

mwbe

Minority- and Women-Owned Business Enterprise

2018-2019 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, 2019.

* For the summary and bill text of this Chapter, see S.6888-C (Hassell-Thompson) / A.9976-C (Peoples-Stokes) from the 2009-10 New York State Legislative Session, available at https://nyassembly.gov/leg/?default_fld=&leg_video=&bn=S06888&term=2009&Summary=Y&Text=Y.

Table of Contents

INTRODUCTION	5
A Message from Comptroller Thomas P. DiNapoli	7
A Message from Interim Chief Investment Officer Anastasia Titarchuk	8
Overview of the New York State Common Retirement Fund	9
SUMMARY / MWBE PARTICIPATION	11
Overview of MWBE Participation	13
Asset Class Total Investments	14
MWBE Participation by Asset Class, 2018 & 2019	15
MWBE Certification Process	17
Guidelines for Certification, Reporting and Cooperation with Other Fiduciary-Controlled Entities	18
DETAIL / MWBE PARTICIPANTS	27
Asset Class Investments and MWBE Participation	29
Public Equities	30
Fixed Income	36
Private Equity	37
Real Estate & Real Assets	42
Absolute Return Strategy	44
Opportunistic Investments	45
Broker/Dealers	46
Service Providers	47
SUPPLEMENTAL INFORMATION	49
Emerging Manager Program	51
Emerging Manager Program Partners	53
Annual Emerging Manager & MWBE Conference	54
Fund Staff Diversity	55

Introduction

A Message from Comptroller Thomas P. DiNapoli

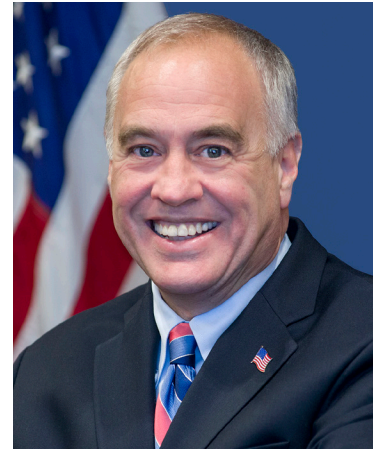
May 2019

As trustee of the New York State Common Retirement Fund, 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, 2019. Currently valued at an estimated \$210.2 billion, the Common Retirement Fund holds and invests assets on behalf of the 1.1 million members and pensioners of the New York State & Local Retirement System.

The Common Retirement Fund has a long history of recognizing the principles of diversity and inclusion in all aspects of its business operations. By building relationships with new, small and diverse firms, creating a level playing field for companies seeking to do business with the Fund, and incorporating a wide variety of experiences and perspectives on our team, we are able to access fresh ideas and innovative strategies in the investment arena. The Fund currently has almost \$21 billion invested with or committed to MWBEs, an increase of over 24 percent since last year. MWBEs now represent almost one-quarter of our externally managed active mandates.

Our search for talented professionals who might represent attractive investment opportunities for the Common Retirement Fund is a continuous process. In addition to hosting an Emerging Manager & MWBE Conference each year, we maintain relationships with a group of professional associations that appreciate the value and importance of diversity in the financial services industry, such as NAIC, SEO, NASP, New America Alliance, Association of Asian American Investment Managers and others. These efforts facilitate our recruitment of qualified staff, as well as connecting us with a network of promising diverse firms.

Diversity has strengthened our bottom line and our organization as a whole, advancing our mission of keeping the Common Retirement Fund strong and secure, now and in the future. I am proud of our accomplishments, and committed to continuing the progress we have made.



A Message from Interim Chief Investment Officer Anastasia Titarchuk

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. Drawing on a wide range of expertise and perspectives helps the Fund identify and evaluate promising opportunities, tailor its strategies in specific markets, and maintain a sound investment approach over the long run.

New York State's pension fund is regarded as an industry leader in a number of areas, including funding status, sustainable investing and support of diversity. 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. In fiscal year 2018-19, our total MWBE investments and commitments grew substantially, from over \$16 billion to approximately \$21 billion. The successes we have achieved offer validation of our approach. We will continue our sustained, patient pursuit of our objectives to expand our network and strengthen our relationships with high-performing MWBEs.

In accordance with the New York State Common Retirement Fund MWBE Asset Management and Financial Institution Strategy enacted in 2010, Comptroller DiNapoli and the Fund's staff have worked to develop a set of best practices to open doors to MWBEs in the financial services industry and encourage competition. The Strategy includes educating diverse market participants about opportunities to do business with the Fund, establishing relationships with highly qualified MWBEs in the investment arena, and building a pipeline of investments and service providers that enable the Fund to reap the benefits of diversity for members, retirees and beneficiaries of the New York State & Local Retirement System.

During his tenure, Comptroller DiNapoli has steadily expanded our Emerging Manager Program, which now operates across all asset classes. In February 2019, we welcomed over 700 diverse investment professionals to Albany for our annual Emerging Manager & MWBE Conference. Guests meet with Fund investment staff and partners to get a detailed, practical understanding of the Fund's process for selecting and monitoring new investments. Diversity has been central to our success, and we look forward to continuing to strengthen the Common Retirement Fund through the inclusion of talented and diverse financial services professionals.



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 is 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 securities.

The sound investment framework provided by the Fund's asset allocation and diversification policies has enabled it to generate competitive risk-adjusted returns and maintain a strong funded status throughout market cycles. The New York State Common Retirement Fund is the third largest public pension fund in the United States, with more than \$210 billion in assets held in trust for pension benefits as of March 31, 2019.

Summary / MWBE Participation

Overview of MWBE Participation

In the 2018-19 fiscal year, the Fund recorded robust growth in its investments with MWBE managers. As detailed in the tables below, total investments and commitments of Fund capital to MWBE partners rose from \$16.8 billion to over \$20.9 billion, an increase of 24.2 percent.

Increases in value over the amounts reported in the previous year were particularly strong in Fixed Income, Private Equity and Opportunistic Investments. Fixed Income investments grew by over 40% with a commitment to Advent Capital. Private Equity MWBE investments grew by over \$1.7 billion, including over \$1 billion in new allocations to Vista Equity Partners, an additional \$500 million commitment to Asia Alternatives and a \$150 million commitment to GenNx360 Capital Partners. Opportunistic Investments increased by over \$600 million, or 53 percent, including new allocations to Vivo Capital, Hollis Park Partners and Strategic Value Partners. The Real Estate & Real Assets asset class also expanded, including the first commitment to an MWBE Real Assets manager, Grain Management.

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 allocations.

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

The 2018-19 results illustrate another important measure of the success of the Fund's MWBE Strategy. Of the \$85 billion of Fund assets that are actively and externally managed, over 24 percent have been allocated to minority- or women-owned businesses, an increase from 20 percent this time last year.

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.

Explanations of the MWBE Certification Process can be found in the section beginning on page 17.

Asset Class Investments and MWBE Participation, Fiscal Year 2019 Figures

As of March 31, 2019. (Dollars in Millions)

Asset Classification	Total Assets Managed by MWBE Managers	Total Assets Managed by Substantially Owned and/or Operated MWBE	Total MWBE Assets	CRF Total Est. Market Value
Public Equities	\$ 7,164.5	\$ 1,281.3	\$ 8,445.7	\$ 113,302.1
Fixed Income	1,508.9	–	1,508.9	48,868.5
Private Equity	6,463.3	1,040.6	7,503.9	19,090.5
Real Estate & Real Assets	1,450.0	–	1,450.0	17,594.8
Absolute Return Strategy	225.5	–	225.5	5,297.2
Opportunistic	1,477.4	315.0	1,792.4	2,760.4
Cash & Other	–	–	–	3,278.4
TOTAL	\$ 18,290.4	\$ 2,636.9	\$ 20,927.3	\$ 210,191.9

As a Percentage of Total Fund Assets	Assets	% MWBE
Total Fund NYSCRF Active & Externally Managed	\$ 85,569.9	24.5%
Total Fund Index or Internally Managed	124,622.0	–
TOTAL FUND	\$ 210,191.9	10.0%

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 & Substantially Owned and/or Operated MWBE Relationships

	Emerging Investment Managers	Investment Managers	Broker-Dealers	Law Firms	Consultants	Total
Total MWBE Relationships	82	32	5	7	4	130

MWBE Participation by Asset Class, 2018 & 2019

Year Over Year Change

(Dollars in Millions)

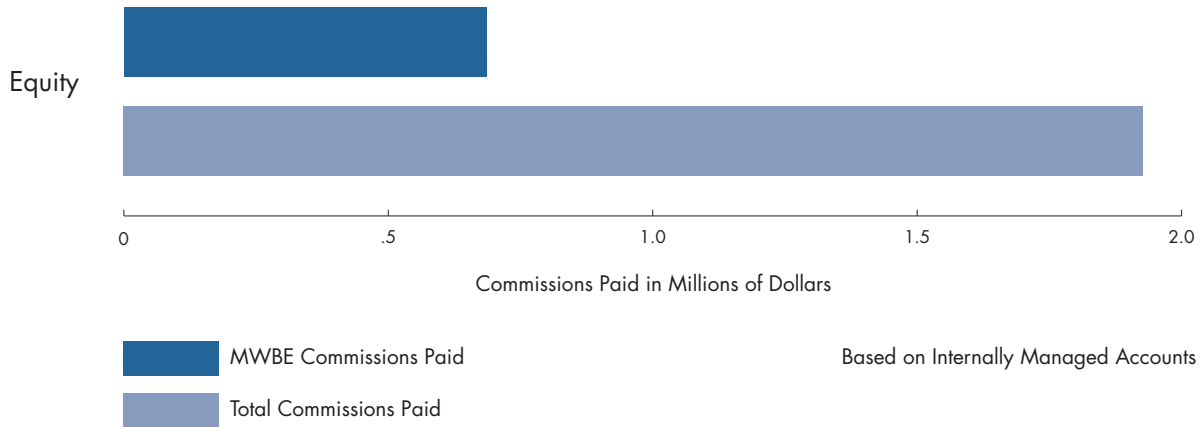
Asset Classification	March 2018	March 2019	% Change
MWBE ASSETS			
Public Equities	\$ 7,307.2	\$ 8,446.6	15.6%
Fixed Income	1,060.3	1,508.9	42.3%
Private Equity	5,781.8	7,503.9	29.8%
Real Estate & Real Assets	1,300.3	1,450.0	11.5%
Absolute Return Strategy	227.1	225.5	-0.7%
Opportunistic	1,169.5	1,792.4	53.3%
Total MWBE	\$ 16,846.2	\$ 20,927.3	24.2%
MWBE Share of Active & Externally Managed	20.4%	24.5%	
FUND ASSETS ("FUND")			
Total Fund Active & Externally Managed	\$ 82,796.5	\$ 85,569.9	
Total Fund Internally Managed or Indexed	124,619.4	124,622.0	
TOTAL FUND	\$ 207,415.9*	\$ 210,191.9	

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: 2018 CAFR

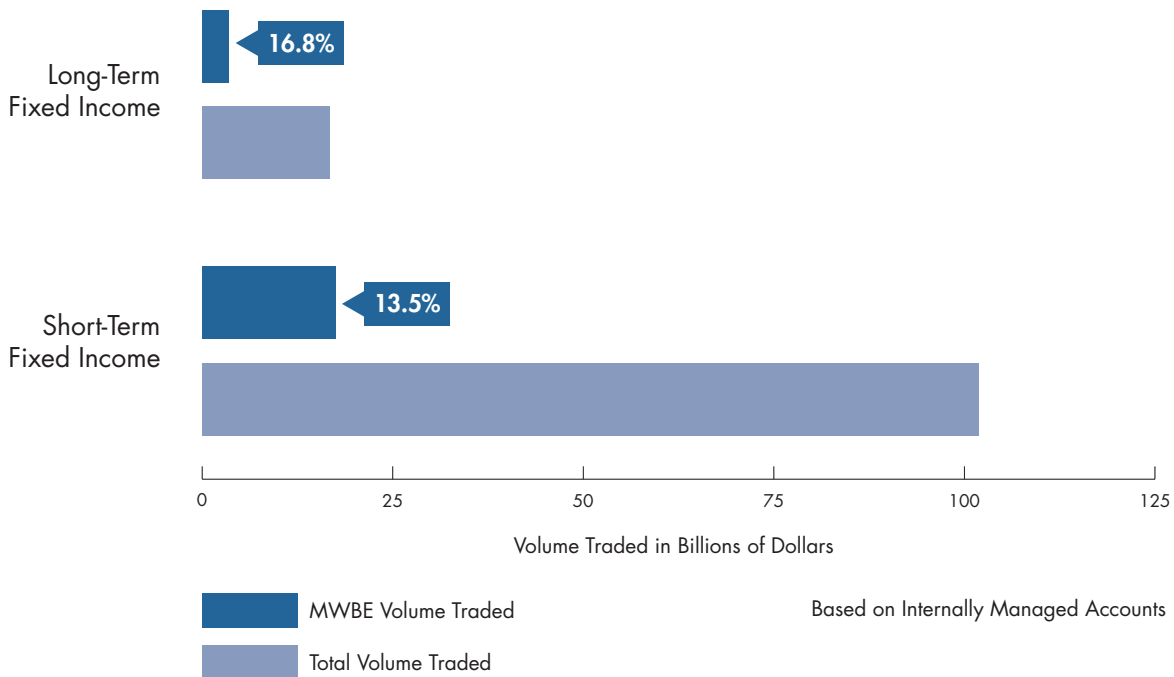
Broker/Dealer Commissions and Volume Traded – Equities

Broker/Dealers (Equity)	MWBEs in Pool	Non-MWBEs in Pool	MWBE Commissions Paid	Non-MWBE Commissions Paid	MWBE Share
Fiscal Year 2019	4	14	\$ 685,927	\$ 1,240,846	36%



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)	4	17	\$ 3,519,688,000	\$ 17,484,263,856	16.8%
Broker/Dealers (Short-Term Fixed Income)	3	15	\$ 13,150,712,000	\$ 84,355,698,000	13.5%



* These two categories are not mutually exclusive.

MWBE Certification Process

The Fund has retained Lenox Park Solutions, an MWBE, to conduct an annual MWBE certification review process of firms doing business with the Fund. As part of its certification review process, Lenox Park surveys 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 fifty-one 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 qualifies as a “substantially owned or operated” MWBE if the firm is at least thirty-three 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 report 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 16, 2019, Lenox Park had received responses from over 86 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 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.

- 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, 2019.

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
AJO	Hispanic / Asian-American / Women	25%	\$ 912,740,436
Brown Capital Management	African-American / Asian-American / Women	100%	1,254,360,675
Channing Capital Management	African-American / Asian-American / Women	100%	279,147,369
Earnest Partners	African-American / Asian-American / Women	61%	1,064,184,055
Penn Capital	Women	55%	385,894,962
Active U.S. Domestic Public Equities MWBE Total			\$ 3,896,327,497

Active International Managers

As of March 31, 2019.

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

Firm	MWBE Status	M/W Ownership	Market Value
Ariel Investments	African-American / Women	72%	\$ 298,457,098
GQG Partners	Asian-American	95%	504,519,084
Active Emerging Markets Equity MWBE Total			\$ 802,976,181

Active Emerging Markets Managers

As of March 31, 2019.

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
RockCreek	Asian-American / Women	100%	\$ 544,357,325
Active Emerging Markets Equity MWBE Total			\$ 544,357,325

Public Equities

Active U.S. Domestic Manager of Managers

As of March 31, 2019.

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

Firm	MWBE Status	M/W Ownership	Market Value
Progress Investment Management	African-American / Asian-American / Women	100%	\$ 664,396,866
Manager of Managers, Progress Investment Management Total			\$ 664,396,866

Progress Managed MWBE Investments*

Firm	MWBE Status	M/W Ownership	Market Value
Denali Advisors	African-American / Native-American / Women	86%	\$ 88,989,380.34
Lisanti Capital Growth	Women	52%	49,682,862.82
Matarin Capital Management	African-American / Hispanic / Women	56%	40,726,754.27
OakBrook Investments	Asian-American / Women	61%	119,161,738.11
Sapience Investments	Asian-American	51%	68,724,745.49
Progress Investment Management Mid-Cap Portfolio MWBE Total			\$ 367,285,481

* 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, 2019.

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

Firm	MWBE Status	M/W Ownership	Market Value
Leading Edge Investment Advisors	Asian-American	100%	\$ 430,346,929
Manager of Managers, Leading Edge Total			\$ 430,346,929

Leading Edge Managed MWBE Investments*

Firm	MWBE Status	M/W Ownership	Market Value
Bowling Portfolio Management	Women	51%	\$ 53,826,805
Granite Investment Partners	Asian-American / Hispanic / Women	34%	64,252,261
Granahan Investment Management	Women	42%	71,337,107
Matarin Capital Management	African-American / Hispanic / Women	55%	63,290,814
Nicholas Investment Partners	Hispanic / Asian-American / Women	54%	32,907,673
Palisades Investment Partners	African-American	100%	38,949,626
Redwood Investments	Women	51%	47,491,857
Phocas Financial Corporation	Asian-American / Women	30%	58,290,785
Leading Edge MWBE Total			\$ 430,346,929

* 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, 2019.

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

Direct Fund Investments

Firm	MWBE Status	M/W Ownership	Market Value
FIS Group	African-American / Asian-American / Hispanic	68%	\$ 1,141,893,331
Manager of Managers, FIS Group Total			\$ 1,141,893,331

FIS Managed MWBE Investments*

Firm	MWBE Status	M/W Ownership	Market Value
Change Global Investments	Women	100%	\$ 57,748,915
Decatur Capital Management	Hispanic	51%	307,009,806
Denali Advisors	African-American/Asian-American/Women	86%	233,665,021
Metis Global Partners	African-American / Hispanic / Asian-American	88%	40,926,280
Redwood Investments	Women	51%	132,734,905
Consilium Investment Management	African-American / Asian-American / Hispanic	68%	16,801,863
FIS Group MWBE Total			\$ 788,886,790

* 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, 2019.

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

Firm	MWBE Status	M/W Ownership	Market Value
Progress Investment Management	African-American / Asian-American / Women	100%	\$ 597,732,327
Manager of Managers, Progress Investment Management Total			\$ 597,732,327

Progress Managed MWBE Investments*

Firm	MWBE Status	M/W Ownership	Market Value
Arga Investment Management	Asian-American	100%	\$ 142,378,491
Ativo Capital Management	African-American / Hispanic / Asian-American / Women	97%	116,893,246
Strategic Global Advisors	Women	51%	189,409,002
Progress Investment Management Global Equity MWBE Total			\$ 448,680,739

* 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, 2019.

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

Firm	MWBE Status	M/W Ownership	Market Value
Goldman Sachs Asset Management	N/A	N/A	\$ 2,629,607,229
Manager of Managers, Goldman Sachs Asset Management (GSAM) Total			\$ 2,629,607,229

Goldman Sachs Asset Management Managed MWBE Investments*

Firm	MWBE Status	M/W Ownership	Market Value
Causeway Capital Management	Hispanic / Asian-American / Women	46%	\$ 368,553,915
GSAM MWBE Total			\$ 368,553,915

* 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, 2019.

The Fund has four 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%	\$ 549,835,809
New Century Advisors	Women	58%	259,993,184
Semper Capital Management	African-American	60%	292,391,312
Advent Capital	African-American	51%	406,652,695
Active Domestic Fixed Income MWBE Total			\$ 1,508,873,000

Private Equity

Direct Investments

As of March 31, 2019.

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%	\$ 200,000,000
Asia Alternatives Private Equity Partners	Asian-American/Women	100%	1,000,000,000
Clearlake Capital Partners	Hispanic	77%	212,000,000
GenNx360 Capital Partners	African-American	100%	150,000,000
Helios Investment Partners	African-American / Asian-American / Women	97%	100,000,000
Francisco Partners	Asian-American	25%	75,000,000
Palladium Equity Partners	Hispanic	53%	150,000,000
Primary Venture Partners (FKA High Peaks)	Asian-American	49%	60,000,000
Vista Equity Partners	African-American / Asian-American / Women	65%	2,950,000,000
ICV Partners	African-American	80%	75,000,000
Siris Capital Partners	African-American	33%	200,000,000
Private Equity MWBE Total			\$ 5,172,000,000

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.

Private Equity

Direct Investments

As of March 31, 2019.

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

Legacy Allocations, Market Values

Firm	MWBE Status	M/W Ownership	Est. Market Value
Acon Funds Management	African-American / Asian-American / Hispanic / Women	28%	\$ 84,979,406
Asia Alternatives Private Equity Partners	Asian-American/Women	100%	347,711,294
Clearlake Capital Partners	Hispanic	77%	18,341,054
Fairview Capital Partners	African-American / Women	100%	39,466,905
Falcon Investment Advisors	Asian-American	57%	11,701,723
GenNx360 Capital Partners	African-American	100%	143,933,486
Grosvenor Capital Management	African-American / Asian-American / Women	26%	56,670,457
Horsley Bridge Partners	Asian-American / Women	52%	3,414,385
Levine Leichtman Capital Partners	Women	51%	6,102,550
Milestone Managers	Hispanic	53%	8,764,226
Palladium Equity Partners	Hispanic	42%	84,748,344
Pine Brook Capital Partners II	Hispanic / Asian-American	30%	170,923,571
Primary Venture Partners (FKA High Peaks)	Asian-American	49%	12,759,012
Vista Equity Partners	African-American	65%	317,651,712
Private Equity MWBE Total			\$ 1,307,168,125

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.

Private Equity

Manager of Managers

As of March 31, 2019.

In 2011, the Fund made a \$240 million commitment to Muller & Monroe, an Emerging Manager Program partner. In 2018, the Fund made additional commitments of \$200 million to Muller & Monroe.

Direct Fund Investment

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

Sub-Fund MWBE Investments*

Firm	MWBE Status	M/W Ownership	Committed Amount
Brightwood Capital	African-American	100%	\$ 15,000,000
Estancia Capital Partners	Hispanic / Asian-American	90%	40,000,000
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	33%	20,000,000
HighBar Partners	Hispanic / Asian-American	100%	22,000,000
NexPhase Capital	Asian-American	51%	20,000,000
Aldrich Capital Partners	Asian-American	100%	20,000,000
Argand Partners	African-American / Hispanic / Asian-American	70%	20,000,000
Wavecrest Growth Partners	Asian-American	50%	20,000,000
Muller & Monroe MWBE Total			\$ 294,000,000

* 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, 2019.

In 2009, the Fund made a \$200 million commitment to HarbourVest Partners, 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 Partners	None	N/A	\$ 500,000,000
Manager of Managers, Private Equity HarbourVest Partners Total			\$ 500,000,000

Sub-Fund MWBE Investments*

Firm	MWBE Status	M/W Ownership	Committed Amount
Clearlake Capital Partners	Hispanic	77%	\$ 30,000,000
DBL Equity Fund – BAEF	Women	97%	7,500,000
Grey Mountain Partners	Asian-American / Women	45%	12,500,000
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	41%	25,000,000
LightBay Capital Partners	Asian-American	50%	25,000,000
Reverence Capital Partners	Hispanic-American	51%	25,000,000
Sycamore Partners	African-American	100%	51,000,000
HarbourVest Partners MWBE Total			\$ 291,200,000

* 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, 2019.

Direct Fund Investment

Firm	MWBE Status	M/W Ownership	Est. Market Value
JP Morgan	None	N/A	\$ 85,204,564
Manager of Managers, JP Morgan Total			\$ 85,204,564

Sub-Fund MWBE Investments*

Firm	MWBE Status	M/W Ownership	Est. Market Value
Falcon Mezzanine Partners	Asian-American	57%	\$ 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			\$ 43,553,976

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

Co-Investment Funds

As of March 31, 2019.

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	75%	\$ 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 & Real Assets

Direct Investments

As of March 31, 2019.

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

Active Allocations, Commitment Values

Firm	MWBE Status	M/W Ownership	Committed Amounts
Avanath Capital Management	African American	60%	\$ 100,000,000
GreenOak	Asian-American	77%	200,000,000
Grain Management	African-American	51%	150,000,000
Real Estate Direct Investments MWBE Total			\$ 450,000,000

Real Estate

Emerging Manager Equity Joint Venture Program

As of March 31, 2019.

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.

In 2018, a \$200 million investment was made to Artemis Real Estate Partners Income and Growth Fund.

Direct Fund Investment

Firm	MWBE Status	M/W Ownership	Committed Amount
Artemis Real Estate Partners	Women	70%	\$ 1,000,000,000
Manager of Managers, Real Estate Partners Equity Joint Venture MWBE Total			\$ 1,000,000,000

Sub-Fund MWBE Investments*

Firm	MWBE Status	M/W Ownership	Fair Value
Basis Investment Group	African-American / Women	100%	\$ 63,025,601
Capstone Asset Management	African-American	51%	54,642,535
CRES Management	Women	51%	7,337,609
Cruzan, LLC	Women	33%	15,880,205
Ellis Partners	Women	50%	10,152,588
Forge Capital Partners	Hispanic / Women	54%	14,622,198
Griffith Properties	Women	67%	29,055,468
Hillcrest Finance	African-American / Women	98%	44,207,664
HN Gorin	Women	100%	48,727,964
Innovo Property Group	Asian-American	60%	18,271,520
Internacional Realty	Hispanic	80%	44,202,803
MCB Real Estate	African-American	54%	35,670,364
Olympus Properties	Hispanic-American	100%	18,149,680
Pillar Commercial	Hispanic-American	100%	21,371,703
Sagebrook Development LLC	Women	100%	11,318,281
Storage Solutions	Asian-American	33%	6,760,850
Artemis Real Estate Partners MWBE Total			\$ 443,397,033

* 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, 2019.

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%	\$ 4,040,880
Absolute Return Strategy Direct Investments MWBE Total			\$ 4,040,880

Manager of Managers

As of March 31, 2019.

RockCreek, 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
RockCreek	Asian-American / Women	100%	\$ 223,885,783
Manager of Managers, RockCreek MWBE Total			\$ 223,885,783

Sub-Fund Investments*

Firm	MWBE Status	M/W Ownership	Est. Market Value
Elizabeth Park Capital Management	African-American	84%	\$ 28,007,414
HG Vora Capital Management, LLC	Asian-American	90%	43,954,130
Hollis Park Partners, LP	African-American / Asian-American	86%	38,944,652
Lomas Capital Management, LLC	Hispanic	55%	40,320,343
Tiger Pacific Capital LP	Asian-American	100%	44,089,758
RockCreek MWBE Total			\$ 195,316,297

* 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, 2019.

The Fund has direct allocations with eight MWBEs in the Opportunistic asset class.

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	77%	50,000,000
Pacific Alternative Asset Management	African-American / Hispanic / Asian-American / Women	36%	315,000,000
Hollis Park Partners	African-American / Asian-American	86%	150,000,000
ADV Partners	Asian-American	51%	175,000,000
Strategic Value Partners	Asian-American	75%	150,000,000
Vivo Capital	Asian-American	84%	150,000,000
Opportunistic Investment Direct Investments MWBE Total			\$ 1,690,000,000

Manager of Managers

As of March 31, 2019.

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	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, 2019.

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

Equity

Firm	MWBE Status	M/W Ownership
Great Pacific Securities, Inc.	Hispanic	51%
Loop Capital Markets	African-American / Asian-American / Hispanic / Women	70%
Siebert Cisneros Shank	African-American / Hispanic / Women	93%
Williams Capital Group	African-American / Asian-American / Women	88%

Fixed Income

Firm	MWBE Status	M/W Ownership
Ramirez & Co.	Hispanic	57%
Great Pacific Securities, Inc.	Hispanic	51%
Siebert Cisneros Shank	African-American / Women / Hispanic	93%
Williams Capital Group, LP	African-American / Women	88%

Service Providers

Consultants

As of March 31, 2019.

Firm	MWBE Status	M/W Ownership
Lenox Park Solutions	African-American / Hispanic / Asian-American	57%
Wilshire Associates, Inc.	African-American / Women	32%
Stockbridge Risk Management	Women	25%
RVK	African-American / Asian-American / Women	50%

Law Firms

As of March 31, 2019.

Firm	MWBE Status	M/W Ownership
Foster Pepper, LLC	African-American / Hispanic / Native American / Asian-American / Women	29%
Berman Tabacco	Women	39%
Lieff Cabraser Heimann & Bernstein, LLP	African-American / Women	33%
Milberg LLP	Women	50%
Orrick, Herrington & Sutcliffe LLP	African-American / Women	60%
Pinckney, Weidinger, Urban & Joyce LLP	Women	75%
Saxena White	Asian-American / Women	51%

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.

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 and also direct investments 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 across asset classes.

Program Overview

As of March 31, 2019. (Dollars in Millions)

Asset Class	Type of Investment	Total Assets
Public Equities	Direct & Emerging Manager Program Partners	\$ 3,137
Fixed Income	Direct	552
Private Equity	Emerging Manager Program Partners	1,059
Private Equity Co-Invest	Emerging Manager Program Partners	250
Absolute Return	Emerging Manager Program Partners	221
Opportunistic	Direct & Emerging Manager Program Partners	552
Real Estate & Real Assets	Direct & Emerging Manager Program Partners	1,250
Total		\$ 7,021

A combination of committed values and estimated 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, 2019, investment firms participating in the Emerging Manager Program managed an estimated \$7.0 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 Partners, Muller & Monroe, Farol Asset Management, Artemis Real Estate Partners, RockCreek, 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 19 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, 2019.

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	\$ 1,142
Leading Edge Investment Advisors	100%	Asian-American	U.S. Equity Small and Mid Cap	430
Progress Investment Management Company	100%	African-American Women Asian	Global and U.S. Equity Mid Cap	1,262
RockCreek	100%	Women Asian-American	Absolute Return	221
Pine Street Alternative Asset Management	100%	African-American	Opportunistic Seed	102
Stepstone Group	–	Non-MWBE	Legacy Private Equity	41
JP Morgan Asset Management	–	Non-MWBE	Legacy Private Equity	85

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	\$ 1,000
HarbourVest Partners	–	Non-MWBE	Private Equity Fund of Funds	500
Farol Asset Management	75%	African-American	Private Equity Co-Investment Program	250
Muller & Monroe	52%	African-American	Private Equity Fund of Funds	440

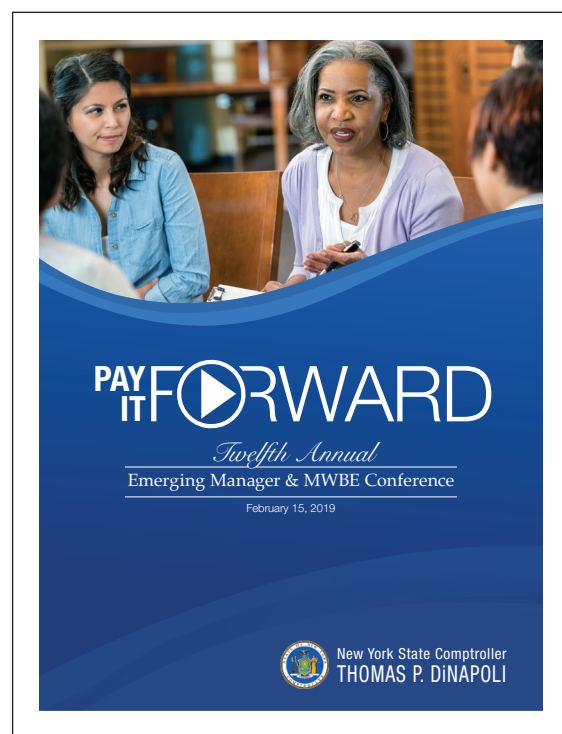
Annual Emerging Manager & MWBE Conference

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 15, 2019, the CRF hosted its Twelfth 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 Interim 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 Frank Baker, Co-Founder and Managing Partner of Siris Capital Group, who detailed his path to growing a successful firm. Sheryl Mejía welcomed Joe Bae, Co-President and Co-Chief Operating Officer, of KKR and Kathleen McCarthy, Senior Managing Director and Global Co-Head of Blackstone Real Estate for a fireside chat.

Event registration for the February 14, 2020 conference will open in early January 2020. 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 varied 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.

As of March 31, 2019.

Common Retirement Fund Investment, Legal & Operational Staff

Minority or Women Team Members	Percentage
54 of 81 team members	67%

Composition	Percentage
Women	44%
African American	15%
Asian American and Pacific Islanders	9%
Hispanic	4%

Contact

Office of the New York State Comptroller
110 State Street
Albany, New York 12236
(518) 474-4040
www.osc.state.ny.us

Prepared by the Division of Pension Investment and Cash Management
For inquiries, please contact: emergingmanager@osc.ny.gov



Like us on Facebook at facebook.com/nyscomptroller
Follow us on Twitter @[nyscomptroller](https://twitter.com/nyscomptroller)