

mwbe

Minority and
Women-Owned
Business Enterprise

Asset Management and Financial Institution Strategy Report



2012
2013
Fiscal Year



Minority and Women-Owned Business Enterprise (MWBE)

Asset Management and Financial Institution Strategy Report for the 2012–2013 Fiscal Year

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 (or firms) that are asset managers, investment banks and financial and professional service firms 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 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 listed in Appendix A. The Fund, in conjunction with NYSTRS and NYSIF, is continuing to develop and update a database of these MWBE firms 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 performance as of March 31, 2013 for public equities and absolute return strategies (hedge funds), and as of December 31, 2012, for private equity and real estate strategies

This page intentionally left blank.

Table of Contents

A Message from Comptroller Thomas P. DiNapoli	5
A Message from Chief Investment Officer Vicki Fuller	7
Overview of the New York State Common Retirement Fund	9
Overview of the Emerging Manager Program	10
MWBE Certification Process	11
Annual Emerging Manager Conference	12
Overview of MWBE Participation	13
Internal Management	14
Asset Class Investments and MWBE Participation	15
Appendix A	16
Appendix B	25
Appendix C	26
Appendix D	27
Appendix E	28
Appendix F	29

This page intentionally left blank.

A Message from Comptroller Thomas P. DiNapoli

December 2013

I am pleased to present the Minority and Women-Owned Business Enterprise (“MWBE”) Asset Management and Financial Institution Strategy Report for the fiscal year ended March 31, 2013.

One of my top priorities as Trustee of the Common Retirement Fund has been the enhancement of our Emerging Manager Program, which was created to help the Fund to access original ideas and fresh talent in the investment field, including minority and women-owned firms, as well as new and small investment managers. I welcomed the opportunity, therefore, to establish the MWBE Strategy authorized by Chapter 171 of the Laws of 2010.



The Strategy recognizes that there is a growing pool of minority and women-owned asset managers, investment banks and financial and professional services firms that are qualified to provide investment management, investment banking, underwriting, and other financial services to fiduciary entities such as the Fund. We have developed a database of qualified firms and reached out to such firms to educate them on the business opportunities available through the Fund as well as our procurement process.

Under my direction, the Fund has invested approximately \$8.4 billion with MWBEs. Our experience has shown that MWBEs and emerging managers can be valuable sources of superior risk-adjusted returns to assist in achieving the Fund’s investment objectives and thereby fulfilling our fiduciary responsibility to members, retirees, and beneficiaries of the New York State and Local Retirement System (“NYSLRS”). During fiscal year 2013, the Fund reached our goal of extending the Emerging Manager Program to all major asset classes. The MWBE Strategy enhances diversity and opportunity in the Financial Services industry.

We are continuing to adopt best practices to increase opportunities for emerging managers and MWBEs through leadership in networking, education and targeted research. We are actively collaborating with NYSTRS and the NYSIF to increase the awareness among MWBE firms of opportunities to serve as consultants and vendors, as well as asset managers, to our Funds. The Fund is committed to opening doors to women and minority-owned businesses that were sometimes shut in the past.

Sincerely,

A handwritten signature in black ink that reads "Tom DiNapoli". The signature is written in a cursive, flowing style.

Thomas P. DiNapoli
State Comptroller

This page intentionally left blank.

A Message from Chief Investment Officer Vicki Fuller

The Common Retirement Fund is committed to ensuring that Minority and Women-Owned Business Enterprises (“MWBEs”) are afforded a fair and equal opportunity to participate in the Fund’s asset management and in procurements of goods and services. This report provides information on the progress and success, during the last fiscal year, of the Fund’s MWBE Strategy, including an analysis of MWBE participation compared to all asset managers and service providers.



The Fund’s Emerging Manager (“EM”) Program is a vital component of our investment portfolio. The EM Program seeks to identify emerging managers, with a specific emphasis on smaller and newer asset managers, who can invest capital and provide strategic advice and infrastructure solutions to the Fund. While the EM Program is distinct from the MWBE Strategy, many emerging managers also fit the criteria for MWBEs. These programs enhance the Fund’s ability to partner and invest with experienced but newer firms that are expected to grow into larger, institutional, best-in-class investment managers. These firms provide the Fund with exposure to business sectors and opportunities that larger, more established asset managers may overlook.

The performance of our MWBE and EM programs demonstrates that the outlook for realizing attractive risk-adjusted returns with diverse managers is strong. I am proud to say that the Fund is one of the few state pension funds in the nation with emerging manager programs in all major asset classes.

The Fund is pleased to report on the current status of our MWBE Strategy. We are committed to continuing and expanding our efforts in the future.

Sincerely,

A handwritten signature in black ink that reads "Vicki Fuller". The signature is written in a cursive, flowing style.

Vicki Fuller
Chief Investment Officer

This page intentionally left blank.

Overview of the New York State Common Retirement Fund

State Comptroller Thomas P. DiNapoli is the trustee of the New York State Common Retirement Fund. The Fund holds assets in trust for more than one million members and pensioners of the New York State and Local Retirement System (“NYSLRS”), which comprises past and present employees from State government, local governments, school districts (with respect to non-teaching employees), some public authorities, and their beneficiaries. More than 3,000 local public employers participate in the Retirement System.

In fiscal year 2012-2013, the NYSLRS paid \$9.45 billion in benefits. Despite continued market turbulence, the Fund remains stable and strong. The Fund earned a 10.38 percent rate of return in fiscal year 2012-2013, reaching an all-time high value of \$160.7 billion as of March 31, 2013.

Since taking office, Comptroller DiNapoli has made it his mission to ensure the Fund is managed with the highest standards of ethics and professionalism. The first independent fiduciary and conflict-of-interest review of the Fund was released in February 2013. Conducted by Funston Advisory Services, the review validated that the Fund is being managed properly and ethically. The review found that the Fund:

- Is well run;
- Operates with an industry-leading level of transparency;
- Invests effectively on behalf of its members; and
- Has a lower average total cost for asset management than its peer funds.

Such independent reviews are now required every three years.

Overview of the Emerging Manager Program

The Fund's EM Program began in 1994 with an allocation of \$49 million to Progress Investments, an MWBE firm. The program proved successful and was expanded to the private equity portfolio in 1998, growing to \$475 million by the end of 2006. In October 2007, Comptroller DiNapoli more than doubled the Fund's commitment to emerging managers to \$1 billion for private equity and expanded the program across all of the major asset classes (private equity, public equity, hedge funds, and real estate). In announcing the increased commitment, Comptroller DiNapoli stated that "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."

A new broker-dealer search resulted in the selection of 35 broker-dealers, 18 of which are MWBEs. By 2011, the Fund was one of the few public pension plans with EM programs across all major asset classes.

The EM Program includes:

- Pursuing emerging managers and enterprises that are likely to achieve outstanding returns;
- Expanding the pool of high-caliber professionals who are likely to outperform in their given investment strategies;
- Producing a substantial and dynamic difference in the number of businesses that are actively involved in the management of the Fund;
- Constructing best-in-class portfolios, diversified across investment strategies, vintage years, styles and geographies;
- Supporting the growth of emerging managers through commitments not only to partnerships, but also to co-investments and secondaries on an opportunistic basis; and
- Enhancing the Fund's leadership in the EM sector in strategic ways, including networking, education and targeted research.

MWBE Certification Process

In 2011, the Fund hired Altura Capital Group, a New York State-based MWBE, to conduct the MWBE certification review process of firms doing business with the Fund. As part of its certification process, Altura reached out to the Fund's current network of more than 600 asset managers, financial institutions and professional service contractors to determine which firms are (a) at least 51 percent owned by members of minority groups or by women, and/or (b) substantially owned or operated by members of minority groups or by women. (The definitions of "51 percent owned" and "substantially owned or operated" are contained in the Fund guidelines listed in Appendix A.)

As the Fund makes investments and enters into contracts with asset managers, financial institutions and professional service firms in the future, it will review the ownership and management of these firms on a quarterly basis to determine which firms may be eligible for certification.

NYSLRS, together with NYSTRS and NYSIF will continue to work to develop and update a public database of firms certified as MWBE. The close coordination among NYSLRS, NYSTRS and NYSIF in the adoption and management of the Strategy in furthering public awareness, outreach and expansion of opportunities for MWBE involvement in a manner consistent with their fiduciary responsibilities has enabled MWBE to promote their services more seamlessly to fiduciary-controlled entities in New York State.

Annual Emerging Manager Conference

On February 15, 2013, the Fund hosted its Sixth Annual Emerging Manager Conference in Albany, New York. These conferences offer an opportunity for emerging managers to meet with Fund staff and investment partners to discuss how the Fund selects and monitors its investments. This year's conference was attended by more than 300 emerging managers across all of the asset classes, as well as staff members from pension plans in several other states who are interested in replicating our all-asset-class approach.

The conference included a speed-networking component which allowed managers time to present their products and services to staff and consultants. Key topics included asset allocation, strategic priorities and the areas the Fund is targeting to generate attractive returns. Workshops focused on private equity firms, real estate, hedge funds and public equity funds.

During the conference, Comptroller DiNapoli announced a \$250 million commitment to Farol Asset Management, an MWBE-owned private equity co-investments platform. "I am pleased that Farol Investment Advisers will oversee the Fund's new private equity co-investment allocation earmarked for emerging managers," DiNapoli said. "The Emerging Manager Program diversifies the Fund's portfolio by accessing an often overlooked pool of skilled investors including minority and women-owned firms."

The objective of the Farol Asset Management co-investment program is to invest private equity capital directly in transactions backed by experienced minority and women-owned private equity firms, fund-less sponsors and entrepreneurs. The program will invest in a broad range of transaction types including:

- Recapitalizations;
- Leveraged Buyouts;
- Growth Capital;
- Buy and Build Strategies; and
- Distressed Situations.

Overview of MWBE Participation

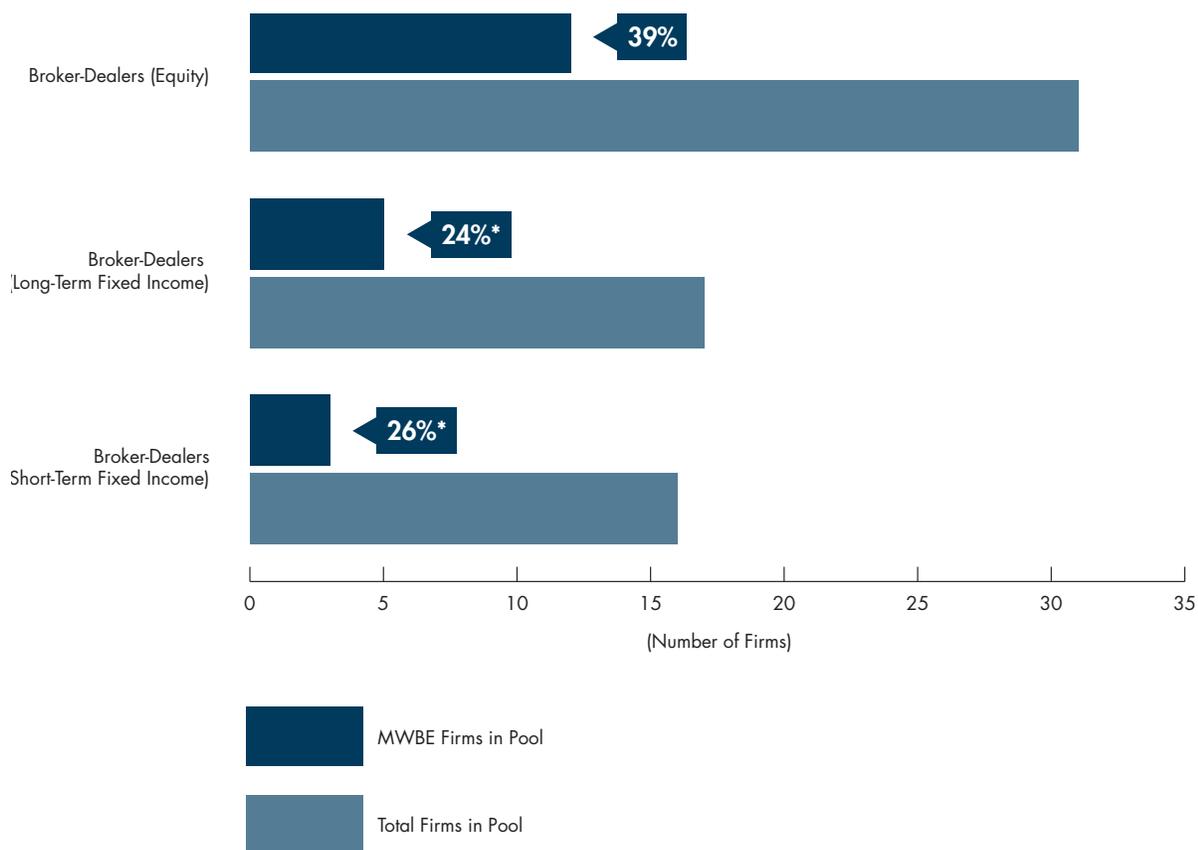
The charts on the following two pages summarize the Fund's current utilization of MWBE asset managers and broker-dealers. The broker-dealers are reported based on "Firms in Pool," as they do not manage capital. They are tasked with executing trades on behalf of the Fund related to the assets that are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

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

- Appendix B — Active Domestic Public Equity;
- Appendix C — Private Equity;
- Appendix D — Absolute Return (Hedge Funds);
- Appendix E — Real Estate; and
- Appendix F — Broker-Dealers.

Internal Management

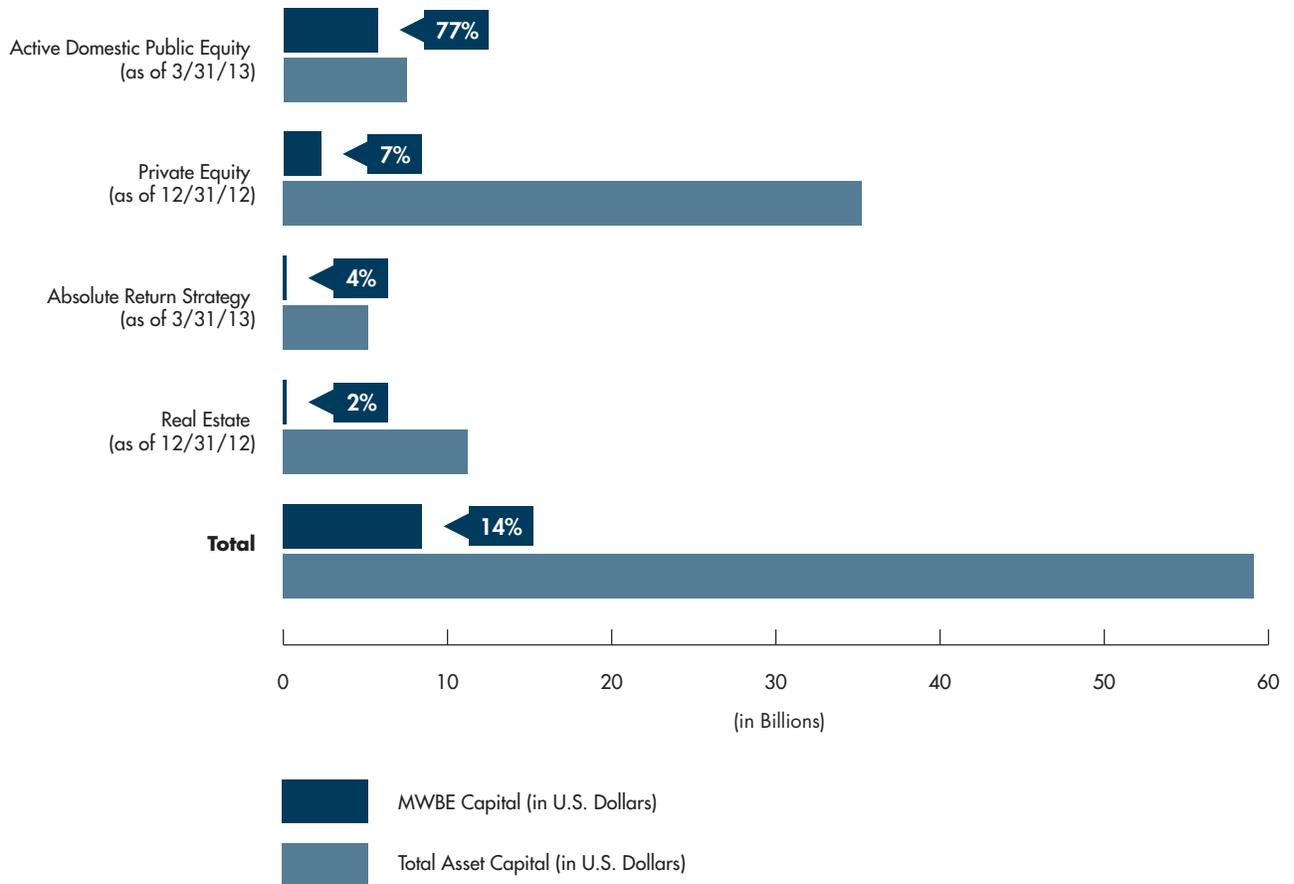
Asset Classification	MWBE Firms in Pool	Total Firms in Pool	MWBE Share
Broker-Dealers (Equity)	12	31	39%
Broker-Dealers (Long-Term Fixed Income)	5	17	24%*
Broker-Dealers (Short-Term Fixed Income)	3	16	26%*



* Based on total volume of trades.

Asset Class Investments and MWBE Participation

Asset Classification	MWBE Capital (in U.S. Dollars)	Total Asset Capital (in U.S. Dollars)	MWBE Share of Total Capital
Active Domestic Public Equity (as of 3/31/13)	\$ 5,751,198,570	\$ 7,505,774,571	77%
Private Equity (as of 12/31/12)	2,297,352,562	35,231,000,000	7%
Absolute Return Strategy (as of 3/31/13)	201,561,777	5,160,995,357	4%
Real Estate (as of 12/31/12)	185,974,308	11,234,494,717	2%
Total	\$ 8,436,087,217	\$ 59,132,264,645	14%



Appendix A

New York State Common Retirement Fund MWBE Asset Management and Financial Institution Strategy 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, regard less 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 fifty-one 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% - 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 fifty-one percent owned by one or more minority group members, or one or more women, the State Comptroller may rely on bona-fide 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 thirty-three percent (ownership and/or operation). The thirty-three percent shall include at least twenty-five 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, 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, 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 fifty-one 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 the 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 other advertising of 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.

Appendix B

Active Domestic Public Equity MWBE Investments (as of 3/31/13)

Fund Investments

Firm	MWBE Status	Market Value
Progress	African-American	\$ 1,376,520,008
FIS	African-American/Women	815,509,086
Brown	African-American	625,992,276
Earnest	African-American	615,193,540
New Amsterdam	Women	367,226,260
Globeflex	Women	343,233,262
Piedmont	African-American	380,263,274
Lombardia	Hispanic	269,778,591
Aronson Johnson Ortiz Partners	Hispanic/Asian-American/Women	957,482,273
Brandes	Hispanic/Asian-American/Women	1,008,728,412
Total Fund		\$ 6,759,926,982

Sub-Fund Investments*

Firm	MWBE Status	Market Value
Apex Capital Management, Inc.	Asian-American	\$ 123,083,098
Bennett Lawrence Management, LLC	Emerging	216,863,773
Cardinal Capital Management, LLC	Women	235,035,354
Channing Capital Management, LLC	African-American	126,151,347
Credo Capital Management, LLC	African-American	63,554,130
Denali Advisors, LLC	Native-American	211,980,536
Fan Asset Management, LLC	Asian-American	158,431,939
GW Capital, Inc.	Asian-American	34,671,399
Herndon Capital Management	African-American	164,614,319
Holland Capital Management, LP	African-American	167,039,365
Oakbrook Investments	Women	108,221,511
Piedmont Investment Advisors	African-American	163,677,064
Profit Investment Management	African-American	42,299,173
The Edgar Lomax Company	African-American	57,893,474

* The Common Retirement Fund often uses fund-of-fund (FoF) or manager-of-manager (MoM) asset managers to invest capital on our behalf. In many cases, these FoFs and MoMs are MWBEs that invest in other MWBE (Sub-Advisor) Asset Managers. For purposes of this report, we only count capital at the FoF or MoM level and not at the Sub-Advisor level, to avoid double-counting the capital. Instead, we have identified the Sub-Advisors that received capital from another MWBE FoF or MoM. The Sub-Advisor investments are listed in the chart entitled "Sub-Fund Investments."

Appendix C

Private Equity MWBE Investments (as of 3/31/13)

Fund Investments

Firm	MWBE Status	Market Value
Asia Alternatives Private Equity Partners	Asian-American/Women	\$ 83,545,143
Boston Ventures Management, Inc.	Asian-American	2,729,662
Fairview Capital Partners	African-American/Women	1,017,395,705
Falcon Investment Advisors	Asian-American	53,026,119
GenNx360 Capital Partners	African-American	70,639,744
Levine Leichtman Capital Partners	Women	51,788,919
Palladium Equity Partners III, LP	Hispanic	83,302,293
Vista Equity Partners	African-American	243,224,417
Clearwater Capital Partners	Hispanic/Asian-American	78,032,362
Muller & Monroe	African-American	200,000,000
Ascend Ventures (I & II)	African-American	6,924,778
Syndicated Communications Ventures Partners V	African-American	743,420
NYSCRF Pioneer Opportunities Fund (A&B)	Various	225,000,000
Total Fund		\$ 2,116,352,562

Sub-Fund Investments*

Firm	MWBE Status	Committed Amount
Ascend Ventures II	African-American	\$ 5,000,000
Craton Equity Partners	Hispanic	10,000,000
ICV Partners II	African-American	20,000,000
Kline Hawkes Growth Equity Fund	African-American	15,000,000
Levine Leichtman Capital Partners III	Women	20,000,000
RLJ Partners	African-American	20,000,000
Rustic Canyon / Fontis Capital Partners	Hispanic	5,000,000
SW Pelham Fund III	African-American/Women	10,000,000
Syndicated Communications Venture Partners V	African-American	25,000,000
Nogales Investors Fund II	Hispanic	13,500,000
DBL Fund II	Women	7,500,000
Clearlake	Hispanic/Asian-American	30,000,000

* The Common Retirement Fund often uses fund-of-fund (FoF) or manager-of-manager (MoM) asset managers to invest capital on our behalf. In many cases, these FoFs and MoMs are MWBEs that invest in other MWBE (Sub-Advisor) Asset Managers. For purposes of this report, we only count capital at the FoF or MoM level and not at the Sub-Advisor level, to avoid double-counting the capital. Instead, we have identified the Sub-Advisors that received capital from another MWBE FoF or MoM. The Sub-Advisor investments are listed in the chart entitled "Sub-Fund Investments."

Appendix D

Absolute Return Strategy MWBE Investments (as of 3/31/13)

Fund Investments

Firm	MWBE Status	Market Value
The Rock Creek Group	Women	\$ 201,905,000
Total Fund		\$ 201,905,000

Sub-Fund Investments*

Firm	MWBE Status	Market Value
Ayer Capital Partners Fund, LP	Asian-American	\$ 5,917,000
Fine Offshore Fund, Ltd.	Women	18,234,000
Signpost Capital Fund, Ltd.	Asian-American	6,496,000
Standard Pacific Capital Offshore Fund, Ltd.	Asian-American	6,217,000
CFIP Overseas Fund, Ltd.	African-American	12,405,000
Feingold O’Keeffe Capital I Fund, Ltd.	Women	12,246,000
Litespeed Offshore Fund, Ltd.	Women	5,362,000
Riva Ridge Capital Partners, LP	Asian-American	13,739,000
Standard General Offshore Fund, Ltd.	African-American/Asian-American	13,529,000
Varadero International, Ltd.	Hispanic	6,314,000
Matarin Market Neutral U.S. Plus, LP	African-American/Women	2,004,000
Advent Convertible Arbitrage (Cayman) Fund	African-American	11,450,000
Kamunting Street Offshore Fund, Ltd.	Asian-American	9,801,000

* The Common Retirement Fund often uses fund-of-fund (FoF) or manager-of-manager (MoM) asset managers to invest capital on our behalf. In many cases, these FoFs and MoMs are MWBEs that invest in other MWBE (Sub-Advisor) Asset Managers. For purposes of this report, we only count capital at the FoF or MoM level and not at the Sub-Advisor level, to avoid double-counting the capital. Instead, we have identified the Sub-Advisors that received capital from another MWBE FoF or MoM. The Sub-Advisor investments are listed in the chart entitled “Sub-Fund Investments.”

Appendix E

Real Estate MWBE Investments (as of 3/31/13)

Fund Investments

Firm	MWBE Status	Market Value
Noble	Asian-American/Pacific Islander	\$ 92,969,176
Artemis	Women	300,000,000*
Total Fund		\$ 392,969,176

Sub-Fund Investments**

Firm	MWBE Status	Equity Fair Value
AREP	Non-MWBE	\$ 38,881,224
Basis	African-American/Women	19,568,707
CT	Non-MWBE	5,908,000
Ellis	Women	49,106,685

* Committed Amount

** The Common Retirement Fund often uses fund-of-fund (FoF) or manager-of-manager (MoM) asset managers to invest capital on our behalf. In many cases, these FoFs and MoMs are MWBEs that invest in other MWBE (Sub-Advisor) Asset Managers. For purposes of this report, we only count capital at the FoF or MoM level and not at the Sub-Advisor level, to avoid double-counting the capital. Instead, we have identified the Sub-Advisors that received capital from another MWBE FoF or MoM. The Sub-Advisor investments are listed in the chart entitled "Sub-Fund Investments."

Appendix F

MWBE Broker-Dealers (as of 3/31/13)

Equity

Firm	MWBE Status
Blaylock Partners	African-American
Cabrera Capital	Hispanic
Castle Oak	African-American
C.L. King	Women-Owned
Great Pacific	Hispanic
Guzman	Hispanic
Loop Capital Markets	African-American
M.R. Beal	African-American
Muriel Siebert	African-American/Women
Samuel Ramirez	Hispanic
Sturdivant	African-American
Williams Capital	African-American

Fixed Income/Long-Term

Firm	MWBE Status
Cabrera Capital	Hispanic
Castle Oak Securities	African-American
Great Pacific	Hispanic
Siebert Capital Markets	African-American/Women
Williams Capital	African-American

Fixed Income/Short-Term

Firm	MWBE Status
Muriel Siebert	African-American/Women
Great Pacific	Hispanic
Williams Capital	African-American

This page intentionally left blank.

