



New York State Insurance Fund

**MWBE Asset Management and Financial
Institution Strategy Report
Fiscal Year 2021-2022**

June 1, 2022



Kenneth R. Theobalds
Chairman
Board of Commissioners

June 1, 2022

Honorable Kathy Hochul
Governor of New York State
New York State Capitol Building
Albany, New York

Honorable Carl E. Heastie
Speaker
New York State Assembly
Albany, New York

Honorable Crystal D. Peoples-Stokes
Majority Leader
New York State Assembly
Albany, New York

Honorable William A. Barclay
Minority Leader
New York State Assembly
Albany, New York

Honorable Andrea Stewart-Cousins
President Pro Tempore and Majority Leader
New York State Senate
Albany, New York

Honorable Michael Gianaris
Deputy Majority Leader
New York State Senate
Albany, New York

Honorable Robert G. Ort
Minority Conference Leader
New York State Senate
Albany, New York

Julissa Gutierrez
Chief Diversity Officer
New York State Capitol Building
Albany, New York

Dear Governor Hochul, Senate and Assembly Leaders, and Officer Gutierrez:

The New York State Insurance Fund ("NYSIF") continues to exceed the Minority & Women-Owned Business Enterprises ("MWBE") participation goals set by the New York State Governor's Office and NYSIF's Board of Commissioners. We reaffirm our commitment and strive to do even better so that our values of encouraging diversity and inclusion continue to reflect in the pursuit of our core mission, delivering superior financial returns and value to NYSIF's customers. NYSIF will continue its efforts to utilize a variety of outreach programs in order to cultivate relationships with MWBE firms, boosting innovation and expanding opportunities for MWBE vendors.

The following report details the utilization of MWBE's for investment and financial services by NYSIF. This report will be simultaneously published on NYSIF's website for at least sixty (60) days following its release.

Respectfully submitted,

Chairman Kenneth R. Theobalds
Acting Chair, Investment Committee

cc: Kate C. Harris, Deputy Secretary for Financial Services & Technology
Jane Weisenberg, Assistant Secretary for Economic Development
Gaurav Vasisht, NYSIF Executive Director & CEO

Table of Contents

ABOUT NYSIF	2
NYSIF Financial Highlights as of March 31, 2022.....	3
HISTORY OF MWBE LEGISLATION	4
OVERVIEW OF NYSIF MWBE PARTICIPATION	5
Comparative Analysis	5
Asset Managers	5
Financial Institutions.....	5
Professional Service Providers.....	5
AGENCY EFFORTS TO ACHIEVE THE STRATEGY.....	6
PROGRESS OF OUTREACH EFFORTS – NYSIF PROCUREMENT & INVESTMENTS	6
Annual MWBE Investment Symposium.....	7
CONCLUSION - NYSIF GOALS	7
APPENDIX A: NYSIF MWBE Investment Symposium Agenda	8

ABOUT NYSIF

NYSIF's mission is to guarantee the availability of workers' compensation and disability insurance with the lowest possible cost to New York employers while maintaining a solvent fund. Since its inception in 1914, NYSIF has fulfilled this mission by competing with other carriers to ensure a fair marketplace while serving as a guaranteed source of coverage for employers who cannot secure coverage elsewhere. NYSIF strives to achieve the best health outcomes for injured workers and be an industry leader in price, quality and service for New York State employers.

NYSIF is the largest workers' compensation carrier in New York State and among the top 10 largest workers' compensation carriers in the nation, insuring approximately 139,000 policyholders, with more than \$1.8 billion in annual earned premium and over \$20 billion in assets. A self-supporting insurance carrier, NYSIF operates without taxpayer funding.

In addition to workers' compensation insurance, NYSIF provides disability benefits coverage for off-the-job injuries to more than 56,000 New York employers. In 2018, NYSIF added paid family leave as a component of its disability benefits product, providing New Yorkers with job-protected, paid time away from work to care for their families.

NYSIF Financial Highlights as of March 31, 2022

	Value	Percentage
Total assets under management	20,087,148,060	100%
Total assets internally managed	16,022,552,529	80%
Total assets externally managed	4,064,595,531	20%

MWBE Assets Under External Management (By Asset Class)		
Asset Class	Market Value	Percent of Externally Managed
Fixed Income	0	0%
Equities	1,968,768,040	48%
External equity portfolio managed by MWBE firms		100%

Investment Staff Diversity		
Minority & Women Professionals	11 employees	73% of staff

HISTORY OF MWBE LEGISLATION

The New York State MWBE Asset Management and Financial Institution Strategy, Chapter 171 of the Laws of 2010, was established to codify and replicate best practices for the inclusion of MWBE asset managers, investment banks, and financial and professional service providers. The strategy encourages greater utilization of the services of MWBE's by fiduciary-controlled entities established by New York State law. Such entities include the Common Retirement Fund ("CRF") under the sole trusteeship of the Office of the State Comptroller ("OSC"), the New York State Deferred Compensation Plan ("NYSDCP"), the New York State Teachers Retirement System ("TRS") and NYSIF.

In State Fiscal Year ("SFY") 2010-2011, NYSIF's Board of Commissioners, in accordance with Workers' Compensation Law §87-i, established an MWBE Asset Management and Financial Institution Strategy ("the MWBE Strategy") aimed at increasing the utilization of MWBE investment and financial services firms. The MWBE strategy adopted an objective standard for reporting on MWBE usage, as required under Workers' Compensation Law §87-i for entities owned by fifty-one percent (51%) women or minority group members.

In SFY 2017-2018, OSC entered into a Consulting Agreement with Lenox Park Solutions, Inc. ("Lenox Park"). This Agreement continues to allow NYSIF to work with Lenox Park, in conjunction with OSC and TRS, to assist with the certification of MWBE firms providing investment related services. With agency assistance, Lenox Park has developed a concurrent listing of certified MWBE firms doing business with NYSIF, OSC and TRS.

OVERVIEW OF NYSIF MWBE PARTICIPATION

Comparative Analysis

- Total dollars paid for all MWBE certified and non-MWBE asset management, financial institutions (broker dealer and other financial services), and professional service providers (accounting and valuation services) for SFY 2021-22: **\$15,811,501**
 - Total dollars paid for MWBE-certified asset management, financial institution participation and professional service providers for SFY 2021-22: **\$7,716,319 or 49% MWBE certified participation**
 - Total dollars paid to non-MWBE asset management firms, financial institution participation and professional service providers for SFY 2021-22: **\$8,095,182 or 51% non-MWBE participation**

Asset Managers

- Total dollars paid to all MWBE certified and non-MWBE asset management firms for SFY 2021-22: **\$9,811,168**
 - Total dollars paid to MWBE-certified asset management firms for SFY 2021-22: **\$7,556,159 or 77% MWBE-certified participation**
 - Total dollars paid to non-MWBE asset management firms for SFY 2021-22: **\$2,255,009 or 23% non-MWBE participation**

Financial Institutions

- Total dollars paid to all MWBE-certified and non-MWBE financial institutions (excluding Asset Management firms) for SFY 2021-22: **\$1,026,667**
 - Total dollars for MWBE-certified financial institutions for SFY 2021-22: **\$160,159 or 16% MWBE-certified participation**
 - Total dollars for non-MWBE financial institutions for SFY 2021-22: **\$866,508 or 84% non-MWBE participation**

Professional Service Providers

- Total dollars paid to all MWBE-certified and non-MWBE professional services providers for SFY 2021-22: **\$4,973,665**
 - Total dollars for MWBE-certified professional services providers for SFY 2021-22: **\$0 or 0% MWBE-certified participation**
 - Total dollars for non-MWBE professional services providers for SFY 2021-22: **\$4,973,665 or 100% non-MWBE participation**

1,026,667

AGENCY EFFORTS TO ACHIEVE THE STRATEGY

NYSIF remains committed to encouraging participation by MWBE firms. NYSIF's Procurement department continues to incorporate Diversity and Inclusion inquiries into best value procurement processes. It seeks to secure innovative contracts to include more MWBE businesses that will compete and be awarded contracts.

In 2021, NYSIF's Chief Investment Officer and Investment Committee reviewed NYSIF's Investment Policy Statement (IPS) with an eye toward strengthening NYSIF's mission of investing with MWBE firms. For the first time, an MWBE Investment Manager Policy was adopted by NYSIF's Board of Commissioners and is now an addendum to NYSIF's IPS.

The MWBE Investment Manager Policy sets a target of 35% of external assets under management to MWBE asset management firms, as well as targets at all asset class segments. By doing this, NYSIF hopes to expand more pathways for diverse asset managers.

PROGRESS OF OUTREACH EFFORTS – NYSIF PROCUREMENT & INVESTMENTS

NYSIF continues to do extensive outreach to MWBE vendors. All competitive investment and financial services procurement opportunities are advertised on NYSIF's website; in the New York State Contract Reporter ("NYSCR"), which is New York State's official publication of procurement opportunities; and in Minority Commerce Weekly, a published journal in which procurement opportunities are advertised to MWBE providers.

In addition, NYSIF sends notices of all procurement opportunities directly to investment and financial providers listed on the Empire State Development Corporation (ESD) Directory of Certified-Minority and Women-Owned Business Enterprises.

NYSIF continues to support and participate in the following events on an annual basis:

- The New York State Black, Puerto Rican, Hispanic and Asian Legislative Caucus
- The New York State MWBE Forum
- NYSIF MWBE Investment Symposium
- The Somos el Futuro Conference
- Regional MWBE Outreach Events sponsored by ESD
- Veterans in Economic Transition Conference (VETCONNY)
- The Competitive Edge Conference, sponsored by members of a consortium of public and private partners working to increase opportunities for MWBE's and small business enterprises and create procurement and contracting opportunities for qualified firms.

NYSIF Annual MWBE Investment Symposium

On March 1, 2022, NYSIF hosted our 12th Annual MWBE Investment Symposium and strengthened its commitment to expanding opportunities for participation in all areas of its investment portfolio.

Now in its 12th year, NYSIF's MWBE Investment Symposium is a forum to further spark statewide job growth and expand investment opportunities to a diverse group of financial firms. This year's event was held in a hybrid format to accommodate both virtual and in-person attendees. It featured programs and panel discussions that addressed a wide range of topics, from informative conversations on increasing diversity in capital markets and the pros and cons of being a woman-owned firm, to transforming environmental, social and governance impact in the financial sector. The NYSIF MWBE Investment Symposium agenda is included in this report as Appendix A.

CONCLUSION - NYSIF GOALS

NYSIF will continue to report annually 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 NYSIF, or as providers of services to NYSIF.

New York State Insurance Fund
12th Annual MWBE Hybrid Investment Symposium
“Where We Have Been – Where We are Going”
Tuesday, March 1, 2022
11:00 am – 5:30 pm EST

10:30 am – 11:00 am (In-Person)

10:50 am – 11:00 am (Webinar)

Registration

11:00 am – 11:15 am

Welcome Remarks

Kenneth R. Theobalds, Chairman of the Board of Commissioners, New York State Insurance Fund
Alexis Thomas, Commissioner, New York State Insurance Fund

11:15 am – 12:00 pm

Fireside Chat with the new Executive Director - New Management, New Directions and What Stays the Same

Gaurav Vasisht, Executive Director & CEO, New York State Insurance Fund

Kenneth R. Theobalds, Chairman, New York State Insurance Fund

12:00 pm – 12:30 pm

Lunch & Speaker

Where We Have Been - Where We Are Going: Our Recent Changes in Asset Allocation, Our IPS and MWBE Program

Gregory Francis, Chief Investment Officer, New York State Insurance Fund

12:30 pm – 1:30 pm

Fireside Chat

How NextEra Energy Is Transforming ESG and Social Impact

Sean Graham, Commissioner, New York State Insurance Fund

Purvis Bell, Principal, NextEra Energy Investments

1:30 pm – 1:45 pm

Break

1:45 pm - 2:45 pm

Thoughts From Women in Finance

How have Women Allocators Made a Difference

Pros and Cons of being a Woman-owned Firm

Moderator

Alexis Thomas, Commissioner, New York State Insurance Fund

Speakers

Angela Miller-May, Chief Investment Officer, Illinois Municipal Retirement Fund

Tina Byles-Williams, Chief Executive Officer & Chief Investment Officer, Xponance, Inc.

Cynthia DiBartolo, Chief Executive Officer, Tigress Financial Partners

2:45 pm – 3:30 pm

Diversity and Dollars - An Initiative to Increase Racial, Ethnic and Gender Diversity in the Capital Markets

Speaker

Edgar Hernández, Assistant Director, Strategic Initiatives Department,

Trustee, SEIU Master Trust Pension Plan

Service Employees International Union

Symposium Adjournment

3:30 pm – 5:30 pm

Speed Dating

Corporate and Government Bond Brokers

Adam Gileski, CFA, Corporate Bond PM and Strategist, New York State Insurance Fund

Room F

Structured Products Brokers

Margarita Genis, CFA, FRM, Structured Products PM and Strategist, New York State Insurance Fund

Room F

Asset Managers:

Gregory Francis, Chief Investment Officer, New York State Insurance Fund

Kevin Leonard, Partner, NEPC

Room G

Lei Zhang, Director of External Managers, New York State Insurance Fund

William Forde, CFA, CAIA, Partner, NEPC

Room G

Manager of Manager Asset Managers:

Les Bond, CEO, Attucks Asset Management, LLC

Vennie A. Lyons II, Managing Director, Attucks Asset Management, LLC

Room H

Victor L. Hymes, Managing Member, Legato Capital Management, LLC

Eric C. Pollack, Managing Member, Legato Capital Management, LLC

Room H