



Michael W. Frerichs
ILLINOIS STATE TREASURER

REPORT

ON USE OF INVESTMENT FIRMS
AND CONTRACTORS OWNED BY
MINORITY PERSONS, WOMEN,
VETERANS AND PERSONS WITH A
DISABILITY IN FISCAL YEAR 2024

DECEMBER 2024



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INTRODUCTION

A core tenet of the mission of the Office of the Illinois State Treasurer ("Illinois Treasurer") is to promote education, access, and opportunity for individuals and governmental bodies across our state to give families the tools to achieve the American Dream. In furtherance of that mission, the Illinois Treasurer is committed to providing equal access for minority persons, women, qualified veterans, and persons with disabilities ("MWVD Persons"). The Illinois Treasurer believes that our government should mirror the great diversity in our state.

Furthermore, diversity has shown to be good for business. Significant academic research demonstrates that diverse-owned companies are often well-situated to capitalize on market inefficiencies and develop more creative and innovative solutions, which makes them prime to outperform their peers. That is why the Illinois Treasurer believes it is within his fiduciary duty to focus on providing more opportunities to qualified investment firms and contractors owned by MWVD Persons.

Beyond this fundamental belief in the value of diversity, Section 30 of the State Treasurer Act declares that it be policy of the Illinois Treasurer to promote and encourage the use of businesses owned by or under the control of MWVD Persons and sets forth the aspirational goal of directing 25% of the total dollar amount of funds under management, purchases of investment securities, and other contracts to businesses owned by or under the control of MWVD Persons.

This report summarizes the utilization of MWVD businesses by the Office of the Illinois State Treasurer in FY 2024, focusing on the utilization of investment firms, including broker/dealers and asset managers, and contractors procured for goods and services. Notable takeaways include the following:

- **Assets Brokered by MWVD Firms Increased from \$603 million to \$45 billion** – Total assets brokered by MWVD firms increased from \$603 million in FY 2014 to \$45 billion in FY 2024, representing a 74-fold increase.
- **Assets Managed by MWVD Firms Increased from \$18.1 million to \$5.4 billion** – Total assets managed by MWVD firms increased from \$18.1 million in June 2016 to \$5.4 billion in June 2024, representing a 297-fold increase.
- **MWVD Procurement Goals Met** – Compensation this year on contracts held by MWVD contractors totaled \$19.3 million between 17 MWVD contractors, a 10% increase in compensation from the prior fiscal year.

Looking ahead, we are committed to continuing to transform the culture, policies, and operations of the Illinois Treasurer to help ensure equal opportunity. For more information on the Illinois Treasurer's focus on equity, diversity and inclusion, please visit the following webpage:

[www.illinoistreasurer.gov/Financial_Institutions/Equity, Diversity Inclusion](http://www.illinoistreasurer.gov/Financial_Institutions/Equity,_Diversity_Inclusion).

Sincerely,



Michael W. Frerichs
Illinois State Treasurer

Investment Firms Report Summary

The purpose of this section is to illustrate the utilization of investment firms owned by MWVD Persons by the Illinois Treasurer over the course of FY 2014 to FY 2024, with attention paid to historical utilization where data is available.

The two categories of investment firms documented in this report include (1) MWVD Broker/Dealers and (2) MWVD Asset Managers.

- **MWVD Broker/Dealers** – The Illinois Treasurer’s two internally managed investment programs, the State Investment Portfolio and Illinois Public Treasurers’ Investment Pool (also referred to as “The Illinois Funds”), are made up of direct purchases and brokered investments. Tapping diverse-owned broker/dealers is one of the quickest and best ways to ensure MWVD participation.
- **MWVD Asset Managers** – Diverse-owned or managed asset managers provide investment vehicles for the Illinois Treasurer to invest in throughout the Office’s investment programs, including the State Portfolio, the Illinois Public Treasurers’ Investment Pool, the two Illinois 529 College Savings Plans, Bright Start and Bright Directions, the Illinois Secure Choice retirement savings program, the Illinois Growth and Innovation Fund, and the FIRST Fund.¹

Key takeaways for this section include the following:

- **Assets Brokered by MWVD Firms Increased from 1% to 79%** – Only 1% of the Illinois Treasurer’s investment assets were brokered through MWVD firms in FY 2014, compared to 79% in FY 2024.
- **Assets Brokered with MWVD Firms Reached \$45 Billion in FY 2024** – Total assets brokered with MWVD firms increased from \$603 million in FY 2014 to \$45 billion in FY 2024, which represents a 74-fold increase.
- **Under Treasurer Frerichs’ administrations, approximately \$349 billion has been brokered by MWVD firms during FY 2014 to FY 2024.**
- **Assets Managed by MWVD Firms Increased from \$18.1 Million to \$5.4 Billion** – Total assets managed by MWVD firms increased from \$18.1 million in June 2016 to \$5.4 billion in June 2024. That represents a 297-fold increase.
- **Newer investment programs continue to bring opportunities for additional investment with MWVD firms.**

¹ For more information on the Office’s investment programs, please visit www.illinoistreasurer.gov/Office_of_the_Treasurer/Investments.

MWVD Broker/Dealers

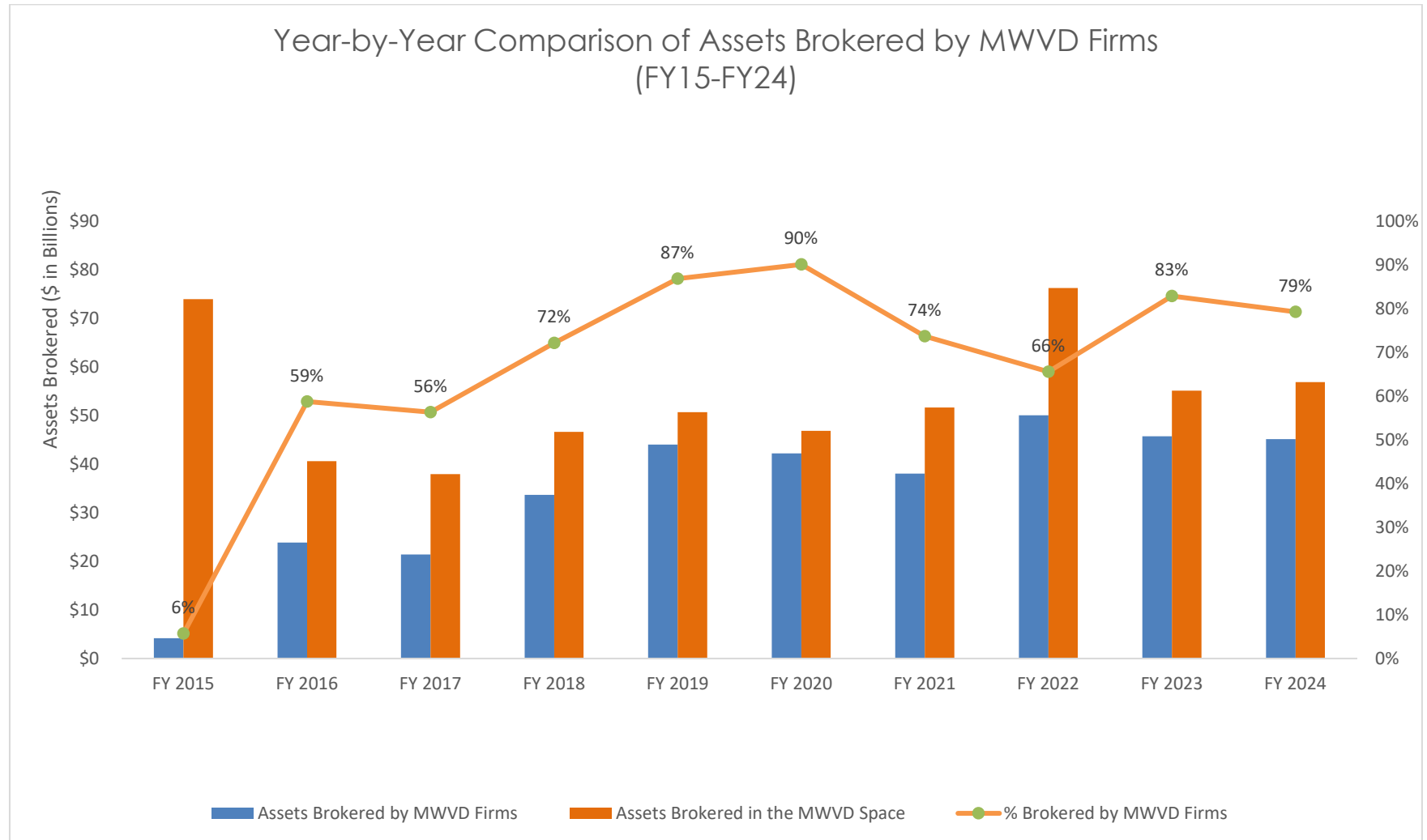
TABLE 1: Assets Brokered by MWVD Firms through the State Investments and The Illinois Funds

Year-by-Year Comparison of Assets Brokered by MWVD Firms												
		Treasurer Frerichs's Administration										
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Cumulative
Assets Brokered by MWVD Firms	603 million	4.2 billion	23.9 billion	21.4 billion	33.7 billion	44.1 billion	42.3 billion	38.1 billion	50.1 billion	45.8 billion	45.2 billion	\$349.4 billion
Total Assets Available*	60.0 billion	74.0 billion	40.7 billion	38.0 billion	46.7 billion	50.7 billion	46.9 billion	51.7 billion	76.3 billion	55.2 billion	56.9 billion	\$597.1 billion
% Brokered by MWVD Firms	1.0%	5.7%	59.9%	63.2%	75.8%	88.8%	92.1%	76.8%	67.0%	82.9%	79.4%	58.5%

**Assets available to be brokered by MWVD firms include secondary commercial paper, treasury bill/discount notes, and coupon bearing securities. Other assets brokered have limited MWVD representation in the space and are considered unavailable to MWVD brokers.*

- **Utilization of MWVD Broker/Dealers Increased Significantly** – In FY 2024 79% of assets available were brokered by MWVD broker/dealers, compared to 1% in FY 2014.
- **Cumulative Utilization since FY 2014 is Strong at 59%** – Since FY 2014, approximately 60% of assets available for MWVD brokerage were brokered by MWVD firms. The strong cumulative utilization rate reflects the advancements made by our office to utilize MWVD firms.

GRAPH 1: Assets Brokered with MWVD Firms FY 2015 – FY 2024



- **Impressive Gains in Assets Brokered by MWVD Firms Since FY 2015** – Assets brokered by MWVD firms have made impressive gains since FY 2015. The utilization of MWVD firms has increased from 6% to 79%, and total assets brokered with MWVD firms increased from \$4 billion in FY 2015 to \$45 billion in FY 2024.
- **Totals Cumulative Assets Brokered by MWVD Firms under Treasurer Frerichs Administration Increased to \$349 Billion.**

TABLE 2: Total Assets Brokered with MWVD Firms through the State Investments and The Illinois Funds

Measure	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
State Investments									
Assets Brokered in the MWVD Space	\$26,192,520,000	\$20,150,689,000	\$25,864,307,000	\$35,786,422,000	\$33,313,218,000	\$27,146,424,000	\$35,481,723,000	\$24,810,611,000	\$24,596,609,000
Assets Brokered by MWVD Firms	\$16,841,870,000	\$13,086,089,000	\$22,591,276,000	\$33,668,977,000	\$30,723,953,000	\$21,293,543,000	\$25,500,246,500	\$21,876,479,000	\$20,769,594,000
% Brokered by MWVD Firms	64.3%	64.9%	87.3%	94.1%	92.2%	78.4%	71.9%	88.2%	84.4%
Illinois Funds									
Assets Brokered in the MWVD Space	\$14,460,182,000	\$17,822,671,000	\$20,792,015,695	\$14,921,264,000	\$13,551,476,745	\$24,527,560,237	\$40,828,020,769	\$30,374,470,000	\$32,352,050,179
Assets Brokered by MWVD Firms	\$7,352,425,000	\$9,621,893,000	\$10,521,272,000	\$10,521,272,000	\$11,750,902,750	\$18,409,155,437	\$24,566,860,000	\$23,900,282,000	\$24,416,107,699
% Brokered by MWVD Firms	50.8%	54.0%	70.5%	70.5%	86.7%	75.1%	60.2%	78.7%	75.5%
State Investments + Illinois Funds									
Assets Brokered in the MWVD Space	\$40,652,702,000	\$37,973,360,000	\$46,656,322,695	\$50,707,686,000	\$46,864,694,745	\$51,673,984,237	\$76,309,743,769	\$55,185,081,000	\$56,948,659,179
Assets Brokered by MWVD Firms	\$23,901,295,000	\$21,406,812,000	\$33,701,809,000	\$44,063,249,000	\$42,256,855,750	\$38,098,459,629	\$50,067,106,500	\$45,776,761,000	\$45,185,701,699
% Brokered by MWVD Firms	59%	56%	72%	87%	90%	74%	66%	83%	79%

- **MWVD Firms Have Brokered 79% of Assets Available in FY 2024** - With a value of over \$45 billion, MWVD firms brokered 79% of available assets in FY 2024.

TABLE 3: Approved MWVD Broker/Dealers

Broker/Dealer Name	MWVD Designation
Great Pacific	M - Latino
Loop Capital	M - African American
Penserra Securities	M - Latino
Mischler	Disabled & Veteran
MFR Securities Inc	Woman
CastleOak	M - African American
Drexel Hamilton	Disabled & Veteran
Cabrera Capital Markets	M - Latino
Siebert William Shank	Woman & M - African American
Academy Securities	Disabled & Veteran
Alamo Capital	Woman
Multi-Bank	Veteran
Samuel Ramirez & Co.	M - Latino
Bancroft Capital LLC	Veteran
ASL Capital Markets	M - Asian
Blaylock Beal Van	M - African American
IFS Securities	M - African American
R. Seelaus & Co.	Woman
Falcon Square	Woman

TABLE 4: MWVD Broker/Dealers among All Certified Broker/Dealers

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Total Approved Broker/Dealers	34	38	39	49	50	49	45	44	44	40	43	47
Approved MWVD Broker/Dealers	8	7	7	14	15	15	18	17	24	19	19	21
Percentage of Total	23.5%	18.4%	17.9%	28.6%	30.0%	30.6%	40.0%	38.6%	54.5%	47.5%	44.2%	44.6%

MWVD Asset Managers

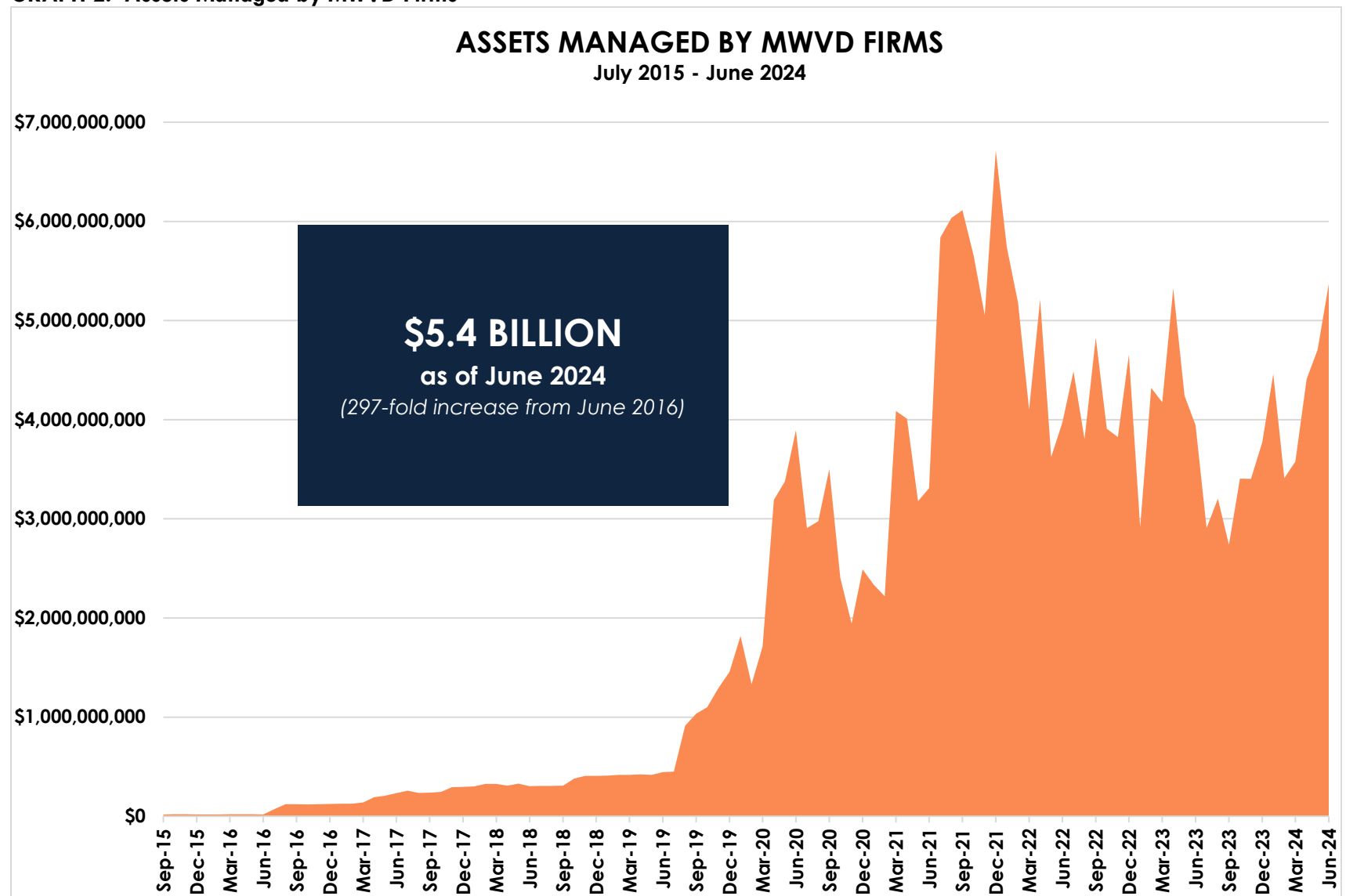
TABLE 5: Assets Managed by MWVD Firms across Investment Programs

Comparison of Assets Managed by MWVD Firms										
	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024
Assets Managed by MWVD Firms	\$20.4 million	\$18.1 million	\$124 million	\$304 million	\$446 million	\$3.9 billion	\$3.0 billion	\$2.6 billion	\$3.9 billion	\$5.4 billion
Total Externally Managed Assets*	\$7.7 billion	\$12 billion	\$12.1 billion	\$13.7 billion	\$15.1 billion	\$18.6 billion	\$22.3 billion	\$22.2 billion	\$27.3 billion	\$31.7 billion
% Managed by MWVD Firms	0.3%	0.9%	1.0%	2.2%	3.0%	21.3%	13.5%	11.8%	14.7%	16.9%

**Includes moneys under State Investments, Illinois Funds, College Savings, ILGIF/TDA, Secure Choice, ABLE and externally managed assets under the State Portfolio and Illinois Funds.*

- **Assets Managed by MWVD Firms Has Increased 297-Fold** – Since June 2016, assets managed by MWVD managers has increased 297-fold, from \$18.1 million to \$5.4 billion. Among all externally managed assets, MWVD firms managed 17%.

GRAPH 2: Assets Managed by MWVD Firms



- **Assets Managed by MWVD Firms Increased by 297x since June 2016** – Total assets managed by MWVD firms grew exponentially between June 2016 and June 2024, from \$18.1 million to \$5.4 billion, respectively.

TABLE 6: List of MWVD Asset Managers

Asset Manager/Distributor Name	MWVD Designation
Academy Securities	Disabled & Veteran
Cabrera Capital Markets	M- Latino
CastleOak	M - African American
CAVU Securities	Veteran
Drexel Hamilton	Veteran
Garcia Hamilton	M - Latino
Great Pacific	M - Latino
Ramirez Asset Management	M - Latino
Williams Capital Group	M - African American
Ariel Investments	M - African American
Payden & Rygel	Woman
Sit Investment Associates	M - Asian
Ceres Venture Fund	Woman
I2A Ventures	M - Asian
5th Century Partners	M - African American
Agent Capital	Woman
Avance Investment Partners	M - Latino
Brightwood Capital	M - African American
Builders Venture Capital	M - African American
Buoyant Ventures	Woman
Chingona Ventures	Woman & M - Latino
Cleveland Avenue	M - African American
Exposition Ventures	M - African American & Woman
GreatPoint Ventures	Veteran & M - Asian
Impact Engine	Woman
Kinzie Fund	Woman & M - Asian
Lightspring Capital	Woman
Listen Ventures	LGBT & M - Asian
Long Arc Capital	M - Asian
M25	Woman & M - African American
Moderne Ventures	Woman
New Enterprise Associates	Woman & M - Asian
New Mainstream Capital	M - Latino
Palladium Equity Partners	M - Latino
The 81 Collection	M - Asian
Red Arts Capital	M - African American
Reverence Capital Partners	M - Latino
Supply Change Capital	Woman & M - Latino
Tensility Venture Partners	M - Latino

Valor Siren Ventures	M - Latino
Vamos Ventures	M - Latino
Vista Equity Partners	M - African American
Vistria Group	M - African American
Grain Management	M - African American
Inclusive Futures	Women
Trio Group/JP Morgan	M - African American

Procurement Report Summary

The following is a report on information gathered on the use of contractors that are owned by minority persons, women, veterans, and persons with a disability (“MWVD contractors”) by the Office of the Illinois State Treasurer (“Illinois Treasurer”). This report describes current policies and practices in place to gather MWVD contractor information and highlights policies intended to improve contractor reporting.

Public Act (“PA”) 100-969 established aspirational goals for investments and authorized procurement preferences for the Illinois Treasurer in relation to selecting MWVD contractors.

PA 100-969 added Section 30 to the State Treasurer Act [15 ILCS 505], “Preferences for veterans, minorities, women, and persons with disabilities.” Section 30 codifies the Illinois Treasurer’s aspirational goal of directing 25% of the total dollar amount of funds under management, purchases of investment securities, and other contracts to MWVD contractors. Section 30 also states that the Illinois Treasurer is authorized to incorporate preferences in the scoring process for MWVD businesses as well as for businesses with a record of support for increasing diversity and inclusion in board membership, management, employment, philanthropy, and supplier diversity, including investment professionals and investment sourcing.

The Illinois Treasurer has taken steps to encourage MWVD contractor participation and has instituted language in required documents to complete a bid or proposal submission. As explained further below, MWVD reporting provisions have also been negotiated into contracts to help keep track of the diversity among current contractors.

Data Collection

As noted, the Illinois Treasurer currently includes detailed questions regarding diverse ownership in its Requests for Proposals (“RFPs”). These questions allow the Illinois Treasurer to better understand which communities are responding to its public procurements. Below is an example of a statement regarding diversity that is included in the Illinois Treasurer’s current RFPs:

“Respondent’s diversity score will be based on the answers the Respondent provides to the Diversity & Inclusion questions of this RFP. The Evaluation Team shall award a higher diversity score to Respondents that are female, minority, person with disabilities, or veteran owned or managed. Having a higher percentage of subcontractors that are

female, minority, person with disabilities, or veteran owned or managed shall also result in higher scores.”

The Illinois Treasurer offers the following statement leading into its specific Equity, Diversity and Inclusion questions in RFPs:

As set forth in Section 30 of the State Treasurer Act, 15 ILCS 505/30, it is an aspirational goal of the State Treasurer to use businesses owned by or under the control of veterans, qualified service-disabled veterans, minority persons, women, or persons with a disability (“MWVD Persons”) for not less than twenty-five percent (25%) of the total dollar amount of funds under management, purchases of investment securities, and other contracts. As used herein, the terms “minority person”, “woman”, “person with a disability”, and “control” have the meanings provided in Section 1 of the Business Enterprise for Minorities, Women, and Persons with Disabilities Act, 30 ILCS 575/2. Further, the terms “veteran” and “qualified service-disabled veteran” have the meanings provided in Section 45-57 of the Illinois Procurement Code, 30 ILCS 500/45-57. For any question below relating to MWVD Persons, the response should include a breakdown by veterans, qualified service-disabled veterans, minority persons, women, or persons with a disability.

Below are examples of the Diversity questions that are currently used in Illinois Treasurer RFPs:

1. Please confirm whether Respondent is at least fifty-one percent (51%) owned by MWVD Persons. Please cite with supporting data, including the number and percentage of the Respondent’s owners who are MWVD persons. Note if Respondent has submitted an EEO-1 report in the last year, Respondent may at its discretion provide the information in its EEO-1 report to supplement the response to this question.
2. Please confirm whether Respondent is under the control of MWVD Persons. Please cite with supporting data. Please provide the number and percentage of the Respondent’s owners who are MWVD persons. Note if Respondent has submitted an EEO-1 report in the last year, Respondent may at its discretion provide the information in its EEO-1 report to supplement the response to this question. What is the percentage of Respondent’s intended use of subcontractors for this project, if any, that are under the control of MWVD Persons?
3. For the next four questions regarding Respondent’s leadership and workforce, all responses must include supporting data. If Respondent has submitted an EEO-1 report in the last year, Respondent may at its discretion provide the information in its EEO-1 report to supplement its responses:
 - a. If publicly owned, please provide (i) the total number of members on the Respondent’s board of directors and (ii) the number of members on the Respondent’s board of directors who are MWVD Persons.
 - b. Please provide the number and percentage of the Respondent’s senior leaders (e.g. partners, executive officers, managing directors, etc.) that are MWVD Persons. Note that senior leaders are considered those who create strategies and plans for the entire organization to follow, communicating directly with the board of directors or are within two reporting levels to the CEO on the Respondent’s official organizational chart.

- c. Please provide the number and percentage of Respondent's professional staff who are MWVD Persons. Note that professional staff are considered those who maintain a bachelor's degree or certification or are first/mid-level officials and managers that report to executive/senior leaders or middle managers.
 - d. Please provide the number and percentage of the Respondent's full-time, U.S. workforce employees who are MWVD Persons.
4. How does the Respondent promote supplier diversity or maintain a supplier diversity program? Please provide a summary of objectives and any targets, benchmarks, or performance metrics that substantiate this work.
 5. Please describe any policies, programs, or activities the Respondent administers to promote equity, diversity and inclusion both within the Respondent's organization and the community. Please note any targets, benchmarks, or performance metrics that substantiate this work.

Further, the Illinois Treasurer continues to seek appropriate opportunities to include preferences for MWVD firms. In particular, in the Illinois Treasurer's recent Invitations for Bid ("IFBs"), the Illinois Treasurer reserved the right to "reduce the Grant Total cost [by a particular percentage that varies by IFB, but is typically around 25 – 33%] of any Bid that includes written verification, which may include a certification, from the Illinois Commission on Equity and Inclusion or similar Illinois-based certifying entity, that Respondent is a business owned by or under the control of veterans, qualified service-disabled veterans, minority persons, women, or persons with a disability." This provision has resulted in awards to MWVD firms.

The Treasurer also recently concluded a construction project awarded pursuant to its Invitation for Bid Construction Services for Marine Bank Building Access Area, which IFB included a goal, which was met by the awardee, of 7% participation by MWVD subcontractors.

As noted previously, the Illinois Treasurer has been negotiating an additional term in new contracts and amendments to existing contracts to require MWVD reporting pursuant to Section 30 of the State Treasurer Act; ensuring the provision is listed in all of its public solicitations:

EQUITY, DIVERSITY, AND INCLUSION DATA

Contractor shall respond to requests for data from the Treasurer, as deemed necessary by the Treasurer, to report on the Treasurer's use of equitable, diverse, and inclusive businesses in accordance with Section 30 of the State Treasurer Act, 15 ILCS 505. Contractor shall provide all requested data within thirty days of any request, or within a timeframe otherwise agreed upon by the Treasurer.

While contracts remain that do not include this provision, following its implementation the Illinois Treasurer saw an increase in responses to its requests for diversity data. This year, the Illinois Treasurer again distributed a diversity assessment to all current contractors with active contractual agreements with the Illinois Treasurer, which includes those with whom the Illinois Treasurer has executed certain purchase orders from statewide master contracts. Out of 119 contractors, the Illinois Treasurer obtained the MWVD status of 94. Of those that responded or for which the Illinois Treasurer was able to confirm MWVD registration with the State's Chief Procurement Officer for General Services, 17 contractors total claim MWVD status. Compensation this year on contracts held by MWVD contractors totaled \$19,335,905.52, which represents an increase of over 10% from the prior fiscal year.

As a result of the Treasurer's large transactional and dollar volume as the Chief Investment Officer of the State of Illinois, many contracts, particularly those large contracts requiring a public solicitation, have a limited number of large entities that are capable of accommodating the Treasurer's needs. In order to further diversity within these limited respondents, the Treasurer's request for diversity data also includes a request for data related to diversity within its ownership or board of directors. Within those ownership groups or boards of directors, the Illinois Treasurer found that, on average, such groups were comprised of the following percentages of particular MWVD subgroups:

Black or African American	4.52%
Hispanic or Latino	4.41%
Asian	3.54%
American Indian or Alaska Native	0.20%
Native Hawaiian or Other Pacific Islands	0.06%
Two or more races	1.04%
Veteran	3.88%
Persons with a Disability	0.77%
Female	18.65%
Female Black or African American	1.22%
Female Hispanic or Latina	0.86%
Female Asian	1.89%
Female American Indian or Alaska Native	0.02%
Female Native Hawaiian or Other Pacific Islands	0.01%
Female Two or more races	0.13%
Female Veteran	0.01%
Female Persons with a Disability	0.17%
Female Service-Disabled Veteran	0.00%

The data above suggests a total of nearly 40% of ownership or boards of directors of firms that responded to the survey is comprised of minorities, veterans, women, and/or persons with disabilities.

The Illinois Treasurer will continue to take steps to encourage its current contractors to report on their ownership status and to increase MWVD participation.