POOL PROFILE
New Mexico Local Government Investment Pool

About the Pool

Pool Rating  AAAm
Pool Type    Stable NAV Government Investment Pool
Investment Adviser  New Mexico State Treasury
Portfolio Manager  Vikki Hanges & Anna Murphy
Pool Rated Since  August 2006
Distributor  New Mexico State Treasury

Rationale

S&P Global rates the New Mexico Local Government Investment Pool (LGIP) 'AAAm'. The rating signifies our forward-looking opinion about a fixed-income fund's ability to maintain principal value (i.e., stable net asset value, or 'NAV'). This is achieved through prudent internal controls and investment policies. The rating is based on S&P Global's analysis of the pool's credit quality, market price exposure, and management. S&P Global monitors the pool's portfolio holdings on a weekly basis.

Overview

The New Mexico Local Government Investment Pool was established in 1991 as a short-term investment pool. The investment objective of the LGIP is to adhere to three fundamental policies: offer safety, provide liquidity, and generate returns. Participating entities include local governments (cities, counties, townships, villages), school districts, higher education institutions, special districts, and quasi-governmental agencies.

Management

The State Treasurer's Office (STO) operates the LGIP for the use and benefit of New Mexico's communities. Within the STO, a team of professionals is involved with management of this pool. The individuals dedicated to the LGIP rely on a daily basis include the LGIP portfolio managers, investment division bureau chief, and the investment transaction analysts. They are supplemented by oversight from the chief investment officer. The LGIP portfolio managers, chief investment officer, and the deputy treasurer comprise the internal investment advisory team, which analyzes and selects all investment activity. The STO reports monthly to the state treasurer's investment committee, which is comprised of the state treasurer, a member of the Treasurer's staff appointed by the Treasurer (currently State Cash Manager), the director of the state board of finance, and two private-sector members from the investment community. In addition, on a monthly basis, STO reports the LGIP investment and cash activity to the state board of finance, which is comprised of the governor, the lieutenant governor, the state treasurer, and four appointed members, and is the oversight board for the treasurer's office.

Portfolio Assets

All investments within the New Mexico Local Government Investment Pool are governed by the State Treasurer's Investment Policy and approved by the New Mexico State Board of Finance, which sets state investment guidelines. Management's intent is to offer public entities an investment option that is safe and liquid, and that will perform competitively with national governmental money-market funds. All investments made by the state treasurer adhere to the three aforementioned fundamental principles. In adhering to these principles and statutes, investments for the LGIP consist of an array of highly-rated securities such as US Treasuries, US Government Agencies, repurchase agreements and collateralized bank deposits. All repurchase agreements and bank deposits will be executed with highly-rated counterparties or banking institutions and over-collateralized with US Treasury and Agency securities or US Government Agency letters of credit.

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Participants should consider the investment objectives, risks and charges and expenses of the pool before investing. The investment guidelines which can be obtained from your broker-dealer, contain this and other information about the pool and should be read carefully before investing.
Principal Stability Rating Approach and Criteria

A S&P Global Ratings principal stability fund rating, also known as a “money market fund rating,” is a forward-looking opinion about a fixed income fund’s capacity to maintain stable principal (net asset value). When assigning a principal stability rating to a fund, S&P Global Ratings analysis focuses primarily on the creditworthiness of the fund’s investments and counterparties, and also its investments’ maturity structure and management’s ability and policies to maintain the fund’s stable net asset value. Principal stability fund ratings are assigned to funds that seek to maintain a stable or an accumulating net asset value.

Generally, when faced with an anticipated level of redemption requests during periods of high market stress, the manager of any fund may suspend redemptions for up to five business days or meet redemption requests with payments in-kind in lieu of cash. A temporary suspension of redemptions or meeting redemption requests with distributions in-kind does not constitute a failure to maintain stable net asset values. However, higher rated funds are expected to have stronger capacities to pay investor redemptions in cash during times of high market stress because they generally comprise shorter maturity and higher quality investments.

Principal stability fund ratings, or money market fund ratings, are identified by the ‘m’ suffix (e.g., ‘AAAm’) to distinguish the principal stability rating from a S&P Global Ratings traditional issue or issuer credit rating. A traditional issue or issuer credit rating reflects S&P Global Ratings view of a borrower’s ability to meet its obligations. Principal stability fund ratings are not commentaries on yield levels.

New Mexico Local Government Investment Pool

AAAm

Data Bank as of September 30, 2019

<table>
<thead>
<tr>
<th>Net Asset Value per Share</th>
<th>$1.00000</th>
<th>Net Assets (millions)</th>
<th>$880.21</th>
<th>Inception Date</th>
<th>August 2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>WAM (R) *</td>
<td>42 days</td>
<td>WAM (F) **</td>
<td>106 days</td>
<td>7 Day Yield</td>
<td>2.00%</td>
</tr>
</tbody>
</table>

"Weighted Average Maturity (Reset)"
"Weighted Average Maturity (Final)"

Portfolio Maturity Distribution as of September 30, 2019

Portfolio Credit Quality as of September 30, 2019 *

As assessed by S&P Global Ratings

Portfolio 7 Day Net-Yield Comparison *

*S&P ‘AAAm’ Money Fund Indices are calculated weekly by iMoneyNet, Inc., and are comprised of funds rated or assessed by S&P Global Ratings to within the specific rating categories. The S&P Global Ratings Rated LGIP Indices are calculated weekly by S&P Global Ratings and are comprised of ‘AAAm’ and ‘Aam’ government investment pools.

The yield quoted represents past performance. Past performance does not guarantee future results. Current yield may be lower or higher than the yield quoted.

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