

Report to the Governor - February 2012



*State of New Mexico*  
*Office of the State Treasurer*  
James B. Lewis, Treasurer

February 2012  
**State Treasurer's Investment Council**  
**Monthly Investment Report**

April 11, 2012

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## **STATE TREASURER'S INVESTMENT COMMITTEE**

### **Treasurer's Conference Room**

Wednesday, April 11, 2012, 9:00 a.m.

#### **MEETING AGENDA (5 Min)**

Roll Call

Introduction of Guests and Presenters

1. Approval of April 11, 2012 Agenda
2. Approval of March 14, 2012 Minutes

Action

Action

#### **INVESTMENT REPORTS (50 min)**

3. Executive Summary
4. Investment Policy Compliance Report
5. Portfolio Summary -- General Fund and Cash Projection
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10. Summary of Broker Participation

**Month Ended**  
**February 29, 2012**

Informational

Informational

Informational

Informational

Informational

Informational

Informational

Informational

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

11. State Agency Deposit Balances
12. Collateral Report on Agency Deposits & CD

**Month Ended**  
**February 29, 2012**

Informational

Informational

#### **COMMITTEE REPORTS (20 min)**

13. Audit FY 2011
14. Broker/Dealer Application & Process Update
15. Question Period
16. Next Meeting --Wednesday, May 9, 2012, 9:00 am
17. Adjournment

Informational

Informational

*New Mexico State Treasurer's Office*

*STIC Committee Meeting*

*Meeting Minutes*

Wednesday, March 14, 2012

**I. Call to order**

**Madame Chair, Linda Roseborough** called to order the meeting of the **STIC Committee** at **9:00 am** on **March 14, 2012** in **NMSTO Conference Room**.

**II. Roll call**

The following Committee Members were present:

Honorable Treasurer, James B. Lewis

Madame Chair, Linda Roseborough STO Chief Investment Officer

Paul Boushelle, Public Member

Paul Cassidy, Public Member

Stephanie Schardin Clarke, Board of Finance Director

**Presenters**

Spencer Wright, STO Portfolio Manager (PM)

Vikki Hanges, STO Portfolio Manager (PM)

Arsenio Garduno, STO Collateral Manager

Sam Collins, STO State Cash Manager

**Other Attendees**

Kirene Bargas Guardado, STO

Yasmin Dennig, STO General Counsel

Alfredo Santistevan, STO

Tom Hayes, BOSC, Inc.

David Abbey, LFC

Scott Smith, LFC

**III. Approval of Agenda**

Madame Chair Linda Roseborough asked for changes or objections to the agenda. The agenda was unanimously approved and adopted.

No questions, comments, or discussion.

**IV. Approval of Minutes**

Madame Chair Linda Roseborough asked for a motion to approve the revised meeting minutes. The revision included updates that were cosmetic in nature.

Member Boushelle asked for comments and clarification on the information of setting Benchmarks. Member Boushelle noted that he would like to discuss such at this time

before approving the minutes. Madame Chair noted that the information provided at last STIC meeting was a discussion item, and the consensus was to have NMSTO conduct additional analytics and prepare process information for the STIC committee to discuss and approve. Member Cassidy and Member Schardin Clarke noted that they would like to hear the comments and concerns of Member Boushelle. Member Cassidy noted that his recollection was nothing was determined yet and the discussion was to discuss if a target return was a focus or not included in benchmarking.

Madame Chair Linda Roseborough asked to table the benchmarking discussion until NMSTO is prepared and ready to provide the benchmarking information to the committee.

The minutes were moved by Treasurer James B. Lewis and seconded by Member Stephanie Schardin Clarke.

No questions, comments, or discussion.

**V. Approval of Public Member- Mr. J. Paul Boushelle**

Madame Chair noted Honorable Treasurer Lewis appointment of Member Boushelle. Honorable Treasurer noted the importance and appreciation of Mr. Boushelle's involvement in the past year and welcomed his participation for another appointment of 2 years.

Madame Chair noted the appointment will be presented to the Board of Finance at the next scheduled meeting as an approval item.

No questions, comments, or discussion.

**VI. Executive Summary, Linda Roseborough**

The executive summary contents were presented in its entirety.

Honorable Treasurer noted the attendance of Mr. Abbey and Mr. Scott from LFC.

No further questions, comments, or discussion.

**VII. Investment Policy Compliance Report, Linda Roseborough**

The investment policy compliance report contents were presented in its entirety.

Member Cassidy noted that the TLGP program will be expiring at the end of 2012.

No further questions, comments, or discussion.

## **VIII. General Fund and Cash projections, Spencer Wright**

The general fund and cash projection contents were presented in its entirety.

Member Cassidy asked where is NMSTO headed within the end of the fiscal year within the cash flow monitoring. Collateral Manager Arsenio Garduno noted information on the cash projections on the graphs on page 18. Mr. Garduno provided clarification on the information presented. Member Cassidy asked if NMSTO anticipates the balance to continue to grow through June. Garduno noted that he has seen a trend reflecting an increase. Member Cassidy noted that he understood the information and asked if NMSTO anticipates an increase in cash flow balances. Garduno noted that NMSTO is in the process of reviewing House Bill 2 to indicate how the expenditures will fit within cash flows. Cash manager Sam Collins noted that the cash flows are driven by tax revenue although the price of natural gas has decreased. Sam Collins also noted that NMSTO does not anticipate any large sweeping changes that would cause the progression of increased cash flows to stop. Member Cassidy asked if the NMSTO is a part of the team that models the economic general fund revenues or if NMSTO receives the report. Sam Collins noted that a copy of the report is given to NMSTO.

Wright noted that NMSTO has aggressively worked to assure that capital spending is processed in an efficient manner. Wright noted that such warrants are processed by the General Fund, and then the General Fund gets repaid with capital from the Bonds Proceeds Pools and STO is trying to control the payment window as tight as possible. The goal is to be sure the General Fund is not subsidizing the apportionment of what the general fund spends. Therefore the increase in spending has been an aggressive management of the reimbursement process. Over the last year about \$70 million dollars has been attributed to the increase caused by the tightening of the process. We have identified another \$20 million dollars and are aggressively trying to clear the reimbursement.

Guest David Abbey from LFC noted that collectively LFC and NMSTO could collaborate and be more explicit in modeling specifically the factors that cause balances to go up and down. Guest Abbey asked if Cash Manager Sam Collins could work with Guest Smith, of LFC to kick-off a collaborative meeting within the next couple of weeks. Guest Abbey noted that there is a good handle on the assets but not on whom the depositors are. By putting the data together and possibly making assumptions on General Fund revenues and quantify the information to forecast; this could possibly lead to a more concrete forecast of the General Fund and quantify the factors appropriately.

Member Cassidy noted that this would allow us to identify more money in the Core portfolio so we can outline performance for investing. Honorable Treasurer noted the positive communication of all teams present that has open to opportunities of working together on appropriate initiatives; as NMSTO receives the revenue report there are a lot of assumptions of how such forecasts are created.

No further questions, comments, or discussion.

## **IX. LGIP, Vikki Hanges**

The STIC binder LGIP contents were presented in its entirety.

Member Boushelle asked if the 0.25% is the highest rate that Banks are paying right now? PM Vikki Hanges noted that 0.25% is being paid by bank of the West and Compass is paying the same amount right now and is the best being paid thus far. Currently the lower paying bank accounts are kept with a low balance and we have started using US Government Agency Repo as an alternative to bank deposits.

Member Boushelle asked if it was the expectation of the PM that these banks will maintain such rates. PM Vikki Hanges noted that both banks have agreed to keep such rates for the LGIP portfolio. When Compass Bank was downgraded there was an effort to receive FHLB letters of credit and an agreement to increase its yield to 0.25% but NMSTO was required to lower the amount of assets to 10% held within Compass.

The actions allowed LGIP to maintain its S&P rating of AAAM. If at any time Compass is unable to provide liquidity the FHLB letters of credit would be drawn upon resulting in maintaining the rating and collection of funds.

Member Cassidy asked if the policy allows for investing within LGIP. PM Vikki Hanges noted that S&P allows 10% of A2/P2 credits with a backing of letters of credit by a US government agency. The credit rating agency looks through the investment to the collateral.

Garduno noted that statutorily you could have 25% of state funds to total deposits or 400% equity to total deposits. PM Vikki Hanges noted that we had about \$214 million of the LGIP invested in Compass and now we have decreased that amount to \$75 million which is about 9.3% of the total fund.

Member Cassidy asked if NMSTO is aware of what the funding cost is to the bank. PM Vikki Hanges noted that the rate was high and they would possibly lose some deposits but majority of banks at this time do not want deposits, they seem to be interested in the relationship with NMSTO.

Member Boushelle noted that his thoughts are that this particular bank was just looking at New Mexico whereas, there problem is nationwide involving billions of dollars being lost within their deposit base.

Madame Chair noted that if we gave them more deposits, they would be willing to negotiate the rates even further with NMSTO.

Financial Advisor Deanne Woodring noted that with the TRACS financial report write-up New Mexico-LGIP was documented as one of the top performing funds in the nation. The Financial Advisor noted that when a portfolio is within the top percentile, a key is to continue the due diligence necessary on the credit of the portfolio.

A suggested practice would be to continue the close management of credit which is critical to a portfolio.

The question was asked; what the rate would be if the Compass relationship bank was not included within the portfolio? PM Vikki Hanges noted that the WAM would be lengthened and the fund would potentially come close to the 60 day WAM, and that the

25 basis points that we are currently receiving would be only 0.15%; possibly losing 10 basis points on a \$75 million investment.

S&P acted to put these banks on negative watch and ultimately downgraded them because of the Bank's exposure to its local economy. As a result, the banks that are domiciled in countries that were downgraded were put on watch for a possible downgrade.

The letters of credit within the portfolio are solid and well collateralized if they were required to be drawn upon to provide liquidity.

FA Woodring asked if the collateral held were mortgages as well as treasuries and agencies. PM Vikki Hanges noted that Compass bank has the letters of credit from FHLB in Atlanta, and for Bank of the West we are holding Mortgage backed securities, but that she is trying to lower the bank account balance on this position. Member Cassidy noted that the report within the binder indicates balances are higher than reported but now reflect lower balances. Vikki Hanges concurred.

No further questions, comments, or discussion.

#### **X. Tax-Exempt BPIP, Vikki Hanges**

The STIC binder Tax-Exempt BPIP contents were presented in its entirety.

Vikki Hanges added that because of lowering the exposure in LGIP from \$213 million in BBVA Compass Overnight deposits, NMSTO kept \$75 million and disbursed the remainder across the other portfolios including BPIP's, General Fund, and STBF which now have overnight bank deposits in their respective portfolios which are all collateralized by the same FHLB LOC's.

Member Cassidy asked if the FHLB Atlanta is separately rated. Vikki Hanges noted yes they are and they are rated AAA.

Member Stephanie Schardin Clarke noted that there is a draft timeline circulating for the severance tax bonding fund sale this spring and we are looking at a closing date of June 21. Wright asked if she was aware of the amount, and her response was that the amount is unknown at this time. Member Schardin Clarke noted that the questionnaires are being prepared to send out and depending on what is ready to be financed will drive the sizing of the contemplated note sale. Honorable Treasurer asked if Member Schardin Clarke could provide such amount to NMSTO when available, Member Schardin Clarke stated yes.

No further questions, comments, or discussion.

#### **XI. Taxable BPIP, Vikki Hanges**

The STIC binder Taxable BPIP contents were presented in its entirety.

Guest Smith asked if NMSTO could provide information on a yield to call analysis. Vikki Hanges noted that it is possible through the Bloomberg system and will provide year to quarter information at the next STIC meeting.



Member Cassidy asked for clarification on the yield information. Vikki Hanges noted the portfolio classification summary page of the Bond Proceeds pool will provide the yield for the portfolio. She also noted that as the portfolio is lengthened closer to the benchmark, we are getting total returns on the funds that are closer to the benchmarks.

No further questions, comments, or discussion.

### **STBF, Wright**

The STIC binder STBF contents were presented in its entirety.

Also included in the summary was a brief overview of the BBVA Compass downgrade activities. Wright noted that NMSTO tried to minimize the effect on BBVA Compass as much as possible. Taking the \$200 million balance down to \$75 million in the LGIP. NMSTO was comfortable with the LOC given by BBVA Compass which reduced our exposure within the General Fund, BPIP's, and STBF.

The attempt is to meet credit quality and yield with continued focus on safety and daily liquidity, rather than yield. As BBVA Compass is providing a 102% collateralization. This provides an alternative to repo investments with collateral that is better than repo collateral. About \$35 million was moved into the STBF of BBVA Compass collateralized bank account. This allows NMSTO to take the pressure off of depositing numerous deposits into the LGIP portfolio and quickly withdrawing to meet the liquidity needs of the other portfolios, using a core piece within the LGIP portfolio and augmenting it with the BBVA Compass collateralized bank accounts.

Member Cassidy asked if NMSTO has access to the bank rating reports. Wright noted yes. Vikki Hanges noted that when the US Government rating was put on watch they put all agencies on watch as well. Deanne Woodring note that the treasuries as well as agencies were all out on watch during the time of the downgrade. Vikki Hanges noted that the only way S&P would accept the LOC's was if NMSTO provided a liquidation scenario document; therefore NMSTO put a liquidation process in place and S&P approved the plan once a consensus was met by both parties. Madame Chair noted that the downgrade happened on a Thursday afternoon after markets closed, and the following Monday was a bank holiday; so the team pulled together to get accounts opened, negotiations with S&P, pulled the collateral together and finalized the deal within a short period of time. Madame Chair thanked the team for a job well done. Wright noted that the team had a 7 calendar day cure period from S&P which in this instance, calculated to 4 days. Wright also noted that BBVA Compass was able to mimic the deal NMSTO worked with S&P and was able to share the activities with other rated pools.

Member Schardin Clarke noted that a comment was made earlier that as the other portfolios are not subject to the 10% holdings, NMSTO was able to increase its concentration in the other portfolios with collateralized BBVA Compass bank holdings. Wright noted that the General Fund piece is \$60 million, about 4%; the BPIP's has less than a 5% concentration.

No further questions, comments, or discussion.

**XII. Summary of Broker Participation, Spencer Wright**

The STIC binder Broker Participation contents were presented in its entirety.

No further questions, comments, or discussion.

**XIII. State Agency Deposit Balances, Sam Collins**

The STIC binder state agency deposit balances contents were presented in its entirety.

No further questions, comments, or discussion.

**XIV. Collateral Report, Arsenio Garduno**

The STIC binder collateral report contents were presented in its entirety.

Collateral Manager Garduno asked if there were questions or comments.

No questions, comments, or discussion.

**XV. Follow-up Deliverables from February 8, 2012 meeting, Linda Roseborough**

Madame Chair asked if Deanne Woodring had any updates or comments on the discussion items from the last STIC meeting.

1. Deanne Woodring noted that she provide information on any updates on the 2a-7, she noted that there have been no updates at this time.
2. Information on portfolio compliance was asked and Ms. Woodring noted that the Investment policy is still being worked on at this time which includes terminology.
3. S&P vs. Moody's rating. Will continue to research and provide more information at a later time to provide a comparison.
4. Selling corporate paper and sending an analysis to NMSTO. The Abbott Lab bond performed well. Will discuss in more detail with portfolio managers at a later time.
5. Collateral impact caused by Frank Dodd. She is unable to address as she is not a banking expert and is not able to address the question.

Madame Chair asked if the committee was prepared to discuss the benchmark issue at this time. CM Boushelle noted that he would prefer to reschedule the discussion until next meeting to have NMSTO prepare the necessary information needed for discussion. Madame Chair noted that the investment policy is under review with a NMSTO committee as well as the Investment advisor which includes the review of benchmarks. CM Boushelle noted that the verbiage within the benchmarks need clarification and rewording to not hold emphasis on what portfolio managers feel should be the benchmark. Several committee members concurred with CM Boushelle's comments. Madame Chair noted that the information will continue to develop and information will be brought back to the table for further discussion. Honorable Treasurer noted that

every year there is a review of the Investment Policy to adhere to new policy or procedures, and include necessary updates. It was a consensus to NMSTO will provide an estimated date of delivery for benchmark discussion and provide a status of where the benchmark development stands.

**XVI. Audit 2011, Linda Roseborough (section was discussed after the Broker Dealer application update)**

The STIC binder audit information contents were presented in its entirety. Madame Chair noted that the Audit has been released for public viewing and available on the NMSTO web site. Member Schardin Clarke noted that the audit discussion was presented for the State Board of Finance meeting but was rescheduled because of scheduling conflicts and will be presented at the April meeting.

No questions, comments, or discussion.

**XVII. Broker/Dealer application & Process Update**

Madame Chair noted that current and new broker dealers have been provided with the updated/new application. Responses were due back on March 9, 2012; thus far we have received 45 responses. NMSTO will be reviewing the information received. Once the information is reviewed, approved, and ready for submittal NMSTO will provide the necessary paperwork to STIC and Board of Finance for approval.

Honorable Treasurer asked for comments on how many broker dealers are sufficient to have on the list. This debate had been discussed in-house but a response from the committee would be appreciated. Madame Chair noted is the goal best execution because looking at the minority or smaller dealers are they going to be able to provide that. Member Boushelle noted that if we have a focus on best execution how can you allow minority firms if they are not competitive with the bigger firms and maybe they should not be approved. Member Cassidy noted that in the past there was a small amount of broker dealers that were included on the list, discussion at that time was to include anyone who met the qualifications to be a broker dealer. Since that particular meeting the broker dealer list has been open to all who qualify under the initial philosophy. Member Cassidy also noted that the Treasurer's office should have a large list to provide transparency. Honorable Treasurer asked for the opinion of Member Schardin Clarke. She concurred with the thoughts and comments of Member Cassidy, that there needs to be a large group of broker dealers in an event that another group may become competitive depending on how the market moves in the future. Member Boushelle asked if NMSTO receives any applications that do not qualify. Madame Chair noted that all applications are reviewed to meet the qualifications outlines in policy. Broker dealer are given ample opportunity to provide the necessary information. Member Cassidy noted that the electronic platform is an ideal criterion that should be met in order to trade with NMSTO. Guest Abbey noted that NMSTO has a fiduciary responsibility to the State of New Mexico that includes best execution, but NMSTO predecessors did not have that goal. Guest Abbey also noted that an area to concentrate on is primary versus secondary trades, whereas the secondary trade market is best because of execution. Honorable Treasurer noted that he felt it was best for the Portfolio Managers to hear from the

committee their thoughts on why the issue of amount of dealers has been repeatedly discussed and has continue to be open to new broker dealers. Member Schardin Clarke noted that one of the improvements to the broker dealer list was moving towards institutional trading desks versus New Mexico offices. Member Cassidy also added to the comments made by Guest Abbey of the primary versus secondary, using primary worked but portfolio managers must be sure to check the secondary market as well to get the best possible execution.

No questions, comments, or discussion.

### **XVIII. Question Period, Linda Roseborough**

Madame Chair asked if there were questions or comments.

Guest Abbey and Guest Smith commend the Treasurer's office for the professionalism and for the work of this team and that he has continued to see improvement throughout the years.

Member Cassidy asked Member Schardin Clarke on how the State Treasurer's audit ties in to the State's CAFR. Member Schardin Clarke noted that it's her understanding that all state agency audits filter into the State's CAFR and a request for the 2014 audit of a state CAFR may be scheduled. Honorable Treasurer noted that audit information can be released prior to the release of the CAFR. Treasurer Lewis indicated that we are asking for clarification from the Attorney General's office on if the sub-committee is allowed to review the audit before the audit has been released by the auditors.

Member Cassidy asked of updates on a few discussion items.

1. Reconciliation: Mr. Treasurer commented that there is meeting at 2:00 pm today to discuss the reconciliation. The NMSTO has drafted a letter to the Secretary of DFA to discuss issues pertaining to communication and collaboration between DFA and the Treasurer's office.
2. Member Cassidy asked how many employees are in place to deal with the lack of a decent accounting system that communicates appropriately with the other entities. Honorable Treasurer noted that we currently have 36 employees. The NMSTO does not have entities making the deposits directly into NMSTO, so cahiers were folded into the Cash management area. There is also a lack of knowing what the SHARE system can or cannot do. As the reconciliation continues there are issues that NMSTO is handling internally to rectify. From our understanding, there is a consultant that will be looking into the SHARE system to handle such issues.
3. Member Cassidy asked for an update on getting a compliance officer on board at the State Treasurers' Office. Honorable Treasurer noted that the previous CIO placed a responsibility on the LGIP Bureau Chief Kirene Guard ado to perform compliance of trade documentation. There is a compliance officer position that reports directly to the Treasurer; the problem is having an internal auditor that looks primary at all auditing compliance issues of the State Treasurer's Office.

This individual would have to have the knowledge of investments which could result in hiring someone with CPA qualifications. Madame Chair noted that within the Investment Division, NMSTO also uses the JP Morgan compliance module as another tool for investment compliance.

Member Boushelle noted that NMSTO may want to get some of these budget issues to a senior legislature to begin the process of being heard and first in-line. Honorable Treasurer noted that we are working on a participatory process to get these items in-line for the budget process.

No further questions, comments, or discussion.

**XIX. Next Meeting- Wednesday, April 11, 2012 @ 9:00 a.m. at STO.**

Madame Chair noted the date and time of meeting.

No further questions, comments, or discussion.

**XX. Adjournment**

Madame Chair Linda Roseborough adjourned the meeting at 10:45 am.

Minutes were taken by Kirene Bargas Guardado, on March 14, 2012.

Minutes approved by: Linda Roseborough on March 30, 2012.

## Executive Summary

- Equity Markets continued their upward momentum in February as leaders in the Eurozone delivered a rescue plan for Greece that had general buy-in from all the affected parties.
- The US Economy continues to show signs of economic growth.
- Employment numbers were positive, with over 200,000 non-farm jobs created during the month.
- The Dow Jones Industrial Average touched 13,000 during the shortened month of February, a level not seen since the dark days of 2008. February continued January's strong numbers in the equity marketplace.
- Internationally, markets experienced a continued strong rally in February as positive global economic data coincided with a resolution to the difficult Greek debt issues and significant liquidity injected into the European banking system from the ECB.
- In the domestic fixed-income markets, longer-term government bonds were volatile. The benchmark 30-year bond ended the month at 3.08%.
- Closer to home, the municipal market had an extremely strong month, with considerable tightening versus relative benchmark securities. New Mexico tax-exempt bond issuance was light for the month.
- Federal Reserve Chair Bernanke spoke to Congress at the end of the month and the Federal Reserve minutes showed continued worries about demand; a continued bias towards "easy money"; and a cautionary view towards Any potential QE3. The Fed reiterated its stance to low rates through 2014.
- Oil prices have remained high, acting as a further drag on the domestic economy.
- General Fund balances remained positive, with our projected nadir reached during the month of March.

- Over our maturity sector, we have seen continued improvement in rate levels, with increases in the 3-5 year area. The curve has remained steep allowing for roll-down in the various portfolios.
- General obligation bond principal and interest was paid on outstanding debt on March 1<sup>st</sup>.

<u>Maturity</u>	<u>January 31</u>	<u>February 29</u>
3-Month	0.05%	0.08%
6-Month	0.08%	0.13%
2-Year	0.22%	0.29%
5-Year	0.70%	0.87%
10-Year	1.80%	1.98%
30-Year	2.94%	3.08%

### Portfolio Mark to Market

As detailed more fully on the next page, the portfolios all reported positive balances on a mark-to-market basis. Lower rates and a steep yield curve have contributed to these levels.

For each of the portfolios:

<u>Fund</u>	<u>Unrealized Gains<sup>1</sup></u>
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<sup>1</sup> Calculated Unrealized Gains represent the market "value" of the portfolios as compared to their accounting book value. As such, they approximate the values if they were to be liquidated 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. STO mark-to-market is performed using an outside pricing service that updates pricing on a weekly basis and may vary considerably from market conditions at the projected date.

In addition, STO return calculations are skewed due to the fact that STO's accounting system is unable to handle certain transactions for the various STO portfolios. This condition has existed since August 2010 and has affected monthly, quarterly and annual results. The net effect of the inability of STO to accurately reflect these transactions is to artificially decrease reported portfolio yield and investment earnings for the effected periods.

STO staff is working with the software vendor in order to address these inconsistencies. Upon resolution of the outstanding issues, STO staff will represent numbers reflecting actual results for the effected time periods.

<i>General Funds</i>	\$7.2 million.
<i>Bond Proceeds Funds</i>	\$4.8 million.
<i>Local Government Investment Pool</i>	Not Meaningful
<i>Severance Tax Bonding Fund</i>	Not Meaningful

### Portfolio Yields

As of the end of February, the portfolios had the following purchase yields:

<i>Fund</i>	<i>Portfolio Yield<sup>2</sup></i>
<i>General Fund Liquidity</i>	0.27%
<i>General Fund CORE</i>	1.15%
<i>Bond Proceeds - Tax Exempt</i>	0.95%
<i>Bond Proceeds - Taxable</i>	1.14%
<i>Local Government Investment Pool</i>	0.26%
<i>Severance Tax Bonding Fund</i>	0.25%

### Investment Earnings

Investment Earnings for the month of February are summarized below.

For each of the portfolios:

<i>Fund</i>	<i>Monthly Earnings<sup>3</sup></i>
<i>General Funds</i>	\$1,120,908
<i>Bond Proceeds Funds</i>	947,167
<i>LGIP</i>	213,940
<i>Severance Tax Bonding Fund</i>	34,548

### Compensating Balances at Fiscal Agent Bank

During February, STO maintained Average Daily Collected Balances at the Fiscal Agent Bank of approximately \$122 million. This balance earned a "soft-dollar" credit against processing fees assessed by the bank.

Fiscal Agent Bank Summary:

<i>Average Collected Balance</i>	\$130,765,427
<i>Earnings Credit Rate</i>	0.50%
<i>Estimated Monthly Earnings</i>	\$54,485
<i>Estimated Fiscal Year Earnings</i>	\$387,062

<sup>2</sup> Portfolio yields are calculated at a moment in time, specifically at month end. Each of these funds has considerable inflows and outflows during the month. As such, purchase yields during the month will vary with money flows and short-term investment rates. As noted in footnote 1 (above), actual portfolio yields are higher than the yields presented in this report.

<sup>3</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.

## Monthly Economic Summary and Investment Outlook

### *Beware the Ides of March*

The past month has seen a dramatic change in investor sentiment. The first quarter of the year is proving to be one of the strongest starts in the equity marketplace, with levels exceeding 13,000 on the DJIA.

A relatively strong employment number dramatically changed investor sentiment as investors began to perceive that the stock market seems "cheap" on a relative basis.

The on-again, off-again situation in Greece was finally resolved. Investors took large haircuts on their Greek debt holdings, but a worst case expectation for Greek default was averted. Investors remain cautious that the situation with the weakest Euro countries will be resolved, but the removal of an inevitable Greek default, aided by a flood of liquidity gave investors confidence.

Case-Schiller housing numbers showed continued weakness in the US housing market as the previously mentioned backlog of foreclosures will soon move to the market thanks to the global settlement with the larger banks.

A significant divergence in the energy sector has emerged in recent weeks, with oil prices heading higher and natural gas prices lower. At the pump, and in the wallet, the price of gas rose dramatically, further reminding consumers that the economy is not completely on the mend. Unfortunately for New Mexico, natural gas prices trended lower, due to increased efficiency of extraction combined with a reduction in demand due to the unseasonably warm winter months in the country.

We continue to expect anemic growth throughout the year, with a bias toward slightly higher rates as the year progresses and into 2013.

We believe that the curve will continue to remain positively sloped with Theta-based strategies continuing to outperform the general marketplace.

### *Investment Update*

Given the backup in rates and the significant change in investor sentiment given the domestic fixed income securities markets and our portfolio positioning at the longer end of our permitted investment maturity spectrum, we have thought further about our strategy.

When one steps back from the day-to-day minutiae of the market, we are still confronted by a couple of recurring economic themes: a) while the economy seems to be doing better, it is not on a strong growth tear; b) the European situation may be somewhat resolved for the time being, but we feel that their economy is (or may be) in worse condition of our own; c) China is showing additional signs of weakness; d) our housing market is far from showing signs of a robust recovery; and e) we still have a significant amount of unemployed, underemployed and disillusioned workers. All these factors allow us to think that the economy is in for a long slog and unfortunately a period of low rates for some time to come.

Absent strong growth, we feel that this economic affliction will be with us for some time to come. We also believe that future increases in rates will be well telegraphed and that the market will show signs of strength in anticipation of real growth.

In the past, we have articulated what we expect the methods of potential Fed tightening to take place. We still hold to that conviction and see no compelling reason to change our strategy at this time.

### STO Investment Strategy Summary:

<u>Sector</u>	<u>Portfolio Limitation</u>	<u>Current Positioning</u>
Agency	35%	Overweight
ABS	40%	Underweight
Bank CD	\$400MM	Overweight
CP	40%	Overweight
Corporate	40%	Overweight
Municipal	15%	Overweight
MBS	25%	Underweight
US Treasury	100%	Underweight
Short-Term		Underweight
Long-Term		Overweight
Callable	25%	Overweight
Non-Callable	100%	Underweight

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



**New Mexico State Treasurer**  
**Monthly Fund Summary Report**  
**(Unaudited)**

As of February 29, 2012

General Fund	Holdings			Performance				Earnings	
	Cost Basis	Market Value	Unrealized Gain/Loss	12-Month Total Return	Benchmark	Index Return	Relative Performance	Monthly Earnings	YTD Earnings
Liquidity	\$ 403,502,564	\$ 403,500,508	\$ (2,056)	0.000%	S&P LGIP	0.080%	-0.080%	\$ 83,381	\$ 517,717
CORE	1,080,328,636	1,087,577,360	7,248,724	1.760%	CORE Index	2.380%	-0.620%	1,037,527	8,471,199
TRAN	-	-	-	0.000%	All-In Tran TIC	0.000%	0.000%	-	-
<b>Totals</b>	<b>\$ 1,483,831,200</b>	<b>\$ 1,491,077,868</b>	<b>\$ 7,246,668</b>	<b>1.284%</b>	<b>Blended</b>	<b>1.76%</b>	<b>-0.474%</b>	<b>\$ 1,120,908</b>	<b>\$ 8,988,916</b>

<b>Bond Proceeds Investment Pool (BPIP)</b>									
Account	Holdings			Performance				Earnings	
	Cost Basis	Market Value	Unrealized Gain/Loss	12-Month Total Return	Benchmark	Index Return	Relative Performance	Monthly Earnings	YTD Earnings
Tax-Exempt	\$ 475,172,264	\$ 476,722,686	\$ 1,550,422	1.030%	BPIP Tax Ex	1.630%	-0.600%	\$ 388,342	\$ 3,139,794
Taxable	593,095,473	596,387,613	3,292,140	1.330%	BPIP Taxable	1.630%	-0.300%	558,825	4,833,647
<b>Totals</b>	<b>\$ 1,068,267,737</b>	<b>\$ 1,073,110,299</b>	<b>\$ 4,842,562</b>	<b>1.197%</b>	<b>Blended</b>	<b>1.630%</b>	<b>-0.433%</b>	<b>\$ 947,167</b>	<b>\$ 7,973,441</b>

<b>Local Government Investment Pool (New MexiGrow LGIP)</b>									
Account	Holdings			Performance				Earnings	
	Cost Basis	Market Value	Unrealized Gain/Loss	12-Month Total Return	Benchmark	Index Return	Relative Performance	Monthly Earnings	YTD Earnings
LGIP	\$ 794,208,529	\$ 794,121,727	\$ (86,802)	0.300%	S&P LGIP	0.060%	0.240%	\$ 213,940	\$ 1,613,272

<b>Severance Tax Bonding Fund</b>									
Account	Holdings			Performance				Earnings	
	Cost Basis	Market Value	Unrealized Gain/Loss	12-Month Total Return	Benchmark	Index Return	Relative Performance	Monthly Earnings	YTD Earnings
STBF	\$ 208,355,756	\$ 208,355,756	\$ -	0.300%	S&P LGIP	0.080%	0.220%	\$ 34,548	\$ 196,692

**Notes:**

- (1) These figures are generated using a combination of accrued earnings and unrealized gains. They are unaudited and may be subject to revision.
- (2) Account balances fluctuate during the month. Yield is calculated on combined balances and also includes fund flows during the month.
- (3) Source: STO Records, QED Financial Systems, JPMorgan Custody Reporting
- (4) Portfolio Holdings are overstated due to issues related to QED System.

## Investment Policy Compliance Review

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

During the month of February, the following were the ratio of primary and secondary bond purchases in the portfolios:

Primary Bond Volume	\$ 47,650,000	18%
Secondary Bond Volume	<u>213,002,000</u>	<u>82%</u>
Total	\$260,652,000	100%

The primary market purchases were mainly in Agency securities and NM municipals.

### *Commissions Paid*

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

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

### *Variable Rate and Structured Note Holdings*

As of month end, total holdings of Variable Rate Notes were \$267,700,000.

General Fund Liquidity	\$ 20,000,000
BPIP Taxable	15,000,000
BPIP Tax-Exempt	30,000,000
LGIP	<u>177,700,000</u>
Total Holdings	\$242,700,000

The Variable Rate positions are in TLGP paper, which is backed by the FDIC, and US Government Agency securities.

We did not hold any structured notes.

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

During February, there were no transaction variances which posed compliance issues.

All trade information was entered correctly in our internal systems and in the systems used by our custody bank.

All transactions for the month settled successfully. There were no price discrepancies.

There were no interfund transactions during the month of February.

## Portfolio Summary – General Fund

### Summary

- The General Fund (Liquidity and Core Portfolios) closed the month of December at \$1.48 Billion.
- Average Collected Balance at our Fiscal Agent bank was \$30 Million for the month.

### Portfolio Mix

- 95% of the General Fund Core portfolio is invested in fixed income securities; 35% in Treasury securities; 58% in Agency Securities; 2% in TLGP Securities backed by the FDIC; 7% in New Mexico Municipal Bonds; 2% in Corporate Bonds, and the balance in Cash.
- 27% of the portfolio is invested in securities that mature in one year; 28% in securities that mature from 1-2 years; 27% in 2-4 years and 18% invested in securities that mature within 5 years.
- The General Fund held positions in 94 securities.
- The Weighted Average Life of the CORE portion of the general fund is 2.4 years. The Weighted Average duration is 2.1 years.
- The maximum security term for the CORE portfolio is 5 years.

### Market Value and Investment Earnings

- Unrealized gains in the Core Portfolio were \$7.2 million as of February 29th.
- Monthly Earnings on the General Fund Portfolios were \$1,120,908.
- Year to date, the General Fund has earned \$8.9 million.
- Earnings on the General Fund are used to offset General Fund Spending.

### Investment Highlights

- Final maturity emphasis was on 2017 to maintain laddered structure of portfolio.
- Completed extension trades to extend duration, booking profits and increasing portfolio yield.

- Maturing assets will decrease portfolio yield.

### Compensating Balances at Fiscal Agent Bank

During February, STO maintained Average Daily Collected Balances at the Fiscal Agent Bank of approximately \$122 million. This balance earned a “soft-dollar” credit against processing fees assessed by the bank.

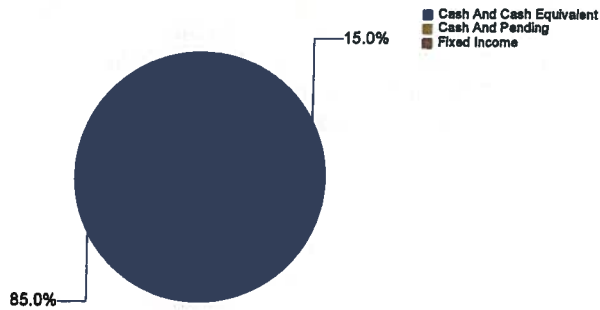
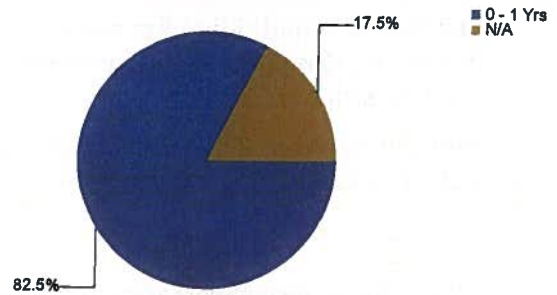
### Fiscal Agent Bank Summary:

<i>Average Collected Balance</i>	\$130,765,427
<i>Earnings Credit Rate</i>	0.50%
<i>Estimated Monthly Earnings</i>	\$54,485
<i>Estimated Fiscal Year Earnings</i>	\$387062

Portfolio Characteristics

Duration Mix

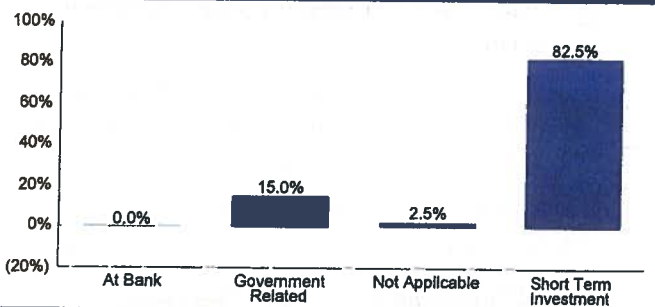
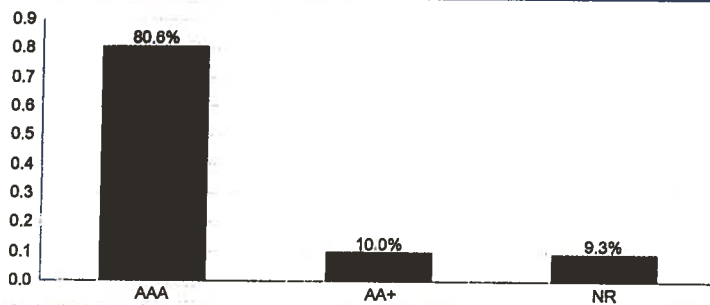
Total Net Assets (Millions)	400.9
Weighted Average Life (Years)	0.25
Weighted Avg. Effective Duration (Years)	0.09
Weighted Average Coupon (%)	0.33
Weighted Average Current Yield (%)	0.23
Weighted Average Yield to Maturity (%)	0.31
Weighted Average Rating	AA
Number of Holdings	22



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
99C800133	REPO BANK OF NEW YORK/SOUTH STREET SECS	15.88%	0.22	1/3/2012
994992T08	BBVA COMPASS BANK	14.97%	0.20	1/3/2012
99C800137	REPO BANK OF NEW YORK/SOUTH STREET SECS	11.05%	0.22	1/3/2012
99C800134	REPO BANK OF NEW YORK/SOUTH STREET SECS	6.91%	0.22	1/3/2012
99C800132	REPO MITSUBISHI UFJ SECURITIES (USA),INC.	6.79%	0.22	1/3/2012
99C800136	REPO BANK OF NEW YORK/SOUTH STREET SECS	6.52%	0.22	1/3/2012
99C800135	REPO BANK OF NEW YORK/SOUTH STREET SECS	5.90%	0.22	1/3/2012
99C800138	REPO BANK OF NEW YORK/SOUTH STREET SECS	5.32%	0.22	1/3/2012
313374CD0	FEDERAL HOME LOAN BANKS CONS BD 1.125% 17/SEP/2014	5.03%	1.12	17/9/2014
31398A7F3	FEDERAL NATL MTG ASSN VAR RT 20/DEC/2012	5.00%	0.52	20/12/2012

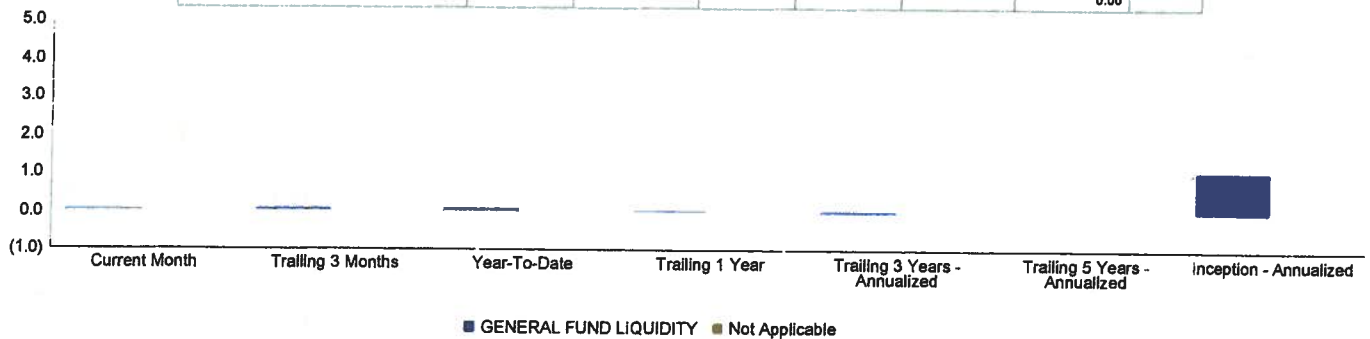
Quality/Rating Weightings

Sector Weightings (as % of Market Value)



Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
GENERAL FUND LIQUIDITY	0.02	0.04	0.05	0.00	(0.05)		1.03
Not Applicable							
Excess						0.00	



# STATE OF NEW MEXICO

## GENERAL FUND (1000)

### Portfolio Classification Summary

Positions Held as of 2/29/12

TXN BASIS: TRADE  
MKT-SOURCE: IDC-PREFERRED+  
AMTZ ADDED: NO

ASSET CLASSIFICATION	ITEMS	YIELD	AVG-TERM	PRINCIPAL	COST-BASIS	MARKET-VALUE	GAIN/LOSS	%MARKET
REPURCHASE AGREEMENTS (O/N)	2	.2231	.00270	233,234,620	233,234,620	233,234,620		57.803
CERTIFICATES OF DEPOSIT	8	.6066	.40979	35,250,000	35,250,000	35,250,000		8.736
LINKED-CERTIFICATE OF DEPOSIT	1	.3500	.13150	2,000,000	2,000,000	2,000,000		.496
CORPORATE BONDS	1	.4664	.05210	20,000,000	20,000,000	20,001,000	1,000	4.957
FED HOME LOAN BANKS	1	.4565	.55070	20,000,000	20,074,032	20,075,800	1,768	4.975
FNMA VAR RT NOTE 4X	1	.0538	.80820	20,000,000	20,041,424	20,036,600	-4,824	4.966
MONEY MARKET	2	.1749	.00274	12,897,169	12,897,169	12,897,169		3.196
CASH ACCOUNT	1	.2500		60,005,319	60,005,319	60,005,319		14.871
	<u>17</u>	<u>.2749</u>	<u>.13069</u>	<u>403,387,108</u>	<u>403,502,564</u>	<u>403,500,508</u>	<u>-2,056</u>	<u>100.000</u>

# STATE OF NEW MEXICO

## Position Holdings

TRADED POSITIONS HELD AS OF 2/29/12

GENERAL FUND (1000)

POS#	SEC-ID	\$	POOL#	FUND TYPE	DESCRIPTION	RATE	MATURITY @	YIELD	PAR/SHARES	#	BOOK-VALUE	LAST-QTY
<b><u>REPURCHASE AGREEMENTS (0/ ( 10)</u></b>												
16161	0301RP	9	1000	10	OVERNIGHT REPO	.220	3/01/12	.220	27,234,619.53		27,234,619.53	3/01/12
16162	0301RP	9	1000	10	OVERNIGHT REPO	.220	3/01/12	.220	206,000,000.00		206,000,000.00	3/01/12

2 Items in subtotal for: REPURCHASE AGREEMENTS (0/N) (Type 10)

233,234,619.53      233,234,619.53

Market: 233,234,619.53 (2 priced @ cost)

57.803% Total

Cpn: .220

Term: .003

S&P: N/R (1 not rated)

Yld: .220

Dur: .003

Moody: N/R (1 not rated)

<b><u>CERTIFICATES OF DEPOSIT ( 30)</u></b>												
15768	01709924	9	1000	30	CENTURY BANK	.400	12/27/12	.400	8,000,000.00		8,000,000.00	12/28/11
15307	1622495	9	1000	30	BANK OF LAS VEGAS	.550	5/07/12	.550	2,000,000.00		2,000,000.00	5/11/11
15395	16225130	9	1000	30	BANK OF LAS VEGAS	1.000	6/29/12	1.000	3,000,000.00		3,000,000.00	6/29/11
15578	16225630	9	1000	30	BANK OF LAS VEGAS	.755	9/21/12	.755	5,000,000.00		5,000,000.00	9/21/11
15388	17099245	9	1000	30	CENTURY BANK SANTA FE	.550	3/28/12	.550	8,000,000.00		8,000,000.00	3/28/12
15389	17099247	9	1000	30	CENTURY BAN SANTA FE	.590	6/28/12	.590	8,000,000.00		8,000,000.00	6/28/11
15512	73560500	9	1000	30	GUADALUPE CREDIT UNION	.750	3/26/12	.750	250,000.00		250,000.00	3/26/12
15442	85212970	9	1000	30	FARMERS & STOCKMENS	1.000	7/20/12	1.000	1,000,000.00		1,000,000.00	7/20/11

8 Items in subtotal for: CERTIFICATES OF DEPOSIT (Type 30)

35,250,000.00      35,250,000.00

Market: 35,250,000.00 (8 priced @ cost)

8.736% Total

Cpn: .607

Term: .410

S&P: N/R (1 not rated)

Yld: .607

Dur: .410

Moody: N/R (1 not rated)

# STATE OF NEW MEXICO

## *Position Holdings*

TRADED POSITIONS HELD AS OF 2/29/12

GENERAL FUND (1000)

POS#	SEC-ID	\$	POOL#	FUND TYPE	DESCRIPTION	RATE	MATURITY @	YIELD	PAR/SHARES	#	BOOK-VALUE	LAST-QTY
<b><u>LINKED-CERTIFICATE OF DEP ( 31)</u></b>												
15272	63000013	9		1000	31 MY BANK BELEN	.350	4/17/12	.350	2,000,000.00		2,000,000.00	4/20/11
1 Item in subtotal for: LINKED-CERTIFICATE OF DEPOSIT (Type 31)									2,000,000.00		2,000,000.00	
Market: 2,000,000.00 (1 priced @ cost)								.496% Total				
Cpn: .350		Term: .132		S&P: N/R (1 not rated)								
Yld: .350		Dur: .132		Moody: N/R (1 not rated)								
<b><u>CORPORATE BONDS ( 215)</u></b>												
15714	45905UJZ	1		1000	215 INTL BK RECON & DEVELOP CB QRTL	.460	1/02/13 @	.460	20,000,000.00		20,000,000.00	3/19/12
1 Item in subtotal for: CORPORATE BONDS (Type 215)									20,000,000.00		20,000,000.00	
Market: 20,001,000.00								4.957% Total				
Cpn: .460		Term: .844 (OA .052)		S&P: N/R (1 not rated)								
Yld: .460 (OA .459)		Dur: .844		Moody: N/R (1 not rated)								

# STATE OF NEW MEXICO

## *Position Holdings*

TRADED POSITIONS HELD AS OF 2/29/12

GENERAL FUND (1000)

POS#	SEC-ID	\$ POOL#	FUND TYPE	DESCRIPTION	RATE	MATURITY @	YIELD	PAR/SHARES	#	BOOK-VALUE	LAST-QTY
<b><u>FED HOME LOAN BANKS ( 260)</u></b>											
15719	313374CD	1	1000 260	FED HOME LOAN BANK	1.125	9/17/14 @	.450	20,000,000.00		20,073,285.79	12/05/11
1 Item in subtotal for: FED HOME LOAN BANKS (Type 260)								20,000,000.00		20,073,285.79	
Market: 20,075,800.00							4.975% Total				
Cpn: 1.125			Term: 2.548 (OA .551)			S&P: N/R (1 not rated)					
Yld: .450 (OA .457)			Dur: 2.505			Moody: N/R (1 not rated)					
<b><u>FNMA VAR RT NOTE 4X ( 284)</u></b>											
15728	31398A7F	1	1000 284	FED NATIONAL MTG ASSN Float	.523	12/20/12	.264	20,000,000.00		20,041,265.01	12/09/11
1 Item in subtotal for: FNMA VAR RT NOTE 4X (Type 284)								20,000,000.00		20,041,265.01	
Market: 20,036,600.00							4.966% Total				
Cpn: .523			Term: .808			S&P: N/R (1 not rated)					
Yld: .264			Dur: .808			Moody: N/R (1 not rated)					
<b><u>MONEY MARKET ( 315)</u></b>											
14843	GFINLGIP	1	1000 315	GF LIQ AS LGIP POOL PARTICIPANT	.225			10,026,494.94		10,026,494.94	3/01/12



# STATE OF NEW MEXICO

## Position Holdings

TRADED POSITIONS HELD AS OF 2/29/12

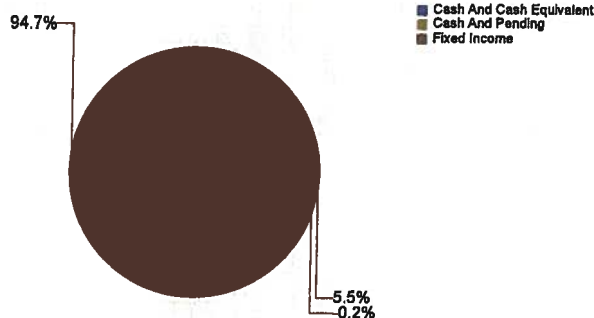
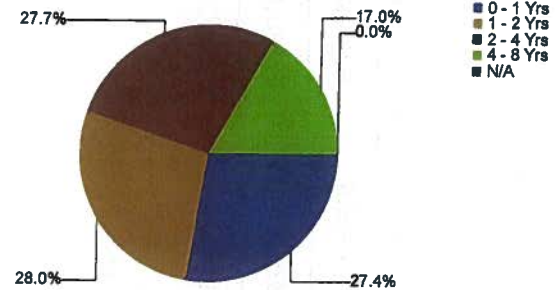
GENERAL FUND (1000)

POS#	SEC-ID	\$	POOL#	FUND TYPE	DESCRIPTION	RATE	MATURITY @	YIELD	PAR/SHARES	#	BOOK-VALUE	LAST-QTY
11320	GFRESERV		1	1000 315	THE RESERVE GF MMKT				2,870,674.23		2,870,674.23	8/06/10
2 Items in subtotal for: MONEY MARKET (Type 315)									12,897,169.17		12,897,169.17	
<b>Market: 12,897,169.17</b>									<b>3.196% Total</b>			
<b><u>CASH ACCOUNT (9300)</u></b>												
16155	COMPASBA		1	1000 9300	COMPASS BANK DEPOSIT	.250			60,005,318.93		60,005,318.93	2/29/12
1 Item in subtotal for: CASH ACCOUNT (Type 9300)									60,005,318.93		60,005,318.93	
<b>Market: 60,005,318.93</b>									<b>14.871% Total</b>			
17 Items in subtotal for: GENERAL FUND (Fund 1000)									403,387,107.63		403,501,658.43	
<b>Market: 403,500,507.63 (11 priced @ cost)</b>									<b>100.000% Total</b>			
Cpn:		.350		Term:		.301 (OA .132)		S&P: N/R (1 not rated)				
Yld:		.293 (OA .294)		Dur:		.299		Moody: N/R (1 not rated)				

**Portfolio Characteristics**

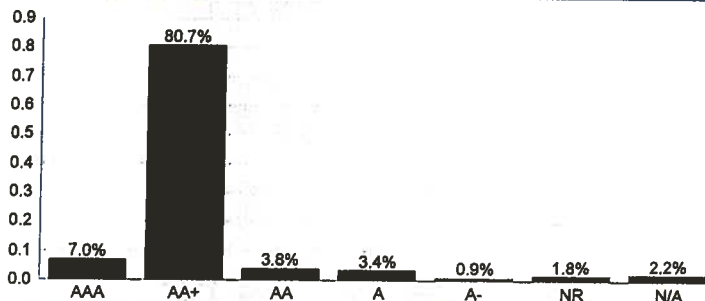
Duration Mix

<b>Total Net Assets (Millions)</b>	<b>1,108.8</b>
<b>Weighted Average Life (Years)</b>	<b>2.41</b>
<b>Weighted Avg. Effective Duration (Years)</b>	<b>2.12</b>
<b>Weighted Average Coupon (%)</b>	<b>2.03</b>
<b>Weighted Average Current Yield (%)</b>	<b>0.58</b>
<b>Weighted Average Yield to Maturity (%)</b>	<b>0.62</b>
<b>Weighted Average Rating</b>	<b>AA</b>
<b>Number of Holdings</b>	<b>94</b>

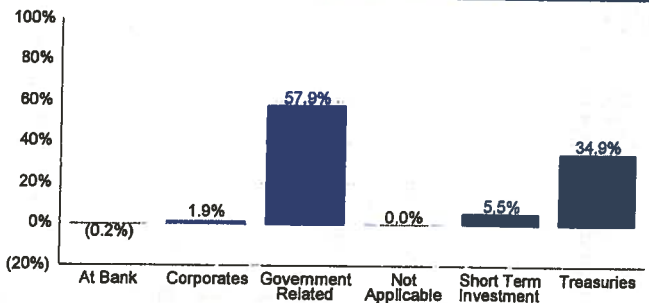


Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
912828KF8	US 1.87500 '14	3.71%	1.88	28/2/2014
99C600130	REPO MITSUBISHI UFJ SECURITIES (USA).INC.	3.62%	0.22	1/3/2012
17313YAL5	CITIGROUP FUNDING INC 1.875% 22/OCT/2012	2.29%	1.88	22/10/2012
912828LM0	USA TREASURY NTS 1.3750% NT 15/SEP/2012 USD1000	2.29%	1.38	15/9/2012
912828MB3	UNITED STATES TREAS NTS 1.125% 15/DEC/2012	2.27%	1.12	15/12/2012
912828KX7	UNITED STATES TREAS NTS 1.875% 15/JUN/2012	2.27%	1.88	15/6/2012
31315P673	FEDERAL AGRIC MTG CORP MTNS 8 FR 0.9%09/JUN/2018	2.24%	0.90	9/6/2018
31359MNU3	FANNIE MAE 5.25% 01/AUG/2012	2.17%	5.25	1/8/2012
31359MS81	FEDERAL NATIONAL MORTGAGE ASSOC 5.375% BDS	2.15%	5.38	15/7/2018
31359MH89	FEDERAL NATIONAL MORTGAGE ASSOC 5% BDS 15/MAR/2018	2.13%	5.00	15/3/2018

**Quality/Rating Weightings**

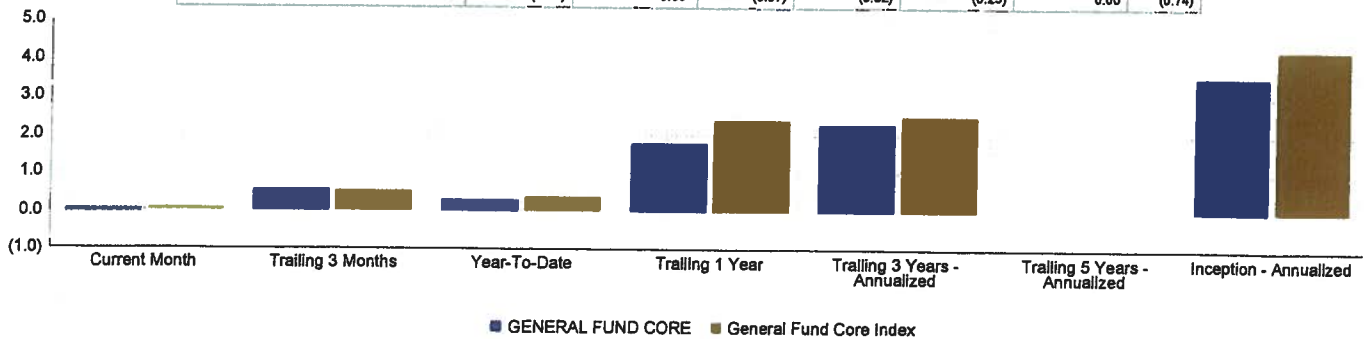


**Sector Weightings (as % of Market Value)**



**Returns Series**

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
<b>GENERAL FUND CORE</b>	(0.08)	0.51	0.26	1.78	2.28	3.53	
<b>General Fund Core Index</b>	0.05	0.49	0.33	2.38	2.49	4.27	
<b>Excess</b>	(0.11)	0.03	(0.07)	(0.62)	(0.23)	0.00	(0.74)



# STATE OF NEW MEXICO

## GENERAL FUND CORE (1001)

### Portfolio Classification Summary

Positions Held as of 2/29/12

TXN BASIS: TRADE  
 MKT-SOURCE: IDC-PREFERRED+  
 AMTZ ADDED: NO

ASSET CLASSIFICATION	ITEMS	YIELD	AVG-TERM	PRINCIPAL	COST-BASIS	MARKET-VALUE	GAIN/LOSS	%MARKET
REPURCHASE AGREEMENTS (O/N)	1	.2231	.00270	61,509,389	61,509,389	61,509,389		5.656
U.S. TREASURY NOTES	20	.9792	2.03479	380,000,000	382,684,474	386,295,350	3,610,876	35.519
CORPORATE BONDS	2	5.4286	.42055	20,000,000	20,006,546	20,394,600	388,054	1.875
FED FARM CR BKS CONS LONG TERM	1	3.5425	.63290	5,000,000	5,031,047	5,135,250	104,203	.472
FED FARM CR BKS CALLABLE	2	1.2685	.74385	40,000,000	39,962,188	40,027,000	64,812	3.680
FED HOME LOAN BANKS	7	2.8926	.88213	70,380,000	70,793,515	72,042,441	1,248,926	6.624
FED AGRIC MTG CORP	1	.9125	4.27670	25,000,000	25,000,000	24,869,500	-130,500	2.287
FED HOME LOAN MORTGAGE CORP BDS	9	1.0681	3.25929	151,660,000	156,402,392	157,291,436	889,044	14.463
FED HOME LOAN MORTGAGE CALL 4X	1	1.0000	.76710	20,000,000	20,000,000	20,037,200	37,200	1.842
FED NATL MORTGAGE ASSN DEBS	10	.9749	2.36929	191,500,000	200,863,779	201,597,314	733,535	18.536
FED NATL MORTGAGE ASSN MEDTRM NT	1	3.6592	.42470	1,000,000	1,005,765	1,020,100	14,335	.094
TLGP SECURITIES - FDIC	1	.7890	.64660	25,000,000	25,176,587	25,272,500	95,913	2.324
MONEY MARKET	2	.0002	.00274	1,457,733	1,457,733	1,457,733		.134
MUNICIPAL BOND	27	.6788	1.25097	46,410,000	47,211,974	47,323,614	111,640	4.351
MUNICIPAL BOND REVENUE	8	.5925	1.90900	21,895,000	23,223,247	23,303,933	80,686	2.143
	<u>93</u>	<u>1.1528</u>	<u>1.94524</u>	<u>1,060,812,122</u>	<u>1,080,328,636</u>	<u>1,087,577,360</u>	<u>7,248,724</u>	<u>100.000</u>

# STATE OF NEW MEXICO

## Position Holdings

TRADED POSITIONS HELD AS OF 2/29/12

GENERAL FUND CORE (1001)

POS#	SEC-ID	\$	POOL#	FUND TYPE	DESCRIPTION	RATE	MATURITY @	YIELD	PAR/SHARES	#	BOOK-VALUE	LAST-QTY
16160	0301RP	9		1001 10	OVERNIGHT REPO	.220	3/01/12	.220	61,509,388.64		61,509,388.64	3/01/12
1 Item in subtotal for: REPURCHASE AGREEMENTS (0/N) (Type 10)									61,509,388.64		61,509,388.64	

Market: 61,509,388.64 (1 priced @ cost)

5.656% Total

Cpn: .220

Term: .003

S&P: N/R (1 not rated)

Yld: .220

Dur: .003

Moody: N/R (1 not rated)

### U.S. TREASURY NOTES (130)

15419	912828JZ	1		1001 130	US TREASURY NOTE	1.750	1/31/14	.666	20,000,000.00		20,412,279.06	7/08/11
15184	912828KF	1		1001 130	US TREASURY NOTES	1.875	2/28/14	1.048	40,000,000.00		40,652,371.95	7/08/11
15416	912828KJ	1		1001 130	US TREASURY NOTE	1.750	3/31/14	.729	15,000,000.00		15,315,840.23	7/08/11
15183	912828KN	1		1001 130	US TREASURY NOTES	1.875	4/30/14	1.476	20,000,000.00		20,169,079.61	2/15/11
15182	912828KV	1		1001 130	US TREASURY NOTES	2.250	5/31/14	1.509	20,000,000.00		20,326,187.76	2/15/11
14561	912828KX	1		1001 130	US TREASURY NOTE	1.875	6/15/12	1.084	25,000,000.00		25,056,769.06	3/19/10
15195	912828LC	1		1001 130	US TREASURY NOTE	2.625	7/31/14	1.513	15,000,000.00		15,394,245.69	2/18/11
14562	912828LM	1		1001 130	US TREASURY NOTE	1.375	9/15/12	1.231	25,000,000.00		25,019,206.18	3/19/10
14550	912828MB	1		1001 130	US TREASURY NOTE	1.125	12/15/12	1.327	25,000,000.00		24,960,424.63	3/09/10
15315	912828NC	1		1001 130	US TREASURY NOTE	1.375	5/15/13	.549	10,000,000.00		10,099,158.21	3/05/12
15420	912828NY	1		1001 130	US TREASURY NOTE	.750	9/15/13	.541	10,000,000.00		10,031,928.76	9/06/11
15311	912828PR	1		1001 130	US TREASURY NOTES	.625	1/31/13	.450	10,000,000.00		10,015,984.63	9/06/11
15314	912828QE	1		1001 130	US TREASURY NOTE	.625	4/30/13	.536	20,000,000.00		20,020,522.96	3/05/12
15185	912828QH	1		1001 130	US TREASURY NOTE	1.250	2/15/14	1.413	20,000,000.00		19,937,279.22	2/15/11

# STATE OF NEW MEXICO

## Position Holdings

TRADED POSITIONS HELD AS OF 2/29/12

GENERAL FUND CORE (1001)

POS#	SEC-ID	\$	POOL#	FUND TYPE	DESCRIPTION	RATE	MATURITY @	YIELD	PAR/SHARES	#	BOOK-VALUE	LAST-QTY
15312	912828QK	1		1001 130	US TREASURY NOTES	.625	2/28/13	.478	10,000,000.00		10,014,629.80	9/06/11
15313	912828QL	1		1001 130	US TREASURY NOTE	.750	3/31/13	.506	15,000,000.00		15,039,369.44	3/05/12
15351	912828QS	1		1001 130	US TREASURY NOTE	.750	6/15/14	.771	20,000,000.00		19,990,398.72	6/15/11
15510	912828RF	1		1001 130	US TREASURY NOTE	1.000	8/31/16	.929	20,000,000.00		20,061,979.61	8/31/11
15905	912828RX	1		1001 130	US TREASURY NOTES	.875	12/31/16	.695	20,000,000.00		20,170,659.24	2/01/12
16138	912828SJ	1		1001 130	US TREASURY NOTES	.875	2/28/17	.883	20,000,000.00		19,992,190.57	3/06/12

20 Items in subtotal for: U.S. TREASURY NOTES (Type 130)

380,000,000.00      382,680,505.33

Market: 386,295,350.00

35.519% Total

Cpn: 1.368

Term: 2.035

S&P: N/R (1 not rated)

Yld: .979

Dur: 2.004

Moody: N/R (1 not rated)

### CORPORATE BONDS ( 215)

11292	002819AA	1		1001 215	ABBOTT LABORATORIES	5.150	11/30/12	5.158	10,000,000.00		9,997,162.23	11/09/07
11123	617446HC	1		1001 215	MORGAN STANLEY	6.600	4/01/12	5.550	10,000,000.00		10,007,441.67	9/25/07

2 Items in subtotal for: CORPORATE BONDS (Type 215)

20,000,000.00      20,004,603.90

Market: 20,394,600.00

1.875% Total

Cpn: 5.875

Term: .421

S&P: N/R (1 not rated)

Yld: 5.354

Dur: .426

Moody: N/R (1 not rated)

# STATE OF NEW MEXICO

## Position Holdings

TRADED POSITIONS HELD AS OF 2/29/12

GENERAL FUND CORE (1001)

POS#	SEC-ID	\$	POOL#	FUND TYPE	DESCRIPTION	RATE	MATURITY @	YIELD	PAR/SHARES	#	BOOK-VALUE	LAST-QTY
<b><u>FED FARM CR BKS CONS LONG ( 232)</u></b>												
11476	31331X3S	1		1001 232	FEDERAL FARM CREDIT BANK	4.500	10/17/12	3.494	5,000,000.00		5,030,780.72	1/17/08
1 Item in subtotal for: FED FARM CR BKS CONS LONG TERM (Type 232)									5,000,000.00		5,030,780.72	
Market: 5,135,250.00						.472% Total						
Cpn: 4.500			Term: .633			S&P: N/R (1 not rated)						
Yld: 3.494			Dur: .633			Moody: N/R (1 not rated)						

<b><u>FED FARM CR BKS CALLABLE ( 233)</u></b>												
15723	31331KS9	1		1001 233	FEDERAL FARM CR BANKS CALLABLE	1.120	11/16/15 @	1.172	20,000,000.00		19,962,243.76	12/07/11
15718	31331KZ2	1		1001 233	FEDERAL FARM CR BANKS CALLABLE	1.330	12/07/15 @	1.330	20,000,000.00		20,000,000.00	12/07/11
2 Items in subtotal for: FED FARM CR BKS CALLABLE (Type 233)									40,000,000.00		39,962,243.76	
Market: 40,027,000.00						3.680% Total						
Cpn: 1.225			Term: 3.741 (OA .744)			S&P: N/R (1 not rated)						
Yld: 1.251 (OA 1.358)			Dur: 3.657			Moody: N/R (1 not rated)						

# STATE OF NEW MEXICO

## Position Holdings

TRADED POSITIONS HELD AS OF 2/29/12

GENERAL FUND CORE (1001)

POS#	SEC-ID	\$	POOL#	FUND TYPE	DESCRIPTION	RATE	MATURITY	@	YIELD	PAR/SHARES	#	BOOK-VALUE	LAST-QTY
<b><u>FED HOME LOAN BANKS (260)</u></b>													
15265	313371UC	1		1001 260	FEDERAL HOME LOAN BANK	.875	12/27/13		1.095	10,000,000.00		9,960,415.83	4/19/11
11477	3133XDTB	1		1001 260	FEDERAL HOME LOAN BANK	4.875	12/14/12		3.611	15,000,000.00		15,144,903.39	1/17/08
11473	3133XKSK	1		1001 260	FEDERAL HOME LOAN BANK	4.875	6/08/12		3.496	10,000,000.00		10,035,753.88	1/17/08
11475	3133XLX7	1		1001 260	FEDERAL HOME LOAN BANK	5.000	9/14/12		3.529	13,380,000.00		13,483,446.14	1/17/08
11675	3133XLX7	1		1001 260	FEDERAL HOME LOAN BANK	5.000	9/14/12		3.706	7,000,000.00		7,047,525.31	4/25/08
11673	3133XPNZ	1		1001 260	FEDERAL HOME LOAN BANK	3.500	3/08/13		3.829	5,000,000.00		4,983,667.95	4/25/08
15266	3133XXYX	1		1001 260	FEDERAL HOME LOAN BANK	1.875	6/21/13		.839	10,000,000.00		10,134,162.51	4/19/11
7 Items in subtotal for: FED HOME LOAN BANKS (Type 260)										70,380,000.00		70,789,875.01	

Market: 72,042,440.60

6.624% Total

Cpn: 3.819

Term: .882

S&P: N/R (1 not rated)

Yld: 2.853

Dur: .876

Moody: N/R (1 not rated)

<b><u>FED AGRIC MTG CORP (267)</u></b>													
16016	31315PB7	1		1001 267	FEDERAL AGRICULTURAL MORTG CORP	.900	6/09/16		.900	25,000,000.00		25,000,000.00	2/09/12
1 Item in subtotal for: FED AGRIC MTG CORP (Type 267)										25,000,000.00		25,000,000.00	

Market: 24,869,500.00

2.287% Total

Cpn: .900

Term: 4.277

S&P: N/R (1 not rated)

Yld: .900

Dur: 4.197

Moody: N/R (1 not rated)

# STATE OF NEW MEXICO

## Position Holdings

TRADED POSITIONS HELD AS OF 2/29/12

GENERAL FUND CORE (1001)

POS#	SEC-ID	\$	POOL#	FUND TYPE	DESCRIPTION	RATE	MATURITY @	YIELD	PAR/SHARES	#	BOOK-VALUE	LAST-QTY
<b><u>FED HOME LOAN MORTGAGE CO ( 270)</u></b>												
16067	3133786Q	1		1001 270	FED HOME LOAN MORTGAGE CORP BDS	1.000	2/13/17	1.030	20,000,000.00		19,970,655.75	2/14/12
15615	3134A4VC	1		1001 270	FREDDIE MAC	4.375	7/17/15	.952	20,000,000.00		22,270,477.15	10/12/11
15777	3134G3CB	1		1001 270	FED HOME LOAN MORTGAGE CORP BDS	1.625	12/05/16 @	1.180	20,000,000.00		20,067,176.66	1/09/12
15732	3134G3EG	1		1001 270	FEDERAL HOME LOAN MTG CORP	1.150	12/30/15 @	1.150	11,660,000.00		11,660,000.00	12/30/11
15734	3134G3FA	1		1001 270	FEDERAL HOME LOAN MTG CORP	1.100	12/30/15 @	1.100	10,000,000.00		10,000,000.00	12/30/11
15616	3137EACM	1		1001 270	FREDDIE MAC	1.750	9/10/15	1.001	20,000,000.00		20,517,501.20	10/12/11
15530	3137EACT	1		1001 270	FREDDIE MAC	2.500	5/27/16	1.080	20,000,000.00		21,173,157.63	9/06/11
15529	3137EACW	1		1001 270	FEDERAL HOME LOAN MTG CORP	2.000	8/25/16	1.152	20,000,000.00		20,739,081.02	9/06/11
15613	3137EACY	1		1001 270	FREDDIE MAC	.750	11/25/14	.761	10,000,000.00		9,997,014.57	10/06/11

9 Items in subtotal for: FED HOME LOAN MORTGAGE CORP BDS (Type 270)

151,660,000.00      156,395,063.98

Market: 157,291,435.80

14.463% Total

Cpn: 1.958

Term: 4.072 (OA 3.259)

S&P: N/R (1 not rated)

Yld: 1.053 (OA 1.054)      Dur: 3.916

Moody: N/R (1 not rated)

### **FED HOME LOAN MORTGAGE CA ( 276)**

15716	3134G3BL	1		1001 276	FED HOME LN MTG CALL 4X	1.000	12/05/14 @	1.000	20,000,000.00		20,000,000.00	12/05/11
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1 Item in subtotal for: FED HOME LOAN MORTGAGE CALL 4X (Type 276)

20,000,000.00      20,000,000.00

Market: 20,037,200.00

1.842% Total

Cpn: 1.000

Term: 2.764 (OA .767)

S&P: N/R (1 not rated)

Yld: 1.000

Dur: 2.723

Moody: N/R (1 not rated)



# STATE OF NEW MEXICO

## Position Holdings

TRADED POSITIONS HELD AS OF 2/29/12

GENERAL FUND CORE (1001)

POS#	SEC-ID	\$	POOL#	FUND TYPE	DESCRIPTION	RATE	MATURITY @	YIELD	PAR/SHARES	#	BOOK-VALUE	LAST-QTY
<b><u>FED NATL MORTGAGE ASSN DE ( 280)</u></b>												
15555	31359MH8	1		1001 280	FANNIE MAE	5.000	3/15/16	1.012	20,000,000.00		23,148,223.67	9/08/11
16079	31359MNU	1		1001 280	FEDERAL NATL MTG ASSN DEBS	5.250	8/01/12	.304	23,500,000.00		23,983,515.46	2/15/12
15554	31359MS6	1		1001 280	FANNIE MAE	5.375	7/15/16	1.126	20,000,000.00		23,615,233.36	9/08/11
15493	31359MTP	1		1001 280	FEDERAL NATL MTG ASSN DEBS	5.125	1/02/14	.817	13,000,000.00		14,018,506.41	8/18/11
15364	3135GOBR	1		1001 280	FANNIE MAE	.500	8/09/13	.580	20,000,000.00		19,977,132.48	6/17/11
15673	3135GOCM	1		1001 280	FANNIE MAE	1.250	9/28/16	1.201	20,000,000.00		20,043,642.92	11/07/11
15531	3135GOBA	9		1001 280	FANNIE MAE	2.375	4/11/16	1.043	20,000,000.00		21,068,853.46	9/06/11
15565	3136FR3F	1		1001 280	FANNIE MAE	.950	9/08/15 @	.950	20,000,000.00		20,000,000.00	9/15/11
15691	3136FTQJ	1		1001 280	FED NATIONAL MTG ASSN DEBS	1.625	11/21/16 @	1.627	20,000,000.00		19,997,945.31	11/21/11
15797	3136FTYC	1		1001 280	FED NATL MORTGAGE ASSN DEBS	1.000	1/30/17 @	1.012	15,000,000.00		14,991,126.00	1/30/12

10 Items in subtotal for: FED NATL MORTGAGE ASSN DEBS (Type 280)

191,500,000.00      200,844,179.07

Market: 201,595,903.46 (1 priced @ cost)

18.536% Total

Cpn: 2.854

Term: 3.362 (OA 2.369)

S&P: N/R (1 not rated)

Yld: .962 (OA .967)

Dur: 3.219

Moody: N/R (1 not rated)

<b><u>FED NATL MORTGAGE ASSN ME ( 283)</u></b>												
11474	3136F7GV	1		1001 283	FANNIE MAE	5.000	8/02/12	3.609	1,000,000.00		1,005,687.09	1/17/08

# STATE OF NEW MEXICO

## Position Holdings

TRADED POSITIONS HELD AS OF 2/29/12

GENERAL FUND CORE (1001)

POS#	SEC-ID	\$	POOL#	FUND TYPE	DESCRIPTION	RATE	MATURITY @	YIELD	PAR/SHARES	#	BOOK-VALUE	LAST-QTY
1 Item in subtotal for: FED NATL MORTGAGE ASSN MEDTRM NT (Type 283)										1,000,000.00	1,005,687.09	
Market: 1,020,100.00									.094% Total			
Cpn:		5.000		Term:		.425		S&P: N/R (1 not rated)				
Yld:		3.609		Dur:		.425		Moody: N/R (1 not rated)				
<b><u>TLGP SECURITIES - FDIC (287)</u></b>												
14882	17313YAL	1	1001	287	CITIGROUP FUNDING INC	1.875	10/22/12	.778	25,000,000.00		25,175,076.06	8/20/10
1 Item in subtotal for: TLGP SECURITIES - FDIC (Type 287)										25,000,000.00	25,175,076.06	
Market: 25,272,500.00									2.324% Total			
Cpn:		1.875		Term:		.647		S&P: N/R (1 not rated)				
Yld:		.778		Dur:		.647		Moody: N/R (1 not rated)				
<b><u>MONEY MARKET (315)</u></b>												
15350	GFCORE	1	1001	315	GF CORE AS LGIP POOL PARTICIPAN	.280			1,297.09		1,297.09	3/01/12

# STATE OF NEW MEXICO

## Position Holdings

TRADED POSITIONS HELD AS OF 2/29/12

GENERAL FUND CORE (1001)

POS#	SEC-ID	\$	POOL#	FUND TYPE	DESCRIPTION	RATE	MATURITY @	YIELD	PAR/SHARES	#	BOOK-VALUE	LAST-QTY
11394	RESCORE	1		1001 315	GF CORE MONEY MKT	5.030			1,456,435.81		1,456,435.81	8/05/10
2 Items in subtotal for: MONEY MARKET (Type 315)											1,457,732.90	

Market: 1,457,732.90

.134% Total

### MUNICIPAL BOND ( 810)

15608	085275B5	1		1001 810	BERNALILLO COUNTY	4.000	2/01/13	.500	550,000.00		567,580.85	10/05/11
15609	085275B6	1		1001 810	BERNALILLO COUNTY	3.000	2/01/14	.700	570,000.00		594,913.58	10/05/11
16122	149321CH	1		1001 810	CATRON & CIBOLA COUNTY ISD 2	2.000	8/01/14	.500	140,000.00		144,887.40	3/27/12
15319	20772JBS	1		1001 810	STATE OF CONNECTICUT-GO BONDS	1.720	5/15/13	.989	5,000,000.00		5,043,687.92	5/31/11
15628	29662RAJ	1		1001 810	ESPANOLA NM PSD	2.000	9/01/12	.381	570,000.00		574,604.77	11/08/11
15632	29662RAK	1		1001 810	ESPANOLA NM PSD	2.000	9/01/13	.700	1,100,000.00		1,121,294.59	11/08/11
15631	29662RAL	1		1001 810	ESPANOLA NM PSD	2.000	9/01/14	.950	1,120,000.00		1,148,984.88	11/08/11
15588	362550KS	1		1001 810	GADSDEN NM ISD	2.000	8/15/12	.301	2,385,000.00		2,403,430.50	10/26/11
15589	362550KT	1		1001 810	GADSDEN NM ISD	2.000	8/15/13	.600	2,245,000.00		2,290,474.83	10/26/11
15590	362550KU	1		1001 810	GADSDEN NM ISD	2.000	8/15/14	.850	2,005,000.00		2,060,894.95	10/26/11
15426	54422NCN	1		1001 810	LOS ALAMOS NM PSD	2.000	8/01/12	.400	1,100,000.00		1,107,316.32	8/17/11
15427	54422NCP	1		1001 810	LOS ALAMOS NM PSD	2.000	8/01/13	.550	475,000.00		484,703.81	8/17/11
15428	54422NCQ	1		1001 810	LOS ALAMOS NM PSD	2.000	8/01/14	.800	325,000.00		334,312.49	8/17/11
15669	547473DA	1		1001 810	LOVINGTON NM PSD	2.000	10/01/12	.501	525,000.00		529,577.24	11/15/11
15670	547473DB	1		1001 810	LOVINGTON NM PSD	2.000	10/01/13	.700	900,000.00		918,383.93	11/15/11
15671	547473DC	1		1001 810	LOVINGTON NM PSD	2.000	10/01/14	1.000	935,000.00		958,780.13	11/15/11

# STATE OF NEW MEXICO

## Position Holdings

TRADED POSITIONS HELD AS OF 2/29/12

GENERAL FUND CORE (1001)

POS#	SEC-ID	\$	POOL#	FUND TYPE	DESCRIPTION	RATE	MATURITY @	YIELD	PAR/SHARES	#	BOOK-VALUE	LAST-QTY
15301	64711NNU	1		1001 810	NMFA SENIOR LIEN	2.000	6/01/12	.500	2,890,000.00		2,900,805.92	5/19/11
15302	64711NNV	1		1001 810	NMFA SENIOR LIEN	2.000	6/01/13	1.000	2,000,000.00		2,024,762.04	5/19/11
15303	64711NNW	1		1001 810	NMFA SENIOR LIEN	3.000	6/01/14	1.470	3,060,000.00		3,163,191.97	5/19/11
15497	64711NPA	1		1001 810	NMFA REVENUE	2.000	6/01/13	.351	3,605,000.00		3,679,093.79	9/01/11
15496	64711NPB	1		1001 810	NMFA REVENUE	2.000	6/01/14	.450	3,615,000.00		3,740,280.07	9/01/11
15500	64711NPV	1		1001 810	NMFA REVENUE	2.000	6/01/12	.500	790,000.00		792,953.39	9/01/11
15499	64711NPW	1		1001 810	NMFA REVENUE	2.000	6/01/13	.651	760,000.00		772,744.34	9/01/11
15498	64711NPX	1		1001 810	NMFA REVENUE	2.000	6/01/14	1.000	770,000.00		787,083.01	9/01/11
15450	767171LG	1		1001 810	RIO RANCHO NM PSD	2.000	8/01/12	.350	2,675,000.00		2,693,355.21	8/23/11
15449	767171LH	1		1001 810	RIO RANCHO NM PSD	2.000	8/01/13	.550	500,000.00		510,214.21	8/23/11
15207	802088JT	1		1001 810	SANTA FE NM PSD G02011	3.000	8/01/12	.520	5,800,000.00		5,859,770.72	3/10/11
27 Items in subtotal for: MUNICIPAL BOND (Type 810)									46,410,000.00		47,208,082.86	

Market: 47,323,611.35

4.351% Total

Cpn: 2.197

Term: 1.251

S&P: N/R (1 not rated)

Yld: .670

Dur: 1.236

Moody: N/R (1 not rated)

### MUNICIPAL BOND REVENUE ( 850)

15702	647310N2	1		1001 850	NEW MEXICO STB REF A-1	2.000	7/01/12	.210	1,570,000.00		1,579,356.54	12/06/11
15703	647310N3	1		1001 850	NEW MEXICO STB REF A-1	4.000	7/01/13	.431	3,225,000.00		3,377,869.09	12/06/11
15704	647310N4	1		1001 850	NEW MEXICO STB REF A-1	4.000	7/01/14	.700	4,780,000.00		5,144,383.43	12/06/11
15705	647310P4	1		1001 850	NEW MEXICO STB REF A-1	4.000	7/01/14	.700	9,810,000.00		10,557,824.57	12/06/11

# STATE OF NEW MEXICO

## Position Holdings

TRADED POSITIONS HELD AS OF 2/29/12

GENERAL FUND CORE (1001)

POS#	SEC-ID	\$	POOL#	FUND TYPE	DESCRIPTION	RATE	MATURITY @	YIELD	PAR/SHARES	#	BOOK-VALUE	LAST-QTY
16108	914692M9	1		1001 850	UNIVERSITY OF NM-REFUNDING	2.000	6/01/12	.202	730,000.00		733,095.20	3/06/12
16107	914692N2	1		1001 850	UNIVERSITY OF NM-REFUNDING	2.000	6/01/13	.301	1,285,000.00		1,311,920.75	3/06/12
16106	914692N3	1		1001 850	UNIVERSITY OF NM-REFUNDING	2.000	6/01/14	.480	330,000.00		341,140.80	3/06/12
16101	914692Q6	1		1001 850	UNIVERSITY OF NM-REFUNDING	3.000	6/01/14	.480	165,000.00		174,235.05	3/06/12

8 Items in subtotal for: MUNICIPAL BOND REVENUE (Type 850)

21,895,000.00      23,219,825.43

Market: 23,303,932.25

2.143% Total

Cpn: 3.635

Term: 1.909

S&P: N/R (1 not rated)

Yld: .584

Dur: 1.948

Moody: N/R (1 not rated)

93 Items in subtotal for: GENERAL FUND CORE (Fund 1001)

1060812121.54

1080283044.75

Market: 1,087,575,945.00 (2 priced @ cost)

100.000% Total

Cpn: 1.992

Term: 2.395 (OA 1.948)

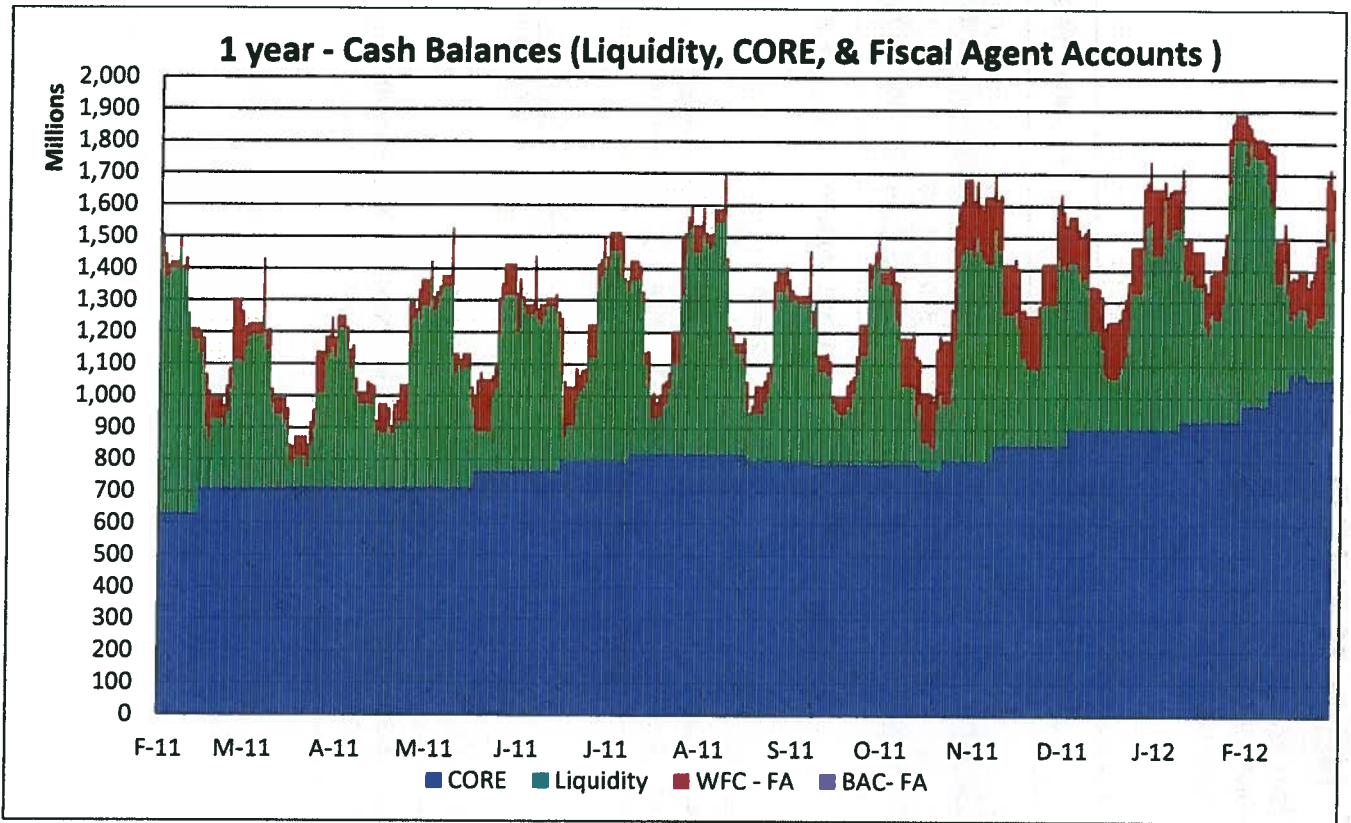
S&P: N/R (1 not rated)

Yld: 1.144 (OA 1.149)

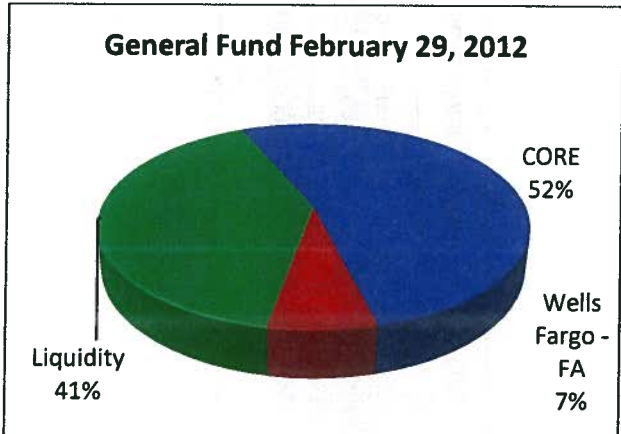
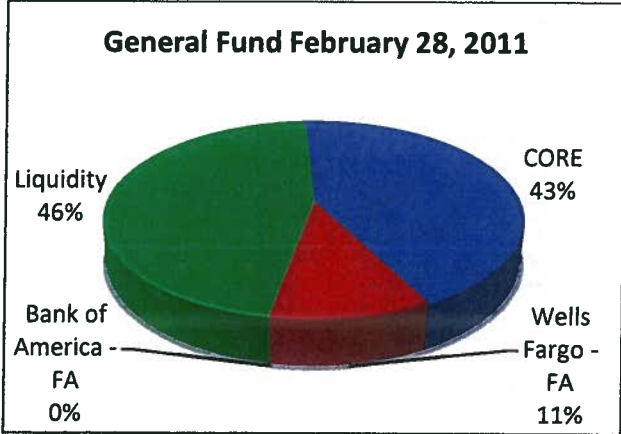
Dur: 2.340

Moody: N/R (1 not rated)

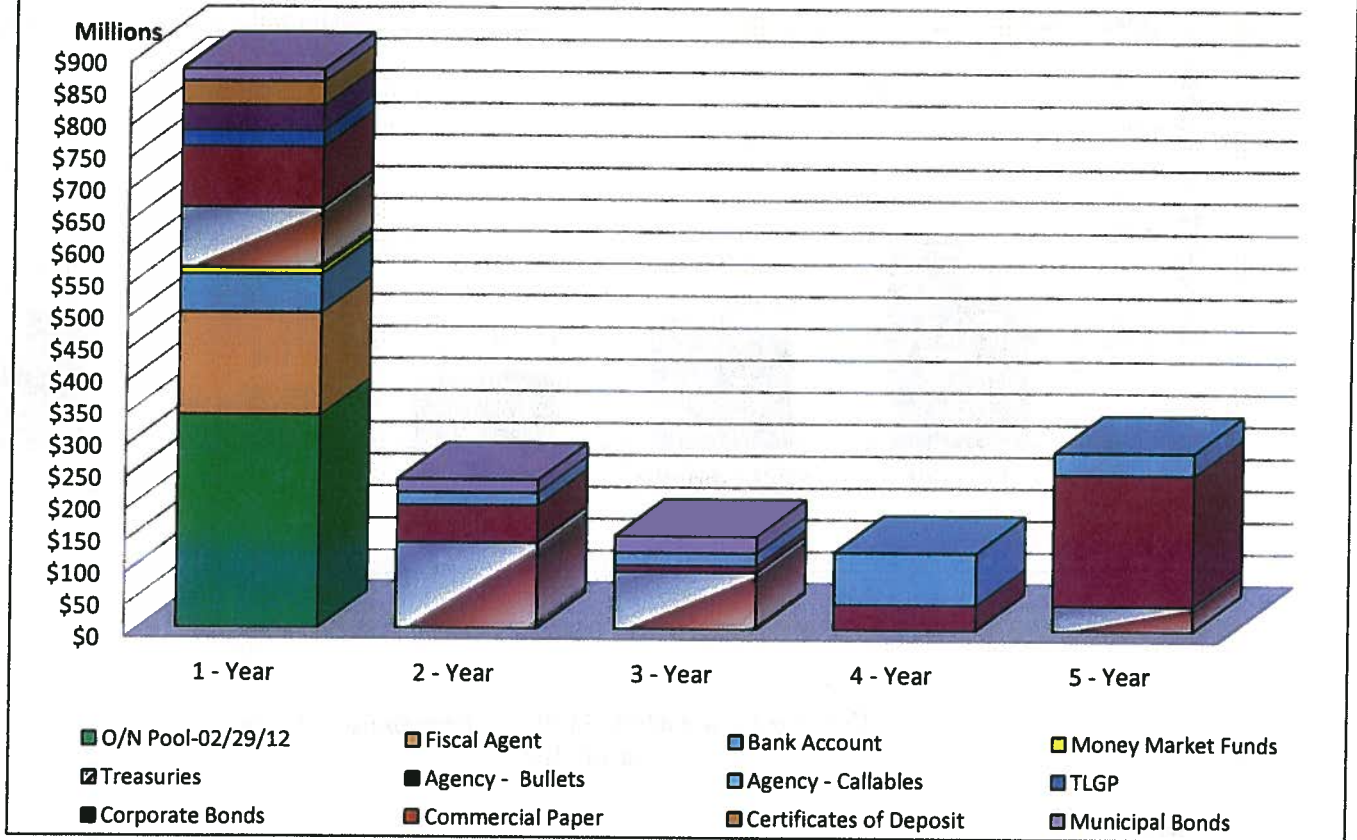
# GEIP Cash Flows



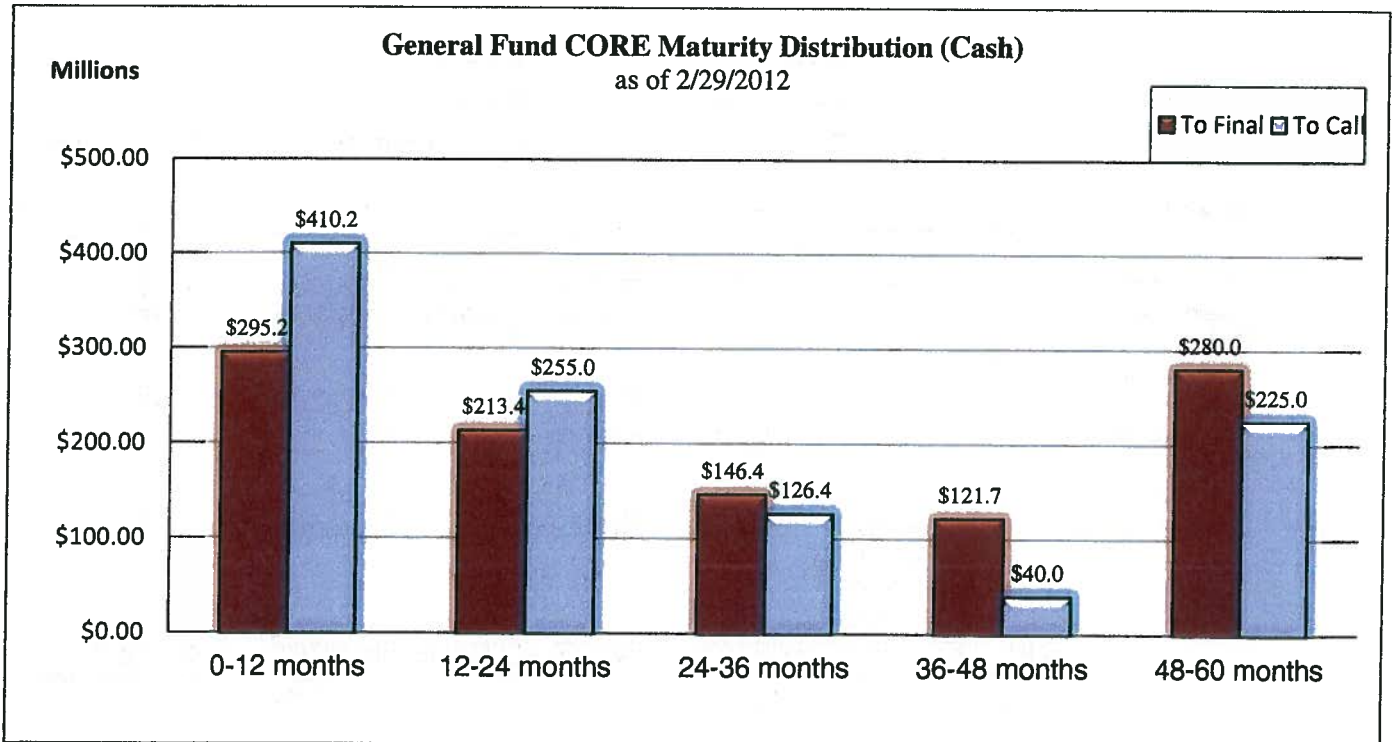
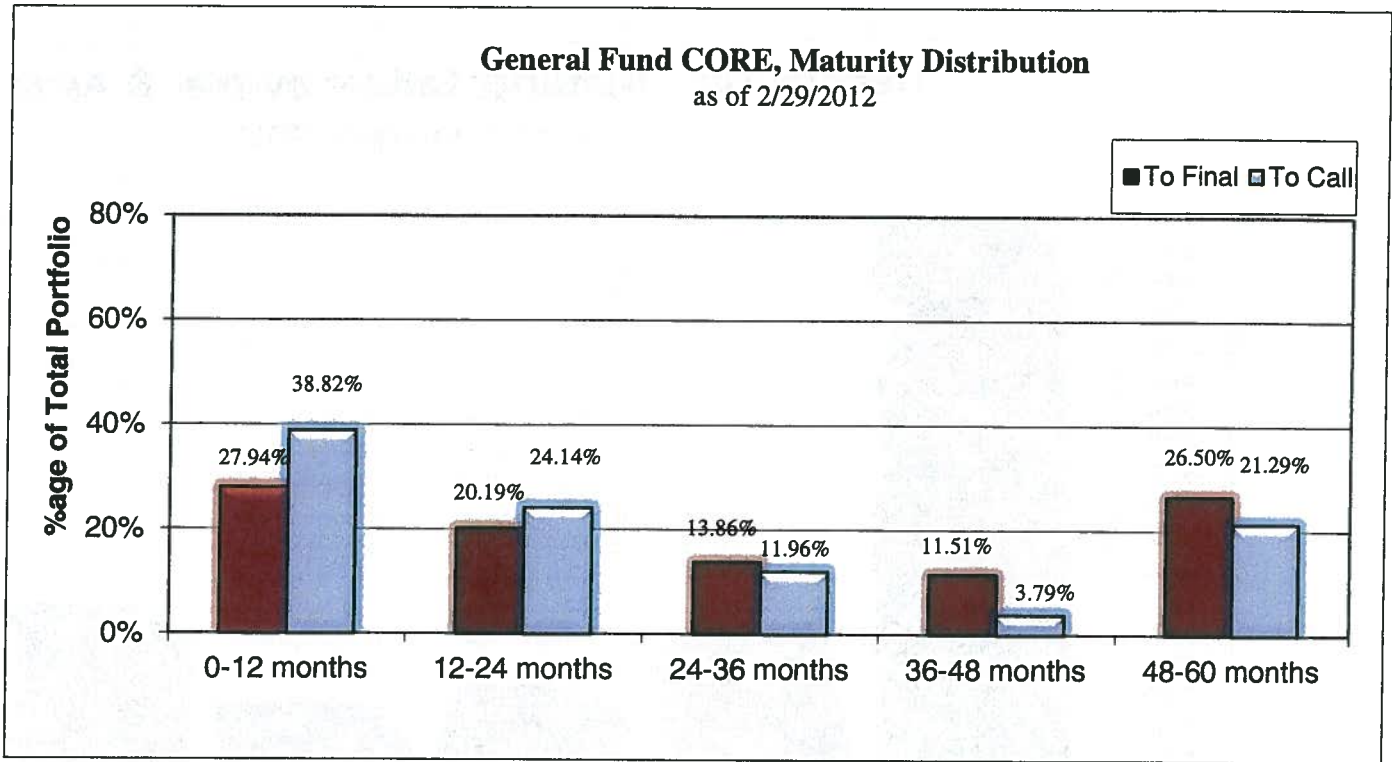
GENERAL FUND	Feb-11	Feb-12	Difference
Liquidity	394,040,623	439,521,632	45,481,010
CORE	710,437,578	1,056,704,389	346,266,810
Wells Fargo - FA	160,895,750	160,398,736	(497,015)
Bank of America - FA	586,193		(586,193)
<b>Total</b>	<b>1,265,960,144</b>	<b>1,656,624,756</b>	<b>390,664,612</b>



## General Fund Maturity Ladder by Year & Asset Type as of February 29, 2012



Asset Allocation	1 - Year	2 - Year	3 - Year	4 - Year	5 - Year	Total	%
Agency - Bullets	94,880,000	58,000,000	10,000,000	40,000,000	205,000,000	407,880,000	25%
Agency - Callables		20,000,000	20,000,000	81,660,000	35,000,000	156,660,000	9%
TLGP	25,000,000					25,000,000	2%
Corporate Bonds	40,000,000					40,000,000	2%
Money Market Funds	10,027,792					10,027,792	1%
Municipal Bonds	18,855,000	20,380,000	26,420,000			65,655,000	4%
Certificates of Deposit	37,250,000					37,250,000	2%
Commercial Paper						0	0%
Treasuries	95,000,000	135,000,000	90,000,000		40,000,000	360,000,000	22%
Bank Account	60,005,319					60,005,319	4%
Fiscal Agent	160,398,736					160,398,736	
O/N Pool-02/29/12	333,743,608					333,743,608	20%
<b>Total:</b>	<b>875,160,455</b>	<b>233,380,000</b>	<b>146,420,000</b>	<b>121,660,000</b>	<b>280,000,000</b>	<b>1,656,620,455</b>	<b>90%</b>
<b>% of Total:</b>	<b>53%</b>	<b>14%</b>	<b>9%</b>	<b>7%</b>	<b>17%</b>		





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

### Summary

- Ending February Market Value for the LGIP was \$794MM, lower than \$854MM from January 31st.
- The LGIP maintains an AAAM rating by Standard & Poor's.
- Weighted Average Maturity of the LGIP was 58 days, below the rule 2(a)-7 requirement of 60 days for short-term funds.

### Portfolio Mix

- 35% of the portfolio is invested in fixed income securities, 22% in floating rate notes, 37% of the portfolio is invested in demand deposit accounts with qualified banking institutions, 4% in commercial paper and 2% in Agency discount notes.
- The LGIP held positions in 32 securities.

### Investment Earnings

- In February, the fund earned \$213,940 for its participants.
- Since June, the fund has earned \$1.6 million.
- Earnings in the LGIP are retained by participants after a management fee of 0.05% which is paid to the General Fund.

### Performance

- Gross Yield on the LGIP was 0.315% at month-end.
- Net yield to participants was 0.265%.

### Investment Highlights

- For the LGIP, the WAM(R), 58 days, and WAM (F), 114 days, are within their maximums of 60 and 120 days respectively.
- LGIP reduced its exposure to BBVA/Compass overnight collateralized deposits from 25% of the total fund at the beginning of February 2012 to less than 10% by the end of the month.
- The reduction in BBVA/Compass exposure resulted from the downgrade of the credit by

S&P to A-/A-2 from A/A-1. S&P and Moody's ratings are currently A-2/P-2 (ST) and A-/Aa3 (LT).

- LGIP reinvested the 15% proceeds from the BBVA/Compass liquidation into various TLGP/FDIC insured issues as well as US Government Agency securities.
- The redeployment of funds from overnight deposits to three to nine month securities lengthened the WAM from 44 to 58 days.
- Approximately \$125mil of cash was reinvested at a weighted average yield of 17.5 bps, about 2.5 bps lower than what LGIP was earning on the BBVA/Compass investment.
- LGIP negotiated a higher rate on the remaining \$75mil in BBVA/Compass deposits of 0.25% from 0.20%.
- Overall, the \$200mil investment (\$125mil of reinvested cash and \$75mil remaining at BBVA/Compass) produced a weighted average yield of just above 0.20%.
- LGIP had net withdrawals for the month as funds deposited from other STO accounts were withdrawn to invest in BBVA/Compass overnight deposits.

### Investment Strategy

- Currently for the LGIP, the WAM(R) is 58 days, and WAM (F), 98 days, vs. the maximums of 60 and 120 days respectively.
- WAM (F) will continue to decline as the final maturities of the floating rate notes get shorter with the passage of time.
- The IBRD security, \$20mil, was called in March, also lowering the WAM (F). This security had a purchase yield of 0.46% that could not be replaced.
- LGIP will continue to maintain a longer WAM (R) as the curve remains positive between 3 and 13 month maturities.
- Shorter term investments, less than three months, do not provide attractive alternatives

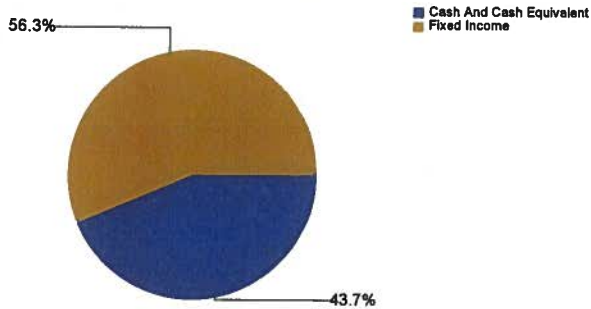
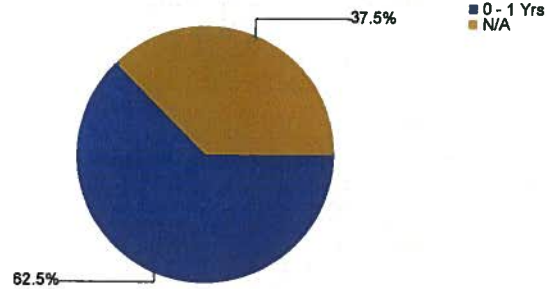
to the overnight bank deposits we currently hold.

- Recently, US Government Agency Repo has been an attractive alternative overnight investment. After quarter end, March 31, we will continue to monitor overnight and one week term repo rates.
- All floating rate notes held in LGIP had their interest rates reset in March, collectively declining by .10 to .15%. Three month libor has been slowly receding with the improved liquidity situation in Europe.
- The yield on the LGIP will decline going forward as we have reduced our exposure to overnight bank deposits.
- Maturing and called asset yields cannot be replaced in the current interest rate environment.
- LGIP's ability to add yield via maturity extension is limited as we are close to our maximum WAM allowances.

Portfolio Characteristics

Duration Mix

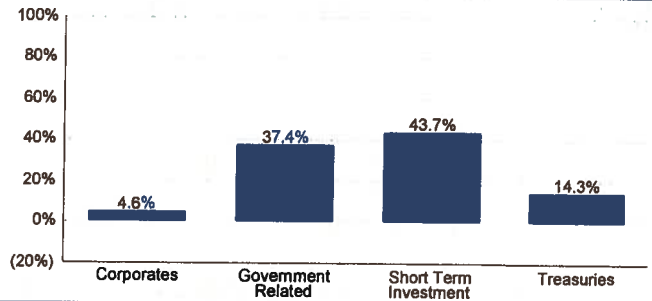
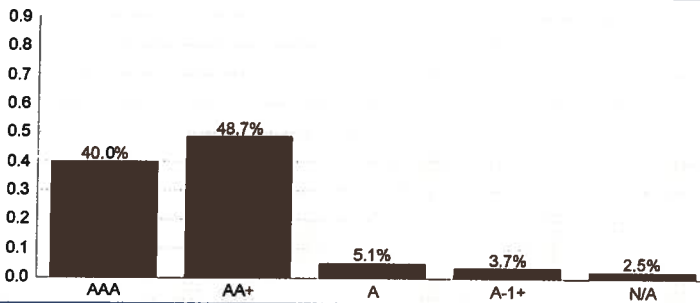
<b>Total Net Assets (Millions)</b>	<b>809.3</b>
<b>Weighted Average Life (Years)</b>	<b>0.32</b>
<b>Weighted Avg. Effective Duration (Years)</b>	<b>0.14</b>
<b>Weighted Average Coupon (%)</b>	<b>0.90</b>
<b>Weighted Average Current Yield (%)</b>	<b>0.14</b>
<b>Weighted Average Yield to Maturity (%)</b>	<b>0.23</b>
<b>Weighted Average Rating</b>	<b>AA+</b>
<b>Number of Holdings</b>	<b>30</b>



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
89499LC10	BANK OF THE WEST	24.81%	0.25	1/3/2012
884992T08	BBVA COMPASS BANK	9.35%	0.20	1/3/2012
31331KF82	FEDERAL FARM CR BKS CONS BD FLT 13 12/JUN/2013	8.18%	0.41	12/8/2013
31359MNU3	FANNIE MAE 5.25% 01/AUG/2012	5.07%	5.25	1/8/2012
61757UAJ9	MORGAN STANLEY VAR 20/JUN/2012	3.72%	0.81	20/6/2012
481247AN4	JPMORGAN CHASE & CO 0.53938% BDS 26/DEC/2012	3.89%	0.82	26/12/2012
912828KP4	UNITED STATES TREAS NTS 1.375% 15/MAY/2012	3.11%	1.38	15/5/2012
912828MU1	UNITED STATES TREAS NTS 1.000% 31/MAR/2012	3.10%	1.00	31/3/2012
3133XYWB7	FEDERAL HOME LOAN BANKS 0.875% BDS 22/AUG/2012	3.10%	0.88	22/8/2012
912828NS5	UNITED STATES TREAS NTS 0.825% 30/JUN/2012	3.10%	0.62	30/6/2012

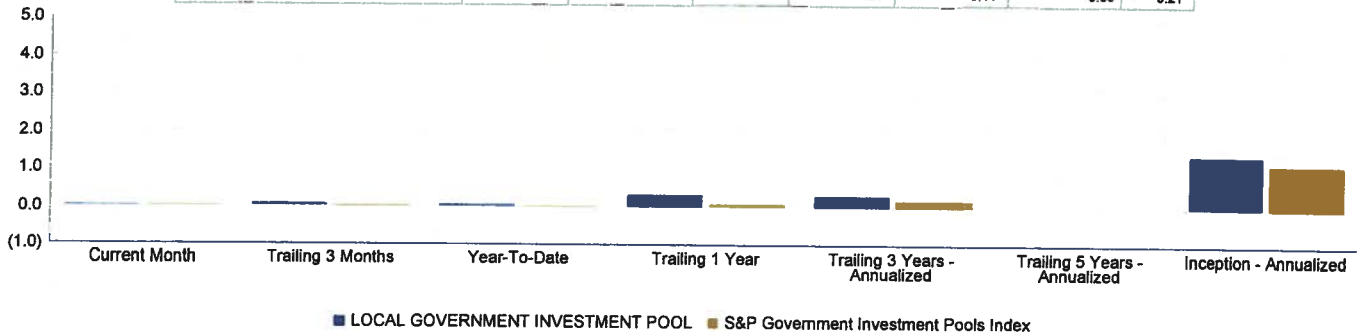
Quality/Rating Weightings

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	0.01	0.06	0.04	0.30	0.28		1.37
S&P Government Investment Pools Index	0.00	0.01	0.01	0.06	0.17		1.16
Excess	0.01	0.05	0.03	0.25	0.11	0.00	0.21



# STATE OF NEW MEXICO

## LGIP FUND (4101)

### Portfolio Classification Summary

Positions Held as of 2/29/12

TXN BASIS: TRADE  
 MKT-SOURCE: IDC-PREFERRED+  
 AMTZ ADDED: NO

ASSET CLASSIFICATION	ITEMS	YIELD	AVG-TERM	PRINCIPAL	COST-BASIS	MARKET-VALUE	GAIN/LOSS	%MARKET
REPURCHASE AGREEMENTS (O/N)	4	.2324	.05750	289,761,550	289,761,550	289,761,550		
COMMERCIAL PAPER-DISCOUNT BASED	2	.1927	.06525	30,045,000	30,041,225	30,041,225		36.488
GOV AGENCY PAPER-DISCOUNT BASED	1	.1115	.12050	20,000,000	19,997,311	19,997,311		3.783
U.S. TREASURY NOTES	7	.2469	.26740	115,000,000	115,172,837	115,197,300	24,463	2.518
CORPORATE BONDS	1	.4664	.05210	20,000,000	20,000,000	20,001,000	1,000	14.506
TEMP CORP CU STABILIZATION FND	1	.1965	.67670	8,650,000	8,745,237	8,740,912	-4,325	2.519
FED FARM CR BANKS - FLOAT	1	.3882	1.28220	50,000,000	50,016,753	49,963,000	-53,753	1.101
FED HOME LOAN BANKS	1	.2064	.47950	25,000,000	25,080,587	25,087,750	7,163	6.292
FED NATL MORTGAGE ASSN DEBS	2	.3376	.42190	40,000,000	40,829,036	40,836,000	6,964	3.159
FNMA VAR RT NOTE 4X	1	.2676	.80820	21,000,000	21,043,479	21,038,430	-5,049	5.142
TLGP SECURITIES - FDIC	4	.1554	.43444	65,852,000	66,521,086	66,502,238	-18,848	2.649
TLGP SECURITIES-FDIC VAR RT NT4X	7	.3382	.55531	106,700,000	106,999,428	106,955,011	-44,417	8.374
	<u>32</u>	<u>.2586</u>	<u>.32384</u>	<u>792,008,550</u>	<u>794,208,529</u>	<u>794,121,727</u>	<u>-86,802</u>	<u>100.000</u>

# STATE OF NEW MEXICO

## Position Holdings

TRADED POSITIONS HELD AS OF 2/29/12

LGIP FUND (4101)

POS#	SEC-ID	\$	POOL#	FUND TYPE	DESCRIPTION	RATE	MATURITY @	YIELD	PAR/SHARES	#	BOOK-VALUE	LAST-QTY
14791	BKOFWEST	9		4101 10	BANK OF THE WEST	.250	4/02/12	.250	199,183,225.54		199,183,225.54	2/29/12
14652	COMPASBA	9		4101 10	BBVA COMPASS BANK ACCOUNT	.200	4/02/12	.200	75,637,431.44		75,637,431.44	2/29/12
15222	USBANK	9		4101 10	US BANK	.100	4/02/12	.100	5,084,053.59		5,084,053.59	2/29/12
14744	WFSAVING	9		4101 10	WELLS FARGO SAVINGS ACCT	.100	4/02/12	.100	9,856,838.50		9,856,838.50	3/01/12

4 Items in subtotal for: REPURCHASE AGREEMENTS (O/N) (Type 10) 289,761,549.07    289,761,549.07

Market: 289,761,549.07 (4 priced @ cost) 36.488% Total

Cpn: .229	Term: .090	S&P: N/R (1 not rated)
Yld: .229	Dur: .090	Moody: N/R (1 not rated)

### COMMERCIAL PAPER-DISCOUNT ( 22)

15761	86257FDV	9		4101 22	STRAIGHT-A FUNDING LLC	.190	3/27/12	.190	25,000,000.00		24,996,569.44	3/27/12
15729	86257M6X	9		4101 22	STRAIGHT-A FUNDING LLC	.190	3/08/12	.190	5,045,000.00		5,044,813.62	3/08/12

2 Items in subtotal for: COMMERCIAL PAPER-DISCOUNT BASED (Type 22) 30,045,000.00    30,041,383.06

Market: 30,041,383.06 (2 priced @ cost) 3.783% Total

Cpn: .190	Term: .065	S&P: N/R (1 not rated)
Yld: .190	Dur: .065	Moody: N/R (1 not rated)

# STATE OF NEW MEXICO

## Position Holdings

TRADED POSITIONS HELD AS OF 2/29/12

LGIP FUND (4101)

POS#	SEC-ID	\$	POOL#	FUND TYPE	DESCRIPTION	RATE	MATURITY @	YIELD	PAR/SHARES	#	BOOK-VALUE	LAST-QTY
<b><u>GOV AGENCY PAPER-DISCOUNT ( 27)</u></b>												
16097	459516VN	9		4101	27 INTERNATIONAL FINANCE CORP	.110	4/13/12		.110	20,000,000.00	19,997,371.77	2/17/12
1 Item in subtotal for: GOV AGENCY PAPER-DISCOUNT BASED (Type 27)									20,000,000.00		19,997,371.77	

Market: 19,997,371.77 (1 priced @ cost) 2.518% Total

Cpn: .110	Term: .121	S&P: N/R (1 not rated)
Yld: .110	Dur: .121	Moody: N/R (1 not rated)

<b><u>U.S. TREASURY NOTES ( 130)</u></b>												
15402	912828KP	1		4101	130 US TREASURY NOTE 2ND	1.375	5/15/12		.200	25,000,000.00	25,060,457.42	7/01/11
15211	912828MU	1		4101	130 US TREASURY NOTE	1.000	3/31/12		.320	15,000,000.00	15,008,344.81	3/01/11
15220	912828MU	1		4101	130 US TREASURY NOTE	1.000	3/31/12		.300	10,000,000.00	10,005,723.39	3/10/11
15258	912828NB	1		4101	130 US TREASURY NOTE 2ND	1.000	4/30/12		.286	20,000,000.00	20,023,504.17	4/15/11
15401	912828NQ	1		4101	130 US TREASURY NOTE 2ND	.625	7/31/12		.238	10,000,000.00	10,016,128.13	7/06/11
15400	912828NS	1		4101	130 US TREASURY NOTE 2nd	.625	6/30/12		.225	25,000,000.00	25,033,213.72	7/01/11
16082	912828PV	1		4101	130 US TREASURY NOTE	.500	11/30/12		.188	10,000,000.00	10,023,332.75	2/15/12
7 Items in subtotal for: U.S. TREASURY NOTES (Type 130)									115,000,000.00		115,170,704.39	

Market: 115,197,300.00 14.506% Total

Cpn: .924	Term: .267	S&P: N/R (1 not rated)
Yld: .247	Dur: .267	Moody: N/R (1 not rated)

# STATE OF NEW MEXICO

## *Position Holdings*

TRADED POSITIONS HELD AS OF 2/29/12

LGIP FUND (4101)

POS#	SEC-ID	\$ POOL#	FUND TYPE	DESCRIPTION	RATE	MATURITY @	YIELD	PAR/SHARES	#	BOOK-VALUE	LAST-QTY
1 Item in subtotal for: FED FARM CR BANKS - FLOAT (Type 234)										50,000,000.00	50,016,715.95
Market: 49,963,000.00					6.292% Total						
Cpn: .410			Term: 1.282			S&P: N/R (1 not rated)					
Yld: .383			Dur: 1.279			Moody: N/R (1 not rated)					
<b><u>FED HOME LOAN BANKS ( 260)</u></b>											
15509	3133XYWB	1	4101 260	FHLB	.875	8/22/12	.204	25,000,000.00		25,079,654.21	8/26/11
1 Item in subtotal for: FED HOME LOAN BANKS (Type 260)										25,000,000.00	25,079,654.21
Market: 25,087,750.00					3.159% Total						
Cpn: .875			Term: .479			S&P: N/R (1 not rated)					
Yld: .204			Dur: .479			Moody: N/R (1 not rated)					
<b><u>FED NATL MORTGAGE ASSN DE ( 280)</u></b>											
15583	31359MNU	1	4101 280	FEDERAL NATL MTG ASSN DEBS	5.250	8/01/12	.362	20,000,000.00		20,406,624.89	9/27/11

# STATE OF NEW MEXICO

## Position Holdings

TRADED POSITIONS HELD AS OF 2/29/12

LGIP FUND (4101)

POS#	SEC-ID	\$	POOL#	FUND TYPE	DESCRIPTION	RATE	MATURITY @	YIELD	PAR/SHARES	#	BOOK-VALUE	LAST-QTY	
16081	31359MNU	1		4101 280	FEDERAL NATL MTG ASSN DEBS	5.250	8/01/12	.304	20,000,000.00		20,411,502.52	2/15/12	
2 Items in subtotal for: FED NATL MORTGAGE ASSN DEBS (Type 280)											40,000,000.00	40,818,127.41	

Market: 40,836,000.00

5.142% Total

Cpn: 5.250

Term: .422

S&P: N/R (1 not rated)

Yld: .333

Dur: .422

Moody: N/R (1 not rated)

<b><u>FNMA VAR RT NOTE 4X (284)</u></b>													
15726	31398A7F	1		4101 284	FED NATIONAL MTG ASSN Float	.523	12/20/12	.264	21,000,000.00		21,043,328.26	12/09/11	
1 Item in subtotal for: FNMA VAR RT NOTE 4X (Type 284)											21,000,000.00	21,043,328.26	

Market: 21,038,430.00

2.649% Total

Cpn: .523

Term: .808

S&P: N/R (1 not rated)

Yld: .264

Dur: .808

Moody: N/R (1 not rated)

<b><u>TLGP SECURITIES - FDIC (287)</u></b>												
16139	06050BAA	1		4101 287	BANK OF AMERICA	3.125	6/15/12	.142	15,000,000.00		15,129,173.76	2/28/12



# STATE OF NEW MEXICO

## Position Holdings

TRADED POSITIONS HELD AS OF 2/29/12

LGIP FUND (4101)

POS#	SEC-ID	\$	POOL#	FUND TYPE	DESCRIPTION	RATE	MATURITY @	YIELD	PAR/SHARES	#	BOOK-VALUE	LAST-QTY
16120	06050BAJ	1		4101 287	BANK OF AMERICA CORP	2.375	6/22/12	.138	22,948,000.00		23,106,184.70	2/23/12
16095	36186CBF	1		4101 287	ALLY FINANCIAL INC	2.200	12/19/12	.194	17,300,000.00		17,577,319.90	2/17/12
16121	38146FAA	1		4101 287	GOLDMAN SACHS GROUP INC.	3.250	6/15/12	.136	10,604,000.00		10,699,314.68	2/23/12
<b>4 Items in subtotal for: TLGP SECURITIES - FDIC (Type 287)</b>									<b>65,852,000.00</b>		<b>66,511,993.04</b>	

Market: 66,502,238.32

8.374% Total

Cpn: 2.641

Term: .434

S&P: N/R (1 not rated)

Yld: .153

Dur: .435

Moody: N/R (1 not rated)

### TLGP SECURITIES-FDIC VAR ( 288)

15513	06405TAA	1		4101 288	BANK OF NY MELLO BK FLOAT	.736	6/29/12	.306	10,000,000.00		10,021,370.00	8/29/11
15688	36186CBG	1		4101 288	ALLY FINANCIAL INC FLOAT	.559	12/19/12	.372	2,700,000.00		2,705,000.40	11/16/11
15514	36967HAU	1		4101 288	GEN ELEC CAP CRP GE FLOAT	.567	12/21/12	.443	17,250,000.00		17,271,049.60	11/16/11
15560	36967HAU	1		4101 288	GEN ELEC CAP CRP GE FLOAT	.567	12/21/12	.474	7,000,000.00		7,006,377.00	9/14/11
15582	481247AN	1		4101 288	JPMORGAN CHASE FLOAT	.824	12/26/12	.373	29,750,000.00		29,883,131.25	9/28/11
15621	61757UAJ	1		4101 288	MORGAN STANLEY	.913	6/20/12	.253	30,000,000.00		30,098,700.00	10/14/11
15619	61757UAN	1		4101 288	MORGAN STANLEY	.742	3/13/12	.187	10,000,000.00		10,013,800.00	3/13/12

7 Items in subtotal for: TLGP SECURITIES-FDIC VAR RT NT4X (Type 288)

106,700,000.00

106,999,428.25

Market: 106,955,010.50

13.468% Total

Cpn: .768

Term: .555

S&P: N/R (1 not rated)

Yld: .334

Dur: .555

Moody: N/R (1 not rated)

# STATE OF NEW MEXICO

## *Position Holdings*

TRADED POSITIONS HELD AS OF 2/29/12

LGIP FUND (4101)

POS#	SEC-ID	\$	POOL#	FUND TYPE	DESCRIPTION	RATE	MATURITY @	YIELD	PAR/SHARES	#	BOOK-VALUE	LAST-QTY
32 Items in subtotal for: LGIP FUND (Fund 4101)										792,008,549.07	794,185,491.91	

Market: 794,121,944.22 (7 priced @ cost) 100.000% Total

Cpn: .914	Term: .356 (0A .336)	S&P: N/R (1 not rated)
Yld: .256	Dur: .356	Moody: N/R (1 not rated)

## Portfolio Summary – Tax Exempt Bond Proceeds Investment Pool

### Summary

- The Tax Exempt Bond Proceeds Investment Pool closed the month of February at \$476Mil, higher than \$439Mil at the end of January.
- The Pool continues to experience withdrawals in early 2012. The increase mentioned above was due to deposits made into the Pool for debt service payments on March 1, 2012. This is transient.

### Portfolio Mix

- 72% of the Tax-Exempt BPIP portfolio is invested in fixed income securities and 6% in floating rate; 49% in TLGP Securities which are backed by the FDIC, 29% in Treasury and Agency Securities, and the balance, approximately 22%, held in cash equivalents.
- At the time of purchase, TLGP holdings, backed by the FDIC, were within the parameters of the investment policy. As balances have come down, due to spending on capital projects, the percentage of TLGP holdings relative to all holdings in the portfolio has increased. The TLGP program will expire at the end of 2012.
- 73% of the portfolio is invested in securities that mature in one year, 15% in securities that mature from 1-2 years, 5% in securities that mature from 2-4 years and 7% in securities out to 5 years.
- The Tax-Exempt BPIP held positions in 22 securities.
- Weighted Average Life of the Tax Exempt BPIP is 0.88 years. The Weighted Average duration is 0.93 years.
- The maximum security term for the BPIP portfolio is 5 years.

### Investment Highlights

- The Tax-Exempt BPIP received \$51mil in deposits during the month of February for the debt service payment payable on March 1, 2012 of \$67mil+.

- The Tax-Exempt BPIP experienced \$14mil in withdrawals for capital projects during the month of February.
- The Pool sold two of the shortest maturing securities in the portfolio to provide liquidity for the debt service payment.
- On February 24, \$25mil Morgan Stanley TLGP maturing March 13, 2012 was sold, realizing a gain.
- On February 29, \$20mil Straight-A CP maturing March 8, 2012 was sold, also realizing a gain.
- The Pool liquidated most of its LGIP holdings to invest in BBVA/Compass overnight bank deposits to 5.5% of the total fund.
- The BBVA/Compass deposits are 102% collateralized with FHLB Atlanta LOCs.

### Market Value and Investment Earnings

- Unrealized gains in the Tax-Exempt BPIP Portfolio were \$1.6mil as of February 29th.
- Monthly Earnings on the portfolio were approximately \$388,342.
- During this fiscal year, we have earned approximately \$3.14mil in this pool.
- Earnings on the Bond Proceeds Investment Pool are used to offset capital and debt service spending.

### Performance

- The purchase yield was virtually unchanged at the end of February, 0.95% vs. 0.96%, the previous month. The yield-to-worst was 0.29%.
- The average term of the fund decreased from 1.10 to 0.88 years as cash deposits had the effect of shortening the portfolio. Again, this is transient.
- The Tax-Exempt BPIP returned (0.03)% for the month of February and 0.18% for the three months ended February 29, 2012, vs. index returns of 0.05% and 0.31% respectively.

- The portfolio is “barbelled” as there is a concentration in very short term securities held to provide liquidity in conjunction with longer term assets to provide yield.
- Interest rates were higher in February with the five year segment of the yield curve underperforming, declining by 15bp, and creating a drag on performance.
- This rise in interest rates has also lengthened the duration of the callable agency holdings.

*Investment Strategy*

- The Tax-Exempt BPIP is experiencing a high level of withdrawals.
- The current market value of the Pool is \$389mil, about \$87mil lower than at month end February.
- Current cash position is close to \$7mil. Any further large withdrawals will require liquidation of securities.
- There is a total of \$50mil face amount of TLGP securities maturing on April 30, 2012 that can be sold at a gain.
- As the Pool’s market value declines, the callable agency percentage of the total fund increases. This coupled with duration lengthening of callable securities as a result of interest rates rising, is being closely monitored.
- Callable agencies are currently 13% of the Pool.

**STATE OF NEW MEXICO**  
**BOND PROCEEDS INV POOL1 TAX EX (4000)**

**Portfolio Classification Summary**

Positions Held as of 2/29/12

TXN BASIS: TRADE  
MKT-SOURCE: IDC-PREFERED+  
AMTZ ADDED: NO

ASSET CLASSIFICATION	ITEMS	YIELD	AVG-TERM	PRINCIPAL	COST-BASIS	MARKET-VALUE	GAIN/LOSS	%MARKET
REPURCHASE AGREEMENTS (O/N)	1	.2231	.00270	77,771,962	77,771,962	77,771,962		16.314
U.S. TREASURY NOTES	3	.7335	1.40206	40,000,000	40,459,944	40,760,150	300,206	8.550
FED FARM CR BKS CALLABLE	2	1.1329	.74086	16,110,000	16,113,722	16,117,168	3,446	3.381
FED HOME LOAN MORTGAGE CORP BDS	2	1.1455	3.60277	30,000,000	30,746,810	30,933,000	186,190	6.489
FED NATL MORTGAGE ASSN DEBS	4	.9224	2.08342	48,495,000	49,761,420	49,909,927	148,507	10.469
TLGP SECURITIES - FDIC	6	1.3707	.51780	200,000,000	201,463,677	202,303,750	840,073	42.436
TLGP SECURITIES-FDIC VAR RT NT4X	1	.7084	.30680	30,000,000	30,000,000	30,072,000	72,000	6.308
MONEY MARKET	2	.0960	.00274	1,852,338	1,852,338	1,852,338		.389
CASH ACCOUNT	1	.2500		27,002,391	27,002,391	27,002,391		5.664
	<u>22</u>	<u>.9486</u>	<u>.87944</u>	<u>471,231,691</u>	<u>475,172,264</u>	<u>476,722,686</u>	<u>1,550,422</u>	<u>100.000</u>

# STATE OF NEW MEXICO

## Position Holdings

TRADED POSITIONS HELD AS OF 2/29/12

BOND PROCEEDS INV POOL1 TAX EX (4000)

POS#	SEC-ID	\$	POOL#	FUND TYPE	DESCRIPTION	RATE	MATURITY @	YIELD	PAR/SHARES	#	BOOK-VALUE	LAST-QTY
15745	3136FTDU	1		4000 233	FED FARM CR BKS CALLABE	1.125	10/26/15 @	1.031	6,110,000.00		6,113,690.61	12/16/11
<b>2 Items in subtotal for: FED FARM CR BKS CALLABLE (Type 233)</b>									<b>16,110,000.00</b>		<b>16,113,690.61</b>	

Market: 16,117,168.30

3.381% Total

Cpn: 1.153

Term: 3.738 (OA .741)

S&P: N/R (1 not rated)

Yld: 1.117 (OA 1.118) Dur: 3.660

Moody: N/R (1 not rated)

### FED HOME LOAN MORTGAGE CO ( 270)

15735	3134G3FA	1		4000 270	FEDERAL HOME LOAN MTG CORP	1.100	12/30/15 @	1.100	10,000,000.00		10,000,000.00	12/30/11
15558	3137EACW	1		4000 270	FEDERAL HOME LOAN MTG CORP	2.000	8/25/16	1.144	20,000,000.00		20,745,905.39	9/09/11

2 Items in subtotal for: FED HOME LOAN MORTGAGE CORP BDS (Type 270)

30,000,000.00

30,745,905.39

Market: 30,933,000.00

6.489% Total

Cpn: 1.700

Term: 4.269 (OA 3.603)

S&P: N/R (1 not rated)

Yld: 1.130

Dur: 4.138

Moody: N/R (1 not rated)

### FED NATL MORTGAGE ASSN DE ( 280)

15494	31359MRK	1		4000 280	FEDERAL NATL MTG ASSN DEBS	4.625	5/01/13	.542	25,000,000.00		26,185,443.82	8/17/11
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# STATE OF NEW MEXICO

## Position Holdings

TRADED POSITIONS HELD AS OF 2/29/12

BOND PROCEEDS INV POOL1 TAX EX (4000)

POS#	SEC-ID	\$	POOL#	FUND TYPE	DESCRIPTION	RATE	MATURITY @	YIELD	PAR/SHARES	#	BOOK-VALUE	LAST-QTY
15737	3135G0ES	1	4000	280	FEDERAL NATL MTG ASSN DEBS	1.375	11/15/16	1.210	10,000,000.00		10,075,264.73	12/14/11
15747	3136FTUZ	1	4000	280	FED NATL MORTGAGE ASSN DEBS	1.400	12/30/16 @	1.400	10,000,000.00		10,000,000.00	12/30/11
15749	3136FTUZ	1	4000	280	FED NATL MORTGAGE ASSN DEBS	1.400	12/30/16 @	1.400	3,495,000.00		3,495,000.00	12/30/11

4 Items in subtotal for: FED NATL MORTGAGE ASSN DEBS (Type 280)

48,495,000.00      49,755,708.55

Market: 49,909,926.50

10.469% Total

Cpn: 3.057

Term: 2.919 (OA 2.083)

S&P: N/R (1 not rated)

Yld: .910

Dur: 2.799

Moody: N/R (1 not rated)

### TLGP SECURITIES - FDIC (287)

14116	06050BAA	1	4000	287	BANK OF AMERICA	3.125	6/15/12	1.977	25,000,000.00		25,081,530.90	6/30/09
14128	06050BAG	1	4000	287	BANK OF AMERICA	2.100	4/30/12	1.955	25,000,000.00		25,005,375.34	6/30/09
14133	17313UAE	1	4000	287	CITIGROUP INC	2.125	4/30/12	1.949	25,000,000.00		25,006,599.30	7/02/09
14893	17313YAJ	1	4000	287	CITIGROUP INC	2.250	12/10/12	.749	50,000,000.00		50,578,593.78	8/26/10
14894	36967HAY	1	4000	287	GENERAL ELECTRIC CAP CORP.	2.625	12/28/12	.749	50,000,000.00		50,769,643.89	8/26/10
14117	949744AC	1	4000	287	WELLS FARGO & COMPANY	2.125	6/15/12	1.968	25,000,000.00		25,010,606.23	6/30/09

6 Items in subtotal for: TLGP SECURITIES - FDIC (Type 287)

200,000,000.00      201,452,349.44

Market: 202,303,750.00

42.436% Total

Cpn: 2.403

Term: .518

S&P: N/R (1 not rated)

Yld: 1.352

Dur: .520

Moody: N/R (1 not rated)

# STATE OF NEW MEXICO

## Position Holdings

TRADED POSITIONS HELD AS OF 2/29/12

BOND PROCEEDS INV POOL1 TAX EX (4000)

POS#	SEC-ID	\$	POOL#	FUND TYPE	DESCRIPTION	RATE	MATURITY @	YIELD	PAR/SHARES	#	BOOK-VALUE	LAST-QTY
<b><u>TLGP SECURITIES-FDIC VAR ( 288)</u></b>												
12317	61757UAJ	1		4000 288	MORGAN STANLEY	.913	6/20/12	.908	30,000,000.00		30,000,000.00	1/20/09
1 Item in subtotal for: TLGP SECURITIES-FDIC VAR RT NT4X (Type 288)									30,000,000.00		30,000,000.00	
Market: 30,072,000.00						6.308% Total						
Cpn: .913			Term: .307			S&P: N/R (1 not rated)						
Yld: .908			Dur: .307			Moody: N/R (1 not rated)						
<b><u>MONEY MARKET ( 315)</u></b>												
15403	BP1LGIP	1		4000 315	BPIP#1 TA AS LGIP POOL PARTICIP	.280			635,244.93		635,244.93	3/01/12
11085	BPIPXX02	1		4000 315	THE RESERVE	5.340			1,217,093.13		1,217,093.13	8/05/10
2 Items in subtotal for: MONEY MARKET (Type 315)									1,852,338.06		1,852,338.06	
Market: 1,852,338.06						.389% Total						
<b><u>CASH ACCOUNT (9300)</u></b>												
16152	COMPASBA	1		4000 9300	COMPASS BANK DEPOSIT	.250			27,002,391.04		27,002,391.04	3/29/12



# STATE OF NEW MEXICO

## *Position Holdings*

TRADED POSITIONS HELD AS OF 2/29/12

BOND PROCEEDS INV POOL1 TAX EX (4000)

POS#	SEC-ID	\$ POOL#	FUND TYPE	DESCRIPTION	RATE	MATURITY @	YIELD	PAR/SHARES	#	BOOK-VALUE	LAST-QTY
1 Item in subtotal for: CASH ACCOUNT (Type 9300)								27,002,391.04		27,002,391.04	
Market: 27,002,391.04						5.664% Total					
22 Items in subtotal for: BOND PROCEEDS INV POOL1 TAX EX (Fund 4000)								471,231,690.95		475,153,445.21	
Market: 476,722,685.75 (1 priced @ cost)						100.000% Total					
Cpn: 1.817		Term: 1.128 (0A .882)		S&P: N/R (1 not rated)							
Yld: .996		Dur: 1.112		Moody: N/R (1 not rated)							

## Portfolio Summary – Taxable Bond Proceeds Investment Pool

### Summary

- The Taxable Bond Proceeds Investment Pool closed the month of February at \$596mil, lower than \$606mil on January 31<sup>st</sup>.
- The Pool experienced some withdrawals during the month.

### Portfolio Mix

- 91% of the Taxable BPIP portfolio is invested in fixed income securities and 3% in floating rate; 72% in US Treasury and Agency securities, 19% in securities that are backed by the FDIC, 3% in corporates, and the balance, approximately 6%, is held in cash equivalents such as the LGIP and NM CDs.
- 32% of the portfolio is invested in securities that mature in one year, 44% in securities that mature from 1-2 years, 18% in securities that mature from 2-4 years and 6% out to 5 years.
- The Taxable BPIP held positions in 51 securities.
- Weighted Average Life of the Taxable BPIP is 1.47 years. The Weighted Average duration is 1.68 years.
- The maximum security term for the BPIP portfolio is 5 years.

### Investment Highlights

- The Taxable BPIP maintained sufficient liquidity to meet withdrawals and was fully invested at the end of February.
- The Pool liquidated most of its LGIP holdings to invest in BBVA/Compass overnight bank deposits to less than 2% of the total fund.
- The BBVA/Compass deposits are 102% collateralized with FHLB Atlanta LOCs.

### Market Value and Investment Earnings

- The unrealized gains in the Taxable BPIP Portfolio were \$3.3mil as of February 29th.

- Monthly Earnings on the portfolio were \$558,825.
- Fiscal YTD earnings are \$4.8 mil.
- Earnings on the Bond Proceeds Investment Pool are used to offset capital and debt service spending.

### Performance

- Purchase Yield was slightly higher from 1.12% to 1.14%. The yield-to-worst was 0.47%.
- The Taxable BPIP returned (0.03)% for the month of February and 0.34% for the three months ended February 29, 2012, vs. the index returns of 0.05% and 0.31% respectively.

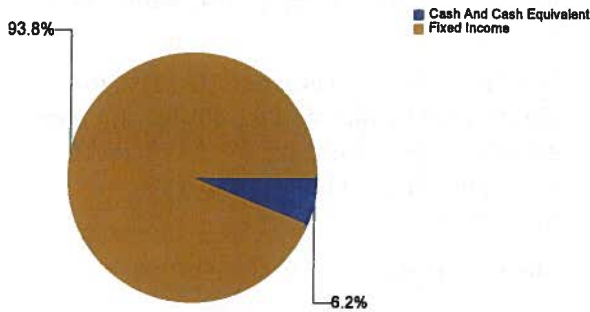
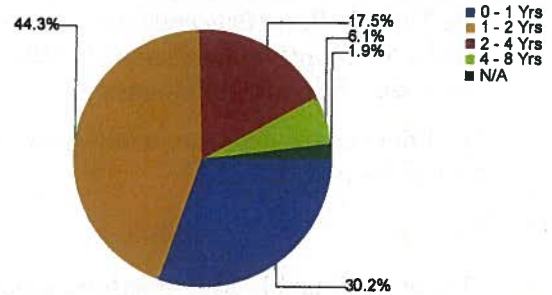
### Investment Strategy

- The Taxable BPIP has been experiencing withdrawals.
- The current market value of the Pool is \$567mil.
- To provide liquidity in early March, the Pool sold \$16.55mil of FHLB maturing March 9, 2012 and realized a gain.
- The portfolio is fully invested with a duration slightly longer than the benchmark.
- There are no maturities until the beginning of June 2012.
- The current cash position is about \$32mil with a \$21mil withdrawal slated for capital projects.
- Interest rates have increased considerably from the beginning of the year with the five year US Treasury maturity rising from .83% on December 31, 2011 to 1.01% currently.
- This rise in interest rates has lengthened the duration of the callable agency holdings.
- Callable agencies are currently 19% of the Pool.

#### Portfolio Characteristics

Duration Mix

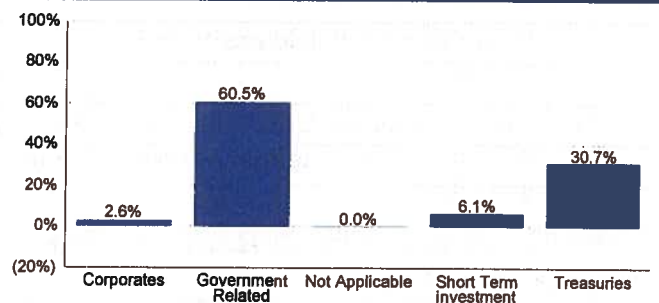
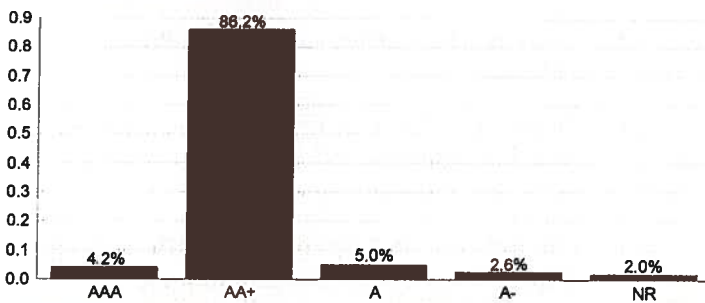
<b>Total Net Assets (Millions)</b>	<b>596.9</b>
<b>Weighted Average Life (Years)</b>	<b>2.04</b>
<b>Weighted Avg. Effective Duration (Years)</b>	<b>1.66</b>
<b>Weighted Average Coupon (%)</b>	<b>1.71</b>
<b>Weighted Average Current Yield (%)</b>	<b>0.58</b>
<b>Weighted Average Yield to Maturity (%)</b>	<b>0.63</b>
<b>Weighted Average Rating</b>	<b>AA</b>
<b>Number of Holdings</b>	<b>46</b>



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
812829KF6	US 1.87500 '14	6.81%	1.88	28/2/2014
912828NU0	US 0.75000 '13	5.06%	0.75	15/8/2013
3137EACW7	FEDERAL HOME LN MTG CORP FR 2%25/AUG/2018	4.39%	2.00	25/8/2018
38967HAV9	GENERAL ELECTRIC CAPITAL CORP SER'G'2.125% NTS	4.30%	2.12	21/12/2012
3138FR3N1	FEDERAL NATIONAL MORTGAGE ASSOC 1.35% NTS	4.23%	1.35	20/9/2016
31359MTP8	FED NATL MTG ASSN 5.12% 02/JAN/2014	4.14%	5.12	2/1/2014
31398A4M1	FED NATL MORT ASSC 1.625% BDS 28/OCT/2015 USD1000	3.48%	1.82	28/10/2015
17313YAJ0	CITIGROUP FUNDING INC 2.25% BDS 10/DEC/2012	3.42%	2.25	10/12/2012
3135G0AP8	FEDERAL NATL MTG ASSN FR 1.25%27/FEB/2014	3.41%	1.25	27/2/2014
90345AAC8	US CENTRAL FEDERAL CRED 1.90% 19/OCT/2012	3.41%	1.90	19/10/2012

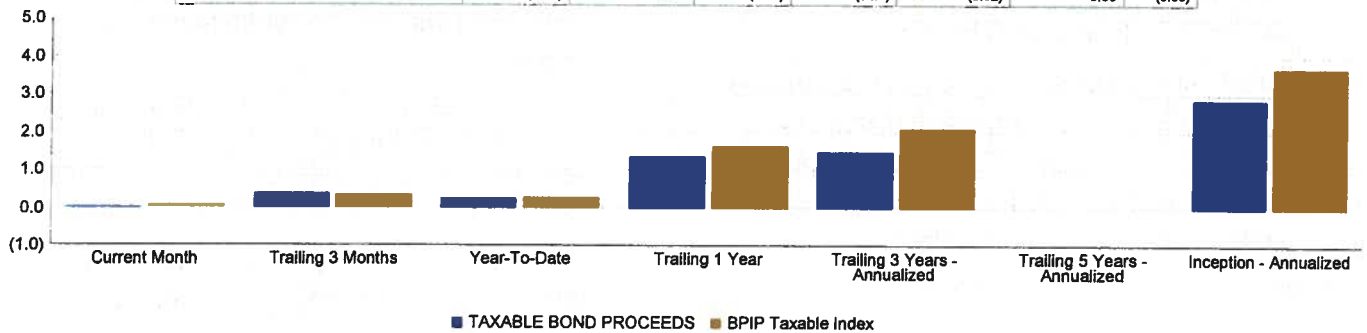
#### Quality/Rating Weightings

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	(0.03)	0.34	0.22	1.33	1.46		2.85
BPIP Taxable Index	0.05	0.31	0.24	1.63	2.08		3.70
Excess	(0.08)	0.03	(0.02)	(0.29)	(0.62)	0.00	(0.85)



**STATE OF NEW MEXICO**  
**BOND PROCEEDS INV POOL2 TAXABL (4002)**

Portfolio Classification Summary

Positions Held as of 2/29/12

TXN BASIS: TRADE  
MKT-SOURCE: IDC-PREFERRED+  
AMTZ ADDED: NO

ASSET CLASSIFICATION	ITEMS	YIELD	AVG-TERM	PRINCIPAL	COST-BASIS	MARKET-VALUE	GAIN/LOSS	%MARKET
REPURCHASE AGREEMENTS (O/N)	1	.2231	.00270	13,809,514	13,809,514	13,809,514		
CERTIFICATES OF DEPOSIT	6	.7299	.41552	7,700,000	7,700,000	7,700,000		2.316
LINKED-CERTIFICATE OF DEPOSIT	2	.5500	.40820	4,000,000	4,000,000	4,000,000		1.291
U.S. TREASURY NOTES	13	.7817	1.95418	180,000,000	181,732,017	183,145,750	1,413,733	.671
CORPORATE BONDS	2	5.3744	.50590	15,000,000	15,030,553	15,333,050	302,497	30.709
TEMP CORP CU STABILIZATION FND	2	1.9051	.65117	30,000,000	29,974,700	30,321,100	346,400	2.571
FED FARM CR BKS CALLABLE	1	1.1928	.79180	4,365,000	4,363,946	4,358,714	-5,232	5.084
FED HOME LOAN BANKS	1	4.0961	.02470	16,555,000	16,551,086	16,566,423	15,337	.731
FED HOME LOAN MORTGAGE CORP BDS	4	1.3492	2.15213	72,300,000	73,143,828	73,578,594	434,766	2.778
FED NATL MORTGAGE ASSN DEBS	12	.9968	1.67134	150,110,000	152,877,640	153,382,595	504,955	12.337
TLGP SECURITIES - FDIC	3	.7587	.80759	65,155,000	65,833,120	66,109,954	276,834	25.719
TLGP SECURITIES-FDIC VAR RT NT4X	1	.7438	.03560	15,000,000	15,000,000	15,002,850	2,850	11.085
MONEY MARKET	2	.0389	.00274	2,077,016	2,077,016	2,077,016		2.516
CASH ACCOUNT	1	.2500		11,002,053	11,002,053	11,002,053		.348
	<u>51</u>	<u>1.1446</u>	<u>1.47148</u>	<u>587,073,583</u>	<u>593,095,473</u>	<u>596,387,613</u>	<u>3,292,140</u>	<u>100.000</u>

# STATE OF NEW MEXICO

## Position Holdings

TRADED POSITIONS HELD AS OF 2/29/12

BOND PROCEEDS INV POOL2 TAXABL (4002)

POS#	SEC-ID	\$	POOL#	FUND TYPE	DESCRIPTION	RATE	MATURITY @	YIELD	PAR/SHARES	#	BOOK-VALUE	LAST-QTY
16159	0301RP	9		4002 10	OVERNIGHT REPO	.220	3/01/12	.220	13,809,514.03		13,809,514.03	3/01/12
<b>1 Item in subtotal for: REPURCHASE AGREEMENTS (0/N) (Type 10)</b>									<b>13,809,514.03</b>		<b>13,809,514.03</b>	

Market: 13,809,514.03 (1 priced @ cost) 2.316% Total

Cpn: .220	Term: .003	S&P: N/R (1 not rated)
Yld: .220	Dur: .003	Moody: N/R (1 not rated)

### CERTIFICATES OF DEPOSIT ( 30)

15767	08118544	9		4002 30	WESTERN BANK ALAMOGORDO	.700	12/27/12	.700	1,100,000.00		1,100,000.00	12/30/11
15444	10000000	9		4002 30	WESTERN BANK ALAMOGORDO	.750	7/26/12	.750	1,000,000.00		1,000,000.00	7/26/11
15409	15866000	9		4002 30	WESTERN BANK CLOVIS	.750	7/05/12	.750	2,000,000.00		2,000,000.00	7/06/11
15441	15894000	9		4002 30	WESTERN BANK CLOVIS	.750	7/19/12	.750	600,000.00		600,000.00	7/19/11
15397	2012462	9		4002 30	WESTERN COMMERCE BANK	.700	6/15/12	.700	2,000,000.00		2,000,000.00	6/30/11
15430	81186340	9		4002 30	WESTERN BANK ALAMOGORDO	.750	7/13/12	.750	1,000,000.00		1,000,000.00	7/13/11

**6 Items in subtotal for: CERTIFICATES OF DEPOSIT (Type 30)** **7,700,000.00**      **7,700,000.00**

Market: 7,700,000.00 (6 priced @ cost) 1.291% Total

Cpn: .730	Term: .416	S&P: N/R (1 not rated)
Yld: .730	Dur: .416	Moody: N/R (1 not rated)

# STATE OF NEW MEXICO

## Position Holdings

TRADED POSITIONS HELD AS OF 2/29/12

BOND PROCEEDS INV POOL2 TAXABL (4002)

POS#	SEC-ID	\$	POOL#	FUND TYPE	DESCRIPTION	RATE	MATURITY	@	YIELD	PAR/SHARES	#	BOOK-VALUE	LAST-QTY
<b><u>LINKED-CERTIFICATE OF DEP ( 31)</u></b>													
15445	20124770	9		4002	31 WESTERN COMMERCE BANK	.550	7/27/12		.550	2,000,000.00		2,000,000.00	7/27/11
15446	20124780	9		4002	31 WESTERN COMMERCE BANK	.550	7/27/12		.550	2,000,000.00		2,000,000.00	7/27/11
2 Items in subtotal for: LINKED-CERTIFICATE OF DEPOSIT (Type 31)										4,000,000.00		4,000,000.00	

Market: 4,000,000.00 (2 priced @ cost)

.671% Total

Cpn: .550

Term: .408

S&P: N/R (1 not rated)

Yld: .550

Dur: .408

Moody: N/R (1 not rated)

<b><u>U.S. TREASURY NOTES ( 130)</u></b>													
14918	912828KF	1		4002	130 US TREASURY NOTES	1.875	2/28/14		1.007	40,000,000.00		40,684,677.37	1/20/11
15242	912828KN	1		4002	130 US TREASURY NOTES	1.875	4/30/14		1.298	10,000,000.00		10,122,811.42	3/29/11
15241	912828KV	1		4002	130 US TREASURY NOTES	2.250	5/31/14		1.346	10,000,000.00		10,199,395.67	3/29/11
15239	912828NN	1		4002	130 US TREASURY NOTES	1.000	7/15/13		.914	10,000,000.00		10,011,717.16	3/29/11
15806	912828NP	1		4002	130 US TREASURY NOTES	1.750	7/31/15		.453	10,000,000.00		10,439,319.12	1/17/12
14919	912828NU	1		4002	130 US TREASURY NOTES	.750	8/15/13		.789	20,000,000.00		19,988,680.06	9/07/10
15240	912828NU	1		4002	130 US TREASURY NOTES	.750	8/15/13		.946	10,000,000.00		9,971,674.52	3/29/11
15413	912828PB	1		4002	130 US TREASURY NOTES	.500	10/15/13		.575	5,000,000.00		4,993,985.50	7/08/11
15206	912828QK	1		4002	130 US TREASURY NOTES	.625	2/28/13		.724	5,000,000.00		4,995,112.67	6/09/11
15807	912828QR	1		4002	130 US TREASURY NOTES	1.500	6/30/16		.656	10,000,000.00		10,360,005.33	1/17/12

# STATE OF NEW MEXICO

## Position Holdings

TRADED POSITIONS HELD AS OF 2/29/12

BOND PROCEEDS INV POOL2 TAXABL (4002)

POS#	SEC-ID	\$	POOL#	FUND TYPE	DESCRIPTION	RATE	MATURITY @	YIELD	PAR/SHARES	#	BOOK-VALUE	LAST-QTY
15415	912828QZ	1		4002 130	US TREASURY NOTES	.500	5/31/13	.454	20,000,000.00		20,011,326.58	7/08/11
15414	912828RA	1		4002 130	US TREASURY NOTES	.375	6/30/13	.474	20,000,000.00		19,973,641.38	7/08/11
15805	912828RV	1		4002 130	US TREASURY NOTES	.250	12/15/14	.330	10,000,000.00		9,977,899.88	1/17/12

13 Items in subtotal for: U.S. TREASURY NOTES (Type 130)

180,000,000.00      181,730,246.66

Market: 183,145,750.00

30.709% Total

Cpn: 1.149

Term: 1.954

S&P: N/R (1 not rated)

Yld: .782

Dur: 1.937

Moody: N/R (1 not rated)

### CORPORATE BONDS ( 215)

11194	38141GCC	1		4002 215	GOLDMAN SACHS GROUP INC	5.700	9/01/12	5.306	10,000,000.00		10,019,192.34	10/12/07
11195	617446V8	1		4002 215	MORGAN STANLEY	5.750	8/31/12	5.291	5,000,000.00		5,009,593.74	10/12/07

2 Items in subtotal for: CORPORATE BONDS (Type 215)

15,000,000.00      15,028,786.08

Market: 15,333,050.00

2.571% Total

Cpn: 5.717

Term: .506

S&P: N/R (1 not rated)

Yld: 5.301

Dur: .506

Moody: N/R (1 not rated)

### TEMP CORP CU STABILIZATIO ( 218)

14318	90345AAC	1		4002 218	US CENTRL FEDCU TEMP CU STBL FN	1.900	10/19/12	1.922	20,000,000.00		19,987,200.00	10/19/09
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# STATE OF NEW MEXICO

## *Position Holdings*

TRADED POSITIONS HELD AS OF 2/29/12

BOND PROCEEDS INV POOL2 TAXABL (4002)

POS#	SEC-ID	\$	POOL#	FUND TYPE	DESCRIPTION	RATE	MATURITY @	YIELD	PAR/SHARES	#	BOOK-VALUE	LAST-QTY
14347	95806AAB	1		4002 218	WESTERN CORP FED CREDIT UNION	1.750	11/02/12	1.793	10,000,000.00		9,987,500.00	11/02/09
<b>2 Items in subtotal for: TEMP CORP CU STABILIZATION FND (Type 218)</b>											<b>30,000,000.00</b>	<b>29,974,700.00</b>

Market: 30,321,100.00

5.084% Total

Cpn: 1.850

Term: .651

S&P: N/R (1 not rated)

Yld: 1.879

Dur: .651

Moody: N/R (1 not rated)

<b><u>FED FARM CR BKS CALLABLE (233)</u></b>												
15744	31331K2S	1		4002 233	FED FARM CR BKS CALLABLE	1.170	12/14/15 @	1.176	4,365,000.00		4,363,946.26	12/16/11
<b>1 Item in subtotal for: FED FARM CR BKS CALLABLE (Type 233)</b>											<b>4,365,000.00</b>	<b>4,363,946.26</b>

Market: 4,358,714.40

.731% Total

Cpn: 1.170

Term: 3.789 (OA .792)

S&P: N/R (1 not rated)

Yld: 1.176 (OA 1.201)

Dur: 3.710

Moody: N/R (1 not rated)

<b><u>FED HOME LOAN BANKS (260)</u></b>												
11931	3133XPCS	1		4002 260	FEDERAL HOME LOAN BANK	3.250	3/09/12	4.040	16,555,000.00		16,551,865.61	3/05/12



# STATE OF NEW MEXICO

## Position Holdings

TRADED POSITIONS HELD AS OF 2/29/12

BOND PROCEEDS INV POOL2 TAXABL (4002)

POS#	SEC-ID	\$	POOL#	FUND TYPE	DESCRIPTION	RATE	MATURITY @	YIELD	PAR/SHARES	#	BOOK-VALUE	LAST-QTY
<b>1 Item in subtotal for: FED HOME LOAN BANKS (Type 260)</b>										<b>16,555,000.00</b>	<b>16,551,865.61</b>	
<b>Market: 16,566,422.95</b>						<b>2.778% Total</b>						
<b>Cpn: 3.250</b>		<b>Term: .025</b>		<b>S&amp;P: N/R (1 not rated)</b>								
<b>Yld: 4.040</b>		<b>Dur: .025</b>		<b>Moody: N/R (1 not rated)</b>								
<b><u>FED HOME LOAN MORTGAGE CO ( 270)</u></b>												
15693	3134G3BT	1	4002	270	FEDERAL HOME LOAN MTG CORP	1.625	11/23/16 @	1.635	20,000,000.00		19,990,364.62	11/23/11
15775	3134G3CB	1	4002	270	FED HOME LOAN MORTGAGE CORP BDS	1.625	12/05/16 @	1.180	20,000,000.00		20,067,176.66	1/09/12
15733	3134G3FA	1	4002	270	FEDERAL HOME LOAN MTG CORP	1.100	12/30/15 @	1.100	7,300,000.00		7,300,000.00	12/30/11
15517	3137EACW	1	4002	270	FEDERAL HOME LOAN MTG CORP	2.000	8/25/16	1.277	25,000,000.00		25,784,860.43	8/30/11
<b>4 Items in subtotal for: FED HOME LOAN MORTGAGE CORP BDS (Type 270)</b>										<b>72,300,000.00</b>	<b>73,142,401.71</b>	
<b>Market: 73,578,594.00</b>						<b>12.337% Total</b>						
<b>Cpn: 1.702</b>		<b>Term: 4.567 (OA 2.152)</b>		<b>S&amp;P: N/R (1 not rated)</b>								
<b>Yld: 1.331 (OA 1.347)</b>		<b>Dur: 4.400 (OA 3.358)</b>		<b>Moody: N/R (1 not rated)</b>								
<b><u>FED NATL MORTGAGE ASSN DE ( 280)</u></b>												
15585	31359MNU	1	4002	280	FEDERAL NATL MTG ASSN DEBS	5.250	8/01/12	.362	5,000,000.00		5,101,656.22	9/27/11

# STATE OF NEW MEXICO

## Position Holdings

TRADED POSITIONS HELD AS OF 2/29/12

BOND PROCEEDS INV POOL2 TAXABL (4002)

POS#	SEC-ID	\$	POOL#	FUND TYPE	DESCRIPTION	RATE	MATURITY	@	YIELD	PAR/SHARES	#	BOOK-VALUE	LAST-QTY
15492	31359MTP	1		4002 280	FEDERAL NATL MTG ASSN DEBS	5.125	1/02/14		.817	14,260,000.00		15,377,223.19	8/18/11
15495	31359MTP	1		4002 280	FEDERAL NATL MTG ASSN DEBS	5.125	1/02/14		.842	8,450,000.00		9,108,004.81	8/18/11
15434	3135GOAP	9		4002 280	FEDERAL NATL MTG ASSN DEBS	1.250	2/27/14		.715	6,000,000.00		6,063,220.58	7/12/11
15435	3135GOAP	9		4002 280	FEDERAL NATL MTG ASSN DEBS	1.250	2/27/14		.715	14,000,000.00		14,147,514.69	7/12/11
11995	3136F9DU	1		4002 280	FEDERAL NATL MTG ASSN DEBS	4.000	4/15/13		4.079	2,400,000.00		2,397,856.33	8/22/08
15569	3136FR3N	1		4002 280	FEDERAL NATL MTG ASSN DEBS	1.350	9/20/16	@	1.350	25,000,000.00		25,000,000.00	9/20/11
15746	3136FTUZ	1		4002 280	FED NATL MORTGAGE ASSN DEBS	1.400	12/30/16	@	1.400	10,000,000.00		10,000,000.00	12/30/11
15750	3136FTUZ	1		4002 280	FED NATL MORTGAGE ASSN DEBS	1.400	12/30/16	@	1.400	5,000,000.00		5,000,000.00	12/30/11
15798	3136FTYG	1		4002 280	FED NATL MORTGAGE ASSN DEBS	1.000	1/30/17	@	1.012	20,000,000.00		19,988,168.00	1/30/12
15421	31398A2S	1		4002 280	FEDERAL NATL MTG ASSN DEBS	1.000	9/23/13		.564	20,000,000.00		20,135,360.86	7/12/11
15776	31398A4M	1		4002 280	FED NATL MORTGAGE ASSN DEBS	1.625	10/26/15		.858	20,000,000.00		20,550,074.34	1/09/12

12 Items in subtotal for: FED NATL MORTGAGE ASSN DEBS (Type 280)

150,110,000.00      152,869,079.02

Market: 153,382,007.27 (2 priced @ cost)

25.719% Total

Cpn: 2.028

Term: 3.171 (OA 1.671)

S&P: N/R (1 not rated)

Yld: .983 (OA .990)

Dur: 3.065

Moody: N/R (1 not rated)

### TLGP SECURITIES - FDIC (287)

14897	17313YAJ	1		4002 287	CITIGROUP INC	2.250	12/10/12		.747	20,000,000.00		20,231,707.16	8/26/10
14896	17314JAT	1		4002 287	CITIGROUP INC	1.750	12/28/12		.749	20,000,000.00		20,164,232.58	8/26/10
14895	36967HAV	1		4002 287	GENERAL ELECTRIC CAP CORP	2.125	12/21/12		.748	25,155,000.00		25,432,509.27	8/26/10

3 Items in subtotal for: TLGP SECURITIES - FDIC (Type 287)

65,155,000.00      65,828,449.01

Market: 66,109,954.05

11.085% Total

Cpn: 2.048

Term: .808

S&P: N/R (1 not rated)

# STATE OF NEW MEXICO

## Position Holdings

TRADED POSITIONS HELD AS OF 2/29/12

BOND PROCEEDS INV POOL2 TAXABL (4002)

POS#	SEC-ID	\$ POOL#	FUND TYPE	DESCRIPTION	RATE	MATURITY @	YIELD	PAR/SHARES	#	BOOK-VALUE	LAST-QTY
					Yld: .748	Dur: .808	Moody: N/R (1 not rated)				
<b><u>TLGP SECURITIES-FDIC VAR ( 288)</u></b>											
13910	61757UAN	1	4002 288	MORGAN STANLEY	.742	3/13/12	.734	15,000,000.00		15,000,000.00	3/13/12
1 Item in subtotal for: TLGP SECURITIES-FDIC VAR RT NT4X (Type 288)								15,000,000.00		15,000,000.00	
Market: 15,002,850.00							2.516% Total				
Cpn: .742					Term: .036		S&P: N/R (1 not rated)				
Yld: .734					Dur: .036		Moody: N/R (1 not rated)				
<b><u>MONEY MARKET ( 315)</u></b>											
15404	BP2LGIP	1	4002 315	BPIP#2 TE AS LGIP POOL PARTICIP	.280			288,783.43		288,783.43	3/01/12
11122	BPIP2RES	1	4002 315	THE RESERVE	5.430			1,788,233.27		1,788,233.27	8/05/10
2 Items in subtotal for: MONEY MARKET (Type 315)								2,077,016.70		2,077,016.70	
Market: 2,077,016.70							.348% Total				

# STATE OF NEW MEXICO

## *Position Holdings*

TRADED POSITIONS HELD AS OF 2/29/12

BOND PROCEEDS INV POOL2 TAXABL (4002)

POS#	SEC-ID	\$	POOL#	FUND TYPE	DESCRIPTION	RATE	MATURITY @	YIELD	PAR/SHARES	#	BOOK-VALUE	LAST-QTY
<b><u>CASH ACCOUNT</u></b>						<b><u>(9300)</u></b>						
16153	COMPASBA 1			4002 9300	COMPASS BANK DEPOSIT	.250			11,002,053.02		11,002,053.02	2/29/12
1 Item in subtotal for: CASH ACCOUNT (Type 9300)									11,002,053.02		11,002,053.02	
<b>Market: 11,002,053.02</b>						<b>1.845% Total</b>						
51 Items in subtotal for: BOND PROCEEDS INV POOL2 TAXABL (Fund 4002)									587,073,583.75		593,078,058.10	
<b>Market: 596,387,026.42 (11 priced @ cost)</b>						<b>100.000% Total</b>						
Cpn: 1.725			Term: 2.195 (OA 1.476)			S&P: N/R (1 not rated)						
Yld: 1.153 (OA 1.157)			Dur: 2.145 (OA 2.014)			Moody: N/R (1 not rated)						

# STATE OF NEW MEXICO

## STB FUND (4001)

### Portfolio Classification Summary

Positions Held as of 2/29/12

TXN BASIS: TRADE  
 MKT-SOURCE: IDC-PREFERRED+  
 AMTZ ADDED: NO

ASSET CLASSIFICATION	ITEMS	YIELD	AVG-TERM	PRINCIPAL	COST-BASIS	MARKET-VALUE	GAIN/LOSS	%MARKET
MONEY MARKET	1	.0027		132,171,790	132,171,790	132,171,790		
UNITS - REPURCHASE POOL	1	.2200	.00274	79,820	79,820	79,820		63.436
CASH ACCOUNT	1	.2500		76,104,146	76,104,146	76,104,146		.038
	<u>3</u>	<u>.0931</u>	<u>.00274</u>	<u>208,355,756</u>	<u>208,355,756</u>	<u>208,355,756</u>		<u>100.000</u>

**STATE OF NEW MEXICO**  
**Position Holdings**  
**TRADED POSITIONS HELD AS OF 2/29/12**  
 STB FUND (4001)

POS#	SEC-ID	\$	POOL#	FUND TYPE	DESCRIPTION	RATE	MATURITY @ YIELD	PAR/SHARES	#	BOOK-VALUE	LAST-QTY
15507	STBFLGIP	1		4001 315	STBF AS LGIP POOL PARTICIPANT	.003		132,171,790.39		132,171,790.39	3/01/12
1 Item in subtotal for: MONEY MARKET (Type 315)								132,171,790.39		132,171,790.39	

Market: 132,171,790.39 63.436% Total

**UNITS - REPURCHASE POOL (8100)**

15651	UNITREPO	2		4001 8100	REPO UNITS FBO STB FUND			79,819.95		79,819.95	3/26/12
1 Item in subtotal for: UNITS - REPURCHASE POOL (Type 8100)								79,819.95		79,819.95	

Market: 79,819.95 .038% Total

**CASH ACCOUNT (9300)**

16154	COMPASBA	1		4001 9300	COMPASS BANK DEPOSIT	.250		76,104,145.89		76,104,145.89	2/29/12
1 Item in subtotal for: CASH ACCOUNT (Type 9300)								76,104,145.89		76,104,145.89	

Market: 76,104,145.89 36.526% Total

# STATE OF NEW MEXICO

## *Position Holdings*

TRADED POSITIONS HELD AS OF 2/29/12

STB FUND (4001)

POS#	SEC-ID	\$	POOL#	FUND TYPE	DESCRIPTION	RATE	MATURITY @	YIELD	PAR/SHARES	#	BOOK-VALUE	LAST-QTY	
3 Items in subtotal for: STB FUND (Fund 4001)									208,355,756.23		208,355,756.23		
Market: 208,355,756.23												100.000% Total	

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

Fiscal Year 2011-2012

Volume at Par

(\$ in thousands)

Broker/Dealer:	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	YTD Total	YTD Percent
Bank of America/MLPFS	35,000	58,450	50,029	20,000	22,300	25,045	-	10,000	-	-	-	-	220,824	9.4%
Bank of Oklahoma (Bk ABQ)	-	-	2,790	-	-	-	-	2,510	-	-	-	-	5,300	0.2%
Barclays	20,000	-	58,750	50,000	2,700	148,000	-	20,000	-	-	-	-	297,450	12.7%
BB&T	-	-	-	-	-	-	-	-	-	-	-	-	-	-
BMO Capital Markets	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
BNP Paribas	70,000	-	20,000	-	20,000	20,000	40,000	-	-	-	-	-	-	0.0%
Cantor Fitzgerald	-	-	-	-	-	-	-	-	-	-	-	-	170,000	7.3%
Citigroup	20,000	27,260	51,635	50,000	20,000	45,000	-	45,000	-	-	-	-	-	0.0%
Credit Suisse Securities	110,000	-	-	20,000	-	4,365	10,000	20,000	-	-	-	-	258,895	11.1%
Deutsche Bank	10,000	24,950	10,000	-	-	-	-	-	-	-	-	-	184,365	7.0%
FTN Financial	25,000	-	11,120	-	-	-	-	-	-	-	-	-	44,950	1.9%
Gleacher Securities	-	-	-	-	20,000	-	-	-	-	-	-	-	56,120	2.4%
Goldman Sachs	5,000	-	80,000	-	-	-	-	-	-	-	-	-	-	0.0%
Great Pacific Securities	-	-	-	-	-	-	-	-	-	-	-	-	85,000	3.6%
HSBC	-	-	-	55,000	-	-	-	-	-	-	-	-	-	0.0%
JP Morgan	55,000	20,000	-	-	19,385	-	-	40,950	-	-	-	-	96,950	4.1%
Jefferies	-	-	40,000	-	40,000	25,000	55,000	63,500	-	-	-	-	94,385	4.0%
MFR	-	-	-	-	-	-	-	-	-	-	-	-	223,500	9.6%
Miller, Tabak Roberts	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Mitsubishi UFJ (Repo)	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Morgan Keegan	1,900	9,540	-	2,360	-	-	-	-	-	-	-	-	-	0.0%
Morgan Stanley	-	25,000	-	-	50,000	-	10,000	140	-	-	-	-	13,940	0.6%
Muriel Siebert & Co.	-	-	-	10,000	-	-	-	-	-	-	-	-	143,552	6.1%
Nomura Securities	20,000	-	-	7,000	-	-	-	-	-	-	-	-	10,000	0.4%
Northern Trust	-	-	-	-	-	-	-	-	-	-	-	-	27,000	1.2%
Oppenheimer	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Piper Jaffrey	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
RBS Greenwich Capital	20,000	-	-	-	-	-	-	-	-	-	-	-	20,000	0.9%
South Street (Repo Only)	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Stifel Financial	3,175	-	20,000	-	-	20,000	-	-	-	-	-	-	-	0.0%
Stone & Youngberg	-	-	-	-	-	-	-	-	-	-	-	-	43,175	1.8%
UBS Financial	20,000	-	-	3,000	-	46,905	50,000	-	-	-	-	-	-	0.0%
Vining Sparks	-	-	-	-	20,000	11,660	-	-	-	-	-	-	119,905	5.1%
Williams Capital Group	-	-	-	-	-	-	-	-	-	-	-	-	31,660	1.4%
Direct Purchase	-	250	8,000	-	-	124,263	-	-	-	-	-	-	-	0.0%
Interfund	-	-	-	80,000	-	-	-	-	-	-	-	-	132,513	5.7%
<b>Total</b>	<b>415,075</b>	<b>165,450</b>	<b>350,324</b>	<b>297,360</b>	<b>214,385</b>	<b>470,238</b>	<b>165,000</b>	<b>260,652</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,338,484</b>	<b>100.0%</b>
<b>Market type:</b>														
Primary Market	5,075	9,790	63,574	47,360	79,385	348,763	35,000	47,650	-	-	-	-	636,597	27.2%
Secondary Market	410,000	155,660	286,750	250,000	135,000	121,475	130,000	213,002	-	-	-	-	1,701,887	72.8%
<b>Total</b>	<b>415,075</b>	<b>165,450</b>	<b>350,324</b>	<b>297,360</b>	<b>214,385</b>	<b>470,238</b>	<b>165,000</b>	<b>260,652</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,338,484</b>	<b>100.0%</b>
<b>Security type:</b>														
CD's	-	250	8,000	-	-	9,100	-	-	-	-	-	-	17,350	0.7%
Corporate Bonds	-	-	-	-	40,000	-	-	-	-	-	-	-	40,000	1.7%
TLGP	-	-	36,750	200,000	5,000	-	-	90,852	-	-	-	-	332,602	14.2%
Agencies	60,000	135,660	185,000	60,000	150,000	198,930	115,000	117,150	-	-	-	-	1,021,740	43.7%
Commercial Paper	-	-	25,029	35,000	-	147,045	-	20,000	-	-	-	-	227,074	9.7%
MBS	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Treasuries	350,000	20,000	85,000	-	-	-	50,000	30,000	-	-	-	-	535,000	22.9%
Municipal/Sponge	5,075	9,540	10,545	2,360	19,385	115,163	-	2,650	-	-	-	-	164,718	7.0%
ABS	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Money Markets	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
<b>Total</b>	<b>415,075</b>	<b>165,450</b>	<b>350,324</b>	<b>297,360</b>	<b>214,385</b>	<b>470,238</b>	<b>165,000</b>	<b>260,652</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,338,484</b>	<b>100.0%</b>



# STATE OF NEW MEXICO

## Summary of Fixed-Income Purchases and Sales

TRADES During The Period 2/01/12 Through 2/29/12

TKN-DATE	CUSIP#	ASSET-TYPE	INVT#	ISSUE-NAME	RATE	MATURITY	YIELD	BRKR/CLR/AGENT	FUND	PAR-VALUE	COST/PROCEEDS	GAIN/LOSS	NXT-CALL
<b>PURCHASE TRANSACTIONS</b>													
2/16/12	459516VN	GOV AGENCY PAPE	16097	INTERNATIONAL FINANCE C	.110	4/13/12	.1100	BARCLAYS	4101	20,000,000.00	19,996,577.78		
2/14/12	912828PV	U.S. TREASURY N	16082	US TREASURY NOTE	.500	11/30/12	.1879	BANK OF AMERICA	4101	10,000,000.00	10,024,609.38		
2/24/12	912828SJ	U.S. TREASURY N	16138	US TREASURY NOTES	.875	2/28/17	.8830	JEFFRIES & CO	1001	20,000,000.00	19,992,187.50		
2/16/12	95806AAB	TEMP CORP CU ST	16096	WESTERN CORP FED CREDIT	1.750	11/02/12	.1938	HSBC	4101	8,650,000.00	8,745,236.50		
2/02/12	31315PB7	FED AGRIC MTG C	16016	FEDERAL AGRICULTURAL MO	.900	6/09/16	.9000	CITI GROUP	1001	25,000,000.00	25,000,000.00		
2/13/12	3133786Q	FED HOME LOAN M	16067	FED HOME LOAN MORTGAGE	1.000	2/13/17	1.0305	CITI GROUP	1001	20,000,000.00	19,970,400.00		
2/14/12	31359MNU	FED NATL MORTGA	16079	FEDERAL NATL MTG ASSN D	5.250	8/01/12	.3044	JEFFRIES & CO	1001	23,500,000.00	24,035,095.00		
2/14/12	31359MNU	FED NATL MORTGA	16081	FEDERAL NATL MTG ASSN D	5.250	8/01/12	.3044	JEFFRIES & CO	4101	20,000,000.00	20,455,400.00		
2/16/12	36186CBF	TLGP SECURITIES	16095	ALLY FINANCIAL INC	2.200	12/19/12	.1936	HSBC	4101	17,300,000.00	17,590,813.00		
2/22/12	06050BAJ	TLGP SECURITIES	16120	BANK OF AMERICA CORP	2.375	6/22/12	.1378	MORGAN STANLEY	4101	22,948,000.00	23,117,585.72		
2/22/12	38146FAA	TLGP SECURITIES	16121	GOLDMAN SACHS GROUP INC	3.250	6/15/12	.1364	MORGAN STANLEY	4101	10,604,000.00	10,706,646.72		
2/27/12	06050BAA	TLGP SECURITIES	16139	BANK OF AMERICA	3.125	6/15/12	.1419	HSBC	4101	15,000,000.00	15,132,900.00		
2/22/12	149321CH	MUNICIPAL BOND	16122	CATRON & CIBOLA COUNTY	2.000	8/01/14	.5002	MORGAN KEEGAN	1001	140,000.00	144,887.40		
2/15/12	914692M9	MUNICIPAL BOND	16108	UNIVERSITY OF NM-REFUND	2.000	6/01/12	.2023	BANK OF ALBUQUE	1001	730,000.00	733,095.20		
2/15/12	914692N2	MUNICIPAL BOND	16107	UNIVERSITY OF NM-REFUND	2.000	6/01/13	.3006	BANK OF ALBUQUE	1001	1,285,000.00	1,311,920.75		
2/15/12	914692N3	MUNICIPAL BOND	16106	UNIVERSITY OF NM-REFUND	2.000	6/01/14	.4802	BANK OF ALBUQUE	1001	330,000.00	341,140.80		
2/15/12	914692Q6	MUNICIPAL BOND	16101	UNIVERSITY OF NM-REFUND	3.000	6/01/14	.4803	BANK OF ALBUQUE	1001	165,000.00	174,235.05		
17 PURCHASES DURING PERIOD TOTAL.....										215,652,000.00	217,472,730.80		
<b>SALE TRANSACTIONS</b>													
2/29/12	86257M6X	COMMERCIAL PAPE	15730	STRAIGHT-A FUNDING LLC	.190	3/08/12		CREDIT SUISSE	4000	20,000,000.00	19,999,600.00	444.44	
2/24/12	61757UAN	TLGP SECURITIES	13909	MORGAN STANLEY	1.526	3/13/12	.0200	BARCLAYS	4000	25,000,000.00	25,006,000.00	6,000.00	
2 SALES DURING PERIOD TOTAL.....										45,000,000.00	45,005,600.00	6,444.44	
=== GRAND-TOTAL ==>										260,652,000.00	262,478,330.80	6,444.44	
*** END-OF-REPORT ***													



**James B. Lewis**  
State Treasurer

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

**Mark F. Valdes**  
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: March 23, 2012  
To: James B. Lewis, State Treasurer  
For: Governor Martinez and Members of the State Board of Finance  
From: Samuel K. Collins, Jr., State Cash Manager *Victoria Kuyil/fr*  
Subject: State Fund Deposit Activity for the month ending February 29, 2012

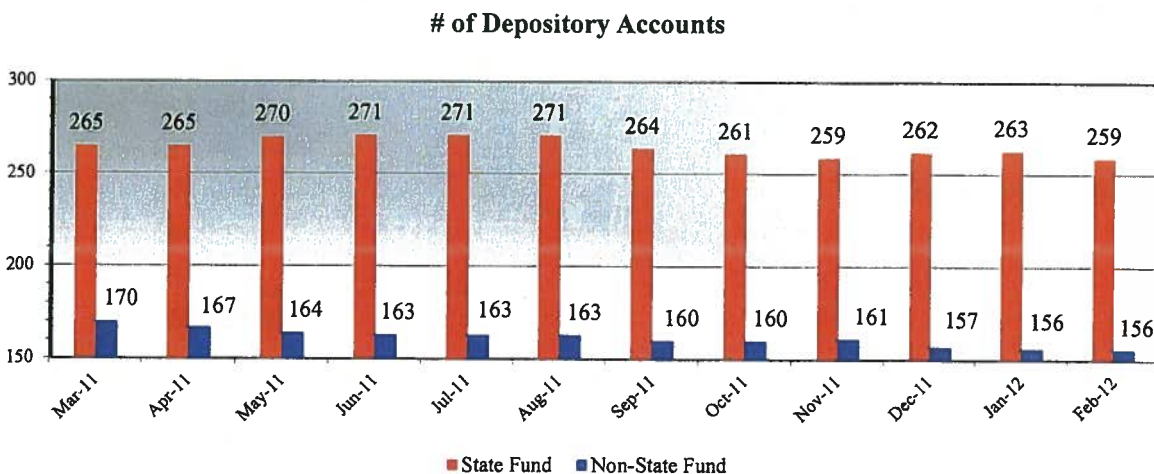
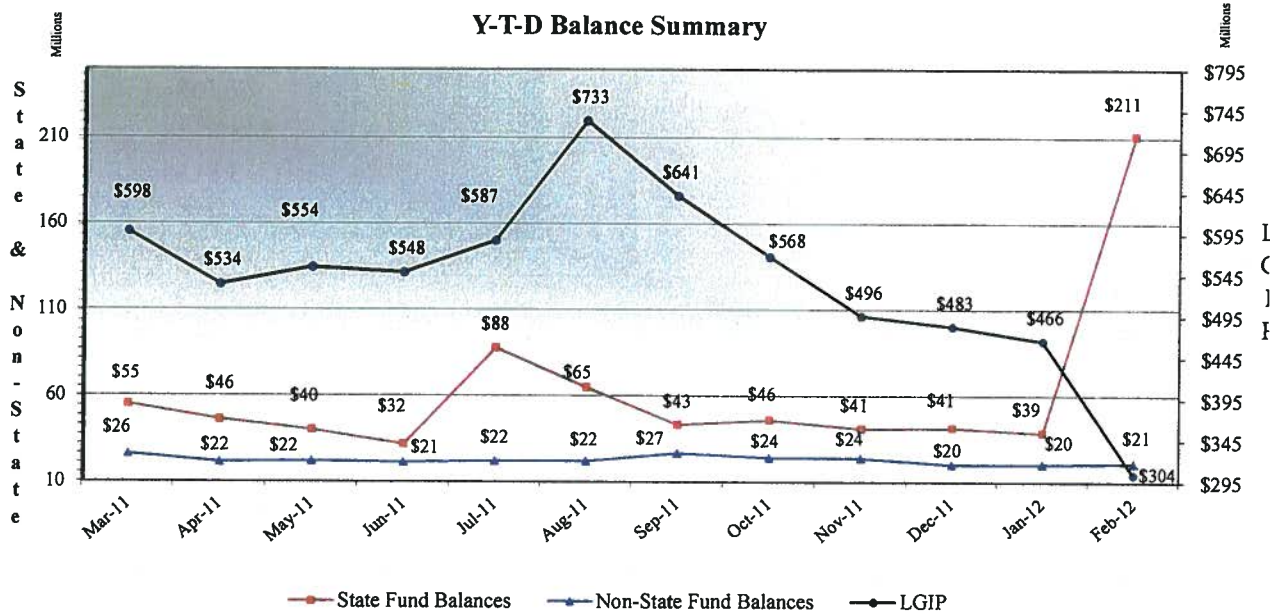
Pursuant to section 8-6-3.1 NMSA 1978, the State Cash Manager shall submit to the State Board of Finance a report showing state fund balances in each Financial Institution. Attached for your review is a summary of State fund balances in each institution through the month ending February 29, 2012.

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. The agencies are advised not to make any new deposits to those accounts 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 February 29, 2012.

(Attachments)

# Depository Account Summary

Month	State Fund Accounts	Non-State Fund Accounts	State Fund Balances	Non-State Fund Balances	LGIP
Mar-11	265	170	\$ 54,889,486	\$ 26,270,580	\$ 597,839,633
Apr-11	265	167	\$ 46,120,030	\$ 21,551,792	\$ 533,900,227
May-11	270	164	\$ 39,980,717	\$ 22,124,899	\$ 554,409,531
Jun-11	271	163	\$ 31,593,841	\$ 21,458,284	\$ 548,165,074
Jul-11	271	163	\$ 87,722,811	\$ 22,216,670	\$ 587,054,705
Aug-11	271	163	\$ 64,904,777	\$ 22,210,123	\$ 732,637,676
Sep-11	264	160	\$ 43,143,399	\$ 26,794,894	\$ 641,328,822
Oct-11	261	160	\$ 45,866,719	\$ 24,145,373	\$ 567,715,366
Nov-11	259	161	\$ 40,948,947	\$ 24,036,129	\$ 495,721,589
Dec-11	262	157	\$ 41,396,831	\$ 20,245,888	\$ 483,208,575
Jan-12	263	156	\$ 38,631,761	\$ 20,428,879	\$ 465,664,759
Feb-12	259	156	\$ 211,393,019	\$ 21,018,680	\$ 303,800,077



**Financial Institutions - State Fund Balances**  
**February-12**

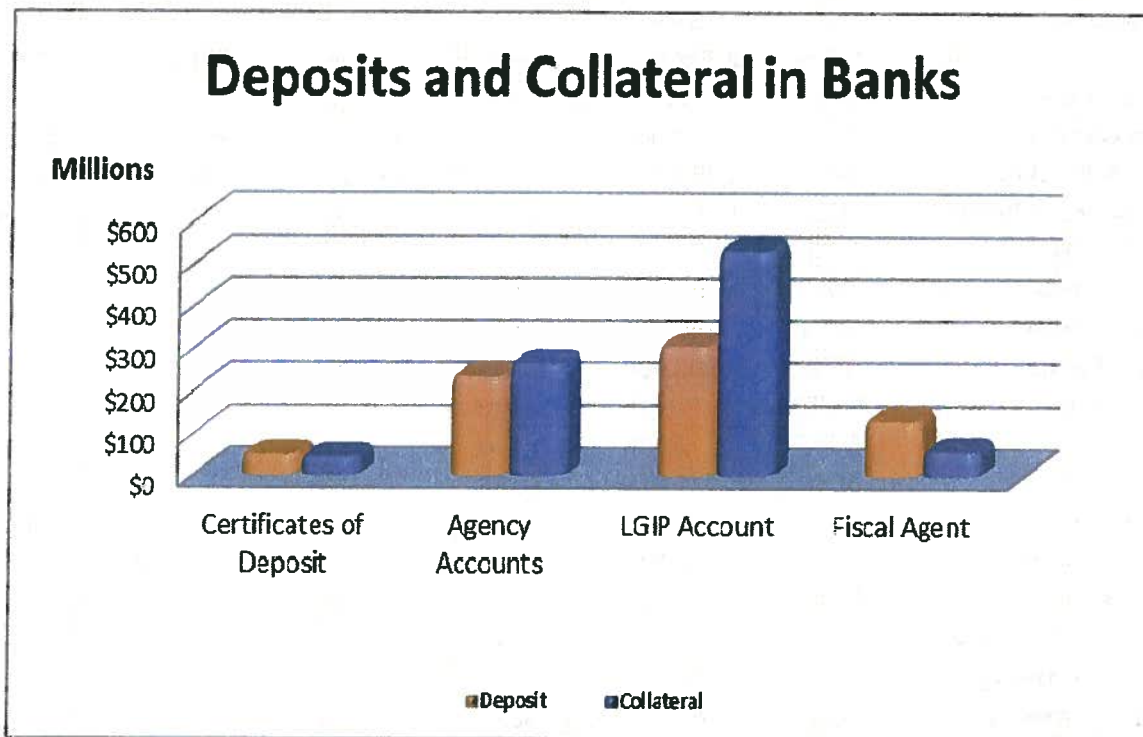
Bank 34/Alamogordo	0
Century Bank/Santa Fe	0
First National Bank/Alamogordo	189,991
Bank of America/Albuquerque	3,419,547
Wells Fargo Bank/Albuquerque	27,734,072
Compass Bank/Albuquerque	176,298,263
Bank of the West/Albuquerque	585
First American Bank/Artesia	53,485
My Bank/Belen	7,916
Carlsbad National Bank/Carlsbad	2,754
Western Commerce Bank/Carlsbad	113,002
Farmers/Stockmens Bank/Clayton	26,341
First National Bank/Clayton	1,791,254
Bank of Clovis/Clovis	0
Citizens Bank/Clovis	27,767
NM Bank & Trust/Albuquerque	343,071
Community Bank/Santa Fe	3,811
Valley National Bank/Espanola	425
Pinnacle Bank/Gallup	2,666
Grants State Bank/Grants	100
Lea County State Bank/Hobbs	106,993
Citizens Bank/Las Cruces	0
Bank of Las Vegas/Las Vegas	152,164
Community 1st Bank/Las Vegas	75,415
Western Bank/Lordsburg	94,331
Los Alamos National Bank/Los Alamos	48,274
James Polk Stone National Bank/Portales	77,416
International Bank/Raton	152,767
Valley Bank of Commerce/Roswell	88,853
First National Bank of Santa Fe/Santa Fe	0
First State Bank/Socorro	14,568
Centinel Bank/Taos	104,576
US Bank/Albuquerque	98,719
Bank of the Southwest/Roswell	322,674
People's Bank	13,449
AmBank	27,771
	\$211,393,020

# Office of the Treasurer

## Collateral Summary Review

### February 28, 2012

First National Bank of Clayton was under collateralized at month end. The deficiency was corrected once notified. All other depository institutions holding public funds for the month ending February 2012 met the minimum collateral requirements. The required ratio of collateral for each depository institution holding public funds is determined by a statutorily defined quarterly risk assessment and is not intended as an opinion as to the financial health of the subject institution.



### Balances

	<u>Deposit</u>	<u>Collateral</u>	<u>Percentage</u>
Certificate of Deposit	\$ 49.0 Million	\$ 42.8 Million	87.5%
Agency Deposit	231.6 Million	262.6 Million	113.4%
LGIP Deposits	303.8 Million	530.5 Million	160.8%
Fiscal Agent	130.8 Million	58.7 Million	44.9%
<b>Totals →</b>	<b>715.1 Million</b>	<b>894.6 Million</b>	<b>125.1%</b>



Office of the Treasurer  
**Collateral Review**  
 Accumulated Total by Institution  
**February 29, 2012**

FINANCIAL INSTITUTION	%	TOTAL DEPOSITS	FDIC / NCUA INSURANCE	LESS INSURANCE COVERAGE	SUBJECT TO BE COLLATERALIZED	COLLATERAL PLEDGED	EXCESS (UNDER)
First National - Alamogordo	50%	592,561	250,000	342,561	171,281	556,020	384,739
Western - Alamogordo	75%	3,100,000	250,000	2,850,000	2,137,500	3,130,824	993,324
Bank of America	50%	4,106,049	1,105,317	3,000,732	1,500,366	14,590,093	13,089,727
Bank of the West	50%	200,475,989	250,585	200,225,403	100,112,702	221,463,635	121,350,933
BBVA Compass	102%	251,935,709	2,018,144	249,917,565	254,915,916	281,330,829	26,414,912
US Bank	50%	6,728,449	291,062	6,437,387	3,218,693	15,000,000	11,781,307
Wells Fargo	50%	64,098,720	7,971,431	56,127,288	28,063,644	255,243,395	227,179,751
First American	50%	53,485	53,485	0	0	0	0
My Bank	102%	2,442,866	257,916	2,184,951	2,228,650	2,230,000	1,350
Carlsbad National	50%	2,754	2,754	0	0	0	0
Western Commerce	50%	6,113,002	283,998	5,829,004	2,914,502	3,489,966	575,464
Farmers & Stockmen	50%	1,379,130	267,105	1,112,025	556,013	2,403,048	1,847,036
First National - Clayton	50%	1,791,254	250,000	1,541,254	770,627	730,000	(40,627)
Bank of Clovis	50%	373,627	250,000	123,627	61,813	373,627	311,813
Citizens - Clovis	50%	27,767	27,767	0	0	0	0
NM Bank & Trust	50%	343,071	336,580	6,491	3,245	250,000	246,755
Western - Clovis	50%	2,600,000	250,000	2,350,000	1,175,000	1,227,794	52,794
Valley National	102%	425	425	0	0	0	0
Pinnacle	50%	2,666	2,666	0	0	0	0
Grants State	50%	132,016	132,016	0	0	0	0
Lea County State	50%	106,993	106,993	0	0	100,000	100,000
Citizens - Las Cruces	50%	3,586	3,586	0	0	0	0
Bank of Las Vegas	50%	10,714,961	280,120	10,434,841	5,217,421	5,530,028	312,607
Community 1st - Las Vegas	50%	75,416	75,416	0	0	1,000,000	1,000,000
Western - Lordsburg	50%	113,819	113,819	0	0	0	0
Los Alamos National	75%	48,274	48,274	0	0	0	0
James Polk Stone Communi	50%	539,285	539,285	0	0	0	0
International	50%	190,422	190,422	0	0	450,000	450,000
Bank of the Southwest	50%	577,395	256,518	320,877	160,439	281,978	121,540
Valley Commerce	50%	88,853	88,853	0	0	0	0
Century	102%	24,627,769	250,000	24,377,769	24,865,325	25,472,879	607,554
Community	102%	185,269	185,269	0	0	0	0
First National - Santa Fe	50%	213,478	213,478	0	0	0	0
First State	50%	88,646	88,646	0	0	0	0
AM	50%	27,772	27,772	0	0	0	0
Centinel	50%	104,576	104,576	0	0	0	0
Peoples	102%	13,449	13,449	0	0	0	0
BANK'34	102%	892,267	250,000	642,267	655,113	852,768	197,655
Union Savings	102%	0	0	0	0	0	0
Guadalupe Credit	50%	250,000	250,000	0	0	0	0
		<b>585,161,769</b>	<b>17,337,726</b>	<b>567,824,043</b>	<b>428,728,249</b>	<b>835,706,883</b>	<b>406,978</b>