



**WYOMING STATE TREASURER'S  
INVESTMENT REPORT**

**Fiscal Year 2014**  
(July 1, 2013 – June 30, 2014)

**October 2014**



# WYOMING STATE TREASURER'S INVESTMENT REPORT

**Fiscal Year 2014**

## TABLE OF CONTENTS

Introduction: State Treasurer Mark Gordon .....	1
State Treasurer's Office Organizational Chart .....	3
Investment Portfolio Overview .....	5
Investment Portfolio Fund Balances .....	6
Investment Income .....	8
Permanent Wyoming Mineral Trust Fund Returns .....	10
Investment Portfolio Asset Allocation .....	12
Investment Portfolio Manager Funding .....	13
Asset Allocation by Fund .....	16
Investable Funds and Income History .....	22
Investment Performance by Fund and Manager .....	23
Permanent Wyoming Mineral Trust Fund FY 10 - FY 14 Data .....	26
Common School Permanent Land Fund FY 10 - FY 14 Data and Other Land Funds .....	28
Wyoming Investments .....	32
WYO-STAR (Local Government Investment Pool) .....	35
Investment Income Spending Policies .....	36
Permanent Wyoming Mineral Trust Fund, Common School Permanent Land Fund and Excellence in Higher Education Endowment Fund	
Hathaway Fund Reserve Account .....	40
Banking and TDOA .....	42





## **WYOMING STATE TREASURER'S INVESTMENT REPORT**

**Fiscal Year 2014**

(July 1- 2013 - June 30, 2014)



Already this fall, Wyoming has seen a couple of unprecedented snow storms. Some of my old friends in Kaycee who like to express opinions about matters like the weather have been commenting on how strange the weather has seemed this year and perhaps their comments could describe the economy as much as the uncertainty of the weather. On the following pages, please find the detail of our investments, performance, asset allocation, distributions and other programs and activities administered by my office. We hope you will find the material informative.

As I approach the end of my second year as Treasurer and finish out the term begun by my friend Joe Meyer, his introductory remarks to the 2010 Annual Report seem appropriate: “We are proud of the performance of our portfolio in terms of the revenue it provides for Wyoming citizens, offsetting taxes they might have to pay without it, or programs they might not otherwise have.” He made those comments just as the “Great Recession” was supposed to be winding down and in 2014, though it is now generally acknowledged that the greatest economic downturn of a generation is over, neither globally nor as a nation have we seen a runaway recovery. Wyoming’s investments continue to do well but the uncertainty of the times means that Wyoming must continue to be prudent, forward-looking, worldly, patient, and effective in approaching investments.

Two points should be born in mind about Wyoming’s portfolio – a nest egg now approaching \$19 billion all told: First, the over \$800 million our investments returned to the state in income is significant. It represents one of the top three revenue streams to the state helping to fund schools, roads, airports, and our low taxes. More importantly, though, it is essential to remember the challenge embodied in the permanent funds which account for roughly half of the total corpus. These funds were constructed to perpetuate returns to the state through the investment of proceeds from the one-time removal of our state’s minerals. These objectives of return and safety are encompassed in our mandate “to invest public funds of the State of Wyoming... in a manner that strives for maximum safety, provides adequate liquidity to meet all operating requirements, and achieves the highest possible investment return consistent with the primary objectives of safety and liquidity.”

Accordingly, Wyoming citizens can take heart in two ingrained themes in our investment approach: First, because we are so very prudent in the way we invest, Wyoming experienced less of a “draw down” or loss than virtually all of our peers during the recession; and second, because of the systematic discipline this office has brought to investing over the years, we have continued to be able to make the best long-term decisions for the state’s portfolio.

This year, though Wyoming enjoyed another year of record returns, more importantly our portfolio grew by over \$1.4 billion. Anticipating a highly volatile market and an uncertain economic environment, Wyoming has also moved aggressively to position our portfolio to protect ourselves against economic shock and to take better advantage of a bumpy recovery. In that effort, I especially want to acknowledge the work of my extraordinary staff. It is also important to note the contributions of the other members of the State Loan and Investment Board and especially the contributions of Secretary of State Max Maxfield and Superintendent Cindy Hill who will be retiring from that board this year.

Wyoming’s economic vigor also depends on diversifying its economic foundations. In the words of Alan Kay, a noted computer scientist, “The best way to predict the future is to invent it.” In that vein, the Treasurer’s Office is helping Wyoming define that future by depositing over \$200 million in qualified banking institutions around Wyoming. This is Wyoming’s capital being put to work by qualified Wyoming banks for the benefit of Wyoming enterprise and her people. Furthermore, the Treasurer’s office is committed to assisting Wyoming business responsibly and with solid hard-headed business acumen. Programs being realistically and appropriately administered by this office have been able to invest in Wyoming industries helping them get off the ground and able to provide numerous jobs around the state.

And we have been doing all that as we continue to rightfully reunite unprecedented amounts of unclaimed property with Wyoming citizens as well as work with county and municipal treasurers to improve our programs and our relationships to them.

As you can see, we have been busy and aggressive. Still, even though the performance on the state’s portfolio has been outstanding, Wyoming’s treasure continues to perform in the highest echelons of all institutional funds, it is important to remember that the primary goal of this office is to protect the corpus my predecessors and our legislature has nurtured so conscientiously. Thus, our investment policies are designed to maximize the safety and security of those funds and have stood the test of time. It has been a good recipe for success.

We are proud of our legacy as well as what we have been able to accomplish. We believe you will be too.

Thank you.

A handwritten signature in black ink, appearing to read "Mark Gordon", with a long horizontal flourish extending to the right.

Mark Gordon  
Wyoming State Treasurer

**WYOMING STATE TREASURER  
MARK GORDON**



Executive Assistant  
*Kathy Ramsey*

Deputy State Treasurer  
*Sharon Garland*  
Ph: 307-777-7475

General Counsel  
*Betsy Anderson*

Chief Investment Officer  
*Michael Walden-Newman*  
Ph: 307-777-6704

Email: [sharon.garland@wyo.gov](mailto:sharon.garland@wyo.gov)

Email: [michael.walden-newman@wyo.gov](mailto:michael.walden-newman@wyo.gov)



Chief Accountant  
*Darla Conn*

Computer Technology  
Supervisor  
*Mitch Haden*

Unclaimed Property  
Manager  
*Nancy Russell*

Internal Portfolio  
Manager  
*Diana Walter*

Investment Financial  
Manager  
*Erica Legerski*

Senior Investment  
Analyst  
*Vacant*

Jeanne Hartman, Administrative Accountant  
Deebs Sullivan, Human Resources

Vacant, Senior IT Support

Marianne Beaudoin, Compliance Accountant  
Kristin Bridges, Receipts & Claims Specialist  
Susan Harris, Securities Specialist  
Heather Schoeneberg, Receipts & Claims Specialist  
Misty Williams, Mutual Funds Specialist  
Vacant, Receipts & Claims Specialist  
Vacant, Securities Specialist

Cindy Braden, Investment Accountant  
Jody Janicek, Fiscal Specialist  
Sue Larson, Accountant  
Shuyeh Wang Liu, Principal Investment Accountant  
Alice Portz, Compliance Accountant



# WYOMING STATE INVESTMENT PORTFOLIO

## Fiscal Year 2014

### PORTFOLIO OVERVIEW

Wyoming's five statewide elected officials serve as the State Loan and Investment Board (SLIB): the Governor, Secretary of State, State Auditor, State Treasurer and Superintendent of Public Instruction. In that capacity they have over-arching authority over the state investment portfolio, which consists of all non-pension funds of the State of Wyoming. The SLIB sets the investment policy, hires and fires investment managers, and hires the outside investment consultant. Day to day administration of the portfolio is under the State Treasurer.

As stated in the Master Investment Policy and Sub-Policies approved by the State Loan and Investment Board, the Treasurer invests the state portfolio "in a manner that strives for maximum safety, provides adequate liquidity to meet all operating requirements, and achieves the highest possible investment return consistent with the primary objectives of safety and liquidity."

The State's portfolio is in a diversified asset allocation. Modern portfolio theory, creating a diversified portfolio of asset classes, allows the investor to achieve a high rate of return while minimizing the volatility of the portfolio. Simply put, the State's portfolio diversification protects the corpus of the funds and allows maximum returns within acceptable risk.

The State portfolio consists of nine investment pools in seven fund types. Seven pools — the Permanent Wyoming Mineral Trust Fund, the Permanent Land Funds, the Hathaway Scholarship Endowment Fund, the Excellence in Higher Education Endowment Fund and the Workers Compensation Fund — may hold equities, fixed income and cash. The State Agency Pool and the Tobacco Settlement Fund may only hold fixed income and cash.

As shown below, the Treasurer's investment portfolio grew across all funds on a cost basis during FY 14. The total portfolio was \$16.6 billion at the end of FY 13, increasing over \$1.4 billion to \$18.0 billion by June 30, 2014.

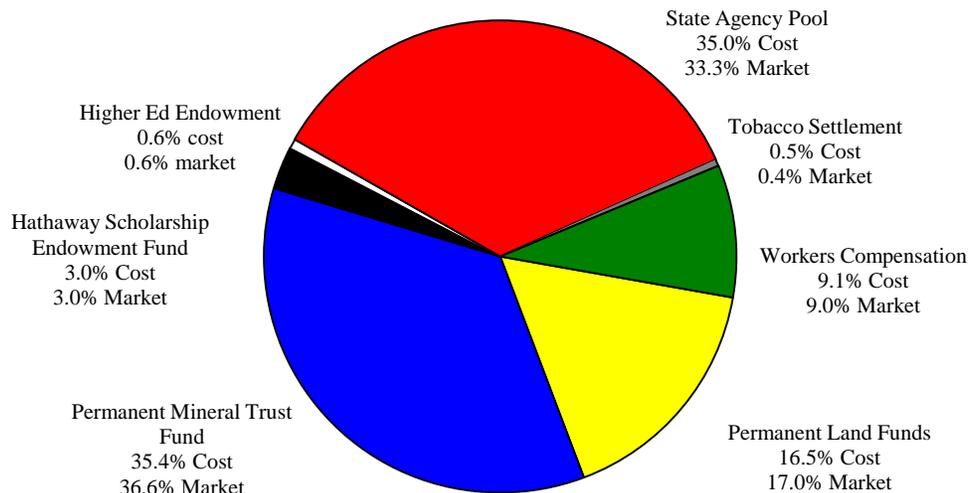
	<u>FY 14</u>		(\$ Millions)		<u>FY 13</u>	
	<u>Cost</u>	<u>Market</u>			<u>Cost</u>	<u>Market</u>
Permanent Mineral Trust Fund	\$6,368.3	\$6,979.1			\$5,888.5	\$6,112.8
Permanent Land Funds						
- Common School Perm Land Fund	2,782.3	3,046.5			2,533.4	2,630.6
- University Permanent Land Fund	19.3	21.3			18.4	19.0
- Remaining Permanent Land Funds	156.9	171.7			144.2	149.2
Hathaway Scholarship Fund	533.4	575.7			518.6	533.1
Higher Education Endowment Fund	112.2	121.1			110.9	113.9
Workers Compensation Fund	1,628.0	1,719.5			1,527.5	1,548.6
Tobacco Settlement Fund	81.6	82.0			70.5	69.0
State Agency Pool	<u>6,294.4</u>	<u>6,336.4</u>			<u>5,750.7</u>	<u>5,664.6</u>
Total	\$17,976.5	\$19,053.1			\$16,562.7	\$16,840.8

# WYOMING STATE INVESTMENT PORTFOLIO

**June 30, 2014**

The State Treasurer's Office manages \$18 billion in non-pension investable funds across seven fund types. Five funds, the Permanent Wyoming Mineral Trust Fund, the Permanent Land Funds, the Hathaway Scholarship Endowment Fund, the Excellence in Higher Education Endowment Fund and the Worker's Compensation Fund may hold equities under current law. The other funds cannot: the State Agency Pool and the Tobacco Settlement Fund.

	<b>Cost Basis</b>	<b>Market Value</b>
<b>Permanent Wyoming Mineral Trust Fund</b>	<b>\$6,368,298,515</b>	<b>\$6,979,071,774</b>
<i>Funded with constitutional and statutory mineral severance tax revenues, and occasional direct legislative appropriations. Income from the PWMTF goes to the state general fund. Up to 55 percent of the PWMTF may be invested in equities.</i>		
<b>Permanent Land Funds</b>	<b>2,958,499,836</b>	<b>3,239,481,747</b>
<i>Funded with royalties, leases, fees and permits, and other revenue generated from state lands. Investment income from these funds go to state public institutions. The Common School Permanent Land Fund is the largest of the land funds: \$2.782 billion book/cost, \$3.046 billion market; its investment income helps to fund Wyoming's K-12 schools. Up to 55 percent of the Permanent Land Funds may be invested in equities.</i>		
<b>Hathaway Scholarship Endowment Fund</b>	<b>533,390,109</b>	<b>575,666,227</b>
<i>Funded with federal mineral royalties. Investment income is used to pay higher education tuition for qualifying Wyoming high school graduates at the University of Wyoming and Wyoming's community colleges. Up to 55 percent of the Hathaway Scholarship Fund may be invested in equities.</i>		
<b>Excellence in Higher Education Endowment Fund</b>	<b>112,220,128</b>	<b>121,068,507</b>
<i>Funded with federal mineral royalties. Investment income is used to pay for recruitment and retention of faculty, to establish endowed faculty positions and to support the work of endowed faculty at the University of Wyoming and Wyoming's community colleges. Up to 55 percent of the Higher Ed. Endowment Fund may be invested in equities.</i>		
<b>Workers Compensation Fund</b>	<b>1,627,999,923</b>	<b>1,719,457,229</b>
<i>Funded with employer premiums. Investment income is used to assist in the payment of Workers Compensation costs including administrative and indemnity costs, and vendor payments. Up to 45 percent of the Workers Compensation Fund may be invested in equities.</i>		
<b>Tobacco Settlement Fund</b>	<b>81,627,020</b>	<b>82,009,844</b>
<i>Funded with settlement proceeds received by Wyoming under the 1998 Master Settlement Agreement between states and tobacco companies. Income from the fund goes to health improvement programs.</i>		
<b>State Agency Pool</b>	<b><u>6,294,421,316</u></b>	<b><u>6,336,390,937</u></b>
<i>Monies from all other state funds pooled for investment. Income is distributed back to a specific state agency or to the state general fund.</i>		
<b>GRAND TOTAL ALL FUNDS</b>	<b>\$17,976,456,846</b>	<b>\$19,053,146,265</b>



The State Treasurer distributes investment earnings to statutory recipients. Interest and dividends are treated as ordinary income and disbursed accordingly. Capital gains and losses are reconciled for each fund at the end of the fiscal year. If capital gains and losses are net positive in a fund, the Treasurer distributes the net capital gain as income. If capital losses exceed capital gains at year end, the losses are carried forward through the next fiscal year.

The Treasurer distributed \$812.2 million in investment income during FY 14 — sizeable investment income, but down from FY 13's all-time high of \$936.5 million. Over half of FY 13 income was from realized capital gains from the equity side of the portfolio.

<u>Investment Income: Distributions by Fund</u>		
	<u>FY 14</u>	<u>FY 13</u>
Permanent Wyoming Mineral Trust Fund	\$395,337,466	\$366,635,722
Common School Permanent Land Fund	172,808,534	143,131,955
University Permanent Land Fund	1,098,504	563,975
Remaining Permanent Land Funds	9,360,997	7,736,119
Hathaway Scholarship Endowment Fund	30,959,099	33,516,626
Higher Education Endowment Fund	6,727,157	7,791,230
Workers Compensation Fund	74,079,618	96,498,727
Tobacco Settlement Fund	1,690,078	5,063,857
State Agency Pool	<u>120,112,251</u>	<u>275,544,625</u>
<b>TOTAL</b>	<b>\$812,173,704</b>	<b>\$936,482,836</b>

\* "Distributed income" is net of management fees paid and accrued.

The tables on pages 7-8 detail dividend, interest and capital gain income across the portfolio's investment pools, and by asset class and manager.

The State portfolio's FY 14 yield was 4.89 percent and the total return was 9.76 percent for the fiscal year. This is an increase from FY 13, when the cash yield was 6.08 percent, and the total return was 5.11 percent.

The chart on page 10 shows historic total return and yield for the Permanent Wyoming Mineral Trust Fund. Performance by fund and manager is detailed later in this report.

## **ASSET ALLOCATION AND FUND MANAGEMENT**

Asset allocation is the distribution of investments among asset classes. There are two parts to the asset allocation decision: first identifying asset allocation possibilities; and next choosing the best combination of assets to meet investment risk and return objectives. R.V. Kuhns, investment advisor to the State Loan and Investment Board, works with the State Treasurer's Office to establish and annually review asset allocation targets.

The State's portfolio includes US and international stocks, private equity, absolute return strategies, real estate, bonds and cash. Each investment pool has a specific target allocation of each of these types of investments listed in the State's Investment Policy. The Treasurer's Office systematically invests money using monthly dollar cost averaging to achieve and maintain each pool's investment allocation.

**INVESTMENT INCOME**  
**Fiscal Year 2014**

	<u>Dividends</u>	<u>Interest</u>	<u>Distributed Capital Gains</u>	<u>Direct Fees Paid / Accrued</u>	<u>Total Investment Income</u>
Permanent Wyoming Mineral Trust Fund	\$75,440,917	\$61,830,393	\$266,074,358	(\$8,008,202)	\$395,337,466
Common School Permanent Land Fund	32,681,537	26,852,761	116,390,409	(3,116,173)	172,808,534
University Permanent Land Fund	238,474	185,482	699,477	(24,930)	1,098,504
Remaining Permanent Land Funds:					
- Miner's Hospital Permanent Land Fund	676,120	539,779	2,274,211	(65,635)	3,424,474
- Public Buildings @ Cap Permanent Land Fund	89,300	71,292	299,770	(8,663)	451,699
- Fish Hatchery Permanent Land Fund	5,426	4,331	18,261	(527)	27,491
- D.D. & B. Permanent Land Fund	50,058	39,963	168,452	(4,861)	253,611
- Carey Act Permanent Land Fund	26,555	21,200	89,310	(2,578)	134,487
- Omnibus Permanent Land Fund	561,678	448,415	1,884,677	(54,440)	2,840,331
- State Hospital Permanent Land Fund	43,515	34,740	146,261	(4,228)	220,288
- State Training School Permanent Land Fund	47,108	37,608	158,180	(4,566)	238,329
- Penitentiary Permanent Land Fund	224,594	179,304	752,995	(21,759)	1,135,135
- Agriculture College Permanent Land Fund	125,432	100,139	421,756	(12,174)	635,152
Hathaway Scholarship Endowment Fund	6,031,975	5,993,575	19,640,479	(706,931)	30,959,099
Higher Education Endowment Fund	1,296,928	1,282,967	4,298,397	(151,135)	6,727,157
Worker's Compensation Fund	14,446,777	21,141,468	40,491,743	(2,000,369)	74,079,618
Tobacco Settlement Fund	355,285	1,334,349	91,662	(91,219)	1,690,078
State Agency Pool	23,640,718	89,669,499	14,562,058	(7,760,024)	120,112,251
<b>TOTAL</b>	<b>\$155,982,397</b>	<b>\$209,767,265</b>	<b>\$468,462,457</b>	<b>(\$22,038,415)</b>	<b>\$812,173,704</b>

In May 2009, the State Treasurer adopted an interpretative policy effective July 1, 2008, for accounting purposes whereby earnings consisting of interest and dividends would be treated as ordinary income and disbursed accordingly. Capital gains and losses are reconciled for each fund at the end of the fiscal year. If capital gains and losses are net positive, the Treasurer distributes the net capital gain as income. If capital losses exceed capital gains at year end, the losses are carried forward through the next fiscal year.

Investment management fees are paid from investment income. FY 14 fees totaled \$51.2 million, which include the above \$22.0 million in accrued expenses to cover direct fees billed by managers; and \$792K in administrative expenses including salaries, benefits, travel, etc. for eight investment staff in the Wyoming State Treasurer's Office. In addition to these expenses, an additional \$29.2 million was withheld by managers who send their income to the State net of fees.

**WYOMING STATE INVESTMENT PORTFOLIO**  
**Unrealized Gain (Loss) & Realized Income (Loss) by Manager**  
**June 30, 2014**

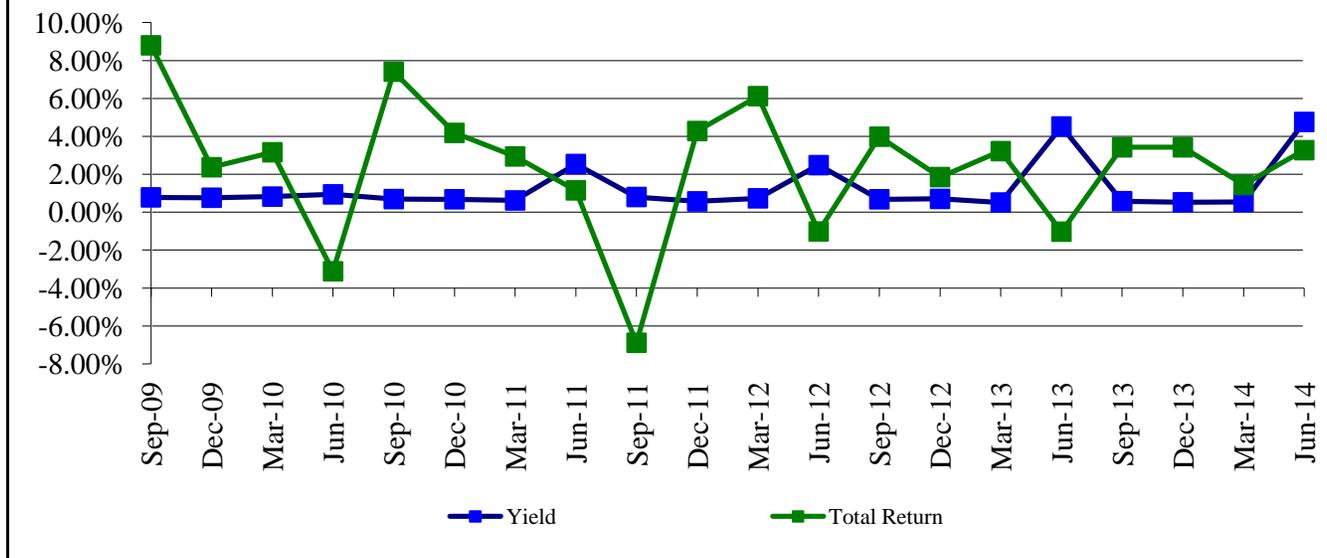
<b>Asset Class &amp; Manager</b>	<b>Cost</b>	<b>Market Value</b>	<b>Unrealized Gain/Loss</b>	<b>FY14 YTD Dividends &amp; Interest</b>	<b>FY14 YTD Realized Gain/(Loss)</b>
<b>Large Cap Index</b>					
State Street Global Advisors	\$2,013,404,397	\$2,493,623,805	\$480,219,408	\$37,658,535	\$148,616,624
UW Portfolio Management	<u>620,367</u>	<u>803,755</u>	<u>183,388</u>	<u>13,844</u>	<u>0</u>
Total	2,014,024,765	2,494,427,560	480,402,795	37,672,380	148,616,624
<b>Small/Mid Cap US Equity</b>					
GAMCO	384,841,720	475,041,297	90,199,577	5,306,962	61,199,308
<b>International Equity</b>					
Fisher Investments	433,251,060	501,252,426	68,001,367	9,158,376	45,415,443
Northern Trust	866,502,120	999,274,312	132,772,192	22,431,055	42,368,366
The Boston Company	173,300,424	184,821,782	11,521,357	4,238,034	13,706,351
Manning & Napier	<u>259,950,636</u>	<u>279,178,732</u>	<u>19,228,096</u>	<u>4,978,658</u>	<u>33,320,471</u>
Total	1,733,004,241	1,964,527,253	231,523,012	40,806,123	134,810,632
<b>Private Equity</b>					
Access Venture Partners	6,923,423	13,014,508	6,091,085	36	0
Cheyenne Capital Fund	216,744,440	306,066,289	89,321,849	0	12,458,520
Hamilton Lane Nowood	24,829,947	28,909,669	4,079,722	10,679	128,778
Neuberger Berman Sauger	<u>27,000,000</u>	<u>31,451,387</u>	<u>4,451,387</u>	<u>0</u>	<u>0</u>
Total	275,497,810	379,441,853	103,944,043	10,714	12,587,298
<b>Real Estate</b>					
Clarion	266,303,630	255,465,411	(10,838,219)	6,302,907	0
UBS Realty	141,303,630	141,977,431	673,801	3,978,224	0
Heitman	6,259,936	6,808,734	548,799	322,320	706,473
TA Realty	13,923,357	10,045,390	(3,877,967)	161,819	0
West River Realty	62,695,038	69,371,502	6,676,464	161,819	0
Cornerstone	19,863,735	21,734,632	1,870,898	161,819	0
Northwood	49,647,869	48,407,917	(1,239,952)	0	0
M&G	<u>13,477,107</u>	<u>13,315,827</u>	<u>(161,281)</u>	<u>0</u>	<u>0</u>
Total	573,474,302	567,126,845	(6,347,457)	11,088,910	706,473
<b>Absolute Return</b>					
Aurora I	162,461,240	179,826,803	17,365,563	9	8,000,000
Aurora II	225,466,000	247,910,861	22,444,861	86	8,700,000
PAAMCO	386,474,240	426,443,035	39,968,795	0	43,654,818
Grosvenor	<u>5,228,194</u>	<u>9,367,069</u>	<u>4,138,875</u>	<u>890</u>	<u>17,138,260</u>
Total	779,629,674	863,547,769	83,918,094	984	77,493,078
<b>Convertible Bonds</b>					
AGI Capital	442,588,569	538,488,052	95,899,483	12,024,006	62,338,994
<b>Fixed Income</b>					
Neuberger Berman Core-Plus	0	0	0	446	0
PIMCO Core-Plus	0	0	0	0	(339,032)
WAMCO Core-Plus	0	196,927	196,927	1	2,305,995
Logan Circle Corporates	0	0	0	0	0
WAMCO Corporates	0	0	0	0	2,943,430
JPMorgan Mortgages	0	0	0	0	0
PIMCO Global	0	0	0	0	511,773
CS McKee Core	649,495,746	650,310,917	815,171	14,984,217	(6,628,800)
JPM Core	1,938,650,529	1,925,330,760	(13,319,769)	47,196,658	(12,356,018)
MacKay Shields Core	983,719,460	977,868,712	(5,850,749)	24,486,194	(306,509)
Neuberger Berman Core	1,046,421,471	1,058,831,217	12,409,746	22,689,532	(1,342,568)
Wells Cap Core	650,983,096	656,687,368	5,704,272	12,749,188	(3,684,450)
Neuberger Berman Cr	554,957,707	571,914,572	16,956,865	13,889,781	(860,983)
Seix Cr	559,361,580	574,898,269	15,536,689	11,779,998	0
Investec EM	280,133,895	260,142,894	(19,991,001)	8,942,516	0
Stone Harbor EM	279,955,481	247,492,627	(32,462,853)	12,490,393	(86,615)
SSgA TIPS	<u>742,028,336</u>	<u>719,206,867</u>	<u>(22,821,469)</u>	<u>5,321,862</u>	<u>(6,797,852)</u>
Total	10,251,518,502	10,246,767,875	(4,750,627)	225,352,398	(30,044,357)
<b>Fixed Income</b>					
Internal Portfolio	444,203,834	444,714,000	510,166	8,634,002	1,704,133
<b>Cash Equivalents</b>					
JP Morgan	752,321,354	753,711,685	1,390,332	4,896,180	(949,726)
Wyoming Investments	325,352,076	325,352,076	held at cost	7,661,751	0
<b>Securities Lending</b>					
				7,384,824	0
<b>TOTALS</b>	<b>\$17,976,456,846</b>	<b>\$19,053,146,265</b>	<b>\$1,076,689,419</b>	<b>\$360,839,234</b>	<b>\$468,462,457</b>

Notes:

JPMorgan core fixed income's deferred gain/loss amount includes an \$18.7 million capital loss to correct an \$18.7 million gain taken in error in FY 13. Internal portfolio negatively impacted by distressed securities taken in from dismissed managers.

Investment managers showing a zero cost basis are those whose mandates were terminated as part of the FY 13 fixed income restructure.

## PERMANENT WYOMING MINERAL TRUST FUND YIELD AND TOTAL RETURN COMPARED



Note: "Yield" is spendable investment income including dividends, interest and realized capital gains. "Total Return" is comprised of dividends, interest, and realized and unrealized capital gains and losses. The chart above shows yield as more stable, while total return has varied over market cycles.

<u>Quarter Ending</u>	<u>Yield (gross)</u>		<u>Total Return</u>	
	<u>Quarter</u>	<u>Annual</u>	<u>Quarter</u>	<u>Annual</u>
September 30, 2009	0.78%		8.80%	
December 31, 2009	0.76%		2.37%	
March 31, 2010	0.82%		3.16%	
June 30, 2010	0.94%	3.30%	-3.12%	11.31%
September 30, 2010	0.69%		7.41%	
December 31, 2010	0.68%		4.18%	
March 31, 2011	0.62%		2.94%	
June 30, 2011	2.54%	4.63%	1.15%	16.52%
September 30, 2011	0.80%		-6.89%	
December 31, 2011	0.57%		4.28%	
March 31, 2012	0.73%		6.12%	
June 30, 2012	2.48%	4.65%	-1.02%	1.98%
September 30, 2012	0.68%		3.98%	
December 31, 2012	0.70%		1.85%	
March 31, 2013	0.51%		3.22%	
June 30, 2013	4.52%	6.57%	-1.03%	8.19%
September 30, 2013	0.58%		3.42%	
December 31, 2013	0.52%		3.42%	
March 31, 2014	0.54%		1.44%	
June 30, 2014	4.76%	6.56%	3.27%	12.67%

The Treasurer’s Office is mindful of the stated investment goal of the State’s portfolio as set forth in the Investment Policy: that the portfolio is to be invested “in a manner that strives for maximum safety, provides adequate liquidity to meet all operating requirements and achieves the highest possible investment return consistent with the primary objectives of safety and liquidity.”

### Fund Allocation

The Permanent Mineral Trust Fund and Permanent Land Funds may hold up to 55 percent in equities under current law. The State’s Investment Policy sets out a long-term target allocation of 50 percent equities and 50 percent fixed income and cash.

The Hathaway Scholarship Endowment and Higher Education Endowment Funds also have an allowed long-term target of 50 percent equities, but the Treasurer set their FY 14 target slightly lower at 45 percent, given their need for more stable income.

The Workers Compensation Fund may invest up to 45 percent in equities, but the specific target is determined by law by the director of the Department of Employment. The Department has set the equity target at 30 percent.

The June 30, 2014 allocation mix of the portfolio is shown below; charts later in this report provide a detailed allocation for each fund. Portfolio rebalances in the latter part of the year resulted in higher than usual year-end cash that will decrease as principal is returned to managers.

The Treasurer's Office rebalances the portfolio when markets take a manager over its target allocation within the portfolio. The manager sells assets, returning the principal and capital gains to the State. The Treasurer distributes the capital gains to statutory recipients. The principal is returned to managers over time to dollar cost average allocations.

	<u>Equities</u>	<u>Fixed</u>	<u>Wyo*</u>	<u>Cash</u>
Permanent Wyoming Mineral Trust Fund	54.5%	40.4%	2.7%	2.4%
Common School Permanent Land Fund	51.8	40.0	0.7	7.5
University Permanent Land Fund	52.5	42.3	0.0	5.2
Remaining Permanent Land Funds	51.7	40.7	0.0	7.6
Hathaway Scholarship Endowment Fund	43.4	51.0	0.0	5.6
Higher Education Endowment Fund	44.1	52.1	0.0	3.8
Workers Compensation Fund	29.2	64.7	0.0	6.1
Tobacco Settlement Fund	0.0	84.7	0.0	15.3
State Agency Pool	<u>0.0</u>	<u>94.3</u>	<u>2.0</u>	<u>3.7</u>
TOTAL	32.0%	62.0%	1.8%	4.2%

\* Wyoming specific investments detailed later.

Over 95 percent of the State's portfolio is managed by external investment firms, as shown on page 13. Total external fixed income and cash funding was \$11.446 billion on a cost basis on June 30, 2014, with a market value of \$11.539 billion. On June 30, 2013, total external fixed income and cash was \$10.958 billion (cost) and \$10.766 billion (market).

# WYOMING STATE INVESTMENT PORTFOLIO

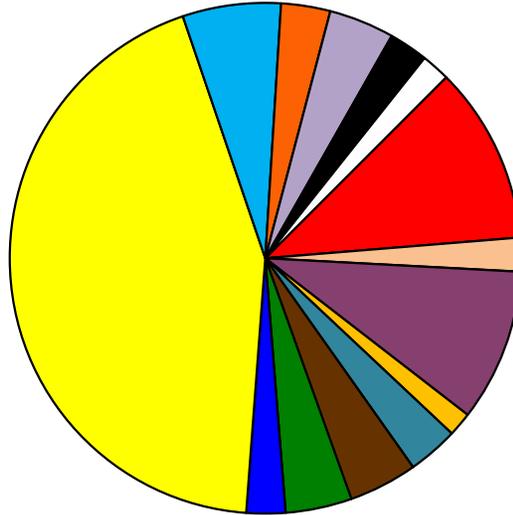
June 30, 2014

**\$17.976 Billion  
Cost Basis**

## FIXED INCOME

- Internal Bonds \$444.2 M 2.5%
- Core \$7,835.1 M 43.6%
- Credit \$1,114.3 M 6.2%
- Emerging Markets \$560.1 M 3.1%
- TIPS \$742.0 M 4.1%
- Convertibles \$442.6 M 2.5%
- Wyoming Investments \$325.4 M 1.8%

**TOTAL  
\$11,463.7 M  
63.8%**



**CASH \$752.3 M 4.2%**

## EQUITIES

- Large Cap US \$2,014.0 M 11.2%
- Small / Mid US \$384.8 M 2.1%
- International \$1,733.0 M 9.6%
- Private Equity \$275.5 M 1.5%
- Real Estate \$573.5 M 3.2%
- Absolute Return \$779.6 M 4.3%

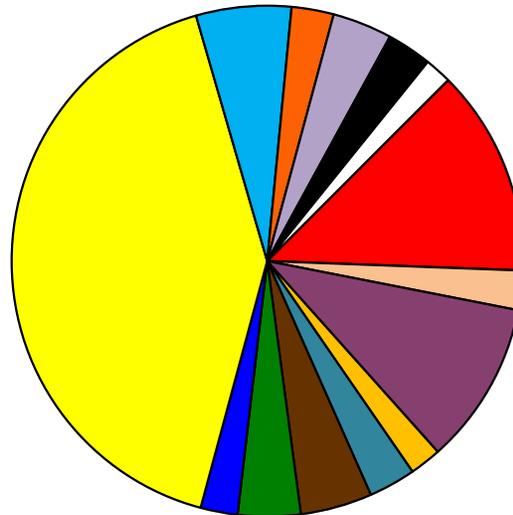
**TOTAL  
\$5,760.5 M  
32.0%**

**\$19.053 Billion  
Market Value**

## FIXED INCOME

- Internal Bonds \$444.7 M 2.3%
- Core \$7,873.1 M 41.3%
- Credit \$1,146.8 M 6.0%
- Emerging Markets \$507.6 M 2.7%
- TIPS \$719.2 M 3.8%
- Convertibles \$538.5 M 2.8%
- Wyoming Investments \$325.4 M 1.7%

**TOTAL  
\$11,555.3 M  
60.6%**



**CASH \$753.7 M 4.0%**

## EQUITIES

- Large Cap US \$2,494.4 M 13.1%
- Small / Mid US \$475.0 M 2.5%
- International \$1,964.5 M 10.3%
- Private Equity \$379.4 M 2.0%
- Real Estate \$567.1 M 3.0%
- Absolute Return \$863.5 M 4.5%

**TOTAL  
\$6,744.1 M  
35.4%**

## WYOMING STATE INVESTMENT PORTFOLIO

June 30, 2014

<b>EXTERNAL EQUITIES</b>		<b>Cost Basis</b>	<b>Market Value</b>
Large Cap Index	State Street Global Advisors	2,013,404,397	2,493,623,805
U. S. Equities	UW Portfolio Management Program	620,367	803,755
Small / Mid Cap	GAMCO	384,841,720	475,041,297
International	Fisher Investments	433,251,060	501,252,426
	Northern Trust	866,502,120	999,274,312
	The Boston Company	173,300,424	184,821,782
	Manning & Napier	259,950,636	279,178,732
Private Equity	Access Venture Partners <i>(\$10 M committed)</i>	6,923,423	13,014,508
	Cheyenne Capital Fund <i>(\$257.95 M committed)</i>	216,744,440	306,066,289
	Hamilton Lane Nowood <i>(\$200 M committed)</i>	24,829,947	28,909,669
	Neuberger Berman Sauger <i>(\$200 M committed)</i>	27,000,000	31,451,387
Real Estate	Clarion	266,303,630	255,465,411
	UBS Realty	141,303,630	141,977,431
	Heitman <i>(\$10 M committed)</i>	6,259,936	6,808,734
	TA Realty <i>(\$15 M committed)</i>	13,923,357	10,045,390
	West River Realty <i>(\$75 M committed)</i>	62,695,038	69,371,502
	Cornerstone <i>(\$27.2 M committed)</i>	19,863,735	21,734,632
	Northwood <i>(\$150 M committed)</i>	49,647,869	48,407,917
	M&G <i>(\$125 M committed)</i>	13,477,107	13,315,827
Absolute Return	Aurora I	162,461,240	179,826,803
	Aurora II	225,466,000	247,910,861
	PAAMCO	386,474,240	426,443,035
	Grosvenor <i>(\$150 M committed)</i>	5,228,194	9,367,069
<b>Total External Equities</b>		<b>\$5,760,472,511</b>	<b>\$6,744,112,577</b>
<b>EXTERNAL FIXED INCOME, CONVERTIBLES AND CASH</b>			
Mandates Terminated in FY13			
Core-Plus	WAMCO	0	\$196,927
Convertibles	AGI Capital	442,588,569	538,488,052
US Fixed Income	CS McKee Core	649,495,746	650,310,917
	JPM Core	1,938,650,529	1,925,330,760
	MacKay Shields Core	983,719,460	977,868,712
	Neuberger Berman Core	1,046,421,471	1,058,831,217
	PIMCO Core	2,565,811,202	2,603,886,745
	Wells Cap Core	650,983,096	656,687,368
	Neuberger Berman Cr	554,957,707	571,914,572
	Seix Cr	559,361,580	574,898,269
	Investec EM	280,133,895	260,142,894
	Stone Harbor EM	279,955,481	247,492,627
	SSgA TIPS	742,028,336	719,206,867
<b>Total External Fixed Income and Convertibles</b>		<b>\$10,694,107,071</b>	<b>\$10,785,255,927</b>
Cash Manager	JPMorgan	752,321,354	753,711,685
<b>Total External Cash</b>		<b>\$752,321,354</b>	<b>\$753,711,685</b>
<b>TOTAL EXTERNAL MANAGEMENT</b>		<b>\$17,206,900,936</b>	<b>\$18,283,080,189</b>
<b>INTERNALLY MANAGED FUNDS</b>			
Fixed Income	Bonds	444,203,834	444,714,000
Other	Wyoming Investments	325,352,076	325,352,076
<b>TOTAL INTERNAL MANAGEMENT</b>		<b>\$769,555,910</b>	<b>\$770,066,076</b>
<b>GRAND TOTAL ALL FUNDS</b>		<b>\$17,976,456,846</b>	<b>\$19,053,146,265</b>

External equity manager funding at FY 14 year-end was \$5.760 billion on a cost basis, with a market value of \$6.744 billion. This compares to \$4.830 billion (cost) and \$5.296 billion (market) on June 30, 2013.

The Treasurer's internally managed bond portfolio was \$444.2 million (cost) and \$444.7 million (market) at the end of FY 14.

## **INVESTMENT MANAGER OVERSIGHT**

The portfolio's investment managers are on an annual rotation for visits to Cheyenne. State Treasurer's staff also performs due diligence visits to managers' offices throughout the year.

## **PORTFOLIO RESTRUCTURING**

During FY 14, the Treasurer's Office completed its private equity review continued from FY 13, and undertook two new asset class reviews: domestic equity and absolute return strategies.

After hiring two private equity managers in FY 13 at a \$200 million commitment each, the State Loan and Investment Board asked the Treasurer's Office to explore the possible allocation of an additional \$200 million. In the end, the Treasurer's Office recommended, and the SLIB approved in October 2014, that no further private equity investment was warranted.

The Treasurer's Office conducted an in-depth analysis of the domestic (U.S.) equity portfolio. After a year of study, RFPs, and manager interviews, the portfolio was restructured into new mandates designed to produce better risk-adjusted returns. In August 2014, managers were hired for all cap and small cap mandates. In October, a global equity manager was hired as a complement to the domestic and international equity managers, with the ability to invest opportunistically around the world. The review of absolute return and other risk mitigation strategies will continue in to FY 15.

## **SELECT COMMITTEE ON CAPITAL FINANCING AND INVESTMENTS**

The State Treasurer met with the Select Committee on Capital Financing and Investments on November 25, 2013. Items discussed included on-going review of the state investment portfolio, spending policies and accounting procedures.

## **STATE TREASURER'S INVESTMENT CONFERENCE**

The State Treasurer's Investment Conference was held September 18-20, 2013. The conference brought together the five statewide elected officials and staff, state legislators, investment managers, investment consultants and policy experts to discuss Wyoming's investment portfolio.

## **STATE TREASURER'S WEBSITE**

The Sovereign Wealth Fund Institute gives Wyoming one of its highest rankings in terms of public transparency. The State Treasurer's Office continually updates investment information on its website: <http://treasurer.state.wy.us/investmentsbank.asp#invest>.

## **MORE INFORMATION**

The charts on the following pages illustrate the diversification of the State's portfolio and detail funding levels of the asset classes and the managers who collaborate with the State Treasurer's Office in the management of the State's portfolio.

In addition, this report contains information about:

- Investment performance;
- Wyoming specific investments;
- WYO-STAR—Wyoming's local government investment pool;
- Spending policies/reserve accounts for permanent funds;
- Interfund borrowing for the School Foundation Program;
- Banking and TDOA (Time Deposit Open Account), a discretionary program that places state funds in Wyoming banks.

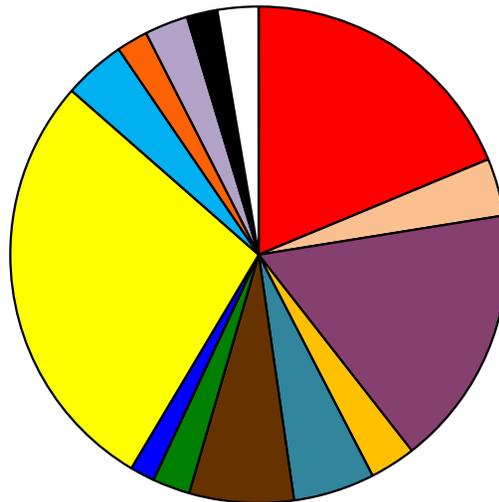
For more information on the state investment portfolio and process, please contact Michael Walden-Newman, Chief Investment Officer at 307-777-6704, or [michael.walden-newman@wyo.gov](mailto:michael.walden-newman@wyo.gov). For more information on the distribution of investment income, including spending policies, please contact Sharon Garland, Deputy State Treasurer at 307-777-7475, or [sharon.garland@wyo.gov](mailto:sharon.garland@wyo.gov).

**WYOMING STATE INVESTMENT PORTFOLIO**  
**Permanent Wyoming Mineral Trust Fund**  
**June 30, 2014**  
**\$6.368 Billion**  
**Cost Basis**

**FIXED INCOME**

- Internal Bonds \$102.1 M 1.6% ●
- Core \$1,778.0 M 27.9% ●
- Credit \$255.7 M 4.0% ●
- Emerging Markets \$129.7 M 2.0% ●
- TIPS \$179.9 M 2.8% ●
- Convertibles \$126.1 M 2.0% ●
- Wyoming Investments \$170.2 M 2.7% ○

**TOTAL**  
**\$2,741.7 M**  
**43.1%**



**CASH \$154.8 M 2.4%**

**EQUITIES**

- Large Cap US \$1,192.5 M 18.7% ●
- Small / Mid US \$238.5 M 3.7% ●
- International \$1081.7 M 17.0% ●
- Private Equity \$189.0 M 3.0% ●
- Real Estate \$337.4 M 5.3% ●
- Absolute Return \$432.7 M 6.8% ●

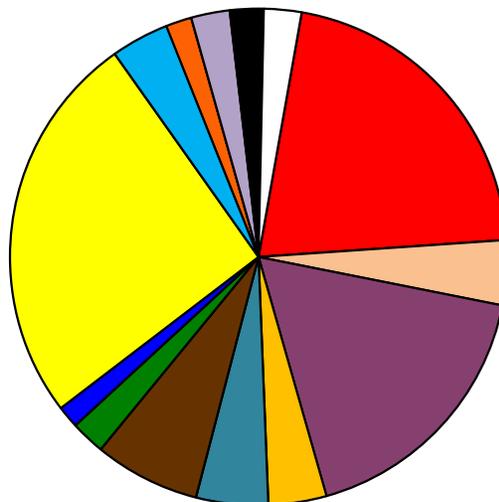
**TOTAL**  
**\$3,471.8 M**  
**54.5%**

**\$6.979 Billion**  
**Market Value**

**FIXED INCOME**

- Internal Bonds \$100.7 M 1.4% ●
- Core \$1,786.3 M 25.6% ●
- Credit \$263.3 M 3.8% ●
- Emerging Markets \$116.7 M 1.7% ●
- TIPS \$174.4 M 2.5% ●
- Convertibles \$153.5 M 2.2% ●
- Wyoming Investments \$170.2 M 2.4% ○

**TOTAL**  
**\$2,765.1 M**  
**39.6%**



**CASH \$155.8 M 2.2%**

**EQUITIES**

- Large Cap US \$1,475.1 M 21.1% ●
- Small / Mid US \$294.1 M 4.2% ●
- International \$1,219.3 M 17.5% ●
- Private Equity \$262.3 M 3.8% ●
- Real Estate \$328.2 M 4.7% ●
- Absolute Return \$479.2 M 6.9% ●

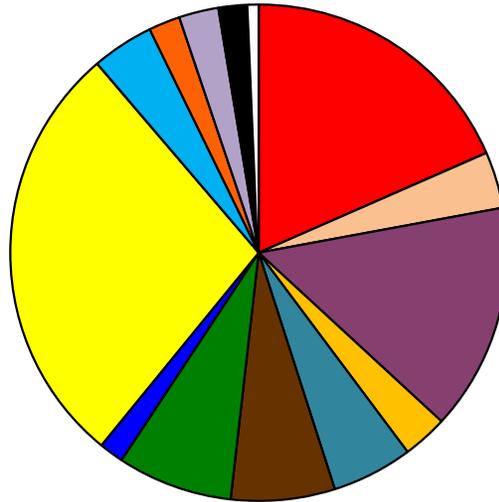
**TOTAL**  
**\$4,058.1 M**  
**58.1%**

**WYOMING STATE INVESTMENT PORTFOLIO**  
**Common School Permanent Land Fund**  
**June 30, 2014**  
**\$2.782 Billion**  
**Cost Basis**

**FIXED INCOME**

- Internal Bonds \$44.6 M 1.6% ●
- Core \$775.0 M 27.9% ●
- Credit \$112.2 M 4.0% ●
- Emerging Markets \$56.7 M 2.0% ●
- TIPS \$71.5 M 2.6% ●
- Convertibles \$54.2 M 1.9% ●
- Wyoming Investments \$18.4 M 0.7% ○

**TOTAL**  
**\$1,132.5 M**  
**40.7%**



**CASH \$208.5 M 7.5%**

**EQUITIES**

- Large Cap US \$512.4 M 18.4% ●
- Small / Mid US \$102.5 M 3.7% ●
- International \$410.9 M 14.8% ●
- Private Equity \$81.3 M 2.9% ●
- Real Estate \$146.3 M 5.3% ●
- Absolute Return \$187.8 M 6.8% ●

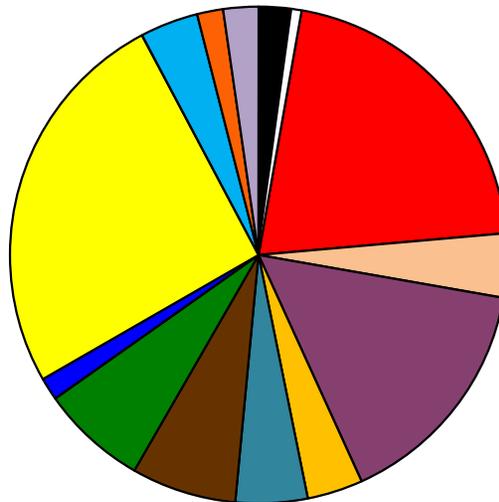
**TOTAL**  
**\$1,441.3 M**  
**51.8%**

**\$3.047 Billion**  
**Market Value**

**FIXED INCOME**

- Internal Bonds \$44.7 M 1.5% ●
- Core \$779.0 M 25.6% ●
- Credit \$115.5 M 3.8% ●
- Emerging Markets \$51.6 M 1.7% ●
- TIPS \$69.3 M 2.3% ●
- Convertibles \$66.1 M 2.2% ●
- Wyoming Investments \$18.4 M 0.6% ○

**TOTAL**  
**\$1,144.5 M**  
**37.6%**



**CASH \$209.9 M 6.9%**

**EQUITIES**

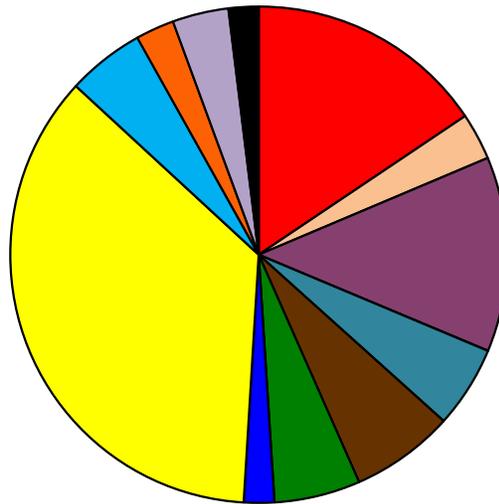
- Large Cap US \$634.8 M 20.8% ●
- Small / Mid US \$126.5 M 4.2% ●
- International \$469.9 M 15.4% ●
- Private Equity \$110.1 M 3.6% ●
- Real Estate \$142.7 M 4.7% ●
- Absolute Return \$208.0 M 6.8% ●

**TOTAL**  
**\$1,692.1 M**  
**55.5%**

**WYOMING STATE INVESTMENT PORTFOLIO**  
**Hathaway Scholarship Endowment Fund**  
**June 30, 2014**  
**\$533.4 Million**  
**Cost Basis**

**FIXED INCOME**

- Internal Bonds \$10.6 M 2.0% ●
- Core \$191.5 M 35.9% ●
- Credit \$26.8 M 5.0% ●
- Emerging Markets \$13.4 M 2.5% ●
- TIPS \$19.5 M 3.7% ●
- Convertibles \$10.4 M 1.9% ●
- TOTAL**  
**\$272.1 M**  
**51.0%**



**EQUITIES**

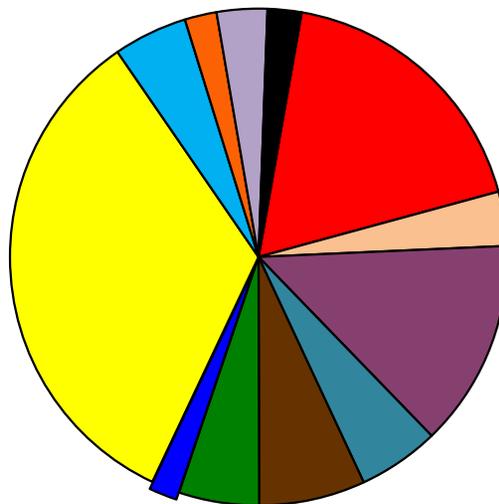
- Large Cap US \$83.1 M 15.6% ●
- Small / Mid US \$16.3 M 3.1% ●
- International \$67.7 M 12.7% ●
- Real Estate \$28.5 M 5.3% ●
- Absolute Return \$35.8 M 6.7% ●
- TOTAL**  
**\$231.4 M**  
**43.4%**

**CASH \$29.9 M 5.6%**

**\$575.7 Million**  
**Market Value**

**FIXED INCOME**

- Internal Bonds \$10.6 M 1.8% ●
- Core \$192.2 M 33.4% ●
- Credit \$27.6 M 4.8% ●
- Emerging Markets \$12.0 M 2.1% ●
- TIPS \$18.9 M 3.3% ●
- Convertibles \$12.7 M 2.2% ●
- TOTAL**  
**\$274.0 M**  
**47.6%**



**EQUITIES**

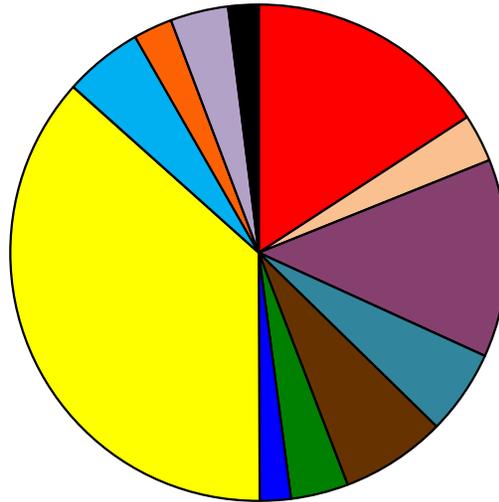
- Large Cap US \$103.6 M 18.0% ●
- Small / Mid US \$20.3 M 3.5% ●
- International \$77.6 M 13.5% ●
- Real Estate \$30.4 M 5.3% ●
- Absolute Return \$39.7 M 6.9% ●
- TOTAL**  
**\$271.6 M**  
**47.2%**

**CASH \$30.1 M 5.2%**

**WYOMING STATE INVESTMENT PORTFOLIO**  
**Higher Education Endowment Fund**  
**June 30, 2014**  
**\$112.2 Million**  
**Cost Basis**

**FIXED INCOME**

- Internal Bonds \$2.3 M 2.0% ●
- Core \$41.2 M 36.7% ●
- Credit \$5.7 M 5.1% ●
- Emerging Markets \$2.9 M 2.6% ●
- TIPS \$4.2 M 3.8% ●
- Convertibles \$2.2 M 2.0% ●
- TOTAL**  
**\$58.4 M**  
**52.1%**



**EQUITIES**

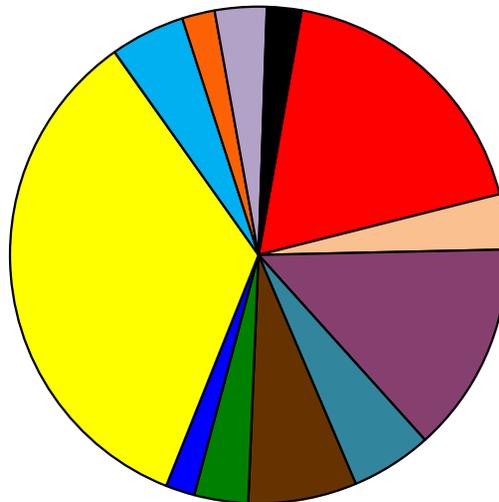
- Large Cap US \$17.8 M 15.8% ●
- Small / Mid US \$3.5 M 3.1% ●
- International \$14.5 M 12.9% ●
- Real Estate \$6.2 M 5.5% ●
- Absolute Return \$7.7 M 6.9% ●
- TOTAL**  
**\$49.6 M**  
**44.2%**

**CASH \$4.2 M 3.8%**

**\$121.1 Million**  
**Market Value**

**FIXED INCOME**

- Internal Bonds \$2.3 M 1.9% ●
- Core \$41.3 M 34.1% ●
- Credit \$5.9 M 4.9% ●
- Emerging Markets \$2.6 M 2.1% ●
- TIPS \$4.1 M 3.4% ●
- Convertibles \$2.7 M 2.2% ●
- TOTAL**  
**\$58.9 M**  
**48.6%**



**EQUITIES**

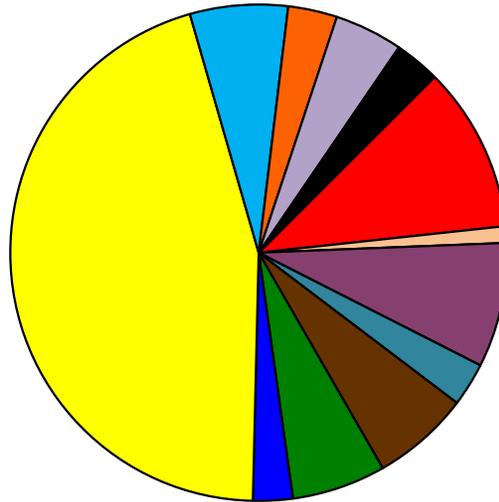
- Large Cap US \$22.1 M 18.3% ●
- Small / Mid US \$4.3 M 3.6% ●
- International \$16.6 M 13.7% ●
- Real Estate \$6.4 M 5.3% ●
- Absolute Return \$8.5 M 7.1% ●
- TOTAL**  
**\$58.0 M**  
**47.9%**

**CASH \$4.2 M 3.5%**

**WYOMING STATE INVESTMENT PORTFOLIO**  
**Workers Compensation Fund**  
**June 30, 2014**  
**\$1.628 Billion**  
**Cost Basis**

**FIXED INCOME**

- Internal Bonds \$41.9 M 2.6% ●
- Core \$735.2 M 45.2% ●
- Credit \$103.8 M 6.4% ●
- Emerging Markets \$52.0 M 3.2% ●
- TIPS \$72.3 M 4.4% ●
- Convertibles \$48.3 M 3.0% ●
- TOTAL \$1,053.4 M 64.7%**



**EQUITIES**

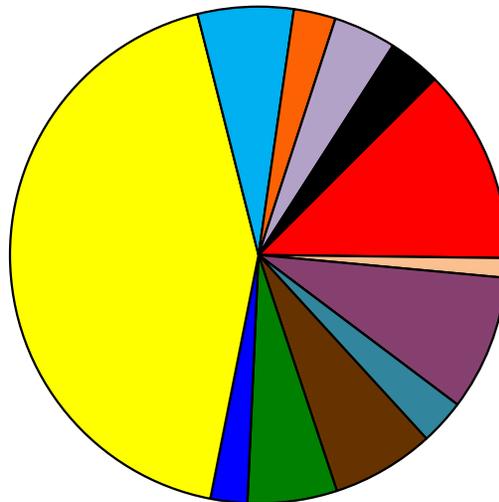
- Large Cap US \$175.8 M 10.8% ●
- Small / Mid US \$17.6 M 1.1% ●
- International \$132.1 M 8.1% ●
- Real Estate \$46.1 M 2.8% ●
- Absolute Return \$103.7 M 6.4% ●
- TOTAL \$475.1 M 29.2%**

**CASH \$99.4 M 6.1%**

**\$1.719 Billion**  
**Market Value**

**FIXED INCOME**

- Internal Bonds \$41.2 M 2.4% ●
- Core \$738.4 M 42.9% ●
- Credit \$106.9 M 6.2% ●
- Emerging Markets \$46.9 M 2.7% ●
- TIPS \$70.1 M 4.1% ●
- Convertibles \$58.8 M 3.4% ●
- TOTAL \$1,062.3 M 61.8%**



**EQUITIES**

- Large Cap US \$218.4 M 12.7% ●
- Small / Mid US \$21.8 M 1.3% ●
- International \$151.3 M 8.8% ●
- Real Estate \$50.8 M 3.0% ●
- Absolute Return \$114.8 M 6.7% ●
- TOTAL \$557.1 M 32.4%**

**CASH \$100.1 M 5.8%**

# WYOMING STATE INVESTMENT PORTFOLIO

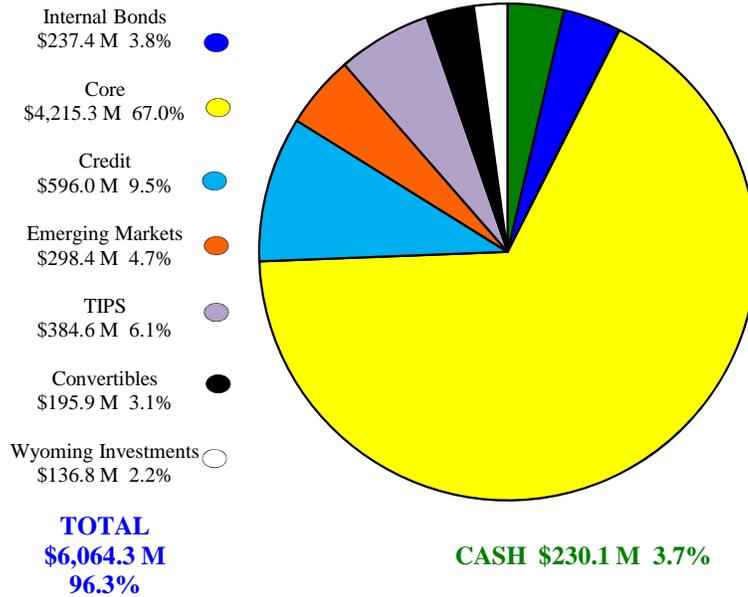
## State Agency Pool

June 30, 2014

\$6.294 Billion

Cost Basis

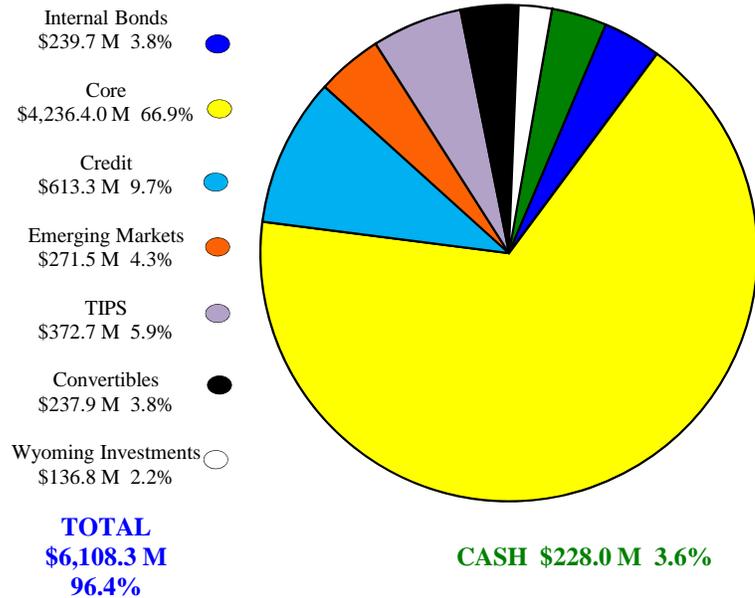
### FIXED INCOME



\$6.336 Billion

Market Value

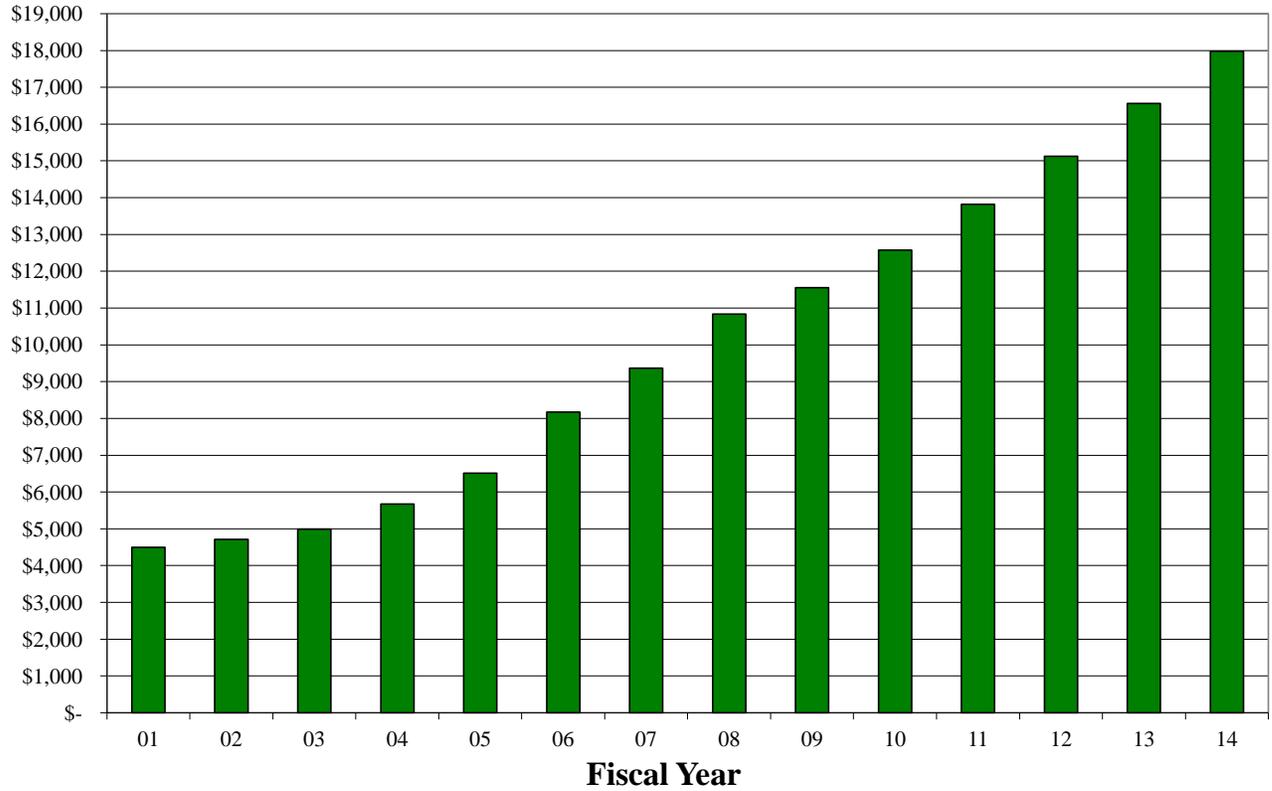
### FIXED INCOME



# WYOMING STATE TREASURER'S OFFICE

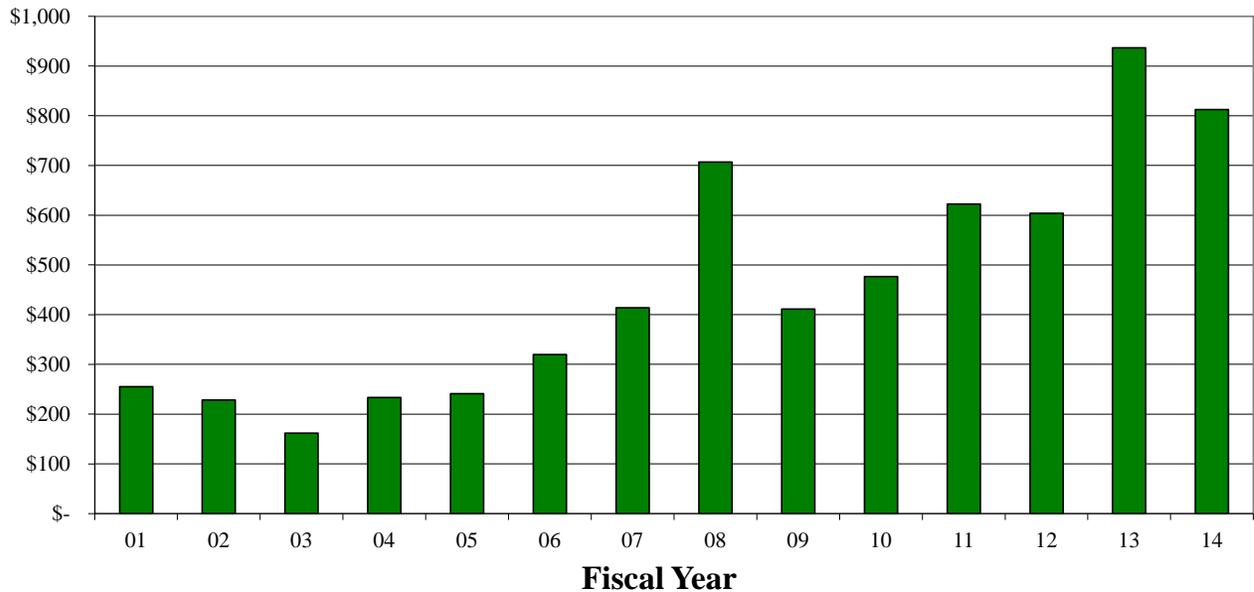
## TOTAL STATE PORTFOLIO VALUE

(\$ Millions)



## INVESTMENT INCOME

(\$ Millions)



**MARKET PERFORMANCE**  
**SUMMARY ANALYSIS - ALL INVESTMENTS**

	FY 14			Market Return		
	Total Investment Value	Current Market Value	% of MV	FY13 Return	3 Year Return	5 Year Return
<b><u>INVESTMENTS BY FUND</u></b>						
Permanent Wyoming Mineral Trust Fund	\$6,368,298,515	\$6,979,071,774	36.6%	12.67%	7.52%	10.02%
Permanent Land Fund	156,945,625	171,663,126	0.9%	12.31%	7.36%	9.86%
University Permanent Land Fund	19,251,008	21,290,404	0.1%	12.73%	7.27%	9.67%
Common School Permanent Land Fund	2,782,303,204	3,046,528,217	16.0%	12.52%	7.57%	10.32%
Hathaway Scholarship Endowment Fund	533,390,109	575,666,227	3.0%	11.04%	6.74%	9.14%
Higher Education Endowment Fund	112,220,128	121,068,507	0.6%	11.09%	6.77%	9.16%
Workers Compensation Fund	1,627,999,923	1,719,457,229	9.0%	9.19%	5.89%	8.21%
Tobacco Settlement Fund	81,627,020	82,009,844	0.4%	5.24%	4.08%	5.94%
State Agency Pool	6,294,421,316	6,336,390,937	33.3%	4.21%	3.42%	4.97%
Wyoming State Total Fund	<u>\$17,976,456,846</u>	<u>\$19,053,146,265</u>	100.0%	9.76%	6.09%	8.26%
<i>Wyoming State Actual Allocation Index</i>				8.92%	5.85%	7.32%
<b><u>INVESTMENTS BY ASSET CLASS AND MANAGER</u></b>						
<b><u>US Equity</u></b>						
State Street Global Advisors (Index)	\$2,013,404,397	\$2,493,623,805		24.44%	16.50%	18.79%
UW Portfolio Management Program	620,367	803,755		24.73%	11.85%	10.80%
<i>Index: S&amp;P 500</i>				24.61%	16.59%	18.83%
US Large Cap Equity	<u>2,014,024,765</u>	<u>2,494,427,560</u>	13.1%			
Gabelli (Sm-Mid Cap Value)	384,841,720	475,041,297		30.60%	16.36%	22.14%
<i>Russell 2500 Value</i>				24.94%	16.02%	21.58%
US SMID Cap Equity	<u>384,841,720</u>	<u>475,041,297</u>	2.5%			
Total US Equity	<u>\$2,398,866,484</u>	<u>\$2,969,468,857</u>	15.6%			
<b><u>International Equity</u></b>						
The Boston Company Int'l Value Eq	173,300,424	184,821,782		20.92%	4.90%	N/A
<i>MSCI AWC ex-U.S. Value</i>				24.21%	5.97%	10.83%
Northern Trust Int'l Eq	866,502,120	999,274,312		22.05%	5.98%	N/A
Manning & Napier Int'l Eq	259,950,636	279,178,732		21.35%	6.68%	N/A
<i>MSCI AWC ex-U.S.</i>				21.75%	5.73%	11.11%
Fisher Int'l Eq	433,251,060	501,252,426		20.98%	5.61%	13.26%
<i>Fisher Custom Benchmark</i>				21.75%	5.73%	10.37%
Total International Equity	<u>\$1,733,004,241</u>	<u>\$1,964,527,253</u>	10.3%			

**MARKET PERFORMANCE**  
**SUMMARY ANALYSIS - ALL INVESTMENTS**

	FY 14			Market Return		
	Total Investment Value	Current Market Value	% of MV	FY13 Return	3 Year Return	5 Year Return
<b><u>US Fixed Income</u></b>						
State Street TIPS	742,028,336	719,206,867		4.56%	N/A	N/A
<i>Barclays US Trsy:US TIPS</i>				4.44%	3.55%	5.55%
C.S. McKee	649,495,746	650,310,917		4.16%	N/A	N/A
JP Morgan Core	1,938,650,529	1,925,330,760		4.43%	N/A	N/A
MacKay Shields	983,719,460	977,868,712		4.90%	N/A	N/A
Neuberger Berman Core	1,046,421,471	1,058,831,217		5.24%	N/A	N/A
PIMCO Core	2,565,811,202	2,603,886,745		3.90%	N/A	N/A
Wells Capital	650,983,096	656,687,368		4.99%	N/A	N/A
<i>Barclays US Aggregate</i>				4.38%	3.67%	4.85%
Neuberger Berman Credit	554,957,707	571,914,572		7.72%	N/A	N/A
Seix	559,361,580	574,898,269		7.30%	N/A	N/A
<i>Credit Custom Index</i>				7.18%	6.31%	9.56%
Investec	280,133,895	260,142,894		3.99%	N/A	N/A
Stone Harbor	279,955,481	247,492,627		2.26%	N/A	N/A
<i>JPM GBI-EM Glbl Dvfd</i>				3.91%	1.16%	7.42%
Wyoming State Treasurer's Office	444,203,834	444,714,000		2.94%	1.79%	2.42%
<i>BC Gov't/Credit</i>				1.53%	1.96%	2.83%
<b><u>Mandages Terminated</u></b>						
WAMCO Core Plus	0	196,927		N/A	N/A	N/A
Total US Fixed Income	<u>\$10,695,722,336</u>	<u>\$10,691,481,875</u>	56.1%			
<b><u>Convertible Bonds</u></b>						
Allianz Global Investors Convertibles	<u>442,588,569</u>	<u>538,488,052</u>	2.8%	22.70%	12.34%	16.91%
<i>BofA ML All Quality Convertible</i>				24.41%	12.61%	16.50%
<b><u>Cash &amp; Cash Equivalents</u></b>						
JP Morgan Cash Composite	752,321,354	753,711,685	4.0%	0.33%	0.31%	0.51%
<i>JP Morgan Cash Custom Index</i>				0.23%	0.28%	0.49%
Total Cash & Cash Equivalents	<u>\$752,321,354</u>	<u>\$753,711,685</u>	4.0%			
<b><u>Private Equity</u></b>						
Cheyenne Capital Fund, LP	216,744,440	306,066,289				
Access Venture Partners II	6,923,423	13,014,508				
Hamilton Lane Nowood Fund, L.P.	24,829,947	28,909,669				
Neuberger Berman Sauger Fund, L.P.	27,000,000	31,451,387				
<i>S&amp;P 500 + 5%</i>				30.84%	22.41%	24.78%
Total Private Equity	<u>\$275,497,810</u>	<u>\$379,441,853</u>	2.0%			

**MARKET PERFORMANCE**  
**SUMMARY ANALYSIS - ALL INVESTMENTS**

	FY 14			Market Return		
	Total Investment Value	Current Market Value	% of MV	FY13 Return	3 Year Return	5 Year Return
<b>Real Estate</b>						
Clarion Lion Properties	266,303,630	255,465,411		10.88%	11.94%	9.29%
UBS Trumbull Property	141,303,630	141,977,431		10.41%	10.46%	9.35%
<i>NCREIF ODCE</i>				12.75%	12.45%	10.00%
TA Realty Value-Added	13,923,357	10,045,390				
Heitman Value-Added	6,259,936	6,808,734				
WestRiver Value-Added	62,695,038	69,371,502				
Cornerstone Value-Added	19,863,735	21,734,632				
M&G	13,477,107	13,315,827				
Northwood	49,647,869	48,407,917				
<i>NCREIF Property</i>				11.21%	11.33%	9.67%
Total Real Estate	<u>\$573,474,302</u>	<u>\$567,126,845</u>	3.0%			
<b>Absolute Return</b>						
PAAMCO	386,474,240	426,443,035		12.67%	6.72%	7.57%
Aurora L.P.	162,461,240	179,826,803		8.98%	4.39%	5.81%
Aurora L.P. II	225,466,000	247,910,861		8.33%	4.03%	5.05%
<i>HFN FOF Multi-Strat</i>				7.61%	3.58%	4.00%
Grosvenor Global Recovery Fund	5,228,194	9,367,069		20.17%	14.80%	N/A
<i>Global Recovery Custom Index</i>				17.17%	13.39%	16.45%
Total Absolute Return	<u>\$779,629,674</u>	<u>\$863,547,769</u>	4.5%			
<b>Wyoming Investments</b>	<u>\$325,352,076</u>	<u>\$325,352,076</u>	1.7%	N/A	N/A	N/A

Note[1]: Returns are stated in traditional total return terms and do not specify realized income.

Note[2]: Fisher Custom Benchmark consists of MSCI EAFE (Gross) through July 2010 and the MSCI ACW Ex US (Net) thereafter.

Note[3]: Market value shown for WAMCO Core Plus represents residual assets and subsequent transactions from the liquidation process.

Note[4]: The Credit Custom Index consists of 20% Barclays US Credit, 20% BofA ML US HY Master II Constrained, 60% S&P/LSTA Leveraged Loan.

Note[5]: Internal portfolio performance is negatively impacted by distressed securities taken in from dismissed managers.

Note[6]: Performance shown is gross of fees with the exception of convertible bonds and absolute return, which are shown net of fees.

Note[7]: Market values for non-core real estate and private equity are as of the most recent valuation, adjusted for subsequent cash flows. Investment (Cost) Values are not lagged.

Note[8]: Performance for Private Equity and Value-Added Real Estate investments is calculated on an IRR basis. For further analysis, please refer to the supplementary alternatives report.

Note[9]: Market values for M&G are converted from British Pounds using the noon New York City Federal exchange rate. Cost values are converted using the 5pm London WM Benchmark rate.

Note[10]: The Global Recovery Custom Index consists of 50% Credit Suisse Distressed Loan Index, 20% Credit Suisse High Yield Index, and 30% ABX Index.

Note[11]: Market values shown for Wyoming Investments reflect cost value of the investments, except at fiscal year end when applicable.

**PERMANENT WYOMING MINERAL TRUST FUND**  
**Fiscal Years 10 through 14 Analyzed and Compared**  
(\$ Millions)

	<u>FY 10</u>	<u>FY 11</u>	<u>FY 12</u>	<u>FY 13</u>	<u>FY 14</u>
Beginning Book Value	\$4,262.2	\$4,555.4	\$5,050.0	\$5,440.9	\$5,888.5
Beginning Market Value	3,893.8	4,414.1	5,325.8	5,595.5	6,112.8
- Difference	(368.3)	(141.3)	275.8	154.5	224.2
- Percent	-8.6%	-3.1%	5.5%	2.8%	3.8%
Additions to Corpus					
- Constitutional Severance Tax 1.5% Deposit	\$174.1	\$252.3	\$232.7	\$207.3	\$211.7
- Add'l Severance Tax	116.1	168.2	155.1	138.2	141.1
- Additional Legislative Deposits/Diversions	(56.5)	(17.8)	0.0	0.0	0.0
- Spending Policy Reversions	0.0	32.4	0.0	102.1	127.1
- Spending Policy for Prior Year Adjustment	0.0	0.0	3.1	0.0	0.0
Reduction of Corpus					
- Deferred Realized Capital Gain (Loss)	59.5	59.4	0.0	0.0	0.0
Total Increase to Corpus	\$293.2	\$494.6	\$390.9	\$447.6	\$479.8
Ending Book Value	\$4,555.4	\$5,050.0	\$5,440.9	\$5,888.5	\$6,368.3
Ending Market Value	4,414.1	5,325.8	5,595.5	6,112.8	6,979.1
- Difference	(141.3)	275.8	154.5	224.2	610.8
- Percent	-3.1%	5.5%	2.8%	3.8%	9.6%
Total Distributed Income (gross of fees)					
- Interest	\$145.8	\$222.4	\$244.4	\$373.1	\$403.3
- Dividend	100.1	84.8	90.3	79.0	61.8
- Realized Net Capital Gain	38.0	44.4	54.4	61.3	75.4
	7.7	93.1	99.8	232.8	266.1
Change in Book Value	\$293.2	\$494.7	\$390.9	\$447.6	\$479.7
Change in Market Value	520.2	911.7	269.7	517.3	866.3
Cash Yield	3.30%	4.63%	4.65%	6.57%	6.56%
Total Return	11.31%	16.52%	1.98%	8.19%	12.67%

1. Note: "Total Income" is spendable investment income including dividends, interest and realized capital gains. "Total Return" is comprised of dividends, interest and realized and unrealized capital gains. The Treasurer's Office calculates the "Cash Yield" return above based on average book value. RV Kuhns calculates total return based on the time-weighted rate of return - essentially compounded growth.

2. In May 2009, the State Treasurer adopted an interpretative policy effective July 1, 2008, for accounting purposes whereby earnings consisting of interest and dividends would be treated as ordinary income and disbursed accordingly. Capital gains and losses are reconciled for each fund at the end of the fiscal year. If capital gains and losses are net positive, the Treasurer distributes the net capital gain as income. If capital losses exceed capital gains at year end, the losses are carried forward through the next fiscal year.

# PERMANENT WYOMING MINERAL TRUST FUND: CORPUS

## Revenue Receipts Fiscal Year 2014

	<u>JUNE 30, 2013</u> <u>CORPUS BALANCE</u>	<u>REVENUE</u>	<u>JUNE 30, 2014</u> <u>CORPUS BALANCE</u>
Beginning Balance	\$5,888,454,801		
Severance Tax			
Coal		\$84,602,219	
Stripper Oil		21,872,220	
Other Valuable Products		(1,388,892)	
Oil		92,013,901	
Natural Gas		139,133,867	
Condensate-Gas		16,522,846	
Spending Policy Reserve to Corpus W.S. 9-4-719		127,087,552	
		<b>TOTAL REVENUE</b>	
		<b>\$479,843,714</b>	<b>\$6,368,298,515</b>

## COMMON SCHOOL PERMANENT LAND FUND

### Fiscal Years 10 through 14 Analyzed and Compared

(\$ Millions)

	<u>FY 10</u>	<u>FY 11</u>	<u>FY 12</u>	<u>FY 13</u>	<u>FY 14</u>
Beginning Book Value	\$1,794.4	\$1,967.6	\$2,129.9	\$2,318.0	\$2,533.4
Beginning Market Value	1,622.5	1,901.5	2,236.5	2,371.3	2,630.6
- Difference	(172.0)	(66.1)	106.6	53.3	97.2
- Percent	-9.6%	-3.4%	5.0%	2.3%	3.8%
Additions to Corpus					
- Sales, Royalties, etc.	\$140.9	\$142.4	\$187.6	\$176.8	\$190.5
- Additional Legislative Deposits	0.0	0.0	0.0	0.0	0.0
- Spending Policy Reversions	0.0	0.0	0.5	38.7	58.4
- Income Accrued	7.6	0.0	0.0	0.0	0.0
Reduction of Corpus					
- Deferred Realized Capital Gain (Loss)	24.6	27.5	0.0	0.0	0.0
- Reverse Income Accrued	0.0	(7.6)	0.0	0.0	0.0
Total Increase to Corpus	\$173.1	\$162.3	\$188.1	\$215.4	\$248.9
Ending Book Value	\$1,967.6	\$2,129.9	\$2,318.0	\$2,533.4	\$2,782.3
Ending Market Value	1,901.5	2,236.5	2,371.3	2,630.6	3,046.5
- Difference	(66.1)	106.6	53.3	97.2	264.2
- Percent	-3.4%	5.0%	2.3%	3.8%	9.5%
Total Distributed Income (gross of fees)					
- Interest	\$57.1	\$101.0	\$103.2	\$145.6	\$175.9
- Dividend	36.8	38.3	38.5	34.7	26.9
- Realized Net Capital Gain	16.4	19.2	23.4	26.4	32.7
	3.9	43.5	41.4	84.5	116.4
Change in Book Value	\$173.1	\$162.3	\$188.1	\$215.4	\$248.9
Change in Market Value	279.0	335.0	134.8	259.3	415.9
Cash Yield	3.20%	4.94%	4.62%	5.96%	6.57%
Total Return	11.77%	17.48%	1.98%	8.47%	12.52%

1. Note: "Total Income" is spendable investment income including dividends, interest and realized capital gains. "Total Return" is comprised of dividends, interest and realized and unrealized capital gains. The Treasurer's Office calculates the "Cash Yield" return above based on average book value. RV Kuhns calculates total return based on the time-weighted rate of return - essentially compounded growth.

2. In May 2009, the State Treasurer adopted an interpretative policy effective July 1, 2008, for accounting purposes whereby earnings consisting of interest and dividends would be treated as ordinary income and disbursed accordingly. Capital gains and losses are reconciled for each fund at the end of the fiscal year. If capital gains and losses are net positive, the Treasurer distributes the net capital gain as income. If capital losses exceed capital gains at year end, the losses are carried forward through the next fiscal year.

3. "Income Accrued" represents income held in Common School Pool on June 30.

4. Includes Common School Permanent Land Fund II.

**PERMANENT LAND FUND: CORPUS**  
**Revenue Receipts Fiscal Year 2014**

<u>FUND/ACCOUNT NAME</u>	<u>JUNE 30, 2013 CORPUS BALANCE</u>	<u>REVENUE</u>	<u>JUNE 30, 2014 CORPUS BALANCE</u>
<u>L01 MINER'S HOSPITAL</u>			
Beginning Balance	\$53,058,450		
Oil & Gas Lease Royalties		\$225,703	
Sodium & Trona Lease Royalties		2,045,120	
Right-of-Way Easements		2,538	
Surface Damage		1,155	
Inflation Proofing Income Diversion W.S. 9-4-305(b)		<u>1,154,021</u>	
		\$3,428,538	\$56,486,988
<u>L02 PUBLIC BUILDINGS AT CAPITOL</u>			
Beginning Balance	\$7,052,414		
Miscellaneous Mineral Royalties		\$286	
Oil & Gas Lease Royalties		74,305	
Right-of-Way Easements		228,589	
Surface Damage		5,724	
Inflation Proofing Income Diversion W.S. 9-4-305(b)		<u>153,390</u>	
		\$462,294	\$7,514,708
<u>L03 FISH HATCHERY</u>			
Beginning Balance	\$437,644		
Inflation Proofing Income Diversion W.S. 9-4-305(b)		\$9,519	
		\$9,519	\$447,163
<u>L04 COMMON SCHOOL (1)(2)</u>			
Beginning Balance	\$2,528,432,503		
Bentonite Lease Royalties		822,015	
Coal Lease Royalties		44,385,454	
Miscellaneous Mineral Lease Royalties		34,402	
Oil & Gas Lease Royalties		136,507,759	
Sand & Gravel Royalties		208,066	
Sodium & Trona Lease Royalties		3,881,254	
Right-of-Way Easements		1,258,788	
Uranium Lease Royalties		253,665	
Surface Damage		1,742,909	
Real Estate Sales		1,407,474	
Spending Policy Reserve to Corpus W.S. 9-4-719		<u>58,368,916</u>	
		\$248,870,701	\$2,777,303,204

L14 COMMON SCHOOL II (1)(2)

Beginning Balance	\$5,000,000		
		\$0	\$5,000,000

L05 DEAF, DUMB & BLIND

Beginning Balance	\$4,029,882		
Oil & Gas Lease Royalties		\$12,421	
Right-of-Way Easements		804	
Surface Damage		8,369	
Inflation Proofing Income Diversion W.S. 9-4-305(b)		<u>87,650</u>	
		\$109,243	\$4,139,126

L06 CAREY ACT

Beginning Balance	\$2,124,056		
Oil & Gas Lease Royalties		\$36,662	
Right-of-Way Easements		2,438	
Inflation Proofing Income Diversion W.S. 9-4-305(b)		<u>46,198</u>	
		\$85,298	\$2,209,355

L07 OMNIBUS

Beginning Balance	\$43,401,950		
Oil & Gas Lease Royalties		\$3,631,801	
Sand & Gravel Royalties		52,817	
Right-of-Way Easements		46,792	
Surface Damage		68,275	
Real Estate Sales		250,000	
Inflation Proofing Income Diversion W.S. 9-4-305(b)		<u>943,992</u>	
		\$4,993,678	\$48,395,627

L08 WYOMING STATE HOSPITAL

Beginning Balance	\$3,566,158		
Oil & Gas Lease Royalties		\$94,193	
Right-of-Way Easements		50,783	
Inflation Proofing Income Diversion W.S. 9-4-305(b)		77,564	
Per Session Laws 2014 Ch 26, Sec2, Sec 048		<u>(335,222)</u>	
		<u>(\$112,682)</u>	\$3,453,476

L09 WYOMING STATE TRAINING SCHOOL

Beginning Balance	\$3,640,215		
Oil & Gas Lease Royalties		\$492,509	
Right-of-Way Easements			
Surface Damage			
Inflation Proofing Income Diversion W.S. 9-4-305(b)		79,174.68	
Per Session Laws 2014 Ch 26, Sec2, Sec 048		<u>(151,132.74)</u>	
		\$420,551	\$4,060,766



## WYOMING INVESTMENTS

As of June 30, 2014

<u>Program</u>	<u>See Notes</u>	<u>Statutory Allotment</u>	<u>Outstanding Investments</u>	<u>Amount Available</u>
<b><u>Investments for Public Purposes</u></b>				
Farm Loans	A	\$275,000,000	\$24,259,158	\$250,740,842
Irrigation Loans	B	20,000,000	916,786	19,083,214
Joint Powers Loans	C	60,000,000	5,613,344	54,386,656
Hot Springs State Park	D	2,000,000	33,655	1,966,345
Small Business Assistance & FmHA Ag Loans	E	0	82,965	0
Shoshone Municipal Pipeline Treatment Plant	F	16,500,000	12,587,032	0
Hydro-power Development Loans	G	10,000,000	0	10,000,000
Laramie Territorial Park Loan	H	10,000,000	10,000,000	0
Reimbursement to Counties for Deferred Taxes	I	2,000,000	0	2,000,000
Industrial Development Bonds	J	300,000,000	34,000,000	266,000,000
Airport Loans-Aeronautics Commission	K	10,000,000	4,760,659	5,239,341
Gillette Madison Pipeline Project	L	29,552,239	29,552,239	0
Redevelopment Area Programs	M	300,000	0	300,000
Wyoming Real Estate-State Land Purchases	N	40,641,813	18,335,738	22,306,075
Time Deposit Open Account Banking Program	O	0	89,650,000	0
Cheyenne Stage II GIC		0	1,508,310	0
Drainage District Bonds		0	24,000	0
School Foundation Borrowing		0	50,000,000	0
		<b><u>\$775,994,052</u></b>	<b><u>\$281,323,886</u></b>	<b><u>\$632,022,473</u></b>

The list of investments shown above are investments of state funds for a specific public purpose, other than permissible investments made in compliance with state investment policy under W.S. 9-4-715 through 9-4-719 and 9-4-831, which are authorized or directed by the legislature in law. As stipulated in W.S. 9-4-715(n), total investments of permanent funds for a specific public purpose authorized or directed by the legislature are limited to six hundred million dollars excluding investments made pursuant to W.S. 37-5-406. Prior to the convening of each general session of the legislature, the State Treasurer shall, after consultation with the State Loan and Investment Board, recommend to the Select Committee on Capital Financing and Investments whether any adjustment should be made in the limitation. The Treasurer closely monitors the outstanding balances of all public purpose investments to ensure the statutory limitation is not exceeded. Most of these investments are made from the Permanent Wyoming Mineral Trust Fund.

**Excluded from above pursuant to 37-5-406**

**Other Wyoming Investments**

Basin Electric Power Bond

**Outstanding Investments**

\$29,417,000.00

**\$29,417,000.00**

**Total Wyoming Investments**

**\$310,740,885.81**

## WYOMING INVESTMENTS NOTES & STATUTORY REFERENCES

### Investments for Public Purposes:

- (A) Farm loans under W.S. 11-34-129; \$275 million authorized of which \$27.5 million is for beginning agriculture producer loans and \$55 M is for a livestock enhancement program;
- (B) Irrigation district loans under W.S. 11-34-301;
- (C) Joint Powers loans under W.S. 16-1-109;
- (D) Hot Springs State Park loans under W.S. 36-8-318;
- (E) Guaranteed portion of certain Small Business Assistance Act loans and guaranteed portion of certain Farmers Home Administration. Up to \$55 million was previously authorized and no new loans were to be made after December 31, 2006. W.S. 9-4-701(e) was repealed when investment statutes were amended in the 2008 legislative session;
- (F) Shoshone municipal water treatment project, under 1987 Wyoming Session Laws, Chapter 117, as amended;
- (G) W.S. 11-34-306, Hyrdo-Power Development loans;
- (H) Laramie Territorial Park, under 1989 Wyoming Session Laws, Chapter 285, as amended;
- (I) W.S. 9-4-715(j), deferred property taxes;
- (J) W.S. 9-4-715(m), industrial development bonds, no investment in excess of one hundred million dollars (\$100,000,000) is to be made for any one project without specific legislative authority; expires 06/30/17 unless extended;
- (K) Airport construction, development and improvement loans under W.S. 9-12-703;
- (L) Gillette Madison pipeline project, 2009 WY Session Laws Ch 103 (\$5,527,500), and 2010 WY Session Laws Ch 115 (\$8,085,000), and 2011 WY Session Laws Ch. 61 (\$15,939,739). Interest on monies loaned does not begin to accrue until the water development commission determines the project beneficial to the sponsor;
- (M) Area Development Program under 11-34-303;
- (N) W.S. 9-4-715(k) authorizes the investment of funds received from sale of state trust lands plus up to \$2,000,000 one-time seed money contained in the Common School Permanent Land Fund (CSPLF) by purchasing land and improvements within Wyoming as assets of the Trust. There was also \$4 million appropriated to the State Loan and Investment Board from the CSPLF in 2005 for this purpose as well.
- (O) W.S. 9-4-803 authorizes the State Treasurer to deposit state funds in approved Wyoming banks and Wyoming savings and loans. Currently, the amount the State Treasurer has made available to banks each year is five percent (5%) of the State Agency Pool assets as of December 31.

# WYOMING INVESTMENTS BY FUND

June 30, 2014

Interest Paid			Rate	Loan Balance		
Fund	Investment	Amount	By Investment	Fund	Investment	Amount
<b><u>State Agency Pool</u></b>				<b><u>State Agency Pool</u></b>		
	TDOAs	\$209,434	0.13%		TDOAs	\$136,750,000
	Subtotal	\$209,434			Subtotal	\$136,750,000
 <b><u>Common School Perm. Land Fund</u></b>				 <b><u>Common School Perm. Land Fund</u></b>		
	Lovell Drainage District	\$0	4.00%		Lovell Drainage District	\$24,000
	School Foundation Borrowing	2,240,833	6.00%		School Foundation Borrowing	0
	Wyoming Real Estate	0	0.00%		Wyoming Real Estate	18,335,738
	Subtotal	\$2,240,833			Subtotal	\$18,359,738
 <b><u>Permanent Mineral Trust Fund</u></b>				 <b><u>Permanent Mineral Trust Fund</u></b>		
	Aeronautics Loans	\$233,965	5.00%		Aeronautics Loans	\$4,534,996
	Farm Loans	1,051,414	7.75%		Farm Loans	25,200,782
	GIC AIG Financial	98,040	6.50%		GIC AIG Financial	0
	GIC Metropolitan Life	16,563	7.45%		GIC Metropolitan Life	0
	Hot Springs St Park	2,311	6.25%		Hot Springs St Park	22,469
	IDB - Lost Creek - UR Energy	934,056	5.75%		IDB - Lost Creek - UR Energy	34,000,000
	IDB - Uranerz	444,028	5.75%		IDB - Uranerz	20,000,000
	IDB - WIA Basin Electric	1,400,715	4.69%		IDB - WIA Basin Electric	28,497,000
	Irrigation Loans	44,244	5.00%		Irrigation Loans	781,568
	JPA Loans	318,910	6.90%		JPA Loans	4,992,115
	Local Government Loans	150,000	1.50%		Local Government Loans	10,000,000
	SBAA	4,068	3.45%		SBAA	74,137
	Water Develop Loans	513,170	4.00%		Water Develop Loans	12,587,032
	Water Develop Loans - Gillette	0	4.00%		Water Develop Loans - Gillette	29,552,239
	Subtotal	\$5,211,484			Subtotal	\$170,242,338
	<b>TOTAL</b>	<b>\$7,661,751</b>			<b>TOTAL</b>	<b>\$325,352,076</b>

## **WYO-STAR WYOMING STATE TREASURER'S ASSET RESERVE**

In 1987, the Wyoming State Legislature authorized any county, municipality, school district or any other local government entity to participate in the WYO-STAR program (W.S. 9-1-416.) The Wyoming State Treasurer established an investment pool or common fund in which all monies are commingled for investment purposes.

Each WYO-STAR participant has an individual interest in the pool based on the ratio of that participant's cash balance as a percentage of the total cash balance of the pool. Separate accounts are maintained for each governmental entity.

The primary goal of the WYO-STAR portfolio is to pursue a short-term and extended-term fixed income investment strategy. The WYO-STAR portfolio maintains an exceptionally strong credit profile. This rigorous risk management approach has been tailored to meet the State's investment guidelines and position the WYO-STAR portfolio defensively.

Liquidity being the second objective, WYO-STAR continues to guarantee the return of funds on a 24-hour notice.

J. P. Morgan Asset Management manages the WYO-STAR portfolio.

All WYO-STAR investments conform to the statute covering the State Treasurer's other investments (W.S. 9-4-831). WYO-STAR investments, conformance to state statutes, and manager performance are reviewed quarterly by the State Loan and Investment Board's consultant R.V. Kuhns.

General information about the WYO-STAR program, daily rate information and forms are available on the Treasurer's website.

Participants can access their accounts via the internet. This service is called Internet Participant Access System (IPAS).

As of June 30, 2014, there were 166 active WYO-STAR participants, some with multiple accounts.

The WYO-STAR pool balance on June 30, 2014, was \$645,388,889.

Participants earned \$1,336,450 in the FY14.

WYO-STAR yields realized in FY14 are as follows:

07/13	0.151%	01/14	0.273%
08/13	0.111%	02/14	0.297%
09/13	0.138%	03/14	0.273%
10/13	0.197%	04/14	0.353%
11/13	0.168%	05/14	0.157%
12/13	0.230%	06/14	0.152%

The annualized yield for FY14 was 0.208%.

**SPENDING POLICY RESERVE ACCOUNTS**  
**Permanent Wyoming Mineral Trust Fund**  
**Common School Permanent Land Fund**  
**Excellence in Higher Education Fund**

The Wyoming State Legislature established investment earnings spending policy reserve accounts for three of the state's permanent funds; the Permanent Wyoming Mineral Trust Fund (PWMTF), the Common School Account within the Permanent Land Fund (CSPLF) and the Excellence in Higher Education Fund (Higher Ed Fund).

In the 2000 Session, the Legislature established annual spending policy amounts for earnings from PWMTF and the CSPLF. To the extent earnings exceed the amount set in statute for the PWMTF, the excess flows to the PWMTF reserve account. For the CSPLF, earnings in excess of the spending policy amount still flow to the Common School land income account and School Foundation Program account; however, an automatic appropriation is made from "over the \$200 million cap" in federal mineral royalties which would otherwise be deposited into the School Foundation Program account in an amount equal to the excess earnings to the CSPLF reserve account. Monies in the reserve accounts are available to supplement earnings for those years in which earnings fail to reach the spending policy amounts. If the reserve accounts reach more than 75 percent of the spending policy amount, the excess reserves are placed in the appropriate corpus. The purpose of these spending policies is to make the earnings flow consistent and to protect the corpus from inflation.

During the 2007 Session, an annual spending policy amount and a spending policy reserve account was established for the Higher Ed Fund. Like the PWMTF spending policy and reserve account, to the extent earnings from the Higher Ed Fund exceed the spending policy amount, excess earnings flow to the Higher Ed reserve account. Once the reserve account reaches more than 75 percent of the spending policy amount, the excess reserves are placed in the Higher Ed Fund corpus. The 2007 legislation also provided for a continuous appropriation from the Higher Ed reserve account to supplement the spending from the earnings of the Higher Ed Fund in those years earnings fail to meet the spending policy amount. (This automatic appropriation of funds from the PWMTF and CSPLF reserve accounts was repealed in 2004.)

The spending policy amount for FY 14 for each of these permanent funds is based on the statutory percentage rate of 5 percent of the five-year rolling average market value. At the end of FY 14, \$127,087,552 flowed into the corpus of the PWMTF, \$58,368,916 flowed into the CSPLF corpus and \$1,349,743 flowed into the Higher Ed Fund corpus.

The following three pages illustrate how the spending policy reserve accounts for the PWMTF, the CSPLF and the Higher Ed Fund work.

**SPENDING POLICY: PERMANENT WYOMING MINERAL TRUST FUND (PWMTF)  
2014 FISCAL YEAR END (06-30-14)**

last update 06/30/14

W.S. 9-4-719 established annual spending policy amounts from the PWMTF (currently five percent (5%) of the average five (5) year rolling average market value) and created the PWMTF reserve account. To the extent earnings from the PWMTF exceed the five percent (5%) spending policy amount, the excess earnings flow to the PWMTF reserve account. If the balance in the reserve account reaches more than 75% of the spending policy amount, the excess in the reserve account is transferred to the corpus of the PWMTF.

The spending policy amount for fiscal year 2014 was \$253,420,015. Total PWMTF investment income for FY14 was \$395,337,466. As investment earnings exceeded the five percent (5%) spending policy amount, \$141,917,451 flowed into the spending policy reserve account at the end of fiscal year 2014, leaving a fiscal year end balance in the reserve account of \$317,152,564. This amount exceeded 75% of the spending policy amount by \$127,087,552 which spilled over to Corpus and left an ending balance in the reserve account of \$190,065,011 at the end of fiscal year 2014.

As of	Total Market Value (a)	For FY	Rolling 5-year Average	Spending Policy Level	Spending Policy Amount	Investment Income	Investment Income over Spending Policy to Reserve Acct.	Legislative Appropriation	Year End Reserve Bal. Before Reversion	75% of Spending Policy	Over 75% spills over to Corpus	Ending Reserve Balance
7/1/97	1,396,009,173	1998										
7/1/98	1,507,006,444	1999										
7/1/99	1,540,767,270	2000										
7/1/00	1,539,636,928	2001										
7/1/01	1,755,553,508	2002	1,547,794,665	8.000%	123,823,573	90,510,496	0			92,867,680	0	
7/1/02	1,864,380,749	2003	1,641,468,980	7.625%	125,162,010	58,647,855	0			93,871,507	0	
7/1/03	2,050,845,569	2004	1,750,236,805	5.000%	87,511,840	98,110,315	10,598,475 (f)		10,598,475	65,633,881	0	10,598,475
7/1/04	2,218,179,475	2005	1,885,719,246	5.000%	94,285,962	87,789,397	0	44,500,000 (b)	56,747,488 (c)	70,714,472	0	55,098,475 (d)
7/1/05	2,557,758,285	2006	2,089,343,517	5.000%	104,467,176	123,952,616	19,485,440 (f)		74,583,915	78,350,382	0	74,583,915
7/1/06	3,070,623,840	2007	2,352,357,584	5.000%	117,617,879	150,487,083	32,869,204 (f)		107,453,119	88,213,409	19,239,709 (e)	88,213,409
7/1/07	3,728,082,077	2008	2,725,097,849	5.000%	136,254,892	321,357,789	185,102,897		273,316,306	102,191,169	171,125,137	102,191,169
7/1/08	4,135,435,366	2009	3,142,015,809	5.000%	157,100,790	135,264,226	0		102,191,169	117,825,593	0	102,191,169
7/1/09	3,893,843,313	2010	3,477,148,576	5.000%	173,857,429	139,450,800	0	54,264,775 (g)	156,455,944	130,393,072	0 (h)	156,455,944
7/1/10	4,414,080,035	2011	3,848,412,926	5.000%	192,420,646	215,755,659	23,335,013		179,790,957	144,315,485	35,475,472 (i)	144,315,485
7/1/11	5,325,828,961	2012	4,299,453,950	5.000%	214,972,698	205,847,144 (j)	0		144,315,485	161,229,523	0	144,315,485
7/1/12	5,595,493,940	2013	4,672,936,323	5.000%	233,646,816	366,635,722	132,988,906		277,304,391	175,235,112	102,069,278	175,235,112
7/1/13	6,112,755,251	2014	5,068,400,300	5.000%	253,420,015	395,337,466	141,917,451		317,152,563	190,065,011	127,087,552	190,065,011

Source: W.S. 9-4-719

**Notes:**

- (a) Total Market Value for FY09 & Prior are Actual Market Values
- (b) Appropriation from General Fund to this reserve account-2004 budget session
- (c) Reflects addition of \$1,649,014 realized earned income on reserve account.
- (d) Reflects balance following correction of \$1,649,014 realized earned income-transfer out to general fund.
- (e) Reflects \$12,109,656 reduction of reversion to corpus following correction of market values
- (f) Reflects reduction in amount to reserve following correction of market values--\$9,599,515 transferred back to general fund
- (g) Reflects the net of the special appropriation of severance tax into the reserve account which amounted to \$74,264,775 (2009 session laws, Ch 159, Sec. 350) and the appropriation of \$20,000,000 from this reserve account to the office of state lands and investments to be allocated to cities, towns and counties (2010 Session laws, Ch 39, Sec 335)
- (h) 2010 Session laws, Ch 39, Sec 301(a) - no funds are to spill over to corpus until June 30, 2012
- (i) 2011 Session laws, Ch 88, Sec 301 repeals the provision of Ch 39, Sec 301(a) of the 2010 session laws such that funds are to once again spill over to corpus if the balance in reserve exceeds the spending policy amount.
- (j) 2012 Session laws, Ch 26, Sec 300 (c) - excludes \$30 million from earnings calculation for general fund appropriation to AML fund balancing account

**SPENDING POLICY: COMMON SCHOOL PERMANENT LAND FUND (CSPLF)  
2014 FISCAL YEAR END (06-30-13)**

last update 06/30/14

W.S. 9-4-719 established annual spending policy amounts from the CSPLF (currently five percent (5%) of the average five (5) year rolling average market value) and created the CSPLF reserve account. To the extent earnings from the CSPLF exceed the five percent (5%) spending policy amount, the excess earnings flow to the CSPLF reserve account. If the balance in the reserve account reaches more than 75% of the spending policy amount, the excess in the reserve account is transferred to the corpus of the CSPLF.

The spending policy amount for fiscal year 2014 was \$107,624,856. Total CSPLF investment income for FY14 was \$172,478,233. As investment earnings exceeded the five percent (5%) spending policy amount, \$64,853,377 flowed to the spending policy reserve account at the end of fiscal year 2014, leaving a fiscal year end balance in the reserve account of \$139,087,559. This amount exceeded 75% of the spending policy amount by \$58,389,916 which spilled over to Corpus and left an ending balance in the reserve account of \$80,718,642 at the end of fiscal year 2014.

As of	Total Market Value (a)	For FY	Rolling 5-year Average	Spending Policy Level	Spending Policy Amount	Investment Income *	Investment Income over Spending Policy to Reserve Acct.	Legislative Appropriation	Year End Reserve Bal. Before Reversion	75% of Spending Policy	Over 75% spills over to Corpus	Ending Reserve Balance
7/1/97	782,431,215	1998										
7/1/98	838,949,498	1999										
7/1/99	857,362,587	2000										
7/1/00	839,611,767	2001										
7/1/01	899,161,216	2002	843,503,257	8.200%	69,167,267	37,700,000	0			51,875,450	0	
7/1/02	930,348,643	2003	873,086,742	7.825%	68,319,038	36,070,760	0			51,239,278	0	
7/1/03	1,013,895,764	2004	908,075,995	5.000%	45,403,800	48,190,294	2,786,494 (h)		2,786,494	34,052,850	0	2,786,494
7/1/04	1,014,318,667	2005	939,467,211	5.000%	46,973,361	51,092,246	4,118,885 (h)	30,000,000 (b)	37,852,862 (e)	35,230,020	2,622,841 (g)	34,282,538 (f)
7/1/05	1,165,218,792	2006	1,004,588,616	5.000%	50,229,431	53,845,180	3,615,749 (h)	(13,500,000) (c)	37,898,288	37,672,073	226,214 (g)	37,672,073
7/1/06	1,371,627,543	2007	1,099,081,882	5.000%	54,954,094	65,520,931	10,566,837 (h)	(4,200,000) (d)	30,538,910	41,215,571	0	30,538,910
7/1/07	1,678,302,393	2008	1,248,672,632	5.000%	62,433,632	133,866,782	71,433,150		101,972,060	46,825,224	55,146,837	46,825,224
7/1/08	1,766,046,029	2009	1,399,102,685	5.000%	69,955,134	56,969,255	0	167,274 (i)	46,992,498	52,466,351	0	46,992,498
7/1/09	1,622,477,081	2010	1,520,734,368	5.000%	76,036,718	54,643,154	0		46,992,498	57,027,539	0 (j)	46,992,498
7/1/10	1,901,503,362	2011	1,667,991,282	5.000%	83,399,564	98,387,094	14,987,530		61,980,028	62,549,673	0 (j)	61,980,028
7/1/11	2,236,530,927	2012	1,840,971,958	5.000%	92,048,598	99,567,151	7,518,553		69,498,581	69,036,448	462,132	69,036,448
7/1/12	2,371,333,538	2013	1,979,578,187	5.000%	98,978,909	142,833,282	43,854,373		112,890,821	74,234,182	38,656,639	74,234,182
7/1/13	2,630,640,734	2014	2,152,497,128	5.000%	107,624,856	172,478,233	64,853,377		139,087,559	80,718,642	58,368,916	80,718,642

Source: W.S. 9-4-719

\* Does not include investment income on CSPLF II (\$5 million set aside from Express Pipeline Partnership of 1996) per 1997 session laws, ch 3, Sec 504

- (a) Total Market Value for FY09 & Prior are Actual Market Values
- (b) \$30,000,000 was appropriated from the school foundation account into this reserve account-2004 budget session
- (c) \$13,500,000 was appropriated from this reserve account into the Hathaway scholarship expenditure account-2006 budget session
- (d) \$4,200,000 was appropriated from this reserve account for distribution to the community colleges and the University of Wyoming to begin to implement the plan for excellence in the higher education endowment--\$2.8 million to UW and \$1.4 million equally split among the seven (7) community colleges.
- (e) Reflects addition of \$947,482 realized earned income on reserve account
- (f) Reflects balance following correction of \$947,482 realized earned income-transfer out to CSPLF income fund
- (g) Reflects reduction in amount to revert to corpus following correction of market values--\$1,099,854 transferred back to reserve
- (h) Reflects reduction in amount to reserve following correction of market values--\$1,076,494 transferred back to general fund
- (i) UW returned \$167,274 of the \$2.8 million distributed from the \$4,200,000 appropriation to begin to implement the plan for the excellence in higher education endowment
- (j) 2010 Session Laws, Ch 39 Sec 301(b) - no funds are to spill over to corpus until June 30, 2012

**SPENDING POLICY: EXCELLENCE IN HIGHER EDUCATION ENDOWMENT (Higher Ed)  
2014 FISCAL YEAR END (06-30-14)**

last update 06/30/14

W.S. 9-4-719 established annual spending policy amounts from the Excellence in Higher Education (Higher Ed) Endowment fund (currently five percent (5%) of the average five (5) year rolling average market value) and created the Excellence in Higher Education Endowment (Higher Ed) reserve account. To the extent investment earnings from the Higher Ed Endowment fund exceed the five percent (5%) spending policy amount, the excess earnings flow to the Higher Ed reserve account. If the investment earnings from the Higher Education Endowment fund are less than the five percent (5%) spending policy amount, an amount equal to the difference is taken from the Higher Ed reserve account and distributed to the University of Wyoming and seven community college foundations in accordance with W.S. 21-16-1201. Distributions of the annual spending policy amount is to be distributed on a quarterly basis, 2/3 to UW and 1/3 equally to the community colleges. If there are insufficient funds in the income account at the time the quarterly payments are to be made, then funds are to be taken from the reserve account to make the distributions to UW and the community colleges.

The spending policy amount for fiscal year 2014 was \$5,359,054. Total investment income from the Higher Education Endowment fund for FY14 as \$6,727,157 which exceeded the the five percent (5%) spending policy amount by \$1,368,103. This amount flowed into the spending policy reserve account at the end of fiscal year 2014. However, a total of 3,289,487 was transferred from the reserve account to the Higher Ed income account during FY14 as there were insufficient funds in the income account to make the quarterly payments to the colleges due to timing of the investment income distributions. A balance of \$3,302,642 in unexpended, unobligated funds was remaining in the income account at fiscal year end which was transferred to the reserve account. The balance in the reserve account at the end of fiscal year 2014 exceeded 75% of the spending policy amount by \$1,349,743 which spilled over to Corpus at the end of fiscal year 2014. The balance in the Higher Ed reserve account at the end of FY14 is \$4,019,290.

	Total As of Market Value	For FY	Rolling 5-year Average	Spending Policy Level	Spending Policy Amount	Investment Income	Earnings over 5% of spending policy amount to Reserve Acct	Earnings less than 5% of spending policy from Reserve Acct to be distributed	Legislative Appropriations	Transfers to (from) Reserve Account	Year End Reserve Balance Before Reversion to Corpus or to cover shortfall	75% of Spending Policy	Over 75% spills over to Corpus	Ending Reserve Balance
7/1/05	929,697 (a)	2006		5.000%	0.00	0	0				0	0	0	0
7/1/06	48,379,952 (a)	2007	48,379,952	5.000%	2,418,998	726,921	0				0	1,814,248	0	0
7/1/07	78,867,967 (a)	2008	63,623,960	5.000%	3,181,198	4,474,394	1,293,196				1,293,196	2,385,898	0	1,293,196
7/1/08	104,820,958	2009	77,356,292	5.000%	3,867,815	3,926,014	151,616 (c)	0			1,444,812 (c)	2,900,861	0	1,444,812 (d)
7/1/09	96,094,847	2010	82,040,931	5.000%	4,102,047	3,493,118	0	(608,929)	3,852,480 (b)		4,688,364 (c)	3,076,535	0	4,688,364 (d)
7/1/10	102,674,540	2011	86,167,653	5.000%	4,308,383	6,086,019	1,777,636	0		(79,026)	6,386,974 (c)	3,231,287	0	6,386,974
7/1/11	111,455,707	2012	98,782,804	5.000%	4,939,140	5,634,089	694,949	0		30,558	7,112,481	3,704,355	3,408,126	3,704,355
7/1/12	111,829,141	2013	105,375,039	5.000%	5,268,752	7,791,230	2,522,478	0		186,988	6,413,821	3,951,564	2,462,257	3,951,564
7/1/13	113,851,145	2014	107,181,076	5.000%	5,359,054	6,727,157	1,368,103	0		49,366	5,369,033	4,019,290	1,349,743	4,019,290

- (a) Total Market Value for FY06 - FY08 are based on Higher Ed portion of SAP market value
- (b) Appropriation - federal mineral royalty diversion - 2009 session, Ch 159, Sec 342
- (c) Reflects balance following correction of \$93,417, realized earned income-transfer out of Higher Ed income fund
- (d) 2010 Session Laws, Ch 39 Sec 301(b) - no funds are to spill over to corpus until June 30, 2012

## **HATHAWAY STUDENT SCHOLARSHIP Reserve Account**

Wyoming State Statute 21-16-1302 created the Hathaway Student Scholarship reserve account (Hathaway reserve account). Unlike the permanent fund spending policy reserve accounts which are funded by excess investment income over a specific spending policy amount, the Hathaway reserve account is comprised of funds that are unencumbered and/or unobligated which remain in the Hathaway expenditure account at the end of each fiscal year. In addition, funds in the Hathaway reserve account are available specifically for use whenever the balance in the Hathaway expenditure account is insufficient to cover requests from the University of Wyoming and the seven community colleges for scholarships awarded.

State statutes allow the reserve account to hold \$12 million or the amount equal to 3.75 percent of the previous five-year rolling average market value of the Hathaway Student Scholarship Endowment Fund (corpus). If the balance in the Hathaway reserve account exceeds either of these amounts at the end of the fiscal year, the excess is transferred to corpus after July 1 each year. At the end of FY14, \$18,393,608 spilled over to the Hathaway Fund corpus.

The following page provides a summary of the flows of funds into and out of the Hathaway reserve account since its creation.

**RESERVE ACCOUNT: HATHAWAY STUDENT SCHOLARSHIP ENDOWMENT  
2014 FISCAL YEAR END (06-30-13)**

last update 06/30/14

W.S. 21-16-1302 established the Hathaway student scholarship reserve account. All unexpended and unencumbered monies within the Hathaway scholarship expenditure account at the end of each fiscal year are deposited into the Hathaway student scholarship reserve account. To the extent funds within the Hathaway scholarship expenditure account are not sufficient in any fiscal year to fully fund scholarships awarded pursuant to 21-16-1304 through 21-16-1306, monies are transferred from the reserve account to the expenditure account for distribution to eligible institutions to fund scholarships. At the end of each fiscal year, if funds in the reserve account are more than the greater of \$12 million or the amount equal to 3.75% of the previous five-year average market value of the Hathaway student scholarship endowment fund (corpus), the excess is transferred to corpus at the end of each fiscal year.

During fiscal year 2014, \$8,730,718 was transferred out of the Hathaway reserve to the Hathaway expenditure account to fully fund scholarships awarded during the fiscal year due to timing of the receipt of investment income into the expenditure account. A total of \$24,200,017 remained in the Hathaway scholarship expenditure account at the end of FY 14 and was transferred into the Hathaway scholarship reserve account. A total of \$14,799,521 was transferred from the Hathaway reserve account to the Hathaway Student Scholarship Endowment corpus leaving a balance of \$18,393,608 in the reserve account at the end of fiscal year 2014.

<b>HATH as of 7/1</b>	<b>For FY</b>	Total HATH Investments at MARKET	Rolling 5 Year Average	Percentage in Statute	3.75% of 5 Yr Avg	Statutory Amount	<b>X</b> Greater of the 3.75% or Stat Amt	Transfers to (from) Reserve Account	Cash Balance of Reserve (after transfers)	Amount Spilling over to Corpus	Ending Cash Balance of Reserve s/be
							<i>21-16-1302 (b)</i>				
							<i>Comparison of statutory amt and</i>				
2005	FY06	3,397,432 (a)	3,397,432								
2006	FY07	210,027,477 (a)	106,712,454					23,418,453	23,418,453	0	23,418,453
2007	FY08	298,312,993 (a)	170,579,301	3.75%	6,396,724	12,000,000	12,000,000	7,833,997	31,252,450	(19,252,450)	12,000,000
2008	FY09	417,997,280 (b)	232,433,795	3.75%	8,716,267	12,000,000	12,000,000	3,792,613 (c)	15,792,613	(3,792,613)	12,000,000
2009	FY10	431,076,939	272,162,424	3.75%	10,206,091	12,000,000	12,000,000	8,482,672	20,482,672	0 (d)	20,482,672
2010	FY11	467,033,391	364,889,616	3.75%	13,683,361	12,000,000	13,683,361	13,906,507 (e)	34,389,179	0	34,389,179
2011	FY12	502,843,583	423,452,837	3.75%	15,879,481	12,000,000	15,879,481	9,785,628	44,174,807	(28,295,326)	15,879,481
2012	FY13	518,418,148	467,473,868	3.75%	17,530,270	12,000,000	17,530,270	18,900,986	34,780,467	(17,250,197)	17,530,270
2013	FY14	533,108,982	490,496,209	3.75%	18,393,608	12,000,000	18,393,608	15,662,859	33,193,129	(14,799,521)	18,393,608

Source: W.S. 21-16-1302(b)

- (a) Total Market Value for FY06 - FY08 are based on Hathaway portion of SAP market value
- (b) Total Market Value for FY09 & forward are actual market value as of fiscal year end
- (c) Reflects net transfer-two colleges requested payment for full fall enrollment estimate rather than 75 percent of estimate
- (d) 2010 Session Laws, Ch 39, Sec 301(d) - no funds are to revert to corpus until June 30, 2012
- (e) Reflects transfer of realized earned income on reserve account to general fund

## APPROVED DEPOSITORIES

The State Board of Deposits, consisting of the five elected officials, met on June 5, 2014 to consider the applications from Wyoming financial institutions to be designated as State Depositories under the provisions of the State Depository Law. The Board approved 42 financial institutions.

### FY 2014 Approved Depository List

ANB	Glacier Bank
Bank of Bridger, NA	Hilltop National Bank
Bank of Commerce	Jonah Bank of Wyoming
Bank of Jackson Hole	Lusk State Bank
Bank of Star Valley	Oregon Trail Bank
Bank of the West	Pinnacle Bank
Big Horn Federal Savings Bank	Platte Valley Bank
Buffalo Federal Savings Bank	Points West Community Bank
Capital West Bank	Rawlins National Bank
Central Bank and Trust	Rocky Mountain Bank
Cheyenne State Bank	Security State Bank
Commerce Bank of Wyoming	State Bank
Converse County Bank	Summit National Bank
Cowboy State Bank	Sundance State Bank
Farmers State Bank	Tri-County Bank
First Federal Savings	Uinta Bank
First Interstate Bank	US Bank, NA
First National Bank of Gillette	Wells Fargo Bank
First Northern Bank of Wyoming	Wyoming Bank & Trust
First State Bank of Newcastle	Wyoming Community Bank
FirsTier Bank	Wyoming State Bank

All deposits in excess of the federally insured amount are protected by a pledge of securities, mortgage loans or Certificate of Deposit Account Registry (CDARS), in lieu of a pledge of assets, to the State Treasurer as prescribed by statute.

The State Treasurer and the Department of Audit have determined that the parent and branches will be considered a single entity for FDIC Insurance, Time Deposit-Open Accounts (TDOAs) and other deposit programs. The parent bank will hold the depository relationship.

## TDOA – TIME DEPOSIT OPEN ACCOUNT

The TDOA program is a discretionary State Treasurer program by which public funds are placed in banks approved as eligible state depositories. This program assists banks that lack an asset base sufficient to meet their lending needs.

The amount of TDOA funds available July 1 each year is the greater of 5% of the balance in the State Agency Pool on the prior December 31, or \$150 million. Unused funds not taken in July will be offered in October to all banks equal to their share of September 30 Wyoming loans. Unused funds not requested in October will remain unallocated. For FY 14 the amount total amount available was \$276.1 million.

Banks who take funds on July 1 will have an annual contract period. Those banks that take new or additional funds on January 1 will have a six month contract period

Banks utilizing this program must fully collateralize the deposits and pay interest to the State Treasurer at rates set quarterly by the State Loan and Investment Board. The Board meets quarterly, in advance of each calendar quarter, to set the interest rate for the ensuing quarter.

The TDOA rate for the four quarters of FY 14 was set at 0.15%, 0.13%, 0.12% and 0.13%. Therefore, the annualized TDOA rate for FY 14 was actually 0.13%.

TDOA income for FY 14 was \$209,434.

Only 22 of the 42 approved depositories had TDOA funds as of June 30, 2014.

### TDOA Deposits in Wyoming Banks as of June 30, 2014 Totaled \$136,750,000

ANB	5,900,000	Jonah Bank of Wyoming	1,000,000
Bank of Bridger	4,700,000	Oregon Trail Bank	1,000,000
Bank of Jackson Hole	22,200,000	Pinnacle Bank	9,200,000
Capital West Bank	3,000,000	Platte Valley Bank	4,500,000
Central Bank and Trust	3,600,000	Points West Community Bank	4,300,000
Cheyenne State Bank	1,600,000	Rocky Mountain Bank	250,000
Commerce Bank of Wyoming	6,200,000	Uinta Bank	1,900,000
First Federal Savings Bank	7,600,000	Wells Fargo Bank	6,000,000
First National Bank of Gillette	5,400,000	Wyoming Bank and Trust	2,200,000
FirsTier Bank	3,500,000	Wyoming Community Bank	2,000,000
Glacier Bank	34,600,000	Wyoming State Bank	6,100,000

