

APPENDIX 4

Memo

To: [NAME OF INVESTMENT CONSULTANT]

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

Re: Current State of Internal Firm Diversity and Asset Manager Diversity

Date: [INSERT DATE]

Dear [NAME OF INVESTMENT CONSULTANT],

I hope this message finds you well. Our Board has been spending some time grappling with questions of diversity and inclusion in our institution as a whole, as well as in our investment practices. This issue has emerged as one of great importance for our leadership. At this time, we are in the process of trying to understand the extent to which our funds are invested with and have access to diverse asset management firms, with regard to racial, ethnic, and gender diversity. In this highly competitive and complex environment, accessing talent wherever we can is of the utmost importance. As fiduciaries, we need to get a handle on this information in order to fulfill our duties.

We have compiled some questions to help us better understand your own engagement with diversity and inclusion as well as the extent to which our funds are invested with and have access to diverse firms. I hope you will take the time to answer these questions by [INSERT DUE DATE].

Internal Consultant Firm Diversity

1. How many minority and women investment consultants are currently employed at your firm?
2. How many minorities and women are currently on your senior management team?
3. How many total investment consultants are employed at your firm?
4. Do you have a Chief Diversity Officer?
5. Do you offer a retirement plan to your employees? If so, how many minority managers do you utilize in your own funds?

Asset Manager Selection

1. Have you studied research on the performance of diverse managers?
2. How many asset management firms are currently in your database? What is the breakdown by asset class?
3. How many minority- and/or women-owned asset management firms (at least 51% ownership) are currently in your database? What is the breakdown by asset class?
4. How many minority/women-owned investment management firms have you recommended to all your clients? How much total assets does this account for? What is the breakdown by asset class?

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5. How many minority/women-owned asset management firms is our fund currently investing with? How much total assets does this account for? What is the breakdown by asset class?
6. What is the average asset allocation for all recommended investment management firms?
7. What is the average asset allocation for recommended minority/women-owned asset management firms?
8. Do you track diversity at majority-owned firms? What do those numbers look like for the firms we are using to manage our funds?
9. What do you do to increase the diversity of asset managers in your database (i.e. attend conferences for minority managers, etc.)?

If you have any questions about our inquiry, please don't hesitate to be in touch.

Thank you for taking the time.

Sincerely,

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