



MARYLAND STATE TREASURER
Dereck E. Davis

Minority Owned Financial Services Outreach and Reporting FY 2022

Allowable Investments by Statute

- Treasuries
- Agencies
- Supranational Issuers
- Repurchase Agreements collateralized not less than 102%
- Bankers Acceptances
- Commercial Paper
- Money Market Mutual Funds
- MLGIP
- ST High Grade Corporate Bonds / Bond Funds
- Municipal Securities issued by other Governmental entities

All investing is done in house by the Investment Division

All investments are made in accordance with the Office 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
- All Transactions including Repurchase Agreements done on DVP – Delivery vs Payment basis, Money is not exchanged until securities received by STO's Securities Custodian – Wilmington Trust

Overall Investing highlights

- The STO had done ~ \$192,304,126B in transactions in FY2022
- The bulk of those transactions were done in Repurchase Agreements with the STO doing approximately 86% or ~ \$170B in that investment space
- Much of the investment strategy was defensive given that the Federal Reserve started raising rates and Cash and Cash alternatives were the best asset to both shorten duration in portfolio and increase returns.
- Out of the remainder the STO total transactions approximately 56.5% was transacted with MBE / VET / WBE firms

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
-	FY 2021	25.0%	20 Approved
-	FY 2022	26.0%	21 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 inquired about business with our State has been informed of our policies and procedures either via phone or in person. They have been given the necessary resources and invited to submit the required documents to become an approved Broker/Dealer.

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.

The STO had some success in adding an MBE broker to our pool of brokers for a major portion of our business:

Considering the high percentage of the STO's business that is done in Repurchase agreements, (short term security collateralized by a minimum of 102% high grade Mortgage Back or US Treasury collateral) the STO invested a lot of time in outreach to add an MBE Broker to our list of approved Repurchase transaction counterparties so that we could provide business to an MBE firm. We are extremely pleased to announce that we were able to execute a contract with ASL Capital Markets, Inc. This certified MBE/VSBE firm began doing business with our Investment Division during the 3rd quarter of FY2022. To date, the STO has done ~ \$8.6B with this broker. They are one of our daily counterparts for both overnight and term repurchase trades.

MARYLAND MBE INVESTMENT BROKER ANNUAL REPORT TEMPLATE (FY2022)

Asset Management - Not applicable to STO as no funds allocated to outside money managers

State Treasury Office	FY 2017			FY 2018			FY 2019			FY 2020			FY 2021		
	Total	MBE	%	Total	MBE	%	Total	MBE	%	Total	MBE	%	Total	MBE	%
	Transactions	Transactions	%	Transactions	Transactions	%	Transactions	Transactions	%	Transactions	Transactions	%	Transactions	Transactions	%
-	\$0.0	\$0.0	0.0%	\$0.0	\$0.0	0.0%	\$0.0	\$0.0	0.0%	\$0.0	\$0.0	0.0%	\$0.0	\$0.0	0.0%
Total	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0

MBE Investment Managers Utilized

	FY2016	FY2017	FY2018	FY2019	FY2020
-	0	0	0	0	0
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

Brokerage Services

Agency	FY 2017			FY 2018			FY 2019			FY 2020			FY 2021			FY 2022		
	Total	MBE	%	Total	MBE	%	Total	MBE	%	Total	MBE	%	Total	MBE	%	Total	MBE	%
-	\$ 24,047,130,000	\$ 1,554,667,000	6.465%	\$ 190,239,252,000	\$ 1,423,740,000	0.748%	\$ 352,016,769,000	\$ 450,000,000	0.128%	\$ 179,641,477,000	\$ 6,372,880,000	3.548%	\$ 115,907,796,000	\$ 11,296,402,000	9.746%	\$ 192,304,126,000	\$ 12,443,165,000	6.471%
Total	\$ 24,047,130,000	\$ 1,554,667,000	6.465%	\$ 190,239,252,000	\$ 1,423,740,000	0.748%	\$ 352,016,769,000	\$ 450,000,000	0.128%	\$ 179,641,477,000	\$ 6,372,880,000	3.548%	\$ 115,907,796,000	\$ 11,296,402,000	9.746%	\$ 192,304,126,000	\$ 12,443,165,000	6.471%

Brokerage Services Ex Repurchase Transactions (No MBE Brokerage market participants due to credit and size of market place)

Agency	FY 2017			FY 2018			FY 2019			FY 2020			FY 2021			FY 2022		
	Total	MBE	%	Total	MBE	%	Total	MBE	%	Total	MBE	%	Total	MBE	%	Total	MBE	%
\$	\$ 2,519,530,000	\$ 1,554,667,000	61.705%	\$ 7,109,088,000	\$ 1,423,740,000	20.027%	\$ 8,478,313,000	\$ 450,000,000	5.308%	\$ 8,619,835,000	\$ 6,372,880,000	73.933%	\$ 15,906,376,000	\$ 11,296,402,000	71.018%	\$ 22,490,997,000	\$ 12,443,165,000	55.325%
Total	\$ 2,519,530,000	\$ 1,554,667,000	61.705%	\$ 7,109,088,000	\$ 1,423,740,000	20.027%	\$ 8,478,313,000	\$ 450,000,000	5.308%	\$ 8,619,835,000	\$ 6,372,880,000	73.933%	\$ 15,906,376,000	\$ 11,296,402,000	71.018%	\$ 22,490,997,000	\$ 12,443,165,000	55.325%

Total MBE Investment Brokers Utilized

Agency	FY 2016	FY2017	FY2018	FY2019	FY 2020	FY 2021	FY 2022
-	26	28	28	24	19	15	10
Total	26	28	28	24	19	15	10

*The MBE Dealers as listed by FHLB / Certified by NMSDC - National Minority Supplier Development Council, Inc.

INVESTMENT PORTFOLIO

Note - Not applicable for STO as all funds n

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



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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

MBE REVIEW AS OF NOVEMBER 2021

TRANSACTION TOTALS ALL MBE BROKERS ONLY OUTRIGHT BUYS & SALES

NOTE
OUTRIGHT SECURITY BUYS & SELLS
ALL FIGS IN MM'S (000's)

BROKER	FISCAL YR	2017	% TOTAL	2018	% TOTAL	2019	% TOTAL	2020	% TOTAL	2021	% TOTAL	2022	% TOTAL
ACADEMY SECURITIES			0.00%		0.00%		0.00%	\$956,587	39.15%	\$749,908	22.73%	\$5,586,964,000	46.23%
AMVET SECURITIES			0.00%		0.00%		0.00%	\$124,989	5.12%	\$110,000	3.33%	\$100,000	0.00%
CASTLE OAK			0.00%		0.00%		0.00%		0.00%	\$199,761	6.05%	\$1,716,258,500	14.20%
DREXEL HAMILTON			0.00%		0.00%		0.00%	\$50,000	2.05%	\$50,000	1.52%	\$50,000,000	0.41%
GREAT PACIFIC SEC			0.00%		0.00%		0.00%		0.00%	\$1,359,492	41.21%	\$2,008,843,000	16.62%
LOOP CAPITAL MKTS		\$199,203	78.24%		0.00%		0.00%	\$471,395	19.29%	\$325,000	9.85%	\$910,202,000	7.53%
MULTI-BANK SECURITIES		\$27,402	10.76%	\$2,560	45.94%	\$30,245	10.57%	\$284,373	11.64%	\$79,964	2.42%	\$89,700,000	0.74%
RAMIERZ & CO		\$28,016	11.00%		0.00%	\$250,000	87.33%	\$556,009	22.76%	\$325,000	9.85%	\$1,583,601,000	13.10%
VINING SPARKS			0.00%	\$3,012	54.06%	\$6,024	2.10%		0.00%	\$100,000	3.03%	\$140,000,000	1.16%
TOTAL TRANSACTIONS (000'S)		\$254,621	100.00%	\$5,572	100.00%	\$286,269	100.00%	\$2,443,353	100.00%	\$3,299,125	100.00%	\$12,085,668,500	100.00%