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Thomas P. German, *Executive Secretary*

## AGENDA

November 1, 2022

2:00 P.M.

Board of Commissioners of Public Lands  
101 E. Wilson Street, 2<sup>nd</sup> Floor  
Madison, Wisconsin

### Routine Business:

1. Call to Order
2. Approve Minutes – October 18, 2022 (Attachment)
3. Approve Loans

### Old Business:

4. None

### New Business:

5. Quarterly Investment Report

### Routine Business:

6. Chief Investment Officer's Report
7. Executive Secretary's Report
8. Board Chair's Report
9. Future Agenda Items
10. Adjourn

### AUDIO ACCESS INFORMATION

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Conference Line Number: **(608) 571-2209**  
Conference ID Code: **790 694 843#**

Board Meeting  
Minutes  
October 18, 2022

Present were:

Doug LaFollette, Commissioner	Secretary of State
Josh Kaul, Commissioner	Attorney General
Tom German, Executive Secretary	Board of Commissioners of Public Lands
Richard Sneider, Chief Investment Officer	Board of Commissioners of Public Lands
Denise Nechvatal, Senior Accountant	Board of Commissioners of Public Lands
Mike Krueger, IT Manager	Board of Commissioners of Public Lands
Thuy Nguyen, Office Manager	Board of Commissioners of Public Lands
Emma Stutzman, Chief of Staff	State Treasurer

### ITEM 1. CALL TO ORDER

Commissioner LaFollette called the meeting to order at 2:03 p.m.

### ITEM 2. APPROVE MINUTES – October 4, 2022

**MOTION:** Commissioner Kaul moved to approve the minutes; Commissioner LaFollette seconded the motion.

**DISCUSSION:** None

**VOTE:** The motion passed 2-0.

### ITEM 3. APPROVE LOANS

**MOTION:** Commissioner Kaul moved to approve the loans; Commissioner LaFollette seconded the motion.

**DISCUSSION:** Mr. Sneider shared that loan #4 is to the South Central Library System. About 6-7 months ago, the board approved a \$5.5 million loan to the South Central Library System to construct and or remodel a new headquarters/delivery facility and the bids came in a little bit higher than they were expecting. This is supplemental financing for that facility.

**VOTE:** The motion passed 2-0

The Board of Commissioners of Public Lands (BCPL) unanimously approved **\$4,314,250.00** in State Trust Fund Loans to support 4 community projects in Wisconsin.

1. City of Horicon / Dodge County / Finance infrastructure for new residential development / \$2,400,000.00
2. Town of Randall / Kenosha County / Finance roadwork / \$794,950.00
3. Town of Wascott / Douglas County / Finance purchase of ambulance / \$119,300.00
4. South Central Library System / Adams, Columbia, Dane, Green, Portage, Sauk and Wood Counties / Finance SCLS HQ/Delivery Facility / \$1,000,000.00

#### **ITEM 4. OLD BUSINESS**

None

#### **ITEM 5. NEW BUSINESS**

None

#### **ITEM 6. CHIEF INVESTMENT OFFICER'S REPORT**

None

#### **ITEM 7. EXECUTIVE SECRETARY'S REPORT**

Executive Secretary German shared that we are moving forward on closing the Lac du Flambeau transaction. Recently, we received a call from the Lac Courte Oreilles Tribe. They let us know that they would like to move forward with getting an appraisal for BCPL lands that lie within the boundaries of their reservation. We look forward to developing better relations with them and hopefully getting to the finish line with that transaction as well.

Commissioner LaFollette asked if there are a lot of disputed lands with the Lac Courte Oreilles Tribe.

Executive Secretary German replied that there are some title disputes but the total acreage involved in the transaction will be less than the total acres involved in the Lac du Flambeau reservation. We are looking to meet some time next week.

#### **ITEM 8. BOARD CHAIR'S REPORT**

None

#### **ITEM 9. FUTURE AGENDA ITEMS**

None

#### **ITEM 10. ADJOURN**

Commissioner LaFollette moved to adjourn the meeting; Commissioner Kaul seconded the motion. The motion passed 3-0; the meeting adjourned at 2:08 p.m.



Thomas P. German, Executive Secretary

Link to audio recording:

<https://bcpl.wisconsin.gov/Shared Documents/Board Meeting Docs/2022/2022-10-18 BoardMtgRecording.mp3>

**BOARD MEETING  
NOVEMBER 1, 2022**

**AGENDA ITEM 3  
APPROVE LOANS**

Municipality	Municipal Type	Loan Type	Loan Amount
1. Sun Prairie Dane County Application #: 02023030 Purpose: Finance street construction and development incentives	City Rate: 4.75% Term: 14 years	General Obligation	\$1,804,000.00
2. Liberty Grove Door County Application #: 02023031 Purpose: Finance Broadband Engineering Study	Town Rate: 4.50% Term: 3 years	General Obligation	\$500,000.00
3. Seymour Outagamie County Application #: 02023032 Purpose: Refinance note on land purchase	City Rate: 4.75% Term: 20 years	General Obligation	\$225,000.00
	<b>TOTAL</b>		<hr/> <b>\$2,529,000.00</b>

**Common School Fund  
Portfolio Report  
September 30, 2022**

Asset Class	Current Market Value	Cost	Unrealized Gain/Loss	% Gain/Loss	Yield at Cost	Projected Annual Income
<b>Fixed Income</b>						
Public Debt						
State/State Agency/Municipal Bonds	92,683,973	99,667,665	(6,983,692)	-7.0%	4.0%	4,032,535
U.S. Treasury/Agency Bonds	89,953,555	94,896,000	(4,942,445)	-5.2%	4.8%	4,530,000
U.S. Treasury Inflation Protected Securities	-	-	-			-
Corporate Bonds	146,049,771	173,523,373	(27,473,602)	-15.8%	5.1%	8,902,230
Private Debt						
BCPL State Trust Fund Loans <sup>1</sup>	228,057,949	228,057,949	n/a	n/a	3.5%	8,104,141
Other Private Debt <sup>2</sup>	87,115,690	87,218,572	(102,882)	-0.1%	8.9%	7,732,129
<b>Total Fixed Income</b>	<b>643,860,938</b>	<b>683,363,559</b>	<b>(39,502,621)</b>	<b>-5.8%</b>	<b>4.9%</b>	<b>33,301,035</b>
<b>Equities and Alternatives</b>						
Public Equities						
Preferred Stocks	80,844,028	98,446,487	(17,602,459)	-17.9%	5.3%	5,189,846
Domestic Equities <sup>3</sup>	142,908,961	138,146,494	4,762,467	3.4%	4.1%	5,653,096
Global Equities	115,699,696	133,351,929	(17,652,233)	-13.2%	4.6%	6,096,172
Alternatives						
Private Real Estate <sup>2</sup>	232,634,646	186,273,952	46,360,694	24.9%	4.6%	8,567,542
Real Assets/Infrastructure	-	-	-			-
Private Equity/Venture Capital <sup>4</sup>	35,320,829	25,894,485	9,426,344	36.4%	0.0%	-
<b>Total Equities and Alternatives</b>	<b>607,408,160</b>	<b>582,113,347</b>	<b>25,294,813</b>	<b>4.3%</b>	<b>4.4%</b>	<b>25,506,656</b>
<b>Cash</b>						
State Investment Fund <sup>5</sup>	58,522,008	58,522,008			2.42%	1,416,442
Total Cash	58,522,008	58,522,008			2.42%	1,416,442
<b>TOTAL CSF PORTFOLIO</b>	<b>1,309,791,106</b>	<b>1,323,998,914</b>	<b>(14,207,808)</b>	<b>-1.1%</b>	<b>4.5%</b>	<b>60,224,133</b>

**Notes:**

<sup>1</sup> The total market value of STFL assets is likely greater than cost. However, these assets are held at cost because no independent appraisal has been conducted and STFL assets have always been held to maturity. Annual income is at STFL interest payments due 3/15/23, and is subject to change.

<sup>2</sup> Net amounts totaling \$41.67 million called on 10/3 from Invesco and Brookfield to private debt and real estate funds are included in this table to provide a better representation of assets and projected income.

<sup>3</sup> The CSF investment in BXSL (a company that invests in the senior secured debt of private U.S. companies) went public through an IPO on 10/28/21 and was moved from the Private Debt asset class to Domestic Equities at that time. At a time yet to be determined, it is expected that all BXSL publicly-traded shares now valued at \$28.3 million will be sold. Subtracting this security from domestic equities reduces the total value of investments within that asset class to \$114.6 million.

<sup>4</sup> Private equity/venture capital investments are valued at the sum of manager-provided market values (at the end of the prior quarter) and capital calls made during the current quarter. Market valuations for prior quarters is updated as information is received.

<sup>5</sup> State Investment Fund yield is from September 2022 SIF Pool Earnings Workbook. Total cash is a preliminary number subject to change.

**Common School Fund**  
**Asset Allocation Report**  
September 30, 2022

Asset Class	Current Portfolio		Potential Portfolio			Target	
	Current Market Value	Current Allocation	Expected Commitments	Market Value + Commitments	Potential Allocation	Target Allocation	Target Range
<b>Fixed Income</b>							
Public Debt							
State/State Agency/Municipal Bonds	92,683,973	7.1%		92,683,973	7.1%	5.0%	0% to 20%
U.S. Treasury/Agency Bonds	89,953,555	6.9%		89,953,555	6.9%	0.0%	0% to 20%
U.S. Treasury Inflation Protected Securities	-	0.0%		-	0.0%	0.0%	0% to 10%
Corporate Bonds	146,049,771	11.2%		146,049,771	11.2%	5.0%	0% to 20%
Private Debt							
BCPL State Trust Fund Loans	228,057,949	17.4%		228,057,949	17.4%	25.0%	10% to 30%
Other Private Debt	87,115,690	6.7%	69,962,041	157,077,731	12.0%	15.0%	10% to 30%
Total Fixed Income	643,860,938	49.2%	69,962,041	713,822,979	54.5%	50.0%	
<b>Equities and Alternatives</b>							
Public Equities							
Preferred Stocks	80,844,028	6.2%		80,844,028	6.2%	5.0%	0% to 10%
Domestic Equities <sup>1</sup>	142,908,961	10.9%		142,908,961	10.9%	7.5%	5% to 20%
Global Equities	115,699,696	8.8%		115,699,696	8.8%	7.5%	5% to 20%
Alternatives							
Private Real Estate	232,634,646	17.8%	30,439,776	263,074,422	20.1%	20.0%	10% to 30%
Infrastructure		0.0%		-	0.0%	4.0%	0% to 10%
Private Equity/Venture Capital	35,320,829	2.7%	9,802,096	45,122,925	3.4%	4.0%	0% to 10%
Total Equities and Alternatives	607,408,160	40.2%	40,241,872	647,650,032	49.4%	48.0%	
<b>Cash</b>							
State Investment Fund	58,522,008	4.5%					
Total Cash	58,522,008	4.5%				2.0%	0% to 10%
<b>TOTAL CSF PORTFOLIO</b>	<b>1,309,791,106</b>			<b>110,203,913</b>			

Private Debt	Unfunded Commitments as of 9/30/2022		
	Total	Unfunded	Expected
Brookfield Infrastructure Debt Fund II	\$ 30,000,000	\$ 8,962,041	\$ 8,962,041
PGIM Senior Loan Opportunities Fund I	50,000,000	36,000,000	36,000,000.00
Invesco Commercial Mortgage Income Fund	50,000,000	25,000,000	25,000,000.00
<b>Private Real Estate</b>			
Nuveen US Cities Industrial	20,000,000	20,000,000	20,000,000.00
Nuveen US Cities Office	15,000,000	10,439,776	10,439,776.30
<b>Private Equity/Venture Capital</b>			
4490 Venture II	15,000,000	4,800,000	-
Venture Investors Health Fund VI	15,000,000	6,375,000	-
Baird Venture Partners V	7,500,000	2,662,994	-
NVNG Fund I	10,000,000	8,552,096	6,552,096.00
Idea Fund of LaCrosse II	5,000,000	5,000,000	3,250,000.00

See Notes provided on the attached Portfolio Report for additional information

<sup>1</sup> Domestic equities currently includes BXSL, valued at \$28.3 Million. At a time yet to be determined, it is expected that all BXSL publicly-traded shares will be sold. Subtracting this security from the domestic equity asset class reduces the current allocation to \$114.6 million and 8.7% of total assets at market value.