
APPENDIX

APPENDIX 1

Memo

To: [NAME OF CIO/CFO/CEO]
From: [YOUR NAME(S), POSITION(S)]
Re: Current State of Institutional Diversity
Date: [INSERT DATE]

Dear [NAME OF CIO/CFO/CEO],

I hope this message finds you well. I'm writing as a member of the Board of Trustees in order to explore our institution's engagement with issues around diversity and inclusion with regard to racial, ethnic, and gender diversity. This is an important issue that I believe is vital for our Board, as fiduciaries, to understand. I have put together the following questions that I hope you will take the time to answer by [INSERT DUE DATE].

1. Do we invest with diverse managers? If so, how many?
2. How much money/what percentage of assets is invested with diverse managers?
3. What is the racial and gender makeup of the analysts and decision makers at the majority firms who manage our funds?
4. Does our current investment policy discourage the use of certain diverse managers through quantitative or qualitative restrictions (i.e. minimum number of years track record and/or minimum assets under management)?
5. How do we as an institution currently address diversity and inclusion?
6. How diverse is our staff and board? How diverse is our senior leadership?
7. Do we have a supplier diversity program? If so, how is this program regarded by the board and staff? Does it include a focus on professional services such as accounting firms and insurance brokers?

I'd be more than happy to sit down with you and talk through these questions if you think that would be helpful. And of course, if you have any questions about my inquiry, please don't hesitate to be in touch.

Thank you for taking the time.

Sincerely,

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

APPENDIX 2

Template Investment Policy Language

The Board defines “diverse investment manager” as a qualified investment advisor that is at least 51% owned by minorities and/or women.

The Board encourages the use of diverse investment managers in managing the Fund’s assets, encompassing all asset classes, to the greatest extent feasible within the bounds of financial and fiduciary prudence, and to take affirmative steps to remove any barriers to the full participation in investment opportunities afforded by the Fund.

If in any case a diverse investment manager meets the criteria established by the Board for a specific search and meets the criteria established by a consultant for that search, then that diverse manager shall receive an invitation by the Board to present his or her firm for financial consideration of a contract. In the case where multiple diverse managers meet the criteria, the staff or consultant may choose the most qualified firm or firms to present to the Board.

Beginning [INSERT DATE], it shall be the aspirational goal of the Board to use diverse investment managers for not less than [X]% of the total funds under management. Furthermore, it shall be the aspirational goal that not less than [X]% of investment advisors be racial/ethnic minorities and/or women.

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)]

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)]

APPENDIX 5

Sample Social Media Toolkit

Hashtags

#diverseassetmanagers
#managerdiversity
#DEI
#assetmanagers
#moneymanagers

Key Twitter Handles

Gather key Twitter handles from your institution's representatives, including board members, trustees, president, CIO, and CFO, as well as partners.

To get you started, here are a few partner handles:

@DAMInitiative, DAMI
@NAICPE, National Association of Investment Companies
@AmalgamatedBank, Amalgamated Bank
@AFSCME, American Federation of State, County, and Municipal Employees
@AFTunion, American Federation of Teachers
@Exelon, Exelon Corporation
@knightfdn, Knight Foundation
@RGandAssoc, RG+Associates
@SEIU, Service Employees International Union
@siliconvalleycf, Silicon Valley Community Foundation
@AAInvestment, The Association of Asian American Investment Managers
@ABFE, Association of Black Foundation Executives
@naaonline, New America Alliance
@NASPHQ, National Association of Securities Professionals

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Sample Tweets

We are excited to announce our efforts to increase #managerdiversity. Learn more by visiting: [link to institution website/announcement]

#DYK companies in top quartile of racial/ethnic & gender #diversity were 35% more likely to have above median financial returns? More here [link] #diverseassetmanagers

Investment in #diverse #moneymanagers is plain, smart business. Proud to announce our commitment to #managerdiversity. Learn more [link]

Sample Facebook Posts

We are excited to announce our commitment to increasing the racial/ethnic and gender diversity of the asset managers we utilize to manage our funds. Research studies demonstrate the benefit of diversity in achieving higher average returns. Learn more about our efforts here [link].

We are proud to announce our commitment to increasing the racial/ethnic and gender diversity among our asset managers, recognizing the benefit to the performance of our funds. Studies have shown that investment with diverse asset managers is plain, smart business. Learn more here [link].