



STATE OF NEW MEXICO
OFFICE OF THE TREASURER

THE HONORABLE TIM EICHENBERG
State Treasurer

SAMUEL K. COLLINS, JR.
Deputy State Treasurer

**STATE TREASURER'S
INVESTMENT COMMITTEE**
State Treasurer's conference room



"Pecos Sunset" - New Mexico Tourism Department - Dan Monaghan
Another gorgeous New Mexico sunset, this one reflected on the Pecos River in Carlsbad.

Wednesday November 9, 2016
9:00am



1. Approval of November 9, 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, November 9, 2016 9:00 a.m.

MEETING AGENDA (5 Min)

Roll Call

- | | |
|---|--------|
| 1. Approval of November 9, 2016 Agenda | Action |
| 2. Approval of October 12, 2016 Minutes | Action |
| 3. Public Comments | |

INVESTMENT REPORTS (45 min)

**Month ended
Sept. 30, 2016**

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

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

**Month ended
Sept. 30, 2016**

- | | |
|--|---------------|
| 17. State Agency Deposit Balances (Arsenio Garduño) | Informational |
| 18. Collateral Report on Agency Deposits & CDs (Arsenio Garduño) | Informational |

COMMITTEE REPORTS (5 min)

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



2. Approval of October 12, 2016 Minutes

**New Mexico State Treasurer's Office
STIC Committee Meeting
Meeting Minutes
Wednesday, October 12, 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 9:04 a.m. in the conference room of the State Treasurer's Office (STO), 2055 South Pacheco Street, Suite 100, Santa Fe, New Mexico 87505.

Members Present

State Treasurer Tim Eichenberg, Chair
Ms. Leila Kleats, Board of Finance Director
Mr. Mark Pike, Public Member
Mr. Paul Cassidy, Public Member (via telephone)

Staff Present

Mr. Samuel Collins, Deputy State Treasurer
Ms. Charmaine Cook, State Cash Manager
Mr. Steve Vigil, Investment Accounting Bureau Chief
Ms. Vikki Hanges, Portfolio Manager
Mr. Jeremy Landrum, Portfolio Manager
Mr. Arsenio Garduño, Collateral Manager

Guests Present

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

State Treasurer Tim Eichenberg called the meeting to order.

1. Approval of October 12, 2016, Agenda

Member Mark Pike moved approval of the agenda. Motion was seconded by Member Leila Kleats and passed unanimously by voice vote.

2. Approval of September 14, 2016, Minutes

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

Member Kleats said that the minutes are more detailed than in the past, and she appreciates that.

3. Public Comments

None.

4. Executive Summary

Ms. Vikki Hanges presented highlights of the Executive Summary:

- At the end of August, STO managed \$3.4 billion in assets.
- During the month, STO earned approximately \$2.5 million on its investment positions.
- The total portfolios decreased \$4.6 million on a mark-to-market basis.
- Happening now: There was another backup in the market this month (3 year: 27 basis points from the beginning of the year).
- Three members of the FOMC meeting dissented, wishing to raise interest rates (possibly in December). There is a meeting on November 1 and 2.
- Unemployment rate increased from 4.9% to 5.0% this month.
- Regarding the impact of the upcoming election on the market, Ms. Hanges believes that if Mr. Trump is elected President, there will be a more hawkish viewpoint in the Fed; Janet Yellen would probably be replaced. As a result, the market would probably sell off and we'd get more backup in the bond market. If Secretary Clinton wins, it would continue to have a dove-ish stance with less likelihood of an interest hike.
- Brexit: The pound is getting pounded.
- The General Fund decreased by about \$3 million but still had unrealized gains of \$9 million.
- Bond proceeds decreased by \$1.6 million but still had unrealized gains of \$2.3 million.
- Today there are about \$7.6 million in unrealized gains in the General Fund. We need to raise \$200 million this week; STO raised \$100 million in August, too.
- The durations are still short of the benchmarks (except the LGIP) due to cash needs.
- Performance is still lagging somewhat in the Core on a 12-month basis, but catching up.
- Net investment earnings for the General Fund were \$2.4 million less than FY2016 at this time (smaller fund).

5. Investment Policy Compliance Report

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

- Bond Purchases/Sales for August: Primary \$51,975,000 (12% of total) and secondary \$338,881,000 (88%).
- Variable Rate Notes: \$171,805,000 at the end of August (\$146,805,000 in LGIP and \$25,000,000 in Taxable BPIP). No structured notes.
- Inter-Portfolio Transactions: 0 in August.
- Transaction Variances: 0 in August.
- Realized Gains and Losses (15 sales in August): \$260,993.

- Purchase/Sales Activity (52 = 37 purchases, par value \$242,856,000, + 15 sales, par value \$148,000,000).
- During August there were no noted violations or breaches.

6. Investment Accounting Report

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

- There were no material differences in August earnings between QED and JPMorgan.

7. Cash Projections

Mr. Garduño presented highlights of Cash Projections:

- General Fund down -\$485,443,347 year-over-year (-24.6%)
- General Fund up \$40,090,669 month-over-month (2.8%)
- GFIP cash flows, year-over-year:
 - High balance is down -43.20%
 - Low balance is down -55.23%
 - Average balance is down -48.45%

Member Kleats asked Mr. Garduño how he calculated the projections. Mr. Garduño uses historical information and considers anticipated major disbursements and major receipts. The uncertainty is tax revenue.

Member Pike noted that at one time there was discussion of a treasury workstation to help with the forecasting models by pulling real-time information. Mr. Sam Collins noted that we are working with a consultant (Deloitte) to design a treasury-module system to create efficiencies that will help. Member Kleats says getting information to the economists sooner would be helpful, particularly about tax revenues. Ms. Charmaine Cook noted that STO sees activity at the account level, and some of the TRD accounts receive payments from multiple tax programs.

8. Portfolio Summary—General Fund Investment Pool

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

- \$1.5 billion at close of August and had to raise \$100 million.
- The unrealized gains in the core were \$8,994,627.

Member Kleats asked if the \$900 million in cash balance in the Core included the \$200 million being moved from Core to Liquidity? No, so the current total is closer to \$700 million.

Member Pike asked about the legislative session—will it address any liquidity or long-term fixes? Treasurer Eichenberg noted that while he attended the special session, he is not involved

and will watch and act accordingly. STO has good staff, they work hard, and they stay out of politics.

9. Portfolio Summary—Local Government Investment Pool

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

- Ending August market value for the LGIP was \$694 million, an increase relative to July's reported closing value of \$626 million.
- The LGIP maintains an AAAM rating by Standard & Poor's.
- At the end of August the STO LGIP participant balance was \$30 million or 4% of the Pool. This number is coming down continually.
- At the end of August the Judicial District Court LGIP participant balance was \$4.5 million or 0.6% of the Pool (steady).
- In August the fund earned \$261,783.
- In FY2017 the fund has earned \$528,094.
- Gross yield on the LGIP was 0.445% at the end of August.
- Net yield to participants was 0.395%.
- For the LGIP, the WAM(Reset) of 59 days and WAM(Final) of 90 days were within their maximums of 60 and 120 days respectively, well within mandates.
- The LGIP purchased \$138.87 million in U.S. agency securities, \$66 million of which matured in one month or less. The remaining securities will mature in 3 to 12 months at yields between 0.30% and 0.70%. These purchases are reducing our reliance on repo.
- There were sales in August of \$20 million in short agencies, all with realized gains.
- The LGIP engaged in 34 repo trades during August (24 overnight and 10 term trades). Trade amounts varied from \$10 million to \$50 million at rates spanning 0.25% to 0.37%.

Member Cassidy noted that Central New Mexico Community College (CNM) invested \$81 million in the LGIP. Mr. Landrum said yes, this makes CNM one of the largest participants.

Member Cassidy noted that CNM sold \$42 million in bonds yesterday, and will probably deposit this with the LGIP in November. Member Cassidy said CNM does have an investment advisor, but the college (along with Bernalillo County and the Albuquerque Metropolitan Arroyo Flood Control Authority) places most of its money in the LGIP.

Member Cassidy asked about variable-rate demand notes: There is an opportunity for about 40 basis points, fairly safely. NMDOT and UNM issue these (among others); VRDNs are backed by a bank letter of credit and have a remarketing agent appointed for debt put back. An investor can put the investment back to the issuer every seven days. Ms. Hanges found some local municipal

(i.e., UNM/US Bank) VRDNs for the BPIPs. The investment team codified its rationale, looking at both the municipality and the bank. Then they invested in the VRDNs. Ms. Hanges noted that the 7-day put is back to the remarketer, not the issuing agent. Mr. Landrum received a phone call from an LGIP participant asking why they have not invested beyond treasuries and agencies. STO's philosophy has been to treat the LGIP like a government money market fund (agencies, treasuries, and repos that are 100% or more collateralized by agencies or treasuries). Hence, we do not "experiment" within the LGIP. Member Kleats asked if S&P would be okay with such investments in the LGIP. Mr. Landrum said S&P is comfortable with the VRDN structure (within 5%). Part of the codification included counting the VRDN against the bank allocation (in this case, US Bank and 3.5% of any given pool) to remain consistent across all funds.

Member Cassidy let other committee members know that he was comfortable with the VRDN structure.

Ms. Hanges noted that it was important to stay on top of general budget issues within the State. Mr. Landrum and Mr. Cassidy noted that the pledge is predominantly student tuition and fees and auxiliary revenues (housing, dining, etc.). State appropriations make up about 35% of the universities' budgets. Lottery scholarships are included in the revenues, but are treated differently. Mr. Landrum asked if the State were downgraded, would all higher-education institutions be downgraded similarly? Member Cassidy noted that it is probable and Moody's has already put the colleges on notice that they may take a downward rating action; they are watching closely to see which bills the Governor signs.

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

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

- Ended August at \$600 million, down \$55 million from the end of July.
- Received \$18.72 million in draw requests for capital spending during the month and paid out \$56.6 million for capital projects, which largely accounts for the drop in the pool.
- Unrealized gains in the Tax-Exempt BPIP portfolio were \$688,025 on August 31.
- Monthly net earnings on the portfolio for August were \$459,247.
- FY2017 net earnings are \$896,481.
- The duration of the Tax-Exempt BPIP at the end of August was 1.21 years vs. 1.44 years for the benchmark.
- The Pool purchased \$29.76 million of 2- to 3.5-year U.S. agency securities, \$130,000 of 6-month municipal securities, \$10 million of 18- to 22-month treasuries, and \$13.585 million of 3-month commercial paper (Microsoft). Member Kleats noted Microsoft is sending

information to DFA, for some reason. Mr. Landrum will ask why. Ms. Cook noted that we still get an immense amount of SIC mail at STO's address.

- The purchase yield was 0.87% at the end of August vs. 0.82% reported for the previous month.
- The Tax-Exempt BPIP returned -0.06% for the month of August (relative to -0.10% for index funds, so actually positive).
- The Tax-Exempt BPIP returned 0.28% for the three months ended August 31 vs. index returns of 0.31%. For the trailing 12 months the Pool returned 0.88% vs. 0.87% for the benchmark. Bonds have rallied from their low point at the beginning of the year, except for last month.

11. Portfolio Summary—Taxable Bond Proceeds Investment Pool

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

- The Taxable BPIP closed the month of August at \$601.4 million vs. \$656 million at the end of July.
- The Pool received \$34.8 million in draw requests for capital spending during the month and paid out \$53.8 million for capital projects. In July there was a lag that was paid in August.
- The unrealized gains in the Taxable BPIP were \$1,567,384 as of August 31.
- Monthly net earnings on the portfolio for August were \$453,033.
- FY2017 net earnings were approximately \$889,454.
- The duration of the Taxable BPIP at the end of August was 1.20 years vs. the benchmark at 1.44 years.
- The Pool purchased \$32.25 million in 1.5- to 3-year U.S. agency securities, \$5 million in 1.5-year treasuries, and \$1 million in local municipals. STO sold \$10 million short U.S. agency securities and treasuries. All sales were executed at gains.
- Purchase yield at the end of August was 0.91% relative to 0.85% at the end of the prior month.
- The Taxable BPIP returned -0.05% for the month of August (relative to the index of -0.10%); and 0.29% for the three months ended August 31 (vs. index returns of 0.31%). For the trailing 12 months the Pool returned 0.88% vs. 0.87% for the benchmark.

12. Portfolio Summary—Severance Tax Bonding Fund

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

- Closed August at \$46.9 million. Received only \$8 million in tax revenues; September should be closer to the average. Member Kleats explained that the \$8 million was due to the oil and gas industry advanced payment in statute (an averaged payment due 2 months in

arrears; companies receive credit for overpayment). The shift between the two years was dramatic, although production was consistent. Mr. Jon Clark concurred.

- Net earnings were \$13,008 for August.

13. Broker-Dealer Activities

Ms. Cook reported that STO presented to the State Board of Finance, requesting the addition of Morgan Stanley to the broker-dealer list, and the SBOF approved the request.

(Ms. Deanne Woodring joined the call.)

14. Credit Investing

Ms. Hanges noted that the STIC binder contains lists of medium-term note/corporate bond issuers that are approved for activity. Those in green are set up with files. STO invested in GE, Microsoft, Toyota, and US Bank. There were a few changes to S&P and Moody's (noted in the "Comments" section). All are within mandated limits.

The commercial paper list also contains those for which STO's investment team has created files. At the next meeting Ms. Hanges will list what percentage in which portfolio and which issuer. It was decided to not invest more than 10% of each portfolio in credit, and no more than 3.5% in any given issuer.

Mr. Pike asked about the ratings on these issuers. Ms. Hanges said that the spreadsheet is linked to Bloomberg and is automatically updated; it is working well.

15. State Agency Deposit Balances

Ms. Cook presented highlights of the State Agency Deposit Balances, beginning with a replacement page 93.

- There was a decrease in the State Fund balances in August from \$393 to \$266 million, reflective of pulling money out of Bank of the West to fund disbursements.
- Overall balances are down in LGIP.
- Opened one account and closed two.
- No financial institutions exceeded the statutory limitations on equity capital and deposit ratios for the month ending August 31, 2016.
- State Funds: 190 accounts totaling \$266,092,656.
- Non-State Funds: 155 accounts totaling \$68,683,800.
- Total: \$334,776,456 in 345 accounts.

16. Collateral Report on Agency Deposits & CDs

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

- All depository institutions holding public funds for the month ending August 31, 2016, met the minimum collateral requirements.
- LGIP bank deposits are where they should be.

Treasurer Eichenberg asked why—with all of the troubles that Wells Fargo is experiencing nationwide—is it leaving such a large amount (193.4%) in STO's collateral account? Mr. Garduño stated that the LGIP may have a larger balance (which Wells Fargo collateralizes right away), but that balance may drop by month's end.

Member Pike asked, looking at the banks' quarterly reports, is credit quality deteriorating in any area of the State? Mr. Garduño said there were not too many changes in March; he is about to begin working on June, and will report back.

Treasurer Eichenberg asked Ms. Deanne Woodring what her opinion is regarding Fed rates and the presidential election. Ms. Woodring said that she believed that if Secretary Clinton wins, it will be status quo; and if Mr. Trump wins, it will be more volatile.

17. Next Meeting—Wednesday, November 9, 2016, 9:00 am.

18. Adjournment

Meeting adjourned at 10:13 am.

Minutes were taken by Ms. Julie Filatoff.



3. Public Comments



4. Executive Summary

Executive Summary

- At the end of September, the State Treasurer managed \$3.4 billion in assets.
- During the month, the office earned approximately \$2.2 million on its investment positions.
- On a mark-to-market basis the portfolios increased \$0.6 million.
- US equity markets were relatively flat in September, with the S&P 500 Index down 0.12%.
- US Treasury yields were mostly lower in September as the Fed left interest rates unchanged.
- Oil prices rose by 8% during the month of September, closing at \$48.24/barrel.
- The US dollar fell less than 1% vs. the euro.

Table 1 - Comparative Interest Rates

US Treasury Yields

				<i>Monthly</i>	<i>Qtrly</i>
<i>Maturity</i>	<i>6/30/2016</i>	<i>8/31/2016</i>	<i>9/30/2016</i>	<i>Change</i>	<i>Change</i>
3-Month	0.26%	0.33%	0.27%	-0.06%	0.01%
6-Month	0.35%	0.46%	0.43%	-0.03%	0.08%
1-Year	0.43%	0.59%	0.59%	0.00%	0.16%
2-Year	0.58%	0.80%	0.76%	-0.04%	0.18%
3-Year	0.69%	0.92%	0.87%	-0.05%	0.18%
5-Year	1.00%	1.19%	1.15%	-0.04%	0.15%
10-Year	1.47%	1.58%	1.59%	0.01%	0.12%
30-Year	2.29%	2.23%	2.32%	0.09%	0.03%

Source: Bloomberg LP

Portfolio Mark-to-Market and Monthly Change

With lower market yields, the STO portfolios had positive results on a mark-to-market basis for the month of September.

Table 2 - Unrealized Gains and Losses

<u>Fund</u>	<u>Unrealized Gain/Loss¹</u>	<u>Monthly Change in Unrealized Gain/Loss²</u>
General Funds	\$8.8 million	Increased \$0.3 million
Bond Proceeds Funds	\$2.5 million	Increased \$0.2 million
Local Government Investment Pool	Not Material	Not Material
Severance Tax Bonding Fund	Not Material	Not Material

Source: QED

Portfolio Purchase Yields and Durations

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

Table 3 - Portfolio Purchase Yields and Durations

<u>Fund</u>	<u>Purchase Yield⁴</u>	<u>Effective Duration³</u>		
		<u>Portfolio</u>	<u>Benchmark</u>	<u>Percentage</u>
General Fund Liquidity	0.32%	0.01 Years		
General Fund CORE	1.31%	1.96 Years	2.16 Years	91%
Bond Proceeds – Tax Exempt	0.89%	1.18 Years	1.36 Years	87%
Bond Proceeds – Taxable	0.91%	1.14 Years	1.36 Years	84%
Local Government Investment Pool	0.45%	0.15 Years		
Severance Tax Bonding Fund	0.49%	0.04 Years		

¹ 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.

² 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).

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

⁴ 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 September, the STO portfolios had the following performance numbers relative to their respective benchmarks:

Table 4 - Relative Performance of STO Funds

<i>Fund</i>	<i>Performance⁵</i>	
	<i>3 Months</i>	<i>12 Months</i>
General Fund Liquidity	0.06%	0.24%
S&P Government Pools Index (Gross)	<u>0.11%</u>	<u>0.34%</u>
Relative Performance (BPs)	(0.05)%	(0.10)%
General Fund CORE	(0.05)%	1.22%
BAML 0-5 US Treasury	<u>(0.12)%</u>	<u>1.28%</u>
Relative Performance (BPs)	0.07%	(0.06)%
Bond Proceeds - Tax Exempt	0.06%	0.78%
BAML 0-3 US Treasury	<u>(0.04)%</u>	<u>0.74%</u>
Relative Performance (BPs)	0.10%	0.04%
Bond Proceeds - Taxable	0.06%	0.78%
BAML 0-3 US Treasury	<u>(0.04)%</u>	<u>0.74%</u>
Relative Performance (BPs)	0.10%	0.04%
Local Government Investment Pool	0.12%	0.36%
S&P Government Pools Index (Gross)	<u>0.11%</u>	<u>0.30%</u>
Relative Performance (BPs)	0.01%	0.06%
Severance Tax Bonding Fund	0.09%	0.30%
S&P Government Pools Index (Gross)	<u>0.11%</u>	<u>0.34%</u>
Relative Performance (BPs)	(0.02)%	(0.04)%

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.

⁵ Relative performance is periodic total return compared to the return of the portfolio benchmarks.

Earnings

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

Table 5 - Investment Earnings – Periods ended Septembert, 2016

<i>Fund</i>	<i>Investment Net Earnings⁶</i>		
	<i>Sep FY'17</i>	<i>FY'17 YTD</i>	<i>FY'16 YTD</i>
<i>General Funds</i>	\$1,062,166	\$3,540,296	\$4,326,738
<i>Bond Proceeds Funds</i>	\$895,908	\$2,742,522	\$2,187,271
<i>Local Government Investment Pool⁷</i>	\$267,567	\$803,784	\$355,357
<i>Severance Tax Bonding Fund</i>	\$19,179	\$39,089	\$20,599

Source: QED

- The General Funds investment earnings decreased by \$800,000 in FY2017 vs. the same period in FY2016 as a result of the decline in the total assets, falling from \$2.0 billion to \$1.4 billion.
- Bond Proceeds funds have increased investment earnings by over \$500,000 as a result of higher absolute balances and higher interest rates.
- The LGIP increased investment earnings vs. the same period in FY2016 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.

Compensating Balances at Fiscal Agent Bank

During September, STO maintained Average Daily Collected Balances at the Fiscal Agent Bank of approximately \$33 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>	\$33,490,646
<i>Earnings Credit Rate</i>	0.50%
<i>Monthly Earnings</i>	\$13,725
<i>Estimated Fiscal YTD Earnings</i>	\$39,427

Source: Wells, Fargo & Co.

⁶ 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.

⁷ Gross Earnings, Participant Earnings reflect 0.05% reduction for management fees.

Monthly Investment Outlook

US Treasury yields were lower in September for maturities shorter than ten years. The Fed held interest rates steady at their September Federal Open Market Committee meeting, allowing fixed income investors to breathe a sigh of relief. Only two meetings remain for the Fed to act in 2016, November, before the election, and mid-December. With three dissenters among the Fed officials that are eligible to vote, investors began to price in higher interest rates in October. The most recent yield increase points toward market participants expecting December to be the most likely opportunity for the Fed to act.

The Presidential election results loom large for the markets as there can be either status quo or fear of the unknown. Markets tend to experience volatility when uncertainty is prevalent. Therefore, a lot can change in just a few weeks. STO portfolios continue to be conservatively structured vs. benchmarks as cash needs, specifically within the General Fund, have continued to be 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 September 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
General Fund													
<i>Sub-Account</i>													
Cash Balances	\$ 33,929,005	\$ 33,929,005	\$ -					\$ 72,134	\$ -	\$ 72,134	\$ 255,503	\$ -	\$ 255,503
Liquidity	441,522,778	441,522,778	-	0.24%	S&P LGIP Gross	0.34%	-0.10%	990,031	340,638	1,330,669	3,284,793	(3,826,508)	(541,715)
CORE	903,217,360	912,036,399	8,819,039	1.22%	ML Treasury 0-5	1.28%	-0.06%	-	-	-	-	-	-
TRAN	-	-	-	0.00%	All-In Tran TIC	0.00%	0.00%	1,062,166	340,638	1,402,804	3,540,296	(3,826,508)	(286,212)
Totals	\$ 1,378,669,143	\$ 1,387,488,182	\$ 8,819,039	0.90%	Blended	0.97%	-0.07%						
Bond Proceeds Investment Pool (BPIP)													
<i>Sub-Account</i>													
Tax-Exempt	\$ 584,835,812	\$ 585,629,518	\$ 793,706	0.78%	ML Treasury 0-3	0.74%	0.04%	\$ 439,225	\$ 105,681	\$ 544,906	\$ 1,368,992	\$ (1,074,230)	\$ 294,762
Taxable	596,093,928	597,766,901	1,672,973	0.78%	ML Treasury 0-3	0.74%	0.04%	456,683	105,589	562,272	1,373,530	(1,095,503)	278,027
Totals	\$ 1,180,929,740	\$ 1,183,396,419	\$ 2,466,679	0.78%	Blended	0.74%	0.04%	\$ 895,908	\$ 211,270	\$ 1,107,178	\$ 2,742,522	\$ (2,169,733)	\$ 572,789
Local Government Investment Pool (LGIP)													
<i>Sub-Account</i>													
LGIP (See Note 5)	\$ 735,847,874	\$ 735,955,701	\$ 107,827	0.40%	S&P LGIP Gross	0.34%	0.06%	\$ 267,567	\$ 17,661	\$ 285,228	\$ 803,784	\$ 2,588	\$ 806,372
Severance Tax Bonding Fund													
<i>Sub-Account</i>													
STBF	\$ 72,476,299	\$ 72,472,150	\$ (4,149)	0.30%	S&P LGIP Gross	0.34%	-0.04%	\$ 19,179	\$ (4,149)	\$ 15,030	\$ 39,089	\$ (4,650)	\$ 34,439
<i>Estimated Totals (all funds)</i>		\$ 3,379,312,452	\$ 11,389,396					\$ 2,244,820	\$ 565,420	\$ 2,810,240	\$ 7,125,692	\$ (5,998,303)	\$ 1,127,389

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 September, the following were the ratios of primary and secondary bond transactions in the portfolios:

Table 1 - Primary/Secondary Market Volume - September 2016

Primary Bond Volume	\$41,931,704	13%
Secondary Bond Volume	<u>\$243,169,000</u>	<u>87%</u>
Total	\$285,100,704	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 September, total holdings of Variable Rate Notes were \$204,130,000.

Table 2 - Variable Rate Note Holdings - September 2016

General Fund	-
Taxable BPIP	- \$25,000,000
Tax Exempt BPIP	-
LGIP	<u>\$179,130,000</u>
Total Holdings	\$204,130,000

Source: QED

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

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

Transaction Variances and Inter-Portfolio Transactions

During September, 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 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 5 sales which resulted in realized gains/losses.

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

Trade Date	Account	Par Amount	Security	Realized G/L
9/12/2016	BPIP TE	4,000,000	T 1.000 9/30/16	570.86
9/15/2016	BPIP TX	10,000,000	T .625 12/15/16	8,038.19
9/16/2016	BPIP TE	10,000,000	T .625 12/15/16	9,875.05
9/22/2016	GF CORE	10,000,000	FHLMC .875 10/14/16	3,463.60
9/23/2016	GF CORE	6,000,000	T 1.125 3/29/19	17,983.16
Total Realized gain (loss)				<u>39,930.86</u>

Trade Documentation

Purchase/Sales Activity¹

There were a total of 41 security trades tracked during the month of September by the Trade Compliance Officer in the Investment Division.

Table 2 – Securities Trades – September 2016

	Quantity	Par-Value	Cost/Proceeds	Realized Gain/Loss
Purchases	36	245,100,704	245,172,595	0
Sales	5	40,000,000	40,007,507	39,931
Totals:	41	285,100,704	285,180,102	39,931

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 September, there were a no noted violations or breaches. All investment activity is in compliance with applicable investment statutes and the STO Investment Policy.

¹ Excludes daily repurchase agreement transactions.

STATE OF NEW MEXICO
Summary of Fixed-Income Purchases and Sales
TRADES During The Period 9/01/16 Through 9/30/16

TXN-DATE	CUSIP#	ASSET-TYPE	INVST#	ISSUE-NAME	RATE	MATURITY	YIELD	BRKR/DLR/AGENT	FUND	PAR-VALUE	COST/PROCEEDS	GAIN/LOSS	NXT-CALL
PURCHASE TRANSACTIONS													
9/02/16	89233GMP	COMMERCIAL PAPE	26268	TOYOTA MOTOR CREDIT COR		12/23/16	.8421	ISSUER DIRECT	4001	1,250,000.00	1,246,850.00		
9/12/16	89233GQD	COMMERCIAL PAPE	26357	TOYOTA MOTOR CREDIT COR	1.050	3/13/17	1.0556	ISSUER DIRECT	4000	5,000,000.00	4,973,604.15		
9/12/16	89233GQD	COMMERCIAL PAPE	26359	TOYOTA MOTOR CREDIT COR	1.050	3/13/17	1.0556	ISSUER DIRECT	4002	5,000,000.00	4,973,604.15		
9/26/16	9033AOMK	COMMERCIAL PAPE	26457	US BANK NA	.680	12/19/16	.6811	BROKER DIRECT	4001	898,279.00	896,870.70		
9/27/16	36164JMT	COMMERCIAL PAPE	26468	GE CAPITAL US HOLDINGS	.540	12/27/16	.5407	BROKER DIRECT	4001	2,400,000.00	2,396,760.00		
9/27/16	9033AOPT	COMMERCIAL PAPE	26458	US BANK NA	1.000	2/27/17	1.0043	BROKER DIRECT	4000	558,425.00	556,051.69		
9/28/16	89233GMP	COMMERCIAL PAPE	26268	TOYOTA MOTOR CREDIT COR		12/23/16	.7212	BROKER DIRECT	4001	1,200,000.00	1,197,960.00		
9/21/16	912828S7	US TREASURY NOT	26428	UNITED STATES TREASURY	1.125	7/31/21	1.2305	HSBC	1001	6,000,000.00	5,970,234.38		
9/12/16	3130A7ZB	AGENCY US FLOAT	26360	FEDERAL HOME LOAN BANKS	.514	1/27/17	.3986	INTL FCSTONE PA	4101	10,000,000.00	10,004,352.20		
9/20/16	3133EEZ5	AGENCY US FLOAT	26419	FEDERAL FARM CREDIT BAN	.542	3/22/18	.5524	INTL FCSTONE PA	4101	4,000,000.00	3,999,400.00		
9/21/16	3134G5Z3	AGENCY US FLOAT	26437	FEDERAL HOME LOAN MORTG	.532	1/13/17	.3947	INTL FCSTONE PA	4101	9,300,000.00	9,303,999.00		
9/06/16	3133ECP2	AGENCY US BOND	26286	FEDERAL FARM CREDIT BAN	.700	8/09/17	.7436	INTL FCSTONE PA	4101	2,000,000.00	1,999,200.00		
9/07/16	3133EDHU	AGENCY US BOND	26298	FEDERAL FARM CREDIT BAN	1.420	4/02/18	.8201	BANK OF OKLAHOM	4000	2,000,000.00	2,018,638.46		
9/16/16	3130A2A6	AGENCY US BOND	26395	FEDERAL HOME LOAN BANKS	.625	3/20/17	.5333	CASTLEOAK SECUR	4101	3,750,000.00	3,751,725.00		
9/19/16	3130A2A6	AGENCY US BOND	26395	FEDERAL HOME LOAN BANKS	.625	3/20/17	.5330	CASTLEOAK SECUR	4101	20,000,000.00	20,009,127.60		
9/20/16	313381B2	AGENCY US BOND	26418	FEDERAL HOME LOAN BANKS	.750	12/08/17	.7902	BANK OF OKLAHOM	4002	5,000,000.00	4,997,579.50		
9/14/16	313312F9	AGENCY US DISC	26371	FEDERAL FARM CREDIT BAN	.240	9/15/16	.2400	WELLS FARGO SEC	4101	10,000,000.00	9,999,933.33		
9/14/16	313312F9	AGENCY US DISC	26371	FEDERAL FARM CREDIT BAN	.240	9/15/16	.2400	FTN FINANCIAL S	4101	15,000,000.00	14,999,900.00		
9/19/16	313312G6	AGENCY US DISC	26400	FEDERAL FARM CREDIT BAN	.250	9/20/16	.2500	JEFFRIES & CO	4101	35,000,000.00	34,999,756.94		
9/20/16	313384G7	AGENCY US DISC	26408	FEDERAL HOME LOAN BANKS	.200	9/21/16	.2000	UBS	4101	25,000,000.00	24,999,861.11		
9/20/16	313384G7	AGENCY US DISC	26408	FEDERAL HOME LOAN BANKS	.200	9/21/16	.2000	BMO CAPTIAL MAR	4101	20,000,000.00	19,999,888.89		
9/08/16	3130A9EP	AGENCY 30/360 2	26315	FEDERAL HOME LOAN BANK	1.000	9/26/19	1.0291	CASTLEOAK SECUR	4000	5,000,000.00	4,995,650.00		
9/02/16	3135G0CM	AGENCY US NOTES	25588	FEDERAL NATIONAL MORTGA	1.250	9/28/16	.2997	BMO CAPTIAL MAR	4101	5,474,000.00	5,477,749.69		
9/15/16	3137EAD	AGENCY US NOTES	26386	FREDDIE MAC	.875	10/12/18	.8960	BARCLAYS	4002	5,000,000.00	4,997,850.00		
9/21/16	3137EADC	AGENCY US NOTES	25921	FEDERAL HOME LOAN MORTG	1.000	3/08/17	.4934	BMO CAPTIAL MAR	4101	10,000,000.00	10,023,300.00		
9/21/16	3137EADC	AGENCY US NOTES	25921	FEDERAL HOME LOAN MORTG	1.000	3/08/17	.4830	BMO CAPTIAL MAR	4101	10,000,000.00	10,023,780.00		
9/16/16	3136G2NZ	FED NATL MORTGA	26407	FEDERAL NATIONAL MORTGA	.750	9/28/18	.5002	BB&T CAPITAL MA	4101	6,000,000.00	6,000,372.00		12/28/16
9/27/16	3133EDX6	AGENCY US VARIA	26470	FEDERAL FARM CREDIT BAN	.500	4/10/17	.4741	INTL FCSTONE PA	4101	5,400,000.00	5,400,594.00		
9/23/16	3130A9LQ	AGENCY US VAR 3	26487	FEDERAL HOME LOAN BANKS	.500	9/29/17	.5000	HILLTOP SECURIT	4101	5,000,000.00	5,000,000.00		12/29/16
9/01/16	59261EAC	MUNI US 30/360	26260	METROPOLITAN TRANSN AUT	1.069	7/01/17	.7009	HILLTOP SECURIT	4000	2,500,000.00	2,507,475.00		
9/01/16	59261EAC	MUNI US 30/360	26259	METROPOLITAN TRANSN AUT	1.069	7/01/17	.7009	HILLTOP SECURIT	4002	2,500,000.00	2,507,475.00		
9/07/16	258885YE	MUNI US 30/360	26291	DOUGLAS CNTY COLO SCH D	5.000	12/15/18	.4827	HILLTOP SECURIT	4001	2,000,000.00	2,023,280.00		12/15/16
9/09/16	64711RFA	MUNI US 30/360	26341	NEW MEXICO FIN AUTH ST	5.000	12/15/25	.5535	HILLTOP SECURIT	4001	2,000,000.00	2,022,660.00		12/15/16
9/16/16	647110DZ	MUNI US 30/360	26396	NEW MEXICO EDL ASSISTAN	4.000	9/01/17	.7256	BANK OF OKLAHOM	4000	245,000.00	252,536.20		
9/16/16	800050FG	MUNI US 30/360	26397	SANDOVAL COUNTY	2.000	6/01/18	.9202	ROBERT W BAIRD	1001	360,000.00	366,307.20		
9/16/16	800050FH	MUNI US 30/360	26398	SANDOVAL COUNTY	3.000	6/01/19	1.0703	ROBERT W BAIRD	1001	265,000.00	278,268.55		
36 PURCHASES DURING PERIOD TOTAL.....										245,100,704.00	245,172,594.74		

STATE OF NEW MEXICO
Summary of Fixed-Income Purchases and Sales
TRADES During The Period 9/01/16 Through 9/30/16

TXN-DATE	CUSIP#	ASSET-TYPE	INVST#	ISSUE-NAME	RATE	MATURITY	YIELD	BRKR/DLR/AGENT	FUND	PAR-VALUE	COST/PROCEEDS	GAIN/LOSS	NXT-CALL
<u>SALE TRANSACTIONS</u>													
9/12/16	912828RJ	US TREASURY NOT	21311	UNITED STATES TREASURY	1.000	9/30/16		WELLS FARGO SEC	4000	4,000,000.00	4,001,250.00	570.86	
9/15/16	912828A5	US TREASURY NOT	21693	UNITED STATES TREASURY	.625	12/15/16		DEUTSCHE BANK S	4002	10,000,000.00	10,007,031.25	8,038.19	
9/16/16	912828A5	US TREASURY NOT	21677	UNITED STATES TREASURY	.625	12/15/16	.3120	DEUTSCHE BANK S	4000	10,000,000.00	10,007,421.88	9,875.05	
9/23/16	912828S7	US TREASURY NOT	26428	UNITED STATES TREASURY	1.125	7/31/21		BARCLAYS	1001	6,000,000.00	5,988,281.25	17,983.16	
9/22/16	3137EADS	AGENCY US NOTES	19746	FEDERAL HOME LOAN MORTG	.875	10/14/16	.2700	DEUTSCHE BANK S	1001	10,000,000.00	10,003,522.50	3,463.60	
5 SALES DURING PERIOD TOTAL.....										40,000,000.00	40,007,506.88	39,930.86	
=== GRAND-TOTAL ==>										285,100,704.00	285,180,101.62	39,930.86	
*** END-OF-REPORT ***													

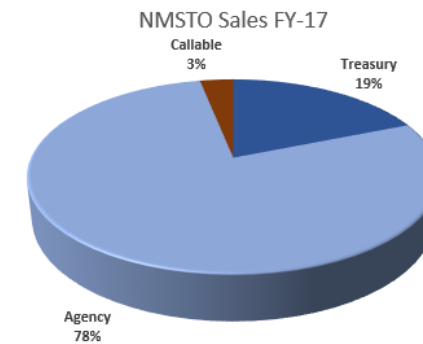
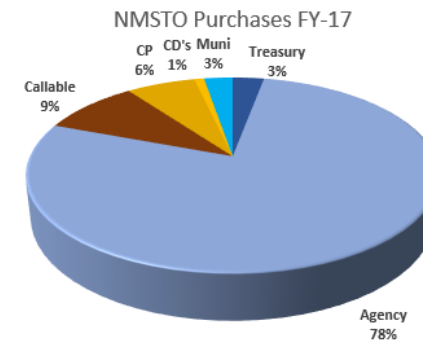
NM State Treasurer's Office

TRADE ACTIVITY FOR SEPTEMBER 2016

NM STO Trade Activity FY 2017			Sep-16	
Purchase	Volume	Trades	Volume	Trades
Treasury	21,000,000	4	6,000,000	1
Agency	551,779,000	60	191,924,000	17
Callable	65,465,000	10	21,000,000	4
CP	46,141,704	12	16,306,704	7
Corporate	-	0	-	-
CD's	6,600,000	3	-	-
Muni	19,135,000	17	9,870,000	7
Total Purchase	710,120,704	106	245,100,704	36

Sale	Volume	Trades	Volume	Trades
Treasury	45,000,000	6	30,000,000	4
Agency	185,500,000	18	10,000,000	1
Callable	7,500,000	1	-	-
Muni	-	-	-	-
Total Sale	238,000,000	25	40,000,000	5
Total Volume	948,120,704	131	285,100,704	41

LGIP Repo			LGIP Repo	
Overnight	4,110,000,000	83	1,595,000,000	29
Term	1,340,000,000	28	490,000,000	11
	5,450,000,000	111	2,085,000,000	40



NM State Treasurer's Office

TRADE ACTIVITY FOR SEPTEMBER 2016

Purchase	GF LIQUIDITY (1000)		GF CORE (1001)		BPIP TE (4000)		BPIP TX (4002)		STB (4001)		LGIP (4101)	
	Volume	Trades	Volume	Trades	Volume	Trades	Volume	Trades	Volume	Trades	Volume	Trades
Treasury			6,000,000	1							-	
Agency					7,000,000	2					184,924,000	15
Callable							10,000,000	2			11,000,000	2
CP					5,558,425	2	5,000,000	1	5,748,279	4	-	
Corporate CD's											-	
Muni	6,000,000	2	625,000	2	2,745,000	2	2,500,000	1	4,000,000	2	-	
Total Purchase	6,000,000	2	6,625,000	3	15,303,425	6	17,500,000	4	9,748,279	6	195,924,000	17
Sale	Volume	Trades	Volume	Trades	Volume	Trades	Volume	Trades	Volume	Trades	Volume	Trades
Treasury			6,000,000	1	14,000,000	2	10,000,000	1				
Agency			10,000,000	1								
Callable												
Muni												
Total Sale	-	0	16,000,000	2	14,000,000	2	10,000,000	1	-	0	-	0
Total Volume	6,000,000	2	22,625,000	5	29,303,425	8	27,500,000	5	9,748,279	6	195,924,000	17

LGIP

Overnight											1,595,000,000	29
Term											490,000,000	11
											2,085,000,000	40

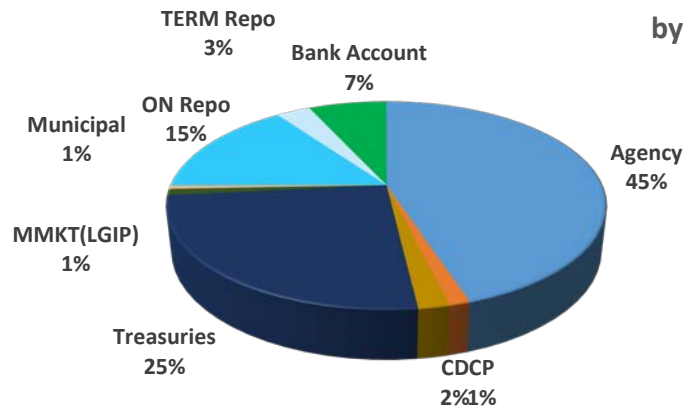
NM State Treasurer Office Security Holding by Portfolio

September 30, 2016

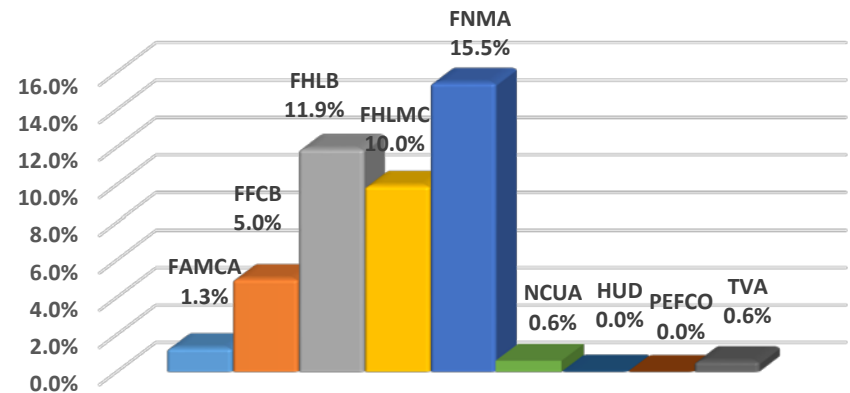
Values are based on position holdings

<i>Porfolio Balance</i>	<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>	
	441,522,778	901,557,327	583,655,351	595,218,987	65,768,764	735,375,566	3,323,098,773	
Agency	-	367,441,000	352,039,000	314,915,000	-	456,830,000	1,491,225,000	44.9%
FAMCA	-	38,000,000	5,000,000	-	-	-	43,000,000	1.3%
FFCB	-	8,000,000	26,000,000	10,500,000	-	121,930,000	166,430,000	5.0%
FHLB	-	44,500,000	88,085,000	120,000,000	-	143,510,000	396,095,000	11.9%
FHLMC	-	90,000,000	120,970,000	46,415,000	-	73,379,000	330,764,000	10.0%
FNMA	-	186,941,000	94,654,000	128,000,000	-	104,365,000	513,960,000	15.5%
NCUA	-	-	10,000,000	10,000,000	-	-	20,000,000	0.6%
HUD	-	-	1,325,000	-	-	-	1,325,000	0.0%
PEFCO	-	-	-	-	-	-	-	0.0%
TVA	-	-	6,005,000	-	-	13,646,000	19,651,000	0.6%
CP	-	-	29,143,425	10,000,000	4,000,000	-	43,143,425	1.3%
CD	-	50,750,000	3,000,000	10,200,000	-	-	63,950,000	1.9%
Treasuries	-	462,750,000	165,000,000	213,500,000	-	-	841,250,000	25.3%
Municipal	-	2,695,000	21,775,000	7,790,000	475,000	-	32,735,000	1.0%
MMKT(LGIP)	-	-	3,094,121	14,394,209	157835.34	-	17,488,330	0.5%
ON Repo	240,578,820	17,921,327	9,603,804	24,419,778	61,226,932	150,000,000	503,750,662	15.2%
TERM Repo	-	-	-	-	-	100,000,000	100,000,000	3.0%
Bank Account	200,943,958	-	-	-	66,832	28,545,566	229,556,356	6.9%

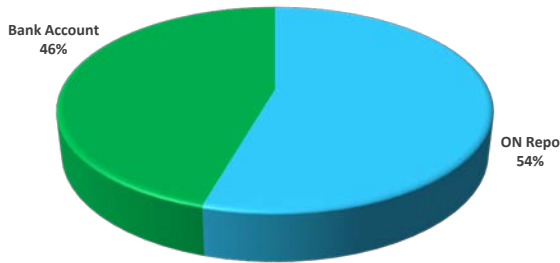
**STO Holdings
by asset type**



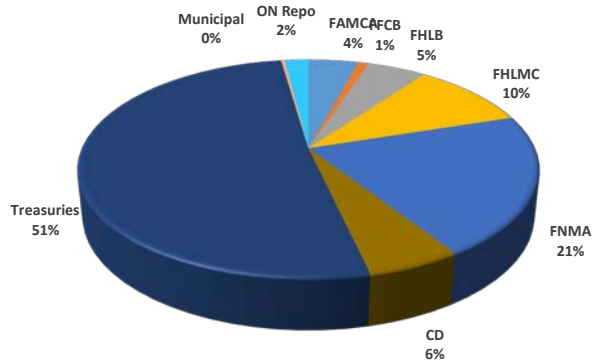
STO US Agency Holdings



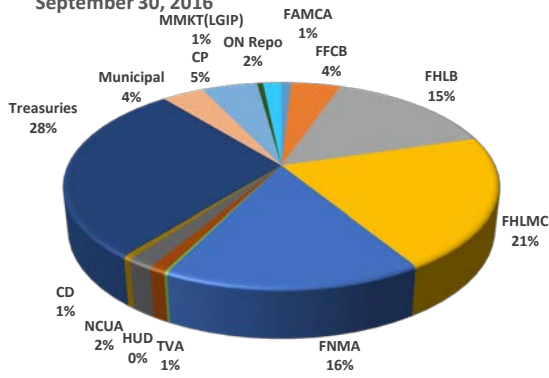
GF Liquidity Holdings
September 30, 2016



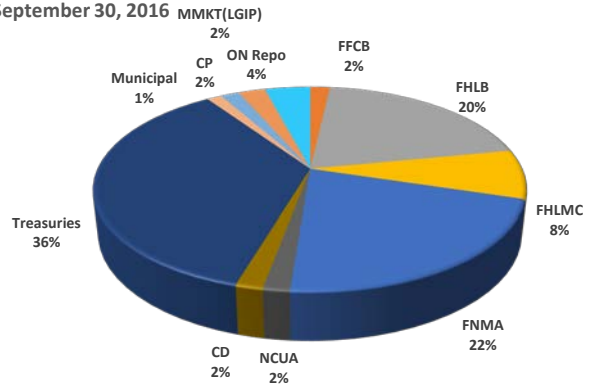
GF CORE Holdings
September 30, 2016



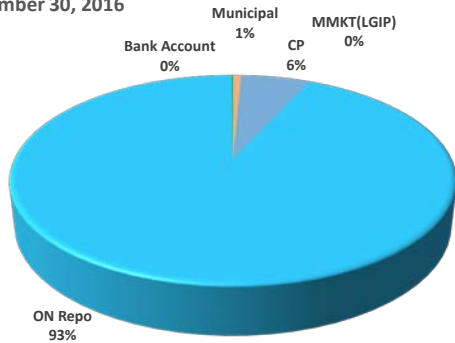
BPIP Tax-Exempt Holdings
September 30, 2016



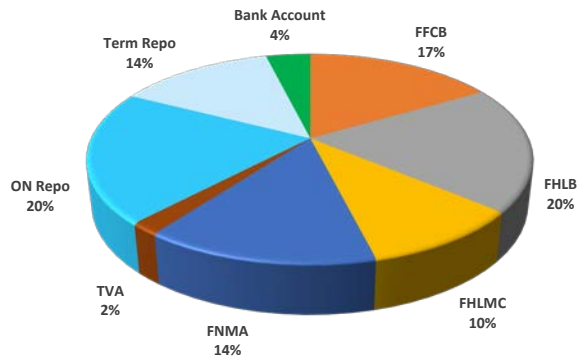
BPIP Taxable Holdings
September 30, 2016



STB Holdings
September 30, 2016



LGIP Holdings
September 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: October 7, 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: September 2016 Investment Reconciliation

September 2016 Investments Reconciliation

The September 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 August 31st and September 30th.
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 no material differences. 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 no material differences. Please refer to the JPM-QED income reconciliation.

JP Morgan to QED Inventory Reconciliations
For Accounting Period Ended September 30, 2016

W/P Ref
503

Market Value Reconciliation

JPM Account	Market Value	QED Fund #	Name	Market Value	Difference	BPS Dollar Threshold *
P 09336	443,522,804.04	1000	GF Liquidity	443,522,778.04	26.00	221,761.40
P 09337	912,683,626.13	1001	GF Core	912,680,973.91	2,652.22	456,341.81
P 09334	49,249,338.04	1101	ONREPO	49,269,391.12	(20,053.08)	24,624.67
P 89523	72,473,799.49	4001	STB	72,471,413.00	2,386.49	36,236.90
P 09335	585,642,396.99	4000	BPIP#1	585,613,335.44	29,061.55	292,821.20
P 09339	597,763,871.65	4002	BPIP#2	597,764,276.58	(404.93)	298,881.94
P 09333	735,955,636.14	4101	LGIP	735,955,699.74	(63.60)	367,977.82
Total	3,397,291,472.48			3,397,277,867.83	13,604.65	1,698,645.74

Cost Reconciliation

JPM Account	Cost	QED Fund #	Name	Cost	Difference	BPS Dollar Threshold *
P 09336	443,522,804.04	1000	GF Liquidity	443,522,778.04	26.00	221,761.40
P 09337	908,226,820.97	1001	GF Core	908,226,642.89	178.08	454,113.41
P 09334	49,249,338.04	1101	ONREPO	49,269,391.12	(20,053.08)	24,624.67
P 89523	72,484,752.98	4001	STB	72,484,753.00	(0.02)	36,242.38
P 09335	586,744,796.77	4000	BPIP#1	586,744,796.79	(0.02)	293,372.40
P 09339	598,159,687.24	4002	BPIP#2	598,159,687.23	0.01	299,079.84
P 09333	736,074,099.15	4101	LGIP	736,074,099.15	-	368,037.05
Total	3,394,462,299.19			3,394,482,148.22	(19,849.03)	1,697,231.15

Position Reconciliation

JPM Account	Position Size	QED Fund #	Name	Position Size	Difference	BPS Dollar Threshold *
P 09336	443,522,804.04	1000	GF Liquidity	443,522,778.04	26.00	24,624.67
P 09337	902,182,327.18	1001	GF Core	902,182,327.18	-	221,761.40
P 09334	49,249,338.04	1101	ONREPO	49,269,391.12	(20,053.08)	451,091.16
P 89523	72,449,878.73	4001	STB	72,449,878.73	-	36,224.94
P 09335	583,655,350.67	4000	BPIP#1	583,655,350.67	-	291,827.68
P 09339	595,218,987.23	4002	BPIP#2	595,218,987.23	-	297,609.49
P 09333	735,375,565.90	4101	LGIP	735,375,565.90	-	367,687.78
Total	3,381,654,251.79			3,381,674,278.87	(20,027.08)	1,690,827.13

*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 September 30, 2016

W/P Ref
 504

JPM Account	Earned Interest	QED Fund #	Name	Earned Interest	Difference	BPS Dollar Threshold *
P 09336	78,346.34	1000	GF Liquidity	72,134.40	6,211.94	22,176.14
P 09337	1,112,701.61	1001	GF Core	1,105,130.38	7,571.23	45,634.18
P 09334	22,215.13	1101	ONREPO	22,215.13	-	2,462.47
P 89523	27,664.52	4001	STB	27,668.30	(3.78)	3,623.69
P 09335	554,217.28	4000	BPIP#1	554,217.31	(0.03)	29,282.12
P 09339	581,285.14	4002	BPIP#2	581,381.46	(96.32)	29,888.19
P 09333	383,255.08	4101	LGIP	383,242.88	12.20	36,797.78
Total	2,759,685.10			2,745,989.86	13,695.24	169,864.57

JP Morgan to QED Amortization/Accretion Reconciliation

JPM Account	Amortization/Accretion	QED Fund #	Name	Amortization/Accretion	Difference
P 09336	-	1000	GF Liquidity	-	-
P 09337	(134,523.09)	1001	GF Core	(174,103.36)	39,580.27
P 09334	-	1101	ONREPO	-	-
P 89523	(7,559.30)	4001	STB	(8,488.86)	929.56
P 09335	(124,323.95)	4000	BPIP#1	(144,390.40)	20,066.45
P 09339	(127,007.29)	4002	BPIP#2	(145,991.50)	18,984.21
P 09333	(113,807.93)	4101	LGIP	(120,649.17)	6,841.24
Total	(507,221.56)			(593,623.29)	86,401.73

* 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 86,401.73 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 9/01/16 Through 9/30/16

TXN-DATE	CUSIP#	ASSET-TYPE	INVST#	ISSUE-NAME	RATE	MATURITY	YIELD	BRKR/DLR/AGENT	FUND	PAR-VALUE	COST/PROCEEDS	GAIN/LOSS	NXT-CALL
PURCHASE TRANSACTIONS													
9/02/16	89233GMP	COMMERCIAL PAPE	26268	TOYOTA MOTOR CREDIT COR		12/23/16	.8421	ISSUER DIRECT	4001	1,250,000.00	1,246,850.00		
9/12/16	89233GQD	COMMERCIAL PAPE	26357	TOYOTA MOTOR CREDIT COR	1.050	3/13/17	1.0556	ISSUER DIRECT	4000	5,000,000.00	4,973,604.15		
9/12/16	89233GQD	COMMERCIAL PAPE	26359	TOYOTA MOTOR CREDIT COR	1.050	3/13/17	1.0556	ISSUER DIRECT	4002	5,000,000.00	4,973,604.15		
9/26/16	9033AOMK	COMMERCIAL PAPE	26457	US BANK NA	.680	12/19/16	.6811	BROKER DIRECT	4001	898,279.00	896,870.70		
9/27/16	36164JMT	COMMERCIAL PAPE	26468	GE CAPITAL US HOLDINGS	.540	12/27/16	.5407	BROKER DIRECT	4001	2,400,000.00	2,396,760.00		
9/27/16	9033AOPT	COMMERCIAL PAPE	26458	US BANK NA	1.000	2/27/17	1.0043	BROKER DIRECT	4000	558,425.00	556,051.69		
9/28/16	89233GMP	COMMERCIAL PAPE	26268	TOYOTA MOTOR CREDIT COR		12/23/16	.7212	BROKER DIRECT	4001	1,200,000.00	1,197,960.00		
9/21/16	912828S7	US TREASURY NOT	26428	UNITED STATES TREASURY	1.125	7/31/21	1.2305	HSBC	1001	6,000,000.00	5,970,234.38		
9/12/16	3130A7ZB	AGENCY US FLOAT	26360	FEDERAL HOME LOAN BANKS	.514	1/27/17	.3986	INTL FCSTONE PA	4101	10,000,000.00	10,004,352.20		
9/20/16	3133EEZ5	AGENCY US FLOAT	26419	FEDERAL FARM CREDIT BAN	.542	3/22/18	.5524	INTL FCSTONE PA	4101	4,000,000.00	3,999,400.00		
9/21/16	3134G5Z3	AGENCY US FLOAT	26437	FEDERAL HOME LOAN MORTG	.532	1/13/17	.3947	INTL FCSTONE PA	4101	9,300,000.00	9,303,999.00		
9/06/16	3133ECP2	AGENCY US BOND	26286	FEDERAL FARM CREDIT BAN	.700	8/09/17	.7436	INTL FCSTONE PA	4101	2,000,000.00	1,999,200.00		
9/07/16	3133EDHU	AGENCY US BOND	26298	FEDERAL FARM CREDIT BAN	1.420	4/02/18	.8201	BANK OF OKLAHOM	4000	2,000,000.00	2,018,638.46		
9/16/16	3130A2A6	AGENCY US BOND	26395	FEDERAL HOME LOAN BANKS	.625	3/20/17	.5333	CASTLEOAK SECUR	4101	3,750,000.00	3,751,725.00		
9/19/16	3130A2A6	AGENCY US BOND	26395	FEDERAL HOME LOAN BANKS	.625	3/20/17	.5330	CASTLEOAK SECUR	4101	20,000,000.00	20,009,127.60		
9/20/16	313381B2	AGENCY US BOND	26418	FEDERAL HOME LOAN BANKS	.750	12/08/17	.7902	BANK OF OKLAHOM	4002	5,000,000.00	4,997,579.50		
9/14/16	313312F9	AGENCY US DISC	26371	FEDERAL FARM CREDIT BAN	.240	9/15/16	.2400	WELLS FARGO SEC	4101	10,000,000.00	9,999,933.33		
9/14/16	313312F9	AGENCY US DISC	26371	FEDERAL FARM CREDIT BAN	.240	9/15/16	.2400	FTN FINANCIAL S	4101	15,000,000.00	14,999,900.00		
9/19/16	313312G6	AGENCY US DISC	26400	FEDERAL FARM CREDIT BAN	.250	9/20/16	.2500	JEFFRIES & CO	4101	35,000,000.00	34,999,756.94		
9/20/16	313384G7	AGENCY US DISC	26408	FEDERAL HOME LOAN BANKS	.200	9/21/16	.2000	UBS	4101	25,000,000.00	24,999,861.11		
9/20/16	313384G7	AGENCY US DISC	26408	FEDERAL HOME LOAN BANKS	.200	9/21/16	.2000	BMO CAPTIAL MAR	4101	20,000,000.00	19,999,888.89		
9/08/16	3130A9EP	AGENCY 30/360 2	26315	FEDERAL HOME LOAN BANK	1.000	9/26/19	1.0291	CASTLEOAK SECUR	4000	5,000,000.00	4,995,650.00		
9/02/16	3135G0CM	AGENCY US NOTES	25588	FEDERAL NATIONAL MORTGA	1.250	9/28/16	.2997	BMO CAPTIAL MAR	4101	5,474,000.00	5,477,749.69		
9/15/16	3137EAED	AGENCY US NOTES	26386	FREDDIE MAC	.875	10/12/18	.8960	BARCLAYS	4002	5,000,000.00	4,997,850.00		
9/21/16	3137EADC	AGENCY US NOTES	25921	FEDERAL HOME LOAN MORTG	1.000	3/08/17	.4934	BMO CAPTIAL MAR	4101	10,000,000.00	10,023,300.00		
9/21/16	3137EADC	AGENCY US NOTES	25921	FEDERAL HOME LOAN MORTG	1.000	3/08/17	.4830	BMO CAPTIAL MAR	4101	10,000,000.00	10,023,780.00		
9/16/16	3136G2NZ	FED NATL MORTGA	26407	FEDERAL NATIONAL MORTGA	.750	9/28/18	.5002	BB&T CAPITAL MA	4101	6,000,000.00	6,000,372.00		12/28/16
9/27/16	3133EDX6	AGENCY US VARIA	26470	FEDERAL FARM CREDIT BAN	.500	4/10/17	.4741	INTL FCSTONE PA	4101	5,400,000.00	5,400,594.00		
9/23/16	3130A9LQ	AGENCY US VAR 3	26487	FEDERAL HOME LOAN BANKS	.500	9/29/17	.5000	HILLTOP SECURIT	4101	5,000,000.00	5,000,000.00		12/29/16
9/01/16	59261EAC	MUNI US 30/360	26260	METROPOLITAN TRANSN AUT	1.069	7/01/17	.7009	HILLTOP SECURIT	4000	2,500,000.00	2,507,475.00		
9/01/16	59261EAC	MUNI US 30/360	26259	METROPOLITAN TRANSN AUT	1.069	7/01/17	.7009	HILLTOP SECURIT	4002	2,500,000.00	2,507,475.00		
9/07/16	258885YE	MUNI US 30/360	26291	DOUGLAS CNTY COLO SCH D	5.000	12/15/18	.4827	HILLTOP SECURIT	4001	2,000,000.00	2,023,280.00		12/15/16
9/09/16	64711RFA	MUNI US 30/360	26341	NEW MEXICO FIN AUTH ST	5.000	12/15/25	.5535	HILLTOP SECURIT	4001	2,000,000.00	2,022,660.00		12/15/16
9/16/16	647110DZ	MUNI US 30/360	26396	NEW MEXICO EDL ASSISTAN	4.000	9/01/17	.7256	BANK OF OKLAHOM	4000	245,000.00	252,536.20		
9/16/16	800050FG	MUNI US 30/360	26397	SANDOVAL COUNTY	2.000	6/01/18	.9202	ROBERT W BAIRD	1001	360,000.00	366,307.20		
9/16/16	800050FH	MUNI US 30/360	26398	SANDOVAL COUNTY	3.000	6/01/19	1.0703	ROBERT W BAIRD	1001	265,000.00	278,268.55		
36 PURCHASES DURING PERIOD TOTAL.....										245,100,704.00	245,172,594.74		

STATE OF NEW MEXICO
Summary of Fixed-Income Purchases and Sales
TRADES During The Period 9/01/16 Through 9/30/16

TXN-DATE	CUSIP#	ASSET-TYPE	INVST#	ISSUE-NAME	RATE	MATURITY	YIELD	BRKR/DLR/AGENT	FUND	PAR-VALUE	COST/PROCEEDS	GAIN/LOSS	NXT-CALL
<u>SALE TRANSACTIONS</u>													
9/12/16	912828RJ	US TREASURY NOT	21311	UNITED STATES TREASURY	1.000	9/30/16		WELLS FARGO SEC	4000	4,000,000.00	4,001,250.00	570.86	
9/15/16	912828A5	US TREASURY NOT	21693	UNITED STATES TREASURY	.625	12/15/16		DEUTSCHE BANK S	4002	10,000,000.00	10,007,031.25	8,038.19	
9/16/16	912828A5	US TREASURY NOT	21677	UNITED STATES TREASURY	.625	12/15/16	.3120	DEUTSCHE BANK S	4000	10,000,000.00	10,007,421.88	9,875.05	
9/23/16	912828S7	US TREASURY NOT	26428	UNITED STATES TREASURY	1.125	7/31/21		BARCLAYS	1001	6,000,000.00	5,988,281.25	17,983.16	
9/22/16	3137EADS	AGENCY US NOTES	19746	FEDERAL HOME LOAN MORTG	.875	10/14/16	.2700	DEUTSCHE BANK S	1001	10,000,000.00	10,003,522.50	3,463.60	
5 SALES DURING PERIOD TOTAL.....										40,000,000.00	40,007,506.88	39,930.86	
=== GRAND-TOTAL ==>										285,100,704.00	285,180,101.62	39,930.86	
*** END-OF-REPORT ***													

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: Friday, October 07, 2016 1:49:00 PM
Attachments: [image002.png](#)
Importance: High

Good morning Steve,

STO will make a distribution to the State General Fund for September 2016 in the amount \$1,126,769.07. Below is the FY17 distribution summary.

Sep-16				
State General Fund Distribution Worksheet				
Section 6-10-2.1 Distribution Methodology				
(Includes Accretion/Amortization)	General Fund Liquidity	General Fund Core	Self-Earnings	
Component	Amount	Amount	Amount	Total
Earned Income*	\$ 78,346.34	\$ 978,178.52	\$ (289,235.82)	\$ 767,289.04
Realized Gains/(Losses)	62.22	21,427.66		21,489.88
Unrealized Gains/(Losses)	-	337,990.15		337,990.15
Distribution Total	\$ 78,408.56	\$ 1,337,596.33	\$ (289,235.82)	\$ 1,126,769.07

* Earned Income is accrued investment income +/- accretion/amortization

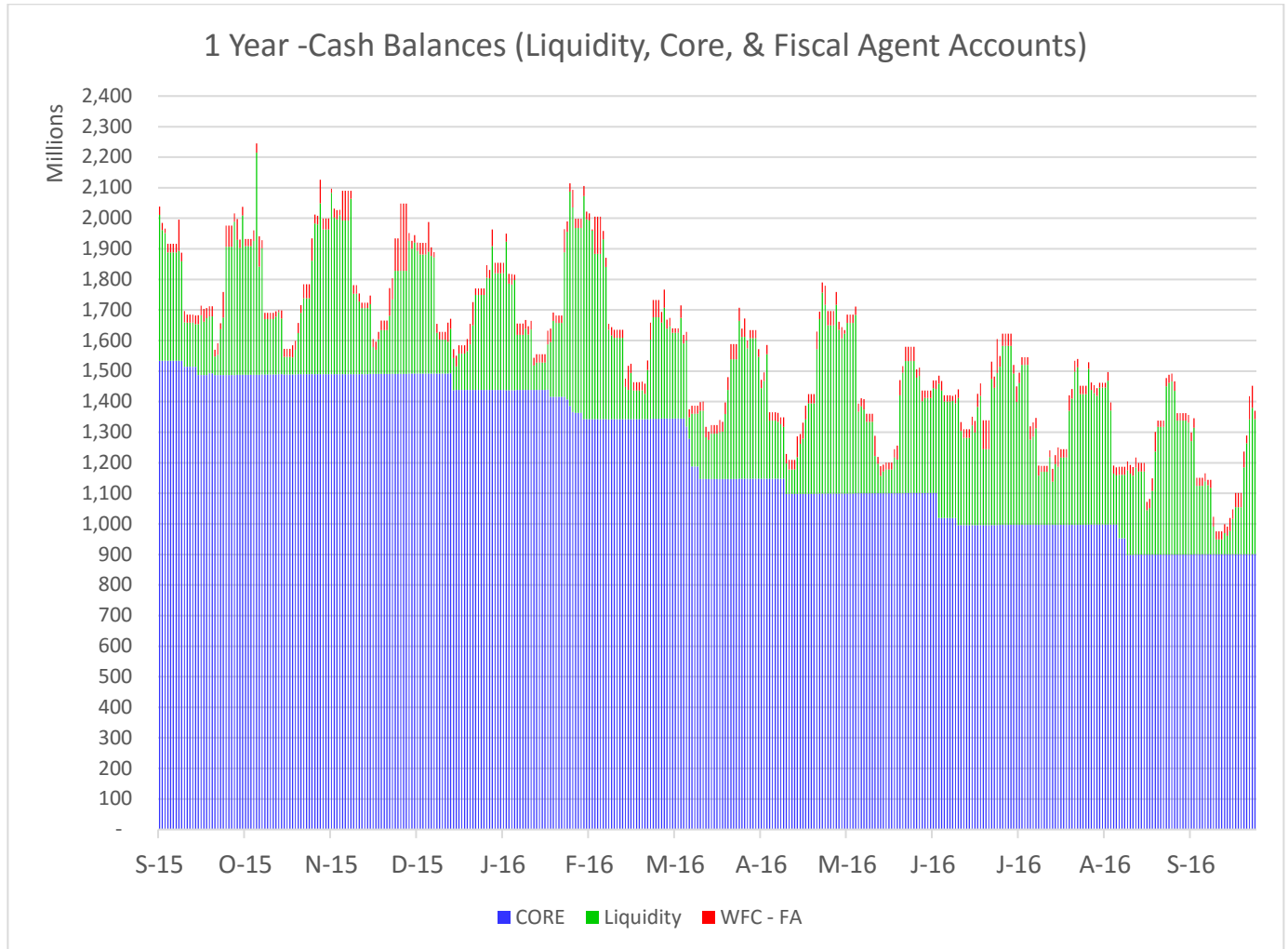
Fiscal Year 2017 SGF Distribution	
Month	Amount
Jul-16	(212,520.71)
Aug-16	(1,990,093.62)
Sep-16	1,126,769.07
Oct-16	-
Nov-16	-
Dec-16	-
Jan-17	-
Feb-17	-
Mar-17	-
Apr-17	-
May-17	-
Jun-17	-
Total	(1,075,845.26)

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

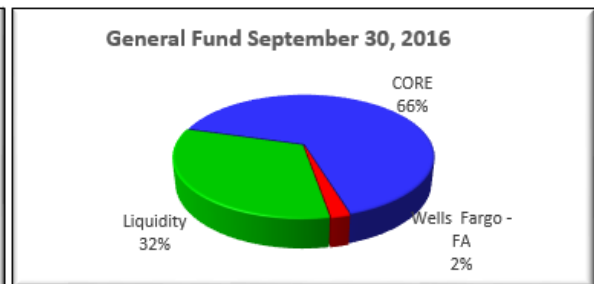
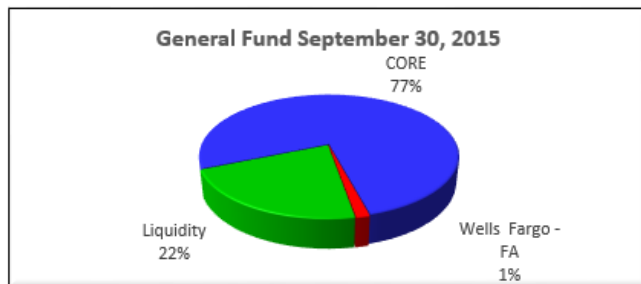
Steve

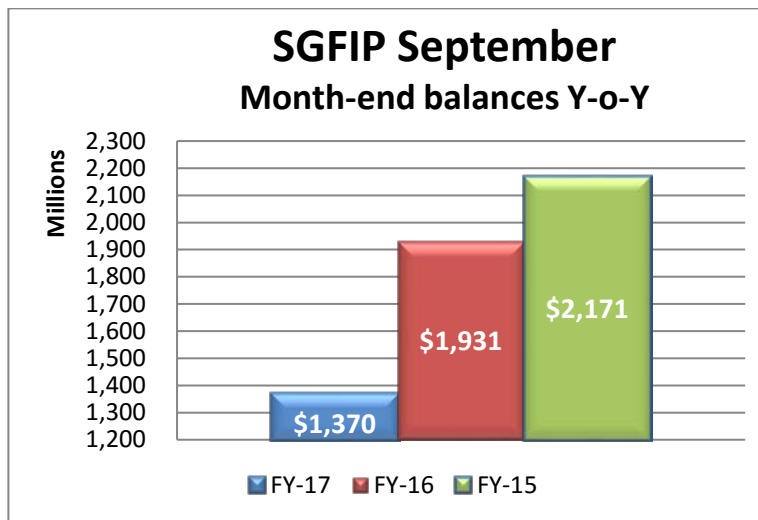
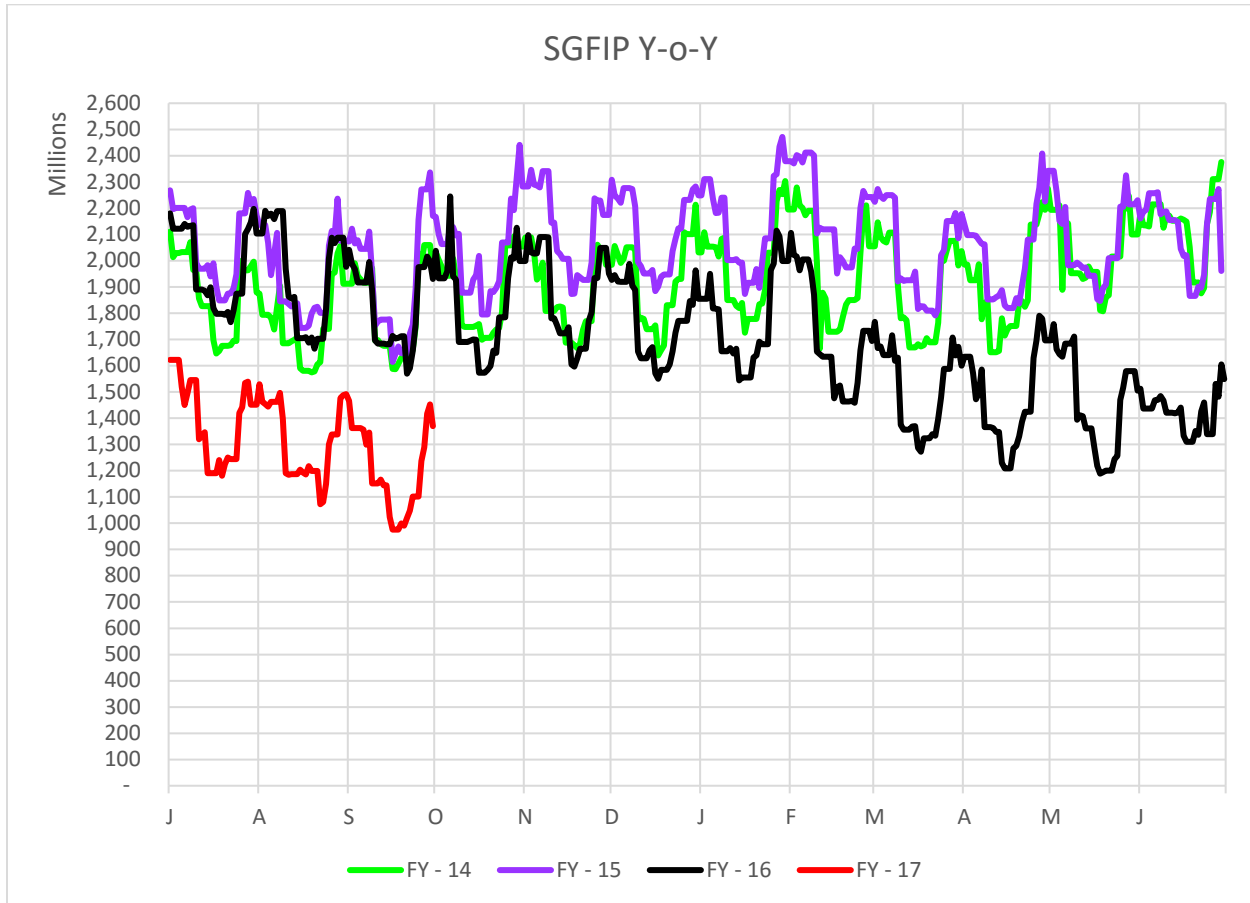


7. Cash Projections



GENERAL FUND	Sep-15	Aug-16	Sep-16	Y-o-Y Change	M-o-M Change
Liquidity	414,962,662	565,987,593	441,491,406	26,528,744	(124,496,188)
CORE	1,488,187,531	899,910,896	901,557,327	(586,630,204)	1,646,431
Wells Fargo - FA	27,608,063	26,063,748	27,284,413	(323,649)	1,220,665
	1,930,758,255	1,491,962,237	1,370,333,146	(560,425,109)	(121,629,091)

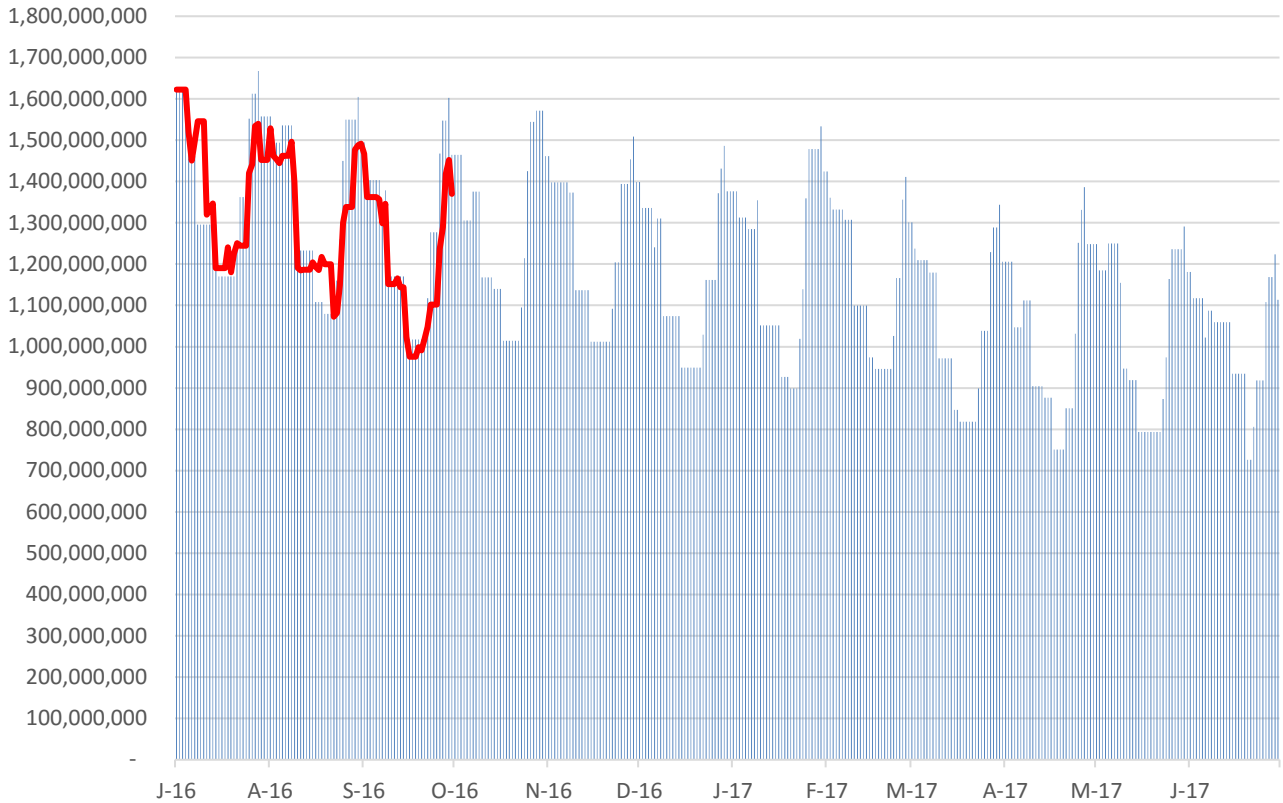




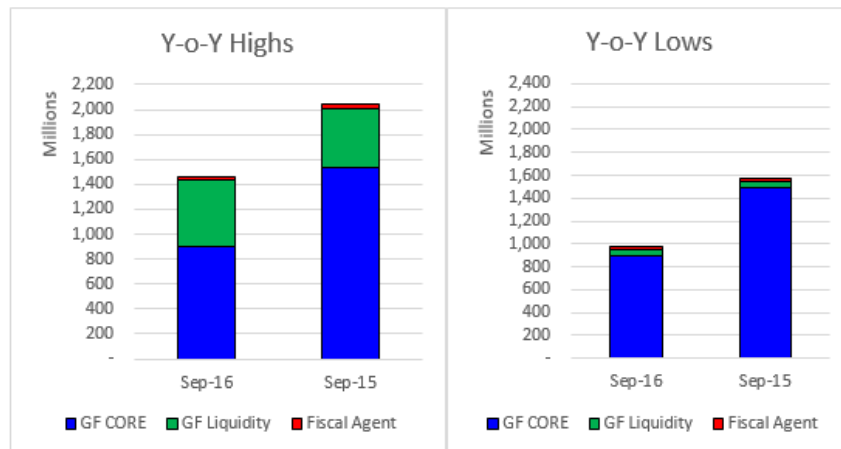
The balance as of September 30, 2016 of the State General Fund Investments Pool (SGFIP) Y-o-Y has decreased -29.0% from September 30, 2015 and -36.9% decrease from September 30, 2014 . M-o-M SGFIP balances decreased to \$1.370 billion at September 30, 2016 from \$1.492 billion at August 31, 2016 a decrease of \$122 million or -8.2%.



FY - 17 SGFIP Balance Projections

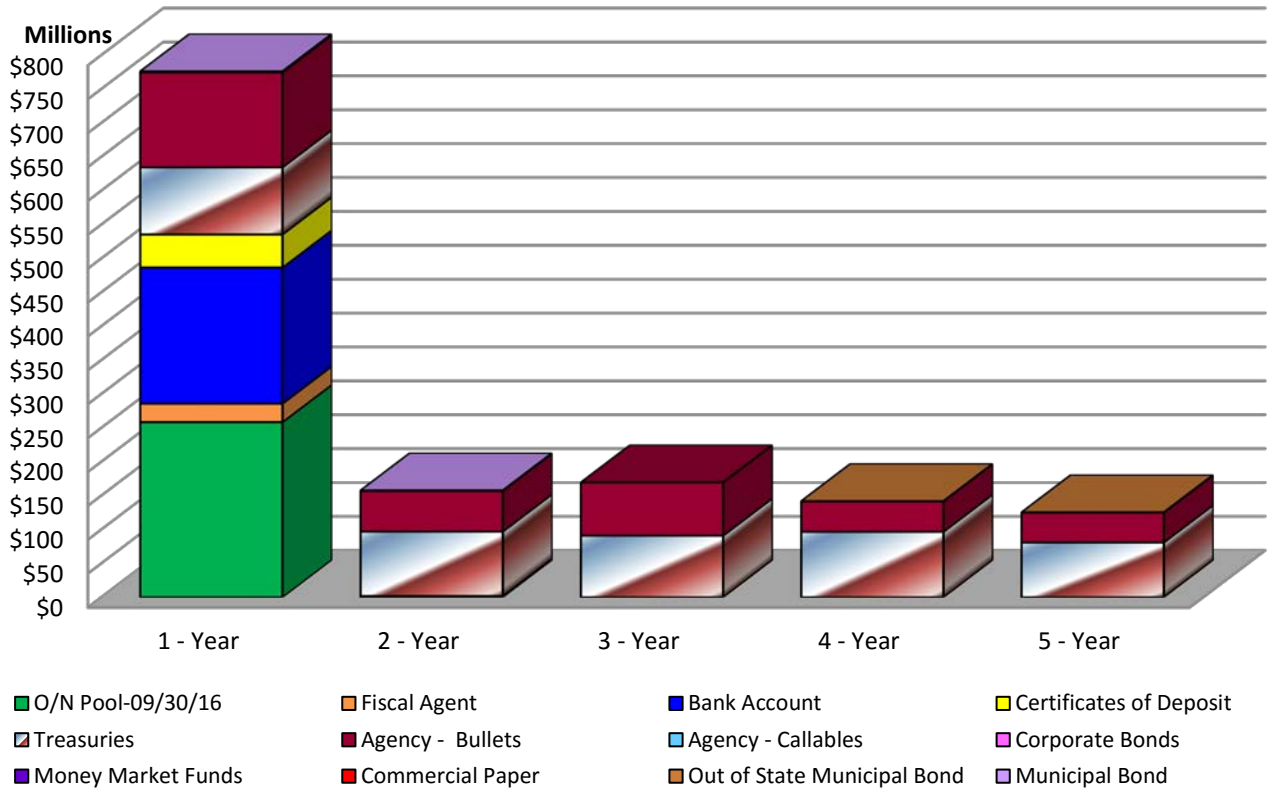


	Sep-16	Sep-15	Change
High	1,466,503,653.55	2,038,915,243.29	-39.03%
Low	975,703,406.64	1,569,886,583.71	-60.90%
Average	1,196,768,575.51	1,821,834,410.88	-52.23%

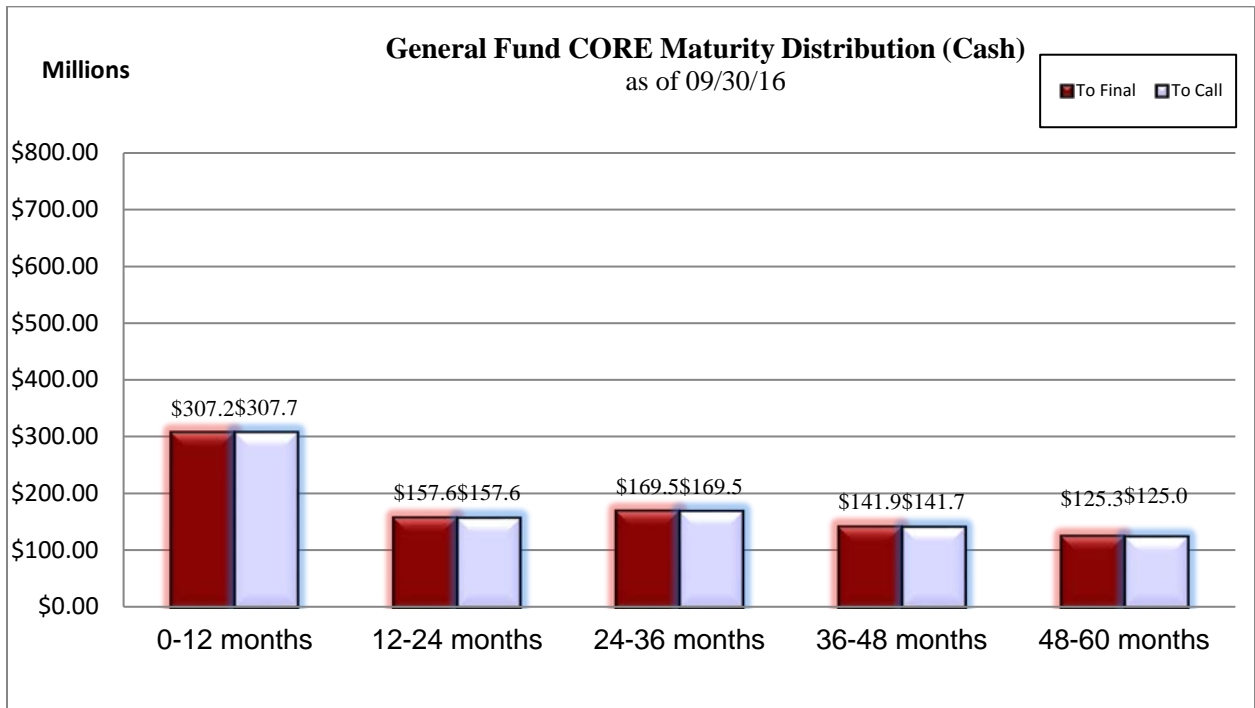
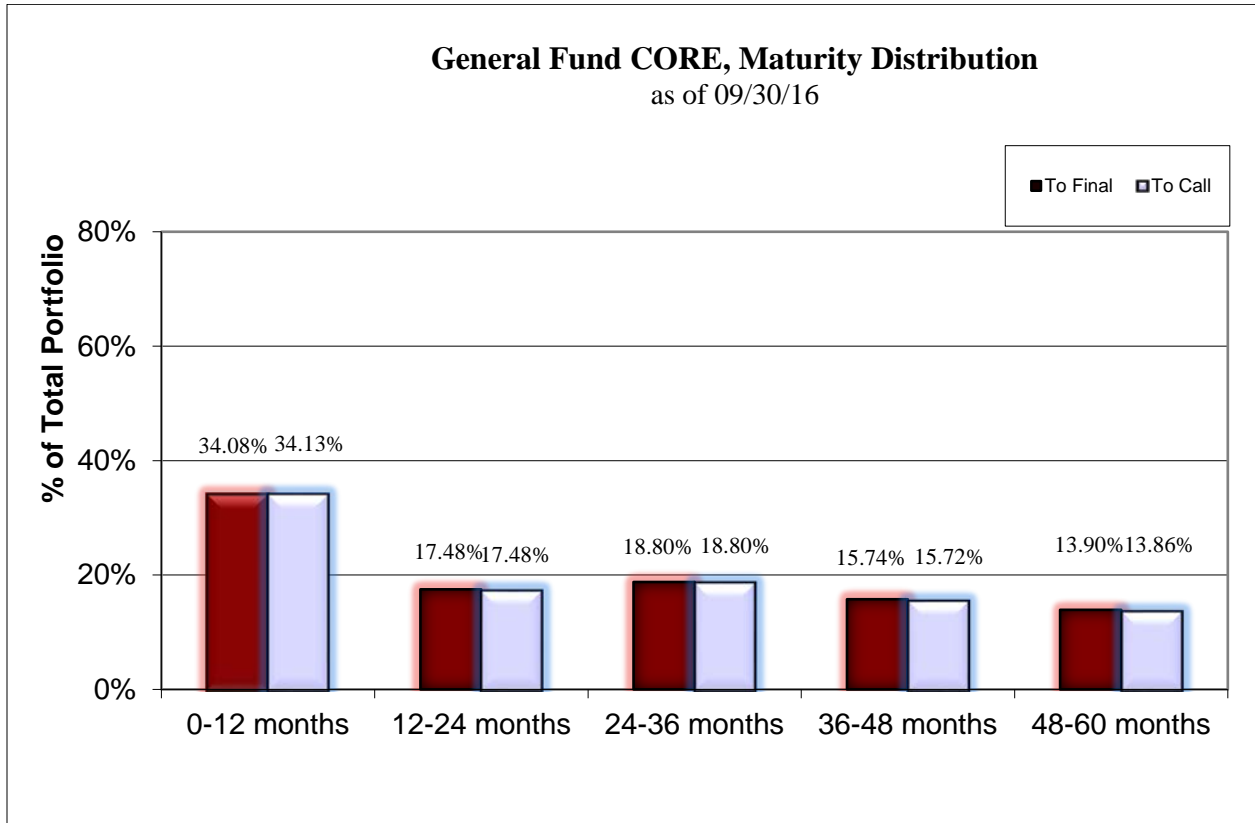




General Fund Maturity Ladder by Year & Asset Type as of September 30, 2016

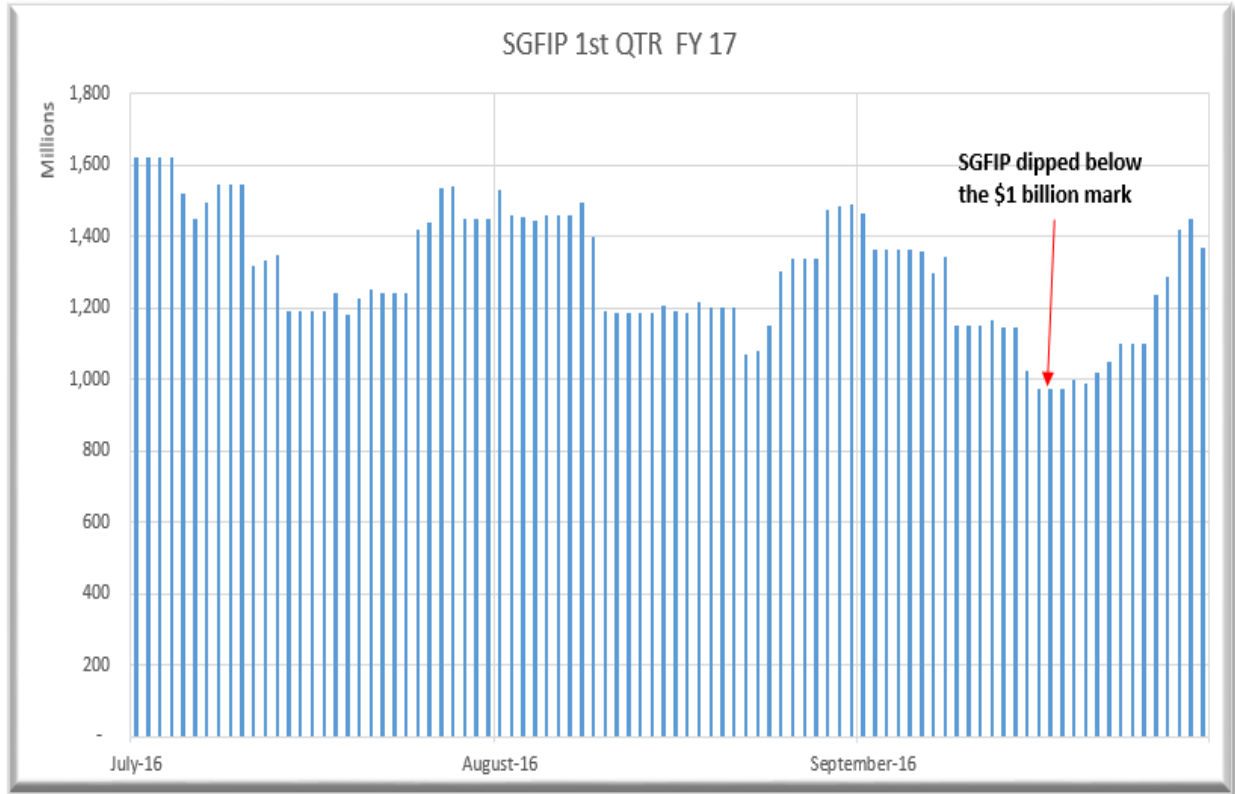


Asset Allocation	1 - Year	2 - Year	3 - Year	4 - Year	5 - Year	Total	%
Agency - Bullets	140,000,000	60,000,000	78,500,000	44,941,000	44,000,000	367,441,000	27%
Agency - Callables						0	0%
Corporate Bonds						0	0%
Money Market Funds						0	0%
Certificates of Deposit	48,750,000	2,000,000				50,750,000	4%
Municipal Bond	1,550,000	630,000				2,180,000	0%
Out of State Municipal Bond				175,000	340,000	515,000	0%
Commercial Paper						0	0%
Treasuries	99,000,000	95,000,000	91,000,000	96,750,000	81,000,000	462,750,000	34%
Bank Account	200,912,586					200,912,586	15%
Fiscal Agent	27,284,413					27,284,413	2%
O/N Pool-09/30/16	258,500,147					258,500,147	19%
Total:	775,997,146	157,630,000	169,500,000	141,866,000	125,340,000	1,370,333,146	100%
% of Total:	57%	12%	12%	10%	9%		





Fiscal Year 17 - 1st Quarter Highlights



1st Quarter (July 16 – September 16) SGFIP balance decreased by (\$252mm)

- ✓ August – 16 Transfer \$100mm from long term investment to short term investemts to cover daily operating expenses prior to September projected low point.
- ✓ September -16 SGFIP dipped below the \$1 billion mark for the first time since October 2011.



8. September 2016 Quarterly Investment Report – Investment Advisor

QUARTERLY REPORT

Period Ending September 30, 2016



New Mexico State Treasurer's Office Investment Portfolio Analysis



Prepared By: Government Portfolio Advisors
Deanne Woodring, CFA – President, Senior Investment Advisor
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Portland, OR 97205
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GPA QUARTERLY OBSERVATIONS: ENDING SEPTEMBER 30, 2016

Market Commentary

Market Yields: Interest rates increased during the 3rd quarter as speculation continued that the Fed will hike the Fed Funds target rate before year end. The 2-year treasury increased 10 basis points and 5-year notes increased 13 basis points during the quarter. Global negative interest rates also generated buying of U.S. Treasuries as positive yields provided a safe haven for global assets. The 2-year to 5-year spread continued to flatten from 42 basis points to 39 basis points.

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. According to the August minutes, members of the Fed remain patient and “judged that it was appropriate to wait for additional information that would allow them to evaluate the underlying momentum in economic activity and the labor market and whether inflation was continuing to rise gradually to 2 percent as expected.” The central bank now expects that future rate increases will be even more gradual than previously thought. Three members dissented from the decision to keep rates the same at the September meeting, signaling a desire to immediately increase the Fed Funds rate.

Employment: The unemployment rate for September was 4.9%. Total nonfarm payrolls were strong, with increases in July of 287K, August at 255K and up 151K for September. The 151K increase was less than the forecasted increase of 180K.

GDP: GDP increased at 1.4% in the second quarter. This is according to the “third” GDP estimate.

Market Outlook

Fed Funds: The FOMC has turned more hawkish as labor market conditions and inflation are moving toward the Fed’s goals. One reason the Fed did not move at the September meeting was expressed by Fed Chair Yellen, “that the economy has a little more room to run than might have been previously thought.” The slower growth in the labor force is key to that assessment. The Fed’s quarterly forecasts were released showing the committee still sees one hike this year but at a slower path over the next two years. The next two FOMC meetings of 2016 are November 2 and December 14. The expectation is for a 23.6% chance of an increase in November and a 62.1% chance of an increase in December.

2 year: The 2 year treasury note is forecasted by over 80 economists contributing to Bloomberg to trade at .93%, 1.01%, 1.11%, and 1.24% for the end of each of the next four quarters, higher expectations than last quarter.

Oil: Crude oil began the quarter at 48.30 and finished almost unchanged at 48.24.

Portfolio Positioning: GPA is recommending that portfolios stay neutral to short of their respective benchmark durations. We value the carry trade as we think the Fed may be slow to raise the Fed Funds rate. GPA will be looking to add Municipal bonds, bullet agencies, callable agencies and corporate bonds as spreads have continued to widen vs. treasuries. GPA expects rates to rise modestly over the next quarter.

Quarterly Yield Change

Economist’s Survey Projections

Economist’s Survey Projections for Rates

	12/31/15	03/31/16	06/30/16	09/30/16
3-month bill	.16	.20	.26	.28
2- year note	1.05	.72	.58	.76
5- year note	1.76	1.21	1.00	1.15
10- year note	2.27	1.77	1.47	1.60

	Q3-16	Q4-16	Q1-17	Q2-17
Real GDP	1.50	1.80	2.20	2.40
CPI (YOY%)	1.20	1.60	2.10	2.10
Unemployment	4.90	4.80	4.70	4.70

	Q3-16	Q4-16 est	Q1-17 est	Q2-17 est
Fed Funds	.50	.70	.80	.90
2 Year	.76	.93	1.01	1.11
10 year	1.60	1.74	1.85	1.96



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 portfolios are all aligned relatively neutral to the identified benchmarks based on duration of each fund.
- 2) The portfolios are weighted towards high quality securities with a higher than normal allocation to US Treasury securities.
- 3) STO continues to evaluate buying corporate positions to provide further asset allocation and to potentially increase returns.
- 4) STO continues to be pro-active in managing liquidity requirements given the lower overall general balance funds.



Executive Summary

Quarterly Statistics:

- ✓ The STO Total Fund value balances decreased this quarter which was expected in the general fund due to budget expenditures and lower revenues.
- ✓ The decrease in balances were due to cash outflows in all three of the primary investment funds: General Fund Core, BPIP Taxable and Tax-Exempt.
- ✓ Liquidity requirements are managed in each fund to ensure cash is available when needed. The general fund liquidity increased this the quarter to provide for further cash needs in the general fund
- ✓ 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, which indicates a cautious position in anticipation of higher rates.
- ✓ Activity occurred throughout the quarter in all funds.
- ✓ Realized gains on the sales for the quarter across all funds totaled \$304,801.
- ✓ The LGIP balances remained stable.

KEY MEASURES	
STO Total	Balance
6/30/2016	3,938,520,515
9/30/2016	<u>3,403,195,121</u>
Change	(535,325,394)
General Fund	Core Balance
6/30/2016	1,015,150,888
9/30/2016	<u>914,641,422</u>
Change	(100,509,466)
General Fund	Liquidity Balance
	443,525,010
BPIP Funds Combined	
6/30/2016	1,501,476,589
9/30/2016	1,186,485,675
Change	(314,990,914)
LGIP Balances	
6/30/2016	750,598,952
9/30/2016	736,759,545
Change	(13,839,407)
Purchase Par Amount All Funds	
Count=106	710,120,704
Sales Amount All Funds	
Count=25	238,000,000
Realized Gains All Funds	
	304,801



KEY POINTS OF FOCUS FOR THE NMSTO - INVESTMENT PROGRAM

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: **NEUTRAL**

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 are slightly shorter than the benchmarks.

Ranking on Credit risk: **LOW**

The portfolio 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 and high quality corporate issuers. Commercial paper positions have been added to the BPIP funds and the severance tax fund. CP issuers include Microsoft, Toyota, US Bank and General Capital US 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. STO is effectively incorporating a cash flow model to manage liquidity and seeking value on the yield curve and in various asset types.

KEY MEASURES

Interest Risk

NEUTRAL

Credit Risk

LOW

Reinvestment Rate Risk

LOW

Fed Funds Target

Previous	.25-.50%
Current	.25-.50%

2 Year Treasury Yields

Last Quarter End	0.72%
This Quarter End	0.76%



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 market value declined by \$174MM due to withdrawals from the fund. STO focused on maintaining balances in the fund dedicated to the liquidity component at \$500MM and it ended the quarter at \$443MM. The duration of the core fund shortened over the quarter to 1.96 years which is 87% of the benchmark. This is consistent with the portfolio manager's outlook to maintain the duration relatively close to the benchmark and to maintain a position to meet the demand on liquidating securities at realized gains. A shorter duration will protect the principal value of the portfolio as rates rise.

BPIP Taxable and Tax Exempt Funds:

The taxable and tax exempt funds both declined this quarter by \$80MM and \$234MM respectively. The durations remained shorter than the benchmarks and both funds remain within 80% of their benchmark duration. These funds continue to experience volatile cash flows and the liquidity balances should be monitored and increased if known there are not any expected bond proceeds funding the accounts.

LGIP Fund: The LGIP balance decreased by \$13MM versus last quarter. The earnings rate on the pool is consistent with the market conditions and is moving upward. The shift from bank deposits to agency paper extended the days to maturity slightly.

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	1.96
Benchmark Duration	2.23

BPIP Tax Exempt

Portfolio Duration	1.18
Benchmark Duration	1.43

BPIP Taxable

Portfolio Duration	1.14
Benchmark Duration	1.43

Total NM Investment Funds

Portfolio Duration	1.25
Benchmark Duration	1.47

LGIP

Portfolio DTM	56
Benchmark DTM	41

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 the Quarter

LGIP Fund

The LGIP increased the allocation from bank deposits to short term agency positions. The primary positions are fully collateralized repurchase agreements and Agency securities. Federal Farm Credit Variable notes were purchased for the LGIP to take advantage of the variable rate relative to short term US treasury rates.

GENERAL Fund

The liquidity fund reduced its holdings of Bank deposits and shifted to repurchase agreements. The US Treasury's continue to be an anchor for the general core fund with over 50% held. US treasuries maintain the highest liquidity in the secondary market.

BPIP Funds

The Tax-Exempt funds we impacted by cash flow withdrawals and US treasury securities and cash were used to provide for liquidity. Liquidity balances are low in both funds at quarter end.

Issuer Exposure

Overall the portfolios continue to have a higher than normal allocation to US treasury securities. This will shift as opportunities arise to reinvest cash and allocate to Agency securities. STO is not buying corporates in the longer funds until the uncertainty of cash flows subsides. Spreads are beginning to become more attractive in both the agency and corporate sector.

KEY MEASURES

Asset Allocations

General Core Fund

Agency	40.65%
Treasury	51.52%
Corporate	0.00%
Muni	0.37%
Other	7.46%

BPIP Tax Exempt

Agency	60.32%
Treasury	28.28%
Corporate CP	4.97%
Muni	3.76%
Other	2.68%

BPIP Taxable

Agency	52.96%
Treasury	35.86%
Corporate	0%
Muni	1.32%
Other	9.87%

LGIP

Agency	62.15%
Treasury	0.00%
Bank Deposits	0.00%
Repo	33.97%
Other	3.88%



Portfolio Name	Market Value+Int	% Fund	Repo	Bank Deposits	Treasury	Agency	Corp/CP	Muni	STIF/Other	Cash
Total LGIP	\$ 736,759,545	100%	33.97%	0.00%	0.00%	62.15%	0.00%		0.00%	0.04
Liquidity	\$ 381,753,990	52%								
Investments	\$ 355,005,555	48%								
LGIP GIP Index Benchmark			25.97%	16.05%	5.27%	52.23%	0.00%	0.00%		0.48%
Portfolio Name	Market Value+Int	% Fund	Repo	CD/Bank	Treasury	Agency	Corp/CP	LGIP	STIF/Other	Muni
Total General Fund	\$ 1,358,166,432	100%					0.00%			
Liquidity	\$ 443,525,010	33%	99.18%	0.00%			0.00%		0.00%	0.82%
Investment Core	\$ 914,641,422	67%	1.96%	5.56%	51.52%	40.65%	0.00%		-0.07%	0.37%
Portfolio Name	Market Value+Int	% Fund	Repo	CD/Bank	Treasury	Agency	Cash	LGIP	CP	Muni
Total Tax Exempt	\$ 587,095,181	100%	1.64%	0.51%	28.28%	60.32%	0.00%	0.53%	4.97%	3.76%
Liquidity	\$ (41,167,565)	-7%								
Investments	\$ 628,262,746	107%								
Portfolio Name	Market Value+Int	% Fund	Repo	CD/Bank	Treasury	Agency	Cash	LGIP	CP	Muni
Total Taxable	\$ 599,390,494	100%	4.09%	1.71%	35.86%	52.96%	0.00%	2.41%	1.67%	1.32%
Liquidity	\$ (9,472,397)	-2%								
Investments	\$ 608,862,891	102%								
Portfolio Name	Market Value+Int	% Fund	Repo	CD/Bank	Treasury	Agency	Corp/CP	LGIP	STIF/Other	Muni
Overnight Repo Pool	\$ 49,249,981	100%	100.00%				0.00%			
Liquidity	\$ 49,249,981	100%								
Investments		0%								
Portfolio Name	Market Value+Int	% Fund	Repo	CD/Bank	Treasury	Agency	Cash	LGIP	CP	Muni
Severance Tax Bonding	\$ 72,533,488	100%	84.48%	0.00%	0.00%	0.00%	0.09%	0.22%	9.64%	5.56%
Liquidity	\$ 57,974,942	80%								
Investments	\$ 14,558,546	20%								
TOTAL STO FUNDS	\$ 3,403,195,121									

Source : JP Morgan Reports - Balances -Trade Date

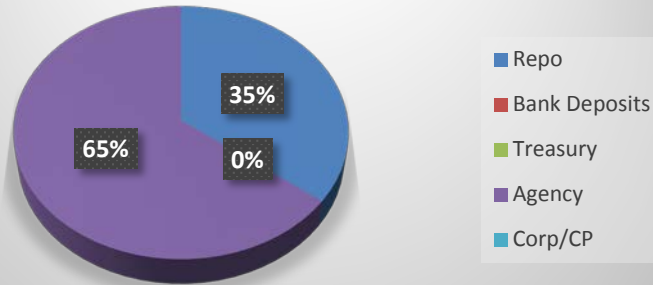
Source: Asset Allocation STO - JP Morgan Reports

The benchmarks for STO Funds are 100% US Treasury Securities

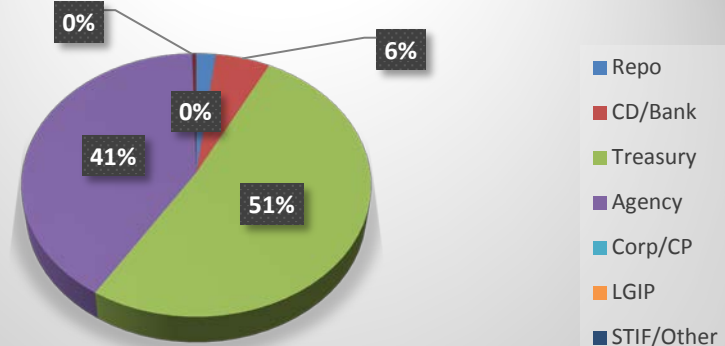
Assumption: QED is traded date accounting, therefore, negative cash balances were reduced from Repo or bank deposits



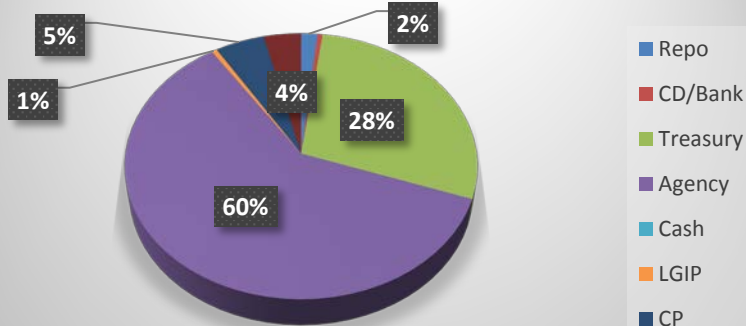
Total LGIP Allocations



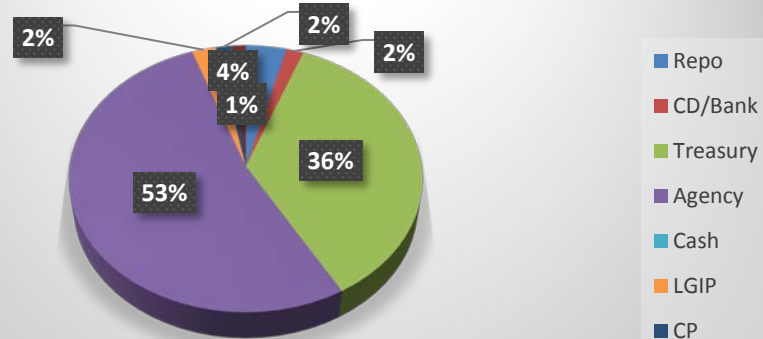
General Fund Core Allocations



Total Tax Exempt Allocations



Total Taxable Allocations





CHANGE IN PORTFOLIO FROM 6/30/16-9/30/16

LGIP Fund	Market Value+int	Repo	Bank	Treasury	Agency	Corp/CP	STIF	Other	Muni
9/30/2016	\$ 736,759,545	33.97%	0.00%	0.00%	62.15%	0.00%	0.00%	3.88%	
6/30/2016	\$ 750,598,952	31.31%	0.00%	2.01%	43.89%	0.00%	22.79%	0.00%	
Change over Period	\$ (13,839,407)	2.66%	0.00%	-2.01%	18.26%	0.00%	-22.79%	3.88%	
General Fund Liquidity	Market Value+Int	Repo	CD/Bank	Treasury	Agency	Corp/CP	STIF	LGIP	Muni
9/30/2016	\$ 443,525,010	99.18%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.82%
6/30/2016	\$ 517,606,607	40.56%	0.00%	0.00%	0.00%	0.00%	59.44%	0.00%	0.00%
Change over Period	\$ (74,081,597)	58.62%	0.00%	0.00%	0.00%	0.00%	-59.44%	0.00%	0.82%
General Fund Core	Market Value+Int	Repo	CD/Bank	Treasury	Agency	Corp/CP	STIF/Other	LGIP	Muni
9/30/2016	\$ 914,641,422	1.96%	5.56%	51.52%	40.65%	0.00%	-0.07%	0.00%	0.37%
6/30/2016	\$ 1,015,150,888	2.55%	5.20%	46.90%	44.33%	0.00%	0.00%	0.00%	1.02%
Change over Period	\$ (100,509,466)	-0.59%	0.36%	4.62%	-3.68%	0.00%	-0.07%	0.00%	-0.65%
BPIP Tax Exempt	Market Value+Int	Repo	CD/Other	Treasury	Agency	Cash	STIF/CP	LGIP	Muni
9/30/2016	\$ 587,095,181	1.64%	0.51%	28.28%	60.32%	0.00%	4.97%	0.53%	3.76%
6/30/2016	\$ 821,773,205	19.13%	0.37%	22.55%	46.95%	-0.12%	7.43%	0.00%	3.70%
Change over Period	\$ (234,678,024)	-17.49%	0.14%	5.73%	13.37%	0.12%	-2.46%	0.53%	0.06%
BPIP Taxable	Market Value+Int	Repo	CD/Other	Treasury	Agency	Cash	STIF/CP	LGIP	Muni
9/30/2016	\$ 599,390,494	4.09%	1.71%	35.86%	52.96%	0.00%	1.67%	2.41%	1.32%
6/30/2016	\$ 679,703,384	5.96%	1.21%	36.85%	37.89%	-0.08%	16.23%	0.00%	1.95%
Change over Period	\$ (80,312,890)	-1.87%	0.50%	-0.99%	15.07%	0.08%	-14.56%	2.41%	-0.63%
Overnight Repo Pool	Market Value+Int	Repo	CD/Other	Treasury	Agency	Corp/CP	STIF	LGIP	Muni
9/30/2016	\$ 49,249,981	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6/30/2016	\$ 139,080,166	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Change over Period	\$ (89,830,185)								
Severance Tax Bonding	Market Value+Int	Repo	CD/Other	Treasury	Agency	Cash	STIF/CP	LGIP	Muni
9/30/2016	\$ 72,533,488	84.48%	0.00%	0.00%	0.00%	0.09%	9.64%	0.22%	5.56%
6/30/2016	\$ 14,607,313	2.75%	0.00%	0.00%	53.92%	0.00%	1.54%	0.00%	41.79%
Change over Period	\$ 57,926,175	81.73%	0.00%	0.00%	-53.92%	0.09%	8.10%	0.22%	-36.23%
TOTAL STO FUNDS 9/30/16	\$ 3,403,195,121								
TOTAL STO FUNDS 6/30/16	\$ 3,938,520,515								
Total Change	\$ (535,325,394)								

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.

Quarter Performance

All three total return investment portfolios maintained shorter durations than the benchmarks due to the outlook and expectation of higher interest rates. Rates ended the period lower by approximately 20 basis points higher in the 2-3 year maturities. The core fund slightly outperformed and the BPIP slightly underperformed due to cash flow timing and deviations in the durations of the portfolios versus benchmarks.

Attribution Analysis

The primary contributor to return was the duration positioning relative to the benchmark. Credit exposure was minimal with the use of municipal securities and commercial paper.

Observations and Considerations

Interest rates are expected to continue to be volatile in anticipation of a federal reserve rate change on the federal funds rate. Rates are expected to be higher into 2016, however, other impacts such as oil, the elections and the federal reserves decision on interest rates will continue to influence volatility in the fixed income market. GPA is recommending to maintain durations in the portfolios slightly shorter to neutral the benchmark durations.

KEY MEASURES

Performance	Quarter
<u>General Core Fund</u>	
Portfolio	-0.05%
Benchmark	-0.12%
Book Yield	1.31%
<u>BPIP Tax Exempt</u>	
Portfolio	0.06%
Benchmark	-0.04%
Book Yield	0.89%
<u>BPIP Taxable</u>	
Portfolio	0.06%
Benchmark	-0.04%
Book Yield	0.91%
<u>NM Investment Funds</u>	
Portfolio	0.02%
Benchmark	-0.05%
Book Yield	1.08%
<u>LGIP</u>	
Portfolio Net Yield	0.40%
Benchmark Net Yield	0.28%



PERFORMANCE BY INVESTMENT FUND

Portfolio Name	Market Value	Days	Daily Yields	Earnings Yield
			9/30/2016	6/30/16-9/30/16
			Quarter End Yield	Fiscal Year
LGIP 30 Day Gross Yield	\$ 736,759,545	56	0.450%	0.44%
S&P LGIP Govt Pools Gross Return		41	0.440%	0.38%
LGIP 30 Day Net Yield		56	0.400%	0.39%
S&P LGIP Govt Pools Net Return		41	0.280%	0.20%

STO INVESTMENT FUNDS			Total Return		
Portfolio Name	Market Value	Duration - End	9/30/2016	9/30/2016	6/30/16-9/30/16
General Fund Liquidity	\$ 443,525,010	0.00	0.06%	0.06%	17.43%
Fund Benchmark S&P LGIP Pool Net Return		0.01	0.07%	0.07%	
General Fund Core	\$ 914,641,422	1.96	-0.05%	-0.05%	35.94%
Fund Benchmark Treasury 0-5 Year		2.23	-0.12%	-0.12%	
General Fund Total	\$ 1,358,166,432	1.32	-0.01%	-0.01%	53.37%
General Fund Total Benchmark - Weighted		1.51	0.00%	0.00%	
BPIP Tax Exempt	\$ 587,095,181	1.18	0.06%	0.06%	23.07%
Fund Benchmark - Treasury 0-3 Year		1.43	-0.04%	-0.04%	
BPIP Taxable	\$ 599,390,494	1.14	0.06%	0.06%	23.55%
Fund Benchmark - Treasury 0-3 Year		1.43	-0.04%	-0.04%	
Total STO Investment Funds	\$ 2,544,652,107	1.25	0.02%	0.02%	100.00%
Weighted Benchmark		1.47	-0.05%	-0.05%	

STO OTHER FUNDS			9/30/2016	9/30/2016	6/30/16-9/30/16
Portfolio Name	Market Value	Duration - End	Quarter Return	Quarter Return	Fiscal Year
Severance Tax Bonding	\$ 72,533,488	0.04	0.09%	0.09%	
Overnight Repo Pool	\$ 49,249,981	0	0.10%	0.10%	

Total STO Investment Funds \$ 3,403,195,121

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 \$7,921,937 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 \$1.4MM and the variance is due to the shorter duration of the investment funds of 1.51 versus 1.78 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

KEY MEASURES

Market Price Change If Rates Rise	
<u>General Core Fund</u>	
25 Basis point change	(4,481,743)
<u>BPIP Tax Exempt</u>	
25 Basis point change	(1,731,931)
<u>BPIP Taxable</u>	
25 Basis point change	(1,708,263)
<u>Total NM Funds</u>	
25 Basis point change	(7,921,937)
<u>LGIP</u>	
25 Basis point change	
Current NAV	100.0080
Potential Change	99.9780



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	\$ 914,641,422.00	1.96	\$ (4,481,742.97)	\$ (8,963,485.94)	\$ (17,926,971.87)
Fund Benchmark		2.23	\$ (5,099,125.93)	\$ (10,198,251.86)	\$ (20,396,503.71)
Portfolio Name	Market Value	Duration - End	Market Change	Market Change	Market Change
BPIP Tax Exempt	\$ 587,095,181.00	1.18	\$ (1,731,930.78)	\$ (3,463,861.57)	\$ (6,927,723.14)
Fund Benchmark		1.43	\$ (2,098,865.27)	\$ (4,197,730.54)	\$ (8,395,461.09)
Portfolio Name	Market Value	Duration - End	Market Change	Market Change	Market Change
BPIP Taxable	\$ 599,390,494.00	1.14	\$ (1,708,262.91)	\$ (3,416,525.82)	\$ (6,833,051.63)
Fund Benchmark		1.43	\$ (2,142,821.02)	\$ (4,285,642.03)	\$ (8,571,284.06)
Total STO Investment Funds	\$ 2,101,127,097.00	1.51	\$ (7,921,936.66)	\$ (15,843,873.32)	\$ (31,687,746.64)
Total Benchmark Change		1.78	\$ (9,340,812.22)	\$ (18,681,624.43)	\$ (37,363,248.86)

* Data Source: JP Morgan Custodial Reports

ASSUMED EARNINGS COMPARISON OF PORTFOLIO TO CASH EARNINGS ANNUALIZED				
		9/30/2016	1 year	3 year*
Portfolio Name	Market Value	Book Yield	Earnings	Earnings
General Fund Core	\$ 914,641,422.00	1.31%	\$ 11,954,363.39	\$ 35,863,090.16
Cash		0.30%	\$ 2,743,924.27	\$ 8,231,772.80
Portfolio Name	Market Value	Book Yield	Earnings	Earnings
BPIP Tax Exempt	\$ 587,095,181.00	0.89%	\$ 5,207,534.26	\$ 15,622,602.77
Cash		0.30%	\$ 1,761,285.54	\$ 5,283,856.63
Portfolio Name	Market Value	Book Yield	Earnings	Earnings
BPIP Taxable	\$ 599,390,494.00	0.91%	\$ 5,460,447.40	\$ 16,381,342.20
Cash		0.30%	\$ 1,798,171.48	\$ 5,394,514.45
Total STO Investment Funds	\$ 2,101,127,097.00	1.077%	\$ 22,622,345.04	\$ 67,867,035.12

Data Source: JP Morgan Custodial Reports and QED reports

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



SENSITIVITY ANALYSIS		As of 10/3/16	
Weighted Average Maturity:		56	
Shares Outstanding:	\$	736,451,645	Participant Share as of 9/30/16
Market Value (NAV):		1.00008	
Total \$ Unrealized Loss:		\$0	
Total \$ Unrealized Gain		\$58,916	
Market Value - JP Morgan Price	\$	736,759,545	9/30/2016

Basis Point Shift								Unrealized Gain (Loss)
300	0.993539	0.994975	0.995239	0.995477	0.995693	0.995888	0.996521	\$ (3,330,779)
250	0.994635	0.995827	0.996047	0.996244	0.996423	0.996586	0.997111	\$ (2,765,830)
200	0.995731	0.996679	0.996854	0.997012	0.997154	0.997283	0.997701	\$ (2,200,881)
150	0.996827	0.997532	0.997662	0.997779	0.997884	0.997981	0.998291	\$ (1,635,931)
100	0.997923	0.998384	0.998469	0.998546	0.998615	0.998678	0.998881	\$ (1,070,982)
50	0.999018	0.999237	0.999277	0.999313	0.999346	0.999375	0.999471	\$ (506,033)
0	1.000114	1.000089	1.000084	1.000080	1.000076	1.000073	1.000062	\$ 58,916
-50	1.001210	1.000941	1.000892	1.000847	1.000807	1.000770	1.000652	\$ 623,865
-100	1.002306	1.001794	1.001699	1.001614	1.001537	1.001467	1.001242	\$ 1,188,815
-150	1.003402	1.002646	1.002507	1.002381	1.002268	1.002165	1.001832	\$ 1,753,764
-200	1.004498	1.003498	1.003314	1.003148	1.002999	1.002862	1.002422	\$ 2,318,713
-250	1.005594	1.004351	1.004122	1.003916	1.003729	1.003560	1.003012	\$ 2,883,662
-300	1.006690	1.005203	1.004929	1.004683	1.004460	1.004257	1.003602	\$ 3,448,611

Redemption/Inflow	-30%	-10%	-5%	0%	5%	10%	30%
O/S Shares	515,516,152	662,806,481	699,629,063	736,451,645	773,274,227	810,096,810	957,387,139

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:

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9. Quarterly Investment Review – Portfolio Managers

Quarterly Investment Review

Market Summary

US Treasury yields increased during the third quarter of 2016 as intermediate maturity securities underperformed the rest of the curve. At the end of the second quarter interest rates had fallen, in a flight-to-quality following the Brexit vote, in response to equity market weakness. Cooler heads prevailed as fear of economic catastrophe from Brexit faded, at least for the present, allowing markets to refocus on the Federal Reserve and fundamentals. Equity markets proceeded to hit record highs, removing some of the glow of risk averse US Treasury securities. Employment came in stronger than expected as unemployment fell to 4.9% in August, giving rise to a possible rate hike in September that did not materialize. Oil prices remained tame beginning and ending the quarter at around \$48 per barrel with some gyrations.

With only two more Federal Reserve Open Market Committee meetings remaining in 2016, the lack of action in September, and the reveal of dissention in the ranks, yield sentiment shifted higher with the mid-December meeting in the cross hairs. The lack of additional quantitative easing coming out of Europe was also a catalyst for higher interest rates globally. The upcoming presidential election has stalled the equity market rally for now, with the prospect for renewed volatility only a few weeks away.

The STO portfolios were shorter in duration vs. benchmarks for the quarter as liquidity needs continued. With Treasury yields rising, the portfolios outperformed their benchmarks for the quarter. 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 however the new issue market was relatively subdued with limited supply being offered. The corporate market continues to perform well vs. Treasuries and Agencies, similarly the best value is in the new issuance. STO has been able to take advantage of the widening of spreads in commercial paper offerings as investors flee prime money market funds that will begin to float their NAVs in mid-October.

Table 1 - Comparative Quarterly Interest Rates

<i>US Treasury Yields</i>			
<i>Maturity</i>	<i>30-Jun</i>	<i>30-Sep</i>	<i>Change</i>
3-Month	0.26%	0.27%	0.01%
6-Month	0.35%	0.43%	0.08%
1-Year	0.43%	0.59%	0.16%
2-Year	0.58%	0.76%	0.18%
3-Year	0.69%	0.87%	0.18%
5-Year	1.00%	1.15%	0.15%
10-Year	1.47%	1.59%	0.12%
30-Year	2.29%	2.32%	0.03%

Source: Bloomberg LP

Strategy Employed During the Past Quarter

The portfolio durations were structured more conservatively than their benchmarks. The addition of corporate credit during the third quarter helped to increase overall portfolio yields without lengthening durations. Commercial paper had been particularly attractive versus Treasuries, Agencies and overnight investments as prime money market fund volumes declined.

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. The GF Core continued to maintain a conservative duration vs. the benchmark, meeting cash needs as they arose, generating \$100 million during the third quarter 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>	(0.05)%	1.22%
<i>BAML 0-5 US Treasury</i>	(0.12)%	1.28%
<i>Relative Performance (BPs)</i>	0.06%	(0.06)%

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>	1.96 Years	2.16 Years	91%

Source: QED, JPMorgan

Bond Proceeds Pools

With regard to relative performance, the Bond Proceeds Investment Pools outperformed their benchmarks for the third quarter as well as for the trailing 12-month period.

Table 4 Quarterly Bond Proceeds Investment Pool Relative Performance

<i>Fund</i>	<i>Performance</i>	
	<i>Quarter</i>	<i>12 Months</i>
<i>Bond Proceeds - Tax Exempt</i>	0.06%	0.78%
<i>BAML 0-3 US Treasury</i>	(0.04)%	0.74%
<i>Relative Performance (BPs)</i>	0.10%	0.04%

<i>Bond Proceeds – Taxable</i>	0.06%	0.78%
<i>BAML 0-3 US Treasury</i>	<u>(0.04)%</u>	<u>0.74%</u>
<i>Relative Performance (BPs)</i>	0.10%	0.04%

Source: JPMorgan

Both Pools were shorter than the duration of their benchmarks giving them an advantage during the quarter with interest rates rising.

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

<u>Fund</u>	<u>Duration</u>		<u>Percentage</u>
	<u>Portfolio</u>	<u>Benchmark</u>	
<i>Bond Proceeds - Tax Exempt</i>	1.18 Years	1.36 Years	87%
<i>Bond Proceeds – Taxable</i>	1.14 Years	1.36 Years	84%

Source: QED, JPMorgan

Local Government Investment Pool

The LGIP ended the third quarter at a market value of \$735 million, lower by \$15 million vs. the end of the second 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>	0.12%	0.40%
<i>S&P Government Bond Index (Gross)</i>	<u>0.11%</u>	<u>0.34%</u>
<i>Relative Performance (BPs)</i>	0.01%	0.06%

Source: JPMorgan

Severance Tax Bonding Fund

The Severance Tax Bonding Fund started the third quarter at \$14 million as debt service was paid out at the end of June. 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. Deposits averaged \$19 million per month during the third quarter.

The Severance Tax Bonding Fund was invested in overnight repurchase agreements, short term Agency notes, the LGIP, NM municipals 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>	0.09%	0.30%
<i>S&P Government Bond Index (Gross)</i>	<u>0.11%</u>	<u>0.34%</u>
<i>Relative Performance (BPs)</i>	(0.02)%	(0.04)%

Source: JPMorgan

Expectations for the Upcoming Quarter and Year

US Treasury yields have begun to price in a Fed rate hike in December 2016. Interest rates have moved higher at the beginning of the fourth quarter with the yield curve steepening; longer rates rising more than short rates. With the Fed on a very slow interest rate trajectory, longer maturities are more susceptible to inflationary pressures. The intermediate segment where STO invests, will be particularly sensitive to an increase in interest rates, if in fact it comes to fruition. 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. The Core portfolio has already generated a \$200 million transfer to Liquidity in October. The ability to raise cash without taking losses when requested continues to be 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.

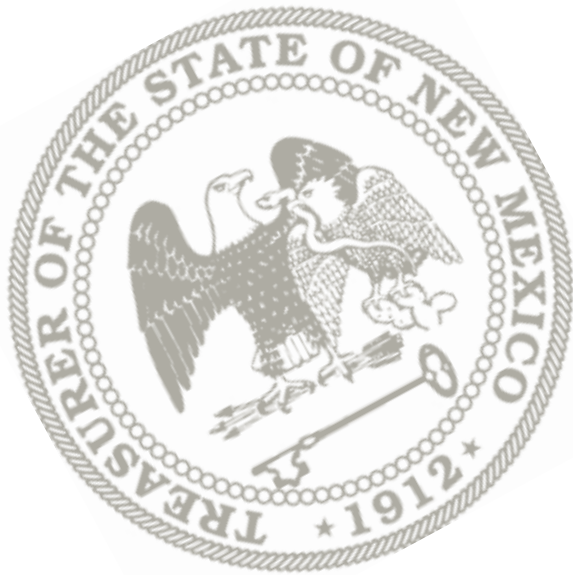
Local Government Investment Pool

The LGIP has remained somewhat stable at \$735 million in assets. The gross yield on the Pool was 0.45% at the end of the third quarter and is influenced by the level of the Federal Funds rate. 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 on 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 September at \$1.4 Billion.

Portfolio Mix

- At month end, 100% of the General Fund CORE portfolio was invested in fixed income securities; 52% in US Government Securities; 40% in Government Related Securities (Municipal Bonds and Agency Securities), and the balance ~8% in cash and cash equivalents.
- 34% of the portfolio was invested in securities that mature in one year; 19% in securities that mature from 1-2 years; 41% in 2-4 years and 6% within 5 years.
- The General Fund Core portfolio held positions in 66 securities at the end of September.
- The Weighted Average Life of the CORE portion of the General Fund was 2.02 years. The Weighted Average duration was 1.96 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 outperformed its benchmark, returning (0.05)% vs. (0.12)%.
- For the last 12 months, the General Fund underperformed its benchmark. The General Fund gained 1.22% while the benchmark rose 1.28%.

Market Value and Investment Earnings

- Unrealized gains/losses in the Core Portfolio at the end of September were \$8,819,467.
- Over the month, the unrealized value of the portfolio increased \$0.3 million.
- Monthly net earnings for September on the General Fund Portfolios were \$1.1 million.
- Total monthly earnings including mark-to-market were \$1,402,804.
- Year-to-date net earnings were \$3.5 million.
- Total year-to-date earnings including mark-to-market were \$(286,212).
- Earnings on the General Fund are used to offset General Fund Spending.

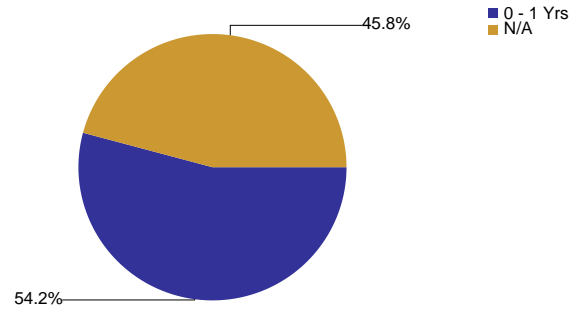
Investment Highlights

- 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.
- Liquidity needs continue unabated, with \$200 million transferred from GF Core to GF Liquidity in October.

Portfolio Characteristics

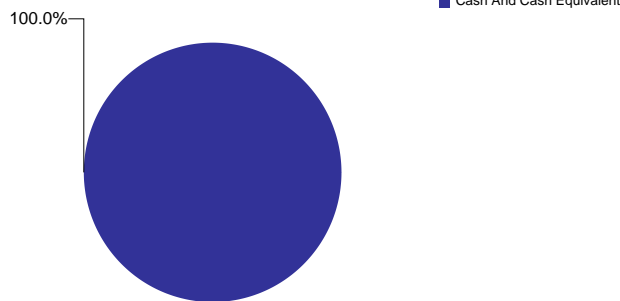
Duration Mix

Total Net Assets (Millions)	443.5
Weighted Average Life (Years)	0.00
Weighted Avg. Effective Duration (Years)	0.00
Weighted Average Coupon (%)	0.18
Weighted Average Current Yield (%)	0.18
Weighted Average Yield to Maturity (%)	0.18
Weighted Average Rating	AAA
Number of Holdings	10



Asset Mix

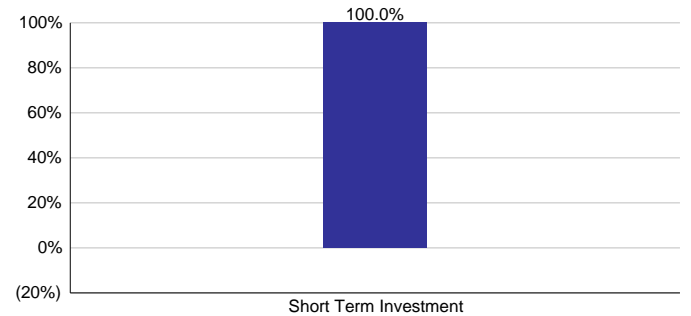
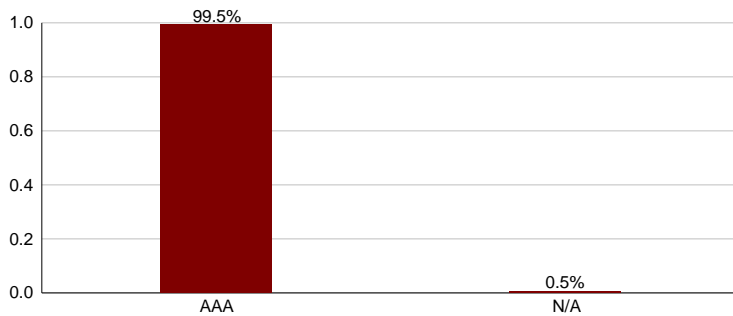
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
89499LC10	BANK OF THE WEST	45.31%	0.00	1/10/2016
99GR40023	REPO MUFG SECURITIES AMERICA INC. 093016K	11.53%	0.25	1/10/2016
99GR40024	REPO MUFG SECURITIES AMERICA INC. 093016J	11.53%	0.25	1/10/2016
99GR40028	REPO JPMORGAN CHASE BK (GREENWICH) 093016N	11.13%	0.47	1/10/2016
AAH9972B0	PP GADSDEN INDEPENDENT PUBLIC SCHOOL DISTRICT GO	0.45%		
99GR40029	REPO JPMORGAN CHASE BK (GREENWICH) 093016M	7.09%	0.47	1/10/2016
99GR40050	REPO MUFG SECURITIES AMERICA INC. 093016FIX	3.12%	0.25	1/10/2016
99GR40030	REPO JPMORGAN CHASE BK (GREENWICH) 093016L	0.81%	0.47	1/10/2016
99GR40027	REPO JPMORGAN CHASE BK (GREENWICH) 093016O	0.71%	0.47	1/10/2016
99GR40049	REPO MUFG SECURITIES AMERICA INC. 093016IFX	8.31%	0.25	1/10/2016

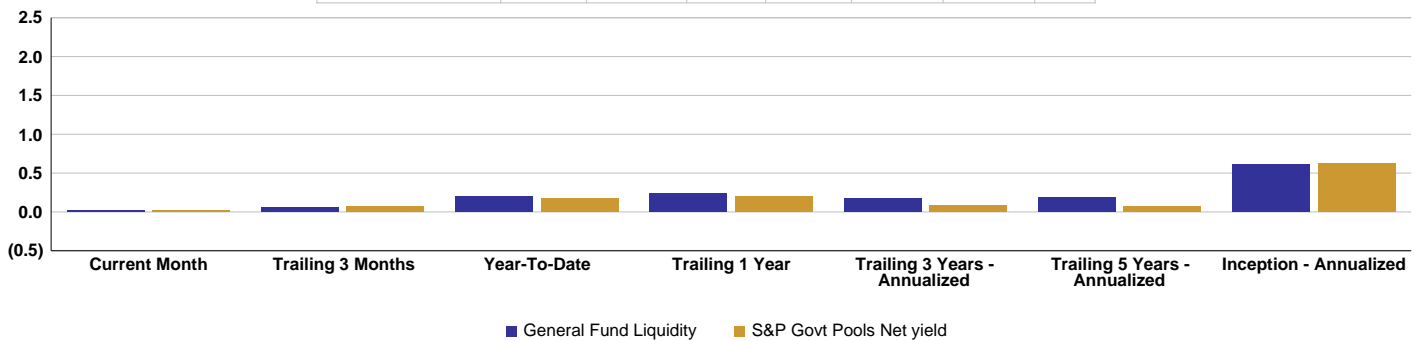
Quality/Rating Weightings

Sector Weightings (as % of Market Value)



Returns Series

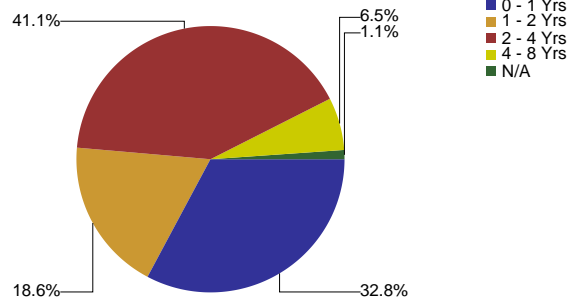
	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
General Fund Liquidity	0.02	0.06	0.20	0.24	0.17	0.19	0.61
S&P Govt Pools Net yield	0.02	0.07	0.18	0.20	0.08	0.07	0.62
Excess	0.00	(0.01)	0.03	0.05	0.09	0.11	(0.01)



Portfolio Characteristics

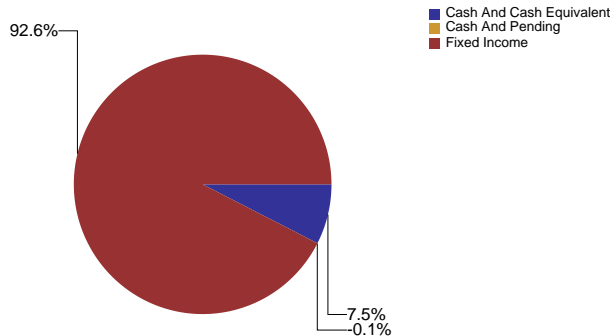
Duration Mix

Total Net Assets (Millions) **914.6**
 Weighted Average Life (Years) **2.02**
 Weighted Avg. Effective Duration (Years) **1.96**
 Weighted Average Coupon (%) **1.49**
 Weighted Average Current Yield (%) **0.22**
 Weighted Average Yield to Maturity (%) **0.23**
 Weighted Average Rating **AA**
 Number of Holdings **65**



Asset Mix

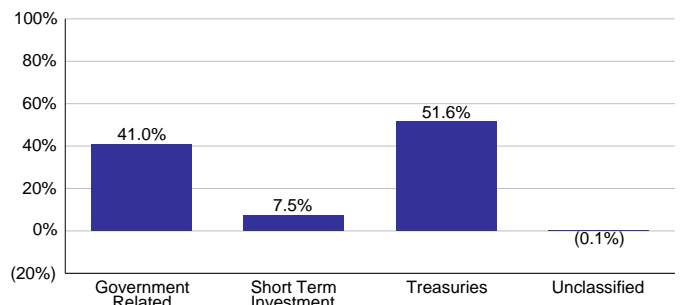
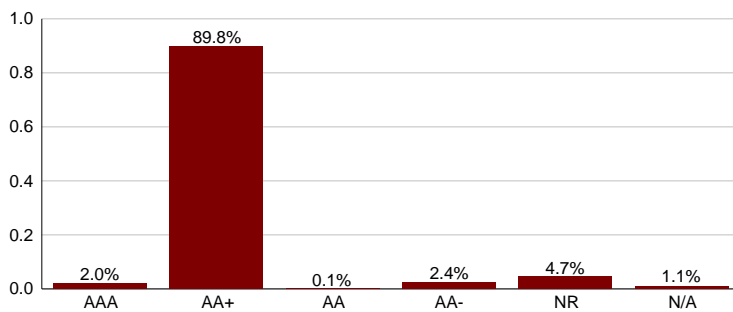
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
912828WCO	UNITED STATES OF AMERICA 1.750% 2020-10-31	4.63%	1.75	31/10/2020
3137EADCO	FEDERAL HOME LOAN MORTGAGE CORP 1% BDS 08/MAR/2017	4.38%	1.00	8/3/2017
912828C65	UNITED STATES OF AMERICA 1.625% 2019-03-31	3.90%	1.62	31/3/2019
3130A7CV5	FEDERAL HOME LOAN BANKS BOND FIXED 1.375%	3.74%	1.38	18/2/2021
912828JUV0	UNITED STATES OF AMERICA 1.125% 2020-03-31	3.71%	1.12	31/3/2020
912828VV9	UNITED STATES OF AMERICA 2.125% 2020-08-31	2.85%	2.12	31/8/2020
912828VE7	UNITED STATES OF AMERICA 1.000% 2018-05-31	2.75%	1.00	31/5/2018
3135G0PQ0	FEDERAL NATIONAL MORTGAGE ASSOC 0% BDS 26/OCT/2017	2.75%	0.88	26/10/2017
31315PN88	FEDERAL AGRICULTURAL MORTGAGE CORP MEDIUM TERM	2.74%	1.10	26/1/2017
3135G0GY3	FEDERAL NATIONAL MORTGAGE ASSOC 1.25% MTG BDS	4.39%	1.25	30/1/2017

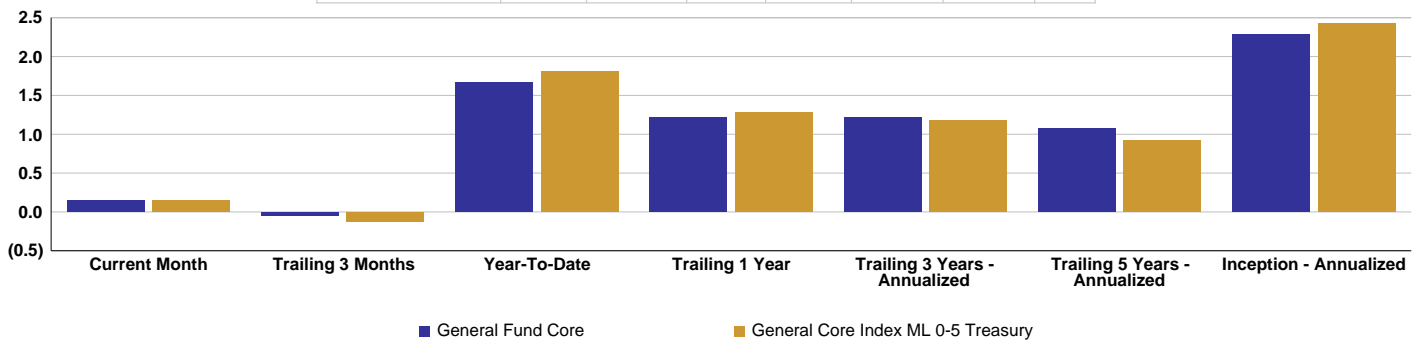
Quality/Rating Weightings

Sector Weightings (as % of Market Value)



Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
General Fund Core	0.15	(0.05)	1.66	1.22	1.22	1.08	2.29
General Core Index ML 0-5 Treasury	0.14	(0.12)	1.81	1.28	1.18	0.92	2.43
Excess	0.00	0.07	(0.15)	(0.06)	0.04	0.16	(0.14)



STATE OF NEW MEXICO
GENERAL FUND (1000)
Portfolio Classification Summary
Positions Held as of 9/30/16 (TRADE Basis)

AMTZ ADDED: NO

ASSET CLASSIFICATION	ITEMS	YIELD	AVG-TERM	PRINCIPAL	COST-BASIS	MARKET-VALUE	GAIN/LOSS	%MARKET
REPURCHASE AGREEMENTS (O/N)	2	.3347	.00820	240,578,820	240,578,820	240,578,820		54.488
MUNICIPAL BOND REVENUE	1	.5863	.05480	2,000,000	2,000,000	2,000,000		.453
CASH ACCOUNT	2			198,943,958	198,943,958	198,943,958		45.059
	<u>5</u>	<u>.1850</u>	<u>.00858</u>	<u>441,522,778</u>	<u>441,522,778</u>	<u>441,522,778</u>		<u>100.000</u>

STATE OF NEW MEXICO
GENERAL FUND CORE (1001)
Portfolio Classification Summary
Positions Held as of 9/30/16 (TRADE Basis)

AMTZ ADDED: NO

ASSET CLASSIFICATION	ITEMS	YIELD	AVG-TERM	PRINCIPAL	COST-BASIS	MARKET-VALUE	GAIN/LOSS	%MARKET
REPURCHASE AGREEMENTS (O/N)	1	.4765	.00820	17,921,327	17,921,327	17,921,327		1.965
CERTIFICATES OF DEPOSIT	9	.7631	.39163	50,750,000	50,750,000	50,750,000		5.564
US TREASURY NOTE ACT/ACT 2X	23	1.3286	2.40141	462,750,000	464,587,061	469,882,453	5,295,392	51.520
AGENCY US BOND 30/360 2X	5	1.4803	3.98297	52,500,000	52,288,050	52,851,730	563,680	5.795
AGENCY 30/360 2X	2	1.0869	.74248	30,000,000	29,992,043	30,029,800	37,757	3.293
AGENCY US BOND 30/360 ZERO CPN	1	2.2074	3.02190	22,941,000	21,560,557	22,020,607	460,050	2.414
AGENCY US NOTES 30/360 2X	11	1.4298	1.64930	207,000,000	208,371,828	210,743,140	2,371,312	23.107
FED NATL MORTGAGE ASSN DEBS	3	1.0495	.36983	55,000,000	55,028,491	55,123,000	94,509	6.044
MUNI US 30/360 2X	10	.8776	1.00281	3,320,000	3,362,579	3,358,918	-3,661	.368
CASH ACCOUNT	1			-644,576	-644,576	-644,576		-.071
	<u>66</u>	<u>1.3073</u>	<u>1.99190</u>	<u>901,537,751</u>	<u>903,217,360</u>	<u>912,036,399</u>	<u>8,819,039</u>	<u>100.000</u>

STATE OF NEW MEXICO

TREASURERS OFFICE

Position holdings as of 9/30/16 (TRADE)
BOOK VALUES AMORTIZED THROUGH 9/30/16

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
- 2,000,000	(TD)-CASH KEY	CASHCASH				1.00000	- 2,000,000.00	- 2,000,000.00	
200,943,958	BANK OF THE WEST	CASHCASH				1.00000	200,943,958.29	200,943,958.00	- .29
198,943,958							198,943,958.29	198,943,958.00	- .29

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

153,000,000	OVERNIGHT REPO	1003RP	.250	10/03/16	.250	1.00000	153,000,000.00	153,000,000.00	
87,578,820	OVERNIGHT REPO	1003RP	.470	10/03/16	.470	1.00000	87,578,819.75	87,578,819.75	
2,000,000	GADSDEN SCHOOL DISTRICT 2016	GISDGO16	.580	10/20/16	.578	100.00000	2,000,000.00	2,000,000.00	
242,578,820							242,578,819.75	242,578,819.75	

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

441,522,778							441,522,778.04	441,522,777.75	- .29
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====> 0005 ITEMS IN SUBTOTAL FOR ==== FUND NAME..... ==== GENERAL FUND <====

STATE OF NEW MEXICO

TREASURERS OFFICE

Position holdings as of 9/30/16 (TRADE)

BOOK VALUES AMORTIZED THROUGH 9/30/16

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
- 644,576	(TD)-CASH KEY	CASHCASH				1.00000	- 644,575.75	- 644,576.00	- .25
-							- 644,575.75	- 644,576.00	- .25

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

170,000	GRANTS / CIBOLA CNTY N MEX SCHDI	388240GW	2.000	10/01/16	.650	100.00000	170,000.00	170,000.00	
17,921,327	OVERNIGHT REPO	1003RP	.470	10/03/16	.470	1.00000	17,921,327.18	17,921,327.18	
10,000,000	FIRST NATIONAL SANTA FE	84000530	.600	10/10/16	.600	1.00000	10,000,000.00	10,000,000.00	
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	
41,091,327							41,091,327.18	41,091,327.18	

====> 0005 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	25,049,250.00	49,250.00
40,000,000	FED NATL MORTGAGE ASSN DEBS	3135G0GY	1.250	1/30/17	1.054	100.06373	40,025,493.41	40,104,000.00	78,506.59
40,000,000	FED HOME LOAN MORTGAGE CORP DBS	3137EADC	1.000	3/08/17	1.019	99.99159	39,996,636.19	40,092,000.00	95,363.81
250,000	GUADALUPE CREDIT UNION	35605000	1.000	3/26/17	1.000	1.00000	250,000.00	250,000.00	
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	100.04298	10,004,297.54	10,031,200.00	26,902.46
2,000,000	FARMERS & STOCKMENS BANK	8521016	.650	4/28/17	.650	1.00000	2,000,000.00	2,000,000.00	
20,000,000	UNITED STATES TREASURY NOTES	912828SY	.625	5/31/17	1.009	99.74651	19,949,301.97	20,004,000.00	54,698.03
1,080,000	LAS CRUCES N MEX JT UTIL REV	517496EL	2.000	6/01/17	.750	100.82915	1,088,954.83	1,087,873.20	- 1,081.63
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	99.79305	19,958,610.28	20,021,800.00	63,189.72
9,000,000	UNITED STATES TREASURY NOTES	912828WT	.875	7/15/17	.966	99.92878	8,993,590.49	9,017,550.00	23,959.51
20,000,000	UNITED STATES TREASURY NOTES	912828NR	2.375	7/31/17	1.122	101.03375	20,206,749.55	20,285,200.00	78,450.45
300,000	SAN JUAN CNTY N MEX CENT CONS IN	798359KS	1.000	8/01/17	.751	100.20665	300,619.96	299,532.00	- 1,087.96
20,000,000	UNITED STATES TREASURY NOTES	912828HA	4.750	8/15/17	1.027	103.22341	20,644,682.85	20,706,200.00	61,517.15
10,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EAAY	5.500	8/23/17	1.072	103.93034	10,393,033.98	10,425,800.00	32,766.02
10,000,000	UNITED STATES TREASURY NOTES	912828D9	1.000	9/15/17	1.058	99.94504	9,994,503.93	10,030,900.00	36,396.07
15,000,000	FNMA	3135G0ZL	1.000	9/27/17	1.118	99.88435	14,982,652.31	15,048,150.00	65,497.69
25,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0PQ	.875	10/26/17	1.164	99.69373	24,923,432.95	25,041,000.00	117,567.05
20,000,000	UNITED STATES TREASURY NOTES	912828HH	4.250	11/15/17	1.085	103.51982	20,703,964.57	20,787,400.00	83,435.43

STATE OF NEW MEXICO

TREASURERS OFFICE

Position holdings as of 9/30/16 (TRADE)

BOOK VALUES AMORTIZED THROUGH 9/30/16

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
20,000,000	UNITED STATES TREASURY NOTES	912828UA	.625	11/30/17	1.075	99.48038	19,896,075.31	19,984,400.00	88,324.69
255,000	SILVER CITY N MEX JT UTIL SYS RE	82750RAP	2.000	12/01/17	1.000	101.15592	257,947.60	258,177.30	229.70
331,385,000							333,070,547.72	334,024,432.50	953,884.78

====> 0023 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ====> 2017 <====

5,000,000	UNITED STATES TREASURY NOTES	912828UJ	.875	1/31/18	1.309	99.42845	4,971,422.57	5,010,550.00	39,127.43
15,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EADP	.875	3/07/18	1.454	99.18159	14,877,237.97	15,011,700.00	134,462.03
2,000,000	FARMERS & STOCKMENS BANK	852105Z	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	99.12102	24,780,255.34	24,959,000.00	178,744.66
25,000,000	UNITED STATES TREASURY NOTES	912828VE	1.000	5/31/18	1.228	99.62538	24,906,345.92	25,098,750.00	192,404.08
150,000	LAS CRUCES N MEX HOLD HARMLESSGR	51748QAY	4.000	6/01/18	1.500	104.09813	156,147.19	156,736.50	589.31
360,000	SANDOVAL COUNTY	800050FG	2.000	6/01/18	.920	101.75200	366,307.20	366,246.00	- 61.20
225,000	SAN JUAN CNTY N MEX CENT CONS IN	798359KT	1.000	8/01/18	1.000	99.99924	224,998.28	224,048.25	- 950.03
20,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0YM	1.875	9/18/18	1.438	100.84294	20,168,587.09	20,408,000.00	239,412.91
5,000,000	FEDERAL HOME LOAN BANKS	3130A9AE	.875	10/01/18	.908	99.93513	4,996,756.28	4,997,800.00	1,043.72
15,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0YT	1.625	11/27/18	1.747	99.74219	14,961,329.16	15,242,250.00	280,920.84
20,000,000	UNITED STATES TREASURY NOTES	912828RT	1.375	11/30/18	1.404	99.93851	19,987,701.09	20,239,800.00	252,098.91
500,000	FEDERAL HOME LOAN BANKS	313382F7	1.100	12/27/18	1.100	99.99930	499,996.48	501,580.00	1,583.52
133,235,000							132,897,084.57	134,216,460.75	1,319,376.18

====> 0013 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ====> 2018 <====

20,000,000	UNITED STATES TREASURY NOTES	912828SD	1.250	1/31/19	1.267	99.96090	19,992,179.12	20,194,600.00	202,420.88
20,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0ZA	1.875	2/19/19	1.678	100.45790	20,091,580.94	20,446,800.00	355,219.06
20,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EACA	3.750	3/27/19	1.762	104.81999	20,963,998.50	21,377,600.00	413,601.50
35,000,000	UNITED STATES TREASURY NOTES	912828C6	1.625	3/31/19	1.744	99.70964	34,898,373.13	35,665,700.00	767,326.87
265,000	SANDOVAL COUNTY	800050FH	3.000	6/01/19	1.070	105.00700	278,268.55	277,836.60	- 431.95
16,000,000	UNITED STATES TREASURY NOTES	912828TH	.875	7/31/19	1.507	98.25346	15,720,553.42	16,003,680.00	283,126.58
5,000,000	FANNIE MAE	3135G0N3	.875	8/02/19	.932	99.84084	4,992,042.15	4,980,550.00	- 11,492.15
13,000,000	FEDERAL AGRICULTURAL MORTGAGE CO	31315P3R	1.900	9/18/19	1.920	99.94233	12,992,503.11	13,337,220.00	344,716.89
22,941,000	FEDERAL NATIONAL MORTGAGE ASSOCI	313586RC		10/09/19	2.177	93.98264	21,560,557.27	22,020,607.08	460,049.81
24,500,000	UNITED STATES TREASURY NOTES	912828F6	1.500	10/31/19	1.561	99.81701	24,455,167.19	24,930,710.00	475,542.81
8,000,000	FEDERAL FARM CREDIT BANKS	3133EEBN	1.800	11/12/19	1.755	100.13445	8,010,755.70	8,182,720.00	171,964.30
14,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0ZY	1.750	11/26/19	1.701	100.14881	14,020,833.80	14,312,620.00	291,786.20

STATE OF NEW MEXICO

TREASURERS OFFICE

Position holdings as of 9/30/16 (TRADE)
BOOK VALUES AMORTIZED THROUGH 9/30/16

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
175,000	KNOX CNTY KY	499422DH	5.800	12/01/19	.780	100.83307	176,457.87	176,165.50	- 292.37
198,881,000							198,153,270.75	201,906,809.18	3,753,538.43
====> 0013 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ==== 2019 <====									
33,750,000	UNITED STATES TREASURY NOTES	912828UV	1.125	3/31/20	1.387	99.10892	33,449,261.03	33,912,337.50	463,076.47
13,500,000	UNITED STATES TREASURY NOTES	912828K5	1.375	4/30/20	1.501	99.56191	13,440,858.09	13,675,635.00	234,776.91
21,000,000	UNITED STATES TREASURY NOTES	912828VV	2.125	8/31/20	1.341	102.98059	21,625,924.69	21,849,030.00	223,105.31
4,000,000	UNITED STATES TREASURY NOTES	912828VV	2.125	8/31/20	1.654	101.77586	4,071,034.22	4,161,720.00	90,685.78
41,000,000	UNITED STATES TREASURY NOTES	912828WC	1.750	10/31/20	1.462	101.13655	41,465,983.67	42,077,890.00	611,906.33
20,000,000	US TREASURY N/B	912828A4	2.000	11/30/20	1.783	100.86603	20,173,206.91	20,731,200.00	557,993.09
20,000,000	UNITED STATES TREASURY NOTES	912828N4	1.750	12/31/20	1.383	101.50654	20,301,307.33	20,534,400.00	233,092.67
153,250,000							154,527,575.94	156,942,212.50	2,414,636.56
====> 0007 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ==== 2020 <====									
34,000,000	FEDERAL HOME LOAN BANKS	3130A7CV	1.375	2/18/21	1.511	99.42408	33,804,188.80	34,206,380.00	402,191.20
5,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134G9D8	.750	6/30/21	.854	99.97400	4,998,700.04	4,987,800.00	- 10,900.04
5,000,000	FHLB	3130A8QS	1.125	7/14/21	1.227	99.52720	4,976,359.92	4,963,250.00	- 13,109.92
44,000,000							43,779,248.76	44,157,430.00	378,181.24
====> 0003 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ==== 2021 <====									
340,000	KNOX CNTY KY	499422DL	5.875	12/01/36	.780	100.84551	342,874.75	342,301.80	- 572.95
340,000							342,874.75	342,301.80	- 572.95
====> 0001 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ==== 2036 <====									
901,537,751							903,217,353.92	912,036,397.91	8,819,043.99



11. Portfolio Summary- Local Government Investment Pool

Portfolio Summary – Local Government Investment Pool (LGIP)

Summary

- Ending September market value for the LGIP was \$737mil representing an increase relative to August's reported closing value of \$694mil.
- The LGIP maintains an AAAM rating by Standard & Poor's.
- At the end of September the STO LGIP participant balance was \$17.6mil or 2% of the Pool.
- At the end of September the Judicial District Court LGIP participant balance was \$5.1mil or 0.7% of the Pool.

Portfolio Mix

- At the end of September 2016 the portfolio was invested as follows: 0% in US Treasuries, 38% in US government agencies, 4% in collateralized demand deposit accounts with qualified banking institutions, 24% in floating rate securities, and 34% in overnight repurchase agreements.
- At month-end, the LGIP held positions in 52 securities.

Investment Earnings

- In September the fund earned \$267,567.
- For FY2017, the fund has earned \$803,784.
- 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 0.4482% at the end of September.
- Net yield to participants was 0.3982%.

Investment Highlights

- For the LGIP, the WAM(R) of 56 days, and WAM (F) of 92 days, were within their maximums of 60 and 120 days respectively.
- The LGIP purchased \$195.92mil in US agency securities, \$110.474mil of which matured within a month or less. The remaining securities mature in 4 to 12 months at yields spanning 0.40% to 0.74%.
- The LGIP engaged in 40 repo trades during the month, consisting of 29 overnight and 11 term trades. Trade amounts varied in size from \$5mil to \$100mil at rates spanning 0.25% to 0.55%.

Investment Strategy

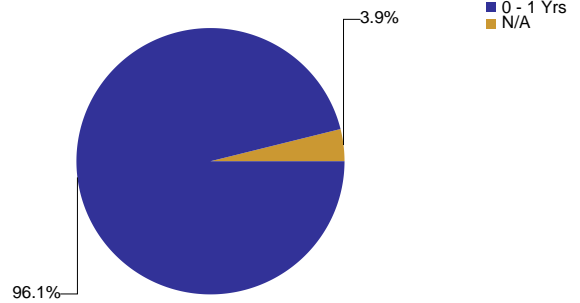
- LGIP WAMs are currently 57 and 94 days for WAM(R) and WAM (F) respectively.
- It is expected that the LGIP WAMs will remain close to the allowable maximums.
- LGIP will continue to focus on maximizing safety of principal and providing adequate liquidity through the use of conservative investments.

Net Asset Value/Share

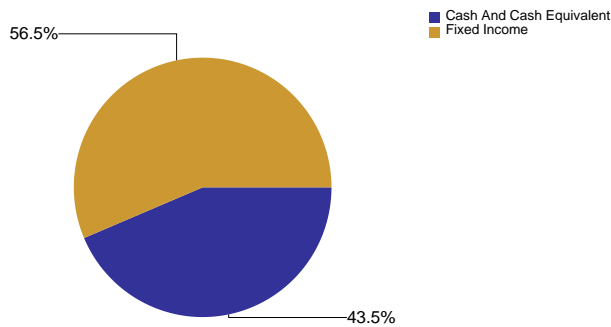
At month-end, the Net Asset Value per Share of the Local Government Investment Pool was \$1.000.

Portfolio Characteristics Duration Mix

Total Net Assets (Millions)	736.8
Weighted Average Life (Years)	0.25
Weighted Avg. Effective Duration (Years)	0.15
Weighted Average Coupon (%)	0.68
Weighted Average Current Yield (%)	0.60
Weighted Average Yield to Maturity (%)	0.61
Weighted Average Rating	AA
Number of Holdings	52

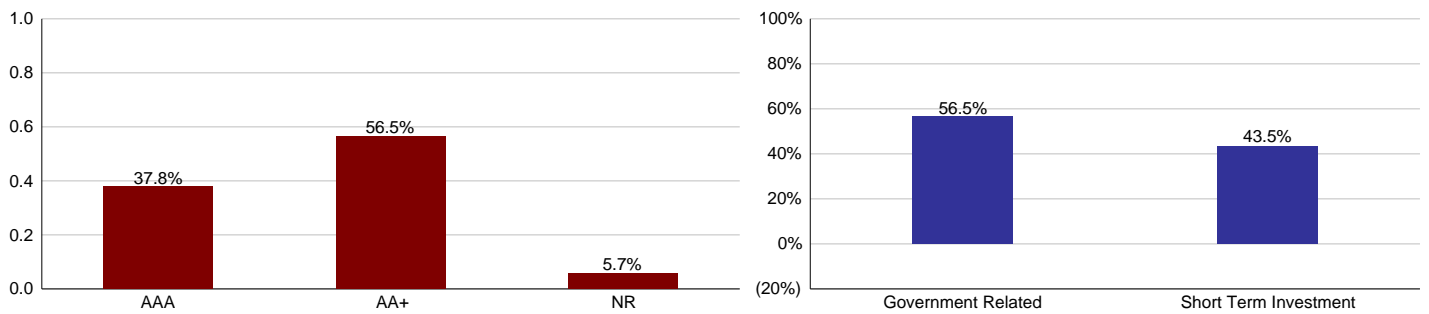


Asset Mix Top Ten Portfolio Holdings



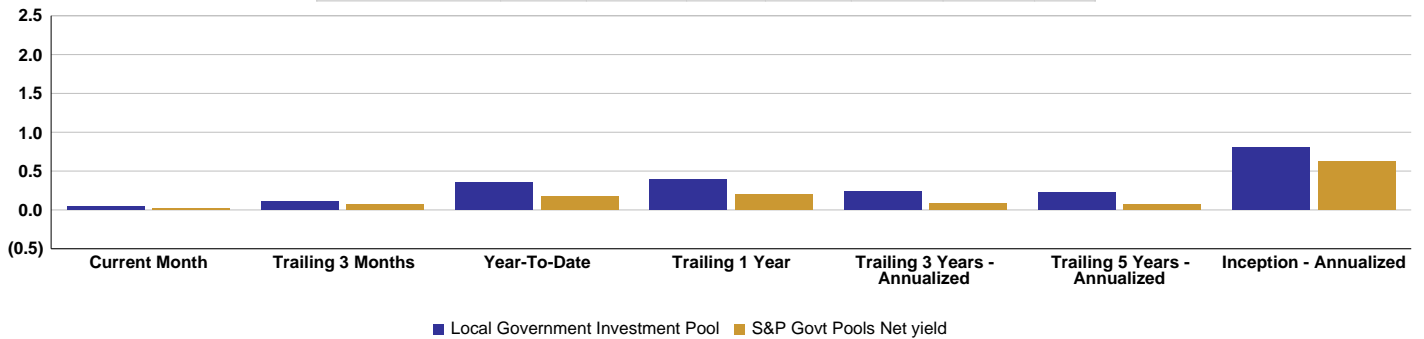
Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
99GR40019	REPO JPMORGAN CHASE BK (HSBCSI) LGIPREPO093016_8	6.93%	0.55	1/10/2016
99GR30048	REPO JPMORGAN CHASE BK (HSBCSI) LGIPREPO092916_5	6.79%	0.48	1/10/2016
99GR40021	REPO RBC CAPITAL MARKETS LLC LGIPREPO093016_6	6.71%	0.40	1/10/2016
99GR40018	REPO JPMORGAN CHASE BK (HSBCSI) LGIPREPO093016_9	6.65%	0.55	1/10/2016
3137EADC0	FEDERAL HOME LOAN MORTGAGE CORP 1% BDS 08/MAR/2017	4.58%	1.00	8/3/2017
3135G0ZB2	FEDERAL NATIONAL MORTGAGE ASSOCIATION NOTES FIXED	4.26%	0.75	20/4/2017
3130A3J70	FEDERAL HOME LOAN BANKS BOND FIXED 625%	3.46%	0.62	23/11/2016
3133FEFG1	FEDERAL FARM CREDIT BANK BOND VARIABLE 20/OCT/2016	3.45%	0.53	20/10/2016
3133EFFV4	FEDERAL FARM CREDIT BANK BOND VARIABLE 30/MAY/2017	3.40%	0.65	30/5/2017
99GR10059	REPO RBC CAPITAL MARKETS LLC LGIPREPO0926_15	6.79%	0.29	1/10/2016

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
Local Government Investment Pool	0.04	0.12	0.36	0.40	0.24	0.23	0.80
S&P Govt Pools Net yield	0.02	0.07	0.18	0.20	0.08	0.07	0.62
Excess	0.02	0.05	0.18	0.20	0.16	0.16	0.18



STATE OF NEW MEXICO
LGIP FUND (4101)
Portfolio Classification Summary
Positions Held as of 9/30/16 (TRADE Basis)

AMTZ ADDED: NO

ASSET CLASSIFICATION	ITEMS	YIELD	AVG-TERM	PRINCIPAL	COST-BASIS	MARKET-VALUE	GAIN/LOSS	%MARKET
REPURCHASE AGREEMENTS (O/N)	2	.5069	.00820	150,000,000	150,000,000	150,000,000		20.382
REPURCHASE AGREEMENTS (TERM)	2	.3903	.01510	100,000,000	100,000,000	100,000,000		13.588
AGENCY US FLOAT ACT/360 12X	9	.5231	.33385	87,705,000	87,708,874	87,741,727	32,853	11.922
AGENCY US BOND 30/360 2X	9	.6040	.43667	70,745,000	70,828,316	70,844,474	16,158	9.626
AGENCY US DISC ACT/360 360 DAY	4	.5121	.17237	42,100,000	42,062,492	42,082,654	20,162	5.718
AGENCY 30/360 2X	1	.4576	.14790	25,450,000	25,456,344	25,461,707	5,363	3.460
AGENCY US BOND 30/360 ZERO CPN	1	.6179	.66850	10,000,000	9,959,716	9,957,800	-1,916	1.353
AGENCY US NOTES 30/360 2X	11	.5459	.36675	129,405,000	129,848,884	129,865,477	16,593	17.646
AGENCY US VARIABLE ACT/360 4X	6	.6186	.34116	86,425,000	86,437,682	86,458,296	20,614	11.748
AGENCY US VAR 30/360 4X	1	.5069	.24660	5,000,000	5,000,000	4,998,000	-2,000	.679
CASH ACCOUNT	4			28,545,566	28,545,566	28,545,566		3.879
	<u>50</u>	<u>.5028</u>	<u>.22466</u>	<u>735,375,566</u>	<u>735,847,874</u>	<u>735,955,701</u>	<u>107,827</u>	<u>100.000</u>

STATE OF NEW MEXICO

TREASURERS OFFICE

Position holdings as of 9/30/16 (TRADE)
BOOK VALUES AMORTIZED THROUGH 9/30/16

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
10,555,033	WELLS FARGO CASH ACCOUNT	CASHCASH	.100			1.00000	10,555,032.90	10,555,033.00	.10
2,367,669	WELLS FARGO SAVINGS	CASHCASH	.100			1.00000	2,367,668.68	2,367,669.00	.32
12,437,192	BANK OF THE WEST	CASHCASH	.250			1.00000	12,437,192.21	12,437,192.00	-.21
3,185,672	US BANK	CASHCASH	.200			1.00000	3,185,672.11	3,185,672.00	-.11
28,545,566							28,545,565.90	28,545,566.00	.10

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

50,000,000	OVERNIGHT REPURCHASE AGREEMENT	1003ONRP	.400	10/03/16	.400	1.00000	50,000,000.00	50,000,000.00	
100,000,000	OVERNIGHT REPURCHASE AGREEMENT	1003ONRP	.550	10/03/16	.550	1.00000	100,000,000.00	100,000,000.00	
50,000,000	Repurchase Agreement Term Repo	1004TMRP	.290	10/04/16	.290	1.00000	50,000,000.00	50,000,000.00	
50,000,000	TERM REPURCHASE AGREEMENT	1007TMRP	.480	10/07/16	.480	1.00000	50,000,000.00	50,000,000.00	
10,000,000	FEDERAL FARM CREDIT BANKS	3133EDJA	.467	10/11/16	.482	100.00156	10,000,155.65	10,000,400.00	244.35
15,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EADS	.875	10/14/16	.541	100.01199	15,001,798.14	15,002,550.00	751.86
25,375,000	FEDERAL FARM CREDIT BANK	3133EFGK		10/20/16	.516	100.00000	25,375,000.00	25,376,522.50	1,522.50
450,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134G3S5	.625	11/01/16	.522	100.00847	450,038.13	450,108.00	69.87
8,000,000	FEDERAL HOME LOAN BANKS	313381B5	.580	11/14/16	.593	99.99826	7,999,860.64	8,002,800.00	2,939.36
20,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0ES	1.375	11/15/16	.530	100.10283	20,020,566.29	20,022,800.00	2,233.71
6,100,000	FEDERAL FARM CREDIT BANKS	313312P6	.300	11/15/16	.300	99.96250	6,097,712.50	6,098,414.00	701.50
20,000,000	FEDERAL HOME LOAN BANK	3130A8JE	.422	11/16/16	.523	99.99840	19,999,680.93	20,003,600.00	3,919.07
9,000,000	FEDERAL HOME LOAN BANKS	3130A34L	.750	11/18/16	.681	100.00877	9,000,789.21	9,004,410.00	3,620.79
10,000,000	FEDERAL FARM CREDIT BANKS	313312Q5		11/22/16	.481	99.93067	9,993,066.67	9,996,900.00	3,833.33
25,450,000	FEDERAL HOME LOAN BANK	3130A3J7	.625	11/23/16	.451	100.02493	25,456,344.22	25,461,707.00	5,362.78
1,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3136G07E	.625	11/28/16	.465	100.02516	1,000,251.58	1,000,650.00	398.42
20,000,000	FEDERAL HOME LOAN BANKS	313384S6		12/09/16	.501	99.90417	19,980,833.33	19,990,400.00	9,566.67
6,000,000	FEDERAL HOME LOAN BANKS	313384S9		12/12/16	.766	99.84800	5,990,880.00	5,996,940.00	6,060.00
4,785,000	FEDERAL NATIONAL MORTGAGE ASSOCI	31359M2D	4.875	12/15/16	.671	100.86092	4,826,195.22	4,829,739.75	3,544.53
7,685,000	TENNESSEE VALLEY AUTHORITY	880591DS	4.875	12/15/16	.440	100.90947	7,754,892.39	7,753,165.95	-1,726.44
438,845,000							438,948,064.90	438,991,107.20	43,042.30

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

7,000,000	FEDERAL FARM CREDIT BANKS	3133EDJ3	.467	1/03/17	.532	100.00539	7,000,377.20	7,003,010.00	2,632.80
9,300,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134G5Z3	.532	1/13/17	.395	100.03888	9,303,615.63	9,303,162.00	-453.63
10,000,000	FEDERAL FARM CREDIT BANKS	31331K6S	.479	1/17/17	.581	100.00000	10,000,000.00	10,005,500.00	5,500.00

STATE OF NEW MEXICO

TREASURERS OFFICE

Position holdings as of 9/30/16 (TRADE)
BOOK VALUES AMORTIZED THROUGH 9/30/16

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
5,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EADU	.500	1/27/17	.489	100.00336	5,000,168.20	5,001,550.00	1,381.80
10,000,000	FEDERAL HOME LOAN BANKS	3130A7ZB	.514	1/27/17	.398	100.03658	10,003,657.74	10,004,100.00	442.26
10,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0GY	1.250	1/30/17	.461	100.26015	10,026,015.27	10,026,000.00	- 15.27
4,000,000	FEDERAL FARM CREDIT BANKS	3133ECT7	1.000	3/01/17	.526	100.19668	4,007,867.33	4,009,840.00	1,972.67
33,629,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EADC	1.000	3/08/17	.498	100.21825	33,702,395.74	33,706,346.70	3,950.96
23,750,000	FEDERAL HOME LOAN BANKS	3130A2A6	.625	3/20/17	.533	100.04303	23,760,219.40	23,764,487.50	4,268.10
5,400,000	FEDERAL FARM CREDIT BANKS	3133EDX6	.500	4/10/17	.474	100.01079	5,400,582.48	5,400,000.00	- 582.48
1,310,000	FEDERAL HOME LOAN BANK	3130A7L9	.850	4/17/17	.850	100.00000	1,310,000.00	1,310,170.30	170.30
7,405,000	FEDERAL FARM CREDIT BANKS	3133EDJX	.491	4/17/17	.595	99.99221	7,404,422.89	7,412,034.75	7,611.86
5,400,000	FEDERAL FARM CREDIT BANKS	3133EFKH	.440	4/20/17	.535	99.96172	5,397,932.68	5,399,568.00	1,635.32
31,270,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0ZB	.750	4/20/17	.562	100.10375	31,302,443.32	31,308,149.40	5,706.08
10,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134G75N	.479	4/27/17	.605	99.97543	9,997,542.90	10,009,800.00	12,257.10
250,000	FEDERAL FARM CREDIT BANKS	3133EERF	.495	4/27/17	.500	99.94621	249,865.53	249,955.00	89.47
2,310,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3136FPYB	2.050	5/23/17	.620	100.91766	2,331,198.00	2,330,720.70	- 477.30
5,000,000	FEDERAL HOME LOAN BANKS	3130A7WA	.750	5/25/17	.750	100.00000	5,000,000.00	4,999,900.00	- 100.00
25,000,000	FEDERAL FARM CREDIT BANKS	3133EFFV	.650	5/30/17	.555	100.05976	25,014,939.88	25,021,750.00	6,810.12
10,000,000	FANNIE MAE	31359MEL		6/01/17	.609	99.59716	9,959,716.19	9,957,800.00	- 1,916.19
5,961,000	TENNESSEE VALLEY AUTH	880591EA	5.500	7/18/17	.704	103.80498	6,187,815.08	6,186,862.29	- 952.79
2,000,000	FEDERAL FARM CREDIT BANKS	3133ECP2	.700	8/09/17	.744	99.96275	1,999,254.98	1,997,600.00	- 1,654.98
10,000,000	FEDERAL HOME LOAN BANK	3130A92E	.625	8/11/17	.678	99.95432	9,995,431.98	10,002,100.00	6,668.02
5,000,000	FEDERAL HOME LOAN BANKS	3130A9LQ	.500	9/29/17	.500	100.00000	5,000,000.00	4,998,000.00	- 2,000.00
25,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0L2	.597	12/20/17	.808	99.99745	24,999,361.41	25,010,500.00	11,138.59
263,985,000							264,354,823.83	264,418,906.64	64,082.81

====> 0025 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2017 <====

4,000,000	FEDERAL FARM CREDIT BANKS	3133EEZ5	.542	3/22/18	.583	99.98556	3,999,422.40	4,000,120.00	697.60
4,000,000							3,999,422.40	4,000,120.00	697.60

====> 0001 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2018 <====

735,375,566							735,847,877.03	735,955,699.84	107,822.81
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====> 0050 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 September at \$587mil vs. \$600mil at the end of August.
- The Pool received \$17.6mil in draw requests for capital spending during the month and paid out \$14.7mil for capital projects.

Portfolio Mix

- 100% of the Tax-Exempt BPIP portfolio was invested in fixed income securities: 28% in US Treasuries, 60% in US agency securities, 5% in commercial paper, 4% in NM municipal securities and the balance, approximately 3%, was held in cash equivalents and collateralized NM bank CDs.
- 45% of the portfolio was invested in securities that mature in one year, 39% in securities that mature from 1-2 years, 15% in securities that mature from 2-4 years and 1% in securities out to 5 years.
- The Tax-Exempt BPIP held positions in 95 securities.
- Weighted Average Life of the Tax Exempt BPIP was 1.24 years. The Weighted Average duration was 1.18 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 \$793,706 on September 30th.
- Monthly net earnings on the portfolio for September were \$439,225.
- Net earnings for FY2017 were \$1,368,992.
- 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 September was 1.18 yrs. vs. the Benchmark at 1.43 yrs.
- The Pool purchased \$7mil of 1.5 to 3 year U.S. agency securities, \$2.7mil of 10 to 12 month municipal securities and \$5.5mil of 5 to 7 month commercial paper. The Pool sold \$14mil in U.S. Treasuries during the month. All sales recorded gains.

Performance

- The purchase yield was 0.89% at the end of September vs. 0.87% reported for the previous month.
- The Tax-Exempt BPIP returned 0.11% for the month of September and 0.06% for the three months ended September 30, 2016, vs. Index returns of 0.10% and (0.06)% respectively. For the trailing 12 mos. the Pool returned 0.78% vs. 0.74% for the benchmark.
- The Tax-Exempt BPIP had a duration shorter than the benchmark for the month of September and outperformed 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.

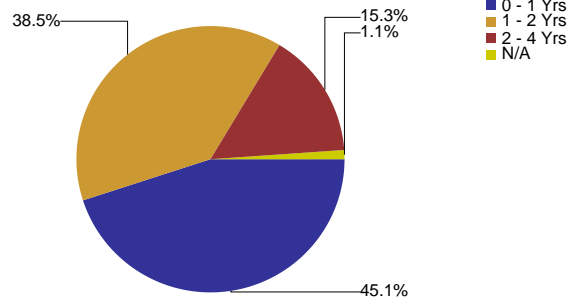
Investment Strategy

- The option-adjusted duration of the Tax-Exempt BPIP portfolio is currently 1.24 yrs. vs. 1.36 yrs. for the benchmark.
- Capital project withdrawal requests totaled \$14.7mil for September.
- 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

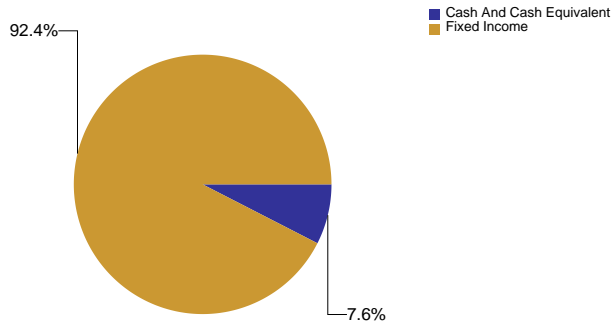
Duration Mix

Total Net Assets (Millions)	587.1
Weighted Average Life (Years)	1.24
Weighted Avg. Effective Duration (Years)	1.18
Weighted Average Coupon (%)	1.14
Weighted Average Current Yield (%)	0.13
Weighted Average Yield to Maturity (%)	0.14
Weighted Average Rating	AA
Number of Holdings	95



Asset Mix

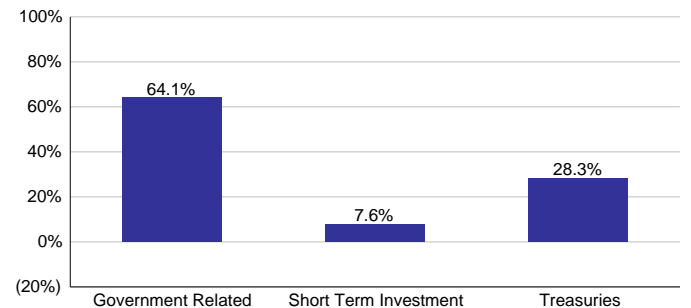
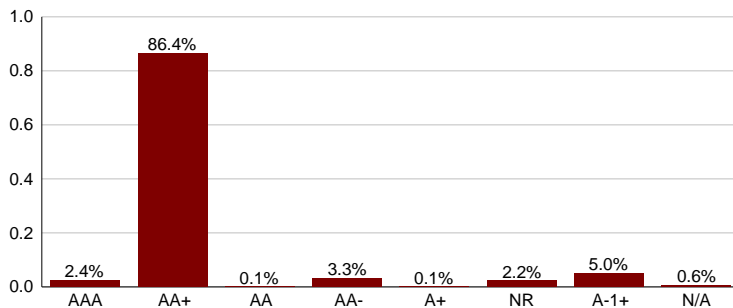
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
912828J68	TWEB RR UNITED STATES 2X OLD 3 YEAR POINT 1.000% 2018-03-15	4.28%	1.00	15/3/2018
3137EADV8	FEDERAL HOME LOAN MORTGAGE CORP NOTES FIXED .75%	4.10%	0.75	14/7/2017
3135G0VM2	FNMA 0.750000 C '17 USD	4.09%	0.75	14/3/2017
3137EADN6	FEDERAL HOME LOAN MORTGAGE CORP 0.75% BDS	4.09%	0.75	12/1/2018
912828R98	UNITED STATES OF AMERICA 1.375% 2018-12-31	3.46%	1.38	31/12/2018
912828Q45	UNITED STATES OF AMERICA TREAS NOTE 0.875% 2018-03-31	3.41%	0.88	31/3/2018
3137EADP1	FEDERAL HOME LOAN MORTGAGE CORP 0.875% BDS	3.41%	0.88	7/3/2018
31359M7X5	FEDERAL NATIONAL MORTGAGE ASSOC 5% BDS 11/MAY/2017	2.67%	5.00	11/5/2017
912828VDB	UNITED STATES OF AMERICA 1.250% 2018-10-31	2.59%	1.25	31/10/2018
3135G0WJ8	FEDERAL NATIONAL MORTGAGE ASSOC 0.875% BDS	2.57%	0.88	2/5/2018

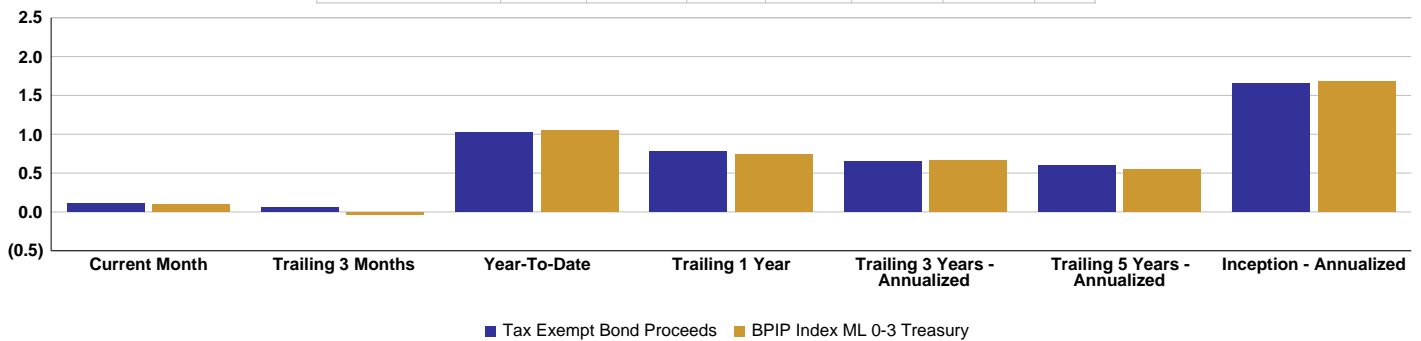
Quality/Rating Weightings

Sector Weightings (as % of Market Value)



Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
Tax Exempt Bond Proceeds	0.11	0.06	1.02	0.78	0.65	0.60	1.65
BPIP Index ML 0-3 Treasury	0.10	(0.04)	1.05	0.74	0.66	0.55	1.68
Excess	0.01	0.10	(0.03)	0.04	(0.01)	0.05	(0.04)



STATE OF NEW MEXICO
BOND PROCEEDS INV POOL1 TAX EX (4000)
Portfolio Classification Summary
Positions Held as of 9/30/16 (TRADE Basis)

AMTZ ADDED: NO

ASSET CLASSIFICATION	ITEMS	YIELD	AVG-TERM	PRINCIPAL	COST-BASIS	MARKET-VALUE	GAIN/LOSS	%MARKET
REPURCHASE AGREEMENTS (O/N)	1	.4765	.00820	9,603,804	9,603,804	9,603,804		1.640
COMMERCIAL PAPER-DISCOUNT BASED	5	.7141	.23109	29,143,425	29,077,847	29,077,847		4.965
CERTIFICATES OF DEPOSIT	2	.8650	1.26300	3,000,000	3,000,000	3,000,000		.512
US TREASURY NOTE ACT/ACT 2X	13	.8782	1.19477	165,000,000	165,137,390	165,597,450	460,060	28.277
AGENCY US BOND 30/360 2X	21	.9732	1.65178	108,915,000	109,884,935	109,989,667	104,732	18.781
AGENCY 30/360 2X	2	.9892	2.90356	12,500,000	12,482,069	12,467,850	-14,219	2.129
AGENCY US BOND 30/360 ZERO CPN	2	1.1650	2.34241	21,089,000	20,466,139	20,461,504	-4,635	3.494
AGENCY US NOTES 30/360 2X	24	.8704	.99263	204,535,000	205,058,923	205,318,182	259,259	35.059
FED NATL MORTGAGE ASSN DEBS	1	1.2267	.12600	5,000,000	5,000,970	5,005,700	4,730	.855
MUNI US 30/360 2X	19	.8210	.79078	19,035,000	19,251,015	19,233,192	-17,823	3.284
MUNICIPAL BOND REVENUE	5	.8737	.88274	2,740,000	2,778,599	2,780,201	1,602	.475
UNITS - INVESTMENT POOL 1	1			3,094,121	3,094,121	3,094,121		.528
	<u>96</u>	<u>.8874</u>	<u>1.19620</u>	<u>583,655,350</u>	<u>584,835,812</u>	<u>585,629,518</u>	<u>793,706</u>	<u>100.000</u>

STATE OF NEW MEXICO

TREASURERS OFFICE

Position holdings as of 9/30/16 (TRADE)
BOOK VALUES AMORTIZED THROUGH 9/30/16

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
3,094,121	UNITS - INVESTMENT POOL 1	UNITS001				1.00000	3,094,121.44	3,094,121.00	- .44
3,094,121							3,094,121.44	3,094,121.00	- .44

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

9,603,804	OVERNIGHT REPO	1003RP	.470	10/03/16	.470	1.00000	9,603,804.23	9,603,804.23	
13,585,000	MICROSOFT CO	59515ML8	.505	11/08/16	.505	99.94669	13,577,758.44	13,577,758.44	
5,000,000	FEDERAL NATL MTG ASSN DEBS	3135G0ES	1.375	11/15/16	1.210	100.01939	5,000,969.34	5,005,700.00	4,730.66
15,000,000	UNITED STATES TREASURY NOTES	912828WF	.625	11/15/16	.693	99.99153	14,998,729.61	15,007,650.00	8,920.39
5,000,000	UNITED STATES TREASURY NOTES	912828A5	.625	12/15/16	.727	99.97882	4,998,940.82	5,003,550.00	4,609.18
48,188,804							48,180,202.44	48,198,462.67	18,260.23

====> 0005 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2016 <====

5,000,000	TOYOTA MOTOR CREDIT CORP	89233GN4		1/04/17	.854	99.56792	4,978,395.83	4,978,395.83	
5,000,000	US BANK NA	9033E0NH	.710	1/17/17	.713	99.78700	4,989,350.00	4,989,350.00	
15,000,000	UNITED STATES TREASURY NOTES	912828SC	.875	1/31/17	.710	100.05428	15,008,142.37	15,027,150.00	19,007.63
558,425	US BANK NA	9033A0PT	1.000	2/27/17	1.004	99.58611	556,113.74	556,113.74	
15,000,000	UNITED STATES TREASURY NOTES	912828SJ	.875	2/28/17	.788	100.03561	15,005,341.55	15,031,500.00	26,158.45
130,000	NEW MEXICO MTG FIN AUTH	647200L2	3.700	3/01/17	.652	101.26588	131,645.64	131,541.80	- 103.84
10,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EADC	1.000	3/08/17	.756	100.10591	10,010,591.12	10,023,000.00	12,408.88
5,000,000	TOYOTA MOTOR CREDIT CORP	89233GQD	1.050	3/13/17	1.056	99.52458	4,976,229.17	4,976,229.17	
24,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0VM	.750	3/14/17	.625	100.05625	24,013,498.85	24,030,240.00	16,741.15
15,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	31359M7X	5.000	5/11/17	.736	102.59439	15,389,157.84	15,404,550.00	15,392.16
1,495,000	ARTESIA N MEX GROSS RCPTS TAX RE	043053BU	2.000	6/01/17	.750	100.82897	1,507,393.09	1,508,260.65	867.56
6,089,000	FANNIE MAE	31359MEL		6/01/17	.643	99.57716	6,063,253.51	6,063,304.42	50.91
55,000	UNIVERSITY N MEX UNIV REVS	9146922F	.970	6/01/17	.970	100.00000	55,000.00	55,047.85	47.85
385,000	COUNTY OF SANTA FE	80189RET	2.000	6/01/17	.640	100.90284	388,475.92	387,806.65	- 669.27
2,000,000	FEDERAL HOME LOAN BANKS	313383PD	1.250	6/09/17	.701	100.37608	2,007,521.51	2,009,340.00	1,818.49
10,000,000	NCUA GUARN NTS TR 2011-M1	62889KAC	2.350	6/12/17	.820	101.06116	10,106,115.95	10,117,600.00	11,484.05
700,000	SAN JUAN CO NM GROSS RCPTS TAX	79835HGK	4.000	6/15/17	.870	102.19554	715,368.77	714,392.00	- 976.77
1,000,000	FEDERAL FARM CREDIT BANKS	3133EDEB	1.100	6/28/17	.700	100.29505	1,002,950.52	1,003,630.00	679.48
5,000,000	UNITED STATES TREASURY NOTES	912828TB	.750	6/30/17	1.006	99.80929	4,990,464.53	5,005,450.00	14,985.47
600,000	ALBUQUERQUE NM GROSS RECPTS TAX	01354PFR	1.050	7/01/17	1.050	100.00000	600,000.00	601,086.00	1,086.00
4,800,000	NEW MEXICO ST SEVERANCE TAX	647310X7	2.000	7/01/17	.891	100.82665	4,839,679.39	4,837,200.00	- 2,479.39

STATE OF NEW MEXICO

TREASURERS OFFICE

Position holdings as of 9/30/16 (TRADE)

BOOK VALUES AMORTIZED THROUGH 9/30/16

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
2,500,000	METROPOLITAN TRANSN AUTH N Y SPL	59261EAC	1.069	7/01/17	.701	100.27462	2,506,865.54	2,504,325.00	- 2,540.54
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	99.83655	4,991,827.73	4,997,800.00	5,972.27
24,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EADV	.750	7/14/17	.740	100.00743	24,001,782.69	24,023,280.00	21,497.31
5,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EADJ	1.000	7/28/17	.791	100.17131	5,008,565.61	5,015,500.00	6,934.39
5,000,000	UNITED STATES TREASURY NOTES	912828TG	.500	7/31/17	.906	99.66443	4,983,221.61	4,995,300.00	12,078.39
375,000	SANDOVAL CNTY N MEX	80004PEA	3.000	8/01/17	.820	101.80580	381,771.75	380,996.25	- 775.50
300,000	ALBUQUERQUE N MEX MET ARROYO FLO	013572KE	2.000	8/01/17	.750	101.03583	303,107.50	302,967.00	- 140.50
250,000	ROSWELL N MEX INDPT SCH DIST	778550JQ	2.000	8/01/17	.900	100.91057	252,276.43	251,957.50	- 318.93
2,500,000	SANTA FE N MEX PUB SCH DIST FO	802088LN	5.000	8/01/17	.900	103.39492	2,584,873.06	2,580,800.00	- 4,073.06
250,000	LAS CRUCES N MEX SCH DIST NO 002	517534TL	2.000	8/01/17	.700	101.07788	252,694.71	252,390.00	- 304.71
245,000	NEW MEXICO EDL ASSISTANCE FNDTN	647110DZ	4.000	9/01/17	.726	102.98567	252,314.90	251,786.50	- 528.40
5,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0PP	1.000	9/28/17	.830	100.16389	5,008,194.32	5,012,950.00	4,755.68
15,000,000	FEDERAL FARM CREDIT BANKS	3133EEQX	1.000	9/25/17	.860	100.13674	15,020,511.33	15,045,750.00	25,238.67
5,000,000	FNMA	3135G0ZL	1.000	9/27/17	1.118	99.88435	4,994,217.44	5,016,050.00	21,832.56
835,000	JAL N MEX PUB SCH DIST NO 19	470143AR	2.000	10/01/17	.701	101.29254	845,792.67	844,026.35	- 1,766.32
2,000,000	FEDERAL HOME LOAN BANKS	3133792L	1.230	10/20/17	.786	100.46406	2,009,281.10	2,009,720.00	438.90
5,000,000	FEDERAL HOME LOAN BANKS	3130A6LZ	.625	10/26/17	.733	99.88555	4,994,277.70	4,995,550.00	1,272.30
1,000,000	FEDERAL HOME LOAN BANKS	3130A4B2	1.000	10/27/17	.787	100.22728	1,002,272.82	1,001,790.00	- 482.82
1,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3136FPTQ	2.200	10/27/17	.650	101.65293	1,016,529.30	1,015,190.00	- 1,339.30
15,000,000	UNITED STATES TREASURY NOTES	912828UA	.625	11/30/17	.814	99.78176	14,967,264.42	14,988,300.00	21,035.58
5,000,000	FEDERAL FARM CREDIT BANKS	3133EGDG	.850	12/06/17	.710	100.16377	5,008,188.30	5,003,350.00	- 4,838.30
6,005,000	TENNESSEE VALLEY AUTHORITY	880591CU	6.250	12/15/17	1.021	106.24726	6,380,148.00	6,392,742.85	12,594.85
10,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EADX	1.000	12/15/17	.711	100.34590	10,034,590.27	10,034,500.00	- 90.27
244,572,425							245,635,258.50	245,868,209.56	232,951.06

====> 0045 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2017 <====

24,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EADN	.750	1/12/18	.904	99.80434	23,953,040.48	23,993,040.00	39,999.52
5,000,000	UNITED STATES TREASURY NOTES	912828P2	.750	1/31/18	.723	100.03604	5,001,802.17	5,001,750.00	- 52.17
20,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EADP	.875	3/07/18	.928	99.92474	19,984,948.66	20,015,600.00	30,651.34
13,585,000	FEDERAL HOME LOAN BANKS	313378A4	1.375	3/09/18	.966	100.58243	13,664,123.47	13,695,717.75	31,594.28
25,000,000	UNITED STATES TREASURY NOTES	912828J6	1.000	3/15/18	.899	100.14631	25,036,576.83	25,096,750.00	60,173.17
12,500,000	FEDERAL HOME LOAN BANKS	3130A7CX	.875	3/19/18	.822	100.07644	12,509,555.60	12,510,000.00	444.40
20,000,000	UNITED STATES TREASURY NOTES	912828Q4	.875	3/31/18	.746	100.19196	20,038,391.69	20,040,600.00	2,208.31
2,000,000	FEDERAL FARM CREDIT BANKS	3133EDHU	1.420	4/02/18	.820	100.89413	2,017,882.67	2,017,020.00	- 862.67
5,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134G9DT	1.050	5/10/18	1.049	100.00000	5,000,000.00	5,000,850.00	850.00
15,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0WJ	.875	5/21/18	1.114	99.61202	14,941,802.27	15,013,350.00	71,547.73

STATE OF NEW MEXICO

TREASURERS OFFICE

Position holdings as of 9/30/16 (TRADE)

BOOK VALUES AMORTIZED THROUGH 9/30/16

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
1,000,000	FEDERAL HOME LOAN BANKS	3133807A	1.060	5/30/18	.850	100.34571	1,003,457.12	1,003,700.00	242.88
5,000,000	UNITED STATES TREASURY NOTES	912828VE	1.000	5/31/18	.719	100.46380	5,023,190.05	5,019,750.00	- 3,440.05
100,000	SANDOVAL CNTY N MEX INCENTIVE PA	800051AW	1.952	6/01/18	1.460	100.80590	100,805.90	100,644.00	- 161.90
155,000	RUIDOSO N MEX GROSS RCPTS TAX RE	781336BB	2.000	6/01/18	1.100	101.48157	157,296.44	157,569.90	273.46
260,000	ARTESIA N MEX GROSS RCPTS TAX RE	043053BV	2.000	6/01/18	1.000	101.64790	264,284.55	265,608.20	1,323.65
250,000	UNIVERSITY N MEX UNIV REVS	9146922G	1.220	6/01/18	1.220	100.00000	250,000.00	250,407.50	407.50
1,000,000	FEDERAL HOME LOAN BANKS	313379DT	1.250	6/08/18	.832	100.69807	1,006,980.72	1,006,790.00	- 190.72
5,000,000	FEDERAL HOME LOAN BANKS	313379DT	1.250	6/08/18	.840	100.68436	5,034,217.87	5,033,950.00	- 267.87
1,000,000	UNIVERSITY N MEX UNIV REVS	914692W6	1.438	6/20/18	1.060	100.64153	1,006,415.31	1,007,500.00	1,084.69
185,000	ABQ NM GROSS RCPT LODGERS TAX RE	01354MFV	3.000	7/01/18	1.200	103.10652	190,747.07	191,295.55	548.48
1,500,000	FARMERS AND STOCKMENS BANK	8521060	.780	7/06/18	.780	1.00000	1,500,000.00	1,500,000.00	
1,300,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3136G0QW	1.350	7/11/18	.865	100.85326	1,311,092.41	1,311,154.00	61.59
1,000,000	FEDERAL FARM CREDIT BANKS	3133EAZX	1.060	7/24/18	.875	100.33185	1,003,318.49	1,002,930.00	- 388.49
7,500,000	FEDERAL HOME LOAN BANKS	3130A8U5	.830	7/25/18	.864	99.93798	7,495,348.36	7,495,950.00	601.64
5,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134G9HJ	1.000	8/10/18	1.143	99.94829	4,997,414.64	5,000,800.00	3,385.36
120,000	HOBBS N MEX MUN SCH DIST NO 16	43385QAU	1.000	9/15/18	.950	100.09603	120,115.23	119,612.40	- 502.83
2,000,000	FEDERAL FARM CREDIT BANKS	3133ED2C	1.950	9/17/18	.905	102.02630	2,040,526.03	2,039,840.00	- 686.03
1,250,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134G3K7	1.200	9/24/18	.943	100.50393	1,256,299.08	1,256,837.50	538.42
785,000	JAL N MEX PUB SCH DIST NO 19	470143AS	2.000	10/01/18	.850	102.27569	802,864.20	799,020.10	- 3,844.10
5,000,000	FEDERAL HOME LOAN BANKS	3130A9AE	.875	10/01/18	.908	99.93513	4,996,756.28	4,997,800.00	1,043.72
7,220,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134G9BN	1.070	10/26/18	1.091	99.99822	7,219,871.60	7,220,216.60	345.00
2,500,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134G42X	1.050	10/30/18	.878	100.35346	2,508,836.61	2,504,575.00	- 4,261.61
15,000,000	UNITED STATES TREASURY NOTES	912828WD	1.250	10/31/18	.944	100.62847	15,094,270.27	15,135,900.00	41,629.73
5,000,000	FREDDIE MAC	3134G9WB	1.000	12/28/18	1.000	100.00000	5,000,000.00	4,992,700.00	- 7,300.00
20,000,000	UNITED STATES TREASURY NOTES	912828RY	1.375	12/31/18	1.395	99.95528	19,991,056.34	20,243,800.00	252,743.66
231,210,000							231,523,288.41	232,043,028.50	519,740.09

====> 0035 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2018 <====

10,000,000	FEDERAL HOME LOAN BANKS	3133782M	1.500	3/08/19	1.127	100.89412	10,089,411.71	10,130,700.00	41,288.29
2,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134G3YF	1.500	7/18/19	1.249	100.68777	2,013,755.47	2,027,460.00	13,704.53
1,325,000	UNITED STATES DEPARTMENT OF HOUS	911759JA	5.450	8/01/19	5.450	100.00000	1,325,000.00	1,336,196.25	11,196.25
7,500,000	FEDERAL HOME LOAN BANK	3130A8Y7	.875	8/05/19	.940	99.81778	7,486,333.61	7,472,250.00	- 14,083.61
5,000,000	FEDERAL HOME LOAN BANK	3130A9EP	1.000	9/26/19	1.029	99.91469	4,995,734.51	4,995,600.00	- 134.51
15,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	313586RC		10/09/19	1.362	96.01924	14,402,885.49	14,398,200.00	- 4,685.49
40,825,000							40,313,120.79	40,360,406.25	47,285.46

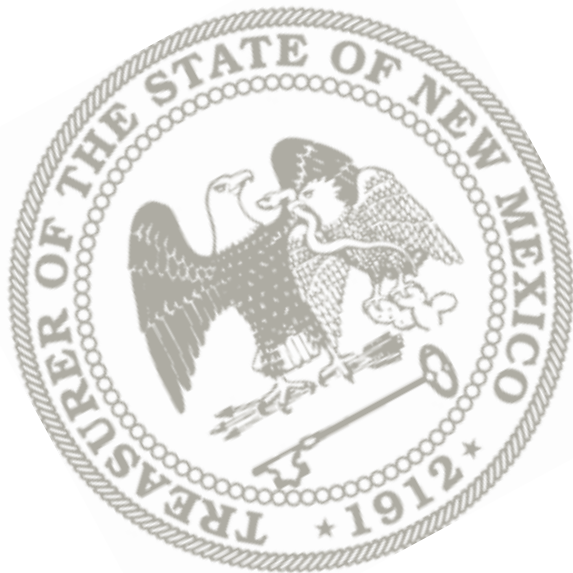
====> 0006 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2019 <====

STATE OF NEW MEXICO

TREASURERS OFFICE

Position holdings as of 9/30/16 (TRADE)
BOOK VALUES AMORTIZED THROUGH 9/30/16

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
10,000,000	FEDERAL HOME LOAN BANKS	313378J7	1.875	3/13/20	1.066	102.73206	10,273,206.21	10,257,200.00	- 16,006.21
1,265,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3136G0E5	1.625	3/27/20	1.097	101.80102	1,287,782.96	1,284,658.10	- 3,124.86
1,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3136G12H	1.400	6/05/20	1.149	100.90040	1,009,003.98	1,006,280.00	- 2,723.98
<hr/>							<hr/>	<hr/>	<hr/>
12,265,000							12,569,993.15	12,548,138.10	- 21,855.05
====> 0003 ITEMS IN SUBTOTAL FOR ==> FINAL-MATURITY.. ==> 2020 <====									
3,500,000	NEW JERSEY ECONOMIC DEV AUTH RET	64578HAU	5.250	11/15/26	.601	100.56640	3,519,823.92	3,517,150.00	- 2,673.92
<hr/>							<hr/>	<hr/>	<hr/>
3,500,000							3,519,823.92	3,517,150.00	- 2,673.92
====> 0001 ITEMS IN SUBTOTAL FOR ==> FINAL-MATURITY.. ==> 2026 <====									
<hr/>							<hr/>	<hr/>	<hr/>
583,655,350							584,835,808.65	585,629,516.08	793,707.43
====> 0096 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 September at \$599.4mil vs. \$601.4mil at the end of August.
- The Pool received \$14.9mil in draw requests for capital spending during the month and paid out \$2.6mil for capital projects.

Portfolio Mix

- 100% of the Taxable BPIP portfolio was invested in fixed income securities: 36% in US Treasuries, 53% in US agency securities, 2% in commercial paper, 1% in NM municipal securities and the balance, approximately 9%, was held in cash equivalents and collateralized NM bank CDs.
- 42% of the portfolio was invested in securities that mature in one year, 36% in securities that mature from 1-2 years, 15% in securities that mature from 2-4 years and 7% in securities out to 5 years.
- The Taxable BPIP held positions in 71 securities.
- Weighted Average Life of the Taxable BPIP was 1.27 years. The Weighted Average duration was 1.14 years.
- The maximum security term for the Taxable BPIP portfolio is 5 years.

Investment Earnings

- The unrealized gains in the Taxable BPIP were \$1,672,973 as of September 30th.
- Monthly net earnings on the portfolio for September were \$456,683.
- FY2017 net earnings were roughly \$1,373,530.
- 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 September was 1.14 years vs. the Benchmark at 1.43 years.
- The Pool purchased \$10mil in 1.5 to 2 year US agency securities, \$2.5mil in a 10 month local municipal and \$5mil in 6 month commercial paper. The Pool sold \$10mil of short US Treasuries. All sales were executed at gains.

Performance

- Purchase Yield at the end of September was 0.91% relative to 0.91% at the end of the prior month.
- The Taxable BPIP returned 0.10% for the month of September and 0.06% for the three months ended September 30, 2016, vs. Index returns of 0.10% and (0.04)% respectively. For the trailing 12 mos. the Pool returned 0.78% vs. 0.74% for the benchmark.
- The Taxable BPIP had a duration shorter than the benchmark for the month of September and outperformed 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.

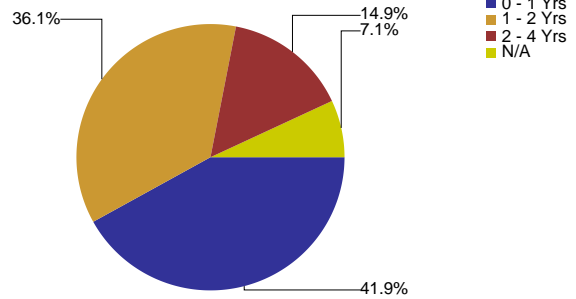
Investment Strategy

- The option adjusted duration of the portfolio is currently 1.25 yrs. vs. 1.36 yrs. for the benchmark.
- Capital project withdrawal requests have totaled \$21.6mil for September
- 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

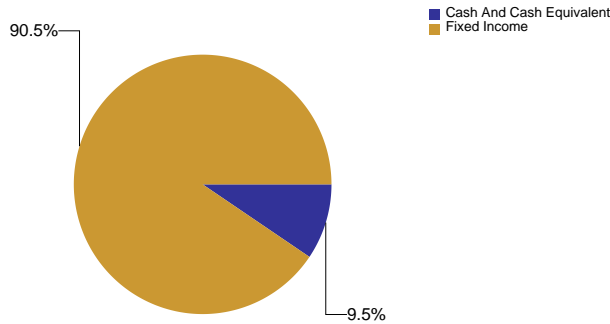
Duration Mix

Total Net Assets (Millions)	599.4
Weighted Average Life (Years)	1.27
Weighted Avg. Effective Duration (Years)	1.14
Weighted Average Coupon (%)	1.06
Weighted Average Current Yield (%)	0.08
Weighted Average Yield to Maturity (%)	0.11
Weighted Average Rating	AA
Number of Holdings	71



Asset Mix

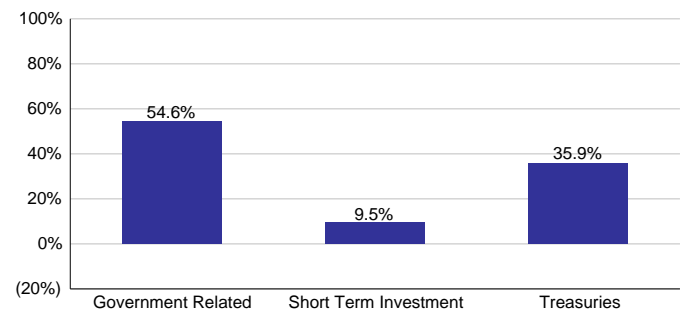
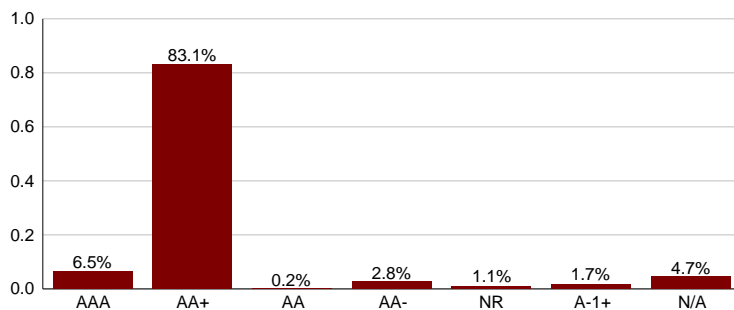
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
3137EADC0	FEDERAL HOME LOAN MORTGAGE CORP 1% BDS 08/MAR/2017	5.02%	1.00	8/3/2017
313375K48	FHLB 2.000 '18 USD	4.26%	2.00	14/9/2018
3130A8Q63	FEDERAL HOME LOAN BANKS BOND VARIABLE 08/JAN/2018	4.19%	0.63	8/1/2018
912828SY7	UNITED STATES OF AMERICA 0.625% 2017-05-31	4.18%	0.62	31/5/2017
99GR40032	REPO JPMORGAN CHASE BK (GREENWICH) 093016F	4.07%	0.47	1/10/2016
912828PN4	UNITED STATES OF AMERICA 2.750% 2017-12-31	3.44%	2.75	31/12/2017
3135G0Z2Y	FEDERAL NATIONAL MORTGAGE ASSOCIATION NOTES FIXED	3.43%	1.75	26/11/2019
3135G0ZG1	FNMA 1.750 '19 USD	3.41%	1.75	12/9/2019
912828LUZ	US 3.12500 '16	3.39%		
912828RU6	UNITED STATES OF AMERICA 0.875% 2016-11-30	3.35%	0.88	30/11/2016

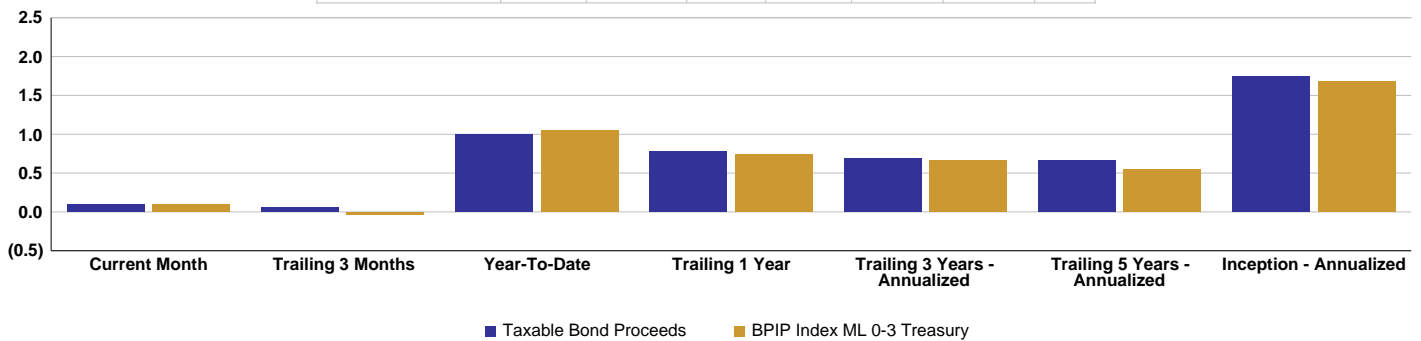
Quality/Rating Weightings

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	0.10	0.06	1.00	0.78	0.69	0.66	1.74
BPIP Index ML 0-3 Treasury	0.10	(0.04)	1.05	0.74	0.66	0.55	1.68
Excess	0.01	0.09	(0.05)	0.04	0.03	0.12	0.06



STATE OF NEW MEXICO
BOND PROCEEDS INV POOL2 TAXABL (4002)
Portfolio Classification Summary
Positions Held as of 9/30/16 (TRADE Basis)

AMTZ ADDED: NO

ASSET CLASSIFICATION	ITEMS	YIELD	AVG-TERM	PRINCIPAL	COST-BASIS	MARKET-VALUE	GAIN/LOSS	%MARKET
REPURCHASE AGREEMENTS (O/N)	1	.4765	.00820	24,419,778	24,419,778	24,419,778		4.085
COMMERCIAL PAPER-DISCOUNT BASED	2	.8860	.34795	10,000,000	9,959,267	9,959,267		1.666
CERTIFICATES OF DEPOSIT	3	.8129	1.11699	6,200,000	6,200,000	6,200,000		1.037
LINKED-CERTIFICATE OF DEPOSIT	2	.7500	.28770	4,000,000	4,000,000	4,000,000		.669
US TREASURY NOTE ACT/ACT 2X	16	.8925	.81297	213,500,000	213,784,083	214,357,755	573,672	35.860
AGENCY US BOND 30/360 2X	13	.8866	1.56444	98,000,000	98,563,550	98,623,215	59,665	16.499
AGENCY 30/360 2X	2	1.4830	2.92231	27,500,000	27,539,099	27,904,650	365,551	4.668
AGENCY US BOND 30/360 ZERO CPN	1	1.3811	3.02190	15,000,000	14,409,304	14,398,200	-11,104	2.409
AGENCY US NOTES 30/360 2X	15	1.0305	1.43077	140,750,000	141,264,835	141,917,025	652,190	23.741
FED NATL MORTGAGE ASSN DEBS	2	.8049	.57815	8,665,000	8,664,048	8,654,807	-9,241	1.448
AGENCY US VARIABLE ACT/360 4X	1	.6323	1.27400	25,000,000	25,000,000	25,054,500	54,500	4.191
MUNI US 30/360 2X	12	.9227	1.33990	7,790,000	7,895,755	7,883,495	-12,260	1.319
UNITS - INVESTMENT POOL 1	1			14,394,209	14,394,209	14,394,209		2.408
	71	.9111	1.22758	595,218,987	596,093,928	597,766,901	1,672,973	100.000

STATE OF NEW MEXICO

TREASURERS OFFICE

Position holdings as of 9/30/16 (TRADE)
BOOK VALUES AMORTIZED THROUGH 9/30/16

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
14,394,209	UNITS - INVESTMENT POOL 1	UNITS001				1.00000	14,394,208.89	14,394,209.00	.11
14,394,209							14,394,208.89	14,394,209.00	.11

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

24,419,778	OVERNIGHT REPO	1003RP	.470	10/03/16	.470	1.00000	24,419,778.34	24,419,778.34	
15,000,000	UNITED STATES TREASURY NOTES	912828RM	1.000	10/31/16	.632	100.02980	15,004,469.25	15,009,900.00	5,430.75
20,000,000	UNITED STATES TREASURY NOTES	912828LU	3.125	10/31/16	.584	100.20642	20,041,283.65	20,045,600.00	4,316.35
20,000,000	UNITED STATES TREASURY NOTES	912828RU	.875	11/30/16	.751	100.01987	20,003,973.84	20,021,600.00	17,626.16
10,000,000	UNITED STATES TREASURY NOTES	912828AS	.625	12/15/16	.665	99.99157	9,999,157.17	10,007,100.00	7,942.83
5,000,000	US BANK NA	9033E0MV		12/29/16	.692	99.66075	4,983,037.50	4,983,037.50	
1,100,000	WESTERN BANK ALAMOGORDO	81186499	.750	12/30/16	.750	1.00000	1,100,000.00	1,100,000.00	
95,519,778							95,551,699.75	95,587,015.84	35,316.09

====> 0007 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	100.05768	15,008,652.66	15,027,150.00	18,497.34
5,000,000	UNITED STATES TREASURY NOTES	912828SJ	.875	2/28/17	.788	100.03561	5,001,780.52	5,010,500.00	8,719.48
30,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EADC	1.000	3/08/17	.653	100.15053	30,045,157.76	30,069,000.00	23,842.24
5,000,000	TOYOTA MOTOR CREDIT CORP	89233GQD	1.050	3/13/17	1.056	99.52458	4,976,229.17	4,976,229.17	
10,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	31359M7X	5.000	5/11/17	.743	102.58996	10,258,995.70	10,269,700.00	10,704.30
25,000,000	UNITED STATES TREASURY NOTES	912828SY	.625	5/31/17	.916	99.80738	24,951,846.12	25,005,000.00	53,153.88
675,000	CLOVIS N MEX GROSS RCPTS TAX REV	189387DL	2.000	6/01/17	.800	100.79568	680,370.84	680,987.25	616.41
260,000	SANTA FE N MEX GROSS RCPTS TAXRE	802072RH	4.000	6/01/17	.725	102.17325	265,650.44	265,374.20	- 276.24
15,000,000	FEDERAL HOME LOAN BANKS	313379FW	1.000	6/09/17	.825	100.11959	15,017,938.39	15,039,600.00	21,661.61
10,000,000	NCUA GUARN NTS TR 2011-M1	62889KAC	2.350	6/12/17	.820	101.06116	10,106,115.95	10,117,600.00	11,484.05
5,000,000	UNITED STATES TREASURY NOTES	912828TB	.750	6/30/17	1.006	99.80929	4,990,464.53	5,005,450.00	14,985.47
2,500,000	METROPOLITAN TRANSN AUTH N Y SPL	59261EAC	1.069	7/01/17	.701	100.27462	2,506,865.54	2,504,325.00	- 2,540.54
2,500,000	WESTERN BANK ALAMOGORDO	81187124	.750	7/21/17	.750	1.00000	2,500,000.00	2,500,000.00	
5,000,000	UNITED STATES TREASURY NOTES	912828TG	.500	7/31/17	.906	99.66443	4,983,221.61	4,995,300.00	12,078.39
270,000	JEMEZ VY N MEX PUB SCH DIST N003	475868EL	2.000	8/01/17	.750	101.03604	272,797.31	272,114.10	- 683.21
275,000	CITY OF BELEN N MEX GO BDS	077563DS	2.000	8/01/17	.820	100.97725	277,687.43	277,508.00	- 179.43
160,000	Belen Consolidated Schools	077581QC	2.000	8/01/17	.801	100.99349	161,589.58	161,056.00	- 533.58

STATE OF NEW MEXICO

TREASURERS OFFICE

Position holdings as of 9/30/16 (TRADE)
BOOK VALUES AMORTIZED THROUGH 9/30/16

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
5,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0MZ	.875	8/28/17	1.020	99.86877	4,993,438.52	5,009,500.00	16,061.48
11,000,000	UNITED STATES TREASURY NOTES	912828TM	.625	8/31/17	.975	99.68212	10,965,033.27	10,997,030.00	31,996.73
500,000	FEDERAL HOME LOAN BANKS	313380EC	.750	9/08/17	.760	99.99088	499,954.42	499,990.00	35.58
5,000,000	FEDERAL HOME LOAN BANKS	313381B2	.750	12/08/17	.790	99.95252	4,997,626.01	5,001,100.00	3,473.99
2,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3136G1FU	1.000	12/19/17	.905	100.11422	2,002,284.30	2,004,600.00	2,315.70
20,000,000	UNITED STATES TREASURY NOTES	912828PN	2.750	12/31/17	1.124	102.00727	20,401,453.01	20,501,600.00	100,146.99
179,140,000							179,865,153.08	180,190,713.72	325,560.64

====> 0025 ITEMS IN SUBTOTAL FOR ==> FINAL-MATURITY.. ==>> 2017 <====

25,000,000	FEDERAL HOME LOAN BANK	3130A8Q6	.626	1/08/18	.624	100.00000	25,000,000.00	25,054,500.00	54,500.00
5,000,000	FEDERAL HOME LOAN BANKS	3130A8RY	.750	1/19/18	.812	99.91934	4,995,967.06	4,998,550.00	2,582.94
20,000,000	UNITED STATES TREASURY NOTES	912828UJ	.875	1/31/18	1.205	99.56560	19,913,120.59	20,042,200.00	129,079.41
15,000,000	UNITED STATES TREASURY NOTES	912828UR	.750	2/28/18	1.213	99.35212	14,902,817.96	15,004,650.00	101,832.04
7,500,000	UNITED STATES TREASURY NOTES	912828J6	1.000	3/15/18	1.006	99.99133	7,499,349.93	7,529,025.00	29,675.07
12,500,000	FEDERAL HOME LOAN BANKS	3130A7CX	.875	3/19/18	.822	100.07644	12,509,555.60	12,510,000.00	444.40
10,000,000	FNMA	3135G0J6	.875	3/28/18	.973	99.85523	9,985,523.00	10,007,600.00	22,077.00
10,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0WJ	.875	5/21/18	1.160	99.53896	9,953,895.71	10,008,900.00	55,004.29
5,000,000	UNITED STATES TREASURY NOTES	912828VE	1.000	5/31/18	.719	100.46380	5,023,190.05	5,019,750.00	- 3,440.05
5,000,000	FEDERAL HOME LOAN BANKS	313379DT	1.250	6/08/18	.840	100.68436	5,034,217.87	5,033,950.00	- 267.87
500,000	FEDERAL FARM CREDIT BANKS	3133EEZ2	1.160	6/18/18	.912	100.41976	502,098.78	502,375.00	276.22
7,750,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134G32U	.875	6/26/18	.874	100.00163	7,750,126.67	7,751,085.00	958.33
1,950,000	NEW MEXICO ST SEVERANCE TAX	647310X8	2.000	7/01/18	1.100	101.55423	1,980,307.44	1,978,177.50	- 2,129.94
290,000	ALBUQUERQUE N MEX ARPT REV	013538HB	5.110	7/01/18	1.535	106.14701	307,826.34	304,879.90	- 2,946.44
5,000,000	FEDERAL HOME LOAN BANKS	3130A8KR	.820	7/06/18	.884	99.88774	4,994,386.95	4,995,050.00	663.05
2,600,000	WESTERN BANK CLOVIS	159850	.900	7/13/18	.900	1.00000	2,600,000.00	2,600,000.00	
275,000	LOS LUNAS N MEX SCH DIST NO 1	545562RX	2.000	7/15/18	1.020	101.73160	279,761.90	280,252.50	490.60
15,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0E3	1.125	7/20/18	1.205	99.85744	14,978,616.65	15,075,150.00	96,533.35
7,500,000	FEDERAL HOME LOAN BANKS	3130A8U5	.830	7/25/18	.864	99.93798	7,495,348.36	7,495,950.00	601.64
3,800,000	FNMA	3136G3YU	.850	7/26/18	.850	100.00000	3,800,000.00	3,792,324.00	- 7,676.00
285,000	CITY OF BELEN N MEX GO BDS	077563DT	2.000	8/01/18	.950	101.90282	290,423.04	290,503.35	80.31
25,000,000	FEDERAL HOME LOAN BANKS	313375K4	2.000	9/14/18	.989	101.94986	25,487,464.08	25,526,250.00	38,785.92
5,000,000	FEDERAL HOME LOAN BANKS	3130A9AE	.875	10/01/18	.908	99.93513	4,996,756.28	4,997,800.00	1,043.72
10,000,000	FEDERAL FARM CREDIT BANKS	3133EFX6	.960	10/05/18	.846	100.22660	10,022,659.81	10,011,300.00	- 11,359.81
5,000,000	FREDDIE MAC	3137EAED	.875	10/12/18	.896	99.95780	4,997,890.09	4,997,700.00	- 190.09
15,000,000	UNITED STATES TREASURY NOTES	912828WD	1.250	10/31/18	.944	100.62847	15,094,270.27	15,135,900.00	41,629.73
219,950,000							220,395,574.43	220,943,822.25	548,247.82

====> 0026 ITEMS IN SUBTOTAL FOR ==> FINAL-MATURITY.. ==>> 2018 <====

STATE OF NEW MEXICO

TREASURERS OFFICE

Position holdings as of 9/30/16 (TRADE)
BOOK VALUES AMORTIZED THROUGH 9/30/16

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
2,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3136G2EH	1.375	2/27/19	.750	100.25215	2,005,042.91	2,002,920.00	- 2,122.91
5,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3136G3D2	.750	7/26/19	.750	100.00000	5,000,000.00	4,998,750.00	- 1,250.00
315,000	BELEN N MEX CONS SCH DIST NO 2	077581QE	2.000	8/01/19	1.050	102.64392	323,328.35	321,788.25	- 1,540.10
535,000	BELEN N MEX CONS SCH DIST NO 2	077581QT	2.000	8/01/19	1.050	102.64392	549,144.97	546,529.25	- 2,615.72
7,500,000	FEDERAL HOME LOAN BANK	3130A8Y7	.875	8/05/19	.940	99.81778	7,486,333.61	7,472,250.00	- 14,083.61
20,000,000	FANNIE MAE	3135G0ZG	1.750	9/12/19	1.658	100.26382	20,052,764.98	20,432,400.00	379,635.02
2,000,000	FEDERAL HOME LOAN BANKS	3130A4G8	1.650	9/24/19	.650	100.47881	2,009,576.12	2,011,300.00	1,723.88
15,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	313586RC		10/09/19	1.362	96.06202	14,409,303.62	14,398,200.00	- 11,103.62
20,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0ZY	1.750	11/26/19	1.727	100.07073	20,014,146.49	20,446,600.00	432,453.51
5,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3136G3TF	1.200	12/30/19	1.200	100.00000	5,000,000.00	5,008,450.00	8,450.00
77,350,000							76,849,641.05	77,639,187.50	789,546.45
====> 0010 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ==== 2019 <====									
5,200,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3136FTB7	2.000	2/07/20	.984	103.33850	5,373,602.01	5,355,896.00	- 17,706.01
5,200,000							5,373,602.01	5,355,896.00	- 17,706.01
====> 0001 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ==== 2020 <====									
3,665,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134G9D8	.750	6/30/21	.854	99.97400	3,664,047.13	3,656,057.40	- 7,989.73
3,665,000							3,664,047.13	3,656,057.40	- 7,989.73
====> 0001 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ==== 2021 <====									
595,218,987							596,093,926.34	597,766,901.71	1,672,975.37

====> 0071 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 September at \$72.5 mil.
- The Severance Tax Bonding Fund net earnings were \$19,179 for September.

Portfolio Mix

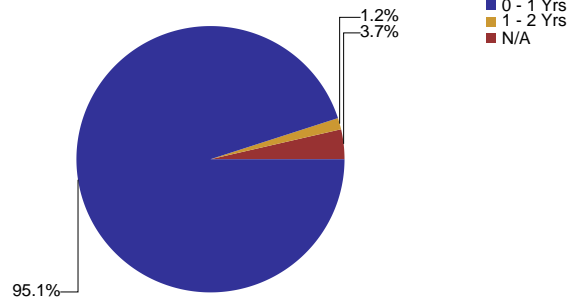
- The Severance Tax Bonding Fund is primarily invested in the overnight repurchase agreement pool and short Agency securities.
- Severance Tax Bonding Fund holdings are pledged and used to pay debt service on Severance Tax and Supplemental Severance Tax Bonds.
 - Once debt service needs are met, the balance in the Severance Tax Bonding Fund is transferred to the Severance Tax Permanent Fund.
 - On June 30th and December 30th, 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 \$25 mil in September.

Investment Strategy

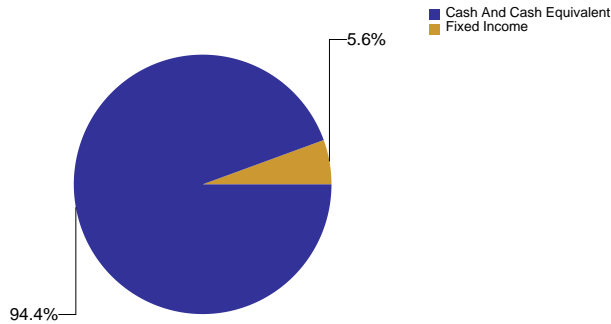
- Due to its short-term nature, investments of three to six month maturities are viable investments for the STBF pool.
- The STB Fund received \$29 mil so far in October from Severance Taxes.

Portfolio Characteristics Duration Mix

Total Net Assets (Millions) 72.5
Weighted Average Life (Years) 0.04
Weighted Avg. Effective Duration (Years) 0.04
Weighted Average Coupon (%) 0.68
Weighted Average Current Yield (%) 0.48
Weighted Average Yield to Maturity (%) 0.48
Weighted Average Rating AA+
Number of Holdings 10

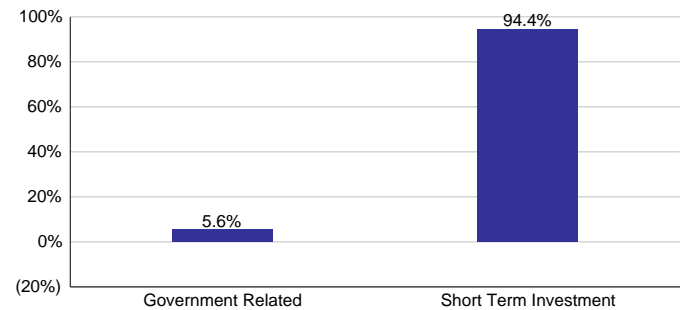
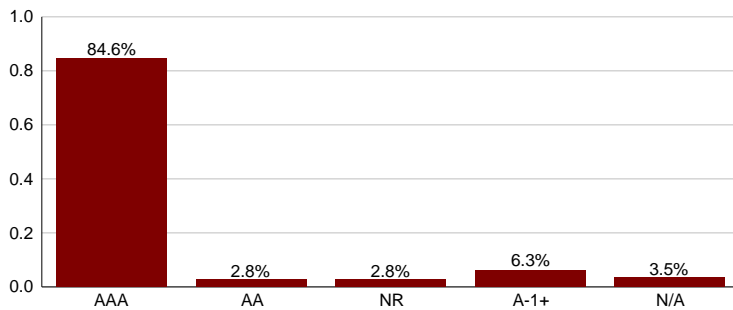


Asset Mix Top Ten Portfolio Holdings



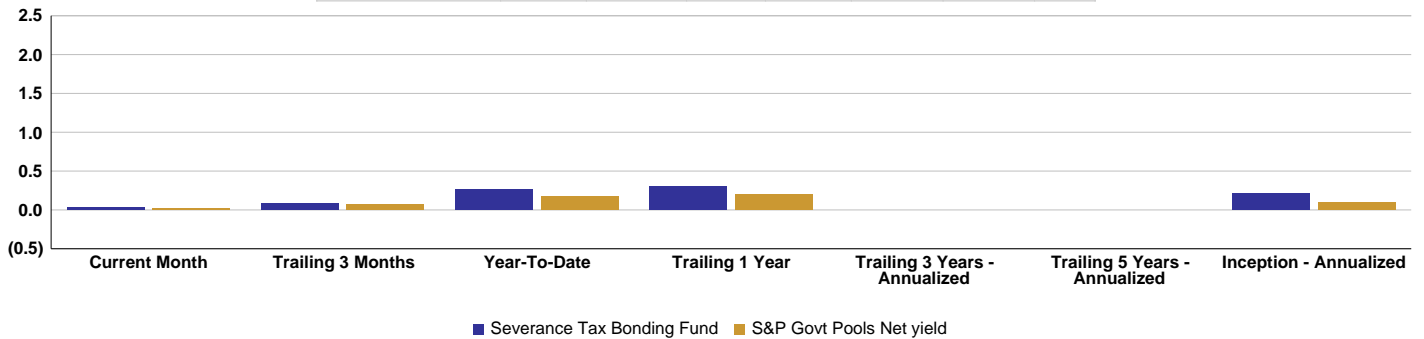
Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
99GR40037	REPO JPMORGAN CHASE BK (GREENWICH) 093016A	68.06%	0.47	1/10/2016
99GR40036	REPO JPMORGAN CHASE BK (GREENWICH) 093016B	16.35%	0.47	1/10/2016
89233GMP8	TOYOTA MOTOR CREDIT CORPORATE COMMERCIAL PAPER	3.37%		
36164JMT8	GE CAPITAL TREASURY CORPORATE COMMERCIAL PAPER	3.30%	0.00	27/12/2016
89199J5Y4	FIRST NATIONAL	0.09%		
258885YE6	DOUGLAS CNTY COLO SCH DIST NO RE 1 DOUGLAS &	2.82%	5.00	15/12/2018
59515ML86	MICROSOFT CORPORATION CORPORATE COMMERCIAL PAPER	1.72%	0.00	8/11/2016
9033A0MK3	US BANK N.A. BANKERS' ACCEPTANCE DISCOUNT DTD	1.24%	0.00	18/12/2017
892998X00	LGIP POOL PARTICIPANT	0.22%	0.40	
64711RFA9	NEW MEXICO FIN AUTH ST TRANSN REV RFDG-SU LIEN-SER	2.82%	5.00	15/12/2025

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	0.09	0.27	0.30			0.21
S&P Govt Pools Net yield	0.02	0.07	0.18	0.20			0.09
Excess	0.01	0.02	0.09	0.11	0.00	0.00	0.11



STATE OF NEW MEXICO
STB FUND (4001)
Portfolio Classification Summary
Positions Held as of 9/30/16 (TRADE Basis)

AMTZ ADDED: NO

ASSET CLASSIFICATION	ITEMS	YIELD	AVG-TERM	PRINCIPAL	COST-BASIS	MARKET-VALUE	GAIN/LOSS	%MARKET
REPURCHASE AGREEMENTS (O/N)	1	.4765	.00820	61,226,932	61,226,932	61,226,932		84.483
COMMERCIAL PAPER-DISCOUNT BASED	4	.6460	.21045	6,998,279	6,987,951	6,987,951		9.642
MUNI US 30/360 2X	2	.5253	.20820	4,000,000	4,036,749	4,032,600	-4,149	5.564
UNITS - INVESTMENT POOL 1	1			157,835	157,835	157,835		.218
CASH ACCOUNT	1			66,832	66,832	66,832		.092
	<u>9</u>	<u>.4941</u>	<u>.03887</u>	<u>72,449,878</u>	<u>72,476,299</u>	<u>72,472,150</u>	<u>-4,149</u>	<u>100.000</u>

STATE OF NEW MEXICO

TREASURERS OFFICE

Position holdings as of 9/30/16 (TRADE)

BOOK VALUES AMORTIZED THROUGH 9/30/16

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
157,835	UNITS - INVESTMENT POOL 1	UNITS001				1.00000	157,835.34	157,835.00	-.34
66,832	FNB MONEY MARKET DEMAND ACCOUNT	FNBCASH				1.00000	66,831.93	66,832.00	.07
224,667							224,667.27	224,667.00	-.27

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

61,226,932	OVERNIGHT REPO	1003RP	.470	10/03/16	.470	1.00000	61,226,932.46	61,226,932.46	
1,250,000	MICROSOFT CO	59515ML8	.505	11/08/16	.505	99.94669	1,249,333.68	1,249,333.68	
898,279	US BANK NA	9033AOMK	.680	12/19/16	.681	99.85078	896,938.57	896,938.57	
2,450,000	TOYOTA MOTOR CREDIT CORP	89233GMP		12/23/16	.783	99.78816	2,444,810.00	2,444,810.00	
2,400,000	GE CAPITAL US HOLDINGS INC	36164JMT	.540	12/27/16	.541	99.86950	2,396,868.00	2,396,868.00	
68,225,211							68,214,882.71	68,214,882.71	

====> 0005 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ==== 2016 <====

2,000,000	DOUGLAS CNTY COLO SCH DIST NO RE 258885YE		5.000	12/15/18	.483	100.92617	2,018,523.35	2,016,300.00	- 2,223.35
2,000,000							2,018,523.35	2,016,300.00	- 2,223.35

====> 0001 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ==== 2018 <====

2,000,000	NEW MEXICO FIN AUTH ST TRANSN RE 64711RFA		5.000	12/15/25	.553	100.91129	2,018,225.88	2,016,300.00	- 1,925.88
2,000,000							2,018,225.88	2,016,300.00	- 1,925.88

====> 0001 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ==== 2025 <====

72,449,878							72,476,299.21	72,472,149.71	- 4,149.50
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====> 0009 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.

New Mexico State Treasurer's
Executive Summary of Investment Activity
Summary of Broker Participation
Purchases and Sales By Broker, Market & Security Type
All Funds
2016-2017

Volume at Par (\$ in thousands)

Broker/Dealer:	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	YTD	
												YTD Total	Percent
Barclays		44,835	11,000									55,835	5.9%
BB and T (Scott & Stringfellow)	38,695		6,000									44,695	4.7%
BMO Capital Markets		10,000	45,474									55,474	5.9%
BNP Paribas												-	0.0%
BOSC, Inc	14,000	10,350	7,245									31,595	3.3%
Cantor, Fitzgerald		5,961										5,961	0.6%
CastleOak Securities LP	25,000	5,000	28,750									58,750	6.2%
Citigroup		10,000										10,000	1.1%
Daiwa Capital Markets America												-	0.0%
Deutsche Bank	5,000	45,000	30,000									80,000	8.4%
Drexel Hamilton LLC												-	0.0%
First Southwest												-	0.0%
FTN Financial		6,100	15,000									21,100	2.2%
George K Baum & Co												-	0.0%
Guggenheim Securities LLC	25,000	25,000										50,000	5.3%
HSBC			6,000									6,000	0.6%
Intl FCStone	44,905	46,515	30,700									122,120	12.9%
Jefferies	15,000	90,000	35,000									140,000	14.8%
JP Morgan & Co												-	0.0%
KeyBanc Capital Markets	11,974	10,000										21,974	2.3%
Loop Capital Markets												-	0.0%
MBS (Multi-Bank Securities)												-	0.0%
MFR Securities												-	0.0%
Mizuho Securities USA		17,000										17,000	1.8%
Morgan Stanley												-	0.0%
Mutual Securities nInc.												-	0.0%
Raymond, James & Associates												-	0.0%
RBS Securities												-	0.0%
Robert W. Baird & Co.	7,325	1,140	625									9,090	1.0%
Samuel A Ramirez & Co.	8,665											8,665	0.9%
Societe General Americas												-	0.0%
Southwest Securities/Hilltop			14,000									14,000	1.5%
Stifel Nicklaus & Co	5,000	5,000										10,000	1.1%
TD Securities	30,000	7,685										37,685	4.0%
UBS Financial Services		10,000	25,000									35,000	3.7%
Vining Sparks												-	0.0%
Wedbush Securities												-	0.0%
Wells Fargo Securities	20,000	35,270	14,000									69,270	7.3%
Direct Purchase	21,600	6,000	16,307									43,907	4.6%
Interfund												-	0.0%
Total	272,164	390,856	285,101	-	-	-	-	-	-	-	-	948,121	100.0%

Volume at Par

(\$ in thousands)

													YTD	
Broker/Dealer:	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	YTD Total	Percent	
Market type:														
-	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	YTD Total	YTD %	
Primary Market	28,725	51,975	41,932									122,632	12.9%	
Secondary Market	243,439	338,881	243,169									825,489	87.1%	
Total	272,164	390,856	285,101	-	-	-	-	-	-	-	-	948,121	100.0%	
Security type:														
- 2	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	YTD Total	YTD %	
ABS														
Agencies	248,439	338,881	222,924									810,244	85.5%	
Certificates of Deposit/Bank MMDA	6,600											6,600	0.7%	
Commercial Paper	15,000	14,835	16,307									46,142	4.9%	
Corporate Bonds												-	0.0%	
MBS														
Municipal/Sponge	2,125	7,140	9,870									19,135	2.0%	
Treasuries		30,000	36,000									66,000	7.0%	
Total	272,164	390,856	285,101	-	-	-	-	-	-	-	-	948,121	100.0%	

STATE OF NEW MEXICO
Summary of Fixed-Income Purchases and Sales
TRADES During The Period 9/01/16 Through 9/30/16

TXN-DATE	CUSIP#	ASSET-TYPE	INVT#	ISSUE-NAME	RATE	MATURITY	YIELD	BRKR/DLR/AGENT	FUND	PAR-VALUE	COST/PROCEEDS	GAIN/LOSS	NXT-CALL
PURCHASE TRANSACTIONS													
9/02/16	89233GMP	COMMERCIAL PAPE	26268	TOYOTA MOTOR CREDIT COR		12/23/16	.8421	ISSUER DIRECT	4001	1,250,000.00	1,246,850.00		
9/12/16	89233GQD	COMMERCIAL PAPE	26357	TOYOTA MOTOR CREDIT COR	1.050	3/13/17	1.0556	ISSUER DIRECT	4000	5,000,000.00	4,973,604.15		
9/12/16	89233GQD	COMMERCIAL PAPE	26359	TOYOTA MOTOR CREDIT COR	1.050	3/13/17	1.0556	ISSUER DIRECT	4002	5,000,000.00	4,973,604.15		
9/26/16	9033AOMK	COMMERCIAL PAPE	26457	US BANK NA	.680	12/19/16	.6811	BROKER DIRECT	4001	898,279.00	896,870.70		
9/27/16	36164JMT	COMMERCIAL PAPE	26468	GE CAPITAL US HOLDINGS	.540	12/27/16	.5407	BROKER DIRECT	4001	2,400,000.00	2,396,760.00		
9/27/16	9033AOPT	COMMERCIAL PAPE	26458	US BANK NA	1.000	2/27/17	1.0043	BROKER DIRECT	4000	558,425.00	556,051.69		
9/28/16	89233GMP	COMMERCIAL PAPE	26268	TOYOTA MOTOR CREDIT COR		12/23/16	.7212	BROKER DIRECT	4001	1,200,000.00	1,197,960.00		
9/21/16	91282857	US TREASURY NOT	26428	UNITED STATES TREASURY	1.125	7/31/21	1.2305	HSBC	1001	6,000,000.00	5,970,234.38		
9/12/16	3130A7ZB	AGENCY US FLOAT	26360	FEDERAL HOME LOAN BANKS	.514	1/27/17	.3986	INTL FCSTONE PA	4101	10,000,000.00	10,004,352.20		
9/20/16	3133EEZ5	AGENCY US FLOAT	26419	FEDERAL FARM CREDIT BAN	.542	3/22/18	.5524	INTL FCSTONE PA	4101	4,000,000.00	3,999,400.00		
9/21/16	3134GSZ3	AGENCY US FLOAT	26437	FEDERAL HOME LOAN MORTG	.532	1/13/17	.3947	INTL FCSTONE PA	4101	9,300,000.00	9,303,999.00		
9/06/16	3133ECP2	AGENCY US BOND	26286	FEDERAL FARM CREDIT BAN	.700	8/09/17	.7436	INTL FCSTONE PA	4101	2,000,000.00	1,999,200.00		
9/07/16	3133EDHU	AGENCY US BOND	26298	FEDERAL FARM CREDIT BAN	1.420	4/02/18	.8201	BANK OF OKLAHOM	4000	2,000,000.00	2,018,638.46		
9/16/16	3130A2A6	AGENCY US BOND	26395	FEDERAL HOME LOAN BANKS	.625	3/20/17	.5333	CASTLEOAK SECUR	4101	3,750,000.00	3,751,725.00		
9/19/16	3130A2A6	AGENCY US BOND	26395	FEDERAL HOME LOAN BANKS	.625	3/20/17	.5330	CASTLEOAK SECUR	4101	20,000,000.00	20,009,127.60		
9/20/16	313381B2	AGENCY US BOND	26418	FEDERAL HOME LOAN BANKS	.750	12/08/17	.7902	BANK OF OKLAHOM	4002	5,000,000.00	4,997,579.50		
9/14/16	313312F9	AGENCY US DISC	26371	FEDERAL FARM CREDIT BAN	.240	9/15/16	.2400	WELLS FARGO SEC	4101	10,000,000.00	9,999,933.33		
9/14/16	313312F9	AGENCY US DISC	26371	FEDERAL FARM CREDIT BAN	.240	9/15/16	.2400	FTN FINANCIAL S	4101	15,000,000.00	14,999,900.00		
9/19/16	313312G6	AGENCY US DISC	26400	FEDERAL FARM CREDIT BAN	.250	9/20/16	.2500	JEFFRIES & CO	4101	35,000,000.00	34,999,756.94		
9/20/16	313384G7	AGENCY US DISC	26408	FEDERAL HOME LOAN BANKS	.200	9/21/16	.2000	UBS	4101	25,000,000.00	24,999,861.11		
9/20/16	313384G7	AGENCY US DISC	26408	FEDERAL HOME LOAN BANKS	.200	9/21/16	.2000	BMO CAPTIAL MAR	4101	20,000,000.00	19,999,888.89		
9/08/16	3130A9EP	AGENCY 30/360 2	26315	FEDERAL HOME LOAN BANK	1.000	9/26/19	1.0291	CASTLEOAK SECUR	4000	5,000,000.00	4,995,650.00		
9/02/16	3135G0CM	AGENCY US NOTES	25588	FEDERAL NATIONAL MORTGA	1.250	9/28/16	.2997	BMO CAPTIAL MAR	4101	5,474,000.00	5,477,749.69		
9/15/16	3137EAED	AGENCY US NOTES	26386	FREDDIE MAC	.875	10/12/18	.8960	BARCLAYS	4002	5,000,000.00	4,997,850.00		
9/21/16	3137EADC	AGENCY US NOTES	25921	FEDERAL HOME LOAN MORTG	1.000	3/08/17	.4934	BMO CAPTIAL MAR	4101	10,000,000.00	10,023,300.00		
9/21/16	3137EADC	AGENCY US NOTES	25921	FEDERAL HOME LOAN MORTG	1.000	3/08/17	.4830	BMO CAPTIAL MAR	4101	10,000,000.00	10,023,780.00		
9/16/16	3136G2NZ	FED NATL MORTGA	26407	FEDERAL NATIONAL MORTGA	.750	9/28/18	.5002	BB&T CAPITAL MA	4101	6,000,000.00	6,000,372.00		12/28/16
9/27/16	3133EDX6	AGENCY US VARIA	26470	FEDERAL FARM CREDIT BAN	.500	4/10/17	.4741	INTL FCSTONE PA	4101	5,400,000.00	5,400,594.00		
9/23/16	3130A9LQ	AGENCY US VAR 3	26487	FEDERAL HOME LOAN BANKS	.500	9/29/17	.5000	HILLTOP SECURIT	4101	5,000,000.00	5,000,000.00		12/29/16
9/01/16	59261EAC	MUNI US 30/360	26260	METROPOLITAN TRANSN AUT	1.069	7/01/17	.7009	HILLTOP SECURIT	4000	2,500,000.00	2,507,475.00		
9/01/16	59261EAC	MUNI US 30/360	26259	METROPOLITAN TRANSN AUT	1.069	7/01/17	.7009	HILLTOP SECURIT	4002	2,500,000.00	2,507,475.00		
9/07/16	258885YE	MUNI US 30/360	26291	DOUGLAS CNTY COLO SCH D	5.000	12/15/18	.4827	HILLTOP SECURIT	4001	2,000,000.00	2,023,280.00		12/15/16
9/09/16	64711RFA	MUNI US 30/360	26341	NEW MEXICO FIN AUTH ST	5.000	12/15/25	.5535	HILLTOP SECURIT	4001	2,000,000.00	2,022,660.00		12/15/16
9/16/16	647110DZ	MUNI US 30/360	26396	NEW MEXICO EDL ASSISTAN	4.000	9/01/17	.7256	BANK OF OKLAHOM	4000	245,000.00	252,536.20		
9/16/16	800050FG	MUNI US 30/360	26397	SANDOVAL COUNTY	2.000	6/01/18	.9202	ROBERT W BAIRD	1001	360,000.00	366,307.20		
9/16/16	800050FH	MUNI US 30/360	26398	SANDOVAL COUNTY	3.000	6/01/19	1.0703	ROBERT W BAIRD	1001	265,000.00	278,268.55		
36 PURCHASES DURING PERIOD TOTAL.....										245,100,704.00	245,172,594.74		

STATE OF NEW MEXICO
Summary of Fixed-Income Purchases and Sales
TRADES During The Period 9/01/16 Through 9/30/16

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>													
9/12/16	912828RJ	US TREASURY NOT	21311	UNITED STATES TREASURY	1.000	9/30/16		WELLS FARGO SEC	4000	4,000,000.00	4,001,250.00	570.86	
9/15/16	912828A5	US TREASURY NOT	21693	UNITED STATES TREASURY	.625	12/15/16		DEUTSCHE BANK S	4002	10,000,000.00	10,007,031.25	8,038.19	
9/16/16	912828A5	US TREASURY NOT	21677	UNITED STATES TREASURY	.625	12/15/16	.3120	DEUTSCHE BANK S	4000	10,000,000.00	10,007,421.88	9,875.05	
9/23/16	912828S7	US TREASURY NOT	26428	UNITED STATES TREASURY	1.125	7/31/21		BARCLAYS	1001	6,000,000.00	5,988,281.25	17,983.16	
9/22/16	3137EADS	AGENCY US NOTES	19746	FEDERAL HOME LOAN MORTG	.875	10/14/16	.2700	DEUTSCHE BANK S	1001	10,000,000.00	10,003,522.50	3,463.60	
5 SALES DURING PERIOD TOTAL.....										40,000,000.00	40,007,506.88	39,930.86	
=== GRAND-TOTAL ==>										285,100,704.00	285,180,101.62	39,930.86	
*** END-OF-REPORT ***													

STATE OF NEW MEXICO
Summary of Fixed-Income Purchases and Sales
TRADES During The Period 7/01/16 Through 9/30/16

TXN-DATE	CUSIP#	ASSET-TYPE	INVT#	ISSUE-NAME	RATE	MATURITY	YIELD	BRKR/DLR/AGENT	FUND	PAR-VALUE	COST/PROCEEDS	GAIN/LOSS	NXT-CALL
PURCHASE TRANSACTIONS													
7/01/16	89233GN4	COMMERCIAL PAPE	25853	TOYOTA MOTOR CREDIT COR		1/04/17	.8537	BROKER DIRECT	4000	5,000,000.00	4,978,395.83		
7/01/16	9033EOMY	COMMERCIAL PAPE	25854	US BANK NA		12/29/16	.6923	BROKER DIRECT	4002	5,000,000.00	4,983,037.50		
7/15/16	9033EONH	COMMERCIAL PAPE	25953	US BANK NA	.710	1/17/17	.7126	ISSUER DIRECT	4000	5,000,000.00	4,981,954.15		
8/29/16	59515ML8	COMMERCIAL PAPE	26222	MICROSOFT CO	.505	11/08/16	.5055	BARCLAYS	4000	13,585,000.00	13,571,660.28		
8/29/16	59515ML8	COMMERCIAL PAPE	26223	MICROSOFT CO	.505	11/08/16	.5055	BARCLAYS	4001	1,250,000.00	1,248,772.57		
9/02/16	89233GMP	COMMERCIAL PAPE	26268	TOYOTA MOTOR CREDIT COR		12/23/16	.8421	ISSUER DIRECT	4001	1,250,000.00	1,246,850.00		
9/12/16	89233GQD	COMMERCIAL PAPE	26357	TOYOTA MOTOR CREDIT COR	1.050	3/13/17	1.0556	ISSUER DIRECT	4000	5,000,000.00	4,973,604.15		
9/12/16	89233GQD	COMMERCIAL PAPE	26359	TOYOTA MOTOR CREDIT COR	1.050	3/13/17	1.0556	ISSUER DIRECT	4002	5,000,000.00	4,973,604.15		
9/26/16	9033AOMK	COMMERCIAL PAPE	26457	US BANK NA	.680	12/19/16	.6811	BROKER DIRECT	4001	898,279.00	896,870.70		
9/27/16	36164JMT	COMMERCIAL PAPE	26468	GE CAPITAL US HOLDINGS	.540	12/27/16	.5407	BROKER DIRECT	4001	2,400,000.00	2,396,760.00		
9/27/16	9033AOPT	COMMERCIAL PAPE	26458	US BANK NA	1.000	2/27/17	1.0043	BROKER DIRECT	4000	558,425.00	556,051.69		
9/28/16	89233GMP	COMMERCIAL PAPE	26268	TOYOTA MOTOR CREDIT COR		12/23/16	.7212	BROKER DIRECT	4001	1,200,000.00	1,197,960.00		
7/06/16	8521060	CERTIFICATES OF	25870	FARMERS AND STOCKMENS B	.780	7/06/18	.7800	SYSTEM - UNIDEN	4000	1,500,000.00	1,500,000.00		
7/13/16	159850	CERTIFICATES OF	25918	WESTERN BANK CLOVIS	.900	7/13/18	.9000	SYSTEM - UNIDEN	4002	2,600,000.00	2,600,000.00		
7/22/16	81187124	CERTIFICATES OF	25991	WESTERN BANK ALAMOGORDO	.750	7/21/17	.7500	SYSTEM - UNIDEN	4002	2,500,000.00	2,500,000.00		
8/08/16	912828VE	US TREASURY NOT	26094	UNITED STATES TREASURY	1.000	5/31/18	.7190	UBS	4000	5,000,000.00	5,025,195.31		
8/08/16	912828VE	US TREASURY NOT	26093	UNITED STATES TREASURY	1.000	5/31/18	.7190	UBS	4002	5,000,000.00	5,025,195.31		
8/19/16	912828P2	US TREASURY NOT	26180	UNITED STATES TREASURY	.750	1/31/18	.7226	DEUTSCHE BANK S	4000	5,000,000.00	5,001,953.13		
9/21/16	912828S7	US TREASURY NOT	26428	UNITED STATES TREASURY	1.125	7/31/21	1.2305	HSBC	1001	6,000,000.00	5,970,234.38		
9/12/16	3130A7ZB	AGENCY US FLOAT	26360	FEDERAL HOME LOAN BANKS	.514	1/27/17	.3986	INTL FCSTONE PA	4101	10,000,000.00	10,004,352.20		
9/20/16	3133EEZ5	AGENCY US FLOAT	26419	FEDERAL FARM CREDIT BAN	.542	3/22/18	.5524	INTL FCSTONE PA	4101	4,000,000.00	3,999,400.00		
9/21/16	3134G5Z3	AGENCY US FLOAT	26437	FEDERAL HOME LOAN MORTG	.532	1/13/17	.3947	INTL FCSTONE PA	4101	9,300,000.00	9,303,999.00		
7/07/16	313370TW	AGENCY US BOND	24769	FEDERAL HOME LOAN BANKS	2.000	9/09/16	.4140	BB&T CAPITAL MA	4101	37,695,000.00	37,791,084.56		
7/13/16	3130A8QS	AGENCY US BOND	25919	FHLB	1.125	7/14/21	1.2269	STIFFEL NICOLAU	1001	5,000,000.00	4,975,350.00		
7/13/16	3133ECT7	AGENCY US BOND	25922	FEDERAL FARM CREDIT BAN	1.000	3/01/17	.5265	INTL FCSTONE PA	4101	4,000,000.00	4,011,960.00		
7/15/16	3133EFX6	AGENCY US BOND	25952	FEDERAL FARM CREDIT BAN	.960	10/05/18	.8461	BOSC, INC	4002	10,000,000.00	10,024,926.40		
7/20/16	3130A8U5	AGENCY US BOND	25980	FEDERAL HOME LOAN BANKS	.830	7/25/18	.8644	INTL FCSTONE PA	4000	7,500,000.00	7,494,900.00		
7/20/16	3130A8U5	AGENCY US BOND	25981	FEDERAL HOME LOAN BANKS	.830	7/25/18	.8644	INTL FCSTONE PA	4002	7,500,000.00	7,494,900.00		
8/05/16	313378J7	AGENCY US BOND	26086	FEDERAL HOME LOAN BANKS	1.875	3/13/20	1.0663	INTL FCSTONE PA	4000	10,000,000.00	10,284,700.00		
8/05/16	313379DT	AGENCY US BOND	26084	FEDERAL HOME LOAN BANKS	1.250	6/08/18	.8402	KEYBANC CAPITAL	4000	5,000,000.00	5,037,200.00		
8/05/16	313379DT	AGENCY US BOND	26085	FEDERAL HOME LOAN BANKS	1.250	6/08/18	.8402	KEYBANC CAPITAL	4002	5,000,000.00	5,037,200.00		
8/09/16	3130A92E	AGENCY US BOND	26102	FEDERAL HOME LOAN BANK	.625	8/11/17	.6782	CITIGROUP GLOBA	4101	10,000,000.00	9,994,710.00		
8/15/16	880591DS	AGENCY US BOND	26140	TENNESSEE VALLEY AUTHOR	4.875	12/15/16	.4403	TD SECURITIES	4101	7,685,000.00	7,797,400.81		
8/16/16	3130A8RY	AGENCY US BOND	26148	FEDERAL HOME LOAN BANKS	.750	1/19/18	.8124	INTL FCSTONE PA	4002	5,000,000.00	4,995,600.00		
8/18/16	3133XUKV	AGENCY US BOND	26178	FEDERAL HOME LOAN BANKS	3.750	9/09/16	.3442	BANK OF OKLAHOM	4101	540,000.00	541,019.81		
8/19/16	3133807A	AGENCY US BOND	26181	FEDERAL HOME LOAN BANKS	1.060	5/30/18	.8502	BOSC, INC	4000	1,000,000.00	1,003,683.22		
8/23/16	3130A4G8	AGENCY US BOND	26196	FEDERAL HOME LOAN BANKS	1.650	9/24/19	.6503	BANK OF OKLAHOM	4002	2,000,000.00	2,011,622.01		3/24/17
8/25/16	3130A9AE	AGENCY US BOND	26212	FEDERAL HOME LOAN BANKS	.875	10/01/18	.9078	STIFFEL NICOLAU	1001	5,000,000.00	4,996,600.00		

STATE OF NEW MEXICO
Summary of Fixed-Income Purchases and Sales
TRADES During The Period 7/01/16 Through 9/30/16

TXN-DATE	CUSIP#	ASSET-TYPE	INVT#	ISSUE-NAME	RATE	MATURITY	YIELD	BRKR/DLR/AGENT	FUND	PAR-VALUE	COST/PROCEEDS	GAIN/LOSS	NXT-CALL
8/25/16	3130A9AE	AGENCY US BOND	26213	FEDERAL HOME LOAN BANKS	.875	10/01/18	.9078	CASTLEOAK SECUR	4000	5,000,000.00	4,996,600.00		
8/25/16	3130A9AE	AGENCY US BOND	26214	FEDERAL HOME LOAN BANKS	.875	10/01/18	.9078	WELLS FARGO SEC	4002	5,000,000.00	4,996,600.00		
9/06/16	3133ECP2	AGENCY US BOND	26286	FEDERAL FARM CREDIT BAN	.700	8/09/17	.7436	INTL FCSTONE PA	4101	2,000,000.00	1,999,200.00		
9/07/16	3133EDHU	AGENCY US BOND	26298	FEDERAL FARM CREDIT BAN	1.420	4/02/18	.8201	BANK OF OKLAHOM	4000	2,000,000.00	2,018,638.46		
9/16/16	3130A2A6	AGENCY US BOND	26395	FEDERAL HOME LOAN BANKS	.625	3/20/17	.5333	CASTLEOAK SECUR	4101	3,750,000.00	3,751,725.00		
9/19/16	3130A2A6	AGENCY US BOND	26395	FEDERAL HOME LOAN BANKS	.625	3/20/17	.5330	CASTLEOAK SECUR	4101	20,000,000.00	20,009,127.60		
9/20/16	313381B2	AGENCY US BOND	26418	FEDERAL HOME LOAN BANKS	.750	12/08/17	.7902	BANK OF OKLAHOM	4002	5,000,000.00	4,997,579.50		
7/19/16	880592B4	AGENCY US DISC	25962	TENNESSEE VALLEY AUTH D		8/09/16	.2951	JEFFRIES & CO	4101	15,000,000.00	14,997,418.75		
8/15/16	313312P6	AGENCY US DISC	26144	FEDERAL FARM CREDIT BAN	.300	11/15/16	.3002	FTN FINANCIAL S	4101	6,100,000.00	6,095,374.17		
8/16/16	880592D9	AGENCY US DISC	26146	TENNESSEE VALLEY AUTHOR		8/30/16	.2800	JEFFRIES & CO	4101	40,000,000.00	39,995,644.44		
8/24/16	313396G8	AGENCY US DISC	26204	FEDERAL HOME LOAN MORTG		9/22/16	.2651	GUGGENHEIM SECU	4101	25,000,000.00	24,994,663.19		
9/14/16	313312F9	AGENCY US DISC	26371	FEDERAL FARM CREDIT BAN	.240	9/15/16	.2400	WELLS FARGO SEC	4101	10,000,000.00	9,999,933.33		
9/14/16	313312F9	AGENCY US DISC	26371	FEDERAL FARM CREDIT BAN	.240	9/15/16	.2400	FTN FINANCIAL S	4101	15,000,000.00	14,999,900.00		
9/19/16	313312G6	AGENCY US DISC	26400	FEDERAL FARM CREDIT BAN	.250	9/20/16	.2500	JEFFRIES & CO	4101	35,000,000.00	34,999,756.94		
9/20/16	313384G7	AGENCY US DISC	26408	FEDERAL HOME LOAN BANKS	.200	9/21/16	.2000	UBS	4101	25,000,000.00	24,999,861.11		
9/20/16	313384G7	AGENCY US DISC	26408	FEDERAL HOME LOAN BANKS	.200	9/21/16	.2000	BMO CAPIAL MAR	4101	20,000,000.00	19,999,888.89		
7/06/16	3130A3J7	AGENCY 30/360 2	25525	FEDERAL HOME LOAN BANK	.625	11/23/16	.3994	KEYBANC CAPITAL	4101	5,450,000.00	5,454,632.50		
7/29/16	3135G0N3	AGENCY 30/360 2	26031	FANNIE MAE	.875	8/02/19	.9319	TD SECURITIES	1001	5,000,000.00	4,991,600.00		
8/03/16	3130A8Y7	AGENCY 30/360 2	26062	FEDERAL HOME LOAN BANK	.875	8/05/19	.9400	WELLS FARGO SEC	4000	7,500,000.00	7,485,600.00		
8/03/16	3130A8Y7	AGENCY 30/360 2	26063	FEDERAL HOME LOAN BANK	.875	8/05/19	.9400	WELLS FARGO SEC	4002	7,500,000.00	7,485,600.00		
9/08/16	3130A9EP	AGENCY 30/360 2	26315	FEDERAL HOME LOAN BANK	1.000	9/26/19	1.0291	CASTLEOAK SECUR	4000	5,000,000.00	4,995,650.00		
7/14/16	31359MEL	AGENCY US BOND	25939	FANNIE MAE		6/01/17	.6095	WELLS FARGO SEC	4101	10,000,000.00	9,946,619.81		
7/01/16	3136G07E	AGENCY US NOTES	25855	FEDERAL NATIONAL MORTGA	.625	11/28/16	.4650	BOSC, INC	4101	1,000,000.00	1,000,633.20		
7/06/16	3136G2EH	AGENCY US NOTES	25881	FEDERAL NATIONAL MORTGA	1.375	2/27/19	.7504	BOSC, INC	4002	2,000,000.00	2,007,946.98		2/27/17
7/07/16	3136G3YU	AGENCY US NOTES	25892	FNMA	.850	7/26/18	.8500	INTL FCSTONE PA	4002	3,800,000.00	3,800,000.00		1/26/17
7/08/16	3136FTB7	AGENCY US NOTES	25901	FEDERAL NATIONAL MORTGA	2.000	2/07/20	.9843	ROBERT W BAIRD	4002	5,200,000.00	5,384,964.00		
7/13/16	3137EADC	AGENCY US NOTES	25921	FEDERAL HOME LOAN MORTG	1.000	3/08/17	.5267	INTL FCSTONE PA	4101	7,105,000.00	7,126,791.04		
7/13/16	3137EADC	AGENCY US NOTES	25921	FEDERAL HOME LOAN MORTG	1.000	3/08/17	.4976	KEYBANC CAPITAL	4101	6,524,000.00	6,545,333.48		
7/19/16	3136G06C	AGENCY US NOTES	25970	FEDERAL NATIONAL MORTGA	1.500	12/04/19	.7505	BB&T CAPITAL MA	4000	1,000,000.00	1,000,910.00		12/04/16
7/19/16	3136G12H	AGENCY US NOTES	25969	FEDERAL NATIONAL MORTGA	1.400	6/05/20	1.1491	BOSC, INC	4000	1,000,000.00	1,009,482.52		
8/03/16	3136FPYB	AGENCY US NOTES	26064	FEDERAL NATIONAL MORTGA	2.050	5/23/17	.6205	BOSC, INC	4101	2,310,000.00	2,336,402.61		
8/09/16	3136G0E5	AGENCY US NOTES	26103	FEDERAL NATIONAL MORTGA	1.625	3/27/20	1.0974	INTL FCSTONE PA	4000	1,265,000.00	1,288,693.45		
8/09/16	3137EADU	AGENCY US NOTES	26105	FEDERAL HOME LOAN MORTG	.500	1/27/17	.4891	INTL FCSTONE PA	4101	5,000,000.00	5,000,250.00		
8/17/16	3134G32U	AGENCY US NOTES	26164	FEDERAL HOME LOAN MORTG	.875	6/26/18	.8739	INTL FCSTONE PA	4002	7,750,000.00	7,750,155.00		
8/18/16	3135G0ZB	AGENCY US NOTES	25249	FEDERAL NATIONAL MORTGA	.750	4/20/17	.5311	JEFFRIES & CO	4101	15,000,000.00	15,022,005.00		
8/18/16	3135G0ZB	AGENCY US NOTES	25249	FEDERAL NATIONAL MORTGA	.750	4/20/17	.5366	WELLS FARGO SEC	4101	1,270,000.00	1,271,816.10		
8/19/16	3135G0ZB	AGENCY US NOTES	25249	FEDERAL NATIONAL MORTGA	.750	4/20/17	.5366	JEFFRIES & CO	4101	10,000,000.00	10,014,063.20		
8/29/16	3135G0GY	AGENCY US NOTES	26224	FEDERAL NATIONAL MORTGA	1.250	1/30/17	.4608	BMO CAPIAL MAR	4101	10,000,000.00	10,032,800.00		
8/30/16	880591EA	AGENCY US NOTES	26241	TENNESSEE VALLEY AUTH	5.500	7/18/17	.7039	CANTOR FITZGERA	4101	5,961,000.00	6,212,315.76		
9/02/16	3135G0CM	AGENCY US NOTES	25588	FEDERAL NATIONAL MORTGA	1.250	9/28/16	.2997	BMO CAPIAL MAR	4101	5,474,000.00	5,477,749.69		
9/15/16	3137EAEAD	AGENCY US NOTES	26386	FREDDIE MAC	.875	10/12/18	.8960	BARCLAYS	4002	5,000,000.00	4,997,850.00		

STATE OF NEW MEXICO
Summary of Fixed-Income Purchases and Sales
TRADES During The Period 7/01/16 Through 9/30/16

TXN-DATE	CUSIP#	ASSET-TYPE	INVT#	ISSUE-NAME	RATE	MATURITY	YIELD	BRKR/DLR/AGENT	FUND	PAR-VALUE	COST/PROCEEDS	GAIN/LOSS	NXT-CALL
9/21/16	3137EADC	AGENCY US NOTES	25921	FEDERAL HOME LOAN MORTG	1.000	3/08/17	.4934	BMO CAPTIAL MAR	4101	10,000,000.00	10,023,300.00		
9/21/16	3137EADC	AGENCY US NOTES	25921	FEDERAL HOME LOAN MORTG	1.000	3/08/17	.4830	BMO CAPTIAL MAR	4101	10,000,000.00	10,023,780.00		
7/05/16	3134G9D8	FED NATL MORTGA	25863	FEDERAL HOME LOAN MORTG	.750	6/30/21	.8538	RAMIREZ & CO, I	1001	5,000,000.00	4,997,500.00		12/30/16
7/05/16	3134G9D8	FED NATL MORTGA	25862	FEDERAL HOME LOAN MORTG	.750	6/30/21	.8538	RAMIREZ & CO, I	4002	3,665,000.00	3,663,167.50		12/30/16
7/12/16	3136G3D2	FED NATL MORTGA	25920	FEDERAL NATIONAL MORTGA	.750	7/26/19	.7500	INTL FCSTONE PA	4002	5,000,000.00	5,000,000.00		7/26/17
9/16/16	3136G2N2	FED NATL MORTGA	26407	FEDERAL NATIONAL MORTGA	.750	9/28/18	.5002	BB&T CAPITAL MA	4101	6,000,000.00	6,000,372.00		12/28/16
7/01/16	3135G0L2	AGENCY US VARIA	25856	FEDERAL NATIONAL MORTGA	.597	12/20/17	.6001	CASTLEOAK SECUR	4101	25,000,000.00	24,998,750.00		12/20/16
7/06/16	3130A8Q6	AGENCY US VARIA	25882	FEDERAL HOME LOAN BANK	.626	1/08/18	.6237	GUGGENHEIM SECU	4002	25,000,000.00	25,000,000.00		
9/27/16	3133EDX6	AGENCY US VARIA	26470	FEDERAL FARM CREDIT BAN	.500	4/10/17	.4741	INTL FCSTONE PA	4101	5,400,000.00	5,400,594.00		
9/23/16	3130A9LQ	AGENCY US VAR 3	26487	FEDERAL HOME LOAN BANKS	.500	9/29/17	.5000	HILLTOP SECURIT	4101	5,000,000.00	5,000,000.00		12/29/16
7/13/16	80189RET	MUNI US 30/360	25932	COUNTY OF SANTA FE	2.000	6/01/17	.6402	ROBERT W BAIRD	4000	385,000.00	389,227.30		
7/14/16	470143AR	MUNI US 30/360	25944	JAL N MEX PUB SCH DIST	2.000	10/01/17	.7007	ROBERT W BAIRD	4000	835,000.00	847,074.10		
7/14/16	470143AS	MUNI US 30/360	25943	JAL N MEX PUB SCH DIST	2.000	10/01/18	.8500	ROBERT W BAIRD	4000	785,000.00	803,918.50		
7/20/16	43385QAU	MUNI US 30/360	25979	HOBBS N MEX MUN SCH DIS	1.000	9/15/18	.9503	ROBERT W BAIRD	4000	120,000.00	120,121.20		
8/10/16	077581QC	MUNI US 30/360	26114	BeLen Consolidated Scho	2.000	8/01/17	.8009	ROBERT W BAIRD	4002	160,000.00	161,684.80		
8/10/16	077581QE	MUNI US 30/360	26115	BELEN N MEX CONS SCH DI	2.000	8/01/19	1.0502	ROBERT W BAIRD	4002	315,000.00	323,473.50		
8/10/16	077581QT	MUNI US 30/360	26116	BELEN N MEX CONS SCH DI	2.000	8/01/19	1.0502	ROBERT W BAIRD	4002	535,000.00	549,391.50		
8/31/16	647200L2	MUNI US 30/360	26258	NEW MEXICO MTG FIN AUTH	3.700	3/01/17	.6516	ROBERT W BAIRD	4000	130,000.00	131,920.10		
9/01/16	59261EAC	MUNI US 30/360	26260	METROPOLITAN TRANSN AUT	1.069	7/01/17	.7009	HILLTOP SECURIT	4000	2,500,000.00	2,507,475.00		
9/01/16	59261EAC	MUNI US 30/360	26259	METROPOLITAN TRANSN AUT	1.069	7/01/17	.7009	HILLTOP SECURIT	4002	2,500,000.00	2,507,475.00		
9/07/16	258885YE	MUNI US 30/360	26291	DOUGLAS CNTY COLO SCH D	5.000	12/15/18	.4827	HILLTOP SECURIT	4001	2,000,000.00	2,023,280.00		12/15/16
9/09/16	64711RFA	MUNI US 30/360	26341	NEW MEXICO FIN AUTH ST	5.000	12/15/25	.5535	HILLTOP SECURIT	4001	2,000,000.00	2,022,660.00		12/15/16
9/16/16	647110DZ	MUNI US 30/360	26396	NEW MEXICO EDL ASSISTAN	4.000	9/01/17	.7256	BANK OF OKLAHOM	4000	245,000.00	252,536.20		
9/16/16	800050FG	MUNI US 30/360	26397	SANDOVAL COUNTY	2.000	6/01/18	.9202	ROBERT W BAIRD	1001	360,000.00	366,307.20		
9/16/16	800050FH	MUNI US 30/360	26398	SANDOVAL COUNTY	3.000	6/01/19	1.0703	ROBERT W BAIRD	1001	265,000.00	278,268.55		
8/16/16	CMSQ016M	MUNICIPAL BOND	26188	CARLSBAD MUNICIPAL SCHO	.560	9/22/16	.5584	ISSUER DIRECT	1000	4,000,000.00	4,000,000.00		
8/30/16	GISDGO16	MUNICIPAL BOND	26240	GADSDEN SCHOOL DISTRICT	.580	10/20/16	.5783	ISSUER DIRECT	1000	2,000,000.00	2,000,000.00		
106 PURCHASES DURING PERIOD TOTAL.....										710,120,704.00	711,312,759.33		

SALE TRANSACTIONS

8/05/16	912828RM	US TREASURY NOT	19026	UNITED STATES TREASURY	1.000	10/31/16		BARCLAYS	4000	10,000,000.00	10,015,625.00	2,611.29	
8/31/16	912828RJ	US TREASURY NOT	21095	UNITED STATES TREASURY	1.000	9/30/16	.4261	WELLS FARGO SEC	4002	5,000,000.00	5,002,343.75	1,033.14	
9/12/16	912828RJ	US TREASURY NOT	21311	UNITED STATES TREASURY	1.000	9/30/16		WELLS FARGO SEC	4000	4,000,000.00	4,001,250.00	570.86	
9/15/16	912828AS	US TREASURY NOT	21693	UNITED STATES TREASURY	.625	12/15/16		DEUTSCHE BANK S	4002	10,000,000.00	10,007,031.25	8,038.19	
9/16/16	912828AS	US TREASURY NOT	21677	UNITED STATES TREASURY	.625	12/15/16	.3120	DEUTSCHE BANK S	4000	10,000,000.00	10,007,421.88	9,875.05	
9/23/16	912828S7	US TREASURY NOT	26428	UNITED STATES TREASURY	1.125	7/31/21		BARCLAYS	1001	6,000,000.00	5,988,281.25	17,983.16	
7/01/16	3130A77E	AGENCY US FLOAT	24915	FEDERAL HOME LOAN BANKS	.450	8/02/16		WELLS FARGO SEC	4101	10,000,000.00	10,000,679.40	679.40	
8/09/16	3130A8JE	AGENCY US FLOAT	25741	FEDERAL HOME LOAN BANK	.422	11/16/16		BARCLAYS	4101	10,000,000.00	10,002,770.00	3,111.54	
8/02/16	313370TW	AGENCY US BOND	24769	FEDERAL HOME LOAN BANKS	2.000	9/09/16		INTL FCSTONE PA	4101	10,000,000.00	10,016,400.00	1,180.03	

STATE OF NEW MEXICO
Summary of Fixed-Income Purchases and Sales
TRADES During The Period 7/01/16 Through 9/30/16

TXN-DATE	CUSIP#	ASSET-TYPE	INVT#	ISSUE-NAME	RATE	MATURITY	YIELD	BRKR/DLR/AGENT	FUND	PAR-VALUE	COST/PROCEEDS	GAIN/LOSS	NXT-CALL
8/11/16	31315PS2	AGENCY US BOND	21181	FARMER MAC	.980	4/10/17		WELLS FARGO SEC	1001	9,000,000.00	9,023,283.00	25,377.53	
8/11/16	31315PY8	AGENCY US BOND	21302	FARMER MAC	.930	5/01/17		MIZUHO SECURITI	1001	8,000,000.00	8,014,800.00	17,110.69	
7/08/16	313384ZP	AGENCY US DISC	24789	FEDERAL HOME LOAN BANKS		7/19/16		TD SECURITIES	4101	5,000,000.00	4,999,700.00	344.44	
7/12/16	313384ZZ	AGENCY US DISC	24886	FEDERAL HOME LOAN BANKS		7/29/16	.2899	DEUTSCHE BANK S	4101	5,000,000.00	4,999,315.50	543.28	
7/22/16	313384C3	AGENCY US DISC	25624	FEDL HOME LOAN BK CONS		8/16/16		TD SECURITIES	4101	20,000,000.00	19,996,577.78	1,870.00	
8/08/16	3137EACW	AGENCY US NOTES	15558	FEDERAL HOME LOAN MORTG	2.000	8/25/16		JEFFRIES & CO	4000	5,000,000.00	5,003,885.00	2,007.38	
8/08/16	3137EACW	AGENCY US NOTES	15517	FEDERAL HOME LOAN MORTG	2.000	8/25/16	.2493	JEFFRIES & CO	4002	5,000,000.00	5,003,885.00	2,305.66	
8/11/16	3132X0CG	AGENCY US NOTES	25178	FEDERAL AGRICULTURAL MO	.440	10/05/16	.3823	JEFFRIES & CO	1001	15,000,000.00	15,001,260.00	1,649.18	
8/12/16	31315P3K	AGENCY US NOTES	22092	FEDERAL AGRICULTURAL MO	1.150	9/18/17	.8522	BANK OF OKLAHOM	1001	4,500,000.00	4,514,532.34	15,537.01	
8/12/16	31315PDT	AGENCY US NOTES	21680	FEDERAL AGRICULTURAL MO	3.020	7/14/17		MIZUHO SECURITI	1001	9,000,000.00	9,181,260.00	20,969.47	
8/12/16	3137EADS	AGENCY US NOTES	19746	FEDERAL HOME LOAN MORTG	.875	10/14/16		DEUTSCHE BANK S	1001	20,000,000.00	20,017,420.00	17,063.28	
8/12/16	3137EADZ	AGENCY US NOTES	25183	FREDDIE MAC	1.125	4/15/19	.8981	DEUTSCHE BANK S	1001	20,000,000.00	20,119,300.00	125,122.34	
8/30/16	3135G0J5	AGENCY US NOTES	25569	FEDERAL NATIONAL MORTGA	1.000	2/26/19		BARCLAYS	4000	10,000,000.00	10,006,090.00	22,840.13	
8/31/16	3134G8RW	AGENCY US NOTES	25133	FREDDIE MAC	1.240	3/29/19	.7089	INTL FCSTONE PA	4000	7,500,000.00	7,503,075.00	3,075.00	
9/22/16	3137EADS	AGENCY US NOTES	19746	FEDERAL HOME LOAN MORTG	.875	10/14/16	.2700	DEUTSCHE BANK S	1001	10,000,000.00	10,003,522.50	3,463.60	
7/08/16	3133ECXS	AGENCY US VARIA	25192	FEDERAL FARM CREDIT BAN	.530	7/20/16	.2412	INTL FCSTONE PA	4101	10,000,000.00	10,000,574.10	439.75	
25 SALES DURING PERIOD TOTAL.....										238,000,000.00	238,430,282.75	304,801.40	
=== GRAND-TOTAL ==>										948,120,704.00	949,743,042.08	304,801.40	

*** END-OF-REPORT ***



16. Credit Investing

APPROVED MEDIUM TERM NOTE/CORPORATE BOND ISSUERS

September 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-	NEG	NR	NR	9/13 - S&P outlook to NEG			
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-	STABLE	AA-	STABLE	9/23 - S&P downgrades from AA+ to AA- on acquisitions			
IBM CORP	\$146.48	Aa3	NEG	AA-	NEG	A+	NEG				
INTEL CORP	\$153.17	A1	STABLE	A+	STABLE	A+	STABLE				
JOHN DEERE CAP	\$25.39	A2	NEG	A	STABLE	NR	NR	8/15 - Moody's outlook to NEG but affirmed A2/P-1			
JOHNSON & JOHNSON	\$265.03	Aaa	STABLE	AAA	STABLE	AAA	STABLE				
MICROSOFT CORP	\$375.95	Aaa	NEG	AAA	STABLE	AA+/*-	NEG				
PEPSICO INC	\$143.72	A1	STABLE	A	POS	A	STABLE				
PFIZER INC	\$206.44	A1	STABLE	AA	STABLE	A+	STABLE	9/26 - Moody's to stable outlook from NEG on decision not to split the company			
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	WD	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	NEG	AA-	NEG	10/18 - S&P to NEG outlook, 10/4 - Fitch to NEG outlook			
WELLS FARGO BANK	\$267.53	Aa2	STABLE	AA-	NEG	AA	NEG	10/18 - S&P to NEG outlook, 10/4 - Fitch to NEG outlook			

APPROVED COMMERCIAL PAPER ISSUERS

September 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+	NEG	NR	NR	9/13 - S&P outlook to NEG				
DEERE & COMPANY	P-1	NEG	A-1	STABLE	NR	NR	8/15 - Moody's outlook to NEG but affirmed A2/P-1				
ELI LILLY & CO	P-1	STABLE	A-1+	STABLE	F1	STABLE					
EXXON MOBIL CORP	P-1	NEG	A-1+	STABLE	NR	NR					
GE CO/CAPITAL TREASURY	P-1	STABLE	A-1+	STABLE	F1+	STABLE	8/2 - Fitch publishes rating AA-/F1+				
HSBC USA INC	P-1	NEG	A-1	NEG	F1+	STABLE	7/7 - S&P outlook to NEG but affirmed A2/P-1				
IBM CORP	P-1	NEG	A-1+	NEG	F1	NEG	9/30 - Fitch outlook to NEG				
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	F1	STABLE					
USAA CAPITAL CORP	P-1	STABLE	A-1	STABLE	F1+	STABLE					
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	NEG	F1+	NEG	10/18 - S&P to NEG outlook, 10/4 - Fitch to NEG outlook				



17. State Agency Deposit Balances



Tim Eichenberg
State Treasurer

STATE OF NEW MEXICO
OFFICE OF THE TREASURER

Samuel Collins
Deputy State Treasurer

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Date: September 26, 2016
To: Tim Eichenberg, State Treasurer
For: Governor Martinez and Members of the State Board of Finance
From: Charmaine Cook, State Cash Manager *cc*
Subject: State Fund Deposit Activity for the month ending September 30, 2016

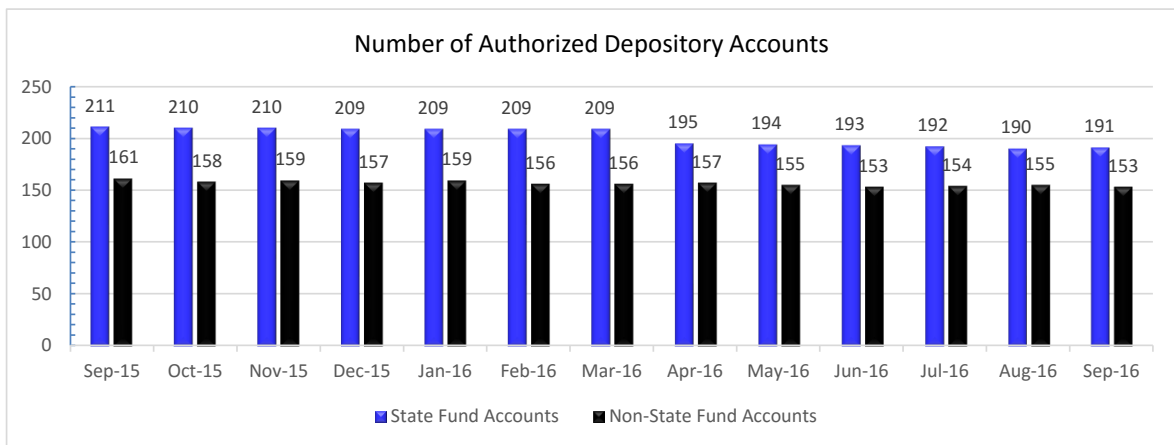
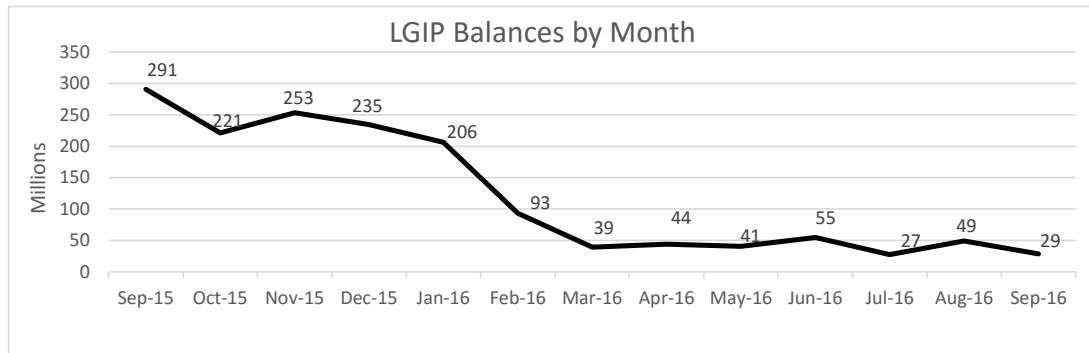
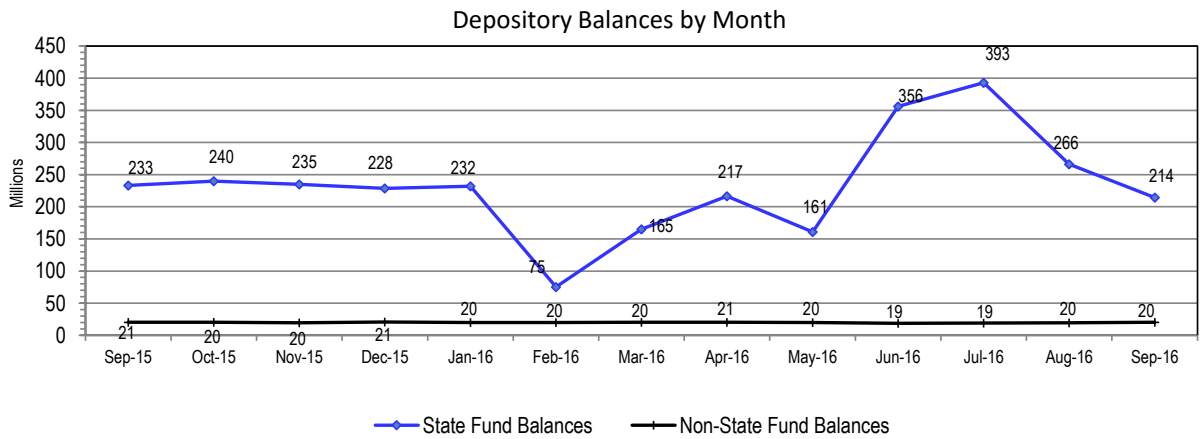
Pursuant to section 8-6-3.1 NMSA 1978, the State Cash Manager shall submit to the State Board of Finance a report showing state fund balances in each Financial Institution. Attached for your review is a summary of State fund balances in each institution through September 30, 2016.

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 September 30, 2016

(Attachments 3)

Depository Account Summary for September 2016



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

Depository accounts opened in September 2016	1 13th. Judicial District Court
	1 LGIP
Depository accounts closed in September 2016	3 13th Judicial District Court

Depository Account Summary by Agency

September 2016

STATE FUNDS

NON-STATE FUNDS

AGENCY	# OF ACCTS.	BALANCE	AGENCY	# OF ACCTS.	BALANCE
AOC (fines, fees etc.)	48	\$2,938,665	AOC	49	\$1,517,638
BERN. CO. METRO COURT	2	\$680,956	AOC	1	\$42,396
1-13 DISTRICT ATTORNEY	4	\$23,702	1ST JUDICIAL DIST. COURT	3	\$2,143,814
EDUCATION RETIREMENT BOARD	1	\$123,816	2ND JUDICIAL DIST. COURT	2	\$515,778
TAXATION & REVENUE DEPT.	17	\$59,437	3RD JUDICIAL DIST. COURT	2	\$844,519
PUBLIC SCHOOL INS. AUTHORITY	4	\$1,957,026	4TH JUDICIAL DIST. COURT	2	\$152,581
NMRHCA	1	\$0	5TH JUDICIAL DIST. COURT	3	\$2,383,503
PUBLIC DEFENDER	1	\$915	6TH JUDICIAL DIST. COURT	3	\$235,940
SECRETARY OF STATE	1	\$0	7TH JUDICIAL DIST. COURT	4	\$202,060
STATE TREASURER (JDC)	35	\$16,098	8TH JUDICIAL DIST. COURT	4	\$408,603
STATE TREASURER (OTHER)	1	\$66,774	9TH JUDICIAL DIST. COURT	2	\$535,022
STATE TREASURER (Liq. Reserve)	1	\$200,943,958	10TH JUDICIAL DIST. COURT	2	\$75,724
NM RACING COMMISSION	6	\$435,195	11TH JUDICIAL DIST. COURT	11	\$1,132,159
DEPT. OF GAME & FISH	2	\$128,028	12TH JUDICIAL DIST. COURT	2	\$760,368
SOUTHWEST REGION ED.	1	\$2,517,929	13TH JUDICIAL DIST. COURT	58	\$3,006,278
ENERGY & MINERALS	4	\$53,155	7TH DISTRICT ATTORNEY	1	\$1,811
STATE ENGINEER'S OFFICE	4	\$34,576	10TH DISTRICT ATTORNEY	1	\$391
IRRG WKS CONST	1	\$252,603	ATTORNEY GENERAL	1	\$1,852
HUMAN SERVICES DEPT.	6	\$19,768	LGIP	4	\$28,545,566
WORKFORCE SOLUTIONS	5	\$949,716	SUPERTEENDENT OF INSURANCE	6	\$1,900,882
MINER'S HOSPITAL	1	\$2,435,831	NM STATE FAIR	5	\$2,533,834
DEPARTMENT OF HEALTH	35	\$517,040	SOUTHWEST REGION ED.	1	\$15
ENVIRONMENT DEPARTMENT	1	\$0	MINER'S HOSPITAL	1	\$6,211
CORRECTIONS DEPARTMENT	5	\$1,366	DEPARTMENT OF HEALTH	9	\$1,066,891
DEPT. OF PUBLIC SAFETY	2	\$63,692	CHILDREN, YOUTH & FAMILIES	6	\$94,794
HIGHWAY & TRANSPORTATION	3	\$1,389	CORRECTIONS DEPARTMENT	12	\$2,095,931
			DEPT. OF PUBLIC SAFETY	7	\$40,585

sub-total: 192 \$214,221,635

sub-total: 153 \$48,727,508

Total Depository Balance: \$262,949,143
Total Depository Accounts: 345

State Fund Balances by Financial Institution September 2016

First National Bank/Alamogordo	\$	109,993
Century Bank/Santa Fe	\$	404
Bank of America/Albuquerque	\$	121,408
Wells Fargo Bank/Albuquerque	\$	6,183,497
Compass Bank/Albuquerque	\$	2,892,607
Bank of the West/Albuquerque	\$	200,945,801
First American Bank/Artesia	\$	42,045
Carlsbad National Bank/Carlsbad	\$	600
Western Commerce Bank/Carlsbad	\$	99,805
Farmers/Stockmens Bank/Clayton	\$	25,572
First National Bank/Clayton	\$	2,450,232
Citizens Bank/Clovis	\$	5,897
NM Bank & Trust/Albuquerque	\$	197,586
Lea County State Bank/Hobbs	\$	118,755
Southwest Capitol/Las Vegas	\$	245,224
Community 1st Bank/Las Vegas	\$	106,225
Western Bank/Lordsburg	\$	80,637
Los Alamos National Bank/Los Alamos	\$	19,780
International Bank/Raton	\$	21,473
Valley Bank of Commerce/Roswell	\$	105,025
FNB of Santa Fe	\$	66,807
First State Bank/Socorro	\$	5,050
Centinel Bank/Taos	\$	42,835
US Bank/Albuquerque	\$	13,731
Bank of the Southwest/Roswell	\$	305,006
Washington Federal	\$	15,640

Total: \$ 214,221,635



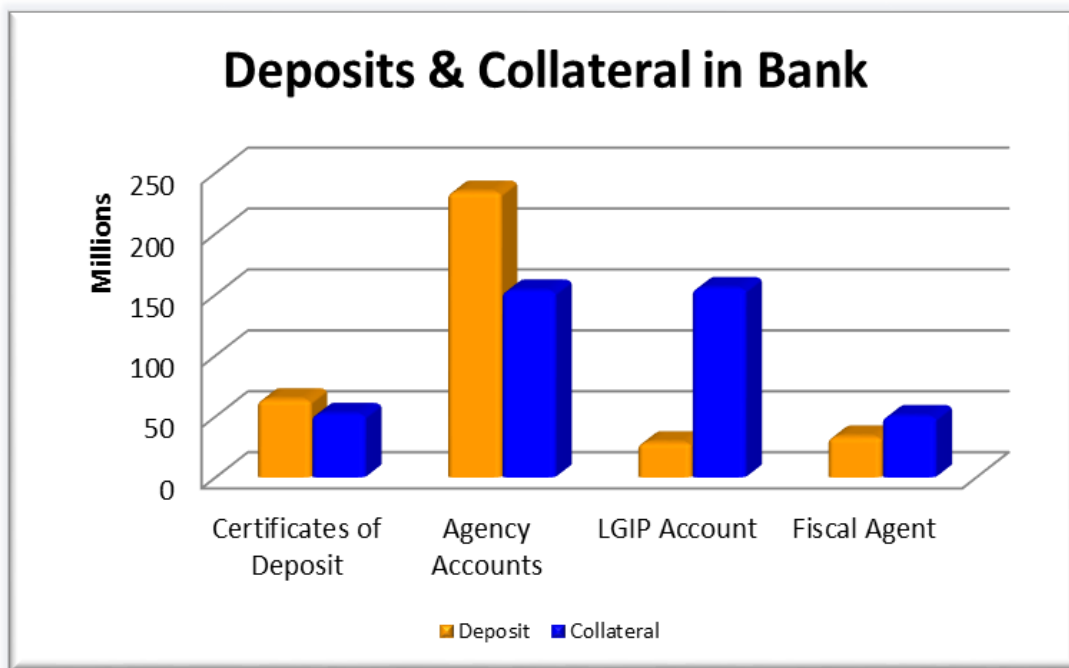
18. Collateral Report on Agency Deposits & CD's

Office of the Treasurer

Collateral Summary Review

September 30, 2016

All depository institutions holding public funds for the month ending September 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	\$ 64.0 Million	\$ 51.9 Million	81.2%
Agency Deposit	234.4 Million	153.2 Million	65.4%
LGIP Deposits	28.5 Million	155.3 Million	544.0%
Fiscal Agent	33.3 Million	50.2 Million	150.6%
Totals →	360.2 Million	410.6 Million	114.0%

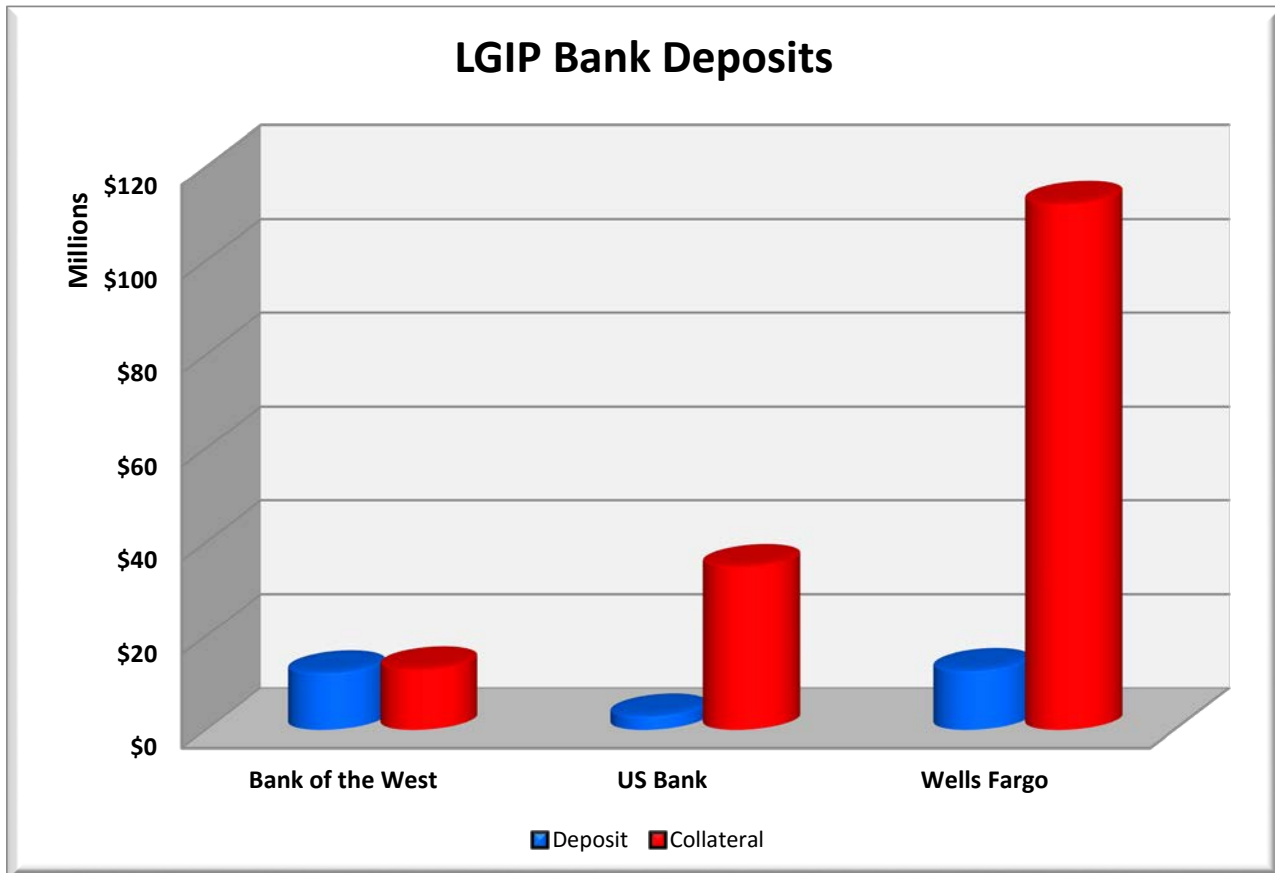


Office of the Treasurer
Collateral Review
Accumulated Total by Institution
September 30, 2016

FINANCIAL INSTITUTION	%	TOTAL	FDIC / NCUA	LESS INSURANCE	SUBJECT TO BE	COLLATERAL	EXCESS
		DEPOSITS	INSURANCE	COVERAGE	COLLATERALIZED	PLEGGED	(UNDER)
First National - Alamogordo	50%	109,993	109,993	0	0	1,162,612	1,162,612
Western - Alamogordo	50%	3,600,000	250,000	3,350,000	1,675,000	2,888,921	1,213,921
Bank of America	50%	186,340	186,340	0	0	276,945	276,945
Bank of the West	50%	214,227,512	250,000	213,977,512	106,988,756	120,148,409	13,159,653
BBVA Compass	102%	2,892,628	250,000	2,642,628	2,695,480	3,000,000	304,520
US Bank	50%	4,376,054	250,000	4,126,054	2,063,027	40,000,000	37,936,973
Wells Fargo	50%	33,081,624	250,000	32,831,624	16,415,812	143,313,601	126,897,789
First American	50%	42,045	42,045	0	0	0	0
My Bank	50%	350,410	250,000	100,410	50,205	250,000	199,795
Carlsbad National	50%	600	600	0	0	0	0
Western Commerce	50%	4,099,805	250,000	3,849,805	1,924,902	3,210,451	1,285,548
Farmers & Stockmen	50%	10,031,074	250,000	9,781,074	4,890,537	5,100,000	209,463
First National - Clayton	50%	2,450,231	2,450,231	0	0	1,473,187	1,473,187
Bank of Clovis	50%	535,022	250,000	285,022	142,511	840,358	697,847
Citizens - Clovis	50%	5,903	5,903	0	0	0	0
NM Bank & Trust	50%	351,665	351,665	0	0	270,693	270,693
Western - Clovis	50%	3,100,000	250,000	2,850,000	1,425,000	2,229,816	804,816
Lea County State	50%	118,756	118,756	0	0	0	0
Southwest Capital	50%	10,771,769	250,000	10,521,769	5,260,885	6,224,127	963,242
Community 1st - Las Vegas	102%	106,225	106,225	0	0	521,589	521,589
Western - Lordsburg	50%	104,637	104,637	0	0	0	0
Los Alamos National	102%	19,790	19,790	0	0	0	0
International	50%	54,858	54,858	0	0	149,983	149,983
Bank of the Southwest	50%	823,415	250,000	573,415	286,708	434,584	147,876
Valley Commerce	50%	105,025	105,025	0	0	0	0
Century	50%	4,901,286	250,000	4,651,286	2,325,643	2,867,312	541,669
First National - Santa Fe	102%	30,066,807	250,000	29,816,807	30,413,143	31,281,271	868,128
First State	50%	77,187	77,187	0	0	0	0
Centinel	50%	42,835	42,835	0	0	0	0
Guadalupe Credit	50%	250,000	250,000	0	0	0	0
Washington Federal	50%	35,654	35,654	0	0	0	0
		326,919,149	7,561,743	319,357,406	176,557,609	365,643,858	189,086,249

LGIP Bank Deposits September 30, 2016

<u>Financial Insitution</u>	<u>Percentage</u>	<u>Deposit</u>	<u>Collateral</u>
Bank of the West	105.5%	12,437,192	13,126,589
US Bank	1098.7%	3,185,672	35,000,000
Wells Fargo	869.5%	12,922,702	112,365,309
Totals	562.2%	28,545,566	160,491,898



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

Portfolio Credit Exposure
September 2016

Portfolio	Issuer	Face Amount	Yield	Maturity	% of Port	Total %
BPIP TE	MSFT	13,585,000	0.51%	11/8/2016	2.30%	
	TOYCC	5,000,000	0.85%	1/4/2017	0.85%	
	TOYCC	5,000,000	1.06%	3/13/2017	0.85%	
	USB	558,425	1.00%	12/19/2016	0.09%	
	USB	5,000,000	0.71%	1/17/2017	0.85%	
						4.94%
BPIP TAX	TOYCC	5,000,000	1.06%	3/13/2017	0.83%	
	USB	5,000,000	0.69%	12/29/2016	0.83%	
						1.66%
STBF	GECC	2,400,000	0.54%	12/27/2016	3.31%	
	MSFT	1,250,000	0.51%	11/8/2016	1.72%	
	TOYCC	2,450,000	0.78%	12/23/2016	3.37%	
	USB	898,279	0.68%	12/19/2016	1.24%	
						6.60%
All Portfolios	GECC	2,400,000			0.07%	
	MSFT	14,835,000			0.44%	
	TOYCC	17,450,000			0.52%	
	USB	11,456,704			0.34%	
Total Credit Exposure		46,141,704				1.37%