

Minority Investment Manager Utilization Policy

Adopted: January 28, 2015

Revised: May 24, 2016

Revised: December 16, 2020

The Retirement Board of the Metropolitan Water Reclamation District Retirement Fund (“Retirement Board”) are fiduciaries as defined in the Illinois Pension Code (40 ILCS 5/1-101.2) and, as fiduciaries, must act solely in the interest of the participants and beneficiaries in accordance with the Illinois Pension Code (40 ILCS 5/1-109).

Illinois Pension Code (40 ILCS 5/1-109.1(9)) states that it is the public policy of the State of Illinois to encourage trustees to use minority investment managers in managing Fund assets to the greatest extent feasible within the bounds of financial and fiduciary prudence. Trustees shall adopt a policy setting forth goals for utilization of minority investment managers.

Pursuant to Illinois Pension Code (40 ILCS 5/1-109.1(9)), the MWRDRF Board of Trustees has adopted the following goals for the utilization of Minority Investment Managers.

Goals for the Utilization of Minority Investment Managers (MIM) by Ownership:

<u>Minority Investment Manager Ownership</u>	<u>% of Active Mandates</u>
Minority Investment Managers (MIM)	25% to 35%
Minority Owned Business Entity	10% to 20%
Woman Owned Business Entity	02% to 10%
Disabled Owned Business Entity	0% to 05%

Pursuant to Illinois Pension Code (40 ILCS 5/1-109.1(4)), the MWRDRF Board of Trustees has adopted the following goals for the utilization of Emerging Investment Managers.

Goals for the Utilization of Minority Investment Managers that are Emerging (<\$10 billion AUM):

By Ownership:

<u>Minority Investment Manager Ownership</u>	<u>% of MIM Active Mandates</u>
Minority Owned Business Entity	25% to 50%
Woman Owned Business Entity	25% to 50%
Disabled Owned Business Entity	25% to 50%

By Asset Class:

<u>Asset Class</u>	<u>% of MIM Active Mandates</u>
Equity	25% to 50%
Fixed Income	25% to 50%
Commingled Open End Real Estate	0% to 50%

Passive Mandates will be solely determined by the lowest fee and/or the highest net positive tracking error. This revised Utilization Policy replaces all previous Utilization Policies and Programs.

These goals will be reviewed annually.