



Sarah Godlewski, *Secretary of State*  
John Leiber, *State Treasurer*  
Joshua L. Kaul, *Attorney General*

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Thomas P. German, *Executive Secretary*

## AGENDA

September 3, 2024

2:00 P.M.

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

### Routine Business:

1. Call to Order
2. Approve Minutes – August 20, 2024 (Attachment)
3. Approve Loans

### Old Business:

4. None

### New Business:

5. None

### Routine Business:

6. Chief Investment Officer's Report – Quarterly Investment 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  
1st Tues of the month Conf ID Code: 207 822 241#  
3rd Tues of the month Conf ID Code: 335 125 302#

Board Meeting Minutes  
August 20, 2024

Present were:

John Leiber, Commissioner and acting Board Chair	State Treasurer
Josh Kaul, Commissioner	Attorney General
Tom German, Executive Secretary	Board of Commissioners of Public Lands
Rich Sneider, Chief Investment Officer	Board of Commissioners of Public Lands
Chuck Failing, IT Manager	Board of Commissioners of Public Lands
Thuy Nguyen, Office Manager	Board of Commissioners of Public Lands

### ITEM 1. CALL TO ORDER

Commissioner Leiber called the meeting to order at 2:02 p.m.

### ITEM 2. APPROVE MINUTES

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

**DISCUSSION:** None.

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

### ITEM 3. APPROVE LOANS

**MOTION:** Commissioner Kaul moved to approve the loans; Board Chair Godlewski seconded the motion.

**DISCUSSION:** Mr. Sneider shared that we have seven loans on the agenda today for a little over \$7.5 million. Loan #1 is to the Village of Slinger to finance a development incentive for a multi-family residential project that is utilizing one of the last vacant parcels in downtown Slinger. The town is also borrowing money in loan #2 to finance some park improvements. Loan #3 is to finance a dam replacement for the Pine Lake District. Loan #4 to the Town of Townsend is for \$900,000 to finance their town hall renovation. Loan #5 is to the Town of Rutland in Dane County to finance some roadwork. Loan #6 is for \$5,000,000 to the Village of Mount Horeb. The village is buying 135 acres, 20 acres will be a park and 110 acres will be a residential development. The Village of Shorewood is taking out loan #7 to buy a street sweeper for about \$350,000.

Commissioner Leiber commented about the length of the loan to Mount Horeb being for a long term for a residential project.

Mr. Sneider explained that because BCPL allows prepayment without penalty, borrowers sometimes ask for a longer term than they need so that if rates go down they can refinance the loan or pay it off earlier.

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

The Board of Commissioners of Public Lands (BCPL) unanimously approved **\$7,575,000.00** in State Trust Fund Loans to support **7** community projects in Wisconsin.

1. Village of Slinger / Washington County / Finance TID #6 Development Incentive / \$400,000.00
2. Village of Slinger / Washington County / Finance park construction costs / \$350,000.00
3. Pine Lake Pro & Rehab Assoc / Forest County / Finance Dam Replacement / \$250,000.00
4. Town of Townsend / Oconto County / Finance Town Hall renovation and addition / \$900,000.00
5. Town of Rutland / Dane County / Finance roadwork / \$325,000.00
6. Village of Mount Horeb / Dane County / Finance land purchase for park and development / \$5,000,000.00
7. Village of Shorewood Hills / Dane County / Finance purchase of capital equipment / \$350,000.00

**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 reported that the Lac du Flambeau tribe has been restricting homeowners with property located on the reservation from using certain tribal roads to access their property. The tribe and the town are now exploring the possibility of having the town and title companies acquire nearby land for the tribe in return for access across those tribal roads. BCPL has some lands that are located near the reservation. However, we were actively managing those lands for timber production, and we have no immediate plans for divesting those properties. Executive Secretary German was recently asked to meet with officials from the Lac du Flambeau tribe and the Town of Lac du Flambeau because we have good relationships with those parties and he has agreed to attend meeting. An updated report on the discussions had at that meeting will be provided at the next BCPL board meeting

**ITEM 8. BOARD CHAIR’S REPORT**

None

**ITEM 9. FUTURE AGENDA ITEMS**

None

**ITEM 10. ADJOURN**

Commissioner Kaul moved to adjourn the meeting; Commissioner Leiber seconded the motion. The motion passed 2-0; the meeting adjourned at 2:07 p.m.

A handwritten signature in black ink, appearing to read "Thomas P. German", is written over a horizontal line.

Thomas P. German, Executive Secretary

Link to audio recording:

[https://bcpl.wisconsin.gov/bcpl.wisconsin.gov Shared Documents/Board Meeting Docs/2024/2024-08-20 BoardMtgRecording.mp3](https://bcpl.wisconsin.gov/bcpl.wisconsin.gov/Shared%20Documents/Board%20Meeting%20Docs/2024/2024-08-20/BoardMtgRecording.mp3)

**Common School Fund**  
**Portfolio Report**  
June 30, 2024

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	73,294,897	78,440,609	(5,145,712)	-6.6%	4.0%	3,176,365
U.S. Treasury/Agency Bonds	89,155,085	94,896,000	(5,740,915)	-6.0%	4.8%	4,530,000
U.S. Treasury Inflation Protected Securities	4,963,435	4,890,909	72,526	1.5%	2.3%	112,672
Corporate Bonds	111,751,430	127,761,954	(16,010,524)	-12.5%	5.6%	7,144,080
Private Debt						
BCPL State Trust Fund Loans <sup>1</sup>	294,908,311	294,908,311	-	n/a	4.7%	13,882,527
Other Private Debt <sup>2</sup>	196,673,444	199,281,927	(2,608,483)	-1.3%	9.2%	18,425,264
<b>Total Fixed Income</b>	<b>770,746,602</b>	<b>800,179,710</b>	<b>(29,433,108)</b>	<b>-3.7%</b>	<b>5.9%</b>	<b>47,270,908</b>
<b>Equities and Alternatives</b>						
Public Equities						
Preferred Stocks	79,270,405	98,363,707	(19,093,302)	-19.4%	5.6%	5,498,119
Domestic Equities	120,665,084	89,415,381	31,249,703	34.9%	2.8%	2,501,406
Global Equities	108,282,662	101,209,888	7,072,774	7.0%	4.2%	4,216,168
Alternatives						
Private Real Estate	216,255,234	213,952,813	2,302,421	1.1%	3.2%	6,755,720
Infrastructure	28,858,731	28,871,460	(12,729)	0.0%	4.7%	1,367,186
Private Equity/Venture Capital <sup>2</sup>	50,421,341	45,021,962	5,399,379	12.0%	0.0%	-
<b>Total Equities and Alternatives</b>	<b>603,753,457</b>	<b>576,835,211</b>	<b>26,918,246</b>	<b>4.7%</b>	<b>3.5%</b>	<b>20,338,599</b>
<b>Cash</b>						
State Investment Fund <sup>3</sup>	28,427,491	28,427,491			5.4%	1,542,368
Total Cash	28,427,491	28,427,491			5.4%	1,542,368
<b>TOTAL CSF PORTFOLIO</b>	<b>1,402,927,550</b>	<b>1,405,442,412</b>	<b>(2,514,862)</b>	<b>-0.2%</b>	<b>4.9%</b>	<b>69,151,875</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 that are due 3/15/25 as of 6/30/24, and is subject to change.

<sup>2</sup> Private fund investments are valued at the sum of manager-provided market values (at the end of the prior quarter) plus capital calls made during the current quarter. Market valuations are updated as information is received.

<sup>3</sup> State Investment Fund yield is from June 2024 SIF Pool Earnings Workbook. Total cash is a preliminary number subject to change.

## Common School Fund Asset Allocation Report

June 30, 2024

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>							
<b>Public Debt</b>							
State/State Agency/Municipal Bonds	73,294,897	5.2%		73,294,897	5.2%	5.0%	0% to 20%
U.S. Treasury/Agency Bonds	89,155,085	6.4%		89,155,085	6.4%	0.0%	0% to 20%
U.S. Treasury Inflation Protected Securities	4,963,435	0.4%		4,963,435	0.4%	0.0%	0% to 10%
Corporate Bonds	111,751,430	8.0%		111,751,430	8.0%	5.0%	0% to 20%
<b>Private Debt</b>							
BCPL State Trust Fund Loans	294,908,311	21.0%		294,908,311	21.0%	25.0%	10% to 30%
Other Private Debt	196,673,444	14.0%	27,125,000	223,798,444	16.0%	15.0%	10% to 30%
<b>Total Fixed Income</b>	<b>770,746,602</b>	<b>54.9%</b>	27,125,000	797,871,602	56.9%	50.0%	
<b>Equities and Alternatives</b>							
<b>Public Equities</b>							
Preferred Stocks	79,270,405	5.7%		79,270,405	5.7%	5.0%	0% to 10%
Domestic Equities	120,665,084	8.6%		120,665,084	8.6%	7.5%	5% to 20%
Global Equities	108,282,662	7.7%		108,282,662	7.7%	7.5%	5% to 20%
<b>Alternatives</b>							
Private Real Estate	216,255,234	15.4%	2,951,899	219,207,133	15.6%	20.0%	10% to 30%
Infrastructure	28,858,731	2.1%	16,145,706	45,004,437	3.2%	4.0%	0% to 10%
Private Equity/Venture Capital	50,421,341	3.6%	28,265,955	78,687,296	5.6%	4.0%	0% to 10%
<b>Total Equities and Alternatives</b>	<b>603,753,457</b>	<b>43.0%</b>	47,363,559	651,117,016	46.4%	48.0%	
<b>Cash</b>							
State Investment Fund	28,427,491	2.0%					
<b>Total Cash</b>	<b>28,427,491</b>	<b>2.0%</b>				2.0%	0% to 10%
<b>TOTAL CSF PORTFOLIO</b>	<b>1,402,927,550</b>	<b>100.0%</b>	<b>74,488,559</b>				

		Unfunded Commitments as of 06/30/2024		
		Total	Unfunded	Expected <sup>1</sup>
<b>PRIVATE DEBT</b>	PGIM Senior Loan Opportunities Fund I	50,000,000	11,500,000	9,000,000
	Angelo Gordon Direct Lending Fund	25,000,000	8,125,000	6,875,000
	Golub Capital Partners 15	25,000,000	12,500,000	11,250,000
<b>PRIVATE REAL ESTATE</b>	Nuveen US Cities Workplace	15,000,000	2,951,899	2,951,899
	<b>INFRASTRUCTURE</b>			
	BlackRock Global Infrastructure Fund IV	25,000,000	16,145,706	16,145,706
	KKR Diversified Core Infrastructure Fund	20,000,000	-	-
<b>VENTURE CAPITAL</b>	<i>4490 Venture II</i>	15,000,000	900,000	900,000
	<i>Venture Investors Health Fund VI</i>	15,000,000	2,685,000	1,185,000
	<i>Baird Venture Partners V</i>	7,500,000	1,108,610	358,610
	NVNG Fund I	10,000,000	6,908,077	4,908,077
	Idea Fund of LaCrosse II	5,000,000	4,250,000	2,500,000
	Baird Venture Partners VI	20,000,000	16,034,267	9,034,267
	Venture Investors Health Fund 7	20,000,000	16,380,000	9,380,000

See Notes provided on the attached Portfolio Report for additional information

<sup>1</sup> Expected call percentages for prior vintage Venture Capital funds (shown in italics) has been increased due to current market conditions.

**Growth of Common School Fund  
Vs Inflation**

	Average Annual Growth		
	1 year	10 year	40 year
Common School Fund	0.1%	4.5%	6.4%
CPI - Educational Books and Supplies	0.8%	1.4%	4.8%
CPI - Urban Consumer All Items	3.0%	2.8%	2.8%

Data as of June 2024, except for CPI - Educational Books and Supplies which is as of May 2024.