

TABLE I

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

Fiscal Year 2009-2010

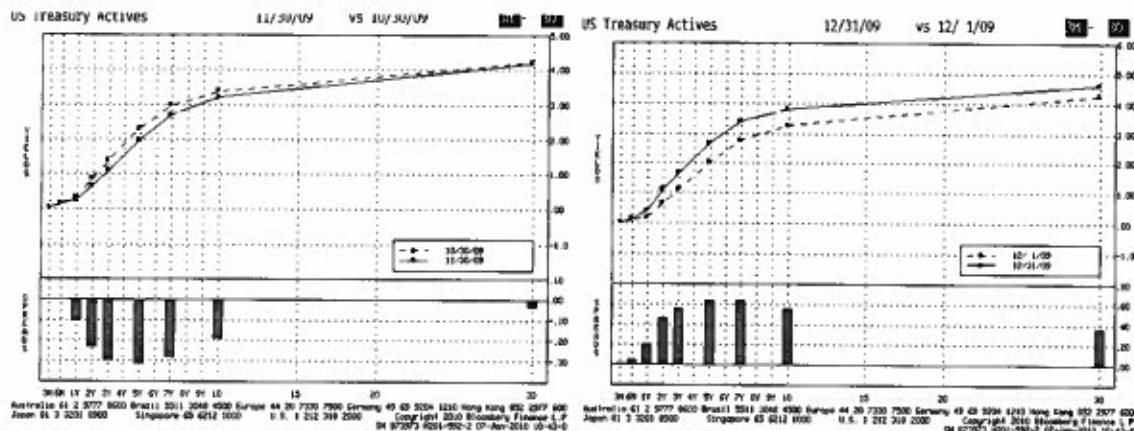
Volume at Par  
(\$ in thousands)

Broker/Dealer:	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	YTD Total	YTD Percent
Bank of America	180,000	230,178	160,268	153,205	160,000	40,000							923,651	29.0%
BNP Paribas	105,000	50,000	75,000										230,000	7.2%
Citigroup													0	0.0%
Merrill Lynch													0	0.0%
MFR													0	0.0%
Morgan Stanley				20,000									20,000	0.6%
Morgan Keegan													0	0.0%
UBS	28,610												28,610	0.9%
FTN		50,000											50,000	1.6%
Barclays	200,000	195,000											395,000	12.4%
Goldman Sachs		100,000											100,000	3.1%
CS First Boston													0	0.0%
JP Morgan/(Bear Sterns)				35,000									35,000	1.1%
Vining Sparks													0	0.0%
Cantor Fitzgerald	25,000		50,000	70,000									145,000	4.6%
HSBC	50,000			25,000	125,000	250,000							450,000	14.1%
Deutsche Bank	50,000	80,000			75,000	100,000							305,000	9.6%
Piper Jeffrey													0	0.0%
Jefferies	72,000	25,000	125,000	50,000		50,000							322,000	10.1%
Jackson Sec.													0	0.0%
Stifel													0	0.0%
RBS Greenwich													0	0.0%
BB&T													50,000	1.6%
Williams Capital													0	0.0%
Compass Bank													0	0.0%
Direct Purchase	31,903	100,000											131,903	4.1%
<b>Total</b>	<b>742,513</b>	<b>830,178</b>	<b>410,268</b>	<b>403,205</b>	<b>360,000</b>	<b>440,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,186,164</b>	<b>100.0%</b>
<b>Market type:</b>														
Primary Market	101,903	280,178	185,268	258,210	360,000	59,589							1,245,148	38.4%
Secondary Market	640,610	550,000	225,000	145,000		440,000							2,000,610	61.6%
<b>Total</b>	<b>742,513</b>	<b>830,178</b>	<b>410,268</b>	<b>403,210</b>	<b>360,000</b>	<b>499,589</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,245,758</b>	<b>100.0%</b>
<b>Security type:</b>														
CD's	18,700	27,000	15,600	31,700	25,000	14,600							132,600	3.9%
Corporate Bonds				35,000									35,000	1.0%
TLGP	50,000												50,000	1.5%
Agencies	85,610			45,000									130,610	3.9%
Commercial Paper	70,000	80,178	60,268	173,210									383,656	11.4%
MBS	100,000	100,000	125,000	50,000		50,000							325,000	9.7%
Treasuries	540,000	545,000	225,000	100,000	350,000	390,000							2,150,000	63.9%
Municipal/Sponge		100,000				59,589							159,589	4.7%
ABS													0	0.0%
Money Markets													0	0.0%
<b>Total</b>	<b>764,310</b>	<b>852,178</b>	<b>425,868</b>	<b>434,910</b>	<b>375,000</b>	<b>514,189</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,366,455</b>	<b>100.0%</b>

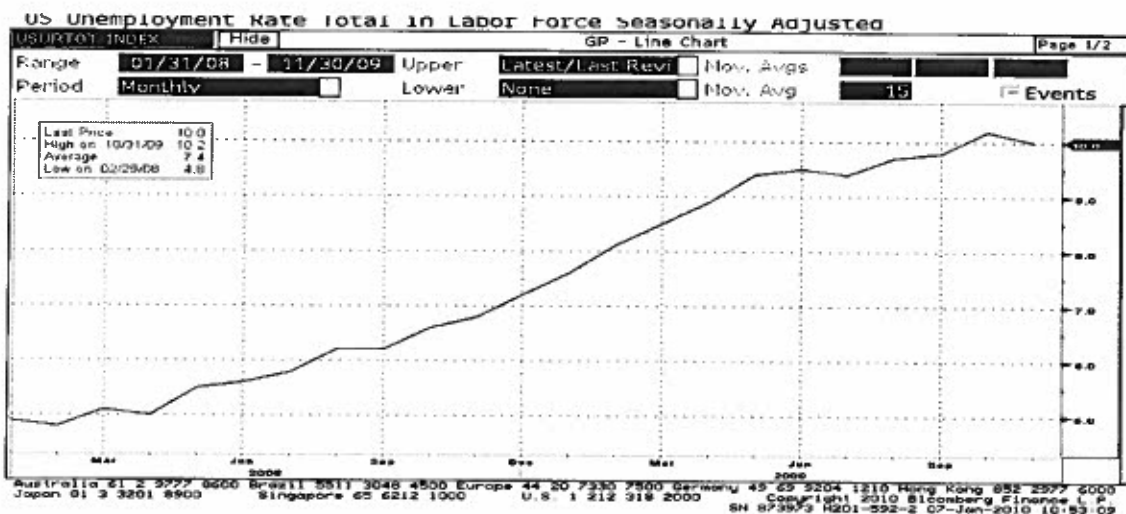
\* Note: CD transactions are not detailed by broker or market type

**ECONOMIC AND INVESTMENT OUTLOOK**  
 Scott Newman, CFA, Senior Portfolio Manager

Q4 2009 can be summarized as one where bond prices changed more than facts. Specifically, two and five year Treasuries rallied by approximately 27 basis points during November while selling off by approximately 50 basis points in December.



Economically, what changed during the quarter? Very little. By definition, the economy emerged from the worst recession since the Great Depression. While it seemingly has been removed from the ventilator, the economy has yet to exhibit sustainable growth. Unemployment continues to hover around 10%.



Currently there are no signs of inflation. However, the amount of accommodation injected by the Fed during its course of quantitative easing hangs heavily over the Treasury market. It remains to be seen how and when the Fed will remove this accommodation and to what extent it will succeed as measured by avoidance of throwing the economy back into recession or resulting in rampant inflation. I believe that higher inflation and resulting higher Treasury rates is the more likely outcome.



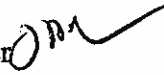
**James B. Lewis**  
State Treasurer

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

2019 Galisteo Building K  
P.O. Box 608  
Santa Fe, New Mexico 87505

Phone: (505) 955-1120  
FAX (505) 955-1195

**Mark F. Valdes**  
Deputy State Treasurer

Date: January 5, 2010  
To: James B. Lewis, State Treasurer  
For: Governor Richardson and Members of the State Board of Finance  
From: Orlando A. Romero, State Cash Manager   
Subject: State Fund Deposit Activity for the month ending November 30, 2009

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 established pursuant to this section. Attached for your review is a summary of State fund balances in each institution through the month ending November 30, 2009.

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 November 30, 2009.

(Attachments)

## State Agency Depository Account Summary

November-09

### STATE FUNDS

### NON-STATE FUNDS

AGENCY	# OF ACCTS.	BALANCE
AOC (fines, fees etc.)	53	\$4,468,711
BERN. CO. METRO COURT	2	\$664,118
1-13 DISTRICT ATTORNEY	9	\$55,778
TAXATION & REVENUE DEPT.	25	\$1,855,596
PUBLIC SCHOOL INS. AUTHORITY	6	\$9,878,768
PUBLIC DEFENDER	9	\$6,407
SECRETARY OF STATE	1	\$0
STATE TREASURER (JDC)	22	\$219,914
NM RACING COMMISSION	6	\$480,476
SPACEPORT AUTHORITY	1	\$1,374,211
CULTURAL AFFAIRS	3	\$1,902
DEPT. OF GAME & FISH	2	\$78,969
SOUTHWEST REGION ED.	1	\$1,174,925
ENERGY & MINERALS	14	\$1,148,283
COMMISSION PUBLIC LAND	2	\$2,935
STATE ENGINEER'S OFFICE	4	\$54,905
IRRG WKS CONST	1	\$251,976
COMMISSION FOR THE BLIND	3	\$84,971
HUMAN SERVICES DEPT.	10	\$58,842
WORKFORCE SOLUTIONS	5	\$2,734,301
DIVISION OF VOCATIONAL REHAB	1	\$58,955
MINER'S HOSPITAL	1	\$1,053,994
DEPARTMENT OF HEALTH	73	\$534,769
ENVIRONMENT DEPARTMENT	2	\$12,490
CHILDREN, YOUTH & FAMILIES	1	\$0
CORRECTIONS DEPARTMENT	6	\$1,485
DEPT. OF PUBLIC SAFETY	2	\$39,965
HIGHWAY & TRANSPORTATION	5	\$1,688
EDUCATIONAL CO-OP	1	\$780,800

AGENCY	# OF ACCTS.	BALANCE
AOC (Bonds)	53	\$1,874,594
1ST JUDICIAL DIST. COURT	2	\$1,397,381
2ND JUDICIAL DIST. COURT	2	\$1,089,328
3RD JUDICIAL DIST. COURT	3	\$1,555,969
4TH JUDICIAL DIST. COURT	5	\$473,904
5TH JUDICIAL DIST. COURT	3	\$1,233,393
6TH JUDICIAL DIST. COURT	3	\$104,899
7TH JUDICIAL DIST. COURT	3	\$462,216
8TH JUDICIAL DIST. COURT	4	\$875,710
9TH JUDICIAL DIST. COURT	4	\$406,878
10TH JUDICIAL DIST. COURT	4	\$95,296
11TH JUDICIAL DIST. COURT	10	\$509,557
12TH JUDICIAL DIST. COURT	7	\$1,377,703
13TH JUDICIAL DIST. COURT	66	\$3,693,262
BERNALILLO CO. METRO COURT	2	\$1,397,254
6TH DISTRICT ATTORNEY	3	\$88,705
7TH DISTRICT ATTORNEY	1	\$1,455
10TH DISTRICT ATTORNEY	1	\$1,863
11TH JUDICIAL DIST. ATTORNEY	1	\$42,456
EDUCATION RETIREMENT BOARD	1	\$1,250
LGIP	1	\$92,821,998
PUBLIC REG. COMMISSION	8	\$1,931,255
NM STATE FAIR	5	\$723,322
SOUTHWEST REGION ED.	1	\$15
COMM STATUS OF WOMEN	1	\$805
COMM FOR THE BLIND	1	\$28,543
WORKFORCE SOLUTIONS	1	\$5,596,158
DEPARTMENT OF HEALTH	11	\$837,829
CHILDREN, YOUTH & FAMILIES	4	\$85,034
CORRECTIONS DEPARTMENT	11	\$1,313,320
DEPT. OF PUBLIC SAFETY	2	\$30,486
CENTRAL REGION CO-OP	1	\$420,754

Total: 271 \$27,080,134

Total: 168 \$118,597,998

Total Depository Balances: **\$145,678,132**

Total Depository Accounts: **439**

Accounts Closed: **3** CYFD

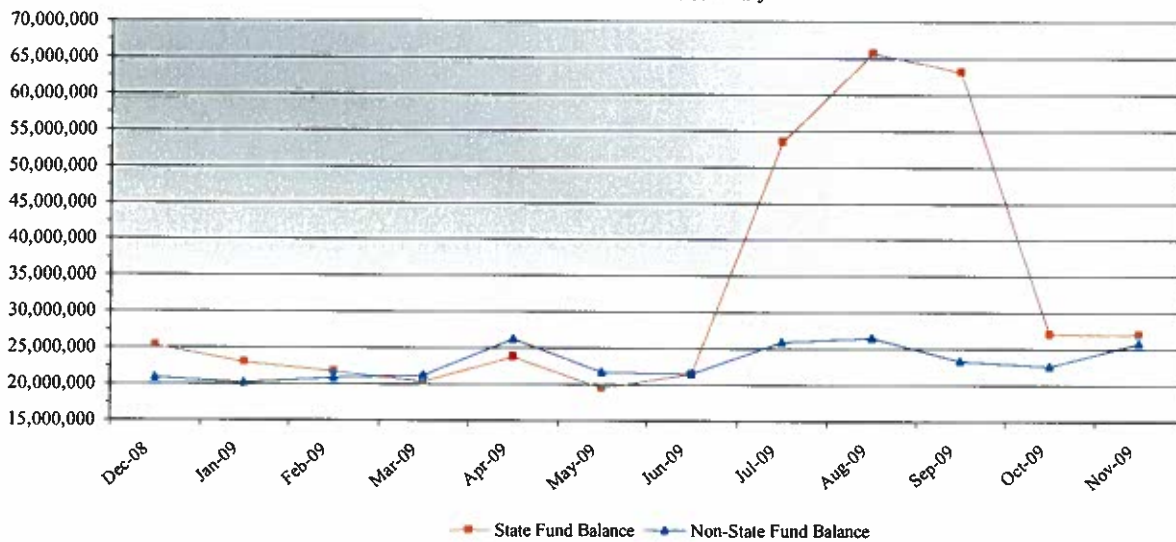
Accounts Opened: **1** 13TH JDC

**Financial Institutions - State Fund Balances**  
**November-09**

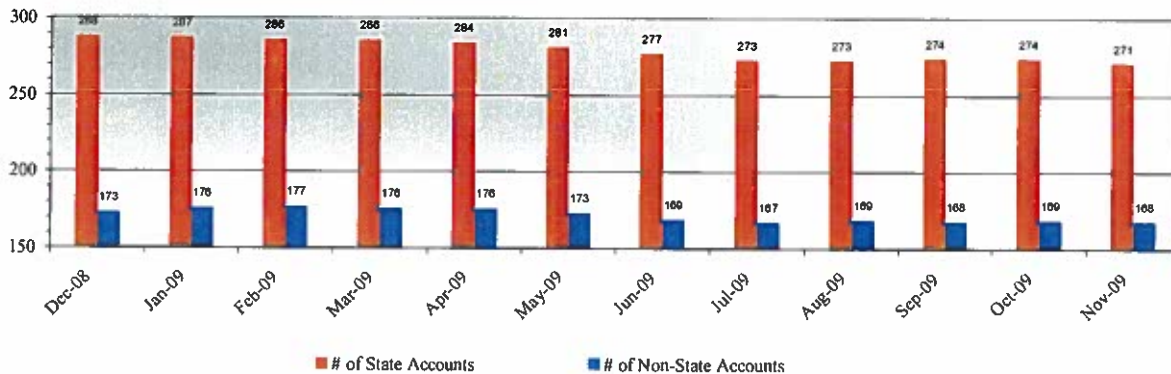
Bank 34/Alamogordo	0
Century Bank/Santa Fe	0
First National Bank/Alamogordo	216,966
Bank of America/Albuquerque	16,271,437
Wells Fargo Bank/Albuquerque	5,073,646
Compass Bank/Albuquerque	1,611,542
Bank of the West/Albuquerque	660,115
First American Bank/Artesia	58,200
My Bank/Belen	12,721
Carlsbad National Bank/Carlsbad	1,587
Western Commerce Bank/Carlsbad	149,876
Farmers/Stockmens Bank/Clayton	36,021
First National Bank/Clayton	1,069,677
Bank of Clovis/Clovis	0
Citizens Bank/Clovis	23,211
NM Bank & Trust/Albuquerque	313,129
Community Bank/Santa Fe	3,209
Valley National Bank/Espanola	248
Pinnacle Bank/Gallup	870
Grants State Bank/Grants	3,213
Lea County State Bank/Hobbs	119,211
Citizens Bank/Las Cruces	0
Bank of Las Vegas/Las Vegas	311,827
Community 1st Bank/Las Vegas	93,883
Western Bank/Lordsburg	170,904
Los Alamos National Bank/Los Alamos	15,099
James Polk Stone National Bank/Portales	110,257
International Bank/Raton	43,849
Valley Bank of Commerce/Roswell	152,361
First National Bank of Santa Fe/Santa Fe	0
First State Bank/Socorro	29,548
Centinel Bank/Taos	129,867
First Community Bank/Albuquerque	152,206
Bank of the Southwest/Roswell	245,453
	\$27,080,133

	# of State Accts	# of Non- State Accts	State Fund Balance	Non-State Fund Balance	LGIP
Dec-08	288	173	25,241,627	20,874,176	16,732,539
Jan-09	287	176	23,006,067	20,142,413	5,051,786
Feb-09	286	177	21,738,630	20,892,815	477,940,380
Mar-09	286	176	20,360,918	21,218,136	127,681,698
Apr-09	284	176	23,775,154	26,219,758	204,179,644
May-09	281	173	19,451,176	21,651,567	149,347,573
Jun-09	277	169	21,482,592	21,508,222	148,161,645
Jul-09	273	167	53,494,007	25,923,223	30,782,949
Aug-09	273	169	65,723,169	26,509,802	37,379,957
Sep-09	274	168	63,151,424	23,338,533	144,905,166
Oct-09	274	169	27,031,756	22,660,760	119,495,300
Nov-09	271	168	27,080,134	25,776,000	92,821,998

Y-T-D Balance Summary



# of Depository Accounts

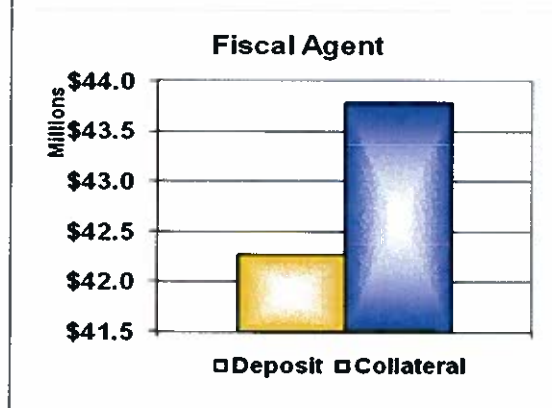
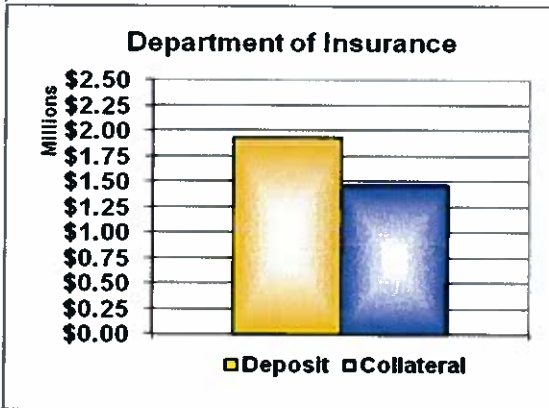
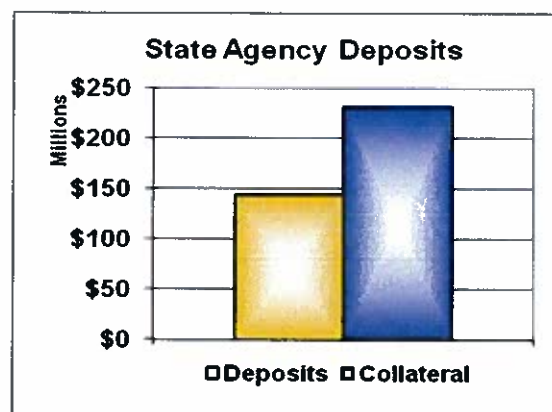
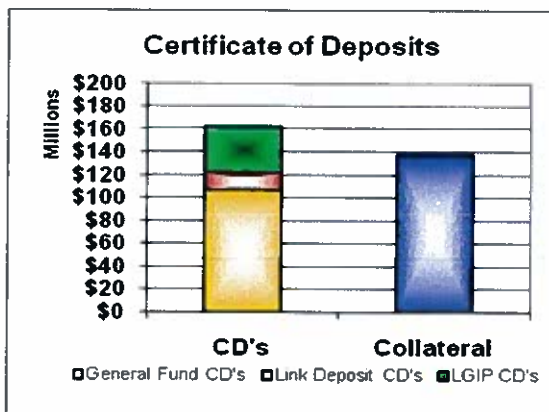


# Office of the Treasurer

## Collateral Summary Review

### November 30, 2009

All depository institutions holding public funds for the month ending November 2009 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 Amount</u>	<u>Collateral Pledged</u>
Certificate of Deposits	\$ 162.3 Million	\$ 137.3 Million
Agency Deposit	143.8 Million	232.0 Million
Fiscal Agent Account	42.3 Million	43.8 Million
Department of Insurance	1.9 Million	1.5 Million
Totals →	350.3 Million	414.6 Million



# Office of the Treasurer

## Collateral Review

Accumulated Total by Institution

November 30, 2009

FINANCIAL INSTITUTION	%	TOTAL DEPOSITS	COLLATERAL PLEDGED	EXCESS (UNDER)
First National - Alamogordo	50%	1,018,289	2,176,397	1,792,252
Western - Alamogordo	50%	1,600,000	819,230	144,230
Bank of America	100%	115,460,613	208,075,313	93,114,700
Bank of the West	100%	2,194,940	2,177,198	232,258
Compass Bank	100%	26,611,558	31,800,000	5,438,442
First Community Bank	100%	9,478,904	8,536,596	565,406
Wells Fargo	75%	33,450,882	26,500,904	1,787,742
*** First National - Artesia	50%	58,200	0	0
My Bank	50%	2,915,594	1,544,302	211,505
Carlsbad National	50%	1,001,587	1,057,190	681,396
Western Commerce	50%	9,149,876	5,043,950	594,012
Farmers & Stockmen	50%	4,049,588	2,320,620	420,826
First National - Clayton	50%	6,069,678	4,568,561	1,658,723
Bank of Clovis	50%	275,859	1,525,000	1,512,070
Citizens - Clovis	50%	25,156	166,243	166,243
NM Bank & Trust	50%	313,129	250,000	218,435
Western - Clovis	50%	2,600,000	1,459,405	284,405
Valley National	100%	15,402,095	15,557,207	655,112
*** Pinnacle	50%	870	0	0
Grants State	50%	109,695	752,989	752,989
Lea County State	50%	589,254	455,000	285,373
Bank of the Rio Grande	50%	1,000,000	600,000	225,000
*** Citizens - Las Cruces	50%	21,144	0	0
Bank of Las Vegas	50%	1,119,246	500,000	65,377
Community First Bank LV	50%	10,100,022	5,945,468	1,020,457
Western - Lordsburg	50%	209,183	200,000	200,000
Los Alamos National	100%	15,015,099	20,000,000	5,484,901
James Polk Bank	50%	531,011	214,480	73,975
International	50%	109,672	450,000	450,000
Bank of the Southwest	50%	1,528,283	686,787	47,645
Valley Commerce	50%	152,361	250,000	250,000
First National - Ruidoso	50%	4,000,000	2,980,830	1,105,830
Century	50%	25,986,926	13,065,292	321,829
Community	75%	36,259	24,533	24,533
First National - Santa Fe	50%	10,212,115	5,961,373	1,105,315
*** First State	50%	200,006	0	0
*** Centinel	50%	129,868	0	0
*** BANK'34	100%	154,908	0	0
Union Savings Bank	100%	5,000,000	5,114,391	364,391
Charter	100%	0	0	0
** Guadalupe Credit	50%	100,000	0	0
		<b>307,981,869</b>	<b>370,779,257</b>	<b>121,255,374</b>

\*\*\* Financial Institution Deposits covered by FDIC Insurance - No Collateral Required

\*\* Credit Union's Deposits covered by NACU Insurance - No Collateral Required

## Custodial Holding as of Quarter Ending December 31, 2009

	# of Securities	General Fund	State Agency	Fiscal Agent	LGIP	DOI	TOTAL
<b>CUSTODIAL BANKS</b>							
FHLB - CUSTODIAN	142	38,420,301	6,629,382			500,000	45,549,683
WELLS FARGO BANK - CUSTODIAN	16	600,000	233,209,824	45,214,905		722,432	279,747,160
THE INDEPENDENT BANKERS - CUSTODIAN	39	15,923,360	45,563,035		16,923,014	200,000	78,609,409
LETTERS OF CREDIT	5	22,000,000	1,800,000		-	-	23,800,000
<b>TOTALS</b>	<b>202</b>	<b>76,943,661</b>	<b>287,202,240</b>	<b>45,214,905</b>	<b>16,923,014</b>	<b>1,422,432</b>	<b>427,706,252</b>

### Custodial Holdings



- FHLB - CUSTODIAN
- WELLS FARGO BANK - CUSTODIAN
- THE INDEPENDENT BANKERS - CUSTODIAN
- LETTERS OF CREDIT



# Davidson Fixed Income Management

REGISTERED INVESTMENT ADVISER

## ***NewMEXI GROW -STAKEHOLDERS MEETING***

### **OBSERVATIONS :**

- There was a consensus from the participants that they did not want to see risks increased in the pool.
- Overriding theme was that the pool was needed for liquidity purposes.
- It was a positive meeting with a lot of participant input.
- AAAM rating was important to participants.
- Increased communication from the STO was appreciated and welcomed.

### **OUTCOMES:**

- Have a separate Investment Policy for the Pool.
- Continue to provide outreach and communication with the participants.
- Develop investment strategy guidelines to provide for effective and efficient investing
- Keep the pool as a AAAM - liquidity fund.