

# Illinois Municipal Retirement Fund

*Senate Committee on Pensions and Investments*

**Brian Collins**, *IMRF Executive Director*

**Dhvani Shah**, *IMRF Chief Investment Officer*

**Rosa Perez**, *IMRF Investment Officer- Emerging Manager Program and Total Portfolio*

2020



# Agenda

1. Progress on Diversity Since Last Year
2. Commitment to Diverse Future
3. Commitment to Illinois
3. Appendix

# 1. Progress on Diversity Since Last Year

A. We committed to focus on fees

B. We committed to doing better

# A. IMRF is Focused on Fees

**IMRF Investment Policy**: adopted a minimum goal as a percentage of total fees paid which is equal to the percentage goal for assets under management (AUM).

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

# 2019 Investment Management Fees

\$34.6 million = 23.23% (Increase of \$5.4 million & 1.24% YoY)

Classification	Minority \$ Fees Paid	Minority % of Fees Paid	% of Total Fees
African American	\$18,202,244	52.58%	12.22%
Latino	7,744,585	22.37%	5.20%
Asian	941,886	2.72%	0.63%
Women	7,634,311	22.05%	5.12%
Disabled	94,049	0.27%	0.06%
<b>Total</b>	<b>\$34,617,075</b>	<b>100%</b>	<b>23.23%</b>

Asset Class	Total Minority Manager Fees Paid in Asset Class	Total Fees Paid in Asset Class	Minority % of AUM in Asset Class	Minority % of Fees Paid in Asset Class
Domestic Equity	\$1,337,275	\$32,566,846	7.79%	4.11%
Fixed Income	8,040,353	16,439,280	39.74%	48.91%
International Equity	6,273,354	25,875,620	23.96%	24.24%
Alternatives	12,915,361	38,606,737	26.45%	33.45%
Real Estate	6,050,733	33,468,773	15.03%	18.08%
<b>Total</b>	<b>\$34,617,075</b>	<b>\$148,994,125</b>	<b>n/a</b>	<b>23.23%</b>

\*Total fees paid by asset class includes \$1,301,883 for Agriculture and \$734,985 for Timberland

# 2019 Minority Equity Brokerage Fees

\$4.1 Million = 27.52% (Increase of \$70 thousand & 1.76% YoY)

Asset Class	Commissions	Minority Commissions	Minimum Goal*	Actual Minority Commissions Percentage
U.S. Equities	\$2,554,886	\$928,480	25.00%	36.34%
U.S. Large-Cap Equities	\$894,586	\$515,672	30.00%	57.64%
International Equities	\$2,415,031	\$913,034	20.00%	37.81%
International Small-Cap Equities	\$232,405	\$36,346	5.00%	15.64%
Global Listed Infrastructure	\$7,306,080	\$1,632,009	20.00%	22.34%
Equity Commingled Accounts - Passive	\$290,151	\$1,032	10.00%	18.05%
Equity Commingled Accounts - Active	\$1,129,879	\$847	Best Efforts	0.09%
Emerging Market Equities	N/A	N/A	5.00%	N/A
<b>Total Public Equities</b>	<b>\$14,823,018</b>	<b>\$4,078,950</b>		<b>27.52%</b>

Classification	Minority Commissions Paid	% of Total Commissions Paid
African American	\$1,062,695	7.17%
Asian	\$21,940	0.15%
Disabled	\$1,361,400	9.18%
Latino	\$353,546	2.39%
Women	\$1,279,369	8.63%
<b>Total Minority</b>	<b>\$4,078,950</b>	<b>27.52%</b>

\*Note: Transition Managers are required to meet Minimum Goals.

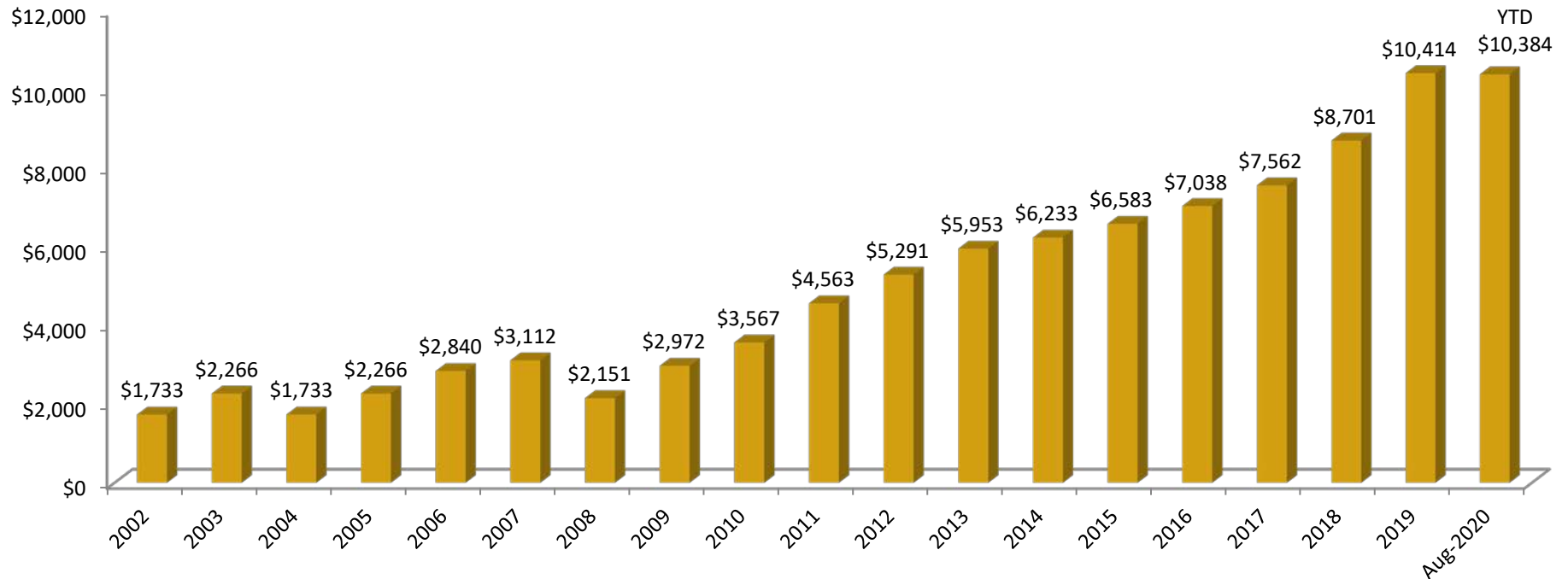
# MWBE Public Markets Manager of Managers Fees

- On December 16, 2019, IMRF was notified by Progress Investment Management of its decision to close their business no later than May 31, 2020.
- Progress managed approximately \$1.3 billion for IMRF across two MWBE manager of managers portfolios; \$976 million in Fixed Income and \$348 million in International Equity as of 12/31/19.
- As of August 27<sup>th</sup> IC meeting, \$1.3 billion has been redeployed based on allocations to MWBE Public and Private Market investment managers, graduations, and MWBE Manager of Managers.
- IMRF's two new MWBE Manager of Managers
  - Xponance for an International Equity MoM mandate
  - Attucks for a Fixed Income MoM mandate

## B. IMRF is Committed to Doing Better

### Assets Managed by Minority Managers (in millions)

\$10.4 Billion = 22.5% (August 2020)



	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Aug-20
<b>IMRF \$ AUM</b>	13,876	16,843	18,496	20,129	23,002	24,707	18,412	22,347	25,546	24,831	27,887	33,126	34,588	34,270	36,274	41,095	38,423	44,669	46,075
<b>Minority % of IMRF AUM</b>	12.5%	13.5%	9.4%	11.3%	12.3%	12.6%	11.7%	13.3%	14.0%	18.4%	19.0%	18.0%	18.0%	19.2%	19.4%	18.4%	22.6%	23.3%	22.5%

Data as of 08/31/20.

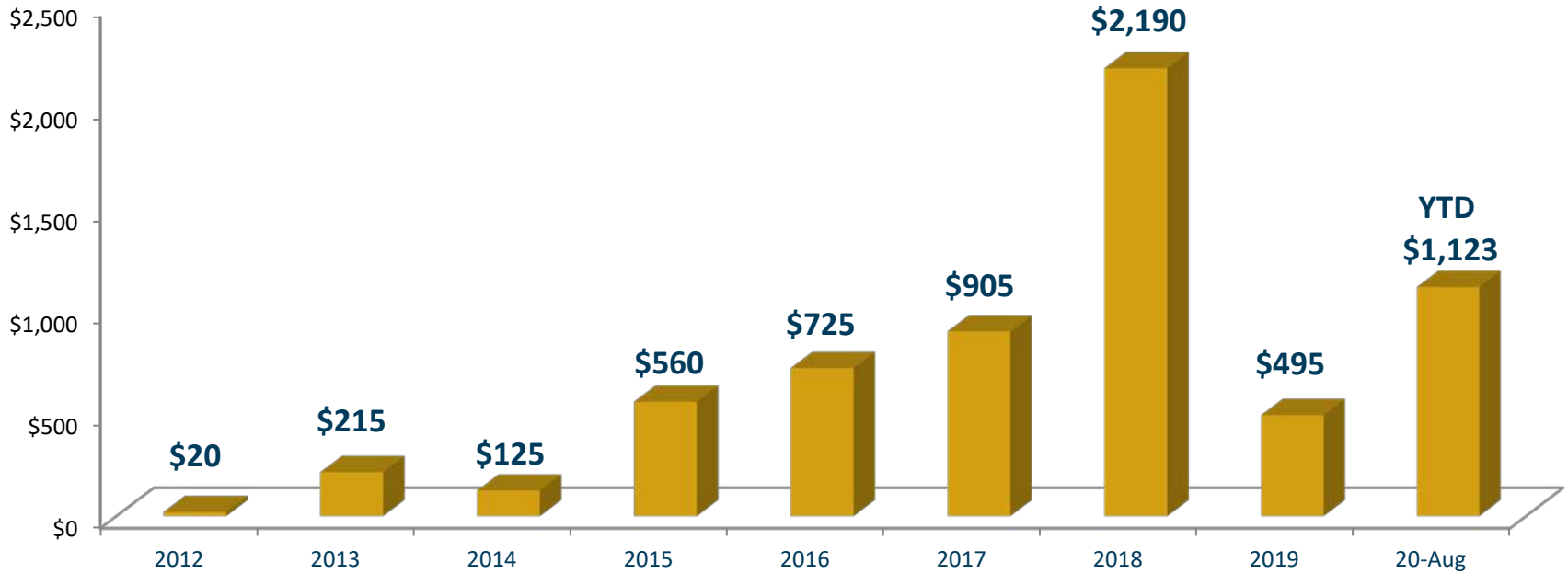
Fund of Funds/Manager of Managers values are reported at the underlying manager level. Data is unaudited.

Private Equity and Real Estate percentages are calculated using committed amounts



# Allocations to MWDBE Firms

(\$5.9 Billion or 45% - 2015 to August 2020)



	2012	2013	2014	2015	2016	2017	2018	2019	20-Aug
<b>Total Annual Allocations</b>	\$364	\$973	\$1,471	\$2,435	\$1,510	\$2,662	\$3,318	\$1,669	\$1,633
<b>Minority % of Total Annual Allocations</b>	5.50%	22.10%	8.50%	23.00%	48.00%	34.00%	66.00%	29.66%	68.76%

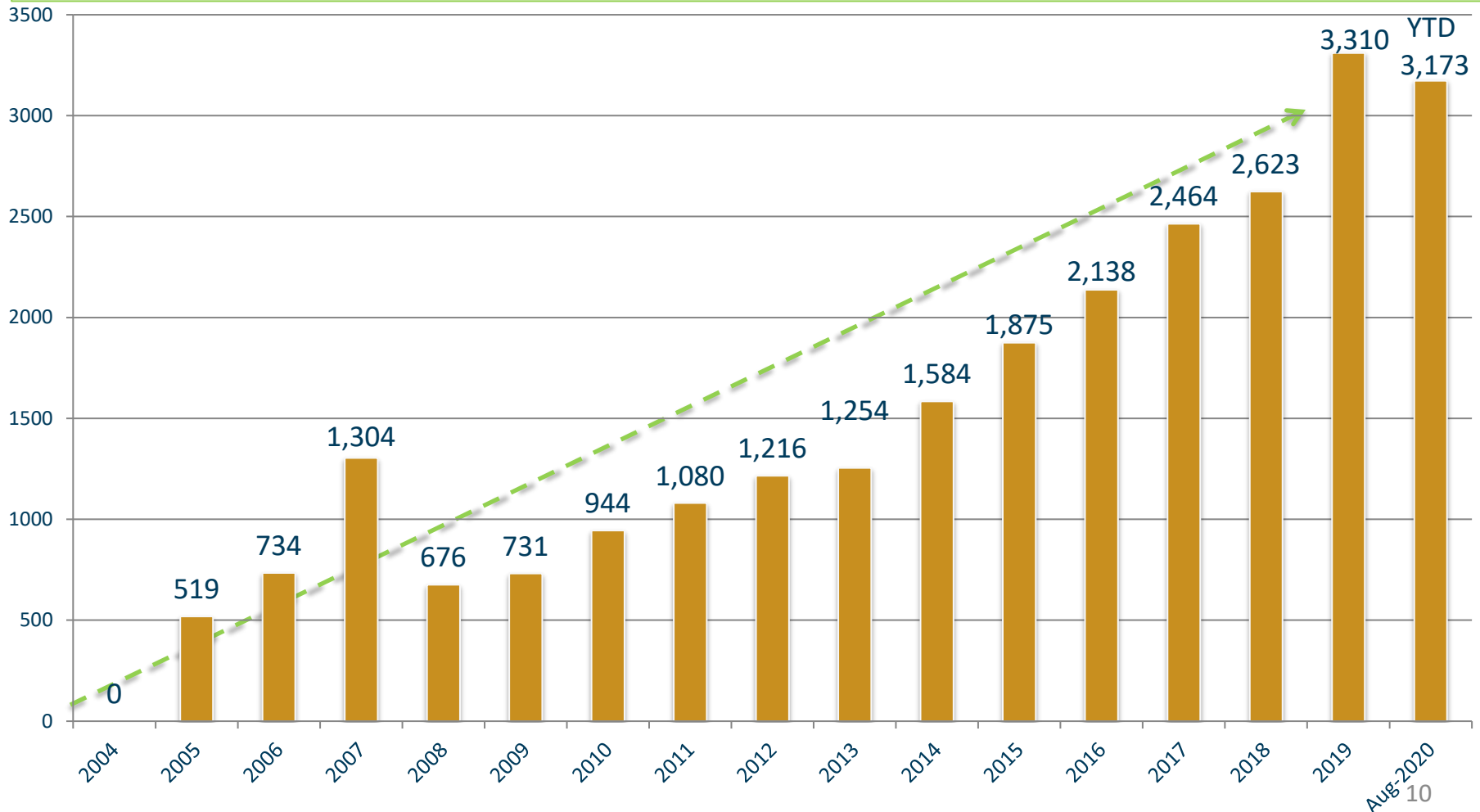
Data as of 08/31/20. (in millions).

# Latino American Investment Managers

## History of Latino American Owned Investment Managers

December 31, 2004 through August 31, 2020

AUM increased \$3.2 billion since 2004, \$550 million since 2018 (20.9%)

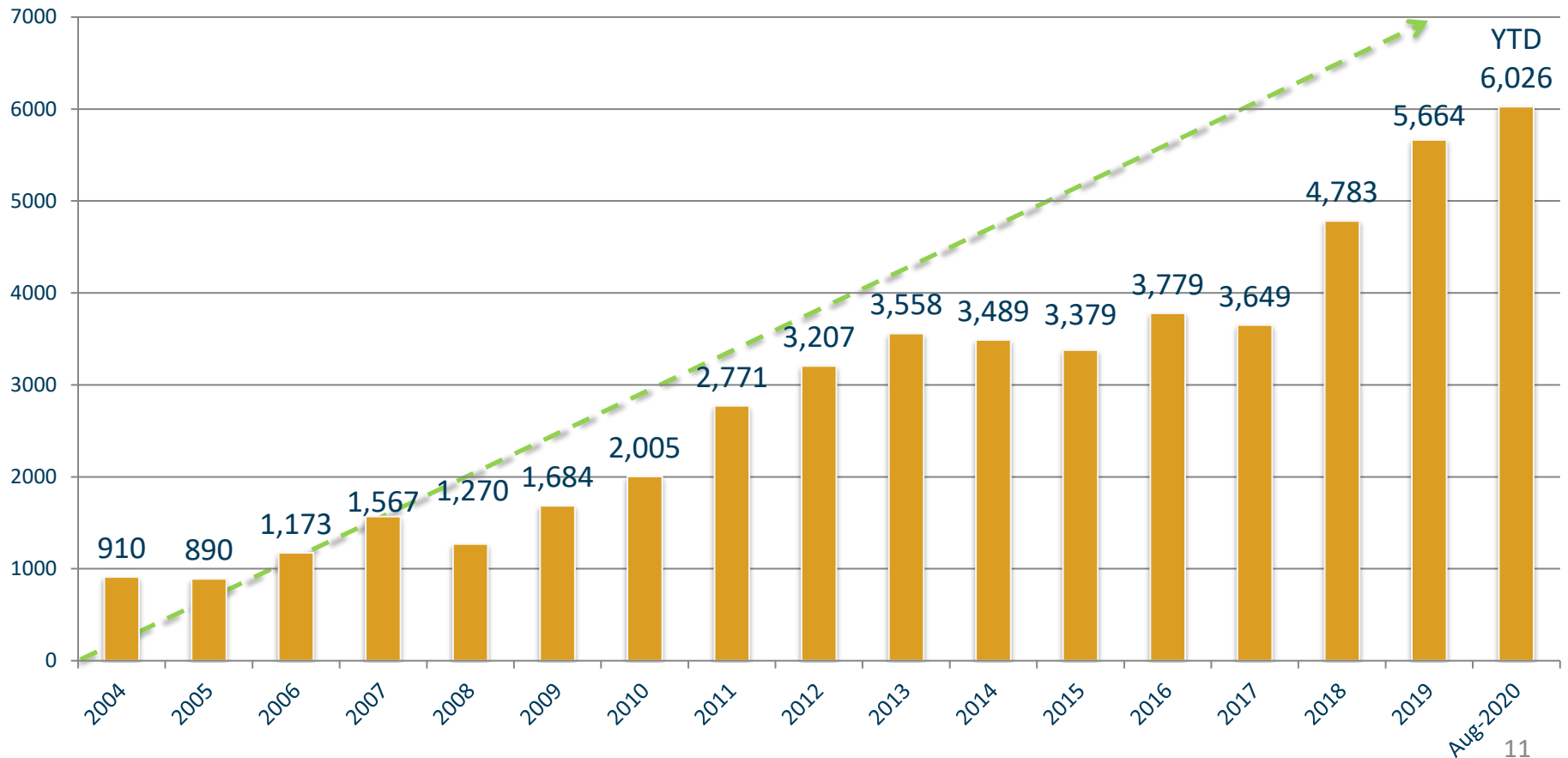


# African American Investment Managers

## History of African American Owned Investment Managers

December 31, 2004 through August 31, 2020

AUM increased by \$5.1 billion since 2004, \$1,243 million since 2018 (25.9%)



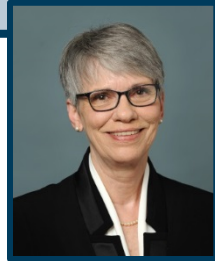
## 2. COMMITMENT to Diverse Future STARTS AT THE TOP

### 3 ELECTED BY MEMBERS



**Natalie Copper**

School-age Child Care  
Site-coordinator  
**Dawes School in Evanston**  
**IMRF Board Vice President**



**Trudy Williams**

Administrative Assistant  
**Fulton County State's**  
**Attorney's Office**  
**IMRF Secretary**



**Alex Wallace, Jr.**

Bus Driver  
**Oswego Community**  
**Unit School District 308**

### 1 ELECTED BY RETIRED MEMBERS



**William Stafford**

Chief Financial Officer (Retired)  
**Unit School District 202**

### 4 ELECTED BY EMPLOYERS



**Sue Stanish**

Director of  
Finance  
**Naperville Park**  
**District**



**Tom Kuehne**

Finance Director/Treasurer  
**Village of Arlington**  
**Heights**



**David Miller**

Deputy Executive  
Director  
**North Shore Water**  
**Reclamation District**  
**IMRF Board President**



**Gwen Henry**

Treasurer  
**DuPage County**

# IMRF Staff Culture of Diversity

- Diverse Internal Investments Team of 17 professionals (3 women, 5 minority)
- Immersion in MWDBE Finance Community
  - CFA Society, Robert Toigo Foundation, PREA Foundation, SEO LPAC, ILPA Working Group on Diversity in Private Equity, NASP, NAA, NAIC etc.
- Open Door Policy
  - No referrals necessary
  - Dedicated team
  - 2019: 577 meetings, 108 MWDBE
  - 2020: 342 meetings, 80 MWDBE (YTD)

## 3. Commitment to Illinois

- **\$16.3 billion of IMRF's assets are managed by Illinois-based Investment Management firms as of 08/31/2020.**
- **\$1.2 billion of IMRF's assets are managed by Illinois-based Investment Management firms owned by minorities, women and persons with a disability as of 08/31/2020.**
  - **\$10.4 billion of IMRF's assets are managed by minorities, women and persons with a disability.**
- **Retirees spend their money in Illinois**
  - 85% of retired members remain in Illinois
  - In 2019, IMRF paid \$2.45 billion to Illinois retirees
  - Payments generated \$2.67 billion in economic activity\*
  - Supported creation of 18,329 jobs

*\*IMRF benefit payments times the U.S. Bureau of Economic Analysis Total Output Multiplier*

# Appendix

MWBE Progress AUM Redeployment.....	16
Latino American Managers.....	17
African American Managers.....	20
Minority Manager Allocations 2012-2020.....	23
Minority Manager Policy.....	25
Minority Manager AUM by Asset Class.....	26
AUM by Minority and Emerging Managers.....	27
Graduation.....	28
Minority Brokerage Policy – Fixed Income.....	29
Requests for Proposals.....	30
IMRF Target & Actual Asset Allocation.....	32
IMRF Funding Level.....	34
Illinois-based Manager Details.....	35

# MWBE Progress AUM Redeployment

## Allocations by Asset Class

<u>Manager</u>	<u>MWBE Classification</u>	<u>Asset Class</u>	<u>Allocation</u>
Vista Credit Partners Fund III	African American	Alternatives	\$50,000,000
Vista Foundation Fund IV	African American	Alternatives	50,000,000
Mayfield Select II	Asian	Alternatives	25,000,000
Mayfield XVI	Asian	Alternatives	25,000,000
Harpoon Ventures II	Disabled	Alternatives	7,500,000
Clearlake Flagship Plus Partners	Latino	Alternatives	75,000,000
Attucks	African American	Fixed Income	100,000,000
Ramirez	Latino	Fixed Income	125,000,000
Longfellow	Woman	Fixed Income	175,000,000
Brown	African American	International Equity	125,000,000
Xponance	African American	International Equity	100,000,000
GlobeFlex	Woman	International Equity	125,000,000
Oak Street Real Estate Capital Fund V	Latino	Real Estate	75,000,000
Artemis MWBE Spruce	Woman	Real Estate	50,000,000
Xponance	African American	U.S. Equity	200,000,000
<b>Total</b>			<b>\$1,307,500,000</b>

## Summary Table of Allocations by Asset Class

<u>Asset Class</u>	<u>Allocation</u>	<u>Percent of Total</u>
U.S. Equity	\$200,000,000	15.30%
International Equity	350,000,000	26.77%
Fixed Income	400,000,000	30.59%
Real Estate	125,000,000	9.56%
Alternatives	232,500,000	17.78%
<b>Total</b>	<b>\$1,307,500,000</b>	<b>100.00%</b>

## Summary Table of Allocations by MWBE Classification

<u>MWBE Classification</u>	<u>Allocation</u>	<u>Percent of Total</u>
African American	\$625,000,000	47.80%
Latino	275,000,000	21.03%
Asian	50,000,000	3.82%
Woman	350,000,000	26.77%
Disabled	7,500,000	0.57%
<b>Total</b>	<b>\$1,307,500,000</b>	<b>100.00%</b>



# Latino American Investment Managers

As of August 31, 2020

IMRF's Latino American Investment Managers invest \$3.2 billion across fixed income, international equity, private equity and real estate asset classes.

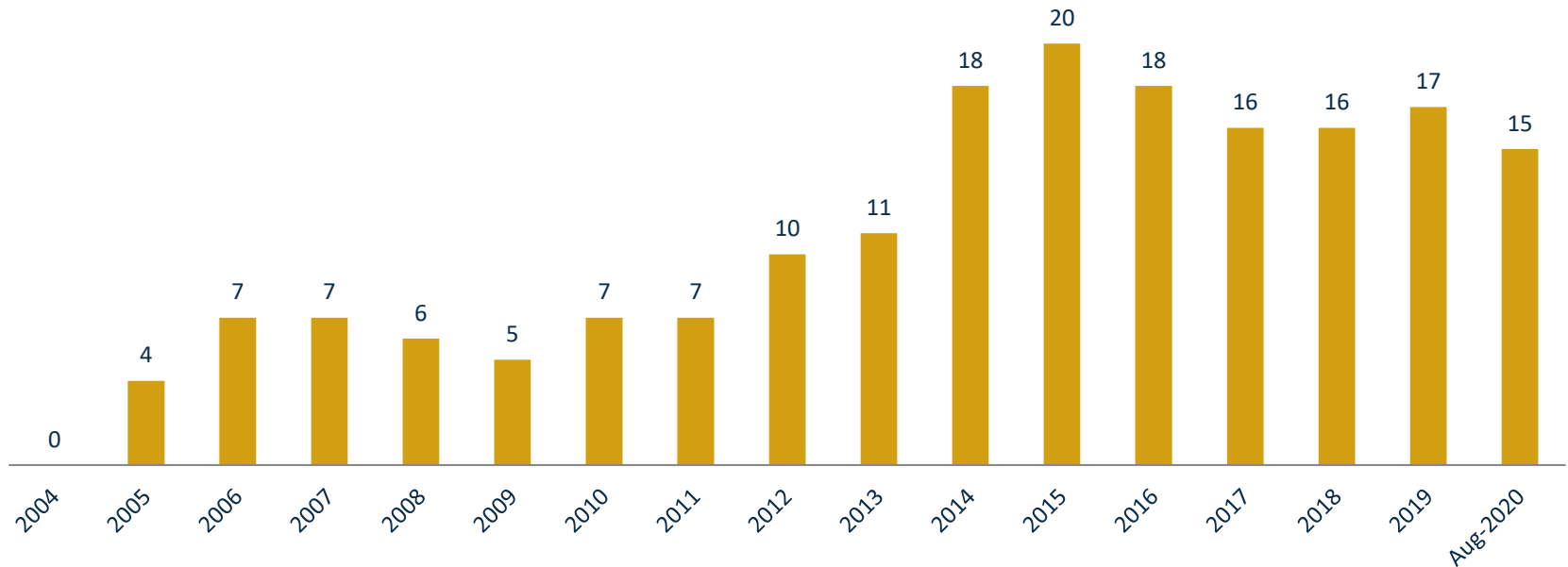
Latino	\$ AUM	Asset Class \$ AUM	% of Asset Class
Fixed Income	2,226,496,109	12,113,871,907	18.38%
International Equity	141,888,506	8,325,911,545	1.70%
Private Equity*	404,463,314	5,114,105,023	7.91%
Real Estate*	400,399,744	5,117,890,243	7.82%
<b>Total</b>	<b>\$3,173,247,673</b>		

*\*Private Equity and Real Estate are based on committed amounts. Fund of Fund values are reported at the underlying manager level. Data as of 08/31/20.*

# Latino American Investment Managers

## Increase in Number of Latino American Owned Investment Managers

December 31, 2004 through August 31, 2020



- 6 private equity managers with 15 mandates
- 5 real estate managers with 10 mandates
- 1 equity managers with 1 mandate
- 3 fixed income managers with 3 mandates

# Latino American Investment Managers

As of August 31, 2020

<u>Investment Managers by Classification</u>	<u>Assets Under Management</u>	<u>% of Total Fund MV</u>	<u>Asset Class</u>	<u>Account Type</u>
<b>Latino</b>				
Ativo Capital Management	141.9	0.3%	International Equity	Direct Mandate
AUA Private Equity Fund	5.0	0.0%	Private Equity	Direct Mandate
AUA Private Equity Fund II	15.0	0.0%	Private Equity	Direct Mandate
Clearlake Capital Partners III	7.5	0.0%	Private Equity	Abbott Capital FOF
Clearlake Capital Partners V	20.0	0.0%	Private Equity	Direct Mandate
Clearlake Capital Partners V	1.7	0.0%	Private Equity	Abbott Capital FOF
Clearlake Opportunities Partners II	75.0	0.2%	Private Equity	Direct Mandate
Clearlake Capital Partners VI	4.7	0.0%	Private Equity	Abbott Capital FOF
Clearlake Capital Partners VI	60.0	0.1%	Private Equity	Direct Mandate
Estancia Capital Partners	5.0	0.0%	Private Equity	Direct Mandate
Garcia Hamilton & Associates	1,121.8	2.4%	Fixed Income	Direct Mandate
Hispania Private Equity Fund II	1.6	0.0%	Private Equity	Muller & Monroe M2 Private Equity FOF
Hudson Realty Capital V	11.7	0.0%	Real Estate	Franklin Templeton Emerging Manager Real Estate FOF
LM Capital Group	973.4	2.1%	Fixed Income	Direct Mandate
Long Wharf RE Partners IV	13.7	0.0%	Real Estate	Franklin Templeton Emerging Manager Real Estate FOF
Long Wharf RE Partners V	30.0	0.1%	Real Estate	Direct Mandate
Long Wharf RE Partners VI	35.0	0.1%	Real Estate	Direct Mandate
Oak Street Real Estate Capital III	25.0	0.1%	Real Estate	Direct Mandate
Oak Street Real Estate Capital IV	75.0	0.2%	Real Estate	Direct Mandate
Oak Street Real Estate Capital V	75.0	0.2%	Real Estate	Direct Mandate
Oak Street Seeding and Strategic Capital Fund II-MW	80.0	0.2%	Real Estate	Direct Mandate
Olympus Property	45.0	0.1%	Real Estate	Artemis Minority Real Estate MOM
Ramirez Asset Management	131.3	0.3%	Fixed Income	Direct Mandate
Palladium Equity Partners V	4.0	0.0%	Private Equity	Abbott Capital FOF
Pillar Real Estate Fund I	10.0	0.0%	Real Estate	Oak Street Seeding Minority FOF
Valor Equity Partners III	5.0	0.0%	Private Equity	Direct Mandate
Valor Equity Partners IV	75.0	0.2%	Private Equity	Direct Mandate
Valor Equity Partners V	75.0	0.2%	Private Equity	Direct Mandate
Valor M33 II	50.0	0.1%	Private Equity	Direct Mandate
<b>Subtotal</b>	<b>\$3,173</b>	<b>6.9%</b>		

Assets under management are in millions

# African American Investment Managers

As of August 31, 2020

IMRF's African American Investment Managers invest \$6.0 billion across domestic equity, fixed income, international equity, private equity, and real estate asset classes.

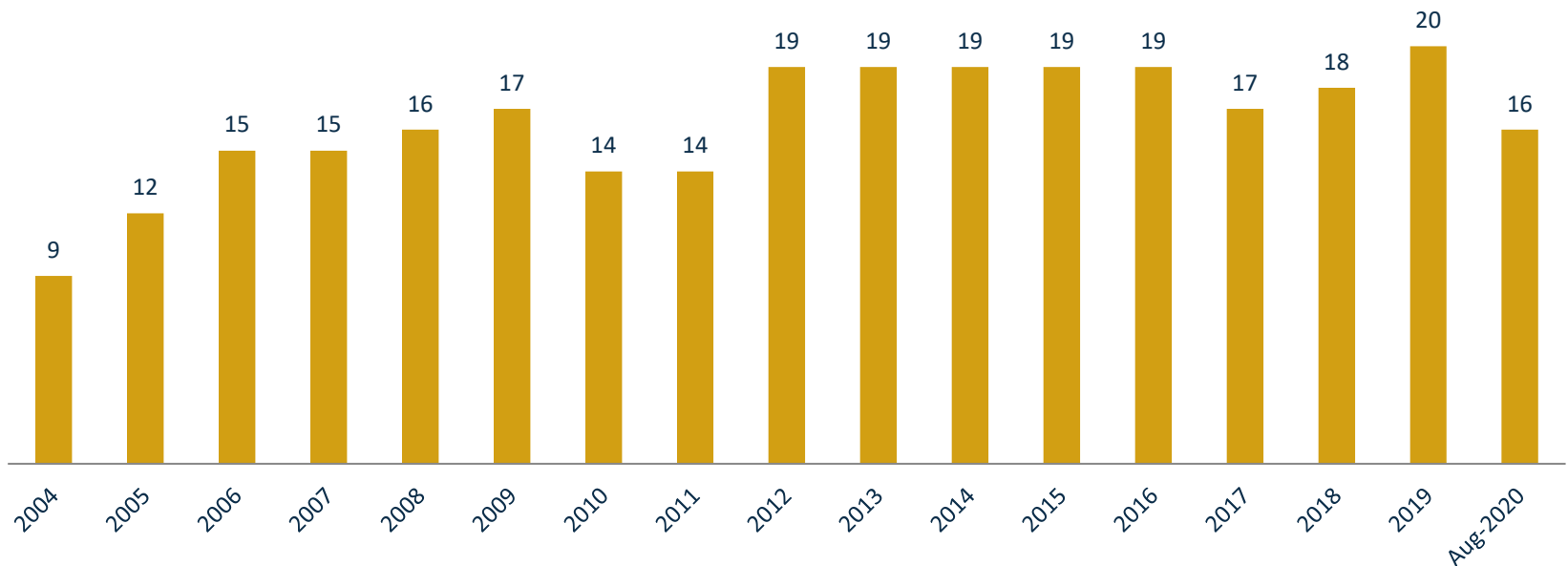
African American	\$ AUM	Asset Class \$ AUM	% of Asset Class
Domestic Equity	2,033,612,130	19,550,846,686	10.4%
Fixed Income	2,168,232,577	12,113,871,907	17.9%
International Equity	863,553,000	8,325,911,545	10.4%
Private Equity*	828,669,125	5,114,105,023	16.2%
Real Estate*	132,190,234	5,117,890,243	2.6%
<b>Total</b>	<b>\$6,026,257,066</b>		

\*Private Equity and Real Estate are based on committed amounts. Fund of Fund values are reported at the underlying manager level. Data as of 08/31/20.

# African American Investment Managers

## Increase in Number of African American Owned Investment Managers

December 31, 2004 through August 31, 2020



- 8 private equity managers with 27 mandates
- 4 real estate managers with 5 mandates
- 2 equity managers with 2 mandates
- 2 managers with mandates in both equity and fixed income

# African American Investment Managers

As of August 31, 2020

<u>Investment Managers by Classification</u>	<u>Assets Under Management</u>	<u>% of Total Fund MV</u>	<u>Asset Class</u>	<u>Account Type</u>
<b>African American</b>				
Basis Investment Group	5.0	0.0%	Real Estate	Artemis Minority Real Estate MOM
Base 10 Partners II	4.0	0.0%	Private Equity	Pantheon FOF
Brown Capital Management	422.0	0.9%	International Equity	Direct Mandate
Channing Capital Management	217.5	0.5%	Domestic Equity	Direct Mandate
Capstone Development	15.0	0.0%	Real Estate	Artemis Minority Real Estate MOM
DBL Equity Fund- BAEF II, L.P.	1.6	0.0%	Private Equity	Muller & Monroe M2 Private Equity FOF
Earnest Partners	1,047.1	2.3%	Fixed Income	Direct Mandate
Earnest Partners	441.6	1.0%	International Equity	Direct Mandate
ICV Capital Partners III	20.0	0.0%	Private Equity	Direct Mandate
ICV Capital Partners III	4.5	0.0%	Private Equity	Abbott Capital FOF
ICV Capital Partners III	5.0	0.0%	Private Equity	Pantheon FOF
ICV Capital Partners IV	35.0	0.1%	Private Equity	Direct Mandate
ICV Capital Partners IV	4.3	0.0%	Private Equity	Abbott Capital FOF
ICV Capital Partners IV	3.0	0.0%	Private Equity	Pantheon FOF
Jair Lynch - Takoma Central	23.8	0.1%	Real Estate	Artemis Minority Real Estate MOM
JLC Infrastructure Fund I	25.0	0.1%	Private Equity	Direct Mandate
MCB Real Estate - Liberty Place	66.5	0.1%	Real Estate	Artemis Minority Real Estate MOM
MCB Real Estate - 1900 Clark	21.9	0.0%	Real Estate	Artemis Minority Real Estate MOM
Muller & Monroe	2.6	0.0%	Private Equity	Direct Mandate
Smith Whiley III	1.6	0.0%	Private Equity	Muller & Monroe M2 Private Equity FOF
Vista Credit Opportunities Fund I	50.0	0.1%	Private Equity	Direct Mandate
Vista Credit Opportunities Fund II	50.0	0.1%	Private Equity	Direct Mandate
Vista Credit Opportunities Fund III	50.0	0.1%	Private Equity	Direct Mandate
Vista Equity Partners V	100.0	0.2%	Private Equity	Direct Mandate
Vista Equity Partners VI	100.0	0.2%	Private Equity	Direct Mandate
Vista Equity Partners VII	100.0	0.2%	Private Equity	Direct Mandate
Vista Equity Partners VII	7.2	0.0%	Private Equity	HarbourVest FOF
Vista Foundation Fund II	15.0	0.0%	Private Equity	Direct Mandate
Vista Foundation Fund III	25.0	0.1%	Private Equity	Direct Mandate
Vista Foundation Fund IV	50.0	0.1%	Private Equity	Direct Mandate
Vistria Fund	15.0	0.0%	Private Equity	Direct Mandate
Vistria Fund	3.0	0.0%	Private Equity	Pantheon FOF
Vistria Fund II	75.0	0.2%	Private Equity	Direct Mandate
Vistria Fund II	3.0	0.0%	Private Equity	Pantheon FOF
Vistria Fund III	75.0	0.2%	Private Equity	Direct Mandate
Vistria Fund III	4.0	0.0%	Private Equity	Pantheon FOF
Xponance-FI	1,121.1	2.4%	Fixed Income	Direct Mandate
Xponance Russell Growth	1,816.1	3.9%	Domestic Equity	Direct Mandate
<b>Subtotal</b>	<b>\$6,026</b>	<b>13.1%</b>		

Assets under management are in millions

# Minority Manager Allocations

**Year to date 2020, \$1,122.5 million or 69% of all new capital allocations were directed to Minority Managers.**

- Private Equity \$47.5 million
- Fixed Income \$400 million
- International Equity \$350 million
- Real Estate \$50 million
- Domestic Equity \$200 million
- Private Credit \$75 million

**In 2019, \$495 million or 30% of all new capital allocations were directed to Minority Managers.**

- Private Equity \$310 million
- Real Estate \$185 million

**In 2018, \$2,190 million or 66% of all new capital allocations were directed to Minority Managers.**

- Private Equity \$240 million
- Fixed Income \$750 million
- Domestic Equity \$1 Billion
- Real Estate \$175 million
- Infrastructure \$25 million

**In 2017, \$905 million or 34% of all new capital allocations were directed to Minority Managers.**

- Private Equity \$155 million
- Fixed Income \$600 million
- Real Estate \$150 million

# Minority Manager Allocations

**In 2016, \$725 million or 48% of all new capital allocations were directed to Minority Managers.**

- Private Equity \$270 million
- Fixed Income \$275 million
- Real Estate \$130 million
- Domestic Equity \$50

**In 2015, \$560 million or 23% of all new capital allocations were directed to Minority Managers.**

- Private Equity \$10 million
- Fixed Income \$450 million
- Real Estate \$100 million

**In 2014, \$125 million or 8.5% of all new capital allocations were directed to Minority Managers.**

- Private Equity \$125 million

**In 2013, \$215 million or 22.1% of all new capital allocations were directed to Minority Managers.**

- Private Equity \$65 million
- Domestic Equity \$150

**In 2012, \$20 million or 5.5% of all new capital allocations were directed to Minority Managers.**

- Private Equity \$20 million



# Minority Investment Manager Policy

The Illinois Municipal Retirement Fund is committed to providing opportunities for minority and women owned investment management firms and investment management firms owned by a person with a disability. IMRF has adopted the aspirational goal that 20% of the total Fund assets be managed by firms owned by minorities, women and persons with a disability.

Investment Manager Classification	Minimum Goal as a % of the Total IMRF Portfolio	Actual % of Total Fund Market Value As of 8/31/20	Assets Under Management as of 08/31/20
Minority Owned Businesses *	13%	20.2%	\$9,328
Women Owned Businesses	6%	2.2%	\$1,034
Businesses Owned by a Person with a Disability	1%	0.05%	\$22
<b>Total Minority, Women and Disabled Owned Investment Management Firms</b>	<b>20%</b>	<b>22.5%</b>	<b>\$10,384</b>

\* Includes African American, Latino American, Asian American owned businesses

# Minority Investment Managers

As of August 31, 2020

IMRF's Minority Investment Managers invest \$10.4 billion in strategies across domestic equity, fixed income, international equity, private equity and real estate asset classes.

Asset Class	Minority \$ AUM	Asset Class \$ AUM	Minimum Goal as a % of Each Asset Class	Minority % of Asset Class	Minority % of Total Fund Market Value	Minority % of Active Strategies
Domestic Equity	\$2.034 billion	\$19.55 billion	5%	10.4%	4.4%	6.6%
Fixed Income	4.577 billion	12.11 billion	30%	37.8%	9.9%	14.8%
International Equity	1.541 billion	8.33 billion	20%	18.5%	3.3%	5.0%
Private Equity*	1.379 billion	5.11 billion	20%	27.0%	3.0%	4.5%
Real Estate*	0.852 billion	5.12 billion	10%	16.7%	1.8%	2.8%
<b>Total</b>	<b>\$10.384 billion</b>				<b>22.5%</b>	<b>33.5%</b>

\*Private Equity and Real Estate are based on committed amounts. Fund of Fund values are reported at the underlying manager level. Data as of 08/31/20. Total Fund Market Value equals \$46,074,532,890. Total Active Strategies equal \$30,987,395,514.

# Minority and Emerging Assets Under Management (in millions)

<b>Investment Manager Classification</b>	Minority Managers	Emerging Managers <sup>1</sup>
Minority Owned Businesses	\$9,328	\$2,641
Women Owned Businesses	1,034	852
Businesses Owned by a Person with a Disability	22	22
<b>Total Assets Under Management (As of August 2020)</b>	<b>\$10,384</b>	<b>\$3,515</b>

<sup>1</sup> IMRF has 7 Minority managers that are not considered Emerging managers, Brown Capital, Clearlake, Earnest Partners, Garcia Hamilton, Longfellow, Xponance and Vista. These firms have assets under management greater than \$10 billion dollars. In aggregate, they manage \$6.9 billion for IMRF.

Total Fund Market Value equals \$46,074,532,890. Total Active Strategies equal \$30,987,395,514.  
Data as of 08/31/20. Numbers may not add up due to rounding.

# Graduation

- The Emerging Manager Program is made up of all Emerging/Minority Managers hired directly by IMRF or by IMRF's Manager of Managers/Fund of Funds platforms.
- All Emerging/Minority investment managers investing assets on IMRF's behalf are considered part of the IMRF portfolio.
- IMRF does not have a separate asset allocation amount for its Emerging Manager Program because IMRF does not restrict the manager to a pre-specified program allocation.
- IMRF believes that all of its minority managers should be eligible for additional allocations during all rebalancing and strategic asset allocation decisions.
- As of August 31, 2020, Minority managers invest \$10.384 billion or 22.5% of IMRF's total portfolio.
  - \$9.926 billion or 95.6% are direct relationships
  - \$458 million or 4.4% are Manager of Managers/Fund of Funds platforms.

# Minority Brokerage Policy- Fixed Income

The Illinois Municipal Retirement Fund is committed to providing opportunities for minority owned and women owned broker/dealers and broker/dealers owned by a person with a disability. The below information is year to date through August 31, 2020.

Asset Class	YTD Par Volume Traded	YTD Minority Par Volume Traded	Minimum Goal	Actual Minority Par Volume Percentage
Fixed Income	8,394,849,123	3,138,947,253	22.00%	37.39%
High Yield Bonds	376,799,603	32,935,000	5.00%	8.74%
Emerging Market Debt	921,827,833	0	Best Efforts	0.00%
Fixed Income Commingled Accounts	61,693,314,869	53,456,040	Best Efforts	0.09%
<b>Total Fixed Income</b>	<b>71,386,791,428</b>	<b>3,225,338,293</b>		<b>4.52%</b>

Classification	YTD Minority Fixed Income Par Volume Traded	% of Total Par Volume Traded (YTD 8/31/20)
African American	1,742,101,095	20.75%
Disabled	142,664,683	1.70%
Latino	727,729,268	8.67%
Women	526,452,207	6.27%
<b>Total Minority</b>	<b>3,138,947,253</b>	<b>37.39%</b>

Classification	YTD Minority High Yield Par Volume Traded	% of Total Par Volume Traded (YTD 8/31/20)
African American	10,740,000	2.85%
Disabled	2,165,000	0.58%
Latino	17,801,000	4.72%
Women	2,229,000	0.59%
<b>Total Minority</b>	<b>32,935,000</b>	<b>8.74%</b>

# Request for Proposals

During 2020, IMRF launched two RFPs and allocated \$200 million to MWBE Investment Managers

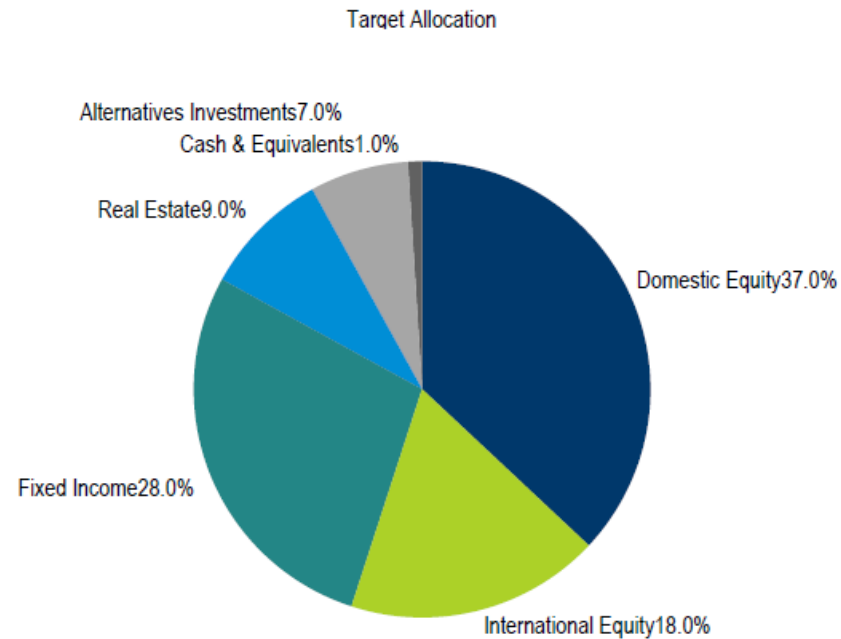
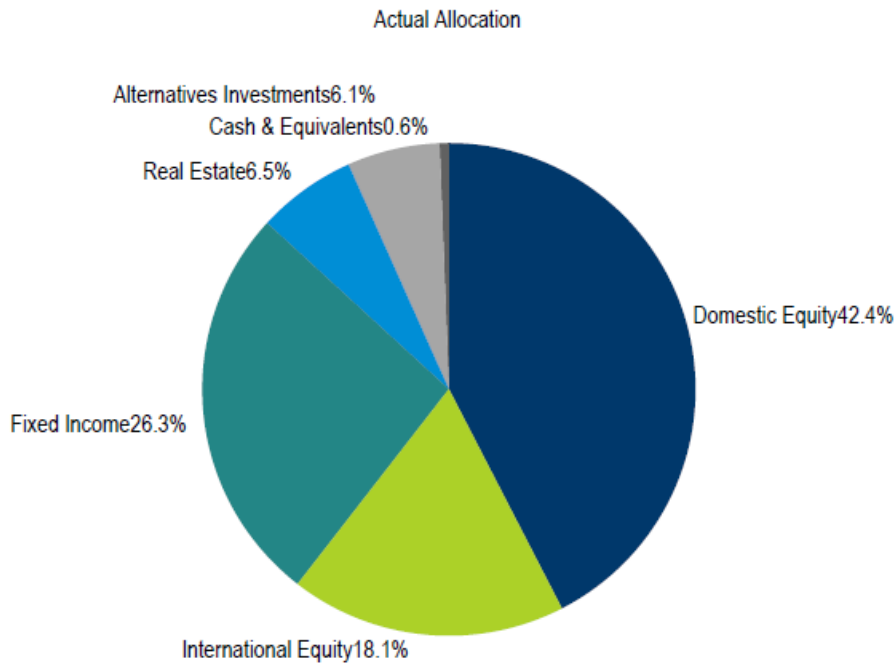
<u>Issue Date</u>	<u>End Date</u>	<u>Search Name</u>	<u>Total Allocation</u>	<u>MWBE Manager Allocation</u>	<u>% MWBE</u>
05/11/2020	07/31/2020	Opportunistic and Distressed Private Credit	\$25	\$0	0.00%
02/03/2020	08/28/2020	MWBE Manager of Managers – Fixed Income mandate	\$100	\$100	100.00%
02/03/2020	08/28/2020	MWBE Manager of Managers – International Equity mandate	\$100	\$100	100.00%
		<b>Total (in millions)</b>	<b>\$225</b>	<b>\$200</b>	<b>88.89%</b>

# Request for Proposals

- RFPs are prepared by IMRF Investment Staff and sent to Wilshire for review and feedback
- IMRF does not engage Wilshire for all searches
- IMRF does not require a specific length of performance track record or specific amount of assets under management (minimum/maximum amount in strategy or firm)

# How is the money invested?

As of August 31, 2020, IMRF's total market value was \$46.1 billion





# How is the money invested?

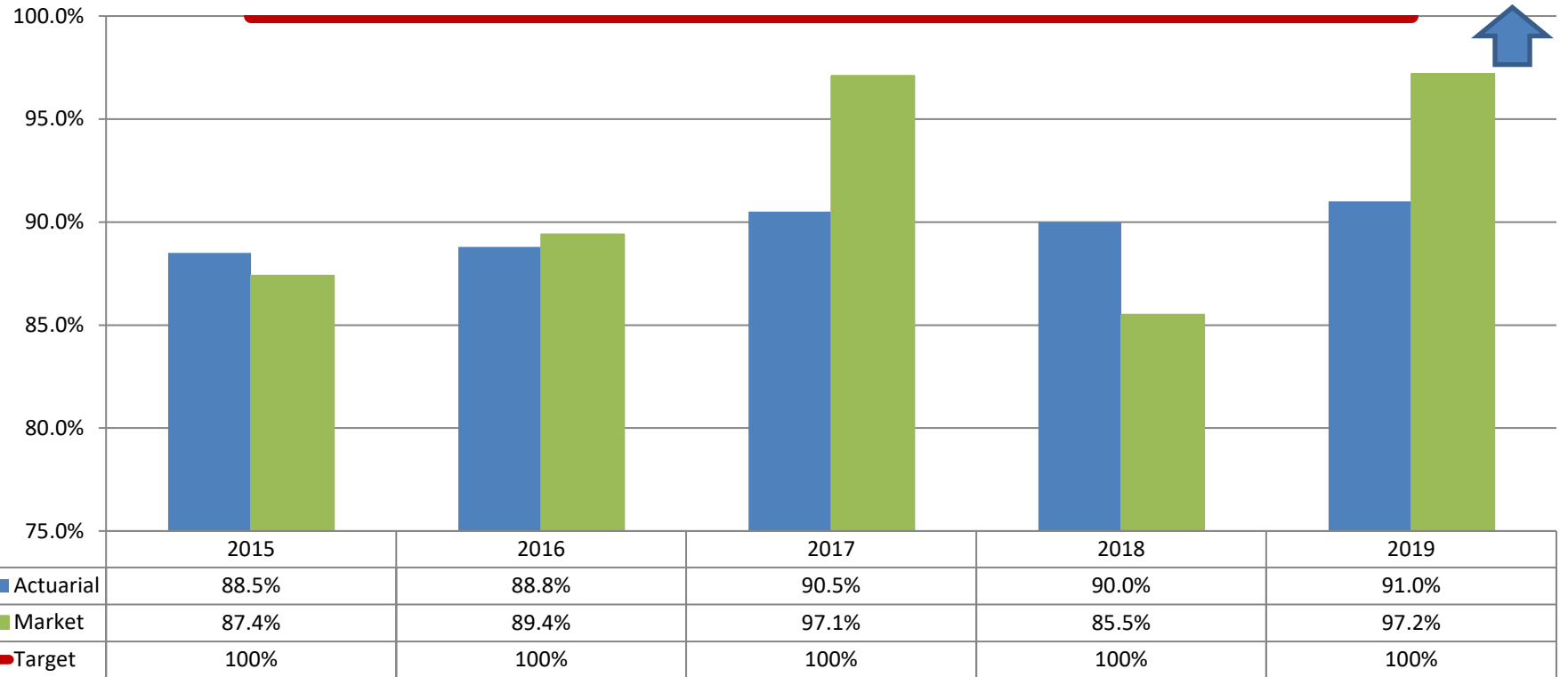
As of August 31, 2020, IMRF's total market value was \$46.1 billion

Asset Class	\$ Millions Actual	Percent Actual	Percent Target	Percent Difference	\$Millions Difference
Domestic Equity	19,551	42.4%	37.00%	5.4%	2,503.3
International Equity	8,326	18.1%	18.00%	0.1%	32.5
Fixed Income	12,114	26.3%	28.00%	-1.7%	-787.0
Real Estate <sup>1</sup>	3,005	6.5%	9.00%	-2.5%	-1142.0
Alternative Investments <sup>2</sup>	2,798	6.1%	7.00%	-0.9%	-427.3
Cash	281	0.6%	1.00%	-0.4%	-179.5
<b>Total</b>	<b>\$46,075</b>	<b>100.0%</b>	<b>100.0%</b>		

<sup>1</sup> Including \$1,668 million in unfunded commitments, Real Estate represents 10.22% as of 08/31/2020.

<sup>2</sup> Including \$2,308 million in unfunded commitments, Alternatives represents 11.09% as of 08/31/2020.

# Progress Towards 100% Funding



	2011	2012	2013	2014	2015	2016	2017	2018	2019
Contributions	\$1,128	\$1,214	\$1,270	\$1,275	\$1,269	\$1,314	\$1,297	\$1,379	\$1,229
Benefit and Admin. Expenditures	\$1,350	\$1,448	\$1,566	\$1,693	\$1,824	\$1,977	\$2,117	\$2,298	\$2,457
Net Cash Outflow	-\$222	-\$234	-\$296	-\$418	-\$555	-\$663	-\$820	-\$919	-\$1,228

in millions

# Illinois-based Investment Managers

As of August 31, 2020

IMRF's Illinois-based Investment Managers invest \$16.3 billion across domestic equity, international equity, fixed income, private equity and real estate asset classes.

Asset Class	IL \$ AUM	Asset Class \$ AUM	IL % of Asset Class
Domestic Equity	9,708,195,104	19,550,846,686	49.66%
Fixed Income	1,933,638,694	12,113,871,907	15.96%
International Equity	3,558,636,476	8,325,911,545	42.74%
Private Equity*	717,126,832	5,114,105,023	14.02%
Real Estate*	393,510,947	5,117,890,243	7.69%
<b>Total</b>	<b>\$16,311,108,052</b>		

*\*Private Equity and Real Estate are based on committed amounts. Fund of Fund values are reported at the underlying manager level. Data as of 08/31/20.*

# Illinois-based Minority Investment Managers

As of August 31, 2020

IMRF's Illinois-based Minority Investment Managers invest \$1.2 billion across domestic equity, international equity, private equity and real estate asset classes.

Classification	African American	Women	Disabled	Latino	Total \$ AUM
Domestic Equity	217,496,064	0	0	0	217,496,064
International Equity	0	0	0	141,888,506	141,888,506
Private Equity*	327,592,496	4,500,000	0	206,563,314	538,655,810
Real Estate*	0	0	14,850,000	255,000,000	269,850,000
<b>Total</b>	<b>\$545,088,560</b>	<b>\$4,500,000</b>	<b>\$14,850,000</b>	<b>\$603,451,820</b>	<b>\$1,167,890,380</b>

\*Private Equity and Real Estate are based on committed amounts. Fund of Fund values are reported at the underlying manager level. Data as of 08/31/20.