



**ANNUAL REPORT  
MINORITY OWNED FINANCIAL SERVICES FIRM USAGE  
SUMMARY STATEMENT**

Reporting Department/Agency:	MARYLAND STATE TREASURER'S OFFICE
Fiscal Year:	2015

IN THE ATTACHED DOCUMENTS, MY AGENCY HAS REPORTED THE FOLLOWING INFORMATION:	YES	NO
1. The identity of the minority business enterprise brokerage and investment management services firms used by the Agency in the immediately preceding fiscal year;	X	
2. The percentage and dollar value of the assets under the custody of the Agency that are under the investment control of minority business enterprise brokerage and investment management services firms; and	X	
3. The measures the Agency undertook in the immediately preceding fiscal year to increase the percentage and dollar value of the assets under the investment control of minority business enterprise brokerage and investment management services firms.	X	

Agency Head/Secretary Name:

BERNADETTE BENIK, CHIEF DEPUTY TREASURER  
(Please Type/Print Here)

Agency Head/Secretary Signature:

  
(Please Sign Here)

## MARYLAND MBE INVESTMENT MANAGER ANNUAL REPORT TEMPLATE (FY15)

### Asset Management

Agency	FY 2010			FY 2011			FY 2012			FY 2013			FY 2014		
	Total Assets	MBE Assets	%	Total Assets	MBE Assets	%	Total Assets	MBE Assets	%	Total Assets	MBE Assets	%	Total Assets	MBE Assets	%
-	\$0.0	\$0.0	#DIV/0!	\$0.0	\$0.0	#DIV/0!	\$0.0	\$0.0	#DIV/0!	\$0	\$0	#DIV/0!	\$0.0	\$0.0	#DIV/0!
Total	\$0.0	\$0.0	#DIV/0!	\$0.0	\$0.0	#DIV/0!	\$0.0	\$0.0	#DIV/0!	\$0	\$0	#DIV/0!	\$0.0	\$0.0	#DIV/0!

### MBE Investment Managers Utilized

Agency	FY 2010	FY 2011	FY 2012	FY 2013	FY2014
-	0	0	0	0	0
Emerging	0	0	0	0	0
Emerged	0	0	0	0	0
Total	0	0	0	0	0

Definitions: Emerging Investment Manager = a qualified minority owned business of female owned business with total assets under management of at least \$10 million but less than \$2 billion. Emerged Investment Manager = a qualified minority owned business or female owned business with total assets under management of more than \$2 billion.

### Brokerage Services

Agency	FY 2010			FY 2011			FY 2012			FY 2013			FY 2014			FY 2015		
	Total	MBE	%	Total	MBE	%	Total	MBE	%	Total	MBE	%	Total	MBE	%	Total	MBE	%
-	\$4,878,705,803	\$627,352,881	17.0%	\$6,342,529,357	\$1,181,534,307	18.6%	\$4,856,175,787	\$718,153,756	14.8%	\$7,772,766,349	\$921,866,783	11.9%	\$852,376,270	\$150,128,353	17.6%	\$983,394,580	\$342,967,736	34.9%
Total	\$4,878,705,803	\$627,352,881	17.0%	\$6,342,529,357	\$1,181,534,307	18.6%	\$4,856,175,787	\$718,153,756	14.8%	\$7,772,766,349	\$921,866,783	11.9%	\$852,376,270	\$150,128,353	17.6%	\$983,394,580	\$342,967,736	34.9%

### Total MBE Investment Brokers Utilized

Agency	FY 2010	FY 2011	FY 2012	FY 2013	FY2014	FY2015
-	15	19	29	31	24	24
Total	15	19	29	31	24	24

# INVESTMENT PORTFOLIO TEMPLATE

Portfolio by Asset Class	Market Value (\$ millions)	Actual Allocation	Strategic Allocation	Emerging MBE Managers	Emerged MBE Managers
Domestic Large Cap	-	-	-	-	-
Domestic Small/Mid Cap	-	-	-	-	-
Total Domestic Equity	-	-	-	-	-
Core Fixed Income	-	-	-	-	-
Corporate - Oriented	-	-	-	-	-
Convertible Bonds	-	-	-	-	-
Total Domestic Fixed Income	-	-	-	-	-
International Fixed Income	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

## Emerged MBE Investment Managers Utilized

Manager Name	Assets Under Management (\$ millions)	Investment Advisory Fee (\$ millions)	Asset Class
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<b>Subtotal</b>	-	-	-

## Emerging MBE Investment Manager Utilized

Manager Name	Assets Under Management (\$ millions)	Investment Advisory Fee (\$ millions)	Asset Class
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<b>Subtotal</b>	-	-	-

Total #VALUE! #VALUE!

## MBE BROKERAGE SERVICES TEMPLATE (FY15)

MBE Investment Broker Name	Commissions Paid
1. Alamo Capital	N/A
2. Blaylock Beal Van, LLC	N/A
3. Cabrera Capital Markets, LLC	N/A
4. Academy Securities	N/A
5. Castel Oak Securities, L.P.	N/A
6. C.L. King & Associates	N/A
7. CV Brokerage	N/A
8. Drexel Hamilton	N/A
9. Great Pacific Securities	N/A
10. Guzman & Company	N/A
11. IFS Securities	N/A
12. Lebenthal & Co.	N/A
13. Loop Capital Markets, LLC	N/A
14. Mesirow Financial, Inc.	N/A
15. MFR Securities, Inc.	N/A
16. Mischler Financial Group, Inc.	N/A
17. Multi-Bank Securities, Inc.	N/A
18. Muriel Seibert & Co., Inc.	N/A
19. Quoin Capital, LLC	N/A
20. Samuel A. Ramirez	N/A
21. Rice Financial	N/A
22. Sigma Financial Corp.	N/A
23. Toussaint Capital Partners, LLC	N/A
24. The Williams Capital Group, LP	N/A

As of June 30, 2015 \$342,967,736.29 was transacted with MBE firms.

34.9% of all investment transactions were with MBE Counterparties for FY2015.





**Nancy K. Kopp**  
State Treasurer  
**Bernadette T. Benik**  
Chief Deputy Treasurer

## **Senate Bill 606 Implementation June 30, 2015**

### **Allowable Investments by Statute**

- Treasuries
- Agencies
- Repurchase Agreements collateralized not less than 102%
- Bankers Acceptances
- Commercial Paper
- Money Market Mutual Funds
- MLGIP
- Bond Funds only may be invested in Other Government Debt

### **All investing done in house by Investment Division**

#### **All investments made in accordance with Policy**

- New York Federal Reserve List of Primary Dealers
- Non Primary Dealers
  - o Must submit RFI
  - o Must submit evidence of their capital position
  - o Must submit most recent FOCUS Report
  - o Must submit three years audited financial statements
- Those firms approved for REPO must additionally complete the State's Master Repurchase Agreement

#### **Actual investment process**

- Bloomberg
- Fiduciary Responsibility requires selection of best price

#### **Inclusion of MBE**

-	FY 2006	2.2%	1 Approved
-	FY 2007	11.7%	2 Approved
-	FY 2008	5.4%	10 Approved
-	FY 2009	16.7%	14 Approved
-	FY 2010	17.0%	15 Approved
-	FY 2011	18.6%	19 Approved
-	FY 2012	14.8%	29 Approved
-	FY 2013	11.9%	31 Approved
-	FY 2014	17.6%	24 Approved
-	FY 2015	34.9%	24 Approved

## **Outreach Efforts**

The Website has all necessary documents for inclusion on the Approved Broker Dealer List readily available.

All Broker/Dealers listed on the MDOT MBE/DBE have been contacted. The necessary documents for inclusion on the Approved Broker/Dealer List have been sent.

The National Association of Securities Professionals (NASP) provided their list of Member Firms. All firms identified as Fixed Income providers were contacted and sent the necessary documents for inclusion on the Approved Broker/Dealer List.

Everyone who has "cold called" has been informed of our policies and procedures and invited to submit the necessary paperwork to become an approved Broker/Dealer.

Everyone who has requested a meeting has received a meeting for further explanation of our policies and procedures.

MBE Broker/Dealer lists from other States have been requested and received from the Government Investment Officers Association (GIOA), Government Finance Officers Association (GFOA), National Association of Auditors, Comptrollers and Treasurers (NASACT), and the National Association of State Treasurers' (NAST) membership.