



STATE OF NEW MEXICO  
OFFICE OF THE TREASURER

**THE HONORABLE TIM EICHENBERG**  
State Treasurer

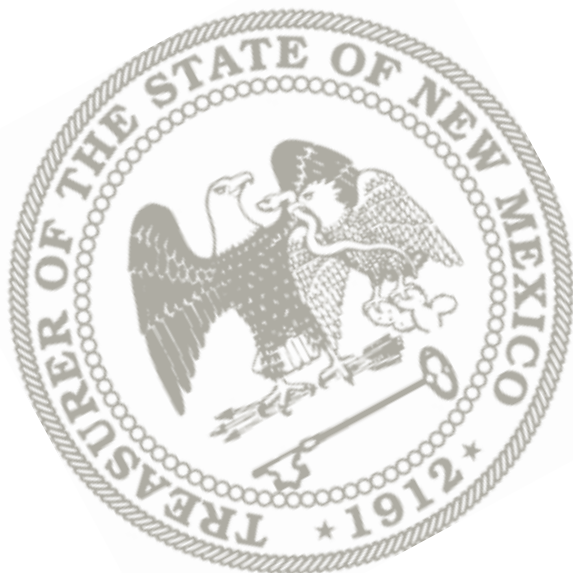
**SAMUEL K. COLLINS, JR.**  
Deputy State Treasurers

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



"Taos Pueblo in the Snow" - New Mexico Tourism Department

**Wednesday February 8, 2017**  
**9:00am**



## 1. Approval of February 8, 2017 Agenda

STIC Meeting  
scheduled for  
Wednesday,  
February 8, 2017  
has been  
cancelled.



## 2. Approval of January 11, 2017 Minutes

**New Mexico State Treasurer's Office  
STIC Committee Meeting  
Meeting Minutes  
Wednesday, January 11, 2017**

**ROLL CALL—QUORUM PRESENT:**

A regular meeting of the New Mexico State Treasurer's Investment Committee (STIC) was called to order this date at 9:01 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**

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

**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**

Ms. Deanne Woodring, President, Government Portfolio Advisors

On behalf of State Treasurer Tim Eichenberg, Ms. Charmaine Cook called the meeting to order.

**1. Approval of January 11, 2016, Agenda**

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

**2. Approval of December 14, 2016, Minutes**

Member Kleats moved approval of the minutes. Motion was seconded by Member Paul Cassidy and passed unanimously by voice vote.

**3. Public Comments**

None.

**4. Executive Summary**

Ms. Vikki Hanges presented highlights of the Executive Summary:

- At the end of November, the State Treasurer managed \$3.2 billion in assets. This is down \$1 billion year-over-year.
- During the month, the office earned approximately \$2.0 million on its investment positions.
- On a mark-to-market basis the portfolios decreased \$8.9 million. Some of the key factors: In November, the presidential election swung the stock market up (about 6.5% through today, about 9.5% through year-end); anticipation of bank deregulation and more favorable fiscal policy. The stock market went up and the bond market went down. In December, the Fed raised the rate by 25 basis points.
- The Fed said it would be slow and steady in raising rates. There might be three rate hikes in 2017. The market thinks there is a 60% to 70% chance of a rate hike in June.
- We had a decrease in the unrealized gains in the portfolios, but in some funds we managed to maintain an overall unrealized gain across the portfolios. It was a tremendous boon in a short period of time.
- Portfolios continue to be positioned shorter than the duration benchmarks.
- The investment net earnings for the portfolio with the general fund has been a concern; compared to where they were in the same time last year, down about \$1.5 million due to the balances having declined by a precipitous amount.
- There is a Fed meeting on February 1, widely expected that they won't do anything. The next meetings are March 15 and in June. The market is really focusing on the June meeting.
- Extremely positive on economic recovery side due to new presidential administration.

Member Cassidy asked about the investment earnings on page 18 of the STIC document; these are not necessarily investment earnings that have been distributed? Ms. Hanges said yes. Mr. Sam Collins noted that the table on page 20 indicates which amounts are earnings and which are mark-to-market. Mr. Steve Vigil in his report will show how the distribution occurs on page 36. Member Cassidy noted in the minutes that there was discussion re: should we be thinking about statutory changes. Member Kleats had a conversation with the state controller, Ron Spilman, who has a reason for distributing the unrealized gains and losses. It's absolutely necessary for cash reconciliation so we can show what is available to spend and it is the same as what we have on a market basis. So when we are distributing those unrealized losses, we are reducing the amount we have to spend.

Member Cassidy said for future discussion, could you distribute money from the liquidity portfolio instead of the core, because it's invested short? You wouldn't have a lot of mark-to-market changes. You could look at the portfolios differently. Ms. Hanges said the core portfolio replenishes the liquidity portfolio. Member Kleats said if we had to liquidate today, we'd have to look at the whole portfolio. Ms. Cook brought the discussion to a conclusion by noting that this is not something we can resolve here and we are not directly responsible for the budgeting.

## 5. Investment Policy Compliance Report

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

- Bond Purchases/Sales for November: Primary \$12,250,000 (8% of total) and secondary \$470,297,000 (92%), for a total of \$482,547,000.
- Variable Rate Notes: \$196,005,000 at the end of November (\$71,005,000 in LGIP and \$25,000,000 in Taxable BPIP), primarily in US government agency securities. No structured notes in November.
- Inter-Portfolio Transactions: 0 in November.
- During November, there were no transaction variances that posed any potential compliance issues.
- There is a correction to the information previously reported for October. We reported there were no Inter-Portfolio trades in October, but there were actually 4 trades for a total of \$20 million. The report has been corrected in the October STIC binder.
- Realized Gains (4 sales in November): \$7,453.
- Purchase/Sales Activity (45 =41 purchases, par value \$457,547,000, + 4 sales, par value \$25,000,000).
- 33 LGIP repo trades.

Member Kleats noted that the 41 purchases constituted a large amount; what was the source of the cash? Mr. Garduño noted that the majority was in the LGIP. Ms. Hanges said that interest rates going up gave more opportunity to purchase securities instead of placing the funds in overnight repo. Mr. Landrum said that yes, it was short-term securities which matured in a few days and then were reinvested again in short-term securities.

## 6. Investment Accounting Report

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

- There was one material difference in November that was settled on December 1 due to human error. Ms. Cook noted that there were no losses, but it did throw off the reporting.

Member Cassidy asked if this was due to being month end. Ms. Cook concurred. Member Kleats asked if we would see the opposite problem in December. Mr. Vigil said no. Mr. Landrum said if you ran this today, it would match. It was just reflected later on, after the close of the books.

## 7. Cash Projections

Mr. Garduño presented highlights of Cash Projections:

- Tax receipts came in December 1, so it is not reflected in November balances
- General Fund down -\$746,915,722 year-over-year (-30.3%)
- General Fund down -\$193,331,722 month-over-month (-13.8%)
- In December you'll see an increase due to tax receipts

- In January we'll receive money from the Tobacco Settlement Fund.
- Hopefully we'll be closer to the projections.

Member Kleats asked how often the SGFIP Balance Projections are updated. Mr. Garduño does not modify the chart in the STIC binders (page 40); but he also has a *separate* chart where he updates the projections each month and each week. Ms. Hanges pointed the board to page 38. Mr. Collins noted that we sold core funds at gains to place in liquidity in October, which was a good call. Ms. Woodring said this protected a lot of assets and Mr. Garduño's projection helped; this teamwork is important.

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

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

- The General Fund Investment Pool (bank balances, liquidity, and core portfolios) closed November at \$1.2 billion. It continues to decline in size.
- At month end, 100% of the General Fund Core portfolio was invested in fixed-income securities: 50% in U.S. Government Securities; 43% in Government-Related Securities (Municipal Bonds and Agency Securities); and ~7% in cash and cash equivalents.
- The benchmark duration for the Core portfolio was 2.04 years (staying short of the benchmark of 2.05 years).
- Unrealized gains/losses in the Core Portfolio at the end of November were \$830,162.
- We received \$109 million from the Tobacco Settlement in January, which means we have not had to raise any cash out of the Core fund; but we're still being cautious.

Member Cassidy asked about the repo rate. Ms. Hanges said we were getting 30 to 35 basis points, but now 40 to 45, sometimes 50. Member Kleats noted that there are three pay periods in March, and it's a high income-tax-return month, so plan ahead for liquidity needs.

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

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

- Ending November market value for the LGIP was \$746.9 million, representing an increase relative to October's reported closing value of \$720 million.
- The LGIP maintains an AAAM rating by Standard & Poor's.
- At the end of November the STO participant balance was \$5.7 million or 0.7% of the Pool.
- At the end of November the Judicial District Court participant balance was \$3.4 million or 0.5% of the Pool.
- At the end of November the Educational Retirement Board participant balance was \$200 million or 27% of the Pool. The ERB recently withdrew \$50 million.
- In November the fund earned \$269,784.



- For FY2017, the fund has earned \$1,354,483.
- Gross yield on the LGIP was 0.4413% at the end of November. Net yield to participants was 0.3913%.
- 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 \$346.3 million in US agency securities and \$25 million in US treasuries. Approximately \$240 million of these purchases matured in one month or less.
- The LGIP engaged in 33 repo trades during the month, consisting of 25 overnight and 8 term trades. Trade amounts varied in size from \$25 million to \$100 million at rates spanning 0.23% to 0.40%.

Member Cassidy asked about the current yield. Mr. Landrum said that it was 46 basis points. He has a lot of paper rolling over this month, which should get us closer to 50. Member Cassidy noted that we are not seeing repo or LGIP rates creep up. Ms. Hanges said that the October reform for money market funds narrowed the spread. The curve is flat from overnights to six months.

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

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

- The Tax-Exempt BPIP closed the month of November at \$553.2 million vs. \$568.3 million at the end of October.
- The Pool received \$19.4 million in draw requests for capital spending during the month and paid out \$15.7 million for capital projects.
- 45% of the portfolio was invested in securities that mature in one year, 39% from one to two years, 15% from two to four years, and 1% in five years.
- Unrealized gains in the Tax-Exempt BPIP portfolio were -\$1,188,400 on November 30.
- Monthly net earnings on the portfolio for November were \$419,839.
- Net earnings for FY 2017 were \$2,187,557.
- The duration of the Tax-Exempt BPIP at the end of November was 1.17 years vs. the benchmark at 1.35 years.
- The Pool purchased \$18.5 million of 1- to 2.5-year U.S. agency securities and \$7 million of a 1-year corporate bond.
- The Pool sold \$15 million in short U.S. treasuries and \$5 million in short U.S. agency securities during the month. All sales were recorded at gains.
- The Tax-Exempt BPIP returned -0.22% for the month of November and -0.09% for the three months ended November 30, 2016, vs. index returns of -0.27% and -0.20% respectively. For the trailing 12 months the pool returned 0.78% vs. 0.69% for the benchmark.
- Note: Capital project withdrawal requests totaled \$21 million for December.

Member Kleats noted that there is an increase of \$32 million in the BPIP Tax-Exempt from the December bond sale. This revenue will be reflected in the reporting for December.

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

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

- The Taxable Bond Proceeds Investment Pool closed the month of November at \$546.2 million vs. \$573.2 million at the end of October.
- The Pool received \$16.8 million in draw requests for capital spending during the month and paid out \$16.6 million for capital projects.
- The unrealized gains in the Taxable BPIP were -\$510,746 as of November 30.
- Monthly net earnings on the portfolio for November were \$432,154.
- FY2017 net earnings were approximately \$2,247,454.
- The duration of the Taxable BPIP at the end of October was 1.22 years vs. the benchmark at 1.35 years.
- The pool purchased \$5 million in a five-year U.S. agency security, and \$3 million in a 1.5-year corporate security. The pool sold \$5 million of short U.S. Treasuries. All sales were executed at gains.
- Purchase yield at the end of November was 0.98% relative to 0.94% at the end of the prior month.
- The Taxable BPIP returned -0.23% for the month of November and -0.13% for the three months ended November 30, 2016, vs. index returns of -0.27% and -0.20% respectively. For the trailing 12 months the pool returned 0.76% vs. 0.69% for the benchmark.

Member Kleats noted that the BPIP Taxable portion of the December bond sale was \$19 million.

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

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

- The Severance Tax Bonding Fund closed November at \$127 million.
- Net earnings were \$27,959 for November.
- The STB Fund received \$25 million in November.

There are a lot of restrictions on this fund, but it's a good place to start our treasury commercial paper short-term investment capability. Member Kleats noted that there is a difference of about \$8 million in the fund and the set-aside.

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

Ms. Cook presented the Broker-Dealer Activities, including providing a revised page.

#### **14. Credit Investing**

Ms. Hanges presented highlights of Credit Investing. We continue to invest in the seven bonds and four commercial paper funds highlighted. Commercial paper was really attractive vs. agencies. There were no material rating agency upgrades or downgrades. We took Caterpillar off our list because the rating dropped to A2.

Ms. Cook apologized that STO staff did not include the investment allocation, which we had committed to sharing; it will be in the next STIC binder.

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

Mr. Garduño presented highlights of the State Agency Deposit Balances:

- No financial institutions exceeded the statutory limitations on equity capital and deposit ratios for the month of November.
- State Funds: 149 accounts totaling \$351,336,396
- Non-State Funds: 153 accounts totaling \$90,704,493
- Total: \$442,040,889 in 302 accounts (excluding sub-accounts)
- Opened one depository account in November (\$1.9 million for the Superintendent of Insurance; none were closed).
- Page 96 provides a list of state fund balances by financial institution.

#### **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 November 30, 2016, met the minimum collateral requirements.
- This month the collateral requirement numbers were updated based on the reporting and analysis of the July bank reporting.

Member Cassidy said this seemed to be the healthiest we've been in a while.

BBVA Compass is now added to the LGIP financial institutions.

Member Cassidy noted that Wells Fargo deposits are way down. Ms. Hanges said they have not increased their rates.

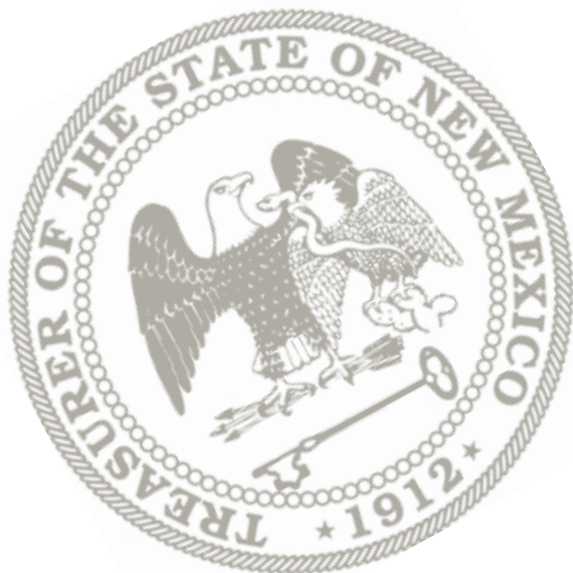
Ms. Woodring noted that she would talk about "fair market value" in her next quarterly report. She will speak to Mr. Vigil regarding historical numbers over the last two to three years of earnings with an overlay of whether the money was invested short. GASB is requiring something similar.

**17. Next Meeting—Wednesday, February 8, 2017, 9:00 am.**

**18. Adjournment**

Meeting adjourned at 10:04 am.

Minutes were taken by Ms. Julie Filatoff.



### 3. Public Comments



## 4. Executive Summary

# Executive Summary

- At the end of December, the State Treasurer managed \$3.2 billion in assets.
- During the month, the office earned approximately \$2.1 million on its investment positions.
- On a mark-to-market basis the portfolios decreased \$655,000.
- US equity markets rose in December, with the S&P 500 Index up almost 2%.
- US Treasury yields were higher in December as the Federal Reserve raised short term interest rates.
- Oil prices rose 8.7% during the month of December, closing at \$53.72/barrel.
- The US dollar was slightly higher vs. the euro at the end of December.

**Table 1 - Comparative Interest Rates**

*US Treasury Yields*

			<i>Monthly</i>
<i>Maturity</i>	<i>11/30/2016</i>	<i>12/31/2016</i>	<i>Change</i>
3-Month	0.48%	0.50%	0.02%
6-Month	0.60%	0.61%	0.01%
1-Year	0.78%	0.81%	0.03%
2-Year	1.11%	1.19%	0.08%
3-Year	1.39%	1.45%	0.06%
5-Year	1.84%	1.93%	0.09%
10-Year	2.38%	2.44%	0.06%
30-Year	3.03%	3.06%	0.03%

*Source: Bloomberg LP*

## Portfolio Mark-to-Market and Monthly Change

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

**Table 2 - Unrealized Gains and Losses**

<u>Fund</u>	<u>Unrealized Gain/Loss<sup>1</sup></u>	<u>Monthly Change in Unrealized Gain/Loss<sup>2</sup></u>
General Funds	\$0.3 million	Decreased \$0.5 million
Bond Proceeds Funds	\$(1.9) million	Decreased \$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

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

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

<u>Fund</u>	<u>Purchase Yield<sup>4</sup></u>	<u>Effective Duration<sup>3</sup></u>		
		<u>Portfolio</u>	<u>Benchmark</u>	<u>Percentage</u>
General Fund Liquidity	0.32%	0.01 Years		
General Fund CORE	1.39%	1.96 Years	2.15 Years	91%
Bond Proceeds – Tax Exempt	0.90%	1.09 Years	1.35 Years	81%
Bond Proceeds – Taxable	1.00%	1.26 Years	1.35 Years	93%
Local Government Investment Pool	0.42%	0.15 Years		
Severance Tax Bonding Fund	0.42%	0.04 Years		

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

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

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

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



## Benchmark Performance Comparisons

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

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

<i>Fund</i>	<i>Performance<sup>5</sup></i>	
	<i>3 Months</i>	<i>12 Months</i>
<b>General Fund Liquidity</b>	0.06%	0.26%
S&P Government Pools Index (Gross)	<u>0.11%</u>	<u>0.41%</u>
Relative Performance (BPs)	(0.05)%	(0.15)%
<b>General Fund CORE</b>	(0.73)%	0.92%
BAML 0-5 US Treasury	<u>(0.84)%</u>	<u>0.96%</u>
Relative Performance (BPs)	0.11%	(0.03)%
<b>Bond Proceeds - Tax Exempt</b>	(0.13)%	0.89%
BAML 0-3 US Treasury	<u>(0.27)%</u>	<u>0.78%</u>
Relative Performance (BPs)	0.14%	0.11%
<b>Bond Proceeds - Taxable</b>	(0.17)%	0.82%
BAML 0-3 US Treasury	<u>(0.27)%</u>	<u>0.78%</u>
Relative Performance (BPs)	0.10%	0.04%
<b>Local Government Investment Pool</b>	0.10%	0.46%
S&P Government Pools Index (Gross)	<u>0.11%</u>	<u>0.41%</u>
Relative Performance (BPs)	(0.01)%	0.05%
<b>Severance Tax Bonding Fund</b>	0.10%	0.37%
S&P Government Pools Index (Gross)	<u>0.11%</u>	<u>0.41%</u>
Relative Performance (BPs)	(0.01)%	(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.

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

## Earnings

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

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

<i>Fund</i>	<i>Investment Net Earnings<sup>6</sup></i>		
	<i>Dec FY'17</i>	<i>FY'17 YTD</i>	<i>FY'16 YTD</i>
<i>General Funds</i>	\$891,318	\$6,974,567	\$8,930,415
<i>Bond Proceeds Funds</i>	\$879,156	\$5,314,167	\$4,696,016
<i>Local Government Investment Pool<sup>7</sup></i>	\$290,062	\$1,664,545	\$755,459
<i>Severance Tax Bonding Fund</i>	\$49,833	\$139,619	\$75,313

Source: QED

- The General Funds investment earnings decreased by \$2,000,000 in FY2017 vs. the same period in FY2016 as a result of the decline in the total assets, falling from \$1.9 billion to \$1.3 billion.
- Bond Proceeds funds have increased investment earnings by over \$600,000 as a result of higher interest rates.
- The LGIP increased investment earnings vs. the same period in FY2016 as a result of higher interest rates.
- The Severance Tax Bonding Fund increased earnings as a result of higher short term interest rates.

## Compensating Balances at Fiscal Agent Bank

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During December, STO maintained Average Daily Collected Balances at the Fiscal Agent Bank of approximately \$46 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>	\$46,384,092
<i>Earnings Credit Rate</i>	0.50%
<i>Monthly Earnings</i>	\$19,644
<i>Estimated Fiscal YTD Earnings</i>	\$93,015

Source: Wells, Fargo & Co.

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

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

## *Monthly Investment Outlook*

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US Treasury yields were higher across all maturities in December, as the Federal Reserve raised short term interest rates by 0.25%, and further indicated that three rate hikes could be in the offing for 2017. Expectations for Trump policies stimulating economic growth fueled the bullish atmosphere for the equity markets. The risk of higher inflation, however, continued to take the shine off of fixed income securities.

Equity market euphoria has continued into January, with indices hitting record highs. The bond market, sobering up a bit, has traded in a narrow range, with more of a wait and see attitude toward fiscal and regulatory changes indicated by the new President. We have seen the Fed react to equity markets, raising interest rates only when they are on firm footing. With that in mind it would seem that the door is open, currently. The market is pricing in a 75% chance of a rate hike in June 2017. It should be interesting to see what transpires with the mid March reinstatement of the debt ceiling.

We continue to be cautious with regard to portfolio duration exposures, keeping them conservative vs. benchmarks. Liquidity needs and the prospect for higher interest rates are the catalysts for STO's portfolio postures. 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 December 31, 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	Change in Gain/Loss	Total	Earnings	Change in Gain/Loss	Total
<b>General Fund</b>													
Sub-Account	Cost Basis	Market Value	Unrealized Gain/Loss	12-Month Total Return	Benchmark	Index Return	Relative Performance	Earnings	Change in Gain/Loss	Total	Earnings	Change in Gain/Loss	Total
Cash Balances	\$ 28,927,514	\$ 28,927,514	\$ -					\$ 76,106	\$ -	\$ 76,106	\$ 506,819	\$ -	\$ 506,819
Liquidity	527,800,262	527,800,262	-	0.26%	S&P LGIP Gross	0.41%	-0.15%	76,106	-	76,106	506,819	-	506,819
CORE	706,690,819	707,003,706	312,887	0.92%	ML Treasury 0-5	0.96%	-0.04%	815,212	(517,275)	297,937	6,467,748	(12,332,672)	(5,864,924)
TRAN	-	-	-	0.00%	All-In Tran TIC	0.00%	0.00%	-	-	-	-	-	-
<b>Totals</b>	<b>\$ 1,263,418,595</b>	<b>\$ 1,263,731,482</b>	<b>\$ 312,887</b>	<b>0.64%</b>	<b>Blended</b>	<b>0.72%</b>	<b>-0.09%</b>	<b>\$ 891,318</b>	<b>\$ (517,275)</b>	<b>\$ 374,043</b>	<b>\$ 6,974,567</b>	<b>\$ (12,332,672)</b>	<b>\$ (5,358,105)</b>
<b>Bond Proceeds Investment Pool (BPIP)</b>													
Sub-Account	Cost Basis	Market Value	Unrealized Gain/Loss	12-Month Total Return	Benchmark	Index Return	Relative Performance	Earnings	Change in Gain/Loss	Total	Earnings	Change in Gain/Loss	Total
Tax-Exempt	\$ 583,220,023	\$ 582,008,157	\$ (1,211,866)	0.89%	ML Treasury 0-3	0.78%	0.11%	\$ 418,743	\$ (23,466)	\$ 395,277	\$ 2,606,300	\$ (3,046,612)	\$ (440,312)
Taxable	545,683,287	545,029,178	(654,109)	0.82%	ML Treasury 0-3	0.78%	0.04%	460,413	(143,363)	317,050	2,707,867	(3,418,305)	(710,438)
<b>Totals</b>	<b>\$ 1,128,903,310</b>	<b>\$ 1,127,037,335</b>	<b>\$ (1,865,975)</b>	<b>0.86%</b>	<b>Blended</b>	<b>0.78%</b>	<b>0.08%</b>	<b>\$ 879,156</b>	<b>\$ (166,829)</b>	<b>\$ 712,327</b>	<b>\$ 5,314,167</b>	<b>\$ (6,464,917)</b>	<b>\$ (1,150,750)</b>
<b>Local Government Investment Pool (LGIP)</b>													
Sub-Account	Cost Basis	Market Value	Unrealized Gain/Loss	12-Month Total Return	Benchmark	Index Return	Relative Performance	Earnings	Change in Gain/Loss	Total	Earnings	Change in Gain/Loss	Total
LGIP (See Note 5)	\$ 661,657,835	\$ 661,655,961	\$ (1,874)	0.46%	S&P LGIP Gross	0.41%	0.05%	\$ 290,062	\$ 21,232	\$ 311,294	\$ 1,644,545	\$ (107,216)	\$ 1,537,329
<b>Severance Tax Bonding Fund</b>													
Sub-Account	Cost Basis	Market Value	Unrealized Gain/Loss	12-Month Total Return	Benchmark	Index Return	Relative Performance	Earnings	Change in Gain/Loss	Total	Earnings	Change in Gain/Loss	Total
STBF	\$ 132,201,319	\$ 132,207,780	\$ 6,461	0.37%	S&P LGIP Gross	0.41%	-0.04%	\$ 49,833	\$ 7,683	\$ 57,516	\$ 139,619	\$ 5,960	\$ 145,579
<b>Estimated Totals (all funds)</b>		<b>\$ 3,184,632,558</b>	<b>\$ (1,548,501)</b>					<b>2,110,369</b>	<b>\$ (655,189)</b>	<b>\$ 1,455,180</b>	<b>\$ 14,072,898</b>	<b>\$ (18,898,845)</b>	<b>\$ (4,825,947)</b>

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

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

Primary Bond Volume	\$31,955,000	8%
Secondary Bond Volume	<u>\$396,772,000</u>	<u>92%</u>
Total	\$428,727,000	100%

*Source: QED*

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

### ***Commissions Paid***

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

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

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

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At the end of December, total holdings of Variable Rate Notes were \$180,074,000.

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

General Fund	-
Taxable BPIP	\$28,000,000
Tax Exempt BPIP	-
LGIP	\$139,574,000
STBF	<u>\$12,500,000</u>
Total Holdings	\$180,074,000

*Source: QED*

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

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

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

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

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

There were 0 inter-portfolio trades during the month.

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

---

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

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

In the listing of the specific portfolio holdings, a position level mark-to market calculation is included.

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

Realized gains/losses are a result of a difference between amortized cost and the sale proceeds for each position at the time of sale. This amount is booked against investment earnings in the respective accounting period. There were 6 sales which resulted in realized gains/losses.

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

<b>Trade Date</b>	<b>Account</b>	<b>Par Amount</b>	<b>Security</b>	<b>Realized G/L</b>
12/5/2016	LGIP	5,000,000	FHLB .160 12/09/16	188.89
12/6/2016	LGIP	5,000,000	FHLB 12/09/16	154.16
12/9/2016	LGIP	6,000,000	FHLB 12/12/16	292.50
12/15/2016	BPIP TE	15,000,000	FNMA .750 3/14/17	2,075.01
12/21/2016	GF CORE	1,000,000	FNMA 1.250 1/30/17	495.70
12/29/2016	LGIP	5,300,000	FHLB 2/24/17	41.95
<b>Total Realized gain (loss)</b>				<b>3,248.21</b>

### ***Trade Documentation***

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

There were a total of 53 security trades tracked during the month of December by the Trade Compliance Officer.

**Table 2 – Securities Trades – December 2016**

	<b>Quantity</b>	<b>Par-Value</b>	<b>Cost/Proceeds</b>	<b>Realized Gain/Loss</b>
Purchases	47	391,427,000	391,671,231	0
Sales	6	37,300,000	37,302,676	3,248
<b>Totals:</b>	<b>53</b>	<b>428,727,000</b>	<b>428,973,907</b>	<b>3,248</b>

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

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

During the month of December, there were no noted violations or breaches. All investment activity is in compliance with applicable investment statutes and the STO Investment Policy.

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

**STATE OF NEW MEXICO**  
**Summary of Fixed-Income Purchases and Sales**  
**TRADES During The Period 12/01/16 Through 12/31/16**

TXN-DATE	CUSIP#	ASSET-TYPE	INVST#	ISSUE-NAME	RATE	MATURITY	YIELD	BRKR/DLR/AGENT	FUND	PAR-VALUE	COST/PROCEEDS	GAIN/LOSS	NXT-CALL
<b><u>PURCHASE TRANSACTIONS</u></b>													
12/07/16	30229AN5	COMMERCIAL PAPE	26946	EXXON MOBIL CORP		1/05/17	.4802	ISSUER DIRECT	4001	1,500,000.00	1,499,440.00		
12/07/16	36164JMT	COMMERCIAL PAPE	26468	GE CAPITAL US HOLDINGS		12/27/16	.4501	ISSUER DIRECT	4001	1,000,000.00	999,762.50		
12/07/16	912833KL	COMMERCIAL PAPE	26947	U.S. TREASURY SECURITY		2/15/17	.5066	BARCLAYS	4001	15,000,000.00	14,985,450.00		
12/16/16	89233GNB	COMMERCIAL PAPE	27001	TOYOTA MOTOR CREDIT COR		1/11/17	.6002	BROKER DIRECT	1001	7,000,000.00	6,997,316.67		
12/19/16	912833KL	COMMERCIAL PAPE	26947	U.S. TREASURY SECURITY		2/15/17	.5436	BARCLAYS	4001	10,000,000.00	9,991,400.00		
12/27/16	89233GTP	COMMERCIAL PAPE	27037	Toyota Motor Credit Co		6/23/17	1.1768	ISSUER DIRECT	4001	3,900,000.00	3,877,565.25		
12/28/16	9033E0T3	COMMERCIAL PAPE	27050	USBKMN		6/27/17	1.0050	ISSUER DIRECT	4002	5,000,000.00	4,975,000.00		
12/30/16	81186499	CERTIFICATES OF	27053	WESTERN BANK ALAMOGORDO	.750	6/30/18	.7500	SYSTEM - UNIDEN	4002	1,100,000.00	1,100,000.00		
12/07/16	912796HV	U.S. TREASURY B	26950	UNITED STATES TREASURY		1/05/17	.3601	JEFFRIES & CO	4101	15,000,000.00	14,995,950.00		
12/07/16	912796KA	U.S. TREASURY B	26939	UNITED STATES TREASURY		12/29/16	.3251	GUGGENHEIM SECU	4101	15,000,000.00	14,997,020.83		
12/19/16	912796KA	U.S. TREASURY B	26939	UNITED STATES TREASURY		12/29/16	.4551	GUGGENHEIM SECU	4101	20,000,000.00	19,997,725.00		
12/07/16	912828T4	US TREASURY NOT	26948	UNITED STATES TREASURY	.750	9/30/18	1.0863	BARCLAYS	4000	10,000,000.00	9,939,843.75		
12/07/16	912828T4	US TREASURY NOT	26949	UNITED STATES TREASURY	.750	9/30/18	1.0863	BARCLAYS	4002	5,000,000.00	4,969,921.88		
12/29/16	912828H6	US TREASURY VAR	27064	UNITED STATES TREASURY	.640	1/31/17	.4558	HSBC	4001	10,000,000.00	10,001,275.33		
12/28/16	3130A75S	AGENCY US FLOAT	27044	FEDERAL HOME LOAN BANKS	.840	1/23/17	.5182	JEFFRIES & CO	4001	3,000,000.00	3,000,600.00		
12/05/16	3133EEHY	AGENCY US BOND	26918	FEDERAL FARM CREDIT BAN	.700	1/13/17	.4728	TD SECURITIES	4001	4,500,000.00	4,501,044.00		
12/07/16	3133EFJK	AGENCY US BOND	26951	FEDERAL FARM CREDIT BAN	.430	1/13/17	.4114	JEFFRIES & CO	4101	15,000,000.00	15,000,260.40		
12/08/16	313376BR	AGENCY US BOND	26958	FEDERAL HOME LOAN BANKS	1.750	12/14/18	1.2081	WELLS FARGO SEC	4002	5,000,000.00	5,053,750.00		
12/16/16	880591EQ	AGENCY US BOND	27002	TENNESSEE VALLEY AUTHOR	1.750	10/15/18	1.3343	INTL FCSTONE PA	4002	3,000,000.00	3,022,380.00		
12/28/16	313372C3	AGENCY US BOND	27052	FEDERAL HOME LOAN BANKS	3.125	12/08/17	.9504	BOSC, INC	4101	2,000,000.00	2,040,676.08		
12/29/16	31331XLG	AGENCY US BOND	27060	FEDERAL FARM CREDIT BAN	4.875	1/17/17	.4799	RBS	4001	12,020,000.00	12,044,881.40		
12/02/16	313385AN	AGENCY US DISC	26908	FEDERAL HOME LOAN BANKS		1/13/17	.4002	GUGGENHEIM SECU	4101	10,500,000.00	10,495,450.00		
12/02/16	313385AV	AGENCY US DISC	26899	FEDL HOME LOAN BK CONS		1/20/17	.4002	FTN FINANCIAL S	4101	15,000,000.00	14,991,833.33		
12/05/16	313313AF	AGENCY US DISC	26910	FEDERAL FARM CREDIT BAN		1/06/17	.3401	UBS	4101	5,000,000.00	4,998,488.89		
12/05/16	313385AN	AGENCY US DISC	26920	FEDERAL HOME LOAN BANKS		1/13/17	.4002	JEFFRIES & CO	4101	25,000,000.00	24,989,444.44		
12/06/16	880592T9	AGENCY US DISC	26936	TENNESSEE VALLEY AUTHOR		12/20/16	.3000	JEFFRIES & CO	4101	50,000,000.00	49,994,583.33		
12/15/16	880592T9	AGENCY US DISC	26936	TENNESSEE VALLEY AUTHOR		12/20/16	.4500	WELLS FARGO SEC	4101	25,000,000.00	24,998,437.50		
12/21/16	313385AF	AGENCY US DISC	27020	FEDERAL HOME LOAN BANKS		1/06/17	.5001	DAIWA CAPITAL M	4001	5,000,000.00	4,998,958.33		
12/29/16	31315LBH	AGENCY US DISC	27062	FEDERAL AGRICULTURAL MO		2/01/17	.5203	BMO CAPTIAL MAR	4001	1,000,000.00	999,523.33		
12/29/16	313385AF	AGENCY US DISC	27020	FEDERAL HOME LOAN BANKS		1/06/17	.4500	DAIWA CAPITAL M	4001	6,300,000.00	6,299,448.75		
12/29/16	313385AS	AGENCY US DISC	27061	FEDERAL HOME LOAN BANKS		1/17/17	.4501	GUGGENHEIM SECU	4001	6,580,000.00	6,578,519.50		
12/29/16	313589AT	AGENCY US DISC	27063	FEDERAL NATIONAL MORTGA		1/18/17	.4501	GUGGENHEIM SECU	4001	2,098,000.00	2,097,501.73		
12/30/16	313385AV	AGENCY US DISC	27066	FEDL HOME LOAN BK CONS		1/20/17	.5101	JEFFRIES & CO	4001	1,700,000.00	1,699,590.58		
12/05/16	3135G0ZB	AGENCY US NOTES	26919	FEDERAL NATIONAL MORTGA	.750	4/20/17	.5541	WELLS FARGO SEC	4101	2,690,000.00	2,691,952.12		
12/07/16	3135G0GY	AGENCY US NOTES	26938	FEDERAL NATIONAL MORTGA	1.250	1/30/17	.4636	BARCLAYS	4101	6,000,000.00	6,006,924.00		
12/15/16	3134G3A9	AGENCY US NOTES	26994	FEDERAL HOME LOAN MORTG	1.400	8/22/19	1.5872	INTL FCSTONE PA	4000	5,000,000.00	4,975,500.00		
12/29/16	31359M4D	AGENCY US NOTES	26861	FEDERAL NATIONAL MORTGA	5.000	2/13/17	.5360	RBS	4101	25,000,000.00	25,136,000.00		
12/28/16	3133EERF	AGENCY US VARIA	25160	FEDERAL FARM CREDIT BAN	.495	4/27/17	.6433	INTL FCSTONE PA	4101	1,900,000.00	1,900,378.10		

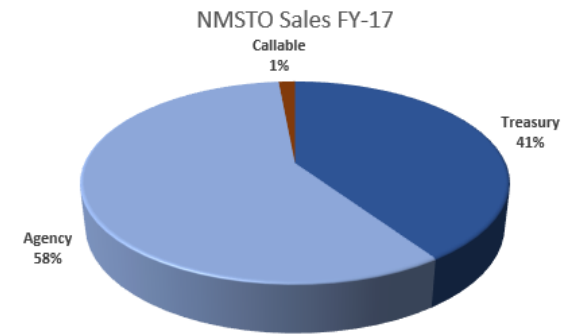
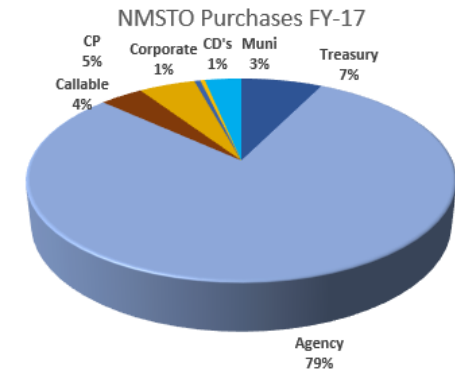


**STATE OF NEW MEXICO**  
**Summary of Fixed-Income Purchases and Sales**  
**TRADES During The Period 12/01/16 Through 12/31/16**

TXN-DATE	CUSIP#	ASSET-TYPE	INVST#	ISSUE-NAME	RATE	MATURITY	YIELD	BRKR/DLR/AGENT	FUND	PAR-VALUE	COST/PROCEEDS	GAIN/LOSS	NXT-CALL
12/28/16	3133EDRD	AGENCY US VAR A	27048	FEDERAL FARM CREDIT BAN	.704	1/30/17	.6239	BARCLAYS	4001	2,500,000.00	2,500,172.50		
12/28/16	3133EDYN	AGENCY US VAR A	27049	FEDERAL FARM CREDIT BAN	.655	2/21/17	.5482	INTL FCSTONE PA	4101	9,119,000.00	9,120,422.56		
12/01/16	64711NM2	MUNI US 30/360	26896	NEW MEXICO FIN AUTH REV	4.000	6/01/18	1.2705	MORGAN STANLEY	4002	3,455,000.00	3,591,334.30		
12/01/16	64711NL9	MUNICIPAL BOND	26897	NEW MEXICO FIN AUTH REV	3.000	6/01/17	.9809	MORGAN STANLEY	4002	100,000.00	100,932.00		
12/08/16	013595UK	MUNICIPAL BOND	26961	ALBUQUERQUE N MEX MUN S	2.000	8/01/17	.9917	ROBERT W BAIRD	1001	4,900,000.00	4,927,293.00		
12/08/16	013595UK	MUNICIPAL BOND	26960	ALBUQUERQUE N MEX MUN S	2.000	8/01/17	.9917	ROBERT W BAIRD	4000	3,000,000.00	3,016,710.00		
12/08/16	013595UK	MUNICIPAL BOND	26959	ALBUQUERQUE N MEX MUN S	2.000	8/01/17	.9917	ROBERT W BAIRD	4001	1,000,000.00	1,005,570.00		
12/15/16	914692WL	MUNICIPAL BOND	26987	UNIVERSITY N MEX UNIV R	.640	6/01/26	.6400	ISSUER DIRECT	1001	8,265,000.00	8,265,000.00		
12/21/16	914692WL	MUNICIPAL BOND	26987	UNIVERSITY N MEX UNIV R	.640	6/01/26	.7400	ISSUER DIRECT	1001	1,300,000.00	1,300,000.00		
<b>47 PURCHASES DURING PERIOD TOTAL.....</b>										<b>391,427,000.00</b>	<b>391,671,231.38</b>		
<b><u>SALE TRANSACTIONS</u></b>													
12/05/16	313384S6	AGENCY US DISC	25703	FEDERAL HOME LOAN BANKS		12/09/16	.1600	MIZUHO SECURITI	4101	5,000,000.00	4,999,911.11	188.89	
12/06/16	313384S6	AGENCY US DISC	25703	FEDERAL HOME LOAN BANKS		12/09/16		TD SECURITIES	4101	5,000,000.00	4,999,945.83	154.16	
12/09/16	313384S9	AGENCY US DISC	24655	FEDERAL HOME LOAN BANKS		12/12/16		MIZUHO SECURITI	4101	6,000,000.00	5,999,912.50	292.50	
12/29/16	313385CG	AGENCY US DISC	26876	FEDERAL HOME LOAN BANKS		2/24/17		BMO CAPTIAL MAR	4101	5,300,000.00	5,295,636.33	41.95	
12/15/16	3135GOVM	AGENCY US NOTES	23991	FEDERAL NATIONAL MORTGA	.750	3/14/17		TD SECURITIES	4000	15,000,000.00	15,006,600.00	2,075.01	
12/21/16	3135GOGY	FED NATL MORTGA	15885	FED NATL MORTGAGE ASSN	1.250	1/30/17	.5161	TD SECURITIES	1001	1,000,000.00	1,000,670.00	495.70	
<b>6 SALES DURING PERIOD TOTAL.....</b>										<b>37,300,000.00</b>	<b>37,302,675.77</b>	<b>3,248.21</b>	
<b>=== GRAND-TOTAL ==&gt;</b>										<b>428,727,000.00</b>	<b>428,973,907.15</b>	<b>3,248.21</b>	
<b>*** END-OF-REPORT ***</b>													

<b>NM STO Trade Activity FY 2017</b>			<b>Dec-16</b>	
<b>Purchase</b>	<b>Volume</b>	<b>Trades</b>	<b>Volume</b>	<b>Trades</b>
Treasury	136,000,000	14	75,000,000	6
Agency	1,467,869,000	142	249,907,000	26
Callable	71,965,000	12	-	-
CP	94,541,704	22	43,400,000	7
Corporate	10,000,000	2	-	-
CD's	7,700,000	4	1,100,000	1
Muni	61,160,000	34	22,020,000	7
<b>Total Purchase</b>	<b>1,849,235,704</b>	<b>230</b>	<b>391,427,000</b>	<b>47</b>
<b>Sale</b>	<b>Volume</b>	<b>Trades</b>	<b>Volume</b>	<b>Trades</b>
Treasury	205,000,000	21	-	-
Agency	293,830,000	30	37,300,000	6
Callable	7,500,000	1	-	-
Muni	-	-	-	-
<b>Total Sale</b>	<b>506,330,000</b>	<b>52</b>	<b>37,300,000</b>	<b>6</b>
<b>Total Volume</b>	<b>2,355,565,704</b>	<b>282</b>	<b>428,727,000</b>	<b>53</b>

<b>LGIP Repo</b>			<b>LGIP Repo</b>	
Overnight	8,290,000,000	146	300,000,000	5
Term	2,295,000,000	48	175,000,000	4
	10,585,000,000	194	475,000,000	9



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					10,000,000	1	5,000,000	1	10,000,000	1	50,000,000	3
Agency					5,000,000	1	8,000,000	2	44,698,000	10	192,209,000	13
Callable												
CP			7,000,000	1			5,000,000	1	31,400,000	5		
Corporate												
CD's							1,100,000	1				
Muni			14,465,000	3	3,000,000	1	3,555,000	2	1,000,000	1		
<b>Total Purchase</b>	<b>-</b>	<b>0</b>	<b>21,465,000</b>	<b>4</b>	<b>18,000,000</b>	<b>3</b>	<b>22,655,000</b>	<b>7</b>	<b>87,098,000</b>	<b>17</b>	<b>242,209,000</b>	<b>16</b>
<b>Sale</b>	<b>Volume</b>	<b>Trades</b>	<b>Volume</b>	<b>Trades</b>	<b>Volume</b>	<b>Trades</b>	<b>Volume</b>	<b>Trades</b>	<b>Volume</b>	<b>Trades</b>	<b>Volume</b>	<b>Trades</b>
Treasury												
Agency			1,000,000	1	15,000,000	1					21,300,000	4
Callable												
Muni												
<b>Total Sale</b>	<b>-</b>	<b>0</b>	<b>1,000,000</b>	<b>1</b>	<b>15,000,000</b>	<b>1</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>21,300,000</b>	<b>4</b>
<b>Total Volume</b>	<b>-</b>	<b>0</b>	<b>22,465,000</b>	<b>5</b>	<b>33,000,000</b>	<b>4</b>	<b>22,655,000</b>	<b>7</b>	<b>87,098,000</b>	<b>17</b>	<b>263,509,000</b>	<b>20</b>

LGIP

Overnight											300,000,000	5
Term											175,000,000	4
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>475,000,000</b>	<b>9</b>

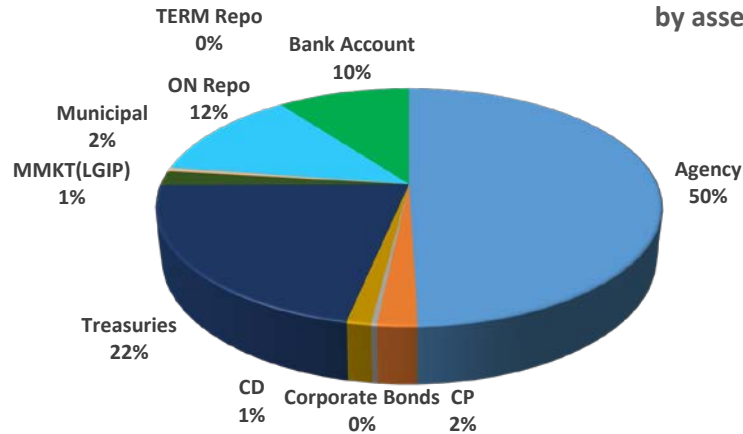
## NM State Treasurer Office Security Holding by Portfolio

December 31, 2016

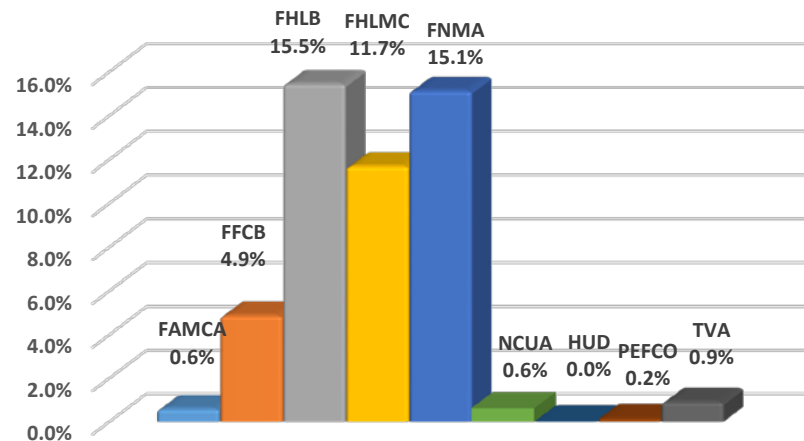
*Values are based on position holdings*

<b>Portfolio Balance</b>	<b>GF LIQ</b>	<b>GF CORE</b>	<b>BPIP TE</b>	<b>BPIP TX</b>	<b>STB</b>	<b>LGIP</b>	<b>STO Holdings</b>	
	<b>527,800,262</b>	<b>706,441,951</b>	<b>581,505,527</b>	<b>544,613,330</b>	<b>132,228,632</b>	<b>661,144,455</b>	<b>3,153,734,158</b>	
<b>Agency</b>	-	<b>306,441,000</b>	<b>344,819,000</b>	<b>337,915,000</b>	<b>42,998,000</b>	<b>530,622,000</b>	<b>1,562,795,000</b>	<b>49.6%</b>
FAMCA	-	13,000,000	5,000,000	-	1,000,000	-	19,000,000	0.6%
FFCB	-	8,000,000	26,000,000	15,500,000	19,020,000	85,394,000	153,914,000	4.9%
FHLB	-	39,500,000	88,085,000	130,000,000	20,880,000	209,225,000	487,690,000	15.5%
FHLMC	-	80,000,000	113,750,000	46,415,000	-	128,847,000	369,012,000	11.7%
FNMA	-	165,941,000	81,154,000	133,000,000	2,098,000	95,590,000	477,783,000	15.1%
NCUA	-	-	10,000,000	10,000,000	-	-	20,000,000	0.6%
HUD	-	-	1,325,000	-	-	-	1,325,000	0.0%
PEFCO	-	-	5,000,000	-	-	-	5,000,000	0.2%
TVA	-	-	14,505,000	3,000,000	-	11,566,000	29,071,000	0.9%
CP	-	7,000,000	15,558,425	10,000,000	34,400,000	-	66,958,425	2.1%
Corporate Bonds	-	-	7,000,000	3,000,000	-	-	10,000,000	0.3%
CD	-	27,750,000	3,000,000	10,200,000	-	-	40,950,000	1.3%
Treasuries	-	352,750,000	150,000,000	153,500,000	10,000,000	15,000,000	681,250,000	21.6%
Municipal	-	12,200,000	25,510,000	19,120,000	4,500,000	-	61,330,000	1.9%
MMKT(LGIP)	-	-	11,096,366	4,405,807	157,992	-	15,660,166	0.5%
ON Repo	301,725,850	300,951	24,521,736	6,472,523	10,096,723	50,000,000	393,117,783	12.5%
TERM Repo	-	-	-	-	-	-	-	0.0%
Bank Account	226,074,412	-	-	-	30,075,917	65,522,455	321,672,785	10.2%

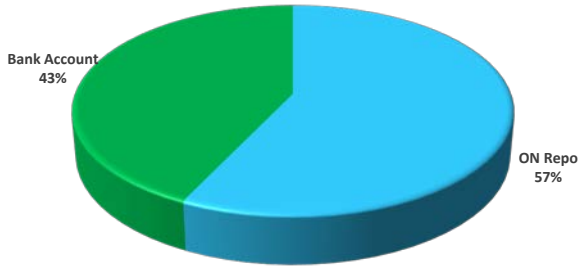
**STO Holdings  
by asset type**



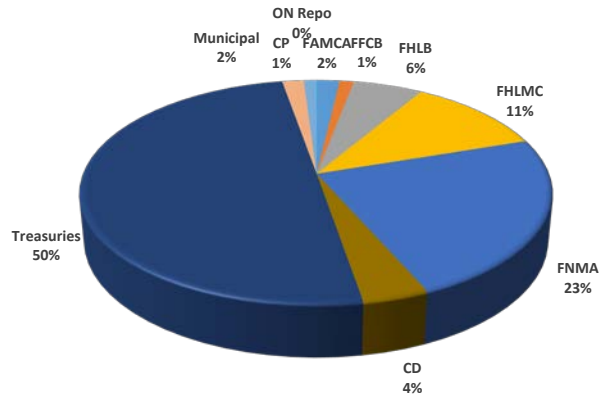
**STO US Agency Holdings**



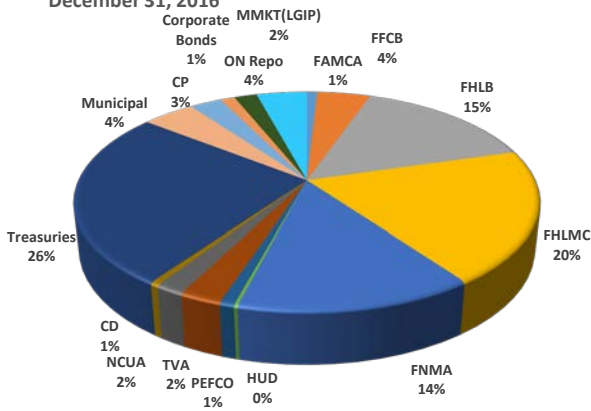
GF Liquidity Holdings  
December 31, 2016



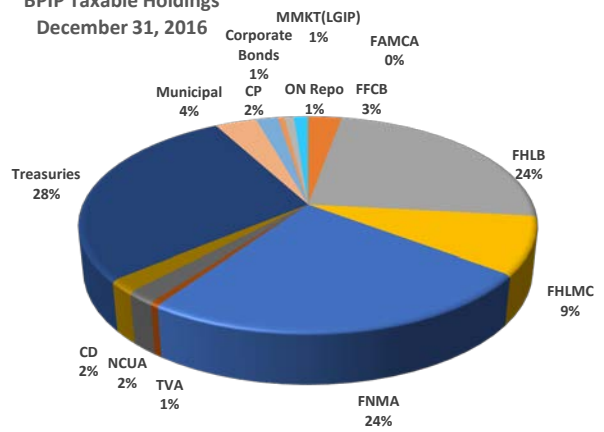
GF CORE Holdings  
December 31, 2016



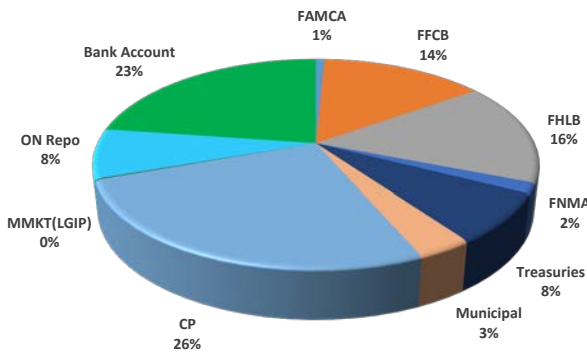
BPIP Tax-Exempt Holdings  
December 31, 2016



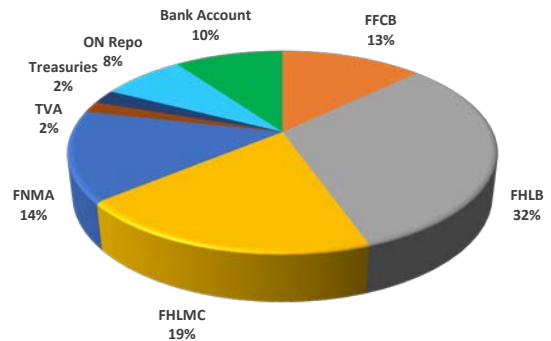
BPIP Taxable Holdings  
December 31, 2016

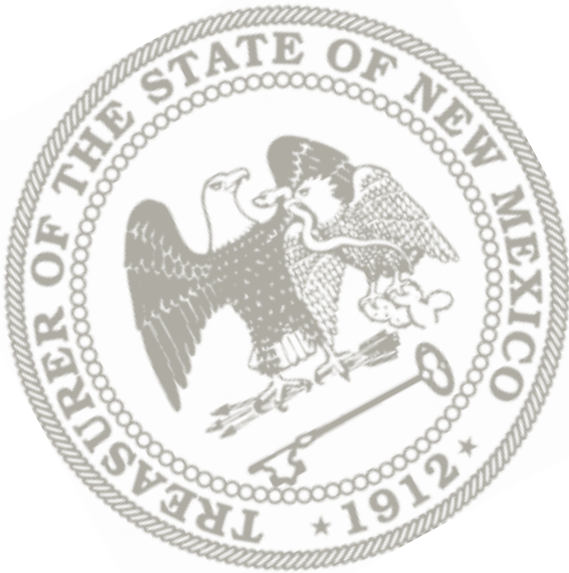


STB Holdings  
December 31, 2016



LGIP Holdings  
December 31, 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: January 10, 2017  
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: December 2016 Investment Reconciliation

**December 2016 Investments Reconciliation**

The December 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 November 30<sup>st</sup> and December 31<sup>st</sup>.
3. Cash transaction activity proofs.
4. Earned income proofs.
5. Proof of change in cost.
6. Duplicate cash activity.
7. JP Morgan to QED inventory reconciliation.
8. JP Morgan to QED income reconciliation.

Market value materiality threshold is 5 basis points of the total market value of a JP Morgan account. The JPM-QED investment inventory reconciliation has one material difference in the investing agencies portfolio. This timing difference stems from un-invested cash in QED that was used to make the December 2016 distribution. Normally, the holdings are sizable enough where the recurring timing difference is immaterial. 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 December 31, 2016

W/P Ref  
503

Market Value Reconciliation

JPM Account	Market Value	QED Fund #	Name	Market Value	Difference	BPS Dollar Threshold *
P 09336	527,800,300.97	1000	GF Liquidity	527,800,261.97	39.00	263,900.15
P 09337	711,739,332.88	1001	GF Core	711,736,357.75	2,975.13	355,869.67
P 09334	19,882,217.13	1101	ONREPO	19,900,489.71	(18,272.58)	9,941.11
P 89523	134,918,262.63	4001	STB	134,912,942.10	5,320.53	67,459.13
P 09335	584,936,630.45	4000	BPIP#1	584,866,412.64	70,217.81	292,468.32
P 09339	544,739,517.62	4002	BPIP#2	544,729,278.91	10,238.71	272,369.76
P 09333	661,655,978.58	4101	LGIP	661,655,959.87	18.71	330,827.99
<b>Total</b>	<b>3,185,672,240.26</b>			<b>3,185,601,702.95</b>	<b>70,537.31</b>	<b>1,592,836.12</b>

Cost Reconciliation

JPM Account	Cost	QED Fund #	Name	Cost	Difference	BPS Dollar Threshold *
P 09336	527,800,300.97	1000	GF Liquidity	527,800,261.97	39.00	263,900.15
P 09337	713,638,364.79	1001	GF Core	713,602,955.46	35,409.33	356,819.18
P 09334	19,882,217.13	1101	ONREPO	19,900,489.71	(18,272.58)	9,941.11
P 89523	134,907,775.11	4001	STB	134,907,749.83	25.28	67,453.89
P 09335	588,361,521.36	4000	BPIP#1	588,361,521.39	(0.03)	294,180.76
P 09339	546,414,271.58	4002	BPIP#2	546,414,271.57	0.01	273,207.14
P 09333	661,902,612.68	4101	LGIP	661,902,612.70	(0.02)	330,951.31
<b>Total</b>	<b>3,192,907,063.62</b>			<b>3,192,889,862.63</b>	<b>17,200.99</b>	<b>1,596,453.53</b>

Position Reconciliation

JPM Account	Position Size	QED Fund #	Name	Position Size	Difference	BPS Dollar Threshold *
P 09336	527,800,300.97	1000	GF Liquidity	527,800,261.97	39.00	263,900.15
P 09337	711,341,951.48	1001	GF Core	711,341,951.48	-	355,670.98
P 09334	19,882,217.13	1101	ONREPO	19,900,489.71	(18,272.58)	9,941.11
P 89523	134,928,657.77	4001	STB	134,928,632.47	25.30	67,464.33
P 09335	584,505,526.77	4000	BPIP#1	584,505,526.77	-	292,252.76
P 09339	544,613,330.46	4002	BPIP#2	544,613,330.46	-	272,306.67
P 09333	661,144,454.80	4101	LGIP	661,144,454.82	(0.02)	330,572.23
<b>Total</b>	<b>3,184,216,439.38</b>			<b>3,184,234,647.68</b>	<b>(18,208.30)</b>	<b>1,592,108.22</b>

\*Basis Point (BPS)Dollar Threshold

JPM Market Value x 5 BPS

JPM Cost x 5 BPS

JPM Position Size x 5 BPS

0.0005



**JP Morgan to QED Income Reconciliation**  
**For Accounting Period Ended December 31, 2016**

**W/P Ref**  
 504

JPM Account	Earned Interest	QED Fund #	Name	Earned Interest	Difference	BPS Dollar Threshold *
P 09336	84,642.00	1000	GF Liquidity	76,106.47	8,535.53	26,390.02
P 09337	859,870.60	1001	GF Core	859,570.01	300.59	35,586.97
P 09334	20,178.25	1101	ONREPO	20,178.32	(0.07)	994.11
P 89523	44,088.46	4001	STB	48,194.28	(4,105.82)	6,745.91
P 09335	618,163.38	4000	BPIP#1	615,661.23	2,502.15	29,246.83
P 09339	546,099.93	4002	BPIP#2	545,010.96	1,088.97	27,236.98
P 09333	349,739.07	4101	LGIP	353,569.07	(3,830.00)	33,082.80
<b>Total</b>	<b>2,522,781.69</b>			<b>2,518,290.34</b>	<b>4,491.35</b>	<b>159,283.61</b>

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

JPM Account	Amortization/Accretion	QED Fund #	Name	Amortization/Accretion	Difference
P 09336		1000	GF Liquidity	-	-
P 09337	(44,938.16)	1001	GF Core	(44,854.13)	(84.03)
P 09334		1101	ONREPO	-	-
P 89523	4,608.12	4001	STB	2,976.76	1,631.36
P 09335	(194,249.55)	4000	BPIP#1	(198,993.04)	4,743.49
P 09339	(94,999.03)	4002	BPIP#2	(84,597.83)	(10,401.20)
P 09333	(63,836.62)	4101	LGIP	(64,185.05)	348.43
<b>Total</b>	<b>(393,415.24)</b>			<b>(389,653.29)</b>	<b>(3,761.95)</b>

\* BPS Dollar Threshold

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

**Note:** QED uses multiple methods (referenced below) to compute amortization/accretion where the configuration is matched with an asset type. JP Morgan uses, but is not limited to, the pro rata, straight line, and level yield methods for amortization/accretion. Therefore, the (3,761.95) 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 12/01/16 Through 12/31/16**

TXN-DATE	CUSIP#	ASSET-TYPE	INVST#	ISSUE-NAME	RATE	MATURITY	YIELD	BRKR/DLR/AGENT	FUND	PAR-VALUE	COST/PROCEEDS	GAIN/LOSS	NXT-CALL
<b><u>PURCHASE TRANSACTIONS</u></b>													
12/07/16	30229AN5	COMMERCIAL PAPE	26946	EXXON MOBIL CORP		1/05/17	.4802	ISSUER DIRECT	4001	1,500,000.00	1,499,440.00		
12/07/16	36164JMT	COMMERCIAL PAPE	26468	GE CAPITAL US HOLDINGS		12/27/16	.4501	ISSUER DIRECT	4001	1,000,000.00	999,762.50		
12/07/16	912833KL	COMMERCIAL PAPE	26947	U.S. TREASURY SECURITY		2/15/17	.5066	BARCLAYS	4001	15,000,000.00	14,985,450.00		
12/16/16	89233GNB	COMMERCIAL PAPE	27001	TOYOTA MOTOR CREDIT COR		1/11/17	.6002	BROKER DIRECT	1001	7,000,000.00	6,997,316.67		
12/19/16	912833KL	COMMERCIAL PAPE	26947	U.S. TREASURY SECURITY		2/15/17	.5436	BARCLAYS	4001	10,000,000.00	9,991,400.00		
12/27/16	89233GTP	COMMERCIAL PAPE	27037	Toyota Motor Credit Co		6/23/17	1.1768	ISSUER DIRECT	4001	3,900,000.00	3,877,565.25		
12/28/16	9033E0T3	COMMERCIAL PAPE	27050	USBKMN		6/27/17	1.0050	ISSUER DIRECT	4002	5,000,000.00	4,975,000.00		
12/30/16	81186499	CERTIFICATES OF	27053	WESTERN BANK ALAMOGORDO	.750	6/30/17	.7500	SYSTEM - UNIDEN	4002	1,100,000.00	1,100,000.00		
12/07/16	912796HV	U.S. TREASURY B	26950	UNITED STATES TREASURY		1/05/17	.3601	JEFFRIES & CO	4101	15,000,000.00	14,995,950.00		
12/07/16	912796KA	U.S. TREASURY B	26939	UNITED STATES TREASURY		12/29/16	.3251	GUGGENHEIM SECU	4101	15,000,000.00	14,997,020.83		
12/19/16	912796KA	U.S. TREASURY B	26939	UNITED STATES TREASURY		12/29/16	.4551	GUGGENHEIM SECU	4101	20,000,000.00	19,997,725.00		
12/07/16	912828T4	US TREASURY NOT	26948	UNITED STATES TREASURY	.750	9/30/18	1.0863	BARCLAYS	4000	10,000,000.00	9,939,843.75		
12/07/16	912828T4	US TREASURY NOT	26949	UNITED STATES TREASURY	.750	9/30/18	1.0863	BARCLAYS	4002	5,000,000.00	4,969,921.88		
12/29/16	912828H6	US TREASURY VAR	27064	UNITED STATES TREASURY	.640	1/31/17	.4558	HSBC	4001	10,000,000.00	10,001,275.33		
12/28/16	3130A75S	AGENCY US FLOAT	27044	FEDERAL HOME LOAN BANKS	.840	1/23/17	.5182	JEFFRIES & CO	4001	3,000,000.00	3,000,600.00		
12/05/16	3133EEHY	AGENCY US BOND	26918	FEDERAL FARM CREDIT BAN	.700	1/13/17	.4728	TD SECURITIES	4001	4,500,000.00	4,501,044.00		
12/07/16	3133EFJK	AGENCY US BOND	26951	FEDERAL FARM CREDIT BAN	.430	1/13/17	.4114	JEFFRIES & CO	4101	15,000,000.00	15,000,260.40		
12/08/16	313376BR	AGENCY US BOND	26958	FEDERAL HOME LOAN BANKS	1.750	12/14/18	1.2081	WELLS FARGO SEC	4002	5,000,000.00	5,053,750.00		
12/16/16	880591EQ	AGENCY US BOND	27002	TENNESSEE VALLEY AUTHOR	1.750	10/15/18	1.3343	INTL FCSTONE PA	4002	3,000,000.00	3,022,380.00		
12/28/16	313372C3	AGENCY US BOND	27052	FEDERAL HOME LOAN BANKS	3.125	12/08/17	.9504	BOSC, INC	4101	2,000,000.00	2,040,676.08		
12/29/16	31331XLG	AGENCY US BOND	27060	FEDERAL FARM CREDIT BAN	4.875	1/17/17	.4799	RBS	4001	12,020,000.00	12,044,881.40		
12/02/16	313385AN	AGENCY US DISC	26908	FEDERAL HOME LOAN BANKS		1/13/17	.4002	GUGGENHEIM SECU	4101	10,500,000.00	10,495,450.00		
12/02/16	313385AV	AGENCY US DISC	26899	FEDL HOME LOAN BK CONS		1/20/17	.4002	FTN FINANCIAL S	4101	15,000,000.00	14,991,833.33		
12/05/16	313313AF	AGENCY US DISC	26910	FEDERAL FARM CREDIT BAN		1/06/17	.3401	UBS	4101	5,000,000.00	4,998,488.89		
12/05/16	313385AN	AGENCY US DISC	26920	FEDERAL HOME LOAN BANKS		1/13/17	.4002	JEFFRIES & CO	4101	25,000,000.00	24,989,444.44		
12/06/16	880592T9	AGENCY US DISC	26936	TENNESSEE VALLEY AUTHOR		12/20/16	.3000	JEFFRIES & CO	4101	50,000,000.00	49,994,583.33		
12/15/16	880592T9	AGENCY US DISC	26936	TENNESSEE VALLEY AUTHOR		12/20/16	.4500	WELLS FARGO SEC	4101	25,000,000.00	24,998,437.50		
12/21/16	313385AF	AGENCY US DISC	27020	FEDERAL HOME LOAN BANKS		1/06/17	.5001	DAIWA CAPITAL M	4001	5,000,000.00	4,998,958.33		
12/29/16	31315LBH	AGENCY US DISC	27062	FEDERAL AGRICULTURAL MO		2/01/17	.5203	BMO CAPTIAL MAR	4001	1,000,000.00	999,523.33		
12/29/16	313385AF	AGENCY US DISC	27020	FEDERAL HOME LOAN BANKS		1/06/17	.4500	DAIWA CAPITAL M	4001	6,300,000.00	6,299,448.75		
12/29/16	313385AS	AGENCY US DISC	27061	FEDERAL HOME LOAN BANKS		1/17/17	.4501	GUGGENHEIM SECU	4001	6,580,000.00	6,578,519.50		
12/29/16	313589AT	AGENCY US DISC	27063	FEDERAL NATIONAL MORTGA		1/18/17	.4501	GUGGENHEIM SECU	4001	2,098,000.00	2,097,501.73		
12/30/16	313385AV	AGENCY US DISC	27066	FEDL HOME LOAN BK CONS		1/20/17	.5101	JEFFRIES & CO	4001	1,700,000.00	1,699,590.58		
12/05/16	3135G0ZB	AGENCY US NOTES	26919	FEDERAL NATIONAL MORTGA	.750	4/20/17	.5541	WELLS FARGO SEC	4101	2,690,000.00	2,691,952.12		
12/07/16	3135G0GY	AGENCY US NOTES	26938	FEDERAL NATIONAL MORTGA	1.250	1/30/17	.4636	BARCLAYS	4101	6,000,000.00	6,006,924.00		
12/15/16	3134G3A9	AGENCY US NOTES	26994	FEDERAL HOME LOAN MORTG	1.400	8/22/19	1.5872	INTL FCSTONE PA	4000	5,000,000.00	4,975,500.00		
12/29/16	31359M4D	AGENCY US NOTES	26861	FEDERAL NATIONAL MORTGA	5.000	2/13/17	.5360	RBS	4101	25,000,000.00	25,136,000.00		
12/28/16	3133EERF	AGENCY US VARIA	25160	FEDERAL FARM CREDIT BAN	.495	4/27/17	.6433	INTL FCSTONE PA	4101	1,900,000.00	1,900,378.10		

**STATE OF NEW MEXICO**  
**Summary of Fixed-Income Purchases and Sales**  
**TRADES During The Period 12/01/16 Through 12/31/16**

TXN-DATE	CUSIP#	ASSET-TYPE	INVST#	ISSUE-NAME	RATE	MATURITY	YIELD	BRKR/DLR/AGENT	FUND	PAR-VALUE	COST/PROCEEDS	GAIN/LOSS	NXT-CALL
12/28/16	3133EDRD	AGENCY US VAR A	27048	FEDERAL FARM CREDIT BAN	.704	1/30/17	.6239	BARCLAYS	4001	2,500,000.00	2,500,172.50		
12/28/16	3133EDYN	AGENCY US VAR A	27049	FEDERAL FARM CREDIT BAN	.655	2/21/17	.5482	INTL FCSTONE PA	4101	9,119,000.00	9,120,422.56		
12/01/16	64711NM2	MUNI US 30/360	26896	NEW MEXICO FIN AUTH REV	4.000	6/01/18	1.2705	MORGAN STANLEY	4002	3,455,000.00	3,591,334.30		
12/01/16	64711NL9	MUNICIPAL BOND	26897	NEW MEXICO FIN AUTH REV	3.000	6/01/17	.9809	MORGAN STANLEY	4002	100,000.00	100,932.00		
12/08/16	013595UK	MUNICIPAL BOND	26961	ALBUQUERQUE N MEX MUN S	2.000	8/01/17	.9917	ROBERT W BAIRD	1001	4,900,000.00	4,927,293.00		
12/08/16	013595UK	MUNICIPAL BOND	26960	ALBUQUERQUE N MEX MUN S	2.000	8/01/17	.9917	ROBERT W BAIRD	4000	3,000,000.00	3,016,710.00		
12/08/16	013595UK	MUNICIPAL BOND	26959	ALBUQUERQUE N MEX MUN S	2.000	8/01/17	.9917	ROBERT W BAIRD	4001	1,000,000.00	1,005,570.00		
12/15/16	914692WL	MUNICIPAL BOND	26987	UNIVERSITY N MEX UNIV R	.640	6/01/26	.6400	ISSUER DIRECT	1001	8,265,000.00	8,265,000.00		
12/21/16	914692WL	MUNICIPAL BOND	26987	UNIVERSITY N MEX UNIV R	.640	6/01/26	.7400	ISSUER DIRECT	1001	1,300,000.00	1,300,000.00		
<b>47 PURCHASES DURING PERIOD TOTAL.....</b>										<b>391,427,000.00</b>	<b>391,671,231.38</b>		
<b><u>SALE TRANSACTIONS</u></b>													
12/05/16	313384S6	AGENCY US DISC	25703	FEDERAL HOME LOAN BANKS		12/09/16	.1600	MIZUHO SECURITI	4101	5,000,000.00	4,999,911.11	188.89	
12/06/16	313384S6	AGENCY US DISC	25703	FEDERAL HOME LOAN BANKS		12/09/16		TD SECURITIES	4101	5,000,000.00	4,999,945.83	154.16	
12/09/16	313384S9	AGENCY US DISC	24655	FEDERAL HOME LOAN BANKS		12/12/16		MIZUHO SECURITI	4101	6,000,000.00	5,999,912.50	292.50	
12/29/16	313385CG	AGENCY US DISC	26876	FEDERAL HOME LOAN BANKS		2/24/17		BMO CAPTIAL MAR	4101	5,300,000.00	5,295,636.33	41.95	
12/15/16	3135GOVM	AGENCY US NOTES	23991	FEDERAL NATIONAL MORTGA	.750	3/14/17		TD SECURITIES	4000	15,000,000.00	15,006,600.00	2,075.01	
12/21/16	3135GOGY	FED NATL MORTGA	15885	FED NATL MORTGAGE ASSN	1.250	1/30/17	.5161	TD SECURITIES	1001	1,000,000.00	1,000,670.00	495.70	
<b>6 SALES DURING PERIOD TOTAL.....</b>										<b>37,300,000.00</b>	<b>37,302,675.77</b>	<b>3,248.21</b>	
<b>=== GRAND-TOTAL ==&gt;</b>										<b>428,727,000.00</b>	<b>428,973,907.15</b>	<b>3,248.21</b>	
<b>*** END-OF-REPORT ***</b>													

**From:** [Vigil, Steve, STO](#)  
**To:** [Gonzales, Steve A., DFA](#)  
**Cc:** [Collins, Sam, STO](#); [Cook, Charmaine, STO](#); [Marquez, Leo, STO](#); [Burrows, Leila K, DFA](#); "Clark, Jon"  
**Subject:** SGF Distribution  
**Date:** Wednesday, January 11, 2017 10:50:00 AM  
**Attachments:** [image005.png](#)

Good morning Steve,

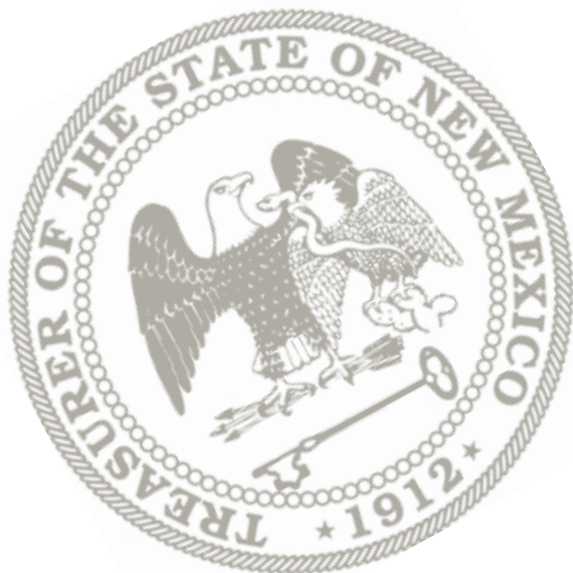
STO will make a distribution to the State General Fund for December 2016 in the amount of \$174,687.66. Below is the FY17 distribution summary.

<b>Dec-16</b>				
<b>State General Fund Distribution Worksheet</b>				
<b>Section 6-10-2.1 Distribution Methodology</b>				
<b>(Includes Accretion/Amortization)</b>	<b>General Fund Liquidity</b>	<b>General Fund Core</b>	<b>Self-Earning</b>	
<b>Component</b>	<b>Amount</b>	<b>Amount</b>	<b>Amount</b>	<b>Total</b>
Earned Income*	\$ 84,642.00	\$ 814,932.44	\$ (210,648.84)	\$ 688,925.60
Realized Gains/(Losses)		489.73		489.73
Unrealized Gains/(Losses)		(514,727.67)		(514,727.67)
<b>Distribution Total</b>	<b>\$ 84,642.00</b>	<b>\$ 300,694.50</b>	<b>\$ (210,648.84)</b>	<b>\$ 174,687.66</b>
* Earned Income is accrued investment income +/- accretion/amortization				

<b>Fiscal Year 2017 SGF Distribution</b>	
<b>Month</b>	<b>Amount</b>
Jul-16	(212,520.71)
Aug-16	(1,990,093.62)
Sep-16	1,126,769.07
Oct-16	(1,107,081.41)
Nov-16	(4,706,497.28)
Dec-16	174,687.66
Jan-17	-
Feb-17	-
Mar-17	-
Apr-17	-
May-17	-
Jun-17	-
<b>Total</b>	<b>(6,714,736.29)</b>

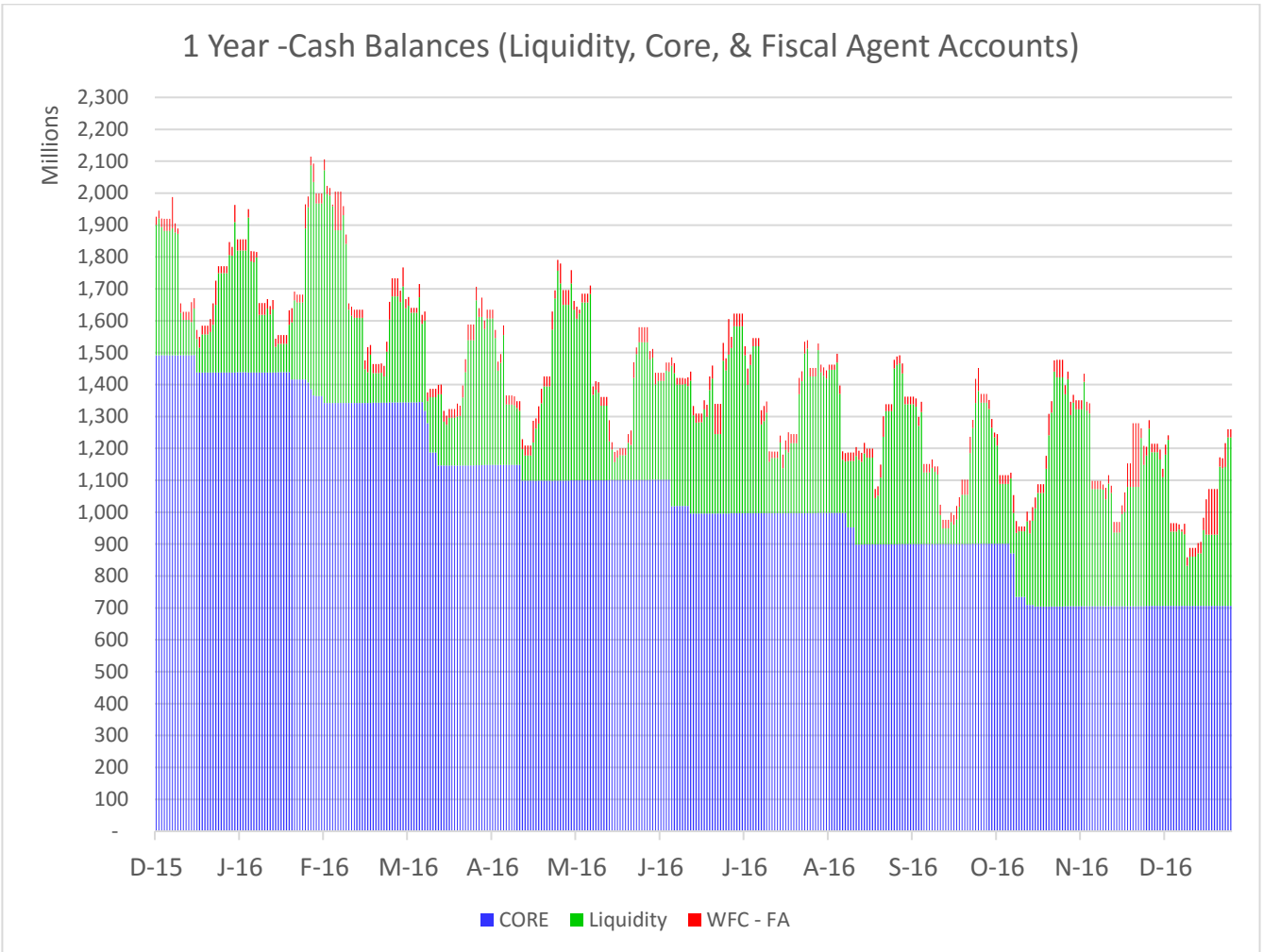
Should you have any questions, feel free to contact me. Thanks.

Steve

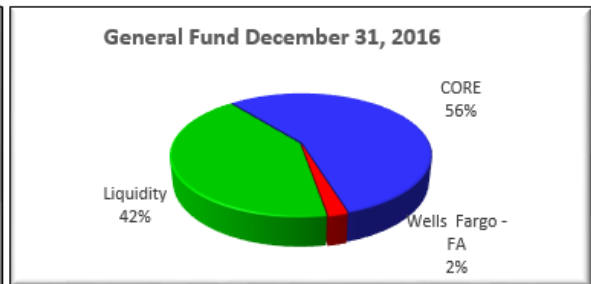
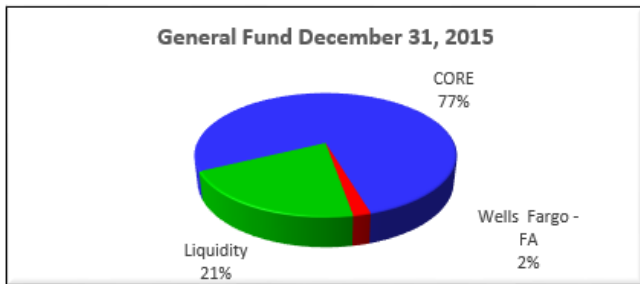


## 7. Cash Projections

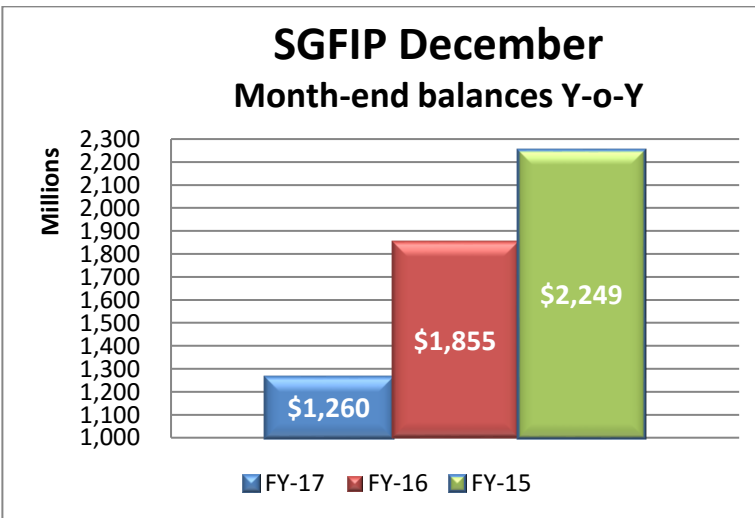
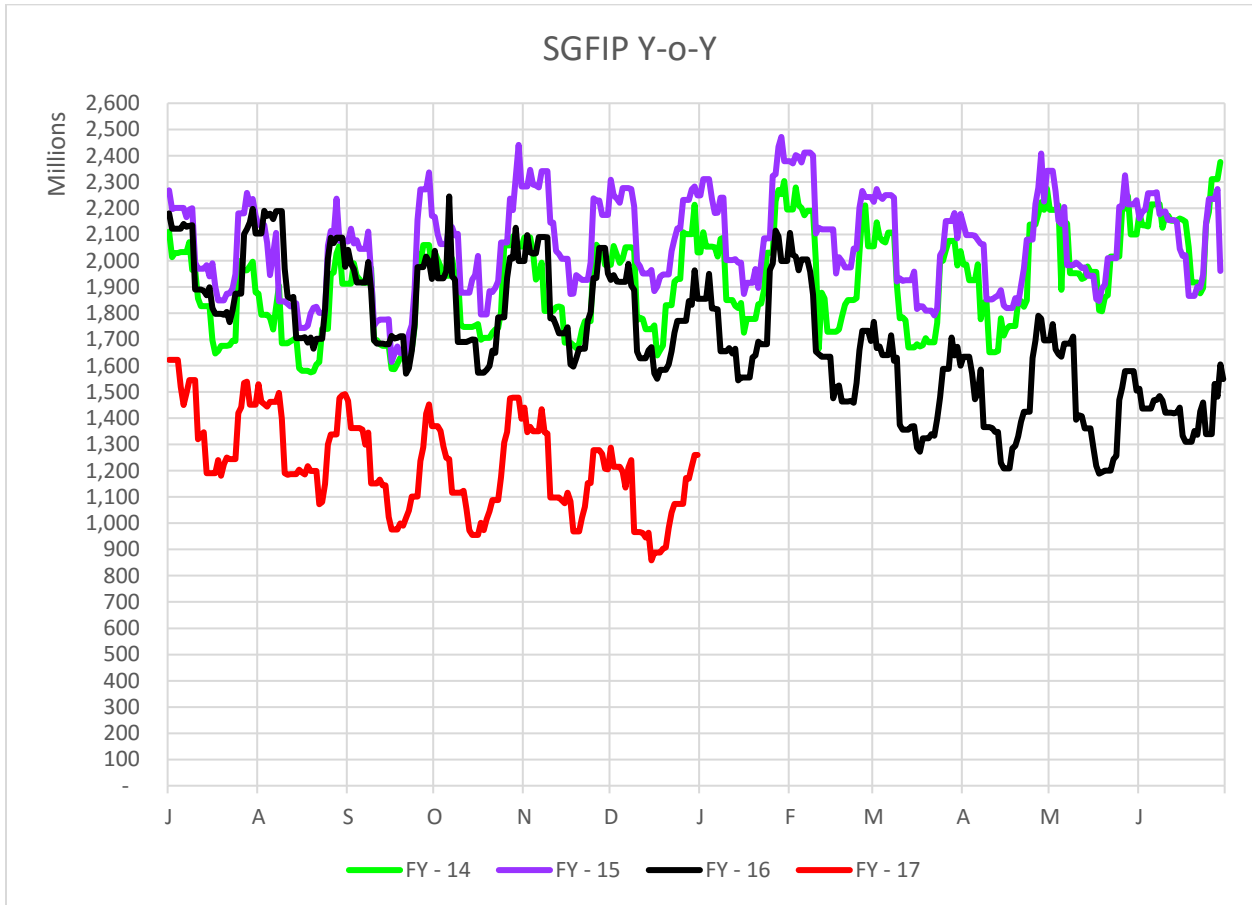
# SGFIP Cash Flows



GENERAL FUND	Dec-15	Nov-16	Dec-16	Y-o-Y Change	M-o-M Change
Liquidity	381,800,700	471,548,344	527,800,262	145,999,562	56,251,918
CORE	1,438,741,173	706,375,641	706,441,951	(732,299,221)	66,311
Wells Fargo - FA	34,184,935	26,814,547	25,737,187	(8,447,748)	(1,077,360)
	1,854,726,807	1,204,738,532	1,259,979,401	(594,747,407)	55,240,869

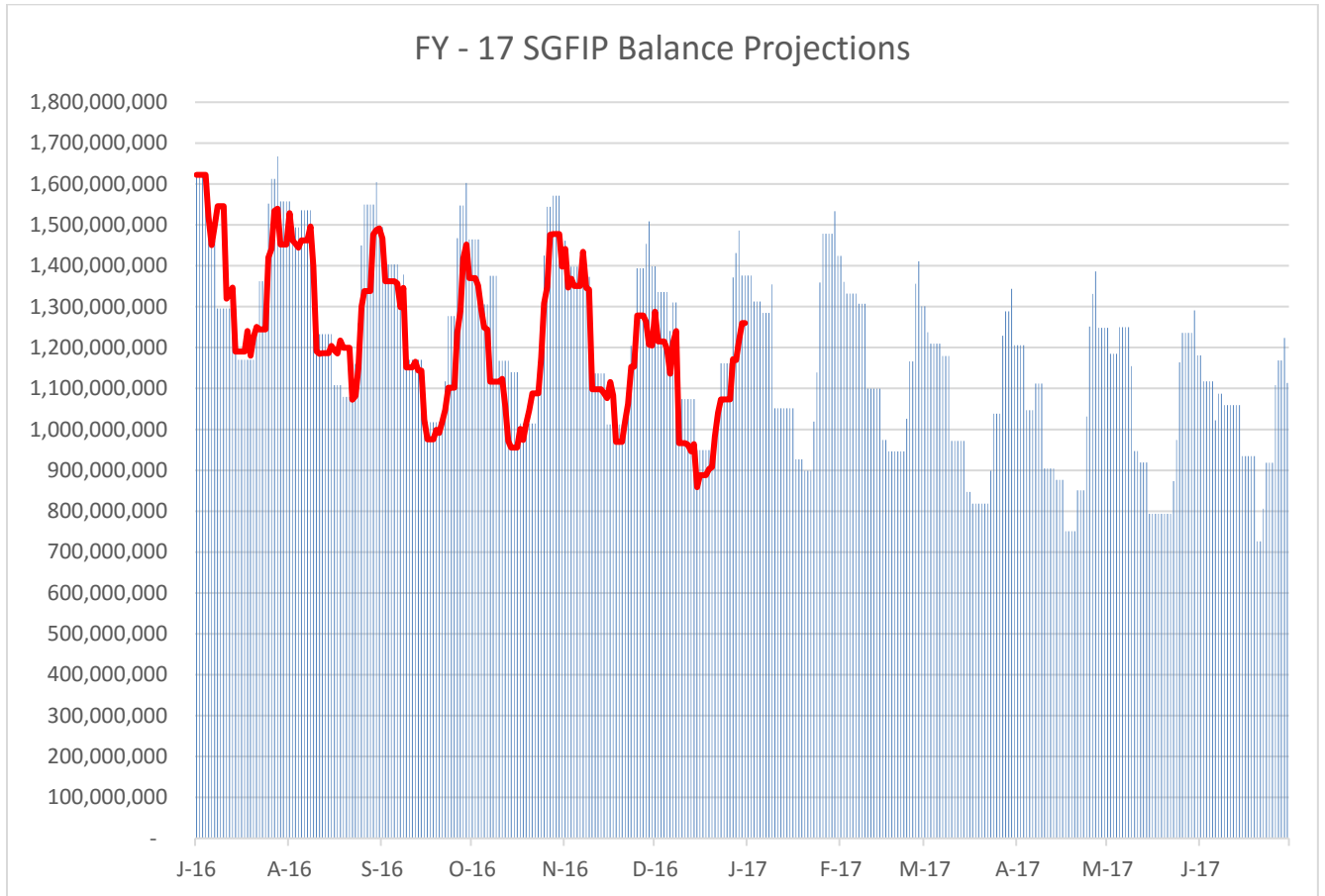


# SGFIP Cash Flows

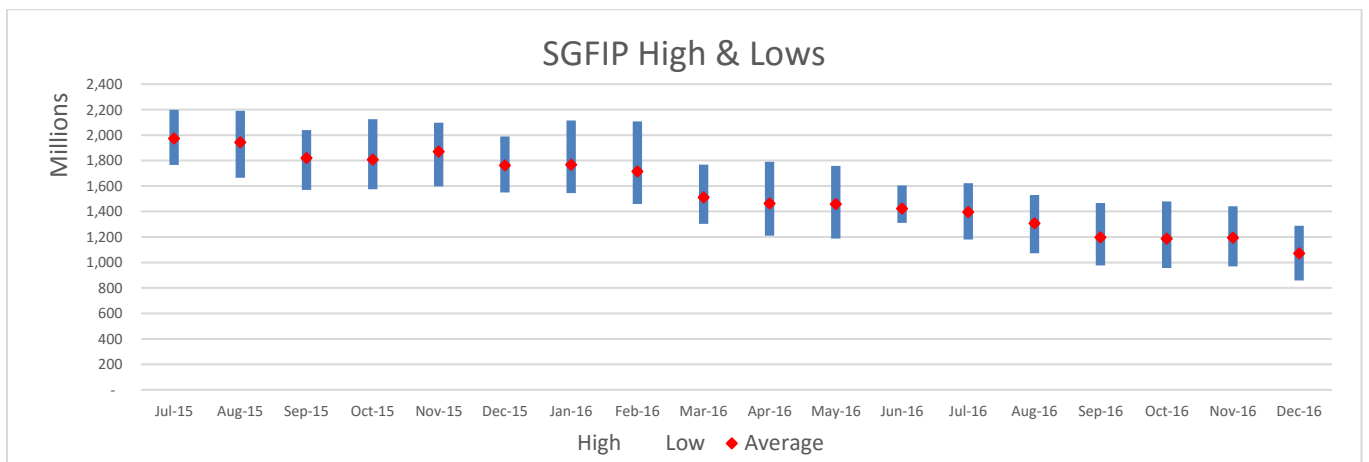


The balance as of December 31, 2016 of the State General Fund Investments Pool (SGFIP) Y-o-Y has decreased -32.1% from December 31, 2015 and -44.0% decrease from December 31, 2014 . M-o-M SGFIP balances increased to \$1.260 billion at December 31, 2016 from \$1.205 billion at November 30, 2016 a increase of \$55 million or 4.6%.

# SGFIP Cash Flows



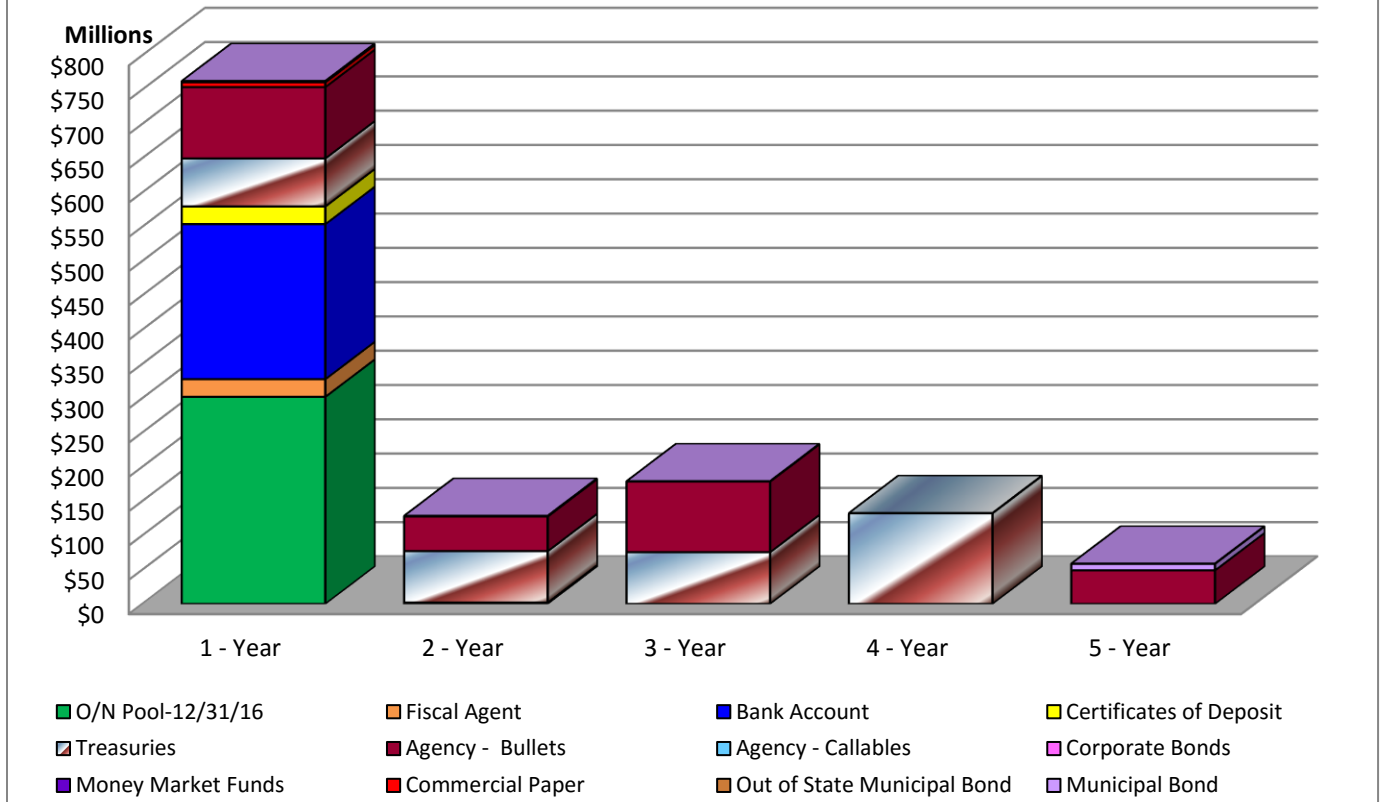
	Dec-16	Dec-15	Change
High	1,288,128,091	1,987,785,952	-54.3%
Low	858,524,286	1,549,932,519	-80.5%
Average	1,071,467,175	1,762,504,791	-64.5%





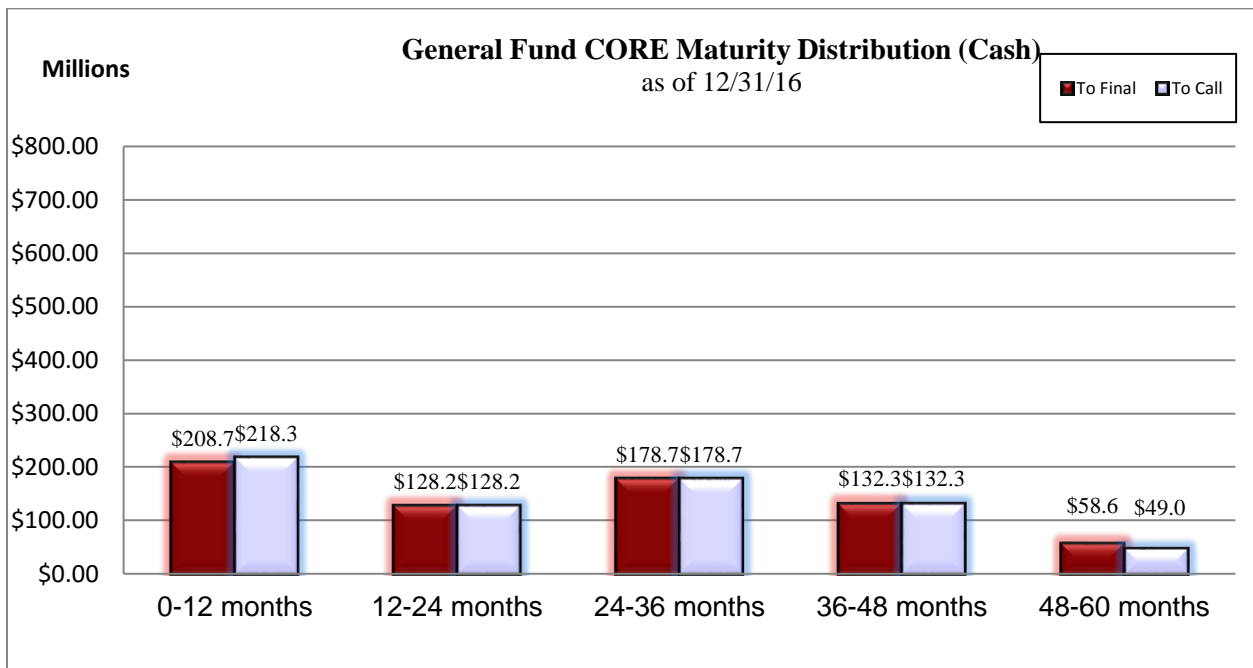
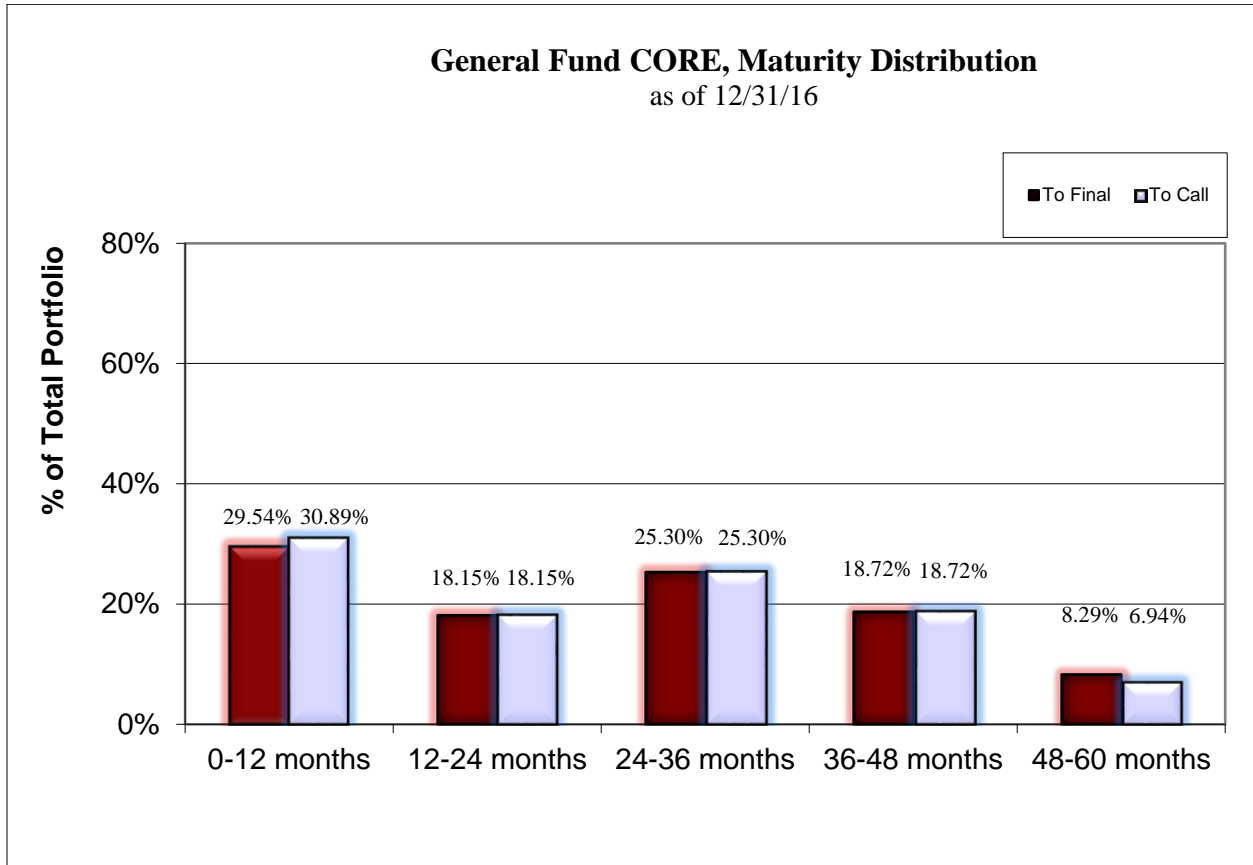
# SGFIP Cash Flows

## General Fund Maturity Ladder by Year & Asset Type as of December 31, 2016



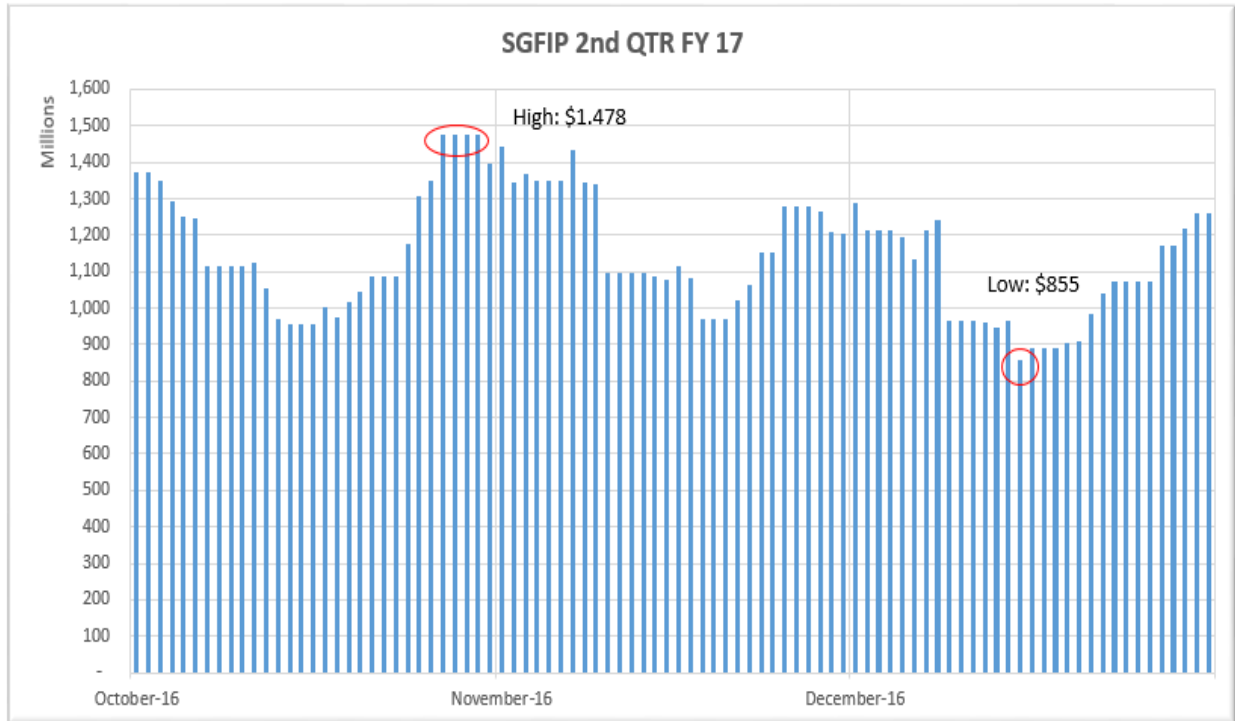
Asset Allocation	1 - Year	2 - Year	3 - Year	4 - Year	5 - Year	Total	%
Agency - Bullets	104,000,000	50,500,000	102,941,000		49,000,000	306,441,000	24%
Agency - Callables						0	0%
Corporate Bonds						0	0%
Money Market Funds						0	0%
Certificates of Deposit	25,750,000	2,000,000				27,750,000	2%
Municipal Bond	1,635,000	735,000	265,000		9,565,000	12,200,000	1%
Out of State Municipal Bond						0	0%
Commercial Paper	7,000,000					7,000,000	1%
Treasuries	70,000,000	75,000,000	75,500,000	132,250,000		352,750,000	28%
Bank Account	226,074,412					226,074,412	18%
Fiscal Agent	25,737,187					25,737,187	2%
O/N Pool-12/31/16	302,026,801					302,026,801	24%
<b>Total:</b>	<b>762,223,401</b>	<b>128,235,000</b>	<b>178,706,000</b>	<b>132,250,000</b>	<b>58,565,000</b>	<b>1,259,979,401</b>	<b>100%</b>
% of Total:	60%	10%	14%	10%	5%		

# SGFIP Cash Flows



# SGFIP Cash Flows

## Fiscal Year 17 – 2<sup>nd</sup> Quarter Highlights



### 2<sup>nd</sup> Quarter (October 16 – December 16) SGFIP balance decreased by (\$110mm)

- ✓ October – 16 Transfer \$200mm from long term investment to short term investemts to cover daily operating expenses prior to December’s projected low point, also prior to the December Fed meeting.
- ✓ Fourth consecutive month the SGFIP dipped below the \$1 billion mark, reaching a low point for the quarter of \$859mm.



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

# QUARTERLY REPORT

Period Ending December 31, 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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## GPA QUARTERLY OBSERVATIONS: ENDING DECEMBER 31, 2016

### Market Commentary

**Market Yields:** Interest rates rose dramatically in the last quarter after the Presidential election. The market perception is that the incoming president will favor decreasing taxes, lessening regulations and an overall more “government friendly” environment for business. This resulted in a record setting Dow Jones and interest rates reaching their highest levels since 2009. The 2-year treasury increased 43 basis points and 5-year notes increased 78 basis points during the quarter. The 2-year to 5-year spread steepened from 39 basis points to 74 basis points.

**FOMC:** As expected, the Fed increased its key interest rate by .25%. Fed officials raised its target for short-term interest rates by .25% to a range of .50% to .75%. It was the second time in a decade that the Fed has raised rates. In addition to the Fed Funds target rate increase, the Fed also increased its forecast for hikes in 2017-2019. The notes mentioned strength in labor and inflation, “In view of realized and expected labor market conditions and inflation, the committee decided to raise the target range for the federal funds rates.” In addition, “The stance of monetary policy remains accommodative, thereby supporting further strengthening in labor market conditions and a return to 2% inflation.”

**Employment:** The unemployment rate dropped from 5% to 4.6% at the end of the quarter. Total nonfarm payrolls were strong, with increases in September of 156K, October at 161K and up 178K in November.

**GDP:** GDP increased at 3.5% in the third quarter. This is according to the “third” GDP estimate.

### Market Outlook

**Fed Funds:** The FOMC has shifted to a more hawkish policy outlook as labor market conditions and inflation continue to move toward the Fed’s goals. The majority of the Committee remains convinced that the funds rate should rise very gradually. About half of the participants used a more expansionary fiscal policy when making their economic forecasts. The meeting minutes said that Fed officials believe they can maintain plans for gradual rate hikes but would need to be ready to speed up those increases if necessary to fight inflation. The Fed forecast that it could increase rates three more times in 2017. The expectation is for a 10.4% chance of an increase in February and a 33.3% chance of an increase in March.

**2 year:** The 2 year treasury note is forecasted by over 80 economists contributing to Bloomberg to trade at 1.25%, 1.41%, 1.53%, and 1.69% for the end of each of the next four quarters, higher expectations than last quarter.

**Oil:** Crude oil began the quarter at 48.24 and finished at nearly its high for the quarter at 53.72.

**Portfolio Positioning:** GPA is recommending that portfolios restructure their maturities to get within 90% of their benchmark durations. Portfolios should be positioned in a bar-belled manner, i.e. over-weighted in the short end and the long end of the curve. GPA will continue to add municipal bonds, corporates and callables when spreads widen vs. treasuries and agency bullets. GPA expects rates to rise modestly over the next quarter.

Quarterly Yield Change

Economist’s Survey Projections

Economist’s Survey Projections for Rates

	03/31/16	06/30/16	09/30/16	12/31/16
3-month bill	.20	.26	.28	.50
2- year note	.72	.58	.76	1.19
5 -year note	1.21	1.00	1.15	1.93
10- year note	1.77	1.47	1.60	2.44

	Q1-17	Q2-17	Q3-17	Q4-17
Real GDP	2.30	2.50	2.20	2.30
CPI (YOY%)	2.40	2.40	2.50	2.40
Unemployment	4.70	4.60	4.60	4.60

	Q1-17	Q2-17	Q3-17	Q4-17
Fed Funds	.80	1.00	1.10	1.35
2 Year	1.25	1.41	1.53	1.69
10 year	2.48	2.59	2.68	2.79



## 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 investment portfolio durations all shortened this quarter due to the continued drawdown on funds and the expectation for the rate hike that occurred in December.
- 2) The portfolios continue to hold a higher concentration in US treasury securities due to the tight relative yield spread to agencies.
- 3) Commercial paper purchases replaced short maturity purchases in all investment funds except the LGIP.
- 4) STO continues to monitor the cash flow projections to manage the appropriate balances to the core fund and liquidity in the general fund.





**Executive Summary**

Quarterly Statistics:

- ✓ The STO Total fund balances declined by \$220MM and the funds were provided primarily from the investment core fund.
- ✓ 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.
- ✓ 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.
- ✓ Realized gains on the sales for the quarter across all funds totaled \$696,108. The roll down of the curve on the US Treasury securities contributed to ability to maintain realized gains.
- ✓ The LGIP balances declined by \$79MM and the inflows and outflows are being managed.

<b>KEY MEASURES</b>	
<b>STO Total</b>	Balance
9/30/2016	3,403,195,121
12/31/2016	<u>3,182,664,926</u>
Change	(220,530,195)
<b>General Fund</b>	Core Balance
9/30/2016	914,641,422
12/31/2016	<u>709,283,632</u>
Change	(205,357,790)
<b>General Fund</b>	Liquidity Balance
	527,806,168
<b>BPIP Funds Combined</b>	
9/30/2016	1,186,485,675
12/31/2016	<u>1,130,129,886</u>
Change	(56,355,789)
<b>LGIP Balances</b>	
9/30/2016	736,759,545
12/31/2016	<u>663,052,614</u>
Change	(73,706,931)
Purchase Par Amount All Funds	
Count=124	1,139,115,000
Sales Amount All Funds	
Count=26	263,330,000
Realized Gains All Funds	
	696,106



**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/LOW**

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 commercial paper issuers. Commercial paper positions have been added to funds that allow this credit exposure. CP issuers include Microsoft, Toyota, Exxon. 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**

<u>Interest Risk</u>	
	<b>NEUTRAL / LOW</b>
<u>Credit Risk</u>	
	<b>LOW</b>
<u>Reinvestment Rate Risk</u>	
	<b>LOW</b>
<u>Fed Funds Target</u>	
Previous	.25-.50%
Current	.50-.75%
<u>2 Year Treasury Yields</u>	
Last Quarter End	0.72%
This Quarter End	1.19%



## 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.

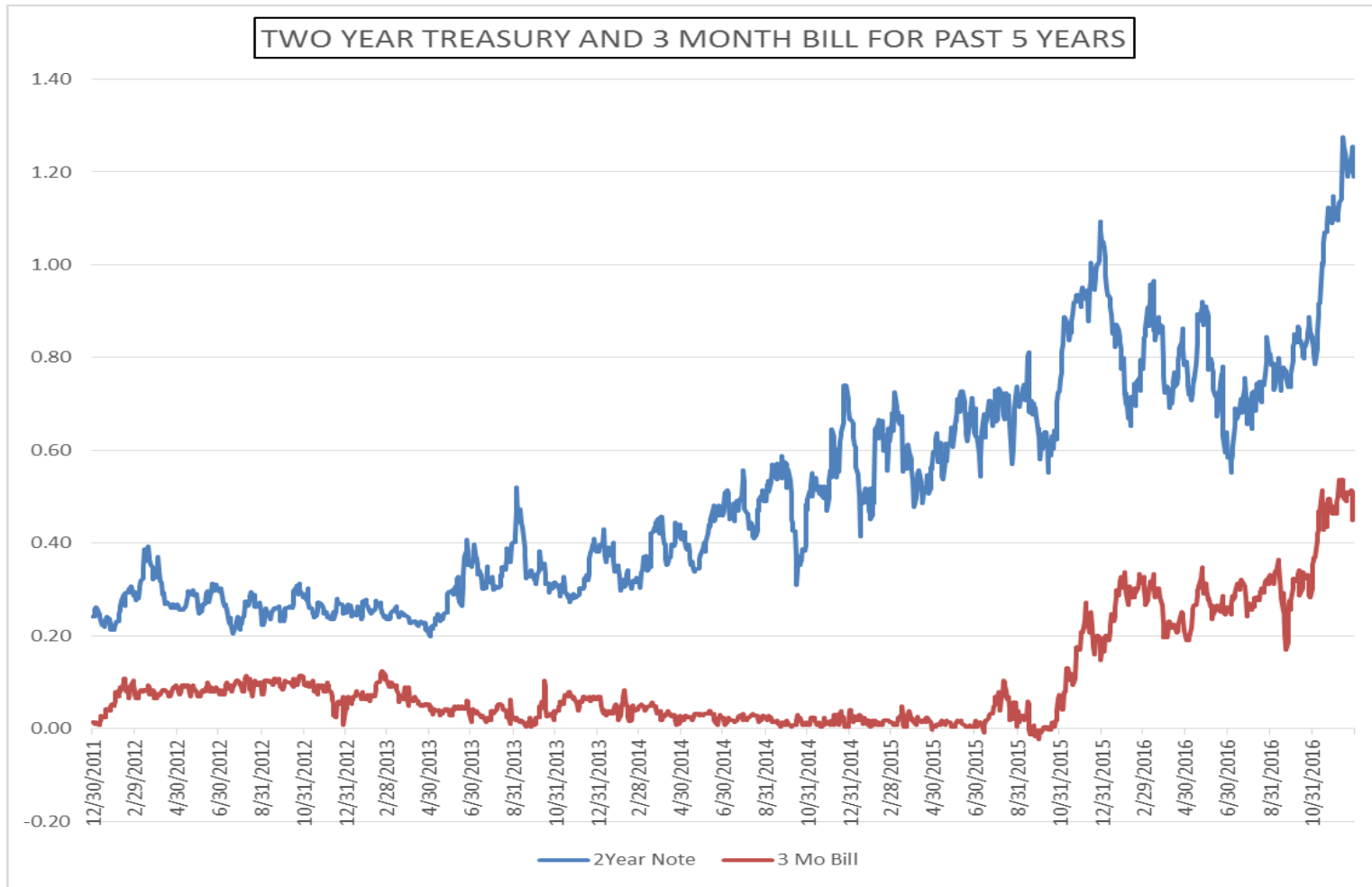
Investment Strategy Review:

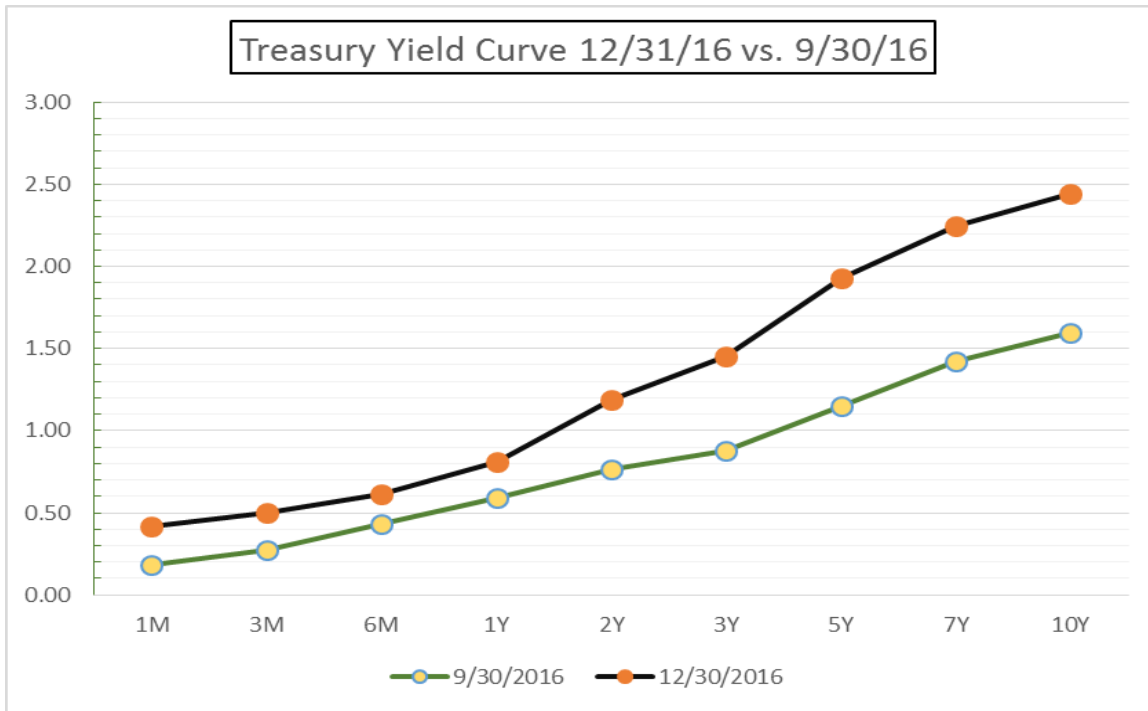
- 1) Provide an analysis on the current strategy
- 2) Considerations based on market outlook and funds objectives.

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



## HISTORICAL PERSPECTIVE OF INTEREST RATES





	9/30/2016	12/30/2016	Difference
1M	0.19	0.42	0.23
3M	0.28	0.50	0.22
6M	0.43	0.61	0.18
1Y	0.59	0.81	0.23
2Y	0.76	1.19	0.43
3Y	0.88	1.45	0.58
5Y	1.15	1.93	0.78
7Y	1.42	2.25	0.82
10Y	1.60	2.45	0.85
30Y	2.32	3.07	0.75



99) Export Data		World				
United States		Instrument Futures: Fed Funds				
1) Overview		2) Future Implied Probability				
Current Implied Probabilities		3) Add/Remove Rates				
Dates	Meeting	Calculation	Calculated 01/05/2017			
Meeting	Prob Of Hike	Prob of Cut	0.5-0.75	0.75-1	1-1.25	1.25-1.5
02/01/2017	12.4%	0.0%	87.6%	12.4%	0.0%	0.0%
03/15/2017	29.6%	0.0%	70.4%	27.1%	2.4%	0.0%
05/03/2017	42.0%	0.0%	58.0%	34.8%	6.8%	0.4%
06/14/2017	66.3%	0.0%	33.7%	44.5%	18.5%	3.1%
07/26/2017	71.8%	0.0%	28.2%	42.7%	22.8%	5.6%
09/20/2017	81.4%	0.0%	18.6%	37.8%	29.6%	11.5%
11/01/2017	85.6%	0.0%	14.4%	33.4%	31.4%	15.6%
12/13/2017	91.8%	0.0%	8.2%	25.2%	32.3%	22.4%

Implied Probability of Rate Changes based on Fed Funds Futures per Bloomberg.



**INVESTMENT STRATEGY REPORT**

*Portfolio Specific*

**General Fund:** The overall general fund market value declined by \$121MM 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 \$527MM. 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 \$53MM and \$3MM respectively. The durations remained shorter than the benchmarks with the taxable at 80% and the tax exempt at 92%. 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 \$73MM 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	2.16

BPIP Tax Exempt

Portfolio Duration	1.09
Benchmark Duration	1.36

BPIP Taxable

Portfolio Duration	1.26
Benchmark Duration	1.36

Total NM Investment Funds

Portfolio Duration	1.15
Benchmark Duration	1.30

LGIP

Portfolio DTM	47
Benchmark DTM	30

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 Repo to Agency discount notes due to the value added in yield of short maturity Discount Notes over Repo.

**GENERALFUND:** The General Fund liquidity fund reduced its exposure to Repo and moved to collateralized bank deposits. The General Fund asset allocation remained relatively unchanged.

**BPIP FUNDS:** The Tax-Exempt had stable balances with a decline of \$3.4MM, while the taxable balances declined by approximately \$53MM. The asset allocations remained similar in both funds.

**ISSUER EXPOSURE:**

The investment portfolios continue to have a higher treasury allocation due to the tight spreads and liquidity needs in these funds. The LGIP is primarily in Agency positions.

**KEY MEASURES**

**Asset Allocations**

General Core Fund

Agency	43.30%
Treasury	49.99%
Corporate	0.00%
Muni	2.43%
Other	4.29%

BPIP Tax Exempt

Agency	58.38%
Treasury	25.77%
Corporate CP	4.77%
Muni	4.93%
Other	6.14%

BPIP Taxable

Agency	61.93%
Treasury	28.22%
Corporate	0%
Muni	3.55%
Other	6.30%

LGIP

Agency	80.31%
Treasury	2.26%
Bank Deposits	5.36%
Repo	7.54%
Other	4.53%





Portfolio Name	Market Value+int	% Fund	Repo	Bank Deposits	Treasury	Agency	Corp/CP	Muni	Other	Cash
Total LGIP	\$ 663,052,614	100%	7.54%	5.36%	2.26%	80.31%	0.00%	0.00%	0.00%	4.53%
Liquidity	\$ 404,407,317	61%								
Investments	\$ 258,645,297	39%								
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	\$ 1,237,089,800	100%					0.00%			
Liquidity	\$ 527,806,168	43%	57.16%	0.00%			0.00%		42.84%	0.00%
Investment Core	\$ 709,283,632	57%	0.04%	3.93%	49.99%	43.30%	0.99%		-0.67%	2.43%
Portfolio Name	Market Value+Int	% Fund	Repo	CD/Bank	Treasury	Agency	Cash	LGIP	CP	Muni
Total Tax Exempt	\$ 583,690,782	100%	4.21%	0.52%	25.77%	58.38%	-0.49%	1.91%	4.77%	4.93%
Liquidity	\$ 55,688,272	10%								
Investments	\$ 528,002,510	90%								
Portfolio Name	Market Value+Int	% Fund	Repo	CD/Bank	Treasury	Agency	Cash/Other	LGIP	CP	Muni
Total Taxable	\$ 546,439,104	100%	1.19%	1.87%	28.22%	61.93%	0.61%	0.81%	1.83%	3.55%
Liquidity	\$ -	0%								
Investments	\$ 546,439,104	100%								
Portfolio Name	Market Value+Int	% Fund	Repo	CD/Bank	Treasury	Agency	Corp/CP	LGIP	STIF/Other	Muni
Overnight Repo Pool	\$ 19,882,604	100%	100.00%				0.00%			
Liquidity	\$ 19,882,604	100%								
Investments		0%								
Portfolio Name	Market Value+Int	% Fund	Repo	CD/Bank	Treasury	Agency	Cash	LGIP	CP	Muni
Severance Tax Bonding	\$ 132,510,022	100%	7.62%	0.00%	26.410%	33.96%	20.66%	0.12%	7.08%	3.40%
Liquidity	\$ 132,510,022	100%								
Investments	\$ -	0%								
<b>TOTAL STO FUNDS</b>	<b>\$ 3,182,664,926</b>									

Source : JP Morgan Reports - Balances -Trade Date

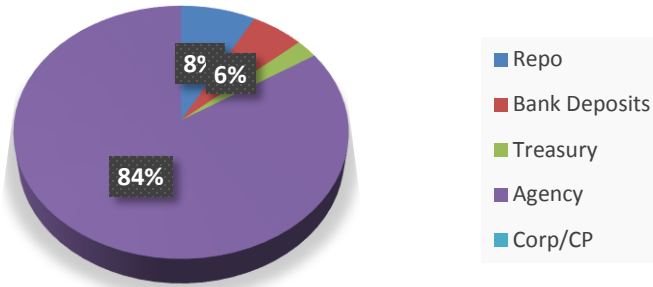
Source: Asset Allocation STO - JP Morgan Reports

The benchmarks for STO Funds are 100% US Treasury Securities

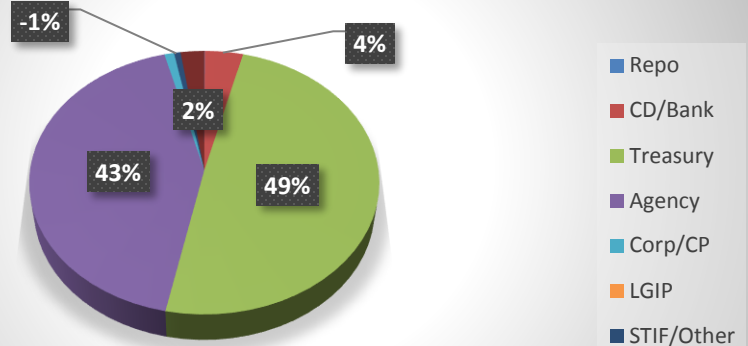
Assumption: QED is traded date accounting, therefore, negative cash balances were reduced from Repo or bank deposits



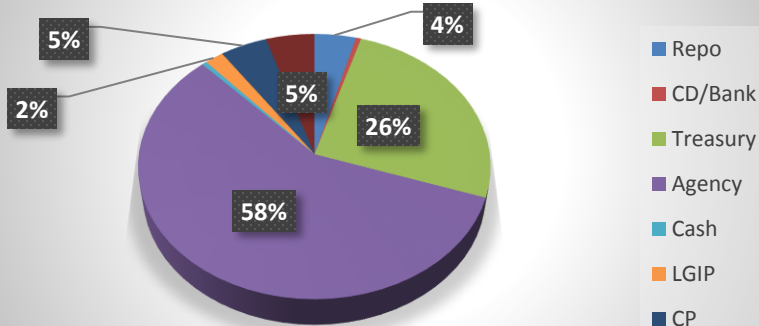
Total LGIP Allocations



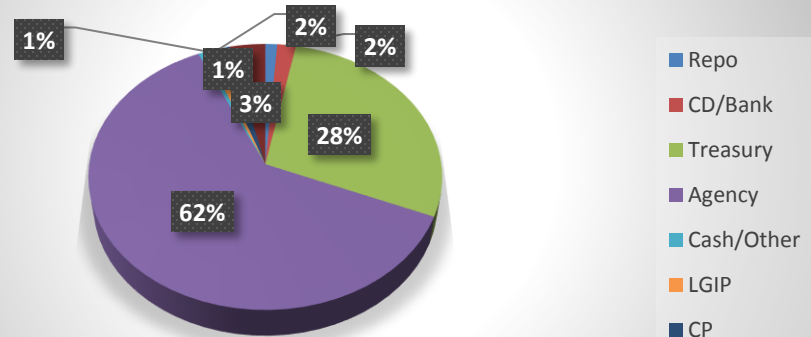
General Fund Core Allocations



Total Tax Exempt Allocations



Total Taxable Allocations





**CHANGE IN PORTFOLIO FROM 9/30/16-12/30/16**

LGIP Fund	Market Value+int	Repo	Bank	Treasury	Agency	Corp/CP	STIF	Other	Muni
12/31/2016	\$ 663,052,614	7.54%	5.36%	2.26%	80.31%	0.00%	0.00%	4.53%	
9/30/2016	\$ 736,759,545	33.97%	0.00%	0.00%	62.15%	0.00%	0.00%	3.88%	
Change over Period	\$ (73,706,931)	-26.43%	5.36%	2.26%	18.16%	0.00%	0.00%	0.65%	
General Fund Liquidity	Market Value+Int	Repo	CD/Bank	Treasury	Agency	Corp/CP	STIF/Bank	LGIP	Muni
12/31/2016	\$ 527,806,168	57.16%	0.00%	0.00%	0.00%	0.00%	42.84%	0.00%	0.00%
9/30/2016	\$ 443,525,010	99.18%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.82%
Change over Period	\$ 84,281,158	-42.02%	0.00%	0.00%	0.00%	0.00%	42.84%	0.00%	-0.82%
General Fund Core	Market Value+Int	Repo	CD/Bank	Treasury	Agency	Corp/CP	STIF/Other	LGIP	Muni
12/31/2016	\$ 709,283,632	0.04%	3.93%	49.99%	43.30%	0.99%	-0.67%	0.99%	2.43%
9/30/2016	\$ 914,641,422	1.96%	5.56%	51.52%	40.65%	0.00%	-0.07%	0.00%	0.37%
Change over Period	\$ (205,357,790)	-1.92%	-1.64%	-1.53%	2.65%	0.99%	-0.60%	0.99%	2.06%
BPIP Tax Exempt	Market Value+Int	Repo	CD/Other	Treasury	Agency	Cash	STIF/CP	LGIP	Muni
12/31/2016	\$ 583,690,782	4.21%	0.52%	25.77%	58.38%	-0.49%	4.77%	1.91%	4.93%
9/30/2016	\$ 587,095,181	1.64%	0.51%	28.28%	60.32%	0.00%	4.97%	0.53%	3.76%
Change over Period	\$ (3,404,399)	2.57%	0.00%	-2.50%	-1.94%	-0.49%	-0.19%	1.38%	1.17%
BPIP Taxable	Market Value+Int	Repo	CD/Other	Treasury	Agency	Cash	STIF/CP	LGIP	Muni
12/31/2016	\$ 546,439,104	1.19%	1.87%	28.22%	61.93%	0.61%	1.83%	0.81%	3.55%
9/30/2016	\$ 599,390,494	4.09%	1.71%	35.86%	52.96%	0.00%	1.67%	2.41%	1.32%
Change over Period	\$ (52,951,390)	-2.90%	0.17%	-7.64%	8.97%	0.61%	0.16%	-1.60%	2.23%
Overnight Repo Pool	Market Value+Int	Repo	CD/Other	Treasury	Agency	Corp/CP	STIF	LGIP	Muni
12/31/2016	\$ 19,882,604	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9/30/2016	\$ 49,249,981	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Change over Period	\$ (29,367,377)								
Severance Tax Bonding	Market Value+Int	Repo	CD/Other	Treasury	Agency	Cash	STIF/CP	LGIP	Muni
12/31/2016	\$ 132,510,022	7.62%	0.00%	26.41%	33.96%	20.66%	7.08%	0.12%	3.40%
9/30/2016	\$ 72,533,488	84.48%	0.00%	0.00%	0.00%	0.09%	9.64%	0.22%	5.56%
Change over Period	\$ 59,976,534	-76.86%	0.00%	0.00%	33.96%	20.56%	-2.56%	-0.10%	-2.17%
TOTAL STO FUNDS 12/31/16	\$ 3,182,664,926								
TOTAL STO FUNDS 9/30/16	\$ 3,403,195,121								
Total Change	<u>\$ (220,530,195)</u>								

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 higher by approximately 40 basis points higher in the 2-3 year maturities. All three investment portfolios outperformed the designated benchmarks for the quarter. The total investments fund combined ended the quarter at an earnings rate of 1.12%.

*Rolling One Year Period:*

Over the past twelve months the returns remained positive with the General Core fund at .92%, the Taxable at .82% and the tax exempt at .89%.

*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 becoming more volatile in the anticipation of further rate hikes in 2017. GPA is suggesting to continue to maintain liquidity balances slightly higher than normal to prevent the need to sell securities at a potential loss. GPA is recommending to maintain durations in the portfolios 85% to 95% of the benchmark durations.

**KEY MEASURES**

Performance	Quarter
<u>General Core Fund</u>	
Portfolio	-0.73%
Benchmark	-0.84%
Book Yield	1.38%
<u>BPIP Tax Exempt</u>	
Portfolio	-0.13%
Benchmark	-0.27%
Book Yield	0.90%
<u>BPIP Taxable</u>	
Portfolio	-0.17%
Benchmark	-0.27%
Book Yield	1.00%
<u>NM Investment Funds</u>	
Portfolio	-0.28%
Benchmark	-0.36%
Book Yield	1.12%
<u>LGIP</u>	
Portfolio Net Yield	0.42%
Benchmark Net Yield	0.37%



**PERFORMANCE BY INVESTMENT FUND**

Portfolio Name	Market Value	Days	Earnings Yield		
			12/31/2016 Quarter End Yield	9/30/16-12/31/16 Fiscal Year	
LGIP 30 Day Gross Yield	\$ 663,052,614	47	0.470%	0.45%	
S&P LGIP Govt Pools Gross Return			0.510%	0.45%	
LGIP 30 Day Net Yield		39	0.420%	0.40%	
S&P LGIP Govt Pools Net Return			0.370%	0.31%	
<b>STO INVESTMENT FUNDS</b>			<b>Total Return</b>	<b>Quarter Period</b>	<b>Fiscal Period</b>
		<b>12/31/2016</b>	<b>12/31/2016</b>	<b>9/30/16-12/31/16</b>	<b>6/30/16 - 12-31-16</b>
Portfolio Name	Market Value	Duration - End	Quarter Return	Fiscal Year	% of STO
General Fund Liquidity	\$ 527,806,168	0.00	0.06%	0.12%	22.30%
Fund Benchmark S&P LGIP Pool Net Return		0.01	0.08%	0.15%	
Portfolio Name	Market Value	Duration - End	Quarter Return	Fiscal Year	% of STO
General Fund Core	\$ 709,283,632	1.96	-0.73%	-0.78%	29.96%
Fund Benchmark Treasury 0-5 Year		2.16	-0.84%	-0.96%	
Portfolio Name	Market Value	Duration - End	Quarter Return	Fiscal Year	% of STO
General Fund Total	\$ 1,237,089,800	1.12	-0.41%	-0.42%	52.26%
General Fund Total Benchmark - Weighted		1.24	-0.47%	-0.52%	
Portfolio Name	Market Value	Duration - End	Quarter Return	Fiscal Year	% of STO
BPIP Tax Exempt	\$ 583,690,782	1.09	-0.13%	-0.07%	24.66%
Fund Benchmark - Treasury 0-3 Year		1.36	-0.27%	-0.30%	
Portfolio Name	Market Value	Duration - End	Quarter Return	Fiscal Year	% of STO
BPIP Taxable	\$ 546,439,104	1.26	-0.17%	-0.12%	23.08%
Fund Benchmark - Treasury 0-3 Year		1.36	-0.27%	-0.30%	
<b>Total STO Investment Funds</b>	<b>\$ 2,367,219,686</b>	<b>1.15</b>	<b>-0.28%</b>	<b>-0.25%</b>	<b>100.00%</b>
<b>Weighted Benchmark</b>		<b>1.30</b>	<b>-0.36%</b>	<b>-0.40%</b>	
<b>STO OTHER FUNDS</b>			<b>12/31/2016</b>	<b>12/31/2016</b>	<b>9/30/16-12/31/16</b>
Portfolio Name	Market Value	Duration - End	Quarter Return	Fiscal Year	
Severance Tax Bonding	\$ 132,510,022	0.04	0.10%	0.19%	
Portfolio Name	Market Value	Duration - End	Quarter Return	Fiscal Year	
Overnight Repo Pool	\$ 19,882,604	0	0.08%	0.18%	

**Total STO Investment Funds \$ 3,182,664,926**

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 move by approximately \$6,787,330 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 \$900M and the variance is due to the shorter duration of the investment funds of 1.48 versus 1.67 for the weighted benchmark duration.

*LGIP Market Value Change*

The LGIP shock report is included and this analysis shows the NAV price change expected on the LGIP fund given changes in interest rates and overall portfolio size. The LGIP policy establishes for the NAV to remain between 99.85 and 100.15. The LGIP NAV as of quarter end was 99.991, and the portfolio is reviewed and reported to S&P on a weekly basis.

**KEY MEASURES**

Market Price Change If Rates Rise	
<u>General Core Fund</u>	
25 Basis point change	(3,475,490)
<u>BPIP Tax Exempt</u>	
25 Basis point change	(1,590,557)
<u>BPIP Taxable</u>	
25 Basis point change	(1,721,283)
<u>Total NM Funds</u>	
25 Basis point change	(6,787,330)
<u>LGIP</u>	
25 Basis point change	
Current NAV	100.2320
Potential Change	99.9588



**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	\$ 709,283,632.00	1.96	\$ (3,475,489.80)	\$ (6,950,979.59)	\$ (13,901,959.19)
Fund Benchmark		2.16	\$ (3,830,131.61)	\$ (7,660,263.23)	\$ (15,320,526.45)
Portfolio Name	Market Value	Duration - End	Market Change	Market Change	Market Change
BPIP Tax Exempt	\$ 583,690,782.00	1.09	\$ (1,590,557.38)	\$ (3,181,114.76)	\$ (6,362,229.52)
Fund Benchmark		1.36	\$ (1,984,548.66)	\$ (3,969,097.32)	\$ (7,938,194.64)
Portfolio Name	Market Value	Duration - End	Market Change	Market Change	Market Change
BPIP Taxable	\$ 546,439,104.00	1.26	\$ (1,721,283.18)	\$ (3,442,566.36)	\$ (6,885,132.71)
Fund Benchmark		1.36	\$ (1,857,892.95)	\$ (3,715,785.91)	\$ (7,431,571.81)
Total STO Investment Funds	\$ 1,839,413,518.00	1.48	\$ (6,787,330.36)	\$ (13,574,660.71)	\$ (27,149,321.42)
Total Benchmark Change		1.67	\$ (7,672,573.23)	\$ (15,345,146.45)	\$ (30,690,292.90)

\* Data Source: JP Morgan Custodial Reports

ASSUMED EARNINGS COMPARISON OF PORTFOLIO TO CASH EARNINGS ANNUALIZED				
		12/31/2016	1 year	3 year*
Portfolio Name	Market Value	Book Yield	Earnings	Earnings
General Fund Core	\$ 709,283,632.00	1.38%	\$ 9,788,114.12	\$ 29,364,342.36
Cash		0.40%	\$ 2,837,134.53	\$ 8,511,403.58
Portfolio Name	Market Value	Book Yield	Earnings	Earnings
BPIP Tax Exempt	\$ 583,690,782.00	0.90%	\$ 5,267,809.31	\$ 15,803,427.92
Cash		0.40%	\$ 2,334,763.13	\$ 7,004,289.38
Portfolio Name	Market Value	Book Yield	Earnings	Earnings
BPIP Taxable	\$ 546,439,104.00	1.00%	\$ 5,464,391.04	\$ 16,393,173.12
Cash		0.40%	\$ 2,185,756.42	\$ 6,557,269.25
Total STO Investment Funds	\$ 1,839,413,518.00	1.116%	\$ 20,520,314.47	\$ 61,560,943.41

Data Source: JP Morgan Custodial Reports and QED reports

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



<b>SENSITIVITY ANALYSIS</b>		<b>As of 12/31/16</b>	
<b>Weighted Average Maturity:</b>		47	
<b>Shares Outstanding:</b>	\$	663,056,149	Participant Share as of 12/31/16
<b>Market Value (NAV):</b>		0.99991	
<b>Total \$ Unrealized Loss:</b>		(\$59,675)	
<b>Total \$ Unrealized Gain</b>		\$0	
<b>Market Value - JP Morgan Price</b>	\$	663,052,614	12/31/2016

<b>Basis Point Shift</b>								<b>Unrealized Gain (Loss)</b>
150	0.997112	0.997754	0.997872	0.997978	0.998075	0.998162	0.998445	\$ (1,340,373)
125	0.997572	0.998112	0.998211	0.998300	0.998381	0.998455	0.998693	\$ (1,126,923)
100	0.998032	0.998469	0.998550	0.998622	0.998688	0.998748	0.998940	\$ (913,473)
75	0.998492	0.998827	0.998889	0.998944	0.998995	0.999040	0.999188	\$ (700,024)
50	0.998952	0.999185	0.999228	0.999266	0.999301	0.999333	0.999436	\$ (486,574)
25	0.999412	0.999542	0.999566	0.999588	0.999608	0.999626	0.999683	\$ (273,125)
0	<b>0.999871</b>	<b>0.999900</b>	<b>0.999905</b>	<b>0.999910</b>	<b>0.999914</b>	<b>0.999918</b>	<b>0.999931</b>	\$ (59,675)
-25	1.000331	1.000258	1.000244	1.000232	1.000221	1.000211	1.000178	\$ 153,775
-50	1.000791	1.000615	1.000583	1.000554	1.000527	1.000503	1.000426	\$ 367,224
-75	1.001251	1.000973	1.000922	1.000876	1.000834	1.000796	1.000674	\$ 580,674
-100	1.001711	1.001331	1.001261	1.001198	1.001141	1.001089	1.000921	\$ 794,123
-125	1.002171	1.001688	1.001600	1.001520	1.001447	1.001381	1.001169	\$ 1,007,573
-150	1.002631	1.002046	1.001938	1.001842	1.001754	1.001674	1.001417	\$ 1,221,022

<b>Redemption/Inflow O/S Shares</b>	<b>-30%</b>	<b>-10%</b>	<b>-5%</b>	<b>0%</b>	<b>5%</b>	<b>10%</b>	<b>30%</b>
	464,139,304	596,750,534	629,903,342	663,056,149	696,208,957	729,361,764	861,972,994

**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

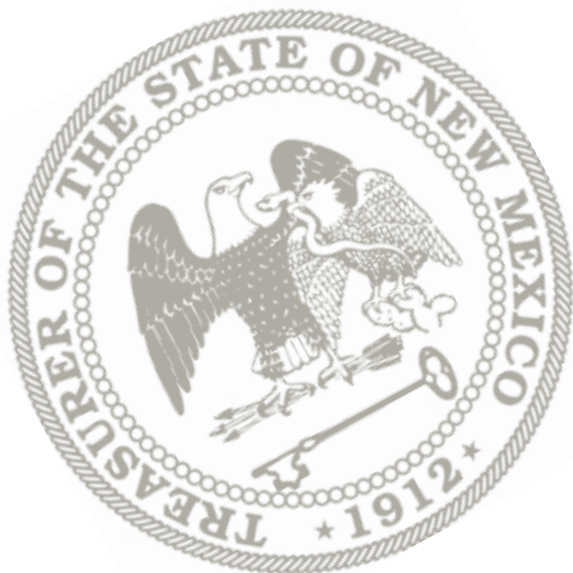
Note: Market Value of LGIP differs on S&P report from JP Morgan report





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## 9. Quarterly Investment Review – Portfolio Managers

## Quarterly Investment Review

### Market Summary

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US Treasury yields increased during the fourth quarter of 2016 as the yield curve steepened with longer maturities underperforming. There were two main themes that shaped market movements during this time frame, the Fed and the elections. The Presidential election was first and foremost on every investor's mind as the race between the status quo and an unknown candidate made for a very lively and entertaining battle to the finish. For the second time in 2016, first with Brexit and then with the Donald Trump victory, the markets were dealt an unexpected outcome. In both cases, markets were originally leaning in the wrong direction, however, when the dust settled equity markets charged to record levels.

Expectations for friendlier fiscal and regulatory environments under the new administration stoked investors. Unfortunately, good news is bad news for fixed income markets, as the prospect of faster economic growth could be accompanied by inflation. Fear that the Fed may be a bit more trigger happy than under the old regime, fixed income securities traded lower. The Fed raised short term interest rates by 0.25% in mid-December with indications that three rate hikes were a possibility in 2017. This was a bit disappointing as the previous expectation was for only two. Markets are pricing in a June interest rate rise, at the earliest. It is difficult to predict what will come out of Trump's agendas, with the risk that the economic growth already priced in may not be realized.

The STO portfolios continued to be shorter in duration vs. benchmarks for the quarter as liquidity needs continued. With Treasury yields rising, the portfolios outperformed their benchmarks for the quarter. When the fixed income market sells off, Treasuries tend to underperform other sectors, as they are the most liquid investments and in this low interest rate environment, investors are holding on to spread products. As a result, Agency spreads became very unattractive versus Treasuries, especially in shorter maturities, with yields trading almost on top of each other. NM municipal securities have been harder to come by and have some value in the shorter maturities where STO invests, however the spreads are deteriorating. Commercial paper has been an attractive investment alternative for some of the STO portfolios as the change of prime money market funds to a floating NAV, and the movement of cash out of them and into government funds, put upward pressure on spreads. In mid-October, when the change took place officially, the spread narrowed, and with the increase in government fund assets, Treasury, Agency and repo levels came under downward pressure.

**Table 1 - Comparative Quarterly Interest Rates**

<i>US Treasury Yields</i>			
<i>Maturity</i>	<i>09/30/16</i>	<i>12/31/16</i>	<i>Change</i>
3-Month	0.27%	0.50%	0.23%
6-Month	0.43%	0.61%	0.18%
1-Year	0.59%	0.81%	0.22%
2-Year	0.76%	1.19%	0.43%
3-Year	0.87%	1.45%	0.58%
5-Year	1.15%	1.93%	0.78%
10-Year	1.59%	2.44%	0.85%
30-Year	2.32%	3.06%	0.74%

*Source: Bloomberg LP*

## *Expectations for the Upcoming Quarter and Year*

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US Treasury yields increased to more attractive levels following the Federal Reserve rate hike in December. However, further moves will be based on how the President's initiatives are employed and how quickly they result in the economic growth equity markets are anticipating. Unfortunately, the STO portfolios are still experiencing withdrawals and the preservation of principal in meeting cash needs is of utmost importance. With a bias toward higher interest rates going forward, the STO portfolios will continue to keep durations conservative versus benchmarks.

### *General Fund Investment Pool*

The General Fund Investment Pool will continue to be invested with a shorter duration than the benchmark, with a focus toward having \$100 million or so readily available in the Core portfolio, to meet immediate cash needs. With legislative changes addressing the drain on the General Fund, we are hopeful that the liquidity squeeze will diminish. Having generated \$200 million from the Core portfolio in October, we were able to bolster the Liquidity portfolio without having to sell into the backup in interest rates that occurred in November and December. 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. The portfolios will continue to target durations shorter than their benchmarks. With interest rates rising, this has been a beneficial posture. Both portfolios will continue to be managed with an emphasis towards meeting regular cash requests.

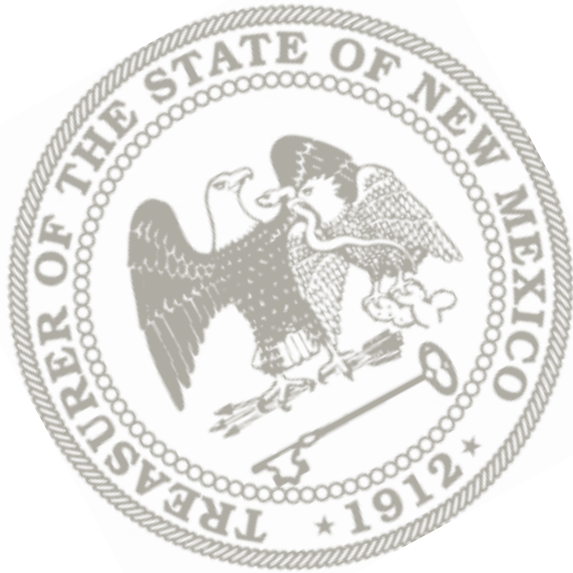
### *Local Government Investment Pool*

The LGIP has increased assets to \$770 million so far in January. The gross yield on the Pool was 0.47% at the end of the fourth quarter and continues to rise as it is influenced by the level of the Federal Funds rate. New participants have been entering the Pool as it offers a very competitive yield vs. bank deposits, the alternative that most eligible investors compare it to. 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. STO is actively managing investments to mature close to the end of June in order to meet expected debt service payments. Deposits, for the past few months, have been holding steady, averaging around \$25million. The Fund has been able to take advantage of higher rates for commercial paper.

*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 December at \$1.3 Billion.

### *Portfolio Mix*

- At month end, 100% of the General Fund CORE portfolio was invested in fixed income securities; 50% in US Government Securities; 45% in Government Related Securities (Municipal Bonds and Agency Securities), and the balance ~5% in cash and cash equivalents.
- 31% of the portfolio was invested in securities that mature in one year; 18% in securities that mature from 1-2 years; 50% in 2-4 years and 1% within 5 years.
- The General Fund Core portfolio held positions in 54 securities at the end of December.
- The Weighted Average Life of the CORE portion of the General Fund was 2.03 years. The Weighted Average duration was 1.96 years.
- The benchmark duration for the CORE portfolio was 2.15 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 (0.73)% vs. (0.84)%.
- For the last 12 months, the General Fund underperformed its benchmark. The General Fund gained 0.92% while the benchmark rose 0.96%.

### *Market Value and Investment Earnings*

- Unrealized gains/losses in the Core Portfolio at the end of December were \$312,887.
- Over the month, the unrealized value of the portfolio decreased \$517,275.
- Monthly net earnings for December on the General Fund Portfolios were \$891,318.
- Total monthly earnings including mark-to-market were \$374,043.
- Year-to-date net earnings were \$7.0 million.
- Total year-to-date earnings including mark-to-market were \$(5,358,105).
- 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.
- During the month of December the General Fund Liquidity portfolio had sufficient funds to meet cash needs.

**STATE OF NEW MEXICO**  
**GENERAL FUND (1000)**  
**Portfolio Classification Summary**  
**Positions Held as of 12/31/16 (TRADE Basis)**

AMTZ ADDED: NO

ASSET CLASSIFICATION	ITEMS	YIELD	AVG-TERM	PRINCIPAL	COST-BASIS	MARKET-VALUE	GAIN/LOSS	%MARKET
REPURCHASE AGREEMENTS (O/N)	2	.3549	.00820	301,725,850	301,725,850	301,725,850		57.167
CASH ACCOUNT	1			226,074,412	226,074,412	226,074,412		42.833
	3	.2029	.00820	527,800,262	527,800,262	527,800,262		100.000

**STATE OF NEW MEXICO**  
**GENERAL FUND CORE (1001)**  
Portfolio Classification Summary  
Positions Held as of 12/31/16 (TRADE Basis)

AMTZ ADDED: NO

ASSET CLASSIFICATION	ITEMS	YIELD	AVG-TERM	PRINCIPAL	COST-BASIS	MARKET-VALUE	GAIN/LOSS	%MARKET
REPURCHASE AGREEMENTS (O/N)	1	.3549	.00820	300,951	300,951	300,951		.043
COMMERCIAL PAPER-DISCOUNT BASED	1	.6086	.03010	7,000,000	6,997,317	6,997,317		.990
CERTIFICATES OF DEPOSIT	6	.8333	.35848	27,750,000	27,750,000	27,750,000		3.925
US TREASURY NOTE ACT/ACT 2X	17	1.3933	2.38330	352,750,000	353,285,645	353,401,333	115,688	49.986
AGENCY US BOND 30/360 2X	4	1.5394	3.94010	47,500,000	47,302,471	46,730,450	-572,021	6.610
AGENCY 30/360 2X	1	.9449	2.58630	5,000,000	4,992,739	4,930,550	-62,189	.697
AGENCY US BOND 30/360 ZERO CPN	1	2.2074	2.77260	22,941,000	21,675,699	21,754,950	79,251	3.077
AGENCY US NOTES 30/360 2X	10	1.4847	1.61750	177,000,000	177,951,806	178,772,740	820,934	25.286
FED NATL MORTGAGE ASSN DEBS	3	1.0393	.14129	54,000,000	54,008,338	53,949,730	-58,608	7.631
MUNI US 30/360 2X	7	.9082	.97831	2,635,000	2,666,213	2,656,829	-9,384	.376
MUNICIPAL BOND REVENUE	1	1.0055	.58360	4,900,000	4,927,293	4,926,509	-784	.697
MUNICIPAL BOND REVENUE ACT/ACT	1	.7400	9.41640	9,565,000	9,565,000	9,565,000		1.353
CASH ACCOUNT	1			-4,732,653	-4,732,653	-4,732,653		-.669
	54	1.3866	2.11431	706,609,298	706,690,819	707,003,706	312,887	100.000



**STATE OF NEW MEXICO**  
**TREASURERS OFFICE**  
**Position holdings as of 12/31/16 (TRADE)**  
**BOOK VALUES AMORTIZED THROUGH 12/31/16**

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
226,074,412	BANK OF THE WEST	CASHCASH				1.00000	226,074,412.25	226,074,412.00	- .25
<u>226,074,412</u>							<u>226,074,412.25</u>	<u>226,074,412.00</u>	<u>- .25</u>
====> 0001 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ==== NO-MEANINGFUL-DATE <====									
150,000,000	OVERNIGHT REPO	0103RP	.350	1/03/17	.350	1.00000	150,000,000.00	150,000,000.00	
151,725,850	OVERNIGHT REPO	0103RP	.350	1/03/17	.350	1.00000	151,725,849.72	151,725,849.72	
<u>301,725,850</u>							<u>301,725,849.72</u>	<u>301,725,849.72</u>	
====> 0002 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ==== 2017 <====									
<u>527,800,262</u>							<u>527,800,261.97</u>	<u>527,800,261.72</u>	<u>- .25</u>
====> 0003 ITEMS IN SUBTOTAL FOR ==== FUND NAME..... ==== GENERAL FUND <====									

**STATE OF NEW MEXICO**  
**TREASURERS OFFICE**  
**Position holdings as of 12/31/16 (TRADE)**  
**BOOK VALUES AMORTIZED THROUGH 12/31/16**

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
- 4,732,653	(TD)-CASH KEY	CASHCASH				1.00000	- 4,732,652.59	- 4,732,653.00	- .41
- 4,732,653							- 4,732,652.59	- 4,732,653.00	- .41

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

300,951	OVERNIGHT REPO	0103RP	.350	1/03/17	.350	1.00000	300,951.48	300,951.48	
7,000,000	TOYOTA MOTOR CREDIT CORP	89233GNB		1/11/17	.600	99.96167	6,997,316.67	6,997,316.67	
39,000,000	FED NATL MORTGAGE ASSN DEBS	3135G0GY	1.250	1/30/17	1.054	100.01531	39,005,969.90	39,018,330.00	12,360.10
40,000,000	FED HOME LOAN MORTGAGE CORP DBS	3137EADC	1.000	3/08/17	1.019	99.99593	39,998,371.60	40,032,000.00	33,628.40
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	100.02368	10,002,368.27	10,015,100.00	12,731.73
2,000,000	FARMERS & STOCKMENS BANK	8521016	.650	4/28/17	.650	1.00000	2,000,000.00	2,000,000.00	
1,080,000	LAS CRUCES N MEX JT UTIL REV	517496EL	2.000	6/01/17	.750	100.51861	1,085,600.96	1,084,525.20	- 1,075.76
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	912828NR	2.375	7/31/17	1.122	100.72402	20,144,804.78	20,192,200.00	47,395.22
300,000	SAN JUAN CNTY N MEX CENT CONS IN	798359KS	1.000	8/01/17	.751	100.14481	300,434.43	299,493.00	- 941.43
4,900,000	ALBUQUERQUE N MEX MUN SCH DISTNO	013595UK	2.000	8/01/17	.992	100.55700	4,927,293.00	4,926,509.00	- 784.00
10,000,000	UNITED STATES TREASURY NOTES	912828D9	1.000	9/15/17	1.058	99.95936	9,995,935.97	10,015,600.00	19,664.03
15,000,000	FNMA	3135G0ZL	1.000	9/27/17	1.118	99.91314	14,986,971.16	15,014,100.00	27,128.84
20,000,000	UNITED STATES TREASURY NOTES	912828HH	4.250	11/15/17	1.085	102.73255	20,546,509.22	20,578,200.00	31,690.78
20,000,000	UNITED STATES TREASURY NOTES	912828UA	.625	11/30/17	1.075	99.59228	19,918,456.90	19,953,200.00	34,743.10
255,000	SILVER CITY N MEX JT UTIL SYS RE	82750RAP	2.000	12/01/17	1.000	100.90945	257,319.09	257,047.65	- 271.44
<b>213,585,951</b>							<b>214,218,303.43</b>	<b>214,434,573.00</b>	<b>216,269.57</b>

====> 0019 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ==== 2017 <====

5,000,000	UNITED STATES TREASURY NOTES	912828UJ	.875	1/31/18	1.309	99.53507	4,976,753.56	4,996,300.00	19,546.44
15,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EADP	.875	3/07/18	1.454	99.32290	14,898,434.33	14,980,500.00	82,065.67
2,000,000	FARMERS & STOCKMENS BANK	8521052	1.050	4/27/18	1.050	1.00000	2,000,000.00	2,000,000.00	
25,000,000	UNITED STATES TREASURY NOTES	912828UZ	.625	4/30/18	1.188	99.26031	24,815,078.39	24,878,000.00	62,921.61
25,000,000	UNITED STATES TREASURY NOTES	912828VE	1.000	5/31/18	1.228	99.68166	24,920,415.08	24,990,250.00	69,834.92
150,000	LAS CRUCES N MEX HOLD HARMLESSGR	51748QAY	4.000	6/01/18	1.500	103.49027	155,235.41	154,918.50	- 316.91
360,000	SANDOVAL COUNTY	800050FG	2.000	6/01/18	.920	101.51606	365,457.83	363,999.60	- 1,458.23

**STATE OF NEW MEXICO**  
**TREASURERS OFFICE**  
**Position holdings as of 12/31/16 (TRADE)**  
**BOOK VALUES AMORTIZED THROUGH 12/31/16**

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
225,000	SAN JUAN CNTY N MEX CENT CONS IN	798359KT	1.000	8/01/18	1.000	99.99941	224,998.67	223,128.00	- 1,870.67
20,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0YM	1.875	9/18/18	1.438	100.73632	20,147,263.68	20,231,800.00	84,536.32
15,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0YT	1.625	11/27/18	1.747	99.77173	14,965,759.77	15,113,100.00	147,340.23
20,000,000	UNITED STATES TREASURY NOTES	912828RT	1.375	11/30/18	1.404	99.94569	19,989,137.62	20,072,600.00	83,462.38
500,000	FEDERAL HOME LOAN BANKS	313382F7	1.100	12/27/18	1.100	99.99968	499,998.38	497,950.00	- 2,048.38
<b>128,235,000</b>							<b>127,958,532.72</b>	<b>128,502,546.10</b>	<b>544,013.38</b>

====> 0012 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ==== 2018 <====

20,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0ZA	1.875	2/19/19	1.678	100.41059	20,082,117.18	20,243,600.00	161,482.82
20,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EACA	3.750	3/27/19	1.762	104.34340	20,868,680.60	21,068,800.00	200,119.40
35,000,000	UNITED STATES TREASURY NOTES	912828C6	1.625	3/31/19	1.744	99.73759	34,908,157.01	35,277,550.00	369,392.99
265,000	SANDOVAL COUNTY	800050FH	3.000	6/01/19	1.070	104.59095	277,166.03	273,715.85	- 3,450.18
16,000,000	UNITED STATES TREASURY NOTES	912828TH	.875	7/31/19	1.507	98.40480	15,744,768.54	15,814,400.00	69,631.46
5,000,000	FANNIE MAE	3135G0N3	.875	8/02/19	.932	99.85476	4,992,738.20	4,930,550.00	- 62,188.20
13,000,000	FEDERAL AGRICULTURAL MORTGAGE CO	31315P3R	1.900	9/18/19	1.920	99.94624	12,993,010.98	13,117,390.00	124,379.02
22,941,000	FEDERAL NATIONAL MORTGAGE ASSOCI	313586RC		10/09/19	2.177	94.48454	21,675,698.46	21,754,950.30	79,251.84
24,500,000	UNITED STATES TREASURY NOTES	912828F6	1.500	10/31/19	1.561	99.83140	24,458,693.64	24,559,290.00	100,596.36
8,000,000	FEDERAL FARM CREDIT BANKS	3133EEBN	1.800	11/12/19	1.755	100.12378	8,009,902.38	8,050,160.00	40,257.62
14,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0ZY	1.750	11/26/19	1.701	100.13745	14,019,242.52	14,107,100.00	87,857.48
<b>178,706,000</b>							<b>178,030,175.54</b>	<b>179,197,506.15</b>	<b>1,167,330.61</b>

====> 0011 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ==== 2019 <====

33,750,000	UNITED STATES TREASURY NOTES	912828UV	1.125	3/31/20	1.387	99.17141	33,470,350.96	33,313,612.50	- 156,738.46
13,500,000	UNITED STATES TREASURY NOTES	912828K5	1.375	4/30/20	1.501	99.59182	13,444,895.39	13,413,060.00	- 31,835.39
4,000,000	UNITED STATES TREASURY NOTES	912828VV	2.125	8/31/20	1.654	101.66363	4,066,545.14	4,064,680.00	- 1,865.14
41,000,000	UNITED STATES TREASURY NOTES	912828WC	1.750	10/31/20	1.462	101.06779	41,437,793.99	41,081,590.00	- 356,203.99
20,000,000	US TREASURY N/B	912828A4	2.000	11/30/20	1.783	100.81573	20,163,146.44	20,207,000.00	43,853.56
20,000,000	UNITED STATES TREASURY NOTES	912828N4	1.750	12/31/20	1.383	101.42096	20,284,192.19	19,993,800.00	- 290,392.19
<b>132,250,000</b>							<b>132,866,924.11</b>	<b>132,073,742.50</b>	<b>- 793,181.61</b>

====> 0006 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ==== 2020 <====

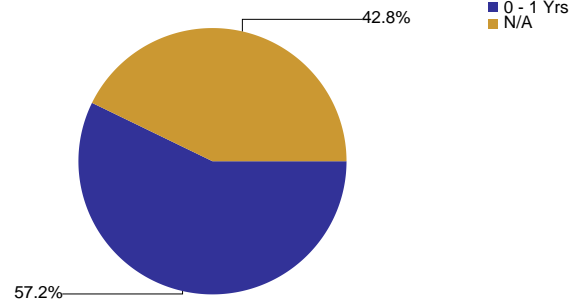
**STATE OF NEW MEXICO**  
**TREASURERS OFFICE**  
**Position holdings as of 12/31/16 (TRADE)**  
**BOOK VALUES AMORTIZED THROUGH 12/31/16**

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
34,000,000	FEDERAL HOME LOAN BANKS	3130A7CV	1.375	2/18/21	1.511	99.45589	33,815,000.91	33,356,040.00	- 458,960.91
5,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134G9D8	.750	6/30/21	.749	100.00000	5,000,000.00	4,916,300.00	- 83,700.00
5,000,000	FHLB	3130A8QS	1.125	7/14/21	1.227	99.55150	4,977,575.00	4,826,300.00	- 151,275.00
5,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0Q8	1.375	10/07/21	1.410	99.83904	4,991,952.11	4,864,350.00	- 127,602.11
<b>49,000,000</b>							<b>48,784,528.02</b>	<b>47,962,990.00</b>	<b>- 821,538.02</b>
====> 0004 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ==== 2021 <====									
9,565,000	UNIVERSITY N MEX UNIV REVS	914692WL	.640	6/01/26	.740	100.00000	9,565,000.00	9,565,000.00	
<b>9,565,000</b>							<b>9,565,000.00</b>	<b>9,565,000.00</b>	
====> 0001 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ==== 2026 <====									
<b>706,609,298</b>							<b>706,690,811.23</b>	<b>707,003,704.75</b>	<b>312,893.52</b>
====> 0054 ITEMS IN SUBTOTAL FOR ==== FUND NAME..... ==== GENERAL FUND CORE <====									

Portfolio Characteristics

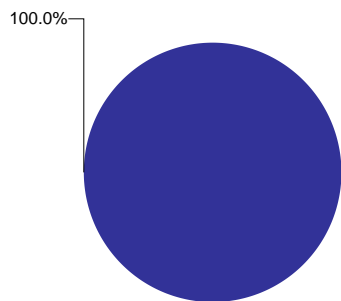
Duration Mix

Total Net Assets (Millions) 527.8  
 Weighted Average Life (Years) 0.00  
 Weighted Avg. Effective Duration (Years) 0.00  
 Weighted Average Coupon (%) 0.20  
 Weighted Average Current Yield (%) 0.20  
 Weighted Average Yield to Maturity (%) 0.20  
 Weighted Average Rating AAA  
 Number of Holdings 9



Asset Mix

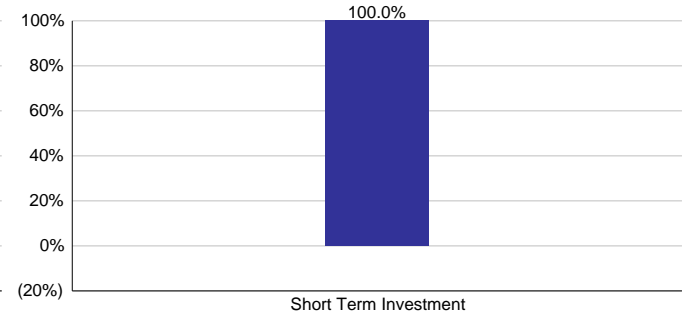
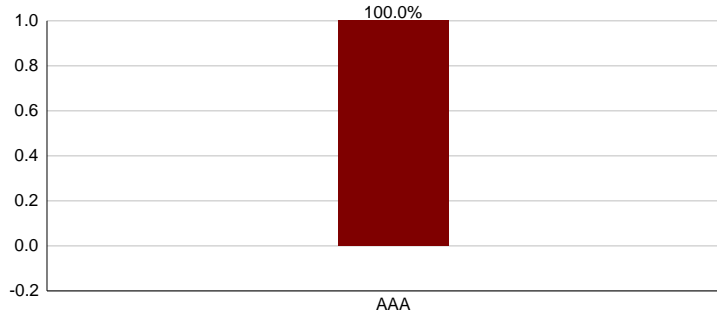
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
89499LC10	BANK OF THE WEST	42.83%	0.00	1/1/2017
99G*50030	REPO MUFG SECURITIES AMERICA INC. 123016M	9.26%	0.35	3/1/2017
99G*50027	REPO MUFG SECURITIES AMERICA INC. 123016L	9.07%	0.35	3/1/2017
99G*50024	REPO JPMORGAN CHASE BK (GREENWICH) 123016I	8.98%	0.35	3/1/2017
99G*50023	REPO JPMORGAN CHASE BK (GREENWICH) 123016J	1.47%	0.35	3/1/2017
99G*50026	REPO JPMORGAN CHASE BK (GREENWICH) 123016G	8.98%	0.35	3/1/2017
99G*50029	REPO MUFG SECURITIES AMERICA INC. 123016N	6.92%	0.35	3/1/2017
99G*50028	REPO MUFG SECURITIES AMERICA INC. 123016K	3.49%	0.35	3/1/2017
99G*50025	REPO JPMORGAN CHASE BK (GREENWICH) 123016H	8.98%	0.35	3/1/2017

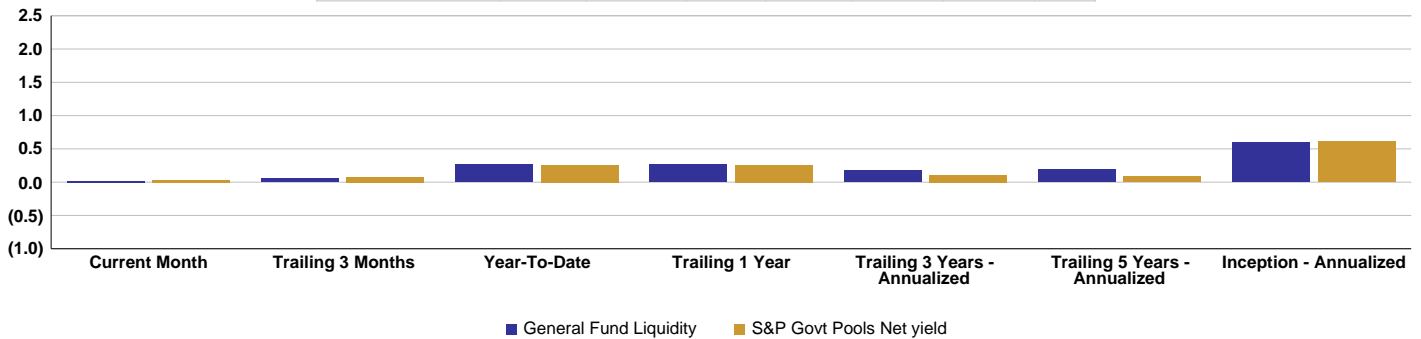
Quality/Rating Weightings

Sector Weightings (as % of Market Value)



Returns Series

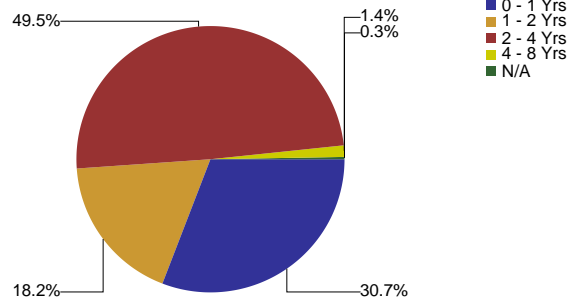
	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
General Fund Liquidity	0.02	0.06	0.26	0.26	0.18	0.19	0.60
S&P Govt Pools Net yield	0.03	0.08	0.26	0.26	0.11	0.09	0.61
Excess	(0.01)	(0.02)	0.01	0.01	0.07	0.10	(0.01)



Portfolio Characteristics

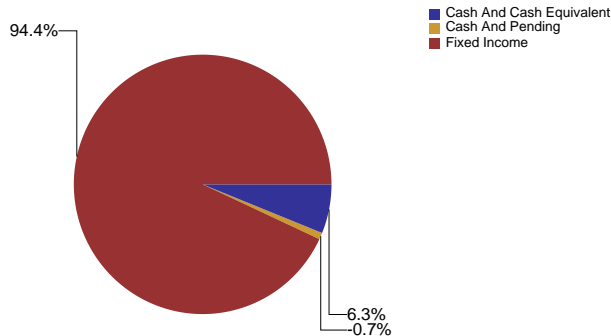
Duration Mix

Total Net Assets (Millions) **709.3**  
 Weighted Average Life (Years) **2.03**  
 Weighted Avg. Effective Duration (Years) **1.96**  
 Weighted Average Coupon (%) **1.46**  
 Weighted Average Current Yield (%) **1.22**  
 Weighted Average Yield to Maturity (%) **1.23**  
 Weighted Average Rating **AA**  
 Number of Holdings **54**



Asset Mix

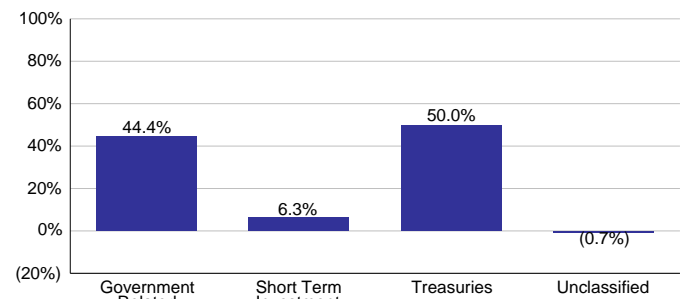
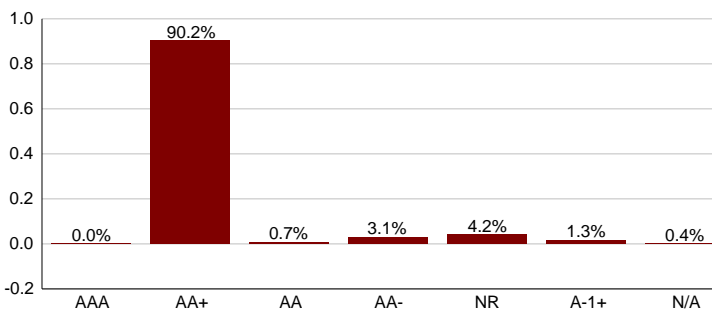
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
912828WCO	UNITED STATES OF AMERICA 1.750% 2020-10-31	5.77%	1.75	31/10/2020
3135GOGY3	FEDERAL NATIONAL MORTGAGE ASSOC 1.25% MTG BDS	5.49%	1.25	30/1/2017
912828C65	UNITED STATES OF AMERICA 1.625% 2019-03-31	4.96%	1.62	31/3/2019
3130A7CV5	FEDERAL HOME LOAN BANKS BOND FIXED 1.375%	4.70%	1.38	18/2/2021
912828UV0	UNITED STATES OF AMERICA 1.125% 2020-03-31	4.68%	1.12	31/3/2020
912828VE7	UNITED STATES OF AMERICA 1.000% 2018-05-31	3.50%	1.00	31/5/2018
912828U21	UNITED STATES OF AMERICA 0.625% 2018-04-30	3.49%	0.62	30/4/2018
912828F62	UNITED STATES OF AMERICA 1.500% 2019-10-31	3.45%	1.50	31/10/2019
313596RCS	FEDERAL NATIONAL MORTGAGE ASSOC 0% NTS 09/OCT/2019	3.05%	0.00	9/10/2019
3137EADCO	FEDERAL HOME LOAN MORTGAGE CORP 1% BDS 08/MAR/2017	5.62%	1.00	8/3/2017

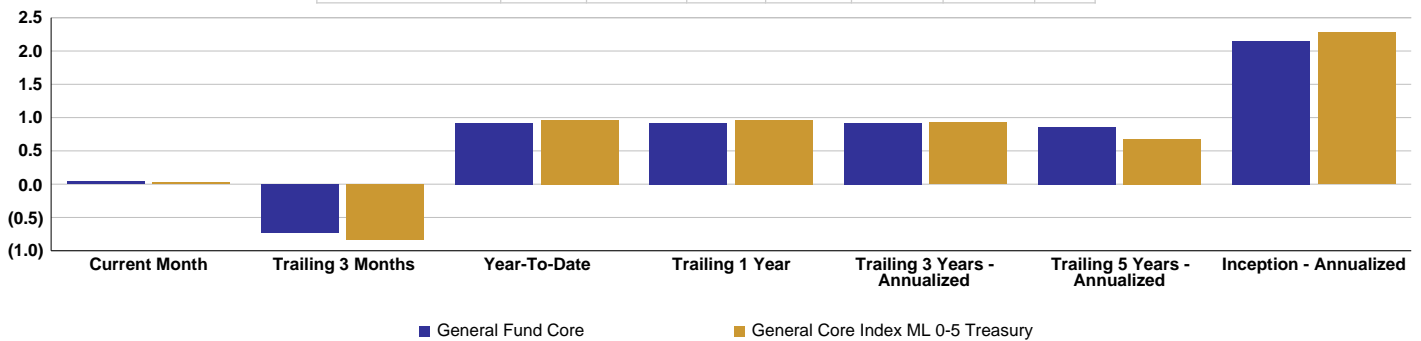
Quality/Rating Weightings

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	0.04	(0.73)	0.92	0.92	0.92	0.86	2.15
General Core Index ML 0-5 Treasury	0.02	(0.84)	0.96	0.96	0.92	0.68	2.28
Excess	0.02	0.11	(0.04)	(0.04)	0.00	0.18	(0.13)





## 11. Portfolio Summary- Local Government Investment Pool

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

### *Summary*

- Ending December market value for the LGIP was \$663.1mil representing a decrease relative to November's reported closing value of \$746.9mil.
- The LGIP maintains an AAAM rating by Standard & Poor's.
- At the end of December the STO participant balance was \$15.7mil or 2.4% of the Pool.
- At the end of December the Judicial District Court participant balance was \$3.5mil or 0.5% of the Pool.
- At the end of December the Educational Retirement Board participant balance was \$100mil or 15% of the Pool.

### *Portfolio Mix*

- At the end of December 2016 the portfolio was invested as follows: 2% in US treasuries, 59% in US government agencies, 10% in collateralized demand deposit accounts with qualified banking institutions, 21% in floating rate securities, and 8% in overnight repurchase agreements.
- At month-end, the LGIP held positions in 51 securities.

### *Investment Earnings*

- In December the fund earned \$290,062.
- For FY2017, the fund has earned \$1,644,545.
- LGIP earnings are retained by participants after a management fee of 0.05% is paid to the General Fund.

### *Performance*

- Gross yield on the LGIP was 0.04795% at the end of December.
- Net yield to participants was 0.4295%.

### *Investment Highlights*

- For the LGIP, the WAM(R) of 44 days, and WAM (F) of 71 days, were within their maximums of 60 and 120 days respectively.
- The LGIP purchased \$192.2mil in US agency securities and \$50mil in US treasuries. Approximately \$130mil of these purchases matured in one-month or less. The Pool also sold \$21.3mil in short agency notes. All sales were executed at gains.
- The LGIP engaged in 9 repo trades during the month, consisting of 5 overnight and 4 term trades. Trade amounts varied in size from \$25mil to \$75mil at rates spanning 0.21% to 0.50%.

### *Investment Strategy*

- LGIP WAMs are currently 48 and 71 days for WAM(R) and WAM (F) respectively.
- LGIP will continue to focus on maximizing safety of principal and providing adequate liquidity through the use of conservative investments.

### *Net Asset Value/Share*

At month-end, the Net Asset Value per Share of the Local Government Investment Pool was \$0.99991



**STATE OF NEW MEXICO**  
**LGIP FUND (4101)**  
**Portfolio Classification Summary**  
**Positions Held as of 12/31/16 (TRADE Basis)**

AMTZ ADDED: NO

ASSET CLASSIFICATION	ITEMS	YIELD	AVG-TERM	PRINCIPAL	COST-BASIS	MARKET-VALUE	GAIN/LOSS	%MARKET
REPURCHASE AGREEMENTS (TERM)	2	.5069	.01095	50,000,000	50,000,000	50,000,000		7.557
U.S. TREASURY BILLS	1	.3651	.01370	15,000,000	14,995,950	14,999,700	3,750	2.267
AGENCY US FLOAT ACT/360 12X	9	.7279	.42198	77,705,000	77,700,371	77,726,269	25,898	11.747
AGENCY US BOND 30/360 2X	10	.5545	.25872	78,090,000	78,136,925	78,126,821	-10,104	11.808
AGENCY US DISC ACT/360 360 DAY	8	.4234	.06942	128,155,000	128,117,446	128,120,345	2,899	19.364
AGENCY US BOND 30/360 ZERO CPN	2	.5937	.33357	18,124,000	18,087,069	18,082,320	-4,749	2.733
AGENCY US NOTES 30/360 2X	10	.5219	.21156	166,679,000	167,221,016	167,184,694	-36,322	25.268
AGENCY US VARIABLE ACT/360 4X	6	.7265	.43390	52,750,000	52,756,259	52,773,263	17,004	7.976
AGENCY US VAR ACT/ACT 4X	1	.5972	.14250	9,119,000	9,120,344	9,120,094	-250	1.378
CASH ACCOUNT	5			65,522,455	65,522,455	65,522,455		9.903
	54	.4938	.21514	661,144,455	661,657,835	661,655,961	-1,874	100.000

**STATE OF NEW MEXICO**  
**TREASURERS OFFICE**  
**Position holdings as of 12/31/16 (TRADE)**  
**BOOK VALUES AMORTIZED THROUGH 12/31/16**

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
17,013,846	WELLS FARGO CASH ACCOUNT	CASHCASH	.100			1.00000	17,013,846.16	17,013,846.00	-.16
868,166	WELLS FARGO SAVINGS	CASHCASH	.100			1.00000	868,165.54	868,166.00	.46
14,446,485	BANK OF THE WEST	CASHCASH	.250			1.00000	14,446,485.32	14,446,485.00	-.32
30,006,684	COMPASS BANK	CASHCASH	.250			1.00000	30,006,683.76	30,006,684.00	.24
3,187,274	US BANK	CASHCASH	.200			1.00000	3,187,274.04	3,187,274.00	-.04
<b>65,522,455</b>							<b>65,522,454.82</b>	<b>65,522,455.00</b>	<b>.18</b>

====> 0005 ITEMS IN SUBTOTAL FOR =====> FINAL-MATURITY.. =====> NO-MEANINGFUL-DATE <=====

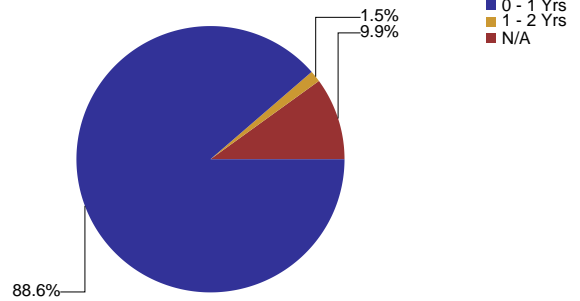
7,000,000	FEDERAL FARM CREDIT BANKS	3133EDJ3	.467	1/03/17	.643	100.00000	7,000,000.00	7,000,000.00	
25,000,000	TERM REPURCHASE AGREEMENT	0103TMRP	.500	1/03/17	.500	1.00000	25,000,000.00	25,000,000.00	
15,000,000	UNITED STATES TREASURY BILLS	912796HV		1/05/17	.360	99.97300	14,995,950.00	14,999,700.00	3,750.00
25,000,000	TERM REPURCHASE AGREEMENT	0105TMRP	.500	1/05/17	.500	1.00000	25,000,000.00	25,000,000.00	
5,000,000	FEDERAL FARM CREDIT BANKS	313313AF		1/06/17	.340	99.99528	4,999,763.89	4,999,850.00	86.11
5,755,000	FEDERAL HOME LOAN BANKS	313385AM		1/12/17	.420	99.98717	5,754,261.44	5,754,482.05	220.61
9,300,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134G5Z3	.532	1/13/17	.552	100.00251	9,300,233.49	9,300,558.00	324.51
10,500,000	FEDERAL HOME LOAN BANKS	313385AN		1/13/17	.400	99.98667	10,498,600.00	10,498,845.00	245.00
25,000,000	FEDERAL HOME LOAN BANKS	313385AN		1/13/17	.400	99.98667	24,996,666.67	24,997,250.00	583.33
15,000,000	FEDERAL FARM CREDIT BANKS	3133EFJK	.430	1/13/17	.411	100.00059	15,000,088.74	15,000,300.00	211.26
4,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134A4MN		1/15/17	.450	99.98291	3,999,316.21	3,999,280.00	-36.21
10,000,000	FEDERAL FARM CREDIT BANKS	31331K65	.479	1/17/17	.761	100.00000	10,000,000.00	10,000,900.00	900.00
15,000,000	FEDL HOME LOAN BK CONS DISC	313385AV		1/20/17	.400	99.97889	14,996,833.33	14,997,300.00	466.67
22,950,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EADU	.500	1/27/17	.417	100.00592	22,951,359.36	22,949,770.50	-1,588.86
10,000,000	FEDERAL HOME LOAN BANKS	3130A7ZB	.514	1/27/17	.635	100.00591	10,000,590.57	10,001,500.00	909.43
12,196,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0GY	1.250	1/30/17	.418	100.06683	12,204,150.60	12,201,732.12	-2,418.48
31,900,000	FEDERAL HOME LOAN MORTGAGE CORPO	313397BF		1/30/17	.400	99.96677	31,889,398.83	31,891,068.00	1,669.17
6,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0GY	1.250	1/30/17	.464	100.06313	6,003,787.91	6,002,820.00	-967.91
6,165,000	FEDERAL HOME LOAN BANKS	3130A3RN	.740	2/01/17	.419	100.02661	6,166,640.44	6,163,088.85	-3,551.59
25,000,000	FEDERAL HOME LOAN BANKS	313385BP		2/07/17	.480	99.95067	24,987,666.67	24,987,750.00	83.33
27,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	31359M4D	5.000	2/13/17	.536	100.51927	27,140,203.12	27,130,950.00	-9,253.12
10,000,000	FEDERAL HOME LOAN BNKD.NT-2ND	313385BZ		2/17/17	.441	99.94256	9,994,255.56	9,993,800.00	-455.56
2,650,000	FEDERAL HOME LOAN BANKS	3130A4CY	.750	2/21/17	.419	100.04579	2,651,213.32	2,650,530.00	-683.32
9,119,000	FEDERAL FARM CREDIT BANKS	3133EDYN	.655	2/21/17	.597	100.01473	9,120,343.16	9,120,094.28	-248.88
4,000,000	FEDERAL FARM CREDIT BANKS	3133ECT7	1.000	3/01/17	.526	100.07856	4,003,142.30	4,003,000.00	-142.30
46,697,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EADC	1.000	3/08/17	.482	100.09597	46,741,814.71	46,734,357.60	-7,457.11
23,750,000	FEDERAL HOME LOAN BANKS	3130A2A6	.625	3/20/17	.533	100.01996	23,754,740.12	23,748,575.00	-6,165.12
7,525,000	FEDERAL FARM CREDIT BANKS	3133EFLM	.520	3/27/17	.550	99.99264	7,524,446.27	7,525,526.75	1,080.48
5,400,000	FEDERAL FARM CREDIT BANKS	3133EDX6	.500	4/10/17	.720	100.00414	5,400,223.76	5,401,026.00	802.24

**STATE OF NEW MEXICO**  
**TREASURERS OFFICE**  
**Position holdings as of 12/31/16 (TRADE)**  
**BOOK VALUES AMORTIZED THROUGH 12/31/16**

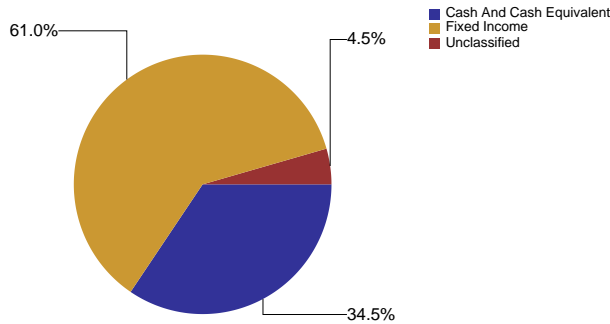
POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
7,405,000	FEDERAL FARM CREDIT BANKS	3133EDJX	.491	4/17/17	.809	99.99123	7,404,350.33	7,408,850.60	4,500.27
5,400,000	FEDERAL FARM CREDIT BANKS	3133EFKH	.440	4/20/17	.790	99.97764	5,398,792.53	5,399,784.00	991.47
31,270,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0ZB	.750	4/20/17	.562	100.05668	31,287,722.74	31,282,195.30	- 5,527.44
2,690,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0ZB	.750	4/20/17	.554	100.05897	2,691,586.18	2,691,049.10	- 537.08
10,000,000	FEDERAL HOME LOAN BANKS	3130A9U3	.422	4/24/17	.417	100.00000	10,000,000.00	9,998,500.00	- 1,500.00
10,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134G75N	.479	4/27/17	.847	99.98134	9,998,133.64	10,005,700.00	7,566.36
2,150,000	FEDERAL FARM CREDIT BANKS	3133EERF	.495	4/27/17	.662	100.01336	2,150,287.22	2,150,408.50	121.28
2,310,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3136FPYB	2.050	5/23/17	.620	100.56196	2,322,981.34	2,321,757.90	- 1,223.44
5,000,000	FEDERAL HOME LOAN BANKS	3130A7WA	.750	5/25/17	.750	100.00000	5,000,000.00	5,001,600.00	1,600.00
25,000,000	FEDERAL FARM CREDIT BANKS	3133EFFV	.650	5/30/17	.805	100.03909	25,009,771.75	25,027,000.00	17,228.25
14,124,000	FANNIE MAE	31359MEL		6/01/17	.624	99.74337	14,087,753.13	14,083,040.40	- 4,712.73
11,566,000	TENNESSEE VALLEY AUTH	880591EA	5.500	7/18/17	.689	102.62297	11,869,372.20	11,864,981.10	- 4,391.10
2,000,000	FEDERAL FARM CREDIT BANKS	3133ECP2	.700	8/09/17	.744	99.97360	1,999,471.92	1,998,820.00	- 651.92
10,000,000	FEDERAL HOME LOAN BANK	3130A92E	.625	8/11/17	.678	99.96754	9,996,753.83	9,994,100.00	- 2,653.83
4,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134G3G4	1.000	9/12/17	.710	100.20088	4,008,035.01	4,005,080.00	- 2,955.01
10,000,000	FEDERAL HOME LOAN BANKS	3130A9S6	.466	11/22/17	.685	99.99260	9,999,259.54	10,005,000.00	5,740.46
2,000,000	FEDERAL HOME LOAN BANKS	313372C3	3.125	12/08/17	.950	102.02144	2,040,428.72	2,041,280.00	851.28
<b>576,822,000</b>							<b>577,340,390.55</b>	<b>577,333,201.05</b>	<b>- 7,189.50</b>
====> 0046 ITEMS IN SUBTOTAL FOR =====> FINAL-MATURITY.. =====> 2017 <=====									
4,800,000	FEDERAL FARM CREDIT BANKS	3133EEV8	.520	3/09/18	.820	99.94137	4,797,185.79	4,796,544.00	- 641.79
10,000,000	FEDERAL FARM CREDIT BANK	3133EGH3	.510	3/14/18	.771	99.98477	9,998,477.14	9,998,800.00	322.86
4,000,000	FEDERAL FARM CREDIT BANKS	3133EEZ5	.542	3/22/18	.791	99.98318	3,999,327.08	4,004,960.00	5,632.92
<b>18,800,000</b>							<b>18,794,990.01</b>	<b>18,800,304.00</b>	<b>5,313.99</b>
====> 0003 ITEMS IN SUBTOTAL FOR =====> FINAL-MATURITY.. =====> 2018 <=====									
<b>661,144,455</b>							<b>661,657,835.38</b>	<b>661,655,960.05</b>	<b>- 1,875.33</b>
====> 0054 ITEMS IN SUBTOTAL FOR =====> FUND NAME..... =====> LGIP FUND <=====									

Portfolio Characteristics Duration Mix

**Total Net Assets (Millions)** 663.1  
**Weighted Average Life (Years)** 0.20  
**Weighted Avg. Effective Duration (Years)** 0.15  
**Weighted Average Coupon (%)** 0.76  
**Weighted Average Current Yield (%)** 0.50  
**Weighted Average Yield to Maturity (%)** 0.50  
**Weighted Average Rating** A  
**Number of Holdings** 51

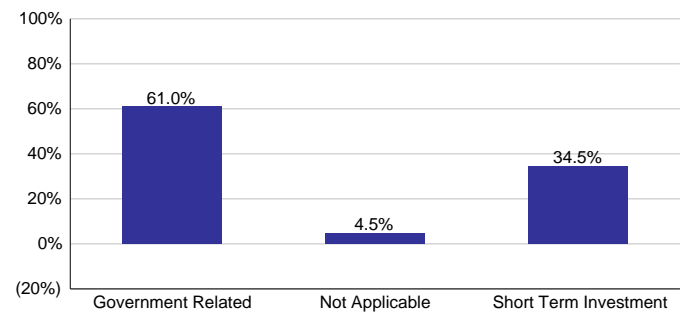
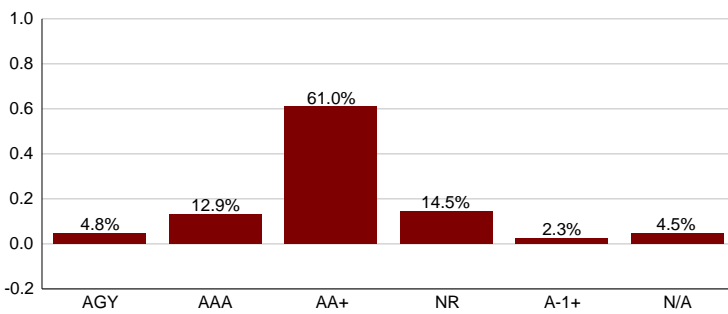


Asset Mix Top Ten Portfolio Holdings



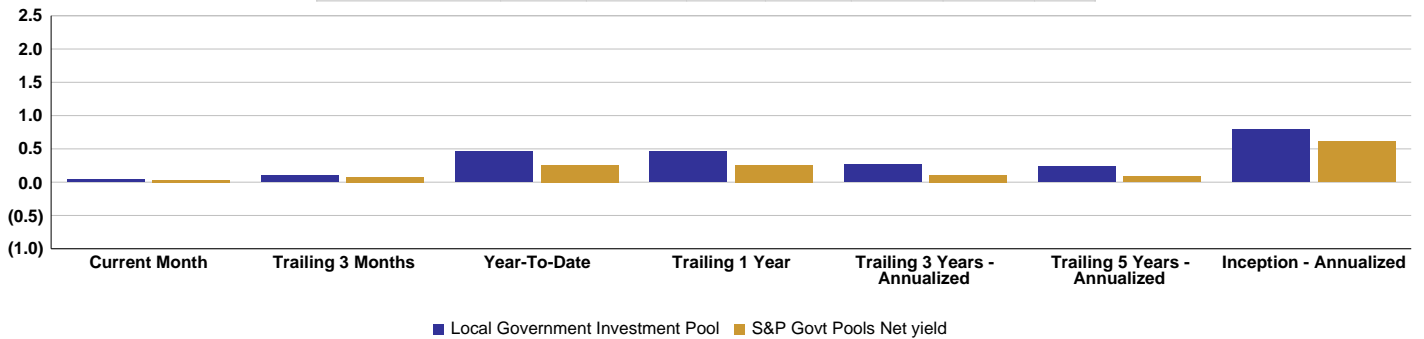
Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
3137EADC0	FEDERAL HOME LOAN MORTGAGE CORP 1% BDS 08/MAR/2017	7.41%	1.00	8/3/2017
3135G0ZB2	FEDERAL NATIONAL MORTGAGE ASSOCIATION NOTES FIXED	5.37%	0.75	20/4/2017
313397BF7	FEDERAL HOME LOAN MORTGAGE CORP DISCOUNT NOTES	5.04%	0.00	30/1/2017
31359MD2	FEDERAL NATIONAL MORTGAGE ASSOC 5% SNR NTS	4.37%	5.00	13/2/2017
3133EFFV4	FEDERAL FARM CREDIT BANK BOND VARIABLE 30/MAY/2017	3.96%	0.90	30/5/2017
99G*20024	REPO JPMORGAN CHASE BK (HSBCSI) LGIPREPO122716	3.95%	0.50	3/1/2017
99G*30062	REPO BANC OF AMERICA SEC LLC	3.95%	0.50	5/1/2017
313385BP0	FEDERAL HOME LOAN BANKS DISCOUNT NOTES ZERO CPN	3.95%	0.00	7/2/2017
3130A2A63	FEDERAL HOME LOAN BANKS BOND FIXED .625%	3.76%	0.62	20/3/2017
313385AN6	FEDL HOME LOAN BK CONS DISC NT MATURES 13/JAN/2009	5.61%	0.00	13/1/2017

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
Local Government Investment Pool	0.04	0.10	0.46	0.46	0.26	0.24	0.79
S&P Govt Pools Net yield	0.03	0.08	0.26	0.26	0.11	0.09	0.61
Excess	0.01	0.02	0.21	0.21	0.16	0.15	0.18





## 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 December at \$583.7mil vs. \$553.2mil at the end of November.
- The Pool received \$21mil in draw requests for capital spending during the month and paid out \$21.5mil for capital projects.

### *Portfolio Mix*

- 100% of the Tax-Exempt BPIP portfolio was invested in fixed income securities: 25% in US treasuries, 58% in US agency securities, 3% in commercial paper, 2% in corporate securities, 5% in NM municipal securities and the balance, approximately 6%, was held in cash equivalents and collateralized NM bank CDs.
- 47% of the portfolio was invested in securities that mature in one year, 40% in securities that mature from 1-2 years, 12% in securities that mature from 2-4 years and 1% in securities out to 5 years.
- The Tax-Exempt BPIP held positions in 100 securities.
- Weighted Average Life of the Tax Exempt BPIP was 1.12 years. The Weighted Average duration was 1.09 years.
- The maximum security term for the Tax-Exempt BPIP portfolio is 5 years.

### *Investment Earnings*

- Unrealized gains in the Tax-Exempt BPIP Portfolio were \$(1,211,866) on December 31<sup>st</sup>.
- Monthly net earnings on the portfolio for December were \$418,743.
- Net earnings for FY2017 were \$2,606,300.
- 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 December was 1.09 yrs. vs. the Benchmark at 1.36 yrs.
- The Pool purchased \$10mil of a 2 year US Treasury, \$5mil of a 2.75 year U.S. agency security and \$3mil of a 9 month local municipal security.
- The Pool sold \$15mil in a short U.S. agency security during the month. All sales were recorded at gains.

### *Performance*

- The purchase yield was 0.90% at the end of December vs. 0.92% reported for the previous month.
- The Tax-Exempt BPIP returned 0.07% for the month of December and (0.13)% for the three months ended December 31, 2016, vs. Index returns of 0.03% and (0.27)% respectively. For the trailing 12 mos. the Pool returned 0.89% vs. 0.78% for the benchmark.
- The Tax-Exempt BPIP had a duration shorter than the benchmark for the month of December 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 1.12 yrs. vs. 1.36 yrs. for the benchmark.
- Capital project withdrawal requests totaled \$17mil for January.
- 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.

**STATE OF NEW MEXICO**  
**BOND PROCEEDS INV POOL1 TAX EX (4000)**  
Portfolio Classification Summary  
Positions Held as of 12/31/16 (TRADE Basis)

AMTZ ADDED: NO

ASSET CLASSIFICATION	ITEMS	YIELD	AVG-TERM	PRINCIPAL	COST-BASIS	MARKET-VALUE	GAIN/LOSS	%MARKET
REPURCHASE AGREEMENTS (O/N)	1	.3549	.00820	24,521,736	24,521,736	24,521,736		4.213
COMMERCIAL PAPER-DISCOUNT BASED	4	.8907	.08762	15,558,425	15,490,006	15,490,006		2.661
CERTIFICATES OF DEPOSIT	2	.8650	1.01095	3,000,000	3,000,000	3,000,000		.515
US TREASURY NOTE ACT/ACT 2X	13	.9340	1.23232	150,000,000	150,101,077	149,996,200	-104,877	25.772
AGENCY US BOND 30/360 2X	21	.9705	1.36818	117,415,000	118,667,036	118,270,438	-396,598	20.321
AGENCY 30/360 2X	2	.9892	2.65150	12,500,000	12,483,596	12,334,275	-149,321	2.119
AGENCY US BOND 30/360 ZERO CPN	2	1.1758	2.09230	21,089,000	20,525,997	20,295,842	-230,155	3.487
AGENCY US NOTES 30/360 2X	25	.9097	.88900	188,815,000	189,098,755	188,870,613	-228,142	32.452
CORP US NOTE 30/360 2X	2	1.0466	1.18379	12,000,000	12,338,955	12,290,330	-48,625	2.112
MUNI US 30/360 2X	19	.8501	.65921	18,395,000	18,596,089	18,545,387	-50,702	3.186
MUNICIPAL BOND REVENUE	6	.9424	.60607	5,740,000	5,783,666	5,780,220	-3,446	.993
MUNICIPAL BOND REVENUE ACT/ACT	1	.7400	13.41640	4,375,000	4,375,000	4,375,000		.752
UNITS - INVESTMENT POOL 1	1			11,096,366	11,096,366	11,096,366		1.907
CASH ACCOUNT	1			-2,858,256	-2,858,256	-2,858,256		-.491
	<u>100</u>	<u>.9025</u>	<u>1.19238</u>	<u>581,647,271</u>	<u>583,220,023</u>	<u>582,008,157</u>	<u>-1,211,866</u>	<u>100.000</u>



**STATE OF NEW MEXICO**  
**TREASURERS OFFICE**  
**Position holdings as of 12/31/16 (TRADE)**  
**BOOK VALUES AMORTIZED THROUGH 12/31/16**

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
- 2,858,256	(TD)-CASH KEY	CASHCASH				1.00000	- 2,858,256.03	- 2,858,256.00	.03
11,096,366	UNITS - INVESTMENT POOL 1	UNITS001				1.00000	11,096,366.25	11,096,366.00	-.25
<b>8,238,110</b>							<b>8,238,110.22</b>	<b>8,238,110.00</b>	<b>-.22</b>

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

24,521,736	OVERNIGHT REPO	0103RP	.350	1/03/17	.350	1.00000	24,521,735.52	24,521,735.52	
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	9033EONH		1/17/17	.713	99.63908	4,981,954.15	4,981,954.15	
5,000,000	UNITED STATES TREASURY NOTES	912828SC	.875	1/31/17	.710	100.01325	5,000,662.27	5,002,000.00	1,337.73
558,425	US BANK NA	9033AOPT		2/27/17	1.004	99.57500	556,051.69	556,051.69	
15,000,000	UNITED STATES TREASURY NOTES	912828SJ	.875	2/28/17	.788	100.01352	15,002,027.46	15,010,050.00	8,022.54
130,000	NEW MEXICO MTG FIN AUTH	647200L2	3.700	3/01/17	.652	100.50617	130,658.02	130,313.30	- 344.72
10,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EADC	1.000	3/08/17	.756	100.04493	10,004,493.19	10,008,000.00	3,506.81
5,000,000	TOYOTA MOTOR CREDIT CORP	89233GQD		3/13/17	1.056	99.47208	4,973,604.15	4,973,604.15	
9,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135GOVM	.750	3/14/17	.625	100.02499	9,002,249.23	9,001,620.00	- 629.23
15,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	31359M7X	5.000	5/11/17	.736	101.53386	15,230,079.60	15,228,900.00	- 1,179.60
1,495,000	ARTESIA N MEX GROSS RCPTS TAX RE	043053BU	2.000	6/01/17	.750	100.51849	1,502,751.47	1,502,056.40	- 695.07
6,089,000	FANNIE MAE	31359MEL		6/01/17	.643	99.73725	6,073,001.15	6,071,341.90	- 1,659.25
55,000	UNIVERSITY N MEX UNIV REVS	9146922F	.970	6/01/17	.970	100.00000	55,000.00	54,980.75	- 19.25
385,000	COUNTY OF SANTA FE	80189RET	2.000	6/01/17	.640	100.56465	387,173.91	386,613.15	- 560.76
2,000,000	FEDERAL HOME LOAN BANKS	313383PD	1.250	6/09/17	.701	100.23979	2,004,795.74	2,004,180.00	- 615.74
10,000,000	NCUA GUARN NTS TR 2011-M1	62889KAC	2.350	6/12/17	.820	100.68142	10,068,142.22	10,079,700.00	11,557.78
700,000	SAN JUAN CO NM GROSS RCPTS TAX	79835HGK	4.000	6/15/17	.870	101.41938	709,935.66	709,156.00	- 779.66
1,000,000	FEDERAL FARM CREDIT BANKS	3133EDEB	1.100	6/28/17	.700	100.19590	1,001,959.01	1,001,960.00	.99
5,000,000	UNITED STATES TREASURY NOTES	912828TB	.750	6/30/17	1.006	99.87309	4,993,654.42	5,002,550.00	8,895.58
600,000	ALBUQUERQUE NM GROSS RCPTS TAX	01354PFR	1.050	7/01/17	1.050	100.00000	600,000.00	600,540.00	540.00
4,800,000	NEW MEXICO ST SEVERANCE TAX	647310X7	2.000	7/01/17	.891	100.55209	4,826,500.11	4,820,400.00	- 6,100.11
2,500,000	METROPOLITAN TRANSN AUTH N Y SPL	59261EAC	1.069	7/01/17	.701	100.18340	2,504,584.93	2,500,050.00	- 4,534.93
2,860,000	NEW MEXICO ST SEVERANCE TAX	647310R6	5.000	7/01/17	.741	102.12144	2,920,673.11	2,917,057.00	- 3,616.11
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	99.88924	4,994,462.20	4,994,850.00	387.80
24,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EADV	.750	7/14/17	.740	100.00514	24,001,233.51	24,004,080.00	2,846.49
5,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EADJ	1.000	7/28/17	.791	100.11955	5,005,977.40	5,007,750.00	1,772.60
5,000,000	UNITED STATES TREASURY NOTES	912828TG	.500	7/31/17	.906	99.76507	4,988,253.41	4,994,900.00	6,646.59
375,000	SAN DOVAL CNTY N MEX	80004PEA	3.000	8/01/17	.820	101.26541	379,745.27	378,948.75	- 796.52
300,000	ALBUQUERQUE N MEX MET ARROYO FLO	013572KE	2.000	8/01/17	.750	100.72579	302,177.38	301,452.00	- 725.38
250,000	ROSWELL N MEX INDPT SCH DIST	778550JQ	2.000	8/01/17	.900	100.63815	251,595.38	251,210.00	- 385.38

**STATE OF NEW MEXICO**

**TREASURERS OFFICE**

Position holdings as of 12/31/16 (TRADE)

BOOK VALUES AMORTIZED THROUGH 12/31/16

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
2,500,000	SANTA FE N MEX PUB SCH DIST FO	802088LN	5.000	8/01/17	.900	102.37921	2,559,480.15	2,554,750.00	- 4,730.15
250,000	LAS CRUCES N MEX SCH DIST NO 002	517534TL	2.000	8/01/17	.700	100.75521	251,888.02	251,337.50	- 550.52
3,000,000	ALBUQUERQUE N MEX MUN SCH DISTNO	013595UK	2.000	8/01/17	.992	100.55700	3,016,710.00	3,016,230.00	- 480.00
245,000	NEW MEXICO EDL ASSISTANCE FNDTN	647110DZ	4.000	9/01/17	.726	102.17293	250,323.67	249,559.45	- 764.22
5,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0PP	1.000	9/20/17	.830	100.12154	5,006,076.92	5,004,400.00	- 1,676.92
15,000,000	FEDERAL FARM CREDIT BANKS	3133EEQX	1.000	9/25/17	.860	100.10185	15,015,276.80	15,018,600.00	3,323.20
5,000,000	FNMA	3135G0ZL	1.000	9/27/17	1.118	99.91314	4,995,657.05	5,004,700.00	9,042.95
835,000	JAL N MEX PUB SCH DIST NO 19	470143AR	2.000	10/01/17	.701	100.96981	843,097.93	837,839.00	- 5,258.93
2,000,000	FEDERAL HOME LOAN BANKS	3133792L	1.230	10/20/17	.786	100.35400	2,007,080.06	2,006,060.00	- 1,020.06
5,000,000	FEDERAL HOME LOAN BANKS	3130A6LZ	.625	10/26/17	.733	99.91215	4,995,607.41	4,992,300.00	- 3,307.41
1,000,000	FEDERAL HOME LOAN BANKS	3130A4B2	1.000	10/27/17	.787	100.17433	1,001,743.28	1,000,620.00	- 1,123.28
1,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3136FPQT	2.200	10/27/17	.650	101.26832	1,012,683.20	1,010,530.00	- 2,153.20
15,000,000	UNITED STATES TREASURY NOTES	912828UA	.625	11/30/17	.814	99.82883	14,974,324.05	14,964,900.00	- 9,424.05
5,000,000	FEDERAL FARM CREDIT BANKS	3133EGDG	.850	12/06/17	.710	100.12925	5,006,462.38	4,994,550.00	- 11,912.38
7,000,000	GENERAL ELECTRIC COMPANY	369604BC	5.250	12/06/17	1.081	103.84878	7,269,414.52	7,251,580.00	- 17,834.52
14,505,000	TENNESSEE VALLEY AUTHORITY	880591CU	6.250	12/15/17	.965	105.01460	15,232,367.64	15,221,982.15	- 10,385.49
10,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EADX	1.000	12/15/17	.711	100.27451	10,027,451.34	10,007,600.00	- 19,851.34
<b>265,454,161</b>							<b>266,919,171.81</b>	<b>266,863,938.69</b>	<b>- 55,233.12</b>

====> 0049 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ==== 2017 <====

24,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EADN	.750	1/12/18	.904	99.84248	23,962,194.34	23,951,040.00	- 11,154.34
5,000,000	UNITED STATES TREASURY NOTES	912828P2	.750	1/31/18	.723	100.02933	5,001,466.64	4,989,450.00	- 12,016.64
20,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EADP	.875	3/07/18	.928	99.93766	19,987,531.83	19,974,000.00	- 13,531.83
13,585,000	FEDERAL HOME LOAN BANKS	313378A4	1.375	3/09/18	.966	100.48157	13,650,421.85	13,633,634.30	- 16,787.55
25,000,000	UNITED STATES TREASURY NOTES	912828J6	1.000	3/15/18	.899	100.12071	25,030,177.06	25,011,750.00	- 18,427.06
12,500,000	FEDERAL HOME LOAN BANKS	3130A7CX	.875	3/19/18	.822	100.06331	12,507,913.17	12,479,875.00	- 28,038.17
20,000,000	UNITED STATES TREASURY NOTES	912828Q4	.875	3/31/18	.746	100.15950	20,031,900.93	19,974,200.00	- 57,700.93
2,000,000	FEDERAL FARM CREDIT BANKS	3133EDHU	1.420	4/02/18	.820	100.74579	2,014,915.83	2,008,480.00	- 6,435.83
15,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0WJ	.875	5/21/18	1.114	99.67074	14,950,611.08	14,958,000.00	7,388.92
1,000,000	FEDERAL HOME LOAN BANKS	3133807A	1.060	5/30/18	.850	100.29413	1,002,941.30	997,940.00	- 5,001.30
5,000,000	UNITED STATES TREASURY NOTES	912828VE	1.000	5/31/18	.719	100.39400	5,019,699.75	4,998,050.00	- 21,649.75
100,000	SANDOVAL CNTY N MEX INCENTIVE PA	800051AW	1.952	6/01/18	1.460	100.68643	100,686.43	100,218.00	- 468.43
155,000	RUIDOSO N MEX GROSS RCPTS TAX RE	781336BB	2.000	6/01/18	1.100	101.26120	156,954.86	156,049.35	- 905.51
260,000	ARTESIA N MEX GROSS RCPTS TAX RE	043053BV	2.000	6/01/18	1.000	101.40259	263,646.73	263,213.60	- 433.13
250,000	UNIVERSITY N MEX UNIV REVS	9146922G	1.220	6/01/18	1.220	100.00000	250,000.00	249,030.00	- 970.00
1,000,000	FEDERAL HOME LOAN BANKS	313379DT	1.250	6/08/18	.832	100.59530	1,005,952.99	1,002,280.00	- 3,672.99
5,000,000	FEDERAL HOME LOAN BANKS	313379DT	1.250	6/08/18	.840	100.58361	5,029,180.63	5,011,400.00	- 17,780.63

**STATE OF NEW MEXICO**

**TREASURERS OFFICE**

Position holdings as of 12/31/16 (TRADE)

BOOK VALUES AMORTIZED THROUGH 12/31/16

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
1,000,000	UNIVERSITY N MEX UNIV REVS	914692W6	1.438	6/20/18	1.060	100.54927	1,005,492.70	998,340.00	- 7,152.70
185,000	ABQ NM GROSS RCPT LODGERS TAX RE	01354MFV	3.000	7/01/18	1.200	102.66767	189,935.19	189,345.65	- 589.54
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	100.73429	1,309,545.83	1,302,782.00	- 6,763.83
5,000,000	PRIVATE EXPORT FUNDING CORP.	742651DS	1.875	7/15/18	.962	101.39083	5,069,541.27	5,038,750.00	- 30,791.27
1,000,000	FEDERAL FARM CREDIT BANKS	3133EAXZ	1.060	7/24/18	.875	100.28653	1,002,865.27	996,070.00	- 6,795.27
7,500,000	FEDERAL HOME LOAN BANKS	3130A8U5	.830	7/25/18	.864	99.94653	7,495,989.87	7,451,400.00	- 44,589.87
5,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134G9HJ	1.000	8/10/18	1.143	99.98401	4,999,200.69	4,972,500.00	- 26,700.69
120,000	HOBBS N MEX MUN SCH DIST NO 16	43385QAU	1.000	9/15/18	.950	100.08364	120,100.37	118,910.40	- 1,189.97
2,000,000	FEDERAL FARM CREDIT BANKS	3133ED2C	1.950	9/17/18	.905	101.76958	2,035,391.67	2,024,800.00	- 10,591.67
1,250,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134G3K7	1.200	9/24/18	.943	100.44053	1,255,506.61	1,247,375.00	- 8,131.61
10,000,000	UNITED STATES TREASURY NOTES	912828T4	.750	9/30/18	1.086	99.42012	9,942,011.59	9,932,400.00	- 9,611.59
785,000	JAL N MEX PUB SCH DIST NO 19	470143AS	2.000	10/01/18	.850	101.99281	800,643.55	788,006.55	- 12,637.00
5,000,000	FEDERAL HOME LOAN BANKS	3130A9AE	.875	10/01/18	.908	99.94292	4,997,146.16	4,972,500.00	- 24,646.16
2,500,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134G42X	1.050	10/30/18	.878	100.31121	2,507,780.29	2,490,050.00	- 17,730.29
15,000,000	UNITED STATES TREASURY NOTES	912828WD	1.250	10/31/18	.944	100.55264	15,082,896.70	15,024,000.00	- 58,896.70
5,000,000	FREDDIE MAC	3134G9WB	1.000	12/28/18	1.000	100.00000	5,000,000.00	4,955,100.00	- 44,900.00
20,000,000	UNITED STATES TREASURY NOTES	912828RY	1.375	12/31/18	1.395	99.96071	19,992,141.43	20,064,800.00	72,658.57
<b>233,990,000</b>							<b>234,272,384.61</b>	<b>233,825,739.85</b>	<b>- 446,644.76</b>

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

5,000,000	UNITED STATES TREASURY NOTES	912828B3	1.500	1/31/19	1.092	100.83724	5,041,862.09	5,027,150.00	- 14,712.09
10,000,000	FEDERAL HOME LOAN BANKS	3133782M	1.500	3/08/19	1.127	100.80320	10,080,320.18	10,030,200.00	- 50,120.18
2,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134G3YF	1.500	7/18/19	1.249	100.62759	2,012,551.75	2,000,020.00	- 12,531.75
1,325,000	UNITED STATES DEPARTMENT OF HOUS	911759JA	5.450	8/01/19	5.450	100.00000	1,325,000.00	1,327,106.75	2,106.75
7,500,000	FEDERAL HOME LOAN BANK	3130A8Y7	.875	8/05/19	.940	99.83365	7,487,523.45	7,393,875.00	- 93,648.45
5,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134G3A9	1.400	8/22/19	1.587	99.51696	4,975,847.86	4,993,300.00	17,452.14
5,000,000	FEDERAL HOME LOAN BANK	3130A9EP	1.000	9/26/19	1.029	99.92144	4,996,072.22	4,940,400.00	- 55,672.22
15,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	313586RC		10/09/19	1.377	96.35330	14,452,994.83	14,224,500.00	- 228,494.83
5,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3136G4EL	1.125	10/11/19	1.257	99.89800	4,994,900.11	4,937,300.00	- 57,600.11
1,500,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3136G2YA	1.400	11/26/19	1.395	100.00000	1,500,000.00	1,486,470.00	- 13,530.00
<b>57,325,000</b>							<b>56,867,072.49</b>	<b>56,360,321.75</b>	<b>- 506,750.74</b>

====> 0010 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ====> 2019 <====

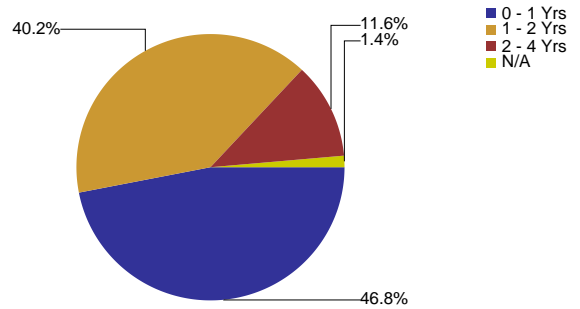
**STATE OF NEW MEXICO**  
**TREASURERS OFFICE**  
**Position holdings as of 12/31/16 (TRADE)**  
**BOOK VALUES AMORTIZED THROUGH 12/31/16**

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	102.53705	10,253,704.74	10,094,500.00	- 159,204.74
1,265,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3136G0E5	1.625	3/27/20	1.097	101.67374	1,286,172.75	1,265,936.10	- 20,236.65
1,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3136G12H	1.400	6/05/20	1.149	100.84057	1,008,405.69	984,610.00	- 23,795.69
<b>12,265,000</b>							<b>12,548,283.18</b>	<b>12,345,046.10</b>	<b>- 203,237.08</b>
====> 0003 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ====> 2020 <====									
4,375,000	UNIVERSITY N MEX UNIV REVS	914692XL	.820	6/01/30	.740	100.00000	4,375,000.00	4,375,000.00	
<b>4,375,000</b>							<b>4,375,000.00</b>	<b>4,375,000.00</b>	
====> 0001 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ====> 2030 <====									
<b>581,647,271</b>							<b>583,220,022.31</b>	<b>582,008,156.39</b>	<b>- 1,211,865.92</b>
====> 0100 ITEMS IN SUBTOTAL FOR ==== FUND NAME..... ====> BOND PROCEEDS INV POOL1 TAX EX <									

Portfolio Characteristics

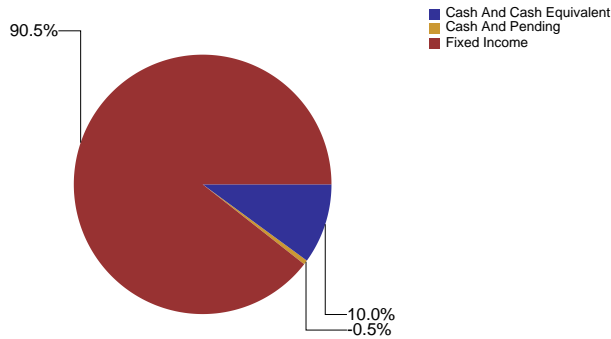
Duration Mix

Total Net Assets (Millions) **583.7**  
 Weighted Average Life (Years) **1.12**  
 Weighted Avg. Effective Duration (Years) **1.09**  
 Weighted Average Coupon (%) **1.31**  
 Weighted Average Current Yield (%) **0.97**  
 Weighted Average Yield to Maturity (%) **0.98**  
 Weighted Average Rating **AA+**  
 Number of Holdings **100**



Asset Mix

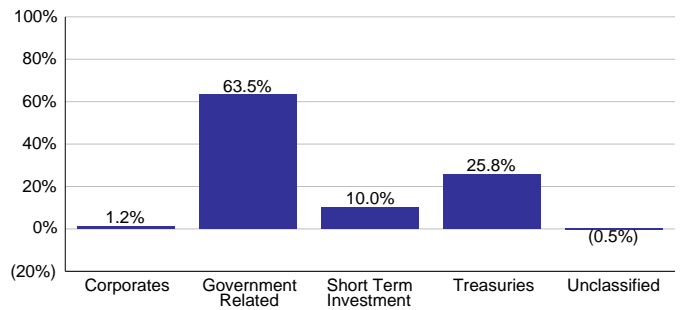
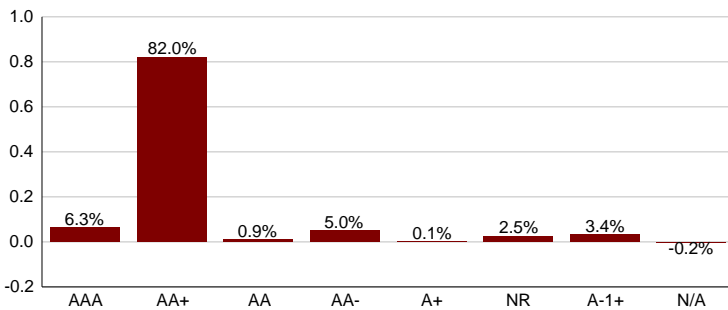
Top Ten Portfolio Holdings



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%	4.11%	0.75	14/7/2017
3137EADN6	FEDERAL HOME LOAN MORTGAGE CORP 0.75% BDS	4.10%	0.75	12/1/2018
912828R98	UNITED STATES OF AMERICA 1.375% 2018-12-31	3.42%	1.38	31/12/2018
3137EADP1	FEDERAL HOME LOAN MORTGAGE CORP 0.875% BDS	3.41%	0.88	7/3/2018
912828Q45	UNITED STATES OF AMERICA TREAS NOTE 0.875% 2018-03-31	3.41%	0.88	31/3/2018
99G*50034	REPO MUFJ SECURITIES AMERICA INC. 123016C	3.23%	0.35	3/1/2017
31359M7X5	FEDERAL NATIONAL MORTGAGE ASSOC 5% BDS 11/MAY/2017	2.61%	5.00	11/5/2017
880591CU4	TENNESSEE VALLEY AUTHORITY 6.25% BDS 15/DEC/2017	2.60%	6.25	15/12/2017
3133EEQX1	FFCB 1.000000% 17 USD	2.57%	1.00	25/9/2017

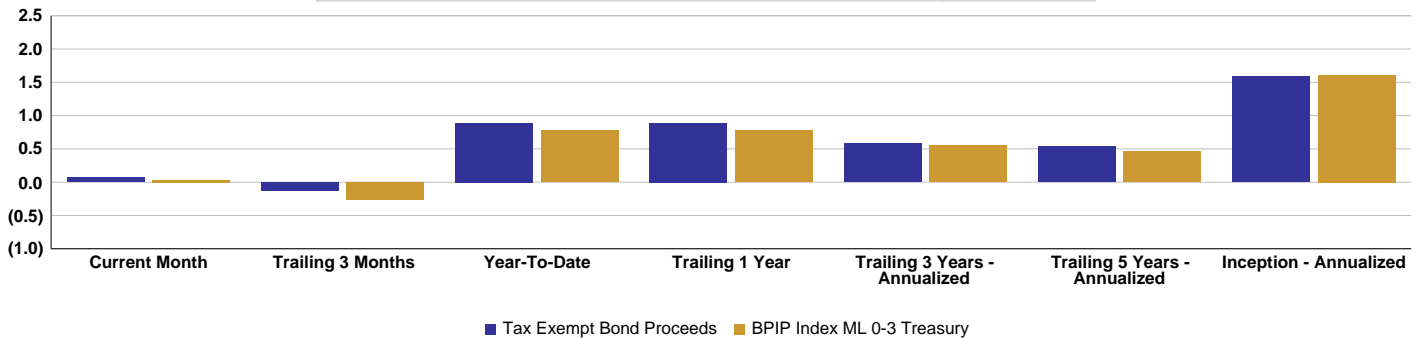
Quality/Rating Weightings

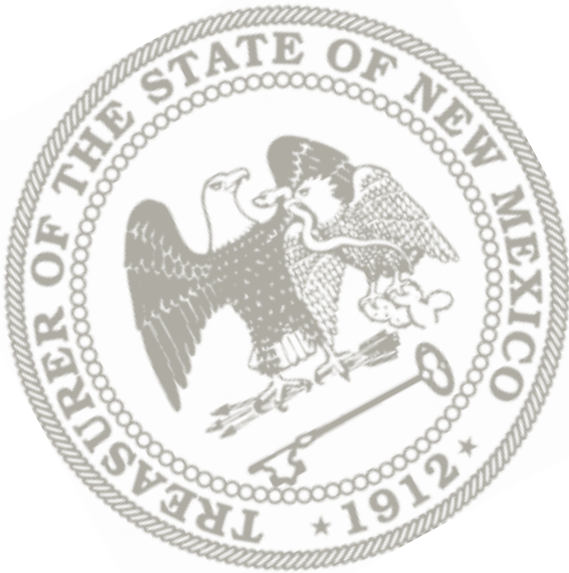
Sector Weightings (as % of Market Value)



Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
Tax Exempt Bond Proceeds	0.07	(0.13)	0.89	0.89	0.58	0.53	1.59
BPIP Index ML 0-3 Treasury	0.03	(0.27)	0.78	0.78	0.55	0.46	1.61
Excess	0.04	0.14	0.11	0.11	0.03	0.07	(0.02)





### 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 December at \$546.4mil vs. \$546.2mil at the end of November.
- The Pool received \$20mil in draw requests for capital spending during the month and paid out \$19mil for capital projects.

### Portfolio Mix

- 100% of the Taxable BPIP portfolio was invested in fixed income securities: 28% in US treasuries, 60% in US agency securities, 2% in commercial paper, 1% in corporate securities, 4% in NM municipal securities and the balance, approximately 4%, was held in cash equivalents and collateralized NM bank CDs.
- 38% of the portfolio was invested in securities that mature in one year, 46% 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 Taxable BPIP held positions in 81 securities.
- Weighted Average Life of the Taxable BPIP was 1.32 years. The Weighted Average duration was 1.26 years.
- The maximum security term for the Taxable BPIP portfolio is 5 years.

### Investment Earnings

- The unrealized gains in the Taxable BPIP were \$(654,109) as of December 31<sup>st</sup>.
- Monthly net earnings on the portfolio for December were \$460,413.
- FY2017 net earnings were roughly \$2,707,867.
- 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 December was 1.26 years vs. the Benchmark at 1.36 years.
- The Pool purchased \$8mil of 2 year US agency securities, \$3.5mil of 6 month to 1.5 year local municipal securities, \$5mil of a 2 year US treasury and \$5mil of 7 month commercial paper.

### Performance

- Purchase Yield at the end of December was 1.00% relative to 0.98% at the end of the prior month.
- The Taxable BPIP returned 0.06% for the month of December and (0.17)% for the three months ended December 31, 2016, vs. Index returns of 0.03% and (0.27)% respectively. For the trailing 12 mos. the Pool returned 0.82% vs. 0.78% for the benchmark.
- The Taxable BPIP had a duration shorter than the benchmark for the month of December 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 \$23.6mil for January.
- 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.



**STATE OF NEW MEXICO**  
**BOND PROCEEDS INV POOL2 TAXABL (4002)**  
Portfolio Classification Summary  
Positions Held as of 12/31/16 (TRADE Basis)

AMTZ ADDED: NO

ASSET CLASSIFICATION	ITEMS	YIELD	AVG-TERM	PRINCIPAL	COST-BASIS	MARKET-VALUE	GAIN/LOSS	%MARKET
REPURCHASE AGREEMENTS (O/N)	1	.3549	.00820	6,472,523	6,472,523	6,472,523		1.188
COMMERCIAL PAPER-DISCOUNT BASED	2	1.0446	.34250	10,000,000	9,948,604	9,948,604		1.825
CERTIFICATES OF DEPOSIT	3	.8129	.95337	6,200,000	6,200,000	6,200,000		1.138
LINKED-CERTIFICATE OF DEPOSIT	2	.7500	.03560	4,000,000	4,000,000	4,000,000		.734
US TREASURY NOTE ACT/ACT 2X	13	.9976	.88974	153,500,000	153,673,545	153,802,295	128,750	28.219
AGENCY US BOND 30/360 2X	17	.9628	1.52556	116,000,000	116,533,074	116,190,830	-342,244	21.318
AGENCY 30/360 2X	3	1.4252	2.69228	32,500,000	32,523,195	32,514,775	-8,420	5.966
AGENCY US BOND 30/360 ZERO CPN	1	1.3811	2.77260	15,000,000	14,458,573	14,224,500	-234,073	2.610
AGENCY US NOTES 30/360 2X	15	1.0309	1.17926	140,750,000	141,092,014	140,984,399	-107,615	25.867
FED NATL MORTGAGE ASSN DEBS	2	.7598	.43036	8,665,000	8,665,000	8,562,298	-102,702	1.571
AGENCY US VARIABLE ACT/360 4X	1	.8449	1.02190	25,000,000	25,000,000	25,054,500	54,500	4.597
CORP US FLOAT ACT/360 4X	1	1.0905	.99450	3,000,000	3,011,576	3,009,750	-1,826	.552
MUNI US 30/360 2X	16	.9642	1.01976	14,645,000	14,923,639	14,883,174	-40,465	2.731
MUNICIPAL BOND REVENUE	1	.9945	.41640	100,000	100,837	100,823	-14	.018
MUNICIPAL BOND REVENUE ACT/ACT	1	.7400	13.41640	4,375,000	4,375,000	4,375,000		.803
UNITS - INVESTMENT POOL 1	1			4,405,807	4,405,807	4,405,807		.808
CASH ACCOUNT	1			299,900	299,900	299,900		.055
	81	1.0019	1.34036	544,913,230	545,683,287	545,029,178	-654,109	100.000

**STATE OF NEW MEXICO**  
**TREASURERS OFFICE**  
**Position holdings as of 12/31/16 (TRADE)**  
**BOOK VALUES AMORTIZED THROUGH 12/31/16**

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
299,900	(TD)-CASH KEY	CASHCASH				1.00000	299,900.41	299,900.00	-.41
4,405,807	UNITS - INVESTMENT POOL 1	UNITS001				1.00000	4,405,807.26	4,405,807.00	-.26
<b>4,705,707</b>							<b>4,705,707.67</b>	<b>4,705,707.00</b>	<b>-.67</b>

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

6,472,523	OVERNIGHT REPO	0103RP	.350	1/03/17	.350	1.00000	6,472,523.20	6,472,523.20	
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	100.01408	15,002,112.72	15,006,000.00	3,887.28
5,000,000	UNITED STATES TREASURY NOTES	912828SJ	.875	2/28/17	.788	100.01352	5,000,675.82	5,003,350.00	2,674.18
30,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EADC	1.000	3/08/17	.653	100.06404	30,019,211.49	30,024,000.00	4,788.51
5,000,000	TOYOTA MOTOR CREDIT CORP	89233GQD		3/13/17	1.056	99.47208	4,973,604.15	4,973,604.15	
10,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	31359M7X	5.000	5/11/17	.743	101.53125	10,153,125.12	10,152,600.00	- 525.12
1,000,000	RIO RANCHO N MEX WTR & WASTEWTR	767175GG	3.000	5/15/17	.600	100.89038	1,008,903.82	1,007,730.00	- 1,173.82
25,000,000	UNITED STATES TREASURY NOTES	912828SY	.625	5/31/17	.916	99.88015	24,970,038.45	25,002,000.00	31,961.55
675,000	CLOVIS N MEX GROSS RCPTS TAX REV	189387DL	2.000	6/01/17	.800	100.49769	678,359.38	678,186.00	- 173.38
260,000	SANTA FE N MEX GROSS RCPTS TAXRE	802072RH	4.000	6/01/17	.725	101.35942	263,534.48	263,307.20	- 227.28
100,000	NEW MEXICO FIN AUTH REV	64711NL9	3.000	6/01/17	.981	100.83703	100,837.03	100,823.00	- 14.03
15,000,000	FEDERAL HOME LOAN BANKS	313379FW	1.000	6/09/17	.825	100.07622	15,011,433.20	15,020,250.00	8,816.80
10,000,000	NCUA GUARN NTS TR 2011-M1	62889KAC	2.350	6/12/17	.820	100.68142	10,068,142.22	10,079,700.00	11,557.78
5,000,000	USBKMN	9033E0T3		6/27/17	1.005	99.50000	4,975,000.00	4,975,000.00	
5,000,000	UNITED STATES TREASURY NOTES	912828TB	.750	6/30/17	1.006	99.87309	4,993,654.42	5,002,550.00	8,895.58
1,100,000	WESTERN BANK ALAMOGORDO	81186499	.750	6/30/17	.750	1.00000	1,100,000.00	1,100,000.00	
2,500,000	METROPOLITAN TRANSN AUTH N Y SPL	59261EAC	1.069	7/01/17	.701	100.18340	2,504,584.93	2,500,050.00	- 4,534.93
400,000	NEW MEXICO ST SEVERANCE TAX	647310J8	5.000	7/01/17	.851	102.06555	408,262.18	407,980.00	- 282.18
2,000,000	NEW MEXICO ST SEVERANCE TAX	647310R6	5.000	7/01/17	.741	102.12144	2,042,428.75	2,039,900.00	- 2,528.75
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	99.76507	4,988,253.41	4,994,900.00	6,646.59
270,000	JEMEZ VY N MEX PUB SCH DIST N003	475868EL	2.000	8/01/17	.750	100.72594	271,960.03	271,306.80	- 653.23
275,000	CITY OF BELEN N MEX GO BDS	077563DS	2.000	8/01/17	.820	100.68481	276,883.22	276,485.00	- 398.22
160,000	BeLen Consolidated Schools	077581QC	2.000	8/01/17	.801	100.69617	161,113.87	160,638.40	- 475.47
5,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135GOMZ	.875	8/28/17	1.020	99.90465	4,995,232.38	5,003,450.00	8,217.62
11,000,000	UNITED STATES TREASURY NOTES	912828TM	.625	8/31/17	.975	99.77010	10,974,711.31	10,991,420.00	16,708.69
500,000	FEDERAL HOME LOAN BANKS	313380EC	.750	9/08/17	.760	99.99320	499,966.02	499,755.00	- 211.02
5,000,000	FEDERAL HOME LOAN BANKS	313381B2	.750	12/08/17	.790	99.96254	4,998,127.24	4,989,800.00	- 8,327.24
2,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3136G1FU	1.000	12/19/17	.905	100.09100	2,001,819.98	2,001,440.00	- 379.98
20,000,000	UNITED STATES TREASURY NOTES	912828PN	2.750	12/31/17	1.124	101.60786	20,321,572.18	20,360,200.00	38,627.82
<b>195,212,523</b>							<b>195,736,071.00</b>	<b>195,858,948.75</b>	<b>122,877.75</b>

**STATE OF NEW MEXICO**  
**TREASURERS OFFICE**  
**Position holdings as of 12/31/16 (TRADE)**  
**BOOK VALUES AMORTIZED THROUGH 12/31/16**

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
====> 0032 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ====> 2017 <====									
25,000,000	FEDERAL HOME LOAN BANK	3130A8Q6	.626	1/08/18	.833	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	99.93487	4,996,743.27	4,978,750.00	- 17,993.27
3,000,000	U.S. BANK NATIONAL ASSOCIATION	90331HMV	1.467	1/29/18	1.076	100.38555	3,011,566.38	3,009,750.00	- 1,816.38
20,000,000	UNITED STATES TREASURY NOTES	912828UJ	.875	1/31/18	1.205	99.64669	19,929,338.73	19,985,200.00	55,861.27
15,000,000	UNITED STATES TREASURY NOTES	912828UR	.750	2/28/18	1.213	99.46761	14,920,140.81	14,964,900.00	44,759.19
7,500,000	UNITED STATES TREASURY NOTES	912828J6	1.000	3/15/18	1.006	99.99262	7,499,446.35	7,503,525.00	4,078.65
12,500,000	FEDERAL HOME LOAN BANKS	3130A7CX	.875	3/19/18	.822	100.06331	12,507,913.17	12,479,875.00	- 28,038.17
10,000,000	FNMA	3135G0J6	.875	3/28/18	.973	99.87910	9,987,909.66	9,979,900.00	- 8,009.66
10,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0WJ	.875	5/21/18	1.160	99.60872	9,960,871.91	9,972,000.00	11,128.09
5,000,000	UNITED STATES TREASURY NOTES	912828VE	1.000	5/31/18	.719	100.39400	5,019,699.75	4,998,050.00	- 21,649.75
3,455,000	NEW MEXICO FIN AUTH REV	64711NM2	4.000	6/01/18	1.270	103.81938	3,586,959.57	3,589,364.95	2,405.38
5,000,000	FEDERAL HOME LOAN BANKS	313379DT	1.250	6/08/18	.840	100.58361	5,029,180.63	5,011,400.00	- 17,780.63
500,000	FEDERAL FARM CREDIT BANKS	3133EEZ2	1.160	6/18/18	.912	100.35912	501,795.61	499,320.00	- 2,475.61
7,750,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134G32U	.875	6/26/18	.874	100.00158	7,750,122.34	7,708,692.50	- 41,429.84
1,950,000	NEW MEXICO ST SEVERANCE TAX	647310X8	2.000	7/01/18	1.100	101.33461	1,976,024.84	1,964,781.00	- 11,243.84
290,000	ALBUQUERQUE N MEX ARPT REV	013538HB	5.110	7/01/18	1.535	105.28101	305,314.92	301,716.00	- 3,598.92
5,000,000	FEDERAL HOME LOAN BANKS	3130A8KR	.820	7/06/18	.884	99.90371	4,995,185.66	4,968,450.00	- 26,735.66
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	101.49185	279,102.58	277,662.00	- 1,440.58
15,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0E3	1.125	7/20/18	1.205	99.87722	14,981,582.65	15,000,300.00	18,717.35
7,500,000	FEDERAL HOME LOAN BANKS	3130A8U5	.830	7/25/18	.864	99.94653	7,495,989.87	7,451,400.00	- 44,589.87
3,800,000	FNMA	3136G3YU	.850	7/26/18	.850	100.00000	3,800,000.00	3,770,816.00	- 29,184.00
285,000	CITY OF BELEN N MEX GO BDS	077563DT	2.000	8/01/18	.950	101.64541	289,689.43	288,058.05	- 1,631.38
25,000,000	FEDERAL HOME LOAN BANKS	313375K4	2.000	9/14/18	.989	101.70191	25,425,477.95	25,340,250.00	- 85,227.95
5,000,000	FEDERAL FARM CREDIT BANKS	3133EGUY	.875	9/20/18	.931	99.90394	4,995,197.13	4,967,850.00	- 27,347.13
5,000,000	UNITED STATES TREASURY NOTES	912828T4	.750	9/30/18	1.086	99.42012	4,971,005.80	4,966,200.00	- 4,805.80
5,000,000	FEDERAL HOME LOAN BANKS	3130A9AE	.875	10/01/18	.908	99.94292	4,997,146.16	4,972,500.00	- 24,646.16
10,000,000	FEDERAL FARM CREDIT BANKS	3133EFX6	.960	10/05/18	.846	100.19841	10,019,840.54	9,962,300.00	- 57,540.54
5,000,000	FREDDIE MAC	3137EAED	.875	10/12/18	.896	99.96276	4,998,138.22	4,972,850.00	- 25,288.22
3,000,000	TENNESSEE VALLEY AUTHORITY	880591EQ	1.750	10/15/18	1.334	100.73177	3,021,953.19	3,025,740.00	3,786.81
15,000,000	UNITED STATES TREASURY NOTES	912828WD	1.250	10/31/18	.944	100.55264	15,082,896.70	15,024,000.00	- 58,896.70
5,000,000	FEDERAL HOME LOAN BANKS	313376BR	1.750	12/14/18	1.208	101.04249	5,052,124.44	5,052,350.00	225.56
<b>244,405,000</b>							<b>244,988,358.26</b>	<b>244,642,450.50</b>	<b>- 345,907.76</b>

====> 0032 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ====> 2018 <====

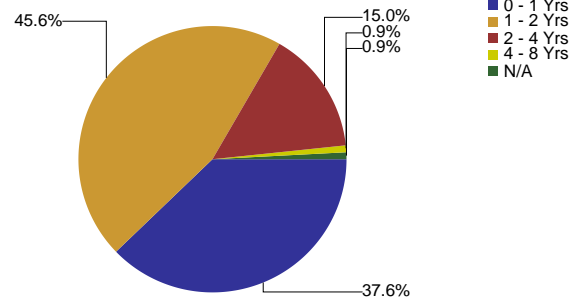
**STATE OF NEW MEXICO**  
**TREASURERS OFFICE**  
**Position holdings as of 12/31/16 (TRADE)**  
**BOOK VALUES AMORTIZED THROUGH 12/31/16**

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	100.09649	2,001,929.88	1,999,360.00	- 2,569.88
5,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3136G3D2	.750	7/26/19	.750	100.00000	5,000,000.00	4,958,650.00	- 41,350.00
315,000	BELEN N MEX CONS SCH DIST NO 2	077581QE	2.000	8/01/19	1.050	102.41394	322,603.92	317,227.05	- 5,376.87
535,000	BELEN N MEX CONS SCH DIST NO 2	077581QT	2.000	8/01/19	1.050	102.41394	547,914.60	538,782.45	- 9,132.15
7,500,000	FEDERAL HOME LOAN BANK	3130A8Y7	.875	8/05/19	.940	99.83365	7,487,523.45	7,393,875.00	- 93,648.45
20,000,000	FANNIE MAE	3135G0ZG	1.750	9/12/19	1.658	100.24139	20,048,278.03	20,190,000.00	141,721.97
2,000,000	FEDERAL HOME LOAN BANKS	3130A4G8	1.650	9/24/19	.650	100.22947	2,004,589.43	2,003,040.00	- 1,549.43
15,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	313586RC		10/09/19	1.362	96.39049	14,458,572.94	14,224,500.00	- 234,072.94
5,000,000	FANNIE MAE	3135G0R3	1.000	10/24/19	1.091	99.74785	4,987,392.34	4,930,900.00	- 56,492.34
20,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0ZY	1.750	11/26/19	1.727	100.06541	20,013,082.15	20,153,000.00	139,917.85
5,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3136G3TF	1.200	12/30/19	1.200	100.00000	5,000,000.00	4,922,350.00	- 77,650.00
<b>82,350,000</b>							<b>81,871,886.74</b>	<b>81,631,684.50</b>	<b>- 240,202.24</b>
====> 0011 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ==== 2019 <====									
5,200,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3136FTB7	2.000	2/07/20	.984	103.09322	5,360,847.29	5,243,940.00	- 116,907.29
<b>5,200,000</b>							<b>5,360,847.29</b>	<b>5,243,940.00</b>	<b>- 116,907.29</b>
====> 0001 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ==== 2020 <====									
3,665,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134G9D8	.750	6/30/21	.749	100.00000	3,665,000.00	3,603,647.90	- 61,352.10
5,000,000	FEDERAL HOME LOAN BANKS	3130AABG	1.875	11/29/21	1.959	99.60816	4,980,407.99	4,967,800.00	- 12,607.99
<b>8,665,000</b>							<b>8,645,407.99</b>	<b>8,571,447.90</b>	<b>- 73,960.09</b>
====> 0002 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ==== 2021 <====									
4,375,000	UNIVERSITY N MEX UNIV REVS	914692XL	.820	6/01/30	.740	100.00000	4,375,000.00	4,375,000.00	
<b>4,375,000</b>							<b>4,375,000.00</b>	<b>4,375,000.00</b>	
====> 0001 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ==== 2030 <====									
<b>544,913,230</b>							<b>545,683,278.95</b>	<b>545,029,178.65</b>	<b>- 654,100.30</b>

Portfolio Characteristics

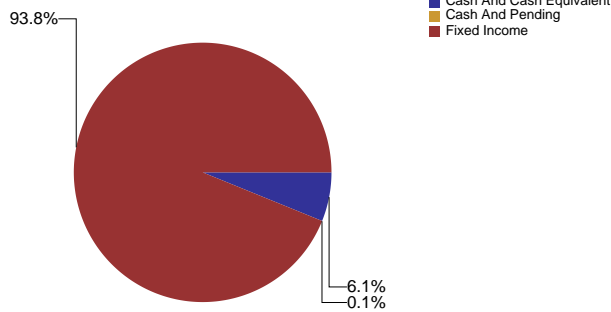
Duration Mix

Total Net Assets (Millions) **546.4**  
 Weighted Average Life (Years) **1.32**  
 Weighted Avg. Effective Duration (Years) **1.26**  
 Weighted Average Coupon (%) **1.22**  
 Weighted Average Current Yield (%) **0.98**  
 Weighted Average Yield to Maturity (%) **0.99**  
 Weighted Average Rating **AA**  
 Number of Holdings **81**



Asset Mix

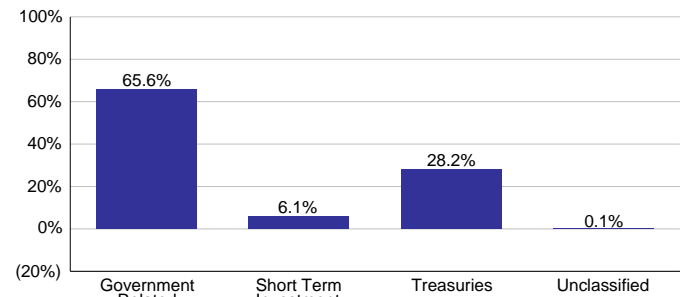
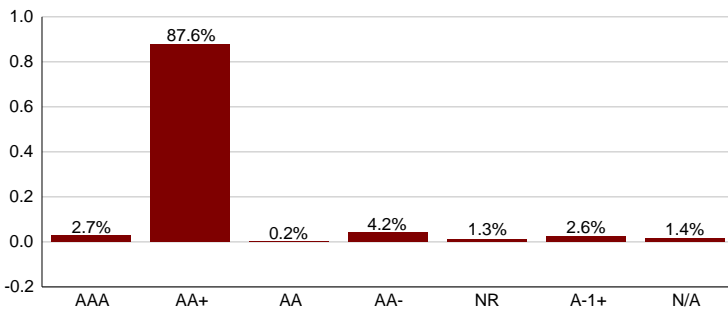
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
3137EADC0	FEDERAL HOME LOAN MORTGAGE CORP 1% BDS 08/MAR/2017	5.51%	1.00	8/3/2017
313375K48	FHLB 2.000 '18 USD	4.67%	2.00	14/9/2018
3130A8Q63	FEDERAL HOME LOAN BANKS BOND VARIABLE 08/JAN/2018	4.60%	0.84	8/1/2018
912828SY7	UNITED STATES OF AMERICA 0.625% 2017-05-31	4.58%	0.62	31/5/2017
912828PN4	UNITED STATES OF AMERICA 2.750% 2017-12-31	3.73%	2.75	31/12/2017
3135G0ZG1	FNMA 1.750 '19 USD	3.72%	1.75	12/9/2019
3135G0ZY2	FEDERAL NATIONAL MORTGAGE ASSOCIATION NOTES FIXED	3.70%	1.75	26/11/2019
912828UJ7	UNITED STATES OF AMERICA 0.875% 2018-01-31	3.67%	0.88	31/1/2018
3135G0E33	FEDERAL NATIONAL MORTGAGE ASSOCIATION NOTES FIXED	2.76%	1.12	20/7/2018
912828SC5	UNITED STATES OF AMERICA 0.875% 2017-01-31	2.76%	0.88	31/1/2017

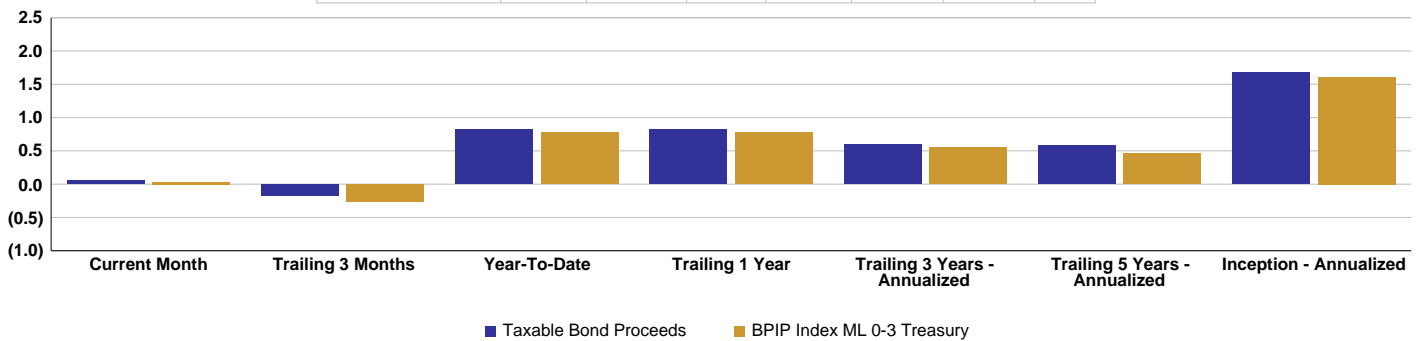
Quality/Rating Weightings

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
Taxable Bond Proceeds	0.06	(0.17)	0.82	0.82	0.60	0.58	1.67
BPIP Index ML 0-3 Treasury	0.03	(0.27)	0.78	0.78	0.55	0.46	1.61
Excess	0.02	0.09	0.04	0.04	0.05	0.12	0.06





## 14. Portfolio Summary- Severance Tax Bonding Fund

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

### *Summary*

- The Severance Tax Bonding Fund closed the month of December at \$132 mil.
- The Severance Tax Bonding Fund net earnings were \$49,833 for December.

### *Portfolio Mix*

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

### *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 \$25MM in January from Severance Taxes.

**STATE OF NEW MEXICO**  
**STB FUND (4001)**  
Portfolio Classification Summary  
Positions Held as of 12/31/16 (TRADE Basis)

AMTZ ADDED: NO

ASSET CLASSIFICATION	ITEMS	YIELD	AVG-TERM	PRINCIPAL	COST-BASIS	MARKET-VALUE	GAIN/LOSS	%MARKET
REPURCHASE AGREEMENTS (O/N)	1	.3549	.00820	10,096,723	10,096,723	10,096,723		7.637
COMMERCIAL PAPER-DISCOUNT BASED	5	.6085	.14908	34,400,000	34,350,031	34,358,181	8,150	25.988
US TREASURY VAR NOTE ACT/360 4X	1	.4621	.08490	10,000,000	10,001,173	10,000,900	-273	7.565
AGENCY US FLOAT ACT/360 12X	1	.5254	.06300	3,000,000	3,000,520	3,000,450	-70	2.269
AGENCY US BOND 30/360 2X	2	.4846	.04360	16,520,000	16,543,755	16,541,635	-2,120	12.512
AGENCY US DISC ACT/360 360 DAY	5	.4752	.03423	22,678,000	22,674,641	22,675,632	991	17.152
AGENCY US VAR ACT/ACT 4X	1	.6239	.08220	2,500,000	2,500,157	2,500,100	-57	1.891
MUNICIPAL BOND REVENUE	1	1.0055	.58360	1,000,000	1,005,570	1,005,410	-160	.760
MUNICIPAL BOND REVENUE ACT/ACT	2	.7400	10.52751	4,500,000	4,500,000	4,500,000		3.404
UNITS - INVESTMENT POOL 1	1			157,992	157,992	157,992		.120
CASH ACCOUNT	3			27,370,757	27,370,757	27,370,757		20.703
	23	.4189	.53402	132,223,472	132,201,319	132,207,780	6,461	100.000



**STATE OF NEW MEXICO**  
**TREASURERS OFFICE**  
**Position holdings as of 12/31/16 (TRADE)**  
**BOOK VALUES AMORTIZED THROUGH 12/31/16**

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
30,009,036	BBVA COMPASS BANK DEPOSIT	COMPASBA	.400			1.00000	30,009,035.52	30,009,036.00	.48
- 2,705,161	(TD)-CASH KEY	CASHCASH				1.00000	- 2,705,160.58	- 2,705,161.00	-.42
157,992	UNITS - INVESTMENT POOL 1	UNITS001				1.00000	157,992.08	157,992.00	-.08
66,882	FNB MONEY MARKET DEMAND ACCOUNT	FNBCASH				1.00000	66,881.92	66,882.00	.08
<b>27,528,749</b>							<b>27,528,748.94</b>	<b>27,528,749.00</b>	<b>.06</b>

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

10,096,723	OVERNIGHT REPO	0103RP	.350	1/03/17	.350	1.00000	10,096,722.95	10,096,722.95	
3,000,000	EXXON MOBIL CORP	30229AN4		1/04/17	.520	99.93644	2,998,093.33	2,998,093.33	
1,500,000	EXXON MOBIL CORP	30229AN5		1/05/17	.480	99.96267	1,499,440.00	1,499,440.00	
11,300,000	FEDERAL HOME LOAN BANKS	313385AF		1/06/17	.472	99.99344	11,299,259.03	11,299,661.00	401.97
4,500,000	FEDERAL FARM CREDIT BANKS	3133EEHY	.700	1/13/17	.473	100.00752	4,500,338.36	4,500,360.00	21.64
12,020,000	FEDERAL FARM CREDIT BANKS	31331XLG	4.875	1/17/17	.480	100.19482	12,043,417.75	12,041,275.40	- 2,142.35
6,580,000	FEDERAL HOME LOAN BANKS	313385AS		1/17/17	.450	99.98000	6,578,684.00	6,579,013.00	329.00
2,098,000	FEDERAL NATIONAL MORTGAGE ASSOCI	313589AT		1/18/17	.450	99.97875	2,097,554.18	2,097,664.32	110.14
1,700,000	FEDL HOME LOAN BK CONS DISC	313385AV		1/20/17	.510	99.97592	1,699,590.58	1,699,694.00	103.42
3,000,000	FEDERAL HOME LOAN BANKS	3130A75S	.840	1/23/17	.518	100.01732	3,000,519.56	3,000,450.00	- 69.56
1,000,000	TOYOTA MOTOR CREDIT CORP - CP	89233GNQ		1/24/17	.751	99.80833	998,083.33	998,083.33	
2,500,000	FEDERAL FARM CREDIT BANKS	3133EDRD	.704	1/30/17	.624	100.00625	2,500,156.27	2,500,100.00	- 56.27
10,000,000	UNITED STATES TREASURY NOTES	912828H6	.640	1/31/17	.456	100.01175	10,001,174.86	10,000,900.00	- 274.86
1,000,000	FEDERAL AGRICULTURAL MORTGAGE CO	31315LBH		2/01/17	.520	99.95522	999,552.22	999,600.00	47.78
25,000,000	U.S. TREASURY SECURITY STRIPPED	912833KL		2/15/17	.521	99.90740	24,976,850.00	24,985,000.00	8,150.00
3,900,000	Toyota Motor Credit Co	89233GTP		6/23/17	1.177	99.42475	3,877,565.25	3,877,565.25	
1,000,000	ALBUQUERQUE N MEX MUN SCH DISTNO	013595UK	2.000	8/01/17	.992	100.55700	1,005,570.00	1,005,410.00	- 160.00
<b>100,194,723</b>							<b>100,172,571.67</b>	<b>100,179,032.58</b>	<b>6,460.91</b>

====> 0017 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ====> 2017 <====

3,250,000	UNIVERSITY N MEX UNIV REVS	914692WL	.540	6/01/26	.740	100.00000	3,250,000.00	3,250,000.00	
<b>3,250,000</b>							<b>3,250,000.00</b>	<b>3,250,000.00</b>	

====> 0001 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ====> 2026 <====

**STATE OF NEW MEXICO**  
**TREASURERS OFFICE**  
**Position holdings as of 12/31/16 (TRADE)**  
**BOOK VALUES AMORTIZED THROUGH 12/31/16**

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
1,250,000	UNIVERSITY N MEX UNIV REVS	914692XL	.820	6/01/30	.740	100.00000	1,250,000.00	1,250,000.00	
<u>1,250,000</u>							<u>1,250,000.00</u>	<u>1,250,000.00</u>	

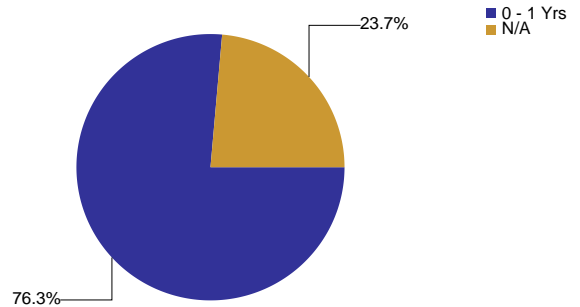
====> 0001 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2030 <====

<u>132,223,472</u>							<u>132,201,320.61</u>	<u>132,207,781.58</u>	<u>6,460.97</u>
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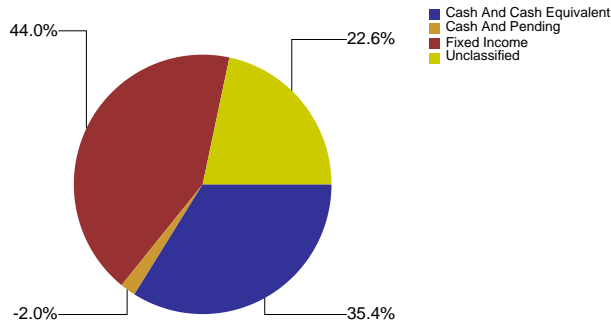
====> 0023 ITEMS IN SUBTOTAL FOR ====> FUND NAME..... ====> STB FUND <====

Portfolio Characteristics Duration Mix

**Total Net Assets (Millions)** 132.5  
**Weighted Average Life (Years)** 0.05  
**Weighted Avg. Effective Duration (Years)** 0.04  
**Weighted Average Coupon (%)** 0.62  
**Weighted Average Current Yield (%)** 0.39  
**Weighted Average Yield to Maturity (%)** 0.39  
**Weighted Average Rating** BBB-  
**Number of Holdings** 23

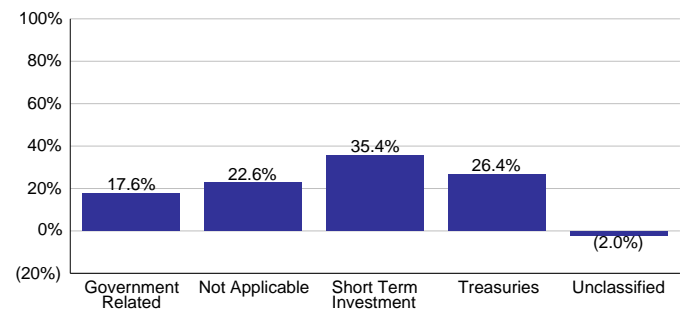
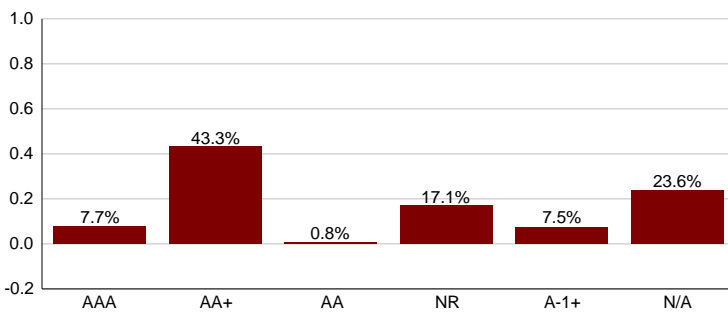


Asset Mix Top Ten Portfolio Holdings



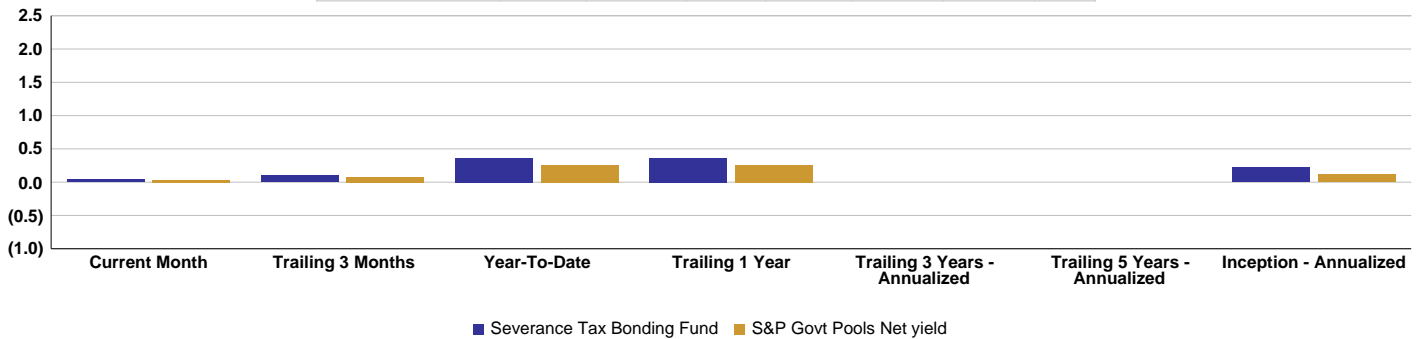
Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
912833KL3	U S TREAS SEC STRIPPED INT PMT TINT 15/FEB/2017	23.75%	0.00	15/2/2017
313385AF3	FEDL HOME LOAN BK CONS DISC NT MATURES 06/JAN/2009	10.74%	0.00	6/1/2017
99G'50036	REPO MUFG SECURITIES AMERICA INC. 123016A	9.60%	0.35	3/1/2017
912828H60	UNITED STATES OF AMERICA NOTES VARIABLE	9.52%	0.64	31/1/2017
313385AS5	FEDERAL HOME LOAN BANKS DISCOUNT NOTES ZERO CPN	6.25%	0.00	17/1/2017
3133EEHY9	FEDERAL FARM CREDIT BANK BOND FIXED .7%	4.29%	0.70	13/1/2017
89233GTP1	TOYOTA MOTOR CREDIT CORPORATE COMMERCIAL PAPER	3.69%		
914692WL8	UNIVERSITY N MEX UNIV REVS SYS IMPT - RMKT	3.09%	0.74	1/6/2026
3130A75S0	FEDERAL HOME LOAN BANKS BOND VARIABLE 23/JAN/2017	2.85%	0.84	23/1/2017
31331XLG5	FEDERAL FARM CREDIT BANKS 4.875% BDS 17/JAN/2017	11.70%	4.88	17/1/2017

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
Severance Tax Bonding Fund	0.04	0.10	0.37	0.37			0.22
S&P Govt Pools Net yield	0.03	0.08	0.26	0.26			0.11
Excess	0.01	0.02	0.11	0.11	0.00	0.00	0.11





## 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	
												Total	Percent
Academy Securities				5,000	11,900							16,900	0.7%
Barclays		44,835	11,000	53,000	60,000	48,500						217,335	9.2%
BB and T (Scott & Stringfellow)	38,695		6,000	7,665	7,000							59,360	2.5%
BMO Capital Markets		10,000	45,474	9,000		6,300						70,774	3.0%
BNP Paribas												-	0.0%
BOSC, Inc	14,000	10,350	7,245	35,020	9,549	2,000						78,164	3.3%
Cantor, Fitzgerald				5,961								5,961	0.3%
CastleOak Securities LP	25,000	5,000	28,750		19,800							78,550	3.3%
Citigroup		10,000										10,000	0.4%
Daiwa Capital Markets America					15,000	11,300						26,300	1.1%
Deutsche Bank	5,000	45,000	30,000	25,000	8,500							113,500	4.8%
Drexel Hamilton LLC												-	0.0%
First Southwest												-	0.0%
FTN Financial		6,100	15,000			15,000						36,100	1.5%
George K Baum & Co												-	0.0%
Guggenheim Securities LLC	25,000	25,000		11,000	25,000	54,178						140,178	6.0%
HSBC			6,000	20,000		10,000						36,000	1.5%
Intl FCStone	44,905	46,515	30,700	41,409	19,068	19,019						201,616	8.6%
Jefferies	15,000	90,000	35,000	4,000	115,000	109,700						368,700	15.7%
JP Morgan & Co												-	0.0%
KeyBanc Capital Markets	11,974	10,000										21,974	0.9%
Loop Capital Markets				50,000								50,000	2.1%
MBS (Multi-Bank Securities)												-	0.0%
MFR Securities												-	0.0%
Mizuho Securities USA		17,000		45,000	10,755	11,000						83,755	3.6%
Morgan Stanley				23,817	13,000	3,555						40,372	1.7%
Mutual Securities nInc.												-	0.0%
Raymond, James & Associates												-	0.0%
RBS Securities				10,000	1,950	37,020						48,970	2.1%
Robert W. Baird & Co.	7,325	1,140	625			8,900						17,990	0.8%
Samuel A Ramirez & Co.	8,665											8,665	0.4%
Societe General Americas												-	0.0%
Southwest Securities/Hilltop			14,000	5,260								19,260	0.8%
Stifel Nicklaus & Co	5,000	5,000										10,000	0.4%
TD Securities	30,000	7,685		85,000	79,325	25,500						227,510	9.7%
UBS Financial Services		10,000	25,000		22,000	5,000						62,000	2.6%
Vining Sparks												-	0.0%
Wedbush Securities												-	0.0%
Wells Fargo Securities	20,000	35,270	14,000	30,000	60,450	32,690						192,410	8.2%
Direct Purchase	21,600	6,000	16,307	11,000	4,250	29,065						88,222	3.8%
Interfund				20,000								20,000	0.9%
<b>Total</b>	<b>272,164</b>	<b>390,856</b>	<b>285,101</b>	<b>491,171</b>	<b>482,547</b>	<b>428,727</b>	-	-	-	-	-	<b>2,350,566</b>	<b>100.0%</b>
<b>Market type:</b>													
-	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	11,000	12,250	31,955						177,837	7.6%
Secondary Market	243,439	338,881	243,169	480,171	470,297	396,772						2,172,729	92.4%
<b>Total</b>	<b>272,164</b>	<b>390,856</b>	<b>285,101</b>	<b>491,171</b>	<b>482,547</b>	<b>428,727</b>	-	-	-	-	-	<b>2,350,566</b>	<b>100.0%</b>
<b>Security type:</b>													
- 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												-	0.0%
Agencies	248,439	338,881	222,924	328,911	414,802	287,207						1,841,164	78.3%
Certificates of Deposit/Bank MMDA	6,600					1,100						7,700	0.3%
Commercial Paper	15,000	14,835	16,307	1,000	4,000	18,400						69,542	3.0%
Corporate Bonds					10,000							10,000	0.4%
MBS												-	0.0%
Municipal/Sponge	2,125	7,140	9,870	16,260	3,745	22,020						61,160	2.6%
Treasuries		30,000	36,000	145,000	50,000	100,000						361,000	15.4%
<b>Total</b>	<b>272,164</b>	<b>390,856</b>	<b>285,101</b>	<b>491,171</b>	<b>482,547</b>	<b>428,727</b>	-	-	-	-	-	<b>2,350,566</b>	<b>100.0%</b>

**STATE OF NEW MEXICO**  
**Summary of Fixed-Income Purchases and Sales**  
**TRADES During The Period 12/01/16 Through 12/31/16**

TXN-DATE	CUSIP#	ASSET-TYPE	INVT#	ISSUE-NAME	RATE	MATURITY	YIELD	BRKR/DLR/AGENT	FUND	PAR-VALUE	COST/PROCEEDS	GAIN/LOSS	NXT-CALL
<b>PURCHASE TRANSACTIONS</b>													
12/07/16	30229AN5	COMMERCIAL PAPE	26946	EXXON MOBIL CORP		1/05/17	.4802	ISSUER DIRECT	4001	1,500,000.00	1,499,440.00		
12/07/16	36164JMT	COMMERCIAL PAPE	26468	GE CAPITAL US HOLDINGS		12/27/16	.4501	ISSUER DIRECT	4001	1,000,000.00	999,762.50		
12/07/16	912833KL	COMMERCIAL PAPE	26947	U.S. TREASURY SECURITY		2/15/17	.5066	BARCLAYS	4001	15,000,000.00	14,985,450.00		
12/16/16	89233GNB	COMMERCIAL PAPE	27001	TOYOTA MOTOR CREDIT COR		1/11/17	.6002	BROKER DIRECT	1001	7,000,000.00	6,997,316.67		
12/19/16	912833KL	COMMERCIAL PAPE	26947	U.S. TREASURY SECURITY		2/15/17	.5436	BARCLAYS	4001	10,000,000.00	9,991,400.00		
12/27/16	89233GTP	COMMERCIAL PAPE	27037	Toyota Motor Credit Co		6/23/17	1.1768	ISSUER DIRECT	4001	3,900,000.00	3,877,565.25		
12/28/16	9033E0T3	COMMERCIAL PAPE	27050	USBKMN		6/27/17	1.0050	ISSUER DIRECT	4002	5,000,000.00	4,975,000.00		
12/30/16	81186499	CERTIFICATES OF	27053	WESTERN BANK ALAMOGORDO	.750	6/30/17	.7500	SYSTEM - UNIDEN	4002	1,100,000.00	1,100,000.00		
12/07/16	912796HV	U.S. TREASURY B	26950	UNITED STATES TREASURY		1/05/17	.3601	JEFFRIES & CO	4101	15,000,000.00	14,995,950.00		
12/07/16	912796KA	U.S. TREASURY B	26939	UNITED STATES TREASURY		12/29/16	.3251	GUGGENHEIM SECU	4101	15,000,000.00	14,997,020.83		
12/19/16	912796KA	U.S. TREASURY B	26939	UNITED STATES TREASURY		12/29/16	.4551	GUGGENHEIM SECU	4101	20,000,000.00	19,997,725.00		
12/07/16	912828T4	US TREASURY NOT	26948	UNITED STATES TREASURY	.750	9/30/18	1.0863	BARCLAYS	4000	10,000,000.00	9,939,843.75		
12/07/16	912828T4	US TREASURY NOT	26949	UNITED STATES TREASURY	.750	9/30/18	1.0863	BARCLAYS	4002	5,000,000.00	4,969,921.88		
12/29/16	912828H6	US TREASURY VAR	27064	UNITED STATES TREASURY	.640	1/31/17	.4558	HSBC	4001	10,000,000.00	10,001,275.33		
12/28/16	3130A75S	AGENCY US FLOAT	27044	FEDERAL HOME LOAN BANKS	.840	1/23/17	.5182	JEFFRIES & CO	4001	3,000,000.00	3,000,600.00		
12/05/16	3133EEHY	AGENCY US BOND	26918	FEDERAL FARM CREDIT BAN	.700	1/13/17	.4728	TD SECURITIES	4001	4,500,000.00	4,501,044.00		
12/07/16	3133EFJK	AGENCY US BOND	26951	FEDERAL FARM CREDIT BAN	.430	1/13/17	.4114	JEFFRIES & CO	4101	15,000,000.00	15,000,260.40		
12/08/16	313376BR	AGENCY US BOND	26958	FEDERAL HOME LOAN BANKS	1.750	12/14/18	1.2081	WELLS FARGO SEC	4002	5,000,000.00	5,053,750.00		
12/16/16	880591EQ	AGENCY US BOND	27002	TENNESSEE VALLEY AUTHOR	1.750	10/15/18	1.3343	INTL FCSTONE PA	4002	3,000,000.00	3,022,380.00		
12/28/16	313372C3	AGENCY US BOND	27052	FEDERAL HOME LOAN BANKS	3.125	12/08/17	.9504	BOSC, INC	4101	2,000,000.00	2,040,676.08		
12/29/16	31331XLG	AGENCY US BOND	27060	FEDERAL FARM CREDIT BAN	4.875	1/17/17	.4799	RBS	4001	12,020,000.00	12,044,881.40		
12/02/16	313385AN	AGENCY US DISC	26908	FEDERAL HOME LOAN BANKS		1/13/17	.4002	GUGGENHEIM SECU	4101	10,500,000.00	10,495,450.00		
12/02/16	313385AV	AGENCY US DISC	26899	FEDL HOME LOAN BK CONS		1/20/17	.4002	FTN FINANCIAL S	4101	15,000,000.00	14,991,833.33		
12/05/16	313313AF	AGENCY US DISC	26910	FEDERAL FARM CREDIT BAN		1/06/17	.3401	UBS	4101	5,000,000.00	4,998,488.89		
12/05/16	313385AN	AGENCY US DISC	26920	FEDERAL HOME LOAN BANKS		1/13/17	.4002	JEFFRIES & CO	4101	25,000,000.00	24,989,444.44		
12/06/16	880592T9	AGENCY US DISC	26936	TENNESSEE VALLEY AUTHOR		12/20/16	.3000	JEFFRIES & CO	4101	50,000,000.00	49,994,583.33		
12/15/16	880592T9	AGENCY US DISC	26936	TENNESSEE VALLEY AUTHOR		12/20/16	.4500	WELLS FARGO SEC	4101	25,000,000.00	24,998,437.50		
12/21/16	313385AF	AGENCY US DISC	27020	FEDERAL HOME LOAN BANKS		1/06/17	.5001	DAIWA CAPITAL M	4001	5,000,000.00	4,998,958.33		
12/29/16	31315LBH	AGENCY US DISC	27062	FEDERAL AGRICULTURAL MO		2/01/17	.5203	BMO CAPTIAL MAR	4001	1,000,000.00	999,523.33		
12/29/16	313385AF	AGENCY US DISC	27020	FEDERAL HOME LOAN BANKS		1/06/17	.4500	DAIWA CAPITAL M	4001	6,300,000.00	6,299,448.75		
12/29/16	313385AS	AGENCY US DISC	27061	FEDERAL HOME LOAN BANKS		1/17/17	.4501	GUGGENHEIM SECU	4001	6,580,000.00	6,578,519.50		
12/29/16	313589AT	AGENCY US DISC	27063	FEDERAL NATIONAL MORTGA		1/18/17	.4501	GUGGENHEIM SECU	4001	2,098,000.00	2,097,501.73		
12/30/16	313385AV	AGENCY US DISC	27066	FEDL HOME LOAN BK CONS		1/20/17	.5101	JEFFRIES & CO	4001	1,700,000.00	1,699,590.58		
12/05/16	3135G0ZB	AGENCY US NOTES	26919	FEDERAL NATIONAL MORTGA	.750	4/20/17	.5541	WELLS FARGO SEC	4101	2,690,000.00	2,691,952.12		
12/07/16	3135G0GY	AGENCY US NOTES	26938	FEDERAL NATIONAL MORTGA	1.250	1/30/17	.4636	BARCLAYS	4101	6,000,000.00	6,006,924.00		
12/15/16	3134G3A9	AGENCY US NOTES	26994	FEDERAL HOME LOAN MORTG	1.400	8/22/19	1.5872	INTL FCSTONE PA	4000	5,000,000.00	4,975,500.00		
12/29/16	31359M4D	AGENCY US NOTES	26861	FEDERAL NATIONAL MORTGA	5.000	2/13/17	.5360	RBS	4101	25,000,000.00	25,136,000.00		
12/28/16	3133EERF	AGENCY US VARIA	25160	FEDERAL FARM CREDIT BAN	.495	4/27/17	.6433	INTL FCSTONE PA	4101	1,900,000.00	1,900,378.10		

**STATE OF NEW MEXICO**  
**Summary of Fixed-Income Purchases and Sales**  
**TRADES During The Period 12/01/16 Through 12/31/16**

TXN-DATE	CUSIP#	ASSET-TYPE	INVT#	ISSUE-NAME	RATE	MATURITY	YIELD	BRKR/DLR/AGENT	FUND	PAR-VALUE	COST/PROCEEDS	GAIN/LOSS	NXT-CALL
12/28/16	3133EDRD	AGENCY US VAR A	27048	FEDERAL FARM CREDIT BAN	.704	1/30/17	.6239	BARCLAYS	4001	2,500,000.00	2,500,172.50		
12/28/16	3133EDYN	AGENCY US VAR A	27049	FEDERAL FARM CREDIT BAN	.655	2/21/17	.5482	INTL FCSTONE PA	4101	9,119,000.00	9,120,422.56		
12/01/16	64711NM2	MUNI US 30/360	26896	NEW MEXICO FIN AUTH REV	4.000	6/01/18	1.2705	MORGAN STANLEY	4002	3,455,000.00	3,591,334.30		
12/01/16	64711NL9	MUNICIPAL BOND	26897	NEW MEXICO FIN AUTH REV	3.000	6/01/17	.9809	MORGAN STANLEY	4002	100,000.00	100,932.00		
12/08/16	013595UK	MUNICIPAL BOND	26961	ALBUQUERQUE N MEX MUN S	2.000	8/01/17	.9917	ROBERT W BAIRD	1001	4,900,000.00	4,927,293.00		
12/08/16	013595UK	MUNICIPAL BOND	26960	ALBUQUERQUE N MEX MUN S	2.000	8/01/17	.9917	ROBERT W BAIRD	4000	3,000,000.00	3,016,710.00		
12/08/16	013595UK	MUNICIPAL BOND	26959	ALBUQUERQUE N MEX MUN S	2.000	8/01/17	.9917	ROBERT W BAIRD	4001	1,000,000.00	1,005,570.00		
12/15/16	914692WL	MUNICIPAL BOND	26987	UNIVERSITY N MEX UNIV R	.640	6/01/26	.6400	ISSUER DIRECT	1001	8,265,000.00	8,265,000.00		
12/21/16	914692WL	MUNICIPAL BOND	26987	UNIVERSITY N MEX UNIV R	.640	6/01/26	.7400	ISSUER DIRECT	1001	1,300,000.00	1,300,000.00		
<b>47 PURCHASES DURING PERIOD TOTAL.....</b>										<b>391,427,000.00</b>	<b>391,671,231.38</b>		
<b>SALE TRANSACTIONS</b>													
12/05/16	313384S6	AGENCY US DISC	25703	FEDERAL HOME LOAN BANKS		12/09/16	.1600	MIZUHO SECURITI	4101	5,000,000.00	4,999,911.11	188.89	
12/06/16	313384S6	AGENCY US DISC	25703	FEDERAL HOME LOAN BANKS		12/09/16		TD SECURITIES	4101	5,000,000.00	4,999,945.83	154.16	
12/09/16	313384S9	AGENCY US DISC	24655	FEDERAL HOME LOAN BANKS		12/12/16		MIZUHO SECURITI	4101	6,000,000.00	5,999,912.50	292.50	
12/29/16	313385CG	AGENCY US DISC	26876	FEDERAL HOME LOAN BANKS		2/24/17		BMO CAPTIAL MAR	4101	5,300,000.00	5,295,636.33	41.95	
12/15/16	3135GOVM	AGENCY US NOTES	23991	FEDERAL NATIONAL MORTGA	.750	3/14/17		TD SECURITIES	4000	15,000,000.00	15,006,600.00	2,075.01	
12/21/16	3135GOGY	FED NATL MORTGA	15885	FED NATL MORTGAGE ASSN	1.250	1/30/17	.5161	TD SECURITIES	1001	1,000,000.00	1,000,670.00	495.70	
<b>6 SALES DURING PERIOD TOTAL.....</b>										<b>37,300,000.00</b>	<b>37,302,675.77</b>	<b>3,248.21</b>	
<b>=== GRAND-TOTAL ==&gt;</b>										<b>428,727,000.00</b>	<b>428,973,907.15</b>	<b>3,248.21</b>	
<b>*** END-OF-REPORT ***</b>													



**STATE OF NEW MEXICO**  
**Summary of Fixed-Income Purchases and Sales**  
**TRADES During The Period 10/01/16 Through 12/31/16**

TXN-DATE	CUSIP#	ASSET-TYPE	INVT#	ISSUE-NAME	RATE	MATURITY	YIELD	BRKR/DLR/AGENT	FUND	PAR-VALUE	COST/PROCEEDS	GAIN/LOSS	NXT-CALL
<b>PURCHASE TRANSACTIONS</b>													
10/21/16	89233GNQ	COMMERCIAL PAPE	26639	TOYOTA MOTOR CREDIT COR		1/24/17	.7514	ISSUER DIRECT	4001	1,000,000.00	998,083.33		
11/02/16	36164JMT	COMMERCIAL PAPE	26468	GE CAPITAL US HOLDINGS		12/27/16	.4703	BROKER DIRECT	4001	1,000,000.00	999,295.00		
11/18/16	30229AN4	COMMERCIAL PAPE	26827	EXXON MOBIL CORP		1/04/17	.5203	WELLS FARGO SEC	4001	3,000,000.00	2,998,093.33		
12/07/16	30229AN5	COMMERCIAL PAPE	26946	EXXON MOBIL CORP		1/05/17	.4802	ISSUER DIRECT	4001	1,500,000.00	1,499,440.00		
12/07/16	36164JMT	COMMERCIAL PAPE	26468	GE CAPITAL US HOLDINGS		12/27/16	.4501	ISSUER DIRECT	4001	1,000,000.00	999,762.50		
12/07/16	912833KL	COMMERCIAL PAPE	26947	U.S. TREASURY SECURITY		2/15/17	.5066	BARCLAYS	4001	15,000,000.00	14,985,450.00		
12/16/16	89233GNB	COMMERCIAL PAPE	27001	TOYOTA MOTOR CREDIT COR		1/11/17	.6002	BROKER DIRECT	1001	7,000,000.00	6,997,316.67		
12/19/16	912833KL	COMMERCIAL PAPE	26947	U.S. TREASURY SECURITY		2/15/17	.5436	BARCLAYS	4001	10,000,000.00	9,991,400.00		
12/27/16	89233GTP	COMMERCIAL PAPE	27037	Toyota Motor Credit Co		6/23/17	1.1768	ISSUER DIRECT	4001	3,900,000.00	3,877,565.25		
12/28/16	9033E0T3	COMMERCIAL PAPE	27050	USBKMN		6/27/17	1.0050	ISSUER DIRECT	4002	5,000,000.00	4,975,000.00		
12/30/16	81186499	CERTIFICATES OF	27053	WESTERN BANK ALAMOGORDO	.750	6/30/17	.7500	SYSTEM - UNIDEN	4002	1,100,000.00	1,100,000.00		
11/17/16	912796JW	U.S. TREASURY B	26817	UNITED STATES TREASURY		12/01/16	.2550	GUGGENHEIM SECU	4101	25,000,000.00	24,997,520.83		
12/07/16	912796HV	U.S. TREASURY B	26950	UNITED STATES TREASURY		1/05/17	.3601	JEFFRIES & CO	4101	15,000,000.00	14,995,950.00		
12/07/16	912796KA	U.S. TREASURY B	26939	UNITED STATES TREASURY		12/29/16	.3251	GUGGENHEIM SECU	4101	15,000,000.00	14,997,020.83		
12/19/16	912796KA	U.S. TREASURY B	26939	UNITED STATES TREASURY		12/29/16	.4551	GUGGENHEIM SECU	4101	20,000,000.00	19,997,725.00		
10/12/16	912828WF	US TREASURY NOT	26567	UNITED STATES TREASURY	.625	11/15/16	.3100	STO INTERFUND T	4101	5,000,000.00	5,001,408.40		
10/18/16	912828LU	US TREASURY NOT	26606	UNITED STATES TREASURY	3.125	10/31/16	.3600	STO INTERFUND T	4101	5,000,000.00	5,004,499.05		
11/15/16	912828B3	US TREASURY NOT	26799	UNITED STATES TREASURY	1.500	1/31/19	1.0920	TD SECURITIES	4000	5,000,000.00	5,044,335.94		
12/07/16	912828T4	US TREASURY NOT	26948	UNITED STATES TREASURY	.750	9/30/18	1.0863	BARCLAYS	4000	10,000,000.00	9,939,843.75		
12/07/16	912828T4	US TREASURY NOT	26949	UNITED STATES TREASURY	.750	9/30/18	1.0863	BARCLAYS	4002	5,000,000.00	4,969,921.88		
12/29/16	912828H6	US TREASURY VAR	27064	UNITED STATES TREASURY	.640	1/31/17	.4558	HSBC	4001	10,000,000.00	10,001,275.33		
10/14/16	3133EFL9	AGENCY US FLOAT	26582	FEDERAL FARM CREDIT BAN	.567	10/20/16	.2800	BARCLAYS	4101	12,000,000.00	12,000,573.36		
10/20/16	3130A9S6	AGENCY US FLOAT	26625	FEDERAL HOME LOAN BANKS	.466	11/22/17	.4708	INTL FCSTONE PA	4101	10,000,000.00	9,999,470.00		
11/08/16	3133EGH3	AGENCY US FLOAT	26759	FEDERAL FARM CREDIT BAN	.510	3/14/18	.5201	INTL FCSTONE PA	4101	10,000,000.00	9,998,650.00		
12/28/16	3130A7S5	AGENCY US FLOAT	27044	FEDERAL HOME LOAN BANKS	.840	1/23/17	.5182	JEFFRIES & CO	4001	3,000,000.00	3,000,600.00		
10/04/16	3133EGUY	AGENCY US BOND	26518	FEDERAL FARM CREDIT BAN	.875	9/20/18	.9313	INTL FCSTONE PA	4002	5,000,000.00	4,994,550.00		
10/20/16	3130A4CY	AGENCY US BOND	26623	FEDERAL HOME LOAN BANKS	.750	2/21/17	.4190	INTL FCSTONE PA	4101	2,650,000.00	2,652,915.00		
10/25/16	3130A6B5	AGENCY US BOND	26658	FEDERAL HOME LOAN BANKS	.500	11/10/16	.3000	BOSC, INC	4101	4,020,000.00	4,020,311.55		
10/31/16	3130A3RN	AGENCY US BOND	26706	FEDERAL HOME LOAN BANKS	.740	2/01/17	.4193	BB&T CAPITAL MA	4101	6,165,000.00	6,169,925.84		
11/16/16	880591CU	AGENCY US BOND	23528	TENNESSEE VALLEY AUTHOR	6.250	12/15/17	.9219	TD SECURITIES	4000	8,500,000.00	8,984,585.00		
11/22/16	313371PV	AGENCY US BOND	26841	FEDERAL HOME LOAN BANKS	1.625	12/09/16	.3600	DEUTSCHE BANK S	4101	6,500,000.00	6,503,874.00		
11/23/16	3133EFLM	AGENCY US BOND	26849	FEDERAL FARM CREDIT BAN	.520	3/27/17	.5501	TD SECURITIES	4101	7,525,000.00	7,524,209.88		
11/29/16	3130AABC	AGENCY US BOND	26888	FEDERAL HOME LOAN BANKS	1.875	11/29/21	1.9589	WELLS FARGO SEC	4002	5,000,000.00	4,980,100.00		
12/05/16	3133EEHY	AGENCY US BOND	26918	FEDERAL FARM CREDIT BAN	.700	1/13/17	.4728	TD SECURITIES	4001	4,500,000.00	4,501,044.00		
12/07/16	3133EFJK	AGENCY US BOND	26951	FEDERAL FARM CREDIT BAN	.430	1/13/17	.4114	JEFFRIES & CO	4101	15,000,000.00	15,000,260.40		
12/08/16	313376BR	AGENCY US BOND	26958	FEDERAL HOME LOAN BANKS	1.750	12/14/18	1.2081	WELLS FARGO SEC	4002	5,000,000.00	5,053,750.00		
12/16/16	880591EQ	AGENCY US BOND	27002	TENNESSEE VALLEY AUTHOR	1.750	10/15/18	1.3343	INTL FCSTONE PA	4002	3,000,000.00	3,022,380.00		
12/28/16	313372C3	AGENCY US BOND	27052	FEDERAL HOME LOAN BANKS	3.125	12/08/17	.9504	BOSC, INC	4101	2,000,000.00	2,040,676.08		

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TXN-DATE	CUSIP#	ASSET-TYPE	INVT#	ISSUE-NAME	RATE	MATURITY	YIELD	BRKR/DLR/AGENT	FUND	PAR-VALUE	COST/PROCEEDS	GAIN/LOSS	NXT-CALL
12/29/16	31331XLG	AGENCY US BOND	27060	FEDERAL FARM CREDIT BAN	4.875	1/17/17	.4799	RBS	4001	12,020,000.00	12,044,881.40		
10/19/16	313384L4	AGENCY US DISC	26612	FEDERAL HOME LOAN BANKS	2.000	10/20/16	.2000	LOOP CAPITAL MA	4101	50,000,000.00	49,999,722.22		
10/20/16	313384L5	AGENCY US DISC	26615	FEDERAL HOME LOAN BANKS	.200	10/21/16	.2000	TD SECURITIES	4101	50,000,000.00	49,999,722.22		
10/20/16	313384M4	AGENCY US DISC	26626	FEDERAL HOME LOAN BANKS	.250	10/28/16	.2500	GUGGENHEIM SECU	4101	11,000,000.00	10,999,465.28		
10/25/16	313384M2	AGENCY US DISC	26648	FEDERAL HOME LOAN BANKS		10/26/16	.2200	WELLS FARGO SEC	4101	15,000,000.00	14,999,908.33		
10/27/16	880592P6	AGENCY US DISC	26678	TENNESSEE VALLEY AUTHOR		11/15/16	.2640	TD SECURITIES	4101	25,000,000.00	24,996,700.00		
11/04/16	313384V3	AGENCY US DISC	26739	FEDERAL HOME LOAN BANKS		12/30/16	.3257	DAIWA CAPITAL M	4001	15,000,000.00	14,992,811.88		
11/07/16	313312N7	AGENCY US DISC	26740	FEDERAL FARM CREDIT BAN		11/08/16	.2300	JEFFRIES & CO	4101	50,000,000.00	49,999,680.56		
11/07/16	313385BZ	AGENCY US DISC	26749	FEDERAL HOME LOAN BNKD.		2/17/17	.4405	CASTLEOAK SECUR	4101	10,000,000.00	9,987,655.56		
11/15/16	313312P7	AGENCY US DISC	26789	FEDERAL FARM CREDIT BAN		11/16/16	.2600	UBS	4101	22,000,000.00	21,999,841.11		
11/15/16	313384P7	AGENCY US DISC	26788	FEDERAL HOME LOAN BANKS		11/16/16	.2550	JEFFRIES & CO	4101	40,000,000.00	39,999,716.67		
11/16/16	313384P8	AGENCY US DISC	26801	FEDERAL HOME LOAN BANKS		11/17/16	.2550	TD SECURITIES	4101	53,000,000.00	52,999,624.58		
11/17/16	313384Q8	AGENCY US DISC	26818	FEDERAL HOME LOAN BANKS		11/25/16	.3000	BOSC, INC	4101	4,354,000.00	4,353,709.73		
11/17/16	313384R6	AGENCY US DISC	26816	FEDL HOME LOAN B CONS D		12/01/16	.3200	BOSC, INC	4101	2,045,000.00	2,044,745.51		
11/18/16	313312Q4	AGENCY US DISC	26819	FEDERAL FARM CREDIT BAN		11/21/16	.2400	JEFFRIES & CO	4101	25,000,000.00	24,999,500.00		
11/28/16	313397BF	AGENCY US DISC	26858	FEDERAL HOME LOAN MORTG		1/30/17	.4203	BARCLAYS	4101	20,000,000.00	19,985,300.00		
11/29/16	313385AM	AGENCY US DISC	26877	FEDERAL HOME LOAN BANKS		1/12/17	.4202	MIZUHO SECURITI	4101	5,755,000.00	5,752,112.91		
11/29/16	313385BP	AGENCY US DISC	26875	FEDERAL HOME LOAN BANKS		2/07/17	.4804	BARCLAYS	4101	25,000,000.00	24,976,666.67		
11/29/16	313385CG	AGENCY US DISC	26876	FEDERAL HOME LOAN BANKS		2/24/17	.5257	TD SECURITIES	4101	5,300,000.00	5,293,275.63		
11/29/16	313397BF	AGENCY US DISC	26858	FEDERAL HOME LOAN MORTG		1/30/17	.4003	ACADEMY SECURIT	4101	11,900,000.00	11,891,802.09		
11/29/16	880592R5	AGENCY US DISC	26874	TENNESSEE VALLEY AUTHOR		11/30/16	.2050	MORGAN STANLEY	4101	10,000,000.00	9,999,943.06		
12/02/16	313385AN	AGENCY US DISC	26908	FEDERAL HOME LOAN BANKS		1/13/17	.4002	GUGGENHEIM SECU	4101	10,500,000.00	10,495,450.00		
12/02/16	313385AV	AGENCY US DISC	26899	FEDL HOME LOAN BK CONS		1/20/17	.4002	FTN FINANCIAL S	4101	15,000,000.00	14,991,833.33		
12/05/16	313313AF	AGENCY US DISC	26910	FEDERAL FARM CREDIT BAN		1/06/17	.3401	UBS	4101	5,000,000.00	4,998,488.89		
12/05/16	313385AN	AGENCY US DISC	26920	FEDERAL HOME LOAN BANKS		1/13/17	.4002	JEFFRIES & CO	4101	25,000,000.00	24,989,444.44		
12/06/16	880592T9	AGENCY US DISC	26936	TENNESSEE VALLEY AUTHOR		12/20/16	.3000	JEFFRIES & CO	4101	50,000,000.00	49,994,583.33		
12/15/16	880592T9	AGENCY US DISC	26936	TENNESSEE VALLEY AUTHOR		12/20/16	.4500	WELLS FARGO SEC	4101	25,000,000.00	24,998,437.50		
12/21/16	313385AF	AGENCY US DISC	27020	FEDERAL HOME LOAN BANKS		1/06/17	.5001	DAIWA CAPITAL M	4001	5,000,000.00	4,998,958.33		
12/29/16	31315LBH	AGENCY US DISC	27062	FEDERAL AGRICULTURAL MO		2/01/17	.5203	BMO CAPTIAL MAR	4001	1,000,000.00	999,523.33		
12/29/16	313385AF	AGENCY US DISC	27020	FEDERAL HOME LOAN BANKS		1/06/17	.4500	DAIWA CAPITAL M	4001	6,300,000.00	6,299,448.75		
12/29/16	313385AS	AGENCY US DISC	27061	FEDERAL HOME LOAN BANKS		1/17/17	.4501	GUGGENHEIM SECU	4001	6,580,000.00	6,578,519.50		
12/29/16	313589AT	AGENCY US DISC	27063	FEDERAL NATIONAL MORTGA		1/18/17	.4501	GUGGENHEIM SECU	4001	2,098,000.00	2,097,501.73		
12/30/16	313385AV	AGENCY US DISC	27066	FEDL HOME LOAN BK CONS		1/20/17	.5101	JEFFRIES & CO	4001	1,700,000.00	1,699,590.58		
10/21/16	3135GOR3	AGENCY 30/360 2	26638	FANNIE MAE	1.000	10/24/19	1.0911	ACADEMY SECURIT	4002	5,000,000.00	4,986,600.00		
11/09/16	3130A3J7	AGENCY 30/360 2	25525	FEDERAL HOME LOAN BANK	.625	11/23/16	.3200	BOSC, INC	4101	1,655,000.00	1,655,181.70		
10/03/16	31771C2C	AGENCY US BOND	26507	FINANCING CORPORATION		12/27/16	.4950	MORGAN STANLEY	4101	1,030,000.00	1,028,825.80		
10/11/16	313444MN	AGENCY US BOND	26554	FEDERAL HOME LOAN MORTG		1/15/17	.4496	JEFFRIES & CO	4101	4,000,000.00	3,995,360.00		
10/17/16	31359MEL	AGENCY US BOND	25939	FANNIE MAE		6/01/17	.6597	INTL FCSTONE PA	4101	4,124,000.00	4,107,215.32		
10/05/16	3135G0Q8	AGENCY US NOTES	26527	FEDERAL NATIONAL MORTGA	1.375	10/07/21	1.4099	TD SECURITIES	1001	5,000,000.00	4,991,600.00		
10/11/16	3135G0GY	AGENCY US NOTES	26224	FEDERAL NATIONAL MORTGA	1.250	1/30/17	.4179	MORGAN STANLEY	4101	2,196,000.00	2,201,468.04		
10/19/16	3137EADU	AGENCY US NOTES	26105	FEDERAL HOME LOAN MORTG	.500	1/27/17	.3800	BOSC, INC	4101	5,000,000.00	5,001,625.75		

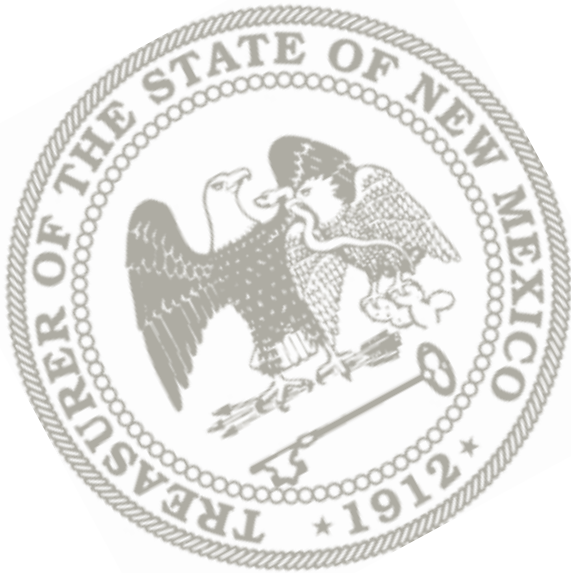
**STATE OF NEW MEXICO**  
**Summary of Fixed-Income Purchases and Sales**  
**TRADES During The Period 10/01/16 Through 12/31/16**

TXN-DATE	CUSIP#	ASSET-TYPE	INVT#	ISSUE-NAME	RATE	MATURITY	YIELD	BRKR/DLR/AGENT	FUND	PAR-VALUE	COST/PROCEEDS	GAIN/LOSS	NXT-CALL
10/19/16	3137EADU	AGENCY US NOTES	26105	FEDERAL HOME LOAN MORTG	.500	1/27/17	.3856	RBS	4101	10,000,000.00	10,003,100.00		
10/20/16	3135G0ES	AGENCY US NOTES	25376	FEDERAL NATIONAL MORTGA	1.375	11/15/16	.2930	MORGAN STANLEY	4101	10,591,000.00	10,598,625.52		
10/24/16	880591EA	AGENCY US NOTES	26241	TENNESSEE VALLEY AUTH	5.500	7/18/17	.6795	INTL FCSTONE PA	4101	3,605,000.00	3,731,427.35		
10/25/16	3134G3G4	AGENCY US NOTES	26657	FEDERAL HOME LOAN MORTG	1.000	9/12/17	.7104	INTL FCSTONE PA	4101	4,000,000.00	4,010,120.00		
10/25/16	3136G2YA	AGENCY US NOTES	26659	FEDERAL NATIONAL MORTGA	1.400	11/26/19	.7983	BB&T CAPITAL MA	4000	1,500,000.00	1,500,696.00		2/26/17
10/25/16	3136G4EL	AGENCY US NOTES	26660	FEDERAL NATIONAL MORTGA	1.125	10/11/19	1.2566	INTL FCSTONE PA	4000	5,000,000.00	4,993,750.00		10/11/17
10/26/16	880591EA	AGENCY US NOTES	26241	TENNESSEE VALLEY AUTH	5.500	7/18/17	.6789	INTL FCSTONE PA	4101	1,000,000.00	1,034,808.00		
11/03/16	3137EADC	AGENCY US NOTES	25921	FEDERAL HOME LOAN MORTG	1.000	3/08/17	.4100	WELLS FARGO SEC	4101	5,000,000.00	5,010,135.00		
11/03/16	3137EADC	AGENCY US NOTES	25921	FEDERAL HOME LOAN MORTG	1.000	3/08/17	.4613	INTL FCSTONE PA	4101	3,261,000.00	3,267,032.85		
11/07/16	3137EADC	AGENCY US NOTES	25921	FEDERAL HOME LOAN MORTG	1.000	3/08/17	.4614	INTL FCSTONE PA	4101	4,807,000.00	4,815,604.53		
11/18/16	3137EADU	AGENCY US NOTES	26105	FEDERAL HOME LOAN MORTG	.500	1/27/17	.4992	BOSC, INC	4101	1,000,000.00	1,000,000.00		
11/23/16	3137EADU	AGENCY US NOTES	26105	FEDERAL HOME LOAN MORTG	.500	1/27/17	.4469	RBS	4101	1,950,000.00	1,950,181.35		
11/28/16	31359M4D	AGENCY US NOTES	26861	FEDERAL NATIONAL MORTGA	5.000	2/13/17	.6695	DEUTSCHE BANK S	4101	2,000,000.00	2,017,978.00		
11/28/16	880591EA	AGENCY US NOTES	26241	TENNESSEE VALLEY AUTH	5.500	7/18/17	.7880	INTL FCSTONE PA	4101	1,000,000.00	1,029,840.00		
12/05/16	3135G0ZB	AGENCY US NOTES	26919	FEDERAL NATIONAL MORTGA	.750	4/20/17	.5541	WELLS FARGO SEC	4101	2,690,000.00	2,691,952.12		
12/07/16	3135G0GY	AGENCY US NOTES	26938	FEDERAL NATIONAL MORTGA	1.250	1/30/17	.4636	BARCLAYS	4101	6,000,000.00	6,006,924.00		
12/15/16	3134G3A9	AGENCY US NOTES	26994	FEDERAL HOME LOAN MORTG	1.400	8/22/19	1.5872	INTL FCSTONE PA	4000	5,000,000.00	4,975,500.00		
12/29/16	31359M4D	AGENCY US NOTES	26861	FEDERAL NATIONAL MORTGA	5.000	2/13/17	.5360	RBS	4101	25,000,000.00	25,136,000.00		
10/25/16	3130A9U3	AGENCY US VARIA	26656	FEDERAL HOME LOAN BANKS	.422	4/24/17	.4173	WELLS FARGO SEC	4101	10,000,000.00	10,000,000.00		
11/10/16	3133EEV8	AGENCY US VARIA	26779	FEDERAL FARM CREDIT BAN	.520	3/09/18	.5696	CASTLEOAK SECUR	4101	4,800,000.00	4,796,800.19		
11/18/16	3133EFLQ	AGENCY US VARIA	26828	FEDERAL FARM CREDIT BAN	.525	12/28/16	.4358	WELLS FARGO SEC	4001	30,000,000.00	30,002,300.40		
11/18/16	3133EFLQ	AGENCY US VARIA	26829	FEDERAL FARM CREDIT BAN	.525	12/28/16	.4358	WELLS FARGO SEC	4101	12,450,000.00	12,450,954.67		
12/28/16	3133EERF	AGENCY US VARIA	25160	FEDERAL FARM CREDIT BAN	.495	4/27/17	.6433	INTL FCSTONE PA	4101	1,900,000.00	1,900,378.10		
11/08/16	742651DS	CORP US NOTE 30	26760	PRIVATE EXPORT FUNDING	1.875	7/15/18	.9622	CASTLEOAK SECUR	4000	5,000,000.00	5,076,026.35		
11/15/16	369604BC	CORP US NOTE 30	26800	GENERAL ELECTRIC COMPAN	5.250	12/06/17	1.0811	BB&T CAPITAL MA	4000	7,000,000.00	7,303,870.00		
11/01/16	90331HMV	CORP US FLOAT A	26712	U.S. BANK NATIONAL ASSO	1.467	1/29/18	1.0756	MORGAN STANLEY	4002	3,000,000.00	3,013,320.00		12/29/17
12/28/16	3133EDRD	AGENCY US VAR A	27048	FEDERAL FARM CREDIT BAN	.704	1/30/17	.6239	BARCLAYS	4001	2,500,000.00	2,500,172.50		
12/28/16	3133EDYN	AGENCY US VAR A	27049	FEDERAL FARM CREDIT BAN	.655	2/21/17	.5482	INTL FCSTONE PA	4101	9,119,000.00	9,120,422.56		
10/03/16	647310J8	MUNI US 30/360	26508	NEW MEXICO ST SEVERANCE	5.000	7/01/17	.8513	HILLTOP SECURIT	4002	400,000.00	412,192.00		
10/21/16	647310R6	MUNI US 30/360	26628	NEW MEXICO ST SEVERANCE	5.000	7/01/17	.7414	HILLTOP SECURIT	4000	2,860,000.00	2,943,168.80		
10/21/16	647310R6	MUNI US 30/360	26629	NEW MEXICO ST SEVERANCE	5.000	7/01/17	.7414	HILLTOP SECURIT	4002	2,000,000.00	2,058,160.00		
10/27/16	767175GG	MUNI US 30/360	26679	RIO RANCHO N MEX WTR &	3.000	5/15/17	.6003	BOSC, INC	4002	1,000,000.00	1,012,890.00		
11/01/16	64711RJE	MUNI US 30/360	26707	NEW MEXICO FIN AUTH ST	5.000	12/15/16	.5551	BOSC, INC	4001	495,000.00	497,559.15		
12/01/16	64711NM2	MUNI US 30/360	26896	NEW MEXICO FIN AUTH REV	4.000	6/01/18	1.2705	MORGAN STANLEY	4002	3,455,000.00	3,591,334.30		
12/01/16	64711NL9	MUNICIPAL BOND	26897	NEW MEXICO FIN AUTH REV	3.000	6/01/17	.9809	MORGAN STANLEY	4002	100,000.00	100,932.00		
12/08/16	013595UK	MUNICIPAL BOND	26961	ALBUQUERQUE N MEX MUN S	2.000	8/01/17	.9917	ROBERT W BAIRD	1001	4,900,000.00	4,927,293.00		
12/08/16	013595UK	MUNICIPAL BOND	26960	ALBUQUERQUE N MEX MUN S	2.000	8/01/17	.9917	ROBERT W BAIRD	4000	3,000,000.00	3,016,710.00		
12/08/16	013595UK	MUNICIPAL BOND	26959	ALBUQUERQUE N MEX MUN S	2.000	8/01/17	.9917	ROBERT W BAIRD	4001	1,000,000.00	1,005,570.00		
10/12/16	914692XL	MUNICIPAL BOND	26570	UNIVERSITY N MEX UNIV R	.820	6/01/30	.8200	BROKER DIRECT	4000	4,375,000.00	4,375,000.00		
10/12/16	914692XL	MUNICIPAL BOND	26568	UNIVERSITY N MEX UNIV R	.820	6/01/30	.8200	BROKER DIRECT	4001	1,250,000.00	1,250,000.00		
10/12/16	914692XL	MUNICIPAL BOND	26569	UNIVERSITY N MEX UNIV R	.820	6/01/30	.8200	BROKER DIRECT	4002	4,375,000.00	4,375,000.00		

**STATE OF NEW MEXICO**  
**Summary of Fixed-Income Purchases and Sales**  
**TRADES During The Period 10/01/16 Through 12/31/16**

TXN-DATE	CUSIP#	ASSET-TYPE	INVT#	ISSUE-NAME	RATE	MATURITY	YIELD	BRKR/DLR/AGENT	FUND	PAR-VALUE	COST/PROCEEDS	GAIN/LOSS	NXT-CALL
11/07/16	914692WL	MUNICIPAL BOND	26742	UNIVERSITY N MEX UNIV R	.540	6/01/26	.5400	ISSUER DIRECT	4001	2,250,000.00	2,250,000.00		
11/23/16	914692WL	MUNICIPAL BOND	26742	UNIVERSITY N MEX UNIV R	.540	6/01/26	.5500	ISSUER DIRECT	4001	1,000,000.00	1,000,000.00		
12/15/16	914692WL	MUNICIPAL BOND	26987	UNIVERSITY N MEX UNIV R	.640	6/01/26	.6400	ISSUER DIRECT	1001	8,265,000.00	8,265,000.00		
12/21/16	914692WL	MUNICIPAL BOND	26987	UNIVERSITY N MEX UNIV R	.640	6/01/26	.7400	ISSUER DIRECT	1001	1,300,000.00	1,300,000.00		
<b>124 PURCHASES DURING PERIOD TOTAL.....</b>										<b>1139115000.00</b>	<b>1140563954.67</b>		
<b>SALE TRANSACTIONS</b>													
10/06/16	912828A5	US TREASURY NOT	21677	UNITED STATES TREASURY	.625	12/15/16	.3178	TD SECURITIES	4000	5,000,000.00	5,002,929.69	3,918.94	
10/06/16	912828LU	US TREASURY NOT	21702	UNITED STATES TREASURY	3.125	10/31/16		DEUTSCHE BANK S	4002	5,000,000.00	5,009,179.69	579.09	
10/07/16	912828WT	US TREASURY NOT	21831	UNITED STATES TREASURY	.875	7/15/17		BMO CAPTIAL MAR	1001	9,000,000.00	9,015,820.31	22,010.91	
10/12/16	912828WF	US TREASURY NOT	21676	UNITED STATES TREASURY	.625	11/15/16		STO INTERFUND T	4000	5,000,000.00	5,001,408.40	1,719.64	
10/13/16	912828HA	US TREASURY NOT	21858	UNITED STATES TREASURY	4.750	8/15/17		MIZUHO SECURITI	1001	20,000,000.00	20,681,250.00	62,609.33	
10/13/16	912828SD	US TREASURY NOT	23802	UNITED STATES TREASURY	1.250	1/31/19		HSBC	1001	20,000,000.00	20,145,312.50	153,025.04	
10/13/16	912828SY	US TREASURY NOT	20609	UNITED STATES TREASURY	.625	5/31/17		BARCLAYS	1001	20,000,000.00	20,007,812.50	55,804.07	
10/13/16	912828TB	US TREASURY NOT	21273	UNITED STATES TREASURY	.750	6/30/17		DEUTSCHE BANK S	1001	20,000,000.00	20,022,656.25	62,097.67	
10/13/16	912828VV	US TREASURY NOT	24198	UNITED STATES TREASURY	2.125	8/31/20		BARCLAYS	1001	21,000,000.00	21,751,406.25	131,108.74	
10/18/16	912828LU	US TREASURY NOT	21702	UNITED STATES TREASURY	3.125	10/31/16		STO INTERFUND T	4002	5,000,000.00	5,004,499.05	370.96	
10/24/16	912828RM	US TREASURY NOT	21342	UNITED STATES TREASURY	1.000	10/31/16		INTL FCSTONE PA	4002	5,000,000.00	5,000,585.94	288.20	
11/03/16	912828WF	US TREASURY NOT	21676	UNITED STATES TREASURY	.625	11/15/16		BARCLAYS	4000	5,000,000.00	5,000,585.94	690.12	
11/16/16	912828SC	US TREASURY NOT	21710	UNITED STATES TREASURY	.875	1/31/17	.4709	BARCLAYS	4000	10,000,000.00	10,008,203.13	4,879.21	
11/21/16	912828RU	US TREASURY NOT	20608	UNITED STATES TREASURY	.875	11/30/16		WELLS FARGO SEC	4002	5,000,000.00	5,000,585.94	454.36	
10/19/16	3130A9AE	AGENCY US BOND	26212	FEDERAL HOME LOAN BANKS	.875	10/01/18	.8800	WELLS FARGO SEC	1001	5,000,000.00	4,999,513.86	2,677.40	
12/05/16	313384S6	AGENCY US DISC	25703	FEDERAL HOME LOAN BANKS		12/09/16	.1600	MIZUHO SECURITI	4101	5,000,000.00	4,999,911.11	188.89	
12/06/16	313384S6	AGENCY US DISC	25703	FEDERAL HOME LOAN BANKS		12/09/16		TD SECURITIES	4101	5,000,000.00	4,999,945.83	154.16	
12/09/16	313384S9	AGENCY US DISC	24655	FEDERAL HOME LOAN BANKS		12/12/16		MIZUHO SECURITI	4101	6,000,000.00	5,999,912.50	292.50	
12/29/16	313385CG	AGENCY US DISC	26876	FEDERAL HOME LOAN BANKS		2/24/17		BMO CAPTIAL MAR	4101	5,300,000.00	5,295,636.33	41.95	
10/13/16	31315PN8	AGENCY 30/360 2	19489	FEDERAL AGRICULTURAL MO	1.100	1/26/17		MIZUHO SECURITI	1001	25,000,000.00	25,046,000.00	46,000.00	
10/26/16	31771C2C	AGENCY US BOND	26507	FINANCING CORPORATION		12/27/16	.4263	INTL FCSTONE PA	4101	1,030,000.00	1,029,268.70	121.39	
10/13/16	3137EAAY	AGENCY US NOTES	20829	FEDERAL HOME LOAN MORTG	5.500	8/23/17		MORGAN STANLEY	1001	10,000,000.00	10,412,100.00	34,892.93	
10/14/16	3135G0PQ	AGENCY US NOTES	20828	FEDERAL NATIONAL MORTGA	.875	10/26/17		BOSC, INC	1001	25,000,000.00	25,034,800.00	108,182.60	
12/15/16	3135G0VM	AGENCY US NOTES	23991	FEDERAL NATIONAL MORTGA	.750	3/14/17		TD SECURITIES	4000	15,000,000.00	15,006,600.00	2,075.01	
11/03/16	3135G0ES	FED NATL MORTGA	15737	FEDERAL NATL MTG ASSN D	1.375	11/15/16		MIZUHO SECURITI	4000	5,000,000.00	5,001,670.00	1,429.73	
12/21/16	3135G0GY	FED NATL MORTGA	15885	FED NATL MORTGAGE ASSN	1.250	1/30/17	.5161	TD SECURITIES	1001	1,000,000.00	1,000,670.00	495.70	
<b>26 SALES DURING PERIOD TOTAL.....</b>										<b>263,330,000.00</b>	<b>265,478,263.92</b>	<b>696,108.54</b>	
<b>=== GRAND-TOTAL ==&gt;</b>										<b>1402445000.00</b>	<b>1406042218.59</b>	<b>696,108.54</b>	

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



## 16. Credit Investing

APPROVED MEDIUM TERM NOTE/CORPORATE BOND ISSUERS  
December 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				
COCA-COLA CO	\$181.26	Aa3	STABLE	AA-	STABLE	A+	NEG				
COLGATE-PALM CO	\$59.47	Aa3	STABLE	`	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				
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				
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				
PROCTER & GAMBLE	\$200.58	Aa3	STABLE	AA-	STABLE	NR	NR				
TOYOTA MTR CRED	\$207.58	Aa3	STABLE	AA-	STABLE	A	STABLE				
US BANCORP	\$73.03	A1	STABLE	A+	STABLE	AA	STABLE				
US BANK NA	\$73.03	Aa1	STABLE	AA-	STABLE	AA	STABLE				
WAL-MART STORES	\$214.22	Aa2	STABLE	AA	STABLE	AA	STABLE				
WALT DISNEY CO	\$180.65	A2	STABLE	A	STABLE	A	STABLE				
WELLS FARGO CO	\$267.53	A2	STABLE	A	NEG	AA-	NEG				
WELLS FARGO BANK	\$267.53	Aa2	STABLE	AA-	NEG	AA	NEG				

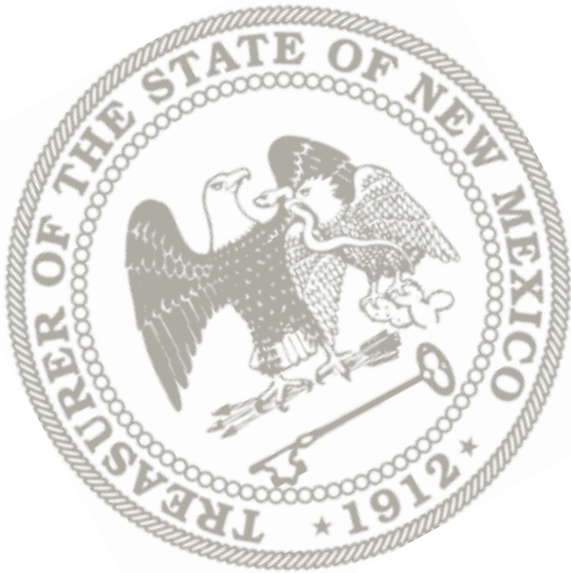
APPROVED COMMERCIAL PAPER ISSUERS  
December 2016

Issuer	Rating/Credit Outlook						Comments:				
	Moody's		S&P		Fitch						
BANK OF NY CO INC.	P-1	STABLE	A-1	STABLE	F1+	STABLE					
CHEVRON FUNDING CORP	P-1	STABLE	A-1+	NEG	NR	NR					
DEERE & COMPANY	P-1	NEG	A-1	STABLE	F1	NR					
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					
HSBC USA INC	P-1	NEG	A-1	NEG	F1+	STABLE					
IBM CORP	P-1	NEG	A-1+	NEG	F1	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	NR	NR					
US BANK NA	P-1	STABLE	A-1+	STABLE	F1+	STABLE					
WAL-MART STORES INC	P-1	STABLE	A-1+	STABLE	F1+	STABLE					
WALT DISNEY COMPANY	P-1	STABLE	A-1	STABLE	F1	STABLE					
WELLS FARGO & COMPANY	P-1	STABLE	A-1	NEG	F1+	NEG					

**Portfolio Credit Exposure**  
**December 2016**

Portfolio	Issuer	Face Amount	Yield	Maturity	% of Port	Total %
<b>GF CORE</b>	<b>TOYCC</b>	<b>7,000,000</b>	<b>0.60%</b>	<b>1/11/2017</b>	<b>0.55%</b>	
						<b>0.55%</b>
<b>BPIP TE</b>	<b>TOYCC</b>	<b>5,000,000</b>	<b>0.85%</b>	<b>1/4/2017</b>	<b>0.86%</b>	
	<b>TOYCC</b>	<b>5,000,000</b>	<b>1.06%</b>	<b>3/13/2017</b>	<b>0.86%</b>	
	<b>USB</b>	<b>5,000,000</b>	<b>0.71%</b>	<b>1/17/2017</b>	<b>0.86%</b>	
	<b>USB</b>	<b>558,425</b>	<b>1.00%</b>	<b>2/27/2017</b>	<b>0.10%</b>	
						<b>2.67%</b>
<b>BPIP TAX</b>	<b>TOYCC</b>	<b>5,000,000</b>	<b>1.06%</b>	<b>3/13/2017</b>	<b>0.92%</b>	
	<b>USB</b>	<b>5,000,000</b>	<b>1.01%</b>	<b>6/27/2017</b>	<b>0.92%</b>	
						<b>1.83%</b>
<b>STBF</b>	<b>EXXON</b>	<b>3,000,000</b>	<b>0.52%</b>	<b>1/4/2017</b>	<b>2.27%</b>	
	<b>EXXON</b>	<b>1,500,000</b>	<b>0.48%</b>	<b>1/5/2017</b>	<b>1.13%</b>	
	<b>TOYCC</b>	<b>1,000,000</b>	<b>0.75%</b>	<b>1/24/2017</b>	<b>0.76%</b>	
	<b>TOYCC</b>	<b>3,900,000</b>	<b>1.17%</b>	<b>6/23/2017</b>	<b>2.95%</b>	
						<b>7.11%</b>
<b>All Portfolios</b>	<b>EXXON</b>	<b>4,500,000</b>			<b>0.14%</b>	
	<b>TOYCC</b>	<b>26,900,000</b>			<b>0.85%</b>	
	<b>USB</b>	<b>10,558,425</b>			<b>0.33%</b>	
<b>Total Credit Exposure</b>		<b>41,958,425</b>				<b>1.32%</b>





## 17. State Agency Deposit Balances



**Tim Eichenberg**  
State Treasurer

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

**Samuel Collins**  
Deputy State Treasurer

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

Date: January 25, 2017  
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 December 31, 2016

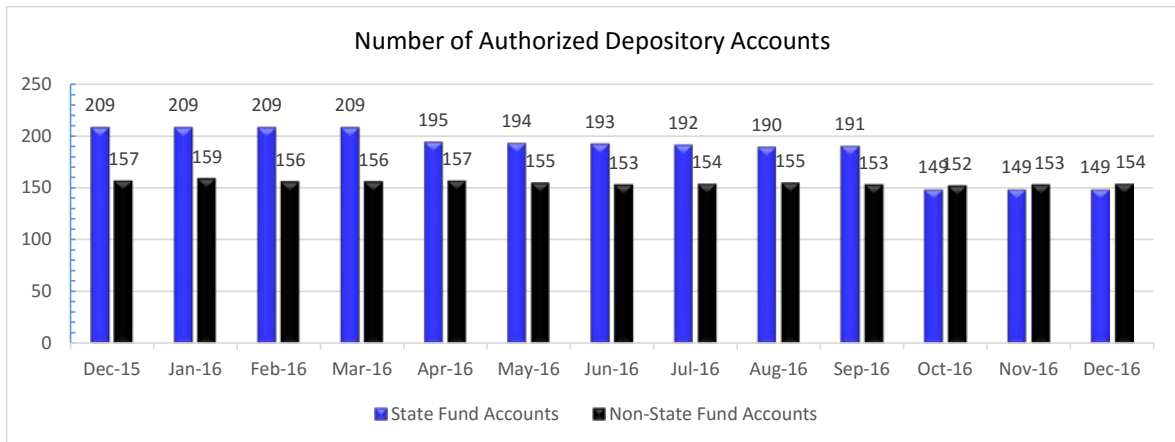
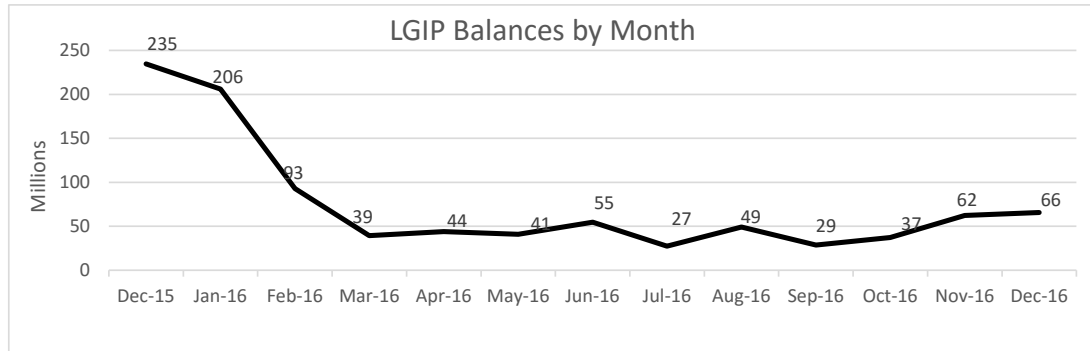
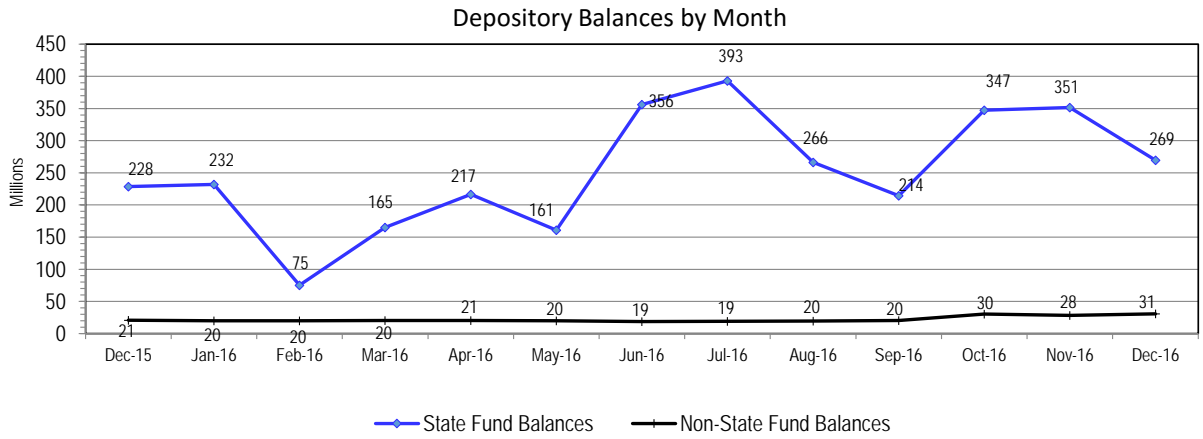
Pursuant to section 8-6-3.1 NMSA 1978, the State Cash Manager shall submit to the State Board of Finance a report showing state fund balances in each Financial Institution. Attached for your review is a summary of State fund balances in each institution through December 31, 2016.

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 December 31, 2016

(Attachments 3)

# Depository Account Summary for December 2016



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

Depository accounts opened in December 2016    1    13th District Attorney

Depository accounts closed in December 2016

# Depository Account Summary by Agency

December 2016

## STATE FUNDS

## NON-STATE FUNDS

AGENCY	# OF ACCTS.	BALANCE	AGENCY	# OF ACCTS.	BALANCE
AOC (fines, fees etc.)	48	\$2,602,578	AOC	1	\$36,093
BERN. CO. METRO COURT	2	\$560,782	1ST JUDICIAL DIST. COURT	3	\$11,537,041
1-13 DISTRICT ATTORNEY	5	\$23,398	2ND JUDICIAL DIST. COURT	2	\$431,485
EDUCATION RETIREMENT BOARD	1	\$237,049	3RD JUDICIAL DIST. COURT	2	\$535,826
TAXATION & REVENUE DEPT.	6	\$63,801	4TH JUDICIAL DIST. COURT	2	\$147,792
PUBLIC SCHOOL INS. AUTHORITY	6	\$3,726,392	5TH JUDICIAL DIST. COURT	3	\$2,120,753
NMRHCA	0	\$0	6TH JUDICIAL DIST. COURT	3	\$722,551
PUBLIC DEFENDER	1	\$355	7TH JUDICIAL DIST. COURT	4	\$227,411
SECRETARY OF STATE	0	\$0	8TH JUDICIAL DIST. COURT	4	\$519,980
STATE TREASURER (JDC)	5	\$31,148	9TH JUDICIAL DIST. COURT	2	\$792,891
STATE TREASURER (OTHER)	3	\$30,075,918	10TH JUDICIAL DIST. COURT	2	\$86,999
STATE TREASURER (Liq. Reserve)	1	\$226,074,399	11TH JUDICIAL DIST. COURT	10	\$2,013,285
NM RACING COMMISSION	6	\$576,297	12TH JUDICIAL DIST. COURT	2	\$758,673
DEPT. OF GAME & FISH	2	\$124,933	13TH JUDICIAL DIST. COURT	61	\$3,056,763
SOUTHWEST REGION ED.	1	\$2,671,355	7TH DISTRICT ATTORNEY	1	\$1,799
ENERGY & MINERALS	4	\$25,946	10TH DISTRICT ATTORNEY	1	\$714
STATE ENGINEER'S OFFICE	4	\$145,178	13TH DISTRICT ATTORNEY	1	\$5,783
IRRG WKS CONST	1	\$252,622	ATTORNEY GENERAL	1	\$1,852
HUMAN SERVICES DEPT.	5	\$26,546	LGIP	5	\$65,522,455
WORKFORCE SOLUTIONS	5	\$330,915	SUPERTEENDENT OF INSURANCE	8	\$1,917,835
MINER'S HOSPITAL	1	\$1,359,409	NM STATE FAIR	5	\$2,155,772
DEPARTMENT OF HEALTH	31	\$533,239	SOUTHWEST REGION ED.	1	\$15
ENVIRONMENT DEPARTMENT	0	\$0	MINER'S HOSPITAL	1	\$4,863
CORRECTIONS DEPARTMENT	5	\$1,364	DEPARTMENT OF HEALTH	9	\$1,091,128
DEPT. OF PUBLIC SAFETY	2	\$41,137	CHILDREN, YOUTH & FAMILIES	6	\$92,545
HIGHWAY & TRANSPORTATION	4	\$882	CORRECTIONS DEPARTMENT	12	\$2,369,663
			DEPT. OF PUBLIC SAFETY	2	\$50,383

sub-total: 149      \$269,485,643

sub-total: 154      \$96,202,350

**Total Depository Balance:**      \$365,687,993  
**Total Depository Accounts:**      303

## State Fund Balances by Financial Institution December 2016

First National Bank/Alamogordo	\$	97,686
Century Bank/Santa Fe	\$	403
Bank of America/Albuquerque	\$	172,913
Wells Fargo Bank/Albuquerque	\$	7,257,712
Compass Bank/Albuquerque	\$	33,088,628
Bank of the West/Albuquerque	\$	226,074,640
First American Bank/Artesia	\$	45,524
Carlsbad National Bank/Carlsbad	\$	600
Western Commerce Bank/Carlsbad	\$	75,350
Farmers/Stockmens Bank/Clayton	\$	21,781
First National Bank/Clayton	\$	1,370,445
Citizens Bank/Clovis	\$	4,358
NM Bank & Trust/Albuquerque	\$	158,315
Lea County State Bank/Hobbs	\$	105,920
Southwest Capitol/Las Vegas	\$	223,167
Community 1st Bank/Las Vegas	\$	105,184
Western Bank/Lordsburg	\$	90,306
Los Alamos National Bank/Los Alamos	\$	11,720
International Bank/Raton	\$	13,060
Valley Bank of Commerce/Roswell	\$	122,252
FNB of Santa Fe	\$	66,882
First State Bank/Socorro	\$	3,098
Centinel Bank/Taos	\$	56,983
US Bank/Albuquerque	\$	15,733
Bank of the Southwest/Roswell	\$	287,960
Washington Federal	\$	15,019

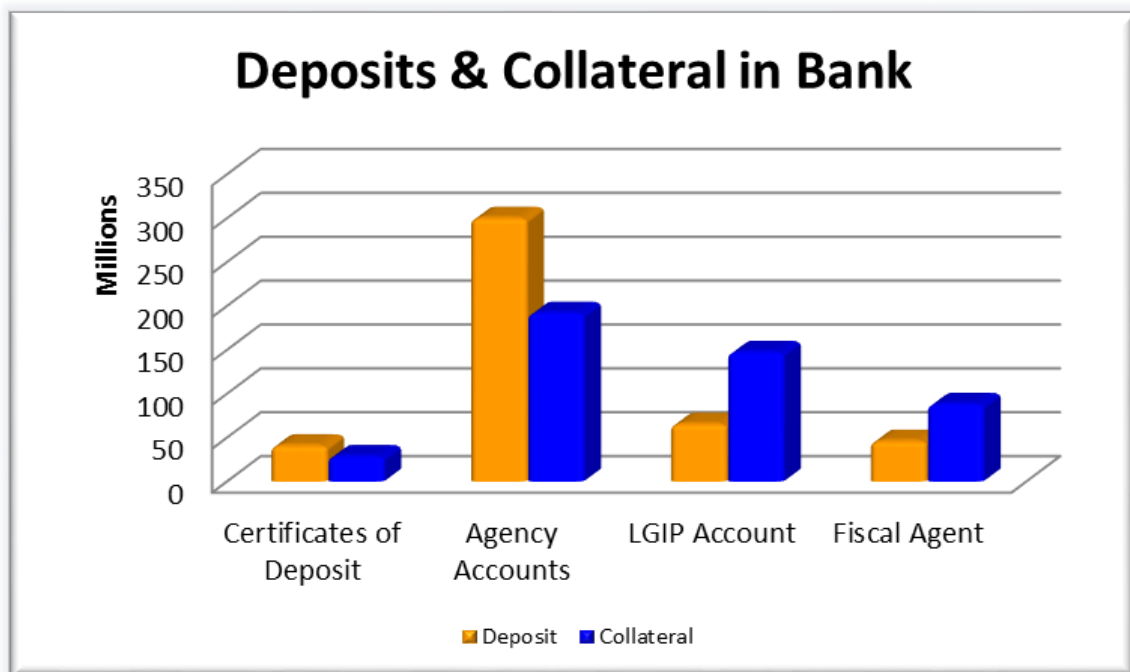
*Total:* \$ 269,485,639



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

# Office of the Treasurer Collateral Summary Review December 31, 2016

All depository institutions holding public funds for the month ending December 31, 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>
Certificates of Deposit	\$ 41.0 Million	\$ 28.7 Million	70.1%
Agency Accounts	300.2 Million	191.9 Million	63.9%
LGIP Account	65.5 Million	147.4 Million	224.9%
Fiscal Agent	46.2 Million	88.1 Million	190.7%
<b>Totals:</b>	<b>452.8 Million</b>	<b>456.1 Million</b>	<b>100.7%</b>



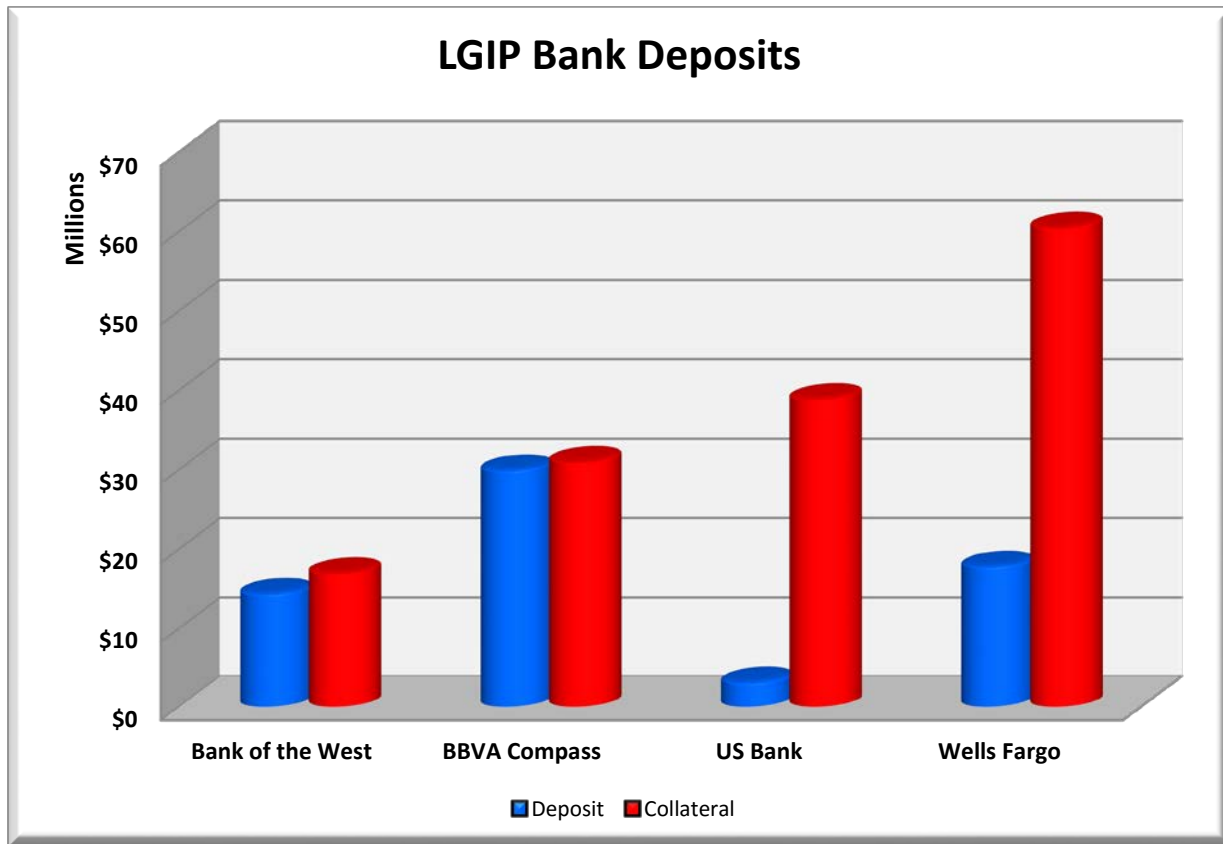
**Office of the Treasurer**  
**Collateral Review**  
**Accumulated Total by Institution**  
**December 31, 2016**

FINANCIAL INSTITUTION	%	TOTAL	FDIC / NCUA	LESS INSURANCE	SUBJECT TO BE	COLLATERAL	EXCESS
		DEPOSITS	INSURANCE	COVERAGE	COLLATERALIZED	PLEGGED	(UNDER)
First National - Alamogordo	50%	97,686	97,686	0	0	1,058,404	1,058,404
Western - Alamogordo	50%	3,600,000	250,000	3,350,000	1,675,000	2,602,085	927,085
Bank of America	50%	236,294	236,294	0	0	251,036	251,036
Bank of the West	50%	241,056,951	250,000	240,806,951	120,403,476	136,967,023	16,563,547
BBVA Compass	102%	63,095,335	250,000	62,845,335	64,102,242	65,000,000	897,758
US Bank	50%	4,501,440	250,000	4,251,440	2,125,720	40,000,000	37,874,280
Wells Fargo	50%	48,918,936	250,000	48,668,936	24,334,468	89,233,530	64,899,062
First American	50%	45,524	45,524	0	0	0	0
My Bank	50%	350,490	250,000	100,490	50,245	250,000	199,755
Carlsbad National	50%	600	600	0	0	0	0
Western Commerce	50%	4,075,350	250,000	3,825,350	1,912,675	2,967,409	1,054,734
Farmers & Stockmen	50%	10,026,833	250,000	9,776,833	4,888,417	5,125,000	236,583
First National - Clayton	50%	1,370,445	1,370,445	0	0	2,154,511	2,154,511
Bank of Clovis	50%	792,891	250,000	542,891	271,445	795,794	524,348
Citizens - Clovis	50%	4,268	4,268	0	0	0	0
NM Bank & Trust	50%	390,619	250,000	140,619	70,310	263,748	193,438
Western - Clovis	50%	3,100,000	250,000	2,850,000	1,425,000	2,042,728	617,728
Lea County State	50%	105,920	105,920	0	0	0	0
Southwest Capital	50%	742,792	250,000	492,792	246,396	5,803,738	5,557,342
Community 1st - Las Vegas	102%	105,184	105,184	0	0	489,845	489,845
Western - Lordsburg	50%	608,251	250,000	358,251	179,126	355,117	175,991
Los Alamos National	75%	11,720	11,720	0	0	0	0
International	50%	42,442	42,442	0	0	149,326	149,326
Bank of the Southwest	50%	852,776	250,000	602,776	301,388	576,183	274,795
Valley Commerce	50%	122,252	122,252	0	0	0	0
Century	50%	1,918,238	250,000	1,668,238	834,119	1,001,478	167,359
First National - Santa Fe	50%	20,066,882	250,000	19,816,882	9,908,441	10,898,078	989,637
First State	50%	75,778	75,778	0	0	0	0
Centinel	50%	56,983	56,983	0	0	0	0
Guadalupe Credit	50%	250,000	250,000	0	0	0	0
Washington Federal	50%	15,019	15,019	0	0	0	0
		<b>406,637,901</b>	<b>6,540,116</b>	<b>400,097,785</b>	<b>232,728,467</b>	<b>367,985,033</b>	<b>135,256,566</b>



# LGIP Bank Deposits December 31, 2016

<u>Financial Institution</u>	<u>Percentage</u>	<u>Deposit</u>	<u>Collateral</u>
Bank of the West	117.6%	14,446,485	16,984,949
BBVA Compass	103.3%	30,006,684	31,000,000
US Bank	1220.5%	3,187,274	38,900,000
Wells Fargo	338.3%	17,882,012	60,489,882
<b>Totals</b>	<b>224.9%</b>	<b>65,522,455</b>	<b>147,374,831</b>



Standards & Poor's requires bank deposits to be collateralized @ a minimal of 100% collateral levels to maintain rating