



MEETING NOTICE
Cash Management and Investment Oversight Commission (CMIOC)
(Created by HB 1051, 1991 – 62:71.1)

TO: Members of the Commission
SUBJECT: Special Meeting
DATE: Friday, June 5, 2020
TIME: 10:00 a.m.
PLACE: WebEx Videoconference
<https://officeofmanagementandenterpriseservices.my.webex.com/officeofmanagementandenterpriseservices.my/j.php?MTID=m024ef8b4831f8987330d80062e46a0e6>

To join the meeting enter:

Meeting Number: 126 440 8407 Password: CMIOC060520

Members attending via Videoconference: Lynne Bajema, Chair, Laura Swingle, Vice Chair, and Steven Hawkins

AGENDA

1. Certification of Compliance with the Open Meeting Act of the State of Oklahoma
2. Roll Call
3. Approval of minutes from the March 6, 2020 meeting
4. Review, discuss and take possible action on the Executive Review Committee Meetings and certification of receipt of reports from the State Treasurer's Office
5. Updates from the Treasurer's Office – Discussion and possible action
6. Review, discuss and take possible action on the quarterly financial reports ending March 2020 for the Commissioners of the Land Office
7. Comments from the Chairman
8. New Business
9. Adjournment

If the videoconference is disconnected and unable to resume after 10 minutes, the meeting will reconvene on Monday, June 8th at 9 am, using the same platform and access code.

Any documents regarding the meeting may be found here:

https://apps.ok.gov/dcs/searchdocs/app/index.php?CATEGORY_ID=3&UNIT_ID=37&START_DATE=MM%2FDD%2FYYYY&END_DATE=MM%2FDD%2FYYYY&DATE_TYPE=0&KEYWORD=&LISTINGS_PER_PAGE=2&button=Search

Next regular meeting is scheduled for
September 11, 2020

A meeting notice was filed with the Secretary of State and agenda posted in accordance with the Open Meeting Act.

CASH MANAGEMENT AND INVESTMENT OVERSIGHT COMMISSION

March 6, 2020

Regular Meeting

Minutes

The one hundred fifth meeting of the Cash Management and Investment Oversight Commission (CMIOC), a regular meeting, held on March 6, 2020, 10:00 a.m., in the Oasis conference room located at 5005 N. Lincoln Blvd., Oklahoma City, OK.

Roll Call:

Members Present:

Ms. Lynne Bajema, (Chair) State Comptroller, OMES
Ms. Laura Swingle, (Vice-Chair) Business Manager, Securities Commission
Mr. Wayne Arbuthnot, Oklahoma Banking Dept.
Mr. Thom McGuire, CPA, McGuire & Co. (Ardmore, OK)

Members Absent:

Others Attending:

Ms. Andrea Cross, OST
Mr. Charles Hover, OST
Mr. Edward Romero, CLO
Ms. Kiranmaye Nallayahgari, OST
Ms. Lisa Murray, OST
Ms. Lyn Martin-Diehl, Assistant Attorney General
Ms. Stephanie Brown, Committee Secretary, OMES

Item 1

Chair Bajema called the meeting to order. Ms. Brown confirmed the agenda was posted and all other requirements were met according to statute.

Item 2

Ms. Bajema declared a quorum present. Members Present: Laura Swingle, Lynne Bajema, Thom McGuire and Wayne Arbuthnot.

Item 3

Ms. Bajema moved to approve the minutes of the December 6, 2019 meeting. The title for Andrea Cross was updated from Mr. to Ms. as appropriate. The minutes were approved as corrected.

Item 4

Chair Bajema confirmed that the reports were received from the State Treasurer's office and that a meeting of the Executive Review Committee was not necessary this quarter. No action taken.

Item 5

Lisa Murray provided the updated from the Treasurer's office. She stated that the Treasurer's portfolio yield-at-purchase was 2.47% in December, which was the same yield as December 2018. The agency security yield-at-purchase increased from 2.09% to 2.48% during the year. The FY20 interest earnings on the Treasurer's portfolio as of December 31st were \$51.5 million, in comparison to the estimate of \$52.1 million. The average overnight liquidity for the month of February was \$470,438,127. The market value of the State Treasurer's investments were \$5.25 billion and the OKInvest balance was \$2.67 billion for a total portfolio investable base of \$7.92 billion.

Item 6

Mr. Romero stated that the two MLP managers moved one portfolio from tortoise to harvest as a rebalance. No action was taken in regards to the Commissioner of the Land Office (CLO) quarterly reports.

Item 7

No comments from the Chairman.

Item 8

No new business.

Item 9

Chair Bajema requested a motion to adjourn. Mr. McGuire moved to adjourn the meeting. Ms. Swingle provided the 2nd to the motion. All were in favor. The meeting was adjourned.

Chair

**Commissioner of the Land Office of the State of Oklahoma
CMIOC Quarterly Report for the Period Ended March 31, 2020**

| CLO Investment Manager | Fair Values | % | ** Total Returns (Net of Fees) | | | | | Quarterly Manager's Fees Paid | Broker Commissions Paid |
|--|----------------------|----------------|--------------------------------|----------------|----------------|----------------|-------------|-------------------------------|-------------------------|
| | | | Quarter | Current YTD | 1 Year | 3 Years | 5 Years | | |
| BlackRock <i>Russell 1000 Index Fund</i> | 90,328,981 | 4.11% | (20.09) | (20.09) | (7.96) | 4.63 | 6.19 | 7,673 | - |
| Boston Partners (Robeco) <i>Premium Equity</i> | 70,903,581 | 3.23% | (28.55) | (28.55) | (17.98) | (2.99) | 1.78 | 94,719 | 6,127 |
| Silvercrest Asset Management <i>Small Cap Value</i> | 89,687,539 | 4.08% | (32.51) | (32.51) | (23.99) | (7.47) | (1.00) | 147,555 | 26,159 |
| Vanguard <i>Domestic High Dividend Yield</i> | 154,492,703 | 7.03% | (23.94) | (23.94) | (14.72) | 0.00 | N/A | - | - |
| Domestic Equity Total | 405,412,804 | 18.45% | (25.94) | (25.94) | (16.24) | (1.53) | 2.35 | 249,948 | 32,286 |
| Tortoise <i>MLP - Terminated 01/2020</i> | - | 0.00% | NA | NA | NA | NA | NA | 21,673 | 1,221 |
| Harvest Fund Advisors <i>MLP</i> | 100,442,237 | 4.57% | (48.56) | (48.50) | (52.28) | (23.17) | NA | 197,072 | 37,949 |
| MLP Total | 100,442,237 | 4.57% | (48.56) | (48.50) | (52.28) | (23.17) | NA | 218,745 | 39,169 |
| Vanguard <i>International High Dividend Yield</i> | 94,297,220 | 4.29% | NA | NA | NA | NA | NA | 316,333 | - |
| Vanguard <i>International Equity Index</i> | 95,544,497 | 4.35% | (25.47) | (17.84) | (3.05) | (0.99) | NA | 10,467 | - |
| International Equity Total | 189,841,717 | 8.64% | (25.47) | (17.84) | (3.05) | (0.99) | NA | 326,800 | - |
| Allianz Global Investors <i>US High Yield</i> | 117,220,873 | 5.33% | (10.67) | (10.67) | (4.02) | 1.35 | 2.27 | 63,165 | - |
| Cohen and Steers <i>Preferred Stocks</i> | 199,276,087 | 9.07% | (11.94) | (11.94) | (2.32) | 2.70 | 4.15 | 149,946 | 5,168 |
| Insight (Cutwater) <i>Core Plus Select Income</i> | 204,478,718 | 9.30% | (6.88) | (6.88) | 1.88 | 3.51 | 3.14 | 114,888 | - |
| Dodge and Cox <i>Fixed Income</i> | 229,684,117 | 10.45% | (0.21) | (0.21) | 5.54 | 4.12 | 3.30 | 92,100 | - |
| Fort Washington <i>High Yield</i> | 115,273,439 | 5.25% | (13.28) | (13.28) | (7.53) | 0.71 | N/A | 62,333 | - |
| Guggenheim <i>CMBS</i> | 104,575,211 | 4.76% | 0.87 | 0.87 | 4.83 | 4.29 | 3.76 | 67,169 | - |
| Guggenheim <i>Investment Grade BBB</i> | 117,711,557 | 5.36% | 1.00 | 1.00 | 7.30 | 4.77 | N/A | 85,488 | - |
| J.P. Morgan <i>MBS</i> | 238,188,387 | 10.84% | 2.49 | 2.49 | 6.77 | 4.27 | 3.14 | 112,607 | - |
| Oklahoma State Treasurer's Office <i>Cash</i> | 19,634,893 | 0.89% | 0.67 | 0.67 | 2.64 | 2.22 | 2.04 | - | - |
| BOK Custodian Bank <i>Cash</i> | 148,749 | 0.01% | 0.33 | 0.33 | 3.59 | 2.43 | 1.56 | - | - |
| Fixed Income Total | 1,346,192,031 | 61.26% | (4.71) | (4.71) | 1.82 | 3.28 | 3.25 | 747,695 | 5,168 |
| CenterSquare <i>REITs</i> | 54,894,183 | 2.50% | (24.51) | (24.51) | (17.73) | (1.54) | 0.84 | 81,207 | 39,331 |
| REITs Total | 54,894,183 | 2.50% | (24.51) | (24.51) | (17.73) | (1.54) | 0.84 | 81,207 | 39,331 |
| CLO Investment Manager Portfolio Total | 2,096,782,971 | 95.41% | (15.62) | (15.62) | (9.29) | (0.48) | 1.06 | 1,624,396 | 115,954 |
| Robinson Park <i>CRE (Managed Property)</i> | 73,845,000 | 3.36% | N/A | N/A | N/A | N/A | N/A | 23,045 | N/A |
| Robinson Park <i>CRE (Non-Managed Properties)</i> | 27,044,904 | 1.23% | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| CLO Commercial Real Estate Investment Portfolio Total | 100,889,904 | 4.59% | NA | NA | NA | NA | NA | 23,045 | N/A |
| CLO Investment Portfolio Total | 2,197,672,875 | 100.00% | | | | | | 1,647,440 | 115,954 |
| Master Custodian Fee (BOK) | | | | | | | | 31,940 | - |
| Investment Consultant Fee (RVK) | | | | | | | | 72,813 | - |
| Directed Brokerage Recaptured Commissions | | | | | | | | - | (5,807) |
| Manager Fees and Net Broker Commissions Paid | | | | | | | | 1,752,193 | 110,148 |

**Data Source: RVK (CLO Investment Consultant). Fair Values include Accrued Income.

Commissioners of the Land Office
Investment Manager Fees and Net Broker Commissions Paid
CMIOC Data Report
FY 2020 2nd Quarter
as of 03/31/2020

| Investment Manager Data | | | Broker Commissions Paid by Month | | | | Manager Fees |
|---|-------------------------------------|--|----------------------------------|------------------|------------------|---------------------------|---------------------------|
| CLO Investment Manager | Investment Mandate | Benchmark | 01/31/2020 | 02/29/2020 | 03/31/2020 | FY 2020 3rd Quarter Total | FY 2020 3rd Quarter Total |
| Allianz | US High Yield Bonds | BOA ML US High Yield Master II Index | - | - | - | - | 63,164.63 |
| Aronson Johnson Ortiz (Terminated 10/2019) | Equity - Large Cap Value | Russell 1000 Custom Index | - | - | - | - | 0.00 |
| BlackRock | Equity - Russell 1000 Index | Russell 1000 Index | - | - | - | - | 7,673.44 |
| Boston Partners (Robeco) | Equity - All Cap Value | Russell 3000 Value Index | 472.17 | 2,116.59 | 3,538.04 | 6,126.80 | 94,719.38 |
| CenterSquare | US REITs Total Return Composite | FTSE NAREIT Eq REITs Index | 9,177.83 | 9,590.84 | 20,562.36 | 39,331.03 | 81,206.99 |
| Cohen and Steers | Preferred Equity | 50% BOA ML All Cap 50% BOA ML Fixed Rate Preferred | 1,737.07 | 1,371.35 | 2,059.40 | 5,167.82 | 149,946.00 |
| Dodge and Cox | Fixed Income | Bloomberg US Aggregate Bond Index | - | - | - | - | 92,100.05 |
| Fort Washington | High Yield Bonds | BOA ML US Cash Pay High Yield Index | - | - | - | - | 62,333.00 |
| Guggenheim - CMBS | Commercial Mortgage Backed Securiti | Bloomberg US CMBS Investment Grade Index | - | - | - | - | 67,168.83 |
| Guggenheim - Investment Grade | Investment Grade Bonds (BBB) | Bloomberg US Corporate Investment Grade Index | - | - | - | - | 85,487.61 |
| Harvest | Master Limited Partnership (MLP) | S&P MLP Index | 28,457.37 | 4,109.22 | 5,381.96 | 37,948.55 | 197,072.35 |
| Insight (Cutwater) | Bonds - Core Plus Select Income | Bloomberg US Credit Index | - | - | - | - | 114,887.95 |
| JP Morgan | Mortgage Backed Securities (MBS) | Bloomberg US MBS Index | - | - | - | - | 112,607.27 |
| Silvercrest | Equity - Small Cap Value | Russell 2000 Value Index | 5,441.92 | 11,169.28 | 9,548.18 | 26,159.38 | 147,555.00 |
| Tortoise (Terminated 01/2020) | Master Limited Partnership (MLP) | Tortoise MLP Index | 1,220.75 | - | - | 1,220.75 | 21,672.96 |
| Vanguard - International Equity | International Equity | Total International Stock Index | - | - | - | - | 10,467.28 |
| Vanguard - International Dividend High Yield | International High Dividend Yield | FTSE All World Except US High Dividend Yield Index | - | - | - | - | 316,332.98 |
| Vanguard - Dividend High Yield | Domestic High Dividend Yield | FTSE High Dividend Yield Index | - | - | - | - | 0.00 |
| Totals | | | 46,507.11 | 28,357.28 | 41,089.94 | 115,954.33 | 1,624,395.72 |
| Master Custodian Fee (Bank of Oklahoma) | | | | | | | 31,939.95 |
| Investment Consultant Fee (RV Kuhns) | | | | | | | 72,812.50 |
| Commercial Real Estate Manager Fee (Robinson Park) | | | | | | | 23,044.73 |
| Directed Brokerage Recaptured Commissions | | | <u>46,507.11</u> | <u>28,357.28</u> | <u>41,089.94</u> | <u>(5,806.50)</u> | <u>0.00</u> |
| Net Commissions and Fees Paid | | | 0.00 | 0.00 | 0.00 | 110,147.8 | 127,797.18 |
| Total Manager Fees Paid 3rd Quarter FY 2020 | | | | | | 115,954.33 | 1,752,192.90 |