

Portfolio Summary of the Local Government Investment Pool

Summary

- Ending March 2021 market value for the LGIP was \$1.127 billion versus February's reported closing value of \$1.151 billion.
- The LGIP maintains a AAAM rating by Standard & Poor's.

Portfolio Mix

- At the end of March, the portfolio was invested as follows: 45% in US Treasuries, 40% in collateralized demand deposit accounts with qualified banking institutions, 8% in US government agencies, and 7% in supranational securities.
- At month-end, the LGIP held positions in 47 securities.

Investment Earnings

- During March, the fund earned \$133,267.
- For FY2021, the fund earned \$1,493,044.
- LGIP earnings are retained by participants after a management fee of 0.05% is paid to the General Fund.

Performance

- Gross yield on the LGIP was 0.13% at the end of March.
- Net yield to participants was 0.08%.

Investment Highlights

- For the LGIP, the WAM(R) of 46 days and WAM (F) of 70 days were within their maximums of 60 and 120 days respectively.

- During the month, the LGIP purchased \$111.6 million US Treasury securities and \$25.7 million supranational securities.

Investment Strategy

- LGIP WAMs are currently 49 and 70 days for WAM(R) and WAM(F), respectively.
- LGIP will continue to focus on maximizing safety of principal and providing adequate liquidity through the use of prudent investments.

Net Asset Value/Share

- At month-end, the Net Asset Value per Share of the LGIP \$1.00005.

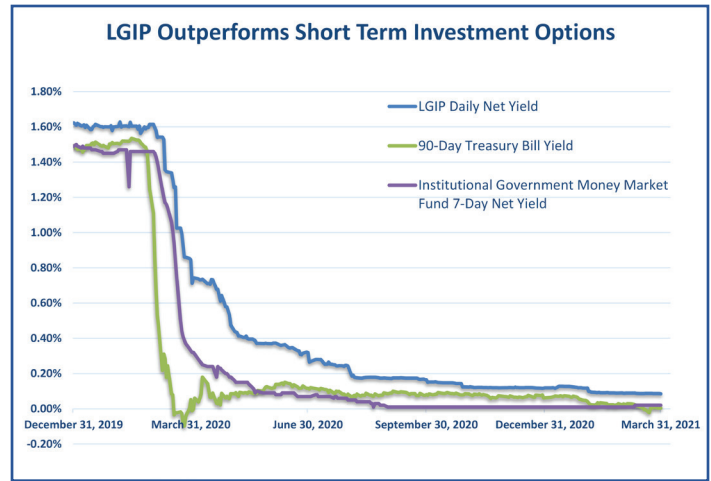
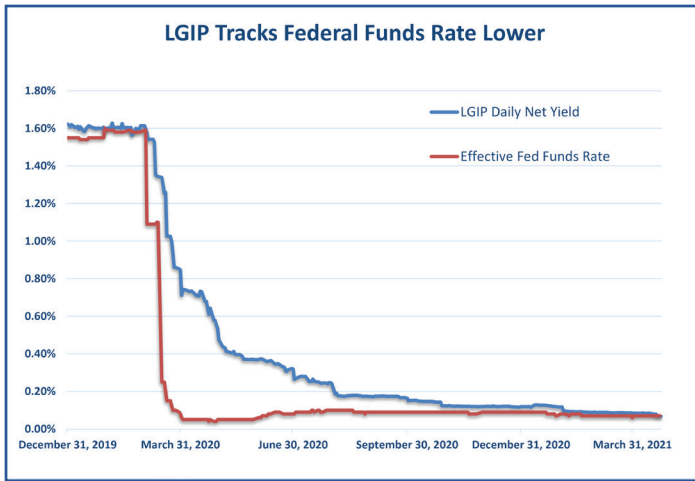
STO's website provides a multitude of informative New Mexico LGIP reports and portfolio summaries, including a link to access the LGIP Internet Participant Access System (IPAS) and handy user guide. If you are not currently enrolled in IPAS, you are missing out on all the advantages:

- **Paperless transactions and statements**
- **Easy, no hassle, multi-level approvals**
- **Transfer cash, and purchase and redeem shares within authorized accounts at the push of a button**

So Don't be Last—Get IPAS!

To enroll, call Felicia Roybal at (505) 955-1142 or email nmsto.lgip@state.nm.us.

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Upcoming Data to Watch

| Data | Period | Value | Next Period | Expected Value | Release Date |
|----------------------------|-------------|-------------|-------------|----------------|--------------|
| PCE Core Deflator YoY | Feb 2021 | 1.40% | Mar 2021 | 1.80% | 4/30/2021 |
| ISM Manufacturing Index | Mar 2021 | 64.7 | Apr 2021 | 65.0 | 5/3/2021 |
| ISM Services Index | Mar 2021 | 63.7 | Apr 2021 | 64.1 | 5/5/2021 |
| U.S. Unemployment | Mar 2021 | 6.00% | Apr 2021 | 5.70% | 5/7/2021 |
| Change in Nonfarm Payrolls | Mar 2021 | 916,000 | Apr 2021 | 980,000 | 5/7/2021 |
| CPI YoY | Mar 2021 | 2.60% | Apr 2021 | n/a | 5/12/2021 |
| PPI YoY | Mar 2021 | 4.20% | Apr 2021 | n/a | 5/13/2021 |
| Fed Funds Target | 28 Apr 2021 | 0.00%-0.25% | 16 Jun 2021 | 0.00%-0.25% | 6/16/2021 |
| GDP QoQ | Q1 2021 | 6.40% | Q2 2021 | n/a | 7/29/2021 |

Market Outlook

The Federal Reserve is committed to holding short-term rates near zero until there is sustained improvement in the economy. The Fed's two main goals, or "dual mandate," are maintaining price stability and reaching maximum sustainable employment. The Fed has indicated that it will allow inflation to run above its 2% symmetrical target in the short run, focusing on the Core Personal Consumption Expenditures Index (PCE) as its preferred inflation measure. The Core PCE Index, which excludes the more volatile food and energy price inputs, continues to run below the Fed's target.

Data that may help to monitor progress toward reaching the Fed's goal of full employment include the unemployment rate and growth in non-farm payrolls. Despite the recent robust gains to non-farm payrolls, the labor market has only recovered slightly more than half of the jobs that were lost during the early months of the pandemic. The unemployment rate continues to trend lower since the high of 12.9% reached in April 2020, although well off the 3.5% rate achieved prior to the onset of Covid.

Contact Us

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