.00	10,121,700.00
20,000,000	CITIGROUP INC	17313YAJ	2.250	12/10/12	.757	103.404000	20,256,626.88	20,364,000.00
25,155,000	GENERAL ELECTRIC CAP CORP	36967HAV	2.125	12/21/12	.758	103.160000	25,461,219.15	25,598,231.10
1,100,000	WESTERN BANK ALAMOGORDO	08118544	.700	12/27/12	.700	100.000000	1,100,000.00	1,100,000.00

SOURCE: VisualQED

MODEL: INVENTORY

USER: HANGES

RUN: 2/23/12 @ 14:32:47

BASIS: TRADE (SIC FROM QMARKET-LIBRARY)

AS-OF: 1/31/12

AMRTZD: BOOK VALUES AMORTIZED THROUGH 1/31/12

STATE OF NEW MEXICO
TREASURER'S OFFICE

PAGE: 5

POSITION-SIZ	DESCRIPTION	CUSIP#	RATE	MATURITY	YIELD	UNIT-COST	CURRENT BK	LOC-MKT-VALUE
20,000,000	CITIGROUP INC	17314JAT	1.750	12/28/12	.759	102.316000	20,180,844.83	20,290,800.00
161,569,678					.003		162,430,664.88	163,593,187.09

====> 0019 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2012 <====

5,000,000	US TREASURY NOTES	912828QK	.625	2/28/13	.724	99.804688	4,994,695.83	5,025,000.00
2,400,000	FEDERAL NATL MTG ASSN DEBS	3136F9DU	4.000	4/15/13	4.136	99.668600	2,397,674.08	2,508,528.00
20,000,000	US TREASURY NOTES	912828QZ	.500	5/31/13	.454	100.085938	20,012,153.09	20,084,400.00
20,000,000	US TREASURY NOTES	912828RA	.375	6/30/13	.474	99.804688	19,972,160.45	20,050,800.00
10,000,000	US TREASURY NOTES	912828NN	1.000	7/15/13	.914	100.195313	10,012,377.97	10,116,000.00
20,000,000	US TREASURY NOTES	912828NU	.750	8/15/13	.789	99.886719	19,988,088.69	20,168,800.00
10,000,000	US TREASURY NOTES	912828NU	.750	8/15/13	.946	99.539063	9,970,136.42	10,084,400.00
20,000,000	FEDERAL NATL MTG ASSN DEBS	31398A2S	1.000	9/23/13	.572	100.951000	20,142,503.76	20,213,200.00
5,000,000	US TREASURY NOTES	912828PB	.500	10/15/13	.575	99.832031	4,993,652.69	5,024,600.00
112,400,000					.005		112,483,442.98	113,275,728.00

====> 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	15,427,491.95	15,426,895.80
8,450,000	FEDERAL NATL MTG ASSN DEBS	31359MTP	5.125	1/02/14	.854	110.040000	9,137,593.14	9,141,463.50
6,000,000	FEDERAL NATL MTG ASSN DEBS	3135GOAP	1.250	2/27/14	.725	101.387600	6,065,902.83	6,065,902.83

SOURCE: VisualQED
 MODEL: INVENTORY
 USER: HANGES
 RUN: 2/23/12 @ 14:32:47
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 AS-OF: 1/31/12
 AMRTZD: BOOK VALUES AMORTIZED THROUGH 1/31/12

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
14,000,000	FEDERAL NATL MTG ASSN DEBS	3135GOAP	1.250	2/27/14	.725	101.387600	14,153,773.27	14,153,773.27
20,000,000	US TREASURY NOTES	912828KF	1.875	2/28/14	.985	103.039063	20,364,987.41	20,678,200.00
20,000,000	US TREASURY NOTES	912828KF	1.875	2/28/14	1.030	102.578125	20,346,327.86	20,678,200.00
10,000,000	US TREASURY NOTES	912828KN	1.875	4/30/14	1.298	101.742188	10,127,157.41	10,365,600.00
10,000,000	US TREASURY NOTES	912828KV	2.250	5/31/14	1.346	102.796875	10,206,408.25	10,463,300.00
10,000,000	US TREASURY NOTES	912828RV	.250	12/15/14	.330	99.769531	9,977,174.22	9,988,300.00
112,710,000					.005		115,806,816.34	116,961,635.40

====> 0009 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2014 <====

10,000,000	US TREASURY NOTES	912828NP	1.750	7/31/15	.453	104.546875	10,449,514.14	10,475,000.00
20,000,000	FED NATL MORTGAGE ASSN DEBS	31398A4M	1.625	10/26/15	.870	102.858000	20,562,757.01	20,704,400.00
4,365,000	FED FARM CR BKS CALLABLE	31331K2S	1.170	12/14/15	1.192	99.975000	4,363,997.71	4,383,638.55
7,300,000	FEDERAL HOME LOAN MTG CORP	3134G3FA	1.100	12/30/15	1.115	100.000000	7,300,000.00	7,328,251.00
41,665,000					.013		42,676,268.86	42,891,289.55

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

10,000,000	US TREASURY NOTES	912828QR	1.500	6/30/16	.656	103.699219	10,366,433.09	10,399,200.00
25,000,000	FEDERAL HOME LOAN MTG CORP	3137EACW	2.000	8/25/16	1.295	103.481700	25,799,250.63	26,155,500.00
25,000,000	FEDERAL NATL MTG ASSN DEBS	3136FR3N	1.350	9/20/16	1.369	100.000000	25,000,000.00	25,099,500.00

SOURCE: VisualQED

MODEL: INVENTORY

USER: HANGES

RUN: 2/23/12 @ 14:32:47

BASIS: TRADE (SIC FROM QMARKET-LIBRARY)

AS-OF: 1/31/12

AMRTZD: BOOK VALUES AMORTIZED THROUGH 1/31/12

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

PAGE: 7

POSITION-SIZ	DESCRIPTION	CUSIP#	RATE	MATURITY	YIELD	UNIT-COST	CURRENT BK	LOC-MKT-VALUE
20,000,000	FEDERAL HOME LOAN MTG CORP	3134G3BT	1.625	11/23/16	1.658	99.950000	19,990,627.22	20,108,200.00
20,000,000	FED HOME LOAN MORTGAGE CORP BDS	3134G3CB	1.625	12/05/16	1.196	100.400000	20,074,461.30	20,113,800.00
10,000,000	FED NATL MORTGAGE ASSN DEBS	3136FTUZ	1.400	12/30/16	1.419	100.000000	10,000,000.00	10,066,000.00
5,000,000	FED NATL MORTGAGE ASSN DEBS	3136FTUZ	1.400	12/30/16	1.419	100.000000	5,000,000.00	5,033,000.00
115,000,000					.005		116,230,772.24	116,975,200.00

====> 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	19,988,332.24	20,057,200.00
20,000,000					.028		19,988,332.24	20,057,200.00

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

595,411,060					.001		601,682,679.65	605,820,622.04
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====> 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 January at \$168 Million.

Portfolio Mix

- Severance Tax Bonding Fund Proceeds are invested in the LGIP, collateralized bank accounts and the overnight repurchase agreement pool.
- 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.

Investment Strategy

- We continue to utilize the LGIP for STBF proceeds.
- As an alternative to repurchase agreements, we have utilized collateralized local bank deposits for the STBF.
- 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 1/31/12

TXN BASIS: TRADE

MKT-SOURCE: IDC-PREFERED+

AMTZ ADDED: NO

ASSET CLASSIFICATION	ITEMS	YIELD	AVG-TERM	PRINCIPAL	COST-BASIS	MARKET-VALUE	GAIN/LOSS	%MARKET
MONEY MARKET	1			132,143,104	132,143,104	132,143,104		78.620
UNITS - REPURCHASE POOL	1	.3000	.00274	35,934,196	35,934,196	35,934,196		21.380
	2	.0641	.00274	168,077,300	168,077,300	168,077,300		100.000

SOURCE: VisualQED
 MODEL: INVENTORY
 USER: HANGES
 RUN: 2/23/12 @ 14:32:47
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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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POSITION-SIZ	DESCRIPTION	CUSIP#	RATE	MATURITY	YIELD	UNIT-COST	CURRENT BK	LOC-MKT-VALUE
132,143,104	STBF AS LGIP POOL PARTICIPANT	STBFLGIP	.003			1.000000	132,143,103.92	132,143,104.00
35,934,196	REPO UNITS FBO STB FUND	UNITREPO				1.000000	35,934,196.04	35,934,196.00
168,077,300					.003		168,077,299.96	168,077,300.00

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

168,077,300					.003		168,077,299.96	168,077,300.00
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====> 0002 ITEMS IN SUBTOTAL FOR ====> FUND-NAME..... ====> STB FUND <====

Broker-Dealer Activities

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

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

Fiscal Year 2011-2012

Volume at Par

(\$ in thousands)

Broker/Dealer:	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	YTD Total	YTD Percent
Bank of America/MLPFS	35,000	58,450	50,029	20,000	22,300	25,046	-	-	-	-	-	-	210,824	10.1%
Bank of Oklahoma (Bk ABQ)	-	-	2,790	-	-	-	-	-	-	-	-	-	2,790	0.1%
Barclays	20,000	-	56,750	50,000	2,700	148,000	-	-	-	-	-	-	277,450	13.4%
BB&T	-	-	-	-	-	-	-	-	-	-	-	-	-	-
BMO Capital Markets	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
BNP Paribas	70,000	-	20,000	-	20,000	20,000	40,000	-	-	-	-	-	-	0.0%
Cantor Fitzgerald	-	-	-	-	-	-	-	-	-	-	-	-	170,000	8.2%
Citigroup	20,000	27,260	51,635	50,000	20,000	45,000	-	-	-	-	-	-	-	0.0%
Credit Suisse Securities	110,000	-	-	20,000	-	-	-	-	-	-	-	-	213,895	10.3%
Deutsche Bank	10,000	24,950	10,000	-	-	4,365	10,000	-	-	-	-	-	144,365	6.9%
FTN Financial	25,000	-	11,120	-	20,000	-	-	-	-	-	-	-	44,950	2.2%
Gleacher Securities	-	-	-	-	-	-	-	-	-	-	-	-	56,120	2.7%
Goldman Sachs	5,000	-	80,000	-	-	-	-	-	-	-	-	-	-	0.0%
Great Pacific Securities	-	-	-	-	-	-	-	-	-	-	-	-	85,000	4.1%
HSBC	-	-	-	55,000	-	-	-	-	-	-	-	-	-	0.0%
JP Morgan	55,000	20,000	-	-	19,385	-	-	-	-	-	-	-	55,000	2.6%
Jefferies	-	-	40,000	-	40,000	25,000	55,000	-	-	-	-	-	94,385	4.5%
MFR	-	-	-	-	-	-	-	-	-	-	-	-	160,000	7.7%
Miller, Tabak Roberts	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Mitsubishi UFJ (Repo)	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Morgan Keegan	1,900	9,640	-	2,360	-	-	-	-	-	-	-	-	-	0.0%
Morgan Stanley	-	25,000	-	-	50,000	-	10,000	-	-	-	-	-	13,800	0.7%
Muriel Siebert & Co.	-	-	-	10,000	-	-	-	-	-	-	-	-	85,000	4.1%
Nomura Securities	20,000	-	-	7,000	-	-	-	-	-	-	-	-	10,000	0.5%
Northern Trust	-	-	-	-	-	-	-	-	-	-	-	-	27,000	1.3%
Oppenheimer	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Piper Jaffrey	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
RBS Greenwich Capital	20,000	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
South Street (Repo Only)	-	-	-	-	-	-	-	-	-	-	-	-	20,000	1.0%
Stifel Financial	3,175	-	20,000	-	-	20,000	-	-	-	-	-	-	-	0.0%
Stone & Youngberg	-	-	-	-	-	-	-	-	-	-	-	-	43,175	2.1%
UBS Financial	20,000	-	-	3,000	-	46,905	50,000	-	-	-	-	-	119,905	5.8%
Vining Sparks	-	-	-	-	20,000	11,660	-	-	-	-	-	-	31,660	1.5%
Williams Capital Group	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Direct Purchase	-	250	8,000	-	-	-	-	-	-	-	-	-	-	0.0%
Interfund	-	-	-	80,000	-	124,263	-	-	-	-	-	-	132,513	6.4%
Total	415,075	165,450	350,324	297,360	214,385	470,238	165,000	-	-	-	-	-	2,077,832	100.0%
Market type:														
Primary Market	5,075	9,790	63,574	47,360	79,385	348,763	35,000	-	-	-	-	-	588,947	28.3%
Secondary Market	410,000	155,660	286,750	250,000	135,000	121,475	130,000	-	-	-	-	-	1,488,885	71.7%
Total	415,075	165,450	350,324	297,360	214,385	470,238	165,000	-	-	-	-	-	2,077,832	100.0%
Security type:														
CD's	-	250	8,000	-	-	9,100	-	-	-	-	-	-	17,350	0.8%
Corporate Bonds	-	-	-	-	40,000	-	-	-	-	-	-	-	40,000	1.9%
TLGP	-	-	36,750	200,000	5,000	-	-	-	-	-	-	-	241,750	11.6%
Agencies	60,000	135,660	185,000	60,000	150,000	198,930	115,000	-	-	-	-	-	904,590	43.5%
Commercial Paper	-	-	25,029	35,000	-	147,045	-	-	-	-	-	-	207,074	10.0%
MBS	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Treasuries	350,000	20,000	85,000	-	-	-	-	-	-	-	-	-	-	0.0%
Municipal/Sponge	5,075	9,540	10,545	2,360	19,385	115,163	50,000	-	-	-	-	-	505,000	24.3%
ABS	-	-	-	-	-	-	-	-	-	-	-	-	162,068	7.8%
Money Markets	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Total	415,075	165,450	350,324	297,360	214,385	470,238	165,000	-	-	-	-	-	2,077,832	100.0%

STATE OF NEW MEXICO

Summary of Fixed-Income Purchases and Sales

TRADES During The Period 1/02/12 Through 1/31/12

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>													
1/13/12	912828NP	U.S. TREASURY N	15806	US TREASURY NOTES	1.750	7/31/15	.4531	CREDIT SUISSE	4002	10,000,000.00	10,454,687.50		
1/13/12	912828QR	U.S. TREASURY N	15807	US TREASURY NOTES	1.500	6/30/16	.6558	MORGAN STANLEY	4002	10,000,000.00	10,369,921.88		
1/13/12	912828RV	U.S. TREASURY N	15805	US TREASURY NOTES	.250	12/15/14	.3296	UBS	4002	10,000,000.00	9,976,953.13		
1/31/12	912828RX	U.S. TREASURY N	15905	US TREASURY NOTES	.875	12/31/16	.6951	UBS	1001	20,000,000.00	20,173,437.50		
1/06/12	3134G3CB	FED HOME LOAN M	15777	FED HOME LOAN MORTGAGE	1.625	12/05/16	1.1796	BNP PARIBAS	1001	20,000,000.00	20,080,000.00		12/05/12
1/06/12	3134G3CB	FED HOME LOAN M	15775	FED HOME LOAN MORTGAGE	1.625	12/05/16	1.1796	BNP PARIBAS	4002	20,000,000.00	20,080,000.00		12/05/12
1/06/12	31398A4M	FED NATL MORTGA	15776	FED NATL MORTGAGE ASSN	1.625	10/26/15	.8585	UBS	4002	20,000,000.00	20,571,600.00		
1/12/12	3136FTYG	FED NATL MORTGA	15797	FED NATL MORTGAGE ASSN	1.000	1/30/17	1.0123	JEFFRIES & CO	1001	15,000,000.00	14,991,000.00		1/30/13
1/12/12	3136FTYG	FED NATL MORTGA	15798	FED NATL MORTGAGE ASSN	1.000	1/30/17	1.0123	JEFFRIES & CO	4002	20,000,000.00	19,988,000.00		1/30/13
1/27/12	3135G0GY	FED NATL MORTGA	15885	FED NATL MORTGAGE ASSN	1.250	1/30/17	1.0441	JEFFRIES & CO	1001	20,000,000.00	20,200,109.43		
10 PURCHASES DURING PERIOD TOTAL.....										165,000,000.00	166,885,709.44		
== GRAND-TOTAL ==>										165,000,000.00	166,885,709.44		

*** 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: February 23, 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 January 31, 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 January 31, 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 January 31, 2012.

(Attachments)

State Agency Depository Account Summary

January-12

STATE FUNDS

NON-STATE FUNDS

AGENCY	# OF ACCTS.	BALANCE
AOC (fines, fees etc.)	50	\$3,756,521
BERN. CO. METRO COURT	2	\$376,474
1-13 DISTRICT ATTORNEY	6	\$91,064
EDUCATION RETIREMENT BOARD	1	\$494
TAXATION & REVENUE DEPT.	29	\$199,127
PUBLIC SCHOOL INS. AUTHORITY	6	\$21,953,646
PUBLIC DEFENDER	9	\$5,797
SECRETARY OF STATE	1	\$0
STATE TREASURER (JDC)	32	\$221,276
NM RACING COMMISSION	7	\$131,477
SPACEPORT AUTHORITY	1	\$1,690,032
DEPT. OF GAME & FISH	2	\$69,092
SOUTHWEST REGION ED.	1	\$2,007,483
ENERGY & MINERALS	4	\$696,670
COMMISSION PUBLIC LAND	2	\$21,348
STATE ENGINEER'S OFFICE	3	\$92,858
IRRG WKS CONST	1	\$252,194
COMMISSION FOR THE BLIND	3	\$501,958
HUMAN SERVICES DEPT.	5	\$22,441
WORKFORCE SOLUTIONS	6	\$4,258,097
DIVISION OF VOCATIONAL REHAB	1	\$0
MINER'S HOSPITAL	1	\$819,172
DEPARTMENT OF HEALTH	75	\$895,582
ENVIRONMENT DEPARTMENT	1	\$0
CORRECTIONS DEPARTMENT	6	\$1,998
DEPT. OF PUBLIC SAFETY	2	\$34,027
HIGHWAY & TRANSPORTATION	5	\$1,555
CENTRAL REGIONAL CO-OP	1	\$531,378

Total: 263 \$38,631,761

Total Depository Balances: **\$524,725,399**

Total Depository Accounts: **419**

AGENCY	# OF ACCTS.	BALANCE
AOC (Bonds)	55	
1ST JUDICIAL DIST. COURT	3	\$2,336,395
2ND JUDICIAL DIST. COURT	2	\$949,786
3RD JUDICIAL DIST. COURT	2	\$1,022,129
4TH JUDICIAL DIST. COURT	4	\$139,461
5TH JUDICIAL DIST. COURT	3	\$2,434,522
6TH JUDICIAL DIST. COURT	3	\$136,119
7TH JUDICIAL DIST. COURT	4	\$198,765
8TH JUDICIAL DIST. COURT	4	\$662,971
9TH JUDICIAL DIST. COURT	4	\$571,163
10TH JUDICIAL DIST. COURT	2	\$93,605
11TH JUDICIAL DIST. COURT	10	\$1,338,336
12TH JUDICIAL DIST. COURT	7	\$1,541,258
13TH JUDICIAL DIST. COURT	57	\$2,706,225
BERNALILLO CO. METRO COURT	2	\$892,068
6TH DISTRICT ATTORNEY	3	\$31,466
7TH DISTRICT ATTORNEY	1	\$1,751
10TH DISTRICT ATTORNEY	1	\$716
11TH JUDICIAL DIST. ATTORNEY	1	\$15,381
LGIP	5	\$465,664,759
PUBLIC REG. COMMISSION	4	\$851,081
NM STATE FAIR	5	\$1,145,509
SOUTHWEST REGION ED.	1	\$15
COMM STATUS OF WOMEN	1	\$0
COMM FOR THE BLIND	1	\$0
WORKFORCE SOLUTIONS	1	\$0
MINER'S HOSPITAL	1	\$2,331
DEPARTMENT OF HEALTH	11	\$726,071
CHILDREN, YOUTH & FAMILIES	4	\$94,215
CORRECTIONS DEPARTMENT	11	\$2,098,752
DEPT. OF PUBLIC SAFETY	2	\$30,567
CENTRAL REGION CO-OP	1	\$408,221

Total: 156 \$486,093,638

Accounts Opened: 1 13th JDC

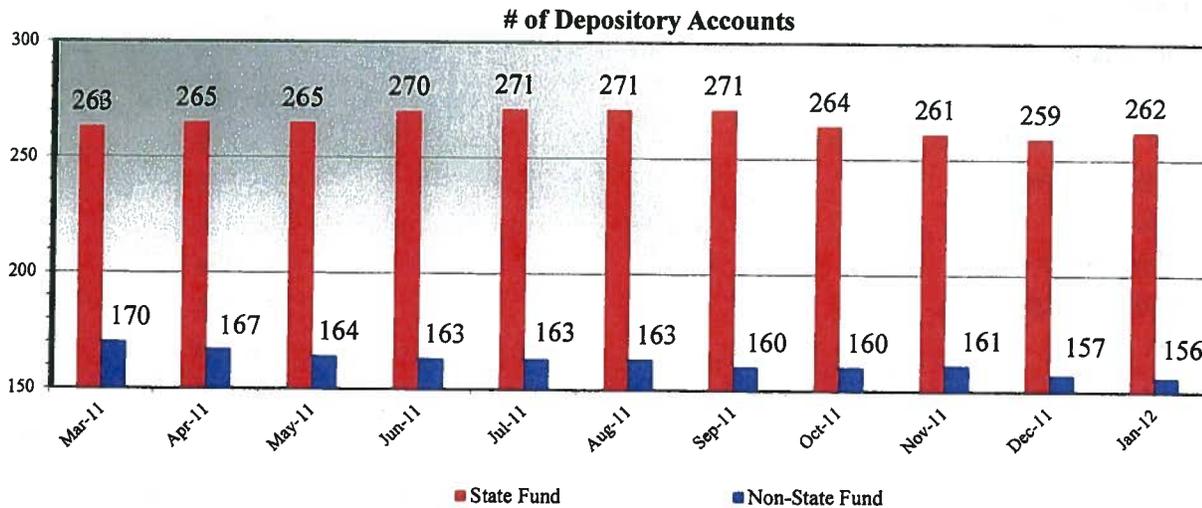
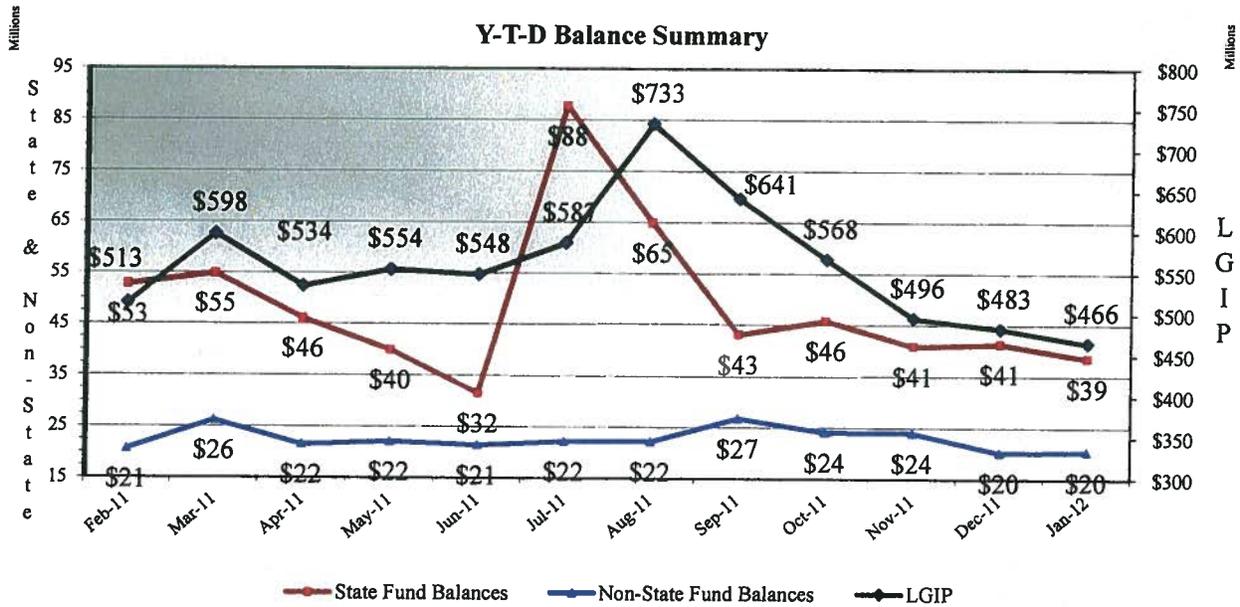
Accounts Closed: 3 Dept of Health

Financial Institutions - State Fund Balances
January-12

Bank 34/Alamogordo	0
Century Bank/Santa Fe	0
First National Bank/Alamogordo	162,415
Bank of America/Albuquerque	3,489,014
Wells Fargo Bank/Albuquerque	29,904,738
Compass Bank/Albuquerque	2,158,936
Bank of the West/Albuquerque	604
First American Bank/Artesia	52,771
My Bank/Belen	9,159
Carlsbad National Bank/Carlsbad	2,773
Western Commerce Bank/Carlsbad	80,844
Farmers/Stockmens Bank/Clayton	27,035
First National Bank/Clayton	830,359
Bank of Clovis/Clovis	0
Citizens Bank/Clovis	19,254
NM Bank & Trust/Albuquerque	303,114
Community Bank/Santa Fe	6,653
Valley National Bank/Espanola	361
Pinnacle Bank/Gallup	2,990
Grants State Bank/Grants	100
Lea County State Bank/Hobbs	146,095
Citizens Bank/Las Cruces	0
Bank of Las Vegas/Las Vegas	131,513
Community 1st Bank/Las Vegas	313,052
Western Bank/Lordsburg	111,677
Los Alamos National Bank/Los Alamos	46,348
James Polk Stone National Bank/Portales	73,306
International Bank/Raton	60,545
Valley Bank of Commerce/Roswell	86,469
First National Bank of Santa Fe/Santa Fe	0
First State Bank/Socorro	15,788
Centinel Bank/Taos	91,626
US Bank/Albuquerque	94,928
Bank of the Southwest/Roswell	362,716
People's Bank	14,459
AmBank	32,119
	\$38,631,761

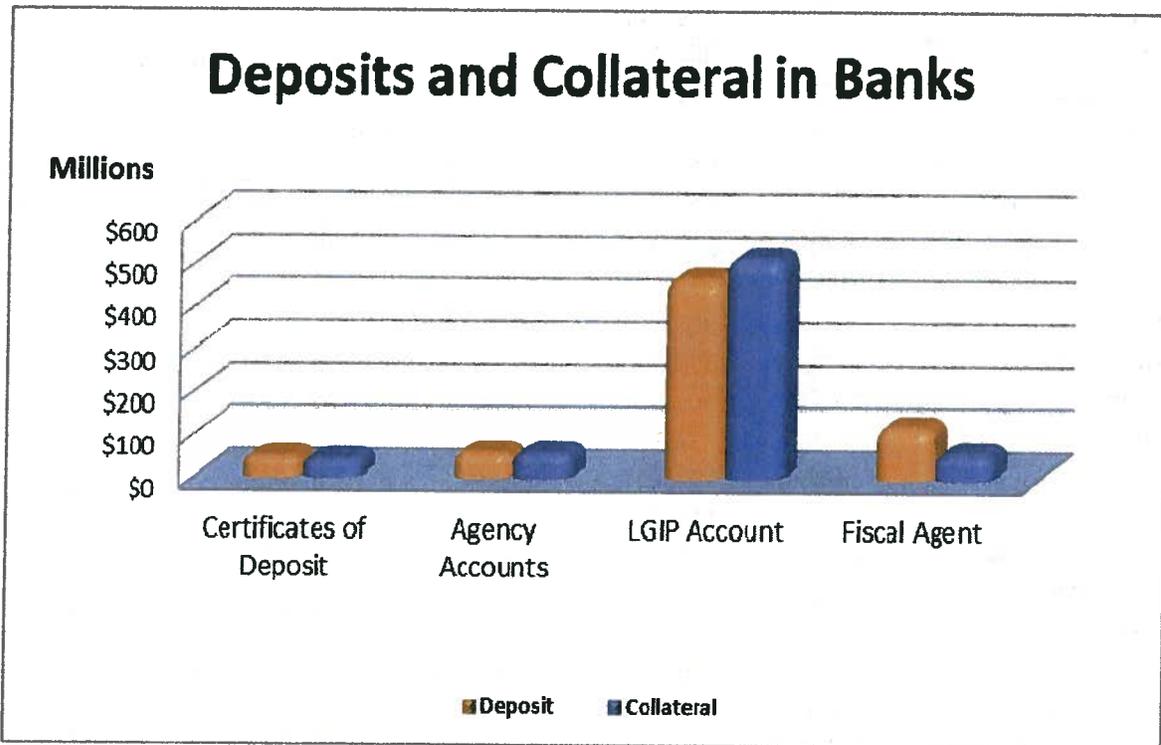
Depository Account Summary

Month	State Fund	Non-State Fund	State Fund Balances	Non-State Fund Balances	LGIP
Feb-11	263	168	\$ 52,796,028	\$ 20,673,281	\$ 513,365,560
Mar-11	265	170	\$ 54,889,486	\$ 26,270,580	\$ 597,839,633
Apr-11	265	167	\$ 46,120,030	\$ 21,551,792	\$ 533,900,227
May-11	270	164	\$ 39,980,717	\$ 22,124,899	\$ 554,409,531
Jun-11	271	163	\$ 31,593,841	\$ 21,458,284	\$ 548,165,074
Jul-11	271	163	\$ 87,722,811	\$ 22,216,670	\$ 587,054,705
Aug-11	271	163	\$ 64,904,777	\$ 22,210,123	\$ 732,637,676
Sep-11	264	160	\$ 43,143,399	\$ 26,794,894	\$ 641,328,822
Oct-11	261	160	\$ 45,866,719	\$ 24,145,373	\$ 567,715,366
Nov-11	259	161	\$ 40,948,947	\$ 24,036,129	\$ 495,721,589
Dec-11	262	157	\$ 41,396,831	\$ 20,245,888	\$ 483,208,575
Jan-12	263	156	\$ 38,631,761	\$ 20,428,879	\$ 465,664,759



Office of the Treasurer Collateral Summary Review January 31, 2012

All depository institutions holding public funds for the month ending January 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	\$ 42.9 Million	85.6%
Agency Deposit	58.2 Million	58.2 Million	99.9%
LGIP Deposits	465.7 Million	513.0 Million	110.2%
Fiscal Agent	121.6 Million	60.1 Million	44.4%
Totals →	694.4 Million	673.1 Million	96.9%



Office of the Treasurer
Collateral Review
 Accumulated Total by Institution
 January 31, 2012

FINANCIAL INSTITUTION	%	TOTAL DEPOSITS	FDIC / NCUA INSURANCE	LESS INSURANCE COVERAGE	SUBJECT TO BE COLLATERALIZED	COLLATERAL PLEDGED	EXCESS (UNDER)
First National - Alamogordo	50%	589,351	250,000	339,351	169,676	565,530	395,855
Western - Alamogordo	75%	3,100,000	250,000	2,850,000	2,137,500	2,706,171	568,671
Bank of America	50%	4,168,225	1,363,836	2,804,389	1,402,194	7,418,480	6,016,285
Bank of the West	75%	214,161,395	250,604	213,910,791	160,433,093	227,946,493	67,513,399
BBVA Compass	102%	215,771,373	2,260,473	213,510,900	217,781,118	242,113,952	24,332,834
US Bank	50%	6,730,404	302,388	6,428,017	3,214,008	10,000,000	6,785,992
Wells Fargo	50%	75,863,139	11,085,083	64,778,057	32,389,028	78,194,121	45,805,093
First American	50%	52,772	52,772	0	0	0	0
My Bank	50%	2,444,011	259,159	2,184,851	1,092,426	1,410,000	317,574
Carlsbad National	50%	2,773	2,773	0	0	0	0
Western Commerce	50%	6,080,844	275,823	5,805,021	2,902,511	3,540,668	638,158
Farmers & Stockmen	102%	1,379,813	269,006	1,110,807	1,133,023	2,577,808	1,444,785
First National - Clayton	50%	830,359	250,000	580,359	290,179	730,000	439,821
Bank of Clovis	50%	389,037	250,000	139,037	69,519	389,037	319,519
Citizens - Clovis	50%	19,254	19,254	0	0	0	0
NM Bank & Trust	50%	303,114	303,114	0	0	250,000	250,000
Western - Clovis	50%	2,600,000	250,000	2,350,000	1,175,000	1,269,578	94,578
Valley National	102%	361	408	-47	-48	0	48
Pinnacle	50%	2,990	2,990	0	0	0	0
Grants State	50%	133,507	133,507	0	0	0	0
Lea County State	50%	146,595	146,595	0	0	100,000	100,000
Citizens - Las Cruces	50%	3,586	3,586	0	0	0	0
Bank of Las Vegas	50%	10,694,923	302,388	10,392,535	5,196,268	5,535,665	339,397
Community 1st - Las Vegas	50%	313,052	313,052	0	0	1,000,000	1,000,000
Western - Lordsburg	50%	124,363	124,363	0	0	0	0
Los Alamos National	50%	46,348	46,348	0	0	0	0
James Polk Stone Communi	50%	481,527	481,527	0	0	0	0
International	75%	107,599	107,599	0	0	450,000	450,000
Bank of the Southwest	50%	619,680	256,453	363,227	181,613	282,651	101,038
Valley Commerce	50%	86,469	86,469	0	0	0	0
Century	102%	24,627,645	250,000	24,377,645	24,865,198	25,500,000	634,802
Community	50%	186,725	186,725	0	0	0	0
First National - Santa Fe	50%	213,435	213,435	0	0	0	0
First State	50%	123,834	123,834	0	0	0	0
AM	50%	32,118	32,118	0	0	0	0
Centinel	50%	91,626	91,626	0	0	0	0
Peoples	102%	14,459	14,459	0	0	0	0
BANK'34	102%	892,126	250,000	642,126	654,968	867,415	212,447
Union Savings	102%	0	0	0	0	0	0
Guadalupe Credit	50%	250,000	250,000	0	0	0	0
573,678,831		21,111,765	552,567,065	455,087,274	612,847,570	157,760,796	