



NEW YORK CITY COMPTROLLER
BRAD LANDER

MWBE and Emerging Manager Pension Investments

Fiscal Year 2024

BUREAU OF ASSET MANAGEMENT

NOVEMBER 2024



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A Message from New York City Comptroller Brad Lander

Dear Reader,

I am pleased to report on the progress the New York City retirement systems have made on investing with diverse and emerging asset managers for Fiscal Year 2024. We started making this data public two years ago, believing that honest, transparent reporting is critical to progress. Since then, we've made great strides.



As Comptroller for the City of New York, my first priority is delivering strong returns for the nearly 800,000 beneficiaries of the City's five public pensions, current and retired municipal employees who have served our city, taught our kids, kept our neighborhoods safe, tended to our families' health, and so much more. For Fiscal Year 2023-2024, we achieved a combined net return of 10.0% across our five Systems, surpassing our 7% actuarial target rate, outperforming many of our peers, and saving New York City \$1.8 billion that we can invest instead in our school, parks, and communities.

Our increased investments in MWBE and emerging asset managers have been a key to this success. Through a rigorous due diligence process and investment program, we have steadily increased our exposure to MWBE and emerging asset managers, all while achieving those strong returns.

Since my tenure as Comptroller began, assets under management by MWBE managers has increased by over \$6 billion, or nearly 40% – from \$16.8 billion (11.65% of actively-managed US assets) at the end of Fiscal Year 2022, to \$19.5 billion (12.7%) at the end of Fiscal Year 2023, to \$23.08 billion (13.3%) at the end of Fiscal Year 2024.

Throughout our portfolio, investment firms owned by people of color and women are among our best performing managers. Our private markets MWBE firms in the Systems portfolio continue to outperform their respective benchmarks with an average public markets equivalent (PME) spread of 5%.

These strong results show that investing in diverse and emerging managers bolster our funds' performance – and that the ongoing political attacks on DEI and ESG are misguided. We continue to deliver wins for our beneficiaries thanks to the best-in-class managers within our diverse and emerging investment program. Our commitment to a continued expansion of this program is based on our real-world experience that prove a diverse portfolio helps ensure the strong, risk adjusted returns that the hundreds of thousands of members and beneficiaries our pension systems serve rely on.

Our performance has been strong in municipal finance as well. During FY 2024, our office contracted with MWBE firms for 26.33% of our bond underwriting, 41.96% of our financial and swap advising, and 22.96% of our bond counsel.

Our commitment to diversity, equity, and inclusion is part of our broader responsible investing approach, paying attention to environmental, social, and governance risks in order to drive strong, long-term returns. This year we invested in the preservation of 35,000 units of rent-stabilized housing and established the first tenant protection standards for investor-owned housing nationwide. We continued to attend to workforce management issues, including freedom of association for workers to organize, leading shareholder efforts at Starbucks and other portfolio companies. Our engagement with some of the world's largest banks persuaded them to disclose key climate transition information for the first time.

This year's strong data and returns underscore our unwavering commitment to building a stronger, more prosperous future and meaningfully moving the needle on diversity, equity and inclusion within financial services.

As we approach 2025, institutional investors are faced with both a *challenge* to stand firm as misguided attacks on DEI and ESG continue and likely even grow, and an *opportunity* to reaffirm our commitment to diverse and emerging asset managers. The onus is on us to ensure that high-quality managers are not left out in the cold and that they have the access to capital and opportunity they need to invest in a better future for all of us.

I am proud of the work that my office is doing on behalf of our five Systems as a leader among our peers as we continue to incorporate diversity as a key performance metric. Thanks go especially to Taffi Ayodele, our Director of Diversity, Equity, Inclusion and Emerging Manager Strategy, to Steven Meier, our Chief Investment Officer, to our Asset Class Heads, and to the hardworking staff of the Bureau of Asset Management staff, who share a vision for a more inclusive and dynamic investment ecosystem, as they work every day to maximize returns and guarantee retirement security for our beneficiaries.

As with each update, and in this moment particularly, I want to reaffirm our commitment to deepening our partnership with diverse and emerging asset managers. We are firmly grounded in the evidenced-based belief that diversity is key to our success and is central to a resilient and profitable investment portfolio.

Sincerely,

A handwritten signature in black ink, appearing to read "B. Lander", with a stylized flourish at the end.

Brad Lander
New York City Comptroller

A Message from Chief Investment Officer Steven Meier

Dear Reader,

Building on last year's achievements, the New York City retirement systems remain steadfast in our commitment to manager diversity as a fundamental component of our fiduciary duty to nearly 800,000 plan participants. Manager diversity is integral to enhancing the long-term value of the City's five distinct pension systems, and evidence continues to demonstrate its correlation with improved investment outcomes. Diversity not only drives performance but also strengthens the diversification strategies essential for achieving our portfolio objectives.



As large institutional investors, we recognize the unique advantage of partnering with a diverse portfolio of asset managers and strategies. Over the past year, our collaborative work with the five boards has reinforced the value diverse-owned firms bring to our portfolios. Rigorous analysis has shown that these managers are driving meaningful gains, underscoring the importance of unlocking access to capital for high-performing, yet historically overlooked, firms.

Supporting diversity, equity, and inclusion (DEI) in investment management goes beyond enhancing our portfolio's performance—it addresses long-standing gaps in representation across the financial services industry. These gaps persist despite clear evidence that diversity fosters innovative perspectives, prudent decision-making, and improved returns. As influential investors, we reject the outdated misconception that prioritizing diversity undermines performance. Instead, we intentionally champion diversity as a strategic imperative, setting a powerful example for the industry to follow.

As of June 30, 2024, the New York City retirement systems collectively invested \$23.08 billion with and committed to diverse managers, representing 13.33% of our U.S.-based actively managed assets. Of this, \$10.36 billion was allocated to emerging managers, many of whom are diverse-owned. These managers are represented across all asset classes, with nearly every asset class experiencing increased investments and commitments over the past year.

We remain committed to advancing these efforts. Looking ahead, we will continue to secure strong risk-adjusted returns for our pensioners while expanding opportunities for diverse-owned and emerging asset managers to demonstrate their ability to deliver exceptional performance. Together, we are building a more inclusive and resilient investment landscape for the future.

A handwritten signature in black ink, appearing to read 'S. Meier', written in a cursive style.

Sincerely,
Steven Meier
Deputy Comptroller for Asset Management and Chief Investment Officer

A Message from Taffi Ayodele, Director of Diversity, Equity, Inclusion and Emerging Manager Strategy

Dear Reader,

As we move forward into 2025, our steadfast commitment to advancing diversity, equity, and inclusion across the financial services industry remains as strong as ever. Building on the accomplishments of the past year, the five New York City retirement systems have continued to make meaningful strides in increasing allocations to Minority- and Women-Owned Business Enterprises (MWBE) and emerging managers. Our belief in the value of emerging and diverse manager programs is unwavering—and supported by evidence. These programs not only work to contribute positively to the portfolio's returns, but also drive tangible economic impact in historically underserved communities and help narrow the racial wealth gap within financial services.



In 2022, we introduced our first comprehensive analysis of our asset managers by race, gender, and size, and the results reaffirmed the strength of our approach. To date, we've seen outstanding performance from diverse and emerging managers who continue to deliver returns that exceed benchmarks, net of fees. We believe this strong performance, alongside the expanding reach of our program, validates our strategy and reinforces the importance of diversity as an integral part of our investment process.

As of this year, we are proud to report over \$27.64 billion in investments and commitments within the Diverse and Emerging Manager Program—representing 13.33% in MWBE investments and 4.78% in Emerging Managers. This milestone reflects the dedicated efforts of our investment team, Emerging Manager Program partners, and the Systems' investment consultants. However, we are not stopping here. Our vision is clear: by 2029, we aim to achieve 20% with MWBE managers and 10% with Emerging Managers, and we are pursuing this goal with purpose and urgency.

In the coming year, we plan to expand our outreach, get approval from the trustees to increase allocations to existing Emerging Manager Program mandates, and explore opportunities to establish new Direct Emerging Programs across asset classes where they currently do not exist. These efforts underscore our steadfast commitment to diversity and our belief in the value it brings to our portfolio and the communities we serve. This work is not a short-term initiative but a core component of our mission—an enduring effort to build a financial ecosystem that is more inclusive and representative of all.

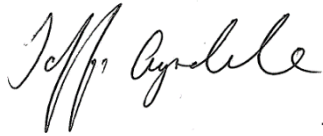
We recognize that there is more to accomplish. The current landscape shows that women-owned firms still only account for 4% of U.S.-based actively managed assets. To bridge this gap, we are working to enhance our strategies and partnerships, strengthening our monitoring and

accountability systems, and working to ensure our investment practices align with the inclusive future we envision.

As we pursue our aspirational goals, we look forward to the continued support of our partners and stakeholders. Together, we are creating a legacy that combines exceptional returns with meaningful progress in diversity and inclusion—delivering both financial value for our pensioners and social value for future generations.

Thank you for your commitment to this shared vision.

Sincerely,

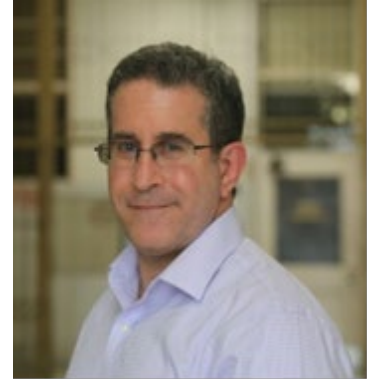
A handwritten signature in black ink, reading "Taffi Ayodele". The signature is written in a cursive, flowing style.

Taffi Ayodele
Director of Diversity, Equity, Inclusion and Emerging Manager Strategy

A Message from Deputy Comptroller for Public Finance F. Jay Olson

Dear Reader,

The Comptroller's Public Finance Bureau, working closely with the Mayor's Office of Management and Budget, oversees the City's debt program and issuance of municipal bonds for capital projects. Debt issuance funds parks, schools, bridges, sidewalks, and the rest of the City's infrastructure throughout the five boroughs. These capital projects benefit all New Yorkers, and MWBEs are an integral part of the debt issuance process, serving as underwriters, advisors, and counsel.



Through its extensive debt issuance program, the City provides growth opportunities for MWBE firms, including the Public Finance Bureau's decades-old policies to partner with MWBE firms in the various roles in the capital financing process to help foster their growth. Over the years, the Comptroller's Office has developed and expanded financing policies and practices to help ensure that MWBE underwriters can grow their capital and staff and compete with bulge bracket firms. These policies have fostered continued reinvestment and growth that has allowed MWBE firms to expand their footprint not only in New York City, but nationally as well.

MWBEs provide their expertise in underwriting, financial advisor, and counsel teams to all of New York City's major bond issuers, and the City continually looks for ways to expand MWBE contribution to the debt issuance program. Providing opportunities for MWBE firms to grow their size and capabilities is essential to the long-term health of the City and further demonstrates that New York City's greatest strength lies in its diversity.

Beyond reflecting the City's population and its values of equity and inclusion, MWBEs provide valuable ideas to improve the City's financial position and debt financing. From additional distribution channels to reach more investors, to innovative financing ideas and alternative credit structures that improve borrowing efficiency, MWBEs are a critical part of the City's debt program.

Responsible debt management ensures New York City's strength and vibrancy for future generations. By continuing its longstanding partnership with MWBE firms, the Comptroller's Office works to ensure that future is shaped by all New Yorkers.

Sincerely,

F. Jay Olson

F. Jay Olson

Deputy Comptroller for Public Finance

Overview of the New York City Retirement Systems and the Bureau of Asset Management (BAM)

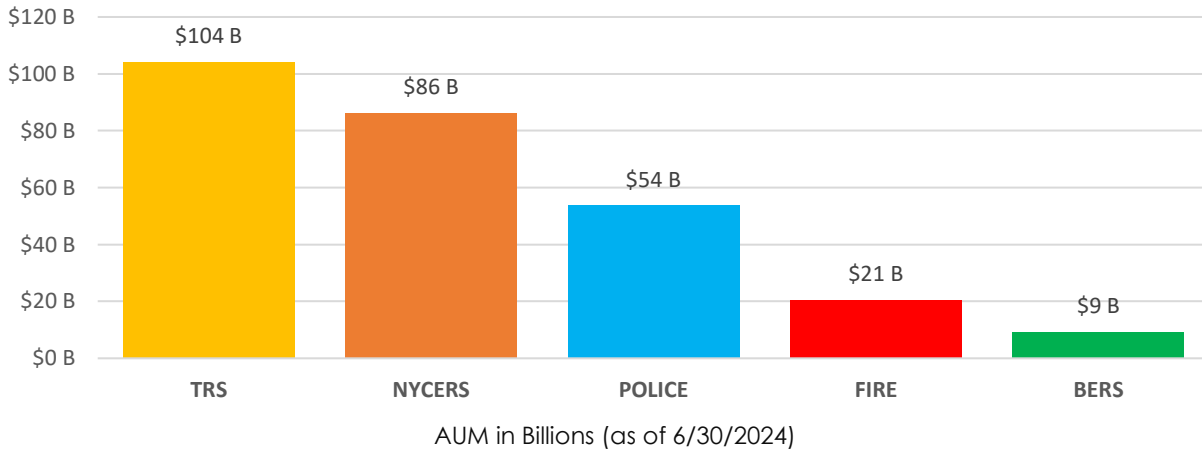
The New York City retirement systems, referred to hereafter as “the Systems,” are the City of New York’s five public pension funds serving nearly 800,000 members and beneficiaries.

As of June 30, 2024, the Systems in aggregate have approximately \$274 billion in assets under management, constituting the third largest public pension plan in the U.S. The five pension funds comprising the Systems are the Teachers’ Retirement System of the City of New York (TRS), the New York City Employees’ Retirement System (NYCERS), the New York City Police Pension Fund (POLICE), the New York City Fire Pension Fund (FIRE), and the New York City Board of Education Retirement System (BERS).

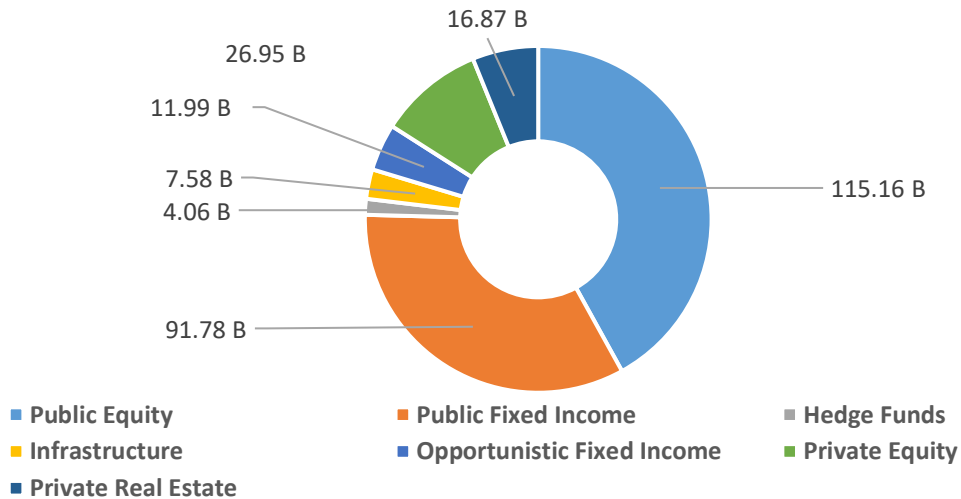
The New York City Comptroller is by law the custodian of City-held trust funds and the assets of the New York City retirement systems and serves as Trustee on each of the funds. The Comptroller is also delegated to serve as investment advisor by all five pension boards. In this role, the Comptroller provides investment advice, implements Board decisions, and reports on investment performance.

The Comptroller’s Bureau of Asset Management oversees the investment portfolio for each system and related defined contribution funds and works closely with the Board of Trustees of each pension fund and their consultants on matters of asset management and allocation for each System. The Systems’ portfolios are managed predominantly by external investment managers, and are largely invested in publicly traded securities, with additional allocations to private equity, real estate, infrastructure, hedge funds, and alternative credit (opportunistic fixed income) investments.

Pension Fund Value



Net Asset Value by Asset Class



	TRS	NYCERS	POLICE	FIRE	BERS	Total
Public Equity	\$46.74 B	\$35.55 B	\$19.98 B	\$8.94 B	\$3.95 B	\$115.16 B
Fixed Income	\$35.93 B	\$29.14 B	\$17.95 B	\$6.14 B	\$2.63 B	\$91.78 B
Private Equity	\$8.98 B	\$9.22 B	\$5.68 B	\$1.92 B	\$1.15 B	\$26.95 B
Real Estate	\$5.66 B	\$5.88 B	\$3.37 B	\$1.19 B	\$754.18 M	\$16.87 B
Alternative Credit	\$4.13 B	\$4.09 B	\$2.46 B	\$879.21 M	\$429.98 M	\$11.99 B
Infrastructure	\$2.89 B	\$2.46 B	\$1.37 B	\$459.36 M	\$399.45 M	\$7.58 B
Hedge Funds		\$771.23 K	\$3.02 B	\$1.04 B		\$4.06 B
Total	\$9.31 B	\$20.57 B	\$86.34 B	\$53.83 B	\$104.33 B	\$274.38 B

Overview of Diversity, Equity and Inclusion in Asset Management

MWBE and Emerging Managers

The Bureau of Asset Management and the New York City retirement systems have a longstanding commitment to prudently increasing their capital allocation to MWBE (minority- and/or women-owned) Managers and Emerging Managers.

The Systems have \$23.08 billion in investments with or committed to MWBE managers as of June 30, 2024. Those investments amount to 13.33% of U.S.-based actively managed assets.

BAM and the Systems also have a program of investing in Emerging Managers to seek the best performing managers, including MWBE managers, that do not typically have access to large institutional investors.

The Systems have a total of \$10.36 billion in investments with or committed to Emerging Manager firms as of June 30, 2024, representing 4.78% of Global-actively managed assets, up from \$9.85 billion in 2023.

MW/DVBE Broker Dealer Program

In 2008, BAM, on behalf of the Systems, established the Minority- and Women-Owned Business Enterprise (MWBE) Brokerage Program, which was expanded to include Disabled Veteran-Owned businesses in 2019 and is now the MW/DVBE Brokerage Program. The program is designed to support opportunity for brokerage firms owned and operated by minorities, women, and disabled veterans to conduct the purchase, sale or exchange of traded securities, consistent with best execution, for external investment managers in Public Equity and Public Fixed Income investing on behalf of the Systems.

Since the inception of the program BAM has maintained a MW/DVBE Brokerage Firm List (“Brokerage List”) on behalf of the Systems, which was designed to assist the Systems’ investment managers with identifying MW/DVBE brokerage firms with relevant experience, organizational stability, regulatory controls, trading capacity and certifications for potential utilization. Investment managers are encouraged to include firms from the Brokerage List in executing trades on behalf of the Systems and to make good faith efforts to achieve certain utilization goals recommended by BAM and approved by Trustees. These goals range from 5% to 30% depending on the sub-asset class and cover U.S. Equity, Non-U.S. Equity, Government & Agencies (Fixed Income), Mortgages (Fixed Income), U.S. Corporate Bonds and High Yield Fixed Income. In choosing to allocate to a manager, the Systems delegate to their investment managers full discretion to select all the brokerage firms that execute trades on their behalf. The Systems and Comptroller require all purchases and sales of securities for the Systems to be made on the basis of best execution.

BAM identifies firms for the Brokerage List by periodically soliciting expressions of interest and evaluating firms. The Brokerage List has 14 firms as of January 2024 and is intended for reference only, not as an exclusive, approved or recommended list of brokers, and does not guarantee trading activity. However, all public equity and public fixed income managers are monitored and engaged throughout the year and encourage to increase their utilization of MW/DVBE brokers.

Diversity, Equity, and Inclusion in Manager Due Diligence

Since 2015, BAM, on behalf of the Systems, has conducted due diligence and annual monitoring of the diversity, equity and inclusion (DEI) policies, practices and characteristics of all investment managers across asset classes. We believe strong diversity, equity and inclusion helps to avoid limitations of groupthink and as shown by extensive research, is correlated with better decision-making, risk management and financial performance. The lack of diversity in the asset management industry and the broader racial and gender wealth gap also present a systemic risk to the economy and markets that can affect the returns we seek to generate for our beneficiaries. New York City government's workforce is among the most diverse in the nation with people of color representing nearly two thirds and women comprising nearly half of the workforce. However, the diversity of investment professionals across the asset management industry is vastly less than that of the Systems' beneficiaries. It is our fiduciary duty to evaluate how investment managers are seeking the best talent available and supporting DEI in their organizations and the investments they manage on behalf of the Systems and to encourage them to address the business case for DEI and the systemic risks of socioeconomic inequality.

BAM includes as part of its ESG due diligence process an evaluation of every investment manager's approach to DEI including the quality of their DEI policies; accountability for DEI; efforts to improve DEI in recruitment, promotion and retention; incorporation of DEI in performance reviews and compensation mechanisms; supplier diversity; efforts to build a diverse pipeline for the investment industry and other factors. In addition, BAM looks at the diversity of the managers' investment committees, investment professionals and progress over time. BAM includes a summary of these topics in the investment memoranda to the BAM Investment Committee and the Systems' Boards of Trustees.

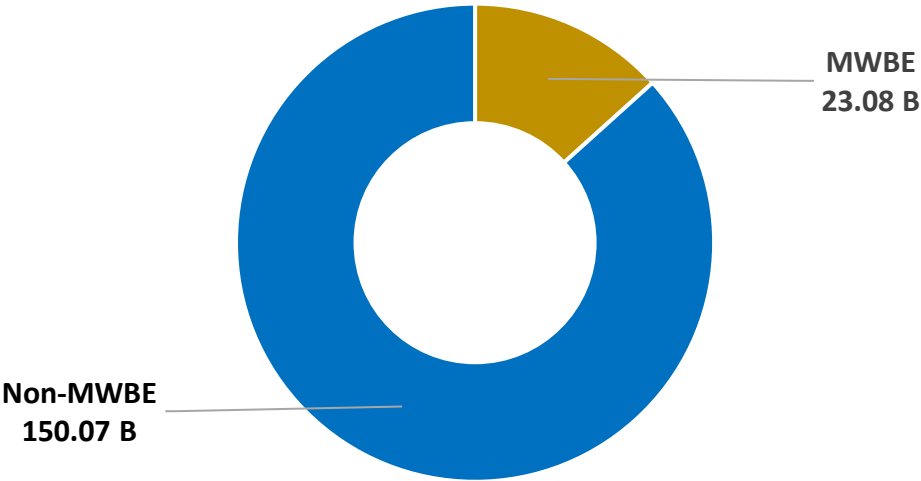
In addition to assessing the organizational DEI policies, practices, and processes of managers, BAM systematically evaluates how managers integrate consideration of financially material DEI issues in the managers' investment process, including pre-investment diligence, portfolio management, engagement and value creation. For private markets managers, BAM asks for the diversity of portfolio companies using the Institutional Limited Partners Association (ILPA) Diversity Metrics Template. Where applicable, BAM evaluates whether and how managers engage their portfolio companies to improve DEI such as monitoring workforce diversity and seeking diversity on their boards. Where BAM identifies material risks, BAM seeks to engage managers as appropriate to encourage best practices on DEI.

Each year, BAM monitors managers' DEI policies and practices. As of 2024, BAM has directly reported DEI information across 17 metrics from 184 managers which make up 92% of the Systems' exposure. The majority of the Systems' managers have goals or aspirations to increase diversity in their own firm and through their investments. The managers for 84% of total exposure have specific processes in place to increase recruitment, hiring, promotion, and retention of diverse and underrepresented groups. 61% of total exposure has a supplier diversity program and 57% of total exposure are committed to promote diversity within the board and senior management of portfolio companies. The majority of the Systems' managers by exposure reinforce their DEI policies by including DEI objectives in their compensation mechanisms and by adopting an equitable pay policy. In early 2025, BAM will begin to use the analytics platform of Lenox Park Solutions to conduct deeper analysis of DEI among the Systems' investment managers, including benchmarking managers and assessing DEI progress over time.

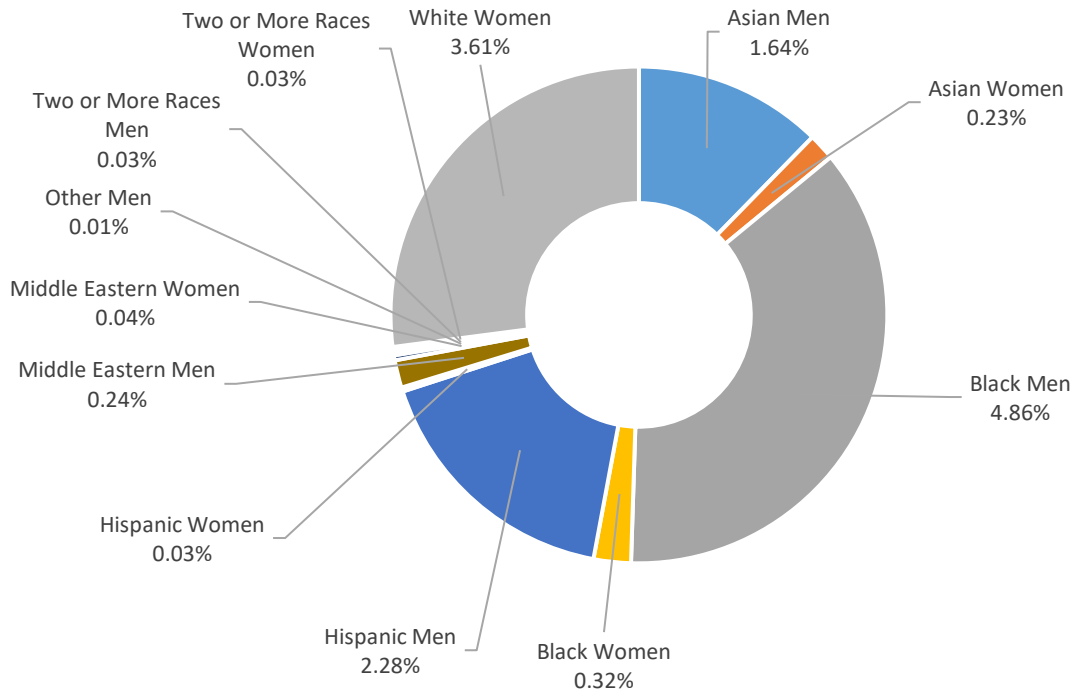
MWBE Managers and Asset Values

Values denote invested and committed assets with US-based MWBEs as of June 30, 2024, as a percentage of US-based actively managed assets.

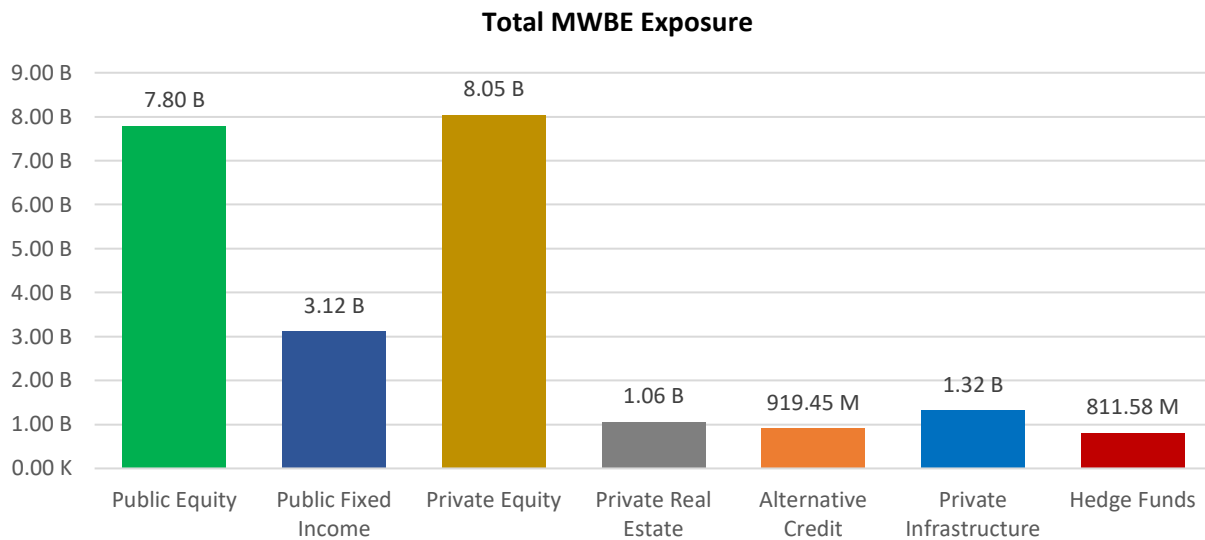
US Actively Managed Assets by Demographic



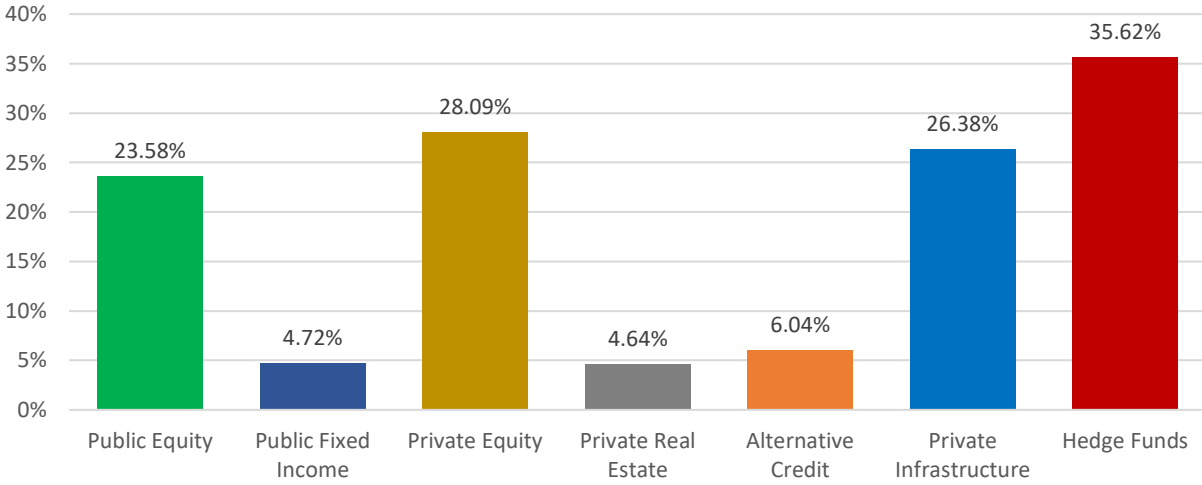
US Actively Managed Assets MWBE Exposure by Demographic



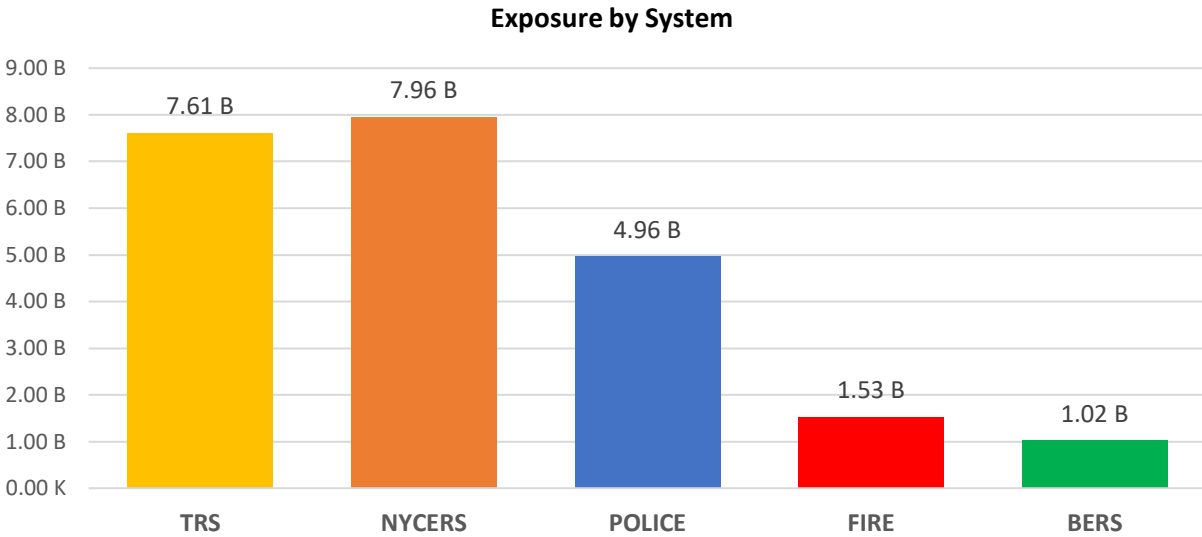
MWBE Exposure by Asset Class



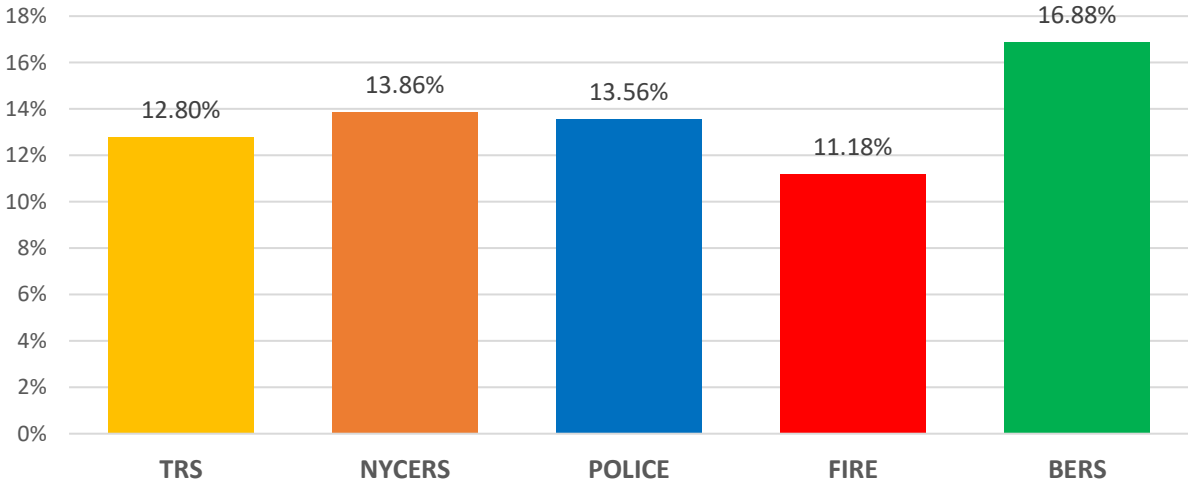
MWBE % of System Exposure



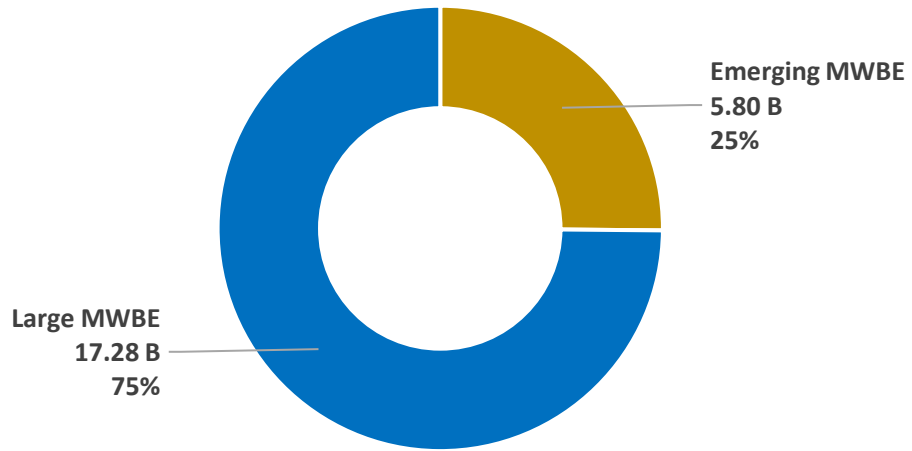
MWBE Exposure by System



MWBE % of System Exposure

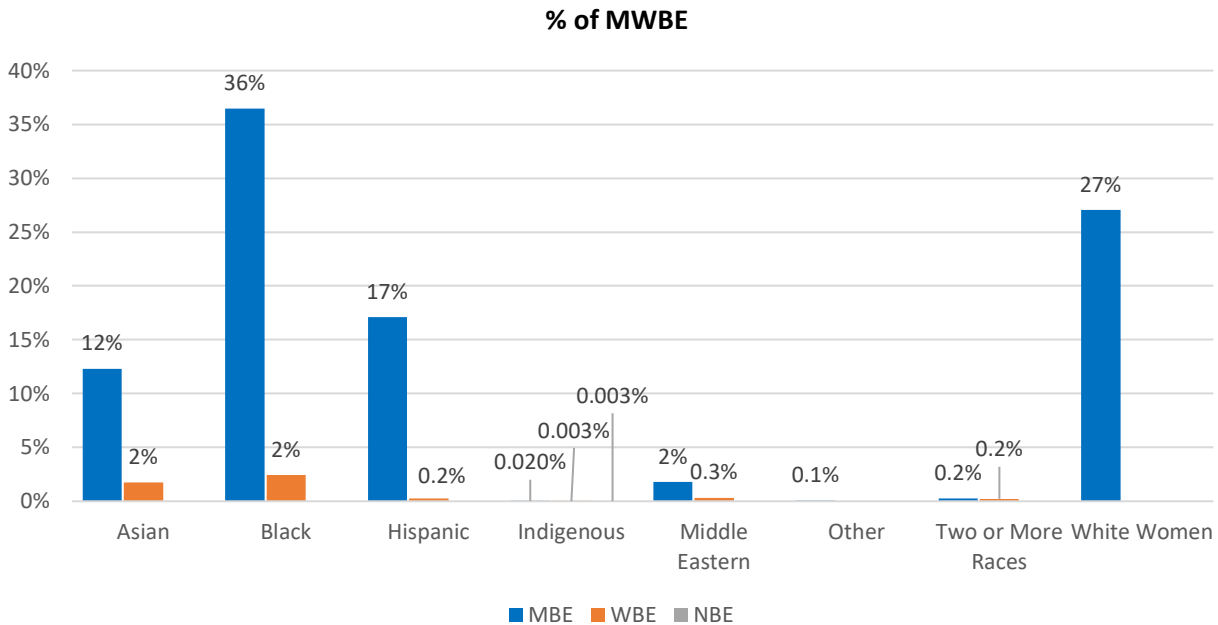
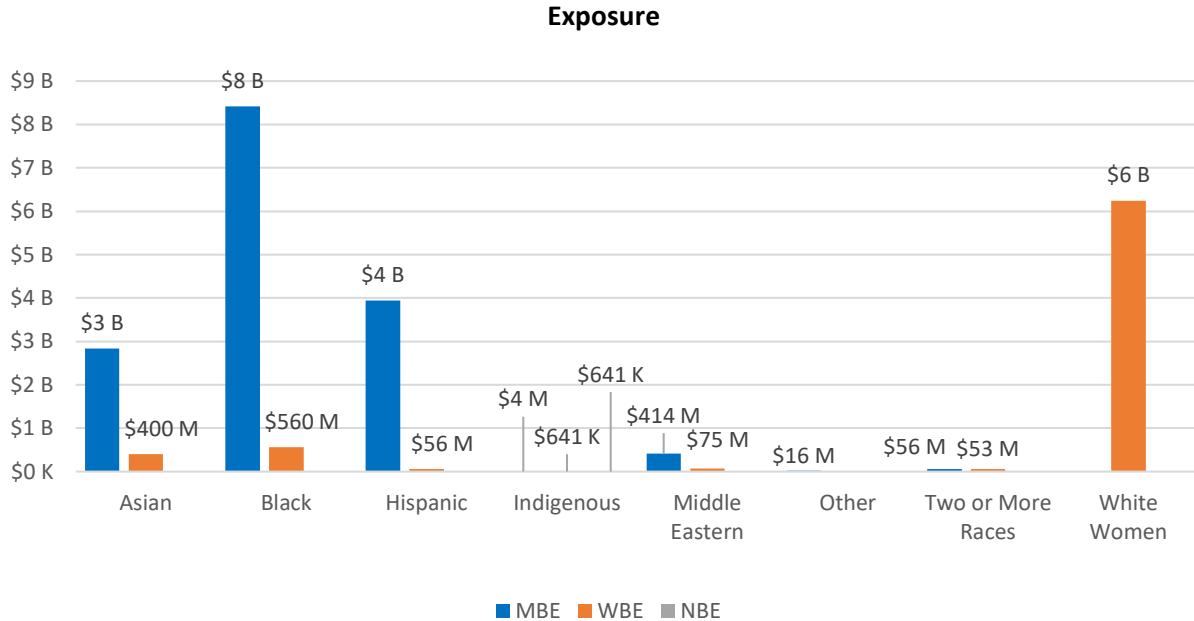


MWBE Exposure by Manager Size



MWBE Exposure by Demographic

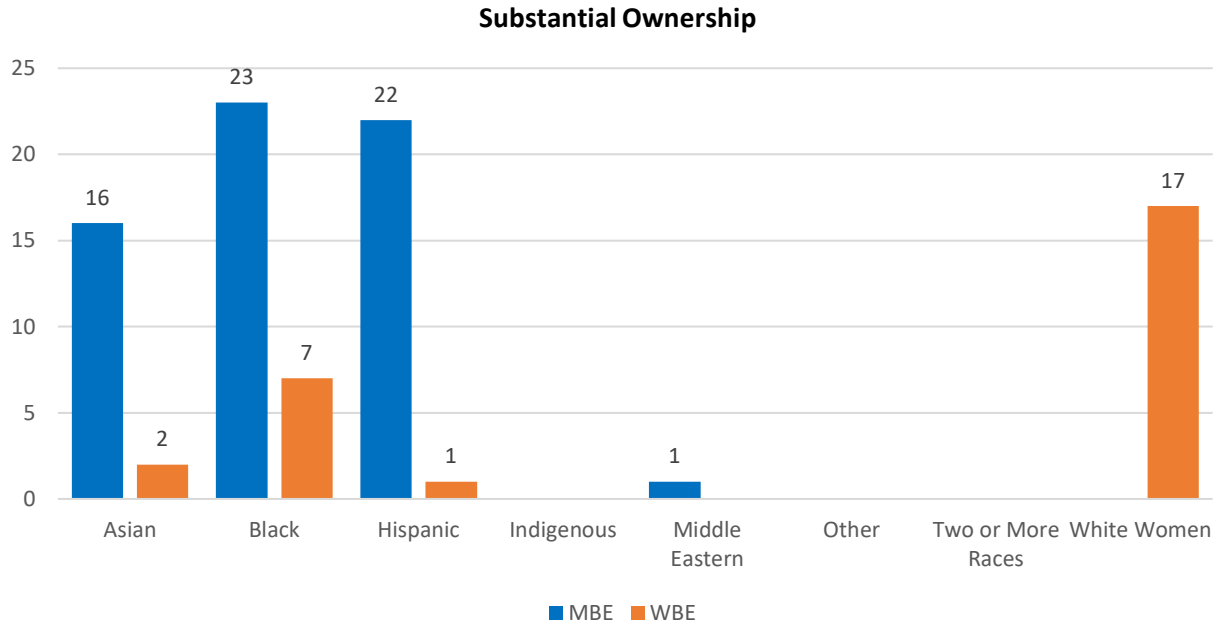
The asset management industry lags financial services in the representation of women. This is evident in the underrepresentation of women-owned asset managers in the Systems' portfolio.



*Asset management firms described as MBE are substantially owned by non-white males. Firms described as WBE are substantially owned by women.

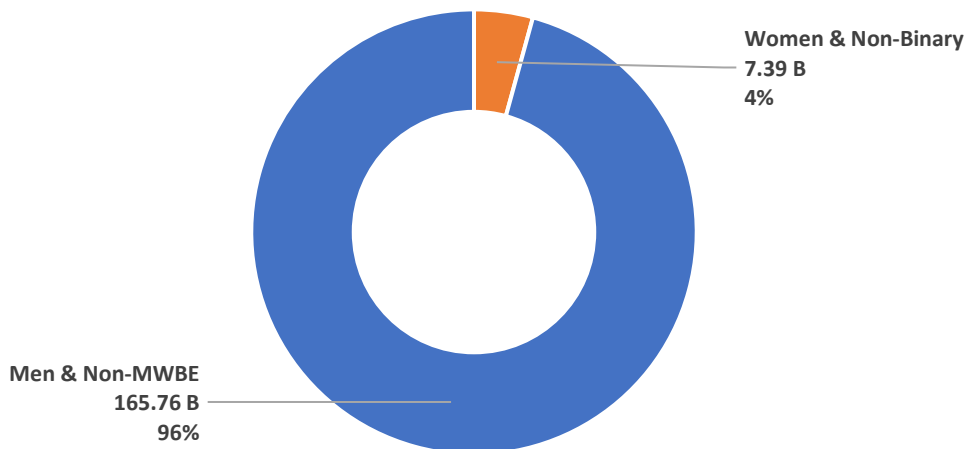
Firms with Substantial MWBE Ownership

Substantial Ownership in the 128 MWBE fund managers (including sub-managers) in the Systems' portfolio can be broken down as follows:

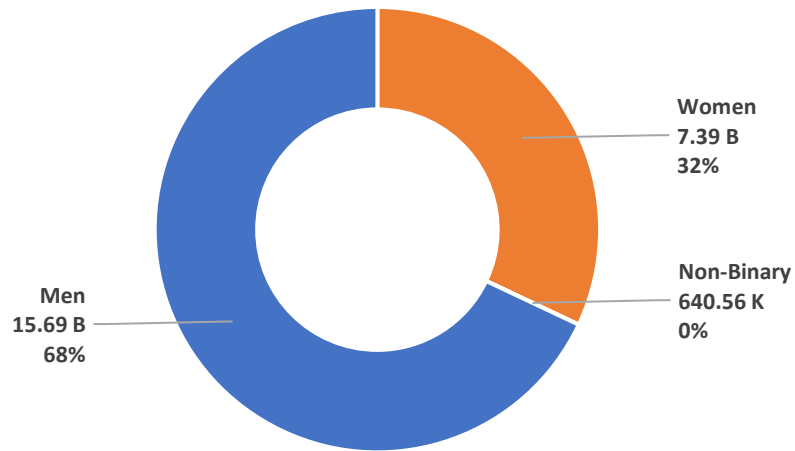


* Firms included in the chart are those with substantial MWBE ownership, defined as at least 25% ownership by women and/or people of color. A firm may be counted in multiple categories if it meets the 25% ownership threshold for more than one group.

US Actively Managed Assets by Gender*

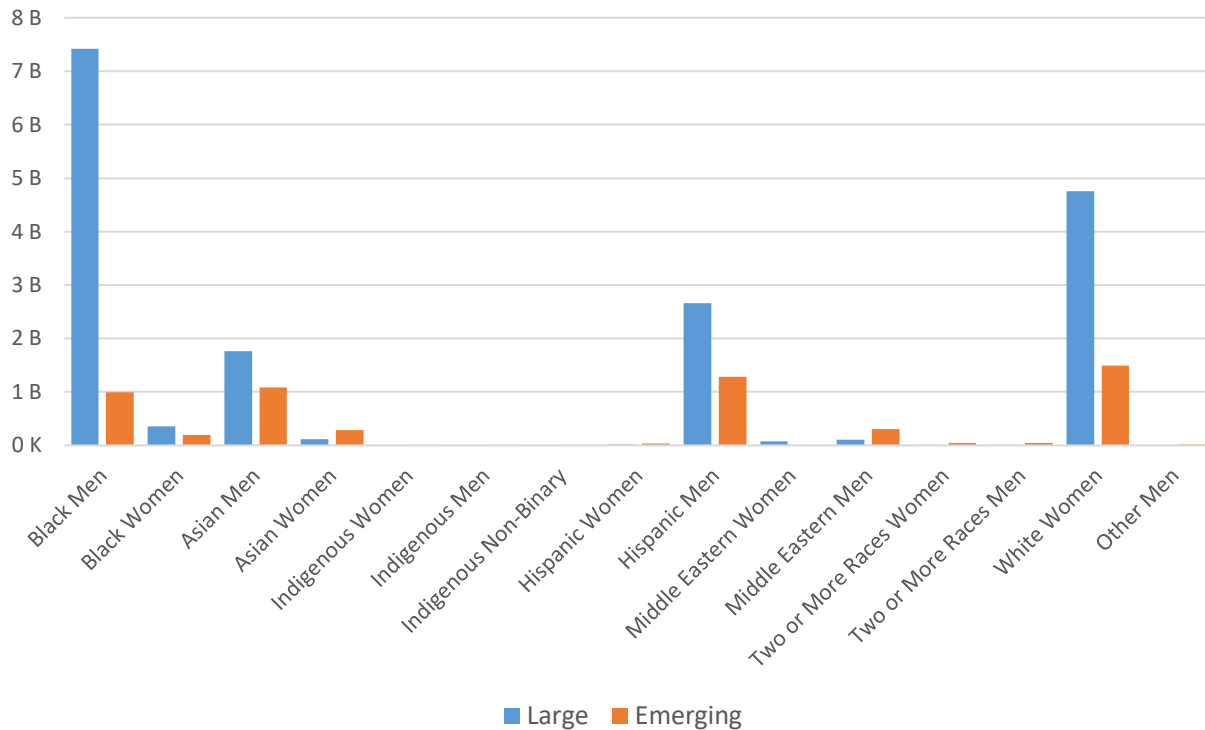


MWBE Exposure by Gender



*Gender: Asset management firms described as MBE are substantially owned by non-white males. Firms described as WBE are substantially owned by women

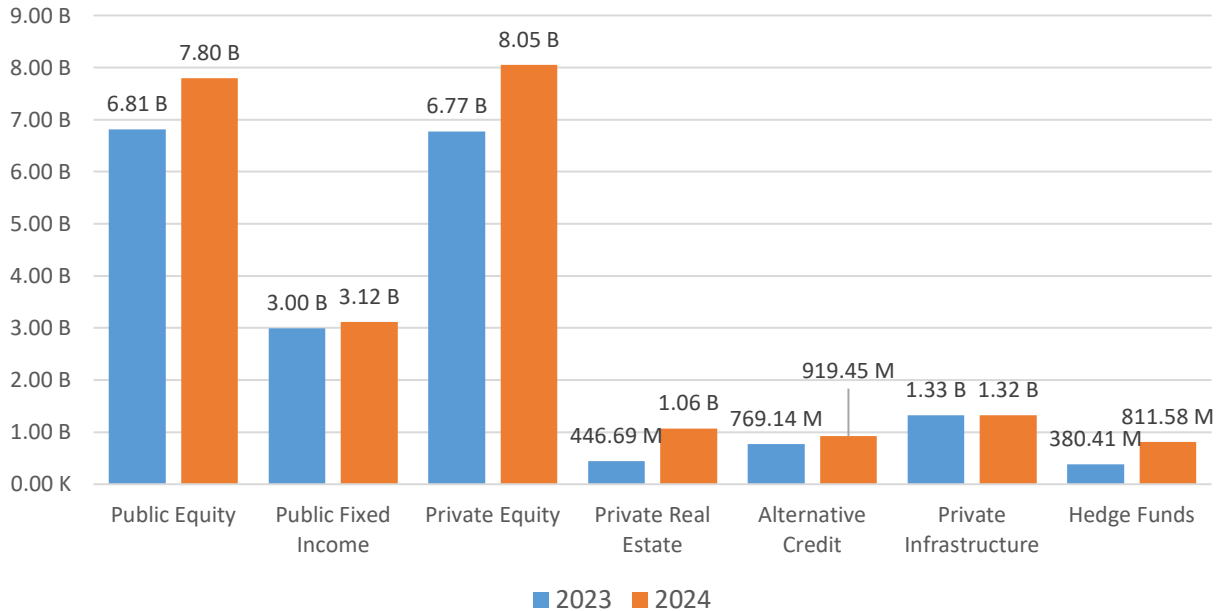
MWBE Exposure by Demographic and Emerging Manager Status



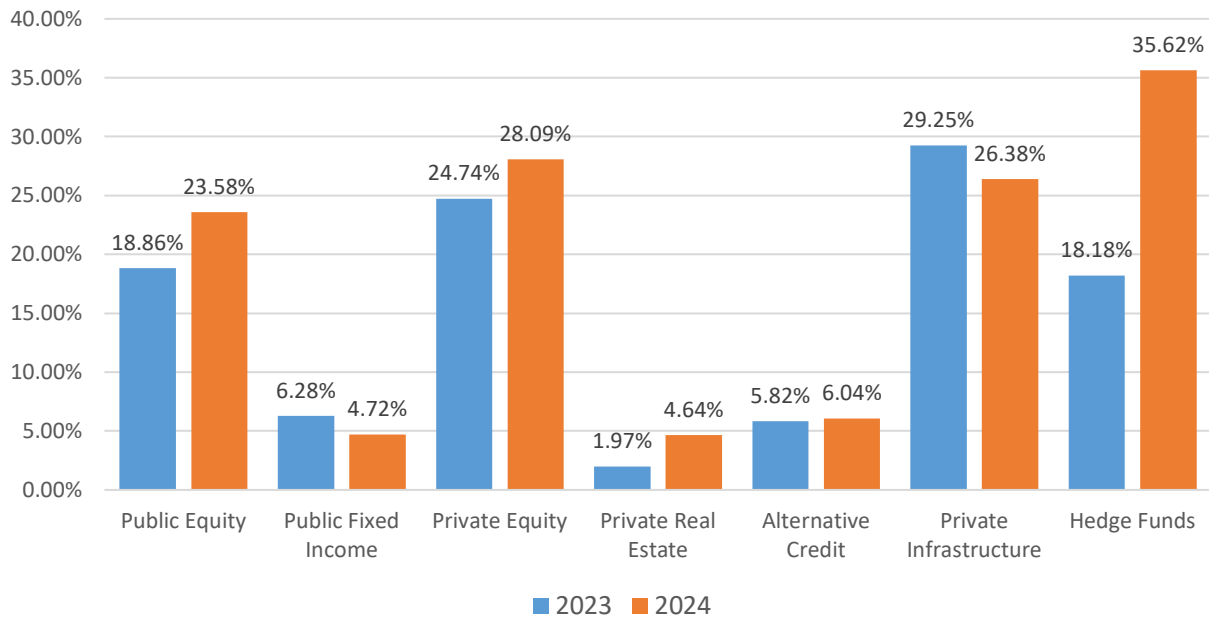
MWBE Exposure by Asset Class Change (2023-2024)

MWBE exposure has grown in nearly every asset class, partially due to increased allocations to emerging managers in Private Equity, Private Real Estate, Alternative Credit and Hedge Funds.

MWBE Exposure by Asset Class Change (2023-2024)



MWBE Exposure by Asset Class Change Percentage (2023-2024)



Key Definitions for MWBE Investments

Here are the existing expectations for what qualifies as a minority and/or women-owned manager differ across asset classes throughout our program, and proposed changes to the definitions.

Current Definitions

- Minority- and Women-Owned Investment Managers (MWBEs) also referred to as Diverse Managers
- Private market firms that are 25%+ owned and controlled by women or members of minority groups (Asian, Black, Hispanic, Middle Eastern, Native American, and Two or More races) who also have demonstrable investment decision-making and/or executive leadership authority
- Public market firms that are 51%+ owned and operated by women and/or any members of minority groups (Asian, Black, Hispanic, Middle Eastern, Native American and Two or More races) who also have demonstrable investment decision-making and/or executive leadership authority

Proposed Changes to Definitions*

- Increase the ownership and control percentage by women and/or any members of minority groups (Asian, Black, Hispanic, Middle Eastern, Native American and Two or More races) from 25%+ to 33%+, which is in line with industry standards.
- Add women and/or any members of minority groups (Asian, Black, Hispanic, Middle Eastern, Native American, and Two or More races) having 33%+ participation in fund economics/carry to the definition as an alternative to firm ownership and control. This is also in line with industry standards

* Proposed changes must be approved by the Systems.

Outreach Efforts for MWBE and Emerging Managers

The System's commitment to and ongoing pursuit of strong performing diverse and emerging managers is evidenced as follows:

Annual Diverse and Emerging Managers Conference

The Annual Diverse and Emerging Managers Investment Conference, hosted by BAM in partnership with the Systems, provides an opportunity to gain insight into the guiding principles and priorities of the Systems for making and increasing investments with diverse and emerging managers. The conference also provides a unique opportunity for potential managers to meet with staff from BAM and other investment partners. The conference highlights the work BAM does on behalf of the Systems to strengthen diversity among our asset managers and the economic value creation that diversity brings. The conference features asset class-specific panel discussions and speed networking sessions that provide diverse and emerging managers the opportunity to meet one-on-one with BAM's investment team, the Systems' Emerging Manager Program partners, and each System's consultants. The Director of DEI and Emerging Manager Strategy is responsible for overseeing all aspects of the conference planning and execution.

Outreach

The Director of DEI and Emerging Manager Strategy attends industry conferences and events throughout the year to:

- Promote the Systems' Emerging Manager Programs
- Strengthen the pipeline of new investment managers
- Nurture relationships with existing managers
- Provide thought leadership on DEI and Emerging Manager Programs

Database

BAM maintains a database of diverse and emerging managers by asset class. The purpose is to log each manager meeting to enable manager information to be tracked over time. This database has 1,500+ manager contacts, as of September 2024.

Building a Pipeline

BAM has an open-door investment meeting policy; therefore we encourage managers to contact us and request meetings at least once a year. Manager engagement is based on the stage of the entrepreneur or fund:

Step 1 - Assess manager stage

Step 2 - Commence follow-up based on manager stage

- Pre-deal/Pre-fund:
 - Share EM Program requirements
 - Talk founder through team, track record, ODD, resources, fundraising, and scalability
- Seedless Sponsor:
 - Introduce to relevant EM Program Partner
 - Talk founder through team, track record, ODD and fund formation
- Fund I, II, III or IV:
 - Introduce to relevant EM Program Partner and other allocators
 - Understand fundraising goals and targets
 - If potential candidate for Direct Emerging, introduce to asset class team and relevant System consultants
- Large/Established Manager:
 - Introduce to asset class team, System consultants, and other allocators
 - Understand fundraising goals and targets
 - Receive feedback from EM Program partner, other allocators, asset class heads, and System consultants

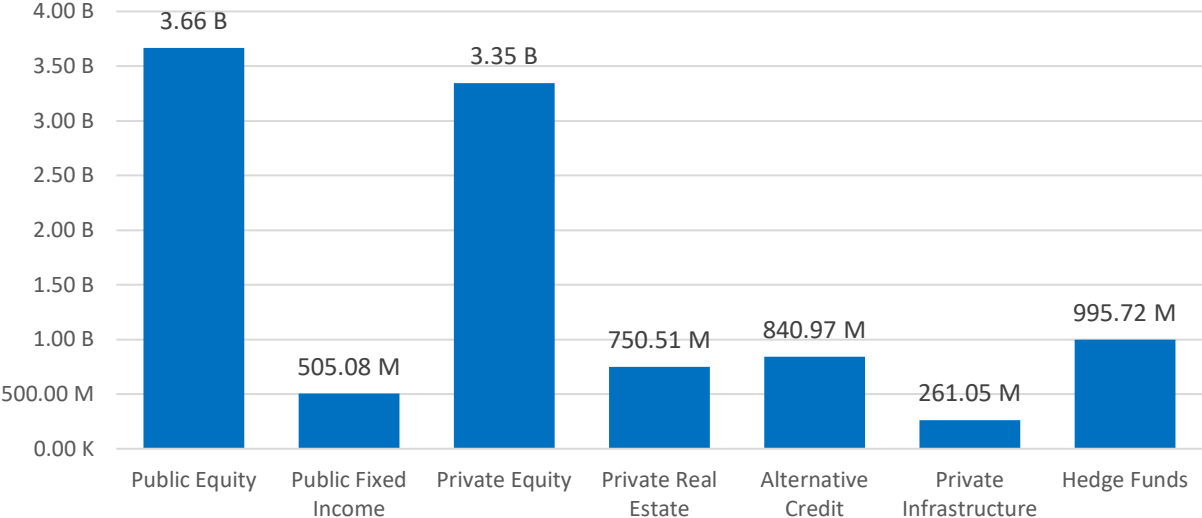
Step 3 – Allocate, Track and Report

- Emerging Manager Program Partners
 - Track allocations and performance of diverse and emerging managers
 - Strong performance can lead to additional allocations or underlying sub-managers may transition to direct allocations
- Consultants
 - BAM staff works with the Systems' consultants to identify and evaluate MWBE firms for consideration in the System's Fund-of-Fund programs, Direct Emerging Manager Programs and in the Core Portfolio

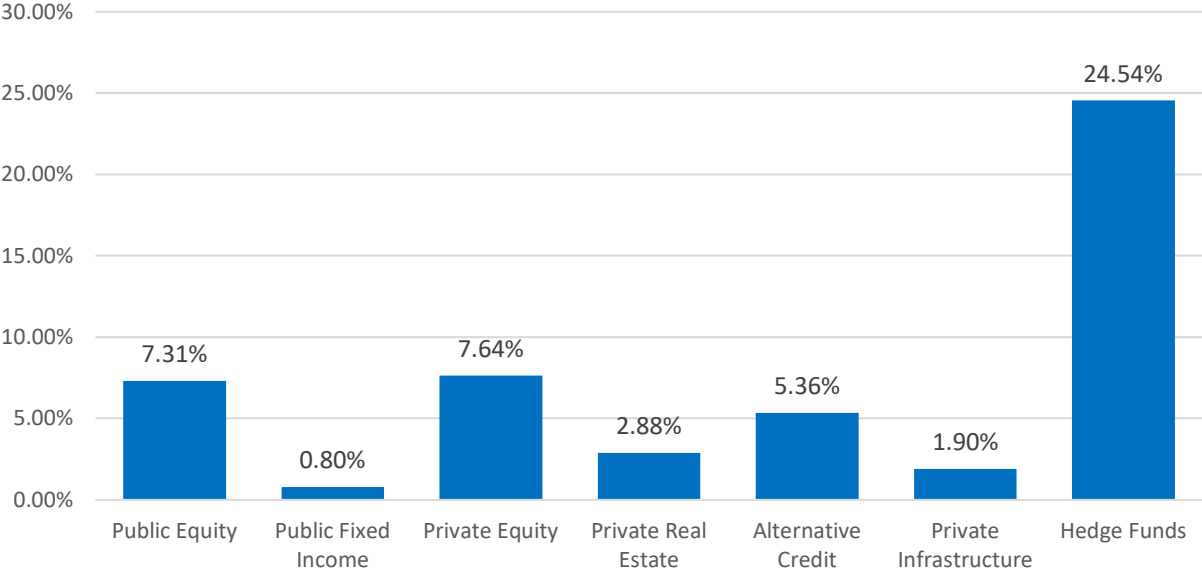
Emerging Managers

In Fiscal year 2023-2024, the Systems increased exposure to Emerging Managers by almost \$1 billion. The 2024 total emerging manager exposure is \$10.36 B, up from \$9.85 B in 2023. These increases can also be attributed to strong performance in equities and re-ups to our existing Emerging Manager Program Partners in the alternative asset classes.

Total EM Exposure



Emerging Manager % of Asset Class Total Exposure



Emerging Manager Program Partners Allocations to Diverse Managers, FY 2024

Asset Class	EM Program Manager Name	% MWBE Allocation
Public Equity	Bivium*	60%
	Leading Edge*	85%
	Legato*	39%
	Xponance*	81%
Fixed Income	Bivium*	67%
Private Equity	Neuberger Berman	53%
Real Estate	GCM Grosvenor	55%
Private Credit	GCM Grosvenor	60%
Infrastructure	BlackRock	11%

As of June 30, 2024

* = MWBE owned

Emerging Manager Program Descriptions and Contact Information

Public Equity

Bivium, Leading Edge, and Xponance Programs

- Focus on international equity
- No more than \$5 billion of firm-wide assets under management

Legato Program

- Focus on US small cap equity
- No more than \$2 billion of firm-wide assets under management

Program	Name	Email
Bivium	Judy Lui	Research@biviumcapital.com
Leading Edge	Carolyn Diaz Roberts	info@leia.net
Xponance	Cesar Gonzales Jr.	CGonzales@xponance.com
Legato	Diana Tamhankar	InvestmentTeam@legatocm.com

Public Fixed Income

Direct Developing Manager Program

- Larger firms that have transitioned out of the Emerging Manager program as well as managers with similar characteristics that are otherwise sourced

Bivium Program

- No more than \$10 billion of firm-wide assets under management

Program	Name	Email
Bivium	Judy Lui	Research@biviumcapital.com

Private Equity

Direct Emerging Manager Evergreen Program

- Funds up to \$3 billion in size, being raised by firms with up to \$5 billion in AUM and with less than 10 years of an institutional track record
- Focus on buyout, growth equity, and secondaries strategies
- Firms with institutional-quality back offices and strong operational controls

External (Neuberger Berman) First Time Funds Program

- First institutional fundraise, raising up to \$1 billion

Program	Name	Email
Neuberger Berman	Ethan Cooper	northbound@nb.com

Real Estate

GCM Grosvenor Emerging Manager SMA II

- Firms with less than \$3 billion in total assets under management
- Raising institutional Fund I, II, III, or IV
- Currently targeting fund size of \$1 billion or less

Program	Name	Email
GCM Grosvenor	Peter Braffman	realestate@gcmlp.com

Alternative Credit

GCM Grosvenor Early-Stage Program

- For open-end vehicles — Less than \$1 billion in assets under management, an operational track record of less than 3 years, and the first open-end institutional-grade fund raised at current independent organization
- For closed-end vehicles — No more than \$1.5 billion in assets under management and an operational track record of less than 6 years, and raising Funds I, II, or III

Program	Name	Email
GCM Grosvenor	Marc Iyer	miyer@gcmlp.com

Infrastructure

BlackRock Infrastructure Solutions

- Raising Fund I, II, or III
- No more than \$1.5 billion in aggregate capital commitments

Program	Name	Email
BlackRock	Melissa Ding	GroupBISEmergingManagers@blackrock.com

Hedge Funds

Direct Program

- Firms with less than \$1 billion in assets under management or less than a 3-year track record at time of funding
- Discretionary and systematic macro, commodities, credit, long/short equity, event driven, tactical trading, relative value strategies and focus on low net exposure funds

MWBE and Emerging Managers Performance

Emerging and MWBE managers have historically generated alpha for the five New York City retirement systems since 2015. In Public Markets 5- and 10-year net excess returns remain positive. In Private Markets the MWBE firms in the Systems portfolio continue to outperform their respective benchmarks with an average PME Spread* of 5%.

Note that the Public Market Equivalent (PME) Spread is a measure of the opportunity cost of investing in Public Market Equivalents. A positive PME spread indicates outperformance, excluding fees. The performance below is as of June 30, 2024. Note that past performance is not indicative of future results.

*Please note that different PME methods were used for each asset class.

Public Equity

	1 Year Gross Return %	3 Year Gross Return %	5 Year Gross Return %	10 Year Gross Return %
Emerging Managers — Small Cap	9.12%	1.01%	10.32%	N/A
Emerging Managers — International Equity	10.57%	-0.13%	6.95%	N/A
Direct MWBE Small Cap	-0.78%	-9.59%	1.46%	9.04%
Direct MWBE Mid Cap	11.32%	N/A	N/A	N/A
Direct MWBE International Equity	11.20%	7.60%	10.06%	5.68%
	1 Year Net Return %	3 Year Net Return %	5 Year Net Return %	10 Year Net Return %
Emerging Managers — Small Cap	8.59%	0.46%	9.72%	9.29%
Emerging Managers — International Equity	10.06%	-0.61%	6.42%	N/A
Direct MWBE Small Cap	-1.76%	-10.49%	0.45%	7.96%
Direct MWBE Mid Cap	10.80%	N/A	N/A	N/A
Direct MWBE International Equity	11.22%	2.82%	6.55%	3.91%

	1 Year Net Excess %	3 Year Net Excess %	5 Year Net Excess %	10 Year Net Excess %
Emerging Managers — Small Cap	-0.92%	3.71%	2.95%	N/A
Emerging Managers — International Equity	-0.81%	-0.04%	1.45%	1.59%
Direct MWBE Small Cap	-9.92%	-4.73%	-4.71%	1.65%
Direct MWBE Mid Cap	-1.56%	N/A	N/A	N/A
Direct MWBE International Equity	-0.03%	4.78%	3.51%	1.77%

The above returns are composites based on manager allocations at the end of the current investment period. Benchmark performance is calculated using a weighted composite benchmark of each individual manager. N/A indicates that the specific strategy was launched after the listed date.

Public Fixed Income

	1 Year Net Excess %	3 Year Net Excess %	5 Year Net Excess %	10 Year Net Excess %
Emerging Managers*	0.29%	N/A	N/A	N/A
MWBE	-0.66%	-0.09%	0.33%	0.50%

The above returns are composites based on manager allocations at the end of the current investment period. Benchmark performance is calculated using a weighted composite benchmark of each individual manager.

* The Emerging Manager Program was funded in November 2022

Private Equity

	Net IRR	Net TVPI	PME Spread**
Emerging Managers*	17.60%	1.70x	3.81%
Direct MWBEs	14.93%	1.58x	5.98%

Performance shown for fund commitments made since 2011, when the Systems changed their strategy and approach to investing in Private Equity

* Includes all Direct Emerging Manager programs and Neuberger Berman NYC-NorthBound First-Time Funds Program

**PME Spread is the difference between the Net IRR and a Public Market Equivalent benchmark (Russell 3000), using the Direct Alpha method

Real Estate

	Net IRR	Net TVPI	PME Spread**
Emerging Managers*	4.90%	1.10x	-1.90%
Direct MWBEs	5.94%	1.09x	9.52%

2015 marks the year in which the real estate emerging manager program was re-launched

*Emerging managers are allocated to using a Fund of Fund structure. Performance is net at the submanager level, but gross of any Fund of Fund fees.

**The Public Market Equivalent used to calculate the PME Spread was 50% Russell 3000 & 50% US Barclays Aggregate bond index using the PME+ method

Alternative Credit

	Net IRR	Net TVPI	PME Spread**
Emerging Managers*	24.70%	1.50x	14.90%
Direct MWBEs	8.30%	1.36x	3.10%

This program was inceptioned in 2015

*Emerging managers are allocated to using a Fund of Fund structure. Performance is net at the submanager level, but gross of any Fund of Fund fees.

**The Public Market Equivalent used to calculate the PME Spread was 50% JPM Global High Yield Index + 50% Credit Suisse Leveraged Loan Index using the Direct Alpha method.

Infrastructure

	Net IRR	Net TVPI	PME Spread**
Emerging Managers*	9.00%	1.10x	0.00%
Direct MWBEs	8.94%	1.34x	6.95%

2020 marks the year in which the infrastructure emerging manager program was launched

*Emerging managers are allocated to using a Fund of Fund structure. Performance is net at the submanager level, but gross of any Fund of Fund fees

**The Public Market Equivalent used to calculate the PME Spread was 50% Russell 3000 Index & 50% Barclays US Aggregate Index using the PME+ method

Hedge Funds

	Annualized Net Return
Emerging Managers	7.04%
MWBEs	11.14%

Emerging Managers Program Expansion Initiative

The strong historical track record of emerging managers has reinforced our commitment to expanding our Emerging Manager programs, pending board approvals in fiscal year 2024-2025. Since 2015, emerging and MWBE managers have consistently delivered excess returns net of fees

across all five systems. We believe increasing our exposure to these managers allows us to leverage their depth of expertise and supports our goals of financial stability, prudent diversification, and dynamic asset management.

Our decision to expand the Emerging Manager programs reflects both their historical success and our belief that diversity—in gender, ethnicity, backgrounds, and firm size—enhances portfolio performance. By incorporating a wide range of asset managers, including diverse and emerging players, we strengthen the pension fund’s resilience to market changes and economic shifts. We believe this strategy supports a well-diversified portfolio that manages risk effectively and maximizes long-term returns for our beneficiaries.

Aligned with our fiduciary duty to seek the best risk-adjusted returns, we are also working toward our aspirational goal of having 20% of U.S.-based actively managed assets with MWBE managers by 2029.

Fiscal Year 2024 Program Expansions

The following Emerging Manager program expansions were approved by at least a subset of the five pension funds in the second half of 2023 and are reflected in this year’s report:

- GCM Grosvenor Real Estate Emerging Manager SMA II
- BlackRock Infrastructure Solutions NYC Infrastructure Emerging Manager Opportunities Fund II
- Neuberger Berman NYC Northbound Emerging Managers Program II (Private Equity)
- Approval of the Evergreen Direct Emerging Manager Program in Private Equity that will allocate ~\$600 million to Emerging Managers annually
- Increased the Emerging Manager allocation in Public Equity from 6% to 10%

Program Expansions Fiscal Year 2025 and Beyond

The investment staff will continue to work with consultants to identify, report, track and evaluate what they believe are high performing diverse and emerging managers for consideration in the Systems portfolios. The following strategies have been highlighted and will each be diligenced and presented to the boards for discussion and potential approval in fiscal year 2025:

- Expanding the Direct Emerging Manager Program to other private markets asset classes
- Expanding the Fixed Income Emerging Manager Program to include Direct Emerging

- Exploring opportunities to invest in Venture Capital within the Private Equity Emerging Manager Program

Breaking down the Data by Asset Class (MWBE and Emerging)

- The demographic categories assigned to each manager was based off of the ownership data reported by the manager
- MBE designates a firm majority or substantially owned by a male member of a minority group (Asian, Black, Hispanic, Middle Eastern or Native American)
- WBE designates a firm majority or substantially owned by a woman
- Amounts shown below are total exposure, including both net asset value and unfunded commitments.

Public Equities

ASSET CLASS TOTAL								
	TRS	NYCERS	POLICE	FIRE	BERS	Total		
	3.25 B	2.52 B	1.47 B	483.05 M	73.28 M	7.80 B		
LARGE MWBE FIRMS								
Firm Name	TRS	NYCERS	POLICE	FIRE	BERS	Total	MWBE STATUS	MWBE %
	2.28 B	1.68 B	1.10 B	338.15 M		5.40 B		
Brown Capital Management	423.35 M		140.08 M	57.69 M		621.11 M	Black	100%
Causeway Capital Management	1.67 B	1.52 B	681.94 M	280.46 M		4.15 B	WBE	100%
Earnest Partners	180.11 M	168.11 M	279.40 M			627.62 M	Black	65%
EMERGING MWBE FIRMS								
	TRS	NYCERS	POLICE	FIRE	BERS	Total		
	977.12 M	834.15 M	369.51 M	144.90 M	73.28 M	2.40 B		
Bivium	264.77 M	218.70 M				483.47 M	Black	100%

ARGA Investment Management	79.40 M	65.35 M				144.75 M	Asian	100%
Channing Capital Management	47.07 M	38.87 M				85.93 M	Two or More Races WBE	100%
Promethos Capital	71.56 M	59.03 M				130.60 M	WBE	75%
Redwood Investments	35.78 M	29.81 M				65.59 M	WBE	100%
RVX Asset Management	30.97 M	25.63 M				56.59 M	Asian, Hispanic	67%
Leading Edge	378.64 M	323.35 M	194.84 M			896.84 M	Asian	100%
Ativo Capital Management	68.05 M	58.11 M	35.24 M			161.39 M	Asian, Black, Hispanic	100%
Frontier Global Partners	48.66 M	41.41 M	24.86 M			114.93 M	Asian, Hispanic	69%
Haven Global Partners	76.70 M	65.53 M	39.13 M			181.36 M	Asian, Black, Hispanic WBE	82%
Promethos Capital	72.36 M	62.10 M	37.51 M			171.97 M	WBE	75%
Redwood Investments	51.84 M	44.93 M	26.86 M			123.63 M	WBE	100%
Solstein Capital	61.04 M	51.27 M	31.25 M			143.56 M	Hispanic WBE	100%
Legato	69.52 M	70.32 M	42.59 M	12.76 M	7.04 M	202.22 M	Black	99%
Altravue Capital	36.02 M	36.42 M	21.98 M	6.62 M	3.63 M	104.67 M	Asian, Black WBE	90%
Lisanti Capital Growth	13.58 M	13.75 M	8.32 M	2.56 M	1.39 M	39.60 M	WBE	52%
Nicholas Investment Partners	19.92 M	20.14 M	12.29 M	3.58 M	2.02 M	57.95 M	WBE	56%
Xponance	264.19 M	221.78 M	132.08 M	132.15 M	66.24 M	816.43 M	Black WBE	100%
ARGA Investment Management	53.41 M	35.53 M	27.45 M	21.81 M	12.61 M	150.80 M	Asian	100%
Foresight Global Investors	59.94 M	60.00 M	31.93 M	36.62 M	16.69 M	205.19 M	Asian	95%
Haven Global Partners	50.61 M	48.66 M	23.76 M	29.37 M	12.95 M	165.35 M	Asian, Black, Hispanic WBE	82%
Martin Investment Management	47.77 M	37.63 M	23.05 M	21.37 M	11.07 M	140.90 M	WBE	53%
Redwood Investments	52.46 M	39.95 M	25.88 M	22.97 M	12.93 M	154.19 M	WBE	100%

Public Fixed Income

ASSET CLASS TOTAL								
	TRS	NYCERS	POLICE	FIRE	BERS	Total		
	411.19 M	1.64 B	698.44 M	80.53 M	287.91 M	3.12 B		
LARGE MWBE FIRMS								
Firm Name	TRS	NYCERS	POLICE	FIRE	BERS	Total	MWBE STATUS	MWBE %
	267.64 M	1.51 B	698.44 M	80.53 M	217.68 M	2.77 B		
Advent Capital Management		940.63 M	425.75 M			1.37 B	Black, Middle Eastern	94%
GIA Partners	90.31 M	190.24 M	69.02 M	35.04 M		384.61 M	Asian, Hispanic	87%
LM Capital Group	120.25 M	331.47 M	68.21 M	30.69 M		550.61 M	Hispanic, Middle Eastern	90%
Loop Capital Asset Management			106.28 M			106.28 M	Asian, Black, Hispanic	82%
Pugh Capital Management	57.09 M	48.30 M	29.18 M	14.80 M	217.68 M	367.05 M	MWBE	82%
EMERGING MWBE FIRMS								
	TRS	NYCERS	POLICE	FIRE	BERS	Total		
	143.55 M	126.36 M	0.00 K	0.00 K	70.23 M	340.13 M		
Bivium	143.55 M	126.36 M			70.23 M	340.13 M	Black	100%
Barksdale Investment Management	21.51 M	21.51 M				43.03 M	Asian WBE	51%
Ducenta Squared Asset Management	27.19 M	21.78 M				48.97 M	Asian	94%
Integrity Fixed Income Management	27.13 M	21.73 M			36.98 M	85.84 M	WBE	51%
New Century Advisors	31.42 M	30.22 M			33.25 M	94.89 M	WBE	58%
Ramirez Asset Management	36.29 M	31.12 M				67.41 M	Hispanic	95%

Private Equity

ASSET CLASS TOTAL								
	TRS	NYCERS	POLICE	FIRE	BERS	Total		
	2.66 B	2.70 B	1.60 B	606.05 M	473.82 M	8.05 B		
LARGE MWBE FIRMS								
Firm Name	TRS	NYCERS	POLICE	FIRE	BERS	Total	MWBE STATUS	MWBE %
	2.08 B	2.03 B	1.35 B	506.48 M	368.47 M	6.34 B		
Clearlake Capital Group	527.72 M	454.43 M	293.65 M	135.00 M	73.24 M	1.48 B	Hispanic, Middle Eastern	100%
Grain Management	19.15 M	19.15 M	13.68 M	4.56 M	2.74 M	59.29 M	Black	100%
One Rock Capital Partners	60.39 M	66.58 M	42.58 M	14.71 M	38.71 M	222.96 M	Asian	51%
Palladium Equity Partners	30.54 M	38.17 M	26.72 M	7.63 M	11.45 M	114.52 M	Hispanic	49%
Reverence Capital Partners	54.70 M	64.93 M	56.94 M	15.97 M	28.51 M	221.05 M	Hispanic	60%
Siris Partners	131.58 M	144.20 M	95.07 M	28.54 M	16.22 M	415.61 M	Black	33%
Stellex Capital Management	52.06 M	57.66 M	36.95 M	13.44 M	27.99 M	188.10 M	Black	51%
The Vistria Group	52.24 M	52.24 M	48.97 M	11.97 M	14.15 M	179.57 M	Black	51%
Thoma Bravo	178.37 M	182.83 M	124.86 M	44.59 M	30.10 M	560.75 M	Hispanic	17%
Valor Equity Partners	75.42 M	87.28 M	57.33 M	20.10 M	12.25 M	252.38 M	Hispanic	94%
Vista Equity Partners	896.97 M	865.90 M	556.87 M	209.98 M	113.13 M	2.64 B	Black	50%
Clearlake Capital Group	527.72 M	454.43 M	293.65 M	135.00 M	73.24 M	1.48 B	Hispanic, Middle Eastern	100%
Grain Management	19.15 M	19.15 M	13.68 M	4.56 M	2.74 M	59.29 M	Black	100%

One Rock Capital Partners	60.39 M	66.58 M	42.58 M	14.71 M	38.71 M	222.96 M	Asian	51%
Palladium Equity Partners	30.54 M	38.17 M	26.72 M	7.63 M	11.45 M	114.52 M	Hispanic	49%
Reverence Capital Partners	54.70 M	64.93 M	56.94 M	15.97 M	28.51 M	221.05 M	Hispanic	60%
Siris Partners	131.58 M	144.20 M	95.07 M	28.54 M	16.22 M	415.61 M	Black	33%
Stellex Capital Management	52.06 M	57.66 M	36.95 M	13.44 M	27.99 M	188.10 M	Black	51%
The Vistria Group	52.24 M	52.24 M	48.97 M	11.97 M	14.15 M	179.57 M	Black	51%
Thoma Bravo	178.37 M	182.83 M	124.86 M	44.59 M	30.10 M	560.75 M	Hispanic	17%
Valor Equity Partners	75.42 M	87.28 M	57.33 M	20.10 M	12.25 M	252.38 M	Hispanic	94%
Vista Equity Partners	896.97 M	865.90 M	556.87 M	209.98 M	113.13 M	2.64 B	Black	50%
EMERGING MWBE FIRMS								
	TRS	NYCERS	POLICE	FIRE	BERS	Total		
	581.73 M	668.77 M	251.11 M	99.56 M	105.35 M	1.71 B		
ACON Equity	140.62 K	220.98 K	40.18 K	20.09 K		421.86 K	Hispanic	100%
Base10					24.08 M	24.08 M	Black	100%
Grain Management	58.46 M	54.56 M	16.89 M	9.09 M	16.89 M	155.89 M	Black	100%
Grey Mountain	1.45 M	1.25 M	425.24 K	223.81 K		3.36 M	Asian	50%
ICV Partners	33.20 M	20.76 M	9.82 M	4.91 M	3.46 M	72.15 M	Black	100%
Incline Equity**	1.54 M	2.05 M	427.66 K	256.60 K		4.28 M	Asian	33%
Integrum Capital	32.80 M	29.72 M	9.74 M	5.12 M	4.61 M	81.99 M	Black	20%
Knox Lane	34.10 M	30.77 M	10.32 M	4.99 M	4.66 M	84.85 M	Asian	33%
Lee Equity	32.03 M	28.55 M	9.65 M	4.59 M	4.27 M	79.10 M	Asian, Hispanic	46%
Levine Leichtman	7.00 M	9.80 M	2.80 M	1.40 M		21.00 M	WBE	100%
Lightbay Investment	27.55 M	24.79 M	8.26 M	4.13 M	4.13 M	68.87 M	Asian	40%
Mill City	5.26 M	4.49 M	1.54 M	770.42 K	770.42 K	12.84 M	WBE	50%

New Mainstream	23.43 M	20.38 M	6.84 M	3.80 M	3.80 M	58.24 M	Hispanic	55%
Palladium Equity Partners		64.80 M	41.24 M	11.78 M		117.82 M	Hispanic	49%
Reverence Capital Partners	51.20 M	46.08 M	15.36 M	7.68 M	7.68 M	128.00 M	Hispanic	60%
RLJ Equity	3.41 M	2.89 M				6.30 M	Black	100%
Scale Venture Partners			3.82 M	1.91 M		5.73 M	WBE	30%
Stellex Capital Management	26.02 M	23.69 M	7.90 M	3.72 M	3.72 M	65.04 M	Black	51%
Valor Equity Partners	78.05 M	70.31 M	23.07 M	11.62 M	12.75 M	195.79 M	Hispanic	94%
Vista Equity Partners	18.52 M	16.93 M	6.88 M	3.13 M		45.47 M	Black	50%
Vistria Fund	25.02 M	22.52 M	7.51 M	3.75 M	3.75 M	62.55 M	Black	51%
Fairview Capital Private Equity	18.34 M	23.59 M		2.62 M		44.55 M	MWBE	51%
Artiman Ventures	2.04 M	2.62 M		291.00 K		4.95 M	Asian	100%
Brightwood Capital	1.02 M	1.31 M		145.50 K		2.48 M	Asian, Black, Hispanic, Two or More Races WBE	61%
Hispania Private	1.63 M	2.10 M		232.80 K		3.96 M	Hispanic	100%
ICV Partners	3.46 M	4.46 M		494.70 K		8.42 M	Black	100%
Longitude Venture	4.08 M	5.24 M		582.00 K		9.90 M	WBE	34%
RLJ Equity	3.06 M	3.93 M		436.50 K		7.43 M	Black	100%
Scale Venture Partners	3.06 M	3.93 M		436.50 K		7.43 M	WBE	30%
GCM Private Equity	21.51 M	42.65 M	20.78 M	3.28 M		88.21 M		
ACON Equity	4.02 M	8.10 M	3.57 M	623.08 K		16.31 M	Hispanic	100%
Avante Mezzanine	1.85 M	3.64 M	1.87 M	280.37 K		7.65 M	Hispanic WBE	33%
DBL Equity	2.35 M	4.55 M	2.55 M	350.18 K		9.81 M	WBE	50%
Estancia Capital	1.74 M	3.50 M	1.54 M	269.16 K		7.05 M	Asian, Hispanic, Indigenous	110%
GenNx360 Capital	3.11 M	6.27 M	2.76 M	482.14 K		12.62 M	Black	33%
Ironwood Mezzanine	264.60 K	520.22 K	266.97 K	40.02 K		1.09 M	Asian WBE	33%
Pharos Capital	3.58 M	7.07 M	3.53 M	544.19 K		14.73 M	Black	92%
Siris Partners	684.02 K	1.34 M	690.17 K	103.48 K		2.82 M	Black	33%
Sycamore	3.04 M	5.99 M	3.07 M	460.40 K		12.56 M	Black	33%
Vista Equity Partners	855.13 K	1.66 M	927.89 K	127.37 K		3.57 M	Black	50%
JP Morgan Private Equity		15.10 M				15.10 M		
21st Century		1.15 M				1.15 M	Black, Hispanic	100%

Alsop Louie		3.17 M				3.17 M	Asian	50%
Altus Capital		1.11 M				1.11 M	WBE	33%
Greycroft Partners		4.82 M				4.82 M	WBE	33%
Parallel 2005		131.89 K				131.89 K	Black	33%
Pharos Capital		3.10 M				3.10 M	Black	92%
Point 406		1.04 M				1.04 M	WBE	33%
Rizvi Opportunistic		374.32 K				374.32 K	Asian	50%
Scale Venture Partners		139.56 K				139.56 K	WBE	30%
Syndicated Communications		3.73 K				3.73 K	Black	100%
Vicente Capital		54.07 K				54.07 K		0%
Neuberger Berman	82.70 M	112.85 M	47.81 M	10.77 M	10.77 M	264.89 M		
Avance Investment	8.31 M	11.34 M	4.80 M	1.08 M	1.08 M	26.62 M	Hispanic	75%
Banneker Partners	4.83 M	6.59 M	2.79 M	629.17 K	629.17 K	15.48 M	Black	100%
Bharcap Partners	9.12 M	12.44 M	5.27 M	1.19 M	1.19 M	29.21 M	Asian	73%
Coalesce Capital	7.09 M	9.68 M	4.10 M	923.59 K	923.59 K	22.72 M	WBE	100%
Ethos Capital	12.85 M	17.54 M	7.43 M	1.67 M	1.67 M	41.17 M	Two or More Races	50%
Knox Lane	14.70 M	20.06 M	8.50 M	1.91 M	1.91 M	47.09 M	Asian	33%
Project Vision	5.43 M	7.41 M	3.14 M	707.01 K	707.01 K	17.39 M	Hispanic	75%
Red Arts	6.90 M	9.41 M	3.99 M	898.11 K	898.11 K	22.09 M	Black	100%
Wavecrest Growth	7.65 M	10.44 M	4.42 M	995.81 K	995.81 K	24.50 M	Asian	100%
WM Partners	5.81 M	7.93 M	3.36 M	756.83 K	756.83 K	18.62 M	Hispanic	100%

* Note that we have excluded exposure data for TRS, Police and Fire for JPM as we do not have the System-level breakdown

**MWBE status reported as of the time the fund commitment was made

Private Real Estate

ASSET CLASS TOTAL								
	TRS	NYCERS	POLICE	FIRE	BERS	Total		
	466.40 M	379.19 M	121.78 M	47.08 M	50.39 M	1.06 B		
LARGE MWBE FIRMS								
Firm Name	TRS	NYCERS	POLICE	FIRE	BERS	Total	MWBE STATUS	MWBE %
	260.82 M	207.17 M	108.16 M	39.85 M	50.39 M	666.39 M		
Artemis Real Estate Partners	202.60 M	158.14 M	87.73 M	39.85 M	24.86 M	513.18 M	WBE	56%
Basis Management Group	58.22 M	49.03 M	20.43 M		25.53 M	153.21 M	Asian, Black WBE	100%

EMERGING MWBE FIRMS								
	TRS	NYCERS	POLICE	FIRE	BERS	Total		
	205.58 M	172.03 M	13.62 M	7.22 M		398.45 M		
Basis Management Group	16.00 M	14.02 M	7.84 M	3.37 M		41.23 M	Asian, Black WBE	100%
GCM Grosvenor Real Estate	189.58 M	158.00 M	5.78 M	3.86 M		357.22 M		
Alpaca	12.33 M	9.85 M	594.06 K	396.04 K		23.17 M	Hispanic	60%
American Value Partners	5.44 M	3.66 M	606.93 K	404.62 K		10.12 M	WBE	51%
Arc	8.82 M	7.89 M				16.71 M	Black	100%
Basis Management Group	10.54 M	9.42 M				19.97 M	Asian, Black WBE	100%
Brasa	18.92 M	15.46 M	730.69 K	487.13 K		35.59 M	Hispanic	100%
BREP Credit	10.90 M	9.74 M				20.64 M	Hispanic	100%
El Paso	2.70 M	1.81 M	300.77 K	200.51 K		5.01 M	Asian	48%
ERE Multifamily	11.64 M	10.40 M				22.04 M	Black WBE	51%
Grandview	17.87 M	14.51 M	736.42 K	490.95 K		33.61 M	Asian, Black	62%
Griffith V	5.00 M	3.36 M	557.47 K	371.64 K		9.29 M	WBE	98%
Hillcrest EY&I	10.26 M	9.17 M				19.44 M	Black WBE	100%
Liftbridge	5.33 M	3.58 M	594.06 K	396.04 K		9.90 M	WBE	100%
Locust Point	13.41 M	11.99 M				25.40 M	Other WBE	66%
MCB GP	5.23 M	4.68 M				9.91 M	Black	53%
OlivePoint	6.92 M	4.66 M	772.04 K	514.69 K		12.87 M	Hispanic	67%
Pennybacker Credit	7.08 M	6.33 M				13.41 M	Asian, Hispanic	50%
Raith	7.78 M	6.95 M				14.73 M	Asian	48%
Redcar II	8.17 M	7.30 M				15.47 M	Asian	50%
RFP Multifamily	7.57 M	6.76 M				14.33 M	Black	67%
SREI Industrial	7.99 M	5.38 M	891.09 K	594.06 K		14.85 M	Asian, Black	100%
Sundance Bay	3.45 M	3.08 M				6.53 M	Asian, Black WBE	27%
Windler	2.23 M	1.99 M				4.21 M	Asian, Black	62%

Alternative Credit

ASSET CLASS TOTAL								
	TRS	NYCERS	POLICE	FIRE	BERS	Total		
	319.19 M	296.51 M	181.99 M	52.92 M	68.84 M	919.45 M		
LARGE MWBE FIRMS								
Firm Name	TRS	NYCERS	POLICE	FIRE	BERS	Total	MWBE STATUS	MWBE %
	91.90 M	76.33 M	69.14 M	17.32 M	68.84 M	323.54 M		
Brightwood Capital	60.60 M	55.47 M	48.28 M		41.09 M	205.44 M	Black, Middle Eastern	94%
Charlesbank Capital Partners	31.30 M	20.87 M	20.87 M	17.32 M	27.75 M	118.11 M	Asian, Hispanic	87%
EMERGING MWBE FIRMS								
	TRS	NYCERS	POLICE	FIRE	BERS	Total		
	227.29 M	220.18 M	112.84 M	35.60 M		595.91 M		
Brightwood Capital	81.21 M	81.21 M	51.04 M	18.56 M		232.02 M	Asian, Black, Hispanic, Two or More Races WBE	61%
GCM Grosvenor Private Credit	146.08 M	138.97 M	61.80 M	17.04 M		363.89 M		
Altura Capital	4.52 M	3.94 M	1.73 M			10.19 M	Hispanic	100%
Charlesbank Capital Partners	9.98 M	11.56 M	5.25 M	4.20 M		31.00 M	Asian WBE	33%
Comvest Special	15.19 M	13.24 M	5.82 M			34.25 M	Asian, Hispanic	35%
Crayhill Principal	24.75 M	25.24 M	11.32 M	5.39 M		66.69 M	Hispanic	51%
Hollis Park	14.43 M	12.58 M	5.53 M			32.54 M	Black	86%
Paceline Equity	41.76 M	41.48 M	18.54 M	7.45 M		109.23 M	WBE	51%
Reverence Capital Partners	15.45 M	13.47 M	5.92 M			34.84 M	Hispanic	60%
TELEO Capital,	20.01 M	17.45 M	7.67 M			45.14 M	Hispanic	33%

Private Infrastructure

ASSET CLASS TOTAL								
	TRS	NYCERS	POLICE	FIRE	BERS	Total		
	496.25 M	424.78 M	248.08 M	81.77 M	69.74 M	1.32 B		
LARGE MWBE FIRMS								
Firm Name	TRS	NYCERS	POLICE	FIRE	BERS	Total	MWBE STATUS	MWBE %
	486.15 M	414.36 M	241.71 M	79.60 M	69.74 M	1.29 B		
Global Infrastructure Management**	486.15 M	414.36 M	241.71 M	79.60 M	69.74 M	1.29 B	MWBE	25%
EMERGING MWBE FIRMS								
	TRS	NYCERS	POLICE	FIRE	BERS	Total		
	10.10 M	10.41 M	6.37 M	2.18 M		29.06 M		
BlackRock	10.10 M	10.41 M	6.37 M	2.18 M		29.06 M		
Sandbrook Climate		10.41 M	6.37 M	2.18 M		29.06 M	Hispanic	40%

**MWBE status reported as of the time the fund commitment was made

Hedge Funds

ASSET CLASS TOTAL								
	TRS	NYCERS	POLICE	FIRE	BERS	Total		
			634.50 M	177.07 M		811.58 M		
LARGE MWBE FIRMS								
Firm Name	TRS	NYCERS	POLICE	FIRE	BERS	Total	MWBE STATUS	MWBE %
			383.02 M	95.48 M		478.49 M		
SCGE Management			85.99 M			85.99 M	Asian	90%
SRS Investment Management			297.02 M	95.48 M		392.50 M	Asian	100%
EMERGING MWBE FIRMS								
	TRS	NYCERS	POLICE	FIRE	BERS	Total		
			251.49 M	81.59 M		333.08 M		
AlphaQuest			230.90 M	75.03 M		305.92 M	Middle Eastern	90%
Standard General			20.59 M	6.57 M		27.16 M	Asian	51%

Overview of the Bureau of Public Finance

The Public Finance Bureau manages all aspects of City capital borrowing for the Comptroller, acting jointly with the Mayor’s Office of Management and Budget (“OMB”), as required under State law. In this role, it promotes New York City’s short-term and long-term financial health by establishing and enforcing fiscally responsible debt practices, monitoring the City’s portfolio of outstanding bonds, and securing the lowest risk-appropriate borrowing cost on debt of the City and its affiliated entities. In addition, the Bureau directs interactions with ratings agencies, investors, and municipal market financial services firms on behalf of the Comptroller.

The Comptroller, through the Bureau of Public Finance, and the Mayor, through the Office of Management and Budget, share the responsibility for issuing bonds through the City’s General Obligation (“GO”), Transitional Finance Authority (“TFA”) and Municipal Water Finance Authority (“NYW”) credits (collectively, the “Issuers” or the “City”), the three main vehicles for financing capital spending. New York City and its related entities are in aggregate one of the largest municipal bond issuers in the nation. In Fiscal Year 2024, the City sold nearly \$14 billion of debt for new capital projects or refinancing of outstanding bonds for debt service savings.

Public Finance provides leadership and support on issues that relate to debt or to City Issuers. The Deputy Comptroller and other senior staff may represent the Comptroller’s office as speakers at municipal market conferences and events and in testimony at the City Council on related topics.

The Bureau of Public Finance’s MWBE Program

The Bureau of Public Finance consistently promotes MWBE vendors’ access and growth, so that MWBE firms can capitalize on opportunities in public finance. After reimbursement of the actual construction cost of City infrastructure, bond underwriting fees represent the largest portion of the Issuers’ yearly spending, and the Public Finance Bureau contracts with MWBE firms for the financial advisor and specialized legal counsel roles as well.

Bond Underwriting

Beginning in the 1990’s, New York City began to implement measures to promote MWBE participation in its bond transactions. As part of these efforts, in 2002, the City created the “special bracket tier” for underwriters, which aims to elevate firms that are looking to serve as a lead underwriter on a NYC transaction. Firms assigned to the special bracket are those that are not generally familiar with the inner workings of a NYC bond sale. Firms in the special bracket

are given an opportunity to serve as a co-senior managing underwriter on a City bond issue, providing them with additional exposure and experience to help grow their firms' capabilities.

The special bracket has played a key role in promoting MWBE firms and led to the City appointing its first MWBE underwriter as book-running senior manager in 2004 on a NYW transaction. At the time, the City was one of the first large issuers to rely on these smaller firms to run sizeable bond issues. All of the City's current MWBE book-running senior managers have been promoted from the special bracket, and since its creation the City has issued more than \$43 billion of bonds underwritten by MWBE firms serving in the book-running senior manager role.

Between Fiscal Years 2020 and 2024, the City has issued more than \$13.6 billion of GO and TFA bonds for which MWBE firms served in the book-running senior manager role. Between Fiscal Years 2020 and 2024, MWBE firms in the GO and TFA underwriting syndicate and selling group have earned more than \$56.4 million in takedown (the primary form of compensation for underwriters), representing an average of more than 30% of total takedown paid over that period.

Fiscal Year:	2020	2021	2022	2023	2024	Total
Total Takedown (\$)	22,529,366	39,985,413	32,898,386	41,198,471	49,310,651	185,922,286
MWBE Takedown (\$)	6,843,065	13,827,961	9,993,627	12,781,173	12,985,771	56,431,596
MWBE %	30.37%	34.58%	30.38%	31.02%	26.33%	30.35%

Financial and Swap Advisors

The GO and TFA credits have each had a least one MWBE advisor since 2006 that provides advisory and price guidance services on every transaction, as well as general advisory services for non-transaction-related issues. Additionally, the GO and TFA credits have had a MWBE swap advisor since 2011.

Between Fiscal Years 2020 and 2024, the GO and TFA financial and swap advisors have earned nearly \$3.6 million in fees representing an average share of more than 39% of fees paid over that period.

Fiscal Year:	2020	2021	2022	2023	2024	Total
Total Fee (\$)	1,807,247	1,869,095	1,678,494	2,143,641	1,705,786	9,204,263
MWBE Fees (\$)	639,078	710,214	687,944	843,433	715,776	3,596,444
MWBE %	35.36%	38.00%	40.99%	39.35%	41.96%	39.07%

Bond, Underwriter and GO Disclosure Counsel

For many years, the GO and TFA credits have had at least one MWBE firm serving in a counsel position. MWBE firms have been appointed to serve as bond counsel, underwriters’ counsel and GO Disclosure counsel.

Between Fiscal Years 2020 and 2024, MWBE counsel working on City bond transactions have earned more than \$5.3 million in fees representing an average of more than 22% of fees paid over that period.

Fiscal Year:	2020	2021	2022	2023	2024	Total
Total Fees	4,225,000	5,137,800	4,070,700	5,703,400	4,799,450	23,936,350
MWBE Fees	941,250	1,095,800	932,000	1,260,400	1,101,950	5,331,400
MWBE %	22.28%	21.33%	22.90%	22.10%	22.96%	22.27%

The Bureau has been able to meaningfully increase participation by MWBE firms in the City’s financings, which benefits the MWBE firms directly through the fees they earn, as well as indirectly by increasing their ranking on industry “league tables” and ensuring their visibility in the municipal market.

The Bureau of Public Finance has an open-door policy in which any firm that wishes to discuss their capabilities and offer their services related to the issuance of bonds can meet with the Bureau of Public Finance as well as members of OMB and the Law Department. Many MWBE firms have and continue to take advantage of this long-standing policy which has provided firms with an opportunity to gain access and a better understanding of the City’s financing programs.

The RFP process is the primary avenue for any firm to be appointed to a role in one of the City’s financings. Underwriter and Financial Advisor RFPs are managed jointly by the Comptroller’s Office and OMB; Bond Counsel and Disclosure Counsel RFPs, which follow Procurement Policy Board rules, are managed by the Law Department with the participation and concurrence of the Comptroller’s Office and OMB. All RFPs and procurements are done on multi-year cycles, typically ranging from 3 to 5 years, except for selling group members, which may be added at any time by filling out a questionnaire.

Since 2009 there have been several RFPs and procurements for each of these roles, and it has been a long-standing policy goal of the Comptroller’s Office to look for ways to increase MWBE participation.

Highlights of the most recent procurements the City has undertaken are below:

- Underwriters:** In August 2020, the City completed its most recent underwriter RFP, appointing nine senior managing underwriters, three of which (33%) are MWBE firms, for GO/TFA bonds and five senior managing underwriters, two of which (40%) are MWBEs, for NYW bonds. This represents an increase from the previous selection process in 2016, where 30% of GO and TFA senior managers and 33% of NYW senior managers were

MWBEs. In addition, 32% and 30% of GO/TFA and NYW co-managing underwriters, respectively, are MWBE firms.

In 2016 the City, TFA, and NYW changed their policies on how underwriters are compensated to provide for a “special designation” of certain small firm co-managers, most of which are MWBEs, resulting in these firms receiving at least 10% of the total takedown (the per bond underwriting compensation representing most of the total fees paid to underwriters). As a result of this special designation policy, these firms received several million dollars in underwriting fees since the policy was implemented.

The City has also promoted MWBE firms from the selling group to serve in the syndicate. Selling group members are firms that place orders for individual accounts, bank trusts, and investment advisors during the retail order period for bonds. While selling group members cannot enter orders during the institutional order period, any firm that is part of the syndicate or selling group may be “designated” (i.e., compensated) on institutional orders. Per the order period rules, designations are typically split between the firm entering the order and at least 4 additional firms in the syndicate or selling group. MWBEs add value to the bond sale process by providing new distribution channels and bringing in new investors and the City tries to ensure that their orders are filled during the allotment process.

- **Financial and Swap Advisor:** In March 2024, the City completed its most recent financial advisor RFP. Nine firms submitted responses for consideration to be financial advisors to the City and its related issuers. Following a competitive process, the City appointed two co-financial advisors to each of its three main credits (GO, TFA, and NYW). MWBEs make up half of the financial advisor firm pairings for each of the City’s three main credits.

In addition, the GO and NYW credits each selected a firm to serve as an advisor for special projects away from transaction-based assignments related to the City and Authority, respectively. Accounting for Hudson Yards Infrastructure Corporation and TSASC, Inc., which were also part of the procurement process, MWBE firms represent half of the financial advisor firm assignments awarded.

The City’s current swap advisor is currently an MWBE firm and was selected pursuant to a procurement process in 2019.

- **Bond, Underwriter and GO Disclosure Counsel:** In July 2018, the City completed a procurement for outside counsel that selected Bond Counsel and established a pool of Underwriter’s Counsel for each of the Issuers, as well as Special Disclosure Counsel for the City’s GO credit.

The counsel RFP resulted in an MWBE firm being appointed to a co-counsel position for each of the nine available assignments across the City’s issuers.

The City has come a long way since it first adopted policies that have promoted growth of MWBE firms participating in the City’s financings and our partnership with those firms has proved to be effective over the years. New York City is not the only issuer that has taken an active role of

promoting MWBE firms in their bond transactions, but it has been a leader in the adopting policies that have proven to be effective over the years, with many other large issuers adopting similar policies that have continued to provide growth opportunities for MWBE firms.

Certification and Participation Process

During the RFP process, MWBE firms are encouraged to apply and share their MWBE ownership status in their response. The City gives additional consideration to MWBEs in its RFP selection criteria across its Issuers. For NYW, the relevant jurisdiction for MWBE certification is the State of New York; for all other Issuers, the relevant jurisdiction for MWBE certification is the City. Additional information on City MWBE certification is available through the [NYC Department of Small Business Services](#).

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Disclosures

Information presented is current as of the date of this publication only. Past performance does not guarantee the future performance of any manager or strategy. The performance results and historical information provided herein may have been adversely or favorably impacted by events and economic conditions that will not prevail in the future. Therefore, these results are not indicative of the future performance of any strategy, index, fund, manager or group of managers.

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