

**STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER CASH FLOW PORTFOLIOS
EXTERNAL AND INTERNAL INVESTMENT POOLS**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2021



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**STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER CASH FLOW PORTFOLIOS
EXTERNAL AND INTERNAL INVESTMENT POOLS
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YEAR ENDED JUNE 30, 2021**

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INDEPENDENT AUDITORS' REPORT

Honorable Michelle Lujan Grisham, Governor and
President, State Board of Finance
and
Honorable Tim Eichenberg, State Treasurer
New Mexico Office of the State Treasurer
and
Honorable Brian Colón, State Auditor
New Mexico Office of the State Auditor
Santa Fe, New Mexico

Report on the Financial Statements

We have audited the accompanying financial statements of the Local Government Investment Pool, the Consolidated Investment Pool, and the General Fund Investment Pool State of New Mexico (the Pools), administered by the Office of the State Treasurer (Office) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Pools' basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Honorable Michelle Lujan Grisham, Governor and
President, State Board of Finance
Honorable Tim Eichenberg, State Treasurer
Honorable Brian Colón, State Auditor

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Office's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Office's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the of the Local Government Investment Pool, the Consolidated Investment Pool, and the General Fund Investment Pool of the State of New Mexico, as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

Reporting Entity

As discussed in Note 1, the financial statements of the Cash Flow Portfolios, both external (local) and internal (state) investment pools managed by the State of New Mexico Office of the State Treasurer are intended to present the financial position and the changes in financial position of only that portion of the governmental activities, and each major fund of the Office that is attributable to the transactions of the Pools. They do not purport to, and do not present fairly the financial position of the State of New Mexico as of June 30, 2021, the changes in its financial position, or where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

For the year ended June 30, 2021, management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Honorable Michelle Lujan Grisham, Governor and
President, State Board of Finance
Honorable Tim Eichenberg, State Treasurer
Honorable Brian Colón, State Auditor

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Pools' basic financial statements. The schedules in the Supplementary Information section within the Table of Contents are required by 2.2.2 NMAC and are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedules in the Supplementary Information section are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Except for the schedule of asset management costs (unaudited), such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other schedules in the Supplementary Information section required by 2.2.2 NMAC are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The schedule of asset management costs (unaudited) has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 1, 2021, on our consideration of the Pool's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Pool's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Pool's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Albuquerque, New Mexico
November 1, 2021

STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER CASH FLOW PORTFOLIOS
EXTERNAL AND INTERNAL INVESTMENT POOLS
STATEMENT OF NET POSITION
JUNE 30, 2021

	Investment Pools			Total
	LGIP Short-Term Investment Pool (External)	Consolidated Investment Pool (Internal) BPIP #1 and #2	General Fund Investment Pool (Internal)	
ASSETS				
Cash and Investments:				
Fiscal Agent Bank Account	\$ -	\$ -	\$ 70,449,032	\$ 70,449,032
Cash in Banks	300,789,350	34,666	680,653,393	981,477,409
Money Market Mutual Funds	-	76,642,149	347,877,936	424,520,085
Repurchase Agreements	-	-	-	-
Bank Acceptances	-	38,072,750	79,140,648	117,213,398
Certificates of Deposit	-	6,200,000	2,500,000	8,700,000
Commercial Paper	-	59,908,366	19,964,850	79,873,216
Corporate Bonds	-	108,782,574	481,037,943	589,820,517
Demand Notes	-	82,550,000	116,630,000	199,180,000
Government Bonds	88,529,471	1,170,681,418	2,093,851,539	3,353,062,427
Supranationals	87,826,189	96,905,153	142,125,893	326,857,235
Municipal Bonds	-	23,924,080	45,788,254	69,712,334
Mutual Funds	-	377,673,355	562,956,514	940,629,869
Discounted Notes	626,017,097	200,017,812	1,313,328,163	2,139,363,072
Interfund Investments	(309,263)	-	309,263	-
Total Cash and Investments	1,102,852,844	2,241,392,322	5,956,613,428	9,300,858,594
Accrued Interest Receivable	60,265,706	3,929,331	10,692,029	74,887,066
TOTAL ASSETS	1,163,118,550	2,245,321,653	5,967,305,457	9,375,745,660
LIABILITIES				
Due to Broker	19,997,472	40,036,899	-	60,034,371
TOTAL LIABILITIES	19,997,472	40,036,899	-	60,034,371
NET POSITION - HELD IN TRUST	\$ 1,143,121,078	\$ 2,205,284,754	\$ 5,967,305,457	\$ 9,315,711,289

See accompanying Notes to Financial Statements.

**STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER CASH FLOW PORTFOLIOS
EXTERNAL AND INTERNAL INVESTMENT POOLS
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021**

	Investment Pools			Total
	LGIP Short-Term Investment Pool (External)	Consolidated Investment Pool (Internal) BPIP #1 and #2	General Fund Investment Pool (Internal)	
ADDITIONS				
Investment Income	\$ 1,729,050	\$ 2,424,352	\$ 7,139,745	\$ 11,293,147
Deposits	1,184,907,393	1,417,477,859	57,940,782,216	60,543,167,468
DEDUCTIONS				
Management Fees	(534,984)	-	534,984	-
Custodial Fees	-	-	-	-
Other Investment Costs	-	-	-	-
Withdrawals	(988,031,389)	(671,164,708)	(57,029,667,340)	(58,688,863,437)
SUBTOTAL OF CHANGE IN NET POSITION	198,070,070	748,737,503	918,789,605	1,865,597,178
Net Position - Held in Trust for Pool Participants, June 30, 2020	945,051,007	1,456,547,251	5,048,515,853	7,450,114,111
NET POSITION - Held in Trust for Pool Participants, June 30, 2021	<u>\$ 1,143,121,077</u>	<u>\$ 2,205,284,754</u>	<u>\$ 5,967,305,458</u>	<u>\$ 9,315,711,289</u>

See accompanying Notes to Financial Statements.

**STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER CASH FLOW PORTFOLIOS
EXTERNAL AND INTERNAL INVESTMENT POOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 DEFINITION OF REPORTING ENTITY

The Office of the State Treasurer is a department of the State of New Mexico. The State Treasurer's Office operates several investment pools, representing amounts being held and invested for State agencies (internal) and for local governments (external). They have been identified as: 1) General Fund investment pool, 2) consolidated investment pool, and the 3) short-term investment pool. The statements represent the financial activity of the Cash Flow Portfolios External and Internal Investment Pools and these statements do not represent the complete reporting entity for the State of New Mexico, only New Mexico Office of the State Treasurer Cash Flow Portfolios External and Internal Investment Pools.

General Fund Investment Pool

The General Fund is the State of New Mexico's main operating account. All State revenues are credited to the General Fund. Income taxes, sales taxes, rents and royalties, and other recurring revenues are deposited into the fund. The fund also comprises numerous State agency accounts whose assets, by statute, must be held at the State Treasury. Expenditures are disbursed only in accordance with appropriations authorized by the State Legislature.

During fiscal year 2021, the State Treasurer added mutual funds to the eligible investment options to provide additional liquidity investment alternatives.

Consolidated Investment Pool (Tax Exempt Bond Proceeds Investment Pool #1)

The Tax-Exempt Bond Proceeds Investment Pool comprises pooled assets received through the issuance of tax-exempt State of New Mexico general obligation bonds and severance tax bonds. The fund's objective is to preserve capital, provide liquidity, and generate returns relative to the true interest cost of all State of New Mexico debt outstanding in accordance with the Investment Policy of the Office of the State Treasurer.

Consolidated Investment Pool (Taxable Bond Proceeds Investment Pool #2)

The Taxable Bond Proceeds Investment Pool comprises pooled assets received through the issuance of State of New Mexico severance tax bonds and supplemental severance tax notes. The fund's objective is to preserve capital, provide liquidity, and generate returns relative to a benchmark and in accordance with the State Treasurer's Investment Policy.

Pool #1 and Pool#2 are combined for financial statements presentation as one pool because they are all bond issuances however segregated for accounting purposes by the Department of Finance and Administration.

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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 DEFINITION OF REPORTING ENTITY (CONTINUED)

Local Government Investment Pool (LGIP) (Short-Term Investment Pool)

Cities, counties, and other agencies invest monies in the State Treasurer external investment pool (LGIP). In fiscal year 2016, LGIP implemented a portion of GASB No. 79 *Certain External Investment Pools and Pool Participants* (see Note 2 for further detail), which permits external investments pools to elect to measure all of their investments at amortized cost. The LGIP investments are presented at fair value based on the valuation date in the financial statements. The individual participant balances remain at their amortized cost. As of June 30, 2021, LGIP amortized cost approximated fair value, the difference is immaterial (see Schedule of Investments).

The State Treasurer Local Government Investment Pool is not SEC registered. Section 6-10-10.1, NMSA 1978, empowers the State Treasurer, with the advice and consent of the State Board of Finance, to invest money held in the short-term investment fund in securities that are issued by the United States government or by its departments or agencies, and are either direct obligations of the United States or are backed by the full faith and credit of the United States government, or are agencies sponsored by the United States government. The Local Government Investment Pool investments are monitored by the same investment committee and the same policies and procedures that apply to all other State investments. The pool does not have unit shares. Per Section 6-10-10.1F, NMSA 1978, at the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the amounts were invested. Participation in the Local Government Investment Pool is voluntary. As of June 30, 2021, the WAM(R) of the LGIP was 25 days, and the WAM(F) was 77 days. The fund was rated AAAM by Standard & Poor's as of June 30, 2021.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates in Preparing Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Financial Reporting Entity and Basis of Presentation

The financial statements for the Investment Pools have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting.

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JUNE 30, 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Reporting Entity and Basis of Presentation (Continued)

The Office adopted Governmental Accounting Standards Board Statement No. 79 *Certain External Investment Pools and Pool Participants* (GASB 79) in FY16 to address changes in the regulatory provisions referenced by previous accounting and financial reporting standards for certain external investment pools and their participants. Those provisions were based on the Investment Company Act of 1940, Rule 2a7 whereby external investment pool investments were measured at amortized cost. Rule 2a7 contains the Securities and Exchange Commission's (SEC) regulations that apply to money market funds and the SEC essentially eliminated Rule 2a7 in 2014. GASB 79 provides for continuation of amortized cost accounting and reporting for external investment pools such as the Local Government Investment Pool (LGIP), which is a 2a7-like pool, instead of converting to fair value measurement. The New Mexico LGIP has implemented GASB 79 and its participants qualify for accounting for the investment pool at amortized cost which approximates fair value.

The Office adopted Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities* (GASB 84) which establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements.

During fiscal year 2021, the Office of the State Treasurer implemented GASB 84, *Fiduciary Activities*. In prior years, the State General Fund Investment Pool (SGFIP), Bond Proceeds Investment Pool (BPIP), and Local Government Investment Pool were all shown as fiduciary funds managed by the State Treasurer and were consolidated and reported as an Investment Trust Fund of the State on the financial statements of the Office of the State Treasurer. The adoption of GASB 84 – *Fiduciary Activities* changes the presentation of the investment pools for STO. Each of the investment pools needs to be evaluated to ensure that the definition of an Investment Trust Fund is met. In accordance with GASB 84, Investment Trust Funds are used to report activities from the external portion of investment pools. Additionally, in accordance with NM Department of Finance and Administration (DFA) Guidance on GASB 84 implementation, each agency of the State is a part of the State as a reporting entity, not a stand-alone entity. As such, any amounts that are owed to other State agencies by any of the investment pools are not considered a fiduciary activity of STO, since they would be considered internal in nature. The only amounts that should be shown as fiduciary activities should be the items that are held in trust arrangements for external parties (outside the State of New Mexico).

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JUNE 30, 2021**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Reporting Entity and Basis of Presentation (Continued)

Upon implementation of GASB 84, the State Treasurer identified that two of the investment pools, the Bond Proceeds Investment Pools and the General Fund Investment Pools, were internal to the primary government, the State of New Mexico and not fiduciary activities of the Office. These two funds are no longer included in the financial statements of the Office of the State Treasurer. The third fund, the Local Government Investment Pool, meets the definition of an external investment pool and is identified as a custodial fund in the financial statements of the Office of the State Treasurer. All three funds are included in these financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Deposits and Investments

The State Treasurer's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the State Treasurer to invest in, subject to various restrictions, U.S. government debt securities; U.S. government agency debt securities; commercial paper; corporate bonds; demand notes; supranationals; discounted notes; asset backed debt securities; repurchase agreements; bank, savings and loan association or credit union deposits; variable rate notes; tax-exempt securities; securities issued by the State or a political subdivision of the State, or an agency, institution or instrumentality of the State, and money market mutual funds.

Accrued Interest Receivable and Due to Broker

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All accrued interest receivables are reported at their gross value.

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NOTES TO FINANCIAL STATEMENTS
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NOTE 3 DEPOSITS AND INVESTMENTS

Fiscal Agent Bank

As of May 1, 2014, the State Board of Finance entered into an agreement with Wells Fargo Bank in Albuquerque to provide banking services as Fiscal Agent for the State of New Mexico for a period of two years, with three options to extend the contract by two years each, for a maximum term of eight years. The third option was exercised in December 2018 to extend the term until April 30, 2022.

Custody Bank

The State Board of Finance and JP Morgan Chase entered into an agreement whereby JP Morgan Chase would provide banking services as Custody Bank for the State of New Mexico effective July 1, 2014, for a two-year period, with the option to renew for up to six additional years at the discretion of the State Board of Finance. The Office exercised its option to extend the term until June 30, 2022.

Investment Trust Fund

Cash on deposit represents the demand deposit account with the fiscal agent bank. Current year transactions reflect all banking activity for the fiscal year as well as the activity of investments purchased and disposed of during the fiscal year.

The State Treasurer invests all public monies held in excess of the minimum compensating balance maintained with the fiscal agent bank in accordance with an investment policy approved by the State Board of Finance.

The State Treasurer has implemented Governmental Accounting Standards Board Statement No. 72 *Fair Value Measurements and Application* (GASB 72), which requires certain assets and liabilities to be measured at fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. This statement requires certain investments as defined in GASB Statement No. 31 to be valued at fair value. Fair value is based on quoted market prices as of the valuation date. The change in fair value is recognized as a component of investment income in the current year.

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NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

Investment Trust Fund (Continued)

The State Treasurer invests excess cash balances on behalf of certain earmarked funds of State agencies identified by State statute and local governments. Interest earnings are distributed based on average outstanding cash balances for local governments and the State agencies where interest is allowed to be earned. All other interest earnings are transferred to the State General Fund.

The State Treasurer deposits public monies with New Mexico financial institutions in denominations which generally are in excess of the \$250,000 in insurance coverage provided by federal agencies. Accordingly, the State Treasurer requires that depository financial institutions provide additional collateral for such investments. The collateral generally is in the form of marketable debt securities and is required in amounts ranging from fifty percent (50%) to one hundred two percent (102%) of the par value of the investment dependent upon the institution's operating results and capital. Collateral for the fiscal agent account is required in amounts equal to 50 percent (50%) of the average investment balance.

At June 30, 2021, collateral pledged to public money deposits was as follows:

	Fiscal Agent Account	Certificates of Deposit
Cash in Bank (Bank Balance)	\$ 66,281,373 *	\$ 8,700,000
Less: FDIC Insurance Coverage	-	750,000
	<u>\$ 66,281,373</u>	<u>\$ 7,950,000</u>
Collateral Requirement (50%, 75% Or 102%) of Uninsured Public Funds	\$ 67,607,000	\$ 3,975,000
Collateral Pledged:		
U.S. Government Securities	297,136,651	4,918,968
Surety Bond Letter of Credit	-	2,000,000
	<u>\$ 229,529,651</u>	<u>\$ 2,943,968</u>
Excess (Under) Collateralized	<u>\$ 229,529,651</u>	<u>\$ 2,943,968</u>

* Fiscal agent bank is required to collateralize the monthly average balance. See Schedule of Collateral Pledged by Depository for reconciliation.

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NOTES TO FINANCIAL STATEMENTS
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NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

Investment Balances

The fair value of investments administered by the State Treasurer at June 30, 2021, follows:

	Fair Value Measurements Using			Fair Value June 30, 2021
	Quoted Prices Level 1	Observable Inputs Level 2	Unobservable Inputs Level 3	
Debt Securities:				
U.S. Government Bonds	\$ -	\$ 3,353,062,427	\$ -	\$ 3,353,062,427
Supranationals	-	326,857,235	-	326,857,235
Repurchase Agreements	-	-	-	-
Demand Notes	-	199,180,000	-	199,180,000
Discounted Notes	-	2,139,363,072	-	2,139,363,072
Commercial Paper	-	79,873,216	-	79,873,216
Corporate Bonds	-	589,820,517	-	589,820,517
Municipal Bonds	-	69,712,334	-	69,712,334
Mutual Funds	940,629,869	-	-	940,629,869
Money Market Mutual Funds	424,520,085	-	-	424,520,085
Bankers Acceptances	-	117,213,398	-	117,213,398
Total Investments				
Measured at Fair Value	<u>\$ 1,365,149,954</u>	<u>\$ 6,875,082,199</u>	<u>\$ -</u>	<u>\$ 8,240,232,153</u>

Investment Guidelines and Limitations

The investment policy is a comprehensive guide governing the investment functions of the New Mexico State Treasurer with respect to all financial assets of the State of New Mexico invested by the State Treasurer in the exercise of his authority and for which the State Treasurer acts as the investing authority. These assets include, as examples only, the State General Fund, the Local Government Investment Pool, bond proceeds, bond debt service funds, and those pension and permanent funds and other special funds with respect to which the State Treasurer is the investing authority.

The investment policy and the public finance investment decisions of the State Treasurer must serve and satisfy several fiduciary, fiscal and financial obligations. In making these decisions and in resolving any conflict or competing considerations that may arise from time to time among these obligations, the State Treasurer will observe the following priority:

1. Preservation of Principal – to ensure the performance of basic governmental functions, the first priority must be accorded to the preservation and protection of the principal of the funds to be invested;

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NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

Investment Guidelines and Limitations (Continued)

2. Maintenance of Liquidity – the second level of priority must be accorded to maintaining sufficient liquidity to satisfy the reasonably anticipated, continuing operational requirements of State Government, and
3. Maximum Return – the third priority must be accorded to maximizing investment return, through budgetary and economic cycles, consistent with the higher priority accorded to the security and liquidity of principal.

The standard of prudence to be applied in the investment of State assets shall be the “Prudent Person” rule that specifies that: “Investments shall be made with the judgment and care, under circumstances then prevailing, that persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.”

The State Treasurer or his designees, acting in accordance with this policy and any other written procedures pertaining to the investment of public money and exercising due diligence, shall be relieved of personal responsibility, if any, for credit risk or market price changes of a particular security, provided that deviations from expectations are timely noted and appropriate action is taken to control and prevent further adverse developments.

The scope of investment authority of the State Treasurer is defined by the applicable investment statutes and constitutional provisions, principally Sections 6-10-10, 6-10-25, 6-10-26, 6-10-37, 6-10-44 and 6-14-10.1, NMSA 1978, as well as Article VIII, Section 4 of the New Mexico Constitution, specifying particular types of investments that may be made by the State Treasurer, which establish certain prerequisites, limitations and other requirements relating to those investments. Moreover, the State Treasurer, in his discretion, may further limit or restrict those investments.

The State Treasurer and the State Board of Finance have determined that only the following statutorily authorized investments may be made, and these investments shall be subject to further limitations or restrictions as follows:

- a. U.S. Government Obligations – Securities backed by the full faith and credit of the U.S. Government including direct obligations of the U.S. Treasury and obligations of U.S. Government agencies and instrumentalities which are guaranteed by the U.S. Treasury. Investments shall be limited to a maximum maturity of five (5) years at time of purchase, except securities for any advance refunding escrow which may be invested in securities with a maturity of more than five (5) years. These securities may be either fixed rate or variable rate.

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NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

Investment Guidelines and Limitations (Continued)

- b. U.S. Government Agency Obligations – Securities issued or guaranteed by U.S. Government agencies, instrumentalities or sponsored enterprises, but which are not backed by the full faith and credit of the U.S. Government. These securities include mortgage-backed certificates, collateralized mortgage obligations, and debentures issued by the Federal Home Loan Mortgage Corporation and the Federal National Mortgage Association.

Also included are direct obligations of the Federal Farm Credit Bank and the Federal Home Loan Bank. These obligations shall consist of discount notes, notes and debentures with either fixed or LIBOR-based floating rate coupons. Investments in U.S. Government agency obligations shall be limited to a maximum maturity of five (5) years at time of purchase.

- c. Commercial Paper – Unsecured obligations with a maturity up to 270 days at time of purchase issued by corporations organized and operating within the United States. The commercial paper shall have investment grade ratings and shall not be split-rated. If the rating declines below investment grade, the State Treasurer's Investment Committee (STIC) will meet to evaluate a course of action.
- d. Corporate Bonds – Debt instruments issued by a corporation organized and operating in the United States with a maturity not exceeding five (5) years at time of purchase. Corporate bonds with maturities up to three (3) years shall be rated A1 or better at the time of purchase. Corporate bonds with maturities between three (3) and five (5) years shall be rated AA or better. If the rating declines below investment grade, then the State Treasurer's Investment Committee (STIC) will meet to evaluate a course of action.
- e. Asset-Backed Obligations – Debt instruments which are backed by defined cash flows or receivables with a final maturity not exceeding five (5) years at time of purchase and rated AAA, or its equivalent, by all national rating agencies that rate the security. If the rating declines below AAA, or its equivalent, then the STIC will meet to evaluate a course of action.

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NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

Investment Guidelines and Limitations (Continued)

- f. Repurchase Agreements – Contracts for the present purchase and resale at a specified time in the future of specific securities at specified prices at a price differential representing the interest income to be earned by the State. No contract shall be invested in unless the contract is fully secured by obligations of the United States, or its agencies or instrumentalities, or other securities backed by the United States having a market value of at least one hundred two percent (102%) of the amount of the contract. Repurchase agreements and flexible repurchase agreements shall be limited to a maximum maturity of one (1) year, but flexible repurchase agreements, in which bond proceeds are invested, may have a maximum maturity of three (3) years. Repurchase agreements for the Local Government Investment Pool shall be limited to a maximum maturity of thirty (30) days, although any underlying U.S. government obligations pledged as collateral may have maturities extending beyond the term of such repurchase agreements. Subject to these conditions and the prior approval of the State Board of Finance with respect to the custodial undertaking agreement, tri-party repurchase agreements are proper investments under this policy.
- g. Bank, Savings and Loan Association or Credit Union Deposits – Deposits are allowed in certified and designated New Mexico financial institutions whose deposits are insured by an agency of the United States. All deposits will comply with state statute and State Board of Finance policies related to interest rate and collateral requirements. CD deposits shall not be made with custodial banks. Deposits shall be limited to a maximum maturity of three (3) years. A deposit in any credit union shall be limited to the amount insured by an agency of the United States.
- h. Variable Rate Notes – Variable rate notes (VRN) may be United States government obligations, commercial paper or repurchase agreements. The use of VRNs is considered to be prudent in the management of the portfolio within certain maturity and index rating.
- i. Municipal Securities – Pursuant to 6-14-10.1, the State Treasurer or designee may also invest in municipal securities that at time of purchase are investment grade and have a final maturity of up to three (3) years. If the rating declines below investment grade, then the STIC will meet to evaluate a course of action.
- j. Securities Issued by the State or a Political Subdivision of the State, or any Agency, Institution or Instrumentality of the State or a Political Subdivision – these include, but are not limited to, the New Mexico Mortgage Finance Authority, the New Mexico Finance Authority and the New Mexico Educational Assistance Foundation, if the statute authorizing the issuance of such securities expressly authorizes the State or the State Treasurer to purchase such security.

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NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

Investment Guidelines and Limitations (Continued)

- k. Government Money Market Mutual Funds – Shares of an open-ended diversified investment company that: (i) is registered with the United States Securities and Exchange Commission; (ii) complies with the diversification, quality and maturity requirements of Rule 2a-7, or any successor rule, of the United States Securities and Exchange Commission applicable to money market mutual funds; (iii) assesses no fees pursuant to Rule 12b-1, or any successor rule, of the United States Securities and Exchange Commission, no sales load on the purchase of shares and no contingent deferred sales charge or other similar charges, however designated, provided that the State shall not, at any time, own more than five percent (5%) of a money market mutual fund's assets, and (iv) is rated AAA or equivalent by a nationally recognized rating agency. In addition, the State Treasurer may act as the investing authority for those agencies which have independent statutory authority to invest. The State Treasurer shall act in a manner consistent with each agency's guidelines and directives.
- l. Demand Notes – A note that represents a loan with the expected payment determined by the lender "on demand", with no requirement for cause.
- m. Supranationals – An international development institution formed by two or more central governments, limited to issuers domiciled within the United States: International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC) and Inter-American Development Bank (IADB).
- n. Discount Notes – A short term debt obligation issued at a discount to par.
- o. Local Government Investment Pool – General fund dollars may be invested in the Local Government Investment Pool (LGIP), up to five percent (5%) of the LGIP.

Unauthorized Investments/Investment Actions

The State Treasurer will not borrow funds for the sole purpose of investing those funds at a higher yield. The State Treasurer is not authorized by law to invest or as a matter of policy has determined not to invest in securities, assets, investment agreements or instruments except as specifically permitted in this Investment Policy. Accordingly, as examples only, the following securities, assets, investment agreements or instruments are presently impermissible:

- 1. Common or preferred stock
- 2. Exchange traded future contracts
- 3. Inverse floaters
- 4. Whole-loan mortgage obligations
- 5. Interest only and principal strips only as they relate to asset-backed obligations
- 6. Currency swaps
- 7. Range notes and index amortizing notes
- 8. Reverse repurchase agreements
- 9. Short sale

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NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial Credit Risk

Custodial credit risk is the risk that the State Treasurer will not be able to recover the value of its deposits, investments or collateral securities that are in the possession of an outside party if the counter party fails. Investment securities are exposed to risk if the securities are uninsured, are not registered in the name of the State Treasurer and are held by either the counterparty or the counterparty's trust department or agent but not in the State Treasurer's name.

The State Treasurer's Investment Policy for safekeeping and custody states that all investment securities purchased by the State, held as collateral on repurchase agreements or held as collateral on securities lending arrangements shall be held in third-party safekeeping at a fiduciary qualified to act in this capacity. All securities held for the State account will be held free and clear of any lien and all transactions will be conducted in compliance with Section 6-10-10(O) NMSA 1978, which requires contemporaneous transfer and same day settlement. On a monthly basis, the custodian will provide reports which list all transactions that occurred during the month and all securities held for the State at month-end, including the book and market value of holdings. The fiscal agent and representatives of the custodian responsible for, or in any manner involved with, the safekeeping and custody process of the State shall be bonded in such a fashion as to protect from losses from malfeasance and misfeasance.

The State Treasurer's Office Collateral Manager reviews and tracks all state funds held in state depository institutions. Deposits and collateral are reviewed daily and a statutorily required risk assessment is performed quarterly, although the assessments are not intended as an opinion as to the financial health of the subject institution. The \$1,098,223,731 in balances are collateralized in compliance with NMAC 2.60.4. Although in compliance with NMAC 2.60.4 as of June 30, 2021, there was \$36,029,845 of the State Treasurer's bank balances exposed to custodial credit risk as uninsured and uncollateralized.

Credit Risk

The State Treasurer's fixed income portfolio investment policy sets credit quality rating guidelines and benchmark indices for each of its sub-asset classes and/or as outlined in each portfolio manager contract.

The quality ratings of investments in fixed income securities as described by nationally recognized statistical rating organizations (Standard & Poor's) at June 30, 2021, for the General Fund Investment Pool are as follows:

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NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

Credit Risk (Continued)

<u>Securities by Quality Rating</u>	<u>Fair Value</u>	<u>Percentage of Portfolio</u>
AAA:		
Government Agency Securities	\$ 142,125,893	2.39%
Municipal Bonds	1,252,270	0.02%
AAAm:		
Money Market Mutual Funds	562,956,514	9.45%
AA+:		
Government Agency Securities	2,096,836,617	35.20%
Certificate of Deposit	2,500,000	0.04%
Corporate Bonds	126,673,718	2.13%
AA:		
Corporate Bonds	33,223,345	0.56%
Municipal Bonds	2,945,990	0.05%
AA-:		
Corporate Bonds	71,682,325	1.20%
Municipal Bonds	8,553,394	0.14%
A+:		
Corporate Bonds	215,019,291	3.61%
A:		
Corporate Bonds	34,439,264	0.58%
A-1+:		
Bankers Acceptance Notes	79,140,648	1.33%
Discounted Notes	379,492,188	6.37%
Treasury Bills	930,850,896	15.63%
Demand Notes	89,860,000	1.51%
Not Rated:		
Demand Notes	26,770,000	0.45%
Fiscal Agent Bank Account	70,449,032	1.18%
Cash in Banks	680,653,393	11.43%
Commercial Paper	19,964,850	0.34%
Money Market Mutual Funds	347,877,936	5.84%
Investment in LGIP	309,263	0.01%
Municipal Bonds	33,036,601	0.56%
Total	<u>\$ 5,956,613,428</u>	<u>100.00%</u>

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NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

Credit Risk (Continued)

The quality ratings of investments in fixed income securities as described by nationally recognized statistical rating organizations (Standard & Poor's) at June 30, 2021, for the Local Government Investment Pool are as follows:

<u>Securities by Quality Rating</u>	<u>Fair Value</u>	<u>Percentage of Portfolio</u>
AAA:		
Government Agency Securities	\$ 87,826,189	7.96%
AA+:		
Government Agency Securities	88,529,471	8.03%
A-1+:		
Treasury Bills	626,017,097	56.75%
Not Rated:		
Cash in Banks	<u>300,789,350</u>	<u>27.27%</u>
Total	<u>\$ 1,103,162,107</u>	<u>100.00%</u>

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NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

Credit Risk (Continued)

The quality ratings of investments in fixed income securities as described by nationally recognized statistical rating organizations (Standard & Poor's) at June 30, 2021, for the Bond Proceeds Investment Pool #2 are as follows:

<u>Securities by Quality Rating</u>	<u>Fair Value</u>	<u>Percentage of Portfolio</u>
AAA:		
Government Agency Securities	\$ 63,612,826	5.61%
Municipal Bonds	250,558	0.02%
AAAm:		
Money Market Mutual Funds	119,537,114	10.55%
AA+:		
Government Agency Securities	713,605,089	62.97%
Corporate Bonds	10,308,193	0.91%
Certificate of Deposit	6,200,000	0.55%
AA:		
Corporate Bonds	2,843,686	0.25%
Municipal Bonds	2,894,872	0.26%
AA-:		
Corporate Bonds	13,389,338	1.18%
A+:		
Corporate Bonds	35,418,462	3.13%
A:		
Corporate Bonds	23,296,300	2.06%
A-1+:		
Bankers Acceptance Notes	21,978,779	1.94%
Treasury Bills	54,993,438	4.85%
A-1:		
Demand Notes	33,615,000	2.97%
Not Rated:		
Cash in Banks	55	0.00%
Money Market Mutual Funds	11,334,010	1.00%
Commercial Paper	19,964,850	1.75%
Total	<u>\$ 1,133,242,570</u>	<u>100.00%</u>

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NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

Credit Risk (Continued)

The quality ratings of investments in fixed income securities as described by nationally recognized statistical rating organizations (Standard & Poor's) at June 30, 2021, for the Bond Proceeds Investment Pool #1 are as follows:

<u>Securities by Quality Rating</u>	<u>Fair Value</u>	<u>Percentage of Portfolio</u>
AAA:		
Government Agency Securities	\$ 33,292,327	3.00%
Mutual Funds	258,136,241	23.29%
AA+:		
Government Agency Securities	457,076,329	41.25%
AA:		
Corporate Bonds	1,000,464	0.09%
Municipal Bonds	18,128,651	1.64%
AA-:		
Corporate Bonds	6,476,918	0.58%
A+:		
Corporate Bonds	5,129,188	0.46%
Commercial Paper	19,978,667	1.80%
A-1:		
Demand Notes	17,230,000	1.55%
A-1+:		
Bankers Acceptance Notes	16,093,970	1.45%
Treasury Bills	145,024,375	13.09%
Demand Notes	31,705,000	2.86%
A:		
Corporate Bonds	10,920,024	0.99%
Not Rated:		
Municipal Bonds	2,650,000	0.24%
Cash in Banks	34,609	0.00%
Money Market Mutual Fund	65,308,139	5.89%
Commercial Paper	19,964,850	1.82%
Total	<u>\$ 1,108,149,752</u>	<u>100.00%</u>

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NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

Concentration of Credit Risk

Concentration of credit risk is the risk of loss that may arise in the event of default by a single issuer. It is the policy of the State to diversify its investment portfolios. Assets shall be diversified to reduce the risk of loss resulting from an over-concentration of assets in a specific maturity, a specific issuer or a specific class of securities. The following diversification limitations shall be imposed on the portfolio:

1. Investment maturities will be staggered to avoid undue concentration of assets in a specific maturity sector and to reflect cash flow requirements.
2. Investment in callable instruments is permitted for the State General Fund, but the amount invested in callable instruments should not exceed twenty-five percent (25%) of the total amount invested of each portfolio. Investment in callable investments may be allowed in the local government investment pool, bond proceeds, bond debt service funds and such pension and permanent fund monies for which the State Treasurer is the investing authority. Investment in callable investments is prohibited for tax and revenue anticipation note proceeds (and any other liquidity vehicle).
3. The maximum level of CD deposits for the entire portfolio shall be \$400 million with not more than \$30 million in any single financial institution. The State Board of Finance urges banks to loan this money out in their respective local communities to spur economic development.
4. Investments in commercial paper, corporate bonds and asset-backed obligations shall not exceed forty percent (40%) of assets of each portfolio. Commercial paper and corporate bonds shall be limited, per issuer, to five percent (5%) of each portfolio.
5. Investments in United States agency securities issued by any single agency shall be limited to thirty-five percent (35%) of the combined portfolios.
6. Investment in repurchase agreements from any single provider shall be limited to thirty-five percent (35%) of the combined portfolios.
7. Investment in commercial paper and corporate bonds guaranteed by the full faith and credit of the United States government, with a final maturity not to exceed the expiration date of any such guarantee, shall not exceed forty percent (40%) of the assets of each portfolio. Commercial paper and corporate bonds guaranteed by the full faith and credit of the United States government shall be limited, per issuer, to twenty percent (20%) of each portfolio.
8. United States Government Agency issued mortgage-backed securities and collateralized mortgage obligations shall be limited to twenty-five percent (25%) of a portfolio.

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NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

Concentration of Credit Risk (Continued)

9. Securities issued by a municipal entity shall be limited to fifteen percent (15%) of a portfolio.
10. Securities issued by the State or a political subdivision of the State, or any agency, institution or instrumentality of the State shall be limited to fifteen percent (15%) of the general fund portfolio.
11. Investment in money market mutual funds shall be limited to open-ended 2a-7 rated funds that invest in U.S. Treasury and agency securities and shall be limited to 10% of a portfolio.

The following lists investments held in the general fund investment pool with a single issuer as a percentage of total:

Securities	Fair Value	Percentage of Portfolio
U.S. Treasury Securities	\$ 1,166,407,358	19.58%
U.S. Government Agency Securities:		
FFCB	273,828,986	4.60%
FHLB	188,533,712	3.17%
FHLMC	164,888,167	2.77%
FNMA	202,509,091	3.40%
FAGM	84,370,546	1.42%
Miscellaneous	13,313,679	0.22%
Supranationals:		
Supranationals	142,125,893	2.39%
Municipal Bonds:		
CITY OF ALBUQUERQUE-GENERAL OBLIGATION BOND SERIES	20,000,000	0.34%
CARLSBAD N MEX MUN SCH DIST GO BDS 2021	4,015,680	0.07%
ALBUQUERQUE BERNALILLO CNTY WTR UTIL AUTH N MEX JT	501,115	0.01%
ALBUQUERQUE BERNALILLO CNTY WTR UTIL AUTH N MEX JT	751,155	0.01%
ALBUQUERQUE N MEX MUN SCH DIST NO 012 GO BDS 2021	878,421	0.01%
ALBUQUERQUE N MEX MUN SCH DIST NO 012 GO BDS 2021	329,571	0.01%
ALBUQUERQUE N MEX MUN SCH DIST NO 012 GO REF BDS	1,537,998	0.03%
ALBUQUERQUE N MEX MUN SCH DIST NO 012 TAXABLE GO	200,000	0.00%
CNM ENT-GENERAL OBLIGATION EDUCATION TECHNOLOGY	4,000,000	0.07%
CNM ENT-GENERAL OBLIGATION EDUCATION TECHNOLOGY	4,000,000	0.07%
NEW MEXICO ST SEVERANCE TAX TAX BDS 2017 A	8,553,394	0.14%
PP- CNM TAXABLE-GENERAL OBLIGATION BONDS, SERIES	29,000	0.00%
CARLSBAD N MEX MUN SCH DIST GO BDS 2021	491,921	0.01%
SANTA FE CNTY N MEX GO IMPT REF BDS 2021	500,000	0.01%

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NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

Concentration of Credit Risk (Continued)

Securities	Fair Value	Percentage of Portfolio
Corporate Bonds:		
AMAZON.COM INC CALLABLE NOTES FIXED 0.45%	7,134,161	0.12%
APPLE INC CALLABLE NOTES FIXED 0.55% 20/AUG/2025	9,891,425	0.17%
APPLE INC CALLABLE NOTES FIXED 0.7% 08/FEB/2026	24,708,216	0.41%
APPLE INC CALLABLE NOTES FIXED 0.75% 11/MAY/2023	7,061,144	0.12%
APPLE INC CALLABLE NOTES FIXED 1.125% 11/MAY/2025	31,872,969	0.54%
APPLE INC CALLABLE NOTES FIXED 1.7% 11/SEP/2022	5,087,937	0.09%
APPLE INC CALLABLE NOTES FIXED 2.1% 12/SEP/2022	20,416,713	0.34%
APPLE INC CALLABLE NOTES FIXED 2.75% 13/JAN/2025	3,207,159	0.05%
APPLE INC CALLABLE NOTES FIXED 3% 09/FEB/2024 USD	7,428,001	0.12%
BANK OF NEW YORK MELLON CORP/THE CALLABLE MEDIUM	9,987,423	0.17%
BANK OF NEW YORK MELLON CORP/THE CALLABLE MEDIUM	11,987,403	0.20%
BANK OF NEW YORK MELLON CORP/THE CALLABLE MEDIUM	7,674,918	0.13%
METROPOLITAN LIFE GLOBAL FUNDING I MEDIUM TERM	19,928,978	0.33%
NEW YORK LIFE GLOBAL FUNDING MEDIUM TERM NOTE	17,000,155	0.29%
PEPSICO INC CALLABLE NOTES FIXED 0.4% 07/OCT/2023	5,004,877	0.08%
PFIZER INC CALLABLE NOTES FIXED 2.8% 11/MAR/2022	5,090,988	0.09%
PFIZER INC CALLABLE NOTES FIXED 3% 15/SEP/2021 USD	5,028,970	0.08%
PNC BANK NA CALLABLE NOTES FIXED 2.55% 09/DEC/2021	4,033,857	0.07%
PROCTER & GAMBLE CO/THE CALLABLE NOTES FIXED 0.55%	14,821,608	0.25%
PROCTER & GAMBLE CO/THE CALLABLE NOTES FIXED 1%	4,030,459	0.07%
TOYOTA MOTOR CREDIT CORP CALLABLE MEDIUM TERM NOTE	38,863,332	0.65%
TOYOTA MOTOR CREDIT CORP CALLABLE MEDIUM TERM NOTE	5,982,785	0.10%
TOYOTA MOTOR CREDIT CORP MEDIUM TERM NOTE FIXED	10,014,009	0.17%
TOYOTA MOTOR CREDIT CORP MEDIUM TERM NOTE FIXED	10,028,253	0.17%
TOYOTA MOTOR CREDIT CORP MEDIUM TERM NOTE FIXED	14,237,061	0.24%
TOYOTA MOTOR CREDIT CORP MEDIUM TERM NOTE FIXED	5,009,729	0.08%
TOYOTA MOTOR CREDIT CORP MEDIUM TERM NOTE FIXED	18,343,824	0.31%
US BANCORP CALLABLE MEDIUM TERM NOTE FIXED 2.625%	13,151,671	0.22%
US BANK NA/CINCINNATI OH CALLABLE MEDIUM TERM NOTE	5,004,220	0.08%

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NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

Concentration of Credit Risk (Continued)

Securities	Fair Value	Percentage of Portfolio
Corporate Bonds - Continued:		
US BANK NA/CINCINNATI OH CALLABLE MEDIUM TERM NOTE	10,239,919	0.17%
US BANK NA/CINCINNATI OH CALLABLE MEDIUM TERM NOTE	7,139,058	0.12%
US BANK NA/CINCINNATI OH CALLABLE MEDIUM TERM NOTE	10,095,327	0.17%
WALMART INC CALLABLE NOTES FIXED 2.65% 15/DEC/2024	26,089,184	0.44%
WELLS FARGO BANK NA CALLABLE MEDIUM TERM NOTE	5,216,566	0.09%
WELLS FARGO BANK NA CALLABLE MEDIUM TERM NOTE	3,022,606	0.05%
WELLS FARGO BANK NA CALLABLE MEDIUM TERM NOTE	74,703,258	1.25%
BANK OF NEW YORK MELLON CORP/THE CALLABLE NOTES	200,958	0.00%
INTEL CORP CALLABLE NOTES FIXED 2.35% 11/MAY/2022	508,417	0.01%
JOHN DEERE CAPITAL CORP MEDIUM TERM NOTE FIXED	554,705	0.01%
METROPOLITAN LIFE GLOBAL FUNDING I NOTES FIXED	422,756	0.01%
TOYOTA MOTOR CREDIT CORP MEDIUM TERM NOTE FIXED	251,079	0.00%
WELLS FARGO BANK NA CALLABLE MEDIUM TERM NOTE	561,867	0.01%
Demand Notes	116,630,000	1.96%
Discounted Notes	1,313,328,163	22.05%
Commercial Paper	19,964,850	0.34%
Bankers Acceptance Notes	79,140,648	1.32%
Mutual Funds	562,956,514	9.45%
Certificates of Deposit	2,500,000	0.04%
Fiscal Agent Account	70,449,032	1.18%
Money Market Mutual Funds	347,877,936	5.84%
Repurchase Agreements	-	0.00%
Investment in LGIP	309,263	0.01%
Cash in Banks	680,653,393	11.41%
Total	<u>\$ 5,956,613,428</u>	<u>100.00%</u>

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NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

Concentration of Credit Risk (Continued)

The following lists investments held in the Local Government Investment Pool with a single issuer as a percentage of total:

Securities	Fair Value	Percentage of Portfolio
U.S. Treasury Securities	\$ 30,053,694	2.72%
U.S. Government Agency Securities:		
FFCB	21,911,078	1.99%
FHLB	11,544,301	1.05%
FNMA	10,010,433	0.91%
FHLMC	15,009,964	1.36%
Supranationals	87,826,189	7.96%
Cash in Banks	300,789,350	27.27%
Discounted Notes	<u>626,017,097</u>	<u>56.74%</u>
Total	<u>\$ 1,103,162,107</u>	<u>100.00%</u>

The following lists investments held in the Bond Proceeds Investment Pool #2 with a single issuer as a percentage of total:

Securities	Fair Value	Percentage of Portfolio
U.S. Treasury Securities	\$ 353,727,602	31.21%
U.S. Government Agency Securities:		
FFCB	133,789,895	11.81%
FHLMC	70,928,188	6.26%
FNMA	70,580,653	6.22%
FHLB	74,575,684	6.58%
Miscellaneous	10,003,067	0.87%
Supranationals	63,612,826	5.60%
Municipal Bonds	3,145,429	0.28%

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NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

Concentration of Credit Risk (Continued)

Corporate Bonds:

AMAZON.COM INC CALLABLE NOTES FIXED 0.45%	2,843,686	0.24%
APPLE INC CALLABLE NOTES FIXED 1.8% 11/SEP/2024	5,204,014	0.45%
APPLE INC CALLABLE NOTES FIXED 2.1% 12/SEP/2022	5,104,178	0.44%
BANK OF NEW YORK MELLON CORP/THE CALLABLE MEDIUM	2,996,851	0.25%
BANK OF NEW YORK MELLON CORP/THE CALLABLE MEDIUM	7,674,918	0.67%
BANK OF NEW YORK MELLON CORP/THE CALLABLE MEDIUM	2,040,655	0.17%
INTEL CORP CALLABLE NOTES FIXED 2.35% 11/MAY/2022	508,417	0.03%
JOHN DEERE CAPITAL CORP MEDIUM TERM NOTE FIXED	499,234	0.03%
METROPOLITAN LIFE GLOBAL FUNDING I MEDIUM TERM	8,385,118	0.73%
PEPSICO INC CALLABLE NOTES FIXED 0.4% 07/OCT/2023	2,001,951	0.17%
PNC BANK NA CALLABLE NOTES FIXED 2.55% 09/DEC/2021	10,084,642	0.89%
TOYOTA MOTOR CREDIT CORP CALLABLE MEDIUM TERM NOTE	7,159,035	0.62%
TOYOTA MOTOR CREDIT CORP MEDIUM TERM NOTE FIXED	5,007,005	0.44%
TOYOTA MOTOR CREDIT CORP MEDIUM TERM NOTE FIXED	10,028,253	0.88%
TOYOTA MOTOR CREDIT CORP MEDIUM TERM NOTE FIXED	5,674,912	0.50%
TOYOTA MOTOR CREDIT CORP MEDIUM TERM NOTE FIXED	2,003,891	0.18%
US BANCORP CALLABLE MEDIUM TERM NOTE FIXED 2.625%	3,035,001	0.27%
US BANK NA/CINCINNATI OH CALLABLE MEDIUM TERM NOTE	5,004,220	0.44%

Commercial Paper	19,964,850	1.76%
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Bankers Acceptance Notes	21,978,779	1.94%
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Demand Notes	33,615,000	2.97%
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Money Market Mutual Funds	11,334,010	1.00%
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Mutual Funds	119,537,114	10.55%
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Discounted Notes	54,993,438	4.84%
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Cash in Banks	55	0.00%
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Certificate of Deposit	6,200,000	0.71%
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Total	\$ 1,133,242,570	100.00%
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**STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER CASH FLOW PORTFOLIOS
EXTERNAL AND INTERNAL INVESTMENT POOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

Concentration of Credit Risk (Continued)

The following lists investments held in the Bond Proceeds Investment Pool #1 with a single issuer as a percentage of total:

Securities	Fair Value	Percentage of Portfolio
U.S. Treasury Securities	\$ 336,774,172	30.39%
U.S. Government Agency Securities:		
FHLMC	44,987,187	4.06%
FNMA	20,285,078	1.83%
FHLB	29,943,396	2.70%
FFCB	19,984,656	1.80%
Miscellaneous	5,101,840	0.46%
Suprenationals	33,292,327	3.00%
Municipal Bonds	20,778,651	1.88%
Demand Notes	48,935,000	4.42%
Commercial Paper	39,943,517	3.60%
Corporate Bonds	23,526,593	2.12%
Money Market Mutual Funds	65,308,139	5.89%
Mutual Funds	258,136,241	23.29%
Discounted Notes	145,024,375	13.09%
Bankers Acceptances	16,093,970	1.47%
Repurchase Agreements	-	0.00%
Cash in Banks	34,611	0.00%
Total	\$ 1,108,149,754	100.00%

**STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER CASH FLOW PORTFOLIOS
EXTERNAL AND INTERNAL INVESTMENT POOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of the investments. The State Treasurer recognizes that any portfolio of marketable investment securities is subject to interest rate risk. The State Treasurer, in an attempt to limit the possibility of loss due to interest rate fluctuations, will attempt to match investments with anticipated cash requirements. The State Treasurer or designee shall give particular emphasis to the following factors when selecting a specific security for inclusion in the portfolio:

1. Relative Yield to Maturity – Comparison of return available from alternative investments for comparable maturity dates.
2. Marketability – Analysis of relative marketability of alternate investments in case of forced sale or possibility of future trades.
3. Intermarket Yield Analysis – Analysis of the spread relationship between sectors of the market (e.g., Treasury Bonds or Bills versus Agency Bonds or Discount Notes), to take advantage of aberrations in yield differentials.
4. Yield Curve Analysis: Analysis of the slope of the yield curve to determine the most attractive maturities for earning maximum return with minimal risk.
5. General Economic and Interest Rate Outlook: Review and analysis of current literature on interest rate projections to assist in timing transactions and selecting appropriate maturities.

**STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER CASH FLOW PORTFOLIOS
EXTERNAL AND INTERNAL INVESTMENT POOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

Interest Rate Risk (Continued)

Maturities on investments in the General Fund Investment Pool are as follows:

Securities by Quality Rating	Fair Value	Maturities	
		Less than 1 Year	1-5 Years
AAA:			
Government Agency Securities	\$ 142,125,893	\$ 21,595,436	\$ 120,530,457
Municipal Bonds	1,252,270	-	1,252,270
AAAm:			
Money Market Mutual Funds	562,956,514	-	562,956,515
AA+:			
Government Agency Securities	2,096,836,617	508,057,969	1,588,778,648
Certificate of Deposit	2,500,000	2,500,000	-
Corporate Bonds	126,673,718	-	126,673,719
AA:			
Corporate Bonds	33,223,345	-	33,223,345
Municipal Bonds	2,945,990	1,078,421	1,867,569
AA-:			
Corporate Bonds	71,682,325	22,661,360	49,020,964
Municipal Bonds	8,553,394	-	8,553,394
A+:			
Corporate Bonds	215,019,291	45,397,555	169,621,736
A:			
Corporate Bonds	34,439,264	4,789,519	29,649,745
A-1+:			
Bankers Acceptance Notes	79,140,648	79,140,649	(1)
Discounted Notes	379,492,188	379,492,189	-
Treasury Bills	930,850,896	930,850,897	-
Demand Notes	89,860,000	-	89,860,000
Not Rated:			
Demand Notes	26,770,000	26,770,000	-
Cash in Banks	680,653,393	-	680,653,393
Fiscal Agent Account	70,449,032	-	70,449,032
Commercial Paper	19,964,850	-	19,964,850
Money Market Mutual Funds	347,877,936	-	347,877,936
Municipal Bonds	33,036,601	-	33,036,601
Investment in LGIP	309,263	-	309,263
Total	<u>\$ 5,956,613,428</u>	<u>\$ 2,022,333,995</u>	<u>\$ 3,934,279,436</u>

**STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER CASH FLOW PORTFOLIOS
EXTERNAL AND INTERNAL INVESTMENT POOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

Interest Rate Risk (Continued)

Maturities on investments in the Local Government Investment Pool are as follows:

<u>Securities by Quality Rating</u>	<u>Fair Value</u>	<u>Maturities</u>	
		<u>Less than 1 Year</u>	<u>1-5 Years</u>
AAA:			
Government Agency Securities	\$ 87,826,189	\$ 47,896,426	\$ 39,929,763
AA+:			
Government Agency Securities	88,529,471	88,529,471	-
A-1+:			
Treasury Bills	626,017,097	626,017,097	-
Not Rated:			
Cash in Banks	300,789,350	300,789,350	-
Total	<u>\$ 1,103,162,107</u>	<u>\$ 1,063,232,344</u>	<u>\$ 39,929,763</u>

**STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER CASH FLOW PORTFOLIOS
EXTERNAL AND INTERNAL INVESTMENT POOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

Interest Rate Risk (Continued)

Maturities on investments in the Bond Proceeds Investment Pool #2 are as follows:

Securities by Quality Rating	Fair Value	Maturities	
		Less than 1 Year	1-5 Years
AAA:			
Government Agency Securities	\$ 33,292,327	\$ -	\$ 33,292,327
Mutual Funds	258,136,241	-	258,136,241
AA+:			
Government Agency Securities	457,076,329	70,371,238	386,705,091
AA:			
Corporate Bonds	1,000,464	-	1,000,464
Municipal Bonds	18,128,651	16,751,145	1,377,506
AA-:			
Corporate Bonds	6,476,918	-	6,476,918
A+:			
Corporate Bonds	5,129,188	2,921,852	2,207,336
Commercial Paper	19,978,667	-	19,978,667
A-1:			
Demand Notes	17,230,000	-	17,230,000
A-1+:			
Bankers Acceptance Notes	16,093,970	16,093,970	-
Treasury Bills	145,024,375	145,024,375	-
Demand Notes	31,705,000	-	31,705,000
A:			
Corporate Bonds	10,920,024	5,163,336	5,756,688
Not Rated:			
Municipal Bonds	2,650,000	2,650,000	-
Cash	34,609	34,611	-
Money Market Mutual Fund	65,308,139	65,308,139	-
Commercial Paper	19,964,850	19,964,850	-
Total	<u>\$ 1,108,149,752</u>	<u>\$ 344,283,516</u>	<u>\$ 763,866,238</u>

**STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER CASH FLOW PORTFOLIOS
EXTERNAL AND INTERNAL INVESTMENT POOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

Interest Rate Risk (Continued)

Maturities on investments in the Bond Proceeds Investment Pool #1 are as follows:

Securities by Quality Rating	Fair Value	Maturities	
		Less than 1 Year	1-5 Years
AAA:			
Government Agency Securities	\$ 63,612,826	\$ 11,326,973	\$ 52,285,852
Municipal Bonds	250,558	-	250,558
AAAm:			
Money Market Mutual Funds	119,537,114	-	119,537,114
AA+:			
Government Agency Securities	713,605,089	226,153,043	487,452,046
Corporate Bonds	10,308,193	-	10,308,193
Certificate of Deposit	6,200,000	3,700,000	2,500,000
AA:			
Corporate Bonds	2,843,686	-	2,843,686
Municipal Bonds	2,894,872	-	2,894,872
AA-:			
Corporate Bonds	13,389,338	5,004,220	8,385,118
A+:			
Corporate Bonds	35,418,462	3,543,418	31,875,047
A:			
Corporate Bonds	23,296,300	10,583,876	12,712,424
A-1+:			
Bankers Acceptance Notes	21,978,779	21,978,779	-
Treasury Bills	54,993,438	54,993,438	-
A-1:			
Demand Notes	33,615,000	-	33,615,000
Not Rated:			
Cash in Banks	55	55	-
Money Market Mutual Funds	11,334,010	11,334,010	-
Commercial Paper	19,964,850	19,964,850	-
Total	<u>\$ 1,133,242,570</u>	<u>\$ 368,582,662</u>	<u>\$ 764,659,910</u>

**STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER CASH FLOW PORTFOLIOS
EXTERNAL AND INTERNAL INVESTMENT POOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The State Treasurer's investment policy does not have a specific policy on foreign currency risk. However, the listing of permissible investments includes descriptions on the limitations related to each investment type.

All holdings at June 30, 2021, were denominated in United States Dollars.

Fair Value of Financial Instruments

Investments are recorded at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

The Office categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The State Treasurer has the following recurring fair value measurements as of June 30, 2021:

	Fair Value Measurements Using			Fair Value June 30, 2021
	Quoted Prices Level 1	Observable Inputs Level 2	Unobservable Inputs Level 3	
Debt Securities:				
U.S. Government Bonds	\$ -	\$ 3,353,062,427	\$ -	\$ 3,353,062,427
Supranationals	-	326,857,235	-	326,857,235
Repurchase Agreements	-	-	-	-
Demand Notes	-	199,180,000	-	199,180,000
Discounted Notes	-	2,139,363,072	-	2,139,363,072
Commercial Paper	-	79,873,216	-	79,873,216
Corporate Bonds	-	589,820,517	-	589,820,517
Municipal Bonds	-	69,712,334	-	69,712,334
Mutual Funds	940,629,869	-	-	940,629,869
Money Market Mutual Funds	424,520,085	-	-	424,520,085
Bankers Acceptances	-	117,213,398	-	117,213,398
Total Investments Measured at Fair Value	<u>\$ 1,365,149,954</u>	<u>\$ 6,875,082,199</u>	<u>\$ -</u>	<u>\$ 8,240,232,153</u>

**STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER CASH FLOW PORTFOLIOS
EXTERNAL AND INTERNAL INVESTMENT POOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 4 EXTERNAL INVESTMENT POOL (LGIP) – AMORTIZED COST

Most provisions of GASB No. 79 were effective for reporting periods beginning after June 15, 2015. Specifically, GASB Statement No. 79 allows the use of amortized cost for all of the investments of a pool if the pool uses a stable net asset value (NAV) per share and meets specific criterion under *all* of the following five components; maturity, quality, diversification, liquidity and shadow pricing (shadow pricing = NAV per share calculated using total investments measured at fair value at the calculation date), which must deviate by no more than 0.5 percent from the share price at amortized cost. Certain provisions relating to portfolio quality, custodial credit risk, and shadow pricing are effective for reporting periods beginning after December 15, 2015. STO elected to implement the amortized cost provision of GASB 79 as of June 30, 2016.

STO implemented the provisions of GASB 79 as to the portfolio quality, custodial credit risk, and shadow pricing as of June 30, 2017. STO reviewed each of the requirements listed in GASB 79 to allow election of amortized cost accounting and determined the criteria is consistent with the requirements of Standard and Poor's to ensure compliance with the delayed implementation. STO calculates NAV and submits pool data to S&P on a weekly basis. As for shadow pricing, STO performs a daily calculation that compares the market value of the assets held by the pool to the balances due to the participants. STO has determined that the assets exceed liabilities at June 30, 2021. The difference between the amortized cost and fair value is immaterial for the year ended June 30, 2021.

Below are the limitations or restrictions on LGIP participant withdrawals:

- Amounts less than \$30 million may be withdrawn within 24 hours of notice to the State Treasurer;
- Amounts of \$30 million to \$60 million require notice of 2 business days to the State Treasurer;
- Amounts of \$60 million to \$100 million require notice of 5 business days to the State Treasurer;
- Amounts in excess of \$100 million require notification of 10 business days to the State Treasurer.

Notwithstanding the withdrawal guidelines, the State Treasurer reserves the right to limit participant withdrawals if the State Treasurer determines that doing so is required to ensure the stability of the LGIP.

The State General Fund Investment Pool is part of the Local Government Fund Investment Pool (LGIP), and whenever a combined presentation of the Investment Trust Fund is presented, these investments are eliminated.

**STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER CASH FLOW PORTFOLIOS
EXTERNAL AND INTERNAL INVESTMENT POOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 5 RISK MANAGEMENT

The State Treasurer is exposed to various risks of loss for which the State Treasurer carries insurance (auto; employee fidelity bond; general liability; civil rights and foreign jurisdiction; money and securities; property, and workers' compensation) with the State of New Mexico Risk Management Division. Public employee fidelity bonding coverage is self-insured by the State of New Mexico. The current policy year is July 1, 2020, to June 30, 2021. The limit of coverage is \$5,000,000, with \$1,000 deductible per occurrence. All State Treasurer employees are covered by this bond.

The State Treasurer had no significant reductions in insurance coverage from coverage in the prior year. The Office's risk management policy may require it to share in legal settlements after July 1, 2019, on a case-by-case basis. There were no legal settlements outstanding at June 30, 2021, through November 1, 2021, in connection with the risk policy.

**STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER CASH FLOW PORTFOLIOS
EXTERNAL AND INTERNAL INVESTMENT POOLS
SCHEDULE OF INVESTMENTS
JUNE 30, 2021**

Security Description	Interest Rate	Maturity Date	Book Value	Market Value	Unrealized Gain (Loss)
GENERAL FUND INVESTMENT POOL:					
Fiscal Agent Bank Account	0.000%	N/A	\$ 70,449,032	\$ 70,449,032	\$ -
Cash in Banks	Various	Various	680,653,393	680,653,393	-
Repurchase Agreements	Various	Various	-	-	-
Certificates of Deposit	Various	Various	2,500,000	2,500,000	-
Money Market Mutual Funds	Various	Various	347,877,936	347,877,936	-
Investment in LGIP	Various	Various	309,263	309,263	-
Supranationals:					
INTER-AMERICAN DEVELOPMENT BANK BOND FIXED 0.5%	0.500%	05/24/2023	15,996,642	16,063,219	66,577
INTER-AMERICAN DEVELOPMENT BANK BOND FIXED 0.875%	0.875%	04/20/2026	19,911,921	19,955,920	43,999
INTERNATIONAL BANK FOR RECONSTRUCTION & INTERNATIONAL BANK FOR RECONSTRUCTION &	0.125%	04/20/2023	24,953,330	24,935,400	(17,930)
INTERNATIONAL BANK FOR RECONSTRUCTION & INTERNATIONAL BANK FOR RECONSTRUCTION &	0.250%	11/24/2023	19,965,613	19,923,162	(42,451)
INTERNATIONAL BANK FOR RECONSTRUCTION & INTERNATIONAL BANK FOR RECONSTRUCTION &	0.500%	10/28/2025	19,980,416	19,735,222	(245,194)
INTERNATIONAL BANK FOR RECONSTRUCTION & INTERNATIONAL BANK FOR RECONSTRUCTION &	0.875%	07/15/2026	19,913,511	19,917,534	4,023
INTERNATIONAL BANK FOR RECONSTRUCTION & INTERNATIONAL BANK FOR RECONSTRUCTION &	1.375%	09/20/2021	20,051,791	20,053,868	2,077
INTER-AMERICAN DEVELOPMENT BANK BOND FIXED 1.875%	1.875%	07/23/2021	500,526	500,530	4
INTERNATIONAL BANK FOR RECONSTRUCTION & INTERNATIONAL FINANCE CORP BOND FIXED 1.125%	2.750%	07/23/2021	500,788	500,735	(53)
	1.120%	07/20/2021	540,283	540,302	19
Total Supranationals			142,314,822	142,125,893	(188,929)
Municipal Bonds:					
CITY OF ALBUQUERQUE-GENERAL OBLIGATION	0.122%	07/01/2021	20,000,000	20,000,000	-
CARLSBAD N MEX MUN SCH DIST GO BDS 2021	5.000%	08/01/2021	4,016,288	4,015,680	(608)
ALBUQUERQUE BERNALILLO CNTY WTR UTIL AUTH N MEX JT	0.473%	07/01/2022	500,000	501,115	1,115
ALBUQUERQUE BERNALILLO CNTY WTR UTIL AUTH N MEX JT	0.553%	07/01/2023	750,000	751,155	1,155
ALBUQUERQUE N MEX MUN SCH DIST NO 012 GO BDS 2021	5.000%	08/01/2021	878,577	878,421	(156)
ALBUQUERQUE N MEX MUN SCH DIST NO 012 GO BDS 2021	5.000%	08/01/2023	329,344	329,571	227
ALBUQUERQUE N MEX MUN SCH DIST NO 012 GO REF BDS	5.000%	08/01/2023	1,536,938	1,537,998	1,060
ALBUQUERQUE N MEX MUN SCH DIST NO 012 TAXABLE GO	0.191%	08/01/2021	200,000	200,000	-
CNM ENT-GENERAL OBLIGATION EDUCATION TECHNOLOGY	0.000%	01/07/2021	4,000,000	4,000,000	-
CNM ENT-GENERAL OBLIGATION EDUCATION TECHNOLOGY	0.000%	01/07/2021	4,000,000	4,000,000	-
NEW MEXICO ST SEVERANCE TAX TAX BDS 2017 A	5.000%	07/01/2022	8,548,639	8,553,394	4,754
PP- CNM TAXABLE-GENERAL OBLIGATION BONDS, SERIES	0.000%	01/07/2021	29,000	29,000	-
CARLSBAD N MEX MUN SCH DIST GO BDS 2021	5.000%	08/01/2021	491,995	491,920	(75)
SANTA FE CNTY N MEX GO IMPT REF BDS 2021	4.000%	07/01/2021	500,000	500,000	-
Total Municipal Bonds			45,780,782	45,788,254	7,472
Corporate Bonds:					
AMAZON.COM INC CALLABLE NOTES FIXED 0.45%	0.450%	05/12/2024	7,140,030	7,134,161	(5,870)
APPLE INC CALLABLE NOTES FIXED 0.55% 20/AUG/2025	0.550%	08/20/2025	9,980,418	9,891,425	(88,993)
APPLE INC CALLABLE NOTES FIXED 0.7% 08/FEB/2026	0.700%	02/08/2026	24,948,118	24,708,216	(239,902)
APPLE INC CALLABLE NOTES FIXED 0.75% 11/MAY/2023	0.750%	05/11/2023	6,988,130	7,061,144	73,015
APPLE INC CALLABLE NOTES FIXED 1.125% 11/MAY/2025	1.125%	05/11/2025	31,881,567	31,872,969	(8,598)
APPLE INC CALLABLE NOTES FIXED 1.7% 11/SEP/2022	1.700%	09/11/2022	4,999,656	5,087,937	88,281
APPLE INC CALLABLE NOTES FIXED 2.1% 12/SEP/2022	2.100%	09/12/2022	20,013,947	20,416,713	402,766
APPLE INC CALLABLE NOTES FIXED 2.75% 13/JAN/2025	2.750%	01/13/2025	3,100,138	3,207,159	107,021
APPLE INC CALLABLE NOTES FIXED 3% 09/FEB/2024 USD	3.000%	02/09/2024	7,177,955	7,428,001	250,046

STATE OF NEW MEXICO
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EXTERNAL AND INTERNAL INVESTMENT POOLS
SCHEDULE OF INVESTMENTS (CONTINUED)
JUNE 30, 2021

Security Description	Interest Rate	Maturity Date	Book Value	Market Value	Unrealized Gain (Loss)
Corporate Bonds Continued:					
BANK OF NEW YORK MELLON CORP/THE CALLABLE MEDIUM	0.350%	12/07/2023	9,991,308	9,987,423	(3,885)
BANK OF NEW YORK MELLON CORP/THE CALLABLE MEDIUM	0.500%	04/26/2024	11,987,926	11,987,403	(523)
BANK OF NEW YORK MELLON CORP/THE CALLABLE MEDIUM	1.850%	01/27/2023	7,497,210	7,674,918	177,708
METROPOLITAN LIFE GLOBAL FUNDING I MEDIUM TERM	0.550%	06/07/2024	19,984,347	19,928,978	(55,369)
NEW YORK LIFE GLOBAL FUNDING MEDIUM TERM NOTE	1.150%	06/09/2026	16,989,188	17,000,155	10,967
PEPSICO INC CALLABLE NOTES FIXED 0.4% 07/OCT/2023	0.400%	10/07/2023	4,997,842	5,004,877	7,034
PFIZER INC CALLABLE NOTES FIXED 2.8% 11/MAR/2022	2.800%	03/11/2022	4,999,928	5,090,988	91,059
PFIZER INC CALLABLE NOTES FIXED 3% 15/SEP/2021 USD	3.000%	09/15/2021	4,999,519	5,028,970	29,451
PNC BANK NA CALLABLE NOTES FIXED 2.55% 09/DEC/2021	2.550%	12/09/2021	4,037,589	4,033,857	(3,732)
PROCTER & GAMBLE CO/THE CALLABLE NOTES FIXED 0.55%	0.550%	10/29/2025	14,978,926	14,821,608	(157,317)
PROCTER & GAMBLE CO/THE CALLABLE NOTES FIXED 1%	1.000%	04/23/2026	3,998,497	4,030,459	31,961
TOYOTA MOTOR CREDIT CORP CALLABLE MEDIUM TERM NOTE	2.150%	09/08/2022	38,012,561	38,863,332	850,771
TOYOTA MOTOR CREDIT CORP CALLABLE MEDIUM TERM NOTE	2.150%	09/07/2024	5,980,000	5,982,785	2,785
TOYOTA MOTOR CREDIT CORP MEDIUM TERM NOTE FIXED	0.350%	10/14/2022	9,994,250	10,014,009	19,760
TOYOTA MOTOR CREDIT CORP MEDIUM TERM NOTE FIXED	0.450%	07/22/2022	9,996,708	10,028,253	31,544
TOYOTA MOTOR CREDIT CORP MEDIUM TERM NOTE FIXED	0.500%	06/18/2024	14,283,183	14,237,061	(46,122)
TOYOTA MOTOR CREDIT CORP MEDIUM TERM NOTE FIXED	0.500%	08/14/2023	4,997,271	5,009,729	12,457
TOYOTA MOTOR CREDIT CORP MEDIUM TERM NOTE FIXED	2.650%	04/12/2022	17,996,959	18,343,824	346,865
US BANCORP CALLABLE MEDIUM TERM NOTE FIXED 2.625%	2.625%	01/24/2022	13,056,856	13,151,671	94,815
US BANK NA/CINCINNATI OH CALLABLE MEDIUM TERM NOTE	0.370%	01/21/2022	5,000,000	5,004,220	4,220
US BANK NA/CINCINNATI OH CALLABLE MEDIUM TERM NOTE	1.950%	01/09/2023	9,995,791	10,239,919	244,128
US BANK NA/CINCINNATI OH CALLABLE MEDIUM TERM NOTE	2.650%	05/23/2022	6,997,726	7,139,058	141,332
US BANK NA/CINCINNATI OH CALLABLE MEDIUM TERM NOTE	3.450%	11/16/2021	9,998,195	10,095,327	97,131
WALMART INC CALLABLE NOTES FIXED 2.65% 15/DEC/2024	2.650%	12/15/2024	26,000,577	26,089,184	88,607
WELLS FARGO BANK NA CALLABLE MEDIUM TERM NOTE	3.550%	08/14/2023	5,204,509	5,216,566	12,057
WELLS FARGO BANK NA CALLABLE MEDIUM TERM NOTE	3.625%	10/22/2021	3,015,809	3,022,606	6,797
WELLS FARGO BANK NA CALLABLE MEDIUM TERM NOTE	2.080%	09/09/2022	74,879,158	74,703,258	(175,901)
BANK OF NEW YORK MELLON CORP/THE CALLABLE NOTES	3.550%	09/23/2021	201,240	200,958	(282)
INTEL CORP CALLABLE NOTES FIXED 2.35% 11/MAY/2022	2.350%	05/11/2022	508,371	508,417	46
JOHN DEERE CAPITAL CORP MEDIUM TERM NOTE FIXED	3.150%	10/15/2021	554,694	554,705	11
METROPOLITAN LIFE GLOBAL FUNDING I NOTES FIXED	3.875%	04/11/2022	422,726	422,756	30
TOYOTA MOTOR CREDIT CORP MEDIUM TERM NOTE FIXED	1.800%	10/07/2021	251,050	251,080	29
WELLS FARGO BANK NA CALLABLE MEDIUM TERM NOTE	2.080%	09/09/2022	562,844	561,867	(977)
Total Corporate Bonds			478,602,718	481,037,943	2,435,225
Demand Notes:					
COLORADO HSG & FIN AUTH ADJ RATE BDS MULTI FAMILY	0.070%	04/01/2040	7,530,000	7,530,000	-
COLORADO HSG & FIN AUTH ADJ TAXABLE RT SING FAMILY	0.080%	05/01/2048	1,525,000	1,525,000	-
COLORADO HSG & FIN AUTH ADJUSTABLE RATE BDS 2007	0.060%	10/01/2038	4,570,000	4,570,000	-
COLORADO HSG & FIN AUTH FED TAXABLE MULTI FAM PROJ	0.070%	10/01/2051	3,940,000	3,940,000	-
COLORADO HSG & FIN AUTH TAXABLE SINGLE FAMILY MTG	0.070%	11/01/2050	3,100,000	3,100,000	-
IDAHO HSG & FIN ASSN SINGLE FAMILY MTG REV REV BDS	0.070%	07/01/2041	13,970,000	13,970,000	-
NEBRASKA INVT FIN AUTH SINGLE FAMILY HSG REV REV	0.060%	09/01/2032	7,970,000	7,970,000	-
NEBRASKA INVT FIN AUTH SINGLE FAMILY HSG REV REV	0.060%	09/01/2032	14,010,000	14,010,000	-
NEBRASKA INVT FIN AUTH SINGLE FAMILY HSG REV REV	0.060%	09/01/2038	17,040,000	17,040,000	-
NEW MEXICO ST HOSP EQUIP LN COUNCIL HOSP REV	0.060%	08/01/2042	22,200,000	22,200,000	-
NORTH DAKOTA ST HSG FIN AGY HOME MTG FIN PROG BDS	0.080%	01/01/2050	7,325,000	7,325,000	-
TEXAS ST G O SMALL BUSINESS BDS 2005B 01/JUN/2015	0.060%	06/01/2045	7,000,000	7,000,000	-
COLORADO HSG & FIN AUTH ADJ TAXABLE RT SING FAMILY	0.080%	05/01/2048	975,000	975,000	-
IDAHO HSG & FIN ASSN SINGLE FAMILY MTG REV REV BDS	0.070%	07/01/2041	4,500,000	4,500,000	-
NORTH DAKOTA ST HSG FIN AGY HOME MTG FIN PROG BDS	0.080%	01/01/2050	975,000	975,000	-
Total Demand Notes			116,630,000	116,630,000	-

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Security Description	Interest Rate	Maturity Date	Book Value	Market Value	Unrealized Gain (Loss)
Discounted Notes:					
TENNESSEE VALLEY AUTHORITY BOND ZERO CPN	0.000%	03/15/2023	2,883,375	2,985,078	101,703
FEDERAL HOME LOAN BANKS DISCOUNT NOTES ZERO CPN	0.000%	07/14/2021	278,995,660	278,996,978	1,318
FEDERAL HOME LOAN BANKS DISCOUNT NOTES ZERO CPN	0.000%	08/13/2021	99,995,197	99,995,222	25
FEDERAL AGRICULTURAL MORTGAGE CORP DISCOUNT NOTES	0.000%	07/29/2021	499,976	499,988	12
UNITED STATES OF AMERICA BILL ZERO CPN 01/JUL/2021	0.000%	07/01/2021	99,999,899	100,000,000	101
UNITED STATES OF AMERICA BILL ZERO CPN 02/SEP/2021	0.000%	09/02/2021	99,991,946	99,990,812	(1,134)
UNITED STATES OF AMERICA BILL ZERO CPN 05/AUG/2021	0.000%	08/05/2021	199,992,364	199,990,894	(1,470)
UNITED STATES OF AMERICA BILL ZERO CPN 06/JUL/2021	0.000%	07/06/2021	200,883,787	200,883,990	203
UNITED STATES OF AMERICA BILL ZERO CPN 09/SEP/2021	0.000%	09/09/2021	29,998,499	29,997,229	(1,270)
UNITED STATES OF AMERICA BILL ZERO CPN 20/JUL/2021	0.000%	07/20/2021	199,995,758	199,994,722	(1,036)
UNITED STATES OF AMERICA BILL ZERO CPN 24/AUG/2021	0.000%	08/24/2021	99,992,987	99,993,250	263
Total Discounted Notes			1,313,229,447	1,313,328,163	98,716
Commercial Paper:					
PRICOA SHT TRM FNDG LL CORPORATE COMMERCIAL PAPER	0.000%	06/07/2022	19,962,104	19,964,850	2,746
Total Commercial Paper			19,962,104	19,964,850	2,746
Bankers Acceptance Notes:					
US BANK N.A. BANKERS ACCEPTANCE DISCOUNT DTD	0.000%	07/27/2021	12,099,200	12,099,200	-
US BANK N.A. BANKERS ACCEPTANCE DISCOUNT DTD	0.000%	08/10/2021	10,955,767	10,955,767	-
US BANK N.A. BANKERS ACCEPTANCE DISCOUNT DTD	0.000%	02/07/2022	15,877,512	15,877,512	-
US BANK N.A. BANKERS ACCEPTANCE DISCOUNT DTD	0.000%	09/29/2021	14,890,614	14,890,614	-
US BANK N.A. BANKERS ACCEPTANCE DISCOUNT DTD	0.000%	11/24/2021	24,878,024	24,878,024	-
US BANK N.A. BANKERS ACCEPTANCE DISCOUNT DTD	0.000%	01/10/2022	439,531	439,531	-
Total Bankers Acceptance Notes			79,140,648	79,140,648	-
Mutual Funds:					
BLACKROCK LIQUIDITY FUNDS INSTITUTIONAL SHSFEDFUND	0.030%	12/31/2049	97,238,027	97,238,027	-
BLACKROCK LIQUIDITY FUNDS INSTITUTIONAL SHSFEDFUND	0.030%	12/31/2049	23,756,438	23,756,438	-
DWS GOVERNMENT MONEY MARKET SERIES OPEN-END FUND	0.000%	12/31/2049	434,607,604	434,607,604	-
DWS GOVERNMENT MONEY MARKET SERIES OPEN-END FUND	0.000%	12/31/2049	6,634,523	6,634,523	-
DWS GOVERNMENT MONEY MARKET SERIES OPEN-END FUND	0.000%	12/31/2049	719,921	719,921	-
Total Mutual Funds			562,956,514	562,956,514	-
U.S. Government Securities:					
Treasury Securities:					
UNITED STATES OF AMERICA NOTES FIXED 0.125%	0.125%	09/15/2023	14,965,604	14,944,922	(20,683)
UNITED STATES OF AMERICA NOTES FIXED 0.125%	0.125%	09/30/2022	19,988,209	19,996,875	8,666
UNITED STATES OF AMERICA NOTES FIXED 0.25%	0.250%	06/30/2025	13,866,923	13,653,492	(213,431)
UNITED STATES OF AMERICA NOTES FIXED 0.25%	0.250%	07/31/2025	42,864,667	42,383,250	(481,417)
UNITED STATES OF AMERICA NOTES FIXED 0.25%	0.250%	10/31/2025	21,528,303	21,509,297	(19,006)
UNITED STATES OF AMERICA NOTES FIXED 0.375%	3.750%	01/31/2026	11,973,341	11,759,531	(213,809)
UNITED STATES OF AMERICA NOTES FIXED 0.375%	0.375%	03/31/2022	25,026,796	25,054,688	27,891
UNITED STATES OF AMERICA NOTES FIXED 0.375%	0.375%	04/30/2025	44,997,334	44,516,601	(480,733)
UNITED STATES OF AMERICA NOTES FIXED 0.75%	0.750%	03/31/2026	14,923,723	14,932,617	8,894
UNITED STATES OF AMERICA NOTES FIXED 0.75%	0.750%	04/30/2026	34,392,640	34,324,805	(67,835)
UNITED STATES OF AMERICA NOTES FIXED 0.875%	0.875%	06/30/2026	14,963,496	14,992,969	29,473
UNITED STATES OF AMERICA NOTES FIXED 1.125%	1.125%	08/31/2021	44,965,952	45,080,541	114,589
UNITED STATES OF AMERICA NOTES FIXED 1.125%	1.125%	09/30/2021	24,925,300	25,066,491	141,191
UNITED STATES OF AMERICA NOTES FIXED 1.25%	1.250%	07/31/2023	16,739,764	17,143,875	404,111
UNITED STATES OF AMERICA NOTES FIXED 1.375%	1.375%	09/30/2023	19,885,427	20,482,031	596,604
UNITED STATES OF AMERICA NOTES FIXED 1.5%	1.500%	09/30/2024	43,848,967	45,393,906	1,544,939
UNITED STATES OF AMERICA NOTES FIXED 1.625%	1.625%	10/31/2023	20,020,827	20,607,812	586,985
UNITED STATES OF AMERICA NOTES FIXED 1.75%	1.750%	05/31/2022	43,032,437	43,651,719	619,282

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Security Description	Interest Rate	Maturity Date	Book Value	Market Value	Unrealized Gain (Loss)
Treasury Securities Continued:					
UNITED STATES OF AMERICA NOTES FIXED 1.75%	1.750%	09/30/2022	26,727,343	27,339,141	611,798
UNITED STATES OF AMERICA NOTES FIXED 1.75%	1.750%	11/30/2021	44,827,202	45,316,406	489,204
UNITED STATES OF AMERICA NOTES FIXED 1.875%	1.875%	01/31/2022	9,968,380	10,105,859	137,480
UNITED STATES OF AMERICA NOTES FIXED 1.875%	1.875%	02/28/2022	24,895,076	25,300,781	405,705
UNITED STATES OF AMERICA NOTES FIXED 1.875%	1.875%	03/31/2022	24,829,505	25,335,938	506,433
UNITED STATES OF AMERICA NOTES FIXED 1.875%	1.875%	08/31/2022	69,556,218	71,416,407	1,860,188
UNITED STATES OF AMERICA NOTES FIXED 1.875%	1.875%	10/31/2022	9,983,012	10,229,688	246,675
UNITED STATES OF AMERICA NOTES FIXED 2%	2.000%	04/30/2024	17,581,294	18,276,563	695,269
UNITED STATES OF AMERICA NOTES FIXED 2%	2.000%	07/31/2022	20,025,966	20,409,375	383,409
UNITED STATES OF AMERICA NOTES FIXED 2%	2.000%	11/30/2022	19,961,490	20,517,188	555,697
UNITED STATES OF AMERICA NOTES FIXED 2%	2.000%	12/31/2021	24,957,092	25,240,235	283,143
UNITED STATES OF AMERICA NOTES FIXED 2.125%	2.125%	02/29/2024	30,856,867	32,434,961	1,578,094
UNITED STATES OF AMERICA NOTES FIXED 2.125%	2.125%	06/30/2022	20,052,014	20,403,906	351,892
UNITED STATES OF AMERICA NOTES FIXED 2.125%	2.125%	07/31/2024	17,150,715	17,855,313	704,598
UNITED STATES OF AMERICA NOTES FIXED 2.125%	2.125%	11/30/2023	24,697,893	26,081,055	1,383,162
UNITED STATES OF AMERICA NOTES FIXED 2.25%	2.250%	01/31/2024	27,869,833	29,357,344	1,487,511
UNITED STATES OF AMERICA NOTES FIXED 2.375%	2.375%	01/31/2023	24,829,751	25,864,258	1,034,507
UNITED STATES OF AMERICA NOTES FIXED 2.375%	2.375%	03/15/2022	40,616,358	40,650,000	33,642
UNITED STATES OF AMERICA NOTES FIXED 2.375%	2.375%	08/15/2024	15,435,989	15,880,664	444,675
UNITED STATES OF AMERICA NOTES FIXED 2.5%	2.500%	05/15/2024	14,168,315	14,829,609	661,294
UNITED STATES OF AMERICA NOTES FIXED 2.625%	2.625%	07/15/2021	24,998,078	25,024,939	26,861
UNITED STATES OF AMERICA NOTES FIXED 2.625%	2.625%	12/15/2021	24,986,143	25,291,992	305,849
UNITED STATES OF AMERICA NOTES FIXED 2.75%	2.750%	07/31/2023	19,973,836	21,032,812	1,058,977
UNITED STATES OF AMERICA NOTES FIXED 2.75%	2.750%	08/15/2021	24,999,538	25,084,045	84,507
UNITED STATES OF AMERICA NOTES FIXED 2.75%	2.750%	08/31/2023	24,992,169	26,331,055	1,338,886
UNITED STATES OF AMERICA NOTES FIXED 2.75%	2.750%	09/15/2021	24,996,367	25,139,105	142,739
UNITED STATES OF AMERICA NOTES FIXED 2.875%	2.875%	10/15/2021	19,993,302	20,163,299	169,997
Total Treasury Securities			1,146,839,455	1,166,407,358	19,567,902
Federal Farm Credit Banks (FFCB):					
FEDERAL FARM CREDIT BANKS FUNDING CORP BOND	0.340%	04/11/2022	15,000,000	15,030,583	30,583
FEDERAL FARM CREDIT BANKS FUNDING CORP BOND	0.440%	05/20/2022	6,000,000	6,019,714	19,714
FEDERAL FARM CREDIT BANKS FUNDING CORP BOND	0.460%	12/12/2022	10,000,000	10,057,500	57,500
FEDERAL FARM CREDIT BANKS FUNDING CORP BOND FIXED	0.125%	05/10/2023	14,982,154	14,973,406	(8,748)
FEDERAL FARM CREDIT BANKS FUNDING CORP BOND FIXED	0.125%	11/23/2022	19,973,356	19,983,960	10,604
FEDERAL FARM CREDIT BANKS FUNDING CORP BOND FIXED	0.500%	07/02/2025	17,850,833	17,698,634	(152,199)
FEDERAL FARM CREDIT BANKS FUNDING CORP BOND FIXED	1.210%	03/03/2025	14,741,171	14,810,537	69,366
FEDERAL FARM CREDIT BANKS FUNDING CORP BOND FIXED	1.230%	03/04/2024	23,780,637	23,921,426	140,789
FEDERAL FARM CREDIT BANKS FUNDING CORP BOND FIXED	1.600%	09/17/2024	20,579,443	21,207,828	628,385
FEDERAL FARM CREDIT BANKS FUNDING CORP BOND FIXED	1.650%	01/23/2025	7,750,545	7,778,234	27,688
FEDERAL FARM CREDIT BANKS FUNDING CORP BOND FIXED	1.770%	06/26/2023	20,082,911	20,721,745	638,834
FEDERAL FARM CREDIT BANKS FUNDING CORP BOND FIXED	1.900%	07/01/2024	11,591,373	12,078,895	487,523
FEDERAL FARM CREDIT BANKS FUNDING CORP BOND FIXED	2.125%	09/06/2022	20,047,683	20,473,966	426,283
FEDERAL FARM CREDIT BANKS FUNDING CORP BOND FIXED	2.550%	03/01/2022	25,003,785	25,413,187	409,401
FEDERAL FARM CREDIT BANKS FUNDING CORP BOND FIXED	2.875%	12/21/2023	16,191,762	17,093,794	902,032
FEDERAL FARM CREDIT BANKS FUNDING CORP BOND FIXED	3.050%	11/06/2023	21,961,814	23,391,719	1,429,905
FEDERAL FARM CREDIT BANKS FUNDING CORP CALLABLE	1.640%	01/24/2023	3,028,676	3,023,333	(5,343)
FEDERAL FARM CREDIT BANKS FUNDING CORP BOND FIXED	1.650%	09/20/2021	150,528	150,525	(3)
Total Federal Farm Credit Banks			268,716,672	273,828,986	5,112,314

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Security Description	Interest Rate	Maturity Date	Book Value	Market Value	Unrealized Gain (Loss)
Federal Home Loan Banks					
FEDERAL HOME LOAN BANKS BOND FIXED 0.125%	0.125%	06/02/2023	20,981,393	20,946,824	(34,569)
FEDERAL HOME LOAN BANKS BOND FIXED 0.375%	0.375%	09/04/2025	13,765,223	13,631,897	(133,326)
FEDERAL HOME LOAN BANKS BOND FIXED 1.125%	1.120%	07/14/2021	4,999,818	5,002,000	2,182
FEDERAL HOME LOAN BANKS BOND FIXED 1.875%	1.875%	03/08/2024	14,427,201	14,526,264	99,063
FEDERAL HOME LOAN BANKS BOND FIXED 2.25%	2.250%	03/11/2022	2,000,189	2,030,286	30,097
FEDERAL HOME LOAN BANKS BOND FIXED 2.5%	2.500%	03/11/2022	34,564,506	35,078,945	514,438
FEDERAL HOME LOAN BANKS BOND FIXED 2.75%	2.750%	03/10/2023	25,032,529	26,070,521	1,037,992
FEDERAL HOME LOAN BANKS BOND FIXED 2.875%	2.875%	06/14/2024	20,577,180	21,397,450	820,270
FEDERAL HOME LOAN BANKS BOND FIXED 3.375%	3.375%	12/08/2023	46,068,645	48,844,603	2,775,958
FEDERAL HOME LOAN BANKS CALLABLE BOND STEP CPN	1.700%	10/26/2021	1,005,067	1,004,923	(145)
Total Federal Home Loan Banks			183,421,751	188,533,712	5,111,961
Federal Home Loan Mortgage Corporation (FHLMC):					
FEDERAL HOME LOAN MORTGAGE CORP NOTES FIXED 0.125%	0.125%	07/25/2022	9,987,970	10,002,170	14,200
FEDERAL HOME LOAN MORTGAGE CORP NOTES FIXED 0.25%	0.250%	06/26/2023	24,951,581	24,999,588	48,007
FEDERAL HOME LOAN MORTGAGE CORP NOTES FIXED 0.25%	0.250%	08/24/2023	19,985,408	19,997,783	12,375
FEDERAL HOME LOAN MORTGAGE CORP NOTES FIXED 0.25%	0.250%	09/08/2023	19,995,200	19,982,772	(12,428)
FEDERAL HOME LOAN MORTGAGE CORP NOTES FIXED 0.375%	0.375%	04/20/2023	19,969,863	20,046,854	76,991
FEDERAL HOME LOAN MORTGAGE CORP NOTES FIXED 0.375%	0.375%	05/05/2023	24,993,516	25,065,947	72,431
FEDERAL HOME LOAN MORTGAGE CORP NOTES FIXED 0.375%	0.375%	07/21/2025	14,939,214	14,788,807	(150,406)
FEDERAL HOME LOAN MORTGAGE CORP NOTES FIXED 0.375%	0.375%	09/23/2025	19,948,951	19,686,957	(261,994)
FEDERAL HOME LOAN MORTGAGE CORP NOTES FIXED 1.5%	1.500%	02/12/2025	9,994,368	10,317,290	322,922
Total Federal Home Loan Mortgage Corporation			164,766,069	164,888,167	122,098
Federal National Mortgage Association (FNMA):					
FEDERAL NATIONAL MORTGAGE ASSOCIATION CALLABLE	0.300%	08/03/2023	20,000,000	20,003,152	3,152
FEDERAL NATIONAL MORTGAGE ASSOCIATION CALLABLE	0.600%	07/29/2025	22,496,316	22,164,427	(331,890)
FEDERAL NATIONAL MORTGAGE ASSOCIATION NOTES FIXED	0.250%	05/22/2023	24,952,468	25,000,154	47,686
FEDERAL NATIONAL MORTGAGE ASSOCIATION NOTES FIXED	0.250%	07/10/2023	14,978,199	15,000,080	21,882
FEDERAL NATIONAL MORTGAGE ASSOCIATION NOTES FIXED	0.625%	04/22/2025	19,968,458	19,975,315	6,857
FEDERAL NATIONAL MORTGAGE ASSOCIATION NOTES FIXED	1.375%	10/07/2021	4,999,535	5,017,527	17,992
FEDERAL NATIONAL MORTGAGE ASSOCIATION NOTES FIXED	1.625%	01/07/2025	19,954,499	20,705,717	751,218
FEDERAL NATIONAL MORTGAGE ASSOCIATION NOTES FIXED	1.750%	07/02/2024	19,953,508	20,792,700	839,192
FEDERAL NATIONAL MORTGAGE ASSOCIATION NOTES FIXED	2.500%	02/05/2024	25,943,689	27,425,051	1,481,362
FEDERAL NATIONAL MORTGAGE ASSOCIATION NOTES FIXED	2.875%	09/12/2023	24,953,023	26,424,968	1,471,945
Total Federal National Mortgage Corporation			198,199,695	202,509,091	4,309,396
Federal Agricultural Mortgage Corp. (FAGM)					
FEDERAL AGRICULTURAL MORTGAGE CORP MEDIUM TERM	0.430%	04/28/2025	13,959,594	13,824,314	(135,280)
FEDERAL AGRICULTURAL MORTGAGE CORP MEDIUM TERM	1.390%	02/12/2024	3,592,446	3,624,288	31,842
FEDERAL AGRICULTURAL MORTGAGE CORP MEDIUM TERM	1.560%	01/22/2024	13,000,000	13,404,066	404,066
FEDERAL AGRICULTURAL MORTGAGE CORP MEDIUM TERM	1.900%	09/01/2022	9,999,394	10,203,680	204,286
FEDERAL AGRICULTURAL MORTGAGE CORP MEDIUM TERM	2.150%	06/05/2024	10,033,745	10,482,597	448,852
FEDERAL AGRICULTURAL MORTGAGE CORP MEDIUM TERM	2.250%	11/01/2022	24,998,013	25,691,420	693,407
FEDERAL AGRICULTURAL MORTGAGE CORP MEDIUM TERM	2.660%	04/12/2022	7,051,926	7,140,181	88,255
Total Federal Agricultural Mortgage Corporation			82,635,119	84,370,546	1,735,427
Miscellaneous Government Securities					
TENNESSEE VALLEY AUTHORITY NOTES FIXED .75%	0.750%	05/15/2025	4,988,588	5,029,880	41,292
UNITED STATES DEPARTMENT OF HOUSING AND URBAN	2.550%	08/01/2022	4,000,000	4,099,885	99,885
UNITED STATES DEPARTMENT OF HOUSING AND URBAN	2.620%	08/01/2023	4,000,000	4,183,914	183,914
Total Miscellaneous Government Securities			12,988,588	13,313,679	325,091
Total U.S. Government Securities			2,057,567,351	2,093,851,539	36,284,188
Total General Fund Investment Pool (State Funds Investment Pool)			\$ 5,917,974,009	\$ 5,956,613,428	\$ 38,639,419

STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER CASH FLOW PORTFOLIOS
EXTERNAL AND INTERNAL INVESTMENT POOLS
SCHEDULE OF INVESTMENTS (CONTINUED)
JUNE 30, 2021

Security Description	Interest Rate	Maturity Date	Book Value	Market Value	Unrealized Gain (Loss)
LOCAL GOVERNMENT INVESTMENT POOL:					
Bank Accounts:					
BANK OF THE WEST	Variable	N/A	\$ 256,246,156	\$ 256,246,156	\$ -
WELLS FARGO CHECKING	Variable	N/A	44,543,194	44,543,194	-
Total Bank Accounts			300,789,350	300,789,350	-
Supernationals:					
INTER-AMERICAN DEVELOPMENT BANK BOND FIXED 1.875%	1.875%	07/23/2021	450,474	450,477	4
INTER-AMERICAN DEVELOPMENT BANK BOND VARIABLE	0.050%	09/16/2022	9,935,620	9,933,364	(2,256)
INTER-AMERICAN DEVELOPMENT BANK BOND VARIABLE	0.160%	10/25/2021	10,000,673	9,999,600	(1,073)
INTER-AMERICAN DEVELOPMENT BANK BOND VARIABLE	0.380%	10/25/2021	13,926,380	13,926,527	147
INTERNATIONAL BANK FOR RECONSTRUCTION &	0.050%	01/13/2023	10,002,723	9,999,800	(2,923)
INTERNATIONAL BANK FOR RECONSTRUCTION &	1.375%	09/20/2021	21,808,837	21,808,582	(255)
INTERNATIONAL BANK FOR RECONSTRUCTION &	2.750%	07/23/2021	310,488	310,456	(33)
INTERNATIONAL FINANCE CORP BOND FIXED 1.125%	1.125%	07/20/2021	1,400,734	1,400,784	49
INTERNATIONAL FINANCE CORP BOND VARIABLE	0.050%	06/30/2023	20,000,000	19,996,600	(3,400)
Total Supernationals			87,835,930	87,826,189	(9,741)
Discounted Notes:					
UNITED STATES OF AMERICA BILL ZERO CPN 01/JUL/2021	0.000%	07/01/2021	19,999,945	20,000,000	55
UNITED STATES OF AMERICA BILL ZERO CPN 02/DEC/2021	0.000%	12/02/2021	49,992,547	49,988,949	(3,598)
UNITED STATES OF AMERICA BILL ZERO CPN 02/SEP/2021	0.000%	09/02/2021	29,996,852	29,997,244	392
UNITED STATES OF AMERICA BILL ZERO CPN 05/AUG/2021	0.000%	08/05/2021	59,998,419	59,997,268	(1,151)
UNITED STATES OF AMERICA BILL ZERO CPN 08/JUL/2021	0.000%	07/08/2021	21,017,910	21,017,842	(68)
UNITED STATES OF AMERICA BILL ZERO CPN 09/DEC/2021	0.000%	12/09/2021	29,994,688	29,993,068	(1,619)
UNITED STATES OF AMERICA BILL ZERO CPN 09/SEP/2021	0.000%	09/09/2021	19,997,672	19,998,153	481
UNITED STATES OF AMERICA BILL ZERO CPN 12/NOV/2021	0.000%	11/12/2021	24,996,772	24,995,533	(1,238)
UNITED STATES OF AMERICA BILL ZERO CPN 14/OCT/2021	0.000%	10/14/2021	29,996,524	29,995,844	(680)
UNITED STATES OF AMERICA BILL ZERO CPN 16/SEP/2021	0.000%	09/16/2021	12,387,350	12,386,808	(543)
UNITED STATES OF AMERICA BILL ZERO CPN 18/NOV/2021	0.000%	11/18/2021	24,997,110	24,995,285	(1,825)
UNITED STATES OF AMERICA BILL ZERO CPN 19/AUG/2021	0.000%	08/19/2021	29,997,527	29,998,163	635
UNITED STATES OF AMERICA BILL ZERO CPN 20/JUL/2021	0.000%	07/20/2021	49,998,686	49,998,681	(5)
UNITED STATES OF AMERICA BILL ZERO CPN 21/OCT/2021	0.000%	10/21/2021	12,988,396	12,988,080	(315)
UNITED STATES OF AMERICA BILL ZERO CPN 22/JUL/2021	0.000%	07/22/2021	39,998,556	39,998,888	332
UNITED STATES OF AMERICA BILL ZERO CPN 23/SEP/2021	0.000%	09/23/2021	39,132,974	39,132,434	(541)
UNITED STATES OF AMERICA BILL ZERO CPN 24/AUG/2021	0.000%	08/24/2021	29,997,896	29,997,975	79
UNITED STATES OF AMERICA BILL ZERO CPN 26/OCT/2021	0.000%	10/26/2021	19,996,880	19,996,750	(130)
UNITED STATES OF AMERICA BILL ZERO CPN 29/JUL/2021	0.000%	07/29/2021	39,999,376	39,998,514	(862)
UNITED STATES OF AMERICA BILL ZERO CPN 30/SEP/2021	0.000%	09/30/2021	40,542,460	40,541,620	(840)
Total Discounted Notes			626,028,538	626,017,097	(11,441)
U.S. Government Securities:					
Treasury Securities:					
UNITED STATES OF AMERICA NOTES FIXED 1.125%	1.125%	8/31/2021	30,051,804	30,053,694	1,890
Total Treasury Securities			30,051,804	30,053,694	1,890
Federal Farm Credit Banks (FFCB):					
FEDERAL FARM CREDIT BANKS FUNDING CORP BOND	0.160%	12/13/2021	1,900,268	1,900,937	669
FEDERAL FARM CREDIT BANKS FUNDING CORP BOND	0.140%	09/23/2021	10,000,000	10,002,631	2,631
FEDERAL FARM CREDIT BANKS FUNDING CORP BOND	0.230%	01/14/2022	10,000,000	10,007,510	7,510
Total Federal Farm Credit Banks			21,900,268	21,911,078	10,811

**STATE OF NEW MEXICO
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EXTERNAL AND INTERNAL INVESTMENT POOLS
SCHEDULE OF INVESTMENTS (CONTINUED)
JUNE 30, 2021**

Security Description	Interest Rate	Maturity Date	Book Value	Market Value	Unrealized Gain (Loss)
Federal Home Loan Banks (FHLB):					
FEDERAL HOME LOAN BANKS BOND FIXED 0.125%	0.125%	07/02/2021	2,500,006	2,499,999	(8)
FEDERAL HOME LOAN BANKS CALLABLE BOND STEP CPN	1.700%	10/26/2021	9,045,604	9,044,303	(1,301)
Total Federal Home Loan Banks			11,545,610	11,544,301	(1,309)
Federal National Mortgage Association (FNMA):					
FEDERAL NATIONAL MORTGAGE ASSOCIATION NOTES	0.200%	12/09/2021	5,000,000	5,003,220	3,220
FEDERAL NATIONAL MORTGAGE ASSOCIATION NOTES	0.270%	03/16/2022	5,000,000	5,007,213	7,213
Total Federal Home Loan Banks			10,000,000	10,010,433	10,433
Federal Home Loan Mortgage Corporation (FHLMC):					
FEDERAL HOME LOAN MORTGAGE CORP MEDIUM TERM NOTE	0.200%	03/04/2022	5,000,000	5,004,567	4,567
FEDERAL HOME LOAN MORTGAGE CORP MEDIUM TERM NOTE	0.190%	12/10/2021	5,000,000	5,001,697	1,697
FEDERAL HOME LOAN MORTGAGE CORP MEDIUM TERM NOTE	0.370%	09/23/2021	5,000,000	5,003,700	3,700
Total Federal Home Loan Mortgage Corporation			15,000,000	15,009,964	9,964
Total U.S. Governmental Securities			88,497,682	88,529,471	31,789
Total Local Government Investment Pool (Short-term Investment Pool)			\$ 1,103,151,500	\$ 1,103,162,107	\$ 10,607

STATE OF NEW MEXICO
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EXTERNAL AND INTERNAL INVESTMENT POOLS
SCHEDULE OF INVESTMENTS (CONTINUED)
JUNE 30, 2021

Security Description	Interest Rate	Maturity Date	Book Value	Market Value	Unrealized Gain (Loss)
BOND PROCEEDS INVESTMENT POOL #2 (TAXABLE):					
Certificates of Deposit	Various	Various	\$ 6,200,000	\$ 6,200,000	\$ -
Cash in Banks	Various	Various	55	55	-
Money Market Mutual Funds	Various	Various	11,334,010	11,334,010	-
Municipal Bonds:					
ALBUQUERQUE BERNALILLO CNTY WTR UTIL AUTH N MEX JT	0.47%	07/01/2022	250,000	250,558	
ALBUQUERQUE N MEX MUN SCH DIST NO 012 GO BDS 2021	5.00%	08/01/2022	473,552	473,594	
ALBUQUERQUE N MEX MUN SCH DIST NO 012 GO REF BDS	5.00%	08/01/2022	1,946,827	1,946,996	
ALBUQUERQUE N MEX MUN SCH DIST NO 012 TAXABLE GO	0.340%	08/01/2023	475,000	474,283	(717)
Total Municipal Bonds			3,145,379	3,145,429	(717)
Bankers Acceptance Notes:					
US BANK N.A. BANKERS' ACCEPTANCE DISCOUNT DTD	0.00%	02/07/2022	3,994,343	3,994,343	
US BANK N.A. BANKERS' ACCEPTANCE DISCOUNT DTD	0.000%	11/19/2021	17,984,437	17,984,437	-
Total Bankers Acceptance Notes			21,978,780	21,978,780	-
Commercial Paper:					
PRICOA SHT TRM FNDG LL CORPORATE COMMERCIAL PAPER	0.000%	6/7/2022	19,962,104	19,964,850	2,746
Total Commercial Paper			19,962,104	19,964,850	2,746
Corporate Bonds:					
AMAZON.COM INC CALLABLE NOTES FIXED 0.45%	0.450%	05/12/2024	2,846,026	2,843,686	(2,340)
APPLE INC CALLABLE NOTES FIXED 1.8% 11/SEP/2024	1.800%	09/11/2024	4,992,594	5,204,014	211,421
APPLE INC CALLABLE NOTES FIXED 2.1% 12/SEP/2022	2.100%	09/12/2022	5,003,487	5,104,178	100,691
BANK OF NEW YORK MELLON CORP/THE CALLABLE MEDIUM	0.500%	04/26/2024	2,996,982	2,996,851	(131)
BANK OF NEW YORK MELLON CORP/THE CALLABLE MEDIUM	1.850%	01/27/2023	7,497,210	7,674,918	177,708
BANK OF NEW YORK MELLON CORP/THE CALLABLE MEDIUM	2.660%	05/16/2023	2,050,880	2,040,655	(10,225)
INTEL CORP CALLABLE NOTES FIXED 2.35% 11/MAY/2022	2.350%	05/11/2022	508,371	508,417	46
JOHN DEERE CAPITAL CORP MEDIUM TERM NOTE FIXED	3.150%	10/15/2021	499,227	499,234	7
METROPOLITAN LIFE GLOBAL FUNDING I MEDIUM TERM	0.550%	06/07/2024	8,411,630	8,385,118	(26,512)
PEPSICO INC CALLABLE NOTES FIXED 0.4% 07/OCT/2023	0.400%	10/07/2023	1,999,137	2,001,951	2,814
PNC BANK NA CALLABLE NOTES FIXED 2.55% 09/DEC/2021	2.550%	12/09/2021	10,093,972	10,084,642	(9,331)
TOYOTA MOTOR CREDIT CORP CALLABLE MEDIUM TERM NOTE	2.150%	09/08/2022	7,003,193	7,159,035	155,842
TOYOTA MOTOR CREDIT CORP MEDIUM TERM NOTE FIXED	0.350%	10/14/2022	4,997,125	5,007,005	9,880
TOYOTA MOTOR CREDIT CORP MEDIUM TERM NOTE FIXED	0.450%	07/22/2022	9,996,708	10,028,253	31,544
TOYOTA MOTOR CREDIT CORP MEDIUM TERM NOTE FIXED	0.500%	06/18/2024	5,693,297	5,674,912	(18,384)
TOYOTA MOTOR CREDIT CORP MEDIUM TERM NOTE FIXED	0.500%	08/14/2023	1,998,908	2,003,891	4,983
US BANCORP CALLABLE MEDIUM TERM NOTE FIXED 2.625%	2.625%	01/24/2022	3,013,121	3,035,001	21,880
US BANK NA/CINCINNATI OH CALLABLE MEDIUM TERM NOTE	0.370%	01/21/2022	5,000,000	5,004,220	4,220
Total Corporate Bonds:			84,601,867	85,255,981	654,114
Discounted Notes:					
UNITED STATES OF AMERICA BILL ZERO CPN 24/AUG/2021	0.000%	08/24/2021	24,998,247	24,998,313	66
UNITED STATES OF AMERICA BILL ZERO CPN 26/OCT/2021	0.000%	10/26/2021	29,995,319	29,995,125	(194)
Total Discounted Notes			54,993,566	54,993,438	(129)

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EXTERNAL AND INTERNAL INVESTMENT POOLS
SCHEDULE OF INVESTMENTS (CONTINUED)
JUNE 30, 2021**

Security Description	Interest Rate	Maturity Date	Book Value	Market Value	Unrealized Gain (Loss)
Demand Notes:					
NEW MEXICO ST HOSP EQUIP LN COUNCIL HOSP REV	0.600%	08/01/2042	33,615,000	33,615,000	-
Total Demand Notes			33,615,000	33,615,000	-
Mutual Funds:					
BLACKROCK LIQUIDITY FUNDS INSTITUTIONAL SHSFEDFUND	0.030%	12/31/2049	14,111,590	14,111,590	-
DWS GOVERNMENT MONEY MARKET SERIES OPEN-END FUND	0.000%	12/31/2049	105,425,524	105,425,524	-
Total Mutual Funds			119,537,114	119,537,114	-
Supranationals:					
INTER-AMERICAN DEVELOPMENT BANK BOND FIXED 0.25%	0.250%	11/15/2023	4,994,803	4,987,353	(7,450)
INTER-AMERICAN DEVELOPMENT BANK BOND FIXED 1.25%	1.250%	09/14/2021	11,324,656	11,326,973	2,317
INTER-AMERICAN DEVELOPMENT BANK BOND FIXED 3%	3.000%	02/21/2024	5,356,988	5,333,107	(23,880)
INTERNATIONAL BANK FOR RECONSTRUCTION &	0.050%	01/13/2023	10,000,000	9,999,800	(200)
INTERNATIONAL BANK FOR RECONSTRUCTION &	0.125%	04/20/2023	11,977,598	11,968,992	(8,606)
INTERNATIONAL FINANCE CORP BOND VARIABLE	0.050%	06/30/2023	20,000,000	19,996,600	(3,400)
Total Supranationals			63,654,045	63,612,826	(41,219)
U.S. Government Securities:					
Treasury Securities:					
UNITED STATES OF AMERICA NOTES FIXED 0.125%	0.125%	06/30/2023	19,950,621	19,952,344	1,723
UNITED STATES OF AMERICA NOTES FIXED 0.125%	0.125%	09/15/2023	8,994,876	8,966,953	(27,923)
UNITED STATES OF AMERICA NOTES FIXED 0.125%	0.125%	09/30/2022	19,996,889	19,996,875	(14)
UNITED STATES OF AMERICA NOTES FIXED 0.125%	0.125%	11/30/2022	19,989,883	19,986,719	(3,164)
UNITED STATES OF AMERICA NOTES FIXED 0.375%	0.375%	03/31/2022	20,027,701	20,043,750	16,049
UNITED STATES OF AMERICA NOTES FIXED 0.375%	0.375%	12/31/2025	19,997,886	19,621,094	(376,793)
UNITED STATES OF AMERICA NOTES FIXED 1.125%	1.125%	09/30/2021	19,973,973	20,053,193	79,220
UNITED STATES OF AMERICA NOTES FIXED 1.5%	1.500%	09/30/2024	10,336,496	10,316,797	(19,700)
UNITED STATES OF AMERICA NOTES FIXED 1.625%	1.625%	10/31/2023	20,608,668	20,607,812	(856)
UNITED STATES OF AMERICA NOTES FIXED 1.75%	1.750%	01/31/2023	10,022,899	10,244,922	222,023
UNITED STATES OF AMERICA NOTES FIXED 1.75%	1.750%	05/31/2022	20,284,704	20,303,125	18,421
UNITED STATES OF AMERICA NOTES FIXED 1.75%	1.750%	06/30/2022	20,310,355	20,328,125	17,770
UNITED STATES OF AMERICA NOTES FIXED 1.875%	1.875%	01/31/2022	24,967,705	25,264,649	296,943
UNITED STATES OF AMERICA NOTES FIXED 2.25%	2.250%	10/31/2024	21,133,459	21,133,594	135
UNITED STATES OF AMERICA NOTES FIXED 2.375%	2.375%	03/15/2022	20,309,654	20,325,000	15,346
UNITED STATES OF AMERICA NOTES FIXED 2.5%	2.500%	02/15/2022	30,435,818	30,457,031	21,213
UNITED STATES OF AMERICA NOTES FIXED 2.625%	2.625%	07/15/2021	19,999,539	20,019,951	20,412
UNITED STATES OF AMERICA NOTES FIXED 2.75%	2.750%	08/31/2023	21,066,634	21,064,844	(1,791)
UNITED STATES OF AMERICA NOTES FIXED 2.875%	2.875%	10/15/2021	4,998,326	5,040,825	42,499
Total Treasury Securities			353,406,087	353,727,602	321,515
Federal Farm Credit Banks (FFCB):					
FEDERAL FARM CREDIT BANKS FUNDING CORP BOND	0.170%	11/18/2021	10,000,000	10,004,317	4,317
FEDERAL FARM CREDIT BANKS FUNDING CORP BOND	0.460%	12/12/2022	5,000,000	5,028,750	28,750
FEDERAL FARM CREDIT BANKS FUNDING CORP BOND FIXED	0.125%	02/03/2023	7,996,435	7,994,140	(2,294)
FEDERAL FARM CREDIT BANKS FUNDING CORP BOND FIXED	0.125%	05/10/2023	7,990,482	7,985,817	(4,666)
FEDERAL FARM CREDIT BANKS FUNDING CORP BOND FIXED	0.250%	02/26/2024	4,998,406	4,981,143	(17,263)
FEDERAL FARM CREDIT BANKS FUNDING CORP BOND FIXED	1.625%	12/27/2021	25,107,643	25,195,150	87,507
FEDERAL FARM CREDIT BANKS FUNDING CORP BOND FIXED	1.750%	07/01/2022	19,986,039	20,330,025	343,986
FEDERAL FARM CREDIT BANKS FUNDING CORP BOND FIXED	1.770%	06/26/2023	22,269,556	22,966,387	696,831
FEDERAL FARM CREDIT BANKS FUNDING CORP BOND FIXED	1.850%	07/19/2022	9,992,728	10,183,208	190,480
FEDERAL FARM CREDIT BANKS FUNDING CORP BOND FIXED	1.950%	06/13/2024	10,000,241	10,437,010	436,768
FEDERAL FARM CREDIT BANKS FUNDING CORP BOND FIXED	2.800%	12/17/2021	8,585,289	8,683,948	98,659
Total Federal Farm Credit Banks			131,926,820	133,789,895	1,863,074

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Security Description	Interest Rate	Maturity Date	Book Value	Market Value	Unrealized Gain (Loss)
Federal Home Loan Banks (FHLB):					
FEDERAL HOME LOAN BANKS BOND FIXED .125%	0.125%	08/12/2022	19,978,381	20,000,486	22,105
FEDERAL HOME LOAN BANKS BOND FIXED .125%	0.125%	10/21/2022	19,982,726	19,988,079	5,354
FEDERAL HOME LOAN BANKS BOND FIXED 1.875%	1.875%	03/08/2024	4,124,572	4,154,813	30,241
FEDERAL HOME LOAN BANKS BOND FIXED 2.25%	2.250%	03/11/2022	10,126,708	10,151,431	24,723
FEDERAL HOME LOAN BANKS BOND FIXED 2.5%	2.500%	03/11/2022	10,019,000	10,167,810	148,810
FEDERAL HOME LOAN BANKS BOND FIXED 2.625%	2.625%	12/10/2021	10,084,713	10,113,066	28,353
Total Federal Home Loan Banks			74,316,099	74,575,684	259,586
Federal Home Loan Mortgage Corporation (FHLMC):					
FEDERAL HOME LOAN MORTGAGE CORP NOTES FIXED .125%	0.125%	07/25/2022	14,981,956	15,003,255	21,299
FEDERAL HOME LOAN MORTGAGE CORP NOTES FIXED .25%	0.250%	06/26/2023	19,961,265	19,999,670	38,405
FEDERAL HOME LOAN MORTGAGE CORP NOTES FIXED .25%	0.250%	09/08/2023	4,998,800	4,995,693	(3,107)
FEDERAL HOME LOAN MORTGAGE CORP NOTES FIXED .375%	0.375%	05/05/2023	4,998,703	5,013,189	14,486
FEDERAL HOME LOAN MORTGAGE CORP NOTES FIXED 2.375%	2.375%	01/13/2022	25,913,105	25,916,381	3,276
Total Federal Home Loan Mortgage Corporation			70,853,828	70,928,188	74,360
Federal National Mortgage Association (FNMA):					
FEDERAL NATIONAL MORTGAGE ASSOCIATION NOTES FIXED	0.250%	05/22/2023	4,990,494	5,000,031	9,537
FEDERAL NATIONAL MORTGAGE ASSOCIATION NOTES FIXED	0.250%	07/10/2023	24,963,664	25,000,134	36,470
FEDERAL NATIONAL MORTGAGE ASSOCIATION NOTES FIXED	0.500%	06/17/2025	19,999,197	19,874,771	(124,425)
FEDERAL NATIONAL MORTGAGE ASSOCIATION NOTES FIXED	1.625%	01/07/2025	19,954,499	20,705,717	751,218
Total Federal National Mortgage Corporation			69,907,854	70,580,653	672,800
Miscellaneous government securities					
FEDERAL AGRICULTURAL MORTGAGE CORP MEDIUM TERM	0.160%	01/03/2022	10,000,000	10,003,067	3,067
Total Miscellaneous Government Securities			10,000,000	10,003,067	3,067
Total U.S. Government Securities			710,410,688	713,605,089	3,194,401
Total Bond Proceeds Investment Pool #2 (Taxable) (Part 1 of the Consolidated Investment Pool)			\$ 1,129,432,608	\$ 1,133,242,572	\$ 3,809,196

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Security Description	Interest Rate	Maturity Date	Book Value	Market Value	Unrealized Gain (Loss)
BOND PROCEEDS INVESTMENT POOL #1 (TAX EXEMPT):					
Cash in banks	Various	Various	\$ 34,611	\$ 34,611	\$ -
Money Market Mutual Funds	Various	Various	65,308,139	65,308,139	-
Municipal Bonds:					
ALBUQUERQUE BERNALILLO CNTY WTR UTIL AUTH N MEX JT	0.42%	07/01/2021	250,000	250,000	-
NEW MEXICO ST CAP PROJ GO BDS 2021 27/MAY/2021	5.00%	03/01/2022	16,759,437	16,751,145	(8,292)
SANTA FE CNTY N MEX GO IMPT REF BDS 2021	4.00%	07/01/2021	2,400,000	2,400,000	-
SANTA FE N MEX PUB SCH DIST GO ED TECHNOLOGY NTS	4.00%	08/01/2022	676,720	676,774	54
SANTA FE N MEX PUB SCH DIST GO ED TECHNOLOGY NTS	4.00%	08/01/2023	700,475	700,733	257
Total municipal bonds			20,786,632	20,778,651	(7,981)
Demand notes:					
COLORADO HSG & FIN AUTH ADJUSTABLE RATE BDS 2007	0.060%	10/01/2038	5,000,000	5,000,000	-
COLORADO HSG & FIN AUTH VAR TAXABLE SINGLE FAMILY	0.080%	05/01/1948	12,000,000	12,000,000	-
NEBRASKA INVT FIN AUTH SINGLE FAMILY HSG REV REV	0.060%	09/01/2032	14,705,000	14,705,000	-
NEW MEXICO ST HOSP EQUIP LN COUNCIL HOSP REV	0.060%	08/01/2042	17,230,000	17,230,000	-
Total demand notes:			48,935,000	48,935,000	-
Corporate bonds:					
AMAZON.COM INC CALLABLE NOTES FIXED 0.25%	0.250%	05/12/2023	999,869	1,000,464	594
BANK OF NEW YORK MELLON CORP/THE CALLABLE MEDIUM	2.660%	05/16/2023	5,785,531	5,756,688	(28,844)
METROPOLITAN LIFE GLOBAL FUNDING I MEDIUM TERM	0.550%	06/07/2024	6,494,394	6,476,918	(17,476)
PNC BANK NA CALLABLE NOTES FIXED 2.55% 09/DEC/2021	2.550%	12/09/2021	5,168,114	5,163,336	(4,777)
WELLS FARGO BANK NA CALLABLE MEDIUM TERM NOTE	3.625%	10/22/2021	2,915,282	2,921,852	6,570
WELLS FARGO BANK NA CALLABLE MEDIUM TERM NOTE	2.080%	09/09/2022	2,211,173	2,207,336	(3,837)
Total corporate bonds:			23,574,363	23,526,593	(47,770)
Commercial paper:					
PRICOA SHT TRM FNDG LL CORPORATE COMMERCIAL PAPER	0.000%	06/07/2022	19,962,104	19,964,850	2,746
TOYOTA MOTOR CREDIT CORPORATE COMMERCIAL PAPER	0.000%	02/25/2022	19,980,365	19,978,666	(1,699)
Total commercial paper:			39,942,469	39,943,516	1,047
Discounted notes:					
UNITED STATES OF AMERICA BILL ZERO CPN 12/NOV/2021	0.000%	11/12/2021	14,998,063	14,997,320	(743)
UNITED STATES OF AMERICA BILL ZERO CPN 18/NOV/2021	0.000%	11/18/2021	14,998,266	14,997,171	(1,095)
UNITED STATES OF AMERICA BILL ZERO CPN 20/JUL/2021	0.000%	07/20/2021	19,999,555	19,999,472	(83)
UNITED STATES OF AMERICA BILL ZERO CPN 24/AUG/2021	0.000%	08/24/2021	24,998,247	24,998,313	66
UNITED STATES OF AMERICA BILL ZERO CPN 26/OCT/2021	0.000%	10/26/2021	29,995,319	29,995,125	(194)
UNITED STATES OF AMERICA BILL ZERO CPN 30/DEC/2021	0.000%	12/30/2021	20,039,487	20,039,629	143
UNITED STATES OF AMERICA BILL ZERO CPN 30/SEP/2021	0.000%	09/30/2021	19,997,526	19,997,346	(180)
Total discounted notes			145,026,463	145,024,375	(2,087)
Mutual funds:					
BLACKROCK LIQUIDITY FUNDS INSTITUTIONAL SHSFEDFUND	0.030%	12/31/2049	90,000,000	90,000,000	-
DWS GOVERNMENT MONEY MARKET SERIES OPEN-END FUND	0.000%	12/31/2049	90,012,500	90,012,500	-
FEDERATED GOVERNMENT OBLIGATIONS FUND OPEN-END	0.030%	12/31/2049	78,123,741	78,123,741	(0)
Total money market mutual funds			258,136,241	258,136,241	(0)
Bankers acceptance notes:					
US BANK N.A. BANKERS' ACCEPTANCE DISCOUNT DTD	0.000%	08/18/2021	9,198,763	9,198,763	-
US BANK N.A. BANKERS' ACCEPTANCE DISCOUNT DTD	0.000%	09/29/2021	4,996,850	4,996,850	-
US BANK N.A. BANKERS' ACCEPTANCE DISCOUNT DTD	0.000%	11/19/2021	1,898,357	1,898,357	-
Total bankers acceptance notes			16,093,970	16,093,970	-

STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER CASH FLOW PORTFOLIOS
EXTERNAL AND INTERNAL INVESTMENT POOLS
SCHEDULE OF INVESTMENTS (CONTINUED)
JUNE 30, 2021

Security Description	Interest Rate	Maturity Date	Book Value	Market Value	Unrealized Gain (Loss)
Supranationals:					
INTERNATIONAL BANK FOR RECONSTRUCTION &	0.125%	04/20/2023	2,994,400	2,992,248	(2,152)
INTERNATIONAL BANK FOR RECONSTRUCTION &	1.875%	06/19/2023	10,327,685	10,303,479	(24,206)
INTERNATIONAL FINANCE CORP BOND VARIABLE	0.050%	06/30/2023	20,000,000	19,996,600	(3,400)
Total Supranationals			33,322,085	33,292,327	(29,758)
U.S. government securities:					
Treasury securities:					
UNITED STATES OF AMERICA NOTES FIXED 0.125%	0.125%	06/30/2023	19,950,621	19,952,344	1,723
UNITED STATES OF AMERICA NOTES FIXED 0.125%	0.125%	01/31/2023	25,001,841	24,975,586	(26,255)
UNITED STATES OF AMERICA NOTES FIXED 0.125%	0.125%	02/28/2023	24,999,076	24,968,750	(30,326)
UNITED STATES OF AMERICA NOTES FIXED 0.125%	0.125%	03/31/2023	24,995,370	24,961,914	(33,456)
UNITED STATES OF AMERICA NOTES FIXED 0.125%	0.125%	05/31/2022	25,007,766	25,007,813	46
UNITED STATES OF AMERICA NOTES FIXED 0.125%	0.125%	08/31/2022	25,002,916	25,000,977	(1,940)
UNITED STATES OF AMERICA NOTES FIXED 0.125%	0.125%	09/15/2023	9,994,307	9,963,281	(31,026)
UNITED STATES OF AMERICA NOTES FIXED 0.125%	0.125%	09/30/2022	19,991,298	19,996,875	5,578
UNITED STATES OF AMERICA NOTES FIXED 0.125%	0.125%	10/31/2022	24,993,178	24,989,258	(3,920)
UNITED STATES OF AMERICA NOTES FIXED 1.625%	1.625%	11/15/2022	10,200,825	10,201,563	738
UNITED STATES OF AMERICA NOTES FIXED 1.625%	1.625%	12/15/2022	25,533,181	25,531,250	(1,931)
UNITED STATES OF AMERICA NOTES FIXED 1.75%	1.750%	06/15/2022	25,401,183	25,393,555	(7,629)
UNITED STATES OF AMERICA NOTES FIXED 1.75%	1.750%	07/15/2022	25,429,358	25,426,758	(2,600)
UNITED STATES OF AMERICA NOTES FIXED 2.375%	2.375%	03/15/2022	10,151,588	10,162,500	10,912
UNITED STATES OF AMERICA NOTES FIXED 2.5%	2.500%	02/15/2022	10,144,866	10,152,344	7,477
UNITED STATES OF AMERICA NOTES FIXED 2.625%	2.625%	07/15/2021	14,999,689	15,014,963	15,275
UNITED STATES OF AMERICA NOTES FIXED 2.75%	2.750%	08/15/2021	9,999,815	10,033,618	33,803
UNITED STATES OF AMERICA NOTES FIXED 2.875%	2.875%	10/15/2021	4,998,326	5,040,825	42,499
Total Treasury Securities			336,795,203	336,774,172	(21,031)
Federal Farm Credit Banks (FFCB):					
FEDERAL FARM CREDIT BANKS FUNDING CORP BOND FIXED	0.125%	02/03/2023	9,995,543	9,992,676	(2,868)
FEDERAL FARM CREDIT BANKS FUNDING CORP BOND FIXED	0.125%	11/23/2022	9,986,678	9,991,980	5,302
Total Federal Farm Credit Banks			19,982,222	19,984,656	2,434
Federal Home Loan Banks (FHLB):					
FEDERAL HOME LOAN BANKS BOND FIXED 0.125%	0.125%	06/02/2023	19,982,279	19,949,356	(32,923)
FEDERAL HOME LOAN BANKS BOND FIXED 0.125%	0.125%	10/21/2022	9,991,363	9,994,040	2,677
Total Federal Home Loan Banks			29,973,642	29,943,396	(30,246)
Federal National Mortgage Association (FNMA):					
FEDERAL NATIONAL MORTGAGE ASSOCIATION NOTES FIXED	0.250%	05/22/2023	4,990,494	5,000,031	9,537
FEDERAL NATIONAL MORTGAGE ASSOCIATION NOTES FIXED	0.250%	07/10/2023	9,985,466	10,000,054	14,588
FEDERAL NATIONAL MORTGAGE ASSOCIATION NOTES FIXED	2.875%	09/12/2023	4,990,605	5,284,994	294,389
Total Federal National Mortgage Association			19,966,564	20,285,078	318,514
Federal Home Loan Mortgage Corporation (FHLMC):					
FEDERAL HOME LOAN MORTGAGE CORP NOTES FIXED .125%	0.13%	07/25/2022	9,987,970	10,002,170	14,200
FEDERAL HOME LOAN MORTGAGE CORP NOTES FIXED .25%	0.25%	06/26/2023	9,980,632	9,999,835	19,203
FEDERAL HOME LOAN MORTGAGE CORP NOTES FIXED .25%	0.25%	08/24/2023	9,992,704	9,998,892	6,188
FEDERAL HOME LOAN MORTGAGE CORP NOTES FIXED .25%	0.25%	09/08/2023	4,998,800	4,995,693	(3,107)
FEDERAL HOME LOAN MORTGAGE CORP NOTES FIXED .25%	0.250%	11/06/2023	9,992,956	9,990,598	(2,359)
Total Federal Home Loan Mortgage Corporation			44,953,063	44,987,187	34,124
Miscellaneous Government Securities:					
FEDERAL AGRICULTURAL MORTGAGE CORP MEDIUM TERM	1.900%	09/01/2022	4,999,697	5,101,840	102,143
Total Miscellaneous Government Securities			4,999,697	5,101,840	102,143
Total U.S. Governmental Securities			456,670,391	457,076,329	405,938
Total Bond Proceeds Investment Pool #1 (Tax Exempt) (Part 2 of the Consolidated Investment Pool)			<u>\$ 1,107,830,363</u>	<u>\$ 1,108,149,752</u>	<u>\$ 319,388</u>

**STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER CASH FLOW PORTFOLIOS
EXTERNAL AND INTERNAL INVESTMENT POOLS
SCHEDULE OF INVESTMENTS (CONTINUED)
JUNE 30, 2021**

Security Description	Book Value	Market Value	Unrealized Gain (Loss)
Local Government Investment Pool (Short-term Investment Pool)	\$ 1,103,151,500	\$ 1,103,162,107	\$ 10,607
General Fund Investment Pool (State Funds Investment Pool)	5,917,974,009	5,956,613,428	38,639,419
Bond Proceeds Taxable (Consolidated Investment Pool)	1,129,432,608	1,133,242,570	3,809,962
Bond Proceeds Tax Exempt (Consolidated Investment Pool)	<u>1,107,830,363</u>	<u>1,108,149,752</u>	<u>319,388</u>
Grand Total of all Funds	<u><u>\$ 9,258,388,481</u></u>	<u><u>\$ 9,301,167,857</u></u>	<u><u>\$ 42,779,376</u></u>

Reconciliation to Financial Statements:

Total Investments per Schedule of Investments	\$ 9,301,167,857
Less: Interfund Investments in Local Government Investment Pool, General Fund Investment Pool	<u>(309,263) *</u>
Total Interfund Investments	<u>(309,263)</u>
Total Cash and Investments, Statement of Fiduciary Net Position	<u><u>\$ 9,300,858,594</u></u>

* Amounts are Deducted from Respective Pools.

**STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER CASH FLOW PORTFOLIOS
EXTERNAL AND INTERNAL INVESTMENT POOLS
SCHEDULE OF COLLATERAL PLEDGED BY DEPOSITORY
JUNE 30, 2021**

Location of Depository	Name of Institution	Deposits	FDIC	Collateral Required	Collateral Pledged		Excess (Under)	Uninsured/ Uncollateralized
					Surety Bond Letter of Credit	Securities		
BANKS:								
Alamogordo								
(FHLB)	First National Bank	\$ 67,127	\$ 67,127	\$ -	\$ -	\$ 456,258	\$ 456,258	\$ -
(FHLB)	First Savings Bank	3,600,000	250,000	1,675,000	2,000,000	-	325,000	1,350,000
Albuquerque								
(WFB)	Bank of America	105,587	105,587	-	-	95,985	95,985	-
	Bank of Albuquerque	167	167	-	100,000	-	100,000	-
(WFB)	Bank of the West	865,861,281	250,000	432,805,641	-	991,907,610	559,101,969	-
(WFB)	BBVA USA	9,896	9,896	-	-	-	-	-
(FHLB)	U.S. Bank N.A.	1,144,781	250,000	447,391	1,100,000	-	652,609	-
(WFB)	New Mexico Bank & Trust	3,932,904	250,000	1,841,452	-	3,856,972	2,015,520	-
(USB)	Wells Fargo Bank, N.A.	74,824,295	250,000	76,065,781	-	344,328,630	268,262,849	-
Artesia								
(FHLB)	First American Bank	28,184	28,184	-	-	-	-	-
Aztec								
	Citizens Bank	3,406	3,406	-	-	-	-	-
Belen								
(USB)	United Business	351,909	250,000	50,955	250,000	-	199,045	-
Carlsbad								
(FHLB)	Carlsbad National Bank	600	600	-	-	-	-	-
(FHLB)	Western Commerce Bank	78,919	78,919	-	-	-	-	-
Clayton								
(FHLB)	Farmers & Stockmen's Bank	38,311	38,311	-	100,000	-	100,000	-
Clovis								
(TIB)	Bank of Clovis	1,019,850	250,000	384,925	-	805,394	420,469	-
	Citizens Bank	5,931	5,931	-	-	-	-	-
(FHLB)	Western Bank	2,600,000	250,000	1,175,000	-	1,317,617	142,617	1,032,383
Hobbs								
(TIB)	Lea County State Bank	62,873	62,873	-	-	-	-	-
Subtotal		953,736,021	2,401,001	514,446,145	3,550,000	1,342,768,466	831,872,321	2,382,383

**STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER CASH FLOW PORTFOLIOS
EXTERNAL AND INTERNAL INVESTMENT POOLS
SCHEDULE OF COLLATERAL PLEDGED BY DEPOSITORY (CONTINUED)
JUNE 30, 2021**

Location of Depository	Name of Institution	Deposits	FDIC	Collateral Required	Collateral Pledged		Excess (Under)	Uninsured/ Uncollateralized
					Surety Bond Letter of Credit	Securities		
BANKS (Continued)								
Las Vegas								
(FHLB)	Southwest Capital Bank	924,824	250,000	337,412	775,000		437,588	-
(FHLB)	Community First Bank LV	723,366	250,000	236,683		442,278	205,595	31,088
Lordsburg								
(FHLB)	Western Bank	1,310,769	250,000	530,385	-	714,719	184,334	346,050
Los Alamos								
(FHLB)	Enterprise Bank & Trust	2,433	2,433	-	-	-	-	-
Raton								
(BBW)	InBank	1,572,984	250,000	1,349,444	-	1,408,431	58,987	-
Roswell								
(FHLB)	Bank of the Southwest	514,185	250,000	132,093	450,000	38,420	356,327	-
(TIB)	Valley Bank of Commerce	47,698	47,698	-	-	-	-	-
Santa Fe								
(FHLB)	Century Bank	500	500	-	-	-	-	-
Socorro								
(BA)	First State Bank	211,869	211,869	-	-	-	-	-
Taos								
(TIB)	Centennial Bank	26,608	26,608	-	-	-	-	-
SAVINGS AND LOANS:								
Roswell								
(FHLB)	Washington Federal	71,807,908	250,000	35,778,954	-	38,287,584	2,508,630	33,270,324
CREDIT UNION:								
Santa Fe								
	Guadalupe Credit Union	-	-	-	-	-	-	-
ANCILLARY RECEIVERSHIP ACCOUNTS:								
Santa Fe								
(WFB)	Century Bank	1,063,193	250,000	406,597		1,221,160	814,563	-
FISCAL AGENT BANK:								
(USB)	Wells Fargo Bank N.A.	66,281,373		67,607,000		297,136,651	229,529,651	-
SUBTOTAL		<u>144,487,710</u>	<u>2,039,108</u>	<u>106,378,568</u>	<u>1,225,000</u>	<u>339,249,243</u>	<u>234,095,675</u>	<u>33,647,462</u>
TOTAL		<u>\$ 1,098,223,731</u>	<u>\$ 4,440,109</u>	<u>\$ 620,824,713</u>	<u>\$ 4,775,000</u>	<u>\$ 1,682,017,709</u>	<u>\$ 1,065,967,996</u>	<u>\$ 36,029,845</u>

Details of the Collateral Pledged are on File with the Office of the State Treasurer.

**STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER CASH FLOW PORTFOLIOS
EXTERNAL AND INTERNAL INVESTMENT POOLS
SCHEDULE OF COLLATERAL PLEDGED BY DEPOSITORY (CONTINUED)
JUNE 30, 2021**

Location of Depository	Name of Institution	Deposits	FDIC	Collateral Required	Collateral Pledged		Excess (Under)	Uninsured/ Uncollateralized
					Surety Bond Letter of Credit	Securities		
Reconciliation to Note F3:								
Fiscal Agent Account		\$ 66,281,373	\$ -	\$ 67,607,000	\$ -	\$ 297,136,651	\$ 229,529,651	\$ -
Certificates of Deposit		8,700,000	750,000	3,975,000	2,000,000	4,918,968	2,943,968	1,031,032
		<u>74,981,373</u>	<u>750,000</u>	<u>71,582,000</u>	<u>2,000,000</u>	<u>302,055,619</u>	<u>232,473,619</u>	<u>1,031,032</u>
Add:								
Agency Deposits		1,022,179,165	3,440,109	548,836,113	2,775,000	1,378,740,930	832,679,817	34,998,813
Ancillary Receivership Accounts		1,063,193	250,000	406,597	-	1,221,160	814,563	-
		<u>1,023,242,358</u>	<u>3,690,109</u>	<u>549,242,710</u>	<u>2,775,000</u>	<u>1,379,962,090</u>	<u>833,494,380</u>	<u>34,998,813</u>
		<u>\$ 1,098,223,731</u>	<u>\$ 4,440,109</u>	<u>\$ 620,824,710</u>	<u>\$ 4,775,000</u>	<u>\$ 1,682,017,709</u>	<u>\$ 1,065,967,999</u>	<u>\$ 36,029,845</u>

Custodial Banks:

(BBW)	Bankers Bank of the West
(FHLB)	Fed. Home Loan Bank Dallas
(TIB)	The Independent Bankers Bank
(USB)	US Bank
(WFB)	Wells Fargo Bank

Details of the collateral pledged are on file with the Office of the State Treasurer.

**STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER CASH FLOW PORTFOLIOS
EXTERNAL AND INTERNAL INVESTMENT POOLS
SCHEDULE OF ASSET MANAGEMENT COSTS (UNAUDITED)
JUNE 30, 2021**

2.2.2.12(G)(1)

For all asset classes except private asset classes and alternative investment classes:

Consultant	Location	Description of Investments Subject to the Agreement	Fees
Government Portfolio Advisors, LLC	2188 SW Park Place, Suite 100 Portland, OR 97205	Provides investment management consulting services and performance management for the portfolios the State Treasurer's Office maintains, primarily consisting of domestic fixed income securities and repurchase agreements.	\$ 73,587.50 per annum



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Honorable Michelle Lujan Grisham, Governor and
President, State Board of Finance
and
Honorable Tim Eichenberg, State Treasurer
New Mexico Office of the State Treasurer
and
Honorable Brian Colón, State Auditor
New Mexico Office of the State Auditor
Santa Fe, New Mexico

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Cash Flow Portfolios, both external (local) and internal (state) investment pools of the State of New Mexico Office of the State Treasurer Cash Flow Portfolios External and Internal Investment Pools (the Pools) administered by the Office of the State Treasurer (Office), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Pools' basic financial statements, and have issued our report thereon dated November 1, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Office's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Office's internal control. Accordingly, we do not express an opinion on the effectiveness of the Office's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Office's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Honorable Michelle Lujan Grisham, Governor and
President, State Board of Finance
Honorable Tim Eichenberg, State Treasurer
Honorable Brian Colón, State Auditor

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Pools' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or 2.2.2 NMAC.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Pools' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Pools' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Albuquerque, New Mexico
November 1, 2021

**STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER CASH FLOW PORTFOLIOS
EXTERNAL AND INTERNAL INVESTMENT POOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2021**

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes x no

- Significant deficiency(ies) identified
that are not considered to be
material weakness(es)? _____ yes x none reported

Noncompliance material to financial
statements noted?

_____ yes x no

**STATE OF NEW MEXICO
OFFICE OF THE STATE TREASURER CASH FLOW PORTFOLIOS
EXTERNAL AND INTERNAL INVESTMENT POOLS
EXIT CONFERENCE
JUNE 30, 2021**

An exit conference was held with the State Treasurer's Office on October 29, 2021. The conference was held online using a virtual forum as allowed in accordance with 2.2.2.10(M)(1) NMAC. The conference was held in a closed meeting to preserve the confidentiality of the audit information prior to the official release of the financial statements by the State Auditor. In attendance were:

STATE OF NEW MEXICO OFFICE OF THE STATE TREASURER

Tim Eichenberg, State Treasurer
Sam Collins, Deputy State Treasurer
David Mahooty, Chief Financial Officer, Budget and Finance Division Director
Charmaine Cook, State Cash Manager
Dominic Donio, Administrative Ops Manager
Steve Marsico, Deputy State Cash Manager

CLIFTONLARSONALLEN LLP

Clarke Cagle, CPA, CGFM, CCIFP, Principal
Andres Gamez, CPA, Director

PREPARATION OF FINANCIAL STATEMENTS

The financial statements presented in this report have been prepared by the independent auditor and were reviewed and approved by the State Treasurer's Office. However, the financial statements remain the responsibility of management, as addressed in the Independent Auditors' Report. Management reviewed and approved the financial statements.

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor. CLA is an independent member of Nexia International, a leading, global network of independent accounting and consulting firms. See [nexia.com/member-firm-disclaimer](https://www.nexia.com/member-firm-disclaimer) for details. **CliftonLarsonAllen LLP**

