

ANNUAL REPORT TO THE GOVERNOR AND GENERAL ASSEMBLY

Submitted December 29, 2025
In compliance with Public Act 96-0006
Illinois Pension Code, 40 ILCS 5/1-109.1(8)



Submitted by:
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TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

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December 29, 2025

To the Honorable Governor JB Pritzker & General Assembly:

The Teachers' Retirement System of the State of Illinois respectfully submits this report in compliance with 40 ILCS 5/1-109.1(8) of the Illinois Pension Code.

Each retirement system, pension fund, and investment board subject to this Code, except those whose investments are restricted by Section 1-113.2 of this Code, shall submit a report to the Governor and the General Assembly by January 1 of each year that includes the following: (1) the policy adopted under subsection (4) of this Section, including the names and addresses of the emerging investment managers used, percentage of the assets under the investment control of emerging investment managers for the 3 separate goals, and the actions it has undertaken to increase the use of emerging investment managers, including encouraging other investment managers to use emerging investment managers as subcontractors when the opportunity arises; (ii) the policy adopted under subsection (5) of this Section; (iii) the policy adopted under subsection (6) of this Section; and (iv) the policy adopted under subsection (7) of this Section, including specific actions undertaken to increase the use of minority broker-dealers; and (v) the policy adopted under subsection (9) of this Section.

If you have any questions about this report, do not hesitate to contact me directly.

Very truly yours,

Stan Rupnik
Executive Director & Chief Investment Officer

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Introduction

The Teachers' Retirement System of the State of Illinois ("TRS" or the "System") continues its efforts to support diversity within its investment program and the overall organization. This report summarizes some of the System's key initiatives with regard to the greater utilization of minority, female and disabled owned firms (MWBE) within TRS. Notable initiatives include:

- Formal adoption by the TRS Board of Trustees of aspirational utilization goals for both MWBE-owned investment management firms and MWBE-owned broker/dealers.
- Increased the size of the Emerging Manager Program from \$750 million to \$1 billion confirming TRS's long-standing commitment to increase diversity, equity and inclusion.
- Inclusion of qualified MWBE-owned investment management firms during the search process to encourage greater diversity of candidate firms.
- Maintenance of a MWBE-owned broker/dealer database which is made available to the System's external investment managers.
- Expanded efforts to hire diverse managers outside the Emerging Manager Program.
- Hosted the 20th Annual Opportunity Forum for the MWBE investment manager and MWBE brokerage community that featured several panels and networking breakout sessions where attendees were given the opportunity to pitch their firms and strategies to asset class teams.

Also included in this document is TRS's annual report on the use of MWBE investment advisors and broker/dealers, attached as Exhibit F. The report provides greater detail on the current and historical amounts invested with specific MWBE firms, as well as more detailed information regarding TRS's current initiatives.

The data presented in this report has been provided from State Street (TRS's custodial bank during the fiscal year), reports submitted by external investment advisors, and reports from various broker/dealers utilized during the year. All data is current as of June 30, 2025, unless otherwise noted.

Aspirational Goals for utilization of emerging investment managers, 40 ILCS 5/1-109.1(4) and (9)

In accordance with Illinois statute, the TRS Board of Trustees adopted a policy setting forth aspirational goals for the utilization of “emerging investment managers,” which is documented in both the TRS Investment Policy Section XX: Improving Access to the TRS Investment Process attached as Exhibit A and Section XXI: Emerging Managers Program, attached as Exhibit C. Emerging investment managers must manage an investment portfolio of at least \$10 million but less than \$10 billion and be minority-owned businesses, women-owned businesses or businesses owned by a person with a disability. Further, in accordance with Illinois statute, the TRS Board of Trustees has a policy setting aspirational goals for increasing utilization of minority investment managers, which are qualified investment managers managing an investment portfolio that are minority-owned businesses, women-owned businesses and businesses owned by persons with a disability, which is documented in Exhibit A referenced above. The aspirational goals set by the TRS Board of Trustees for fiscal year 2025 are attached as Exhibit B. The Board of Trustees, at its October Board Meeting, reviewed aspirational goals for fiscal year 2026.

TRS maintains initiatives to help achieve the above referenced aspirational goals. On the brokerage side, the System maintains an open database of all minority, female and disabled-owned broker/dealers that have submitted information about their firm to TRS. TRS makes this information known to all of the System’s investment managers. Further, TRS hosts an annual “Opportunity Forum” to discuss and educate a broad range of participants on current investment issues and give investment management attendees the opportunity to present their firms and strategies to TRS’s asset class teams. Attendees at the Forum typically include a range of stakeholders, from the System’s investment managers, representatives from the MWBE broker database, and emerging investment managers to members of the Illinois General Assembly and representatives of the TRS Board of Trustees and staff.

TRS continues to actively network and interact with promising MWBE investment management firms. In accordance with Illinois statute and subject to TRS’s fiduciary obligations, TRS staff seeks to include MWBE candidates for all investment management searches and to bring qualified MWBE candidates to the Board as finalists in these searches. Separately, TRS continues to see significant success in the implementation of the System’s Emerging Managers Program. This program was formally established by the TRS Board of Trustees to allow for greater participation of emerging investment managers within the TRS portfolio. Documentation related to the program is included in the TRS Investment Policy in Section XXI: Emerging Managers Program, attached as Exhibit C.

On June 30, 2025, TRS had 98 individual investment mandates with MWBE firms. A list of these firms is provided in Exhibit D.

Aspirational Goals for increasing racial, ethnic, gender diversity of fiduciaries, consultants, and senior staff, 40 ILCS 5/1-109.1(5)

TRS currently utilizes three consultants within its investment program, including the general investment consultant (RVK, Inc.) and specialist consultants for investments in private equity (StepStone Partners), real assets (StepStone Partners), private credit (Aksia LLC) and diversifying strategies (Aksia LLC). On an annual basis, TRS requests and reviews written documentation with regard to each consultant firm's diverse ownership and personnel.

On a routine basis (not more than every five years), TRS conducts a full request for proposal to rebid consultant services. In accordance with Illinois statute and subject to TRS's fiduciary obligations, the candidate firms' diversity in ownership and personnel are considered during this search process.

The System annually prepares an Affirmative Action Plan Policy Statement that is submitted to the Department of Human Rights. The Affirmative Action Plan Policy Statement sets forth TRS's policy for ensuring fair and equitable hiring. TRS's Affirmative Action Plan Policy Statement for FY2025 is attached as Exhibit G.

Aspirational Goals for utilization of businesses owned by minorities, females, and persons with disabilities, 40 ILCS 5/1-109.1(6)

In accordance with Illinois statute, the Teachers' Retirement System has adopted the System's aspirational goal for utilization of businesses owned by minorities, females, and persons with disabilities, which is located in the TRS Expenditure Management operating policy section entitled "MBE/FBE/PBE Utilization Goals", attached as Exhibit H. Current utilization is at approximately 11.74% (as of fiscal year 2025) of the total dollar amount of all non-investment vendor contracts for goods and services provided to TRS. The System was under its aspirational goal by 8.26%.

Summary Utilization Data:

Fiscal Year	Goal	Utilization %	Over/Under Goal	Utilization \$
2024	10.00%	13.95%	+3.95%	\$1,882,768
2025	20.00%	11.74%	-8.26%	\$1,583,069

Aspirational Goals for increasing utilization of MWBE broker/dealers, 40 ILCS 5/1-109.1(7)

The System's aspirational goals for the utilization of MWBE broker/dealers are documented within the TRS Investment Policy Section XX: Improving Access to the TRS Investment Process (see Exhibit A). These aspirational goals are considered on an annual basis by a formal vote of the TRS Board of Trustees.

Also, as previously discussed, TRS conducts initiatives to help support this policy, including maintenance of a comprehensive database of MWBE broker/dealers which is made available to all TRS investment managers and hosting an annual Opportunity Forum to help support productive working relationships between the System's investment managers and the MWBE broker community.

Data on the actual use of MWBE broker/dealers through June 30, 2025, is included in Exhibit E. For fiscal year 2025, the following aspirational goals were approved:

Aspirational Goals for FY2025

Domestic Equity	40.00%
International Equity	17.00%
Fixed Income	17.00%

EXHIBIT A: Improving Access to the TRS Investment Process

(From the TRS Investment Policy)

XXI. Improving Access to the TRS Investment Process

This policy on the utilization of minority and female-owned Investment Managers and broker/dealers is intended to memorialize existing policy direction from this Board to the Staff. As a consequence of this policy direction, Staff has successfully increased utilization percentages and amounts expended on a consistent basis since Fiscal Year 2000.

To achieve continued utilization increases, this policy establishes progressive and measurable utilization guidelines that reflect our historic commitment and future vision.

The term MWBE "minority, women business enterprise" (MWBE) will be used for all firms as defined in the Illinois Business Enterprise for Minorities, Females, and Persons with Disabilities Act. On an annual basis, the Board will assess the effectiveness of the procedures established by which these objectives are to be met unless circumstances warrant more frequent review.

Allocations of the System's assets to MWBE Investment Managers will be made in accordance with the fiduciary standards under which the Fund operates. Broker/dealer transactions completed with MWBE firms on behalf of the System must be completed at rates fully competitive with the market.

MWBE Broker/Dealer Utilization

Annually, each public markets Investment Manager retained by the System shall establish a MWBE broker/dealer utilization objective that shall be consistent with the System's commitment to including all segments of the economic community. For Fiscal Year 2025, the objective shall be:

40.0% domestic equities, 17.0% international equities; 17.0% global income

On a quarterly basis, each Manager shall report on the progress towards attaining the adopted objective. Each report shall include all transactions involving or impacting a MWBE broker/dealer, whether by direct transaction, step-out, referred transactions, or any other means that provide economic benefit to a MWBE broker/dealer.

Investment Staff shall monitor the progress toward objectives, initiate necessary contact with Managers as required, and report their findings and conclusions to the Board. Investment Managers may be requested to appear before the Board, any Trustee designated by the Board, or Staff to discuss compliance with this policy. Managers may also become eligible for the System's Watch List based upon compliance with this policy.

At the time of becoming a search finalist, upon initial retention, and periodically as appropriate, all public markets Managers shall be provided written notice of the System's brokerage goals and expectations.

MWBE Investment Manager Utilization

As a result of the System's commitment to the selection and retention of qualified MWBE investment managers, assets managed by MWBE firms have increased to over 22% of the trust fund. Recognizing that additional increases are desirable and can be achieved as manager searches are conducted, the objective for Fiscal Year 2025 is 23% of the total fund.

In compliance with 40 ILCS 5/1-109.1, the Board will also establish diversity goals for both assets under management by and manager fees paid to MWBE investment firms within the System's broad asset classes. Separately and also in accordance with 40 ILCS 5/1-109.1, TRS staff will present to the Board as a finalist the best and most qualified MWBE firm for all of the System's public investment manager searches. Any candidate presenting as a finalist must still meet the minimum criteria as specified in the search profile.

Investment Staff shall monitor the progress toward objectives and report to the Board semi-annually. In addition to a utilization analysis, Staff shall report on significant steps taken to achieve the stated objectives.

Transition Management

Prior to the award of a contract for transition management services, the Chief Investment Officer shall ascertain the transition manager's proposed utilization of MWBE broker/dealer services and determine that the proposal is consistent with the System's utilization objectives.

Trustee Oversight

To ensure that all Trustees are aware of the System's efforts and achievements, the Investment Committee will review the utilization of MWBE brokers/dealers and Investment Managers. The Chair shall be responsible for interfacing with the Consultant as necessary regarding the inclusion of MWBE firms in manager searches.

EXHIBIT B: MWBE Goals Adopted by the TRS Board of Trustees

FY2025 Proposed MWBE Goals				
	<u>Global Equities</u>	<u>Global Income</u>	<u>Alternatives</u>	<u>Total Fund</u>
<u>AUM Based Targets</u>				
African American	0.50%	2.00%	1.00%	3.50%
Female	12.25%	2.00%	1.00%	15.25%
Hispanic	0.50%	1.00%	2.00%	3.50%
Asian/Other	0.25%	0.25%	0.25%	0.75%
Sub-Total MWBE & Other	13.50%	5.25%	4.25%	23.00%
<u>Fee Based Targets</u>				
African American	2.00 to 3.00%	1.50 to 2.50%	2.50 to 3.50%	2.25 to 3.00%
Female	3.00 to 4.00%	3.25 to 4.25%	0.5 to 1.0%	0.50 to 1.50%
Hispanic	2.00 to 3.00%	2.25 to 3.00%	2.00 to 3.00%	2.25 to 3.00%
Asian/Other	0 to .5%	0 to 1.75%	3.00 to 4.00%	3.00 to 4.00%
Sub-Total MWBE & Other	8.0 to 11.5%	8.0 to 11.5%	8.0 to 11.5%	8.0 to 11.5%
FY2025 - Asset Based and Fee Based				
	<u>Global Equities</u>	<u>Global Income</u>	<u>Alternatives</u>	<u>Total Fund</u>
<u>AUM Based Targets</u>				
African American	0.00%	1.88%	1.85%	3.73%
Female	19.35%	0.68%	0.22%	20.25%
Hispanic	0.00%	1.46%	2.00%	3.46%
Asian/Other	0.15%	0.51%	1.33%	1.99%
Sub-Total MWBE & Other	19.50%	4.53%	5.40%	29.43%
<u>Fee Based Targets</u>				
African American	0.00%	0.61%	2.56%	3.17%
Female	0.72%	0.73%	0.43%	1.88%
Hispanic	0.00%	0.69%	3.33%	4.02%
Asian/Other	0.14%	0.52%	5.16%	5.82%
Sub-Total MWBE & Other	0.86%	2.55%	11.48%	14.89%
Variance of Actual FY2025 vs. Goals for FY2024				
	<u>Global Equities</u>	<u>Global Income</u>	<u>Alternatives</u>	<u>Total Fund</u>
<u>AUM Based Targets</u>				
African American	-0.50%	-0.12%	0.85%	0.23%
Female	7.10%	-1.32%	-0.78%	5.00%
Hispanic	-0.50%	0.46%	0.00%	-0.04%
Asian/Other	-0.10%	0.26%	1.08%	1.24%
Sub-Total MWBE & Other	6.00%	-0.72%	1.15%	6.43%
<u>Fee Based Targets</u>				
African American	-2.00%	-0.89%	0.06%	0.17%
Female	-2.28%	-2.52%	-0.07%	0.38%
Hispanic	-2.00%	-1.56%	1.33%	1.02%
Asian/Other	0.14%	0.52%	2.16%	1.82%
Sub-Total MWBE & Other	-6.14%	-4.45%	3.48%	3.39%

MWBE Percentage of Fund as of June 30, 2025: 29.43%

EXHIBIT C: EMERGING MANAGERS PROGRAM

(From the TRS Investment Policy)

XXI. Emerging Managers Program

Introduction

The Trustees of the Teachers' Retirement System ("TRS") have established the following guidelines for management of the TRS Emerging Managers Program ("Program"). In establishing these guidelines, it is the Board's intention to assure all interested parties that decisions made in carrying out these actions occur in a full disclosure environment characterized by objective evaluation and proper documentation. The overriding consideration with respect to all decisions is that they shall be made solely in the best interest of plan participants and beneficiaries.

Clearly Defined Objectives

The adoption of an Emerging Managers Program focuses on the development of long-term relationships between TRS and growing investment management organizations. The objectives of the Program include:

- Investment in promising younger, growing investment managers that currently have smaller asset bases and developing track records;
- Access to firms that, while possessing a marketable investment philosophy or process, have not dedicated marketing resources to identifying themselves to plan sponsors and the investment consultant community;
- Ability to better utilize minority- and female-owned investment managers, as well as Illinois-based investment managers.

In May 2005, the TRS Board approved a commitment of \$500 million for the creation of an Emerging Managers Program. At the time of commitment, this represented approximately 1.5% of the total Fund, with funding from the domestic large-cap index fund. The Program represents a total commitment of up to \$1 billion from the total fund. The Program will apply to both public and private markets asset classes, with evaluation criteria based on the specific asset class of each investment. Overall, the Program is intended to create meaningful long-term relationships with emerging investment managers with the objective that the superior performers will, at some time, progress into a full TRS investment allocation¹.

Search and Selection Process

The selection of emerging investment managers for participation in the Program will be accomplished from the following steps:

1. Identification of emerging investment managers

¹ Assignment to a full TRS investment mandate implies movement outside of the Program and into the overall portfolio allocation. These mandates are typically much larger assignments and are critical components to the TRS investment portfolio's positioning with regards to asset class and overall investment style diversification.

Initially, Staff will maintain information on a universe of identified emerging investment managers. The process is intended to be ongoing, with manager profiles added and performance information updated as necessary. Qualified investment managers will be encouraged, at any time, to submit detailed information with the relevant specifics of the firm's organization and investment products. The standardized informational questionnaire will be made available to all firms through TRS's website, or as requested by Staff.

2. Analysis for qualified candidates

The second step is identifying emerging investment organizations and products that meet TRS criteria. Periodically, TRS Staff will review the information on all identified emerging investment managers. Staff will search for emerging managers possessing a strategy or process that appears to be well-positioned for an allocation within the TRS investment portfolio.

3. Solicit additional information from qualified candidates

Once identified as a promising candidate, Staff will request further information relating to the manager's organization, investment philosophy, investment process, key personnel, risk controls, performance history, and fee structure.

4. Due diligence

Following review of a candidate's detailed information, Staff will conduct a meeting with the firm's management team. As necessary, Staff will conduct on-site due diligence to review, among other things, the depth of the firm's personnel, internal policies, technological resources, risk management capabilities, and compliance monitoring. Any available analysis from the Consultant will also be included in the due diligence process.

5. Final Recommendation and Selection

Based on the analysis of Staff and Consultant, Staff will recommend managers to the applicable Staff Oversight Committee for final approval. In choosing the finalists, Staff will favor those firms that, based on quantitative and qualitative factors, appear to have the highest probability of success over the next three to five years and appear to be best prepared to develop into a full TRS investment mandate outside of the Program. With approval, staff is authorized to implement the recommendation. At the next scheduled meeting of the Investment Committee following the commitment, staff will provide the Committee with necessary reports related to any commitment, including a selection/compliance checklist confirming adherence to Board-approved policies.

Initial Funding

Staff recommendations for a specific initial funding amount are made to the applicable Staff Oversight Committee. A number of factors will be considered when making an allocation recommendation, including:

- asset class and general diversification of the Emerging Manager Program

- risk/return profile of the product
- size and depth of firm, including long-term plan for institutionalization of firm

Recognizing the importance of a diversified program, the Program does not affect the broad long-term allocation targets of the total Fund. The intent of the Program is to develop long-term relationships with promising emerging managers that may, in the future, occupy full TRS mandates, therefore the Program is exempt from systematic rebalancing activity. Additional funding or withdrawals of capital from the Program or its participating managers will be based on continued analysis by Staff and Consultant, with formal recommendations presented to the Staff Oversight Committee as appropriate.

Proper Documentation and Full Disclosure

When overseeing reviews of the delegated hiring of an external investment service provider, the primary focus of the Investment Committee and Board shall be on whether decisions followed established processes and procedures in the Pension Code, administrative rules, and this Investment Policy. Toward this end, the Chair and Committee members may request written supporting documentation to ensure disclosure of all relevant issues. In evaluating a hiring decision, Staff, Consultant, and the applicable Staff Oversight Committee should review documentation to ensure that the basis for the recommendation was fair and that the screening process was consistently applied. Potential service providers or candidates may, at the pleasure of the Committee Board or upon the recommendation of Staff and Consultant, be asked to make a formal presentation to the Committee at any time.

Defining Expectations

In the case where a manager is hired, the search process document shall include, but may not be limited to the following:

1. a summary of performance criteria considerations,
2. the absolute and relative risks inherent in the manager's approach,
3. staff's qualitative assessment, and
4. identification of relevant comparative measures such as benchmarks and/or peer samples, and proposed fee structure.

Staff and Consultant shall incorporate the relevant factors related to the expectations of the manager into the executed Investment Management Agreement.

Board Reporting and Monitoring

After a manager is selected for the Program, Staff will regularly monitor the manager's results versus expectations. Staff will conduct periodic due diligence meetings with the outside organizations and may provide the Board with reports summarizing the assessments made. All material events regarding an investment manager will be communicated to the applicable Staff Oversight Committee and, when deemed necessary, to the Board.

Program Funding: Graduation/Termination

Based on a manager's performance within the Program, combined with demonstrated development of the investment manager organization, staff may recommend graduation of a mandate into the TRS investment portfolio. The recommendation and related due diligence will be presented to the applicable

Staff Oversight Committee for consideration and approval. In the event of a graduation, the Emerging Manager Program shall be “reimbursed” in the amount equal to the initial funding of the investment manager.

Similarly, in the event of a termination of a mandate from the Emerging Manager Program. In the event of termination, unless otherwise stated the Program shall be reimbursed by an amount equal to the initial funding of the investment manager.

Note that investments in private markets can differ from investments in the public asset classes due to the longer commitment period. In these cases, staff will provide a recommendation regarding graduation/termination to the applicable Staff Oversight Committee within two to five years from the initial investment. Based on the Staff Oversight Committee approval, the investment will be removed from the Program and reimbursement to the Program shall be completed as specified above.

Termination Guidelines

As with all TRS investment managers, there will be instances in which it will be necessary for the System to terminate a contractual relationship with an Investment Manager. The same guidelines for managers within the Program will exist to assist in making these termination decisions. Specifically, any action to terminate a manager should be based on one or more of the following primary criteria:

- significant changes in firm ownership and/or structure
- loss of one or more key personnel
- significant loss of clients and/or assets under management
- shifts in the firm’s philosophy or process
- significant and persistent lack of responsiveness to client requests
- changes in TRS’s investment strategy eliminating the need for a particular style or strategy
- violations of TRS’s Investment Policy or Parameters
- unsatisfactory investment performance
- identification of a new asset class or approach which has been approved in advance by the Board
- a need for diversification of styles within an existing asset class

This list is not intended to be exhaustive. Manager terminations shall be assessed based on the specific facts and circumstances of each case. Additionally, due to the nature of the Program, it may be necessary at some point to terminate a relationship given the inability of a manager to develop to the point that they might manage a full TRS investment mandate. The objective of the Program is intended to be a catalyst for the development of emerging investment managers. To the extent that an investment manager does not show the development characteristics necessary to manage a full institutional mandate, allocations within the Program should be redirected to other managers showing those characteristics.

Prior to the termination decision, the primary and other relevant considerations shall be identified, described, and ranked by importance. An evaluation covering the quantitative and qualitative issues to be considered will be developed for each case and the relative importance of each evaluation area will

be determined. Documentation regarding any such action should include, but is not limited to, the following items:

- a full description of the reason for the action, including the specific elements serving as the basis for the evaluation and identification of the relevant issues from the System's perspective
- the assumptions made in the evaluation, if any
- the results considered and/or qualitative issues upon which the action was based
- an objective discussion of the risks, costs, and expected benefits is also to be included if appropriate to the subject matter

Consistent with other termination guidelines, Staff and Consultant, with the approval of the applicable Staff Oversight Committee, may initiate termination of any public markets emerging manager meeting the System's Watch List criteria or for any other immediate concern(s) as specified above. In the event of termination Staff, with the approval of the Staff Oversight Committee, will transition assets from the terminated manager to the successful finalist of a manager search, rebalance to other TRS investment managers, or assign the assets to passive index management. A report shall be provided to the Investment Committee and Board at the meeting immediately following termination and transition.

EXHIBIT D: MWBE and Emerging Managers

Teachers' Retirement System of the State of Illinois
MWBE and Emerging Managers
June 30, 2025

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EXHIBIT E: MWBE-Owned Broker-Dealer Utilization

The following represents data for the utilization of minority, women, and disabled-owned broker/dealers for the fiscal year ended June 30, 2025.

<u>U.S. Equity</u>	
MWBE Percent of total commissions	59.4%
TRS FY20 Aspirational Utilization Goal	40.0%
Over/Under U.S. Equity Aspirational Goal	+19.4%
<u>International Equity</u>	
MWBE percent of total commissions	16.5%
TRS FY25 Aspirational Utilization Goal	17.0%
Over/Under International Equity Aspirational Goal	-0.5%
<u>Total Global Equity</u>	
Total Commission	\$8.056 million
Total MWBE Commissions	\$1.58 million
Total MWBE Commissions (%)	19.6%

<u>Global Fixed Income</u>	
Total Market Value Traded	\$13.481 billion
MWBE Market Value Traded	\$1.968 billion
MWBE percent of market value traded	14.6%
TRS FY20 Aspirational Utilization Goal	17.0%
Over/Under Fixed Income Aspirational Goal	-2.4%

EXHIBIT F: December 2025 Report on MWBE-Owned Investment Advisor & Broker/Dealer Utilization

(See attached PowerPoint presentation)

EXHIBIT G: Affirmative Action Plan Policy Statement

POLICY STATEMENT

1. The Teachers' Retirement System will provide equal opportunities to its employees and applicants on the basis of merit, without regard to actual or perceived race, color, religion, sex, sexual orientation, age, marital status, military status, pregnancy, order of protection status, certain unfavorable discharges from military service, political affiliation, citizenship, ancestry, national origin, physical or mental disability, genetic information or any other characteristic protected by law. This statement applies to all aspects of personnel management including, but not limited to, recruitment and selection, promotion and training, position classification and compensation, benefits, transfers, disciplinary actions, leaves and layoffs.
2. The Teachers' Retirement System is committed to taking affirmative action to correct underutilization of qualified minorities, females and persons with disabilities in all levels of employment. TRS complies with provisions of state and federal laws regarding equal employment opportunities.
3. TRS leaders are expected to support the Affirmative Action Plan by ensuring fair and equitable hiring through challenging biases learned through diversity training and following TRS personnel policies.
4. Employees who feel they have been dealt with in violation of these policies will be free to file a complaint with the EEO/AA/ADA Officer without fear of retaliation. Employees may also file a complaint with the Department of Human Rights within 2 years of the alleged discriminatory act or with the Equal Employment Opportunity Commission within 300 days of the alleged discriminatory act.
5. The System is committed to ensuring an equitable and supportive environment for our employees and applicants with disabilities through the implementation of reasonable accommodation.
6. The System will provide all employees with the opportunity to self-identify and declare disabilities voluntarily and confidently.
7. This System is committed to provide a work environment that is free from harassment of any kind.

EXHIBIT H: Expenditure Management Policy MBE/FBE/PBE Utilization Goal

(From the TRS Expenditure Management Operating Policy)

MWBE Utilization Goal

The term “MWBE” is intended to encompass all of the following: “minority-owned business”, “women owned business”, and “business owned by a person with a disability” as those terms are defined in the Illinois Business Enterprise for Minorities, Females, and Persons with Disabilities Act (the “Act”). It shall be the aspirational goal of the System to utilize MWBE businesses for not less than 20% of contracts awarded for “information technology services”, “accounting services”, “insurance brokers”, “architectural and engineering services”, and “legal services” as those terms are defined in the Act, as provided in the Pension Code. Utilization goals for investment services are separately stated in the TRS Investment Policy.

All Requests for Proposals (RFP), Requests for Information (RFI), and formal bid opportunities to provide goods and services to TRS are posted on the TRS website in the vendor information area. To the extent possible, TRS utilizes resources of the State of Illinois Business Enterprise Program (BEP) including the BEP Vendor Directory in striving to meet its MWBE utilization goal. Interested vendors that qualify are encouraged to register with the State of Illinois BEP, and to respond to any open TRS business opportunities posted on the TRS website for which they are qualified.

FY2025 Annual Report on the use of:

**MINORITY, WOMEN, AND DISABLED–OWNED
(MWBE) INVESTMENT ADVISORS AND
BROKER/DEALERS**

December 29, 2025



**As required by
40 ILCS 5/1-109.1**

SOURCE INFORMATION

During FY2025, TRS continued its support of MWBE-owned investment advisors and broker/dealers. In the event an investment advisor search is needed, TRS and its consultant, RVK, use investment manager databases and software packages that provide opportunities to all investment advisors that surpass the minimum search criteria. TRS continues to encourage greater diversity in the search process.

TRS maintains a database consisting of a comprehensive list of MWBE broker/dealers in the United States. External investment advisors are encouraged to use MWBE broker/dealers, subject to best price and execution capabilities.

Data sources for this document are State Street (TRS's custodial bank utilized during the fiscal year) reports submitted by external investment advisors, and various broker/dealers. The report encompasses requested data and outlines the use of MWBE investment managers, broker/dealers, and relevant discussions of the data set forth herein.

All data is current as of June 30, 2025 (unless otherwise noted) and is subject to change.

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EXECUTIVE SUMMARY

During FY2025, TRS continued its efforts to increase the inclusion of minority and women business enterprises (MWBE) in its investment program.

New Allocations

EMP	Manager	Ownership	Asset Class	Strategy	Allocation (MM)
EMP	Fifth Century Partners	African American	Private Equity	Buyout	\$15
	Longfellow Investment Management LIM	Female	Global Income	Core Plus Bond	\$200
EMP	The Copia Group	African American	Global Income	Private Credit	\$25
EMP	JLC Infrastructure	African American	Real Assets	Infrastructure- Value Add	\$25
EMP	Sagehall Management	Asian	Real Assets	Real Estate	\$30
					\$295

EXECUTIVE SUMMARY (CONTINUED)

Expanded Relationships

EMP	Manager	Ownership	Asset Class	Strategy	Allocation (MM)
	Mill Point Capital Partners	Latino	Private Equity	Buyout	\$30
EMP	New MainStream Capital	Latino	Private Equity	Small Buyout	\$60
					\$90

EXECUTIVE SUMMARY (CONTINUED)

Investment Advisory Activity

In FY2025, TRS invested \$385 million of capital with MWBE firms

- Private Equity \$105 million
- Global Income \$225 million
- Real Assets \$55 million

TRS's FY25 MWBE assets under management (AUM) were 29.43%

MWBE-owned firms, as of June 30, 2025, managed 29.43% of the total TRS portfolio compared to 29.76% in FY24.

Assets under management by MWBE firms totaled \$22.7 billion as of June 30, 2025, compared to \$21.2 billion in FY24; an increase of \$1.4 billion.

MWBE Investment Advisors managed 29.43% of Total TRS Fund

EXECUTIVE SUMMARY (CONTINUED)

Broker/Dealers

- Through this initiative, TRS investment managers used 21 MWBE broker/dealers in FY 2025
- At fiscal year-end, there were 47 recognized MWBE broker/dealer firms participating in the TRS investment program
 - By ownership:
 - 14 were African American-owned
 - 9 were Latino-owned
 - 13 were Female-owned
 - 11 were Other (Asian)/Disabled Veteran-owned
 - Of the 47 MWBE broker/dealers, 11 were Illinois-based

EXECUTIVE SUMMARY (CONTINUED)

Broker/Dealers

- Global equity commissions paid to MWBE broker/dealers were \$1.5 million during FY25 or 19.6% of all global equity commissions.
 - This was the eleventh consecutive year at 20.0% utilization.
 - 16 MWBE equity broker/dealers were utilized in FY25. This was up from the 15 utilized in FY24.
- Global income market value traded with MWBE broker/dealers was \$1.9 billion, or 14.6% of all TRS global income trades.
 - Global income brokerage was under its target by 2.4% in FY25.
 - 12 Global income MWBE broker/dealers were utilized during FY25. This was a decrease from 13 in FY24.

ESTABLISHED FY25 MWBE GOALS

The TRS Board of Trustees adopted the following goals for the continued participation of MWBE-owned financial services firms. FY2026 goals will be finalized and voted on at the October 2025 TRS Board Meeting. In FY2025, the Board approved increasing the Domestic Equity MWBE brokerage utilization goal to 40% from 35% and the MWBE asset manager utilization goal from 22% to 23%. All other goals remained unchanged. The goals are:

Aspirational Goal: MWBE Investment Management and Fee Objectives FY2025:

- Established for Global Equities, Global Income, Alternatives, and Total Fund Goals for:
 - Minority, Female, and Other MBE/Disabled

	<u>Global Equities</u>	<u>Global Income</u>	<u>Alternatives</u>	<u>Total Fund</u>
<u>AUM Based Targets</u>				
African American	0.50%	2.00%	1.00%	3.50%
Female	12.25%	2.00%	1.00%	15.25%
Hispanic	0.50%	1.00%	2.00%	3.50%
Asian/Other	0.25%	0.25%	0.25%	0.75%
Sub-Total MWBE & Other	13.50%	5.25%	4.25%	23.00%

	<u>Global Equities</u>	<u>Global Income</u>	<u>Alternatives</u>	<u>Total Fund</u>
<u>Fee Based Targets</u>				
African American	2.00 to 3.00%	1.50 to 2.50%	2.50 to 3.50%	2.25 to 3.00%
Female	3.00 to 4.00%	3.25 to 4.25%	0.5 to 1.0%	0.50 to 1.50%
Hispanic	2.00 to 3.00%	2.25 to 3.00%	2.00 to 3.00%	2.25 to 3.00%
Asian/Other	0 to .5%	0 to 1.75%	3.00 to 4.00%	3.00 to 4.00%
Sub-Total MWBE & Other	8.0 to 11.5%	8.0 to 11.5%	8.0 to 11.5%	8.0 to 11.5%

Aspirational Goal: MWBE Brokerage Objectives FY2025:

- 40.0% Domestic equities
- 17.0% International equities
- 17.0% Global income

CURRENT INVESTMENT MANAGERS

MWBE-owned investment advisor firms within the TRS investment program represent:

- 46 investment firms are currently managing assets for TRS for FY25
- FY25 total assets under management were \$22.7 billion, an increase of about \$1.5 billion compared to \$21.2 billion in FY24
 - MWBE AUM was 29.43% in FY25 vs. 29.76% in FY24
- Estimated FY25 MWBE investment advisory fees are expected to total approximately \$62.8 million, an increase of \$23.8 million from FY23's \$38.9 million
 - On a relative basis, FY24 MWBE advisory fees are expected to be approximately 14.88% of the total advisory fees paid to managers
 - TRS has continued to support MWBE commitments in private equity, private credit, and alternatives in FY25

CURRENT INVESTMENT MANAGERS (CONTINUED)

Minority and Female-Owned External Managers as of June 30, 2025

Asset Manager	Market Value	Unfunded Commitment	Total Exposure Value	% of Total Fund	Real Assets ¹				
Domestic Equity					Brasa ^{EM}	73,768,195	93,396,512	167,164,707	0.22%
RhumbLine Advisors					Elion Partners ^{EM}	17,474,290	28,855,234	46,329,524	0.06%
Subtotal					Sagehall Management ^{EM}	0	30,000,000	30,000,000	0.04%
International Equity					JLC ^{EM}	6,619,532	17,036,972	23,656,504	0.03%
Arga Investment Management					Sheridan	17,603,000	10,140,000	27,743,000	0.04%
Subtotal					Subtotal	115,465,017	179,428,718	294,893,734	0.38%
Global Income³					Private Equity²				
Basis ^{EM}					3 Boomerang Capital ^{EM}	9,819,187	16,844,140	26,663,327	0.03%
Blantyre ^{EM}					5th Century Partners ^{EM}	2,476,773	12,556,463	15,033,236	0.02%
Copia ^{EM}					Alkemi ^{EM}	1,070,529	3,710,881	4,781,410	0.01%
Dignari ^{EM}					Avance ^{EM}	19,167,536	8,163,696	27,331,232	0.04%
Edelweiss					Clearlake	470,648,768	130,847,674	601,496,442	0.78%
L2 Point ^{EM}					FVLCRUM ^{EM}	14,542,681	9,225,248	23,767,929	0.03%
LCM Partners					Grain Communications ^{EM}	228,517,457	10,926,862	239,444,319	0.31%
Loop Capital					ICV Partners ^{EM}	44,106,529	3,147,892	47,254,421	0.06%
Longfellow					IL Asia Investors	201,498,875	7,335,804	208,834,679	0.27%
Payden & Regal					Leeds Illuminate ^{EM}	28,228,791	4,448,245	32,677,036	0.04%
Garcia Hamilton					Live Oak Venture Partners ^{EM}	21,374,524	18,450,000	39,824,524	0.05%
Pharmakon Advisors					Longitude	52,780,199	30,589,726	83,369,925	0.11%
Terra Cotta ^{EM}					MaC Venture Capital ^{EM}	11,802,632	11,195,431	22,998,063	0.03%
Varadero					Mill Point Partners	57,749,230	39,824,916	97,574,146	0.13%
Subtotal					New MainStream Capital ^{LM}	40,496,469	72,821,915	113,318,384	0.15%
Diversifying Strategies					OceanSound Partners ^{EM}	54,566,038	15,406,850	69,972,888	0.09%
Alphadyne					Palladium Equity Partners ^{EM}	13,227,658	52,135	13,279,793	0.02%
Varadero					SK Capital Partners	293,715,662	132,578,581	426,294,243	0.55%
Subtotal					Siris Partners	93,657,416	16,174,310	109,831,726	0.14%
					Stellix Capital Partners ^{EM}	67,524,201	51,851,288	119,375,489	0.15%
					Sunstone Partners ^{EM}	69,894,984	43,505,558	113,400,542	0.15%
					Vista Equity	535,527,392	265,902,998	801,430,390	1.04%
					Subtotal	2,332,393,531	905,560,613	3,237,954,144	4.20%
					MWBE Total	21,333,918,144	1,358,583,024	22,692,501,168	29.43%

Notes:

"EM" are managers currently in the Emerging Manager Program

* Most Private market funds report on a quarter lag. These are preliminary estimates for the reporting quarter only.

1 Real Estate "Total Exposure Value" figures were provided by Stepstone (as of 6/30/25), include Unfunded Commitments and Total Cash Available for Reinvestment and are calculated by adding capital calls and subtracting returns of capital from the market value

2 Private Equity "Total Exposure Value" figures were provided by Stepstone (as of 6/30/25), include Unfunded Commitments and Total Cash Available for Reinvestment and are calculated by adding capital calls and subtracting returns of capital from the market value

3 Global Income's Private Market Accounts "Total Exposure Value" figures were provided by Aksia (as of 6/30/25), include Unfunded Commitments and Total Cash Available for Reinvestment and are calculated by adding capital calls and subtracting returns of capital from the market value

4 Domestic Equity, Int'l Equity, Global Income, Diversifying Strategies "Percent of Asset Class" figures are based on Total Exposure Value divided by total asset class market values

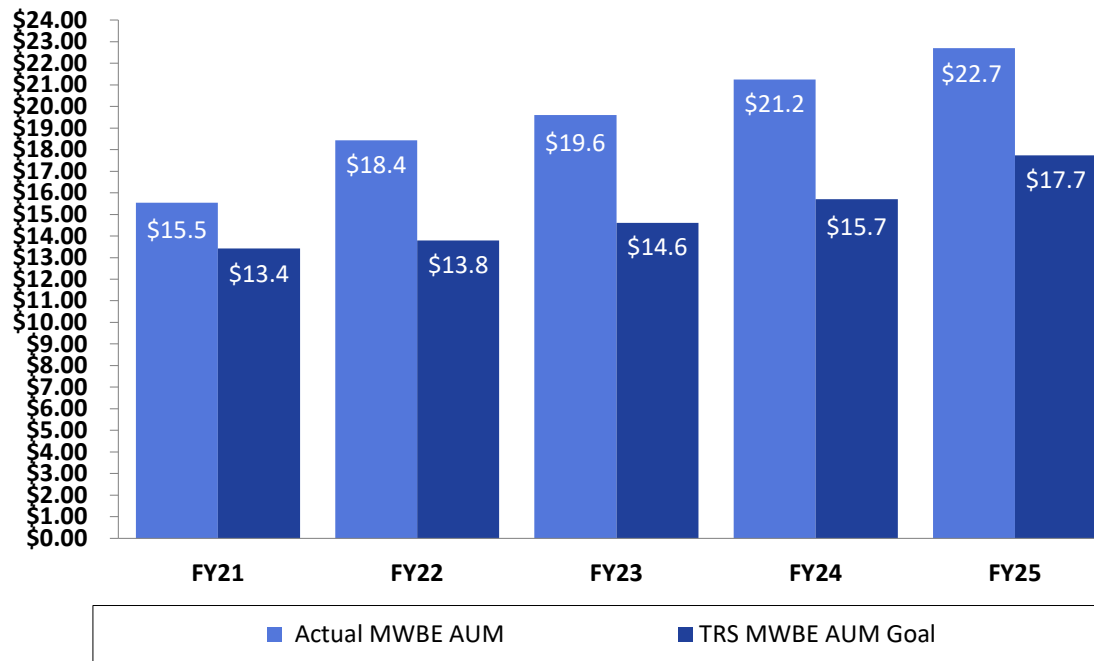
5 Real Asset "Percent of Asset Class" figures are based on manager total exposure divided by total asset class exposure (total commitments)

6 Private Equity "Percent of Asset Class" figures are based on manager total exposure divided by total asset class exposure (total commitments)

7 Global Income "Percent of Asset Class" figures are based on manager total exposure for both Private and Public accounts and divided by total asset class exposure (total commitments)

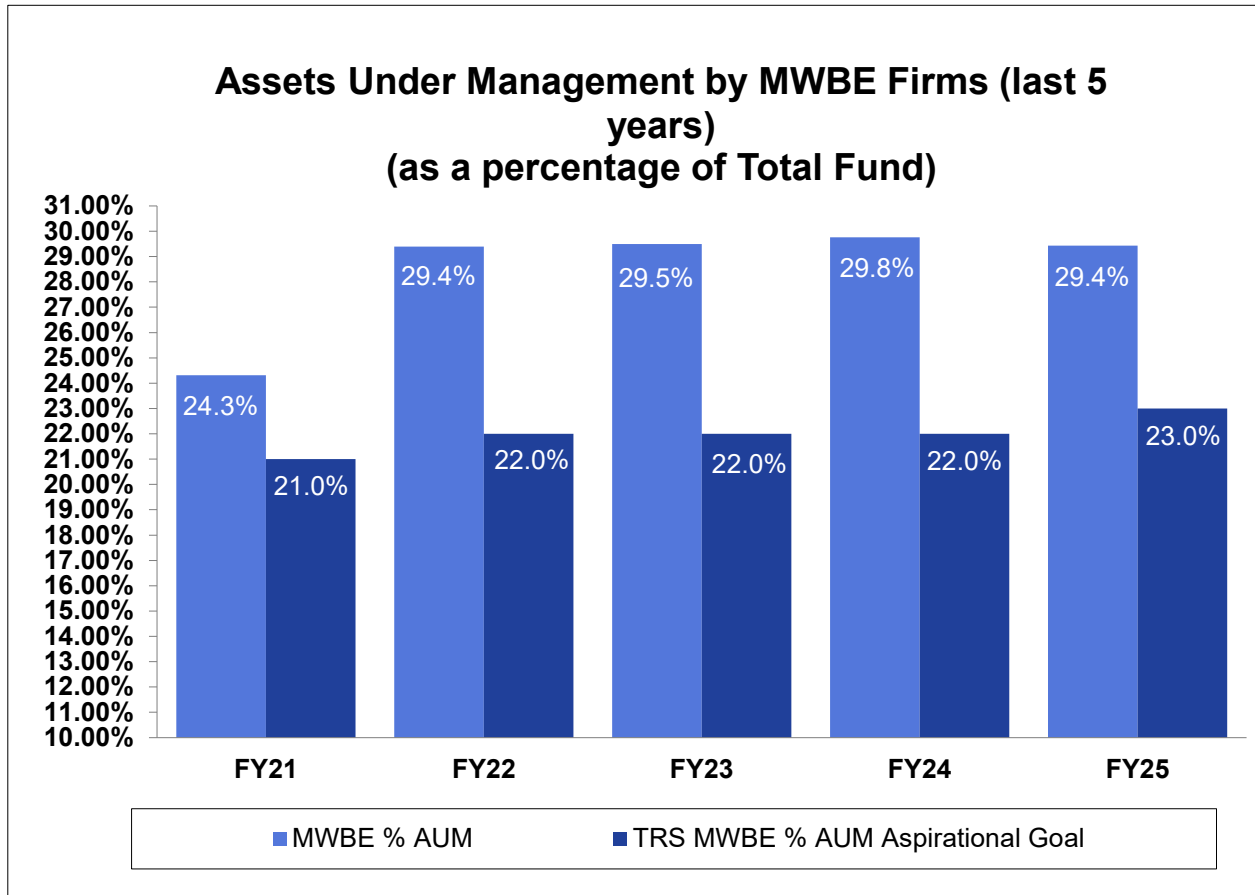
MWBE ASSETS UNDER MANAGEMENT

Assets Under Management by MWBE Firms (last 5 years)
(in billions)



MWBE AUM increased in FY25 to \$22.7 billion

MWBE ASSETS UNDER MANAGEMENT



MWBE participation decreased slightly in FY25, exceeding 20% for the seventh time, as TRS continued to grow and develop relationships with MWBE managers

MWBE AUM – PUBLIC EQUITY

Minority and Female-Owned External Managers As of June 30, 2025

Asset Class by Race/Gender	Total Exposure Value	As % of Total Asset Class AUM	As % of Total TRS AUM	As % of Total MWBE AUM
Domestic Equity				
Female	13,430,550,804	97.70%	17.42%	59.18%
Total	13,430,550,804	97.70%	17.42%	59.18%
International Equity				
Asian/Other	114,854,736	1.14%	0.15%	0.48%
Female	1,484,784,119	14.76%	1.93%	6.54%
Total	857,246,796	15.90%	2.08%	7.05%

MWBE AUM – GLOBAL INCOME/PRIVATE CREDIT

Minority and Female-Owned External Managers As of June 30, 2025

Asset Class by Race/Gender	Total Exposure Value	As % of Total Asset Class AUM	As % of Total TRS AUM	As % of Total MWBE AUM
Global Income				
African American	1,452,397,980	6.97%	1.88%	6.40%
Asian/Other	390,771,509	1.88%	0.51%	1.72%
Female	526,778,030	2.53%	0.68%	2.32%
Latino	1,123,002,543	16.23%	1.46%	4.95%
Total	3,492,950,062	27.60%	4.53%	15.39%

Notes:

Global Income's Private Market Accounts "Total Exposure Value" figures were provided by Aksia (as of 6/30/25) and include Uncommitted Capital plus NAV

MWBE AUM – DIVERSIFYING STRATEGIES

Minority and Female-Owned External Managers As of June 30, 2024

Asset Class by Race/Gender	Total Exposure Value	As % of Total Asset Class AUM	As % of Total TRS AUM	As % of Total MWBE AUM
Diversifying Strategies				
Asian/Other	347,972,392	10.20%	0.45%	1.53%
Latino	288,541,176	8.46%	0.37%	1.27%
Total	636,513,568	18.67%	0.83%	2.80%

MWBE AUM – REAL ASSETS

Minority and Female-Owned External Managers As of June 30, 2025

Asset Class by Race/Gender	Total Exposure Value	As % of Total Asset Class AUM	As % of Total TRS AUM	As % of Total MWBE AUM
Real Assets				
African American	23,656,504	0.14%	0.03%	0.10%
Female	57,743,000	0.34%	0.07%	0.25%
Latino	213,494,231	1.25%	0.28%	0.94%
Totals	294,893,735	1.73%	0.38%	1.30%

Notes:

Real Asset "Total Exposure Value" figures were provided by Stepstone (as of 6/30/25) and include Uncommitted Capital plus NAV

MWBE AUM – PRIVATE EQUITY

Minority and Female-Owned External Managers As of June 30, 2025

Asset Class by Race/Gender	Total Exposure Value	As % of Total Asset Class AUM	As % of Total TRS AUM	As % of Total MWBE AUM
Private Equity				
African American	1,405,798,901	7.11%	1.82%	6.19%
Asian/Other	679,734,856	3.44%	0.88%	3.00%
Female	116,046,961	0.59%	0.15%	0.51%
Latino	1,036,373,426	5.24%	1.34%	4.57%
Total	3,237,954,144	16.38%	4.20%	14.27%

Notes:

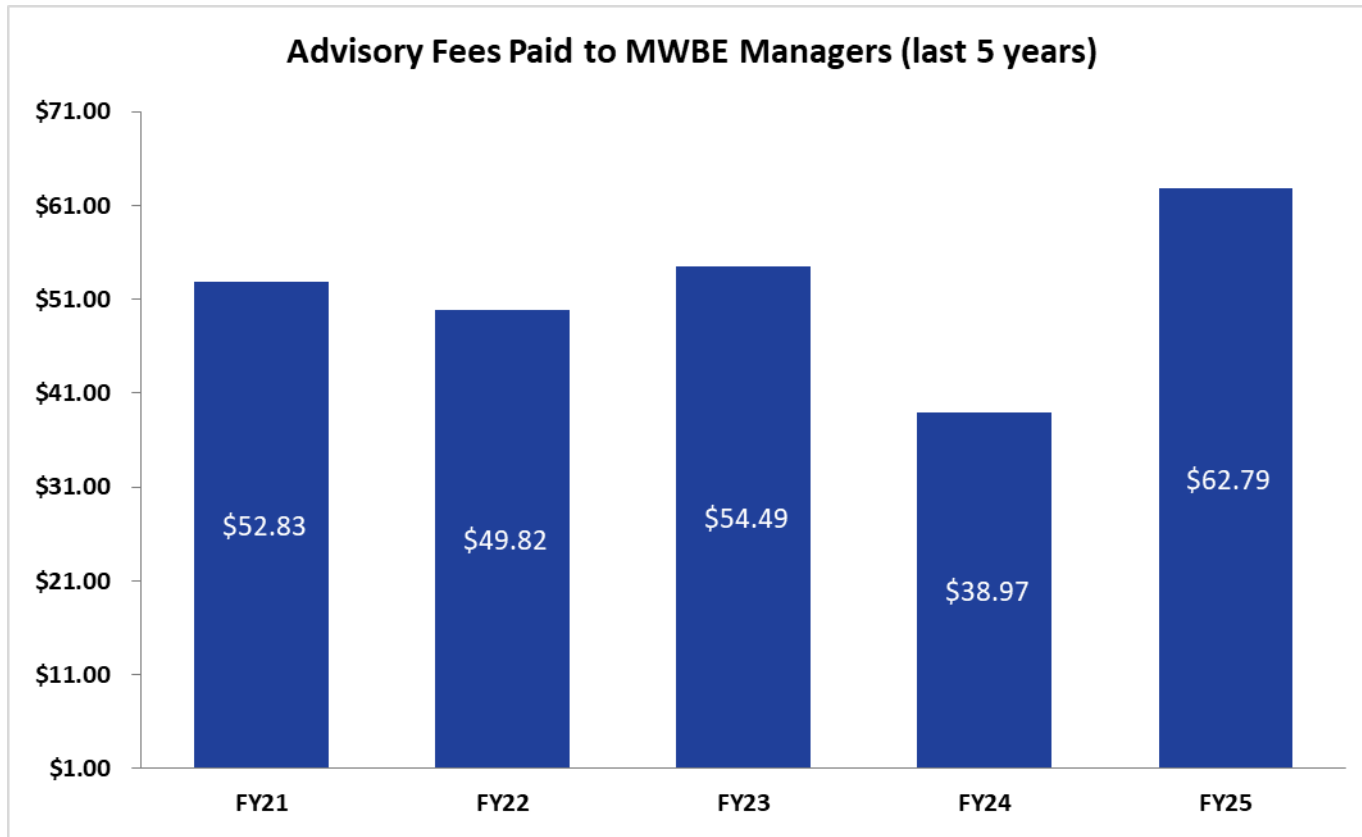
Private Equity "Total Exposure Value" figures were provided by Stepstone (as of 6/30/25) and include Uncommitted Capital plus NAV

MWBE AUM – TOTAL FUND

Minority and Female-Owned External Managers As of June 30, 2025

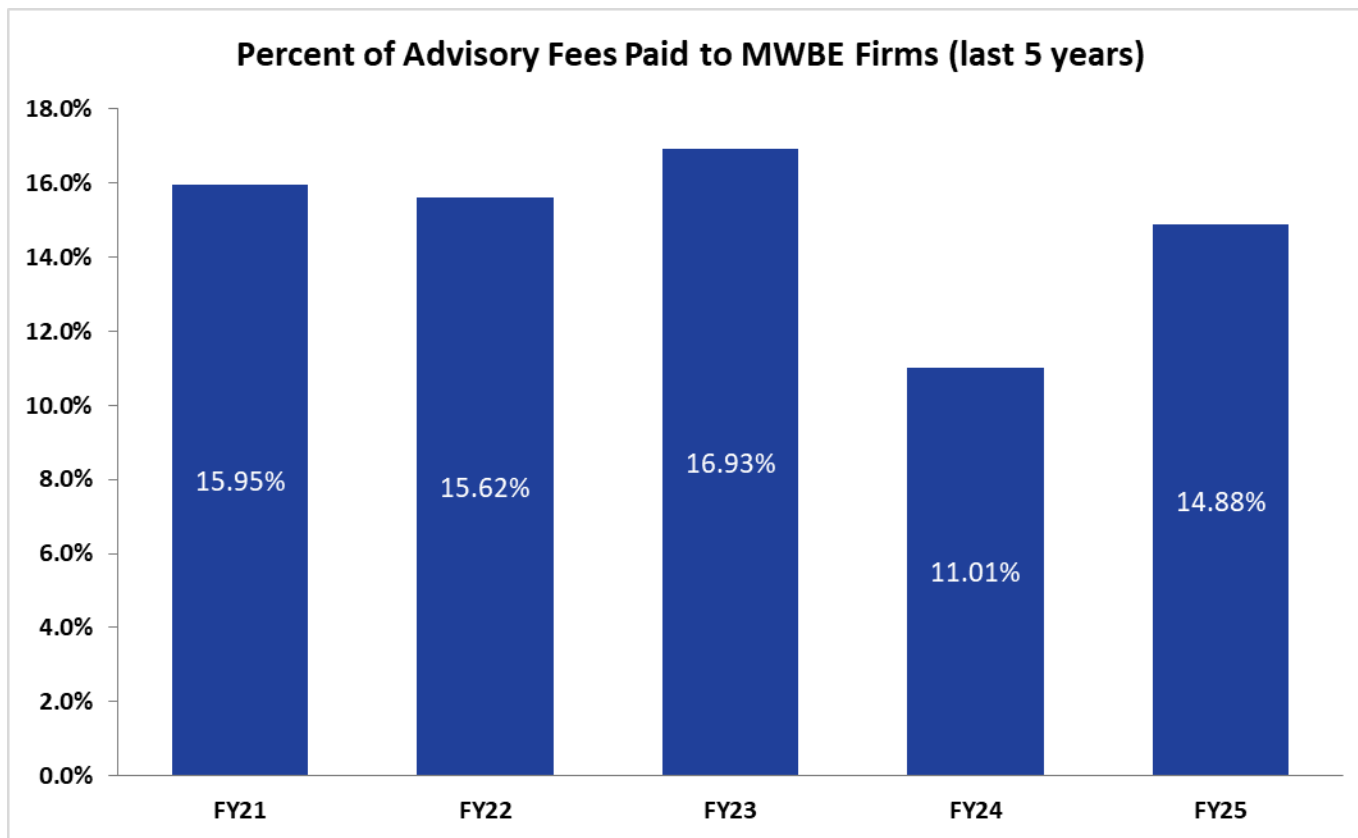
Asset Class by Race/Gender	Total Exposure Value	As % of Total TRS AUM	As % of Total MWBE AUM
African American	2,881,853,385	3.74%	12.70%
Female	15,615,902,914	20.25%	68.82%
Latino	2,661,411,376	3.45%	11.73%
Asian/Other	1,533,333,493	1.99%	6.76%
MWBE Total	22,692,501,168	29.43%	100.00%

MWBE ADVISORY FEES



Fees paid (in millions) to MWBE-owned firms increased in FY25

MWBE ADVISORY FEES (% TOTAL TRS FEES)



Overall plan fees paid to MWBE-owned firms increased in FY25

MWBE FEES – ASSET CLASS

Minority and Female-Owned External Managers as of June 30, 2025

Asset Class	Total Fees Paid	% of Total Asset Class Fees	% of Total TRS Fees	% of Total MWBE Fees
Diversifying Strategies	\$26,388,208	0.77%	6.25%	42.03%
Asian/Other	\$18,496,540	0.54%	4.38%	29.46%
Latino	\$7,891,668	0.23%	1.87%	12.57%
Domestic Equity	\$1,007,414	0.01%	0.24%	1.60%
Female	\$1,007,414	0.01%	0.24%	1.60%
Global Income	\$10,747,156	0.05%	2.55%	17.12%
African American	\$2,565,953	0.01%	0.61%	4.09%
Asian/Other	\$2,185,247	0.01%	0.52%	3.48%
Female	\$3,062,588	0.01%	0.73%	4.88%
Latino	\$2,933,366	0.01%	0.69%	4.67%
International Equity	\$2,627,950	0.03%	0.62%	4.19%
Asian/Other	\$598,500	0.01%	0.14%	0.95%
Female	\$2,029,450	0.02%	0.48%	3.23%
Private Equity	\$19,469,507	0.10%	4.61%	31.01%
African American	\$9,909,604	0.05%	2.35%	15.78%
Asian/Other	\$3,266,667	0.02%	0.77%	5.20%
Female	\$1,641,443	0.01%	0.39%	2.61%
Latino	\$4,651,792	0.02%	1.10%	7.41%
Real Assets	\$2,549,538	2.73%	0.60%	4.06%
African American	\$892,037	0.01%	0.21%	1.42%
Female	\$160,740	0.00%	0.04%	0.26%
Latino	\$1,496,760	0.01%	0.35%	2.38%
Grand Total	\$62,789,774		14.88%	100.00%

Notes:

1. Total TRS Estimated/Preliminary Fees Paid in FY25: \$422,103,187

MWBE FEES – TOTAL FUND

Minority and Female-Owned External Managers As of June 30, 2025

Ownership	Total Fees Paid	% of Total TRS Fees	% of Total MWBE Fees
African American	\$13,367,595	3.17%	21.29%
Asian/Other	\$24,546,955	5.82%	39.09%
Female	\$7,901,636	1.87%	12.58%
Latino	\$16,973,588	4.02%	27.03%
MWBE Total	\$62,789,774	14.88%	100.0%

Notes:

1. Total TRS Estimated/Preliminary Fees Paid in FY25: \$422,103,187

ILLINOIS-BASED MWBE ADVISORS

The chart on the following page details the Illinois MWBE investment advisors employed by TRS as of June 30, 2025. In summary:

	# of Firms	TRS AUM	% of Portfolio
MWBE Advisors	46	\$22.69 billion	29.43%
IL-Based MWBE Advisors	3	\$1.35 billion	1.74%

- An increase of \$19 million from the \$700 million in FY24 with IL-based MWBE Advisors.
- The percentage of assets managed by IL-based MWBE firms remained flat at 1.74% compared to 1.79% in FY24.
- MWBE managers that are IL-based represent approximately 5.93% of all MWBE managers' AUM for FY25.
 - In percentage terms, MWBE managers who are IL-based remained relatively flat compared to FY24's 6.01%

ILLINOIS-BASED MWBE ADVISORS

Minority and Female-Owned External Managers Illinois Based MWBE Firms As of June 30, 2025

Asset Manager	Ownership	Total Exposure Value	% of Asset Class	% of Total Fund
Loop Capital Management	African American	\$1,306,052,717	5.73%	1.69%
Copia Group	African American	\$24,325,337	0.11%	0.03%
5th Century Partners	African American	\$15,033,236	0.08%	0.02%
Illinois-Based MWBE Total		\$1,345,411,290	5.84%	1.74%

TRS INVESTMENT MANAGER EEOC SURVEY

While TRS investment advisors provide opportunities to women and minorities at various levels, challenges still exist for African Americans (AA) and Hispanic Americans (HA) at the investment professional staffing levels. TRS requires all managers annually to disclose the diversity of their firm's workplace and leadership.

The TRS external managers responding to our annual survey reported more than 13,000 total full-time employees with over 7,000 senior management/officers and investment professionals:

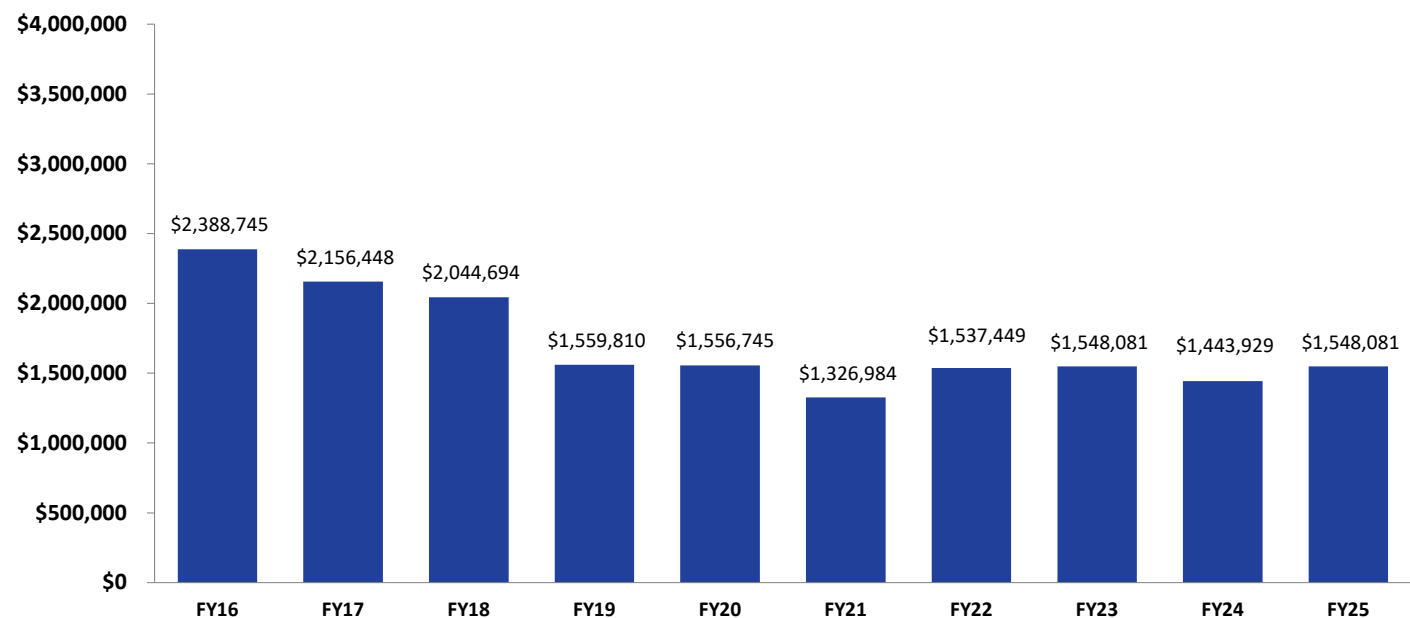
- Ownership, Senior Executive Management Roles & Investment Professional Roles
 - 19.8% are classified as African American vs. 11.5% in FY24
 - 36.2% are classified as Hispanic/Latino vs. 15.9% in FY24
 - 48.0% are classified as Other Minority (ex. AA & HA) vs. 51.7% in FY24
 - 41.8% are classified as non-minority female vs. 69.1% in FY24

MWBE EQUITY COMMISSIONS

- Global equity commissions paid to MWBE broker/dealers were \$1.58 million during FY25 or 19.6% of all global equity commissions
 - In FY25, the utilization aspirational goal for Domestic equity was increased from 35% to 40%
 - Domestic equity FY25 MWBE utilization was 59.4%, beating the aspirational goal of 40% by 19.4%
 - International equity MWBE utilization was 16.5% in FY25, missing its utilization aspirational goal of 17.0% by 0.5%
 - 16 MWBE equity broker/dealers were utilized in FY25. This was up from the 15 utilized in FY24.

MWBE EQUITY COMMISSIONS

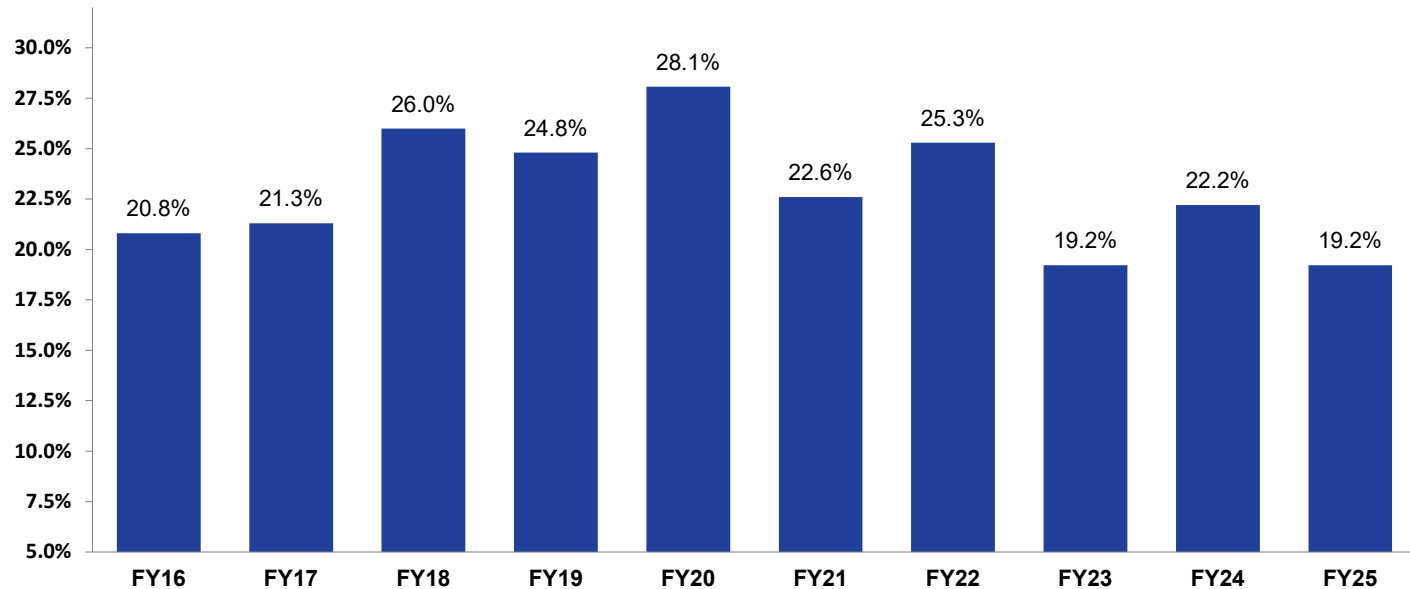
Equity Amounts Paid to MWBE Brokers (last 10 years)



MWBE equity dollar utilization increased slightly in FY25

MWBE EQUITY COMMISSIONS

MWBE Total Equity % of Commissions Traded (last 10 years)



MWBE % utilization decreased slightly to 19.2%

MWBE EQUITY COMMISSIONS – BROKERS

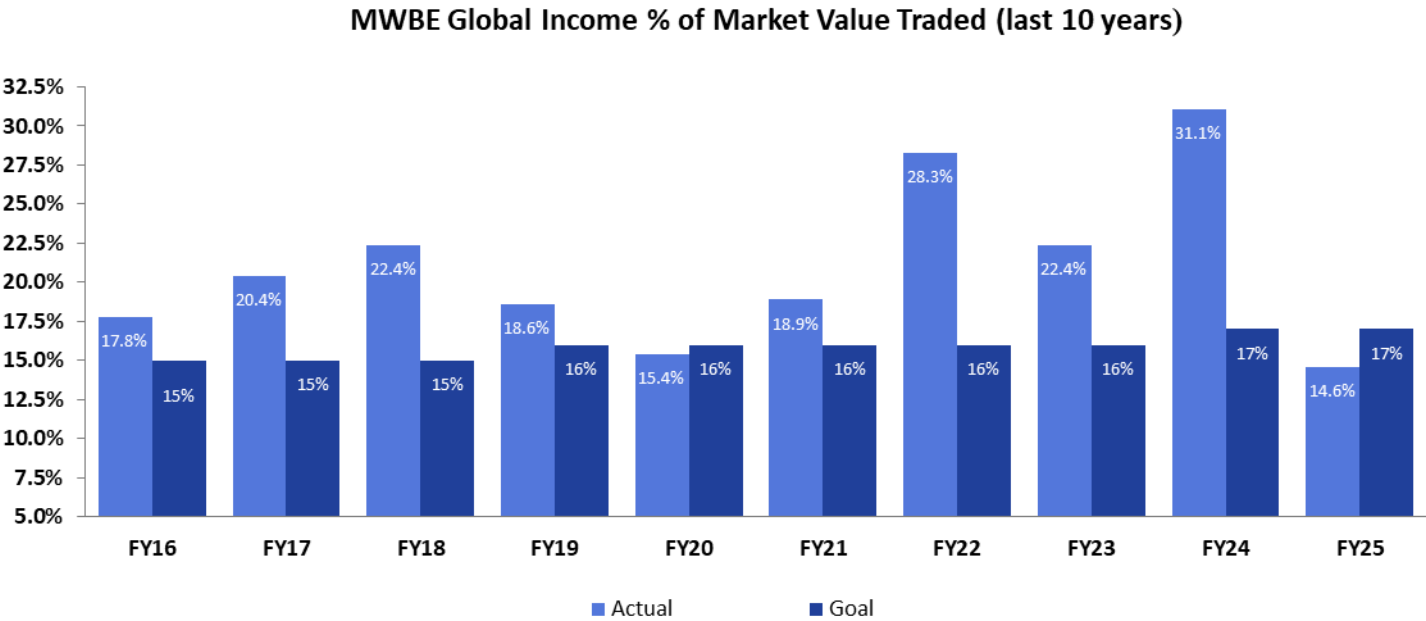
16 MWBE brokers were utilized for equity commissions in FY25

Broker Name	Commissions Paid
Academy Securities	\$10,489
Cabrera Capital Markets, LLC	\$204,697
Castle Oak	\$5,013
CL King	\$5,506
Drexel	\$365
Guzman	\$46,449
Loop Capital Markets	\$862,039
Mischler Financial Group, Inc.	\$82,714
North South	\$4,514
Penserra Securities	\$225,654
Rice	\$895
Stern Brothers & Co	\$963
Sturdivant	\$35,717
Telsey	\$4,748
Siebert Williams Shanks	\$18,271
Proof Trading	\$38,412
Total	\$1,546,445

MWBE GLOBAL INCOME BROKERAGE

- MWBE Global Income market value traded was \$2 billion during FY25; a decrease of \$400 million from FY24's \$2.4 billion figure
 - Minority Utilization decreased 16.5% from 31.1% in FY23 to 14.6% for FY25
 - The Global Income utilization aspirational goal remained at 17% in FY25
- Overall fixed trading volume increased in FY25. Total FY25 market value traded was \$13.4 billion, which is an increase of \$5.7 billion from the \$7.7 billion traded in FY24
- The number of global income MWBE broker/dealers utilized decreased, from 13 in FY24 to 12 in FY25

MWBE GLOBAL INCOME MARKET VALUE TRADED



14.6% of value traded through MWBE Brokers in FY25

Note: Market Value Traded was used for FY16-FY25

EMERGING MANAGER PROGRAM

- In December 2020, the TRS Board increased the allocation to \$1 billion from the existing \$750 million for the Emerging Manager Program (EMP)
 - Since inception, and as of FY25, the EMP will have committed \$3.9 billion to investment managers
 - EMP mandates have averaged ~\$140 million annually since inception
 - 69 of the 76 investment managers within the program have been female-owned and/or minority-owned firms
 - Graduates of the EMP are currently managing \$3.1 billion across various asset classes within the TRS main investment portfolio. This includes the higher fee-paying private market asset classes.
 - At the end of FY25, the EMP had 27 emerging managers managing over \$1.4 billion in total market exposure for TRS; including 7 global income, 16 private equity, and 4 real asset managers

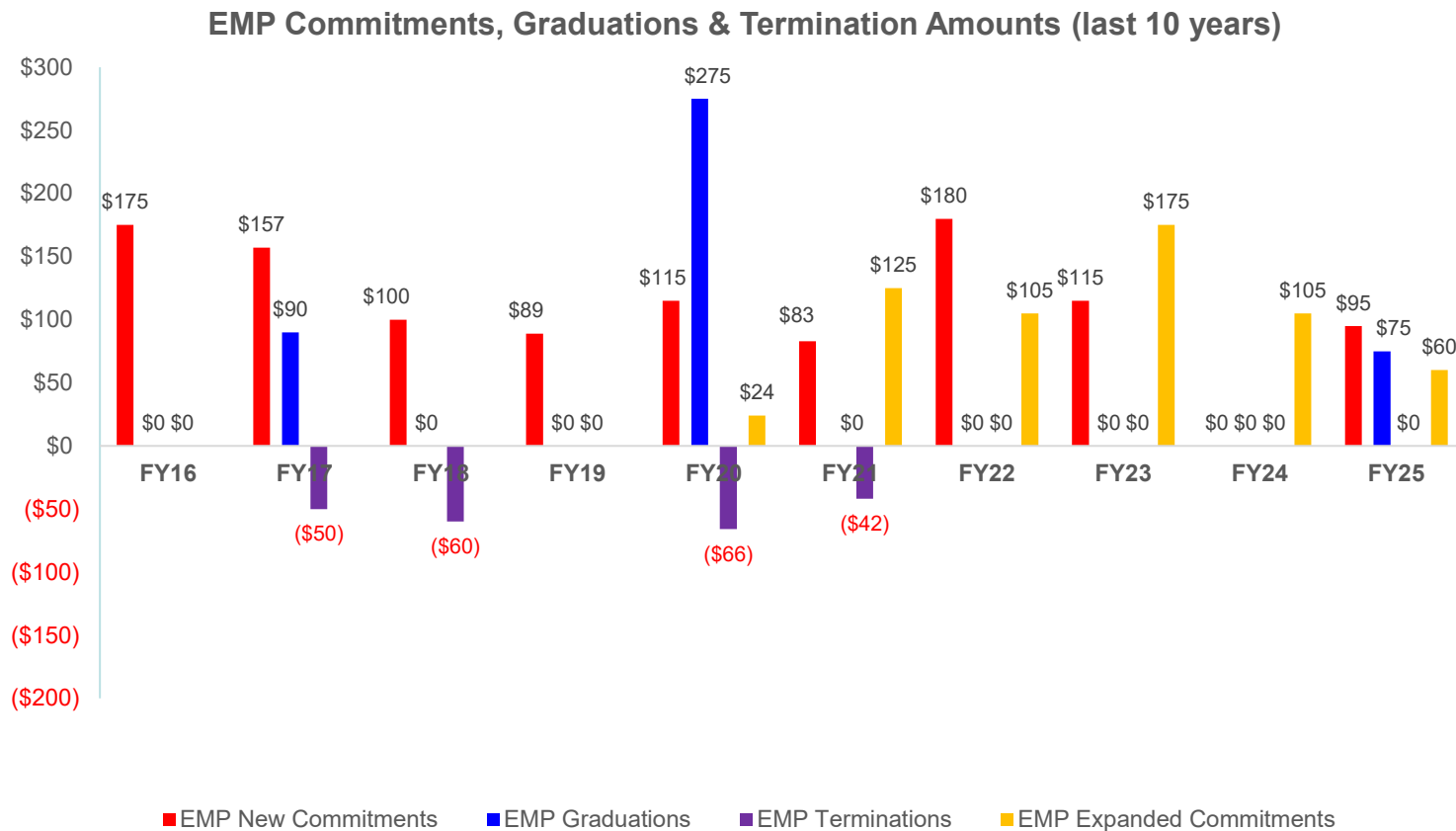
EMERGING MANAGER PROGRAM (CONTINUED)

- During FY25, TRS committed \$185 million to Emerging Manager mandates
 - New relationships with four managers
 - Fifth Century Partners, an African American-owned private equity manager, was allocated \$15M
 - The Copia Group, an African American-owned private credit manager, was allocated \$25M
 - JLC Infrastructure, an African American-owned real asset manager, was allocated \$25M
 - Sagehall Management, an Asian-owned private equity manager, was allocated \$30M
 - Expanded relationships with two existing managers
 - Mill Point Capital Partners, a Latino-owned private equity manager, was allocated \$30M
 - New MainStream Capital, a Latino-owned private equity manager, was allocated \$60M

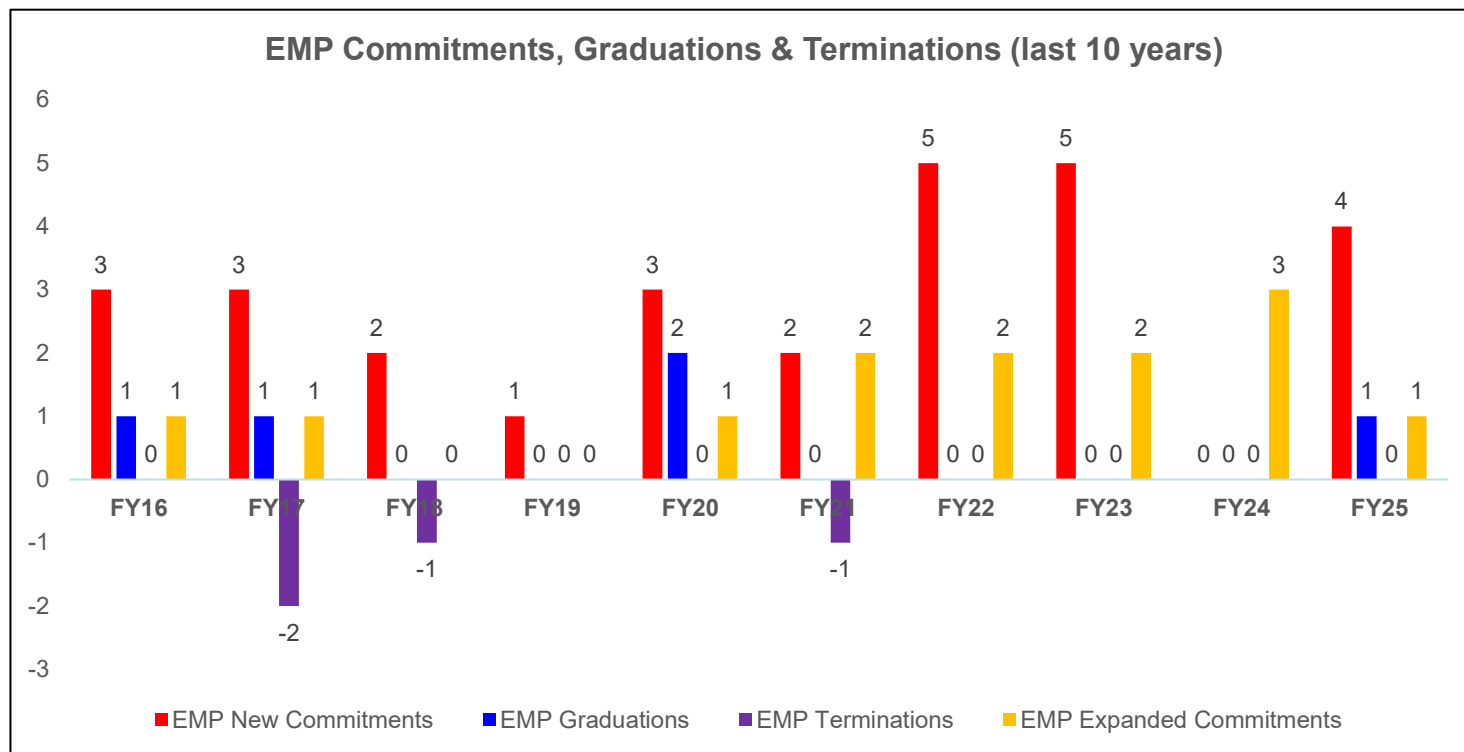
Submission to the EMP begins with a questionnaire at:

<https://www.trsil.org/investments/emerging-managers>

EMERGING MANAGER PROGRAM (CONTINUED)



EMERGING MANAGER PROGRAM (CONTINUED)



Since inception, TRS has invested more than \$3.9B with emerging managers and graduates of the program are currently managing \$1.8B

SUMMARY

TRS will continue to provide opportunities to MWBE Investment Advisors & Broker/Dealers by:

- Setting aspirational goals for MWBE-owned firms by asset class as well as by:
 - African American ownership
 - Latino American ownership
 - Other Minority/Disabled ownership and
 - Female ownership
- Leveraging the Emerging Manager Program for non-traditional asset classes that historically have been underrepresented by MWBE-owned firms and professionals
- TRS will host its 21st Annual Opportunity Forum in the Spring/Summer of 2026 which will continue to focus on building relationships between TRS's investment staff and the diverse and emerging manager community