

COMMISSIONERS OF THE LAND OFFICE

Regular Investment Meeting Minutes

Wednesday, May 9, 2018, at 1:00 p.m.
Large Conference Room
Commissioners of the Land Office – Ninth Floor
Oklahoma City, Oklahoma

Notice was posted online with the Secretary of State on December 15, 2017. Public notice was also posted on the Commissioners of the Land Office website and at the Commissioners of the Land Office on Monday, May 7, 2018, at 12:00 p.m.

PRESENT:

Mathangi Shankar, Investment Committee Member
Steve Tinsley, Investment Committee Member
Joe Williams, Investment Committee Member

CLO STAFF PRESENT:

Harry W. Birdwell, Secretary
Karen Johnson, Chief Financial Officer
Deborah Jacobson, Asst. General Counsel
Dan Thomason, Internal Auditor
Mike Lyons, Assistant Director of Financial Services
Edward Romero, Financial Manager/Comptroller
Sarah Shepherd, GL Accountant
Simone Chandler, Accountant
Katy Payne, Administrative Asst.

VISITORS:

Mark Higgins, RVK
Sandra Rochell, BOK

Karen Johnson called the meeting to order at 1:05 p.m., confirmed proper posting of the meeting notice, ensured the presence of a quorum, and called the roll.

Shankar:	Present
Tinsley:	Present
Williams:	Present

1. Request Approval of Minutes for Regular Meeting held March 7, 2018

- a. *Presented by Karen Johnson, CFO*
- b. *Discussion*
- c. *Action in which the Committee may approve or disapprove the matter and/or direct staff to take further action*

This agenda item was presented by Karen Johnson, CFO. A MOTION was made by Committee Member Tinsley and seconded by Committee Member Shankar to approve the minutes of the March 7, 2018, meeting.

Tinsley	Aye	
Shankar	Aye	
Williams	Aye	Motion Carried

2. Presentation of March 31, 2018 Quarterly Performance Review by RVK (Informational Purposes Only)

- a. Presented by Mark Higgins, RVK*
- b. Discussion*

Mark Higgins, reported the total value of the CLO Permanent Trust as of March 31, 2018 was \$2.34 billion. For the quarter, the Trust returned -2.13% net of fees. Over a longer time horizon, the Trust shows strong absolute and relative returns.

3. Discussion of Contingent Plan and Search to Replace Investment Grade Corporate Bond Manager (Informational Purposes Only)

- a. Presented by Mark Higgins, RVK*
- b. Discussion*

RVK is putting in place a contingency plan that would enable the expedited replacement of Guggenheim, if future circumstances require it. RVK recommends continuing the existing agreement. RVK continues to monitor the SEC investigation, employee retention and the stability of the asset levels at the firm.

4. Presentation of 12 month Investment Portfolio Income Projections mark (Informational Purposes Only)

- a. Presented by Mark Higgins, RVK*
- b. Discussion*

Mark Higgins, reported the CLO portfolio is projected to yield \$94.7 million. Increases are due to increasing interest rates in fixed income, equity dividend yields and MLP distributions.

5. Update on Performance-Based Fee Structure Proposals (Informational Purposes Only)

- a. Presented by Mark Higgins, RVK*
- b. Discussion*

RVK continues to work with both of the CLO's MLP managers, Harvest and Tortoise, with regard to performance-based fees. A proposal will be presented, if a fee structure can be agreed upon that is beneficial to the CLO.

A MOTION was made by Committee Member Tinsley and seconded by Committee Shankar to adjourn the meeting.

Tinsley	Aye	
Shankar	Aye	
Williams	Aye	Motion Carried

The meeting was adjourned at 1:38 p.m.