

**MINORITY OWNED FINANCIAL SERVICES OUTREACH AND REPORTING  
FISCAL YEAR 2025**

Treasurer's Office

September 2025



# MARYLAND STATE TREASURER

**Dereck E. Davis**  
State Treasurer

**Jonathan D. Martin**  
Chief Deputy Treasurer

## **Minority Owned Financial Services Outreach and Reporting FISCAL YEAR 2025**

### **Allowable Investments by State Law (Enabling Statute and Regulations)**

- Treasuries
- Agencies – Government Sponsored Enterprise (GSE)
- Supranational Issuers
- Repurchase Agreements collateralized not less than 102%
- Bankers Acceptances
- Commercial Paper
- Money Market Mutual Funds
- Maryland Local Government Investment Pool (MLGIP)
- High Grade Corporate Bonds
- Municipal Securities issued by other Governmental entities.
- Asset Backed Security (ABS)
- Commercial Mortgage-Backed Securities (CMBS)/Mortgage-Backed Securities (MBS)
- Certificate of Deposit /Yankee Certificate of Deposit (YCD)
- Monies Denominated Sovereign Government Debt

### **All investing done in-house by Investment Division – No External Money Managers are used**

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

- New York Federal Reserve List of Primary Dealers
- Non - Primary Dealers
  - o Must submit Request for Information
  - o Must submit evidence of their capital position
  - o Must submit most recent Financial and Operational Combined Uniform Single (FOCUS) Finance Report
  - o Must submit three years of audited financial statements
- Those firms approved for Repurchase Agreement (REPO) must additionally complete the State's Master Repurchase Agreement

## Actual Investment Process

- Bloomberg
- Fiduciary Responsibility requires selection of best price/yield
- All Transactions including Repurchase Agreements done on Delivery Versus Payment (DVP)
  - Delivery vs. Payment basis, money is not exchanged until securities received by the State Treasurer’s Office (STO) Securities Custodian – Wilmington Trust

## Overall Investing Highlights

- STO had done approximately \$977 billion in transactions in fiscal year 2025
- The bulk of those transactions were done in REPO Agreements – short term collateralized O/N or term loans taking advantage of high short-term investment rates
- Approximately \$165 billion in transactions were done excluding REPO Agreements which accounted for 17% of the total. Approximately 60% of that 17% investment activity was conducted by MBE/VSBE or WBE firms

\*STO takes a prudent approach to investing funds and considers credit worthiness and financial strength in every investment opportunity. Since the rate of return was advantageous to invest the majority of funds in REPO Agreements, that limited the ability to include many of the minority brokers as they are not qualified to handle such investments (there is only one MBE firm qualified to manage REPO agreements for the State)

## Inclusion of MBE

- Fiscal Year 2021 25.0% - 20 Approved
- Fiscal Year 2022 26.0% - 21 Approved
- Fiscal Year 2023 36.5% - 21 Approved
- Fiscal Year 2024 33.0% - 21 Approved
- Fiscal Year 2025 32.4% - 22 Approved

## Outreach Efforts

STO’s website has all necessary documents for inclusion on the Approved Broker Dealer List readily available.

All Broker/Dealers listed on the Maryland Department of Transportation (MDOT), MBE/Disadvantage Business Enterprise (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 have historically been contacted and directed to the application process for inclusion on the Approved Broker/Dealer List.

Everyone who has “cold called” has been informed of STO’s 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 STO’s policies and procedures.

MBE/Veterans (VET)/Women Owned Businesses (WBE) 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.

STO added one new MBE-qualified broker in fiscal year 2025, Industrial Bank of Maryland. Industrial Bank is a small MBE financial institution that does not have the financial strength or credit to execute securities transactions with STO. However, through a partnership with JP Morgan Chase, STO was able to issue a AAAM rated Money Market Fund to Industrial Bank.

Throughout Fiscal year 2025 with the Federal Reserve on hold, STO generally kept investments to a very short duration and did a significant amount of Repurchase (collateralized loans) that could only be done with larger institutions that are extremely strong from a credit-worthy standpoint.

The STO Investment team continues to engage with local governmental units to discuss market counterparties. Additionally, STO attends industry events to engage with staff in other governmental positions and discuss potential additional brokerage coverage. STO has also shared with the management at State Retirement Agency MBE brokers that might be able to fit in some of their activities while keeping the assets of the State as safe as possible following our regulations and investment policy.

## MINORITY INVESTMENT MANAGER ANNUAL REPORT TEMPLATE - FY 2025

### Asset Management - Not applicable to STO as No Funds were allocated to outside money managers

| Agency | FY 2021      |            |         | FY 2022      |            |         | FY 2023      |            |         | FY2024       |            |         | FY 2025      |            |         |
|--------|--------------|------------|---------|--------------|------------|---------|--------------|------------|---------|--------------|------------|---------|--------------|------------|---------|
|        | Total Assets | MBE Assets | %       |
| -      | \$0.0        | \$0.0      | #DIV/0! |
| Total  | \$0.0        | \$0.0      | #DIV/0! |

### MBE Investment Managers Utilized - Not applicable to STO as no funds allocated to money managers

| Agency                | FY 2021 | FY 2022 | FY 2023 | FY2024 | FY2025 |
|-----------------------|---------|---------|---------|--------|--------|
| -                     |         |         |         |        |        |
| Emerging MBE Managers | 0       | 0       | 0       | 0      | 0      |
| Emerged MBE Managers  | 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 2021            |                |        | FY 2022            |                   |        | FY 2023            |                    |         | FY2024              |                     |       | FY 2025             |                     |       |
|--------|--------------------|----------------|--------|--------------------|-------------------|--------|--------------------|--------------------|---------|---------------------|---------------------|-------|---------------------|---------------------|-------|
|        | Total Comm.        | MBE            | %      | Total Comm.        | MBE               | %      | Total Comm.        | MBE                | %       | Total Comm.         | MBE                 | %     | Total Comm.         | MBE                 | %     |
| -      | \$ 352,016,769,000 | \$ 450,000,000 | 0.128% | \$ 192,304,126,000 | \$ 12,443,165,000 | 6.471% | \$ 896,874,257,112 | \$ 310,192,191,405 | 34.586% | \$979,024,841,196.9 | \$154,633,770,200.6 | 15.8% | \$977,339,130,293.0 | \$151,338,042,296.7 | 15.5% |
| Total  | \$ 352,016,769,000 | \$ 450,000,000 | 0.128% | \$ 192,304,126,000 | \$ 12,443,165,000 | 6.471% | \$ 896,874,257,112 | \$ 310,192,191,405 | 34.586% | \$979,024,841,196.9 | \$154,633,770,200.6 | 15.8% | \$977,339,130,293.0 | \$151,338,042,296.7 | 15.5% |

### Total MBE Investment Brokers Utilized

| Agency | FY 2021 | FY 2022 | FY 2023 | FY2024 | FY2025 |
|--------|---------|---------|---------|--------|--------|
| -      | 15      | 10      | 12      | 12     | 12     |
| Total  | 15      | 10      | 12      | 12     | 12     |

**MINORITY INVESTMENT PORTFOLIO TEMPLATE - FY 2025**

**Note - Not applicable for STO as all funds managed in house and not allocated to outside Managers**

| 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

MBE Investment Broker Name

|    |  |  |  |
|----|--|--|--|
| 1  | Academy Securities (formerly Carolina Capital Markets) |  |  |
| 2  | Alamo Capital  |  |  |
| 3  | AmeriVet Securities                                    |  |  |
| 4  | ASL Capital Markets Inc.                               |  |  |
| 5  | CastleOak Securities, L.P.                             |  |  |
| 6  | Drexel Hamilton  |  |  |
| 7  | Great Pacific Securities                               |  |  |
| 8  | Industrial Bank of MD/DC                               |  |  |
| 9  | Loop Capital Markets, LLC                              |  |  |
| 10 | Mischler Financial Group, Inc                          |  |  |
| 11 | Multi-Bank Securities, Inc                             |  |  |
| 12 | One-United Bank  |  |  |
| 13 | Ramirez & Co, Inc.                                     |  |  |
| 14 | R. Seelaus & Co., LLC                                  |  |  |
| 15 | Siebert Williams Shank & Co.                           |  |  |



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## Diversity and Inclusion

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## The FHLBank System

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## Additional Resources

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## Dealers

The Office of Finance is committed to diversity and inclusion in our authorized dealer group, and actively seeks opportunities to work with dealers that are owned by minorities, women, disabled persons, veterans, and members of the lesbian, gay, bisexual, and transgender (LGBT) community. The Office of Finance promotes diverse dealer opportunities through increased access to debt programs, focused training for dealer sales and trading staff, and co-marketing programs with fixed-income investors.

To become a member of the OF's Diversity and Inclusion (D&I) Dealer Group, you are invited to apply to be an authorized dealer for FHLBank debt securities, and your firm should be certified by a nationally-recognized certifying organization, by a national, state, or local government agency, or be self-certified as meeting one of the diversity criteria for inclusion.

To learn more about becoming a member of the Office of Finance's D&I Dealer Group, [contact us](#).

### D&I Dealer Group

- Academy Securities, Inc.
- Alamo Capital
- ASL Capital Markets Inc.
- Bancroft Capital, LLC
- Blaylock Van, LLC
- Cabrera Capital Markets, LLC
- CastleOak Securities, L.P.
- Drexel Hamilton, LLC
- Duncan-Williams, Inc.
- Great Pacific Securities
- Loop Capital Markets LLC
- MFR Securities, Inc.
- Mischler Financial Group, Inc.
- Multi-Bank Securities, Inc.
- R. Seelaus & Co., LLC
- Samuel A. Ramirez & Company, Inc.
- Siebert Williams Shank & Co., LLC
- Stern Brothers & Co.
- Tribal Capital Markets, LLC

**Inactive in FHLB  
Securities this past  
year**

# MINORITY BROKERAGE SERVICES TEMPLATE - FY 2025

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| MBE Investment Broker Name | Commissions Paid |
|----------------------------|------------------|
| -                          | -                |
| -                          | -                |
| Total                      | \$0.0            |