

**REPORT TO GOVERNOR
AND GENERAL ASSEMBLY**

**USE OF DIVERSE AND EMERGING
INVESTMENT MANAGERS**

November 15, 2021



**State Universities Retirement System
1901 Fox Drive
Champaign, IL 61820**

As Required by the Illinois Pension Code, 40 ILCS 5/1-109.1(8)

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November 15, 2021

The Honorable J. B. Pritzker
Governor of Illinois
207 Statehouse
Springfield, Illinois 62706

Dear Governor Pritzker:

The State Universities Retirement System (SURS) is pleased to provide the Report to the Governor and General Assembly regarding the Use of Emerging Investment Managers for Fiscal Year 2021 as required by 40 ILCS 5/1-109.

SURS continues to be committed to providing opportunities for investment management firms and broker/dealers owned by minorities, women, and persons with a disability. The SURS Board of Trustees has long had an established policy that formally addresses the initiative to increase the participation of minority-, women- or persons with a disability-owned (MWDBE) firms.

Included below are some key points highlighting the progress of the SURS diversity initiative over the past decade as well as more recent activities. SURS recognizes that additional work remains to be accomplished in this area.

Summary of Key Points

- Assets managed by emerging firms have increased from 16.7% of total assets, as of June 30, 2010, to 41.6% of total assets, as of June 30, 2021. Assets with diverse firms increased from \$2.0 billion to \$9.8 billion over the same period, an increase of approximately \$7.8 billion.
- SURS Investment staff consists of ten positions, which six of the ten positions are held by diverse individuals including women and minorities.
- In FY 2021, SURS retained Meketa as a discretionary private credit advisor and one allocation has been made in 2021 to an MWDBE owned firm.
- SURS continues to allocate directly to additional MWDBE private market investment managers via our respective discretionary advisor in private equity (Aksia) and non-discretionary real assets consultant (Callan).

Thirty-seven percent (30 of 81) of SURS' current investment managers are owned by minorities, women, or persons with a disability, as of June 30, 2021. SURS assets managed by these 30 firms total \$9.8 billion, representing 41.6% of the total investment portfolio.

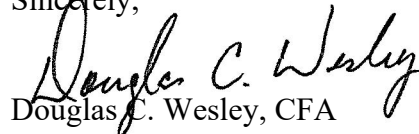
The Manager Diversity Program (MDP) is one of the key initiatives developed by SURS aimed at increasing the utilization of MWDBE investment managers. The MDP, approved by the Board in March 2004, is managed with program oversight by internal investment staff, allowing investment managers to have a direct contractual relationship with SURS. The program currently consists of 30 managers with 32 assignments across the portfolio. The program continued to expand during FY 2021. As of June 30, 2021, the total assets under management in the Manager Diversity Program total \$5.6 billion.

SURS has several diversity policies in place to comply with the Illinois Pension Code. Quantifiable goals have been set and are reviewed annually for the management of assets and utilization of broker dealers owned by minorities, women, and persons with a disability. Over the past year, SURS has continued to reach for these goals and will continue to do so in the coming year.

SURS continues to make its investment managers aware of trading opportunities with MWDBE brokerage firms. The System's Investment Policy, subject to best execution, requires its investment managers to meet certain minimum levels of trading with MWDBE brokerage firms. SURS investment managers in each asset class are, in aggregate, exceeding the minimum brokerage expectations set by the Board of Trustees. Minority brokerage utilization rates for U.S. equity, non-U.S. equity, global equity, and fixed income investment managers were 75.5%, 77.4%, 34.6%, and 49.9%, respectively, for FY 2021.

SURS places the utmost importance on promoting diversity among its investment advisors and investment professionals. We will continue to strive to implement and evaluate the strategies developed to date and will make a conscious effort to continue our focus on serving our members to the best of our ability.

Sincerely,



Douglas C. Wesley, CFA
Chief Investment Officer

cc: Suzanne M. Mayer, Interim Executive Director

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Introduction

The State Universities Retirement System (SURS) is committed to providing opportunities for diverse and emerging investment managers¹. SURS has taken and is continuing to take important and appropriate actions to provide increased opportunities for minority-, women- and persons with a disability- owned (MWDBE) investment managers. This program has been and will continue to be of utmost importance to the SURS Board of Trustees and has received the highest priority.

As of June 30, 2021, the SURS investment portfolio is valued at approximately \$23.6 billion. SURS has engaged the services of 81 investment managers in six functional classes. These investment managers have been hired through a competitive search process to identify the best qualified managers in each asset class. Managers are selected to invest their portfolios in a specific strategy or style. More generally, SURS seeks a diversified mix of investment managers, each having different styles in different asset classes. Thirty-seven percent (30 of 81) of SURS' current investment managers are minority, - women- or persons with a disability-owned businesses.

SURS is an active member or conference attendee in the National Association of Securities Professionals (NASP), the New America Alliance (NAA), the Association of Asian American Investment Managers (AAAIM), and National Association of Investment Companies (NAIC) which promote diversity in the investment industry. In addition, meaningful goals have been established for the use of

¹ The phrase "emerging investment manager" is used throughout the text of this document. The current definition applicable to SURS is found in 40 ILCS 5/1-109.1(4) and is defined as "a qualified investment adviser that manages an investment portfolio of at least \$10,000,000 but less than \$10,000,000,000 and is a 'minority owned business', 'women owned business' or 'business owned by a person with a disability' as those terms are defined in the Business Enterprise for Minorities, Women, and Persons with Disabilities Act."

investment management firms owned by minorities, women, and persons with a disability in each asset class. SURS has significantly increased assets with MWDBE firms over the past several years. Emphasis will continue to be placed on brokerage activity with minority-, women- or persons with a disability-owned (MWDBE) firms. SURS looks forward to continued implementation of the strategies developed to date and further strengthening of the relationships already in place with firms owned by minorities, women, or persons with a disability.

Goals for Utilization of Emerging Managers that are Minority-Owned Businesses

40 ILCS 5/1-109.1(4)

The SURS Board of Trustees policies and established goals for the percent of assets under management by minority-owned and women-owned businesses are provided in Exhibit A. Additionally, Exhibit B, shows a summary of the overall utilization goals for diverse-owned investment managers, names and addresses of the emerging investment managers that are minority-owned businesses used by SURS. Exhibit C depicts the utilization goals for emerging investment managers for each asset class.

In addition to the policy and goals mentioned above, affirmative steps have been taken to remove any barriers to full participation in investment opportunities with SURS.

Investment Manager Selection

SURS' manager search process begins with defining the need for a specific type of investment to increase the risk/return profile of the overall portfolio and presenting the rationale to the Board of Trustees. Generally, once a need for retaining investment managers has been identified, the investment staff, along with SURS' investment consultant, conducts a search.

SURS Investment Procurement Policy, Exhibit D, includes general procedures in soliciting bids and surveying the market for investment advisers, consultants, and other investment services. Selection and appointment of firms by the Board are made and awarded in accordance with the Illinois Pension Code and any applicable policy under the Illinois Compiled Statutes.

SURS does not use any criteria that would be considered a barrier to an emerging or diverse-owned manager such as a minimum number of years in business or a minimum level of assets under management. If an emerging investment manager meets the criteria established for a specific search, then that emerging investment manager shall receive an invitation by the Board or Investment Committee to

present his or her firm for final consideration of a contract. If multiple emerging investment managers meet the criteria of the search, the internal investment staff may choose the most qualified firm(s) to present to the Board or Investment Committee.

Goals for Increasing Racial, Ethnic, and Gender Diversity of Fiduciaries,

Consultants, and Senior Staff

40 ILCS 5/1-109.1(5)

Effective August 17, 2018, Public Act 100-0902 requires each retirement system, pension fund and investment board to make its best efforts to ensure that the racial and ethnic makeup of its senior administrative staff represents the racial and ethnic makeup of its membership. This requirement was added to the diversity of fiduciaries section in 40 ILCS 5/1-109.1(5).

The SURS Inclusion Policy, Exhibit E, was established in 2015 to promote utilization of MWDBEs in SURS contracts and services, as well as, to advance racial, ethnic, and gender diversity of SURS fiduciaries, including consultants and senior staff.

SURS Senior Staff Makeup

Through its recruitment efforts, SURS strives to reach broad pools of applicants. SURS recruits from diverse, qualified pools of potential applicants to secure a high-performing workforce drawn from all segments of the community. Diversity is promoted throughout the organization to ensure a culture of inclusivity.

SURS' senior administrative staff consists of eight positions, seven of which are currently filled. Currently, six of the seven positions are held by diverse individuals, including five women and one Latino. As the group of senior staff is small, any changes to the make-up may take time. SURS is currently conducting a search for the Executive Director position.

SURS Consultants

As SURS policy dictates, requests for proposals for consultant services are conducted every five years. Makeup of staff, diversity policies, and MWDBE-inclusive processes and databases are considered critical criteria during the search period. SURS considers that partnering with consultants that have established formal processes to include MWDBEs in the investment management search process is of high importance and adds value to the organization.

As of June 30, 2021, SURS utilized two consultants within its defined benefit investment program: Meketa Investment Group to serve as general consultant and Callan to serve as specialty real assets consultant. SURS requests information regarding each firm's staff diversity and consultant initiatives that would ensure equal participation of MWDBE investment management firms on an annual basis.

Goals for Utilization of MWDBEs for Contracts and Services 40 ILCS 5/1-109.1(6)

The Board of Trustees adopted an Inclusion Policy in December 2009 to establish guidelines for inclusion of minority, women or disabled owned businesses in SURS procurement processes. A copy of the SURS Inclusion Policy is included as Exhibit E. The goal adopted at that time for all contracts and purchases from businesses owned by minorities, women, and persons with a disability was 12%.

The goals have been subsequently reviewed and increased over time. For Fiscal Year 2021, 12.5% of the contracts and purchases included businesses owned by minorities, women and persons with a disability, falling short of the 25% goal. The plan for Fiscal Year 2022 is to maintain the goal at 25%, with the intent to continue expanding our minority-, women-, and persons with a disability-owned vendor group. SURS staff will continue to be proactive during Fiscal Year 2022 in seeking minority-, women-, and persons with a disability-owned businesses in our procurement opportunities.

Goals for Utilization of MWDBE Broker/Dealers 40 ILCS 5/1-109.1(7)

The Board of Trustees adopted a policy that sets forth goals for increasing the utilization of MWDBE broker/dealers (Exhibit A).

Current Role of MWDBE Brokerage Firms

SURS requires all of its public markets investment managers to use minority-, women- or persons with a disability-owned (MWDBE) brokerage firms. Throughout the year, SURS occasionally receives inquiries from MWDBE brokerage firms regarding the opportunity to execute trades for the portfolio. SURS investment staff, at a minimum, meets with interested firms when requested and provides a listing of its current investment managers, which is available online at www.surs.org. If requested, SURS staff will send a letter of introduction along with the firm's marketing materials.

Since fiscal year 2004, SURS has had in place a brokerage policy designed to increase the utilization of MWDBE brokerage firms, subject to best execution. The policy is asset class-specific and calls for SURS' investment managers to meet certain minimum levels of usage over continually rolling twelve-month periods. As shown in the table below, SURS seeks to consistently exceed these high-level goals while achieving best execution.

Asset Class	Goal
Equity	
U.S. Equity	35%
Non-U.S. Equity	25%
Global Equity	22%
Fixed Income	
Principal Protection, TIPS, and Long Duration	35%
Credit	5%

SURS monitors managers' compliance with this policy and has established a series of consequences for those managers who repeatedly fail to meet expectations, up to and including termination. Initially, a follow-up letter will be distributed to the investment managers not achieving the minimum level of MWDBE broker/dealer usage. The investment managers are expected to achieve the desired levels over quarterly rolling twelve-month periods. Only trades executed directly with minority-owned broker/dealers will be considered in the achievement of these goals. The table that follows lists the goals for each asset class as well as actual utilization for the year ending June 30, 2021.

Asset Class	Actual Utilization	Goal
EQUITY		
U.S. Equity	75.5%	35.0%
Non-U.S. Equity	77.4%	25.0%
Global Equity	34.6%	22.0%
FIXED INCOME		
Fixed Income	49.9%	35.0%

In aggregate, SURS investment managers are currently exceeding the minimum expectations levels established by the Board of Trustees. SURS continues to emphasize the importance of this program to all of its new and existing investment managers, and given the established minimum levels of utilization, expects to see continued meaningful usage of MWDBE brokers in future years.

Goals for Increasing the Utilization of MWDBE Managers 40 ILCS 5/1-109.1(9)

Exhibit A shows the pertinent policy that establishes additional goals for assets specific to MWDBE managers. Exhibit B, shows a summary of these goals.

In September 2014, the Board established a new goal that 20% of total assets be managed by MWDBE investment managers which has since been increased to 35%. As of June 30, 2021, 41.6% of total assets were managed by MWDBE firms.

SURS has managed a dedicated program for minority-, women- and persons with a disability-owned investment management firms since fiscal year 1997. Initially, SURS utilized the services of external manager-of-emerging-managers providers. In 2004, SURS expanded its program with the launch of an internal manager of emerging managers program, the Manager Diversity Program.

Bivium Investment Management Company

Bivium Investment Management Company, as manager-of-emerging-managers provider, selects, retains, and compensates the investment managers that are managing the assets within their program. By teaming with Bivium, SURS can establish relationships with a larger number of emerging investment managers. Currently, the Bivium program consists of 5 managers (6 mandates) implementing a global credit portfolio consisting of investment grade, high yield fixed income and emerging market debt. As of June 30, 2021, all 5 managers providing investment services to SURS, through Bivium Investment, are MWDBE investment managers. Exhibit F, details the managers that are a part of the Bivium program. The performance of these managers is closely monitored by SURS staff, with the goal of identifying highly successful managers that can potentially be funded directly by SURS. Bivium also partners with SURS staff to share research in an effort to enhance the System's line- up of deserving MWDBE investment managers.

As of June 30, 2021, the total value of assets under management by Bivium is \$395 million.

Xponance Investment Management Company

Xponance Investment Management Company, as manager-of-emerging-managers provider, selects, retains, and compensates the investment managers that are managing the assets within their program. By teaming with Xponance, SURS can establish relationships with a larger number of emerging investment managers. Currently, the Xponance program consists of 8 managers across public equity. As of June 30, 2021, all 8 managers providing investment services to SURS, through Xponance Investment, are MWDBE investment managers. Exhibit G, details the managers that are a part of the Xponance program. The performance of these managers is closely monitored by SURS staff, with the goal of identifying highly successful managers that can potentially be funded directly by SURS. Xponance also partners with SURS staff to share research in an effort to enhance the System's line- up of deserving MWDBE investment managers.

As of June 30, 2021, the total value of assets under management by Xponance is \$305 million.

Manager Diversity Program

- Creation of the MDP

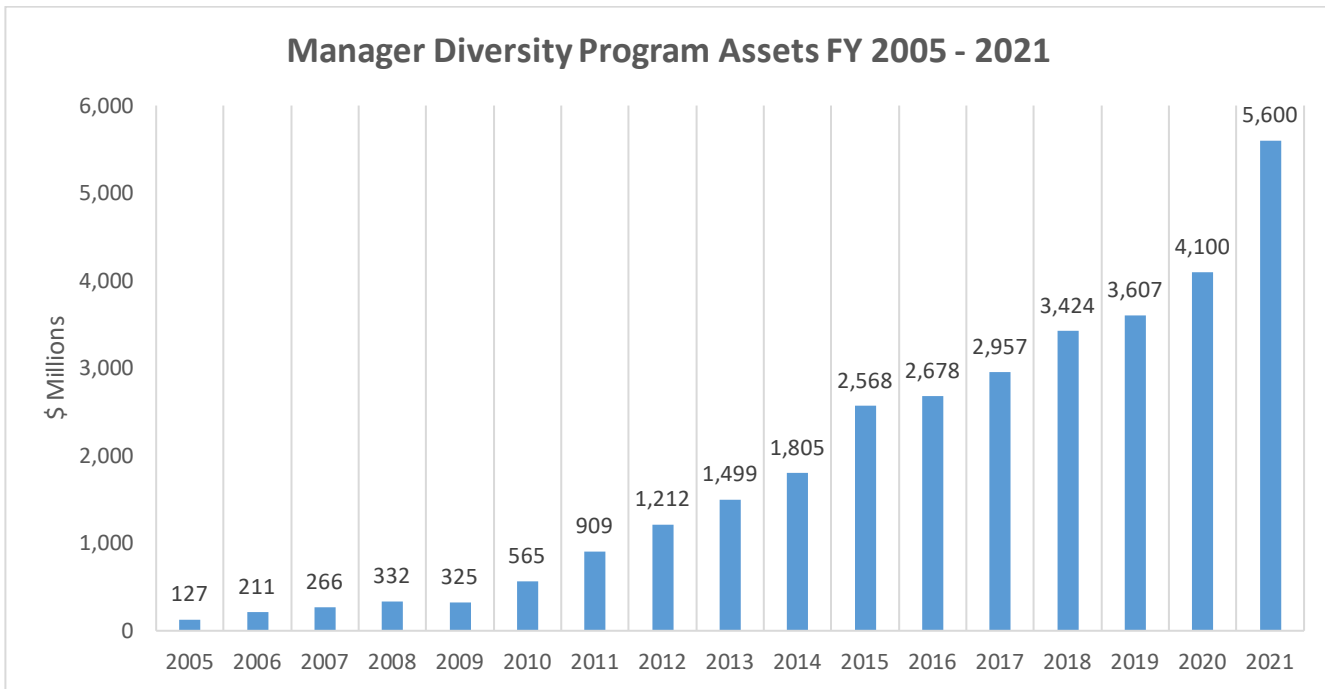
The Manager Diversity Program (MDP) was created by the SURS Board of Trustees in March 2004 as one of four initiatives² designed to further increase the utilization of MWDBE investment management firms. As of June 30, 2021, the program consists of 30 managers (32 mandates) across the portfolio. Investment firms selected for participation in the MDP contract directly with SURS. Ultimately, the goal

² The other three initiatives involved creation of a private equity fund-of-funds focused on minority- and women-owned partnerships, a search for minority- or women-owned equity index fund providers, and expansion of the existing roster of minority- and women-owned firms. Each of the four initiatives has been successfully implemented.

of the MDP is to identify highly successful managers and meaningfully increase the firm’s allocation, if consistent with the structure of the overall SURS portfolio.

- Expansion of the MDP

Due to the success of the MDP, the program has significantly expanded since its creation. As the chart below illustrates, MDP assets have grown from \$127.4 million in fiscal year 2005 to approximately \$5.6 billion at the end of fiscal year 2021. As part of the expansion, the structure has been strategically modified to be more consistent with the overall SURS investment program, including allocations to private equity and real estate.



The MDP continues to expand, as discussed below.

- SURS continues to allocate directly to MWDBE private market investment managers via our respective discretionary consultants in private equity (Aksia) and private credit (Meketa) and our non-discretionary consultant in real assets (Callan).

- In FY 2021, SURS contracted a consultant in the private credit asset class (Meketa). One allocation has been made in 2021 so far to an MWDBE owned firm, and additional firms are being reviewed for potential commitments in FY 2022.
- SURS staff continues to engage Callan in identifying MWDBE candidates, with multiple firms being reviewed for potential commitments in FY 2022.
- SURS staff continues to engage Aksia in identifying MWDBE private equity candidates, with firms being reviewed for potential commitments in FY 2022.

Exhibit H, details the managers in the MDP along with the current level of assets under management for the System. As of June 30, 2021, the total assets under management in the Manager Diversity Program are approximately \$5.6 billion, an increase in market value of approximately \$1.5 billion from last year's report.

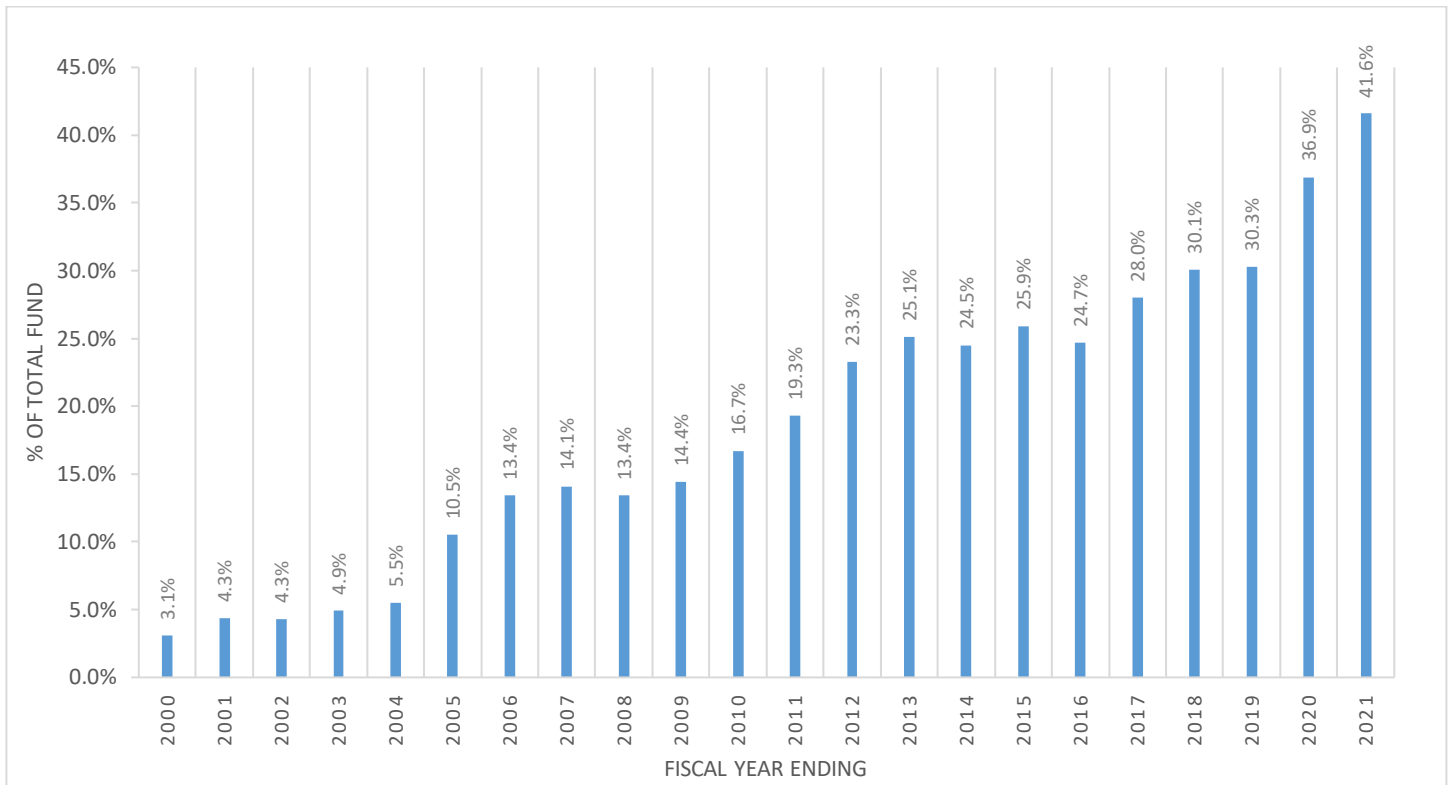
The MDP is managed with program oversight by SURS internal investment staff, allowing investment managers to have a direct contractual relationship with SURS. Significant staff resources continue to be dedicated to the construction, management, and evaluation of the program.

Current Role of MWDBE Investment Managers

- **Defined Benefit Plan**

SURS investment program totaled \$23.6 billion as of June 30, 2021. Of this amount, \$9.8 billion, or 41.6%, is managed by investment management firms owned by minorities, women, or persons with a disability. SURS assets with MWDBE firms have grown steadily over time, as seen in the chart that follows.

SURS Assets with MWDBE Investment Management Firms FY 2000 – FY 2021



XIII. Emerging Investment Managers, MWDBE Managers and Minority-Owned Broker/Dealers

SURS is committed to providing opportunities for Emerging Investment Managers and Minority Owned Broker/Dealers. SURS is also committed to providing ongoing opportunities for minority-, female-, and persons with a disability-owned (“MWDBE”) Managers that have advanced beyond the statutory definition of Emerging Investment Managers. In determining the status of a business enterprise, SURS will use the definitions found in the Business Enterprise for Minorities, Women, and Persons with Disabilities Act, 30 ILCS 575/2(A), (B).

The Illinois Pension Code, in 40 ILCS 5/1-109.1, encourages the Board to use Emerging Investment Managers in managing the System’s assets to the greatest extent feasible within the bounds of financial and fiduciary prudence, and to take affirmative steps to remove any barriers to the full participation of Emerging Investment Managers in investment opportunities afforded by the System. Furthermore, in accordance with the Illinois Pension Code, SURS encourages its Fund-of-Fund Managers to use Emerging Investment Managers as subcontractors when the opportunity arises.

A. Goals for Utilization of Emerging Investment Managers and MWDBE Managers

Beginning January 1, 2016, the Illinois Pension Code, in 40 ILCS 5/1-109.1, established aspirational goals of 20% for pension funds, with respect to assets under management by Emerging Investment Managers and the percentage number of MWDBE Managers.

In December of 2019, the Board (subject to its fiduciary responsibility) established goals for the percent of assets under management for MWDBE managers, Emerging Investment Managers as defined by Illinois statute, the percent of fees paid to MWDBE managers, and the percent of managers that are MWDBE. Furthermore, with the intent of having MWDBE Managers significantly represented in each broad Asset Class and not concentrated in any particular Asset Class, the Board has established additional goals for emerging managers in each asset class.

A summary of the Board’s goals is set forth in Appendix 6. These goals shall be reviewed annually.

B. Goals for Utilization of Minority-Owned Broker/Dealers

The Board has set minimum expectations for the use of qualified Broker/Dealers that meet the definition of a minority-owned business, female-owned business or a business owned by a person with a disability (“Minority-owned Broker/Dealer”) by the System’s Managers. Only trades executed directly with Minority-owned Broker/Dealers will be considered in the achievement of these goals.

Goals for Minority-owned Broker/Dealer Utilization have been established for the various public equity and fixed income classes as set forth in Appendix 7. SURS seeks to have its Managers consistently meet or exceed these goals, while achieving best execution.

In order to achieve the goals, minimum expectations have been established for individual Managers within a number of Sub-Asset Classes. Subject to best execution, SURS requires its Managers to meet the minimum expectations set forth in Appendix 7 for each rolling twelve (12) month period.

Reporting Guidelines

Each Manager will submit a compliance report within 30 days after March 31, June 30, September 30, and December 31 of each year. Reporting will be monitored over a rolling twelve-month period.

Consequences of Non-Compliance

Repeated failure to meet Minority-owned Broker/Dealer Utilization Goals will lead to the following:

- 1) Staff notification to the non-compliant Manager;
- 2) Staff examination of reasons for non-compliance;
- 3) Invitation to the non-compliance Manager to appear before Staff and/or the Board; and
- 4) Remediation plan acceptable to the Staff or recommendation to the Board to Terminate.

C. Manager Diversity Program

Program Description

SURS has implemented a Manager Diversity Program (“**MDP**”) to identify highly successful MWDBE firms. The process used for selection of investment managers is set forth in the ***SURS Investment Procurement Policy***. Manager Benchmarks are identified in the Manager Guidelines for each Manager in the program. Benchmarks for the MDP for each applicable Asset Class are the same as those set forth in the applicable Appendix. Managers in the MDP will be evaluated in the same manner as that set forth in Section VII (“Selection and Retention”). Termination decisions will follow the guidelines set forth in Section VIII (“Investment Manager Termination Guidelines”). An evaluation of each Manager shall be conducted annually.

D. Manager-of-Managers Program

Program Description

SURS utilizes a Manager-of-Managers program, overseen by SURS Staff. The program’s primary goal is to identify MWDBE Managers that will be initially awarded smaller allocations within the program. Staff may recommend, for the Board’s approval, one or more Manager-of-Managers to play an active role in identifying emerging MWDBE Managers and maintain an ongoing involvement in the evaluation and performance oversight of such Managers. Staff shall work with the Manager-of-Managers to identify, recruit, and monitor Managers in the program.

Graduation Program

On an annual basis, SURS Staff and the Manager-of-Managers will identify one underlying Manager to be considered for a meaningful, direct allocation. The following factors are considered in determining when an underlying Manager should be awarded a larger allocation in the SURS Portfolio:

- Acceptable measure of performance over a three-to-five-year period;
- Stability in Manager's organization;
- Institutional quality infrastructure;
- Growth in Assets Under Management;
- Confidence in Manager's investment process; and
- Product Fit.

In addition to the factors mentioned above, the needs of the overall SURS investment program will be considered.

Notwithstanding this provision, the Board, in its sole discretion, may decide not to make any award in any given year, if it determines that such an allocation would not be in the best interests of the Members.

Beginning January 1, 2022, if an investment adviser acting in its capacity as an investment manager of a multimanager portfolio made up of emerging investment managers (an "EIM Manager") provides a written recommendation to SURS for its selection or appointment of an emerging investment manager, and such emerging investment manager has been providing investment services in such multimanager portfolio for at least 24 months, then the Board may select or appoint such emerging investment manager as a direct Manager for SURS. Any emerging investment manager appointed pursuant to the immediately preceding sentence shall be disclosed on the SURS website as an appointment per the exception provided in 40 ILCS 5/113.24 to the requirements of 40 ILCS 5/1-113.14 (and such disclosure shall include the name of the EIM Manager, a statement that the Board has authorized selection or appointment of such emerging investment manager as a Manager for SURS, and a brief explanation of the reason such emerging investment manager was selected or appointed as an exception to 40 ILCS 5/1-113.14).

Initially adopted December 8, 2006; Revised April 26, 2007; September 21, 2007; September 12, 2008; April 23, 2009; September 11, 2009; December 2, 2009; September 3, 2010; September 16, 2011; October 25, 2012; September 13, 2013, September 19, 2014; September 11, 2015; December 9, 2016; June 9, 2017; December 8, 2017; March 9, 2018; April 18, 2019; June 7, 2019; September 13, 2019; October 17, 2019; December 6, 2019; January 30, 2020; November 17, 2020; December 4, 2020; January 29, 2021; September 10, 2021.

**Schedule of Minority-, Women- and Persons with a Disability- Owned (MWDBE)
Investment Management Firms
As of June 30, 2021**

	Minorities	Non-Minority Women	Persons with a Disability	Overall Goal
% by Total Assets				
<i>Goal</i>	<i>20%</i>	<i>14%</i>	<i>1%</i>	<i>35%</i>
Actual	21.8%	19.8%	0.1%	41.6%

	Goal	Actual
% by Manager	35%	35.5%
Count		
% by Manager Fees	25%	26.9%

**State Universities Retirement System
Schedule of Emerging, Minority, and Female-Owned Firms
As of June 30, 2021**

<u>Manager</u>	<u>Contact Information</u>
Ariel Investments	Malik Murray 200 East Randolph Street, Suite 2900. Chicago, IL 60601
Ativo Capital Management	Michael Brooks 120 N. LaSalle Street, Suite 1045 Chicago, IL 60602
Base10 Partners	16 Maiden Ln, Suite 300 San Francisco, CA 94108
Basis Investment Group	Tammy Jones 75 Broad St. New York, NY 10004
Bivium Capital Partners	Tony J Lee 601 Montgomery Street, Suite 1212 San Francisco, CA 94111
Channing Capital Management	Rodney Herenton 10 South LaSalle, Suite 2401 Chicago, IL 60603
Clearlake Capital Partners	233 Wilshire Blvd., Suite 800 Santa Monica, CA 90401
Crayhill Capital Management	Carlos Mendez 34 E. 51 st Street New York, NY 10022
EARNEST Partners	Patmon Malcom 1180 Peachtree Street, Suite 2300 Atlanta, GA 30309
Ember Infrastructure Partners	Maria Rengifo 41 Madison Ave, Suite 2020 New York, NY 10017

Manager

Contact Information

Fairview Capital Partners

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75 Isham Road, Suite 200
West Hartford, CT 06107

Gladius Capital Management LP

Eric Magac
233 South Wacker Drive, Suite 5725
Chicago, IL 60606

Garcia Hamilton & Associates

Gilbert Garcia
1401 McKinney Street, Suite 1600
Houston, Texas 77010

GlobeFlex Capital

Noah D. Bretz
4365 Executive Drive, Suite 720
San Diego, CA 92121

GQG Partners

Meredith Martens Richardson
450 East Las Olas Blvd., Suite 750
Fort Lauderdale, FL 33301

LM Capital Group

Denise Madruga
750 B Street, Suite 3010
San Diego, CA 92101

Long Wharf Capital

Jeffrey Gandel
One Federal Street, 26th Floor
Boston, MA 02110

LongTail Alpha, LLC

Marcy Rappaport
500 Newport Center Drive, Suite 820
Newport Beach, CA 92660

Muller & Monroe Asset Management

Irwin Loud, III
180 N. Stetson, Suite 1320
Chicago, IL 60601

Oak HC/FT

Three Pickwick Plaza, Suite 302
Greenwich, CT 06830

Oceansound Partners

320 Park Avenue, 8th Floor
New York, NY 10022

One Rock Capital Partners

30 Rockefeller Plaza, 54th Floor
New York, NY 10112



Manager

Contact Information

Pugh Capital Management

Mary E. Pugh
520 Pike Tower
520 Pike Street, Suite 2900
Seattle, WA 98101

Ramirez Asset Management

Sam Ramirez Jr
61 Broadway, 29th Floor
New York, NY 10006

Reverence Capital

10 East 53rd Street, 14th Floor
New York, NY 10022

Rhumblin Advisers Corporation

Denise D'Entremont
265 Franklin Street, 21st floor
Boston, MA 02110

Stellex Capital Management

900 Third Avenue, 25th Floor
New York, NY 10022

Strategic Global Advisors

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Newport Beach, CA 9266

Versor Investments

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1120 Avenue of the Americas, 15FI
New York, NY 10036

Xponance

Clarissa Parker
300 West Morgan Street, Suite 1200
Durham, NC 27701

State Universities Retirement System
Utilization of Emerging Investment Managers, as defined by 40 ILCS 5/1-109.1(4)¹
As of June 30, 2021

Asset Class	Minorities	Non-Minority Women	Persons with a Disability	Overall Utilization/Goal
Total Fund				
<i>Goal</i>	<i>16%</i>	<i>8%</i>	<i>1%</i>	<i>25%</i>
Actual	13.1%	5.1%	0.1%	18.2%
Equities				
<i>Goal</i>	<i>16%</i>	<i>8%</i>	<i>1%</i>	<i>25%</i>
Actual	6.9%	11.1%	0%	18.0%
Fixed Income*				
<i>Goal</i>	<i>16%</i>	<i>8%</i>	<i>1%</i>	<i>25%</i>
Actual	19.8%	1.8%	0%	21.5%
Alternatives**				
<i>Goal</i>	<i>10%</i>	<i>9%</i>	<i>1%</i>	<i>20%</i>
Actual	14.1%	1.0%	0.4%	15.5%

* Includes allocation to Principal Protection, Credit, TIPS, and Long Duration

** Includes private markets, options, alternative risk premia, and trend following strategies

¹40 ILCS 5/1-109.1(4), defines "emerging investment manager" as a qualified investment adviser that manages an investment portfolio of at least \$10,000,000 but less than \$10,000,000,000 and is a "minority owned business", "female owned business" or "business owned by a person with a disability" as those terms are defined in the Business Enterprise for Minorities, Females, and Persons with Disabilities Act.

*INVESTMENT PROCUREMENT
POLICY*



Amended: January 29, 2021

1. Introduction

This policy addresses the general procedures of the State Universities Retirement System (“SURS”) in soliciting bids and surveying the market for Investment Services (the “Policy”). The selection and appointment of firms to provide Investment Services shall be made and awarded in accordance with the Illinois Pension Code (the “Code”) and all other relevant authority under the Illinois Compiled Statutes.

2. Definitions

“Board” means the Board of Trustees of SURS.

“Consultant” means any person or entity retained or employed by the Board to make recommendations in developing an investment strategy, assist with finding appropriate investment advisers or monitor the Board’s investments. “Consultant” does not include non-investment related professionals or professionals offering services that are not directly related to the investment of assets, such as legal counsel, actuary, proxy-voting services, services used to track compliance with legal standards and investment in fund of funds where the Board has no direct contractual relationship with the investment advisers or partnerships. A Consultant must be registered as an investment adviser under the federal Investment Advisers Act of 1940 or as a bank, as defined in the federal Investment Advisers Act of 1940. Included in the definition of a Consultant is a “Specialty Consultant”. A “Specialty Consultant” means a Consultant selected by the Board pursuant to a Request for Proposal (“RFP”) process that specializes in one or more investment areas of expertise. Also included in the definition of a Consultant is a “General Investment Consultant”. A “General Investment Consultant” means a Consultant selected by the Board pursuant to a RFP process to provide general investment consulting services, including investment manager search and selection, among other things.

“Chief Procurement Officer” is an individual designated by SURS to oversee and monitor the procurement process consistent with the requirements of this Policy, the Code and all other relevant authority under the Illinois Compiled Statutes.

“Expenditure” means any investment, expense, or cost relating to Investment Services.

“Investment Adviser” is any person or firm who: (1) is a fiduciary appointed by the Board in accordance with Section 1-109.1 of the Code; (2) has the power to manage, acquire or dispose of any asset of SURS; (3) has acknowledged in writing that he or she is a fiduciary with respect to SURS; (4) is registered as an investment adviser under the federal Investment Advisers Act of 1940 or as a bank, as defined in the federal Investment Advisers Act of 1940.

“Investment Services” means services provided by an Investment Adviser or a Consultant pursuant to Section 1-113.14 of the Code.

“Opportunistic Investment” means an investment opportunity resulting from dramatic market mispricing due to atypical external forces, which is time-sensitive in nature and would be expected

to produce either: 1) risk-adjusted investment returns exceeding those found in more typical market environments or 2) enhanced downside protection of SURS assets.

“Quiet Period” means a period of time during which a RFP for a potential Consultant, custodian, Investment Adviser or vendor is underway and during which a set of guidelines governs any communication by the Board, Consultant or Staff with such parties.

3. Applicability of RFP Procedures

The RFP procedures in this Policy apply to all Expenditures, including but not limited to, hiring of Consultants, Investment Advisers, custodians, proxy voting service providers and defined contribution service providers other than (i) sole source procurements (ii) emergency procurements, and (iii) at the discretion of the Board, contracts that are nonrenewable and one year or less in duration, so long as the contract has a value of less than \$20,000. All exceptions granted under this section must be published on the SURS web site, shall name the person authorizing the procurement, and shall include a brief explanation of the reason for the exception.

Unless specifically waived by the Board, effective July 1, 2018, the following Expenditures shall be subject to this Policy as proscribed below:

- i. fund-of-funds investments shall be subject to the procurement requirements of this Policy at least once every five years; and
- ii. follow-on funds that are managed in distinct entities from prior investments shall be subject to the procurement requirements of this Policy. For the avoidance of doubt, any follow-on fund recommended by a Specialty Consultant shall be subject to Section 7 of this Policy.

4. Procurement Procedures and Schedule

The following are the general procurement actions that shall be taken by SURS when considering Expenditures. SURS shall develop and use uniform documents for the solicitation, review and acceptances of all Investment Services. References to actions by the Staff in this Policy shall mean the Staff in consultation with any applicable Consultant retained by SURS.

- a. Staff is authorized to issue RFPs as necessary to implement, or maintain, the strategic policy targets established by the Board.
- b. Staff is expected to consult with third parties and potential respondents prior to the proposed RFP as necessary to address any inquiries and encourage participation in the procurement process. Members of the Board may communicate with third parties and potential respondents consistent with applicable law and applicable policy.
- c. Following initial due diligence, Staff shall prepare the RFP for the Expenditure. The RFP shall contain all information statutorily required, as well as such information as necessary

for, or related to, any potential Expenditure. Staff shall provide the Investment Committee with a tentative time-line for all actions relating to the RFP. Such time-line shall include, but not be limited to, the RFP issuance date, the date all responses are due and the date of the expected final decision. The Quiet Period is initiated with the issuance of an RFP.

- d. At a minimum, Staff shall post the RFP on the SURS website, advertise the RFP in a nationally circulated investment publication and any other publication deemed appropriate by Staff or as required by law. Staff may: (i) contact potential respondents in order to notify them of the issuance of the RFP and (ii) disseminate such RFP to potential respondents.
- e. The deadline for submission of proposals shall be not less than fourteen (14) days following the posting of the RFP. RFP responses received by the deadline stated in the RFP shall be recorded and receipted by Staff. Staff shall review and analyze the responses to the RFP as expeditiously as reasonably practical within the RFP specifications. Staff shall verify information submitted and resolve or confirm any discrepancies. Staff will eliminate any response that fails to conform to the minimum qualifications outlined in the RFP. Staff will periodically throughout the procurement process provide an update with respect to the RFP process and include such report in Investment Committee materials.
- f. Staff and/or Consultants shall meet or conduct phone interviews with representatives of the respondents selected as semi-finalists by Staff and/or Consultants to obtain an independent assessment of the firm's capabilities.
- g. Following the interview process, Staff and/or Consultants shall identify qualified firms to recommend to the Investment Committee for possible engagement by the Board. If in any case an "emerging investment manager" (as such term is defined in the Code) submits a RFP response that meets the requirements for a specific search then the "emerging investment manager" shall receive an invitation to present to the Investment Committee/Board. In the case where multiple "emerging investment managers" meet the criteria of the search, the most qualified firm or firms shall be selected to present to the Investment Committee/Board.
- h. Following Staff's and/or Consultant's recommendation, if the amount of the contemplated investment or commitment will exceed \$50 million, the Investment Committee shall interview the respondents recommended or direct that additional respondents be invited for interview. If the contemplated investment or commitment is \$50 million or less, the recommended respondents shall be invited to make final written submissions to the Investment Committee, but live interviews shall not be required unless the Investment Committee so directs. The Investment Committee shall approve a recommendation to the Board for selection of a respondent for the Expenditure. The Investment Committee may, in good faith, decline to recommend any respondent following such interviews. The Investment Committee may recommend a recommencement of the RFP process for such potential Expenditure or terminate the search entirely.

- i. The Board may approve or disapprove the recommendation of the Investment Committee with respect to any proposed Expenditure.
- j. Staff and/or Consultants shall, in conjunction with its legal counsel, negotiate the contract with the approved respondent. If required by the Code, such contract must at a minimum contain the specific requirements found in Section 1-113.14 of the Code. Staff shall promptly provide a report to the Investment Committee in the event Staff is unable to negotiate contract terms with the approved respondent that meet the requirements of the Code. The Quiet Period concludes with the completion of successful contract negotiations.
- k. SURS shall post the name(s) of the successful respondent(s) on SURS' web site, along with a disclosure including the total amount applicable to the contract, the total fees paid or to be paid, and a description of the factors that contributed to the selection of the respondent consistent with the requirements of the Code.

5. *Other RFP Requirements*

- a. The RFP process shall comply with all relevant sections of State and Federal law, including the Code and applicable case law.
- b. Fees are an important factor when evaluating procurement for Investment Services and will be given full consideration in the procurement process. If a recommended RFP respondent's fees are materially different from other respondents presenting to the Investment Committee, Staff will include the rationale for considering the higher cost option in supporting materials provided to the Investment Committee.
- c. SURS shall not enter into a contract with a Consultant that exceeds five (5) years in duration. No contract to provide consulting services may be renewed or extended. At the end of the term of a contract, however, the Consultant is eligible to compete for a new contract as permitted in the Code.
- d. Any report, documentation, or list compiled or received by Staff or a Consultant relating to a RFP or Expenditure shall be promptly made available to the Board upon request.
- e. Nothing in this Policy is meant to prohibit or discourage any Board Member from being involved in any part of the procurement process; provided that such Board Member provides prior notice of his/her intent to participate to Staff in order to ensure such participation is in compliance with applicable law. It is expected that Staff and consultants shall each provide independent recommendations to the Board regarding all such procurements.
- f. No Board member, SURS employee or SURS vendor shall knowingly cause or advise the Board to engage in an investment transaction with a vendor when the Board member, SURS employee, SURS consultant or any of their spouses (i) has any direct interest in the income, gains or profits of the investment vendor through which the investment transaction is made or (ii) has a relationship with that investment vendor that would result in a

pecuniary benefit to the Board member, SURS employee or SURS vendor or any of their spouses as a result of the investment transaction. References to the “investment vendor” include an employee or agent of such firm who has greater than 7.5% ownership of the consulting firm.

g. Quiet Period Policy

1. A Quiet Period will commence upon issuance of an RFP and end once a selection has been made by the Board and the completion of successful contract negotiations with a respondent;
2. Initiation, continuation and conclusion of the Quiet Period shall be publicly communicated to prevent inadvertent violations;
3. All Board members, and Staff other than those directly involved in the search or the Chief Procurement Officer or their designee, shall refrain from communicating with respondents regarding any product or service related to the search in process. All Board members and Staff shall refrain from accepting meals, travel, hotel, or other value from such respondents;
4. Throughout the Quiet Period, if any Board member is contacted by a respondent, the Board member shall refer such party to the Chief Procurement Officer;
5. All authority related to the search process shall be exercised solely by the Investment Committee or Board as a whole, and not by individual Board members;
6. The Quiet Period does not prevent Board approved due diligence, client conference attendance or communications with an existing vendor; provided, however, that discussions related to the procurement and pending selection shall be avoided during those activities;
7. The provisions of this Policy shall apply throughout the Quiet Period and shall be communicated to respondents in conjunction with any search; and
8. A respondent may be disqualified from a search process for a violation of the Quiet Period or any portion of this Policy.

6. Procurement Requirements for Opportunistic Investments

The Board will not be required to fulfill the RFP procurement requirements of this Policy for Opportunistic Investments as defined at Section 2 of this Policy, if the requirements of this Section 6 are complied with.

The following are the general procurement requirements for an Opportunistic Investment recommended by any Investment Consultant hired by the Board; provided, however that any procurement or due diligence requirement in the contract between such Investment Consultant and the Board and any specific directive from the Board to such Consultant regarding a proposed Opportunistic Investment takes precedence over the general requirements of this Section.

- a. In recommending any Opportunistic Investment to the Investment Committee/Board for consideration, the Investment Consultant shall develop and utilize a consistent and uniform competitive process for analyzing and vetting potential opportunistic investments that shall be substantially similar to the competitive process outlined in Article 35 of the Illinois Procurement Code, if required by the Code.

- b. The Investment Consultant shall ensure that any potential Opportunistic Investment and its terms are in compliance with the Code and any applicable law, regulation or directive of the Board, including SURS' Investment Policy and approved asset allocation.
- c. The Investment Consultant shall conduct such competitive process in a transparent and streamlined manner to ensure potential Opportunistic Investments are recommended to the Board in a timely manner.
- d. In recommending any Opportunistic Investment to the Investment Committee/Board, the Investment Consultant shall prepare a detailed report for the Investment Committee/Board outlining the utilized competitive process and its due diligence of the potential investment. As part of the recommendation process the Investment Consultant and Staff will secure and review all statutorily required disclosures and provide those disclosures to the Investment Committee/Board for consideration prior to taking action on the recommendation.

7. Procurement Requirements for Recommendations by a Specialty Consultant

The Board will not be required to fulfill the RFP procurement requirements of this Policy for a follow-on fund or any investment if the follow-on fund or investment is specifically recommended by a Specialty Consultant and if such Specialty Consultant has adhered to the procurement requirements specifically outlined in this Policy for a Specialty Consultant in formulating the recommendation.

The following are the general procurement requirements for any investment recommended by a Specialty Consultant; provided, however that any procurement or due diligence requirement in the contract between such Specialty Consultant and the Board regarding a proposed investment takes precedence over the general requirements of this Section.

- a. In recommending any investment to the Investment Committee/Board for consideration, the Specialty Consultant shall develop and utilize a consistent and uniform competitive process for analyzing and vetting potential investments that shall be substantially similar to the competitive process outlined in Article 35 of the Illinois Procurement Code, if required by the Code.
- b. The Specialty Consultant shall ensure that any potential investment and its terms are in compliance with the Code and any applicable law, regulation or directive of the Board, including SURS' Investment Policy and approved asset allocation.
- c. The Specialty Consultant shall conduct such competitive process in a transparent and streamlined manner to ensure the Specialty Consultant is recommending potential investments to the Board in a timely manner.
 - i. If in any case an "emerging investment manager" (as such term is defined in the Code) submits a response that meets the requirements for a specific search then the

“emerging investment manager” shall receive an invitation to present to the Investment Committee/Board. In the case where multiple “emerging investment managers” meet the criteria of the search, the most qualified firm or firms shall be selected to present to the Investment Committee/Board.

- d. In recommending any investment to the Investment Committee/Board, the Specialty Consultant shall prepare a detailed report for the Investment Committee/Board outlining the utilized competitive process and its due diligence of the potential investment. As part of the recommendation process the Specialty Consultant and Staff will secure and review all statutorily required disclosures and provide those disclosures to the Investment Committee/Board for consideration prior to taking action on the recommendation. If the contemplated investment or commitment is \$50 million or less, the recommended respondents shall be invited to make final written submissions to the Investment Committee, but live interviews shall not be required unless the Investment Committee so directs. The Specialty Consultant can recommend a follow-on fund commitment. The General Partner of any follow-on fund previously recommended by the Specialty Consultant and approved by the Board will not be required to present to the Investment Committee.
- e. The Specialty Consultant should endeavor to recommend one or more qualified firms to the Investment Committee/Board on a quarterly basis, if consistent with SURS’ Investment Policy, asset class pacing plan and approved asset allocation.

Initially adopted March 9, 2018

Revised: March 8, 2019, September 13, 2019, June 5, 2020, January 29, 2021

SURS Procurement and Staffing Inclusion Policy



Purpose

This policy outlines the State Universities Retirement Systems (SURS) goals for diversity in our senior staff, investment managers, fiduciaries and outside vendors.

Philosophy

SURS is about people – the members we serve, the partners we conduct business with and our employees. We understand that to meet our members' needs, we must recognize the value of diversity in the

workplace and embrace our differences. That's what inclusion is all about. When people are accepted and feel valued for who they are, they are engaged, productive, creative and innovative.

That's why over the past years, SURS has done extensive work formulating what inclusion and diversity mean to us as an organization and have developed a long-term strategy that will enable us to bring our vision to life. In fiscal year 2020, SURS created the board of trustees Diversity Committee, initiated our first on-site Diverse Manager Week; and will hire a chief diversity officer to create further concrete strategies and best practices to recruit, hire and retain a diverse workforce and businesses owned by women, minorities and persons with a disability (MWDDBE).

Objectives

- Promote competitive utilization of businesses owned by minorities, females, and persons with a disability in SURS contracts, purchases and services in order to meet our set goals;
- Advance racial, ethnic, and gender diversity of SURS fiduciaries, including consultants and senior staff in order to meet our set goals;
- Create a culture of inclusion to ensure a strong, productive work environment; and
- Assure compliance with Illinois statutes

Policy

SURS is responsible for the prudent administration of SURS members' trust fund. SURS strives to ensure that members and taxpayers receive the maximum value for each dollar spent. To this end, SURS recognizes that promoting diversity of fiduciaries and vendors provides an open, competitive and diverse business environment and allows us to draw from the wisdom of a workforce that reflects the population we serve and better meets the needs of our members.

SURS procurement and employment processes will further diversity in vendors and fiduciaries, including consultants and senior staff.

SURS employment processes to promote racial, ethnic and gender diversity of SURS fiduciaries, including senior staff must be developed to work in tandem with existing State University Civil Service System law when appropriate. To this end, SURS is committed to the ongoing efforts to seek job candidates from underrepresented groups, bring them into the organization, and offer additional growth/leadership opportunities with the intent of creating mutually beneficial long-term employment partnerships.



SURS procurement process includes a concerted effort to attract qualified minority, female owned business enterprises, and businesses owned by a person with disability (as defined by the Business Enterprise for Minorities, Females, and Persons with Disabilities Act: collectively, “MWDBE”) to participate in the procurement process. SURS further commits to the objective evaluation of all qualified businesses regardless of race, gender or handicap in fair consideration of all suppliers and consultants in the acquisition of goods and services.

SURS stresses its goal of inclusion of MWDBE 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 MWDBE-related listings to identify possible MWDBE contractors and service providers. MWDBE firms will be identified using resources such as the United States Small Business Administration, Illinois Central Management Services Business Enterprise Program and other public agency resources. SURS will seek new ways to expand our efforts to do business with MWDBE suppliers and consultants.

If necessary, SURS will take proactive action to ensure that certified minority-owned, women-owned and disabled-owned business enterprises are provided notice of and given the opportunity to demonstrate their ability to provide products and services at competitive prices. SURS staff who either directly or indirectly determine procurement needs or procurement decisions will seek and encourage MWDBE businesses to submit bids each time SURS publishes a request for bids or proposals.

SURS contracts require vendors to avoid unlawful discrimination in employment and to assure equality of employment opportunity and compliance with the Illinois Department of Human Rights' regulations concerning equal employment opportunities and affirmative action.

Pursuant to 40 ILCS 5/1-109.1 (10) SURS shall set an aspirational goal of no less than 20% utilization of businesses owned by minorities, females, and persons with disabilities of contracts awarded for “information technology,” “accounting services,” “insurance brokers,” “architectural and engineering services” and “legal services.”

SURS has set a goal of 25% for purchases from businesses owned by minorities, women, and persons with a disability as a share of all of its contracts and purchases. This information will be tracked by the chief financial officer and reported annually as required by Public Act 96-0006.

SURS has set a goal to promote diversity from the top down and the bottom up to ensure a culture of inclusivity. SURS will also recruit from a diverse, qualified pool of potential applicants to increase the racial, ethnic, and gender diversity of its senior staff. This information will be tracked by the director of human resources and reported annually as required by Public Act 96-0006.

(Aug. 2019)

**Bivium Capital Investment Management Company
Minority-, Women- and Persons with a Disability-Owned (MWDBE)
Managers Program Status
As of June 30, 2021**

<u>Asset Class/Manager Name</u>	<u>Market Value (in \$Millions)</u>
Emerging Market Debt	
GIA Partners	68
LM Capital	72
RVX Asset Management	66
Fixed Income	
GIA Partners	87
Integrity Fixed Income	45
New Century Advisors	57
Total Assets	<u>\$395¹</u>

¹ Totals may not add due to rounding.

**Xponance Investment Management Company
Minority-, Women- and Persons with a Disability-Owned (MWDBE)
Managers Program Status
As of June 30, 2021**

<u>Asset Class/Manager Name</u>	<u>Market Value (in \$Millions)</u>
Non-US Equity	
Applied Research	42
Arga Investments	33
Denali	22
Martin Investments	37
Solstein Capital	41
Foresight Global	36
Global Equity	
Applied Research	21
Arga Investments	17
Channing Global	28
Frontier Global	28
Total Assets	<u>\$305¹</u>

¹ Totals may not add due to rounding.

**SURS Manager Diversity Program
As of June 30, 2021**

Manager Name	Market Value (in \$Millions)
Channing Capital Management	\$128
Xponance	443
Total US Equity	\$571
Ativo Capital Management	348
GlobeFlex Capital	404
Strategic Global Advisors	405
Total Non-US Equity	\$1,157
Ariel Investments	134
Earnest Global	278
GQG Partners	272
Strategic Global Advisors	73
Total Global Equity	\$757
Gladius Capital Management	346
Total Options Strategies	\$346
Basis Investment Group	26
Franklin Templeton EMREFF	7
Franklin Templeton MDP RE 2015	50
Long Wharf RE Partners	10
Total Non-Core Real Estate	\$93

Manager Name	Market Value (in \$Millions)
Fairview Capital Partners	106
Muller & Monroe Asset Management	111
Base10 Advisors	8
Clearlake Cap Partners	16
Oak HC-FT Partners	4
Oceansound Partners	14
One Rock Capital	7
Reverence Capital	28
Stellex Capital Partners	3
Total Private Equity	\$297
Crayhill Capital Management	11
Total Credit Fixed Income	\$11
Garcia Hamilton & Associates	480
LM Capital Group	420
Pugh Capital Management	419
Ramirez Asset Management	421
Total Principal Protection	\$1,740
Longtail Alpha	447
ARP Investments	226
Total Crisis Risk Offset	\$673
Total MDP	\$5,645



**State Universities Retirement System
 Schedule of Illinois-Based Investment Managers¹
 As of June 30, 2021**

<u>Manager</u>	<u>Market Value</u> <u>(\$Millions)</u>	<u>% of SURS</u> <u>Total Fund</u>
Adams Street Partners	\$1,050	4.4%
Ariel Investments	134	0.6%
Ativo Capital Management	347	1.4%
Blue Vista Real Estate Partners	25	0.1%
Campbell & Company	193	0.8%
Channing Capital Management	128	0.5%
Gladius	346	1.5%
Heitman America Real Estate Trust	235	1.0%
Mesirow Financial Investment	213	0.9%
Muller & Monroe Asset Management	111	0.5%
Northern Trust Investments	<u>701</u>	<u>3.0%</u>
Total Assets with Illinois-Based Investment Managers¹	<u>\$3,483</u>	<u>14.7%</u>
SURS Total Fund as of June 30, 2021	<u>\$23,641</u>	

Emerging managers shown in bold

¹ Total may not add due to rounding