

APPENDIX 3

Memo

To: [NAME OF INVESTMENT CONSULTANT]

From: [YOUR NAME(S), POSITION(S), FUND NAME]

Re: Sourcing Qualified Diverse Managers

Date: [INSERT DATE]

Dear [NAME OF INVESTMENT CONSULTANT],

As you know, our institution has made a strong commitment to diversity and inclusion in all aspects of our work, including investment with diverse asset management firms. Our institution defines “diverse asset management firms” as firms that are at least 51% owned by minorities and/or women. As our consultant, we rely on your guidance and expertise in selecting the right managers for our fund’s needs.

We see it as our duty as fiduciaries to ensure that we are casting the widest net to reach talent wherever it exists. And, we understand that qualified diverse firms may not exist in your current database. In order to source qualified diverse firms, here are some suggestions for actions you can take and resources you can use to develop this pipeline.

Developing a pipeline of diverse managers and firms requires a commitment to engaging with the MWBE (Minority and Women-Owned Business Enterprise) manager community. Here are some actions you can take to engage with diverse managers:

- Join diverse-focused affinity investment groups such as:
 - National Association of Investment Companies (NAIC)
 - National Association of Securities Professionals (NASP)
 - The Association of Asian American Investment Managers (AAAIM)
 - New America Alliance (NAA)
- Attend emerging manager conferences including:
 - ConsortiumEast and ConsortiumWEST
 - NAIC Annual Private Equity and Hedge Fund Conference
 - NAIC Institutional Investor Forums
 - NASP Pension and Financial Services Conference
 - New America Alliance Wall Street Summit
 - AAAIM National Conference
 - Rainbow Push Wall Street Project

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- Host investment seminars or MWBE manager open house meetings.
- Have an open door policy to ensure that any MWBE firm will be considered, and promote this policy publicly.

The following publications and other lists are great ways to identify diverse asset management firms:

- ABFE's Directory of Minority and Women-Owned Investment Manager Firms
- Black Enterprise Asset Managers and Private Equity Firms Lists 2015
- The Use of Minority- and Women-owned Brokerage and Investment Management Firms by the State of Maryland (FY 2014)
- Office of the New York State Comptroller – Emerging Manager & MWBE Conference Book (February 2016)
- Contact trade associations directly for their most updated lists.

We eagerly look forward to the new relationships we will build through this process. Please don't hesitate to be in touch to discuss these efforts further.

Sincerely,

[YOUR NAME(S), POSITION(S)]