



Chicago Teachers' Pension Fund

425 S. Financial Place, Suite 1400 | Chicago, IL 60605-1000

DATE: OCTOBER 15, 2020

TO: CHICAGO TEACHERS' PENSION FUND BOARD OF TRUSTEES

CC: MARY CAVALLARO, DEPUTY EXECUTIVE DIRECTOR; ANGELA MILLER-MAY, CHIEF INVESTMENT OFFICER

FROM: CHERYL R. ROOKS, INVESTMENT COMPLIANCE MANAGER

SUBJECT: 2019 MINORITY, WOMEN AND PERSONS WITH DISABILITIES BUSINESS ENTERPRISE (MWD BE) BROKERAGE MEMO

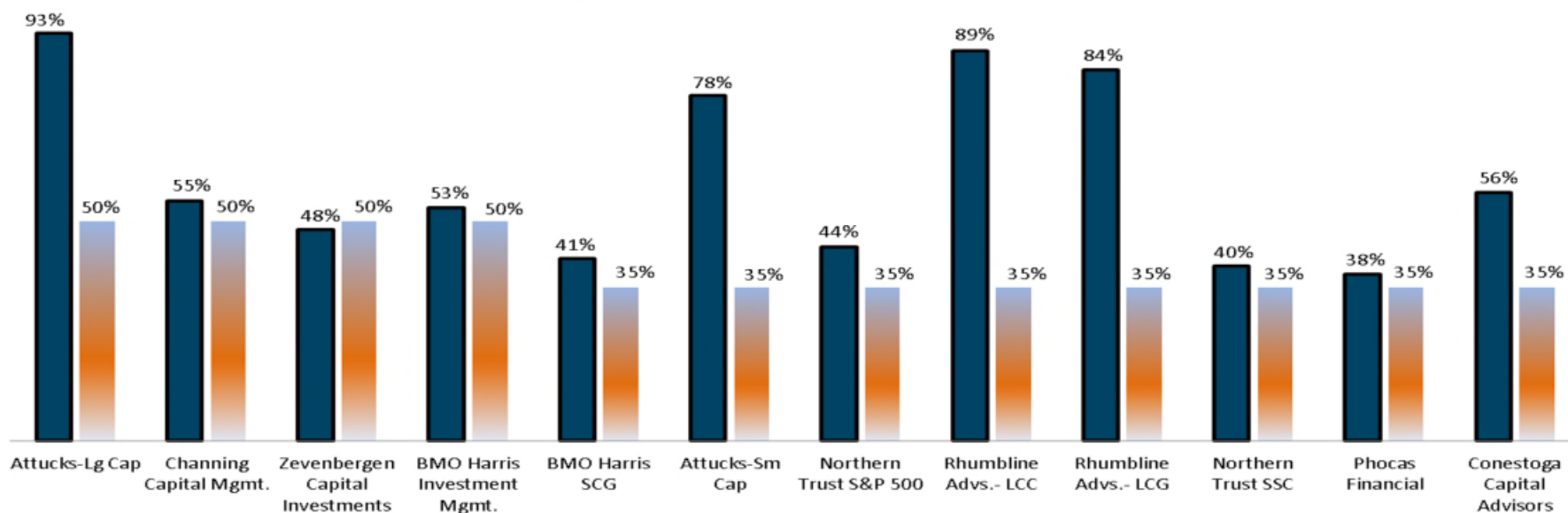
	Total Commissions	MWD BE Commissions	MWD BE %	CTPF Goal %
Domestic Equity	\$ 547,576.55	\$ 295,291.38	54%	Large/Mid Cap
				Small Cap/Passive 35%
International Equity	\$ 1,247,964.63	\$ 435,421.18	35%	Large Cap 25%
				Small Cap 5%
Total Commissions	\$ 1,795,541.18	\$ 730,712.56	41%	
Fixed Income Par Value Traded	\$ 6,218,162,220.16	\$ 2,082,659,788.45	33%	25%

Overview

- As of December 31, 2019, the Fund’s Equity investment managers (Domestic and International) **paid \$1.8 Million in total brokerage commissions**; of that, **\$731K or 41% of the total Equity brokerage commissions was paid** to Fund approved Minority, Women, and/or Persons with Disabilities Business Enterprise brokerage firms for the 2019 calendar year.
- For the same period, the Fund’s Fixed Income investment managers traded **a total Par Value of \$6.2 Billion. \$2.1 Billion of that Par Value traded** was with Fund approved Minority, Women, and/or Persons with Disabilities Business Enterprise brokerage firms which **represents 33% of the total Fixed Income Par Value** traded for the 2019 calendar year.

CY 2019 Domestic Equity Managers

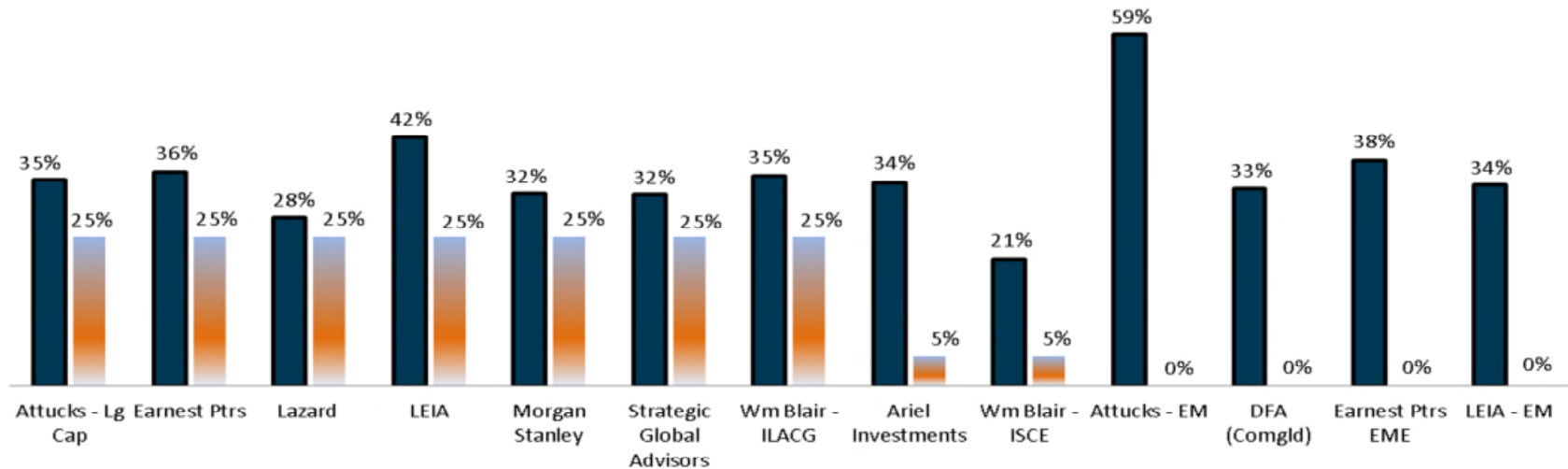
■ MWDBE Actual % ■ MWDBE Goal %



- 11 of the 12 Domestic Equity investment management strategies have met or exceeded the Fund's MWDBE brokerage goals. Total brokerage commissions **paid by Domestic Equity managers during 2019 was \$548K** (Large/Mid Cap equity total of \$371K and Small/Passive Large Cap equity of \$177K); **54%** of total domestic equity commissions were paid to the Fund's approved MWDBE brokerage firms.
 - **\$208K or 56%** of the total Large/Mid Cap equity commission dollars were paid to MWDBE firms which exceeded the Fund's MWDBE goal of 50% for this strategy by **6 percentage points**.
 - **\$87K or 49%** of the total Small/Passive Large Cap equity commission dollars were paid to MWDBE firms and exceeds the Fund's MWDBE goal of 35% for this strategy by **14 percentage points**.

CY 2019 International Equity Managers

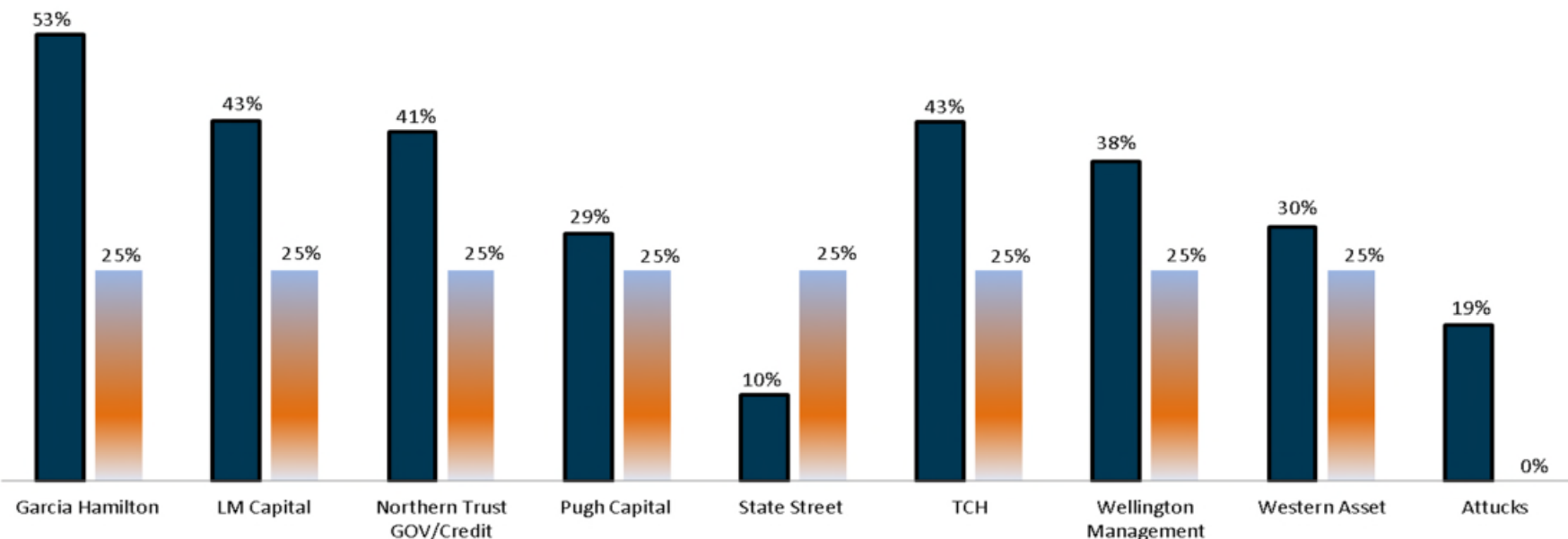
■ MWDBE Actual % ■ MWDBE Goal %



- All 13 of the International Equity investment management strategies have met or exceeded the Fund’s MWDBE brokerage goals with the Commingled fund (DFA) and Emerging Markets manager (Earnest Partners) having a “best efforts” rule. Total brokerage commissions **paid by International Equity managers during 2019 was \$1.2 Million** (All Cap/Large Cap International equity total of \$977K, Small Cap equity total of \$112K, and Commingled and Emerging Markets totals of \$159K); **35%** of total international equity commissions were paid to the Fund’s approved MWDBE brokerage firms.
 - **\$338K or 35%** of the total All Cap, Large Cap, and Passive international commission dollars were paid to MWDBE firms which exceed the Fund’s MWDBE goal of 25% for this strategy by **10 percentage points**.
 - **\$25K or 23%** of the total Small Cap international equity commission dollars were paid to MWDBE firms which exceeds the Fund’s MWDBE goal of 5% for this strategy by **17 percentage points**.
 - **\$72K or 45%** of the total Emerging Markets and Commingled Funds international commission dollars were paid to MWDBE firms which meet the Fund’s MWDBE goal of “best efforts” for this strategy.

CY 2019 Fixed Income Managers

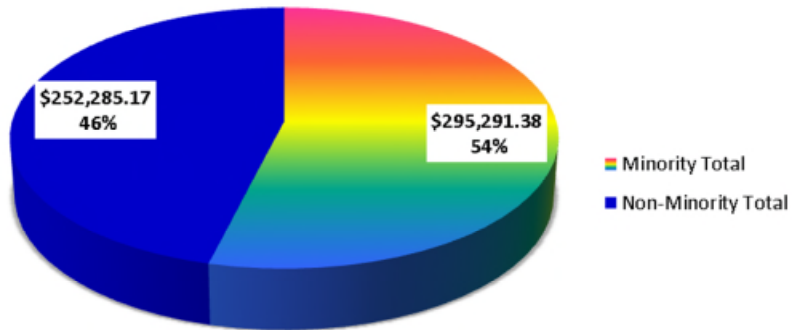
■ MWDBE Actual % ■ MWDBE Goal %



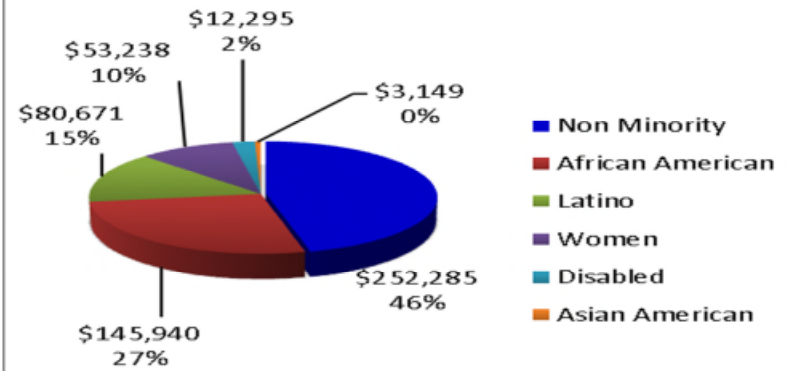
- 8 of the 9 Fixed Income investment management strategies have met or exceeded the Fund’s MWDBE brokerage goals. State Street Global Advisors, one of the Fund’s newer strategies (inception date- July 2019), had not been active for a full 12-month cycle at the end of the reporting period and had not yet reached CTPF goals. CTPF has a 25% MWDBE goal for all Fixed Income managers with Attucks having a “best effort” rule as its original Fixed Income strategies were Global TIPS and Emerging Markets Debt. There was a **total of \$6.2B in Fixed Income Par Value traded** during 2019; **\$2.1B** or **33%** of the total Par Value traded was with MWDBE firms. Overall, the Fund exceeded its Fixed Income MWDBE goals for 2019 by **8 percentage points**.

Domestic Equity MWDBE Commission Percentages by Designation

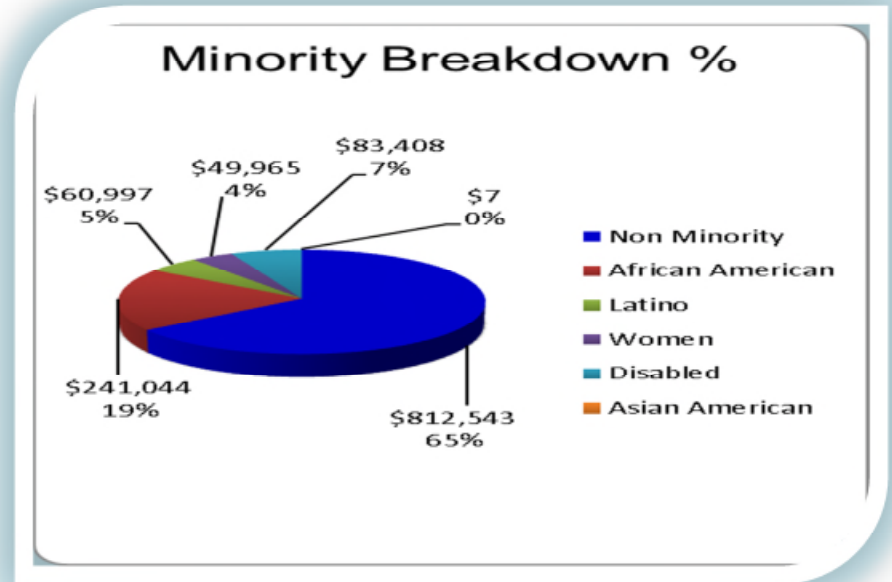
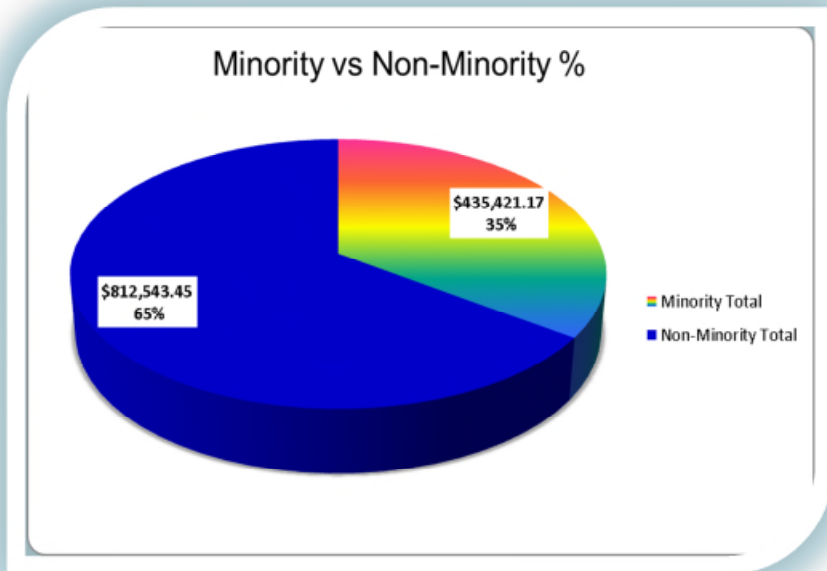
Minority vs Non-Minority %



Minority Breakdown %



International Equity MWDBE Commission Percentages by Designation



Fixed Income MWDBE Par Value Percentages by Designation

