



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



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

**Wednesday, September 13, 2017**

**9:00am**



1. Approval of September 13, 2017 Agenda



STATE OF NEW MEXICO  
OFFICE OF THE TREASURER

**Tim Eichenberg**  
The Honorable State Treasurer

**Sam Collins**  
Deputy State Treasurer

**STATE TREASURER'S INVESTMENT COMMITTEE**  
**Treasurer's Conference Room**  
Wednesday, September 13, 2017 9:00 a.m.

**MEETING AGENDA (5 Min)**

Roll Call

- |  |        |
|--|--------|
| 1. Approval of September 13, 2017 Agenda | Action |
| 2. Approval of July 12, 2017 Minutes     | Action |
| 3. Public Comments                       |        |

*Month & Quarter Ending June 30, 2017 and Month Ending July 31, 2017*

**INVESTMENT REPORTS (60 min)**

- |  |               |
|--|---------------|
| 4. Executive Summary (Vikki Hanges)  | Informational |
| 5. Investment Policy Compliance Report ( Arsenio Garduño)                          | Informational |
| 6. Investment Accounting Report (David Mahooty)                                    | Informational |
| 7. Cash Projections (Arsenio Garduño)  | Informational |
| 8. Investment Advisor – June 2017 Quarterly Investment Report (Deanne Woodring)    | Informational |
| 9. Quarterly Investment Review (Vikki Hanges)                                      | Informational |
| 10. Portfolio Summary -- General Fund Investment Pool (Vikki Hanges)               | Informational |
| 11. Portfolio Summary -- Local Government Investment Pool (LGIP) (Jeremy Landrum)  | Informational |
| 12. Portfolio Summary -- Tax-Exempt Bond Proceeds Investment Pool (Jeremy Landrum) | Informational |
| 13. Portfolio Summary -- Taxable Bond Proceeds Investment Pool (Jeremy Landrum)    | Informational |
| 14. Portfolio Summary -- Severance Tax Bonding Fund (Vikki Hanges)                 | Informational |
| 15. Broker Dealer Activities   | Informational |
| 16. Credit   | Informational |
| 17. Investment Policy  | Informational |

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

- |  |               |
|--|---------------|
| 18. State Agency Deposit Balances (Arsenio Garduño)              | Informational |
| 19. Collateral Report on Agency Deposits & CDs (Arsenio Garduño) | Informational |

**COMMITTEE REPORTS (5 min)**

- |   |  |
|---|--|
| 20. Next Meeting –Wednesday, October 11, 2017 9:00 am |  |
| 21. Adjournment                                       |  |



## 2. Approval of July 12, 2017 Minutes

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

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

**Staff Present**

Mr. Samuel Collins, Deputy State Treasurer  
Ms. Charmaine Cook, State Cash Manager  
Ms. Vikki Hanges, Portfolio Manager Supervisor  
Mr. Jeremy Landrum, Portfolio Manager  
Mr. Arsenio Garduño, Collateral Manager  
Mr. Valentin Anaya, Liaison Officer

**Guests Present**

Ms. Deanne Woodring, President, and Ms. Sally Walton, Government Portfolio Advisors (via telephone)  
Mr. Jon Clark, Chief Economist, Legislative Finance Committee

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

**1. Approval of July 12, 2017, Agenda**

Treasurer Tim Eichenberg moved approval of the agenda. Motion was seconded by Member Paul Cassidy and passed unanimously by voice vote.

**2. Approval of June 14, 2017, Minutes**

Member Cassidy moved approval of the minutes with minor corrections. Motion was seconded by Treasurer Eichenberg and passed by voice vote with one abstention (Member Leila Kleats, who was not at the last meeting).

**3. Public Comments**

None.

#### 4. Executive Summary

Ms. Vikki Hanges presented highlights of the Executive Summary:

- At the end of May, the State Treasurer managed \$3.5 billion in assets.
- During the month, the office earned approximately \$2.7 million on its investment positions.
- On a mark-to-market basis the portfolios increased by \$270,594.
- U.S. equity markets were higher in May, with the S&P 500 Index up 1.2%.
- U.S. Treasury yields were higher for maturities two years and shorter, with the remainder of the curve lower, as the yield curve continued to flatten.
- Oil prices declined by 2.1% during the month of May, closing at \$48.32/barrel.
- The U.S. dollar was weaker vs. the euro at the end of May, down 3.2%, to 1.1244.

The Fed has been raising short-term interest rates; the short end of the yield curve will be sensitive to that, while the long end is more sensitive to the fact that the inflation rate isn't really heating up that much.

Today Fed Chair Janet Yellen gave a speech. The market immediately traded much better; stocks hit an inter-day record high, and the bond market rallied because Ms. Yellen said the inflation target of 2% is moving further away. Ms. Yellen indicated there aren't that many more rate hikes before we reach a neutral rate. We can expect a low-interest-rate environment. The Fed also expects to reduce the balance sheet sometime this year (relatively soon). They will start not reinvesting principal that comes due by about \$10 billion per month (\$6 billion treasuries, \$4 billion mortgages) for three months, then raising it \$10 billion per month. If so, we may not see a rate hike in December. Today, the two-year interest rate was 1.35%. The Fed fund rate was increased in June from 1% to 1.25%, so the two-year is only 10 basis points higher. In the past, that spread has been much higher in anticipation of the Fed continuing to raise rates. Eventually the yield curve flattens and inverts; so the Fed has to be careful to prevent that, which can indicate a recession. It's not really attractive to go out much longer; for example, the five-year is only 1.88%, only 50 basis points above the upper end of the Fed fund rate.

June was a negative month for bond performance. The fiscal year is better.

The General Funds investment earnings decreased by almost \$3.7 million in FY2017 vs. the same period in FY2016 as a result of lower average total assets. The GF Core is also a smaller percentage of the total Pool, falling to 51% from 75%.

The LGIP increased investment earnings by more than \$2 million vs. the same period in FY2016 as a result of higher interest rates and larger balances.

Our durations are still short of the benchmarks (77%). Ms. Hanges said we may re-address that going forward. Member Cassidy asked about this. Ms. Hanges said we may start moving more to the core fund. We want to get back to being at 80% of the benchmark and see how economic data comes out. Member Cassidy agreed; things appear to be more stable now.

*Mr. Jon Clark of the Legislative Council Service entered the meeting.*

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

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

- Bond Purchases/Sales for May: Primary \$117,926,056 (9% of total) and secondary \$1,166,582,944 (91% of total), for a total of \$1,284,509,000. 67% of trades were in the LGIP short-term portfolio.
- Variable Rate Notes: \$245,215,000 at the end of May (\$14,565,000 in General Fund, \$7,625,000 in Taxable BPIP, \$32,375,000 in Tax-Exempt BPIP, \$189,290,000 in LGIP, and \$1,360,000 in STBF), primarily in U.S. government agency securities. No structured notes in May.
- Transaction Variances: 0 in May.
- Inter-Portfolio Transactions: 0 in May.
- Realized Gains (13 sales in May): \$8,631.90.
- Purchase/Sales Activity (75 = 62 purchases, par value \$1,179,950,000, + 13 sales, par value \$104,559,056). No noted violations or breaches.

Member Kleats noted that there appeared to be a lot of purchases in commercial paper; was this in the LGIP? Mr. Jeremy Landrum said no; we have made the determination to be even more conservative than S&P. Member Kleats asked if the yield is higher with commercial paper. Ms. Hanges noted that spreads have been really tight, so we are using commercial paper in the short end to boost yield. We have not seen a lot of issuance. New Mexico municipals are expensive. Member Cassidy said the schools are taking projects through the NMFA; the rates are more attractive. Ms. Hanges asked what NMFA's cash-level funding is; Member Cassidy said it is \$10 million.

## **6. Investment Accounting Report**

Mr. Sam Collins presented highlights of the Investment Accounting Reconciliation Report:

The May 2017 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 April 30 and May 31 (the report in the binder incorrectly stated as March 31 to April 30).
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 JPMorgan account. Overnight Repo interest for the investing agencies is not distributed until the first or second day of the next month. The amount is typically immaterial relative to the size of the Repo pool; but this month, the interest was large enough to exceed our threshold slightly. Earned interest materiality threshold is ½ basis point of the total market value of a JP Morgan account. STB interest exceeded the threshold due to Compass Bank interest of \$29,958.90 accrued in QED in May but was not received and recorded in JPM until June.

Mr. Collins announced that STO has employed David Mahooty for investment accounting. Mr. Mahooty will start July 17. He has worked for the New Mexico Finance Authority and Wells Fargo, among others. Treasurer Eichenberg is looking forward to Mr. Mahooty adding to the strength of the STO team.

Member Cassidy noted that in May STO distributed \$943,000 to the General Fund; is this really a transfer? Mr. Collins said it is an accounting entry; the funds stay in the General Fund. So during a negative month, do we pull money out, asked Member Cassidy. Mr. Collins said yes, DFA sends it back operationally.

## **7. Cash Projections**

Mr. Garduño presented highlights of Cash Projections:

- General Fund down -\$11,182,624 year-over-year (-7%).
- General Fund down -\$145,440,641 month-over-month (-8.6%).
- On June 30 we received approximately \$100 million from the Bureau of Land Management; Taxation and Revenue was higher by \$48 million (much due to oil and gas); on June 27 \$110 million of the Tobacco Settlement Permanent Fund was sent back to the SIC.

Member Kleats noted that the SGFIP Balance Projects graphs are looking better.

## **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 May at \$1.5 billion.
- For the last month, the General Fund underperformed its benchmark, returning 0.15% vs. 0.18%, due to the flattening of the yield curve, as five-year maturities outperformed.



- For the last 3 months, the General Fund underperformed its benchmark, returning 0.40% vs. 0.47%, due to the flattening of the yield curve, as five-year maturities outperformed.
- For the last 12 months, the General Fund outperformed its benchmark. The General Fund gained 0.59% while the benchmark rose 0.57%.
- The portfolio remained shorter than the benchmark duration to preserve principal in anticipation of liquidity needs and higher short-term interest rates.
- The Core portfolio will move closer to the benchmark duration as opportunities arise.
- During the month of May the General Fund Liquidity portfolio had sufficient funds to meet cash needs. We received an additional \$100 million (a sponge note) that was put into the General Fund, , but with the transfer of the \$110 million back to the Tobacco Settlement Fund, the effect was almost nil. Ms. Woodring said that she agrees with the positioning. We continue to see tight spreads, so hopefully that breaks and we will get more opportunities.

*Ms. Woodring left the call.*

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

Mr. Landrum presented highlights of the Local Government Investment Pool Portfolio Summary (after distributing the correct section in the STIC binder for pages 51 through 56):

- May's ending market value for the LGIP was \$893.8 million, representing an increase relative to April's reported closing value of \$876.5 million.
- At the end of May the STO participant balance was \$8.2 million or 1% of the Pool; the Judicial District Court participant balance was \$2.7 million or 0.3% of the Pool; and the Educational Retirement Board participant balance was \$100.5 million or 11% of the Pool.
- The LGIP continues to maintain an AAAM rating by Standard & Poor's.
- In May the fund earned \$597,437.
- For FY2017, the fund has earned \$3,917,673.
- Gross yield on the LGIP was 0.7909% at the end of May. Net yield to participants was 0.7409%. Member Cassidy asked what the rate is today; Mr. Landrum replied that it is approximately 0.95%.
- For the LGIP, the WAM(R) of 57 days and WAM(F) of 103 days were within their maximums of 60 and 120 days respectively.
- The LGIP purchased \$10.9 million in U.S. treasuries and \$810.9 million in U.S. agency securities (a significant portion of which matured in one month or less, so in lieu of repo). Approximately \$677 million of these transactions were in securities that matured in one month or less.
- The LGIP engaged in 32 repo trades during the month, consisting of 20 overnight and 12 term trades. Trade amounts varied in size from \$25 million to \$75 million at rates spanning 0.74% to 0.80%.
- At the time of the meeting, LGIP WAMs were 59 days for WAM(R) and 93 days for WAM(F).

Member Kleats asked about the \$810 million in U.S. agency securities; what was the funding for that—had some other securities matured. Mr. Landrum said yes; the majority of that funding was the natural maturing. New money to the fund was modest relative to the \$810 million. STO is reinvesting a lot of maturities, and May was a relatively high maturity month. Member Kleats asked if the JPMorgan report in the STIC binder is the correct one; Mr. Landrum said yes.

Member Cassidy noted that the LGIP yield should be creeping up to the 1% mark as the portfolio matures. Mr. Landrum said that a lot of securities at the short end of the market will kind of lag a little bit with the Fed fund rate. We certainly see that in the LGIP because our counterparties are tighter. Repo and Home Loan are both 0.95%. All the depositories are lagging behind significantly compared to the Fed fund rate. When we compare STO to other government money-market funds, ours are 10, 15, or 20 basis points higher.

Member Cassidy noted that the earnings credit rating from Wells Fargo is 81 basis points; will that be creeping up? Ms. Cook said it is 50 basis points or the higher of an index, so we have that advantage. Mr. Landrum said that STO is actively managing our depository accounts as well. When we see the Fed hikes, we push the banks for some movement. Ms. Cook noted that Compass is moving the most quickly. Compass wants these deposits to fund its loans; thus, that bank is much more responsive.

#### **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 May at \$433 million vs. \$456.7 million at the end of April.
- The Pool received \$23.7 million in draw requests for capital spending during the month and paid out \$26.04 million for capital projects.
- Weighted Average Life of the Tax Exempt BPIP was 1.07 years. The Weighted Average duration was 1.03 years.
- Unrealized gains in the Tax-Exempt BPIP portfolio were -\$1,191,658 on May 31.
- Monthly net earnings on the portfolio for May were \$359,805.
- Net earnings for FY2017 were \$4,728,833.
- The duration of the Tax-Exempt BPIP at the end of May was 1.03 years vs. the benchmark at 1.36 years.
- The Pool purchased \$5 million in agency securities and sold \$26.2 million in agency securities and \$3.3 million in commercial paper during May. Two sales generated realized losses, but we did so intentionally, taking into consideration the trend. We grew concerned at having a lack of liquidity due to draw requests. In retrospect, that was the right action to

take. The sales generated about \$20 million, \$5 million more than in another scenario. The net was positive.

- The purchase yield was 0.97% at the end of May vs. 0.98% reported for the previous month.
- The Tax-Exempt BPIP returned 0.08% for the month of May and 0.18% for the three months ended May 31, 2017, vs. index returns of 0.10% and 0.22% respectively. For the trailing 12 months the pool returned 0.67% vs. 0.57% for the benchmark. There was a lag on the short end, but we continue to outperform the index.
- The option-adjusted duration of the Tax-Exempt BPIP portfolio is currently 1.0 years vs. 1.41 years for the benchmark.

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

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

- The Taxable BPIP closed the month of May at \$427.5 million vs. \$447.2 million in April.
- The Pool received \$21.8 million in draw requests for capital spending during the month and paid out \$19.8 million for capital projects.
- Weighted Average Life of the Taxable BPIP was 1.16 years. The Weighted Average duration was 1.11 years.
- The unrealized gains in the Taxable BPIP were -\$563,437 as of May 31.
- Monthly net earnings on the portfolio for May were \$398,399.
- FY2017 net earnings were approximately \$4,838,282.
- The duration of the Taxable BPIP at the end of May was 1.11 years vs. the benchmark at 1.36 years.
- The pool purchased \$2.5 million in corporate securities and \$10 million in commercial paper, and sold \$40 million in U.S. treasury securities. All sales were executed at gains.
- Purchase yield at the end of May was 1.08% relative to 1.08% at the end of the prior month.
- The Taxable BPIP returned 0.10% for the month of May and 0.23% for the three months ended May 31, 2017, vs. index returns of 0.10% and 0.22% respectively. For the trailing 12 months the Pool returned 0.66% vs. 0.57% for the benchmark.
- The option-adjusted duration of the portfolio is currently 1.16 years vs. 1.41 years for the benchmark.
- Capital project withdrawal requests have totaled \$22.9 million for June.
- The Taxable BPIP has maintained duration shorter than the benchmark in order to provide adequate liquidity for project withdrawals while minimizing overnight cash positions.

Member Kleats asked if the sponge note proceeds were in the Taxable BPIP. Mr. Landrum said yes (as opposed to the Tax-Exempt BPIP). For the Tax-Exempt, we're looking forward to the August 1 and August 8 closing dates.

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

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

- The STB Fund closed May at \$284.8 million. It rose to approximately \$310-\$320 million at the end of June and is now at \$16-\$17 million due to debt-service payments on July 1 of about \$140 million and payoff of a \$135 million sponge note.
- Net earnings were \$184,357 for May.
- The STB Fund received \$29.9 million in May.

Member Mark Pike asked if the repos factored into the average duration calculation of these portfolios? Ms. Hanges said yes, definitely. Member Pike asked if this had an impact. Ms. Hanges said yes—if it's a large amount in repo, it will drag the duration lower; smaller percentage, it will not have an effect on the duration. Mr. Collins said that most repo is segregated into the liquidity portion of the pool; it's not a driver of the duration in the core portion of the portfolio. Repo rates have shrunk from 1.15% to 1%. With the December, March, and June Fed rate hikes, we have not been able to sell those positions and we're bulleted in that short end.

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

Ms. Cook presented the Broker-Dealer Activities:

- This is an action item on the agenda. The list in the STIC binder is the proposed list for FY2018. There are a total of 38 broker-dealers, 13 primary and 25 secondary (36 last year; 14 primary, 22 secondary). One primary (UBS) did not apply this time. We have five new secondaries (some of whom we've worked with in prior years and are mostly well-known); a few have rolled off.
- RBC has been on the list for repo only since Ms. Cook has been with STO. This year RBC is also identified for trade activity (if approved). Due to his employment with RBC, Member Cassidy has chosen to abstain from this vote.

Member Kleats asked if the five new secondaries applied last year, but were not selected. Ms. Cook did not perform that analysis. Member Kleats asked what the process was for choosing the secondaries. Ms. Cook said part of the process is to assemble all the applications and interview the portfolio managers re: what value the firms brought this year (if on the list). If there was no activity, they go lower; STO weighs what value they bring to the table (and some can even add value by supplying ideas, information, and reporting). We go down the list and identify those properties, prioritize, and select a cutoff point. Member Kleats asked how STO identifies the cutoff point. Ms. Cook said it is where there are diminishing returns.

Member Kleats asked what the process is for choosing those that are approved for repo. Ms. Cook said there is a separate agreement for repo. If we have that agreement, they stay on the

list because we desperately need our repo partners. All primaries automatically go on the repo list.

Member Cassidy noted that in 2008, 2009, and 2010, it was very difficult to find repo partners, so it is good to have several. Member Kleats noted that there are eight on the list. Ms. Cook said that we have agreements with all eight, but three or four are active. Mr. Landrum has worked to expand the list. Ms. Hanges noted that some firms do not deal with repo due to the amount of effort required for a daily transaction.

Member Kleats asked if the JPMorgan liquidity exchange is going to help? Ms. Cook said yes, government money market funds is one of the initiatives that we're working on to allay the need for repo. Ms. Hanges said looking to government money market funds is especially true at month-end.

For the record, Member Kleats asked if Member Cassidy provided any assistance to RBC for the broker-dealer application. Mr. Cassidy said no—he did not provide any help monetarily, intellectually, etc. It's a different part of the firm. He thanked Member Kleats for the question.

Treasurer Eichenberg asked Member Kleats to allow a few extra minutes for the STO Investment report at the next Board of Finance meeting. He asked Ms. Hanges to please explain to the State Board of Finance how difficult it is to find repo partners at month-end. Treasurer Eichenberg asked Member Cassidy how long he had been a STIC public member. Member Cassidy said about 10 years.

Member Pike was glad that there was discussion about alternatives to counterparty repo, because he did not think the situation was going to improve. Ms. Cook concurred.

Treasurer Eichenberg then asked Member Pike how long he had served as a STIC public member. Member Pike said about three full years.

Ms. Cook asked if there was a motion to recommend the proposed broker-dealer list for FY2018 to the Treasurer for approval, and in turn recommendation to the State Board of Finance. Member Pike so moved, and Member Kleats seconded. The motion passed unanimously, with Member Cassidy abstaining.

Treasurer Eichenberg formally approved the broker-dealer list. The Treasurer stated that he was excited about the work that staff had done to make sure that these are firms and people that we want to work with and that they all have something to offer to the State of New Mexico.

Member Kleats noted that the broker-dealer list was not on the consent agenda because it was important for the State Board of Finance members to have a conversation about it.

Ms. Cook noted that the Investment Policy states that the broker-dealer process is performed annually. The process takes about seven months each year; she asked the STIC to consider whether it could happen every two years, or a more abbreviated annual process. Treasurer Eichenberg asked Member Kleats if this is something the State Board of Finance could consider. Member Kleats indicated that it was possible. Note: The Investment Policy doesn't specify how often the broker-dealer process should occur. Because STO has performed the process annually, however, an expectation has been set.

Member Cassidy noted that having a broad broker-dealer list serves the State well. The selection is an intense process and performing it annually probably does not make sense. The key thing is the broker check—at least once per year. Ms. Cook concurred and said STO can look at FINRA. Member Kleats echoed the need for annual broker checks.

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

Ms. Hanges presented highlights of Credit Investing:

- A full list of corporate and money market issuers is included in the binder (eight corporate bond issuers and three commercial paper issuers are active, the same as in April).
- Moody's changed ExxonMobil's outlook from negative to stable.
- USB/UNM's 7-day put products were all put back to US Bank and were all liquidated.
- The STIC binder included a table of portfolio credit exposure (a total of 6.02% across all STO portfolios).

#### **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 May.
- State Funds: 157 accounts totaling \$259,728,635.
- Non-State Funds: 151 accounts totaling \$43,236,599.
- Total: \$302,965,234 in 308 accounts.
- 7 depository accounts were closed in May (1 for the 3<sup>rd</sup> District Court and 6 for the 13<sup>th</sup> District Court).

There was a discussion regarding district court accounts that are not with the fiscal agent bank.

#### **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 May 31, 2017, met the minimum collateral requirements.
- Certificates of Deposit: \$21 million; agency accounts, \$290.3 million; LGIP account, \$12.7 million; and fiscal agent, \$37.5 million, for a total of \$361.4 million.
- LGIP deposits were 668.7% collateralized.

Member Kleats asked about the \$1 deposit in BBVA Compass. Mr. Garduño replied that it was interest, and Ms. Cook said she believed the account has been closed.

**17. Next Meeting—Wednesday, September 13, 2017, 9:00 am**

Note: STIC will not meet the month of August, in concert with the State Board of Finance.

**18. Adjournment**

Meeting adjourned at 10:30 am.

*Minutes were taken by Ms. Julie Filatoff.*



### 3. Public Comments





## 4. Executive Summary

## Executive Summary

- At the end of July, the State Treasurer managed \$3.5 billion in assets.
- During the month, the office earned approximately \$3.0 million on its investment positions.
- On a mark-to-market basis the portfolios increased \$1.3 million.
- US equity markets were higher in July, with the S&P 500 Index up almost 2%.
- US Treasury yields were flat to lower for all maturities except the extremes of the very short and very long ends of the curve.
- Oil prices increased by 9% during the month of July, closing at \$50.17/barrel.
- The US dollar was weaker vs. the euro at the end of July, down 3.6%, to 1.1842.

**Table 2 - Comparative Interest Rates**

### *US Treasury Yields*

			<i>Monthly</i>
<i>Maturity</i>	<i>6/30/2017</i>	<i>7/31/2017</i>	<i>Change</i>
3-Month	1.01%	1.07%	0.06%
6-Month	1.13%	1.13%	0.00%
1-Year	1.23%	1.21%	-0.02%
2-Year	1.38%	1.35%	-0.03%
3-Year	1.55%	1.51%	-0.04%
5-Year	1.89%	1.84%	-0.05%
10-Year	2.30%	2.29%	-0.01%
30-Year	2.84%	2.90%	0.07%

*Source: Bloomberg LP*

*Portfolio Mark-to-Market and Monthly Change*

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

**Table 5 - Unrealized Gains and Losses**

<u>Fund</u>	<u>Unrealized Gain/Loss<sup>5</sup></u>	<u>Monthly Change in Unrealized Gain/Loss<sup>6</sup></u>
General Funds	\$0.56 million	Increased \$0.6 million
Bond Proceeds Funds	\$(1.78) million	Increased \$0.5 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 July, the portfolios had the following weighted average purchase yields and durations:

**Table 6 – Portfolio Purchase Yields and Durations**

<u>Fund</u>	<u>Purchase Yield<sup>8</sup></u>	<u>Effective Duration<sup>7</sup></u>		
		<u>Portfolio</u>	<u>Benchmark</u>	<u>Percentage</u>
General Fund Liquidity	1.05%	0.01 Years		
General Fund CORE	1.51%	1.90 Years	2.15 Years	88%
Bond Proceeds – Tax Exempt	1.02%	1.12 Years	1.37 Years	82%
Bond Proceeds – Taxable	1.11%	1.19 Years	1.37 Years	87%
Local Government Investment Pool	0.94%	0.17 Years		

<sup>5</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>6</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>7</sup> Effective Duration. Portfolio durations are calculated as of a moment in time, specifically at month end. Source: JP Morgan.

<sup>8</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 July, the STO portfolios had the following performance numbers relative to their respective benchmarks:

**Table 8 - Relative Performance of STO Funds**

<i>Fund</i>	<i>Performance<sup>10</sup></i>	
	<i>3 Months</i>	<i>12 Months</i>
<b>General Fund Liquidity</b>	0.19%	0.46%
S&P Government Pools Index (Gross)	<u>0.22%</u>	<u>0.62%</u>
Relative Performance (BPs)	(0.03)%	(0.16)%
<b>General Fund CORE</b>	0.32%	0.06%
BAML 0-5 US Treasury	<u>0.32%</u>	<u>(0.04)%</u>
Relative Performance (BPs)	0.00%	0.10%
<b>Bond Proceeds - Tax Exempt</b>	0.27%	0.52%
BAML 0-3 US Treasury	<u>0.25%</u>	<u>0.31%</u>
Relative Performance (BPs)	0.02%	0.21%
<b>Bond Proceeds - Taxable</b>	0.28%	0.50%
BAML 0-3 US Treasury	<u>0.25%</u>	<u>0.31%</u>
Relative Performance (BPs)	0.03%	0.19%
<b>Local Government Investment Pool</b>	0.22%	0.60%
S&P Government Pools Index (Gross)	<u>0.22%</u>	<u>0.62%</u>
Relative Performance (BPs)	0.00%	(0.02)%
<b>Severance Tax Bonding Fund</b>	0.34%	0.72%
S&P Government Pools Index (Gross)	<u>0.22%</u>	<u>0.62%</u>
Relative Performance (BPs)	0.12%	0.10%

Source: JPMorgan, STO Calculations

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

<sup>10</sup> Relative performance is periodic total return compared to the return of the portfolio benchmarks.

## Earnings

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

**Table 11 - Investment Earnings – Periods ended July, 2017**

<i>Fund</i>	<i>Investment Net Earnings<sup>13</sup></i>		
	<i>July FY'18</i>	<i>FY'18 YTD</i>	<i>FY'17 YTD</i>
<i>General Funds</i>	\$1,522,736	\$1,522,736	\$1,109,496
<i>Bond Proceeds Funds</i>	\$770,404	\$770,404	\$873,655
<i>Local Government Investment Pool<sup>14</sup></i>	\$711,695	\$711,695	\$266,224
<i>Severance Tax Bonding Fund</i>	\$26,230	\$26,230	\$6,902

Source: QED

- The General Funds investment earnings increased by \$400,000 in FY2018 vs. the same period in FY2017 as a result of higher short term interest rates and larger balances. The GF Core is a smaller percentage of the total Pool, falling to 46% from 70%.
- Bond Proceeds funds have decreased investment earnings by \$100,000 as a result of lower balances.
- The LGIP increased investment earnings by more than \$400,000 vs. the same period in FY2017 as a result of higher interest rates and larger balances.
- The Severance Tax Bonding Fund increased earnings as a result of higher interest rates and higher balances.

## Compensating Balances at Fiscal Agent Bank

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During July, STO maintained Average Daily Collected Balances at the Fiscal Agent Bank of approximately \$37 million. This balance earned a credit against processing fees assessed by the bank.

**Table 12 - Compensating Balances at Fiscal Agent Bank**

<i>Average Collected Balance</i>	\$36,741,214
<i>Earnings Credit Rate</i>	1.00%
<i>Monthly Earnings</i>	\$31,205
<i>Estimated Fiscal YTD Earnings</i>	\$31,205

Source: Wells, Fargo & Co.

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<sup>13</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>14</sup> Gross Earnings, Participant Earnings reflect 0.05% reduction for management fees.

## Executive Summary

- At the end of June, the State Treasurer managed \$3.6 billion in assets.
- During the month, the office earned approximately \$3.0 million on its investment positions.
- On a mark-to-market basis the portfolios decreased \$1.7 million.
- US equity markets were higher in June, with the S&P 500 Index up 0.5%.
- US Treasury yields were higher for all maturities except for the thirty year bond, with the belly of the curve underperforming.
- Oil prices declined by 4.7% during the month of June, closing at \$46.04/barrel.
- The US dollar was weaker vs. the euro at the end of June, down 1.6%, to 1.1426.

**Table 1 - Comparative Interest Rates**

### *US Treasury Yields*

			<i>Monthly</i>
<i>Maturity</i>	<i>5/31/2017</i>	<i>6/30/2017</i>	<i>Change</i>
3-Month	0.97%	1.01%	0.04%
6-Month	1.07%	1.13%	0.07%
1-Year	1.15%	1.23%	0.08%
2-Year	1.28%	1.38%	0.10%
3-Year	1.43%	1.55%	0.11%
5-Year	1.75%	1.89%	0.14%
10-Year	2.20%	2.30%	0.10%
30-Year	2.86%	2.84%	-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 June.

**Table 3 - 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>
<i>General Funds</i>	\$(0.07) million	Decreased \$1.1 million
<i>Bond Proceeds Funds</i>	\$(2.33) million	Decreased \$0.6 million
<i>Local Government Investment Pool</i>	Not Material	Not Material
<i>Severance Tax Bonding Fund</i>	Not Material	Not Material

Source: QED

*Portfolio Purchase Yields and Durations*

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

**Table 4 - 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>
<i>General Fund Liquidity</i>	1.00%	0.01 Years		
<i>General Fund CORE</i>	1.44%	1.73 Years	2.15 Years	80%
<i>Bond Proceeds – Tax Exempt</i>	0.99%	0.75 Years	1.37 Years	55%
<i>Bond Proceeds – Taxable</i>	1.12%	0.86 Years	1.37 Years	63%
<i>Local Government Investment Pool</i>	0.90%	0.17 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 June, the STO portfolios had the following performance numbers relative to their respective benchmarks:

**Table 7 - Relative Performance of STO Funds**

<i>Fund</i>	<i>Performance<sup>9</sup></i>	
	<i>3 Months</i>	<i>12 Months</i>
<b>General Fund Liquidity</b>	0.17%	0.40%
S&P Government Pools Index (Gross)	<u>0.19%</u>	<u>0.57%</u>
Relative Performance (BPs)	(0.02)%	(0.17)%
<b>General Fund CORE</b>	0.31%	(0.16)%
BAML 0-5 US Treasury	<u>0.33%</u>	<u>(0.31)%</u>
Relative Performance (BPs)	(0.02)%	0.15%
<b>Bond Proceeds - Tax Exempt</b>	0.21%	0.37%
BAML 0-3 US Treasury	<u>0.18%</u>	<u>0.10%</u>
Relative Performance (BPs)	0.03%	0.27%
<b>Bond Proceeds - Taxable</b>	0.23%	0.34%
BAML 0-3 US Treasury	<u>0.18%</u>	<u>0.10%</u>
Relative Performance (BPs)	0.05%	0.24%
<b>Local Government Investment Pool</b>	0.20%	0.55%
S&P Government Pools Index (Gross)	<u>0.19%</u>	<u>0.57%</u>
Relative Performance (BPs)	0.01%	(0.02)%
<b>Severance Tax Bonding Fund</b>	0.21%	0.54%
S&P Government Pools Index (Gross)	<u>0.19%</u>	<u>0.57%</u>
Relative Performance (BPs)	0.02%	(0.03)%

Source: JPMorgan, STO Calculations

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

<sup>9</sup> Relative performance is periodic total return compared to the return of the portfolio benchmarks.



## Earnings

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

**Table 9 - Investment Earnings – Periods ended June, 2017**

<i>Fund</i>	<i>Investment Net Earnings<sup>11</sup></i>		
	<i>June FY'17</i>	<i>FY'17 YTD</i>	<i>FY'16 YTD</i>
<i>General Funds</i>	\$1,339,128	\$13,599,919	\$17,297,052
<i>Bond Proceeds Funds</i>	\$720,952	\$10,288,067	\$10,011,932
<i>Local Government Investment Pool<sup>12</sup></i>	\$681,980	\$4,599,656	\$2,054,044
<i>Severance Tax Bonding Fund</i>	\$212,087	\$942,225	\$374,221

Source: QED

- The General Funds investment earnings decreased by almost \$3.7 million in FY2017 vs. the same period in FY2016 as a result of lower average total assets. The GF Core is also a smaller percentage of the total Pool, falling to 46% from 66%.
- Bond Proceeds funds have increased investment earnings by over \$200,000 as a result of higher interest rates.
- The LGIP increased investment earnings by more than \$2.5 million vs. the same period in FY2016 as a result of higher interest rates and larger balances.
- The Severance Tax Bonding Fund increased earnings as a result of higher interest rates and higher balances.

## Compensating Balances at Fiscal Agent Bank

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During June, STO maintained Average Daily Collected Balances at the Fiscal Agent Bank of approximately \$38 million. This balance earned a credit against processing fees assessed by the bank.

**Table 10 - Compensating Balances at Fiscal Agent Bank**

<i>Average Collected Balance</i>	\$37,621,034
<i>Earnings Credit Rate</i>	0.92%
<i>Monthly Earnings</i>	\$28,448
<i>Estimated Fiscal YTD Earnings</i>	\$224,779

Source: Wells, Fargo & Co.

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<sup>11</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>12</sup> Gross Earnings, Participant Earnings reflect 0.05% reduction for management fees.

The fixed income markets have been relatively calm over the past few months. With the Federal Reserve having raised short term interest rates in March and June of 2017 for a total of 0.50%, we have seen five year and longer maturity assets actually decline in yield. Shorter maturity, less than one year US Treasuries have risen almost in lock step with the Fed moves, as one would expect, while two to three year maturities are only modestly higher.

It appears that the Fed has been backpeddling since the June Federal Open Market Committee (FOMC) meeting, when “dot plot” expectations were indicating two more rate increases in 2017. The somewhat dovish speech delivered by Janet Yellen to Congress in July, indicated that a recent move lower in the inflation data may not be transitory. Yellen further indicated that rates are close to a neutral level and may not need to rise much more, specifically stating that the Fed would need to implement “gradual rate hikes” over “the next few years”. She also indicated that the Fed’s balance sheet would shrink this year.

Looking forward, we have taken our cue from the Fed, positioning portfolios more toward expectations that we may be in an investment environment where interest rates may be confined to a narrow range. Economic data, except for employment, has shown signs of weakening and with the current inflationary picture less than robust, we have been lengthening the durations of our portfolios. Cash outflows have stabilized, allowing for more constructively postured portfolios.

A politically charged atmosphere in the US and North Korea’s threat of nuclear attack have bolstered Treasuries on occasion. The next issue for investors to navigate involves the debt ceiling extension, that Congress must resolve by a fast approaching September 29<sup>th</sup> deadline. Without a resolution, the US government faces a shutdown and the potential inability to service its debt. Market participants have taken a cautious view with regard to purchasing US Treasuries that mature in the early to mid part of October.

For the immediate future it seems that the Fed will not raise interest rates in September. They may, however, announce the reduction of their balance sheet by \$10 billion per month. The markets have been complacent with not much concern about reverse QE (or QT!). December might still be in play but the odds have been dropping. We are cautiously optimistic for the performance of fixed income securities over the next few months with portfolio durations inching closer to benchmarks. 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 July 31, 2017

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
Cash Balances	\$ 40,388,881	\$ 40,388,881	\$ -										
Liquidity	956,661,135	956,663,539	2,404	0.46%	S&P LGIP Gross	0.62%	-0.16%	\$ 633,171	\$ (2,196)	\$ 630,975	\$ 633,171	\$ (2,196)	\$ 630,975
CORE	812,147,972	812,707,327	559,355	0.06%	ML Treasury 0-5	-0.04%	0.10%	889,565	633,283	1,522,848	889,565	633,283	1,522,848
TRAN	-	-	-	0.00%	All-In Tran TIC	0.00%	0.00%	-	-	-	-	-	-
<b>Totals</b>	<b>\$ 1,809,197,988</b>	<b>\$ 1,809,759,747</b>	<b>\$ 561,759</b>	<b>0.28%</b>	<b>Blended</b>	<b>0.32%</b>	<b>-0.04%</b>	<b>\$ 1,522,736</b>	<b>\$ 631,087</b>	<b>\$ 2,153,823</b>	<b>\$ 1,522,736</b>	<b>\$ 631,087</b>	<b>\$ 2,153,823</b>

Bond Proceeds Investment Pool (BPIP)													
Sub-Account	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
Tax-Exempt	\$ 419,175,526	\$ 418,082,646	\$ (1,092,880)	0.52%	ML Treasury 0-3	0.31%	0.21%	\$ 354,923	\$ 296,313	\$ 651,236	\$ 354,923	\$ 296,313	\$ 651,236
Taxable	404,357,487	403,670,991	(686,496)	0.50%	ML Treasury 0-3	0.31%	0.19%	415,481	250,137	665,618	415,481	250,137	665,618
<b>Totals</b>	<b>\$ 823,533,013</b>	<b>\$ 821,753,637</b>	<b>\$ (1,779,376)</b>	<b>0.51%</b>	<b>Blended</b>	<b>0.31%</b>	<b>0.20%</b>	<b>\$ 770,404</b>	<b>\$ 546,450</b>	<b>\$ 1,316,854</b>	<b>\$ 770,404</b>	<b>\$ 546,450</b>	<b>\$ 1,316,854</b>

Local Government Investment Pool (LGIP)													
Sub-Account	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
LGIP (See Note 5)	\$ 864,073,318	\$ 863,966,552	\$ (106,766)	0.60%	S&P LGIP Gross	0.62%	-0.02%	\$ 711,695	\$ 81,684	\$ 793,379	\$ 711,695	\$ 81,684	\$ 793,379

Severance Tax Bonding Fund													
Sub-Account	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
STBF	\$ 47,497,087	\$ 47,494,743	\$ (2,344)	0.72%	S&P LGIP Gross	0.62%	0.10%	\$ 26,230	\$ 373	\$ 26,603	\$ 26,230	\$ 373	\$ 26,603
<i>Estimated Totals (all funds)</i>		\$ 3,542,974,679	\$ (1,326,727)					3,031,065	\$ 1,259,594	\$ 4,290,659	\$ 3,031,065	\$ 1,259,594	\$ 4,290,659

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.

**New Mexico State Treasurer**  
Monthly Fund Summary Report  
(Unaudited)  
As of June 30, 2017

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>													
<i>Sub-Account</i>	<i>Cost Basis</i>	<i>Market Value</i>	<i>Unrealized Gain/Loss</i>	<i>12-Month Total Return</i>	<i>Benchmark</i>	<i>Index Return</i>	<i>Relative Performance</i>	<i>Earnings</i>	<i>Change in Gain/Loss</i>	<i>Total</i>	<i>Earnings</i>	<i>Change in Gain/Loss</i>	<i>Total</i>
Cash Balances	\$ 47,030,926	\$ 47,030,926	\$ -										
Liquidity	840,731,214	840,735,814	4,600	0.40%	S&P LGIP Gross	0.57%	-0.17%	\$ 523,238	\$ 4,933	\$ 528,171	\$ 2,276,718	\$ 4,933	\$ 2,281,651
CORE	711,741,527	711,667,599	(73,928)	-0.16%	ML Treasury 0-5	-0.31%	0.15%	815,890	(1,125,607)	(309,717)	11,323,201	(12,719,487)	(1,396,286)
TRAN	-	-	-	0.00%	All-In Tran TIC	0.00%	0.00%	-	-	-	-	-	-
<b>Totals</b>	<b>\$ 1,599,503,667</b>	<b>\$ 1,599,434,339</b>	<b>\$ (69,328)</b>	<b>0.14%</b>	<b>Blended</b>	<b>0.17%</b>	<b>-0.02%</b>	<b>\$ 1,339,128</b>	<b>\$ (1,120,674)</b>	<b>\$ 218,454</b>	<b>\$ 13,599,919</b>	<b>\$ (12,714,554)</b>	<b>\$ 885,365</b>
<b>Bond Proceeds Investment Pool (BPIP)</b>													
<i>Sub-Account</i>	<i>Cost Basis</i>	<i>Market Value</i>	<i>Unrealized Gain/Loss</i>	<i>12-Month Total Return</i>	<i>Benchmark</i>	<i>Index Return</i>	<i>Relative Performance</i>	<i>Earnings</i>	<i>Change in Gain/Loss</i>	<i>Total</i>	<i>Earnings</i>	<i>Change in Gain/Loss</i>	<i>Total</i>
Tax-Exempt	\$ 556,137,124	\$ 554,747,931	\$ (1,389,193)	0.37%	ML Treasury 0-3	0.10%	0.27%	\$ 343,075	\$ (197,535)	\$ 145,540	\$ 5,071,908	\$ (3,223,939)	\$ 1,847,969
Taxable	570,199,721	569,263,088	(936,633)	0.34%	ML Treasury 0-3	0.10%	0.24%	377,876	(373,196)	4,680	5,216,159	(3,700,829)	1,515,330
<b>Totals</b>	<b>\$ 1,126,336,845</b>	<b>\$ 1,124,011,019</b>	<b>\$ (2,325,826)</b>	<b>0.35%</b>	<b>Blended</b>	<b>0.10%</b>	<b>0.25%</b>	<b>\$ 720,952</b>	<b>\$ (570,731)</b>	<b>\$ 150,221</b>	<b>\$ 10,288,067</b>	<b>\$ (6,924,768)</b>	<b>\$ 3,363,299</b>
<b>Local Government Investment Pool (LGIP)</b>													
<i>Sub-Account</i>	<i>Cost Basis</i>	<i>Market Value</i>	<i>Unrealized Gain/Loss</i>	<i>12-Month Total Return</i>	<i>Benchmark</i>	<i>Index Return</i>	<i>Relative Performance</i>	<i>Earnings</i>	<i>Change in Gain/Loss</i>	<i>Total</i>	<i>Earnings</i>	<i>Change in Gain/Loss</i>	<i>Total</i>
LGIP (See Note 5)	\$ 883,826,191	\$ 883,637,741	\$ (188,450)	0.55%	S&P LGIP Gross	0.57%	-0.02%	\$ 681,980	\$ 14,367	\$ 696,347	\$ 4,599,656	\$ (293,792)	\$ 4,305,864
<b>Severance Tax Bonding Fund</b>													
<i>Sub-Account</i>	<i>Cost Basis</i>	<i>Market Value</i>	<i>Unrealized Gain/Loss</i>	<i>12-Month Total Return</i>	<i>Benchmark</i>	<i>Index Return</i>	<i>Relative Performance</i>	<i>Earnings</i>	<i>Change in Gain/Loss</i>	<i>Total</i>	<i>Earnings</i>	<i>Change in Gain/Loss</i>	<i>Total</i>
STBF	\$ 16,844,361	\$ 16,841,644	\$ (2,717)	0.54%	S&P LGIP Gross	0.57%	-0.03%	\$ 212,087	\$ 400	\$ 212,487	\$ 942,225	\$ (3,218)	\$ 939,007
<b>Estimated Totals (all funds)</b>		<b>\$ 3,623,924,743</b>	<b>\$ (2,586,321)</b>					<b>2,954,146</b>	<b>\$ (1,676,638)</b>	<b>\$ 1,277,508</b>	<b>\$ 29,429,866</b>	<b>\$ (19,936,332)</b>	<b>\$ 9,493,534</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 July

**Table 1 - Primary/Secondary Market Volume - July 2017**

Primary Bond Volume	\$126,200,000	15%
Secondary Bond Volume	<u>\$716,383,000</u>	<u>85%</u>
Total	\$842,583,000	100%

Source: QED

The totals above exclude repurchase agreement volume which averaged 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 July, total holdings of Variable Rate Notes were \$229,890,000.

**Table 2 - Variable Rate Note Holdings - July, 2017**

General Fund	\$0
Tax Exempt BPIP	\$0
Taxable BPIP	\$28,000,000
LGIP	\$201,890,000
STBF	\$0
Total Holdings	\$229,890,000
Source: QED	

These positions are held in corporate and agency variable rate securities.

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

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

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During July, 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**

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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 3 sales which resulted in realized gains/losses.

**Table 1 - Realized Gains and Losses on Securities Sold – July 2017**

<b>Trade Date</b>	<b>Account</b>	<b>Par Amount</b>	<b>Security</b>	<b>Realized G/L</b>
7/14/2017	GF CORE	20,000,000	T 2.375 7/31/17	1,342.00
7/19/2017	BPIP TX	15,000,000	T .875 1/31/18	6,737.73
7/19/2017	BPIP TX	15,000,000	T .750 2/28/18	7,850.80
<b>Total Realized gain (loss)</b>				<b>15,930.53</b>

### ***Trade Documentation***

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

There were a total of 50 security trades tracked during the month of July by the Trade Compliance Officer.

**Table 2 – Securities Trades – July 2017**

	<b>Quantity</b>	<b>Par-Value</b>	<b>Cost/Proceeds</b>	<b>Realized Gain/Loss</b>
Purchases	47	792,583,000	791,208,617	0
Sales	3	50,000,000	49,957,031	15,931
<b>Totals:</b>	<b>50</b>	<b>842,583,000</b>	<b>841,165,648</b>	<b>15,931</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 July, 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 7/01/17 Through 7/31/17**

TXN-DATE	CUSIP#	ASSET-TYPE	INVST#	ISSUE-NAME	RATE	MATURITY	YIELD	BRKR/DLR/AGENT	FUND	PAR-VALUE	COST/PROCEEDS	GAIN/LOSS	NXT-CALL
<b>PURCHASE TRANSACTIONS</b>													
7/07/17	36960LUQ	COMMERCIAL PAPE	28243	GECO CP		7/24/17	1.0805	ISSUER DIRECT	1001	20,000,000.00	19,991,600.00		
7/07/17	36960LV9	COMMERCIAL PAPE	28242	GECO CP		8/09/17	1.0910	ISSUER DIRECT	1000	25,000,000.00	24,977,291.67		
7/11/17	30229AV2	COMMERCIAL PAPE	28260	EXXON MOBIL CP		8/02/17	1.0807	ISSUER DIRECT	1000	25,000,000.00	24,984,250.00		
7/13/17	30229AV2	COMMERCIAL PAPE	28277	EXXON MOBIL CP		8/02/17	1.0806	ISSUER DIRECT	1001	25,000,000.00	24,985,750.00		
7/14/17	89233GVE	COMMERCIAL PAPE	28288	TOYOTA MOTOR CORP - CP		8/14/17	1.1110	ISSUER DIRECT	1000	20,000,000.00	19,982,733.33		
7/19/17	36164JYH	COMMERCIAL PAPE	28314	GE CAPITAL TREASURY LLC		11/17/17	1.2250	ISSUER DIRECT	4001	1,600,000.00	1,593,493.33		
7/19/17	89233GZS	COMMERCIAL PAPE	28313	TOYOTA MOTOR CREDIT COR		12/26/17	1.3176	ISSUER DIRECT	4001	1,600,000.00	1,590,742.67		
7/05/17	07052017	CERTIFICATES OF	28218	FARMERS & STOCKMENS BAN	1.400	7/05/19	1.4000	SYSTEM - UNIDEN	4002	1,500,000.00	1,500,000.00		
7/21/17	81187124	CERTIFICATES OF	28332	WESTERN BANK ALAMOGORDO	1.260	7/23/18	1.2600	SYSTEM - UNIDEN	4002	2,500,000.00	2,500,000.00		
7/19/17	912796LY	U.S. TREASURY B	28315	UNITED STATES TREASURY		10/19/17	1.0830	MIZUHO SECURITI	4001	25,000,000.00	24,931,750.00		
7/19/17	912796LY	U.S. TREASURY B	28310	UNITED STATES TREASURY		10/19/17	1.0772	LOOP CAPITAL MA	4101	50,000,000.00	49,862,738.56		
7/25/17	912796LZ	U.S. TREASURY B	27781	UNITED STATES TREASURY		10/26/17	1.1440	LOOP CAPITAL MA	4001	8,400,000.00	7,976,680.66		
7/13/17	912828XU	US TREASURY NOT	28280	UNITED STATES TREASURY	1.500	6/15/20	1.5439	HSBC	4000	10,000,000.00	9,987,500.00		
7/19/17	912828XG	US TREASURY NOT	28322	UNITED STATES TREASURY	2.125	6/30/22	1.8308	DEUTSCHE BANK S	1001	10,000,000.00	10,138,671.88		
7/25/17	912828XG	US TREASURY NOT	28322	UNITED STATES TREASURY	2.125	6/30/22	1.8910	DEUTSCHE BANK S	1001	10,000,000.00	10,109,765.63		
7/26/17	912828TW	US TREASURY NOT	28357	UNITED STATES TREASURY	.750	10/31/17	1.1534	WELLS FARGO SEC	1001	20,000,000.00	19,978,906.25		
7/26/17	912828XM	US TREASURY NOT	28364	UNITED STATES TREASURY	1.625	7/31/20	1.5504	BARCLAYS	1001	20,000,000.00	20,043,750.00		
7/26/17	912828XQ	US TREASURY NOT	28365	UNITED STATES TREASURY	2.000	7/31/22	1.8785	HSBC	1001	20,000,000.00	20,115,625.00		
7/18/17	3133EHSF	AGENCY US FLOAT	28307	FEDERAL FARM CREDIT BAN	1.135	4/25/19	1.1400	INTL FCSTONE PA	4101	5,000,000.00	4,999,560.00		
7/10/17	880591EC	AGENCY US BOND	28252	TENNESSEE VALLEY AUTHOR	4.500	4/01/18	1.2848	INTL FCSTONE PA	4101	3,000,000.00	3,069,120.00		
7/13/17	31331YW6	AGENCY US BOND	28281	FEDERAL FARM CREDIT BAN	4.900	6/12/18	1.2764	BOSC, INC	4101	1,000,000.00	1,032,720.00		
7/25/17	3130AAM8	AGENCY US BOND	28354	FEDERAL HOME LOAN BANKS	1.625	1/18/19	1.3086	DEUTSCHE BANK S	1001	15,000,000.00	15,022,500.00		1/18/18
7/26/17	3133EFEU	AGENCY US BOND	28366	FEDERAL FARM CREDIT BAN	.780	8/28/17	1.1045	WELLS FARGO SEC	4101	2,400,000.00	2,399,322.61		
7/13/17	313385KG	AGENCY US DISC	28279	FEDERAL HOME LOAN BANKS		8/11/17	1.0058	WELLS FARGO SEC	1000	28,000,000.00	27,978,113.33		
7/13/17	313385KK	AGENCY US DISC	28278	FEDERAL HOME LOAN BANKS		8/14/17	1.0109	UBS	1000	27,790,000.00	27,765,830.42		
7/13/17	880590JX	AGENCY US DISC	28276	TENNESSEE VALLEY AUTHOR		8/02/17	1.0006	TD SECURITIES	4101	41,000,000.00	40,977,222.22		
7/14/17	313385JH	AGENCY US DISC	27960	FEDERAL HOME LOAN BANKS		7/19/17	.9801	TD SECURITIES	4101	15,000,000.00	14,997,958.33		
7/19/17	313313JJ	AGENCY US DISC	28311	FEDERAL FARM CREDIT BAN		7/20/17	.9300	JEFFRIES & CO	4101	54,400,000.00	54,398,594.67		
7/20/17	313397KN	AGENCY US DISC	28323	FEDERAL HOME LOAN MORTG		8/17/17	.9707	MORGAN STANLEY	4101	12,000,000.00	11,990,946.67		
7/20/17	313397KN	AGENCY US DISC	28323	FEDERAL HOME LOAN MORTG		8/17/17	1.0008	DAIWA CAPITAL M	4101	4,167,000.00	4,163,759.00		
7/27/17	313385JZ	AGENCY US DISC	28369	FEDERAL HOME LOAN BANKS		8/04/17	1.0002	LOOP CAPITAL MA	4101	35,000,000.00	34,992,222.22		
7/27/17	313385KM	AGENCY US DISC	28378	FEDERAL HOME LOAN BANKS		8/16/17	1.0205	BARCLAYS	1000	90,000,000.00	89,951,550.00		
7/27/17	313385KU	AGENCY US DISC	28377	FEDERAL HOME LOAN BANKS		8/23/17	1.0208	BARCLAYS	1000	30,000,000.00	29,977,900.00		
7/27/17	313385KU	AGENCY US DISC	28377	FEDERAL HOME LOAN BANKS		8/23/17	1.0208	BARCLAYS	1000	30,000,000.00	29,977,900.00		
7/28/17	313589LP	AGENCY US DISC	28386	FEDERAL NATIONAL MORTGA		9/11/17	1.0212	CASTLEOAK SECUR	1000	12,788,000.00	12,772,782.28		
7/18/17	3137EAEH	AGENCY 30/360 2	28309	FHLMC	1.375	8/15/19	1.4473	CASTLEOAK SECUR	4000	5,000,000.00	4,992,650.00		
7/28/17	3135G0T6	AGENCY 30/360 2	28388	FNMA	1.500	7/30/20	1.6039	CASTLEOAK SECUR	1001	20,000,000.00	19,939,400.00		
7/13/17	313586RC	AGENCY US BOND	23818	FEDERAL NATIONAL MORTGA		10/09/19	1.8566	JEFFRIES & CO	1001	10,000,000.00	9,601,400.00		

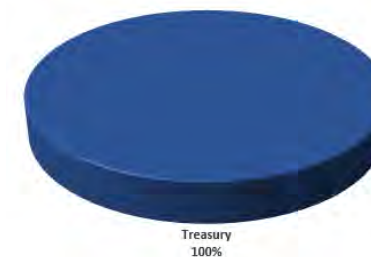
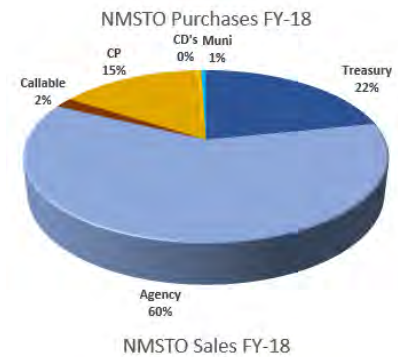


**STATE OF NEW MEXICO**  
**Summary of Fixed-Income Purchases and Sales**  
**TRADES During The Period 7/01/17 Through 7/31/17**

TXN-DATE	CUSIP#	ASSET-TYPE	INVST#	ISSUE-NAME	RATE	MATURITY	YIELD	BRKR/DLR/AGENT	FUND	PAR-VALUE	COST/PROCEEDS	GAIN/LOSS	NXT-CALL
7/13/17	313586RC	AGENCY US BOND	23818	FEDERAL NATIONAL MORTGA		10/09/19	1.8541	MORGAN STANLEY	1001	7,163,000.00	6,877,840.97		
7/13/17	313586RC	AGENCY US BOND	25780	FEDERAL NATIONAL MORTGA		10/09/19	1.8522	MORGAN STANLEY	4000	10,000,000.00	9,602,300.00		
7/14/17	313586RC	AGENCY US BOND	23818	FEDERAL NATIONAL MORTGA		10/09/19	1.8367	JEFFRIES & CO	1001	5,000,000.00	4,803,450.00		
7/14/17	3137EADJ	AGENCY US NOTES	27663	FEDERAL HOME LOAN MORTG	1.000	7/28/17	.9774	TD SECURITIES	4101	15,000,000.00	15,000,067.50		
7/18/17	3135G0PQ	AGENCY US NOTES	28308	FEDERAL NATIONAL MORTGA	.875	10/26/17	1.1519	BOSC, INC	4101	1,000,000.00	999,250.00		
7/18/17	3137EADL	AGENCY US NOTES	27151	FEDERAL HOME LOAN MORTG	1.000	9/29/17	1.1254	BOSC, INC	4101	675,000.00	674,831.25		
7/26/17	3130A62S	AGENCY US NOTES	28367	FEDERAL HOME LOAN BANKS	.750	8/28/17	1.1045	WELLS FARGO SEC	4101	3,000,000.00	2,999,076.19		
7/07/17	3133EHQT	AGENCY US VARIA	28244	FEDERAL FARM CREDIT BAN	1.145	4/10/19	1.1465	INTL FCSTONE PA	4101	10,000,000.00	9,999,100.00		
7/28/17	CMS2017	MUNICIPAL BOND	28387	CARLSBAD MUNICIPAL SCHO	1.274	8/24/17	1.2659	ISSUER DIRECT	1000	4,000,000.00	4,000,000.00		
<b>47 PURCHASES DURING PERIOD TOTAL.....</b>										<b>792,583,000.00</b>	<b>791,208,616.64</b>		
<b><u>SALE TRANSACTIONS</u></b>													
7/14/17	912828NR	US TREASURY NOT	21120	UNITED STATES TREASURY	2.375	7/31/17		MIZUHO SECURITI	1001	20,000,000.00	20,010,937.50	1,342.00	
7/19/17	912828UJ	US TREASURY NOT	22607	UNITED STATES TREASURY	.875	1/31/18		WELLS FARGO SEC	4002	15,000,000.00	14,980,664.06	6,737.73	
7/19/17	912828UR	US TREASURY NOT	22618	UNITED STATES TREASURY	.750	2/28/18		DEUTSCHE BANK S	4002	15,000,000.00	14,965,429.69	7,850.80	
<b>3 SALES DURING PERIOD TOTAL.....</b>										<b>50,000,000.00</b>	<b>49,957,031.25</b>	<b>15,930.53</b>	
<b>=== GRAND-TOTAL ==&gt;</b>										<b>842,583,000.00</b>	<b>841,165,647.89</b>	<b>15,930.53</b>	

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

<b>NM STO Trade Activity FY 2018</b>			<b>Jul-17</b>	
<b>Purchase</b>	<b>Volume</b>	<b>Trades</b>	<b>Volume</b>	<b>Trades</b>
Treasury	173,000,000	9	173,000,000	9
Agency	478,383,000	27	478,383,000	27
Callable	15,000,000	1	15,000,000	1
CP	11,820,000	7	118,200,000	7
Corporate	-	0	-	-
CD's	4,000,000	2	4,000,000	1
Muni	4,000,000	1	4,000,000	1
<b>Total Purchase</b>	<b>686,203,000</b>	<b>47</b>	<b>792,583,000</b>	<b>46</b>
<b>Sale</b>	<b>Volume</b>	<b>Trades</b>	<b>Volume</b>	<b>Trades</b>
Treasury	50,000,000	3	50,000,000	3
Agency				
Callable				
CP				
Corporate				
Muni				
<b>Total Sale</b>	<b>50,000,000</b>	<b>3</b>	<b>50,000,000</b>	<b>3</b>
<b>Total Volume</b>	<b>736,203,000</b>	<b>50</b>	<b>842,583,000</b>	<b>49</b>
<b>LGIP Repo</b>			<b>LGIP Repo</b>	
Overnight	715,000,000	15	715,000,000	15
Term	545,000,000	8	545,000,000	8
	1,260,000,000	23	1,260,000,000	23



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			80,000,000	5	10,000,000	1			33,000,000	2	50,000,000	1
Agency	218,578,000	6	42,163,000	4	15,000,000	2					202,642,000	15
Callable			15,000,000	1								
CP	70,000,000	3	45,000,000	2					3,200,000	2		
Corporate												
CD's							4,000,000	2				
Muni	4,000,000	1										
<b>Total Purchase</b>	<b>292,578,000</b>	<b>10</b>	<b>182,163,000</b>	<b>12</b>	<b>25,000,000</b>	<b>3</b>	<b>4,000,000</b>	<b>2</b>	<b>36,200,000</b>	<b>4</b>	<b>252,642,000</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			20,000,000	1			30,000,000	2				
Agency												
Callable												
CP												
Corporate												
Muni												
<b>Total Sale</b>					-	-	<b>30,000,000</b>	<b>2</b>			-	-
<b>Total Volume</b>	<b>292,578,000</b>	<b>10</b>	<b>182,163,000</b>	<b>12</b>	<b>25,000,000</b>	<b>3</b>	<b>34,000,000</b>	<b>4</b>	<b>36,200,000</b>	<b>4</b>	<b>252,642,000</b>	<b>16</b>
LGIP												
Overnight											715,000,000	15
Term											545,000,000	8
	-	-	-	-	-	-	-	-	-	-	1,260,000,000	23

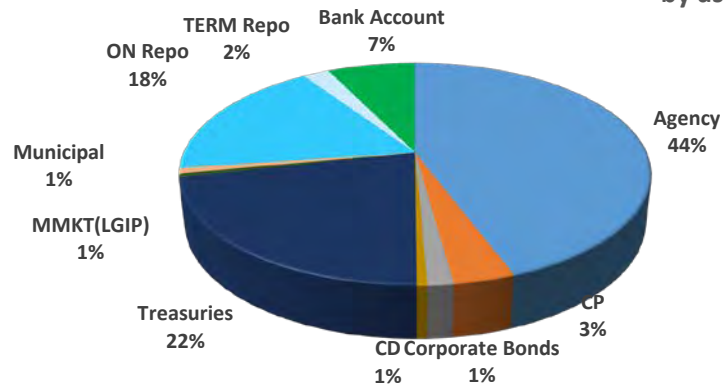
## NM State Treasurer Office Security Holding by Portfolio

July 31, 2017

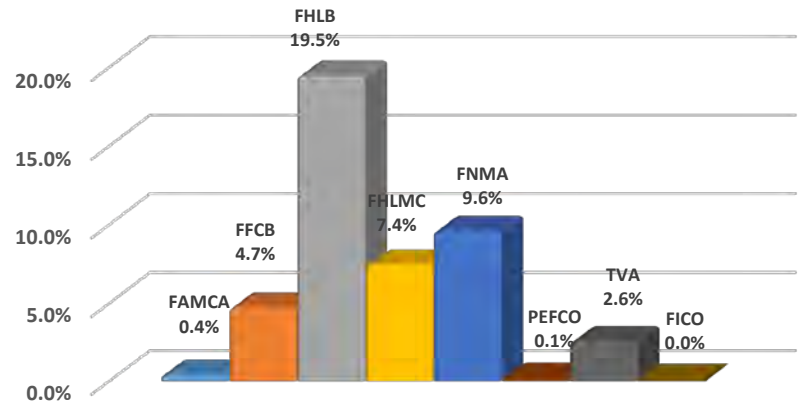
*Values are based on position holdings*

	<u>GF LIQ</u>	<u>GF CORE</u>	<u>BPIP TE</u>	<u>BPIP TX</u>	<u>STB</u>	<u>LGIP</u>	<u>STO Holdings</u>	
<b>Portfolio Balance</b>	<b>956,784,416</b>	<b>812,851,930</b>	<b>416,130,441</b>	<b>402,428,689</b>	<b>47,614,334</b>	<b>863,773,968</b>	<b>3,499,583,776</b>	
<b>Agency</b>	<b>218,578,000</b>	<b>254,604,000</b>	<b>261,405,000</b>	<b>264,455,000</b>	<b>-</b>	<b>551,311,000</b>	<b>1,550,353,000</b>	<b>44.3%</b>
FAMCA	-	13,000,000	-	-	-	-	13,000,000	0.4%
FFCB	-	8,000,000	20,000,000	15,500,000	-	121,785,000	165,285,000	4.7%
FHLB	205,790,000	54,500,000	91,085,000	110,000,000	-	219,605,000	680,980,000	19.5%
FHLMC	-	40,000,000	84,750,000	32,955,000	-	102,726,000	260,431,000	7.4%
FNMA	12,788,000	139,104,000	46,065,000	103,000,000	-	34,856,000	335,813,000	9.6%
PEFCO	-	-	5,000,000	-	-	-	5,000,000	0.1%
TVA	-	-	14,505,000	3,000,000	-	72,339,000	89,844,000	2.6%
FICO	-	-	-	1,000,000	-	-	1,000,000	0.0%
CP	70,000,000	50,000,000	-	-	3,200,000	-	123,200,000	3.5%
Corporate Bonds	-	17,500,000	14,500,000	19,773,000	-	-	51,773,000	1.5%
CD	-	7,500,000	1,500,000	11,700,000	-	-	20,700,000	0.6%
Treasuries	-	432,750,000	110,000,000	53,500,000	42,500,000	115,000,000	753,750,000	21.5%
Municipal	-	6,455,000	5,110,000	7,810,000	-	-	19,375,000	0.6%
MMKT(LGIP)	-	-	9,860,815	16,918,477	2,302	-	26,781,594	0.8%
ON Repo	476,648,355	44,042,930	13,754,625	27,272,212	1,848,394	60,000,000	623,566,516	17.8%
TERM Repo	-	-	-	-	-	75,000,000	75,000,000	2.1%
Bank Account	191,558,061	-	-	-	63,638	62,462,968	254,084,667	7.3%

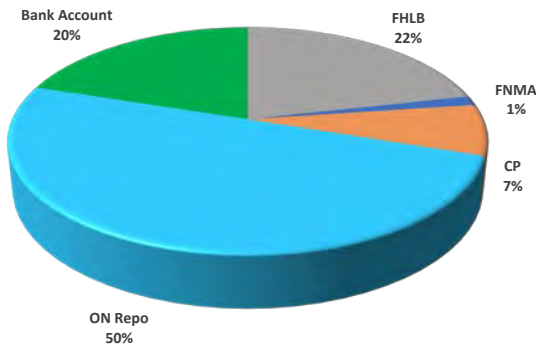
**STO Holdings  
by asset type**



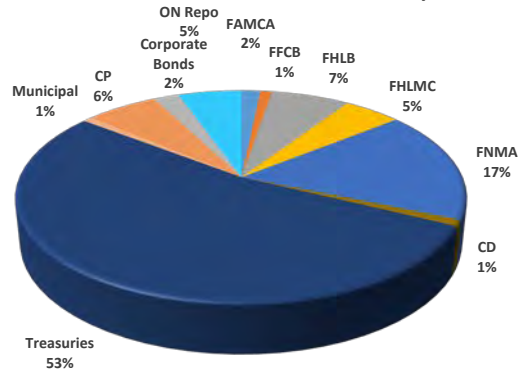
**STO US Agency Holdings**



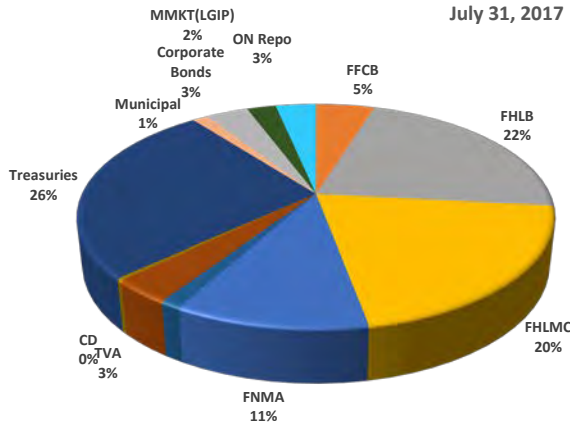
GF Liquidity Holdings  
July 31, 2017



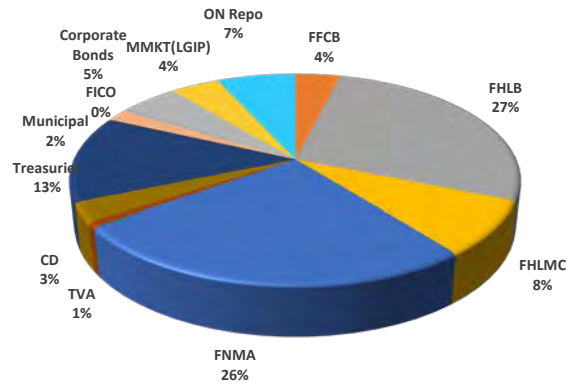
GF CORE Holdings  
July 31, 2017



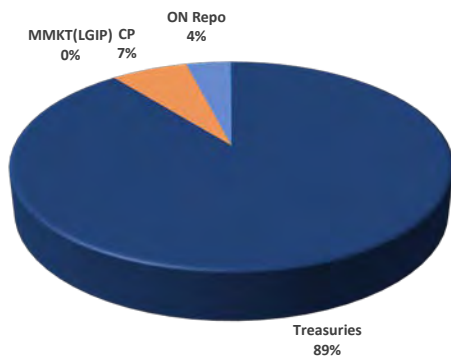
BPIP Tax-Exempt Holdings  
July 31, 2017



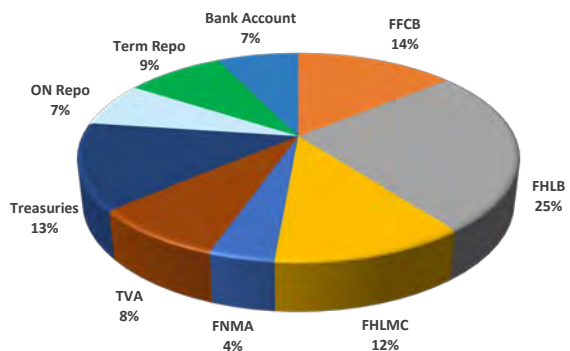
BPIP Taxable Holdings  
July 31, 2017



STB Holdings  
July 31, 2017



LGIP Holdings  
July 31, 2017



## Investment Compliance Review

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

During the month of June

**Table 1 - Primary/Secondary Market Volume - June 2017**

Primary Bond Volume	\$304,209,200	13%
Secondary Bond Volume	<u>\$680,192,000</u>	<u>87%</u>
Total	\$984,401,200	100%

Source: QED

The totals above exclude repurchase agreement volume which averaged approximately \$400MM/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 June, total holdings of Variable Rate Notes were \$227,040,000.

**Table 2 - Variable Rate Note Holdings - June, 2017**

General Fund	\$0
Tax Exempt BPIP	\$0
Taxable BPIP	\$28,000,000
LGIP	\$199,040,000
STBF	\$0
Total Holdings	\$227,040,000

Source: QED

These positions are held in corporate and agency variable rate securities.

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

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

---

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

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

There were 0 inter-portfolio trades during the month.

### **Unrealized Gains and Losses**

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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 9 sales which resulted in realized gains/losses.

**Table 1 - Realized Gains and Losses on Securities Sold – June 2017**

<b>Trade Date</b>	<b>Account</b>	<b>Par Amount</b>	<b>Security</b>	<b>Realized G/L</b>
6/6/2017	STB	1,000,000	ALBNM 2.000 8/01/17	63.30
6/12/2017	BPIP TE	2,985,000	UNM .640 6/1/26	
6/12/2017	BPIP TE	4,250,000	UNM .820 6/1/30	
6/12/2017	BPIP TX	4,245,000	UNM .820 6/1/30	
6/16/2017	LGIP	10,000,000	FHLB .466 11/22/17	4,007.53
6/16/2017	GF CORE	13,360,000	UNM .860 6/01/26	
6/16/2017	STB	1,420,000	UNM .820 6/1/30	
6/28/2017	STB	2,000,000	T 10/26/17	6.61
6/29/2017	LGIP	50,000,000	TVA 7/05/17	
<b>Total Realized gain (loss)</b>				<b>4,077.44</b>

### ***Trade Documentation***

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

There were a total of 57 security trades tracked during the month of June by the Trade Compliance Officer.

**Table 2 – Securities Trades – June 2017**

	<b>Quantity</b>	<b>Par-Value</b>	<b>Cost/Proceeds</b>	<b>Realized Gain/Loss</b>
Purchases	48	895,141,200	894,654,435	0
Sales	9	89,260,000	89,251,575	4,077
<b>Totals:</b>	<b>57</b>	<b>984,401,200</b>	<b>983,906,010</b>	<b>4,077</b>

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

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

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

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

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



**STATE OF NEW MEXICO**  
**Summary of Fixed-Income Purchases and Sales**  
**TRADES During The Period 6/01/17 Through 6/30/17**

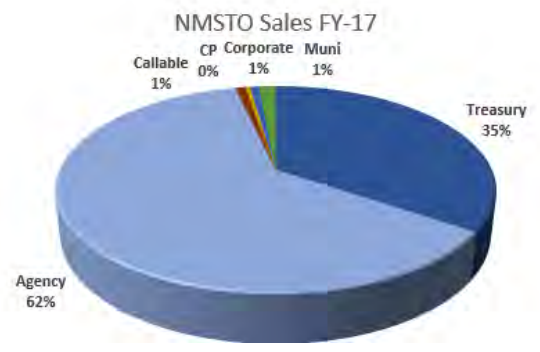
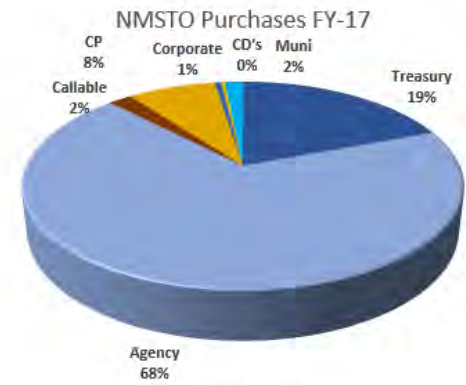
TXN-DATE	CUSIP#	ASSET-TYPE	INVST#	ISSUE-NAME	RATE	MATURITY	YIELD	BRKR/DLR/AGENT	FUND	PAR-VALUE	COST/PROCEEDS	GAIN/LOSS	NXT-CALL
<b>PURCHASE TRANSACTIONS</b>													
6/06/17	30229ATW	COMMERCIAL PAPE	27767	EXXON MOBIL CORP		6/30/17	.8705	ISSUER DIRECT	4001	6,700,000.00	6,696,275.92		
6/09/17	36960LTP	COMMERCIAL PAPE	28075	GECO CP		6/23/17	.9403	ISSUER DIRECT	1000	20,000,000.00	19,994,255.56		
6/09/17	89233GTP	COMMERCIAL PAPE	28076	Toyota Motor Credit Co		6/23/17	.9403	ISSUER DIRECT	1000	20,000,000.00	19,994,255.56		
6/21/17	30229ATW	COMMERCIAL PAPE	27767	EXXON MOBIL CORP		6/30/17	1.0703	ISSUER DIRECT	4001	1,000,000.00	999,762.22		
6/21/17	36960LTW	COMMERCIAL PAPE	27928	GENERAL ELECTRIC CO		6/30/17	1.0803	ISSUER DIRECT	4001	1,000,000.00	999,760.00		
6/22/17	30229AUC	COMMERCIAL PAPE	28144	EXXON MOBIL		7/12/17	1.0806	ISSUER DIRECT	1000	25,000,000.00	24,985,750.00		
6/22/17	89233GUH	COMMERCIAL PAPE	28145	TOYOTA MOTOR CREDIT COR		7/17/17	1.0808	ISSUER DIRECT	1000	20,000,000.00	19,985,600.00		
6/27/17	30229AUE	COMMERCIAL PAPE	28175	EXXON MOBIL CORP		7/14/17	1.0805	ISSUER DIRECT	1001	25,000,000.00	24,988,000.00		
6/28/17	89233GVE	COMMERCIAL PAPE	28187	TOYOTA MOTOR CORP - CP		8/14/17	1.1417	ISSUER DIRECT	1001	25,000,000.00	24,963,583.33		
6/02/17	06022017	CERTIFICATES OF	28011	WESTERN BANK CLOVIS	1.100	12/01/17	1.1000	SYSTEM - UNIDEN	1001	500,000.00	500,000.00		
6/30/17	81186499	CERTIFICATES OF	28195	WESTERN BANK ALAMOGORDO	1.260	6/30/18	1.2600	SYSTEM - UNIDEN	4002	1,100,000.00	1,100,000.00		
6/30/17	912828XR	US TREASURY NOT	28158	UNITED STATES TREASURY	1.750	5/31/22	1.7558	BARCLAYS	1001	20,000,000.00	19,994,531.25		
6/21/17	3133EGPC	AGENCY US FLOAT	28135	FEDERAL FARM CREDIT BAN	1.074	6/29/17	1.1408	BARCLAYS	4001	5,000,000.00	4,999,785.00		
6/27/17	3130ABHL	AGENCY US FLOAT	27969	FEDERAL HOME LOAN BANKS		9/26/17	1.0424	MIZUHO SECURITI	4101	15,000,000.00	14,999,570.10		
6/08/17	3130ABE7	AGENCY US BOND	28074	FEDERAL HOME LOAN BANKS	1.125	5/08/18	1.2503	BOSC, INC	4101	900,000.00	898,978.64		
6/23/17	31331J4H	AGENCY US BOND	28156	FEDERAL FARM CREDIT BAN	2.500	12/06/17	1.1393	BOSC, INC	4101	2,000,000.00	2,012,020.00		
6/23/17	3133EEQM	AGENCY US BOND	28154	FEDERAL FARM CREDIT BAN	1.110	2/20/18	1.1952	WELLS FARGO SEC	4101	12,000,000.00	11,993,400.00		
6/28/17	3133EGMC	AGENCY US BOND	28178	FEDERAL FARM CREDIT BAN	.670	10/18/17	1.0692	MORGAN STANLEY	4101	5,000,000.00	4,993,900.00		
6/02/17	313385JS	AGENCY US DISC	28029	FEDERAL HOME LOAN BANKS		7/28/17	.9664	RBS	4101	25,000,000.00	24,964,482.64		
6/06/17	313385HL	AGENCY US DISC	27816	FEDERAL HOME LOAN BANKS		6/28/17	.8905	DAIWA CAPITAL M	4001	2,000,000.00	1,998,961.67		
6/06/17	313385HN	AGENCY US DISC	27830	FEDERAL HOME LOAN BANKS		6/30/17	.8905	DAIWA CAPITAL M	4001	7,642,000.00	7,637,654.67		
6/06/17	880590HC	AGENCY US DISC	28038	TENNESSEE VALLEY AUTHOR		6/20/17	.8373	TD SECURITIES	4101	50,000,000.00	49,983,725.00		
6/07/17	313385HK	AGENCY US DISC	28054	FEDERAL HOME LOAN BANKS		6/27/17	.8804	RAMIREZ & CO, I	1000	50,000,000.00	49,976,777.78		
6/07/17	313385HT	AGENCY US DISC	28055	FEDERAL HOME LOAN BANKS		7/05/17	.9106	DAIWA CAPITAL M	1000	43,500,000.00	43,470,311.25		
6/07/17	880590HC	AGENCY US DISC	28038	TENNESSEE VALLEY AUTHOR		6/20/17	.8302	MORGAN STANLEY	4101	5,000,000.00	4,998,501.39		
6/08/17	313385HE	AGENCY US DISC	28058	FEDERAL HOME LOAN BANKS		6/22/17	.8203	CASTLEOAK SECUR	4101	45,000,000.00	44,985,650.00		
6/13/17	880590HK	AGENCY US DISC	28092	TENNESSEE VALLEY AUTHOR		6/27/17	.9904	RAMIREZ & CO, I	4001	12,500,000.00	12,495,531.25		
6/13/17	880590HK	AGENCY US DISC	28083	TENNESSEE VALLEY AUTHOR		6/27/17	.9904	TD SECURITIES	4101	33,000,000.00	32,987,295.00		
6/13/17	880590HK	AGENCY US DISC	28085	TENNESSEE VALLEY AUTHOR		6/27/17	.9854	MORGAN STANLEY	4101	20,000,000.00	19,992,338.89		
6/20/17	880590HT	AGENCY US DISC	28120	TENNESSEE VALLEY AUTHOR		7/05/17	1.0004	TD SECURITIES	4101	50,000,000.00	49,979,166.67		
6/22/17	313385JC	AGENCY US DISC	28146	FEDERAL HOME LOAN BANKS		7/14/17	1.0006	LOOP CAPITAL MA	1000	25,000,000.00	24,985,416.67		
6/22/17	313385JC	AGENCY US DISC	28146	FEDERAL HOME LOAN BANKS		7/14/17	1.0006	JEFFRIES & CO	1000	30,000,000.00	29,982,500.00		
6/22/17	313397SN	AGENCY US DISC	28136	FEDERAL HOME LOAN MORTG		2/01/18	1.1228	RAMIREZ & CO, I	4101	35,000,000.00	34,757,177.78		
6/23/17	313313JS	AGENCY US DISC	28153	FEDERAL FARM CREDIT BAN		7/28/17	.9809	UBS	4101	5,000,000.00	4,995,236.11		
6/23/17	313385JH	AGENCY US DISC	27960	FEDERAL HOME LOAN BANKS		7/19/17	1.0007	JEFFRIES & CO	4101	25,000,000.00	24,981,944.44		
6/28/17	313385HM	AGENCY US DISC	28177	FEDERAL HOME LOAN BANKS		6/29/17	.9000	TD SECURITIES	4101	20,000,000.00	19,999,500.00		
6/15/17	3135G0MZ	AGENCY US NOTES	27985	FEDERAL NATIONAL MORTGA	.875	8/28/17	1.0650	BOSC, INC	4101	550,000.00	549,788.38		
6/15/17	3135G0ZL	AGENCY US NOTES	27274	FEDERAL NATIONAL MORTGA	1.000	9/27/17	1.0750	BOSC, INC	4101	1,000,000.00	999,783.62		

**STATE OF NEW MEXICO**  
**Summary of Fixed-Income Purchases and Sales**  
**TRADES During The Period 6/01/17 Through 6/30/17**

TXN-DATE	CUSIP#	ASSET-TYPE	INVST#	ISSUE-NAME	RATE	MATURITY	YIELD	BRKR/DLR/AGENT	FUND	PAR-VALUE	COST/PROCEEDS	GAIN/LOSS	NXT-CALL
6/16/17	3137EADH	AGENCY US NOTES	27081	FEDERAL HOME LN MTG COR	1.000	6/29/17	1.0670	INTL FCSTONE PA	4101	2,027,000.00	2,026,959.46		
6/22/17	880591EA	AGENCY US NOTES	26241	TENNESSEE VALLEY AUTH	5.500	7/18/17	1.0279	WELLS FARGO SEC	4101	6,000,000.00	6,019,260.00		
6/23/17	3136FPMH	AGENCY US NOTES	28157	FEDERAL NATIONAL MORTGA	2.500	9/29/17	1.0536	BOSC, INC	4101	2,000,000.00	2,007,420.00		
6/28/17	3134GA3N	AGENCY US NOTES	28188	FEDERAL HOME LOAN MORTG	1.875	8/16/19	1.1536	INTL FCSTONE PA	4002	11,460,000.00	11,470,657.80		8/16/17
6/28/17	3134GBVN	AGENCY US NOTES	28219	FEDERAL HOME LOAN MORTG	1.650	7/10/20	1.6500	INTL FCSTONE PA	4002	5,080,000.00	5,080,000.00		7/10/18
6/23/17	3133EHPR	AGENCY US VARIA	28159	FEDERAL FARM CREDIT BAN		6/27/19	1.0424	INTL FCSTONE PA	4101	5,000,000.00	5,000,000.00		
6/28/17	3133EHME	AGENCY US VARIA	28189	FEDERAL FARM CREDIT BAN	1.170	3/12/19	1.1460	INTL FCSTONE PA	4101	5,000,000.00	5,001,700.00		
6/28/17	594918BG	CORP US NOTE 30	28210	MICROSOFT CORPORATION	2.000	11/03/20	1.8453	MORGAN STANLEY	4002	9,273,000.00	9,318,066.78		10/03/20
6/08/17	STN2017A	MUNICIPAL BOND	28065	STN 2017S A	1.126	6/30/17	1.1197	BROKER DIRECT	1000	38,466,300.00	38,466,300.00		
6/08/17	STN2017B	MUNICIPAL BOND	28066	SSTN 2017S B	1.126	6/30/17	1.1197	BROKER DIRECT	1000	120,442,900.00	120,442,900.00		
<b>48 PURCHASES DURING PERIOD TOTAL.....</b>										<b>895,141,200.00</b>	<b>894,654,434.83</b>		
<b><u>SALE TRANSACTIONS</u></b>													
6/28/17	912796LZ	U.S. TREASURY B	27781	UNITED STATES TREASURY		10/26/17		INTL FCSTONE PA	4001	2,000,000.00	1,993,719.44	6.61	
6/16/17	3130A9S6	AGENCY US FLOAT	26625	FEDERAL HOME LOAN BANKS	.466	11/22/17		WELLS FARGO SEC	4101	10,000,000.00	10,003,290.00	4,007.53	
6/29/17	880590HT	AGENCY US DISC	28120	TENNESSEE VALLEY AUTHOR		7/05/17	1.0001	WELLS FARGO SEC	4101	50,000,000.00	49,993,055.56		
6/06/17	013595UK	MUNICIPAL BOND	26959	ALBUQUERQUE N MEX MUN S	2.000	8/01/17		WELLS FARGO SEC	4001	1,000,000.00	1,001,510.00	63.30	
6/12/17	914692WL	MUNICIPAL BOND	27420	UNIVERSITY N MEX UNIV R	.640	6/01/26	.7200	ISSUER DIRECT	4000	2,985,000.00	2,985,000.00		
6/12/17	914692XL	MUNICIPAL BOND	26570	UNIVERSITY N MEX UNIV R	.820	6/01/30	.8200	ISSUER DIRECT	4000	4,250,000.00	4,250,000.00		
6/12/17	914692XL	MUNICIPAL BOND	26569	UNIVERSITY N MEX UNIV R	.820	6/01/30	.8200	ISSUER DIRECT	4002	4,245,000.00	4,245,000.00		
6/16/17	914692WL	MUNICIPAL BOND	26987	UNIVERSITY N MEX UNIV R	.640	6/01/26	.8600	ISSUER DIRECT	1001	13,360,000.00	13,360,000.00		
6/16/17	914692XL	MUNICIPAL BOND	26568	UNIVERSITY N MEX UNIV R	.820	6/01/30	.8600	ISSUER DIRECT	4001	1,420,000.00	1,420,000.00		
<b>9 SALES DURING PERIOD TOTAL.....</b>										<b>89,260,000.00</b>	<b>89,251,575.00</b>	<b>4,077.44</b>	
<b>=== GRAND-TOTAL ==&gt;</b>										<b>984,401,200.00</b>	<b>983,906,009.83</b>	<b>4,077.44</b>	

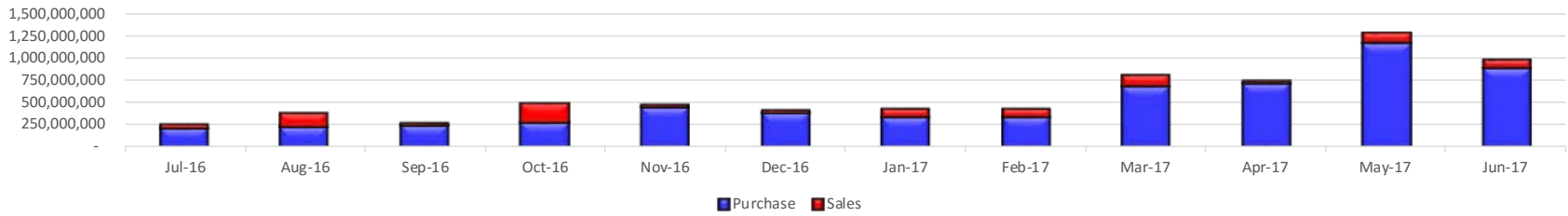
\*\*\* END-OF-REPORT \*\*\*

<b>NM STO Trade Activity FY 2017</b>			<b>Jun-17</b>	
<b>Purchase</b>	<b>Volume</b>	<b>Trades</b>	<b>Volume</b>	<b>Trades</b>
Treasury	1,030,487,000	51	20,000,000	1
Agency	4,144,208,000	311	561,659,000	33
Callable	105,965,000	19		
CP	552,387,198	60	143,700,000	9
Corporate	39,513,000	12	9,273,000	1
CD's	18,300,000	10	1,600,000	2
Muni	242,416,200	43	158,909,200	2
<b>Total Purchase</b>	<b>6,133,276,398</b>	<b>506</b>	<b>895,141,200</b>	<b>48</b>
<b>Sale</b>	<b>Volume</b>	<b>Trades</b>	<b>Volume</b>	<b>Trades</b>
Treasury	321,000,000	33	2,000,000	1
Agency	632,919,000	58	60,000,000	2
Callable	8,733,000	2		
CP	3,326,056	2		
Corporate	7,500,000	2		
Muni	40,870,000	11	27,260,000	6
<b>Total Sale</b>	<b>1,014,348,056</b>	<b>108</b>	<b>89,260,000</b>	<b>9</b>
<b>Total Volume</b>	<b>7,147,624,454</b>	<b>614</b>	<b>984,401,200</b>	<b>57</b>
<b>LGIP Repo</b>			<b>LGIP Repo</b>	
Overnight	10,835,000,000	192	765,000,000	15
Term	4,870,000,000	110	565,000,000	12
	15,705,000,000	302	1,330,000,000	27



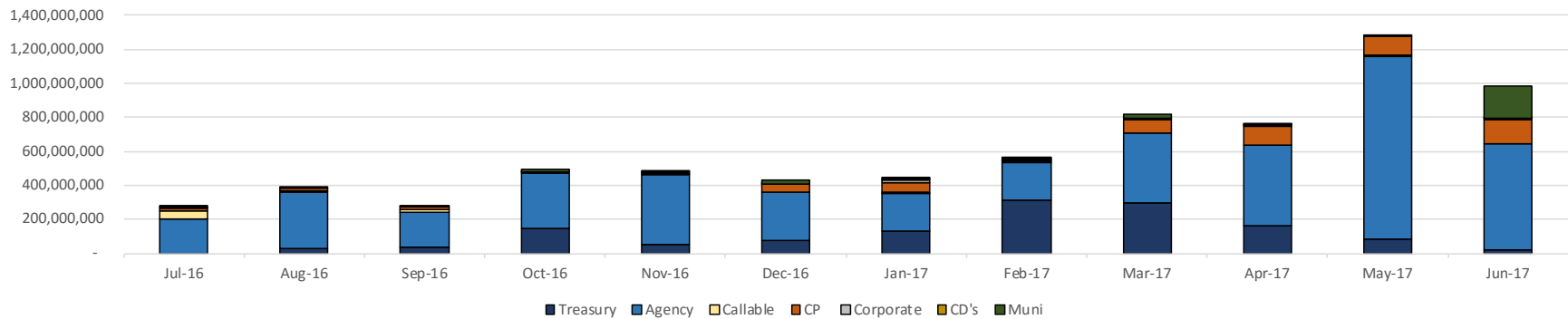
Purchase	GF LIQUIDITY (1000)		GF CORE (1001)		BPIP TE (4000)		BPIP TX (4002)		STB (4001)		LGIP (4101)	
	Volume	Trades	Volume	Trades	Volume	Trades	Volume	Trades	Volume	Trades	Volume	Trades
Treasury			20,000,000	1								
Agency	148,500,000	4					16,540,000	2	27,142,000	4	369,477,000	23
Callable												
CP	85,000,000	4	50,000,000	2					8,700,000	3		
Corporate							9,273,000	1				
CD's			500,000	1			1,100,000	1				
Muni	158,909,200	2										
<b>Total Purchase</b>	<b>392,409,200</b>	<b>10</b>	<b>70,500,000</b>	<b>4</b>	<b>-</b>	<b>0</b>	<b>26,913,000</b>	<b>4</b>	<b>35,842,000</b>	<b>7</b>	<b>369,477,000</b>	<b>23</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									2,000,000	1		
Agency											60,000,000	2
Callable												
CP												
Corporate												
Muni			13,360,000	1	7,235,000	2	4,245,000	1	2,420,000	2		
<b>Total Sale</b>					<b>7,235,000</b>	<b>2</b>	<b>4,245,000</b>	<b>1</b>			<b>60,000,000</b>	<b>2</b>
<b>Total Volume</b>	<b>392,409,200</b>	<b>10</b>	<b>83,860,000</b>	<b>5</b>	<b>7,235,000</b>	<b>2</b>	<b>31,158,000</b>	<b>5</b>	<b>35,842,000</b>	<b>7</b>	<b>429,477,000</b>	<b>25</b>
LGIP												
Overnight											765,000,000	15
Term											565,000,000	12
											1,330,000,000	27

Fiscal Year 17 Trade Volume by Month



	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17
<b>Treasury</b>	-	30,000,000	36,000,000	150,000,000	50,000,000	75,000,000	131,000,000	310,000,000	295,000,000	166,500,000	85,987,000	22,000,000
<b>Agency</b>	203,974,000	331,381,000	201,924,000	322,411,000	414,802,000	287,207,000	223,441,000	223,739,000	410,706,000	466,520,000	1,069,363,000	621,659,000
<b>Callable</b>	44,465,000	7,500,000	21,000,000	6,500,000	-	-	5,000,000	10,000,000	-	-	10,233,000	-
<b>CP</b>	15,000,000	14,835,000	16,306,704	1,000,000	4,000,000	43,400,000	59,100,000	5,945,494	81,200,000	112,400,000	113,926,056	143,700,000
<b>Corporate</b>	-	-	-	-	10,000,000	-	15,000,000	5,000,000	7,500,000	7,500,000	5,000,000	9,273,000
<b>CD's</b>	6,600,000	-	-	-	-	1,100,000	4,000,000	-	-	5,000,000	-	1,600,000
<b>Muni</b>	2,125,000	7,140,000	9,870,000	16,260,000	3,745,000	22,020,000	2,740,000	6,500,000	26,617,000	100,000	-	186,169,200
	272,164,000	390,856,000	285,100,704	496,171,000	482,547,000	428,727,000	440,281,000	561,184,494	821,023,000	758,020,000	1,284,509,056	984,401,200

Fiscal Year 17 Trade Asset Allocation by Month



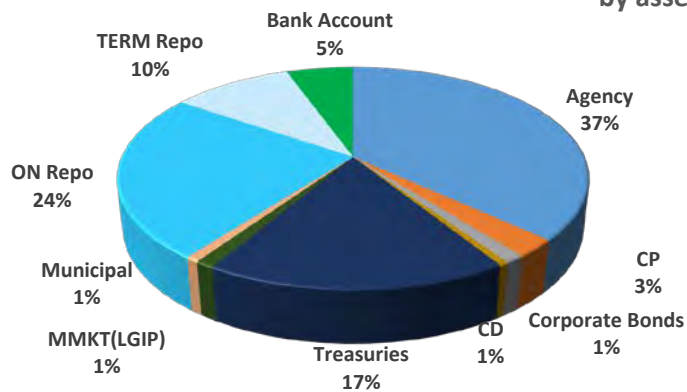
## NM State Treasurer Office Security Holding by Portfolio

June 30, 2017

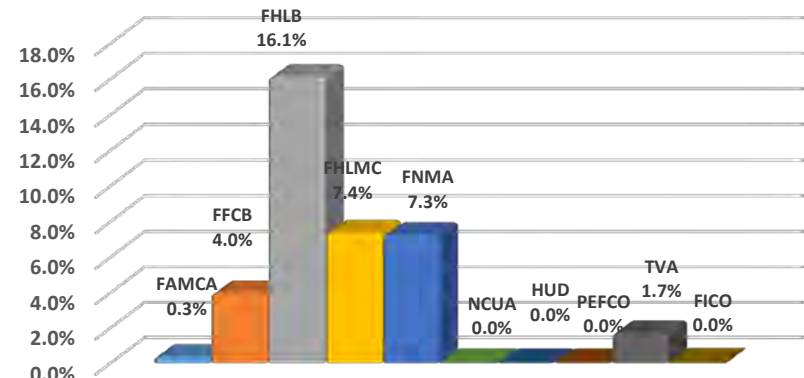
*Values are based on position holdings*

<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>1,139,868,276</b>	<b>711,985,147</b>	<b>555,569,705</b>	<b>569,901,439</b>	<b>20,287,635</b>	<b>883,385,263</b>	<b>3,880,997,465</b>	
<b>Agency</b>	<b>98,500,000</b>	<b>217,441,000</b>	<b>265,405,000</b>	<b>264,375,000</b>	<b>3,820,000</b>	<b>578,960,000</b>	<b>1,428,501,000</b>	<b>36.8%</b>
FAMCA	-	13,000,000	-	-	-	-	13,000,000	0.3%
FFCB	-	8,000,000	20,000,000	15,500,000	2,500,000	108,385,000	154,385,000	4.0%
FHLB	98,500,000	39,500,000	91,085,000	110,000,000	-	286,605,000	625,690,000	16.1%
FHLMC	-	40,000,000	103,750,000	42,875,000	-	100,234,000	286,859,000	7.4%
FNMA	-	116,941,000	36,065,000	93,000,000	-	36,006,000	282,012,000	7.3%
NCUA	-	-	-	-	-	-	-	0.0%
HUD	-	-	-	-	-	-	-	0.0%
PEFCO	-	-	-	-	-	-	-	0.0%
TVA	-	-	14,505,000	3,000,000	1,320,000	47,730,000	66,555,000	1.7%
FICO	-	-	-	1,000,000	-	-	1,000,000	0.0%
CP	45,000,000	50,000,000	2,500,000	1,119,438	-	-	98,619,438	2.5%
Corporate Bonds	-	17,500,000	17,000,000	10,500,000	-	-	45,000,000	1.2%
CD	-	7,500,000	3,000,000	10,200,000	-	-	20,700,000	0.5%
Treasuries	-	372,750,000	100,000,000	83,500,000	9,500,000	110,987,000	676,737,000	17.4%
Municipal	11,257,000	6,455,000	13,010,000	10,710,000	2,630,000	-	44,062,000	1.1%
MMKT(LGIP)	-	-	9,856,876	16,912,966	3,416,748	-	30,186,590	0.8%
ON Repo	584,036,864	5,339,147	144,797,829	171,584,036	890,927	30,000,000	936,648,803	24.1%
TERM Repo	200,000,000	35,000,000	-	-	-	150,000,000	385,000,000	9.9%
Bank Account	201,074,412	-	-	-	29,960	13,438,263	214,542,635	5.5%

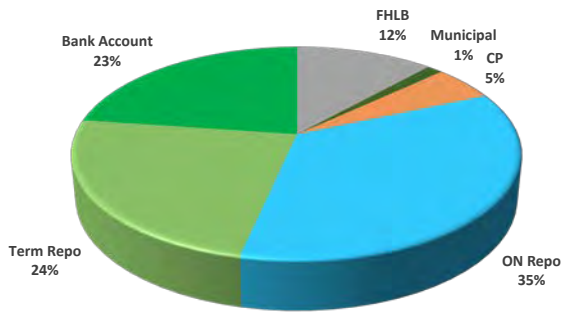
**STO Holdings  
by asset type**



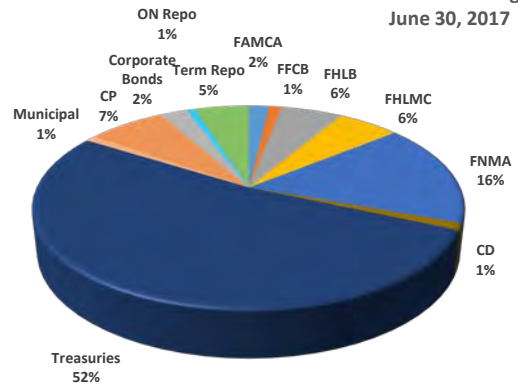
**STO US Agency Holdings**



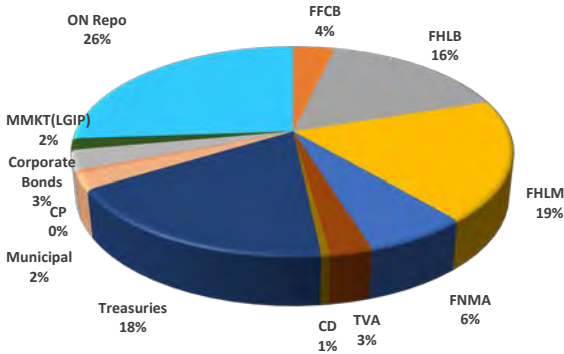
GF Liquidity Holdings  
June 30, 2017



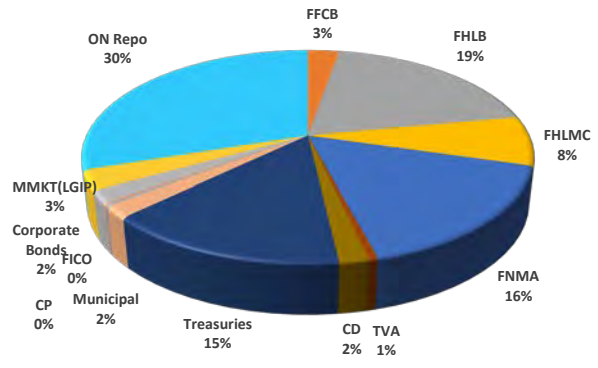
GF CORE Holdings  
June 30, 2017



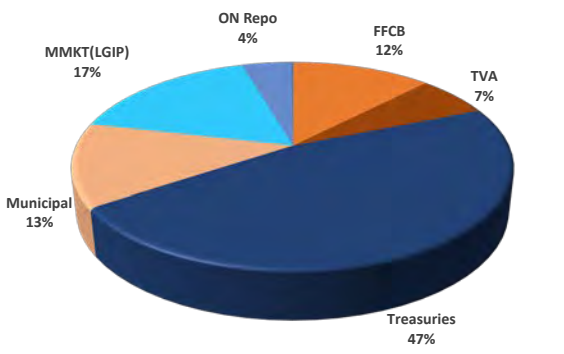
BPIP Tax-Exempt Holdings  
June 30, 2017



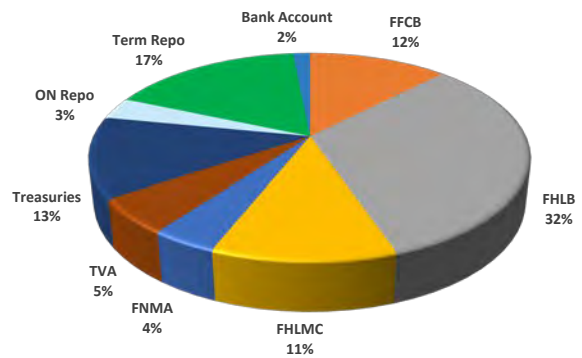
BPIP Taxable Holdings  
June 30, 2017



STB Holdings  
June 30, 2017



LGIP Holdings  
June 30, 2017





## 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



# Interoffice Memorandum

**Date:** August 16, 2017  
**To:** Sam Collins, Deputy Treasurer  
**From:** David Mahooty, Investment Accounting & Debt Division Director  
**CC:** STO Investments Division; Leo Marquez II, STO Chief Financial Officer  
**Subject:** July 2017 Investment Reconciliation

The July 2017 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 June 30 and July 31.
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.

Below is the draft reconciliation for July 2017. The differences that exceed the BPS Dollar Threshold are explained below:

## Inventory Holdings

- P09334/1101 - July Overnight Repo interest for the investing agencies is not distributed until the first of the next month.
- P09335/4000 - Based on a glitch in the system, QED reflects a \$3 million overstatement in July. This was corrected in August 2017.
- P09335/4000 - Based on a glitch in the system, QED reflects a \$1.5 million overstatement in July. This was corrected in August 2017.

## Income

- P89523/4001 - Difference derived by Compass Bank crediting earned interest on the first day of the following month instead of the last day of the month.
- P09337/1001 - QED misstated amortization for a particular security, whereby the amortization of that security is understated in the amount of \$28,762.
- P09333/4101 - QED misstated amortization for a particular security, whereby the amortization of that security is understated in the amount of \$11,792.

JP Morgan to QED Inventory Reconciliations  
For Accounting Period Ended July 31, 2017  
Market Value Reconciliation

W/P Ref  
503

JPM Account	Market Value	QED Fund #	Name	Market Value	Difference	BPS Dollar Threshold *
P 09336	960,661,881.48	1000	GF Liquidity	960,501,217.18	160,664.30	480,330.94
P 09337	832,641,676.52	1001	GF Core	832,607,102.85	34,573.67	416,320.84
P 09334	58,433,484.26	1101	ONREPO	58,524,273.26	(90,789.00)	29,216.74
P 89523	47,494,893.81	4001	STB	47,493,594.67	1,299.14	23,747.45
P 09335	415,086,997.30	4000	BPIP#1	418,083,248.88	(2,996,251.58)	207,543.50
P 09339	402,139,499.19	4002	BPIP#2	403,651,092.68	(1,511,593.49)	201,069.75
P 09333	863,966,502.51	4101	LGIP	863,966,549.53	(47.02)	431,983.25
<b>Total</b>	<b>3,580,424,935.07</b>			<b>3,584,827,079.05</b>	<b>(4,402,143.98)</b>	<b>1,790,212.47</b>

Cost Reconciliation

JPM Account	Cost	QED Fund #	Name	Cost	Difference	BPS Dollar Threshold *
P 09336	960,574,818.65	1000	GF Liquidity	960,453,348.65	121,470.00	480,287.41
P 09337	833,350,771.07	1001	GF Core	833,315,539.82	35,231.25	416,675.39
P 09334	58,433,484.26	1101	ONREPO	58,524,273.26	(90,789.00)	29,216.74
P 89523	47,461,375.66	4001	STB	47,461,576.87	(201.21)	23,730.69
P 09335	417,650,438.06	4000	BPIP#1	420,651,041.19	(3,000,603.13)	208,825.22
P 09339	403,466,228.87	4002	BPIP#2	404,980,553.01	(1,514,324.14)	201,733.11
P 09333	864,832,512.82	4101	LGIP	864,832,512.82	-	432,416.26
<b>Total</b>	<b>3,585,769,629.39</b>			<b>3,590,218,845.62</b>	<b>(4,449,216.23)</b>	<b>1,792,884.81</b>

Position Reconciliation

JPM Account	Position Size	QED Fund #	Name	Position Size	Difference	BPS Dollar Threshold *
P 09336	960,784,467.62	1000	GF Liquidity	960,662,997.62	121,470.00	480,392.23
P 09337	832,851,930.10	1001	GF Core	832,851,930.10	-	416,425.97
P 09334	58,433,484.26	1101	ONREPO	58,524,273.26	(90,789.00)	29,216.74
P 89523	47,614,132.46	4001	STB	47,614,333.67	(201.21)	23,807.07
P 09335	416,129,837.41	4000	BPIP#1	419,130,440.53	(3,000,603.12)	208,064.92
P 09339	402,428,087.03	4002	BPIP#2	403,942,411.20	(1,514,324.17)	201,214.04
P 09333	863,773,967.53	4101	LGIP	863,773,967.53	-	431,886.98
<b>Total</b>	<b>3,582,015,906.41</b>			<b>3,586,500,353.91</b>	<b>(4,484,447.50)</b>	<b>1,791,007.95</b>

\*Basis Point (BPS)Dollar Threshold  
JPM Market Value x 5 BPS  
JPM Cost x 5 BPS  
JPM Postion Size x 5 BPS  
0.0005

JP Morgan to QED Income Reconciliation  
For Accounting Period Ended July 31, 2017

W/P Ref  
504

JPM Account	Earned Interest	QED Fund #	Name	Earned Interest	Difference	BPS Dollar Threshold *
P 09336	486,799.95	1000	GF Liquidity	504,689.59	(17,889.64)	48,033.09
P 09337	848,140.58	1001	GF Core	845,237.27	2,903.31	41,632.08
P 09334	93,898.79	1101	ONREPO	93,898.77	0.02	2,921.67
P 89523	42,844.17	4001	STB	9,415.73	33,428.44	2,374.74
P 09335	458,859.56	4000	BPIP#1	451,227.25	7,632.31	20,754.35
P 09339	461,485.39	4002	BPIP#2	448,465.67	13,019.72	20,106.97
P 09333	764,116.75	4101	LGIP	755,195.78	8,920.97	43,198.33
<b>Total</b>	<b>3,156,145.19</b>			<b>3,108,130.06</b>	<b>48,015.13</b>	<b>179,021.25</b>

JP Morgan to QED Amortization/Accretion Reconciliation

JPM Account	Amortization/Accr	QED Fund #	Name	Amortization/Accretion	Difference
P 09336	128,795.24	1000	GF Liquidity	128,478.50	316.74
P 09337	41,393.41	1001	GF Core	14,616.01	26,777.40
P 09334	-	1101	ONREPO	-	-
P 89523	16,677.83	4001	STB	16,814.32	(136.49)
P 09335	(99,066.07)	4000	BPIP#1	(96,900.72)	(2,165.35)
P 09339	(42,501.73)	4002	BPIP#2	(47,573.41)	5,071.68
P 09333	(45,137.36)	4101	LGIP	(31,644.78)	(13,492.58)
<b>Total</b>	<b>161.32</b>			<b>(16,210.08)</b>	<b>16,371.40</b>

\* BPS Dollar Threshold

JP Morgan 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.

- |   |  |
|---|--|
| 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: Straight-Line-Prem up to Int-sold/rcvd |
| 9 | No Amortization (Explicit)                               |

**From:** [Collins, Sam, STO](#)  
**To:** [Gonzales, Steve A., DFA](#)  
**Cc:** [Cook, Charmaine, STO](#); [Marquez, Leo, STO](#); [Burrows, Leila K, DFA](#); [Clark, Jon](#); [Mahooty, David, STO](#)  
**Subject:** SGF Distribution  
**Date:** Monday, August 07, 2017 11:38:47 AM  
**Attachments:** [image002.png](#)  
[image006.png](#)

Steve,

STO will make a distribution to the State General Fund for July 2017 in the amount of \$1,415,943.30.

<b>Jul-17</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-Earnings</b>	
<b>Component</b>	<b>Amount</b>	<b>Amount</b>	<b>Amount</b>	<b>Total</b>
Earned Income*	\$ 615,595.19	\$ 889,533.99	\$ (715,408.52)	\$ 789,720.66
Realized Gains/(Losses)	-	1,273.55		1,273.55
Unrealized Gains/(Losses)	(3,507.46)	628,456.55		624,949.09
<b>Distribution Total</b>	<b>\$ 612,087.73</b>	<b>\$ 1,519,264.09</b>	<b>\$ (715,408.52)</b>	<b>\$ 1,415,943.30</b>
* Earned Income is accrued investment income +/- accretion/amortization				

Below is the FY18 distribution summary:

Month	Amount
Jul-16	1,415,943.30
Aug-16	-
Sep-16	-
Oct-16	-
Nov-16	-
Dec-16	-
Jan-17	-
Feb-17	-
Mar-17	-
Apr-17	-
May-17	-
Jun-17	-
<b>Total</b>	<b>1,415,943.30</b>

Month	Amount
<b>Jul-17</b>	<b>\$1,415,943.30</b>
<b>Aug-17</b>	<b>-</b>
<b>Sep-17</b>	<b>-</b>
<b>Oct-17</b>	<b>-</b>
<b>Nov-17</b>	<b>-</b>
<b>Dec-17</b>	<b>-</b>
<b>Jan-18</b>	<b>-</b>
<b>Feb-18</b>	<b>-</b>
<b>Mar-18</b>	<b>-</b>
<b>Apr-18</b>	<b>-</b>
<b>May-18</b>	<b>-</b>
<b>Jun-18</b>	<b>-</b>
<b>Total</b>	<b>\$1,415,943.30</b>

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

Thanks,

Sam Collins  
 Deputy State Treasurer  
 New Mexico State Treasurer's Office  
 2055 S. Pacheco St., Suites 100 and 200 | Santa Fe, NM 87505  
 505.955.1123 voice  
[www.nmsto.gov](http://www.nmsto.gov)

# Interoffice Memorandum

Date: July 13, 2017  
To: Charmaine Cook, Chief Investment Officer & Investment Division Director  
From: Sam Collins, Deputy Treasurer  
CC: STO Investments Division; Leo Marquez II, STO Chief Financial Officer  
Subject: June 2017 Investment Reconciliation

The June 2017 investment reconciliation included the following to verify the completeness and accuracy of the JP Morgan reporting:

1. Net asset values of all investment accounts.
2. Change in transaction activity between May 31 and June 30.
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 JPMorgan account. Items that exceed the threshold are discussed below:

- P09334/1101 Overnight Repo interest for the investing agencies is not distributed until the first or second day of the next month - \$56,895.95.

Earned interest materiality threshold is ½ basis point of the total market value of a JP Morgan account. Items that exceed the threshold are discussed below:

- P09336/1000 Sponge note entered into JPM with a trade date of 6.8 should have been 6.29 which caused JPM to understate earnings by \$116,746.35.

JP Morgan to QED Inventory Reconciliations For Accounting Period Ended June 30, 2017				W/P Ref		
				503		
Market Value Reconciliation						
JPM Account	Market Value	QED Fund #	Name	Market Value	Difference	BPS Dollar Threshold *
P 09336	840,735,150.62	1000	GF Liquidity	840,663,684.41	71,466.21	420,367.58
P 09337	711,669,047.58	1001	GF Core	711,666,057.63	2,989.95	355,834.52
P 09334	66,808,380.81	1101	ONREPO	66,865,276.76	(56,895.95)	33,404.19
P 89523	16,841,899.33	4001	STB	16,841,643.53	255.80	8,420.95
P 09335	554,753,254.75	4000	BPIP#1	554,747,930.11	5,324.64	277,376.63
P 09339	583,674,884.72	4002	BPIP#2	583,692,028.75	(17,144.03)	291,837.44
P 09333	883,637,340.86	4101	LGIP	883,637,739.41	(398.55)	441,818.67
<b>Total</b>	<b>3,658,119,958.67</b>			<b>3,658,114,360.60</b>	<b>5,598.07</b>	<b>1,829,059.98</b>
Cost Reconciliation						
JPM Account	Cost	QED Fund #	Name	Cost	Difference	BPS Dollar Threshold *
P 09336	840,682,953.49	1000	GF Liquidity	840,612,122.33	70,831.16	420,341.48
P 09337	713,840,584.39	1001	GF Core	713,805,353.14	35,231.25	356,920.29
P 09334	66,808,380.81	1101	ONREPO	66,865,276.76	(56,895.95)	33,404.19
P 89523	16,880,782.57	4001	STB	16,880,782.27	0.30	8,440.39
P 09335	557,573,818.66	4000	BPIP#1	557,573,818.67	(0.01)	278,786.91
P 09339	584,942,705.36	4002	BPIP#2	584,942,704.83	0.53	292,471.35
P 09333	884,824,057.93	4101	LGIP	884,824,057.93	-	442,412.03
<b>Total</b>	<b>3,665,553,283.21</b>			<b>3,665,504,115.93</b>	<b>49,167.28</b>	<b>1,832,776.64</b>
Position Reconciliation						
JPM Account	Position Size	QED Fund #	Name	Position Size	Difference	BPS Dollar Threshold *
P 09336	840,773,375.57	1000	GF Liquidity	840,702,544.41	70,831.16	420,386.69
P 09337	711,985,146.90	1001	GF Core	711,985,146.90	-	355,992.57
P 09334	66,808,380.81	1101	ONREPO	66,865,276.76	(56,895.95)	33,404.19
P 89523	16,870,887.03	4001	STB	16,870,886.73	0.30	8,435.44
P 09335	555,569,705.01	4000	BPIP#1	555,569,705.01	-	277,784.85
P 09339	584,254,439.91	4002	BPIP#2	584,254,439.41	0.50	292,127.22
P 09333	883,385,262.74	4101	LGIP	883,385,262.74	-	441,692.63
<b>Total</b>	<b>3,659,647,197.97</b>			<b>3,659,633,261.96</b>	<b>13,936.01</b>	<b>1,829,823.60</b>
*Basis Point (BPS)Dollar Threshold						
JPM Market Value x 5 BPS						
JPM Cost x 5 BPS						
JPM Postion Size x 5 BPS						
0.0005						

JP Morgan to QED Income Reconciliation					W/P Ref	
For Accounting Period Ended June 30, 2017					504	
JPM	QED					
Account	Earned Interest	Fund #	Name	Earned Interest	Difference	BPS Dollar Threshold *
P 09336	263,389.76	1000	GF Liquidity	391,191.49	(127,801.73)	42,036.76
P 09337	815,907.79	1001	GF Core	818,870.26	(2,962.47)	35,583.45
P 09334	60,363.59	1101	ONREPO	60,363.57	0.02	3,340.42
P 89523	107,675.74	4001	STB	108,943.49	(1,267.75)	842.09
P 09335	459,818.47	4000	BPIP#1	455,896.04	3,922.43	27,737.66
P 09339	418,887.86	4002	BPIP#2	413,266.01	5,621.85	29,183.74
P 09333	712,631.20	4101	LGIP	742,444.84	(29,813.64)	44,181.87
<b>Total</b>	<b>2,838,674.41</b>			<b>2,990,975.70</b>	<b>(152,301.29)</b>	<b>182,906.00</b>
JP Morgan to QED Amortization/Accretion Reconciliation						
JPM	QED					
Account	Amortization/Accretion	Fund #	Name	Amortization/Accretion	Difference	
P 09336	132,958.30	1000	GF Liquidity	132,045.97	912.33	
P 09337	(2,106.44)	1001	GF Core	(2,980.36)	873.92	
P 09334	-	1101	ONREPO	-	-	
P 89523	104,246.46	4001	STB	103,073.59	1,172.87	
P 09335	(111,358.78)	4000	BPIP#1	(112,820.71)	1,461.93	
P 09339	(34,726.26)	4002	BPIP#2	(35,389.78)	663.52	
P 09333	(44,104.81)	4101	LGIP	(26,951.30)	(17,153.51)	
<b>Total</b>	<b>44,908.47</b>			<b>56,977.41</b>	<b>(12,068.94)</b>	
* BPS Dollar Threshold						
JPM Market Value x .5 Basis Points (BPS)						
0.005%						
<b>Note:</b> 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.						
<div style="border: 1px solid black; padding: 5px;"> <ul style="list-style-type: none"> <li>0 No Amortization (System Config Table Default)</li> <li>1 Straight Line</li> <li><b>2 Scientific, Simple Approximation</b></li> <li>3 Constant Yield, Iterative with PSI effect</li> <li>4 Level Yield, Smoothed</li> <li>5 Cash Basis, Premium Offset by interest-rcvd</li> <li>6 Sum of Years Digits</li> <li>7 Straight Line Prem, Disc=Interest</li> <li>8 Mod'd Cash Basis: Staight-Line-Prem up to Int-sold/rcvd</li> <li>9 No Amortization (Explicit)</li> </ul> </div>						

**From:** Collins, Sam, STO  
**Sent:** Monday, July 10, 2017 1:29 PM  
**To:** Gonzales, Steve A., DFA <[SteveA.Gonzales@state.nm.us](mailto:SteveA.Gonzales@state.nm.us)>  
**Cc:** Cook, Charmaine, STO (<[Charmaine.Cook@state.nm.us](mailto:Charmaine.Cook@state.nm.us)> <[Charmaine.Cook@state.nm.us](mailto:Charmaine.Cook@state.nm.us)>; Marquez, Leo, STO (<[Leo.Marquez@state.nm.us](mailto:Leo.Marquez@state.nm.us)> <[Leo.Marquez@state.nm.us](mailto:Leo.Marquez@state.nm.us)>; Burrows, Leila K, DFA <[LeilaK.Burrows@state.nm.us](mailto:LeilaK.Burrows@state.nm.us)>; Clark, Jon <[Jon.Clark@nmlegis.gov](mailto:Jon.Clark@nmlegis.gov)>; Turner, Clinton, DFA <[Clinton.Turner@state.nm.us](mailto:Clinton.Turner@state.nm.us)>; McGrail, Robert, DFA <[Robert.McGrail@state.nm.us](mailto:Robert.McGrail@state.nm.us)>  
**Subject:** SGF Distribution

Steve,

STO will NOT make a distribution to the State General Fund for June 2017 (DFA will return funds to STO). The earnings of the State General Fund Investment Pool net of changes in the investment market values (unrealized gains/losses) and distributions to self-earning funds were negative in June.

<b>Jun-17</b>				
<b>State General Fund Distribution Worksheet</b>				
<b>Section 6-10-2.1 Distribution Methodology</b>				
	<b>General Fund Liquidity</b>	<b>General Fund Core</b>	<b>Self-Earning</b>	
<b>(Includes Accretion/Amortization)</b>				
<b>Component</b>	<b>Amount</b>	<b>Amount</b>	<b>Amount</b>	<b>Total</b>
Earned Income*	\$ 396,348.06	\$ 813,801.35	\$ (610,606.64)	\$ 599,542.77
Realized Gains/(Losses)				-
Unrealized Gains/(Losses)	4,684.93	(1,114,944.87)		(1,110,259.94)
<b>Distribution Total</b>	<b>\$ 401,032.99</b>	<b>\$ (301,143.52)</b>	<b>\$ (610,606.64)</b>	<b>\$ (510,717.17)</b>
* Earned Income is accrued investment income +/- accretion/amortization				

Below is the FY17 distribution summary:

<b>State General Fund Distribution Worksheet</b>				
<b>Cumulative for 2017</b>				
<b>Section 6-10-2.1 Distribution Methodology</b>				
	<b>General Fund Liquidity</b>	<b>General Fund Core</b>	<b>Self-Earnings</b>	
<b>(Includes Accretion/Amor</b>				
<b>Component</b>	<b>Amount</b>	<b>Amount</b>	<b>Amount</b>	<b>Total</b>
Earned Income*	\$ 2,135,485.09	\$ 10,379,072.62	\$ (4,237,606.57)	\$ 8,276,951.14
Realized Gains/(Losses)	62.22	1,041,390.33	-	1,041,452.55
Unrealized Gains/(Losses)	5,835.27	(12,817,117.01)	-	(12,811,281.74)
<b>Distribution Total</b>	<b>\$ 2,141,382.58</b>	<b>\$ (1,396,654.06)</b>	<b>\$ (4,237,606.57)</b>	<b>\$ (3,492,878.05)</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	858,529.79
Feb-17	737,474.11
Mar-17	9,073.14
Apr-17	1,184,140.68
May-17	943,357.69
Jun-17	(510,717.17)
<b>Total</b>	<b>(3,492,878.05)</b>

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

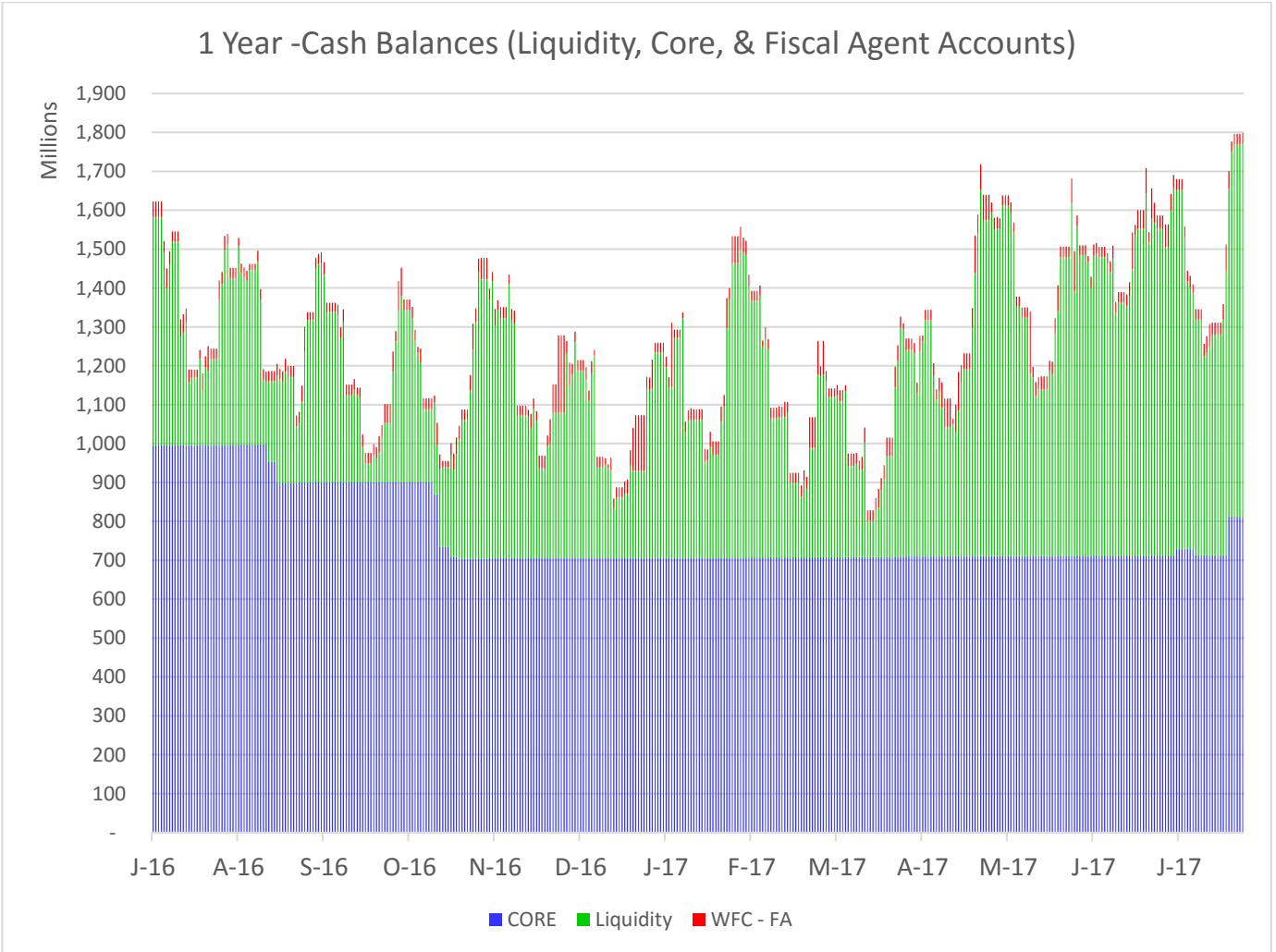
Thanks,



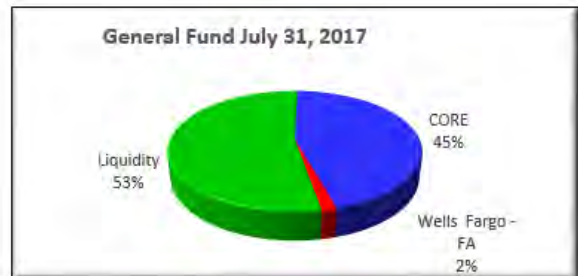
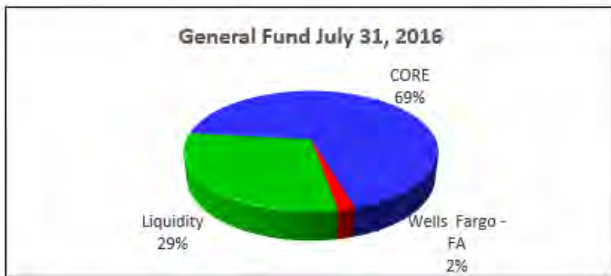


## 7. Cash Projections

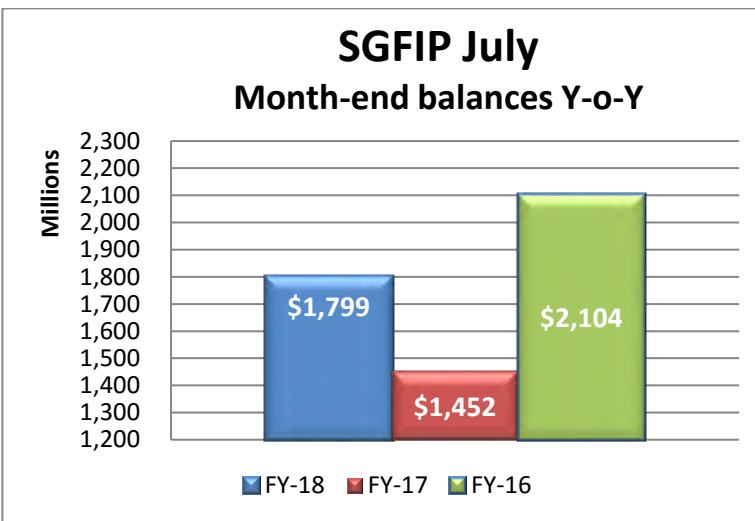
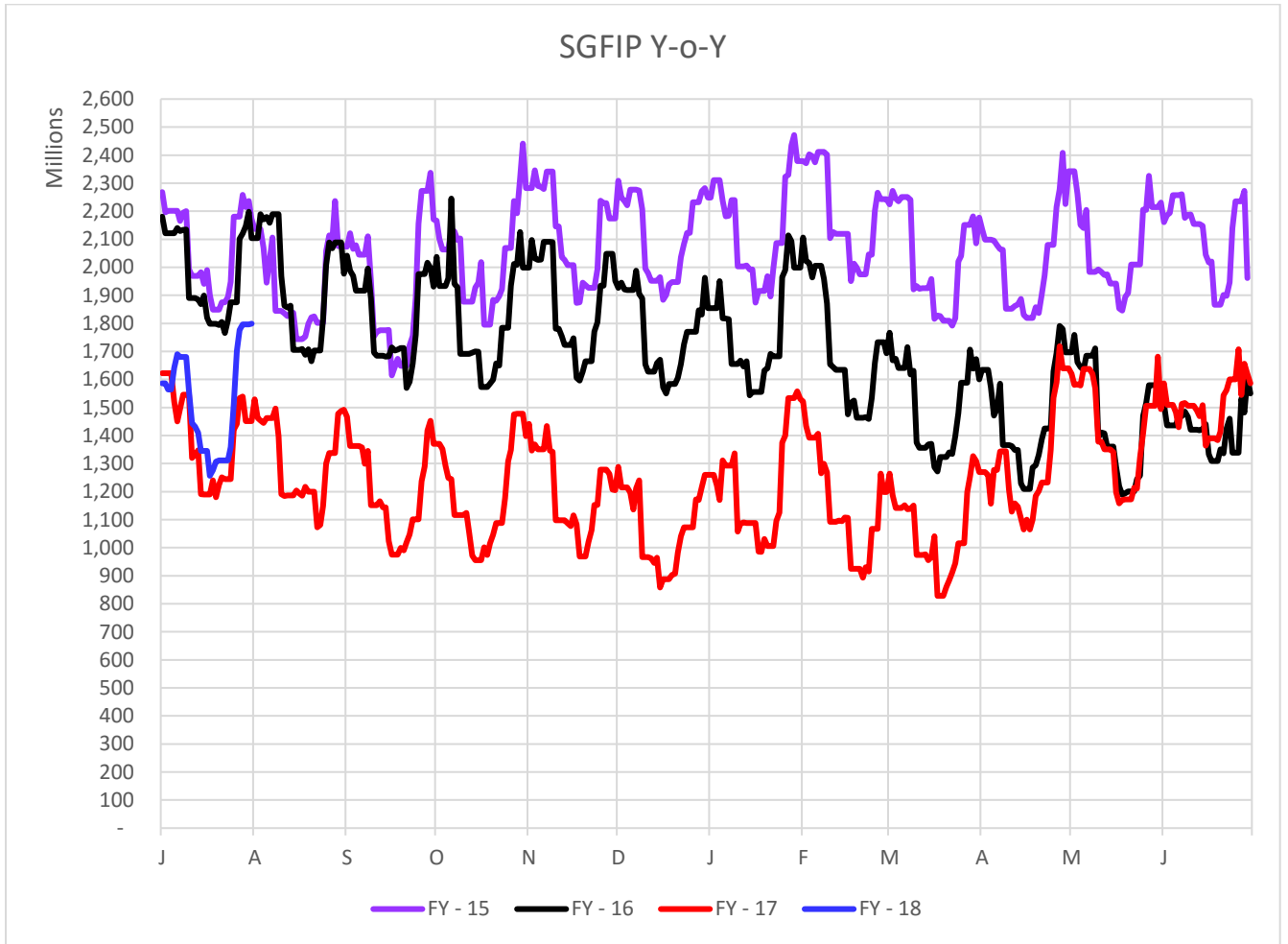
# SGFIP Cash Flows



<b>GENERAL FUND</b>	<b>Jul-16</b>	<b>Jun-17</b>	<b>Jul-17</b>	<b>Y-o-Y Change</b>	<b>M-o-M Change</b>
Liquidity	428,156,673	840,702,545	956,784,416	528,627,743	116,081,871
CORE	996,994,346	711,985,147	812,851,930	(184,142,416)	100,866,783
Wells Fargo - FA	26,720,550	33,779,242	29,414,396	2,693,847	(4,364,845)
	<b>1,451,871,569</b>	<b>1,586,466,933</b>	<b>1,799,050,742</b>	<b>347,179,173</b>	<b>212,583,809</b>

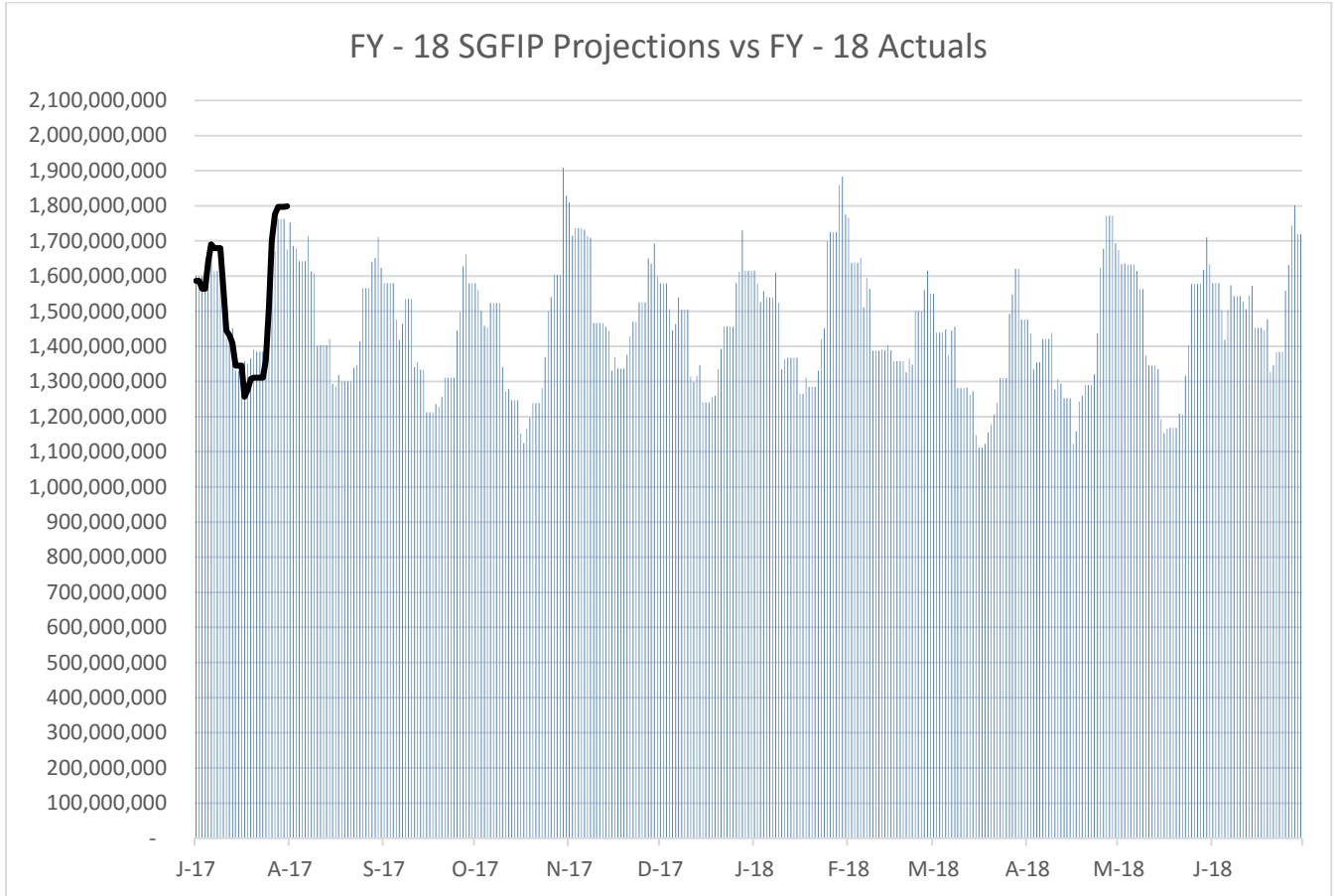


# SGFIP Cash Flows

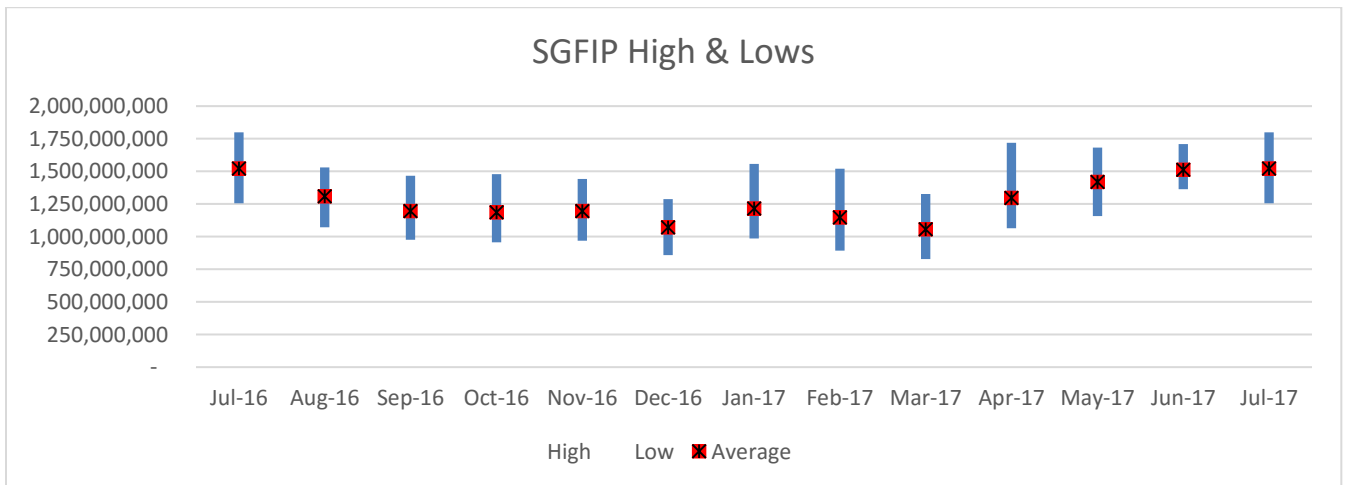


The balance as of July 31, 2017 of the State General Fund Investments Pool (SGFIP) Y-o-Y has increased 23.9% from July 31, 2016 and -14.5% decrease from July 31, 2015 . M-o-M SGFIP balances increased to \$1.799 billion at July 31, 2017 from \$1.586 billion at June 30, 2017 a increase of \$213 million or 13.4%

# SGFIP Cash Flows

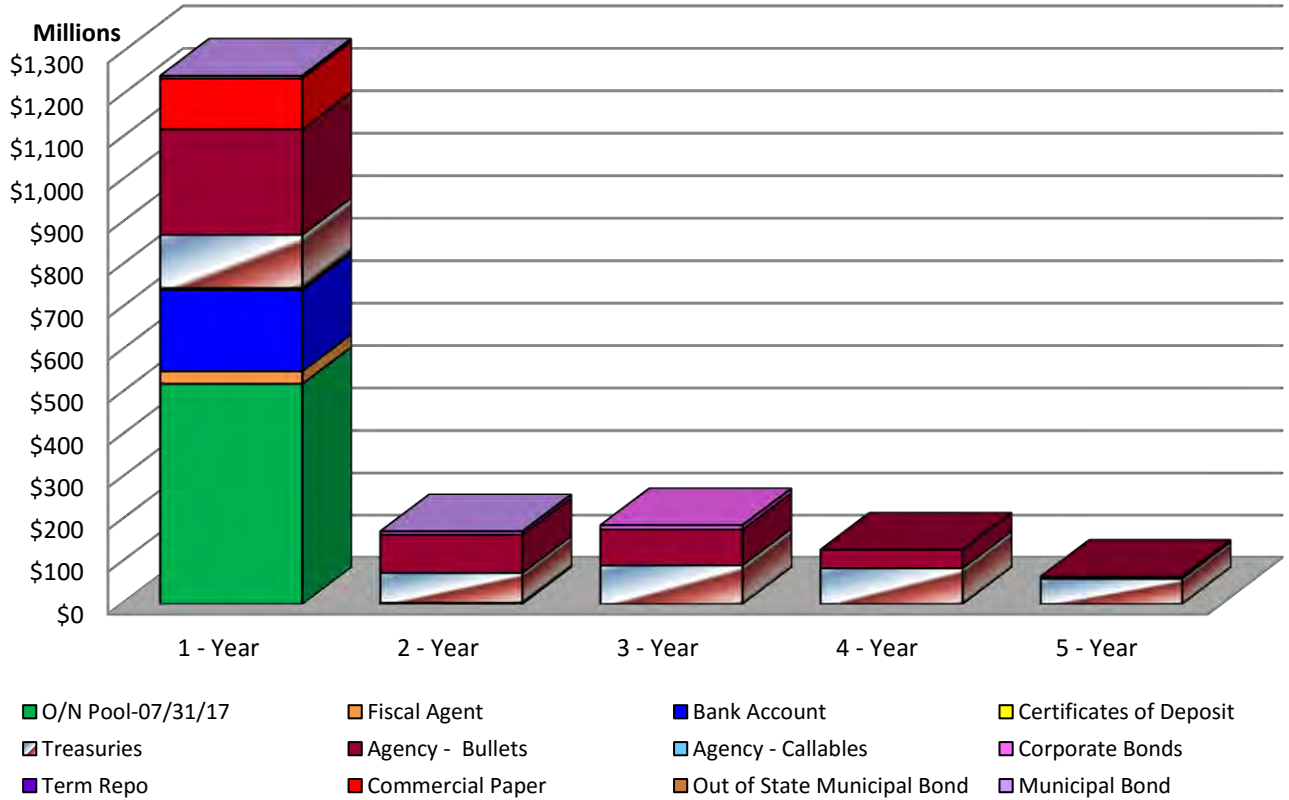


	Jul-17	Jul-16	Change
High	1,799,050,741.96	1,622,419,344.18	9.82%
Low	1,256,410,322.87	1,180,297,967.65	6.06%
Average	1,521,750,931.73	1,395,909,230.11	8.27%



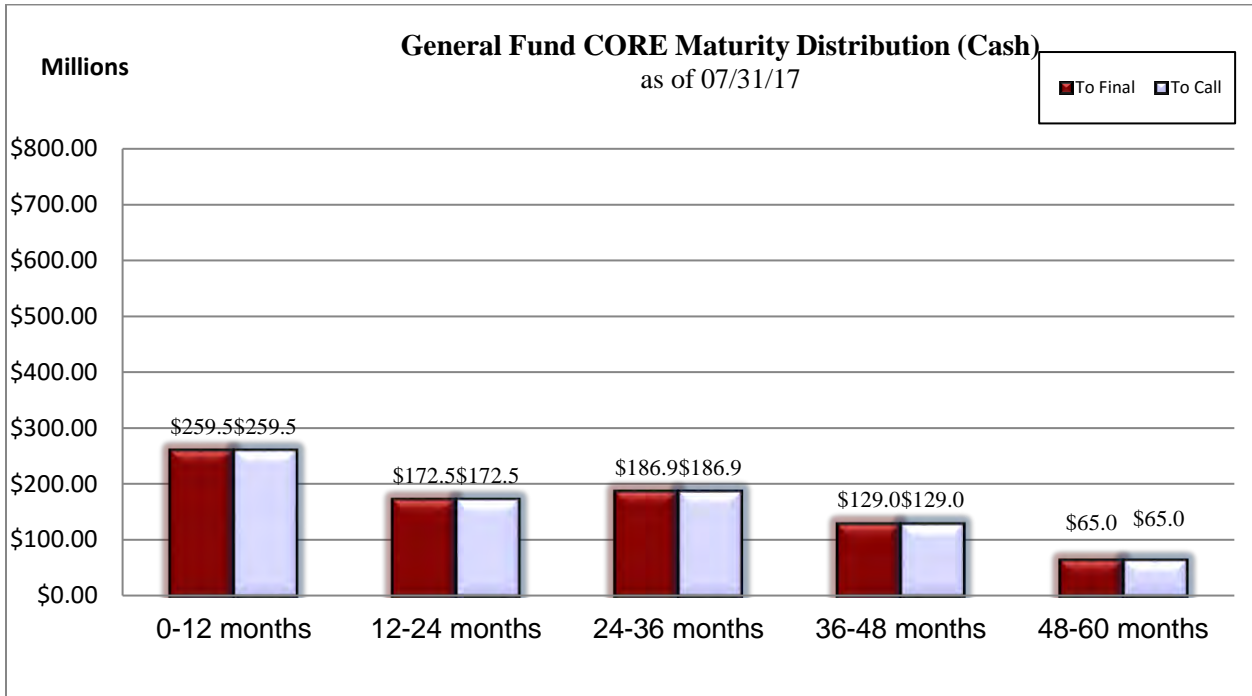
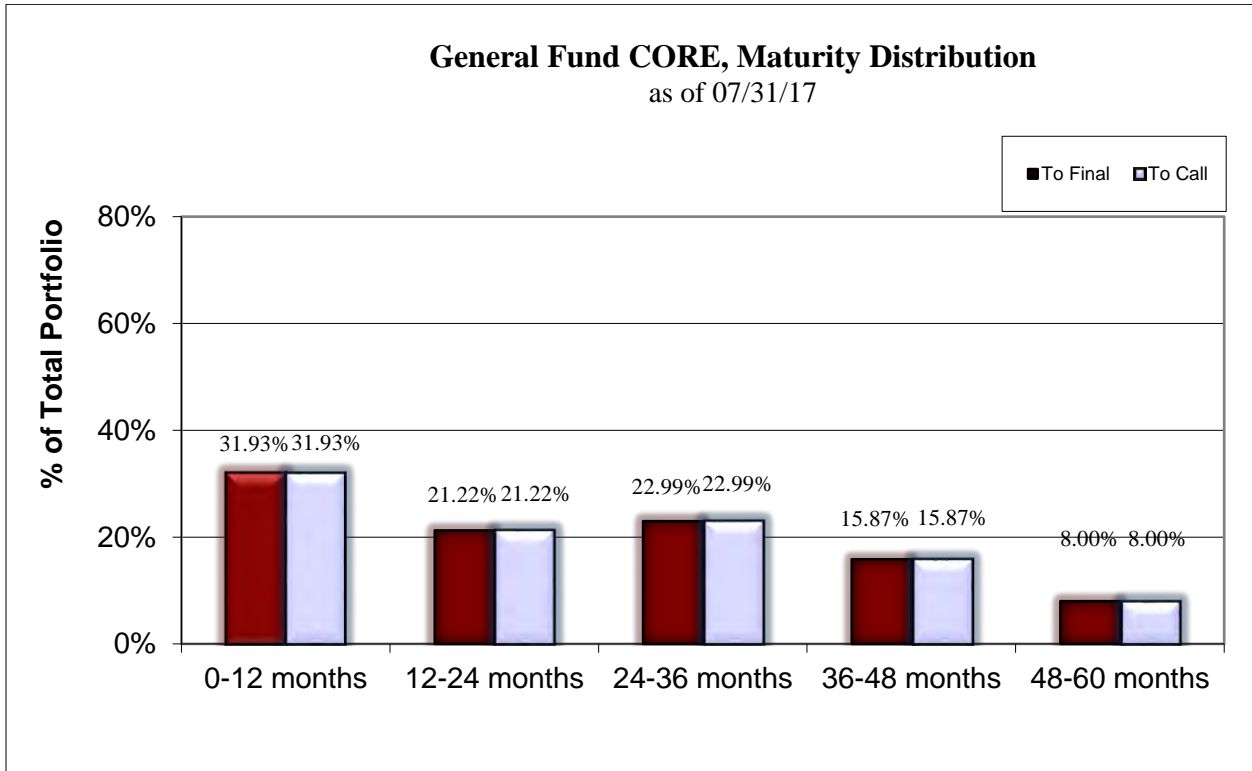
# SGFIP Cash Flows

## General Fund Maturity Ladder by Year & Asset Type as of July 31, 2017

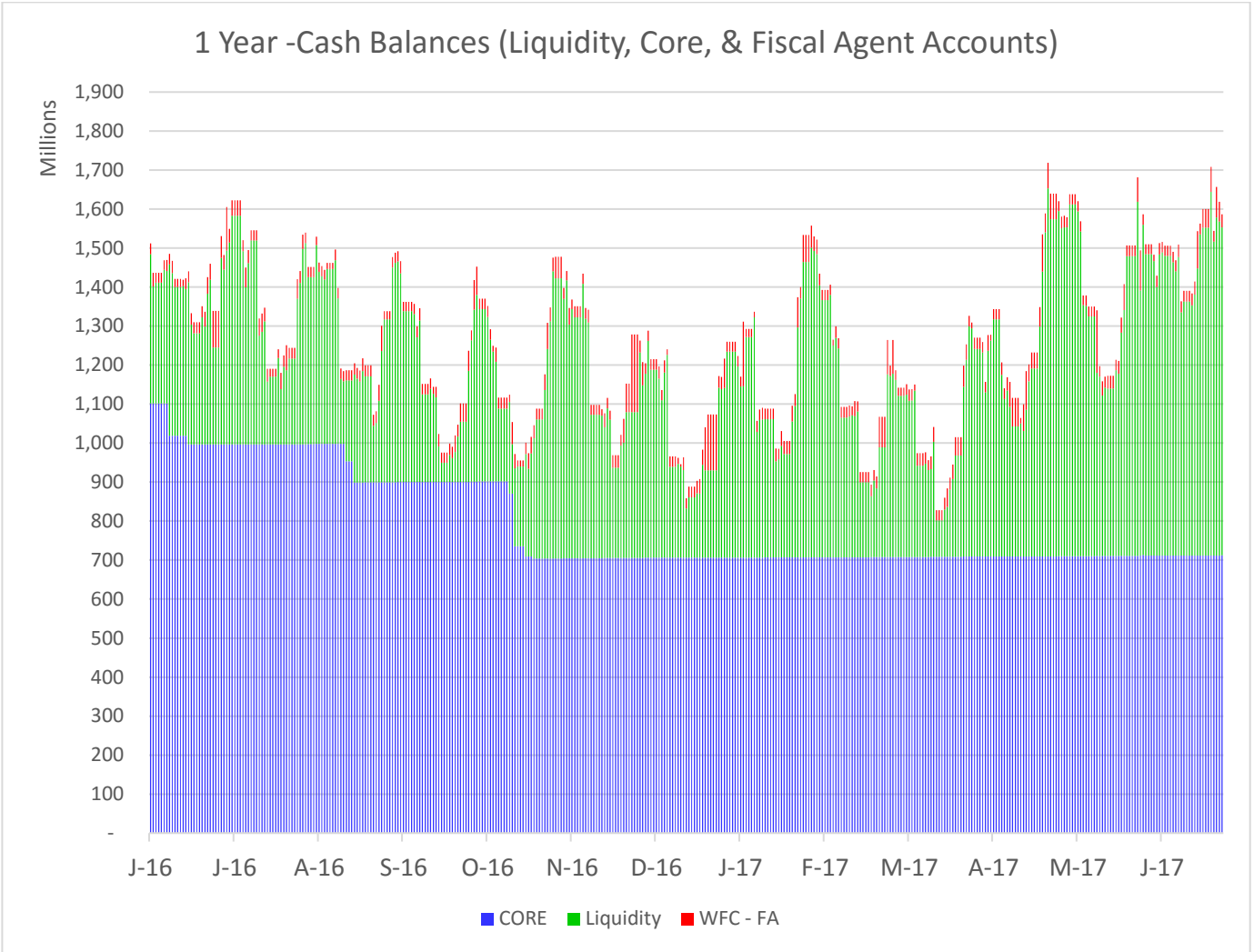


Asset Allocation	1 - Year	2 - Year	3 - Year	4 - Year	5 - Year	Total	%
Agency - Bullets	248,578,000	90,500,000	85,104,000	44,000,000	5,000,000	473,182,000	26%
Agency - Callables						0	0%
Corporate Bonds		7,500,000	10,000,000			17,500,000	1%
Term Repo						0	0%
Certificates of Deposit	4,500,000	3,000,000				7,500,000	0%
Municipal Bond	5,965,000	490,000				6,455,000	0%
Out of State Municipal Bond						0	0%
Commercial Paper	120,000,000					120,000,000	7%
Treasuries	125,000,000	71,000,000	91,750,000	85,000,000	60,000,000	432,750,000	24%
Bank Account	191,558,061					191,558,061	11%
Fiscal Agent	29,414,396					29,414,396	2%
O/N Pool-07/31/17	520,691,285					520,691,285	29%
<b>Total:</b>	<b>1,245,706,742</b>	<b>172,490,000</b>	<b>186,854,000</b>	<b>129,000,000</b>	<b>65,000,000</b>	<b>1,799,050,742</b>	<b>100%</b>
<b>% of Total:</b>	<b>69%</b>	<b>10%</b>	<b>10%</b>	<b>7%</b>	<b>4%</b>		

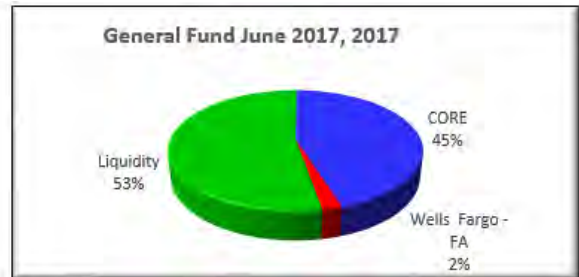
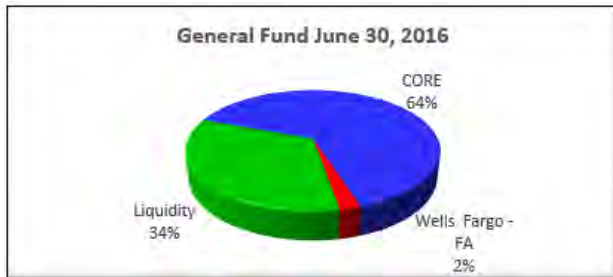
# SGFIP Cash Flows



# SGFIP Cash Flows

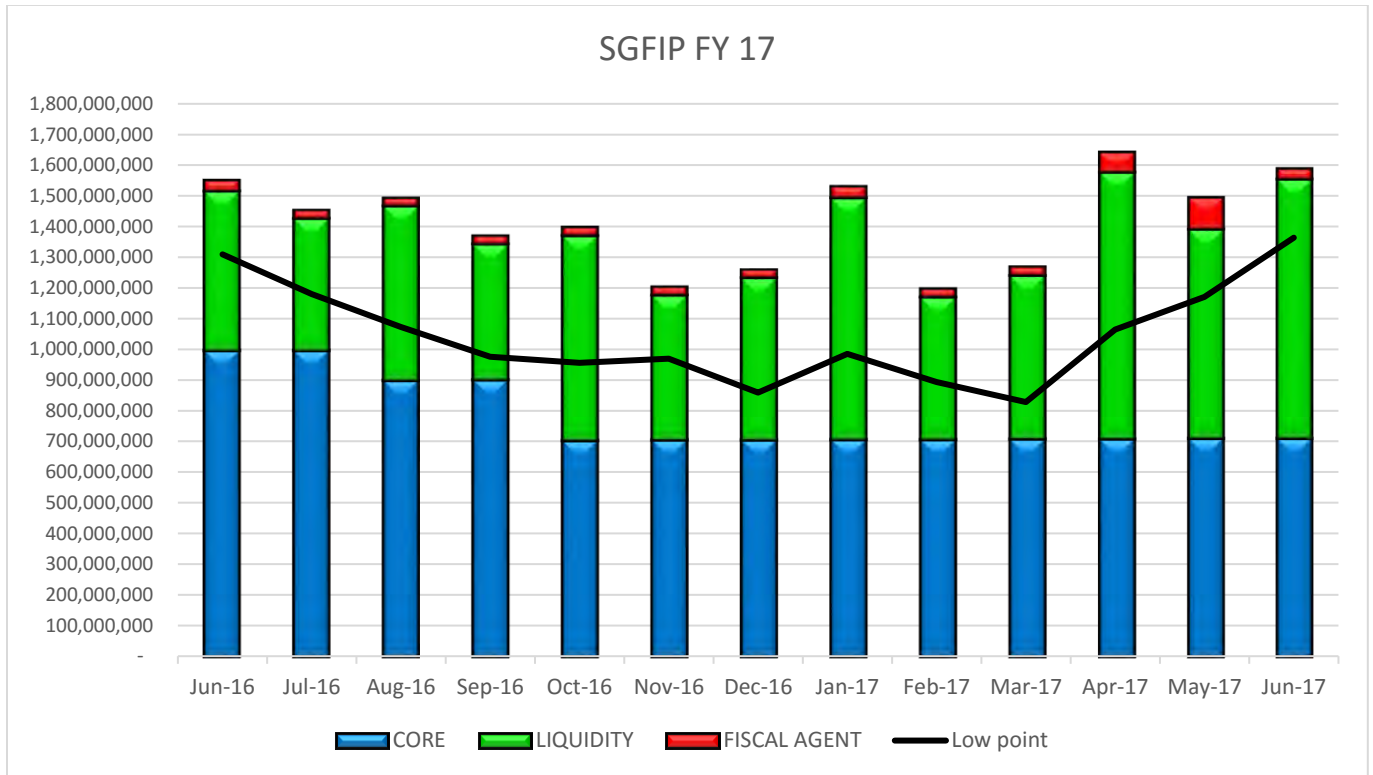


<b>GENERAL FUND</b>	<b>Jun-16</b>	<b>May-17</b>	<b>Jun-17</b>	<b>Y-o-Y Change</b>	<b>M-o-M Change</b>
Liquidity	517,566,167	679,079,837	840,702,545	323,136,378	161,622,708
CORE	996,604,002	711,635,780	711,985,147	(284,618,855)	349,367
Wells Fargo - FA	35,305,183	103,456,253	33,779,242	(1,525,942)	(69,677,011)
	1,549,475,352	1,494,171,870	1,586,466,933	36,991,581	92,295,063



# SGFIP Cash Flows

## SGFIP FY – 17



### Highlights:

**August 2016** – Transferred \$100mm: to cover the day to day operations for the state.

**October 2016** – Transferred \$200mm: to cover projected low in December and ahead of Fed meeting for possible fed rate hike.

**January 2017** – SIC Tobacco Settlement Fund (TSPF) \$109mm: transfer to appropriation account of the general fund, the amount necessary to meet the appropriations authorized by law from the general fund for fiscal year 2016

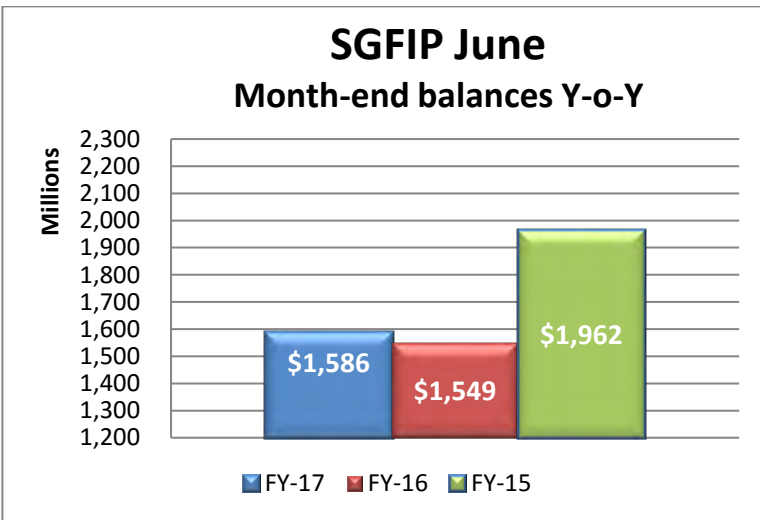
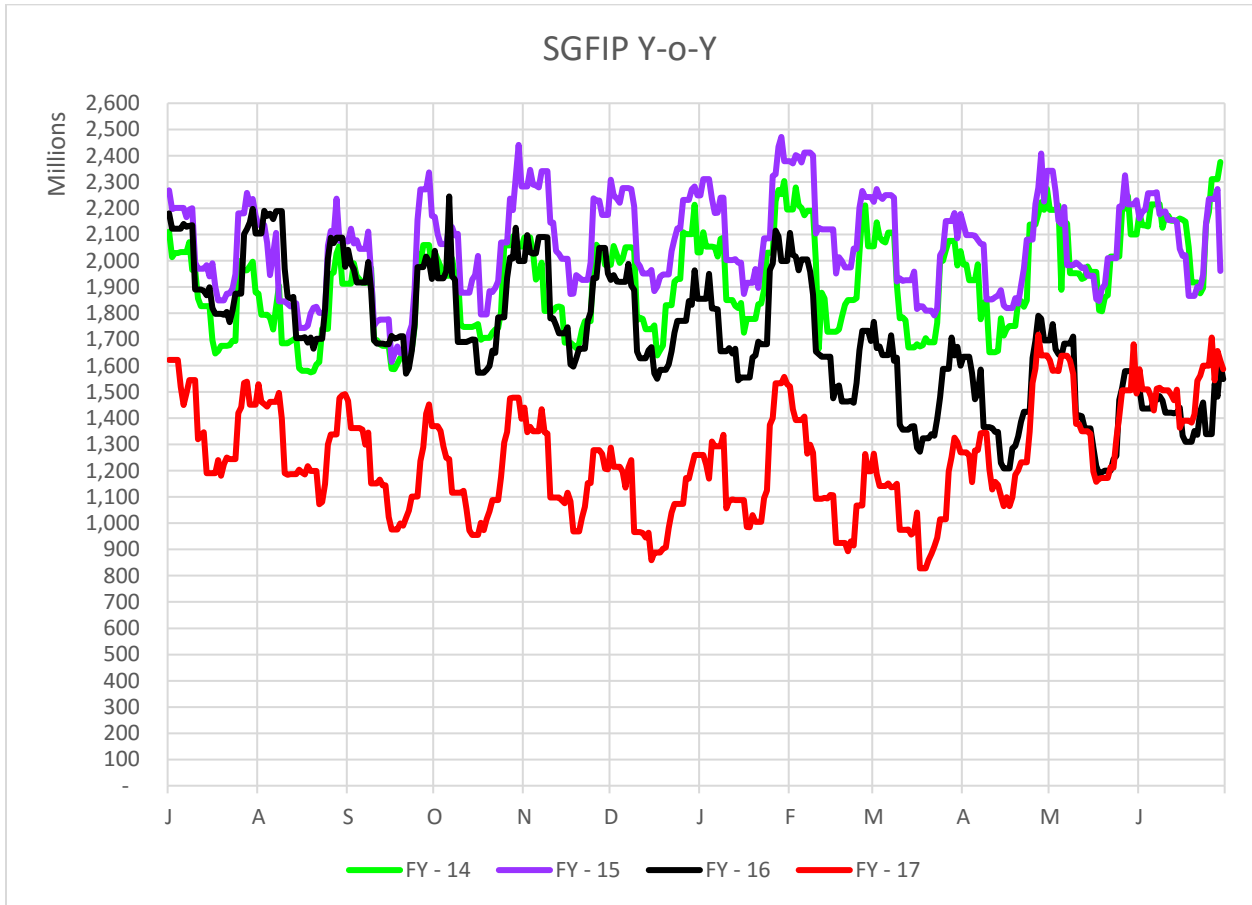
**April 2017** - TSPF\$110mm: transfer to appropriation account and shall remain in the TSPF and will be transferred to the appropriation account only in the event that Fiscal Year 2017 revenues are insufficient to meet appropriations, and upon State Board of Finance(SBOF)approval

**May 2017** – Bureau of Land Management \$96mm:

**June 2017** – TSPF \$110mm: transfer from appropriation account back to SIC



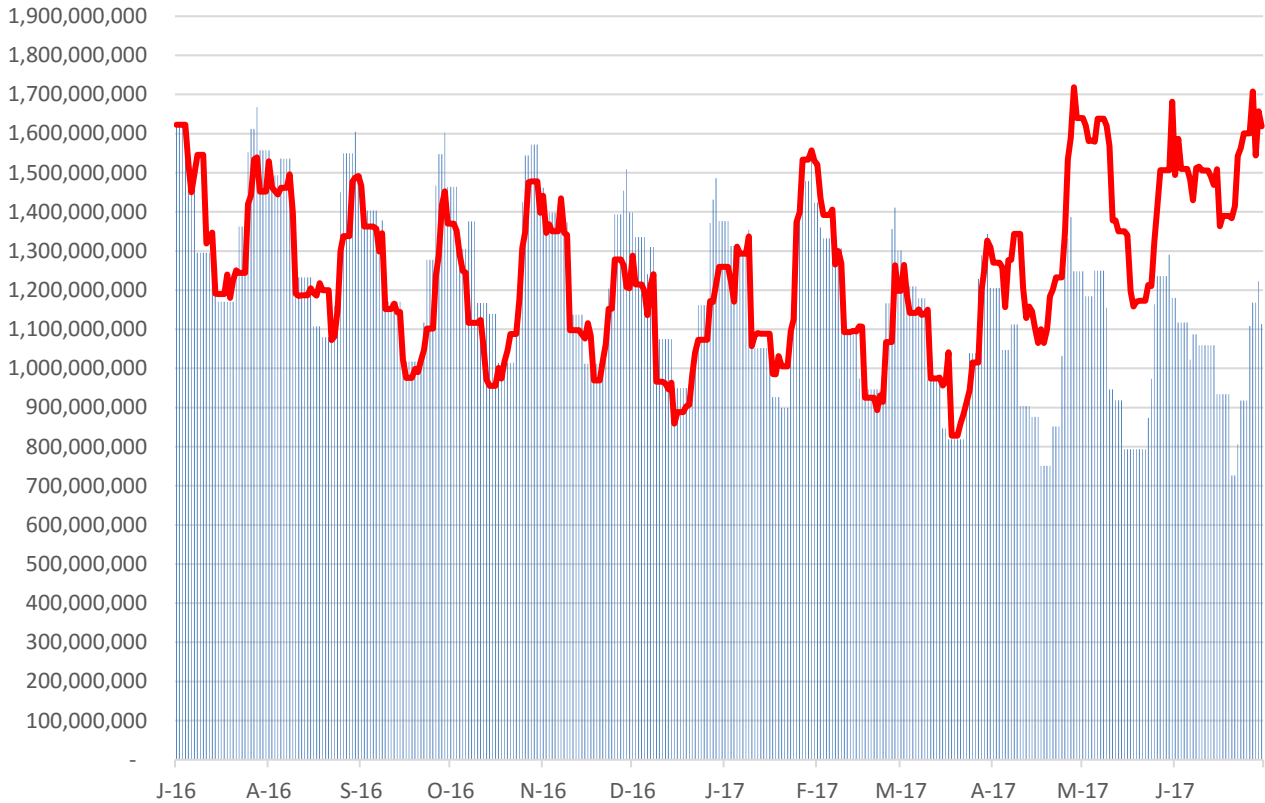
# SGFIP Cash Flows



The balance as of June 30, 2017 of the State General Fund Investments Pool (SGFIP) Y-o-Y has increased 2.4% from June 30, 2016 and -19.1% decrease from June 30, 2015 . M-o-M SGFIP balances increased to \$1.586 billion at June 30, 2017 from \$1.494 billion at May 31, 2017 a increase of \$92 million or 6.2%

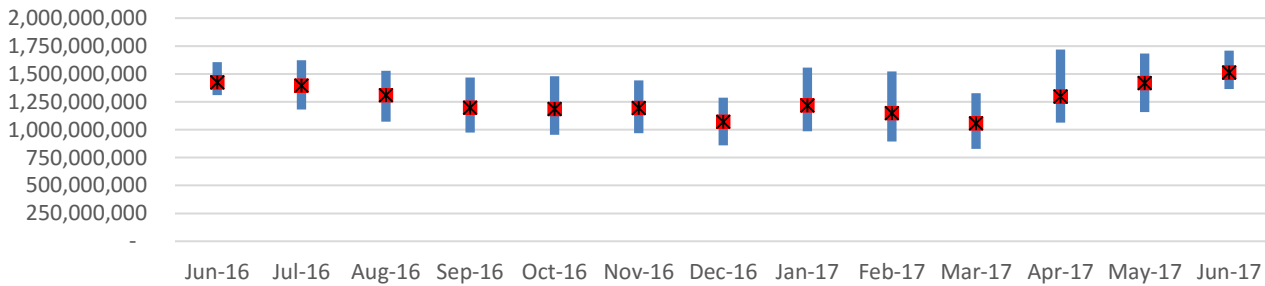
# SGFIP Cash Flows

## FY - 17 SGFIP Balance Projections



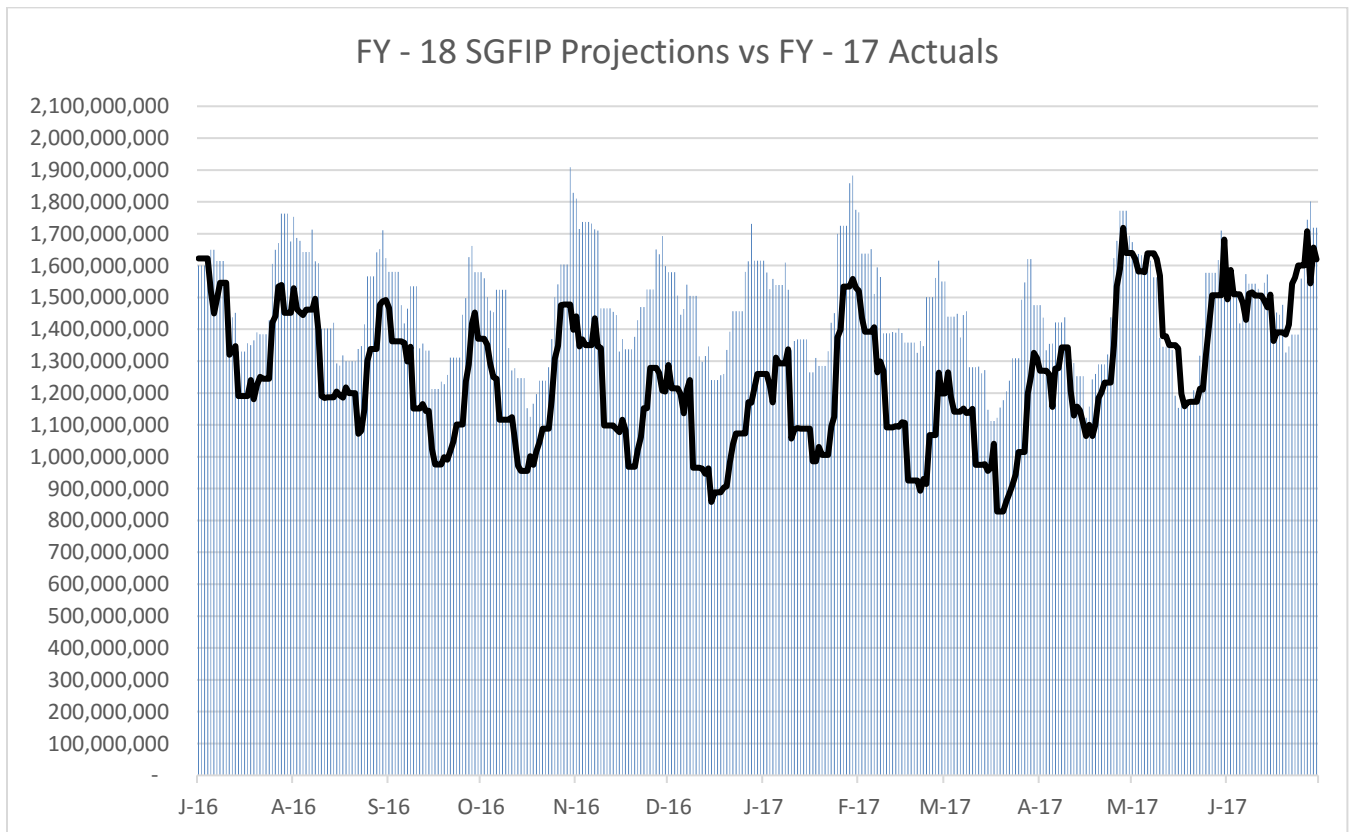
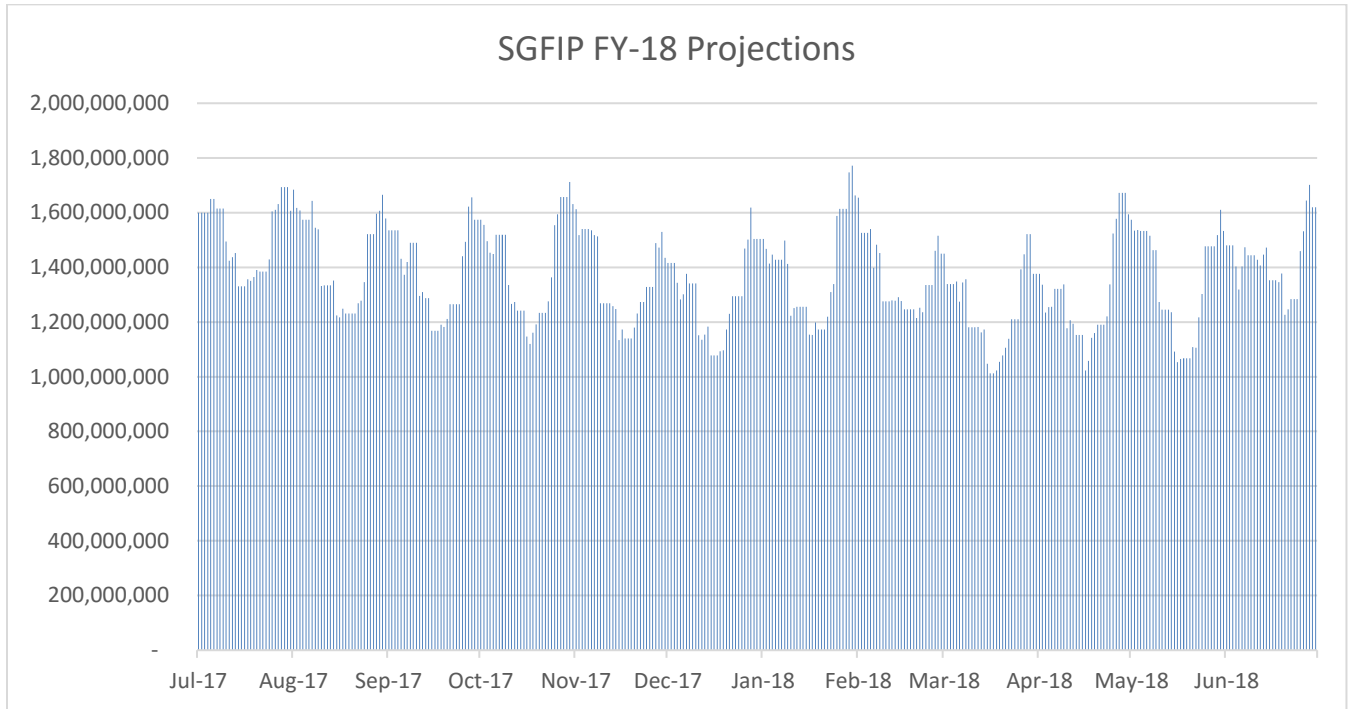
	Jun-17	Jun-16	Change
High	1,708,053,718.00	1,605,201,119.04	6.02%
Low	1,363,781,953.48	1,309,576,983.92	3.97%
Average	1,513,191,818.51	1,423,780,326.18	5.91%

## SGFIP High & Lows



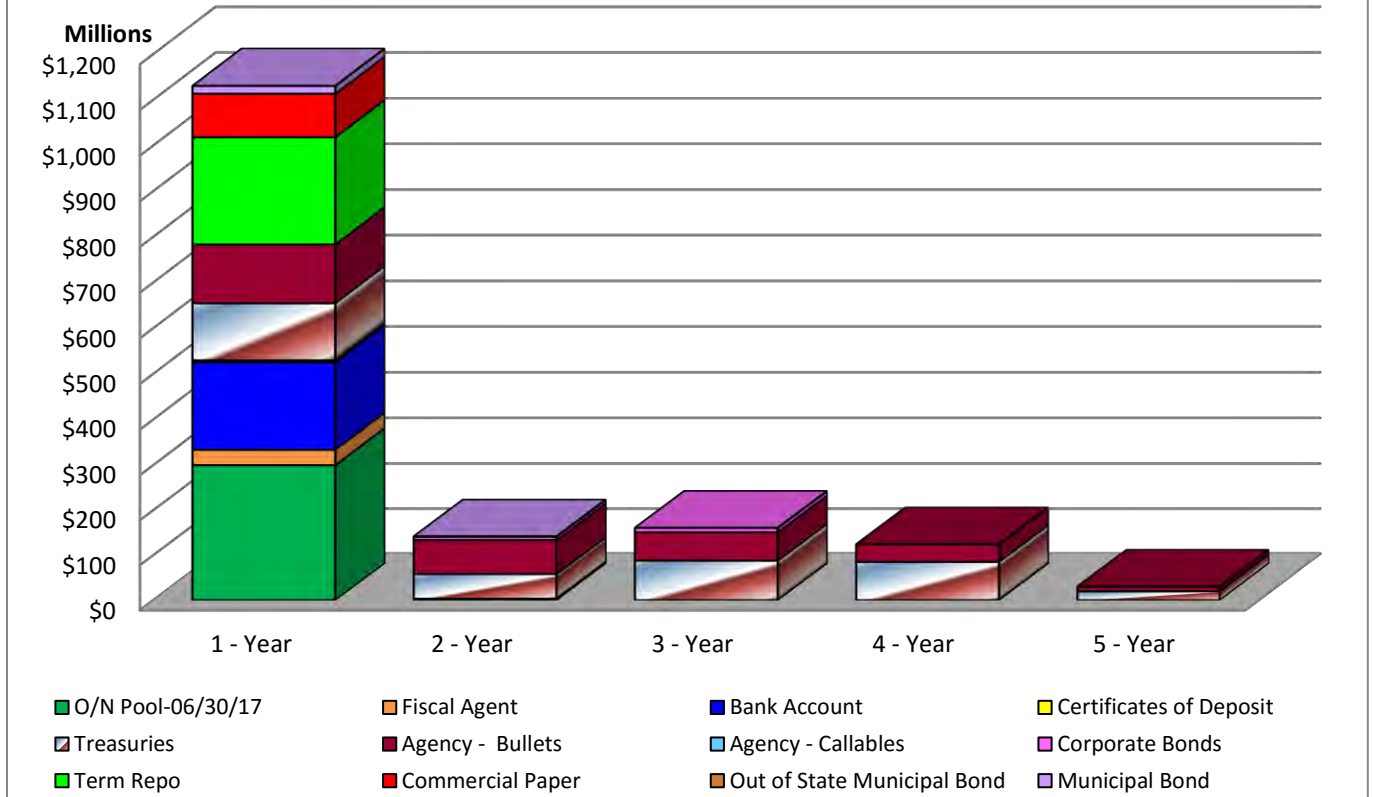
High Low x Average

# SGFIP Cash Flows



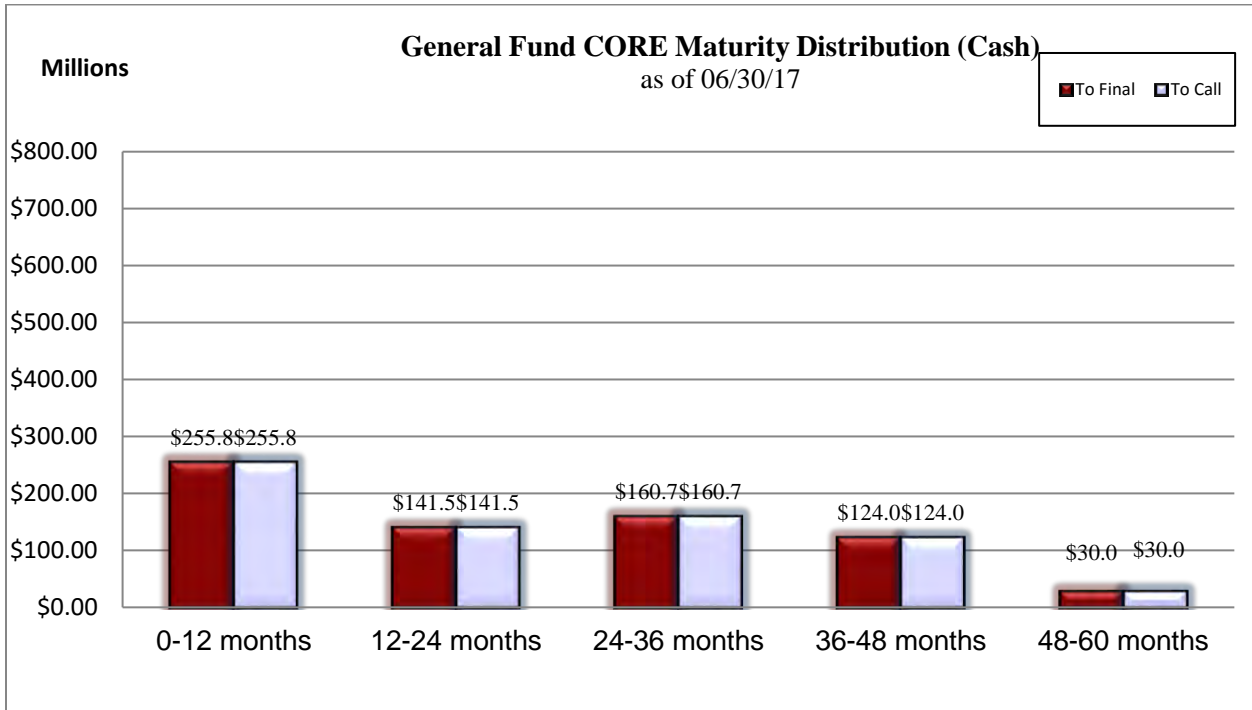
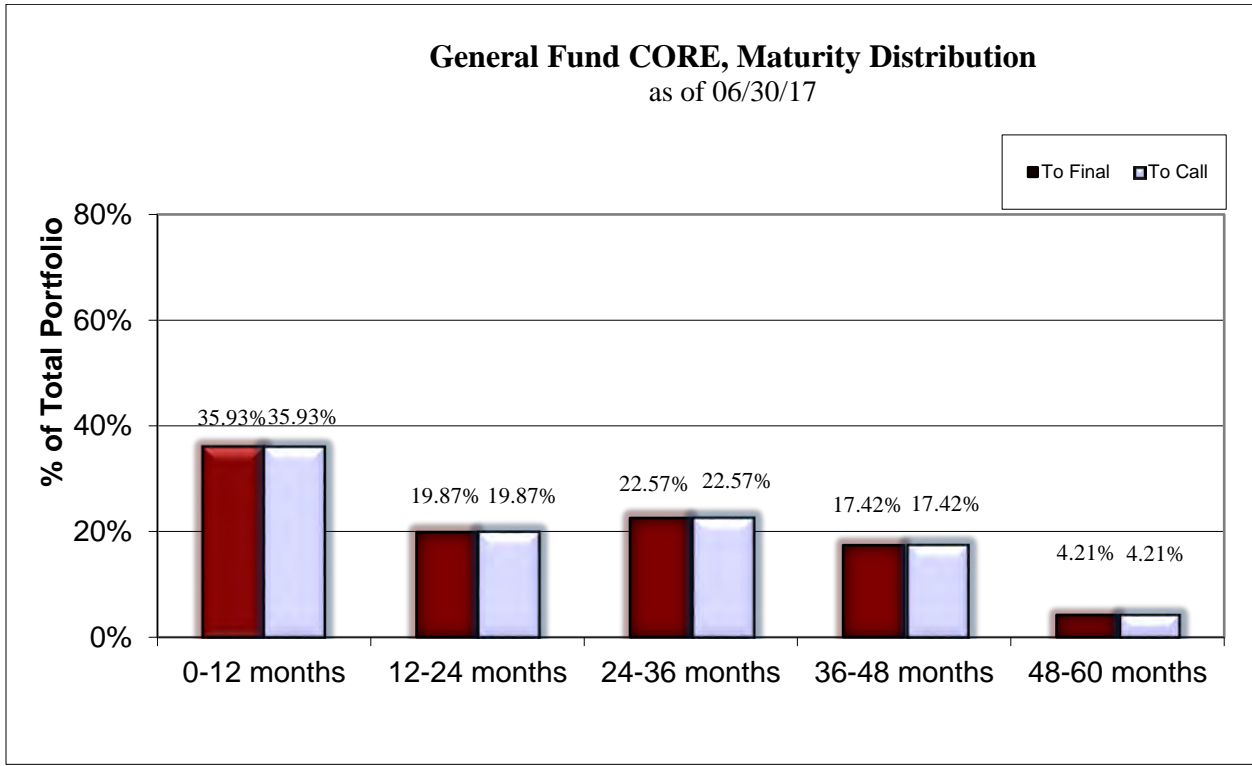
# SGFIP Cash Flows

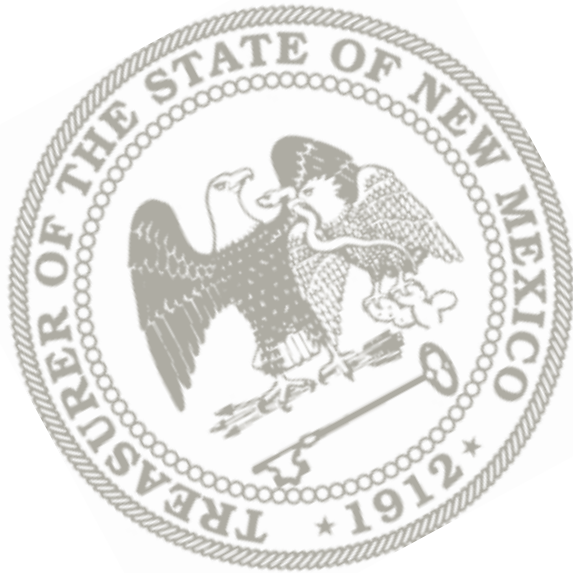
## General Fund Maturity Ladder by Year & Asset Type as of June 30, 2017



Asset Allocation	1 - Year	2 - Year	3 - Year	4 - Year	5 - Year	Total	%
Agency - Bullets	128,500,000	75,500,000	62,941,000	39,000,000	10,000,000	315,941,000	20%
Agency - Callables						0	0%
Corporate Bonds		7,500,000	10,000,000			17,500,000	1%
Term Repo	235,000,000					235,000,000	15%
Certificates of Deposit	4,500,000	3,000,000				7,500,000	0%
Municipal Bond	17,222,000	490,000				17,712,000	1%
Out of State Municipal Bond						0	0%
Commercial Paper	95,000,000					95,000,000	6%
Treasuries	125,000,000	55,000,000	87,750,000	85,000,000	20,000,000	372,750,000	23%
Bank Account	191,365,864					191,365,864	12%
Fiscal Agent	33,779,242					33,779,242	2%
O/N Pool-06/30/17	299,918,828					299,918,828	19%
<b>Total:</b>	<b>1,130,285,933</b>	<b>141,490,000</b>	<b>160,691,000</b>	<b>124,000,000</b>	<b>30,000,000</b>	<b>1,586,466,933</b>	<b>100%</b>
<b>% of Total:</b>	<b>71%</b>	<b>9%</b>	<b>10%</b>	<b>8%</b>	<b>2%</b>		

# SGFIP Cash Flows





8. June 2017 Quarterly Investment Report  
– Investment Advisor



STATE TREASURERS OFFICE  
STIC COMMITTEE MEETING  
QUARTERLY AND FISCAL YEAR END REPORT  
6/30/17



GOVERNMENT  
PORTFOLIO  
ADVISORS

Investment Advisor  
Deanne Woodring, CFA  
President and Senior Portfolio Advisor  
Government Portfolio Advisors  
503-248-9973

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# Table of Contents

Market Commentary	Page	2
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Performance Report	Page	18
Shock Analysis	Page	20
Disclosure	Page	23



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# Market Commentary

**Market Yields:** Interest rates in the short end of the curve continued to rise steadily during the second quarter of 2017. Continued strength in the economy, jobs and financial markets are paving the way to expected interest rate hikes in the future. Yields increased and the Dow Jones gained 686 points in the quarter. The 2-year treasury increased 12 basis points and 5-year notes decreased 3 basis points during the quarter. The 2-year to 5-year spread flattened from 66 basis points to 51 basis points.

**FOMC:** As expected, the Fed increased the Fed Funds target range from .75%-1.00% to 1.00%-1.25%. It was just the fourth time that the Fed has increased rates since the financial crisis. In addition to raising the Fed Funds target rate, the Fed also reported that it would begin to reduce its \$4.5 trillion balance sheet starting “this year.” After the Fed’s decision, yields on U.S. Treasuries rose slightly. The Dow Jones continued to rise and the dollar came off its lows. In a statement released after the meeting, the Fed said it would monitor inflation developments closely. “Conditions are in place for inflation to move up,” said Fed Chair Yellen. They also pointed to a tight labor market as a sign that price pressures are more likely to increase.

**Employment:** The unemployment rate fell to a 17 year low of 4.3%. Total non-farm payrolls were strong, with increases in March of 98K, April at 211K and May with an increase of 138K. The pace of job growth has slowed from the previous quarter which averaged an increase in non-farm payrolls of over 200K per month.

**GDP:** Real GDP increased at an annual rate of 1.4% in the first quarter, according to the “third” estimate. This is compared to the fourth quarter of 2016 increase of 2.1%.

# Market Commentary

**Fed Funds:** Interest rate forecasts point to one more rate hike this year. Provided that the economy continues to perform about as expected, most participants anticipate that gradual increases in the Fed Funds rate will continue. Members continue to expect that economic activity will expand at a moderate pace and labor market conditions should strengthen somewhat further. Policy makers also issued forecasts showing another three quarter-point rate increases in 2018, similar to the previous projections in March.

Current Implied Probabilities of rate changes based on fed funds futures per Bloomberg.

	Prob. Of Hike	Prob. Of Cut	1.25-1.50	1.50-1.75	1.75-2.00
7/26/2017	0.0%	0.1%	0.0%	0.0%	0.0%
9/20/2017	10.1%	0.1%	10.1%	0.0%	0.0%
11/1/2017	10.8%	0.1%	10.7%	0.1%	0.0%
12/13/2017	39.2%	0.1%	35.7%	3.5%	0.0%
1/31/2018	39.7%	0.1%	35.9%	3.8%	0.1%
3/21/2018	59.2%	0.0%	43.8%	14.2%	1.3%
5/2/2018	59.5%	0.0%	43.8%	14.4%	1.3%

SOURCE: BLOOMBERG

**2 year:** The 2 year treasury note is forecasted by over 80 economists contributing to Bloomberg to trade at 1.56%, 1.74%, 1.89%, and 2.09% for the end of each of the next four quarters, higher expectations than last quarter.

**Oil:** Crude oil began the quarter at 50.60 and finished at 46.04.

**Portfolio Positioning:** GPA is recommending that portfolios structure their maturities to get within 90%-95% of their benchmark durations. With the substantial increase in yields, portfolios should be structured to be closely in line with portfolio benchmarks. Agency spreads have tightened vs. treasuries. Municipal bonds and high quality Corporate bonds have also tightened vs. treasuries. GPA expects rates to rise modestly over the next quarter.

# Economic and Rate Data

## Quarterly Yield Change

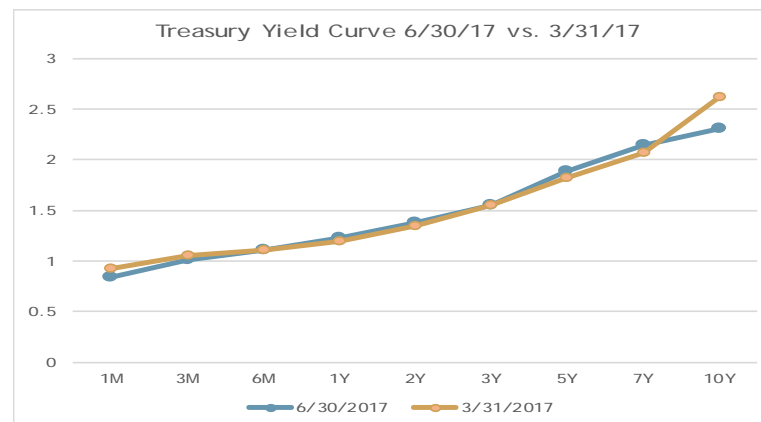
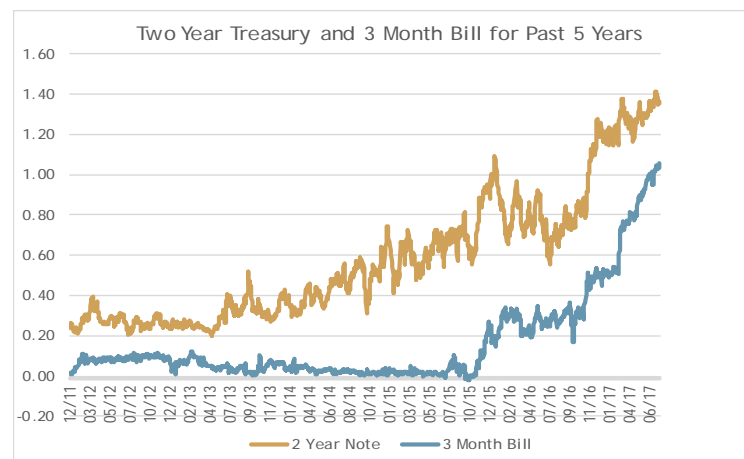
	16-Jun	16-Sep	16-Dec	17-Mar	17-Jun
3-month bill	0.26	0.28	0.50	0.75	1.01
2-year note	0.58	0.76	1.19	1.26	1.38
5 year note	1.00	1.15	1.93	1.92	1.89
10-year note	1.47	1.60	2.44	2.39	2.30

## Economists Survey Projections for Rates

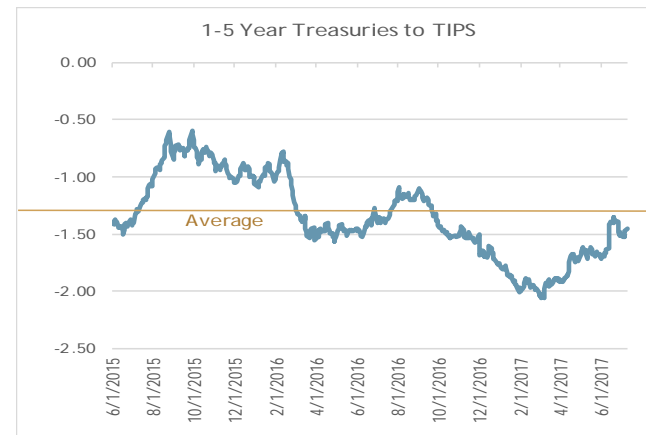
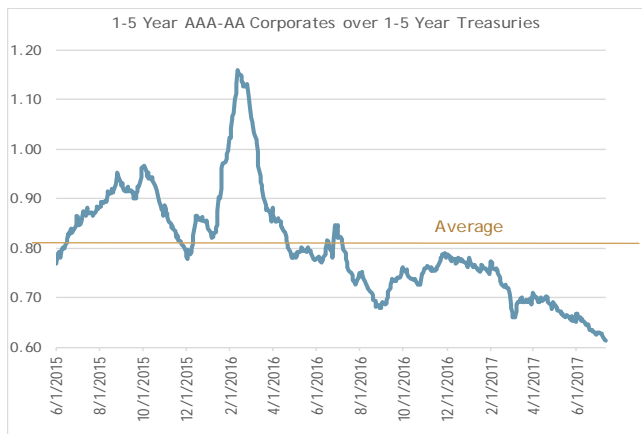
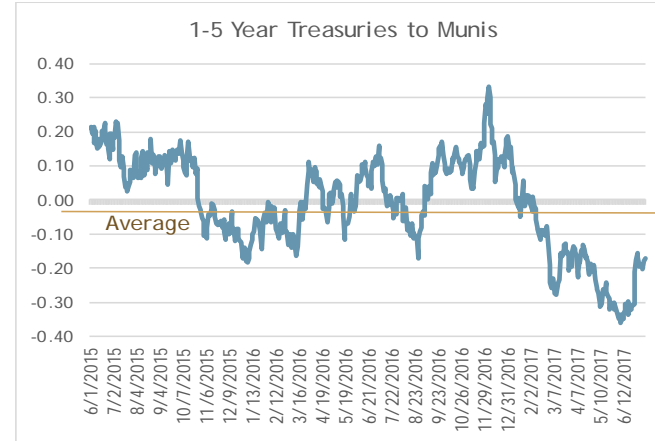
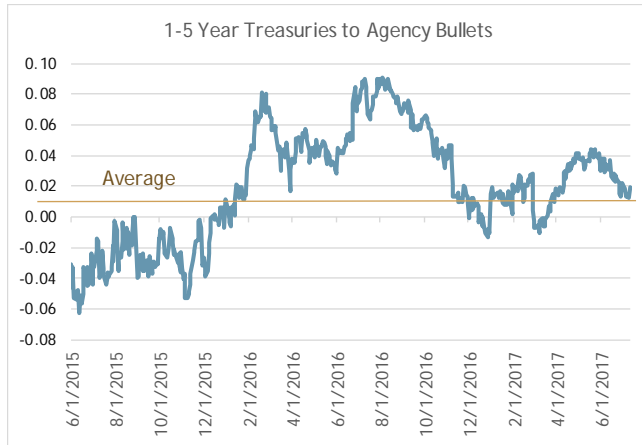
	Q3-17	Q4-17	Q1-18	Q2-18
Fed Funds	1.35	1.5	1.65	1.85
2 Year	1.56	1.74	1.89	2.09
10 Year	2.48	2.67	2.79	2.89

## Economist Survey Projections

	Q3-17	Q4-17	Q1-18	Q2-18
Real GDP	2.20	2.30	2.50	2.40
CPI(YOY%)	2.30	2.10	2.00	2.30
Unemployment	4.40	4.30	4.30	4.20



# Asset Allocation Spread Relationships 6/2015 to 6/2017



Source: Bloomberg

# Fixed Income Asset Allocation Historical Performance

Benchmark	Provider
1-5 Year US Treasury	BA/ML
1-5 Year US Agency Bullet	BA/ML
1-5 Year US Agency Callable	BA/ML
1-5 Year Corp A-BBB	BB/Barclays
1-5 Year Municipals	BB/Barclays
0-5 Years TIPS	BB/Barclays
1-5 Years High Yield Corps	BB/Barclays
1-5 Years Global Treasury	
Exc. US	BB/Barclays

## FISCAL YEAR END 6/30/17

1 Year	3 Year	5 Year	10 year
12.549%	4.056%	6.347%	7.412%
1.591%	2.067%	2.615%	4.074%
0.520%	1.106%	1.218%	2.854%
0.434%	1.102%	1.212%	2.751%
0.299%	1.100%	0.974%	2.646%
-0.055%	1.082%	0.927%	2.603%
-0.524%	0.718%	0.874%	2.193%
-0.532%	0.053%	0.379%	1.849%

## Fiscal Years Ending June 30

2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
10.965%	3.372%	1.376%	8.820%	10.040%	5.194%	13.538%	25.180%	7.428%	12.070%	10.086%	5.170%	7.657%
1.579%	2.426%	1.319%	3.772%	2.600%	3.570%	5.537%	10.169%	6.699%	8.417%	6.304%	2.249%	4.076%
0.520%	2.351%	1.300%	2.464%	1.674%	2.952%	5.142%	5.760%	6.464%	8.105%	5.842%	1.900%	3.711%
0.319%	2.057%	1.279%	2.215%	0.126%	2.684%	2.650%	4.225%	5.484%	5.631%	5.572%	1.131%	3.275%
0.310%	1.656%	1.040%	2.166%	0.071%	2.220%	2.160%	4.224%	4.639%	5.461%	5.170%	1.040%	3.104%
-0.055%	1.641%	0.677%	1.592%	-0.027%	2.152%	2.109%	4.114%	4.107%	4.750%	4.318%	1.020%	3.068%
-0.525%	1.507%	-0.349%	1.498%	-0.250%	1.622%	1.112%	2.588%	0.973%	2.989%	3.721%	0.811%	2.758%
-0.532%	0.291%	-1.910%	1.157%	-0.609%	1.062%	0.590%	2.238%	-0.937%	-0.411%	1.777%	-0.613%	2.473%

Source: Bloomberg

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# 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) General fund balances increased by \$300MM this quarter as revenues increased after a long period of declining fund balances. Both the BPIP funds increased by a combined amount of \$173MM as well. The funds infused into the portfolios were held in short securities through year end and the portfolio managers will deploy funds into investments after year end.
- 2) Earnings yields increased on all funds as reinvestments of maturities and cash were made at higher rates. The key investment funds (Core and BPIP Funds), weighted average yield increased over the quarter from 1.165% to 1.20%. On average balances of \$1.8BLN, this is an annualized increase in yield of 4.8 basis points which equates to \$630,000 in dollars.
- 4) There was a total of 156 individual securities purchased this quarter for a total volume of \$2,798,111,200. The majority of the securities were short maturity investments in the LGIP.
- 5) STO continues to monitor the cash flow closely to provide for the immediate funding requirements in all accounts.

# Executive Summary

## Quarterly Statistics:

- ✓ Liquidity requirements were managed across all funds through repurchase agreements. Once the increase in balances is affirmed to remain in the fund, rebalance the liquidity down to maintain the \$500MM target.
- ✓ Realized gains on the sales for the quarter across all funds totaled \$13,861.
- ✓ The LGIP balances remained stable and the yield pulled up with the fed moves and will likely move above 1% in the near future.
- ✓ The durations of all the funds drifted much shorter this quarter due to uncertainty in cash flows and the expectation of fed rate hikes. GPA is suggesting to realign the benchmarks to a 80-90% biased to the benchmark.
- ✓ Year over year the asset allocations was variable across the funds increased the allocations to US Treasury securities due to the tight spreads to other asset classes.

## STO Fund Balances

STO Total Ex. LGIP	Quarter Change	STO Total	Fiscal Change
3/31/2017	2,476,302,269	6/30/2016	3,187,921,563
6/30/2017	2,764,759,375	6/30/2017	2,764,759,375
Change	288,457,106	Change	(423,162,188)
General Core Fund	Quarter Change	General Fund Core	Fiscal Change
3/31/2017	711,585,338	6/30/2016	1,015,150,888
6/30/2017	713,757,355	6/30/2017	713,757,355
Change	2,172,017	Change	(301,393,533)
General Liquidity	Quarter Change	General Fund Liquidity	Fiscal Change
3/31/2017	531,881,859	6/30/2016	517,606,607
6/30/2017	840,768,411	6/30/2017	840,768,411
Change	308,886,552	Change	323,161,804
BPIP Combined Funds	Quarter Change	BPIP Funds Combined	
3/31/2017	953,402,375	6/30/2016	1,501,476,589
6/30/2017	1,126,480,946	6/30/2017	1,126,480,946
Change	173,078,571	Change	(374,995,643)
LGIP Fund Balance			
LGIP Fund	Quarter Change	LGIP Balances	
3/31/2017	861,819,784	6/30/2016	750,598,952
6/30/2017	885,076,477	6/30/2017	885,076,477
Change	23,256,693	Change	134,477,525

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# Key Points of Focus for the NMSTO – Investment Program

## 1. Objectives: Safety, Liquidity and Return

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

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

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

Ranking on Interest rate risk: **NEUTRAL**

Interest rate risk is directly correlated to average duration of each fund and articulates the amount of price movement that will occur given interest rate changes. Market benchmarks have been established for each of the investment funds to create discipline in market exposure. The portfolios all continue to be managed slightly short of 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 and corporate issuers. Commercial Paper issuers include Toyota, Exxon, US Bank, General Electric Co and General Electric Capital US holdings. The corporate note exposure is in Apple, Microsoft, General Electric and US Bank.

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 had higher overnight balances into the quarter end and the portfolio earnings should benefit when invested at higher rates.



# Board of Finance Annual Performance Disclosure

GENERAL FUND			Fiscal Period
	6/30/2017	6/30/2017	6/30/16 - 3/31/17
Portfolio Name	Duration	Market Value	Fiscal Year
General Fund Liquidity	0.02	\$ 840,768,411	0.40%
Fund Benchmark S&P LGIP Pool Net Return	0.10		0.26%
Portfolio Name		Market Value	Fiscal Year
General Fund Core	1.73	\$ 713,757,355	-0.16%
Fund Benchmark BAML Treasury 0-5 Year	2.20		-0.64%
Portfolio Name		Market Value	Fiscal Year
General Fund Total	0.81	\$ 1,554,525,766	0.07%
General Fund Total Benchmark - Weighted	1.06		-0.02%

BPIP FUNDS			Fiscal Period
	6/30/2017	6/30/2017	6/30/16 - 3/31/17
Portfolio Name		Market Value	Fiscal Year
BPIP Tax Exempt	0.75	\$ 556,020,772	0.37%
Fund Benchmark - BAML Treasury 0-3 Year	1.40		0.10%
Portfolio Name		Market Value	Fiscal Year
BPIP Taxable	0.86	\$ 570,460,174	0.34%
Fund Benchmark - BAML Treasury 0-3 Year	1.40		0.10%

Portfolio Information is from JP Morgan Reporting

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# Key Points of Focus for the NMSTO – Investment Program

GPA is reporting on the following key measures:

## Asset Allocation:

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

## Performance Measurement and Risk Management:

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

## Investment Strategy Review:

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

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

# Investment Strategy Report

## Portfolio Specific

### General Fund:

The overall general fund market value remained stable and durations drifted shorter with the purchase of the Commercial paper. The duration of the core fund shortened from 2.09 years last quarter to 1.73 this quarter which is 79% of the benchmark. The portfolio manager is looking to extend the duration after year end and utilize the 3-5 year sector to align the portfolio closer to the benchmark structure.

### BPIP Taxable and Tax Exempt Funds:

The taxable and tax exempt funds both declined this quarter and the durations were shortened as short maturities were liquidated. The portfolio durations remained shorter than the benchmarks with the taxable in at 61% and the tax exempt at 54%. These funds continue to experience volatile cash flows and both funds had increased allocations at year end and those funds were placed into repurchase agreements pending investment decisions.

### LGIP Fund:

The LGIP balance remained relatively stable this quarter versus last quarter. The earnings rate on the pool increased nicely with the fed's rate hike moving the 60 day and shorter rates up by over 25 basis points. The LGIP's net yield was in the 2nd quartile of State Investment Pools throughout the country as monitored by S&P.

## Investment Objectives

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

## Investment Strategy

General Core Fund		Total NM Investment Funds	
Portfolio Duration	1.73	Portfolio Duration	1.16
Benchmark Duration	2.20	Benchmark Duration	1.71
% BM	79%	% BM	68%
BPIP Tax Exempt		LGIP	
Portfolio Duration	0.75	Portfolio DTM	54
Benchmark Duration	1.40	Benchmark DTM	34
% BM	54%	DTM=Days to maturity	
BPIP Taxable			
Portfolio Duration	0.86		
Benchmark Duration	1.40		
% BM	61%		

## Transactions

### Purchase Par Amount All Funds

Count=156 2,798,111,200

### Sales Amount All Funds

Count=25 228,819,056

### Realized Gains All Funds

13,861

# Asset Allocation Report

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

## *Change in the Quarter by Fund*

LGIP Fund: The LGIP increased its allocation to US Agency securities from Treasury securities as spreads widen in the short sector of the curve. The portfolio manager continues to utilize variable rate securities which provides for the ability of coupons resetting when rates move up. Repurchase agreements represent 20% of the portfolio at year end and TVA represented 15% of the portfolio and is being reduced into next quarter.

General Fund: The General Fund increased by over \$300MM over the quarter and the funds were held in the liquidity portion of the portfolio through year end. The portfolio managers implement a disciplined approach when investing in the core fund, and \$100MM was allocated to investments after quarter end.

The core fund remains over-weighted in US treasury securities and this will likely shift as new securities are purchased given the widening in agency spreads. Commercial paper was used in the short maturities of the portfolio and were primarily purchased direct from the issues of Toyota, Exxon and General Electric.

BPIP Funds: Both Tax Exempt and Taxable funds had an infusion of bond proceeds into the accounts at year end. Those were held in Repurchase Agreements. At first glance it appears to be a large increase in repo at quarter end but when compared to last fiscal year end, the allocation is more consistent.

## Asset Allocations

### General Core Fund

Agency	30.50%
Treasury	52.39%
Corporate	9.48%
Muni	0.91%
Repo/Cash	6.71%

### BPIP Tax Exempt

Agency	47.71%
Treasury	17.98%
Corporate CP	3.54%
Muni	2.35%
Repo/Cash	26.64%
LGIP	1.78%

### BPIP Taxable

Agency	47.41%
Treasury	14.65%
Corporate	3.68%
Muni	1.90%
Repo and Cash	29.38%
LGIP	2.97%

## Asset Allocations

### LGIP Pool

Agency	65.56%
Treasury	12.55%
Bank Deposits	1.52%
Repo	20.37%

# Asset Allocation Report

Portfolio Name	Market Value+Int	% Fund	Repo	Bank Deposits	Treasury	Agency	Corp/CP	Muni	Other	Cash
Total LGIP	\$ 885,076,477	100%	20.37%	1.52%	12.55%	65.56%	0.00%	0.00%	0.00%	0.00%
Liquidity	\$ 399,510,870	45%								
Investments	\$ 485,565,607	55%								
LGIP GIP Index Benchmark			23.03%	10.85%	23.45%	42.45%	0.00%	0.00%		0.22%
Portfolio Name	Market Value+Int	% Fund	Repo	CD/Bank	Treasury	Agency	Corp/CP	LGIP	Cash	Muni
Total General Fund	\$ 1,554,525,766	100%								
Liquidity	\$ 840,768,411	54%	90.36%						7.51%	2.13%
Investment Core	\$ 713,757,355	46%	5.66%	1.05%	52.39%	30.50%	9.48%		0.00%	0.91%
Portfolio Name	Market Value+Int	% Fund	Repo	CD/Bank	Treasury	Agency	Corp/CP	Cash	LGIP	Muni
Total Tax Exempt	\$ 556,020,772	100%	26.10%	0.54%	17.98%	47.71%	3.54%	0.00%	1.78%	2.35%
Liquidity	\$ 157,665,000	28%								
Investments	\$ 398,355,772	72%								
Portfolio Name	Market Value+Int	% Fund	Repo	CD/Bank	Treasury	Agency	Corp/CP	Cash	LGIP	Muni
Total Taxable	\$ 570,460,174	100%	30.14%	1.79%	14.65%	47.41%	3.68%	-2.55%	2.97%	1.90%
Liquidity	\$ 185,434,649	33%								
Investments	\$ 385,025,525	67%								
Portfolio Name	Market Value+Int	% Fund	Repo	CD/Bank	Treasury	Agency	Corp/CP	LGIP	STIF/Other	Muni
Overnight Repo Pool	\$ 66,810,329	100%	100.00%				0.00%			
Liquidity	\$ 66,810,329	100%								
Investments		0%								
Portfolio Name	Market Value+Int	% Fund	Repo	CD/Bank	Treasury	Agency	Cash	LGIP	CP	Muni
Severance Tax Bonding	\$ 16,942,334	100%	5.29%	0.00%	56.221%	22.70%	0.18%	0.00%	0.00%	15.62%
Liquidity	\$ 16,942,334	100%								
Investments	\$ -	0%								
TOTAL STO FUNDS Ex LGIP	\$ 2,764,759,375									
TOTAL STO WITH LGIP	\$ 3,649,835,852									

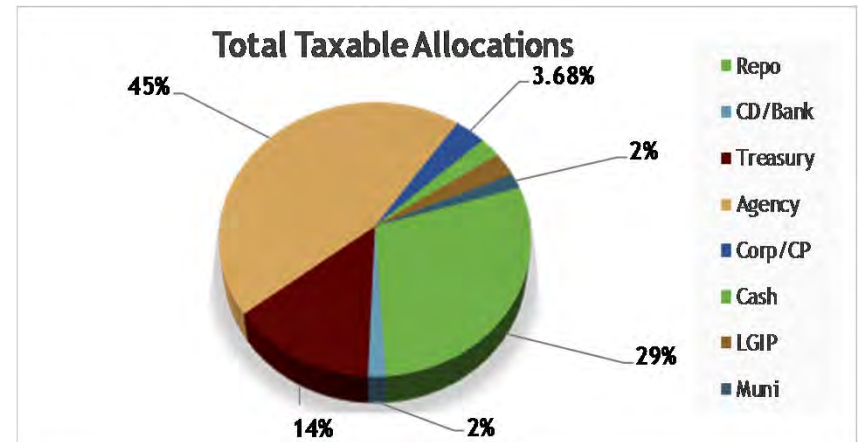
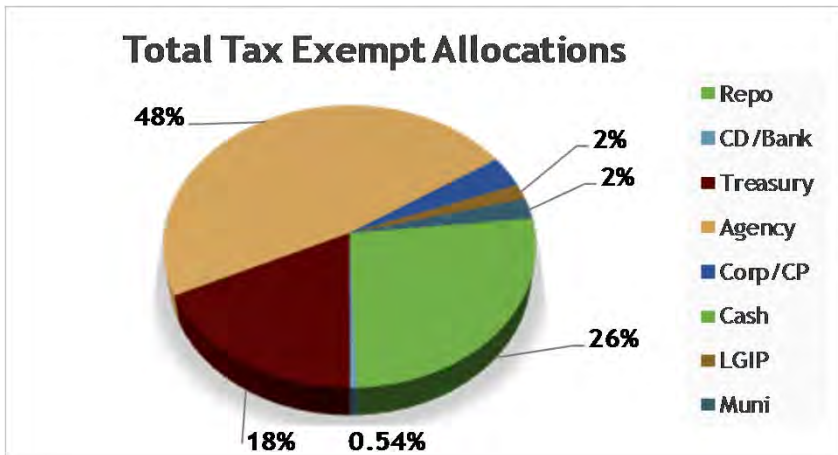
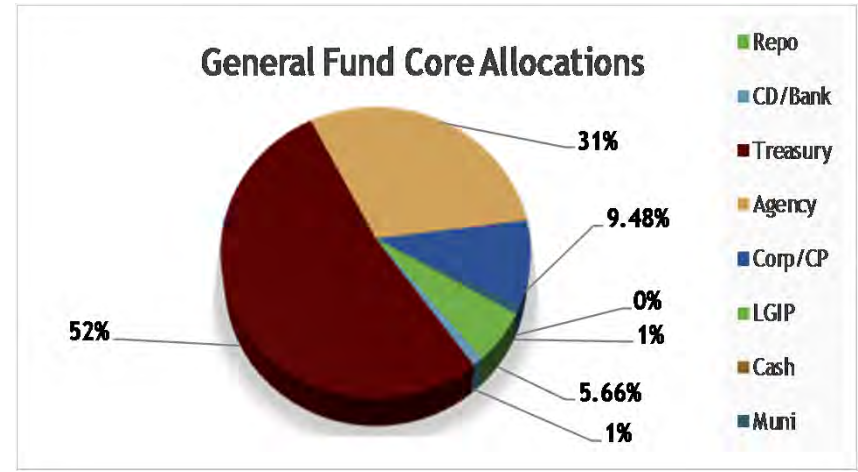
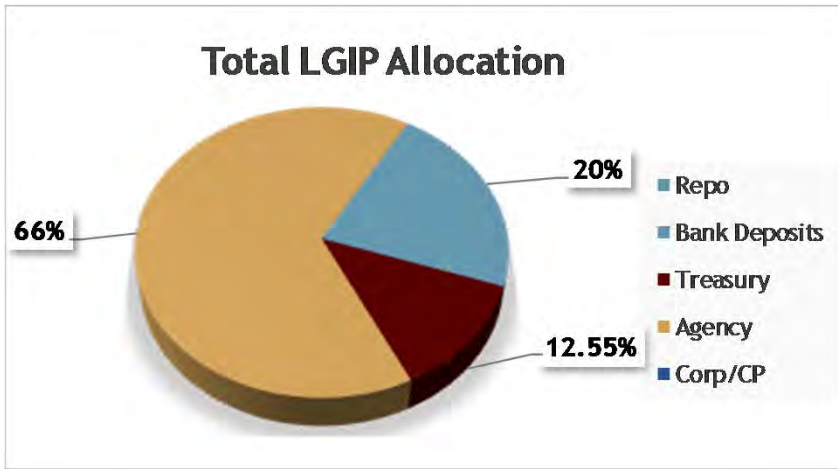
Source: JP Morgan Reports - Balances - Trade Date

Asset Allocation STO - JP Morgan Reports

The benchmarks for STO Funds are 100% US Treasury Securities

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

# Asset Allocation By Fund



# Change in Portfolio from 3/31/17-6/30/17

LGIP Fund	Market Value+int	Repo	Bank	Treasury	Agency	Corp/CP	STIF	Other	Muni
6/30/2017	\$ 885,076,477	20.37%	1.52%	12.55%	65.56%	0.00%	0.00%	0.00%	
3/31/2017	\$ 861,819,784	13.34%	0.00%	35.62%	47.82%	0.00%	3.22%	0.00%	
Change over Period	\$ 23,256,693	7.03%	1.52%	-23.07%	17.74%	0.00%	-3.22%	0.00%	
General Fund Liquidity	Market Value+Int	Repo	CD/Bank	Treasury	Agency	Corp/CP	STIF/Bank	LGIP	Muni
6/30/2017	\$ 840,768,411	58.83%	0.00%	0.00%	11.71%	5.35%	22.77%	0.00%	1.34%
3/31/2017	\$ 531,881,859	90.36%	0.00%	0.00%	0.00%	0.00%	9.64%	0.00%	0.00%
Change over Period	\$ 308,886,552	-31.53%	0.00%	0.00%	0.00%	5.35%	13.13%	0.00%	1.34%
General Fund Core	Market Value+Int	Repo	CD/Bank	Treasury	Agency	Corp/CP	STIF/Other	LGIP	Muni
6/30/2017	\$ 713,757,355	5.66%	1.05%	52.39%	30.50%	9.48%	0.00%	0.00%	0.91%
3/31/2017	\$ 711,585,338	2.76%	3.87%	51.23%	30.57%	8.44%	2.05%	0.00%	1.07%
Change over Period	\$ 2,172,017	2.90%	-2.82%	1.16%	-0.07%	1.04%	-2.05%	0.00%	-0.16%
BPIP Tax Exempt	Market Value+Int	Repo	CD/Other	Treasury	Agency	Corp/CP	Cash	LGIP	Muni
6/30/2017	\$ 556,020,772	26.10%	0.54%	17.98%	47.71%	3.54%	0.00%	1.78%	2.35%
3/31/2017	\$ 472,854,528	3.26%	1.33%	22.21%	65.54%	0.02%	2.67%	0.00%	4.96%
Change over Period	\$ 83,166,244	22.84%	-0.79%	-4.23%	-17.83%	3.52%	-2.67%	1.78%	-2.61%
BPIP Taxable	Market Value+Int	Repo	CD/Other	Treasury	Agency	Corp/CP	Cash	LGIP	Muni
6/30/2017	\$ 570,460,174	30.14%	1.79%	14.65%	47.41%	3.68%	-2.55%	2.97%	1.90%
3/31/2017	\$ 480,547,847	4.92%	2.35%	26.84%	60.84%	0.00%	1.44%	0.00%	3.62%
Change over Period	\$ 89,912,327	25.22%	-0.56%	-12.19%	-13.43%	3.68%	-3.99%	2.97%	-1.72%
Overnight Repo Pool	Market Value+Int	Repo	CD/Other	Treasury	Agency	Corp/CP	STIF	LGIP	Muni
6/30/2017	\$ 66,810,329	100%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
3/31/2017	\$ 59,795,651	100%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Change over Period	\$ 7,014,678								
Severance Tax Bonding	Market Value+Int	Repo	CD/Other	Treasury	Agency	Cash	STIF/CP	LGIP	Muni
6/30/2017	\$ 16,942,334	5.29%	0.00%	56.22%	22.70%	0.18%	0.00%	0.00%	15.62%
3/31/2017	\$ 219,637,046	10.43%	2.47%	15.93%	59.94%	0.00%	9.55%	0.00%	1.68%
Change over Period	\$ (202,694,712)	-5.14%	-2.47%	0.00%	-37.24%	0.18%	-9.55%	0.00%	13.94%
TOTAL STO FUNDS ex LGIP 6/30/17	\$ 2,764,759,375								
TOTAL STO FUNDS ex LGIP 3/31/17	\$ 2,476,302,269								
Total Change	\$ 288,457,106								
TOTAL FUND W/LGIP 6/30/17	\$ 3,649,835,852								

Source: JP Morgan Reports - Balances Asset Allocation STO - QED Reports

Assumption: QED is trade date accounting, therefore, if there is a negative cash balance that will be taken from cash

# Change in Portfolio from 6/30/16-6/30/17

6/30/17		CHANGE IN PORTFOLIO FROM 6/30/16-6/30/17							
	<i>Market Value+Int</i>	Repo	Bank	Treasury	Agency	Corp/CP	STIF	Other	
6/30/2017	\$ 885,076,477	20.37%	1.52%	12.55%	65.56%	0.00%	0.00%	0.00%	
6/30/2016	\$ 750,598,952	31.31%	7.29%	2.01%	59.39%	0.00%	0.00%	0.00%	
Change over Period	\$ 134,477,525	-10.94%	-5.77%	10.54%	6.17%	0.00%	0.00%	0.00%	
<i>General Fund Liquidity</i>	<i>Market Value+Int</i>	Repo	CD/Bank	Treasury	Agency	Corp/CP	LGIP	Muni	
6/30/2017	\$ 840,768,411	58.83%	0.00%	0.00%	11.71%	5.35%	0.00%	1.34%	
6/30/2016	\$ 517,606,607	40.56%	0.00%	0.00%	0.00%	0.00%	58.12%	1.32%	
Change over Period	\$ 323,161,804	18.27%	0.00%	0.00%	0.00%	5.35%	0.00%	0.02%	
<i>General Fund Core</i>	<i>Market Value+Int</i>	Repo	CD/Bank	Treasury	Agency	Corp/CP	LGIP	Muni	
6/30/2017	\$ 713,757,355	2.55%	5.20%	46.90%	44.33%	0.00%	0.00%	1.02%	
6/30/2016	\$ 1,015,150,888	2.76%	3.87%	51.23%	30.57%	8.44%	0.00%	1.07%	
Change over Period	\$ (301,393,533)	-0.21%	1.33%	-4.33%	13.76%	-8.44%	0.00%	-0.05%	
<i>BPIP Tax Exempt</i>	<i>Market Value+Int</i>	Repo	CD/Other	Treasury	Agency	Corp/CP	Cash	LGIP	Muni
6/30/2017	\$ 556,020,772	26.10%	0.54%	17.98%	47.71%	3.54%	0.00%	1.78%	2.35%
6/30/2016	\$ 821,773,205	19.13%	0.37%	22.55%	46.95%	0.00%	-0.13%	7.43%	3.70%
Change over Period	\$ (265,752,433)	6.97%	0.17%	-4.57%	0.76%	3.54%	0.13%	-5.65%	-1.35%
<i>BPIP Taxable</i>	<i>Market Value+Int</i>	Repo	CD/Other	Treasury	Agency	Corp/CP	Cash	LGIP	Muni
6/30/2017	\$ 570,460,174	30.14%	1.79%	14.65%	47.41%	3.68%	-2.55%	2.97%	1.90%
6/30/2016	\$ 679,703,384	5.96%	1.21%	36.85%	37.89%	0.00%	-0.09%	16.23%	1.95%
Change over Period	\$ (109,243,210)	24.18%	0.58%	-22.20%	9.52%	3.68%	-2.46%	-13.26%	-0.05%
<i>Overnight Repo Pool</i>	<i>Market Value+Int</i>	Repo	CD/Other	Treasury	Agency	Corp/CP	STIF	LGIP	Muni
6/30/2017	\$ 66,810,329	100%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6/30/2016	\$ 139,080,166	100%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Change over Period	\$ (72,269,837)								
<i>Severance Tax Bonding</i>	<i>Market Value+Int</i>	Repo	CD/Other	Treasury	Agency	Cash	STIF/CP	LGIP	Muni
6/30/2017	\$ 16,942,334	5.29%	0.00%	56.22%	22.70%	0.18%	0.00%	0.00%	15.62%
6/30/2016	\$ 14,607,313	2.75%	0.00%	0.00%	53.92%	0.46%		1.08%	41.79%
Change over Period	\$ 2,335,021	2.54%	0.00%	0.00%	-31.22%	-0.28%	0.00%	-1.08%	-26.17%
<b>TOTAL STO FUNDS 6/30/17</b>	<b>\$ 3,649,835,852</b>	<b>Ex LGIP</b>	<b>\$ 2,764,759,375</b>						
<b>TOTAL STO FUNDS 6/30/16</b>	<b>\$ 3,938,520,515</b>	<b>Ex LGIP</b>	<b>\$ 3,187,921,563</b>						

Source: JP Morgan Reports - Balances Asset Allocation STO - QED Reports

Assumption: QED is trade date accounting, therefore, if there is a negative cash balance that will be taken from cash



# 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 and uncertain liquidity demands. The portfolio performances were consistent to the benchmarks due to the more shorter duration strategy. All three investment portfolios outperformed to the designated benchmarks for the quarter. The total investments fund combined ended the quarter at an earnings rate of 1.20% and a total return of .23% versus the weighted benchmark at .20%.

### Fiscal Year to Date

The investment funds are performing fiscal year to date at .23% versus -.05% on a total return basis. The shorter durations throughout the year have protected the portfolio from larger principal price declines. In addition the liquidity balances increased as higher than expected balances flowed into the account. The portfolio managers waited to invest after year end and a pending a review of expected outflows.

### Attribution Analysis

The primary contributor to return was the shorter duration positioning relative to the benchmark. Credit exposure was minimal with the use of municipal securities, commercial paper and corporates which are adding to the interest accrual component of total return.

### Observations and Considerations

This was a challenging year due to the draw down on fund balances throughout the year. The portfolio managers invested with the priority of liquidity and safety first, based on both the uncertainty of fund balances and a rising rate environment. This worked out well for portfolio returns relative to the benchmarks and the protection of principal values. Note that this is a year of negative returns for longer portfolios and this is reflected in the comparison of the Core fund return at -.16% versus the benchmark of -.64. This variance protected the principal value decline in the portfolio by almost \$1,000,000.

Performance		
<b>General Core Fund</b>		
	<b>Quarter</b>	<b>Fiscal YTD</b>
<b>Portfolio</b>	<b>0.31%</b>	<b>-0.16%</b>
<b>Benchmark</b>	<b>0.32%</b>	<b>-0.64%</b>
<b>Book Yield</b>	<b>1.43%</b>	
<b>BPIP Tax Exempt</b>		
	<b>Quarter</b>	<b>Fiscal YTD</b>
<b>Portfolio</b>	<b>0.21%</b>	<b>0.37%</b>
<b>Benchmark</b>	<b>0.18%</b>	<b>0.10%</b>
<b>Book Yield</b>	<b>0.99%</b>	
<b>BPIP Taxable</b>		
	<b>Quarter</b>	<b>Fiscal YTD</b>
<b>Portfolio</b>	<b>0.23%</b>	<b>0.34%</b>
<b>Benchmark</b>	<b>0.18%</b>	<b>0.10%</b>
<b>Book Yield</b>	<b>1.12%</b>	
<b>NM Investment Funds</b>		
	<b>Quarter</b>	<b>Fiscal YTD</b>
<b>Portfolio</b>	<b>0.23%</b>	<b>0.23%</b>
<b>Benchmark</b>	<b>0.20%</b>	<b>-0.05%</b>
<b>Book Yield</b>	<b>1.20%</b>	
<b>LGIP</b>		
	<b>Quarter</b>	<b>Fiscal YTD</b>
<b>Portfolio Net Yield</b>	<b>0.92%</b>	<b>0.51%</b>
<b>Benchmark Net Yield</b>	<b>0.75%</b>	<b>0.41%</b>

# Performance By Investment Fund

LGIP FUND	Market Value	Days	Earnings Yield		
			6/30/2017 Quarter End Yield	6/30/16-6/30/17 Fiscal Year	
LGIP 30 Day Gross Yield	\$ 885,076,477	54	0.966%	0.56%	
S&P LGIP Govt Pools Gross Return		34	0.900%	0.56%	
LGIP 30 Day Net Yield			0.916%	0.51%	
S&P LGIP Govt Pools Net Return			0.750%	0.41%	
<b>STO INVESTMENT FUNDS</b>					
		6/30/2017	Total Return 6/30/2017	Quarter Period 6/30/16-6/30/17	Fiscal Period 6/30/16 - 3/31/17
Portfolio Name	Market Value	Duration - End	Quarter Return	Fiscal Year	% of STO
General Fund Liquidity	\$ 840,768,411	0.02	0.17%	0.40%	31.36%
Fund Benchmark S&P LGIP Pool Net Return		0.1	0.12%	0.26%	
Portfolio Name	Market Value	Duration - End	Quarter Return	Fiscal Year	% of STO
General Fund Core	\$ 713,757,355	1.73	0.31%	-0.16%	26.62%
Fund Benchmark Treasury 0-5 Year		2.20	0.32%	-0.64%	
Portfolio Name	Market Value	Duration - End	Quarter Return	Fiscal Year	% of STO
General Fund Total	\$ 1,554,525,766	0.81	0.25%	0.07%	57.98%
General Fund Total Benchmark - Weighted		1.06	0.26%	-0.02%	
Portfolio Name	Market Value	Duration - End	1.00%	Fiscal Year	% of STO
BPIP Tax Exempt	\$ 556,020,772	0.75	0.21%	0.37%	20.74%
Fund Benchmark - Treasury 0-3 Year		1.40	0.18%	0.10%	
Portfolio Name	Market Value	Duration - End	Quarter Return	Fiscal Year	% of STO
BPIP Taxable	\$ 570,460,174	0.86	0.23%	0.34%	21.28%
Fund Benchmark - Treasury 0-3 Year		1.40	0.18%	0.10%	
<b>Total STO Investment Funds</b>	<b>\$ 2,681,006,712</b>	<b>0.81</b>	<b>0.23%</b>	<b>0.23%</b>	<b>100.00%</b>
<b>Weighted Benchmark</b>		<b>1.21</b>	<b>0.20%</b>	<b>-0.05%</b>	
<b>STO OTHER FUNDS</b>					
		6/30/2017	6/30/2017	6/30/16-6/30/17	
Portfolio Name	Market Value	Duration - End	Quarter Return	Fiscal Year	
Severance Tax Bonding	\$ 16,942,334	0.20	0.21%	0.54%	
Portfolio Name	Market Value	Duration - End	Quarter Return	Fiscal Year	
Overnight Repo Pool	\$ 66,810,329	0.09	0.22%	0.55%	
<b>Total STO Investment Funds</b>	<b>\$ 2,764,759,375</b>				

JP Morgan reports are based on trade date and includes accrued interest. Returns are total return with the exception of the LGIP data which is book yield.

# 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 will move by approximately \$5,356,029 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 \$2,512,319 M and the variance is due to the shorter duration of the investment funds of 1.16 versus 1.68 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 99.998, and the portfolio is reviewed and reported to S&P on a weekly basis.

## Market Price Change

If Rates Rise by 25 basis points

<u>General Core Fund</u>	
25 Basis point change	(3,087,001)
<u>BPIP Tax Exempt</u>	
25 Basis point change	(1,042,539)
<u>BPIP Taxable</u>	
25 Basis point change	(1,226,489)
<u>Total NM Funds</u>	
25 Basis point change	(5,356,029)
<u>LGIP</u>	
25 Basis point change	
Current NAV*	0.9998
Potential Change	0.9994

\*This NAV is based on Market Value /Book Value and may differ from the NMSTO participant report.

# Shock Analysis

## Review of price sensitivity of investments to rate changes

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	\$ 713,757,355.00	1.73	\$ (3,087,000.56)	\$ (6,174,001.12)	\$ (12,348,002.24)
Fund Benchmark		2.20	\$ (3,925,665.45)	\$ (7,851,330.91)	\$ (15,702,661.81)
Portfolio Name	Market Value	Duration - End	Market Change	Market Change	Market Change
BPIP Tax Exempt	\$ 556,020,772.00	0.75	\$ (1,042,538.95)	\$ (2,085,077.90)	\$ (4,170,155.79)
Fund Benchmark		1.40	\$ (1,946,072.70)	\$ (3,892,145.40)	\$ (7,784,290.81)
Portfolio Name	Market Value	Duration - End	Market Change	Market Change	Market Change
BPIP Taxable	\$ 570,460,174.00	0.86	\$ (1,226,489.37)	\$ (2,452,978.75)	\$ (4,905,957.50)
Fund Benchmark		1.40	\$ (1,996,610.61)	\$ (3,993,221.22)	\$ (7,986,442.44)
Total STO Investment Funds	\$ 1,840,238,301.00	1.16	\$ (5,356,028.88)	\$ (10,712,057.76)	\$ (21,424,115.53)
Total Benchmark Change		1.71	\$ (7,868,348.76)	\$ (15,736,697.53)	\$ (31,473,395.05)

**Assumptions:**

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

\* Data Source: JP Morgan Custodi

ASSUMED EARNINGS COMPARISON OF PORTFOLIO TO CASH EARNINGS ANNUALIZED				
		6/30/2017	1 year	3 year*
Portfolio Name	Market Value	Book Yield	Earnings	Earnings
General Fund Core	\$ 713,757,355.00	1.43%	\$ 10,206,730.18	\$ 30,620,190.53
Cash		0.94%	\$ 6,709,319.14	\$ 20,127,957.41
Portfolio Name	Market Value	Book Yield	Earnings	Earnings
BPIP Tax Exempt	\$ 556,020,772.00	0.99%	\$ 5,504,605.64	\$ 16,513,816.93
Cash		0.94%	\$ 5,226,595.26	\$ 15,679,785.77
Portfolio Name	Market Value	Book Yield	Earnings	Earnings
BPIP Taxable	\$ 570,460,174.00	1.12%	\$ 6,389,153.95	\$ 19,167,461.85
Cash		0.94%	\$ 5,362,325.64	\$ 16,086,976.91
Total STO Investment Funds	\$ 1,840,238,301.00	1.201%	\$ 22,100,489.77	\$ 66,301,469.30

\* 3 year returns assume the same as current rates for the next 3 years. Cash rate based on current LGIP Pool rate on report date.

# Sensitivity Analysis

## SENSITIVITY ANALYSIS

Weighted Average Maturity:	54
Book Value from QED:	883,826,191.00
Market Value (NAV):	0.99979
Total \$ Unrealized Loss:	(\$188,450)
Total \$ Unrealized Gain:	\$0
Market Value - QED:	\$883,637,741

<i>Basis Point Shift</i>									Unrealized Gain (Loss)
150	0.996525	0.997297	0.997440	0.997568	0.997683	0.997789	0.998129	\$	(2,149,818)
125	0.997054	0.997708	0.997829	0.997937	0.998036	0.998125	0.998413	\$	(1,822,923)
100	0.997582	0.998119	0.998218	0.998307	0.998388	0.998461	0.998698	\$	(1,496,028)
75	0.998110	0.998530	0.998608	0.998677	0.998740	0.998797	0.998982	\$	(1,169,134)
50	0.998639	0.998941	0.998997	0.999047	0.999092	0.999134	0.999267	\$	(842,239)
25	0.999167	0.999352	0.999386	0.999417	0.999445	0.999470	0.999551	\$	(515,345)
0	0.999695	0.999763	0.999776	0.999787	0.999797	0.999806	0.999836	\$	(188,450)
-25	1.000224	1.000174	1.000165	1.000157	1.000149	1.000142	1.000120	\$	138,445
-50	1.000752	1.000585	1.000554	1.000527	1.000501	1.000479	1.000405	\$	465,339
-75	1.001281	1.000996	1.000944	1.000896	1.000854	1.000815	1.000690	\$	792,234
-100	1.001809	1.001407	1.001333	1.001266	1.001206	1.001151	1.000974	\$	1,119,128
-125	1.002337	1.001818	1.001722	1.001636	1.001558	1.001487	1.001259	\$	1,446,023
-150	1.002866	1.002229	1.002112	1.002006	1.001910	1.001824	1.001543	\$	1,772,918

<i>Redemption/Inflow</i>	-30%	-10%	-5%	0%	5%	10%	30%
<i>O/S Shares</i>	618,678,334	795,443,572	839,634,881	883,826,191	928,017,501	972,208,810	1,148,974,048

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

$$\text{Dilution Upon NAV} = (\text{NAV} + \text{Change}) / (1 + \text{Change})$$

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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# Index Disclosure

## INDICES

### US TREASURY

BofA Merrill 1-5 Year Treasury Index  
156 Members; 2.69 Eff Duration; AAA rating

### US AGENCY

BofA Merrill 1-5 Year US Bullet Agency Index  
166 Members; 2.38 Eff Duration; AAA rating

### US CORPORATE

Bloomberg Barclays US Corporate 1-5 Year TR Unhedged USD  
2015 Members; 2.88 Eff duration; AAA-BBB ratings  
Distribution by Rating: AAA = 1.4% AA = 11.6% A = 45% BBB = 40.2%

### US MUNICIPAL

Bloomberg Barclays US Municipal Managed Money Short Index  
4090 Members; 2.74 Eff Duration; AAA-A Ratings  
Distribution by Rating: AAA = 22.7% AA = 67.4% A = 2.1% NR = 7.8%\*\*\*  
NOTE: Change from BAML Municipal Index because of variance in duration  
fact that the Vanguard

### TIPS

Bloomberg Barclays US Treasury TIPS 0-5 Year TR Unhedged USD  
15 members; 2.52 Eff Duration; AAA rating  
These bonds have an inflation component factor that incorporated into the monthly return

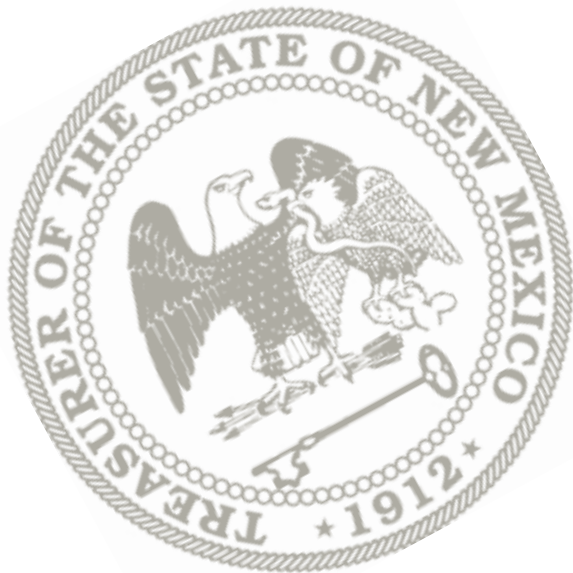
### HIGH YIELD

Bloomberg Barclays US High Yield 350M Cash Pay 0-5Y 2% Cap TR  
659 Members; 2.14 Eff Duration; BBB · NR ratings  
Distribution by Rating: BBB = 0.1% BB = 39.6% B = 39.3% CCC = 18.9% CC = 1.0% C = 0.3% NR = 0.9%

### TREASURY GLOBAL

Barclays Non-US Government Index · 256 members  
Distribution by Rating: AAA = 67 AA = 50 A = 92 BBB = 47  
Countries represented: Australia, Belgium, Germany, Italy, Canada, Denmark, France,  
Ireland, Japan, Holland, Austria, Finland, Sweden, Slovenia, Spain, Switzerland, UK

\*\*\* Bloomberg composite rating used for distribution. This creates a "phantom" class of NR securities which  
are actually rated A or better.



## 9. Quarterly Investment Review - Portfolio Managers



## Quarterly Investment Review

### Market Summary

The US Treasury yield curve flattened in the second quarter of 2017 as longer maturities fell in yield while shorter maturities moved higher, as the Fed raised short term interest rates by 25 basis points in June. With inflation still below the Federal Reserve's 2% target rate and back-to-back rate hikes in March and June, investors were not concerned about inflation eating away at their long term bond returns. However, the shorter maturities must follow the Federal Funds rate higher and that is indeed what they did.

The second quarter had its ups and downs as there were some political issues, lack of support from Congress for the revamp of healthcare, North Korea threatening the US with missiles on a daily basis, the firing of James Comey and the entire Russian debacle. It became a bit more evident to market participants that it might be extremely difficult for President Trump to gain support and find time to address his agendas for tax reform and changes to the regulatory environment. This garnered some support for US Treasuries in that the economy may not be able to absorb a bevy of rate hikes if the economy doesn't get the lift markets were expecting.

The STO portfolios were shorter in durations vs. their benchmarks over the entire quarter and it helped to preserve principal as short rates rose. It has been difficult to add value to the portfolios with agency, municipal and corporate sectors as yield advantages versus Treasuries have continued to be tight. The portfolios have been using corporate securities when they have been coming to market as new issues. The interest for short high quality corporate paper was and is strong and new issues are swamped with buyers. This has made the secondary market a very unattractive arena for purchasing corporate debt. Commercial paper is still an attractive purchase in the short end of the maturity spectrum, offering some yield advantage versus Treasuries and Agencies.

The portfolios favored Treasuries in this environment. Municipal securities traded extremely well with yields below comparable Treasuries. Therefore, the portfolios did not add municipal securities and instead, put back all of the municipal variable rate demand notes that they held. Agency discount notes have not offered much of an advantage versus Treasury bills and notes, although Federal Home Loan Bank has been more attractive in yield versus Fannie Mae and Freddie Mac. Diversification in the shorter duration portfolios has been tricky.

Table 11 – Comparative Quarterly Interest Rates

<i>US Treasury Yields</i>			
<i>Maturity</i>	<i>03/31/17</i>	<i>06/30/17</i>	<i>Change</i>
3-Month	0.75%	1.01%	0.26%
6-Month	0.90%	1.13%	0.23%
1-Year	1.02%	1.23%	0.21%
2-Year	1.25%	1.38%	0.13%
3-Year	1.49%	1.55%	0.06%
5-Year	1.92%	1.89%	-0.03%
10-Year	2.39%	2.30%	-0.09%
30-Year	3.01%	2.84%	-0.18%

Source: Bloomberg LP

## Expectations for the Upcoming Quarter and Year

The third quarter of 2017 has begun with a quite robust fixed income market, as interest rates have been declining, prices rising, the dollar has been dropping and oil has stagnated below \$50/barrel. Economic data has been showing some weakness, except for employment, and inflation has actually retraced a bit, moving away from the 2% target rate set by the Fed. The Fed Chairwoman had given indications that interest rates are close to neutral levels and that any further rate hikes would be gradual. With cash flows stabilizing it has been advantageous to lengthen portfolio durations closer to their benchmarks.

## General Fund Investment Pool

The General Fund Investment Pool has experienced an increase in cash balances. As a result, \$100 million has been moved from the Liquidity portfolio back to the Core, with the anticipation that this trend could continue if balances remain high. In the past we have targeted an 80%/20% split for the Core and Liquidity portfolios and will continue to strive for that ratio. The duration of the Core portfolio has been lengthened closer to the benchmark as the previous accumulation of cash to provide liquidity to the State, has not been necessary.

## Bond Proceeds Pools

The Pools are invested in a laddered fashion in order to meet monthly withdrawal requests. The portfolios continue to have durations shorter than their benchmarks, however they have been lengthening. With an emphasis on meeting bimonthly withdrawals to pay for capital projects, liquidity is always an important management factor.

## Local Government Investment Pool

The LGIP has increased assets to \$885 million at the end of June. The gross yield on the Pool was 0.94% at the end of the second quarter as it continued to rise in lock step with the increase in the level of the Federal Funds rate. New participants continue to enter the Pool as it offers a very competitive yield vs. bank deposits, the alternative choice for eligible investors. 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 December in order to meet expected debt service payments. Deposits have been steadily averaging around \$30 million per month. The Fund continues to take advantage of higher rates for commercial paper versus Treasuries and Agencies.

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 July at \$1.8 Billion.

### *Portfolio Mix*

- At month end, 100% of the General Fund CORE portfolio was invested in fixed income securities; 53% in US Government Securities; 35% in Government Related Securities (Municipal Bonds and Agency Securities), 8% in Corporate Securities and the balance ~4% in cash and cash equivalents.
- 31% of the portfolio was invested in securities that mature in one year; 21% in securities that mature from 1-2 years; 40% in 2-4 years and 8% within 5 years.
- The General Fund Core portfolio held positions in 59 securities at the end of July.
- The Weighted Average Life of the CORE portion of the General Fund was 1.98 years. The Weighted Average duration was 1.90 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 month, the General Fund underperformed its benchmark, returning 0.21% vs. 0.25%, as interest rates fell.
- For the last 3 months, the General Fund matched its benchmark, returning 0.32% vs. 0.32%, due to the flattening of the yield curve, as five year maturities outperformed.
- For the last 12 months, the General Fund outperformed its benchmark. The General Fund return was 0.06% while the benchmark fell (0.04)%.

### *Market Value and Investment Earnings*

- Unrealized gains/losses in the Core Portfolio at the end of July were \$561,759.
- Over the month, the unrealized value of the portfolio increased \$631,087.
- Monthly net earnings for July on the General Fund Portfolios were \$1,522,736.
- Total monthly earnings including mark-to-market were \$2,153,823.
- Year-to-date net earnings were \$1,522,736.
- Total year-to-date earnings including mark-to-market were \$2,153,823.
- Earnings on the General Fund are used to offset General Fund Spending.

### *Investment Highlights*

- The Core portfolio received \$100 million from the Liquidity portfolio in July due to higher balances.
- The Core portfolio duration moved closer to the benchmark duration in July.

**STATE OF NEW MEXICO**  
**GENERAL FUND (1000)**  
**Portfolio Classification Summary**  
**Positions Held as of 7/31/17 (TRADE Basis)**

AMTZ ADDED: NO

ASSET CLASSIFICATION	ITEMS	YIELD	AVG-TERM	PRINCIPAL	COST-BASIS	MARKET-VALUE	GAIN/LOSS	%MARKET
REPURCHASE AGREEMENTS (O/N)	2	1.0529	.00270	476,648,355	476,648,355	476,648,355		49.824
COMMERCIAL PAPER-DISCOUNT BASED	3	1.1082	.02176	70,000,000	69,985,178	69,985,178		7.316
AGENCY US DISC ACT/360 360 DAY	5	1.0317	.05080	218,578,000	218,469,541	218,471,945	2,404	22.837
MUNICIPAL BOND REVENUE	1	1.2835	.06580	4,000,000	4,000,000	4,000,000		.418
CASH ACCOUNT	2			187,558,061	187,558,061	187,558,061		19.605
	<u>13</u>	<u>.8466</u>	<u>.01843</u>	<u>956,784,416</u>	<u>956,661,135</u>	<u>956,663,539</u>	<u>2,404</u>	<u>100.000</u>

**STATE OF NEW MEXICO**  
**GENERAL FUND CORE (1001)**  
Portfolio Classification Summary  
Positions Held as of 7/31/17 (TRADE Basis)

AMTZ ADDED: NO

ASSET CLASSIFICATION	ITEMS	YIELD	AVG-TERM	PRINCIPAL	COST-BASIS	MARKET-VALUE	GAIN/LOSS	%MARKET
REPURCHASE AGREEMENTS (O/N)	1	.9936	.00270	44,042,930	44,042,930	44,042,930		5.419
COMMERCIAL PAPER-DISCOUNT BASED	2	1.1266	.02195	50,000,000	49,988,958	49,988,958		6.151
CERTIFICATES OF DEPOSIT	4	1.1600	.90465	7,500,000	7,500,000	7,500,000		.923
US TREASURY NOTE ACT/ACT 2X	21	1.4634	2.30211	432,750,000	433,347,268	433,597,333	250,065	53.352
AGENCY US BOND 30/360 2X	5	1.4881	2.66549	62,500,000	62,350,619	62,157,695	-192,924	7.648
AGENCY 30/360 2X	2	1.4897	2.00110	25,000,000	24,933,766	24,897,100	-36,666	3.063
AGENCY US BOND 30/360 ZERO CPN	1	2.0411	2.19180	45,104,000	43,242,402	43,301,193	58,791	5.328
AGENCY US NOTES 30/360 2X	9	1.6153	1.45533	137,000,000	137,727,382	138,183,910	456,528	17.003
FED NATL MORTGAGE ASSN DEBS	1	.7590	.16710	5,000,000	5,000,000	4,955,250	-44,750	.610
CORP US NOTE 30/360 2X	5	1.8277	2.18627	17,500,000	17,482,636	17,551,075	68,439	2.160
MUNI US 30/360 2X	6	1.0088	.78774	1,555,000	1,571,411	1,571,283	-128	.193
MUNICIPAL BOND REVENUE	1	1.0055	.00270	4,900,000	4,900,000	4,900,000		.603
CASH ACCOUNT	1			-19,939,400	-19,939,400	-19,939,400		-2.453
	<u>59</u>	<u>1.5094</u>	<u>1.87240</u>	<u>812,912,530</u>	<u>812,147,972</u>	<u>812,707,327</u>	<u>559,355</u>	<u>100.000</u>

**STATE OF NEW MEXICO**  
**TREASURERS OFFICE**  
**Position holdings as of 7/31/17 (Trade)**  
**BOOK VALUES AMORTIZED THROUGH 7/31/17**

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
- 4,000,000	(TD)-CASH KEY	CASHCASH				1.00000	- 4,000,000.00	- 4,000,000.00	
191,558,061	BANK OF THE WEST	CASHCASH				1.00000	191,558,061.00	191,558,061.00	
							<b>187,558,061</b>	<b>187,558,061.00</b>	

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

398,000,000	OVERNIGHT REPO	0801RP	1.050	8/01/17	1.050	100.00000	398,000,000.00	398,000,000.00		
78,648,355	OVERNIGHT REPO	0801RP	.980	8/01/17	.980	100.00000	78,648,354.62	78,648,354.62		
25,000,000	EXXON MOBIL CP	30229AV2		8/02/17	1.081	99.99700	24,999,250.00	24,999,250.00		
25,000,000	GECO CP	36960LV9		8/09/17	1.091	99.97578	24,993,944.45	24,993,944.45		
28,000,000	FEDERAL HOME LOAN BANKS	313385KG		8/11/17	1.006	99.97208	27,992,183.33	27,992,160.00	- 23.33	
27,790,000	FEDERAL HOME LOAN BANKS	313385KK		8/14/17	1.011	99.96353	27,779,864.37	27,779,995.60	131.23	
20,000,000	TOYOTA MOTOR CORP - CP	89233GVE		8/14/17	1.111	99.95992	19,991,983.33	19,991,983.33		
90,000,000	FEDERAL HOME LOAN BANKS	313385KM		8/16/17	1.021	99.95750	89,961,750.00	89,962,200.00	450.00	
60,000,000	FEDERAL HOME LOAN BANKS	313385KU		8/23/17	1.021	99.93767	59,962,600.00	59,963,400.00	800.00	
4,000,000	CARLSBAD MUNICIPAL SCHOOLS SERIE	CMS2017	1.274	8/24/17	1.266	100.00000	4,000,000.00	4,000,000.00		
12,788,000	FEDERAL NATIONAL MORTGAGE ASSOCI	313589LP		9/11/17	1.021	99.88383	12,773,144.61	12,774,188.96	1,044.35	
							<b>769,226,355</b>	<b>769,103,074.71</b>	<b>769,105,476.96</b>	<b>2,402.25</b>

====> 0011 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2017 <====

							<b>956,784,416</b>	<b>956,661,135.71</b>	<b>956,663,537.96</b>	<b>2,402.25</b>
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====> 0013 ITEMS IN SUBTOTAL FOR ====> FUND NAME..... ====> GENERAL FUND <====

**STATE OF NEW MEXICO**  
**TREASURERS OFFICE**  
**Position holdings as of 7/31/17 (Trade)**  
**BOOK VALUES AMORTIZED THROUGH 7/31/17**

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
- 19,939,400	(TD)-CASH KEY	CASHCASH				1.00000	-19,939,400.00	-19,939,400.00	
<b>- 19,939,400</b>							<b>-19,939,400.00</b>	<b>-19,939,400.00</b>	

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

300,000	SAN JUAN CNTY N MEX CENT CONS IN	798359KS	1.000	8/01/17	.751	100.00000	300,000.00	300,000.00	
4,900,000	ALBUQUERQUE N MEX MUN SCH DISTNO	013595UK	2.000	8/01/17	.992	100.00000	4,900,000.00	4,900,000.00	
44,042,930	OVERNIGHT REPO	0801RP	.980	8/01/17	.980	100.00000	44,042,930.10	44,042,930.10	
25,000,000	EXXON MOBIL CP	30229AV2		8/02/17	1.081	99.99700	24,999,250.00	24,999,250.00	
25,000,000	TOYOTA MOTOR CORP - CP	89233GVE		8/14/17	1.142	99.95883	24,989,708.33	24,989,708.33	
10,000,000	UNITED STATES TREASURY NOTES	912828D9	1.000	9/15/17	1.058	99.99245	9,999,244.92	9,999,300.00	55.08
15,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0ZL	1.000	9/27/17	1.118	99.98109	14,997,164.23	14,995,650.00	- 1,514.23
20,000,000	UNITED STATES TREASURY NOTES	912828TW	.750	10/31/17	1.153	99.89998	19,979,995.96	19,982,600.00	2,604.04
20,000,000	UNITED STATES TREASURY NOTES	912828HH	4.250	11/15/17	1.085	100.90598	20,181,196.20	20,179,800.00	- 1,396.20
20,000,000	UNITED STATES TREASURY NOTES	912828UA	.625	11/30/17	1.075	99.85129	19,970,258.14	19,967,400.00	- 2,858.14
255,000	SILVER CITY N MEX JT UTIL SYS RE	82750RAP	2.000	12/01/17	1.000	100.33096	255,843.96	255,989.40	145.44
500,000	WESTERN BANK CLOVIS	06022017	1.100	12/01/17	1.100	100.00000	500,000.00	500,000.00	
<b>184,997,930</b>							<b>185,115,591.84</b>	<b>185,112,627.83</b>	<b>- 2,964.01</b>

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

5,000,000	UNITED STATES TREASURY NOTES	912828UJ	.875	1/31/18	1.309	99.78548	4,989,274.10	4,992,700.00	3,425.90
15,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EADP	.875	3/07/18	1.454	99.65516	14,948,274.39	14,971,800.00	23,525.61
2,000,000	FARMERS & STOCKMENS BANK	8521052	1.050	4/27/18	1.050	100.00000	2,000,000.00	2,000,000.00	
2,000,000	FARMERS & STOCKMENS BANK	4282017	1.150	4/27/18	1.150	100.00000	2,000,000.00	2,000,000.00	
25,000,000	UNITED STATES TREASURY NOTES	912828UZ	.625	4/30/18	1.188	99.58245	24,895,613.04	24,889,750.00	- 5,863.04
25,000,000	UNITED STATES TREASURY NOTES	912828VE	1.000	5/31/18	1.228	99.81187	24,952,968.03	24,949,250.00	- 3,718.03
150,000	LAS CRUCES N MEX HOLD HARMLESSGR	51748QAY	4.000	6/01/18	1.500	102.06100	153,091.50	152,448.00	- 643.50
360,000	SANDOVAL COUNTY	800050FG	2.000	6/01/18	.920	100.89387	363,217.92	363,258.00	40.08
225,000	SAN JUAN CNTY N MEX CENT CONS IN	798359KT	1.000	8/01/18	1.000	99.99973	224,999.40	224,966.25	- 33.15
20,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0YM	1.875	9/18/18	1.438	100.48763	20,097,526.23	20,130,800.00	33,273.77
3,000,000	FARMERS & STOCKMENS BANK	8521082	1.250	10/19/18	1.250	100.00000	3,000,000.00	3,000,000.00	
15,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0YT	1.625	11/27/18	1.747	99.84038	14,976,056.38	15,055,500.00	79,443.62
20,000,000	UNITED STATES TREASURY NOTES	912828RT	1.375	11/30/18	1.404	99.96176	19,992,351.27	20,021,800.00	29,448.73
500,000	FEDERAL HOME LOAN BANKS	313382F7	1.100	12/27/18	1.100	99.99956	499,997.81	497,575.00	- 2,422.81
<b>133,235,000</b>							<b>133,093,370.07</b>	<b>133,249,847.25</b>	<b>156,477.18</b>



**STATE OF NEW MEXICO**  
**TREASURERS OFFICE**  
**Position holdings as of 7/31/17 (Trade)**  
**BOOK VALUES AMORTIZED THROUGH 7/31/17**

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET	
====> 0014 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2018 <====										
15,000,000	FEDERAL HOME LOAN BANKS	3130AAM8	1.625	1/18/19	1.309	100.14553	15,021,829.45	15,024,900.00	3,070.55	
2,500,000	APPLE INC	037833CE	1.550	2/08/19	1.589	99.94185	2,498,546.32	2,501,400.00	2,853.68	
20,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0ZA	1.875	2/19/19	1.678	100.29997	20,059,994.57	20,147,200.00	87,205.43	
20,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EACA	3.750	3/27/19	1.762	103.22789	20,645,578.11	20,780,000.00	134,421.89	
35,000,000	UNITED STATES TREASURY NOTES	912828C6	1.625	3/31/19	1.744	99.80437	34,931,528.88	35,168,350.00	236,821.12	
5,000,000	PEPSICO INC	713448DR	1.550	5/02/19	1.588	99.93338	4,996,669.09	5,004,650.00	7,980.91	
265,000	SANDOVAL COUNTY	800050FH	3.000	6/01/19	1.070	103.49315	274,256.84	274,622.15	365.31	
16,000,000	UNITED STATES TREASURY NOTES	912828TH	.875	7/31/19	1.507	98.76059	15,801,694.81	15,852,480.00	50,785.19	
5,000,000	FANNIE MAE	3135G0N3	.875	8/02/19	.932	99.88733	4,994,366.33	4,946,100.00	- 48,266.33	
13,000,000	FEDERAL AGRICULTURAL MORTGAGE CO	31315P3R	1.900	9/18/19	1.920	99.95756	12,994,482.91	13,086,060.00	91,577.09	
45,104,000	FEDERAL NATIONAL MORTGAGE ASSOCI	313586RC		10/09/19	2.013	95.87265	43,242,401.16	43,301,193.12	58,791.96	
24,500,000	UNITED STATES TREASURY NOTES	912828F6	1.500	10/31/19	1.561	99.86525	24,466,986.26	24,565,170.00	98,183.74	
8,000,000	FEDERAL FARM CREDIT BANKS	3133EEBN	1.800	11/12/19	1.755	100.09872	8,007,897.79	8,044,480.00	36,582.21	
14,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0ZY	1.750	11/26/19	1.701	100.10998	14,015,396.75	14,095,200.00	79,803.25	
							<b>223,369,000</b>	<b>221,951,629.27</b>	<b>222,791,805.27</b>	<b>840,176.00</b>

====> 0014 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2019 <====

5,000,000	US BANK	90331HNB	2.000	1/24/20	2.073	99.82447	4,991,223.33	5,028,100.00	36,876.67	
2,500,000	MICROSOFT CORP	594918BV	1.850	2/06/20	1.873	99.94350	2,498,587.52	2,510,850.00	12,262.48	
33,750,000	UNITED STATES TREASURY NOTES	912828UV	1.125	3/31/20	1.387	99.31693	33,519,465.04	33,476,962.50	- 42,502.54	
13,500,000	UNITED STATES TREASURY NOTES	912828K5	1.375	4/30/20	1.501	99.66150	13,454,302.16	13,467,870.00	13,567.84	
2,500,000	APPLE INC.	037833CS	1.800	5/11/20	1.835	99.90437	2,497,609.33	2,506,075.00	8,465.67	
20,000,000	FNMA	3135G0T6	1.500	7/30/20	1.604	99.69700	19,939,400.00	19,951,000.00	11,600.00	
20,000,000	UNITED STATES TREASURY NOTES	912828XM	1.625	7/31/20	1.550	100.21753	20,043,506.33	20,063,200.00	19,693.67	
4,000,000	UNITED STATES TREASURY NOTES	912828VV	2.125	8/31/20	1.654	101.40744	4,056,297.61	4,071,080.00	14,782.39	
41,000,000	UNITED STATES TREASURY NOTES	912828WC	1.750	10/31/20	1.462	100.90926	41,372,794.95	41,238,620.00	- 134,174.95	
20,000,000	US TREASURY N/B	912828A4	2.000	11/30/20	1.783	100.69759	20,139,518.81	20,268,800.00	129,281.19	
20,000,000	UNITED STATES TREASURY NOTES	912828N4	1.750	12/31/20	1.383	101.21772	20,243,544.67	20,096,800.00	- 146,744.67	
							<b>182,250,000</b>	<b>182,756,249.75</b>	<b>182,679,357.50</b>	<b>- 76,892.25</b>

====> 0011 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2020 <====

**STATE OF NEW MEXICO**  
**TREASURERS OFFICE**  
**Position holdings as of 7/31/17 (Trade)**  
**BOOK VALUES AMORTIZED THROUGH 7/31/17**

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	99.53090	33,840,505.95	33,702,840.00	- 137,665.95
5,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134G9D8	.750	6/30/21	.749	100.00000	5,000,000.00	4,955,250.00	- 44,750.00
5,000,000	FHLB	3130A8QS	1.125	7/14/21	1.227	99.60775	4,980,387.26	4,887,900.00	- 92,487.26
5,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0Q8	1.375	10/07/21	1.410	99.85813	4,992,906.72	4,921,700.00	- 71,206.72
<b>49,000,000</b>							<b>48,813,799.93</b>	<b>48,467,690.00</b>	- <b>346,109.93</b>

====> 0004 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2021 <====

20,000,000	UNITED STATES TREASURY NOTES	912828XR	1.750	5/31/22	1.756	99.97235	19,994,470.38	19,931,200.00	- 63,270.38
20,000,000	UNITED STATES TREASURY NOTES	912828XG	2.125	6/30/22	1.861	101.23412	20,246,824.40	20,268,000.00	21,175.60
20,000,000	UNITED STATES TREASURY NOTES	912828XQ	2.000	7/31/22	1.878	100.57710	20,115,420.03	20,146,200.00	30,779.97
<b>60,000,000</b>							<b>60,356,714.81</b>	<b>60,345,400.00</b>	- <b>11,314.81</b>

====> 0003 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2022 <====

	UNIVERSITY N MEX UNIV REVS	914692WL	.640	6/01/26					
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====> 0001 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2026 <====

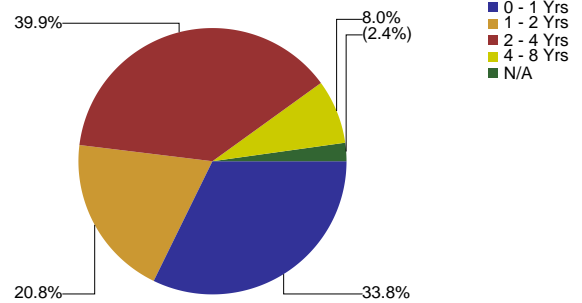
<b>812,912,530</b>							<b>812,147,955.67</b>	<b>812,707,327.85</b>	<b>559,372.18</b>
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====> 0060 ITEMS IN SUBTOTAL FOR ====> FUND NAME..... ====> GENERAL FUND CORE <====

Portfolio Characteristics

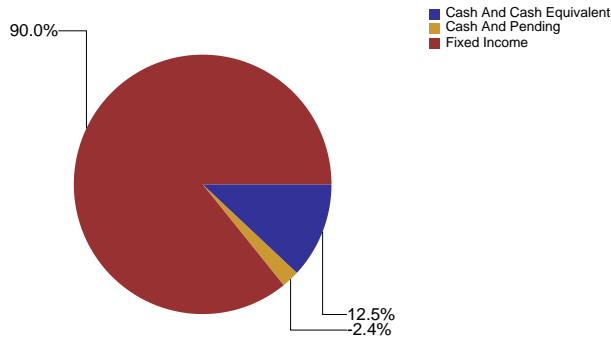
Duration Mix

Total Net Assets (Millions) **815.3**  
 Weighted Average Life (Years) **1.98**  
 Weighted Avg. Effective Duration (Years) **1.90**  
 Weighted Average Coupon (%) **1.42**  
 Weighted Average Current Yield (%) **1.40**  
 Weighted Average Yield to Maturity (%) **1.42**  
 Weighted Average Rating **AA+**  
 Number of Holdings **60**



Asset Mix

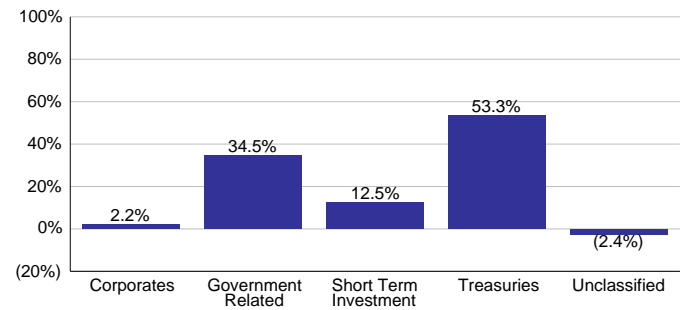
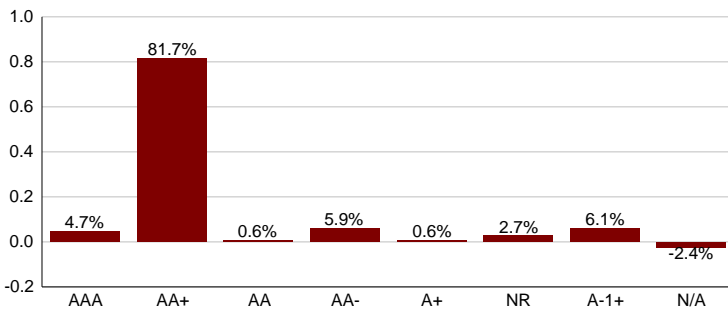
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
313586RCS	FEDERAL NATIONAL MORTGAGE ASSOC 0% NTS 09/OCT/2019	5.18%	0.00	9/10/2019
912828CB5	UNITED STATES OF AMERICA 1.625% 2019-03-31	4.23%	1.62	31/3/2019
3130A7CV5	FEDERAL HOME LOAN BANKS BOND FIXED 1.375%	4.06%	1.38	18/2/2021
912828UV0	UNITED STATES OF AMERICA 1.125% 2020-03-31	4.02%	1.12	31/3/2020
99HL20052	REPO JPMORGAN CHASE BK (GREENWICH) 073117G	3.00%	0.98	1/8/2017
30223AV22	EXXON MOBIL CORP CORPORATE COMMERCIAL PAPER	2.99%	0.00	2/8/2017
912828VE7	UNITED STATES OF AMERICA 1.000% 2018-05-31	2.99%	1.00	31/5/2018
89233GVE3	TOYOTA MOTOR CREDIT CORPORATE COMMERCIAL PAPER	2.99%	0.00	14/8/2017
912828UZ1	UNITED STATES OF AMERICA 0.625% 2018-04-30	2.98%	0.62	30/4/2018
912828WCO	UNITED STATES OF AMERICA 1.750% 2020-10-31	4.96%	1.75	31/10/2020

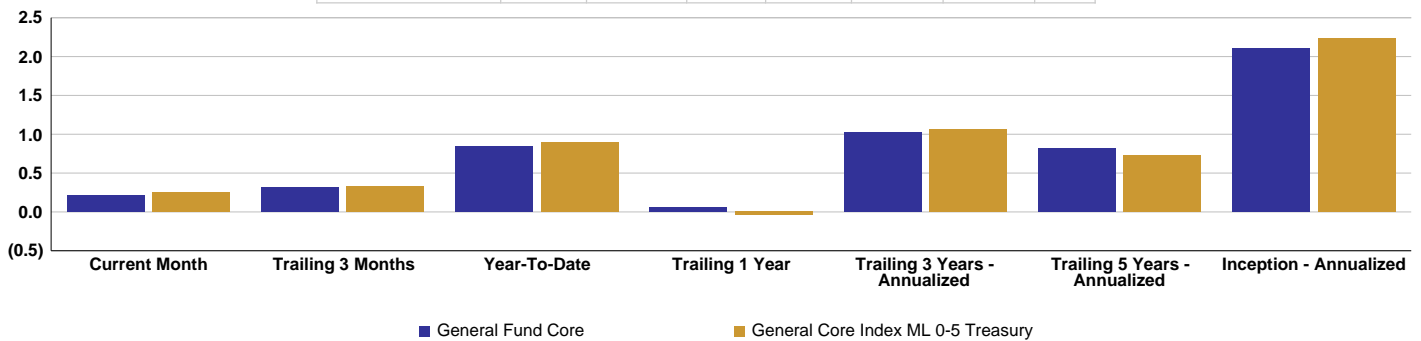
Quality/Rating Weightings

Sector Weightings (as % of Market Value)



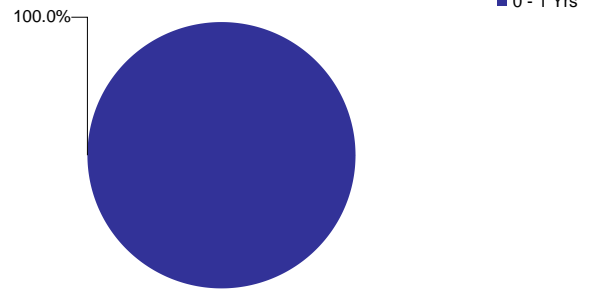
Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
General Fund Core	0.21	0.32	0.84	0.06	1.03	0.82	2.11
General Core Index ML 0-5 Treasury	0.25	0.32	0.90	(0.04)	1.06	0.73	2.23
Excess	(0.04)	(0.01)	(0.06)	0.10	(0.03)	0.09	(0.12)

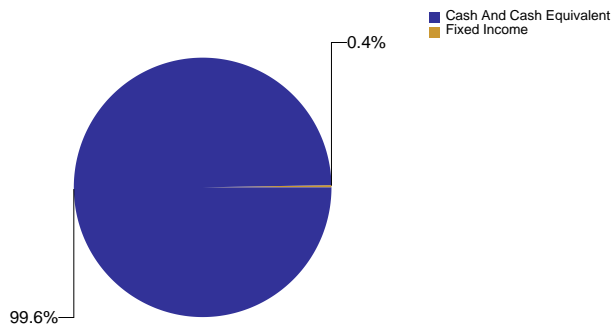


Portfolio Characteristics Duration Mix

Total Net Assets (Millions) **960.7**  
 Weighted Average Life (Years) **0.01**  
 Weighted Avg. Effective Duration (Years) **0.01**  
 Weighted Average Coupon (%) **0.56**  
 Weighted Average Current Yield (%) **0.86**  
 Weighted Average Yield to Maturity (%) **0.86**  
 Weighted Average Rating **AA+**  
 Number of Holdings **21**

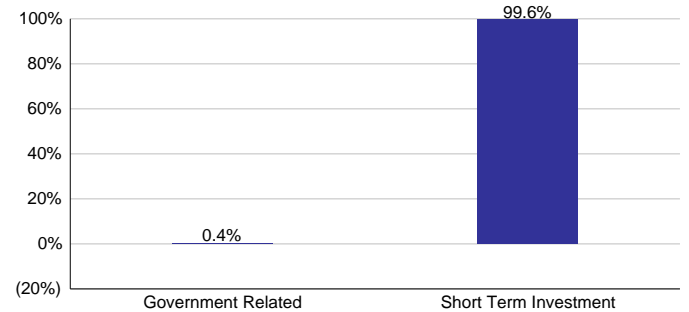
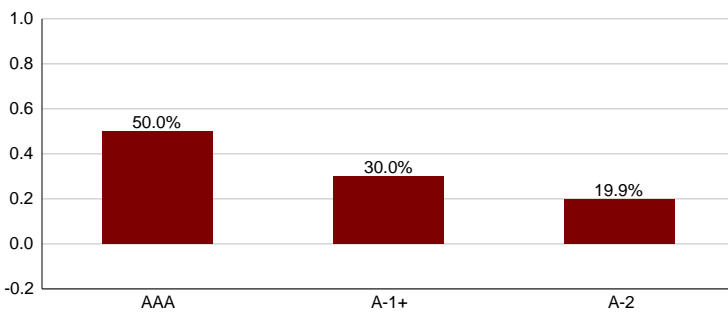


Asset Mix Top Ten Portfolio Holdings



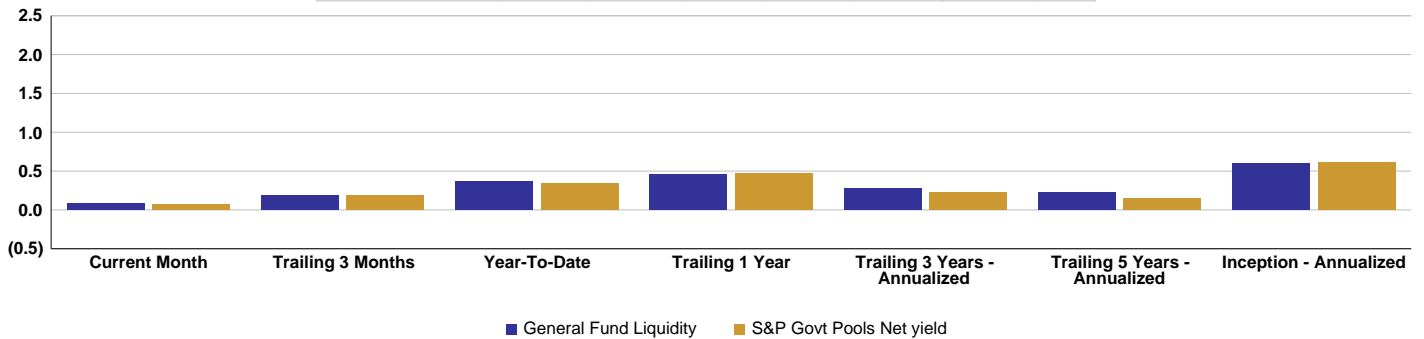
Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
89499LC10	BANK OF THE WEST	19.94%	0.25	1/8/2017
313385KU9	FEDERAL HOME LOAN BANKS DISCOUNT NOTES ZERO CPN	6.24%	0.00	23/8/2017
99HL20051	REV REPO UBS SECURITIES LLC/CMO	5.08%	0.98	1/8/2017
99HL20042	REV REPO BANC OF AMERICA SEC LLC	5.06%	1.05	1/8/2017
99HL20049	REPO JPMORGAN CHASE BANK/HSBCSI 073117I	5.06%	1.05	1/8/2017
99HL20048	REPO JPMORGAN CHASE BANK/HSBCSI 073117J	5.06%	1.05	1/8/2017
99HL20047	REPO JPMORGAN CHASE BANK/HSBCSI 073117K	5.06%	1.05	1/8/2017
99HL20046	REV REPO JPMORGAN CHASE BANK/HSBCSI	5.06%	1.05	1/8/2017
99HL20045	REPO JPMORGAN CHASE BANK/HSBCSI 073117N	5.06%	0.81	1/8/2017
99HL20044	REPO JPMORGAN CHASE BANK/HSBCSI 073117M	5.06%	1.05	1/8/2017
99HL20043	REPO JPMORGAN CHASE BANK/HSBCSI 073117P	5.06%	1.05	1/8/2017
313385KM7	FEDERAL HOME LOAN BANKS DISCOUNT NOTES ZERO CPN	9.36%	0.00	16/8/2017

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	0.08	0.19	0.36	0.46	0.28	0.23	0.60
S&P Govt Pools Net yield	0.07	0.18	0.35	0.47	0.22	0.15	0.61
Excess	0.01	0.01	0.02	(0.01)	0.06	0.08	(0.01)



## Portfolio Summary – General Fund Investment Pool

### *Summary*

- The General Fund Investment Pool (Bank balances, Liquidity and Core Portfolios) closed the month of June at \$1.6 Billion.

### *Portfolio Mix*

- At month end, 100% of the General Fund CORE portfolio was invested in fixed income securities; 52% in US Government Securities; 32% in Government Related Securities (Municipal Bonds and Agency Securities), 10% in Corporate Securities and the balance ~6% in cash and cash equivalents.
- 36% of the portfolio was invested in securities that mature in one year; 21% in securities that mature from 1-2 years; 40% in 2-4 years and 3% within 5 years.
- The General Fund Core portfolio held positions in 54 securities at the end of June.
- The Weighted Average Life of the CORE portion of the General Fund was 1.79 years. The Weighted Average duration was 1.73 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 month, the General Fund outperformed its benchmark, returning (0.04)% vs. (0.10)%, as interest rates rose.
- For the last 3 months, the General Fund underperformed its benchmark, returning 0.31% vs. 0.33%, due to the flattening of the yield curve, as five year maturities outperformed.
- For the last 12 months, the General Fund outperformed its benchmark. The General Fund return was (0.16)% while the benchmark fell (0.31)%.

### *Market Value and Investment Earnings*

- Unrealized gains/losses in the Core Portfolio at the end of June were \$(69,328).
- Over the month, the unrealized value of the portfolio decreased \$1,120,674.
- Monthly net earnings for June on the General Fund Portfolios were \$1,339,128.
- Total monthly earnings including mark-to-market were \$218,454.
- Year-to-date net earnings were \$13,599,919.
- Total year-to-date earnings including mark-to-market were \$885,365.
- 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 and higher short term interest rates.
- The Core portfolio will move closer to the benchmark duration as opportunities arise.
- During the month of June 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 6/30/17 (TRADE Basis)

AMTZ ADDED: NO

ASSET CLASSIFICATION	ITEMS	YIELD	AVG-TERM	PRINCIPAL	COST-BASIS	MARKET-VALUE	GAIN/LOSS	%MARKET
REPURCHASE AGREEMENTS (O/N)	1	1.0646	.00820	294,579,681	294,579,681	294,579,681		35.038
REPURCHASE AGREEMENTS (TERM)	2	1.1153	.02880	200,000,000	200,000,000	200,000,000		23.789
COMMERCIAL PAPER-DISCOUNT BASED	2	1.0957	.03899	45,000,000	44,982,150	44,982,150		5.350
AGENCY US DISC ACT/360 360 DAY	2	.9742	.02749	98,500,000	98,475,740	98,480,340	4,600	11.714
MUNICIPAL BOND REVENUE	1	1.2140	.00820	11,257,000	11,257,000	11,257,000		1.339
CASH ACCOUNT	1			191,436,643	191,436,643	191,436,643		22.770
	<u>9</u>	<u>.8273</u>	<u>.01961</u>	<u>840,773,324</u>	<u>840,731,214</u>	<u>840,735,814</u>	<u>4,600</u>	<u>100.000</u>

**STATE OF NEW MEXICO**  
**GENERAL FUND CORE (1001)**  
 Portfolio Classification Summary  
 Positions Held as of 6/30/17 (TRADE Basis)

AMTZ ADDED: NO

ASSET CLASSIFICATION	ITEMS	YIELD	AVG-TERM	PRINCIPAL	COST-BASIS	MARKET-VALUE	GAIN/LOSS	%MARKET
REPURCHASE AGREEMENTS (O/N)	1	1.0646	.00820	5,339,147	5,339,147	5,339,147		.750
REPURCHASE AGREEMENTS (TERM)	1	1.0240	.01920	35,000,000	35,000,000	35,000,000		4.918
COMMERCIAL PAPER-DISCOUNT BASED	2	1.1265	.08085	50,000,000	49,955,416	49,955,416		7.019
CERTIFICATES OF DEPOSIT	4	1.1600	.98961	7,500,000	7,500,000	7,500,000		1.054
US TREASURY NOTE ACT/ACT 2X	18	1.4130	2.05096	372,750,000	373,007,205	372,779,968	-227,237	52.381
AGENCY US BOND 30/360 2X	4	1.5394	3.44428	47,500,000	47,324,947	47,041,055	-283,892	6.610
AGENCY 30/360 2X	1	.9449	2.09040	5,000,000	4,994,128	4,939,900	-54,228	.694
AGENCY US BOND 30/360 ZERO CPN	1	2.2074	2.27670	22,941,000	21,902,226	22,006,842	104,616	3.092
AGENCY US NOTES 30/360 2X	9	1.6154	1.54026	137,000,000	137,759,671	138,159,360	399,689	19.413
FED NATL MORTGAGE ASSN DEBS	1	.7590	.25210	5,000,000	5,000,000	4,946,750	-53,250	.695
CORP US NOTE 30/360 2X	5	1.8277	2.27127	17,500,000	17,481,968	17,524,050	42,082	2.462
MUNI US 30/360 2X	6	1.0089	.87268	1,555,000	1,572,731	1,571,240	-1,491	.221
MUNICIPAL BOND REVENUE	1	1.0055	.08770	4,900,000	4,904,088	4,903,871	-217	.689
	<u>54</u>	<u>1.4391</u>	<u>1.76517</u>	<u>711,985,147</u>	<u>711,741,527</u>	<u>711,667,599</u>	<u>-73,928</u>	<u>100.000</u>

# STATE OF NEW MEXICO

## TREASURERS OFFICE

Position holdings as of 6/30/17 (Trade)  
BOOK VALUES AMORTIZED THROUGH 6/30/17

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
11,257,000	ABQ SERIES 2017 B	ABQ2017B	1.201	7/03/17	1.197	100.00000	11,257,000.00	11,257,000.00	
294,579,681	OVERNIGHT REPO	0703RP	1.050	7/03/17	1.050	100.00000	294,579,680.61	294,579,680.61	
43,500,000	FEDERAL HOME LOAN BANKS	313385HT		7/05/17	.911	99.98989	43,495,601.67	43,497,390.00	1,788.33
100,000,000	TERM REPO AGREEMENT	0707TMRP	1.100	7/07/17	1.100	100.00000	100,000,000.00	100,000,000.00	
25,000,000	EXXON MOBIL	30229AUC		7/12/17	1.081	99.96700	24,991,750.00	24,991,750.00	
55,000,000	FEDERAL HOME LOAN BANKS	313385JC		7/14/17	1.001	99.96389	54,980,138.89	54,982,950.00	2,811.11
100,000,000	TERM REPO AGREEMENT	0714TMRP	1.100	7/14/17	1.100	100.00000	100,000,000.00	100,000,000.00	
20,000,000	TOYOTA MOTOR CREDIT CORP	89233GUH		7/17/17	1.081	99.95200	19,990,400.00	19,990,400.00	
<hr/>							649,294,571.17	649,299,170.61	4,599.44

====> 0008 ITEMS IN SUBTOTAL FOR ==> FINAL-MATURITY.. ==> 2017 <====

<hr/>	<hr/>	<hr/>
649,336,681	649,294,571.17	649,299,170.61
<hr/>	<hr/>	<hr/>

====> 0008 ITEMS IN SUBTOTAL FOR ==> FUND NAME..... ==> GENERAL FUND <====



**STATE OF NEW MEXICO**  
**TREASURERS OFFICE**  
 Position holdings as of 6/30/17 (Trade)  
 BOOK VALUES AMORTIZED THROUGH 6/30/17

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
5,339,147	OVERNIGHT REPO	0703RP	1.050	7/03/17	1.050	100.00000	5,339,146.90	5,339,146.90	
35,000,000	TERM REPO AGREEMENT	0707TMRP	1.010	7/07/17	1.010	100.00000	35,000,000.00	35,000,000.00	
25,000,000	EXXON MOBIL CORP	30229AUE		7/14/17	1.081	99.96100	24,990,250.00	24,990,250.00	
20,000,000	UNITED STATES TREASURY NOTES	912828NR	2.375	7/31/17	1.122	100.10286	20,020,571.09	20,023,000.00	2,428.91
300,000	SAN JUAN CNTY N MEX CENT CONS IN	798359KS	1.000	8/01/17	.751	100.02052	300,061.55	300,000.00	61.55
4,900,000	ALBUQUERQUE N MEX MUN SCH DISTNO	013595UK	2.000	8/01/17	.992	100.08344	4,904,088.48	4,903,871.00	217.48
25,000,000	TOYOTA MOTOR CORP - CP	89233GVE		8/14/17	1.142	99.86067	24,965,166.66	24,965,166.66	
10,000,000	UNITED STATES TREASURY NOTES	912828D9	1.000	9/15/17	1.058	99.98744	9,998,744.24	9,998,500.00	
15,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0ZL	1.000	9/27/17	1.118	99.97122	14,995,682.40	14,996,250.00	244.24
20,000,000	UNITED STATES TREASURY NOTES	912828HH	4.250	11/15/17	1.085	101.17131	20,234,262.42	20,228,200.00	6,062.42
20,000,000	UNITED STATES TREASURY NOTES	912828UA	.625	11/30/17	1.075	99.81360	19,962,719.27	19,958,800.00	3,919.27
255,000	SILVER CITY N MEX JT UTIL SYS RE	8275ORAP	2.000	12/01/17	1.000	100.41405	256,055.84	256,165.35	109.51
500,000	WESTERN BANK CLOVIS	06022017	1.100	12/01/17	1.100	100.00000	500,000.00	500,000.00	
							<b>181,466,748.85</b>	<b>181,459,349.91</b>	<b>7,398.94</b>

181,294,147

====> 0013 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2017 <====

5,000,000	UNITED STATES TREASURY NOTES	912828UJ	.875	1/31/18	1.309	99.74853	4,987,426.26	4,991,250.00	3,823.74
15,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EADP	.875	3/07/18	1.454	99.60743	14,941,113.87	14,961,150.00	20,036.13
2,000,000	FARMERS & STOCKMENS BANK	8521052	1.050	4/27/18	1.050	100.00000	2,000,000.00	2,000,000.00	
2,000,000	FARMERS & STOCKMENS BANK	4282017	1.150	4/27/18	1.150	100.00000	2,000,000.00	2,000,000.00	
25,000,000	UNITED STATES TREASURY NOTES	912828UZ	.625	4/30/18	1.188	99.53567	24,883,916.25	24,867,250.00	16,666.25
25,000,000	UNITED STATES TREASURY NOTES	912828VE	1.000	5/31/18	1.228	99.79296	24,948,239.39	24,934,500.00	13,739.39
150,000	LAS CRUCES N MEX HOLD HARMLESSGR	51748QAY	4.000	6/01/18	1.500	102.26648	153,399.72	152,647.50	752.22
360,000	SANDOVAL COUNTY	800050FG	2.000	6/01/18	.920	100.98312	363,539.23	363,420.00	119.23
225,000	SAN JUAN CNTY N MEX CENT CONS IN	798359KT	1.000	8/01/18	1.000	99.99954	224,998.96	224,808.75	190.21
20,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0YM	1.875	9/18/18	1.438	100.52314	20,104,627.26	20,124,800.00	20,172.74
3,000,000	FARMERS & STOCKMENS BANK	8521082	1.250	10/19/18	1.250	100.00000	3,000,000.00	3,000,000.00	
15,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0YT	1.625	11/27/18	1.747	99.83076	14,974,613.52	15,051,300.00	76,686.48
20,000,000	UNITED STATES TREASURY NOTES	912828RT	1.375	11/30/18	1.404	99.95958	19,991,916.05	20,006,200.00	14,283.95
500,000	FEDERAL HOME LOAN BANKS	313382F7	1.100	12/27/18	1.100	99.99975	499,998.74	497,145.00	2,853.74
							<b>133,073,789.25</b>	<b>133,174,471.25</b>	<b>100,682.00</b>

133,235,000

====> 0014 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2018 <====

**STATE OF NEW MEXICO**  
**TREASURERS OFFICE**  
 Position holdings as of 6/30/17 (Trade)  
 BOOK VALUES AMORTIZED THROUGH 6/30/17

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
2,500,000	APPLE INC	037833CE	1.550	2/08/19	1.589	99.93832	2,498,458.09	2,499,275.00	816.91
20,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0ZA	1.875	2/19/19	1.678	100.31549	20,063,097.32	20,155,000.00	91,902.68
20,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EACA	3.750	3/27/19	1.762	103.38770	20,677,540.43	20,806,800.00	129,259.57
35,000,000	UNITED STATES TREASURY NOTES	912828C6	1.625	3/31/19	1.744	99.79450	34,928,073.34	35,157,150.00	229,076.66
5,000,000	PEPSICO INC	713448DR	1.550	5/02/19	1.588	99.93039	4,996,519.36	4,998,300.00	1,780.64
265,000	SANDOVAL COUNTY	800050FH	3.000	6/01/19	1.070	103.65068	274,674.31	274,198.15	476.16
16,000,000	UNITED STATES TREASURY NOTES	912828TH	.875	7/31/19	1.507	98.70809	15,793,294.05	15,830,080.00	36,785.95
5,000,000	FANNIE MAE	3135G0N3	.875	8/02/19	.932	99.88254	4,994,127.23	4,939,900.00	54,227.23
13,000,000	FEDERAL AGRICULTURAL MORTGAGE CO	31315P3R	1.900	9/18/19	1.920	99.95573	12,994,245.48	13,076,700.00	82,454.52
22,941,000	FEDERAL NATIONAL MORTGAGE ASSOCI	313586RC		10/09/19	2.177	95.47198	21,902,226.23	22,006,842.48	104,616.25
24,500,000	UNITED STATES TREASURY NOTES	912828F6	1.500	10/31/19	1.561	99.86039	24,465,796.64	24,532,585.00	66,788.36
8,000,000	FEDERAL FARM CREDIT BANKS	3133EEBN	1.800	11/12/19	1.755	100.10248	8,008,198.41	8,038,240.00	30,041.59
14,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0ZY	1.750	11/26/19	1.701	100.11415	14,015,981.41	14,077,560.00	61,578.59
							<b>185,612,232.30</b>	<b>186,392,630.63</b>	<b>780,398.33</b>
<b>186,206,000</b>									
====> 0013 ITEMS IN SUBTOTAL FOR ==> FINAL-MATURITY.. ==> 2019 <====									
5,000,000	US BANK	90331HNB	2.000	1/24/20	2.073	99.81835	4,990,917.37	5,021,550.00	30,632.63
2,500,000	MICROSOFT CORP	594918BV	1.850	2/06/20	1.873	99.94112	2,498,527.94	2,506,375.00	7,847.06
33,750,000	UNITED STATES TREASURY NOTES	912828UV	1.125	3/31/20	1.387	99.29558	33,512,258.67	33,400,687.50	111,571.17
13,500,000	UNITED STATES TREASURY NOTES	912828K5	1.375	4/30/20	1.501	99.65142	13,452,942.24	13,439,385.00	13,557.24
2,500,000	APPLE INC.	037833CS	1.800	5/11/20	1.835	99.90180	2,497,544.97	2,498,550.00	1,005.03
4,000,000	UNITED STATES TREASURY NOTES	912828VV	2.125	8/31/20	1.654	101.44456	4,057,782.57	4,064,360.00	6,577.43
41,000,000	UNITED STATES TREASURY NOTES	912828WC	1.750	10/31/20	1.462	100.93238	41,382,276.14	41,173,020.00	209,256.14
20,000,000	US TREASURY N/B	912828A4	2.000	11/30/20	1.783	100.71520	20,143,039.30	20,235,200.00	92,160.70
20,000,000	UNITED STATES TREASURY NOTES	912828N4	1.750	12/31/20	1.383	101.24749	20,249,497.43	20,057,000.00	192,497.43
							<b>142,784,786.63</b>	<b>142,396,127.50</b>	<b>388,659.13</b>
<b>142,250,000</b>									
====> 0009 ITEMS IN SUBTOTAL FOR ==> FINAL-MATURITY.. ==> 2020 <====									
34,000,000	FEDERAL HOME LOAN BANKS	3130A7CV	1.375	2/18/21	1.511	99.51990	33,836,767.67	33,633,820.00	202,947.67
5,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134G9D8	.750	6/30/21	.749	100.00000	5,000,000.00	4,946,750.00	53,250.00
5,000,000	FHLB	3130A8QS	1.125	7/14/21	1.227	99.59971	4,979,985.64	4,871,850.00	108,135.64
5,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0QB	1.375	10/07/21	1.410	99.85536	4,992,768.16	4,909,800.00	82,968.16
							<b>48,809,521.47</b>	<b>48,362,220.00</b>	<b>447,301.47</b>
<b>49,000,000</b>									
====> 0004 ITEMS IN SUBTOTAL FOR ==> FINAL-MATURITY.. ==> 2021 <====									

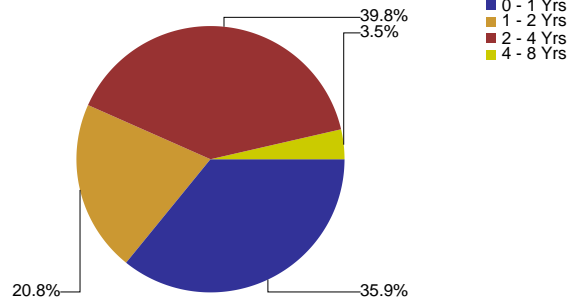
**STATE OF NEW MEXICO**  
**TREASURERS OFFICE**  
 Position holdings as of 6/30/17 (Trade)  
 BOOK VALUES AMORTIZED THROUGH 6/30/17

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
20,000,000	UNITED STATES TREASURY NOTES	912828XR	1.750	5/31/22	1.756	99.97222	19,994,444.15	19,882,800.00	- 111,644.15
<u>20,000,000</u>							<u>19,994,444.15</u>	<u>19,882,800.00</u>	<u>- 111,644.15</u>
=> 0001 ITEMS IN SUBTOTAL FOR => FINAL-MATURITY... => 2022 <==									
							<u>711,741,522.65</u>	<u>711,667,599.29</u>	<u>- 73,923.36</u>
<u>711,985,147</u>									
=> 0054 ITEMS IN SUBTOTAL FOR => FUND NAME..... => GENERAL FUND CORE <==									

Portfolio Characteristics

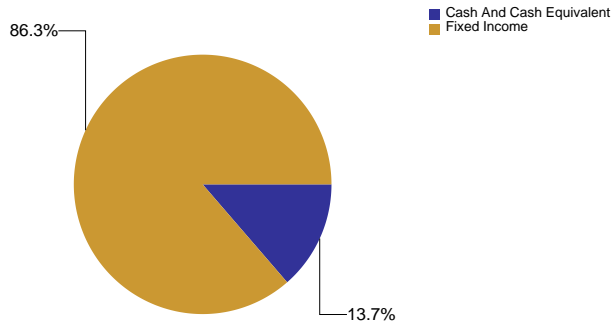
Duration Mix

Total Net Assets (Millions) **713.8**  
 Weighted Average Life (Years) **1.79**  
 Weighted Avg. Effective Duration (Years) **1.73**  
 Weighted Average Coupon (%) **1.42**  
 Weighted Average Current Yield (%) **1.37**  
 Weighted Average Yield to Maturity (%) **1.37**  
 Weighted Average Rating **AA**  
 Number of Holdings **55**



Asset Mix

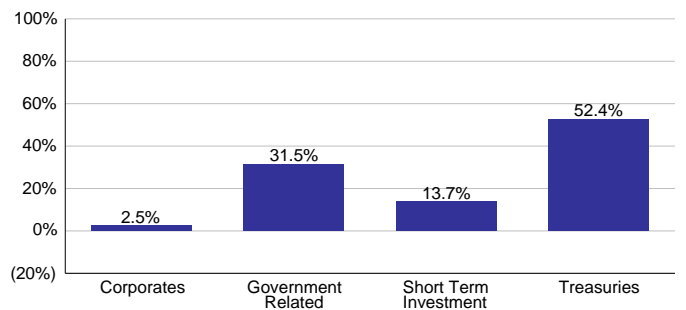
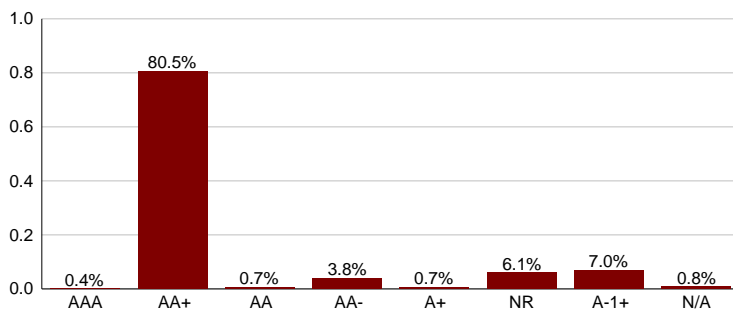
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
912828WCO	UNITED STATES OF AMERICA 1.750% 2020-10-31	5.79%	1.75	31/10/2020
99HH90050	REPO RBC CAPITAL MARKETS LLC COREREPO062817_8	4.90%	1.01	7/7/2017
3130A7CV5	FEDERAL HOME LOAN BANKS BOND FIXED 1.375%	4.74%	1.38	18/2/2021
912828UV0	UNITED STATES OF AMERICA 1.125% 2020-03-31	4.69%	1.12	31/3/2020
30229AUE7	EXXON MOBIL CORP CORPORATE COMMERCIAL PAPER	3.50%	0.00	14/7/2017
89233GVE3	TOYOTA MOTOR CREDIT CORPORATE COMMERCIAL PAPER	3.50%	0.00	14/8/2017
912828VE7	UNITED STATES OF AMERICA 1.000% 2018-05-31	3.50%	1.00	31/5/2018
912828UZ1	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
912828C65	UNITED STATES OF AMERICA 1.625% 2019-03-31	4.95%	1.62	31/3/2019

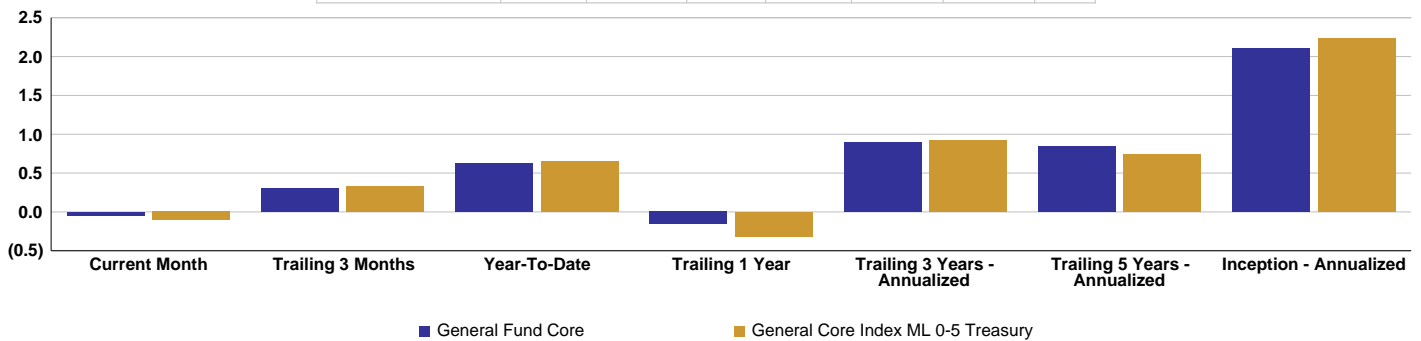
Quality/Rating Weightings

Sector Weightings (as % of Market Value)



Returns Series

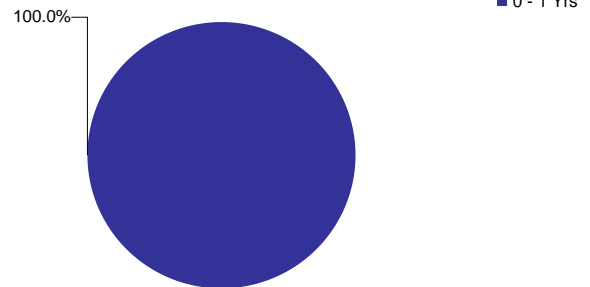
	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
General Fund Core	(0.04)	0.31	0.63	(0.16)	0.90	0.84	2.11
General Core Index ML 0-5 Treasury	(0.10)	0.33	0.65	(0.31)	0.92	0.75	2.23
Excess	0.06	(0.02)	(0.02)	0.16	(0.02)	0.09	(0.12)



Portfolio Characteristics

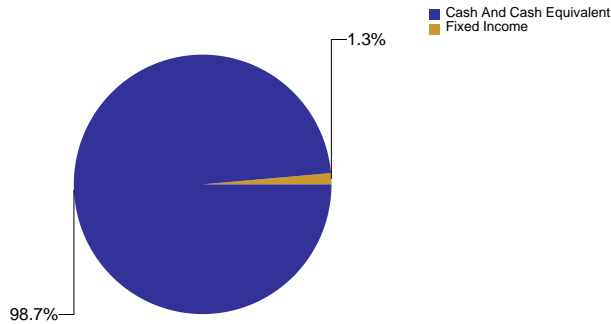
Duration Mix

Total Net Assets (Millions) **840.8**  
 Weighted Average Life (Years) **0.02**  
 Weighted Avg. Effective Duration (Years) **0.02**  
 Weighted Average Coupon (%) **0.70**  
 Weighted Average Current Yield (%) **0.53**  
 Weighted Average Yield to Maturity (%) **0.53**  
 Weighted Average Rating **B**  
 Number of Holdings **17**



Asset Mix

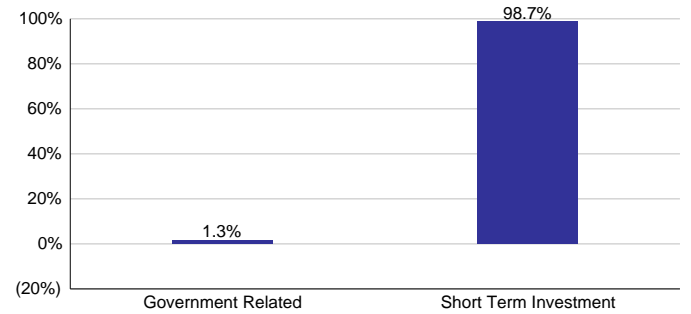
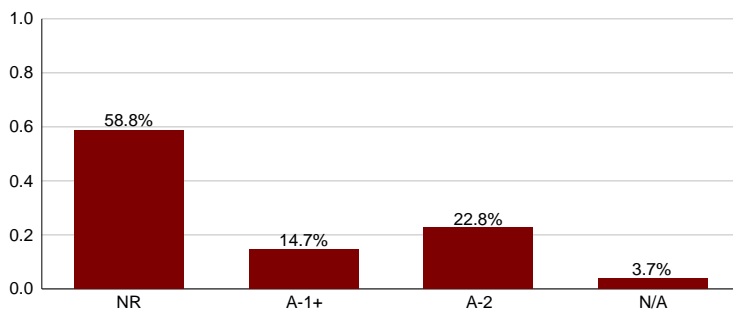
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
89499LC10	BANK OF THE WEST	22.77%	0.25	7/3/2017
99HH80066	REPO JPMORGAN CHASE BK (HSBCSI) GFLIQREPO062717	6.31%	1.10	14/7/2017
99HI00159	REPO JPMORGAN CHASE BK (HSBCSI) LIQREPO062917_5	5.89%	1.10	7/7/2017
99HI00158	REPO JPMORGAN CHASE BK (HSBCSI) LIQREPO062917_4	5.89%	1.10	7/7/2017
99HI10031	REPO JPMORGAN CHASE BK (GREENWICH) 063017N	5.86%	1.05	3/7/2017
99HI10030	REPO JPMORGAN CHASE BK (GREENWICH) 063017O	5.86%	1.05	3/7/2017
99HI10029	REPO JPMORGAN CHASE BK (GREENWICH) 063017P	5.86%	1.05	3/7/2017
99HI10028	REPO JPMORGAN CHASE BK (GREENWICH) 063017Q	5.86%	1.05	3/7/2017
99HI10027	REPO JPMORGAN CHASE BK (GREENWICH) 063017R	5.86%	1.05	3/7/2017
313385JC1	FHLB 14/07/1997	6.54%	0.00	14/7/2017

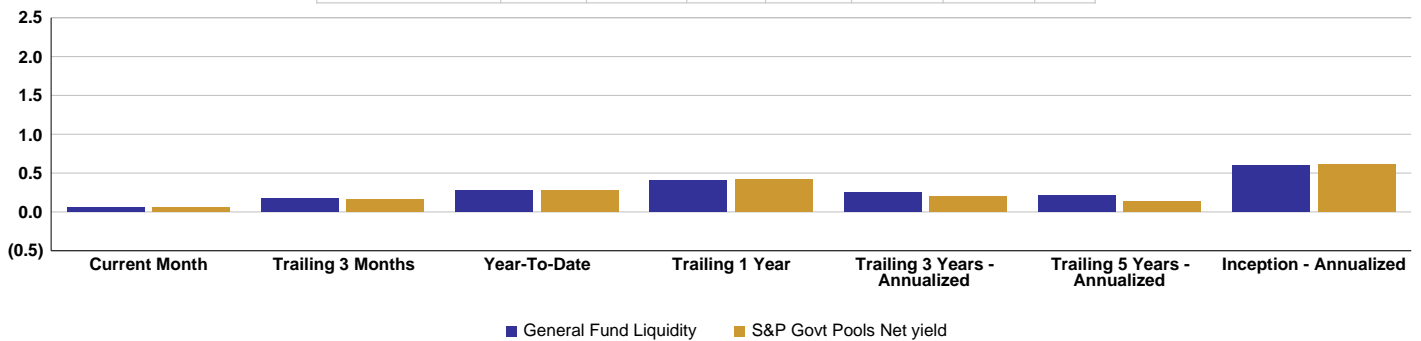
Quality/Rating Weightings

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	0.05	0.17	0.28	0.40	0.26	0.22	0.60
S&P Govt Pools Net yield	0.06	0.16	0.27	0.42	0.20	0.13	0.61
Excess	0.00	0.01	0.01	(0.02)	0.06	0.08	(0.01)





## 11. Portfolio Summary- Local Government Investment Pool

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

### *Summary*

- Ending July market value for the LGIP was \$865.2mil representing a decrease relative to June's reported closing value of \$885.1mil.
- The LGIP maintains a AAAM rating by Standard & Poor's.
- At the end of July the STO participant balance was \$26.8mil or 3% of the Pool, the Judicial District Court participant balance was \$2.6mil or 0.3% of the Pool and the Educational Retirement Board participant balance was \$100.6mil or 11% of the Pool.

### *Portfolio Mix*

- At the end of July the portfolio was invested as follows: 13% in US Treasuries, 40% in US government agencies, 2% in collateralized demand deposit accounts with qualified banking institutions, 23% in floating rate securities, and 23% in overnight repurchase agreements.
- At month-end, the LGIP held positions in 67 securities.

### *Investment Earnings*

- During July the fund earned \$711,695.
- For FY2018, the fund has earned \$711,695.
- 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 0.9430% at the end of July.
- Net yield to participants was 0.8930%.

### *Investment Highlights*

- For the LGIP, the WAM(R) of 53 days, and WAM (F) of 109 days, were within their maximums of 60 and 120 days respectively.
- The LGIP purchased \$252.6mil in US agency securities during the month. Approximately, \$176.6mil of these transactions were in securities that mature within one month or less.
- The LGIP engaged in 23 repo trades during the month, consisting of 15 overnight and 8 term trades. Trade amounts varied in size from \$20mil to \$75mil at rates spanning 0.95% to 1.01%.

### *Investment Strategy*

- LGIP WAMs are currently 51 and 111 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 \$1.0006.

**STATE OF NEW MEXICO**  
**LGIP FUND (4101)**  
**Portfolio Classification Summary**  
**Positions Held as of 7/31/17 (TRADE Basis)**

AMTZ ADDED: NO

ASSET CLASSIFICATION	ITEMS	YIELD	AVG-TERM	PRINCIPAL	COST-BASIS	MARKET-VALUE	GAIN/LOSS	%MARKET
REPURCHASE AGREEMENTS (O/N)	1	1.0139	.00270	60,000,000	60,000,000	60,000,000		6.945
REPURCHASE AGREEMENTS (TERM)	1	1.0240	.00550	75,000,000	75,000,000	75,000,000		8.681
U.S. TREASURY BILLS	2	1.0601	.20642	60,000,000	59,869,612	59,866,100	-3,512	6.929
US TREASURY NOTE ACT/ACT 2X	2	.8869	.09985	55,000,000	54,985,504	54,980,200	-5,304	6.364
AGENCY US FLOAT ACT/360 12X	6	1.1129	.48938	58,210,000	58,206,859	58,213,761	6,902	6.738
AGENCY US BOND 30/360 2X	18	.9555	.28047	111,389,000	112,113,159	112,056,984	-56,175	12.970
AGENCY US DISC ACT/360 360 DAY	7	1.0323	.15846	153,617,000	153,356,307	153,348,629	-7,678	17.749
AGENCY US NOTES 30/360 2X	9	.9470	.24471	84,415,000	84,392,719	84,356,189	-36,530	9.764
AGENCY US VARIABLE ACT/360 4X	16	1.0393	.79489	143,680,000	143,686,190	143,681,721	-4,469	16.630
CASH ACCOUNT	3			62,462,968	62,462,968	62,462,968		7.230
	<u>65</u>	<u>.9367</u>	<u>.29625</u>	<u>863,773,968</u>	<u>864,073,318</u>	<u>863,966,552</u>	<u>-106,766</u>	<u>100.000</u>



**STATE OF NEW MEXICO**  
**TREASURERS OFFICE**  
**Position holdings as of 7/31/17 (Trade)**  
**BOOK VALUES AMORTIZED THROUGH 7/31/17**

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
58,396,026	WELLS FARGO CASH ACCOUNT	CASHCASH	.100			1.00000	58,396,025.81	58,396,026.00	.19
4,066,941	BANK OF THE WEST	CASHCASH	.250			1.00000	4,066,940.75	4,066,941.00	.25
1	COMPASS BANK	CASHCASH	.250			1.00000	.97	1.00	.03
<b>62,462,968</b>							<b>62,462,967.53</b>	<b>62,462,968.00</b>	<b>.47</b>

====> 0003 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> NO-MEANINGFUL-DATE <====

60,000,000	REPURCHASE AGREEMENT OVERNIGHT	0801ONRP	1.000	8/01/17	1.000	100.00000	60,000,000.00	60,000,000.00	
41,000,000	TENNESSEE VALLEY AUTHORITY	880590JX		8/02/17	1.001	99.99722	40,998,861.11	40,998,770.00	- 91.11
75,000,000	Repurchase Agreement Term Repo	0802TMRP	1.010	8/02/17	1.010	100.00000	75,000,000.00	75,000,000.00	
35,000,000	FEDERAL HOME LOAN BANKS	313385JZ		8/04/17	1.000	99.99167	34,997,083.33	34,997,200.00	116.67
2,000,000	FEDERAL FARM CREDIT BANKS	3133ECP2	.700	8/09/17	.744	99.99898	1,999,979.52	1,999,760.00	- 219.52
21,720,000	FEDERAL HOME LOAN BANKS	3130A77C	.847	8/09/17	.728	100.00277	21,720,602.20	21,720,651.60	49.40
10,000,000	FEDERAL HOME LOAN BANK	3130A92E	.625	8/11/17	.678	99.99847	9,999,846.78	9,998,500.00	- 1,346.78
16,167,000	FEDERAL HOME LOAN MORTGAGE CORPO	313397KN		8/17/17	.971	99.95655	16,159,974.67	16,159,886.52	- 88.15
1,690,000	FEDERAL HOME LOAN BANKS	3130A7EC	.905	8/25/17	.766	100.02027	1,690,342.54	1,690,152.10	- 190.44
6,271,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0MZ	.875	8/28/17	1.030	99.98813	6,270,255.59	6,269,996.64	- 258.95
2,400,000	FEDERAL FARM CREDIT BANKS	3133EFUZ	.780	8/28/17	1.105	99.97541	2,399,409.77	2,399,400.00	- 9.77
3,000,000	FEDERAL HOME LOAN BANKS	3130A62S	.750	8/28/17	1.105	99.97317	2,999,195.09	2,999,190.00	- 5.09
45,000,000	UNITED STATES TREASURY NOTES	912828TM	.625	8/31/17	.874	99.97956	44,990,802.22	44,987,400.00	- 3,402.22
8,560,000	FEDERAL HOME LOAN BANKS	313370SZ	2.250	9/08/17	.738	100.15466	8,573,238.48	8,570,100.80	- 3,137.68
12,915,000	FEDERAL HOME LOAN BANKS	313380EC	.750	9/08/17	.922	99.98209	12,912,687.35	12,909,575.70	- 3,111.65
4,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134G3G4	1.000	9/12/17	.710	100.03265	4,001,305.91	3,999,800.00	- 1,505.91
10,000,000	UNITED STATES TREASURY BILLS	912796LU		9/21/17	.888	99.87477	9,987,476.67	9,986,100.00	- 1,376.67
1,375,000	FEDERAL FARM CREDIT BANKS	3133EEQX	1.000	9/25/17	.950	100.00697	1,375,095.78	1,374,821.25	- 274.53
25,000,000	FEDERAL HOME LOAN BANKS	3130ABHL		9/26/17	1.071	99.99351	24,998,377.63	24,999,000.00	622.37
16,585,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0ZL	1.000	9/27/17	.755	100.03763	16,591,241.35	16,580,190.35	- 11,051.00
31,909,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EADL	1.000	9/29/17	.875	100.01963	31,915,264.39	31,901,980.02	- 13,284.37
10,000,000	FEDERAL HOME LOAN BANKS	3130A2XL	1.100	9/29/17	.938	100.02544	10,002,543.71	9,998,900.00	- 3,643.71
2,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3136FPMH	2.500	9/29/17	1.054	100.23120	2,004,624.02	2,004,940.00	315.98
10,000,000	UNITED STATES TREASURY NOTES	912828TS	.625	9/30/17	.947	99.94702	9,994,702.29	9,992,800.00	- 1,902.29
10,000,000	FEDERAL HOME LOAN BANKS	313385MQ		10/06/17	.949	99.82675	9,982,675.00	9,980,800.00	- 1,875.00
2,000,000	FEDERAL FARM CREDIT BANKS	3133EDD6	1.240	10/06/17	.978	100.04661	2,000,932.14	2,000,680.00	- 252.14
10,000,000	FEDERAL HOME LOAN BANKS	313385MV		10/11/17	.949	99.81363	9,981,362.50	9,979,300.00	- 2,062.50
5,000,000	FEDERAL FARM CREDIT BANKS	3133EGMC	.670	10/18/17	1.069	99.91438	4,995,718.82	4,995,000.00	- 718.82
50,000,000	UNITED STATES TREASURY BILLS	912796LY		10/19/17	1.077	99.76427	49,882,134.20	49,880,000.00	- 2,134.20
6,450,000	FEDERAL HOME LOAN BANKS	313385NE		10/20/17	.995	99.78000	6,435,810.00	6,434,971.50	- 838.50
15,000,000	FEDERAL HOME LOAN BANKS	3130AAPL	.601	10/23/17	1.052	100.00000	15,000,000.00	14,999,400.00	- 600.00

# STATE OF NEW MEXICO

## TREASURERS OFFICE

Position holdings as of 7/31/17 (Trade)

BOOK VALUES AMORTIZED THROUGH 7/31/17

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
1,670,000	FEDERAL HOME LOAN BANKS	3130A7VF	.968	10/25/17	.919	100.06971	1,671,164.18	1,670,551.10	- 613.08
32,000,000	FEDERAL HOME LOAN BANKS	3130ABAM	.861	10/25/17	1.021	99.99380	31,998,017.50	31,994,240.00	- 3,777.50
1,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0PQ	.875	10/26/17	1.152	99.93417	999,341.74	999,440.00	98.26
1,000,000	FEDERAL FARM CREDIT BANKS	31331KR4	1.500	11/08/17	1.022	100.12754	1,001,275.36	1,000,210.00	- 1,065.36
1,960,000	FEDERAL FARM CREDIT BANKS	3133EEQ9	.786	11/27/17	1.100	100.04260	1,960,834.87	1,961,156.40	321.53
2,000,000	FEDERAL FARM CREDIT BANKS	31331J4H	2.500	12/06/17	1.139	100.46909	2,009,381.83	2,009,520.00	138.17
7,000,000	FEDERAL HOME LOAN BANKS	313372C3	3.125	12/08/17	1.087	100.71461	7,050,022.54	7,046,620.00	- 3,402.54
28,339,000	TENNESSEE VALLEY AUTHORITY	880591CU	6.250	12/15/17	.863	101.99629	28,904,729.58	28,868,372.52	- 36,357.06
1,900,000	FEDERAL HOME LOAN BANKS	3130A6SW	1.000	12/19/17	1.000	100.00000	1,900,000.00	1,898,974.00	- 1,026.00
9,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0SW	.875	12/27/17	1.162	99.88373	8,989,535.55	8,985,690.00	- 3,845.55
<b>635,911,000</b>							<b>636,345,846.21</b>	<b>636,244,040.50</b>	<b>- 101,805.71</b>

====> 0041 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2017 <====

35,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	313397SN		2/01/18	1.123	99.43011	34,800,538.89	34,797,700.00	- 2,838.89
5,000,000	FEDERAL FARM CREDIT BANKS	3133EEMX	1.004	2/06/18	.786	100.17979	5,008,989.34	5,003,600.00	- 5,389.34
12,000,000	FEDERAL FARM CREDIT BANKS	3133EEQM	1.110	2/20/18	1.195	99.95304	11,994,365.20	11,993,760.00	- 605.20
6,800,000	FEDERAL HOME LOAN BANKS	3130A9A2	.930	3/06/18	.832	100.05313	6,803,612.53	6,801,496.00	- 2,116.53
4,800,000	FEDERAL FARM CREDIT BANKS	3133EEV8	.520	3/09/18	1.316	99.96470	4,798,305.56	4,802,880.00	4,574.44
10,000,000	FEDERAL FARM CREDIT BANK	3133EGH3	.510	3/14/18	1.266	99.98922	9,998,921.83	9,999,400.00	478.17
4,000,000	FEDERAL FARM CREDIT BANKS	3133EEZ5	.542	3/22/18	1.276	99.98430	3,999,372.01	4,003,800.00	4,427.99
3,000,000	TENNESSEE VALLEY AUTHORITY	880591EC	4.500	4/01/18	1.285	102.12592	3,063,777.47	3,063,960.00	182.53
10,650,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EAEA	.750	4/09/18	1.134	99.73667	10,621,955.06	10,614,961.50	- 6,993.56
900,000	FEDERAL HOME LOAN BANKS	3130ABE7	1.125	5/08/18	1.250	99.90393	899,135.38	898,749.00	- 386.38
1,000,000	FEDERAL FARM CREDIT BANKS	31331YW6	4.900	6/12/18	1.276	103.10178	1,031,017.78	1,030,080.00	- 937.78
5,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134GA4D	.759	8/10/18	.901	100.00000	5,000,000.00	4,997,900.00	- 2,100.00
7,250,000	FEDERAL FARM CREDIT BANKS	3133EG6H	.693	11/09/18	1.154	99.98433	7,248,864.13	7,252,755.00	3,890.87
10,000,000	FEDERAL FARM CREDIT BANKS	3133EHLT	1.012	12/05/18	1.234	99.99247	9,999,247.27	9,997,300.00	- 1,947.27
<b>115,400,000</b>							<b>115,268,102.45</b>	<b>115,258,341.50</b>	<b>- 9,760.95</b>

====> 0014 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2018 <====

5,000,000	FEDERAL FARM CREDIT BANKS	3133EHME	1.170	3/12/19	1.146	100.03180	5,001,589.89	5,000,000.00	- 1,589.89
10,000,000	FEDERAL FARM CREDIT BANKS	3133EHKC	.987	3/25/19	.989	99.99116	9,999,115.76	9,995,900.00	- 3,215.76
10,000,000	FEDERAL FARM CREDIT BANKS	3133EHDN	.980	3/27/19	1.237	99.98231	9,998,230.72	10,011,600.00	13,369.28

**STATE OF NEW MEXICO**  
**TREASURERS OFFICE**  
**Position holdings as of 7/31/17 (Trade)**  
**BOOK VALUES AMORTIZED THROUGH 7/31/17**

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
10,000,000	FEDERAL FARM CREDIT BANKS	3133EHQT	1.145	4/10/19	1.147	99.99101	9,999,101.11	9,995,800.00	- 3,301.11
5,000,000	FEDERAL FARM CREDIT BANKS	3133EHGU	.940	4/25/19	1.178	99.97899	4,998,949.68	5,002,600.00	3,650.32
5,000,000	FEDERAL FARM CREDIT BANK	3133EHSF	1.135	4/25/19	1.140	99.98822	4,999,411.24	4,997,650.00	- 1,761.24
5,000,000	FEDERAL FARM CREDIT BANKS	3133EHPR		6/27/19	1.042	100.00000	5,000,000.00	4,997,650.00	- 2,350.00
<b>50,000,000</b>							<b>49,996,398.40</b>	<b>50,001,200.00</b>	<b>4,801.60</b>

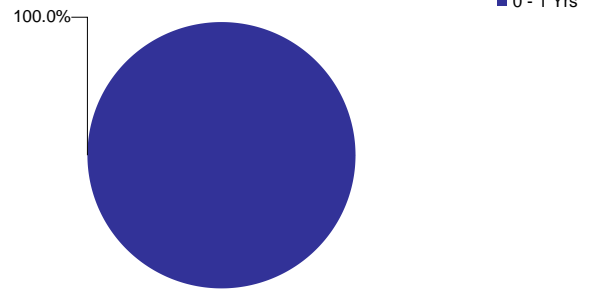
====> 0007 ITEMS IN SUBTOTAL FOR ==> FINAL-MATURITY.. ==> 2019 <====

<b>863,773,968</b>							<b>864,073,314.59</b>	<b>863,966,550.00</b>	- <b>106,764.59</b>
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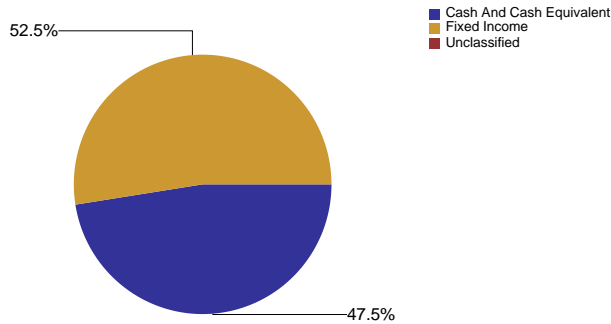
====> 0065 ITEMS IN SUBTOTAL FOR ==> FUND NAME..... ==> LGIP FUND <====

Portfolio Characteristics Duration Mix

**Total Net Assets (Millions)** 865.2  
**Weighted Average Life (Years)** 0.28  
**Weighted Avg. Effective Duration (Years)** 0.14  
**Weighted Average Coupon (%)** 0.91  
**Weighted Average Current Yield (%)** 0.99  
**Weighted Average Yield to Maturity (%)** 0.99  
**Weighted Average Rating** AA+  
**Number of Holdings** 67

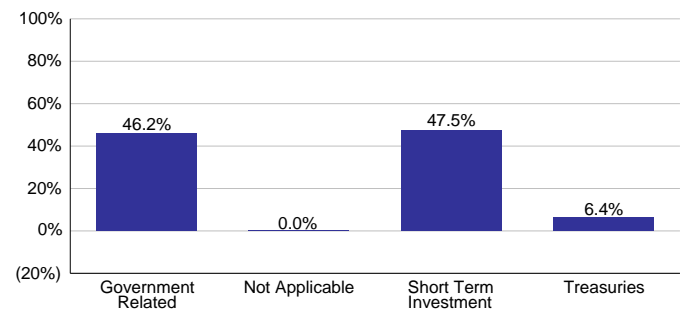
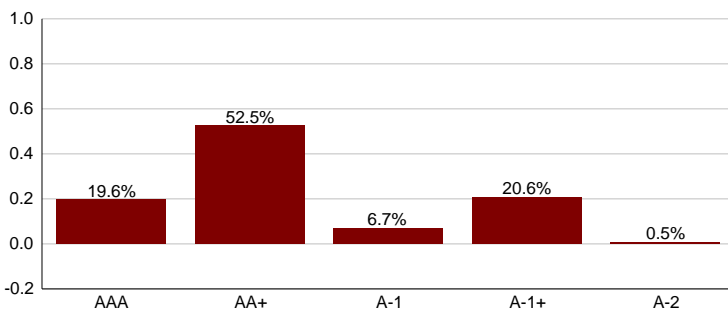


Asset Mix Top Ten Portfolio Holdings



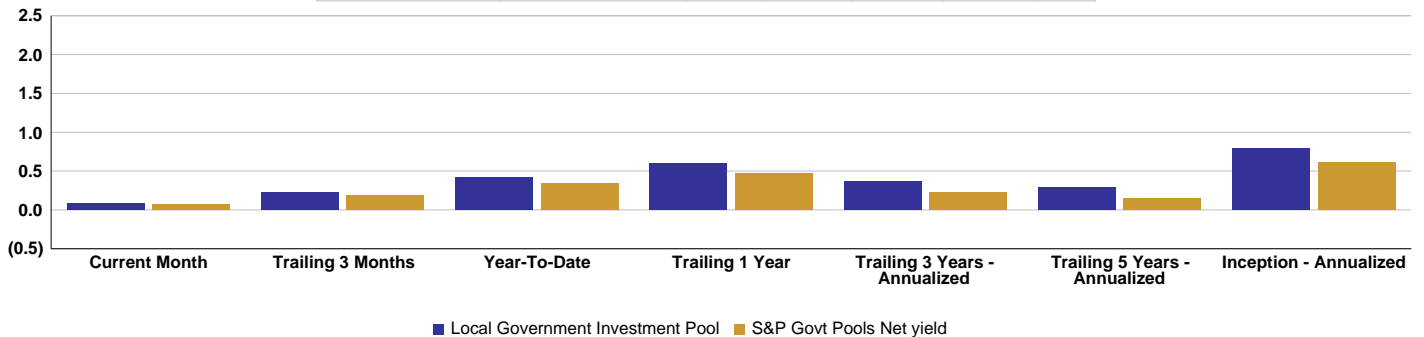
Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
894993C02	Wells Fargo Checking	6.75%	0.15	1/8/2017
912796LY3	UNITED STATES OF AMERICA BILL ZERO CPN 19/OCT/2017	5.77%	0.00	19/10/2017
99HL20031	REPO RBC CAPITAL MARKETS LLC RBCVH731	5.66%	1.00	1/8/2017
99HK70224	REPO JPMORGAN CHASE BK (HSBCSI) HSBCVH26	5.60%	1.01	2/8/2017
912828TM2	UNITED STATES OF AMERICA 0.625% 2017-08-31	5.21%	0.62	31/8/2017
880590JX3	TENNESSEE VALLEY AUTHORITY NOTES ZERO CPN	4.74%	0.00	2/8/2017
313385JZ0	FEDERAL HOME LOAN BANKS DISCOUNT NOTES ZERO CPN	4.04%	0.00	4/8/2017
313397SN2	FEDERAL HOME LOAN MORTGAGE CORP DISCOUNT NOTES	4.02%	0.00	1/2/2018
3137EADL0	FEDERAL HOME LOAN MORTGAGE CORP 1% BDS 29/SEP/2017	3.70%	1.00	29/9/2017
3130ABAM8	FEDERAL HOME LOAN BANKS BOND VARIABLE 25/OCT/2017	3.70%	1.02	25/10/2017

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	0.09	0.22	0.42	0.60	0.37	0.29	0.79
S&P Govt Pools Net yield	0.07	0.18	0.35	0.47	0.22	0.15	0.61
Excess	0.02	0.04	0.07	0.13	0.15	0.15	0.18



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

### *Summary*

- Ending June market value for the LGIP was \$885.1mil representing a decrease relative to May's reported closing value of \$893.8mil.
- The LGIP maintains a AAAM rating by Standard & Poor's.
- At the end of June the STO participant balance was \$26.8mil or 3% of the Pool, the Judicial District Court participant balance was \$2.6mil or 0.3% of the Pool and the Educational Retirement Board participant balance was \$100.5mil or 11% of the Pool.

### *Portfolio Mix*

- At the end of June the portfolio was invested as follows: 13% in US Treasuries, 43% in US government agencies, 2% in collateralized demand deposit accounts with qualified banking institutions, 23% in floating rate securities, and 20% in overnight repurchase agreements.
- At month-end, the LGIP held positions in 71 securities.

### *Investment Earnings*

- During June the fund earned \$681,980.
- For FY2017, the fund has earned \$4,599,656.
- 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 0.8970% at the end of June.
- Net yield to participants was 0.8470%.

### *Investment Highlights*

- For the LGIP, the WAM(R) of 58 days, and WAM (F) of 106 days, were within their maximums of 60 and 120 days respectively.
- The LGIP purchased \$369.5mil in US agency securities during the month. Approximately, \$236mil of these transactions were in securities that mature within one month or less.
- The LGIP sold \$60mil in US agency securities during the month. All sales were executed at gains.
- The LGIP engaged in 27 repo trades during the month, consisting of 15 overnight and 12 term trades. Trade amounts varied in size from \$15mil to \$75mil at rates spanning 0.76% to 1.08%.

### *Investment Strategy*

- LGIP WAMs are currently 51 and 111 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 \$0.9998.

**STATE OF NEW MEXICO**  
**LGIP FUND (4101)**  
**Portfolio Classification Summary**  
**Positions Held as of 6/30/17 (TRADE Basis)**

AMTZ ADDED: NO

ASSET CLASSIFICATION	ITEMS	YIELD	AVG-TERM	PRINCIPAL	COST-BASIS	MARKET-VALUE	GAIN/LOSS	%MARKET
REPURCHASE AGREEMENTS (O/N)	1	1.0950	.00820	30,000,000	30,000,000	30,000,000		3.395
REPURCHASE AGREEMENTS (TERM)	3	1.0595	.01460	150,000,000	150,000,000	150,000,000		16.975
U.S. TREASURY BILLS	3	.6667	.08249	45,000,000	44,971,810	44,969,450	-2,360	5.089
US TREASURY NOTE ACT/ACT 2X	3	.8884	.16820	65,987,000	65,973,703	65,960,635	-13,068	7.465
AGENCY US FLOAT ACT/360 12X	7	1.0488	.38545	65,360,000	65,359,814	65,365,646	5,832	7.397
AGENCY US BOND 30/360 2X	15	.9383	.35343	104,989,000	105,767,762	105,681,059	-86,703	11.960
AGENCY US DISC ACT/360 360 DAY	10	.9817	.20920	161,450,000	161,095,328	161,088,046	-7,282	18.230
AGENCY US NOTES 30/360 2X	9	.8842	.23493	113,481,000	113,520,982	113,449,374	-71,608	12.839
AGENCY US VARIABLE ACT/360 4X	15	.9769	.81261	133,680,000	133,698,529	133,685,268	-13,261	15.129
CASH ACCOUNT	3			13,438,263	13,438,263	13,438,263		1.521
	<u>69</u>	<u>.9474</u>	<u>.28578</u>	<u>883,385,263</u>	<u>883,826,191</u>	<u>883,637,741</u>	<u>-188,450</u>	<u>100.000</u>

# STATE OF NEW MEXICO

## TREASURERS OFFICE

Position holdings as of 6/30/17 (Trade)

BOOK VALUES AMORTIZED THROUGH 6/30/17

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
30,000,000	OVERNIGHT REPO AGREEMENT	0703ONRP	1.080	7/03/17	1.080	100.00000	30,000,000.00	30,000,000.00	
25,000,000	REPURCHASE AGREEMENT TERM REPO	0705TMRP	1.010	7/05/17	1.010	100.00000	25,000,000.00	25,000,000.00	
75,000,000	REPURCHASE AGREEMENT TERM REPO	0705TMRP	1.080	7/05/17	1.080	100.00000	75,000,000.00	75,000,000.00	
50,000,000	REPURCHASE AGREEMENT TERM	0706TMRP	1.010	7/06/17	1.010	100.00000	50,000,000.00	50,000,000.00	
15,000,000	FEDERAL HOME LOAN BANKS	313385JA		7/12/17	.865	99.97360	14,996,040.00	14,996,250.00	210.00
25,000,000	UNITED STATES TREASURY BILLS	912796LK		7/13/17	.588	99.98045	24,995,112.50	24,994,750.00	- 362.50
10,000,000	FEDERAL HOME LOAN BANKS	313385JC		7/14/17	.612	99.97797	9,997,797.22	9,996,900.00	- 897.22
19,391,000	TENNESSEE VALLEY AUTH	880591EA	5.500	7/18/17	.812	100.22032	19,433,721.74	19,424,740.34	- 8,981.40
35,000,000	FEDERAL HOME LOAN BANKS	313385JH		7/19/17	1.001	99.95129	34,982,950.00	34,984,600.00	1,650.00
2,150,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0F8	.759	7/20/17	1.071	100.00849	2,150,182.49	2,150,215.00	32.51
10,000,000	UNITED STATES TREASURY BILLS	912796KB		7/20/17	.602	99.96833	9,996,833.33	9,996,300.00	- 533.33
10,000,000	FEDERAL HOME LOAN BANKS	313385JK		7/21/17	.847	99.95299	9,995,298.61	9,995,000.00	- 298.61
10,000,000	FEDERAL HOME LOAN BANKS	3130AAR5	.556	7/21/17	1.000	100.00000	10,000,000.00	9,999,700.00	- 300.00
14,350,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EADJ	1.000	7/28/17	.849	100.01106	14,351,587.53	14,349,569.50	- 2,018.03
25,000,000	FEDERAL HOME LOAN BANKS	313385JS		7/28/17	.966	99.92763	24,981,906.25	24,982,750.00	843.75
5,000,000	FEDERAL FARM CREDIT BANKS	313313JS		7/28/17	.981	99.92650	4,996,325.00	4,996,550.00	225.00
10,987,000	UNITED STATES TREASURY NOTES	912828NR	2.375	7/31/17	.896	100.12173	11,000,374.25	10,999,635.05	- 739.20
2,000,000	FEDERAL FARM CREDIT BANKS	3133ECP2	.700	8/09/17	.744	99.99518	1,999,903.69	1,999,060.00	- 843.69
21,720,000	FEDERAL HOME LOAN BANKS	3130A77C	.847	8/09/17	.728	100.03811	21,728,276.95	21,724,126.80	- 4,150.15
10,000,000	FEDERAL HOME LOAN BANK	3130A92E	.625	8/11/17	.678	99.99391	9,999,391.38	9,994,700.00	- 4,691.38
1,690,000	FEDERAL HOME LOAN BANKS	3130A7EC	.905	8/25/17	.766	100.05491	1,690,928.06	1,690,507.00	- 421.06
6,271,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0MZ	.875	8/28/17	1.030	99.97508	6,269,437.25	6,268,930.57	- 506.68
45,000,000	UNITED STATES TREASURY NOTES	912828TM	.625	8/31/17	.874	99.95855	44,981,345.84	44,972,100.00	- 9,245.84
8,560,000	FEDERAL HOME LOAN BANKS	313370SZ	2.250	9/08/17	.738	100.28014	8,583,979.67	8,577,376.80	- 6,602.87
12,915,000	FEDERAL HOME LOAN BANKS	313380EC	.750	9/08/17	.922	99.96771	12,910,829.25	12,907,380.15	- 3,449.10
4,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134G3G4	1.000	9/12/17	.710	100.05662	4,002,264.78	3,999,600.00	- 2,664.78
10,000,000	UNITED STATES TREASURY BILLS	912796LU		9/21/17	.888	99.79864	9,979,864.45	9,978,400.00	- 1,464.45
1,375,000	FEDERAL FARM CREDIT BANKS	3133EEQX	1.000	9/25/17	.950	100.01101	1,375,151.41	1,374,876.25	- 275.16
25,000,000	FEDERAL HOME LOAN BANKS	3130ABHL		9/26/17	1.038	99.99839	24,999,596.25	24,998,500.00	- 1,096.25
16,585,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0ZL	1.000	9/27/17	.755	100.05791	16,594,603.80	16,580,853.75	- 13,750.05
31,234,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EADL	1.000	9/29/17	.870	100.03127	31,243,765.33	31,226,816.18	- 16,949.15
10,000,000	FEDERAL HOME LOAN BANKS	3130A2XL	1.100	9/29/17	.938	100.03877	10,003,877.39	9,999,300.00	- 4,577.39
2,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3136FPMH	2.500	9/29/17	1.054	100.35102	2,007,020.32	2,006,800.00	- 220.32
10,000,000	UNITED STATES TREASURY NOTES	912828TS	.625	9/30/17	.947	99.91984	9,991,983.99	9,988,900.00	- 3,083.99
10,000,000	FEDERAL HOME LOAN BANKS	313385MQ		10/06/17	.949	99.74538	9,974,537.50	9,972,000.00	- 2,537.50
2,000,000	FEDERAL FARM CREDIT BANKS	3133EDD6	1.240	10/06/17	.978	100.06833	2,001,366.57	2,001,020.00	- 346.57
10,000,000	FEDERAL HOME LOAN BANKS	313385MV		10/11/17	.949	99.73225	9,973,225.00	9,970,600.00	- 2,625.00
5,000,000	FEDERAL FARM CREDIT BANKS	3133EGMC	.670	10/18/17	1.069	99.88130	4,994,064.95	4,993,600.00	- 464.95
6,450,000	FEDERAL HOME LOAN BANKS	313385NE		10/20/17	.995	99.69475	6,430,311.38	6,429,295.50	- 1,015.88
15,000,000	FEDERAL HOME LOAN BANKS	3130AAPL	.601	10/23/17	1.041	100.00000	15,000,000.00	14,999,100.00	- 900.00
1,670,000	FEDERAL HOME LOAN BANKS	3130A7VF	.968	10/25/17	.764	100.09862	1,671,647.03	1,670,768.20	- 878.83

# STATE OF NEW MEXICO

## TREASURERS OFFICE

Position holdings as of 6/30/17 (Trade)

BOOK VALUES AMORTIZED THROUGH 6/30/17

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
32,000,000	FEDERAL HOME LOAN BANKS	3130ABAM	.861	10/25/17	.867	99.99581	31,998,659.20	31,992,320.00	- 6,339.20
1,000,000	FEDERAL FARM CREDIT BANKS	31331KR4	1.500	11/08/17	1.022	100.16729	1,001,672.87	1,000,160.00	- 1,512.87
1,960,000	FEDERAL FARM CREDIT BANKS	3133EEQ9	.786	11/27/17	1.075	100.06287	1,961,232.31	1,961,430.80	198.49
2,000,000	FEDERAL FARM CREDIT BANKS	31331J4H	2.500	12/06/17	1.139	100.58214	2,011,642.82	2,011,160.00	- 482.82
7,000,000	FEDERAL HOME LOAN BANKS	313372C3	3.125	12/08/17	1.087	100.88384	7,061,869.13	7,058,100.00	- 3,769.13
28,339,000	TENNESSEE VALLEY AUTHORITY	880591CU	6.250	12/15/17	.863	102.44351	29,031,467.44	28,977,194.28	- 54,273.16
1,900,000	FEDERAL HOME LOAN BANKS	3130A6SW	1.000	12/19/17	1.000	100.00000	1,900,000.00	1,898,328.00	- 1,672.00
9,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0SW	.875	12/27/17	.875	100.00000	9,000,000.00	8,982,000.00	- 18,000.00
<b>723,547,000</b>							<b>724,252,044.93</b>	<b>724,072,264.17</b>	<b>- 179,780.76</b>

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

35,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	313397SN		2/01/18	1.123	99.33410	34,766,934.03	34,764,100.00	- 2,834.03
5,000,000	FEDERAL FARM CREDIT BANKS	3133EEMX	1.004	2/06/18	.786	100.21086	5,010,542.96	5,004,200.00	- 6,342.96
12,000,000	FEDERAL FARM CREDIT BANKS	3133EEQM	1.110	2/20/18	1.195	99.94584	11,993,501.18	11,990,280.00	- 3,221.18
6,800,000	FEDERAL HOME LOAN BANKS	3130A9A2	.930	3/06/18	.832	100.06149	6,804,181.18	6,801,632.00	- 2,549.18
4,800,000	FEDERAL FARM CREDIT BANKS	3133EEV8	.520	3/09/18	1.316	99.96078	4,798,117.21	4,803,264.00	5,146.79
10,000,000	FEDERAL FARM CREDIT BANK	3133EGH3	.510	3/14/18	1.266	99.98877	9,998,876.96	9,999,300.00	423.04
4,000,000	FEDERAL FARM CREDIT BANKS	3133EEZ5	.542	3/22/18	1.055	99.98927	3,999,570.71	4,003,800.00	4,229.29
10,650,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EAEA	.750	4/09/18	1.134	99.70497	10,618,579.07	10,610,062.50	- 8,516.57
900,000	FEDERAL HOME LOAN BANKS	3130ABE7	1.125	5/08/18	1.250	99.89370	899,043.31	898,524.00	- 519.31
5,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134GA4D	.759	8/10/18	.901	100.00000	5,000,000.00	4,997,700.00	- 2,300.00
7,250,000	FEDERAL FARM CREDIT BANKS	3133EG6H	.693	11/09/18	1.024	99.98940	7,249,231.80	7,252,900.00	3,668.20
10,000,000	FEDERAL FARM CREDIT BANKS	3133EHLT	1.012	12/05/18	1.054	99.99241	9,999,241.14	9,997,200.00	- 2,041.14
<b>111,400,000</b>							<b>111,137,819.55</b>	<b>111,122,962.50</b>	<b>- 14,857.05</b>

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

5,000,000	FEDERAL FARM CREDIT BANKS	3133EHME	1.170	3/12/19	1.146	100.03386	5,001,693.17	5,000,000.00	- 1,693.17
10,000,000	FEDERAL FARM CREDIT BANKS	3133EHKC	.987	3/25/19	.989	99.99105	9,999,104.73	9,995,700.00	- 3,404.73
10,000,000	FEDERAL FARM CREDIT BANKS	3133EHDN	.980	3/27/19	1.237	99.98185	9,998,185.49	10,012,200.00	14,014.51
5,000,000	FEDERAL FARM CREDIT BANKS	3133EHGU	.940	4/25/19	1.178	99.98152	4,999,075.86	4,999,100.00	24.14
5,000,000	FEDERAL FARM CREDIT BANKS	3133EHPR		6/27/19	1.042	100.00000	5,000,000.00	4,997,250.00	- 2,750.00
<b>35,000,000</b>							<b>34,998,059.25</b>	<b>35,004,250.00</b>	<b>6,190.75</b>

====> 0005 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2019 <====



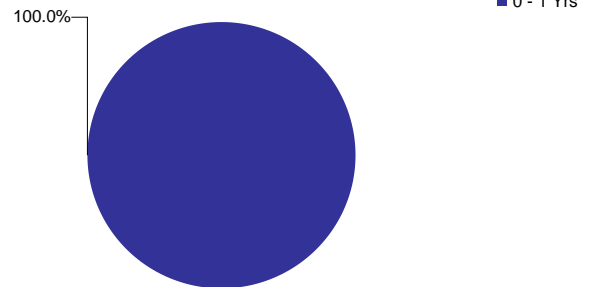
**STATE OF NEW MEXICO**  
**TREASURERS OFFICE**  
 Position holdings as of 6/30/17 (Trade)  
 BOOK VALUES AMORTIZED THROUGH 6/30/17

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
<u>869,947,000</u>							<u>870,387,923.73</u>	<u>870,199,476.67</u>	<u>- 188,447.06</u>

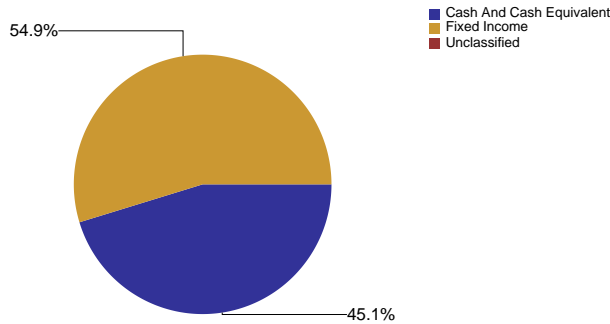
====> 0066 ITEMS IN SUBTOTAL FOR ====> FUND NAME..... ====> LGIP FUND <====

Portfolio Characteristics Duration Mix

**Total Net Assets (Millions)** 885.1  
**Weighted Average Life (Years)** 0.29  
**Weighted Avg. Effective Duration (Years)** 0.17  
**Weighted Average Coupon (%)** 1.06  
**Weighted Average Current Yield (%)** 0.95  
**Weighted Average Yield to Maturity (%)** 0.95  
**Weighted Average Rating** A-  
**Number of Holdings** 71

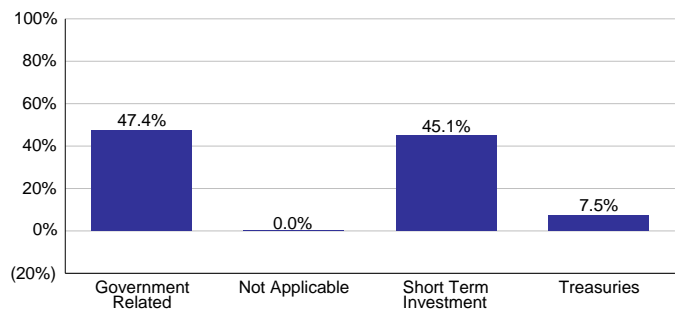
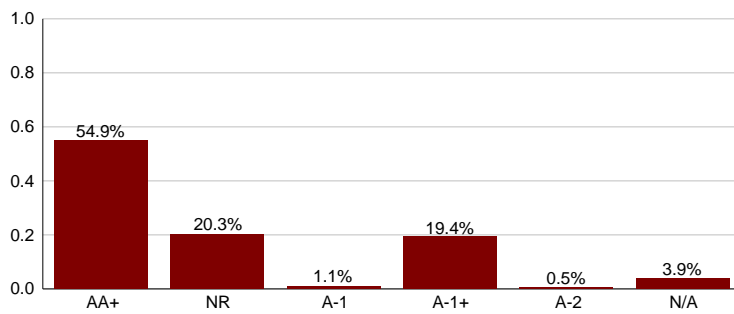


Asset Mix Top Ten Portfolio Holdings



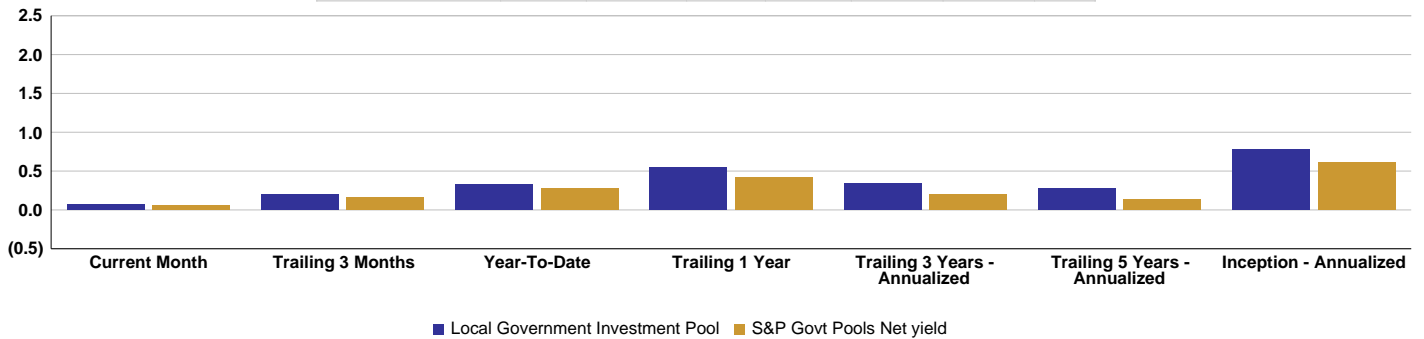
Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
99HH80039	REPO JPMORGAN CHASE BK (HSBCSI) LGIP062717_2	5.64%	1.08	5/7/2017
99HI00190	REPO RBC CAPITAL MARKETS LLC REPO062917_11	5.64%	1.01	6/7/2017
912828TM2	UNITED STATES OF AMERICA 0.625% 2017-08-31	5.09%	0.62	31/8/2017
313385JH0	FHLB DISC AMORT	3.95%	0.00	19/7/2017
313397SN2	FEDER HOME LOAN MTGE CORP	3.93%	0.00	2/1/2018
3130ABAM8	FEDERAL HOME LOAN BANKS BOND VARIABLE 25/OCT/2017	3.62%	0.86	25/10/2017
3137EADL0	FEDERAL HOME LOAN MORTGAGE CORP 1% BDS 29/SEP/2017	3.54%	1.00	29/9/2017
99HI10046	REPO JPMORGAN CHASE BK (HSBCSI) LGIPREPO063017	3.39%	1.08	3/7/2017
880591CU4	TENNESSEE VALLEY AUTHORITY 6.25% BDS 15/DEC/2017	3.28%	6.25	15/12/2017
99HH80038	REPO JPMORGAN CHASE BK (HSBCSI) LGIP062717_3	2.83%	1.08	5/7/2017

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	0.08	0.20	0.33	0.55	0.34	0.28	0.78
S&P Govt Pools Net yield	0.06	0.16	0.27	0.42	0.20	0.13	0.61
Excess	0.02	0.04	0.05	0.12	0.15	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 July at \$416.3mil vs. \$556mil at the end of June.
- The Pool received \$45.5mil in draw requests for capital spending during the month and paid out \$23.7mil for capital projects.

### *Portfolio Mix*

- 100% of the Tax-Exempt BPIP portfolio was invested in fixed income securities: 26% in US treasuries, 61% in US agency securities, 5% in corporate securities, 1% in NM municipal securities and the balance, approximately 7%, was held in cash equivalents and collateralized NM bank CDs.
- 58% of the portfolio was invested in securities that mature in one year, 19% in securities that mature from 1-2 years, 23% in securities that mature from 2-4 years and 0% in securities out to 5 years.
- The Tax-Exempt BPIP held positions in 71 securities.
- Weighted Average Life of the Tax Exempt BPIP was 1.16 years. The Weighted Average duration was 1.12 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 \$(1,092,880) on July 31<sup>st</sup>.
- Monthly net earnings on the portfolio for July were \$354,923.
- Net earnings for FY2018 were \$354,923.
- 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 July was 1.12 yrs. vs. the Benchmark at 1.44 yrs.
- During the month the Pool purchased \$10mil of a 3 year US Treasury and \$15mil of 2 year US agency securities.

### *Performance*

- The purchase yield was 1.02% at the end of July vs. 0.99% reported for the previous month.
- The Tax-Exempt BPIP returned 0.15% for the month of July and 0.27% for the three months ended July 31, 2017, vs. Index returns of 0.18% and 0.25% respectively. For the trailing 12 mos. the Pool returned 0.52% vs. 0.31% for the benchmark.

### *Investment Strategy*

- The option-adjusted duration of the Tax-Exempt BPIP portfolio is currently 1.32 yrs. vs. 1.38 yrs.
- Capital project withdrawal requests for August, have totaled \$3.2mil to date.
- 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 position.

**STATE OF NEW MEXICO**  
**BOND PROCEEDS INV POOL1 TAX EX (4000)**  
Portfolio Classification Summary  
Positions Held as of 7/31/17 (TRADE Basis)

AMTZ ADDED: NO

ASSET CLASSIFICATION	ITEMS	YIELD	AVG-TERM	PRINCIPAL	COST-BASIS	MARKET-VALUE	GAIN/LOSS	%MARKET
REPURCHASE AGREEMENTS (O/N)	1	.9936	.00270	13,754,625	13,754,625	13,754,625		3.290
CERTIFICATES OF DEPOSIT	1	.7800	.93150	1,500,000	1,500,000	1,500,000		.359
US TREASURY NOTE ACT/ACT 2X	9	.9337	.97547	110,000,000	110,071,339	109,832,150	-239,189	26.270
CORPORATE BONDS	1	1.9932	2.71510	2,500,000	2,498,928	2,509,775	10,847	.600
AGENCY US BOND 30/360 2X	19	.9793	.88846	113,090,000	113,734,080	113,413,740	-320,340	27.127
AGENCY 30/360 2X	4	1.2756	2.25081	27,500,000	27,475,768	27,361,525	-114,243	6.545
AGENCY US BOND 30/360 ZERO CPN	1	1.5892	2.19180	25,000,000	24,178,760	24,000,750	-178,010	5.741
AGENCY US NOTES 30/360 2X	16	1.0279	.86649	90,815,000	90,827,817	90,597,317	-230,500	21.670
CORP US NOTE 30/360 2X	4	1.2526	1.05416	17,000,000	17,140,959	17,130,785	-10,174	4.097
MUNI US 30/360 2X	11	.8912	.53585	4,565,000	4,582,458	4,572,526	-9,932	1.094
MUNICIPAL BOND REVENUE	3	1.1684	.86350	545,000	550,580	549,241	-1,339	.131
UNITS - INVESTMENT POOL 1	1			9,860,815	9,860,815	9,860,815		2.359
CASH ACCOUNT	1			2,999,397	2,999,397	2,999,397		.717
	<u>72</u>	<u>1.0187</u>	<u>1.06387</u>	<u>419,129,837</u>	<u>419,175,526</u>	<u>418,082,646</u>	<u>-1,092,880</u>	<u>100.000</u>

**STATE OF NEW MEXICO**  
**TREASURERS OFFICE**  
 Position holdings as of 7/31/17 (Trade)  
 BOOK VALUES AMORTIZED THROUGH 7/31/17

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
2,999,397	(TD)-CASH KEY	CASHCASH				1.00000	2,999,396.88	2,999,397.00	.12
9,860,815	UNITS - INVESTMENT POOL 1	UNITS001				1.00000	9,860,815.28	9,860,815.28	
<b>12,860,212</b>							<b>12,860,212.16</b>	<b>12,860,212.28</b>	<b>.12</b>

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

375,000	SANDOVAL CNTY N MEX	80004PEA	3.000	8/01/17	.820	100.00000	375,000.00	375,000.00	
300,000	ALBUQUERQUE N MEX MET ARROYO FLO	013572KE	2.000	8/01/17	.750	100.00000	300,000.00	300,000.00	
250,000	ROSWELL N MEX INDPT SCH DIST	778550JQ	2.000	8/01/17	.900	100.00000	250,000.00	250,000.00	
250,000	LAS CRUCES N MEX SCH DIST NO 002	517534TL	2.000	8/01/17	.700	100.00000	250,000.00	250,000.00	
13,754,625	OVERNIGHT REPO	0801RP	.980	8/01/17	.980	100.00000	13,754,625.25	13,754,625.25	
245,000	NEW MEXICO EDL ASSISTANCE FNDTN	647110DZ	4.000	9/01/17	.726	100.27169	245,665.65	245,570.85	- 94.80
835,000	JAL N MEX PUB SCH DIST NO 19	470143AR	2.000	10/01/17	.701	100.21552	836,799.63	836,277.55	- 522.08
2,000,000	FEDERAL HOME LOAN BANKS	3133792L	1.230	10/20/17	.786	100.09658	2,001,931.64	2,000,500.00	- 1,431.64
5,000,000	FEDERAL HOME LOAN BANKS	3130A6LZ	.625	10/26/17	.733	99.97436	4,998,718.08	4,994,250.00	- 4,468.08
1,000,000	FEDERAL HOME LOAN BANKS	3130A4B2	1.000	10/27/17	.787	100.05039	1,000,503.93	999,740.00	- 763.93
1,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3136FP7Q	2.200	10/27/17	.650	100.36874	1,003,687.37	1,002,910.00	- 777.37
15,000,000	UNITED STATES TREASURY NOTES	912828UA	.625	11/30/17	.814	99.93752	14,990,627.36	14,975,550.00	- 15,077.36
5,000,000	FEDERAL FARM CREDIT BANKS	3133EGDG	.850	12/06/17	.710	100.04807	5,002,403.34	4,997,600.00	- 4,803.34
7,000,000	GENERAL ELECTRIC COMPANY	369604BC	5.250	12/06/17	1.081	101.43913	7,100,739.11	7,092,610.00	- 8,129.11
14,505,000	TENNESSEE VALLEY AUTHORITY	880591CU	6.250	12/15/17	.965	101.95743	14,788,924.89	14,775,953.40	- 12,971.49
10,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EADX	1.000	12/15/17	.711	100.10689	10,010,689.32	9,994,800.00	- 15,889.32
<b>76,514,625</b>							<b>76,910,315.57</b>	<b>76,845,387.05</b>	<b>- 64,928.52</b>

====> 0016 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2017 <====

24,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EADN	.750	1/12/18	.904	99.93131	23,983,513.53	23,955,120.00	- 28,393.53
5,000,000	UNITED STATES TREASURY NOTES	912828P2	.750	1/31/18	.723	100.01355	5,000,677.55	4,989,600.00	- 11,077.55
20,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EADP	.875	3/07/18	.928	99.96826	19,993,652.54	19,962,400.00	- 31,252.54
13,585,000	FEDERAL HOME LOAN BANKS	313378A4	1.375	3/09/18	.966	100.24590	13,618,405.55	13,598,041.60	- 20,363.95
25,000,000	UNITED STATES TREASURY NOTES	912828J6	1.000	3/15/18	.899	100.06260	25,015,651.11	24,968,750.00	- 46,901.11
12,500,000	FEDERAL HOME LOAN BANKS	3130A7CX	.875	3/19/18	.822	100.03297	12,504,121.47	12,473,750.00	- 30,371.47
20,000,000	UNITED STATES TREASURY NOTES	912828Q4	.875	3/31/18	.746	100.08521	20,017,041.54	19,958,600.00	- 58,441.54
2,000,000	FEDERAL FARM CREDIT BANKS	3133EDHU	1.420	4/02/18	.820	100.39935	2,007,986.95	2,003,060.00	- 4,926.95
10,000,000	FEDERAL FARM CREDIT BANKS	3133EG3A	1.040	4/04/18	1.032	100.00510	10,000,510.34	9,994,300.00	- 6,210.34

**STATE OF NEW MEXICO**  
**TREASURERS OFFICE**  
Position holdings as of 7/31/17 (Trade)  
BOOK VALUES AMORTIZED THROUGH 7/31/17

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
1,000,000	FEDERAL HOME LOAN BANKS	3133807A	1.060	5/30/18	.850	100.17305	1,001,730.50	997,850.00	- 3,880.50
5,000,000	UNITED STATES TREASURY NOTES	912828VE	1.000	5/31/18	.719	100.23211	5,011,605.50	4,989,850.00	- 21,755.50
100,000	SANDOVAL CNTY N MEX INCENTIVE PA	800051AW	1.952	6/01/18	1.460	100.40500	100,405.00	99,764.00	- 641.00
155,000	RUIDOSO N MEX GROSS RCPTS TAX RE	781336BB	2.000	6/01/18	1.100	100.74387	156,153.00	156,274.10	121.10
260,000	ARTESIA N MEX GROSS RCPTS TAX RE	043053BV	2.000	6/01/18	1.000	100.26210	262,150.46	262,418.00	267.54
250,000	UNIVERSITY N MEX UNIV REVS	9146922G	1.220	6/01/18	1.220	100.00000	250,000.00	248,670.00	- 1,330.00
1,000,000	FEDERAL HOME LOAN BANKS	313379DT	1.250	6/08/18	.832	100.35417	1,003,541.67	999,940.00	- 3,601.67
5,000,000	FEDERAL HOME LOAN BANKS	313379DT	1.250	6/08/18	.840	100.34722	5,017,360.86	4,999,700.00	- 17,660.86
1,000,000	UNIVERSITY N MEX UNIV REVS	914692W6	1.438	6/20/18	1.060	100.33198	1,003,319.76	997,730.00	- 5,589.76
185,000	ABQ NM GROSS RCPT LODGERS TAX RE	01354MFV	3.000	7/01/18	1.200	101.63531	188,025.32	187,059.05	- 966.27
1,500,000	FARMERS AND STOCKMENS BANK	8521060	.780	7/06/18	.780	100.00000	1,500,000.00	1,500,000.00	
1,300,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3136G0QW	1.350	7/11/18	.865	100.45497	1,305,914.66	1,302,691.00	- 3,223.66
5,000,000	PRIVATE EXPORT FUNDING CORP.	742651DS	1.875	7/15/18	.962	100.86595	5,043,297.61	5,025,000.00	- 18,297.61
1,000,000	FEDERAL FARM CREDIT BANKS	3133EAZX	1.060	7/24/18	.875	100.18015	1,001,801.47	998,010.00	- 3,791.47
7,500,000	FEDERAL HOME LOAN BANKS	3130A8U5	.830	7/25/18	.864	99.96639	7,497,479.40	7,468,425.00	- 29,054.40
5,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134G9HJ	1.000	8/10/18	1.143	99.85435	4,992,717.50	4,983,550.00	- 9,167.50
120,000	HOBBS N MEX MUN SCH DIST NO 16	43385QUA	1.000	9/15/18	.950	100.05516	120,066.19	120,058.80	- 7.39
2,000,000	FEDERAL FARM CREDIT BANKS	3133ED2C	1.950	9/17/18	.905	101.16932	2,023,386.44	2,014,120.00	- 9,266.44
1,250,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134G3K7	1.200	9/24/18	.943	100.29278	1,253,659.70	1,248,387.50	- 5,272.20
10,000,000	UNITED STATES TREASURY NOTES	912828T4	.750	9/30/18	1.086	99.61183	9,961,183.17	9,939,100.00	- 22,083.17
785,000	JAL N MEX PUB SCH DIST NO 19	470143AS	2.000	10/01/18	.850	101.33171	795,453.89	792,944.20	- 2,509.69
5,000,000	FEDERAL HOME LOAN BANKS	3130A9AE	.875	10/01/18	.908	99.96179	4,998,089.68	4,972,400.00	- 25,689.68
2,500,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134G42X	1.050	10/30/18	.878	100.21247	2,505,311.73	2,487,600.00	- 17,711.73
15,000,000	UNITED STATES TREASURY NOTES	912828WD	1.250	10/31/18	.944	100.37782	15,056,673.09	14,993,550.00	- 63,123.09
5,000,000	FREDDIE MAC	3134G9WB	1.000	12/28/18	1.000	100.00000	5,000,000.00	4,967,950.00	- 32,050.00
<b>208,990,000</b>							<b>209,190,887.18</b>	<b>208,656,663.25</b>	<b>- 534,223.93</b>

====> 0034 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2018 <====

5,000,000	UNITED STATES TREASURY NOTES	912828B3	1.500	1/31/19	1.092	100.60435	5,030,217.43	5,014,050.00	- 16,167.43
10,000,000	FEDERAL HOME LOAN BANKS	3133782M	1.500	3/08/19	1.127	100.59082	10,059,082.27	10,028,100.00	- 30,982.27
2,500,000	PEPSICO INC	713448DR	1.550	5/02/19	1.588	99.93338	2,498,334.54	2,502,325.00	3,990.46
2,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134G3YF	1.500	7/18/19	1.249	100.48562	2,009,712.31	1,998,540.00	- 11,172.31
7,500,000	FEDERAL HOME LOAN BANK	3130A8Y7	.875	8/05/19	.940	99.87080	7,490,309.77	7,420,125.00	- 70,184.77
5,000,000	FHLMC	3137EAEH	1.375	8/15/19	1.447	99.85516	4,992,758.11	4,994,750.00	1,991.89
5,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134G3A9	1.400	8/22/19	1.587	99.62205	4,981,102.43	4,992,900.00	11,797.57
5,000,000	FEDERAL HOME LOAN BANK	3130A9EP	1.000	9/26/19	1.029	99.93799	4,996,899.39	4,954,750.00	- 42,149.39
25,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	313586RC		10/09/19	1.567	96.71504	24,178,760.24	24,000,750.00	- 178,010.24

**STATE OF NEW MEXICO**  
**TREASURERS OFFICE**  
 Position holdings as of 7/31/17 (Trade)  
 BOOK VALUES AMORTIZED THROUGH 7/31/17

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
5,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3136G4EL	1.125	10/11/19	1.257	99.97363	4,998,681.49	4,947,500.00	- 51,181.49
1,500,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3136G2YA	1.400	11/26/19	1.395	100.00000	1,500,000.00	1,490,700.00	- 9,300.00
<b>73,500,000</b>							<b>72,735,857.98</b>	<b>72,344,490.00</b>	<b>- 391,367.98</b>

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

5,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EAEE	1.500	1/17/20	1.502	99.99524	4,999,762.16	5,001,300.00	1,537.84
2,500,000	MICROSOFT CORP	594918BV	1.850	2/06/20	1.873	99.94350	2,498,587.52	2,510,850.00	12,262.48
10,000,000	FANNIE MAE	3135G0T2	1.500	2/28/20	1.517	99.95801	9,995,800.83	9,991,900.00	- 3,900.83
10,000,000	FEDERAL HOME LOAN BANKS	313378J7	1.875	3/13/20	1.066	102.08102	10,208,102.08	10,096,700.00	- 111,402.08
1,265,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3136G0E5	1.625	3/27/20	1.097	101.37663	1,282,414.42	1,267,808.30	- 14,606.12
2,500,000	TOYOTA MOTOR CREDIT CORP	89236TDU	1.950	4/17/20	1.966	99.95715	2,498,928.74	2,509,775.00	10,846.26
1,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3136G12H	1.400	6/05/20	1.149	100.69962	1,006,996.20	993,160.00	- 13,836.20
10,000,000	UNITED STATES TREASURY NOTES	912828XU	1.500	6/15/20	1.544	99.87663	9,987,663.21	10,003,100.00	15,436.79
5,000,000	FEDERAL HOME LOAN BANKS	3130AANA	1.750	7/30/20	1.750	100.00000	5,000,000.00	5,001,300.00	1,300.00
<b>47,265,000</b>							<b>47,478,255.16</b>	<b>47,375,893.30</b>	<b>- 102,361.86</b>

====> 0009 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2020 <====

	UNIVERSITY N MEX UNIV REVS	914692WL	.640	6/01/26					
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====> 0001 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2026 <====

	UNIVERSITY N MEX UNIV REVS	914692XL	.820	6/01/30					
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====> 0001 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2030 <====

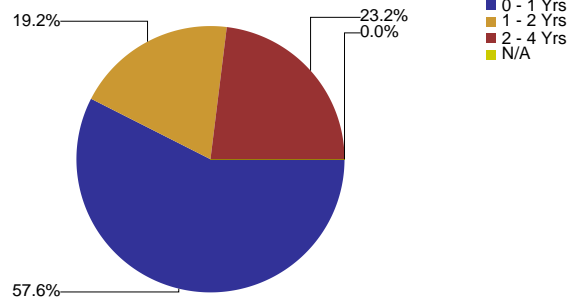
<b>419,129,837</b>							<b>419,175,528.05</b>	<b>418,082,645.88</b>	<b>- 1,092,882.17</b>
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Portfolio Characteristics

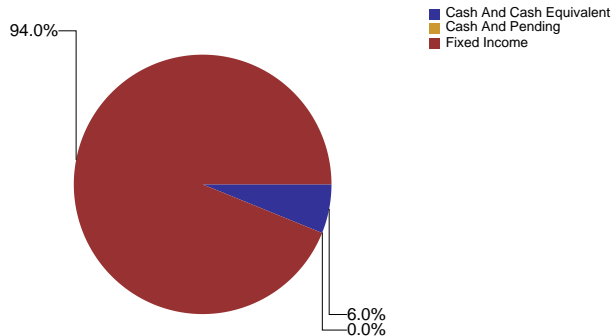
Duration Mix

Total Net Assets (Millions)	416.3
Weighted Average Life (Years)	1.16
Weighted Avg. Effective Duration (Years)	1.12
Weighted Average Coupon (%)	1.31
Weighted Average Current Yield (%)	1.29
Weighted Average Yield to Maturity (%)	1.29
Weighted Average Rating	AA
Number of Holdings	71



Asset Mix

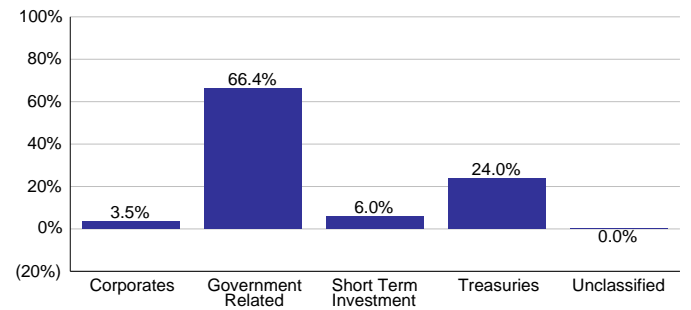
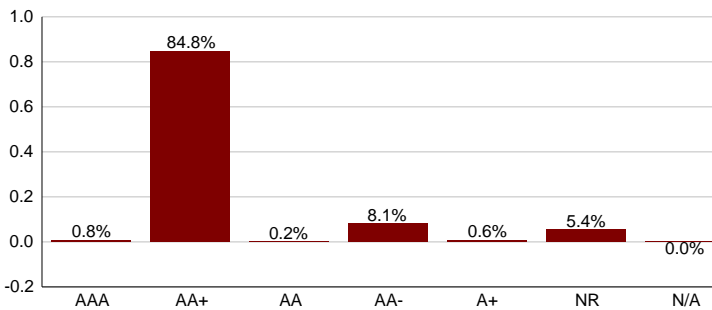
Top Ten Portfolio Holdings



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	6.02%	1.00	15/3/2018
313586RCS	FEDERAL NATIONAL MORTGAGE ASSOC 0% NTS 09/OCT/2019	5.77%	0.00	9/10/2019
3137EADN6	FEDERAL HOME LOAN MORTGAGE CORP 0.75% BDS	5.76%	0.75	12/1/2018
3137EADP1	FEDERAL HOME LOAN MORTGAGE CORP 0.875% BDS	4.81%	0.88	7/3/2018
912828Q45	UNITED STATES OF AMERICA TREAS NOTE 0.875% 2018-03-31	4.81%	0.88	31/3/2018
912828WD8	UNITED STATES OF AMERICA 1.250% 2018-10-31	3.61%	1.25	31/10/2018
912828UA6	UNITED STATES OF AMERICA 0.625% 2017-11-30	3.60%	0.62	30/11/2017
880591CU4	TENNESSEE VALLEY AUTHORITY 6.25% BDS 15/DEC/2017	3.58%	6.25	15/12/2017
99HL20055	REPO JPMORGAN CHASE BK (GREENWICH) 073117D	3.30%	0.98	1/8/2017
313378A43	FEDERAL HOME LOAN BANKS BD 1.375% 09/MAR/2018	3.28%	1.38	9/3/2018

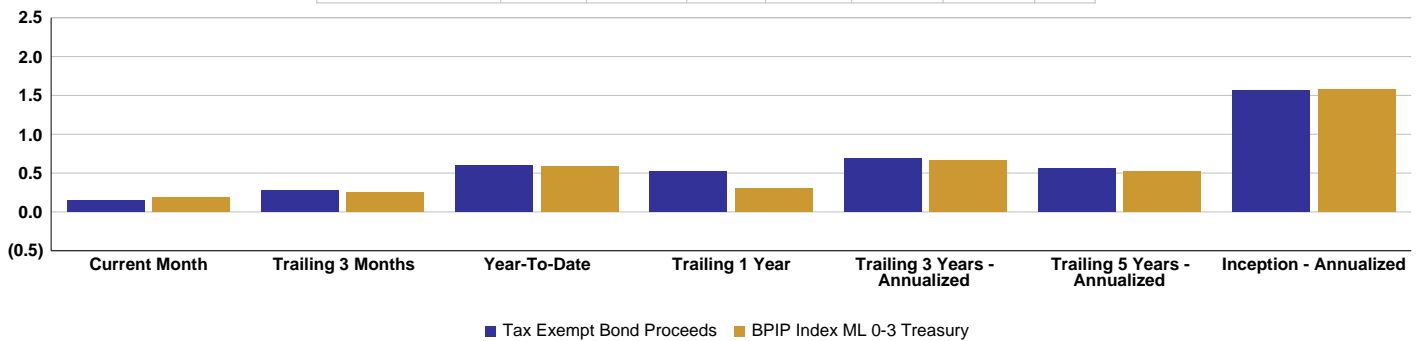
Quality/Rating Weightings

Sector Weightings (as % of Market Value)



Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
Tax Exempt Bond Proceeds	0.15	0.27	0.60	0.52	0.68	0.56	1.56
BPIP Index ML 0-3 Treasury	0.18	0.25	0.58	0.31	0.66	0.53	1.58
Excess	(0.03)	0.02	0.01	0.21	0.02	0.03	(0.02)



## Portfolio Summary – Tax Exempt Bond Proceeds Investment Pool

### *Summary*

- The Tax Exempt Bond Proceeds Investment Pool closed the month of June at \$556mil vs. \$433mil at the end of May.
- The Pool received \$19.2mil in draw requests for capital spending during the month and paid out \$18.31mil for capital projects.

### *Portfolio Mix*

- 100% of the Tax-Exempt BPIP portfolio was invested in fixed income securities: 18% in US treasuries, 48% in US agency securities, 4% in corporate securities, 2% in NM municipal securities and the balance, approximately 28%, was held in cash equivalents and collateralized NM bank CDs.
- 72% of the portfolio was invested in securities that mature in one year, 16% in securities that mature from 1-2 years, 13% in securities that mature from 2-4 years and 0% in securities out to 5 years.
- The Tax-Exempt BPIP held positions in 76 securities.
- Weighted Average Life of the Tax Exempt BPIP was 0.77 years. The Weighted Average duration was 0.75 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 \$(1,389,193) on June 30<sup>th</sup>.
- Monthly net earnings on the portfolio for June were \$343,075.
- Net earnings for FY2017 were \$5,071,908.
- Earnings on the Tax-Exempt BPIP are used to offset capital and debt service spending.

### *Investment Highlights*

- The duration of the Tax-Exempt BPIP at the end of June was 0.75 yrs. vs. the Benchmark at 1.37 yrs.
- The Pool sold \$7.2mil in municipal variable rate demand notes at par during the month.

### *Performance*

- The purchase yield was 0.99% at the end of June vs. 0.97% reported for the previous month.
- The Tax-Exempt BPIP returned 0.03% for the month of June and 0.21% for the three months ended June 30, 2017, vs. Index returns of (0.03)% and 0.18% respectively. For the trailing 12 mos. the Pool returned 0.37% vs. 0.10% for the benchmark.

### *Investment Strategy*

- The option-adjusted duration of the Tax-Exempt BPIP portfolio was 1.12 yrs. vs. 1.36 yrs. for the benchmark as of July 31<sup>st</sup>.
- Capital project withdrawal requests for July were \$45.4 million.
- 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 position.

**STATE OF NEW MEXICO**  
**BOND PROCEEDS INV POOL1 TAX EX (4000)**  
Portfolio Classification Summary  
Positions Held as of 6/30/17 (TRADE Basis)

AMTZ ADDED: NO

ASSET CLASSIFICATION	ITEMS	YIELD	AVG-TERM	PRINCIPAL	COST-BASIS	MARKET-VALUE	GAIN/LOSS	%MARKET
REPURCHASE AGREEMENTS (O/N)	1	1.0646	.00820	144,797,829	144,797,829	144,797,829		26.102
CERTIFICATES OF DEPOSIT	2	.8650	.51505	3,000,000	3,000,000	3,000,000		.541
US TREASURY NOTE ACT/ACT 2X	8	.8728	.87027	100,000,000	100,089,583	99,766,550	-323,033	17.984
CORPORATE BONDS	1	1.9932	2.80000	2,500,000	2,498,897	2,499,225	328	.451
AGENCY US BOND 30/360 2X	19	.9793	.97338	113,090,000	113,818,194	113,400,858	-417,336	20.442
AGENCY 30/360 2X	3	1.2330	2.38236	22,500,000	22,482,325	22,331,350	-150,975	4.025
AGENCY US BOND 30/360 ZERO CPN	1	1.3960	2.27670	15,000,000	14,550,926	14,389,200	-161,726	2.594
AGENCY US NOTES 30/360 2X	17	.9636	.76056	114,815,000	114,835,908	114,539,062	-296,846	20.647
CORP US NOTE 30/360 2X	4	1.2524	1.13909	17,000,000	17,168,790	17,143,365	-25,425	3.090
MUNI US 30/360 2X	14	.8680	.22905	12,465,000	12,486,685	12,473,886	-12,799	2.249
MUNICIPAL BOND REVENUE	3	1.1684	.94840	545,000	551,111	549,730	-1,381	.099
UNITS - INVESTMENT POOL 1	1			9,856,876	9,856,876	9,856,876		1.777
	74	.9930	.74151	555,569,705	556,137,124	554,747,931	-1,389,193	100.000

# STATE OF NEW MEXICO

## TREASURERS OFFICE

Position holdings as of 6/30/17 (Trade)

BOOK VALUES AMORTIZED THROUGH 6/30/17

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
9,856,876	UNITS - INVESTMENT POOL 1	UNITS001				1.00000	9,856,875.64	9,856,875.64	
<b>9,856,876</b>							<b>9,856,875.64</b>	<b>9,856,875.64</b>	

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

600,000	ALBUQUERQUE NM GROSS RECPTS TAX	01354PFR	1.050	7/01/17	1.050	100.00000	600,000.00	600,000.00	
4,800,000	NEW MEXICO ST SEVERANCE TAX	647310X7	2.000	7/01/17	.891	100.00000	4,800,000.00	4,800,000.00	
2,500,000	METROPOLITAN TRANSN AUTH N Y SPL	59261EAC	1.069	7/01/17	.701	100.00000	2,500,000.00	2,500,000.00	
144,797,829	OVERNIGHT REPO	0703RP	1.050	7/03/17	1.050	100.00000	144,797,829.37	144,797,829.37	
1,500,000	FARMERS & STOCKMENS BANK	8521621	.950	7/05/17	.950	100.00000	1,500,000.00	1,500,000.00	
24,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EADV	.750	7/14/17	.740	100.00026	24,000,061.82	23,997,600.00	- 2,461.82
375,000	SANDOVAL CNTY N MEX	80004PEA	3.000	8/01/17	.820	100.18066	375,677.47	375,558.75	- 118.72
300,000	ALBUQUERQUE N MEX MET ARROYO FLO	013572KE	2.000	8/01/17	.750	100.10356	300,310.67	300,243.00	- 67.67
250,000	ROSWELL N MEX INDPT SCH DIST	778550JQ	2.000	8/01/17	.900	100.09096	250,227.40	250,197.50	- 29.90
250,000	LAS CRUCES N MEX SCH DIST NO 002	517534TL	2.000	8/01/17	.700	100.10778	250,269.45	250,192.50	- 76.95
245,000	NEW MEXICO EDL ASSISTANCE FNDTN	647110DZ	4.000	9/01/17	.726	100.54347	246,331.49	246,100.05	- 231.44
835,000	JAL N MEX PUB SCH DIST NO 19	470143AR	2.000	10/01/17	.701	100.32339	837,700.31	836,761.85	- 938.46
2,000,000	FEDERAL HOME LOAN BANKS	3133792L	1.230	10/20/17	.786	100.13342	2,002,668.30	2,000,700.00	- 1,968.30
5,000,000	FEDERAL HOME LOAN BANKS	3130A6LZ	.625	10/26/17	.733	99.96546	4,998,272.77	4,992,450.00	- 5,822.77
1,000,000	FEDERAL HOME LOAN BANKS	3130A4B2	1.000	10/27/17	.787	100.06814	1,000,681.38	999,690.00	- 991.38
1,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3136FPTQ	2.200	10/27/17	.650	100.49748	1,004,974.81	1,003,480.00	- 1,494.81
15,000,000	UNITED STATES TREASURY NOTES	912828UA	.625	11/30/17	.814	99.92174	14,988,260.93	14,969,100.00	- 19,160.93
5,000,000	FEDERAL FARM CREDIT BANKS	3133EGDG	.850	12/06/17	.710	100.05978	5,002,989.18	4,996,450.00	- 6,539.18
7,000,000	GENERAL ELECTRIC COMPANY	369604BC	5.250	12/06/17	1.081	101.78495	7,124,946.37	7,114,940.00	- 10,006.37
14,505,000	TENNESSEE VALLEY AUTHORITY	880591CU	6.250	12/15/17	.965	102.39602	14,852,542.59	14,831,652.60	- 20,889.99
10,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EADX	1.000	12/15/17	.711	100.13102	10,013,101.64	9,992,400.00	- 20,701.64
<b>240,957,829</b>							<b>241,446,845.95</b>	<b>241,355,345.62</b>	<b>- 91,500.33</b>

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

24,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EADN	.750	1/12/18	.904	99.91870	23,980,487.19	23,944,320.00	- 36,167.19
5,000,000	UNITED STATES TREASURY NOTES	912828P2	.750	1/31/18	.723	100.01579	5,000,789.67	4,987,650.00	- 13,139.67
20,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EADP	.875	3/07/18	.928	99.96382	19,992,763.60	19,948,200.00	- 44,563.60
13,585,000	FEDERAL HOME LOAN BANKS	313378A4	1.375	3/09/18	.966	100.27955	13,622,977.13	13,598,585.00	- 24,392.13
25,000,000	UNITED STATES TREASURY NOTES	912828J6	1.000	3/15/18	.899	100.07102	25,017,753.95	24,958,000.00	- 59,753.95

# STATE OF NEW MEXICO

## TREASURERS OFFICE

Position holdings as of 6/30/17 (Trade)

BOOK VALUES AMORTIZED THROUGH 6/30/17

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
12,500,000	FEDERAL HOME LOAN BANKS	3130A7CX	.875	3/19/18	.822	100.03728	12,504,659.45	12,468,125.00	- 36,534.45
20,000,000	UNITED STATES TREASURY NOTES	912828Q4	.875	3/31/18	.746	100.09605	20,019,209.27	19,943,000.00	- 76,209.27
2,000,000	FEDERAL FARM CREDIT BANKS	3133EDHU	1.420	4/02/18	.820	100.44891	2,008,978.17	2,002,680.00	- 6,298.17
10,000,000	FEDERAL FARM CREDIT BANKS	3133EG3A	1.040	4/04/18	1.032	100.00574	10,000,573.88	9,990,000.00	- 10,573.88
1,000,000	FEDERAL HOME LOAN BANKS	3133807A	1.060	5/30/18	.850	100.19046	1,001,904.62	997,390.00	- 4,514.62
5,000,000	UNITED STATES TREASURY NOTES	912828VE	1.000	5/31/18	.719	100.25580	5,012,789.84	4,986,900.00	- 25,889.84
100,000	SANDOVAL CNTY N MEX INCENTIVE PA	800051AW	1.952	6/01/18	1.460	100.44560	100,445.60	99,987.00	- 458.60
155,000	RUIDOSO N MEX GROSS RCPTS TAX RE	781336BB	2.000	6/01/18	1.100	100.81817	156,268.17	156,333.00	64.83
260,000	ARTESIA N MEX GROSS RCPTS TAX RE	043053BV	2.000	6/01/18	1.000	100.90970	262,365.21	262,540.20	174.99
250,000	UNIVERSITY N MEX UNIV REVS	9146922G	1.220	6/01/18	1.220	100.00000	250,000.00	248,515.00	- 1,485.00
1,000,000	FEDERAL HOME LOAN BANKS	313379DT	1.250	6/08/18	.832	100.38879	1,003,887.93	999,630.00	- 4,257.93
5,000,000	FEDERAL HOME LOAN BANKS	313379DT	1.250	6/08/18	.840	100.38117	5,019,058.35	4,998,150.00	- 20,908.35
1,000,000	UNIVERSITY N MEX UNIV REVS	914692W6	1.438	6/20/18	1.060	100.36329	1,003,632.93	997,400.00	- 6,232.93
185,000	ABQ NM GROSS RCPT LODGERS TAX RE	01354MFV	3.000	7/01/18	1.200	101.78376	188,299.96	187,203.35	- 1,096.61
1,500,000	FARMERS AND STOCKMENS BANK	8521060	.780	7/06/18	.780	100.00000	1,500,000.00	1,500,000.00	
1,300,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3136G0QW	1.350	7/11/18	.865	100.49502	1,306,435.27	1,302,262.00	- 4,173.27
5,000,000	PRIVATE EXPORT FUNDING CORP.	742651DS	1.875	7/15/18	.962	100.94113	5,047,056.59	5,022,900.00	- 24,156.59
1,000,000	FEDERAL FARM CREDIT BANKS	3133EAZX	1.060	7/24/18	.875	100.19530	1,001,953.04	997,350.00	- 4,603.04
7,500,000	FEDERAL HOME LOAN BANKS	3130A8U5	.830	7/25/18	.864	99.96348	7,497,261.35	7,462,125.00	- 35,136.35
5,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134G9HJ	1.000	8/10/18	1.000	100.00000	5,000,000.00	4,982,250.00	- 17,750.00
120,000	HOBBS N MEX MUN SCH DIST NO 16	43385QAU	1.000	9/15/18	.950	100.05918	120,071.01	120,000.00	- 71.01
2,000,000	FEDERAL FARM CREDIT BANKS	3133ED2C	1.950	9/17/18	.905	101.25517	2,025,103.32	2,011,880.00	- 13,223.32
1,250,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134G3K7	1.200	9/24/18	.943	100.31388	1,253,923.55	1,247,625.00	- 6,298.55
10,000,000	UNITED STATES TREASURY NOTES	912828T4	.750	9/30/18	1.086	99.58376	9,958,376.15	9,929,300.00	- 29,076.15
785,000	JAL N MEX PUB SCH DIST NO 19	470143AS	2.000	10/01/18	.850	101.42630	796,196.45	792,583.10	- 3,613.35
5,000,000	FEDERAL HOME LOAN BANKS	3130A9AE	.875	10/01/18	.908	99.95907	4,997,953.41	4,969,800.00	- 28,153.41
2,500,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134G42X	1.050	10/30/18	.878	100.22663	2,505,665.79	2,485,450.00	- 20,215.79
15,000,000	UNITED STATES TREASURY NOTES	912828WD	1.250	10/31/18	.944	100.40324	15,060,486.31	14,982,450.00	- 78,036.31
5,000,000	FREDDIE MAC	3134G9WB	1.000	12/28/18	1.000	100.00000	5,000,000.00	4,963,050.00	- 36,950.00
<b>208,990,000</b>							<b>209,217,327.16</b>	<b>208,543,633.65</b>	<b>- 673,693.51</b>

====> 0034 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2018 <====

5,000,000	UNITED STATES TREASURY NOTES	912828B3	1.500	1/31/19	1.092	100.63833	5,031,916.38	5,010,150.00	- 21,766.38
10,000,000	FEDERAL HOME LOAN BANKS	3133782M	1.500	3/08/19	1.127	100.62112	10,062,112.09	10,012,300.00	- 49,812.09
2,500,000	PEPSICO INC	713448DR	1.550	5/02/19	1.588	99.93039	2,498,259.68	2,499,150.00	890.32
2,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134G3YF	1.500	7/18/19	1.249	100.50592	2,010,118.46	1,998,740.00	- 11,378.46
7,500,000	FEDERAL HOME LOAN BANK	3130A8Y7	.875	8/05/19	.940	99.86536	7,489,902.12	7,408,350.00	- 81,552.12

**STATE OF NEW MEXICO**  
**TREASURERS OFFICE**  
**Position holdings as of 6/30/17 (Trade)**  
**BOOK VALUES AMORTIZED THROUGH 6/30/17**

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
5,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134G3A9	1.400	8/22/19	1.587	99.60674	4,980,336.96	4,990,700.00	10,363.04
5,000,000	FEDERAL HOME LOAN BANK	3130A9EP	1.000	9/26/19	1.029	99.93558	4,996,778.89	4,949,200.00	- 47,578.89
15,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	313586RC		10/09/19	1.377	97.00617	14,550,925.53	14,389,200.00	- 161,725.53
5,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3136G4EL	1.125	10/11/19	1.257	99.96269	4,998,134.69	4,941,150.00	- 56,984.69
1,500,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3136G2YA	1.400	11/26/19	1.395	100.00000	1,500,000.00	1,488,885.00	- 11,115.00
<b>58,500,000</b>							<b>58,118,484.80</b>	<b>57,687,825.00</b>	<b>- 430,659.80</b>

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

5,000,000	FEDERAL HOME LOAN MORTGAGE CORPO	3137EAEE	1.500	1/17/20	1.502	99.99507	4,999,753.27	4,995,800.00	- 3,953.27
2,500,000	MICROSOFT CORP	594918BV	1.850	2/06/20	1.873	99.94112	2,498,527.94	2,506,375.00	7,847.06
10,000,000	FANNIE MAE	3135G0T2	1.500	2/28/20	1.517	99.95644	9,995,643.62	9,973,800.00	- 21,843.62
10,000,000	FEDERAL HOME LOAN BANKS	313378J7	1.875	3/13/20	1.066	102.14621	10,214,621.04	10,074,500.00	- 140,121.04
1,265,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3136G0E5	1.625	3/27/20	1.097	101.41913	1,282,951.95	1,265,860.20	- 17,091.75
2,500,000	TOYOTA MOTOR CREDIT CORP	89236TDU	1.950	4/17/20	1.966	99.95591	2,498,897.81	2,499,225.00	327.19
1,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3136G12H	1.400	6/05/20	1.149	100.71997	1,007,199.69	991,290.00	- 15,909.69
5,000,000	FEDERAL HOME LOAN BANKS	3130AANA	1.750	7/30/20	1.750	100.00000	5,000,000.00	4,997,400.00	- 2,600.00
<b>37,265,000</b>							<b>37,497,595.32</b>	<b>37,304,250.20</b>	<b>- 193,345.12</b>

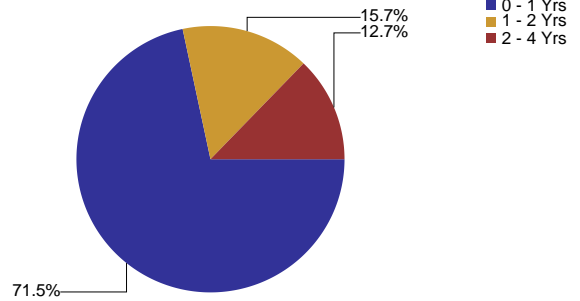
====> 0008 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2020 <====

<b>555,569,705</b>							<b>556,137,128.87</b>	<b>554,747,930.11</b>	<b>- 1,389,198.76</b>
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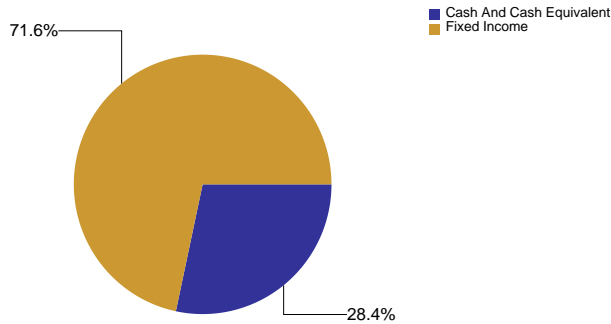
====> 0074 ITEMS IN SUBTOTAL FOR ====> FUND NAME..... ====> BOND PROCEEDS INV POOL1 TAX EX <

Portfolio Characteristics Duration Mix

**Total Net Assets (Millions)** 556.0  
**Weighted Average Life (Years)** 0.77  
**Weighted Avg. Effective Duration (Years)** 0.75  
**Weighted Average Coupon (%)** 1.25  
**Weighted Average Current Yield (%)** 1.05  
**Weighted Average Yield to Maturity (%)** 1.05  
**Weighted Average Rating** BBB+  
**Number of Holdings** 76

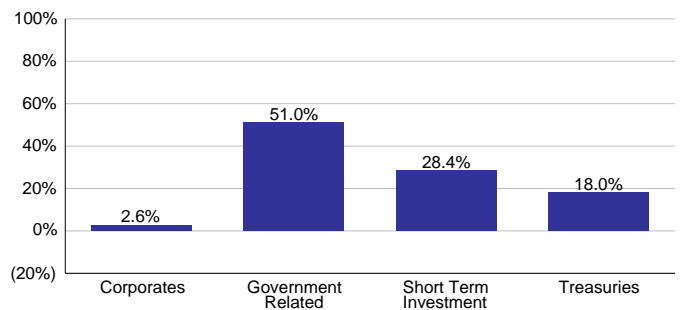
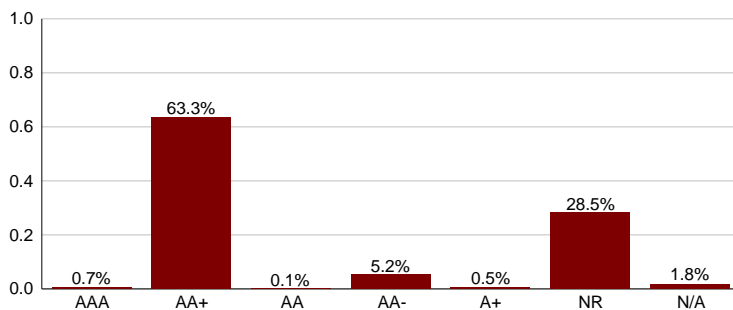


Asset Mix Top Ten Portfolio Holdings



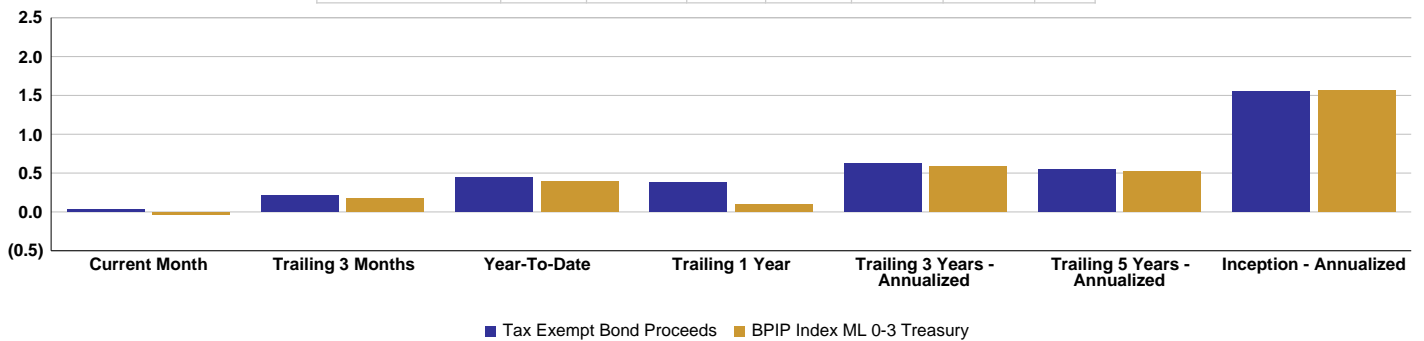
Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
99H10040	REPO JPMORGAN CHASE BK (GREENWICH) 063017E	8.86%	1.05	3/7/2017
99H10041	REPO JPMORGAN CHASE BK (GREENWICH) 063017D	8.86%	1.05	3/7/2017
99H10039	REPO JPMORGAN CHASE BK (GREENWICH) 063017F	7.85%	1.05	3/7/2017
912828J68	TWEB RR UNITED STATES 2X OLD 3 YEAR POINT 1.000% 2018-03-15	4.50%	1.00	15/3/2018
3137EADV8	FEDERAL HOME LOAN MORTGAGE CORP NOTES FIXED .75%	4.33%	0.75	14/7/2017
3137EADN6	FEDERAL HOME LOAN MORTGAGE CORP 0.75% BDS	4.32%	0.75	12/1/2018
3137EADP1	FEDERAL HOME LOAN MORTGAGE CORP 0.875% BDS	3.60%	0.88	7/3/2018
912828Q45	UNITED STATES OF AMERICA TRES NOTE 0.875% 2018-03-31	3.59%	0.88	31/3/2018
912828WDB	UNITED STATES OF AMERICA 1.250% 2018-10-31	2.70%	1.25	31/10/2018
912828UA6	UNITED STATES OF AMERICA 0.625% 2017-11-30	2.69%	0.62	30/11/2017

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	0.03	0.21	0.44	0.37	0.62	0.54	1.56
BPIP Index ML 0-3 Treasury	(0.03)	0.18	0.40	0.10	0.58	0.52	1.57
Excess	0.06	0.03	0.04	0.28	0.04	0.02	(0.01)





### 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 July at \$403.3mil vs. \$570.5mil at the end of June.
- The Pool received \$44mil in draw requests for capital spending during the month and paid out \$25.9mil for capital projects.

### *Portfolio Mix*

- 100% of the Taxable BPIP portfolio was invested in fixed income securities: 13% in US treasuries, 66% in US agency securities, 5% in commercial paper and corporate securities, 2% in NM municipal securities and the balance, approximately 14%, was held in cash equivalents and collateralized NM bank CDs.
- 49% of the portfolio was invested in securities that mature in one year, 25% in securities that mature from 1-2 years, 26% in securities that mature from 2-4 years and 0% in securities out to 5 years.
- The Taxable BPIP held positions in 65 securities.
- Weighted Average Life of the Taxable BPIP was 1.30 years. The Weighted Average duration was 1.19 years.
- The maximum security term for the Taxable BPIP portfolio is 5 years.

### *Investment Earnings*

- The unrealized gains in the Taxable BPIP were \$(686,496) as of July 31<sup>st</sup>.
- Monthly net earnings on the portfolio for July were \$415,481.
- FY2018 net earnings were roughly \$415,481.
- 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 July was 1.19 years vs. the Benchmark at 1.44 years.
- The Pool purchased \$4mil in 1 and 2 year local CDs. During the month, the Pool also sold \$30mil in short US treasury securities. All sales were executed at gains.

### *Performance*

- Purchase Yield at the end of July was 1.11% relative to 1.12% at the end of the prior month.
- The Taxable BPIP returned 0.16% for the month of July and 0.28% for the three months ended July 31, 2017, vs. Index returns of 0.18% and 0.25% respectively. For the trailing 12 mos. the Pool returned 0.50% vs. 0.31% for the benchmark.

### *Investment Strategy*

- The option-adjusted duration of the Taxable BPIP portfolio is currently 1.12 yrs. vs. 1.38 yrs.
- Month to date, Capital project withdrawal requests have totaled \$5.3MM.
- The Taxable BPIP has maintained duration shorter than that of the benchmark in order to provide adequate liquidity for project withdrawals while minimizing overnight cash position.

**STATE OF NEW MEXICO**  
**BOND PROCEEDS INV POOL2 TAXABLE (4002)**  
Portfolio Classification Summary  
Positions Held as of 7/31/17 (TRADE Basis)

AMTZ ADDED: NO

ASSET CLASSIFICATION	ITEMS	YIELD	AVG-TERM	PRINCIPAL	COST-BASIS	MARKET-VALUE	GAIN/LOSS	%MARKET
REPURCHASE AGREEMENTS (O/N)	1	.9936	.00270	27,272,212	27,272,212	27,272,212		6.756
CERTIFICATES OF DEPOSIT	4	1.1657	1.14505	7,700,000	7,700,000	7,700,000		1.907
LINKED-CERTIFICATE OF DEPOSIT	2	.9500	.45210	4,000,000	4,000,000	4,000,000		.991
US TREASURY NOTE ACT/ACT 2X	6	.9851	.72097	53,500,000	53,612,155	53,506,595	-105,560	13.255
CORPORATE BONDS	1	1.9932	2.71510	2,500,000	2,498,928	2,509,775	10,847	.622
AGENCY US BOND 30/360 2X	16	.9517	.98562	97,000,000	97,398,239	97,083,970	-314,269	24.050
AGENCY 30/360 2X	3	1.4250	2.11148	32,500,000	32,518,307	32,502,575	-15,732	8.052
AGENCY US BOND 30/360 ZERO CPN	1	1.3811	2.19180	15,000,000	14,572,107	14,400,450	-171,657	3.567
AGENCY US NOTES 30/360 2X	12	1.2532	1.28688	92,290,000	92,416,334	92,303,879	-112,455	22.866
FED NATL MORTGAGE ASSN DEBS	1	.7590	.16710	3,665,000	3,665,000	3,632,198	-32,802	.900
AGENCY US VARIABLE ACT/360 4X	1	1.2724	.44110	25,000,000	25,000,000	25,019,500	19,500	6.198
CORP US NOTE 30/360 2X	3	1.8236	2.85897	14,273,000	14,312,855	14,349,186	36,331	3.555
CORP US FLOAT ACT/360 4X	1	1.5163	.41370	3,000,000	3,004,567	3,006,480	1,913	.745
MUNI US 30/360 2X	10	1.1671	.92136	7,810,000	7,934,686	7,932,074	-2,612	1.965
UNITS - INVESTMENT POOL 1	1			16,918,477	16,918,477	16,918,477		4.191
CASH ACCOUNT	1			1,533,620	1,533,620	1,533,620		.380
	<u>64</u>	<u>1.1058</u>	<u>1.12270</u>	<u>403,962,309</u>	<u>404,357,487</u>	<u>403,670,991</u>	<u>-686,496</u>	<u>100.000</u>

**STATE OF NEW MEXICO**  
**TREASURERS OFFICE**  
**Position holdings as of 7/31/17 (Trade)**  
**BOOK VALUES AMORTIZED THROUGH 7/31/17**

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
1,533,620	(TD)-CASH KEY	CASHCASH				1.00000	1,533,619.87	1,533,620.00	.13
16,918,477	UNITS - INVESTMENT POOL 1	UNITS001				1.00000	16,918,476.76	16,918,476.76	
<b>18,452,097</b>							<b>18,452,096.63</b>	<b>18,452,096.76</b>	<b>.13</b>

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

270,000	JEMEZ VY N MEX PUB SCH DIST N003	475868EL	2.000	8/01/17	.750	100.00000	270,000.00	270,000.00	
275,000	CITY OF BELEN N MEX GO BDS	077563DS	2.000	8/01/17	.820	100.00000	275,000.00	275,000.00	
160,000	Belen Consolidated Schools	077581QC	2.000	8/01/17	.801	100.00000	160,000.00	160,000.00	
27,272,212	OVERNIGHT REPO	0801RP	.980	8/01/17	.980	100.00000	27,272,212.17	27,272,212.17	
11,000,000	UNITED STATES TREASURY NOTES	912828TM	.625	8/31/17	.975	99.97129	10,996,841.68	10,996,920.00	78.32
500,000	FEDERAL HOME LOAN BANKS	313380EC	.750	9/08/17	.760	99.99877	499,993.85	499,790.00	- 203.85
5,000,000	FEDERAL HOME LOAN BANKS	313381B2	.750	12/08/17	.790	99.98557	4,999,278.42	4,991,550.00	- 7,728.42
2,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3136G1FU	1.000	12/19/17	.905	100.03582	2,000,716.49	1,999,000.00	- 1,716.49
10,000,000	UNITED STATES TREASURY NOTES	912828PN	2.750	12/31/17	1.124	100.66737	10,066,736.54	10,066,100.00	- 636.54
<b>56,477,212</b>							<b>56,540,779.15</b>	<b>56,530,572.17</b>	<b>- 10,206.98</b>

====> 0009 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2017 <====

25,000,000	FEDERAL HOME LOAN BANK	3130A8Q6	.626	1/08/18	1.255	100.00000	25,000,000.00	25,019,500.00	19,500.00
2,000,000	WESTERN COMMERCE BANK	2013171	.950	1/12/18	.950	100.00000	2,000,000.00	2,000,000.00	
2,000,000	WESTERN COMMERCE BANK	2013172	.950	1/12/18	.950	100.00000	2,000,000.00	2,000,000.00	
5,000,000	FEDERAL HOME LOAN BANKS	3130A8RY	.750	1/19/18	.812	99.97092	4,998,545.75	4,990,200.00	- 8,345.75
3,000,000	U.S. BANK NATIONAL ASSOCIATION	90331HMV	1.467	1/29/18	1.495	100.15222	3,004,566.70	3,006,480.00	1,913.30
1,000,000	FINANCING CORPORATION	317705AD	9.400	2/08/18	1.052	104.31293	1,043,129.33	1,041,940.00	- 1,189.33
7,500,000	UNITED STATES TREASURY NOTES	912828J6	1.000	3/15/18	1.006	99.99609	7,499,706.83	7,490,625.00	- 9,081.83
12,500,000	FEDERAL HOME LOAN BANKS	3130A7CX	.875	3/19/18	.822	100.03297	12,504,121.47	12,473,750.00	- 30,371.47
10,000,000	FNMA	3135G0J6	.875	3/28/18	.973	99.93563	9,993,562.66	9,978,100.00	- 15,462.66
5,000,000	UNITED STATES TREASURY NOTES	912828VE	1.000	5/31/18	.719	100.23211	5,011,605.50	4,989,850.00	- 21,755.50
3,455,000	NEW MEXICO FIN AUTH REV	64711NM2	4.000	6/01/18	1.270	102.25410	3,532,879.17	3,544,242.65	11,363.48
5,000,000	FEDERAL HOME LOAN BANKS	313379DT	1.250	6/08/18	.840	100.34722	5,017,360.86	4,999,700.00	- 17,660.86
500,000	FEDERAL FARM CREDIT BANKS	3133EEZ2	1.160	6/18/18	.912	100.21641	501,082.03	500,025.00	- 1,057.03
7,750,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134G3ZU	.875	6/26/18	.874	100.00083	7,750,064.15	7,724,192.50	- 25,871.65
1,100,000	WESTERN BANK ALAMOGORDO	81186499	1.260	6/30/18	1.260	100.00000	1,100,000.00	1,100,000.00	
1,950,000	NEW MEXICO ST SEVERANCE TAX	647310X8	2.000	7/01/18	1.100	100.81782	1,965,947.52	1,958,736.00	- 7,211.52

# STATE OF NEW MEXICO

## TREASURERS OFFICE

Position holdings as of 7/31/17 (Trade)

BOOK VALUES AMORTIZED THROUGH 7/31/17

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
290,000	ALBUQUERQUE N MEX ARPT REV	013538HB	5.110	7/01/18	1.535	103.24031	299,396.89	296,841.10	- 2,555.79
5,000,000	FEDERAL HOME LOAN BANKS	3130A8KR	.820	7/06/18	.884	99.94057	4,997,028.46	4,981,600.00	- 15,428.46
2,600,000	WESTERN BANK CLOVIS	159850	.900	7/13/18	.900	100.00000	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	100.92900	277,554.76	277,593.25	38.49
15,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0E3	1.125	7/20/18	1.205	99.92308	14,988,461.73	14,975,700.00	- 12,761.73
2,500,000	WESTERN BANK ALAMOGORDO	81187124	1.260	7/23/18	1.260	100.00000	2,500,000.00	2,500,000.00	
7,500,000	FEDERAL HOME LOAN BANKS	3130A8U5	.830	7/25/18	.864	99.96639	7,497,479.40	7,468,425.00	- 29,054.40
3,800,000	FNMA	3136G3YU	.850	7/26/18	.850	100.00000	3,800,000.00	3,780,392.00	- 19,608.00
285,000	CITY OF BELEN N MEX GO BDS	077563DT	2.000	8/01/18	.950	101.04229	287,970.52	288,152.10	181.58
25,000,000	FEDERAL HOME LOAN BANKS	313375K4	2.000	9/14/18	.989	101.12204	25,280,509.01	25,189,750.00	- 90,759.01
5,000,000	FEDERAL FARM CREDIT BANKS	3133EGUY	.875	9/20/18	.931	99.93632	4,996,816.17	4,975,300.00	- 21,516.17
5,000,000	UNITED STATES TREASURY NOTES	912828T4	.750	9/30/18	1.086	99.61183	4,980,591.59	4,969,550.00	- 11,041.59
5,000,000	FEDERAL HOME LOAN BANKS	3130A9AE	.875	10/01/18	.908	99.96179	4,998,089.68	4,972,400.00	- 25,689.68
10,000,000	FEDERAL FARM CREDIT BANKS	3133EFX6	.960	10/05/18	.846	100.13295	10,013,295.12	9,957,900.00	- 55,395.12
5,000,000	FREDDIE MAC	3137EAED	.875	10/12/18	.896	99.97483	4,998,741.34	4,973,800.00	- 24,941.34
3,000,000	TENNESSEE VALLEY AUTHORITY	880591EQ	1.750	10/15/18	1.334	100.49484	3,014,845.12	3,016,260.00	1,414.88
15,000,000	UNITED STATES TREASURY NOTES	912828WD	1.250	10/31/18	.944	100.37782	15,056,673.09	14,993,550.00	- 63,123.09
5,000,000	FEDERAL HOME LOAN BANKS	313376BR	1.750	12/14/18	1.208	100.73329	5,036,664.57	5,026,800.00	- 9,864.57
<b>208,005,000</b>							<b>208,546,689.42</b>	<b>208,061,354.60</b>	<b>- 485,334.82</b>

====> 0034 ITEMS IN SUBTOTAL FOR ==> FINAL-MATURITY.. ==> 2018 <====

2,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3136G2EH	1.375	2/27/19	1.375	100.00000	2,000,000.00	2,001,400.00	1,400.00
2,500,000	PEPSICO INC	713448DR	1.550	5/02/19	1.588	99.93338	2,498,334.54	2,502,325.00	3,990.46
1,500,000	FARMERS & STOCKMENS BANK	07052017	1.400	7/05/19	1.400	100.00000	1,500,000.00	1,500,000.00	
315,000	BELEN N MEX CONS SCH DIST NO 2	077581QE	2.000	8/01/19	1.050	101.87484	320,905.74	319,265.10	- 1,640.64
535,000	BELEN N MEX CONS SCH DIST NO 2	077581QT	2.000	8/01/19	1.050	101.87484	545,030.38	542,243.90	- 2,786.48
7,500,000	FEDERAL HOME LOAN BANK	3130A8Y7	.875	8/05/19	.940	99.87080	7,490,309.77	7,420,125.00	- 70,184.77
11,460,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134GA3N	1.875	8/16/19	1.154	100.02963	11,463,395.74	11,463,438.00	42.26
20,000,000	FANNIE MAE	3135G0ZG	1.750	9/12/19	1.658	100.19014	20,038,027.03	20,131,800.00	93,772.97
2,000,000	FEDERAL HOME LOAN BANKS	3130A4G8	1.650	9/24/19	1.650	100.00000	2,000,000.00	1,998,580.00	- 1,420.00
15,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	313586RC		10/09/19	1.362	97.14738	14,572,106.61	14,400,450.00	- 171,656.61
5,000,000	FANNIE MAE	3135G0R3	1.000	10/24/19	1.091	99.79940	4,989,970.08	4,950,650.00	- 39,320.08
20,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0ZY	1.750	11/26/19	1.727	100.05213	20,010,426.42	20,136,000.00	125,573.58
5,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3136G3TF	1.200	12/30/19	1.200	100.00000	5,000,000.00	4,936,850.00	- 63,150.00
<b>92,810,000</b>							<b>92,428,506.31</b>	<b>92,303,127.00</b>	<b>- 125,379.31</b>

====> 0013 ITEMS IN SUBTOTAL FOR ==> FINAL-MATURITY.. ==> 2019 <====

**STATE OF NEW MEXICO**  
**TREASURERS OFFICE**  
**Position holdings as of 7/31/17 (Trade)**  
**BOOK VALUES AMORTIZED THROUGH 7/31/17**

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
5,200,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3136FTB7	2.000	2/07/20	.984	102.51857	5,330,965.62	5,256,784.00	- 74,181.62
2,500,000	TOYOTA MOTOR CREDIT CORP	89236TDU	1.950	4/17/20	1.966	99.95715	2,498,928.74	2,509,775.00	10,846.26
2,500,000	APPLE INC.	037833CS	1.800	5/11/20	1.835	99.90437	2,497,609.33	2,506,075.00	8,465.67
5,080,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134GBVN	1.650	7/10/20	1.650	100.00000	5,080,000.00	5,078,222.00	- 1,778.00
9,273,000	MICROSOFT CORPORATION	594918BG	2.000	11/03/20	1.845	100.47353	9,316,910.81	9,340,785.63	23,874.82
<b>24,553,000</b>							<b>24,724,414.50</b>	<b>24,691,641.63</b>	<b>- 32,772.87</b>

====> 0005 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	3,632,198.25	- 32,801.75
<b>3,665,000</b>							<b>3,665,000.00</b>	<b>3,632,198.25</b>	<b>- 32,801.75</b>

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

	UNIVERSITY N MEX UNIV REVS	914692XL	.820	6/01/30					

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

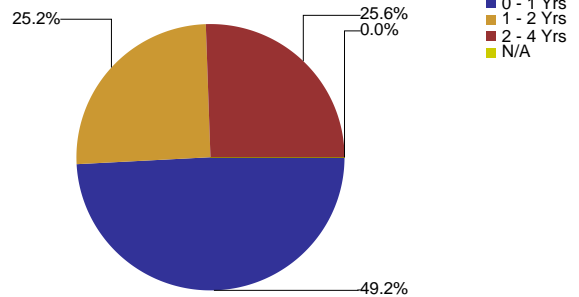
<b>403,962,309</b>							<b>404,357,486.01</b>	<b>403,670,990.41</b>	<b>- 686,495.60</b>
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====> 0065 ITEMS IN SUBTOTAL FOR ====> FUND NAME..... ====> BOND PROCEEDS INV POOL2 TAXABLE<

Portfolio Characteristics

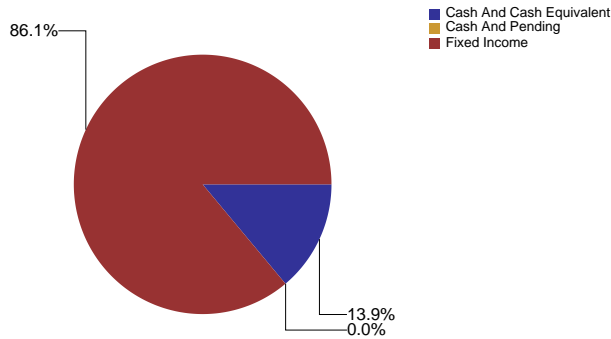
Duration Mix

Total Net Assets (Millions) **403.3**  
 Weighted Average Life (Years) **1.30**  
 Weighted Avg. Effective Duration (Years) **1.19**  
 Weighted Average Coupon (%) **1.30**  
 Weighted Average Current Yield (%) **1.27**  
 Weighted Average Yield to Maturity (%) **1.30**  
 Weighted Average Rating **AA+**  
 Number of Holdings **65**



Asset Mix

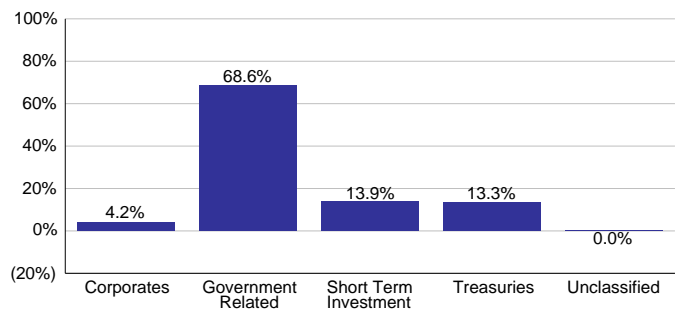
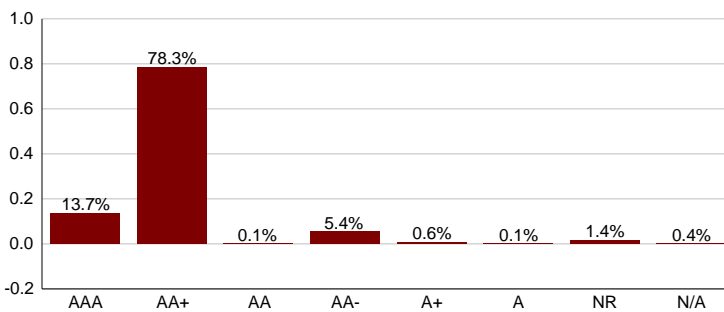
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
313375K48	FHLB 2.000 '18 USD	6.29%	2.00	14/9/2018
99HL20054	REPO JPMORGAN CHASE BK (GREENWICH) 073117F	5.90%	0.98	1/8/2017
3135G0ZG1	FNMA 1.750 '19 USD	5.02%	1.75	12/9/2019
3135G0ZY2	FEDERAL NATIONAL MORTGAGE ASSOCIATION NOTES FIXED	5.01%	1.75	26/11/2019
89298X00	LGIP POOL PARTICIPANT	4.20%	0.91	1/8/2017
912828WDB	UNITED STATES OF AMERICA 1.250% 2018-10-31	3.73%	1.25	31/10/2018
3135G0E33	FEDERAL NATIONAL MORTGAGE ASSOCIATION NOTES FIXED	3.71%	1.12	20/7/2018
313586RC5	FEDERAL NATIONAL MORTGAGE ASSOC 0% NTS 09/OCT/2019	3.57%	0.00	9/10/2019
3130A7CX1	FEDERAL HOME LOAN BANKS BOND FIXED .875%	3.10%	0.88	19/3/2018
3130A8Q63	FEDERAL HOME LOAN BANKS BOND VARIABLE 08/JAN/2018	6.21%	1.27	8/1/2018

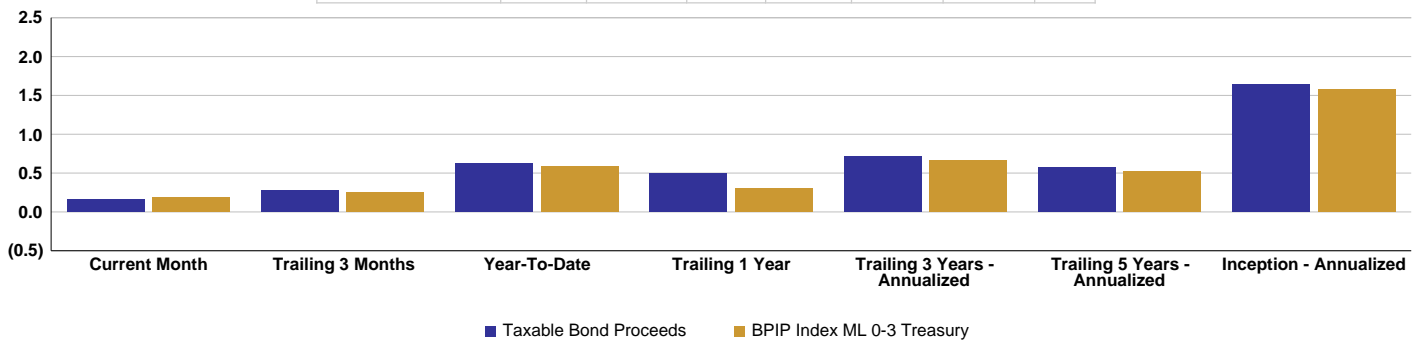
Quality/Rating Weightings

Sector Weightings (as % of Market Value)



Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
Taxable Bond Proceeds	0.16	0.28	0.62	0.50	0.72	0.57	1.64
BPIP Index ML 0-3 Treasury	0.18	0.25	0.58	0.31	0.66	0.53	1.58
Excess	(0.02)	0.02	0.04	0.19	0.06	0.04	0.06



## Portfolio Summary – Taxable Bond Proceeds Investment Pool

### *Summary*

- The Taxable Bond Proceeds Investment Pool closed the month of June at \$570.5mil vs. \$427.5mil at the end of May.
- The Pool received \$22.9mil in draw requests for capital spending during the month and paid out \$20.8mil for capital projects.

### *Portfolio Mix*

- 100% of the Taxable BPIP portfolio was invested in fixed income securities: 15% in US treasuries, 47% in US agency securities, 4% in commercial paper and corporate securities, 2% in NM municipal securities and the balance, approximately 32%, was held in cash equivalents and collateralized NM bank CDs.
- 60% of the portfolio was invested in securities that mature in one year, 22% in securities that mature from 1-2 years, 18% in securities that mature from 2-4 years and 0% in securities out to 5 years.
- The Taxable BPIP held positions in 73 securities.
- Weighted Average Life of the Taxable BPIP was 0.90 years. The Weighted Average duration was 0.86 years.
- The maximum security term for the Taxable BPIP portfolio is 5 years.

### *Investment Earnings*

- The unrealized gains in the Taxable BPIP were \$(936,633) as of June 30<sup>th</sup>.
- Monthly net earnings on the portfolio for June were \$377,876.
- FY2017 net earnings were roughly \$5,216,159.
- Earnings on the Bond Proceeds Investment Pool are used to offset capital and debt service spending.

### *Investment Highlights*

- The duration of the Taxable BPIP at the end of June was 0.86 years vs. the Benchmark at 1.37 years.
- The Pool purchased \$9.3mil of corporate securities, \$16.5mil in US agency securities and \$1.1mil in a local CD. During the month the Pool also sold \$4.2mil in municipal variable demand rate notes at par.

### *Performance*

- Purchase Yield at the end of June was 1.12% relative to 1.08% at the end of the prior month.
- The Taxable BPIP returned 0.02% for the month of June and 0.23% for the three months ended June 30, 2017, vs. Index returns of (0.03)% and 0.18% respectively. For the trailing 12 mos. the Pool returned 0.34% vs. 0.10% for the benchmark.

### *Investment Strategy*

- The option-adjusted duration of the Taxable BPIP portfolio was 1.19 yrs. vs. 1.36 yrs. for the benchmark as of July 31<sup>st</sup>.
- Capital project withdrawal requests for July were \$44 million.

- The Taxable BPIP has maintained duration shorter than that of the benchmark in order to provide adequate liquidity for project withdrawals while minimizing overnight cash position.



**STATE OF NEW MEXICO**  
**BOND PROCEEDS INV POOL2 TAXABLE (4002)**  
Portfolio Classification Summary  
Positions Held as of 6/30/17 (TRADE Basis)

AMTZ ADDED: NO

ASSET CLASSIFICATION	ITEMS	YIELD	AVG-TERM	PRINCIPAL	COST-BASIS	MARKET-VALUE	GAIN/LOSS	%MARKET
REPURCHASE AGREEMENTS (O/N)	1	1.0646	.00820	171,584,036	171,584,036	171,584,036		30.141
COMMERCIAL PAPER-DISCOUNT BASED	2	1.1204	.07075	1,119,438	1,118,590	1,118,590		.196
CERTIFICATES OF DEPOSIT	3	.9034	.63489	6,200,000	6,200,000	6,200,000		1.089
LINKED-CERTIFICATE OF DEPOSIT	2	.9500	.53700	4,000,000	4,000,000	4,000,000		.703
US TREASURY NOTE ACT/ACT 2X	8	1.0653	.74177	83,500,000	83,551,483	83,420,380	-131,103	14.654
CORPORATE BONDS	1	1.9932	2.80000	2,500,000	2,498,897	2,499,225	328	.439
AGENCY US BOND 30/360 2X	16	.9517	1.07054	97,000,000	97,431,103	97,048,015	-383,088	17.048
AGENCY 30/360 2X	3	1.4250	2.19638	32,500,000	32,518,963	32,472,550	-46,413	5.704
AGENCY US BOND 30/360 ZERO CPN	1	1.3811	2.27670	15,000,000	14,555,505	14,389,200	-166,305	2.528
AGENCY US NOTES 30/360 2X	12	1.2532	1.37181	92,290,000	92,426,121	92,251,247	-174,874	16.205
FED NATL MORTGAGE ASSN DEBS	2	.7598	.14771	8,665,000	8,665,000	8,610,968	-54,032	1.513
AGENCY US VARIABLE ACT/360 4X	1	1.1313	.52600	25,000,000	25,000,000	25,022,750	22,750	4.396
CORP US NOTE 30/360 2X	3	1.8236	2.94390	14,273,000	14,313,872	14,315,767	1,895	2.515
CORP US FLOAT ACT/360 4X	1	1.3772	.49860	3,000,000	3,005,580	3,007,620	2,040	.528
MUNI US 30/360 2X	12	1.0508	.73454	10,710,000	10,846,582	10,838,751	-7,831	1.904
UNITS - INVESTMENT POOL 1	1			16,912,966	16,912,966	16,912,966		2.971
CASH ACCOUNT	1			-14,428,977	-14,428,977	-14,428,977		-2.535
	70	1.1203	.84305	569,825,463	570,199,721	569,263,088	-936,633	100.000

**STATE OF NEW MEXICO**  
**TREASURERS OFFICE**  
**Position holdings as of 6/30/17 (Trade)**  
**BOOK VALUES AMORTIZED THROUGH 6/30/17**

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
16,912,966	UNITS - INVESTMENT POOL 1	UNITS001				1.00000	16,912,965.90	16,912,965.90	
<b>16,912,966</b>							<b>16,912,965.90</b>	<b>16,912,965.90</b>	

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

2,500,000	METROPOLITAN TRANSN AUTH N Y SPL	59261EAC	1.069	7/01/17	.701	100.00000	2,500,000.00	2,500,000.00	
400,000	NEW MEXICO ST SEVERANCE TAX	647310J8	5.000	7/01/17	.851	100.00000	400,000.00	400,000.00	
171,584,036	OVERNIGHT REPO	0703RP	1.050	7/03/17	1.050	100.00000	171,584,035.51	171,584,035.51	
2,500,000	WESTERN BANK ALAMOGORDO	81187124	.750	7/21/17	.750	100.00000	2,500,000.00	2,500,000.00	
611,134	US BANK	9033AOUQ		7/24/17	1.105	99.92972	610,704.51	610,704.51	
508,304	US BANK	9033AOUU		7/28/17	1.105	99.91750	507,884.65	507,884.65	
270,000	JEMEZ VY N MEX PUB SCH DIST N003	475868EL	2.000	8/01/17	.750	100.10358	270,279.66	270,167.40	- 112.26
275,000	CITY OF BELEN N MEX GO BDS	077563DS	2.000	8/01/17	.820	100.09767	275,268.59	275,220.00	- 48.59
160,000	Belen Consolidated Schools	077581QC	2.000	8/01/17	.801	100.09930	160,158.88	160,128.00	- 30.88
11,000,000	UNITED STATES TREASURY NOTES	912828TM	.625	8/31/17	.975	99.94175	10,993,592.70	10,993,180.00	- 412.70
500,000	FEDERAL HOME LOAN BANKS	313380EC	.750	9/08/17	.760	99.99786	499,989.32	499,705.00	- 284.32
5,000,000	FEDERAL HOME LOAN BANKS	313381B2	.750	12/08/17	.790	99.98239	4,999,119.28	4,989,900.00	- 9,219.28
2,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3136G1FU	1.000	12/19/17	.905	100.04393	2,000,878.60	1,998,540.00	- 2,338.60
10,000,000	UNITED STATES TREASURY NOTES	912828PN	2.750	12/31/17	1.124	100.80400	10,080,400.40	10,077,800.00	- 2,600.40
<b>207,308,474</b>							<b>207,382,312.10</b>	<b>207,367,265.07</b>	- <b>15,047.03</b>

====> 0014 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2017 <====

25,000,000	FEDERAL HOME LOAN BANK	3130A8Q6	.626	1/08/18	1.116	100.00000	25,000,000.00	25,022,750.00	22,750.00
2,000,000	WESTERN COMMERCE BANK	2013171	.950	1/12/18	.950	100.00000	2,000,000.00	2,000,000.00	
2,000,000	WESTERN COMMERCE BANK	2013172	.950	1/12/18	.950	100.00000	2,000,000.00	2,000,000.00	
5,000,000	FEDERAL HOME LOAN BANKS	3130A8RY	.750	1/19/18	.812	99.96578	4,998,289.01	4,987,650.00	- 10,639.01
3,000,000	U.S. BANK NATIONAL ASSOCIATION	90331HMV	1.467	1/29/18	1.358	100.18601	3,005,580.41	3,007,620.00	2,039.59
15,000,000	UNITED STATES TREASURY NOTES	912828UJ	.875	1/31/18	1.205	99.80894	14,971,340.25	14,973,750.00	2,409.75
1,000,000	FINANCING CORPORATION	317705AD	9.400	2/08/18	1.052	105.00118	1,050,011.84	1,049,140.00	- 871.84
15,000,000	UNITED STATES TREASURY NOTES	912828UR	.750	2/28/18	1.213	99.69348	14,954,021.63	14,954,250.00	228.37
7,500,000	UNITED STATES TREASURY NOTES	912828J6	1.000	3/15/18	1.006	99.99552	7,499,664.21	7,487,400.00	- 12,264.21
12,500,000	FEDERAL HOME LOAN BANKS	3130A7CX	.875	3/19/18	.822	100.03728	12,504,659.45	12,468,125.00	- 36,534.45
10,000,000	FNMA	3135G0J6	.875	3/28/18	.973	99.92750	9,992,750.10	9,973,600.00	- 19,150.10
5,000,000	UNITED STATES TREASURY NOTES	912828VE	1.000	5/31/18	.719	100.25580	5,012,789.84	4,986,900.00	- 25,889.84

# STATE OF NEW MEXICO

## TREASURERS OFFICE

Position holdings as of 6/30/17 (Trade)

BOOK VALUES AMORTIZED THROUGH 6/30/17

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
3,455,000	NEW MEXICO FIN AUTH REV	64711NM2	4.000	6/01/18	1.270	102.47887	3,540,645.05	3,551,049.00	10,403.95
5,000,000	FEDERAL HOME LOAN BANKS	313379DT	1.250	6/08/18	.840	100.38117	5,019,058.35	4,998,150.00	- 20,908.35
500,000	FEDERAL FARM CREDIT BANKS	3133EEZ2	1.160	6/18/18	.912	100.23697	501,184.85	499,800.00	- 1,384.85
7,750,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134G32U	.875	6/26/18	.874	100.00104	7,750,080.69	7,718,380.00	- 31,700.69
1,100,000	WESTERN BANK ALAMOGORDO	81186499	1.260	6/30/18	1.260	100.00000	1,100,000.00	1,100,000.00	
1,950,000	NEW MEXICO ST SEVERANCE TAX	647310X8	2.000	7/01/18	1.100	100.89218	1,967,397.45	1,959,204.00	- 8,193.45
290,000	ALBUQUERQUE N MEX ARPT REV	013538HB	5.110	7/01/18	1.535	103.53411	300,248.93	297,366.00	- 2,882.93
5,000,000	FEDERAL HOME LOAN BANKS	3130A8KR	.820	7/06/18	.884	99.93536	4,996,768.21	4,977,700.00	- 19,068.21
2,600,000	WESTERN BANK CLOVIS	159850	.900	7/13/18	.900	100.00000	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	101.00963	277,776.49	277,598.75	- 177.74
15,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0E3	1.125	7/20/18	1.205	99.91645	14,987,467.98	14,969,700.00	- 17,767.98
7,500,000	FEDERAL HOME LOAN BANKS	3130A8U5	.830	7/25/18	.864	99.96348	7,497,261.35	7,462,125.00	- 35,136.35
3,800,000	FNMA	3136G3YU	.850	7/26/18	.850	100.00000	3,800,000.00	3,776,972.00	- 23,028.00
285,000	CITY OF BELEN N MEX GO BDS	077563DT	2.000	8/01/18	.950	101.12837	288,215.86	288,174.90	- 40.96
25,000,000	FEDERAL HOME LOAN BANKS	313375K4	2.000	9/14/18	.989	101.20495	25,301,238.69	25,185,500.00	- 115,738.69
5,000,000	FEDERAL FARM CREDIT BANKS	3133EGUY	.875	9/20/18	.931	99.93165	4,996,582.25	4,971,350.00	- 25,232.25
5,000,000	UNITED STATES TREASURY NOTES	912828T4	.750	9/30/18	1.086	99.58376	4,979,188.08	4,964,650.00	- 14,538.08
5,000,000	FEDERAL HOME LOAN BANKS	3130A9AE	.875	10/01/18	.908	99.95907	4,997,953.41	4,969,800.00	- 28,153.41
10,000,000	FEDERAL FARM CREDIT BANKS	3133EFX6	.960	10/05/18	.846	100.14230	10,014,230.39	9,950,100.00	- 64,130.39
5,000,000	FREDDIE MAC	3137EAED	.875	10/12/18	.896	99.97309	4,998,654.68	4,969,500.00	- 29,154.68
3,000,000	TENNESSEE VALLEY AUTHORITY	880591EQ	1.750	10/15/18	1.334	100.52879	3,015,863.80	3,015,300.00	- 563.80
15,000,000	UNITED STATES TREASURY NOTES	912828WD	1.250	10/31/18	.944	100.40324	15,060,486.31	14,982,450.00	- 78,036.31
5,000,000	FEDERAL HOME LOAN BANKS	313376BR	1.750	12/14/18	1.208	100.77784	5,038,891.90	5,026,950.00	- 11,941.90
<b>235,505,000</b>							<b>236,018,301.46</b>	<b>235,423,004.65</b>	<b>- 595,296.81</b>

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

2,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3136G2EH	1.375	2/27/19	1.375	100.00000	2,000,000.00	2,000,100.00	100.00
2,500,000	PEPSICO INC	713448DR	1.550	5/02/19	1.588	99.93039	2,498,259.68	2,499,150.00	890.32
5,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3136G3D2	.750	7/26/19	.750	100.00000	5,000,000.00	4,985,000.00	- 15,000.00
315,000	BELEN N MEX CONS SCH DIST NO 2	077581QE	2.000	8/01/19	1.050	101.95174	321,147.99	318,647.70	- 2,500.29
535,000	BELEN N MEX CONS SCH DIST NO 2	077581QT	2.000	8/01/19	1.050	101.95174	545,441.82	541,195.30	- 4,246.52
7,500,000	FEDERAL HOME LOAN BANK	3130A8Y7	.875	8/05/19	.940	99.86536	7,489,902.12	7,408,350.00	- 81,552.12
11,460,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134GA3N	1.875	8/16/19	1.154	100.08903	11,470,203.21	11,468,938.80	- 1,264.41
20,000,000	FANNIE MAE	3135G0ZG	1.750	9/12/19	1.658	100.19729	20,039,458.60	20,119,600.00	80,141.40
2,000,000	FEDERAL HOME LOAN BANKS	3130A4G8	1.650	9/24/19	1.650	100.00000	2,000,000.00	1,996,720.00	- 3,280.00
15,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	313586RC		10/09/19	1.362	97.03670	14,555,504.99	14,389,200.00	- 166,304.99
5,000,000	FANNIE MAE	3135G0R3	1.000	10/24/19	1.091	99.79203	4,989,601.70	4,944,600.00	- 45,001.70

# STATE OF NEW MEXICO

## TREASURERS OFFICE

Position holdings as of 6/30/17 (Trade)  
BOOK VALUES AMORTIZED THROUGH 6/30/17

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
20,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3135G0ZY	1.750	11/26/19	1.727	100.05428	20,010,855.19	20,110,800.00	99,944.81
5,000,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3136G3TF	1.200	12/30/19	1.200	100.00000	5,000,000.00	4,932,300.00	- 67,700.00
<b>96,310,000</b>							<b>95,920,375.30</b>	<b>95,714,601.80</b>	<b>- 205,773.50</b>

====> 0013 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ==== 2019 <====

5,200,000	FEDERAL NATIONAL MORTGAGE ASSOCI	3136FTB7	2.000	2/07/20	.984	102.60059	5,335,230.93	5,252,416.00	- 82,814.93
2,500,000	TOYOTA MOTOR CREDIT CORP	89236TDU	1.950	4/17/20	1.966	99.95591	2,498,897.81	2,499,225.00	327.19
2,500,000	APPLE INC.	037833CS	1.800	5/11/20	1.835	99.90180	2,497,544.97	2,498,550.00	1,005.03
5,080,000	FEDERAL HOME LOAN MORTGAGE CORPO	3134GBVN	1.650	7/10/20	1.650	100.00000	5,080,000.00	5,080,000.00	
9,273,000	MICROSOFT CORPORATION	594918BG	2.000	11/03/20	1.845	100.48600	9,318,066.78	9,318,066.78	
<b>24,553,000</b>							<b>24,729,740.49</b>	<b>24,648,257.78</b>	<b>- 81,482.71</b>

====> 0005 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	3,625,967.75	- 39,032.25
<b>3,665,000</b>							<b>3,665,000.00</b>	<b>3,625,967.75</b>	<b>- 39,032.25</b>

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

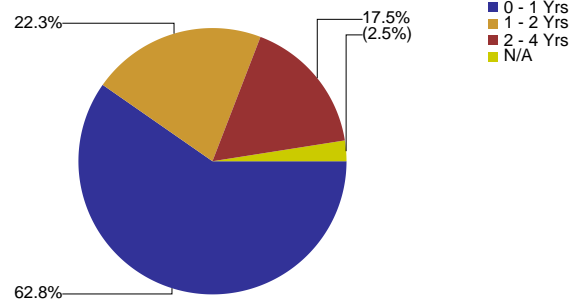
<b>584,254,440</b>							<b>584,628,695.25</b>	<b>583,692,062.95</b>	<b>- 936,632.30</b>
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====> 0069 ITEMS IN SUBTOTAL FOR ==== FUND NAME..... ==== BOND PROCEEDS INV POOL2 TAXABLE<

Portfolio Characteristics

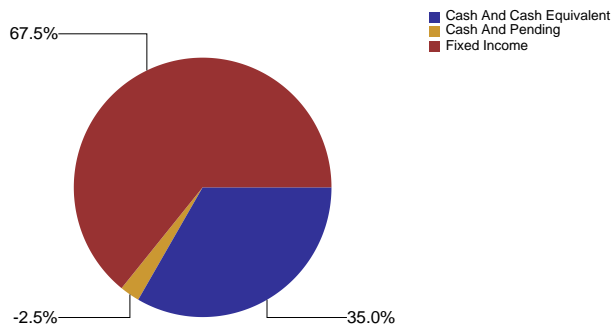
Duration Mix

Total Net Assets (Millions)	570.5
Weighted Average Life (Years)	0.90
Weighted Avg. Effective Duration (Years)	0.86
Weighted Average Coupon (%)	1.24
Weighted Average Current Yield (%)	1.07
Weighted Average Yield to Maturity (%)	1.07
Weighted Average Rating	BBB
Number of Holdings	73



Asset Mix

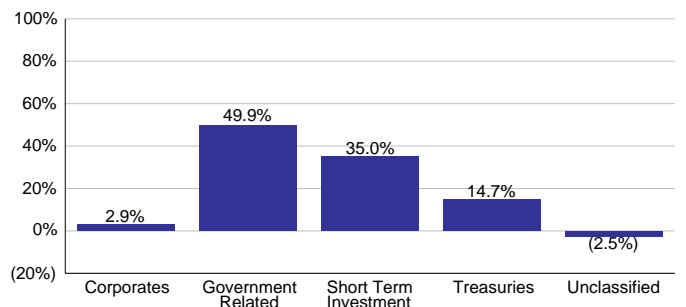
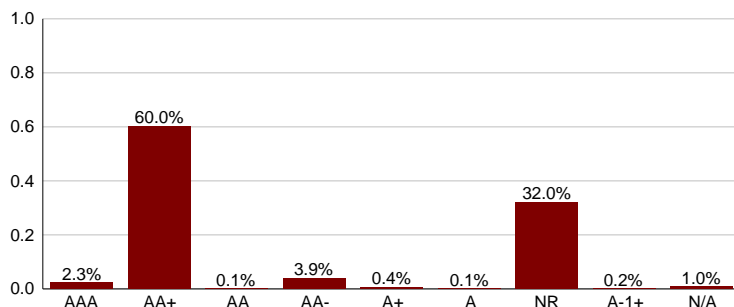
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
99H10036	REPO JPMORGAN CHASE BK (GREENWICH) 063017I	8.42%	1.05	3/7/2017
99H10035	REPO JPMORGAN CHASE BK (GREENWICH) 063017J	8.42%	1.05	3/7/2017
99H10037	REPO JPMORGAN CHASE BK (GREENWICH) 063017H	8.42%	1.05	3/7/2017
313375K48	FHLB 2.000 '18 USD	4.33%	2.00	14/9/2018
3130A8Q63	FEDERAL HOME LOAN BANKS BOND VARIABLE 08/JAN/2018	4.29%	1.12	8/1/2018
99H10034	REPO JPMORGAN CHASE BK (GREENWICH) 063017K	4.07%	1.05	3/7/2017
3135G0ZG1	FNMA 1.750 '19 USD	3.46%	1.75	12/9/2019
3135G0ZY2	FEDERAL NATIONAL MORTGAGE ASSOCIATION NOTES FIXED	3.44%	1.75	26/11/2019
892998X00	LGIP POOL PARTICIPANT	2.89%	1.06	
3135G0E33	FEDERAL NATIONAL MORTGAGE ASSOCIATION NOTES FIXED	2.57%	1.12	20/7/2018

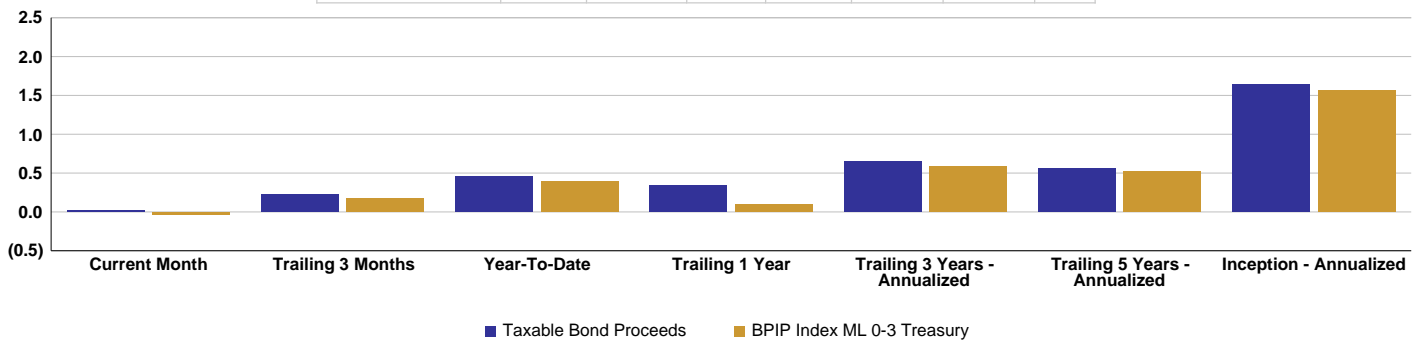
Quality/Rating Weightings

Sector Weightings (as % of Market Value)



Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
Taxable Bond Proceeds	0.02	0.23	0.46	0.34	0.65	0.57	1.64
BPIP Index ML 0-3 Treasury	(0.03)	0.18	0.40	0.10	0.58	0.52	1.57
Excess	0.05	0.05	0.06	0.25	0.07	0.04	0.07





## 14. Portfolio Summary- Severance Tax Bonding Fund

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

### *Summary*

- The Severance Tax Bonding Fund closed the month of July at \$47MM.
- The Severance Tax Bonding Fund net earnings were \$26,230 for July.

### *Portfolio Mix*

- The Severance Tax Bonding Fund is primarily invested in the overnight repurchase agreement pool, short US Treasury and Agency securities, and high quality commercial paper.
- 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 \$25MM and \$35MM per month.
  - The STB Fund received \$30MM in July.

### *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 \$31MM in August from Severance Taxes.

**STATE OF NEW MEXICO**  
**STB FUND (4001)**  
**Portfolio Classification Summary**  
**Positions Held as of 7/31/17 (TRADE Basis)**

AMTZ ADDED: NO

ASSET CLASSIFICATION	ITEMS	YIELD	AVG-TERM	PRINCIPAL	COST-BASIS	MARKET-VALUE	GAIN/LOSS	%MARKET
REPURCHASE AGREEMENTS (O/N)	1	.9936	.00270	1,848,394	1,848,394	1,848,394		3.892
COMMERCIAL PAPER-DISCOUNT BASED	2	1.2889	.35205	3,200,000	3,185,586	3,185,586		6.707
U.S. TREASURY BILLS	2	1.0808	.22711	42,500,000	42,397,369	42,395,025	-2,344	89.263
UNITS - INVESTMENT POOL 1	1			2,302	2,302	2,302		.005
CASH ACCOUNT	2			63,436	63,436	63,436		.134
	<u>8</u>	<u>1.0899</u>	<u>.22679</u>	<u>47,614,132</u>	<u>47,497,087</u>	<u>47,494,743</u>	<u>-2,344</u>	<u>100.000</u>



**STATE OF NEW MEXICO**  
**TREASURERS OFFICE**  
**Position holdings as of 7/31/17 (Trade)**  
**BOOK VALUES AMORTIZED THROUGH 7/31/17**

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
63,638	BBVA COMPASS BANK DEPOSIT	COMPASBA	.400			1.00000	63,638.40	63,638.00	-.40
-	202 (TD)-CASH KEY	CASHCASH				1.00000	201.51	202.00	.49
2,302	UNITS - INVESTMENT POOL 1	UNITS001				.99986	2,301.67	2,301.67	
<b>65,738</b>							<b>65,738.56</b>	<b>65,737.67</b>	<b>-.89</b>

====> 0003 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> NO-MEANINGFUL-DATE <====

1,848,394	OVERNIGHT REPO	0801RP	.980	8/01/17	.980	100.00000	1,848,393.60	1,848,393.60	
25,000,000	UNITED STATES TREASURY BILLS	912796LY		10/19/17	1.083	99.76300	24,940,750.00	24,940,000.00	- 750.00
17,500,000	UNITED STATES TREASURY BILLS	912796LZ		10/26/17	1.042	99.75211	17,456,619.07	17,455,025.00	- 1,594.07
1,600,000	GE CAPITAL TREASURY LLC	36164JYH		11/17/17	1.225	99.63400	1,594,144.00	1,594,144.00	
1,600,000	TOYOTA MOTOR CREDIT CORP	89233GZS		12/26/17	1.318	99.46508	1,591,441.34	1,591,441.34	
<b>47,548,394</b>							<b>47,431,348.01</b>	<b>47,429,003.94</b>	<b>- 2,344.07</b>

====> 0005 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2017 <====

	UNIVERSITY N MEX UNIV REVS	914692XL	.820	6/01/30					
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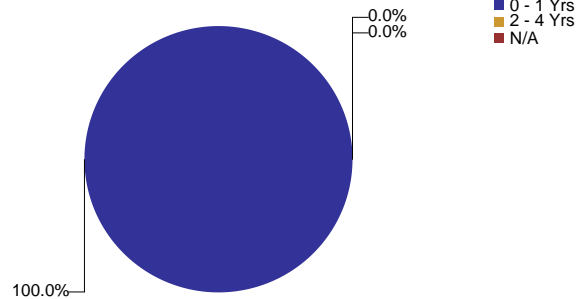
====> 0001 ITEMS IN SUBTOTAL FOR ====> FINAL-MATURITY.. ====> 2030 <====

<b>47,614,132</b>							<b>47,497,086.57</b>	<b>47,494,741.61</b>	<b>- 2,344.96</b>
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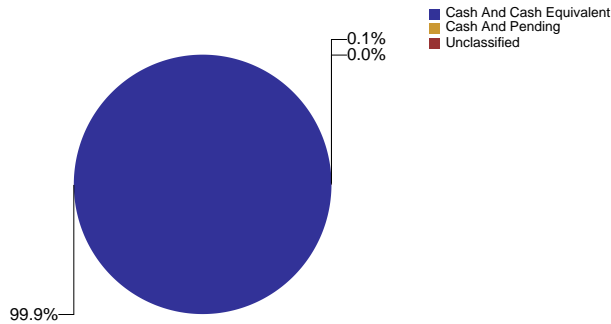
====> 0009 ITEMS IN SUBTOTAL FOR ====> FUND NAME..... ====> STB FUND <====

Portfolio Characteristics Duration Mix

**Total Net Assets (Millions)** 47.5  
**Weighted Average Life (Years)** 0.23  
**Weighted Avg. Effective Duration (Years)** 0.23  
**Weighted Average Coupon (%)** 0.04  
**Weighted Average Current Yield (%)** 1.10  
**Weighted Average Yield to Maturity (%)** 1.10  
**Weighted Average Rating** AAA  
**Number of Holdings** 9

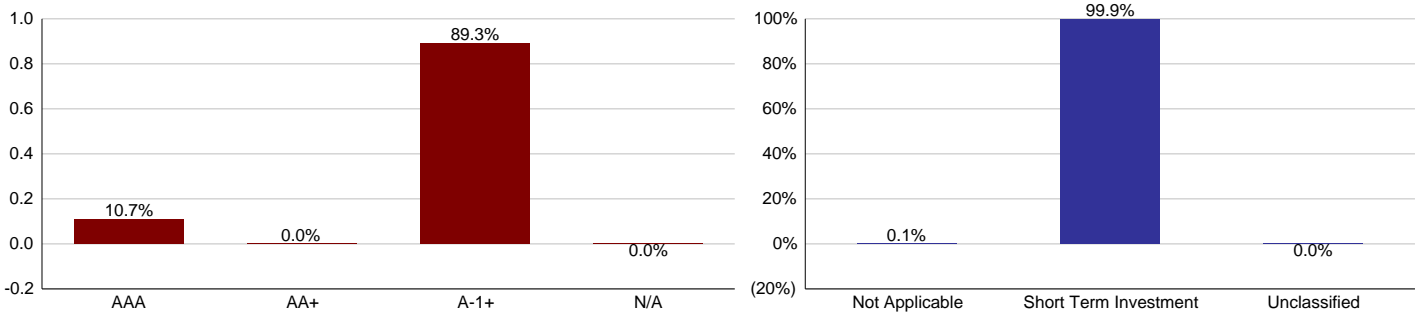


Asset Mix Top Ten Portfolio Holdings



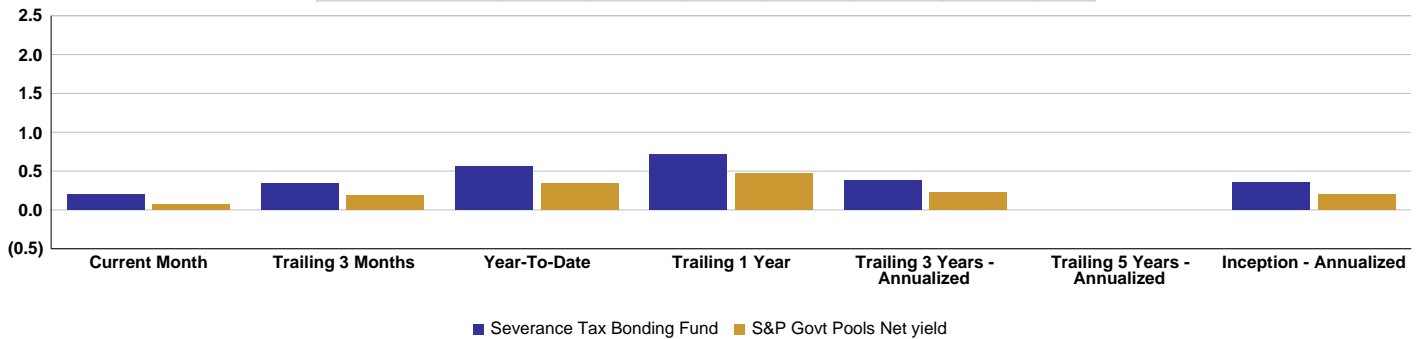
Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
912796LY3	UNITED STATES OF AMERICA BILL ZERO CPN 19/OCT/2017	52.58%	0.00	19/10/2017
912796LZ0	UNITED STATES OF AMERICA BILL ZERO CPN 26/OCT/2017	36.80%	0.00	26/10/2017
99HL20059	REPO JPMORGAN CHASE BK (GREENWICH) 073117A	3.90%	0.98	1/8/2017
89196J5Y4	FIRST NATIONAL	0.00%	0.00	1/8/2017
89233GZS8	TOYOTA MOTOR CREDIT CORPORATE COMMERCIAL PAPER	3.36%	0.00	26/12/2017
892998X00	LGIP POOL PARTICIPANT	0.00%	0.91	1/8/2017
36164JYH1	GE CAPITAL TREASURY CORPORATE COMMERCIAL PAPER	3.36%	0.00	17/11/2017

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	0.20	0.34	0.56	0.72	0.38		0.35
S&P Govt Pools Net yield	0.07	0.18	0.35	0.47	0.22		0.20
Excess	0.13	0.16	0.21	0.24	0.16	0.00	0.15



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

### *Summary*

- The Severance Tax Bonding Fund closed the month of June at \$17MM.
- The Severance Tax Bonding Fund net earnings were \$212,087 for June.

### *Portfolio Mix*

- The Severance Tax Bonding Fund is primarily invested in the overnight repurchase agreement pool, short US Treasury and Agency securities, and high quality commercial paper.
- 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 \$25MM and \$35MM per month.
  - The STB Fund received \$30MM in June.

### *Investment Strategy*

- Due to its short-term nature, investments of three to six month maturities are viable investments for the STBF pool.
- The STB Fund received \$30MM in July from Severance Taxes.

**STATE OF NEW MEXICO**  
**STB FUND (4001)**  
 Portfolio Classification Summary  
 Positions Held as of 6/30/17 (TRADE Basis)

AMTZ ADDED: NO

ASSET CLASSIFICATION	ITEMS	YIELD	AVG-TERM	PRINCIPAL	COST-BASIS	MARKET-VALUE	GAIN/LOSS	%MARKET
REPURCHASE AGREEMENTS (O/N)	1	1.0646	.00820	890,927	890,927	890,927		5.290
U.S. TREASURY BILLS	1	.9688	.32330	9,500,000	9,470,638	9,468,460	-2,178	56.221
AGENCY US BOND 30/360 2X	2	.8694	.02240	3,820,000	3,822,836	3,822,297	-539	22.696
MUNI US 30/360 2X	2	.7902	.00270	2,630,000	2,630,000	2,630,000		15.616
CASH ACCOUNT	1			29,960	29,960	29,960		.178
	7	.9217	.18831	16,870,887	16,844,361	16,841,644	-2,717	100.000

**STATE OF NEW MEXICO**  
**TREASURERS OFFICE**  
 Position holdings as of 6/30/17 (Trade)  
 BOOK VALUES AMORTIZED THROUGH 6/30/17

POSITION-SIZE	DESCRIPTION	SEC-ID	RATE	MATURITY	YIELD	BOOK PRICE	BOOK VALUE	MARKET VALUE	MARK-TO-MARKET
	UNITS - INVESTMENT POOL 1	UNITS001							

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

750,000	ABQ BERN CNTY WTR UTILITY AUTH	013493GF	4.000	7/01/17	.851	100.00000	750,000.00	750,000.00	
2,500,000	FEDERAL FARM CREDIT BANKS	3133EFBS	.680	7/03/17	.840	99.99910	2,499,977.39	2,500,000.00	22.61
890,927	OVERNIGHT REPO	0703RP	1.050	7/03/17	1.050	100.00000	890,926.80	890,926.80	
1,320,000	TENNESSEE VALLEY AUTHORITY	880591EA	5.500	7/18/17	.891	100.21653	1,322,858.16	1,322,296.80	- 561.36
9,500,000	UNITED STATES TREASURY BILLS	912796LZ		10/26/17	.956	99.69093	9,470,637.88	9,468,460.00	- 2,177.88
<u>14,960,927</u>							<u>14,934,400.23</u>	<u>14,931,683.60</u>	<u>- 2,716.63</u>

====> 0005 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ==> 2017 <====

1,880,000	NEBRASKA PUB PWR DIST REV	63968AC7	4.450	1/01/23	.751	100.00000	1,880,000.00	1,880,000.00	
<u>1,880,000</u>							<u>1,880,000.00</u>	<u>1,880,000.00</u>	

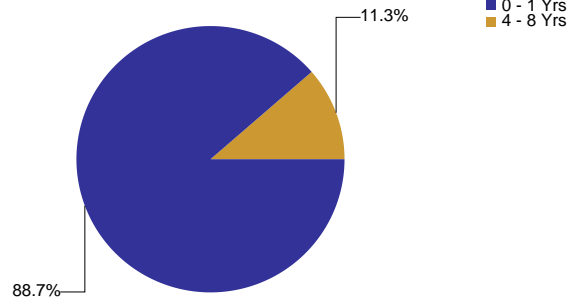
====> 0001 ITEMS IN SUBTOTAL FOR ==== FINAL-MATURITY.. ==> 2023 <====

<u>16,840,927</u>							<u>16,814,400.23</u>	<u>16,811,683.60</u>	<u>- 2,716.63</u>
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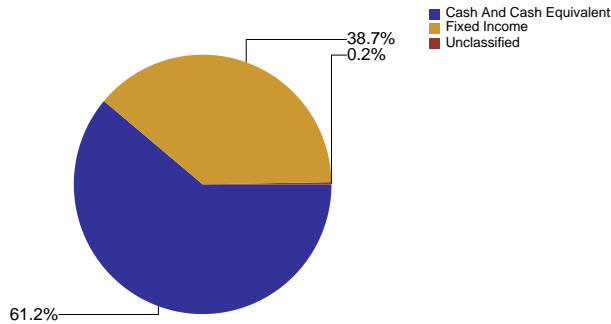
====> 0007 ITEMS IN SUBTOTAL FOR ==== FUND NAME..... ==> STB FUND <====

Portfolio Characteristics Duration Mix

**Total Net Assets (Millions)** 16.9  
**Weighted Average Life (Years)** 0.81  
**Weighted Avg. Effective Duration (Years)** 0.72  
**Weighted Average Coupon (%)** 1.28  
**Weighted Average Current Yield (%)** 1.39  
**Weighted Average Yield to Maturity (%)** 1.39  
**Weighted Average Rating** A+  
**Number of Holdings** 9

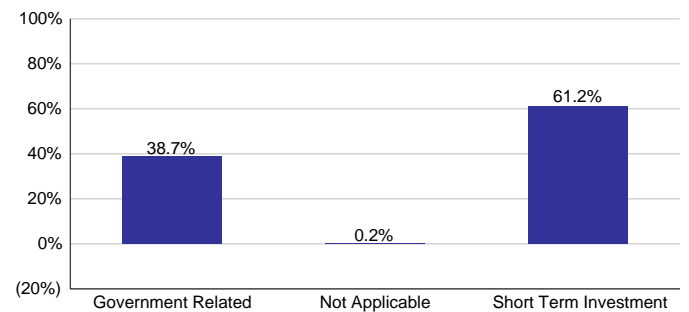
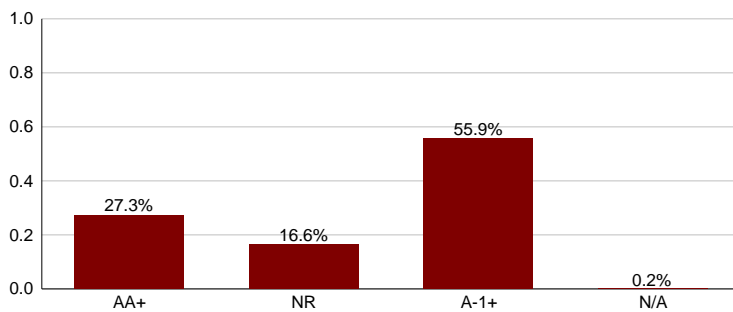


Asset Mix Top Ten Portfolio Holdings



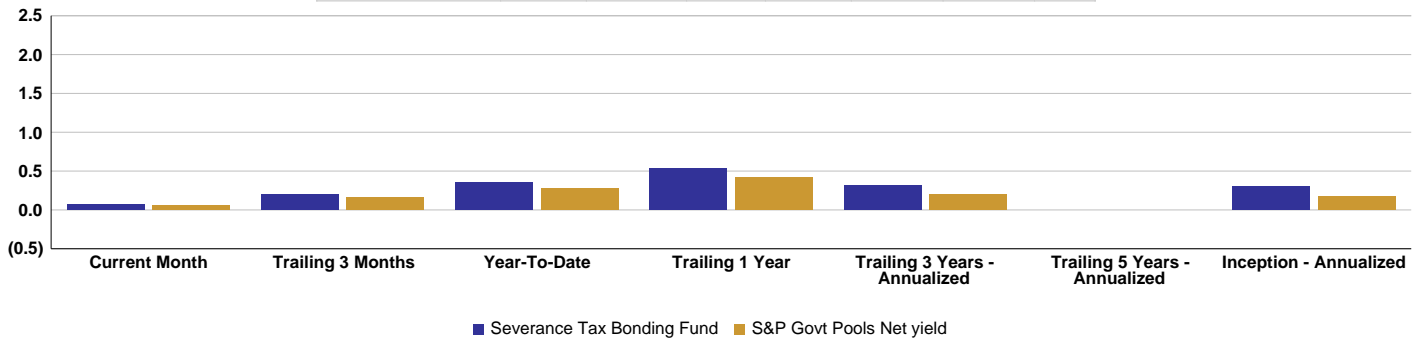
Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
912796LZ0	UNITED STATES OF AMERICA BILL ZERO CPN 26/OCT/2017	55.99%	0.00	26/10/2017
3133EFB55	FEDERAL FARM CREDIT BANKS BOND FIXED .68%	14.83%	0.68	3/7/2017
63968AC78	NEBRASKA PUB PWR DIST REV FOR ISSUES DTD PRIOR TO	11.36%	4.45	1/1/2023
89199J5Y4	FIRST NATIONAL	0.00%	0.00	30/6/2017
99H10044	REPO JPMORGAN CHASE BK (GREENWICH) 063017A	5.27%	1.05	3/7/2017
013483GF2	ALBUQUERQUE BERNALILLO CNTY WTR UTIL AUTH N MEX JT	4.52%	4.00	1/7/2017
892996X00	LGIP POOL PARTICIPANT	0.01%	1.06	
880591EA6	TENN VALLEY AUTHORITIES 5.5% BDS 18/JUL/2017	8.01%	5.50	18/7/2017

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	0.07	0.21	0.35	0.54	0.32		0.30
S&P Govt Pools Net yield	0.06	0.16	0.27	0.42	0.20		0.18
Excess	0.02	0.05	0.08	0.12	0.12	0.00	0.12





## 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

New Mexico State Treasurer's  
Executive Summary of Investment Activity  
Summary of Broker Participation  
Purchases and Sales By Broker, Market & Security Type  
All Funds  
2017-2018

**Volume at Par** (\$ in thousands)

Broker/Dealer:	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	YTD Total	YTD Percent
Academy Securities													-	0.0%
Barclays	170,000												170,000	20.2%
BB and T (Scott & Stringfellow)													-	0.0%
BMO Capital Markets													-	0.0%
BNP Paribas													-	0.0%
BOSC, Inc	2,675												2,675	0.3%
Cantor, Fitzgerald													-	0.0%
CastleOak Securities LP	37,788												37,788	4.5%
Citigroup													-	0.0%
Daiwa Capital Markets America	4,167												4,167	0.5%
Deutsche Bank	50,000												50,000	5.9%
Drexel Hamilton LLC													-	0.0%
First Southwest													-	0.0%
FTN Financial													-	0.0%
George K Baum & Co													-	0.0%
Guggenheim Securities LLC													-	0.0%
HSBC	30,000												30,000	3.6%
Intl FCStone	18,000												18,000	2.1%
Jefferies	69,400												69,400	8.2%
JP Morgan & Co													-	0.0%
KeyBanc Capital Markets													-	0.0%
Loop Capital Markets	93,000												93,000	11.0%
MBS (Multi-Bank Securities)													-	0.0%
MFR Securities													-	0.0%
Mizuho Securities USA	45,000												45,000	5.3%
Morgan Stanley	29,163												29,163	3.5%
Mutual Securities nInc.													-	0.0%
Raymond, James & Associates													-	0.0%
RBS Securities													-	0.0%
Robert W. Baird & Co.													-	0.0%
Samuel A Ramirez & Co.													-	0.0%
Societe General Americas													-	0.0%
Southwest Securities/Hilltop													-	0.0%
Stifel Nicklaus & Co													-	0.0%
TD Securities	71,000												71,000	8.4%
UBS Financial Services	27,790												27,790	3.3%
Vining Sparks													-	0.0%
Wedbush Securities													-	0.0%
Wells Fargo Securities	68,400												68,400	8.1%
Direct Purchase	126,200												126,200	15.0%
Interfund													-	0.0%
<b>Total</b>	<b>842,583</b>	-	-	-	-	-	-	-	-	-	-	-	<b>842,583</b>	<b>100.0%</b>

Market type:	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	YTD Total	YTD %
-													-	-
Primary Market	126,200												126,200	15.0%
Secondary Market	716,383												716,383	85.0%
<b>Total</b>	<b>842,583</b>	-	-	-	-	-	-	-	-	-	-	-	<b>842,583</b>	<b>100.0%</b>

Security type:	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	YTD Total	YTD %
- 2													-	-
ABS													-	0.0%
Agencies	493,383												493,383	58.6%
Certificates of Deposit/Bank MMDA	4,000												4,000	0.5%
Commercial Paper	118,200												118,200	14.0%
Corporate Bonds													-	0.0%
MBS													-	0.0%
Municipal/Sponge	4,000												4,000	0.5%
Treasuries	223,000												223,000	26.5%
<b>Total</b>	<b>842,583</b>	-	-	-	-	-	-	-	-	-	-	-	<b>842,583</b>	<b>100.0%</b>



**STATE OF NEW MEXICO**  
**Summary of Fixed-Income Purchases and Sales**  
**TRADES During The Period 7/01/17 Through 7/31/17**

TXN-DATE	CUSIP#	ASSET-TYPE	INVST#	ISSUE-NAME	RATE	MATURITY	YIELD	BRKR/DLR/AGENT	FUND	PAR-VALUE	COST/PROCEEDS	GAIN/LOSS	NXT-CALL
<b>PURCHASE TRANSACTIONS</b>													
7/07/17	36960LUQ	COMMERCIAL PAPE	28243	GECO CP		7/24/17	1.0805	ISSUER DIRECT	1001	20,000,000.00	19,991,600.00		
7/07/17	36960LV9	COMMERCIAL PAPE	28242	GECO CP		8/09/17	1.0910	ISSUER DIRECT	1000	25,000,000.00	24,977,291.67		
7/11/17	30229AV2	COMMERCIAL PAPE	28260	EXXON MOBIL CP		8/02/17	1.0807	ISSUER DIRECT	1000	25,000,000.00	24,984,250.00		
7/13/17	30229AV2	COMMERCIAL PAPE	28277	EXXON MOBIL CP		8/02/17	1.0806	ISSUER DIRECT	1001	25,000,000.00	24,985,750.00		
7/14/17	89233GVE	COMMERCIAL PAPE	28288	TOYOTA MOTOR CORP - CP		8/14/17	1.1110	ISSUER DIRECT	1000	20,000,000.00	19,982,733.33		
7/19/17	36164JYH	COMMERCIAL PAPE	28314	GE CAPITAL TREASURY LLC		11/17/17	1.2250	ISSUER DIRECT	4001	1,600,000.00	1,593,493.33		
7/19/17	89233GZS	COMMERCIAL PAPE	28313	TOYOTA MOTOR CREDIT COR		12/26/17	1.3176	ISSUER DIRECT	4001	1,600,000.00	1,590,742.67		
7/05/17	07052017	CERTIFICATES OF	28218	FARMERS & STOCKMENS BAN	1.400	7/05/19	1.4000	SYSTEM - UNIDEN	4002	1,500,000.00	1,500,000.00		
7/21/17	81187124	CERTIFICATES OF	28332	WESTERN BANK ALAMOGORDO	1.260	7/23/18	1.2600	SYSTEM - UNIDEN	4002	2,500,000.00	2,500,000.00		
7/19/17	912796LY	U.S. TREASURY B	28315	UNITED STATES TREASURY		10/19/17	1.0830	MIZUHO SECURITI	4001	25,000,000.00	24,931,750.00		
7/19/17	912796LY	U.S. TREASURY B	28310	UNITED STATES TREASURY		10/19/17	1.0772	LOOP CAPITAL MA	4101	50,000,000.00	49,862,738.56		
7/25/17	912796LZ	U.S. TREASURY B	27781	UNITED STATES TREASURY		10/26/17	1.1440	LOOP CAPITAL MA	4001	8,400,000.00	7,976,680.66		
7/13/17	912828XU	US TREASURY NOT	28280	UNITED STATES TREASURY	1.500	6/15/20	1.5439	HSBC	4000	10,000,000.00	9,987,500.00		
7/19/17	912828XG	US TREASURY NOT	28322	UNITED STATES TREASURY	2.125	6/30/22	1.8308	DEUTSCHE BANK S	1001	10,000,000.00	10,138,671.88		
7/25/17	912828XG	US TREASURY NOT	28322	UNITED STATES TREASURY	2.125	6/30/22	1.8910	DEUTSCHE BANK S	1001	10,000,000.00	10,109,765.63		
7/26/17	912828TW	US TREASURY NOT	28357	UNITED STATES TREASURY	.750	10/31/17	1.1534	WELLS FARGO SEC	1001	20,000,000.00	19,978,906.25		
7/26/17	912828XM	US TREASURY NOT	28364	UNITED STATES TREASURY	1.625	7/31/20	1.5504	BARCLAYS	1001	20,000,000.00	20,043,750.00		
7/26/17	912828XQ	US TREASURY NOT	28365	UNITED STATES TREASURY	2.000	7/31/22	1.8785	HSBC	1001	20,000,000.00	20,115,625.00		
7/18/17	3133EHSF	AGENCY US FLOAT	28307	FEDERAL FARM CREDIT BAN	1.135	4/25/19	1.1400	INTL FCSTONE PA	4101	5,000,000.00	4,999,560.00		
7/10/17	880591EC	AGENCY US BOND	28252	TENNESSEE VALLEY AUTHOR	4.500	4/01/18	1.2848	INTL FCSTONE PA	4101	3,000,000.00	3,069,120.00		
7/13/17	31331YW6	AGENCY US BOND	28281	FEDERAL FARM CREDIT BAN	4.900	6/12/18	1.2764	BOSC, INC	4101	1,000,000.00	1,032,720.00		
7/25/17	3130AAM8	AGENCY US BOND	28354	FEDERAL HOME LOAN BANKS	1.625	1/18/19	1.3086	DEUTSCHE BANK S	1001	15,000,000.00	15,022,500.00		1/18/18
7/26/17	3133EFEU	AGENCY US BOND	28366	FEDERAL FARM CREDIT BAN	.780	8/28/17	1.1045	WELLS FARGO SEC	4101	2,400,000.00	2,399,322.61		
7/13/17	313385KG	AGENCY US DISC	28279	FEDERAL HOME LOAN BANKS		8/11/17	1.0058	WELLS FARGO SEC	1000	28,000,000.00	27,978,113.33		
7/13/17	313385KK	AGENCY US DISC	28278	FEDERAL HOME LOAN BANKS		8/14/17	1.0109	UBS	1000	27,790,000.00	27,765,830.42		
7/13/17	880590JX	AGENCY US DISC	28276	TENNESSEE VALLEY AUTHOR		8/02/17	1.0006	TD SECURITIES	4101	41,000,000.00	40,977,222.22		
7/14/17	313385JH	AGENCY US DISC	27960	FEDERAL HOME LOAN BANKS		7/19/17	.9801	TD SECURITIES	4101	15,000,000.00	14,997,958.33		
7/19/17	313313JJ	AGENCY US DISC	28311	FEDERAL FARM CREDIT BAN		7/20/17	.9300	JEFFRIES & CO	4101	54,400,000.00	54,398,594.67		
7/20/17	313397KN	AGENCY US DISC	28323	FEDERAL HOME LOAN MORTG		8/17/17	.9707	MORGAN STANLEY	4101	12,000,000.00	11,990,946.67		
7/20/17	313397KN	AGENCY US DISC	28323	FEDERAL HOME LOAN MORTG		8/17/17	1.0008	DAIWA CAPITAL M	4101	4,167,000.00	4,163,759.00		
7/27/17	313385JZ	AGENCY US DISC	28369	FEDERAL HOME LOAN BANKS		8/04/17	1.0002	LOOP CAPITAL MA	4101	35,000,000.00	34,992,222.22		
7/27/17	313385KM	AGENCY US DISC	28378	FEDERAL HOME LOAN BANKS		8/16/17	1.0205	BARCLAYS	1000	90,000,000.00	89,951,550.00		
7/27/17	313385KU	AGENCY US DISC	28377	FEDERAL HOME LOAN BANKS		8/23/17	1.0208	BARCLAYS	1000	30,000,000.00	29,977,900.00		
7/27/17	313385KU	AGENCY US DISC	28377	FEDERAL HOME LOAN BANKS		8/23/17	1.0208	BARCLAYS	1000	30,000,000.00	29,977,900.00		
7/28/17	313589LP	AGENCY US DISC	28386	FEDERAL NATIONAL MORTGA		9/11/17	1.0212	CASTLEOAK SECUR	1000	12,788,000.00	12,772,782.28		
7/18/17	3137EAEH	AGENCY 30/360 2	28309	FHLMC	1.375	8/15/19	1.4473	CASTLEOAK SECUR	4000	5,000,000.00	4,992,650.00		
7/28/17	3135G0T6	AGENCY 30/360 2	28388	FNMA	1.500	7/30/20	1.6039	CASTLEOAK SECUR	1001	20,000,000.00	19,939,400.00		
7/13/17	313586RC	AGENCY US BOND	23818	FEDERAL NATIONAL MORTGA		10/09/19	1.8566	JEFFRIES & CO	1001	10,000,000.00	9,601,400.00		

**STATE OF NEW MEXICO**  
**Summary of Fixed-Income Purchases and Sales**  
**TRADES During The Period 7/01/17 Through 7/31/17**

TXN-DATE	CUSIP#	ASSET-TYPE	INVST#	ISSUE-NAME	RATE	MATURITY	YIELD	BRKR/DLR/AGENT	FUND	PAR-VALUE	COST/PROCEEDS	GAIN/LOSS	NXT-CALL
7/13/17	313586RC	AGENCY US BOND	23818	FEDERAL NATIONAL MORTGA		10/09/19	1.8541	MORGAN STANLEY	1001	7,163,000.00	6,877,840.97		
7/13/17	313586RC	AGENCY US BOND	25780	FEDERAL NATIONAL MORTGA		10/09/19	1.8522	MORGAN STANLEY	4000	10,000,000.00	9,602,300.00		
7/14/17	313586RC	AGENCY US BOND	23818	FEDERAL NATIONAL MORTGA		10/09/19	1.8367	JEFFRIES & CO	1001	5,000,000.00	4,803,450.00		
7/14/17	3137EADJ	AGENCY US NOTES	27663	FEDERAL HOME LOAN MORTG	1.000	7/28/17	.9774	TD SECURITIES	4101	15,000,000.00	15,000,067.50		
7/18/17	3135G0PQ	AGENCY US NOTES	28308	FEDERAL NATIONAL MORTGA	.875	10/26/17	1.1519	BOSC, INC	4101	1,000,000.00	999,250.00		
7/18/17	3137EADL	AGENCY US NOTES	27151	FEDERAL HOME LOAN MORTG	1.000	9/29/17	1.1254	BOSC, INC	4101	675,000.00	674,831.25		
7/26/17	3130A62S	AGENCY US NOTES	28367	FEDERAL HOME LOAN BANKS	.750	8/28/17	1.1045	WELLS FARGO SEC	4101	3,000,000.00	2,999,076.19		
7/07/17	3133EHQT	AGENCY US VARIA	28244	FEDERAL FARM CREDIT BAN	1.145	4/10/19	1.1465	INTL FCSTONE PA	4101	10,000,000.00	9,999,100.00		
7/28/17	CMS2017	MUNICIPAL BOND	28387	CARLSBAD MUNICIPAL SCHO	1.274	8/24/17	1.2659	ISSUER DIRECT	1000	4,000,000.00	4,000,000.00		
<b>47 PURCHASES DURING PERIOD TOTAL.....</b>										<b>792,583,000.00</b>	<b>791,208,616.64</b>		
<b><u>SALE TRANSACTIONS</u></b>													
7/14/17	912828NR	US TREASURY NOT	21120	UNITED STATES TREASURY	2.375	7/31/17		MIZUHO SECURITI	1001	20,000,000.00	20,010,937.50	1,342.00	
7/19/17	912828UJ	US TREASURY NOT	22607	UNITED STATES TREASURY	.875	1/31/18		WELLS FARGO SEC	4002	15,000,000.00	14,980,664.06	6,737.73	
7/19/17	912828UR	US TREASURY NOT	22618	UNITED STATES TREASURY	.750	2/28/18		DEUTSCHE BANK S	4002	15,000,000.00	14,965,429.69	7,850.80	
<b>3 SALES DURING PERIOD TOTAL.....</b>										<b>50,000,000.00</b>	<b>49,957,031.25</b>	<b>15,930.53</b>	
<b>=== GRAND-TOTAL ==&gt;</b>										<b>842,583,000.00</b>	<b>841,165,647.89</b>	<b>15,930.53</b>	

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

**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	Jun-17	YTD Total	YTD Percent
Academy Securities	-	-	-	5,000	11,900	-	-	-	-	-	-	-	16,900	0.2%
Barclays	-	44,835	11,000	53,000	60,000	48,500	-	-	-	-	-	25,000	696,465	9.7%
BB and T (Scott & Stringfellow)	38,695	-	6,000	7,665	7,000	-	-	209,220	69,910	175,000	-	-	64,746	0.9%
BMO Capital Markets	-	10,000	45,474	9,000	-	6,300	-	10,000	87,447	15,000	45,000	-	228,221	3.2%
BNP Paribas	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
BOSC, Inc	14,000	10,350	7,245	35,020	9,549	2,000	-	-	1,875	700	5,000	6,450	92,189	1.3%
Cantor, Fitzgerald	-	5,961	-	-	-	-	-	-	-	-	-	-	5,961	0.1%
CastleOak Securities LP	25,000	5,000	28,750	-	19,800	-	-	12,500	30,000	-	125,000	45,000	291,050	4.0%
Citigroup	-	10,000	-	-	-	-	-	-	-	-	-	-	10,000	0.1%
Daiwa Capital Markets America	-	-	-	-	15,000	11,300	-	-	50,000	40,000	48,550	53,142	217,992	3.0%
Deutsche Bank	5,000	45,000	30,000	25,000	8,500	-	-	5,000	35,000	10,000	125,000	-	288,500	4.0%
Drexel Hamilton LLC	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
First Southwest	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
FTN Financial	-	6,100	15,000	-	-	15,000	-	-	-	-	-	-	36,100	0.5%
George K Baum & Co	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Guggenheim Securities LLC	25,000	25,000	-	11,000	25,000	54,178	43,000	60,000	94,896	85,000	-	-	423,074	5.9%
HSBC	-	-	6,000	20,000	-	10,000	83,000	5,000	40,000	10,000	10,000	-	184,000	2.6%
Intl FCStone	44,905	46,515	30,700	41,409	19,068	19,019	63,814	12,570	15,825	8,000	94,692	30,567	427,084	5.9%
Jefferies	15,000	90,000	35,000	4,000	115,000	109,700	14,250	62,110	90,200	15,000	95,000	55,000	700,260	9.7%
JP Morgan & Co	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
KeyBanc Capital Markets	11,974	10,000	-	-	-	-	1,000	5,000	-	7,350	1,233	-	36,557	0.5%
Loop Capital Markets	-	-	-	50,000	-	-	-	80,000	20,000	15,000	161,800	25,000	351,800	4.9%
MBS (Multi-Bank Securities)	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
MFR Securities	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Mizuho Securities USA	-	17,000	-	45,000	10,755	11,000	10,000	-	27,553	40,000	125,900	15,000	302,208	4.2%
Morgan Stanley	-	-	-	23,817	13,000	3,555	79,000	20,254	45,500	34,915	15,536	39,273	274,850	3.8%
Mutual Securities nInc.	-	-	-	-	-	-	-	-	-	1,900	-	-	1,900	0.0%
Raymond, James & Associates	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
RBS Securities	-	-	-	10,000	1,950	37,020	-	10,000	12,000	-	15,000	25,000	110,970	1.5%
Robert W. Baird & Co.	7,325	1,140	625	-	-	8,900	-	-	-	-	-	-	17,990	0.2%
Samuel A Ramirez & Co.	8,665	-	-	-	-	-	-	10,000	-	15,000	20,000	97,500	151,165	2.1%
Societe General Americas	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Southwest Securities/Hilltop	-	-	14,000	5,260	-	-	2,630	-	-	-	-	-	21,890	0.3%
Stifel Nicklaus & Co	5,000	5,000	-	-	-	-	-	-	-	-	-	-	10,000	0.1%
TD Securities	30,000	7,685	-	85,000	79,325	25,500	7,000	9,000	30,000	32,520	85,500	153,000	544,530	7.6%
UBS Financial Services	-	10,000	25,000	-	22,000	5,000	19,000	10,000	-	20,215	-	5,000	116,215	1.6%
Vining Sparks	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Wedbush Securities	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Wells Fargo Securities	20,000	35,270	14,000	30,000	60,450	32,690	54,377	28,085	73,360	114,920	192,986	79,000	735,138	10.2%
Direct Purchase	21,600	6,000	16,307	11,000	4,250	29,065	63,210	8,445	97,457	117,500	112,926	330,469	818,229	11.4%
Interfund	-	-	-	20,000	-	-	-	6,500	-	-	-	-	26,500	0.4%
<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>440,281</b>	<b>563,684</b>	<b>821,023</b>	<b>758,020</b>	<b>1,284,509</b>	<b>984,401</b>	<b>7,202,484</b>	<b>100.0%</b>

Market type:	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	YTD Total	YTD %
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Primary Market	28,725	51,975	41,932	11,000	12,250	31,955	88,100	23,445	92,457	130,000	117,926	304,209	933,974	13.0%
Secondary Market	243,439	338,881	243,169	480,171	470,297	396,772	352,181	540,239	728,566	628,020	1,166,583	680,192	6,268,510	87.0%
<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>440,281</b>	<b>563,684</b>	<b>821,023</b>	<b>758,020</b>	<b>1,284,509</b>	<b>984,401</b>	<b>7,202,484</b>	<b>100.0%</b>

Security type:	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	YTD Total	YTD %
- 2	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ABS	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Agencies	248,439	338,881	222,924	328,911	414,802	287,207	228,441	233,739	400,706	459,020	1,074,596	621,659	4,859,325	67.5%
Certificates of Deposit/Bank MMDA	6,600	-	-	-	-	1,100	4,000	-	-	5,000	-	1,600	18,300	0.3%
Commercial Paper	15,000	14,835	16,307	1,000	4,000	18,400	59,100	8,445	81,200	112,400	113,926	143,700	588,313	8.2%
Corporate Bonds	-	-	-	-	10,000	-	15,000	5,000	7,500	15,000	5,000	9,273	66,773	0.9%
MBS	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Municipal/Sponge	2,125	7,140	9,870	16,260	3,745	22,020	2,740	6,500	26,617	100	-	186,169	283,286	3.9%
Treasuries	-	30,000	36,000	145,000	50,000	100,000	131,000	310,000	305,000	166,500	90,987	22,000	1,386,487	19.3%
<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>440,281</b>	<b>563,684</b>	<b>821,023</b>	<b>758,020</b>	<b>1,284,509</b>	<b>984,401</b>	<b>7,202,484</b>	<b>100.0%</b>

**STATE OF NEW MEXICO**  
**Summary of Fixed-Income Purchases and Sales**  
**TRADES During The Period 6/01/17 Through 6/30/17**

TXN-DATE	CUSIP#	ASSET-TYPE	INVST#	ISSUE-NAME	RATE	MATURITY	YIELD	BRKR/DLR/AGENT	FUND	PAR-VALUE	COST/PROCEEDS	GAIN/LOSS	NXT-CALL
<b>PURCHASE TRANSACTIONS</b>													
6/06/17	30229ATW	COMMERCIAL PAPE	27767	EXXON MOBIL CORP		6/30/17	.8705	ISSUER DIRECT	4001	6,700,000.00	6,696,275.92		
6/09/17	36960LTP	COMMERCIAL PAPE	28075	GECO CP		6/23/17	.9403	ISSUER DIRECT	1000	20,000,000.00	19,994,255.56		
6/09/17	89233GTP	COMMERCIAL PAPE	28076	Toyota Motor Credit Co		6/23/17	.9403	ISSUER DIRECT	1000	20,000,000.00	19,994,255.56		
6/21/17	30229ATW	COMMERCIAL PAPE	27767	EXXON MOBIL CORP		6/30/17	1.0703	ISSUER DIRECT	4001	1,000,000.00	999,762.22		
6/21/17	36960LTW	COMMERCIAL PAPE	27928	GENERAL ELECTRIC CO		6/30/17	1.0803	ISSUER DIRECT	4001	1,000,000.00	999,760.00		
6/22/17	30229AUC	COMMERCIAL PAPE	28144	EXXON MOBIL		7/12/17	1.0806	ISSUER DIRECT	1000	25,000,000.00	24,985,750.00		
6/22/17	89233GUH	COMMERCIAL PAPE	28145	TOYOTA MOTOR CREDIT COR		7/17/17	1.0808	ISSUER DIRECT	1000	20,000,000.00	19,985,600.00		
6/27/17	30229AUE	COMMERCIAL PAPE	28175	EXXON MOBIL CORP		7/14/17	1.0805	ISSUER DIRECT	1001	25,000,000.00	24,988,000.00		
6/28/17	89233GVE	COMMERCIAL PAPE	28187	TOYOTA MOTOR CORP - CP		8/14/17	1.1417	ISSUER DIRECT	1001	25,000,000.00	24,963,583.33		
6/02/17	06022017	CERTIFICATES OF	28011	WESTERN BANK CLOVIS	1.100	12/01/17	1.1000	SYSTEM - UNIDEN	1001	500,000.00	500,000.00		
6/30/17	81186499	CERTIFICATES OF	28195	WESTERN BANK ALAMOGORDO	1.260	6/30/18	1.2600	SYSTEM - UNIDEN	4002	1,100,000.00	1,100,000.00		
6/23/17	912828XR	US TREASURY NOT	28158	UNITED STATES TREASURY	1.750	5/31/22	1.7558	BARCLAYS	1001	20,000,000.00	19,994,531.25		
6/21/17	3133EGPC	AGENCY US FLOAT	28135	FEDERAL FARM CREDIT BAN	1.074	6/29/17	1.1408	BARCLAYS	4001	5,000,000.00	4,999,785.00		
6/27/17	3130ABHL	AGENCY US FLOAT	27969	FEDERAL HOME LOAN BANKS		9/26/17	1.0424	MIZUHO SECURITI	4101	15,000,000.00	14,999,570.10		
6/08/17	3130ABE7	AGENCY US BOND	28074	FEDERAL HOME LOAN BANKS	1.125	5/08/18	1.2503	BOSC, INC	4101	900,000.00	898,978.64		
6/23/17	31331J4H	AGENCY US BOND	28156	FEDERAL FARM CREDIT BAN	2.500	12/06/17	1.1393	BOSC, INC	4101	2,000,000.00	2,012,020.00		
6/23/17	3133EEQM	AGENCY US BOND	28154	FEDERAL FARM CREDIT BAN	1.110	2/20/18	1.1952	WELLS FARGO SEC	4101	12,000,000.00	11,993,400.00		
6/28/17	3133EGMC	AGENCY US BOND	28178	FEDERAL FARM CREDIT BAN	.670	10/18/17	1.0692	MORGAN STANLEY	4101	5,000,000.00	4,993,900.00		
6/02/17	313385JS	AGENCY US DISC	28029	FEDERAL HOME LOAN BANKS		7/28/17	.9664	RBS	4101	25,000,000.00	24,964,482.64		
6/06/17	313385HL	AGENCY US DISC	27816	FEDERAL HOME LOAN BANKS		6/28/17	.8905	DAIWA CAPITAL M	4001	2,000,000.00	1,998,961.67		
6/06/17	313385HN	AGENCY US DISC	27830	FEDERAL HOME LOAN BANKS		6/30/17	.8905	DAIWA CAPITAL M	4001	7,642,000.00	7,637,654.67		
6/06/17	880590HC	AGENCY US DISC	28038	TENNESSEE VALLEY AUTHOR		6/20/17	.8373	TD SECURITIES	4101	50,000,000.00	49,983,725.00		
6/07/17	313385HK	AGENCY US DISC	28054	FEDERAL HOME LOAN BANKS		6/27/17	.8804	RAMIREZ & CO, I	1000	50,000,000.00	49,976,777.78		
6/07/17	313385HT	AGENCY US DISC	28055	FEDERAL HOME LOAN BANKS		7/05/17	.9106	DAIWA CAPITAL M	1000	43,500,000.00	43,470,311.25		
6/07/17	880590HC	AGENCY US DISC	28038	TENNESSEE VALLEY AUTHOR		6/20/17	.8302	MORGAN STANLEY	4101	5,000,000.00	4,998,501.39		
6/08/17	313385HE	AGENCY US DISC	28058	FEDERAL HOME LOAN BANKS		6/22/17	.8203	CASTLEOAK SECUR	4101	45,000,000.00	44,985,650.00		
6/13/17	880590HK	AGENCY US DISC	28092	TENNESSEE VALLEY AUTHOR		6/27/17	.9904	RAMIREZ & CO, I	4001	12,500,000.00	12,495,531.25		
6/13/17	880590HK	AGENCY US DISC	28083	TENNESSEE VALLEY AUTHOR		6/27/17	.9904	TD SECURITIES	4101	33,000,000.00	32,987,295.00		
6/13/17	880590HK	AGENCY US DISC	28085	TENNESSEE VALLEY AUTHOR		6/27/17	.9854	MORGAN STANLEY	4101	20,000,000.00	19,992,338.89		
6/20/17	880590HT	AGENCY US DISC	28120	TENNESSEE VALLEY AUTHOR		7/05/17	1.0004	TD SECURITIES	4101	50,000,000.00	49,979,166.67		
6/22/17	313385JC	AGENCY US DISC	28146	FEDERAL HOME LOAN BANKS		7/14/17	1.0006	LOOP CAPITAL MA	1000	25,000,000.00	24,985,416.67		
6/22/17	313385JC	AGENCY US DISC	28146	FEDERAL HOME LOAN BANKS		7/14/17	1.0006	JEFFRIES & CO	1000	30,000,000.00	29,982,500.00		
6/22/17	313397SN	AGENCY US DISC	28136	FEDERAL HOME LOAN MORTG		2/01/18	1.1228	RAMIREZ & CO, I	4101	35,000,000.00	34,757,177.78		
6/23/17	313313JS	AGENCY US DISC	28153	FEDERAL FARM CREDIT BAN		7/28/17	.9809	UBS	4101	5,000,000.00	4,995,236.11		
6/23/17	313385JH	AGENCY US DISC	27960	FEDERAL HOME LOAN BANKS		7/19/17	1.0007	JEFFRIES & CO	4101	25,000,000.00	24,981,944.44		
6/28/17	313385HM	AGENCY US DISC	28177	FEDERAL HOME LOAN BANKS		6/29/17	.9000	TD SECURITIES	4101	20,000,000.00	19,999,500.00		
6/15/17	3135G0MZ	AGENCY US NOTES	27985	FEDERAL NATIONAL MORTGA	.875	8/28/17	1.0650	BOSC, INC	4101	550,000.00	549,788.38		
6/15/17	3135G0ZL	AGENCY US NOTES	27274	FEDERAL NATIONAL MORTGA	1.000	9/27/17	1.0750	BOSC, INC	4101	1,000,000.00	999,783.62		

**STATE OF NEW MEXICO**  
**Summary of Fixed-Income Purchases and Sales**  
**TRADES During The Period 6/01/17 Through 6/30/17**

TXN-DATE	CUSIP#	ASSET-TYPE	INVST#	ISSUE-NAME	RATE	MATURITY	YIELD	BRKR/DLR/AGENT	FUND	PAR-VALUE	COST/PROCEEDS	GAIN/LOSS	NXT-CALL
6/16/17	3137EADH	AGENCY US NOTES	27081	FEDERAL HOME LN MTG COR	1.000	6/29/17	1.0670	INTL FCSTONE PA	4101	2,027,000.00	2,026,959.46		
6/22/17	880591EA	AGENCY US NOTES	26241	TENNESSEE VALLEY AUTH	5.500	7/18/17	1.0279	WELLS FARGO SEC	4101	6,000,000.00	6,019,260.00		
6/23/17	3136FPMH	AGENCY US NOTES	28157	FEDERAL NATIONAL MORTGA	2.500	9/29/17	1.0536	BOSC, INC	4101	2,000,000.00	2,007,420.00		
6/28/17	3134GA3N	AGENCY US NOTES	28188	FEDERAL HOME LOAN MORTG	1.875	8/16/19	1.1536	INTL FCSTONE PA	4002	11,460,000.00	11,470,657.80		8/16/17
6/28/17	3134GBVN	AGENCY US NOTES	28219	FEDERAL HOME LOAN MORTG	1.650	7/10/20	1.6500	INTL FCSTONE PA	4002	5,080,000.00	5,080,000.00		7/10/18
6/23/17	3133EHPR	AGENCY US VARIA	28159	FEDERAL FARM CREDIT BAN		6/27/19	1.0424	INTL FCSTONE PA	4101	5,000,000.00	5,000,000.00		
6/28/17	3133EHME	AGENCY US VARIA	28189	FEDERAL FARM CREDIT BAN	1.170	3/12/19	1.1460	INTL FCSTONE PA	4101	5,000,000.00	5,001,700.00		
6/28/17	594918BG	CORP US NOTE 30	28210	MICROSOFT CORPORATION	2.000	11/03/20	1.8453	MORGAN STANLEY	4002	9,273,000.00	9,318,066.78		10/03/20
6/08/17	STN2017A	MUNICIPAL BOND	28065	STN 2017S A	1.126	6/30/17	1.1197	BROKER DIRECT	1000	38,466,300.00	38,466,300.00		
6/08/17	STN2017B	MUNICIPAL BOND	28066	SSTN 2017S B	1.126	6/30/17	1.1197	BROKER DIRECT	1000	120,442,900.00	120,442,900.00		
<b>48 PURCHASES DURING PERIOD TOTAL.....</b>										<b>895,141,200.00</b>	<b>894,654,434.83</b>		
<b><u>SALE TRANSACTIONS</u></b>													
6/28/17	912796LZ	U.S. TREASURY B	27781	UNITED STATES TREASURY		10/26/17		INTL FCSTONE PA	4001	2,000,000.00	1,993,719.44	6.61	
6/16/17	3130A9S6	AGENCY US FLOAT	26625	FEDERAL HOME LOAN BANKS	.466	11/22/17		WELLS FARGO SEC	4101	10,000,000.00	10,003,290.00	4,007.53	
6/29/17	880590HT	AGENCY US DISC	28120	TENNESSEE VALLEY AUTHOR		7/05/17	1.0001	WELLS FARGO SEC	4101	50,000,000.00	49,993,055.56		
6/06/17	013595UK	MUNICIPAL BOND	26959	ALBUQUERQUE N MEX MUN S	2.000	8/01/17		WELLS FARGO SEC	4001	1,000,000.00	1,001,510.00	63.30	
6/12/17	914692WL	MUNICIPAL BOND	27420	UNIVERSITY N MEX UNIV R	.640	6/01/26	.7200	ISSUER DIRECT	4000	2,985,000.00	2,985,000.00		
6/12/17	914692XL	MUNICIPAL BOND	26570	UNIVERSITY N MEX UNIV R	.820	6/01/30	.8200	ISSUER DIRECT	4000	4,250,000.00	4,250,000.00		
6/12/17	914692XL	MUNICIPAL BOND	26569	UNIVERSITY N MEX UNIV R	.820	6/01/30	.8200	ISSUER DIRECT	4002	4,245,000.00	4,245,000.00		
6/16/17	914692WL	MUNICIPAL BOND	26987	UNIVERSITY N MEX UNIV R	.640	6/01/26	.8600	ISSUER DIRECT	1001	13,360,000.00	13,360,000.00		
6/16/17	914692XL	MUNICIPAL BOND	26568	UNIVERSITY N MEX UNIV R	.820	6/01/30	.8600	ISSUER DIRECT	4001	1,420,000.00	1,420,000.00		
<b>9 SALES DURING PERIOD TOTAL.....</b>										<b>89,260,000.00</b>	<b>89,251,575.00</b>	<b>4,077.44</b>	
<b>=== GRAND-TOTAL ==&gt;</b>										<b>984,401,200.00</b>	<b>983,906,009.83</b>	<b>4,077.44</b>	

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**STATE OF NEW MEXICO**  
**Summary of Fixed-Income Purchases and Sales**  
**TRADES During The Period 4/01/17 Through 6/30/17**

TXN-DATE	CUSIP#	ASSET-TYPE	INVST#	ISSUE-NAME	RATE	MATURITY	YIELD	BRKR/DLR/AGENT	FUND	PAR-VALUE	COST/PROCEEDS	GAIN/LOSS	NXT-CALL
<b>PURCHASE TRANSACTIONS</b>													
4/03/17	36960LRB	COMMERCIAL PAPE	27638	GENERAL ELECTRIC CO		4/11/17	.8001	ISSUER DIRECT	1001	25,000,000.00	24,996,111.11		
4/03/17	89233GTP	COMMERCIAL PAPE	27037	Toyota Motor Credit Co		6/23/17	1.0223	ISSUER DIRECT	4001	1,000,000.00	997,733.33		
4/04/17	89233GRK	COMMERCIAL PAPE	27647	TOYOTA MOTOR CREDIT COR		4/19/17	.8403	ISSUER DIRECT	1001	25,000,000.00	24,991,833.33		
4/19/17	89233GSP	COMMERCIAL PAPE	27715	TOYOTA MOTOR CREDIT CO		5/23/17	.9007	ISSUER DIRECT	1001	25,000,000.00	24,979,375.00		
4/20/17	89233GTP	COMMERCIAL PAPE	27037	Toyota Motor Credit Co		6/23/17	.9817	ISSUER DIRECT	4001	1,400,000.00	1,397,599.00		
4/21/17	36960LTV	COMMERCIAL PAPE	27732	GENERAL ELECTRIC CO		6/29/17	.8714	ISSUER DIRECT	4001	8,800,000.00	8,785,964.00		
4/26/17	30229ATW	COMMERCIAL PAPE	27767	EXXON MOBIL CORP		6/30/17	.8312	ISSUER DIRECT	4001	1,200,000.00	1,198,229.33		
4/26/17	36960LSB	COMMERCIAL PAPE	27765	GENERAL ELECTRIC		5/11/17	.8103	ISSUER DIRECT	1001	25,000,000.00	24,992,125.00		
5/04/17	30229AT5	COMMERCIAL PAPE	27829	EXXON MOBILE		6/05/17	.8406	ISSUER DIRECT	4001	6,600,000.00	6,595,226.00		
5/09/17	36960LT9	COMMERCIAL PAPE	27866	GENERAL ELECTRIC CO - C		6/09/17	.8306	ISSUER DIRECT	1000	20,000,000.00	19,986,166.67		
5/09/17	89233GT9	COMMERCIAL PAPE	27865	TOYOTA MOTOR CREDIT CO		6/09/17	.8706	ISSUER DIRECT	1000	20,000,000.00	19,985,500.00		
5/15/17	89233GTE	COMMERCIAL PAPE	27903	TOYOTA MOTOR CREDIT COR		6/14/17	.9007	ISSUER DIRECT	4002	10,000,000.00	9,992,750.00		
5/18/17	30229ATW	COMMERCIAL PAPE	27767	EXXON MOBIL CORP		6/30/17	.8208	ISSUER DIRECT	4001	2,000,000.00	1,998,086.67		
5/18/17	36960LTW	COMMERCIAL PAPE	27928	GENERAL ELECTRIC CO		6/30/17	.8508	ISSUER DIRECT	4001	1,000,000.00	999,008.33		
5/18/17	89233GTW	COMMERCIAL PAPE	27927	TOYOTA MOTOR CREDIT COR		6/30/17	.9310	ISSUER DIRECT	4001	1,000,000.00	998,915.00		
5/24/17	36960LTV	COMMERCIAL PAPE	27970	GENERAL ELECTRIC CO		6/29/17	.8707	BROKER DIRECT	1001	25,000,000.00	24,978,854.17		
5/24/17	89233GTU	COMMERCIAL PAPE	27971	TOYOTA MOTOR CREDIT COR		6/28/17	.9308	BROKER DIRECT	1001	25,000,000.00	24,978,041.67		
6/06/17	30229ATW	COMMERCIAL PAPE	27767	EXXON MOBIL CORP		6/30/17	.8705	ISSUER DIRECT	4001	6,700,000.00	6,696,275.92		
6/09/17	36960LTP	COMMERCIAL PAPE	28075	GECO CP		6/23/17	.9403	ISSUER DIRECT	1000	20,000,000.00	19,994,255.56		
6/09/17	89233GTP	COMMERCIAL PAPE	28076	Toyota Motor Credit Co		6/23/17	.9403	ISSUER DIRECT	1000	20,000,000.00	19,994,255.56		
6/21/17	30229ATW	COMMERCIAL PAPE	27767	EXXON MOBIL CORP		6/30/17	1.0703	ISSUER DIRECT	4001	1,000,000.00	999,762.22		
6/21/17	36960LTW	COMMERCIAL PAPE	27928	GENERAL ELECTRIC CO		6/30/17	1.0803	ISSUER DIRECT	4001	1,000,000.00	999,760.00		
6/22/17	30229AUC	COMMERCIAL PAPE	28144	EXXON MOBIL		7/12/17	1.0806	ISSUER DIRECT	1000	25,000,000.00	24,985,750.00		
6/22/17	89233GUH	COMMERCIAL PAPE	28145	TOYOTA MOTOR CREDIT COR		7/17/17	1.0808	ISSUER DIRECT	1000	20,000,000.00	19,985,600.00		
6/27/17	30229AUE	COMMERCIAL PAPE	28175	EXXON MOBIL CORP		7/14/17	1.0805	ISSUER DIRECT	1001	25,000,000.00	24,988,000.00		
6/28/17	89233GVE	COMMERCIAL PAPE	28187	TOYOTA MOTOR CORP - CP		8/14/17	1.1417	ISSUER DIRECT	1001	25,000,000.00	24,963,583.33		
4/21/17	8521082	CERTIFICATES OF	27728	FARMERS & STOCKMENS BAN	1.250	10/19/18	1.2500	SYSTEM - UNIDEN	1001	3,000,000.00	3,000,000.00		
4/28/17	4282017	CERTIFICATES OF	27770	FARMERS & STOCKMENS BAN	1.150	4/27/18	1.1500	SYSTEM - UNIDEN	1001	2,000,000.00	2,000,000.00		
6/02/17	06022017	CERTIFICATES OF	28011	WESTERN BANK CLOVIS	1.100	12/01/17	1.1000	SYSTEM - UNIDEN	1001	500,000.00	500,000.00		
6/30/17	81186499	CERTIFICATES OF	28195	WESTERN BANK ALAMOGORDO	1.260	6/30/18	1.2600	SYSTEM - UNIDEN	4002	1,100,000.00	1,100,000.00		
4/05/17	912796KS	U.S. TREASURY B	27654	UNITED STATES TREASURY		4/13/17	.7501	GUGGENHEIM SECU	4101	40,000,000.00	39,993,333.33		
4/07/17	912796JP	U.S. TREASURY B	27610	UNITED STATES TREASURY		4/27/17	.7578	BARCLAYS	4101	35,000,000.00	34,985,270.83		
4/10/17	912796KT	U.S. TREASURY B	27474	UNITED STATES TREASURY		4/20/17	.7602	GUGGENHEIM SECU	4101	45,000,000.00	44,990,500.00		
4/27/17	912796LZ	U.S. TREASURY B	27781	UNITED STATES TREASURY		10/26/17	.9556	WELLS FARGO SEC	4001	11,500,000.00	11,445,013.71		
5/30/17	912796LF	U.S. TREASURY B	28002	UNITED STATES TREASURY		6/29/17	.8405	JEFFRIES & CO	4001	15,000,000.00	14,990,200.05		
5/31/17	912796LF	U.S. TREASURY B	28002	UNITED STATES TREASURY		6/29/17	.8516	MIZUHO SECURITI	4001	15,000,000.00	14,990,071.67		
4/17/17	912828TS	US TREASURY NOT	27705	UNITED STATES TREASURY	.625	9/30/17	.9467	DAIWA CAPITAL M	4101	10,000,000.00	9,985,546.88		
4/18/17	912828TM	US TREASURY NOT	27573	UNITED STATES TREASURY	.625	8/31/17	.8736	MIZUHO SECURITI	4101	25,000,000.00	24,977,539.06		

**STATE OF NEW MEXICO**  
**Summary of Fixed-Income Purchases and Sales**  
**TRADES During The Period 4/01/17 Through 6/30/17**

TXN-DATE	CUSIP#	ASSET-TYPE	INVST#	ISSUE-NAME	RATE	MATURITY	YIELD	BRKR/DLR/AGENT	FUND	PAR-VALUE	COST/PROCEEDS	GAIN/LOSS	NXT-CALL
5/15/17	912828NR	US TREASURY NOT	27904	UNITED STATES TREASURY	2.375	7/31/17	.8962	INTL FCSTONE PA	4101	10,987,000.00	11,020,905.20		
6/23/17	912828XR	US TREASURY NOT	28158	UNITED STATES TREASURY	1.750	5/31/22	1.7558	BARCLAYS	1001	20,000,000.00	19,994,531.25		
4/11/17	89236TDU	CORPORATE BONDS	27690	TOYOTA MOTOR CREDIT COR	1.950	4/17/20	1.9659	MORGAN STANLEY	4000	2,500,000.00	2,498,850.00		
4/11/17	89236TDU	CORPORATE BONDS	27691	TOYOTA MOTOR CREDIT COR	1.950	4/17/20	1.9659	MORGAN STANLEY	4002	2,500,000.00	2,498,850.00		
5/23/17	3130ABHL	AGENCY US FLOAT	27969	FEDERAL HOME LOAN BANKS		9/26/17	1.0544	MIZUHO SECURITI	4101	10,000,000.00	10,000,000.00		
6/21/17	3133EGPC	AGENCY US FLOAT	28135	FEDERAL FARM CREDIT BAN	1.074	6/29/17	1.1408	BARCLAYS	4001	5,000,000.00	4,999,785.00		
6/27/17	3130ABHL	AGENCY US FLOAT	27969	FEDERAL HOME LOAN BANKS		9/26/17	1.0424	MIZUHO SECURITI	4101	15,000,000.00	14,999,570.10		
4/18/17	3133EDD6	AGENCY US BOND	27713	FEDERAL FARM CREDIT BAN	1.240	10/06/17	.9775	INTL FCSTONE PA	4101	2,000,000.00	2,002,420.00		
4/24/17	3130A2XL	AGENCY US BOND	27740	FEDERAL HOME LOAN BANKS	1.100	9/29/17	.9384	BMO CAPTIAL MAR	4101	10,000,000.00	10,006,900.00		
4/24/17	31331KR4	AGENCY US BOND	27742	FEDERAL FARM CREDIT BAN	1.500	11/08/17	1.0218	INTL FCSTONE PA	4101	1,000,000.00	1,002,550.00		
4/24/17	313380EC	AGENCY US BOND	27741	FEDERAL HOME LOAN BANKS	.750	9/08/17	.9216	MORGAN STANLEY	4101	12,915,000.00	12,906,734.40		
4/24/17	880591EA	AGENCY US BOND	27743	TENNESSEE VALLEY AUTHOR	5.500	7/18/17	.8906	WELLS FARGO SEC	4001	1,320,000.00	1,333,959.10		
4/26/17	3130A6SW	AGENCY US BOND	27768	FEDERAL HOME LOAN BANKS	1.000	12/19/17	1.0000	MUTUAL SECURITI	4101	1,900,000.00	1,900,000.00		
5/03/17	3133EFBS	AGENCY US BOND	27815	FEDERAL FARM CREDIT BAN	.680	7/03/17	.8400	TD SECURITIES	4001	2,500,000.00	2,499,337.50		
5/08/17	880591CU	AGENCY US BOND	27130	TENNESSEE VALLEY AUTHOR	6.250	12/15/17	1.1221	BB&T CAPITAL MA	4101	720,000.00	742,118.40		
5/15/17	313372C3	AGENCY US BOND	27052	FEDERAL HOME LOAN BANKS	3.125	12/08/17	1.0866	BOSC, INC	4101	5,000,000.00	5,056,861.30		
6/08/17	3130ABE7	AGENCY US BOND	28074	FEDERAL HOME LOAN BANKS	1.125	5/08/18	1.2503	BOSC, INC	4101	900,000.00	898,978.64		
6/23/17	31331J4H	AGENCY US BOND	28156	FEDERAL FARM CREDIT BAN	2.500	12/06/17	1.1393	BOSC, INC	4101	2,000,000.00	2,012,020.00		
6/23/17	3133EEQM	AGENCY US BOND	28154	FEDERAL FARM CREDIT BAN	1.110	2/20/18	1.1952	WELLS FARGO SEC	4101	12,000,000.00	11,993,400.00		
6/28/17	3133EGMC	AGENCY US BOND	28178	FEDERAL FARM CREDIT BAN	.670	10/18/17	1.0692	MORGAN STANLEY	4101	5,000,000.00	4,993,900.00		
4/04/17	313313EQ	AGENCY US DISC	27645	FEDERAL FARM CREDIT BAN		4/21/17	.7503	DAIWA CAPITAL M	4101	10,000,000.00	9,996,458.33		
4/04/17	880590EM	AGENCY US DISC	27646	TENNESSEE VALLEY AUTHOR		4/18/17	.7492	TD SECURITIES	4101	25,000,000.00	24,992,718.06		
4/11/17	313385MQ	AGENCY US DISC	27677	FEDERAL HOME LOAN BANKS		10/06/17	.9494	HSBC	4101	10,000,000.00	9,953,275.00		
4/19/17	313385MV	AGENCY US DISC	27714	FEDERAL HOME LOAN BANKS		10/11/17	.9494	DEUTSCHE BANK S	4101	10,000,000.00	9,954,062.50		
4/20/17	880590FC	AGENCY US DISC	27730	TENNESSEE VALLEYAUTH DI		5/03/17	.7602	WELLS FARGO SEC	4101	82,100,000.00	82,077,468.11		
4/20/17	880590FC	AGENCY US DISC	27730	TENNESSEE VALLEYAUTH DI		5/03/17	.7732	TD SECURITIES	4101	7,520,000.00	7,517,900.88		
4/21/17	313385JK	AGENCY US DISC	27733	FEDERAL HOME LOAN BANKS		7/21/17	.8518	WELLS FARGO SEC	4101	5,000,000.00	4,989,256.94		
4/26/17	313385HJ	AGENCY US DISC	27766	FEDERAL HOME LOAN BANKS		6/26/17	.7961	DAIWA CAPITAL M	4001	20,000,000.00	19,973,500.00		
4/26/17	313385HJ	AGENCY US DISC	27766	FEDERAL HOME LOAN BANKS		6/26/17	.7910	UBS	4001	20,215,000.00	20,188,383.58		
4/26/17	313385JK	AGENCY US DISC	27733	FEDERAL HOME LOAN BANKS		7/21/17	.8467	RAMIREZ & CO, I	4101	15,000,000.00	14,970,072.92		
4/26/17	313385KZ	AGENCY US DISC	27757	FEDERAL HOME LOAN BANKS		8/28/17	.9280	LOOP CAPITAL MA	4101	5,000,000.00	4,984,069.44		
4/27/17	313385GB	AGENCY US DISC	27782	FEDERAL HOME LOAN BANKS		5/26/17	.7544	LOOP CAPITAL MA	4101	10,000,000.00	9,994,135.56		
4/28/17	313385FD	AGENCY US DISC	27785	FEDERAL HOME LOAN BANKS		5/04/17	.7501	JEFFRIES & CO	4101	15,000,000.00	14,998,125.00		
4/28/17	313397FJ	AGENCY US DISC	27784	FEDERAL HOME LOAN MORTG		5/09/17	.7502	BARCLAYS	1000	140,000,000.00	139,967,916.67		
5/01/17	313385NE	AGENCY US DISC	27795	FEDERAL HOME LOAN BANKS		10/20/17	.9947	DAIWA CAPITAL M	4101	6,450,000.00	6,419,491.50		
5/03/17	313385FD	AGENCY US DISC	27785	FEDERAL HOME LOAN BANKS		5/04/17	.7500	LOOP CAPITAL MA	4101	60,000,000.00	59,998,750.00		
5/03/17	313385HL	AGENCY US DISC	27816	FEDERAL HOME LOAN BANKS		6/28/17	.7980	DAIWA CAPITAL M	4001	5,000,000.00	4,993,911.81		
5/04/17	313385FH	AGENCY US DISC	27832	FEDERAL HOME LOAN BANKS		5/08/17	.7501	WELLS FARGO SEC	4101	45,000,000.00	44,996,250.00		
5/04/17	313385HN	AGENCY US DISC	27830	FEDERAL HOME LOAN BANKS		6/30/17	.8190	LOOP CAPITAL MA	4001	10,000,000.00	9,987,275.56		
5/04/17	880590FR	AGENCY US DISC	27831	TENNESSEE VALLEY AUTHOR		5/16/17	.7592	TD SECURITIES	4101	25,000,000.00	24,993,675.00		
5/08/17	313385FJ	AGENCY US DISC	27855	FEDERAL HOME LOAN BANKS		5/09/17	.7400	LOOP CAPITAL MA	4101	25,000,000.00	24,999,486.11		

**STATE OF NEW MEXICO**  
**Summary of Fixed-Income Purchases and Sales**  
**TRADES During The Period 4/01/17 Through 6/30/17**

TXN-DATE	CUSIP#	ASSET-TYPE	INVS#	ISSUE-NAME	RATE	MATURITY	YIELD	BRKR/DLR/AGENT	FUND	PAR-VALUE	COST/PROCEEDS	GAIN/LOSS	NXT-CALL
5/08/17	313385FS	AGENCY US DISC	27847	FEDERAL HOME LOAN BANKS		5/17/17	.7701	WELLS FARGO SEC	4101	29,986,000.00	29,980,227.70		
5/08/17	313385FU	AGENCY US DISC	27846	FEDERAL HOME LOAN BANKS		5/19/17	.7552	MORGAN STANLEY	4101	15,536,000.00	15,532,415.93		
5/09/17	313385FK	AGENCY US DISC	27857	FEDERAL HOME LOAN BANKS		5/10/17	.7500	CASTLEOAK SECUR	4101	25,000,000.00	24,999,479.17		
5/09/17	313385GP	AGENCY US DISC	27867	FEDERAL HOME LOAN BANKS		6/07/17	.7504	DEUTSCHE BANK S	1000	100,000,000.00	99,941,666.66		
5/10/17	313385FL	AGENCY US DISC	27868	FEDERAL HOME LOAN BANKS		5/11/17	.7499	INTL FCSTONE PA	4101	25,000,000.00	24,999,479.25		
5/11/17	313385HD	AGENCY US DISC	27880	FEDERAL HOME LOAN BANKS		6/21/17	.8007	DAIWA CAPITAL M	4001	1,100,000.00	1,099,022.22		
5/11/17	313385HF	AGENCY US DISC	27879	FEDERAL HOME LOAN BANKS		6/23/17	.7907	JEFFRIES & CO	1000	60,000,000.00	59,944,700.00		
5/11/17	313385HN	AGENCY US DISC	27830	FEDERAL HOME LOAN BANKS		6/30/17	.8209	RBS	4001	5,000,000.00	4,994,419.44		
5/12/17	313385FQ	AGENCY US DISC	27887	FEDERAL HOME LOAN BANKS		5/15/17	.7500	CASTLEOAK SECUR	4101	25,000,000.00	24,998,437.50		
5/15/17	313385FR	AGENCY US DISC	27901	FEDERAL HOME LOAN BANKS		5/16/17	.7500	MIZUHO SECURITI	4101	50,000,000.00	49,998,958.33		
5/16/17	313385FS	AGENCY US DISC	27847	FEDERAL HOME LOAN BANKS		5/17/17	.7500	CASTLEOAK SECUR	4101	25,000,000.00	24,999,479.17		
5/16/17	313385JA	AGENCY US DISC	27913	FEDERAL HOME LOAN BANKS		7/12/17	.8652	CASTLEOAK SECUR	4101	15,000,000.00	14,979,840.00		
5/16/17	880590GF	AGENCY US DISC	27905	TENNESSEE VALLEY AUTHOR		5/30/17	.7502	TD SECURITIES	4101	37,000,000.00	36,989,208.33		
5/17/17	313385FT	AGENCY US DISC	27916	FEDERAL HOME LOAN BANKS		5/18/17	.7500	LOOP CAPITAL MA	4101	15,000,000.00	14,999,687.50		
5/17/17	313385HN	AGENCY US DISC	27830	FEDERAL HOME LOAN BANKS		6/30/17	.8108	MIZUHO SECURITI	4001	13,900,000.00	13,886,551.75		
5/18/17	313385FU	AGENCY US DISC	27926	FEDERAL HOME LOAN BANKS		5/19/17	.7500	RAMIREZ & CO, I	4101	20,000,000.00	19,999,583.33		
5/18/17	313385HN	AGENCY US DISC	27830	FEDERAL HOME LOAN BANKS		6/30/17	.8007	HSBC	4001	10,000,000.00	9,990,666.67		
5/19/17	313385FX	AGENCY US DISC	27935	FEDERAL HOME LOAN BANKS		5/22/17	.7500	CASTLEOAK SECUR	4101	35,000,000.00	34,997,812.50		
5/22/17	313385FY	AGENCY US DISC	27944	FEDERAL HOME LOAN BANKS		5/23/17	.7500	WELLS FARGO SEC	4101	35,000,000.00	34,999,270.83		
5/23/17	313385FZ	AGENCY US DISC	27951	FEDERAL HOME LOAN BANKS		5/24/17	.7500	BMO CAPTIAL MAR	4101	35,000,000.00	34,999,270.83		
5/23/17	313385JH	AGENCY US DISC	27960	FEDERAL HOME LOAN BANKS		7/19/17	.9113	WELLS FARGO SEC	4101	10,000,000.00	9,985,844.44		
5/24/17	313385GA	AGENCY US DISC	27968	FEDERAL HOME LOAN BANKS		5/25/17	.7500	LOOP CAPITAL MA	4101	35,000,000.00	34,999,270.83		
5/24/17	313589GB	AGENCY US DISC	27972	FEDERAL NATIONAL MORTGA		5/26/17	.7500	DAIWA CAPITAL M	4101	35,000,000.00	34,999,270.83		
5/25/17	313385HF	AGENCY US DISC	27984	FEDERAL HOME LOAN BANKS		6/23/17	.8215	LOOP CAPITAL MA	4101	10,000,000.00	9,993,614.44		
5/30/17	880590GG	AGENCY US DISC	27994	TENNESSEE VALLEY AUTHOR		5/31/17	.7390	TD SECURITIES	4101	21,000,000.00	20,999,568.92		
5/30/17	880590GV	AGENCY US DISC	27995	TENNESSEE VALLEY AUTHOR		6/13/17	.7502	WELLS FARGO SEC	4101	25,000,000.00	24,992,708.33		
6/02/17	313385JS	AGENCY US DISC	28029	FEDERAL HOME LOAN BANKS		7/28/17	.9664	RBS	4101	25,000,000.00	24,964,482.64		
6/06/17	313385HL	AGENCY US DISC	27816	FEDERAL HOME LOAN BANKS		6/28/17	.8905	DAIWA CAPITAL M	4001	2,000,000.00	1,998,961.67		
6/06/17	313385HN	AGENCY US DISC	27830	FEDERAL HOME LOAN BANKS		6/30/17	.8905	DAIWA CAPITAL M	4001	7,642,000.00	7,637,654.67		
6/06/17	880590HC	AGENCY US DISC	28038	TENNESSEE VALLEY AUTHOR		6/20/17	.8373	TD SECURITIES	4101	50,000,000.00	49,983,725.00		
6/07/17	313385HK	AGENCY US DISC	28054	FEDERAL HOME LOAN BANKS		6/27/17	.8804	RAMIREZ & CO, I	1000	50,000,000.00	49,976,777.78		
6/07/17	313385HT	AGENCY US DISC	28055	FEDERAL HOME LOAN BANKS		7/05/17	.9106	DAIWA CAPITAL M	1000	43,500,000.00	43,470,311.25		
6/07/17	880590HC	AGENCY US DISC	28038	TENNESSEE VALLEY AUTHOR		6/20/17	.8302	MORGAN STANLEY	4101	5,000,000.00	4,998,501.39		
6/08/17	313385HE	AGENCY US DISC	28058	FEDERAL HOME LOAN BANKS		6/22/17	.8203	CASTLEOAK SECUR	4101	45,000,000.00	44,985,650.00		
6/13/17	880590HK	AGENCY US DISC	28092	TENNESSEE VALLEY AUTHOR		6/27/17	.9904	RAMIREZ & CO, I	4001	12,500,000.00	12,495,531.25		
6/13/17	880590HK	AGENCY US DISC	28083	TENNESSEE VALLEY AUTHOR		6/27/17	.9904	TD SECURITIES	4101	33,000,000.00	32,987,295.00		
6/13/17	880590HK	AGENCY US DISC	28085	TENNESSEE VALLEY AUTHOR		6/27/17	.9854	MORGAN STANLEY	4101	20,000,000.00	19,992,338.89		
6/20/17	880590HT	AGENCY US DISC	28120	TENNESSEE VALLEY AUTHOR		7/05/17	1.0004	TD SECURITIES	4101	50,000,000.00	49,979,166.67		
6/22/17	313385JC	AGENCY US DISC	28146	FEDERAL HOME LOAN BANKS		7/14/17	1.0006	LOOP CAPITAL MA	1000	25,000,000.00	24,985,416.67		
6/22/17	313385JC	AGENCY US DISC	28146	FEDERAL HOME LOAN BANKS		7/14/17	1.0006	JEFFRIES & CO	1000	30,000,000.00	29,982,500.00		
6/22/17	313397SN	AGENCY US DISC	28136	FEDERAL HOME LOAN MORTG		2/01/18	1.1228	RAMIREZ & CO, I	4101	35,000,000.00	34,757,177.78		



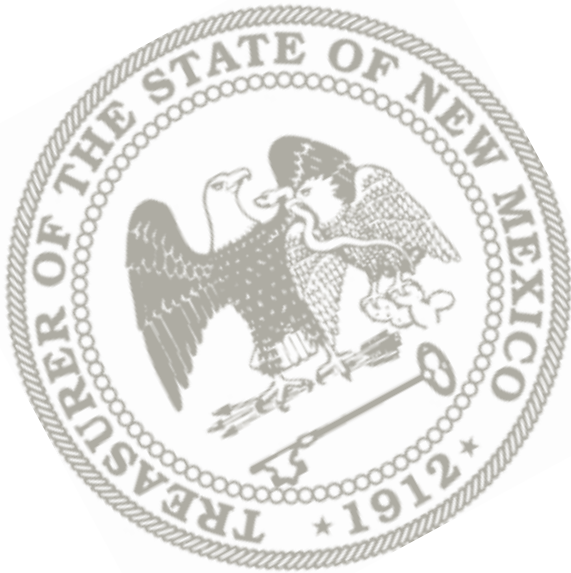
**STATE OF NEW MEXICO**  
**Summary of Fixed-Income Purchases and Sales**  
**TRADES During The Period 4/01/17 Through 6/30/17**

TXN-DATE	CUSIP#	ASSET-TYPE	INVS#	ISSUE-NAME	RATE	MATURITY	YIELD	BRKR/DLR/AGENT	FUND	PAR-VALUE	COST/PROCEEDS	GAIN/LOSS	NXT-CALL
6/23/17	313313JS	AGENCY US DISC	28153	FEDERAL FARM CREDIT BAN		7/28/17	.9809	UBS	4101	5,000,000.00	4,995,236.11		
6/23/17	313385JH	AGENCY US DISC	27960	FEDERAL HOME LOAN BANKS		7/19/17	1.0007	JEFFRIES & CO	4101	25,000,000.00	24,981,944.44		
6/28/17	313385HM	AGENCY US DISC	28177	FEDERAL HOME LOAN BANKS		6/29/17	.9000	TD SECURITIES	4101	20,000,000.00	19,999,500.00		
4/20/17	3130A8SA	AGENCY 30/360 2	27729	FEDERAL HOME LOAN BANK	.530	4/28/17	1.0000	BOSC, INC	4001	700,000.00	699,935.69		
4/07/17	3137EADJ	AGENCY US NOTES	27663	FEDERAL HOME LOAN MORTG	1.000	7/28/17	.8488	KEYBANC CAPITAL	4101	7,350,000.00	7,353,381.00		
4/07/17	3137EADJ	AGENCY US NOTES	27663	FEDERAL HOME LOAN MORTG	1.000	7/28/17	.8326	MORGAN STANLEY	4101	7,000,000.00	7,003,570.00		
5/01/17	3137EAEA	AGENCY US NOTES	27797	FEDERAL HOME LOAN MORTG	.750	4/09/18	1.1345	INTL FCSTONE PA	4101	10,650,000.00	10,611,979.50		
5/02/17	3137EAE	AGENCY US NOTES	27812	FEDERAL HOME LOAN MORTG	1.500	1/17/20	1.5019	MIZUHO SECURITI	4000	5,000,000.00	4,999,750.00		
5/11/17	3137EADF	AGENCY US NOTES	27100	FEDERAL HOME LOAN MORTG	1.250	5/12/17	.7772	WELLS FARGO SEC	4101	23,000,000.00	23,000,299.00		
5/24/17	3135GOSW	AGENCY US NOTES	27973	FEDERAL NATIONAL MORTGA	.875	12/27/17	1.1621	INTL FCSTONE PA	4101	9,000,000.00	8,984,880.00		
5/25/17	3135GOMZ	AGENCY US NOTES	27985	FEDERAL NATIONAL MORTGA	.875	8/28/17	.9827	INTL FCSTONE PA	4101	1,055,000.00	1,054,704.60		
5/30/17	3137EADL	AGENCY US NOTES	27151	FEDERAL HOME LOAN MORTG	1.000	9/29/17	1.0272	INTL FCSTONE PA	4101	3,000,000.00	2,999,631.00		
5/31/17	3135GOMZ	AGENCY US NOTES	27985	FEDERAL NATIONAL MORTGA	.875	8/28/17	1.0262	BB&T CAPITAL MA	4101	4,666,000.00	4,664,273.58		
6/15/17	3135GOMZ	AGENCY US NOTES	27985	FEDERAL NATIONAL MORTGA	.875	8/28/17	1.0650	BOSC, INC	4101	550,000.00	549,788.38		
6/15/17	3135GOZL	AGENCY US NOTES	27274	FEDERAL NATIONAL MORTGA	1.000	9/27/17	1.0750	BOSC, INC	4101	1,000,000.00	999,783.62		
6/16/17	3137EADH	AGENCY US NOTES	27081	FEDERAL HOME LN MTG COR	1.000	6/29/17	1.0670	INTL FCSTONE PA	4101	2,027,000.00	2,026,959.46		
6/22/17	880591EA	AGENCY US NOTES	26241	TENNESSEE VALLEY AUTH	5.500	7/18/17	1.0279	WELLS FARGO SEC	4101	6,000,000.00	6,019,260.00		
6/23/17	3136FPMH	AGENCY US NOTES	28157	FEDERAL NATIONAL MORTGA	2.500	9/29/17	1.0536	BOSC, INC	4101	2,000,000.00	2,007,420.00		
6/28/17	3134GA3N	AGENCY US NOTES	28188	FEDERAL HOME LOAN MORTG	1.875	8/16/19	1.1536	INTL FCSTONE PA	4002	11,460,000.00	11,470,657.80		8/16/17
6/28/17	3134GBVN	AGENCY US NOTES	28219	FEDERAL HOME LOAN MORTG	1.650	7/10/20	1.6500	INTL FCSTONE PA	4002	5,080,000.00	5,080,000.00		7/10/18
4/25/17	3133EHGU	AGENCY US VARIA	27758	FEDERAL FARM CREDIT BAN	.940	4/25/19	.9488	INTL FCSTONE PA	4101	5,000,000.00	4,999,000.00		
5/04/17	3130A9A2	AGENCY US VARIA	27836	FEDERAL HOME LOAN BANKS	.930	3/06/18	.8324	LOOP CAPITAL MA	4101	6,800,000.00	6,805,095.85		
5/08/17	3130ABAM	AGENCY US VARIA	27848	FEDERAL HOME LOAN BANKS	.861	10/25/17	.8665	MIZUHO SECURITI	4101	32,000,000.00	31,998,400.00		
5/16/17	3133EHKC	AGENCY US VARIA	27914	FEDERAL FARM CREDIT BAN	.987	3/25/19	.9890	INTL FCSTONE PA	4101	10,000,000.00	9,999,080.00		
5/31/17	3133EHLT	AGENCY US VARIA	28010	FEDERAL FARM CREDIT BAN	1.012	12/05/18	1.0137	INTL FCSTONE PA	4101	10,000,000.00	9,999,240.00		
6/23/17	3133EHPH	AGENCY US VARIA	28159	FEDERAL FARM CREDIT BAN		6/27/19	1.0424	INTL FCSTONE PA	4101	5,000,000.00	5,000,000.00		
6/28/17	3133EHME	AGENCY US VARIA	28189	FEDERAL FARM CREDIT BAN	1.170	3/12/19	1.1460	INTL FCSTONE PA	4101	5,000,000.00	5,001,700.00		
4/28/17	713448DR	CORP US NOTE 30	27794	PEPSICO INC	1.550	5/02/19	1.5882	MORGAN STANLEY	1001	5,000,000.00	4,996,250.00		
4/28/17	713448DR	CORP US NOTE 30	27792	PEPSICO INC	1.550	5/02/19	1.5882	MORGAN STANLEY	4000	2,500,000.00	2,498,125.00		
4/28/17	713448DR	CORP US NOTE 30	27793	PEPSICO INC	1.550	5/02/19	1.5882	MORGAN STANLEY	4002	2,500,000.00	2,498,125.00		
5/05/17	037833CS	CORP US NOTE 30	27845	APPLE INC.	1.800	5/11/20	1.8351	WELLS FARGO SEC	1001	2,500,000.00	2,497,450.00		
5/05/17	037833CS	CORP US NOTE 30	27844	APPLE INC.	1.800	5/11/20	1.8351	WELLS FARGO SEC	4002	2,500,000.00	2,497,450.00		
6/28/17	594918BG	CORP US NOTE 30	28210	MICROSOFT CORPORATION	2.000	11/03/20	1.8453	MORGAN STANLEY	4002	9,273,000.00	9,318,066.78		10/03/20
6/08/17	STN2017A	MUNICIPAL BOND	28065	STN 2017S A	1.126	6/30/17	1.1197	BROKER DIRECT	1000	38,466,300.00	38,466,300.00		
6/08/17	STN2017B	MUNICIPAL BOND	28066	SSTN 2017S B	1.126	6/30/17	1.1197	BROKER DIRECT	1000	120,442,900.00	120,442,900.00		
4/20/17	914692XL	MUNICIPAL BOND	26568	UNIVERSITY N MEX UNIV R	.820	6/01/30	.9300	ISSUER DIRECT	4001	100,000.00	100,000.00		
<b>156 PURCHASES DURING PERIOD TOTAL.....</b>										<b>279811200.00</b>	<b>2796840172.96</b>		
<b><u>SALE TRANSACTIONS</u></b>													
5/03/17	9033A0SN	COMMERCIAL PAPE	27427	USBKMN BA		5/22/17		ISSUER DIRECT	4000	2,500,000.00	2,498,925.00		

**STATE OF NEW MEXICO**  
**Summary of Fixed-Income Purchases and Sales**  
**TRADES During The Period 4/01/17 Through 6/30/17**

TXN-DATE	CUSIP#	ASSET-TYPE	INVST#	ISSUE-NAME	RATE	MATURITY	YIELD	BRKR/DLR/AGENT	FUND	PAR-VALUE	COST/PROCEEDS	GAIN/LOSS	NXT-CALL
5/03/17	9033A0V7	COMMERCIAL PAPE	27372	US BANK		8/07/17		ISSUER DIRECT	4000	826,056.00	823,592.75	43.60	
6/28/17	912796LZ	U.S. TREASURY B	27781	UNITED STATES TREASURY		10/26/17		INTL FCSTONE PA	4001	2,000,000.00	1,993,719.44	6.61	
5/01/17	912828SY	US TREASURY NOT	22609	UNITED STATES TREASURY	.625	5/31/17		INTL FCSTONE PA	4002	5,000,000.00	4,999,609.38	779.00	
5/02/17	912828TB	US TREASURY NOT	21204	UNITED STATES TREASURY	.750	6/30/17		BMO CAPTIAL MAR	4000	5,000,000.00	4,999,804.69	1,876.65	
5/05/17	912828SY	US TREASURY NOT	22609	UNITED STATES TREASURY	.625	5/31/17	.7467	WELLS FARGO SEC	4002	20,000,000.00	19,998,437.50	2,149.77	
5/10/17	912828PN	US TREASURY NOT	24730	UNITED STATES TREASURY	2.750	12/31/17		RBS	4002	10,000,000.00	10,103,906.25	889.71	
5/10/17	912828UJ	US TREASURY NOT	22607	UNITED STATES TREASURY	.875	1/31/18	1.1296	BMO CAPTIAL MAR	4002	5,000,000.00	4,990,820.31	2,677.59	
6/16/17	3130A9S6	AGENCY US FLOAT	26625	FEDERAL HOME LOAN BANKS	.466	11/22/17		WELLS FARGO SEC	4101	10,000,000.00	10,003,290.00	4,007.53	
4/05/17	313379FW	AGENCY US BOND	17058	FEDERAL HOME LOAN BANKS	1.000	6/09/17		MIZUHO SECURITI	4002	15,000,000.00	15,005,445.00	933.36	
5/05/17	3133EEQX	AGENCY US BOND	23143	FEDERAL FARM CREDIT BAN	1.000	9/25/17		DEUTSCHE BANK S	4000	15,000,000.00	14,998,976.25	-8,929.92	
5/05/17	911759JA	AGENCY US BOND	23945	UNITED STATES DEPARTMEN	5.450	8/01/19	1.1549	KEYBANC CAPITAL	4000	1,233,000.00	1,244,836.80	11,836.80	8/01/17
5/02/17	313385KZ	AGENCY US DISC	27757	FEDERAL HOME LOAN BANKS		8/28/17		INTL FCSTONE PA	4101	5,000,000.00	4,984,970.00	129.73	
5/04/17	313385JK	AGENCY US DISC	27733	FEDERAL HOME LOAN BANKS		7/21/17	.8315	DEUTSCHE BANK S	4101	10,000,000.00	9,982,016.67	352.09	
5/15/17	313385FS	AGENCY US DISC	27847	FEDERAL HOME LOAN BANKS		5/17/17	.7390	JEFFRIES & CO	4101	20,000,000.00	19,999,178.89	34.44	
6/29/17	880590HT	AGENCY US DISC	28120	TENNESSEE VALLEY AUTHOR		7/05/17	1.0001	WELLS FARGO SEC	4101	50,000,000.00	49,993,055.56		
4/03/17	3137EADJ	AGENCY US NOTES	23142	FEDERAL HOME LOAN MORTG	1.000	7/28/17	.7814	BMO CAPTIAL MAR	4000	5,000,000.00	5,003,430.00	151.79	
4/05/17	3135G0WJ	AGENCY US NOTES	23147	FEDERAL NATIONAL MORTGA	.875	5/21/18		WELLS FARGO SEC	4000	15,000,000.00	14,959,995.00	67.24	
5/19/17	3135G0PP	AGENCY US NOTES	24092	FEDERAL NATIONAL MORTGA	1.000	9/20/17		INTL FCSTONE PA	4000	5,000,000.00	4,999,550.00	-3,207.56	
6/06/17	013595UK	MUNICIPAL BOND	26959	ALBUQUERQUE N MEX MUN S	2.000	8/01/17		WELLS FARGO SEC	4001	1,000,000.00	1,001,510.00	63.30	
6/12/17	914692WL	MUNICIPAL BOND	27420	UNIVERSITY N MEX UNIV R	.640	6/01/26	.7200	ISSUER DIRECT	4000	2,985,000.00	2,985,000.00		
6/12/17	914692XL	MUNICIPAL BOND	26570	UNIVERSITY N MEX UNIV R	.820	6/01/30	.8200	ISSUER DIRECT	4000	4,250,000.00	4,250,000.00		
6/12/17	914692XL	MUNICIPAL BOND	26569	UNIVERSITY N MEX UNIV R	.820	6/01/30	.8200	ISSUER DIRECT	4002	4,245,000.00	4,245,000.00		
6/16/17	914692WL	MUNICIPAL BOND	26987	UNIVERSITY N MEX UNIV R	.640	6/01/26	.8600	ISSUER DIRECT	1001	13,360,000.00	13,360,000.00		
6/16/17	914692XL	MUNICIPAL BOND	26568	UNIVERSITY N MEX UNIV R	.820	6/01/30	.8600	ISSUER DIRECT	4001	1,420,000.00	1,420,000.00		
<b>25 SALES DURING PERIOD TOTAL.....</b>										<b>228,819,056.00</b>	<b>228,845,069.49</b>	<b>13,861.73</b>	
<b>=== GRAND-TOTAL ==&gt;</b>										<b>3026930256.00</b>	<b>3025685242.45</b>	<b>13,861.73</b>	

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



## 16. Credit Investing

APPROVED MEDIUM TERM NOTE/CORPORATE BOND ISSUERS

July 2017

	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-	NEG	A+	NEG				
COLGATE-PALM CO	\$59.47	Aa3	STABLE	AA-	STABLE	NR	NR				
EXXON MOBIL CORP	\$330.64	Aaa	STABLE	AA+	NEG	NR	NR				
GEN ELECTRIC CO	\$283.71	A1	STABLE	AA-	STABLE	AA-	STABLE				
IBM CORP	\$146.48	A1	STABLE	A+	STABLE	A+	NEG				
INTEL CORP	\$153.17	A1	STABLE	A+	POS	A+	STABLE				
JOHNSON & JOHNSON	\$265.03	Aaa	STABLE	AAA	STABLE	AAA	STABLE				
MICROSOFT CORP	\$375.95	Aaa	NEG	AAA	STABLE	AA+	STABLE				
PEPSICO INC	\$143.72	A1	STABLE	A+	STABLE	A	STABLE				
PFIZER INC	\$206.44	A1	STABLE	AA	STABLE	A+	NEG				
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

July 2017

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	STABLE	A-1+	NEG	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	STABLE	A-1	STABLE	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  
July 2017

Portfolio	Issuer	Face Amount	Yield	Maturity	% of Port	Total %
GF CORE	AAPL	2,500,000	1.59%	2/8/2019	0.31%	
	AAPL	2,500,000	1.84%	5/11/2020	0.31%	
	XON CP	25,000,000	1.08%	8/2/2017	3.08%	
	MSFT	2,500,000	1.87%	2/6/2020	0.31%	
	PEP	5,000,000	1.59%	5/2/2019	0.62%	
	TOYCC	25,000,000	1.14%	8/14/2017	3.08%	
	USB	5,000,000	2.07%	1/24/2020	0.62%	
						8.31%
GF LIQUIDITY	XON CP	25,000,000	1.08%	8/2/2017	2.61%	
	GE CO	25,000,000	1.09%	8/9/2017	2.61%	
	TOYCC	20,000,000	1.11%	8/14/2017	2.09%	
						7.32%
BPIP TE	GE CO	7,000,000	1.08%	12/6/2017	1.67%	
	MSFT	2,500,000	1.87%	2/6/2020	0.60%	
	PEP	2,500,000	1.59%	5/2/2019	0.60%	
	TOYCC	2,500,000	1.97%	4/17/2020	0.60%	
						3.47%
BPIP TAX	AAPL	2,500,000	1.84%	5/11/2020	0.62%	
	MSFT	9,273,000	1.85%	11/3/2020	2.30%	
	PEP	2,500,000	1.59%	5/2/2019	0.62%	
	TOYCC	2,500,000	1.97%	4/17/2020	0.62%	
	USB	3,000,000	1.23%	1/29/2018	0.74%	
						4.90%
STBF	GE CAP TSY	1,600,000	1.23%	11/17/2017	3.37%	
	TOYCC	1,600,000	1.32%	12/26/2017	3.37%	
						6.74%
All Portfolios	AAPL	7,500,000			0.21%	
	EXXON	50,000,000			1.41%	
	GE TSY/CO	33,600,000			0.95%	
	MSFT	14,273,000			0.40%	
	PEP	10,000,000			0.28%	
	TOYCC	51,600,000			1.46%	
	USB	8,000,000			0.23%	
<b>Total Credit Exposure</b>		<b>174,973,000</b>				<b>4.94%</b>

APPROVED MEDIUM TERM NOTE/CORPORATE BOND ISSUERS

June 2017

	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-	NEG	A+	NEG				
COLGATE-PALM CO	\$59.47	Aa3	STABLE	AA-	STABLE	NR	NR				
EXXON MOBIL CORP	\$330.64	Aaa	STABLE	AA+	NEG	NR	NR				
GEN ELECTRIC CO	\$283.71	A1	STABLE	AA-	STABLE	AA-	STABLE				
IBM CORP	\$146.48	A1	STABLE	A+	STABLE	A+	NEG				
INTEL CORP	\$153.17	A1	STABLE	A+	POS	A+	STABLE				
JOHNSON & JOHNSON	\$265.03	Aaa	STABLE	AAA	STABLE	AAA	STABLE				
MICROSOFT CORP	\$375.95	Aaa	NEG	AAA	STABLE	AA+	STABLE				
PEPSICO INC	\$143.72	A1	STABLE	A+	STABLE	A	STABLE				
PFIZER INC	\$206.44	A1	STABLE	AA	STABLE	A+	NEG				
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

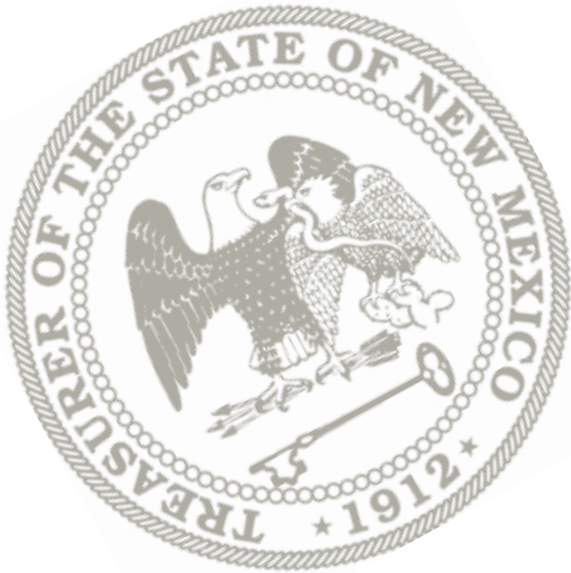
June 2017

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	STABLE	A-1+	NEG	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	STABLE	A-1	STABLE	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  
June 2017

Portfolio	Issuer	Face Amount	Yield	Maturity	% of Port	Total %
GF CORE	AAPL	2,500,000	1.59%	2/8/2019	0.35%	
	AAPL	2,500,000	1.84%	5/11/2020	0.35%	
	XON CP	25,000,000	1.08%	7/14/2017	3.51%	
	MSFT	2,500,000	1.87%	2/6/2020	0.35%	
	PEP	5,000,000	1.59%	5/2/2019	0.70%	
	TOYCC	25,000,000	1.14%	8/14/2017	3.51%	
	USB	5,000,000	2.07%	1/24/2020	0.70%	
						9.48%
GF LIQUIDITY	XON CP	25,000,000	1.08%	7/12/2017	2.97%	
	TOYCC	20,000,000	1.08%	7/17/2017	2.38%	
						5.35%
BPIP TE	GE CO	7,000,000	1.08%	12/6/2017	1.26%	
	MSFT	2,500,000	1.87%	2/6/2020	0.45%	
	PEP	2,500,000	1.59%	5/2/2019	0.45%	
	TOYCC	2,500,000	1.97%	4/17/2020	0.45%	
						2.61%
BPIP TAX	AAPL	2,500,000	1.84%	5/11/2020	0.44%	
	MSFT	9,273,000	1.85%	11/3/2020	1.63%	
	PEP	2,500,000	1.59%	5/2/2019	0.44%	
	TOYCC	2,500,000	1.97%	4/17/2020	0.44%	
	USB	5,000,000	1.01%	6/27/2017	0.88%	
	USB	611,134	1.11%	7/24/2017	0.11%	
	USB	508,304	1.11%	7/28/2017	0.09%	
	USB	3,000,000	1.23%	1/29/2018	0.53%	
						4.55%
All Portfolios	AAPL	7,500,000			0.21%	
	EXXON	50,000,000			1.38%	
	GE TSY/CO	7,000,000			0.19%	
	MSFT	14,273,000			0.39%	
	PEP	10,000,000			0.28%	
	TOYCC	50,000,000			1.38%	
	USB	14,119,438			0.39%	
<b>Total Credit Exposure</b>		<b>152,892,438</b>				<b>4.22%</b>



## 17. Investment Policy

***State of New Mexico  
Office of the State Treasurer***



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***Investment Policy***

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September 2017

Tim Eichenberg  
New Mexico State Treasurer

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**I. Statement of Purpose/Statutory Authority:**

The purpose of this Investment Policy is to provide guidance governing the investment functions of the State Treasurer’s Office (STO) with regard to the investment of public funds.

STO is established by Article V, Section 1 of the New Mexico Constitution. The duties and responsibilities of the State Treasurer are further defined by Chapters 6 and 8 of the New Mexico Statutes.

Specific authority concerning the investment of public funds can be found at NMSA 1978, §§6-10-10, 6-10-10.1, 6-10-24, 6-10-24.1, 6-10-25, 6-10-26, 6-10-37, 6-10-44 and 6-14-10.1, as well as Article VIII, Section 4 of the New Mexico Constitution.

STO will submit this Investment Policy to the State Board of Finance pursuant to its advice and consent role established in NMSA 1978, §6-10-10.

**II. Definitions:**

Authorized Investment Officers	Those individuals and third-party entities authorized by the State Treasurer to invest monies on behalf of the State of New Mexico.												
Custodian	A specialized financial institution, approved by the State Board of Finance, responsible for the safekeeping of assets. The assets may be in electronic or physical form. Some additional responsibilities may include facilitating securities settlements and the collection of income on assets held in safekeeping.												
Duration	A measure of the price sensitivity of an underlying security, or portfolio, to changes in interest rates.												
DVP	Delivery Versus Payment, a method of securities settlement where securities are simultaneously exchanged for payment.												
Fiscal Agent Bank	A bank or savings and loan association designated by the State Board of Finance pursuant to NMSA 1978, §6-10-35, acting on behalf of the State of New Mexico, to perform various financial functions. Fiscal agent bank functions include the collection of all monies received by the State of New Mexico and the management of STO’s checking account. Monies held at the Fiscal Agent Bank are managed to a target balance after the payment of checks, warrants, ACH volume and wire transfers are processed by the State.												
Investment Grade Ratings	A rating within any of the following rating agencies: <table border="0" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"><u>Rating Agency</u></th> <th style="text-align: left;"><u>Long-Term</u></th> <th style="text-align: left;"><u>Short-Term</u></th> </tr> </thead> <tbody> <tr> <td><b>Standard &amp; Poor’s</b></td> <td>A to AAA</td> <td>A-1</td> </tr> <tr> <td><b>Fitch</b></td> <td>A to AAA</td> <td>F1</td> </tr> <tr> <td><b>Moody’s</b></td> <td>A2 to Aaa</td> <td>P-1</td> </tr> </tbody> </table>	<u>Rating Agency</u>	<u>Long-Term</u>	<u>Short-Term</u>	<b>Standard &amp; Poor’s</b>	A to AAA	A-1	<b>Fitch</b>	A to AAA	F1	<b>Moody’s</b>	A2 to Aaa	P-1
<u>Rating Agency</u>	<u>Long-Term</u>	<u>Short-Term</u>											
<b>Standard &amp; Poor’s</b>	A to AAA	A-1											
<b>Fitch</b>	A to AAA	F1											
<b>Moody’s</b>	A2 to Aaa	P-1											
Maturity Date	The date on which the principal amount of a debt instrument becomes due and is repaid to the investor, along with all remaining interest.												
WAM	Weighted Average Maturity. For a given portfolio, the average maturity of investment holdings weighted by the relative size of each position.												

### III. Identification of Funds:

Funds managed by STO are separated into distinct portfolios and managed in accordance with each portfolio's respective objectives and constraints. A brief description of the portfolios presently managed by STO are included below.

**General Fund Investment Pool**, consisting of three main components:

- General Fund Liquidity Portfolio – Immediate cash needs of the State are to be met with the General Fund Liquidity Portfolio. The General Fund Liquidity Portfolio is expected to have minimal liquidity risk and all investments in this portfolio are constrained to less than a year;
- General Fund Core Portfolio – The General Fund Core Portfolio is comprised of balances that are not necessary to meet the short-term cash flow needs of the State. Accordingly, it may be invested over a longer term than the General Fund Liquidity Portfolio; and
- General Fund TRAN Portfolio. The General Fund TRAN Portfolio may temporarily hold proceeds of short-term Tax and Revenue Anticipation Notes (TRAN), which are periodically issued and sold by the Treasurer pursuant to NMSA 1978, §6-12A-5, in order to anticipate the collection and receipt of anticipated revenue and after certifying the need to issue TRAN.

**Bond Proceeds Investment Pool**, consisting of two main components:

- Tax-Exempt Bond Proceeds Investment Portfolio (Tax-Exempt BPIP) – The Tax-Exempt BPIP holds proceeds from tax-exempt general obligation and severance tax bonds issued by the State Board of Finance until they are expended on capital projects.
- Taxable Bond Proceeds Investment Portfolio (Taxable BPIP) – The Taxable BPIP holds proceeds from taxable severance tax bonds issued by the State Board of Finance until expended on capital projects.

**Local Government Investment Pool (LGIP)** – The LGIP was created pursuant to NMSA 1978, §6-10-10.1 to allow municipal, county, tribal and quasi-governmental bodies to remit money to STO for money management services on a pooled basis. The LGIP is covered by a separate investment policy.

**Severance Tax Bonding Fund** – The Severance Tax Bonding Fund holds severance tax receipts pledged for debt service on severance tax bonds before being spent on permitted uses or transfer to the Severance Tax Permanent Fund held by the State Investment Council.

**Repurchase Pool** – The Repurchase Pool acts as a repository for cash balances from the portfolios managed by STO, from the Educational Retirement Board, the State Investment Council, the Public Employees Retirement Association and other entities within the state.

#### IV. Objectives:

All funds will be invested in a manner that is in conformance with federal, state and other legal requirements.

The Chief Investment Officer (CIO) and Authorized Investment Officers (AIOs) will observe the following priorities in making investment decisions, in the order described:

1. **Safety** – the first priority is the preservation of the principal of the funds to be invested;
2. **Liquidity** - the second level of priority is maintaining sufficient availability of cash, or the capacity to obtain it without sacrificing principal loss, in order to satisfy the reasonably anticipated, continuing operational requirements of the specific fund invested; and
3. **Return**– the third priority is maximizing investment return, consistent with the higher priorities of safety and liquidity of principal.

#### V. Standards of Care:

##### A. Delegation by the State Treasurer of Investment Authority

NMSA 1978, §6-10-10 allows the State Treasurer to invest money, not immediately needed for the operation of state government, in permissible securities and contracts as outlined by the statute.

To ensure effective investment management of public funds, the investment functions are delegated to the Investment Division reporting to the Deputy Treasurer. The Investment Division includes a CIO and AIOs. AIOs will report to the CIO and the CIO will report to the Deputy Treasurer. The CIO will maintain a current list of AIOs.

##### B. Ethics and Conflict of Interest

The Deputy Treasurer, CIO and AIOs shall adhere to standards of conduct as follows:

- The Governmental Conduct Act, NMSA 1978, §§10-16-1 through 10-16-18;
- The State Treasurer's Employee Code of Conduct<sup>1</sup>;
- The State Treasurer's Campaign Contributions Policy;
- The Whistleblower Policy, NMSA 1978 §§10-16C-1 through 10-16C-6;
- The Gift Act, NMSA 1978 §§10-16B-1 through 10-16B-4; and
- The Procurement Code, NMSA 1978 §§13-1-28 through 13-1-199.

The CIO and AIOs shall file personal disclosure forms as required by the Governmental Conduct Act and the State Treasurer's Code of Conduct.

##### C. Prudence

The CIO and AIOs shall perform investment duties in a manner consistent with this Investment Policy and the standard of a prudent investor<sup>2</sup> in light of the purposes, terms, distribution requirements and other circumstances then prevailing as to the assets entrusted to them.

In the process of investing funds, the CIO and AIOs will exercise reasonable care, skill, diligence and prudence considering investments not in isolation, but in the context of the

<sup>1</sup> As required by NMSA 1978, §10-16-11.

<sup>2</sup> Uniform Prudent Investor Act, NMSA 1978, §§45-7-601 through 45-7-612

portfolio as a whole and of part of an overall investment strategy. That strategy shall incorporate the risk and return objectives articulated in this policy.

The CIO and AIOs, acting in accordance with New Mexico Statutes, written procedures and this Investment Policy and exercising due diligence shall be relieved of personal liability for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

## **VI. Controls:**

### **A. Custody**

All investment securities purchased by the CIO and AIOs, held as collateral for repurchase agreements and bank deposits or held as collateral for securities lending arrangements shall be held in third-party safekeeping at a financial institution qualified to act in this capacity.

All securities held for STO's portfolios will be free and clear of any lien and all transactions will be conducted in compliance with NMSA 1978 §6-10-10(O), which requires same day transfer of funds with the settlement of securities.

The Custodian will provide reports that list all transactions that occurred during the month and all securities held for STO at month-end including the book and market value of holdings.

The representatives of the Custodian responsible for, or in any manner involved with, the safekeeping and custody process of STO shall be bonded in amounts required by the State Board of Finance under a custody agreement to protect from losses due to malfeasance and misfeasance.

### **B. Approved Broker-Dealers and Counterparties**

The State Cash Manager will maintain a list of broker-dealers and counterparties approved to provide investment services to STO. Eligible broker-dealers will need to meet all of the following conditions:

- The broker-dealer and its representatives must be registered pursuant to the New Mexico Uniform Securities Act <sup>3</sup>;
- The broker-dealer must be registered with the financial industry regulatory authority (FINRA);
- All broker-dealer representatives who have direct contact with securities trading between STO and the firm must have a FINRA Series 7 License, or equivalent certification.
- The broker-dealer representatives must have a minimum of five (5) years continuous employment history involving fixed income securities; and
- Counterparties must operate under the terms of a securities lending or repurchase agreement.

<sup>3</sup>New Mexico Uniform Securities Act, NMSA 1978, §§58-13C-101 through 58-13C-701 (2009) and NMAC 12.11.2.



The Broker-Dealer list will be submitted to the State Treasurer's Investment Committee for recommendation and will be approved by the State Treasurer. The list will be submitted by the Treasurer to the State Board of Finance for its advice and consent.

### C. Competitive Transactions

The CIO and AIOs will conduct all securities transactions in a fair, open and transparent competitive process:

- All securities transactions shall be executed at the highest bid or lowest offer to STO, subject to diversification constraints.
- Every effort to obtain at least three bids or offers on a specific security will be conducted. If unobtainable, documentation of comparable securities accompanied by current market levels will be retained, to provide evidence of price transparency and trade execution at competitive levels.
- Offers or bids for securities may be received from approved broker-dealers or direct issuers by any of the following means:
  - By phone; or
  - By e-mail or other form of electronic communication; or
  - Through an electronic trading platform; or
  - Directly from issuers of eligible investments.
- In the case of investments made under the Linked Deposit program<sup>4</sup>, this policy and its standard of care are restricted to the express provisions of the statutes directing such investments.

### D. Internal Controls

The CIO will maintain sufficient internal controls to protect against the loss of public funds arising from negligence, theft, or misuse. The controls will require the CIO to:

- Communicate regularly with the Deputy Treasurer regarding investment activities, including any significant changes in market value or credit quality of investment positions;
- Require monthly reconciliation of internal investment accounting and reporting to all external statements provided by the custodian and other financial institutions;
- Monitor compliance with applicable state investment statutes;
- Require Delivery Versus Payment security settlement except for physical securities;
- Maintain clear delegation of investment authority;
- Ensure the separation of investing authority from cash activities and record-keeping;
- Ensure that all deposits are sufficiently collateralized per State Board of Finance Collateral Policy, 2.60.4 NMAC;
- Require the use of approved objective criteria in selecting broker-dealers and financial institutions authorized to provide investment services to the state;
- Maintain documentation on investment procedures;
- Report violations of this policy to the State Treasurer in a timely manner; and,
- Require the use of agency approved objective criteria in awarding investment purchases and sales to authorized financial institutions and broker-dealers.

<sup>4</sup> Linked Deposit Program NMSA 1978, §6-10-24.2.

E. External Controls

- STO will retain all records related to investment activities pursuant to state law;
- As prescribed by the Audit Act<sup>5</sup>, the State Auditor or designated independent auditor will review the investment activities of STO to determine the compliance of those activities with this Investment Policy and state statutes;
- The market value of all funds held by the Custodian will be calculated monthly and provided to the State Treasurer.

F. State Treasurer's Investment Committee

The State Treasurer may establish the State Treasurer's Investment Committee. This advisory committee will review investment reporting and any other matters of the State Treasurer's choosing. The Investment Committee shall consist of up to five (5) voting members: the State Treasurer, or designee; a member of the Treasurer's staff upon appointment by the Treasurer; the director of the State Board of Finance, or designee; and two members that are participants in the private investment community or have expert knowledge or professional experience in the subject of public finance or public money investing, of which one member will be appointed by the State Treasurer and approved by the State Board of Finance and one member will be appointed by the State Board of Finance and approved by the State Treasurer. Each private sector member shall serve at the pleasure of the State Treasurer or the State Board of Finance appointing the private sector member. The private sector members shall serve for a term of two (2) years after appointment and shall be eligible for reappointment to serve for consecutive two (2) year terms. Any vacancy created by a private sector member shall be filled in the same manner as original appointments.

**VII. Eligible and Ineligible Investments:**

A. Eligible Investments

Eligible Investments are only those securities and deposits specifically authorized by statute. Consistent with NMSA 1978, §6-10-10 and other investment statutes, the CIO and AIOs may invest in the following:

- Cash at Banks, Savings and Loan Associations or Credit Unions whose deposits are insured by an agency of the United States;
- Securities issued by the United States government;
- Securities issued or guaranteed by United States government agencies or instrumentalities including mortgage obligations;
- Repurchase Agreements, subject to restrictions contained in Section VII, paragraph C of this policy;
- Securities Lending Arrangements;
- Commercial Paper rated "prime" quality by a nationally recognized rating service, defined in this policy as investment grade, and issued by corporations that are organized and operating in the United States;

<sup>5</sup> Audit Act NMSA 1978, §§12-6-1 through 12-6-14 (1969, as amended through 2013).

- Corporate Bonds rated investment grade, as defined in this policy, by a nationally recognized rating service, and issued by corporations that are organized and operating in the United States;
- Asset-Backed Obligations rated “AAA” or better by a nationally recognized rating service, and with a maturity of less than 5 years;
- Shares of open-ended diversified investment companies that are registered with the United States Securities and Exchange Commission; comply with the diversification, quality and maturity requirements of Rule 2a-7, or any successor rule, of the United States securities and exchange commission applicable to money market mutual funds; assess no fees pursuant to Rule 12b-1, or any successor rule, of the United States securities and exchange commission, no sales load on the purchase of shares and no contingent deferred sales charge or other similar charges, however designated; and that do not use swap and derivative products. STO shall not, at any time, own more than five percent (5%) of a money market mutual fund’s assets;
- Individual, common or collective trust funds of banks or trust companies that are invested only in United States Government and Agency obligations and repurchase agreements secured by such obligations; has assets under management of at least one billion dollars (\$1,000,000,000); that do not use swap and derivative products; and the investments made by STO are less than five percent (5%) of the assets of the fund.
- The Local Government Investment Pool, managed by STO, to less than 35% of the total assets of the Local Government Investment Pool;
- Securities issued by the State of New Mexico, it’s agencies, institutions, counties, municipalities, school districts, community college districts or other subdivisions of the state, or as otherwise provided by law and rated investment grade as defined by this policy; or
- Securities issued by states other than New Mexico or governmental entities in states other than New Mexico and rated investment grade as defined by this policy.

#### B. Ineligible Investments

To provide for the safety and liquidity of funds, the investment portfolios are specifically prohibited from investing in:

- Short Sales
- Whole Loan Mortgage Obligations
- Reverse Repurchase Agreements, except under a securities lending arrangement
- Inverse Floating Rate Notes
- Equity Securities
- Swaps and Derivatives

#### C. Repurchase Agreements

Repurchase Agreements are subject to additional restrictions:

- Transactions will be conducted only with currently approved dealers on the broker-dealer list, the Fiscal Agent Bank, approved counterparties under a securities lending arrangement, or the master custodial bank, and under the terms of a written master repurchase agreement or securities lending arrangement;
- Each approved repo counterparty must have a net worth in excess of five hundred million dollars (\$500,000,000);

- Transactions with any single counterparty will not exceed 35% of any portfolio or \$200 million, whichever is greater;
- The maximum term of any repurchase agreement will be 1 year, except in the case of bond proceeds where a repurchase agreement is limited to 3 years;
- Tri-Party Repurchase Agreement transactions may be entered into with a contracted custodial bank for this purpose, as long as all securities meet the requirements within this policy.

Securities accepted as collateral for repurchase agreements will be subject to the following additional restrictions:

- Securities placed as collateral for repurchase agreements, with a final maturity less than 10 years, will be priced at 102% of market value, plus accrued income;
- Securities placed as collateral for repurchase agreements, with a final maturity of 10 years or greater, will be priced at 103% of market value, plus accrued income;
- Agency mortgage-backed securities placed as collateral for term repurchase agreements with a maturity longer than seven days will be priced at 105% of market value, plus accrued income;
- Term repurchase agreements with a maturity date that is longer than seven days are required to have daily pricing of collateral; and
- Only treasury and agency securities, including agency mortgage-backed obligations, will be utilized as collateral for repurchase agreements.

#### VIII. Investment Parameters:

To provide for the safety and liquidity of funds, the investment portfolios will be subject to the restrictions listed below. These represent minimum investment restrictions under this Investment Policy and there may be separate procedures containing additional, more restrictive limitations for certain investment instruments.

All restrictions are based on a settlement date basis.

Maximum percentages for a particular issuer, investment type or liquidity constraints may on occasion be exceeded due to unforeseen circumstances (e.g., due to fluctuations in fund balances). Exceptions will be reported to the Treasurer, the State Treasurer’s Investment Committee and the State Board of Finance monthly.

##### A. Diversification

The following diversification limits shall apply to each portfolio:

<i>Allowable Securities</i>	<i>Diversification Limits</i>	<i>Further Limitations</i>
US Treasury Obligations	100%	
US Agency Obligations Primary Issuers – <i>FNMA, FHLMC, FFCB, FHLB</i> Secondary Issuers – <i>All Other Agencies</i>	100%	Per Primary Issuer: 35% Per Secondary Issuer: 5%
US Agency Issued Mortgage-Backed Securities	25%	
Bank Demand Deposits - Collateralized	100%	Per Issuer: 25%
Certificates of Deposit	\$400 Million	Per CD Issuer: \$30 Million
Linked Deposit Program Certificates of Deposit	\$40 Million	Per Qualified Depository Institution: \$10 Million
Commercial Paper, Corporate Bonds, Medium Term Notes, and Asset-Backed Obligations ( <i>In Aggregate</i> )	40%	Per Corporate Issuer: 5% Per Asset-Backed Issue: 5%
NM LGIP (STO Funds in Aggregate)	100%	No more than 35% of the NM LGIP

Municipal Securities	15%	Per Issuer: 5%
Pre-Refunded 100% escrowed with US Government related securities	15%	Per Issuer Limit on Pre-Refunded: None
Variable Rate Demand Notes – LOC/Standby Purchase Agreement	15%	Per LOC/Standby Purchase Agreement Provider: 5% of total portfolio exposure
Repurchase Agreements	100%	Per Counterparty: 35% or \$200 Million
Variable Rate Obligations Including Variable Rate Demand Notes	25%	Per Issuer: 5% Non-Agency
Callable Securities	25%	
Open Ended 2a-7 Rated Fund US Treasury and Agency Only	100%	Per Issuer: 10%

### B. Maturity Restrictions

The following maturity limits shall apply to each portfolio:

<i>Allowable Securities</i>	<i>Maturity Limits</i>	<i>Further Limitations</i>
All Securities Rated AA-/Aa3 or better	5 Years	See specific portfolio and sector limits below
Rated below AA-/Aa3	3 Years	
Certificates of Deposit	3 Years	
Municipal Bonds	3 Years	
Repurchase Agreements	1 Year	For BPIPs: 3 Years

<i>Portfolio</i>	<i>Maturity Limits</i>
General Fund Liquidity	1 year or less
General Fund CORE	5 years or less
Bond Proceeds	5 years or less
Severance Tax Bonding Fund	1 year or less

Securities with mandatory puts back to the issuer or remarketing agent shall be deemed to have a maturity date commensurate with the earliest put date.

Pre-refunded securities shall be deemed to have a maturity date commensurate with the call date.

### C. Portfolio Duration

The CIO and AIOs will manage the portfolio durations to their approved benchmarks. Benchmarks will be reviewed by the State Treasurer’s Investment Committee for recommendation and will be approved by the State Treasurer and the State Board of Finance as necessary.

#### D. Credit Quality

The following issuer credit rating limits shall apply for all portfolios:

Short Term Credit Rating	A-1, P-1, F1 MIG-1 or better
Long Term Credit Rating	A, A2 or better
Asset-Backed Securities	AAA or Aaa

Pre-Refunded issues 100% escrowed with US Government related securities may be unrated, with an implied US Government equivalent rating.

#### E. Non-Public New Mexico Municipal Offerings

Severance Tax Notes or other non-public municipal offerings of New Mexico entities are subject to the approval of the State Treasurer.

### IX. Reporting:

The Chief Investment Officer shall prepare a monthly investment report for the State Treasurer. An executive summary will be prepared in a manner that will allow the State Treasurer to ascertain whether investment activities during the reporting period are in compliance with this Investment Policy and New Mexico statutes.

The CIO will submit and present the monthly investment report, on behalf of the State Treasurer, to the State Board of Finance and will post the report on the State Treasurer's website and otherwise make it available to the public.

Specific Reporting Requirements: The report will include, at a minimum, the following:

- An executive summary that provides an analysis of the status of the current investment portfolios; including the LGIP and the individual transactions that were executed;
- An asset listing showing par value, cost, market value, type of investment, issuer, and interest rate of securities held;
- WAM and effective duration of the portfolio compared to applicable approved benchmarks;
- Average portfolio credit quality;
- Total rate of return for the portfolio for the last one month, three months, and twelve months with applicable approved benchmark returns for the same periods;
- Any cash flow projections<sup>6</sup> prepared by the State Cash Manager for the portfolios;
- Sensitivity or Shock analysis for each portfolio on a quarterly basis;
- Transaction listing for the reporting period;
- A report of primary issues purchased and secondary issues purchased or sold;
- Transaction summaries for the reporting period and fiscal-year-to-date that include trade volumes, distributions by type of investment and counterparty; and
- Investment compliance review.

<sup>6</sup> As required by NMSA 1978, §8-6-3.1 B (4).

A. Performance Standards

- The Investment Portfolios will be structured to obtain a market average rate of return taking into account investment risk constraints and cash flow needs.
- Each portfolio will be compared to an approved benchmark that appropriately models an expected risk and return profile.

B. Quarterly Reporting

On a quarterly basis, the CIO shall prepare a quarterly investment report that describes the investment strategy employed during the past quarter and the strategy planned for the next quarter. Information will be reported to the State Treasurer's Investment Committee and to the State Board of Finance.

C. Annual Reporting

At the next regular State Treasurer's Investment Committee meeting after September 30 of each year, the CIO shall present an annual investment report that describes the investment strategy employed during the past year and the strategy planned for the next fiscal year. The report shall include annual comparisons of portfolio return to performance benchmarks for the preceding year.

**X. Approval:**

New Mexico State Treasurer's Office:

\_\_\_\_\_  
Tim Eichenberg  
New Mexico State Treasurer

\_\_\_\_\_  
Date

By affixing the signature below, the State Board of Finance hereby provides its advice and consent pursuant to NMSA 1978, §6-10-10.

\_\_\_\_\_  
Secretary, State Board of Finance

\_\_\_\_\_  
Date



**State of New Mexico  
Office of the State Treasurer**



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*Investment Policy*

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September 2017

Deleted: April 2014

Tim Eichenberg

Deleted: James B. Lewis

New Mexico State Treasurer

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### I. Statement of Purpose/Statutory Authority:

The purpose of this Investment Policy is to provide guidance governing the investment functions of the State Treasurer’s Office ([STO](#)) with regard to the investment of public funds.

STO is established by Article V, Section 1 of the New Mexico Constitution. The duties and responsibilities of the State Treasurer are further defined by Chapters 6 and 8 of the New Mexico Statutes.

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Specific authority concerning the investment of public funds can be found at NMSA 1978 §§ 6-10-10, 6-10-10.1, 6-10-24, 6-10-24.1, 6-10-25, 6-10-26, 6-10-37, 6-10-44 and 6-14-10.1, as well as Article VIII, Section 4 of the New Mexico Constitution.

STO will submit this Investment Policy to the State Board of Finance pursuant to its advice and consent role established in NMSA 1978, §6-10-10.

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**II. Definitions:**

Authorized Investment Officers	Those individuals and third-party entities authorized by the State Treasurer to invest monies on behalf of the State of New Mexico.												
Custodian	A specialized financial institution, approved by the State Board of Finance, responsible for the safekeeping of assets. The assets may be in electronic or physical form. Some additional responsibilities may include facilitating securities settlements and the collection of income on assets held in safekeeping.												
Duration	A measure of the <u>price</u> sensitivity of an underlying security, or portfolio, to changes in interest rates.												
DVP	Delivery Versus Payment, a method of securities settlement where securities are simultaneously exchanged for payment.												
Fiscal Agent Bank	A bank or savings and loan association designated by the State Board of Finance pursuant to NMSA 1978, §6-10-35, acting on behalf of the State of New Mexico, to perform various financial functions. <u>Fiscal agent bank functions include the collection of all monies received by the State of New Mexico and the management of STO's checking account. Monies held at the Fiscal Agent Bank are managed to a target balance after the payment of checks, warrants, ACH volume and wire transfers are processed by the State.</u>												
Investment Grade Ratings	A rating within any of the following rating agencies: <table border="1"> <thead> <tr> <th>Rating Agency</th> <th>Long-Term</th> <th>Short-Term</th> </tr> </thead> <tbody> <tr> <td>Standard &amp; Poor's</td> <td>A to AAA</td> <td>A-1</td> </tr> <tr> <td>Fitch</td> <td>A to AAA</td> <td>F1</td> </tr> <tr> <td>Moody's</td> <td><u>A2</u> to Aaa</td> <td>P-1</td> </tr> </tbody> </table>	Rating Agency	Long-Term	Short-Term	Standard & Poor's	A to AAA	A-1	Fitch	A to AAA	F1	Moody's	<u>A2</u> to Aaa	P-1
Rating Agency	Long-Term	Short-Term											
Standard & Poor's	A to AAA	A-1											
Fitch	A to AAA	F1											
Moody's	<u>A2</u> to Aaa	P-1											
Maturity Date	The date on which the principal amount of a debt instrument becomes due and is repaid to the investor, along with all remaining interest.												
WAM	Weighted Average Maturity. For a given portfolio, the average maturity of investment holdings weighted by the relative size of each position.												

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**III. Identification of Funds:**

Funds managed by STO are separated into distinct portfolios and managed in accordance with each portfolio's respective objectives and constraints. A brief description of the portfolios presently managed by STO are included below.

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**General Fund Investment Pool**, consisting of three main components:

- General Fund Liquidity Portfolio – Immediate cash needs of the State are to be met with the General Fund Liquidity Portfolio. The General Fund Liquidity Portfolio is expected to have minimal liquidity risk and all investments in this portfolio are constrained to less than a year;
- General Fund Core Portfolio – The General Fund Core Portfolio is comprised of balances that are not necessary to meet the short-term cash flow needs of the State. Accordingly, it may be invested over a longer term than the General Fund Liquidity Portfolio; and

General Fund TRAN Portfolio. The General Fund TRAN Portfolio may temporarily hold proceeds of short-term Tax and Revenue Anticipation Notes (TRAN), which are periodically issued and sold by the Treasurer pursuant to NMSA 1978, §6-12A-5, in order to anticipate the collection and receipt of anticipated revenue and after certifying the need to issue TRAN. **Bond Proceeds Investment Pool**, consisting of two main components:

- Tax-Exempt Bond Proceeds Investment Portfolio (Tax-Exempt BPIP) – The Tax-Exempt BPIP holds proceeds from tax-exempt general obligation and severance tax bonds issued by the State Board of Finance until they are expended on capital projects.
- Taxable Bond Proceeds Investment Portfolio (Taxable BPIP) – The Taxable BPIP holds proceeds from taxable severance tax bonds issued by the State Board of Finance until expended on capital projects.

**Local Government Investment Pool (LGIP)** – The LGIP was created pursuant to NMSA 1978, §6-10-10.1 to allow municipal, county, tribal and quasi-governmental bodies to remit money to STO, for money management services on a pooled basis. The LGIP is covered by a separate investment policy.

**Severance Tax Bonding Fund** – The Severance Tax Bonding Fund holds severance tax receipts pledged for debt service on severance tax bonds before being spent on permitted uses or transfer to the Severance Tax Permanent Fund held by the State Investment Council.

**Repurchase Pool** – The Repurchase Pool acts as a repository for cash balances from the portfolios managed by STO, from the Educational Retirement Board, the State Investment Council, the Public Employees Retirement Association and other entities within the state.

**IV. Objectives:**

All funds will be invested in a manner that is in conformance with federal, state and other legal requirements.

The Chief Investment Officer (CIO) and Authorized Investment Officers (AIOs) will observe the following priorities in making investment decisions, in the order described:

- Safety** – the first priority is the preservation of the principal of the funds to be invested;
- Liquidity**, the second level of priority is maintaining sufficient availability of cash, or the capacity to obtain it without sacrificing principal loss, in order to satisfy the reasonably anticipated, continuing operational requirements of the specific fund invested; and
- Return**– the third priority is maximizing investment return, consistent with the higher priorities of safety and liquidity of principal.

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**V. Standards of Care:**

**A. Delegation by the State Treasurer of Investment Authority**

NMSA 1978, §6-10-10 allows the State Treasurer to invest money, not immediately needed for the operation of state government, in permissible securities and contracts as outlined by the statute.

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To ensure effective investment management of public funds, the investment functions are delegated to the Investment Division reporting to the Deputy Treasurer. The Investment Division includes a Chief Investment Officer (CIO) and AIOs. AIOs will report to the CIO and the CIO will report to the Deputy Treasurer. The CIO will maintain a current list of AIOs.

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**B. Ethics and Conflict of Interest**

The Deputy Treasurer, CIO and AIOs shall adhere to standards of conduct as follows:

- The Governmental Conduct Act, NMSA 1978 §§10-16-1 through 10-16-18;
- The State Treasurer’s Employee Code of Conduct<sup>1</sup>;
- The State Treasurer’s Campaign Contributions Policy;
- The Whistleblower Policy, NMSA 1978 §§10-16C-1 through 10-16C-6;
- The Gift Act, NMSA 1978 §§10-16B-1 through 10-16B-4; and
- The Procurement Code, NMSA 1978 §§13-1-28 through 13-1-199.

**Deleted:** In addition to specific investment responsibilities, the Investment Division also tracks investments, provides securities settlement and cash transfer support and manages the collateral process for the depository relationships by entities within the State. The Investment Division also provides investment accounting support to the State Treasurer’s Office, including ongoing reconciliation of investment positions with the custody bank and internal and statewide accounting systems.¶

The CIO and AIOs shall file personal disclosure forms as required by the Governmental Conduct Act and the State Treasurer’s Code of Conduct.

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**C. Prudence**

The CIO and AIOs shall perform investment duties in a manner consistent with this Investment Policy and the standard of a prudent investor<sup>2</sup> in light of the purposes, terms, distribution requirements and other circumstances then prevailing as to the assets entrusted to them.

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In the process of investing funds, the CIO and AIOs will exercise reasonable care, skill, diligence and prudence considering investments not in isolation, but in the context of the portfolio as a whole and of part of an overall investment strategy. That strategy shall incorporate the risk and return objectives articulated in this policy.

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The CIO and AIOs, acting in accordance with New Mexico Statutes, written procedures and this Investment Policy and exercising due diligence shall be relieved of personal liability for an individual security’s credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

**VI. Controls:**

**A. Custody**

All investment securities purchased by the CIO and AIOs, held as collateral for repurchase agreements and bank deposits or held as collateral for securities lending arrangements shall be held in third-party safekeeping at a financial institution qualified to act in this capacity.

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<sup>1</sup> As required by NMSA 1978, §10-16-11.

<sup>2</sup> Uniform Prudent Investor Act, NMSA 1978, §§45-7-601 through 45-7-612

All securities held for STO's portfolios will be free and clear of any lien and all transactions will be conducted in compliance with NMSA 1978 § 6-10-10(O), which requires same day transfer of funds with the settlement of securities.

The Custodian will provide reports that list all transactions that occurred during the month and all securities held for STO at month-end including the book and market value of holdings.

The representatives of the Custodian responsible for, or in any manner involved with, the safekeeping and custody process of STO shall be bonded in amounts required by the State Board of Finance under a custody agreement to protect from losses due to malfeasance and misfeasance.

#### B. Approved Broker-Dealers and Counterparties

The State Cash Manager will maintain a list of broker-dealers and counterparties approved to provide investment services to STO. Eligible broker-dealers will need to meet all of the following conditions:

- The broker-dealer and its representatives must be registered pursuant to the New Mexico Uniform Securities Act <sup>3</sup>;
- The broker-dealer must be registered with the financial industry regulatory authority (FINRA);
- All broker-dealer representatives who have direct contact with securities trading between STO and the firm must have a FINRA Series 7 License, or equivalent certification.
- The broker-dealer representatives must have a minimum of five (5) years continuous employment history involving fixed income securities; and
- Counterparties, must operate under the terms of a securities lending or repurchase agreement.

The Broker-Dealer list will be submitted to the State Treasurer's Investment Committee for recommendation and will be approved by the State Treasurer. The list will be submitted by the Treasurer to the State Board of Finance for its advice and consent.

#### C. Competitive Transactions

The CIO and AIOs will conduct all securities transactions in a fair, open and transparent competitive process.

- All securities transactions shall be executed at the highest bid or lowest offer to STO, subject to diversification constraints.
- Every effort to obtain at least three bids or offers on a specific security will be conducted. If unobtainable, documentation of comparable securities accompanied by current market levels will be retained, to provide evidence of price transparency and trade execution at competitive levels.
- Offers or bids for securities may be received from approved broker-dealers or direct issuers by any of the following means:
  - By phone; or
  - By e-mail or other form of electronic communication; or

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The Chief Investment Officer will maintain a list of financial institutions and investment counterparties authorized to provide investment services to the state. Authorized financial institutions and investment counterparties will be limited to those who meet any of the following conditions:¶

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<sup>3</sup>New Mexico Uniform Securities Act, NMSA 1978, §§58-13C-101 through 58-13C-701 (2009) and NMAC 12.11.2.

- Through an electronic trading platform; or
- Directly from issuers of eligible investments.
- In the case of investments made under the Linked Deposit program<sup>4</sup>, this policy and its standard of care are restricted to the express provisions of the statutes directing such investments.

D. Internal Controls

The CIO will maintain sufficient internal controls to protect against the loss of public funds arising from negligence, theft, or misuse. The controls will require the CIO to:

- Communicate regularly with the Deputy Treasurer regarding investment activities, including any significant changes in market value or credit quality of investment positions;
- Require monthly reconciliation of internal investment accounting and reporting to all external statements provided by the custodian and other financial institutions;
- Monitor compliance with applicable state investment statutes;
- Require Delivery Versus Payment security settlement except for physical securities;
- Maintain clear delegation of investment authority; Ensure the separation of investing authority from cash activities and record-keeping; Ensure that all deposits are sufficiently collateralized per State Board of Finance Collateral Policy, 2.60.4 NMAC;
- Require the use of approved objective criteria in selecting broker-dealers and financial institutions authorized to provide investment services to the state;
- Maintain documentation on investment procedures;
- Report violations of this policy to the State Treasurer in a timely manner; and,
- Require the use of agency approved objective criteria in awarding investment purchases and sales to authorized financial institutions and broker-dealers.

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E. External Controls

- STO will retain all records related to investment activities pursuant to state law.
- As prescribed by the Audit Act<sup>5</sup>, the State Auditor or designated independent auditor will review the investment activities of STO to determine the compliance of those activities with this Investment Policy and state statutes.
- The market value of all funds held by the Custodian will be calculated monthly and provided to the State Treasurer.

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F. State Treasurer's Investment Committee

The State Treasurer may establish the State Treasurer's Investment Committee. This advisory committee will review investment reporting and any other matters of the State Treasurer's choosing. The Investment Committee shall consist of up to five (5) voting members: the State Treasurer, or designee; a member of the Treasurer's staff upon appointment by the Treasurer; the director of the State Board of Finance, or designee; and two members that are participants in the private investment community or have expert knowledge or professional experience in the subject of public finance or public money investing, of which one member will be appointed by the State Treasurer and approved by the State Board of Finance and one member will be appointed by the State Board of Finance and approved by the State Treasurer. Each private sector member shall serve at the

Deleted: Vikki, the Treasurer is using only 4 voting members; I am chairing the meetings but am not the chair of the committee and I'm not a voting member. If the Treasurer is out, he may have me vote as his designee. ¶

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Deleted: State Cash Manager, or designee, who serves as the committee chair;

<sup>4</sup> Linked Deposit Program NMSA 1978, §6-10-24.2.

<sup>5</sup> Audit Act NMSA 1978, §§12-6-1 through 12-6-14 (1969, as amended through 2013).

pleasure of the State Treasurer or the State Board of Finance appointing the private sector member. The private sector members shall serve for a term of two (2) years after appointment and shall be eligible for reappointment to serve for consecutive two (2) year terms. Any vacancy created by a private sector member shall be filled in the same manner as original appointments.

## VII. Eligible and Ineligible Investments:

### A. Eligible Investments

Eligible Investments are only those securities and deposits specifically authorized by statute. Consistent with NMSA 1978, §6-10-10 and other investment statutes, the the CIO and AIOs may invest in the following:

- Cash at Banks, Savings and Loan Associations or Credit Unions whose deposits are insured by an agency of the United States;
- Securities issued by the United States government;
- Securities issued or guaranteed by United States government agencies or instrumentalities including mortgage obligations; Repurchase Agreements, subject to restrictions contained in Section VII, paragraph C of this policy;
- Securities Lending Arrangements;
- Commercial Paper rated "prime" quality by a nationally recognized rating service, defined in this policy as investment grade, and issued by corporations that are organized and operating in the United States;
- Corporate Bonds rated investment grade, as defined in this policy, by a nationally recognized rating service, and issued by corporations that are organized and operating in the United States;
- Asset-Backed Obligations rated "AAA" or better by a nationally recognized rating service, and with a maturity of less than 5 years;
- Shares of open-ended diversified investment companies that are registered with the United States Securities and Exchange Commission; comply with the diversification, quality and maturity requirements of Rule 2a-7, or any successor rule, of the United States securities and exchange commission applicable to money market mutual funds; assess no fees pursuant to Rule 12b-1, or any successor rule, of the United States securities and exchange commission, no sales load on the purchase of shares and no contingent deferred sales charge or other similar charges, however designated; and that do not use swap and derivative products. STO shall not, at any time, own more than five percent (5%) of a money market mutual fund's assets; Individual, common or collective trust funds of banks or trust companies that are invested only in United States Government and Agency obligations and repurchase agreements secured by such obligations; has assets under management of at least one billion dollars (\$1,000,000,000); that do not use swap and derivative products; and the investments made by STO are less than five percent (5%) of the assets of the fund.
- The Local Government Investment Pool, managed by STO, to less than 35% of the total assets of the Local Government Investment Pool;

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B. Securities issued by the State of New Mexico, it's agencies, institutions, counties, municipalities, school districts, community college districts or other subdivisions of the state, or as otherwise provided by law ~~and rated investment grade as defined by this policy;~~ or Securities issued by states other than New Mexico or governmental entities in states other than New Mexico ~~and rated investment grade as defined by this policy.~~ Ineligible Investments

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To provide for the safety and liquidity of funds, the investment portfolios are specifically prohibited from investing in:

- Short Sales
- Whole Loan Mortgage Obligations
- Reverse Repurchase Agreements, except under a securities lending arrangement
- Inverse Floating Rate Notes
- Equity Securities
- Swaps and Derivatives

C. Repurchase Agreements

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Repurchase Agreements are subject to additional restrictions:

- Transactions will be conducted only with ~~currently~~ approved dealers ~~on the broker-dealer list~~, the Fiscal Agent Bank, approved counterparties under a securities lending arrangement, or the master custodial bank, and under the terms of a written master repurchase agreement or securities lending arrangement;
- ~~Each approved repo counterparty must have a net worth in excess of five hundred million dollars (\$500,000,000);~~
- Transactions with any single counterparty will not exceed 35% of any portfolio or \$200 million, whichever is greater;
- The maximum term of any repurchase agreement will be 1 year, except in the case of bond proceeds where a repurchase agreement is limited to 3 years;
- Tri-Party Repurchase Agreement transactions may be entered into with a contracted custodial bank for this purpose, as long as all securities meet the requirements within this policy.

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Securities accepted as collateral for repurchase agreements will be subject to the following additional restrictions:

- Securities placed as collateral for repurchase agreements, with ~~a final maturity less than~~ 10 years, will be priced at 102% of market value, plus accrued income;
- Securities ~~placed as collateral for repurchase agreements,~~ with a final maturity of 10 years or greater, ~~will be priced at 103% of market value, plus accrued income;~~
- Agency mortgage-backed securities placed as collateral for term repurchase agreements with a maturity longer than seven days will be priced at 105% of market value, plus accrued income;
- Term repurchase agreements with a maturity date that is longer than seven days are required to have daily pricing of collateral; and
- Only treasury and agency securities, ~~including agency mortgage-backed obligations,~~ will be utilized as collateral for repurchase agreements.

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VIII. Investment Parameters:

To provide for the safety and liquidity of funds, the investment portfolios will be subject to the restrictions listed below. These represent minimum investment restrictions under this

Investment Policy and there may be separate procedures containing additional, more restrictive limitations for certain investment instruments.

All restrictions are based on a settlement date basis.

Maximum percentages for a particular issuer, investment type or liquidity constraints may on occasion be exceeded due to unforeseen circumstances (e.g., due to fluctuations in fund balances). Exceptions will be reported to the Treasurer, the State Treasurer’s Investment Committee and the State Board of Finance monthly.

**A. Diversification**

The following diversification limits shall apply to each portfolio:

<i>Allowable Securities</i>	<i>Diversification Limits</i>	<i>Further Limitations</i>
US Treasury Obligations	100%	
US Agency Obligations <i>Primary Issuers - FNMA, FHLMC, FFCB, FHLE</i> <i>Secondary Issuers - All Other Agencies</i>	100%	Per <u>Primary</u> Issuer: 35% Per <u>Secondary</u> Issuer: 5%
US Agency Issued Mortgage-Backed Securities	25%	
Bank Demand Deposits - <u>Collateralized</u>	100%	Per Issuer: 25%
Certificates of Deposit	\$400 Million	Per CD Issuer: \$30 Million
Linked Deposit Program Certificates of Deposit	\$40 Million	Per Qualified Depository Institution: \$10 Million
Commercial Paper, Corporate Bonds, Medium Term Notes, and Asset-Backed Obligations <i>(In Aggregate)</i>	40%	Per <u>Corporate</u> Issuer: 5% Per <u>Asset-Backed Issue</u> : 5%
NM LGIP <i>(STO Funds in Aggregate)</i>	<del>100%</del>	No more than 35% of the NM LGIP
Municipal Securities <i>Pre-Refunded 100% escrowed with US Government related securities</i>	15%	Per Issuer: 5% Per Issuer Limit on Pre-Refunded: <u>None</u>
<i>Variable Rate Demand Notes - LOC/Standby Purchase Agreement</i>	<del>15%</del>	Per <u>LOC/Standby Purchase Agreement Provider</u> : 5% of total portfolio exposure
Repurchase Agreements	100%	Per Counterparty: 35% or \$200 Million
Variable Rate Obligations <i>Including Variable Rate Demand Notes</i>	25%	Per Issuer: 5% <u>Non-Agency</u>
Callable Securities	25%	
<i>Open Ended 2a-7 Rated Fund - US Treasury and Agency Only</i>	100%	Per Issuer: 10%

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**B. Maturity Restrictions**

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The following maturity limits shall apply to each portfolio:

<i>Allowable Securities</i>	<i>Maturity Limits</i>	<i>Further Limitations</i>
All Securities <i>Rated AA-/Aa3 or better</i> <i>Rated below AA-/Aa3</i>	5 Years 3 Years	See <u>specific portfolio and sector limits below</u>
Certificates of Deposit	3 Years	
Municipal Bonds	3 Years	

Repurchase Agreements	1 Year	For BPIPs: 3 Years
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Portfolio	Maturity Limits
General Fund Liquidity	1 year or less
General Fund CORE	5 years or less
Bond Proceeds	5 years or less
Severance Tax Bonding Fund	1 year or less

Securities with mandatory puts back to the issuer or remarketing agent shall be deemed to have a maturity date commensurate with the earliest put date.

Pre-refunded securities shall be deemed to have a maturity date commensurate with the call date.

C. Portfolio Duration

The CIO and AIOs will manage the portfolio durations to their approved benchmarks. Benchmarks will be reviewed by the State Treasurer’s Investment Committee for recommendation and will be approved by the State Treasurer and the State Board of Finance as necessary.

D. Credit Quality

The following issuer credit rating limits shall apply for all portfolios:

Short Term Credit Rating                    A-1, P-1, F1 MIG-1 or better  
 Long Term Credit Rating                    A, A2 or better  
Asset-Backed Securities                    AAA or Aaa

Pre-Refunded issues 100% escrowed with US Government related securities may be unrated, with an implied US Government equivalent rating.

E. Non-Public New Mexico Municipal Offerings

Severance Tax Notes or other non-public municipal offerings of New Mexico entities are subject to the approval of the State Treasurer.

IX. Reporting:

The Chief Investment Officer shall prepare a monthly investment report for the State Treasurer. An executive summary will be prepared in a manner that will allow the State Treasurer to ascertain whether investment activities during the reporting period are in compliance with this Investment Policy and New Mexico statutes.

The Chief Investment Officer will submit and present the monthly investment report, on behalf of the State Treasurer, to the State Board of Finance and will post the report on the State Treasurer’s website and otherwise make available to the public.

Specific Reporting Requirements: The report will include, at a minimum, the following:

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- An executive summary that provides an analysis of the status of the current investment portfolios; including the LGIP and the individual transactions that were executed;
- An asset listing showing par value, cost, market value, type of investment, issuer, and interest rate of securities held;
- WAM and effective duration of the portfolio compared to applicable approved benchmarks;
- Average portfolio credit quality;
- Total rate of return for the portfolio for the last one month, three months, and twelve months with applicable approved benchmark returns for the same periods;
- Any cash flow projections<sup>6</sup> prepared by the State Cash Manager for the portfolios;
- Sensitivity or Shock analysis for each portfolio on a quarterly basis;
- Transaction listing for the reporting period;
- A report of primary issues purchased and secondary issues purchased or sold;
- Transaction summaries for the reporting period and fiscal-year-to-date that include trade volumes, distributions by type of investment and counterparty; and
- Investment compliance review.

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#### A. Performance Standards

- The Investment Portfolios will be structured to obtain a market average rate of return taking into account investment risk constraints and cash flow needs.
- Each portfolio will be compared to an approved benchmark that appropriately models an expected risk and return profile.

#### B. Quarterly Reporting

On a quarterly basis, the CIO shall prepare a quarterly investment report that describes the investment strategy employed during the past quarter and the strategy planned for the next quarter. Information will be reported to the State Treasurer's Investment Committee and to the State Board of Finance.

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#### C. Annual Reporting

At the next regular State Treasurer's Investment Committee meeting after September 30 of each year, the CIO shall present an annual investment report that describes the investment strategy employed during the past year and the strategy planned for the next fiscal year. The report shall include annual comparisons of portfolio return to performance benchmarks for the preceding year.    

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### X. Approval:

New Mexico State Treasurer's Office:

<sup>6</sup> As required by NMSA 1978, §8-6-3.1 B(4).

\_\_\_\_\_  
Tim Eichenberg  
New Mexico State Treasurer

\_\_\_\_\_  
Date

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By affixing the signature below, the State Board of Finance hereby provides its advice and consent pursuant to NMSA 1978, §6-10-10.

\_\_\_\_\_  
Secretary, State Board of Finance

\_\_\_\_\_  
Date

***State of New Mexico  
Office of the State Treasurer***



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***Local Government Investment Pool  
Investment Policy***

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September 2017

Tim Eichenberg  
New Mexico State Treasurer

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**I. Statement of Purpose/Statutory Authority:**

The purpose of this investment policy is to provide guidance governing the investment functions of the State Treasurer’s Office (STO) with regard to the Local Government Investment Pool (“LGIP”).

STO is established by Article V, Section 1 of the New Mexico Constitution. The duties and responsibilities of the State Treasurer are further defined by Chapters 6 and 8 of the New Mexico Statutes.

Specific authority concerning the investment of the LGIP can be found at NMSA 1978, §6-10-10 and §6-10-10.1.

STO will submit this LGIP Investment Policy on behalf of the State Treasurer, to the State Board of Finance pursuant to its advice and consent role established at NMSA 1978, §6-10-10.

**II. Definitions:**

Authorized Investment Officers	Those individuals and third-party entities authorized by the State Treasurer to invest monies on behalf of the State of New Mexico.												
Custodian	A specialized financial institution, approved by the State Board of Finance, responsible for the safekeeping of assets. The assets may be in electronic or physical form. Some additional responsibilities may include facilitating securities settlements and the collection of income on assets held in safekeeping.												
Duration	A measure of the price sensitivity of an underlying security, or portfolio, to changes in interest rates.												
DVP	Delivery Versus Payment, a method of securities settlement where securities are simultaneously exchanged for payment.												
Fiscal Agent Bank	A bank or savings and loan association designated by the State Board of Finance pursuant to NMSA 1978, §6-10-35, acting on behalf of the State of New Mexico, to perform various financial functions. Fiscal agent bank functions include the collection of all monies received by the State of New Mexico and the management of STO’s checking account. Monies held at the Fiscal Agent Bank are managed to a target balance after payment of checks, warrants, ACH volume and wire transfers processed by the State.												
Investment Grade Ratings	A rating within any of the following rating agencies: <table border="0" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"><u>Rating Agency</u></th> <th style="text-align: left;"><u>Long-Term</u></th> <th style="text-align: left;"><u>Short-Term</u></th> </tr> </thead> <tbody> <tr> <td><b>Standard &amp; Poor’s</b></td> <td>A to AAA</td> <td>A-1</td> </tr> <tr> <td><b>Fitch</b></td> <td>A to AAA</td> <td>F1</td> </tr> <tr> <td><b>Moody’s</b></td> <td>A2 to Aaa</td> <td>P-1</td> </tr> </tbody> </table>	<u>Rating Agency</u>	<u>Long-Term</u>	<u>Short-Term</u>	<b>Standard &amp; Poor’s</b>	A to AAA	A-1	<b>Fitch</b>	A to AAA	F1	<b>Moody’s</b>	A2 to Aaa	P-1
<u>Rating Agency</u>	<u>Long-Term</u>	<u>Short-Term</u>											
<b>Standard &amp; Poor’s</b>	A to AAA	A-1											
<b>Fitch</b>	A to AAA	F1											
<b>Moody’s</b>	A2 to Aaa	P-1											
Maturity Date	The date on which the principal amount of a debt instrument becomes due and is repaid to the investor, along with all remaining interest.												
WAM	Weighted Average Maturity. For a given portfolio, the average maturity of investment holdings weighted by the relative size of each position.												



### III. Identification of Funds:

This Investment Policy applies only to the investment of the LGIP managed by the State Treasurer. The LGIP is a fund created by the New Mexico State Legislature to allow municipal, county, tribal and quasi-governmental bodies to remit money to the state treasurer to receive professional money management on a pooled basis.<sup>1</sup>

### IV. Objectives:

The LGIP will be invested in a manner that is in conformance with federal, state and other legal requirements.

The Chief Investment Officer (CIO) and Authorized Investment Officers (AIOs) will observe the following priorities in making investment decisions, in the order described:

1. **Safety** – the first priority is the preservation of the principal of the funds to be invested;
2. **Liquidity** – the second priority is maintaining sufficient availability of cash, or the capacity to obtain it without sacrificing principal loss, in order to satisfy the reasonably anticipated, continuing operational requirements of the LGIP; and
3. **Return**– the third priority is maximizing investment return, consistent with the higher priorities accorded to the safety and liquidity of principal.

By statute, the LGIP is managed to an “AA” rating or better. The Chief Investment Officer and Authorized Investment Officers will comply with all rating agency criteria in order to maintain the LGIP’s statutory rating requirement.

The LGIP shall be invested with the objective of preserving a stable net asset value (NAV) of \$1.00 per share.

### V. Standards of Care:

#### A. Delegation by the State Treasurer of Investment Authority

NMSA 1978, §6-10-10.1 allows for the creation of the Local Government Investment Pool within STO to invest money deposited by participating governments. The State Treasurer shall invest the Local Government Investment Pool as provided in NMSA 1978, §6-10-10.

To ensure effective investment management of public funds, the State Treasurer has delegated investment functions to an Investment Division reporting to the Deputy Treasurer. The Investment Division includes a CIO and AIOs. AIOs will report to the CIO and the CIO will report to the Deputy Treasurer. The CIO will maintain a current list of Authorized Investment Officers.

#### B. Ethics and Conflict of Interest

The Deputy Treasurer, CIO and AIOs shall adhere to standards of conduct as follows:

- The Governmental Conduct Act, NMSA §§10-16-1 through 10-16-18;
- The State Treasurer’s Employee Code of Conduct<sup>2</sup>;
- The State Treasurer’s Campaign Contributions Policy;
- The State Treasurer’s Whistleblower Policy;
- The Gift Act, NMSA 1978 §§10-16B-1 through 10-16B-4; and

<sup>1</sup> Local Government Investment Pool, NMSA 1978, §6-10-10.1.

<sup>2</sup> As required by NMSA 1978, §10-16-11.

- The Procurement Code, NMSA 1978 §§13-1-28 through 13-1-199.

The CIO and AIOs shall file personal disclosure forms as required by the Governmental Conduct Act and the State Treasurer's Code of Conduct.

#### C. Prudence

The Deputy Treasurer, CIO and AIOs shall perform investment duties in a manner consistent with this LGIP Investment Policy and the standard of a prudent investor<sup>3</sup> in light of the purposes, terms, distribution requirements and other circumstances then prevailing as to the assets entrusted to them.

In the process of investing funds in the investment of the LGIP, the CIO and AIOs will exercise reasonable care, skill, diligence and prudence considering investments not in isolation, but in the context of the portfolio as a whole and of part of an overall investment strategy. That strategy shall incorporate the risk and return objectives articulated in this LGIP Investment Policy.

The CIO and AIOs, acting in accordance with New Mexico Statutes, written procedures, this LGIP Investment Policy and exercising due diligence shall be relieved of personal liability for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

### **VI. Controls:**

#### A. Custody

All investment securities purchased by the CIO and AIOs, held as collateral on repurchase agreements and bank deposits or held as collateral on securities lending arrangements shall be held in third-party safekeeping at a financial institution qualified to act in this capacity.

All securities held for the LGIP will be free and clear of any lien and all transactions will be conducted in compliance with NMSA 1978, §6-10-10(O), which requires same day transfer of funds with the settlement of securities.

The Custodian will provide reports that list all transactions that occurred within the LGIP during the month and all securities held for the LGIP at month-end including the book and market value of holdings.

The representatives of the Custodian responsible for, or in any manner involved with, the safekeeping and custody process of the LGIP shall be bonded in amounts required by the State Board of Finance under a custody agreement to protect from losses due to malfeasance and misfeasance.

#### B. Approved Broker-Dealers and Counterparties

The State Cash Manager will maintain a list of broker-dealers and counterparties approved to provide investment services to the LGIP specifically and the state generally. Eligible broker-dealers will need to meet all of the following conditions:

<sup>3</sup> Uniform Prudent Investor Act; NMSA 1978, §§45-7-601 through 45-7-612

- The broker-dealer and its representatives must be registered pursuant to the New Mexico Uniform Securities Act<sup>4</sup>;
- The broker-dealer must be registered with the financial industry regulatory authority (FINRA);
- All broker-dealer representatives who have direct contact with securities trading between STO and the firm must have a FINRA Series 7 License, or equivalent certification.
- The broker-dealer representatives must have a minimum of five (5) years continuous employment history involving fixed income securities; and
- Counterparties must operate under the terms of a securities lending or repurchase agreement.

The Broker Dealer list will be submitted to the State Treasurer's Investment Committee for recommendation and will be approved by the State Treasurer. The list will be submitted to the State Board of Finance for its advice and consent.

#### C. Competitive Transactions

The CIO and AIOs will conduct all securities transactions in a fair, open and transparent competitive process:

- All securities transactions shall be executed at the highest bid or lowest offer to STO, subject to diversification constraints;
- Every effort to obtain at least three bids or offers on a specific security will be conducted. If unobtainable, documentation of comparable securities accompanied by current market levels will be retained, to provide evidence of price transparency and trade execution at competitive levels.
- Offers or bids for securities may be received from approved broker-dealers or direct issuers by any of the following means:
  - By phone; or
  - By e-mail or other form of electronic communication; or
  - Through an electronic trading platform; or
  - Directly from issuers of eligible investments.

#### D. Internal Controls

The CIO will maintain sufficient internal controls to protect against the loss of public funds arising from negligence, theft, or misuse. These controls will require the CIO to:

- Communicate regularly with the Deputy Treasurer regarding investment activities, including any significant changes in market value or credit quality of investment positions;
- Require monthly reconciliation of internal investment accounting and reporting to all external statements provided by the custodian and other financial institutions;
- Monitor compliance with applicable state statutes;
- Require Delivery Versus Payment security settlement except for physical securities;
- Maintain clear delegation of investment authority;
- Ensure the separation of investing authority from cash activities and record-keeping;

<sup>4</sup> New Mexico Uniform Securities Act, NMSA 1978, §§58-13C-101 through 58-13C-701 (2009) and NMAC 12.11.2

- Ensure that all deposits are sufficiently collateralized per State Board of Finance Collateral Policy, 2.60.4 NMAC, or as required by the rating agency for the LGIP, whichever is greater;
- Require the use of approved objective criteria in selecting broker-dealers and financial institutions authorized to provide investment services to the state;
- Maintain documentation on investment procedures;
- Report violations of this policy to the State Treasurer in a timely manner;
- Require the use of agency approved objective criteria in awarding investment purchases and sales to authorized financial institutions and broker-dealers.
- Ensure assets are valued by marking holdings to current market prices, thereby representing the full liquidation value of the LGIP;
- Ensure the NAV per share is computed by dividing the total market value of the LGIP's investments, less any liabilities, by the total outstanding shares of the LGIP; and,
- If the market-based NAV deviates from the \$1.00 NAV by more than 0.15% (\$0.0015; equating to less than \$0.9985 or more than \$1.0015), the CIO shall notify the Deputy Treasurer, in conjunction with the AIOs, to determine what, if any, actions need to be taken.

#### E. External Controls

- STO will retain all records related to LGIP investment activities pursuant to state law. As prescribed by the Audit Act<sup>5</sup>, the State Auditor or designated independent auditor will review the investment activities of STO with regard to the LGIP to determine the compliance of those activities with this LGIP Investment Policy and state statutes.
- The market value of all funds held by the custodian will be calculated monthly and provided to the State Treasurer.

#### F. State Treasurer's Investment Committee

The State Treasurer may establish the State Treasurer's Investment Committee; an advisory committee to review investment reporting and any other matters of the State Treasurer's choosing.

The Investment Committee shall consist of up to five (5) voting members: the State Treasurer, or designee; a member of the Treasurer's staff upon appointment by the Treasurer, the director of the State Board of Finance, or designee; and two members that are participants in the private investment community or have expert knowledge or professional experience in the subject of public finance or public money investing, of which one member will be appointed by the State Treasurer and approved by the State Board of Finance and one member will be appointed by the State Board of Finance and approved by the State Treasurer. Each private sector member shall serve at the pleasure of the State Treasurer or the State Board of Finance appointing the private sector member. The private sector members shall serve for a term of two (2) years after appointment and shall be eligible for reappointment to serve for consecutive two (2) year terms. Any vacancy created by a private sector member shall be filled in the same manner as original appointments.

<sup>5</sup> Audit Act, NMSA 1978, §§12-6-1 to-14 (1969, as amended through 2013).

## VII. Eligible and Ineligible Investments:

### A. Eligible Investments

Eligible Investments are only those securities and deposits specifically authorized by statute. Consistent with NMSA 1978, §§6-10-10 and 6-10-10.1, the CIO and AIOs may invest in the following:

- Cash at Banks, Savings and Loan Associations or Credit Unions whose deposits are insured by an agency of the United States;
- Securities issued by the United States government;
- Securities issued or guaranteed by United States government agencies or instrumentalities including mortgage obligations;
- Repurchase Agreements, subject to restrictions contained in Section VII, paragraph C of this LGIP Investment Policy;
- Securities Lending Arrangements;
- Commercial Paper rated “prime” quality by a nationally recognized rating service, defined in this policy as investment grade, and issued by corporations that are organized and operating in the United States;
- Corporate Bonds rated investment grade, as defined in this policy, by a nationally recognized rating service, and issued by corporations that are organized and operating in the United States;
- Asset-Backed Obligations rated “AAA” or better by a nationally recognized rating service, and with a maturity of less than 397 days;
- Shares of open-ended diversified investment companies that are registered with the United States Securities and Exchange Commission; comply with the diversification, quality and maturity requirements of Rule 2a-7, or any successor rule, of the United States securities and exchange commission applicable to money market mutual funds; assess no fees pursuant to Rule 12b-1, or any successor rule, of the United States securities and exchange commission, no sales load on the purchase of shares and no contingent deferred sales charge or other similar charges, however designated; and that do not use swap and derivative products. STO shall not, at any time, own more than five percent (5%) of a money market mutual fund’s assets.
- Individual, common or collective trust funds of banks or trust companies that are invested only in United States Government and Agency obligations and repurchase agreements secured by such obligations; has assets under management of at least one billion dollars (\$1,000,000,000); that do not use swap and derivative products; and the investments made by STO are less than five percent (5%) of the assets of the fund.
- Securities issued by the State of New Mexico, its agencies, institutions, counties, municipalities, school districts, community college districts or other subdivisions of the state, or as otherwise provided by law and rated investment grade as defined by this policy; or
- Securities issued by states other than New Mexico or governmental entities in states other than New Mexico and rated investment grade as defined by this policy.

## B. Ineligible Investments

To provide for the safety and liquidity of funds, the Local Government Investment Pool is specifically prohibited from investing in:

- Short Sales
- Whole Loan Mortgage Obligations
- Reverse Repurchase Agreements, except under a securities lending arrangement
- Inverse Floating Rate Notes
- Equity Securities
- Swaps and Derivatives

## C. Repurchase Agreements

Repurchase Agreements are subject to additional restrictions:

- Transactions will be conducted only with currently approved dealers and counterparties included on the broker-dealer list, the Fiscal Agent Bank, or the master custodial bank, operating under the terms of a master repurchase agreement or securities lending arrangement;
- Each approved repo counterparty must have a net worth in excess of five hundred million dollars (\$500,000,000).
- Transactions with any single counterparty will not exceed 35% of the portfolio;
- The maximum term of any repurchase agreement will be 1 year;
- Tri-Party Repurchase Agreement transactions may be entered into with a contracted custodial bank for this purpose, as long as all securities meet the requirements within this policy.

Securities accepted as collateral for repurchase agreements will be subject to the following additional restrictions:

- Securities placed as collateral for repurchase agreements, with a final maturity less than 10 years, will be priced at 102% of market value, plus accrued income;
- Securities placed as collateral for repurchase agreements, with a final maturity of 10 years or greater, will be priced at 103% of market value, plus accrued income;
- Agency mortgage-backed securities placed as collateral for term repurchase agreements with a maturity longer than seven days will be priced at 105% of market value, plus accrued income;
- Term repurchase agreements with a maturity date that is longer than seven days are required to have daily pricing of collateral; and
- Only treasury and agency securities, including agency mortgage-backed obligations, will be utilized as collateral for repurchase agreements.

## VIII. Investment Parameters:

To provide for the safety and liquidity of funds, the investment of the LGIP will be subject to the restrictions listed below. These represent minimum investment restrictions under this LGIP Investment Policy and there may be separate procedures containing additional, more restrictive limitations for certain investment instruments. All restrictions are based on current market value.

Maximum percentages for a particular issuer, investment type or liquidity constraint may on occasion be exceeded due to unforeseen circumstances (e.g., due to fluctuations in fund balances). Exceptions will be reported to the Treasurer, the State Treasurer's Investment

Committee and the State Board of Finance monthly. Steps will be taken to remedy any breaches that may put the LGIP's rating at risk of falling below the required AA or better rating.

A. Diversification

The following diversification limits shall apply to each portfolio:

<i>Allowable Securities</i>	<i>Diversification Limits</i>	<i>Further Limitations</i>
US Treasury Obligations	100%	
US Agency Obligations Primary Issuers – <i>FNMA, FHLMC, FFCB, FHLB</i> Secondary Issuers – <i>All Other Agencies</i>	100%	Per Primary Issuer: 33% Per Secondary Issuer: 5% except TVA – 10%
US Agency Issued Mortgage-Backed Securities	25%	
Bank Demand Deposits A1+ or F1+ - 1 Day A1 or P1 or F1 - 1 Day A1 or P1 or F1 - 2 to 5 Days A1 or P1 or F1 - 6 Days + A2 or P2 or F2 - 1 Day A3 or lower and nonrated - 1 Day	100% 100% 100% 100% 10% 10%	Per Issuer: 50% 25% 10% 5% 2.5% 0.25%
Certificates of Deposit	25%	Per CD Issuer: 5%
Commercial Paper, Corporate Bonds, Medium Term Notes, and Asset-Backed Obligations ( <i>In Aggregate</i> )	40%	Per Corporate Issuer: 5% Per Asset-Backed Issue: 5%
Open Ended 2a-7 Rated Fund US Treasury and Agency <i>Only</i>	100%	Per Fund: 10%
Municipal Securities Pre-refunded 100% escrowed with US Government related securities	15% 15%	Per Issuer: 5%
Repurchase Agreements A1+ or F1+ - 1 Day A1 or P1 or F1 - 1 Day A1 or P1 or F1 - 2-5 Days A1 or P1 or F1 - 6 Days + A2 or P2 or F2 - 1 Day	100% 100% 100% 100% 10%	Per Counterparty: 35% 25% 10% 5% 5%
Variable Rate Obligations US Treasury and GSE All Other	25%	Per Issuer: 25% 5%
Limited/Illiquid Securities ( <i>In Aggregate</i> )	10%	Nonmarketable securities with maturities greater than 5 business days.

**B. Maturity Restrictions**

The following maturity limits shall apply to each portfolio:

<i>Allowable Securities</i>	<i>Maturity Limits</i>
All Securities	397 Days
Variable Rate Obligations	
US Treasury and GSE	762 Days
All Other	397 Days

**C. Portfolio Duration**

The CIO and AIOs will manage the LGIP within the weighted average maturity (WAM) required by the LGIP’s rating agency. The appropriate performance benchmark for the LGIP will be reflective of its short-term investment objective. The benchmarks will be reviewed, as necessary, by the State Treasurer’s Investment Committee for recommendation, will be approved by the State Treasurer and a report provided to the State Board of Finance.

**D. Credit Quality**

The following issuer credit rating limits shall apply for the LGIP:

<i>Investment Type</i>	<i>Credit</i>	
	<i>Short-Term</i>	<i>Long-Term</i>
US Treasury Obligations		
US Agency Obligations		
US Agency Issued Mortgage-Backed Securities		
Bank Demand Deposits - Collateralized	See Above	
Bank Certificates of Deposit	A1 or P1 or F1	A/A2
Asset-Backed Obligations	A1+ or P1 or F1+	AAA/Aaa
Commercial Paper	A1 or P1 or F1	A/A2
Corporate Bonds	A1 or P1 or F1	A/A2
Open-Ended 2a-7 rated fund US Treasury and Agency <i>Only</i>	AAA <sub>m</sub> or Aaa- <i>mf</i> or Aaamm <sub>f</sub>	
Municipal Securities	A1 or MIG1 or F1	A/A2
Repurchase Agreements	See Above	
Variable Rate Obligations		
US Treasury and GSE		
All other	A1 or P1 or F1	A/A2
Limited/Illiquid Securities	A1 or P1 or F1	A/A2

**IX. Reporting:**

The CIO shall prepare a monthly investment report for the State Treasurer. For purposes of reporting, the LGIP Report may be combined with the reports of other assets under the management of the State Treasurer pursuant to the State Treasurer’s Investment Policy.

An executive summary will be prepared in a manner that will allow the State Treasurer to ascertain whether investment activities during the reporting period are in compliance with this LGIP Investment Policy, the State Treasurer’s Investment Policy and New Mexico statutes.

The CIO will submit and present the monthly investment report, on behalf of the State Treasurer, to the State Board of Finance and will post the report on the State Treasurer’s website and otherwise make it available to the public.



#### A. Specific Reporting Requirements:

The report will include, at a minimum, the following:

- An asset listing showing par value, cost, market value, type of investment, issuer, and interest rate of securities held;
- The total market value and amortized cost of all pool assets and the average 30-day yield, as of month-end;
- WAM to Reset and WAM to Final of the LGIP compared to the maximums allowable per the appropriate rating agency;
- Average portfolio credit quality;
- Total rate of return for the LGIP for the last one month, three months, and twelve months with applicable approved benchmark returns for the same periods;
- Sensitivity or Shock analysis on a quarterly basis;
- Transaction listing of the LGIP for the reporting period;
- A report of primary issues purchased and secondary issues purchased or sold;
- Transaction summaries for the reporting period and fiscal-year-to-date that include trade volumes, distributions by type of investment and counterparty; and
- LGIP Investment compliance review.

#### B. Performance Standards

- The LGIP will be structured to obtain a market average rate of return taking into account investment risk constraints and cash flow needs.
- The LGIP will be compared to an approved benchmark that appropriately models an expected risk and return profile.

#### C. Quarterly Reporting

On a quarterly basis, the CIO shall prepare a quarterly investment report that describes the investment strategy for the LGIP employed during the past quarter and the strategy planned for the next quarter. Information will be reported to the State Treasurer's Investment Committee and to the State Board of Finance.

#### D. Annual Reporting

At the next regular State Treasurer's Investment Committee meeting after September 30 of each year, the CIO shall present an annual investment report on the LGIP that describes the investment strategy employed during the past year and the strategy planned for the next fiscal year. The report shall include annual comparisons of the portfolio's return to the performance benchmark for the preceding fiscal year.

**X. Approval:**

New Mexico State Treasurer's Office:

\_\_\_\_\_  
Tim Eichenberg  
New Mexico State Treasurer

\_\_\_\_\_  
Date

By affixing the signature below, the State Board of Finance hereby exercises its advice and consent pursuant to NMSA 1978, §6-10-10.

\_\_\_\_\_  
Secretary, State Board of Finance

\_\_\_\_\_  
Date

**State of New Mexico**  
**Office of the State Treasurer**



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*Local Government Investment Pool  
Investment Policy*

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September 2017

Deleted: April 2014

Tim Eichenberg

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New Mexico State Treasurer

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**I. Statement of Purpose/Statutory Authority:**

The purpose of this investment policy is to provide guidance governing the investment functions of the State Treasurer’s Office (STO) with regard to the Local Government Investment Pool (“LGIP”).

STO is established by Article V, Section 1 of the New Mexico Constitution. The duties and responsibilities of the State Treasurer are further defined by Chapters 6 and 8 of the New Mexico Statutes.

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Specific authority concerning the investment of the LGIP can be found at NMSA 1978, §6-10-10 and §6-10-10.1.

STO will submit this LGIP Investment Policy on behalf of the State Treasurer, to the State Board of Finance pursuant to its advice and consent role established at NMSA 1978, §6-10-10.

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**II. Definitions:**

Authorized Investment Officers	Those individuals and third-party entities authorized by the State Treasurer to invest monies on behalf of the State of New Mexico.												
Custodian	A specialized financial institution, approved by the State Board of Finance, responsible for the safekeeping of assets. The assets may be in electronic or physical form. Some additional responsibilities may include facilitating securities settlements and the collection of income on assets held in safekeeping.												
Duration	A measure of the price sensitivity of an underlying security, or portfolio, to changes in interest rates.												
DVP	Delivery Versus Payment, a method of securities settlement where securities are simultaneously exchanged for payment.												
Fiscal Agent Bank	A bank or savings and loan association designated by the State Board of Finance pursuant to NMSA 1978, §6-10-35, acting on behalf of the State of New Mexico, to perform various financial functions. Fiscal agent bank functions include the collection of all monies received by the State of New Mexico and the management of STO’s checking account. Monies held at the Fiscal Agent Bank are managed to a target balance after payment of checks, warrants, ACH volume and wire transfers processed by the State.												
Investment Grade Ratings	A rating within any of the following rating agencies: <table border="0" style="width: 100%;"> <tr> <td style="text-align: left;"><b>Rating Agency</b></td> <td style="text-align: center;"><b>Long-Term</b></td> <td style="text-align: center;"><b>Short-Term</b></td> </tr> <tr> <td><b>Standard &amp; Poor’s</b></td> <td style="text-align: center;">A to AAA</td> <td style="text-align: center;">A-1</td> </tr> <tr> <td><b>Fitch</b></td> <td style="text-align: center;">A to AAA</td> <td style="text-align: center;">F1</td> </tr> <tr> <td><b>Moody’s</b></td> <td style="text-align: center;">A2 to Aaa</td> <td style="text-align: center;">P-1</td> </tr> </table>	<b>Rating Agency</b>	<b>Long-Term</b>	<b>Short-Term</b>	<b>Standard &amp; Poor’s</b>	A to AAA	A-1	<b>Fitch</b>	A to AAA	F1	<b>Moody’s</b>	A2 to Aaa	P-1
<b>Rating Agency</b>	<b>Long-Term</b>	<b>Short-Term</b>											
<b>Standard &amp; Poor’s</b>	A to AAA	A-1											
<b>Fitch</b>	A to AAA	F1											
<b>Moody’s</b>	A2 to Aaa	P-1											
Maturity Date	The date on which the principal amount of a debt instrument becomes due and is repaid to the investor, along with all remaining interest.												
WAM	Weighted Average Maturity. For a given portfolio, the average maturity of investment holdings weighted by the relative size of each position.												

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**III. Identification of Funds:**

This Investment Policy applies only to the investment of the LGIP managed by the State Treasurer. The LGIP is a fund created by the New Mexico State Legislature to allow municipal, county, tribal and quasi-governmental bodies to remit money to the state treasurer to receive professional money management on a pooled basis.<sup>1</sup>

**IV. Objectives:**

The LGIP will be invested in a manner that is in conformance with federal, state and other legal requirements.

The Chief Investment Officer (CIO) and Authorized Investment Officers (AIOs) will observe the following priorities in making investment decisions, in the order described:

1. **Safety** – the first priority is the preservation of the principal of the funds to be invested;
2. **Liquidity** – the second priority is maintaining sufficient availability of cash, or the capacity to obtain it without sacrificing principal loss, in order to satisfy the reasonably anticipated, continuing operational requirements of the LGIP; and
3. **Return** – the third priority is maximizing investment return, consistent with the higher priorities accorded to the safety and liquidity of principal.

By statute, the LGIP is managed to an “AA” rating or better. The Chief Investment Officer and Authorized Investment Officers will comply with all rating agency criteria in order to maintain the LGIP’s statutory rating requirement.

The LGIP shall be invested with the objective of preserving a stable net asset value (NAV) of \$1.00 per share.

**V. Standards of Care:**

A. Delegation by the State Treasurer of Investment Authority

NMSA 1978, §6-10-10.1 allows for the creation of the Local Government Investment Pool within STQ to invest money deposited by participating governments. The State Treasurer shall invest the Local Government Investment Pool as provided in NMSA 1978, §6-10-10.

To ensure effective investment management of public funds, the State Treasurer has delegated investment functions to an Investment Division reporting to the Deputy Treasurer. The Investment Division includes a CIO and AIOs. AIOs will report to the CIO and the CIO will report to the Deputy Treasurer. The CIO will maintain a current list of Authorized Investment Officers.

B. Ethics and Conflict of Interest

The Deputy Treasurer, CIO and AIOs shall adhere to standards of conduct as follows:

- The Governmental Conduct Act, NMSA 1978, §§10-16-1 through 10-16-18;
- The State Treasurer’s Employee Code of Conduct<sup>2</sup>;
- The State Treasurer’s Campaign Contributions Policy;
- The State Treasurer’s Whistleblower Policy;
- The Gift Act, NMSA 1978, §§10-16B-1 through 10-16B-4; and

<sup>1</sup> Local Government Investment Pool, NMSA 1978, §6-10-10.1.

<sup>2</sup> As required by NMSA 1978, §10-16-11.

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- The Procurement Code, NMSA ~~1978, §§13-1-28 through 13-1-199.~~

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The Deputy Treasurer, CIO and AIOs shall file personal disclosure forms as required by the Governmental Conduct Act and the State Treasurer’s Code of Conduct.

C. Prudence

The CIO and AIOs shall perform investment duties in a manner consistent with this LGIP Investment Policy and the standard of a prudent investor<sup>3</sup> in light of the purposes, terms, distribution requirements and other circumstances then prevailing as to the assets entrusted to them.

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In the process of investing funds in the investment of the LGIP, the CIO and AIOs will exercise reasonable care, skill, diligence and prudence considering investments not in isolation, but in the context of the portfolio as a whole and of part of an overall investment strategy. That strategy shall incorporate the risk and return objectives articulated in this LGIP Investment Policy.

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The CIO and AIOs, acting in accordance with New Mexico Statutes, written procedures, this LGIP Investment Policy and exercising due diligence shall be relieved of personal liability for an individual security’s credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

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VI. Controls:

A. Custody

All investment securities purchased by the CIO and AIOs, held as collateral on repurchase agreements and bank deposits or held as collateral on securities lending arrangements shall be held in third-party safekeeping at a financial institution qualified to act in this capacity.

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All securities held for the LGIP will be free and clear of any lien and all transactions will be conducted in compliance with NMSA 1978, Section 6-10-10(O), which requires same day transfer of funds with the settlement of securities.

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The Custodian will provide reports that list all transactions that occurred within the LGIP during the month and all securities held for the LGIP at month-end including the book and market value of holdings.

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The representatives of the Custodian responsible for, or in any manner involved with, the safekeeping and custody process of the LGIP shall be bonded in amounts required by the State Board of Finance under a custody agreement to protect from losses due to malfeasance and misfeasance.

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B. Approved Broker-Dealers and Counterparties

The State Cash Manager will maintain a list of broker-dealers and counterparties approved to provide investment services to the LGIP specifically and the state generally. Eligible broker-dealers will need to meet all of the following conditions:

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<sup>3</sup> Uniform Prudent Investor Act; NMSA 1978, §§45-7-601 through 45-7-612

- The broker-dealer and its representatives must be registered pursuant to the New Mexico Uniform Securities Act<sup>4</sup>;
- The broker-dealer must be registered with the financial industry regulatory authority (FINRA);
- All broker-dealer representatives who have direct contact with securities trading between STO and the firm must have a FINRA Series 7 License, or equivalent certification.
- The broker-dealer representatives must have a minimum of five (5) years continuous employment history involving fixed income securities; and
- Counterparties must operate under the terms of a securities lending or repurchase agreement.

The Broker Dealer list will be submitted to the State Treasurer's Investment Committee for recommendation and will be approved by the State Treasurer. The list will be submitted to the State Board of Finance for its advice and consent.

#### C. Competitive Transactions

The CIO and AIOs will conduct all securities transactions in a fair, open and transparent competitive process.

- All securities transactions shall be executed at the highest bid or lowest offer to STO, subject to diversification constraints;
- Every effort to obtain at least three bids or offers on a specific security will be conducted. If unobtainable, documentation of comparable securities accompanied by current market levels will be retained, to provide evidence of price transparency and trade execution at competitive levels.
- Offers or bids for securities may be received from approved broker-dealers or direct issuers by any of the following means:
  - By phone; or
  - By e-mail or other form of electronic communication; or
  - Through an electronic trading platform; or
  - Directly from issuers of eligible investments.

#### D. Internal Controls

The CIO will maintain sufficient internal controls to protect against the loss of public funds arising from negligence, theft, or misuse. These controls will require the CIO to:

- Communicate regularly with the Deputy Treasurer regarding investment activities, including any significant changes in market value or credit quality of investment positions;
- Require monthly reconciliation of internal investment accounting and reporting to all external statements provided by the custodian and other financial institutions;
- Monitor compliance with applicable state statutes;
- Require Delivery Versus Payment (DVP) security settlement except for physical securities;
- Maintain clear delegation of investment authority;

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The Chief Investment Officer will maintain a list of financial institutions and investment counterparties authorized to provide investment services to the LGIP specifically and the state generally. Authorized financial institutions and investment counterparties will be limited to those who meet any of the following conditions:¶  
Certified or designated bank, savings and loan associations or credit unions eligible to receive public money on deposit in New Mexico; or¶  
Direct issuers of eligible investments; or¶  
Eligible counterparties identified under the terms of a securities lending agreement.¶

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<sup>4</sup> New Mexico Uniform Securities Act, NMSA 1978, §§58-13C-101 through 58-13C-701 (2009) and NMAC 12.11.2



- Ensure the separation of investing authority from cash activities and record-keeping;
- Ensure that all deposits are sufficiently collateralized per State Board of Finance Collateral Policy, 2.60.4 NMAC, or as required by the rating agency for the LGIP, whichever is greater;
- Require the use of approved objective criteria in selecting broker-dealers and financial institutions authorized to provide investment services to the state;
- Maintain documentation on investment procedures;
- Report violations of this policy to the State Treasurer in a timely manner;
- Require the use of agency approved objective criteria in awarding investment purchases and sales to authorized financial institutions and broker-dealers.
- Ensure assets are valued by marking holdings to current market prices, thereby representing the full liquidation value of the LGIP;
- Ensure the NAV per share is computed by dividing the total market value of the LGIP's investments, less any liabilities, by the total outstanding shares of the LGIP; and,
- If the market-based NAV deviates from the \$1.00 NAV by more than 0.15% (\$0.0015; equating to less than \$0.9985 or more than \$1.0015), the CIO shall notify the Deputy Treasurer, in conjunction with the AIOs, to determine what, if any, actions need to be taken.

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#### E. External Controls

- STO will retain all records related to LGIP investment activities pursuant to state law As prescribed by the Audit Act<sup>5</sup>, the State Auditor or designated independent auditor will review the investment activities of STO with regard to the LGIP to determine the compliance of those activities with this LGIP Investment Policy and state statutes.
- The market value of all funds held by the custodian will be calculated monthly and provided to the State Treasurer.

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#### F. State Treasurer's Investment Committee

The State Treasurer may establish the State Treasurer's Investment Committee; an advisory committee to review investment reporting and any other matters of the State Treasurer's choosing.

The Investment Committee shall consist of up to five (5) voting members: the State Treasurer, or designee; a member of the Treasurer's staff upon appointment by the Treasurer, the director of the State Board of Finance, or designee; and two members that are participants in the private investment community or have expert knowledge or professional experience in the subject of public finance or public money investing, of which one member will be appointed by the State Treasurer and approved by the State Board of Finance and one member will be appointed by the State Board of Finance and approved by the State Treasurer. Each private sector member shall serve at the pleasure of the State Treasurer or the State Board of Finance appointing the private sector member. The private sector members shall serve for a term of two (2) years after appointment and shall be eligible for reappointment to serve for consecutive two (2)

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<sup>5</sup> Audit Act, NMSA 1978, §§12-6-1 to-14 (1969, as amended through 2013).

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year terms. Any vacancy created by a private sector member shall be filled in the same manner as original appointments.

**VII. Eligible and Ineligible Investments:**

**A. Eligible Investments**

Eligible Investments are only those securities and deposits specifically authorized by statute. Consistent with NMSA 1978, §6-10-10 and 6-10-10.1, the CIO and AIOs may invest in the following:

Deleted: authorized investment officers

- Cash at Banks, Savings and Loan Associations or Credit Unions whose deposits are insured by an agency of the United States;
- Securities issued by the United States government;
- Securities issued or guaranteed by United States government agencies or instrumentalities including mortgage obligations;
- Repurchase Agreements, subject to restrictions contained in Section VII, paragraph C of this LGIP Investment Policy;
- Securities Lending Arrangements;
- Commercial Paper rated “prime” quality by a nationally recognized rating service, defined in this policy as investment grade, and issued by corporations that are organized and operating in the United States;
- Corporate Bonds rated investment grade, as defined in this policy, by a nationally recognized rating service, and issued by corporations that are organized and operating in the United States;
- Asset-Backed Obligations rated “AAA” or better by a nationally recognized rating service, and with a maturity of less than 397 days;
- Shares of open-ended diversified investment companies, that are registered with the United States Securities and Exchange Commission; comply with the diversification, quality and maturity requirements of Rule 2a-7, or any successor rule, of the United States securities and exchange commission applicable to money market mutual funds; assess no fees pursuant to Rule 12b-1, or any successor rule, of the United States securities and exchange commission, no sales load on the purchase of shares and no contingent deferred sales charge or other similar charges, however designated; and that do not use swap and derivative products. STO shall not, at any time, own more than five percent (5%) of a money market mutual fund’s assets.
- Individual, common or collective trust funds of banks or trust companies that are invested only in United States Government and Agency obligations and repurchase agreements secured by such obligations; has assets under management of at least one billion dollars (\$1,000,000,000); that do not use swap and derivative products; and the investments made by STO are less than five percent (5%) of the assets of the fund.
- Securities issued by the State of New Mexico, its agencies, institutions, counties, municipalities, school districts, community college districts or other subdivisions of the state, or as otherwise provided by law and rated investment grade as defined by this policy; or

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- Securities issued by states other than New Mexico or governmental entities in states other than New Mexico and rated investment grade as defined by this policy.

B. Ineligible Investments

To provide for the safety and liquidity of funds, the Local Government Investment Pool is specifically prohibited from investing in:

- Short Sales
- Whole Loan Mortgage Obligations
- Reverse Repurchase Agreements, except under a securities lending arrangement
- Inverse Floating Rate Notes
- Equity Securities
- Swaps and Derivatives

C. Repurchase Agreements

Repurchase Agreements are subject to additional restrictions:

- Transactions will be conducted only with currently approved dealers and counterparties included on the broker-dealer list, the Fiscal Agent Bank, or the master custodial bank, operating under the terms of a master repurchase agreement or securities lending arrangement;
- Each approved repo counterparty must have a net worth in excess of five hundred million dollars (\$500,000,000).
- Transactions with any single counterparty will not exceed 35% of the portfolio;
- The maximum term of any repurchase agreement will be 1 year;
- Tri-Party Repurchase Agreement transactions may be entered into with a contracted custodial bank for this purpose, as long as all securities meet the requirements within this policy.

Securities accepted as collateral for repurchase agreements will be subject to the following additional restrictions:

- Securities placed as collateral for repurchase agreements, with a final maturity less than 10 years, will be priced at 102% of market value, plus accrued income;
- Securities placed as collateral for repurchase agreements, with a final maturity of 10 years or greater, will be priced at 103% of market value, plus accrued income;
- Agency mortgage-backed securities placed as collateral for term repurchase agreements with a maturity longer than seven days will be priced at 105% of market value, plus accrued income;
- Term repurchase agreements with a maturity date that is longer than seven days are required to have daily pricing of collateral; and
- Only treasury and agency securities, including agency mortgage-backed obligations, will be utilized as collateral for repurchase agreements.

VIII. Investment Parameters:

To provide for the safety and liquidity of funds, the investment of the LGIP will be subject to the restrictions listed below. These represent minimum investment restrictions under this LGIP Investment Policy and there may be separate procedures containing additional, more restrictive limitations for certain investment instruments. All restrictions are based on current market value.

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Deleted: <#>Counterparties will have a rating of "A" or better;¶

Deleted: under

Deleted: placed as collateral for repurchase agreements

Deleted: a settlement date basis.

Maximum percentages for a particular issuer, investment type or liquidity constraint may on occasion be exceeded due to unforeseen circumstances (e.g., due to fluctuations in fund balances). Exceptions will be reported to the Treasurer, the State Treasurer’s Investment Committee and the State Board of Finance monthly. Steps will be taken to remedy any breaches that may put the LGIP’s rating at risk of falling below the required AA or better rating.

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A. Diversification

The following diversification limits shall apply to each portfolio:

Allowable Securities	Diversification Limits	Further Limitations
US Treasury Obligations	100%	
US Agency Obligations <u>Primary Issuers - FNMA, FHLMC, FFCE, FHLB</u> <u>Secondary Issuers - All Other Agencies</u>	100%	Per <u>Primary Issuer</u> : 33% Per <u>Secondary Issuer</u> : 5% except TVA - 10%
US Agency Issued Mortgage-Backed Securities	25%	
Bank Demand Deposits		Per Issuer:
A1+ or F1+ - 1 Day	100%	50%
A1 or P1 or F1 - 1 Day	100%	25%
A1 or P1 or F1 - 2 to 5 Days	100%	10%
A1 or P1 or F1 - 6 Days +	100%	5%
<u>A2 or P2 or F2 - 1 Day</u>	<u>10%</u>	<u>2.5%</u>
<u>A3 or lower and nonrated - 1 Day</u>	<u>10%</u>	<u>0.25%</u>
Certificates of Deposit	25%	Per CD Issuer: 5%
▼	▼	▼
▼	▼	▼
▼	▼	▼
Commercial Paper, Corporate Bonds, Medium Term Notes, and Asset-Backed Obligations <u>(In Aggregate)</u>	40%	Per <u>Corporate Issuer</u> : 5% Per <u>Asset-Backed Issue</u> : 5%
Open Ended 2a-7 Rated Fund <u>US Treasury and Agency Only</u>	100%	Per Fund: 10%
Municipal Securities <u>Pre-refunded 100% escrowed with US Government related securities</u>	15% <u>15%</u>	Per Issuer: 5%
Repurchase Agreements		Per Counterparty:
A1+ or F1+ - 1 Day	100%	35%
A1 or P1 or F1 - 1 Day	100%	25%
A1 or P1 or F1 - 2-5 Days	100%	10%
A1 or P1 or F1 - 6 Days +	100%	5%
<u>A2 or P2 or F2 - 1 Day</u>	<u>10%</u>	<u>5%</u>
Variable Rate Obligations	25%	Per Issuer:
US Treasury and GSE		25%
All Other		5%
Limited/Illiquid Securities <u>(In Aggregate)</u>	10%	<u>Nonmarketable securities with maturities greater than 5 business days.</u>

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**B. Maturity Restrictions**

The following maturity limits shall apply to each portfolio:

<i>Allowable Securities</i>	<i>Maturity Limits</i>
All Securities	397 Days
Variable Rate Obligations	
US Treasury and GSE	762 Days
All Other	397 Days

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**C. Portfolio Duration**

The CIO and AIOs will manage the LGIP within the weighted average maturity (WAM) required by the LGIP's rating agency. The appropriate performance benchmark for the LGIP will be reflective of its short-term investment objective. The benchmark will be reviewed, as necessary, by the State Treasurer's Investment Committee for recommendation, will be approved by the State Treasurer and a report provided to the State Board of Finance. Credit Quality

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**Deleted:** Authorized Investment Officers  
**Deleted:** to the approved benchmark duration  
**Deleted:** in order to approximate short-term market returns.  
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**Deleted:** A report will be provided to the State Board of Finance on an annual basis.¶

The following issuer credit rating limits shall apply for the LGIP:

<i>Investment Type</i>	<i>Credit</i>	
	<i>Short-Term</i>	<i>Long-Term</i>
US Treasury Obligations		
US Agency Obligations		
US Agency Issued Mortgage-Backed Securities		
Bank Demand Deposits - Collateralized	See Above	
Bank Certificates of Deposit	A1 or P1 or F1	A/A2
Asset-Backed Obligations	A1+ or P1 or F1+	AAA/Aaa
Commercial Paper	A1 or P1 or F1	A/A2
Corporate Bonds	A1 or P1 or F1	A/A2
Open-Ended 2a-7 rated fund US Treasury and Agency Only	AAA <del>m</del> or Aaa- <del>mf</del> or Aa <del>ammf</del>	
Municipal Securities	A1 or MIG1 or F1	A/A2
Repurchase Agreements	See Above	
Variable Rate Obligations		
US Treasury and GSE		
All other	A1 or P1 or F1	A/A2
Limited/Illiquid Securities	A1 or P1 or F1	A/A2

**Deleted:** Supranational Obligations  
**Deleted:** A1+ or P1 or F1+  
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**IX. Reporting:**

The CIO shall prepare a monthly investment report for the State Treasurer. For purposes of reporting, the LGIP Report may be combined with the reports of other assets under the management of the State Treasurer pursuant to the State Treasurer's Investment Policy.

**Deleted:** Chief Investment Officer

An executive summary will be prepared in a manner that will allow the State Treasurer to ascertain whether investment activities during the reporting period are in compliance with this LGIP Investment Policy, the State Treasurer's Investment Policy and New Mexico statutes.

The CIO will submit and present the monthly investment report, on behalf of the State Treasurer, to the State Board of Finance and will post the report on the State Treasurer's website and otherwise make it available to the public.

Deleted: Chief Investment Officer

A. Specific Reporting Requirements:

The report will include, at a minimum, the following:

- An asset listing showing par value, cost, market value, type of investment, issuer, and interest rate of securities held;
- The total market value and amortized cost of all pool assets and the average 30-day yield, as of month-end;
- WAM to Reset and WAM to Final of the LGIP compared to the maximums allowable per the appropriate rating agency;
- Average portfolio credit quality;
- Total rate of return for the LGIP for the last one month, three months, and twelve months with applicable approved benchmark returns for the same periods;
- Sensitivity or Shock analysis on a quarterly basis;
- Transaction listing of the LGIP for the reporting period;
- A report of primary issues purchased and secondary issues purchased or sold;
- Transaction summaries for the reporting period and fiscal-year-to-date that include trade volumes, distributions by type of investment and counterparty; and
- LGIP Investment compliance review.

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Deleted: , ("WAM (F)").

Deleted: <#>WAM and effective duration of the portfolio compared to applicable approved benchmarks;¶

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B. Performance Standards

- The LGIP will be structured to obtain a market average rate of return taking into account investment risk constraints and cash flow needs.
- The LGIP will be compared to an approved benchmark that appropriately models an expected risk and return profile.

C. Quarterly Reporting

On a quarterly basis, the CIO shall prepare a quarterly investment report that describes the investment strategy for the LGIP employed during the past quarter and the strategy planned for the next quarter. Information will be reported to the State Treasurer's Investment Committee and to the State Board of Finance.

Deleted: Chief Investment Officer

D. Annual Reporting

At the next regular State Treasurer's Investment Committee meeting after September 30 of each year, the CIO shall present an annual investment report on the LGIP that describes the investment strategy employed during the past year and the strategy planned for the next fiscal year. The report shall include annual comparisons of the portfolio's return to the performance benchmark for the preceding fiscal year.

Deleted: Chief Investment Officer

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X. **Approval:**

New Mexico State Treasurer's Office:

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\_\_\_\_\_  
Eichenberg  
New Mexico State Treasurer

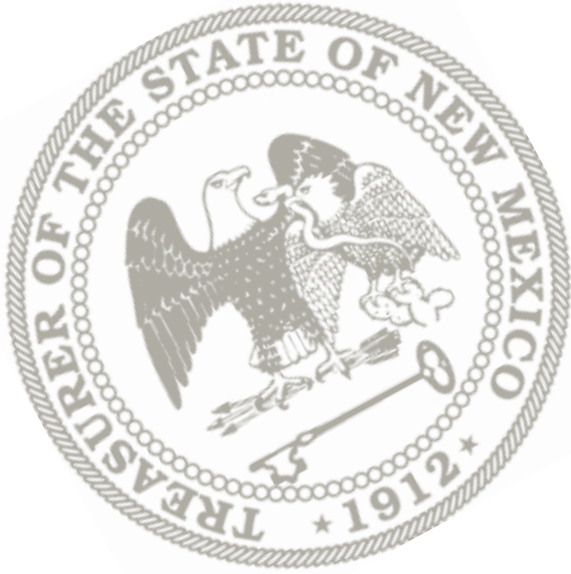
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Date Tim

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James B. Lewis

By affixing the signature below, the State Board of Finance hereby exercises its advice and consent pursuant to NMSA 1978, §6-10-10.

\_\_\_\_\_  
Secretary, State Board of Finance

\_\_\_\_\_  
Date



## 18. 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: August 25, 2017  
To: Tim Eichenberg, State Treasurer  
For: Governor Martinez and Members of the State Board of Finance  
From: Charmaine Cook, State Cash Manager   
Subject: State Fund Deposit Activity for the month ending July 31, 2017

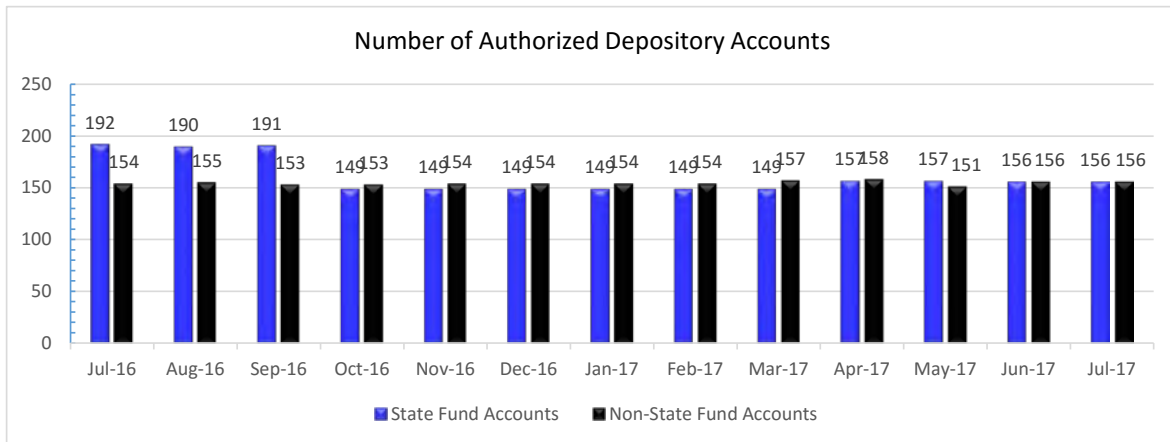
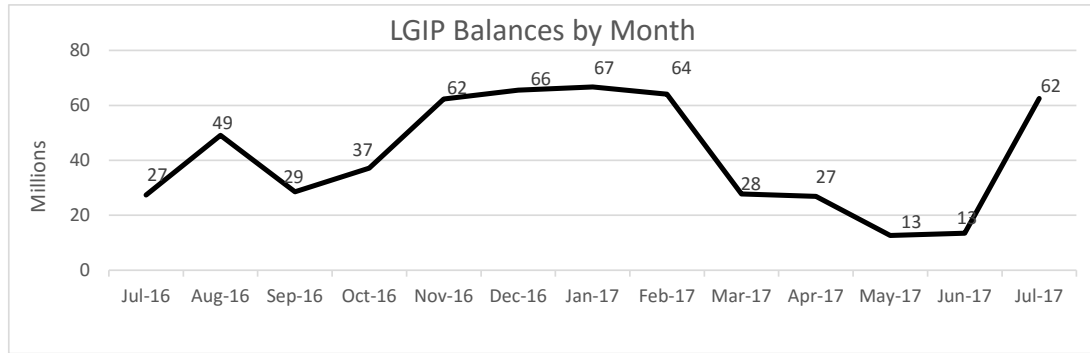
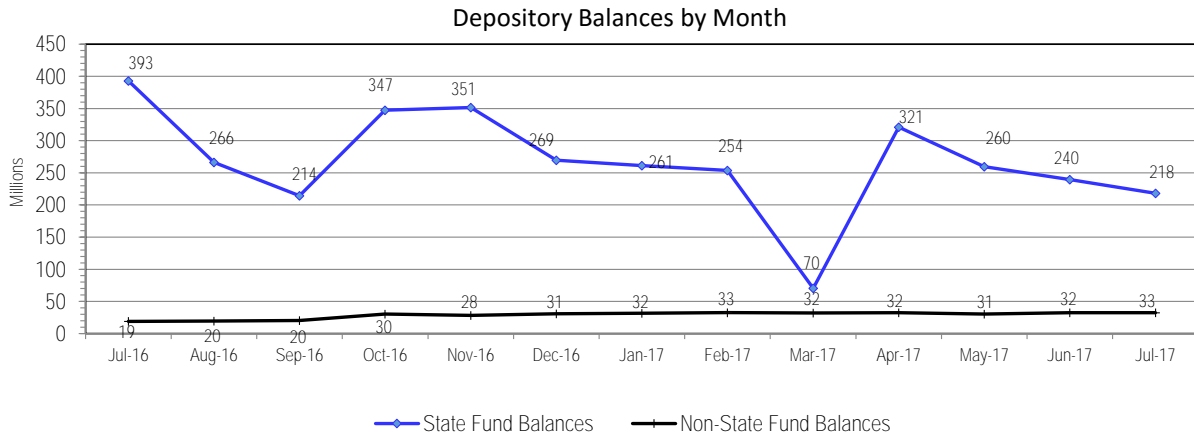
Pursuant to section 8-6-3.1 NMSA 1978, the State Cash Manager shall submit to the State Board of Finance a report showing state fund balances in each Financial Institution. Attached for your review is a summary of State fund balances in each institution through July 31, 2017.

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 July 31, 2017

(Attachments 3)

# Depository Account Summary for July 2017



Depository accounts authorized in July 2017 pursuant to Section 6-1-13 NMSA :

Depository accounts opened in July 2017

Depository accounts closed in July 2017



## State Fund Balances by Financial Institution July 2017

First National Bank/Alamogordo	\$	82,082
Century Bank/Santa Fe	\$	500
Bank of America/Albuquerque	\$	176,856
Wells Fargo Bank/Albuquerque	\$	20,963,297
Compass Bank/Albuquerque	\$	3,121,449
Bank of the West/Albuquerque	\$	191,558,061
First American Bank/Artesia	\$	39,658
Carlsbad National Bank/Carlsbad	\$	600
Western Commerce Bank/Carlsbad	\$	73,775
Farmers/Stockmens Bank/Clayton	\$	18,470
First National Bank/Clayton	\$	1,045,869
Citizens Bank/Clovis	\$	8,195
NM Bank & Trust/Albuquerque	\$	136,816
Lea County State Bank/Hobbs	\$	114,450
Southwest Capitol/Las Vegas	\$	156,425
Community 1st Bank/Las Vegas	\$	214,346
Western Bank/Lordsburg	\$	52,827
Los Alamos National Bank/Los Alamos	\$	4,124
International Bank/Raton	\$	10,783
Valley Bank of Commerce/Roswell	\$	154,186
First State Bank/Socorro	\$	2,415
Centinel Bank/Taos	\$	77,204
US Bank/Albuquerque	\$	14,192
Bank of the Southwest/Roswell	\$	94,377
Washington Federal	\$	17,028
Citizens Bank/Aztec	\$	255
<i>Total:</i>		\$ 218,138,240




Tim Eichenberg  
State Treasurer

STATE OF NEW MEXICO  
OFFICE OF THE TREASURER

Samuel Collins  
Deputy State Treasurer

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

Date: July 31, 2017  
To: Tim Eichenberg, State Treasurer  
For: Governor Martinez and Members of the State Board of Finance  
From: Charmaine Cook, State Cash Manager   
Subject: State Fund Deposit Activity for the month ending June 30, 2017

Pursuant to section 8-6-3.1 NMSA 1978, the State Cash Manager shall submit to the State Board of Finance a report showing state fund balances in each Financial Institution. Attached for your review is a summary of State fund balances in each institution through June 30, 2017.

Additionally, the State Treasurer's Office is required to report to the State Board of Finance any Financial Institution that exceeds certain equity capital and deposit ratios and notify all state agencies who maintain State fund deposits within those institutions of the violation. Agencies are also advised not to make any new deposits until the violations are corrected.

Pursuant to section 6-10-24.1 NMSA 1978, there were no Financial Institutions exceeding the statutory limitations on equity capital and deposit ratios for the month ending June 30, 2017

(Attachments 3)





## State Fund Balances by Financial Institution June 2017

First National Bank/Alamogordo	\$	98,842
Century Bank/Santa Fe	\$	409
Bank of America/Albuquerque	\$	185,926
Wells Fargo Bank/Albuquerque	\$	44,630,106
Compass Bank/Albuquerque	\$	2,169,324
Bank of the West/Albuquerque	\$	191,436,643
First American Bank/Artesia	\$	44,493
Carlsbad National Bank/Carlsbad	\$	600
Western Commerce Bank/Carlsbad	\$	67,952
Farmers/Stockmens Bank/Clayton	\$	22,216
First National Bank/Clayton	\$	1,202,222
Citizens Bank/Clovis	\$	9,787
NM Bank & Trust/Albuquerque	\$	146,151
Lea County State Bank/Hobbs	\$	127,073
Southwest Capitol/Las Vegas	\$	194,818
Community 1st Bank/Las Vegas	\$	195,724
Western Bank/Lordsburg	\$	69,257
Los Alamos National Bank/Los Alamos	\$	7,122
International Bank/Raton	\$	11,864
Valley Bank of Commerce/Roswell	\$	168,334
First State Bank/Socorro	\$	3,697
Centinel Bank/Taos	\$	75,567
US Bank/Albuquerque	\$	15,885
Bank of the Southwest/Roswell	\$	741,979
Washington Federal	\$	16,462

*Total:* \$ 241,642,453





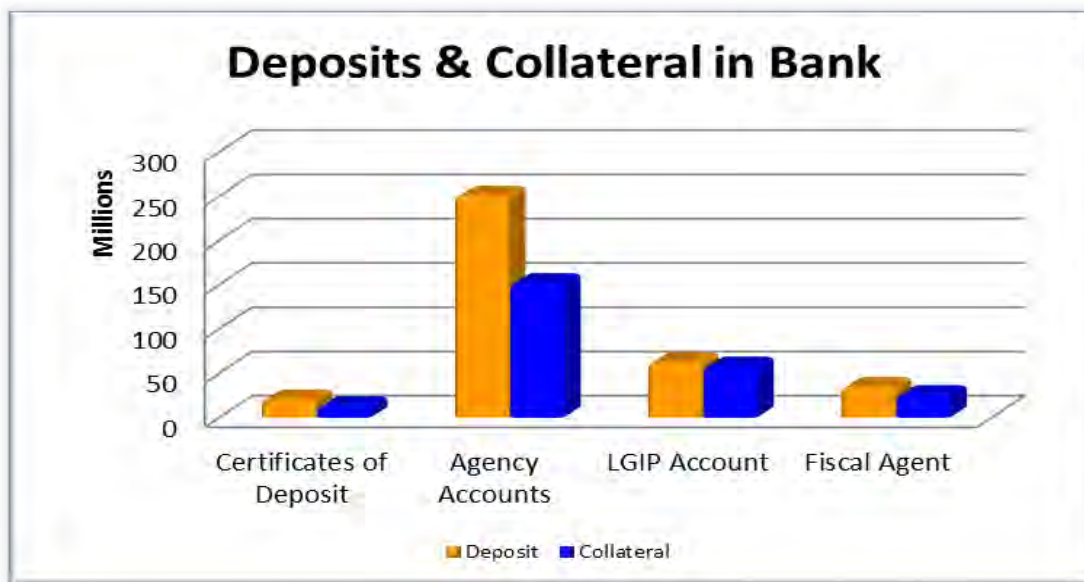
## 19. Collateral Report on Agency Deposits & CD's

# Office of the Treasurer

## Collateral Summary Review

### July 31, 2017

All depository institutions holding public funds for the month ending July 31, 2017 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	\$ 21.0 Million	\$ 13.2 Million	63.1%
Agency Accounts	250.7 Million	152.1 Million	60.7%
LGIP Account	62.5 Million	57.9 Million	92.7%
Fiscal Agent	34.7 Million	25.8 Million	74.4%
<b>Totals:</b>	<b>368.8 Million</b>	<b>249.0 Million</b>	<b>67.5%</b>

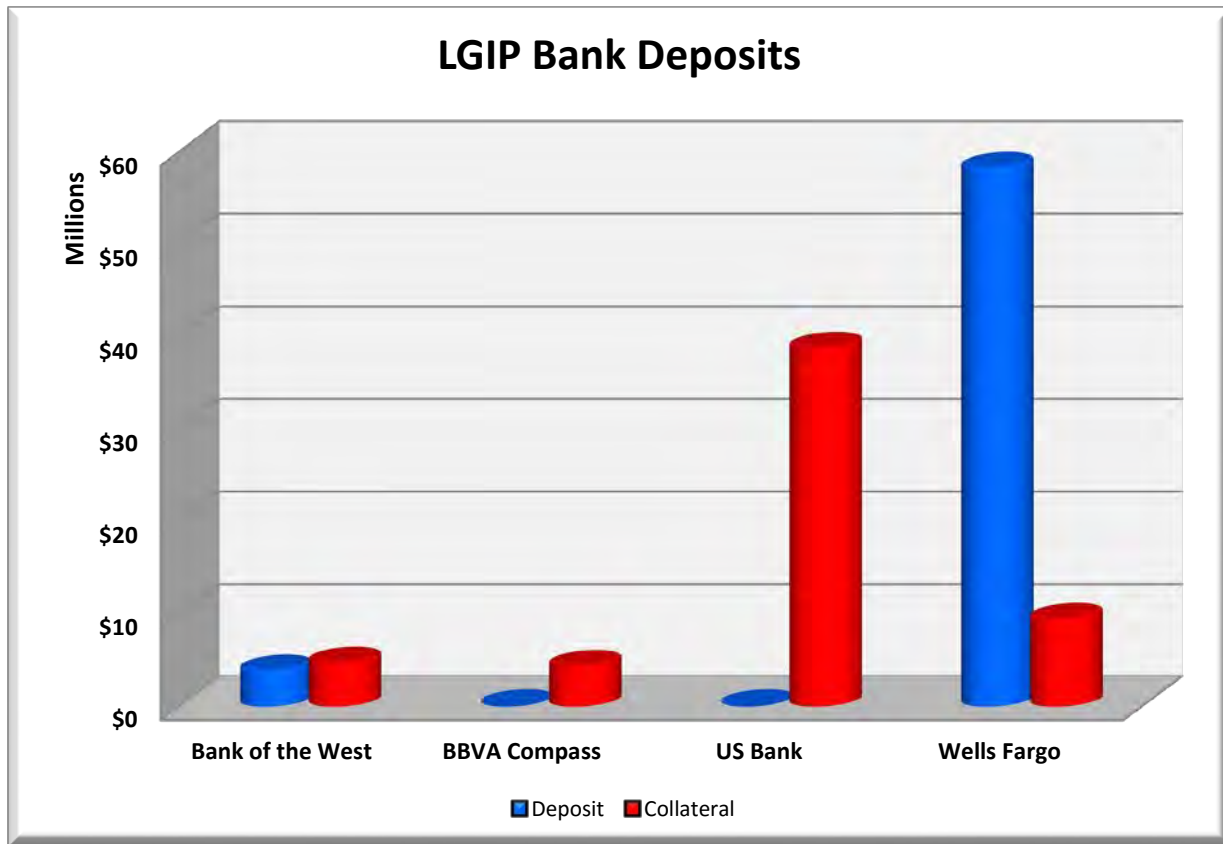


**Office of the Treasurer**  
**Collateral Review**  
**Accumulated Total by Institution**  
**July 31, 2017**

<b>FINANCIAL INSTITUTION</b>	<b>%</b>	<b>TOTAL DEPOSITS</b>	<b>FDIC / NCUA INSURANCE</b>	<b>LESS INSURANCE COVERAGE</b>	<b>SUBJECT TO BE COLLATERALIZED</b>	<b>COLLATERAL PLEDGED</b>	<b>EXCESS (UNDER)</b>
First National - Alamogordo	50%	82,081	82,081	0	0	976,771	976,771
Western - Alamogordo	50%	3,600,000	250,000	3,350,000	1,675,000	3,671,233	1,996,233
Bank of America	50%	234,523	234,523	0	0	0	0
Bank of the West	50%	196,170,059	250,000	195,920,059	97,960,030	101,913,870	3,953,840
BBVA Compass	102%	3,121,465	250,000	2,871,465	2,928,895	5,500,000	2,571,105
US Bank	50%	1,010,070	250,000	760,070	380,035	40,000,000	39,619,965
Wells Fargo	50%	105,569,196	250,000	105,319,196	52,659,598	55,671,559	3,011,961
First American	50%	39,658	39,658	0	0	0	0
My Bank	50%	350,670	250,000	100,670	50,335	250,000	199,665
Carlsbad National	50%	600	600	0	0	0	0
Western Commerce	50%	4,073,775	250,000	3,823,775	1,911,887	2,723,487	811,599
Farmers & Stockmen	50%	10,022,777	250,000	9,772,777	4,886,388	5,125,000	238,612
First National - Clayton	50%	1,045,869	250,000	795,869	397,935	1,294,993	897,059
Bank of Clovis	50%	1,256,301	250,000	1,006,301	503,151	815,372	312,221
Citizens - Clovis	50%	8,194	8,194	0	0	0	0
NM Bank & Trust	50%	337,534	250,000	87,534	43,767	263,613	219,845
Western - Clovis	50%	3,100,000	250,000	2,850,000	1,425,000	1,846,794	421,794
Lea County State	50%	114,450	114,450	0	0	0	0
Southwest Capital	50%	648,976	250,000	398,976	199,488	498,805	299,317
Community 1st - Las Vegas	102%	214,346	195,724	18,622	18,994	452,669	433,675
Western - Lordsburg	50%	70,751	83,952	-13,201	-6,600	367,013	373,614
Los Alamos National International	75%	4,124	4,124	0	0	0	0
Bank of the Southwest	50%	35,291	35,291	0	0	149,443	149,443
Valley Commerce	50%	564,654	250,000	314,654	157,327	560,573	403,246
Century	50%	154,186	154,186	0	0	0	0
Century	50%	1,902,878	250,000	1,652,878	826,439	1,131,530	305,091
First State	50%	77,944	77,944	0	0	0	0
Centinel	50%	77,204	77,204	0	0	0	0
Guadalupe Credit	50%	250,000	250,000	0	0	0	0
Washington Federal	50%	17,028	17,028	0	0	0	0
Citizens Bank of Aztec	50%	1,185	1,185	0	0	0	0
		<b>334,154,604</b>	<b>5,124,958</b>	<b>329,029,646</b>	<b>166,017,668</b>	<b>223,212,726</b>	<b>57,195,057</b>

# LGIP Bank Deposits July 31, 2017

<u>Financial Institution</u>	<u>Percentage</u>	<u>Deposit</u>	<u>Collateral</u>
Bank of the West	119.8%	4,066,941	4,871,208
BBVA Compass	NA	1	4,500,000
US Bank	NA	-	38,900,000
Wells Fargo	16.5%	58,396,026	9,623,732
<b>Totals</b>	<b>92.7%</b>	<b>62,462,968</b>	<b>57,894,940</b>



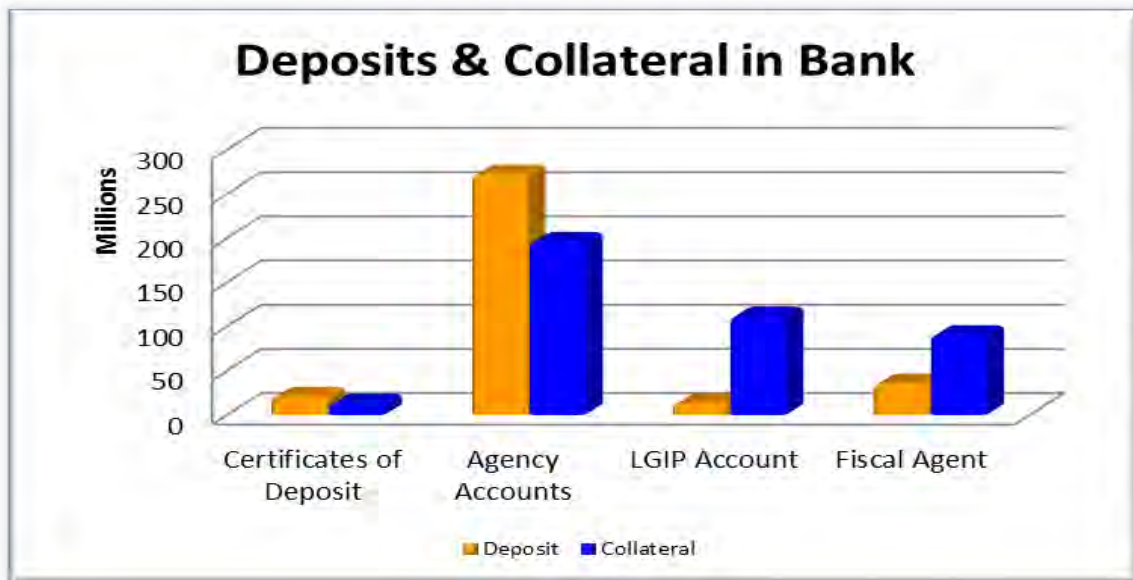
*Standards & Poor's requires bank deposits to be collateralized @ a minimal of 100% collateral levels to maintain rating*

# Office of the Treasurer

## Collateral Summary Review

### June 30, 2017

As of June 30, 2017 there was one depository institution holding state funds that was deficient in their collateral levels. Century Bank was deficient by \$12,139. Once notified of their deficiency Century Bank pledged additional collateral. All other depository institutions holding public funds 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	\$ 21.0 Million	\$ 13.3 Million	63.5%
Agency Accounts	272.1 Million	196.1 Million	72.1%
LGIP Account	13.4 Million	111.6 Million	830.3%
Fiscal Agent	35.5 Million	90.5 Million	254.7%
<b>Totals:</b>	<b>342.0 Million</b>	<b>411.5 Million</b>	<b>120.3%</b>

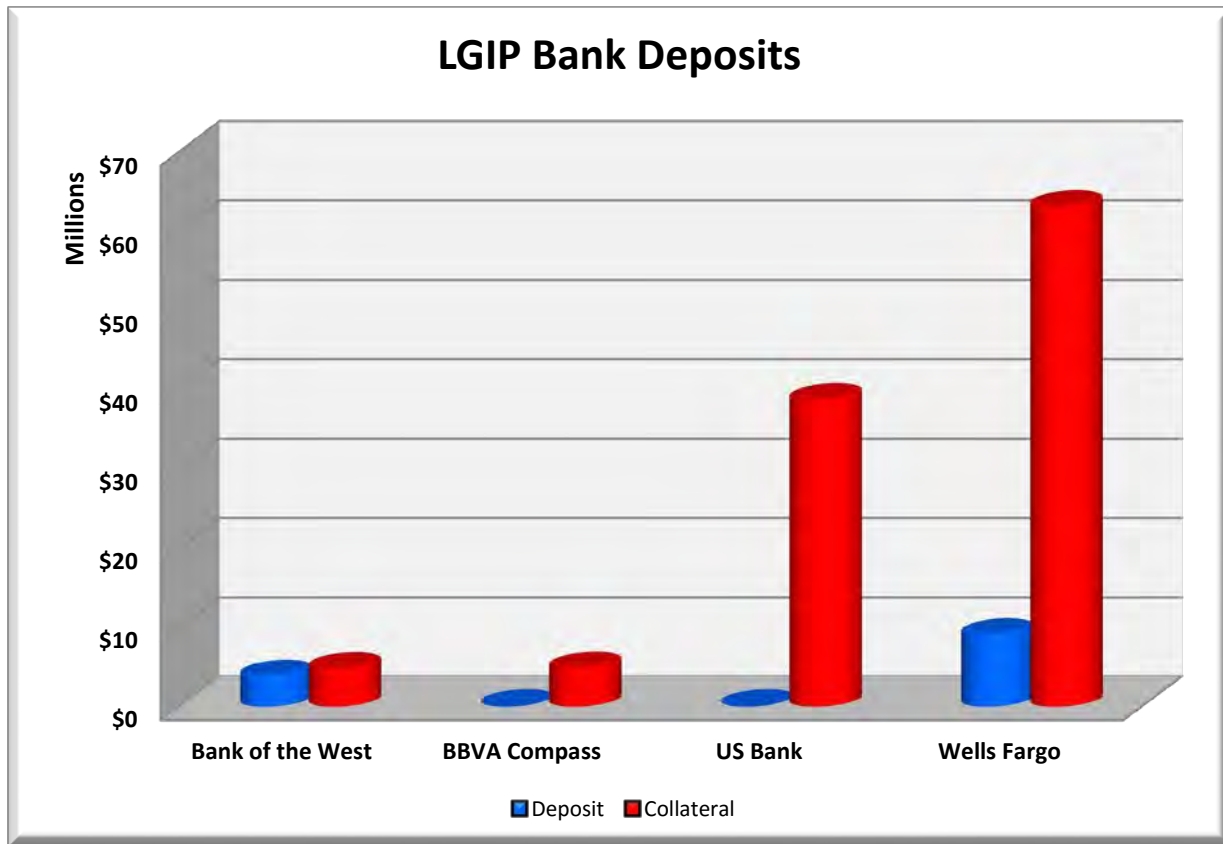


**Office of the Treasurer**  
**Collateral Review**  
**Accumulated Total by Institution**  
**June 30, 2017**

FINANCIAL INSTITUTION	%	TOTAL DEPOSITS	FDIC / NCUA INSURANCE	LESS INSURANCE COVERAGE	SUBJECT TO BE COLLATERALIZED	COLLATERAL PLEGGED	EXCESS (UNDER)
First National - Alamogordo	50%	98,842	98,842	0	0	994,481	994,481
Western - Alamogordo	50%	3,600,000	250,000	3,350,000	1,675,000	3,706,524	2,031,524
Bank of America	50%	243,002	243,002	0	0	0	0
Bank of the West	50%	196,046,860	250,000	195,796,860	97,898,430	101,029,984	3,131,554
BBVA Compass	102%	2,169,340	250,000	1,919,340	1,957,727	55,500,000	53,542,273
US Bank	50%	1,010,873	250,000	760,873	380,437	40,000,000	39,619,563
Wells Fargo	50%	78,374,737	250,000	78,124,737	39,062,368	104,677,615	65,615,246
First American	50%	44,493	44,493	0	0	0	0
My Bank	50%	350,646	250,000	100,646	50,323	250,000	199,677
Carlsbad National	50%	600	600	0	0	0	0
Western Commerce	50%	4,067,952	250,000	3,817,952	1,908,976	2,767,534	858,558
Farmers & Stockmen	50%	10,026,271	250,000	9,776,271	4,888,136	5,125,000	236,864
First National - Clayton	50%	1,202,221	250,000	952,221	476,111	1,130,050	653,939
Bank of Clovis	50%	860,097	250,000	610,097	305,048	817,389	512,341
Citizens - Clovis	50%	9,792	9,792	0	0	0	0
NM Bank & Trust	50%	358,857	250,000	108,857	54,428	263,480	209,052
Western - Clovis	50%	3,100,000	250,000	2,850,000	1,425,000	1,846,794	421,794
Lea County State	50%	127,074	127,074	0	0	0	0
Southwest Capital	50%	712,926	250,000	462,926	231,463	498,376	266,913
Community 1st - Las Vegas	102%	195,724	195,724	0	0	458,177	458,177
Western - Lordsburg	50%	83,952	83,952	0	0	366,055	366,055
Los Alamos National	75%	7,122	7,122	0	0	0	0
International	50%	41,367	41,367	0	0	149,505	149,505
Bank of the Southwest	50%	1,224,550	250,000	974,550	487,275	562,356	75,081
Valley Commerce	50%	168,334	168,334	0	0	0	0
Century	50%	1,908,674	250,000	1,658,674	829,337	817,198	(12,139)
First State	50%	83,952	83,952	0	0	0	0
Centinel	50%	75,567	75,567	0	0	0	0
Guadalupe Credit	50%	250,000	250,000	0	0	0	0
Washington Federal	50%	16,462	16,462	0	0	0	0
		<b>306,460,287</b>	<b>5,446,283</b>	<b>301,014,004</b>	<b>151,505,059</b>	<b>320,960,518</b>	<b>169,455,459</b>

# LGIP Bank Deposits June 30, 2017

<u>Financial Institution</u>	<u>Percentage</u>	<u>Deposit</u>	<u>Collateral</u>
Bank of the West	122.0%	4,064,363	4,957,295
BBVA Compass	NA	1	5,000,000
US Bank	NA	-	38,900,000
Wells Fargo	674.4%	9,373,899	63,221,824
<b>Totals</b>	<b>834.0%</b>	<b>13,438,263</b>	<b>112,079,120</b>



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