



STATE OF NEW MEXICO  
OFFICE OF THE TREASURER

**THE HONORABLE TIM EICHENBERG**  
State Treasurer

**SAMUEL K. COLLINS, JR.**  
Deputy State Treasurers

**STATE TREASURER'S  
INVESTMENT COMMITTEE**

State Treasurer's conference room



"Ghost Ranch - Abiquiu" - New Mexico Tourism Department

**Wednesday, August 10, 2016**

**9:00am**



## 1. Approval of August 10, 2016 Agenda



STATE OF NEW MEXICO  
OFFICE OF THE TREASURER

**Tim Eichenberg**  
The Honorable State Treasurer

**Sam Collins**  
Deputy State Treasurer

**STATE TREASURER'S INVESTMENT COMMITTEE**  
**Treasurer's Conference Room**  
Wednesday, August 10, 2016 9:00 a.m.

**MEETING AGENDA (5 Min)**

Roll Call

1. Approval of August 10, 2016 Agenda
2. Approval of June 9, 2016 Minutes
3. Public Comments

Action  
Action

**Months Ended**  
**June 30, 2016**  
**May 31, 2016**

**INVESTMENT REPORTS (45 min)**

4. Executive Summary (Vikki Hanges)
5. Investment Policy Compliance Report (Arsenio Garduño)
6. Investment Accounting Report (Steve Vigil)
7. Cash Projections (Arsenio Garduño)
8. Investment Advisor – June 2016 Quarterly Investment Report (Deanne Woodring)
9. Quarterly Investment Review (Vikki Hanges)
10. Portfolio Summary -- General Fund Investment Pool (Vikki Hanges)
11. Portfolio Summary -- Local Government Investment Pool (LGIP) (Jeremy Landrum)
12. Portfolio Summary -- Tax-Exempt Bond Proceeds Investment Pool (Jeremy Landrum)
13. Portfolio Summary -- Taxable Bond Proceeds Investment Pool (Jeremy Landrum)
14. Portfolio Summary -- Severance Tax Bonding Fund (Vikki Hanges)
15. Broker Dealer Activities
16. Credit

Informational  
Informational

**Months Ended**  
**June 30, 2016**  
**May 31, 2016**

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

17. State Agency Deposit Balances (Charmaine Cook)
18. Collateral Report on Agency Deposits & CDs (Arsenio Garduño)

Informational  
Informational

**COMMITTEE REPORTS (5 min)**

19. Next Meeting –Wednesday, September 14, 2016 9:00 am
20. Adjournment



## 2. Approval of June 9, 2016 Minutes

**New Mexico State Treasurer's Office  
STIC Committee Meeting  
Meeting Minutes  
Thursday, June 9, 2016**

**ROLL CALL—QUORUM PRESENT:**

A regular meeting of the New Mexico State Treasurer's Investment Committee (STIC) was called to order this date at 9:05 a.m. in the conference room of The State Treasurer's Office (STO), 2055 South Pacheco Street, Santa Fe, New Mexico 87505.

**Members Present**

Treasurer Tim Eichenberg, Chairman  
Mr. Clinton Turner (on behalf of Ms. Leila Burrows Kleats, Board of Finance Director)  
Mr. Mark Pike, Public Member  
Mr. Paul Cassidy, Public Member

**Staff Present**

Mr. Samuel Collins, Deputy State Treasurer  
Mr. Steve Vigil, Investment Accounting Bureau Chief  
Ms. Vikki Hanges, Portfolio Manager  
Mr. Jeremy Landrum, Portfolio Manager  
Mr. Arsenio Garduño, Collateral Manager  
Ms. Julie Filatoff, STIC Secretary

**Guests Present**

Ms. Deanne Woodring, Government Portfolio Advisors (via telephone)  
Mr. Jon Clark, Legislative Finance Committee Economist

**1. Approval of June 9, 2016, Agenda**

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

**2. Approval of May 11, 2016, Minutes**

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

**3. Public Comments**

None.

#### **4. Executive Summary**

Ms. Vikki Hanges presented highlights of the Executive Summary:

- At the end of April, STO managed \$3.7 billion.
- STO earned approximately \$2.5 million on investment positions in April.
- Oil prices were up almost 20% in April (up 92% from its low in February). This helped equity markets (up about 3.5% year to date).
- The unemployment rate was 5.0% (up from 4.9%). Nonfarm payroll employment added 215,000 jobs (slightly higher than anticipated).
- Looking at the Fed meeting for June 15, after the payroll number it is expected that the Fed will do nothing. The market expectations are now: June 0%; July 18%; September 36%; December 56%. So that's lower from the 30% for June that we were anticipating.
- Other events: the June 23 Brexit; Great Britain voting on whether to stay in the EU. December may be the next point when Fed might raise rates.
- The yield curve. The 2-10 year yield spread is about 96 basis points; at the end of 2014, it was about 150.
- The German 10-year hit 0.22%. They're on the brink of going negative.
- Still have unrealized gains in portfolios. Pretty much unchanged.
- Durations still lower than indices. Must meet cash needs. In core portfolio, had to raise \$80 million for liquidity fund.
- June 23 bond deals settling. Will receive about \$260 million in tax-exempt and \$50 million in taxable.
- Year-over-year we're up in all cases in investment earnings.

There was a discussion of not having had to sell at a realized loss thus far. Still true for the future? Ms. Hanges said yes. We will continue to see reductions in cash. The key is having a portfolio be agile.

#### **5. Investment Policy Compliance Report**

Mr. Arsenio Garduño presented highlights of the Investment Policy Compliance Report:

- Bond Purchases/Sales: \$22 million primary bond volume (7% of total) and \$290.47 million secondary bond volume (93% of total) at end of April, totaling \$312,470,000.
- Variable Rate Notes: \$141.9 million at the end of April, all held in LGIP. No structured notes.
- Inter-Portfolio Transactions: 0 in April
- Realized Gains and Losses (11 sales in April): \$197,429
- Purchase/Sales Activity (41 = 30 purchases + 11 sales)
- During April there were no transaction variances.
- 28 trades in repo.

#### **6. Investment Accounting Report**

Mr. Steve Vigil presented highlights of the Investment Accounting Report:

- The material variance (\$14,000) is due to the difference between QED and JPMorgan.

Discussion regarding the inability to make a distribution to the State General Fund for April due to the unrealized loss in the General Fund Core Portfolio. For the Investment Accounting Report, the source is JPMorgan. For all others, the source is QED.

There was a question regarding overnight position for the repos. In the general fund, we receive a lot of receipts on April 25; April is a high month for tax revenues. General funds are more cyclical. LGIP funds are very consistent (especially six-month period of overnight repos). Willing to offer 35 basis points for overnight repo. There are many options for safeguarding the cash. For example, we are trying to reestablish accounts with BBVA Compass and (as a last-ditch effort) money market funds. There are four repo dealers that we call consistently: Deutsche Bank, Mitsubishi, Mizuho, and Royal Bank of Scotland.

There was discussion regarding money market funds and how the Federal Reserve would support them. Certain institutions that are classified so they can go directly to the Fed to participate in a reverse repo program. The National Association of State Treasurers (NAST) is lobbying for states to go directly to the Fed; but cannot do so yet. Must go through a third party. Some brokerage firms have changed their charters to become federal banks (i.e., Morgan Stanley). Last year as the quarter end, it was really tight (0%). Now, we might get 25 basis points versus 35. STO has always invested its own funds. If we invested in a money market fund, it would be a government-type fund.

There was discussion regarding reverse repo. It is an alternative. Having a money market account open would be good, similar to having a line of credit for contingencies.

## **7. Cash Projections**

Mr. Arsenio Garduño presented highlights of Cash Projections:

- Down 23.8% year-to-year (-\$528.5 million)
- Up 6% month-to-month (\$96 million) for April
- Heavily weighted in one-year maturities (approximately \$834 million)

There was discussion regarding April being a big month for personal and corporate income tax revenue, and that we are down vs. FY2015. Not good, but not a freefall. Tax revenue is not offsetting the losses in oil and gas revenue. Also, this April there were three payrolls. There was discussion regarding 60,000 tax refunds that had not been mailed as of the meeting date.

## **8. Portfolio Summary—General Fund Investment Pool**

Ms. Vikki Hanges presented highlights of the General Fund Investment Pool Portfolio Summary:

- \$1.7 billion at close of April.
- The unrealized gains in the core were \$9.3 billion (about \$9.2 as of the meeting date).
- A bit underweighted in the two- to three-year area.

There was discussion regarding liquidity needs in the future, which are unknown.

There was discussion regarding core vs. liquidity. Mr. Garduño informs Ms. Hanges when funds need to be moved to liquidity. The projections are done from the FY2016 budget; however, Mr. Garduño creates an internal cash projection for internal investment purposes almost daily. It was noted that tax-refund warrants may have been held to delay the disbursement.

### **9. Portfolio Summary—Local Government Investment Pool**

Mr. Jeremy Landrum presented highlights of the Local Government Investment Pool Portfolio Summary:

- Closed month of April at \$619.4 million, approximately \$2 million lower than the end of March.
- Maintained rating of AAAM (Standard & Poor's).
- Participant balance was \$55.5 million (9%).
- Judicial Court participant balance was \$4.6 million (0.7%).
- The pool earned \$222,045 for April (\$1.5 for FY 2016).
- Gross yield at the end of April was 0.44% (continuing to move up, but may not continue after this); net yield of 0.39%.
- WAMs were 56 days to reset and 87 final.
- \$81.188 million in maturities were scheduled in April (not including inter-month maturities).
- Purchased \$102 million in US agency securities (3 weeks to 12 months; yields 0.20% to 0.75%).
- 19 overnight and 9 term trades.

### **10. Portfolio Summary—Tax-Exempt Bond Proceeds Investment Pool**

Mr. Jeremy Landrum presented highlights of the Tax-Exempt Bond Proceeds Investment Pool Portfolio Summary:

- Ended April at \$592 million, approximately \$20 million lower than the end of March.
- Pool paid out \$19.7 million for capital spending.
- Unrealized gains: \$910,172 end of April.
- Monthly net earnings: \$457,011.
- FY 2016 earnings: \$3,928,026.
- Duration: 1.11 years (vs. benchmark of 1.33 years).
- Purchased \$8.47 million (2.5-year U.S. agency securities) and \$6.245 million (3- to 7-month municipal securities).
- Sold \$40 million (all at gain).
- Returned 0.03% for April and 0.26% for the three months ended April 30.

There was discussion re: Why capital is not being requested and used by municipalities. This is opaque to us. Agencies themselves do not understand. It was noted that the portfolio managers can't invest with certainty, thereby giving up yield. Also an issue for the General Fund because the municipalities may pull the money from there, then the LGIP has to reimburse the General Fund.

### **11. Portfolio Summary—Taxable Bond Proceeds Investment Pool**

Mr. Jeremy Landrum presented highlights of the Taxable Bond Proceeds Investment Pool Portfolio Summary:

- Closed April at \$580 million vs. \$604 million at end of March.
- Received \$12.38 million in draw requests and paid out \$23.24 million (capital projects).
- Unrealized gains: \$1,864,215
- Monthly net earnings: \$598,323
- FY 2016 earnings: \$4,366,919
- Duration: 1.14 years (vs. benchmark of 1.33 years).
- Purchased \$20.5 million of 1- to 2-year securities and \$2.35 million of 2-month to 3-year local municipals.
- Sold \$28 million in securities (all at gain).
- Purchase yield: 0.9% at end of April (vs. 0.89% at end of March).
- Returned 0.03% for April and 0.26% for three months ended April 30.
- Lengthened portfolio slightly.

There was a question regarding how to track what has been paid out of the General Fund to repay the BPIP. We receive draws approximately the 15<sup>th</sup> of the month, but we don't know when the agencies actually disbursed the funds that will be recovered by the draws. The Board of Finance should have this information.

### **12. Portfolio Summary—Severance Tax Bonding Fund**

Ms. Vikki Hanges presented highlights of the Severance Tax Bonding Fund Portfolio Summary:

- Closed April at \$232 million.
- At end of June we will be paying out debt service, reducing the June ending balance to between \$20 and \$40 million.
- Received \$17 million in April.

### **13. Broker Dealer Activities**

Ms. Vikki Hanges said that the new list was approved by Board of Finance and will become effective on July 1 (the beginning of FY 2017).

### **14. Credit Investing**

Ms. Vikki Hanges presented highlights of the updated list of corporate bond and commercial paper issuers. Upon review of ratings of approved issuers, Chevron Corp. and Exxon were downgraded. IBM's outlook was changed from negative to stable.

The State Board of Finance had asked Ms. Hanges how firms are selected from the list and seemed to think that the process was fair.

- Pfizer moved from negative to stable.
- All other issues (Exxon and Chevron) are stable.
- Toyota is coming to a close.

Ms. Woodring noted that she is registered with Mutual Securities; but there is no conflict of interest because she has no relationship with our relationship.

Mr. Pike noted that he will be an employee of Los Alamos National Bank starting June 13.

#### **15. State Agency Deposit Balances**

Mr. Arsenio Garduño presented highlights of the State Agency Deposit Balances, which had been prepared by Ms. Charmaine Cook, State Cash Manager.

- State Funds: 195 accounts, \$216,537,812
- Non-State Funds: 157 accounts, \$64,515,691
- LGIP bank account balances have declined due to investments in overnight repo.
- Opened 4 accounts; closed 17 (11 of the accounts closed were Taxation & Revenue inactive petty cash funds).

#### **16. Collateral Report on Agency Deposits & CDs**

Mr. Arsenio Garduño presented highlights of the Collateral Report on Agency Deposits and CDs:

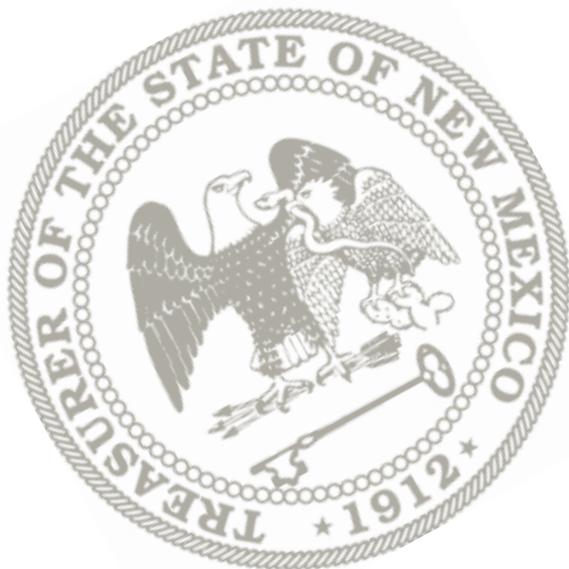
- As of April, all institutions holding public funds met our collateral requirements.
- Collateral percentage was 95.7%.
- Many local governments use this report to collateralize their deposits. Once Mr. Garduño goes through risk assessment, we are posting this information on the website.
- LGIP: US Bank pledged a letter of credit for \$35 million (just prior to STO lowering deposit).

#### **17. Next Meeting—Wednesday, August 10, 2016, 9:00 am; No Meeting in July**

#### **18. Adjournment**

Meeting adjourned at 10:29 am.

Minutes were taken by Ms. Julie Filatoff.



### 3. Public Comments



## 4. Executive Summary

# Executive Summary

- At the end of June, the State Treasurer managed \$3.8 billion in assets.
- During the month, the office earned approximately \$2.4 million on its investment positions.
- On a mark-to-market basis the portfolios increased \$4 million.
- US equity markets were slightly higher in June, with the S&P 500 Index up 0.1%.
- US Treasury yields fell quite dramatically in June.
- Market volatility following the Brexit vote to leave the European Union, fixed income markets strengthened around the globe in a flight to quality.
- Expectations for US Fed rate hikes moved further out into the future.
- The unemployment rate fell to 4.7%. Nonfarm payroll employment came in much lower than expected, adding only 38,000 jobs, with prior month's data revised lower. Labor force participation rate fell.
- Oil prices were lower, down about 2% for the month of June, closing at \$48.33/barrel.
- The US dollar was flat vs. the euro with no Fed expected in the immediate future.

**Table 1 – Comparative Interest Rates**

*US Treasury Yields*

			<i>Monthly</i>
<i>Maturity</i>	<i>5/31/2016</i>	<i>6/30/2016</i>	<i>Change</i>
3-Month	0.29%	0.26%	-0.03%
6-Month	0.45%	0.35%	-0.10%
1-Year	0.67%	0.44%	-0.23%
2-Year	0.88%	0.58%	-0.30%
3-Year	1.03%	0.69%	-0.34%
5-Year	1.37%	1.00%	-0.37%
10-Year	1.85%	1.47%	-0.38%
30-Year	2.65%	2.29%	-0.36%

*Source: Bloomberg LP*

*Portfolio Mark-to-Market and Monthly Change*

---

With higher market yields, the STO portfolios all had negative results on a mark-to-market basis for the month of June.

**Table 2 - Unrealized Gains and Losses**

<i>Fund</i>	<i>Unrealized Gain/Loss<sup>1</sup></i>	<i>Monthly Change in Unrealized Gain/Loss<sup>2</sup></i>
<i>General Funds</i>	\$13.1 million	Increased \$6.2 million
<i>Bond Proceeds Funds</i>	\$4.6 million	Increased \$2.9 million
<i>Local Government Investment Pool</i>	Not Material	Not Material
<i>Severance Tax Bonding Fund</i>	Not Material	Not Material

Source: QED

*Portfolio Purchase Yields and Durations*

---

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

**Table 3 - Portfolio Purchase Yields and Durations**

<i>Fund</i>	<i>Purchase Yield<sup>4</sup></i>	<i>Effective Duration<sup>3</sup></i>		
		<i>Portfolio</i>	<i>Benchmark</i>	<i>Percentage</i>
<i>General Fund Liquidity</i>	0.30%	0.01 Years		
<i>General Fund CORE</i>	1.26%	2.01 Years	2.16 Years	93%
<i>Bond Proceeds – Tax Exempt</i>	0.72%	0.89 Years	1.35 Years	66%
<i>Bond Proceeds – Taxable</i>	0.77%	0.97Years	1.35 Years	72%
<i>Local Government Investment Pool</i>	0.44%	0.11 Years		
<i>Severance Tax Bonding Fund</i>	0.45%	0.06 Years		

---

<sup>1</sup> Calculated Unrealized Gains or Losses represent the “market value” of the portfolios as compared to their “net book value” as of the effective date of calculation. Net book value = original book value less amortization/plus accretion of premium/discount. As such, they approximate the values which could be realized/lost if the positions were to be liquidated at market prices on the day that the calculation was performed. Market conditions change on a daily basis and the resulting calculations will also change with market movements.

<sup>2</sup>Unaudited. Change in Unrealized Gain/Loss from previous month. Mark-to-market values are calculated using the QED system and weekly securities pricing from IDC. Securities, such as Certificates of Deposits, for which there is no quoted market price, are carried at cost basis (amortized through the holding date).

<sup>3</sup> Effective Duration. Portfolio durations are calculated as of a moment in time, specifically at month end. Source: JP Morgan.

<sup>4</sup> Portfolio Purchase Yields are calculated at a moment in time, specifically at month end, reflecting the weighted average yield of all portfolio holdings at purchase.

## Benchmark Performance Comparisons

---

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

**Table 4 - Relative Performance of STO Funds**

<i>Fund</i>	<i>Performance<sup>5</sup></i>	
	<i>3 Months</i>	<i>12 Months</i>
<b>General Fund Liquidity</b>	0.08%	0.22%
S&P Government Pools Index (Gross)	<u>0.10%</u>	<u>0.27%</u>
Relative Performance (BPs)	(0.02)%	(0.05)%
<b>General Fund CORE</b>	0.61%	1.77%
BAML 0-5 US Treasury	<u>0.67%</u>	<u>1.98%</u>
Relative Performance (BPs)	(0.06)%	(0.21)%
<b>Bond Proceeds - Tax Exempt</b>	0.33%	0.92%
BAML 0-3 US Treasury	<u>0.41%</u>	<u>1.01%</u>
Relative Performance (BPs)	(0.08)%	(0.09)%
<b>Bond Proceeds - Taxable</b>	0.34%	0.97%
BAML 0-3 US Treasury	<u>0.41%</u>	<u>1.01%</u>
Relative Performance (BPs)	(0.07)%	(0.04)%
<b>Local Government Investment Pool</b>	0.11%	0.32%
S&P Government Pools Index (Gross)	<u>0.10%</u>	<u>0.27%</u>
Relative Performance (BPs)	0.01%	0.05%
<b>Severance Tax Bonding Fund</b>	0.08%	0.29%
S&P Government Pools Index (Gross)	<u>0.10%</u>	<u>0.27%</u>
Relative Performance (BPs)	(0.02)%	0.02%

*Source: JPMorgan, STO Calculations*

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

---

<sup>5</sup> Relative performance is periodic total return compared to the return of the portfolio benchmarks.

## Earnings

---

Investment net earnings for June are summarized in the table below.

**Table 5 - Investment Earnings – Periods ended June, 2016**

<i>Fund</i>	<i>Investment Net Earnings<sup>6</sup></i>		
	<i>Jun FY'16</i>	<i>FY'16 YTD</i>	<i>FY'15 YTD</i>
<i>General Funds</i>	\$1,288,336	\$17,241,700	\$15,722,522
<i>Bond Proceeds Funds</i>	\$840,872	\$9,974,512	\$6,472,658
<i>Local Government Investment Pool<sup>7</sup></i>	\$236,229	\$2,057,264	\$1,018,558
<i>Severance Tax Bonding Fund</i>	\$65,698	\$374,150	\$185,814

Source: QED

- The General Funds increased investment earnings by about \$1.5 million in FY2016 vs. the same period in FY2015 as a result of the increased investment in the Core Fund as a percentage of the total Fund, and higher interest rates.
- Bond Proceeds funds have increased investment earnings by about \$3.5 million as a result of higher absolute balances and higher interest rates.
- The LGIP increased investment earnings vs. the same period in FY2015 as a result of higher interest rates.
- Severance tax deposits into the fund have been coming in lower during the current fiscal year vs. last year, however short term interest rates are higher as the Fed raised short term interest rates during FY2016.

## Compensating Balances at Fiscal Agent Bank

---

During June, STO maintained Average Daily Collected Balances at the Fiscal Agent Bank of approximately \$39 million. This balance earned a credit against processing fees assessed by the bank.

**Table 6 - Compensating Balances at Fiscal Agent Bank**

<i>Average Collected Balance</i>	\$39,240,611
<i>Earnings Credit Rate</i>	0.50%
<i>Monthly Earnings</i>	\$16,082
<i>Estimated Fiscal YTD Earnings</i>	\$193,602

Source: Wells, Fargo & Co.

---

<sup>6</sup> Each fund is managed using different objectives, as more fully detailed in this report. As such, returns and earnings on the funds will vary on a month to month basis. Investment Net Earnings = Accrued income + realized gains and losses net of amortization/accretion for premiums/discounts.

<sup>7</sup> Gross Earnings, Participant Earnings reflect 0.05% reduction for management fees.

## *Monthly Investment Outlook*

---

US Treasury yields were lower in June, with most maturities declining by 30 basis points or more. In an abrupt turnaround, payroll numbers for May (reported in early June) were much lower than expected, reversing market sentiment with regard to Fed interest rate hikes. This was abruptly followed by a market that was on the wrong side of Brexit. In late June, Great Britain voted to exit the European Union, a move that was unexpected, as investors, particularly in the equity markets, were set up for the opposite outcome. Equity markets swung in wide ranges, down over 700 points on the Dow, as the results were being broadcast. Global interest rates fell to fresh lows as the German 10 year fell to -0.20%.

Since the Brexit outcome, markets have stabilized with US equities hitting record levels, recouping an almost 10% loss. With no Fed being priced into US Treasury yields until sometime in late 2017, bond yields fell. Since the end of June, US Treasuries have reversed some of the gains, up about 15 basis points, as equities recovered and payroll numbers bounced back in June with a hefty 287,000 increase. The July Federal Open Market Committee meeting may give us some idea of what the Fed is thinking now, as we have gone from the edge of the precipice to terra firma. Generally, when the equity markets calm down, the Fed raises the volume on rate hike rhetoric.

STO portfolios continue to be conservatively structured vs. benchmarks as cash needs, specifically within the General Fund, have been quite demanding. As always the investment philosophy employed is to maintain safety, liquidity and yield, in that order.

*Vikki Hanges*  
*Portfolio Manager*

**New Mexico State Treasurer**  
Monthly Fund Summary Report  
**(Unaudited)**  
As of June 30, 2016

General Fund	Holdings			Performance				Monthly Earnings			YTD Earnings		
	Cost Basis	Market Value	Unrealized Gain/Loss	12-Month Total Return	Benchmark	Index Return	Relative Performance	Earnings	Market Value	Total	Earnings	Market Value	Total
<b>General Fund</b>													
<i>Sub-Account</i>													
Cash Balances	\$ 42,002,853	\$ 42,002,853	\$ -										
Liquidity	517,604,719	517,604,719	-	0.22%	S&P LGIP Gross	0.27%	-0.05%	\$ 95,607	\$ -	\$ 95,607	\$ 754,909	\$ -	\$ 754,909
CORE	998,451,222	1,011,535,406	13,084,184	1.77%	ML Treasury 0-5	1.98%	-0.21%	1,192,728	2,730,345	3,923,073	16,486,791	6,031,642	22,518,433
TRAN	-	-	-	0.00%	All-In Tran TIC	0.00%	0.00%	-	-	-	-	-	-
<b>Totals</b>	<b>\$ 1,558,058,794</b>	<b>\$ 1,571,142,978</b>	<b>\$ 13,084,184</b>	<b>1.25%</b>	<b>Blended</b>	<b>1.40%</b>	<b>-0.16%</b>	<b>\$ 1,288,336</b>	<b>\$ 2,730,345</b>	<b>\$ 4,018,681</b>	<b>\$ 17,241,700</b>	<b>\$ 6,031,642</b>	<b>\$ 23,273,342</b>
<b>Bond Proceeds Investment Pool (BPIP)</b>													
<i>Sub-Account</i>													
Tax-Exempt	\$ 819,118,633	\$ 820,986,569	\$ 1,867,936	0.92%	ML Treasury 0-3	1.01%	-0.09%	\$ 430,908	\$ 698,585	\$ 1,129,493	\$ 4,768,045	\$ 1,058,450	\$ 5,826,495
Taxable	676,017,233	678,785,709	2,768,476	0.97%	ML Treasury 0-3	1.01%	-0.04%	409,964	568,928	978,892	5,206,467	931,771	6,138,238
<b>Totals</b>	<b>\$ 1,495,135,866</b>	<b>\$ 1,499,772,278</b>	<b>\$ 4,636,412</b>	<b>0.94%</b>	<b>Blended</b>	<b>1.01%</b>	<b>-0.07%</b>	<b>\$ 840,872</b>	<b>\$ 1,267,513</b>	<b>\$ 2,108,385</b>	<b>\$ 9,974,512</b>	<b>\$ 1,990,221</b>	<b>\$ 11,964,733</b>
<b>Local Government Investment Pool (LGIP)</b>													
<i>Sub-Account</i>													
LGIP (See Note 5)	\$ 749,731,266	\$ 749,836,505	\$ 105,239	0.32%	S&P LGIP Gross	0.27%	0.05%	\$ 236,229	\$ 10,530	\$ 246,759	\$ 2,057,264	\$ 99,950	\$ 2,157,214
<b>Severance Tax Bonding Fund</b>													
<i>Sub-Account</i>													
STBF	\$ 14,408,753	\$ 14,409,254	\$ 501	0.29%	S&P LGIP Gross	0.27%	0.02%	\$ 65,698	\$ (27,962)	\$ 37,736	\$ 374,150	\$ (2,017)	\$ 372,133
<i>Estimated Totals (all funds)</i>		\$ 3,835,161,015	\$ 17,826,336					\$ 2,431,135	\$ 3,980,426	\$ 6,411,561	\$ 29,647,624	\$ 8,119,796	\$ 37,767,420

**Notes:**

- (1) These figures are generated using a combination of accrued earnings, realized gains and losses and unrealized gains and losses. 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 month-end cash balances at Fiscal Agent Bank (Wells Fargo).
- (5) LGIP Conforms to GASB 31, as such accounting and earnings are reported to participants on an amortized basis.
- (6) Source: STO Records, Fiscal Agent Bank Statements, QED Financial Systems, JPMorgan Custody Reporting.



## 5. Investment Policy Compliance Report

KEY		
FUND	1000	GENERAL FUND LIQUIDITY
FUND	1001	GENERAL FUND CORE
FUND	1101	OVERNIGHT REPO
FUND	4000	BPIP TAX EXEMPT
FUND	4001	SEVERANCE TAX BONDING FUND
FUND	4002	BPIP TAXABLE
FUND	4101	LGIP

## Investment Compliance Review

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

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

**Table 1 - Primary/Secondary Market Volume - June 2016**

Primary Bond Volume	\$124,516,200	24%
Secondary Bond Volume	<u>\$401,160,000</u>	<u>76%</u>
Total	\$525,676,200	100%

*Source: QED*

The totals above exclude 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 June, total holdings of Variable Rate Notes were \$167,305,000.

**Table 2 - Variable Rate Note Holdings - June 2016**

General Fund	-
Taxable BPIP	-
Tax Exempt BPIP	-
LGIP	<u>\$167,305,000</u>
Total Holdings	\$167,305,000

*Source: QED*

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

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

### ***Transaction Variances and Inter-Portfolio Transactions***

---

During June, there were no transaction variances which posed any potential compliance issues. All trade information was entered correctly in our internal systems and in the systems used by our custody bank and were promptly reconciled by the Investment Transactions Bureau.

There were no price discrepancies reported and no balances left at the Custodial Bank.

There were 0 inter-portfolio trades during the month.

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

---

The STO Investment Policy requires security-by-security reporting of all investment mark-to-market gains and losses calculated versus book values during the period.

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.

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

Realized gains/losses are a result of a difference between amortized cost and the sale proceeds for each position at the time of sale. This amount is booked against investment earnings in the respective accounting period. There were 11 sales which resulted in realized gains/losses.

**Table 1 - Realized Gains and Losses on Securities Sold – June 2016**

<b>Trade Date</b>	<b>Account</b>	<b>Par Amount</b>	<b>Security</b>	<b>Realized G/L</b>
6/7/2016	GF CORE	40,000,000	FNMA 1.250 9/28/16	58,787.53
6/7/2016	GF CORE	40,000,000	FHLMC 2.000 8/25/16	40,248.99
6/13/2016	BPIP TE	15,000,000	T 1.500 6/30/16	1,115.70
6/14/2016	GF CORE	24,000,000	T 1.250 3/31/21	55,802.79
6/14/2016	GF CORE	3,000,000	T 1.000 8/31/16	4,028.26
6/14/2016	GF CORE	10,000,000	FHLMC .750 4/09/18	5,230.12
6/14/2016	GF CORE	10,000,000	FHLMC .750 4/09/18	5,230.12
6/15/2016	LGIP	5,000,000	FHLB .500 6/24/16	278.07
6/20/2016	BPIP TE	10,000,000	T .625 7/15/16	1,735.11
6/21/2016	BPIP TE	10,000,000	T 1.000 9/30/16	8,347.18
6/21/2016	LGIP	10,000,000	FHLB .440 6/30/16	249.63
<b>Total Realized gain (loss)</b>				<b>181,053.50</b>

### ***Trade Documentation***

#### ***Purchase/Sales Activity<sup>1</sup>***

There were a total of 48 security trades tracked during the month of June by the Trade Compliance Officer in the Investment Division.

**Table 2 – Securities Trades – June 2016**

	<b>Quantity</b>	<b>Par-Value</b>	<b>Cost/Proceeds</b>	<b>Realized Gain/Loss</b>
Purchases	37	348,676,200	347,944,021	0
Sales	11	177,000,000	177,377,699	181,054
<b>Totals:</b>	<b>48</b>	<b>525,676,200</b>	<b>525,321,719</b>	<b>181,054</b>

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

All trades have been accounted for and written documentation has been reviewed for complete compliance with internal procedures and policies.

During the month of June, there were no noted violations or breaches.

All investment activity is in compliance with applicable investment statutes and the STO Investment Policy.

<sup>1</sup> Excludes daily repurchase agreement transactions.

**STATE OF NEW MEXICO**  
**Summary of Fixed-Income Purchases and Sales**  
**TRADES During The Period 6/01/16 Through 6/30/16**

TXN-DATE	CUSIP#	ASSET-TYPE	INVST#	ISSUE-NAME	RATE	MATURITY	YIELD	BRKR/DLR/AGENT	FUND	PAR-VALUE	COST/PROCEEDS	GAIN/LOSS	NXT-CALL
<b>PURCHASE TRANSACTIONS</b>													
6/13/16	1623575	CERTIFICATES OF	25712	SOUTHWEST CAPITAL BANK	.780	12/13/16	.7800	SYSTEM - UNIDEN	1001	10,000,000.00	10,000,000.00		
6/16/16	17099254	CERTIFICATES OF	25733	CENTURY BANK SANTA FE	.600	12/16/16	.6000	SYSTEM - UNIDEN	1001	3,000,000.00	3,000,000.00		
6/22/16	912828Q4	US TREASURY NOT	25790	UNITED STATES TREASURY	.875	3/31/18	.7458	HSBC	4000	20,000,000.00	20,045,312.50		
6/15/16	3130A8JE	AGENCY US FLOAT	25741	FEDERAL HOME LOAN BANK	.422	11/16/16	.4220	INTL FCSTONE PA	4101	5,000,000.00	5,000,000.00		
6/20/16	3130A8JE	AGENCY US FLOAT	25741	FEDERAL HOME LOAN BANK	.422	11/16/16	.4266	INTL FCSTONE PA	4101	15,000,000.00	14,999,715.00		
6/20/16	3130A8JE	AGENCY US FLOAT	25741	FEDERAL HOME LOAN BANK	.422	11/16/16	.4266	INTL FCSTONE PA	4101	10,000,000.00	9,999,810.00		
6/29/16	3133EDJA	AGENCY US FLOAT	25835	FEDERAL FARM CREDIT BAN	.467	10/11/16	.3970	BARCLAYS	4101	10,000,000.00	10,002,000.00		
6/09/16	313380EC	AGENCY US BOND	25704	FEDERAL HOME LOAN BANKS	.750	9/08/17	.7597	BOSC, INC	4002	500,000.00	499,940.00		
6/13/16	3133EGDG	AGENCY US BOND	25717	FEDERAL FARM CREDIT BAN	.850	12/06/17	.7103	WELLS FARGO SEC	4000	5,000,000.00	5,010,250.00		
6/14/16	313379DT	AGENCY US BOND	25732	FEDERAL HOME LOAN BANKS	1.250	6/08/18	.8320	BOSC, INC	4000	1,000,000.00	1,008,193.50		
6/22/16	3130A7CX	AGENCY US BOND	25782	FEDERAL HOME LOAN BANKS	.875	3/19/18	.8224	BMO CAPTIAL MAR	4000	12,500,000.00	12,511,325.00		
6/22/16	3130A7CX	AGENCY US BOND	25789	FEDERAL HOME LOAN BANKS	.875	3/19/18	.8224	BMO CAPTIAL MAR	4002	12,500,000.00	12,511,325.00		
6/22/16	3133ED2C	AGENCY US BOND	25792	FEDERAL FARM CREDIT BAN	1.950	9/17/18	.9051	INTL FCSTONE PA	4000	2,000,000.00	2,046,100.00		
6/23/16	3130A8KR	AGENCY US BOND	25801	FEDERAL HOME LOAN BANKS	.820	7/06/18	.8842	ROBERT W BAIRD	4002	5,000,000.00	4,993,550.00		
6/09/16	313384S6	AGENCY US DISC	25703	FEDERAL HOME LOAN BANKS		12/09/16	.5013	WELLS FARGO SEC	4101	20,000,000.00	19,949,444.44		
6/21/16	313586RC	AGENCY US BOND	25780	FEDERAL NATIONAL MORTGA		10/09/19	1.3843	CASTLEOAK SECUR	4000	10,000,000.00	9,563,500.00		
6/22/16	313586RC	AGENCY US BOND	25780	FEDERAL NATIONAL MORTGA		10/09/19	1.3622	CASTLEOAK SECUR	4000	5,000,000.00	4,785,250.00		
6/22/16	313586RC	AGENCY US BOND	25791	FEDERAL NATIONAL MORTGA		10/09/19	1.3622	CASTLEOAK SECUR	4002	15,000,000.00	14,355,750.00		
6/01/16	62889KAC	AGENCY US NOTES	25651	NCUA GUARN NTS TR 2011-	2.350	6/12/17	.8197	BARCLAYS	4000	10,000,000.00	10,156,300.00		
6/01/16	62889KAC	AGENCY US NOTES	25652	NCUA GUARN NTS TR 2011-	2.350	6/12/17	.8197	BARCLAYS	4002	10,000,000.00	10,156,300.00		
6/10/16	3136G23N	AGENCY US NOTES	25713	FEDERAL NATIONAL MORTGA	1.200	11/22/17	.6481	BANK OF OKLAHOM	4002	350,000.00	350,368.19		8/22/16
6/13/16	3134G3S5	AGENCY US NOTES	25724	FEDERAL HOME LOAN MORTG	.625	11/01/16	.5219	ROBERT W BAIRD	4101	450,000.00	450,175.50		
6/13/16	3137EADX	AGENCY US NOTES	25716	FEDERAL HOME LOAN MORTG	1.000	12/15/17	.7112	KEYBANC CAPITAL	4000	10,000,000.00	10,043,100.00		
6/16/16	3134G9WB	AGENCY US NOTES	25754	FREDDIE MAC	1.000	12/28/18	1.0000	CASTLEOAK SECUR	4000	5,000,000.00	5,000,000.00		
6/16/16	3136G3TF	AGENCY US NOTES	25752	FEDERAL NATIONAL MORTGA	1.200	12/30/19	1.2000	CASTLEOAK SECUR	4002	5,000,000.00	5,000,000.00		6/30/17
6/20/16	3134G42X	AGENCY US NOTES	25771	FEDERAL HOME LOAN MORTG	1.050	10/30/18	.8781	BOSC, INC	4000	2,500,000.00	2,510,009.00		
6/30/16	3136FPTQ	AGENCY US NOTES	25842	FEDERAL NATIONAL MORTGA	2.200	10/27/17	.6503	BOSC, INC	4000	1,000,000.00	1,020,369.59		
6/28/16	3133EFFV	AGENCY US VARIA	25825	FEDERAL FARM CREDIT BAN	.650	5/30/17	.5547	MIZUHO SECURITI	4101	25,000,000.00	25,021,000.00		
6/06/16	647310X8	MUNI US 30/360	25676	NEW MEXICO ST SEVERANCE	2.000	7/01/18	1.1005	HILLTOP SECURIT	4002	1,950,000.00	1,984,983.00		
6/07/16	077563DS	MUNI US 30/360	25687	CITY OF BELEN N MEX GO	2.000	8/01/17	.8203	HILLTOP SECURIT	4002	275,000.00	278,322.00		
6/07/16	077563DT	MUNI US 30/360	25686	CITY OF BELEN N MEX GO	2.000	8/01/18	.9503	HILLTOP SECURIT	4002	285,000.00	291,002.10		
6/07/16	29270CC8	MUNI US 30/360	25678	ENERGY NORTHWEST WASH E	5.000	7/01/23	.4628	WELLS FARGO SEC	4001	2,370,000.00	2,376,256.80		7/01/16
6/07/16	88213PAX	MUNI US 30/360	25679	TEXAS A & M UNIV SYS BR	5.000	7/01/36	.4628	WELLS FARGO SEC	4001	1,500,000.00	1,503,960.00		7/01/16
6/16/16	013538HB	MUNI US 30/360	25751	ALBUQUERQUE N MEX ARPT	5.110	7/01/18	1.5351	BB&T CAPITAL MA	4002	290,000.00	310,619.00		
6/16/16	517534TL	MUNI US 30/360	25753	LAS CRUCES N MEX SCH DI	2.000	8/01/17	.7000	BOSC, INC	4000	250,000.00	253,590.00		
6/17/16	ABQ2016A	MUNICIPAL BOND	25762	ABQ SERIES 2016 C	.498	7/01/16	.4968	BROKER DIRECT	1000	6,870,000.00	6,870,000.00		
6/27/16	STN2016B	MUNICIPAL BOND	25772	STN SERIES 2016B	.496	6/30/16	.4948	BROKER DIRECT	1000	104,086,200.00	104,086,200.00		
<b>37 PURCHASES DURING PERIOD TOTAL.....</b>										<b>348,676,200.00</b>	<b>347,944,020.62</b>		

**STATE OF NEW MEXICO**  
**Summary of Fixed-Income Purchases and Sales**  
**TRADES During The Period 6/01/16 Through 6/30/16**

TXN-DATE	CUSIP#	ASSET-TYPE	INVST#	ISSUE-NAME	RATE	MATURITY	YIELD	BRKR/DLR/AGENT	FUND	PAR-VALUE	COST/PROCEEDS	GAIN/LOSS	NXT-CALL
<b><u>SALE TRANSACTIONS</u></b>													
6/13/16	912828QR	US TREASURY NOT	21672	UNITED STATES TREASURY	1.500	6/30/16	.3422	HSBC	4000	15,000,000.00	15,007,617.19	1,115.70	
6/14/16	912828Q3	US TREASURY NOT	25285	UNITED STATES TREASURY	1.250	3/31/21	1.1390	HSBC	1001	24,000,000.00	24,123,750.00	55,802.79	
6/14/16	912828RF	US TREASURY NOT	15510	UNITED STATES TREASURY	1.000	8/31/16		JEFFRIES & CO	1001	3,000,000.00	3,004,453.13	4,028.26	
6/20/16	912828VL	US TREASURY NOT	21674	UNITED STATES TREASURY	.625	7/15/16		BARCLAYS	4000	10,000,000.00	10,002,343.75	1,735.11	
6/21/16	912828RJ	US TREASURY NOT	21311	UNITED STATES TREASURY	1.000	9/30/16	.3267	TD SECURITIES	4000	10,000,000.00	10,018,359.38	8,347.18	
6/15/16	3130A1BK	AGENCY US BOND	24778	FEDERAL HOME LOAN BANKS	.500	6/24/16	.2700	DEUTSCHE BANK S	4101	5,000,000.00	5,000,255.20	278.07	
6/21/16	3130A76J	FED HOME LOAN B	25260	FEDERAL HOME LOAN BANKS	.440	6/30/16		TD SECURITIES	4101	10,000,000.00	10,000,360.00	249.63	
6/07/16	3135G0CM	AGENCY US NOTES	15673	FEDERAL NATIONAL MORTGA	1.250	9/28/16		DAIWA CAPITAL M	1001	40,000,000.00	40,099,000.00	58,787.53	
6/07/16	3137EACW	AGENCY US NOTES	15529	FEDERAL HOME LOAN MORTG	2.000	8/25/16		TD SECURITIES	1001	40,000,000.00	40,139,600.00	40,248.99	
6/14/16	3137EAEA	AGENCY US NOTES	25294	FREDDIE MAC	.750	4/09/18		WELLS FARGO SEC	1001	10,000,000.00	9,990,980.00	5,230.12	
6/14/16	3137EAEA	AGENCY US NOTES	25295	FREDDIE MAC	.750	4/09/18	.8001	WELLS FARGO SEC	1001	10,000,000.00	9,990,980.00	5,230.12	
<b>11 SALES DURING PERIOD TOTAL.....</b>										<b>177,000,000.00</b>	<b>177,377,698.65</b>	<b>181,053.50</b>	
<b>=== GRAND-TOTAL ==&gt;</b>										<b>525,676,200.00</b>	<b>525,321,719.27</b>	<b>181,053.50</b>	

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

# NM State Treasurer's Office

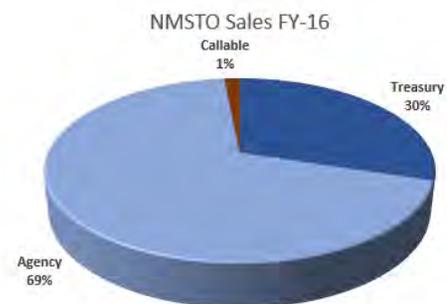
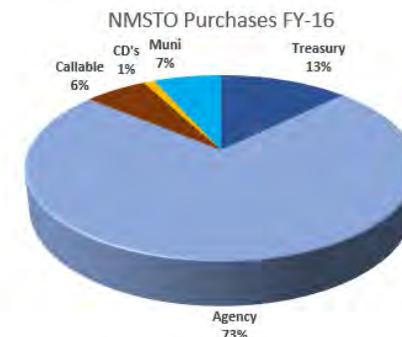
## TRADE ACTIVITY FOR JUNE 2016

<b>NM STO Trade Activity FY 2016</b>			<b>Jun-16</b>	
<b>Purchase</b>	<b>Volume</b>	<b>Trades</b>	<b>Volume</b>	<b>Trades</b>
Treasury	359,936,000	23	20,000,000	1
Agency	2,072,455,000	242	192,450,000	23
Callable	174,030,000	28	5,350,000	2
CD's	31,000,000	7	13,000,000	2
Muni	189,778,896	63	117,876,200	9
<b>Total Purchase</b>	<b>2,827,199,896</b>	<b>363</b>	<b>348,676,200</b>	<b>37</b>

<b>Sale</b>	<b>Volume</b>	<b>Trades</b>	<b>Volume</b>	<b>Trades</b>
Treasury	387,400,000	26	62,000,000	5
Agency	892,860,000	61	115,000,000	6
Callable	19,780,000	3	-	-
Muni	-	-	-	-
<b>Total Sale</b>	<b>1,300,040,000</b>	<b>90</b>	<b>177,000,000</b>	<b>11</b>
<b>Total Volume</b>	<b>4,127,239,896</b>	<b>453</b>	<b>525,676,200</b>	<b>48</b>

<b>LGIP Repo</b>			<b>LGIP Repo</b>	
Overnight	3,300,000,000	81	1,175,000,000	24
Term	1,775,000,000	39	445,000,000	9
	5,075,000,000	120	1,620,000,000	33



# NM State Treasurer's Office

## TRADE ACTIVITY FOR JUNE 2016

<b>GF Liquidity Trade Activity FY 2016</b>			<b>Jun-16</b>	
<b>Purchase</b>	<b>Volume</b>	<b>Trades</b>	<b>Volume</b>	<b>Trades</b>
Treasury	-	0		
Agency	-	0		
Callable	-	0		
CD's	-	0		
Muni	142,773,896	4	110,956,200	2
<b>Total Purchase</b>	<b>142,773,896</b>	<b>4</b>	<b>110,956,200</b>	<b>2</b>
<b>Sale</b>	<b>Volume</b>	<b>Trades</b>	<b>Volume</b>	<b>Trades</b>
Treasury	-	-		
Agency	-	-		
Callable	-	-		
Muni	-	-		
<b>Total Sale</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>0</b>
<b>Total Volume</b>	<b>142,773,896</b>	<b>4</b>	<b>110,956,200</b>	<b>2</b>

<b>GF Core Trade Activity FY 2016</b>			<b>Jun-16</b>	
<b>Purchase</b>	<b>Volume</b>	<b>Trades</b>	<b>Volume</b>	<b>Trades</b>
Treasury	215,500,000	14		
Agency	140,391,000	13		
Callable	-	0		
CD's	27,000,000	5	13,000,000	2
Muni	5,730,000	6		
<b>Total Purchase</b>	<b>388,621,000</b>	<b>38</b>	<b>13,000,000</b>	<b>2</b>
<b>Sale</b>	<b>Volume</b>	<b>Trades</b>	<b>Volume</b>	<b>Trades</b>
Treasury	262,400,000	16	27,000,000	2
Agency	567,127,000	32	100,000,000	4
Callable	-	-		
Muni	-	-		
<b>Total Sale</b>	<b>829,527,000</b>	<b>48</b>	<b>127,000,000</b>	<b>6</b>
<b>Total Volume</b>	<b>1,218,148,000</b>	<b>86</b>	<b>140,000,000</b>	<b>8</b>

<b>BPIP TE Trade Activity FY 2016</b>			<b>Jun-16</b>	
<b>Purchase</b>	<b>Volume</b>	<b>Trades</b>	<b>Volume</b>	<b>Trades</b>
Treasury	55,000,000	3	20,000,000	1
Agency	296,766,000	38	64,000,000	11
Callable	107,180,000	17		
CD's	-	0		
Muni	23,430,000	25	250,000	1
<b>Total Purchase</b>	<b>482,376,000</b>	<b>83</b>	<b>84,250,000</b>	<b>13</b>
<b>Sale</b>	<b>Volume</b>	<b>Trades</b>	<b>Volume</b>	<b>Trades</b>
Treasury	70,000,000	6	35,000,000	3
Agency	77,042,000	8		
Callable	4,780,000	1		
Muni	-	-		
<b>Total Sale</b>	<b>151,822,000</b>	<b>15</b>	<b>35,000,000</b>	<b>3</b>
<b>Total Volume</b>	<b>634,198,000</b>	<b>98</b>	<b>119,250,000</b>	<b>16</b>

<b>BPIP TX Trade Activity FY 2016</b>			<b>Jun-16</b>	
<b>Purchase</b>	<b>Volume</b>	<b>Trades</b>	<b>Volume</b>	<b>Trades</b>
Treasury	42,500,000	3		
Agency	154,182,000	18	43,000,000	5
Callable	58,850,000	9	5,350,000	2
CD's	4,000,000	2		
Muni	10,365,000	17	2,800,000	4
<b>Total Purchase</b>	<b>269,897,000</b>	<b>49</b>	<b>51,150,000</b>	<b>11</b>
<b>Sale</b>	<b>Volume</b>	<b>Trades</b>	<b>Volume</b>	<b>Trades</b>
Treasury	55,000,000	4		
Agency	70,391,000	6		
Callable	15,000,000	2		
Muni	-	-		
<b>Total Sale</b>	<b>140,391,000</b>	<b>12</b>	<b>-</b>	<b>0</b>
<b>Total Volume</b>	<b>410,288,000</b>	<b>61</b>	<b>51,150,000</b>	<b>11</b>

# NM State Treasurer's Office

## TRADE ACTIVITY FOR JUNE 2016

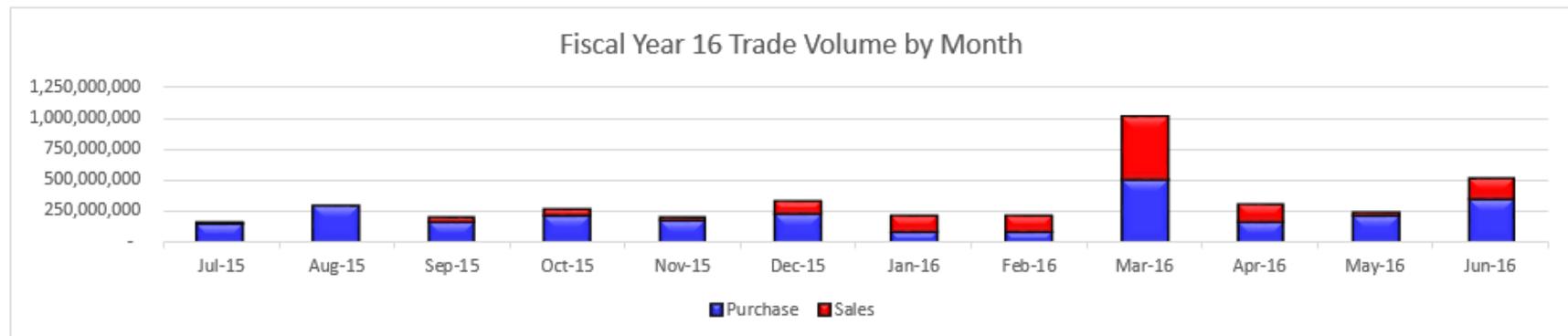
<b>STB Trade Activity FY 2016</b>			<b>Jun-16</b>	
<b>Purchase</b>	<b>Volume</b>	<b>Trades</b>	<b>Volume</b>	<b>Trades</b>
Treasury	25,000,000	1		
Agency	210,879,000	19		
Callable	-	0		
CD's	-	0		
Muni	7,480,000	11	3,870,000	2
<b>Total Purchase</b>	<b>243,359,000</b>	<b>31</b>	<b>3,870,000</b>	<b>2</b>
<b>Sale</b>	<b>Volume</b>	<b>Trades</b>	<b>Volume</b>	<b>Trades</b>
Treasury	-	-		
Agency	-	-		
Callable	-	-		
Muni	-	-		
<b>Total Sale</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>0</b>
<b>Total Volume</b>	<b>243,359,000</b>	<b>31</b>	<b>3,870,000</b>	<b>2</b>

<b>LGIP Trade Activity FY 2016</b>			<b>Jun-16</b>	
<b>Purchase</b>	<b>Volume</b>	<b>Trades</b>	<b>Volume</b>	<b>Trades</b>
Treasury	21,936,000	2		
Agency	1,270,237,000	154	85,450,000	7
Callable	8,000,000	2		
CD's	-	0		
Muni	-	0		
<b>Total Purchase</b>	<b>1,300,173,000</b>	<b>158</b>	<b>85,450,000</b>	<b>7</b>
<b>Sale</b>	<b>Volume</b>	<b>Trades</b>	<b>Volume</b>	<b>Trades</b>
Treasury	-	-		
Agency	178,300,000	15	15,000,000	2
Callable	-	-		
Muni	-	-		
<b>Total Sale</b>	<b>178,300,000</b>	<b>15</b>	<b>15,000,000</b>	<b>2</b>
<b>Total Volume</b>	<b>1,478,473,000</b>	<b>173</b>	<b>100,450,000</b>	<b>9</b>

<b>LGIP</b>				
Overnight	3,300,000,000	81	1,175,000,000	24
Term	1,775,000,000	39	445,000,000	9
	5,075,000,000	120	1,620,000,000	33

### Trade Volume by Month

	Jun-16	May-16	Apr-16	Mar-16	Feb-16	Jan-16	Dec-15	Nov-15	Oct-15	Sep-15	Aug-15	Jul-15
Purchase	348,676,200	219,150,000	164,330,000	509,887,000	93,695,000	93,695,000	235,622,696	188,675,000	222,966,000	171,721,000	307,987,000	156,773,000
Sales	177,000,000	35,000,000	148,000,000	505,458,000	131,452,000	131,452,000	110,630,000	20,500,000	55,000,000	41,000,000	-	7,500,000
<b>Total Volume</b>	<b>525,676,200</b>	<b>254,150,000</b>	<b>312,330,000</b>	<b>1,015,345,000</b>	<b>225,147,000</b>	<b>225,147,000</b>	<b>346,252,696</b>	<b>209,175,000</b>	<b>277,966,000</b>	<b>212,721,000</b>	<b>307,987,000</b>	<b>164,273,000</b>



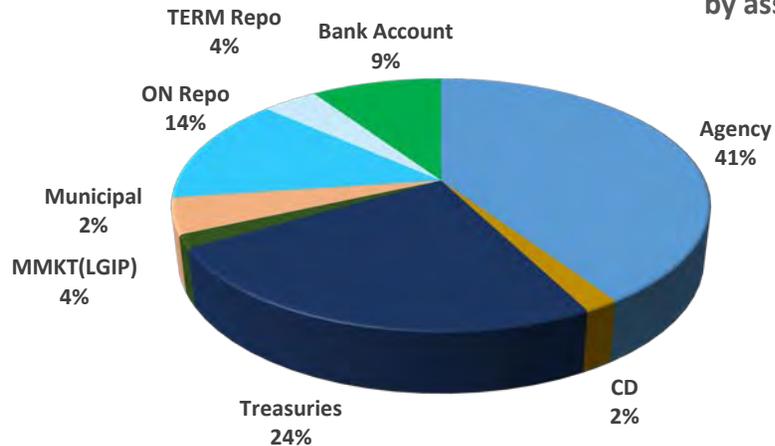
## NM State Treasurer Office Security Holding by Portfolio

June 30, 2016

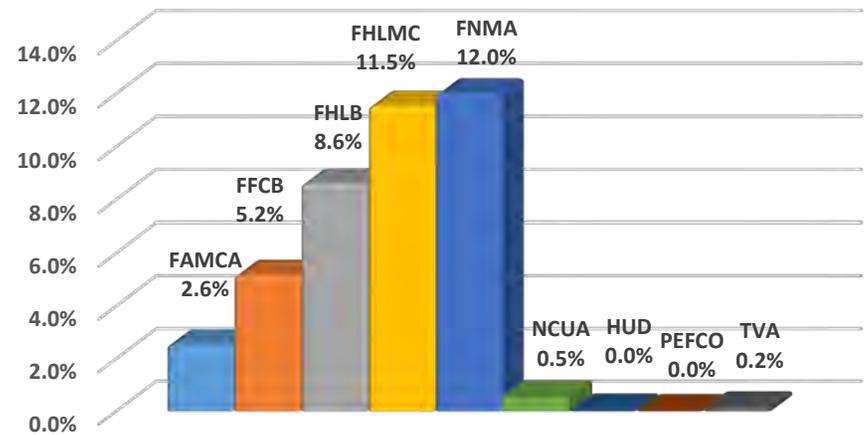
*Values are based on position holdings*

	<u>GF LIQ</u>	<u>GF CORE</u>	<u>BPIP TE</u>	<u>BPIP TX</u>	<u>STB</u>	<u>LGIP</u>	<u>STO Holdings</u>	
<b>Portfolio Balance</b>	<b>517,604,719</b>	<b>996,604,002</b>	<b>816,866,780</b>	<b>674,390,910</b>	<b>14,392,091</b>	<b>749,504,472</b>	<b>3,769,362,974</b>	
<b>Agency</b>	<b>-</b>	<b>442,941,000</b>	<b>381,829,000</b>	<b>254,350,000</b>	<b>7,800,000</b>	<b>444,820,000</b>	<b>1,531,740,000</b>	<b>40.6%</b>
FAMCA	-	83,500,000	5,000,000	-	7,800,000	-	96,300,000	2.6%
FFCB	-	8,000,000	34,000,000	500,000	-	152,795,000	195,295,000	5.2%
FHLB	-	34,500,000	54,565,000	58,000,000	-	177,675,000	324,740,000	8.6%
FHLMC	-	135,000,000	154,470,000	73,500,000	-	72,090,000	435,060,000	11.5%
FNMA	-	181,941,000	116,389,000	112,350,000	-	42,260,000	452,940,000	12.0%
NCUA	-	-	10,000,000	10,000,000	-	-	20,000,000	0.5%
HUD	-	-	1,400,000	-	-	-	1,400,000	0.0%
PEFCO	-	-	-	-	-	-	-	0.0%
TVA	-	-	6,005,000	-	-	-	6,005,000	0.2%
CD	-	52,750,000	3,000,000	10,200,000	-	-	65,950,000	1.7%
Treasuries	-	464,750,000	184,000,000	248,500,000	-	15,000,000	912,250,000	24.2%
Municipal	6,870,000	10,250,000	29,785,000	10,495,000	5,980,000	-	63,380,000	1.7%
MMKT(LGIP)	-	-	61,066,689	110,343,936	144,028	-	171,554,653	4.6%
ON Repo	209,918,463	25,913,002	157,186,091	40,501,974	401,269	85,000,000	518,920,800	13.8%
TERM Repo	-	-	-	-	-	150,000,000	150,000,000	4.0%
Bank Account	300,816,256	-	-	-	66,793	54,684,472	355,567,521	9.4%

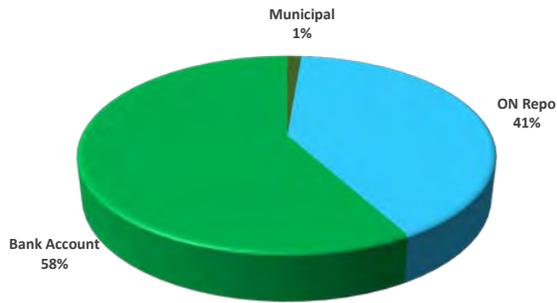
**STO Holdings by asset type**



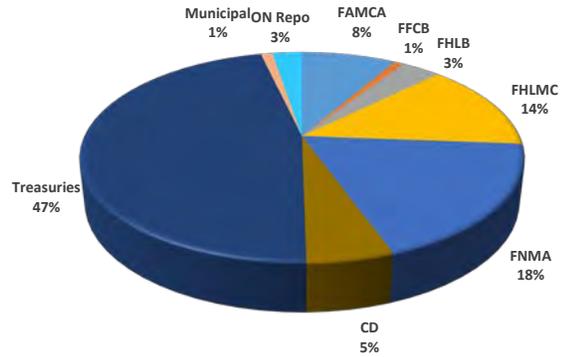
**STO US Agency Holdings**



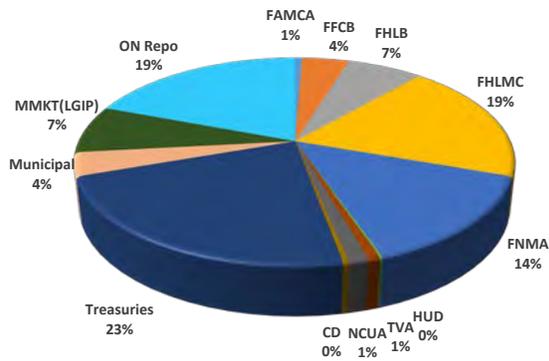
GF Liquidity Holdings  
June 30, 2016



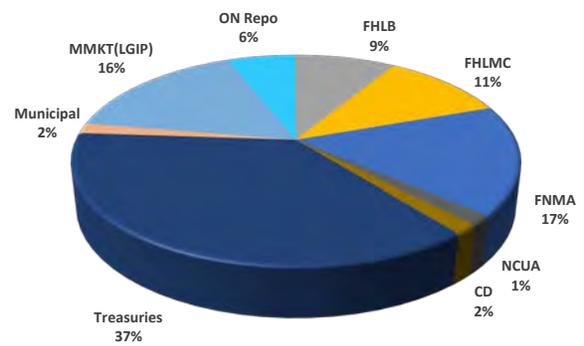
GF CORE Holdings  
June 30, 2016



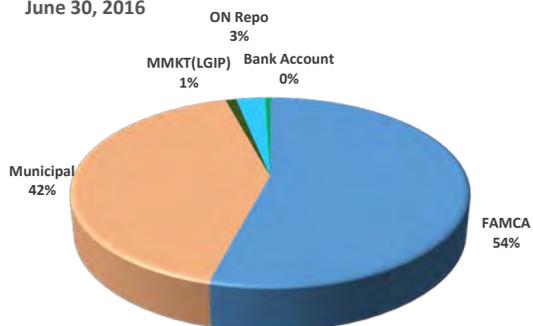
BPIP Tax-Exempt Holdings  
June 30, 2016



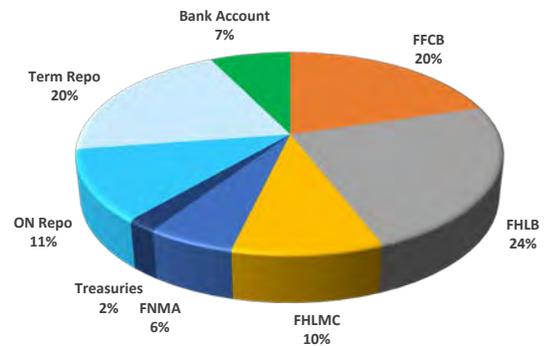
BPIP Taxable Holdings  
June 30, 2016



STB Holdings  
June 30, 2016



LGIP Holdings  
June 30, 2016





## 6. Investment Accounting Report

KEY		
FUND	1000	GENERAL FUND LIQUIDITY
FUND	1001	GENERAL FUND CORE
FUND	1101	OVERNIGHT REPO
FUND	4000	BPIP TAX EXEMPT
FUND	4001	SEVERANCE TAX BONDING FUND
FUND	4002	BPIP TAXABLE
FUND	4101	LGIP



STATE OF NEW MEXICO  
OFFICE OF THE TREASURER

THE HONORABLE TIM EICHENBERG  
State Treasurer

SAMUEL K. COLLINS, JR  
Deputy State Treasurer

**Memorandum**

Date: July 18, 2016  
To: Charmaine Cook, Chief Investment Officer & Investment Division Director  
From: Steve Vigil, Investment Accounting Bureau Chief *SV*  
CC: STO Investments Division, Leo Marquez II, STO Chief Financial Officer  
Subject: June 2016 Investment Reconciliation

**June 2016 Investments Reconciliation**

The June 2016 investment reconciliation included the following to verify the completeness and accuracy of the JP Morgan reporting:

1. Net asset values of all investment accounts.
2. Change in transaction activity between May 31<sup>st</sup> and June 30<sup>th</sup>.
3. Cash transaction activity proofs.
4. Earned income proofs.
5. Proof of change in cost.
6. Duplicate cash activity.
7. JP Morgan to QED inventory reconciliation.
8. JP Morgan to QED income reconciliation.

Market value materiality threshold is 5 basis points of the total market value of a JP Morgan account. The JPM-QED investment inventory reconciliation has one material difference in the Investing Agencies portfolio. On June 30<sup>th</sup>, Mitsubishi did not deliver the correct par amount to properly settle the REPO purchase. AVM followed up with Mitsubishi to settle the June 30<sup>th</sup> trade on July 1st. As of June 30<sup>th</sup>, JP Morgan recorded a due to broker entry to reflect the unsettled trade. Please refer to the JPM-QED investment inventory reconciliation.

Earned interest materiality threshold is ½ basis point of the total market value of a JP Morgan account. The JPM-QED income reconciliation has one material difference. The difference stems from QED reporting. QED income reporting is not designed to include interest from inter-fund investments because inter-fund investments do not include a day count convention, coupon rate, or a maturity date. Please refer to the JPM-QED income reconciliation.

JP Morgan to QED Inventory Reconciliations  
For Accounting Period Ended June 30, 2016  
Market Value Reconciliation

W/P Ref  
503

JPM Account	Market Value	QED Fund #	Name	Market Value	Difference	BPS Dollar Threshold *
P 09336	517,604,732.33	1000	GF Liquidity	517,604,719.33	13.00	258,802.37
P 09337	1,011,541,264.92	1001	GF Core	1,011,535,405.19	5,859.73	505,770.63
P 09334	176,781,200.32	1101	ONREPO	139,104,273.88	37,676,926.44	88,390.60
P 89523	14,410,637.31	4001	STB	14,409,254.77	1,382.54	7,205.32
P 09335	820,992,785.31	4000	BPIP#1	820,986,567.05	6,218.26	410,496.39
P 09339	678,774,302.88	4002	BPIP#2	678,785,705.91	(11,403.03)	339,387.15
P 09333	749,835,068.90	4101	LGIP	749,836,504.53	(1,435.63)	374,917.53
<b>Total</b>	<b>3,969,939,991.97</b>			<b>3,932,262,430.66</b>	<b>37,677,561.31</b>	<b>1,984,970.00</b>

Cost Reconciliation

JPM Account	Cost	QED Fund #	Name	Cost	Difference	BPS Dollar Threshold *
P 09336	517,604,732.33	1000	GF Liquidity	517,604,719.33	13.00	258,802.37
P 09337	1,003,453,858.01	1001	GF Core	1,003,453,679.93	178.08	501,726.93
P 09334	176,781,200.32	1101	ONREPO	139,104,273.88	37,676,926.44	88,390.60
P 89523	14,463,994.10	4001	STB	14,463,994.12	(0.02)	7,232.00
P 09335	821,918,866.48	4000	BPIP#1	821,918,866.47	0.01	410,959.43
P 09339	678,825,025.91	4002	BPIP#2	678,825,025.94	(0.03)	339,412.51
P 09333	750,182,992.72	4101	LGIP	750,182,992.72	-	375,091.50
<b>Total</b>	<b>3,963,230,669.87</b>			<b>3,925,553,552.39</b>	<b>37,677,117.48</b>	<b>1,981,615.33</b>

Position Reconciliation

JPM Account	Position Size	QED Fund #	Name	Position Size	Difference	BPS Dollar Threshold *
P 09336	517,604,732.33	1000	GF Liquidity	517,604,719.33	13.00	88,390.60
P 09337	996,604,002.13	1001	GF Core	996,604,002.13	-	258,802.37
P 09334	176,781,200.32	1101	ONREPO	139,104,273.88	37,676,926.44	498,302.00
P 89523	14,392,090.87	4001	STB	14,392,090.87	-	7,196.05
P 09335	817,866,760.13	4000	BPIP#1	817,866,760.13	-	408,933.38
P 09339	674,950,909.56	4002	BPIP#2	674,950,909.56	-	337,475.45
P 09333	749,504,471.58	4101	LGIP	749,504,471.58	-	374,752.24
<b>Total</b>	<b>3,947,704,166.92</b>			<b>3,910,027,227.48</b>	<b>37,676,939.44</b>	<b>1,973,852.08</b>

\*Basis Point (BPS)Dollar Threshold

JPM Market Value x 5 BPS

JPM Cost x 5 BPS

JPM Position Size x 5 BPS

0.0005

**JP Morgan to QED Income Reconciliation**  
**For Accounting Period Ended June 30, 2016**

**W/P Ref**  
 504

JPM Account	Earned Interest	QED Fund #	Name	Earned Interest	Difference	BPS Dollar Thresold *
P 09336	103,222.32	1000	GF Liquidity	95,607.29	7,615.03	25,880.24
P 09337	1,232,767.98	1001	GF Core	1,233,861.79	(1,093.81)	50,577.06
P 09334	27,558.46	1101	ONREPO	27,558.44	0.02	8,839.06
P 89523	97,989.55	4001	STB	84,398.54	13,591.01	720.53
P 09335	627,362.75	4000	BPIP#1	622,944.85	4,417.90	41,049.64
P 09339	584,200.07	4002	BPIP#2	598,239.37	(14,039.30)	33,938.72
P 09333	327,817.50	4101	LGIP	326,928.23	889.27	37,491.75
<b>Total</b>	<b>3,000,918.63</b>			<b>2,989,538.51</b>	<b>11,380.12</b>	<b>198,497.00</b>

**JP Morgan to QED Amortization/Accretion Reconciliation**

JPM Account	Amortization/Accretion	QED Fund #	Name	Amortization/Accretion	Difference
P 09336	-	1000	GF Liquidity	-	-
P 09337	(170,372.08)	1001	GF Core	(210,461.15)	40,089.07
P 09334	-	1101	ONREPO	-	-
P 89523	(18,252.24)	4001	STB	(18,700.56)	448.32
P 09335	(184,573.90)	4000	BPIP#1	(203,235.30)	18,661.40
P 09339	(179,963.89)	4002	BPIP#2	(188,275.11)	8,311.22
P 09333	(90,070.26)	4101	LGIP	(91,226.49)	1,156.23
<b>Total</b>	<b>(643,232.37)</b>			<b>(711,898.61)</b>	<b>68,666.24</b>

\* BPS Dollar Threshold

JPM Market Value x .5 Basis Points (BPS)  
 0.005%

**Note:** QED uses multiple methods (referenced below) to compute amortization/accretion where the configuration is matched with an asset type. JP Morgan uses, but is not limited to, the pro rata, straight line, and level yield methods for amortization/accretion. Therefore, the 68,666.24 difference stems from the accounting method JP Morgan uses to compute amortization/accretion vs. QED.

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

**STATE OF NEW MEXICO**  
**Summary of Fixed-Income Purchases and Sales**  
**TRADES During The Period 6/01/16 Through 6/30/16**

TXN-DATE	CUSIP#	ASSET-TYPE	INVST#	ISSUE-NAME	RATE	MATURITY	YIELD	BRKR/DLR/AGENT	FUND	PAR-VALUE	COST/PROCEEDS	GAIN/LOSS	NXT-CALL
<b>PURCHASE TRANSACTIONS</b>													
6/13/16	1623575	CERTIFICATES OF	25712	SOUTHWEST CAPITAL BANK	.780	12/13/16	.7800	SYSTEM - UNIDEN	1001	10,000,000.00	10,000,000.00		
6/16/16	17099254	CERTIFICATES OF	25733	CENTURY BANK SANTA FE	.600	12/16/16	.6000	SYSTEM - UNIDEN	1001	3,000,000.00	3,000,000.00		
6/22/16	912828Q4	US TREASURY NOT	25790	UNITED STATES TREASURY	.875	3/31/18	.7458	HSBC	4000	20,000,000.00	20,045,312.50		
6/15/16	3130A8JE	AGENCY US FLOAT	25741	FEDERAL HOME LOAN BANK	.422	11/16/16	.4220	INTL FCSTONE PA	4101	5,000,000.00	5,000,000.00		
6/20/16	3130A8JE	AGENCY US FLOAT	25741	FEDERAL HOME LOAN BANK	.422	11/16/16	.4266	INTL FCSTONE PA	4101	15,000,000.00	14,999,715.00		
6/20/16	3130A8JE	AGENCY US FLOAT	25741	FEDERAL HOME LOAN BANK	.422	11/16/16	.4266	INTL FCSTONE PA	4101	10,000,000.00	9,999,810.00		
6/29/16	3133EDJA	AGENCY US FLOAT	25835	FEDERAL FARM CREDIT BAN	.467	10/11/16	.3970	BARCLAYS	4101	10,000,000.00	10,002,000.00		
6/09/16	313380EC	AGENCY US BOND	25704	FEDERAL HOME LOAN BANKS	.750	9/08/17	.7597	BOSC, INC	4002	500,000.00	499,940.00		
6/13/16	3133EGDG	AGENCY US BOND	25717	FEDERAL FARM CREDIT BAN	.850	12/06/17	.7103	WELLS FARGO SEC	4000	5,000,000.00	5,010,250.00		
6/14/16	313379DT	AGENCY US BOND	25732	FEDERAL HOME LOAN BANKS	1.250	6/08/18	.8320	BOSC, INC	4000	1,000,000.00	1,008,193.50		
6/22/16	3130A7CX	AGENCY US BOND	25782	FEDERAL HOME LOAN BANKS	.875	3/19/18	.8224	BMO CAPTIAL MAR	4000	12,500,000.00	12,511,325.00		
6/22/16	3130A7CX	AGENCY US BOND	25789	FEDERAL HOME LOAN BANKS	.875	3/19/18	.8224	BMO CAPTIAL MAR	4002	12,500,000.00	12,511,325.00		
6/22/16	3133ED2C	AGENCY US BOND	25792	FEDERAL FARM CREDIT BAN	1.950	9/17/18	.9051	INTL FCSTONE PA	4000	2,000,000.00	2,046,100.00		
6/23/16	3130A8KR	AGENCY US BOND	25801	FEDERAL HOME LOAN BANKS	.820	7/06/18	.8842	ROBERT W BAIRD	4002	5,000,000.00	4,993,550.00		
6/09/16	313384S6	AGENCY US DISC	25703	FEDERAL HOME LOAN BANKS		12/09/16	.5013	WELLS FARGO SEC	4101	20,000,000.00	19,949,444.44		
6/21/16	313586RC	AGENCY US BOND	25780	FEDERAL NATIONAL MORTGA		10/09/19	1.3843	CASTLEOAK SECUR	4000	10,000,000.00	9,563,500.00		
6/22/16	313586RC	AGENCY US BOND	25780	FEDERAL NATIONAL MORTGA		10/09/19	1.3622	CASTLEOAK SECUR	4000	5,000,000.00	4,785,250.00		
6/22/16	313586RC	AGENCY US BOND	25791	FEDERAL NATIONAL MORTGA		10/09/19	1.3622	CASTLEOAK SECUR	4002	15,000,000.00	14,355,750.00		
6/01/16	62889KAC	AGENCY US NOTES	25651	NCUA GUARN NTS TR 2011-	2.350	6/12/17	.8197	BARCLAYS	4000	10,000,000.00	10,156,300.00		
6/01/16	62889KAC	AGENCY US NOTES	25652	NCUA GUARN NTS TR 2011-	2.350	6/12/17	.8197	BARCLAYS	4002	10,000,000.00	10,156,300.00		
6/10/16	3136G23N	AGENCY US NOTES	25713	FEDERAL NATIONAL MORTGA	1.200	11/22/17	.6481	BANK OF OKLAHOM	4002	350,000.00	350,368.19		8/22/16
6/13/16	3134G3S5	AGENCY US NOTES	25724	FEDERAL HOME LOAN MORTG	.625	11/01/16	.5219	ROBERT W BAIRD	4101	450,000.00	450,175.50		
6/13/16	3137EADX	AGENCY US NOTES	25716	FEDERAL HOME LOAN MORTG	1.000	12/15/17	.7112	KEYBANC CAPITAL	4000	10,000,000.00	10,043,100.00		
6/16/16	3134G9WB	AGENCY US NOTES	25754	FREDDIE MAC	1.000	12/28/18	1.0000	CASTLEOAK SECUR	4000	5,000,000.00	5,000,000.00		
6/16/16	3136G3TF	AGENCY US NOTES	25752	FEDERAL NATIONAL MORTGA	1.200	12/30/19	1.2000	CASTLEOAK SECUR	4002	5,000,000.00	5,000,000.00		6/30/17
6/20/16	3134G42X	AGENCY US NOTES	25771	FEDERAL HOME LOAN MORTG	1.050	10/30/18	.8781	BOSC, INC	4000	2,500,000.00	2,510,009.00		
6/30/16	3136FPTQ	AGENCY US NOTES	25842	FEDERAL NATIONAL MORTGA	2.200	10/27/17	.6503	BOSC, INC	4000	1,000,000.00	1,020,369.59		
6/28/16	3133EFFV	AGENCY US VARIA	25825	FEDERAL FARM CREDIT BAN	.650	5/30/17	.5547	MIZUHO SECURITI	4101	25,000,000.00	25,021,000.00		
6/06/16	647310X8	MUNI US 30/360	25676	NEW MEXICO ST SEVERANCE	2.000	7/01/18	1.1005	HILLTOP SECURIT	4002	1,950,000.00	1,984,983.00		
6/07/16	077563DS	MUNI US 30/360	25687	CITY OF BELEN N MEX GO	2.000	8/01/17	.8203	HILLTOP SECURIT	4002	275,000.00	278,322.00		
6/07/16	077563DT	MUNI US 30/360	25686	CITY OF BELEN N MEX GO	2.000	8/01/18	.9503	HILLTOP SECURIT	4002	285,000.00	291,002.10		
6/07/16	29270CC8	MUNI US 30/360	25678	ENERGY NORTHWEST WASH E	5.000	7/01/23	.4628	WELLS FARGO SEC	4001	2,370,000.00	2,376,256.80		7/01/16
6/07/16	88213PAX	MUNI US 30/360	25679	TEXAS A & M UNIV SYS BR	5.000	7/01/36	.4628	WELLS FARGO SEC	4001	1,500,000.00	1,503,960.00		7/01/16
6/16/16	013538HB	MUNI US 30/360	25751	ALBUQUERQUE N MEX ARPT	5.110	7/01/18	1.5351	BB&T CAPITAL MA	4002	290,000.00	310,619.00		
6/16/16	517534TL	MUNI US 30/360	25753	LAS CRUCES N MEX SCH DI	2.000	8/01/17	.7000	BOSC, INC	4000	250,000.00	253,590.00		
6/17/16	ABQ2016A	MUNICIPAL BOND	25762	ABQ SERIES 2016 C	.498	7/01/16	.4968	BROKER DIRECT	1000	6,870,000.00	6,870,000.00		
6/27/16	STN2016B	MUNICIPAL BOND	25772	STN SERIES 2016B	.496	6/30/16	.4948	BROKER DIRECT	1000	104,086,200.00	104,086,200.00		
<b>37 PURCHASES DURING PERIOD TOTAL.....</b>										<b>348,676,200.00</b>	<b>347,944,020.62</b>		

**STATE OF NEW MEXICO**  
**Summary of Fixed-Income Purchases and Sales**  
**TRADES During The Period 6/01/16 Through 6/30/16**

TXN-DATE	CUSIP#	ASSET-TYPE	INVST#	ISSUE-NAME	RATE	MATURITY	YIELD	BRKR/DLR/AGENT	FUND	PAR-VALUE	COST/PROCEEDS	GAIN/LOSS	NXT-CALL
<b><u>SALE TRANSACTIONS</u></b>													
6/13/16	912828QR	US TREASURY NOT	21672	UNITED STATES TREASURY	1.500	6/30/16	.3422	HSBC	4000	15,000,000.00	15,007,617.19	1,115.70	
6/14/16	912828Q3	US TREASURY NOT	25285	UNITED STATES TREASURY	1.250	3/31/21	1.1390	HSBC	1001	24,000,000.00	24,123,750.00	55,802.79	
6/14/16	912828RF	US TREASURY NOT	15510	UNITED STATES TREASURY	1.000	8/31/16		JEFFRIES & CO	1001	3,000,000.00	3,004,453.13	4,028.26	
6/20/16	912828VL	US TREASURY NOT	21674	UNITED STATES TREASURY	.625	7/15/16		BARCLAYS	4000	10,000,000.00	10,002,343.75	1,735.11	
6/21/16	912828RJ	US TREASURY NOT	21311	UNITED STATES TREASURY	1.000	9/30/16	.3267	TD SECURITIES	4000	10,000,000.00	10,018,359.38	8,347.18	
6/15/16	3130A1BK	AGENCY US BOND	24778	FEDERAL HOME LOAN BANKS	.500	6/24/16	.2700	DEUTSCHE BANK S	4101	5,000,000.00	5,000,255.20	278.07	
6/21/16	3130A76J	FED HOME LOAN B	25260	FEDERAL HOME LOAN BANKS	.440	6/30/16		TD SECURITIES	4101	10,000,000.00	10,000,360.00	249.63	
6/07/16	3135G0CM	AGENCY US NOTES	15673	FEDERAL NATIONAL MORTGA	1.250	9/28/16		DAIWA CAPITAL M	1001	40,000,000.00	40,099,000.00	58,787.53	
6/07/16	3137EACW	AGENCY US NOTES	15529	FEDERAL HOME LOAN MORTG	2.000	8/25/16		TD SECURITIES	1001	40,000,000.00	40,139,600.00	40,248.99	
6/14/16	3137EAEA	AGENCY US NOTES	25294	FREDDIE MAC	.750	4/09/18		WELLS FARGO SEC	1001	10,000,000.00	9,990,980.00	5,230.12	
6/14/16	3137EAEA	AGENCY US NOTES	25295	FREDDIE MAC	.750	4/09/18	.8001	WELLS FARGO SEC	1001	10,000,000.00	9,990,980.00	5,230.12	
<b>11 SALES DURING PERIOD TOTAL.....</b>										<b>177,000,000.00</b>	<b>177,377,698.65</b>	<b>181,053.50</b>	
<b>=== GRAND-TOTAL ==&gt;</b>										<b>525,676,200.00</b>	<b>525,321,719.27</b>	<b>181,053.50</b>	
<b>*** END-OF-REPORT ***</b>													

**From:** Vigil, Steve, STO  
**To:** [Gonzales, Steve A., DFA](#)  
**Cc:** [Collins, Sam, STO](#); [Cook, Charmaine, STO](#); [Marquez, Leo, STO](#); [Burrows, Leila K, DFA](#); "Clark, Jon"  
**Subject:** SGF Distribution  
**Date:** Monday, July 18, 2016 9:12:00 AM

Good morning Steve,

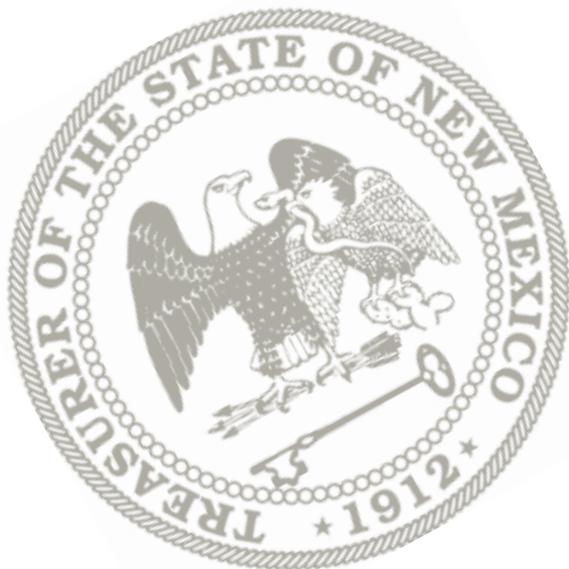
STO will make a distribution to the State General Fund for June 2016 in the amount of \$7,209,003.27. Below is the FY16 distribution summary.

<b>Jun-16</b>				
<b>State General Fund Distribution Worksheet</b>				
<b>Section 6-10-2.1 Distribution Methodology</b>				
<b>(Includes Accretion/Amortization)</b>	<b>General Fund Liquidity</b>	<b>General Fund Core</b>	<b>Self-Earning</b>	
<b>Component</b>	<b>Amount</b>	<b>Amount</b>	<b>Amount</b>	<b>Total</b>
Earned Income*	\$ 103,222.32	\$ 1,062,395.90	\$ (246,802.81)	\$ 918,815.41
Realized Gains/(Losses)	-	167,519.80	-	167,519.80
Unrealized Gains/(Losses)	-	6,122,668.06	-	6,122,668.06
<b>Distribution Total</b>	<b>\$ 103,222.32</b>	<b>\$ 7,352,583.76</b>	<b>\$ (246,802.81)</b>	<b>\$ 7,209,003.27</b>
* Earned Income is accrued investment income +/- accretion/amortization				

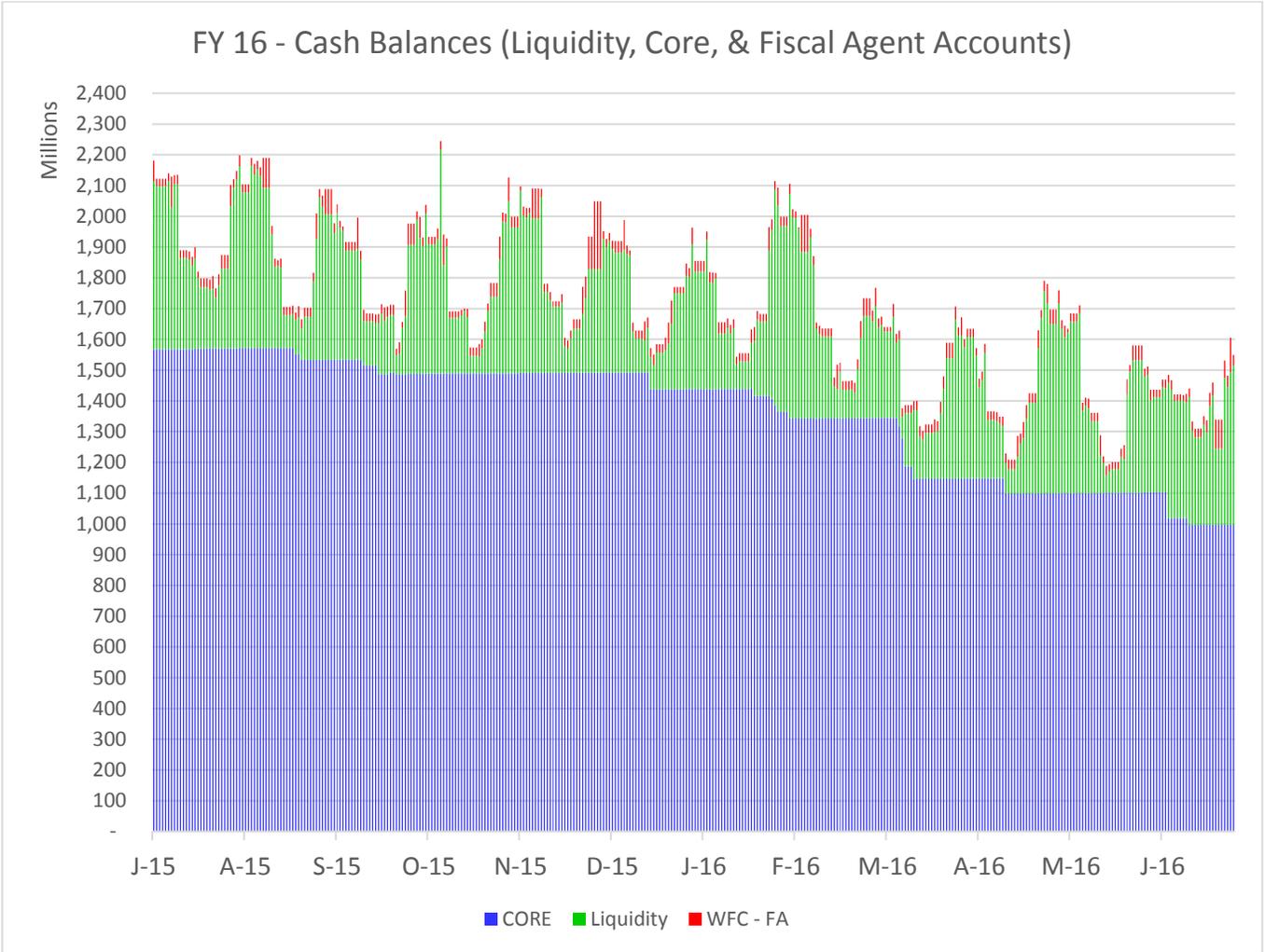
<b>Fiscal Year 2016 SGF Distribution</b>	
<b>Month</b>	<b>Amount</b>
Jul-15	2,119,110.56
Aug-15	21,369.41
Sep-15	5,395,534.03
Oct-15	(1,852,582.32)
Nov-15	(3,301,686.63)
Dec-15	(1,558,672.09)
Jan-16	10,656,329.22
Feb-16	1,854,326.37
Mar-16	2,258,039.87
Apr-16	(36,222.54)
May-16	(1,339,319.28)
Jun-16	7,209,003.27
<b>Total</b>	<b>21,425,229.87</b>

Should you have any questions, feel free to contact me. Thanks.

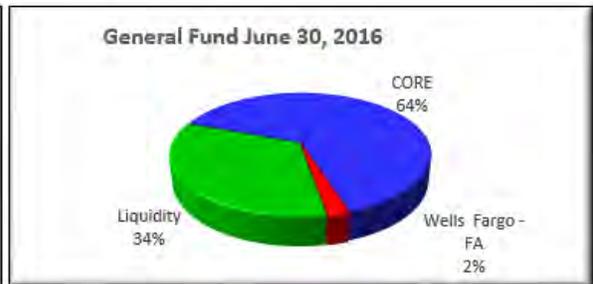
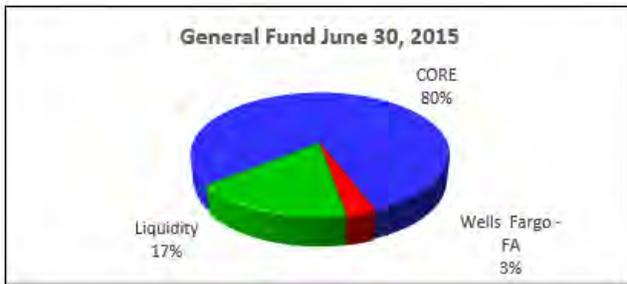
Steve



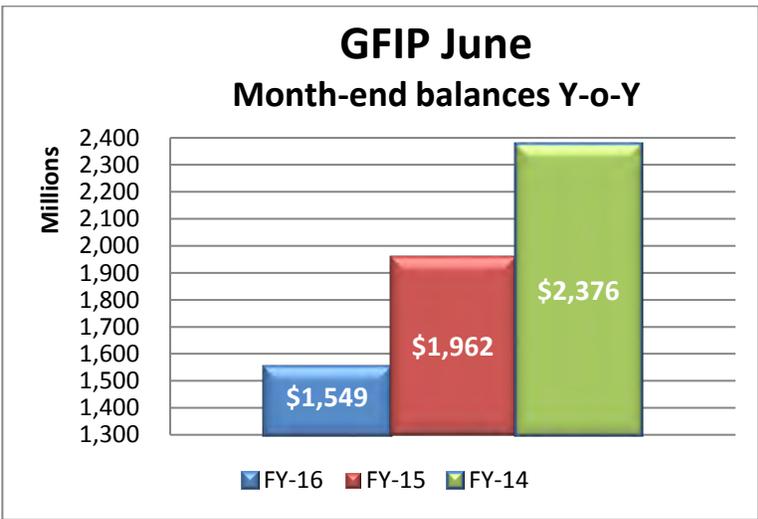
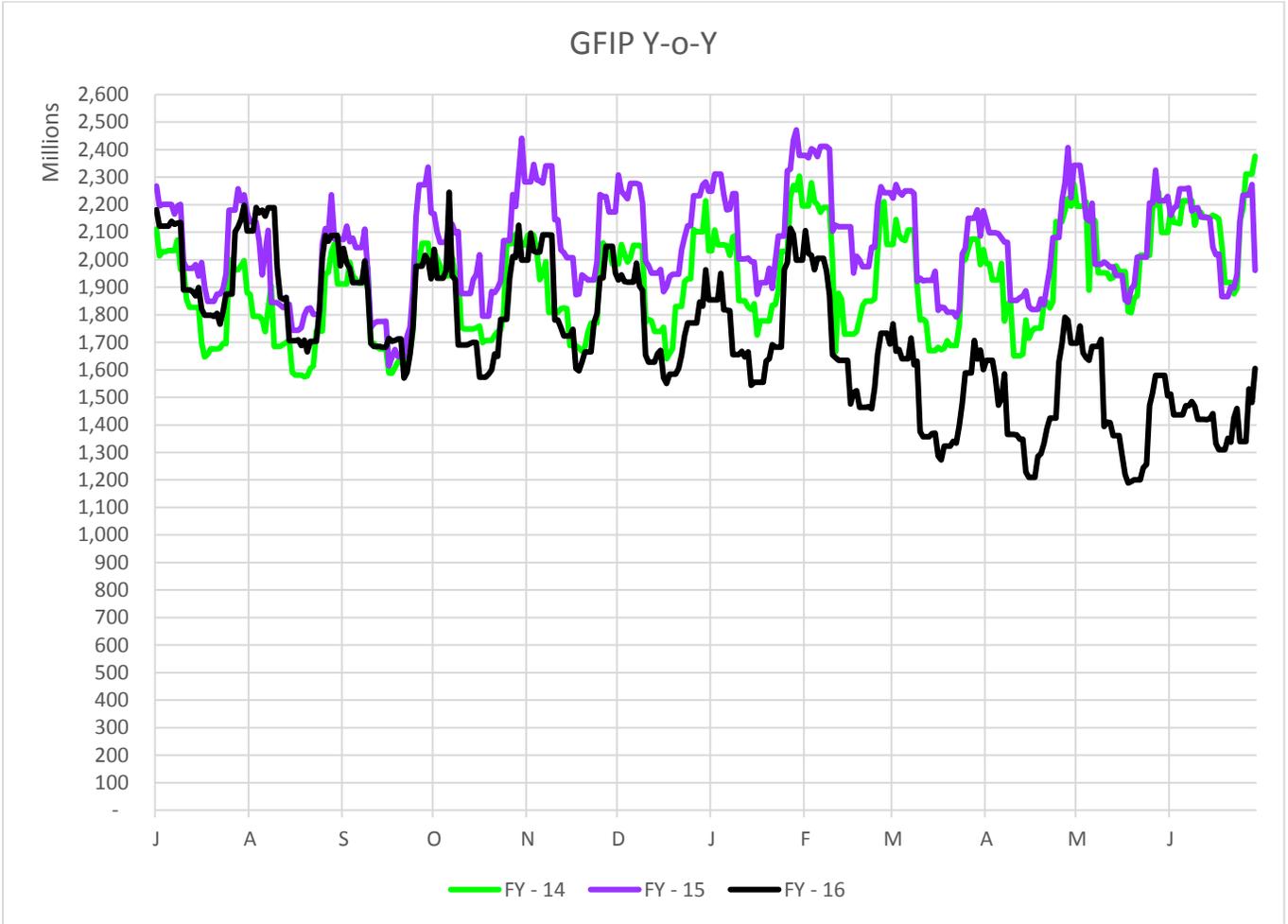
## 7. Cash Projections



<b>GENERAL FUND</b>	<b>Jun-15</b>	<b>May-16</b>	<b>Jun-16</b>	<b>Y-o-Y Change</b>	<b>M-o-M Change</b>
Liquidity	333,624,766	377,072,811	517,566,167	183,941,401	140,493,356
CORE	1,567,358,797	1,101,479,531	996,604,002	(570,754,795)	(104,875,529)
Wells Fargo - FA	60,665,134	26,802,152	35,305,183	(25,359,951)	8,503,031
	<b>1,961,648,697</b>	<b>1,505,354,494</b>	<b>1,549,475,352</b>	<b>(412,173,345)</b>	<b>44,120,858</b>



\* 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.

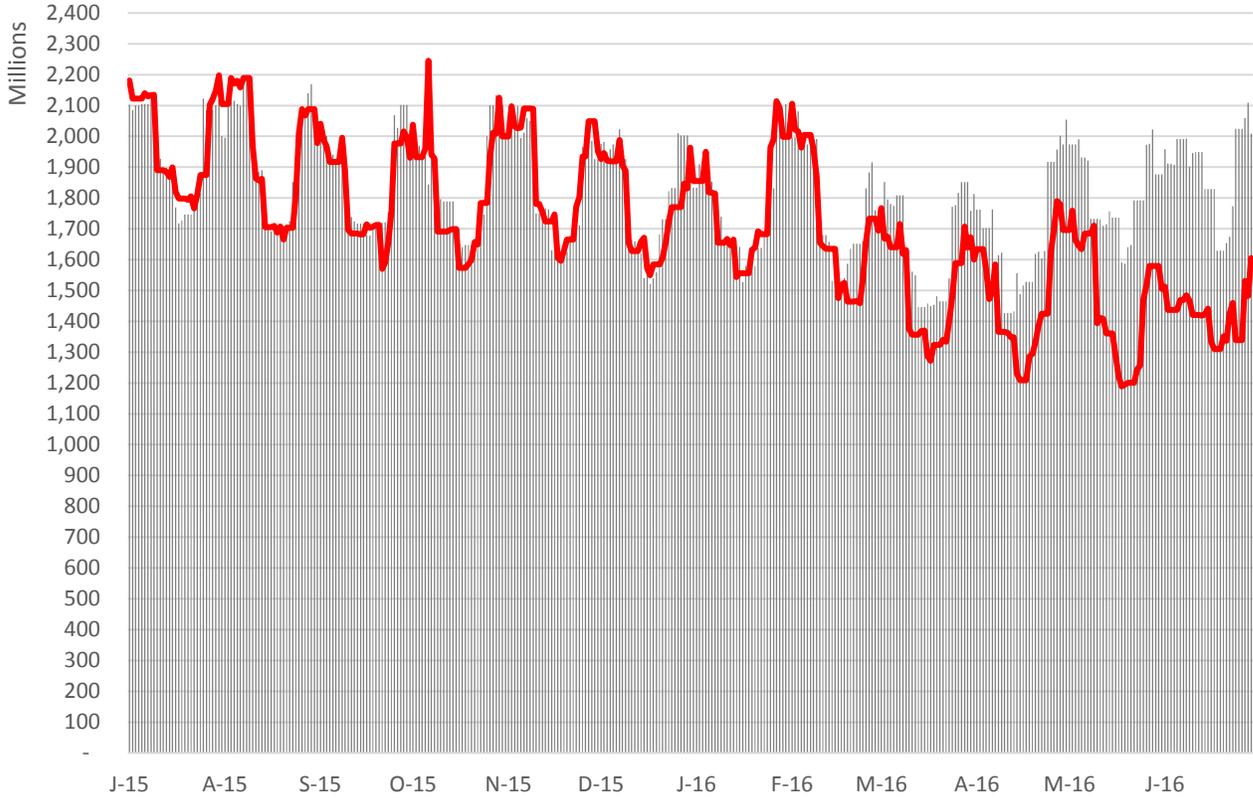


The balance as of June 30, 2016 of the General Fund Investment Pool (GFIP) Y-o-Y has decreased -21.0% from June 30, 2015 and -34.8% decrease from June 30, 2014 . M-o-M GFIP balances increased to \$1.549 billion at June 30, 2016 from \$1.697 billion at May 31, 2016 a increase of \$44 million or 2.9%.

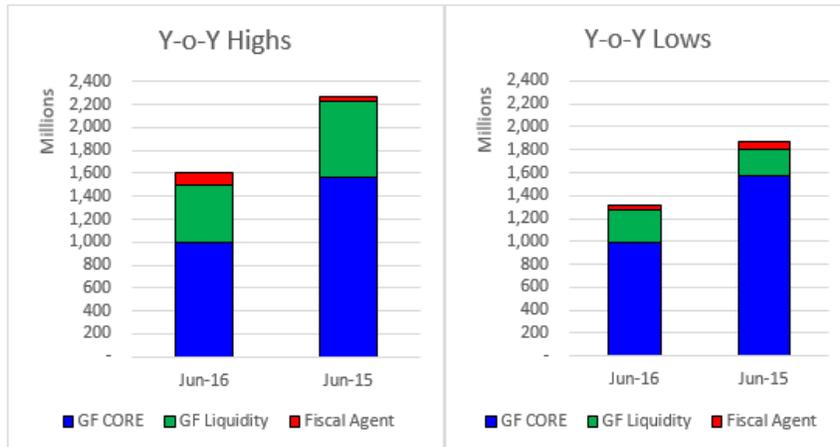
\* These projections are based upon numerous source elements (General Fund Revenue Consensus Group Estimates, HB2 as adopted, LFC Estimates, Fiscal Agent Bank Statements, TRD Estimates, DFA Estimates, Market & Economic Conditions, and Historical Trends) as such represent estimates only.



FY - 16 GFIP Balances Projections



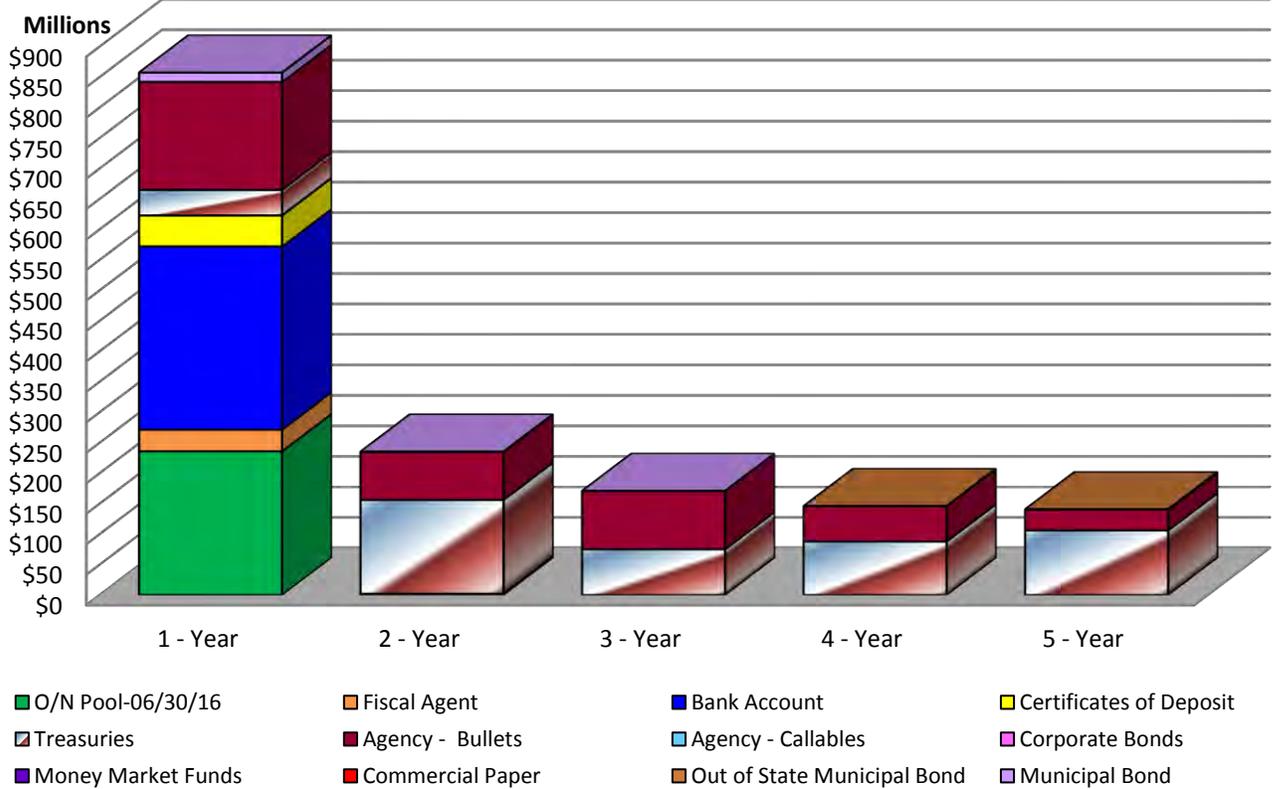
	Jun-16	Jun-15	Change
High	1,605,201,119.04	2,273,067,370.59	-41.61%
Low	1,309,576,983.92	1,866,327,004.32	-42.51%
Average	1,423,780,326.18	2,115,785,826.62	-48.60%



\* 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 Maturity Ladder by Year & Asset Type as of June 30, 2016

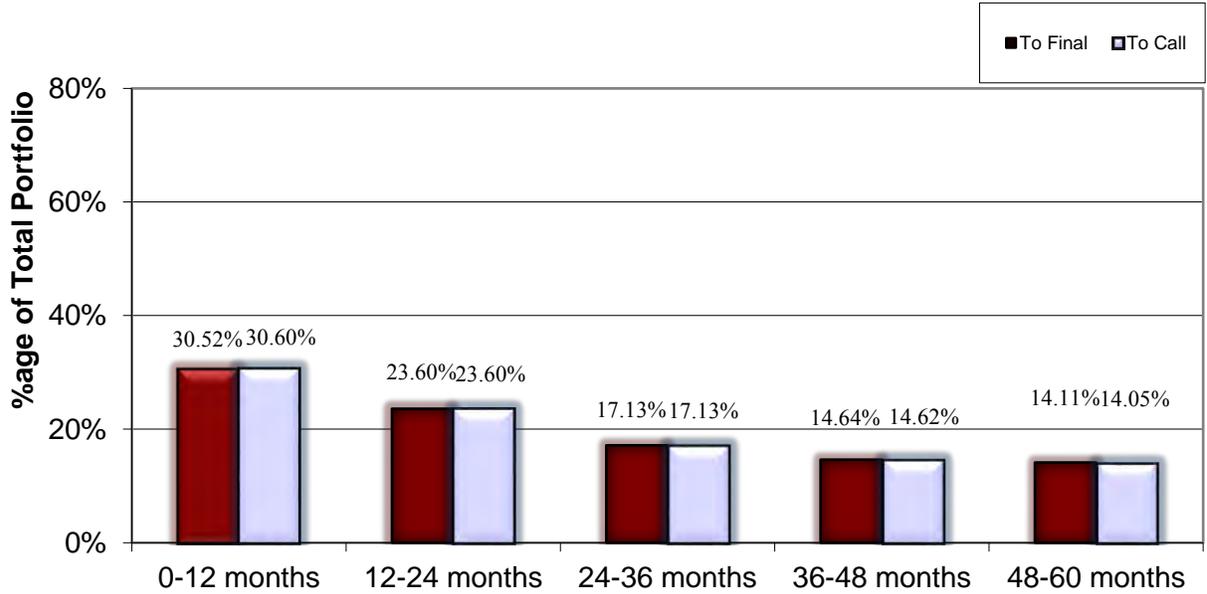


Asset Allocation	1 - Year	2 - Year	3 - Year	4 - Year	5 - Year	Total	%
Agency - Bullets	177,000,000	78,500,000	95,500,000	57,941,000	34,000,000	442,941,000	29%
Agency - Callables						0	0%
Corporate Bonds						0	0%
Money Market Funds						0	0%
Certificates of Deposit	50,750,000	2,000,000				52,750,000	3%
Municipal Bond	15,420,000	705,000	225,000			16,350,000	1%
Out of State Municipal Bond				175,000	595,000	770,000	0%
Commercial Paper						0	0%
Treasuries	42,000,000	154,000,000	75,000,000	87,750,000	106,000,000	464,750,000	30%
Bank Account	300,816,256					300,816,256	19%
Fiscal Agent	35,305,183					35,305,183	2%
O/N Pool-06/30/16	235,831,465					235,831,465	15%
<b>Total:</b>	<b>857,122,905</b>	<b>235,205,000</b>	<b>170,725,000</b>	<b>145,866,000</b>	<b>140,595,000</b>	<b>1,549,513,905</b>	<b>100%</b>
<b>% of Total:</b>	<b>55%</b>	<b>15%</b>	<b>11%</b>	<b>9%</b>	<b>9%</b>		

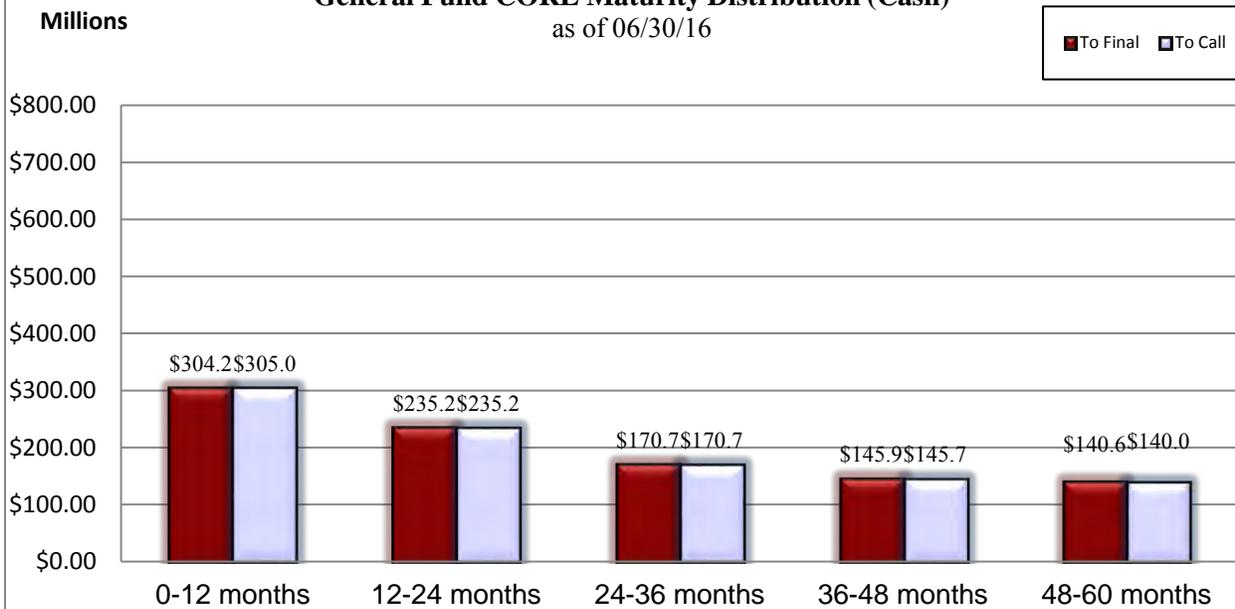
\* These projections are based upon numerous source elements (General Fund Revenue Consensus Group Estimates, HB2 as adopted, LFC Estimates, Fiscal Agent Bank Statements, TRD Estimates, DFA Estimates, Market & Economic Conditions, and Historical Trends) as such represent estimates only.



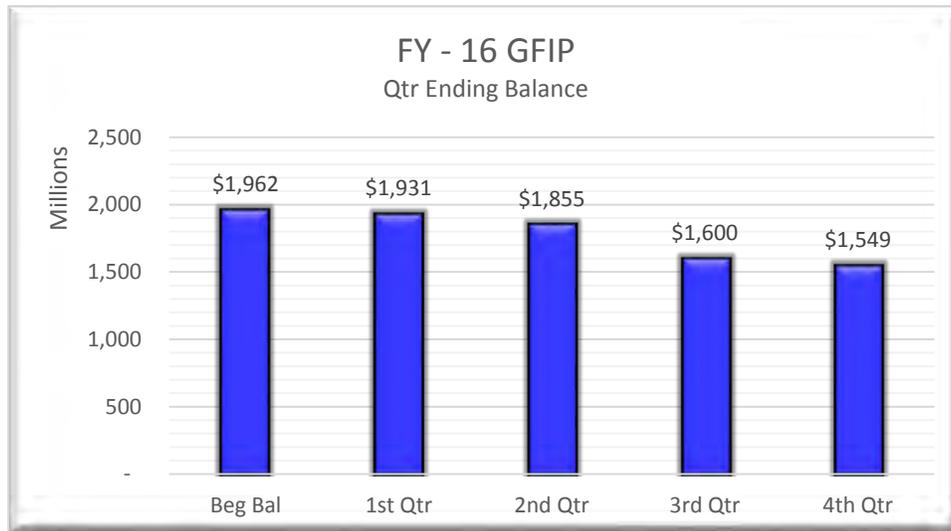
### General Fund CORE, Maturity Distribution as of 06/30/16



### General Fund CORE Maturity Distribution (Cash) as of 06/30/16



\* 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.



## Fiscal Year 16 Highlights

### 1<sup>st</sup> QRT (July 15 – September 15) - GFIP balance reduced by (\$30mm)

- August 15 – Transferred \$39mm from long term to short term to cover daily operating expenses during the low point of the month.
- September 15 – Transfer \$50mm from long term to short term to cover daily operating expenses during the low point of the month.

### 2<sup>nd</sup> QRT (October 15 – December 15) - GFIP balance reduced by (\$76mm)

- December 15 – Transferred \$55mm from long term to short term to cover daily operating expenses during the low point of the month.

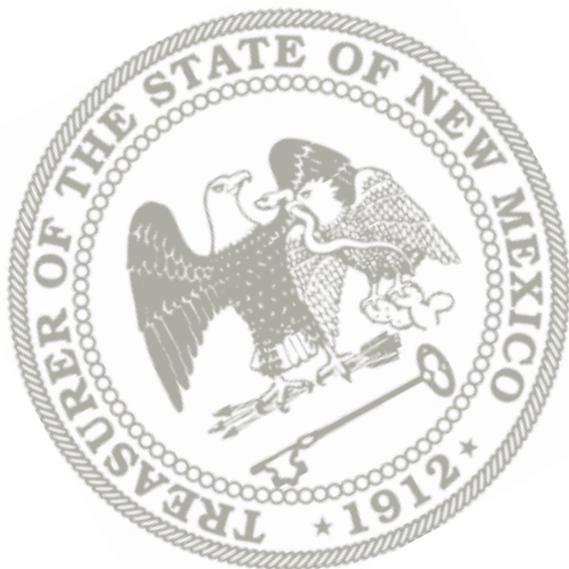
### 3<sup>rd</sup> QRT (January 16 – March 16) - GFIP balance reduced by (\$254mm)

- January 16 – Transferred \$77mm from long term to short term to cover daily operating expenses.
- February 16 – Transfer \$23mm from long term to short term to cover daily operating expenses during the low point of the month.
- March 16 – Transfer \$200mm from long term to short term to cover daily operating expenses during the low point of the month.

### 4<sup>th</sup> QRT (April 16 – June 16) - GFIP balance reduced by (\$51mm)

- April 16 – Transferred \$50mm from long term to short term to cover daily operating expenses prior to personal income taxes received.
- June 16 – Transfer \$106mm from long term to short term to cover daily operating expenses during the low point of the month.

\* 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.



## 8. June 2016 Quarterly Investment Report – Investment Advisor

# FISCAL AND QUARTERLY REPORT

Period Ending June 30, 2016



## New Mexico State Treasurer's Office Investment Portfolio Analysis



Prepared By: Government Portfolio Advisors  
Deanne Woodring, CFA – President, Senior Investment Advisor  
2188 SW Park Place, Suite 100  
Portland, OR 97205  
(503) 248-9973  
deanne@gpafixedincome.com



---

## Table of Contents

Market Commentary.....	1
Executive Summary .....	2
Investment Strategy Analysis .....	6
Asset Allocation Analysis .....	7
Strategic Review .....	8
Quarter Strategic Change .....	10
Performance Analysis .....	11
Performance Data Comparison .....	12
Shock Analysis Report.....	13
Market Value Shock on Investment Funds .....	14
LGIP Shock Analysis.....	15
Disclaimer .....	16

## GPA QUARTERLY OBSERVATIONS: ENDING JUNE 30, 2016

### Market Commentary

**Market Yields:** The Brexit vote, weak economic global conditions, a poor jobs report and low inflation all combined for a strong treasury rally in the 2<sup>nd</sup> quarter of 2016. The 2-year treasury dropped 14 basis points and 5-year notes dropped 21 basis points during the quarter. The only part of the curve that increased in yield were short treasuries, 3-months and shorter. The two year to five year spread continued to flatten from 49 basis points to 42 basis points. Five year treasuries ended the quarter at the lowest yield in three years.

**FOMC:** As expected, the Fed made no additional moves after the increase in the Fed Funds target rate range from 0.0%- .25% to .25%-.50% in December of 2015. The statements released in April and June came out more dovish than expected. Fed officials expressed concern about slowing economic activity, citing low inflation due primarily to lower oil prices. Inflation continues to run below the committee’s 2% goal. The Fed cited the slowdown in economic activity as the primary reason for holding off a rate hike, although there has been an improvement in the labor market. Citing weak job growth and tame inflation the Fed voted unanimously in June for no change in interest rates. The Fed remains steadfast that any rate changes remain data dependent.

**Employment:** The unemployment rate for June was 4.9%. Total nonfarm payrolls were mixed, with increases in April of 144K, May at 11K and up \$287K for June. The 11,000 increase was the fewest number of workers added in almost six years.

**GDP:** GDP increased at 1.1% in the first quarter. This is a decrease from 1.40% in the fourth quarter of 2015.

### Market Outlook

**Fed Funds:** The FOMC has turned more dovish as labor market conditions and inflation are not moving toward the Fed’s goals. “In determining the timing and size of future adjustments to the target range, the Committee will assess realized and expected economic conditions relative to its objective of maximum employment and 2% inflation.” The Fed’s quarterly forecasts were released showing the committee still sees two hikes this year but at a slower path over the next two years. The next two FOMC meetings of 2016 are July 27 and September 21. The expectation is for no increase in July and a 4% chance of a hike at the September meeting.

**2 year:** The 2 year treasury note is forecasted by over 80 economists contributing to Bloomberg to trade at .75, .93, 1.10, 1.26 for the end of each of the next four quarters, lower expectations than last quarter.

**Oil:** Crude oil began the quarter at 38.26 and finished at 48.30. The price of oil is expected to level out over the next two months and then decline due to seasonal demand.

**Portfolio Positioning:** GPA is continuing to recommend that portfolios stay neutral to their respective benchmark durations. We value the carry trade as we think the Fed may be slow to raise the Fed Funds rate. Bullet agencies, callable agencies and corporate bond spreads have begun to widen vs. treasuries and we are recommending the addition of credit to portfolios. GPA expects rates to rise modestly over the next quarter.

**Quarterly Yield Change**

	09/30/15	12/31/15	03/31/16	06/30/16
3-month bill	.00	.16	.20	.26
2- year note	.63	1.05	.72	.58
5 -year note	1.36	1.76	1.21	1.00
10- year note	2.04	2.27	1.77	1.47

**Economist’s Survey Projections**

	Q2-16	Q3-16	Q4-16	Q1-17
Real GDP	1.70	1.70	2.00	2.30
CPI (YOY%)	1.10	1.40	1.80	2.40
Unemployment	4.80	4.80	4.70	4.60

**Economist’s Survey Projections for Rates**

	Q2-16	Q3-16 est	Q4-16 est	Q1-17 est
Fed Funds	.50	.55	.70	.85
2 Year	.58	.74	.93	1.10
10 year	1.47	1.62	1.80	1.97

## Executive Summary

The purpose of this review is to provide a fixed income investment analysis to provide the Treasurer of New Mexico, the State Treasurer's Investment Council ("STIC") and the State Treasurer's investment team. The analysis will include risk and return components of the investment funds of the New Mexico State Treasurer's Office ("STO") and an overview of performance measurements, asset allocation and investment strategy for the period.

STO's investment strategy is specific to each fund based on the objectives of the funds. The four primary investment funds are the LGIP, General fund core, BPIP taxable and BPIP tax exempt. The remaining funds provide for liquidity and specific cash requirements. The key points of reference throughout this analysis will be on three specific strategies: 1) Management strategies to ensure that the policy objectives are being met, 2) Risk strategies to protect the market value of the funds, and 3) Investment strategy considerations based on the current rate environment.

### *GPA observations and considerations:*

- 1) The general fund declined by \$393,548,770 between 6/30/15 and 6/30/16. STO managed the outflows by reducing the core fund balance. Securities were sold at profits and used to provide the cash flow needed from the liquidity account.
- 2) Given the cash flow pressure on the general fund, the portfolio was managed slightly shorter than the benchmark throughout the year to provide for protection of principal change and impacted the total return performance. The liquidity/core portfolio structure assisted in making decisions to increase liquidity throughout the year.
- 3) STO continues to evaluate adding corporate securities and is starting with shorter commercial paper exposure.
- 4) The BPIP funds cash flows also impacted the investment strategy of these funds throughout the year. The Taxable Fund decreased by \$124MM, while the Tax Exempt increased by \$169MM. STO continues to evaluate combining these accounts for investment management purposes.



**Executive Summary**

Quarterly Statistics:

- ✓ The STO Total Fund balances decreased primarily in the general fund and the BPIP Taxable fund.
- ✓ The LGIP reached its highest balance in the past five years at \$750MM and is placed in the 2nd quartile of performance of state investment pools as measured by Tracs Financial. The first quartile represents funds that maintain longer durations and lower quality securities.
- ✓ Liquidity balances are being held at higher levels in the general fund for expected outflows.
- ✓ Investment components for each fund are targeted to a specific market benchmarks and all funds were invested shorter in duration than the established benchmark durations, primarily due to cash flow influxes that shifted duration positions.
- ✓ Activity occurred throughout the quarter with the greatest volume occurring in April and June.
- ✓ Realized gains on the sales for the quarter across all funds totaled \$412,781 for the quarter.

KEY MEASURES		
STO Total	Balance	
	6/30/2015	4,319,045,400
	6/30/2016	3,938,520,515
Change	(380,524,885)	
General	Core Balance	
	6/30/2015	1,592,648,489
	6/30/2016	1,015,150,888
Change	(577,497,601)	
General Fund	Liquidity Balance	
	6/30/2015	333,657,776
	6/30/2016	517,606,607
Change	183,948,831	
BPIP Funds	Combined	
	6/30/2015	1,457,261,983
	6/30/2016	1,501,476,589
Change	44,214,606	
LGIP		
	6/30/2015	689,338,088
	6/30/2016	750,598,952
Change	61,260,864	



**KEY POINTS OF FOCUS FOR THE NMSTO - INVESTMENT PROGRAM**

**KEY MEASURES**

**1. Objectives: Safety, Liquidity and Return**

The investment policy objectives of safety, liquidity and return will be the basis of evaluation on the quarterly reports. Safety is addressed through asset diversification and credit quality. Liquidity is addressed through maturity distribution, cash flow analysis and overnight investments. Return is achieved through the selection of credit sector and maturity/duration management.

**2. Risk: Credit Risk and Interest Rate Risk**

The risks associated with STO's investment funds are: 1) Interest rate risk, which represents the negative impact on market value if interest rates move up. This is controlled by the overall maturity of the portfolio. 2) Credit risk, which is the risk associated with the ability of the issuers to pay its debt obligations. 3) Reinvestment rate risk, which is the risk associated with maturities and short-term securities that are coming due and are then reinvested at lower rates during declining interest rate cycles. The LGIP pool remains within the policy constraints of a weighted average maturity of under 60 days.

Ranking on Interest rate risk: **LOWER**

Interest rate risk is directly correlated to average duration of each fund and articulates the amount of price movement that will occur given interest rate changes. Market benchmarks have been established for each of the investment funds to create discipline in market exposure. The portfolios durations at year end were 67% to 90% of the designated benchmarks.

Ranking on Credit risk: **LOW**

The portfolios continues to be invested in high quality securities with the majority of investments held in US treasury and Agency securities. There is limited credit exposure in the NM municipal holdings.

Ranking on Reinvestment Rate risk: **LOW**

Reinvestment risk is the opportunity risk of having too much held in liquidity or being exposed to higher concentrations of callable securities in a declining market. The portfolio managers are managing the reinvestment risk through controls on liquidity and callable sectors.

<u>Interest Risk</u>	<b>LOWER</b>
<u>Credit Risk</u>	<b>LOW</b>
<u>Reinvestment Rate Risk</u>	<b>LOW</b>
<u>Fed Funds Target</u>	
Previous	.25-.50%
Current	.25-.50%
<u>2 Year Treasury Yields</u>	
Last Quarter End	0.72%
This Quarter End	0.58%
Last Fiscal Year End	0.69%
<u>Transactions for this quarter</u>	
<u>Purchase Par Amount All Funds</u>	
Count=100	732,296,200
<u>Sales Amount All Funds</u>	
Count=24	360,000,000
<u>Realized Gains All Funds</u>	
	412,781

## KEY POINTS OF FOCUS FOR THE NMSTO - INVESTMENT PROGRAM

GPA is reporting on the following key measures:

Asset Allocation:

- 1) Present the current asset allocation by funds.
- 2) Present the changes in asset allocation over the quarter.
- 3) Present asset allocation change fiscal year to date basis.

Performance Measurement and Risk Management:

- 1) Provide a comparison of the duration targets for each investment fund relative to the established benchmark duration.
- 2) Provide a return comparison over the last quarter, fiscal year and rolling one year period on the investment relative to the established benchmarks.
- 3) Potential price changes on the portfolio given changes in interest rates - Shock Analysis for the invested funds and the LGIP.

Investment Strategy Review:

- 1) Provide an analysis on the current strategy
- 2) Considerations based on market outlook and funds objectives.

GPA relies on the performance data and information provided from STO's custodial bank JP Morgan and STO's internal reporting system.



**INVESTMENT STRATEGY REPORT**

*Portfolio Specific*

*General Fund:* The overall general fund balance declined by \$393MM. STO continues to focus on providing liquidity to offset the lower revenues coming into the general fund. The duration of the core fund was slightly shorter at 2.01 this quarter versus 2.08 on 3/31/16. This is 90% of the benchmark duration and is consistent with the portfolio manager's outlook to maintain the duration relatively close to the benchmark.

*BPIP Taxable and Tax Exempt Funds:*

Over the year the taxable fund decreased by \$124MM and the tax exempt fund increased by \$169MM. The durations were shortened and both funds ended the fiscal year below 70% of their benchmark duration. These funds continue to experience volatile cash flows and the liquidity balances should be monitored and durations extended closer to the targeted benchmarks when possible.

*LGIP Fund:* The LGIP balance increased by \$61M versus last fiscal year. The earnings rate on the pool continues to move upwards as the short term rates rise.

*Investment Objectives*

*STO continued to focus on cash flow management as the overall balances continue to be volatile.*

**KEY MEASURES**

Investment Strategy

General Core Fund

Portfolio Duration	2.01
Benchmark Duration	2.24
	90%

BPIP Tax Exempt

Portfolio Duration	0.89
Benchmark Duration	1.43
	62%

BPIP Taxable

Portfolio Duration	0.97
Benchmark Duration	1.43
	68%

Total NM Investment Funds

Portfolio Duration	1.13
Benchmark Duration	1.46
	78%

LGIP

Portfolio DTM (Reset)	55
Benchmark DTM	39
NAV as reported to S&P	99.99

DTM=Days to maturity



**ASSET ALLOCATION REPORT**

*Allocation Report by Fund*

GPA has compiled a report that provides a summary of the asset allocation in each fund.

*Change in over the Fiscal Year*

**GENERAL Fund**

The liquidity fund increased its positioning in the LGIP and Repo and decreased the dependence on Bank deposits. The core fund increased its allocation to US Treasury securities versus agency securities due to the tight spreads between the two asset classes. The US Treasury market performed slightly better than the bullet and callable sectors this year.

**BPIP Funds**

The Tax-Exempt funds shifted from US treasury to Agency securities and the taxable fund shifted to a higher allocation to the LGIP pool.

*Issuer Exposure*

All the portfolios continued to hold a higher concentration in US treasury securities than normal due to the lack of yield pick up to agencies. The spreads are beginning to widen and it should be expected to see the US positions reduced. STO continues to evaluate the corporate market as an expanded investment in the general fund, however, given the pressure on liquidity, the entry to this sector has been postponed until balances stabilize.

*LGIP Asset Classes*

The primary changes over in the LGIP was the shift in the LGIP from 39.09% in Bank Deposits to 31.31% in Repurchase agreements. In addition, the allocation to Agency floating rate notes has provided a boost to earnings due to the rising LIBOR rate relative to short term US treasury rates.

**KEY MEASURES**

**Asset Allocations**

General Core Fund

Agency	44.33%
Treasury	46.90%
Corporate	0.00%
Muni	1.02%
Bank and Repo	7.75%

BPIP Tax Exempt

Agency	46.95%
Treasury	22.55%
Muni	3.70%
Repo	19.13%
LGIP	7.42%
Other	0.25%

BPIP Taxable

Agency	37.89%
Treasury	36.85%
Muni	1.95%
Repo	5.96%
LGIP	16.23%
Other	1.12%

LGIP

Agency	43.89%
Treasury	2.01%
Bank Deposits	22.79%
Repo	31.31%
Other	0.00%



Portfolio Name	Market Value+int	% Fund	Repo	Bank Deposits	Treasury	Agency	Corp/CP	Muni	Cash
Total LGIP	\$ 750,598,952	100%	31.31%	22.79%	2.01%	43.89%	0.00%		0.00%
Liquidity	\$ 395,593,397	53%							
Investments	\$ 355,005,555	47%							
LGIP GIP Index Benchmark			22.55%	16.26%	17.74%	42.47%	0.00%	0.00%	0.98%
Portfolio Name	Market Value+Int	% Fund	Repo	CD/Bank	Treasury	Agency	Corp/CP	LGIP	Muni
Total General Fund	\$ 1,532,757,495	100%					0.00%		
Liquidity	\$ 517,606,607	34%	40.56%	0.00%			0.00%	59.44%	
Investment Core	\$ 1,015,150,888	66%	2.55%	5.20%	46.90%	44.33%	0.00%		1.02%
Portfolio Name	Market Value+Int	% Fund	Repo	CD/Bank	Treasury	Agency	Cash	LGIP	Muni
Total Tax Exempt	\$ 821,773,205	100%	19.13%	0.37%	22.55%	46.95%	-0.12%	7.42%	3.70%
Liquidity	\$ 193,510,459	24%							
Investments	\$ 628,262,746	76%							
Portfolio Name	Market Value+Int	% Fund	Repo	CD/Bank	Treasury	Agency	Cash	LGIP	Muni
Total Taxable	\$ 679,703,384	100%	5.96%	1.21%	36.85%	37.89%	-0.09%	16.23%	1.95%
Liquidity	\$ 70,840,493	10%							
Investments	\$ 608,862,891	90%							
Portfolio Name	Market Value+Int	% Fund	Repo	CD/Bank	Treasury	Agency	Corp/CP	LGIP	Muni
Overnight Repo Pool	\$ 139,080,166	100%	100.00%				0.00%		
Liquidity	\$ 139,080,166	100%							
Investments		0%							
Portfolio Name	Market Value+Int	% Fund	Repo	CD/Bank	Treasury	Agency	Cash	LGIP	Muni
Severance Tax Bonding	\$ 14,607,313	100%	2.75%	0.46%	0.00%	53.92%	0.00%	1.08%	41.79%
Liquidity	\$ 48,767	0%							
Investments	\$ 14,558,546	100%							
<b>TOTAL STO FUNDS</b>	<b>\$ 3,938,520,515</b>								

Source : JP Morgan Reports - Balances -Trade Date

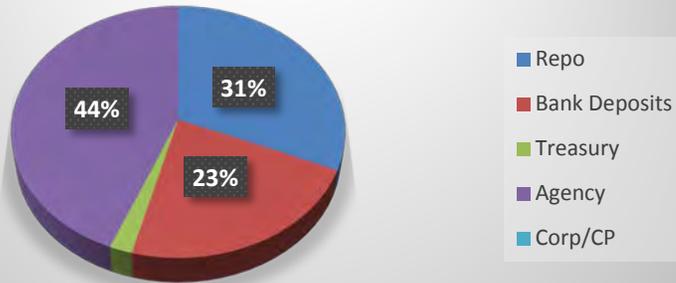
Source: Asset Allocation STO - JP Morgan Reports

The benchmarks for STO Funds are 100% US Treasury Securities

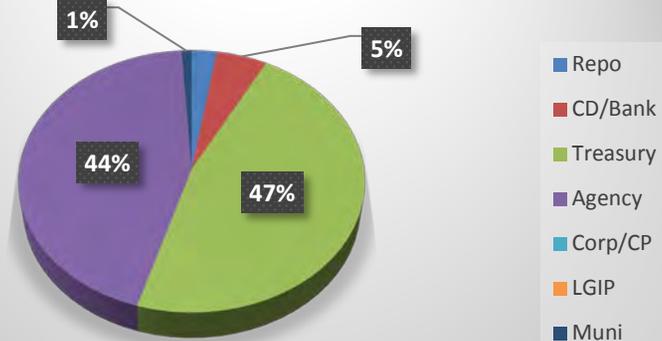
Assumption: QED is traded date accounting, therefore, negative cash balances were reduced from Repo or bank deposits



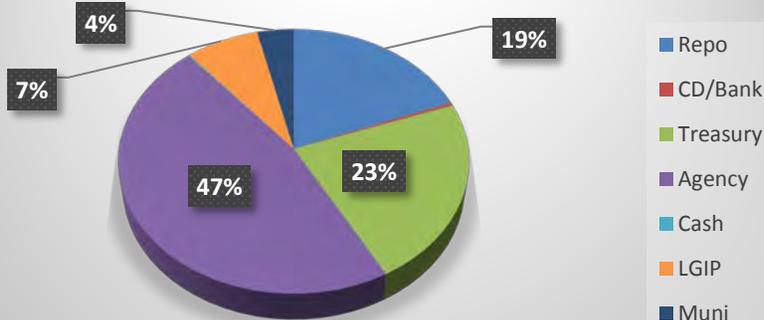
Total LGIP Allocations



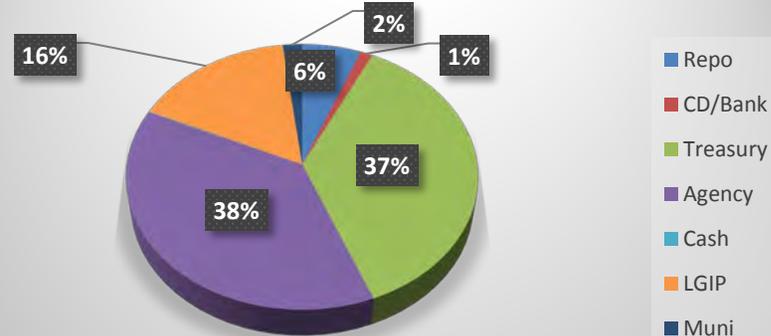
General Fund Core Allocations



Total Tax Exempt Allocations



Total Taxable Allocations





**CHANGE IN PORTFOLIO FROM 6/30/15-6/30/16**

LGIP Fund	Market Value+int	Repo	Bank	Treasury	Agency	Corp/CP	Other		
6/30/2016	\$ 750,598,952	31.31%	7.29%	2.01%	59.39%	0.00%			
6/30/2015	\$ 689,338,088	0.00%	39.09%	0.00%	60.91%	0.00%	0.00%		
Change over Period	\$ 61,260,864	0.00%	-31.80%	0.00%	-1.52%	0.00%	0.00%		
General Fund Liquidity	Market Value+Int	Repo	CD/Bank	Treasury	Agency	Corp/CP	LGIP	Muni	
6/30/2016	\$ 517,606,607	40.56%	0.00%	0.00%	0.00%	0.00%	58.12%	1.32%	
6/30/2015	\$ 333,657,776	37.62%	60.07%	0.00%	0.00%	0.00%	0.00%	2.31%	
Change over Period	\$ 183,948,831	2.94%	-60.07%	0.00%	0.00%	0.00%	0.00%	-0.99%	
General Fund Core	Market Value+Int	Repo	CD/Bank	Treasury	Agency	Corp/CP	LGIP	Muni	
6/30/2016	\$ 1,015,150,888	2.55%	5.20%	46.90%	44.33%	0.00%	0.00%	1.02%	
6/30/2015	\$ 1,592,648,489	0.00%	3.31%	32.32%	61.66%	0.00%	0.07%	2.64%	
Change over Period	\$ (577,497,601)	2.55%	1.89%	14.58%	-17.33%	0.00%	-0.07%	-1.62%	
BPIP Tax Exempt	Market Value+Int	Repo	CD/Other	Treasury	Agency	Cash	LGIP	Muni	
6/30/2016	\$ 821,773,205	19.13%	0.37%	22.55%	46.95%	-0.13%	7.43%	3.70%	
6/30/2015	\$ 652,745,039	23.13%	0.46%	42.17%	29.26%	0.00%	1.11%	3.87%	
Change over Period	\$ 169,028,166	-4.00%	-0.09%	-19.62%	17.69%	-0.13%	6.32%	-0.17%	
BPIP Taxable	Market Value+Int	Repo	CD/Other	Treasury	Agency	Cash	LGIP	Muni	
6/30/2016	\$ 679,703,384	5.96%	1.21%	36.85%	37.89%	-0.09%	16.23%	1.95%	
6/30/2015	\$ 804,516,994	11.91%	1.27%	42.86%	42.28%	0.00%	0.66%	1.02%	
Change over Period	\$ (124,813,610)	-5.95%	-0.06%	-6.01%	-4.39%	-0.09%	15.57%	0.93%	
Overnight Repo Pool	Market Value+Int	Repo	CD/Other	Treasury	Agency	Corp/CP	LGIP	Muni	
6/30/2016	\$ 139,080,166	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
6/30/2015	\$ 231,588,865	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Change over Period	\$ (92,508,699)								
Severance Tax Bonding	Market Value+Int	Repo	CD/Other	Treasury	Agency	Cash	LGIP	Muni	
6/30/2016	\$ 14,607,313	2.75%	0.00%	0.00%	53.92%	0.46%	1.08%	41.79%	
6/30/2015	\$ 14,559,149	6.36%	0.00%	0.00%	82.61%	0.00%	0.60%	10.43%	
Change over Period	\$ 48,164	-3.61%	0.00%	0.00%	-28.69%	0.46%	0.48%	31.36%	
TOTAL STO FUNDS 6/30/16	\$ 3,938,520,515								
TOTAL STO FUNDS 12/31/15	\$ 4,319,054,400								
Total Change	\$ (380,533,885)								

Source : JP Morgan Reports - Balances

Source: Asset Allocation STO - QED Reports

Assumption: QED is traded date accounting, therefore, negative cash balances were reduced from Repo or bank deposits

## PERFORMANCE REPORT

### *Performance Report*

The following performance report compares the total return of each portfolio relative to the established benchmark. The LGIP portfolio is reported on a book yield basis. The only funds that utilize total return tracking are the general fund core and the two BPIP funds.

### *Fiscal Year Performance*

All three total return investment portfolios maintained shorter durations than the benchmarks due cash flow demands. STO places liquidity and safety above return, and this year, the portfolios performance numbers were impacted by the variance. Interest rates ended the year lower in the 2 year area by approximately 11 basis points lower and the 5 year fell by 70 basis points.

### *Attribution Analysis*

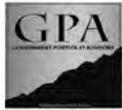
The primary contributor to return was the duration positioning relative to the benchmark. Given the shorter bias of all funds and the declining rate environment the portfolio total return performance was lower than the performance of the longer durated benchmarks.

### *Observations and Considerations*

Interest rate volatility is expected to continue given the many global sovereign governments negative interest rate environments, the slow US economy and the uncertainty in election outcomes. GPA is recommending to maintain durations in the portfolios slightly shorter to neutral the benchmark durations.

## KEY MEASURES

Performance	Fiscal Year
<u>General Core Fund</u> Performance	
Portfolio	1.77%
Benchmark	1.98%
Book Yield	1.26%
<u>BPIP Tax Exempt</u>	
Portfolio	0.92%
Benchmark	1.01%
Book Yield	0.71%
<u>BPIP Taxable</u>	
Portfolio	0.97%
Benchmark	1.01%
Book Yield	0.77%
<u>NM Investment Funds</u>	
Portfolio	1.10%
Benchmark	1.19%
<u>LGIP</u>	
Portfolio Net	0.25%
Benchmark Net	0.12%



**PERFORMANCE BY INVESTMENT FUND**

Portfolio Name	Market Value	Days	Daily Yields	Earnings Yield
			6/30/2016	6/30/15-6/30/16
			Quarter End Yield	Fiscal Year
LGIP 30 Day Gross Yield	\$ 750,598,952	44	0.433%	0.30%
S&P LGIP Govt Pools Gross Return		39	0.420%	0.29%
LGIP 30 Day Net Yield			0.389%	0.25%
S&P LGIP Govt Pools Net Return			0.260%	0.12%

STO INVESTMENT FUNDS			Total Return		
Portfolio Name	Market Value	Duration - End	6/30/2016	6/30/2016	6/30/15-6/30/16
General Fund Liquidity	\$ 517,606,607	0.00	0.08%	0.22%	17.06%
Fund Benchmark S&P LGIP Pool Net Return		0.01	0.06%	0.14%	
General Fund Core	\$ 1,015,150,888	2.01	0.61%	1.77%	33.46%
Fund Benchmark Treasury 0-5 Year		2.24	0.67%	1.98%	
General Fund Total	\$ 1,532,757,495	1.33	0.47%	1.43%	50.52%
General Fund Total Benchmark - Weighted		1.34	0.43%	1.24%	
BPIP Tax Exempt	\$ 821,773,205	0.89	0.33%	0.92%	27.08%
Fund Benchmark - Treasury 0-3 Year		1.43	0.41%	1.01%	
BPIP Taxable	\$ 679,703,384	0.97	0.34%	0.97%	22.40%
Fund Benchmark - Treasury 0-3 Year		1.43	0.41%	1.01%	
<b>Total STO Investment Funds</b>	<b>\$ 3,034,234,084</b>	<b>1.13</b>	<b>0.38%</b>	<b>1.10%</b>	<b>100.00%</b>
Weighted Benchmark		1.46	0.44%	1.19%	

STO OTHER FUNDS			6/30/2016	6/30/2016	6/30/15-6/30/16
Portfolio Name	Market Value	Duration - End	Quarter Return	Fiscal Year	
Severance Tax Bonding	\$ 14,607,313	0.06	0.08%	0.29%	
Overnight Repo Pool	\$ 139,080,166	0	0.09%	0.23%	

**Total STO Investment Funds \$ 3,938,520,515**

JP Morgan reports are based on trade date and includes accrued interest \*LGIP return data provided by STO and based on yield earnings  
All other returns are total return which reflects Market Value change and accrual interest earnings.

## SHOCK ANALYSIS REPORT

### *Shock Analysis*

The following shock analysis report illustrates market value change that can be expected given instantaneous interest rate changes.

### *Strategy to Manage Risk*

It is inherent in owning longer term fixed income securities that the market value will change given interest rate moves. It is also inherent that the longer maturities historically have provided higher returns over interest rate cycles. The purpose of the shock analysis is to illustrate and manage the expected change in market value on the portfolio given a change in current interest rates.

### *Change in Market Value*

The total market value of the investment portfolios would move by approximately \$8,577,859.30 given a 25 basis point instantaneous change in market yield and a parallel yield curve shift. This does not incorporate credit spread changes or yield curve shift. The exposure is less than the established benchmark by approximately \$2MM and the variance is due to the shorter duration of the investment funds of 1.36 versus 1.67 for the weighted benchmark duration.

### *LGIP Market Value Change*

The LGIP shock report is included and this analysis shows the NAV price change expected on the LGIP fund given changes in interest rates and overall portfolio size. The LGIP policy establishes for the NAV to remain between 99.85 and 100.15. The LGIP NAV as of fiscal year-end was 99.999 and the portfolio is reviewed and reported to S&P on a weekly basis. The information on this report is as of 7/4/16 data.

## KEY MEASURES

Market Price Change	
If Rates Rise	by 25 basis points
<u>General Core Fund</u>	
25 Basis point change	(5,101,133)
<u>BPIP Tax Exempt</u>	
25 Basis point change	(1,828,445)
<u>BPIP Taxable</u>	
25 Basis point change	(1,648,281)
<u>Total NM Funds</u>	
25 Basis point change	(8,577,859)
<u>LGIP</u>	
Up 25 Basis point change	
Current NAV	99.9999
Potential Change	0.9997



**SHOCK ANALYSIS**

Review of price sensitivity of the investment portfolio given an upward movement in rates.

**Assumptions:**

1. Assumes parallel yield curve shift      2. Assume point in time change      3. Represents market value change that is unrealized

STO FUNDS		RISK	Up 25 Basis Pts	Up 50 Basis Pts	Up 100 Basis Pts
Portfolio Name	Market Value	Duration - End	Market Change	Market Change	Market Change
General Fund Core	\$ 1,015,150,888.00	2.01	\$ (5,101,133.21)	\$ (10,202,266.42)	\$ (20,404,532.85)
Fund Benchmark		2.24	\$ (5,684,844.97)	\$ (11,369,689.95)	\$ (22,739,379.89)
Portfolio Name	Market Value	Duration - End	Market Change	Market Change	Market Change
BPIP Tax Exempt	\$ 821,773,205.00	0.89	\$ (1,828,445.38)	\$ (3,656,890.76)	\$ (7,313,781.52)
Fund Benchmark		1.43	\$ (2,937,839.21)	\$ (5,875,678.42)	\$ (11,751,356.83)
Portfolio Name	Market Value	Duration - End	Market Change	Market Change	Market Change
BPIP Taxable	\$ 679,703,384.00	0.97	\$ (1,648,280.71)	\$ (3,296,561.41)	\$ (6,593,122.82)
Fund Benchmark		1.43	\$ (2,429,939.60)	\$ (4,859,879.20)	\$ (9,719,758.39)
Total STO Investment Funds	\$ 2,516,627,477.00	1.36	\$ (8,577,859.30)	\$ (17,155,718.60)	\$ (34,311,437.20)
Total Benchmark Change		1.76	\$ (11,052,623.78)	\$ (22,105,247.56)	\$ (44,210,495.11)

\* Data Source: JP Morgan Custodial Reports

ASSUMED EARNINGS COMPARISON OF PORTFOLIO TO CASH EARNINGS ANNUALIZED				
		6/30/2016	1 year	3 year*
Portfolio Name	Market Value	Book Yield	Earnings	Earnings
General Fund Core	\$ 1,015,150,888.00	1.26%	\$ 12,755,370.91	\$ 38,266,112.72
Cash		0.30%	\$ 3,045,452.66	\$ 9,136,357.99
Portfolio Name	Market Value	Book Yield	Earnings	Earnings
BPIP Tax Exempt	\$ 821,773,205.00	0.71%	\$ 5,834,589.76	\$ 17,503,769.27
Cash		0.30%	\$ 2,465,319.62	\$ 7,395,958.85
Portfolio Name	Market Value	Book Yield	Earnings	Earnings
BPIP Taxable	\$ 679,703,384.00	0.77%	\$ 5,233,716.06	\$ 15,701,148.17
Cash		0.30%	\$ 2,039,110.15	\$ 6,117,330.46
Total STO Investment Funds	\$ 2,516,627,477.00	0.947%	\$ 23,823,676.72	\$ 71,471,030.16

Data Source: JP Morgan Custodial Reports and QED reports

\* 3 year returns assumes the same as current rates for the next 3 years.



SENSITIVITY ANALYSIS		As of 7/4/16	
Weighted Average Maturity:		44	
Shares Outstanding:	\$ 741,942,197	Participant Share as of 7/4/16	
Market Value (NAV):	0.999999		
Total \$ Unrealized Loss:	(\$742)		
Total \$ Unrealized Gain	\$0		
Market Value - JP Morgan Price	\$ 741,930,000	As of July 4, 2016	

Basis Point Shift								Unrealized Gain (Loss)
150	0.997415	0.997990	0.998096	0.998191	0.998277	0.998355	0.998608	\$ (1,342,336)
125	0.997846	0.998325	0.998413	0.998492	0.998564	0.998629	0.998840	\$ (1,118,737)
100	0.998276	0.998659	0.998730	0.998794	0.998851	0.998903	0.999072	\$ (895,138)
75	0.998707	0.998994	0.999047	0.999095	0.999138	0.999177	0.999304	\$ (671,539)
50	0.999138	0.999329	0.999364	0.999396	0.999425	0.999451	0.999536	\$ (447,940)
25	0.999568	0.999664	0.999682	0.999698	0.999712	0.999725	0.999767	\$ (224,341)
0	0.999999	0.999999	0.999999	0.999999	0.999999	0.999999	0.999999	\$ (742)
-25	1.000429	1.000334	1.000316	1.000300	1.000286	1.000273	1.000231	\$ 222,857
-50	1.000860	1.000669	1.000633	1.000602	1.000573	1.000547	1.000463	\$ 446,456
-75	1.001290	1.001003	1.000951	1.000903	1.000860	1.000821	1.000695	\$ 670,055
-100	1.001721	1.001338	1.001268	1.001204	1.001147	1.001095	1.000927	\$ 893,654
-125	1.002151	1.001673	1.001585	1.001506	1.001434	1.001369	1.001158	\$ 1,117,253
-150	1.002582	1.002008	1.001902	1.001807	1.001721	1.001643	1.001390	\$ 1,340,852

Redemption/Inflow	-30%	-10%	-5%	0%	5%	10%	30%
O/S Shares	519,359,538	667,747,977	704,845,087	741,942,197	779,039,307	816,136,416	964,524,856

Shift Upon NAV = NAV - (APM/365) \* (Bp/10,000)

Dilution Upon NAV = (NAV + Change) / (1 + Change)

\* Source: S&P rating matrix

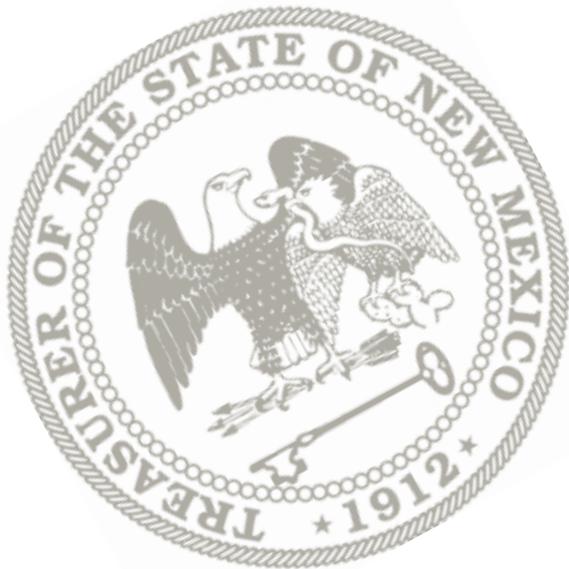
\*\* Provided by STO on S&P Report

Note: Market Value of LGIP differs on S&P report from JP Morgan report



**Disclaimer:**

This material is based on information obtained from sources generally believed to be reliable and available to the public; however, GPA cannot guarantee its accuracy, completeness, or suitability. This material is for purposes of observations and oversight and is the opinion of the author and not necessarily of GPA, LLC. Past performance does not necessarily reflect and is not a guaranty of future results. The information contained in this document is not an offer to purchase or sell any securities.



## 9. Quarterly Investment Review – Portfolio Managers

## Quarterly Investment Review

### Market Summary

---

US Treasury yields continued to decline in the second quarter of 2016. The quarter began with the Fed revising its tightening cycle expectations for the current calendar year, moving from four rate increases to two or less. By the end of May, the Fed was prepping the market for a rate increase in June but that was put on ice after surprisingly weak employment numbers were reported in early June. If that wasn't enough to stave off the Fed, the Brexit vote in late June brought enough market volatility for everyone to enjoy. Surprised by the outcome of the vote by Great Britain to leave the European Union, equity markets swung quite dramatically. Once all was said and done however, markets stabilized with US equity indices hitting record highs and global fixed income yields reaching deeper into negative territory.

With short maturity US Treasuries pricing in no interest rate increases by the Fed and no more room to run, longer maturities outperformed as investors reached for yield, flattening the yield curve. Investors had become comfortable owning thirty year bonds with no fear of inflation eroding principal, and trading to a low of 2.09% in early July.

The STO portfolios were shorter in duration vs. benchmarks for the quarter as liquidity needs continued to be a drag on performance. With Treasury yields declining, Agencies were slightly more attractive particularly on a new issue basis, where concessions to existing securities could be captured. NM municipal securities were cheaper than US Treasuries and Agencies in the very short end, one year and less, otherwise slim pickings. The corporate market continues to perform well vs. Treasuries and Agencies and STO has begun to build out the credit files in anticipation of adding corporate securities to the portfolios. Money market, 2a-7 funds, will be conforming to new rules in October 2016, as prime funds are getting close to liquidating all commercial paper holdings to purchase Treasuries and Agencies. Commercial paper offerings have become more attractive as a result.

**Table 1 – Comparative Quarterly Interest Rates**

<i>US Treasury Yields</i>			
<i>Maturity</i>	<i>31-Mar</i>	<i>Jun-30</i>	<i>Change</i>
<i>3-Month</i>	0.20%	0.26%	0.06%
<i>6-Month</i>	0.38%	0.35%	-0.03%
<i>2-Year</i>	0.72%	0.58%	-0.14%
<i>3-Year</i>	0.85%	0.69%	-0.16%
<i>5-Year</i>	1.21%	1.00%	-0.21%
<i>10-Year</i>	1.77%	1.47%	-0.30%
<i>30-Year</i>	2.61%	2.29%	-0.32%
<i>Source: Bloomberg LP</i>			

## Strategy Employed During the Past Quarter

---

The general strategy for the second quarter of 2016 was to structure the portfolios more conservatively than their benchmarks in terms of duration. Portfolio performance was hindered by the continued decline in US Treasury yields, particularly in the short intermediate maturities where STO invests.

As always, we are limited by the goals of safety, liquidity and yield. With regard to specific funds, we have utilized strategies which complement each fund's particular cash needs.

### General Fund Investment Pool

At the end of the quarter the General Fund Investment Pool had a 34% and 66% weighting between the Liquidity and CORE portions respectively. Contrary to the trend of lower State revenues, the month of June came in a bit better than expected, pushing the Liquidity fund to a temporarily higher percentage of the total Pool.

The GF Core continued to maintain a conservative duration vs. the benchmark, meeting cash needs as they arose, generating \$156 million for transfer to the Liquidity fund. For the last 12 months, the GF Core underperformed its benchmark, as shorter duration and positioning for cash flows, dominated portfolio strategy.

**Table 2 – Quarterly General Fund Investment Pool Relative Performance**

<i>Fund</i>	<i>Performance</i>	
	<i>Quarter</i>	<i>12 Months</i>
<i>General Fund CORE</i>	0.61%	1.77%
<i>BAML 0-5 US Treasury</i>	<u>0.67%</u>	<u>1.98%</u>
<i>Relative Performance (BPs)</i>	(0.06)%	(0.21)%

*Source: JP Morgan*

**Table 3 – Quarter-End General Fund Investment Pool Positioning versus Benchmark**

<i>Fund</i>	<i>Duration</i>		
	<i>Portfolio</i>	<i>Benchmark</i>	<i>Percentage</i>
<i>General Fund Liquidity</i>	0.01 Years		
<i>General Fund CORE</i>	2.01 Years	2.16 Years	93%

*Source: QED, JPMorgan*

### Bond Proceeds Funds

With regard to relative performance, the Bond Proceeds Investment Pools underperformed their benchmarks for the fourth quarter. For the 12-month period, both pools underperformed vs. benchmarks.

**Table 4 Quarterly Bond Proceeds Investment Pool Relative Performance**

<u>Fund</u>	<u>Performance</u>	
	<u>Quarter</u>	<u>12 Months</u>
<i>Bond Proceeds - Tax Exempt</i>	0.33%	0.92%
<i>BAML 0-3 US Treasury</i>	<u>0.41%</u>	<u>1.01%</u>
<i>Relative Performance (BPs)</i>	(0.08)%	(0.09)%
<i>Bond Proceeds – Taxable</i>	0.34%	0.97%
<i>BAML 0-3 US Treasury</i>	<u>0.41%</u>	<u>1.01%</u>
<i>Relative Performance (BPs)</i>	(0.07)%	(0.04)%

Source: JPMorgan

Both Pools were shorter than the duration of their benchmarks. With challenging markets, investing cash received from bond deals can occur at rather inopportune times.

**Table 5 Quarter-End Bond Proceeds Investment Pool Positioning versus Benchmark**

<u>Fund</u>	<u>Duration</u>		
	<u>Portfolio</u>	<u>Benchmark</u>	<u>Percentage</u>
<i>Bond Proceeds - Tax Exempt</i>	0.89 Years	1.35 Years	66%
<i>Bond Proceeds – Taxable</i>	0.97 Years	1.35 Years	72%

Source: QED, JPMorgan

### Local Government Investment Pool

The LGIP ended the fourth quarter at a market value of \$750 mil, higher by \$130 mil vs. the end of the third quarter. On a comparative basis, the fund has outperformed its peers, for both the 3 and 12-month periods. The maintenance of the weighted average maturity of the Pool, close to the maximum allowable for AAAM funds, was a positive influence on the performance.

**Table 6 – Quarterly Local Government Investment Pool Relative Performance**

<u>Fund</u>	<u>Performance</u>	
	<u>Quarter</u>	<u>12 Months</u>
<i>Local Government Investment Pool</i>	0.11%	0.32%
<i>S&amp;P Government Bond Index (Gross)</i>	<u>0.10%</u>	<u>0.27%</u>
<i>Relative Performance (BPs)</i>	0.01%	0.05%

Source: JPMorgan

### *Severance Tax Bonding Fund*

The Severance Tax Bonding Fund fell to \$14 mil at the end of the fourth quarter as debt service was paid out at the end of June. Severance tax deposits received were between \$15-20 mil per month. Balances are built throughout the quarter to cover debt service payments on outstanding severance tax bonds on Jan and July 1 and to retire severance tax and supplemental severance tax notes.

The Severance Tax Bonding Fund was invested in overnight repurchase agreements, short term Agency notes, the LGIP, NM municipal and collateralized bank deposits. The Fund can purchase longer maturities vs. overnight investments to pick up additional yield as long as debt service payments can be met on a timely basis.

**Table 77 – Quarterly Severance Tax Bonding Fund Relative Performance**

<i>Fund</i>	<i>Performance</i>	
	<i>Quarter</i>	<i>12 Months</i>
<i>Severance Tax Bonding Fund</i>	0.08%	0.29%
<i>S&amp;P Government Bond Index (Gross)</i>	<u>0.10%</u>	<u>0.27%</u>
<i>Relative Performance (BPs)</i>	(0.02)%	0.02%

*Source: JPMorgan*

### *Expectations for the Upcoming Quarter and Year*

---

US Treasury yields ended the quarter at low levels with short maturities pricing in no Fed rate hikes for the foreseeable future. The two year Treasury note at 0.59% does not give an investor much room for appreciation with the Fed Funds rate target at 0.25-50%. STO portfolios remain cautiously conservative.

### *General Fund Investment Pool*

The General Fund Investment Pool will be invested with an eye on a continued need for liquidity. Although at the end of the quarter the drain seemed to be stabilizing, the ability to raise cash without taking losses, when requested is a priority.

### *Bond Proceeds Pools*

The Pools are invested in a laddered fashion in order to meet monthly withdrawal requests. Both portfolios will continue to be managed with an emphasis towards meeting regular cash requests.

### *Local Government Investment Pool*

The LGIP has increase by \$130 million since the end of March 2016. The yield on the Pool was hovering around 0.40% during the fourth quarter. The WAM to reset will continue to be close to the maximum allowable 60 days.

### *Severance Tax Bonding Fund*

The Severance Tax Bonding Fund will see generally increasing balances over the quarter as deposits are made on a monthly basis. We will actively manage investments to mature close to the end of December in order to meet expected debt service payments. Given the reduction in oil and gas revenues, we expect deposits to be between \$15-\$25mil/month average.

*Vikki Hanges*  
*Portfolio Manager*



## 10. Portfolio Summary- General Fund Investment Pool

## Portfolio Summary – General Fund Investment Pool

### *Summary*

- The General Fund Investment Pool (Bank balances, Liquidity and Core Portfolios) closed the month of June at \$1.57 Billion.

### *Portfolio Mix*

- At month end, 100% of the General Fund CORE portfolio was invested in fixed income securities; 47% in US Government Securities; 45% in Government Related Securities (Municipal Bonds and Agency Securities), and the balance ~8% in cash and cash equivalents.
- 30% of the portfolio was invested in securities that mature in one year; 24% in securities that mature from 1-2 years; 34% in 2-4 years and 12% within 5 years.
- The General Fund Core portfolio held positions in 80 securities at the end of June.
- The Weighted Average Life of the CORE portion of the General Fund was 2.07 years. The Weighted Average duration was 2.01 years.
- The benchmark duration for the CORE portfolio was 2.16 years.
- The maximum security term for the CORE portfolio is 5 years.

### *Performance*

- For the last 3 months, the General Fund underperformed its benchmark, returning 0.61% vs. 0.67%.
- For the last 12 months, the General Fund underperformed its benchmark. The General Fund gained 1.77% while the benchmark rose 1.98%.

### *Market Value and Investment Earnings*

- Unrealized gains/losses in the Core Portfolio at the end of June were \$13,084,184.
- Over the month, the unrealized value of the portfolio increased \$2.7 million due to a decrease in relative interest rates.
- Monthly net earnings for June on the General Fund Portfolios were \$1.3 million.
- Total monthly earnings including mark-to-market were \$4 million.
- Year-to-date net earnings were \$17.2 million.
- Total year-to-date earnings including mark-to-market were \$23.3 million.
- Earnings on the General Fund are used to offset General Fund Spending.

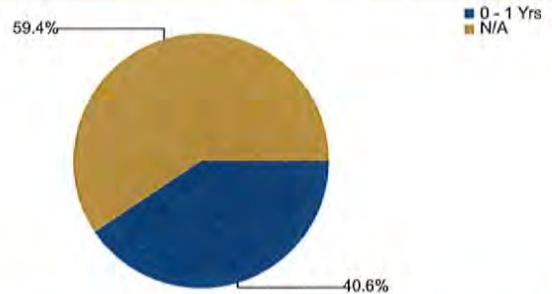
### *Investment Highlights*

- The portfolio remained shorter than the benchmark duration to preserve principal in anticipation of liquidity needs.
- The Core portfolio will move closer to the benchmark duration as opportunities arise.
- In June, there was a \$106 million transfer out of the Core portfolio and into Liquidity to meet cash needs.

Portfolio Characteristics

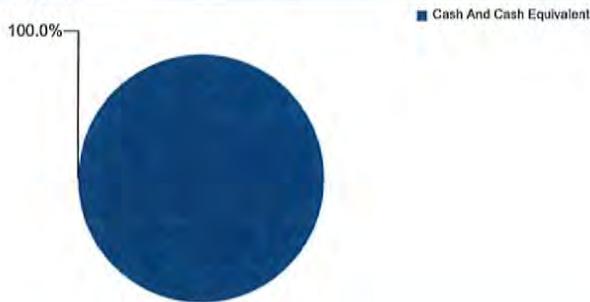
Duration Mix

Total Net Assets (Millions)	517.6
Weighted Average Life (Years)	0.00
Weighted Avg. Effective Duration (Years)	0.00
Weighted Average Coupon (%)	0.13
Weighted Average Current Yield (%)	0.13
Weighted Average Yield to Maturity (%)	0.13
Weighted Average Rating	AAA
Number of Holdings	7



Asset Mix

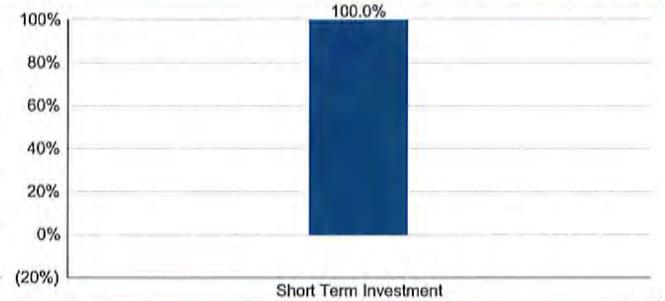
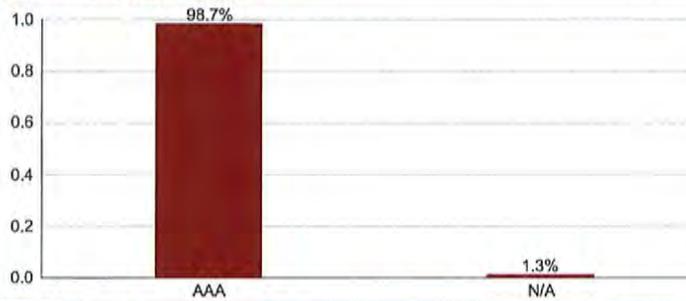
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
89499LC10	BANK OF THE WEST	58.12%	0.00	1/7/2016
99G120059	REPO JPMORGAN CHASE BK (GREENWICH) 063016P	9.69%	0.35	1/7/2016
99G120060	REPO JPMORGAN CHASE BK (GREENWICH) 063016O	9.69%	0.35	1/7/2016
AAG9921P4	PRIVATE PLACEMENT BOND CITY OF ALBUQUERQUE	1.33%		
99G120051	REPO JPMORGAN CHASE BK (GREENWICH) 063016Q	9.60%	0.35	1/7/2016
99G120046	REPO MITSUBISHI UFJ SECURITIES (USA),INC. 063016S	1.97%	0.25	1/7/2016
99G120050	REPO MITSUBISHI UFJ SECURITIES (USA),INC. 063016R	9.60%	0.25	1/7/2016

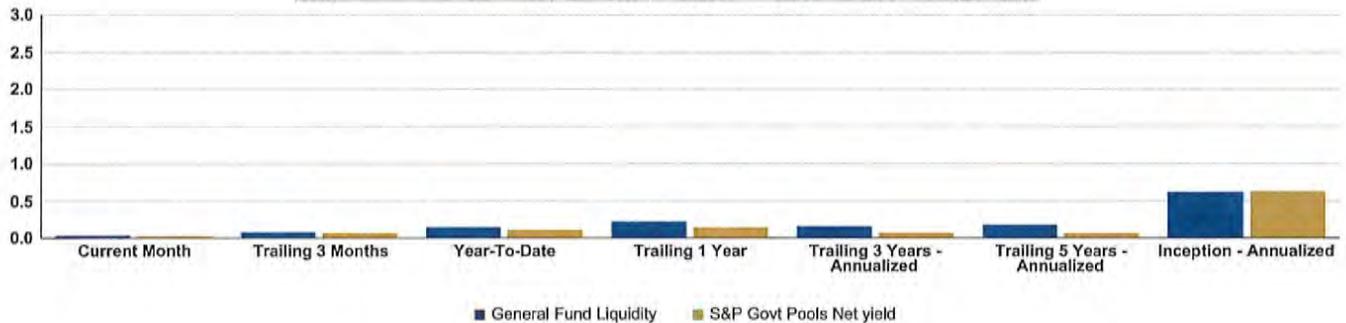
Quality/Rating Weightings

Sector Weightings (as % of Market Value)



Returns Series

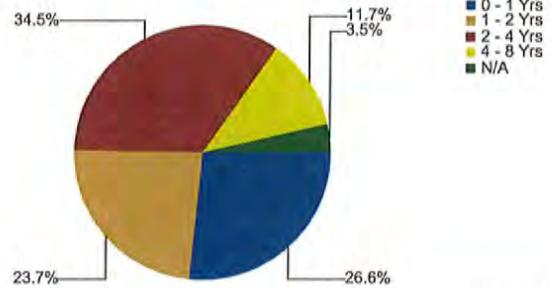
	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
General Fund Liquidity	0.03	0.08	0.14	0.22	0.16	0.18	0.62
S&P Govt Pools Net yield	0.02	0.06	0.11	0.14	0.06	0.06	0.63
Excess	0.01	0.01	0.03	0.08	0.09	0.12	(0.01)



Portfolio Characteristics

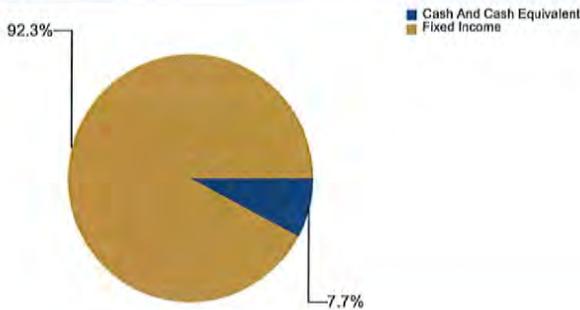
Duration Mix

Total Net Assets (Millions) 1,015.2  
 Weighted Average Life (Years) 2.07  
 Weighted Avg. Effective Duration (Years) 2.01  
 Weighted Average Coupon (%) 1.44  
 Weighted Average Current Yield (%) 0.72  
 Weighted Average Yield to Maturity (%) 0.72  
 Weighted Average Rating AA-  
 Number of Holdings 79



Asset Mix

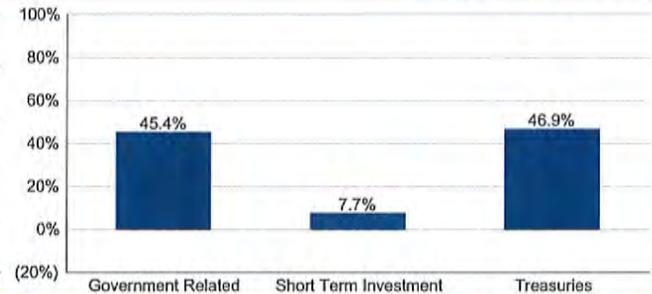
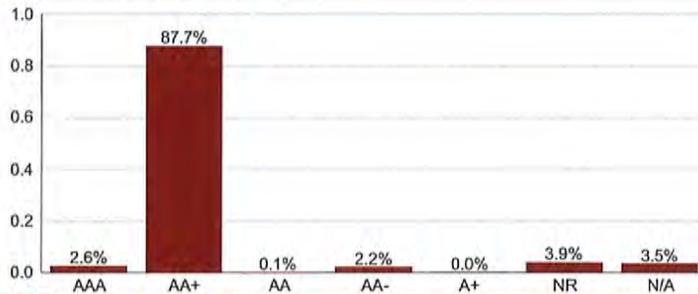
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
912828WCO	UNITED STATES OF AMERICA 1.750% 2020-10-31	4.19%	1.75	31/10/2020
3135GDDV3	FEDERAL NATIONAL MORTGAGE ASSOC 1.25% MTG BDS	3.98%	1.25	30/10/2017
3137EADC9	FEDERAL HOME LOAN MORTGAGE CORP 1% B05 08/MAR/2017	3.97%	1.00	8/3/2017
912828C65	UNITED STATES OF AMERICA 1.625% 2019-03-31	3.55%	1.62	31/3/2019
3130A7CV5	FEDERAL HOME LOAN BANKS BOND FIXED 1.375%	3.41%	1.36	18/2/2021
912828FV0	UNITED STATES OF AMERICA 1.125% 2020-03-31	3.37%	1.12	31/3/2020
3137EAD35	FEDERAL HOME LOAN MORTGAGE CORP 0.875% MTG BDS	2.96%	0.88	14/10/2016
912828V9	UNITED STATES OF AMERICA 2.125% 2020-08-31	2.60%	2.12	31/8/2020
99G20045	REPO MITSUBISHI UFJ SECURITIES (USA) INC. 06/30/16W	2.55%	0.25	1/7/2016
912828VE7	UNITED STATES OF AMERICA 1.000% 2016-05-31	2.48%	1.00	31/5/2016

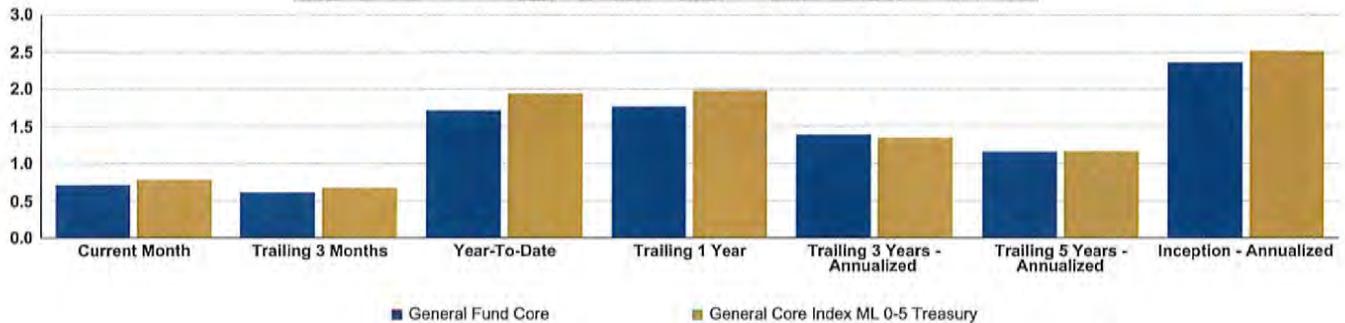
Quality/Rating Weightings

Sector Weightings (as % of Market Value)



Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
General Fund Core	0.71	0.61	1.71	1.77	1.39	1.16	2.36
General Core Index ML 0-5 Treasury	0.78	0.67	1.94	1.95	1.35	1.16	2.51
Excess	(0.07)	(0.06)	(0.23)	(0.21)	0.04	0.00	(0.15)



**STATE OF NEW MEXICO**  
**GENERAL FUND (1000)**  
**Portfolio Classification Summary**  
**Positions Held as of 6/30/16 (TRADE Basis)**

AMTZ ADDED: NO

ASSET CLASSIFICATION	ITEMS	YIELD	AVG-TERM	PRINCIPAL	COST-BASIS	MARKET-VALUE	GAIN/LOSS	%MARKET
REPURCHASE AGREEMENTS (O/N)	2	.3259	.00270	209,918,463	209,918,463	209,918,463		40.556
MUNICIPAL BOND REVENUE	1	.5037	.00270	6,870,000	6,870,000	6,870,000		1.327
CASH ACCOUNT	1			300,816,256	300,816,256	300,816,256		58.117
	<u>4</u>	<u>.1389</u>	<u>.00270</u>	<u>517,604,719</u>	<u>517,604,719</u>	<u>517,604,719</u>		<u>100.000</u>

**STATE OF NEW MEXICO**  
**GENERAL FUND CORE (1001)**  
Portfolio Classification Summary  
Positions Held as of 6/30/16 (TRADE Basis)

AMTZ ADDED: NO

ASSET CLASSIFICATION	ITEMS	YIELD	AVG-TERM	PRINCIPAL	COST-BASIS	MARKET-VALUE	GAIN/LOSS	%MARKET
REPURCHASE AGREEMENTS (O/N)	1	.2535	.00270	25,913,002	25,913,002	25,913,002		2.562
CERTIFICATES OF DEPOSIT	10	.7569	.62575	52,750,000	52,750,000	52,750,000		5.215
US TREASURY NOTE ACT/ACT 2X	24	1.3267	2.64234	464,750,000	466,910,737	474,425,575	7,514,838	46.902
AGENCY US BOND 30/360 2X	5	1.4118	3.35421	59,500,000	59,299,859	60,180,360	880,501	5.949
AGENCY 30/360 2X	1	1.1153	.57530	25,000,000	25,000,000	25,081,500	81,500	2.480
AGENCY US BOND 30/360 ZERO CPN	1	2.2015	3.27400	22,941,000	21,006,781	22,037,354	1,030,573	2.179
AGENCY US NOTES 30/360 2X	16	1.2866	1.66987	285,500,000	287,231,694	290,633,780	3,402,086	28.732
FED NATL MORTGAGE ASSN DEBS	2	1.0679	.63398	50,000,000	50,051,261	50,225,100	173,839	4.965
MUNI US 30/360 2X	19	.7930	.36481	8,250,000	8,287,888	8,288,735	847	.819
MUNICIPAL BOND REVENUE	1	.6082	.12600	2,000,000	2,000,000	2,000,000		.198
	<u>80</u>	<u>1.2565</u>	<u>2.06891</u>	<u>996,604,002</u>	<u>998,451,222</u>	<u>1,011,535,406</u>	<u>13,084,184</u>	<u>100.000</u>

**STATE OF NEW MEXICO**

**TREASURERS OFFICE**

Position holdings as of 6/30/16 (TRADE)  
BOOK VALUES AMORTIZED THROUGH 6/30/16

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
300,816,256	BANK OF THE WEST	CASHCASH				1.00000	300,816,256.29	300,816,256.00	- .29
<u>300,816,256</u>							<u>300,816,256.29</u>	<u>300,816,256.00</u>	<u>- .29</u>

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

6,870,000	ABQ SERIES 2016 C	ABQ2016A	.498	7/01/16	.497	100.00000	6,870,000.00	6,870,000.00	
150,000,000	OVERNIGHT REPO	0701RP	.350	7/01/16	.350	1.00000	150,000,000.00	150,000,000.00	
59,918,463	OVERNIGHT REPO	0701RP	.250	7/01/16	.250	1.00000	59,918,463.04	59,918,463.04	
<u>216,788,463</u>							<u>216,788,463.04</u>	<u>216,788,463.04</u>	

====> 0003 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ==== 2016 <====

<u>517,604,719</u>							<u>517,604,719.33</u>	<u>517,604,719.04</u>	<u>- .29</u>
--------------------	--	--	--	--	--	--	-----------------------	-----------------------	--------------

====> 0004 ITEMS IN SUBTOTAL FOR ==== FUND NAME..... ==== GENERAL FUND <====

**STATE OF NEW MEXICO**

**TREASURERS OFFICE**

Position holdings as of 6/30/16 (TRADE)  
BOOK VALUES AMORTIZED THROUGH 6/30/16

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
180,000	NEW MEXICO ST SEVERANCE TAX	64731004	5.000	7/01/16	.699	100.00000	180,000.00	180,000.00	
1,000,000	ALBUQUERQUE BERNALILLO CNTY WT J	013493ES	5.000	7/01/16	.830	100.00000	1,000,000.00	1,000,000.00	
500,000	ALBUQUERQUE BERNALILLO CNTY WT J	013493DW	4.000	7/01/16	.830	100.00000	500,000.00	500,000.00	
200,000	RUIDOSO N MEX WASTEWATER REV REF	781324AC	2.000	7/01/16	.800	100.00000	200,000.00	200,000.00	
200,000	CITY OF ALBUQUERQUE NM	01354MEX	3.000	7/01/16	.560	100.00000	200,000.00	200,000.00	
25,913,002	OVERNIGHT REPO	0701RP	.250	7/01/16	.250	1.00000	25,913,002.13	25,913,002.13	
500,000	BELEN N MEX CONS SCH DIST NO 2 G	077581NV	2.000	8/01/16	.770	100.10190	500,509.49	500,560.00	50.51
125,000	TRUTH OR CONSEQUENCES N MEX MU G	898439EF	2.000	8/01/16	1.000	100.08255	125,103.19	125,126.25	23.06
225,000	SANDOVAL CNTY N MEX	80004PDP	2.000	8/01/16	.710	100.10694	225,240.61	225,290.25	49.64
2,000,000	SANTA FE PUBLIC SCHOOLS ETN 2014	SFPPS2016	.750	8/01/16	.750	100.00000	2,000,000.00	2,000,000.00	
370,000	SANDOVAL CNTY NM	80004PDZ	2.000	8/01/16	.501	100.12455	370,460.85	370,373.70	- 87.15
2,000,000	GADSDEN INDEPENDENT SCHOOL	GISD15TX	.600	8/15/16	.600	100.00000	2,000,000.00	2,000,000.00	
2,000,000	UNITED STATES TREASURY NOTES	912828RF	1.000	8/31/16	.929	100.01116	2,000,223.14	2,002,320.00	2,096.86
2,000,000	Bank 34	01010047	.600	8/31/16	.600	1.00000	2,000,000.00	2,000,000.00	
170,000	GRANTS / CIBOLA CNTY N MEX SCHDI	388240GW	2.000	10/01/16	.650	100.33608	170,571.34	170,552.50	- 18.84
15,000,000	FEDERAL AGRICULTURAL MORTGAGE CO	3132X0CG	.440	10/05/16	.457	99.99546	14,999,319.08	15,000,300.00	980.92
10,000,000	FIRST NATIONAL SANTA FE	84000530	.600	10/10/16	.600	1.00000	10,000,000.00	10,000,000.00	
30,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EADS	.875	10/14/16	.862	100.00337	30,001,012.04	30,038,100.00	37,087.96
10,000,000	SOUTHWEST CAPITAL BANK	1623575	.780	12/13/16	.780	1.00000	10,000,000.00	10,000,000.00	
3,000,000	CENTURY BANK SANTA FE	17099254	.600	12/16/16	.600	1.00000	3,000,000.00	3,000,000.00	
<b>105,383,002</b>							<b>105,385,441.87</b>	<b>105,425,624.83</b>	<b>40,182.96</b>

====> 0020 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ==== 2016 <====

25,000,000	FEDERAL AGRICULTURAL MORTGAGE CO	31315PN8	1.100	1/26/17	1.100	100.00000	25,000,000.00	25,081,500.00	81,500.00
40,000,000	FED NATL MORTGAGE ASSN DEBS	3135G0GY	1.250	1/30/17	1.054	100.11276	40,045,102.42	40,180,800.00	135,697.58
40,000,000	FED HOME LOAN MORTGAGE CORP DBS	3137EADC	1.000	3/08/17	1.019	99.98694	39,994,775.12	40,131,200.00	136,424.88
250,000	GUADALUPE CREDIT UNION	35605000	1.000	3/26/17	1.000	1.00000	250,000.00	250,000.00	
9,000,000	FARMER MAC	31315PS2	.980	4/10/17	1.015	99.97274	8,997,547.01	9,027,720.00	30,172.99
20,000,000	FIRST NATIONAL SANTA FE	84000531	.850	4/10/17	.850	1.00000	20,000,000.00	20,000,000.00	
3,000,000	FARMERS AND STOCKMENS	8521625	.700	4/21/17	.700	1.00000	3,000,000.00	3,000,000.00	
10,000,000	FED NATL MORTGAGE ASSN DEBS	3135G0JA	1.125	4/27/17	1.049	100.06159	10,006,159.45	10,044,300.00	38,140.55
2,000,000	FARMERS & STOCKMENS BANK	8521016	.650	4/28/17	.650	1.00000	2,000,000.00	2,000,000.00	
8,000,000	FARMER MAC	31315PY8	.930	5/01/17	.970	99.96663	7,997,330.66	8,022,320.00	24,989.34
20,000,000	UNITED STATES TREASURY NOTES	912828SY	.625	5/31/17	1.009	99.65111	19,930,221.49	20,018,000.00	87,778.51
1,080,000	LAS CRUCES N MEX JT UTIL REV	517496EL	2.000	6/01/17	.750	101.13933	1,092,304.75	1,093,294.80	990.05
500,000	WESTERN BANK CLOVIS	15981000	.750	6/02/17	.750	1.00000	500,000.00	500,000.00	
20,000,000	UNITED STATES TREASURY NOTES	912828TB	.750	6/30/17	1.028	99.72449	19,944,897.24	20,046,200.00	101,302.76

**STATE OF NEW MEXICO**

**TREASURERS OFFICE**

Position holdings as of 6/30/16 (TRADE)  
BOOK VALUES AMORTIZED THROUGH 6/30/16

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
9,000,000	FEDERAL AGRICULTURAL MORTGAGE CO	31315PDT	3.020	7/14/17	1.056	102.01827	9,181,644.61	9,221,310.00	39,665.39
9,000,000	UNITED STATES TREASURY NOTES	912828WT	.875	7/15/17	.966	99.90653	8,991,587.63	9,032,310.00	40,722.37
20,000,000	UNITED STATES TREASURY NOTES	912828NR	2.375	7/31/17	1.122	101.34428	20,268,856.93	20,395,400.00	126,543.07
300,000	SAN JUAN CNTY N MEX CENT CONS IN	798359KS	1.000	8/01/17	.751	100.26854	300,805.62	300,183.00	- 622.62
20,000,000	UNITED STATES TREASURY NOTES	912828HA	4.750	8/15/17	1.027	104.14725	20,829,449.14	20,933,600.00	104,150.86
10,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EAAY	5.500	8/23/17	1.072	105.02223	10,502,223.32	10,557,100.00	54,876.68
10,000,000	UNITED STATES TREASURY NOTES	912828D9	1.000	9/15/17	1.058	99.93053	9,993,052.79	10,052,700.00	59,647.21
4,500,000	FEDERAL AGRICULTURAL MORTGAGE CO	31315P3K	1.150	9/18/17	1.170	99.97506	4,498,877.73	4,528,530.00	29,652.27
15,000,000	FNMA	3135GOZL	1.000	9/27/17	1.118	99.85500	14,978,250.39	15,068,700.00	90,449.61
25,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0PQ	.875	10/26/17	1.164	99.62258	24,905,644.38	25,087,000.00	181,355.62
20,000,000	UNITED STATES TREASURY NOTES	912828HH	4.250	11/15/17	1.085	104.29830	20,859,659.88	21,006,200.00	146,540.12
20,000,000	UNITED STATES TREASURY NOTES	912828UA	.625	11/30/17	1.075	99.36911	19,873,822.58	20,016,400.00	142,577.42
255,000	SILVER CITY N MEX JT UTIL SYS RE	8275ORAP	2.000	12/01/17	1.000	101.40220	258,575.61	258,786.75	211.14
<b>361,885,000</b>							<b>364,200,788.75</b>	<b>365,853,554.55</b>	<b>1,652,765.80</b>

====> 0027 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ==== 2017 <====

5,000,000	UNITED STATES TREASURY NOTES	912828UJ	.875	1/31/18	1.309	99.32204	4,966,102.24	5,023,250.00	57,147.76
15,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EADP	.875	3/07/18	1.454	99.04042	14,856,062.80	15,027,600.00	171,537.20
2,000,000	FARMERS & STOCKMENS BANK	8521052	1.050	4/27/18	1.050	1.00000	2,000,000.00	2,000,000.00	
25,000,000	UNITED STATES TREASURY NOTES	912828UZ	.625	4/30/18	1.188	98.98352	24,745,879.05	25,016,500.00	270,620.95
25,000,000	UNITED STATES TREASURY NOTES	912828VE	1.000	5/31/18	1.228	99.56962	24,892,406.11	25,193,250.00	300,843.89
150,000	LAS CRUCES N MEX HOLD HARMLESSGR	51748QAY	4.000	6/01/18	1.500	104.70496	157,057.44	158,022.00	964.56
225,000	SAN JUAN CNTY N MEX CENT CONS IN	798359KT	1.000	8/01/18	1.000	99.99928	224,998.37	224,979.75	- 18.62
20,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0YM	1.875	9/18/18	1.438	100.94798	20,189,595.72	20,511,000.00	321,404.28
15,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0YT	1.625	11/27/18	1.747	99.71322	14,956,982.68	15,319,350.00	362,367.32
20,000,000	UNITED STATES TREASURY NOTES	912828RT	1.375	11/30/18	1.404	99.93173	19,986,346.92	20,346,200.00	359,853.08
500,000	FEDERAL HOME LOAN BANKS	313382F7	1.100	12/27/18	1.100	99.99960	499,998.02	504,580.00	4,581.98
<b>127,875,000</b>							<b>127,475,429.35</b>	<b>129,324,731.75</b>	<b>1,849,302.40</b>

====> 0011 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ==== 2018 <====

20,000,000	UNITED STATES TREASURY NOTES	912828SD	1.250	1/31/19	1.267	99.95697	19,991,394.26	20,295,400.00	304,005.74
20,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135GOZA	1.875	2/19/19	1.678	100.50489	20,100,978.79	20,553,400.00	452,421.21
20,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EACA	3.750	3/27/19	1.762	105.29076	21,058,151.51	21,593,600.00	535,448.49

**STATE OF NEW MEXICO**

**TREASURERS OFFICE**

Position holdings as of 6/30/16 (TRADE)  
BOOK VALUES AMORTIZED THROUGH 6/30/16

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
35,000,000	UNITED STATES TREASURY NOTES	912828C6	1.625	3/31/19	1.744	99.68024	34,888,083.84	35,877,800.00	989,716.16
20,000,000	FREDDIE MAC	3137EADZ	1.125	4/15/19	1.136	99.96956	19,993,911.28	20,170,000.00	176,088.72
16,000,000	UNITED STATES TREASURY NOTES	912828TH	.875	7/31/19	1.507	98.10243	15,696,388.02	16,065,600.00	369,211.98
13,000,000	FEDERAL AGRICULTURAL MORTGAGE CO	31315P3R	1.900	9/18/19	1.920	99.93683	12,991,788.22	13,432,770.00	440,981.78
22,941,000	FEDERAL NATIONAL MORTGAGE ASSOCI	313586RC		10/09/19	2.171	91.56872	21,006,780.93	22,037,354.01	1,030,573.08
24,500,000	UNITED STATES TREASURY NOTES	912828F6	1.500	10/31/19	1.561	99.80232	24,451,569.05	25,070,360.00	618,790.95
8,000,000	FEDERAL FARM CREDIT BANKS	3133EEBN	1.800	11/12/19	1.755	100.14489	8,011,591.52	8,224,880.00	213,288.48
14,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135GOZY	1.750	11/26/19	1.701	100.16054	14,022,476.14	14,393,820.00	371,343.86
175,000	KNOX CNTY KY	499422DH	5.800	12/01/19	.780	102.08333	178,645.82	178,508.75	- 137.07
<b>213,616,000</b>							<b>212,391,759.38</b>	<b>217,893,492.76</b>	<b>5,501,733.38</b>

====> 0012 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2019 <====

33,750,000	UNITED STATES TREASURY NOTES	912828UV	1.125	3/31/20	1.387	99.04604	33,428,038.72	34,092,900.00	664,861.28
13,500,000	UNITED STATES TREASURY NOTES	912828K5	1.375	4/30/20	1.501	99.53200	13,436,820.00	13,754,205.00	317,385.00
21,000,000	UNITED STATES TREASURY NOTES	912828VV	2.125	8/31/20	1.341	103.16649	21,664,963.31	22,025,430.00	360,466.69
4,000,000	UNITED STATES TREASURY NOTES	912828VU	2.125	8/31/20	1.654	101.88573	4,075,429.20	4,195,320.00	119,890.80
41,000,000	UNITED STATES TREASURY NOTES	912828WC	1.750	10/31/20	1.462	101.20374	41,493,532.72	42,378,830.00	885,297.28
20,000,000	US TREASURY N/B	912828A4	2.000	11/30/20	1.783	100.91671	20,183,341.15	20,899,200.00	715,858.85
20,000,000	UNITED STATES TREASURY NOTES	912828N4	1.750	12/31/20	1.383	101.59327	20,318,654.94	20,688,200.00	369,545.06
<b>153,250,000</b>							<b>154,600,780.04</b>	<b>158,034,085.00</b>	<b>3,433,304.96</b>

====> 0007 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2020 <====

34,000,000	FEDERAL HOME LOAN BANKS	3130A7CV	1.375	2/18/21	1.511	99.39235	33,793,397.39	34,400,860.00	607,462.61
<b>34,000,000</b>							<b>33,793,397.39</b>	<b>34,400,860.00</b>	<b>607,462.61</b>

====> 0001 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2021 <====

255,000	CHOCTAW CNTY MISS HOSP REV	170323AR	7.500	8/01/28	.770	100.55845	256,424.05	256,137.30	- 286.75
<b>255,000</b>							<b>256,424.05</b>	<b>256,137.30</b>	<b>- 286.75</b>

====> 0001 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2028 <====

**STATE OF NEW MEXICO**

**TREASURERS OFFICE**

Position holdings as of 6/30/16 (TRADE)  
BOOK VALUES AMORTIZED THROUGH 6/30/16

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
340,000	KNOX CNTY KY	499422DL	5.875	12/01/36	.780	102.11444	347,189.09	346,919.00	- 270.09
<b>340,000</b>							<b>347,189.09</b>	<b>346,919.00</b>	<b>- 270.09</b>

====> 0001 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2036 <====

<b>996,604,002</b>							<b>998,451,209.92</b>	<b>1011535405.19</b>	<b>13,084,195.27</b>
--------------------	--	--	--	--	--	--	-----------------------	----------------------	----------------------

====> 0080 ITEMS IN SUBTOTAL FOR ====> FUND NAME..... ====> GENERAL FUND CORE <====



## 11. Portfolio Summary- Local Government Investment Pool

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

### *Summary*

- Ending June market value for the LGIP was \$750mil representing an increase relative to May's reported closing value of \$648mil.
- The LGIP maintains an AAAM rating by Standard & Poor's.
- At the end of June the STO LGIP participant balance was \$172mil or 23% of the Pool.
- At the end of June the Judicial District Court LGIP participant balance was \$4.7mil or 0.6% of the Pool.

### *Portfolio Mix*

- At the end of June 2016 the portfolio was invested as follows: 2% in US Treasuries, 48% in US government agencies, 7% in collateralized demand deposit accounts with qualified banking institutions, 22% in floating rate securities, and 21% in overnight repurchase agreements.
- At month-end, the LGIP held positions in 55 securities.

### *Investment Earnings*

- In June the fund earned \$236,229.
- For FY2016, the fund has earned \$2,057,264.
- 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 0.44% at the end of June.
- Net yield to participants was 0.39%.

### *Investment Highlights*

- For the LGIP, the WAM(R) of 44 days, and WAM (F) of 77 days, were within their maximums of 60 and 120 days respectively.
- There was \$97.110mil in maturities during the month of June.
- The LGIP purchased \$85.45mil in US agency securities maturing from 4 months to 1 year at yields between 0.40% and 0.55%.
- The LGIP sold \$15mil FHLB bonds, at gains, to further reduce HL concentrations.
- The LGIP engaged in 33 repo trades during the month, consisting of 24 overnight and 9 term trades. Trade amounts varied in size from \$35mil to \$50mil at rates spanning 0.28% to 0.42%.

### *Investment Strategy*

- LGIP WAMs are currently 54 and 99 days for WAM(R) and WAM (F) respectively.
- At the time of this report preparation July has had net withdrawals of approximately \$44mil.
- \$44.060mil in maturities are scheduled for July.
- 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.

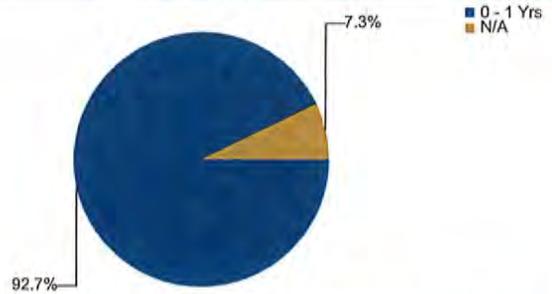
*Net Asset Value/Share*

At month-end, the Net Asset Value per Share of the Local Government Investment Pool was \$0.9999

Portfolio Characteristics

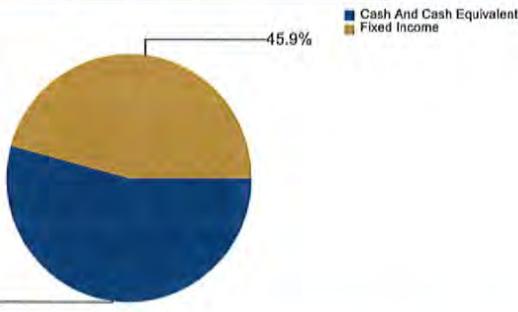
Duration Mix

Total Net Assets (Millions)	750.6
Weighted Average Life (Years)	0.21
Weighted Avg. Effective Duration (Years)	0.11
Weighted Average Coupon (%)	0.60
Weighted Average Current Yield (%)	0.38
Weighted Average Yield to Maturity (%)	0.40
Weighted Average Rating	A+
Number of Holdings	56



Asset Mix

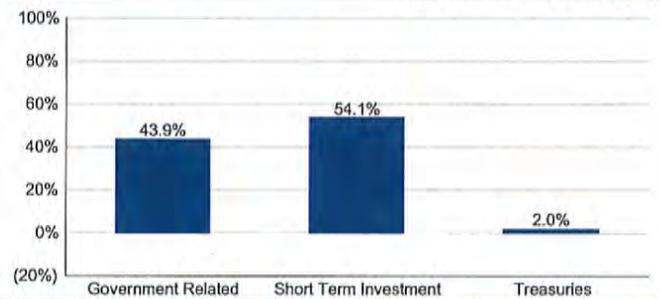
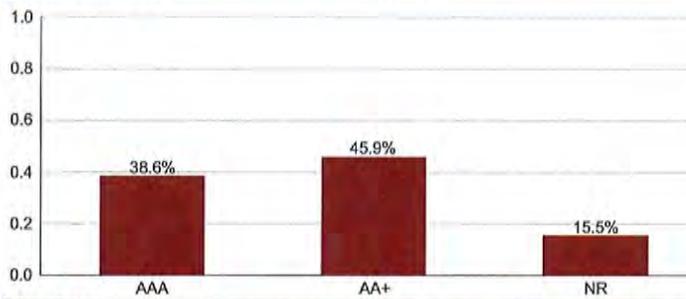
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
99GH60031	REPO RBC CAPITAL MARKETS LLC LGIPREPO062416	6.66%	0.40	1/7/2016
99GI20036	REPO JPMORGAN CHASE BK (HSBCS) LGIPREPO063016_1	6.66%	0.42	1/7/2016
99GH90016	REPO BANK OF NEW YORK (MIZUHOSEC) LGIPREPO062716_2	6.59%	0.42	1/7/2016
894993C02	Wells Fargo Checking	4.89%	0.39	1/7/2016
99GI20037	REPO RBC CAPITAL MARKETS LLC LGIPREPO063016_2	4.66%	0.38	1/7/2016
3130ALIE4	FEDERAL HOME LOAN BANKS BOND VARIABLE 16NOV/2016	4.00%	0.42	16/11/2016
3133EFGK1	FEDERAL FARM CREDIT BANK BOND VARIABLE 20OCT/2016	3.38%	0.53	20/10/2016
3133EFFV4	FEDERAL FARM CREDIT BANK BOND VARIABLE 30MAY/2017	3.33%	0.65	30/5/2017
313312D98	FEDERAL FARM CREDIT DISCOUNT NOTES DISCOUNT NOTES	3.33%	0.00	30/8/2016
99GI00127	REPO JPMORGAN CHASE BK (HSBCS) LGIPREPO062816	6.66%	0.40	1/7/2016

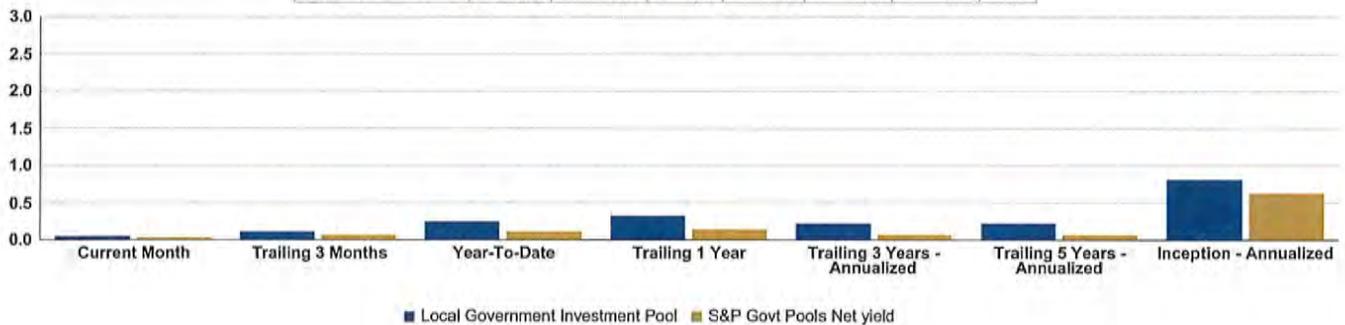
Quality/Rating Weightings

Sector Weightings (as % of Market Value)



Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
Local Government Investment Pool	0.05	0.11	0.24	0.32	0.22	0.22	0.81
S&P Govt Pools Net yield	0.02	0.06	0.11	0.14	0.06	0.06	0.63
Excess	0.03	0.05	0.14	0.18	0.16	0.16	0.18



**STATE OF NEW MEXICO**  
**LGIP FUND (4101)**  
**Portfolio Classification Summary**  
**Positions Held as of 6/30/16 (TRADE Basis)**

AMTZ ADDED: NO

ASSET CLASSIFICATION	ITEMS	YIELD	AVG-TERM	PRINCIPAL	COST-BASIS	MARKET-VALUE	GAIN/LOSS	%MARKET
REPURCHASE AGREEMENTS (O/N)	2	.4091	.00270	85,000,000	85,000,000	85,000,000		11.336
REPURCHASE AGREEMENTS (TERM)	3	.4123	.01093	150,000,000	150,000,000	150,000,000		20.004
US TREASURY NOTE ACT/ACT 2X	1	.4519	.16990	15,000,000	15,013,581	15,017,400	3,819	2.003
AGENCY US FLOAT ACT/360 12X	9	.4636	.44468	87,280,000	87,278,492	87,281,581	3,089	11.640
AGENCY US BOND 30/360 2X	8	.6031	.34285	51,675,000	51,730,730	51,755,239	24,509	6.902
AGENCY US DISC ACT/360 360 DAY	10	.4681	.24233	116,490,000	116,352,275	116,395,634	43,359	15.523
FED HOME LOAN BANKS	1	.5207	.16440	10,000,000	9,999,768	10,002,900	3,132	1.334
AGENCY 30/360 2X	1	.4719	.40000	20,000,000	20,012,539	20,010,800	-1,739	2.669
AGENCY US NOTES 30/360 2X	10	.5414	.30642	76,125,000	76,389,839	76,417,569	27,730	10.191
FED NATL MORTGAGE ASSN DEBS	1	.5032	.01370	3,225,000	3,224,956	3,225,000	44	.430
AGENCY US VARIABLE ACT/360 4X	5	.5071	.45653	80,025,000	80,044,614	80,045,910	1,296	10.675
CASH ACCOUNT	4			54,684,472	54,684,472	54,684,472		7.293
	<u>55</u>	<u>.4372</u>	<u>.22844</u>	<u>749,504,472</u>	<u>749,731,266</u>	<u>749,836,505</u>	<u>105,239</u>	<u>100.000</u>

# STATE OF NEW MEXICO

## TREASURERS OFFICE

Position holdings as of 6/30/16 (TRADE)  
BOOK VALUES AMORTIZED THROUGH 6/30/16

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
36,705,509	WELLS FARGO CASH ACCOUNT	CASHCASH	.100			1.00000	36,705,508.93	36,705,509.00	.07
2,367,074	WELLS FARGO SAVINGS	CASHCASH	.100			1.00000	2,367,073.60	2,367,074.00	.40
12,427,818	BANK OF THE WEST	CASHCASH	.250			1.00000	12,427,818.06	12,427,818.00	-.06
3,184,071	US BANK	CASHCASH	.200			1.00000	3,184,070.99	3,184,071.00	.01
<b>54,684,472</b>							<b>54,684,471.58</b>	<b>54,684,472.00</b>	<b>.42</b>

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

50,000,000	REPURCHASE AGREEMENT TERM	0701TMRP	.400	7/01/16	.400	1.00000	50,000,000.00	50,000,000.00	
50,000,000	REPURCHASE AGREEMENT OVERNIGHT	0701ONRP	.420	7/01/16	.420	1.00000	50,000,000.00	50,000,000.00	
35,000,000	REPURCHASE AGREEMENT OVERNIGHT	0701ONRP	.380	7/01/16	.380	1.00000	35,000,000.00	35,000,000.00	
3,225,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0XP	.375	7/05/16	.496	99.99864	3,224,956.21	3,225,000.00	43.79
50,000,000	REPURCHASE AGREEMENT TERM REPO	0705TMRP	.420	7/05/16	.420	1.00000	50,000,000.00	50,000,000.00	
50,000,000	REPURCHASE AGREEMENT TERM	0706TMRP	.400	7/06/16	.400	1.00000	50,000,000.00	50,000,000.00	
6,835,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EAAG	5.500	7/18/16	.434	100.23868	6,851,313.49	6,851,950.80	637.31
5,000,000	FEDERAL HOME LOAN BANKS	313384ZP		7/19/16	.582	99.97100	4,998,550.00	4,999,600.00	1,050.00
24,000,000	FEDERAL FARM CREDIT BANKS	3133ECXS	.530	7/20/16	.417	100.00447	24,001,073.89	24,002,400.00	1,326.11
5,000,000	FEDERAL HOME LOAN BANKS	313384ZZ		7/29/16	.521	99.95956	4,997,977.78	4,999,350.00	1,372.22
1,500,000	FEDERAL HOME LOAN BANKS	3130A76N	.451	8/01/16	.480	99.99734	1,499,960.04	1,500,105.00	144.96
10,000,000	FEDERAL HOME LOAN BANKS	3130A77E	.450	8/02/16	.464	100.00000	10,000,000.00	10,000,800.00	800.00
5,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	313396A8		8/05/16	.481	99.95333	4,997,666.67	4,998,800.00	1,133.33
20,000,000	FEDL HOME LOAN BK CONS DISC NT	313384C3		8/16/16	.433	99.94467	19,988,934.44	19,993,600.00	4,665.56
11,805,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EACW	2.000	8/25/16	.521	100.22117	11,831,109.24	11,832,623.70	1,514.46
10,000,000	FEDERAL HOME LOAN BANK	3130A7FF	.500	8/29/16	.514	99.99768	9,999,767.53	10,002,900.00	3,132.47
24,990,000	FEDERAL FARM CREDIT BANKS	313312D9		8/30/16	.310	99.94833	24,977,088.50	24,979,504.20	2,415.70
15,000,000	UNITED STATES TREASURY NOTES	912828RF	1.000	8/31/16	.452	100.09054	15,013,581.09	15,017,400.00	3,818.91
5,400,000	FEDERAL HOME LOAN BANKS	3130A6BD	.510	9/09/16	.410	100.01875	5,401,012.60	5,401,404.00	391.40
19,195,000	FEDERAL HOME LOAN BANKS	313370TW	2.000	9/09/16	.590	100.26537	19,245,938.51	19,253,160.85	7,222.34
1,375,000	FEDERAL FARM CREDIT BANKS	3133EDH2	.451	9/14/16	.494	99.99439	1,374,922.93	1,375,206.25	283.32
4,250,000	FEDERAL NATIONAL MORTGAGE ASSOCI	31359MW4	5.250	9/15/16	.573	100.95853	4,290,737.43	4,291,905.00	1,167.57
500,000	FEDERAL HOME LOAN BANKS	313384G2		9/16/16	.575	99.87744	499,387.21	499,700.00	312.79
20,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	313396G9		9/23/16	.486	99.88683	19,977,366.67	19,987,000.00	9,633.33
2,000,000	FEDERAL FARM CREDIT BANKS	3133EDE5	.690	9/23/16	.389	100.06845	2,001,368.93	2,001,380.00	11.07
1,770,000	FEDERAL HOME LOAN BANKS	3130A2T9	.500	9/28/16	.388	100.02687	1,770,475.63	1,770,690.30	214.67
5,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0CM	1.250	9/28/16	.410	100.20258	5,010,129.20	5,009,900.00	-.29
3,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134G5JE	.650	9/29/16	.442	100.05057	3,001,517.10	3,001,830.00	312.90
10,000,000	FEDERAL FARM CREDIT BANKS	3133EDJA	.467	10/11/16	.397	100.01942	10,001,941.85	10,001,400.00	-.54
15,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EADS	.875	10/14/16	.541	100.09519	15,014,278.23	15,019,050.00	4,771.77

# STATE OF NEW MEXICO

## TREASURERS OFFICE

Position holdings as of 6/30/16 (TRADE)  
BOOK VALUES AMORTIZED THROUGH 6/30/16

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
25,375,000	FEDERAL FARM CREDIT BANK	3133EFKG		10/20/16	.516	100.00285	25,375,723.46	25,380,328.75	4,605.29
450,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134G3S5	.625	11/01/16	.522	100.03412	450,153.53	450,270.00	116.47
8,000,000	FEDERAL HOME LOAN BANKS	313381B5	.580	11/14/16	.593	99.99494	7,999,594.98	8,004,000.00	4,405.02
20,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0ES	1.375	11/15/16	.530	100.31343	20,062,686.27	20,069,000.00	6,313.73
30,000,000	FEDERAL HOME LOAN BANK	3130A8JE	.422	11/16/16	.427	99.99826	29,999,479.10	29,998,800.00	- 679.10
9,000,000	FEDERAL HOME LOAN BANKS	3130A34L	.750	11/18/16	.681	100.02600	9,002,340.17	9,010,350.00	8,009.83
10,000,000	FEDERAL FARM CREDIT BANKS	313312Q5		11/22/16	.481	99.80800	9,980,800.00	9,984,800.00	4,000.00
20,000,000	FEDERAL HOME LOAN BANK	3130A3J7	.625	11/23/16	.465	100.06269	20,012,538.58	20,010,800.00	- 1,738.58
20,000,000	FEDERAL HOME LOAN BANKS	313384S6		12/09/16	.501	99.77639	19,955,277.77	19,964,200.00	8,922.23
6,000,000	FEDERAL HOME LOAN BANKS	313384S9		12/12/16	.766	99.65378	5,979,226.67	5,989,080.00	9,853.33
4,785,000	FEDERAL NATIONAL MORTGAGE ASSOCI	31359M2D	4.875	12/15/16	.671	101.90852	4,876,322.56	4,880,939.25	4,616.69
<b>618,455,000</b>							<b>618,665,198.26</b>	<b>618,759,228.10</b>	<b>94,029.84</b>

====> 0041 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2016 <====

7,000,000	FEDERAL FARM CREDIT BANKS	3133EDJ3	.467	1/03/17	.436	100.01554	7,001,087.46	7,000,000.00	- 1,087.46
10,000,000	FEDERAL FARM CREDIT BANKS	31331K6S	.479	1/17/17	.496	100.00000	10,000,000.00	10,000,700.00	700.00
1,310,000	FEDERAL HOME LOAN BANK	3130A7L9	.850	4/17/17	.850	100.00000	1,310,000.00	1,311,454.10	1,454.10
7,405,000	FEDERAL FARM CREDIT BANKS	3133EDJX	.491	4/17/17	.507	99.99157	7,404,375.96	7,405,370.25	994.29
5,400,000	FEDERAL FARM CREDIT BANKS	3133EFKH	.440	4/20/17	.545	99.94692	5,397,133.65	5,397,138.00	4.35
5,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0ZB	.750	4/20/17	.710	100.03181	5,001,590.59	5,010,100.00	8,509.41
10,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134G75N	.479	4/27/17	.533	99.96715	9,996,715.10	9,999,200.00	2,484.90
250,000	FEDERAL FARM CREDIT BANKS	3133EERF	.495	4/27/17	.510	99.92525	249,813.13	249,792.50	- 20.63
5,000,000	FEDERAL HOME LOAN BANKS	3130A7WA	.750	5/25/17	.750	100.00000	5,000,000.00	5,002,800.00	2,800.00
25,000,000	FEDERAL FARM CREDIT BANKS	3133EFFV	.650	5/30/17	.555	100.08347	25,020,868.14	25,016,250.00	- 4,618.14
<b>76,365,000</b>							<b>76,381,584.03</b>	<b>76,392,804.85</b>	<b>11,220.82</b>

====> 0010 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2017 <====

<b>749,504,472</b>							<b>749,731,253.87</b>	<b>749,836,504.95</b>	<b>105,251.08</b>
--------------------	--	--	--	--	--	--	-----------------------	-----------------------	-------------------

====> 0055 ITEMS IN SUBTOTAL FOR ====> FUND NAME..... ====> LGIP FUND <====



## 12. 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 June at \$820mil vs. \$587mil at the end of May.
- The Pool received \$24.97mil in draw requests for capital spending during the month and paid out \$18.10mil for capital projects.

### *Portfolio Mix*

- 100% of the Tax-Exempt BPIP portfolio was invested in fixed income securities: 23% in US Treasuries, 47% in US agency securities, 4% in NM municipal securities and the balance, approximately 26%, was held in cash equivalents and collateralized NM bank CDs.
- 51% of the portfolio was invested in securities that mature in one year, 32% in securities that mature from 1-2 years, 17% in securities that mature from 2-4 years and 0% in securities out to 5 years.
- The Tax-Exempt BPIP held positions in 101 securities.
- Weighted Average Life of the Tax Exempt BPIP was 1.05 years. The Weighted Average duration was 0.89 years.
- The maximum security term for the Tax-Exempt BPIP portfolio is 5 years.

### *Investment Earnings*

- Unrealized gains in the Tax-Exempt BPIP Portfolio were \$1,867,936 on June 30<sup>th</sup>.
- Monthly net earnings on the portfolio for June were \$430,908.
- Net earnings for FY2016 were \$4,768,045.
- Earnings on the Tax-Exempt BPIP are used to offset capital and debt service spending.

### *Investment Highlights*

- The duration of the Tax-Exempt BPIP at the end of June was 0.89 yrs. vs. the Benchmark at 1.35 yrs.
- The Pool purchased \$84mil in 1 to 3.5 year U.S. Treasury and agency securities and \$0.250mil in 1 year municipal securities.
- The Pool sold \$35mil in short US Treasury securities at gains.

### *Performance*

- The purchase yield was 0.72% at the end of June vs. 0.85% reported for the previous month.
- The Tax-Exempt BPIP returned 0.32% for the month of June and 0.33% for the three months ended June 30, 2016, vs. Index returns of 0.44% and 0.41% respectively. For the trailing 12 mos. the Pool returned 0.92% vs. 1.01% for the benchmark.
- The Tax-Exempt BPIP had a duration shorter than the benchmark for the month of June and consequently underperformed the index.
- 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.

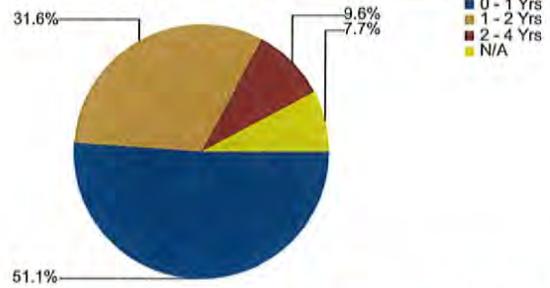
### *Investment Strategy*

- The option-adjusted duration of the Tax-Exempt BPIP portfolio is currently 1.10 yrs. vs. 1.37 yrs. for the benchmark.
- Capital project withdrawal requests have totaled \$13.9mil for July. To date the second monthly June draw request has not yet been received.
- The Tax-Exempt BPIP has maintained duration shorter than that of the benchmark in order to provide adequate liquidity for project withdrawals while minimizing overnight cash positions.
- Project withdrawals will have the effect of lengthening duration and as they have had a high degree of variability month-to-month, cash flow management will dominate portfolio decisions.

Portfolio Characteristics

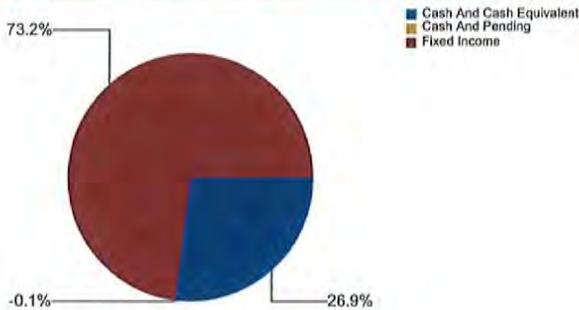
Duration Mix

Total Net Assets (Millions)	821.8
Weighted Average Life (Years)	1.05
Weighted Avg. Effective Duration (Years)	0.89
Weighted Average Coupon (%)	1.02
Weighted Average Current Yield (%)	0.53
Weighted Average Yield to Maturity (%)	0.60
Weighted Average Rating	AA+
Number of Holdings	104



Asset Mix

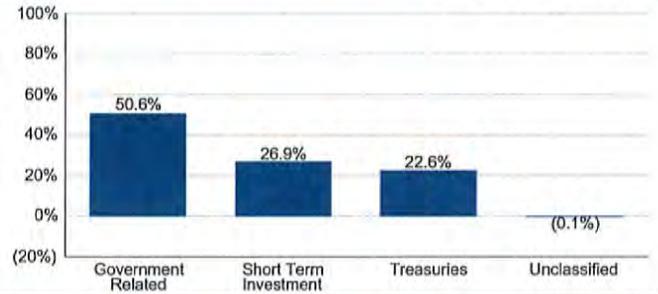
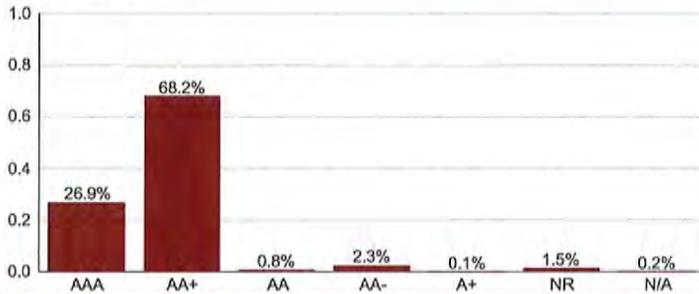
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
80298X00	LGP POOL PARTICIPANT	7.42%	0.39	
09G120056	REPO MITSUBISHI UFJ SECURITIES (USA) INC. 063016J	6.04%	0.25	1/7/2016
09G120051	REPO MITSUBISHI UFJ SECURITIES (USA) INC. 063016I	6.01%	0.25	1/7/2016
09G120057	REPO MITSUBISHI UFJ SECURITIES (USA) INC. 063016H	6.01%	0.25	1/7/2016
91262A168	TWEB RR UNITED STATES 2X OLD 3 YEAR POINT 1.000% 2018-03-15	3.07%	1.00	15/3/2018
3137EADN6	FEDERAL HOME LOAN MORTGAGE CORP 0.75% BDS	2.93%	0.75	12/1/2016
3137EADV8	FEDERAL HOME LOAN MORTGAGE CORP NOTES FIXED 75%	2.93%	0.75	14/7/2017
3135G0VM2	FHMA 0.750000 C'17 USD	2.93%	0.75	14/2/2017
912826RY8	UNITED STATES OF AMERICA 1.375% 2018-12-31	2.47%	1.38	31/12/2018
3137EACW7	FEDERAL HOME LOAN MORTGAGE CORP 2% BDS 25/AUG/2016	2.45%	2.00	25/8/2016

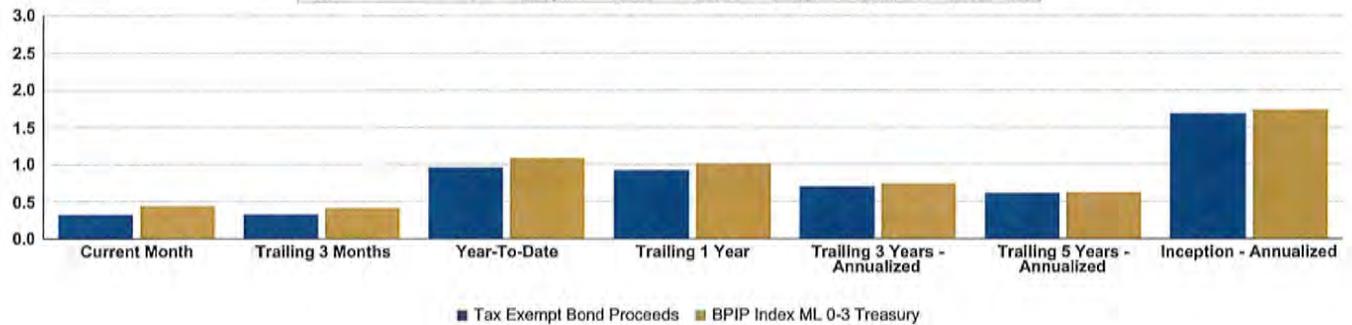
Quality/Rating Weightings

Sector Weightings (as % of Market Value)



Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
Tax Exempt Bond Proceeds	0.32	0.33	0.96	0.92	0.71	0.62	1.69
BPIP Index ML 0-3 Treasury	0.44	0.41	1.08	1.01	0.74	0.62	1.74
Excess	(0.11)	(0.08)	(0.13)	(0.09)	(0.04)	(0.01)	(0.05)



**STATE OF NEW MEXICO**  
**BOND PROCEEDS INV POOL1 TAX EX (4000)**  
 Portfolio Classification Summary  
 Positions Held as of 6/30/16 (TRADE Basis)

AMTZ ADDED: NO

ASSET CLASSIFICATION	ITEMS	YIELD	AVG-TERM	PRINCIPAL	COST-BASIS	MARKET-VALUE	GAIN/LOSS	%MARKET
REPURCHASE AGREEMENTS (O/N)	1	.2535	.00270	157,186,091	157,186,091	157,186,091		19.170
CERTIFICATES OF DEPOSIT	2	.7250	.51370	3,000,000	3,000,000	3,000,000		.366
US TREASURY NOTE ACT/ACT 2X	14	.8393	1.25198	184,000,000	184,143,850	184,989,190	845,340	22.561
AGENCY US BOND 30/360 2X	17	.9863	1.34841	95,970,000	96,746,056	97,033,274	287,218	11.834
AGENCY US BOND 30/360 ZERO CPN	2	1.1654	2.59448	21,089,000	20,373,755	20,463,930	90,175	2.496
AGENCY US NOTES 30/360 2X	28	.9263	1.07418	260,770,000	261,482,845	262,096,773	613,928	31.964
FED NATL MORTGAGE ASSN DEBS	1	1.2267	.37810	5,000,000	5,003,021	5,017,250	14,229	.612
MUNI US 30/360 2X	27	.7010	.56888	25,595,000	25,874,820	25,886,348	11,528	3.157
MUNICIPAL BOND REVENUE	7	.7688	.76317	4,190,000	4,241,526	4,247,044	5,518	.518
UNITS - INVESTMENT POOL 1	1			61,066,669	61,066,669	61,066,669		7.447
CASH ACCOUNT	1			-1,024,281	-1,024,281	-1,024,281		-.125
	101	.7157	.94637	816,842,479	818,094,352	819,962,288	1,867,936	100.000

# STATE OF NEW MEXICO

## TREASURERS OFFICE

Position holdings as of 6/30/16 (TRADE)  
BOOK VALUES AMORTIZED THROUGH 6/30/16

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
61,066,669	UNITS - INVESTMENT POOL 1	UNITS001				1.00000	61,066,668.69	61,066,669.00	.31
<b>61,066,669</b>							<b>61,066,668.69</b>	<b>61,066,669.00</b>	<b>.31</b>

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

1,120,000	ALBUQUERQUE NM GROSS RECPTS TAX	01354PFQ	.550	7/01/16	.550	100.00000	1,120,000.00	1,120,000.00	
450,000	ALB NM GROSS RCPT LODGERS TAX RE	01354MFT	3.000	7/01/16	.801	100.00000	450,000.00	450,000.00	
665,000	ABQ BERN COUNTY WATER UTIL AUTH	013493BY	5.250	7/01/16	.552	100.00000	665,000.00	665,000.00	
100,000	ALBUQUERQUE BERNALILLO CNTY WT J	013493DW	4.000	7/01/16	.502	100.00000	100,000.00	100,000.00	
540,000	S REV	013493FS	3.000	7/01/16	.505	100.00000	540,000.00	540,000.00	
157,186,091	OVERNIGHT REPO	0701RP	.250	7/01/16	.250	1.00000	157,186,091.44	157,186,091.44	
1,500,000	FARMERS & STOCKMENS BANK	8521620	.500	7/06/16	.500	1.00000	1,500,000.00	1,500,000.00	
5,000,000	UNITED STATES TREASURY NOTES	912828VL	.625	7/15/16	.531	100.00355	5,000,177.37	5,000,850.00	672.63
45,000	ALAMOGORDO N MEX	011446HA	4.000	8/01/16	1.050	100.24413	45,109.86	45,104.85	- 5.01
620,000	UNIVERSITY N MEX VALENCIA CNTYBR	914696DJ	2.000	8/01/16	.551	100.12032	620,745.97	620,626.20	- 119.77
1,000,000	BELEN N MEX CONS SCH DIST NO 2	077581PV	2.000	8/01/16	.451	100.12879	1,001,287.91	1,001,010.00	- 277.91
600,000	ALBUQUERQUE N MEX MUN SCH DISTNO	013595QK	3.000	8/01/16	.500	100.20771	601,246.23	601,272.00	25.77
720,000	ALBUQUERQUE N MEX MUN SCH DISTNO	013595RY	3.000	8/01/16	.601	100.19916	721,433.97	721,303.20	- 130.77
475,000	GADSDEN N MEX INDPT SCH DIST NO	362550MJ	2.000	8/15/16	.650	100.16426	475,780.23	475,741.00	- 39.23
2,225,000	SAN JUAN CNTY N MEX JR COLLEGE DI	798360FC	2.000	8/15/16	.440	100.19014	2,229,230.70	2,228,471.00	- 759.70
20,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EACW	2.000	8/25/16	1.144	100.12695	20,025,389.60	20,046,800.00	21,410.40
315,000	GRANT CNTY N MEX	387766BY	2.000	9/01/16	.600	100.23236	315,731.94	315,683.55	- 48.39
200,000	TORRANCE ETC CNTYS N MEX MUN SCH	891400NX	1.500	9/01/16	.500	100.16610	200,332.20	200,328.00	- 4.20
390,000	HOBBS N MEX MUN SCH DIST NO 16	433866FT	3.000	9/15/16	.530	100.50620	391,974.17	391,903.20	- 70.97
4,000,000	UNITED STATES TREASURY NOTES	912828RJ	1.000	9/30/16	.631	100.09109	4,003,643.47	4,006,440.00	2,796.53
10,000,000	UNITED STATES TREASURY NOTES	912828RM	1.000	10/31/16	.428	100.18907	10,018,907.16	10,021,900.00	2,992.84
5,000,000	FEDERAL NATL MTG ASSN DEBS	3135G0ES	1.375	11/15/16	1.210	100.06040	5,003,020.24	5,017,250.00	14,229.76
15,000,000	UNITED STATES TREASURY NOTES	912828WF	.625	11/15/16	.693	99.97466	14,996,199.33	15,014,700.00	18,500.67
15,000,000	UNITED STATES TREASURY NOTES	912828A5	.625	12/15/16	.727	99.95344	14,993,015.53	15,015,300.00	22,284.47
<b>242,151,091</b>							<b>242,204,317.32</b>	<b>242,285,774.44</b>	<b>81,457.12</b>

====> 0024 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2016 <====

15,000,000	UNITED STATES TREASURY NOTES	912828SC	.875	1/31/17	.710	100.09572	15,014,358.37	15,037,350.00	22,991.63
15,000,000	UNITED STATES TREASURY NOTES	912828SJ	.875	2/28/17	.788	100.05734	15,008,601.02	15,038,700.00	30,098.98

# STATE OF NEW MEXICO

## TREASURERS OFFICE

Position holdings as of 6/30/16 (TRADE)

BOOK VALUES AMORTIZED THROUGH 6/30/16

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
10,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EADC	1.000	3/08/17	.756	100.16654	10,016,653.71	10,032,800.00	16,146.29
24,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0VM	.750	3/14/17	.625	100.08723	24,020,936.13	24,035,040.00	14,103.87
15,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	31359M7X	5.000	5/11/17	.736	103.65257	15,547,885.42	15,567,900.00	20,014.58
1,495,000	ARTESIA N MEX GROSS RCPTS TAX RE	043053BU	2.000	6/01/17	.750	101.13908	1,512,029.22	1,514,240.65	2,211.43
6,089,000	FANNIE MAE	31359MEL		6/01/17	.643	98.94900	6,025,004.61	6,054,779.82	29,775.21
55,000	UNIVERSITY N MEX UNIV REVS	9146922F	.970	6/01/17	.970	100.00000	55,000.00	55,165.00	165.00
2,000,000	FEDERAL HOME LOAN BANKS	313383PD	1.250	6/09/17	.701	100.51234	2,010,246.79	2,013,180.00	2,933.21
10,000,000	NCUA GUARN NTS TR 2011-M1	62889KAC	2.350	6/12/17	.820	101.44074	10,144,073.55	10,150,500.00	6,426.45
700,000	SAN JUAN CO NM GROSS RCPTS TAX	79835HGK	4.000	6/15/17	.870	102.97133	720,799.33	721,168.00	368.67
1,000,000	FEDERAL FARM CREDIT BANKS	3133EDEB	1.100	6/28/17	.700	100.39447	1,003,944.69	1,004,700.00	755.31
5,000,000	UNITED STATES TREASURY NOTES	912828TB	.750	6/30/17	1.006	99.74612	4,987,305.84	5,011,550.00	24,244.16
600,000	ALBUQUERQUE NM GROSS RCPTS TAX	01354PFR	1.050	7/01/17	1.050	100.00000	600,000.00	602,400.00	2,400.00
4,800,000	NEW MEXICO ST SEVERANCE TAX	647310X7	2.000	7/01/17	.891	101.10172	4,852,882.70	4,857,360.00	4,477.30
1,500,000	FARMERS & STOCKMENS BANK	8521621	.950	7/05/17	.950	1.00000	1,500,000.00	1,500,000.00	
5,000,000	FEDERAL AGRICULTURAL MORTGAGE CO	31315PZT	.650	7/10/17	.862	99.78426	4,989,212.88	5,000,900.00	11,687.12
24,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EADV	.750	7/14/17	.740	100.00996	24,002,389.90	24,035,760.00	33,370.10
5,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EADJ	1.000	7/28/17	.791	100.22317	5,011,158.57	5,021,400.00	10,241.43
5,000,000	UNITED STATES TREASURY NOTES	912828TG	.500	7/31/17	.906	99.56376	4,978,188.08	4,998,450.00	20,261.92
375,000	SANDOVAL CNTY N MEX	80004PEA	3.000	8/01/17	.820	102.34560	383,796.00	383,793.75	- 2.25
300,000	ALBUQUERQUE N MEX MET ARROYO FLO	013572KE	2.000	8/01/17	.750	101.34560	304,036.81	304,656.00	619.19
250,000	ROSWELL N MEX INDPT SCH DIST	778550JQ	2.000	8/01/17	.900	101.18275	252,956.88	253,207.50	250.62
2,500,000	T TO 05/01/1976	802088LN	5.000	8/01/17	.900	104.40929	2,610,232.34	2,611,775.00	1,542.66
250,000	LAS CRUCES N MEX SCH DIST NO 002	517534TL	2.000	8/01/17	.700	101.40029	253,500.72	253,610.00	109.28
5,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0PP	1.000	9/20/17	.830	100.20576	5,010,287.80	5,023,550.00	13,262.20
15,000,000	FEDERAL FARM CREDIT BANKS	3133EEQX	1.000	9/25/17	.860	100.17110	15,025,664.98	15,059,700.00	34,035.02
5,000,000	FNMA	3135G0ZL	1.000	9/27/17	1.118	99.85500	4,992,750.13	5,022,900.00	30,149.87
2,000,000	FEDERAL HOME LOAN BANKS	3133792L	1.230	10/20/17	.786	100.57354	2,011,470.86	2,015,900.00	4,429.14
5,000,000	FEDERAL HOME LOAN BANKS	3130A6LZ	.625	10/26/17	.733	99.85888	4,992,944.09	5,001,800.00	8,855.91
1,000,000	FEDERAL HOME LOAN BANKS	3130A4B2	1.000	10/27/17	.787	100.27993	1,002,799.25	1,004,570.00	1,770.75
1,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3136FPTQ	2.200	10/27/17	.650	102.03696	1,020,369.59	1,020,210.00	- 159.59
15,000,000	UNITED STATES TREASURY NOTES	912828UA	.625	11/30/17	.814	99.73498	14,960,247.39	15,012,300.00	52,052.61
5,000,000	FEDERAL FARM CREDIT BANKS	3133EGDG	.850	12/06/17	.710	100.19839	5,009,919.54	5,015,600.00	5,680.46
6,005,000	TENNESSEE VALLEY AUTHORITY	880591CU	6.250	12/15/17	1.021	107.53488	6,457,469.50	6,477,833.70	20,364.20
10,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EADX	1.000	12/15/17	.711	100.41745	10,041,745.11	10,053,200.00	11,454.89
<b>224,919,000</b>							<b>226,330,861.80</b>	<b>226,767,949.42</b>	<b>437,087.62</b>

====> 0036 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2017 <====

# STATE OF NEW MEXICO

## TREASURERS OFFICE

Position holdings as of 6/30/16 (TRADE)

BOOK VALUES AMORTIZED THROUGH 6/30/16

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
24,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EADN	.750	1/12/18	.904	99.76660	23,943,983.78	24,041,040.00	97,056.22
7,480,000	FEDERAL HOME LOAN BANKS	3130A5ZS	1.100	2/12/18	.959	100.01558	7,481,165.25	7,486,806.80	5,641.55
20,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EADP	.875	3/07/18	.928	99.91162	19,982,324.21	20,036,800.00	54,475.79
13,585,000	FEDERAL HOME LOAN BANKS	313378A4	1.375	3/09/18	.966	100.68262	13,677,734.60	13,743,401.10	65,666.50
25,000,000	UNITED STATES TREASURY NOTES	912828J6	1.000	3/15/18	.899	100.17115	25,042,786.59	25,172,000.00	129,213.41
12,500,000	FEDERAL HOME LOAN BANKS	3130A7CX	.875	3/19/18	.822	100.08923	12,511,153.56	12,544,000.00	32,846.44
20,000,000	UNITED STATES TREASURY NOTES	912828Q4	.875	3/31/18	.746	100.22378	20,044,755.94	20,097,600.00	52,844.06
1,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134G43L	1.100	5/07/18	1.097	100.00000	1,000,000.00	1,000,170.00	170.00
5,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134G9DT	1.050	5/10/18	1.049	100.00000	5,000,000.00	5,004,900.00	4,900.00
15,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0WJ	.875	5/21/18	1.114	99.55352	14,933,028.07	15,059,400.00	126,371.93
100,000	SANDOVAL CNTY N MEX INCENTIVE PA	800051AW	1.952	6/01/18	1.460	100.92552	100,925.52	101,070.00	144.48
155,000	RUIDOSO N MEX GROSS RCPTS TAX RE	781336BB	2.000	6/01/18	1.100	101.70180	157,637.79	158,445.65	807.86
260,000	ARTESIA N MEX GROSS RCPTS TAX RE	043053BV	2.000	6/01/18	1.000	101.89303	264,921.87	266,775.60	1,853.73
250,000	UNIVERSITY N MEX UNIV REVS	9146922G	1.220	6/01/18	1.220	100.00000	250,000.00	251,175.00	1,175.00
1,000,000	FEDERAL HOME LOAN BANKS	313379DT	1.250	6/08/18	.832	100.80095	1,008,009.50	1,011,290.00	3,280.50
1,000,000	UNIVERSITY N MEX UNIV REVS	914692W6	1.438	6/20/18	1.060	100.73427	1,007,342.66	1,012,180.00	4,837.34
185,000	ABQ NM GROSS RCPT LODGERS TAX RE	01354MFV	3.000	7/01/18	1.200	103.54630	191,560.66	192,779.25	1,218.59
1,300,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3136G0QW	1.350	7/11/18	.865	100.97254	1,312,643.00	1,315,808.00	3,165.00
1,000,000	FEDERAL FARM CREDIT BANKS	3133EAZX	1.060	7/24/18	.875	100.37735	1,003,773.53	1,006,850.00	3,076.47
5,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134G9HJ	1.000	8/10/18	1.143	99.91315	4,995,657.52	5,004,950.00	9,292.48
5,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3136G2LK	1.750	8/24/18	.590	100.17008	5,008,503.98	5,010,250.00	1,746.02
2,000,000	FEDERAL FARM CREDIT BANKS	3133ED2C	1.950	9/17/18	.905	102.28168	2,045,633.66	2,051,000.00	5,366.34
1,250,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134G3K7	1.200	9/24/18	.943	100.56658	1,257,082.25	1,263,512.50	6,430.25
10,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3136G0T3	1.220	10/25/18	1.216	100.00000	10,000,000.00	10,000,800.00	800.00
7,220,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134G9BN	1.070	10/26/18	1.091	99.99277	7,219,478.01	7,223,682.20	4,204.19
2,500,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134G42X	1.050	10/30/18	.878	100.39542	2,509,885.53	2,511,825.00	1,939.47
15,000,000	UNITED STATES TREASURY NOTES	912828WD	1.250	10/31/18	.944	100.70302	15,105,453.11	15,208,050.00	102,596.89
5,000,000	FREDDIE MAC	3134G9WB	1.000	12/28/18	1.000	100.00000	5,000,000.00	5,009,550.00	9,550.00
20,000,000	UNITED STATES TREASURY NOTES	912828RY	1.375	12/31/18	1.395	99.95104	19,990,208.49	20,354,000.00	363,791.51
<b>221,785,000</b>							<b>222,045,649.08</b>	<b>223,140,111.10</b>	<b>1,094,462.02</b>

====> 0029 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2018 <====

10,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0J5	1.000	2/26/19	1.067	99.82433	9,982,433.03	10,049,200.00	66,766.97
10,000,000	FEDERAL HOME LOAN BANKS	3133782M	1.500	3/08/19	1.127	100.98426	10,098,426.25	10,181,600.00	83,173.75
12,500,000	FREDDIE MAC	3134G8RW	1.240	3/29/19	1.240	100.00000	12,500,000.00	12,516,125.00	16,125.00
2,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134G3YF	1.500	7/18/19	1.249	100.74850	2,014,969.94	2,037,800.00	22,830.06
10,000,000	FEDERAL FARM CREDIT BANKS	3133EE4S	1.650	7/29/19	1.650	100.00000	10,000,000.00	10,008,700.00	8,700.00

# STATE OF NEW MEXICO

## TREASURERS OFFICE

Position holdings as of 6/30/16 (TRADE)  
BOOK VALUES AMORTIZED THROUGH 6/30/16

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
1,400,000	UNITED STATES DEPARTMENT OF HOUS	911759JA	5.450	8/01/19	.550	100.40708	1,405,699.16	1,406,342.00	642.84
15,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	313586RC		10/09/19	1.362	95.65833	14,348,750.00	14,409,150.00	60,400.00
<b>60,900,000</b>							<b>60,350,278.38</b>	<b>60,608,917.00</b>	<b>258,638.62</b>

====> 0007 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2019 <====

2,045,000	BEAUMONT TEX WTRWKS & SWR SYS RE	074561HY	5.000	9/01/24	.452	100.75611	2,060,462.54	2,059,151.40	- 1,311.14
<b>2,045,000</b>							<b>2,060,462.54</b>	<b>2,059,151.40</b>	<b>- 1,311.14</b>

====> 0001 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2024 <====

1,500,000	S REV	013493BR	5.000	7/01/26	.500	100.00000	1,500,000.00	1,500,000.00	
3,500,000	NEW JERSEY ECONOMIC DEV AUTH RET	64578HAU	5.250	11/15/26	.601	101.72528	3,560,384.88	3,557,995.00	- 2,389.88
<b>5,000,000</b>							<b>5,060,384.88</b>	<b>5,057,995.00</b>	<b>- 2,389.88</b>

====> 0002 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2026 <====

<b>817,866,760</b>							<b>819,118,622.69</b>	<b>820,986,567.36</b>	<b>1,867,944.67</b>
--------------------	--	--	--	--	--	--	-----------------------	-----------------------	---------------------

====> 0100 ITEMS IN SUBTOTAL FOR ====> FUND NAME..... ====> BOND PROCEEDS INV POOL1 TAX EX <



## 13. 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 June at \$679mil vs. \$559mil at the end of May.
- The Pool received \$24.18mil in draw requests for capital spending during the month and paid out \$27.62mil for capital projects.

### *Portfolio Mix*

- 100% of the Taxable BPIP portfolio was invested in fixed income securities: 37% in US Treasuries, 37% in US agency securities, 2% in NM municipal securities and the balance, approximately 24%, was held in cash equivalents and collateralized NM bank CDs.
- 51% of the portfolio was invested in securities that mature in one year, 32% in securities that mature from 1-2 years, 17% in securities that mature from 2-4 years and 0% in securities out to 5 years.
- The Taxable BPIP held positions in 67 securities.
- Weighted Average Life of the Taxable BPIP was 1.04 years. The Weighted Average duration was 0.97 years.
- The maximum security term for the Taxable BPIP portfolio is 5 years.

### *Investment Earnings*

- The unrealized gains in the Taxable BPIP were \$2,768,476 as of June 30<sup>th</sup>.
- Monthly net earnings on the portfolio for June were \$409,964.
- FY2016 net earnings were roughly \$5,206,467.
- 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 June was 0.97 years vs. the Benchmark at 1.35 years.
- The Pool purchases \$50.3mil in 1 to 3.5 year US agency securities and \$0.850mil in 1 to 2 year municipal bonds.

### *Performance*

- Purchase Yield at the end of June was 0.77% relative to 0.89% at the end of the prior month.
- The Taxable BPIP returned 0.33% for the month of June and 0.34% for the three months ended June 30, 2016, vs. Index returns of 0.44% and 0.41% respectively. For the trailing 12 mos. the Pool returned 0.97% vs. 1.01% for the benchmark.
- The Taxable BPIP had a duration shorter than the benchmark for the month of June and therefore underperformed the index.
- 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.

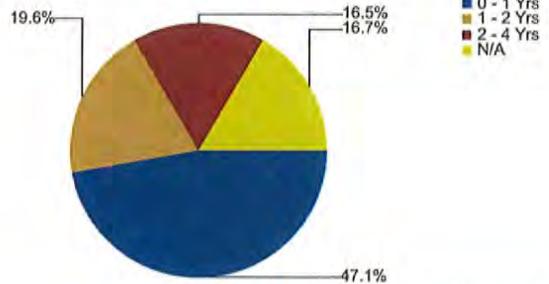
### *Investment Strategy*

- The option adjusted duration of the portfolio is currently 1.09 yrs. vs. 1.37 yrs. for the benchmark.
- Capital project withdrawal requests have totaled \$8mil for June. To date the second monthly June draw request has not yet been received.
- The Taxable BPIP has maintained duration shorter than the benchmark in order to provide adequate liquidity for project withdrawals while minimizing overnight cash positions.
- Project withdrawals will have the effect of lengthening duration and as they have had a high degree of variability month-to-month, cash flow management will dominate portfolio decisions.

Portfolio Characteristics

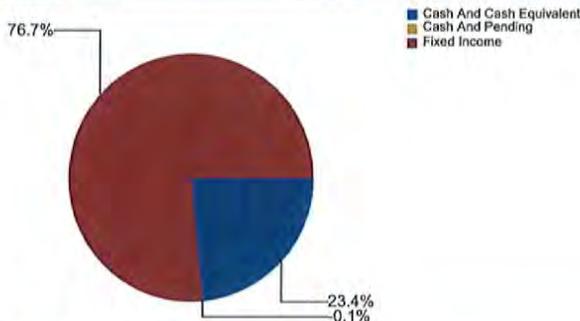
Duration Mix

Total Net Assets (Millions) **679.7**  
 Weighted Average Life (Years) **1.04**  
 Weighted Avg. Effective Duration (Years) **0.97**  
 Weighted Average Coupon (%) **1.13**  
 Weighted Average Current Yield (%) **0.48**  
 Weighted Average Yield to Maturity (%) **0.55**  
 Weighted Average Rating **AA+**  
 Number of Holdings **69**



Asset Mix

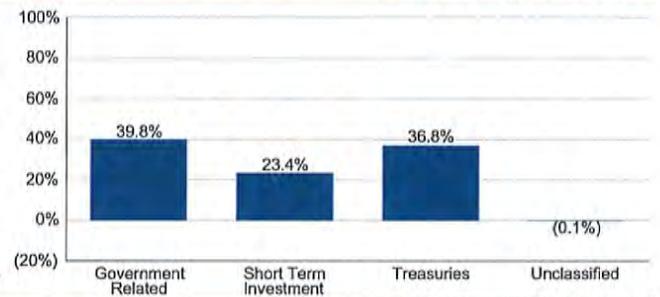
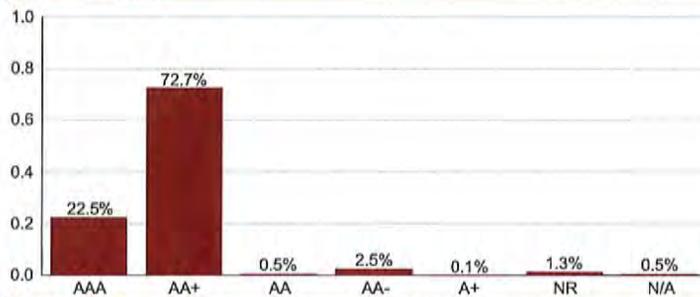
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
89299X00	LGP POOL PARTICIPANT	16.22%	0.39	
3137EADCO	FEDERAL HOME LOAN MORTGAGE CORP 1% BDS 08/MAR/2017	4.44%	1.00	8/3/2017
09CIG0044	REPO MITSUBISHI UFJ SECURITIES (USA),INC. 063016L	3.96%	0.25	1/7/2016
313376K48	FHLB 2 000 '16 USD	3.60%	2.00	14/9/2016
3137EACW7	FEDERAL HOME LOAN MORTGAGE CORP 2% BDS 25/AUG/2016	3.71%	2.00	25/8/2016
0128285Y7	UNITED STATES OF AMERICA 0.625% 2017-05-31	3.68%	0.62	31/5/2017
3135G0Z01	FHMA 1.750 '19 USD	3.04%	1.75	12/9/2019
012828P94	UNITED STATES OF AMERICA 2.750% 2017-12-31	3.03%	2.75	31/12/2017
3135G0ZY2	FEDERAL NATIONAL MORTGAGE ASSOCIATION NOTES FIXED	3.03%	1.75	26/11/2019
912828LUZ	US 3.12500 '16	2.98%	3.12	31/10/2016

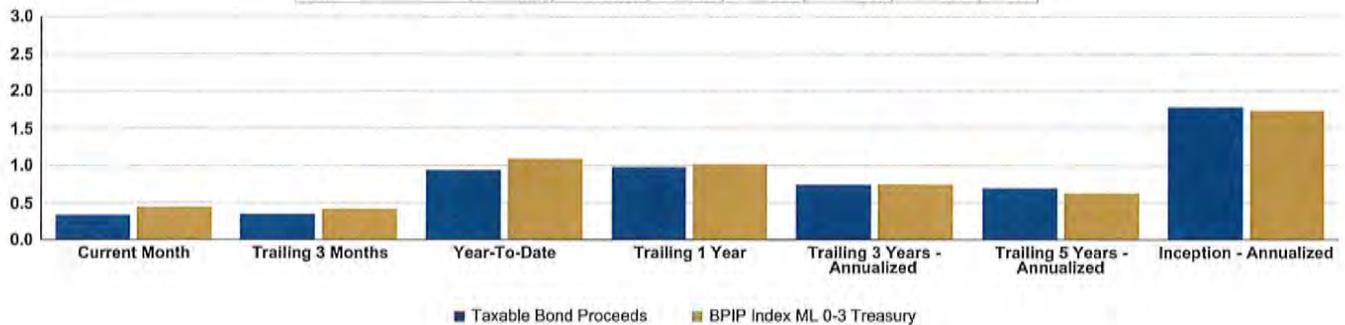
Quality/Rating Weightings

Sector Weightings (as % of Market Value)



Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
Taxable Bond Proceeds	0.33	0.34	0.94	0.97	0.74	0.69	1.78
BPIP Index ML 0-3 Treasury	0.44	0.41	1.08	1.01	0.74	0.62	1.74
Excess	(0.11)	(0.07)	(0.15)	(0.04)	(0.01)	0.07	0.05



**STATE OF NEW MEXICO**  
**BOND PROCEEDS INV POOL2 TAXABL (4002)**  
Portfolio Classification Summary  
Positions Held as of 6/30/16 (TRADE Basis)

AMTZ ADDED: NO

ASSET CLASSIFICATION	ITEMS	YIELD	AVG-TERM	PRINCIPAL	COST-BASIS	MARKET-VALUE	GAIN/LOSS	%MARKET
REPURCHASE AGREEMENTS (O/N)	1	.2535	.00270	40,501,974	40,501,974	40,501,974		5.972
CERTIFICATES OF DEPOSIT	3	.5645	.12820	6,200,000	6,200,000	6,200,000		.914
LINKED-CERTIFICATE OF DEPOSIT	2	.7500	.53970	4,000,000	4,000,000	4,000,000		.590
US TREASURY NOTE ACT/ACT 2X	17	.8520	.91248	248,500,000	248,946,793	249,933,000	986,207	36.852
AGENCY US BOND 30/360 2X	6	.9132	1.75033	58,500,000	59,080,673	59,322,905	242,232	8.747
AGENCY 30/360 2X	1	1.6808	3.20000	20,000,000	20,057,025	20,553,800	496,775	3.031
AGENCY US BOND 30/360 ZERO CPN	1	1.3811	3.27400	15,000,000	14,355,750	14,409,150	53,400	2.125
AGENCY US NOTES 30/360 2X	14	1.1065	1.21334	160,850,000	161,372,783	162,356,959	984,176	23.939
MUNI US 30/360 2X	19	.7718	.82742	8,980,000	9,077,630	9,084,116	6,486	1.339
MUNICIPAL BOND REVENUE	2	.5028	.08770	2,075,000	2,080,669	2,079,869	-800	.307
UNITS - INVESTMENT POOL 1	1			110,343,936	110,343,936	110,343,936		16.270
CASH ACCOUNT	1			-569,324	-569,324	-569,324		-.084
	<u>68</u>	<u>.7743</u>	<u>1.14787</u>	<u>674,381,586</u>	<u>675,447,909</u>	<u>678,216,385</u>	<u>2,768,476</u>	<u>100.000</u>

# STATE OF NEW MEXICO

## TREASURERS OFFICE

Position holdings as of 6/30/16 (TRADE)  
BOOK VALUES AMORTIZED THROUGH 6/30/16

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
110,343,936	UNITS - INVESTMENT POOL 1	UNITS001				1.00000	110,343,935.90	110,343,936.00	.10
<b>110,343,936</b>							<b>110,343,935.90</b>	<b>110,343,936.00</b>	<b>.10</b>

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

1,000,000	ALBUQUERQUE N MEX ARPT REV	013538JD	5.000	7/01/16	.400	100.00000	1,000,000.00	1,000,000.00	
40,501,974	OVERNIGHT REPO	0701RP	.250	7/01/16	.250	1.00000	40,501,973.66	40,501,973.66	
2,600,000	WESTERN BANK CLOVIS	15985	.500	7/13/16	.500	1.00000	2,600,000.00	2,600,000.00	
15,000,000	UNITED STATES TREASURY NOTES	912828VL	.625	7/15/16	.531	100.00357	15,000,535.69	15,002,550.00	2,014.31
195,000	LOS LUNAS N MEX SCH DIST NO 1	545562RC	2.000	7/15/16	.451	100.06008	195,117.16	195,072.15	- 45.01
2,500,000	WESTERN BANK ALAMOGORDO	81187124	.550	7/22/16	.550	1.00000	2,500,000.00	2,500,000.00	
600,000	RIO RANCHO N MEX PUB SCH DIST NO	767171MF	2.000	8/01/16	.650	100.11199	600,671.93	600,672.00	.07
475,000	LAS CRUCES N MEX SCH DIST NO 002	517534SD	3.000	8/01/16	.650	100.19504	475,926.44	475,812.25	- 114.19
250,000	GALLUP MC KINLEY CNTY N MEX SCH	364010QJ	2.000	8/01/16	.710	100.10692	250,267.31	250,252.50	- 14.81
400,000	SAN JUAN CNTY N MEX CENT CONS IN	798359KC	3.000	8/01/16	.650	100.19505	400,780.18	400,724.00	- 56.18
160,000	BERNALILLO N MEX MUN SCH DIST NO	085279RZ	3.000	8/01/16	.450	100.21192	160,339.07	160,273.60	- 65.47
225,000	COLFAX CNTY N MEX GROSS TAX RCPT	19407BAC	2.000	8/01/16	.430	100.13048	225,293.57	225,225.00	- 68.57
1,850,000	ALBUQUERQUE N MEX MET ARROYO FLO	013572KL	4.000	8/01/16	.504	100.29056	1,855,375.45	1,854,643.50	- 731.95
250,000	SANTA FE N MEX PUB SCH DIST FO	802088JN	3.000	8/01/16	.500	100.20769	250,519.23	250,530.00	10.77
25,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EACW	2.000	8/25/16	1.277	100.10687	25,026,716.45	25,058,500.00	31,783.55
300,000	NEW MEXICO EDL ASSISTANCE FNDTN	647110DY	4.000	9/01/16	.502	100.58138	301,744.14	301,755.00	10.86
15,000,000	UNITED STATES TREASURY NOTES	912828RJ	1.000	9/30/16	.677	100.07970	15,011,955.11	15,024,150.00	12,194.89
15,000,000	UNITED STATES TREASURY NOTES	912828RM	1.000	10/31/16	.632	100.12150	15,018,224.69	15,032,850.00	14,625.31
20,000,000	UNITED STATES TREASURY NOTES	912828LU	3.125	10/31/16	.584	100.83972	20,167,944.14	20,182,800.00	14,855.86
20,000,000	UNITED STATES TREASURY NOTES	912828RU	.875	11/30/16	.751	100.05092	20,010,184.97	20,041,000.00	30,815.03
20,000,000	UNITED STATES TREASURY NOTES	912828AS	.625	12/15/16	.665	99.98174	19,996,347.89	20,020,400.00	24,052.11
1,100,000	WESTERN BANK ALAMOGORDO	81186499	.750	12/30/16	.750	1.00000	1,100,000.00	1,100,000.00	
<b>182,406,974</b>							<b>182,649,917.08</b>	<b>182,779,183.66</b>	<b>129,266.58</b>

====> 0022 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2016 <====

2,000,000	WESTERN COMMERCE BANK	66012640	.750	1/13/17	.750	1.00000	2,000,000.00	2,000,000.00	
2,000,000	WESTERN COMMERCE BANK	66012641	.750	1/13/17	.750	1.00000	2,000,000.00	2,000,000.00	
15,000,000	UNITED STATES TREASURY NOTES	912828SC	.875	1/31/17	.700	100.10169	15,015,252.76	15,037,350.00	22,097.24
5,000,000	UNITED STATES TREASURY NOTES	912828SJ	.875	2/28/17	.788	100.05734	5,002,867.01	5,012,900.00	10,032.99

# STATE OF NEW MEXICO

## TREASURERS OFFICE

Position holdings as of 6/30/16 (TRADE)  
BOOK VALUES AMORTIZED THROUGH 6/30/16

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
30,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EADC	1.000	3/08/17	.653	100.23667	30,071,000.16	30,098,400.00	27,399.84
10,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	31359M7X	5.000	5/11/17	.743	103.64630	10,364,630.46	10,378,600.00	13,969.54
25,000,000	UNITED STATES TREASURY NOTES	912828SY	.625	5/31/17	.916	99.73488	24,933,720.26	25,022,500.00	88,779.74
675,000	CLOVIS N MEX GROSS RCPTS TAX REV	189387DL	2.000	6/01/17	.800	101.09330	682,379.79	683,687.25	1,307.46
260,000	SANTA FE N MEX GROSS RCPTS TAXRE	802072RH	4.000	6/01/17	.725	102.98612	267,763.90	267,872.80	108.90
15,000,000	FEDERAL HOME LOAN BANKS	313379FW	1.000	6/09/17	.825	100.16304	15,024,456.03	15,058,650.00	34,193.97
10,000,000	NCUA GUARN NTS TR 2011-M1	62889KAC	2.350	6/12/17	.820	101.44074	10,144,073.55	10,150,500.00	6,426.45
5,000,000	UNITED STATES TREASURY NOTES	912828TB	.750	6/30/17	1.006	99.74612	4,987,305.84	5,011,550.00	24,244.16
5,000,000	UNITED STATES TREASURY NOTES	912828TG	.500	7/31/17	.906	99.56376	4,978,188.08	4,998,450.00	20,261.92
270,000	JEMEZ VY N MEX PUB SCH DIST NO03	475868EL	2.000	8/01/17	.750	101.34587	273,633.86	273,520.80	- 113.06
275,000	CITY OF BELEN N MEX GO BDS	077563DS	2.000	8/01/17	.820	101.20800	278,322.00	278,759.25	437.25
5,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0MZ	.875	8/28/17	1.020	99.83284	4,991,641.79	5,013,800.00	22,158.21
11,000,000	UNITED STATES TREASURY NOTES	912828TM	.625	8/31/17	.975	99.59519	10,955,470.44	11,009,900.00	54,429.56
500,000	FEDERAL HOME LOAN BANKS	313380EC	.750	9/08/17	.760	99.98839	499,941.97	500,600.00	658.03
350,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3136G23N	1.200	11/22/17	.648	100.07773	350,272.04	350,073.50	- 198.54
2,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3136G1FU	1.000	12/19/17	.905	100.13779	2,002,755.85	2,008,940.00	6,184.15
20,000,000	UNITED STATES TREASURY NOTES	912828PN	2.750	12/31/17	1.124	102.40736	20,481,472.26	20,643,000.00	161,527.74
<b>164,330,000</b>							<b>165,305,148.05</b>	<b>165,799,053.60</b>	<b>493,905.55</b>

====> 0021 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2017 <====

20,000,000	UNITED STATES TREASURY NOTES	912828UJ	.875	1/31/18	1.205	99.48469	19,896,938.51	20,093,000.00	196,061.49
15,000,000	UNITED STATES TREASURY NOTES	912828UR	.750	2/28/18	1.213	99.23806	14,885,708.36	15,040,950.00	155,241.64
7,500,000	UNITED STATES TREASURY NOTES	912828J6	1.000	3/15/18	1.006	99.98967	7,499,224.99	7,551,600.00	52,375.01
12,500,000	FEDERAL HOME LOAN BANKS	3130A7CX	.875	3/19/18	.822	100.08923	12,511,153.56	12,544,000.00	32,846.44
10,000,000	FNMA	3135G0J6	.875	3/28/18	.973	99.83093	9,983,092.65	10,034,400.00	51,307.35
6,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134G8HQ	1.150	4/27/18	1.000	100.01046	6,000,627.57	6,001,020.00	392.43
10,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0WJ	.875	5/21/18	1.160	99.46947	9,946,946.70	10,039,600.00	92,653.30
500,000	FEDERAL FARM CREDIT BANKS	3133EEZ2	1.160	6/18/18	.912	100.48072	502,403.60	504,205.00	1,801.40
1,950,000	NEW MEXICO ST SEVERANCE TAX	647310X8	2.000	7/01/18	1.100	101.77462	1,984,605.02	1,989,019.50	4,414.48
290,000	ALBUQUERQUE N MEX ARPT REV	013538HB	5.110	7/01/18	1.535	107.01459	310,342.31	308,032.20	- 2,310.11
5,000,000	FEDERAL HOME LOAN BANKS	3130A8KR	.820	7/06/18	.884	99.87220	4,993,610.08	5,006,700.00	13,089.92
275,000	LOS LUNAS N MEX SCH DIST NO 1	545562RX	2.000	7/15/18	1.020	101.97161	280,421.94	282,559.75	2,137.81
15,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0E3	1.125	7/20/18	1.205	99.83822	14,975,732.57	15,132,000.00	156,267.43
285,000	CITY OF BELEN N MEX GO BDS	077563DT	2.000	8/01/18	.950	102.10600	291,002.10	292,381.50	1,379.40
25,000,000	FEDERAL HOME LOAN BANKS	313375K4	2.000	9/14/18	.989	102.19642	25,549,105.71	25,708,750.00	159,644.29
15,000,000	UNITED STATES TREASURY NOTES	912828WD	1.250	10/31/18	.944	100.70302	15,105,453.11	15,208,050.00	102,596.89
<b>144,300,000</b>							<b>144,716,368.78</b>	<b>145,736,267.95</b>	<b>1,019,899.17</b>

====> 0016 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2018 <====

# STATE OF NEW MEXICO

## TREASURERS OFFICE

Position holdings as of 6/30/16 (TRADE)  
BOOK VALUES AMORTIZED THROUGH 6/30/16

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
12,500,000	FREDDIE MAC	3134G8RW	1.240	3/29/19	1.240	100.00000	12,500,000.00	12,516,125.00	16,125.00
500,000	ALBUQUERQUE N MEX MUN SCH DISTNO	013595KU	4.500	8/01/19	.500	100.33238	501,661.90	501,400.00	- 261.90
20,000,000	FANNIE MAE	3135G0ZG	1.750	9/12/19	1.658	100.28512	20,057,024.96	20,553,800.00	496,775.04
15,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	313586RC		10/09/19	1.362	95.70500	14,355,750.00	14,409,150.00	53,400.00
20,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0ZY	1.750	11/26/19	1.727	100.07645	20,015,290.04	20,562,600.00	547,309.96
5,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3136G3TF	1.200	12/30/19	1.200	100.00000	5,000,000.00	5,012,400.00	12,400.00
<b>73,000,000</b>							<b>72,429,726.90</b>	<b>73,555,475.00</b>	<b>1,125,748.10</b>
====> 0006 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2019 <====									
570,000	PHILADELPHIA PA	717813GQ	5.000	8/01/24	.502	100.37379	572,130.63	571,789.80	- 340.83
<b>570,000</b>							<b>572,130.63</b>	<b>571,789.80</b>	<b>- 340.83</b>
====> 0001 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2024 <====									
<b>674,950,910</b>							<b>676,017,227.34</b>	<b>678,785,706.01</b>	<b>2,768,478.67</b>

====> 0067 ITEMS IN SUBTOTAL FOR ====> FUND NAME..... ====> BOND PROCEEDS INV POOL2 TAXABL <



## 14. Portfolio Summary- Severance Tax Bonding Fund

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

### *Summary*

- The Severance Tax Bonding Fund closed the month of June at \$14.4 mil.
- The Severance Tax Bonding Fund net earnings were \$65,698 for June.

### *Portfolio Mix*

- The Severance Tax Bonding Fund is primarily invested in the overnight repurchase agreement pool and short Agency securities.
- 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.
  - On June 30<sup>th</sup> and December 30<sup>th</sup>, the STBF transfers available balances, in excess of debt service needs, to the Severance Tax Permanent Fund.
- Severance Taxes are remitted to the Treasury on a monthly basis and are ranging between \$15MM and \$25MM per month.
  - The STB Fund received \$19 mil in June.

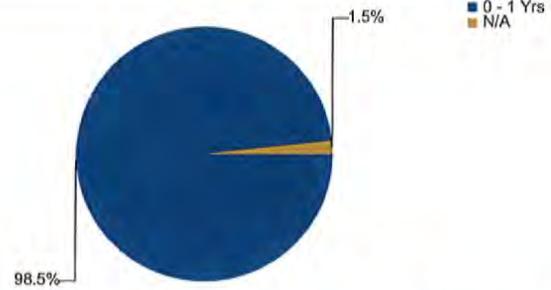
### *Investment Strategy*

- Due to its short-term nature, investments of three to six month maturities are viable investments for the STBF pool.
- The STB Fund received \$19 mil in July from Severance Taxes.

Portfolio Characteristics

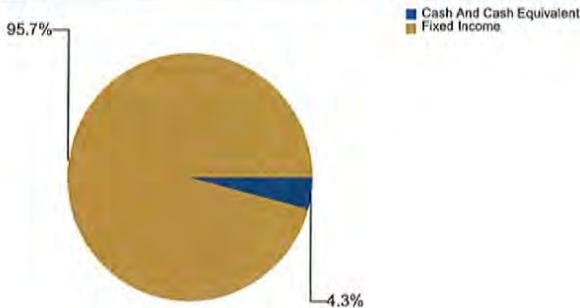
Duration Mix

Total Net Assets (Millions) 14.6  
 Weighted Average Life (Years) 0.06  
 Weighted Avg. Effective Duration (Years) 0.06  
 Weighted Average Coupon (%) 3.10  
 Weighted Average Current Yield (%) 0.35  
 Weighted Average Yield to Maturity (%) 0.36  
 Weighted Average Rating A+  
 Number of Holdings 11



Asset Mix

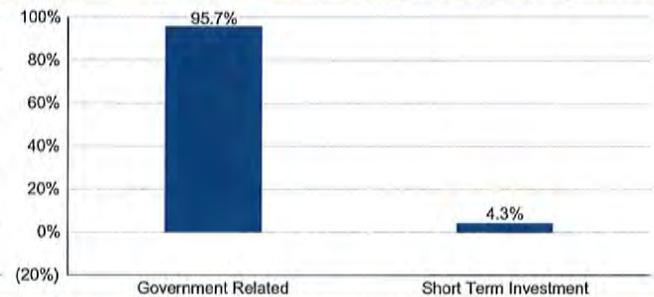
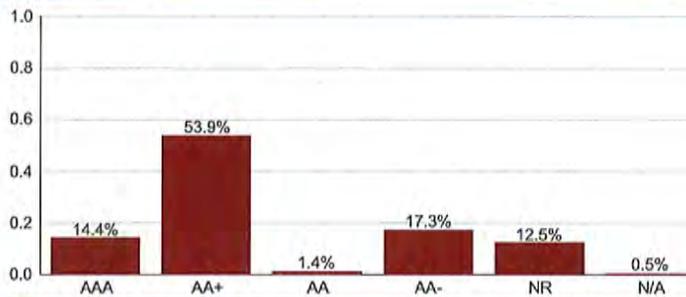
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
3131SPA25	FEDERAL AGRICULTURAL MORTGAGE CORP 2% BDS	83.92%	2.00	2/7/2016
2927OCC66	ENERGY NORTHWEST WASH ELIC REV FORMERLY KNOWN AS	16.63%	5.00	1/7/2023
6821SPAX0	TEXAS A & M UNIV SYS BRD REGTS PERM UNIV FD RFDG	10.53%	5.00	1/7/2036
767165D59	CITY OF RIO RANCHO NM BOND 21/JUN/2016 01/AUG/2016	5.75%	5.00	1/8/2016
6176341P8	LAS CRUCES SCHOOL DISTRICT NO 2 BOND 08/MAR/2016	3.46%	4.00	1/8/2016
990120052	REPO MITSUBISHI UFJ SECURITIES (USA),INC. 06/30/16A	2.75%	0.25	1/7/2016
013595K06	ALBUQUERQUE N MEX MUN SCH DIST NO 012 27/DEC/2007	1.40%	4.00	1/8/2016
892098X00	LOP POOL PARTICIPANT	1.06%	0.39	
647310M31	NEW MEXICO ST SEVERANCE TAX RFDG-SER 0 08/DEC/2010	0.70%	5.00	1/7/2016
6471100V8	NEW MEXICO EDL ASSISTANCE FNDTM ED LN-SR-SER B	3.31%	4.00	1/9/2016

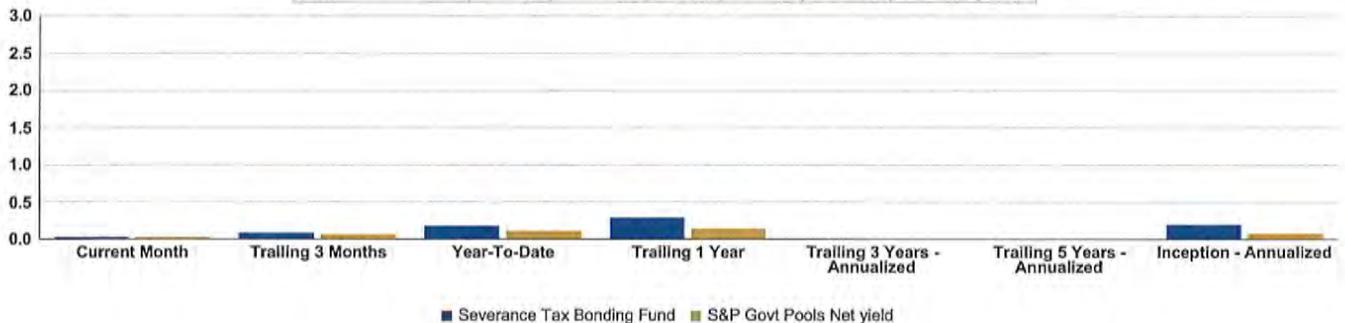
Quality/Rating Weightings

Sector Weightings (as % of Market Value)



Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
Severance Tax Bonding Fund	0.03	0.08	0.18	0.29			0.19
S&P Govt Pools Net yield	0.02	0.06	0.11	0.14			0.07
Excess	0.01	0.02	0.07	0.15	0.00	0.00	0.12



**STATE OF NEW MEXICO**  
**STB FUND (4001)**  
**Portfolio Classification Summary**  
**Positions Held as of 6/30/16 (TRADE Basis)**

AMTZ ADDED: NO

ASSET CLASSIFICATION	ITEMS	YIELD	AVG-TERM	PRINCIPAL	COST-BASIS	MARKET-VALUE	GAIN/LOSS	%MARKET
REPURCHASE AGREEMENTS (O/N)	1	.2535	.00270	401,269	401,269	401,269		2.785
AGENCY US NOTES 30/360 2X	1	.4220	.07400	7,800,000	7,808,899	7,809,750	851	54.200
MUNI US 30/360 2X	5	.4818	.02373	4,645,000	4,648,314	4,648,369	55	32.260
MUNICIPAL BOND REVENUE	2	.6214	.08770	1,335,000	1,339,450	1,339,045	-405	9.293
UNITS - INVESTMENT POOL 1	1			144,028	144,028	144,028		1.000
CASH ACCOUNT	1			66,793	66,793	66,793		.464
	<u>11</u>	<u>.4490</u>	<u>.05681</u>	<u>14,392,090</u>	<u>14,408,753</u>	<u>14,409,254</u>	<u>501</u>	<u>100.000</u>

**STATE OF NEW MEXICO**

**TREASURERS OFFICE**

Position holdings as of 6/30/16 (TRADE)

BOOK VALUES AMORTIZED THROUGH 6/30/16

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
144,028	UNITS - INVESTMENT POOL 1	UNITS001				1.00000	144,028.25	144,028.00	-.25
66,793	FNB MONEY MARKET DEMAND ACCOUNT	FNBCASH				1.00000	66,793.21	66,793.00	-.21
<b>210,821</b>							<b>210,821.46</b>	<b>210,821.00</b>	<b>-.46</b>

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

100,000	NEW MEXICO ST SEVERANCE TAX	647310M8	5.000	7/01/16	.551	100.00000	100,000.00	100,000.00	
401,269	OVERNIGHT REPO	0701RP	.250	7/01/16	.250	1.00000	401,269.41	401,269.41	
7,800,000	FEDERAL AGRICULTURAL MORTGAGE CO	31315PA2	2.000	7/27/16	.416	100.11409	7,808,899.32	7,809,750.00	850.68
500,000	LAS CRUCES N MEX SCH DIST NO 002	517534TP	4.000	8/01/16	.556	100.28619	501,430.93	501,465.00	34.07
200,000	ALBUQUERQUE N MEX MUN SCH DISTNO	013595KC	4.000	8/01/16	.551	100.28654	200,573.08	200,590.00	16.92
835,000	RIO RANCHO N MEX	767165DS	5.000	8/01/16	.647	100.36149	838,018.48	837,580.15	- 438.33
475,000	NEW MEXICO EDL ASSISTANCE FNDTN	647110DY	4.000	9/01/16	.528	100.57700	477,740.77	477,778.75	37.98
<b>10,311,269</b>							<b>10,327,931.99</b>	<b>10,328,433.31</b>	<b>501.32</b>

====> 0007 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ==== 2016 <====

2,370,000	ENERGY NORTHWEST WASH ELEC REV	29270CC8	5.000	7/01/23	.463	100.00000	2,370,000.00	2,370,000.00	
<b>2,370,000</b>							<b>2,370,000.00</b>	<b>2,370,000.00</b>	

====> 0001 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ==== 2023 <====

1,500,000	TEXAS A & M UNIV SYS BRD REGTSPE	88213PAX	5.000	7/01/36	.463	100.00000	1,500,000.00	1,500,000.00	
<b>1,500,000</b>							<b>1,500,000.00</b>	<b>1,500,000.00</b>	

====> 0001 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ==== 2036 <====

<b>14,392,090</b>							<b>14,408,753.45</b>	<b>14,409,254.31</b>	<b>500.86</b>
-------------------	--	--	--	--	--	--	----------------------	----------------------	---------------

====> 0011 ITEMS IN SUBTOTAL FOR ==== FUND NAME..... ==== STB FUND <====



## 15. Broker Dealer Activities

KEY		
FUND	1000	GENERAL FUND LIQUIDITY
FUND	1001	GENERAL FUND CORE
FUND	1101	OVERNIGHT REPO
FUND	4000	BPIP TAX EXEMPT
FUND	4001	SEVERANCE TAX BONDING FUND
FUND	4002	BPIP TAXABLE
FUND	4101	LGIP

## Broker-Dealer Activities

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

We have received a broker-dealer application packet from Morgan Stanley, and we would like to add them to the Broker-Dealer List for FY17 as the 14th Primary Dealer. As part of our selection criteria, all primary Broker-Dealers who applied were accepted. We are presenting the details for Morgan Stanley at this time, and will request a vote to recommend adding them to the list at the September STIC meeting.

Firm	Name	FINRA CRD #	Phone	Address	E-mail	Primary / Secondary
<b>Morgan Stanley Smith Barney LLC</b>	Ernest Marchosky	1175185	213-486-6880	2000 Westchester Ave.	<a href="mailto:Ernest.Marchosky@morganstanley.com">Ernest.Marchosky@morganstanley.com</a>	Primary Dealer
CRD #149777	Justin C. Baker	4938937	213-486-8883	Purchase, NY 10577	<a href="mailto:Justin.Baker@morganstanley.com">Justin.Baker@morganstanley.com</a>	

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

2015-2016

*Volume at Par*

(\$ in thousands)

Broker/Dealer:	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	YTD Total	YTD Percent
Barclays	20,000	10,800	22,000	50,000			21,225		116,275	5,750	22,405	30,000	298,455	7.2%
BB and T (Scott & Stringfellow)	35,286		1,089	30,440	7,630	13,395		18,815	80,020	8,000		290	194,965	4.7%
BMO Capital Markets			2,000	15,000	10,677	8,000		15,000	34,000		15,000	25,000	124,677	3.0%
BNP Paribas		1,800											1,800	0.0%
BOSC, Inc		500	200				5,000	2,300	7,385	2,680	3,745	5,600	27,410	0.7%
Cantor, Fitzgerald							2,000	3,000	10,000	1,750			16,750	0.4%
CastleOak Securities LP	23,000	5,000	62,000		18,000	11,000	9,000	18,000	20,000	16,000	25,000	40,000	247,000	6.0%
Daiwa Capital Markets America		8,100	5,000			18,000		7,500	65,000			40,000	143,600	3.5%
Deutsche Bank		21,152	150	36,000	5,000	1,027	21,000	33,500	43,000			5,000	165,829	4.0%
Drexel Hamilton LLC										10,000			10,000	0.2%
First Southwest			15,275	3,225									18,500	0.4%
FTN Financial						28,000			24,000				52,000	1.3%
George K Baum & Co								380					380	0.0%
Government Perspectives, Inc													-	0.0%
* Guggenheim Securities LLC	1,000	20,000											31,000	0.8%
HSBC						20,000			65,500	16,000	42,000	59,000	202,500	4.9%
Intl FCStone		14,780	3,000	20,000		5,000	10,000	57,500	165,199	83,625	47,875	32,000	438,979	10.6%
Jefferies		5,100	1,300			32,383		10,000	35,000	44,000	31,000	3,000	161,783	3.9%
JP Morgan & Co													-	0.0%
KeyBanc Capital Markets	1,700	63,985		13,101	10,380		15,770	20,000	17,947	20,000		10,000	172,883	4.2%
* Loop Capital Markets	5,000												5,000	0.1%
MBS (Multi-Bank Securities)													-	0.0%
MFR Securities													-	0.0%
Mizuho Securities USA	11,441	11,900	14,500	35,000				40,000	42,127	14,000		25,000	193,968	4.7%
Morgan Stanley		44,000	26,260		24,463								94,723	2.3%
Mutual Securities nInc.													-	0.0%
* Piper Jaffray		285											285	0.0%
Raymond, James & Associates													-	0.0%
RBS Securities		31,000				25,000			46,000				102,000	2.5%
Robert W. Baird & Co.	1,790	3,255			1,000		635				5,635	5,450	17,765	0.4%
* Samuel A Ramirez & Co.	19,000	15,000											34,000	0.8%
Societe General Americas			26,842	21,000									47,842	1.2%
Southwest Securities/Hilltop	6,250	3,100	1,250	525				3,142	2,915	6,665	540	2,510	26,897	0.7%
Stifel Nicklaus & Co			255										255	0.0%
TD Securities	10,000			20,000	46,000	27,630	48,682	25,500	63,877	25,000	44,990	60,000	371,679	9.0%
UBS Financial Services						10,000		5,000					15,000	0.4%
Vining Sparks													-	0.0%
Wedbush Securities	17,950	16,230						15,000					49,180	1.2%
Wells Fargo Securities	11,856	32,000	26,800	31,675	45,355	75,000	47,835	1,250	96,500	57,000	15,960	48,870	490,101	11.9%
Direct Purchase			4,800	2,000		41,818	4,000			2,000		123,956	178,574	4.3%
Interfund					41,000	30,000	40,000		80,600				191,600	4.6%
<b>Total</b>	<b>164,273</b>	<b>307,987</b>	<b>212,721</b>	<b>277,966</b>	<b>209,505</b>	<b>346,253</b>	<b>225,147</b>	<b>275,887</b>	<b>1,015,345</b>	<b>312,470</b>	<b>254,150</b>	<b>525,676</b>	<b>4,127,380</b>	<b>100.0%</b>

\* Broker-Dealers not on Approved Broker-Dealer List as of October 1, 2015

**STATE OF NEW MEXICO**  
**Summary of Fixed-Income Purchases and Sales**  
**TRADES During The Period 6/01/16 Through 6/30/16**

TXN-DATE	CUSIP#	ASSET-TYPE	INVT#	ISSUE-NAME	RATE	MATURITY	YIELD	BRKR/DLR/AGENT	FUND	PAR-VALUE	COST/PROCEEDS	GAIN/LOSS	NXT-CALL
<b>PURCHASE TRANSACTIONS</b>													
6/13/16	1623575	CERTIFICATES OF	25712	SOUTHWEST CAPITAL BANK	.780	12/13/16	.7800	SYSTEM - UNIDEN	1001	10,000,000.00	10,000,000.00		
6/16/16	17099254	CERTIFICATES OF	25733	CENTURY BANK SANTA FE	.600	12/16/16	.6000	SYSTEM - UNIDEN	1001	3,000,000.00	3,000,000.00		
6/22/16	912828Q4	US TREASURY NOT	25790	UNITED STATES TREASURY	.875	3/31/18	.7458	HSBC	4000	20,000,000.00	20,045,312.50		
6/15/16	3130A8JE	AGENCY US FLOAT	25741	FEDERAL HOME LOAN BANK	.422	11/16/16	.4220	INTL FCSTONE PA	4101	5,000,000.00	5,000,000.00		
6/20/16	3130A8JE	AGENCY US FLOAT	25741	FEDERAL HOME LOAN BANK	.422	11/16/16	.4266	INTL FCSTONE PA	4101	15,000,000.00	14,999,715.00		
6/20/16	3130A8JE	AGENCY US FLOAT	25741	FEDERAL HOME LOAN BANK	.422	11/16/16	.4266	INTL FCSTONE PA	4101	10,000,000.00	9,999,810.00		
6/29/16	3133EDJA	AGENCY US FLOAT	25835	FEDERAL FARM CREDIT BAN	.467	10/11/16	.3970	BARCLAYS	4101	10,000,000.00	10,002,000.00		
6/09/16	313380EC	AGENCY US BOND	25704	FEDERAL HOME LOAN BANKS	.750	9/08/17	.7597	BOSC, INC	4002	500,000.00	499,940.00		
6/13/16	3133EGDC	AGENCY US BOND	25717	FEDERAL FARM CREDIT BAN	.850	12/06/17	.7103	WELLS FARGO SEC	4000	5,000,000.00	5,010,250.00		
6/14/16	313379DT	AGENCY US BOND	25732	FEDERAL HOME LOAN BANKS	1.250	6/08/18	.8320	BOSC, INC	4000	1,000,000.00	1,008,193.50		
6/22/16	3130A7CX	AGENCY US BOND	25782	FEDERAL HOME LOAN BANKS	.875	3/19/18	.8224	BMO CAPTIAL MAR	4000	12,500,000.00	12,511,325.00		
6/22/16	3130A7CX	AGENCY US BOND	25789	FEDERAL HOME LOAN BANKS	.875	3/19/18	.8224	BMO CAPTIAL MAR	4002	12,500,000.00	12,511,325.00		
6/22/16	3133ED2C	AGENCY US BOND	25792	FEDERAL FARM CREDIT BAN	1.950	9/17/18	.9051	INTL FCSTONE PA	4000	2,000,000.00	2,046,100.00		
6/23/16	3130A8KR	AGENCY US BOND	25801	FEDERAL HOME LOAN BANKS	.820	7/06/18	.8842	ROBERT W BAIRD	4002	5,000,000.00	4,993,550.00		
6/09/16	31338456	AGENCY US DISC	25703	FEDERAL HOME LOAN BANKS		12/09/16	.5013	WELLS FARGO SEC	4101	20,000,000.00	19,949,444.44		
6/21/16	313586RC	AGENCY US BOND	25780	FEDERAL NATIONAL MORTGA		10/09/19	1.3843	CASTLEOAK SECUR	4000	10,000,000.00	9,563,500.00		
6/22/16	313586RC	AGENCY US BOND	25780	FEDERAL NATIONAL MORTGA		10/09/19	1.3622	CASTLEOAK SECUR	4000	5,000,000.00	4,785,250.00		
6/22/16	313586RC	AGENCY US BOND	25791	FEDERAL NATIONAL MORTGA		10/09/19	1.3622	CASTLEOAK SECUR	4002	15,000,000.00	14,355,750.00		
6/01/16	62889KAC	AGENCY US NOTES	25651	NCUA GUARN NTS TR 2011-	2.350	6/12/17	.8197	BARCLAYS	4000	10,000,000.00	10,156,300.00		
6/01/16	62889KAC	AGENCY US NOTES	25652	NCUA GUARN NTS TR 2011-	2.350	6/12/17	.8197	BARCLAYS	4002	10,000,000.00	10,156,300.00		
6/10/16	3136G23N	AGENCY US NOTES	25713	FEDERAL NATIONAL MORTGA	1.200	11/22/17	.6481	BANK OF OKLAHOM	4002	350,000.00	350,368.19		8/22/16
6/13/16	3134G3S5	AGENCY US NOTES	25724	FEDERAL HOME LOAN MORTG	.625	11/01/16	.5219	ROBERT W BAIRD	4101	450,000.00	450,175.50		
6/13/16	3137EADX	AGENCY US NOTES	25716	FEDERAL HOME LOAN MORTG	1.000	12/15/17	.7112	KEYBANC CAPITAL	4000	10,000,000.00	10,043,100.00		
6/16/16	3134G9WB	AGENCY US NOTES	25754	FREDDIE MAC	1.000	12/28/18	1.0000	CASTLEOAK SECUR	4000	5,000,000.00	5,000,000.00		
6/16/16	3136G3TF	AGENCY US NOTES	25752	FEDERAL NATIONAL MORTGA	1.200	12/30/19	1.2000	CASTLEOAK SECUR	4002	5,000,000.00	5,000,000.00		6/30/17
6/20/16	3134C42X	AGENCY US NOTES	25771	FEDERAL HOME LOAN MORTG	1.050	10/30/18	.8781	BOSC, INC	4000	2,500,000.00	2,510,009.00		
6/30/16	3136FPQT	AGENCY US NOTES	25842	FEDERAL NATIONAL MORTGA	2.200	10/27/17	.6503	BOSC, INC	4000	1,000,000.00	1,020,369.59		
6/28/16	3133EFFV	AGENCY US VARIA	25825	FEDERAL FARM CREDIT BAN	.650	5/30/17	.5547	MIZUHO SECURITI	4101	25,000,000.00	25,021,000.00		
6/06/16	647310X8	MUNI US 30/360	25676	NEW MEXICO ST SEVERANCE	2.000	7/01/18	1.1005	HILLTOP SECURIT	4002	1,950,000.00	1,984,983.00		
6/07/16	077563DS	MUNI US 30/360	25687	CITY OF BELEN N MEX GO	2.000	8/01/17	.8203	HILLTOP SECURIT	4002	275,000.00	278,322.00		
6/07/16	077563DT	MUNI US 30/360	25686	CITY OF BELEN N MEX GO	2.000	8/01/18	.9503	HILLTOP SECURIT	4002	285,000.00	291,002.10		
6/07/16	29270CC8	MUNI US 30/360	25678	ENERGY NORTHWEST WASH E	5.000	7/01/23	.4628	WELLS FARGO SEC	4001	2,370,000.00	2,376,256.80		7/01/16
6/07/16	88213PAX	MUNI US 30/360	25679	TEXAS A & M UNIV SYS BR	5.000	7/01/36	.4628	WELLS FARGO SEC	4001	1,500,000.00	1,503,960.00		7/01/16
6/16/16	013538HB	MUNI US 30/360	25751	ALBUQUERQUE N MEX ARPT	5.110	7/01/18	1.5351	BB&T CAPITAL MA	4002	290,000.00	310,619.00		
6/16/16	517534TL	MUNI US 30/360	25753	LAS CRUCES N MEX SCH DI	2.000	8/01/17	.7000	BOSC, INC	4000	250,000.00	253,590.00		
6/17/16	ABQ2016A	MUNICIPAL BOND	25762	ABQ SERIES 2016 C	.498	7/01/16	.4968	BROKER DIRECT	1000	6,870,000.00	6,870,000.00		
6/27/16	STN2016B	MUNICIPAL BOND	25772	STN SERIES 2016B	.496	6/30/16	.4948	BROKER DIRECT	1000	104,086,200.00	104,086,200.00		
<b>37 PURCHASES DURING PERIOD TOTAL.....</b>										<b>348,676,200.00</b>	<b>347,944,020.62</b>		

**STATE OF NEW MEXICO**  
**Summary of Fixed-Income Purchases and Sales**  
**TRADES During The Period 6/01/16 Through 6/30/16**

TXN-DATE	CUSIP#	ASSET-TYPE	INVT#	ISSUE-NAME	RATE	MATURITY	YIELD	BRKR/DLR/AGENT	FUND	PAR-VALUE	COST/PROCEEDS	GAIN/LOSS	NXT-CALL
<u>SALE TRANSACTIONS</u>													
6/13/16	912828QR	US TREASURY NOT	21672	UNITED STATES TREASURY	1.500	6/30/16	.3422	HSBC		4000	15,000,000.00	15,007,617.19	1,115.70
6/14/16	912828Q3	US TREASURY NOT	25285	UNITED STATES TREASURY	1.250	3/31/21	1.1390	HSBC		1001	24,000,000.00	24,123,750.00	55,802.79
6/14/16	912828RF	US TREASURY NOT	15510	UNITED STATES TREASURY	1.000	8/31/16		JEFFRIES & CO		1001	3,000,000.00	3,004,453.13	4,028.26
6/20/16	912828VL	US TREASURY NOT	21674	UNITED STATES TREASURY	.625	7/15/16		BARCLAYS		4000	10,000,000.00	10,002,343.75	1,735.11
6/21/16	912828RJ	US TREASURY NOT	21311	UNITED STATES TREASURY	1.000	9/30/16	.3267	TD SECURITIES		4000	10,000,000.00	10,018,359.38	8,347.18
6/15/16	3130A1BK	AGENCY US BOND	24778	FEDERAL HOME LOAN BANKS	.500	6/24/16	.2700	DEUTSCHE BANK S		4101	5,000,000.00	5,000,255.20	278.07
6/21/16	3130A76J	FED HOME LOAN B	25260	FEDERAL HOME LOAN BANKS	.440	6/30/16		TD SECURITIES		4101	10,000,000.00	10,000,360.00	249.63
6/07/16	3135G0CM	AGENCY US NOTES	15673	FEDERAL NATIONAL MORTGA	1.250	9/28/16		DAIWA CAPITAL M		1001	40,000,000.00	40,099,000.00	58,787.53
6/07/16	3137EACW	AGENCY US NOTES	15529	FEDERAL HOME LOAN MORTG	2.000	8/25/16		TD SECURITIES		1001	40,000,000.00	40,139,600.00	40,248.99
6/14/16	3137EAEA	AGENCY US NOTES	25294	FREDDIE MAC	.750	4/09/18		WELLS FARGO SEC		1001	10,000,000.00	9,990,980.00	5,230.12
6/14/16	3137EAEA	AGENCY US NOTES	25295	FREDDIE MAC	.750	4/09/18	.8001	WELLS FARGO SEC		1001	10,000,000.00	9,990,980.00	5,230.12
<b>11 SALES DURING PERIOD TOTAL.....</b>										<b>177,000,000.00</b>	<b>177,377,698.65</b>	<b>181,053.50</b>	
<b>=== GRAND-TOTAL ==&gt;</b>										<b>525,676,200.00</b>	<b>525,321,719.27</b>	<b>181,053.50</b>	

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

**STATE OF NEW MEXICO**  
**Summary of Fixed-Income Purchases and Sales**  
**TRADES During The Period 4/01/16 Through 6/30/16**

TXN-DATE	CUSIP#	ASSET-TYPE	INVT#	ISSUE-NAME	RATE	MATURITY	YIELD	BRKR/DLR/AGENT	FUND	PAR-VALUE	COST/PROCEEDS	GAIN/LOSS	NXT-CALL
<b>PURCHASE TRANSACTIONS</b>													
4/29/16	8521052	CERTIFICATES OF	25424	FARMERS & STOCKMENS BAN	1.050	4/27/18	1.0500	SYSTEM - UNIDEN	1001	2,000,000.00	2,000,000.00		
6/13/16	1623575	CERTIFICATES OF	25712	SOUTHWEST CAPITAL BANK	.780	12/13/16	.7800	SYSTEM - UNIDEN	1001	10,000,000.00	10,000,000.00		
6/16/16	17099254	CERTIFICATES OF	25733	CENTURY BANK SANTA FE	.600	12/16/16	.6000	SYSTEM - UNIDEN	1001	3,000,000.00	3,000,000.00		
4/05/16	912828Q3	US TREASURY NOT	25285	UNITED STATES TREASURY	1.250	3/31/21	1.1731	HSBC	1001	2,000,000.00	2,007,421.88		
5/06/16	912828Q3	US TREASURY NOT	25285	UNITED STATES TREASURY	1.250	3/31/21	1.1890	HSBC	1001	22,000,000.00	22,063,593.75		
6/22/16	912828Q4	US TREASURY NOT	25790	UNITED STATES TREASURY	.875	3/31/18	.7458	HSBC	4000	20,000,000.00	20,045,312.50		
4/13/16	3133EDJX	AGENCY US FLOAT	25331	FEDERAL FARM CREDIT BAN	.491	4/17/17	.5008	INTL FCSTONE PA	4101	7,405,000.00	7,404,281.72		
4/21/16	3133EDJ3	AGENCY US FLOAT	25386	FEDERAL FARM CREDIT BAN	.467	1/03/17	.4362	WELLS FARGO SEC	4101	7,000,000.00	7,001,540.00		
6/15/16	3130A8JE	AGENCY US FLOAT	25741	FEDERAL HOME LOAN BANK	.422	11/16/16	.4220	INTL FCSTONE PA	4101	5,000,000.00	5,000,000.00		
6/20/16	3130A8JE	AGENCY US FLOAT	25741	FEDERAL HOME LOAN BANK	.422	11/16/16	.4266	INTL FCSTONE PA	4101	15,000,000.00	14,999,715.00		
6/20/16	3130A8JE	AGENCY US FLOAT	25741	FEDERAL HOME LOAN BANK	.422	11/16/16	.4266	INTL FCSTONE PA	4101	10,000,000.00	9,999,810.00		
6/29/16	3133EDJA	AGENCY US FLOAT	25835	FEDERAL FARM CREDIT BAN	.467	10/11/16	.3970	BARCLAYS	4101	10,000,000.00	10,002,000.00		
4/14/16	3133EEZ2	AGENCY US BOND	25348	FEDERAL FARM CREDIT BAN	1.160	6/18/18	.9124	CANTOR FITZGERA	4002	500,000.00	502,660.00		
4/25/16	3130A7WA	AGENCY US BOND	25414	FEDERAL HOME LOAN BANKS	.750	5/25/17	.7500	INTL FCSTONE PA	4101	5,000,000.00	5,000,000.00		
5/09/16	3130A2T9	AGENCY US BOND	25507	FEDERAL HOME LOAN BANKS	.500	9/28/16	.3882	WELLS FARGO SEC	4101	1,770,000.00	1,770,761.40		
5/09/16	3130A6BD	AGENCY US BOND	24350	FEDERAL HOME LOAN BANKS	.510	9/09/16	.4100	WELLS FARGO SEC	4101	400,000.00	400,132.69		
5/09/16	313370TW	AGENCY US BOND	24769	FEDERAL HOME LOAN BANKS	2.000	9/09/16	.3793	WELLS FARGO SEC	4101	1,790,000.00	1,799,650.73		
5/09/16	3133EDE5	AGENCY US BOND	25508	FEDERAL FARM CREDIT BAN	.690	9/23/16	.3885	WELLS FARGO SEC	4101	2,000,000.00	2,002,238.66		
5/19/16	3130A5GL	AGENCY US BOND	25579	FEDERAL HOME LOAN BANKS	.360	6/21/16	.3097	JEFFRIES & CO	4101	13,000,000.00	13,000,557.96		
5/23/16	313370TW	AGENCY US BOND	24769	FEDERAL HOME LOAN BANKS	2.000	9/09/16	.4771	BARCLAYS	4101	7,405,000.00	7,438,115.16		
6/09/16	313380EC	AGENCY US BOND	25704	FEDERAL HOME LOAN BANKS	.750	9/08/17	.7597	BOSC, INC	4002	500,000.00	499,940.00		
6/13/16	3133EGDG	AGENCY US BOND	25717	FEDERAL FARM CREDIT BAN	.850	12/06/17	.7103	WELLS FARGO SEC	4000	5,000,000.00	5,010,250.00		
6/14/16	313379DT	AGENCY US BOND	25732	FEDERAL HOME LOAN BANKS	1.250	6/08/18	.8320	BOSC, INC	4000	1,000,000.00	1,008,193.50		
6/22/16	3130A7CX	AGENCY US BOND	25782	FEDERAL HOME LOAN BANKS	.875	3/19/18	.8224	BMO CAPTIAL MAR	4000	12,500,000.00	12,511,325.00		
6/22/16	3130A7CX	AGENCY US BOND	25789	FEDERAL HOME LOAN BANKS	.875	3/19/18	.8224	BMO CAPTIAL MAR	4002	12,500,000.00	12,511,325.00		
6/22/16	3133ED2C	AGENCY US BOND	25792	FEDERAL FARM CREDIT BAN	1.950	9/17/18	.9051	INTL FCSTONE PA	4000	2,000,000.00	2,046,100.00		
6/23/16	3130A8KR	AGENCY US BOND	25801	FEDERAL HOME LOAN BANKS	.820	7/06/18	.8842	ROBERT W BAIRD	4002	5,000,000.00	4,993,550.00		
4/13/16	313312Q5	AGENCY US DISC	25338	FEDERAL FARM CREDIT BAN		11/22/16	.4814	JEFFRIES & CO	4101	10,000,000.00	9,970,400.00		
4/19/16	313588VW	AGENCY US DISC	25375	FEDERAL NATIONAL MORTGA		4/21/16	.2000	TD SECURITIES	4101	25,000,000.00	24,999,861.11		
4/22/16	313312WC	AGENCY US DISC	25393	FEDERAL FARM CREDIT BAN		4/27/16	.2600	BARCLAYS	4101	5,750,000.00	5,749,792.36		
4/27/16	880592WE	AGENCY US DISC	25423	TENNESSEE VALLEY AUTHOR		4/29/16	.2500	JEFFRIES & CO	4101	28,000,000.00	27,999,611.11		
5/10/16	313384XJ	AGENCY US DISC	25510	FEDL HOME LOAN BK CONS		5/27/16	.2400	TD SECURITIES	4101	20,000,000.00	19,997,733.33		
5/16/16	313312D9	AGENCY US DISC	25545	FEDERAL FARM CREDIT BAN		8/30/16	.3103	TD SECURITIES	4101	24,990,000.00	24,967,189.68		
5/24/16	313312XG	AGENCY US DISC	25598	FEDERAL FARM CREDIT BAN		5/25/16	.2600	JEFFRIES & CO	4101	16,000,000.00	15,999,884.44		
5/26/16	313384C3	AGENCY US DISC	25624	FEDL HOME LOAN BK CONS		8/16/16	.4334	CASTLEOAK SECUR	4101	20,000,000.00	19,980,515.00		
6/09/16	313384S6	AGENCY US DISC	25703	FEDERAL HOME LOAN BANKS		12/09/16	.5013	WELLS FARGO SEC	4101	20,000,000.00	19,949,444.44		
5/12/16	3130A3J7	AGENCY 30/360 2	25525	FEDERAL HOME LOAN BANK	.625	11/23/16	.4655	INTL FCSTONE PA	4101	20,000,000.00	20,016,800.00		
6/21/16	313586RC	AGENCY US BOND	25780	FEDERAL NATIONAL MORTGA		10/09/19	1.3843	CASTLEOAK SECUR	4000	10,000,000.00	9,563,500.00		

**STATE OF NEW MEXICO**  
**Summary of Fixed-Income Purchases and Sales**  
**TRADES During The Period 4/01/16 Through 6/30/16**

TXN-DATE	CUSIP#	ASSET-TYPE	INVT#	ISSUE-NAME	RATE	MATURITY	YIELD	BRKR/DLR/AGENT	FUND	PAR-VALUE	COST/PROCEEDS	GAIN/LOSS	NXT-CALL
6/22/16	313586RC	AGENCY US BOND	25780	FEDERAL NATIONAL MORTGA		10/09/19	1.3622	CASTLEOAK SECUR	4000	5,000,000.00	4,785,250.00		
6/22/16	313586RC	AGENCY US BOND	25791	FEDERAL NATIONAL MORTGA		10/09/19	1.3622	CASTLEOAK SECUR	4002	15,000,000.00	14,355,750.00		
4/06/16	3137EAEA	AGENCY US NOTES	25294	FREDDIE MAC	.750	4/09/18	.8291	DREXEL HAMILTON	1001	10,000,000.00	9,984,300.00		
4/06/16	3137EAEA	AGENCY US NOTES	25295	FREDDIE MAC	.750	4/09/18	.8291	WELLS FARGO SEC	1001	10,000,000.00	9,984,300.00		
4/14/16	3134G3K7	AGENCY US NOTES	25347	FEDERAL HOME LOAN MORTG	1.200	9/24/18	.9426	CANTOR FITZGERA	4000	1,250,000.00	1,257,750.00		
4/19/16	3135G0ES	AGENCY US NOTES	25376	FEDERAL NATIONAL MORTGA	1.375	11/15/16	.5209	INTL FCSTONE PA	4101	10,000,000.00	10,048,500.00		
4/20/16	3137EADC	AGENCY US NOTES	20442	FEDERAL HOME LOAN MORTG	1.000	3/08/17	.6020	KEYBANC CAPITAL	4002	20,000,000.00	20,069,800.00		
4/29/16	3134G9BN	AGENCY US NOTES	25450	FEDERAL HOME LOAN MORTG	1.070	10/26/18	1.0906	INTL FCSTONE PA	4000	7,220,000.00	7,219,278.00		10/26/16
5/10/16	3137EADQ	AGENCY US NOTES	23817	FEDERAL HOME LOAN MORTG	.500	5/13/16	.2594	WELLS FARGO SEC	4101	10,000,000.00	10,000,200.00		
5/10/16	3137EADQ	AGENCY US NOTES	23817	FEDERAL HOME LOAN MORTG	.500	5/13/16	.2594	JEFFRIES & CO	4101	2,000,000.00	2,000,040.00		
5/18/16	3135G0J5	AGENCY US NOTES	25569	FEDERAL NATIONAL MORTGA	1.000	2/26/19	1.0672	INTL FCSTONE PA	4000	10,000,000.00	9,981,700.00		
5/23/16	3135G0CM	AGENCY US NOTES	25588	FEDERAL NATIONAL MORTGA	1.250	9/28/16	.4096	BMO CAPTIAL MAR	4101	5,000,000.00	5,014,440.00		
5/26/16	3134G9DT	AGENCY US NOTES	25622	FEDERAL HOME LOAN MORTG	1.050	5/10/18	1.0495	INTL FCSTONE PA	4000	5,000,000.00	5,000,000.00		11/10/16
5/26/16	3134G9HJ	AGENCY US NOTES	25623	FEDERAL HOME LOAN MORTG	1.000	8/10/18	1.1433	CASTLEOAK SECUR	4000	5,000,000.00	4,995,000.00		2/10/17
5/31/16	3135G0ES	AGENCY US NOTES	25376	FEDERAL NATIONAL MORTGA	1.375	11/15/16	.5398	BMO CAPTIAL MAR	4101	10,000,000.00	10,037,940.00		
6/01/16	62889KAC	AGENCY US NOTES	25651	NCUA GUARN NTS TR 2011-	2.350	6/12/17	.8197	BARCLAYS	4000	10,000,000.00	10,156,300.00		
6/01/16	62889KAC	AGENCY US NOTES	25652	NCUA GUARN NTS TR 2011-	2.350	6/12/17	.8197	BARCLAYS	4002	10,000,000.00	10,156,300.00		
6/10/16	3136G23N	AGENCY US NOTES	25713	FEDERAL NATIONAL MORTGA	1.200	11/22/17	.6481	BANK OF OKLAHOM	4002	350,000.00	350,368.19		8/22/16
6/13/16	3134G3S5	AGENCY US NOTES	25724	FEDERAL HOME LOAN MORTG	.625	11/01/16	.5219	ROBERT W BAIRD	4101	450,000.00	450,175.50		
6/13/16	3137EADX	AGENCY US NOTES	25716	FEDERAL HOME LOAN MORTG	1.000	12/15/17	.7112	KEYBANC CAPITAL	4000	10,000,000.00	10,043,100.00		
6/16/16	3134G9WB	AGENCY US NOTES	25754	FREDDIE MAC	1.000	12/28/18	1.0000	CASTLEOAK SECUR	4000	5,000,000.00	5,000,000.00		
6/16/16	3136G3TF	AGENCY US NOTES	25752	FEDERAL NATIONAL MORTGA	1.200	12/30/19	1.2000	CASTLEOAK SECUR	4002	5,000,000.00	5,000,000.00		6/30/17
6/20/16	3134G42X	AGENCY US NOTES	25771	FEDERAL HOME LOAN MORTG	1.050	10/30/18	.8781	BOSC, INC	4000	2,500,000.00	2,510,009.00		
6/30/16	3136FPPTQ	AGENCY US NOTES	25842	FEDERAL NATIONAL MORTGA	2.200	10/27/17	.6503	BOSC, INC	4000	1,000,000.00	1,020,369.59		
4/07/16	3133ECKXS	AGENCY US VARIA	25192	FEDERAL FARM CREDIT BAN	.530	7/20/16	.3782	INTL FCSTONE PA	4101	4,000,000.00	4,001,660.00		
5/05/16	3133EFKGG	AGENCY US VARIA	24351	FEDERAL FARM CREDIT BAN		10/20/16	.4372	INTL FCSTONE PA	4101	5,375,000.00	5,377,203.75		
5/25/16	3133ED4M	AGENCY US VARIA	24530	FEDERAL FARM CREDIT BAN	.280	6/09/16	.2670	INTL FCSTONE PA	4101	7,500,000.00	7,500,600.00		
6/28/16	3133EFFV	AGENCY US VARIA	25825	FEDERAL FARM CREDIT BAN	.650	5/30/17	.5547	MIZUHO SECURITI	4101	25,000,000.00	25,021,000.00		
4/01/16	717813GQ	MUNI US 30/360	25269	PHILADELPHIA PA	5.000	8/01/24	.5021	SOUTHWEST	4002	570,000.00	578,310.60		8/01/16
4/12/16	647110DY	MUNI US 30/360	25321	NEW MEXICO EDL ASSISTAN	4.000	9/01/16	.5021	HILLTOP SECURIT	4002	300,000.00	303,954.00		
4/12/16	64711NAR	MUNI US 30/360	25322	NEW MEXICO FIN AUTH REV	3.750	6/01/16	.5009	BANK OF OKLAHOM	4002	200,000.00	200,828.00		
4/12/16	802088JN	MUNI US 30/360	25329	SANTA FE N MEX PUB SCH	3.000	8/01/16	.5004	SOUTHWEST	4002	250,000.00	251,835.00		
4/14/16	475868EL	MUNI US 30/360	25346	JEMEZ VY N MEX PUB SCH	2.000	8/01/17	.7500	BOSC, INC	4002	270,000.00	274,301.10		
4/15/16	013493DW	MUNI US 30/360	25357	ALBUQUERQUE BERNALILLO	4.000	7/01/16	.5020	BOSC, INC	4000	100,000.00	100,688.00		
4/15/16	074561HY	MUNI US 30/360	25356	BEAUMONT TEX WTRWKS & S	5.000	9/01/24	.4524	SOUTHWEST	4000	2,045,000.00	2,078,762.95		9/01/16
4/19/16	64578HAU	MUNI US 30/360	25377	NEW JERSEY ECONOMIC DEV	5.250	11/15/26	.6005	SOUTHWEST	4000	3,500,000.00	3,591,455.00		11/15/16
4/25/16	013595KQ	MUNI US 30/360	25412	ALBUQUERQUE N MEX MUN S	3.000	8/01/16	.5002	BOSC, INC	4000	600,000.00	603,864.00		
4/25/16	802072RH	MUNI US 30/360	25413	SANTA FE N MEX GROSS RC	4.000	6/01/17	.7251	BOSC, INC	4002	260,000.00	269,240.40		
4/27/16	647110DY	MUNI US 30/360	25432	NEW MEXICO EDL ASSISTAN	4.000	9/01/16	.5503	BOSC, INC	4001	250,000.00	252,842.50		
4/27/16	64711RKN	MUNI US 30/360	25431	NEW MEXICO FIN AUTH ST	4.000	6/15/16	.4006	BOSC, INC	4001	500,000.00	502,145.00		
4/29/16	013595KU	MUNI US 30/360	25448	ALBUQUERQUE N MEX MUN S	4.500	8/01/19	.5004	BANK OF OKLAHOM	4002	500,000.00	504,820.00		8/01/16

**STATE OF NEW MEXICO**  
**Summary of Fixed-Income Purchases and Sales**  
**TRADES During The Period 4/01/16 Through 6/30/16**

TXN-DATE	CUSIP#	ASSET-TYPE	INVT#	ISSUE-NAME	RATE	MATURITY	YIELD	BRKR/DLR/AGENT	FUND	PAR-VALUE	COST/PROCEEDS	GAIN/LOSS	NXT-CALL
5/02/16	64711RKN	MUNI US 30/360	25461	NEW MEXICO FIN AUTH ST	4.000	6/15/16	.4806	BOSC, INC	4000	850,000.00	853,315.00		
5/03/16	64711NQS	MUNI US 30/360	25470	NEW MEXICO FIN AUTH REV	5.000	6/01/16	.4809	BOSC, INC	4001	600,000.00	601,878.00		
5/04/16	013493FS	MUNI US 30/360	25479	S REV	3.000	7/01/16	.5050	HILLTOP SECURIT	4000	540,000.00	542,089.80		
5/06/16	647310M8	MUNI US 30/360	25490	NEW MEXICO ST SEVERANCE	5.000	7/01/16	.5514	BOSC, INC	4001	100,000.00	100,616.00		
5/10/16	914692Q8	MUNI US 30/360	25517	UNIVERSITY N MEX UNIV R	4.000	6/01/16	.5099	BOSC, INC	4000	150,000.00	150,261.00		
5/12/16	013595RY	MUNI US 30/360	25535	ALBUQUERQUE N MEX MUN S	3.000	8/01/16	.6013	BOSC, INC	4000	720,000.00	723,585.60		
5/18/16	647110DY	MUNI US 30/360	25432	NEW MEXICO EDL ASSISTAN	4.000	9/01/16	.5279	BOSC, INC	4001	225,000.00	227,207.25		
5/18/16	647310X7	MUNI US 30/360	25570	NEW MEXICO ST SEVERANCE	2.000	7/01/17	.8909	ROBERT W BAIRD	4000	4,800,000.00	4,854,048.00		
5/19/16	013595KC	MUNI US 30/360	25575	ALBUQUERQUE N MEX MUN S	4.000	8/01/16	.5508	BANK OF OKLAHOM	4001	200,000.00	201,280.00		
5/23/16	64711RKN	MUNI US 30/360	25431	NEW MEXICO FIN AUTH ST	4.000	6/15/16	.5100	BANK OF OKLAHOM	4001	400,000.00	400,812.00		
6/06/16	647310X8	MUNI US 30/360	25676	NEW MEXICO ST SEVERANCE	2.000	7/01/18	1.1005	HILLTOP SECURIT	4002	1,950,000.00	1,984,983.00		
6/07/16	077563DS	MUNI US 30/360	25687	CITY OF BELEN N MEX GO	2.000	8/01/17	.8203	HILLTOP SECURIT	4002	275,000.00	278,322.00		
6/07/16	077563DT	MUNI US 30/360	25686	CITY OF BELEN N MEX GO	2.000	8/01/18	.9503	HILLTOP SECURIT	4002	285,000.00	291,002.10		
6/07/16	29270CC8	MUNI US 30/360	25678	ENERGY NORTHWEST WASH E	5.000	7/01/23	.4628	WELLS FARGO SEC	4001	2,370,000.00	2,376,256.80		7/01/16
6/07/16	88213PAX	MUNI US 30/360	25679	TEXAS A & M UNIV SYS BR	5.000	7/01/36	.4628	WELLS FARGO SEC	4001	1,500,000.00	1,503,960.00		7/01/16
6/16/16	013538HB	MUNI US 30/360	25751	ALBUQUERQUE N MEX ARPT	5.110	7/01/18	1.5351	BB&T CAPITAL MA	4002	290,000.00	310,619.00		
6/16/16	517534TL	MUNI US 30/360	25753	LAS CRUCES N MEX SCH DI	2.000	8/01/17	.7000	BOSC, INC	4000	250,000.00	253,590.00		
5/03/16	517534TP	MUNICIPAL BOND	25469	LAS CRUCES N MEX SCH DI	4.000	8/01/16	.5556	BOSC, INC	4001	500,000.00	504,150.00		
5/26/16	767165DS	MUNICIPAL BOND	25626	RIO RANCHO N MEX	5.000	8/01/16	.6471	ROBERT W BAIRD	4001	835,000.00	839,024.70		
6/17/16	ABQ2016A	MUNICIPAL BOND	25762	ABQ SERIES 2016 C	.498	7/01/16	.4968	BROKER DIRECT	1000	6,870,000.00	6,870,000.00		
6/27/16	STN2016B	MUNICIPAL BOND	25772	STN SERIES 2016B	.496	6/30/16	.4948	BROKER DIRECT	1000	104,086,200.00	104,086,200.00		

100 PURCHASES DURING PERIOD TOTAL.....

732,296,200.00 732,000,787.25

**SALE TRANSACTIONS**

4/06/16	912828WD	US TREASURY NOT	24386	UNITED STATES TREASURY	1.250	10/31/18	.8409	JEFFRIES & CO	1001	6,000,000.00	6,062,109.38	15,775.38	
4/14/16	912828RF	US TREASURY NOT	15510	UNITED STATES TREASURY	1.000	8/31/16	.3678	MIZUHO SECURITI	1001	14,000,000.00	14,033,359.38	29,703.22	
4/14/16	912828WD	US TREASURY NOT	24386	UNITED STATES TREASURY	1.250	10/31/18		HSBC	1001	14,000,000.00	14,135,625.00	28,307.73	
4/20/16	912828SM	US TREASURY NOT	22608	UNITED STATES TREASURY	1.000	3/31/17	.5216	INTL FCSTONE PA	4002	20,000,000.00	20,089,843.75	61,539.25	
5/24/16	912828QR	US TREASURY NOT	15807	UNITED STATES TREAS NTS	1.500	6/30/16	.3447	BARCLAYS	4002	15,000,000.00	15,017,578.13	2,872.99	
6/13/16	912828QR	US TREASURY NOT	21672	UNITED STATES TREASURY	1.500	6/30/16	.3422	HSBC	4000	15,000,000.00	15,007,617.19	1,115.70	
6/14/16	912828Q3	US TREASURY NOT	25285	UNITED STATES TREASURY	1.250	3/31/21	1.1390	HSBC	1001	24,000,000.00	24,123,750.00	55,802.79	
6/14/16	912828RF	US TREASURY NOT	15510	UNITED STATES TREASURY	1.000	8/31/16		JEFFRIES & CO	1001	3,000,000.00	3,004,453.13	4,028.26	
6/20/16	912828VL	US TREASURY NOT	21674	UNITED STATES TREASURY	.625	7/15/16		BARCLAYS	4000	10,000,000.00	10,002,343.75	1,735.11	
6/21/16	912828RJ	US TREASURY NOT	21311	UNITED STATES TREASURY	1.000	9/30/16	.3267	TD SECURITIES	4000	10,000,000.00	10,018,359.38	8,347.18	
4/18/16	3133EFD8	AGENCY US BOND	25028	FEDERAL FARM CREDIT BAN	.875	6/25/18		WELLS FARGO SEC	4000	10,000,000.00	10,003,500.00	14,946.72	
4/28/16	880591EC	AGENCY US BOND	23146	TENNESSEE VALLEY AUTHOR	4.500	4/01/18		WELLS FARGO SEC	4000	20,000,000.00	21,370,800.00	15,650.49	
4/28/16	880591EC	AGENCY US BOND	23146	TENNESSEE VALLEY AUTHOR	4.500	4/01/18	.9032	INTL FCSTONE PA	4000	10,000,000.00	10,683,900.00	6,325.25	
6/15/16	3130A1BK	AGENCY US BOND	24778	FEDERAL HOME LOAN BANKS	.500	6/24/16	.2700	DEUTSCHE BANK S	4101	5,000,000.00	5,000,255.20	278.07	
4/07/16	3130A76J	FED HOME LOAN B	25260	FEDERAL HOME LOAN BANKS	.440	6/30/16	.3239	WELLS FARGO SEC	4101	10,000,000.00	10,002,636.10	1,623.31	

**STATE OF NEW MEXICO**  
**Summary of Fixed-Income Purchases and Sales**  
**TRADES During The Period 4/01/16 Through 6/30/16**

TXN-DATE	CUSIP#	ASSET-TYPE	INVT#	ISSUE-NAME	RATE	MATURITY	YIELD	BRKR/DLR/AGENT	FUND	PAR-VALUE	COST/PROCEEDS	GAIN/LOSS	NXT-CALL
6/21/16	3130A76J	FED HOME LOAN B	25260	FEDERAL HOME LOAN BANKS	.440	6/30/16		TD SECURITIES	4101	10,000,000.00	10,000,360.00	249.63	
4/05/16	31315PR8	AGENCY 30/360 2	19592	FARMER MAC	.770	8/01/16		CASTLEOAK SECUR	1001	16,000,000.00	16,016,784.00	18,863.22	
4/14/16	3135G0J5	AGENCY US NOTES	25041	FEDERAL NATIONAL MORTGA	1.000	2/26/19	.9845	INTL FCSTONE PA	1001	20,000,000.00	20,008,740.00	955.09	
4/18/16	31315PZT	AGENCY US NOTES	19226	FEDERAL AGRICULTURAL MO	.650	7/10/17	.8235	BB&T CAPITAL MA	4002	8,000,000.00	7,983,120.00	3,740.05	
5/06/16	31359MS6	AGENCY US NOTES	15554	FEDERAL NATIONAL MORTGA	5.375	7/15/16		HSBC	1001	20,000,000.00	20,186,195.60	31,425.05	
6/07/16	3135G0CM	AGENCY US NOTES	15673	FEDERAL NATIONAL MORTGA	1.250	9/28/16		DAIWA CAPITAL M	1001	40,000,000.00	40,099,000.00	58,787.53	
6/07/16	3137EACW	AGENCY US NOTES	15529	FEDERAL HOME LOAN MORTG	2.000	8/25/16		TD SECURITIES	1001	40,000,000.00	40,139,600.00	40,248.99	
6/14/16	3137EAEA	AGENCY US NOTES	25294	FREDDIE MAC	.750	4/09/18		WELLS FARGO SEC	1001	10,000,000.00	9,990,980.00	5,230.12	
6/14/16	3137EAEA	AGENCY US NOTES	25295	FREDDIE MAC	.750	4/09/18	.8001	WELLS FARGO SEC	1001	10,000,000.00	9,990,980.00	5,230.12	
<b>24 SALES DURING PERIOD TOTAL.....</b>										<b>360,000,000.00</b>	<b>362,971,889.99</b>	<b>412,781.25</b>	
<b>=== GRAND-TOTAL ==&gt;</b>										<b>1092296200.00</b>	<b>1094972677.24</b>	<b>412,781.25</b>	
<b>*** END-OF-REPORT ***</b>													



## 16. Credit Investing

APPROVED MEDIUM TERM NOTE/CORPORATE BOND ISSUERS

June 2016

	Mkt Cap	Rating/Credit Outlook						Comments:			
Issuer	(Bil)	Moody's		S&P		Fitch					
3M CO	\$93.55	A1	STABLE	AA-	STABLE	NR	NR				
APPLE INC	\$637.82	Aa1	STABLE	AA+	STABLE	NR	NR				
BERKSHIRE HATHWAY	\$327.10	Aa2	STABLE	AA	STABLE	A+	STABLE				
CHEVRON CORP	\$166.80	Aa2	STABLE	AA-	STABLE	NR	NR				
COCA-COLA CO	\$181.26	Aa3	STABLE	AA-	STABLE	A+	NEG				
COLGATE-PALM CO	\$59.47	Aa3	STABLE	AA-	STABLE	AA-	STABLE				
EXXON MOBIL CORP	\$330.64	Aaa	NEG	AA+	STABLE	NR	NR				
GEN ELECTRIC CO	\$283.71	A1	STABLE	AA+	NEG	NR	NR				
IBM CORP	\$146.48	Aa3	NEG	AA-	NEG	A+	STABLE				
INTEL CORP	\$153.17	A1	STABLE	A+	STABLE	A+	STABLE				
JOHN DEERE CAP	\$25.39	A2	STABLE	A	STABLE	NR	NR				
JOHNSON & JOHNSON	\$265.03	Aaa	STABLE	AAA	STABLE	AAA	STABLE				
MICROSOFT CORP	\$375.95	Aaa	NEG	AAA	STABLE	AA+/*-	NEG	6/15/16-Fitch Neg Watch Purchase of Linked In			
PEPSICO INC	\$143.72	A1	STABLE	A	POS	A	STABLE				
PFIZER INC	\$206.44	A1	NEG	AA	STABLE	A+	STABLE				
PROCTER & GAMBLE	\$200.58	Aa3	STABLE	AA-	STABLE	NR	NR				
TOYOTA MTR CRED	\$207.58	Aa3	STABLE	AA-	STABLE	A	STABLE				
US BANCORP	\$73.03	A1	STABLE	A+	STABLE	AA	STABLE				
US BANK NA	\$73.03	Aa1	STABLE	AA-	STABLE	AA	STABLE				
WAL-MART STORES	\$214.22	Aa2	STABLE	AA	STABLE	AA	STABLE				
WALT DISNEY CO	\$180.65	A2	STABLE	A	STABLE	A	STABLE				
WELLS FARGO CO	\$267.53	A2	STABLE	A	STABLE	AA-	STABLE				
WELLS FARGO BANK	\$267.53	Aa2	STABLE	AA-	STABLE	AA	STABLE				

## APPROVED COMMERCIAL PAPER ISSUERS

June 2016

	Rating/Credit Outlook						Comments:				
Issuer	Moody's		S&P		Fitch						
BANK OF NY CO INC.	P-1	STABLE	A-1	STABLE	F1+	STABLE					
CATERPILLAR FIN SERV CRP	P-1	NEG	A-1	STABLE	F1	STABLE					
CHEVRON FUNDING CORP	P-1	STABLE	A-1+	STABLE	NR	NR					
DEERE & COMPANY	P-1	STABLE	A-1	STABLE	NR	NR					
ELI LILLY & CO	P-1	STABLE	A-1+	STABLE	F1	STABLE					
EXXON MOBIL CORP	P-1	NEG	A-1+	STABLE	NR	NR					
HSBC USA INC	P-1	NEG	A-1	STABLE	F1+	STABLE					
IBM CORP	P-1	NEG	A-1+	NEG	F1	STABLE					
PNC BANK NA	P-1	STABLE	A-1	STABLE	F1	STABLE					
PROCTER & GAMBLE CO	P-1	STABLE	A-1+	STABLE	NR	NR					
TOYOTA MOTOR CREDIT CORP	P-1	STABLE	A-1+	STABLE	NR	STABLE					
USAA CAPITAL CORP	P-1	STABLE	A-1+	STABLE	NR	NR					
US BANK NA	P-1	STABLE	A-1+	STABLE	F1+	STABLE					
WAL-MART STORES INC	P-1	STABLE	A-1+	STABLE	F1+	STABLE					
WALT DISNEY COMPANY	P-1	STABLE	A-1	STABLE	F1	STABLE					
WELLS FARGO & COMPANY	P-1	STABLE	A-1	STABLE	F1+	STABLE					



## 17. State Agency Deposit Balances



Tim Eichenberg  
State Treasurer

STATE OF NEW MEXICO  
OFFICE OF THE TREASURER

Samuel Collins  
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: July 21, 2016  
To: Tim Eichenberg, State Treasurer  
For: Governor Martinez and Members of the State Board of Finance  
From: Charmaine Cook, State Cash Manager *CCook*  
Subject: State Fund Deposit Activity for the month ending June 30, 2016

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 June 30, 2016.

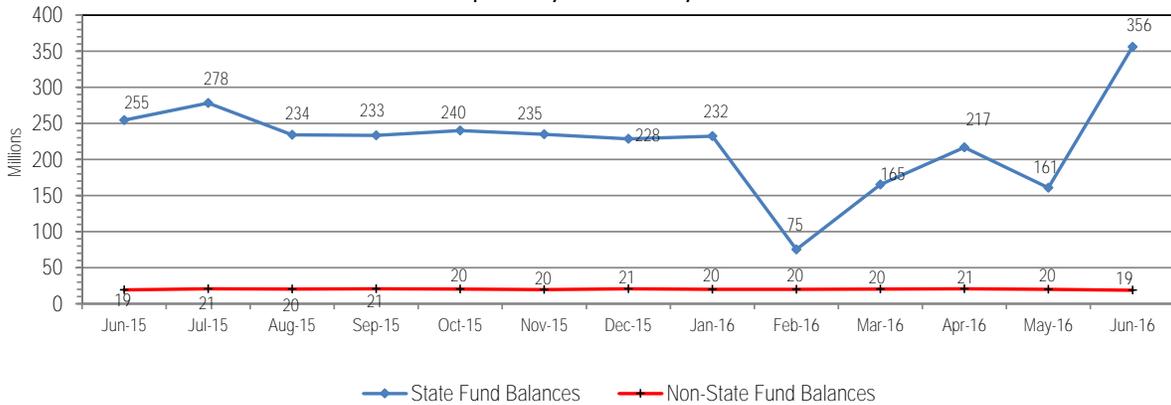
Additionally, the State Treasurer's Office is required to report to the State Board of Finance any Financial Institution that exceeds certain equity capital and deposit ratios and notify all state agencies who maintain State fund deposits within those institutions of the violation. Agencies are also 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 June 30, 2016

(Attachments 3)

# Depository Account Summary for June 2016

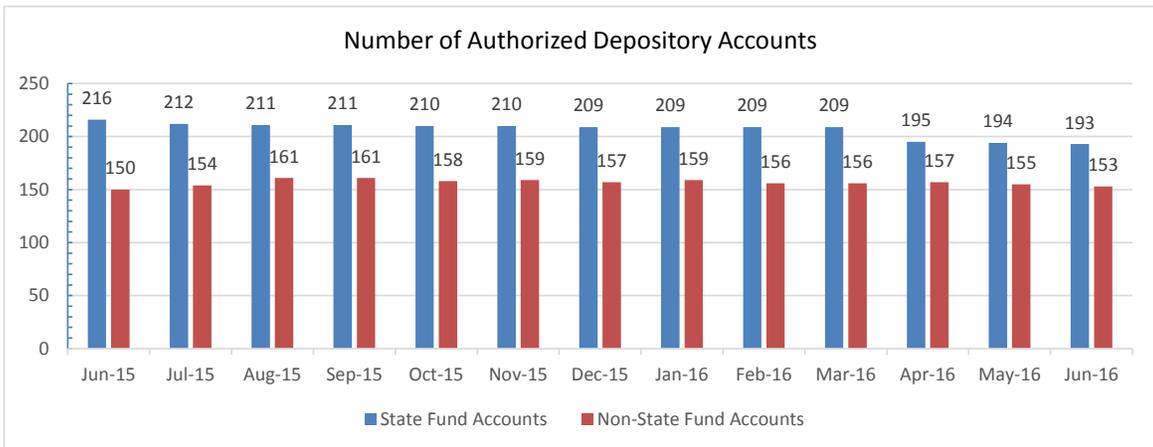
### Depository Balances by Month



### LGIP Balances by Month



### Number of Authorized Depository Accounts



Depository accounts authorized in June 2016 pursuant to Section 6-1-13 NMSA :

- |   |   |                               |
|---|---|-------------------------------|
| Depository accounts opened in June 2016 | 1 | 13th. Judicial District Court |
| Depository accounts closed in June 2016 | 3 | 13th Judicial District Court  |
|   | 1 | Dept of Health                |

## State Fund Balances by Financial Institution June 2016

First National Bank/Alamogordo	\$ 98,398
Century Bank/Santa Fe	\$ 500
Bank of America/Albuquerque	\$ 98,533
Wells Fargo Bank/Albuquerque	\$ 48,393,480
Compass Bank/Albuquerque	\$ 2,060,357
Bank of the West/Albuquerque	\$ 300,820,824
First American Bank/Artesia	\$ 50,588
Carlsbad National Bank/Carlsbad	\$ 600
Western Commerce Bank/Carlsbad	\$ 100,060
Farmers/Stockmens Bank/Clayton	\$ 21,483
First National Bank/Clayton	\$ 3,204,984
Citizens Bank/Clovis	\$ 11,849
NM Bank & Trust/Albuquerque	\$ 120,782
Community Bank/Santa Fe	\$ -
Lea County State Bank/Hobbs	\$ 139,225
Southwest Capitol/Las Vegas	\$ 226,062
Community 1st Bank/Las Vegas	\$ 322,769
Western Bank/Lordsburg	\$ 87,271
Los Alamos National Bank/Los Alamos	\$ 39,182
International Bank/Raton	\$ 17,892
Valley Bank of Commerce/Roswell	\$ 90,835
First State Bank/Socorro	\$ 2,624
Centinel Bank/Taos	\$ 49,343
US Bank/Albuquerque	\$ 13,649
Bank of the Southwest/Roswell	\$ 166,050
Washington Federal	\$ 10,892

Total: \$ 356,148,232





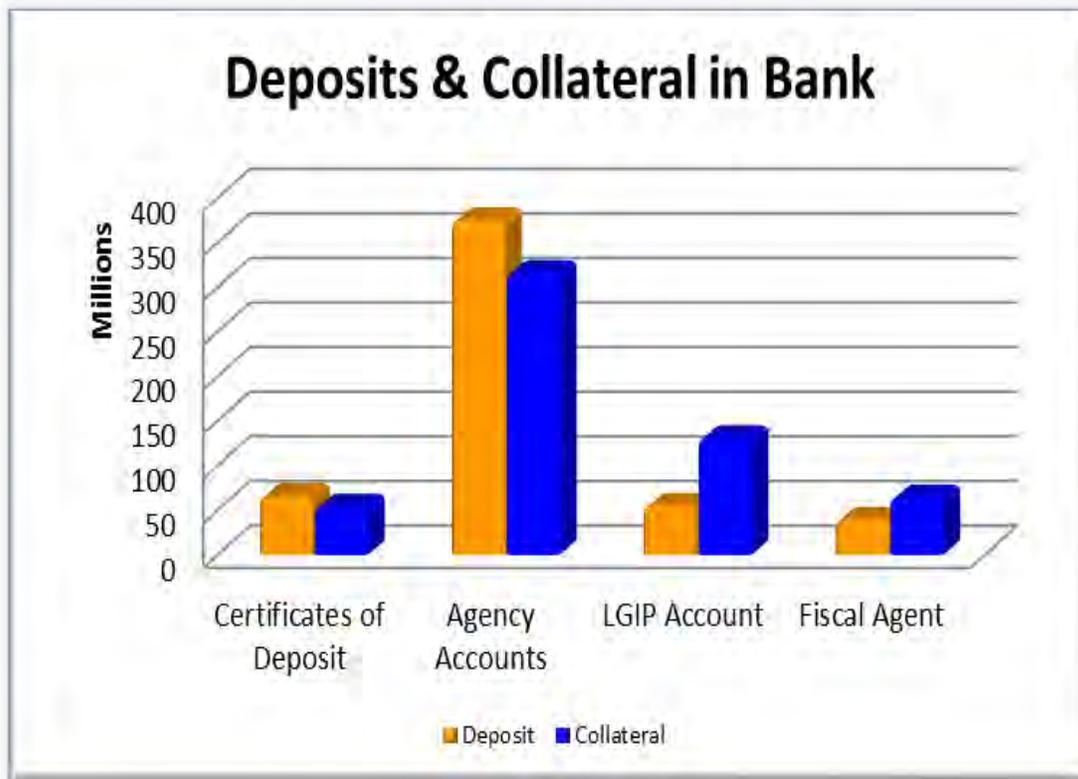
## 18. Collateral Report on Agency Deposits & CD's

# Office of the Treasurer

## Collateral Summary Review

### June 30, 2016

All depository institutions holding public funds for the month ending June 30, 2016 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	\$ 66.0 Million	\$ 54.0 Million	81.8%
Agency Deposit	374.9 Million	315.7 Million	84.2%
LGIP Deposits	54.7 Million	130.7 Million	239.0%
Fiscal Agent	39.1 Million	64.3 Million	164.6%
<b>Totals →</b>	<b>534.6 Million</b>	<b>564.7 Million</b>	<b>105.6%</b>

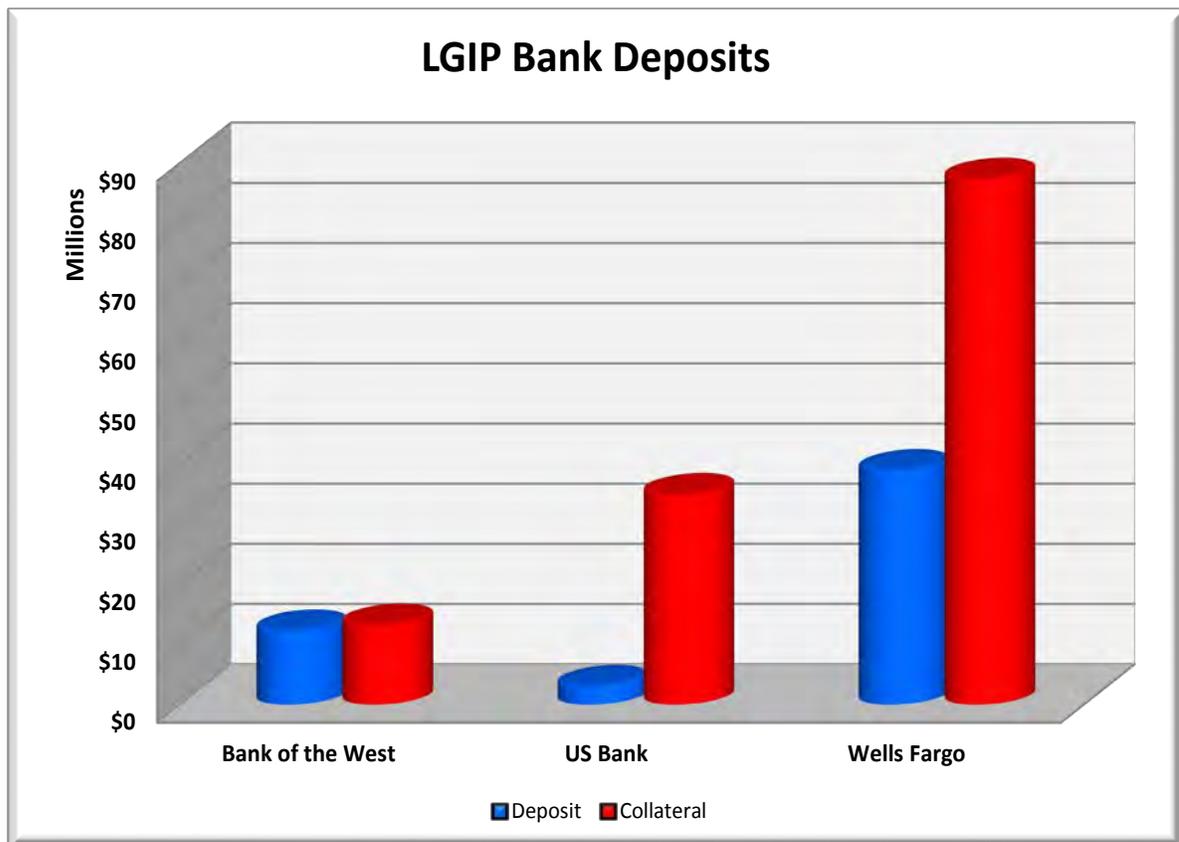


**Office of the Treasurer**  
**Collateral Review**  
**Accumulated Total by Institution**  
**June 30, 2016**

FINANCIAL INSTITUTION	%	TOTAL	FDIC / NCUA	LESS INSURANCE	SUBJECT TO BE	COLLATERAL	EXCESS
		DEPOSITS	INSURANCE	COVERAGE	COLLATERALIZED	PLEGDED	(UNDER)
First National - Alamogordo	50%	98,398	98,398	0	0	1,240,442	1,240,442
Western - Alamogordo	50%	3,600,000	250,000	3,350,000	1,675,000	3,000,495	1,325,495
Bank of America	50%	161,117	161,117	0	0	292,998	292,998
Bank of the West	50%	314,267,899	250,000	314,017,899	157,008,950	164,798,348	7,789,399
BBVA Compass	102%	2,060,374	250,000	1,810,374	1,846,582	3,000,000	1,153,418
US Bank	50%	4,261,985	250,000	4,011,985	2,005,992	35,000,000	32,994,008
Wells Fargo	50%	100,237,387	250,000	99,987,387	49,993,693	128,340,991	78,347,298
First American	50%	50,588	50,588	0	0	0	0
My Bank	50%	350,331	250,000	100,331	50,166	250,000	199,834
Carlsbad National	50%	600	600	0	0	0	0
Western Commerce	50%	4,100,060	250,000	3,850,060	1,925,030	3,354,995	1,429,965
Farmers & Stockmen	50%	10,023,485	250,000	9,773,485	4,886,742	5,100,000	213,258
First National - Clayton	50%	3,204,984	3,204,984	0	0	2,814,790	2,814,790
Bank of Clovis	50%	528,846	250,000	278,846	139,423	848,577	709,154
Citizens - Clovis	50%	11,848	11,848	0	0	0	0
NM Bank & Trust	50%	280,331	280,331	0	0	273,448	273,448
Western - Clovis	50%	3,100,000	250,000	2,850,000	1,425,000	2,381,507	956,507
Lea County State	50%	139,225	139,225	0	0	0	0
Southwest Capital	50%	10,723,316	250,000	10,473,316	5,236,658	5,543,992	307,334
Community 1st - Las Vegas	102%	322,769	322,769	0	0	556,543	556,543
Western - Lordsburg	50%	111,271	111,271	0	0	0	0
Los Alamos National	102%	39,182	39,182	0	0	0	0
International	50%	58,948	58,948	0	0	150,178	150,178
Bank of the Southwest	50%	658,959	250,000	408,959	204,479	442,551	238,071
Valley Commerce	50%	90,835	90,835	0	0	0	0
Century	50%	4,608,056	250,000	4,358,056	2,179,028	2,636,903	457,875
First National - Santa Fe	102%	30,066,768	250,000	29,816,768	30,413,104	138,337,243	107,924,139
First State	50%	71,577	71,577	0	0	0	0
Centinel	50%	49,342	49,342	0	0	0	0
BANK'34	102%	2,000,000	250,000	1,750,000	1,785,000	2,054,780	269,780
Guadalupe Credit	50%	250,000	250,000	0	0	0	0
Washington Federal	50%	30,905	30,905	0	0	0	0
		<b>495,559,385</b>	<b>8,721,919</b>	<b>486,837,466</b>	<b>260,774,847</b>	<b>500,418,780</b>	<b>239,643,933</b>

# LGIP Bank Deposits June 30, 2016

<u>Financial Insitution</u>	<u>Percentage</u>	<u>Deposit</u>	<u>Collateral</u>
Bank of the West	106.9%	12,427,818	13,285,179
US Bank	1099.2%	3,184,071	35,000,000
Wells Fargo	223.7%	39,072,583	87,423,095
<b>Totals</b>	<b>248.2%</b>	<b>54,684,472</b>	<b>135,708,274</b>



*Standards & Poors requires bank deposits to be collateralized @ 100% collateral levels to maintain rating*