

Cook County Pension Fund

Investments

County Employees' and Officers' Annuity and Benefit Fund of Cook County – Broker/Dealer Trading Policy

The Board encourages the use of broker/dealer firms that are Minority, Woman, or Disabled-Owned Businesses.¹

The Fund's Investment Managers shall give consideration to certified Minority, Woman, or Disabled-Owned Businesses when executing trades for the Fund with preference to those entities located in the State of Illinois, subject to each Investment Manager being responsible for implementing trading policies that result in the best price and execution of any broker/dealer selected.

In implementing this Broker/Dealer Trading Policy, the Fund has established the following minimum annual goals based on its current asset allocation:

1) Active Domestic Equity Investment Managers:

Subject to best price execution, each Investment Manager shall direct at least one third (33.3 1/3%) of total commission dollars, on an annual basis, to Minority, Woman, or Disabled-Owned Business enterprises, preferably Illinois-based. Step-out-trades will not be counted towards trades with Minority, Woman, or Disabled-Owned Business enterprises.

2) International Equity Investment Managers:

Subject to best price execution, each Investment Manager shall direct at least 10% of total commission dollars, on an annual basis to Minority, Woman, or Disabled-Owned Business enterprises, preferably Illinois-based. Correspondence arrangements will not be counted towards trades with Minority, Woman, or Disabled-Owned Business enterprises.

3) Fixed Income Investment Managers:

Subject to best price execution, each Investment Manager shall direct 10% of eligible fixed income trading volume (par) to Minority, Woman, or Disabled-Owned Business enterprises, preferably Illinois-based.

4) Transition Managers:

Subject to best price execution, each Transition Manager shall direct at least 40% of total commission dollars to Minority, Woman, or Disabled-Owned Business enterprises, preferably Illinois-based. Step-out-trades will not be counted towards this goal.

Reporting

All trades must be identified in the Investment Manager's quarterly report to the Board. Investment Managers must identify which brokers utilized are broker/dealers that are Minority, Woman, or Disabled-Owned Businesses and the dollar amount traded with each firm. In addition, the report should detail total shares executed, total trading commissions, and average commission cost per share.

When an Investment Manager cannot meet these goals, the Investment Manager must identify the reasons the goal could not be met within the quarterly report to the Board. Failure by an Investment Manager to meet the goals set forth in this Policy will be considered as a factor when evaluating the Investment Manager's overall performance and relationship with the Fund.

¹ – As defined in the Business Enterprise for Minorities, Women and Persons with Disabilities Act, 30 ILCS 575/0.01, et seq. Minority Broker/Dealer Policy - As Amended December 3, 2009
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