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State Treasurer

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STATE TREASURER'S INVESTMENT COMMITTEE

State Treasurer's conference room



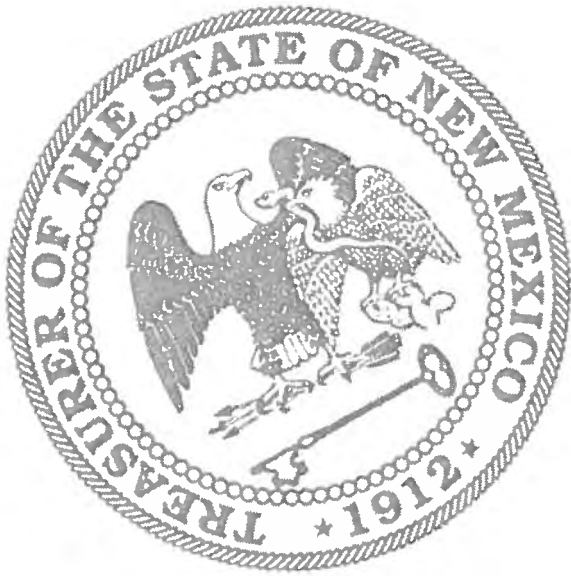
"Blue Hole in Santa Rosa, NM" - New Mexico Tourism Department

Wednesday, May 14, 2014

9:00am

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1. Approval of May 14, 2014 Agenda



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STATE TREASURER'S INVESTMENT COMMITTEE
Treasurer's Conference Room
Wednesday, May 14, 2014, 9:00 a.m.

MEETING AGENDA (5 Min)

Roll Call

Introduction of Presenters and Guest

- | | |
|--------------------------------------|--------|
| 1. Approval of May 14, 2014 Agenda | Action |
| 2. Approval of April 9, 2014 Minutes | Action |
| 3. Approval of Investment Policy | Action |

INVESTMENT REPORTS (45 min)

**Month Ended
March 31, 2014**

- | | |
|---|---------------|
| 4. Executive Summary | Informational |
| 5. Investment Policy Compliance Report | Informational |
| 6. Investment Accounting Report | Informational |
| 7. Quarterly Investment Review | Informational |
| 8. Cash Projection | Informational |
| 9. Portfolio Summary -- General Fund Investment Pool | Informational |
| 10. Portfolio Summary -- Local Government Investment Pool (LGIP) | Informational |
| 11. Portfolio Summary -- Tax-Exempt Bond Proceeds Investment Pool | Informational |
| 12. Portfolio Summary -- Taxable Bond Proceeds Investment Pool | Informational |
| 13. Portfolio Summary -- Severance Tax Bonding Fund | Informational |
| 14. Broker Dealer Activities | Informational |

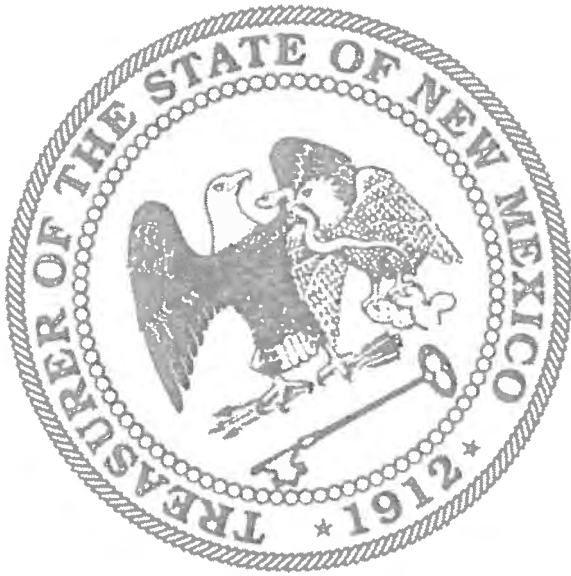
**CASH MANAGEMENT
& COLLATERAL REPORTS (10 Min)**

**Month Ended
March 31, 2014**

- | | |
|--|---------------|
| 15. State Agency Deposit Balances | Informational |
| 16. Collateral Report on Agency Deposits & CDs | Informational |

COMMITTEE REPORTS (5 min)

- | | |
|--|--------|
| 17. Question Period | |
| 18. Next Meeting --Wednesday, June 11, 9:00 am | |
| 19. Adjournment | Action |



2. Approval of April 9, 2014 Minutes

New Mexico State Treasurer's Office
STIC Committee Meeting
Meeting Minutes
Wednesday, April 9, 2014, 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 9:02 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 (via phone)
Mr. Mark Pike, Public Member

Staff Present:

Ms. Marilyn L. Hill, Deputy Treasurer
Mr. Spencer Wright, Portfolio Manager
Ms. Vikki Hanges, Portfolio Manager
Mr. Sam Collins, Cash Manager
Ms. Cindy Cordova, General Counsel
Mr. Arsenio Garduño, Collateral Manager
Mr. Steve Vigil, Investment Accounting Bureau Chief
Ms. Hannah Chavez, STIC Secretary

Guest Present:

Hector Dorbecker, LFC

1. Approval of April 9, 2014 Agenda:

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

2. Approval of March 12, 2014 Minutes:

Member Clarke moved approval of the Minutes. Motion was seconded by Member Lewis and passed unanimously by voice vote.

3. Executive Summary, Mr. Wright:

Highlights of the Executive Summary report were presented.

4. Investment Compliance Report, Ms. Bargas:

Highlights of the Investment Compliance Report were presented.

5. Investment Accounting Report, Mr. Vigil:

Highlights of the Investment Accounting Report were presented.

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

The STIC Cash Projections were presented.

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

Highlights of the Portfolio Summary General Fund report were presented.

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

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

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

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

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

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

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

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

12. Broker Dealer Activities: Mr. Wright:

The Broker Dealer Activities report was presented.

13. State Agency Deposit Balances, Mr. Collins:

Highlights of the State Agency Deposit Balance report were presented.

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

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

15. Question Period:

No questions were presented.

16. Next Meeting- Wednesday, May 14, 2014, 9:00am

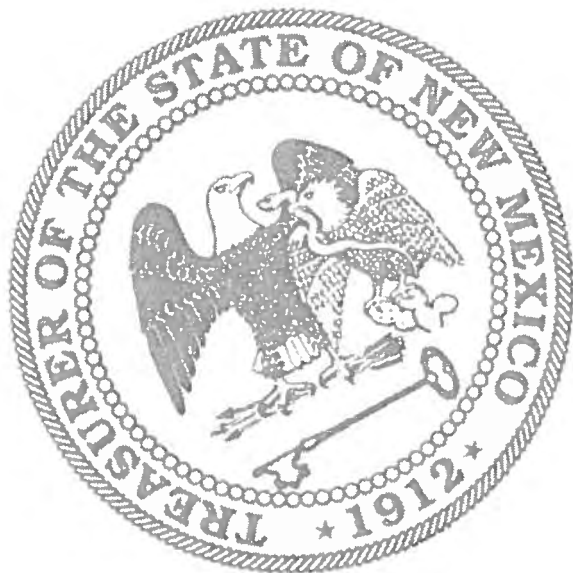
Chair Roseborough noted the date and time of next meeting.

17. Adjournment

The adjournment was moved by Member Lewis. Motion was seconded by Member Pike. Chair Roseborough adjourned the meeting at 9:48 a.m.

Minutes were taken by Ms. Hannah Chavez on April 9, 2014.

Minutes approved by Chair Roseborough on April 9, 2014.



3. Approval of Investment Policy



4. Executive Summary

Executive Summary

- At the end of March, the State Treasurer managed \$4.2 billion in assets.
- During the month, the office earned approximately \$1.4 million on its investment positions.
- US Equity markets did slightly better in March although geopolitical issues, specifically the Russian annexation of the Crimean region of the Ukraine increased instability. The US and European allies responded with target sanctions which helped to calm markets. Tensions continued into April.
- The US economic outlook appeared somewhat weaker. Employment released at the beginning of March disappointed and new home sales numbers were also weak.
- The Fed continued to taper back its monthly purchases of MBS and UST Securities, reducing monthly purchases by \$10B
- The longer part of our investment space saw the largest backup in rates based primarily on Chairman Yellen's comments that interest rate tightening could occur as early as six months following the Fed's elimination of the taper. Markets were spooked higher by the chairperson's comments.
- Terms of the Fed's overnight reverse repurchase facility, were revised to a maximum rate of 5 basis points. Counterparty exposure was increased to \$10Billion for the 139 approved counterparties. All collateral has been UST securities.

Table 1 - Comparative Interest Rates

<i>US Treasury Yields</i>			
<i>Maturity</i>	<i>February 28</i>	<i>March 31</i>	<i>Change</i>
<i>3-Month</i>	0.05%	0.03%	(0.02%)
<i>6-Month</i>	0.07%	0.06%	(0.01%)
<i>2-Year</i>	0.32%	0.42%	0.10%
<i>5-Year</i>	1.50%	1.72%	0.22%
<i>10-Year</i>	2.65%	2.72%	0.07%
<i>30-Year</i>	3.58%	3.56%	(0.02%)

Source: Bloomberg LP

Portfolio Mark-to-Market and Monthly Change

With the weakening in market yields, the STO portfolios¹ all had negative results on a mark-to-market basis. Rates in the longer end of our maturity area increased significantly, resulting in a steeper yield curve.

¹ 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/Loss²</u>	<u>Monthly Change in Unrealized Gain/Loss³</u>
General Funds	\$1.8 million	Decreased \$3.7 million
Bond Proceeds Funds	\$1.1 million	Decreased \$1.0 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 March, the portfolios had the following weighted average purchase yields and durations:

Table 3 - Portfolio Yields and Duration

<u>Fund</u>	<u>Portfolio Yield⁵</u>	<u>Duration⁴</u>		
		<u>Portfolio</u>	<u>Benchmark</u>	<u>Percentage</u>
General Fund Liquidity	0.11%	0.05 Years		
General Fund CORE	0.72%	2.28 Years	2.24 Years	102%
Bond Proceeds – Tax Exempt	0.34%	1.23 Years	1.47 Years	84%
Bond Proceeds – Taxable	0.33%	1.28 Years	1.47 Years	87%
Local Government Investment Pool	0.15%	0.57		
Severance Tax Bonding Fund	0.10%	0.06 Years		

Source: QED, JPMorgan

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

Interest Rate Risk Exposure and Projected “Shock” Analysis

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

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

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

² 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.

³ 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).

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

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

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

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

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

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

For each of the portfolios:

Table 4 - Portfolio Shock Analysis - Interest Rate Changes

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

Portfolio	Shift (in Basis Points)													
	+100 Bps		+50 Bps		+25 Bps		No Change		-25 Bps		-50 Bps		-100 Bps	
	\$	%	\$	%	\$	%	\$		\$	%	\$	%	\$	%
<i>General Fund CORE</i>	(\$32.4)	2.2	(\$16.2)	1.1	(\$8.8)	0.5	\$1,474		\$8.8	0.6	\$16.2	1.1	\$32.4	2.2
<i>BAML 0-5 Index</i>		2.2		1.1		0.6				0.6		1.1		2.3
<i>BPIP Tax-Exempt</i>	(\$4.4)	1.1	(\$2.0)	0.5	(\$1.2)	0.3	\$400		\$1.2	0.3	\$2.0	0.5	\$4.4	0.9
<i>BPIP Taxable</i>	(\$8.9)	1.2	(\$4.2)	0.6	(\$2.1)	0.3	\$714		\$2.1	0.3	\$4.2	0.5	\$8.9	1.1
<i>BAML 0-3 Index</i>		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 March, the STO portfolios had the following performance numbers relative to their respective benchmarks:

Table 5 - Relative Performance of STO Funds

<i>Fund</i>	<i>Performance⁶</i>		
	<i>1 Month</i>	<i>3 Months</i>	<i>12 Months</i>
<i>General Fund Liquidity</i>	0.01%	0.02%	0.12%
<i>S&P Government Bond Index (Gross)</i>	<u>0.01%</u>	<u>0.02%</u>	<u>0.11%</u>
<i>Relative Performance (BPs)</i>	0.00%	0.00%	0.01%
<i>Relative Performance (%)</i>	100%	100%	109%
<i>General Fund CORE</i>	(0.19%)	0.19%	0.22%
<i>BAML 0-5 US Treasury</i>	<u>(0.24%)</u>	<u>0.21%</u>	<u>(0.04%)</u>
<i>Relative Performance (BPs)</i>	0.05%	(0.02%)	0.26%
<i>Relative Performance (%)</i>	NM	109%	NM
<i>Bond Proceeds - Tax Exempt</i>	(0.05%)	0.12%	0.20%
<i>BAML 0-3 US Treasury</i>	<u>(0.06%)</u>	<u>0.11%</u>	<u>0.31%</u>
<i>Relative Performance (BPs)</i>	0.01%	0.01%	(0.11%)
<i>Relative Performance (%)</i>	NM	109%	65%
<i>Bond Proceeds – Taxable</i>	(0.05%)	0.13%	0.24%
<i>BAML 0-3 US Treasury</i>	<u>(0.06%)</u>	<u>0.11%</u>	<u>0.31%</u>
<i>Relative Performance (BPs)</i>	0.01%	0.02%	(0.07%)
<i>Relative Performance (%)</i>	NM	118%	77%
<i>Severance Tax Bonding Fund</i>	0.01%		
<i>S&P Government Bond Index (Gross)</i>	<u>0.01%</u>		
<i>Relative Performance (BPs)</i>	0.00%		
<i>Relative Performance (%)</i>	100%		
<i>Local Government Investment Pool</i>	0.02%	0.05%	0.16%
<i>S&P Government Bond Index (Gross)</i>	<u>0.01%</u>	<u>0.02%</u>	<u>0.11%</u>
<i>Relative Performance (BPs)</i>	0.01%	0.03%	0.05%
<i>Relative Performance (%)</i>	200%	250%	145%

Source: JPMorgan, STO Calculations

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

Our Bond Proceeds funds have somewhat underperformed their indexes, however we have moved to a position of additional liquidity in order to meet spending targets articulated by DFA. While the underperformance looks dramatic on a percentage basis, the actual lag to benchmark returns is

⁶ Relative performance is periodic total return compared to the return of the portfolio benchmarks.

approximately 10 basis points. Similarly, the relative outperformance of the General Fund CORE is 26 basis points on an annualized basis.

Investment Earnings

Investment earnings for March are summarized in the table below.

Table 6 - Investment Earnings

<i>Fund</i>	<i>Investment Earnings⁷</i>		
	<i>MTD</i>	<i>YTD</i>	<i>FY'13 YTD</i>
<i>General Funds</i>	\$1,005,943	\$8,322,329	\$9,942,418
<i>Bond Proceeds Funds</i>	\$388,872	\$3,972,074	\$5,334,075
<i>Local Government Investment Pool⁸</i>	\$81,217	\$682,219	\$972,336
<i>Severance Tax Bonding Fund</i>	\$15,623	\$87,254	\$229,801

Source: QED

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

Projected Investment Income

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

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

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

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

<i>Fund</i>	<i>YTD⁹</i>	<i>Projected FY</i>
<i>General Fund Investment Pool¹⁰</i>	\$8.3MM	\$11.1MM
<i>Less Self-Earnings Account Offsets¹¹</i>	(\$1.7MM)	(\$ 2.2MM)
<i>Projected Net Earnings on STO Balances</i>	\$6.6MM	\$ 8.9MM
<i>LFC Revenue Projection (as of Dec 2013)</i>		\$12.1MM
<i>STO Projection as a % of LFC Revenue Projection</i>		74%

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.

⁷ 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.

⁸ Gross Earnings, Participant Earnings reflect 0.05% reduction for management fees.

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

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

¹¹ Estimated, based on historical norms.

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.

In April, the DFA released the General Fund Report representing \$13.8 million in General Fund Investment Earnings received through January 2014. STO is unaware of the source of this number which represents a variance of approximately \$7.5 million over STO earnings records.

Compensating Balances at Fiscal Agent Bank

During March, STO maintained Average Daily Collected Balances at the Fiscal Agent Bank of approximately \$131 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>	\$131,277,541
<i>Earnings Credit Rate</i>	0.50%
<i>Estimated Monthly Earnings</i>	\$54,698
<i>Estimated Fiscal YTD Earnings</i>	\$500,572

Source: Wells, Fargo & Co.

Monthly Investment Outlook

The fixed income markets were somewhat cautious through the month of March and continuing into April. The short-end of the markets remained strong into the month of April despite concerns about emerging markets and economic growth.

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 February 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.

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 backup in yields during March, we have more confidence about using the curve to our advantage.

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

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

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

New Mexico State Treasurer
Monthly Fund Summary Report
(Unaudited)

As of March 31, 2014

General Fund	Holdings			Performance				Earnings	
	Cost Basis	Market Value	Unrealized Gain/Loss	12-Month Total Return	Benchmark	Index Return	Relative Performance	Monthly Earnings	YTD Earnings
Account									
Cash Balances	\$ 131,277,541	\$ 131,277,541	\$ -						
Liquidity	401,588,599	401,588,614	15	0.12%	S&P LGIP Gross	0.11%	0.01%	\$ 35,024	\$ 323,903
CORE	1,474,685,196	1,476,554,496	1,869,300	0.22%	ML Treasury 0-5	-0.04%	0.26%	970,919	7,998,426
TRAN	-	-	-	0.00%	All-In Tran TIC	0.00%	0.00%	-	-
Totals	\$ 2,007,551,336	\$ 2,009,420,651	\$ 1,869,315	0.20%	Blended	-0.03%	0.23%	\$ 1,005,943	\$ 8,322,329
Bond Proceeds Investment Pool (BPIP)									
Account	Cost Basis	Market Value	Unrealized Gain/Loss	12-Month Total Return	Benchmark	Index Return	Relative Performance	Monthly Earnings	YTD Earnings
Tax-Exempt	\$ 404,547,361	\$ 404,876,619	\$ 329,258	0.20%	ML Treasury 0-3	0.31%	-0.11%	\$ 123,173	\$ 1,277,939
Taxable	714,640,788	715,510,611	869,823	0.24%	ML Treasury 0-3	0.31%	-0.07%	265,699	2,694,135
Totals	\$ 1,119,188,149	\$ 1,120,387,230	\$ 1,199,081	0.23%	Blended	0.31%	-0.08%	\$ 388,872	\$ 3,972,074
Local Government Investment Pool (LGIP)									
Account	Cost Basis	Market Value	Unrealized Gain/Loss	12-Month Total Return	Benchmark	Index Return	Relative Performance	Monthly Earnings	YTD Earnings
LGIP	\$ 634,258,239	\$ 634,344,781	\$ 86,542	0.16%	S&P LGIP Gross	0.11%	0.05%	\$ 81,217	\$ 682,219
Severance Tax Bonding Fund									
Account	Cost Basis	Market Value	Unrealized Gain/Loss	12-Month Total Return	Benchmark	Index Return	Relative Performance	Monthly Earnings	YTD Earnings
STBF	\$ 266,866,014	\$ 266,873,331	\$ 7,317	0.12%	S&P LGIP Gross	0.11%	0.01%	\$ 15,623	\$ 87,254

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 March 2014

Account ID	Portfolio Name	Market Value	Month	Trailing 3M	Fiscal YTD	YTD	1 YR	Since Inception	Inception Date
10933300	Local Government Investment Pool	634,913,760	0.02	0.05	0.13	0.05	0.16	1.00	01-Jul-2007
10933400	Overnight Repo Pool	161,891,553	0.01	0.02	0.06	0.02	0.09	0.79	01-Jul-2007
10933500	Tax Exempt Bond Proceeds	406,151,283	(0.05)	0.12	0.43	0.12	0.20	2.00	01-Jul-2007
10933900	Taxable Bond Proceeds	717,884,469	(0.05)	0.13	0.43	0.13	0.24	2.11	01-Jul-2007
18952300	NM STO	267,107,416	0.01					0.01	01-Mar-2014
00667701	General Fund	1,883,940,390	(0.15)	0.14	0.61	0.14	0.20	2.06	01-Jul-2007
10933700	General Fund Core	1,482,347,175	(0.19)	0.19	0.80	0.19	0.22	2.65	01-Jul-2007
10933600	General Fund Liquidity	401,593,215	0.01	0.02	0.08	0.02	0.12	0.77	01-Jul-2007
06677-BEN-0006	S&P Govt Pools Net yield		0.00	0.00	0.02	0.00	0.03	0.81	01-Jul-2007
06677-BEN-0012	BPIP Index ML 0-3 Treasury		(0.06)	0.11	0.38	0.11	0.31	2.04	01-Jul-2007
06677-BEN-0013	General Core Index ML 0-5 Treasury		(0.24)	0.21	0.51	0.21	(0.04)	2.83	01-Jul-2007
06677-BEN-0016	S&P LGIP Gross yield		0.01	0.02	0.08	0.02	0.11	0.14	01-Jun-2012
06677-BEN-0017	General Fund Total		(0.14)	0.13	0.31	0.13	(0.01)	0.17	30-Jun-2012

Performance shown is gross of manager fees



5. Investment Compliance Report

Investment Compliance Review

Primary and Secondary Bond Purchases/ Sales

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

Table 9 - Primary/Secondary Market Volume

Primary Bond Volume	\$20,770,000	15%
Secondary Bond Volume	<u>120,709,000</u>	<u>85%</u>
Total	\$141,479,000	100%

Source: QED

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

Commissions Paid

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

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

Variable Rate and Structured Note Holdings

At the end of March, total holdings of Variable Rate Notes were \$103,854,000.

Table 10 - Variable Rate Note Holdings

Taxable BPIP	\$ 7,000,000
Tax Exempt BPIP	7,934,000
LGIP	<u>88,920,000</u>
Total Holdings	\$103,854,000

Source: QED

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

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

Transaction Variances and Inter-Portfolio Transactions

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

There were no inter-portfolio trades during the month.

Unrealized Gains and Losses

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

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

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

Realized Gains and Losses

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.

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.

During March, there were no realized gains or losses.

Trade Documentation and Investment Processing Compliance

Purchase/Sales Activity¹²

There were a total of 24 security trades tracked during the month of March by the Trade Documentation Compliance Team. All were purchase transactions.

Table 11 – Securities Trades

	Number	Par-Value	Cost/Proceeds	Recognized Gain/Loss
Securities Purchased	24	\$166,264,000	\$166,865,559	\$ -0-
Securities Sold	<u>0</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total	24	\$166,264,000	\$166,865,559	\$ -0-

Trade documentation and Investment Processing Compliance

All trades have been accounted for and written documentation has been audited for compliance. There are no pending items.

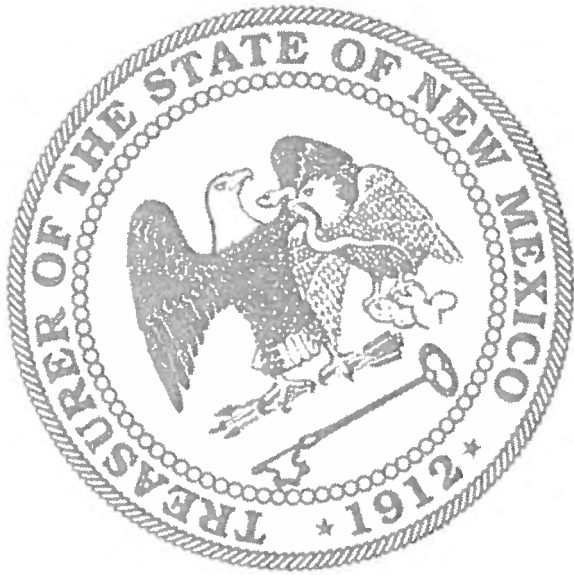
All trades settled successfully and there were no failed trades for the month. There are no investment processing compliance issues.

¹² Excludes daily repurchase agreement transactions.

**Summary of Fixed-Income Purchases and Sales
SETTLEMENTS During The Period 3/01/14 Through 3/31/14**

TXN-DATE	CUSIP#	ASSET-TYPE	INVT#	ISSUE-NAME	RATE	MATURITY	YIELD	BRKR/DLR/AGENT	FUND	PAR-VALUE	COST/PROCEEDS	GAIN/LOSS	NXT-CALL
PURCHASE TRANSACTIONS													
3/03/14	912828UA	US TREASURY	20982	UNITED STATES TREASURY	.625	11/30/17	1.0753	RBS	1001	20,000,000.00	19,670,312.50		
3/10/14	912828NW	US TREASURY	21024	UNITED STATES TREASURY	2.500	3/31/15	.1593	TD SECURITIES	4101	3,000,000.00	3,074,179.69		
3/21/14	912828RJ	US TREASURY	21095	UNITED STATES TREASURY	1.000	9/30/16	.7001	JEFFRIES & CO	4002	10,000,000.00	10,075,000.00		
3/25/14	912828NR	US TREASURY	21120	UNITED STATES TREASURY	2.375	7/31/17	1.1216	BARCLAYS	1001	20,000,000.00	20,822,656.25		
3/31/14	912828QC	US TREASURY	21149	UNITED STATES TREASURY	1.250	4/15/14	.2060	RBS GREENWICH C	4101	7,000,000.00	7,003,007.81		
3/13/14	3130A1DM	AGENCY US BOND	21050	FED HOME LN BANK FHLB	.150	3/12/15	.1622	MORGAN STANLEY	4101	3,000,000.00	2,999,636.55		
3/19/14	3130A1DM	AGENCY US BOND	21050	FED HOME LN BANK FHLB	.150	3/12/15	.1623	MORGAN STANLEY	4101	4,000,000.00	3,999,520.00		
3/20/14	313371PC	AGENCY US BOND	21082	FEDERAL HOME LOAN BANKS	.875	12/12/14	.1434	JEFFRIES & CO	4101	5,000,000.00	5,026,600.00		
3/20/14	313378ZM	AGENCY US BOND	21081	FEDERAL HOME LOAN BANKS	.875	3/10/17	.7829	KEYBANC CAPITAL	1001	20,000,000.00	20,054,000.00		
3/21/14	3133EAYL	AGENCY US BOND	21093	FEDERAL FARM CREDIT BAN	.300	7/18/14	.0999	WELLS FARGO SEC	4101	5,374,000.00	5,377,493.10		
3/25/14	3130A1GW	AGENCY US BOND	21112	FEDERAL HOME LOAN BANKS	.125	3/04/15	.1725	DAIWA CAPITAL M	4101	2,500,000.00	2,498,882.50		
3/31/14	3130A1GW	AGENCY US BOND	21112	FEDERAL HOME LOAN BANKS	.125	3/04/15	.1725	DAIWA CAPITAL M	4101	1,100,000.00	1,099,516.00		
3/03/14	3135G0FY	AGENCY US NOTES	20900	FEDERAL NATIONAL MORTGA	.750	12/19/14	.1510	GOLDMAN SACHS	4101	5,000,000.00	5,023,770.00		
3/03/14	3135G0ZA	AGENCY US NOTES	20983	FEDERAL NATIONAL MORTGA	1.875	2/19/19	1.6779	RBS	1001	20,000,000.00	20,187,000.00		
3/07/14	3135G0FY	AGENCY US NOTES	20900	FEDERAL NATIONAL MORTGA	.750	12/19/14	.1532	BMO CAPTIAL MAR	4101	2,000,000.00	2,009,340.00		
3/20/14	3137EACH	AGENCY US NOTES	21083	FEDERAL HOME LOAN MORTG	2.875	2/09/15	1.585	WELLS FARGO SEC	4101	2,500,000.00	2,560,112.51		
3/25/14	3137EADL	AGENCY US NOTES	17682	FEDERAL HOME LOAN MORTG	1.000	9/29/17	1.2330	WELLS FARGO SEC	1001	15,000,000.00	14,880,255.00		
3/25/14	3137EADP	AGENCY US NOTES	21119	FEDERAL HOME LOAN MORTG	.875	3/07/18	1.4539	MORGAN STANLEY	1001	15,000,000.00	14,667,750.00		
3/21/14	3135G0LN	FED NATL MORTGA	21094	FEDERAL NATIONAL MORTGA	.500	7/02/15	.2660	CITI GROUP	4000	5,000,000.00	5,014,950.00		
3/03/14	802072MS	MUNI US 30/360	20974	SANTA FE N MEX GROSS RC	5.000	6/01/16	.5001	VINING SPARKS	1001	100,000.00	110,030.00		
3/06/14	08527NDX	MUNI US 30/360	20991	BERNALILLO CNTY N MEX G	5.125	4/01/15	.2709	MORGAN STANLEY	1001	155,000.00	163,029.00		
3/13/14	01354MDQ	MUNI US 30/360	21051	ALBUQUERQUE M MEX GROSS	4.900	7/01/14	.2018	SOUTHWEST	1001	135,000.00	136,900.80		
3/18/14	547473DH	MUNI US 30/360	20908	LOVINGTON N MEX MUN SCH	2.000	9/01/15	.3506	LAWSON FINANCIA	1001	300,000.00	307,164.00		
3/20/14	054879GZ	MUNI US 30/360	21072	AZTEC N MEX MUN SCH DIS	3.250	10/01/15	.3301	FIRST SOUTHWEST	1001	100,000.00	104,454.00		
24 PURCHASES DURING PERIOD TOTAL.....										166,264,000.00	166,865,559.71		
*** GRAND-TOTAL ***										166,264,000.00	166,865,559.71		

This concludes the Investment Compliance review.



6. Investment Accounting Report



James B. Lewis
State Treasurer

STATE OF NEW MEXICO
OFFICE OF THE TREASURER
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P.O. Box 5135
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Marilyn L. Hill
Deputy State
Treasurer

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

MEMORANDUM

DATE: April 25, 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 February 2014 Investments Reconciliation

Weekly S&P Reconciliation

All weekly S&P reconciliations were completed timely for March 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.

March 2014 Investments Reconciliation

The Investment Accounting Bureau (IAB) completed the March 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 February 28th and March 31st.
3. Cash proofs to verify cash transaction activity.
4. Earned income proof to validate the income earned for March 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 cost difference in the amount of \$257 thousand in the new Severance Tax Bonding Fund account (STB) while completing the March 2014 investments reconciliation. Research indicated that during the creation of the new STB account, the transition was processed at market value. Given this, the cost was realized in the old account (Overnight REPO), and JP Morgan assigned new cost numbers for certain US Treasury investment vehicles in the new STB

account. IAB worked with JP Morgan to ensure that JP Morgan was aware of the error and had taken correction action to fix the error. IAB followed up by reviewing the inventory reporting to confirm that JP Morgan corrected the issue.

The investment transactions posted in SHARE including the following:

1. Fiscal year 2014 beginning balances.
2. July 2013 through January 2014.

IAB has provided the Budget and Finance Division a memorandum of action to prepare journal entries to record the March 2014 investment transaction activity.

JP Morgan to QED Inventory Reconciliations

W/P Ref

Mar-14

503

Market Value Reconciliation

JPM	QED					
Account	Market Value	Fund #	Name	Market Value	Difference	BPS Dollar Thresold *
P 09336	401,588,614.86	1000	GF Liquidity	401,588,614.86	-	200,794.31
P 09337	1,477,182,677.95	1001	GF Core	1,477,195,117.95	(12,440.00)	738,591.34
P 09334	161,891,147.89	1101	ONREPO	161,894,464.35	(3,316.46)	80,945.57
P 89523	266,873,331.25	4001	STB	266,873,331.21	0.04	133,436.67
P 09335	404,877,332.94	4000	BPIP#1	404,876,618.89	714.05	202,438.67
P 09339	715,511,230.46	4002	BPIP#2	715,510,605.64	624.82	357,755.62
P 09333	654,371,625.14	4101	LGIP	654,344,302.03	27,323.11	327,185.81
Total	4,082,295,960.49			4,082,283,054.93	12,905.56	2,041,147.98

Cost Reconciliation

JPM	QED					
Account	Cost	Fund #	Name	Cost	Difference	BPS Dollar Thresold *
P 09336	401,594,680.86	1000	GF Liquidity	401,594,680.86	-	200,797.34
P 09337	1,492,501,467.96	1001	GF Core	1,492,501,467.97	(0.01)	746,250.73
P 09334	161,891,147.89	1101	ONREPO	161,894,464.35	(3,316.46)	80,945.57
P 89523	266,939,531.25	4001	STB	267,197,060.90	(257,529.65)	133,469.77
P 09335	408,238,466.99	4000	BPIP#1	408,238,467.00	(0.01)	204,119.23
P 09339	720,296,435.15	4002	BPIP#2	720,296,435.14	0.01	360,148.22
P 09333	654,794,028.14	4101	LGIP	654,767,488.05	26,540.09	327,397.01
Total	4,106,255,758.24			4,106,490,064.27	(234,306.03)	2,053,127.88

Position Reconciliation

JPM	QED					
Account	Position Size	Fund #	Name	Position Size	Difference	BPS Dollar Thresold *
P 09336	401,587,052.86	1000	GF Liquidity	401,587,052.86	-	200,793.53
P 09337	1,446,219,058.20	1001	GF Core	1,446,219,058.20	-	723,109.53
P 09334	161,891,147.89	1101	ONREPO	161,894,464.35	(3,316.46)	80,945.57
P 89523	266,462,881.25	4001	STB	266,462,881.21	0.04	133,231.44
P 09335	400,190,014.79	4000	BPIP#1	400,190,014.79	-	200,095.01
P 09339	706,342,302.10	4002	BPIP#2	706,342,302.10	-	353,171.15
P 09333	653,592,889.08	4101	LGIP	653,566,348.99	26,540.09	326,796.44
Total	4,036,285,346.17			4,036,262,122.50	23,223.67	2,018,142.67

*Basis Point (BPS)Dollar Threshold

JPM Market Value x 5 BPS

JPM Cost x 5 BPS

JPM Postion Size x 5 BPS

JP Morgan to QED Income Reconciliation

W/P Ref

Mar-14

504

JPM	QED					
Account	Earned Interest	Fund #	Name	Earned Interest	Difference	BPS Dollar Threshold *
P 09336	77,872.02	1000	GF Liquidity	78,939.40	(1,067.38)	20,079.43
P 09337	2,126,546.57	1001	GF Core	2,127,652.52	(1,105.95)	73,859.13
P 09334	12,563.72	1101	ONREPO	5,240.11	7,323.61	8,094.56
P 89523	112,011.80	4001	STB	116,710.54	(4,698.74)	13,343.67
P 09335	466,052.00	4000	BPIP#1	465,667.73	384.27	20,243.87
P 09339	848,121.24	4002	BPIP#2	863,031.02	(14,909.78)	35,775.56
P 09333	253,200.41	4101	LGIP	253,119.32	81.09	32,718.58
Total	3,896,367.76			3,910,360.64	(13,992.88)	204,114.80

JP Morgan to QED Amortization/Accretion Reconciliation

JPM	QED					
Account	Amortization/Accretion	Fund #	Name	Amortization/Accretion	Difference	
P 09336	(43,935.32)	1000	GF Liquidity	(43,915.40)	(19.92)	
P 09337	(1,175,103.84)	1001	GF Core	(1,157,448.14)	(17,655.70)	
P 09334	(8,574.59)	1101	ONREPO	-	(8,574.59)	
P 89523	(92,040.65)	4001	STB	(342,494.91)	250,454.26	
P 09335	(340,657.07)	4000	BPIP#1	(101,087.99)	(239,569.08)	
P 09339	(600,650.68)	4002	BPIP#2	(597,331.68)	(3,319.00)	
P 09333	(171,725.09)	4101	LGIP	(171,902.69)	177.60	
Total	(2,432,687.24)			(2,414,180.81)	(18,506.43)	

*BPS Dollar Threshold

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

0.005%



7. Quarterly Investment Review

Quarterly Investment Review

Market Summary

The quarter was marked by increased turbulence in the fixed income marketplace as investors attempted to divine the strength of the economy and predict the future actions of the Federal Reserve. Coming into the quarter, the year posted significant annual gains in the US Equities market and a solid performance in the bond markets. Coming out of the quarter, we have had significant gains in the longer end of the fixed-income marketplace with significant flattening of the yield curve and a mixed equity market.

Perhaps the signature influence in the quarter was the long-anticipated Federal Reserve's initiation of their bond tapering, decreasing -- on a monthly basis -- their purchases of longer US Treasury and Mortgage Backed Securities by approximately \$10 Billion per month (\$5 billion in each market). The markets also witnessed a transition of the Chairman of the Federal Reserve from Ben Bernanke to Vice-Chair Janet Yellen.

Most equity indexes posted small gains for the quarter, with the Dow Jones Industrial Average posting a slight loss. Corporations posted better profitability numbers and investors were concerned about increased geopolitical issues and potential weakness in the emerging markets as well as China.

In the domestic economy, the outlook improved somewhat. Labor numbers showed some strength, however we have yet to fully reverse the jobs lost during the earlier part of the 2008 recession.

On the fixed income front, rates swung somewhat widely but ended the quarter with improvements, especially over the longer end of the curve. We continue to see the shorter end of the market anchored in by the Fed's reverse repurchase agreement facility holding collateral levels at the 0.05% level.

Table 14 – Comparative Quarterly Interest Rates

<u>US Treasury Yields</u>			
<u>Maturity</u>	<u>December 31</u>	<u>March 31</u>	<u>Change</u>
3-Month	0.07%	0.03%	(0.04%)
6-Month	0.09%	0.06%	(0.03%)
2-Year	0.38%	0.42%	0.04%
5-Year	1.74%	1.72%	(0.02%)
10-Year	3.03%	2.72%	(0.31%)
30-Year	3.97%	3.56%	(0.41%)

Source: Bloomberg LP

The chart below (Figure 1) compares the daily yield on the five year treasury to the two year treasury over the past 12 months (and into April). As you can see, the two year treasury has traded in a range from twenty to fifty basis points. During the quarter, the 5 year note saw violent swings, ranging from a low of 1.40% to approximately 1.80% on the high side in early April.

Quarter end saw 5-year levels at the high of approximately 1.72% and they have remained steady through the month of April. The two year has remained steady, held in place by the extremely low rates in the overnight markets.



Figure 1- 12 Month Comparison of 2 Year and 5 Year US Treasury Yield

In our last quarterly review, we discussed how we had been generally reducing duration of the portfolios, from a position of overweighting to underweighting. That strategy worked well during the quarter and protected the STO portfolios from some of the backup.

After quarter-end, the market was focused on weak economic numbers, the potential debt ceiling discussion and some weakness in the equity markets.

Investment Strategy Employed During the Past Quarter

Over the past quarter, our general strategy has been to match the duration of the benchmark index using securities that are shorter than those which make up the index. The objective is to be somewhat defensive to rates while being able to earn a coupon rate which matches the index coupon. In addition to maturity distribution, we have added some security types that provide additional return relative to benchmark securities.

The strategy has served us well, but we continue to believe that we will see pressures on rates as the economy improves. We felt, and continue to feel, that rates would begin to move up during late 2014 and potentially into 2015. As such, we were less aggressive in placing the portfolios long to our benchmark durations and had begun moves to bring the durations in relative to benchmark levels.

During the last quarter, the difference between 2-year and 5-year rates widened considerably. That difference, or the "steepness" of the curve, has moved in our favor as short-term rates are somewhat locked into the low overnight rates, while longer rates have moved upward. As holders of securities, this steepness in the curve benefits us, as long as we have invested appropriately in the longer end of the curve. As detailed below, we had some continued success in this area during the quarter.

In terms of relative effectiveness, in the chart below (Figure 2) you can see on a 5 year basis, how compressed our area of the curve has been over the past two years, with 5-year rates being very closely tied to 2-year levels. The chart below shows dramatically the steepness of the curve and we have placed our portfolios to try and capitalize on this steepness. Before the steepening, we focused on high-coupon short-duration maturities in the 3-4 year area. Into the first quarter of 2014, we have been moving our investments back into the the 4-5 year area of the curve which shows the most steepness.



Figure 2 – 5 Year Comparison of 2 Year and 5 Year US Treasury Yield

On a relative basis, our strategy has resulted in outperformance relative to our benchmarks. We do not attempt to “time” the market or “trade” the portfolios, but we are sensitive to where we can add additional performance through the addition of duration, credit or other methods.

As always, we are limited by the goals of safety, liquidity and yield. The development of better cash forecasting models has helped the relative performance of the STO portfolios.

One area of continued pressure is the return which we realize on our overnight investment balances. On a daily basis, we invest anywhere from \$500 million to \$1 Billion in the overnight markets. Due to the Fed’s stance, returns are in the 5 basis point range. This has continued to placed considerable pressure on our earnings as we have previously identified.

With regard to specific funds, we have utilized strategies which complement each fund’s particular cash needs.

General Fund Investment Pool

As showed in the consolidated charts in the General Fund section of this monthly report, the General Fund Investment pool has stabilized in size from the lows seen in FY08. Given this stability, and especially

given the backdrop of a steep yield curve, it forces us to consider well our ratio of CORE to Liquidity balances in the General Fund Investment Pool.

The work done by the investment division as well as the cash management division has enabled us to project those balances with increased accuracy. Projections by this group show that our low point for the year was in the middle of March. We continue to place a targeted balance of the Liquidity Account with our fiscal agent bank and expect to do so throughout the fiscal year.

In March, we moved to begin to address this differential, transferring an additional \$100MM between the Liquidity and CORE portions of the portfolios. Given the total size of the General Fund Liquidity Pool of approximately \$2Billion, this places approximately 70% in the longer markets and 30% of the balance in “cash-ready” liquid securities.

With regard to performance, the General Fund CORE portion outperformed its benchmark for the quarter and for the last 12 months. The relative outperformance is due to 2 factors – duration performance over the year as well as the addition of agency and municipal securities which have added additional portfolio yield.

Table 15 – Quarterly General Fund Investment Pool Relative Performance

<i>Fund</i>	<i>Performance</i>	
	<i>Quarter</i>	<i>12 Months</i>
<i>General Fund Liquidity</i>	0.02%	0.12%
<i>S&P Government Bond Index (Gross)</i>	0.02%	0.11%
<i>Relative Performance (BPs)</i>	0.00%	0.00%
<i>Relative Performance (%)</i>	100%	109%
<i>General Fund CORE</i>	0.19%	0.22%
<i>BAML 0-5 US Treasury</i>	0.21%	(0.04%)
<i>Relative Performance (BPs)</i>	(0.02%)	0.26%
<i>Relative Performance (%)</i>	90%	NM

Source: JP Morgan

With regard to positioning, as discussed above, we are right on top of our benchmark duration at the end of the quarter, at 102% of benchmark duration. During the quarter, we lengthened duration by booking gains in the 1-2 year area and reinvesting longer on the curve, while maintaining portfolio duration within the +/- 20% band as articulated in the current investment policy.

On a current yield basis, we are well positioned, decreasing the positive differential between ourselves and the benchmark.

Table 16 – Quarter-End General Fund Investment Pool Positioning versus Benchmark

<i>Fund</i>	<i>Yield</i>			<i>Duration</i>		
	<i>Portfolio</i>	<i>Benchmark</i>	<i>Percentage</i>	<i>Portfolio</i>	<i>Benchmark</i>	<i>Percentage</i>
<i>General Fund Liquidity</i>	0.03%			22 Days		
<i>General Fund CORE</i>	0.72%	0.67%	107%	2.27 Years	2.23 Years	102%

Source: QED, JPMorgan

Bond Proceeds Funds

During the quarter, we saw significant movements in the bond proceeds accounts. Debt service payments were made on March 1st from the tax-exempt account. In late December, we received a significant deposit from the settlement of severance tax bonds. Monthly capital flows offset the increases and averaged approximately \$25-\$30MM per month.

With regard to relative performance, the Bond Proceeds Investment Pool outperformed the benchmark performance for the quarter. On a 12-month basis, the BPIPs lagged benchmark performance. Given the significant swings in fund balances, performance was somewhat impaired. In addition, new capital spending rules circulated by the Governor forced us to move to a more liquid position. This forced us to be short to our benchmarks and into the toughest area of the curve to invest.

Table 17 Quarterly Bond Proceeds Investment Pool Relative Performance

<i>Fund</i>	<i>Performance</i>	
	<i>Quarter</i>	<i>12 Months</i>
<i>Bond Proceeds - Tax Exempt</i>	0.12%	0.20%
<i>BAML 0-3 US Treasury</i>	<u>0.11%</u>	<u>0.31%</u>
<i>Relative Performance (BPs)</i>	0.01%	(0.11%)
<i>Relative Performance (%)</i>	109%	65%
<i>Bond Proceeds – Taxable</i>	0.13%	0.24%
<i>BAML 0-3 US Treasury</i>	<u>0.11%</u>	<u>0.31%</u>
<i>Relative Performance (BPs)</i>	0.02%	(0.07%)
<i>Relative Performance (%)</i>	118%	77%

Source: JPMorgan

On a current yield basis, the portfolios compared favorably to the benchmark at year end. Cash receipts were deployed early in the first quarter, locking in higher rates.

Table 18 Quarter-End Bond Proceeds Investment Pool Positioning versus Benchmark

<i>Fund</i>	<i>Yield</i>			<i>Duration</i>		
	<i>Portfolio</i>	<i>Benchmark</i>	<i>Percentage</i>	<i>Portfolio</i>	<i>Benchmark</i>	<i>Percentage</i>
<i>Bond Proceeds - Tax Exempt</i>	0.34%	0.34%	100%	1.23 Years	1.47 Years	84%
<i>Bond Proceeds – Taxable</i>	0.33%	0.34%	97%	1.28 Years	1.47 Years	87%

Source: QED, JPMorgan

Local Government Investment Pool

The LGIP remained under pressure during the quarter. Balances ranged between \$600MM and \$675MM and performance was muted due to the overall level of short-term rates.

On a comparative basis, the fund has performed well relative to its peers, but given the overall level of rates and the restrictions placed on the fund by the overnight repo collateral policy, managing the fund is increasingly difficult.

Table 19 - Quarterly Local Government Investment Pool Relative Performance

<u>Fund</u>	<u>Performance</u>	
	<u>Quarter</u>	<u>12 Months</u>
Local Government Investment Pool	0.05%	0.16%
S&P Government Bond Index (Gross)	<u>0.02%</u>	<u>0.11%</u>
Relative Performance (BPs)	0.03%	0.05%
Relative Performance (%)	250%	145%

Source: JPMorgan

Severance Tax Bonding Fund

The Severance Tax Bonding Fund grew over the quarter by approximately \$30MM/month with the receipt of severance taxes. Balances built throughout the quarter and were withdrawn to cover debt service payments on outstanding severance tax bonds on January 1 and to retire severance tax and supplemental severance tax notes issued late in the quarter.

The Severance Tax Bonding Fund is primarily invested in overnight repurchase agreements which remain competitive relative to short-term investment alternatives.

Expectations for the Upcoming Quarter and Year

General Outlook

We believe that the Federal Reserve will continue its tapering through the quarter, and into the third quarter of 2014. As such, we expect short term rates to continue to be under pressure and that the curve will continue to remain steep.

With regard to spreads, we believe that US Agency products will continue to be under pressure. Given the additional limitations on investment alternatives, we believe that the percentage of US Treasury holdings will be greater at the end of the calendar year than it is currently.

We believe that the steepness contained in the short end of the yield curve will work to our advantage and that using the curve will outperform the previous strategy of short-duration higher coupon securities matching the benchmark duration on a portfolio level. With 5 year rates being in excess of 125 basis over two year rates, the structure of the curve argues that we should extend somewhat. The additional carrying yield from moving out on the curve will offset any significant upward pressure on rates.

We also believe that we should analyze current holdings on a relative basis and see if there are potential ways to increase portfolio yield without adding additional carrying duration.

General Fund Investment Pool

The General Fund Investment Pool will remain fully invested. Given the outlook articulated above, reinvestment of maturing bonds will be at or slightly long to the benchmark duration, utilizing securities that we expect will continue to outperform to the curve on a relative basis.

Due to continued monthly purchase activities by the Federal Reserve, we believe that the overnight market will remain under pressure. As such, we will attempt to manage the expected balances in the liquidity portfolio to in order to minimize our exposures to these markets. Building on the CORE increase in March, we would anticipate having additional CORE deposits transferred in during the quarter.

Bond Proceeds Pools

During the next quarter, the Bond Proceeds pools will remain fairly steady in size, decreasing as monthly draws are processed. Depending on the issuance of new STB debt, we will see an increase in balances into the second quarter of 2014.

We continue to advocate the consolidation of the Bond Proceeds pools into a single pool with subaccounts for each series of debt. Consolidation will allow for improved management of the two pools, allowing for liquidity balances to be more actively managed and minimized.

Local Government Investment Pool

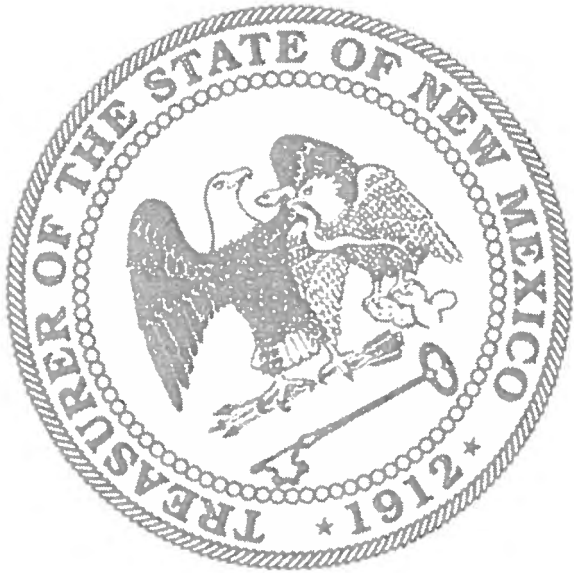
We continue to expect that the LGIP will remain under pressure, both in terms of overall yield as well as the relative size of the fund. We expect that pressure on the short end of the curve will continue.

Severance Tax Bonding Fund

The Severance Tax Bonding Fund will see generally increasing balances over the quarter as fund additions will be made on a monthly basis. We have actively managed investment of available proceeds into the December timeframe in order to meet expected debt service payments.

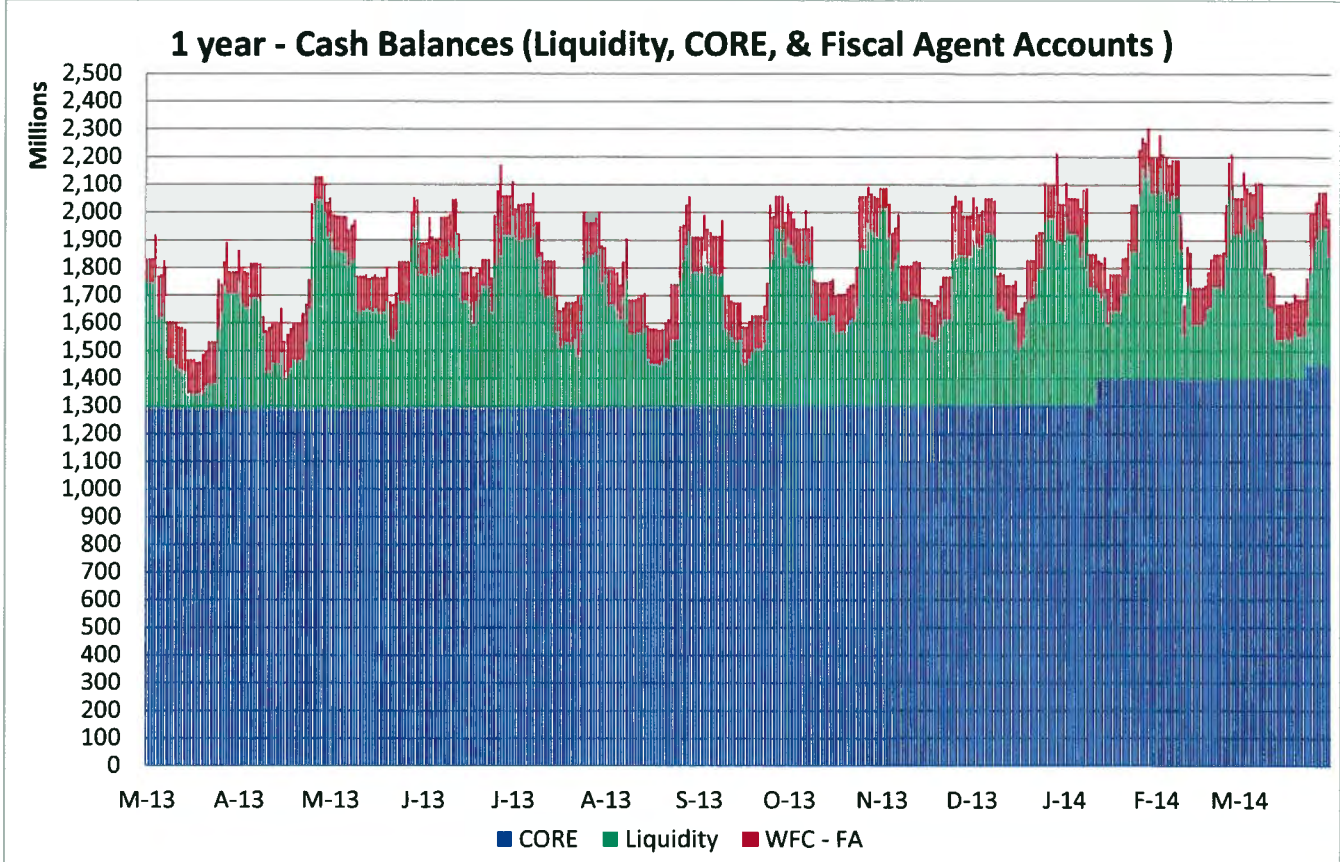
At the beginning of the third quarter, after debt service payments and required transfers, we project that the STBF will have approximately \$15MM in the fund.

Spencer Wright
Portfolio Manager

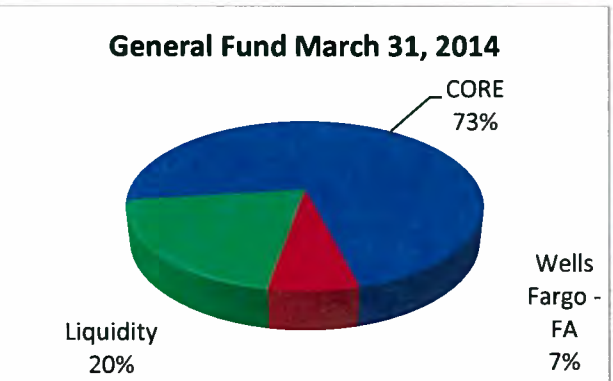
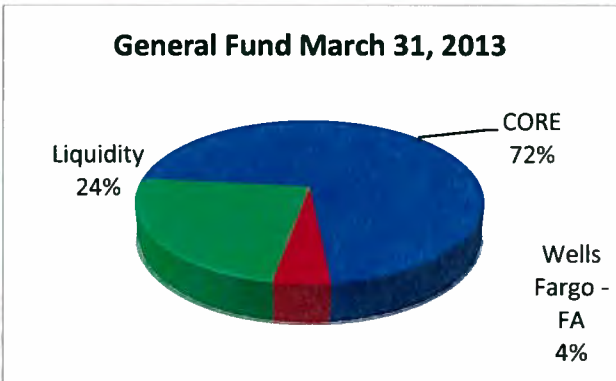


8. Cash Projection

GFIP Cash Flows



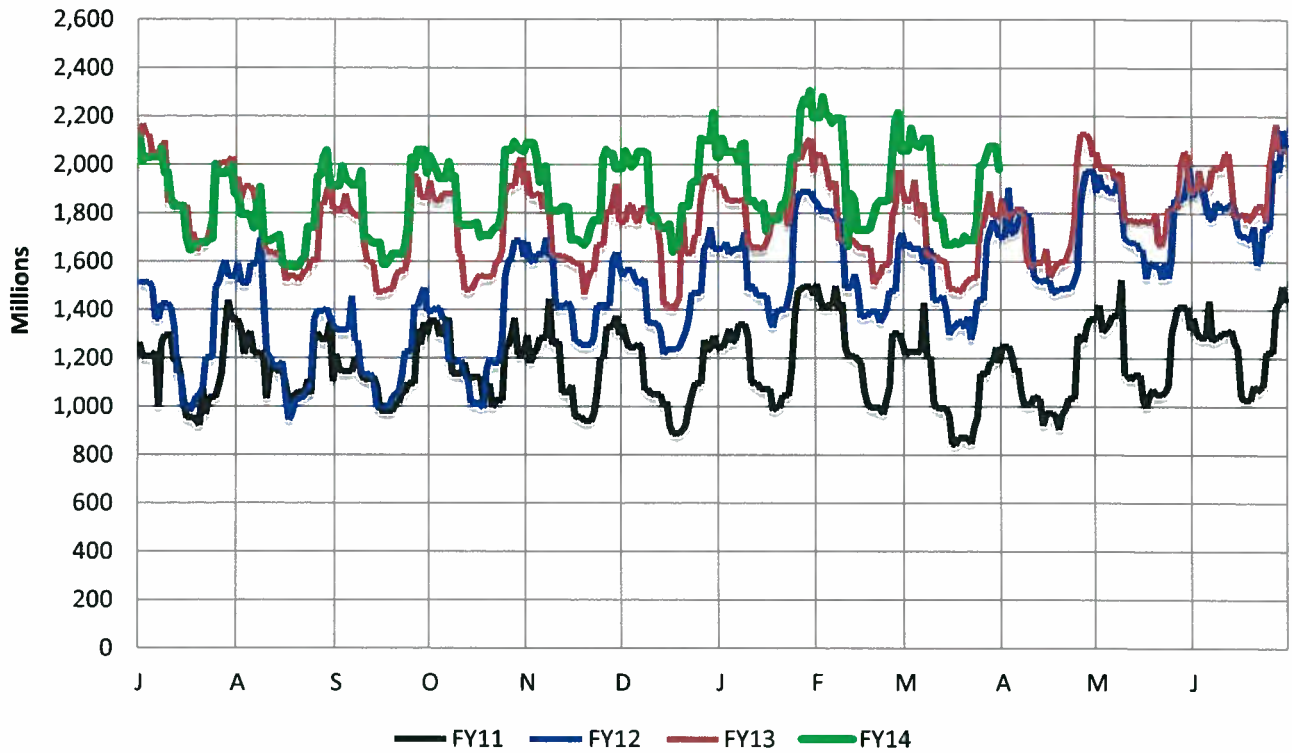
GENERAL FUND	Mar-13	Mar-14	Difference
Liquidity	427,344,873	401,587,052	(25,757,820)
CORE	1,280,210,615	1,445,604,058	165,393,443
Wells Fargo - FA	77,984,704	134,841,869	56,857,165
	1,785,540,192	1,982,032,980	196,492,787



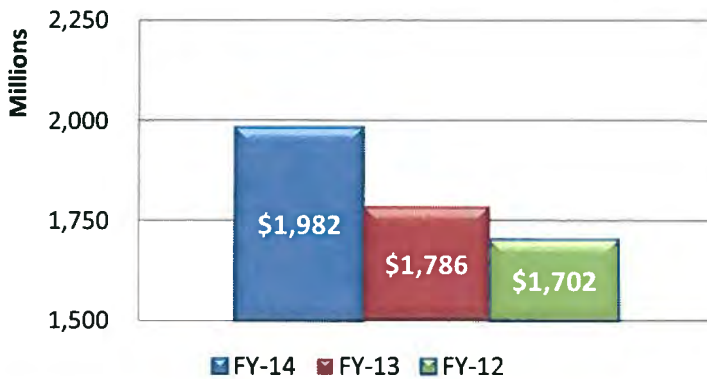
* These projections are based upon numerous source elements (General Fund Revenue Consensus Group Estimates, HB2 as adopted, LFC Estimates, Fiscal Agent Bank Statements, TRD Estimates, DFA Estimates, Market & Economic Conditions, and Historical Trends) as such represent estimates only.



General Fund Investment Pool Historical Balance

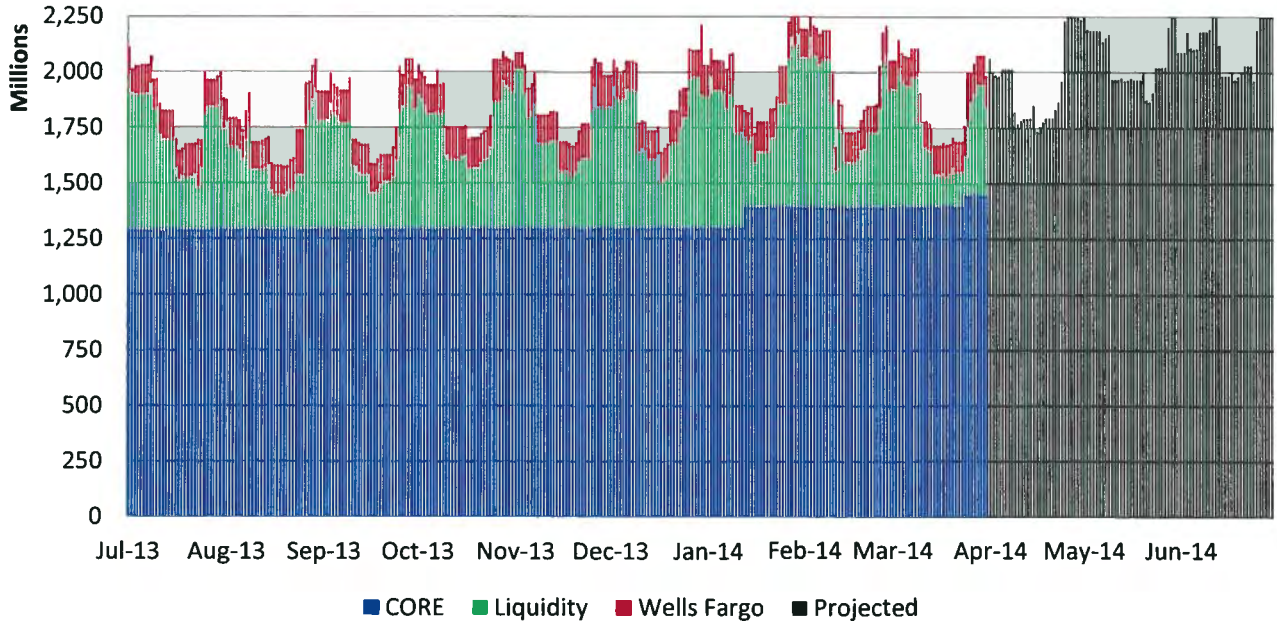


GFIP March Month-end balances Y-o-Y

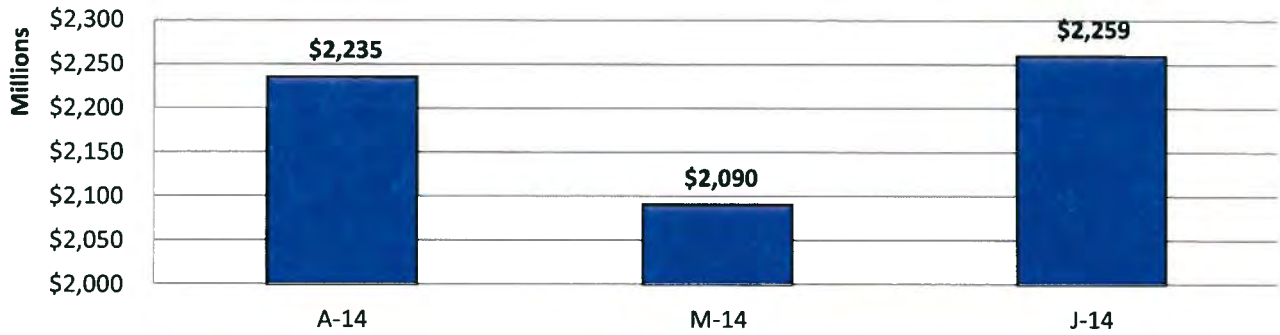


The balance as of March 31, 2014 of the General Fund Investments Pool (GFIP) Y-o-Y has increased 11.0% from March 31, 2013 and 16.4% increase from March 31, 2012. M-o-M the balance decrease -3.7% from February 28, 2014.

FY - 14 GFIP Balance Projections

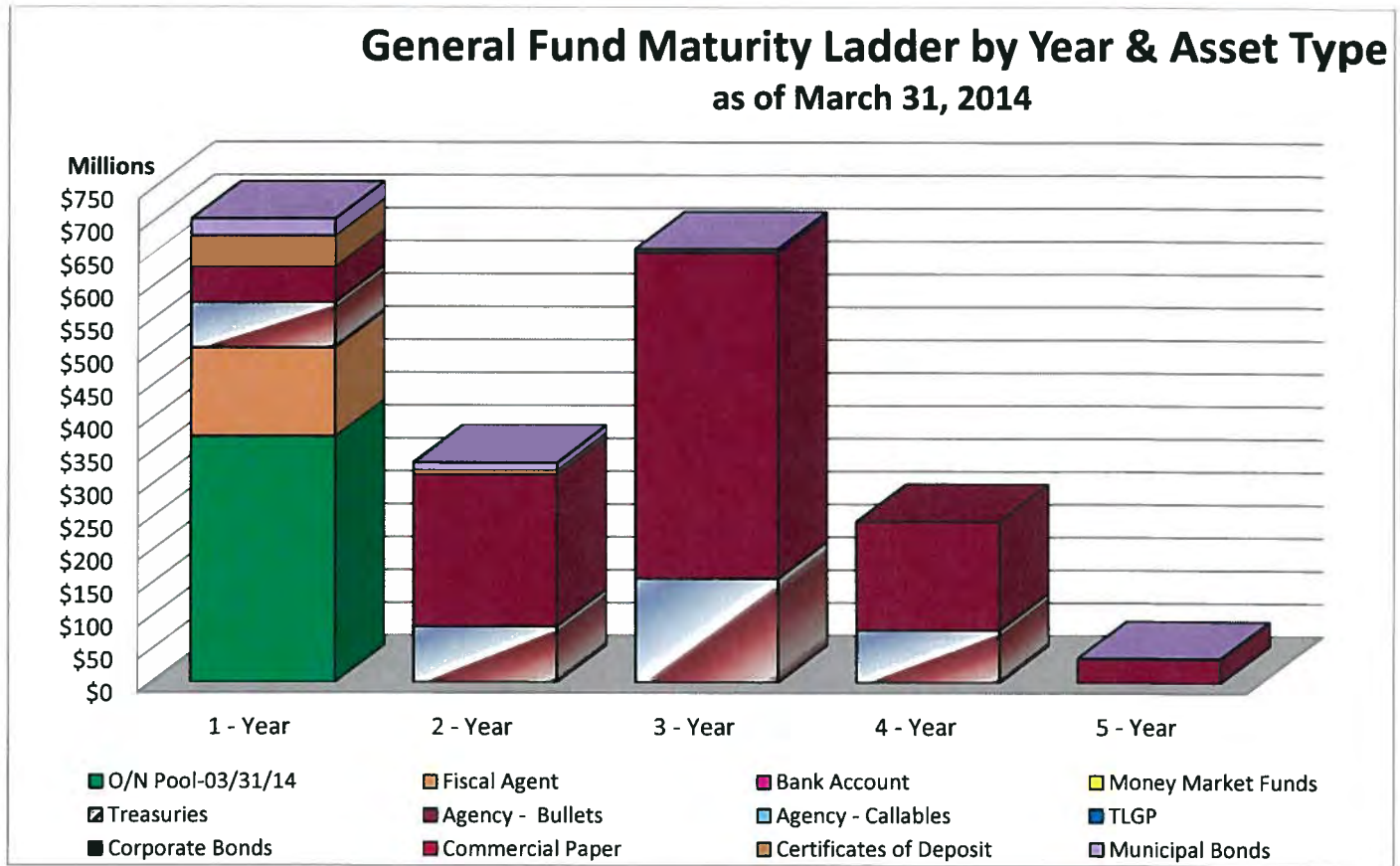


GFIP Projected Month-Ending Balances FY-14



Apr-14	May-14	Jun-14
\$ 2,234,745,350	\$ 2,089,906,886	\$ 2,258,858,089

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

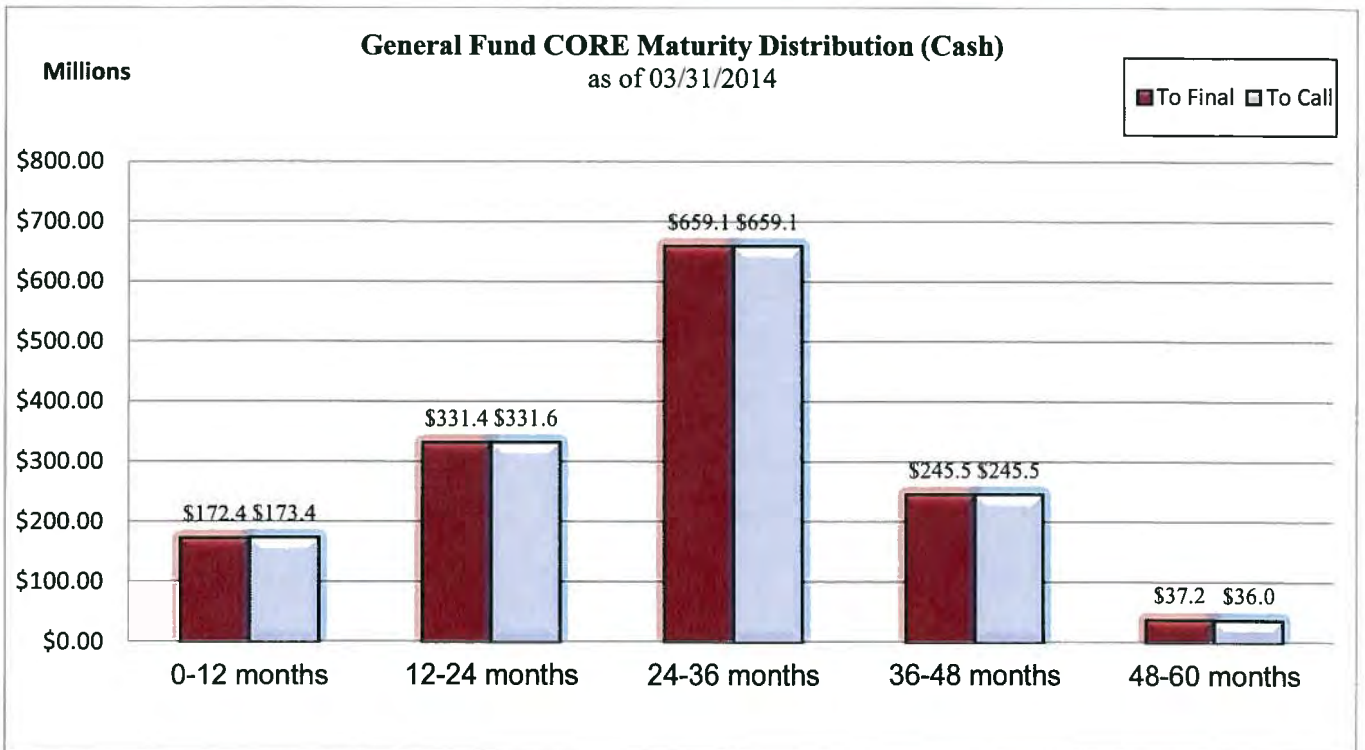
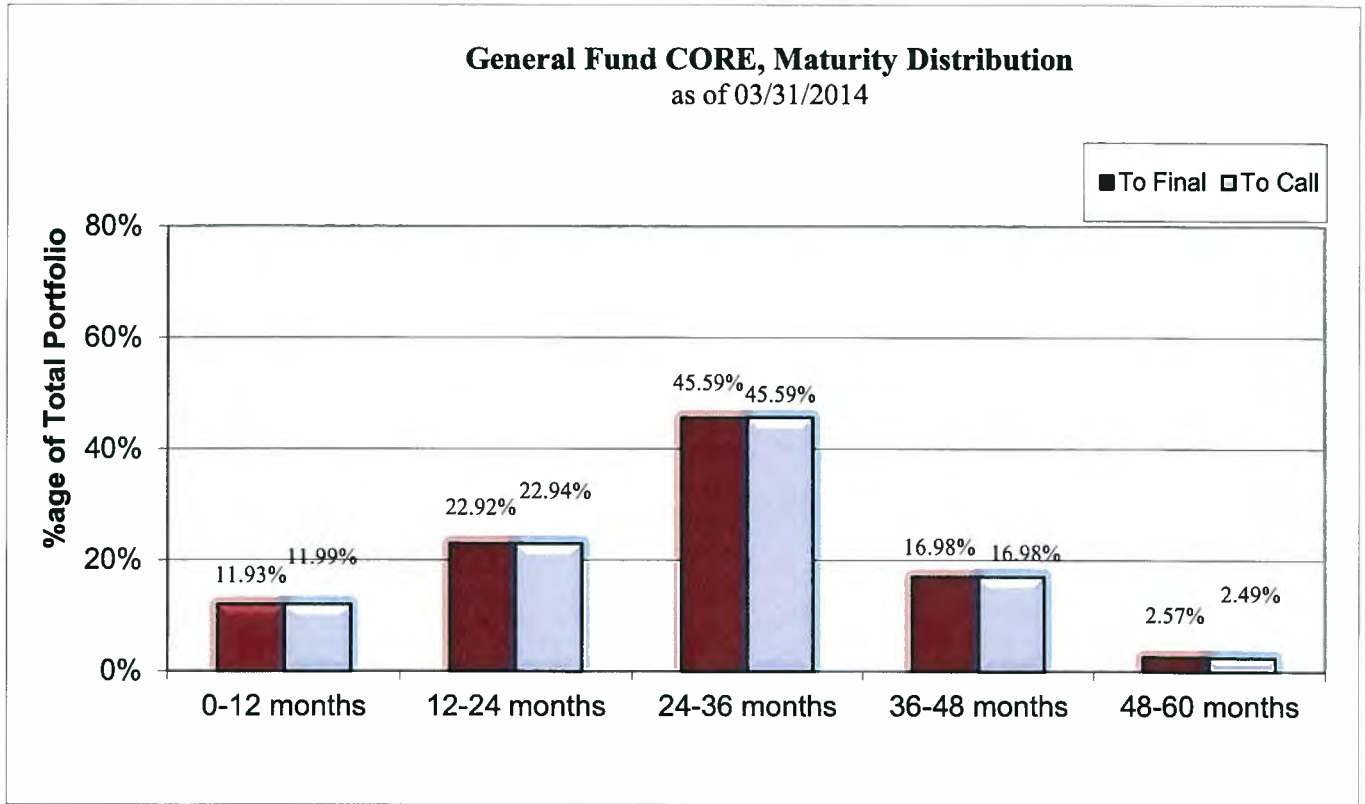


Asset Allocation	1 - Year	2 - Year	3 - Year	4 - Year	5 - Year	Total	%
Agency - Bullets	54,000,000	231,250,000	495,500,000	165,500,000	36,000,000	982,250,000	50%
Agency - Callables						0	0%
TLGP						0	0%
Corporate Bonds						0	0%
Money Market Funds	1,301					1,301	0%
Municipal Bonds	25,810,412	11,635,000	4,310,000		1,220,000	42,975,412	2%
Certificates of Deposit	47,250,000	6,500,000	1,000,000			54,750,000	3%
Commercial Paper						0	0%
Treasuries	69,000,000	85,500,000	158,500,000	80,000,000		393,000,000	20%
Bank Account						0	0%
Fiscal Agent	134,841,869					134,841,869	7%
O/N Pool-03/31/14	374,214,398					374,214,398	19%
Total:	705,117,980	334,885,000	659,310,000	245,500,000	37,220,000	1,982,032,980	100%
% of Total:	36%	17%	33%	12%	2%		

*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%.

GFIP Cash Flows



GFIP Cash Flows

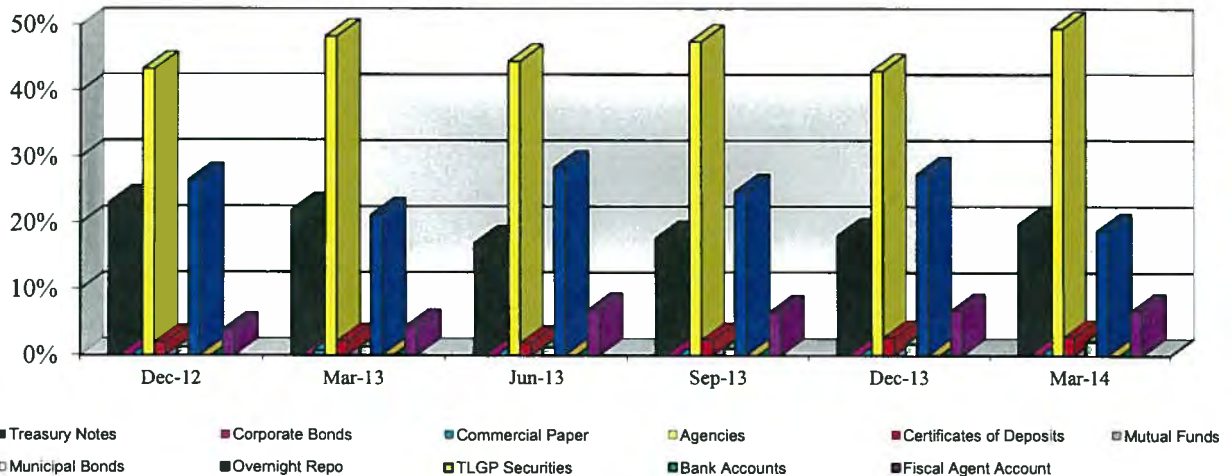
General Fund Portfolio Allocation - Month ending March 31, 2014

Allocation by Amount

Number of Items	115	100	86	84	91	137
	<u>Dec-12</u>	<u>Mar-13</u>	<u>Jun-13</u>	<u>Sep-13</u>	<u>Dec-13</u>	<u>Mar-14</u>
Treasury Notes	440,600,000	391,250,000	350,650,000	349,150,000	369,150,000	393,000,000
Corporate Bonds	0	0	0	0	0	0
Commercial Paper	0	13,500,000	0	0	0	0
TLGP Securities	0	0	0	0	0	0
Agencies	827,910,000	863,210,000	917,910,000	933,910,000	875,750,000	982,250,000
Bank Accounts	0	0	0	0	0	0
Certificates of Deposits	37,750,000	37,750,000	38,750,000	45,750,000	54,750,000	54,750,000
Money Market	1,299	1,300	1,300	1,300	1,301	1,301
Municipal Bonds	22,880,000	22,880,000	24,967,000	20,630,412	36,520,412	42,975,412
Overnight Repo	505,125,131	378,964,188	585,859,446	488,183,824	558,079,815	374,214,397
Fiscal Agent Account	73,606,297	77,984,704	141,908,562	127,565,471	137,755,614	134,841,869
Total :	1,907,872,727	1,785,540,192	2,060,046,308	1,965,191,007	2,032,007,142	1,982,032,979

Allocation by Percent

	<u>Dec-12</u>	<u>Mar-13</u>	<u>Jun-13</u>	<u>Sep-13</u>	<u>Dec-13</u>	<u>Mar-14</u>
Treasury Notes	23.1%	21.9%	17.0%	17.8%	18.2%	19.8%
Corporate Bonds	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Commercial Paper	0.0%	0.8%	0.0%	0.0%	0.0%	0.0%
TLGP Securities	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Agencies	43.4%	48.3%	44.6%	47.5%	43.1%	49.6%
Certificates of Deposits	2.0%	2.1%	1.9%	2.3%	2.7%	2.8%
Bank Accounts	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Mutual Funds	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Municipal Bonds	1.2%	1.3%	1.2%	1.0%	1.8%	2.2%
Overnight Repo	26.5%	21.2%	28.4%	24.8%	27.5%	18.9%
Fiscal Agent Account	3.9%	4.4%	6.9%	6.5%	6.8%	6.8%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%





9. Portfolio Summary- General Fund Investment Pool

Portfolio Summary – General Fund Investment Pool

Summary

- The General Fund Investment Pool (Bank, Liquidity and Core Portfolios) closed the month of March at \$2.0 Billion.

Portfolio Mix

- At month end, 100% of the General Fund CORE portfolio was invested in fixed income securities; 27% in US Government Securities; 73% in Government Related Securities (Municipal Bonds and Agency Securities), and the balance ~1% in Cash.
- 11% of the portfolio was invested in securities that mature in one year; 26% in securities that mature from 1-2 years; 59% in 2-4 years and 4% within 5 years.
- The General Fund Core portfolio held positions in 125 securities at the end of March.
- The Weighted Average Life of the CORE portion of the general fund was 2.28 years. The Weighted Average duration was 2.24 years.
- The benchmark duration for the CORE portfolio was 2.21 years.
- The maximum security term for the CORE portfolio is 5 years.

Performance

- For March, the General Fund CORE portfolio outperformed its benchmark performance by five basis points. The general fund decreased 0.19% and the benchmark decreased 0.24%.
- For the last 3 months, the general fund underperformed its benchmark by two basis points or 90%. The general fund gained 0.19% while the benchmark rose 0.21%.
- For the last 12-months, the general fund outperformed its benchmark by twenty-six basis points. The general fund gained 0.22% while the benchmark lost 0.04%.

Market Value and Investment Earnings

- Unrealized gains in the Core Portfolio at the end of March were \$1.8 million.
- Over the month, the unrealized value of the portfolio decreased by \$3.7 million due to an increase in relative interest rates.
- Monthly Earnings for March on the General Fund Portfolios were \$1.0 million.
- Year-to-date earnings were over \$8.3 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 \$8.9 million.
- Earnings on the General Fund are used to offset General Fund Spending.

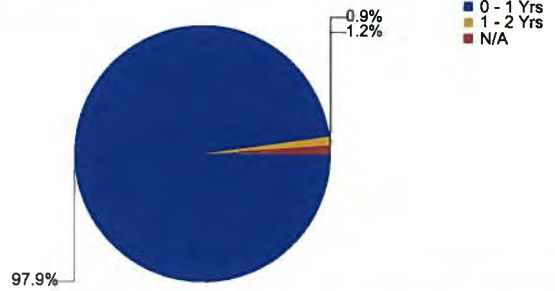
Investment Highlights

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

Portfolio Characteristics

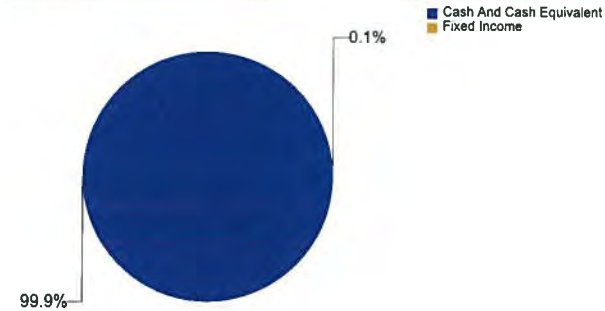
Duration Mix

Total Net Assets (Millions) **401.6**
 Weighted Average Life (Years) **0.04**
 Weighted Avg. Effective Duration (Years) **0.04**
 Weighted Average Coupon (%) **0.12**
 Weighted Average Current Yield (%) **0.11**
 Weighted Average Yield to Maturity (%) **0.11**
 Weighted Average Rating **AA**
 Number of Holdings **22**



Asset Mix

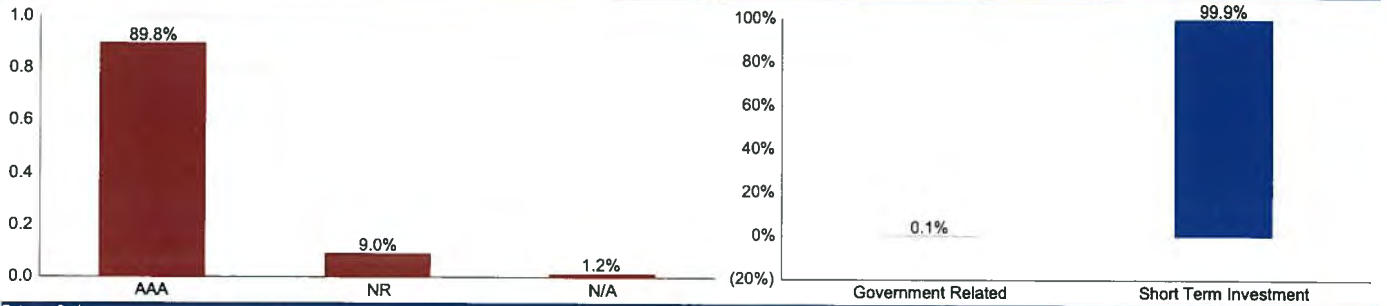
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
99E900126	REPO NOMURA SECURITIES/FIXED INCOME 033114AA	11.43%	0.09	1/4/2014
99E900128	REPO NOMURA SECURITIES/FIXED INCOME 033114AB	11.43%	0.09	1/4/2014
99E900130	REPO NOMURA SECURITIES/FIXED INCOME 033114AG	11.43%	0.09	1/4/2014
99E900132	REPO NOMURA SECURITIES/FIXED INCOME 033114AF	11.43%	0.09	1/4/2014
99E900134	REPO NOMURA SECURITIES/FIXED INCOME 033114AE	11.43%	0.09	1/4/2014
99E900136	REPO NOMURA SECURITIES/FIXED INCOME 033114AC	11.43%	0.09	1/4/2014
99E900131	REPO NOMURA SECURITIES/FIXED INCOME 033114AD	11.43%	0.09	1/4/2014
99E900138	REPO NOMURA SECURITIES/FIXED INCOME 033114AZ	7.14%	0.09	1/4/2014
8EG99SAB3	SOUTHWEST NATIONAL BANK	2.49%	0.25	17/6/2014
1PS991AE3	CENTURY BANK SANTA FE	1.99%	0.40	29/9/2014

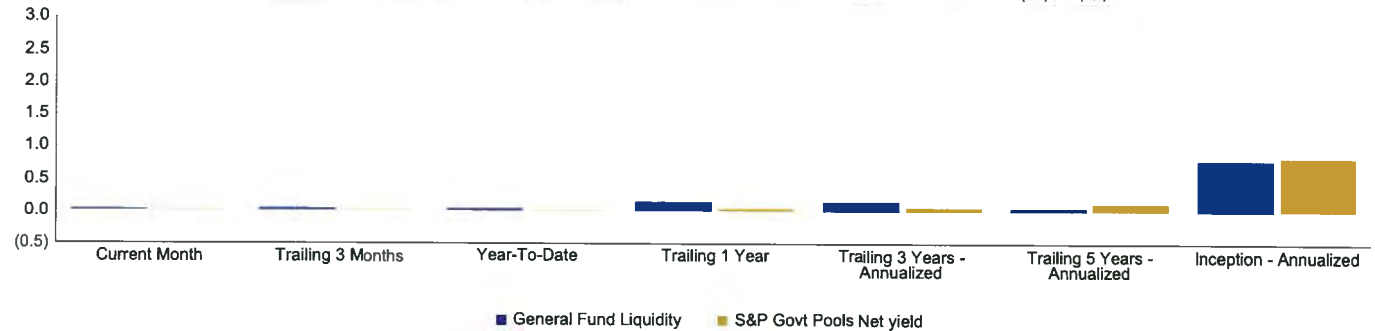
Quality/Rating Weightings

Sector Weightings (as % of Market Value)



Returns Series

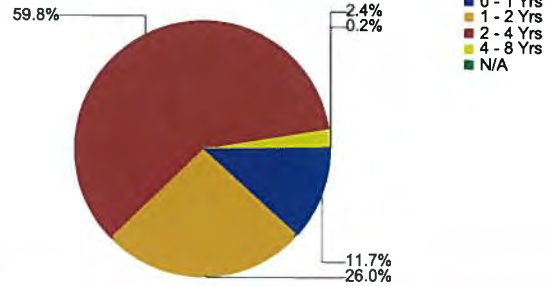
	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
General Fund Liquidity	0.01	0.02	0.02	0.12	0.12	0.04	0.77
S&P Govt Pools Net yield	0.00	0.00	0.00	0.03	0.05	0.11	0.81
Excess	0.01	0.02	0.02	0.09	0.07	(0.07)	(0.05)



Portfolio Characteristics

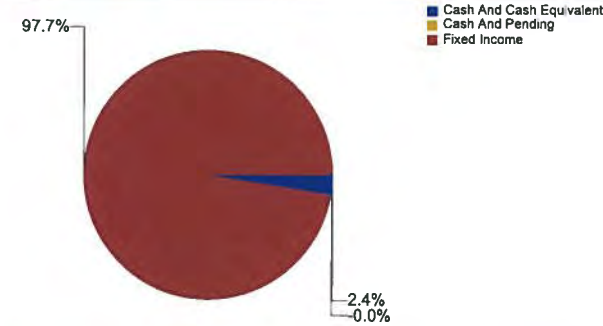
Duration Mix

Total Net Assets (Millions) 1,482.3
Weighted Average Life (Years) 2.28
Weighted Avg. Effective Duration (Years) 2.21
Weighted Average Coupon (%) 1.86
Weighted Average Current Yield (%) 0.67
Weighted Average Yield to Maturity (%) 0.67
Weighted Average Rating AA
Number of Holdings 125



Asset Mix

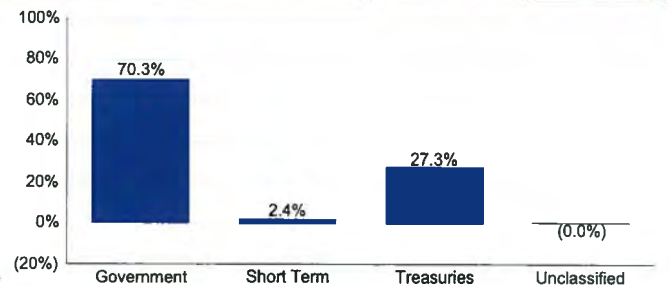
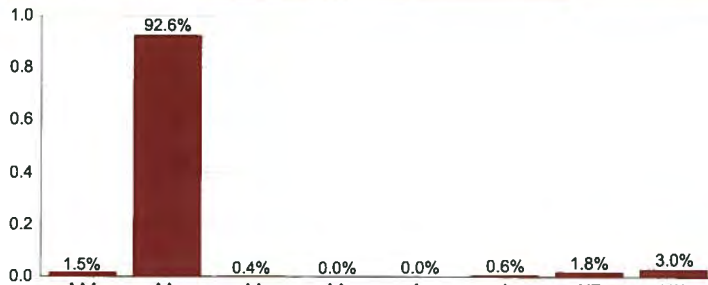
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
31359MH89	FEDERAL NATIONAL MORTGAGE ASSOC 5% BDS 15/MAR/2016	4.41%	5.00	15/3/2016
31359GLN1	FEDERAL NATIONAL MORTGAGE ASSOC 0.5% NTS	4.07%	0.50	2/7/2015
3137EACW7	FEDERAL HOME LOAN MORTGAGE CORP 2% BDS 25/AUG/2016	2.79%	2.00	25/8/2016
3135G0GY3	FEDERAL NATIONAL MORTGAGE ASSOC 1.25% MTG BDS	2.73%	1.25	30/1/2017
3137EAD00	FEDERAL HOME LOAN MORTGAGE CORP 1% BDS 08/MAR/2017	2.71%	1.00	8/3/2017
3135G0SB0	FEDERAL NATIONAL MORTGAGE ASSOC 0.375% BDS	2.70%	0.38	21/12/2015
31359M2D4	FEDERAL NATIONAL MORTGAGE ASSOC 4.875% BDS	2.57%	4.88	15/12/2016
3133834R9	FEDERAL HOME LOAN BANKS 0.375% BDS 24/JUN/2016	2.52%	0.38	24/6/2016
3135G0BA0	FEDERAL NATIONAL MORTGAGE ASSOC 2.375% NTS	2.51%	2.38	11/4/2016
912828SJ0	UNITED STATES 0.875% 02/17	2.26%	0.88	28/2/2017

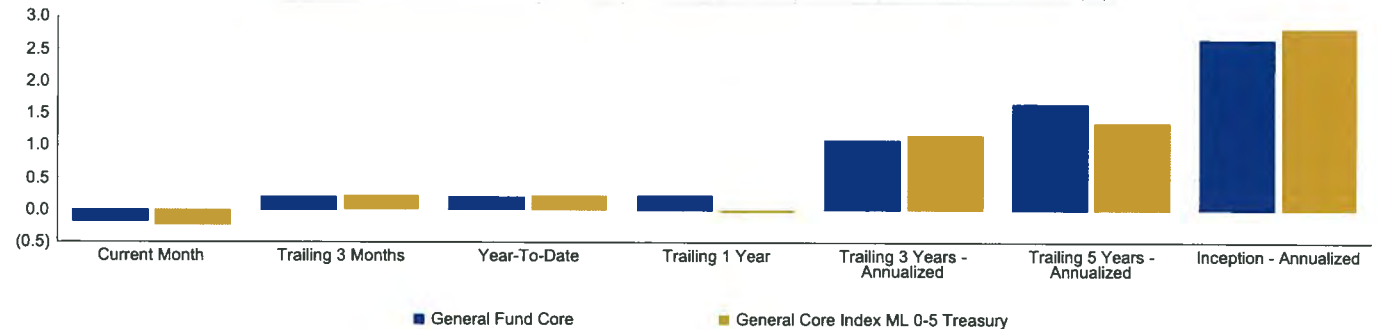
Quality/Rating Weightings

Sector Weightings (as % of Market Value)



Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
General Fund Core	(0.19)	0.19	0.19	0.22	1.06	1.85	2.65
General Core Index ML 0-5 Treasury	(0.24)	0.21	0.21	(0.04)	1.16	1.36	2.83
Excess	0.06	(0.02)	(0.02)	0.25	(0.08)	0.28	(0.18)



STATE OF NEW MEXICO
GENERAL FUND (1000)
Portfolio Classification Summary
Positions Held as of 3/31/14 (TRADE Basis)

AMTZ ADDED: NO

ASSET CLASSIFICATION	ITEMS	YIELD	AVG-TERM	PRINCIPAL	COST-BASIS	MARKET-VALUE	GAIN/LOSS	%MARKET
REPURCHASE AGREEMENTS (O/N)	2	.0913	.00270	360,671,640	360,671,640	360,671,640		89.811
CERTIFICATES OF DEPOSIT	10	.3681	.49793	35,750,000	35,750,000	35,750,000		8.902
MUNI US 30/360 2X	1	.3549	.16990	200,000	201,547	201,562	15	.050
MUNICIPAL BOND REVENUE	1	.3537	.24930	4,965,412	4,965,412	4,965,412		1.236
	<u>14</u>	<u>.1193</u>	<u>.04992</u>	<u>401,587,052</u>	<u>401,588,599</u>	<u>401,588,614</u>	<u>15</u>	<u>100.000</u>

**STATE OF NEW MEXICO
TREASURERS OFFICE**

Position holdings as of 3/31/14 (TRADE)
BOOK VALUES AMORTIZED THROUGH 3/31/14

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
10,000,000	SOUTHWEST CAPTIAL BANK	1623135	.250	6/17/14	.250	100.00000	10,000,000.00	10,000,000.00	
3,000,000	CENTURY BANK SANTA FE	17099251	.270	6/18/14	.270	100.00000	3,000,000.00	3,000,000.00	
4,965,412	STN SERIES 2013S-C	STN2013S	.350	6/30/14	.349	100.00001	4,965,412.41	4,965,412.41	
2,000,000	UNION SAVINGS BANK	00015400	.400	7/08/14	.400	100.00000	2,000,000.00	2,000,000.00	
2,000,000	UNION SAVINGS BANK	00156000	.600	8/27/14	.600	100.00000	2,000,000.00	2,000,000.00	
2,000,000	Bank 34	01010047	.550	8/28/14	.550	100.00000	2,000,000.00	2,000,000.00	
8,000,000	CENTURY BANK SANTA FE	17099245	.400	9/29/14	.400	100.00000	8,000,000.00	8,000,000.00	
31,965,412							31,965,412.41	31,965,412.41	

====> 0007 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ==== 2014 <====

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

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

200,000	GALLUP N MEX JT UTIL REV JT UTIL	364046EA	5.000	6/01/17	.350	100.77358	201,547.15	201,562.00	14.85
200,000							201,547.15	201,562.00	14.85

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

40,915,412							40,916,959.56	40,916,974.41	14.85
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====> 0012 ITEMS IN SUBTOTAL FOR ==== FUND NAME..... ==== GENERAL FUND <====

STATE OF NEW MEXICO
GENERAL FUND CORE (1001)
Portfolio Classification Summary
Positions Held as of 3/31/14 (TRADE Basis)

AMTZ ADDED: NO

ASSET CLASSIFICATION	ITEMS	YIELD	AVG-TERM	PRINCIPAL	COST-BASIS	MARKET-VALUE	GAIN/LOSS	%MARKET
REPURCHASE AGREEMENTS (O/N)	1	.0913	.00270	13,542,757	13,542,757	13,542,757		.917
CERTIFICATES OF DEPOSIT	5	.4579	.80507	19,000,000	19,000,000	19,000,000		1.286
U.S. TREASURY BONDS	1	.3822	1.62740	15,000,000	17,299,485	17,319,750	20,265	1.172
US TREASURY NOTE ACT/ACT 2X	19	.8682	2.13665	378,000,000	385,519,703	385,783,770	264,067	26.116
AGENCY US BOND 30/360 2X	10	.6591	2.28934	174,000,000	175,014,780	174,863,485	-151,295	11.838
AGENCY 30/360 2X	3	.9672	2.46841	66,000,000	65,985,209	66,351,300	366,091	4.492
AGENCY US NOTES 30/360 2X	23	.9317	2.67656	562,250,000	579,474,332	580,479,035	1,004,703	39.296
FED NATL MORTGAGE ASSN DEBS	7	.7125	1.88943	180,000,000	180,204,093	180,540,200	336,107	12.222
MUNI US 30/360 2X	45	.6000	.80739	35,810,000	36,634,003	36,661,948	27,945	2.482
MUNICIPAL BOND REVENUE	9	.4239	.65802	2,615,000	2,646,202	2,647,619	1,417	.179
UNITS - INVESTMENT POOL 1	1			1,301	1,301	1,301		
	<u>124</u>	<u>.8282</u>	<u>2.27095</u>	<u>1,446,219,058</u>	<u>1,475,321,865</u>	<u>1,477,191,165</u>	<u>1,869,300</u>	<u>100.000</u>

STATE OF NEW MEXICO

TREASURERS OFFICE

Position holdings as of 3/31/14 (TRADE)
BOOK VALUES AMORTIZED THROUGH 3/31/14

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
1,301	UNITS - INVESTMENT POOL 1	UNITS001				1.00009	1,301.12	1,301.00	- .12
1,301							1,301.12	1,301.00	- .12

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

2,075,000	NEW MEXICO ST UNIV REVS	647429V5	.300	4/01/14	.300	100.00000	2,075,000.00	2,075,000.00	
20,000,000	UNITED STATES TREASURY NOTES	912828KN	1.875	4/30/14	1.476	100.03096	20,006,192.63	20,028,200.00	22,007.37
210,000	VILLAGE OF CORRALES NM	22026TAA	2.000	5/01/14	.252	100.14549	210,305.53	210,273.00	- 32.53
20,000,000	UNITED STATES TREASURY NOTES	912828KV	2.250	5/31/14	1.509	100.11995	20,023,990.11	20,071,800.00	47,809.89
3,060,000	NEW MEXICO FIN AUTH REV	64711NNW	3.000	6/01/14	1.470	100.25191	3,067,708.34	3,071,536.20	3,827.86
3,615,000	NEW MEXICO FIN AUTH REV	64711NPB	2.000	6/01/14	.450	100.25763	3,624,313.20	3,625,483.50	1,170.30
770,000	NEW MEXICO FIN AUTH REV	64711NPX	2.000	6/01/14	1.000	100.16526	771,272.54	771,940.40	667.86
165,000	UNIVERSITY OF NM-REFUNDING	914692Q6	3.000	6/01/14	.480	100.41881	165,691.04	165,770.55	79.51
330,000	UNIVERSITY OF NM-REFUNDING	914692N3	2.000	6/01/14	.480	100.25257	330,833.48	330,999.90	166.42
250,000	MC KINLEY CNTY N MEX GROSS RCP R	581615CZ	4.500	6/01/14	.351	100.69024	251,725.60	251,595.00	- 130.60
395,000	NEW MEXICO MILITARY INST AT ROSW	647183BT	.456	6/01/14	.456	100.00000	395,000.00	395,122.45	122.45
14,000,000	UNITED STATES TREASURY NOTES	912828Q5	.750	6/15/14	.771	99.99531	13,999,342.91	14,019,740.00	20,397.09
200,000	ALBUQUERQUE N MEX ARPT REV SUB L	013538KJ	5.000	7/01/14	.400	101.14759	202,295.18	202,354.00	58.82
500,000	ALBUQUERQUE BERNALILLO CNTY	013493DH	4.000	7/01/14	.220	100.94388	504,719.39	504,765.00	45.61
135,000	ALBUQUERQUE N MEX GROSS RCPTS LO	01354MDQ	4.900	7/01/14	.202	101.17333	136,583.99	136,471.50	- 112.49
15,000,000	UNITED STATES TREAS NTS	912828LC	2.625	7/31/14	1.513	100.36749	15,055,122.93	15,127,200.00	72,077.07
2,175,000	BELEN N MEX CONS SCH DIST NO 2 G	077581NT	2.000	8/01/14	.351	100.54876	2,186,935.53	2,187,615.00	679.47
1,310,000	ARTESIA N MEX SPL HOSP DIST GO B	04310KAW	3.000	8/01/14	.401	100.86443	1,321,323.97	1,321,672.10	348.13
120,000	BELEN N MEX CONS SCH DIST NO 2 G	077581NM	2.500	8/01/14	.400	100.69848	120,838.18	120,832.80	- 5.38
3,785,000	GALLUP N MEX POLLUTION CTL REV R	364070BD	5.000	8/15/14	.400	101.70863	3,849,671.73	3,849,269.30	- 402.43
1,750,000	GADSDEN INDEPENDENT SCHOOL DIST	GISD14R1	.600	8/15/14	.600	100.00000	1,750,000.00	1,750,000.00	
20,000,000	FED NATL MORTGAGE ASSN DEBS	3135G0BY	.875	8/28/14	.451	100.17250	20,034,499.46	20,066,200.00	31,700.54
280,000	TAOS N MEX SCH DIST	87601UAJ	4.000	9/01/14	.170	101.52000	284,256.00	284,452.00	196.00
10,000,000	FIRST NATIONAL BANK SANTA FE	01033690	.550	10/15/14	.550	100.00000	10,000,000.00	10,000,000.00	
10,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EACY	.750	11/25/14	.761	99.99274	9,999,273.71	10,027,700.00	28,426.29
5,000,000	CENTURY BANK SANTA FE	17099243	.350	12/15/14	.350	100.00000	5,000,000.00	5,000,000.00	
135,125,000							135,366,895.45	135,595,992.70	229,097.25

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

**STATE OF NEW MEXICO
TREASURERS OFFICE**

Position holdings as of 3/31/14 (TRADE)
BOOK VALUES AMORTIZED THROUGH 3/31/14

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
4,000,000	FEDERAL HOME LOAN BANK	313381YP	.250	2/20/15	.293	99.96181	3,998,472.37	4,003,360.00	4,887.63
20,000,000	FED NATL MORTGAGE ASSN DEBS	3135G0HG	.375	3/16/15	.534	99.84836	19,969,672.63	20,040,200.00	70,527.37
540,000	NEW MEXICO ST UNIV REVS	647429V6	.800	4/01/15	.800	100.00000	540,000.00	541,738.80	1,738.80
155,000	BERNALILLO CNTY N MEX GROSS RCPT	08527NDX	5.125	4/01/15	.271	104.84428	162,508.64	162,340.80	-167.84
20,000,000	UNITED STATES TREAS NTS	912828SP	.375	4/15/15	.387	99.98766	19,997,532.62	20,046,800.00	49,267.38
1,000,000	FARMERS AND STOCKMENS BANK	8521543	.300	4/29/15	.300	100.00000	1,000,000.00	1,000,000.00	
130,000	VILLAGE OF CORRALES NM	22026TAB	2.000	5/01/15	.450	101.67272	132,174.54	132,425.80	251.26
400,000	NEW MEXICO MILITARY INST AT ROSW	647183BU	.751	6/01/15	.751	100.00000	400,000.00	401,236.00	1,236.00
200,000	NEW MEXICO FIN AUTH REV	64711NTU	.950	6/15/15	.950	100.00000	200,000.00	200,592.00	592.00
1,500,000	ALBUQUERQUE BERNALILLO CNTY WT J	013493ER	5.000	7/01/15	.461	105.65084	1,584,762.53	1,589,055.00	4,292.47
60,000,000	FED NATL MORTGAGE ASSN DEBS	3135G0LN	.500	7/02/15	.504	99.99483	59,996,898.16	60,213,000.00	216,101.84
10,500,000	UNITED STATES TREASURY NOTES	912828TD	.250	7/15/15	.320	99.91046	10,490,598.72	10,509,450.00	18,851.28
25,000	SOUTHERN SANDOVAL CNTY N MEX A	843789FH	2.000	8/01/15	.700	101.72160	25,430.40	25,514.25	83.85
500,000	BELEN N MEX CONS SCH DIST NO 2 G	077581NU	2.000	8/01/15	.500	101.99022	509,951.11	511,160.00	1,208.89
250,000	BERNALILLO NM MUNI SCH DIST #1	85279PF8	3.130	8/01/15	.505	103.48315	258,707.87	258,707.87	
500,000	ALBUQUERQUE N MEX MUN SCH DIST S	013595RX	2.000	8/01/15	.450	102.05761	510,288.05	511,160.00	871.95
150,000	TRUTH OR CONSEQUENCES N MEX MU G	898439EE	2.000	8/01/15	.600	101.85554	152,783.31	153,085.50	302.19
125,000	BERNALILLO N MEX MUN SCH DIST GO	085279RU	2.000	8/01/15	.500	101.99050	127,488.13	127,991.25	503.12
200,000	SANDOVAL CNTY N MEX	80004PDN	2.000	8/01/15	.490	102.00384	204,007.68	204,060.00	52.32
20,000,000	UNITED STATES TREAS NTS	912828EE	4.250	8/15/15	.346	105.35276	21,070,552.15	21,108,600.00	38,047.85
1,000,000	GADSDEN INDEPENDENT SCHOOL DIST	GISD15R2	.800	8/15/15	.800	100.00000	1,000,000.00	1,000,000.00	
5,025,000	GALLUP N MEX POLLUTION CTL REV	364070BE	5.000	8/15/15	.500	106.14541	5,333,806.79	5,335,444.50	1,637.71
235,000	DONA ANA CNTY N MEX	257579CM	2.000	9/01/15	.470	102.15748	240,070.08	240,602.40	532.32
300,000	LOVINGTON N MEX MUN SCH DIST NO	547473DH	2.000	9/01/15	.351	102.32874	306,986.22	307,068.00	81.78
335,000	TAOS N MEX SCH DIST	87601UAK	4.000	9/01/15	.270	105.19800	352,413.30	352,316.15	-97.15
20,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EACM	1.750	9/10/15	1.001	101.06908	20,213,816.83	20,426,000.00	212,183.17
14,250,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0NV	.500	9/28/15	.496	100.00594	14,250,846.76	14,301,015.00	50,168.24
100,000	AZTEC N MEX MUN SCH DIST NO 002	054879GZ	3.250	10/01/15	.330	104.36538	104,365.38	104,110.00	-255.38
2,000,000	FARMERS AND STOCKMENS BANK	8521544	.350	10/29/15	.350	100.00000	2,000,000.00	2,000,000.00	
15,000,000	UNITED STATES TREASURY BONDS	912810DT	9.875	11/15/15	.382	115.32990	17,299,485.13	17,319,750.00	20,264.87
13,000,000	FEDERAL HOME LOAN BANKS	313380L9	.500	11/20/15	.426	100.12081	13,015,705.16	13,024,440.00	8,734.84
300,000	NEW MEXICO FIN AUTH ST TRANSN RE	64711RDC	5.000	12/15/15	.360	107.88104	323,643.12	323,652.00	8.88
40,000,000	FNMA	3135G0SB	.375	12/21/15	.433	99.90133	39,960,531.09	40,023,200.00	62,668.91
251,720,000							255,733,498.77	256,498,075.32	764,576.55

====> 0033 ITEMS IN SUBTOTAL FOR ==>> FINAL-MATURITY.. ==>> 2015 <====

20,000,000	UNITED STATES TREASURY NOTES	912828PS	2.000	1/31/16	.407	102.90713	20,581,426.51	20,596,800.00	15,373.49
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STATE OF NEW MEXICO

TREASURERS OFFICE

Position holdings as of 3/31/14 (TRADE)
BOOK VALUES AMORTIZED THROUGH 3/31/14

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
24,000,000	FEDERAL HOME LOAN BANK	3130A0SD	.375	2/19/16	.470	99.82242	23,957,381.16	23,987,520.00	30,138.84
60,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	31359MH8	5.000	3/15/16	.661	108.41650	65,049,898.62	65,327,400.00	277,501.38
580,000	NEW MEXICO ST UNIV REVS	647429V7	1.000	4/01/16	1.000	100.00000	580,000.00	580,342.20	342.20
35,500,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0BA	2.375	4/11/16	.793	103.17695	36,627,815.59	36,843,320.00	215,504.41
1,000,000	FARMERS AND STOCKMENS BANK	8521545	.450	4/29/16	.450	100.00000	1,000,000.00	1,000,000.00	
135,000	VILLAGE OF CORRALES NM	22026TAC	2.000	5/01/16	.750	102.57856	138,481.05	138,393.90	- 87.15
20,000,000	UNITED STATES TREASURY NOTES	912828FF	5.125	5/15/16	.505	109.73583	21,947,165.63	21,956,200.00	9,034.37
20,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EACT	2.500	5/27/16	1.080	103.01605	20,603,209.27	20,847,400.00	244,190.73
100,000	NEW MEXICO MILITARY INST AT ROSW	647183BV	1.182	6/01/16	1.182	100.00000	100,000.00	100,452.00	452.00
160,000	LOS ALAMOS CNTY N MEX INC GROSS	54423TAM	5.750	6/01/16	.535	111.21764	177,948.22	176,241.60	- 1,706.62
205,000	LAS VEGAS N MEX GROSS RCPTS TAX	51778TBN	2.000	6/01/16	.550	103.11798	211,391.86	210,856.85	- 535.01
100,000	SANTA FE N MEX GROSS RCPTS TAXRE	802072MS	5.000	6/01/16	.500	109.68436	109,684.36	108,606.00	- 1,078.36
25,000,000	FEDERAL AGRICULTURAL MORTG CORP	31315PB7	.900	6/09/16	.900	100.00000	25,000,000.00	25,240,000.00	240,000.00
100,000	NEW MEXICO FIN AUTH REV	64711NTV	1.250	6/15/16	1.250	100.00000	100,000.00	100,281.00	281.00
7,500,000	FEDERAL FARM CREDIT BANKS	3133EDDP	.520	6/17/16	.520	100.00000	7,500,000.00	7,491,525.00	- 8,475.00
37,500,000	FEDERAL HOME LOAN BANK	3133834R	.375	6/24/16	.432	99.87326	37,452,471.50	37,347,000.00	- 105,471.50
180,000	NEW MEXICO ST SEVERANCE TAX	647310Q4	5.000	7/01/16	.699	109.58308	197,249.55	198,396.00	1,146.45
1,000,000	ALBUQUERQUE BERNALILLO CNTY WT J	013493ES	5.000	7/01/16	.830	109.27437	1,092,743.68	1,098,170.00	5,426.32
500,000	ALBUQUERQUE BERNALILLO CNTY WT J	013493DW	4.000	7/01/16	.830	107.05018	535,250.92	538,660.00	3,409.08
200,000	RUIDOSO N MEX WASTEWATER REV REF	781324AC	2.000	7/01/16	.800	102.66969	205,339.38	204,518.00	- 821.38
15,000,000	FANNIE MAE .0375 MAT 7/8/2016	3135G0XP	.375	7/05/16	.486	99.75046	14,962,568.78	14,941,800.00	- 20,768.78
20,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	31359MS6	5.375	7/15/16	1.126	109.57256	21,914,512.61	22,206,000.00	291,487.39
16,000,000	FARMER MAC	31315PR8	.770	8/01/16	.810	99.90756	15,985,209.17	15,984,800.00	- 409.17
500,000	BELEN N MEX CONS SCH DIST NO 2 G	077581NV	2.000	8/01/16	.770	102.83849	514,192.45	516,590.00	2,397.55
125,000	TRUTH OR CONSEQUENCES N MEX MU G	898439EF	2.000	8/01/16	1.000	102.29966	127,874.58	128,912.50	1,037.92
225,000	SANDOVAL CNTY N MEX	80004PDP	2.000	8/01/16	.710	102.97940	231,703.65	231,671.25	- 32.40
20,000,000	UNITED STATES TREASURY NOTES	912828VR	.625	8/15/16	.620	100.01231	20,002,461.41	20,006,200.00	3,738.59
40,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EACW	2.000	8/25/16	.832	102.76954	41,107,816.45	41,298,800.00	190,983.55
20,000,000	UNITED STATES TREASURY NOTES	912828RF	1.000	8/31/16	.929	100.16772	20,033,544.12	20,176,600.00	143,055.88
20,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0CM	1.250	9/28/16	1.201	100.12043	20,024,085.45	20,281,400.00	257,314.55
30,000,000	FEDERAL HOME LOAN MORTGAGE CORP.	3137EADS	.875	10/14/16	.862	100.03356	30,010,068.51	30,090,600.00	80,531.49
20,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EAAJ	5.125	10/18/16	.553	111.54760	22,309,519.20	22,238,000.00	- 71,519.20
34,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	31359M2D	4.875	12/15/16	.582	111.50690	37,912,347.23	37,698,520.00	- 213,827.23
10,000,000	FEDERAL HOME LOAN BANKS	3133XHZK	4.750	12/16/16	.694	110.86186	11,086,185.58	11,039,300.00	- 46,885.58
25,000,000	UNITED STATES TREAS NTS	912828RX	.875	12/31/16	.776	100.26885	25,067,212.95	25,058,500.00	- 8,712.95
524,610,000							544,456,759.44	545,989,776.30	1,533,016.86

====> 0036 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ====> 2016 <====

**STATE OF NEW MEXICO
TREASURERS OFFICE**

Position holdings as of 3/31/14 (TRADE)
BOOK VALUES AMORTIZED THROUGH 3/31/14

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
25,000,000	FEDERAL AGRICULTURAL MORTGAGE CO	31315PN8	1.100	1/26/17	1.100	100.00000	25,000,000.00	25,126,500.00	126,500.00
40,000,000	FED NATL MORTGAGE ASSN DEBS	3135G0GY	1.250	1/30/17	1.054	100.54401	40,217,603.98	40,444,000.00	226,396.02
20,000,000	UNITED STATES TREAS NTS	912828SC	.875	1/31/17	.846	100.08186	20,016,372.86	20,025,000.00	8,627.14
20,000,000	FEDERAL HOME LOAN BANK	3133786Q	1.000	2/13/17	1.030	99.91394	19,982,787.63	19,994,400.00	11,612.37
20,000,000	FREDDIE MAC	3137EADT	.875	2/22/17	.928	99.84885	19,969,769.38	19,974,600.00	4,830.62
33,500,000	UNITED STATES TREAS NTS	912828SJ	.875	2/28/17	.872	100.00913	33,503,059.16	33,502,680.00	- 379.16
20,000,000	UNITED STATES TREASURY NOTES	912828MS	3.000	2/28/17	.863	106.13363	21,226,725.42	21,223,400.00	- 3,325.42
40,000,000	FED HOME LOAN MORTGAGE CORP DBS	3137EADC	1.000	3/08/17	1.019	99.94585	39,978,340.06	40,098,000.00	119,659.94
20,000,000	FEDERAL HOME LOAN BANKS	3133782N	.875	3/10/17	.783	100.26716	20,053,431.32	19,977,400.00	- 76,031.32
10,000,000	FED NATL MORTGAGE ASSN DEBS	3135G0JA	1.125	4/27/17	1.049	100.22853	10,022,852.54	10,050,100.00	27,247.46
20,000,000	UNITED STATES TREASURY NOTES	912828SY	.625	5/31/17	1.009	98.80737	19,761,473.70	19,768,800.00	7,326.30
30,000,000	FEDERAL HOME LN MTG CORP	3137EADH	1.000	6/29/17	.981	100.06127	30,018,379.67	29,891,100.00	- 127,279.67
25,500,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EADJ	1.000	7/28/17	.919	100.26532	25,567,655.90	25,385,250.00	- 182,405.90
20,000,000	UNITED STATES TREASURY NOTES	912828NR	2.375	7/31/17	1.122	104.08995	20,817,990.24	20,845,400.00	27,409.76
5,000,000	FEDERAL HOME LOAN BANKS	3130A0QE	1.250	8/14/17	1.351	99.96218	4,998,109.02	5,000,300.00	2,190.98
10,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EAAV	5.500	8/23/17	1.072	114.72193	11,472,193.15	11,430,700.00	- 41,493.15
30,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EADL	1.000	9/29/17	1.059	99.79666	29,938,997.89	29,758,500.00	- 180,497.89
25,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0PQ	.875	10/26/17	1.164	98.99278	24,748,195.95	24,644,250.00	- 103,945.95
20,000,000	UNITED STATES TREASURY NOTES	912828HH	4.250	11/15/17	1.085	111.20869	22,241,738.17	22,157,800.00	- 83,938.17
20,000,000	UNITED STATES TREASURY NOTES	912828UA	.625	11/30/17	1.075	98.38597	19,677,194.10	19,554,600.00	- 122,594.10
454,000,000							459,212,870.14	458,852,780.00	- 360,090.14
====> 0020 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ==== 2017 <====									
15,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EADP	.875	3/07/18	1.454	97.79447	14,669,171.21	14,692,200.00	23,028.79
15,000,000	FED NAT'L MORTGAGE ASSN DEB	3136G1EN	1.100	3/13/18	1.100	100.00000	15,000,000.00	14,784,900.00	- 215,100.00
1,000,000	FEDERAL FARM CREDIT BANKS	3133EATP	1.500	6/11/18	1.604	99.57868	995,786.79	991,320.00	- 4,466.79
15,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0YT	1.625	11/27/18	1.747	99.45590	14,918,384.40	14,938,800.00	20,415.60
46,000,000							45,583,342.40	45,407,220.00	- 176,122.40
====> 0004 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ==== 2018 <====									
20,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0ZA	1.875	2/19/19	1.678	100.91973	20,183,946.14	20,063,200.00	- 120,746.14
20,000,000							20,183,946.14	20,063,200.00	- 120,746.14
====> 0001 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ==== 2019 <====									

STATE OF NEW MEXICO

TREASURERS OFFICE

Position holdings as of 3/31/14 (TRADE)
BOOK VALUES AMORTIZED THROUGH 3/31/14

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
250,000	RIO RANCHO NM EVENT	76717PAJ	5.000	6/01/20	.600	105.10650	262,766.25	262,407.50	- 358.75
<u>250,000</u>							<u>262,766.25</u>	<u>262,407.50</u>	<u>- 358.75</u>

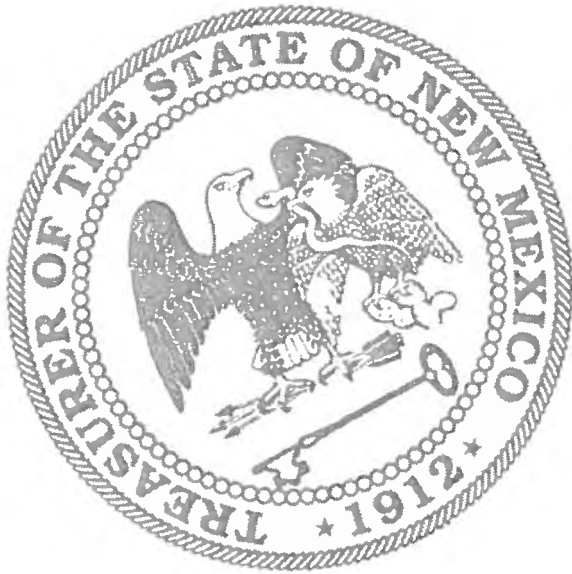
====> 0001 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ==== 2020 <====

970,000	NEW MEXICO FIN AUTH REV PUB PROJ	64711MZR	5.000	6/01/22	.221	100.79567	977,718.03	977,653.30	- 64.73
<u>970,000</u>							<u>977,718.03</u>	<u>977,653.30</u>	<u>- 64.73</u>

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

<u>1,432,676,301</u>							<u>1461779097.74</u>	<u>1463648406.12</u>	<u>1,869,308.38</u>
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====> 0123 ITEMS IN SUBTOTAL FOR ==== FUND NAME..... ==== GENERAL FUND CORE <====



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

Portfolio Summary – Local Government Investment Pool (LGIP)

Summary

- Ending March market value for the LGIP was \$634mil, higher than the \$609mil reported at the end of February.
- The LGIP maintains an AAAM rating by Standard & Poor's.
- At the end of March the STO LGIP participant balance was \$34,332,044 or 5.4% of the Pool.
- At the end of March the Judicial District Court LGIP participant balance was \$6,238,203 or 1.0% of the Pool.

Portfolio Mix

- At the end of March 2014 the portfolio was invested as follows: 3% in US Treasuries, 35% in US Government Agencies, 48% in collateralized demand deposit accounts with qualified banking institutions, 14% in floating rate securities, and 0% in overnight repurchase agreements.
- At month-end, the LGIP held positions in 48 securities.

Investment Earnings

- In March, the fund earned \$81,217.
- For Fiscal Year 2014, the fund has earned \$682,219.
- 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 0.15% at the end of March.
- Net yield to participants was 0.10%.

Investment Highlights

- For the LGIP, the WAM(R) of 59 days, and WAM (F) of 96 days, were within their maximums of 60 and 120 days respectively.
- The LGIP experienced net subscriptions for the month of March, \$25mil.
- Maturities for March totaled \$57.5mil face amount.
- The LGIP purchased \$35.5mil US Treasury and Agency securities maturing in 1 to 12 months at yields between 0.10% - 0.17%.
- The LGIP purchased \$20mil of a daily Federal Funds floating rate Agency note maturing in 15 months at a spread of +7bp.
- LGIP utilized term investments to reduce exposure to lower yielding overnight investments.
- The LGIP continued to keep WAM(R) close to the maximum allowable 60 days.

Investment Strategy

- LGIP WAMs are currently 54 and 110 days for WAM(R) and WAM (F) respectively.
- The LGIP has experienced net subscriptions in April so far, ~ \$1mil.

- Maturities will total \$26mil in April.
- For the month of April thus far, interest rates have been narrowly mixed with the 1 yr. US Treasury lower in yield by 2bp and 2, 3, and 5 yr. maturities basically unchanged.
- The LGIP purchased \$15mil fixed coupon Agencies maturing in 6 months to one year at yields between 0.10% and 0.15%.
- The LGIP purchased \$20mil of a US Government Agency floating rate note that resets its coupon monthly vs. 1mo Libor-4bp, maturing in 1 year.
- The LGIP purchased \$10mil of a US Government Agency floating rate note that resets its coupon daily vs. the bank prime loan rate minus 312.5bp, maturing in 18 months.
- 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.

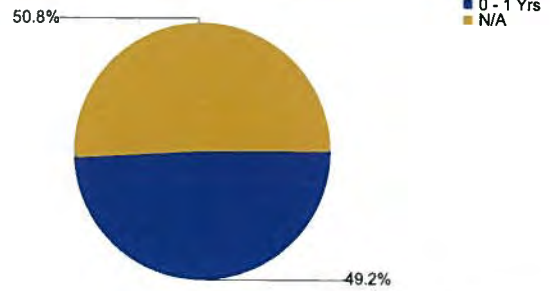
Net Asset Value/Share

At month-end, the Net Asset Value per Share of the Local Government Investment Pool was \$0.99996.

Portfolio Characteristics

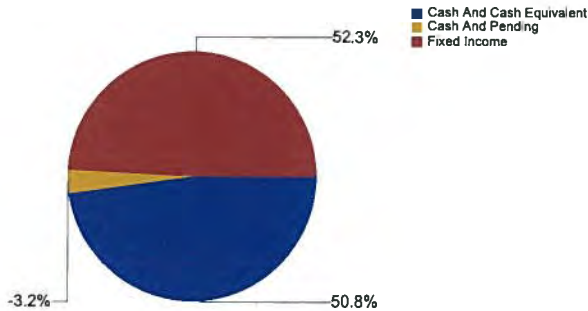
Duration Mix

Total Net Assets (Millions) **634.9**
 Weighted Average Life (Years) **0.30**
 Weighted Avg. Effective Duration (Years) **0.16**
 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 **49**



Asset Mix

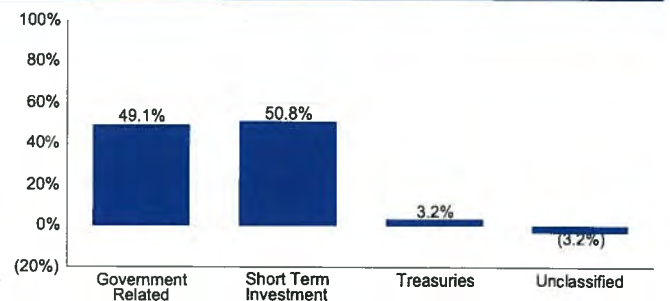
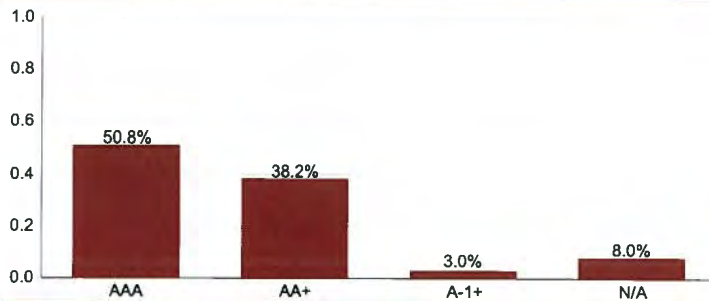
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
894993C02	Wells Fargo Checking	23.13%	0.15	1/4/2014
89499LC10	BANK OF THE WEST	21.19%	0.00	1/4/2014
89499LC36	US BANK	4.60%	0.00	1/4/2014
3135GOPY4	FEDERAL NATL MTG ASSN FR 0.75%19/DEC/2014	3.23%	0.75	19/12/2014
3133EDAW2	FEDERAL FARM FLT 12/15	3.06%	0.20	2/12/2015
31315PH28	FEDERAL AGRICULTURAL MORTGAGE CORP MEDIUM TERM	3.05%		1/7/2015
313383RX1	FEDERAL HOME LOAN BANKS BOND FIXED 13%	2.90%	0.13	2/24/2014
3134G25A6	FEDERAL HOME LN MTG CORP FR 0.54%09/MAY/2014	2.30%	0.54	9/5/2014
3135G08Y8	FEDERAL NATIONAL MORTGAGE ASSOC 0.875% BDS	1.92%	0.88	28/8/2014
3133ECV49	FEDERAL FARM CREDIT BANK BOND VARIABLE 22/JUL/2014	1.91%	0.17	2/27/2014

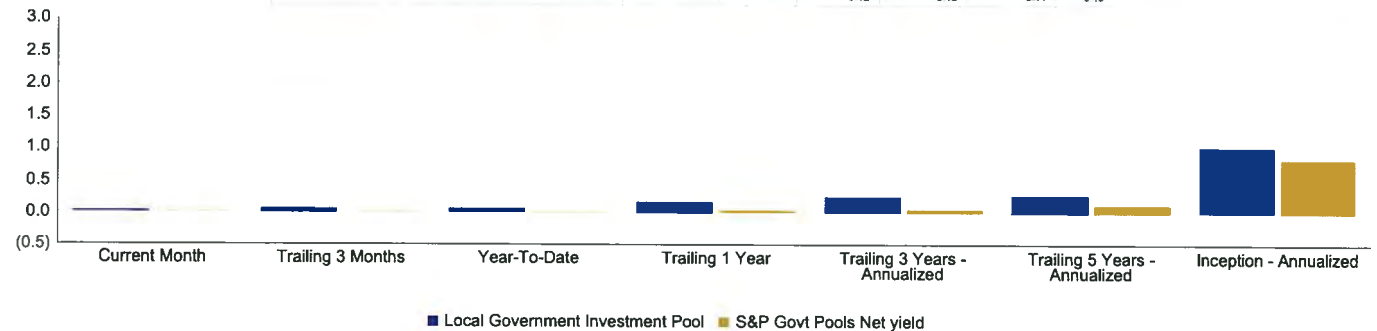
Quality/Rating Weightings

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	0.05	0.05	0.16	0.23	0.25	1.00
S&P Govt Pools Net yield	0.00	0.00	0.00	0.03	0.05	0.11	0.81
Excess	0.02	0.05	0.05	0.12	0.18	0.14	0.19



STATE OF NEW MEXICO
LGIP FUND (4101)
Portfolio Classification Summary
Positions Held as of 3/31/14 (TRADE Basis)

AMTZ ADDED: NO

ASSET CLASSIFICATION	ITEMS	YIELD	AVG-TERM	PRINCIPAL	COST-BASIS	MARKET-VALUE	GAIN/LOSS	%MARKET
US TREASURY NOTE ACT/ACT 2X	3	.1855	.41509	20,000,000	20,181,846	20,186,750	4,904	3.085
AGENCY US BOND 30/360 2X	17	.1581	.45203	104,394,000	104,556,704	104,576,563	19,859	15.982
AGENCY US DISC ACT/360 360 DAY	5	.1608	.33751	36,935,000	36,895,133	36,919,256	24,123	5.642
AGENCY 30/360 2X	1	.1326	.15620	10,000,000	9,999,831	10,000,600	769	1.528
AGENCY US NOTES 30/360 2X	7	.1410	.44912	70,644,000	71,014,253	71,020,599	6,346	10.854
AGENCY US VARIABLE ACT/360 4X	11	.1799	1.01073	88,920,000	88,937,123	88,967,664	30,541	13.596
CASH ACCOUNT	4	.1602		322,673,349	322,673,349	322,673,349		49.312
	<u>48</u>	<u>.1609</u>	<u>.57759</u>	<u>653,566,349</u>	<u>654,258,239</u>	<u>654,344,781</u>	<u>86,542</u>	<u>100.000</u>

**STATE OF NEW MEXICO
TREASURERS OFFICE**

Position holdings as of 3/31/14 (TRADE)
BOOK VALUES AMORTIZED THROUGH 3/31/14

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
7,000,000	UNITED STATES TREASURY NOTES	912828QC	1.250	4/15/14	.206	100.04010	7,002,807.29	7,002,730.00	- 77.29
19,000,000	FEDERAL HOME LOAN BANKS	313383RX	.130	4/22/14	.137	99.99961	18,999,925.82	19,000,570.00	644.18
15,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134G25A	.540	5/09/14	.095	100.04692	15,007,037.95	15,007,500.00	462.05
10,000,000	FEDERAL HOME LOAN BANK	3130A0DP	.120	5/27/14	.131	99.99831	9,999,831.08	10,000,600.00	768.92
7,500,000	FEDERAL HOME LOAN BANKS	313385XJ		5/28/14	.122	99.94069	7,495,552.08	7,499,625.00	4,072.92
2,400,000	FEDERAL HOME LOAN MORTGAGE CORPO	313397XT		6/06/14	.135	99.93175	2,398,362.00	2,399,856.00	1,494.00
10,000,000	FEDERAL AGRICULTURAL MORTGAGE CO	31315MAV	6.680	6/10/14	.106	101.25939	10,125,938.83	10,123,200.00	- 2,738.83
2,700,000	FEDERAL FARM CREDIT BANKS	3133EATL	.250	6/11/14	.163	100.01586	2,700,428.11	2,700,864.00	435.89
4,720,000	FEDERAL HOME LOAN BANKS	3133X7FK	5.250	6/18/14	.110	101.09884	4,771,865.45	4,772,250.40	384.95
12,320,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0BQ	.360	6/23/14	.170	100.04180	12,325,149.25	12,327,515.20	2,365.95
9,035,000	FEDERAL NATIONAL MORTGAGE ASSOCI	313586QR		7/05/14	.161	99.88201	9,024,339.55	9,031,114.95	6,775.40
2,750,000	FEDERAL FARM CREDIT BANKS	3133EAW3	.250	7/17/14	.136	100.03362	2,750,924.49	2,751,347.50	423.01
5,374,000	FEDERAL FARM CREDIT BANKS	3133EAYL	.300	7/18/14	.100	100.05944	5,377,194.50	5,376,740.74	- 453.76
12,500,000	FEDERAL FARM CR BKS	3133ECVA	.170	7/22/14	.174	99.99872	12,499,840.41	12,499,840.41	
9,000,000	FEDERAL HOME LOAN BANKS	313385ZS		7/23/14	.125	99.94340	8,994,906.25	8,998,830.00	3,923.75
5,000,000	FEDERAL HOME LOAN BANKS	313383QG	.190	7/24/14	.146	100.01368	5,000,684.20	5,001,850.00	1,165.80
12,500,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0BY	.875	8/28/14	.161	100.29134	12,536,417.57	12,541,375.00	4,957.43
2,700,000	FEDERAL HOME LOAN BANKS	313383XP	.125	9/03/14	.170	99.98100	2,699,487.11	2,700,459.00	971.89
10,000,000	FEDERAL HOME LOAN BANKS	3130A03D	.125	9/12/14	.182	99.97432	9,997,432.43	10,001,400.00	3,967.57
5,375,000	FEDERAL HOME LOAN BANKS	3130A02A	.170	9/18/14	.152	100.00835	5,375,448.72	5,376,773.75	1,325.03
4,490,000	FEDERAL FARM CREDIT BANKS	31331GL8	3.000	9/22/14	.160	101.34787	4,550,519.50	4,551,872.20	1,352.70
10,000,000	FEDERAL HOME LOAN BANKS	3130A04R	.125	9/23/14	.172	99.97744	9,997,743.60	10,001,100.00	3,356.40
10,000,000	UNITED STATES TREASURY NOTES	912828LQ	2.375	9/30/14	.179	101.09092	10,109,091.54	10,113,700.00	4,608.46
1,331,000	FEDERAL FARM CREDIT BANKS	3133ECL7	.200	10/15/14	.177	100.01221	1,331,162.45	1,331,612.26	449.81
10,000,000	FEDERAL FARM CREDIT BANKS	3133ED5P	.160	10/24/14	.175	99.99155	9,999,154.56	10,002,400.00	3,245.44
7,456,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0DW	.625	10/30/14	.165	100.26700	7,475,907.56	7,476,429.44	521.88
9,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	31358C7G		11/15/14	.226	99.79971	8,981,973.45	8,989,830.00	7,856.55
3,054,000	FEDERAL FARM CREDIT BANKS	31331KHW	1.625	11/19/14	.172	100.91911	3,082,069.69	3,083,226.78	1,157.09
2,176,000	FEDERAL NATIONAL MORTGAGE ASSOCI	31398AZV	2.625	11/20/14	.177	101.55532	2,209,843.82	2,210,380.80	536.98
5,000,000	FEDERAL HOME LOAN BANKS	313371PC	.875	12/12/14	.143	100.50964	5,025,481.89	5,026,600.00	1,118.11
21,012,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0FY	.750	12/19/14	.158	100.42391	21,101,070.99	21,105,713.52	4,642.53
248,393,000							248,947,592.14	249,007,306.95	59,714.81

====> 0031 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ==== 2014 <====

2,000,000	FEDERAL FARM CREDIT BANKS	3133EAYU	.320	1/20/15	.133	100.09359	2,001,871.83	2,002,680.00	808.17
5,000,000	FARMER MAC	31315PZ5	.200	1/20/15	.200	100.00000	5,000,000.00	5,002,300.00	2,300.00
4,000,000	FEDERAL FARM CREDIT BANKS	3133ECBF	.250	1/26/15	.225	100.02075	4,000,830.14	4,004,240.00	3,409.86

STATE OF NEW MEXICO

TREASURERS OFFICE

Position holdings as of 3/31/14 (TRADE)

BOOK VALUES AMORTIZED THROUGH 3/31/14

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
2,500,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EACH	2.875	2/09/15	.158	102.32153	2,558,038.14	2,556,000.00	- 2,038.14
3,600,000	FEDERAL HOME LOAN BANKS	3130A16W	.125	3/04/15	.172	99.95613	3,598,420.62	3,598,020.00	- 400.62
7,000,000	FED HOME LN BANK FHLB	3130A1DM	.150	3/12/15	.162	99.98840	6,999,188.33	6,998,040.00	- 1,148.33
2,000,000	FEDERAL FARM CREDIT BANKS	3133ECLM	.230	3/16/15	.199	100.02870	2,000,573.97	2,001,960.00	1,386.03
3,000,000	UNITED STATES TREASURY NOTES	912828MW	2.500	3/31/15	.159	102.33155	3,069,946.62	3,070,320.00	373.38
7,000,000	FEDERAL FARM CREDIT BANKS	3133EANP	.350	5/01/15	.207	100.15597	7,010,918.16	7,016,240.00	5,321.84
20,000,000	FARMER MAC FAMCA FLOAT	31315PH2	.130	7/01/15	.130	100.00000	20,000,000.00	20,000,000.00	
1,400,000	FEDERAL FARM CREDIT BANKS	3133ECTP	.200	8/03/15	.199	100.00000	1,400,000.00	1,400,924.00	924.00
5,000,000	FEDERAL FARM CREDIT BANKS	3133ED5G	.210	10/22/15	.218	99.98812	4,999,405.94	5,003,600.00	4,194.06
20,000,000	FEDERAL FARM CREDIT BANK	3133EDAW	.200	12/02/15	.205	99.99052	19,998,104.46	20,009,800.00	11,695.54
82,500,000							82,637,298.21	82,664,124.00	26,825.79

====> 0013 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ====> 2015 <====

330,893,000							331,584,890.35	331,671,430.95	86,540.60
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====> 0044 ITEMS IN SUBTOTAL FOR ==== FUND NAME..... ====> LGIP FUND <====



11. 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 March at \$405mil vs. \$410mil at the end of February.
- The Pool paid out \$5.6mil for capital spending in March 2014.

Portfolio Mix

- 98% of the Tax-Exempt BPIP portfolio was invested in fixed income securities and 2% in floating rate notes: 55% in Treasuries, 32% in Agency Securities, 2% in Supranational, 6% in NM municipal securities, 1% in NM bank collateralized CDs and the balance, approximately 4%, held in cash equivalents.
- 44% of the portfolio was invested in securities that mature in one year, 33% in securities that mature from 1-2 years, 23% in securities that mature from 2-4 years and 0% in securities out to 5 years.
- The Tax-Exempt BPIP held positions in 51 securities.
- Weighted Average Life of the Tax Exempt BPIP was 1.24 years. The Weighted Average duration was 1.22 years.
- The maximum security term for the BPIP portfolio is 5 years.

Investment Earnings

- Unrealized gains in the Tax-Exempt BPIP Portfolio were \$329,258 as of March 31st.
- Monthly Earnings on the portfolio for March were \$123,173.
- Earnings for FY2014 were \$1,277,939.
- 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 March decreased (1.22 yrs.) vs. February (1.27 yrs.) and was shorter than the Benchmark (1.39 yrs.).
- The Tax-Exempt BPIP had maturities of \$5mil in the month of March.
- The Pool paid out \$5.6mil for capital spending in March 2014.
- The Pool purchased \$5mil Agency securities maturing in 15 months at a yield of 0.26%.
- The Pool duration was relatively unchanged in March as cash balances were low; maturities were minimal and upcoming capital project withdrawals uncertain.

Performance

- The purchase yield was 0.38% at the end of March, similar to the yield reported for February.
- The Tax-Exempt BPIP returned (0.05)% for the month of March and 0.12% for the three months ended March 31, 2014, vs. Index returns of (0.06)% and 0.11% respectively. For the trailing 12 mos. the Pool returned 0.20% vs. 0.31% for the benchmark.
- The Tax-Exempt BPIP had a shorter duration, thereby taking less risk, than the benchmark, outperforming by a basis point for the one month period, as interest rates rose.

- 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.

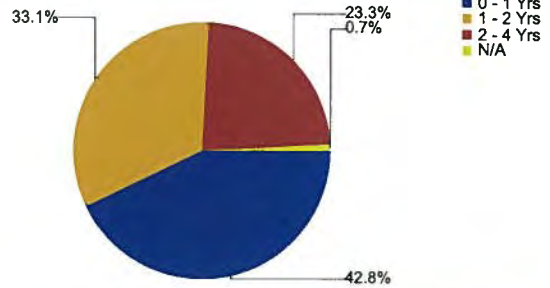
Investment Strategy

- The option-adjusted duration of the Tax-Exempt BPIP portfolio is currently 1.3 yrs. vs. 1.4 yrs. for the benchmark.
- For the month of April \$15mil maturities are scheduled.
- Capital project withdrawals will be ~\$27mil in April.
- The Tax-Exempt BPIP has purchased \$20.73mil US Treasury and Agency securities maturing from 1.5 to 3 years at yields of 0.45% to 1.00%.
- The Pool expects to receive ~\$150mil from bond proceeds settling on June 19, 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.

Portfolio Characteristics

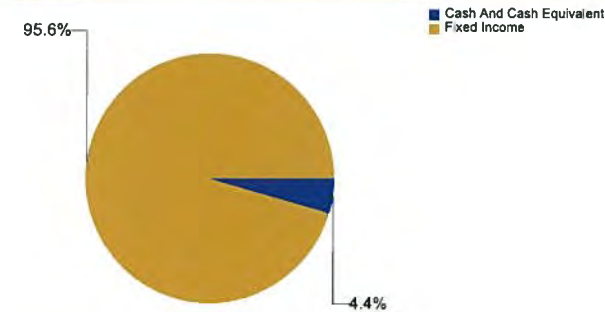
Duration Mix

Total Net Assets (Millions) 406.2
Weighted Average Life (Years) 1.24
Weighted Avg. Effective Duration (Years) 1.22
Weighted Average Coupon (%) 1.40
Weighted Average Current Yield (%) 0.30
Weighted Average Yield to Maturity (%) 0.30
Weighted Average Rating AA
Number of Holdings 50



Asset Mix

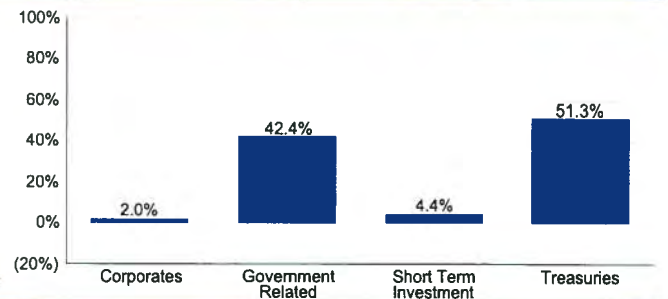
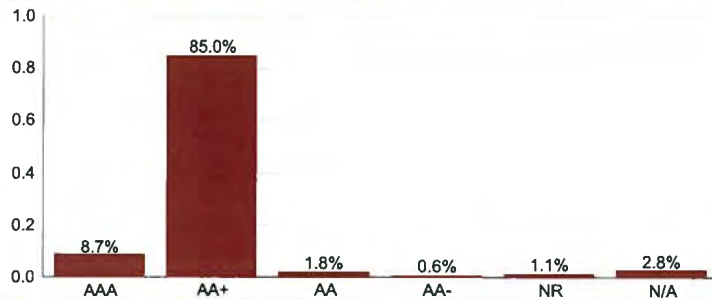
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
3137EACW7	FEDERAL HOME LOAN MORTGAGE CORP 2% BDS 25/AUG/2016	5.09%	2.00	25/8/2016
912826PM6	UNITED STATES 2.125% 12/15	3.83%	2.12	31/12/2015
912826OP8	UNITED STATES 1.75% 05/16	3.81%	1.75	31/5/2016
912828L57	UNITED STATES 2.375% 10/14	3.78%	2.38	31/10/2014
912828PJ3	UNITED STATES 1.375% 11/15	3.78%	1.38	30/11/2015
912828KY5	UNITED STATES TREAS NTS 2.625% 30/JUN/2014	3.74%	2.62	30/6/2014
912828LQ1	UNITED STATES 2.375% 09/14	3.74%	2.38	30/9/2014
3134G3ZA1	FEDERAL HOME LOAN MORTGAGE CORP 0.5% BDS	3.70%	0.50	28/8/2015
912828RB8	UNITED STATES TREAS NTS 0.5%15/AUG/2014	3.70%	0.50	15/8/2014
912828SR2	UNITED STATES TREAS NTS 0.25%30/APR/2014	3.70%	0.25	30/4/2014

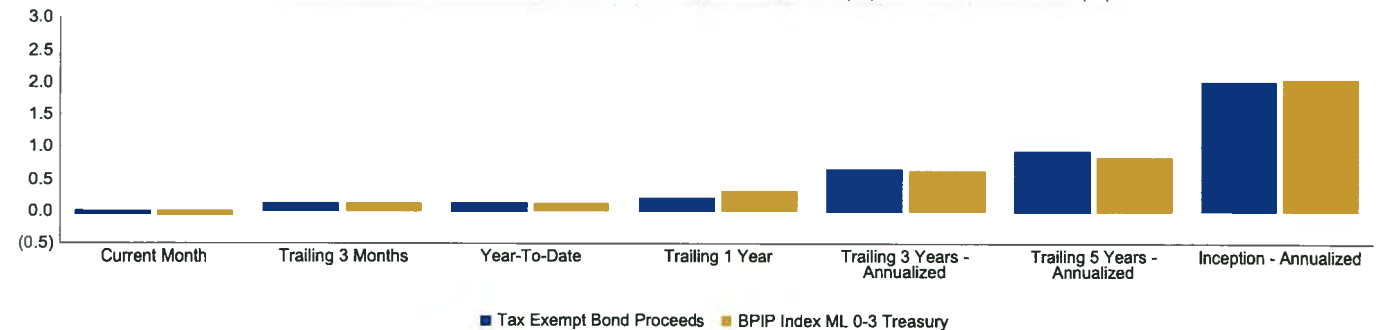
Quality/Rating Weightings

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	(0.05)	0.12	0.12	0.20	0.64	0.93	2.00
BPIP Index ML 0-3 Treasury	(0.06)	0.11	0.11	0.31	0.63	0.83	2.04
Excess	0.02	0.01	0.01	(0.11)	0.02	0.10	(0.04)



STATE OF NEW MEXICO
BOND PROCEEDS INV POOL 1 TAX EX (4000)
Portfolio Classification Summary
Positions Held as of 3/31/14 (TRADE Basis)

AMTZ ADDED: NO

ASSET CLASSIFICATION	ITEMS	YIELD	AVG-TERM	PRINCIPAL	COST-BASIS	MARKET-VALUE	GAIN/LOSS	%MARKET
REPURCHASE AGREEMENTS (O/N)	1	.0913	.00270	11,843,737	11,843,737	11,843,737		2.925
CERTIFICATES OF DEPOSIT	2	.6000	.26850	3,000,000	3,000,000	3,000,000		.741
U.S. TREASURY BONDS	1	.2045	.66850	10,000,000	10,127,516	10,134,400	6,884	2.503
US TREASURY NOTE ACT/ACT 2X	15	.2817	1.12764	195,000,000	197,251,954	197,273,100	21,146	48.724
US TREASURY (STRIP/ZERO) 30/360	3	.3740	1.10741	16,034,000	15,914,229	15,928,534	14,305	3.934
AGENCY US BOND 30/360 2X	3	.2881	1.16596	35,000,000	35,015,948	35,037,800	21,852	8.654
AGENCY US NOTES 30/360 2X	7	.7147	2.13813	73,900,000	75,433,317	75,626,327	193,010	18.679
FED NATL MORTGAGE ASSN DEBS	3	.5318	1.75753	20,000,000	20,240,866	20,300,350	59,484	5.014
AGENCY US VARIABLE ACT/360 4X	1	.1859	.13700	7,934,000	7,939,561	7,938,522	-1,039	1.961
MUNI US 30/360 2X	12	.4419	.55445	23,160,000	23,444,049	23,456,028	11,979	5.793
MUNICIPAL BOND REVENUE	2	.4118	.90478	1,300,000	1,317,906	1,319,543	1,637	.326
UNITS - INVESTMENT POOL 1	1			3,018,278	3,018,278	3,018,278		.745
	<u>51</u>	<u>.3797</u>	<u>1.24440</u>	<u>400,190,015</u>	<u>404,547,361</u>	<u>404,876,619</u>	<u>329,258</u>	<u>100.000</u>

STATE OF NEW MEXICO

TREASURERS OFFICE

Position holdings as of 3/31/14 (TRADE)
BOOK VALUES AMORTIZED THROUGH 3/31/14

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
3,018,278	UNITS - INVESTMENT POOL 1	UNITS001				1.00000	3,018,277.87	3,018,278.00	.13
							3,018,278	3,018,278.00	.13

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

15,000,000	UNITED STATES TREASURY NOTES	912828SR	.250	4/30/14	.122	100.01021	15,001,531.01	15,001,800.00	268.99
400,000	TORRANCE ETC CNTYS N MEX MUN S	891400NA	1.000	5/15/14	.351	100.07916	400,316.65	400,364.00	47.35
1,190,000	RIO RANCHO N MEX WTR & WASTEWT	767175GD	2.000	5/15/14	.251	100.21347	1,192,540.26	1,192,499.00	-
10,000,000	UNITED STATES TREASURY NOTES	912828QM	1.000	5/15/14	.128	100.10591	10,010,591.21	10,011,300.00	708.79
7,934,000	INTER-AMERICAN DEVELOPMENT BANK	45818WAE	.739	5/20/14	.183	100.07009	7,939,560.85	7,938,522.38	-
15,000,000	UNITED STATES TREASURY NOTES	912828KY	2.625	6/30/14	.137	100.61806	15,092,709.42	15,095,550.00	2,840.58
6,485,000	NEW MEXICO ST SEVERANCE TAX	647310P4	4.000	7/01/14	.400	100.89802	6,543,236.43	6,546,931.75	3,695.32
4,780,000	NEW MEXICO ST SEVERANCE TAX	647310N4	4.000	7/01/14	.400	100.89802	4,822,925.23	4,823,163.40	238.17
2,000,000	FARMERS & STOCKMENS BANK	8521444	.600	7/07/14	.600	100.00000	2,000,000.00	2,000,000.00	
1,000,000	FARMERS & STOCKMENS BANK	8521448	.600	7/07/14	.600	100.00000	1,000,000.00	1,000,000.00	
500,000	ALBUQUERQUE N MEX MUN SCH DIST	013595RR	2.000	8/01/14	.460	100.51192	502,559.62	502,900.00	340.38
5,570,000	ALBUQUERQUE N MEX MUN SCH DIST	013595RE	3.000	8/01/14	.450	100.84783	5,617,224.11	5,622,358.00	5,133.89
270,000	CLOUDCROFT N MEX MUN SCH DIST	189134ET	2.000	8/01/14	.400	100.53201	271,436.44	271,431.00	-
420,000	ALBUQUERQUE N MEX MUN SCH DIST	013595QT	4.000	8/01/14	.400	101.19738	425,029.00	425,338.20	309.20
15,000,000	UNITED STATES TREASURY NOTES	912828RB	.500	8/15/14	.160	100.12766	15,019,148.93	15,024,000.00	4,851.07
15,000,000	UNITED STATES TREASURY NOTES	912828LQ	2.375	9/30/14	.176	101.09256	15,163,884.28	15,170,550.00	6,665.72
15,000,000	UNITED STATES TREASURY NOTES	912828LS	2.375	10/31/14	.190	101.26599	15,189,899.01	15,198,600.00	8,700.99
10,000,000	UNITED STATES TREASURY NOTES	912828LZ	2.125	11/30/14	.205	101.27516	10,127,516.09	10,134,400.00	6,883.91
10,000,000	UNITED STATES TREASURY NOTES	912828ME	2.625	12/31/14	.164	101.84010	10,184,009.69	10,188,700.00	4,690.31
							136,504,118.23	136,548,407.73	44,289.50

====> 0019 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2014 <====

15,000,000	FEDERAL HOME LOAN BANKS	3130A0JV	.190	1/06/15	.193	99.99800	14,999,700.30	15,003,600.00	3,899.70
10,000,000	UNITED STATES TREASURY NOTES	912828UT	.250	3/31/15	.207	100.04270	10,004,269.65	10,010,900.00	6,630.35
7,306,000	FINANCING-FED BK ENTY CPN STRP	31771JLV		4/06/15	.358	99.30800	7,255,442.48	7,263,113.78	7,671.30
6,400,000	FEDERAL AGRICULTURAL MORTGAGE CO	31315PWM	.270	4/17/15	.288	99.98135	6,398,806.64	6,405,952.00	7,145.36
5,888,000	FINANCING CORP CPN FICO STRIPS	31771CS5		6/06/15	.378	99.20700	5,841,308.16	5,845,783.04	4,474.88
2,840,000	FINANCING CORP CPN FICO STRIPS	31771DKR		6/06/15	.378	99.20700	2,817,478.80	2,819,637.20	2,158.40
10,000,000	FEDERAL HOME LOAN BANKS	313379ER	.500	6/12/15	.255	100.29247	10,029,247.42	10,028,400.00	-

STATE OF NEW MEXICO

TREASURERS OFFICE

Position holdings as of 3/31/14 (TRADE)
BOOK VALUES AMORTIZED THROUGH 3/31/14

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
900,000	ALBUQUERQUE NM GROSS RECPTS.TAX	01354PDX	2.000	7/01/15	.430	101.95435	917,589.19	919,179.00	1,589.81
5,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135GOLN	.500	7/02/15	.266	100.29248	5,014,624.16	5,017,750.00	3,125.84
550,000	ALBUQUERQUE N MEX MUN SCH DIST	013595RS	2.000	8/01/15	.590	101.86916	560,280.38	562,276.00	1,995.62
550,000	CLOUDCROFT N MEX MUN SCH DIST	189134EU	2.000	8/01/15	.490	102.00371	561,020.40	561,313.50	293.10
15,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134G3ZA	.500	8/28/15	.444	100.07803	15,011,705.16	15,034,800.00	23,094.84
10,000,000	UNITED STATES TREASURY NOTES	912828TP	.250	9/15/15	.278	99.95949	9,995,948.58	10,003,900.00	7,951.42
10,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	31398A4M	1.625	10/26/15	.314	102.05012	10,205,011.77	10,204,800.00	- 211.77
15,000,000	UNITED STATES TREASURY NOTES	912828PJ	1.375	11/30/15	.352	101.69686	15,254,529.46	15,265,950.00	11,420.54
10,000,000	FNMA	3135G0SB	.375	12/21/15	.451	99.86999	9,986,998.84	10,005,800.00	18,801.16
15,000,000	UNITED STATES TREAS NTS	912828PM	2.125	12/31/15	.433	102.94318	15,441,477.25	15,466,350.00	24,872.75
139,434,000							140,295,438.64	140,419,504.52	124,065.88

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

10,000,000	UNITED STATES TREASURY NOTES	912828KS	2.625	2/29/16	.395	104.24654	10,424,653.71	10,425,000.00	346.29
7,500,000	FEDERAL NATIONAL MORTGAGE ASSOCI	31359MH8	5.000	3/15/16	.543	108.65793	8,149,344.63	8,165,925.00	16,580.37
15,000,000	UNITED STATES TREASURY NOTES	912828UW	.250	4/15/16	.491	99.51141	14,926,711.20	14,937,900.00	11,188.80
400,000	TORRANCE ETC CNTYS N MEX MUN S	891400NC	1.000	5/15/16	.552	100.94412	403,776.49	404,552.00	775.51
1,220,000	RIO RANCHO N MEX WTR & WASTEWT	767175GF	3.000	5/15/16	.550	105.16155	1,282,970.93	1,283,903.60	932.67
10,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EACT	2.500	5/27/16	.479	104.32896	10,432,895.70	10,423,700.00	- 9,195.70
15,000,000	UNITED STATES TREASURY NOTES	912828QP	1.750	5/31/16	.522	102.64014	15,396,021.06	15,398,400.00	2,378.94
1,225,000	SANTA FE N MEX GROSS RCPTS TAX	802072RG	2.000	6/01/16	.630	102.94282	1,261,049.57	1,259,361.25	- 1,688.32
20,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EACW	2.000	8/25/16	1.144	102.01978	20,403,956.30	20,649,400.00	245,443.70
10,000,000	UNITED STATES TREASURY NOTES	912828RM	1.000	10/31/16	.428	101.46567	10,146,567.29	10,074,200.00	- 72,367.29
5,000,000	FEDERAL NATL MTG ASSN DEBS	3135G0ES	1.375	11/15/16	1.210	100.42459	5,021,229.25	5,077,800.00	56,570.75
95,345,000							97,849,176.13	98,100,141.85	250,965.72

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

10,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EADC	1.000	3/08/17	.756	100.70749	10,070,749.15	10,024,500.00	- 46,249.15
5,000,000	FEDERAL AGRICULTURAL MORTGAGE CO	31315PZT	.650	7/10/17	.862	99.31723	4,965,861.27	4,922,050.00	- 43,811.27
15,000,000							15,036,610.42	14,946,550.00	- 90,060.42

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

STATE OF NEW MEXICO
TREASURERS OFFICE
 Position holdings as of 3/31/14 (TRADE)
 BOOK VALUES AMORTIZED THROUGH 3/31/14

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
<u>388,346,278</u>							<u>392,703,621.29</u>	<u>393,032,882.10</u>	<u>329,260.81</u>

==> 0050 ITEMS IN SUBTOTAL FOR ==> FUND NAME..... ==> BOND PROCEEDS INV POOL1 TAX EX <



12. 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 March at \$716mil vs. \$723mil at the end of February 2014.
- The Pool paid out approximately \$7mil for capital spending in March 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, 38% in securities that mature from 1-2 years, 20% in securities that mature from 2-4 years and 0% in securities out to 5 years.
- The Taxable BPIP held positions in 83 securities.
- Weighted Average Life of the Taxable BPIP was 1.25 years. The Weighted Average duration was 1.27 years.
- The maximum security term for the BPIP portfolio is 5 years.

Investment Earnings

- The unrealized gains in the Taxable BPIP Portfolio were \$869,823 as of March 31st.
- Monthly earnings on the portfolio for March were \$265,699.
- For fiscal year 2014, the fund has earned \$2,694,135.
- 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 March was 1.27 yrs. vs. 1.31 yrs. for month end February, and was shorter than the Benchmark (1.39 yrs.).
- Maturities totaled \$0mil in the month of March 2014.
- The Pool paid out ~\$7mil for capital projects in March.
- The Pool purchased \$10mil US Treasury securities maturing in three years at a yield of 0.70%, utilizing excess cash to lengthen portfolio duration an increase yield.

Performance

- Purchase Yield at the end of March was 0.45%, higher than 0.44% reported for February.
- The Taxable BPIP returned (0.05)% for the month of March and 0.13% for the three months ended March 31, 2014, vs. Index returns of (0.06%) and 0.11% respectively. For the trailing 12 mos. the Pool returned 0.24% vs. 0.31% for the benchmark.
- The Taxable BPIP had a shorter duration, thereby taking less risk, than the benchmark, outperforming by a basis point for the one month period, as interest rates rose.

- 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.

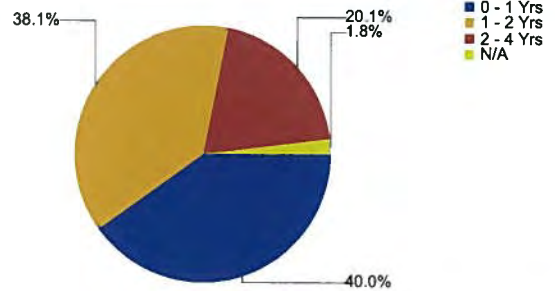
Investment Strategy

- The option adjusted duration of the portfolio is currently 1.33 yrs. vs. 1.40 yrs. for the benchmark.
- The Pool has maturities of \$10mil scheduled for April.
- Capital project withdrawals will be ~\$33mil in April.
- The Taxable BPIP has sold \$33mil UST maturing between two to ten months at yields of 0.02% to 0.07% to meet project withdrawals and raise cash for purchases.
- Realized gains on the sales totaled \$22,407.03.
- The Pool purchased \$25mil US Treasury securities maturing between three and four years at yields of 0.53% to 1.00%, utilizing excess cash generated from sales.
- The purchases lengthened portfolio duration closer to the benchmark and increased yield.
- The Pool expects to receive \$135mil at the end of June 2014 from sponge notes.
- 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.

Portfolio Characteristics

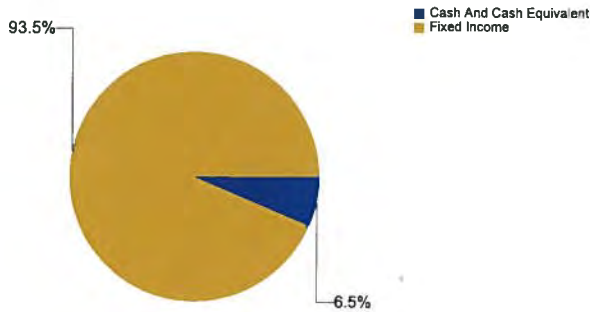
Duration Mix

Total Net Assets (Millions) 717.9
Weighted Average Life (Years) 1.25
Weighted Avg. Effective Duration (Years) 1.27
Weighted Average Coupon (%) 1.47
Weighted Average Current Yield (%) 0.29
Weighted Average Yield to Maturity (%) 0.29
Weighted Average Rating A+
Number of Holdings 84



Asset Mix

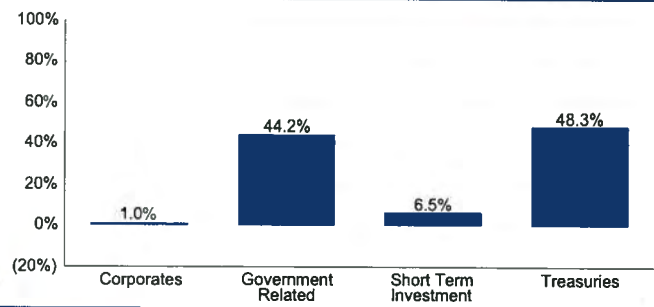
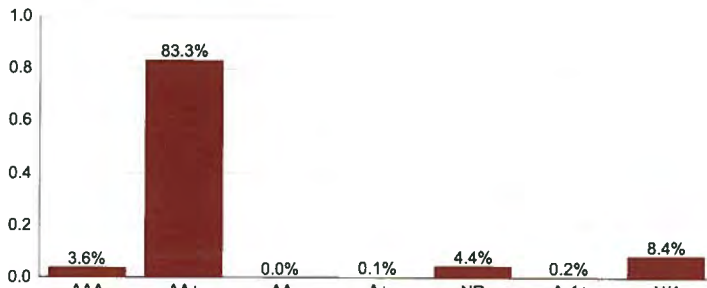
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
3137EACW7	FEDERAL HOME LOAN MORTGAGE CORP 2% BDS 25/AUG/2016	3.60%	2.00	25/8/2016
91282EDV9	US 4.12500 '15	2.95%	4.12	15/5/2015
91282BMZ0	UNITED STATES 2.5% 04/15	2.89%	2.50	30/4/2015
31396AMM1	FED NATL MORT ASSC 1.625% BDS 28/OCT/2015 USD1000	2.86%	1.62	28/10/2015
91282NLD0	UNITED STATES 1.875% 06/15	2.86%	1.88	30/6/2015
91282BMW7	UNITED STATES 2.5% 03/15	2.85%	2.50	31/3/2015
91282BLST	UNITED STATES 2.375% 10/14	2.85%	2.38	31/10/2014
91282BKYS	UNITED STATES TREAS NTS 2.625% 30/JUN/2014	2.82%	2.62	30/6/2014
91282BRU6	UNITED STATES 0.875% 11/15	2.80%	0.88	30/11/2016
3137EACV9	FEDERAL HOME LOAN MORTGAGE CORP 1% NTS 27/AUG/2014	2.80%	1.00	27/8/2014

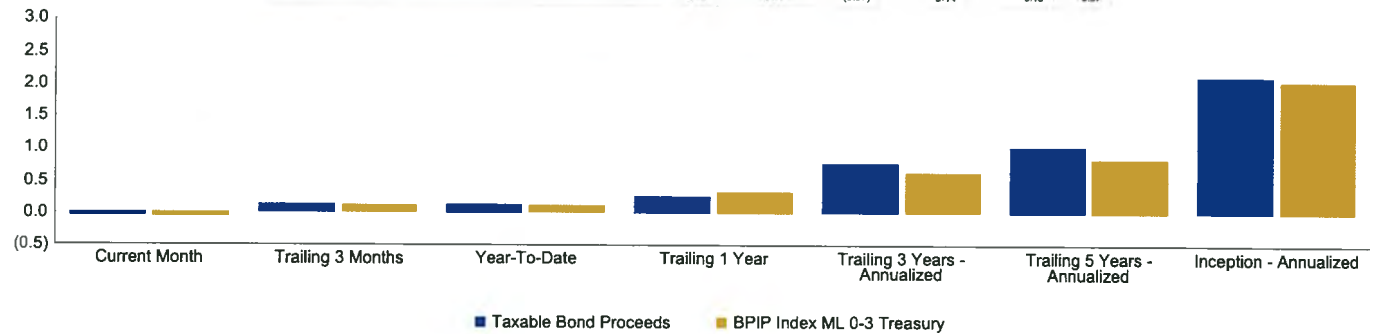
Quality/Rating Weightings

Sector Weightings (as % of Market Value)



Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
Taxable Bond Proceeds	(0.05)	0.13	0.13	0.24	0.77	1.01	2.11
BPIP Index ML 0-3 Treasury	(0.06)	0.11	0.11	0.31	0.63	0.83	2.04
Excess	0.01	0.01	0.01	(0.07)	0.14	0.18	0.07



STATE OF NEW MEXICO
BOND PROCEEDS INV POOL2 TAXABL (4002)
Portfolio Classification Summary
Positions Held as of 3/31/14 (TRADE Basis)

AMTZ ADDED: NO

ASSET CLASSIFICATION	ITEMS	YIELD	AVG-TERM	PRINCIPAL	COST-BASIS	MARKET-VALUE	GAIN/LOSS	%MARKET
REPURCHASE AGREEMENTS (O/N)	1	.0913	.00270	15,591,836	15,591,836	15,591,836		2.179
CERTIFICATES OF DEPOSIT	5	.3852	.65844	14,200,000	14,200,000	14,200,000		1.985
LINKED-CERTIFICATE OF DEPOSIT	2	.4500	1.79450	4,000,000	4,000,000	4,000,000		.559
US TREASURY NOTE ACT/ACT 2X	22	.4244	1.21643	340,000,000	344,881,971	345,271,400	389,429	48.255
AGENCY US BOND 30/360 2X	7	.4089	1.44559	99,170,000	99,605,725	99,548,286	-57,439	13.913
AGENCY US DISC ACT/360 360 DAY	2	.1631	.27182	10,472,000	10,459,765	10,467,886	8,121	1.463
AGENCY US NOTES 30/360 2X	12	.5515	1.62940	165,000,000	167,383,578	167,722,235	338,657	23.441
FED NATL MORTGAGE ASSN DEBS	1	.8704	1.57260	20,000,000	20,238,445	20,409,600	171,155	2.852
AGENCY US VARIABLE ACT/360 4X	1	.1859	.13700	7,000,000	7,004,906	7,003,990	-916	.979
MUNI US 30/360 2X	26	.4570	.69084	27,420,000	27,769,535	27,790,440	20,905	3.884
MUNICIPAL BOND REVENUE	3	.3060	.30037	2,180,000	2,196,560	2,196,471	-89	.307
UNITS - INVESTMENT POOL 1	1			1,308,467	1,308,467	1,308,467		.183
	83	.4507	1.27259	706,342,303	714,640,788	715,510,611	869,823	100.000

**STATE OF NEW MEXICO
TREASURERS OFFICE**

Position holdings as of 3/31/14 (TRADE)
BOOK VALUES AMORTIZED THROUGH 3/31/14

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
1,308,467	UNITS - INVESTMENT POOL 1	UNITS001				1.00000	1,308,466.58	1,308,467.00	.42
1,308,467							1,308,466.58	1,308,467.00	.42

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

10,000,000	UNITED STATES TREASURY NOTES	912828KN	1.875	4/30/14	1.298	100.04540	10,004,539.50	10,014,100.00	9,560.50
200,000	SANTA ROSA N MEX CONS SCH DIST	802751DL	1.000	5/15/14	.500	100.06084	200,121.67	200,146.00	24.33
7,000,000	INTER-AMERICAN DEVELOPMENT BANK	45818WAE	.739	5/20/14	.183	100.07009	7,004,906.22	7,003,990.00	- 916.22
10,000,000	UNITED STATES TREASURY NOTES	912828KV	2.250	5/31/14	1.346	100.14695	10,014,695.20	10,035,900.00	21,204.80
1,325,000	CLOVIS N MEX GROSS RCPTS TAX R	189387CV	2.000	6/01/14	.650	100.22399	1,327,967.82	1,328,299.25	331.43
420,000	NEW MEXICO FIN AUTH REV	64711NTE	3.000	6/15/14	.351	100.54360	422,283.10	422,263.80	- 19.30
200,000	NEW MEXICO FIN AUTH REV	64711NTT	.600	6/15/14	.600	100.00000	200,000.00	200,058.00	58.00
20,000,000	UNITED STATES TREASURY NOTES	912828KY	2.625	6/30/14	.189	100.60500	20,121,000.12	20,127,400.00	6,399.88
350,000	SANTA FE CNTY N MEX	801889MX	2.000	7/01/14	.300	100.42429	351,485.00	351,515.50	30.50
11,675,000	ALBUQUERQUE NM 2013C	ABQ2013C	.350	7/01/14	.350	100.00000	11,675,000.00	11,675,000.00	
9,175,000	FEDERAL NATIONAL MORTGAGE ASSOCI	313586QR		7/05/14	.162	99.87400	9,163,439.50	9,171,054.75	7,615.25
2,600,000	WESTERN BANK CLOVIS	15985	.450	7/15/14	.450	100.00000	2,600,000.00	2,600,000.00	
2,500,000	WESTERN BANK ALAMOGORDO	78945612	.350	7/22/14	.350	100.00000	2,500,000.00	2,500,000.00	
10,000,000	UNITED STATES TREAS NTS	912828LC	2.625	7/31/14	.201	100.80954	10,080,954.04	10,084,800.00	3,845.96
1,297,000	FEDERAL AGRICULTURAL MORTGAGE CO	31315LA2	.155	7/31/14	.155	99.94790	1,296,324.30	1,296,831.39	507.09
500,000	RIO RANCH NM PUBLIC SCH DIST 94	767171JU	3.000	8/01/14	.400	100.86476	504,323.82	504,535.00	211.18
435,000	ALAMOGORDO NM MUNI SCH DIST #1	011464HB	2.000	8/01/14	.400	100.53208	437,314.55	437,523.00	208.45
725,000	TRUTH OR CONSEQUENCES N MEX MU G	898439ED	2.000	8/01/14	.501	100.49840	728,613.40	728,842.50	229.10
1,560,000	SAN JUAN CNTY N MEX CENT CONS IN	798359KA	3.000	8/01/14	.251	100.91520	1,574,277.17	1,574,149.20	- 127.97
2,005,000	GADSDEN N MEX INDPT SCH DIST N	362550KU	2.000	8/15/14	.500	100.55669	2,016,161.71	2,016,889.65	727.94
20,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EACV	1.000	8/27/14	.275	100.29349	20,058,698.41	20,059,400.00	701.59
20,000,000	UNITED STATES TREASURY NOTES	912828TQ	.250	9/30/14	.216	100.01713	20,003,426.43	20,016,400.00	12,973.57
20,000,000	UNITED STATES TREASURY NOTES	912828LS	2.375	10/31/14	.220	101.24847	20,249,693.34	20,264,800.00	15,106.66
15,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EACY	.750	11/25/14	.174	100.37373	15,056,059.19	15,041,550.00	- 14,509.19
10,000,000	UNITED STATES TREAS NTS	912828RV	.250	12/15/14	.330	99.94385	9,994,385.46	10,011,300.00	16,914.54
4,000,000	CENTURY BANK SANTA FE	17099248	.300	12/30/14	.300	100.00000	4,000,000.00	4,000,000.00	
1,100,000	WESTERN BANK ALAMOGORDO	81185441	.750	12/31/14	.750	100.00000	1,100,000.00	1,100,000.00	
15,000,000	UNITED STATES TREASURY NOTES	912828ME	2.625	12/31/14	.167	101.83808	15,275,712.15	15,283,050.00	7,337.85
197,067,000							197,961,382.10	198,049,798.04	88,415.94

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

STATE OF NEW MEXICO

TREASURERS OFFICE

Position holdings as of 3/31/14 (TRADE)
BOOK VALUES AMORTIZED THROUGH 3/31/14

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
10,000,000	FEDERAL HOME LOAN BANKS	3130A0JV	.190	1/06/15	.193	99.99800	9,999,800.20	10,002,400.00	2,599.80
20,000,000	UNITED STATES TREASURY NOTES	912828RZ	.250	1/15/15	.263	99.98994	19,997,988.90	20,021,800.00	23,811.10
15,000,000	FARMER MAC	31315PZ5	.200	1/20/15	.200	100.00000	15,000,000.00	15,006,900.00	6,900.00
9,170,000	FEDERAL HOME LOAN BANKS	3133XASA	4.500	2/18/15	.200	103.78079	9,516,698.23	9,520,935.90	4,237.67
9,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134G4FJ	.305	2/23/15	.213	100.08220	9,007,398.01	9,004,320.00	- 3,078.01
650,000	NEW MEXICO ST	647293NQ	5.000	3/01/15	.420	104.18541	677,205.18	678,691.00	1,485.82
4,000,000	CENTURY BANK SANTA FE	17099249	.350	3/30/15	.350	100.00000	4,000,000.00	4,000,000.00	
20,000,000	UNITED STATES TREASURY NOTES	912828MW	2.500	3/31/15	.316	102.17257	20,434,514.51	20,468,800.00	34,285.49
10,000,000	FEDERAL AGRICULTURAL MORTGAGE CO	31315PX3	.245	4/21/15	.261	99.98310	9,998,309.90	10,006,400.00	8,090.10
20,000,000	UNITED STATES TREASURY NOTES	912828MZ	2.500	4/30/15	.346	102.32047	20,464,094.67	20,503,800.00	39,705.33
225,000	SANTA ROSA N MEX CONS SCH DIST	802751DM	1.000	5/15/15	.650	100.39035	225,878.28	226,462.50	584.22
20,000,000	UNITED STATES TREASURY NOTES	912828DV	4.125	5/15/15	.311	104.26634	20,853,268.77	20,885,200.00	31,931.23
1,350,000	CLOVIS N MEX GROSS RCPTS TAX R	189387CW	2.000	6/01/15	.750	101.44846	1,369,554.15	1,373,854.50	4,300.35
15,000,000	FEDERAL HOME LOAN BANKS	313379ER	.500	6/12/15	.255	100.29247	15,043,871.14	15,042,600.00	- 1,271.14
20,000,000	UNITED STATES TREASURY NOTES	912828NL	1.875	6/30/15	.327	101.92677	20,385,353.79	20,422,600.00	37,246.21
500,000	SANTA FE CNTY N MEX	801889KB	5.500	7/01/15	.430	106.31243	531,562.16	532,920.00	1,357.84
275,000	SANTA FE CNTY N MEX	801889MY	2.000	7/01/15	.400	101.99227	280,478.73	280,791.50	312.77
405,000	RUIDOSO N MEX WASTEWATER REV	781324AB	2.000	7/01/15	.700	101.61453	411,538.86	412,358.85	819.99
10,000,000	UNITED STATES TREAS NTS	912828NP	1.750	7/31/15	.453	101.72306	10,172,306.42	10,208,200.00	35,893.58
400,000	RUIDOSO N MEX MUN SCH DIST NO	781338HY	2.000	8/01/15	.560	101.90958	407,638.33	409,036.00	1,397.67
200,000	ALBUQUERQUE N MEX MUN SCH DIST	013595QU	5.000	8/01/15	.500	105.97147	211,942.93	212,640.00	697.07
350,000	ALAMOGORDO NM MUNI SCH DIST #1	011464HC	2.000	8/01/15	.550	101.92293	356,730.25	357,906.50	1,176.25
550,000	LAS CRUCES N MEX SCH DIST NO 002	517534SC	2.000	8/01/15	.450	102.05736	561,315.47	561,165.00	- 150.47
1,100,000	RIO RANCHO N MEX PUB SCH DIST NO	767171ME	2.000	8/01/15	.450	102.05736	1,122,630.94	1,124,552.00	1,921.06
400,000	SAN JUAN CNTY N MEX CENT CONS IN	798359KB	3.000	8/01/15	.450	103.38562	413,542.47	414,224.00	681.53
15,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134G3ZA	.500	8/28/15	.444	100.07803	15,011,705.16	15,034,800.00	23,094.84
15,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EACM	1.750	9/10/15	.341	102.02480	15,303,720.53	15,319,500.00	15,779.47
20,000,000	FED NATL MORTGAGE ASSN DEBS	31398A4M	1.625	10/26/15	.858	101.19222	20,238,444.55	20,409,600.00	171,155.45
15,000,000	UNITED STATES TREASURY NOTES	912828PJ	1.375	11/30/15	.352	101.69686	15,254,529.46	15,265,950.00	11,420.54
20,000,000	FNMA	3135G0SB	.375	12/21/15	.451	99.86999	19,973,997.68	20,011,600.00	37,602.32
15,000,000	UNITED STATES TREAS NTS	912828PM	2.125	12/31/15	.433	102.94318	15,441,477.25	15,466,350.00	24,872.75
288,575,000							292,667,496.92	293,186,357.75	518,860.83

====> 0031 ITEMS IN SUBTOTAL FOR ==>> FINAL-MATURITY.. ==>> 2015 <====

15,500,000	FEDERAL AGRICULTURAL MORTGAGE CO	31315PVS	.430	1/08/16	.464	99.94079	15,490,822.38	15,511,160.00	20,337.62
2,000,000	WESTERN COMMERCE BANK	2012823	.450	1/15/16	.450	100.00000	2,000,000.00	2,000,000.00	
2,000,000	WESTERN COMMERCE BANK	2010824	.450	1/15/16	.450	100.00000	2,000,000.00	2,000,000.00	

**STATE OF NEW MEXICO
TREASURERS OFFICE**

Position holdings as of 3/31/14 (TRADE)
BOOK VALUES AMORTIZED THROUGH 3/31/14

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
15,000,000	UNITED STATES TREASURY NOTES	912828QJ	2.125	2/29/16	.429	103.22687	15,484,030.36	15,495,150.00	11,119.64
12,500,000	FEDERAL NATIONAL MORTGAGE ASSOCI	31359MH8	5.000	3/15/16	.543	108.65793	13,582,241.04	13,609,875.00	27,633.96
15,000,000	FANNIE MAE	3135GOVA	.500	3/30/16	.537	99.92692	14,989,038.14	15,010,050.00	21,011.86
15,000,000	UNITED STATES TREASURY NOTES	912828UW	.250	4/15/16	.491	99.51141	14,926,711.20	14,937,900.00	11,188.80
10,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EACT	2.500	5/27/16	.479	104.32896	10,432,895.70	10,423,700.00	- 9,195.70
15,000,000	UNITED STATES TREASURY NOTES	912828QP	1.750	5/31/16	.522	102.64014	15,396,021.06	15,398,400.00	2,378.94
1,000,000	NEW MEXICO FIN AUTH REV	64711NSK	4.000	6/01/16	.570	107.37438	1,073,743.80	1,077,160.00	3,416.20
1,075,000	NEW MEXICO FIN AUTH ST TRANSN	64711RAZ	5.250	6/15/16	.231	101.03056	1,086,078.49	1,086,061.75	- 16.74
10,000,000	UNITED STATES TREAS NTS	912828QR	1.500	6/30/16	.656	101.88108	10,188,108.47	10,209,400.00	21,291.53
600,000	RIO RANCHO N MEX PUB SCH DIST NO	767171MF	2.000	8/01/16	.650	103.12084	618,725.03	619,908.00	1,182.97
475,000	LAS CRUCES N MEX SCH DIST NO 002	517534SD	3.000	8/01/16	.650	105.43237	500,803.75	500,032.50	- 771.25
250,000	GALLUP MC KINLEY CNTY N MEX SCH	364010QJ	2.000	8/01/16	.710	102.97898	257,447.45	257,412.50	- 34.95
400,000	SAN JUAN CNTY N MEX CENT CONS IN	798359KC	3.000	8/01/16	.650	105.43253	421,730.13	422,508.00	777.87
25,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EACW	2.000	8/25/16	1.277	101.70241	25,425,603.06	25,811,750.00	386,146.94
10,000,000	UNITED STATES TREASURY NOTES	912828RJ	1.000	9/30/16	.700	100.74116	10,074,115.51	10,081,300.00	7,184.49
20,000,000	UNITED STATES TREASURY NOTES	912828RU	.875	11/30/16	.751	100.32521	20,065,041.85	20,068,800.00	3,758.15
170,800,000							174,013,157.42	174,520,567.75	507,410.33

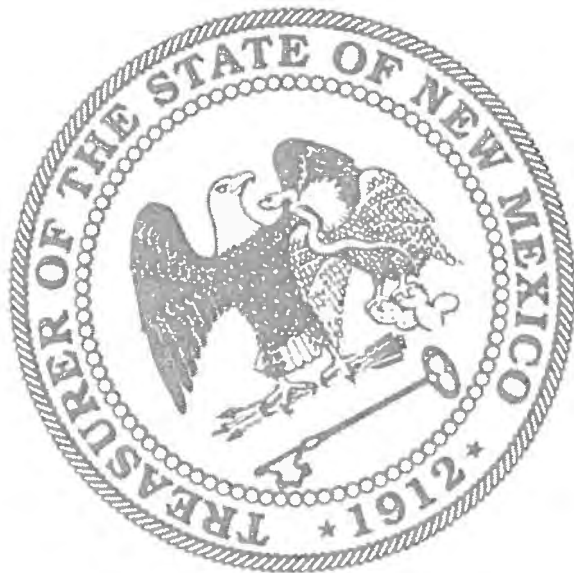
====> 0019 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ====> 2016 <====

10,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EADC	1.000	3/08/17	.756	100.70749	10,070,749.15	10,024,500.00	- 46,249.15
15,000,000	FEDERAL HOME LOAN BANKS	313379FW	1.000	6/09/17	.825	100.54880	15,082,319.27	14,953,800.00	- 128,519.27
8,000,000	FEDERAL AGRICULTURAL MORTGAGE CO	31315PZT	.650	7/10/17	.862	99.31723	7,945,378.03	7,875,280.00	- 70,098.03
33,000,000							33,098,446.45	32,853,580.00	- 244,866.45

====> 0003 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ====> 2017 <====

690,750,467							699,048,949.47	699,918,770.54	869,821.07
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====> 0082 ITEMS IN SUBTOTAL FOR ==== FUND NAME..... ====> BOND PROCEEDS INV POOL2 TAXABL <



13. Portfolio Summary- Severance Tax Bonding Fund

Portfolio Summary – Severance Tax Bonding Fund

Summary

- The Severance Tax Bonding Fund¹³ closed the month of March at \$266 Million.
- The Severance Tax Bonding Fund earned over \$15,000 during March.
- The Severance Tax Bonding Fund earned over \$87,000 during FY2014.

Portfolio Mix

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

Investment Strategy

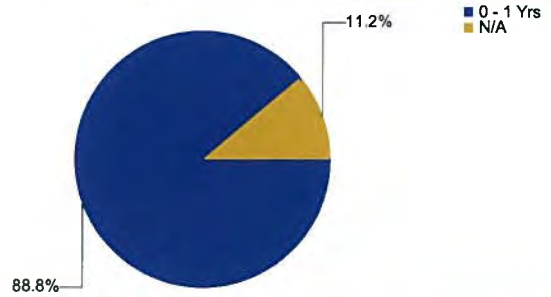
- Due to its short-term nature, investments of three to six month maturities are viable investments for the STBF pool.

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

Portfolio Characteristics

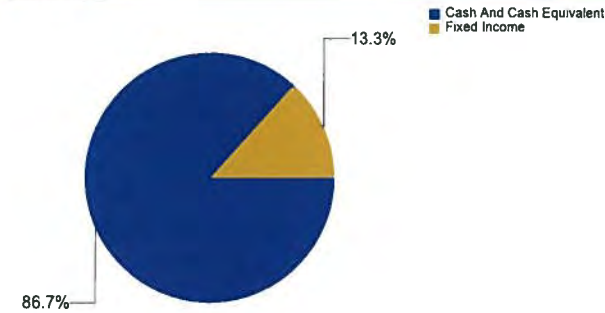
Duration Mix

Total Net Assets (Millions)	267.1
Weighted Average Life (Years)	0.06
Weighted Avg. Effective Duration (Years)	0.06
Weighted Average Coupon (%)	0.43
Weighted Average Current Yield (%)	0.08
Weighted Average Yield to Maturity (%)	0.09
Weighted Average Rating	AAA
Number of Holdings	14



Asset Mix

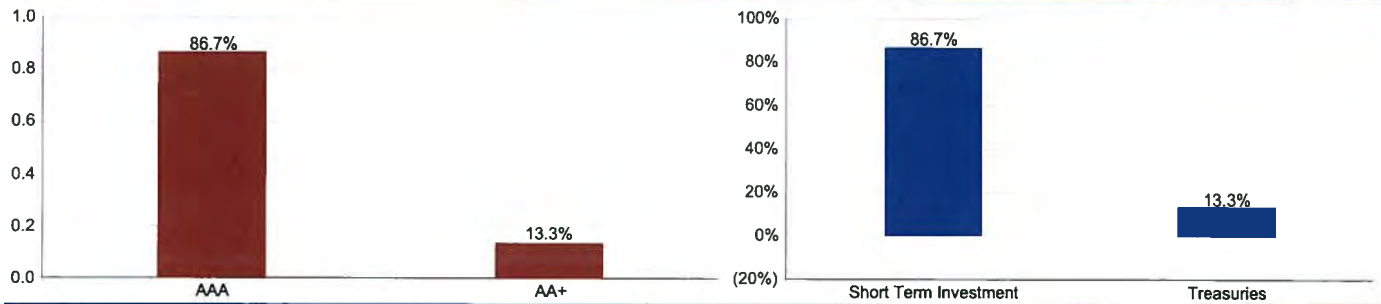
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
89298X00	LGIP POOL PARTICIPANT	11.23%	0.10	1/4/2014
99E900150	REPO MITSUBISHI UFJ SECURITIES (USA),INC. 033114J	7.76%	0.09	1/4/2014
99E900149	REPO MITSUBISHI UFJ SECURITIES (USA),INC. 033114I	7.76%	0.09	1/4/2014
99E900151	REPO MITSUBISHI UFJ SECURITIES (USA),INC. 033114H	7.76%	0.09	1/4/2014
912828KY5	UNITED STATES TREAS NTS 2.625% 30/JUN/2014	7.58%	2.62	30/6/2014
99E900147	REPO MITSUBISHI UFJ SECURITIES (USA),INC. 033114G	7.38%	0.09	1/4/2014
99E900152	REPO MITSUBISHI UFJ SECURITIES (USA),INC. 033114F	7.38%	0.09	1/4/2014
99E900154	REPO MITSUBISHI UFJ SECURITIES (USA),INC. 033114D	7.38%	0.09	1/4/2014
99E900156	REPO MITSUBISHI UFJ SECURITIES (USA),INC. 033114C	7.38%	0.09	1/4/2014
99E900153	REPO MITSUBISHI UFJ SECURITIES (USA),INC. 033114E	7.38%	0.09	1/4/2014
99E900155	REPO MITSUBISHI UFJ SECURITIES (USA),INC. 033114A	7.38%	0.09	1/4/2014
99E900157	REPO MITSUBISHI UFJ SECURITIES (USA),INC. 033114B	7.38%	0.09	1/4/2014

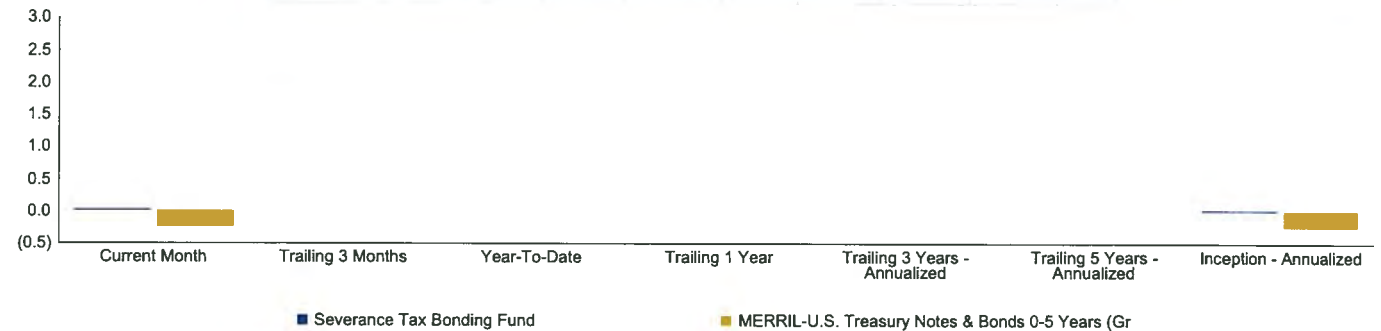
Quality/Rating Weightings

Sector Weightings (as % of Market Value)



Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
Severance Tax Bonding Fund	0.01						0.01
MERRIL-U.S. Treasury Notes & Bonds 0-5 Years (Gross)	(0.24)						(0.24)
Excess	0.25	0.00	0.00	0.00	0.00	0.00	0.25



STATE OF NEW MEXICO
STB FUND (4001)
Portfolio Classification Summary
Positions Held as of 3/31/14 (TRADE Basis)

AMTZ ADDED: NO

ASSET CLASSIFICATION	ITEMS	YIELD	AVG-TERM	PRINCIPAL	COST-BASIS	MARKET-VALUE	GAIN/LOSS	%MARKET
REPURCHASE AGREEMENTS (O/N)	1	.0913	.00270	201,458,882	201,458,882	201,458,882		75.489
US TREASURY NOTE ACT/ACT 2X	2	.1176	.46534	35,000,000	35,403,133	35,410,450	7,317	13.269
UNITS - INVESTMENT POOL 1	1			30,003,999	30,003,999	30,003,999		11.243
	4	.0845	.07118	266,462,881	266,866,014	266,873,331	7,317	100.000

STATE OF NEW MEXICO
TREASURERS OFFICE
Position holdings as of 3/31/14 (TRADE)
BOOK VALUES AMORTIZED THROUGH 3/31/14

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
30,003,999	UNITS - INVESTMENT POOL 1	UNITS001				1.00000	30,003,999.11	30,003,999.00	- .11
<u>30,003,999</u>							<u>30,003,999.11</u>	<u>30,003,999.00</u>	<u>- .11</u>

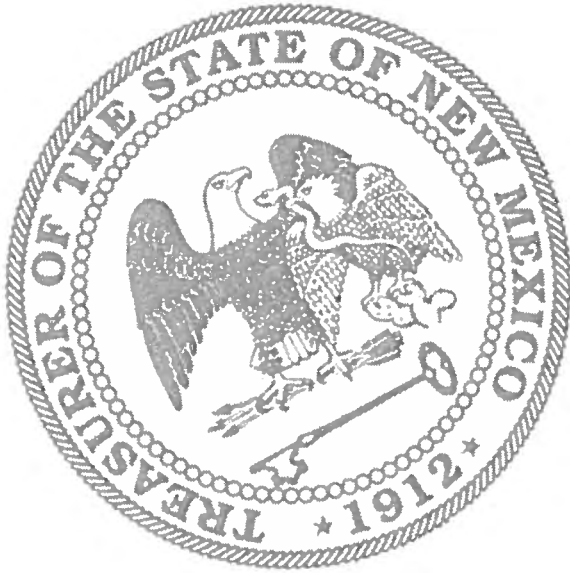
====> 0001 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> NO-MEANINGFUL-DATE <====

20,000,000	UNITED STATES TREASURY NOTES	912828KY	2.625	6/30/14	.090	100.63009	20,126,017.04	20,127,400.00	1,382.96
15,000,000	UNITED STATES TREASURY NOTES	912828ME	2.625	12/31/14	.155	101.84744	15,277,115.70	15,283,050.00	5,934.30
<u>35,000,000</u>							<u>35,403,132.74</u>	<u>35,410,450.00</u>	<u>7,317.26</u>

====> 0002 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2014 <====

<u>65,003,999</u>							<u>65,407,131.85</u>	<u>65,414,449.00</u>	<u>7,317.15</u>
-------------------	--	--	--	--	--	--	----------------------	----------------------	-----------------

====> 0003 ITEMS IN SUBTOTAL FOR ====> FUND NAME..... ====> STB FUND <====



14. 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

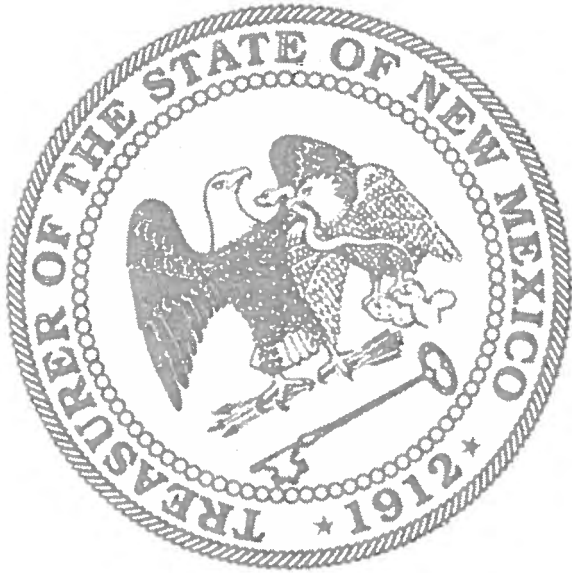
Volume at Par (\$ in thousands)

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	24,000	-	-	-	-	72,526	3.1%
Barclays	15,000	26,077	-	15,597	8,714	15,000	52,400	512	20,000	20,000	-	-	173,300	7.3%
BB and T (Scott & Stringfellow)	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
BMO Capital Markets	65,000	-	10,000	40,000	-	35,000	5,000	16,000	2,000	14,250	-	-	177,250	7.5%
BNP Paribas	-	8,250	-	20,000	-	-	20,000	-	-	-	-	-	48,250	2.0%
BOSC, Inc	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Cantor, Fitzgerald	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Carolina Capital Markets	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
CastleOak Securities LP	15,000	-	10,000	-	-	-	-	-	20,000	14,000	-	-	60,000	2.5%
Citigroup	12,600	30,000	10,000	5,000	20,000	30,000	-	-	5,000	-	-	-	112,500	4.7%
Credit Suisse	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
CRT Capital Group	-	20,000	-	-	-	-	-	-	-	-	-	-	20,000	0.8%
Daiwa Capital Markets America	-	21,000	-	-	24,575	-	34,000	-	3,600	-	-	-	83,175	3.5%
Deutsche Bank	-	-	-	40,000	-	15,000	70,000	-	-	-	-	-	125,000	5.3%
Fidelity Capital Markets	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
First Southweat	200	200	11,680	5,110	250	-	5,025	460	100	-	-	-	23,025	1.0%
FTN Financial	6,000	20,000	-	-	-	-	30,000	-	-	-	-	-	56,000	2.4%
George K Baum & Co	-	-	-	-	-	-	475	-	615	-	-	-	1,090	0.0%
Goldman Sachs	15,000	-	10,000	20,000	10,000	2,400	20,000	30,800	-	-	-	-	108,200	4.6%
Great Pacific	25,000	10,000	-	-	-	-	-	-	-	3,000	-	-	38,000	1.6%
Guggenheim Securities LLC	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Harvestons Securities Inc	-	-	-	-	-	-	7,500	-	-	-	-	-	7,500	0.3%
HSBC	18,578	15,000	-	-	-	-	-	-	-	-	-	-	33,578	1.4%
InCapital LLC	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Jeffries	15,000	-	2,500	2,500	-	-	42,500	3,000	15,000	24,000	-	-	104,500	4.4%
KeyBanc Capital Markets	-	-	-	-	-	-	-	-	20,000	-	-	-	20,000	0.8%
Lawson Financial	-	2,675	-	-	-	-	-	300	-	-	-	-	2,975	0.1%
Loop Capital Markets	-	-	-	-	-	-	10,000	-	-	-	-	-	10,000	0.4%
MFR Securities	-	-	-	-	-	-	14,000	-	-	5,000	-	-	19,000	0.8%
Mitsubishi UFJ	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Mizuho Securities USA	15,000	-	-	-	7,000	-	20,000	-	-	25,000	-	-	67,000	2.8%
Morgan Stanley	-	6,000	14,175	31,190	2,725	2,610	28,250	205	22,155	-	-	-	107,310	4.5%
Muriel Siebert & Co.	-	-	-	-	-	-	5,000	-	-	-	-	-	5,000	0.2%
Mutual Securities	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Nomura	1,300	-	-	2,410	800	10,000	15,000	500	-	-	-	-	30,010	1.3%
Northern Trust	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Piper Jaffrey	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Raymond, James & Associates	-	-	1,000	-	-	-	-	-	-	-	-	-	1,000	0.0%
RBS Securities	-	-	-	-	-	-	110,000	41,000	7,000	10,500	-	-	168,500	7.1%
Robert W. Baird & Co.	-	500	3,000	-	1,320	-	-	-	-	-	-	-	4,820	0.2%
RW Pressprich	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Societe General Americas	-	-	-	10,000	-	-	40,000	20,000	-	13,000	-	-	83,000	3.5%
South Street	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Southwest Securities	-	-	-	235	1,000	-	5,000	-	135	1,485	-	-	7,855	0.3%
Stifel Nicklaus	12,000	750	-	-	-	1,331	-	-	-	-	-	-	14,081	0.6%
SunTrust Robinson Humphrey	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Tradition Asiel Securities	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
TD Securities	10,500	15,800	-	20,000	-	7,500	84,170	9,000	3,000	25,000	-	-	174,970	7.4%
UBS Financial Services	-	-	-	-	-	20,000	3,670	-	-	-	-	-	23,670	1.0%
Vining Sparks	-	-	-	-	-	-	-	100	-	-	-	-	100	0.0%
Wedbush Securities	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Wells Fargo Securities	16,900	-	6,297	1,800	-	24,000	66,050	150	22,874	50,000	-	-	186,161	7.9%
Williams Capital Group	-	-	-	-	-	-	-	-	-	5,000	-	-	5,000	0.2%
Direct Purchase	12,085	-	5,000	14,750	-	143,224	4,000	-	-	14,200	-	-	193,239	8.2%
Interfund	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Total	259,569	176,252	83,652	228,682	76,384	326,065	707,040	146,027	141,479	224,435	-	-	2,369,585	100.0%
Market type:														
-	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	YTD Total	YTD %
Primary Market	84,785	136,262	46,152	30,785	24,045	154,565	124,900	-	20,770	46,200	-	-	668,434	28.0%
Secondary Market	174,804	40,000	37,500	197,897	52,339	171,500	582,140	146,027	120,709	198,235	-	-	1,721,151	72.0%
Total	259,569	176,252	83,652	228,682	76,384	326,065	707,040	146,027	141,479	244,435	-	-	2,369,585	100.0%
Security type:														
- 2	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 %
ABS	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Agencies	110,804	150,642	57,972	96,697	72,089	95,231	344,540	73,812	100,474	123,250	-	-	1,225,511	51.7%
Certificates of Deposit	7,100	-	5,000	12,000	-	18,000	4,000	-	-	-	-	-	46,100	1.9%
Commercial Paper	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Corporate Bonds	-	1,485	-	-	-	-	-	-	-	-	-	-	1,485	0.1%
MBS	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Municipal/Sponge	5,185	4,125	5,880	9,985	4,295	127,834	6,000	1,065	1,005	15,885	-	-	180,839	7.6%
Treasuries	136,500	20,000	15,000	110,000	-	85,000	352,500	71,150	40,000	85,500	-	-	915,650	38.6%
Total	259,569	176,252	83,652	228,682	76,384	326,065	707,040	146,027	141,479	224,435	-	-	2,369,585	100.0%

STATE OF NEW MEXICO
Summary of Fixed-Income Purchases and Sales
TRADES During The Period 3/01/14 Through 3/31/14

TXN-DATE	CUSIP#	ASSET-TYPE	INVST#	ISSUE-NAME	RATE	MATURITY	YIELD	BRKR/DLR/AGENT	FUND	PAR-VALUE	COST/PROCEEDS	GAIN/LOSS	NXT-CALL
PURCHASE TRANSACTIONS													
3/07/14	912828MW	US TREASURY NOT	21024	UNITED STATES TREASURY	2.500	3/31/15	.1593	TD SECURITIES	4101	3,000,000.00	3,074,179.69		
3/20/14	912828RJ	US TREASURY NOT	21095	UNITED STATES TREASURY	1.000	9/30/16	.7001	JEFFRIES & CO	4002	10,000,000.00	10,075,000.00		
3/24/14	912828NR	US TREASURY NOT	21120	UNITED STATES TREASURY	2.375	7/31/17	1.1216	BARCLAYS	1001	20,000,000.00	20,822,656.25		
3/31/14	912828QC	US TREASURY NOT	21149	UNITED STATES TREASURY	1.250	4/15/14	.2060	RBS GREENWICH C	4101	7,000,000.00	7,003,007.81		
3/12/14	3130A1DM	AGENCY US BOND	21050	FED HOME LN BANK FHLB	.150	3/12/15	.1622	MORGAN STANLEY	4101	3,000,000.00	2,999,636.55		
3/18/14	3130A1DM	AGENCY US BOND	21050	FED HOME LN BANK FHLB	.150	3/12/15	.1623	MORGAN STANLEY	4101	4,000,000.00	3,999,520.00		
3/19/14	313371PC	AGENCY US BOND	21082	FEDERAL HOME LOAN BANKS	.875	12/12/14	.1434	JEFFRIES & CO	4101	5,000,000.00	5,026,600.00		
3/19/14	3133782N	AGENCY US BOND	21081	FEDERAL HOME LOAN BANKS	.875	3/10/17	.7829	KEYBANC CAPITAL	1001	20,000,000.00	20,054,000.00		
3/20/14	3133EAYL	AGENCY US BOND	21093	FEDERAL FARM CREDIT BAN	.300	7/18/14	.0999	WELLS FARGO SEC	4101	5,374,000.00	5,377,493.10		
3/24/14	3130A16W	AGENCY US BOND	21112	FEDERAL HOME LOAN BANKS	.125	3/04/15	.1725	DAIWA CAPITAL M	4101	2,500,000.00	2,498,882.50		
3/31/14	3130A16W	AGENCY US BOND	21112	FEDERAL HOME LOAN BANKS	.125	3/04/15	.1725	DAIWA CAPITAL M	4101	1,100,000.00	1,099,516.00		
3/06/14	3135G0FY	AGENCY US NOTES	20900	FEDERAL NATIONAL MORTGA	.750	12/19/14	.1532	BMO CAPTIAL MAR	4101	2,000,000.00	2,009,340.00		
3/19/14	3137EACH	AGENCY US NOTES	21083	FEDERAL HOME LOAN MORTG	2.875	2/09/15	.1585	WELLS FARGO SEC	4101	2,500,000.00	2,560,112.51		
3/24/14	3137EADL	AGENCY US NOTES	17682	FEDERAL HOME LOAN MORTG	1.000	9/29/17	1.2330	WELLS FARGO SEC	1001	15,000,000.00	14,880,255.00		
3/24/14	3137EADP	AGENCY US NOTES	21119	FEDERAL HOME LOAN MORTG	.875	3/07/18	1.4539	MORGAN STANLEY	1001	15,000,000.00	14,667,750.00		
3/20/14	3135G0LN	FED NATL MORTGA	21094	FEDERAL NATIONAL MORTGA	.500	7/02/15	.2660	CITI GROUP	4000	5,000,000.00	5,014,950.00		
3/18/14	31315PH2	AGENCY US VARIA	21084	FARMER MAC FAMCA FLOAT	.130	7/01/15	.1297	CASTLEOAK SECUR	4101	20,000,000.00	20,000,000.00		
3/03/14	08527NDX	MUNI US 30/360	20991	BERNALILLO CNTY N MEX G	5.125	4/01/15	.2709	MORGAN STANLEY	1001	155,000.00	163,029.00		
3/06/14	87601UAJ	MUNI US 30/360	21014	TAOS N MEX SCH DIST	4.000	9/01/14	.1701	GEORGE K. BAUM	1001	280,000.00	284,256.00		
3/06/14	87601UAK	MUNI US 30/360	21013	TAOS N MEX SCH DIST	4.000	9/01/15	.2701	GEORGE K. BAUM	1001	335,000.00	352,413.30		
3/12/14	01354MDQ	MUNI US 30/360	21051	ALBUQUERQUE N MEX GROSS	4.900	7/01/14	.2018	SOUTHWEST	1001	135,000.00	136,900.80		
3/17/14	054879GZ	MUNI US 30/360	21072	AZTEC N MEX MUN SCH DIS	3.250	10/01/15	.3301	FIRST SOUTHWEST	1001	100,000.00	104,454.00		
22 PURCHASES DURING PERIOD TOTAL.....										141,479,000.00	142,203,952.51		
=== GRAND-TOTAL ==>										141,479,000.00	142,203,952.51		

*** END-OF-REPORT ***



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

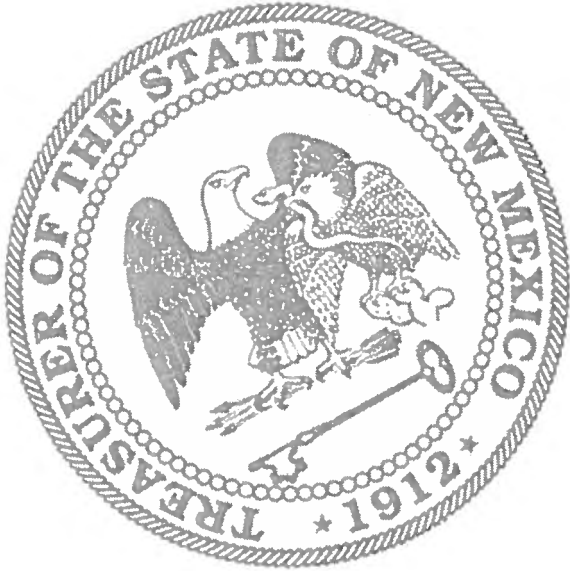
(Attachments)

State Fund Balances by Financial Institution

Mar-2014

First National Bank/Alamogordo	\$	142,076
Bank of America/Albuquerque	\$	982,479
Wells Fargo Bank/Albuquerque	\$	34,613,603
Compass Bank/Albuquerque	\$	2,408,243
Bank of the West/Albuquerque	\$	587
First American Bank/Artesia	\$	64,846
My Bank/Belen	\$	7,055
Carlsbad National Bank/Carlsbad	\$	800
Western Commerce Bank/Carlsbad	\$	90,364
Farmers/Stockmens Bank/Clayton	\$	31,307
First National Bank/Clayton	\$	4,187,085
Citizens Bank/Clovis	\$	14,059
NM Bank & Trust/Albuquerque	\$	170,137
Community Bank/Santa Fe	\$	2,637
Valley National Bank/Espanola	\$	368
Grants State Bank/Grants	\$	-
Lea County State Bank/Hobbs	\$	186,638
Southwest Capitol/Las Vegas	\$	168,975
Community 1st Bank/Las Vegas	\$	118,730
Western Bank/Lordsburg	\$	79,869
Los Alamos National Bank/Los Alamos	\$	23,483
International Bank/Raton	\$	49,945
Valley Bank of Commerce/Roswell	\$	123,160
First State Bank/Socorro	\$	13,929
Centinel Bank/Taos	\$	99,922
US Bank/Albuquerque	\$	51,397
Bank of the Southwest/Roswell	\$	114,508
People's Bank	\$	19,131
AmBank	\$	25,730
Washington Federal	\$	12,477

Total: \$ 43,803,540



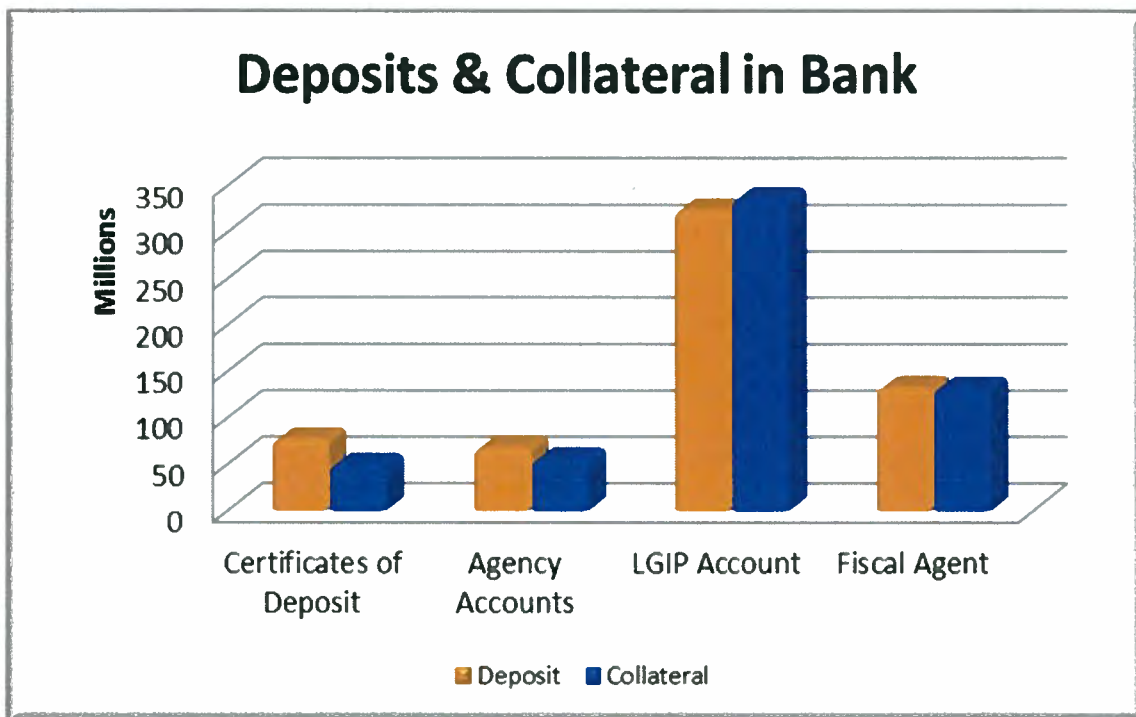
16. Collateral Report on Agency Deposits & CDs

Office of the Treasurer

Collateral Summary Review

March 31, 2014

All depository institutions holding public funds for the month ending March 2014 met the minimum collateral requirements. The required ratio of collateral for each depository institution holding public funds is determined by a statutorily defined quarterly risk assessment and is not intended as an opinion as to the financial health of the subject institution.



Balances

	<u>Deposit</u>	<u>Collateral</u>	<u>Percentage</u>
Certificate of Deposit	\$ 76.0 Million	\$ 48.3 Million	63.6%
Agency Deposit	66.6 Million	54.5 Million	81.8%
LGIP Deposits	322.7 Million	334.7 Million	103.7%
Fiscal Agent	131.3 Million	130.8 Million	99.6%
Totals →	596.5 Million	568.3 Million	95.3%



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

FINANCIAL INSTITUTION	%	TOTAL DEPOSITS	FDIC / NCUA INSURANCE	LESS INSURANCE COVERAGE	SUBJECT TO BE COLLATERALIZED	COLLATERAL PLEDGED	EXCESS (UNDER)
First National - Alamogordo	50%	1,357,930	250,000	1,107,930	553,965	1,601,698	1,047,733
Western - Alamogordo	75%	3,612,064	250,000	3,362,064	2,521,548	3,221,881	700,333
Bank of America	50%	1,180,370	250,000	930,370	465,185	4,910,701	4,445,516
Bank of the West	50%	140,063,131	250,000	139,813,131	69,906,566	144,041,954	74,135,389
BBVA Compass	50%	2,408,260	250,000	2,158,260	1,079,130	6,799,986	5,720,856
US Bank	50%	31,229,722	250,000	30,979,722	15,489,861	35,000,000	19,510,139
Wells Fargo	50%	205,546,749	250,000	205,296,749	102,648,375	191,300,902	88,652,527
First American	50%	64,846	64,846	0	0	0	0
My Bank	102%	180,569	180,569	0	0	0	0
Carlsbad National	50%	800	800	0	0	0	0
Western Commerce	50%	4,090,804	250,000	3,840,804	1,920,402	2,272,033	351,631
Farmers & Stockmen	50%	10,060,464	250,000	9,810,464	4,905,232	5,121,154	215,922
First National - Clayton	50%	4,187,086	250,000	3,937,086	1,968,543	2,335,184	366,641
Bank of Clovis	50%	788,021	250,000	538,021	269,010	832,508	563,498
Citizens - Clovis	50%	14,060	14,060	0	0	0	0
NM Bank & Trust	50%	170,137	170,137	0	0	269,693	269,693
Western - Clovis	50%	3,100,000	250,000	2,850,000	1,425,000	2,073,552	648,552
Valley National	102%	368	368	0	0	0	0
Grants State	50%	30,098	30,098	0	0	0	0
Lea County State	102%	186,638	186,638	0	0	100,000	100,000
Citizens - Las Cruces	50%	3,597	3,597	0	0	0	0
Southwest Capital	50%	10,767,875	250,000	10,517,875	5,258,938	5,369,189	110,251
Community 1st - Las Vegas	102%	118,730	118,730	0	0	578,133	578,133
Western - Lordsburg	50%	117,437	117,437	0	0	0	0
Los Alamos National	102%	23,483	23,483	0	0	0	0
James Polk Stone Communi	50%	225,117	225,117	0	0	159,377	159,377
International	50%	78,866	78,866	0	0	0	0
Bank of the Southwest	50%	368,720	250,000	118,720	59,360	341,702	282,342
Valley Commerce	50%	123,160	123,160	0	0	0	0
Century	50%	29,737,000	250,000	29,487,000	14,743,500	17,884,170	3,140,670
Community	102%	188,699	188,699	0	0	0	0
First National - Santa Fe	50%	10,004,370	250,000	9,754,370	4,877,185	7,720,273	2,843,088
First State	50%	74,494	74,494	0	0	0	0
AM	75%	25,730	25,730	0	0	0	0
Centinel	50%	99,923	99,923	0	0	0	0
Peoples	102%	19,131	19,131	0	0	0	0
BANK'34	102%	2,000,965	250,000	1,750,965	1,785,984	3,829,969	2,043,985
Union Savings	50%	4,000,000	250,000	3,750,000	1,875,000	4,047,168	2,172,168
Guadalupe Credit	50%	250,000	250,000	0	0	0	0
Washington Federal	50%	33,708	33,708	0	0	0	0
		466,533,122	6,529,591	460,003,531	231,752,783	439,811,225	208,058,442

LGIP Bank Deposits

March 31, 2014

<u>Financial Insitution</u>	<u>Percentage</u>	<u>Deposit</u>	<u>Collateral</u>
Bank of the West	103.1%	138,765,354	143,007,632
US Bank	116.2%	30,119,846	35,000,000
Wells Fargo	101.9%	153,814,689	156,720,090
Totals	103.7%	322,699,889	334,727,722

