

## Report on Investment

### Exhibit 6: Diverse Emerging Fund Managers

#### Introduction

As part of the Board’s prospective and monitoring of current investment managers, the Board is devoting more time and attention to its commitment and willingness to embrace diversity and inclusion in its hiring decisions, investment decision-making process, and ownership structure.

The following tables provide a detailed look at the Board’s exposure to diverse and emerging investment managers at the end of the fiscal year. For purposes of this report, the Diverse Emerging Fund Managers and Reporting Requirements Amendment Act of 2020 (D.C. Law 23-161) defines a “diverse emerging fund manager” to mean an asset management firm with (i) total assets under management that do not exceed \$2 billion (subject to annual adjustment based on inflation and industry growth rates); and (ii) substantial diversity among its senior leadership or firm ownership, as determined by the Board<sup>1</sup>. Diverse managers are defined by the Board as firms with substantial ownership and/or senior leadership participation from minorities, women, disabled individuals, and/or veterans.

#### Methods

The Board has supported diverse and emerging investment managers for nearly two decades. Past initiatives include funding a dedicated diverse manager program and direct emerging and diverse manager relationships sourced through investment consultants and industry relationships. These efforts have resulted in moderate exposure to diverse and emerging managers across the public and private markets asset classes. At the same time, given the Fund’s increasing assets and growing manager roster, particularly on the private markets side, there’s potential to do more, especially with our direct investment approach and standardizing the metrics of how we measure managers Diversity and Equity Inclusion (DEI) efforts.

For example, there’s a significant opportunity to engage with our investment managers to discuss their diversity and inclusion efforts. The results from our investment consultant’s inaugural diversity and inclusion survey (mid-2021), have been useful in better understanding our investment managers’ current team diversity and related initiatives. We continued to monitor the progress of our manager roster via the 2022 survey to evaluate their ability to influence diversity and inclusion in their hiring and investment decisions as well as firm ownership.

#### Results

##### Diverse Emerging Fund Managers: Firm Ownership; Gender and Racial Diversity (Senior Leadership)

Firm Name	Diverse Firm Ownership <sup>2</sup>	Gender Diversity <sup>3</sup> (Senior Leadership)	Racial Diversity <sup>4</sup> (Senior Leadership)
Private Equity Firm A	75%	21%	67%
Private Equity Firm B	80%	30%	0%
Private Equity Firm C	63%	75%	25%
Natural Resources Firm D	50%	0%	50%

##### Diverse Emerging Fund Managers: Racial Diversity<sup>1</sup> Breakdown (Senior Leadership)

Firm Name	White	American Indian/Alaskan Native	Asian	Black/African American	Hawaiian/Pacific Islander	Hispanic/Latino	Multi-Racial
Private Equity Firm A	33%	0%	0%	0%	0%	67%	0%
Private Equity Firm B	100%	0%	0%	0%	0%	0%	0%
Private Equity Firm C	70%	0%	30%	0%	0%	0%	0%
Natural Resources Firm D	50%	0%	0%	0%	0%	50%	0%

<sup>1</sup> See D.C. Code § 1-901.02(2B).

<sup>2</sup> Diverse ownership includes firm ownership by employees identifying as Female or non-White (i.e., American Indian / Alaskan Native, Asian, Black / African American, Hawaiian / Pacific Islander, Hispanic / Latino, or Multi-Racial).

<sup>3</sup> Gender diversity based on % of Senior Leadership Identifying as Female.

<sup>4</sup> Racial diversity based on % of Senior Leadership identifying as American Indian/Alaskan Native, Asian, Black/African American, Hawaiian/Pacific Islander, Hispanic/Latino, or Multi-Racial.

## Report on Investment

### Results - Continued

#### Supplementary Data (Dollars in thousands)

Total Active Manager Public Market Investments	Fair Value	Diverse Firm Ownership	Gender Diversity (Total Firm)	Gender Diversity (Senior Leadership)	Racial Diversity (Total Firm)	Racial Diversity (Senior Leadership)
As of 9/30/2021	\$ 2,513,707	41%	35%	16%	28%	22%
As of 9/30/2022	\$ 2,170,410	44%	35%	19%	33%	25%
Change	-343,297	2%		3%	5%	3%

#### Exhibit 7: Sudan Divestment

During Fiscal Year 2022, the Board did not hold or acquire any direct investments with companies doing business with Sudan.

The “Prohibition of the Investment of Public Funds in Certain Companies Doing Business with the Government of Sudan Act of 2007” (the “Act”), which became District of Columbia law on February 2, 2008. Specifically, Section 1-335.04(b) of the Act requires that the District of Columbia Retirement Board (the “Board”) report as part of the annual report required under section 142(b)(13) of the Police Officers, Fire Fighters, and Teachers Retirement Benefit Replacement Plan Act of 1998, effective September 18, 1998 (D.C. Law 12-152; D.C. Official Code § 1-909.02(b)(13)) the following:

**(1) All investments sold, redeemed, divested, or withdrawn in compliance with Section 1-335.03(a).**

The Board did not have any direct holdings of securities of companies on the Scrutinized Companies List during the last year that needed to be sold, redeemed, divested, or withdrawn from any investments in order to comply with Section 1-335.03(a) of the Act.

**(2) All prohibited investments under Section 1-335.03(b).**

The Board did not directly acquire any securities of companies on the Scrutinized Companies List during the last year.

**(3) Any progress made under Section 1-335.03(d).**

In accordance with Section 1-335.03(d), the Board submitted letters to the managers of actively-managed investment funds with indirect holdings of securities of companies on the Scrutinized Companies List requesting that they consider either removing such securities from the fund or creating a similar actively-managed fund with indirect holdings devoid of such securities. Despite the Board’s requests, the managers of these funds have neither removed those securities from the funds nor created similar actively managed funds absent such securities.

**(4) A list of any investments held by the Public Fund that would have been divested under Section 1-335.03 but for Section 1-335.03(e), including a statement of reasons why a sale or transfer of the investments is inconsistent with the fiduciary responsibilities of the District of Columbia Retirement Board and the circumstances under which the District of Columbia Retirement Board anticipates that it will sell, transfer, or reduce the investment.**

The Board does not hold any investments that would have been divested under Section 1-335.03, but for Section 1-335.03(e).

<sup>1</sup> Racial diversity based on % of Senior Leadership identifying as American Indian/Alaskan Native, Asian, Black/African American, Hawaiian/Pacific Islander, Hispanic/Latino, or Multi-Racial.