



**SCOTT MEACHAM
OKLAHOMA STATE TREASURER**

For Immediate Release: August 11, 2010

**\$18.2 Million in Tobacco Trust Earnings Certified for Use
Improving Oklahomans' Health**

OKLAHOMA CITY – The Oklahoma Tobacco Settlement Endowment Trust Fund Board of Investors has certified \$18.2 million in earnings for use in the coming year to combat tobacco addiction and other health issues, State Treasurer Scott Meacham announced today.

The board, which oversees investment of Oklahoma's share of the national Master Settlement Agreement, met to certify the earnings on Wednesday. Each year, the board certifies actual dividends and interest earned after investment fees are paid.

"In spite of the fact that the financial markets are just starting to recover from historic lows, I am pleased we are able to certify an increase in funding from last year. Our investment strategy is quite literally paying off," Meacham said.

Since Meacham took office and became chairman of the trust's board of investors in 2005, annual earnings of the tobacco settlement endowment have increased by 295 percent.

Earnings from the fund are growing due to an increase in tobacco settlement funds and due to two changes the board adopted at Meacham's recommendation. Meacham negotiated new investment contracts to cut the fees paid and the portfolio was redistributed to generate additional certified earnings while protecting the principal value of the fund.

Oklahoma is the only state with a constitutionally-protected endowment to fund programs that will reduce tobacco use and improve the health of Oklahomans. Voters approved creation of the endowment in 2000. Since its inception, more than \$81.9 million in earnings have been certified by the board of investors. During Meacham's tenure, \$74.6 million in earnings have been certified.

The endowment currently contains almost \$530 million and reflects a more than \$100 million increase in value in the past year. Investment of the fund is managed by the Board of Investors. Spending of the earnings is controlled by a separately appointed Board of Directors.

Unlike standard endowments that are allowed to spend a set percentage of the value of the total fund each year, the Oklahoma Constitution limits the tobacco endowment to spending only actual earnings.

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A total of 75 percent of Oklahoma's share of the national Master Settlement Agreement is placed into the endowment each year. The remainder of the settlement payments is appropriated by the Legislature.

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For more information contact:

Tim Allen, Deputy Treasurer for Policy and Administration, (405) 522-4212