

Illinois Municipal Retirement Fund 2020 Diversity Report

Respectfully submitted to the Illinois Governor and the General Assembly



Locally funded, financially sound.



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I. Introduction

Illinois Municipal Retirement Fund's (IMRF) Board of Trustees is pleased to submit its annual report on diversity. Our 2020 Diversity Report provides the policies adopted by the IMRF Board of Trustees to increase 1) utilization of emerging investment managers, 2) racial, ethnic, and gender diversity of fiduciaries, including consultants and senior staff, 3) utilization of minority-owned broker-dealers, 4) utilization of minorities, women and persons with disabilities for all contracts, and 5) utilization of minority-owned investment managers. This report provides the assets managed by all minorities, women, and persons with a disability owned investment management firms by asset class, and as a percentage of the total IMRF investment portfolio.

II. Minority, Women and Persons with Disability Owned Investment Manager Summary

As of September 30, 2020, the Illinois Municipal Retirement Fund's market value was \$45.2 billion. IMRF utilizes fifty-one investment management firms owned by minorities, women, or persons with disabilities ("Minority-owned") to manage \$10.6 billion. This represents 23.4% of the total IMRF investment portfolio across domestic equity, fixed income, international equity, private equity, and real estate asset classes.

During the period of 10/01/2019 to 09/30/2020, IMRF allocated \$1.38 billion to Minority-owned firms. The following commitments and allocations were made to Minority-owned firms:

- \$40 million in aggregate commitments to Mayfield, an Asian American-owned firm
 - IMRF received approval to invest \$50 million to the Mayfield Funds, in aggregate. Due to oversubscription, IMRF's commitment was reduced to \$40 million, in aggregate.
- \$7.5 million to Harpoon Ventures, a Disabled-owned firm
- \$135 million in aggregate commitments to Clearlake Capital Partners, a Latino-owned firm
- \$75 million to Valor Equity Partners, a Latino-owned firm
- \$50 million to Vista Equity Partners, an African American-owned firm
- \$50 million to Artemis, a Woman-owned firm
- \$75 million to Oak Street Real Estate Capital, a Latino-owned firm
- \$300 million in aggregate allocations to Xponance, an African American-owned firm
- \$125 million to Brown Capital Management, an African American-owned firm
- \$125 million to GlobeFlex Capital, a Woman-owned firm
- \$125 million to Ramirez Asset Management, a Latino-owned firm
- \$175 million to Longfellow Investment Management, a Woman-owned firm
- \$100 million to Attucks, an African American-owned firm

The table details the assets under management by asset class and investment manager classification as of 9/30/2020.

| Investment Manager Classification | Domestic Equity | International Equity | Fixed Income | Real Estate | Private Equity | Total |
|--|------------------------|-----------------------------|---------------------|--------------------|-----------------------|-----------------|
| African American | 1,940 | 982 | 2,166 | 136 | 829 | 6,053 |
| Latino | - | 139 | 2,224 | 400 | 523 | 3,288 |
| Asian | - | - | - | 32 | 95 | 127 |
| Woman | - | 649 | 183 | 229 | 43 | 1,103 |
| Disabled | - | - | - | 15 | 8 | 22 |
| Total | \$1,940 | \$1,771 | \$4,573 | \$812 | \$1,498 | \$10,594 |

Values shown are in millions.

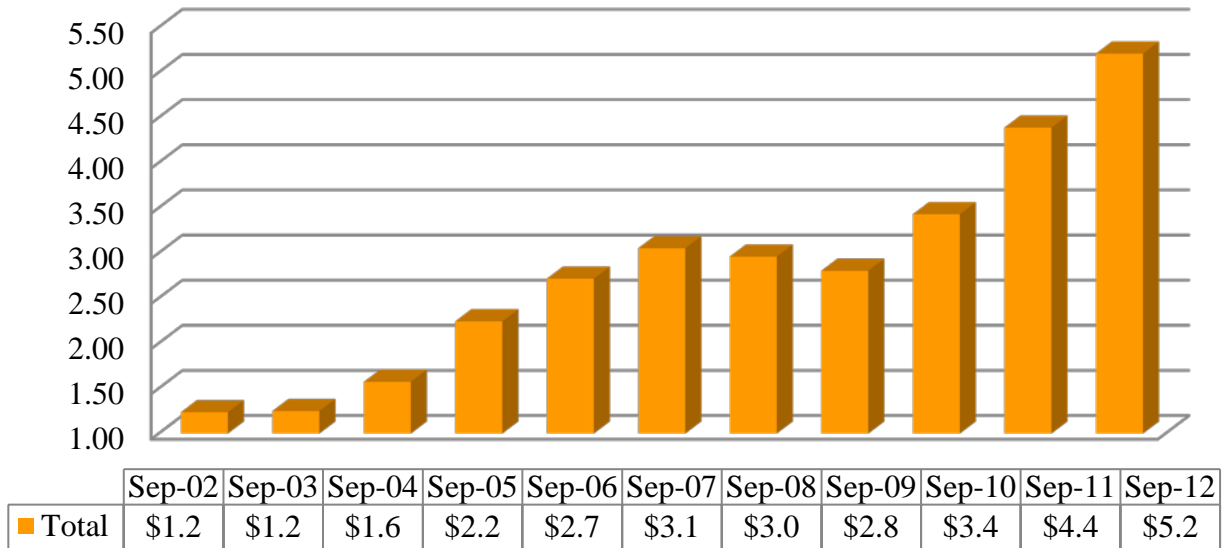
Private Equity and Real Estate values are committed amounts.

The table below details the percentage of the assets under management and percentage of the total Fund's market value by investment manager classification as of 9/30/2020.

| Investment Manager Classification | Assets Under Management (in \$ millions) | % of Total Fund Market Value |
|--|---|-------------------------------------|
| African American | 6,053 | 13.4% |
| Latino | 3,288 | 7.3% |
| Asian | 127 | 2.4% |
| Woman | 1,103 | 0.3% |
| Disabled | 22 | 0.05% |
| Total | \$10,594 | 23.4% |

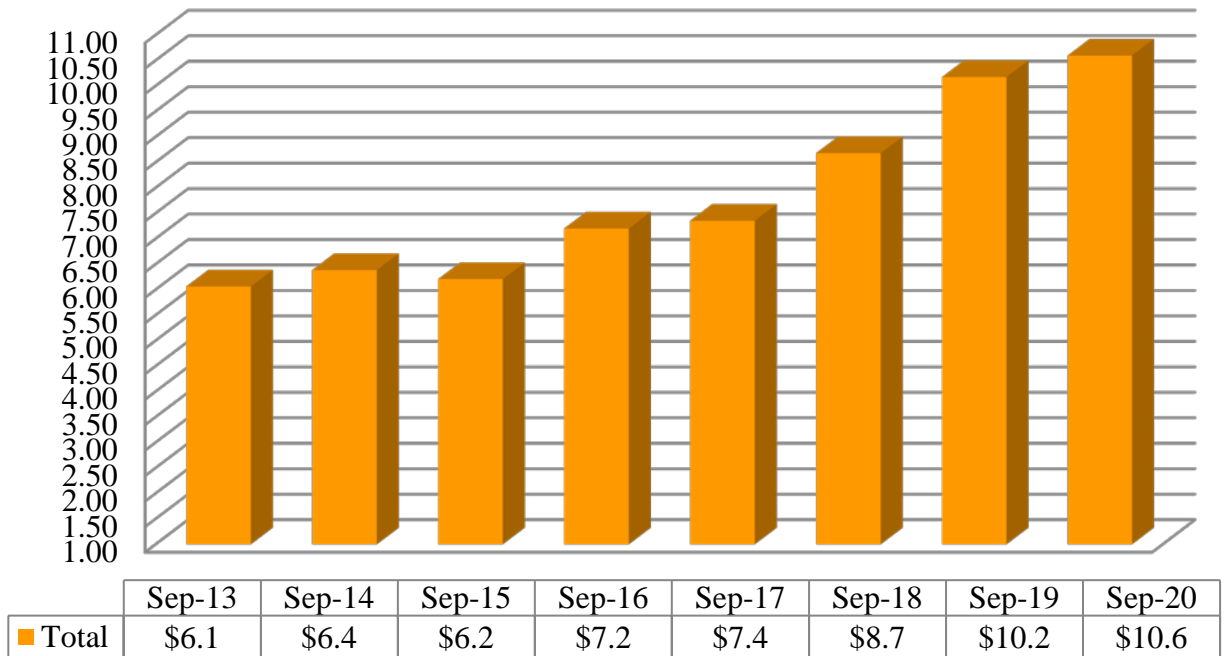
Since 2002, IMRF has increased its utilization of Minority-owned investment managers. Minority-owned investment managers' assets under management increased from \$1.2 billion to \$10.6 billion over an eighteen-year period. Over the same period, the number of Minority-owned asset managers investing IMRF's assets increased from 3 to 51. The two bar charts below show the growth in asset managed by Minority-owned business from 2002 to 2020.

IMRF Assets Managed by Minority-owned Investment Managers*
2002-2012
(in billions)



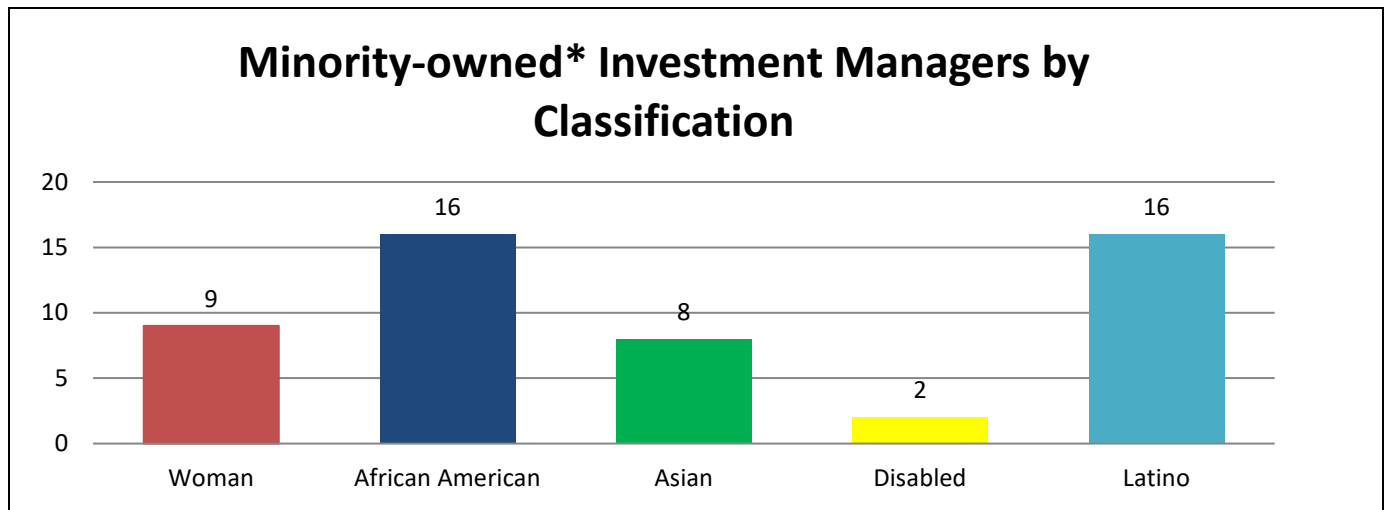
* includes minority-owned, woman-owned and disabled-owned investment management firms

IMRF Assets Managed by Minority-owned Investment Managers*
2013-2020
(in billions)



* includes minority-owned, woman-owned and disabled-owned investment management firms

As of September 30, 2020, IMRF has allocated capital to fifty-one investment firms that are owned by minorities, women, and persons with disabilities. The graph below provides the number of Minority-owned managers by classification.



* includes minority-owned, woman-owned and disabled-owned investment management firms

IMRF’s commitment to diversity and inclusion includes supporting the Emerging and Minority Investment Manager Community. IMRF’s Chief Investment Officer serves on the Board of Directors of CFA Society Chicago, The Robert Toigo Foundation, PREA and PREA Foundation.

Organizations and events that IMRF has supported include:

- Sponsors for Educational Opportunity (SEO)
- Toigo
- Artemis Emerging Manager Symposium
- Leaders On Fast Track (LOFT)
- National Association of Securities Professionals (NASP) Annual Pension and Financial Services Conference
- Women In Real Estate (WIRE)
- Loop Capital
- Grosvenor’s Small and Emerging Manager (SEM) Conference
- New America Alliance (NAA) National Tour
- Cabrera Capital Markets
- Illinois State Treasurer Diversity Forum
- National Association of Investment Companies Annual Conference
- Women’s Association of Venture & Equity (WAVE)
- National Association of Investment Companies (NAIC)

Furthermore, IMRF has an open-door policy for meeting with investment managers and broker/dealers. IMRF has a dedicated team that focuses on meeting with firms owned by minorities, women, and persons with a disability. At these meetings, IMRF Staff provides an overview of the IMRF portfolio, investment manager selection process, and Diverse Manager Program. IMRF’s Policy for the Selection of External Investment Managers is in Exhibit J.

III. Manager of Managers, Fund of Funds and General Investment Consultant

Dedicated Minority Manager of Managers and Fund of Funds Programs (Committing capital)

As of 9/30/2020, IMRF has two manager of managers/fund of funds programs that commit capital on IMRF's behalf and are exclusively focused on reviewing Minority-owned managers for inclusion in the portfolio. Minority-owned firms interested in discussing their firm and investment capabilities may contact IMRF, Artemis Real Estate Partners and Oak Street Real Estate Capital. In August 2020, the IMRF Board of Trustees approved the recommendation to hire Xponance for an International Equity manager of managers portfolio and Attucks for a Fixed Income manager of managers portfolio. These two portfolios are expected to be funded by year end 2020. Contact information is provided in Exhibit A.

These firms have full discretion to hire investment management firms that are 51% or more owned by minorities, women, or persons with a disability. In total, IMRF has committed \$650 million to these managers of managers/fund of funds providers to date.

International Equity and Fixed Income

In August 2020, the IMRF Board of Trustees approved the recommendation to hire Xponance for a \$100 million International Equity manager of managers portfolio and Attucks for a \$100 million Fixed Income manager of managers portfolio. These two portfolios are expected to be funded by year end 2020.

Real Estate

In 2015, IMRF launched an RFP for an investment manager to implement a real estate manager of managers program that would invest solely in investment management firms owned by minorities, women, and persons with disabilities. Artemis Real Estate Partners, a woman-owned investment management firm, was hired to implement the real estate manager of managers program. This manager of managers program is constructed as an evergreen separate account. IMRF will make annual allocations to this mandate consistent with the Fund's asset allocation. As of 9/30/2020, IMRF has committed \$350 million to the program and \$285 million has been committed to underlying managers. The investment management firms, and their classifications are listed below.

| Manager | Minority Classification |
|--|--------------------------------|
| 1. Artemis REP Healthcare Fund I | Woman |
| 2. Basis Investment Group | African American |
| 3. CRES Management | Woman |
| 4. Jair Lynch Real Estate Partners (multiple mandates) | African American |
| 5. MCB Real Estate (multiple mandates) | African American |
| 6. Olympus Property | Latino |
| 7. Capstone Development | African American |
| 8. Blue Moon Capital Partners | Woman |

In 2018, IMRF committed \$100.0 million to Oak Street Seeding and Strategic Capital Fund II- MW, a commingled fund dedicated to committing capital to Minority-owned real estate funds. As of 9/30/2020, Oak Street SASC II-MW has committed \$20.0 million underlying investment managers. The investment management firms, and their classifications are listed below.

| Manager | Minority Classification |
|----------------------------------|--------------------------------|
| 1. Pillar Real Estate Fund I | Latino |
| 2. Patch Capital Partners Fund I | Asian |

Dedicated Minority Manager of Managers/ Fund of Funds Programs (Fully committed)

IMRF has a real estate fund of funds and a private equity fund of funds that are fully committed and no longer making commitments to minority-owned, woman-owned, or disabled-owned firms.

In 2010, IMRF committed \$75 million to Franklin Templeton to implement a real estate fund of funds portfolio exclusively focused on investing in Minority-owned firms. The portfolio is fully committed to six real estate funds and one co-investment. The investment management firms, and their classifications are listed below.

| Manager | Minority Classification |
|---------------------------------|---|
| 1. Argosy Real Estate Partners | African American, at time of commitment |
| 2. Hudson Realty Capital | Latino |
| 3. GreenOak (multiple mandates) | Asian American |
| 4. Newport Capital Partners | Disabled |
| 5. Noble | Asian American |
| 6. Long Wharf | Latino |

In 2007, IMRF committed \$25.0 million to Muller and Monroe, an African American-owned private equity firm. Muller and Monroe launched M²PEFF, a fund of funds dedicated to committing capital to emerging managers including minority-owned and woman-owned firms. M²PEFF is fully committed and no longer making additional commitments. The firms that qualify as minority-owned and woman-owned investment management firms are listed below.

| Manager | Minority Classification |
|---------------------------------|--------------------------------|
| 1. DBL Equity Fund – BAEF II | African American |
| 2. Smith Whiley Pelham Fund III | African American |
| 3. Hispania Private Equity II | Latino |

Private Equity Fund of Funds Programs

IMRF has three private equity separate account mandates with Abbott Capital, Pantheon Ventures and Goldman Sachs. All three firms have discretion to commit capital to firms owned by minorities, women, and persons with disabilities as well as non-minority-owned investment management firms. The fund of funds investment managers implement portfolio changes at their discretion. IMRF refers Minority-owned investment managers to the fund of funds investment managers when IMRF does not have plans for an investment manager search. Contact information is provided in Exhibit A.

As of 9/30/2020, Abbott Capital committed \$82.6 million to nineteen funds managed by ten Minority-owned firms. The investment managers and their classifications are listed below.

| <u>Manager</u> | <u>Minority Classification</u> |
|-------------------------------|---------------------------------------|
| 1. 1315 Healthcare Fund | Woman |
| 2. Canvas Ventures | Woman |
| 3. Clearlake Capital Partners | Latino |
| 4. ICV Partners | African American |
| 5. NMS Capital | Latino |
| 6. Oak HC/FT Partners | Woman |
| 7. Storm Ventures | Asian |
| 8. Vivo Ventures | Asian American |
| 9. Chicago Pacific Founders | Woman |
| 10. Palladium Equity Partners | Latino |

As of 9/30/2020, Pantheon committed \$47.1 million to nineteen funds managed by six Minority-owned firms. The investment managers and their classifications are listed below.

| <u>Manager</u> | <u>Minority Classification</u> |
|-----------------------|---------------------------------------|
| 1. ICV Partners | African American |
| 2. Base 10 | African American |
| 3. Khosla Ventures | Asian American |
| 4. NMS Capital | Latino |
| 5. Oak HC/FT Partners | Woman |
| 6. Vistria | African American |

As of 9/30/2020, Goldman Sachs committed \$6.3 million to one Minority-owned firm. The investment manager and their classifications are listed below.

| <u>Manager</u> | <u>Minority Classification</u> |
|-----------------------|---------------------------------------|
| 1. Arcline I | Asian American |

General Investment Consultant

As of January 1, 2020, Wilshire Associates is IMRF’s General Investment Consultant. Contact information for Wilshire Associates is provided in Exhibit A.

The IMRF Board of Trustees requires that its investment consultant, Wilshire Associates use non-discriminatory practices when recommending investment manager candidates (IMRF’s Policy for the Selection of Investment Consultants, Exhibit J).

In 2018, Wilshire relaunched the Diverse Owned Manager Initiative. The program has two strategic objectives:

- 1) Awareness: Wilshire includes a diverse-owned firm in every public securities manager search conducted for advisory clients, where products are available that fit the client mandate. This raises the profile of diverse-owned firms among our clients and consultants.
- 2) Outreach: Wilshire hosts a series of educational seminars for diverse-owned managers entitled “Welcome to Wilshire.” The agenda includes presentations from Wilshire’s Senior Management

and the Manager Research team plus one-on-one time with our consultants. These were held virtually in 2020 with individual consultants meeting with managers.

Additionally, in the spirit of public accountability, Wilshire publishes the annual results of its Diverse Owned Manager Initiative. The most recent report can be found here <https://wilshire.com/Portals/0/consulting/research/wilshire-consulting-diverse-owned-manager-initiative-2019-in-review.pdf>.

From 10/1/2019 to 9/30/2020, Wilshire Associates met with 87 Emerging and Minority-owned firms and conducted 128 meetings with these firms during that period. In addition, Wilshire maintains a list of 145 public Diverse-owned firms. The list of Diverse-owned investment managers is attached as Exhibit B. Investment Management firms interested in being added to the list may do so by submitting their firm and product information to the Wilshire Compass database using the following link <http://www.wilshirecompass.com/CompassPortal.aspx>.

IV. Diverse Investment Manager Program

A. Minority and Emerging Investment Manager Goals

(In Compliance with Section 1-109.1 (4) & (9) of the Illinois Pension Code)

The Illinois Municipal Retirement Fund is committed to providing opportunities for minority and emerging investment managers. As of September 30, 2020, 23.4% of the IMRF portfolio is managed by investment management firms owned by minorities, women, and persons with a disability.

The Illinois Municipal Retirement Fund Board of Trustees adopts separate goals for: (i) minority and emerging investment managers that are minority-owned businesses; (ii) minority and emerging investment managers that are woman-owned businesses; and (iii) minority and emerging investment managers that are businesses owned by a person with a disability. Additionally, the IMRF Board of Trustees adopts fee goals for minority investment managers consistent with aspirational goal.

The actual IMRF portfolio allocations for Minority and Emerging Investment Managers by Investment Manager Classification as of 9/30/20 are detailed below.

| Investment Manager Classification | Minimum Goal as a % of Total Fund Market Value | Actual % of Total Fund Market Value | |
|--|--|-------------------------------------|-------------|
| | | Minority | Emerging |
| Minority (African American, Asian, & Latino Owned) | 13% | 21.0% | 6.2% |
| Woman Owned Businesses | 6% | 2.4% | 2.0% |
| Businesses Owned by a Person with a Disability | 1% | 0.05% | 0.05% |
| Total | 20% | 23.4% | 8.3% |

In February 2019, the IMRF Board of Trustees adopted a 20% fee goal for Minority Investment Managers. For year-end 2019, Minority Investment Managers earned 23.23% of total fees paid. IMRF's Diverse Investment Manager Policy is in Exhibit C.

The actual IMRF portfolio allocations to Minority and Emerging Investment Managers by asset class as of 9/30/20 are detailed below.

| Asset Class | Minimum Goal as a % of Asset Class | | Actual % of Asset Class | |
|----------------------|------------------------------------|--------------|-------------------------|----------|
| | Minority | Emerging | Minority | Emerging |
| Domestic Equity | 5% | 5% | 10.3% | 1.1% |
| International Equity | 20% | 15% | 21.6% | 9.6% |
| Fixed Income | 30% | 25% | 37.8% | 9.1% |
| Real Estate | 10% | 10% | 15.6% | 15.6% |
| Private Equity | 20% | 10% | 29% | 13.7% |
| Timberland | Best Efforts | Best Efforts | 0% | 0% |
| Agriculture | Best Efforts | Best Efforts | 0% | 0% |

*Private Equity and Real Estate percentages are calculated using committed amounts.
Timberland and Agriculture percentages are calculated using NAVs*

B. Minority and Emerging Investment Managers by Classification, Asset Class, AUM, and Percentage of Total Fund

The table below lists the Minority Investment Managers by classification, assets under management and percentage of IMRF's total market value as of 9/30/2020.

| Minority Classification | Asset Class | Manager Name | Assets Under Management (in millions) | % of Total Fund Market Value |
|-------------------------|----------------------|--------------------------------|---------------------------------------|------------------------------|
| African American | Real Estate | Basis Investment Group | 5.0 | 0.0% |
| African American | Private Equity | Base 10 Partners II | 4.0 | 0.0% |
| African American | International Equity | Brown Capital Management | 554.7 | 1.2% |
| African American | Domestic Equity | Channing Capital Management | 209.6 | 0.5% |
| African American | Real Estate | Capstone Development | 17.8 | 0.0% |
| African American | Private Equity | DBL Equity Fund- BAEF II, L.P. | 1.6 | 0.0% |
| African American | Fixed Income | Earnest Partners | 1,047.7 | 2.3% |

| Minority Classification | Asset Class | Manager Name | Assets Under Management (in millions) | % of Total Fund Market Value |
|-------------------------|----------------------|-------------------------------------|---------------------------------------|------------------------------|
| African American | International Equity | Earnest Partners | 427.6 | 0.9% |
| African American | Private Equity | ICV Capital Partners III | 20.0 | 0.0% |
| African American | Private Equity | ICV Capital Partners III | 4.5 | 0.0% |
| African American | Private Equity | ICV Capital Partners III | 5.0 | 0.0% |
| African American | Private Equity | ICV Capital Partners IV | 35.0 | 0.1% |
| African American | Private Equity | ICV Capital Partners IV | 4.3 | 0.0% |
| African American | Private Equity | ICV Capital Partners IV | 3.0 | 0.0% |
| African American | Real Estate | Jair Lynch - Takoma Central | 23.8 | 0.1% |
| African American | Private Equity | JLC Infrastructure Fund I | 25.0 | 0.1% |
| African American | Real Estate | MCB Real Estate - Liberty Place | 67.7 | 0.1% |
| African American | Real Estate | MCB Real Estate - 1900 Clark | 21.9 | 0.0% |
| African American | Private Equity | Muller & Monroe | 2.6 | 0.0% |
| African American | Private Equity | Smith Whiley III | 1.6 | 0.0% |
| African American | Private Equity | Vista Credit Opportunities Fund I | 50.0 | 0.1% |
| African American | Private Equity | Vista Credit Opportunities Fund II | 50.0 | 0.1% |
| African American | Private Equity | Vista Credit Opportunities Fund III | 50.0 | 0.1% |
| African American | Private Equity | Vista Equity Partners V | 100.0 | 0.2% |
| African American | Private Equity | Vista Equity Partners VI | 100.0 | 0.2% |
| African American | Private Equity | Vista Equity Partners VII | 100.0 | 0.2% |
| African American | Private Equity | Vista Equity Partners VII | 7.2 | 0.0% |

| Minority Classification | Asset Class | Manager Name | Assets Under Management (in millions) | % of Total Fund Market Value |
|-------------------------------|----------------------|-------------------------------------|---------------------------------------|------------------------------|
| African American | Private Equity | Vista Foundation Fund II | 15.0 | 0.0% |
| African American | Private Equity | Vista Foundation Fund III | 25.0 | 0.1% |
| African American | Private Equity | Vista Foundation Fund IV | 50.0 | 0.1% |
| African American | Private Equity | Vistria Fund | 15.0 | 0.0% |
| African American | Private Equity | Vistria Fund | 3.0 | 0.0% |
| African American | Private Equity | Vistria Fund II | 75.0 | 0.2% |
| African American | Private Equity | Vistria Fund II | 3.0 | 0.0% |
| African American | Private Equity | Vistria Fund III | 75.0 | 0.2% |
| African American | Private Equity | Vistria Fund III | 4.0 | 0.0% |
| African American | Fixed Income | Xponance-FI | 1,117.9 | 2.5% |
| African American | Domestic Equity | Xponance Russell Growth | 1,730.7 | 3.8% |
| Total African American | | | \$6,053.2 | 13.4% |
| | | | | |
| Latino | International Equity | Ativo Capital Management | 139.4 | 0.3% |
| Latino | Private Equity | AUA Private Equity Fund | 5.0 | 0.0% |
| Latino | Private Equity | AUA Private Equity Fund II | 15.0 | 0.0% |
| Latino | Private Equity | Clearlake Capital Partners III | 7.5 | 0.0% |
| Latino | Private Equity | Clearlake Capital Partners V | 20.0 | 0.0% |
| Latino | Private Equity | Clearlake Capital Partners V | 1.7 | 0.0% |
| Latino | Private Equity | Clearlake Opportunities Partners II | 75.0 | 0.2% |
| Latino | Private Equity | Clearlake Capital Partners VI | 4.7 | 0.0% |
| Latino | Private Equity | Clearlake Capital Partners VI | 60.0 | 0.1% |
| Latino | Private Equity | Clearlake Flagship Plus Partners | 75.0 | 0.2% |
| Latino | Private Equity | Estancia Capital Partners | 5.0 | 0.0% |
| Latino | Fixed Income | Garcia Hamilton & Associates | 1,118.9 | 2.5% |
| Latino | Private Equity | Hispania Private Equity Fund II | 1.6 | 0.0% |
| Latino | Real Estate | Hudson Realty Capital V | 11.7 | 0.0% |
| Latino | Fixed Income | LM Capital Group | 974.2 | 2.2% |

| Minority Classification | Asset Class | Manager Name | Assets Under Management (in millions) | % of Total Fund Market Value |
|-------------------------|----------------|---|---------------------------------------|------------------------------|
| Latino | Real Estate | Long Wharf RE Partners IV | 13.7 | 0.0% |
| Latino | Real Estate | Long Wharf RE Partners V | 30.0 | 0.1% |
| Latino | Real Estate | Long Wharf RE Partners VI | 35.0 | 0.1% |
| Latino | Private Equity | New Mainstream Capital II | 5.0 | 0.0% |
| Latino | Private Equity | New Mainstream Capital II | 4.5 | 0.0% |
| Latino | Private Equity | New Mainstream Capital II | 2.3 | 0.0% |
| Latino | Private Equity | New Mainstream Capital III | 25.0 | 0.1% |
| Latino | Private Equity | New Mainstream Capital III | 4.3 | 0.0% |
| Latino | Private Equity | New Mainstream Capital III | 3.0 | 0.0% |
| Latino | Real Estate | Oak Street Real Estate Capital III | 25.0 | 0.1% |
| Latino | Real Estate | Oak Street Real Estate Capital IV | 75.0 | 0.2% |
| Latino | Real Estate | Oak Street Real Estate Capital V | 75.0 | 0.2% |
| Latino | Real Estate | Oak Street Seeding and Strategic Capital Fund II-MW | 80.0 | 0.2% |
| Latino | Real Estate | Olympus Property | 45.0 | 0.1% |
| Latino | Fixed Income | Ramirez Asset Management | 131.4 | 0.3% |
| Latino | Private Equity | Palladium Equity Partners V | 4.0 | 0.0% |
| Latino | Real Estate | Pillar Real Estate Fund I | 10.0 | 0.0% |
| Latino | Private Equity | Valor Equity Partners III | 5.0 | 0.0% |
| Latino | Private Equity | Valor Equity Partners IV | 75.0 | 0.2% |
| Latino | Private Equity | Valor Equity Partners V | 75.0 | 0.2% |
| Latino | Private Equity | Valor M33 II | 50.0 | 0.1% |
| Total Latino | | | \$3,287.7 | 7.3% |
| | | | | |
| Asian | Private Equity | Arcline I | 6.3 | 0.0% |
| Asian | Real Estate | GreenOak U.S. | 11.7 | 0.0% |
| Asian | Real Estate | GreenOak Co-Investment | 2.9 | 0.0% |
| Asian | Private Equity | Khosla Ventures Seed | 0.2 | 0.0% |
| Asian | Private Equity | Khosla Ventures III | 0.7 | 0.0% |
| Asian | Private Equity | Khosla Ventures IV | 1.1 | 0.0% |
| Asian | Private Equity | Khosla Ventures Seed B | 1.1 | 0.0% |
| Asian | Private Equity | Khosla Ventures Seed C | 2.3 | 0.0% |
| Asian | Private Equity | Khosla Ventures V | 2.3 | 0.0% |
| Asian | Private Equity | Khosla Ventures VI | 2.3 | 0.0% |
| Asian | Private Equity | Khosla Ventures Seed D | 0.8 | 0.0% |
| Asian | Private Equity | Mayfield Fund XIV | 5.0 | 0.0% |
| Asian | Private Equity | Mayfield XV | 10.0 | 0.0% |
| Asian | Private Equity | Mayfield XVI | 20.0 | 0.0% |
| Asian | Private Equity | Mayfield Select | 10.0 | 0.0% |
| Asian | Private Equity | Mayfield Select II | 20.0 | 0.0% |

| Minority Classification | Asset Class | Manager Name | Assets Under Management (in millions) | % of Total Fund Market Value |
|-------------------------|----------------------|---|---------------------------------------|------------------------------|
| Asian | Real Estate | Noble Hospitality Fund II | 7.4 | 0.0% |
| Asian | Real Estate | Patch Capital Partners Fund I | 10.0 | 0.0% |
| Asian | Private Equity | Storm Ventures V | 4.0 | 0.0% |
| Asian | Private Equity | Vivo Capital VIII | 3.5 | 0.0% |
| Asian | Private Equity | Vivo Ventures VII | 6.0 | 0.0% |
| Total Asian | | | \$127.5 | 0.3% |
| | | | | |
| Woman | Private Equity | 1315 Capital | 3.5 | 0.0% |
| Woman | Private Equity | 1315 Capital II | 4.0 | 0.0% |
| Woman | Real Estate | Artemis MWBE Spruce Program | 64.2 | 0.1% |
| Woman | Real Estate | Artemis RE Partners Healthcare Fund I | 25.0 | 0.1% |
| Woman | Real Estate | Artemis RE Partners Healthcare Fund I | 25.0 | 0.1% |
| Woman | Real Estate | Artemis Real Estate Partners Fund III | 75.0 | 0.2% |
| Woman | Real Estate | Blue Moon Senior Housing II | 15.0 | 0.0% |
| Woman | Private Equity | Canvas Ventures 2 | 3.5 | 0.0% |
| Woman | Private Equity | Canvas Ventures 3 | 5.0 | 0.0% |
| Woman | Private Equity | Chicago Pacific Founders Fund II | 4.5 | 0.0% |
| Woman | Real Estate | CRES Management | 24.6 | 0.1% |
| Woman | International Equity | GlobeFlex Capital | 648.8 | 1.4% |
| Woman | Fixed Income | Longfellow Investment Management | 182.7 | 0.4% |
| Woman | Private Equity | Oak HC/FT | 4.5 | 0.0% |
| Woman | Private Equity | Oak HC/FT II | 4.3 | 0.0% |
| Woman | Private Equity | Oak HC/FT III | 4.5 | 0.0% |
| Woman | Private Equity | Oak HC/FT | 2.3 | 0.0% |
| Woman | Private Equity | Oak HC/FT II | 3.0 | 0.0% |
| Woman | Private Equity | Oak HC/FT III | 4.0 | 0.0% |
| Total Woman | | | \$1,103.4 | 2.4% |
| | | | | |
| Disabled | Real Estate | Newport Capital Partners I, L.P. | 14.9 | 0.03% |
| Disabled | Private Equity | Harpoon Ventures II | 7.5 | 0.02% |
| Total Disabled | | | \$22.4 | 0.05% |
| | | | | |
| | | Total Assets Managed by Minority-Owned Firms | \$10,594.1 | 23.4% |

The table below lists the Emerging Investment Managers by classification, assets under management and the percentage of IMRF's total market value as of 9/30/2020.

| Minority Classification | Asset Class | Manager Name | Assets Under Management (in millions) | % of Total Fund Market Value |
|-------------------------|-----------------|---------------------------------|---------------------------------------|------------------------------|
| African American | Real Estate | Basis Investment Group | 5.0 | 0.0% |
| African American | Private Equity | Base 10 Partners II | 4.0 | 0.0% |
| African American | Domestic Equity | Channing Capital Management | 209.6 | 0.5% |
| African American | Real Estate | Capstone Development | 15.0 | 0.0% |
| African American | Private Equity | DBL Equity Fund- BAEF II, L.P. | 1.6 | 0.0% |
| African American | Private Equity | ICV Capital Partners III | 20.0 | 0.0% |
| African American | Private Equity | ICV Capital Partners III | 4.5 | 0.0% |
| African American | Private Equity | ICV Capital Partners III | 5.0 | 0.0% |
| African American | Private Equity | ICV Capital Partners IV | 35.0 | 0.1% |
| African American | Private Equity | ICV Capital Partners IV | 4.3 | 0.0% |
| African American | Private Equity | ICV Capital Partners IV | 3.0 | 0.0% |
| African American | Real Estate | Jair Lynch - Takoma Central | 23.8 | 0.1% |
| African American | Private Equity | JLC Infrastructure Fund I | 25.0 | 0.1% |
| African American | Real Estate | MCB Real Estate - Liberty Place | 66.5 | 0.1% |
| African American | Real Estate | MCB Real Estate - 1900 Clark | 21.9 | 0.0% |
| African American | Private Equity | Muller & Monroe | 2.6 | 0.0% |
| African American | Private Equity | Smith Whiley III | 1.6 | 0.0% |
| African American | Private Equity | Vistria Fund | 15.0 | 0.0% |
| African American | Private Equity | Vistria Fund | 3.0 | 0.0% |

| Minority Classification | Asset Class | Manager Name | Assets Under Management (in millions) | % of Total Fund Market Value |
|-------------------------------|----------------------|---------------------------------|---------------------------------------|------------------------------|
| African American | Private Equity | Vistria Fund II | 75.0 | 0.2% |
| African American | Private Equity | Vistria Fund II | 3.0 | 0.0% |
| African American | Private Equity | Vistria Fund III | 75.0 | 0.2% |
| African American | Private Equity | Vistria Fund III | 4.0 | 0.0% |
| Total African American | | | \$623.3 | 1.4% |
| | | | | |
| Latino | International Equity | Ativo Capital Management | 139.4 | 0.3% |
| Latino | Private Equity | AUA Private Equity Fund | 5.0 | 0.0% |
| Latino | Private Equity | AUA Private Equity Fund II | 15.0 | 0.0% |
| Latino | Private Equity | Estancia Capital Partners | 5.0 | 0.0% |
| Latino | Private Equity | Hispania Private Equity Fund II | 1.6 | 0.0% |
| Latino | Real Estate | Hudson Realty Capital V | 11.7 | 0.0% |
| Latino | Fixed Income | LM Capital Group | 974.2 | 2.2% |
| Latino | Real Estate | Long Wharf RE Partners IV | 13.7 | 0.0% |
| Latino | Real Estate | Long Wharf RE Partners V | 30.0 | 0.1% |
| Latino | Real Estate | Long Wharf RE Partners VI | 35.0 | 0.1% |
| Latino | Private Equity | New Mainstream Capital II | 5.0 | 0.0% |
| Latino | Private Equity | New Mainstream Capital II | 4.5 | 0.0% |
| Latino | Private Equity | New Mainstream Capital II | 2.3 | 0.0% |
| Latino | Private Equity | New Mainstream Capital III | 25.0 | 0.1% |
| Latino | Private Equity | New Mainstream Capital III | 4.3 | 0.0% |

| Minority Classification | Asset Class | Manager Name | Assets Under Management (in millions) | % of Total Fund Market Value |
|-------------------------|----------------|---|---------------------------------------|------------------------------|
| Latino | Private Equity | New Mainstream Capital III | 3.0 | 0.0% |
| Latino | Real Estate | Oak Street Real Estate Capital III | 25.0 | 0.1% |
| Latino | Real Estate | Oak Street Real Estate Capital IV | 75.0 | 0.2% |
| Latino | Real Estate | Oak Street Real Estate Capital V | 75.0 | 0.2% |
| Latino | Real Estate | Oak Street Seeding and Strategic Capital Fund II-MW | 80.0 | 0.2% |
| Latino | Real Estate | Olympus Property | 45.0 | 0.1% |
| Latino | Fixed Income | Ramirez Asset Management | 131.4 | 0.3% |
| Latino | Private Equity | Palladium Equity Partners V | 4.0 | 0.0% |
| Latino | Real Estate | Pillar Real Estate Fund I | 10.0 | 0.0% |
| Latino | Private Equity | Valor Equity Partners III | 5.0 | 0.0% |
| Latino | Private Equity | Valor Equity Partners IV | 75.0 | 0.2% |
| Latino | Private Equity | Valor Equity Partners V | 75.0 | 0.2% |
| Latino | Private Equity | Valor M33 II | 50.0 | 0.1% |
| Total Latino | | | \$1,924.9 | 4.3% |
| Asian | Private Equity | Arcline I | 6.3 | 0.0% |
| Asian | Real Estate | GreenOak U.S. | 11.7 | 0.0% |
| Asian | Real Estate | GreenOak Co-Investment | 2.9 | 0.0% |
| Asian | Private Equity | Khosla Ventures Seed | 0.2 | 0.0% |
| Asian | Private Equity | Khosla Ventures III | 0.7 | 0.0% |
| Asian | Private Equity | Khosla Ventures IV | 1.1 | 0.0% |

| Minority Classification | Asset Class | Manager Name | Assets Under Management (in millions) | % of Total Fund Market Value |
|-------------------------|----------------|---------------------------------------|---------------------------------------|------------------------------|
| Asian | Private Equity | Khosla Ventures Seed B | 1.1 | 0.0% |
| Asian | Private Equity | Khosla Ventures Seed C | 2.3 | 0.0% |
| Asian | Private Equity | Khosla Ventures V | 2.3 | 0.0% |
| Asian | Private Equity | Khosla Ventures VI | 2.3 | 0.0% |
| Asian | Private Equity | Khosla Ventures Seed D | 0.8 | 0.0% |
| Asian | Private Equity | Mayfield Fund XIV | 5.0 | 0.0% |
| Asian | Private Equity | Mayfield XV | 10.0 | 0.0% |
| Asian | Private Equity | Mayfield XVI | 20.0 | 0.0% |
| Asian | Private Equity | Mayfield Select | 10.0 | 0.0% |
| Asian | Private Equity | Mayfield Select II | 20.0 | 0.0% |
| Asian | Real Estate | Noble Hospitality Fund II | 7.4 | 0.0% |
| Asian | Real Estate | Patch Capital Partners Fund I | 10.0 | 0.0% |
| Asian | Private Equity | Storm Ventures V | 4.0 | 0.0% |
| Asian | Private Equity | Vivo Capital VIII | 3.5 | 0.0% |
| Asian | Private Equity | Vivo Ventures VII | 6.0 | 0.0% |
| Total Asian | | | \$127.5 | 0.3% |
| | | | | |
| Woman | Private Equity | 1315 Capital | 3.5 | 0.0% |
| Woman | Private Equity | 1315 Capital II | 4.0 | 0.0% |
| Woman | Real Estate | Artemis MWBE Spruce Program | 108.2 | 0.2% |
| Woman | Real Estate | Artemis RE Partners Healthcare Fund I | 25.0 | 0.1% |

| Minority Classification | Asset Class | Manager Name | Assets Under Management (in millions) | % of Total Fund Market Value |
|-------------------------|----------------------|---|---------------------------------------|------------------------------|
| Woman | Real Estate | Artemis RE Partners Healthcare Fund I | 25.0 | 0.1% |
| Woman | Real Estate | Artemis Real Estate Partners Fund III | 75.0 | 0.2% |
| Woman | Real Estate | Blue Moon Senior Housing II | 15.0 | 0.0% |
| Woman | Private Equity | Canvas Ventures 2 | 3.5 | 0.0% |
| Woman | Private Equity | Canvas Ventures 3 | 5.0 | 0.0% |
| Woman | Private Equity | Chicago Pacific Founders Fund II | 4.5 | 0.0% |
| Woman | Real Estate | CRES Management | 24.6 | 0.1% |
| Woman | International Equity | GlobeFlex Capital | 648.8 | 1.4% |
| Woman | Private Equity | Oak HC/FT | 4.5 | 0.0% |
| Woman | Private Equity | Oak HC/FT II | 4.3 | 0.0% |
| Woman | Private Equity | Oak HC/FT III | 4.5 | 0.0% |
| Woman | Private Equity | Oak HC/FT | 2.3 | 0.0% |
| Woman | Private Equity | Oak HC/FT II | 3.0 | 0.0% |
| Woman | Private Equity | Oak HC/FT III | 4.0 | 0.0% |
| Total Woman | | | \$964.7 | 2.1% |
| | | | | |
| Disabled | Real Estate | Newport Capital Partners I, L.P. | 14.9 | 0.03% |
| Disabled | Private Equity | Harpoon Ventures II | 7.5 | 0.02% |
| Total Disabled | | | \$22.4 | 0.05% |
| | | | | |
| | | Total Assets Managed by Emerging Firms | \$3,662.7 | 8.1% |

C. Capital Allocated to Minority-owned firms

IMRF allocated \$1.38 billion to Minority-owned firms across the Alternatives, Real Estate, Fixed Income, and International Equity asset classes during 10/1/19 to 9/30/20.

The table below lists the Minority-owned investment manager activity for the one-year period ending 9/30/20.

| Asset Class | Classification | Manager Name | Assets (\$millions) |
|---|------------------|---------------------------------------|---------------------|
| Alternatives | Asian | Mayfield XVI * | 20 |
| Alternatives | Asian | Mayfield Select II* | 20 |
| Alternatives | Disabled | Harpoon Ventures II | 7.5 |
| Alternatives | Latino | Clearlake Capital Partners VI | 60 |
| Alternatives | Latino | Valor Equity Partners V | 75 |
| Alternatives | African American | Vista Foundation Fund IV | 50 |
| Alternatives | Latino | Clearlake Flagship Plus Partners L.P. | 75 |
| Total Alternatives | | | \$307.5 |
| *IMRF received Board approval to invest \$50 million to the Mayfield Funds, in aggregate. Due to oversubscription, IMRF's commitment was reduced to \$40 million, in aggregate. | | | |
| Real Estate | Woman | Artemis MWBE Spruce | 50 |
| Real Estate | Latino | Oak Street Real Estate Capital Fund V | 75 |
| Total Real Estate | | | \$125 |
| Domestic Equity | African American | Xponance R1000 G | 200 |
| Total Domestic Equity | | | \$200 |
| International Equity | African American | Xponance | 100 |
| International Equity | African American | Brown Capital Management | 125 |
| International Equity | Woman | GlobeFlex Capital | 125 |
| Total International Equity | | | \$350 |
| Fixed Income | Latino | Ramirez Asset Management | 125 |
| Fixed Income | Woman | Longfellow Investment Management | 175 |
| Fixed Income | African American | Attucks Asset Management | 100 |
| Total Fixed Income | | | \$400 |

V. Minority Broker-Dealer Program

In further recognition of the objectives of the Illinois Pension Code, the IMRF Board of Trustees has adopted a policy that sets forth goals for increasing the utilization of Minority-owned broker-dealers. The policy is provided in Exhibit E.

As of January 2016, the total commission amounts are based on commission dollars for Equities and par value for Fixed Income. Previously, IMRF's fixed income investment managers were estimating fixed income commissions paid to brokers. The table below lists the minimum brokerage goals by asset class and actual minority brokerage goals achieved year-to-date as of September 30, 2020.

| Asset Class | Minimum Goal | Actual Percentage |
|--|---------------------|--------------------------|
| U.S. Equities | 25.0% | 39.1% |
| U.S. Large-Cap Equities | 30.0% | 49.6% |
| International Equities | 20.0% | 35.6% |
| International Small-Cap Equities | 5.0% | 31.7% |
| Global Listed Infrastructure | 20.0% | 30.1% |
| U.S. Micro-Cap Equities¹ | 10.0% | N/A |
| Equity Commingled Accounts - Passive | 10.0% | 14.0% |
| Equity Commingled Accounts - Active | Best Efforts | 0.1% |
| Emerging Market Equities ¹ | 5.0% | N/A |

| Asset Class | Minimum Goal | Actual Percentage |
|---|---------------------|--------------------------|
| Fixed Income | 22.00% | 36.8% |
| High Yield Bonds ² | 5.00% | 8.4% |
| Emerging Market Debt | Best Efforts | 0.0% |
| Fixed Income Commingled Accounts | Best Efforts | 0.1% |

¹ - No separate account mandates.

² - Pyramis High Yield mandate was terminated on 03/2014.

To ensure that progress is continuously made toward achieving our minority, woman and a person with a disability owned brokerage goals, our investment managers are required to report their use of minority, woman or a person with a disability owned business enterprise broker/dealers monthly. If a manager fails to achieve their respective goal directed to minority, woman or a person with a disability owned

business enterprise broker/dealers during a given month, they must provide written notification to IMRF explaining why this goal was not achieved. Each quarter, IMRF will review each investment managers' year-to-date utilization of Minority-owned brokers. If the manager is not meeting the goal on a year-to-date basis, IMRF will contact the manager to remind them of the goals. Consequences for not meeting IMRF's minority brokerage goals are situation specific and range from increased monitoring, placement on a watch list, asset reduction, termination, and exclusion from receiving additional allocations/mandates.

IMRF's investment managers execute trades through minority-owned, woman-owned and persons with a disability-owned broker/dealers. For the twelve months ending September 30, 2020, \$6.2 million, or 30.7% of the total Equity commissions paid by IMRF, were executed by broker/dealers owned by minorities, women or by persons with a disability. For the same time period, 4.6 billion or 4.7% of the total Fixed Income par volume traded was executed by broker/dealers owned by minorities, women or by persons with a disability.

The attached Exhibit F lists the minority, woman and a person with a disability owned broker/dealers and the commissions /trades generated from IMRF between October 1, 2019 and September 30, 2020.

In addition to adopting goals for minority, woman or a person with a disability owned investment managers and broker/dealers, the IMRF Board of Trustees has appointed the President of the Board as the Trustee responsible for monitoring the progress toward achieving these goals.

IMRF maintains a list of minority, woman and a person with a disability owned broker dealers that have contacted IMRF and provided their contact details. The list is posted on IMRF's website under the Investment section. While this is not an approved list, IMRF's investment managers may utilize this list to select Minority-owned broker dealers, at their sole discretion.

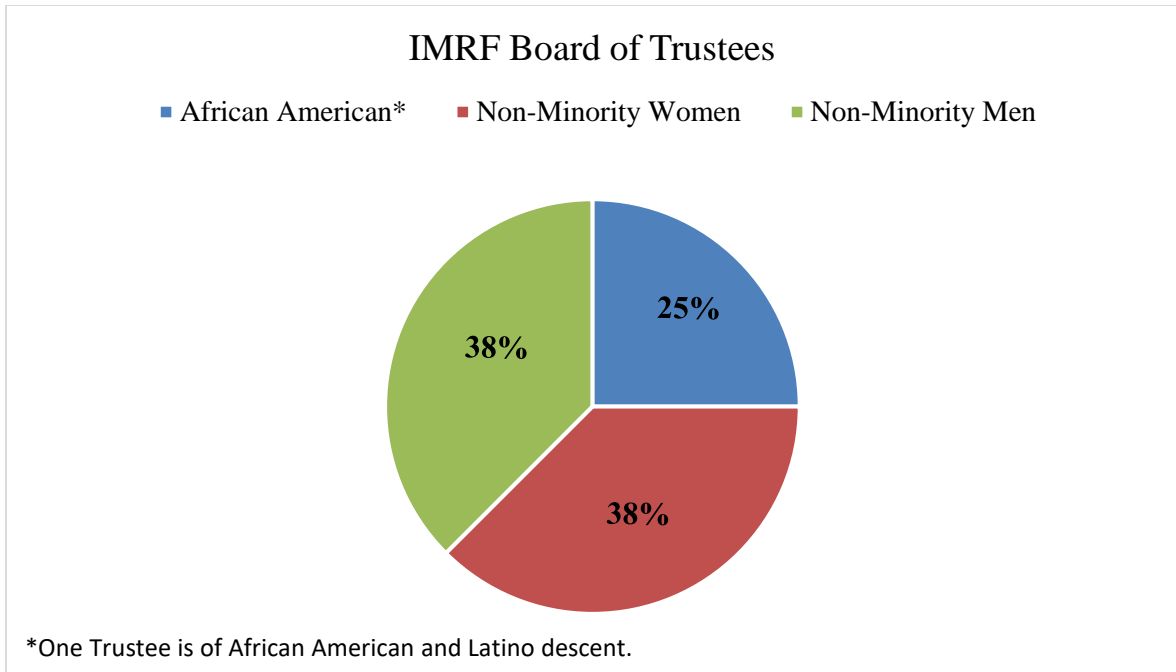
IMRF maintains a list of its investment managers and their contact details. The list is posted on IMRF's website under the Investment section. Minority brokers may utilize this list to contact IMRF's investment managers.

Additionally, IMRF is available to assist in facilitating dialogue between Minority-owned broker dealers and its investment managers.

VI. Racial, Ethnic, and Gender Diversity of Fiduciaries, including Consultants and Senior Staff

In its ongoing dedication to diversity principles, IMRF has adopted goals for increasing the racial, ethnic, and gender diversity of its fiduciaries, including its consultants and senior staff. The policy is provided in Exhibit G.

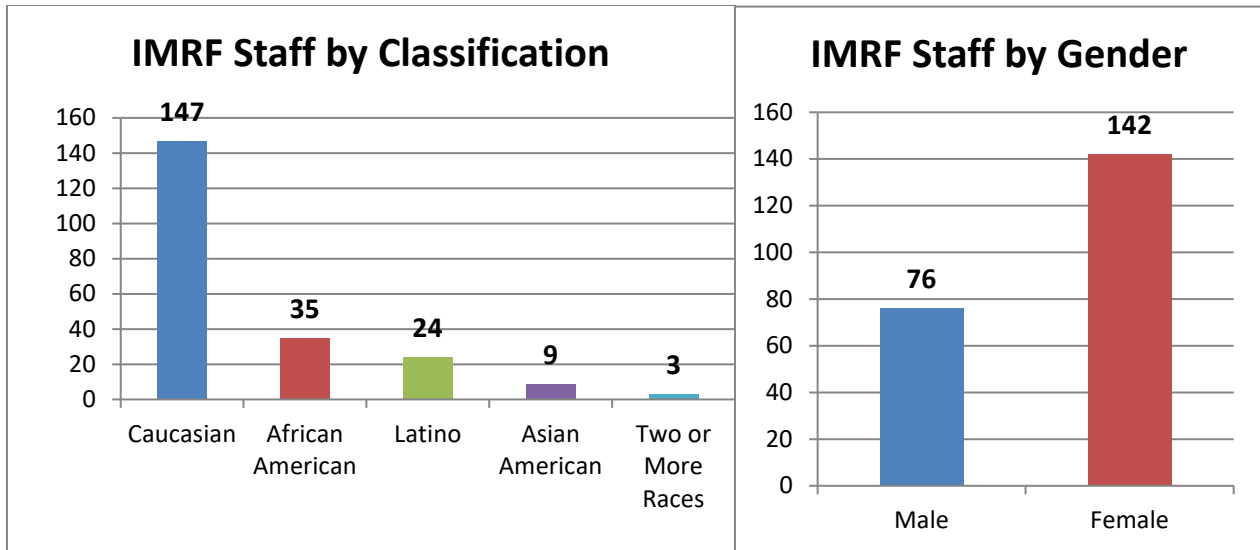
IMRF is governed by an eight-member Board of Trustees. IMRF Trustees are elected by IMRF members, annuitants, or employers, depending on the class of trustee being elected. The four Executive Trustees positions are elected by participating units of government, the three Employee Trustees are elected by participating IMRF members, and the one Annuitant Trustee is elected by IMRF annuitants. IMRF encourages individuals who qualify as minorities, women, or a person with a disability to run for election to the Board of Trustees. As of 9/30/20, 62% of the IMRF Board of Trustees are minority and/or women.



For other fiduciaries, such as consultants, IMRF is committed to diversity in hiring such firms. Importantly, IMRF will also work to ensure that majority firms acting as fiduciaries hire and promote minorities, women, or persons with disabilities into top management and ownership positions. As of 9/30/2020, IMRF’s investment consultant, Wilshire Associates, has a staff of 259 individuals of which 57% are minorities and women.

IMRF’s goal for senior staff is to mirror the diversity found in the external recruiting area. From 10/01/2019 thru 09/30/2020, IMRF experienced one departure from our senior staff (one non-minority male). During the same time period, IMRF hired one external candidate to a senior staff position (one non-minority woman). The resulting number of women and minorities in senior staff positions remains in line with progress towards our diversity goals. These goals will be reviewed annually.

As of 9/30/20, IMRF had a total of 218 employees. The graphs below provide the breakout by gender and classification.



VII. Utilization of Businesses Owned by Minorities, Women, and Persons with Disabilities for all Contracts and Services

Advancing its commitment to diversity principles, IMRF adopted goals for the utilization of businesses owned by minorities, women, and persons with disabilities (diverse owned) for all contracts and services. The complete policy can be found in Exhibit H.

It is the policy of the IMRF Board of Trustees to include qualified minority and woman owned business enterprises and businesses owned by a person with a disability in the Fund's procurement process and to objectively evaluate all qualified businesses regardless of race, gender or disability.

In 2016, IMRF increased its minimum goal of 18% to 20% for contracts and purchases from businesses owned by minorities, women, and persons with a disability as a share of all of its contracts and purchases. These goals are based on the percentage of total dollar amount spent of all purchased goods and services, excluding building and staff related payments such as postage, rent (utilities), insurance premiums and travel expenses.

The Procurement Unit carefully tracks the usage of businesses owned by minorities, women, and persons with a disability in order to meet or exceed the goal. IMRF is continually looking to expand its database of qualified suppliers, with special emphasis on diverse owned businesses. The Procurement Unit added six diverse owned businesses to the vendor database in 2020 and utilized eighteen different diverse owned vendors during the past year. The IMRF Board of Trustees approved a policy whereby diverse owned vendors can be selected as the winning bidder if their bid is up to 15% more than non-diverse owned vendors. This increases our utilization of diverse owned vendors. These progressive practices and policies help us towards the achievement of our 20% utilization goal. As of 9/30/2020, IMRF's utilization of diverse owned businesses was 11.5% of total expenditures.

The Procurement Unit will continue to review and analyze the goal each year. The goal may be modified by IMRF to further increase the usage of diverse owned businesses as IMRF continues to gain experience

and knowledge using the diverse guidelines set to meet Illinois Pension Code. These goals shall be reviewed by the IMRF Board of Trustees annually.

IMRF recognizes the benefits that diversity offers in its investment portfolio, suppliers, and consultants. It values the enrichment from having a diverse employee base and in its fiduciaries. The globalization of business, coupled with the rapidly changing demographics world-wide, continues to create opportunities for organizations that are willing to access untapped talent. IMRF seeks to be such an organization while striving to achieve its vision of providing the highest quality retirement services to its members, beneficiaries, and employers.

Exhibits

Exhibit A. Contact Information for IMRF, Wilshire, Fund of Funds and Manager of Managers

Illinois Municipal Retirement Fund

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Investment Officer-
Emerging Manager & Total Portfolio
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rperez@imrf.org

Artemis Real Estate Partners

Gina Baker Chambers

Principal and Portfolio Manager

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Abbott Capital Management

Tim Maloney, Managing Director
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Goldman Sachs

Ronald A. Rolighed, Managing Director
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ron.rolighed@gs.com

Xponance

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kweaver@xponance.com

Wilshire Associates

Rose Dean, Managing Director
Ali Kazemi, Managing Director
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Oak Street Real Estate Capital

Larissa Herczeg

Managing Partner and Chief Investment Officer of SASC

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Pantheon

Tom Clarkson, Principal
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Exhibit B. Wilshire Associates' Investment Manager Database

Wilshire Associates' Investment Manager Database of Minority, Woman, and a Person with a Disability-Owned Investment Managers as of September 30, 2020

1. Adelante Capital Management LLC
2. Advent Capital Management, LLC
3. Affinity Investment Advisors, LLC
4. Alethea Capital Management, LLC
5. Alpha Architect, LLC
6. Applied Research Investments, LLC
7. ARGA Investment Management, LP
8. Argus Investors' Counsel, Inc.
9. Ariel Investments
10. ARK Investment Management, LLC
11. Ativo Capital Management
12. Augustine Asset Management
13. Aureus Asset Management, LLC
14. Bay Capital
15. BirdRock Asset Management
16. Blackcrane Capital, LLC
17. Bluebird Asset Management, LLC
18. Boston Common Asset Management, LLC
19. Bowling Portfolio Management LLC
20. BroadCore Investments LP
21. Brown Capital Management
22. Campbell Newman Asset Management, Inc.
23. Capital Innovations, LLC
24. Carrhae Capital LLP
25. Cartica Management, LLC
26. Chandler Asset Management
27. CHANGE Global Investment
28. Channing Capital Management, LLC
29. Channing Global Advisors LLC
30. Clearmark Partners, LLC
31. Consilium Investment Management, LLC
32. Coroebus Wealth Management
33. Credo Capital Management, LLC
34. Cutler Investment Counsel, LLC
35. Decatur Capital Management, Inc.
36. Delphin Investments LLC
37. Denali Advisors LLC
38. EARNEST Partners, LLC
39. EDMP, Inc.
40. Emerald Fixed Income Advisers
41. Emergent Financial Services
42. Fairpointe Capital LLC
43. Fan Asset Management
44. First Fiduciary Investment Counsel
45. First Wilshire Securities Management, Inc.
46. Foresight Global Investors, Inc.
47. FountainCap Research & Investment (Hong Kong) Ltd.
48. Frank Capital Partners LLC
49. Frontier Global Partners, LLC
50. Fuller & Thaler Asset Management, Inc.
51. Garcia Hamilton & Associates, L.P.
52. GIA Partners, LLC
53. Gilman Hill Asset Management, LLC
54. GlobeFlex Capital, L.P.
55. Glovista Investments LLC
56. GQG Partners LLC
57. Grace Capital
58. Graham & Dodd Fund LLC
59. Greenfield Seitz Capital Management, LLC
60. Hanseatic Management Services, Inc.
61. Hardman Johnston Global Advisors LLC
62. Harvest Global Investments Limited
63. Haven Global Partners
64. High Pointe Capital Management, LLC
65. INCA Investments, LLC
66. InView Investment Management, LLC
67. Julex Capital Management, LLC
68. Kabouter Management, LLC
69. KG Funds Management LLC
70. Lateef Investment Management, L.P.
71. Lesa Sroufe and Company

72. Lisanti Capital Growth
73. LM Capital Group, LLC
74. LNZ Capital LP
75. Longfellow Investment Management Co.
76. Mar Vista Investment Partners, LLC
77. Martin Investment Management, LLC
78. Matarin Capital Management
79. MayTech Global Investments, LLC
80. Metis Global Partners
81. Metropolitan Capital Strategies, LLC
82. Mission Management & Trust Company
83. Moerus Capital Management
84. Morningside Asset Management
85. Native American Fund Advisors
86. New Amsterdam Partners LLC
87. New Century Advisors
88. Nicholas Company, Inc.
89. Nicholas Investment Partners, LLC
90. Nichols Asset Management
91. Night Owl Capital Management, LLC
92. OakBrook Investments, LLC
93. One Stone Global
94. Open Door Investment Management, Ltd.
95. Palisades Investment Partners, LLC
96. Palmer Square
97. Paradigm Asset Management Company, LLC
98. Paradigm Capital Management, Inc.
99. Payden & Rygel
100. Pendo LLC
101. Phocas Financial Corporation
102. Piedmont Investment Advisors, Inc.
103. Pillar Pacific Capital Management, LLC
104. Princeton Asset Management, LLC
105. Profit Investment Management
106. Promethos Capital, LLC
107. Pugh Capital Management, Inc.
108. Purple Bridge Management
109. qplum LLC
110. Qtron Investments
111. Quadratic Capital Management LLC
112. Ramirez Asset Management Inc.
113. Redwood Investments, LLC
114. Reliant Investment Management
115. Rhumbline Advisers Limited Partnership
116. RockCreek
117. Rondure Global Advisors
118. Runde & Co. LLC
119. RVX Asset Management LLC
120. Sapience Investments, LLC
121. Seafarer Capital Partners
122. Semper Capital Management, L.P.
123. Sit Investment Associates, Inc.
124. Slow Capital Inc
125. Smith, Graham & Co. Investment Advisors, L.P.
126. SRC Capital Management
127. StoneRidge PMG Advisors LLC
128. Strategic Global Advisors, LLC
129. Suffolk Capital Management, LLC
130. Sycee Capital, LLC
131. System Two Advisors, LP
132. Taylor Frigon Capital Management
133. THB Asset Management
134. The Edgar Lomax Company
135. The Headlands Group
136. Thomas White International, Ltd.
137. Trinity Alps Capital Partners
138. Trulytics Financial Corp
139. Unimar Financial Services, LLC
140. Valley Forge Capital Management, LP
141. Vision Capital Management, Inc.
142. Weaver C. Barksdale & Associates. Inc.
143. Westwood Global Investments, LLC
144. Wright Investors' Service
145. Zevenbergen Capital Investments LLC

Exhibit C. Diverse Investment Manager Policy

The Illinois Municipal Retirement Fund is committed to diversity in the hiring of minority and emerging owned investment managers, as defined by the Illinois Pension Code.

Minority Investment Manager Definition

A minority investment manager is defined as a qualified investment manager that manages an investment portfolio and meets the definition of “minority owned business,” “woman owned business” or “business owned by a person with a disability” as defined in the Business Enterprise for Minorities, Women, and Persons with Disabilities Act. Minority Investment Management firms must be 51% or more owned by individuals that are minorities, women or persons with a disability and are citizens or lawful permanent residents of the United States.

Emerging Investment Manager Definition

An emerging investment manager is defined as a qualified investment advisor that manages an investment portfolio of at least \$10,000,000 but less than \$10,000,000,000 and is a “minority owned business,” “woman owned business” or “business owned by a person with a disability” as defined in the Business Enterprise for Minorities, Women, and Persons with Disabilities Act. Emerging Investment Management firms must be 51% or more owned by individuals that are minorities, women or persons with a disability and are citizens or lawful permanent residents of the United States.

For complete definitions of Minority and Emerging Investment Manager please go to the following website:

[\(30 ILCS 575/\) Business Enterprise for Minorities, Women, and Persons with Disabilities Act.](#)

The IMRF Board of Trustees adopts the following aspirational goals and minority and emerging investment manager goals based on percentage of total Fund market value, percentage of asset class, and percentage of investment management fees paid.

Aspirational Goals

(In Compliance with Section 1-109.1 (10) of the Illinois Pension Code)

The Illinois Municipal Retirement Fund Board of Trustees adopts two aspirational goals: (i) to utilize emerging investment managers for at least 20% of the total Fund’s assets under management and (ii) to utilize firms owned by minorities, women and persons with disabilities for at least 20% of the total Fund’s assets under management.

Policy to Achieve Aspirational Goals

The Illinois Municipal Retirement Fund Board of Trustees adopts a policy to ensure progress towards achieving the aspirational goals. The policy directs the IMRF Investment Staff:

- to build relationships with the minority and emerging investment manager community by attending and/or speaking at conferences and events,

- to launch targeted RFP’s that specifically focus on emerging and/or minority owned firms,
- to utilize manager of managers and fund of funds programs to hire underlying minority and emerging investment managers,
- to graduate underlying minority and emerging investment managers for direct mandates.

The Illinois Municipal Retirement Fund Board of Trustees will evaluate the Executive Director on the efforts to achieve the aspirational goals. Job descriptions for key Staff reflect IMRF’s commitment to diversity and aspirational goals.

Minority and Emerging Investment Manager Goals

(In Compliance with Section 1-109.1 (4) & (9) of the Illinois Pension Code)

The Illinois Municipal Retirement Fund is committed to providing opportunities for minority and emerging investment managers.

The Illinois Municipal Retirement Fund Board of Trustees adopts separate goals for: (i) minority and emerging investment managers that are minority owned businesses; (ii) minority and emerging investment managers that are woman owned businesses; and (iii) minority and emerging investment managers that are businesses owned by a person with a disability. Additionally, the IMRF Board of Trustees adopts fee goals for minority investment managers consistent with aspirational goal.

| Goals for Minority and Emerging Investment Managers by Investment Manager Classification | | |
|--|--|--|
| Investment Manager Classification | | Emerging Manager (AUM \$10 million to \$10 billion) |
| | <u>Minimum Goal as a Percentage of Total Fund Market Value</u> | <u>Minimum Goal as a Percentage of Total Fund Market Value</u> |
| Minority Manager (any AUM) | | |
| Minority Owned Businesses | 13% | 13% |
| Woman Owned Businesses | 6% | 6% |
| Businesses Owned by a Person with a Disability | 1% | 1% |
| Total Aspirational Goal | 20% | 20% |
| Minimum Goal as a Percentage of Total Fees | 20% | 20% |

The Illinois Municipal Retirement Fund Board of Trustees adopts goals for minority and emerging investment managers by asset class.

| Goals for Investment Managers by Asset Class | | |
|--|---|---|
| Asset Class | <u>Minority</u> Minimum Goal as a Percentage of Asset Class | <u>Emerging</u> Minimum Goal as a Percentage of Asset Class |
| Domestic Equity | 5% | 5% |
| International Equity | 20% | 15% |
| Fixed Income | 30% | 25% |
| Real Estate* | 10% | 10% |
| Private Equity* | 20% | 10% |
| Timberland | Best Efforts | Best Efforts |
| Agriculture | Best Efforts | Best Efforts |

*Based on committed amounts

Exhibit D. List of IMRF's Minority-owned Investment Management Firms

**Illinois Municipal Retirement Fund
Emerging, Minority, Women and Disabled - Owned Investment Management Firms
As of September 30, 2020**

1315 Capital, LLC

2929 Walnut Street, Suite 1240
Philadelphia, PA 19104

Arcline Investments

4 Embarcadero Center, Suite 3460
San Francisco, CA 94111

Artemis Real Estate Partners

5404 Wisconsin Avenue, Suite 1150
Chevy Chase, MD 20815

Ativo Capital Management, LLC

120 North LaSalle Street, Suite 2150
Chicago, IL 60602

AUA Private Equity Partners

666 Fifth Avenue, 27th Floor
New York, NY 10103

Base 10 Partners

727 Sansome Street, Suite 300
San Francisco, CA 94111

Basis Investment Group, LLC

75 Broad Street, Suite 2110
New York, NY 10004

Blue Moon Senior Housing

699 Boylston St. Ste. 700
Boston, MA 02116

Brown Capital Management

1201 North Calvert Street
Baltimore, MD 21202

Capstone Development

4445 Willard Avenue, Suite 600
Chevy Chase, Maryland 20815

Canvas Ventures

3200 Alpine Road
Portola Valley, CA 94028

Channing Capital Management, LLC

10 South LaSalle Street, Suite 2401
Chicago, IL 60603

Chicago Pacific Founders

980 N Michigan Ave, Suite 1998
Chicago, IL 60611

Clearlake Capital Group

233 Wilshire Boulevard, Suite 800
Santa Monica, CA 90401

CRES Management

9201 Ward Pkwy, Suite 200
Kansas City, MO 64114

DBL Investors, LLC

One Montgomery Street, Suite 2375
San Francisco, CA 94104

EARNEST Partners, LLC

1180 Peachtree Street, Suite 2300
Atlanta, GA 30309

Estancia Capital Management, LLC
20865 N. 90th Place, Suite 200
Scottsdale, AZ 85255

Garcia Hamilton & Associates, LP
5 Houston Center, 1401 McKinney, Suite 1600
Houston, TX 77010

GlobeFlex Capital, LP
4365 Executive Drive, Suite 720
San Diego, CA 92121

GreenOak Real Estate US, LLC
285 Madison Avenue, Suite 1800
New York, NY 10017

Harpoon Ventures
826 Orange Avenue, Suite 571
Coronado, CA 92118

Hispania Private Equity Fund
200 West Madison, Suite 970
Chicago, IL 60606

Hudson Realty Capital, LLC
570 Lexington Avenue, 22nd Floor
New York, NY 10022

ICV Capital Partners, LLC
810 7th Avenue, 35th Floor
New York, NY 10019

Jair Lynch Real Estate Partners
1400 16th Street, NW
Washington, DC 20036

JLC Capital Partners
111 West Jackson Blvd., Suite 1901
Chicago, IL 60604

Khosla Ventures, LLC
2128 Sand Hill Road
Menlo Park, CA 94025

LM Capital Group, LLC
750 B Street, Suite 3010
San Diego, CA 92101

Longfellow Investment Management Company, LLC
20 Winthrop Square, 2nd Floor
Boston, MA 02110

Long Wharf Real Estate Partners, LLC
One Federal Street, 26th Floor
Boston, MA 02110

MCB Real Estate
2701 North Charles Street, Suite 404
Baltimore, Maryland 21218

Mayfield Fund, LLC
2484 Sand Hill Road, Bldg. 4
Menlo Park, CA 94025

Muller & Monroe Asset Management, LLC
180 N. Stetson Avenue, Suite 1320
Chicago, IL 60601

NMS Capital
32 Old Slip, Suite 32D
New York, NY 10005

Newport Capital Partners
353 North Clark Street
Chicago, IL 60654

Noble Investment Group
3424 Peachtree Road NE
Atlanta, GA 30326

Oak HC/FT Partners

3 Pickwick Plaza, Suite 302
Greenwich, CT 06830

Oak Street Real Estate Capital, LLC

125 South Wacker Drive, Suite 1220
Chicago, IL 60606

Olympus Property

500 Throckmorton Street, Suite 300
Fort Worth, TX 76102

Palladium Equity Partners

1270 6th Avenue, 31st Floor
New York, NY 10020

Patch Capital Partners Fund

340 E Randolph Street, Unit 604
Chicago, IL 60601

Pillar Real Estate Fund

5191 Genesee Street
Bowmansville, NY 14026

Ramirez Asset Management Inc

61 Broadway, 29th Floor
New York, NY 10006

Smith Whiley & Company

37 Jerome Avenue, Suite Two
Bloomfield, CT 06002

Storm Ventures, LLC

3000 Sand Hill Road, Bldg. 4, Suite 210
Menlo Park, CA 94025

Valor Equity Partners

875 North Michigan Ave, Suite 3214
Chicago, IL 60611

Vista Equity Partners, LLC

401 Congress Avenue, Suite 3100
Austin, TX 78701

Vistria Group, LP

300 East Randolph, Suite 3850
Chicago, IL 60601

Vivo Capital, LLC

192 Lytton Avenue
Palo Alto, CA 94301

Xponance

1845 Walnut Street, Suite 800
Philadelphia, PA 19103

Exhibit E. Minority Broker/Dealer Utilization Policy

The firms that are to act as a securities broker-dealer with respect to the purchase and sale of assets for the Fund shall be selected by the investment manager in its sole discretion. The investment manager or any entity controlled by or controlling it, or affiliated with it, shall not act as a securities broker-dealer with respect to purchases and sales of assets allocated to the investment manager unless the Board specifically approves such action. This excludes Transition Manager assignments.

In the selection of broker-dealers with whom to place orders for the purchase or sale of securities for the Fund, the primary objective of the investment manager shall be to obtain the most favorable results for the Fund. The investment manager's selection of broker-dealers may take into account the following factors:

1. satisfy IMRF's goals for minority broker-dealers;
2. price and/or commission;
3. the broker-dealer's facilities, reliability and financial responsibility;
4. the ability of the broker-dealer to effect securities transactions, particularly with respect to such aspects as timing, order size, execution of orders and the ability to complete a transaction through clearance, settlement and delivery;
5. the research provided by such broker-dealer to the investment manager which is expected to enhance general portfolio management capabilities, notwithstanding the fact that the Fund may not be the direct or exclusive beneficiary of such services and;
6. with the exception of investment-related research reports, soft dollar commissions may not be generated in order to satisfy, directly and/or indirectly, payment for any other services such as vendor fees, administrative expenses, and/or other externally sourced amenities.

The investment manager's selection of such broker-dealers shall be in accordance with Article I of the Illinois Pension Code (40 ILCS 5/1-101 et seq.).

Minority Broker/Dealer Goals

The Illinois Municipal Retirement Fund is committed to providing opportunities for minority owned and woman owned broker/dealers and broker/dealers owned by a person with a disability. The Illinois Municipal Retirement Fund Board of Trustees adopts a policy which sets forth goals for increasing the utilization of minority broker/dealers.

The minimum expectations for the goals of minority broker/dealers are based on commission dollars for Equities and par value for Fixed Income. Investment managers of separately managed investment portfolios and commingled passive equity index funds, in the following asset classes, must meet the minimum goals:

| <u>Asset Class</u> | <u>2020 Minimum Goal</u> |
|---|--------------------------|
| U.S. Equities | 25% |
| U.S. Large-Cap Equities | 30% |
| U.S. Micro-Cap Equities | 10% |
| International Equities | 20% |
| Global Listed Infrastructure | 20% |
| Fixed Income | 22% |
| High-Yield Bonds | 5% |
| International Small-Cap Equities | 5% |
| Emerging Market Equities | 5% |
| Commingled Passive U.S. Equity Index Funds | 10% |
| Commingled Passive International Equity Index Funds | 10% |
| Emerging Market Debt | Best Efforts |

Note: This broker/dealer goal will be reviewed annually. IMRF may allow current investment managers a limited transition period when minority broker/ dealer goals are increased.

Investment managers are prohibited from using indirect methods such as step-outs to achieve these goals.

Investment managers of actively managed pooled/commingled investment portfolios are directed to use their best efforts to execute trades with minority broker/dealers. These efforts will be evaluated during semi-annual portfolio review meetings.

All investment managers executing brokerage on behalf of the Illinois Municipal Retirement Fund are directed to meet these minimum goals in their specific portfolios and shall report monthly on their goals of minority broker/dealers. Any investment manager failing to meet the minimum goal during the reporting month must provide a written explanation disclosing the reasons for not meeting the goal.

Transition managers are expected to meet or exceed IMRF's current minority brokerage goals.

Staff will report to the Board of Trustees annually on the goals of minority broker/dealers. Investment managers not meeting the minority broker/dealer goals will be identified in the report. An investment manager's ability to meet a minority brokerage goal is an integral part of the manager monitoring process. Consequences for not meeting IMRF's minority brokerage goals are situation specific and range from increased monitoring, placement on watch list, asset reduction, termination, and exclusion from receiving additional allocations/mandates.

Exhibit F. Broker Commissions Paid and Par Volume Traded

**Minority, Women and Persons with a Disability-Owned Business Enterprises
Brokerage Commissions Paid
October 1, 2019 - September 30, 2020**

| | |
|--|--------------------|
| Academy Securities 550 W. Van Buren Street, Suite 1410 Chicago, IL 60607 | \$1,071 |
| Blaylock Robert Van, LLC 208 S. LaSalle Street, Suite 1331 Chicago, IL 60604 | \$190,268 |
| Cabrera Capital Markets 10 South LaSalle Street, Suite 1050 Chicago, IL 60603 | \$130,928 |
| Capital Institutional Services 1601 Elm Street, Suite 3900 Dallas, TX 75201 | \$1,178,563 |
| Castleoak Securities 110 E 59th Street, Suite 5 New York, NY 10022 | \$58,180 |
| CL King & Associates One Liberty Square, 5th Floor Boston, MA 02109 | \$166,630 |
| Drexel Hamilton 2000 Market Street, Suite 780 Philadelphia, PA 19103 | \$1,974,647 |
| FIG Group 3710 Rawlins Street, Suite 975 Dallas, TX 75219 | \$118,024 |

| | |
|--|------------------|
| Guzman and Company 101 Aragon Avenue Coral Gables, FL 33134 | \$3,493 |
| Loop Capital Markets 200 West Jackson Blvd., Suite 1600 Chicago, IL 60606 | \$928,806 |
| Mischler Financial Group 1101 Bayside Drive, Suite 201 Corona del Mar, CA 92625 | \$187,216 |
| North South Capital 200 W. Adams Street, Suite 2230 Chicago, IL 60606 | \$306,320 |
| Penserra Securities LLC 20 Broad Street, Suite 2602 New York, NY 10005 | \$262,246 |
| Samuel A Ramirez 61 Broadway, 29th Floor New York, NY 10006 | \$3,323 |
| Siebert Cisneros Shank 100 Wall Street, 18th Floor New York, NY 10005 | \$81 |
| Siebert Williams Shank & Co. 100 Wall Street, 18th Floor New York, NY 10005 | \$209 |
| Sturdivant and Company 300 Atrium Way, Suite 520 Mount Laurel, NJ 08054 | \$36,424 |
| Telsey Advisory Group 535 Fifth Avenue, 12th Floor New York, NY 10017 | \$499,112 |

| | |
|--|--------------------|
| Vandham Securities | \$64,540 |
| 50 Tice Blvd. Woodcliff Lake, NJ 07677 | |
| Williams Capital Group, LP | \$99,003 |
| 650 Fifth Avenue, 11th floor New York, NY 10019 | |
| TOTAL COMMISSIONS PAID | \$6,209,084 |

**Minority, Women and Persons with a Disability-Owned Business Enterprises
Par Volume Traded
October 1, 2019 - September 30, 2020**

| | |
|---|----------------------|
| Academy Securities Inc. 550 W Van Buren, Suite 1410 Chicago, IL 60607 | 4,204,000 |
| Alamo Capital 201 N Civic Drive, Suite 360 Walnut Creek, CA 94596 | 33,288,323 |
| American Veterans Group 150 Broadhollow Road, Suite PH04 Melville, NY 11747 | 675,000 |
| Blaylock Robert Van, LLC 208 S. LaSalle Street, Suite 1331 Chicago, IL 60604 | 1,785,000 |
| Cabrera Capital Markets 10 South LaSalle Street, Suite 1050 Chicago, IL 60603 | 908,305,309 |
| Capital Institutional Services 1601 Elm Street, Suite 3900 Dallas, TX 75201 | 4,000,000 |
| CastleOak Securities 111 East 58th Street, 6th Floor New York, NY 10022 | 1,667,252,799 |
| CL King & Associates One Liberty Square, 5th Floor Boston, MA 02109 | 14,593,660 |
| Drexel Hamilton 2000 Market Street, Suite 780 Philadelphia, PA 19103 | 880,605 |

| | |
|--|--------------------|
| Falcon Square Capital 4000 Westchase Blvd., Suite 310 Raleigh, NC 27607 | 15,214,000 |
| Great Pacific 151 Kalmus Drive, Suite H8 Costa Mesa, CA 92626 | 326,691,585 |
| Loop Capital Markets 200 West Jackson Blvd., Suite 1600 Chicago, IL 60606 | 762,373,413 |
| MFR Securities 675 3rd Ave New York, NY 10017 | 201,209,427 |
| Mischler Financial Group 1101 Bayside Drive, Suite 201 Corona del Mar, CA 92625 | 228,949,683 |
| Penserra Securities LLC 20 Broad Street, Suite 2602 New York, NY 10005 | 49,332,197 |
| R Seelaus 25 Deforest Ave, Suite 304 Summit, NJ 07901 | 226,937 |
| Samuel A Ramirez 61 Broadway, Suite 2924 New York, NY 10006 | 13,896,950 |
| Siebert Brandford Shank 100 Wall Street, 18th Floor New York, NY 10005 | 500,000 |
| Siebert Williams Shank & Co. 100 Wall Street, 18th Floor New York, NY 10005 | 298,950,000 |

Williams Capital Group, LP
650 Fifth Avenue, 11th floor
New York, NY 10019

98,625,000

Total Par Volume Traded

4,630,953,888

Exhibit G. Diversity Fiduciary Policy

Purpose

This policy defines IMRF's goals for diversity in its senior staff and fiduciaries.

Philosophy

The Illinois Municipal Retirement Fund is committed to diversity in all hiring, employment, and contracting decisions and to providing opportunities for minorities, women, and persons with a disability to have a meaningful role at IMRF.

Board of Trustees

IMRF's goal is to achieve diversity through the current Board election process. Trustees are elected by employers, members, and annuitants. No trustees are appointed or hold office ex-officio. The Board of Trustees encourages individuals who qualify as minority to run for the Board of Trustees. In addition, stakeholder groups representing IMRF members and employers are encouraged to seek out qualified minorities to support in all elections for the IMRF Board of Trustees.

Senior Staff

IMRF's goal is that staff diversity levels mirror the external recruiting area. Senior staff consists of directors, managers, supervisors, and team leaders.

IMRF defines its external recruiting area as the Chicago-Joliet-Naperville, IL Metropolitan Division. This Metropolitan area includes: Cook County, DeKalb County, DuPage County, Grundy County, Kane County, Kendall County, McHenry County and Will County. IMRF will work to ensure its workforce reflects the recruiting area's population or the population diversity of the recruiting area as reported in the most recent decennial census.

IMRF considers its existing employee population as the primary recruiting base for senior staff positions. By having a diverse staff at all levels of the organization, the Fund offers internal promotion opportunities to reflect diversity on its senior staff.

IMRF has an internal job posting program which requires all open positions to be posted without exception. By providing a variety of training and development programs, all staff members have the opportunity to gain the required education and skills to apply for senior staff openings. These programs include a tuition reimbursement program and Succession Development Program.

All staff involved in hiring and employment processes, including Human Resources, must perform their roles with the highest integrity as required by IMRF's Code of Conduct and Business Ethics policies.

The IMRF Employee Handbook states the following:

IMRF does not tolerate discrimination towards applicants, employees, visitors, or vendors, on the basis of gender, race, color, religion, family status, military and veteran status, disability, sexual orientation, national origin, age, or political beliefs.

Even though IMRF is not subject to annual filing requirements of the Equal Employment Opportunity Commission (EEOC), we will annually complete an "EEO-1 form" to monitor the racial, ethnic and gender diversity of the entire staff.

Other Fiduciaries

In addition to the Board of Trustees and IMRF staff, other third-party consultants act as fiduciaries to the Fund. When searching for consultants, IMRF is committed to diversity in hiring such firms. IMRF will also work to ensure that majority firms acting as fiduciaries will hire and promote minorities into top management and ownership positions. IMRF will obtain EEO-1 forms from the consultants to monitor the racial, ethnic and gender diversity of their staff and owners.

Exhibit H. Purchasing Diversity Policy

Purpose

The purpose of this policy is to establish a framework for the utilization of businesses owned by minorities, women, and persons with a disability (collectively known as MWBE firms) in the procurement activities of the Illinois Municipal Retirement Fund (IMRF).

The goal of the policy is to promote utilization of businesses owned by minorities, women, and persons with a disability in procurement activities.

The objectives of the policy are to:

- Increase competition through a diverse source of suppliers and consultants
- Maintain and strengthen the overall competitiveness of IMRF procurements
- Assure compliance with Illinois statutes.

Policy

The IMRF Procurement Unit strives to ensure that members, employers, and taxpayers receive the maximum value for each dollar spent by purchasing products and services from responsive suppliers and consultants at the lowest reasonable cost. The Procurement Unit manages the bidding process to ensure compliance with policies. IMRF is committed to ensuring fair consideration of all suppliers and consultants in its day to day purchase of goods and services. IMRF recognizes that working with a wide range of suppliers and consultants provides an open, competitive, and diverse business environment.

It is the policy of the IMRF Board of Trustees to include qualified minority and women owned business enterprises and businesses owned by a person with a disability in the Fund's procurement process and to objectively evaluate all qualified businesses regardless of race, gender or handicap.

IMRF is committed to including firms among prospective providers of purchased goods and services. Special efforts will be made to ensure identification of eligible firms for inclusion in the bid process, including monitoring of MWBE-related listings to identify possible MWBE contractors and service providers. It is IMRF's policy to take affirmative action to ensure that certified minority-owned, women-owned and persons with a disability-owned business enterprises are given the opportunity to demonstrate their ability to provide the Fund with products and services at competitive prices.

We will ask our vendors to refrain from unlawful discrimination and discrimination based on citizenship status in employment and to undertake affirmative action to assure equality of employment opportunity and compliance with the Department of Human Rights' regulations concerning equal employment opportunities and affirmative action.

MWBE firms will be identified using resources such as the City of Chicago Certification and Compliance System MWBE Directory and other public agency resources. All new suppliers and consultants seeking to do business with IMRF will be asked to complete a form to certify the diversity of their business. Ownership of suppliers and consultants will be tracked by the Procurement Unit. IMRF staff will seek and encourage MWBE businesses to submit bids each time IMRF publishes a request for bids or proposals.

IMRF has set a minimum goal of 20% for contracts and purchases from businesses owned by minorities, women, and persons with a disability as a share of all of its contracts and purchases.

These goals are based on the percentage of total dollar amount of all purchasing contracts let, excluding building and staff related payments such as postage, rent, travel expenses and insurance premiums.

IMRF typically awards bids to the lowest cost vendor. However, to meet the goals set for this diversity policy bids may be awarded to a vendor other than the low bidder, if it is a MWBE vendor and its bid is within 15% or \$10,000 (whichever is lower) of the low bid.

The Procurement Unit will track the usage of MWBE businesses in order to meet the goal and review and analyze it each year. The goal may be modified by IMRF to further increase the usage of MWBE businesses as IMRF gains experience and knowledge using the statutory diversity guidelines. These goals shall be reviewed by the IMRF Board of Trustees annually.

All terms used in this policy shall have the same definitions as those found in the Illinois Business Enterprise for Minorities, Women, and Persons with Disabilities Act (30 ILCS 575 et seq).

Exhibit I. Policy for the Selection of Investment Consultants

1. Purpose

This policy defines the process used by the Board to procure investment consultants.

2. Philosophy

The Board will use investment consultants that are fiduciaries with respect to the services they provide to make recommendations on investment strategy and asset allocation; report on the performance of the investment portfolio and investment managers; assist with the selection of investment managers; and recommend new investment opportunities.

3. Procurement Process

A search may be started due to an upcoming expiration of a contract, termination of an investment consultant or a need to add an investment consultant. A Request for Proposals (RFP) shall be prepared by Staff based on the investment consultant services needed. The RFP shall be advertised in the State newspaper and a notice will be posted on the IMRF website. The RFP shall be made available on the IMRF website at least fourteen days before the response is due. An RFP will be conducted every 5 years as required by Section 1-113.14 of the Illinois Pension Code.

4. RFP Specifications

The RFP will provide background information on IMRF and will request detailed information on matters relevant to the investment consultant search being conducted. The RFP will generally be organized as follows:

- (a)** Introduction and Goal of RFP
- (b)** Background Information on IMRF
- (c)** Services to be Performed
- (d)** Qualifications for Assignment
- (e)** Specifications for Assignment
- (f)** Requirements and Instruction for RFP Completion
- (g)** General Terms and Conditions of the Contract Including Criteria for the Evaluation of Performance
- (h)** Selection Process

(i) Projected Timeline for Completion of the Investment Consultant Search

5. Quiet Period

The Quiet Period is the period of time beginning when the investment consultant search RFP is issued and ends when the investment consultant is selected by the Board or the process is declared to be complete.

Investment consultant respondents shall not contact IMRF Board members during the Quiet Period and should direct all communications to the Chief Investment Officer, or the contact identified in the RFP.

Incumbent investment consultant respondents may communicate with IMRF Board members during the Quiet Period, but may not discuss the investment consultant search with the Board during the Quiet Period.

The purpose of the Quiet Period is to ensure that all prospective investment consultants have equal access to information regarding the search objective and requirements; to be certain that communications are consistent and accurate; and to make the search process and selection process efficient, diligent and fair.

The Quiet Period will be posted to the IMRF website to prevent inadvertent violations by investment consultants responding to the RFP.

IMRF Board members shall refrain from communicating with the respondents regarding any product or service related to the search during the Quiet Period unless this communication takes place during a Consultant presentation related to the search recommendation.

IMRF Staff shall refrain from communicating with the respondents regarding any product or service related to the search during the Quiet Period unless this communication is initiated by the RFP team for information related to the search.

An investment consultant respondent shall be disqualified for violating the Quiet Period.

6. Selection Process

Staff shall objectively review the RFP's to identify qualified candidates based solely on the criteria presented in the RFP. Staff may interview all; some or none of the RFP respondents undertake site visits to respondent offices and conduct such other due diligence as is prudent under the circumstances.

Staff will prepare a report and make a recommendation to the Investment Committee during a public meeting of the Investment Committee.

The Investment Committee will consider Staff's recommendation and will determine if a recommendation for the award of a contract will be made to the Board. The Board shall then act on the recommendation of the Investment Committee.

During the selection process all respondents to the RFP will be evaluated and ranked based upon:

- (a)** Organization - stability, ownership, documented experience of key professionals, and diversity efforts.
- (b)** Consulting Skill - investment philosophy, investment manager information collection and monitoring systems, risk management tools, performance measurement systems and breadth of consulting expertise and experience.
- (c)** Fees - Consulting fees for services requested and associated costs.

Staff is required to identify all minority and women owned firms and firms owned by a person with a disability in the report presented to the Investment Committee. Staff must specify the reasons when these firms are not included in the recommendation.

IMRF reserves the right to reject any respondents due to noncompliance with the requirements and instructions in the RFP.

IMRF also reserves the right to not hire or defer the hiring of any investment consultant.

7. Contract Execution

When the contract has been awarded by action of the IMRF Board of Trustees, Staff will take the steps necessary to retain the investment consultant including negotiations and execution of the contract. The term of the contract shall not exceed five years.

Upon execution of the contract, a summary of the contract will be posted on the IMRF website, as required by Section 1-113.14 of the Illinois Pension Code.

Exhibit J. Policy for the Selection of External Investment Managers

1. Purpose

This policy defines the process used by the Board to procure investment managers.

2. Philosophy

The Board recognizes the importance of sustainability factors such as (1) corporate governance and leadership factors; (2) environmental factors; (3) social capital factors; (4) human capital factors; and (5) business model and innovation factors, as provided under the Illinois Sustainable Investing Act. (Source: P.A. 90-507, eff. 8-22-97.)

IMRF believes there are qualified minority, woman, and person with a disability owned business enterprises. It is the policy of the Board to include qualified minority managers in the selection process and to objectively evaluate all qualified investment manager candidates regardless of race, gender, or disability.

All qualified investment manager candidates will be evaluated based on: demonstrated professional performance; organizational depth; institutional investment management capability; integration of sustainability factors; and reasonableness of fee structure, regardless of the amount of investment assets under management, or age of the investment management firm.

The Board will employ professional consultants that do not use discriminatory practices in the creation and maintenance of their investment manager databases and will require the consultants used by the Fund to affirm their use of nondiscriminatory practices when evaluating investment manager candidates.

Procurement Process

When a search is necessary to fill a need in the investment portfolio (e.g. termination of a manager or addition of a new mandate) a Request for Proposals (RFP) shall be prepared. The search will be advertised in the State newspaper and a notice will be posted on the IMRF website. The RFP shall be made available on the IMRF website at least fourteen days before the response is due. When appropriate, the RFP shall also be made available on the investment consultant's website.

An RFP process is not required to place additional assets with an investment management firm that already manages IMRF assets.

Upon termination of a manager, assets may be placed with any appropriate investment management firm and/or transition management firm pending a decision for final disposition by the Board.

3. RFP Specifications

The RFP will provide background information on IMRF and will request detailed information on matters relevant to the investment manager search being conducted. The RFP will generally be organized as follows:

(a) Introduction and Goal of the RFP

- (b)** Background Information on IMRF
- (c)** Services to be Performed
- (d)** Qualifications for the Assignment
- (e)** Specifications for the Assignment
- (f)** Requirements and Instructions for RFP Completion
- (g)** General Terms and Conditions of the Contract Including Performance Review Criteria
- (h)** Selection Process and Criteria
- (i)** Projected Timeline for Completion of the Manager Search

4. Quiet Period

The Quiet Period is the period of time beginning when the investment manager search RFP is issued and ends when the investment manager is selected by the Board or the process is declared to be complete.

Investment manager respondents shall not contact IMRF Board members during the Quiet Period and should direct all communications to the Chief Investment Officer or the contact identified in the RFP.

The purpose of the Quiet Period is to ensure that all prospective investment managers have equal access to information regarding the search objective and requirements; to be certain that communications are consistent and accurate; and to make the search process and selection process efficient, diligent and fair.

The Quiet Period will be posted to the IMRF website to prevent inadvertent violations by investment managers responding to the RFP.

IMRF Board members shall refrain from communicating with the respondents regarding any product or service related to the search during the Quiet Period unless this communication takes place during a manager presentation related to the search recommendation.

IMRF Staff shall refrain from communicating with the respondents regarding any product or service related to the search during the Quiet Period unless this communication is initiated by the RFP team for information related to the search.

An investment manager respondent shall be disqualified for violating the Quiet Period.

5. Selection Process

For searches when a consultant is retained, Staff and consultant will work jointly. Staff shall objectively review the RFP's to identify qualified candidates for further evaluation.

Staff will present the results of the RFP process to the Investment Committee in the form of a written report. Staff will make a recommendation to the Board or the Investment Committee of the Board. The Board will consider the recommendation from Staff and determine if the award of a mandate will be made.

During the selection process all respondents to the RFP will be evaluated and ranked on five primary factors:

- (a) People** - stability of the organization, ownership structure, diversity efforts and documented experience of key professionals
- (b) Process** - clearly defined, reasonable and repeatable investment strategy
- (c) Performance** - documented ability to meet investment performance benchmarks
- (d) Pricing** - fee schedule, value of services provided, and associated costs
- (e) Portfolio Fit** – product strategy fit

Staff and consultant are required to identify all minority and woman owned firms and firms owned by a person with a disability in the report presented to the Investment Committee. The most qualified minority candidate(s) will be invited to present to the Board or the Investment Committee of the Board. Staff and consultant must specify the reason when these firms are not included in the recommendation.

IMRF reserves the right to reject respondents due to noncompliance with the requirements and instructions in the RFP.

IMRF also reserves the right to not hire or defer the hiring of any investment manager.

6. Contract Execution

Once the Board approves an investment mandate, Staff will complete all documentation necessary to execute recommendations subject to satisfactory legal due diligence. If the CIO determines that the legal due diligence is not satisfactory, then the contract will not be executed.

7. Website Postings required by Section 1-113.14 of the Illinois Pension Code.

Upon execution of an investment management agreement, a summary of the contract will be posted on the IMRF website in the Investments portal under Investment Managers. Results of manager searches conducted by RFP will be posted under Business Opportunities. Investments made without a formal RFP will be posted under Business Opportunities and shall name the person(s) authorizing the procurement and the reason for the exception.