

Use of Minority - and Women - Owned Brokerage and Investment Management Firms by the State of Maryland

Annual Report Guidance – Fiscal Year 2023

1. Describe investments and mechanisms through which your organization invests. N/A
 - a. Include all asset allocations and services, i.e. real estate, hedge funds private equity, brokerage services, passively managed assets, account sweeps, and services used during *transitions*.
 - b. Identify which services are retained directly by your internal staff/board.
 - c. Identify which services are retained indirectly by a consultant/advisor/manager.
2. Describe current policies regarding the utilization of minority and women owned firms in the investment and or fund management aspects of your operations. N/A
3. Describe marketing strategies, if any, in the area of investment services. N/A
4. Describe the policy for dealing with investment firms that “cold call” with offers of financial management services. N/A
5. Describe the role, if any, a “board of trustees” or “investment board” plays in the organization’s investment policy and decisions. N/A
 - a. Describe any differences between the mechanisms used for various funds and/or asset classes, brokerage services, etc.
6. Identify if an outside *managing consultant* used to find suitable investment services firms. N/A
 - a. If so, describe the selection process for choosing *managing consultants*. This would include a comprehensive description of the procurement process used, e.g., the solicitation’s specifications, evaluation factors used in the selection process, as well as contract execution and assessment procedures.
 - i. Identify who has final the decision over which *managing consultant* is chosen.
 - b. Describe the specific responsibilities of the *managing consultant*.
 - i. Does the *managing consultant* have complete autonomy in choosing which firms are chosen to manage/invest the organization’s funds?
 - ii. Identify parameters, if any, given to the *managing consultant* in terms of choosing/enlisting firms.
 1. Is the *managing consultant* encouraged to find minority and women owned firms?
 - c. Identify the person who manages and/or evaluates the *managing consultant*’s performance.
 - d. Include hire dates and duration of the consultant’s contract.

7. State the total amount of assets being managed by minority and women owned firms during this fiscal year. N/A. The Department does not use the services of external investment firms.
 - a. Identify the asset classes, including a break down within racial and gender classifications.
8. State the number of minority and women owned investment firms retained **directly** by your organization in this fiscal year. N/A. The Department does not use the services of external investment firms.
 - a. Provide a list of all such firms, indicating the amount of assets being managed.
9. State the number of minority and women owned investment firms retained **indirectly** by your organization in this fiscal year. N/A. The Department does not use the services of external investment firms.
10. State the total amount of money management fees, including brokerage commissions, paid to minority and women owned firms in this fiscal year. N/A
 - a. List each firm by name, ownership classification (minority owned or woman owned), and how much was paid.
11. State the total amount of commissions paid to minority and women owned investment **brokers** for this fiscal year. (Include “steps-outs” if necessary.) N/A
 - a. Provide a list of all firms, indicating the amount of commissions paid by your organization.
12. Detail total annual fees for this fiscal year into the following categories—asset management¹, financial institutions², and professional services³. N/A
 - a. Identify, if any, special fee structures particular to asset classes (e.g. real estate).
13. Identify how investment brokers have been retained (e.g., **directly or indirectly**) by your organization in this fiscal year? N/A
14. Identify the number of minority and women owned investment brokers retained **directly and indirectly** in relation to the organization's total for this fiscal year. N/A
15. Identify the percentages of funds/assets allocated to Maryland-headquartered minority and women owned firms in this fiscal year. N/A
 - a. List each firm by name, ownership classification (MBE or WBE), and indicate the amounts of funds/assets.
16. Submit a copy of your organization’s most recent *Investment Policy Statement*. N/A

¹ Asset management fees refer to any fees paid to external investment managers, regardless of racial or gender categorization.

²Financial institution fees refer to broker/dealers, custody operators, securities lending, operational bank account fees, and other asset servicers.

³Professional Services Providers refers to investment and risk management consultants, portfolio analytics software providers, and etc.

17. OPTIONAL: Provide a brief summary detailing any information not adequately captured by your numerical data or within this questionnaire. N/A

The Department does not have the need for real estate, hedge funds, private equity, brokerage services, passively managed assets, account sweeps, and services used during transactions, and therefore have not developed any policies pertaining to them.