

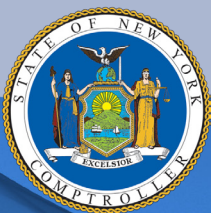
mwbe

Minority- and Women-Owned Business Enterprise

2017-2018
Fiscal Year



Asset Management and Financial Institution Strategy Report



Thomas P. DiNapoli | Office of the New York State Comptroller

History of the MWBE Legislation

The New York State Minority- and Women-Owned Business Enterprise (MWBE) Asset Management and Financial Institution Strategy (Chapter 171, Laws of 2010) was enacted to codify and replicate best practices for providing MWBEs that are asset managers, investment banks and financial and professional service providers with the opportunity to offer services to fiduciary-controlled entities established by New York State law. The law authorized the State Comptroller, as the Trustee of the New York State Common Retirement Fund (CRF or the Fund), and other fiduciary-controlled entities (i.e., the New York State Teachers' Retirement System (NYSTRS), the New York State Insurance Fund (NYSIF) and the New York State Deferred Compensation Plan (NYSDCP)) to establish an MWBE Asset Management and Financial Institution Strategy (the Strategy). State Comptroller Thomas P. DiNapoli has formulated and implemented the Strategy in accordance with the law.

Under the Strategy, the Fund has developed guidelines for the certification of MWBE firms that are conducting investment-related business with the Fund or seeking to do so. The guidelines, which were adopted December 13, 2010, are detailed in this document. The Fund, in conjunction with NYSTRS and NYSIF, is continuing to develop and update a database of these MWBEs and will issue periodic reports on the success of the Strategy. Additionally, the Fund works closely with NYSTRS and NYSIF to advertise the Strategy and coordinate conferences for MWBE firms to learn about business opportunities with fiduciary-controlled entities.

In accordance with the Strategy, the Fund submits this report to the Governor, the Legislature and the Chief Diversity Officer of the State of New York. The data included in this report reflects the Fund's utilization of MWBEs as of March 31, 2018.

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Introduction

A Message from Comptroller Thomas P. DiNapoli

May 2018

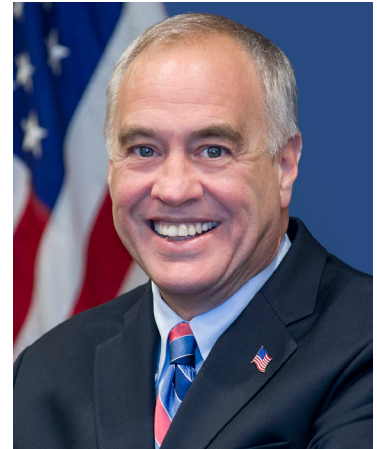
I am pleased to present our annual report on the Minority- and Women-Owned Business Enterprise (MWBE) Asset Management and Financial Institution Strategy for the fiscal year ended March 31, 2018.

Since I took office as State Comptroller in 2007, I have made it a priority to integrate the principles of diversity and inclusion as we carry out our responsibilities in managing the New York State Common Retirement Fund. This commitment includes establishing a level playing field for firms seeking to do business with the Fund, and apprising diverse firms of opportunities to compete for our business.

The Fund was valued at \$206.9 billion as of March 31, 2018, reflecting a healthy 11.4 percent annual return on investment. The Fund currently has \$16.8 billion invested with or committed to MWBEs, an increase of over 22 percent since last year. Further, MWBEs now represent over 20 percent of all of our external investment managers.

We have made a concerted effort to partner with groups like Sponsors for Educational Opportunity, Toigo, the National Association of Securities Professionals, the Association of Asian American Investment Managers, the New America Alliance, the Hispanic Heritage Foundation and many others. These relationships help ensure we are aware of talented, diverse managers who could be potential investment partners for our Fund, and also facilitate the recruitment of qualified individuals for our own investment staff.

I am proud of our achievements and am committed to building on this success. Diversity has strengthened our bottom line and our organization as a whole, while advancing our mission of keeping the Common Retirement Fund strong for the benefit of the one million members, retirees and beneficiaries of the New York State and Local Retirement System.



A Message from Chief Investment Officer Vicki Fuller

The New York State Common Retirement Fund has long appreciated the value of diversity, in its staff, in its external investment managers, in its advisors and in the leadership of its portfolio companies. Diversity is central to our philosophy and has played a key role in the success of our organization.

Through the New York State MWBE Asset Management and Financial Institution Strategy and the Emerging Manager Program developed by Comptroller DiNapoli, we strive to educate diverse market participants about opportunities to do business with the Fund, to establish relationships with highly qualified MWBEs in the investment arena and to build a pipeline of investments and service providers that enable the Fund to reap the benefits of diversity for the New York State and Local Retirement System's participants.



The Common Retirement Fund is widely recognized as an industry leader in a number of areas, including supporting diversity, and we prize our reputation as an institutional investor that entrusts significant amounts of capital to diverse investment managers who demonstrate the ability to achieve superior risk-adjusted returns. As this report illustrates, we have continued building on the success of the Fund's diversification effort. In fiscal year 2017-18, total MWBE investments and commitments grew from \$13.8 billion to approximately \$16.8 billion. While we are proud of this achievement, we refuse to rest on our laurels. We will continue our sustained, patient pursuit of our objectives to expand our network and strengthen our relationships with successful MWBEs.

Since I took the helm as Chief Investment Officer in 2012, we have been initial or seed investors in dozens of newly formed firms and strategies. Our Emerging Manager Program, which encompasses many MWBE investment managers, leverages the Fund's resources with the help of 11 program partners who act as managers of managers. Including direct allocations, this program has grown to over 130 emerging managers at the end of fiscal year 2017-18. The Emerging Manager program represents approximately \$6.2 billion in committed capital; over 70 percent of the Emerging Manager program is allocated to MWBE investment firms.

In February 2018, we hosted our largest Emerging Manager & MWBE Conference yet, with over 700 guests. This event enables diverse teams to meet with Fund investment staff and partners. We look forward to continuing to strengthen the Fund by cultivating relationships with talented and diverse investment and finance professionals for the benefit of more than one million participants in the Retirement System.

Overview of the New York State Common Retirement Fund

The Comptroller is the administrative head of the New York State and Local Employees' Retirement System and the New York State and Local Police and Fire Retirement System, which are collectively referred to as the New York State and Local Retirement System (the System), and the Trustee of the New York State Common Retirement Fund (CRF or the Fund).

The Fund was established in 1967 to hold the assets of the System. The Division of Pension Investment and Cash Management within the Office of the State Comptroller (OSC) is responsible for the day-to-day management of the assets of the CRF.

The Fund's primary objectives are to provide the means to pay benefits to the System's participants and to minimize employer contributions, which are funded by taxpayers, through an investment program designed to protect and enhance the long-term value of the assets. The Fund's asset allocation policy was constructed to meet these objectives by achieving a maximum level of return consistent with policies on liquidity, diversification and investment risk.

The Fund diversifies the investment of its assets among various classes including domestic and international equity, private equity, real estate, absolute return strategies, opportunistic funds, real assets and fixed income (bonds, mortgages and inflation-indexed bonds).

The sound investment framework provided by the Fund's asset allocation and diversification policies has enabled it to generate positive returns as the economy has recovered from the Great Recession.

The New York State Common Retirement Fund is the third largest public pension fund in the United States, with more than \$206.9 billion in assets held in trust for pension benefits as of March 31, 2018.

Summary / MWBE Participation

Overview of MWBE Participation

In the 2017-18 fiscal year, the Common Retirement Fund recorded robust growth in its investments with MWBE managers. As detailed in the tables below, total allocations, investments and commitments of Fund capital to MWBE partners rose from \$13.8 billion to \$16.8 billion, an increase of 22.5 percent.

Increases in value over the amounts reported in the previous year were particularly strong in Private Equity and Global Equities. Private Equity MWBE investments grew by over \$1.5 billion, or 38 percent, including \$200 million in new allocations to Vista Equity Partners, an additional \$240 million commitment to Muller and Monroe and a \$200 million commitment to Siris Capital Group. Global Equities increased by over \$1.1 billion, or 19 percent, including new allocations to Channing Capital Management for \$227 million and GQG Partners for \$500 million. The Fixed Income and Real Estate asset classes also exhibited healthy growth in their assets placed with MWBE managers.

Last year's growth reflects the cumulative effects of many years of sustained outreach to the MWBE investment community, publicizing and explaining opportunities to do business with the Fund through the Annual Conference and other venues, expanding our network, building relationships and allowing firms that have successfully managed small investments to take the next step up to handle larger amounts.

While Fund management is very pleased with these results, our team is committed to retaining their long-term focus on steady, incremental growth with successful managers.

The 2017-18 results illustrate another important measure of the success of the Fund's MWBE Strategy. Of the \$82 billion of Fund assets that are actively and externally managed, 20.4 percent have been allocated to minority or women-owned businesses.

Asset Class Total Investments

The charts on the following pages summarize the Fund's current utilization of MWBE asset managers and broker/dealers. The broker/dealers are reported based on "MWBEs in Pool," as they do not manage capital. They are tasked with executing trades on behalf of the Fund related to the assets that are traded in-house.

Asset Class Investments and MWBE Participation, Fiscal Year 2018 Figures

As of March 31, 2018. (Dollars in Millions)

Asset Classification	Total Assets Managed by MWBE Managers	CRF Total Est. Market Value	MWBE as a Percentage of Total
Public Equities	\$ 7,307.2	\$ 118,180.9	6.2%
Fixed Income	1,060.3	46,444.2	2.3%
Private Equity	5,781.8	17,109.6	33.8%
Real Estate	1,300.3	13,836.7	9.4%
Absolute Return Strategy	227.0	5,538.7	4.1%
Opportunistic	1,169.5	2,524.8	46.3%
Real Assets	–	1,500.4	–
Cash & Other	–	1,824.6	–
TOTAL	\$ 16,846.2	\$ 206,959.9	8.1%

As a Percentage of Total Fund Assets	Assets	% MWBE
Total Fund NYSCRF Active & Externally Managed	\$ 82,614.5	20.4%
Total Fund Index or Internally Managed	124,345.4	–
TOTAL FUND	\$ 206,959.9	8.1%

Market values are primarily utilized for measurement of Total Assets above. For select Opportunistic, Real Estate and Private Equity vehicles commitment values are utilized, as indicated further in the report. Committed values are only utilized for vehicles in the active period of investing where market value is not representative of the contractual nature of the full relationship with the MWBE participant.

Total MWBE Relationships

	Emerging Investment Managers	Investment Managers	Broker-Dealers	Law Firms	Consultants	Total
Total MWBE Relationships	82	37	17	5	4	145

MWBE Participation by Asset Class, 2017 & 2018

Year Over Year Change

(Dollars in Millions)

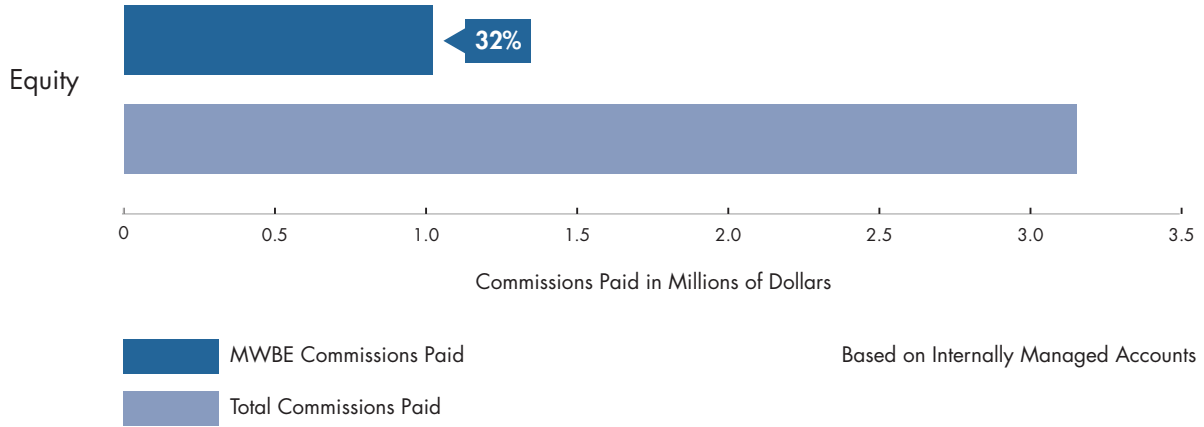
Asset Classification	March 2017	March 2018	% Change
MWBE ASSETS			
Public Equities	\$ 6,143.4	\$ 7,307.2	18.9%
Fixed Income	1,042.4	1,060.3	1.7%
Private Equity	4,188.3	5,781.8	38.0%
Real Estate	1,005.2	1,300.3	29.4%
Absolute Return Strategy	207.3	227.1	9.5%
Opportunistic	1,169.8	1,169.5	-
Total MWBE	\$ 13,756.4	\$ 16,846.2	22.5%
MWBE Share of Active & Externally Managed	18.4 %	20.4%	10.8%
FUND ASSETS ("FUND")			
Total Fund Active & Externally Managed	\$ 74,730.6	\$ 82,614.5	
Total Fund Internally Managed or Indexed	117,680.0	124,345.4	
TOTAL FUND	\$ 192,410.6*	\$ 206,959.9	7.6%

Market values are primarily utilized for measurement of Market Value. For select Opportunistic, Real Estate and Private Equity vehicles, commitment values are utilized, as indicated further in the report. Committed values are only utilized for vehicles in the active period of investing where market value is not representative of the contractual nature of the full relationship with the MWBE participant.

* Source: 2017 CAFR

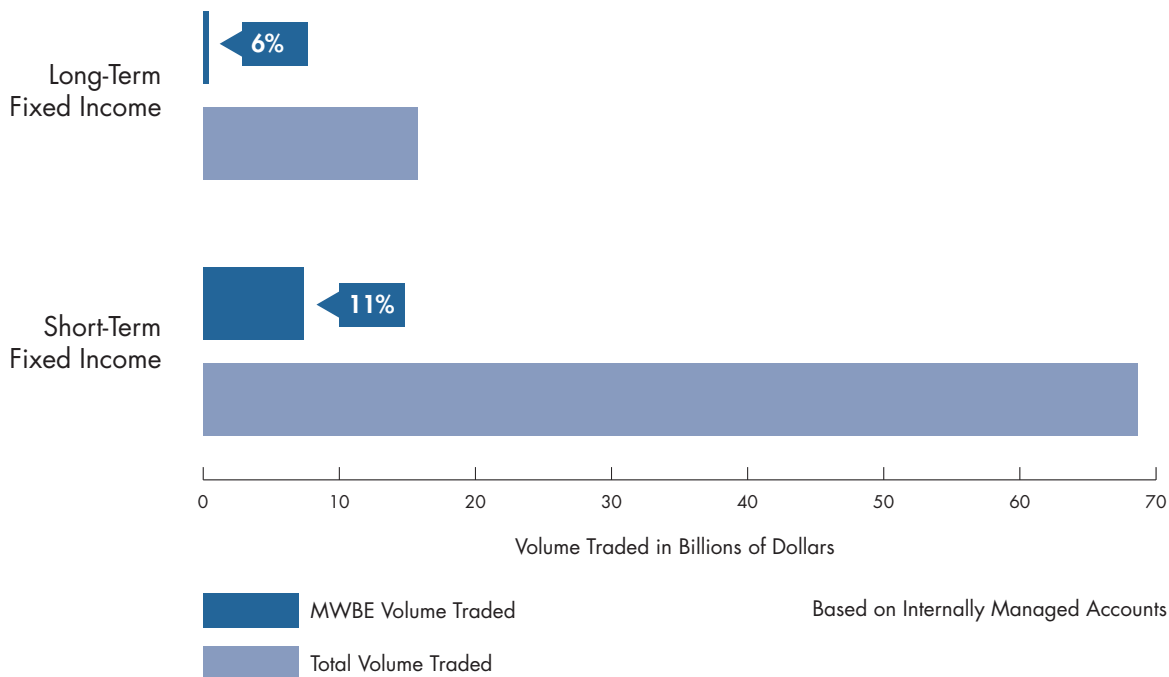
Broker/Dealer Commissions and Volume Traded – Equities

Broker/Dealers (Equity)	MWBEs in Pool	Non-MWBEs in Pool	MWBE Commissions Paid	Non-MWBE Commissions Paid	MWBE Share
Fiscal Year 2018	9	19	\$ 1,022,036	\$ 2,129,954	32%



Broker/Dealer Commissions and Volume Traded – Fixed Income

Asset Classification	MWBEs in Pool	Non-MWBEs in Pool	MWBE Volume Traded	Non-MWBE Volume Traded	MWBE Share
Broker/Dealers (Long-Term Fixed Income)	5	21	\$ 369,429,000	\$ 15,387,198,007	6%
Broker/Dealers (Short-Term Fixed Income)	4	15	\$ 7,359,747,000	\$ 61,319,320,000	11%



MWBE Certification Process

The Fund has retained Lenox Park Solutions, a New York State-based MWBE, to conduct an annual MWBE certification review process of firms doing business with the Fund. As part of its certification process, Lenox Park contacts the Fund's current network of more than 450 asset managers, financial institutions and financial and professional service contractors to determine which firms qualify as MWBEs. A firm may qualify as an MWBE as follows:

Traditional MWBE

The firm is at least 51 percent owned by one or more minority group members, or by one or more women, in each case, who have significant experience in the relevant area.

Substantially owned and/or operated MWBE

The firm is substantially owned and/or operated by women or minority group members who have significant experience in the relevant area.

A firm is "substantially owned or operated" if the firm is at least 33 percent owned and/or operated (via senior managers) by members of minority groups or women, provided that the firm is at least 25 percent owned by members of minority groups or women.

Through the annual certification review process, the Fund, together with NYSTRS and NYSIF, will continue to develop and update a public database of firms certified under the above criteria as MWBEs. In a manner consistent with their fiduciary responsibilities, the Fund, NYSTRS and NYSIF have closely coordinated the adoption and management of the Strategy in order to further public awareness, outreach and expansion of business opportunities for MWBEs. As a result, MWBEs are able to promote their services more seamlessly to fiduciary-controlled entities in New York State. This year, Lenox Park Solutions sent surveys to over 450 firms that provide a variety of services to the Fund. As of May 15, 2018, Lenox Park had received responses from over 90 percent of all vendors. This report is based in part on the information received from the surveys.

Guidelines for Certification, Reporting and Cooperation with Other Fiduciary-Controlled Entities

I. Purpose

In accordance with subdivisions 4, 5, 6, 7, 8 and 9 of Section 176 of the Retirement and Social Security Law and Section 423-c of the Retirement and Social Security Law, the State Comptroller, acting as Trustee of the Common Retirement Fund, has chosen to establish an MWBE Asset Management and Financial Institution Strategy (“Strategy”) aimed at increasing the utilization of MWBE Asset Managers, MWBE Financial Institutions and MWBE Financial and Professional Service Firms. The Strategy shall include any or all of the following, to the extent they are in accordance with and subject to the State Comptroller’s fiduciary duties and obligations as Trustee of the Common Retirement Fund and to the members, retirees and beneficiaries of such Fund and such other investment limitations as may be prescribed by the Retirement and Social Security Law:

A. Investing assets of the Common Retirement Fund with MWBE Asset Managers;

B. Subject to Best Execution:

1. Conducting trades of public equity securities with MWBE Financial Institutions; and
2. Conducting trades of fixed-income securities with MWBE Financial Institutions.

C. Allocating investments of assets of the Common Retirement Fund either through:

1. Direct investments in the equities and debt securities of MWBEs; or
2. Indirectly through special programs involving MWBE Asset Managers; and
3. Awarding contracts for accounting, banking, financial advisory, insurance, legal, research, valuation and other financial and professional services to MWBE Financial Institutions and other MWBE Professional Service Firms.

II. Definitions

For the purposes of these guidelines, the following terms shall have the meanings assigned below:

- A. The terms “**Asset Manager**” and “**Asset Management**” shall mean the person, or activity by such person, who provides a comprehensive and structured approach to short-term and long-term management of the funds of the Common Retirement Fund.
- B. The term “**Best Execution**” shall refer to the obligation of an entity that purchases or sells publicly-traded securities to ensure the optimal mix of price improvement (getting a better price than is currently quoted), speed and likelihood of execution.
- C. The terms “**Broker**,” “**Broker Dealer**” and “**Brokerage**” shall mean an individual or firm, registered in accord with state or federal law, who acts as an intermediary between a buyer and seller.
- D. The term “**Business Enterprise**” shall include, without limitation:
 - 1. A sole proprietorship;
 - 2. A partnership;
 - 3. A limited partnership;
 - 4. A limited liability partnership;
 - 5. A limited liability company;
 - 6. A corporation; or
 - 7. Another similar entity whether domestic or foreign.
- E. The term “**MWBE Asset Manager**” shall mean:
 - 1. An Asset Manager in any of the following asset classes:
 - a. Public Equity or Fixed Income Securities;
 - b. Hedge Funds;
 - c. Fund of Hedge Funds;
 - d. Private Equity (including Venture Capital);
 - e. Fund of Private Equity funds;
 - f. Real Estate Investment Funds;
 - g. Fund of Real Estate Funds; or
 - h. Any other asset class for which the Common Retirement Fund entity engages external asset managers; and
 - 2. An Asset Manager that is:
 - a. An MWBE;
 - b. A registered Investment Advisor or an Investment Advisor exempt from such registration; and
 - c. Certified pursuant to the provisions of subdivision 3 of Section 423-c of the Retirement and Social Security Law.

- F.** The term “**Minority Group Member**” shall mean a United States citizen or permanent resident alien who is and can demonstrate membership in one of the following groups:
1. Black persons having origins in any of the Black African racial groups;
 2. Hispanic persons of Mexican, Puerto Rican, Dominican, Cuban, Central or South American of either Indian or Hispanic origin, regardless of race;
 3. Native American or Alaskan native persons having origins in any of the original peoples of North America; or
 4. Asian American and Pacific Islander persons having origins in any of the Far East countries, South East Asia, the Indian subcontinent or the Pacific Islands.
- G.** The term “**MWBE**” for the purpose of engaging in business with the Common Retirement Fund, means:
1. A Business Enterprise:
 - a. That is at least 51 percent owned by one or more minority group members, or one or more women, in each case, who have significant experience in asset management, brokerage, other financial services or related professional services such as accounting, valuation or legal services; or
 - b. That is substantially owned and/or operated by women or minority group members who have significant experience in asset management, brokerage, other financial services or related professional services such as accounting, valuation or legal services; and
 2. A Business Enterprise:
 - a. In which such minority or women ownership or operation is real, substantial and continuing;
 - b. In which such minority or women ownership or operation has and exercises the authority to control independently the day-to-day business decisions of the enterprise;
 - c. Authorized to do business in this State; and
 - d. Certified by the State Comptroller pursuant to Section 423-c of the Retirement and Social Security Law.
- H.** The term “**Financial and Professional Services**” shall include, but not be limited to:
1. Banking;
 2. Financial Advisory;
 3. Financial Research;
 4. Insurance;
 5. Law; and

6. Valuation.

continued

- I. The term “**MWBE Financial Institution**” shall mean:
 1. As it relates to brokerage services, a registered broker dealer that is an MWBE certified pursuant to the provisions of this Part promulgated in accordance with subdivision 3 of Section 423-c of the Retirement and Social Security Law; and
 2. As it relates to any other financial services, an MWBE certified pursuant to the provisions of this Part promulgated in accordance with subdivision 3 of Section 423-c of the Retirement and Social Security Law that provides banking, financial advisory, insurance, financial research, valuation or other financial services.

J. The term “**Other Fiduciary-Controlled Entities**” shall mean:

1. The New York State Teachers’ Retirement System;
2. The New York State Insurance Fund; and
3. The New York State Deferred Compensation Plan.

III. Certification

The State Comptroller hereby establishes and adopts the following certification processes for the purpose of identifying and reporting on MWBEs performing investment-related services with or for the Common Retirement Fund: Asset Management, Brokerage, or other Financial or Professional Services as such terms are defined in Paragraph II, above.

- A.** Business Enterprises performing investment-related services with or for the Common Retirement Fund shall, upon request of the State Comptroller (or his or her agent), provide the following information:
- 1.** A copy of financial form(s), if any, filed with the federal Securities and Exchange Commission, including, but not limited to, ADV and BD;
 - 2.** A copy of application forms and supporting documentation, if any, filed with the Division of Minority and Women-Owned Business Development (“DMWBD”) within the New York State Department of Economic Development and any subsequent certification issued by DMWBD of MWBE status;
 - 3.** A copy of any form(s) filed with any other state or federal entity for the purpose of seeking certification by such entity as an MWBE, along with any certification issued by such governmental entity of MWBE status; and

- 4.** Any appropriate registration form setting forth such information as the State Comptroller within his or her discretion may require.

- B.** Additionally, Business Enterprises performing investment-related services with or for the Common Retirement Fund shall, upon request of the State Comptroller (or his or her agent), provide the following information relating to any position (held by an owner, officer, manager or employee of the Business Enterprise) that the State Comptroller, within his or her discretion, determines necessary, including, but not limited to, managing director, managing principal, principal, operating principal, chief financial officer, operating vice-president, vice-president, partner and owner, or equivalent positions, for the accurate identification of a Business Enterprise as:

- 1.** 51 Percent Owned by MWBEs:
 - a.** Title;
 - b.** Position;
 - c.** Ownership percentage;
 - d.** History of ownership;
 - e.** History of ownership percentage;
 - f.** Ethnicity;
 - g.** Gender; and
 - h.** Length of service.

2. MWBEs Substantially Owned or Operated by Minorities and Women:
 - a. Title;
 - b. Position;
 - c. Ownership percentage;
 - d. History of ownership;
 - e. History of ownership percentage;
 - f. Ethnicity;
 - g. Gender;
 - h. Length of service; and
 - i. The role of individual employees and whether such individual will be performing services with or for the Common Retirement Fund and if so, to what extent such performance will occur.
- C. Documentation. Such information shall be provided on a form developed by the State Comptroller (or his or her agent), and shall be certified as to accuracy by an Owner or Officer of the Business Enterprise, authorized by the business to make the representations contained thereon. If a Business Enterprise seeks confidential treatment of proprietary business information, such information must be clearly labeled as confidential, and denial of release thereof will occur in accordance with law. The State Comptroller shall make such inquiries as he or she deems appropriate to determine the accuracy of the information provided, including, but not limited to, potential field visits and/or other means of substantiation.
- D. Determination of MWBE status. Separate determinations of MWBE status shall be made for Business Enterprises pursuant to subdivisions 1 and 2 of this Paragraph.
 1. In determining that a Business Enterprise is at least 51 percent owned by one or more minority group members, or one or more women, the State Comptroller may rely on bonafide determinations of state or federal government entities or of the Other Fiduciary-Controlled Entities, or on certified filings with the Federal Securities and Exchange Commission, in addition to the responses submitted by the Business Enterprise.
 2. In determining that a Business Enterprise is substantially owned and/or operated by women or minority group members, the State Comptroller interprets the term “substantially” as meaning at least 33 percent (ownership and/or operation). The 33 percent shall include at least 25 percent ownership by women or minority group members. Each individual counted in determining percentage of ownership or operation may only be counted once (e.g., an owner who is also a senior manager may not be counted as both).

- E.** Decertification. Any Business Enterprise previously certified as an MWBE which no longer meets the applicable certification criteria shall be decertified. All Business Enterprises certified as MWBEs must promptly inform the State Comptroller of changes in ownership, management and/or control that could impact the entity's MWBE certification.
- F.** Documentation of determination. In all cases, the State Comptroller shall maintain a written record of the reason(s) for his/her determination and subsequent certification or decertification of an entity's MWBE status.
- G.** Finality of determination. Determinations relating to MWBE status made under this Part promulgated pursuant to the provisions of subdivision 3 of Section 423-c of the Retirement and Social Security Law are made solely for identification and reporting and for no other purpose. The determination of the State Comptroller shall be final and not appealable. However, Business Enterprises that believe they should be certified as MWBEs are welcome to submit information demonstrating that they are eligible for such certification.
- H.** Submission of false information. Any individual who submits false information on behalf of a Business Enterprise, and/or any Business Enterprise that submits false information, may be barred from doing business with the Common Retirement Fund for a period of time to be determined by the State Comptroller based on the nature and extent of the false information. False submissions may also be reported to appropriate law enforcement entities.

IV. Reporting

Within 60 days of the end of each fiscal year, the State Comptroller shall report to the Governor, the Legislature and the Chief Diversity Officer of the State of New York on the participation of MWBE Asset Managers, MWBE Financial Institutions and MWBE Professional Service Providers in investment and brokerage transactions with, or as providers of services for, the Common Retirement Fund.

A. Such Report shall include:

1. A comparative analysis of such activity relative to such activity with all asset managers, financial institutions and professional service providers for the relevant period; and
2. On the progress and success of the efforts undertaken during such period to achieve the goals of the Strategy.

- B.** Such Report shall be simultaneously published on the website of the Common Retirement Fund for not less than 60 days following its release to the Governor, the Legislature and the Chief Diversity Officer of the State of New York.
- C.** Such Report shall separately document the utilization of:
 1. Entities that are at least 51 percent owned by one or more minority group members; and
 2. Entities that are substantially owned and/or operated by women or minority group members.

V. Cooperation with Other Fiduciary-Controlled Entities

- A. The State Comptroller may, at the request of any of the Other Fiduciary-Controlled Entities, utilize the certification process established in Paragraph III, above, for the purpose of identifying and reporting on those MWBE firms that provide to such Other Fiduciary-Controlled Entities Asset Management, Brokerage, or other Financial or Professional Services as such terms are defined in Paragraph II, above. In these circumstances, with the assistance of the Other Fiduciary-Controlled Entities, all references in Paragraph III, above, to the Common Retirement Fund shall be utilized by the State Comptroller to apply to the respective Other Fiduciary-Controlled Entity.
- B. The State Comptroller, or his or her agent, shall work with the Other Fiduciary-Controlled Entities to create a database of Business Enterprises certified as MWBEs pursuant to subdivision 3 of Section 423-c of the Retirement and Social Security Law.
- C. In addition to advertising the existence of the Strategy so that MWBE Asset Managers, MWBE Financial Institutions and other MWBE Professional Service Firms are made aware of the opportunities made available pursuant to the Strategy, the Common Retirement Fund shall periodically, but not less than annually, hold a conference to advertise and promote the Strategy. Such conference shall be scheduled and coordinated to the extent reasonably practicable with Other Fiduciary-Controlled Entities.
- D. The Common Retirement Fund shall meet periodically with the Other Fiduciary-Controlled Entities to discuss best practices and to consider changes to Strategy guidelines.

Detail / MWBE Participants

Asset Class Investments and MWBE Participation

The charts in this report summarize the Fund's current utilization of MWBE asset managers and broker/dealers. The broker/dealers are reported based on "MWBEs in Pool," as they do not manage capital. They are tasked with executing trades on behalf of the Fund related to the assets that are traded in-house.

Additionally, the identities of all MWBEs with which the Fund is currently doing business are listed in the following sections by asset class:

Participating Asset Classes

Public Equities

- Active U.S. Domestic Managers
- Active International Managers
- Active Emerging Markets Managers
- Active U.S. Domestic Manager of Managers
- Active Global Manager of Managers

Fixed Income

- Active Domestic Fixed Income, Externally Managed

Private Equity

- Direct Investments
- Manager of Managers
- Co-Investment Fund

Real Estate

- Direct Investments
- Emerging Manager Equity Joint Venture Program
- Manager of Managers

Absolute Return Strategy

- Direct Investments
- Manager of Managers

Opportunistic Investments

- Direct Investments
- Manager of Managers

Broker/Dealers

Service Providers

Public Equities

Active U.S. Domestic Managers

As of March 31, 2018.

The Fund has the following direct allocations with five MWBEs in the Active U.S. Domestic Public Equities asset class.

Firm	MWBE Status	M/W Ownership	Market Value
Ariel Investments	African-American Women	84%	\$ 53,954,338
Brown Capital Management	African-American Women	95%	1,104,906,337
Channing Capital Management	African-American	100%	292,772,646
Earnest Partners	African-American Asian-American Women	61%	1,103,921,258
Penn Capital	Women	43%	375,788,582
Active U.S. Domestic Public Equities MWBE Total			\$ 2,931,343,162

Active Emerging Markets Managers

As of March 31, 2018.

The Fund has the following direct allocation to an MWBE in the Active Emerging Markets Public Equities asset class.

Firm	MWBE Status	M/W Ownership	Market Value
The Rock Creek Group	Women Asian-American	29%	\$ 631,111,572
Active Emerging Markets Equity MWBE Total			\$ 631,111,572

Active International Managers

As of March 31, 2018.

The Fund has the following direct allocation to an MWBE in the Active International Public Equities asset class.

Firm	MWBE Status	M/W Ownership	Market Value
GQG Partners	Asian-American	95%	\$ 486,111,531
Active Emerging Markets Equity MWBE Total			\$ 486,111,531

Public Equities

Active U.S. Domestic Manager of Managers

As of March 31, 2018.

Progress Investment Management, an Emerging Manager Program Partner, has been an investment manager for the Fund since 1994.

There are seven managers in the Progress domestic portfolio that are MWBEs. MWBEs manage over 83 percent of the Progress portfolio.

Firm	MWBE Status	M/W Ownership	Market Value
Progress Investment Management	African-American Women Asian-American	100%	\$ 646,012,012
Manager of Managers, Progress Investment Management Total			\$ 646,012,012

Sub-Fund Investments*

Firm	MWBE Status	M/W Ownership	Market Value
Affinity Investment Advisors	Asian-American	100%	\$ 100,679,268
Lisanti Capital	Women	52%	\$58,324,922
Channing Capital	African-American	100%	115,380,445
Denali Advisors	Native-American African-American Women	86%	107,263,228
Hahn Capital Management	Women Asian-American	76%	84,651,528
Piedmont Investment Advisors	African-American Asian-American Women	94%	100,915,386
StoneRidge Investment Advisors	African-American Women	66%	32,307,697
Progress Investment Management Mid-Cap Portfolio MWBE Total			\$ 541,197,552

* The New York State Common Retirement Fund often uses fund-of-funds (FoF) or manager-of-managers (MoM) asset managers as Emerging Manager Platforms to invest capital on its behalf. In many cases, these Emerging Manager Platforms are MWBEs that invest partially or exclusively in other MWBE (Sub-Fund) Asset Managers. Emerging Manager Platforms are not required to invest in only MWBE Sub-Funds.

Public Equities

Active U.S. Domestic Manager of Managers

As of March 31, 2018.

Leading Edge Investment Advisors (LEIA), an Emerging Manager Program Partner, has been an investment manager for the Fund since 2015.

There are seven managers in the LEIA portfolio that are MWBEs. MWBEs manage over 87 percent of the LEIA portfolio.

Firm	MWBE Status	M/W Ownership	Market Value
Leading Edge Investment Advisors	Asian-American	100%	\$ 417,955,432
Manager of Managers, Leading Edge Total			\$ 417,955,432

Sub-Fund Investments*

Firm	MWBE Status	M/W Ownership	Market Value
Bowling Portfolio Management	African-American	51%	\$ 58,654,793
Granite Investment Partners	Asian-American Hispanic Women	34%	60,256,447
Matarin Capital Management	Women Hispanic African-American	56%	66,463,520
Nicholas Investment Partners	Women Hispanic	54%	31,483,726
Palisades Investment Partners	African-American	100%	39,047,856
Redwood Investments	Women	51%	45,173,782
Phocas Financial Corporation	Asian-American	66%	61,746,465
Leading Edge MWBE Total			\$ 362,826,589

* The New York State Common Retirement Fund often uses fund-of-funds (FoF) or manager-of-managers (MoM) asset managers as Emerging Manager Platforms to invest capital on its behalf. In many cases, these Emerging Manager Platforms are MWBEs that invest partially or exclusively in other MWBE (Sub-Fund) Asset Managers. Emerging Manager Platforms are not required to invest in only MWBE Sub-Funds.

Public Equities

Active Global Manager of Managers

As of March 31, 2018.

FIS Group has been an investment manager for the Fund since 2004 and is an Emerging Manager Program Partner.

There are six managers in the FIS portfolio that are MWBEs. MWBEs manage over 70 percent of the FIS portfolio.

Direct Fund Investments

Firm	MWBE Status	M/W Ownership	Market Value
FIS Group	African-American Women Asian-American Pacific Islander	68%	\$ 1,257,309,145
Manager of Managers, FIS Group Total			\$ 1,257,309,145

Sub-Fund Investments*

Firm	MWBE Status	M/W Ownership	Market Value
Change Global Investments	Women	100%	\$ 78,715,265
Decatur Capital Management	African-American Women Asian-American	100%	181,457,309
Consilium Investment Management	Hispanic	51%	20,935,820
Denali Advisors	Native-American African-American Women	86%	233,693,346
Metis Global Partners	Women African-American	88%	\$52,800,275
Redwood Investments	Women	51%	196,408,303
FIS Group MWBE Total			\$ 907,618,346

* The New York State Common Retirement Fund often uses fund-of-funds (FoF) or manager-of-managers (MoM) asset managers as an Emerging Manager Platform to invest capital on its behalf. In many cases, these Emerging Manager Platforms are MWBEs that invest partially or exclusively in other MWBE (Sub-Fund) Asset Managers. Emerging Manager Platforms are not required to invest in only MWBE Sub-Funds.

Public Equities

Active Global Manager of Managers

As of March 31, 2018.

Progress Investment Management, an Emerging Manager Program Partner, has been an investment manager for the Fund since 1994.

There are three managers in the Progress global portfolio that are MWBEs. MWBEs manage over 75 percent of the Progress portfolio.

Firm	MWBE Status	M/W Ownership	Market Value
Progress Investment Management	African-American Women Asian-American	100%	\$ 582,550,388
Manager of Managers, Progress Investment Management Total			\$ 582,550,388

Sub-Fund Investments*

Firm	MWBE Status	M/W Ownership	Market Value
Arga Investment Management	Asian-American	100%	\$ 142,950,825
Ativo Capital Management	African-American Asian-American Hispanic	96%	108,940,020
Strategic Global Advisors	Women	63%	188,127,390
Progress Investment Management Global Equity MWBE Total			\$ 440,018,235

* The New York State Common Retirement Fund often uses fund-of-funds (FoF) or manager-of-managers (MoM) asset managers as Emerging Manager Platforms to invest capital on its behalf. In many cases, these Emerging Manager Platforms are MWBEs that invest partially or exclusively in other MWBE (Sub-Fund) Asset Managers. Emerging Manager Platforms are not required to invest in only MWBE Sub-Funds.

Public Equities

Active Global Manager of Managers

As of March 31, 2018.

The Fund has the following manager of managers relationship in Global Equities.

Firm	MWBE Status	M/W Ownership	Market Value
Goldman Sachs Asset Management	None	N/A	\$ 2,629,607,229
Manager of Managers, Goldman Sachs Asset Management (GSAM) Total			\$ 2,629,607,229

Sub-Fund Investments*

Firm	MWBE Status	M/W Ownership	Market Value
Causeway Capital Management	Women Hispanic Asian-American	34%	\$ 354,780,498
Active GSAM MWBE Total			\$ 354,780,498

* The New York State Common Retirement Fund often uses fund-of-funds (FoF) or manager-of-managers (MoM) asset managers as Emerging Manager Platforms to invest capital on its behalf. In many cases, these Emerging Manager Platforms are MWBEs that invest partially or exclusively in other MWBE (Sub-Fund) Asset Managers. Emerging Manager Platforms are not required to invest in only MWBE Sub-Funds.

Fixed Income

Active Domestic Fixed Income, Externally Managed

As of March 31, 2018.

The Fund has three direct allocations with MWBEs in the Fixed Income asset class.

Firm	MWBE Status	M/W Ownership	Market Value
Smith Graham & Company	African-American Asian-American Women	84%	\$ 527,281,347
New Century Advisors	Women	58%	252,121,684
Semper Capital Management	African-American	60%	279,886,766
Active Domestic Fixed Income MWBE Total			\$ 1,060,289,797

Private Equity

Direct Investments

As of March 31, 2018.

The Fund has direct allocations with 19 MWBEs in the Private Equity asset class.

Active Allocations, Commitment Values

Firm	MWBE Status	M/W Ownership	Commitment
Acon Funds Management	African-American Asian-American Hispanic Women	28%	\$ 320,000,000
Asia Alternatives Private Equity Partners	Asian-American Women	82%	750,000,000
Clearlake Capital Partners	Hispanic	57%	239,500,000
Clearwater	Asian-American	50%	75,000,000
GenNx360 Capital Partners	African-American	100%	125,000,000
Helios Investment Partners	African-American Asian-American Women	97%	100,000,000
Francisco Partners	Asian-American	25%	75,000,000
Palladium Equity Partners	Hispanic	51%	250,000,000
Pine Brook Capital	Hispanic Asian-American	30%	150,000,000
Primary Venture Partners (FKA High Peaks)	Asian-American	50%	30,000,000
Vista Equity Partners	African-American Asian-American Women	65%	1,775,000,000
ICV Partners	African-American	80%	75,000,000
Siris Capital Group	African-American	40%	200,000,000
Private Equity MWBE Total			\$ 4,164,500,000

Legacy Allocations, Market Values

Firm	MWBE Status	M/W Ownership	Est. Market Value
Asia Alternatives Private Equity Partners	Asian-American Women	82%	\$ 117,540,877
Clearwater	Asian-American	50%	15,267,581
Fairview Capital Partners	African-American Women	100%	58,099,126
Falcon Investment Advisors	Asian-American	55%	22,031,199
GenNx360 Capital Partners	African-American	100%	31,779,243
Grosvenor Capital Management	Women African-American Asian-American	26%	43,952,500
Horsley Bridge Partners	Women Asian-American	52%	4,091,009
Levine Leichtman Capital Partners	Women	51%	18,890,594
Milestone Managers, LLC	Hispanic	42%	11,897,589
Palladium Equity Partners	Hispanic	51%	41,309,428
Primary Venture Partners (FKA High Peaks)	Asian-American	50%	12,338,107
Vista Equity Partners	African-American Asian-American/Women	65%	271,357,800
Private Equity MWBE Total			\$ 648,555,053

Private Equity

Manager of Managers

As of March 31, 2018.

In 2011, the Fund made a \$200 million commitment to Muller and Monroe, an Emerging Manager Program partner. In 2017, the Fund made additional commitments of \$240 million to Muller and Monroe.

Direct Fund Investment

Firm	MWBE Status	M/W Ownership	Committed Amount
Muller and Monroe	African-American Women	52%	\$ 440,000,000
Manager of Managers, Muller and Monroe Total			\$ 440,000,000

Sub-Fund Investments*

Firm	MWBE Status	M/W Ownership	Committed Amount
Brightwood Capital	African-American	100%	\$ 15,000,000
Estancia Capital Partners	Hispanic Asian-American	100%	20,000,000
Medina Capital	Hispanic	100%	15,000,000
The Vistria Group	African-American	51%	60,000,000
RLJ Equity Partners	African-American	100%	22,000,000
Luminate Capital Partners	Women	100%	20,000,000
Siris Capital Group	African-American	40%	20,000,000
NexPhase Capital	Asian-American	51%	20,000,000
HighBAR Partners	Hispanic Asian-American	100%	22,000,000
Muller and Monroe MWBE Total			\$ 214,000,000

* The New York State Common Retirement Fund often uses fund-of-funds (FoF) or manager-of-managers (MoM) asset managers as Emerging Manager Platforms to invest capital on its behalf. In many cases, these Emerging Manager Platforms are MWBEs that invest partially or exclusively in other MWBE (Sub-Fund) Asset Managers. Emerging Manager Platforms are not required to invest in only MWBE Sub-Funds.

Private Equity

Manager of Managers

As of March 31, 2018.

In 2009, the Fund made a \$200 million commitment to HarbourVest Horizon, an Emerging Manager Program partner. An additional commitment of \$300 million was made in 2014.

Direct Fund Investment

Firm	MWBE Status	M/W Ownership	Committed Amount
HarbourVest Horizon	None	N/A	\$ 500,000,000
Manager of Managers, Private Equity HarbourVest Horizons Total			\$ 500,000,000

Sub-Fund Investments*

Firm	MWBE Status	M/W Ownership	Committed Amount
Clearlake Capital Partners	Hispanic-American	57%	\$ 30,000,000
DBL Equity Fund – BAEF	Women	63%	7,500,000
Grey Mountain Partners	Asian-American Women	40%	12,500,000
Incline Equity Partners	Asian-American	33%	20,000,000
ICV Partners	African-American	80%	25,000,000
One Rock Capital Partners	Asian-American	51%	45,200,000
Wicks Capital Partners	African-American	25%	20,000,000
Eagle Tree Capital	Asian-American	39%	25,000,000
New Harbor Capital	Asian-American Women	41%	25,000,000
LightBay Capital Partners	Asian-American	50%	25,000,000
HarbourVest Horizons MWBE Total			\$ 235,200,000

* The New York State Common Retirement Fund often uses fund-of-funds (FoF) or manager-of-managers (MoM) asset managers as Emerging Manager Platforms to invest capital on its behalf. In many cases, these Emerging Manager Platforms are MWBEs that invest partially or exclusively in other MWBE (Sub-Fund) Asset Managers. Emerging Manager Platforms are not required to invest in only MWBE Sub-Funds.

Private Equity

Manager of Managers

As of March 31, 2018.

JP Morgan took over as investment manager for the NY Emerging Legacy Fund in 2009.

Direct Fund Investment

Firm	MWBE Status	M/W Ownership	Est. Market Value
JP Morgan	None	N/A	\$ 102,490,217
Manager of Managers, JP Morgan Total			\$ 102,490,217

Sub-Fund Investments*

Firm	MWBE Status	M/W Ownership	Est. Market Value
Falcon Mezzanine Partners	Asian-American	56%	\$ 1,238,551
ICV Partners	African-American	80%	3,732,112
Levine Leichtman Capital Partners	Women	51%	599,704
Pharos Capital Partners	African-American	68%	2,798,984
RLJ Equity Partners	African-American	100%	17,601,221
SW Pelham	African-American Women	100%	1,282,119
Vicente Capital Partners	African-American	33%	13,020,454
Quaker Partners	Women	48%	3,280,831
JP Morgan MWBE Total			\$ 43,554,976

The market values above represent commitments that were originally greater than \$450 million.

Co-Investment Funds

As of March 31, 2018.

In 2013, the Fund made a \$250 million commitment to Farol Asset Management, an Emerging Manager Program partner.

Firm	MWBE Status	M/W Ownership	Committed Amount
Farol Asset Management	African-American	100%	\$ 250,000,000
Co-Investment MWBE Total			\$ 250,000,000

* The New York State Common Retirement Fund often uses fund-of-funds (FoF) or manager-of-managers (MoM) asset managers as Emerging Manager Platforms to invest capital on its behalf. In many cases, these Emerging Manager Platforms are MWBEs that invest partially or exclusively in other MWBE (Sub-Fund) Asset Managers. Emerging Manager Platforms are not required to invest in only MWBE Sub-Funds.

Real Estate

Direct Investments

As of March 31, 2018.

The Fund has direct allocations with three MWBEs in the Real Estate asset class.

Active Allocations, Commitment Values

Firm	MWBE Status	M/W Ownership	Est. Market Value
Avanath Capital Management	African American	60%	\$ 100,000,000
GreenOak	Asian-American	37%	200,000,000
Real Estate Direct Investments MWBE Total			\$ 300,000,000

Legacy Allocations, Market Values

Firm	MWBE Status	M/W Ownership	Committed Amount
Noble Investment Management	Asian-American	66%	\$ 15,335,923
Real Estate Direct Investments MWBE Total			\$ 15,335,923

Real Estate

Emerging Manager Equity Joint Venture Program

As of March 31, 2018.

In 2011, the Fund made a \$300 million commitment to Artemis Real Estate Partners, an Emerging Manager Program partner. An additional commitment of up to \$500 million was made in 2014.

Direct Fund Investment

Firm	MWBE Status	M/W Ownership	Committed Amount
Artemis Real Estate Partners	Women	80%	\$ 800,000,000
Manager of Managers, Real Estate Partners Equity Joint Venture MWBE Total			\$ 800,000,000

Sub-Fund Investments*

Firm	MWBE Status	M/W Ownership	Fair Value
Basis Investment Group	African-American Women	100%	\$ 12,218,559
Capstone Asset Management	African-American	51%	24,705,763
CRES Management	Women	51%	6,424,759
Cruzan	Hispanic-American Women	30%	15,248,845
Forge Capital Partners	Hispanic Women	54%	12,161,448
Gerding Edlen Investment Management	Asian-American Women	60%	4,084,424
Griffith Properties	Women	67%	27,855,468
Hillcrest Finance	African-American Women	98%	72,546,838
HN Gorin	Women	100%	41,694,317
Innovo Property Group	Asian-American	60%	15,998,456
Internacional Realty	Hispanic Women	100%	20,079,368
MCB Real Estate	African-American	54%	26,964,814
Olympus Properties	Hispanic-American	100%	24,835,380
Pillar Commercial	African-American Women	100%	23,058,679
RailField Realty Partners	African-American	75%	30,684,488
Chartres Lodging Group	Asian-American Women	30%	20,035,129
Ellis Partners	Women	50%	12,226,972
Storage Solutions	Asian-American	33%	6,803,450
Artemis Real Estate Partners MWBE Total			\$ 365,687,265

* The New York State Common Retirement Fund often uses fund-of-funds (FoF) or manager-of-managers (MoM) asset managers as Emerging Manager Platforms to invest capital on its behalf. In many cases, these Emerging Manager Platforms are MWBEs that invest partially or exclusively in other MWBE (Sub-Fund) Asset Managers. Emerging Manager Platforms are not required to invest in only MWBE Sub-Funds.

Real Estate

Manager of Mangers

As of March 31, 2018.

Franklin Templeton Real Asset Advisors has been an investment manager for the Fund since 2009.

Direct Fund Investment

Investment Type	Firm	MWBE Status	M/W Ownership	Committed Amount
Fund of Funds	Franklin Templeton Real Asset Advisors	None	N/A	\$ 650,000,000
Franklin Templeton Real Assets Advisors Total				\$ 650,000,000

Sub-Fund Investments*

Firm	MWBE Status	M/W Ownership	Committed Amount
GreenOak	Asian-American	37%	\$ 125,000,000
Noble Investment Group	Asian-American	66%	60,000,000
Franklin Templeton Real Estate Fund of Funds MWBE Total			\$ 185,000,000

* The New York State Common Retirement Fund often uses fund-of-funds (FoF) or manager-of-managers (MoM) asset managers as Emerging Manager Platforms to invest capital on its behalf. In many cases, these Emerging Manager Platforms are MWBEs that invest partially or exclusively in other MWBE (Sub-Fund) Asset Managers. Emerging Manager Platforms are not required to invest in only MWBE Sub-Funds.

Absolute Return Strategy

Direct Investments

As of March 31, 2018.

The Fund has a direct allocation with one MWBE in the Absolute Return Strategy asset class.

Direct Fund Investment

Firm	MWBE Status	M/W Ownership	Est. Market Value
Schultze Asset Management	Hispanic	61%	\$ 4,260,955
Absolute Return Strategy Direct Investments MWBE Total			\$ 4,260,955

Manager of Managers

As of March 31, 2018.

The Rock Creek Group, an Emerging Manager Program Partner, has been an investment manager for the Fund since 2010.

Direct Fund Investment

Firm	MWBE Status	M/W Ownership	Est. Market Value
The Rock Creek Group	Women Asian-American	29%	\$ 222,821,061
Manager of Managers, The Rock Creek Group MWBE Total			\$ 222,821,061

Sub-Fund Investments*

Firm	MWBE Status	M/W Ownership	Est. Market Value
Elizabeth Park Capital Management	African-American	84%	\$ 32,042,191
HG Vora Capital Management, LLC	Asian-American	100%	40,580,602
Hollis Park Partners, LP	African-American Asian-American	86%	39,716,676
Lomas Capital Management, LLC	Hispanic Women	55%	36,750,306
Matarin Capital Management, LLC	Women African-American Hispanic	56%	10,395,899
Tiger Pacific Capital LP	Asian-American	100%	42,681,315
The Rock Creek Group MWBE Total			\$ 202,166,989

* The New York State Common Retirement Fund often uses fund-of-funds (FoF) or manager-of-managers (MoM) asset managers as Emerging Manager Platforms to invest capital on its behalf. In many cases, these Emerging Manager Platforms are MWBEs that invest partially or exclusively in other MWBE (Sub-Fund) Asset Managers. Emerging Manager Platforms are not required to invest in only MWBE Sub-Funds.

Opportunistic Investments

Direct Investments

As of March 31, 2018.

Direct Fund Investments

Firm	MWBE Status	M/W Ownership	Committed Amount
Brightwood Capital Advisors	African-American	100%	\$ 400,000,000
Stellex Capital Management	African-American	51%	300,000,000
Clearlake Capital Partners	Hispanic	57%	50,000,000
Pacific Alternative Asset Management	Women/African-American/Hispanic/Asian-American	45%	315,000,000
Opportunistic Investment Direct Investments MWBE Total			\$ 1,065,000,000

Manager of Managers

As of March 31, 2018.

Pine Street Alternative Asset Management, an Emerging Manager Program Partner, began its relationship with the Fund in 2013.

Direct Fund Investment

Firm	MWBE Status	M/W Ownership	Est. Market Value
Pine Street Alternative Asset Management	African-American Asian-American Women	100%	\$ 104,477,618
Manager of Managers, Pine Street Asset Management MWBE Total			\$ 104,477,618

Note: The market value above represents commitments that were originally \$200 million.

Sub-Fund Investments*

Firm	MWBE Status	M/W Ownership	Est. Market Value
BCK Capital	Asian-American Woman	100%	\$ 56,766,117
BHC Marco	African-American	51%	49,711,501
Pine Street Alternative Asset Management MWBE Total			\$ 104,477,618

* The New York State Common Retirement Fund often uses fund-of-funds (FoF) or manager-of-managers (MoM) asset managers as an Emerging Manager Platform to invest capital on its behalf. In many cases, these Emerging Manager Platforms are MWBEs that invest partially or exclusively in other MWBE (Sub-Fund) Asset Managers. Emerging Manager Platforms are not required to invest in only MWBE Sub-Funds.

Broker/Dealers

Broker/Dealers

As of March 31, 2018.

The following broker/dealers were utilized for strategies managed internally during the fiscal year.

Equity

Firm	MWBE Status	M/W Ownership
Blaylock Beal Van, LLC	African-American	90%
Cabrera Capital Markets, Inc.	Hispanic Women	77%
Great Pacific Securities, Inc.	Hispanic	51%
Guzman & Company	Hispanic Women	100%
Loop Capital Markets	African-American Women Asian-American Hispanic	100%
Siebert Cisneros Shank	African-American Women Hispanic	93%
Samuel A Ramirez & Company, Inc.	Hispanic	86%
Sturdivant and Company, Inc.	African-American Women	80%
Williams Capital Group, LP	African-American Asian-American Women	88%

Fixed Income

Firm	MWBE Status	M/W Ownership
Cabrera Capital Markets, Inc.	Hispanic Women	77%
Castleoak Securities	African-American	52%
Great Pacific Securities, Inc.	Hispanic	51%
Loop Capital Markets	African-American Women Asian-American Hispanic	100%
Siebert Cisneros Shank	African-American Women Hispanic	93%
Williams Capital Group, LP	African-American Women	88%

Service Providers

Consultants

As of March 31, 2018.

Firm	MWBE Status	M/W Ownership
Lenox Park Solutions	African-American Hispanic	57%
RVK Inc.	African-American Asian-American Women	50%
Wilshire Associates, Inc.	African-American Women	32%

Law Firms

As of March 31, 2018.

Firm	MWBE Status	M/W Ownership
Foster Pepper, LLC	Women African-American Native American Asian-American	28%
Berman DeValerio Pease Tabacco Burt & Pucillo	Women	39%
Lieff Cabraser Heimann & Bernstein, LLP	Women African-American	31%
Milberg LLP	Women	50%
Orrick, Herrington & Sutcliffe LLP	Women African-American	60%

Supplemental Information

Emerging Manager Program

The New York State Common Retirement Fund's Emerging Manager Program began in 1994 with an allocation of \$49 million to Progress Investment Management Company, a minority- and women-owned firm. As of March 31, 2018, the Progress Investment portfolios had a market value of over \$1.2 billion, which is invested with emerging investment managers, many of which are traditional MWBEs or substantially owned or operated MWBEs.

In October 2007, Comptroller DiNapoli stated: "One of my top priorities has been to expand the diversity of our manager pools. The firms in our Emerging Manager Program, the majority of which are women- and minority-owned, have proven to be more entrepreneurial, focusing on smaller ends of the market. These investments have created a stabilizing force for the Fund."

Today, the Fund utilizes 11 manager-of-managers Emerging Manager Program partners in order to deploy capital to emerging investment managers. The partners help us identify emerging managers in the public equity, private equity, absolute return, opportunistic, and real estate asset classes. In addition, the Emerging Manager Program makes select direct investments with managers in the real estate, fixed income and opportunistic asset classes.

Program Overview

As of March 31, 2018. (Dollars in Millions)

Asset Class	Type of Investment	Total Assets
Public Equities	Emerging Manager Program Partners	\$ 2,903.8
Fixed Income	Direct	\$533.0
Private Equity	Emerging Manager Program Partners	\$980.2
Private Equity Co-Invest	Emerging Manager Program Partners	\$250.0
Absolute Return	Emerging Manager Program Partners	\$222.8
Opportunistic	Direct & Emerging Manager Program Partners	\$404.5
Real Estate	Direct & Emerging Manager Program Partners	\$900.0
Total		\$ 6,197.6

Market values are primarily utilized for measurement of Total Assets above. For select Opportunistic, Real Estate and Private Equity vehicles, commitment values are utilized, as indicated further in the report. Committed values are only utilized for vehicles in the active period of investing where market value is not representative of the contractual nature of the full relationship with the MWBE participant.

As of March 31, 2018, investment firms participating in the Emerging Manager Program managed an estimated \$6.2 billion in assets for the Common Retirement Fund. The Emerging Manager Program was established to:

- Invest in newer, smaller and diverse investment management firms;
- Access the next generation of talent in the investment field; and
- Provide opportunities for the CRF to invest with qualified traditional MWBEs and MWBEs substantially owned or operated by minorities or women.

The Emerging Manager Program partners, detailed in the next table, extend our emerging manager platform. They include Progress Investment Management, FIS Group, Leading Edge Investment Advisors, HarbourVest Horizon, Muller and Monroe, Farol Asset Management, Artemis Real Estate Partners, The Rock Creek Group, Stepstone Group, JP Morgan and Pine Street Alternative Asset Management. These Program partners have enabled the Fund to cultivate, develop, and incubate the next generation of external investment managers as candidates for transition into the core portfolio.

Over the last 20 years, the CRF has transitioned 18 managers from the Emerging Manager Program, including thirteen MWBEs from the Emerging Manager Program's portfolio, into the CRF's core portfolio.

Firms seeking to explore opportunities with the Emerging Manager Program may utilize multiple avenues. Strategy materials and details may be sent to emergingmanager@osc.ny.gov In addition, contact information for the Emerging Manager Program partners is detailed on the Emerging Manager Program website under "Our Program" at www.osc.state.ny.us/pension/emerging.

Emerging Manager Program Partners

Managers of Managers

As of March 31, 2018.

Based on Current Market Value. (Dollars in Millions)

Manager of Managers	MWBE Ownership	MWBE Categories	Program Type	Est. Market Value
FIS Group	68%	African-American Asian-American Pacific Islander	Global Equity	\$ 1,257.3
Leading Edge Investment Advisors	100%	Asian-American	U.S. Equity Small and Mid Cap	417.9
Progress Investment Management Company	98%	African-American Women Asian	Global and U.S. Equity Mid Cap	1,228.5
The Rock Creek Group	29%	Women Asian-American	Absolute Return	222.8
Pine Street Alternative Asset Management	100%	African-American	Opportunistic Seed	104.4
Stepstone Group	9%	Hispanic	Legacy Private Equity	7.5
JP Morgan Asset Management	–	Non-MWBE	Legacy Private Equity	102.4

Based on Committed Amounts. (Dollars in Millions)

Manager of Managers	MWBE Ownership	MWBE Categories	Program Type	Committed Amount
Artemis Real Estate Partners	75%	Women	Real Estate Joint Venture	\$ 800
HarbourVest Horizon	–	Non-MWBE	Private Equity Fund of Funds	500
Farol Asset Management	100%	African-American	Private Equity Co-Investment Program	250
Muller and Monroe	52%	African-American Women	Private Equity Fund of Funds	440

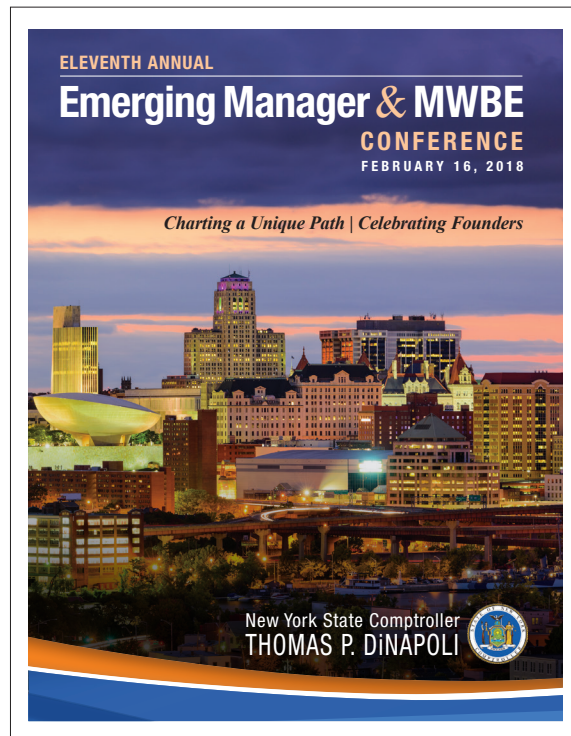
Annual Emerging Manager & MWBE Conference

The New York State Common Retirement Fund hosts its combined Emerging Manager & MWBE Conference annually in February. The conference offers an opportunity for managers to meet with CRF staff and the Fund's investment partners, as well as to network with industry peers, consultants, and other institutional investors. Managers are able to learn how the CRF selects and monitors investment partners and constructs a well-balanced portfolio.

On February 16, 2018, the CRF hosted its Eleventh Annual Emerging Manager & MWBE Conference in Albany, New York. The conference was attended by more than 700 people representing emerging managers and emerging manager investors, many of which were minority- and women-owned business enterprises. In addition, staff members from pension plans in several other states who are interested in replicating our all-asset-class approach attended. In welcoming their guests, Comptroller Thomas P. DiNapoli and Deputy Chief Investment Officer Anastasia Titarchuk outlined the growth of the Emerging Manager Program and emphasized the Fund's abiding commitment to achieving strong investment results.

The keynote speaker was Nina Vaca, Founder and Chief Executive Officer of Pinnacle Group, who detailed her path to growing a successful firm. Anastasia Titarchuk welcomed Dane Holmes, Global Head of Human Capital, Goldman Sachs, and Paige Ross, Global Head of Human Resources for the Blackstone Group for a fireside chat.

Event registration for the February 15, 2019 conference will open in early January 2019. Additional details will be available on the New York State Common Retirement Fund Emerging Manager website: www.osc.state.ny.us/pension/emerging.



Fund Staff Diversity

The Common Retirement Fund’s commitment to diversity extends to our own staff. Our investment team is made up of a diverse group of public servants who bring varying knowledge, experience and viewpoints to work each day. We have provided our own answers to the Lenox Park survey’s diversity categories, utilizing our entire team to represent our ownership of the Fund’s process.

Common Retirement Fund Investment, Legal & Operational Staff

Minority or Women Team Members	Percentage
52 of 74 team members	70%

Composition	Percentage
Women	51%
African American	23%
Asian American and Pacific Islanders	9%
Hispanic	5%

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