



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

Reporting Department/Agency: State Treasurer's Office
Fiscal Year: FY 2019

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) (Date)

Agency Head/Secretary Signature:   
(Please Sign Here) 10/24/19 (Date)



**Nancy K. Kopp**  
State Treasurer

**Bernadette T. Benik**  
Chief Deputy Treasurer

## **Minority Owned Financial Services Outreach and Reporting June 30, 2019**

### **Allowable Investments by Statute**

- Treasuries
- Agencies
- Supranationals
- 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/yield

**Inclusion of MBE**

-	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
-	FY 2016	33.7%	26 Approved
-	FY 2017	27.0%	28 Approved
-	FY 2018	27.0%	28 Approved
-	FY 2019	90.4%	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/VET/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.

# MARYLAND MBE INVESTMENT MANAGER ANNUAL REPORT (FY19)

## Asset Management

Agency	FY 2015			FY 2016			FY 2017			FY 2018			FY 2019		
	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	\$0.0	#DIV/0!	\$0.0	\$0.0	#DIV/0!
<b>Total</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>#DIV/0!</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>#DIV/0!</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>#DIV/0!</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>#DIV/0!</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>#DIV/0!</b>

## MBE Investment Managers Utilized

Agency	FY2015	FY2016	FY2017	FY2018	FY2019
-	0	0	0	0	0
Emerging MBE Manag	0	0	0	0	0
Emerged MBE Manag	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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 2015			FY 2016			FY 2017			FY 2018			FY 2019		
	Total	MBE	%	Total	MBE	%	Total	MBE	%	Total	MBE	%	Total	MBE	%
-	\$ 983,394,580	\$ 342,967,736	34.9%	\$ 8,998,695,644	\$ 3,031,365,217	33.7%	\$ 4,829,213,747	\$ 1,305,394,494	27.0%	\$ 1,426,413,769	\$ 249,065,664	17.5%	\$ 31,334,347	\$ 28,322,347	90.4%
<b>Total</b>	<b>\$ 983,394,580</b>	<b>\$ 342,967,736</b>	<b>34.9%</b>	<b>\$ 8,998,695,644</b>	<b>\$ 3,031,365,217</b>	<b>33.7%</b>	<b>\$ 4,829,213,747</b>	<b>\$ 1,305,394,494</b>	<b>27.0%</b>	<b>\$ 1,426,413,769</b>	<b>\$ 249,065,664</b>	<b>17.5%</b>	<b>\$ 31,334,347</b>	<b>\$ 28,322,347</b>	<b>90.4%</b>

## Total MBE Investment Brokers Utilize

Agency	FY 2015	FY 2016	FY2017	FY2018	FY2019
-	24	26	28	28	24
<b>Total</b>	<b>24</b>	<b>26</b>	<b>28</b>	<b>28</b>	<b>24</b>

# INVESTMENT PORTFOLIO

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	-	-	-	-	-
Total	-	-	-	-	-

## Emerged MBE Investment Managers Utilized

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

## Emerging MBE Investment Manager Utilized

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

Total #VALUE! #VALUE!

## MBE BROKERAGE SERVICES

MBE Investment Broker Name

1	Academy Securities (formerly Carolina Capital Markets)	MBE
2	Alamo Capital	WBE
3	Blaylock Beal Van, LLC	MBE
4	C.L. King & Associates	WBE
5	Cabrera Capital Markets, LLC	MBE
6	CastleOak Securities, L.P.	MBE
7	CV Brokerage	WBE
8	Drexel Hamilton	VET
9	Great Pacific Securities	VET
10	Guzman & Company	MBE
11	IFS Securities	MBE
12	Loop Capital Markets, LLC	MBE
13	MD Global Partners, LLC	MBE
14	Mesirow Financial, Inc	MBE
15	MFR Securites, Inc	MBE
16	Mischler Financial Group, Inc	VET
17	Multi-Bank Securities, Inc	VET
18	Quoin Capital, LLC	MBE
19	Rice Financial Products Company	MBE
20	Samuel A. Ramirez	MBE
21	Siebert, Brandford and Shank	MBE
22	Sigma Financial Corp. (previously Gryphon Asset Management)	MBE
23	The Williams Capital Group, LP	MBE
24	Tribal Capital Markets, LLC.	MBE

As of June 30, 2019 \$28,322,347 was transacted with MBE/VET/WBE firms.

90.38% of all investment transactions were with MBE/VET/WBE Counterparties during FY 2019.

**Total from Sungard Investment Portfolio-**

<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
300,002,916.67	50,000,000.00	199,202,769.23	25,000,000.00
20,105,000.00	49,990,000.00	25,000,000.00	762,888.36
58,002,916.67	254,155,076.11	24,862,894.92	2,559,459.01
979,878,824.92	611,957,418.06	<b>249,067,682.15</b>	<b>28,324,366.37</b>
1,119,055,433.52	339,292,000.00	1,426,413,769.19	31,334,347.37
379,320,124.92	<b>1,305,394,494.17</b>	0.174611103	0.903939885
125,000,000.00	4,829,213,747.09		
50,000,000.00	0.270312014		
<b>3,031,365,216.70</b>			
8,998,695,644.00			
0.336867179			