

DENNIS MILLIGAN  
TREASURER



STATE CAPITOL BUILDING  
500 WOODLANE STREET, SUITE 220  
LITTLE ROCK, ARKANSAS 72201

TREASURER OF STATE

December 31, 2022

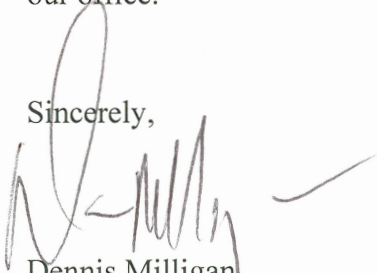
The Honorable Jonathan Dismang, Co-Chair  
The Honorable Lane Jean, Co-Chair  
94<sup>th</sup> Arkansas General Assembly – Joint Budget Committee  
1 Capitol Mall, Fifth Floor  
Little Rock, AR 72201

Dear Senator Dismang and Representative Jean:

In accordance with Arkansas Code Annotated §19-3-504(b)(2), we respectfully submit the enclosed reports of the Treasurer of State for the period July 1, 2022, through December 31, 2022. A summary of these reports is shown in Attachment 1 to this letter.

If you should have any questions or comments regarding these reports, please feel free to contact our office.

Sincerely,



Dennis Milligan  
Treasurer of State

Enclosures:  
Attachment 1 –0 Summary  
Reports

# Arkansas State Treasury

Target Rate of Investment Return and Actual Rate of Investment Return  
December 31, 2022

Complying with ACT1088, the State Board of Finance establishes a benchmark rate of return for the Treasury Investment Portfolio. Several factors contribute to the development of the target rate of return. These include the stated standards of safety, liquidity and then return. The primary mission of the Treasury is providing adequate liquidity for the State's business. Upon meeting those needs all other funds are invested to balance future needs with market opportunities.

Treasury monitors the cash flow process on a dynamic basis. Cash flows are managed daily to meet the needs of State Agencies. The Treasury also has a fiduciary responsibility to all taxpayers. The current investment policy maintains the conservative investment portfolio management approach highlighted in previous reports. Treasury has added systems and process improvements to responsibly manage overall return. As market conditions vary over time, Treasury has a commitment to manage risk versus return to meet the standard of Safety, Liquidity and then Return. Meeting this standard requires on-going analysis and risk assessment of cash flows and market opportunities.

The ROI for the first half of fiscal year 2023, July 1, 2022 – December 31, 2022 was 2.279%.

| <u>Benchmark Period</u>      | <u>SBoF Target Book Return</u> | <u>Actual Book Return</u> |
|------------------------------|--------------------------------|---------------------------|
| 1 <sup>st</sup> Quarter FY23 | 1.70 – 1.80%                   | 1.972%                    |
| 2 <sup>nd</sup> Quarter FY23 | 2-10 – 2.20%                   | 2.587%                    |

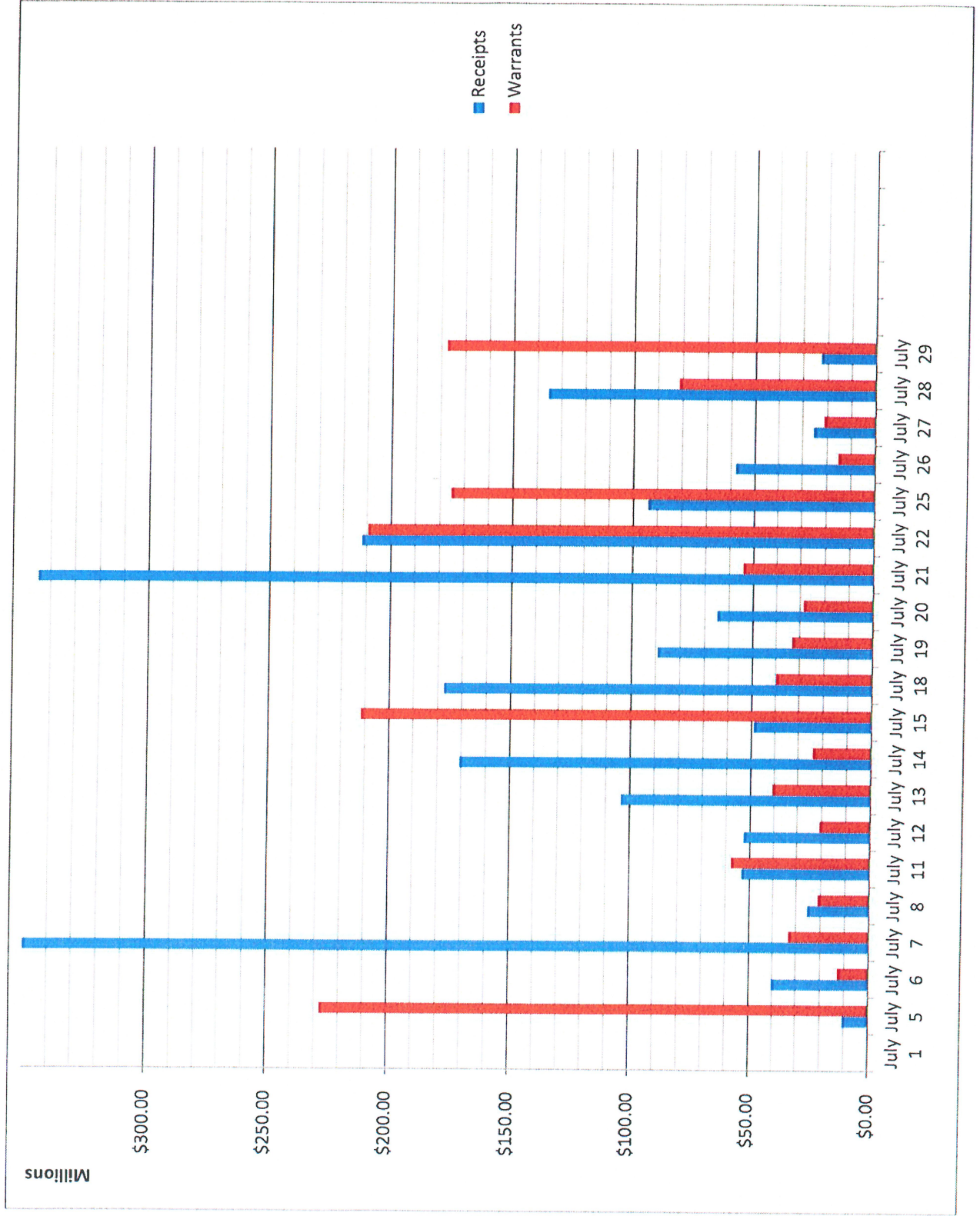
# Arkansas State Treasury

Liquidity Requirements and Actual Liquidity

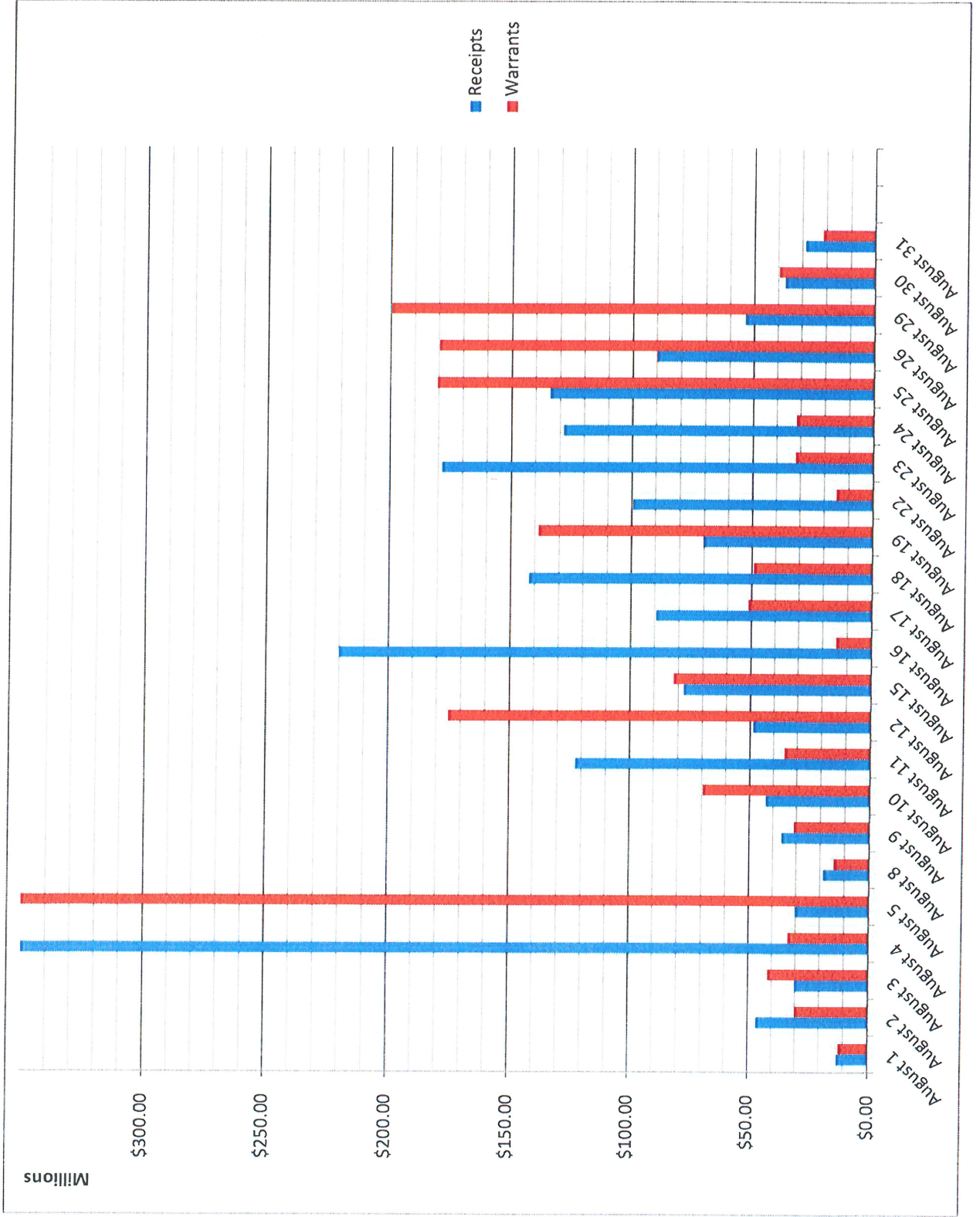
December 31, 2022

Treasury dynamically models cash flows across daily, weekly, monthly, and quarterly projections to match anticipated liabilities with the timely return of cash from investments and in more liquid bank demand accounts. Treasury works with the Department of Finance and Administration along with other state agencies to meet the state's cash commitments. The cash forecast process matches daily cash needs with investments that mature before or on days with outbound cash flows. Treasury negotiates the best possible rate of return for these investments across several sectors including bank accounts, money markets, and commercial paper. Currently, Treasury maintains around \$1 billion in short-term commercial paper and at least \$200 million in bank and money market deposits to facilitate warrant fulfillment. Liquidity is managed on a liability driven basis to best meet the state's commitments in a timely and efficient manner.

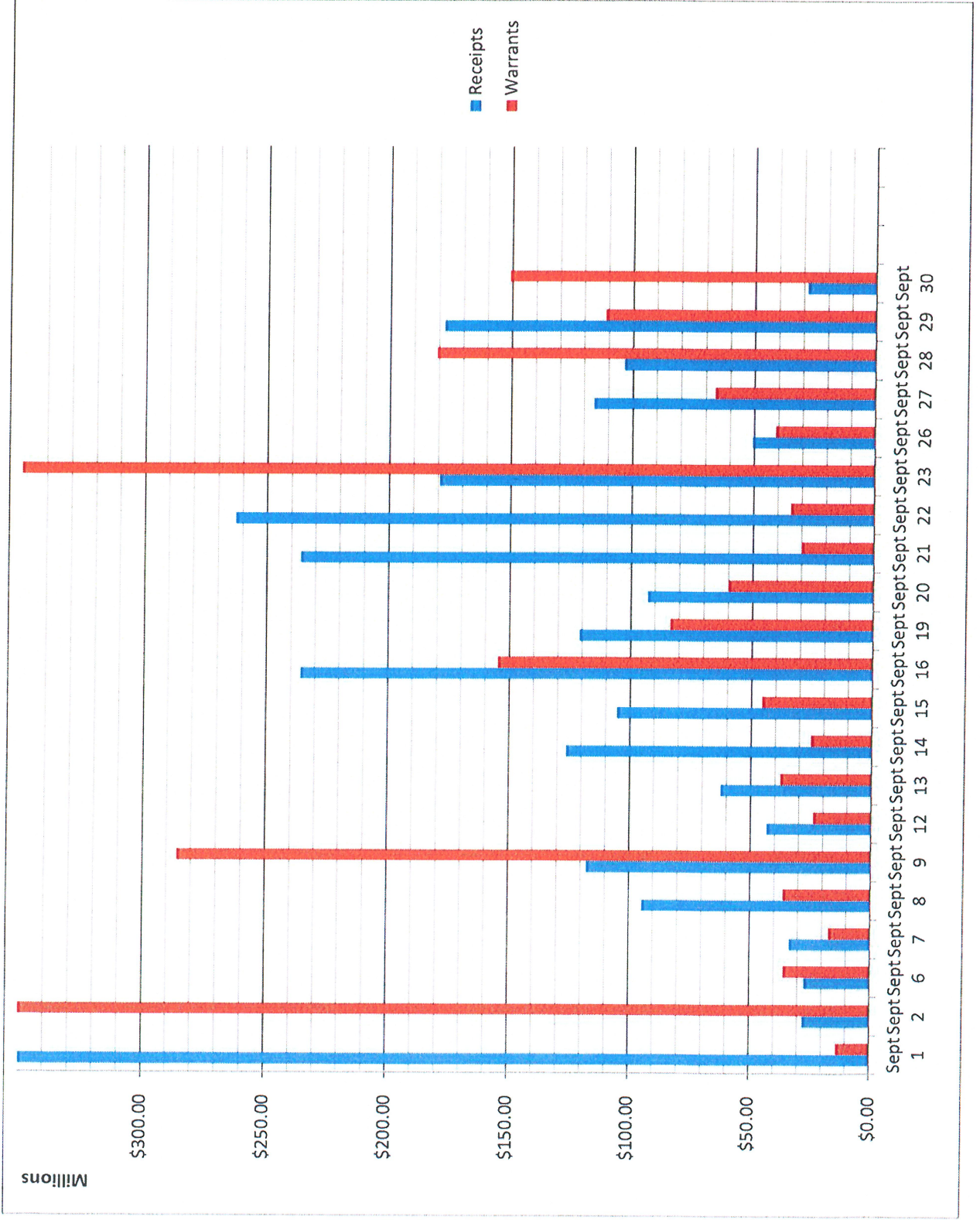
# JULY 2022 DAILY CASH FLOWS



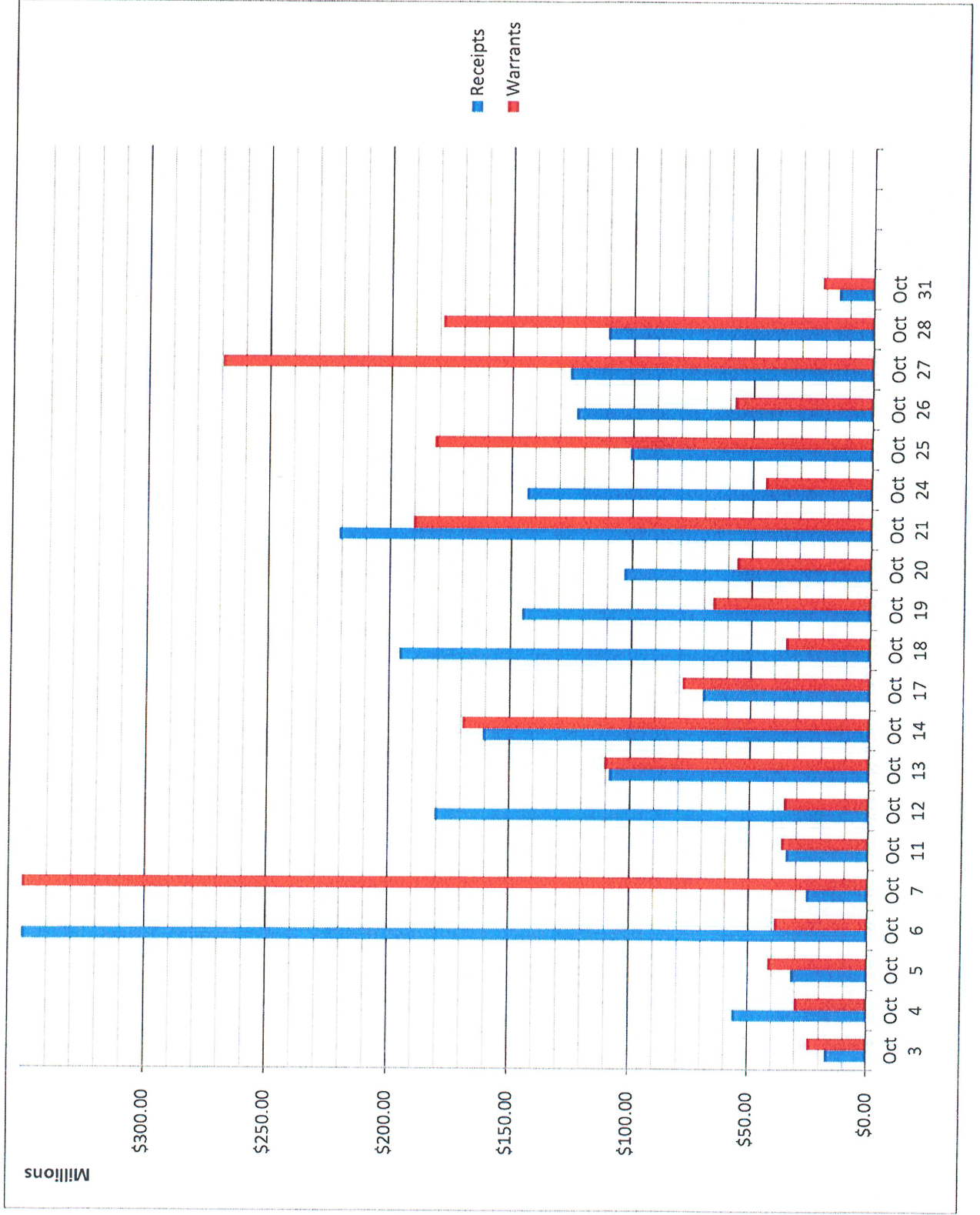
# AUGUST 2022 DAILY CASH FLOWS



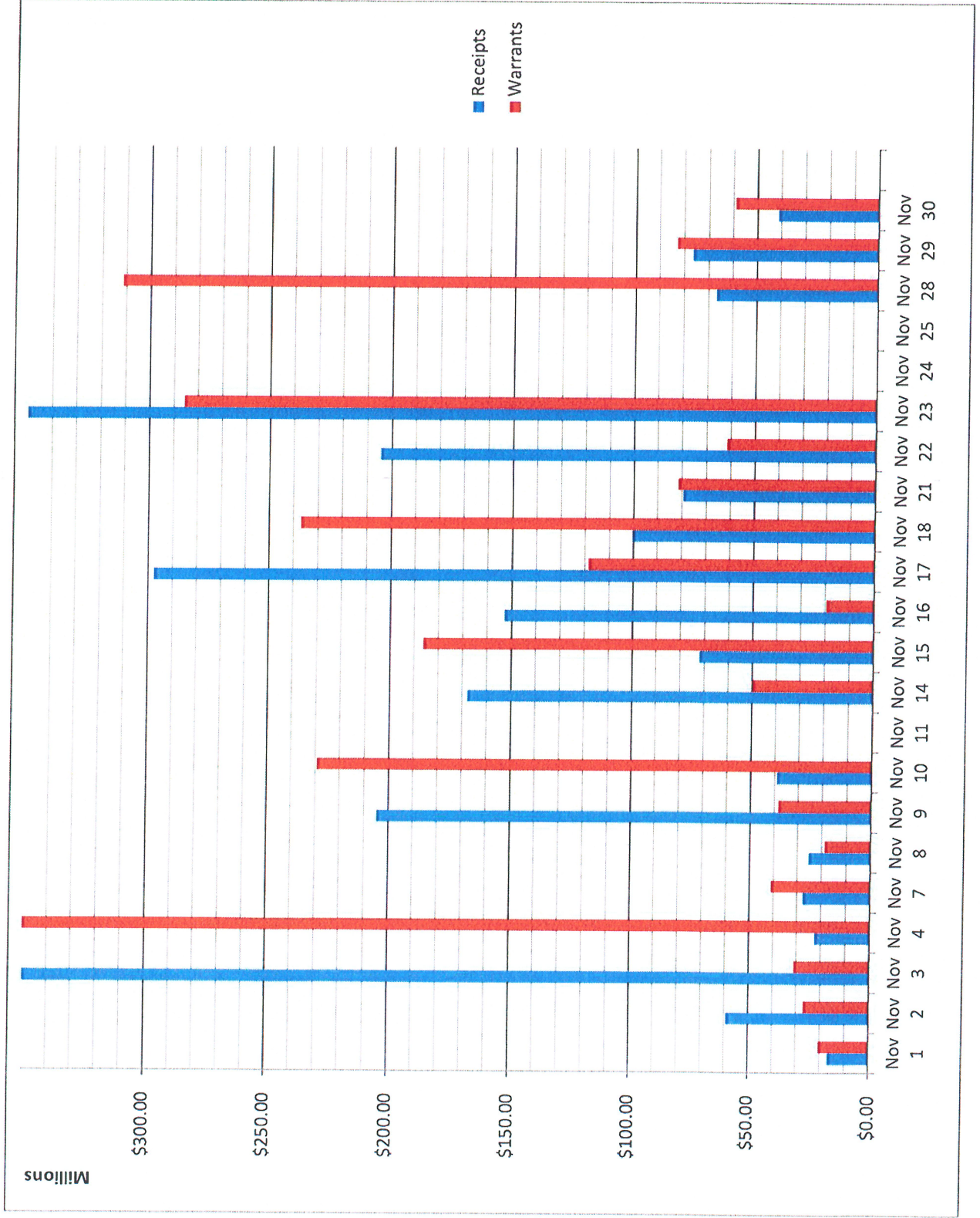
# SEPTEMBER 2022 DAILY CASH FLOWS



# OCTOBER 2022 DAILY CASH FLOWS

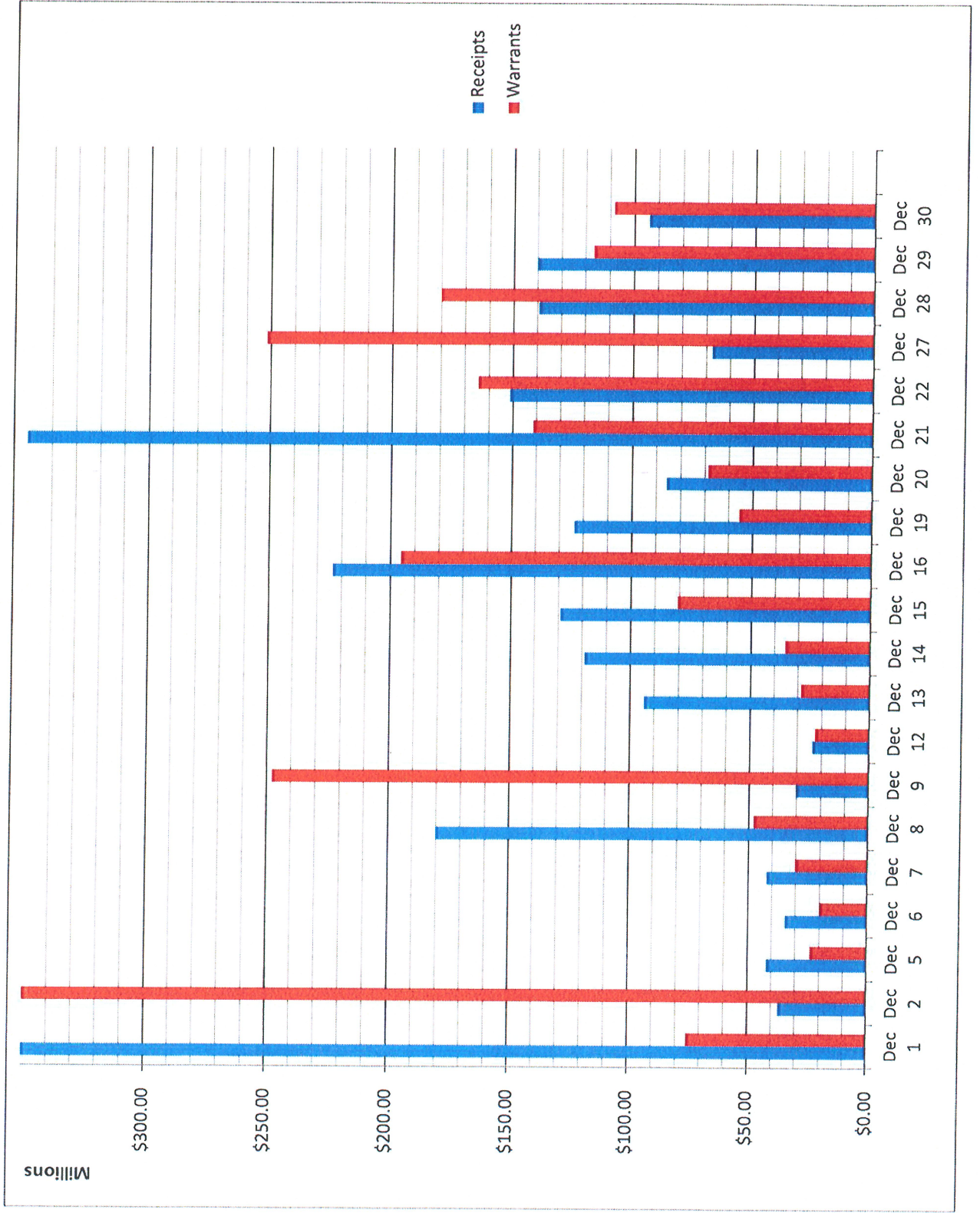


# NOVEMBER 2022 DAILY CASH FLOWS





# DECEMBER 2022 DAILY CASH FLOWS



## ROI Report

Base Currency: USD 07/01/2022 - 12/31/2022

## Treasury Gen AGG (214160)

Dated: 01/06/2023

| Security Type Category | Account                   | Identifier | Beginning Book Value | Ending Base Market Value + Accrued | Ending Book Value, Market Value + Accrued | Book Return | Performance Affecting Amortization/ Accretion | Interest Income, Income | Weight   |
|------------------------|---------------------------|------------|----------------------|------------------------------------|---|-------------|---|-------------------------|----------|
| Agency                 | Art-Treas General-TAS0000 | --         | 1,135,243,951.32     | 1,337,770,820.65                   | 1,146,677,529.11                          | 1.566%      | 9,706,040.27                                  | 182,785.87              | 12.419%  |
| Agency CMO             | Art-Treas General-TAS0000 | --         | 1,190,960,948.72     | 1,364,231,932.88                   | 1,191,154,219.11                          | 2.218%      | 16,005,349.42                                 | -1,535,344.18           | 12.917%  |
| Agency MBS             | Art-Treas General-TAS0000 | --         | 3,532,582,482.27     | 3,988,371,033.13                   | 3,532,726,394.82                          | 2.089%      | 44,575,927.73                                 | -4,338,749.13           | 37.943%  |
| CD                     | Art-CD-TAS0000            | --         | 18,000,000.00        | 21,500,000.00                      | 21,617,461.51                             | 2.566%      | 344,417.66                                    | 0.00                    | 0.271%   |
| CP                     | Art-Treas General-TAS0000 | --         | 1,522,803,852.98     | 1,080,189,826.94                   | 1,079,874,702.38                          | 3.206%      | 20,092,084.58                                 | 0.00                    | 14.856%  |
| Corporate              | Art-Treas General-TAS0000 | --         | 41,139,069.28        | 41,124,009.82                      | 1,079,874,702.38                          | 2.309%      | 491,312.50                                    | -15,059.46              | 0.411%   |
| Currency               | --                        | CCYUSD     | 1,881,231.33         | 4,622,072.89                       | 36,707,043.97                             | 0.008%      | 0.00  | 0.00                    | 1.192%   |
| MM Fund                | --                        | --         | 1,361,684,279.38     | 1,500,865,959.79                   | 1,501,063,970.38                          | 2.713%      | 17,398,405.47                                 | 0.00                    | 12.876%  |
| Mortgage Backed        | Art-Treas General-TAS0000 | --         | 122,866,354.97       | 171,692,197.15                     | 160,089,212.60                            | 2.592%      | 2,013,788.65                                  | 198,566.74              | 1.679%   |
| Muni                   | Art-Treas General-TAS0000 | --         | 81,565,763.55        | 81,455,257.48                      | 70,377,765.16                             | 1.609%      | 769,663.82                                    | -110,506.07             | 0.813%   |
| Non-US Gov             | --                        | --         | 55,000,000.00        | 55,000,000.00                      | 52,188,525.86                             | 2.001%      | 552,120.56                                    | 0.00                    | 0.551%   |
| US Gov                 | Art-Treas General-TAS0000 | --         | 284,250,077.56       | 495,680,683.41                     | 470,233,893.25                            | 2.458%      | 4,987,548.38                                  | 116,533.49              | 4.072%   |
| --                     | --                        | --         | 9,347,978,011.37     | 10,142,503,794.15                  | 9,267,322,791.04                          | 2.279%      | 96,844,574.26                                 | 14,590,311.84           | 100.000% |

\* Grouped by: Security Type Category. \* Groups Sorted by: Security Type Category. \* Weighted by: Ending Base Market Value + Accrued.

| Account                        | Index   | Index Start Date | Index End Date |
|--------------------------------|---|------------------|----------------|
| Art-Treas-BAML DDA             | 25% ICE BofA 0-3 Month Tbill, 20% BB US Gov Int, 55% BB US MBS Agency Fixed | 03/15/2012       | --             |
| Art-Treas-Bank OZK DDA         | 25% ICE BofA 0-3 Month Tbill, 20% BB US Gov Int, 55% BB US MBS Agency Fixed | 03/15/2012       | --             |
| Art-Treas-BAML MIMKT           | 25% ICE BofA 0-3 Month Tbill, 20% BB US Gov Int, 55% BB US MBS Agency Fixed | 03/15/2012       | --             |
| Art-Treas-Simmons DDA          | 25% ICE BofA 0-3 Month Tbill, 20% BB US Gov Int, 55% BB US MBS Agency Fixed | 03/15/2012       | --             |
| Art-Treas-Goldman Sachs MIMKT  | 25% ICE BofA 0-3 Month Tbill, 20% BB US Gov Int, 55% BB US MBS Agency Fixed | 03/15/2012       | --             |
| Art-Treas-First Security DDA   | 25% ICE BofA 0-3 Month Tbill, 20% BB US Gov Int, 55% BB US MBS Agency Fixed | 03/15/2012       | --             |
| Art-CD-TAS0000                 | 25% ICE BofA 0-3 Month Tbill, 20% BB US Gov Int, 55% BB US MBS Agency Fixed | 03/15/2012       | --             |
| Art-Treas General Israel Bonds | 25% ICE BofA 0-3 Month Tbill, 20% BB US Gov Int, 55% BB US MBS Agency Fixed | 03/15/2012       | --             |
| Art-Treas-Centennial DDA       | 25% ICE BofA 0-3 Month Tbill, 20% BB US Gov Int, 55% BB US MBS Agency Fixed | 03/15/2012       | --             |
| Art-Treas-JP Morgan MIMKT      | 25% ICE BofA 0-3 Month Tbill, 20% BB US Gov Int, 55% BB US MBS Agency Fixed | 03/15/2012       | --             |
| Art-Treas-Regions DDA          | 25% ICE BofA 0-3 Month Tbill, 20% BB US Gov Int, 55% BB US MBS Agency Fixed | 03/15/2012       | --             |
| Art-Treas-BAML-COVID-19 DDA    | 25% ICE BofA 0-3 Month Tbill, 20% BB US Gov Int, 55% BB US MBS Agency Fixed | 03/15/2012       | --             |
| Treasury Gen AGG               | Rate  | 03/15/2012       | 03/31/2022     |
| Treasury Gen AGG               | 25% ICE BofA 0-3 Month Tbill, 20% BB US Gov Int, 55% BB US MBS Agency Fixed | 04/01/2022       | --             |
| Art-Treas General-TAS0000      | 25% ICE BofA 0-3 Month Tbill, 20% BB US Gov Int, 55% BB US MBS Agency Fixed | 03/15/2012       | --             |
| Art-CSLFRF-SimmonsICS          | NO BENCHMARK REQUIRED   | --               | --             |
| Art-American Rescue Plan Dreyf | 25% ICE BofA 0-3 Month Tbill, 20% BB US Gov Int, 55% BB US MBS Agency Fixed | 03/15/2012       | --             |
| Art-Treas-Centennial ICS       | 25% ICE BofA 0-3 Month Tbill, 20% BB US Gov Int, 55% BB US MBS Agency Fixed | 03/15/2012       | --             |
| Art-American Rescue Plan Feder | 25% ICE BofA 0-3 Month Tbill, 20% BB US Gov Int, 55% BB US MBS Agency Fixed | 03/15/2012       | --             |

All Fees (includes administrative, management, and trading).

Returns for all periods have been annualized.

Since security level contribution cannot be annualized, there are dashes in all rows for the contribution field.

**ROI Report**

Base Currency: USD 07/01/2022 - 12/31/2022

Treasury Gen AGG (214160)

Dated: 01/06/2023

No Tax Adjustment.

Note that data will not exist prior to the existence of security level returns as of: 03/31/2020.

Returns for an aggregate account are based on the weighted average of its simple accounts, unless historical returns have specifically been provided for the aggregate, in which case the provided historical returns will be used for the Account Total row. The index total or total weighted benchmark returns for an aggregate account are also based on the weighted average of the index returns of its simple accounts.

### Safekeeping Inventory

| Item #                                | Item ID     | Item Type* | Safekeeping Item Description (Issuer) | Rate  | Maturity | Par / Shares | Last Updated |
|---------------------------------------|-------------|------------|---------------------------------------|-------|----------|--------------|--------------|
| <b>BOE - REVOLVING FUND</b>           |             |            |                                       |       |          |              |              |
| 301                                   | K3796       | CI         | HORATIO SD #55                        | 4.950 | 5/1/24   | 37,474.80    | 4/26/22      |
| 292                                   | K3794       | CI         | GUY-PERKINS SD #34                    | 4.950 | 11/1/22  | 6,600.00     | 10/27/21     |
| 272                                   | K3785       | CI         | HACKET SD #17                         | 4.950 | 5/1/23   | 20,000.00    | 4/26/22      |
| 296                                   | K3795       | CI         | HORATIO SD #55                        | 4.950 | 5/1/23   | 17,934.00    | 4/26/22      |
| 4 items for BOE - REVOLVING FUND      |             |            |                                       |       |          | 82,008.80    |              |
| <b>WCC - Workmans Comp Commission</b> |             |            |                                       |       |          |              |              |
| 282                                   | 101795557   | CD         | ARKANSAS HOSPITAL ASSOCIATION         | 0.300 | 6/19/15  | 30,000.00    | 8/6/14       |
| 237                                   | 41356       | CD         | LAND O'FROST                          | 6.000 | 8/27/92  | 100,000.00   | 6/28/10      |
| 281                                   | 00193718    | CD         | ARKANSAS HOSPITAL ASSOCIATION         | 0.400 | 6/25/15  | 50,000.00    | 8/6/14       |
| 298                                   | 11864481    | CD         | ARKANSAS TRUCKING ASSOCIATION         | 1.000 | 4/15/20  | 200,000.00   | 11/8/18      |
| 236                                   | 20440       | CD         | LAND O'FROST                          | 6.000 | 8/27/92  | 100,000.00   | 6/28/10      |
| 209                                   | 14544       | CD         | PETERSON FARMS INC.                   | 4.850 | 5/5/02   | 50,000.00    | 6/28/10      |
| 245                                   | 113806      | CD         | ST. BERNARDS MEDICAL CENTER           | 7.600 | 7/23/91  | 100,000.00   | 6/28/10      |
| 278                                   | 00192056    | CD         | ARKANSAS HOSPITAL ASSOCIATION         | 0.400 | 2/28/15  | 200,000.00   | 4/30/14      |
| 232                                   | 47070       | CD         | HARDING UNIVERSITY                    | 6.600 | 2/8/96   | 200,000.00   | 6/28/10      |
| 305                                   | 800014002   | CD         | COMPTON AGC OF ARKANSAS               | 0.300 | 10/18/22 | 225,000.00   | 12/1/22      |
| 222                                   | 33708       | CD         | ARKANSAS HOSPITALITY WORKERS          | 5.560 | 12/4/07  | 100,000.00   | 6/28/10      |
| 203                                   | 991067      | CD         | ST. BERNARDS MEDICAL CENTER           | 1.790 | 6/17/11  | 100,000.00   | 6/28/10      |
| 299                                   | 800030246   | CD         | ARKANSAS TRUCKING ASSOCIATION         | 2.450 | 10/4/20  | 200,000.00   | 11/8/18      |
| 306                                   | 304618      | CD         | FM STRUCTURAL PLASTIC TECHNOLOG       | 2.300 | 11/17/23 | 100,000.00   | 12/1/22      |
| 221                                   | 6040009109  | CD         | ARKANSAS HOSPITALITY WORKERS          | 5.080 | 2/4/08   | 100,000.00   | 6/28/10      |
| 276                                   | 1600024111  | CD         | ST. BERNARDS MEDICAL CENTER           | 0.550 | 11/18/14 | 100,000.00   | 1/31/14      |
| 234                                   | 53400       | CD         | JEFFERSON REGIONAL MEDICAL CENTE      | 7.650 | 6/7/91   | 200,000.00   | 6/28/10      |
| 304                                   | 244084      | CD         | ARKANSAS TRUCKING ASSOCIATION         | 0.250 | 10/2/22  | 200,000.00   | 4/5/22       |
| 303                                   | 256383      | CD         | ARKANSAS TRUCKING ASSOCIATION         | 0.750 | 12/8/22  | 300,000.00   | 4/5/22       |
| 302                                   | 256384      | CD         | AR TRUCKING ASSOCIATION               | 0.750 | 12/8/22  | 300,000.00   | 4/5/22       |
| 226                                   | 52173       | CD         | WHITE COUNTY MEDICAL CENTER           | 6.100 | 7/30/98  | 200,000.00   | 6/28/10      |
| 277                                   | 41315110531 | CD         | PAM TRANSPORT INC.                    | 0.400 | 3/13/15  | 300,000.00   | 3/28/14      |
| 225                                   | 873061345   | CD         | ARKANSAS HOSPITALITY WORKERS          | 5.000 | 1/4/08   | 100,000.00   | 6/28/10      |
| 295                                   | 0103512401  | CI         | BROOKSHIRE GROCERY COMPANY            | 1.970 | 9/11/19  | 300,000.00   | 9/26/18      |
| 294                                   | 112495      | CD         | BAXTER CO REGIONAL HOSPITAL           | 1.500 | 10/25/19 | 100,000.00   | 8/2/18       |
| 286                                   | 111915      | CD         | BAXTER CO REGIONAL HOSPITAL           | 0.250 | 7/15/16  | 100,000.00   | 2/23/16      |
| 247                                   | 10275304    | CD         | ARKANSAS HOSPITAL ASSOCIATION         | 1.660 | 2/22/14  | 220,000.00   | 3/1/11       |
| 283                                   | 23065       | CD         | MUNI LEAGUE WORKER'S COMP TRUST       | 0.480 | 12/31/15 | 3,100,000.00 | 4/4/16       |
| 224                                   | 1000042111  | CD         | ARKANSAS HOSPITALITY WORKERS          | 5.010 | 12/4/07  | 100,000.00   | 6/28/10      |
| 233                                   | 679506833   | CD         | HYTROL CONVEYOR CO. INC.              | 6.250 | 11/13/01 | 200,000.00   | 6/28/10      |
| 300                                   | 6901533799  | CD         | AR HOSPITALITY WORKERS COMPENSA       | 0.180 | 8/7/19   | 100,000.00   | 11/19/18     |

| Item #                                      | Item ID    | Item Type* | Safekeeping Item Description (Issuer) | Rate  | Maturity | Par / Shares | Last Updated        |  |
|---|------------|------------|---------------------------------------|-------|----------|--------------|---------------------|--|
| 259   | 6024017336 | CD         | ARKANSAS CHILDREN'S HOSPITAL          | 0.650 | 9/19/12  | 200,000.00   | 9/22/11             |  |
| 293   | 200336     | CD         | GLISTER MARY LEE CORP                 | 1.000 | 10/4/18  | 200,000.00   | 7/23/18             |  |
| 33 items for WCC - Workmans Comp Commission |            |            |                                       |       |          |              | 8,175,000.00        |  |
| <b>Total:</b>                               |            |            |                                       |       |          |              | <b>8,257,008.80</b> |  |

\* Legend: CI = Certificate of Indebtedness  
 IB = Industrial Bond  
 GM = GNMA Passthrough  
 CM = Common Stock  
 OTH = Other  
 NA = Not Applicable