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State Treasurer

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# STATE TREASURER'S INVESTMENT COMMITTEE

State Treasurer's conference room



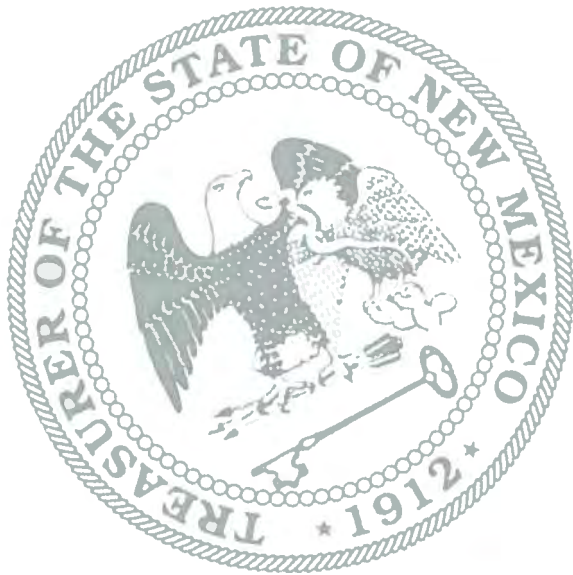
"Billy the Kid gift shop in Mesilla, NM" - New Mexico Tourism Department

Wednesday, March 12, 2014

9:00am

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Collateral Report on Agency Deposits & CDs



## 1. Approval of March 12, 2014 Agenda



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**STATE TREASURER'S INVESTMENT COMMITTEE**  
**Treasurer's Conference Room**  
Wednesday, March 12, 2014, 9:00 a.m.

**MEETING AGENDA (5 Min)**

Roll Call

Introduction of Presenters and Guest

1. Approval of March 12, 2014 Agenda
2. Approval of February 12, 2014 Minutes

Action

Action

**INVESTMENT REPORTS (45 min)**

**Month Ended  
January 31, 2014**

3. Executive Summary
4. Investment Compliance Report
5. Investment Accounting Report
6. Cash Projection
7. Portfolio Summary -- General Fund
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10. Portfolio Summary -- Taxable Bond Proceeds Investment Pool
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12. Broker Dealer Activities

Informational  
Informational  
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Informational

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

**Month Ended  
January 31, 2014**

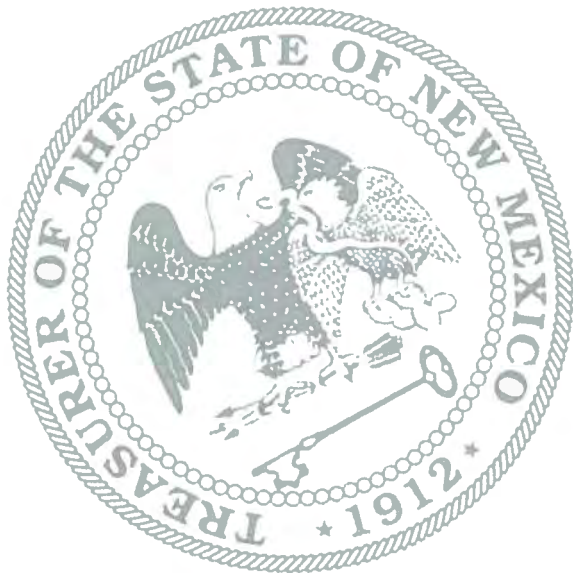
13. State Agency Deposit Balances
14. Collateral Report on Agency Deposits & CDs

Informational  
Informational

**COMMITTEE REPORTS (5 min)**

15. Question Period
16. Next Meeting --Wednesday, April 9, 2014 9:00 am
17. Adjournment

Action



## 2. Approval of February 12, 2014 Minutes

***New Mexico State Treasurer's Office  
STIC Committee Meeting  
Meeting Minutes  
Wednesday, February 12, 2014***

**ROLL CALL- QUORUM PRESENT:**

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

**Members Present:**

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

**Staff Present:**

Ms. Marilyn Hill, Deputy Treasurer  
Mr. Spencer Wright, Portfolio Manager  
Ms. Vikki Hanges, Portfolio Manager  
Mr. Sam Collins, Cash Manager  
Ms. Cindy Cordova, General Counsel  
Ms. Kirene Bargas, Investment Transaction Bureau Chief/Compliance Officer  
Mr. Arsenio Garduño, Collateral Manager  
Mr. Steve Vigil, Investment Accounting Bureau Chief  
Ms. Hannah Chavez, STIC Secretary  
Mr. Heinrich Edimo, Quality Assurance & Compliance Officer

**Guest Present:**

Mr. Rick Lopez, Public Guest

Mr. Rick Lopez was introduced as a 2014 NM State Treasurer candidate and provided brief comments regarding his background and candidacy.

Chair Roseborough announced that the State Treasurer's Office Investment Advisor, Ms. Woodring is leaving Davidson Fixed Income and that she will update the committee once it has been determined through the NM Procurement process what actions will be taken to replace Ms. Woodring.

Treasurer Lewis informed the committee that the State Treasurer's Office was closed on Monday, February 10, 2014 at 10 a.m. due to a break-in over the weekend and mentioned that police officials required staff to leave the crime scene immediately. Treasurer Lewis indicated that four buildings within the complex were affected. Chair Roseborough added that the

investment disaster recovery plan for the Investment Division was put into place and all transactions regarding investments took place with no glitches.

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

Member Cassidy moved approval of the Agenda. Motion was seconded by Member Schardin Clarke and passed unanimously by voice vote.

**2. Approval of January 8, 2014 Minutes:**

Member Pike moved approval of the Minutes. Motion was seconded by Member Cassidy and passed unanimously by voice vote. Member Clarke requested to be exempt from the motion due to her absence from the January 2014 meeting.

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

Highlights of the Executive Summary report were presented.

- Member Cassidy asked if STO is exposed with Ms. Deanne Woodring leaving. Chair Roseborough responded to the committee there is no exposure.

**4. Investment Policy Compliance Report, Ms. Bargas:**

Highlights of the Investment Compliance report were presented.

- Ms. Bargas clarified for the committee with regards to the Investment Compliance report in that the information provided is based on settlement date.

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

Highlights of the Investment Accounting report were presented.

**6. Davidson- December 2013 Quarterly Investment Report :**

Chair Roseborough requested that committee members review the report from Davidson Fixed Income due to the departure of Ms. Woodring from Davidson Fixed Income LLC, and that Davidson's quarterly report may be presented once a financial advisor has been established.

**7. Quarterly Investment Review, Mr. Wright:**

The Quarterly Investment Review report was presented.

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

The STIC Cash Projections were presented.

- Member Pike commended the cash projection team on the work that is being done.

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

Highlights of the Portfolio Summary -General Fund report were presented.

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

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

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

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

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

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

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

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

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

The Broker Dealer Activities report was presented.

- Ms. Bargas updated the committee on the annual Broker Dealer Application process.

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

Highlights of the State Agency Deposit Balance report were presented.

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

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

**17. Questions:**

- Member Clarke asked for an update regarding the cyber breach that occurred at the State Treasurer's Office. Treasurer Lewis replied that at this time information is being gathered to conduct a cyber-forensic review.

**18. Next Meeting- Wednesday, March 12, 2013, 9:00am**

Chair Roseborough noted the date and time of next meeting.

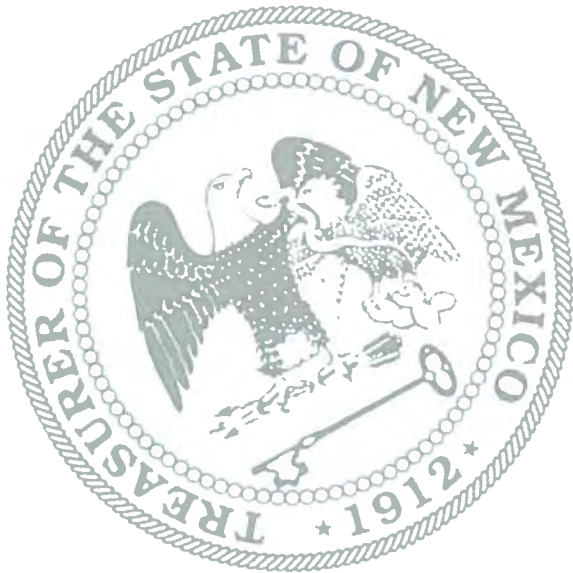
**19. Adjournment**

The adjournment was moved by Member Cassidy. Motion was seconded by Member Pike. Chair Roseborough adjourned the meeting at 10:43 a.m.

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

Minutes approved by Ms. Roseborough on February 24, 2014.





### 3. Executive Summary

## Executive Summary

- At the end of January, the State Treasurer managed \$4.2 billion in assets.
- During the month, the office earned approximately \$1.4 million on its investment positions.
- US Treasury yields were dramatically lower in January and into February.
- US Equity markets also declined substantially on fears of weakness in the emerging markets.
- The US economic outlook appeared somewhat positive. Nonfarm payrolls at the beginning of the month disappointed, but weather-related numbers weekly claims numbers showed some slight strength. Unemployment dropped to a low of 6.7% in December.
- US GDP was reported at 3.2% for the quarter.
- The Fed also indicated that it would keep overnight rates close to 0.00% “well past” the time when unemployment rates touch 6.5%, its previous target. This had the effect of “locking” short-term rates at the zero level for the foreseeable future.
- Treasury demand continued strong, with a significant “flattening” of the yield curve.
- Politicians extended the Debt Ceiling until March of 2015.
- Strength in the US Treasury market made up for the continued decrease in purchased by the Federal Reserve.
- Terms of the Fed’s overnight reverse repurchase facility, were revised to a maximum rate of 4 basis points.
- Overnight rates traded in a disappointing 3-5 basis point range for much of the month, showing how the Fed’s facility can anchor overnight rates.

Table 1 – Comparative Interest Rates

<i>US Treasury Yields</i>			
<i>Maturity</i>	<i>December 31</i>	<i>January 31</i>	<i>Change</i>
<i>3-Month</i>	0.07%	0.02%	(0.05%)
<i>6-Month</i>	0.09%	0.05%	(0.04%)
<i>2-Year</i>	0.38%	0.33%	(0.05%)
<i>5-Year</i>	1.75%	1.49%	(0.26%)
<i>10-Year</i>	3.03%	2.65%	(0.38%)
<i>30-Year</i>	3.97%	3.60%	(0.37%)

*Source: Bloomberg LP*

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

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

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

Table 2 - Unrealized Gains and Losses

<u>Fund</u>	<u>Unrealized Gain/Loss<sup>2</sup></u>	<u>Monthly Change in Unrealized Gain/Loss<sup>3</sup></u>
General Funds	\$4.4 million	Increased \$2.4 million
Bond Proceeds Funds	\$1.8 million	Increased \$0.9 million
Local Government Investment Pool	Not Material	Not Material
Severance Tax Bonding Fund	Not Material	Not Material

Source: QED

### Portfolio Yields and Duration

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

Table 3 - Portfolio Yields and Duration

<u>Fund</u>	<u>Portfolio Yield<sup>5</sup></u>	<u>Duration<sup>4</sup></u>		
		<u>Portfolio</u>	<u>Benchmark</u>	<u>Percentage</u>
General Fund Liquidity	0.08%	22 Days		
General Fund CORE	0.56%	2.17 Years	2.16 Years	100%
Bond Proceeds – Tax Exempt	0.31%	1.20 Years	1.39 Years	86%
Bond Proceeds – Taxable	0.29%	1.30 Years	1.39 Years	94%
Local Government Investment Pool	0.12%	62 Days		
Severance Tax Bonding Fund	0.10%	1 Day		

Source: QED, JPMorgan

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

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

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

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

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

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

<sup>3</sup> Unaudited. Mark-to-market values are calculated using the QED system and weekly securities pricing from IDC. Market values are compared to carrying values which are adjusted for amortization/accretion of premium/discount. Securities, such as Certificates of Deposits, for which there is no quoted market price, are carried at cost basis (amortized through the holding date).

<sup>4</sup> Weighted Average Effective Duration. Portfolio durations are calculated as of moment in time, specifically at month end.

<sup>5</sup> Weighted Average Yield to Maturity. Portfolio yields are calculated at a moment in time, specifically at month end. Each of these funds has considerable inflows and outflows during the month. As such, purchase yields during the month will vary with money flows and short-term investment rates. Monthly earnings as included in this report take these fund flows into consideration.

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

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

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

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

For each of the portfolios:

Table 4 – Portfolio Shock Analysis – Interest Rate Changes

Portfolio	Expected Portfolio Gains/Losses Parallel Shifts in Yield Curve (Millions of Dollars)													
	Shift (in Basis Points)													
	+100 Bps		+50 Bps		+25 Bps		No Change		-25 Bps		-50 Bps		-100 Bps	
	\$	%	\$	%	\$	%	\$		\$	%	\$	%	\$	%
General Fund CORE	(\$28.6)	2.2	(\$14.3)	1.1	(\$7.1)	0.5	\$1,326		\$7.3	0.6	\$14.5	1.1	\$29.1	2.2
BAML 0-5 Index		2.2		1.1		0.6				0.6		1.1		2.3
BPIP Tax-Exempt	(\$5.3)	1.1	(\$2.5)	0.5	(\$1.2)	0.3	\$468		\$1.2	0.3	\$2.3	0.5	\$4.3	0.9
BPIP Taxable	(\$8.2)	1.2	(\$4.0)	0.6	(\$1.9)	0.3	\$671		\$1.9	0.3	\$3.7	0.5	\$7.0	1.1
BAML 0-3 Index		1.4		0.7		0.4				0.4		0.7		1.4

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

#### Benchmark Performance Comparisons

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

Table 5 - Relative Performance of STO Funds

Fund	Performance <sup>6</sup>		
	1 Month	3 Months	12 Months
General Fund Liquidity	0.01%	0.03%	0.18%
S&P Government Bond Index (Gross)	0.01%	0.02%	0.13%
Relative Performance (BPs)	0.00%	0.01%	0.15%
Relative Performance (%)	100%	150%	600%
General Fund CORE	0.39%	0.44%	0.15%
BAML 0-5 US Treasury	0.41%	0.38%	0.02%
Relative Performance (BPs)	(0.02)%	0.06%	0.13%

<sup>6</sup> Relative performance is periodic total return compared to the return of the portfolio benchmarks. The Severance Tax Bonding Fund is not separately tracked at this time, although is expected to be broken out as of December 2013.

<i>Relative Performance (%)</i>	95%	116%	750%
<i>Fund</i>	<i>1 Month</i>	<i>3 Months</i>	<i>12 Months</i>
<i>Bond Proceeds - Tax Exempt</i>	0.13%	0.22%	0.23%
<i>BAML 0-3 US Treasury</i>	<u>0.16%</u>	<u>0.22%</u>	<u>0.32%</u>
<i>Relative Performance (BPs)</i>	(0.03%)	0.00%	(0.09%)
<i>Relative Performance (%)</i>	81%	100%	72%
<i>Bond Proceeds – Taxable</i>	0.13%	0.21%	0.25%
<i>BAML 0-3 US Treasury</i>	<u>0.16%</u>	<u>0.22%</u>	<u>0.32%</u>
<i>Relative Performance (BPs)</i>	(0.03%)	(0.01%)	(0.08%)
<i>Relative Performance (%)</i>	81%	95%	75%
<i>Local Government Investment Pool</i>	0.02%	0.05%	0.18%
<i>S&amp;P Government Bond Index (Gross)</i>	<u>0.01%</u>	<u>0.02%</u>	<u>0.03%</u>
<i>Relative Performance (BPs)</i>	0.01%	0.03%	0.15%
<i>Relative Performance (%)</i>	200%	250%	600%

Source: JPMorgan, STO Calculations

### Investment Earnings

Investment earnings for January are summarized in the table below.

Table 6 - Investment Earnings

<i>Fund</i>	<i>Investment Earnings<sup>7</sup></i>		
	<i>MTD</i>	<i>YTD</i>	<i>FY'13 YTD</i>
<i>General Funds</i>	\$923,290	\$6,353,901	\$8,327,660
<i>Bond Proceeds Funds</i>	\$433,025	\$3,156,258	\$4,376,080
<i>Local Government Investment Pool<sup>8</sup></i>	\$76,441	\$529,218	\$804,084
<i>Severance Tax Bonding Fund</i>	\$6,281	\$60,720	\$166,317

Source: QED

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

### Projected Investment Income

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

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

Adjusting for the effect of Self-Earning Account balances, we currently estimate that the interest earnings on the STO portion of the General Fund Investment Pool will be approximately \$8.6 Million.

<sup>7</sup> Each fund is managed using different objectives, as more fully detailed in this report. As such, returns and earnings on the funds will vary on a month to month basis.

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

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

<u>Fund</u>	<u>YTD<sup>9</sup></u>	<u>Projected FY</u>
General Fund Investment Pool <sup>10</sup>	\$6.3MM	\$10.8MM
<u>Less Self-Earnings Account Offsets<sup>11</sup></u>	<u>(\$1.3MM)</u>	<u>(\$ 2.2MM)</u>
Projected Net Earnings on STO Balances	\$5.0MM	\$ 8.6MM
<i>LFC Revenue Projection (as of Dec 2013)</i>		\$12.1MM
<i>STO Projection as a % of LFC Revenue Projection</i>		71%

Source: QED, LFC, DFA, STO Calculation

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

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

#### Compensating Balances at Fiscal Agent Bank

During January, STO maintained Average Daily Collected Balances at the Fiscal Agent Bank of approximately \$127 million versus a target balance established by the State Board of Finance of \$125 million. This balance earned a credit against processing fees assessed by the bank.

Table 8 - Compensating Balances at Fiscal Agent Bank

<i>Average Collected Balance</i>	\$126,619,675
<i>Earnings Credit Rate</i>	0.50%
<i>Estimated Monthly Earnings</i>	\$52,758
<i>Estimated Fiscal YTD Earnings</i>	\$391,776

Source: Wells, Fargo & Co.

#### Reserve Primary Fund Update

In January, the federal judge in the Reserve Primary Fund lawsuit brought by the SEC awarded \$750,000 in fines to the commission, ending the civil case against the Reserve. Still unresolved is the award of balances retained by the fund and not paid out to beneficiaries. Investors have recouped over 99.04% of the original balances that were invested in the Reserve during 2008. The Reserve maintains that it is due additional fees and expense reimbursement from the retained balances.

LGIP shareholders of record in 2008 when the Reserve Primary Fund was frozen are participants in a fund managed by the STO called the Reserve Contingency Fund.

We anticipate that the final distribution will be made sometime in the second quarter of 2014.

#### Monthly Investment Outlook

The fixed income markets have remained strong into the month of February despite concerns about emerging markets and economic growth.

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

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

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

We expect that the Federal Reserve's will continue to "taper" its purchases of US Treasury and mortgage-backed securities. The Federal Reserve reaffirmed its view that monetary policy will remain highly accommodative even after the asset purchase program ends.

The 6.5% unemployment rate, if achieved, was originally the level the FOMC had set for increasing the target Fed Funds rate. At the January meeting, the wording was changed to indicate that the unemployment rate could fall below 6.5% without affecting the target rate as long as inflation continues to run below the 2% longer-run goal.

The cost of the Affordable Care Act as a drag on the economy is still a variable.

*Implications for the Foreseeable Future*

The Federal Reserve has announced that they will keep short term interest rates low for an extended period time, possibly through 2015, and increasingly dependent on economic data. As such, we will try and use the curve to our advantage. With the recent decline in yields STO will use the opportunity to maintain and shorten durations of the portfolios to be closer to the benchmarks.

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

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

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

As of January 31, 2014

General Fund	Holdings			Performance				Earnings		
	Account	Cost Basis	Market Value	Unrealized Gain/Loss	12-Month Total Return	Benchmark	Index Return	Relative Performance	Monthly Earnings	YTD Earnings
Cash Balances	\$ 126,619,675	\$ 126,619,675	\$ -						\$ 28,267	\$ 255,410
Liquidity	677,871,893	677,863,462	(8,431)	0.13%	S&P LGIP Gross	0.12%	0.01%		895,023	6,098,491
CORE	1,422,039,119	1,426,456,752	4,417,633	0.52%	ML Treasury 0-5	0.32%	0.20%		-	-
TRAN	-	-	-	0.00%	All-In Tran TIC	0.00%	0.00%		-	-
<b>Totals</b>	<b>\$ 2,226,530,687</b>	<b>\$ 2,230,939,889</b>	<b>\$ 4,409,202</b>	<b>0.39%</b>	<b>Blended</b>	<b>0.20%</b>	<b>0.19%</b>		<b>\$ 923,290</b>	<b>\$ 6,353,901</b>
<b>Bond Proceeds Investment Pool (BPIP)</b>										
Account	Cost Basis	Market Value	Unrealized Gain/Loss	12-Month Total Return	Benchmark	Index Return	Relative Performance	Monthly Earnings	YTD Earnings	
Tax-Exempt	\$ 468,550,220	\$ 469,045,456	\$ 495,236	0.33%	ML Treasury 0-3	0.39%	-0.06%	\$ 134,494	\$ 1,020,584	
Taxable	776,264,885	777,584,057	1,319,172	0.34%	ML Treasury 0-3	0.39%	-0.05%	298,531	2,135,674	
<b>Totals</b>	<b>\$ 1,244,815,105</b>	<b>\$ 1,246,629,513</b>	<b>\$ 1,814,408</b>	<b>0.34%</b>	<b>Blended</b>	<b>0.39%</b>	<b>-0.05%</b>	<b>\$ 433,025</b>	<b>\$ 3,156,258</b>	
<b>Local Government Investment Pool (LGIP)</b>										
Account	Cost Basis	Market Value	Unrealized Gain/Loss	12-Month Total Return	Benchmark	Index Return	Relative Performance	Monthly Earnings	YTD Earnings	
LGIP	\$ 606,083,259	\$ 606,120,389	\$ 37,130	0.16%	S&P LGIP Gross	0.12%	0.04%	\$ 76,441	\$ 529,518	
<b>Severance Tax Bonding Fund</b>										
Account	Cost Basis	Market Value	Unrealized Gain/Loss	12-Month Total Return	Benchmark	Index Return	Relative Performance	Monthly Earnings	YTD Earnings	
STBF	\$ 179,850,594	\$ 179,844,982	\$ (5,612)	0.13%	S&P LGIP Gross	0.12%	0.01%	\$ 6,281	\$ 60,720	

**Notes:**

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



## New Mexico State Treasurers Office Performance As of January 2014

Account ID	Portfolio Name	Market Value	Month	Trailing 3M	Fiscal YTD	YTD	1 YR	Since Inception	Inception Date
10933300	Local Government Investment Pool	606,601,321	0.02	0.04	0.10	0.02	0.16	1.02	01-Jul-2007
10933400	Overnight Repo Pool	322,121,617	0.00	0.02	0.04	0.00	0.11	0.81	01-Jul-2007
10933500	Tax Exempt Bond Proceeds	470,563,378	0.11	0.10	0.41	0.11	0.33	2.05	01-Jul-2007
10933900	Taxable Bond Proceeds	780,399,434	0.11	0.11	0.41	0.11	0.34	2.16	01-Jul-2007
<b>00667701</b>	<b>General Fund</b>	<b>2,111,378,585</b>	<b>0.18</b>	<b>0.11</b>	<b>0.65</b>	<b>0.18</b>	<b>0.45</b>	<b>2.12</b>	<b>01-Jul-2007</b>
10933700	General Fund Core	1,433,032,794	0.24	0.14	0.84	0.24	0.52	2.73	01-Jul-2007
10933600	General Fund Liquidity	678,345,791	0.00	0.02	0.06	0.00	0.13	0.79	01-Jul-2007
06677-BEN-0006	S&P Govt Pools Net yield		0.00	0.01	0.02	0.00	0.03	0.83	01-Jul-2007
06677-BEN-0012	BPIP Index ML 0-3 Treasury		0.11	0.09	0.38	0.11	0.39	2.09	01-Jul-2007
06677-BEN-0013	General Core Index ML 0-5 Treasury		0.34	0.06	0.63	0.34	0.32	2.92	01-Jul-2007
06677-BEN-0016	S&P LGIP Gross yield		0.01	0.03	0.06	0.01	0.12	0.14	01-Jun-2012
06677-BEN-0017	General Fund Total		0.21	0.04	0.39	0.21	0.21	0.23	30-Jun-2012

Performance shown is gross of manager fees



## 4. Investment Compliance Report

## Reporting for the month of: January 2014

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### **Investment Compliance Review**

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

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

**Table 1 - Primary/Secondary Market Volume**

Primary Bond Volume	\$ 124,900,000	18%
Secondary Bond Volume	<u>582,140,000</u>	<u>82%</u>
Total	\$707,040,000	100%

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

#### **Commissions Paid**

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

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

#### **Variable Rate and Structured Note Holdings**

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At the end of January, total holdings of Variable Rate Notes were \$101,454,000.

**Table 2 - Variable Rate Note Holdings**

Taxable BPIP	\$ 7,000,000
Tax Exempt BPIP	7,934,000
LGIP	<u>68,920,000</u>
Total Holdings	\$83,854,000

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

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

#### **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 was one inter-portfolio trade during the month. There was an Internal portfolio transaction between the General Fund Liquidity and the General Fund Core on January 13, 2014 of \$100,000,000.00.

The transfer placed investments in areas necessary to place the duration of the core above the benchmark.

### ***Unrealized Gains and Losses***

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

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

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

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

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

**Table 3 - Realized Gains and Losses on Securities Sold**

<u>Trade Date</u>	<u>Account</u>	<u>Par Amount</u>	<u>Security</u>	<u>Realized Gain/Loss</u>
1/17/14	General Fund CORE	\$20MM	FHLB 0.25% 2/20/15	\$20,770.14
1/23/14	General Fund CORE	\$20MM	UST 1.75% 1/31/14	2,930.05
1/23/14	General Fund CORE	\$5MM	UST 1.75% 3/31/14	6,027.14
1/29/14	General Fund CORE	\$25MM	FNMA 0.875% 8/28/17	(255,723.31)
1/30/14	General Fund CORE	\$20MM	FHLMC 4.375% 7/17/15	<u>214,873.59</u>
Total				<u>(\$11,122.39)</u>

Securities are sold in the management of each fund in order to effect changes in the overall fund’s duration and liquidity in light of overall changes in rates and economic outlook. Realized gains/losses are compared to accounting book value at the time of the sale. Gains (and losses) are applied as an adjustment against investment earnings in the respective accounting period.

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### ***Trade Documentation Compliance<sup>1</sup>***

#### ***Purchase/Sales<sup>2</sup>***

There were a total of 62 security trades that consist of 5 sales and 57 purchases.

All portfolios	Par-Value	Cost/Proceeds	Gain/Loss
Purchase	\$ 619,400,000.00	\$ 632,680,329.70	.00

<sup>1</sup> QED Summary of Fixed-Income Purchase and Sales on the Settlement date during the specified month.

<sup>2</sup> Excludes O/N REPO & Includes Certificate of Deposit

Sale	\$ 90,000,000.00	\$91,060,125.63	\$ -11,122.39
Total	\$ 709,400,000.00	\$ 723,740,455.33	\$ -11,122.39

Sale:

There were a total of 5 sales:

<b>SALE TRANSACTIONS</b>												
1/24/14	912828JZ	US TREASURY NOT	15419	UNITED STATES TREASURY	1.750	1/31/14	-.0974	TD SECURITIES	1001	20,000,000.00	20,007,031.25	2,930.05
1/24/14	912828KJ	US TREASURY NOT	15416	UNITED STATES TREASURY	1.750	3/31/14	.0690	MORGAN STANLEY	1001	5,000,000.00	5,015,234.38	6,027.14
1/21/14	313381YP	AGENCY US NOTES	18357	FEDERAL HOME LOAN BANK	.250	2/20/15	.1969	BARCLAYS	1001	20,000,000.00	20,011,460.00	20,770.14
1/30/14	3135G0MZ	AGENCY US NOTES	17413	FEDERAL NATIONAL MORTGA	.875	8/28/17	1.0795	RBS	1001	25,000,000.00	24,821,000.00	-255,723.31
1/31/14	3134A4VC	AGENCY US NOTES	15615	FEDERAL HOME LOAN MORTG	4.375	7/17/15		RBS	1001	20,000,000.00	21,205,400.00	214,873.59
<b>5 SALES DURING PERIOD TOTAL.....</b>										<b>90,000,000.00</b>	<b>91,060,125.63</b>	<b>-11,122.39</b>

### Trade Swap

Trade documentation indicates that there were three transactions in total during the month representing a trade swap.

There was a security sale of \$25MM FNMA; .875; 8/28/17; Price 99.284; Yld. 1.0795; Book yield .79%.

Sale indicates a \$255,723.31 realized loss with an increase in 37 basis points resulting in a .08 market yield basis points.

The sale also reflects a decrease in the overall earnings during the month of the sale for the portfolio in an already low earnings period.

There was a security purchase of \$25MM FNMA; .875; 10/26/17; Price 98.946; Yield 1.163; Book yield 1.16%.

Purchase indicates a “pick-up” on the invested cash of 0.08%, the factors considered during the trade are noted as: same credit profile (FNMA Agency Issuer); Same coupon Structure: .875% on both bonds; transaction net approximately \$85,000 in proceeds; Increase in book yield from 79 basis points to 116 basis points resulting in a 37 basis point change; sold bonds were expensive relative to alternatives and the purchased bonds were on the market.

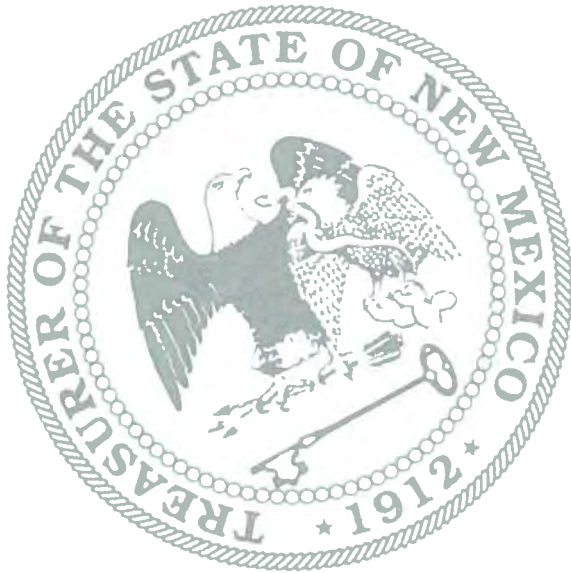
### Trade documentation

All trades have been accounted for and written documentation have been audited for compliance.

### Transaction Activity

All trades settled accordingly and there were no failed trades for the month.





## 5. Investment Accounting Report



**James B. Lewis**  
State Treasurer

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

**Marilyn L. Hill**  
Deputy State  
Treasurer

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

**MEMORANDUM**

DATE: February 21, 2014  
TO: Linda Roseborough, Chief Investment Officer & Investments Division Director  
FROM: Steve Vigil, Investment Accounting Bureau Chief *SV*  
CC: STO Investments Division  
SUBJECT: Weekly S&P Reconciliation and January 2014 Investments Reconciliation

**Weekly S&P Reconciliation**

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

**January 2014 Investments Reconciliation**

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

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

The IAB identified one material difference in the amount of \$30MM in the Severance Tax Bonding Fund (STB) account while completing the January 2014 investments reconciliation. Research indicated that the JP Morgan investment inventory report did not contain the LGIP Pool Participant holding (a contribution from the STB signifying an inter-fund investment). The IAB recorded an adjusting journal entry on the JPM-SHARE trial balance reconciliation in order to integrate the contribution into the JPM/SHARE account balances for January 2014. IAB worked with the transactions team where JP



Morgan received instruction from the transactions team on February 13, 2014 to record a memo entry in the JP Morgan accounting system. IAB followed up by reviewing the inventory and transactions reporting to confirm that JP Morgan posted the memo entry based on the instructions provided to them.

IAB has provided the Budget and Finance Division memoranda of action to prepare journal entries to record the investment transaction activity. The investment transaction activity includes the June 2013 through January 2014.

**JP Morgan to QED Inventory Reconciliations**

Jan-14

W/P Ref

503

**Market Value Reconciliation**

JPM		QED				
Account	Market Value	Fund #	Name	Market Value	Difference	BPS Dollar Threshold *
P 09336	677,863,462.37	1000	GF Liquidity	677,863,462.37	-	338,931.73
P 09337	1,431,489,086.40	1001	GF Core	1,431,479,771.40	9,315.00	715,744.54
P 09334	321,939,785.40	1101/4001	ONREPO	351,942,144.98	(30,002,359.58)	160,969.89
P 09335	469,044,759.71	4000	BPIP#1	469,045,454.44	(694.73)	234,522.38
P 09339	777,583,702.17	4002	BPIP#2	777,584,054.93	(352.76)	388,791.85
P 09333	616,145,664.64	4101	LGIP	616,145,044.04	620.60	308,072.83
<b>Total</b>	<b>4,294,066,460.69</b>			<b>4,324,059,932.16</b>	<b>(29,993,471.47)</b>	<b>2,147,033.23</b>

**Cost Reconciliation**

JPM		QED				
Account	Cost	Fund #	Name	Cost	Difference	BPS Dollar Threshold *
P 09336	677,885,672.25	1000	GF Liquidity	677,885,672.25	-	338,942.84
P 09337	1,443,114,286.17	1001	GF Core	1,443,002,046.60	112,239.57	721,557.14
P 09334	322,134,830.72	1101/4001	ONREPO	352,137,190.30	(30,002,359.58)	161,067.42
P 09335	472,064,023.92	4000	BPIP#1	472,064,023.93	(0.01)	236,032.01
P 09339	782,148,964.67	4002	BPIP#2	782,148,756.72	207.95	391,074.48
P 09333	616,384,948.06	4101	LGIP	616,384,948.06	-	308,192.47
<b>Total</b>	<b>4,313,732,725.79</b>			<b>4,343,622,637.86</b>	<b>(29,889,912.07)</b>	<b>2,156,866.36</b>

**Position Reconciliation**

JPM		QED				
Account	Position Size	Fund #	Name	Position Size	Difference	BPS Dollar Threshold *
P 09336	677,739,372.37	1000	GF Liquidity	677,739,372.37	-	338,869.69
P 09337	1,396,013,484.90	1001	GF Core	1,396,013,484.90	-	698,006.74
P 09334	321,372,135.40	1101/4001	ONREPO	351,374,494.98	(30,002,359.58)	160,686.07
P 09335	463,530,703.48	4000	BPIP#1	463,530,703.48	-	231,765.35
P 09339	766,852,069.57	4002	BPIP#2	766,851,861.63	207.94	383,426.03
P 09333	615,350,612.72	4101	LGIP	615,350,612.72	-	307,675.31
<b>Total</b>	<b>4,240,858,378.44</b>			<b>4,270,860,530.08</b>	<b>(30,002,151.64)</b>	<b>2,120,429.19</b>

\*Basis Point (BPS)Dollar Threshold

JPM Market Value x 5 BPS

JPM Cost x 5 BPS

JPM Postion Size x 5 BPS

0.0005

JP Morgan to QED Income Reconciliation

W/P Ref

Jan-14

504

JPM	QED					
Account	Earned Interest	Fund #	Name	Earned Interest	Difference	BPS Dollar Threshold *
P 09336	36,220.51	1000	GF Liquidity	38,736.67	(2,516.16)	33,893.17
P 09337	1,992,429.74	1001	GF Core	1,994,079.97	(1,650.23)	71,574.45
P 09334	73,366.65	1101/4001	ONREPO	73,380.53	(13.88)	16,096.99
P 09335	477,347.00	4000	BPIP#1	478,309.91	(962.91)	23,452.24
P 09339	897,019.99	4002	BPIP#2	902,799.13	(5,779.14)	38,879.19
P 09333	162,548.80	4101	LGIP	162,588.28	(39.48)	30,807.28
<b>Total</b>	<b>3,638,932.69</b>			<b>3,649,894.49</b>	<b>(10,961.80)</b>	<b>214,703.32</b>

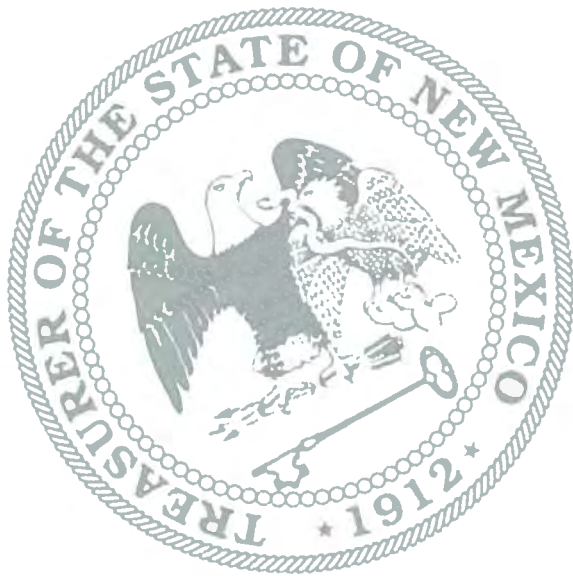
JP Morgan to QED Amortization/Accretion Reconciliation

JPM	QED				
Account	Amortization/Accretion	Fund #	Name	Amortization/Accretion	Difference
P 09336	(9,867.99)	1000	GF Liquidity	(9,779.37)	(88.62)
P 09337	(1,102,958.71)	1001	GF Core	(1,087,928.91)	(15,029.80)
P 09334	(64,109.96)	1101/4001	ONREPO	(64,126.53)	16.57
P 09335	(338,998.44)	4000	BPIP#1	(343,782.60)	4,784.16
P 09339	(606,606.81)	4002	BPIP#2	(604,239.53)	(2,367.28)
P 09333	(85,472.88)	4101	LGIP	(86,146.66)	673.78
<b>Total</b>	<b>(2,208,014.79)</b>			<b>(2,196,003.60)</b>	<b>(12,011.19)</b>

BPS Dollar Threshold \*

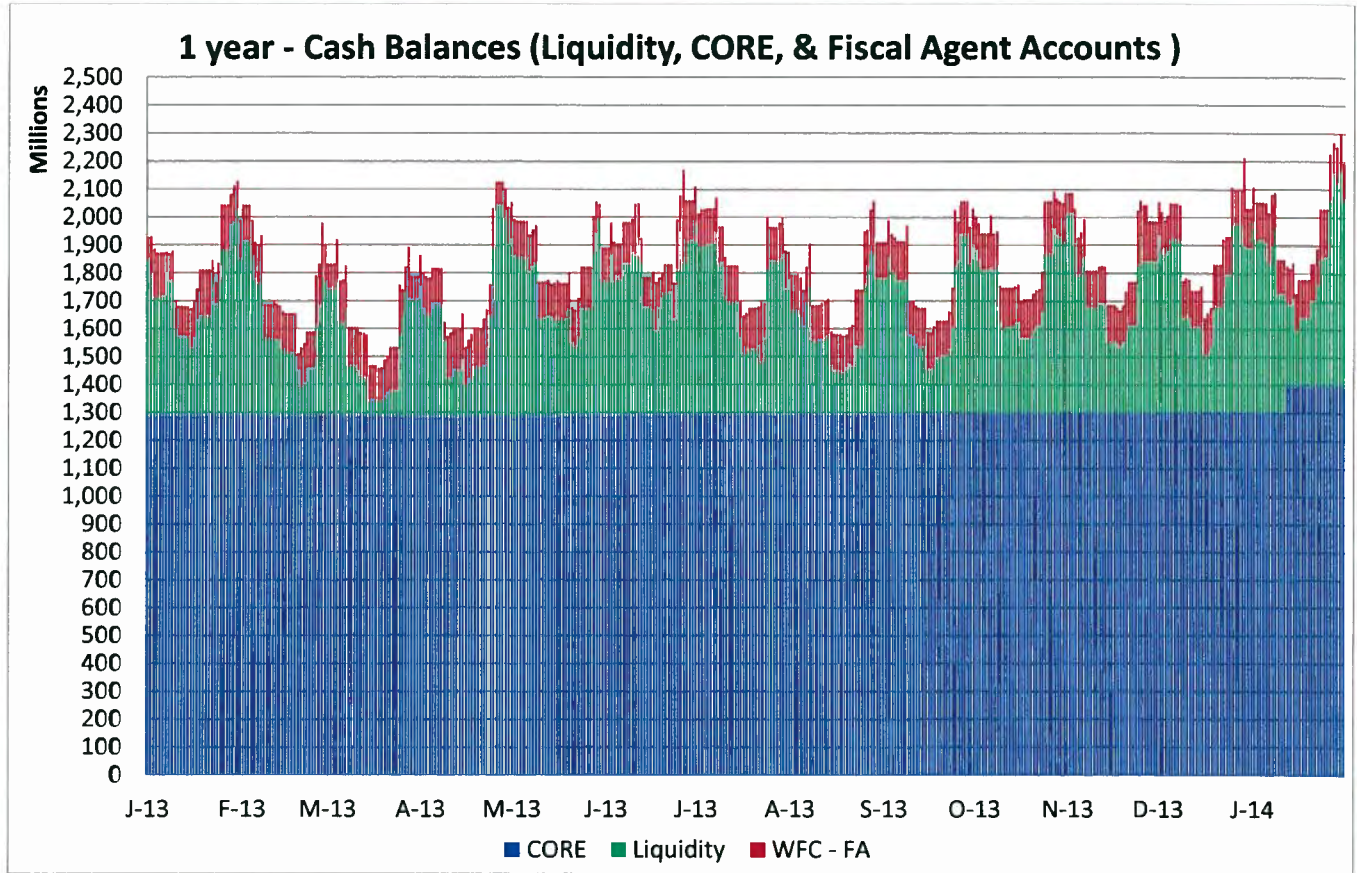
JPM Market Value x .5 Basis Points (BPS)

0.005%

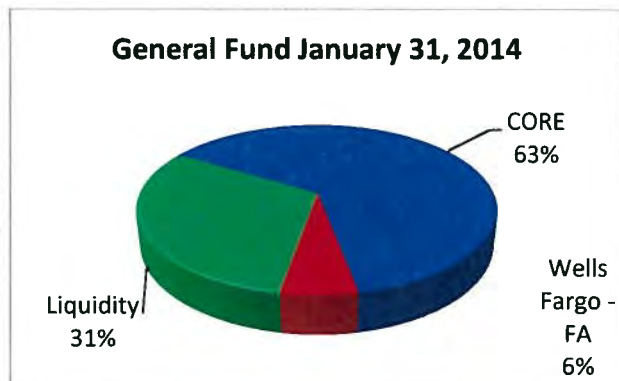
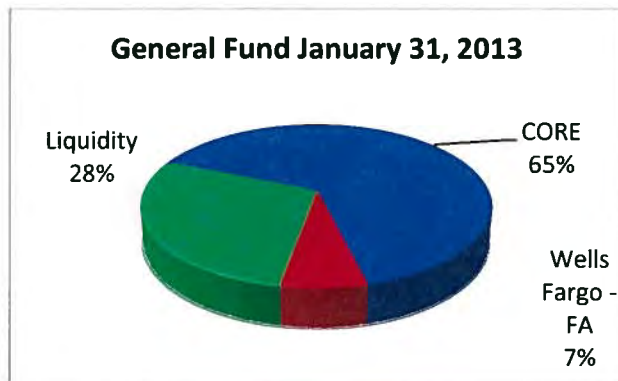


## 6. Cash Projection

# GFIP Cash Flows

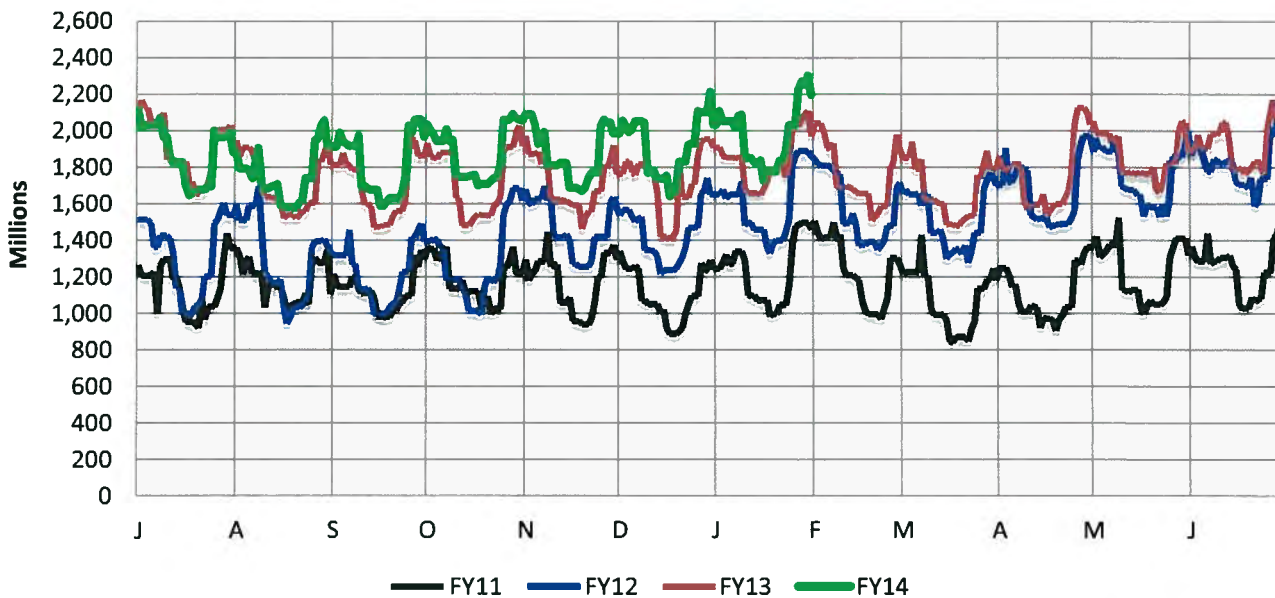


GENERAL FUND	Jan-13	Jan-14	Difference
Liquidity	569,582,486	677,739,372	108,156,886
CORE	1,286,906,283	1,391,013,485	104,107,202
Wells Fargo - FA	132,844,758	126,946,431	(5,898,327)
	<b>1,989,333,528</b>	<b>2,195,699,288</b>	<b>206,365,761</b>

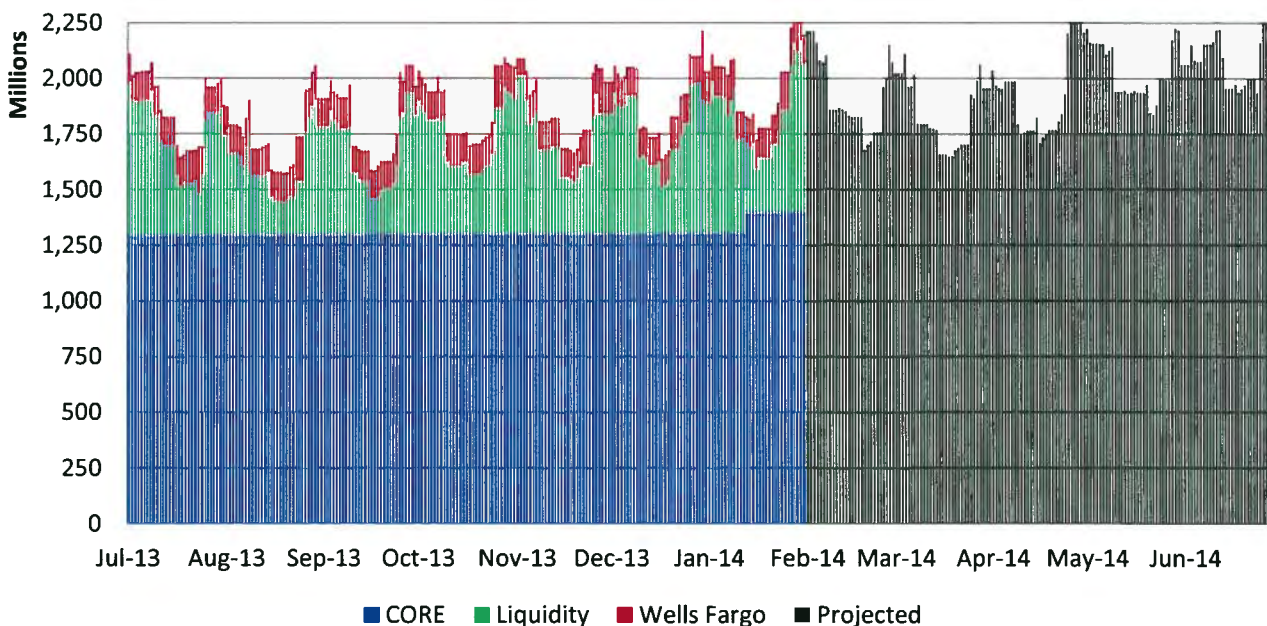




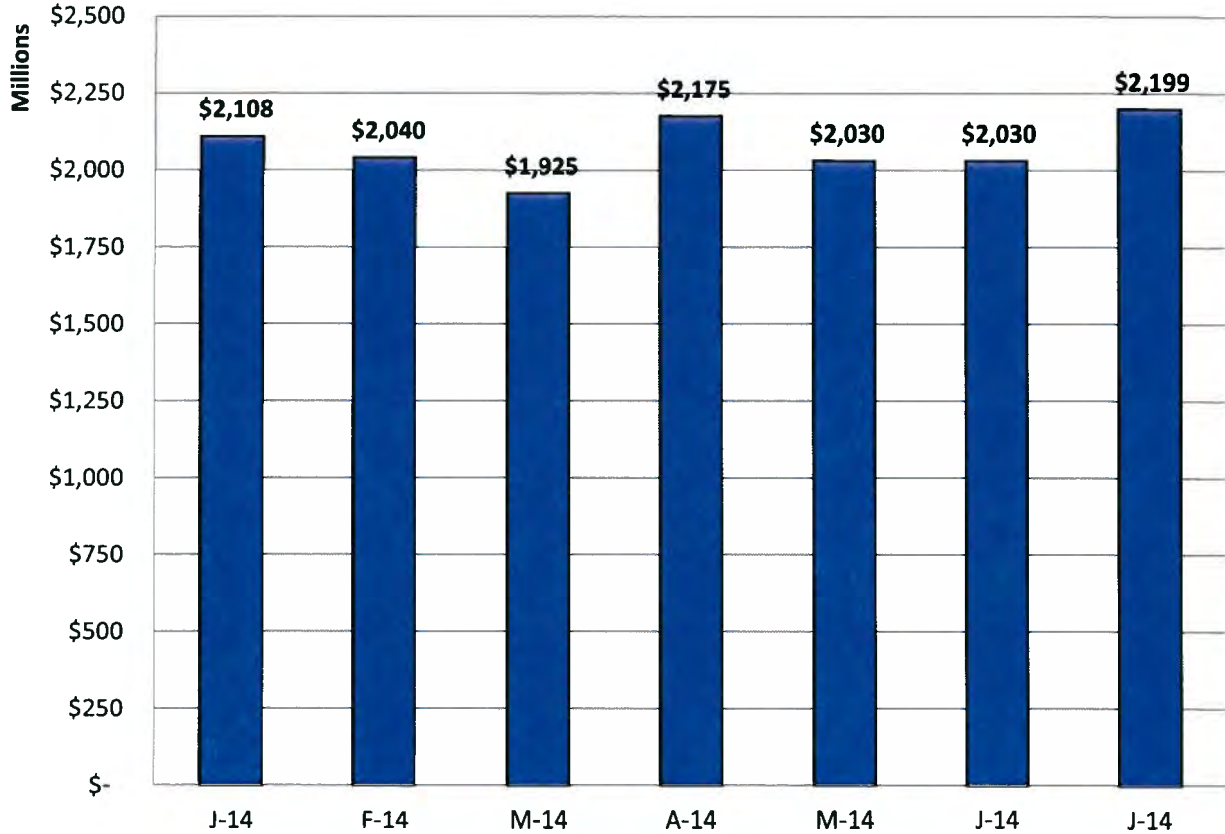
## General Fund Investment Pool Historical Balance



## FY - 14 GFIP Balance Projections

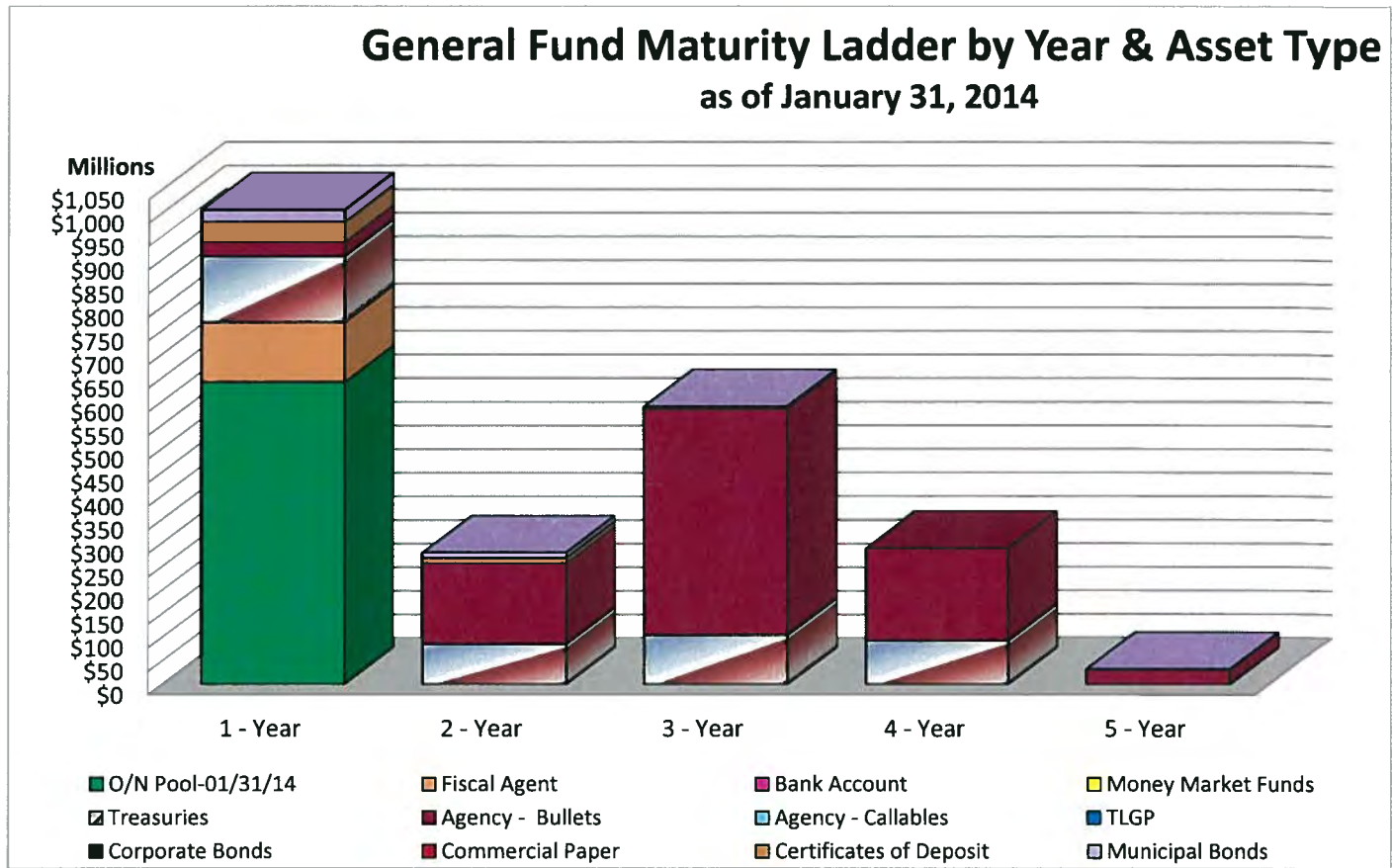


## GFIP Projected Month-Ending Balances FY-14



Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14
\$ 2,108,394,449	\$ 2,039,833,452	\$ 1,924,601,114	\$ 2,174,994,490	\$ 2,030,156,026	\$ 2,199,107,229

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

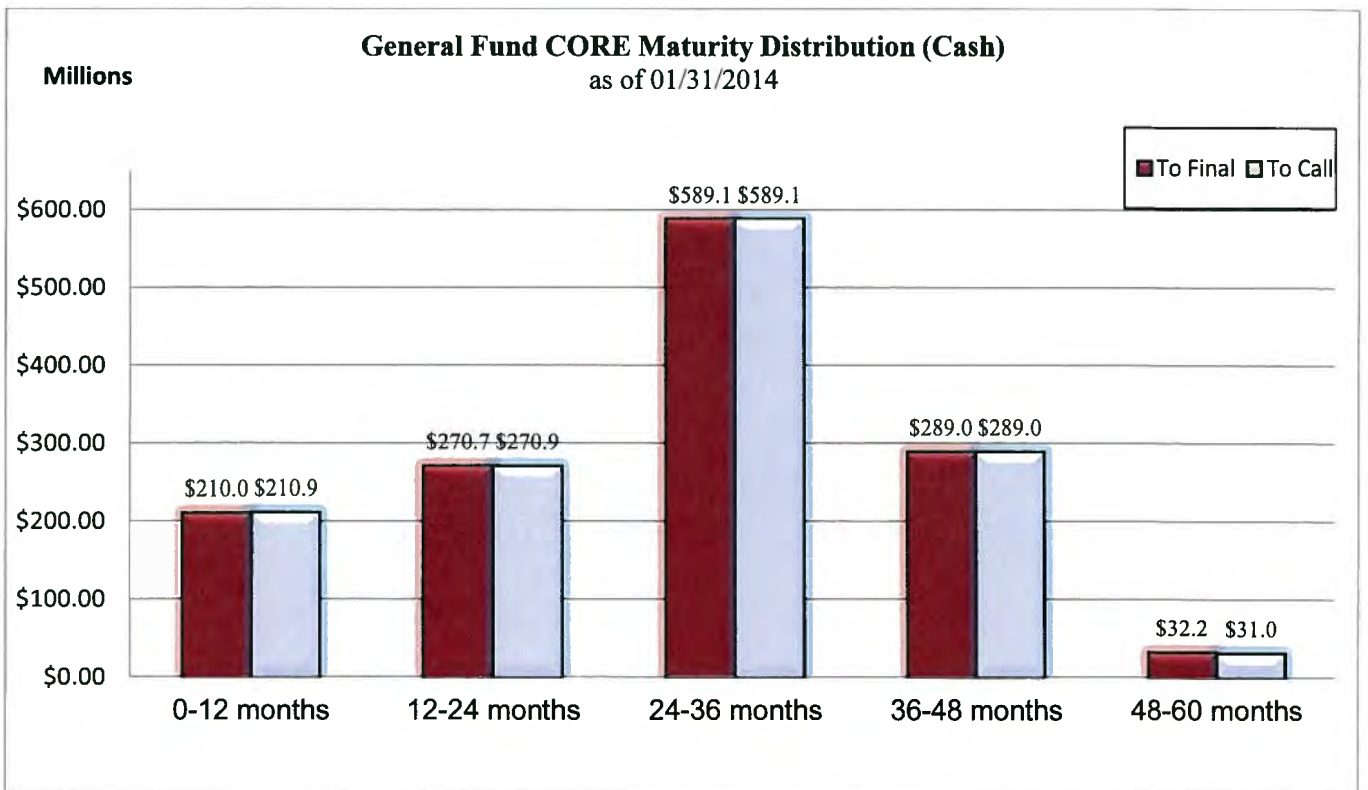
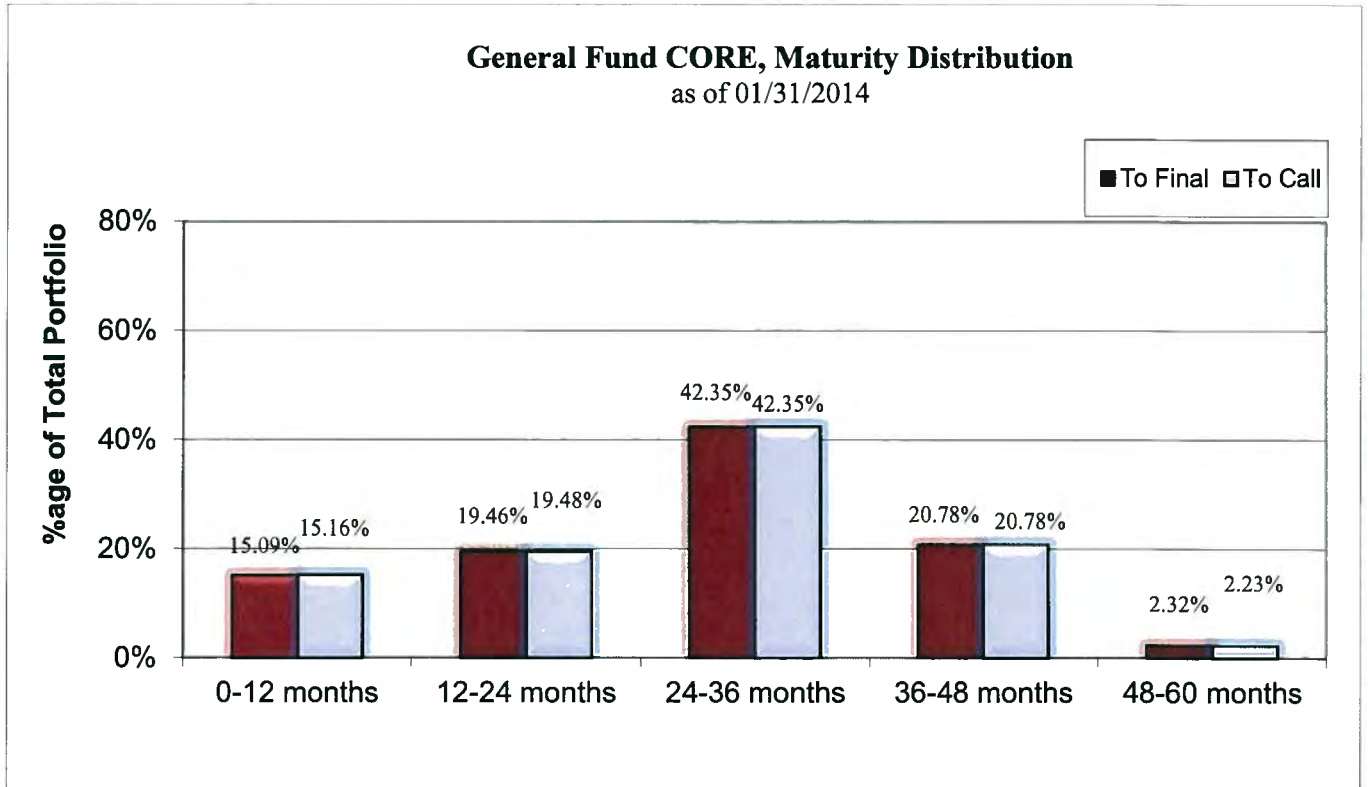


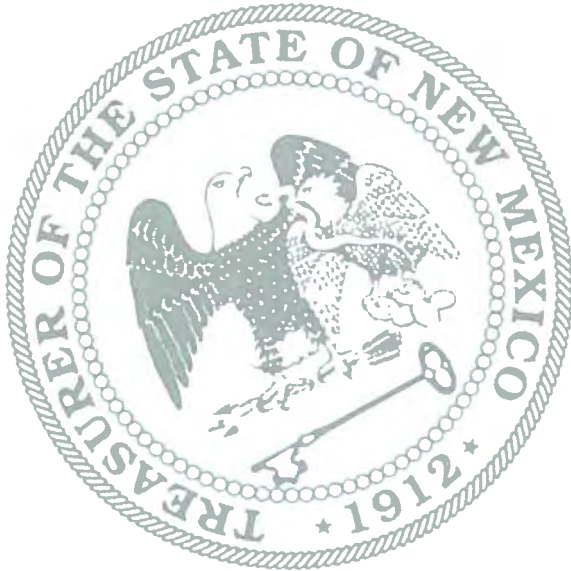
Asset Allocation	1 - Year	2 - Year	3 - Year	4 - Year	5 - Year	Total	%
Agency - Bullets	30,000,000	171,250,000	479,500,000	195,500,000	31,000,000	907,250,000	41%
Agency - Callables						0	0%
TLGP						0	0%
Corporate Bonds						0	0%
Money Market Funds	1,301					1,301	0%
Municipal Bonds	25,675,412	10,780,000	3,845,000		1,220,000	41,520,412	2%
Certificates of Deposit	42,000,000	11,750,000	1,000,000			54,750,000	2%
Commercial Paper						0	0%
Treasuries	140,000,000	85,650,000	105,000,000	93,500,000		424,150,000	19%
Bank Account						0	0%
Fiscal Agent	126,946,431					126,946,431	6%
O/N Pool-01/31/14	641,081,144					641,081,144	29%
<b>Total:</b>	<b>1,005,704,289</b>	<b>279,430,000</b>	<b>589,345,000</b>	<b>289,000,000</b>	<b>32,220,000</b>	<b>2,195,699,289</b>	<b>100%</b>
% of Total:	46%	13%	27%	13%	1%		

\*Note-New Mexico St Fin Auth Pub Proj Revolving FD-Ser C maturity 6/1/2022 for \$970,000. Trade date of 10/24/13, Settle date of 10/29/13. Security has a prerefunded date of 6/1/14 @ 100%.

\*\*Note-Rio Rancho NM Event Center Revenue Taxable-sub Lien Gross Receipt mat 6/1/2020 for \$250,000 Trade date of 11/1/13, Settle date 11/4/13. Security has a prefunded date of 6/1/15 @ 100%.







## 7. Portfolio Summary- General Fund

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

### *Summary*

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

### *Portfolio Mix*

- At month end, 99% of the General Fund CORE portfolio was invested in fixed income securities; 30% in US Government Securities; 68% in Government Related Securities (Municipal Bonds and Agency Securities), and the balance ~2% in Cash.
- 14% of the portfolio was invested in securities that mature in one year; 20% in securities that mature from 1-2 years; 64% in 2-4 years and 2% within 5 years.
- The General Fund Core portfolio held positions in 113 securities at the end of January.
- The Weighted Average Life of the CORE portion of the general fund was 2.24 years. The Weighted Average duration was 2.17 years.
- The benchmark duration for the CORE portfolio was 2.16 years.
- The maximum security term for the CORE portfolio is 5 years.

### *Performance*

- For January, the General Fund CORE portfolio underperformed its benchmark by two basis points, (0.02%). The general fund increased 0.39% and the benchmark gained 0.41%.
- For the last 3 months, the general fund outperformed its benchmark by six basis points, 0.06%. The general fund gained 0.44% while the benchmark rose 0.38%.
- For the last 12-months, the general fund outperformed its benchmark by thirteen basis points 0.13%. The general fund gained 0.15% while the benchmark gained 0.02%.

### *Market Value and Investment Earnings*

- Unrealized gains in the Core Portfolio at the end of January were \$4.4 million.
- Over the month, the unrealized value of the portfolio increased by \$2.4 million due to a decrease in relative interest rates.
- Monthly Earnings for January on the General Fund Portfolios were \$0.9 million.
- Year-to-date earnings were over \$6.3 million.
- The most recent LFC Consensus Revenue Estimate projected the STO portion of General Fund Investment Pool earnings at \$12.1 Million.
- STO projection of those earnings for FY14 is \$8.6 million.
- Earnings on the General Fund are used to offset General Fund Spending.

### *Investment Highlights*

- Maturing securities and free cash are invested to the benchmark duration.

**STATE OF NEW MEXICO**  
**GENERAL FUND (1000)**  
**Portfolio Classification Summary**  
**Positions Held as of 1/31/14 (TRADE Basis)**

AMTZ ADDED: NO

ASSET CLASSIFICATION	ITEMS	YIELD	AVG-TERM	PRINCIPAL	COST-BASIS	MARKET-VALUE	GAIN/LOSS	%MARKET
REPURCHASE AGREEMENTS (O/N)	2	.0469	.00820	536,823,960	536,823,960	536,823,960		79.194
CERTIFICATES OF DEPOSIT	10	.3681	.65958	35,750,000	35,750,000	35,750,000		5.274
US TREASURY NOTE ACT/ACT 2X	1	.1337	.11780	100,000,000	100,129,427	100,121,000	-8,427	14.770
MUNI US 30/360 2X	1	.3549	.33150	200,000	203,094	203,090	-4	.030
MUNICIPAL BOND REVENUE	1	.3537	.41100	4,965,412	4,965,412	4,965,412		.733
	<u>15</u>	<u>.0790</u>	<u>.06178</u>	<u>677,739,372</u>	<u>677,871,893</u>	<u>677,863,462</u>	<u>-8,431</u>	<u>100.000</u>

**STATE OF NEW MEXICO**  
**GENERAL FUND CORE (1001)**  
Portfolio Classification Summary  
Positions Held as of 1/31/14 (TRADE Basis)

AMTZ ADDED: NO

ASSET CLASSIFICATION	ITEMS	YIELD	AVG-TERM	PRINCIPAL	COST-BASIS	MARKET-VALUE	GAIN/LOSS	%MARKET
REPURCHASE AGREEMENTS (O/N)	1	.0507	.00820	4,257,184	4,257,184	4,257,184		.297
CERTIFICATES OF DEPOSIT	5	.4579	.96668	19,000,000	19,000,000	19,000,000		1.327
U.S. TREASURY BONDS	1	.3822	1.78900	15,000,000	17,529,792	17,544,150	14,358	1.226
US TREASURY NOTE ACT/ACT 2X	20	.8851	1.78013	409,150,000	416,772,110	417,928,960	1,156,850	29.196
AGENCY US BOND 30/360 2X	9	.6418	2.36619	154,000,000	155,018,410	155,369,530	351,120	10.854
AGENCY 30/360 2X	3	.9672	2.63007	66,000,000	65,984,193	66,379,230	395,037	4.637
AGENCY US NOTES 30/360 2X	21	.8782	2.69086	512,250,000	530,992,544	533,003,515	2,010,971	37.235
FED NATL MORTGAGE ASSN DEBS	7	.7125	2.05105	180,000,000	180,223,754	180,705,200	481,446	12.624
MUNI US 30/360 2X	35	.6408	.97016	33,740,000	34,602,865	34,632,065	29,200	2.419
MUNICIPAL BOND REVENUE	9	.4238	.81963	2,615,000	2,654,463	2,655,767	1,304	.186
UNITS - INVESTMENT POOL 1	1			1,301	1,301	1,301		
	<u>112</u>	<u>.8170</u>	<u>2.21632</u>	<u>1,396,013,485</u>	<u>1,427,036,616</u>	<u>1,431,476,902</u>	<u>4,440,286</u>	<u>100.000</u>

SOURCE: VisualQED  
 MODEL: INVENTORY  
 USER: SVIGIL  
 RUN: 2/21/14 @ 09:28:51  
 BASIS: TRADE (SIC FROM SECURITY-MASTER)  
 AS-OF: 1/31/13  
 AMRTZD: BOOK VALUES AMORTIZED THROUGH 1/31/13

STATE OF NEW MEXICO  
 TREASURERS OFFICE

POSITION-SIZ	DESCRIPTION	CUSIP#	RATE	MATURITY	YIELD	UNIT-BOOK	CURRENT BK	LOC-MKT-VALUE
250,000	GUADALUPE CREDIT UNION	735605	.750	3/26/13	.750	100.000000000	250,000.00	250,000.00
8,000,000	CENTURY BANK SANTA FE	17099245	.400	3/28/13	.400	100.000000000	8,000,000.00	8,000,000.00
2,000,000	MY BANK BELEN	63000023	.400	4/17/13	.400	100.000000000	2,000,000.00	2,000,000.00
13,500,000	STRAIGHT A FUNDING LLC	86257ETS	.190	4/23/13	.193	99.957250000	13,494,228.75	13,494,228.75
500,000	WESTERN BANK CLOVIS	15955	.300	6/06/13	.300	100.000000000	500,000.00	500,000.00
8,000,000	CENTURY BANK SANTA FE	17099247	.350	6/28/13	.350	100.000000000	8,000,000.00	8,000,000.00
5,000,000	FIRST NATIONAL BANK SANTA FE	10336906	.400	10/15/13	.400	100.000000000	5,000,000.00	5,000,000.00
37,250,000					.019		37,244,228.75	37,244,228.75
====> 0007 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2013 <====								
20,000,000	FEDERAL HOME LOAN BANKS	3133804M	.273	1/23/14	.137	99.986917700	19,997,383.54	19,990,200.00
2,000,000	UNION SAVINGS BANK	00156000	.600	8/27/14	.600	100.000000000	2,000,000.00	2,000,000.00
2,000,000	Bank 34	01010047	.550	8/28/14	.550	100.000000000	2,000,000.00	2,000,000.00
24,000,000					.029		23,997,383.54	23,990,200.00
====> 0003 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2014 <====								
61,250,000					.011		61,241,612.29	61,234,428.75
====> 0010 ITEMS IN SUBTOTAL FOR ====> FUND-NAME..... ====> GENERAL FUND <====								

SOURCE: VisualQED  
 MODEL: INVENTORY  
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 RUN: 2/21/14 @ 09:28:51  
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STATE OF NEW MEXICO  
 TREASURERS OFFICE

POSITION-SIZ	DESCRIPTION	CUSIP#	RATE	MATURITY	YIELD	UNIT-BOOK	CURRENT BK	LOC-MKT-VALUE
1,299 UNITS -	INVESTMENT POOL 1	UNITS001				1.000315628	1,299.41	1,299.00
1,299					534.84		1,299.41	1,299.00

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

2,000,000	NEW MEXICO FIN AUTH REV	64711NNV	2.000	6/01/13	1.014	100.331006500	2,006,620.13	2,008,160.00
3,605,000	NEW MEXICO FIN AUTH REV	64711NPA	2.000	6/01/13	.356	100.548791401	3,624,783.93	3,624,971.70
1,285,000	UNIVERSITY OF NM-REFUNDING	914692N2	2.000	6/01/13	.305	100.565568093	1,292,267.55	1,291,078.05
500,000	NMFA SERIES B1	64711NLW	2.000	6/01/13	.305	100.565594000	502,827.97	502,945.00
10,000,000	FEDERAL HOME LOAN BANKS	3133XXYX	1.875	6/21/13	.851	100.400816100	10,040,081.61	10,067,800.00
7,525,000	ALBUQUERQUE NM 2012C	ABQ2012C	.290	7/01/13	.294	100.000000000	7,525,000.00	7,525,000.00
20,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0BR	.500	8/09/13	.588	99.958391550	19,991,678.31	20,036,600.00
10,000,000	UNITED STATES TREASURY NOTES	912828NY	.750	9/15/13	.541	100.128090300	10,012,809.03	10,037,900.00
10,000,000	FEDERAL HOME LOAN BANKS	313371UC	.875	12/27/13	1.110	99.802255300	9,980,225.53	10,062,800.00
10,000,000	UNITED STATES TREASURY NOTES	912828RW	.125	12/31/13	.233	99.901602500	9,990,160.25	9,995,700.00
74,915,000					.009		74,966,454.31	75,152,954.75

====> 0010 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2013 <====

13,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	31359MTP	5.125	1/02/14	.828	103.937785385	13,511,912.10	13,584,610.00
30,000,000	FED HOME LOAN BANKS	313376UF	.375	1/29/14	.323	100.056031600	30,016,809.48	30,058,200.00

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STATE OF NEW MEXICO  
 TREASURERS OFFICE

POSITION-SIZ	DESCRIPTION	CUSIP#	RATE	MATURITY	YIELD	UNIT-BOOK	CURRENT BK	LOC-MKT-VALUE
20,000,000	UNITED STATES TREASURY NOTES	912828JZ	1.750	1/31/14	.666	101.075404700	20,215,080.94	20,313,200.00
20,000,000	UNITED STATES TREASURY NOTES	912828QH	1.250	2/15/14	1.413	99.832665500	19,966,533.10	20,221,000.00
40,000,000	UNITED STATES TREASURY NOTES	912828KF	1.875	2/28/14	1.048	100.881404400	40,352,561.76	40,725,200.00
15,000,000	UNITED STATES TREASURY NOTES	912828KJ	1.750	3/31/14	.729	101.176212467	15,176,431.87	15,270,150.00
20,000,000	UNITED STATES TREAS NTS	912828SL	.250	3/31/14	.262	99.985907400	19,997,181.48	20,013,200.00
20,000,000	UNITED STATES TREASURY NOTES	912828KN	1.875	4/30/14	1.476	100.488313050	20,097,662.61	20,415,600.00
20,000,000	UNITED STATES TREASURY NOTES	912828KV	2.250	5/31/14	1.509	100.968752900	20,193,750.58	20,539,800.00
3,060,000	NEW MEXICO FIN AUTH REV	64711NNW	3.000	6/01/14	1.490	102.011393464	3,121,548.64	3,149,076.60
3,615,000	NEW MEXICO FIN AUTH REV	64711NPB	2.000	6/01/14	.456	102.057813831	3,689,389.97	3,694,457.70
770,000	NEW MEXICO FIN AUTH REV	64711NPX	2.000	6/01/14	1.014	101.320533766	780,168.11	784,067.90
165,000	UNIVERSITY OF NM-REFUNDING	914692Q6	3.000	6/01/14	.487	103.344436364	170,518.32	170,247.00
330,000	UNIVERSITY OF NM-REFUNDING	914692N3	2.000	6/01/14	.487	102.017287879	336,657.05	336,154.50
20,000,000	UNITED STATES TREASURY NOTES	912828QS	.750	6/15/14	.771	99.971178100	19,994,235.62	20,146,000.00
15,000,000	UNITED STATES TREAS NTS	912828LC	2.625	7/31/14	1.513	101.639414400	15,245,912.16	15,537,300.00
20,000,000	FED NATL MORTGAGE ASSN DEBS	3135G0BY	.875	8/28/14	.457	100.663968000	20,132,793.60	20,191,000.00
10,000,000	FIRST NATIONAL BANK SANTA FE	01033690	.550	10/15/14	.550	100.000000000	10,000,000.00	10,000,000.00
10,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EACY	.750	11/25/14	.772	99.980041700	9,998,004.17	10,086,700.00
10,600,000	UNITED STATES TREASURY NOTES	912828TZ	.250	11/30/14	.246	100.007558396	10,600,801.19	10,599,576.00
20,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EADA	.625	12/29/14	.364	100.506250600	20,101,250.12	20,123,400.00
311,540,000					.002		313,699,202.87	315,958,939.70

====> 0021 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2014 <====

29,300,000 FEDERAL HOME LOAN BANK 313381YP .250 2/20/15 .297 99.911706212 29,274,129.92 29,254,878.00



SOURCE: VisualQED  
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STATE OF NEW MEXICO  
 TREASURERS OFFICE

POSITION-SIZ	DESCRIPTION	CUSIP#	RATE	MATURITY	YIELD	UNIT-BOOK	CURRENT BK	LOC-MKT-VALUE
20,000,000	FED NATL MORTGAGE ASSN DEBS	3135G0HG	.375	3/16/15	.541	99.664799750	19,932,959.95	20,025,600.00
20,000,000	UNITED STATES TREAS NTS	912828SP	.375	4/15/15	.387	99.973899850	19,994,779.97	20,031,200.00
60,000,000	FED NATL MORTGAGE ASSN DEBS	3135G0LN	.500	7/02/15	.511	99.990154050	59,994,092.43	60,202,200.00
10,500,000	UNITED STATES TREASURY NOTES	912828TD	.250	7/15/15	.320	99.830100572	10,482,160.56	10,478,685.00
20,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134A4VC	4.375	7/17/15	.965	108.307785900	21,661,557.18	21,963,800.00
25,000	SOUTHERN SANDOVAL CNTY N MEX A	843789FH	2.000	8/01/15	.710	103.215600000	25,803.90	25,842.50
20,150,000	UNITED STATES TREAS NTS	912828EE	4.250	8/15/15	.346	109.856127742	22,136,009.74	22,128,730.00
20,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3136FR3F	.950	9/08/15	.963	100.000000000	20,000,000.00	20,013,600.00
20,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EACM	1.750	9/10/15	1.015	101.923076350	20,384,615.27	20,705,600.00
14,250,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0NV	.500	9/28/15	.503	100.010501193	14,251,496.42	14,288,332.50
15,000,000	UNITED STATES TREASURY BONDS	912810DT	9.875	11/15/15	.382	126.266622667	18,939,993.40	18,930,450.00
13,000,000	FEDERAL HOME LOAN BANKS	313380L9	.500	11/20/15	.432	100.206469000	13,026,840.97	13,038,350.00
40,000,000	FNMA	3135G0SB	.375	12/21/15	.439	99.834949825	39,933,979.93	39,914,800.00
11,660,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134G3EG	1.150	12/30/15	1.166	100.000000000	11,660,000.00	11,744,651.60
10,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134G3FA	1.100	12/30/15	1.115	100.000000000	10,000,000.00	10,063,300.00
323,885,000					.002		331,698,419.64	332,810,019.60

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

20,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	31359MH8	5.000	3/15/16	1.026	112.223809950	22,444,761.99	22,794,000.00
35,500,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0BA	2.375	4/11/16	.804	104.981453409	37,268,415.96	37,638,875.00
20,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EACT	2.500	5/27/16	1.095	104.619795900	20,923,959.18	21,284,000.00
25,000,000	FEDERAL AGRICULTURAL MORTG CORP	31315PB7	.900	6/09/16	.913	100.000000000	25,000,000.00	25,385,500.00
20,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	31359MS6	5.375	7/15/16	1.142	114.360080150	22,872,016.03	23,291,400.00

SOURCE: VisualQED  
 MODEL: INVENTORY  
 USER: SVIGIL  
 RUN: 2/21/14 @ 09:28:51  
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POSITION-SIZ	DESCRIPTION	CUSIP#	RATE	MATURITY	YIELD	UNIT-BOOK	CURRENT BK	LOC-MKT-VALUE
40,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EACW	2.000	8/25/16	.844	104.096294500	41,638,517.80	41,991,600.00
20,000,000	UNITED STATES TREASURY NOTES	912828RF	1.000	8/31/16	.929	100.247224250	20,049,444.85	20,321,800.00
20,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0CM	1.250	9/28/16	1.218	100.175231350	20,035,046.27	20,467,800.00
30,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	31359M2D	4.875	12/15/16	.582	116.447592767	34,934,277.83	34,737,900.00
10,000,000	FEDERAL HOME LOAN BANKS	3133XHZZ	4.750	12/16/16	.704	115.478994300	11,547,899.43	11,623,900.00
25,000,000	UNITED STATES TREAS NTS	912828RX	.875	12/31/16	.776	100.381072320	25,095,268.08	25,242,250.00
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265,500,000					.002		281,809,607.42	284,779,025.00

====> 0011 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2016 <====

40,000,000	FED NATL MORTGAGE ASSN DEBS	3135G0GY	1.250	1/30/17	1.069	100.764071550	40,305,628.62	40,788,000.00
20,000,000	UNITED STATES TREAS NTS	912828SC	.875	1/31/17	.846	100.115175250	20,023,035.05	20,181,200.00
20,000,000	FEDERAL HOME LOAN BANK	3133786Q	1.000	2/13/17	1.044	99.879903800	19,975,980.76	20,225,400.00
40,000,000	UNITED STATES TREAS NTS	912828SJ	.875	2/28/17	.872	100.012778300	40,005,111.32	40,337,600.00
20,000,000	FED HOME LOAN MORTGAGE CORP DBS	3137EADC	1.000	3/08/17	1.121	99.575213600	19,915,042.72	20,151,600.00
10,000,000	FED NATL MORTGAGE ASSN DEBS	3135G0JA	1.125	4/27/17	1.064	100.313283000	10,031,328.30	10,126,800.00
20,000,000	FEDERAL HOME LN MTG CORP	3137EADH	1.000	6/29/17	.934	100.339223600	20,067,844.72	20,138,400.00
25,500,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EADJ	1.000	7/28/17	.932	100.356842510	25,590,994.84	25,615,260.00
25,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0MZ	.875	8/28/17	.799	100.390939680	25,097,734.92	24,930,500.00
15,000,000	UNITED STATES TREASURY NOTES	912828TM	.625	8/31/17	.685	99.728602000	14,959,290.30	14,894,550.00
15,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EADL	1.000	9/29/17	.900	100.509266600	15,076,389.99	15,071,550.00
35,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0PQ	.875	10/26/17	.776	100.512091372	35,179,231.98	34,935,600.00
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285,500,000					.002		286,227,613.52	287,396,460.00

====> 0012 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2017 <====

SOURCE: VisualQED  
MODEL: INVENTORY  
USER: SVIGIL  
RUN: 2/21/14 @ 09:28:51  
BASIS: TRADE (SIC FROM SECURITY-MASTER)  
AS-OF: 1/31/13  
AMRTZD: BOOK VALUES AMORTIZED THROUGH 1/31/13

STATE OF NEW MEXICO  
TREASURERS OFFICE

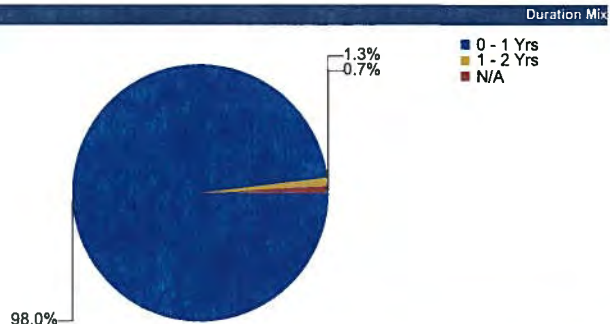
POSITION-SIZ	DESCRIPTION	CUSIP#	RATE	MATURITY	YIELD	UNIT-BOOK	CURRENT BK	LOC-MKT-VALUE
1261341299					.001		1288402597.17	1296098698.05

====> 0071 ITEMS IN SUBTOTAL FOR ====> FUND-NAME..... ====> GENERAL FUND CORE <====

Portfolio Characteristics

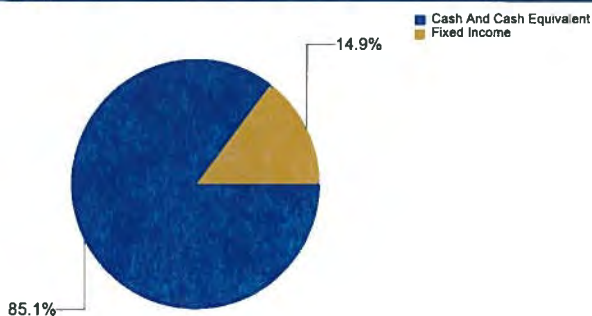
Total Net Assets (Millions) **678.3**  
 Weighted Average Life (Years) **0.06**  
 Weighted Avg. Effective Duration (Years) **0.06**  
 Weighted Average Coupon (%) **0.24**  
 Weighted Average Current Yield (%) **0.08**  
 Weighted Average Yield to Maturity (%) **0.08**  
 Weighted Average Rating **AA+**  
 Number of Holdings **28**

678.3  
0.06  
0.06  
0.24  
0.08  
0.08  
AA+  
28



Asset Mix

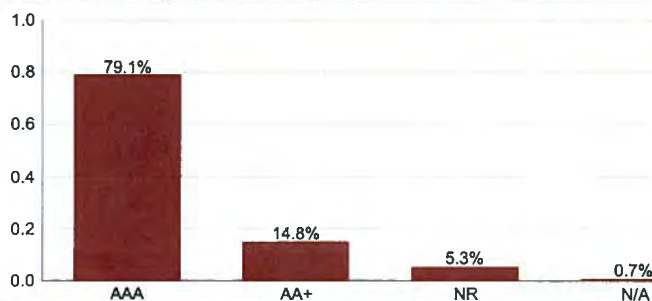
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
912828PZ7	USA TREASURY NTS 1.25% TB 15MAR/2014 USD1000	14.83%	1.25	15/3/2014
99E310075	REPO BANK OF NEW YORK/SOUTH STREET SECS 013114S	6.54%	0.05	3/2/2014
99E310077	REPO BANK OF NEW YORK/SOUTH STREET SECS 013114T	6.54%	0.05	3/2/2014
99E310067	REPO MITSUBISHI UFJ SECURITIES (USA),INC 013114W	6.18%	0.04	3/2/2014
99E310071	REPO MITSUBISHI UFJ SECURITIES (USA),INC 013114X	6.18%	0.04	3/2/2014
99E310070	REPO MITSUBISHI UFJ SECURITIES (USA),INC 013114Z	6.18%	0.04	3/2/2014
99E310078	REPO MITSUBISHI UFJ SECURITIES (USA),INC 013114Y	6.18%	0.04	3/2/2014
99E310068	REPO BANK OF NEW YORK/SOUTH STREET SECS 013114N	6.14%	0.05	3/2/2014
99E310076	REPO BANK OF NEW YORK/SOUTH STREET SECS 013114Q	5.50%	0.05	3/2/2014
99E310065	REPO BANK OF NEW YORK/SOUTH STREET SECS 013114M	5.45%	0.05	3/2/2014

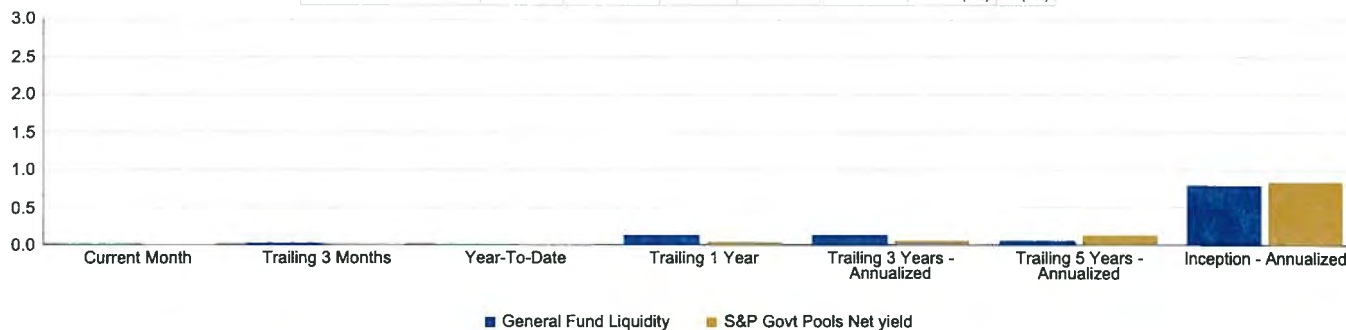
Quality/Rating Weightings

Sector Weightings (as % of Market Value)



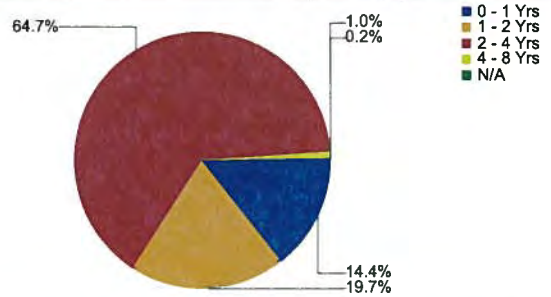
Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
General Fund Liquidity	0.00	0.02	0.00	0.13	0.13	0.05	0.79
S&P Govt Pools Net yield	0.00	0.01	0.00	0.03	0.05	0.13	0.83
Excess	0.00	0.01	0.00	0.09	0.07	(0.08)	(0.05)



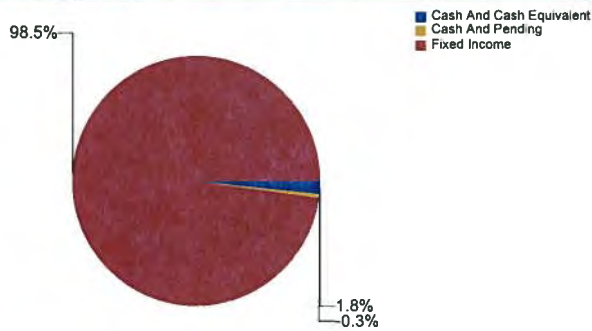
Portfolio Characteristics

Total Net Assets (Millions)	1,433.0
Weighted Average Life (Years)	2.24
Weighted Avg. Effective Duration (Years)	2.17
Weighted Average Coupon (%)	1.91
Weighted Average Current Yield (%)	0.56
Weighted Average Yield to Maturity (%)	0.56
Weighted Average Rating	AA
Number of Holdings	113



Asset Mix

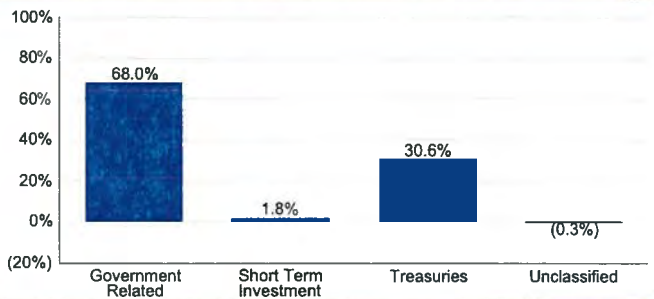
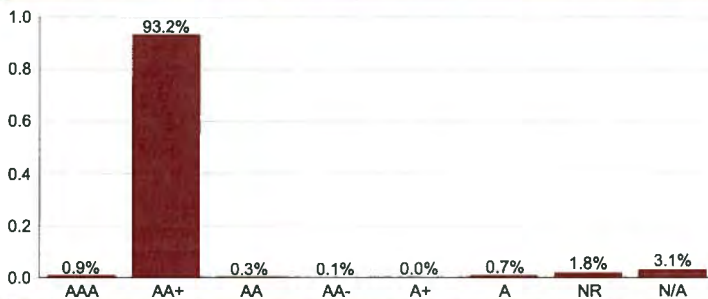
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
31359MH89	FEDERAL NATIONAL MORTGAGE ASSOC 5% BDS 15/MAR/2016	4.66%	5.00	15/3/2016
31350GLN1	FEDERAL NATIONAL MORTGAGE ASSOC 0.8% NTS	4.19%	0.50	2/7/2015
3137EACW7	FEDERAL HOME LOAN MORTGAGE CORP 2% BDS 23/AUG/2016	2.90%	2.00	25/8/2016
3135G0GY3	FEDERAL NATIONAL MORTGAGE ASSOC 1.25% MTG BDS	2.82%	1.25	30/1/2017
3137EADG0	FEDERAL HOME LOAN MORTGAGE CORP 1% BDS 08/MAR/2017	2.81%	1.00	8/3/2017
91282BKF6	UNITED STATES OF AMER TREAS NOTES 1.875% TB	2.81%	1.88	28/2/2014
3135G0S80	FEDERAL NATIONAL MORTGAGE ASSOC 0.375% BDS	2.78%	0.38	2/1/2/2015
31359M2D4	FEDERAL NATIONAL MORTGAGE ASSOC 4.875% BDS	2.66%	4.88	15/12/2016
3133834R9	FEDERAL HOME LOAN BANKS 0.375% BDS 24/JUN/2016	2.60%	0.38	24/6/2016
3135G08A0	FEDERAL NATIONAL MORTGAGE ASSOC 2.375% NTS	2.59%	2.38	11/4/2016

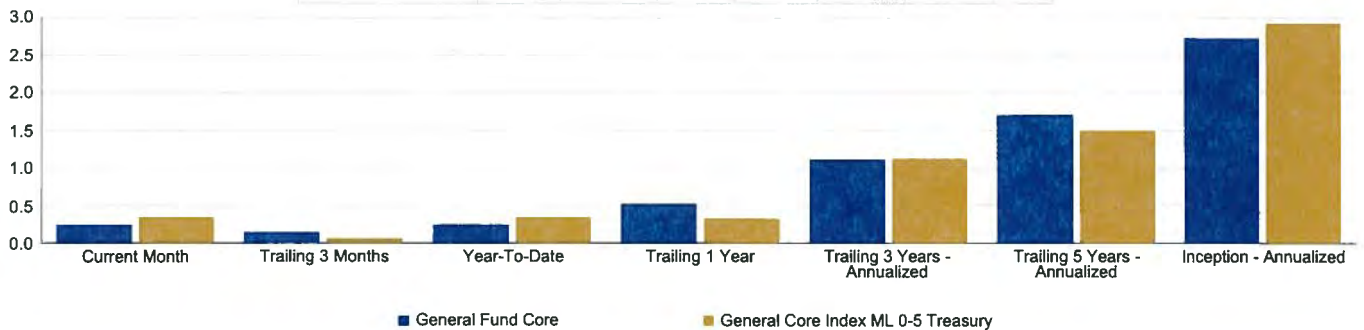
Quality/Rating Weightings

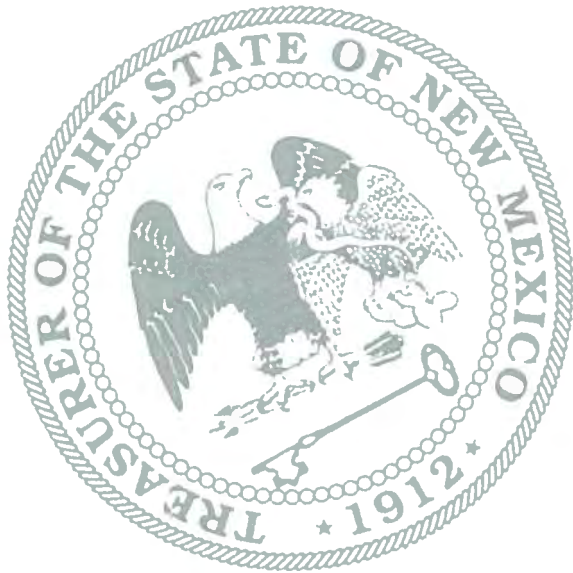
Sector Weightings (as % of Market Value)



Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
General Fund Core	0.24	0.14	0.24	0.52	1.11	1.70	2.73
General Core Index ML 0-5 Treasury	0.34	0.06	0.34	0.32	1.13	1.50	2.92
Excess	(0.10)	0.08	(0.10)	0.20	(0.02)	0.21	(0.20)





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

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

### *Summary*

- Ending January market value for the LGIP was \$606mil, lower than the \$610mil reported at the end of December.
- The LGIP maintains an AAAM rating by Standard & Poor's.
- At the end of January the STO LGIP participant balance was \$34,327,353 or 5.7% of the Pool.
- At the end of January the Judicial District Court LGIP participant balance was \$6,153,586.45 or 1.0% of the Pool.

### *Portfolio Mix*

- At the end of January 2014 the portfolio was invested as follows: 5% in US Treasuries, 32% in US Government Agencies, 48% in collateralized demand deposit accounts with qualified banking institutions, 11% in floating rate securities, and 4% in overnight repurchase agreements.
- At month-end, the LGIP held positions in 45 securities.

### *Investment Earnings*

- In January, the fund earned \$76,441.
- For Fiscal Year 2014, the fund has earned \$529,518.
- Earnings in the LGIP are retained by participants after a management fee of 0.05% is paid to the General Fund.

### *Performance*

- Gross Yield on the LGIP was 0.145% at the end of January.
- Net yield to participants was 0.095%.

### *Investment Highlights*

- For the LGIP, the WAM(R) of 59 days, and WAM (F) of 106 days, were within their maximums of 60 and 120 days respectively.
- The LGIP experienced net redemptions for the month of January, \$4mil.
- An expected redemption of \$70mil took place in late January, accompanied by a \$30mil subscription from the STBF.
- Maturities for January totaled \$20mil face amount.
- The LGIP was able to take advantage of a short window of opportunity related to the delayed increase in the debt ceiling by purchasing \$22.5mil US Treasury securities maturing in March 2014 at yields between 0.10% - 0.13%.
- The LGIP purchased \$34.47mil US Government Agency securities maturing in 3 to 12 months at yields between 0.11% - 0.20%.
- The LGIP added \$2.4mil FFCB Prime Rate FRNs maturing in 1.5 years at 0.20%.
- LGIP utilized term investments to reduce exposure to lower yielding overnight investments.
- LGIP utilized overnight and one week repo to maintain portfolio diversification.

- The LGIP continued to keep WAM(R) close to the maximum allowable 60 days.

#### *Investment Strategy*

- LGIP WAMs are currently 60 and 102 days for WAM(R) and WAM (F) respectively.
- The LGIP has experienced net subscriptions in February so far, ~ \$4mil.
- Maturities will total \$4mil in February.
- For the month of February thus far, interest rates have been relatively flat with 1, 2, 3 and 5 year US Treasury maturities yielding 0.10%, 0.31%, 0.69% and 1.51% respectively.
- The strength in the equity market, S&P up more than 3.5% for February so far, has reversed similar magnitude losses incurred in January, due to weaker than expected economic data releases, allowing equity market participants to revel in continued easy monetary policy.
- The fixed income market has held steady in February as the tapering of Fed securities purchases is expected to continue despite weaker data.
- It appears that short term interest rates, maturities where the LGIP invests, may remain low for some time.
- As WAMs recede and maturities occur, the LGIP will invest in securities that are longer dated and attractive vs. overnight collateralized bank deposits and repo.
- It is expected that the LGIP WAMs will remain close to the allowable maximums.
- LGIP will continue to focus on maximizing safety of principal and providing adequate liquidity through the use of conservative investments.

#### *Net Asset Value/Share*

At month-end, the Net Asset Value per Share of the Local Government Investment Pool was \$0.99979



# STATE OF NEW MEXICO

## LGIP FUND (4101)

Portfolio Classification Summary  
Positions Held as of 1/31/14 (TRADE Basis)

AMTZ ADDED: NO

ASSET CLASSIFICATION	ITEMS	YIELD	AVG-TERM	PRINCIPAL	COST-BASIS	MARKET-VALUE	GAIN/LOSS	%MARKET
REPURCHASE AGREEMENTS (O/N)	1	.0507	.01100	25,000,000	25,000,000	25,000,000		4.057
US TREASURY NOTE ACT/ACT 2X	4	.1324	.28655	37,500,000	37,693,737	37,694,625	888	6.118
AGENCY US BOND 30/360 2X	15	.1554	.48491	97,420,000	97,624,570	97,642,840	18,270	15.847
AGENCY US DISC ACT/360 360 DAY	5	.1559	.40750	37,935,000	37,897,508	37,911,835	14,327	6.153
AGENCY 30/360 2X	1	.1326	.31780	10,000,000	9,999,651	10,001,300	1,649	1.623
AGENCY US NOTES 30/360 2X	5	.1314	.46783	47,132,000	47,505,203	47,499,093	-6,110	7.709
AGENCY US VARIABLE ACT/360 4X	10	.1937	1.10233	68,920,000	68,944,369	68,952,134	7,765	11.191
CASH ACCOUNT	4	.1666		291,443,612	291,443,612	291,443,612		47.301
	<u>45</u>	<u>.1572</u>	<u>.54003</u>	<u>615,350,612</u>	<u>616,108,650</u>	<u>616,145,439</u>	<u>36,789</u>	<u>100.000</u>

SOURCE: VisualQED  
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 AS-OF: 1/31/13  
 AMRTZD: BOOK VALUES AMORTIZED THROUGH 1/31/13

STATE OF NEW MEXICO  
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POSITION-SIZ	DESCRIPTION	CUSIP#	RATE	MATURITY	YIELD	UNIT-BOOK	CURRENT BK	LOC-MKT-VALUE
9,200,000	FEDERAL HOME LOAN BANKS	313379AA	.160	2/01/13	.218	100.000000000	9,200,000.00	9,200,000.00
15,000,000	STRAIGHT A FUNDING LLC	86257YLC	.180	3/18/13	.183	99.977500000	14,996,625.00	14,996,625.00
5,000,000	STRAIGHT A FUNDING LLC	86257ESM	.190	4/01/13	.193	99.968861200	4,998,443.06	4,998,443.06
5,000,000	STRAIGHT-A FUNDING LLC	86257YLQ	.190	4/17/13	.193	99.960416600	4,998,020.83	4,998,020.83
20,000,000	INTERNATIONAL FINANCE CORP	45950VBT	.300	5/20/13	.304	100.000000000	20,000,000.00	20,077,200.00
2,250,000	INTL BK RECON & DEVELOP	45905UJW	.460	5/22/13	.320	100.029584889	2,250,665.66	2,250,665.66
50,000,000	FEDERAL FARM CREDIT BANKS	31331KF6	.111	6/12/13	.154	100.010134820	50,005,067.41	49,993,000.00
5,700,000	FEDERAL NATIONAL MORTGAGE ASSOCI	313589JW	.120	8/01/13	.122	99.939666667	5,696,561.00	5,697,435.00
10,250,000	FEDERAL FARM CREDIT BANKS	3133EACJ	.180	8/07/13	.241	99.970232000	10,246,948.78	10,250,102.50
20,000,000	UNITED STATES TREASURY NOTES	912828RK	.125	9/30/13	.195	99.954053350	19,990,810.67	19,998,400.00
12,000,000	FEDERAL HOME LOAN BANKS	313380V6	.220	10/01/13	.147	100.016737833	12,002,008.54	12,002,640.00
3,000,000	CORUS CONSTRUCTION VENTURE, LLC	22087WAC		10/25/13	.308	99.777827667	2,993,334.83	2,998,530.00
10,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EACX	.375	10/30/13	.154	100.166743100	10,016,674.31	10,013,800.00
20,000,000	UNITED STATES TREASURY NOTES	912828RN	.250	10/31/13	.211	100.028862250	20,005,772.45	20,014,000.00
20,000,000	UNITED STATES TREASURY NOTES	912828RS	.250	11/30/13	.201	100.040763900	20,008,152.78	20,014,800.00
10,000,000	FEDERAL HOME LOAN BANKS	313381HG	.125	12/06/13	.216	99.925445200	9,992,544.52	9,995,300.00
8,200,000	FEDERAL HOME LOAN BANK	313379R2	.250	12/13/13	.202	100.035422073	8,202,904.61	8,203,772.00
20,000,000	FEDERAL HOME LOAN BANKS	313379QY	.250	12/20/13	.202	100.036224650	20,007,244.93	20,009,000.00
-----								
245,600,000					.003		245,611,779.38	245,711,734.05
====> 0018 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2013 <====								
20,000,000	FEDERAL HOME LOAN BANKS	3133804M	.273	1/23/14	.137	99.986917700	19,997,383.54	19,990,200.00
-----								
20,000,000					.035		19,997,383.54	19,990,200.00
====> 0001 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2014 <====								

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AMRTZD: BOOK VALUES AMORTIZED THROUGH 1/31/13

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TREASURERS OFFICE

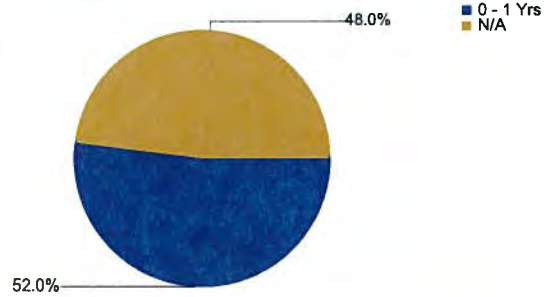
POSITION-SIZ	DESCRIPTION	CUSIP#	RATE	MATURITY	YIELD	UNIT-BOOK	CURRENT BK	LOC-MKT-VALUE
265,600,000					.003		265,609,162.92	265,701,934.05

====> 0019 ITEMS IN SUBTOTAL FOR ====> FUND-NAME..... ====> LGIP FUND <====

Portfolio Characteristics

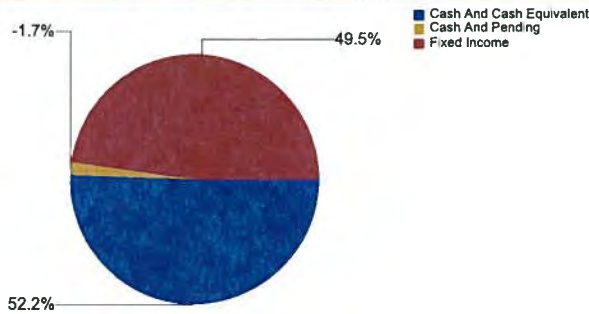
Duration Mix

**Total Net Assets (Millions)** 606.6  
**Weighted Average Life (Years)** 0.30  
**Weighted Avg. Effective Duration (Years)** 0.17  
**Weighted Average Coupon (%)** 0.42  
**Weighted Average Current Yield (%)** 0.09  
**Weighted Average Yield to Maturity (%)** 0.12  
**Weighted Average Rating** AA+  
**Number of Holdings** 46



Asset Mix

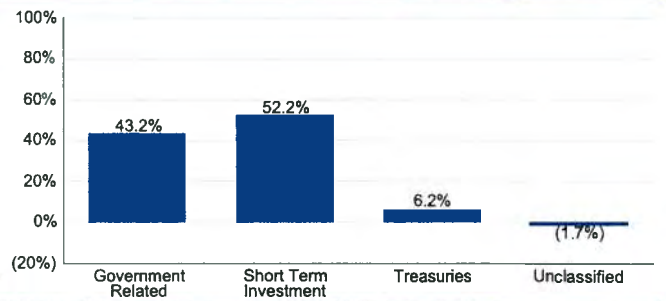
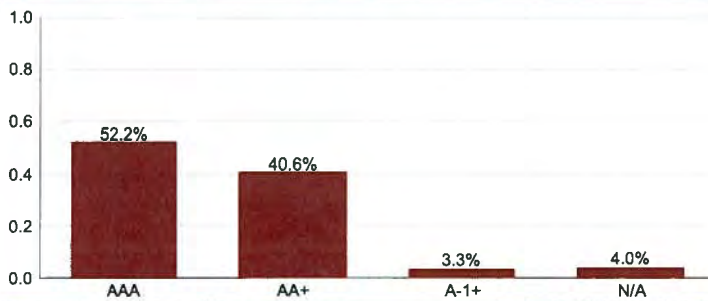
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
89498LC10	BANK OF THE WEST	22.50%	0.00	1/2/2014
894993C02	Wells Fargo Checking	19.50%	0.15	1/2/2014
89499LC36	US BANK	4.88%	0.00	1/2/2014
99E280044	REPO BANK OF NEW YORK/SOUTH STREET SECS SSS012814	4.05%	0.05	4/2/2014
3133EDAW2	FEDERAL FARM FLT 12/15	3.24%	0.20	2/1/2/2015
313383RX1	FEDERAL HOME LOAN BANKS CONS BD 0.13% 22/APR/2014	3.08%	0.13	22/4/2014
912828KJ8	UNITED STATES TREAS NTS 1.750% 31/MAR/2014	2.44%	1.75	31/3/2014
3134G2SA6	FEDERAL HOME LN MTG CORP FR 0.54%09/MAY/2014	2.44%	0.54	9/5/2014
3135G08Y8	FEDERAL NATIONAL MORTGAGE ASSOC 0.875% BDS	2.04%	0.88	28/8/2014
3133ECVA9	FEDERAL FARM CREDIT BANK BOND VARIABLE 22/JUL/2014	2.03%	0.17	22/7/2014

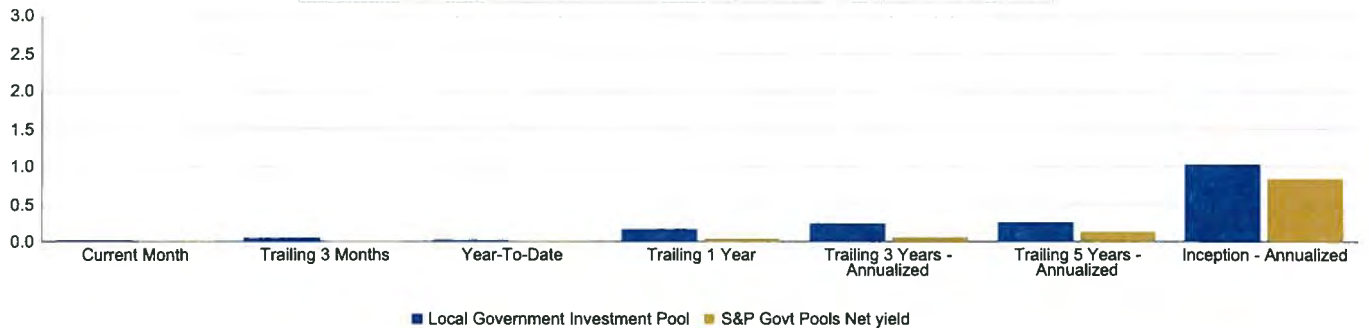
Quality/Rating Weightings

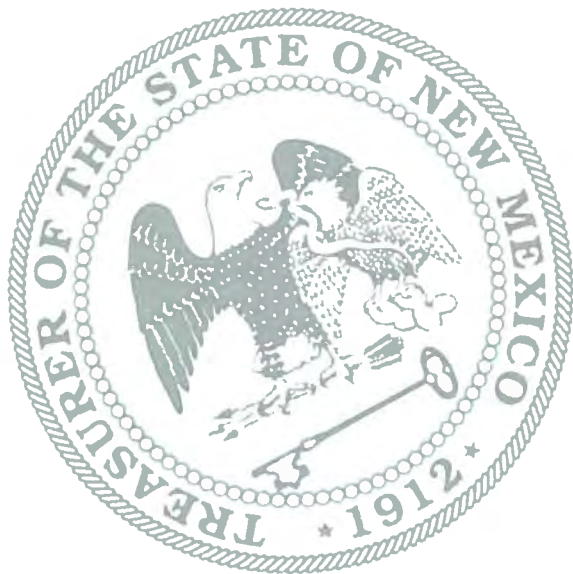
Sector Weightings (as % of Market Value)



Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
Local Government Investment Pool	0.02	0.04	0.02	0.16	0.24	0.25	1.02
S&P Govt Pools Net yield	0.00	0.01	0.00	0.03	0.05	0.13	0.83
Excess	0.02	0.03	0.02	0.13	0.18	0.12	0.19





## 9. Portfolio Summary- Tax-Exempt Bond Proceeds Investment Pool

## **Portfolio Summary – Tax Exempt Bond Proceeds Investment Pool**

### *Summary*

- The Tax Exempt Bond Proceeds Investment Pool closed the month of January at \$469mil vs. \$465mil at the end of December.
- The Pool paid out \$14mil for capital spending in January 2014 and received \$18mil in deposits for debt service payable on March 1.

### *Portfolio Mix*

- 98% of the Tax-Exempt BPIP portfolio was invested in fixed income securities and 2% in floating rate notes: 51% in Treasuries, 35% in Agency Securities, 2% in Supranational, 5% in NM municipal securities, 1% in NM bank collateralized CDs and the balance, approximately 6%, held in cash equivalents.
- 50% of the portfolio was invested in securities that mature in one year, 26% in securities that mature from 1-2 years, 24% in securities that mature from 2-4 years and 0% in securities out to 5 years.
- The Tax-Exempt BPIP held positions in 54 securities.
- Weighted Average Life of the Tax Exempt BPIP was 1.26 years. The Weighted Average duration was 1.20 years.
- The maximum security term for the BPIP portfolio is 5 years.

### *Investment Earnings*

- Unrealized gains in the Tax-Exempt BPIP Portfolio were \$495,236 as of January 31<sup>st</sup>
- Monthly Earnings on the portfolio for January were \$134,494.
- Earnings for FY2014 were \$1,020,584.
- Earnings on the Bond Proceeds Investment Pool are used to offset capital and debt service spending.

### *Investment Highlights*

- The duration of the Tax-Exempt BPIP at the end of January increased (1.20 yrs.) vs. December (1.04 yrs.) and was shorter than the Benchmark (1.38 yrs.).
- The Tax-Exempt BPIP had maturities of \$17.997mil in the month of January.
- The Tax-Exempt BPIP paid out \$16.9mil for debt service due on Jan 1, 2014.
- The Pool purchased \$65mil of 1 to 2 year Treasury and Agency securities at yields between 0.16% and 0.52%.
- The Pool received a deposit of \$18mil in January to pay debt service due on March 1, 2014.
- The Pool duration was extended as available cash was utilized to ladder maturities for monthly liquidity purposes while reducing exposure to low yielding repo.

### *Performance*

- The purchase yield was 0.37% at the end of January, higher than the yield reported for December, 0.33%.

- The Tax-Exempt BPIP returned 0.11% for the month of January and 0.10% for the three months ended January 31, 2014, vs. Index returns of 0.11% and 0.09% respectively. For the trailing 12 mos. the Pool returned 0.33% vs. 0.39% for the benchmark.
- The Tax-Exempt BPIP had a shorter duration, thereby taking less risk, than the benchmark, and was able to match its performance for the month of January.
- Cash flows (debt service payments, capital project withdrawals, bond sale proceeds) will continue to be the key driver of the portfolio's structure and cash position going forward.

*Investment Strategy*

- The option-adjusted duration of the Tax-Exempt BPIP portfolio is currently 1.09 yrs. vs. 1.40 yrs. for the benchmark.
- For the month of February there will be \$30mil maturities scheduled in the Pool.
- A US Government Agency, \$20.94mil, has been called in February.
- Capital project withdrawals will be \$14mil in February.
- The Tax-Exempt BPIP will need to pay out \$69mil for debt service due on March 1, 2014.
- The investment priority continues to be maintaining liquidity in a volatile interest rate environment.
- The Pool will continue to purchase 1 to 3 year Treasury and Agency securities as maturities and cash flows allow.
- The Tax-Exempt BPIP will maintain duration shorter than that of the benchmark. Project withdrawals will have the effect of lengthening duration and as they have had a high degree of variability month-to-month, cash flow management will dominate portfolio decisions.

**STATE OF NEW MEXICO**  
**BOND PROCEEDS INV POOL1 TAX EX (4000)**  
Portfolio Classification Summary  
Positions Held as of 1/31/14 (TRADE Basis)

AMTZ ADDED: NO

ASSET CLASSIFICATION	ITEMS	YIELD	AVG-TERM	PRINCIPAL	COST-BASIS	MARKET-VALUE	GAIN/LOSS	%MARKET
REPURCHASE AGREEMENTS (O/N)	1	.0507	.00820	24,244,908	24,244,908	24,244,908		5.169
CERTIFICATES OF DEPOSIT	2	.6000	.43010	3,000,000	3,000,000	3,000,000		.640
U.S. TREASURY BONDS	1	.2045	.83010	10,000,000	10,158,582	10,162,500	3,918	2.167
US TREASURY NOTE ACT/ACT 2X	16	.3313	1.20267	210,000,000	212,629,422	212,708,700	79,278	45.349
US TREASURY (STRIP/ZERO) 30/360	3	.3740	1.26906	16,034,000	15,914,229	15,910,256	-3,973	3.392
AGENCY US BOND 30/360 2X	4	.2347	.94083	50,000,000	50,018,654	50,044,600	25,946	10.669
AGENCY US NOTES 30/360 2X	9	.5908	1.72275	99,840,000	101,497,233	101,796,921	299,688	21.703
FED NATL MORTGAGE ASSN DEBS	2	.6178	2.08673	15,000,000	15,249,268	15,325,000	75,732	3.267
AGENCY US VARIABLE ACT/360 4X	1	.1887	.29860	7,934,000	7,945,731	7,943,918	-1,813	1.694
MUNI US 30/360 2X	12	.4419	.71605	23,160,000	23,553,719	23,569,030	15,311	5.025
MUNICIPAL BOND REVENUE	2	.4119	1.06638	1,300,000	1,320,678	1,321,828	1,150	.282
UNITS - INVESTMENT POOL 1	1			3,017,795	3,017,795	3,017,795		.643
	<u>54</u>	<u>.3737</u>	<u>1.20166</u>	<u>463,530,703</u>	<u>468,550,219</u>	<u>469,045,456</u>	<u>495,237</u>	<u>100.000</u>



SOURCE: VisualQED  
 MODEL: INVENTORY  
 USER: SVIGIL  
 RUN: 2/21/14 @ 09:28:51  
 BASIS: TRADE (SIC FROM SECURITY-MASTER)  
 AS-OF: 1/31/13  
 AMRTZD: BOOK VALUES AMORTIZED THROUGH 1/31/13

STATE OF NEW MEXICO  
 TREASURERS OFFICE

POSITION-SIZ	DESCRIPTION	CUSIP#	RATE	MATURITY	YIELD	UNIT-BOOK	CURRENT BK	LOC-MKT-VALUE
3,009,727 UNITS - INVESTMENT POOL 1		UNITS001				1.000000153	3,009,727.46	3,009,727.00
3,009,727					.231		3,009,727.46	3,009,727.00

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

15,000,000 UNITED STATES TREASURY NOTES	912828MX	1.750	4/15/13	.715	100.206444733	15,030,966.71	15,049,800.00
10,000,000 STRAIGHT A FUNDING LLC	86257ETS	.190	4/23/13	.193	99.957250000	9,995,725.00	9,995,725.00
25,000,000 FEDERAL NATIONAL MORTGAGE ASSOCI	31359MRK	4.625	5/01/13	.550	101.017889440	25,254,472.36	25,279,750.00
2,000,000 LOS ALAMOS CNTY N MEX INC UTIL	54423EBV	5.000	7/01/13	.355	101.934019000	2,038,680.38	2,037,240.00
15,000,000 INTL FINANCE CORP	45950VBW	.330	8/01/13	.335	100.000000000	15,000,000.00	15,009,450.00
7,350,000 ALBUQUERQUE N MEX MUN SCH DIST	013595RQ	1.000	8/01/13	.300	100.351570884	7,375,840.46	7,374,843.00
74,350,000				.009		74,695,684.91	74,746,808.00

====> 0006 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2013 <====

15,000,000 UNITED STATES TREASURY NOTES	912828KF	1.875	2/28/14	.986	100.947887667	15,142,183.15	15,271,950.00
6,485,000 NEW MEXICO ST SEVERANCE TAX	647310P4	4.000	7/01/14	.406	105.079750501	6,814,421.82	6,818,458.70
4,780,000 NEW MEXICO ST SEVERANCE TAX	647310N4	4.000	7/01/14	.406	105.079750419	5,022,812.07	5,018,139.60
2,000,000 FARMERS & STOCKMENS BANK	8521444	.600	7/07/14	.600	100.000000000	2,000,000.00	2,000,000.00
1,000,000 FARMERS & STOCKMENS BANK	8521448	.600	7/07/14	.600	100.000000000	1,000,000.00	1,000,000.00
500,000 ALBUQUERQUE N MEX MUN SCH DIST	013595RR	2.000	8/01/14	.466	102.298906000	511,494.53	512,100.00

SOURCE: VisualQED  
 MODEL: INVENTORY  
 USER: SVIGIL  
 RUN: 2/21/14 @ 09:28:51  
 BASIS: TRADE (SIC FROM SECURITY-MASTER)  
 AS-OF: 1/31/13  
 AMRTZD: BOOK VALUES AMORTIZED THROUGH 1/31/13

STATE OF NEW MEXICO  
 TREASURERS OFFICE

POSITION-SIZ	DESCRIPTION	CUSIP#	RATE	MATURITY	YIELD	UNIT-BOOK	CURRENT BK	LOC-MKT-VALUE
5,570,000	ALBUQUERQUE N MEX MUN SCH DIST	013595RE	3.000	8/01/14	.456	103.807177918	5,782,059.81	5,795,919.20
10,000,000	FEDERAL HOME LOAN MORTGAGE CORP	3134G3Y6	.375	12/10/14	.380	100.000000000	10,000,000.00	10,002,900.00
45,335,000					.015		46,272,971.38	46,419,467.50

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

550,000	ALBUQUERQUE N MEX MUN SCH DIST	013595RS	2.000	8/01/15	.598	103.493281818	569,213.05	569,640.50
15,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134G3ZA	.500	8/28/15	.450	100.142350200	15,021,352.53	15,045,000.00
10,000,000	FNMA	3135G0SB	.375	12/21/15	.457	99.782537900	9,978,253.79	9,978,700.00
10,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134G32F	.520	12/28/15	.527	100.000000000	10,000,000.00	9,989,100.00
10,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134G3FA	1.100	12/30/15	1.115	100.000000000	10,000,000.00	10,063,300.00
15,000,000	UNITED STATES TREAS NTS	912828PM	2.125	12/31/15	.433	104.888660200	15,733,299.03	15,745,350.00
60,550,000					.011		61,302,118.40	61,391,090.50

====> 0006 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2015 <====

10,000,000	UNITED STATES TREASURY NOTES	912828KS	2.625	2/29/16	.395	106.809459900	10,680,945.99	10,668,800.00
20,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EACW	2.000	8/25/16	1.160	102.982164650	20,596,432.93	20,995,800.00
10,000,000	FEDERAL NATL MTG ASSN DEBS	3135G0ES	1.375	11/15/16	1.227	100.609259400	10,060,925.94	10,265,900.00
10,000,000	FED NATL MORTGAGE ASSN DEBS	3136FTUZ	1.400	12/30/16	1.419	100.000000000	10,000,000.00	10,091,000.00
3,495,000	FED NATL MORTGAGE ASSN DEBS	3136FTUZ	1.400	12/30/16	1.419	100.000000000	3,495,000.00	3,526,804.50
53,495,000					.013		54,833,304.86	55,548,304.50

SOURCE: VisualQED  
MODEL: INVENTORY  
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RUN: 2/21/14 @ 09:28:51  
BASIS: TRADE (SIC FROM SECURITY-MASTER)  
AS-OF: 1/31/13  
AMRTZD: BOOK VALUES AMORTIZED THROUGH 1/31/13

STATE OF NEW MEXICO  
TREASURERS OFFICE

POSITION-SIZ	DESCRIPTION	CUSIP#	RATE	MATURITY	YIELD	UNIT-BOOK	CURRENT BK	LOC-MKT-VALUE
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====> 0005 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2016 <====

15,000,000	FEDERAL HOME LOAN BANKS	313379FW	1.000	6/09/17	.840	100.732019400	15,109,802.91	15,089,550.00
15,000,000					.046		15,109,802.91	15,089,550.00

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

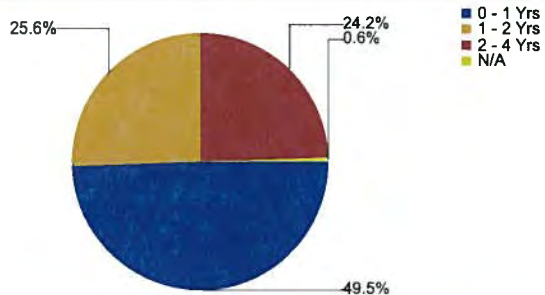
251,739,727					.003		255,223,609.92	256,204,947.50
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====> 0027 ITEMS IN SUBTOTAL FOR ====> FUND-NAME..... ====> BOND PROCEEDS INV POOL1 TAX EX <

Portfolio Characteristics

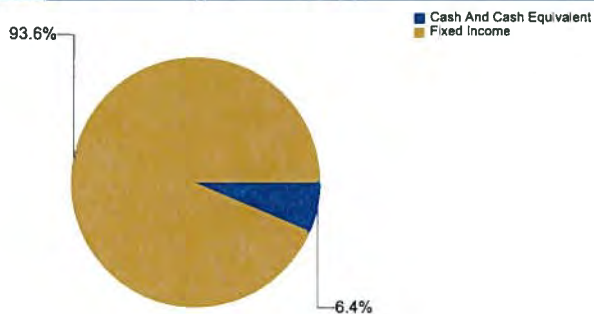
Total Net Assets (Millions)	470.6
Weighted Average Life (Years)	1.26
Weighted Avg. Effective Duration (Years)	1.20
Weighted Average Coupon (%)	1.30
Weighted Average Current Yield (%)	0.30
Weighted Average Yield to Maturity (%)	0.31
Weighted Average Rating	AA
Number of Holdings	53

Duration Mix



Asset Mix

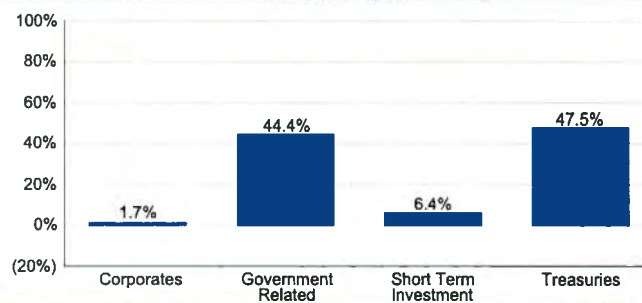
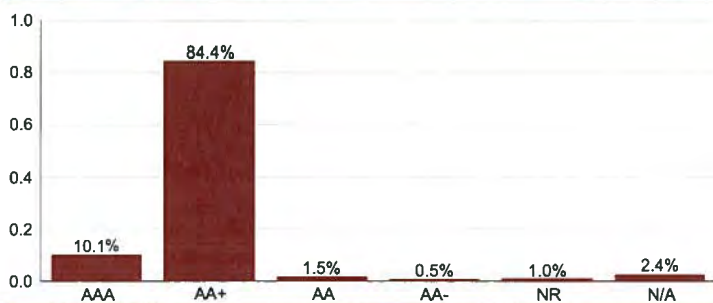
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
99E310088	REPO BANK OF NEW YORK/SOUTH STREET SECS 013114J	5.15%	0.05	3/2/2014
3134G3NL0	FEDERAL HOME LOAN MORTGAGE CORP 0.5% MTG BDS	4.46%	0.50	24/2/2015
3137EACW7	FEDERAL HOME LOAN MORTGAGE CORP 2% BDS 25/AUG/2016	4.44%	2.00	25/8/2016
912828PM6	UNITED STATES 2.125% 12/15	3.30%	2.12	31/12/2015
912828OP8	UNITED STATES 1.75% 05/16	3.29%	1.75	31/5/2016
912828LQ1	UNITED STATES 2.375% 09/14	3.26%	2.38	30/9/2014
912828LS7	UNITED STATES 2.375% 10/14	3.26%	2.38	31/10/2014
912828PJ3	UNITED STATES 1.375% 11/15	3.26%	1.38	30/11/2015
912828KY5	UNITED STATES TREAS NTS 2.625% 30/JUN/2014	3.23%	2.62	30/6/2014
912828KF6	UNITED STATES OF AMER TREAS NOTES 1.875% TB	3.22%	1.88	28/2/2014

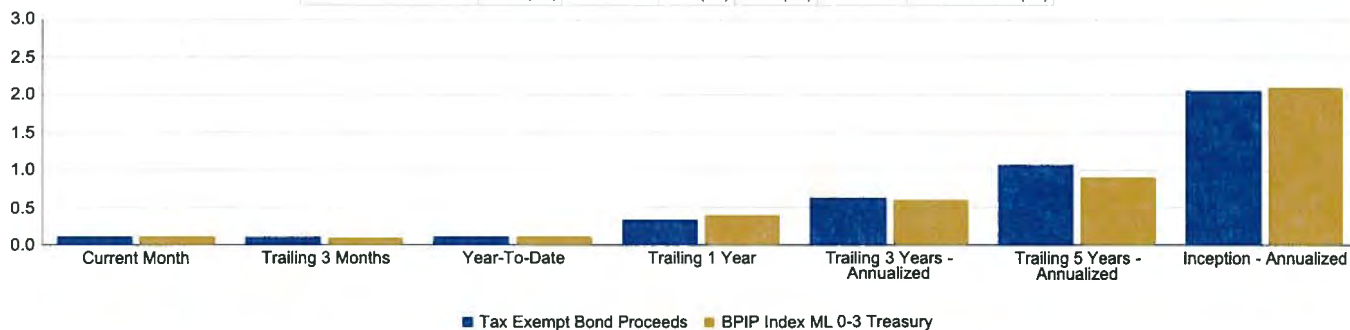
Quality/Rating Weightings

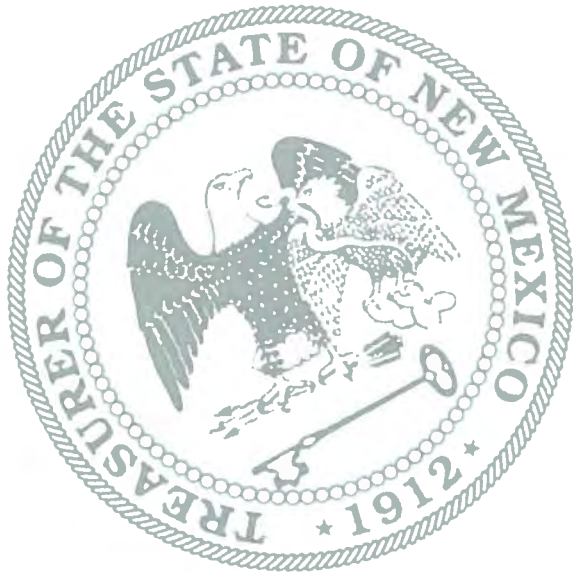
Sector Weightings (as % of Market Value)



Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
Tax Exempt Bond Proceeds	0.11	0.10	0.11	0.33	0.62	1.06	2.05
BPIP Index ML 0-3 Treasury	0.11	0.09	0.11	0.39	0.60	0.90	2.09
Excess	(0.01)	0.01	(0.01)	(0.06)	0.03	0.16	(0.04)





## 10. Portfolio Summary- Taxable Bond Proceeds Investment Pool

## Portfolio Summary – Taxable Bond Proceeds Investment Pool

### *Summary*

- The Taxable Bond Proceeds Investment Pool closed the month of January at \$777mil vs. \$790mil at the end of December 2013.
- The Pool paid out approximately \$13mil for capital spending in January 2014.

### *Portfolio Mix*

- 99% of the Taxable BPIP portfolio was invested in fixed income securities and 1% in floating rate securities; 48% in US Treasuries, 42% in Agency securities, 1% in Supranational, 4% in NM municipal securities and the balance, approximately 5%, was held in cash equivalents and collateralized NM bank CDs.
- 42% of the portfolio was invested in securities that mature in one year, 35% in securities that mature from 1-2 years, 23% in securities that mature from 2-4 years and 0% in securities out to 5 years.
- The Taxable BPIP held positions in 87 securities.
- Weighted Average Life of the Taxable BPIP was 1.32 years. The Weighted Average duration was 1.30 years.
- The maximum security term for the BPIP portfolio is 5 years.

### *Investment Earnings*

- The unrealized gains in the Taxable BPIP Portfolio were \$1,319,172 as of January 31<sup>st</sup>.
- Monthly earnings on the portfolio for January were \$298,531.
- For fiscal year 2014, the fund has earned \$2,135,674.
- Earnings on the Bond Proceeds Investment Pool are used to offset capital and debt service spending.

### *Investment Highlights*

- The duration of the Taxable BPIP at the end of January was 1.30 yrs. vs. 1.10 yrs. for month end December, and was shorter than the Benchmark (1.38 yrs.).
- Maturities totaled \$26.71mil in the month of January 2014.
- The Taxable BPIP purchased \$4mil NM collateralized CDs with two year maturities yielding 0.45%.
- The Pool purchased \$113.17mil US Treasury and Agency securities maturing in 1 to 3 years at yields ranging from 0.19% and 0.52%.

### *Performance*

- Purchase Yield at the end of January was 0.48%, lower than 0.44% reported for December.
- The Taxable BPIP returned 0.11% for the month of January and 0.11% for the three months ended January 31, 2014, vs. Index returns of 0.11% and 0.09% respectively. For the trailing 12 mos. the Pool returned 0.34% vs. 0.39% for the benchmark.
- The Taxable BPIP had a shorter duration, thereby taking less risk, than the benchmark, and was able to match its performance for the month of January.

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

*Investment Strategy*

- The option adjusted duration of the portfolio is currently 1.30 yrs. vs. 1.40 yrs. for the benchmark.
- The Pool has \$63.5mil in maturities scheduled for February.
- Capital project withdrawals will be \$55mil in February.
- The Taxable BPIP has sold \$25.8mil Agency securities to cover large project withdrawals for February at a small gain.
- The Pool will purchase 1 to 3 year Treasury and Agency securities as maturities and cash flows allow.
- The Taxable BPIP will maintain duration shorter than that of the benchmark. Project withdrawals will have the effect of lengthening duration and as they have had a high degree of variability month-to-month, cash flow management will dominate portfolio decisions.

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

Portfolio Classification Summary  
 Positions Held as of 1/31/14 (TRADE Basis)

AMTZ ADDED: NO

ASSET CLASSIFICATION	ITEMS	YIELD	AVG-TERM	PRINCIPAL	COST-BASIS	MARKET-VALUE	GAIN/LOSS	%MARKET
REPURCHASE AGREEMENTS (O/N)	1	.0507	.00820	20,301,812	20,301,812	20,301,812		2.611
CERTIFICATES OF DEPOSIT	5	.3852	.82006	14,200,000	14,200,000	14,200,000		1.826
LINKED-CERTIFICATE OF DEPOSIT	2	.4500	1.95620	4,000,000	4,000,000	4,000,000		.514
US TREASURY NOTE ACT/ACT 2X	22	.4789	1.20259	370,000,000	375,588,413	376,129,500	541,087	48.372
AGENCY US BOND 30/360 2X	8	.3984	1.70106	102,670,000	103,180,761	103,212,992	32,231	13.274
AGENCY US DISC ACT/360 360 DAY	3	.1520	.36730	12,772,000	12,758,253	12,764,432	6,179	1.642
AGENCY US NOTES 30/360 2X	12	.5515	1.79103	165,000,000	167,614,010	168,143,500	529,490	21.624
FED NATL MORTGAGE ASSN DEBS	2	.7984	.90410	40,000,000	40,271,200	40,464,400	193,200	5.204
AGENCY US VARIABLE ACT/360 4X	1	.1887	.29860	7,000,000	7,010,350	7,008,750	-1,600	.901
MUNI US 30/360 2X	26	.4570	.85246	27,420,000	27,826,483	27,845,759	19,276	3.581
MUNICIPAL BOND REVENUE	3	.3059	.46200	2,180,000	2,205,550	2,204,863	-687	.284
UNITS - INVESTMENT POOL 1	1			1,308,257	1,308,257	1,308,257		.168
CASH ACCOUNT	1			-208	-208	-208		
	<u>87</u>	<u>.4773</u>	<u>1.30899</u>	<u>766,851,861</u>	<u>776,264,881</u>	<u>777,584,057</u>	<u>1,319,176</u>	<u>100.000</u>



SOURCE: VisualQED  
 MODEL: INVENTORY  
 USER: SVIGIL  
 RUN: 2/21/14 @ 09:28:51  
 BASIS: TRADE (SIC FROM SECURITY-MASTER)  
 AS-OF: 1/31/13  
 AMRTZD: BOOK VALUES AMORTIZED THROUGH 1/31/13

STATE OF NEW MEXICO  
 TREASURERS OFFICE

POSITION-SIZ	DESCRIPTION	CUSIP#	RATE	MATURITY	YIELD	UNIT-BOOK	CURRENT BK	LOC-MKT-VALUE
1,306,736 UNITS - INVESTMENT POOL 1		UNITS001				.999999824	1,306,735.77	1,306,736.00
1,306,736					.532		1,306,735.77	1,306,736.00

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

5,000,000	UNITED STATES TREAS NTS	912828QK	.625	2/28/13	.724	99.992510800	4,999,625.54	5,001,950.00
2,400,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3136F9DU	4.000	4/15/13	4.136	99.974145000	2,399,379.48	2,419,032.00
20,000,000	STRAIGHT A FUNDING LLC	86257ETS	.190	4/23/13	.193	99.957250000	19,991,450.00	19,991,450.00
200,000	SANTA ROSA N MEX CONS SCH DIST	802751DK	1.000	5/15/13	.406	100.172765000	200,345.53	200,308.00
20,000,000	UNITED STATES TREASURY NOTES	912828QZ	.500	5/31/13	.454	100.014755000	20,002,951.00	20,026,600.00
1,360,000	CLOVIS N MEX GROSS RCPTS TAX R	189387CU	2.000	6/01/13	.608	100.465062500	1,366,324.85	1,366,432.80
20,000,000	UNITED STATES TREASURY NOTES	912828RA	.375	6/30/13	.474	99.959140650	19,991,828.13	20,021,800.00
10,000,000	UNITED STATES TREASURY NOTES	912828NN	1.000	7/15/13	.914	100.038692800	10,003,869.28	10,040,200.00
600,000	WESTERN BANK CLOVIS	15894	.600	7/15/13	.600	100.000000000	600,000.00	600,000.00
2,000,000	WESTERN BANK CLOVIS	15957	.600	7/15/13	.600	100.000000000	2,000,000.00	2,000,000.00
1,000,000	WESTERN BANK ALAMOGORDO	81186647	.600	7/22/13	.600	100.000000000	1,000,000.00	1,000,000.00
1,500,000	WESTERN BANK ALAMOGORDO	81186647	.600	7/22/13	.600	100.000000000	1,500,000.00	1,500,000.00
15,000,000	INTL FINANCE CORP	45950VBW	.330	8/01/13	.335	100.000000000	15,000,000.00	15,009,450.00
785,000	LOS ALAMOS N MEX PUB SCH DIST	54422NDB	2.000	8/01/13	.407	100.797921019	791,263.68	791,484.10
1,700,000	SAN JUAN CNTY N MEX CENT CONS	798359JP	2.000	8/01/13	.407	100.797920588	1,713,564.65	1,714,042.00
440,000	RUIDOSO N MEX MUN SCH DIST NO	781338HW	2.000	8/01/13	.355	100.773000000	443,401.20	443,634.40
20,000,000	UNITED STATES TREASURY NOTES	912828NU	.750	8/15/13	.789	99.979017450	19,995,803.49	20,067,200.00
10,000,000	UNITED STATES TREASURY NOTES	912828NU	.750	8/15/13	.946	99.895036000	9,989,503.60	10,033,600.00
2,245,000	GADSDEN N MEX INDPT SCH DIST N	362550KT	2.000	8/15/13	.407	100.859882851	2,264,304.37	2,265,002.95

SOURCE: VisualQED  
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STATE OF NEW MEXICO  
 TREASURERS OFFICE

POSITION-SIZ	DESCRIPTION	CUSIP#	RATE	MATURITY	YIELD	UNIT-BOOK	CURRENT BK	LOC-MKT-VALUE
1,750,000	GADSDEN N MEX INDPT SCH DIST N	362550LL	1.000	8/15/13	.559	100.241268572	1,754,222.20	1,755,442.50
540,000	ESPANOLA N MEX PUB SCH DIST NO	29662RAQ	2.000	9/01/13	.355	100.901000000	544,865.40	544,741.20
20,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	31398A2S	1.000	9/23/13	.572	100.280000450	20,056,000.09	20,103,000.00
5,000,000	UNITED STATES TREASURY NOTES	912828PB	.500	10/15/13	.575	99.947881800	4,997,394.09	5,012,500.00
8,000,000	CENTURY BANK SANTA FE	17099241	.400	12/30/13	.400	100.000000000	8,000,000.00	8,000,000.00
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169,520,000					.004		169,606,096.58	169,907,869.95

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

14,260,000	FEDERAL NATIONAL MORTGAGE ASSOCI	31359MTP	5.125	1/02/14	.828	103.937785344	14,821,528.19	14,901,272.20
8,450,000	FEDERAL NATIONAL MORTGAGE ASSOCI	31359MTP	5.125	1/02/14	.854	103.914287337	8,780,757.28	8,829,996.50
2,000,000	WESTERN COMMERCE BANK	2012477	.500	1/15/14	.500	100.000000000	2,000,000.00	2,000,000.00
2,000,000	WESTERN COMMERCE BANK	2012634	.500	1/15/14	.500	100.000000000	2,000,000.00	2,000,000.00
20,000,000	FED NATIONAL MTG ASSN DEB	3135G0AP	1.250	2/27/14	.725	100.569777650	20,113,955.53	20,250,400.00
40,000,000	UNITED STATES TREASURY NOTES	912828KF	1.875	2/28/14	1.007	100.924907050	40,369,962.82	40,725,200.00
10,000,000	UNITED STATES TREASURY NOTES	912828KN	1.875	4/30/14	1.298	100.709039400	10,070,903.94	10,207,800.00
200,000	SANTA ROSA N MEX CONS SCH DIST	802751DL	1.000	5/15/14	.507	100.641330000	201,282.66	201,328.00
10,000,000	UNITED STATES TREASURY NOTES	912828KV	2.250	5/31/14	1.346	101.183613500	10,118,361.35	10,269,900.00
1,325,000	CLOVIS N MEX GROSS RCPTS TAX R	189387CV	2.000	6/01/14	.659	101.788578868	1,348,698.67	1,350,585.75
2,005,000	GADSDEN N MEX INDPT SCH DIST N	362550KU	2.000	8/15/14	.507	102.295996509	2,051,034.73	2,050,012.25
20,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EACV	1.000	8/27/14	.279	101.136178500	20,227,235.70	20,245,600.00
20,000,000	FEDERAL HOME LOAN MORTGAGE CORP	3134G3Y6	.375	12/10/14	.380	100.000000000	20,000,000.00	20,005,800.00
10,000,000	UNITED STATES TREAS NTS	912828RV	.250	12/15/14	.330	99.851773800	9,985,177.38	9,998,400.00
1,100,000	WESTERN BANK ALAMOGORDO	81185441	.750	12/31/14	.750	100.000000000	1,100,000.00	1,100,000.00
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161,340,000					.004		163,188,898.25	164,136,294.70

SOURCE: VisualQED  
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 USER: SVIGIL  
 RUN: 2/21/14 @ 09:28:51  
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STATE OF NEW MEXICO  
 TREASURERS OFFICE

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POSITION-SIZ	DESCRIPTION	CUSIP#	RATE	MATURITY	YIELD	UNIT-BOOK	CURRENT BK	LOC-MKT-VALUE
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====> 0015 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2014 <====

225,000	SANTA ROSA N MEX CONS SCH DIST	802751DM	1.000	5/15/15	.659	100.793253333	226,784.82	226,957.50
1,350,000	CLOVIS N MEX GROSS RCPTS TAX R	189387CW	2.000	6/01/15	.760	102.884723704	1,388,943.77	1,392,930.00
10,000,000	UNITED STATES TREAS NTS	912828NP	1.750	7/31/15	.453	103.216889200	10,321,688.92	10,350,000.00
400,000	RUIDOSO N MEX MUN SCH DIST NO	781338HY	2.000	8/01/15	.568	103.526000000	414,104.00	414,992.00
15,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134G3ZA	.500	8/28/15	.450	100.142350200	15,021,352.53	15,045,000.00
20,000,000	FED NATL MORTGAGE ASSN DEBS	31398A4M	1.625	10/26/15	.870	102.068075900	20,413,615.18	20,659,400.00
20,000,000	FNMA	3135G0SB	.375	12/21/15	.457	99.782537900	19,956,507.58	19,957,400.00
20,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134G32F	.520	12/28/15	.527	100.000000000	20,000,000.00	19,978,200.00
7,300,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134G3FA	1.100	12/30/15	1.115	100.000000000	7,300,000.00	7,346,209.00
15,000,000	UNITED STATES TREAS NTS	912828PM	2.125	12/31/15	.433	104.888660200	15,733,299.03	15,745,350.00
-----								
109,275,000					.006		110,776,295.83	111,116,438.50

====> 0010 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2015 <====

15,500,000	FEDERAL AGRICULTURAL MORTGAGE CO	31315PVS	.430	1/08/16	.470	99.902088903	15,484,823.78	15,483,260.00
10,000,000	UNITED STATES TREAS NTS	912828QR	1.500	6/30/16	.656	102.843454300	10,284,345.43	10,337,500.00
25,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EACW	2.000	8/25/16	1.295	102.511754080	25,627,938.52	26,244,750.00
10,000,000	FED NATL MORTGAGE ASSN DEBS	3136FTUZ	1.400	12/30/16	1.419	100.000000000	10,000,000.00	10,091,000.00
5,000,000	FED NATL MORTGAGE ASSN DEBS	3136FTUZ	1.400	12/30/16	1.419	100.000000000	5,000,000.00	5,045,500.00
-----								
65,500,000					.010		66,397,107.73	67,202,010.00

SOURCE: VisualQED  
MODEL: INVENTORY  
USER: SVIGIL  
RUN: 2/21/14 @ 09:28:51  
BASIS: TRADE (SIC FROM SECURITY-MASTER)  
AS-OF: 1/31/13  
AMRTZD: BOOK VALUES AMORTIZED THROUGH 1/31/13

STATE OF NEW MEXICO  
TREASURERS OFFICE

POSITION-SIZ	DESCRIPTION	CUSIP#	RATE	MATURITY	YIELD	UNIT-BOOK	CURRENT BK	LOC-MKT-VALUE
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====> 0005 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2016 <====

15,000,000	FEDERAL HOME LOAN BANKS	313379FW	1.000	6/09/17	.836	100.746117800	15,111,917.67	15,089,550.00
15,000,000					.046		15,111,917.67	15,089,550.00

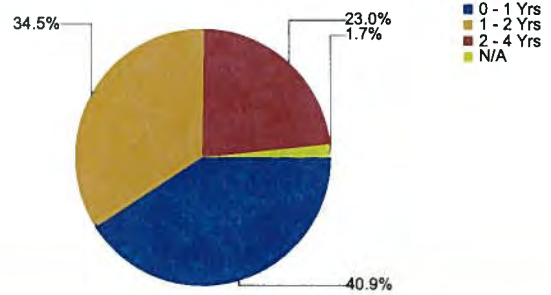
====> 0001 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2017 <====

521,941,736					.001		526,387,051.83	528,758,899.15
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====> 0056 ITEMS IN SUBTOTAL FOR ====> FUND-NAME..... ====> BOND PROCEEDS INV POOL2 TAXABL <

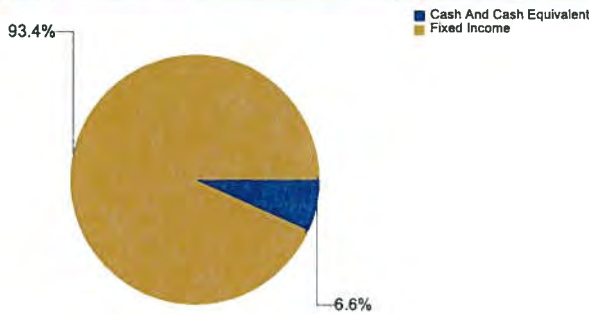
Portfolio Characteristics

**Total Net Assets (Millions)** 780.4  
**Weighted Average Life (Years)** 1.32  
**Weighted Avg. Effective Duration (Years)** 1.30  
**Weighted Average Coupon (%)** 1.48  
**Weighted Average Current Yield (%)** 0.29  
**Weighted Average Yield to Maturity (%)** 0.29  
**Weighted Average Rating** AA-  
**Number of Holdings** 86



Asset Mix

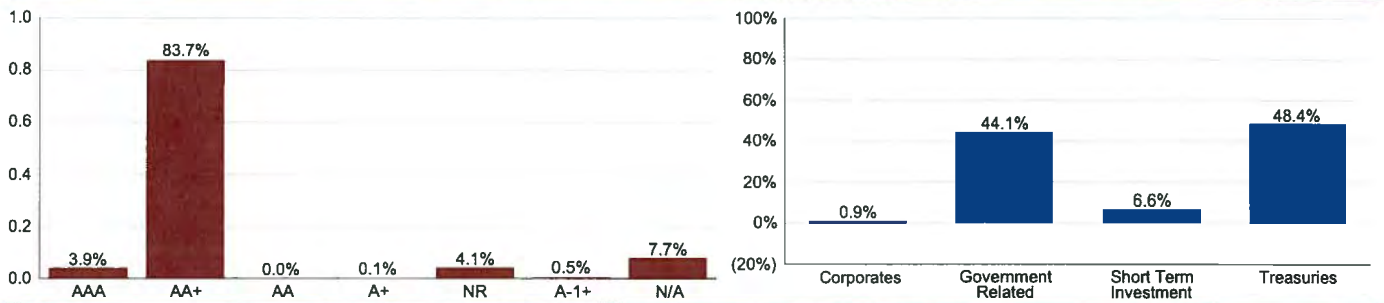
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
912828KFS	UNITED STATES OF AMER TREAS NOTES 1.875% TB	5.17%	1.88	28/2/2014
3137EACW7	FEDERAL HOME LOAN MORTGAGE CORP 2% BDS 25/AUG/2016	3.34%	2.00	25/8/2016
912828DV9	US 4 12500 '15	2.71%	4.12	15/5/2015
912828MH7	UNITED STATES 2.5% 03/15	2.65%	2.50	31/3/2015
912828MZ0	UNITED STATES 2.5% 04/15	2.63%	2.50	30/4/2015
31396AMM1	FED NATL MORT ASSC 1.625% BDS 26/OCT/2015 USD1000	2.63%	1.82	26/10/2015
912828NLO	UNITED STATES 1.875% 06/15	2.63%	1.88	30/6/2015
912828LS7	UNITED STATES 2.375% 10/14	2.62%	2.38	31/10/2014
99E310082	REPO BANK OF NEW YORK/SOUTH STREET SECS 013114K	2.60%	0.05	3/2/2014
912828KY5	UNITED STATES TREAS NTS 2.625% 30/JUN/2014	2.60%	2.62	30/6/2014

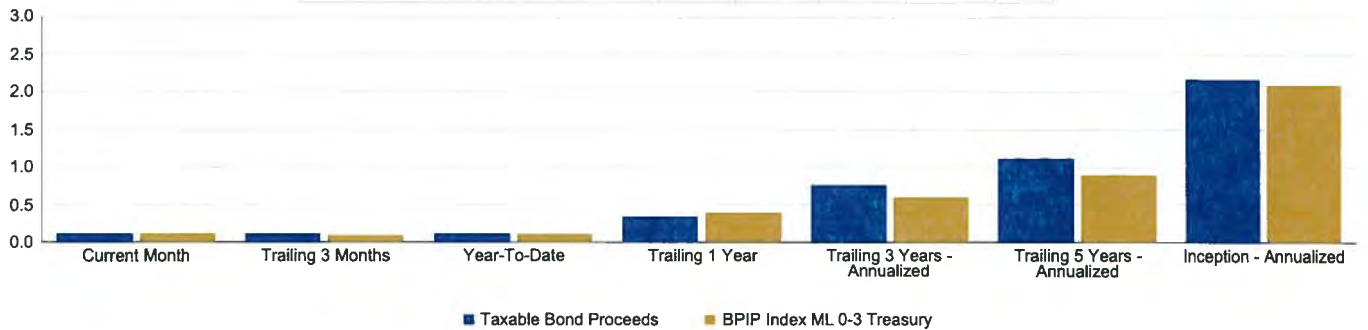
Quality/Rating Weightings

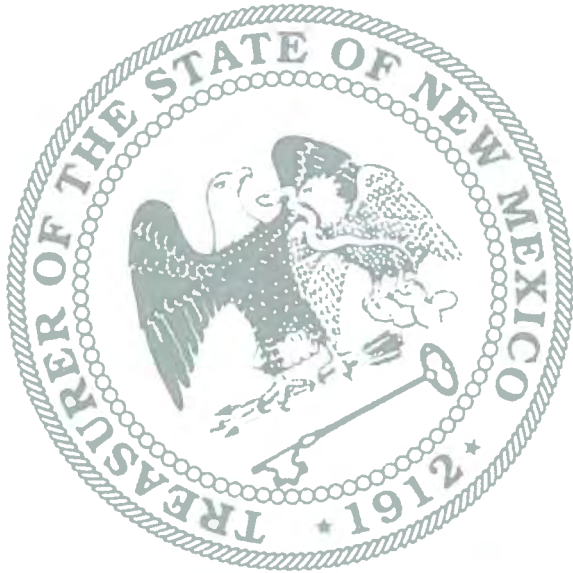
Sector Weightings (as % of Market Value)



Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
Taxable Bond Proceeds	0.11	0.11	0.11	0.34	0.76	1.11	2.16
BPIP Index ML 0-3 Treasury	0.11	0.09	0.11	0.39	0.60	0.90	2.09
Excess	0.00	0.02	0.00	(0.06)	0.16	0.22	0.07





## 11. Portfolio Summary- Severance Tax Bonding Fund

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

### *Summary*

- The Severance Tax Bonding Fund<sup>13</sup> closed the month of January at \$179 Million.
- The Severance Tax Bonding Fund earned over \$6,200 during January.
- The Severance Tax Bonding Fund earned over \$60,720 during FY2014.

### *Portfolio Mix*

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

### *Investment Strategy*

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

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

**STATE OF NEW MEXICO**  
**STB FUND (4001)**  
**Portfolio Classification Summary**  
**Positions Held as of 1/31/14 (TRADE Basis)**

AMTZ ADDED: NO

ASSET CLASSIFICATION	ITEMS	YIELD	AVG-TERM	PRINCIPAL	COST-BASIS	MARKET-VALUE	GAIN/LOSS	%MARKET
REPURCHASE AGREEMENTS (O/N)	1	.0507	.00820	89,276,013	89,276,013	89,276,013		49.641
US TREASURY NOTE ACT/ACT 2X	4	.1192	.41851	60,000,000	60,573,262	60,567,650	-5,612	33.678
UNITS - INVESTMENT POOL 1	1			30,001,319	30,001,319	30,001,319		16.682
	<u>6</u>	<u>.0653</u>	<u>.17312</u>	<u>179,277,332</u>	<u>179,850,594</u>	<u>179,844,982</u>	<u>-5,612</u>	<u>100.000</u>



SOURCE: VisualQED  
MODEL: INVENTORY  
USER: SVIGIL  
RUN: 2/21/14 @ 09:28:51  
BASIS: TRADE (SIC FROM SECURITY-MASTER)  
AS-OF: 1/31/13  
AMRTZD: BOOK VALUES AMORTIZED THROUGH 1/31/13

STATE OF NEW MEXICO  
TREASURERS OFFICE

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

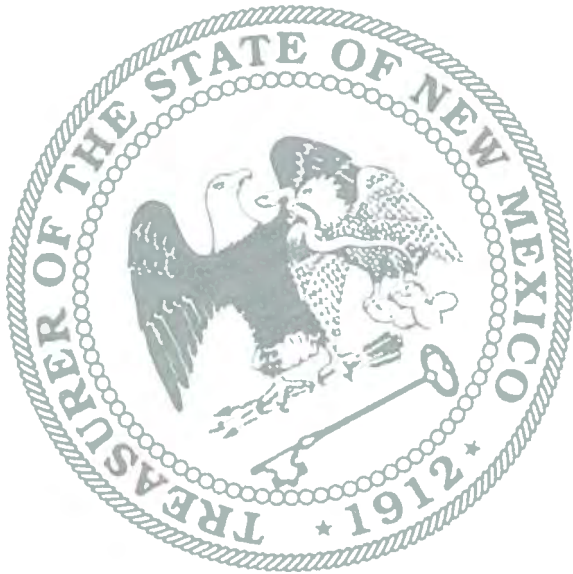
====> 0001 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> NO-MEANINGFUL-DATE <====

6,500,000	STRAIGHT A FUNDING LLC	86257ETS	.190	4/23/13	.193	99.957250000	6,497,221.25	6,497,221.25
6,500,000					.107		6,497,221.25	6,497,221.25

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

6,500,000					.107		6,497,221.25	6,497,221.25
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====> 0002 ITEMS IN SUBTOTAL FOR ====> FUND-NAME..... ====> STB FUND <====



## 12. Broker Dealer Activities

## **Broker-Dealer Activities**

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

### *New Mexico Offices*

As required by the investment policy, the following broker-dealers or associated companies maintain offices in New Mexico:

BNP Paribas	Bank of the West	Various Locations
BOSC	Bank of Albuquerque	Various Locations
Citigroup	OneMain Consumer Finance	Various Locations
Fidelity Capital Markets	Fidelity Investments	Albuquerque, NM
George K. Baum & Company		Albuquerque, NM
BA Merrill Lynch	Bank of America	Various Locations
Morgan Stanley		Various Locations
Raymond James & Associates		Various Locations
Southwest Securities		Albuquerque, NM
UBS		Various Locations
Wells Fargo Securities	Wells Fargo Bank	Various Locations

New Mexico State Treasurer's  
Executive Summary of Investment Activity  
Summary of Broker Participation  
Purchases and Sales By Broker, Market & Security Type  
All Funds  
2013-2014

Volume at Par (\$ in thousands)

Broker/Dealer:	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	YTD Total	YTD Percent
Arbor Research and Trading	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
BAML	13,526	-	-	-	-	20,000	15,000	-	-	-	-	-	48,526	2.6%
Barclays	15,000	26,077	-	15,597	6,714	15,000	52,400	-	-	-	-	-	132,788	7.0%
BB and T (Scott & Stringfellow)	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
BMO Capital Markets	55,000	-	10,000	40,000	-	35,000	5,000	5,000	-	-	-	-	160,000	8.0%
BNP Paribas	-	8,250	-	20,000	-	-	20,000	-	-	-	-	-	48,250	2.6%
BOSC, Inc	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Cantor, Fitzgerald	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Carolina Capital Markets	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
CastleOak Securities LP	16,000	-	10,000	-	-	-	-	-	-	-	-	-	26,000	1.4%
Citigroup	12,500	30,000	10,000	5,000	20,000	30,000	-	-	-	-	-	-	107,500	5.7%
Credit Suisse	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
CRT Capital Group	-	20,000	-	-	-	-	-	-	-	-	-	-	20,000	1.1%
Dawa Capital Markets America	-	21,000	-	-	24,575	-	34,000	-	-	-	-	-	79,575	4.2%
Deutsche Bank	-	-	-	40,000	-	15,000	70,000	-	-	-	-	-	125,000	6.6%
Fidelity Capital Markets	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
First Southwest	200	200	11,680	5,110	250	-	5,025	480	-	-	-	-	22,925	1.2%
FTN Financial	6,000	20,000	-	-	-	-	30,000	-	-	-	-	-	56,000	3.0%
George K Baum & Co	-	-	-	-	-	-	475	-	-	-	-	-	475	0.0%
Goldman Sachs	15,000	-	10,000	20,000	10,000	2,400	20,000	-	-	-	-	-	77,400	4.1%
Great Pacific	25,000	10,000	-	-	-	-	-	-	-	-	-	-	35,000	1.9%
Guggenheim Securities LLC	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Harveston Securities Inc	-	-	-	-	-	-	7,500	-	-	-	-	-	7,500	0.4%
HSBC	18,578	15,000	-	-	-	-	-	-	-	-	-	-	33,578	1.8%
InCapital LLC	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Jeffries	15,000	-	2,500	2,500	-	-	42,500	-	-	-	-	-	62,500	3.3%
KeyBanc Capital Markets	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Lawson Financial	-	2,675	-	-	-	-	-	300	-	-	-	-	2,975	0.2%
Loop Capital Markets	-	-	-	-	-	-	10,000	-	-	-	-	-	10,000	0.5%
MFR Securities	-	-	-	-	-	-	14,000	-	-	-	-	-	14,000	0.7%
Mitsubishi UFJ	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Mizuho Securities USA	15,000	-	-	-	7,000	-	20,000	-	-	-	-	-	42,000	2.2%
Morgan Stanley	-	6,000	14,175	31,190	2,725	2,610	28,250	205	-	-	-	-	85,155	4.5%
Muriei Siebert & Co.	-	-	-	-	-	-	5,000	-	-	-	-	-	5,000	0.3%
Mutual Securities	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Nomura	1,300	-	-	2,410	800	10,000	15,000	-	-	-	-	-	29,510	1.6%
Northern Trust	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Piper Jaffrey	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Raymond, James & Associates	-	-	1,000	-	-	-	-	-	-	-	-	-	1,000	0.1%
RBS Securities	-	-	-	-	-	-	110,000	1,000	-	-	-	-	111,000	5.9%
Robert W Baird & Co.	-	500	3,000	-	1,320	-	-	-	-	-	-	-	4,820	0.3%
RW Presprich	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Societe General Americas	-	-	-	10,000	-	-	40,000	20,000	-	-	-	-	70,000	3.7%
South Street	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Southwest Securities	-	-	-	235	1,000	-	5,000	-	-	-	-	-	6,235	0.3%
Stifel Nicklaus	12,000	750	-	-	-	1,331	-	-	-	-	-	-	14,081	0.7%
SunTrust Robinson Humphrey	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Tradition Asset Securities	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
TD Securities	10,500	16,800	-	20,000	-	7,500	84,170	-	-	-	-	-	137,970	7.3%
UBS Financial Services	-	-	-	-	-	20,000	3,670	-	-	-	-	-	23,670	1.3%
Vining Sparks	-	-	-	-	-	-	-	100	-	-	-	-	100	0.0%
Wedbush Securities	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Wells Fargo Securities	16,900	-	6,297	1,890	-	24,000	66,050	150	-	-	-	-	115,287	6.1%
Williams Capital Group	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Direct Purchase	12,065	-	5,000	14,750	-	143,224	4,000	-	-	-	-	-	179,039	9.5%
Interfund	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Total	259,569	176,252	83,652	228,682	76,384	326,065	707,040	27,215	-	-	-	-	1,884,859	99.7%
<b>Market type:</b>														
Primary Market	84,765	136,252	46,152	30,765	24,045	154,565	124,900	25,300	-	-	-	-	626,764	33.3%
Secondary Market	174,804	40,000	37,500	197,917	52,339	171,500	582,140	1,915	-	-	-	-	1,258,095	66.7%
Total	259,569	176,252	83,652	228,682	76,384	326,065	707,040	27,215	-	-	-	-	1,884,859	100.0%
<b>Security type:</b>														
- 2	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
ABS	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Agencies	110,804	150,642	57,972	96,697	72,089	95,231	344,540	-	-	-	-	-	927,975	49.2%
Certificates of Deposit	7,100	-	5,000	12,000	-	18,000	4,000	-	-	-	-	-	46,100	2.4%
Commercial Paper	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Corporate Bonds	-	1,485	-	-	-	-	-	-	-	-	-	-	1,485	0.1%
MBS	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Municipal/Sponge	5,165	4,125	5,680	9,885	4,295	127,834	6,000	1,065	-	-	-	-	164,149	8.7%
Treasuries	136,500	20,000	15,000	110,000	-	85,000	352,500	26,150	-	-	-	-	745,150	39.5%
Total	259,569	176,252	83,652	228,682	76,384	326,065	707,040	27,215	-	-	-	-	1,884,859	100.0%

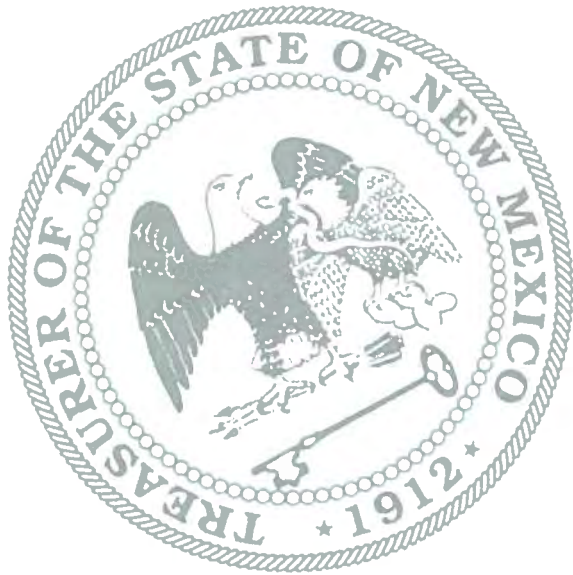
**STATE OF NEW MEXICO**  
**Summary of Fixed-Income Purchases and Sales**  
**TRADES During The Period 1/01/14 Through 1/31/14**

TXN-DATE	CUSIP#	ASSET-TYPE	INVT#	ISSUE-NAME	RATE	MATURITY	YIELD	BRKR/DLR/AGENT	FUND	PAR-VALUE	COST/PROCEEDS	GAIN/LOSS	NXT-CALL
<b>PURCHASE TRANSACTIONS</b>													
1/15/14	2010824	LINKED-CERTIFIC	20726	WESTERN COMMERCE BANK	.450	1/15/16	.4500	SYSTEM - UNIDEN	4002	2,000,000.00	2,000,000.00		
1/15/14	2012823	LINKED-CERTIFIC	20725	WESTERN COMMERCE BANK	.450	1/15/16	.4500	SYSTEM - UNIDEN	4002	2,000,000.00	2,000,000.00		
1/06/14	912828ME	US TREASURY NOT	20660	UNITED STATES TREASURY	2.625	12/31/14	.1643	WELLS FARGO SEC	4000	10,000,000.00	10,241,015.63		
1/07/14	912828QJ	US TREASURY NOT	20669	UNITED STATES TREASURY	2.125	2/29/16	.4294	BANK OF AMERICA	4002	15,000,000.00	15,541,406.25		
1/07/14	912828UW	US TREASURY NOT	20671	UNITED STATES TREASURY	.250	4/15/16	.4912	FTN FINANCIAL S	4000	15,000,000.00	14,918,554.69		
1/07/14	912828UW	US TREASURY NOT	20670	UNITED STATES TREASURY	.250	4/15/16	.4912	FTN FINANCIAL S	4002	15,000,000.00	14,918,554.69		
1/10/14	912828FF	US TREASURY NOT	20700	UNITED STATES TREASURY	5.125	5/15/16	.5053	SOC GEN AMERICA	1001	20,000,000.00	22,143,750.00		
1/10/14	912828ME	US TREASURY NOT	20697	UNITED STATES TREASURY	2.625	12/31/14	.1547	WELLS FARGO SEC	4001	15,000,000.00	15,356,835.94		
1/10/14	912828MS	US TREASURY NOT	20698	UNITED STATES TREASURY	3.000	2/28/17	.8631	DEUTSCHE BANK S	1001	20,000,000.00	21,315,625.00		
1/10/14	912828PS	US TREASURY NOT	20701	UNITED STATES TREASURY	2.000	1/31/16	.4074	SOC GEN AMERICA	1001	20,000,000.00	20,649,218.75		
1/23/14	912828QP	US TREASURY NOT	20790	UNITED STATES TREASURY	1.750	5/31/16	.5218	BARCLAYS	4000	15,000,000.00	15,429,492.19		
1/23/14	912828QP	US TREASURY NOT	20789	UNITED STATES TREASURY	1.750	5/31/16	.5218	BARCLAYS	4002	15,000,000.00	15,429,492.19		
1/28/14	912828PZ	US TREASURY NOT	20810	UNITED STATES TREASURY	1.250	3/15/14	.1180	TD SECURITIES	1000	25,000,000.00	25,035,156.25		
1/28/14	912828PZ	US TREASURY NOT	20810	UNITED STATES TREASURY	1.250	3/15/14	.1180	JEFFRIES & CO	1000	25,000,000.00	25,035,156.25		
1/28/14	912828PZ	US TREASURY NOT	20810	UNITED STATES TREASURY	1.250	3/15/14	.1493	DEUTSCHE BANK S	1000	25,000,000.00	25,034,179.69		
1/28/14	912828PZ	US TREASURY NOT	20810	UNITED STATES TREASURY	1.250	3/15/14	.1493	DEUTSCHE BANK S	1000	25,000,000.00	25,034,179.69		
1/28/14	912828SL	US TREASURY NOT	20807	UNITED STATES TREASURY	.250	3/31/14	.1100	WELLS FARGO SEC	4001	5,000,000.00	5,001,171.88		
1/28/14	912828SL	US TREASURY NOT	20808	UNITED STATES TREASURY	.250	3/31/14	.1333	BMO CAPTIAL MAR	4101	5,000,000.00	5,000,976.56		
1/29/14	912828PZ	US TREASURY NOT	20819	UNITED STATES TREASURY	1.250	3/15/14	.1244	WELLS FARGO SEC	4001	20,000,000.00	20,027,343.75		
1/29/14	912828PZ	US TREASURY NOT	20820	UNITED STATES TREASURY	1.250	3/15/14	.1244	JEFFRIES & CO	4101	7,500,000.00	7,510,253.91		
1/30/14	912828HH	US TREASURY NOT	20830	UNITED STATES TREASURY	4.250	11/15/17	1.0851	RBS	1001	20,000,000.00	22,342,187.50		
1/31/14	912828KJ	US TREASURY NOT	19599	UNITED STATES TREASURY	1.750	3/31/14	.0988	RBS	4101	10,000,000.00	10,025,390.63		
1/03/14	3130A0JV	AGENCY US BOND	20646	FEDERAL HOME LOAN BANKS	.190	1/06/15	.1926	TD SECURITIES	4000	15,000,000.00	14,999,610.00		
1/03/14	3130A0JV	AGENCY US BOND	20647	FEDERAL HOME LOAN BANKS	.190	1/06/15	.1926	TD SECURITIES	4002	10,000,000.00	9,999,740.00		
1/06/14	3133EAW3	AGENCY US BOND	20650	FEDERAL FARM CREDIT BAN	.250	7/17/14	.1357	MORGAN STANLEY	4101	2,750,000.00	2,751,657.62		
1/08/14	31315PZ5	AGENCY US BOND	20672	FARMER MAC	.200	1/20/15	.2000	MIZUHO SECURITI	4002	15,000,000.00	15,000,000.00		
1/08/14	31315PZ5	AGENCY US BOND	20673	FARMER MAC	.200	1/20/15	.2000	MIZUHO SECURITI	4101	5,000,000.00	5,000,000.00		
1/13/14	3133EDDP	AGENCY US BOND	20713	FEDERAL FARM CREDIT BAN	.520	6/17/16	.5200	HARVESTONS SECU	1001	7,500,000.00	7,500,000.00		
1/13/14	3133X7FK	AGENCY US BOND	20704	FEDERAL HOME LOAN BANKS	5.250	6/18/14	.1097	WELLS FARGO SEC	4101	1,050,000.00	1,073,075.85		
1/13/14	3133X7FK	AGENCY US BOND	20704	FEDERAL HOME LOAN BANKS	5.250	6/18/14	.1090	UBS	4101	3,670,000.00	3,750,666.60		
1/13/14	3133XASA	AGENCY US BOND	20714	FEDERAL HOME LOAN BANKS	4.500	2/18/15	.2002	TD SECURITIES	4002	9,170,000.00	9,600,843.28		
1/14/14	313379ER	AGENCY US BOND	20723	FEDERAL HOME LOAN BANKS	.500	6/12/15	.2551	DAIWA CAPITAL M	4000	10,000,000.00	10,034,400.00		
1/14/14	313379ER	AGENCY US BOND	20722	FEDERAL HOME LOAN BANKS	.500	6/12/15	.2551	DAIWA CAPITAL M	4002	15,000,000.00	15,051,600.00		
1/16/14	3130A0QE	AGENCY US BOND	20741	FEDERAL HOME LOAN BANKS	1.250	8/14/17	1.3507	SOUTHWEST	1001	5,000,000.00	4,997,500.00		8/14/14
1/17/14	3137EADT	AGENCY US BOND	20762	FREDDIE MAC	.875	2/22/17	.9280	LOOP CAPITAL MA	1001	10,000,000.00	9,983,900.00		
1/17/14	3137EADT	AGENCY US BOND	20762	FREDDIE MAC	.875	2/22/17	.9280	TD SECURITIES	1001	5,000,000.00	4,991,950.00		
1/17/14	3137EADT	AGENCY US BOND	20762	FREDDIE MAC	.875	2/22/17	.9280	MURIEL SIEBERT	1001	5,000,000.00	4,991,950.00		
1/03/14	3134G4FJ	AGENCY US NOTES	20648	FEDERAL HOME LOAN MORTG	.305	2/23/15	.2129	DAIWA CAPITAL M	4002	9,000,000.00	9,009,350.10		

**STATE OF NEW MEXICO**  
**Summary of Fixed-Income Purchases and Sales**  
**TRADES During The Period 1/01/14 Through 1/31/14**

TXN-DATE	CUSIP#	ASSET-TYPE	INVST#	ISSUE-NAME	RATE	MATURITY	YIELD	BRKR/DLR/AGENT	FUND	PAR-VALUE	COST/PROCEEDS	GAIN/LOSS	NXT-CALL
1/10/14	31359MH8	AGENCY US NOTES	15555	FEDERAL NATIONAL MORTGA	5.000	3/15/16	.4672	GOLDMAN SACHS	1001	20,000,000.00	21,957,020.00		
1/10/14	3135G0YT	AGENCY US NOTES	20699	FEDERAL NATIONAL MORTGA	1.625	11/27/18	1.7470	NOMURA	1001	15,000,000.00	14,914,815.00		
1/10/14	3137EADC	AGENCY US NOTES	16186	FED HOME LOAN MORTGAGE	1.000	3/08/17	.9319	BNP PARIBAS	1001	20,000,000.00	20,042,200.00		
1/13/14	3134G25A	AGENCY US NOTES	20705	FEDERAL HOME LOAN MORTG	.540	5/09/14	.0953	WELLS FARGO SEC	4101	15,000,000.00	15,021,300.00		
1/15/14	31315PX3	AGENCY US NOTES	20729	FEDERAL AGRICULTURAL MO	.245	4/21/15	.2610	JEFFRIES & CO	4002	10,000,000.00	9,998,000.00		
1/23/14	3130A0SD	AGENCY US NOTES	20788	FEDERAL HOME LOAN BANK	.375	2/19/16	.4698	MORGAN STANLEY	1001	10,000,000.00	9,980,500.00		
1/23/14	3130A0SD	AGENCY US NOTES	20788	FEDERAL HOME LOAN BANK	.375	2/19/16	.4698	MFR SECURITIES	1001	14,000,000.00	13,972,700.00		
1/23/14	31315MAV	AGENCY US NOTES	20779	FEDERAL AGRICULTURAL MO	6.680	6/10/14	.1058	MORGAN STANLEY	4101	10,000,000.00	10,250,053.30		
1/29/14	3135G0PQ	AGENCY US NOTES	20828	FEDERAL NATIONAL MORTGA	.875	10/26/17	1.1639	RBS	1001	25,000,000.00	24,736,500.00		
1/30/14	3137EAAY	AGENCY US NOTES	20829	FEDERAL HOME LOAN MORTG	5.500	8/23/17	1.0716	RBS	1001	10,000,000.00	11,544,600.00		
1/03/14	3133ECTP	AGENCY US VARIA	20649	FEDERAL FARM CREDIT BAN	.200	8/03/15	.1993	BARCLAYS	4101	1,400,000.00	1,400,000.00		
1/03/14	3133ED5G	AGENCY US VARIA	20164	FEDERAL FARM CREDIT BAN	.210	10/22/15	.2100	BARCLAYS	4101	1,000,000.00	999,988.00		
1/13/14	364070BE	MUNI US 30/360	20703	GALLUP N MEX POLLUTION	5.000	8/15/15	.5001	FIRST SOUTHWEST	1001	5,025,000.00	5,380,518.75		
1/14/14	013493DH	MUNICIPAL BOND	20724	ALBUQUERQUE BERNALILLO	4.000	7/01/14	.2202	MORGAN STANLEY	1001	500,000.00	508,600.00		
1/15/14	22026TAA	MUNICIPAL BOND	20735	VILLAGE OF CORRALES NM	2.000	5/01/14	.2517	GEORGE K. BAUM	1001	210,000.00	211,018.50		
1/15/14	22026TAB	MUNICIPAL BOND	20738	VILLAGE OF CORRALES NM	2.000	5/01/15	.4503	GEORGE K. BAUM	1001	130,000.00	132,563.60		
1/15/14	22026TAC	MUNICIPAL BOND	20739	VILLAGE OF CORRALES NM	2.000	5/01/16	.7501	GEORGE K. BAUM	1001	135,000.00	138,802.95		
<b>55 PURCHASES DURING PERIOD TOTAL.....</b>										<b>617,040,000.00</b>	<b>629,915,364.99</b>		
<b><u>SALE TRANSACTIONS</u></b>													
1/23/14	912828JZ	US TREASURY NOT	15419	UNITED STATES TREASURY	1.750	1/31/14	-.0974	TD SECURITIES	1001	20,000,000.00	20,007,031.25	2,930.05	
1/23/14	912828KJ	US TREASURY NOT	15416	UNITED STATES TREASURY	1.750	3/31/14	.0690	MORGAN STANLEY	1001	5,000,000.00	5,015,234.38	6,027.14	
1/17/14	313381YP	AGENCY US NOTES	18357	FEDERAL HOME LOAN BANK	.250	2/20/15	.1969	BARCLAYS	1001	20,000,000.00	20,011,460.00	20,770.14	
1/29/14	3135G0MZ	AGENCY US NOTES	17413	FEDERAL NATIONAL MORTGA	.875	8/28/17	1.0795	RBS	1001	25,000,000.00	24,821,000.00	-255,723.31	
1/30/14	3134A4VC	AGENCY US NOTES	15615	FEDERAL HOME LOAN MORTG	4.375	7/17/15		RBS	1001	20,000,000.00	21,205,400.00	214,873.59	
<b>5 SALES DURING PERIOD TOTAL.....</b>										<b>90,000,000.00</b>	<b>91,060,125.63</b>	<b>-11,122.39</b>	
<b>=== GRAND-TOTAL ==&gt;</b>										<b>707,040,000.00</b>	<b>720,975,490.62</b>	<b>-11,122.39</b>	

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



## 13. State Agency Deposit Balances




**James B. Lewis**  
State Treasurer

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

**Marilyn L. Hill**  
Deputy State Treasurer

P. O. Box 5135  
2055 South Pacheco, Suite 100  
Santa Fe, New Mexico 87505  
Phone: (505) 955-1120  
FAX (505) 955-1195

Date: Feb 26, 2014  
To: James B. Lewis, State Treasurer  
For: Governor Martinez and Members of the State Board of Finance  
From: Samuel K. Collins, Jr., State Cash Manager   
Subject: State Fund Deposit Activity for the month ending January 31, 2014

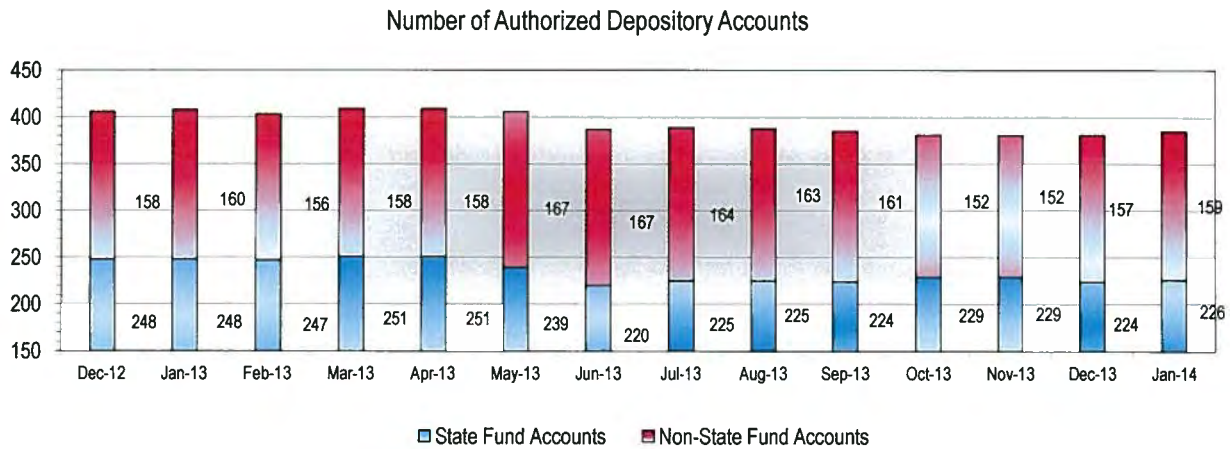
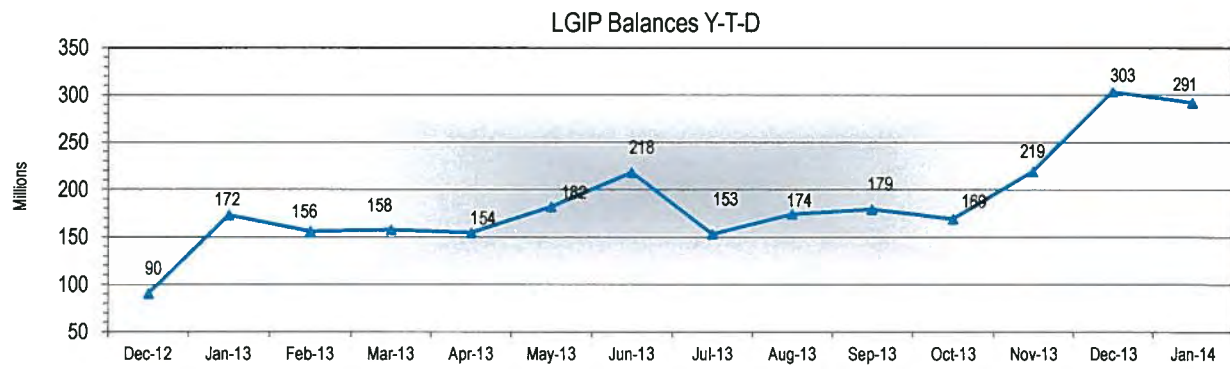
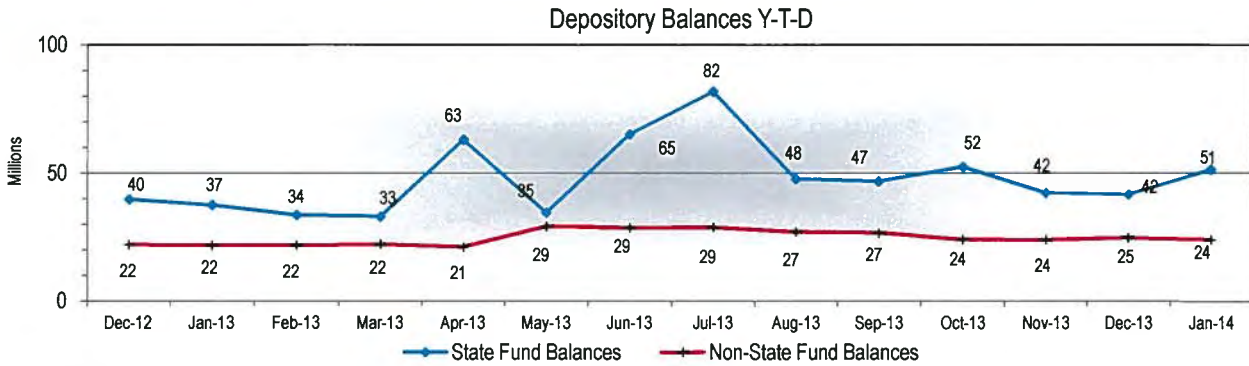
Pursuant to section 8-6-3.1 NMSA 1978, the State Cash Manager shall submit to the State Board of Finance a report showing state fund balances in each Financial Institution. Attached for your review is a summary of State fund balances in each institution through January 31, 2014.

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

(Attachments)



## Depository Account Summary -January 2014



Depository accounts authorized in Dec 2013 pursuant to Section 6-1-13 NMSA :

Depository accounts opened in Jan 2014

- 1 13th Judicial District Court
- 1 12th Judicial District Court
- 2 CYFD

Depository accounts closed in Jan 2014

- 2 13th Judicial District Court

**Depository Account Summary by Agency**

**January 2014**

<u>STATE FUNDS</u>			<u>NON-STATE FUNDS</u>		
<u>AGENCY</u>	<u># OF ACCTS.</u>	<u>BALANCE</u>	<u>AGENCY</u>	<u># OF ACCTS.</u>	<u>BALANCE</u>
AOC (fines, fees etc.)	52	\$3,358,156	AOC	50	\$0
BERN. CO. METRO COURT	2	\$810,377	1ST JUDICIAL DIST. COURT	3	\$1,778,506
1-13 DISTRICT ATTORNEY	5	\$40,752	2ND JUDICIAL DIST. COURT	2	\$1,333,315
EDUCATION RETIREMENT BOARD	1	\$113,824	3RD JUDICIAL DIST. COURT	2	\$1,097,204
TAXATION & REVENUE DEPT.	31	\$137,887	4TH JUDICIAL DIST. COURT	4	\$78,331
PUBLIC SCHOOL INS. AUTHORITY	6	\$26,344,365	5TH JUDICIAL DIST. COURT	3	\$1,469,698
NMRHCA	1	\$0	6TH JUDICIAL DIST. COURT	3	\$312,056
PUBLIC DEFENDER	1	\$775	7TH JUDICIAL DIST. COURT	4	\$122,283
SECRETARY OF STATE	1	\$0	8TH JUDICIAL DIST. COURT	4	\$262,011
STATE TREASURER (JDC)	35	\$575,180	9TH JUDICIAL DIST. COURT	2	\$604,439
STATE TREASURER (OTHER INVEST)	0	\$0	10TH JUDICIAL DIST. COURT	2	\$487,412
NM RACING COMMISSION	6	\$162,098	11TH JUDICIAL DIST. COURT	10	\$632,071
SPACEPORT AUTHORITY	0	\$0	12TH JUDICIAL DIST. COURT	5	\$1,621,039
DEPT. OF GAME & FISH	2	\$91,896	13TH JUDICIAL DIST. COURT	61	\$9,018,280
SOUTHWEST REGION ED.	1	\$2,313,832	BERNALILLO CO. METRO COURT	2	\$176,831
ENERGY & MINERALS	4	\$354,861	6TH DISTRICT ATTORNEY	3	\$20,900
COMMISSION PUBLIC LAND	2	\$0	7TH DISTRICT ATTORNEY	1	\$1,669
STATE ENGINEER'S OFFICE	4	\$745,319	10TH DISTRICT ATTORNEY	1	\$288
IRRG WKS CONST	1	\$252,388	11TH JUDICIAL DIST. ATTORNEY	1	\$2,128
HUMAN SERVICES DEPT.	6	\$27,781	ATTORNEY GENERAL	1	\$2,331
WORKFORCE SOLUTIONS	5	\$10,112,728	LGIP	4	\$291,443,613
DIVISION OF VOCATIONAL REHAB	1	\$36,049	PUBLIC REG. COMMISSION	2	\$629,090
MINER'S HOSPITAL	5	\$4,219,725	NM STATE FAIR	5	\$1,186,735
DEPARTMENT OF HEALTH	39	\$956,469	SOUTHWEST REGION ED.	1	\$15
ENVIRONMENT DEPARTMENT	1	\$0	MINER'S HOSPITAL	1	\$4,010
CHILDREN YOUTH AND FAMILIES	2	\$102	DEPARTMENT OF HEALTH	11	\$792,639
CORRECTIONS DEPARTMENT	5	\$1,233	CHILDREN, YOUTH & FAMILIES	6	\$93,019
DEPT. OF PUBLIC SAFETY	2	\$30,625	CORRECTIONS DEPARTMENT	12	\$1,984,869
HIGHWAY & TRANSPORTATION	4	\$780	DEPT. OF PUBLIC SAFETY	2	\$22,485
CENTRAL REGIONAL CO-OP	1	\$591,154	CENTRAL REGION CO-OP	1	\$279,924

sub-total: 159                  \$315,457,191

sub-total: 226                  \$51,278,356

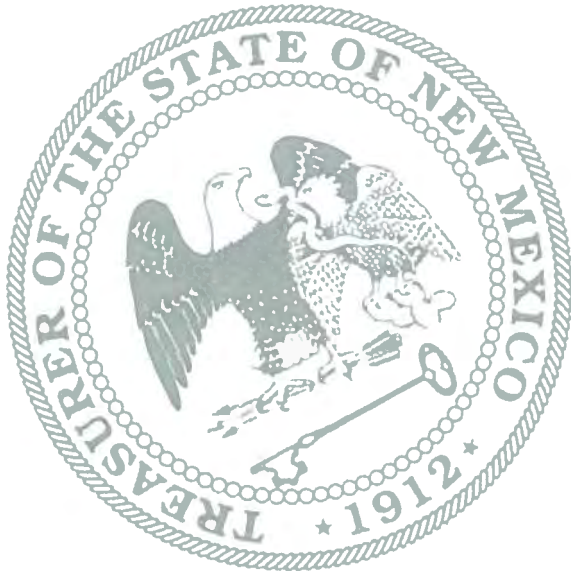
**Total Depository Balance: \$366,735,547**  
**Total Depository Accounts: 385**

## State Fund Balances by Financial Institution

Jan-2014

First National Bank/Alamogordo	\$ 137,493
Bank of America/Albuquerque	\$ 1,115,979
Wells Fargo Bank/Albuquerque	\$ 41,366,013
Compass Bank/Albuquerque	\$ 2,448,210
Bank of the West/Albuquerque	\$ 598
First American Bank/Artesia	\$ 48,821
My Bank/Belen	\$ 5,968
Carlsbad National Bank/Carlsbad	\$ 800
Western Commerce Bank/Carlsbad	\$ 96,638
Farmers/Stockmens Bank/Clayton	\$ 22,283
First National Bank/Clayton	\$ 4,232,679
Citizens Bank/Clovis	\$ 121,074
NM Bank & Trust/Albuquerque	\$ 161,934
Community Bank/Santa Fe	\$ 1,770
Valley National Bank/Espanola	\$ 500
Grants State Bank/Grants	\$ -
Lea County State Bank/Hobbs	\$ 153,727
Southwest Capitol/Las Vegas	\$ 173,461
Community 1st Bank/Las Vegas	\$ 265,746
Western Bank/Lordsburg	\$ 69,600
Los Alamos National Bank/Los Alamos	\$ 52,089
International Bank/Raton	\$ 53,078
Valley Bank of Commerce/Roswell	\$ 119,881
First State Bank/Socorro	\$ 7,724
Centinel Bank/Taos	\$ 81,217
US Bank/Albuquerque	\$ 57,750
Bank of the Southwest/Roswell	\$ 443,723
People's Bank	\$ 16,844
AmBank	\$ 22,756

**Total: \$ 51,278,356**



## 14. Collateral Report on Agency Deposits & CDs



# Office of the Treasurer

## Collateral Review

### Accumulated Total by Institution

### January 31, 2014

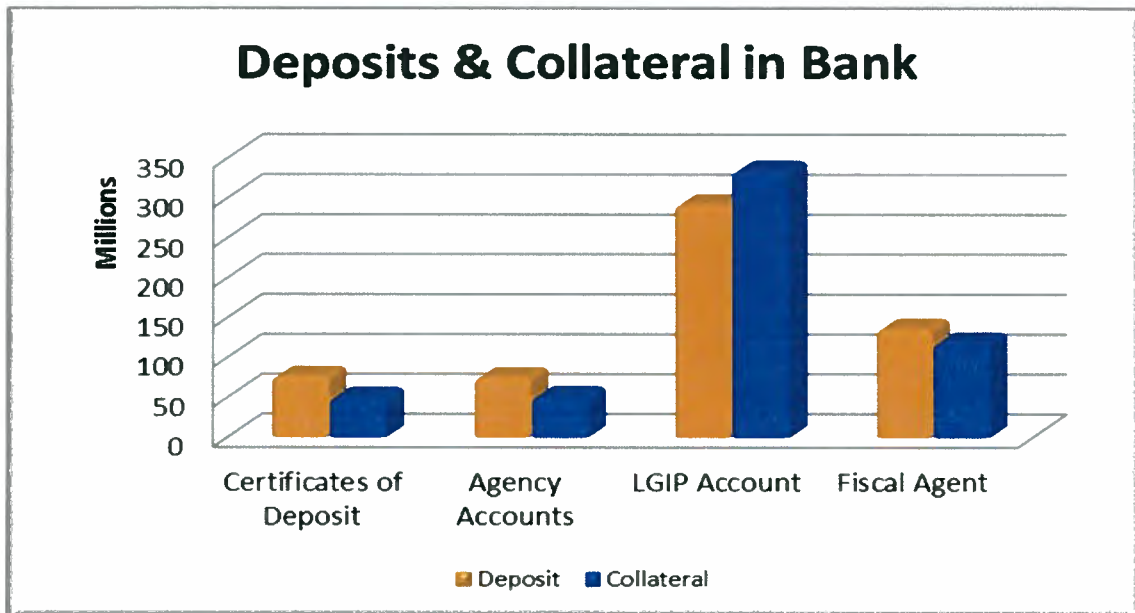
FINANCIAL INSTITUTION	%	TOTAL DEPOSITS	FDIC / NCUA INSURANCE	LESS INSURANCE COVERAGE	SUBJECT TO BE COLLATERALIZED	COLLATERAL PLEDGED	EXCESS (UNDER)
First National - Alamogordo	50%	1,337,633	250,000	1,087,633	543,817	191,357	(352,460)
Western - Alamogordo	75%	3,600,000	250,000	3,350,000	2,512,500	3,226,313	713,813
Bank of America	50%	1,326,876	250,000	1,076,876	538,438	4,155,715	3,617,277
Bank of the West	50%	139,805,742	250,000	139,555,742	69,777,871	142,559,597	72,781,726
BBVA Compass	50%	2,448,225	250,000	2,198,225	1,099,113	4,316,225	3,217,112
US Bank	50%	31,121,935	250,000	30,871,935	15,435,968	35,000,000	19,564,033
Wells Fargo	50%	181,413,060	250,000	181,163,060	90,581,530	192,602,664	102,021,134
First American	50%	48,821	48,821	0	0	0	0
My Bank	102%	179,444	179,444	0	0	0	0
Carlsbad National	50%	800	800	0	0	0	0
Western Commerce	50%	4,096,638	250,000	3,846,638	1,923,319	2,306,361	383,042
Farmers & Stockmen	50%	10,055,395	250,000	9,805,395	4,902,698	5,260,325	357,628
First National - Clayton	50%	4,232,679	250,000	3,982,679	1,991,340	2,011,860	20,520
Bank of Clovis	50%	604,438	250,000	354,438	177,219	604,438	427,219
Citizens - Clovis	50%	121,681	121,681	0	0	0	0
NM Bank & Trust	50%	161,935	161,935	0	0	271,340	271,340
Western - Clovis	50%	3,100,000	250,000	2,850,000	1,425,000	2,237,259	812,259
Valley National	102%	500	500	0	0	0	0
Grants State	50%	88,286	88,286	0	0	0	0
Lea County State	102%	153,727	153,727	0	0	100,000	100,000
Citizens - Las Cruces	50%	3,596	3,596	0	0	0	0
Southwest Capital	50%	10,730,716	250,000	10,480,716	5,240,358	5,419,243	178,885
Community 1st - Las Vegas	102%	265,746	265,746	0	0	609,852	609,852
Western - Lordsburg	50%	117,733	117,733	0	0	0	0
Los Alamos National	102%	52,089	52,089	0	0	0	0
James Polk Stone Communi	50%	279,924	250,000	29,924	14,962	160,179	145,217
International	50%	172,101	172,101	0	0	0	0
Bank of the Southwest	50%	794,006	250,000	544,006	272,003	248,343	(23,660)
Valley Commerce	50%	119,881	119,881	0	0	0	0
Century	50%	29,629,090	250,000	29,379,090	14,689,545	18,333,644	3,644,099
Community	102%	187,832	187,832	0	0	0	0
First National - Santa Fe	50%	10,000,000	250,000	9,750,000	4,875,000	7,737,095	2,862,095
First State	50%	55,281	55,281	0	0	0	0
AM	75%	22,756	22,756	0	0	0	0
Centinel	50%	81,217	81,217	0	0	0	0
Peoples	102%	16,844	16,844	0	0	0	0
BANK'34	102%	2,000,000	250,000	1,750,000	1,785,000	2,330,951	545,951
Union Savings	50%	4,000,000	250,000	3,750,000	1,875,000	4,048,748	2,173,748
Guadalupe Credit	50%	250,000	250,000	0	0	0	0
Washington Federal	50%	9,542	9,542	0	0	0	0
		<b>442,686,170</b>	<b>6,859,812</b>	<b>435,826,358</b>	<b>219,660,679</b>	<b>433,731,510</b>	<b>214,070,831</b>

# Office of the Treasurer

## Collateral Summary Review

### January 31, 2014

As of January 2014 there were two depository institution holding state funds that were deficient in their collateral levels. First National Bank Alamogordo and Bank of the Southwest. Once notified of their deficiency, both institutions pledged additional collateral. The required ratio of collateral for each depository institution holding public funds is determined by a statutorily defined quarterly risk assessment and is not intended as an opinion as to the financial health of the subject institution.



### Balances

	<u>Deposit</u>	<u>Collateral</u>	<u>Percentage</u>
Certificate of Deposit	\$ 76.0 Million	\$ 49.4 Million	65.0%
Agency Deposit	74.7 Million	50.6 Million	67.8%
LGIP Deposits	291.4 Million	333.3 Million	114.4%
Fiscal Agent	135.7 Million	118.1 Million	87.1%
Totals →	577.8 Million	551.5 Million	95.5%

# LGIP Bank Deposits January 31, 2014

<u>Financial Insitution</u>	<u>Percentage</u>	<u>Deposit</u>	<u>Collateral</u>
Bank of the West	102.0%	138,711,536	141,519,758
US Bank	116.2%	30,114,978	35,000,000
Wells Fargo	127.9%	122,617,098	156,828,181

