



# MINORITY & WOMEN OWNED BUSINESS ENTERPRISES

Asset Management  
& Financial Institution  
Strategy Report

Fiscal Year 2023-2024



**Kenneth R. Theobalds**  
Chairman  
Board of Commissioners



June 1, 2024

**Honorable Kathy Hochul**  
Governor of New York State  
New York State Capitol Building

**Honorable Carl E. Heastie**  
Speaker  
New York State Assembly

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

**Honorable William A. Barclay**  
Minority Leader  
New York State Assembly

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

**Honorable Michael Gianaris**  
Deputy Majority Leader  
New York State Senate

**Honorable Robert G. Ort**  
Minority Leader  
New York State Senate

**Julissa Gutierrez**  
Chief Diversity Officer  
New York State Capitol Building

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

In 2023, The New York State Insurance Fund (NYSIF) continued 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.

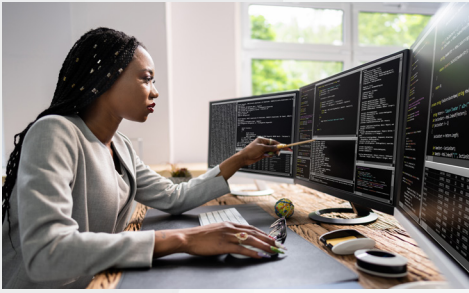
NYSIF reaffirms its commitment to help MWBE firms succeed in New York, and will continue striving to encourage diversity and inclusion as part of fulfilling its core mission – delivering high financial returns and value to NYSIF’s customers. NYSIF will also continue its efforts to utilize numerous outreach programs to cultivate new relationships with MWBE businesses, boosting innovation, and expanding opportunities for MWBE vendors.

The following report provides additional details of how NYSIF utilized MWBEs for investment and financial services. We will simultaneously publish this report on NYSIF’s web site for at least 60 days following its release.

Respectfully submitted,

Chairman Kenneth R. Theobalds  
Acting Chair, Investment Committee

CC: Albert Pulido, Deputy Secretary for Finance & Technology  
James Katz, Deputy Secretary for Economic Development & Workforce  
Cherell Beddard, Assistant Counsel to the Governor  
Gaurav Vasisht, NYSIF Executive Director & CEO



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## **ABOUT NYSIF**

NYSIF's mission is to guarantee the availability of workers' compensation and short-term 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.

Celebrating its 110th year of service in 2024, NYSIF is the largest provider of workers' compensation insurance in New York State and among the top 10 largest workers' comp carriers in the nation. In addition to workers' compensation insurance, NYSIF provides disability benefits coverage for off-the-job injuries. 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 insures nearly 200,000 policyholders, with more than \$1.7 billion in in-force premium and approximately \$22 billion in assets. Operating income is derived solely from policyholder insurance premiums and investments. In 2022, NYSIF also began offering coverage to select out-of-state workers for New York-based companies.

# **NYSIF FINANCIAL HIGHLIGHTS**

(as of March 31, 2024)

## **Total Assets Managed**

| <b>Assets</b>                                       | <b>Market Value</b> | <b>Percentage</b> |
|---|---------------------|-------------------|
| Total Assets Under Management                       | \$20,010,395,879    | 100%              |
| Total Assets Internally Managed                     | \$15,432,541,796    | 77%               |
| Total Assets Externally Managed                     | \$4,577,854,082     | 23%               |
| External Equity Portfolios<br>Managed by MWBE Firms | \$1,984,816,253     | 100%              |

## **NYSIF Investment Staff Diversity**

| <b>Professionals</b> | <b>Total Employees</b> | <b>Percentage of Staff</b> |
|----------------------|------------------------|----------------------------|
| Minority & Women     | 14                     | 82%                        |

## 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 MWBEs by fiduciary-controlled entities established by New York State law. Such entities include the New York State 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.



As part of our MWBE outreach, NYSIF promotes its procurement opportunities at trade shows across the state. Here, NYSIF Contract Management Specialists Patricia Cremmins (left) and Melissa McClellan (center) join Human Resources Specialist Amanda Huguley-Williams (right) at the MWBE/SDVOB Regional Opportunities Expo Series. The event took place at the Oncenter in Syracuse last summer.

## **NYSIF'S MWBE POLICY & EFFORTS IN INVESTMENTS**

NYSIF encourages participation by MWBEs in its procurement projects and is committed to achieving the statewide goal of increasing opportunities for MWBEs and helping these businesses thrive. NYSIF has established an MWBE participation goal of at least 30 percent for NYSIF contracts and has exceeded this goal for the last several years. NYSIF's Procurement Unit 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.

The NYSIF Board of Commissioners is committed to providing ongoing opportunities for MWBE investment management firms to manage assets on its behalf. As such, it is the policy of NYSIF to ensure that no barrier exists to the full participation of MWBE managers in the investment opportunities it affords them. NYSIF believes that effectively accessing and managing MWBE talent from varied backgrounds, age, experience, race, gender, ethnicity, and culture leads to improved outcomes. All external investment asset managers, financial and professional service firms are expected to respect NYSIF's values of diversity and inclusion, reflect them in their own organizations, and strive to establish MWBE goals for their own external service providers.

In 2021, NYSIF amended its Investment Policy Statement (IPS) to strengthen its mission of investing with MWBE firms. For the first time, an MWBE Investment Manager Policy was adopted by NYSIF's Board of Commissioners. It is now an addendum to NYSIF's IPS and sets forth a 35% aspirational goal for externally managed assets, and targets by asset class segments. By doing this, NYSIF hopes to expand more pathways for diverse asset managers.

NYSIF's efforts on diversity are delivering strong results, both in-house and with NYSIF's business partners. More than 80% of the professionals on NYSIF's investment team are minority or women. In addition, NYSIF has stepped up recruitment efforts at colleges and universities to uncover new talent and add to NYSIF's diverse investment team.

# 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 2023-24: **\$17,130,328**

- ▶ Total dollars paid for MWBE-certified asset management, financial institution participation and professional service providers for SFY 2023-24:  
**\$5,647,020 or 33% MWBE certified participation**
- ▶ Total dollars paid to non-MWBE asset management firms, financial institution participation and professional service providers for SFY 2023-24:  
**\$11,483,307 or 67% non-MWBE certified participation**

## Asset Managers

Total dollars paid to all MWBE-certified and non-MWBE asset management firms for SFY 2023-24: **\$10,816,803**

- ▶ Total dollars paid to MWBE-certified asset management firms for SFY 2023-24:  
**\$5,531,073 or 51% MWBE-certified participation**
- ▶ Total dollars paid to non-MWBE asset management firms for SFY 2023-24:  
**\$5,285,729 or 49% non-MWBE certified participation**

## Financial Institutions

Total dollars paid to all MWBE-certified and non-MWBE financial institutions (excluding Asset Management firms) for SFY 2023-24: **\$1,264,613**

- ▶ Total dollars for MWBE-certified financial institutions for SFY 2023-24:  
**\$70,947 or 6% MWBE-certified participation**
- ▶ Total dollars paid for non-MWBE financial institutions for SFY 2023-24:  
**\$1,193,666 or 94% non-MWBE participation**

## Professional Service Providers

Total dollars paid to all MWBE-certified and non-MWBE professional service providers for SFY 2023-24: **\$5,048,913**

- ▶ Total dollars for MWBE-certified professional service providers for SFY 2023-24:  
**\$45,000 or 1% MWBE-certified participation**
- ▶ Total dollars paid for non-MWBE professional service providers for SFY 2023-24:  
**\$5,003,913 or 99% non-MWBE participation**



## PROGRESS OF OUTREACH EFFORTS

NYSIF continues to do extensive outreach to MWBE vendors. All competitive investment and financial services procurement opportunities are advertised on **nysif.com**; in the New York State Contract Reporter, 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 MWBEs.

NYSIF's bilingual MWBE and Service-Disabled Veteran Owned Businesses (SDVOB) brochures provide information on MWBE and SDVOB certification and advocate NYSIF's invitation to MWBEs and SDVOBs to participate in all its economic opportunities.

### **NYSIF offers ongoing support and participation in the following annual events:**



- ▶ The New York State Black, Puerto Rican, Hispanic and Asian Legislative Caucus
- ▶ The New York State MWBE Forum
- ▶ NYSIF MWBE Investment Symposium
- ▶ The Somos Conference
- ▶ Regional MWBE Outreach Statewide Events sponsored by ESD
- ▶ Veterans in Economic Transition Conference (VETCON)
- ▶ City & State Annual Diversity Summit
- ▶ The Competitive Edge Conference
- ▶ CUNY MWBE/SDVOB Procurement Conference

In November, NYSIF exhibited at the 2023 Veterans in Economic Transition Conference (VETCON) in Albany, targeting SDVOB companies. Senior Purchasing Agent Ed Young (left), Policyholder Services Rep Alecia Brabant (center) and Human Resources Specialist 2 Amanda Huguley-Williams (right) represented NYSIF at the event.

## **BLACK HISTORY MONTH CELEBRATION**

On February 15, 2024, NYSIF staff joined other state agencies at a Black History Month celebration hosted by the Department of Civil Service at the New York State Museum in Albany. Attendees included Department of Civil Service Commissioner Timothy Hogues (center). Also in attendance were NYSIF Diversity and Inclusion Specialist Elvis Perez, Chief Diversity Officer Damaris Torres, Director of Property Services John Murdaugh and Human Resources Specialist Latasha Nash. NYSIF was a co-sponsor.



## **NYSIF MWBE INVESTMENT SYMPOSIUM**

NYSIF hosted its 14th Annual Minority- and Women-Owned Business Enterprises (MWBE) Investment Symposium on March 7, 2024. The forum provides an opportunity to showcase MWBE firms in financial services who are delivering strong performance and for them to pursue new opportunities and strategic partners. The symposium also provides NYSIF the chance to hear from industry practitioners and MWBE firms as we work to enhance our programs and performance.



NYSIF Executive Director and CEO Gaurav Vasisht (left) and Board of Commissioners Chair Kenneth R. Theobalds (right) kicked off the discussion with a thoughtful conversation about NYSIF's MWBE goals and future objectives.

**“ Study after study shows that there is no trade off. The returns are just as good, if not better. MWBE is not a compromise. People need opportunity. Provide people the opportunity and set the bar high. ”**

**- Kenneth R. Theobalds, NYSIF Board of Commissioners Chair**

The event featured keynote speaker Kneeland Youngblood (right), Founding Partner, CEO, and Chairman of Pharos Capital Group, who spoke candidly about being descended from slaves and his life journey through Princeton, becoming a doctor and an influential political strategist and financier.





NYSIF Board of Commissioners Alexis Thomas (center) led a discussion about women entrepreneurs in financial services and the challenges they faced. Commissioner Thomas was joined by Tina Byles Williams (left), Founder, CEO, CIO, Xponance and Tammy K. Jones (right), Co-Founder & CEO, Basis Investment Group, LLC.

“ I had three people who believed in me. If you can’t get a seat at the table, bring a folding chair. Those three people were my folding chair. ”

- Tina Byles Williams, Xponance Founder, CEO & CIO

Chair Theobalds (center) led a conversation on private equity with Kweku Obed (left), Managing Director for Marquette Associates, and André Rice (right), President, Muller & Monroe Asset Management (M<sup>2</sup>). The group spoke about investing in private equity and the benefits and performance of MWBE led asset management.



## CONCLUSION

NYSIF remains committed to the statewide objective of increasing opportunities for MWBEs in New York State. Consistent with Workers’ Compensation Law §87-i, 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, Financial Institutions, and Professional Service Providers in investment and brokerage transactions with NYSIF, or as providers of services to NYSIF.