Proposed Change in the Law

This bill would define “emerging investment manager” as a minority- or women-owned manager or manager owned by a person with a disability that has an investment portfolio of between $10M and $20B at the time of the initial contract (currently set at a maximum of $10B).

Reasons for Position

The changes in this bill would make some tracking and accounting of emerging managers easier. IMRF currently has 6 managers who would fall under the provisions of this bill (their AUM were less than $10B at the time of initial contract, but are currently greater than that amount). Any company that is first retained after having grown their AUM to more than $10B could no longer qualify as an “emerging” manager, but would still be tracked under the general “minority” manager categories.

The bill addresses a concern by some managers that have “graduated” beyond the current $10B threshold that they would be removed from the portfolios of some funds because their inclusion could no longer be included in the target goals for emerging managers.