



Chicago Teachers' Pension Fund

DATE: JUNE 21, 2018

TO: CHICAGO TEACHERS' PENSION FUND BOARD OF TRUSTEES

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

FROM: CHERYL ROOKS, INVESTMENT PORTFOLIO ANALYST

SUBJECT: 2017 MINORITY, WOMEN AND DISABLED PERSONS (MWDBE) BROKERAGE MEMO

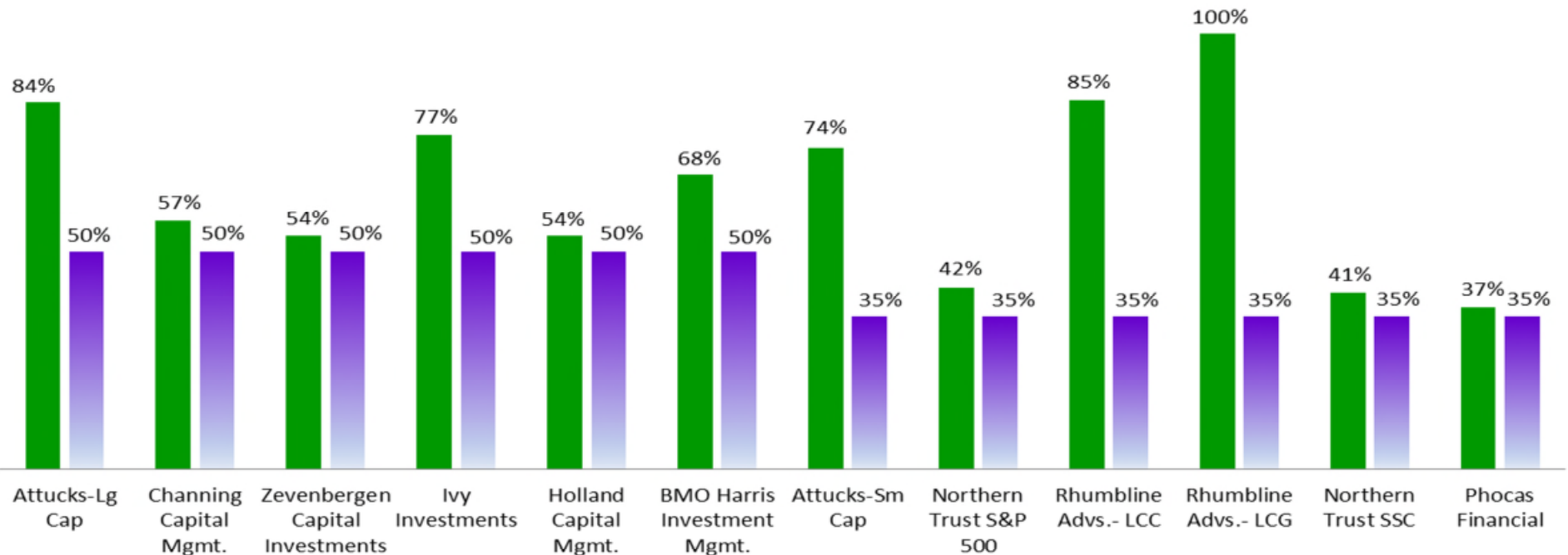
	Total commissions	MWDBE Commissions	%MWDBE	CTPF Goal %
Domestic Equity	\$ 665,349	\$ 425,648	64%	Large/Mid Cap 50%
				Small Cap/passive 35%
International Equity	\$ 2,420,753	\$ 828,012	34%	Large Cap 25%
				Small Cap 5%
Total Commissions	\$ 3,086,101	\$ 1,253,660	41%	
Fixed Income	\$4.5 Billion in Par Value traded	\$1.85 Billion in Par Value traded	41%	25%

Overview

- For the year ending December 31, 2017, the Fund's equities (Domestic and International) investment managers **paid \$3.1 Million in total brokerage commissions** and from that **\$1.3 Million was paid** to Minority, Disabled, and /or Women Owned brokerage firms approved by the Fund. This amount represents **41% of the total equity** (Domestic, International, and REIT) brokerage commissions executed with MWDBE Brokers for the 2017 calendar year.
- For the same period the Fund's fixed income investment managers traded **a total Par Value of \$4.5 Billion. \$1.9 Billion of that Par Value traded** was with Minority, Disabled, and /or Women Owned brokerage firms that have been approved by the Fund which **represents 41% of the total fixed income** Par Value traded for the 2017 calendar year.

CY 2017 Domestic Equity Managers

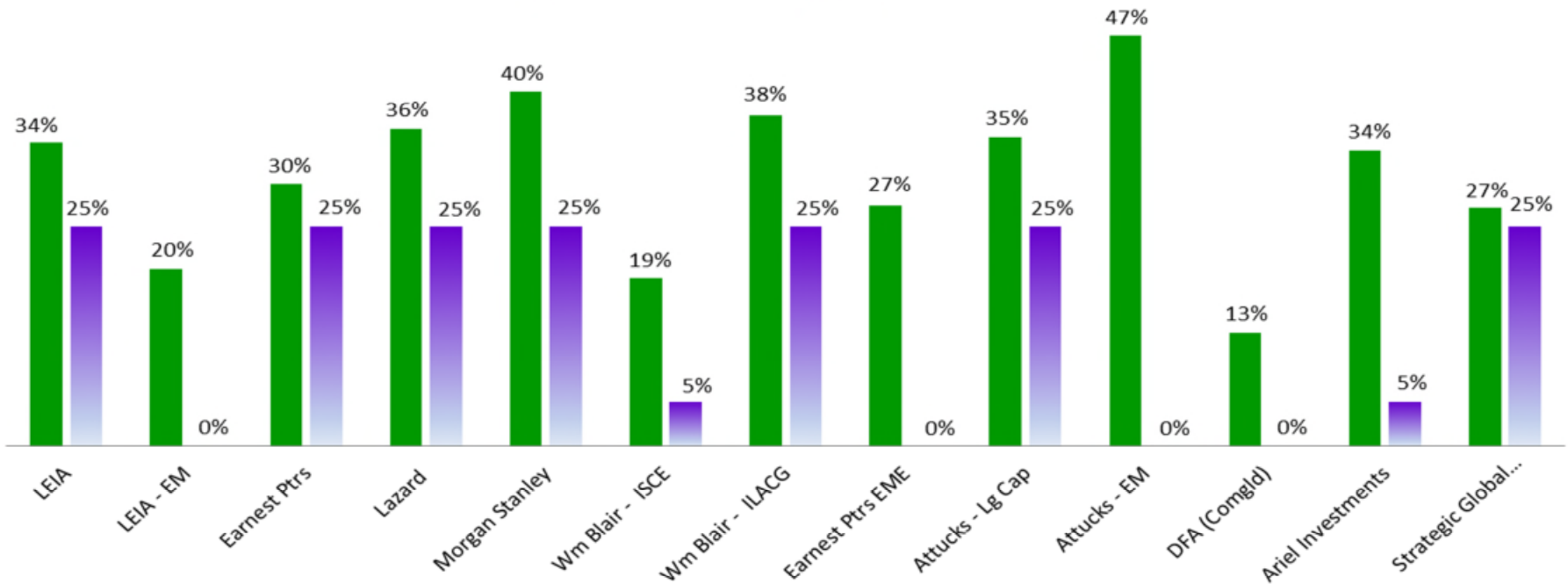
■ MWDBE Actual % ■ MWDBE Goal %



- All of the 12 domestic equity investment managers for the Fund met or exceeded the Fund’s MWDBE brokerage goals. The total domestic equity brokerage commissions **paid during 2017 was \$665K** (Large/Mid Cap equity total of \$476K and Small/Passive Large Cap equity of \$189K); **64%** of total commissions were paid to the Fund’s approved MWDBE brokerage firms.
 - **\$476K or 67%** 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 **17 percentage points**.
 - **\$189K or 57%** 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 **22 percentage points**.

CY 2017 International Equity Managers

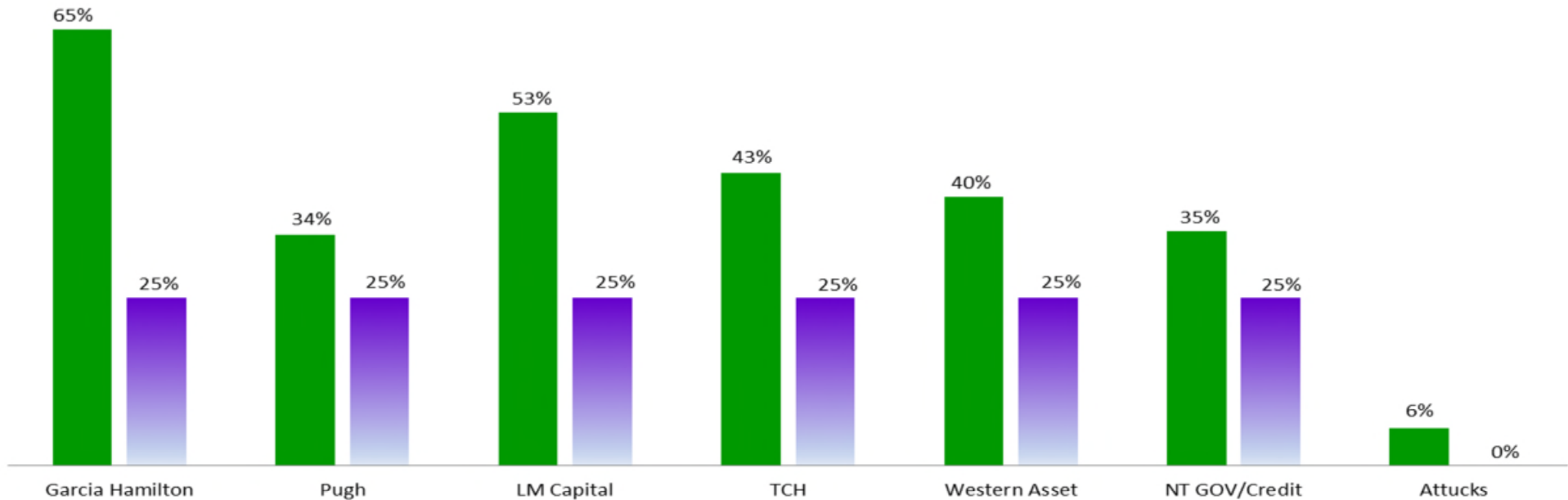
■ MWDBE Actual % ■ MWDBE Goal %



- All of the 13 international equity investment managers have met or exceeded the Fund’s MWDBE brokerage goals with the Commingled fund (DFA) and Emerging Markets manager (Earnest) having a “best efforts” rule. The total international equity commissions **paid during 2017 was \$2.4 Million** (All Cap/Large Cap International equity total of \$2.0 M, Small Cap equity total of \$255K, and Commingled and Emerging Markets totals of \$160K); **34%** of total commissions were paid to the Fund’s approved MWDBE brokerage firms.
 - **\$727K or 29%** of the total All Cap, Large Cap, and Passive international commission dollars were paid to MWDBE firms which exceeded the Fund’s MWDBE goal of 25% for this strategy by **4 percentage points**.
 - **\$53K or 21%** 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 **16 percentage points**.
 - **\$48K or 30%** of the total Emerging Markets and Commingled Funds international commission dollars were paid to MWDBE firms which exceeded the Fund’s MWDBE goal of “best efforts” for this strategy by **30 percentage points**.

CY 2017 Fixed Income Managers

■ MWDBE Actual % ■ MWDBE Goal %



- All of the 7 fixed income investment managers have met or exceeded the Fund’s MWDBE brokerage goals. CTPF has a 25% MWDBE goal for all fixed income managers with Attucks having a “best effort” rule as the original FI strategies were Global TIPS and Emerging Markets Debt. There was a **total of 4.5B fixed income Par Volume traded** during 2017; **41%** of the total Par Volume traded was with MWDBE firms. The Fund overall exceeded its fixed income MWDBE goals for 2017 by **16 percentage points**.