



## METROPOLITAN WATER RECLAMATION DISTRICT RETIREMENT FUND

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December 20, 2023

The Honorable JB Pritzker  
Office of the Governor  
207 State House  
Springfield, Illinois 62706

Dear Governor Pritzker:

Pursuant to Illinois Compiled Statutes, Chapter 40, Act 5, Article 1, Section 109.1, the Metropolitan Water Reclamation District Retirement Fund (the Fund) respectfully submits our annual report regarding the utilization of MWDBE investment managers and broker-dealers. All information contained in this report is as of September 30, 2023, unless otherwise noted.

The Fund recognizes the importance of racial, ethnic, and gender diversity in all areas. Our Board of Trustees is 71% minority and women. At the consultant level, both the Managing Director and supporting Vice President on the account are minorities.

As a percentage of actively managed assets, as of 9/30/23 MWDBE firms represented over 28% of Fund assets. In October, the Fund added Private Credit as a new asset allocation. One of the managers selected for the new allocation was a MWDBE firm. As a result of the addition of the new firm, as shown in Exhibit A, our percentage of actively managed assets, as of 11/30/23, allocated to MWDBE firms represented over 30% of Fund actively managed assets.

Our active domestic equity managers directed 46.2% of total YTD commissions as of 9/30/23 to MWDBE firms compared with 62.1% for the comparable period in 2022. The Fund's active international equity managers directed 29.6% of total YTD commissions to MWDBE firms versus 22.0% last year.

The Fund's active global equity managers directed 39.6% of total YTD commissions as of 9/30/23 to MWDBE firms compared with 30.0% for the comparable period in 2022. Finally, our active fixed income managers traded 35.9% of total YTD par value with MWDBE firms as opposed to 39.6% for the first nine months of 2022.

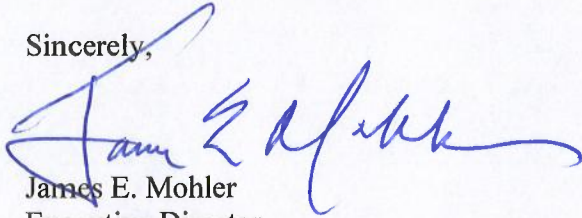
In all areas, the Fund's managers have met or exceeded the established goals regarding the utilization of MWDBE broker dealers. The Board will review these utilization goals annually. Our Trustees continue to encourage the Fund's investment managers to increase the use minority broker-dealers, subject to best execution. Broker-Dealer utilization goals and YTD commissions can be found in Exhibit B.

Please refer to Exhibit A for additional information on the Fund's utilization of MWDBE investment managers.

In addition to Exhibits A & B, you will find the following Fund policies: Minority Investment Manager Utilization Policy, Investment Services Procurement Policy, and Broker/Dealer Policy.

If we can be of further assistance, please let us know.

Sincerely,



James E. Mohler  
Executive Director

Enc.

CC: Honorable Emanuel Chris Welch, House Speaker  
Honorable Don Harmon, Senate President

Exhibit A

Investment Managers	Address	MWDBE Status	Market Value as of 11/30/23	% of Active Assets as of 11/30/23
MWDBE Firms:				
Ramirez Asset Management	61 Broadway, 29th Floor New York, NY 10006	M	\$68,943,514	8.3%
Ariel Investments	200 E. Randolph Drive, Suite 2900 Chicago, Illinois 60601	M	\$69,212,509	8.4%
EARNEST Partners	1180 Peachtree Street NE, Suite 2300 Atlanta, GA 30309	M	\$47,748,714	5.8%
Brightwood Capital	810 Seventh Avenue, 26th Floor New York, NY 10019	M	\$14,734,126	1.8%
Garcia Hamilton & Associates	1401 McKinney, Suite 1600 Houston, TX 77010	M	\$51,970,949	6.3%
<b>Total MWDBE managed</b>			<b>\$252,609,812</b>	<b>30.5%</b>
<b>Active Fund Assets</b>			<b>\$827,460,640</b>	
<b>Total Fund Assets</b>			<b>\$1,390,581,918</b>	

Exhibit B

<b>Domestic Equity Brokerage Commissions</b>	<b>YTD 9/30/23</b>	<b>% to MWDBE Firms</b>
Total Commissions paid to MWDBE Firms	\$ 52,183	46.2%
<b>Total Commissions</b>	<b>\$ 112,936</b>	
% Policy Goal		40%
<b>International Equity Brokerage Commissions</b>	<b>YTD 9/30/23</b>	<b>% to MWDBE Firms</b>
Total Commissions paid to MWDBE Firms	\$ 36,134	29.6%
<b>Total Commissions</b>	<b>\$ 122,181</b>	
% Policy Goal		20%
<b>Global Equity Brokerage Commissions</b>	<b>YTD 9/30/23</b>	<b>% to MWDBE Firms</b>
Total Commissions paid to MWDBE Firms	\$ 3,250	39.6%
<b>Total Commissions</b>	<b>\$ 8,212</b>	
% Policy Goal		30%
<b>Fixed Income Par Traded</b>	<b>YTD 9/30/23</b>	<b>% to MWDBE Firms</b>
Total Par Traded with MWDBE Firms	\$ 208,299,819	35.9%
<b>Total Par Traded</b>	<b>\$ 580,718,877</b>	
% Policy Goal		25%