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CHICAGO CITY TREASURER ALIGNS WITH MORNINGSTAR INDEXES TO OPTIMIZE FUTURE INVESTMENT STRATEGY, DELIVER BETTER RESULTS FOR CHICAGOANS

Collaboration with Chicago-based global index provider will allow the City Treasurer's office to improve tracking of past performance and designing future strategy

CHICAGO - Today, Chicago City Treasurer Melissa Conyears-Ervin announced that her office is working with Morningstar Indexes to provide the City with a customized fixed income policy benchmark to optimize the City's future investment strategy. The alignment with the indexes division of Morningstar will allow the City Treasurer's office to improve the tracking and measurement of past performance as it designs future investment strategies to deliver better results for Chicago and its residents.

"As City Treasurer, I am responsible for ensuring our investments are rooted in sound fiscal policy, reflect our values, and deliver the best results for Chicagoans," said Chicago City Treasurer Melissa Conyears-Ervin. "Utilizing the Morningstar US Core Bond Select Index will allow us to better measure the success of our investments, improve our strategy, and make sure the billions of dollars under my care are working for the city's residents. By optimizing our investments, we can help build a safer, more prosperous Chicago for everyone who calls our city home."

Historically, the Chicago City Treasurer's office has utilized peer benchmarking to measure investment performance and dictate future strategy. After recently outperforming key peers, the Treasurer's office decided to seek a more suitable benchmark to further enhance development of asset allocation strategies. The Morningstar US Core Bond Select Index is customized to more closely reflect the investment universe mandated in the City's investment policy and has the flexibility to change as investment policy evolves.

"The Morningstar US Core Bond Select Index will help me and my team of Portfolio Managers evaluate our performance and make any necessary changes in asset allocation and duration targets to ensure competitive risk adjusted returns for the residents of the City of Chicago," said Craig Slack, Chief Investment Officer for the City Treasurer's Office. "I'm extremely proud of the results we have delivered for Chicagoans over the last few years, but we are always looking for ways to improve. Morningstar Indexes will be an important part of that work. I'd like to thank Treasurer Conyears-Ervin for her ongoing leadership and support for this initiative."

“We’re very excited to have the opportunity to work with the Chicago City Treasurer to offer a more suitable fixed income benchmark that is aligned with the City’s investment policy,” said Morningstar Indexes Head of Fixed Income & Multi-Asset Products Katie Binns. “In recent years, we have invested resources and focus into growing our fixed income index capabilities and it is great to see this investment starting to pay dividends for our clients.”

The Morningstar US Core Bond Select Index measures the performance of fixed-rate, investment-grade US dollar-denominated securities with maturities greater than one year and less than 30 years, with Securitized/Collateralized debt securities not subject to a maturity cap. This index is market-capitalization weighted and allows for some customization while employing certain restrictions on credit quality and issuer types.

The Chicago City Treasurer’s Office transitioned from peer benchmarking to the Morningstar US Core Bond Select Index earlier this month.

About the Treasurer’s Office

The City Treasurer’s Office is the custodian and manager of all cash and investments for the City of Chicago, the four City employee pension funds, and the Chicago Teacher’s Pension Fund. Additionally, the Treasurer’s Office manages a number of programs that promote financial education and small business growth in Chicago’s neighborhoods. The Treasurer is one of three city-wide elected officials in the City of Chicago, with the Mayor and the Clerk being the others.

In May 2019, Melissa Conyears-Ervin made history when she was sworn in as City Treasurer for the City of Chicago, the first African-American woman ever to hold the position without prior appointment. As City Treasurer, she is committed to using a positive, results-oriented approach with city departments. She works to restore the public’s trust in government—good government—that works for the people and applies an equity lens to all of the office’s programs and outreach.

About Morningstar Indexes

Morningstar Indexes was built to keep up with the evolving needs of investors—and to be a leading-edge advocate for them. Our rich heritage as a transparent, investor-focused leader in data and research uniquely equips us to support individuals, institutions, wealth managers and advisors in navigating investment opportunities across all major asset classes, styles and strategies. From assessing risk and return with traditional benchmarks to helping investors effectively incorporate ESG objectives into their investment process, our range of index solutions spans an investment landscape as diverse as investors themselves. We help investors answer today’s increasingly complex questions so that they can more easily reach tomorrow’s goals.

Please visit indexes.morningstar.com for more information.

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