



WYOMING STATE TREASURER
ANNUAL REPORT

(07/01/18 - 06/30/19)

CURTIS E. MEIER, JR.
WYOMING STATE TREASURER

WYOMING STATE
TREASURER'S OFFICE

DAWN A. WILLIAMS
DEPUTY STATE TREASURER



Message from Treasurer Curt Meier:

In my first annual report I will outline for you, the great citizens of Wyoming, what we have accomplished in my first ten months in office, summarize some of the challenges the office has faced, and outline my vision of what the Wyoming State Treasurer's Office will look like.

When I walked in for my first day at this job, I was surprised by the many challenges that presented themselves. Even in light of my 24 years as a state senator, I had to come to grips with how something in the private sector will take a few days to resolve, but in government it will take weeks or even months. Fortunately, Wyoming's top five elected officials are a great team with excellent communication as we work to resolve these challenges. Addressing our challenges will offer the promise of increasing revenues available from public lands for the benefit of our public schools, as well as overall revenues to the state. In addition, recent efforts by state human resources will allow the state to more uniformly address employee and employer matters.

The Unclaimed Property Division had another record year in Fiscal Year 2019 (FY19) as Wyoming returned more than 75 percent of the money turned over to the state during the year. In all, 6,084 checks totaling more than \$6.85 million were issued to Wyoming citizens or former citizens. Unclaimed Property also implemented a new software system in February 2019 that makes it easier than ever to claim your money. Hats off to the Unclaimed Property team!

As the newly elected Treasurer, I have made it one of my primary goals to implement automated processes for the Investment Division and Financial Accounting Division. During FY19, the office has undergone significant changes to support investment performance.

We are utilizing a risk assessment tool, implementing an investment analytics system, pursuing an electronic ticketing system, and developing a robust accounting software to fully support the work of the investment team. Integration of automated systems will promote accuracy and reliable reporting, which will ensure the success of these divisions and our office.

The Financial Accounting Division has seen a number of additions to staff, with more on the way. This has brought about a new level of commitment to performance excellence. In addition to updated processes, the office reorganized the Financial Accounting Division to align the duties and positions of this group to modern day investing. New software process automation and duties alignment will help modernize the division and help reduce the potential for human error. Our goal is to provide automation and training to instill a culture of excellence throughout the office.

The Investment Division recently completed staffing for the initial phase of the investment team. Looking forward, the investment team is preparing for asset allocation changes and planning for future investment strategies, knowing that changes are coming in light of current economic and market conditions (i.e. plan a trade and trade the plan). The downturn in the fixed income investment market means the investment team will be searching for yield while maintaining an acceptable risk profile. In FY19, the adjustments to the asset allocation profile meant the office moved over \$2.5 billion to new managers and internal investment staff whose risk/reward profiles were superior to past managers.

In FY19, the office implemented new asset allocations directed by the investment policy statement in order to further diversify the state's investment portfolio, both in fixed income as well as equities. Continued diversification, improved asset allocation and better risk metrics will provide protection of corpus as well as the enhancement of returns.

I have requested the Governor's approval in funding an intern program to the investment team to build homegrown investment expertise within the state and give young students and graduates a chance to learn from some of the best investment minds in the business.

The office is consistently challenged to generate investment income to support the state General Fund, and our team is asked to inflation-proof the permanent funds. The only sure way to inflation proof the permanent funds is to spend prudently and save when possible. My proposed reduction in spending policy percentages would help facilitate this, but it will take teamwork with all of the state stakeholders to ensure growth of the permanent funds into the future. Global negative bond returns and lagging European economies coupled with a strong dollar, among other things, result in current revenue projections much lower than in the last 20 years. To offset these circumstances, the office is relying on the investment team's expertise to diversify in a risk/return based strategy.

Our efforts to modernize and increase efficiencies and effectiveness in the office will take time, simply because of the amount of change that has to be implemented. My belief in these changes occurring successfully are buoyed by knowing I have so many high quality staff within the office.

We will have a culture of excellence and we will provide results and performance that is expected by you, the people of Wyoming.

Sincerely,

A handwritten signature in black ink, appearing to read "Curtis E. Meier, Jr.", written in a cursive, flowing style.

Curt Meier
State Treasurer

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WYOMING STATE TREASURER'S OFFICE

ORGANIZATIONAL CHART

STATE TREASURER

Curt Meier

Matt Sackett, Senior Policy Advisor

Lisa Jerde Spillman, General Counsel

William Pilger, House Counsel

DEPUTY STATE TREASURER

Dawn Williams

FINANCIAL ACCOUNTING

Katie Smith, Administrator of
Financial Accounting

Shannon Williams, Principal
Accountant

Casey Robb, Principal Accountant

Alice Portz, Principal Accountant

Nancy Morton, Principal Accountant

Jackie Kinstler, Senior Accounting
Analyst

Vacant, Senior Accounting Analyst

Vacant, Accounting Analyst

Misty Williams, Senior Accountant

INVESTMENTS

Patrick Fleming, CIO

Matt Smagacz, Senior Investment
Officer

Feng Zhang, Senior Investment
Officer

Robin Preston, Senior Investment
Officer

Kalib Simpson, Senior Analyst

Mahdi Chahkandi, Analyst

Seth Consoliver, Analyst

ADMINISTRATIVE SERVICES

Jeanette Beman, Program Development
Coordinator

Mitch Haden, IT Support Coordinator

Heather Melius, Senior Executive
Assistant

Deebs Sullivan, Human Resources
Manager

Jody Janicek, Administrative
Assistant

UNCLAIMED PROPERTY

Jeff Robertson, Administrator of
Unclaimed Property

Marianne Beaudoin, Principal Auditor

Gabe Kaufhold, Senior Communications
Analyst

Mary Cooper, Accounting Analyst

Kristin Bridges, Senior Accountant

Heather Schoeneberg, Senior Accountant

Vacant, Senior Accountant

Vacant, Public Relations Specialist

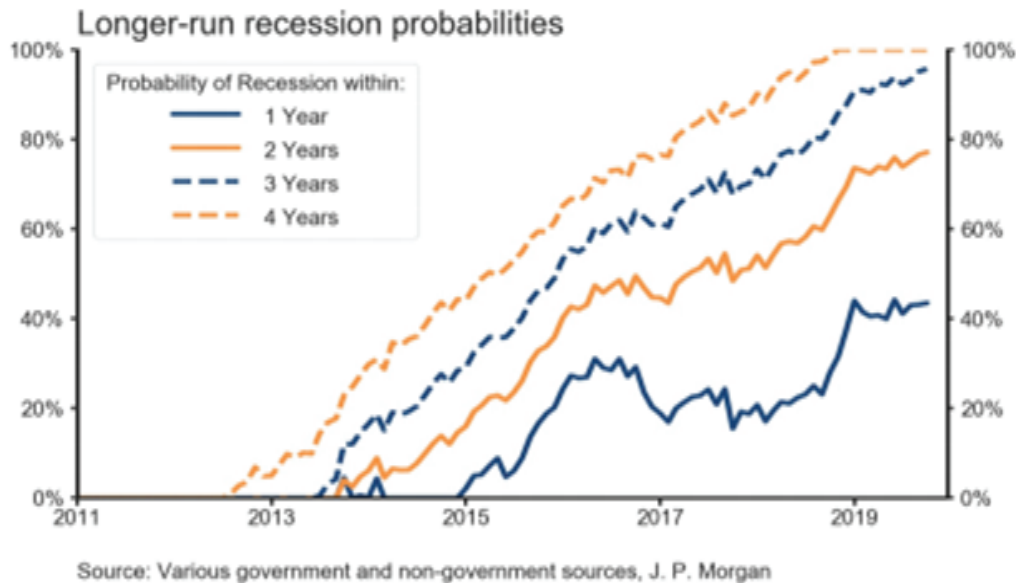
CIO ANNUAL LETTER

IS WINTER COMING?

Financial markets are notoriously hard to predict. As one of my college professors famously said, “There are two kinds of forecasters: those who don't know, and those who don't know they don't know.” Most Wall Street and Federal Reserve forecasts point to a very high probability of a recession in the next few years. We are currently in the longest post-war expansion in history. Is a recession coming soon? Are they correct? In Australia, the last recession started in December of 1990. An IMF working paper shows economists correctly called only five out of 153 recessions eight months in advance

.....I know I do not know when the next recession will hit.

(IMF working paper 18/39 by An, Jalles and Loungani)



Instead of trying to predict the next recession, we focus on risk/reward, valuations and expectational analysis to name a few. The most important aspects to us are: do the current and forward markets accurately price the probability of a recession, rise in inflation, drop in earnings, etc.?

We agree that the “probability” of a recession is much higher due to a myriad of factors, but do asset classes reflect this higher probability? Some do and some do not. The global bond market has 13.4 trillion dollars in negatively yielding debt. This means you have to pay the government or corporation for the right to let them borrow your money. This is approximately 25% of global debt! The bond market is pricing in deflation and a high probability of recession. What about stocks? Currently, we are making new all-time highs. I do know that either the bond market or the stock market is mispriced. Where is the value? What should an investor do?

We know that if we buy a 10-year bond at 1.75%, we will get a 1.75% return over the next 10 years. This yield is only .25 % higher than all-time low yields. Using 150 years of data for stocks, our models show the next seven to 10 years’ return should be approximately 2%. ***This means a 60% stock and 40% bond portfolio would yield a real return of about 0%! This compares to 5% over the past 50 years.*** This is significantly less than the return we have had historically. But what about the other side of the return/risk ratio, risk? How does the lower return impact the risk-adjusted return expectations? Below is our last 10 years risk/return of our asset classes vs. the forecasted risk/return for the next 10 years:

ASSET CLASS	WSTO PAST 10 YEAR RETURN / RISK RATIO	WSTO FUTURE 10 YEAR RETURN / RISK RATIO
Preferred Stock	1.92	0.43
Private Equity	1.83	0.37
Bank Loans	1.71	0.53
Core Fixed Income	1.59	0.63
Core Real Estate	1.5	0.48
Long Duration Fixed Income	1.41	0.33
Diversified Hedge Funds	1.17	0.62
Internal Intermediate Government Fixed Income	1.12	0.65
US Equity Composite	1.1	0.38
MLPs	0.82	0.39
Non-Core Real Estate	0.69	0.36
Int'l Equity Composite	0.51	0.42 Source RVK

Unfortunately, our future risk-adjusted returns are significantly lower. For instance, an investor received \$1.92 for every dollar invested when invested in preferred stocks. The future 10-year expectations insinuate an investor will still risk the dollar, but will only earn 43 cents. ***This means that not only are expected returns likely to be lower but investors today are not being compensated for taking additional risk. Risk adjusted returns are poor.***

What should an investor do when assets are very expensive from a historical perspective while the probability of future returns are very low? ***At WSTO, we are focusing on the things we can control!*** We cannot control the markets, but we can look for areas where the forwards are not pricing in the expected risk. We can improve our risk-adjusted returns by changing our asset allocation to sectors that are less expensive vs. their forecast. We can reduce our fees. This should help our performance when we do have a recession or an extended period of low returns. We have been changing our allocations to funds that have a better historical performance during periods of stress and have better risk-adjusted returns. We moved from having two asset allocations, permanent and non-permanent funds, to 10 separately managed funds. By matching our assets with our liabilities, this will help during the next recession, expansion or bear market. Over the past two years, we have changed 42 managers! As for fees, we have continued to reduce the fees we pay to our managers and manage the funds internally. Over the past three years, we have reduced our fees by approximately 24 million dollars on an AUM adjusted basis. With these fee savings, we were able to increase our investment professionals from one to seven. By having individuals focusing on each asset class, I believe this will help our performance vs. our benchmarks. As you can see below, our fees are the lowest in the region.

Sovereign Wealth Fund Fee Comparison

	Annual Asset Mgmt. Fees (%)	Passively Managed Assets (%)	Internally Managed Assets (%)	Private Assets (%)	AUM (\$M)
Wyoming State Treasurer's Office	0.29%	15%	16%	10%	\$20,586
Colorado PERA	0.37%	22%	59%	17%	\$48,995
Idaho Endowment Fund Investment Board	0.38%	39%	0%	7%	\$2,281
Montana Board of Investments	0.54%	31%	23%	20%	\$16,945
New Mexico State Investment Council	0.65%	27%	0%	19%	\$23,816
Utah School & Institutional Trust Funds	0.56%	3%	0%	14%	\$2,574
Wyoming Retirement System	0.61%	28%	0%	12%	\$8,496

*Source: RVK

Another reason to focus on fees is that when returns are low, fees as a percentage of the return is high. We want to keep as much of the return as possible. Also, managers that have lower fees tend to outperform in low return environments.

As for performance, our total assets for the fund were \$21.4 billion on June 30, 2019 vs. \$20.6 billion on June 30, 2018. The total fund returned 5.4% in 2019 vs. a 4% return in 2018. Last year we underperformed our benchmark by 0.4% on a one-year basis but still outperformed by 0.3% annually on a three-year basis and 0.4 percent on a 10-year basis. Our largest underperformers were real estate, opportunistic fixed income, and emerging market debt. We have taken steps to improve these areas by redeeming money from underperforming managers.

After four years, we are close to finishing our restructuring and hopefully, within the next year, we will be able to respond to the changing markets and improve our returns. ***The markets are very difficult but we are very excited about the future!*** The Treasurer, State Loan and Investment Board and the Legislature are working together to help modernize our structure. This is extremely important as our antiquated accounting, risk and portfolio management systems are very problematic. We will continue to do our best to provide the State with the best risk-adjusted returns.

Regards,



Patrick Fleming, CIO

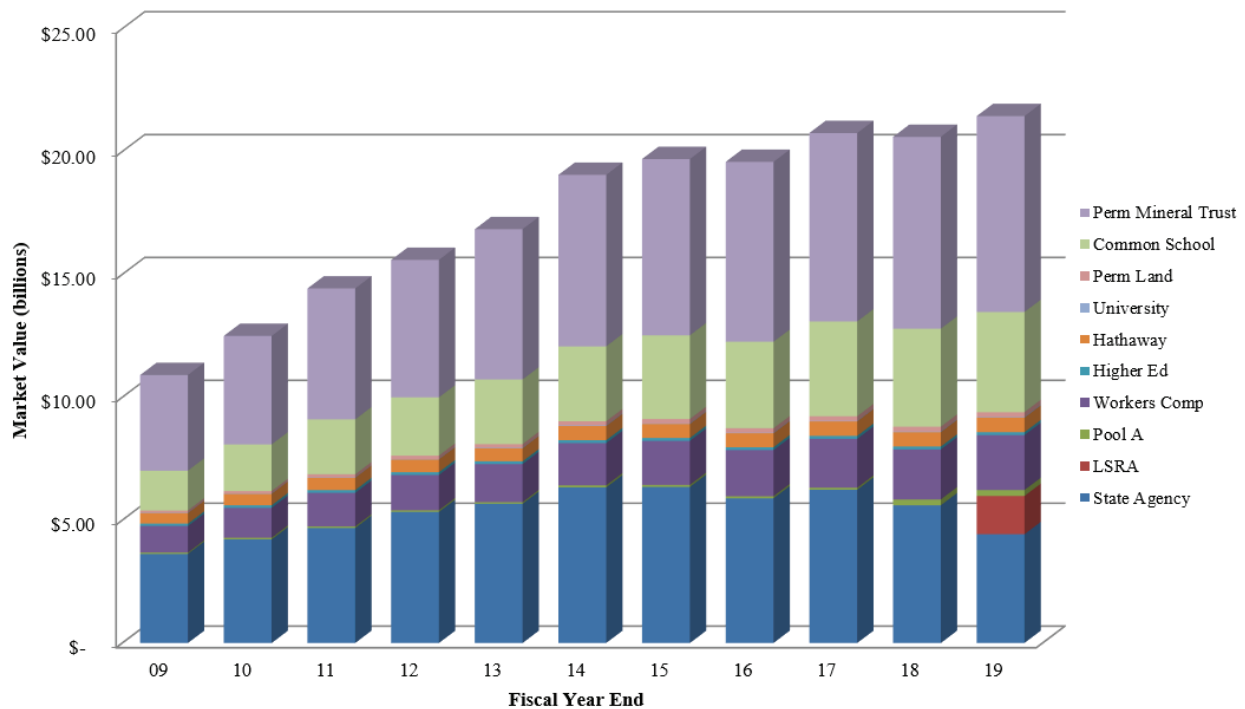
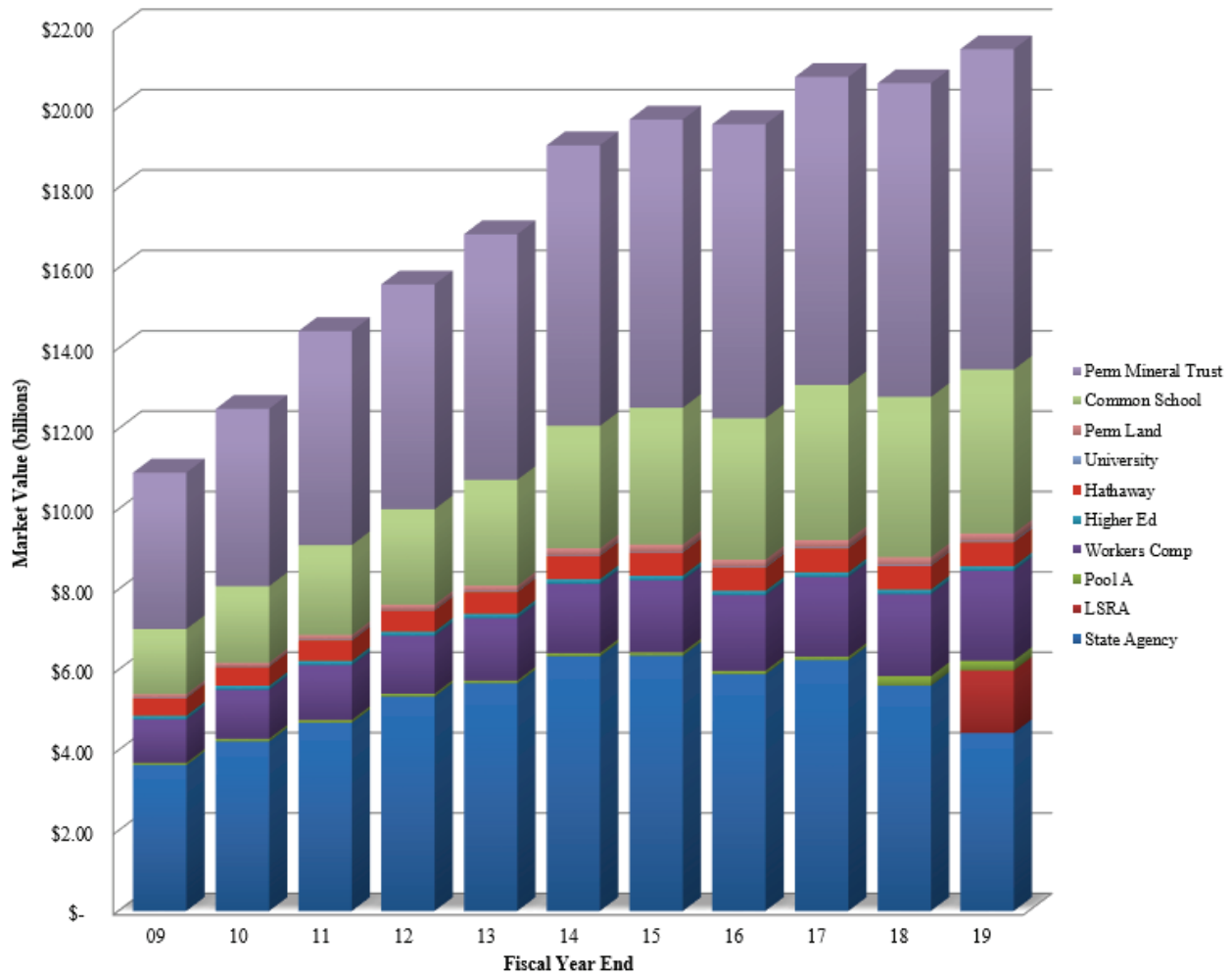
WYOMING STATE INVESTMENT PORTFOLIO

June 30th, 2019

The State Treasurer's Office manages \$21 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, the Worker's Compensation Fund and Pool A may hold equities under current law. The other fund cannot: the State Agency Pool.

	<u>Cost Basis</u>	<u>Market Value</u>	<u>MV as a Percent of Total MV</u>
Permanent Wyoming Mineral Trust Fund	\$7,437,123,662	\$8,020,683,874	37.4%
<i>Funded with constitutional and intermittent statutory mineral severance tax revenues, and occasional direct legislative appropriations. Income from the PWMTF goes to the state general fund. Up to 70 percent of the PWMTF may be invested in equities.</i>			
Permanent Land Funds	4,038,953,167	4,334,006,824	20.2%
<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: \$3.83 billion book/cost, \$4.1 billion market; its investment income helps to fund Wyoming's K-12 schools. Up to 70 percent of the Permanent Land Funds may be invested in equities.</i>			
Hathaway Scholarship Endowment Fund	557,662,653	595,618,082	2.8%
<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 70 percent of the Hathaway Scholarship Fund may be invested in equities.</i>			
Excellence in Higher Education Endowment Fund	114,147,275	121,336,620	0.6%
<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 70 percent of the Higher Ed. Endowment Fund may be invested in equities.</i>			
Workers Compensation Fund	2,097,734,927	2,248,008,408	10.5%
<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>			
LSRA	1,505,653,778	1,534,130,150	7.2%
<i>LSRA is funded by the legislative stabilization reserve account.</i>			
Pool A	241,830,127	238,994,704	1.1%
<i>Pool A is an aggregation of trusts and funds for Culture, Wildlife Trust, Game and Fish, Wyoming Public Television and the Tobacco Settlement Fund.</i>			
State Agency Pool	4,303,297,337	4,352,175,275	20.3%
<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>			
GRAND TOTAL ALL FUNDS	\$20,296,402,926	\$21,444,953,937	100.0%

TOTAL STATE PORTFOLIO VALUE



INVESTMENT ACCOUNT BALANCES

As of June 30, 2019

FUND/ACCOUNT NAME	CASH & RECEIVABLES (STATE AGENCY POOL INVESTMENTS)	INVESTMENTS (at Cost)	ACCOUNT BALANCE (Corpus)
Common School Permanent Land Fund	73,454,146	3,753,570,171	3,827,024,317
Common School II	95,628	4,886,657	4,982,284
University Permanent Land Fund	44,419	21,036,125	21,080,543
Miner's Hospital Permanent Land Fund	3,317,223	65,218,932	68,536,155
Public Buildings At Capitol Permanent Land Fund	733,874	14,428,476	15,162,350
Fish Hatchery Permanent Land Fund	278,148	5,468,588	5,746,736
D.D. & B. Asylum Permanent Land Fund	217,888	4,283,827	4,501,715
Carey Act Permanent Land Fund	119,847	2,356,268	2,476,114
Omnibus Permanent Land Fund	2,886,794	56,756,399	59,643,194
State Hospital Permanent Land Fund	140,615	2,764,597	2,905,213
State Training School Permanent Land Fund	234,861	4,617,536	4,852,397
Penitentiary Permanent Land Fund	464,933	9,140,907	9,605,840
Agricultural College Permanent Land Fund	601,931	11,834,378	12,436,309
Subtotal-Permanent Land Fund	\$82,590,307	\$3,956,362,860	\$4,038,953,167
Hathaway Scholarship Endowment	15,988,883	541,673,770	557,662,653
Higher Education Endowment	4,412,886	109,734,390	114,147,275
Permanent Wyoming Mineral Trust Fund	193,809,975	7,243,313,686	7,437,123,662
Subtotal-All Permanent Funds	\$296,802,050	\$11,851,084,707	\$12,147,886,757
Workers' Compensation	65,803,260	2,031,931,667	2,097,734,927
Total Permanent Funds & Workers' Compensation	\$362,605,310	\$13,883,016,374	\$14,245,621,684
Public TV Fund	83,700	2,885,440	2,969,141
Wyoming Tobacco Settlement Fund	2,387,844	82,317,245	84,705,090
Wildlife Trust Fund	3,043,214	104,910,120	107,953,334
Wyoming Cultural Fund	431,651	14,880,485	15,312,135
Trust Fund (Game and Fish)	870,804	30,019,623	30,890,427
LSRA	1,145,910,955	359,742,824	1,505,653,778
State Agency Pool	(1,515,333,479)	5,818,630,815	4,303,297,337
TOTAL	\$0	\$20,296,402,926	\$20,296,402,926

NOTES:

The Cash & Receivables column represents the portion of the State Agency Pool investment attributable to the permanent land funds, the permanent funds, the Workers' Compensation Fund and Pool A, thus it is removed from the State Agency Pool cash and receivables balance.

The State Agency Investment Pool includes the total of the cash and receivable column plus the cash balance of all the other funds for which specific investments have not been made.

PERMANENT WYOMING MINERAL TRUST FUND

Fiscal Years 15 Through 19 Analyzed and Compared

(\$ Millions)

	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>
Beginning Book Value	\$6,368.3	\$6,848.9	\$7,066.4	\$7,127.2	\$7,294.9
Beginning Market Value	6,979.1	7,172.2	7,319.4	7,665.9	7,807.1
- Difference	610.8	323.3	253.0	538.7	512.2
- Percent	9.6%	4.7%	3.6%	7.6%	7.0%
Additions to Corpus					
- Constitutional Severance Tax 1.5% Deposit	\$207.9	\$184.1	\$53.9	\$147.8	\$159.5
- Additional Severance Tax	138.6	42.8	0.0	0.0	0.0
- Additional Legislative Deposits/Diversions	0.0	0.0	0.0	0.0	0.0
- Spending Policy Reversions	134.2	0.0	0.0	0.0	0.0
- Spending Policy for Prior Year Adjustment	0.0	0.0	0.0	0.0	0.0
- Income Distribution Adjustment (\$32K)	0.0	(0.0)	0.0	23.6	0.0
Reduction of Corpus					
- Deferred Realized Capital Gain (Loss)	0.0	(9.4)	6.9	(3.7)	(17.3)
Total Increase to Corpus	\$480.6	\$217.5	\$60.8	\$167.7	\$142.2
Ending Book Value	\$6,848.9	\$7,066.4	\$7,127.2	\$7,294.9	\$7,437.1
Ending Market Value	7,172.2	7,319.4	7,665.9	7,807.1	7,972.0
- Difference	323.3	253.0	538.7	512.2	534.9
- Percent	4.7%	3.6%	7.6%	7.0%	7.2%
Total Distributed Income (Gross of Fees) ¹	\$504.6	\$151.5	\$313.9	\$458.6	\$385.7
- Interest	61.1	67.1	98.8	117.7	102.2
- Dividend	94.2	93.8	75.0	73.0	109.9
- Realized Net Capital Gain	349.3	(9.4)	140.1	267.9	173.7
Change in Book Value	\$480.6	\$217.5	\$60.8	\$167.7	\$142.2
Change in Market Value	193.1	147.2	346.6	141.1	164.9
Cash Yield ²	7.62%	2.31%	4.37%	6.25%	2.46%
Total Return ³	2.91%	1.07%	8.69%	5.18%	5.13%

1. Spendable investment income including dividends, interest and realized capital gains.

2. Return based on average book value. RVK calculates total return based on the time-weighted rate of return.

3. Comprised of dividends, interest and realized and unrealized capital gains.

PERMANENT WYOMING MINERAL TRUST FUND: CORPUS

Revenue Receipts as of June 30, 2019

	<u>JUNE 30, 2018</u> <u>CORPUS BALANCE</u>	<u>REVENUE</u>	<u>JUNE 30, 2019</u> <u>CORPUS BALANCE</u>
Beginning Balance	\$7,294,935,589		
Severance Tax			
Coal		39,159,235	
Stripper Oil		5,958,845	
Other Valuable Products		109,148	
Oil		59,286,483	
Natural Gas		48,743,851	
Condensate-Gas		6,240,152	
Recognized Deferred Gain (Loss)		6,257,118	
Income Distribution Adjustment-Prior Year		<u>(23,566,864)</u>	
TOTAL		\$142,187,967	\$7,437,123,556

COMMON SCHOOL PERMANENT LAND FUND¹

Fiscal Years 15 Through 19 Analyzed and Compared

(\$ Millions)

	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>
Beginning Book Value	\$2,782.3	\$3,261.7	\$3,401.1	\$3,596.1	\$3,746.3
Beginning Market Value	3,046.5	3,405.3	3,520.3	3,859.8	3,989.3
- Difference	264.2	143.6	119.2	263.7	243.0
- Percent	9.5%	4.4%	3.5%	7.3%	6.5%
 Additions to Corpus					
- Sales, Royalties, etc.	\$414.4	\$142.7	\$191.7	\$150.1	\$99.4
- Additional Legislative Deposits	0.0	0.0	0.0	0.0	0.0
- Spending Policy Reversion	64.9	0.0	0.0	0.0	0.0
- Income Accrued ²	0.0	0.0	0.0	0.0	0.0
 Reduction of Corpus					
- Deferred Realized Capital Gain (Loss)	0.0	(3.3)	3.3	0.0	(0.0)
- Reverse Income Accrued	0.0	0.0	0.0	0.0	0.0
 Total Increase to Corpus	\$479.4	\$139.5	\$195.0	\$150.1	\$99.4
 Ending Book Value	\$3,261.7	\$3,401.1	\$3,596.1	\$3,746.3	\$3,845.6
Ending Market Value	3,405.3	3,520.3	3,859.8	3,989.3	4,078.5
- Difference	143.6	119.2	263.7	243.0	232.9
- Percent	4.4%	3.5%	7.3%	6.5%	6.1%
 Total Distributed Income (Gross of Fees) ³	\$220.4	\$78.4	\$162.1	\$218.8	\$186.3
- Interest	32.6	39.0	58.0	58.1	53.2
- Dividend	41.1	42.7	35.6	36.3	55.1
- Realized Net Capital Gain	146.7	(3.3)	68.4	124.4	78.0
 Change in Book Value	\$479.4	\$139.5	\$195.0	\$150.1	\$99.4
Change in Market Value	358.8	115.0	339.5	129.5	89.2
 Cash Yield ⁴	7.14%	2.45%	4.59%	5.91%	2.84%
Total Return ⁵	2.95%	1.40%	8.87%	4.99%	5.25%

1. Includes Common School Permanent Land Fund II

2. Represents income held in Common School Pool on June 30.

3. Spendable investment income including dividends, interest and realized capital gains.

4. Return based on average book value. RVK calculates total return based on the time-weighted rate of return.

5. Comprised of dividends, interest and realized and unrealized capital gains.

Note: 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 LAND FUND: CORPUS
Revenue Receipts Fiscal Year 2019

<u>FUND/ACCOUNT NAME</u>	<u>JUNE 30, 2018 CORPUS BALANCE</u>	<u>REVENUE</u>	<u>JUNE 30, 2019 CORPUS BALANCE</u>
<u>L01 MINER'S HOSPITAL</u>			
Beginning Balance	\$66,062,981		
Bentonite Lease Royalties		82,720	
Oil & Gas Lease Royalties		86,688	
Sodium & Trona Lease Royalties		940,290	
Right-of-Way Easements		712	
Surface Damage		2,458	
Inflation Proofing Income Diversion W.S. 9-4-305(b)		1,651,575	
		<u>2,764,443</u>	\$68,827,424
 <u>L02 PUBLIC BUILDINGS AT CAPITOL</u>			
Beginning Balance	\$13,761,908		
Oil & Gas Lease Royalties		1,075,447	
Sand & Gravel Royalties		919	
Right-of-Way Easements		18,345	
Surface Damage		26,121	
Inflation Proofing Income Diversion W.S. 9-4-305(b)		344,048	
		<u>1,464,880</u>	\$15,226,788
 <u>L03 FISH HATCHERY</u>			
Beginning Balance	\$5,630,399		
Inflation Proofing Income Diversion W.S. 9-4-305(b)		140,760	
		<u>140,760</u>	\$5,771,159
 <u>L04 COMMON SCHOOL (1)(2)</u>			
Beginning Balance	\$3,741,256,005		
Bentonite Lease Royalties		440,114	
Coal Lease Royalties		28,119,474	
Miscellaneous Mineral Lease Royalties		18,481	
Oil & Gas Lease Royalties		60,326,437	
Sand & Gravel Royalties		171,146	
Sodium & Trona Lease Royalties		3,781,843	
Right-of-Way Easements		1,818,216	
Uranium Lease Royalties		10,990	
Surface Damage		2,827,915	
Real Estate Sales		1,861,685	
		<u>99,376,302</u>	\$3,840,632,307
 <u>L14 COMMON SCHOOL II (1)(2)</u>			
Beginning Balance	\$5,000,000		
		<u>0</u>	
		0	\$5,000,000

PERMANENT LAND FUND: CORPUS
Revenue Receipts Fiscal Year 2019

<u>FUND/ACCOUNT NAME</u>	<u>JUNE 30, 2018 CORPUS BALANCE</u>	<u>REVENUE</u>	<u>JUNE 30, 2019 CORPUS BALANCE</u>
<u>L05 DEAF, DUMB & BLIND</u>			
Beginning Balance	\$4,386,108		
Oil & Gas Lease Royalties		3,761	
Right-of-Way Easements		17,108	
Surface Damage		4,217	
Inflation Proofing Income Diversion W.S. 9-4-305(b)		109,653	
		<u>134,739</u>	\$4,520,847
 <u>L06 CAREY ACT</u>			
Beginning Balance	\$2,404,798		
Oil & Gas Lease Royalties		16,623	
Right-of-Way Easements		5,097	
Inflation Proofing Income Diversion W.S. 9-4-305(b)		60,120	
		<u>81,839</u>	\$2,486,638
 <u>L07 OMNIBUS</u>			
Beginning Balance	\$57,328,489		
Oil & Gas Lease Royalties		1,063,213	
Sand & Gravel Royalties		36,019	
Right-of-Way Easements		20,631	
Surface Damage		15,105	
Inflation Proofing Income Diversion W.S. 9-4-305(b)		1,433,212	
		<u>2,568,180</u>	\$59,896,669
 <u>L08 WYOMING STATE HOSPITAL</u>			
Beginning Balance	\$2,905,447		
Oil & Gas Lease Royalties		140,268	
Surface Damage		300	
Inflation Proofing Income Diversion W.S. 9-4-305(b)		72,636	
Per Session Laws 2016, Ch 31, Sec 048		(201,092)	
		<u>12,113</u>	\$2,917,559
 <u>L09 WYOMING LIFE RESOURCE CENTER</u>			
Beginning Balance	\$4,604,711		
Oil & Gas Lease Royalties		226,888	
Inflation Proofing Income Diversion W.S. 9-4-305(b)		115,118	
Per Session Laws 2016, Ch 31, Sec 048		(73,698)	
		<u>268,308</u>	\$4,873,019

PERMANENT LAND FUND: CORPUS
Revenue Receipts Fiscal Year 2019

<u>FUND/ACCOUNT NAME</u>	<u>JUNE 30, 2018 CORPUS BALANCE</u>	<u>REVENUE</u>	<u>JUNE 30, 2019 CORPUS BALANCE</u>
<u>L10 WYOMING STATE PENITENTIARY</u>			
Beginning Balance	\$16,523,141		
Oil & Gas Lease Royalties		663,963	
Sand & Gravel		35,270	
Right-of-Way Easements		114,857	
Surface Damage		80,479	
Inflation Proofing Income Diversion W.S. 9-4-305(b)		413,079	
Per Session Laws 2018, Ch 136, Sec 4		(8,184,125)	
		<u>(6,876,477)</u>	\$9,646,664
 <u>L11 WYOMING STATE AGRICULTURAL COLLEGE (1)</u>			
Beginning Balance	\$11,840,089		
Oil & Gas Lease Royalties		92,604	
Sand & Gravel		4,592	
Right-of-Way Easements		15,304	
Uranium Lease Royalties		162,082	
Surface Damage		78,487	
Inflation Proofing Income Diversion W.S. 9-4-305(b)		296,002	
		<u>649,072</u>	\$12,489,161
 <u>L12 WYOMING STATE UNIVERSITY (1)</u>			
Beginning Balance	\$20,453,262		
Oil & Gas Lease Royalties		72,227	
Right-of-Way Easements		39,229	
Surface Damage		4,494	
Inflation Proofing Income Diversion W.S. 9-4-305(b)		511,332	
		<u>627,281</u>	\$21,080,543
 TOTAL		\$101,211,438	\$4,053,368,776

NOTES:

(1) These funds are not available for appropriation.

(2) In Fiscal Year 2009 Common School Permanent Land Fund II was added to the Common School Pool along with Common School Permanent Land Fund and is being invested there. Income is diverted to the Education Trust Fund per Special Session Laws 1997, Chapter 3, Section 504.

(3) Revenue from above "sales" is the principal payment from the sale of state lands and from right-of-ways granted on state lands. "Royalties" are derived from oil and mineral leases on state lands.

RVK'S ANNUAL REVIEW

*(RVK serves as the investment consultant for the
Wyoming State Loan and Investment Board)*

Outlined below please find a summary of significant observations regarding performance of the State's Funds for the period ended June 30, 2019. We hope this summary will facilitate your review of our Investment Performance Analysis Report.

The Total Fund returned 2.1% net of fees during the second quarter as risk assets produced positive returns. Long-term performance for the Total Fund remains strong, with the State earning returns of 4.8% and 6.0% per annum over the trailing seven- and ten-year periods.

Absolute results were positive for all of the State's investment pools, with each pool keeping pace with, or modestly trailing, their respective benchmarks during the quarter. The State's non-permanent funds with larger strategic allocations to fixed income investments generated lower returns on an absolute basis, but similar returns on a relative basis, compared to the State's permanent funds.

The Bloomberg US Aggregate Bond Index increased by 3.1%, aided by US Treasury rates declining across all maturities in the second quarter. Diversification away from core US bonds had mixed results as long duration and EMD outperformed the broad market, while Bank Loans, TIPS, intermediate government and low duration underperformed. The State's core fixed income managers slightly underperformed the broad market index, collectively returning 2.7%. Bank Loans and emerging markets debt fixed income modestly trailed their respective benchmarks while long duration modestly outperformed its benchmark.

US equity markets delivered positive returns across all market capitalizations and styles during the second quarter. Major US equity indices finished the quarter in positive territory, with the Russell 3000 Index returning 4.1% for the quarter. The State's All Cap and Small Cap US equity composites had strong returns during the second quarter, modestly underperforming their respective indices.

Developed international markets outperformed emerging markets during the quarter, with the MSCI EAFE Index returning 3.7% and the MSCI Emerging Markets Index returning 0.6%. The State's international equity composite returned 3.4% during the quarter, outperforming the MSCI ACW Ex US Index by 0.4%. Passively managed strategies within the State's international equity portfolio kept pace with their respective benchmarks, while Arrowstreet underperformed its respective benchmark by 0.6%.

Mixed assets, including preferred stock and MLPs, generated mixed absolute returns during the quarter. Cohen & Steers returned 4.1% in the quarter and outperformed its benchmark by 1.4%.

Harvest returned -0.4% as MLPs declined modestly in the second quarter.

Core real estate generated a negative return during the quarter. The capital appreciation component of returns decreased from the prior quarter, but the income component remains in line with historical levels. The State's core real estate composite earned -1.0% in the second quarter, underperforming the NCREIF ODCE Index. Clarion earned a positive return of 1.3%, but UBS returned -3.9%.

Diversified hedge funds returned 0.1% during the quarter, trailing the HFRI FOF Composite Index by 1.4%. Grosvenor Diversified Hedge Funds and Internal Diversified Hedge Funds returned 0.4% and 2.4%, respectively. The PAAMCO - Jackalope Fund also trailed the index.

Fiscal Year Ended June 30, 2019

In a year marked by strong performance for risk assets, all of the State's investment pools earned positive absolute returns ranging from 4.4% to 8.5%. Each of the investment pools modestly underperformed their respective benchmarks during the year. Relative returns were detracted by the State's Fixed Income portfolio, which underperformed the Bloomberg US Agg Bond Index amidst a strong return environment for the broad US bond market. The Federal Reserve held target interest rates unchanged at its June meeting, and stated the case for somewhat more accommodative policy has strengthened. Public equities and alternatives contributed to strong absolute results for the permanent funds with strategic allocations to these asset classes.

Despite persistent political divisiveness in the US, a flattening of the yield curve, global trade tensions, and a range of other international issues, most risk assets produced strong gains over the fiscal year. Although positive economic fundamentals have thus far supported the “risk-on” environment, it is possible that these risks could have a larger influence on markets going forward.

- The Permanent Mineral Trust and Common School Permanent Land Fund ended the fiscal year with returns of 5.1% and 5.2%, respectively. The Permanent Land Fund and University Permanent Land Fund ended the fiscal year with returns of 5.1% and 5.6%, respectively. Of these four Permanent Funds, each modestly underperformed its respective custom benchmark. Hathaway Scholarship Endowment and Higher Education Endowment returned 5.1% and 5.1%, respectively. Both underperformed their custom benchmarks, by 0.5% and 0.5%, respectively. The Workers Compensation Fund returned 8.5%, underperforming its custom benchmark by 0.5%.

- Absolute performance for the Non-Permanent Funds (Pool A and State Agency Pool) was lower than that of the Permanent Funds, but the Non-Permanent Funds had similar returns relative to their custom benchmarks. Pool A returned 5.8% versus 6.4% for its custom benchmark, and the State Agency Pool returned 4.4% versus 4.7% for its custom benchmark.

Fixed income markets experienced strong returns as interest rates declined during the year.

- Core Fixed Income: The Core Fixed Income Portfolio produced a positive fiscal year return of 7.2% compared to the Bloomberg US Aggregate Bond Index return of 7.9%.

- Non-Core Fixed Income: Diversification away from core US bonds had mixed results as long duration outperformed the broad market, while TIPS, intermediate government and low duration underperformed. Non-US fixed income exposures had a mixed impact to relative and absolute returns within the fixed income portfolio. Opportunistic European credit earned 4.6% over the trailing one-year period, while local currency emerging market debt returned 6.7%.

Consistent with global markets, the State's equity and alternative investment managers produced strong absolute results during the fiscal year, but relative results were mixed as shown below:

- The All Cap US equity portfolio returned 8.7% compared to 9.0% for the Russell 3000 Index.
- The Small Cap US equity portfolio returned -3.7% compared to -3.3% for the Russell 2000 Index.
- The international equity portfolio returned 2.0% compared to 1.3% for the MSCI ACW Ex US Index.
- The core real estate portfolio returned 3.6%, compared to 5.5% for the NCREIF ODCE Index.
- The diversified hedge funds portfolio returned 0.0%, compared to 1.2% for the HFRI FOF Comp Index.



POOL ALLOCATION

The June 30, 2019 allocation mix of the portfolio is shown below; charts later in this report provide a detailed allocation for each pool.

	<u>Equities</u>	<u>Fixed</u>	<u>PPIs*</u>	<u>Cash</u>
Permanent Wyoming Mineral Trust Fund	50.2%	45.8%	1.5%	2.5%
Common School Permanent Land Fund	36.5%	61.1%	0.5%	1.9%
Permanent Land Funds	50.2%	45.0%	0.0%	4.8%
University Permanent Land Fund	56.4%	43.4%	0.0%	0.2%
Hathaway Scholarship Endowment Fund	48.0%	49.2%	0.0%	2.8%
Higher Education Endowment Fund	35.1%	61.1%	0.0%	3.8%
Workers' Compensation Fund	23.9%	73.1%	0.0%	3.0%
LSRA	24.1%	0.0%	0.0%	75.9%
Pool A	20.2%	76.9%	0.0%	2.9%
State Agency Pool	<u>0.0%</u>	<u>60.5%</u>	<u>4.4%</u>	<u>35.1%</u>
TOTAL	32.0%	51.9%	1.5%	14.5%

* Public Purpose Investments

Below is the breakdown of how our pools are managed.

	<i>Internal</i>	<i>External</i>
<i>Passive</i>	0.8% Small Cap	15.2% Domestic Equity International Equity TIPs Fixed Income
<i>Active</i>	18.7% Fixed Income Diversified Hedge Funds	65.3% Domestic Equity International Equity MLPs Preferred Equity Private Equity Diversified Hedge Funds Real Estate Convertible Bonds Core Fixed Income Credit Fixed Income Opportunistic Fixed Income Emerging Market Debt Cash

Annual Asset Class Performance

As of June 30, 2019

Calendar Year Performance												Annualized Statistics (01/2006 - 06/2019)			
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	CYTD (As of 06/19)		Return	Standard Deviation	Sharpe Ratio
Best	78.79	35.17	15.99	18.64	38.82	14.07	15.02	21.95	27.19	10.61	18.71	US Equity Custom Index - US All Cap	8.71	14.37	0.57
	49.13	26.85	14.47	16.83	32.39	13.88	13.33	21.31	21.83	8.35	18.54	S&P 500 Index - US Large Cap	8.82	14.30	0.58
	45.12	21.71	14.26	16.76	32.39	13.69	5.79	13.31	21.13	6.72	18.05	Russell 2000 Index - US Small Cap	7.91	19.02	0.43
	45.01	16.77	11.15	16.35	29.75	12.50	5.47	12.74	18.29	1.87	16.98	International Equity Custom Index - International	3.51	16.98	0.22
	32.46	16.36	7.84	16.00	24.96	11.82	1.38	11.96	15.21	0.18	14.42	Cambridge US PE Index - Private Equity	11.91	9.61	1.10
	27.17	15.68	3.49	16.00	21.50	11.41	0.55	10.69	14.65	0.01	13.60	NCREIF ODCE Index - Core Real Estate	6.85	8.01	0.72
	26.46	15.06	2.11	14.96	15.29	9.42	0.48	10.44	13.70	-0.59	10.93	NCREIF Property Index - Non-Core Real Estate	7.60	6.01	1.06
	26.46	15.06	2.11	13.46	13.94	7.66	0.18	9.94	9.11	-4.03	8.72	HFRI FOF Comp Index	2.42	5.07	0.25
	21.98	14.99	0.66	10.94	10.98	5.97	-0.27	8.77	7.77	-4.25	7.35	ICE BofAML All Cnvrts Index (All Qual) - Convertibles	7.75	11.75	0.59
	13.22	13.11	-1.16	10.77	8.96	4.89	-1.47	7.97	7.62	-4.38	6.16	S&P U.S. Preferred Stock Index	5.08	16.66	0.31
	11.47	10.82	-1.75	10.54	4.22	3.37	-3.24	4.50	6.96	-5.24	6.11	S&P MLP Index (TR)	7.71	18.81	0.42
	5.93	9.28	-4.18	4.95	0.12	2.95	-4.41	2.65	5.20	-6.21	4.81	Bloomberg US Agg Bond Index - Fixed Income	4.25	3.15	0.95
	1.17	6.54	-5.18	4.79	-0.17	0.18	-5.66	1.94	3.54	-11.01	3.34	Credit Custom Index - Fixed Income	5.40	6.45	0.65
	-16.85	5.70	-5.72	4.21	-2.02	-3.87	-14.92	0.51	0.84	-11.67	2.43	JPM GBI-EM Gbl Dvf'd Index (USD) - EMD	5.15	12.37	0.37
Worst	-29.76	0.73	-13.71	0.26	-8.98	-5.72	-35.07	0.38	-5.58	-14.20	1.43	JP Morgan Cash Custom Index - Cash Equiv	1.55	0.56	1.28

The Cambridge US Private Equity Index is shown for informational purposes only. Due to availability of data, current quarter performance assumes a 0.00% return. Calculations are based on a quarterly periodicity.

INVESTMENT PERFORMANCE - TOTAL PERFORMANCE

As of June 30, 2019

	Total Investment Value	Current Market Value	Interest/ Dividends	Realized Gains/ Losses	FYTD Return	3 Year Return	5 Year Return
Wyoming State Total Fund	<u>\$20,296,402,926</u>	<u>\$21,444,953,937</u>	<u>\$570,363,693</u>	<u>\$318,100,262</u>	5.37%	5.09%	3.87%
<i>Wyoming State Actual Allocation Index</i>					5.81%	4.82%	3.96%
<u>US Equity</u>							
State Street All Cap	1,291,605,451	1,664,662,199	27,421,149	19,316,217	9.17%	13.33%	N/A
State Street All Cap Custom Index					8.99%	13.33%	9.95%
UW Portfolio Management Program	1,000,000	1,436,620	32,722	0	4.72%	11.15%	8.74%
S&P 500 Index (Cap Wtd)					10.42%	14.19%	10.71%
Wyoming Internal R2000	164,926,982	160,543,319	1,377,908	(202)	N/A	N/A	N/A
Russell 2000 Index					-3.31%	12.30%	7.06%
Total US Equity	<u>\$1,457,532,433</u>	<u>\$1,826,642,137</u>	<u>\$28,831,780</u>	<u>\$19,316,015</u>			
<u>International Equity</u>							
Northern Trust	1,260,291,825	1,381,786,102	31,976,843	(1,822,041)	1.52%	9.49%	2.28%
MSCI ACW Ex US Index (Net)					1.29%	9.39%	2.16%
Arrowstreet	684,170,596	710,833,396	0	0	0.60%	N/A	N/A
MSCI ACW Ex US IM Index (Net)					0.26%	9.17%	2.25%
Total International Equity	<u>\$1,944,462,421</u>	<u>\$2,092,619,499</u>	<u>\$31,976,843</u>	<u>(\$1,822,041)</u>			
<u>Preferred Stock</u>							
Cohen & Steers	135,000,000	143,896,826	3,966	0	9.31%	N/A	N/A
S&P US Preferred Stock Index					4.89%	3.97%	5.06%
Total Preferred Stock	<u>\$135,000,000</u>	<u>\$143,896,826</u>	<u>\$3,966</u>	<u>\$0</u>			
<u>MLPs</u>							
Harvest Fund Advisors	583,159,152	555,540,208	30,446,735	(16,461,297)	N/A	N/A	N/A
S&P MLP Index					3.23%	1.54%	-6.65%
Total MLPs	<u>\$583,159,152</u>	<u>\$555,540,208</u>	<u>\$30,446,735</u>	<u>(16,461,297)</u>			
<u>Private Equity</u>							
Access Venture Partners II	2,449,913	1,865,656	8,981	8,831,734		See Notes next page	
Cheyenne Capital Fund, L.P.	115,982,145	211,623,592	15,702	70,043,096		See Notes next page	
Hamilton Lane Nowood Fund, L.P.	128,028,001	151,720,725	1,648,710	7,287,345		See Notes next page	
Neuberger Berman Sauger Fund, L.P.	115,205,871	198,426,794	18,163	3,105,871		See Notes next page	
Total Private Equity	<u>\$361,665,930</u>	<u>\$563,636,766</u>	<u>\$1,691,555</u>	<u>\$89,268,045</u>			
<u>Real Estate</u>							
Clarion Lion	266,303,630	354,681,028	11,237,924	0	7.04%	7.88%	10.28%
UBS Trumbull	241,303,630	270,503,057	9,643,070	0	-0.67%	3.56%	6.32%
NCREIF ODCE					5.46%	6.61%	8.76%
Core Real Estate	<u>\$507,607,260</u>	<u>\$625,184,086</u>	<u>\$20,880,993</u>	<u>\$0</u>			
Barings (formerly Cornerstone)	1,880,170	1,821,910	403,800	0			
Heitman	1,759,375	19,469	44,614	0		See Notes next page	
SC Capital	71,922,126	78,983,905	1,475,091	0		See Notes next page	
M&G	64,238,332	47,744,275	2,280,807	0		See Notes next page	
Northwood	103,574,822	146,601,385	773,611	9,903,332		See Notes next page	
TA Realty	1,578,185	35,742	5,364	0		See Notes next page	
WestRiver	26,841,651	53,211,171	473,537	0		See Notes next page	
NCREIF ODCE					5.46%	6.61%	8.76%
Value-Added Real Estate	<u>\$271,794,661</u>	<u>\$328,417,856</u>	<u>\$5,456,824</u>	<u>\$9,903,332</u>			
Total Real Estate	<u>\$779,401,921</u>	<u>\$953,601,942</u>	<u>\$26,337,818</u>	<u>\$9,903,332</u>			



INVESTMENT PERFORMANCE - TOTAL PERFORMANCE

As of June 30, 2019

	Total Investment Value	Current Market Value	Interest/ Dividends	Realized Gains/ Losses	FYTD Return	3 Year Return	5 Year Return
<u>Diversified Hedge Funds</u>							
PAAMCO - Jackalope Fund	13,466,303	9,952,532	143,940	10,757,155	N/A	N/A	N/A
Grosvenor Diversified Hedge Funds	250,000,000	246,497,039	12,225	0	-0.71%	N/A	N/A
Internal Diversified Hedge Funds	487,000,000	495,148,732	0	0	5.13%	N/A	N/A
HFRI FOF Comp Index					1.15%	4.25%	2.19%
Total Diversified Hedge Funds	<u>\$750,466,303</u>	<u>\$751,598,303</u>	<u>156,164</u>	<u>\$10,757,155</u>			
<u>Fixed Income</u>							
C.S. McKee	1,257,512,679	1,286,501,718	37,502,592	9,594,249	7.25%	2.46%	3.03%
C.S. McKee Custom Index					7.05%	2.22%	2.89%
PIMCO Core	2,184,405,259	2,230,795,802	69,793,690	15,461,525	6.81%	2.45%	2.99%
PIMCO Custom Index					6.73%	1.97%	2.74%
Neuberger Berman Credit	797,062,335	796,482,423	41,298,506	(11,216,801)	N/A	N/A	N/A
Seix	943,160,037	949,531,882	40,353,082	0	N/A	N/A	N/A
Credit Custom Index					5.97%	5.42%	3.96%
Logan Circle	353,000,000	393,795,617	6,354,781	5,812,181	N/A	N/A	N/A
Bloomberg US Lng Crdt Index					14.97%	5.33%	5.78%
Grosvenor Silvery Lupine Fund	123,304,676	166,179,246	29,565,003	0	4.69%	7.95%	6.19%
CS Western European HY					8.22%	7.80%	5.68%
Investec	238,350,175	200,205,291	10,583,861	(57,854,859)	7.78%	3.89%	-1.13%
JPM GBI-EM Gbl Dvfd Index (Unhedged)					8.99%	4.24%	-0.45%
Internal Fixed Income Portfolio	1,899,767,366	1,918,424,288	40,084,033	27,224,310	5.59%	2.03%	2.27%
Bloomberg US Gov't Int. Term Bond Index					6.15%	1.34%	1.94%
Internal Low Duration Portfolio	1,104,311,877	1,121,596,630	28,193,093	(278,130)	3.85%	N/A	N/A
Bloomberg US Gov't 1-3 Yr Bond Index					4.02%	1.31%	1.23%
Internal Long Duration Portfolio	367,062,617	404,443,766	3,346,003	(466,455)	N/A	N/A	N/A
Bloomberg US Gov't Lng Trm Bond Index					12.28%	1.42%	5.68%
Total Fixed Income	<u>\$9,267,937,021</u>	<u>\$9,467,956,663</u>	<u>\$307,074,643</u>	<u>(\$11,723,981)</u>			
<u>Public Purpose Investments</u>	<u>\$330,714,719</u>	<u>\$330,714,719</u>	<u>\$6,817,948</u>	<u>\$0</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
<u>Cash & Cash Equivalents</u>							
JP Morgan Cash Composite	3,105,827,098	3,114,408,736	42,726,953	(\$197,289)	2.47%	1.38%	0.94%
JP Morgan Cash Custom Index					2.57%	1.39%	0.96%
<u>Other Income</u>							
Liquidated Managers	\$1,580,235,927	\$1,644,338,138	\$89,100,438	\$219,060,322	N/A	N/A	N/A
Security Lending	\$0	\$0	\$5,198,850	N/A	N/A	N/A	N/A

NOTES:

- Returns are stated in traditional total return terms and do not specify realized income.
- State Street All Cap Custom Index consists of 69% R 3000, 24% FTSE RAFI US 1000, 7% MSCI USA Minimum Volatility.
- Fisher Index consists of MSCI EAFE (Gross) through July 2010 and the MSCI ACW Ex US (Net) thereafter.
- 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.
- 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.
- 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.
- The Arrowstreet mandate was converted from global equity to international equity on March 1, 2018.
- Performance shown is net of fees.
- Returns are stated in traditional total return terms and do not specify realized income.
- The Credit Custom Index consists of 20% Bloomberg US Credit, 20% ICE BofAML US HY Master II Constrained, 60% S&P/LSTA Leveraged Loan.
- Internal Intermediate Gov't Fixed Income Portfolio performance excludes distressed securities taken in from dismissed managers (market value includes distressed securities).
- Internal Intermediate Gov't Fixed Income Portfolio Index consists of the Bloomberg US Gov't: Int. Term Bond Index; prior to December 2009 the index consisted of the Bloomberg US Gov't/Credit Bond Index.
- Market values shown for Public Purpose Investments reflect cost value of the investments.
- The C.S. McKee Custom Index consists of the Bloomberg US Agg Bond Index through January 2018 and the Bloomberg US Agg Int Index thereafter.
- The PIMCO Custom Index consists of the Bloomberg US Agg Bond Index through February 2018 and the Bloomberg US Agg Int Index thereafter.
- The Arrowstreet mandate was converted from global equity to international equity on March 1, 2018.

 RVK

 STATE TREASURER'S OFFICE
MARK GORDON

Total Fund - Direct (Mgmt) & Indirect (Incentive) Investment Fees

	FY 2019			Difference vs. FY 2018		
	Total Fees	Mgmt Fee	Incentive Fee	Total Fees	Mgmt Fee	Incentive Fee
Wyoming State Total Fund	\$73,703,912	\$49,912,726	\$23,791,187	-\$10,378,591	-\$8,791,411	-\$1,587,180
% of Beginning WSTO FY Value	0.36%	0.24%	0.12%	-0.05%	-0.04%	-0.01%
Percentage of Total Fee	100%	68%	32%	0%	-2%	2%
US Equity	\$1,721,971	\$1,721,971	\$0	-\$2,297,548	-\$2,297,548	\$0
State Street All Cap	\$474,921	\$474,921	\$0	-\$364,617	-\$364,617	\$0
Epoch	\$859,479	\$859,479	\$0	-\$488,163	-\$488,163	\$0
Lazard	\$0	\$0	\$0	-\$558,478	-\$558,478	\$0
RBC	\$125,561	\$125,561	\$0	-\$1,148,300	-\$1,148,300	\$0
Internal Equity Russell 2000	\$262,010	\$262,010	\$0	\$262,010	\$262,010	\$0
International Equity	\$3,964,277	\$3,964,277	\$0	-\$609,988	-\$609,988	\$0
Internal International Equity Portfolio	\$88,848	\$88,848	\$0	-\$30,489	-\$30,489	\$0
Northern Trust	\$324,597	\$324,597	\$0	-\$231	-\$231	\$0
Arrowstreet	\$1,836,564	\$1,836,564	\$0	-\$239,840	-\$239,840	\$0
Fisher Investments	\$1,714,267	\$1,714,267	\$0	-\$339,427	-\$339,427	\$0
MLP	\$2,573,459	\$2,573,459	\$0	\$2,573,459	\$2,573,459	\$0
Harvest	\$2,573,459	\$2,573,459	\$0	\$2,573,459	\$2,573,459	\$0
Preferred Stock	\$291,518	\$291,518	\$0	\$291,518	\$291,518	\$0
Cohen & Steers	\$291,518	\$291,518	\$0	\$291,518	\$291,518	\$0
Private Equity	\$21,932,365	\$9,880,211	\$12,052,154	\$1,633,411	-\$1,690,137	\$3,323,548
Access Venture Partners II	-\$32,481	\$166,651	-\$199,132	-\$473,326	-\$9,318	-\$464,007
Cheyenne Capital Fund	\$15,812,832	\$4,996,921	\$10,815,911	\$4,007,504	-\$727,798	\$4,735,302
Hamilton Lane Nowood Fund	\$2,859,393	\$2,316,639	\$542,754	-\$1,103,405	-\$633,020	-\$470,385
Neuberger Berman Sauger Fund	\$3,292,621	\$2,400,000	\$892,621	-\$797,362	-\$320,000	-\$477,362
Real Estate	\$12,346,836	\$6,818,174	\$5,528,662	\$51,538	-\$1,397,622	\$1,449,159
Clarion Lion Properties Fund	\$2,382,704	\$2,382,704	\$0	\$119,519	\$119,519	\$0
UBS Trumbull Property Fund	\$2,003,346	\$2,003,346	\$0	-\$92,115	\$26,060	-\$118,176
Cornerstone Core Mortgage Fund I	\$17,928	\$17,928	\$0	-\$12,817	-\$12,817	\$0
Heitman Value Partners II	\$0	\$0	\$0	\$0	\$0	\$0
M&G Real Estate Debt Fund II	\$496,441	\$391,975	\$104,466	-\$453,549	-\$271,659	-\$181,890
Northwood Real Estate Partners IV	\$6,928,106	\$1,503,910	\$5,424,196	\$483,557	-\$1,265,668	\$1,749,225
SC Capital Core Fund	\$393,096	\$393,096	\$0	\$203,177	\$203,177	\$0
TA Realty VIII	\$1,543	\$1,543	\$0	-\$29,972	-\$29,972	\$0
WestRiver Real Estate Finance Fund	\$123,672	\$123,672	\$0	-\$166,262	-\$166,262	\$0
Absolute Return	\$9,085,002	\$6,055,101	\$3,029,901	-\$5,992,339	-\$3,380,394	-\$2,611,944
Grosvenor Silvery Lupine Class B	\$5,304,712	\$4,004,745	\$1,299,967	\$5,304,712	\$4,004,745	\$1,299,967
Grosvenor Silvery Lupine Class C	\$2,572,393	\$1,268,866	\$1,303,527	\$2,572,393	\$1,268,866	\$1,303,527
PAAMCO	\$1,207,897	\$781,490	\$426,408	-\$13,869,444	-\$8,654,006	-\$5,215,438
Convertible Bonds	\$2,786,838	\$1,164,679	\$1,622,159	-\$1,606,461	-\$82,940	-\$1,523,521
Allianz Global Investors	\$2,786,838	\$1,164,679	\$1,622,159	-\$1,606,461	-\$82,940	-\$1,523,521
Fixed Income	\$17,824,186	\$16,265,875	\$1,558,311	-\$4,548,227	-\$2,323,805	-\$2,224,422
C.S. McKee	\$1,598,206	\$1,598,206	\$0	\$3,838	\$3,838	\$0
JP Morgan Core	\$1,490,973	\$1,490,973	\$0	-\$483,060	-\$483,060	\$0
PIMCO Core	\$2,300,333	\$2,300,333	\$0	-\$41,950	-\$41,950	\$0
Neuberger Berman Credit	\$2,052,939	\$2,052,939	\$0	-\$291,348	-\$291,348	\$0
Seix	\$2,867,730	\$2,867,730	\$0	-\$11,349	-\$11,349	\$0
Grosvenor Silvery Lupine	\$5,281,315	\$3,723,005	\$1,558,311	-\$3,481,872	-\$1,257,450	-\$2,224,422
Investec	\$1,189,193	\$1,189,193	\$0	-\$126,557	-\$126,557	\$0
Stone Harbor	\$331,051	\$331,051	\$0	-\$663,696	-\$663,696	\$0
State Street TIPS	\$156,403	\$156,403	\$0	-\$8,276	-\$8,276	\$0
Internal Long Duration	\$0	\$0	\$0	\$0	\$0	\$0
Logan Circle	\$513,099	\$513,099	\$0	\$513,099	\$513,099	\$0
Internal Low Duration Portfolio	\$0	\$0	\$0	\$0	\$0	\$0
State Street Low Duration	\$42,944	\$42,944	\$0	\$42,944	\$42,944	\$0
Internal Fixed Income Portfolio	\$0	\$0	\$0	\$0	\$0	\$0
Cash & Cash Equivalents	\$1,177,461	\$1,177,461	\$0	\$126,045	\$126,045	\$0
JP Morgan Cash Composite	\$1,177,461	\$1,177,461	\$0	\$126,045	\$126,045	\$0

Report Notes:

Allianz refunded prior excess fee charges during August 2019. The August 2019 fee refund is not included within FY 2019 calculations.

The STO paid a lump sum payment in the 2nd quarter of FY 2018 (October-December) that covered calendar year 2016 and calendar year 2017 fees for State Street All Cap.

State Street All Cap fees reflect the quarterly fee accruals as they were incurred on a quarterly basis.

State Street All Cap FY 2018 fee also includes a settlement amount of \$348K paid in May 2018.

Fees are based on actual quarterly fees paid and were provided by Investment Managers and records of the Treasurer's Office.

Fees shown for Arrowstreet include fees for both the separate account and commingled fund.

Mgmt fees are fees charged for the costs of running the investment. These include both fees paid via explicit invoice and fees paid directly out of the investment itself.

Fund of fund management fees shown include management fees for the fund of fund and underlying fund levels.

Incentive fees are fees that are dependent on the manager's performance over a given period. These fees are typically paid from a portion of investment profits.

INVESTMENT INCOME

As of June 30, 2019

	Total Investment Value	Current Market Value	Gross Dividends	Gross Interest	Funds Diverted for Fees & Other Expenses	Distributed Capital Gains (Losses)	Net Income Distributed	FY19 Undistributed Income	FY19 Undistributed Gains (Losses)	SAP Participation and Pool A Realized Losses Held Over	Fiscal Year To Date Return	3 Year	5 Year
Permanent Wyoming Mineral Trust Fund	\$7,437,123,556	\$7,971,971,056	\$109,890,476	\$102,152,988	(\$14,398,226)	\$167,436,022	\$365,081,260	(\$978,332)	(\$28,002,586)		5.13%	6.26%	4.44%
Common School Permanent Land Fund	3,845,632,307	4,078,488,970	55,055,156	53,244,366	(6,568,754)	78,013,179	179,743,947	(1,591,126)	(16,674,473)		5.25%	6.29%	4.54%
- Common School	3,840,632,307	4,073,186,215	54,982,665	53,174,259	(6,560,089)	77,911,017	179,507,853	(1,589,056)	(16,652,753)				
- Common School II	5,000,000	5,302,755	72,491	70,107	(8,666)	102,162	236,094	(2,070)	(21,720)				
University Permanent Land Fund	21,080,543	26,193,894	349,230	270,498	(57,333)	471,931	1,034,326	(5,091)	962,131		5.59%	6.97%	4.89%
Remaining Permanent Land Funds:	186,655,926	194,691,580	2,644,778	2,484,186	(320,911)	4,385,216	9,193,269	(2,917)	(968,055)		5.09%	6.11%	4.39%
- Miner's Hospital Permanent Land Fund	68,827,424	71,790,487	973,480	914,370	(117,725)	1,613,909	3,384,035	(1,076)	(357,544)				
- Public Buildings @ Cap Permanent Land Fund	15,226,788	15,882,310	208,867	196,184	(25,153)	350,172	730,071	(238)	(78,552)				
- Fish Hatchery Permanent Land Fund	5,771,159	6,019,611	82,206	77,214	(9,953)	135,888	285,356	(90)	(30,008)				
- D.D. & B. Permanent Land Fund	4,520,847	4,715,472	64,125	60,232	(7,762)	106,101	222,696	(71)	(23,461)				
- Carey Act Permanent Land Fund	2,486,638	2,593,689	35,227	33,088	(4,263)	58,239	122,293	(39)	(12,852)				
- Omnibus Permanent Land Fund	59,896,669	62,475,258	844,832	793,533	(102,158)	1,401,774	2,937,981	(936)	(310,785)				
- State Hospital Permanent Land Fund	2,917,559	3,043,162	41,861	39,319	(5,083)	68,854	144,951	(46)	(15,118)				
- State Training School Permanent Land Fund	4,873,019	5,082,805	67,907	63,784	(8,204)	113,389	236,876	(76)	(25,271)				
- Penitentiary Permanent Land Fund	9,646,664	10,061,958	150,937	141,772	(19,432)	245,195	518,473	(151)	(49,628)				
- Agriculture College Permanent Land Fund	12,489,161	13,026,827	175,335	164,689	(21,180)	291,694	610,538	(195)	(64,836)				
Hathaway Scholarship Endowment Fund	557,662,645	591,871,445	8,417,891	8,094,584	(1,067,151)	9,753,616	25,198,941	(26,165)	(2,761,808)		5.10%	5.55%	4.09%
Higher Education Endowment Fund	114,147,274	120,309,188	1,785,770	1,769,839	(219,114)	1,674,570	5,011,066	(25,483)	(581,922)		5.11%	5.52%	4.05%
Workers' Compensation Fund	2,097,734,910	2,234,257,336	22,413,577	40,557,859	(3,937,580)	21,154,340	80,188,195	175,382	(11,618,743)		8.54%	5.49%	4.10%
Pool A	244,344,475	243,277,589	2,468,345	4,554,161	(410,473)	(1,522,240)	5,089,793	20,408	(2,557,383)		5.79%	2.73%	2.71%
- Public TV Fund	3,000,011	2,986,912	31,002	57,200	(5,161)	(17,588)	65,454	252	(31,569)				
- Wyoming Tobacco Settlement Fund	85,585,783	85,212,088	880,786	1,625,072	(146,695)	(621,786)	1,737,377	7,146	(895,589)				
- Wildlife Trust Fund	109,075,744	108,599,484	1,085,717	2,003,177	(180,409)	(620,300)	2,288,185	9,117	(1,143,208)				
- Wyoming Cultural Fund	15,471,338	15,403,785	156,368	288,503	(26,009)	(89,172)	329,690	1,293	(162,140)				
- Trust Fund (Game and Fish)	31,211,600	31,075,320	314,472	580,209	(52,199)	(173,394)	669,087	2,600	(324,875)				
State Agency Pool (SAP)	5,802,782,678	5,983,892,885	40,256,075	113,953,915	(7,705,302)	(8,254,741)	138,249,947	4,231,909	(58,058,777)	(534)	4.41%	2.23%	2.26%
TOTAL	\$20,307,164,313	\$21,444,953,943	\$243,281,297	\$327,082,396	(\$34,684,844)	\$273,111,893	\$808,790,742	\$1,798,585	(\$120,261,616)	(\$534)	5.37%	5.09%	3.87%

NOTES:

- The State Treasurer amended and restated the Treasurer's Interpretative Policy effective July 1, 2018. For State Permanent Funds, 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. For State Non-Permanent Funds, capital gains and losses are recognized as income for the year.

Securities Lending Program

The Wyoming Master Investment Policy Statement, adopted by the State Loan and Investment Board, permits the use of a securities lending program with a custodial bank or an independent securities lending agent. The Wyoming State Treasurer's Office (WSTO) employs its custodial bank, J.P. Morgan, as the securities lending agent.

Securities lending is an investment management activity that mirrors the fundamentals of a loan transaction. Securities are lent to broker-dealers acting on behalf of a client. In exchange, the custodian receives cash and/or securities as collateral and invests the collateral with the goal of earning a higher yield than the interest rate paid to the borrower. Securities on loan must be collateralized at 102%. WSTO only accepts cash, U.S. Treasuries and U.S. Agency securities as collateral. The collateral is marked-to-market daily. In times of market stress, the collateral held by the WSTO will appreciate relative to the securities on loan protecting the WSTO from market downturns and counterparty risk. Earnings generated above and beyond the interest paid to the borrower represent the net income to WSTO from the transaction. In addition, J.P. Morgan provides the WSTO full indemnification against loss if the borrower fails to return the securities. All domestic and international borrowers are secure, high quality counterparties. The first objective of the investment portfolio is to safeguard principal.

A minimum of 15% of the portfolio must be invested in overnight securities and a 60 day weighted average portfolio maturity ensures significant liquidity. WSTO has the right to terminate any loan in whole or in part by providing the custodial bank with written notice.

WSTO Performance Metrics (USD)

	FY 2018	FY 2019	Prior Year Change
Earnings	6.1 MM	5.0 MM	↓
Lendable (avg.)	13.6 Bn	13.7 Bn	↑
Loan Balances (avg.)	2.3 Bn	2.1 Bn	↓
Utilization Rates (avg.)	16.65%	15.48%	↓
Cash vs. Non-cash %	76% / 24%	77% / 23%	-
Average Spread (bps)	35.99	30.87	↓
Return to Program (bps)	26.82	23.42	↓

Security ID	Security Description	Earnings	% of Earnings
912828V72	UNITED STATES OF AMERICA NOTES FIXED 1.875% 31/JAN/2022	\$ 458,414.03	9.2%
464287655	ISHARES RUSSELL 2000 ETF	444,961.64	9.0%
912828W22	UNITED STATES OF AMERICA NOTES FIXED 1.375% 15/FEB/2020	164,195.29	3.3%
912828W63	UNITED STATES OF AMERICA NOTES FIXED 1.625% 15/MAR/2020	163,202.29	3.3%
912828U99	UNITED STATES OF AMERICA NOTES FIXED 1.25% 31/DEC/2018 U	158,832.17	3.2%
All Others		3,579,825.62	72.0%
Total		\$4,969,431.04	

PUBLIC PURPOSE INVESTMENTS
As of June 30, 2019

	See Notes Next Page	Interest Rate	Statutory Allotment	Outstanding Investments	Interest Paid
<u>Permanent Mineral Trust Fund</u>					
Aeronautics Commission - Airport Loans (OSLI)	A	5.00%	\$10,000,000	\$2,524,237	\$139,566
Capital Infrastructure Loans	B	1.375%	400,000,000	\$180,000	\$0
Farm Loans (OSLI)	C	4% - 10%	275,000,000	22,747,603	668,194
Hot Springs State Park (OSLI)	D	6% - 12%	2,000,000	237,402	14,791
Hydro-Power Development Loans (OSLI)	E	4% -6%	10,000,000	0	0
Industrial Development Bonds (repealed July 1, 2016)	F				
IDB - Lost Creek		5.75%		13,727,458	1,220,283
Irrigation Loans (OSLI)	G	4% -6%	20,000,000	351,689	18,597
Joint Powers Loans (OSLI)	H	5.83%	60,000,000	6,606,407	350,943
Reimbursement to Counties for Deferred Taxes	I	0.00%	2,000,000	0	0
UW Student Housing Loans	J	2.50%	60,000,000	10,807,829	0
Water Development - Gillette Madison Pipeline Project	K	4.00%	44,328,358	44,328,358	0
			\$883,328,358	\$101,510,982	\$2,412,374
<u>Common School Permanent Land Fund</u>					
Drainage District Bonds	L	4.00%	0	24,000	0
Wyoming Real Estate-State Land Purchases	M	0.00%	87,693,794	18,335,738	0
			\$87,693,794	\$18,359,738	\$0
<u>State Agency Pool (Pooled Investments)</u>					
Time Deposit Open Account Banking Program	N	1.20%	UNLIMITED	192,850,000	3,567,509
Sub-Total			\$971,022,152	\$312,720,719	\$5,979,883
<u>Other Wyoming Investments from Permanent Mineral Trust Fund</u>					
Basin Electric Power Bond	O	4.69%	0	17,994,000	925,360
<u>Appropriations</u>					
Large Project Fund - Accounted for on WOLFS (ending June 2019)	P	Set by SLIB	25,000,000	4,634,153	0
Total Public Purpose Investments			\$996,022,152	\$335,348,872	\$6,905,244

PUBLIC PURPOSE INVESTMENTS

Notes & Statutory References

- (A) Aeronautics Commission, airport construction, development and improvement loans under W.S. 9-12-703
- (B) Capital Infrastructure Loans under W.S. 16-1-111
- (C) Farm loans under W.S. 11-34-129
- (D) Hot Springs State Park loans under W.S. 36-8-318
- (E) Hydro-Power Development loans under W.S. 11-34-306(a)
- (F) Industrial Development Bonds - no investment in excess of \$100 million is to be made for any one project without specific legislative authority; W.S. 9-4-715(m)(vii) repealed July 1, 2016
- (G) Irrigation district loans under W.S. 11-34-302
- (H) Joint Powers loans under W.S. 16-1-109
- (I) Deferred Property Taxes under W.S. 9-4-715(j)
- (J) UW Student Housing loans under W.S. 21-18-319
- (K) Water Development - Gillette Madison Pipeline Project under 2009 Wyoming Session Laws, Chapter 103 (\$5,527,500), and 2010 Wyoming Session Laws, Chapter 115 (\$8,085,000), and 2011 Wyoming Session Laws, Chapter 61 (\$15,939,739) and (\$14,776,119). Interest on monies loaned does not begin to accrue until the Water Development Commission determines the project beneficial to the sponsor. Information provided by the Water Development Agency indicates that the benefits accrual date is estimated to occur before July 1, 2018
- (L) Drainage District Bond Program under W.S. 41-6-201 through 202
- (M) Wyoming Real Estate-State Land Purchases authorizes the investment of funds received from sale of state trust lands plus up to \$2 million 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 W.S. 9-4-715(k). In addition the State Loan and Investment Board may request that the State Treasurer invest up to \$4 million of the CSPLF. 2005 Wyoming Session Laws, Chapter 191, Section 60
- (N) Time Deposit Open Account 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 under W.S. 9-4-803
- (O) Basin Electric Power Bond under W.S. 37-5-406
- (P) Large Project Fund under 2014 Session Laws Chapter 46 amended by 2016 Session Laws Chapter 41, and 2017 Session Laws Chapter 150

Interfund Loan report coming soon.

Interfund Loan report coming soon.

INTERFUND LOAN

School Foundation Program

Interfund loans from the corpus of the Common School Permanent Land Fund (CSPLF) pursuant to W.S. 21-13-316 are made to the Department of Education to fund temporary cash flow shortfalls in the School Foundation Program Fund. The primary reason for the lack of liquidity to make scheduled School Foundation Program payments is due to the timing of receipt of revenues primarily from federal mineral royalties and ad valorem taxes.

A cash flow analysis spreadsheet on the following page shows the schedule of actual revenue receipts during FY19, the schedule of statutory School Foundation Program Fund payments, and the incorporation of the interfund loan from and repayment to the CSPLF for FY19.

Pursuant to W.S. 21-13-316, in FY19 no interest was charged on the loan (the interest provision was repealed the 2017 General Session, Chapter 74).

Liquidity needs were built into the State's Investment Asset Allocation Plan for the CSPLF in FY19.

Historical School Foundation			
FY	Date of Loan	Amount Borrowed	Interest Paid
2018-19	8/13/2018	\$125,000,000	\$0
2017-18	5/10/2018	\$50,000,000	\$625,000
2016-17	7/29/2016	\$375,000,000	\$15,133,334
2015-16	9/1/2015	\$220,000,000	\$10,693,333
2014-15	11/1/2014	\$225,000,000	\$7,100,000
2013-14	10/1/2013	\$50,000,000	\$1,547,500
2012-13	11/1/2012	\$160,000,000	\$5,147,500
2011-12	11/1/2011	\$155,000,000	\$3,947,500
2010-11	11/1/2010	\$365,000,000	\$10,402,500
2009-10	10/1/2009	\$378,000,000	\$4,460,000
2008-09	11/1/2008	\$25,000,000	\$125,000
Source: WDE payment and cash flow records.			

WYOMING DEPARTMENT OF EDUCATION
School Foundation Account - with CSPLF Borrowing Cash Flow
As of June 30, 2019

	1st QTR	2nd QTR	3rd QTR	4th QTR	FY 2019 Totals	LSO & CREG Estimates Jan 2019 CREG LSO Fiscal Profile
Beginning Balance	\$263,548,966	\$319,509,373	\$310,426,944	\$164,541,059	\$263,548,966	\$263,548,966
Revenues and Transfers						
Education Program Revenue	\$11,617,911	\$138,478,420	\$65,493,935	\$135,618,658	\$351,208,923	\$354,507,626
Federal Mineral Royalties - under \$200M	14,784,000	29,568,000	22,176,000	22,176,000	88,704,000	88,704,000
Federal Mineral Royalties - over \$200M	0	9,799,271	18,145,614	57,197,050	85,141,935	100,020,000
Federal Mineral Royalties - over \$500M	0	31,295,057	0	0	31,295,057	68,700,000
6404-State Treasurer ¹	213,479,728	4,170,378	0	227,075,605	444,725,711	409,679,728
2299-Net Undist Capital Gain/(Loss)	(24,107)	(50,438)	9,617	130,411	65,483	0
CSPLF Borrowing	125,000,000		0	(125,000,000)	0	0
Total Revenues and Transfers	\$364,857,532	\$213,260,688	\$105,825,166	\$317,197,724	\$1,001,141,110	\$1,021,611,354
Expenditures by Agency						
School Foundation Program (205)	(\$256,482,194)	(\$219,119,386)	(\$250,102,531)	(\$127,484,937)	(\$853,189,048)	(\$863,858,608)
Borrowing Cost payable to CSPLF	0	0	0	0	0	0
Department of Education (005 206)	(565,884)	(507,527)	(604,284)	(552,068)	(2,229,763)	(4,055,074)
State Treasurer (004)						
Capital Facilities Bond Debt Service (FMR) ²	0	(548,400)	1,105,500	0	557,100	(3,500,000)
Auto. Appropriation to CSPLF Reserve ³	(48,853,623)	0	0	0	(48,853,623)	(48,853,623)
Military Department (007)	(289,278)	(205,188)	(239,122)	(228,777)	(962,366)	(1,243,868)
Attorney General (015)	(140,680)	(150,746)	(140,123)	(116,634)	(548,184)	(919,702)
State Parks & Cultural Resources (024)	0	7,287	0	0	7,287	(20,000)
School Facilities Department (027)	0	0	0	0	0	(19,950)
Community College (057)	(171,966)	(120,415)	(90,061)	(108,566)	(491,008)	(1,514,547)
State Lands and Investments (060)	(63,328)	(22,684)	(75,378)	0	(161,389)	(880,295)
Enterprise Technology Services (077)	(2,173,210)	(1,642,519)	(1,565,359)	(1,545,153)	(6,926,241)	(10,006,197)
Legislative Service Office (201)	0	(33,539)	0	(18,129)	(51,668)	(51,668)
Vouchers Payable	(4,638)	0	289	(289)	(4,638)	(4,638)
Accounts Payable	(152,324)	0	19	0	(152,306)	(152,306)
Total Expenditures	(\$308,897,126)	(\$222,343,117)	(\$251,711,051)	(\$130,054,553)	(\$913,005,847)	(\$935,080,475)
Ending Balance	\$319,509,373	\$310,426,944	\$164,541,059	\$351,684,229	\$351,684,229	\$350,079,845
CSPLF Loan Balance				\$125,000,000	\$125,000,000	

NOTES:

1. W.S. 21-13-301 - Transfer from Common School Income Fund
2. W.S. 9-4-605 - FMR Divert/Repay Cap Fac Bond Debt Service
3. W.S. 9-4-719 - Common School Spending Policy Transfer to Common School Reserve
4. W.S. 21-13-306(c) - Transfer from SFPA to Cap Con

APPROVED DEPOSITORIES

The Board of Deposits (Board) approves those Wyoming banks and savings institutions that have applied for and are qualified to be an eligible state depository for the purpose of placing public funds. Below is an inclusive listing of all 42 approved depositories as of June 30, 2019. Each institution will remain on the list until its authority is revoked by the Board.

FY19 Approved Depository List

ANB	FirstTier Bank
Bank of Bridger	Glacier Bank
Bank of Commerce	Hilltop National Bank
Bank of Jackson Hole	Jonah Bank of Wyoming
Bank of Star Valley	Lusk State Bank
Bank of the West	Pinnacle Bank
Banner Capital Bank	Platte Valley Bank
Big Horn Federal Savings Bank	Points West Community Bank
Buffalo Federal Bank	RNB State Bank
Central Bank and Trust	Rocky Mountain Bank
Cheyenne State Bank	Rolling Hills Bank & Trust
Commerce Bank of Wyoming	Security State Bank
Converse County Bank	State Bank
Cowboy State Bank	Summit National Bank
Farmers State Bank	Sundance State Bank
First Federal Bank & Trust	Uinta Bank
First Interstate Bank	US Bank
First National Bank of Gillette	Wells Fargo Bank
First Northern Bank of Wyoming	Western States Bank
First State Bank of Newcastle	Wyoming Bank & Trust
First Western Trust Bank	Wyoming Community 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 Wyoming Statute 9-4-807.

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

TIME DEPOSIT OPEN ACCOUNT (TDOA)

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.

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 rates for the four quarters of FY19 were set at 1.94%, 2.25%, 2.46% and 2.50%. Therefore, the annualized TDOA rate for FY19 was actually 2.29%.

TDOA income received in FY19 was \$4,109,310.

Only 24 of the 42 approved depositories had TDOA funds as of June 30, 2019.

TDOA Deposits in Wyoming Banks as of June 30, 2019 Totaled \$192,850,000

ANB	11,300,000	Jonah Bank of Wyoming	11,100,000
Bank of Bridger	4,600,000	Pinnacle Bank	27,100,000
Bank of Jackson Hole	26,500,000	Platte Valley Bank	12,100,000
Banner Capital Bank	2,500,000	Points West Community Bank	3,600,000
Buffalo Federal Bank	4,700,000	Rocky Mountain Bank	6,000,000
Central Bank & Trust	2,650,000	Rolling Hills Bank & Trust	200,000
Cheyenne State Bank	250,000	Security State Bank	1,000,000
Commerce Bank of Wyoming	2,800,000	Summit National Bank	300,000
First National Bank of Gillette	5,000,000	Uinta Bank	2,800,000
First Northern Bank of Wyoming	12,200,000	Western State Bank	7,300,000
FirsTier Bank	5,900,000	Wyoming Bank & Trust	250,000
Glacier Bank	37,700,000	Wyoming Community Bank	5,000,000

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.

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 has positioned the WYO-STAR portfolio defensively. With liquidity being the second objective, WYO-STAR guarantees the return of funds on 24 hours' notice.

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

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.

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, RVK.

As of June 30, 2019 there were 173 active WYO-STAR participants, some with multiple accounts.

The WYO-STAR pool balance on June 30, 2019 was \$715,310,150.

Participants earned \$14,626,005 in FY19.

WYO-STAR yields realized in FY19 are as follows:

07/18	1.715%	01/19	2.306%
08/18	1.716%	02/19	2.284%
09/18	1.702%	03/19	2.305%
10/18	1.934%	04/19	2.410%
11/18	2.125%	05/19	2.107%
12/18	1.868%	06/19	2.020%

The annualized yield for FY19 was 2.04%.

Participants can access their accounts through the Internet Participant Access System (IPAS). General information about the WYO-STAR program, daily rate information and forms are available on the State Treasurer's website.

WYO-STAR II

Wyoming State Treasurer's Asset Reserve

In 2016, the Wyoming State Legislature authorized any county, municipality, school district, or any other local government entity to participate in the WYO-STAR II 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.

The primary goal of the WYO-STAR II portfolio is to pursue a short-term and extended-term fixed income investment strategy. WYO-STAR II is invested in a manner to obtain the highest return possible consistent with the preservation of the corpus. WYO-STAR II does not have a guaranteed rate of return, and participants expose their investments to market losses, as well as gains. All market risks associated with the pool are assumed by the participant. With liquidity being the second objective, WYO-STAR II guarantees the return of funds to pool participants on 24 hours' notice.

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

Each WYO-STAR II 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.

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

As of June 30, 2019 there were 12 active WYO-STAR II participants, some with multiple accounts.

The WYO-STAR II pool balance on June 30, 2019 was \$25,313,329.

Participants earned \$216,729 in FY19.

WYO-STAR II yields realized in FY19 are as follows:

12/18	2.292%	04/19	3.101%
01/19	2.830%	05/19	3.390%
02/19	3.291%	06/19	2.870%
03/19	3.269%		

The annualized yield for FY19 was 3.01%.

Participants can access their accounts through the Internet Participant Access System (IPAS). General information about the WYO-STAR II program, daily rate information and forms are available on the State Treasurer's website.

Spending Policy for FY2019

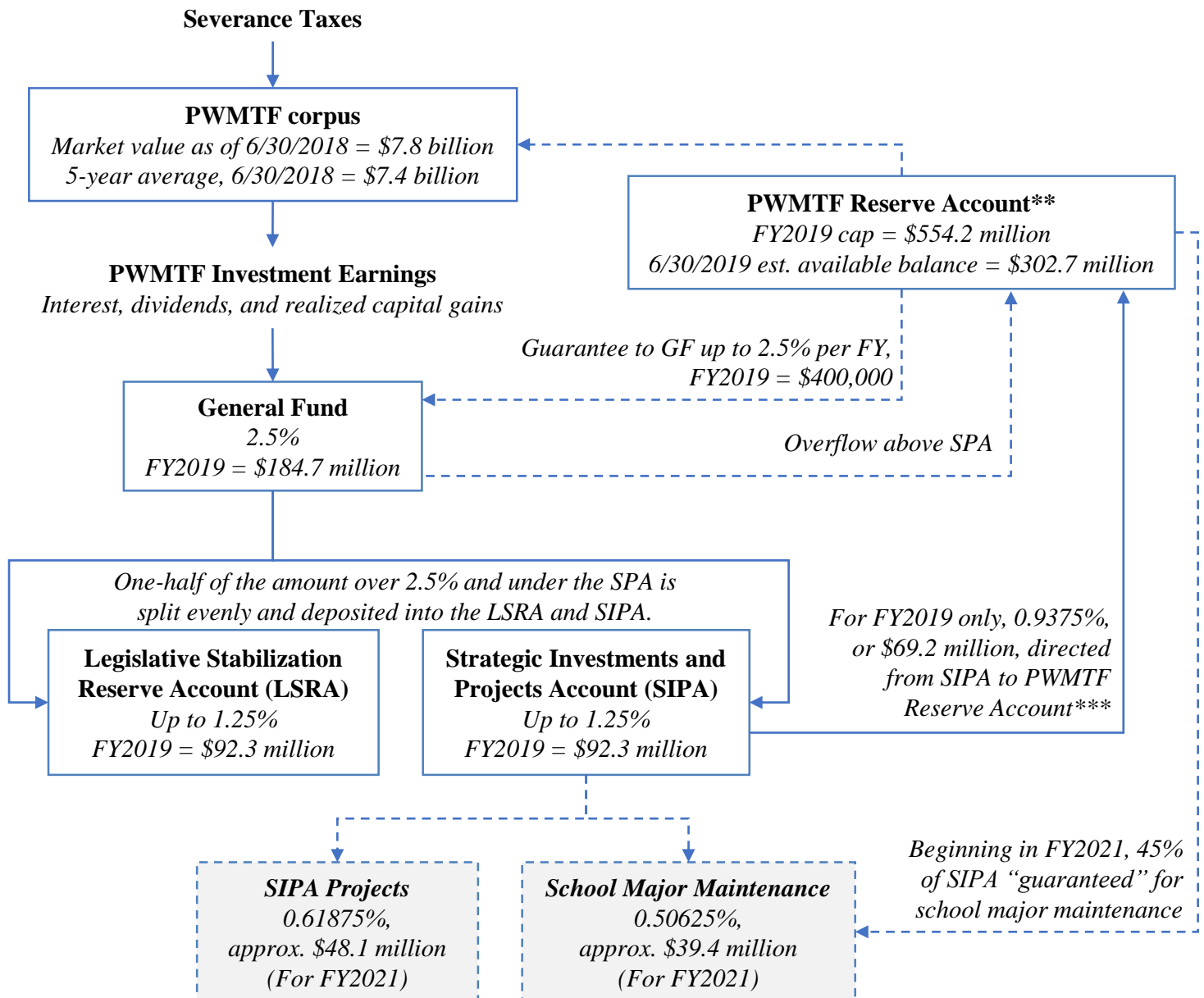
Permanent Wyoming Mineral Trust Fund (PWMTF)

W.S. 9-4-719

The **Spending Policy Amount (SPA)** for FY2019 is 5% of the 5-year average market value of the PWMTF corpus.* W.S. 9-4-719(a) outlines the purpose of the spending policy as:

(a) The purpose of this section is to establish a spending policy for earnings on permanent fund investments to provide, in descending order of importance:

- (i) Consistent, sustainable flow of earnings for expenditure over time;
- (ii) Protection of the corpus of the permanent funds against inflation; and
- (iii) To the extent practicable, increases in earnings available for expenditure to offset the effects of inflation.



Notes: * For future years, the SPA will change as follows: FY2020 = 5%, FY2021 = 4.75%, FY2022 = 4.5%

**Excess over 150% of the SPA in the PWMTF Reserve Account goes back to the PWMTF corpus.

*** Pursuant to W.S. 9-4-719(q)(iii), the first priority (i.e., 0.9375% directed to the PWMTF Reserve Account) shall be fully funded before deposits are made into the second priority (0.3125% directed to the SIPA).

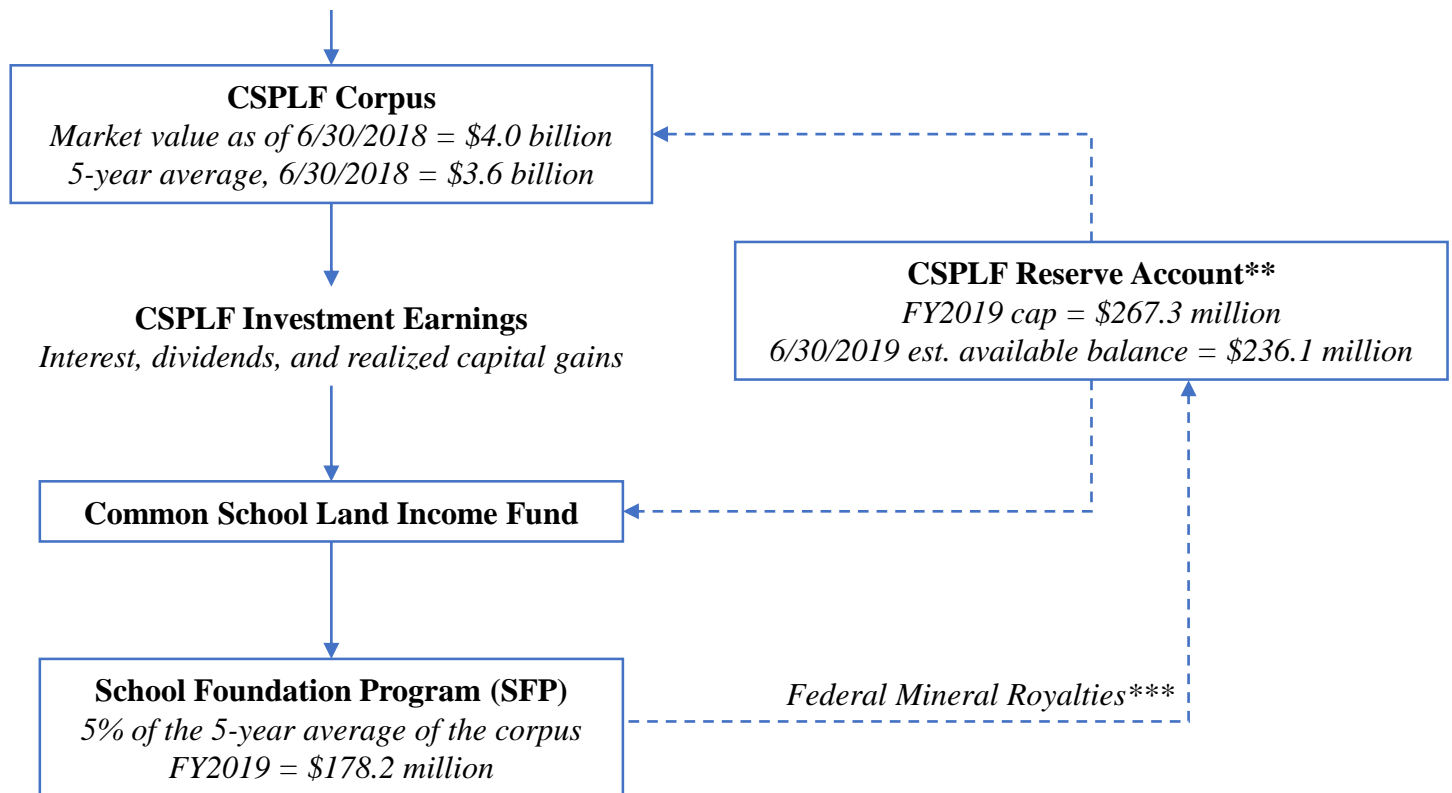
Spending Policy Reserve Account for FY2019
Common School Permanent Land Fund (CSPLF)
W.S. 9-4-719

The **Spending Policy Amount (SPA)** for FY2019 is 5% of the five-year average of the value of the corpus.* W.S. 9-4-719(a) outlines the purpose of the spending policy as:

(a) The purpose of this section is to establish a spending policy for earnings on permanent fund investments to provide, in descending order of importance:

- (i) Consistent, sustainable flow of earnings for expenditure over time;
- (ii) Protection of the corpus of the permanent funds against inflation; and
- (iii) To the extent practicable, increases in earnings available for expenditure to offset the effects of inflation.

**Sale of school lands, at least 2/3 of production
and sale of state mineral royalties, easements,
surface damage payments, etc.**



Notes:

* For future years, the SPA will change as follows: FY2020 = 5%, FY2021 = 4.75%, FY2022 = 4.5%

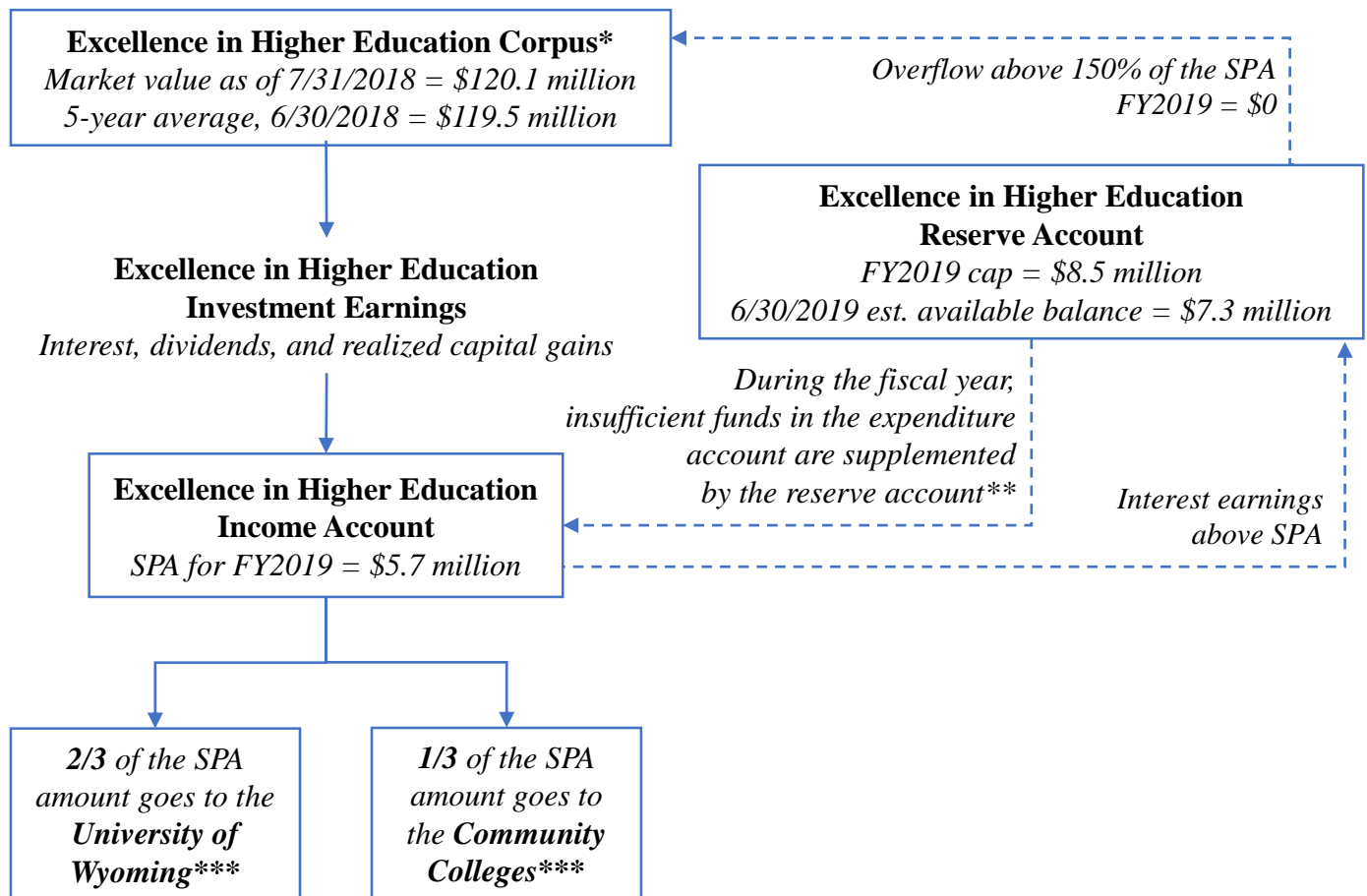
**The SPA is “guaranteed” from the CSPLF Reserve Account to the Common School Land Income Fund. The excess within the CSPLF Reserve Account over 150% of the SPA is directed to the CSPLF corpus (automatic appropriation).

***There is an automatic appropriation to the CSPLF Reserve Account from FMR amounts exceeding \$200 million that would otherwise be deposited in the SFP for any amounts in excess of the SPA.

Spending Policy Reserve Account for FY2019 **Excellence in Higher Education Endowment Program** **W.S. 9-4-719**

The **Spending Policy Amount (SPA)** for FY2019 is 4.75% of the 5-year average market value of the Excellence in Higher Education corpus. W.S. 9-4-719(a) outlines the purpose of the spending policy as:

- (a) The purpose of this section is to establish a spending policy for earnings on permanent fund investments to provide, in descending order of importance:
- (i) Consistent, sustainable flow of earnings for expenditure over time;
 - (ii) Protection of the corpus of the permanent funds against inflation; and
 - (iii) To the extent practicable, increases in earnings available for expenditure to offset the effects of inflation.



Notes:

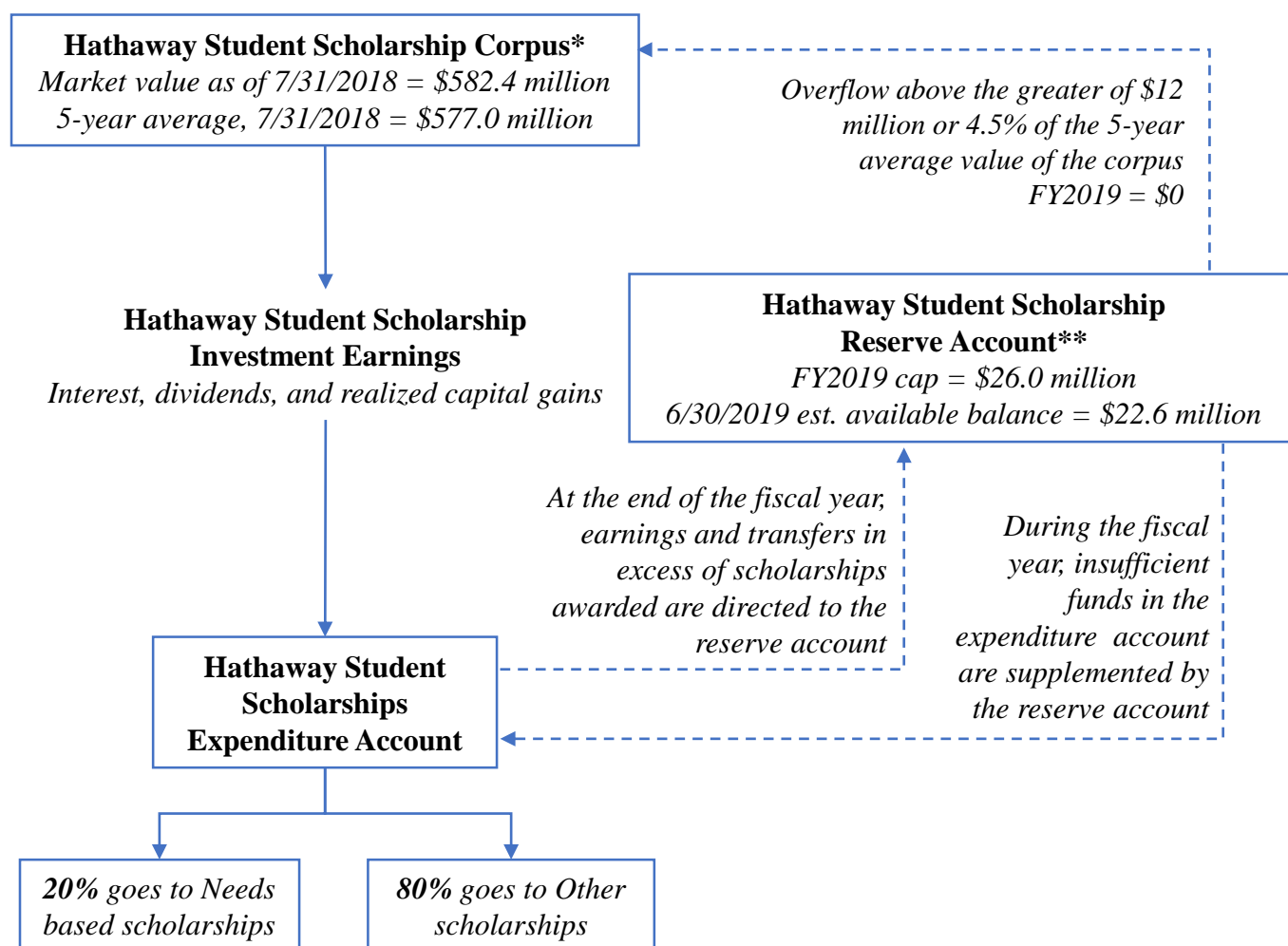
*A portion of the federal mineral royalties over the \$200 million cap that would have been deposited in the School Foundation Program Account were deposited in the Excellence in Higher Education fund (corpus) until the maximum of \$105 million was achieved. It was fully funded in FY2008.

** Pursuant to W.S. 9-4-719(n) the supplement for insufficient funds from the Excellence in Higher Education Reserve Account is limited to one-half of the difference between the investment income earned and the SPA.

*** Pursuant to W.S. 21-16-1201(c), the institutions shall only expend 90% of the distributions in fiscal years in which the SPA is reached or exceeded.

Spending Policy Reserve Account for FY2019 **Hathaway Student Scholarship Endowment Program** **W.S. 21-16-1302**

The **Spending Policy Amount** (SPA) for this account is established as the amount necessary to fund scholarships for Wyoming students to attend the University of Wyoming and community colleges, if students meet legislatively established criteria, pursuant to W.S. 21-16-1303 through 1306.



Notes:

*A portion of the federal mineral royalties over the \$200 million cap that would have been deposited in the School Foundation Program Account were deposited in the Hathaway Student Scholarship fund (corpus) until the maximum of \$400 million was achieved. It was fully funded in FY2007. Pursuant to 2008 Session Laws, Ch. 48, Section 3, Section 027, Footnote 2, an additional \$50 million was appropriated from the federal coal lease bonus sales to the Hathaway Student Scholarship fund (corpus).

DISTRIBUTIONS TO COUNTIES

Quarterly Distributions

As of June 30, 2019

County	Railroad Car Tax W.S. 39-13-104	Veterans' Exemption W.S. 39-13-105	U.S. Forest Reserve W.S. 9-4-501	Taylor Grazing Act W.S. 9-4-401	Severance Tax Distribution W.S. 39-14-711	Livestock Predatory Animal Control Fees W.S. 11-6-210	Fines & Penalties W.S. 8-1-109	Native American Exemption W.S. 31-3-101	Lottery Funds W.S. 9-17-111	Total
Albany	\$135,624	\$238,103	\$308,694	\$31,808	\$367,717	\$50,182	\$109,288	\$0	\$29,971	\$1,271,387
Big Horn	45,362	109,983	345,864	20,971	149,980	37,545	35,289	0	20,619	\$765,614
Campbell	183,653	243,172	0	40,570	444,584	80,590	404,253	0	155,881	\$1,552,703
Carbon	114,530	116,188	216,924	57,871	165,527	99,543	75,204	0	30,823	\$876,610
Converse	202,634	131,520	52,877	22,485	139,982	64,847	82,610	0	60,295	\$757,251
Crook	20,323	82,889	147,981	13,695	114,021	60,527	54,595	0	36,226	\$530,258
Fremont	29,894	363,193	672,979	31,246	397,750	73,332	236,410	300,125	123,031	\$2,227,961
Goshen	107,569	154,650	0	3,989	169,775	56,025	39,966	0	44,063	\$576,037
Hot Springs	18,164	73,700	27,326	17,707	112,358	19,342	15,081	7,496	12,713	\$303,887
Johnson	0	120,875	199,353	51,124	102,083	70,982	38,388	0	38,453	\$621,256
Laramie	203,171	1,594,570	0	8,853	887,179	16,756	279,280	0	326,549	\$3,316,357
Lincoln	60,772	127,038	621,386	10,900	186,199	54,002	79,885	0	76,275	\$1,216,456
Natrona	50,766	566,701	22	124,025	730,660	51,363	350,894	0	130,894	\$2,005,325
Niobrara	68,488	28,581	0	15,794	104,669	50,544	7,775	0	9,737	\$285,588
Park	28,525	350,072	832,945	23,041	284,170	33,990	85,488	0	83,527	\$1,721,757
Platte	70,683	140,295	739	11,486	122,148	16,940	29,083	0	38,792	\$430,164
Sheridan	63,205	395,271	178,927	4,716	299,329	58,306	88,022	0	92,236	\$1,180,013
Sublette	0	66,900	562,640	13,474	102,371	13,747	40,517	0	50,390	\$850,038
Sweetwater	221,277	320,414	52,558	50,983	424,157	19,700	293,986	0	106,923	\$1,489,999
Teton	0	52,822	328,909	204	209,874	0	69,582	0	80,628	\$742,020
Uinta	99,803	158,407	36,242	10,724	224,590	53,531	104,465	0	356,195	\$1,043,957
Washakie	16,666	76,614	23,575	19,234	146,632	38,229	57,699	0	19,265	\$397,914
Weston	70,107	89,000	5,443	9,427	128,244	36,797	60,252	0	24,795	\$424,065
Grand Total	\$1,811,216	\$5,600,958	\$4,615,383	\$594,326	\$6,014,000	\$1,056,819	\$2,638,013	\$307,621	\$1,948,281	\$24,586,616

DISTRIBUTIONS TO CITIES & TOWNS
Quarterly Distributions
As of June 30, 2019

City/Town	Severance Tax W.S. 39-14-211	Federal Mineral Royalty W.S. 9-4-601	Lottery Funds W.S. 9-17-111	Total
Afton	\$71,079	\$149,034	\$16,387	\$236,501
Albin	6,715	20,208	1,931	28,854
Alpine	30,717	72,923	7,082	110,722
Baggs	16,323	29,453	6,314	52,090
Bairoil	3,932	16,443	1,569	21,944
Bar Nunn	82,172	97,375	25,613	205,160
Basin	47,671	94,203	6,293	148,167
Bear River	19,254	40,507	38,370	98,131
Big Piney	20,923	60,717	4,334	85,974
Buffalo	170,094	237,395	47,381	454,870
Burlington	10,684	29,751	1,411	41,846
Burns	11,166	25,650	3,212	40,028
Byron	21,999	51,551	2,904	76,454
Casper	2,052,141	2,072,217	639,782	4,764,140
Cheyenne	2,213,517	2,720,745	636,608	5,570,870
Chugwater	7,865	21,429	2,409	31,703
Clearmont	5,231	18,169	1,312	24,713
Cody	353,171	445,991	66,127	865,290
Cokeville	19,847	52,426	4,576	76,849
Cowley	24,299	55,372	3,208	82,879
Dayton	28,157	48,209	7,065	83,432
Deaver	6,603	22,971	872	30,447
Diamondville	27,341	66,557	6,303	100,202
Dixon	3,598	15,186	1,392	20,177
Douglas	226,742	296,292	79,371	602,405
Dubois	36,430	72,871	6,259	115,559
East Thermopolis	9,423	21,349	2,216	32,989
Edgerton	7,234	19,252	2,255	28,741
Elk Mountain	7,086	18,274	2,741	28,100
Encampment	16,694	29,782	6,457	52,933
Evanston	459,531	623,779	915,773	1,999,082
Evansville	94,043	109,276	29,319	232,638
Fort Laramie	8,533	21,367	1,860	31,760
Frannie	5,824	21,366	808	27,998
Gillette	1,106,221	1,521,535	320,411	2,948,167
Glendo	7,605	21,118	2,329	31,052
Glenrock	98,309	136,961	34,218	269,489
Granger	5,157	17,826	2,057	25,039
Green River	464,279	539,533	185,211	1,189,023
Greybull	68,520	128,843	9,046	206,409
Guernsey	42,551	66,014	13,033	121,598
Hanna	31,199	42,625	12,068	85,892
Hartville	2,300	14,758	704	17,762
Hudson	17,102	42,167	2,938	62,208
Hulett	14,171	41,402	3,442	59,016
Jackson	356,362	543,460	66,253	966,075
Kaycee	9,757	24,757	2,718	37,231
Kemmerer	98,532	200,801	22,716	322,049
Kirby	3,413	15,386	803	19,602
La Barge	20,441	53,545	4,713	78,699
La Grange	16,620	33,246	3,623	53,489

DISTRIBUTIONS TO CITIES & TOWNS

Quarterly Distributions

As of June 30, 2019

City/Town	Severance Tax W.S. 39-14-211	Federal Mineral Royalty W.S. 9-4-601	Lottery Funds W.S. 9-17-111	Total
Lander	281,832	462,703	48,417	792,953
Laramie	1,143,170	744,819	176,282	2,064,272
Lingle	17,362	34,061	3,784	55,207
Lost Springs	148	12,184	52	12,384
Lovell	87,551	160,463	11,559	259,572
Lusk	58,132	154,619	18,906	231,658
Lyman	78,054	118,404	155,549	352,007
Manderson	4,229	19,027	558	23,814
Manville	3,524	20,464	1,146	25,135
Marbleton	41,216	105,056	8,498	154,769
Medicine Bow	10,536	21,329	4,075	35,940
Meeteetse	12,131	29,804	2,271	44,206
Midwest	14,988	30,025	4,673	49,685
Mills	128,618	143,936	40,098	312,653
Moorcroft	37,432	84,738	9,093	131,262
Mountain View	47,856	78,399	95,370	221,625
Newcastle	131,067	158,421	34,019	323,507
Opal	3,561	18,716	821	23,098
Pavillion	19,115	25,731	1,485	46,331
Pine Bluffs	31,413	66,197	12,046	109,656
Pine Haven	18,178	48,867	4,416	71,460
Pinedale	75,160	179,224	15,580	269,965
Powell	234,236	300,848	43,858	578,942
Ranchester	31,793	52,497	7,977	92,267
Rawlins	343,489	319,138	132,864	795,491
Riverside	1,929	13,708	746	16,383
Riverton	405,220	658,710	69,447	1,133,376
Rock River	9,089	17,803	1,402	28,293
Rock Springs	854,586	980,493	340,912	2,175,991
Rolling Hills	16,249	35,158	5,688	57,094
Saratoga	62,695	70,513	24,251	157,459
Sheridan	647,357	778,509	162,430	1,588,297
Shoshoni	24,076	53,247	4,136	81,459
Sinclair	16,063	29,223	6,213	51,500
Superior	12,391	28,999	4,943	46,332
Star Valley Ranch	55,758	120,143	12,855	188,756
Sundance	43,850	96,695	10,652	151,196
Ten Sleep	9,645	24,069	1,798	35,512
Thayne	13,578	40,604	3,130	57,312
Thermopolis	111,627	125,758	26,254	263,640
Torrington	241,173	279,773	52,570	573,517
Upton	40,808	59,654	10,592	111,054
Van Tassell	556	13,336	181	14,074
Wamsutter	16,731	33,902	6,674	57,308
Wheatland	134,554	176,314	41,212	352,080
Worland	203,556	269,707	37,941	511,204
Wright	67,036	106,294	19,417	192,747
Yoder	5,602	18,150	1,221	24,973
GRAND TOTAL	\$14,337,500	\$18,562,500	\$4,943,862	\$37,843,862

FEDERAL MINERAL ROYALTY DISTRIBUTIONS

	UNDER \$200 MILLION %	DISTRIBUTIONS MADE IN FY19	OVER \$200 & OVER \$500 MILLION DISTRIBUTION FY19	TOTAL FY19 ROYALTY MONEY DISTRIBUTED
Mineral Royalty:				
Cities & Towns	9.375%	\$18,562,500	\$0	\$18,562,500
University Of Wyoming	6.750%	13,365,000	0	13,365,000
School Foundation Fund	44.800%	88,704,000	193,249,516	281,953,516
Highway Fund	30.375%	60,142,500	0	60,142,500
Highway Fund State Roads	2.250%	4,455,000	0	4,455,000
 Cities, Counties & Special Districts Capital Const.	 3.750%	 7,425,000	 0	 7,425,000
School Districts - Grants	2.700%	5,346,000	0	5,346,000
1% General Fund		2,000,000	0	2,000,000
UW Bond Coverage			0	0
Budget Reserve Account			246,624,758	246,624,758
TOTAL	100.00%	\$200,000,000	\$439,874,274	\$639,874,274
 Coal Lease Bonus:				
Cities, Counties & Special Districts Capital Const.	37.50%	\$280,425	\$0	\$280,425
School Foundation Reserve	40.00%	299,120	0	299,120
Community College Commission	10.00%	74,780	0	74,780
Highway Funds	12.50%	93,475	0	93,475
TOTAL	100.00%	\$747,800	\$0	\$747,800
FY19 GRAND TOTAL DISTRIBUTIONS		\$200,747,800	\$439,874,274	\$640,622,074
FY19 GRAND TOTAL COLLECTIONS				\$640,622,074

NOTES:

- The "over \$200 and over \$500 million FY19" distribution was completed September 2019.
- Mineral Royalties are distributed quarterly to Cities & Towns and State Agencies but monthly to the School Foundation Program.

CAPITAL FACILITIES REVENUE BONDS

Wyoming Statute 9-4-605 authorizes the State Loan and Investment Board to borrow up to \$105 million through the issuance of revenue bonds for capital construction. Payment of principal and interest on these bonds is restricted to federal mineral royalties distributed to the School Foundation Program or to Federal Highway Construction Funds.

SERIES	AMOUNT ISSUED	INTEREST RANGE %	BONDS OUTSTANDING JULY 1, 2018	PRINCIPAL PAYMENTS FY19	YEAR OF MATURITY	BALANCE JUNE 30, 2019
1992	\$28,750,000	3.0-6.25	\$4,645,000	\$1,845,000	2020	\$2,800,000
2012	\$16,905,000	0.5-2.0	\$14,185,000	\$900,000	2024	\$13,285,000
Total Outstanding Revenue Bonds						<u><u>\$16,085,000</u></u>

Future minimum payments for revenue bonds are as follows:

FISCAL YEAR ENDED JUNE 30	PRINCIPAL	INTEREST
2020	\$2,860,000	\$591,594
2021	\$2,685,000	\$456,194
2022	\$2,810,000	\$338,900
2023	\$2,925,000	\$224,200
2024	\$3,030,000	\$100,600
2025	\$1,775,000	\$17,750

BOND GUARANTEE AND BOND SUPPLEMENTAL COVERAGE PROGRAMS

The Wyoming State Legislature established a bond guarantee program for school districts during the 1994 legislative session and it established a bond supplemental coverage program for University of Wyoming bonds during the 2011 legislative session as described on the following page.

School District Bond Guarantee Program

Wyoming Statute 9-4-1001 authorizes the State Loan and Investment Board to guarantee school district general obligation bonds issued under Wyoming Statutes 21-13-701 through 21-13-721 on or before November 1, 2001, only. This program is repealed effective July 1, 2020.

The State Treasurer is authorized to pledge up to \$300 million from the Common School Permanent Land Fund to guarantee school district bonds. The program is intended to benefit school districts by guaranteeing payment of bonded indebtedness of creditworthy districts by reducing the interest rate at which the bonds may be issued.

If a district fails to deposit sufficient debt service monies with the State Treasurer, funds will be advanced from the Common School Permanent Land Fund. Repayment to the Common School Permanent Land Fund will be made from the district's next payments from the School Capital Construction account and the School Foundation Fund.

As of June 30, 2019, the State Loan and Investment Board approved to guarantee school district bond issues with original amounts totaling \$169,639,000. Of these, 28 issues have been paid and \$350,000 is outstanding.

University of Wyoming Revenue Bond Supplemental Coverage Program

Wyoming Statute 9-4-1003 authorizes the State Loan and Investment Board to provide supplemental coverage for repayment of revenue bonds issued by the University of Wyoming (University) under Wyoming Statutes 21-17-402 through 21-17-450. This program is intended to benefit the University by reducing the interest rate at which the bonds may be issued.

University of Wyoming Revenue Bond Supplemental Coverage Program (cont.)

If the University fails to deposit sufficient debt service monies with the State Treasurer within a certain time period, funds necessary to make the revenue bond payments will be advanced from Federal Mineral Royalty revenue received in excess of \$200 million which would otherwise be distributed to the Budget Reserve Account. Repayment to the Budget Reserve Account is to be made from the University's general fund.

As of June 30, 2011 the State Loan and Investment Board had approved supplemental coverage for one bond issued by the University for facility improvements and for refunding revenue bonds in the amount of \$16,740,000. As of October 26, 2016, the 2011A Bond was defeased through an advance refunding. The 2011B Bond remains with an outstanding amount of \$4,165,000 as of June 30, 2019.

As of June 30, 2012 the State Loan and Investment Board approved supplemental coverage for one bond issued by the University for facility improvements and for refunding revenue bonds in the amount of \$39,655,000. Of this amount, \$28,710,000 remains outstanding as of June 30, 2019.

ENDOWMENT CHALLENGE FUND MATCHING PROGRAMS

There were five endowment challenge fund matching programs administered by the State Treasurer's Office as of June 30, 2019 involving 33 eligible institutions.

These matching programs are incentive based to encourage donations to the institutions. When the institution receives a pledge of an endowment gift a commitment form is submitted to the State Treasurer's Office to encumber funds within the endowment fund. When the institution collects the pledge or receives a qualifying contribution, a request is submitted to the State Treasurer's Office for a distribution of matching funds from the endowment fund associated with that institution.

Upon receiving the match, the institution transfers the gift and match to its foundation, where it is invested and held inviolate. Only the earnings may be spent for the purposes of the endowment specified, with the exception of the University of Wyoming's Athletic program and Academic Facilities program. The University of Wyoming programs may spend all of the funds for the costs of establishing new or renovating existing university facilities as approved by the university president and the board of trustees.

The first appropriation to an endowment challenge fund matching program occurred in fiscal year 2001. The Wyoming State Legislature has appropriated matching funds totaling \$278.9 million as of June 30, 2019.

Following is a list of the endowment challenge fund matching programs authorized by state statutes as of June 30, 2019 that are to be administered by the State Treasurer:

- The University of Wyoming (UW) Endowment Challenge Program
W.S. 21-16-901 through 21-16-904 established in fiscal year 2001
- The University Athletics Challenge Account
W.S. 21-16-1001 through 21-16-003 established in fiscal year 2004
- The University Academic Facilities Challenge Account
W.S. 21-16-1401 through 21-16-1403 established in fiscal year 2006
- The Community College Challenge Programs, seven (7) in total
W.S. 21-16-1101 through 21-16-1104 established in fiscal year 2004
- The Wyoming Public Library Endowment Challenge Program, twenty-three (23) in total
W.S. 18-7-201 through 18-7-205 established in fiscal year 2009

The community college challenge program has a statutory provision (W.S. 21-16-1004(f)(ii)(iv)) that allows colleges to enter into an agreement permitting one college to encumber and collect funds in excess of the amount within their challenge account by using unencumbered funds from another college. The statute does stipulate, however, that the match disbursed by the State Treasurer must be divided equally between the colleges participating in the agreement.

The following tables display the appropriations, commitments and payments for the University and Community College, and the Public Library Endowment Challenge programs since their inception.

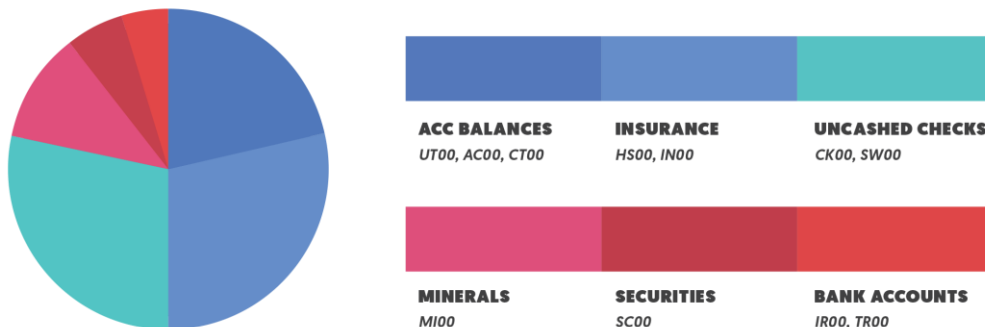
UNIVERSITY AND COMMUNITY COLLEGE ENDOWMENT CHALLENGE PROGRAM				
Inception through June 30, 2019				
Institution	Total Appropriation	Unfunded Commitments	Payments	Remaining Appropriation
UW	\$105,197,598	\$7,539,077	\$97,658,521	\$0
UW Athletics	49,000,000	265,000	48,735,000	0
UW Academic Facilities	42,329,880	0	42,329,880	0
Casper	12,047,619	0	12,047,619	0
CWCC	7,464,286	0	6,964,286	500,000
EWCC	4,314,839	0	4,230,935	83,904
LCCC	10,031,536	0	9,970,396	61,139
NWCC	11,297,619	10,285	11,287,334	0
Sheridan	11,879,816	0	11,879,816	0
WWCC	6,964,286	0	6,964,286	0
TOTAL	\$260,527,478	\$7,814,362	\$252,068,073	\$645,043

Laramie	1,042,406	0	1,042,406	0
Sheridan	976,082	0	976,082	0
Sweetwater	637,459	0	598,186	39,273
Albany	797,826	0	797,826	0
Carbon	797,826	0	797,826	0
Goshen	797,826	0	797,826	0
Platte	752,826	0	752,826	0
Big Horn	694,528	0	694,528	0
Fremont	797,826	0	480,594	317,232
Park	797,826	0	797,826	0
Lincoln	712,570	0	712,570	0
Converse	528,209	0	528,209	0
Niobrara	878,189	0	878,189	0
Hot Springs	797,826	0	797,826	0
Johnson	762,826	0	762,826	0
Campbell	901,124	0	901,124	0
Crook	797,826	0	797,826	0
Uinta	797,826	0	797,826	0
Washakie	767,826	0	767,826	0
Weston	665,659	0	665,659	0
Teton	877,826	0	877,826	0
Sublette	739,826	0	739,826	0
TOTAL	\$18,349,996	\$0	\$17,993,491	\$356,505

WYOMING UNCLAIMED PROPERTY

Wyoming enacted the Uniform Unclaimed Property Act (W.S. 34-24-101 through 34-24-139) in 1993. This law requires banks, insurance companies and many other types of entities, known as holders, to transfer to the Wyoming State Treasurer's Office personal property considered abandoned by owners. These "unclaimed" properties include a wide variety of sources, such as utility deposits, savings or checking accounts, stocks or mutual funds, uncashed dividends or payroll checks, refunds, unused traveler's checks, trust distributions, unredeemed money orders, insurance payments or refunds, life insurance policies, annuities, certificates of deposit, customer overpayments and mineral royalty payments.

TYPES OF PROPERTY REPORTED



The Unclaimed Property Division takes custody of these unclaimed properties and maintains an indefinite obligation to reunite the property with the rightful owners and/or heirs. In essence, the state acts as the custodian and/or fiduciary of the funds and stands in the shoes of the owner. The state makes a concerted effort to locate and refund all property at no cost.



Over the last year, the division received nearly 80,000 new properties. The division currently maintains records for approximately 787,000 owners/accounts, totaling more than \$85 million.

In FY19, nearly \$9.138 million was received and over \$6.857 million returned, which equates to a return rate over 75 percent. Since 1993 the division has received more than \$141 million. At the start of the new fiscal year, nearly \$55 million had been returned to the rightful owner or heir.

One of the division's greatest accomplishments of FY19 was the switchover to a new computer system which simplifies the return process for owners and helps speed up the return process. The division is also utilizing a third-party vendor to analyze personal data for individuals to help verify and authenticate that the individual submitting a claim is who they say they are. Our third-party vendors

are also able to self-authenticate claims of smaller dollar amounts as long as there is enough identifying information to match up with the information contained in the system's database. For larger dollar claims and/or claims where some of the identifiable information is not a perfect match, Wyoming's Unclaimed Property specialists still need to manually cross-check the information provided to ensure the claimant is the rightful owner.

Another benefit of the new technology implemented in FY19 is that most of the claims process is now paperless with documentation stored digitally and easier to access if a review is needed.

One of the new initiatives started by the Unclaimed Property Division in FY20 is an outreach program to better connect with and assist citizens across the entire state. To date, outreach visits have been made to Albany, Hot Springs and Park Counties with trips to Weston and Campbell Counties next up on the calendar. The goal is to end up visiting every county at least once every other year.