




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

Reporting Department/Agency:
Fiscal Year: FY 2020

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:  11-13-2020  
 (Please Sign Here) (Date)



## **Minority Owned Financial Services Outreach and Reporting June 30, 2020**

### **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 the State Treasurer's Office Investment Division**

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

- New York Federal Reserve List of Primary Dealers
- Non Primary Dealers
- Must submit RFI
- Must submit evidence of their capital position
- Must submit most recent FOCUS Report
- 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 2016	33.7%	26 Approved
-	FY 2017	27.0%	28 Approved
-	FY 2018	27.0%	28 Approved
-	FY 2019	23.0%	24 Approved
-	FY 2020	24.0%	19 Approved*

## **Outreach Efforts**

The State Treasurer's website has all necessary documents to be completed 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 are listed on the STO website.

Broker dealers who have inquired about obtaining business with the State have 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 the major issuers of government debt have been requested and received as a source to be utilized for portfolio purchases.

The Office recently established and developed a relationship with Federal Home Loan Bank Diversity and Inclusion outreach program. This program promotes the utilization of minority broker dealers when opportunities exist for investment purchases.

The Investment Division solicited the major issuers of government issued debt for their list of minority/diversified broker dealers to be a source for purchases of Agency debt for the State portfolio.

The Office recently initiated a search to identify and solicit minority broker dealers that may participate in Repo (repurchase agreement) trades, which account for the majority of State trades, in hopes of further increasing the representation of minority business.

MARYLAND MBE INVESTMENT MANAGER ANNUAL REPORT TEMPLATE (FY2020)

Asset Management																
Agency	FY 2016			FY 2017			FY 2018			FY 2019			FY 2020			
	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!	
Total	\$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!	

MBE Investment Managers Utilized					
Agency	FY2016	FY2017	FY2018	FY2019	FY2020
-	0	0	0	0	0
Emerging MBE Manag	0	0	0	0	0
Emerged MBE Manag	0	0	0	0	0
Total	0	0	0	0	0

Definitions: Emerging Investment Manager = a qualified minority owned business or 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 2016			FY 2017			FY 2018			FY 2019			FY 2020			
	Total	MBE	%	Total	MBE	%	Total	MBE	%	Total	MBE	%	Total	MBE	%	
-	\$ 236,240,140,037	\$ 3,031,365,217	1.283%	\$ 167,786,390,970	\$ 1,310,327,494	0.781%	\$ 120,948,930,553	\$ 254,620,963	0.211%	\$ 22,345,533,404	\$ 3,322,347	0.015%	\$ 350,287,405,428	\$ 268,793,980	0.077%	
Total	\$ 236,240,140,037	\$ 3,031,365,217	1.283%	\$ 167,786,390,970	\$ 1,310,327,494	0.781%	\$ 120,948,930,553	\$ 254,620,963	0.211%	\$ 22,345,533,404	\$ 3,322,347	0.015%	\$ 350,287,405,428	\$ 268,793,980	0.077%	

Total MBE Investment Brokers Utilized					
Agency	FY 2016	FY2017	FY2018	FY2019	FY 2020*
-	26	28	28	24	19
Total	26	28	28	24	19

\*The MBE Dealers as listed by FHLB

# 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

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MBE Investment Broker Name

1	Academy Securities (formerly Carolina Capital Markets)	
2	Alamo Capital	
3	ASL Capital Markets Inc.	
4	Bancroft Capital, LLC	
5	Blaylock Van, LLC	
6	Cabrera Capital Markets, LLC	
7	CastleOak Securities, L.P.	
8	Drexel Hamilton	
9	Duncan-Williams, Inc.	
10	Great Pacific Securities	
11	Loop Capital Markets, LLC	
12	MFR Securites, Inc	
13	Mischler Financial Group, Inc	
14	Multi-Bank Securities, Inc	
15	R. Seelaus & Co., LLC	
16	Samuel A. Ramirez	
17	Siebert Williams Shank & Co.	
18	Stern Brothers & Co	
19	Tribal Capital Markets, LLC	