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DATE: AUGUST 17, 2023

TO: CHICAGO TEACHERS' PENSION FUND BOARD OF TRUSTEES

CC: CARLTON W. LENOIR, SR. EXECUTIVE DIRECTOR; FERNANDO VINZONS, CHIEF INVESTMENT OFFICER

FROM: CHERYL R. ROOKS, INVESTMENT COMPLIANCE MANAGER

SUBJECT: 2022 MINORITY, WOMEN, VETERANS AND/OR DISADVANTAGED BUSINESS ENTERPRISE (MWVDBE) BROKERAGE MEMO

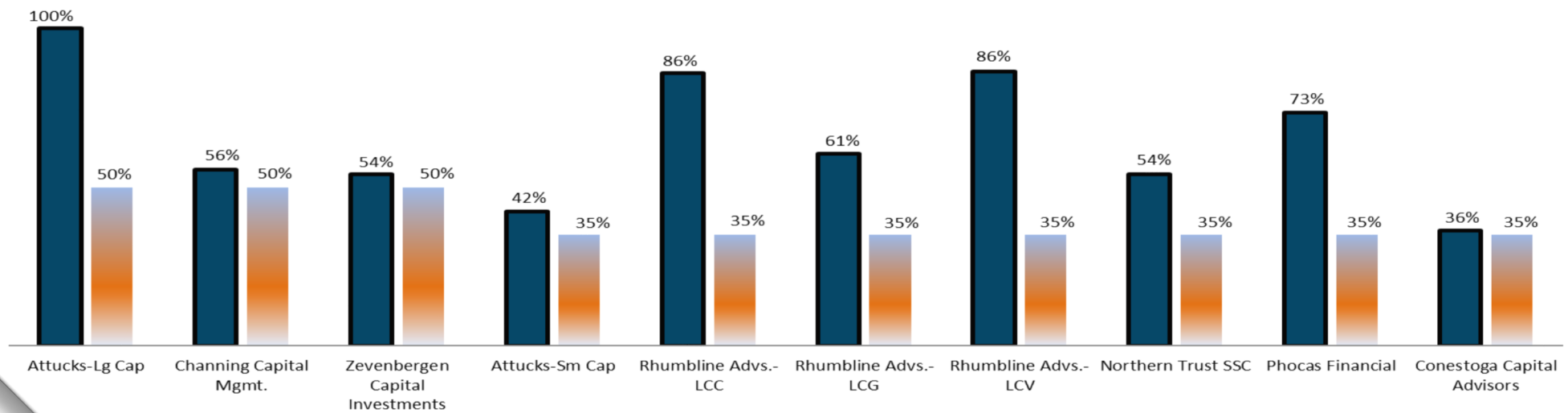
	Total Commissions	MWVDBE Commissions	MWVDBE %	CTPF Goal %
Domestic Equity	\$ 361,587.35	\$ 199,270.56	55%	Large/Mid Cap 50% Small Cap/Passive 35%
International Equity	\$ 3,076,720.44	\$ 576,831.71	19%	Large Cap 25% Small Cap 5%
Total Commissions	\$ 3,438,307.79	\$ 776,102.27	23%	25%
Fixed Income Par Value Traded	\$ 6,751,094,677.60	\$ 2,368,071,508.25	35%	25%

Overview

- As of December 31, 2022, the Fund's Equity investment managers (Domestic and International) **paid \$3.4 Million in total brokerage commissions**; of that, **\$776K or 23% of the total Equity brokerage commissions was paid** to Fund-approved Minority, Women, Veterans and/or Disadvantaged Business Enterprise brokerage firms for the 2022 calendar year.
- For the same period, the Fund's Fixed Income investment managers traded **a total Par Value of \$6.7 Billion; \$2.4 Billion of that Par Value traded** was with Fund-approved Minority, Women, Veterans and/or Disadvantaged Business Enterprise brokerage firms which **represents 35% of the total Fixed Income Par Value** traded for the 2022 calendar year.

CY 2022 Domestic Equity Managers

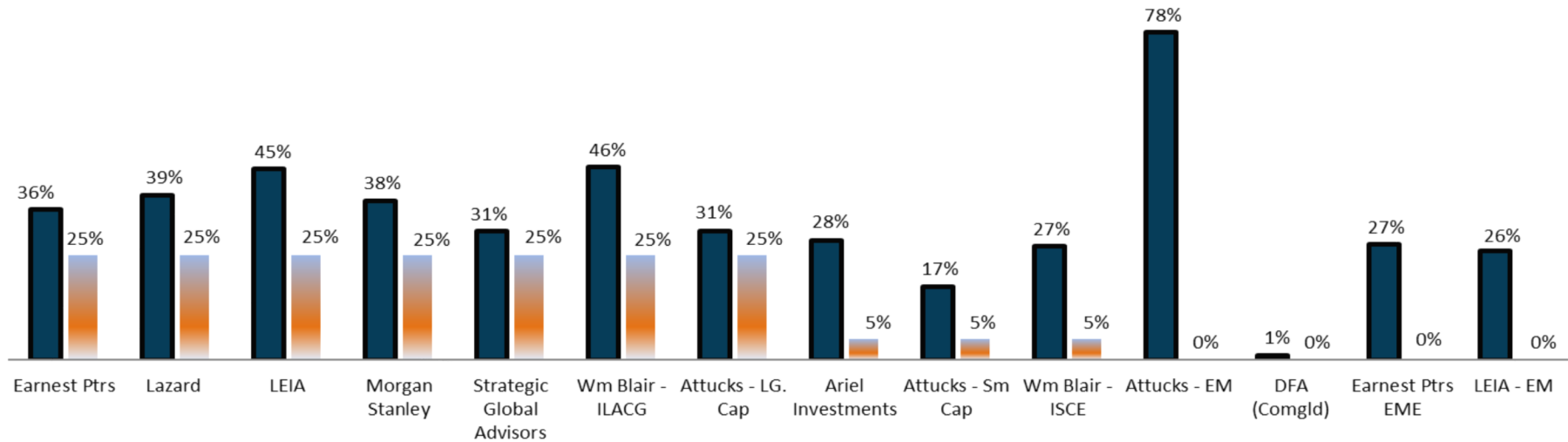
■ MWVDBE Actual % ■ MWVDBE Goal %



- All 7 of the Domestic Equity investment managers (7 Investment strategies) have met or exceeded the Fund's MWVDBE brokerage goals. Total brokerage commissions **paid by Domestic Equity managers during 2022 was \$361K** (Large/Mid Cap equity total of \$201K and Small/Passive Large Cap equity of \$160K); **55% of the total domestic equity commissions** were paid to the Fund's approved MWVDBE brokerage firms. The breakdown of commissions by strategy within the asset class is detailed below.
 - **\$95K or 59%** of the total Large/Mid Cap equity commission dollars were paid to MWVDBE firms. This exceeded the Fund's MWVDBE goal of 50% for this strategy by **9 percentage points**.
 - **\$104K or 52%** of the total Small/Passive Large Cap equity commission dollars were paid to MWVDBE firms. This exceeded the Fund's MWVDBE goal of 35% for this strategy by **17 percentage points**.

CY 2022 International Equity Managers

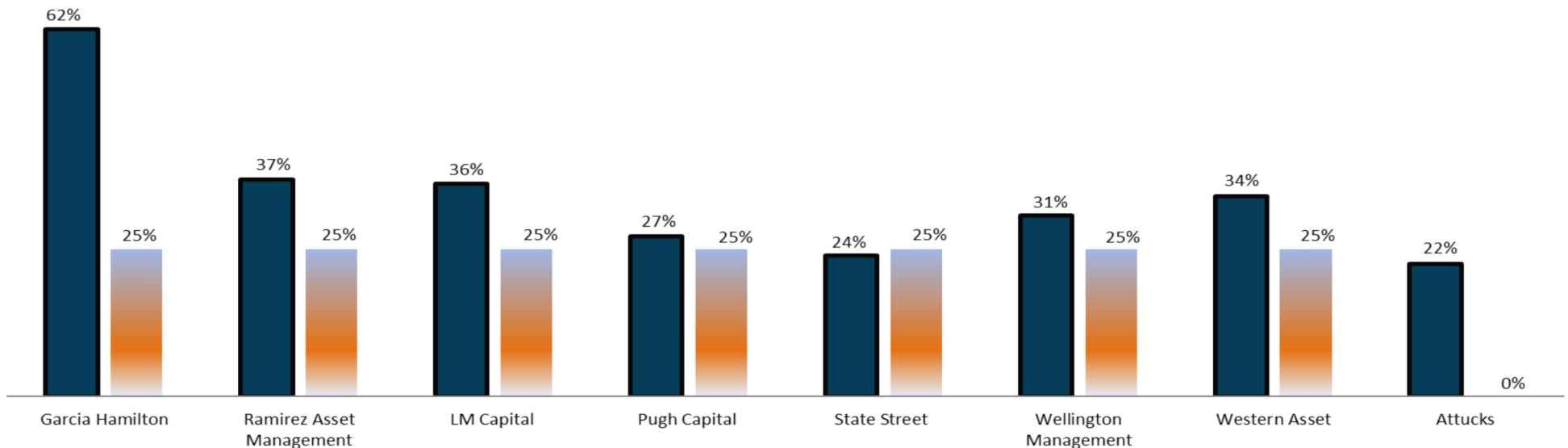
■ MWVDBE Actual % ■ MWVDBE Goal %



- All 8 of the International Equity investment managers (4 investment strategies) have met or exceeded the Fund’s MWVDBE brokerage goals with the Commingled fund (DFA) and Investment Managers with Emerging Markets strategies (Earnest Partners, Attucks, Leading Edge) having a “best efforts” rule. Total brokerage commissions **paid by International Equity managers during 2022 was \$3.1 Million** (All Cap/Large Cap International equity total of \$1.2M, Small Cap equity total of \$210K, and Commingled and Emerging Markets totals of \$1.7K); **19%** of the total international equity commissions were paid to the Fund’s approved MWVDBE brokerage firms. The breakdown of commissions by strategy within the asset class is detailed below.
 - **\$1.2M or 40%** of the total All Cap, Large Cap, and Passive international commission dollars were paid to MWVDBE firms which exceeded the Fund’s MWVDBE goal of 25% for this strategy by **15 percentage points**.
 - **\$210K or 27%** of the total Small Cap international equity commission dollars were paid to MWVDBE firms which exceeds the Fund’s MWVDBE goal of 5% for this strategy by **22 percentage points**.
 - **\$1.7 or 3%** of the total Emerging Markets and Commingled Funds international commission dollars were paid to MWVDBE firms which meets the Fund’s MWVDBE goal of “best efforts” for this strategy.

CY 2022 Fixed Income Managers

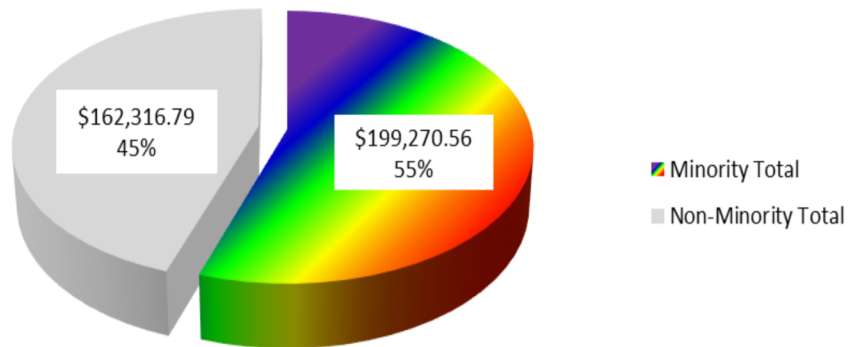
■ MWVDBE Actual % ■ MWVDBE Goal %



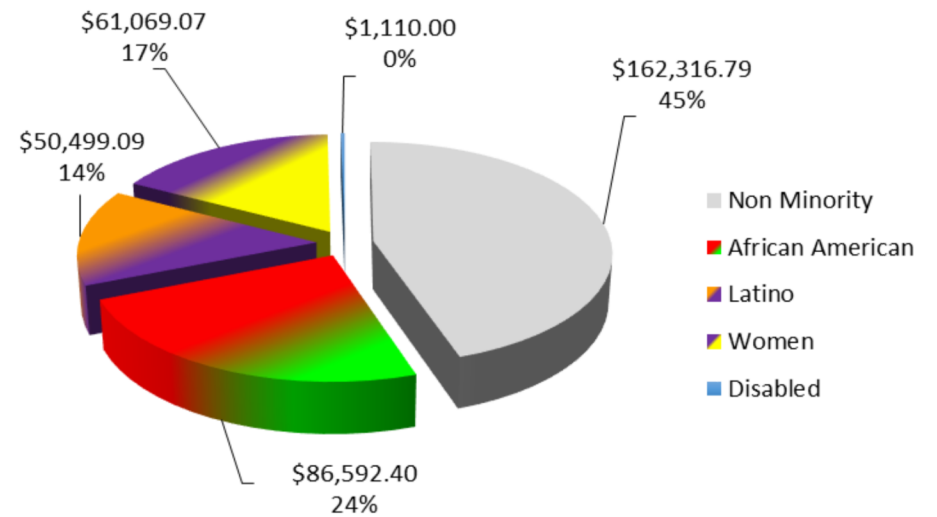
- 7 of the 8 Fixed Income investment managers (3 strategies) have met or exceeded the Fund's MWVDBE brokerage goals. CTPF has a 25% MWVDBE goal for all Fixed Income managers with Attucks having a "best effort" rule as its original Fixed Income strategies were Global TIPS and Emerging Markets Debt. There was a **total of \$6.7B in Fixed Income Par Value traded** during 2022; **\$2.4B** or **35%** of the total Par Value traded was with MWVDBE firms. Overall, the Fund exceeded its Fixed Income MWVDBE goals for 2022 by **10 percentage points**.

Domestic Equity MWVDBE Commission Percentages by Designation

Minority vs Non-Minority %

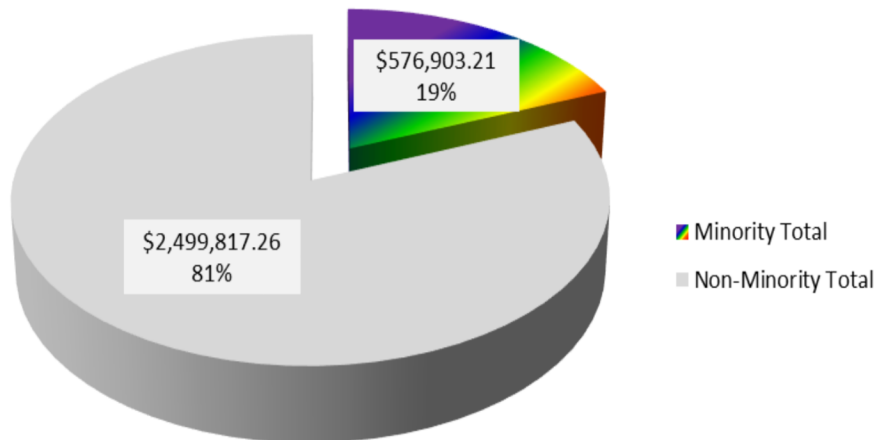


Minority Breakdown %

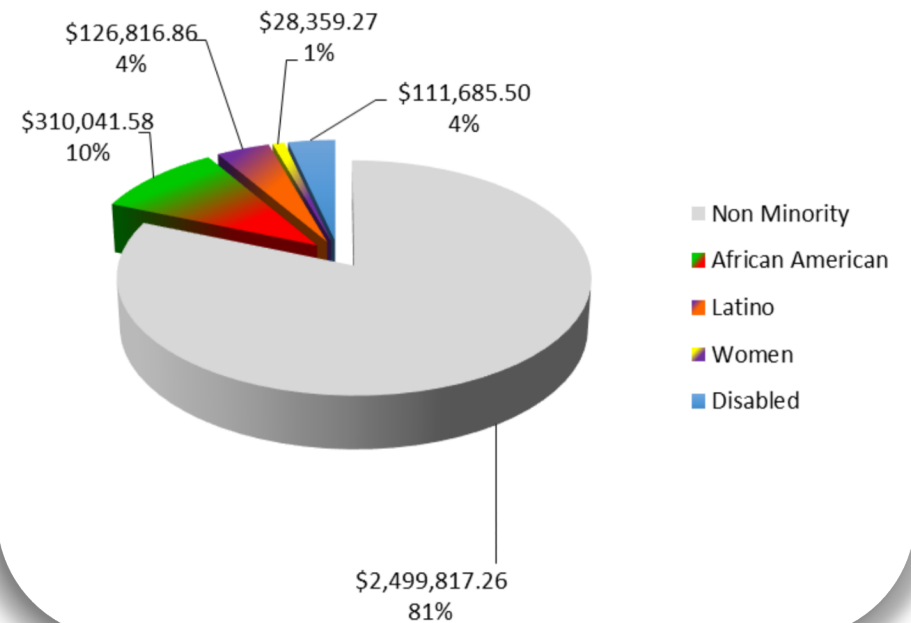


International Equity MWVDBE Commission Percentages by Designation

Minority vs Non-Minority %

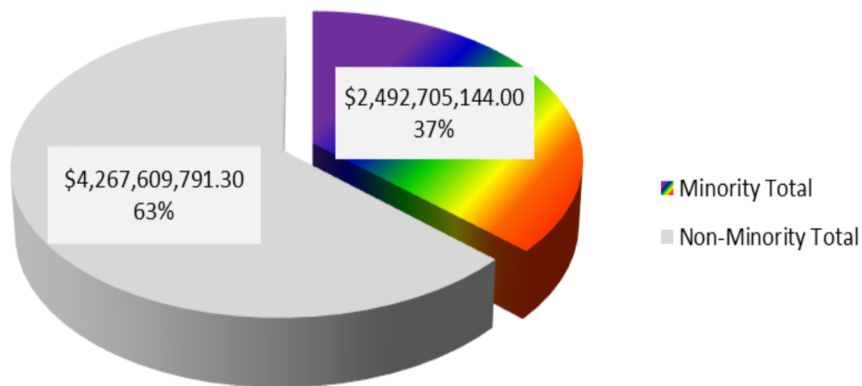


Minority Breakdown %

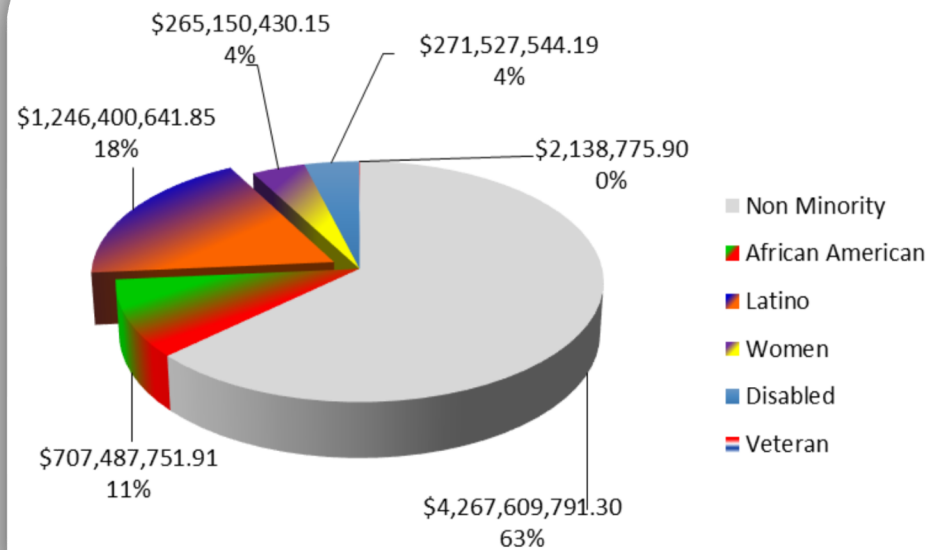


Fixed Income MWVDBE Par Value Percentages by Designation

Minority vs Non-Minority %



Minority Breakdown %



CTPF Approved MWVDBE Broker Participants

	MWDVBE Certification	Headquarter	State Certification	Illinois Office
Academy Securities, Inc.	Disabled (Veteran)	NY	IL	Y
Alamo Capital	Women	CA	IL	Y
Bancroft Capital, LLC	Disabled (Veteran)	PA	IL	Y
Blaylock Robert Van, LLC	African American	NY	IL	Y
Cabrera Capital Markets, LLC	Latino	IL	IL	Y
Castleoak Securities, LP	African American	NY	IL	Y
CL King & Associates, Inc.	Women	NY	IL	N
Drexel Hamilton, LLC	Disabled (Veteran)	NY	IL	N
Falcon Square Capital, LLC	Women	NC	NC	N
Great Pacific Securities	Latino	CA	IL	N
Guzman & Company	Latino	FL	FL	N
Loop Capital Markets LLC	African American	IL	IL	Y
Mischler Financial Group, Inc.	Disabled (Veteran)	CA	CA	Y
Multi-Bank Securities, Inc.	Disabled (Veteran)	MI	IL	Y
North South Capital, LLC	Women	IL	IL	Y
Penserra Securities LLC	Latino	NY	IL	Y
R. Seelaus & Co. Inc	Women	NJ	IL	Y
Rice Securities, LLC	African American	NY	IL	N
Samuel A. Ramirez & Co., Inc.	Latino	NY	IL	N
Siebert Williams Shank & Co., LLC	Women	NY	NY	Y
Stern Brothers & Co.	Women	NY	IL	N
Sturdivant & Co. Inc	African American	NJ	IL	Y
Telsey Advisory Group LLC	Women	NY	IL	Y

Commissions and Par Value – Historical Statistics

Brokerage Year	Total Brokerage Commission		MWDBE Commissions		MWDBE %	Net Change %
2013	\$	5,490,112.93	\$	1,881,036.87	34%	
2014	\$	5,177,918.00	\$	1,557,263.00	30%	-4%
2015	\$	3,363,881.00	\$	1,185,817.00	35%	5%
2016	\$	3,559,966.00	\$	1,432,553.00	40%	5%
2017	\$	3,086,101.00	\$	1,253,660.00	41%	1%
2018	\$	2,797,808.27	\$	1,098,590.29	39%	-2%
2019	\$	1,795,541.18	\$	730,712.56	41%	2%
2020	\$	2,497,269.09	\$	1,138,343.30	46%	5%
2021	\$	2,444,088.23	\$	975,021.64	40%	-6%
2022	\$	3,438,307.79	\$	776,102.27	23%	-17%
Total	\$	30,212,685.70	\$	11,252,997.65		

Brokerage Year	Total Par Value Traded		MWDBE Total Par Value Traded		MWDBE %	Net Change %
2013	\$	4,047,428,400.26	\$	1,323,439,041.92	33%	
2014	\$	4,261,542,446.37	\$	1,359,867,572.86	32%	-1%
2015	\$	3,020,813,662.70	\$	1,119,046,364.30	37%	5%
2016	\$	2,644,499,452.89	\$	992,180,121.37	38%	1%
2017	\$	4,537,965,604.76	\$	1,853,537,029.03	41%	3%
2018	\$	4,875,850,987.34	\$	2,018,457,478.58	41%	0%
2019	\$	6,218,162,220.16	\$	2,082,659,788.45	33%	-8%
2020	\$	7,652,373,554.84	\$	2,577,211,526.19	34%	1%
2021	\$	7,279,336,031.32	\$	2,307,505,072.20	32%	-2%
2022	\$	6,751,094,677.60	\$	2,368,071,508.25	35%	3%
Total	\$	44,537,972,360.64	\$	15,633,903,994.90		