

DIVERSE
ASSET MANAGERS
INITIATIVE

Annual Investment Consultant Survey

2018

“... The quest for diversity in asset management is, first and foremost, an issue of performance.”

About the Diverse Asset Managers Initiative, p. 05

Foreword.

A word from Robert Raben, DAMI Executive Director

Welcome to the first annual Diverse Asset Managers Initiative Investment Consultant Survey.

Asset managers take responsibility for managing tens of trillions of dollars, money that represents the endowments of major universities and foundations as well as the hard earned pensions of the nation's retirees held as a promise by corporations and municipalities.

The Diverse Asset Managers Initiative has sought to determine who manages these funds. We wanted to peel back the layers to better understand who is at the table and who is without a seat. We wanted to determine whether the diversity that enhances performance, enriches our experience and is treasured and celebrated by so many of us is present in the pillars of the nation's economic foundation.

And if it is not, at what cost and to whom?

The Diverse Asset Managers Investment Consultant Survey marks a step in this journey of discovery – a marker from which the 11 participating investment consulting firms and the broader field can establish a benchmark and devise both institutional goals and perhaps an industry standard toward a more equitable distribution of the work leading to greater performance overall.

We want to thank the 11 investment consulting firms who participated in our survey. Their willingness to contribute to our overall understanding of the level of diversity in their organizations gives us a better sense of overall diversity in the field and identifies some opportunities for our efforts. Additionally, their self examination is the first step towards increased diversity across these organizations.

The goals of the Diverse Asset Managers Initiative are awareness and change; we are confident that this, our first annual survey, provides an engaging and compelling snapshot that will serve to inform and as a call to action to the fully committed and the nascent. We hope and expect that the number of organizations participating in future surveys will grow.

Thank you to all who make your way through this important measurement. While this initial read tells us that we are not where we would like to be, we are heartened by the level of engagement and effort that is exhibited here and we are optimistic about the future.

We look forward to your feedback and partnership as we work together on these important issues. ❖

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Written by Robert Raben,
DAMI Executive Director

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Introduction.

About the Survey

As a result of consultations with a variety of industry stakeholders in the asset management industry, the Diverse Asset Managers Initiative (DAMI) has come to understand the particularly important role that investment consultants (ICs) play within the industry. They are often the sole source of asset management firms interviewed by institutional investors and have an outsized impact on whom a university, foundation, public pension, or corporation chooses to manage their assets. With diverse-owned firms currently managing only approximately **1.1 percent of more than \$71.4 trillion** in assets in the U.S., there remains much to be done in order to address the issue of underutilization of managers of color.

Therefore, through this first-of-its-kind survey, DAMI hopes to gain a greater understanding of how diversity is incorporated into investment consulting practices. With this information, DAMI, institutional investors, and investment consultants will be better positioned to implement strategies and tactics to transform the culture of the asset management industry around the issue of diversity in order to reach optimal performance results.

DAMI's intent is to publish the results of this survey on an annual basis in order to establish a baseline and recurring set of data to serve as the foundation for future progress.



We thank the investment consultants who participated in this inaugural survey for their work and commitment to this cause, and we look forward to continuing to collaborate to the benefit of all actors in the asset management industry.

Like all new efforts, this survey instrument will require changes over time, as participants and others inform us of more precise or useful questions to ask, and as we discover improved methods for displaying the data. We welcome your input.

About the Diverse Asset Managers Initiative (DAMI)

The Diverse Asset Managers Initiative is a nonprofit campaign to increase the absolute number of, and assets under management (AUM) by, diverse-owned asset management firms for institutional investors, with specific focus on public, corporate, faith and labor union pension funds, as well as foundation and university endowments.

We advocate on behalf of financial services professionals, institutional investors, corporate and philanthropic board members and trade associations committed to raising awareness among institutional investors about the benefits and opportunities of investing funds with diverse-owned asset management firms.

DAMI

The Diverse Asset Managers Initiative (DAMI) is fundamentally committed to increasing the absolute number of, and assets under management by, diverse-owned asset management firms.

From the perspective of the Diverse Asset Managers Initiative, the quest for diversity in asset management is, first and foremost, an issue of performance. Improved utilization of diverse-owned asset management firms also strengthens performance for investors. A recent study by the Knight Foundation and Bella Research is the latest in several reports that demonstrate:

- **The problem of serious underutilization of diverse-owned firms.**
- **This lack of utilization is not based on performance measures.**

To the contrary, the study found that diverse-owned firms performed just as well as non-minority firms and, in some cases, there were a number of top-performing diverse-owned funds that are top quartile.

The study also notes that of the \$71.4 trillion in assets in the United States, less than 1.1 percent of that is managed by diverse-owned firms. Therefore, it is in the best fiduciary interest of trustees and those who manage funds to address this issue of diversity in asset management. ❖

“We wanted to peel back the layers to better understand who is at the table and who is without a seat.”

Foreword, p. 02

Executive Summary.

Getting Started

This first ever annual DAMI Investment Consultant Survey focused on the 19 largest investment consulting firms¹ (ICs) to gain deeper insight into the representation of women and racial or ethnic minorities at the largest ICs in the United States – not only in their leadership internally, but also in the inclusion of minority and women-owned asset management firms in their searches for clients.

Additionally, the survey asked for information regarding the ICs record-keeping of diverse hires, both internally and in searches for clients. Specifically, the survey requested demographic data on each ICs staff (research and non-research), management, and search methodology.

Hiring Practices

We requested responses from nearly 20 of the largest ICs in the U.S. and received responses from 11. We would like to thank the following firms for participating:

- Aon Hewitt
- Callan
- Colonial
- Commonfund
- Marquette
- Meketa Investment Group
- NEPC
- Pension Consulting Alliance, LLC (PCA)
- RVK
- Verus
- Wilshire Associates

The survey is voluntary and self-administered, and all firms agreed to share their responses publicly through this report. We look forward to continuing to collaborate with all those that responded, and hopefully in 2019 we will have the participation of all the firms that we invited this year. Those who were invited but did not respond to the survey include:

- Cambridge Associates
- CAPTRUST Financial
- Hamilton Lane
- Mercer
- Morgan Stanley/Graystone Consulting
- Rocaton
- Segal Marco Advisors
- Willis Towers Watson

Key Findings

The survey confirms what we have learned from academic research and anecdotal input from DAMI stakeholders: there is a serious need for greater diversity in the asset management sector, specifically within ICs, and in their searches for clients.

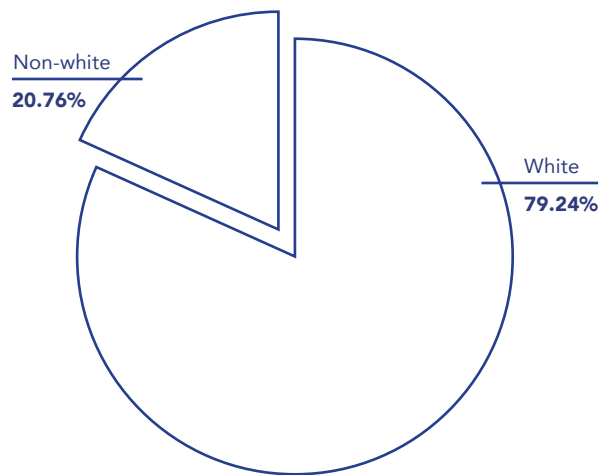
Who Is Represented

The representation of Latino and African-American asset managers is relatively low, while Asian-Americans and Pacific Islanders (AAPI) managers have a notably higher representation.

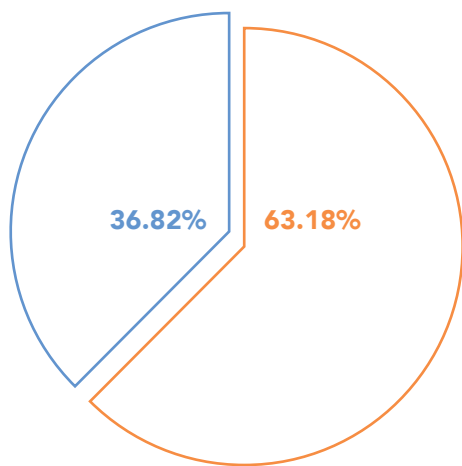
¹As ranked by the worldwide institutional assets under advisement in 2017.

Regardless, in terms of ownership and seniority within the company, all responses fall within a fairly narrow, low range.

Black and Latino managers are the least represented at these firms (with the exception of American Indians who are not represented in any capacity), with each demographic finishing last in representation at four of the eleven firms. Women are also severely underrepresented: their ownership status in these ICs is for the most part in the single digits, and never more than in the 20 percent range for some firms.



Race/ethnicity make up of senior management



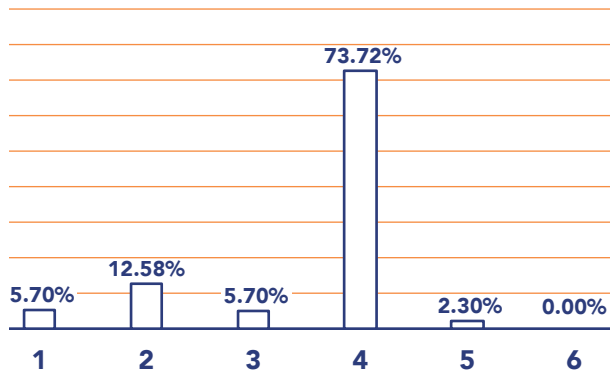
Female Male

Gender make up of senior management

Emerging vs. Diverse

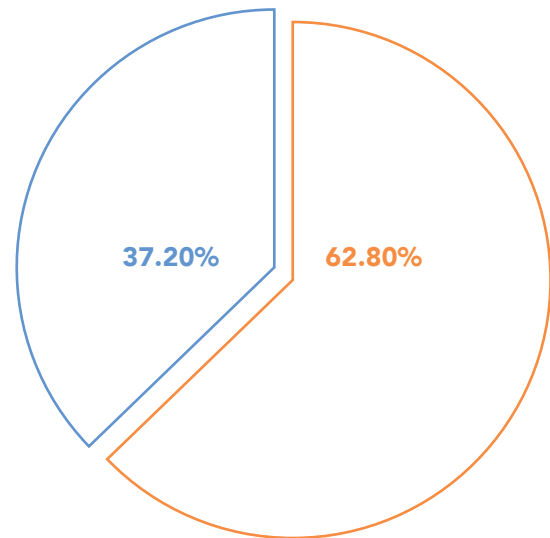
In meeting with participants in the industry, DAMI often highlights important distinctions between “emerging” manager programs and “diverse” manager programs, as the two are often conflated. Therefore, we asked about each of these two programs in different questions. Only one firm reported not having either a diverse or emerging manager program. All other firms have a diverse manager program in place, with some firms having an emerging manager program as well.

Race/ethnicity make up of entire staff.



- 1 - African American/Black
- 2 - Asian/Hawaiian/Pacific Islander
- 3 - Latino/Hispanic
- 4 - White
- 5 - Other
- 6 - American Indian/Alaska Native

Female Male



Gender make up of entire staff.

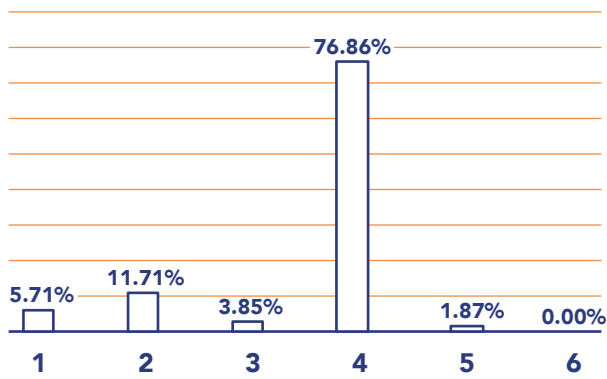
Tracking Progress

Importantly, the majority of ICs report that they have specific rules to include women and people of color in hiring outreach, but not all of these firms had metrics or reporting requirements to accompany these policies.

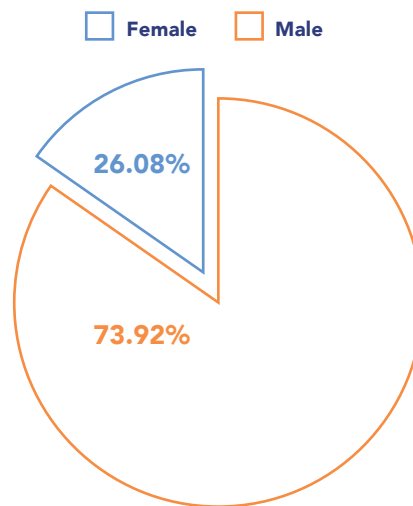
Only three firms stated that they have implemented the Rooney Rule when conducting a search for a client, and only three firms report that they apply the

Rooney Rule for internal hires, but more data is needed in order to confirm how they interpret this rule within their processes.

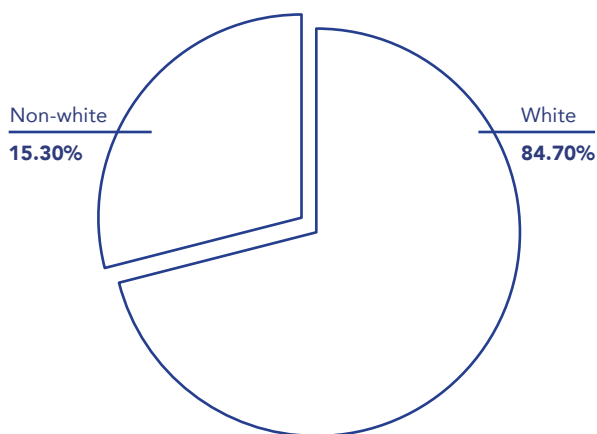
All participants report participation in conferences and other programming that specifically allows them to conduct basic outreach to women and people of color.



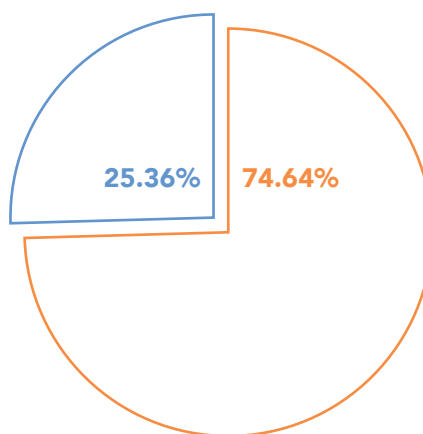
Race/ethnicity make up of consulting staff.



Gender make up of consulting staff.



Race/ethnicity make up of ownership.



Gender make up of ownership.

Conclusion

In sum, there is still much improvement that can be made by ICs in order to hire and utilize diverse managers and diverse-owned firms. At the same time, however, we are encouraged by the robust response to this survey by some of the largest firms in the country, and by their interest in diversity as illustrated by the fact that most already keep records of outreach

to diverse managers, and have policies and practices in place to foster greater engagement with diverse managers. ❖

The survey instrument and the 2018 DAMI Investment Consultant Survey results are publicly available at www.diverseassetmanagers.org

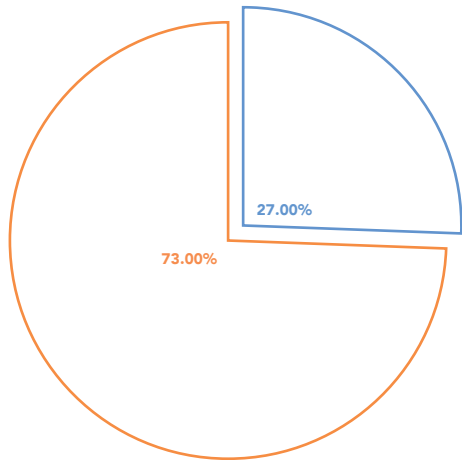
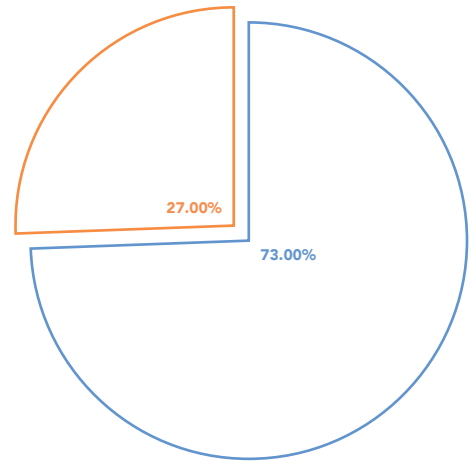
Hiring Practices

Yes No

We asked participating firms to disclose their hiring practices regarding diversity and inclusion.

01

Does your firm have a policy (written or unwritten) in place to interview a racially and/or ethnically diverse group of candidates when we are hiring?

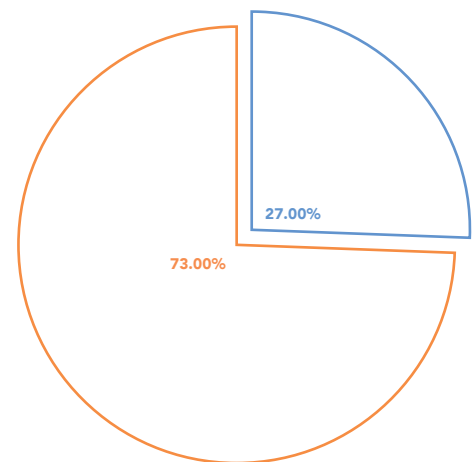


02

Does your firm have a policy in place to interview one or more women candidates for every available position?

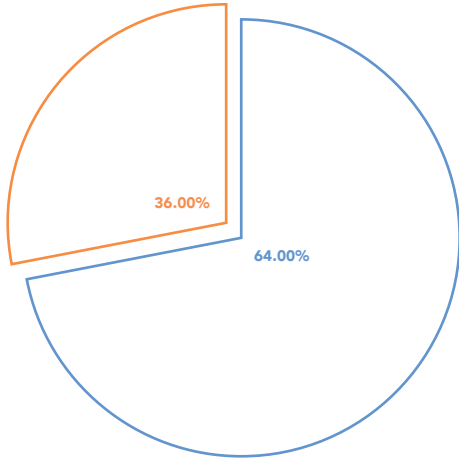
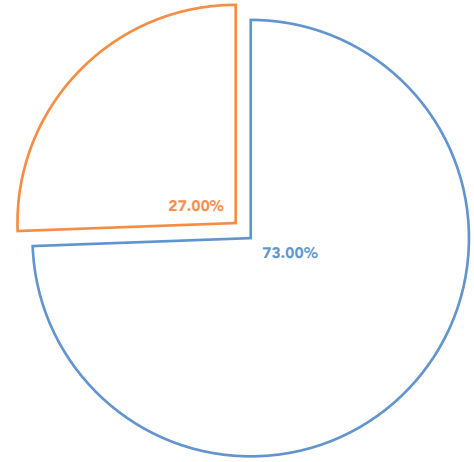
03

Does your firm have a policy in place to interview one or more minority candidates for every available position?



04

Does your firm keep track of hiring metrics, for example, how many candidates, how many were interviewed, how many were finalists, and who was hired?



05

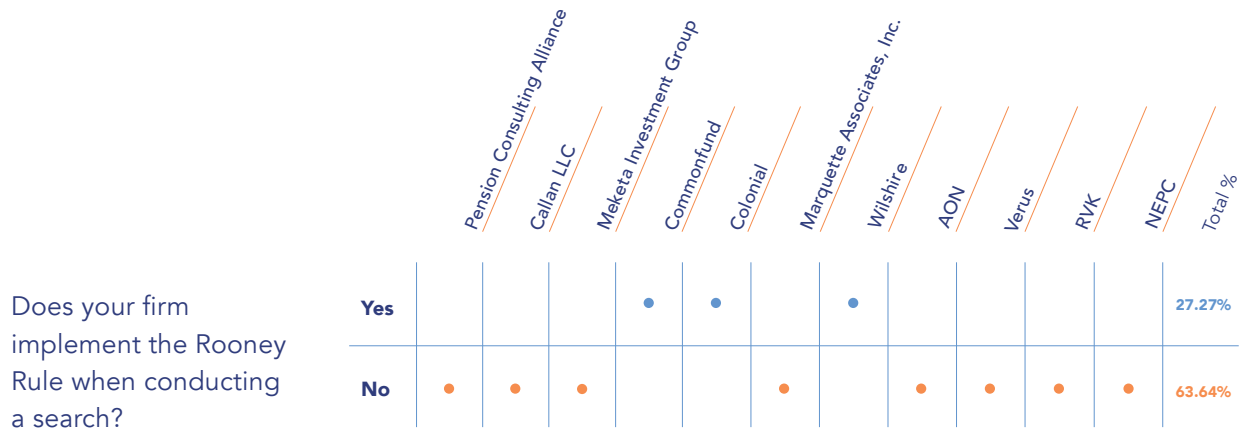
Do your firm's hiring metrics include gender and race/ethnicity?

Searches For Clients: Rooney Rule

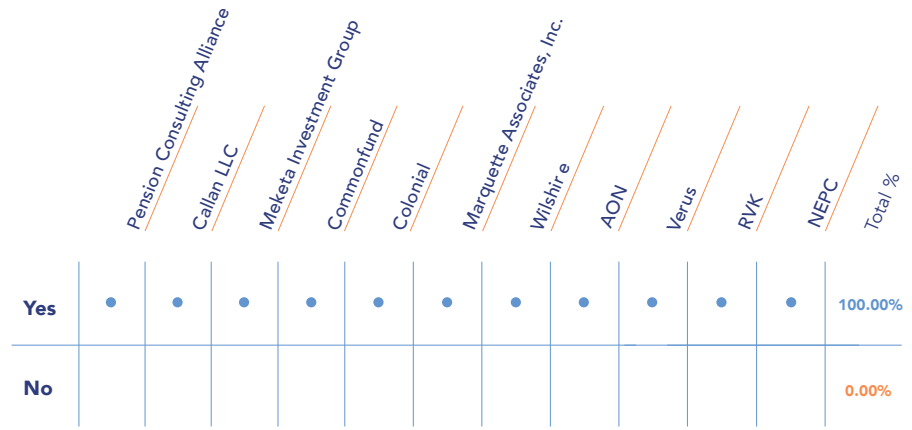
We asked participating firms to disclose their use of policies that encourage diversity and inclusion when conducting searches for clients.

Rooney Rule

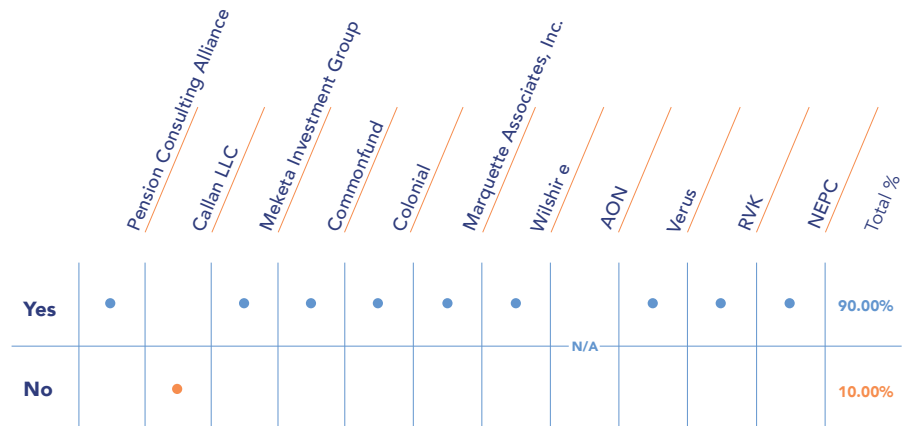
The Rooney Rule is a policy requiring firms to interview women or minority candidates for vacancies with no quota or preference given to minorities in the hiring of candidates.



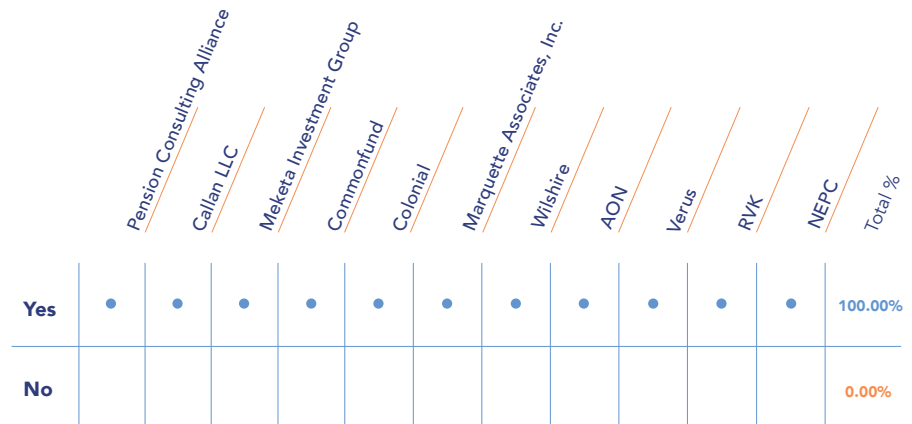
Have you discussed diversity in asset management with your clients to educate, learn their viewpoint, seek direction?



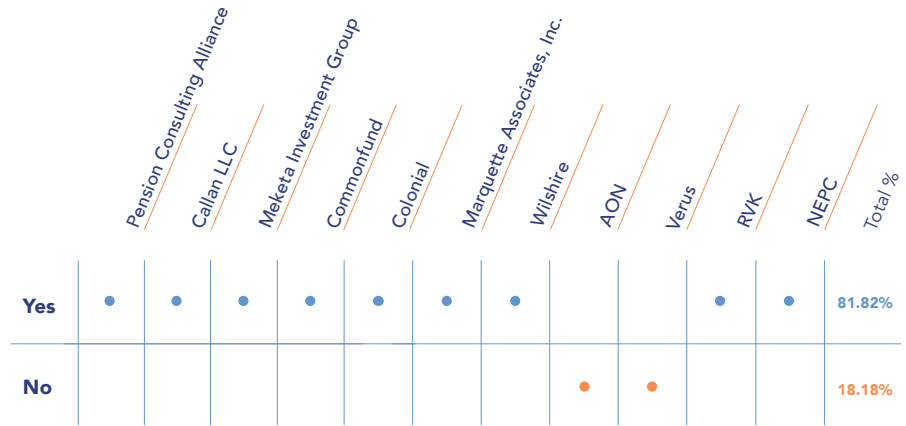
Have you discussed the Rooney Rule with your clients?



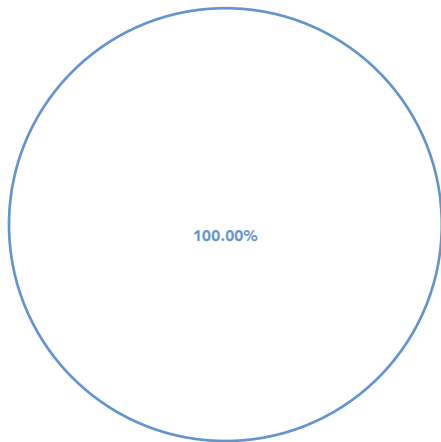
Do you help clients understand the fiduciary benefits of considering and hiring diverse managers?



Do you regularly recommend diverse managers to clients, even when there is not a diverse mandate?



Searches For Clients: Goals and Policies

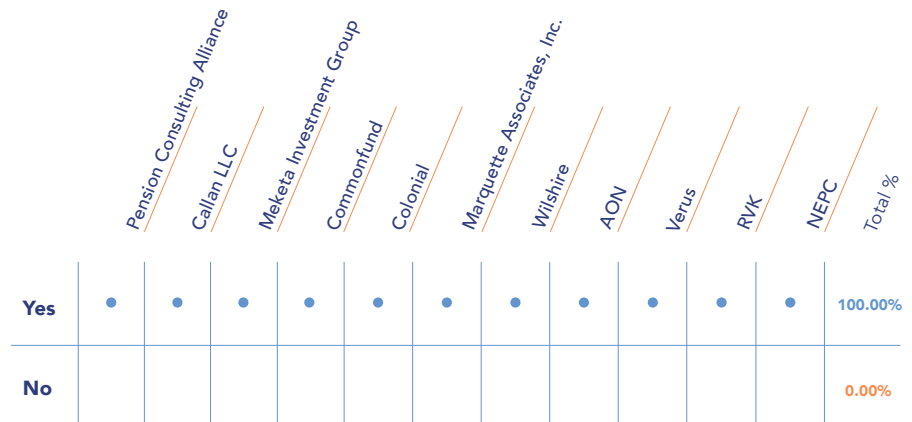


Yes No

Interestingly, most clients have diversity goals and policies in place.

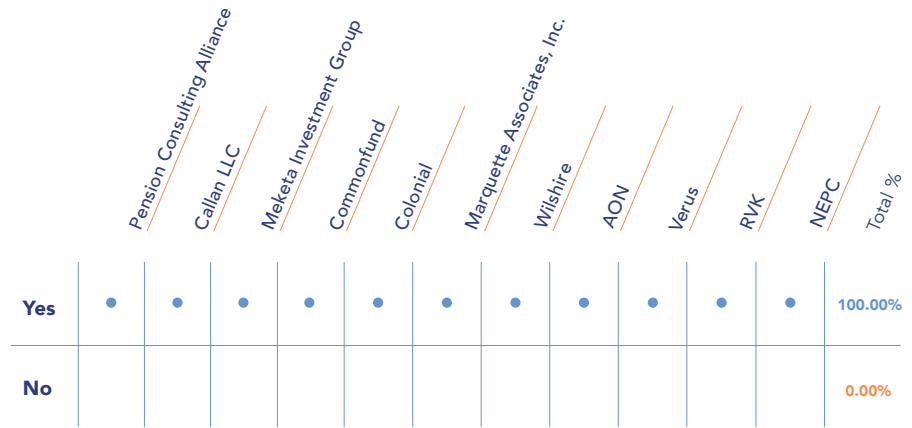
We asked firms if they currently have clients that have policies in place regarding diversity in the following criteria:

Manager search?

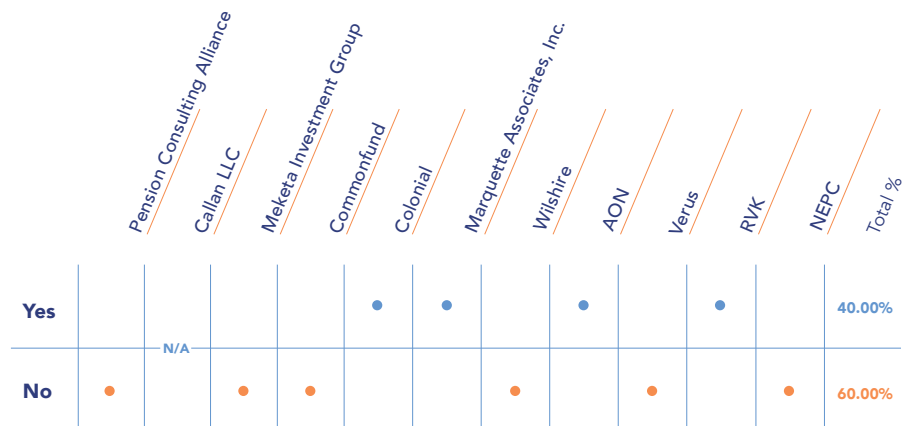


Goals and Policies

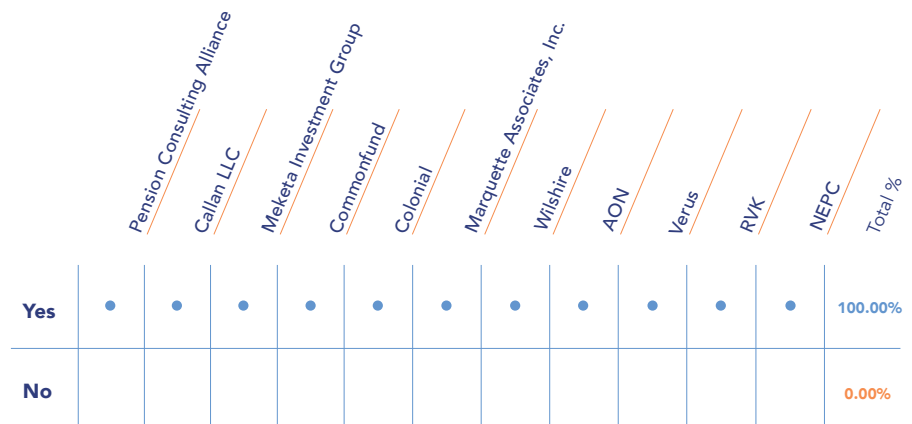
Manager selection?



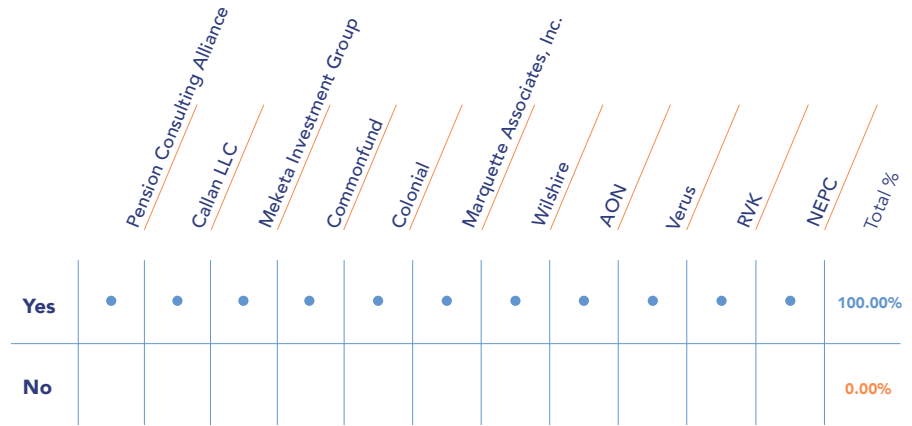
Rooney Rule?



A long-term plan to diversify the portfolio with regard to the diversity of asset managers?



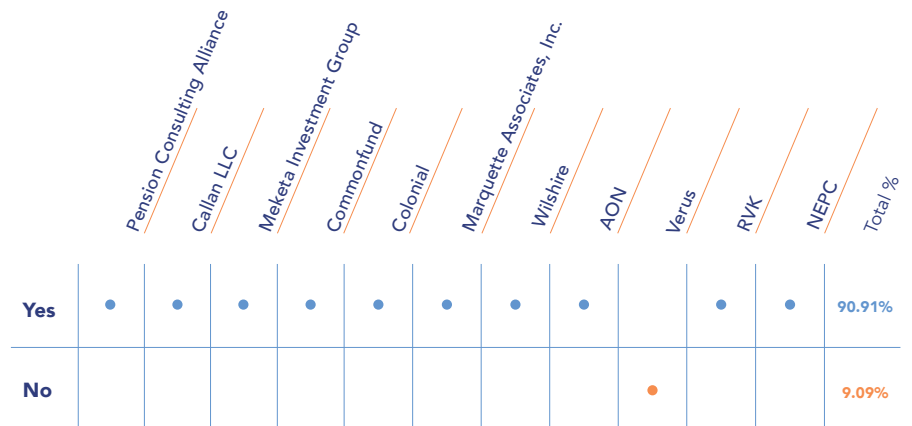
Investment Policy that addresses diversity policies?



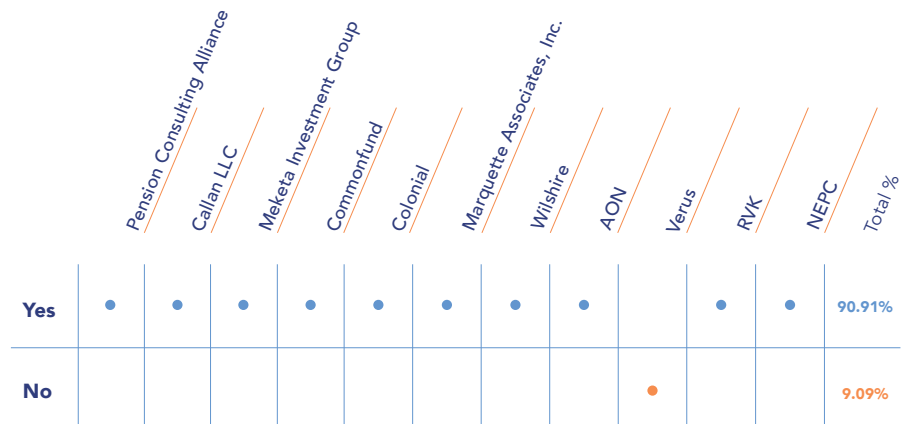
Searches For Clients: Metrics and Reporting

Does your firm maintain metrics and report annually as to how many diverse managers were included in the following criteria:

Met with?

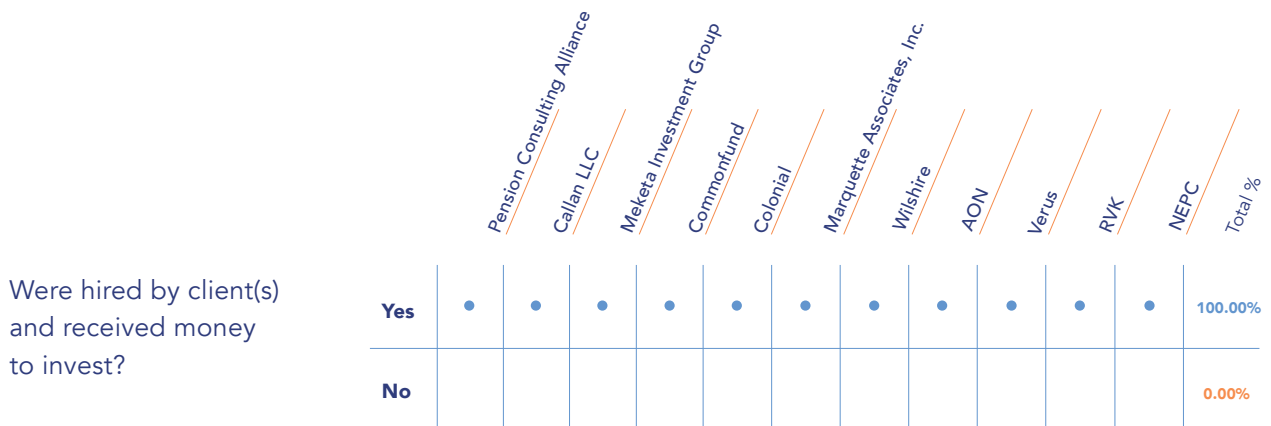
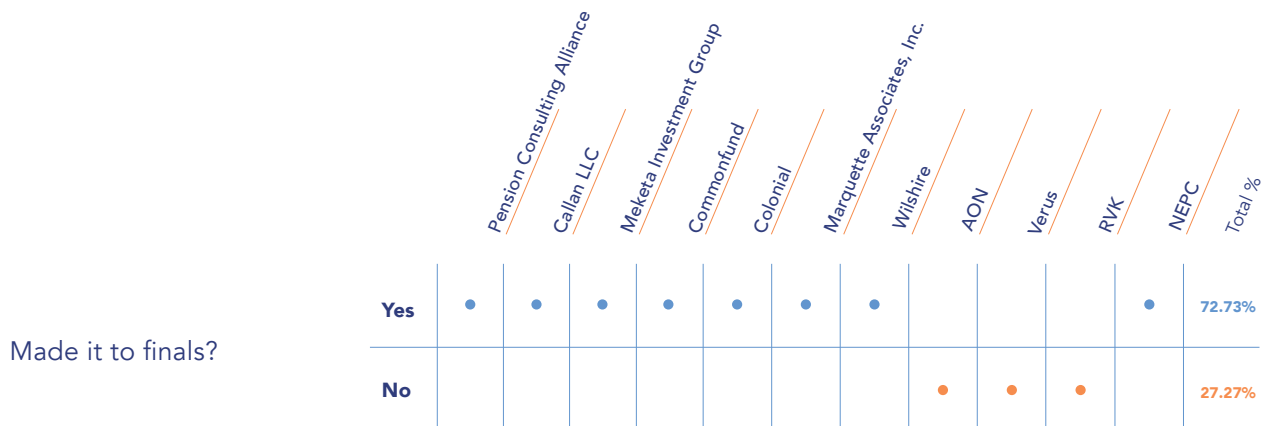
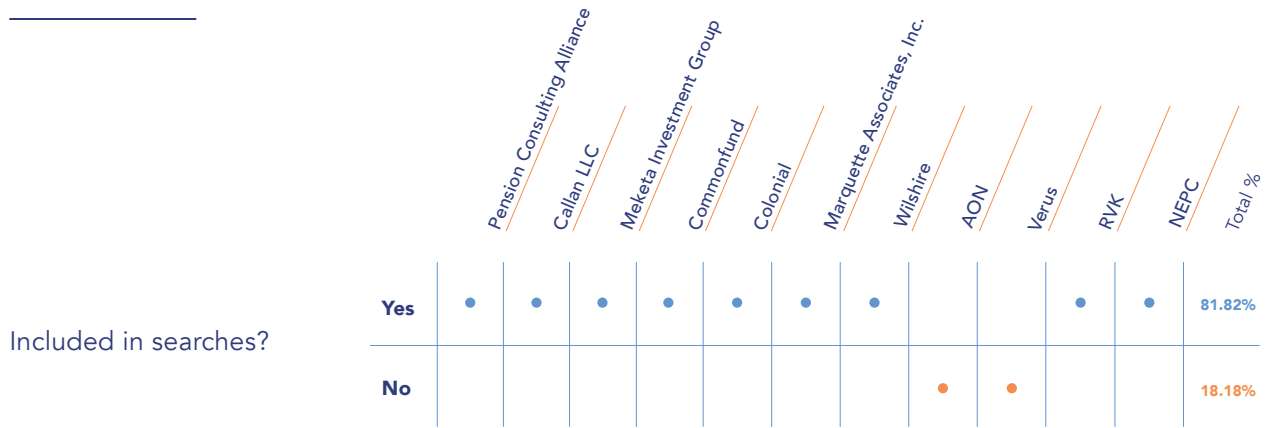


Vetted formally?



¹As ranked by the worldwide institutional assets under advisement in 2017.

Metrics and Reporting



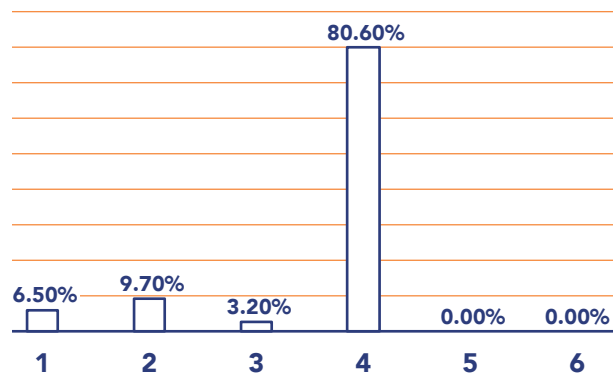
“ Success will be achieved when there is common knowledge in the industry of the existence of numerous, high performing diverse-owned asset management firms and when they are valued and seamlessly considered by institutional investors. ”

DAMI Fiduciary Guide, p. 07

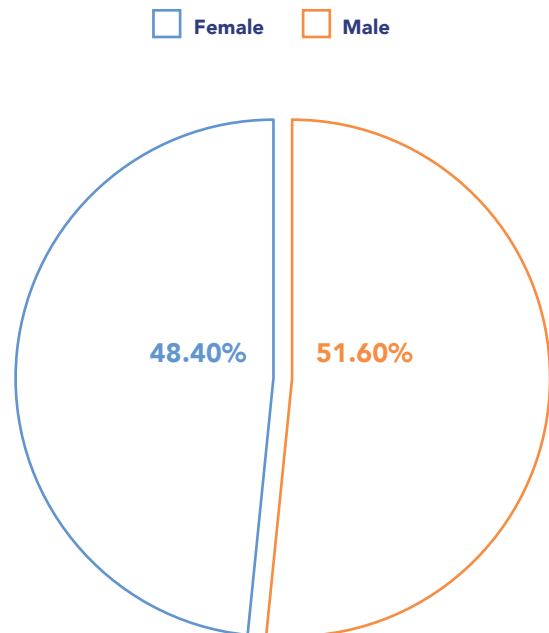
Comprehensive Findings.

Pension Consulting Alliance, LLC (PCA)

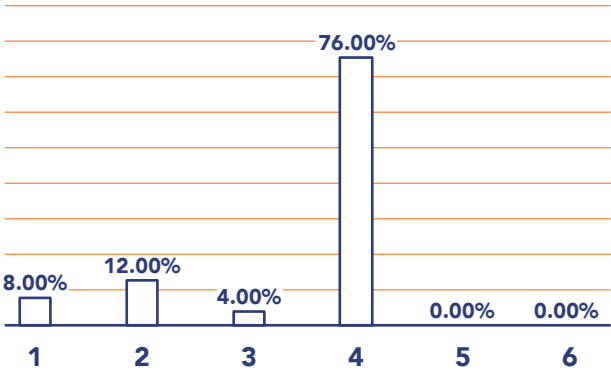
Racial and Gender Representation in Entire Staff



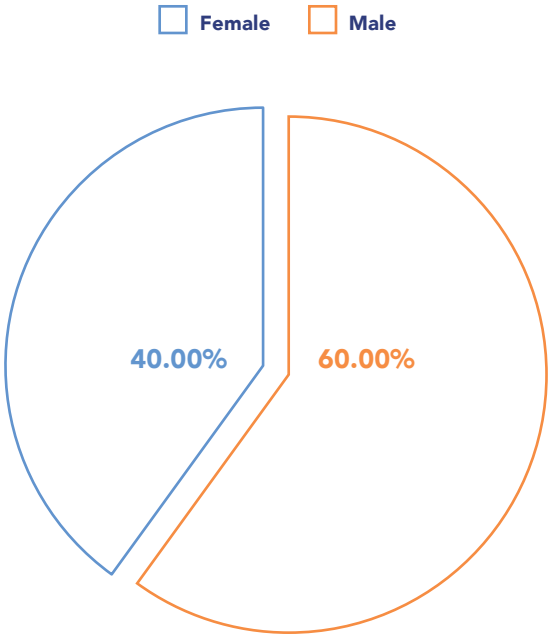
- 1 - African American/Black
- 2 - Asian/Hawaiian/Pacific Islander
- 3 - Latino/Hispanic
- 4 - White
- 5 - Other
- 6 - American Indian/Alaska Native



Racial and Gender Representation in Consulting Staff

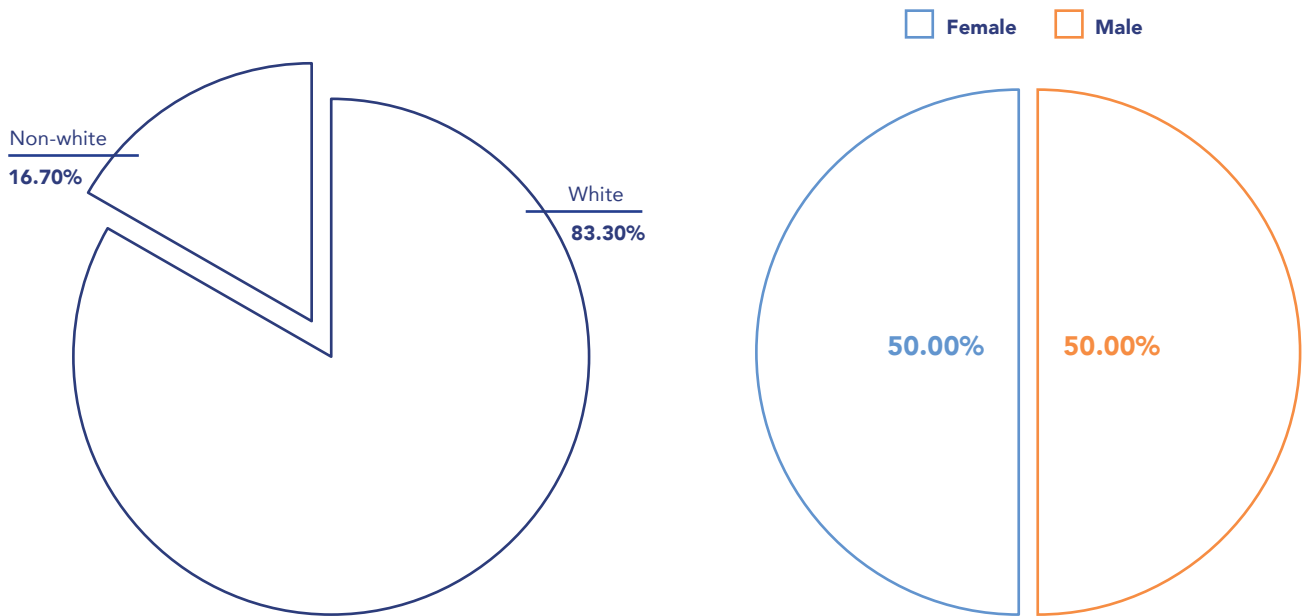


- 1 - African American/Black
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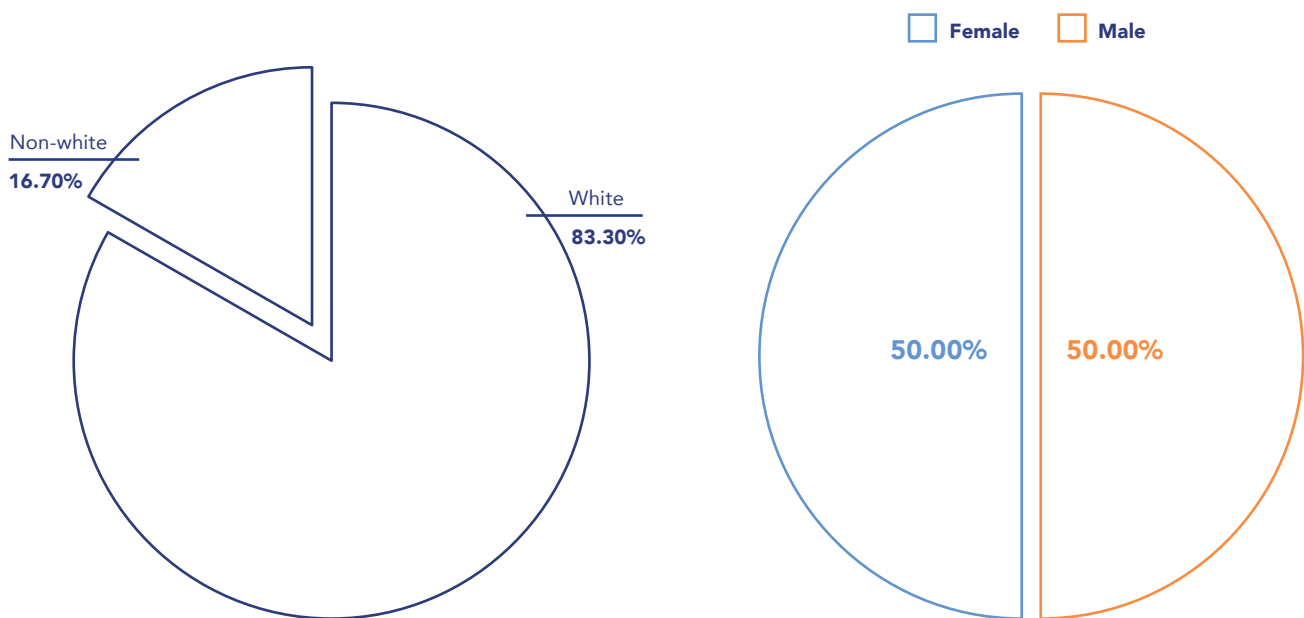


Pension Consulting Alliance, LLC (PCA)

Racial and Gender Representation in Senior Management



Racial and Gender Representation in Ownership



Pension Consulting Alliance, LLC (PCA)


Hiring Practices

- Firm **does** have a policy (written or unwritten) to interview a racially and/or ethnically diverse group of candidates when hiring.
 - Firm **does** have a policy to interview one or more women candidates for every available position.
 - Firm **does** have a policy to interview one or more minority candidates for every available position.
 - Firm **does not** keep track of hiring metrics, for example, how many candidates, how many were interviewed, how many were finalists, and who was hired.
 - Firm's hiring metrics **do not** include gender and race/ethnicity.
- 

Searches For Clients: Rooney Rule

- Firm **does not** implement the Rooney Rule when conducting a search.
 - Firm **has** discussed diversity in asset management with clients to educate, learn their viewpoint, seek direction.
 - Firm **has** discussed the Rooney Rule with clients.
 - Firm **does** help clients understand the fiduciary benefits of considering and hiring diverse managers.
 - Firm **does** regularly recommend diverse managers to clients, even when there is not a diverse mandate.
- 

Searches For Clients: Goals and Policies

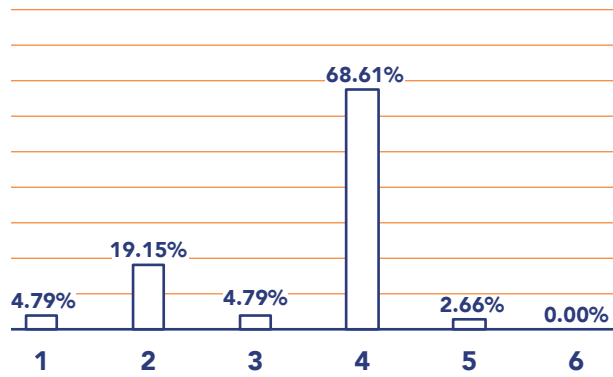
- Firm does currently have clients that have policies in place regarding diversity in manager search.
 - Firm does currently have clients that have policies in place regarding diversity in manager selection.
 - Firm does not currently have clients that have policies in place regarding the Rooney Rule.
 - Firm does currently have clients with a long-term plan to diversify the portfolio with regard to the diversity of asset managers.
 - Firm does currently have clients with an Investment Policy that addresses diversity policies.
- 

Searches For Clients: Metrics and Reporting

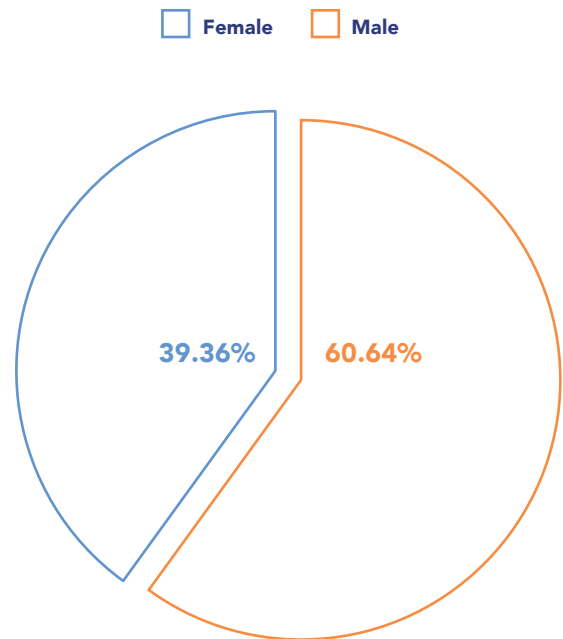
- Firm does maintain metrics and report annually as to how many diverse managers they have met with.
 - Firm does maintain metrics and report annually as to how many diverse managers they have vetted formally.
 - Firm does maintain metrics and report annually as to how many diverse managers they have included in searches.
 - Firm does maintain metrics and report annually as to how many diverse managers have made it to finals.
 - Firm does maintain metrics and report annually as to how many diverse managers were hired by client(s) and received money to invest.
- 

Callan LLC

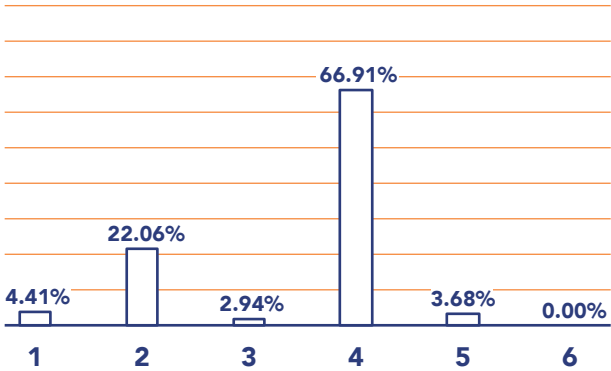
Racial and Gender Representation in Entire Staff



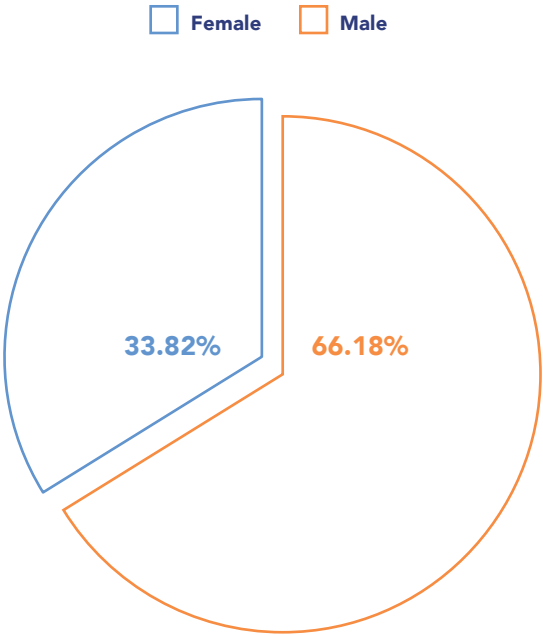
- | | |
|----------------------------|-------------------------------------|
| 1 - African American/Black | 2 - Asian/Hawaiian/Pacific Islander |
| 3 - Latino/Hispanic | 4 - White |
| 5 - Other | 6 - American Indian/Alaska Native |



Racial and Gender Representation in Consulting Staff

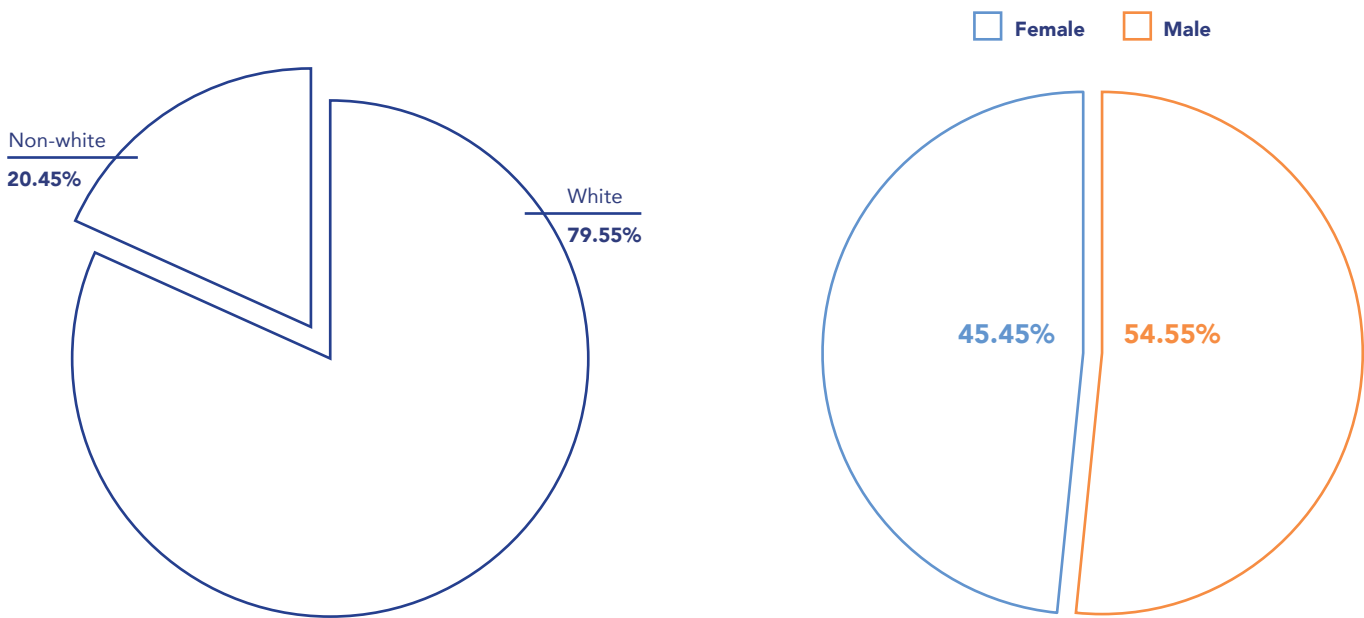


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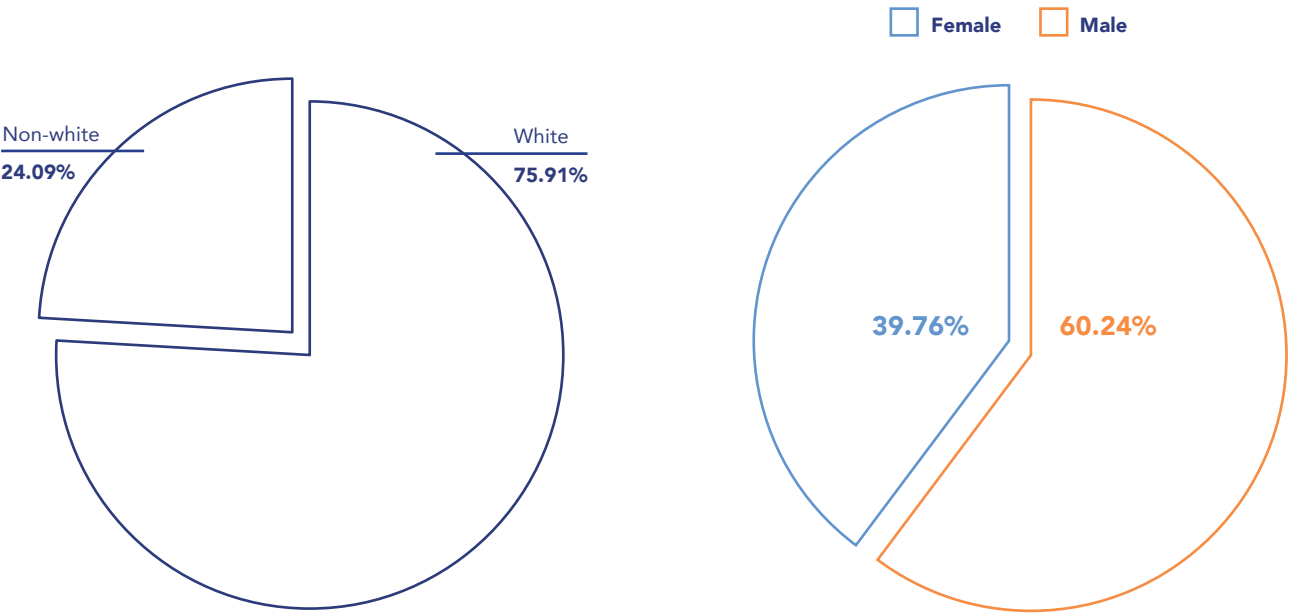


Callan LLC

Racial and Gender Representation in Senior Management



Racial and Gender Representation in Ownership



Callan LLC

Hiring Practices

- Firm **does not** have a policy (written or unwritten) to interview a racially and/or ethnically diverse group of candidates when hiring.
 - Firm **does not** have a policy to interview one or more women candidates for every available position.
 - Firm **does not** have a policy to interview one or more minority candidates for every available position.
 - Firm **does** keep track of hiring metrics, for example, how many candidates, how many were interviewed, how many were finalists, and who was hired.
 - Firm's hiring metrics **do** include gender and race/ethnicity.
- 

Searches For Clients: Rooney Rule

- Firm **does not** implement the Rooney Rule when conducting a search.
 - Firm **has not** discussed diversity in asset management with clients to educate, learn their viewpoint, seek direction.
 - Firm **has not** discussed the Rooney Rule with clients.
 - Firm **does** help clients understand the fiduciary benefits of considering and hiring diverse managers.
 - Firm **does** regularly recommend diverse managers to clients, even when there is not a diverse mandate.
- 

Searches For Clients: Goals and Policies

- Firm does currently have clients that have policies in place regarding diversity in manager search.

- Firm does currently have clients that have policies in place regarding diversity in manager selection.

Firm did not indicate if their clients have policies in place regarding the Rooney Rule.

- Firm does currently have clients with a long-term plan to diversify the portfolio with regard to the diversity of asset managers.

- Firm does currently have clients with an Investment Policy that addresses diversity policies.



Searches For Clients: Metrics and Reporting

- Firm does maintain metrics and report annually as to how many diverse managers they have met with.

- Firm does maintain metrics and report annually as to how many diverse managers they have vetted formally.

- Firm does maintain metrics and report annually as to how many diverse managers they have included in searches.

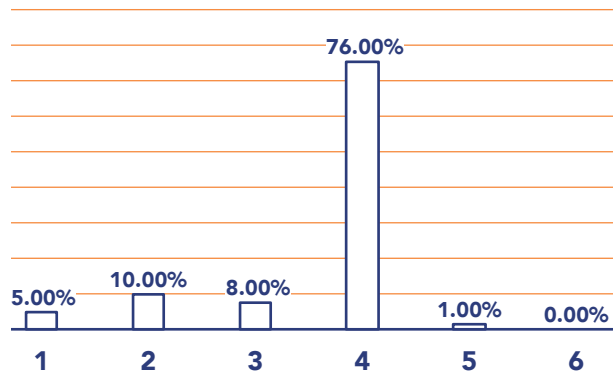
- Firm does maintain metrics and report annually as to how many diverse managers have made it to finals.

- Firm does maintain metrics and report annually as to how many diverse managers were hired by client(s) and received money to invest.

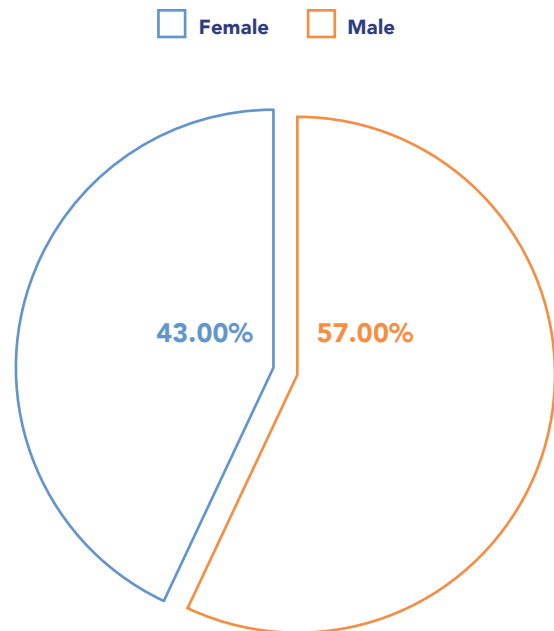


Meketa Investment Group

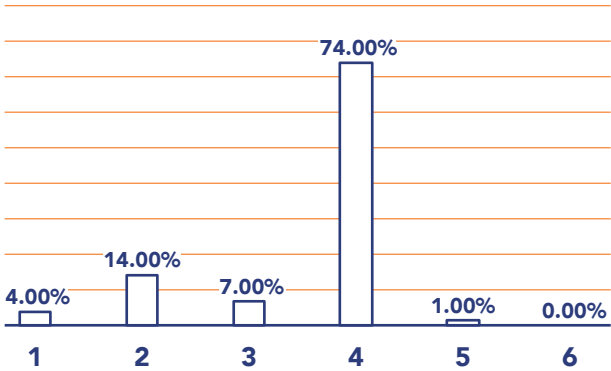
Racial and Gender Representation in Entire Staff



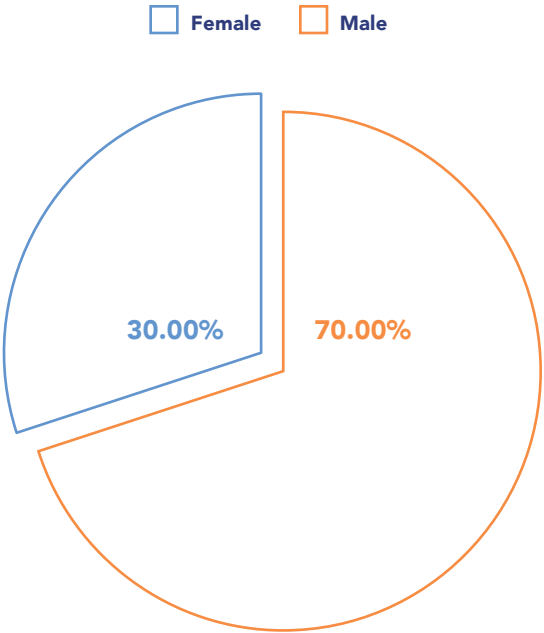
- | | |
|-----------------------------------|--|
| 1 - African American/Black | 2 - Asian/Hawaiian/Pacific Islander |
| 3 - Latino/Hispanic | 4 - White |
| 5 - Other | 6 - American Indian/Alaska Native |



Racial and Gender Representation in Consulting Staff

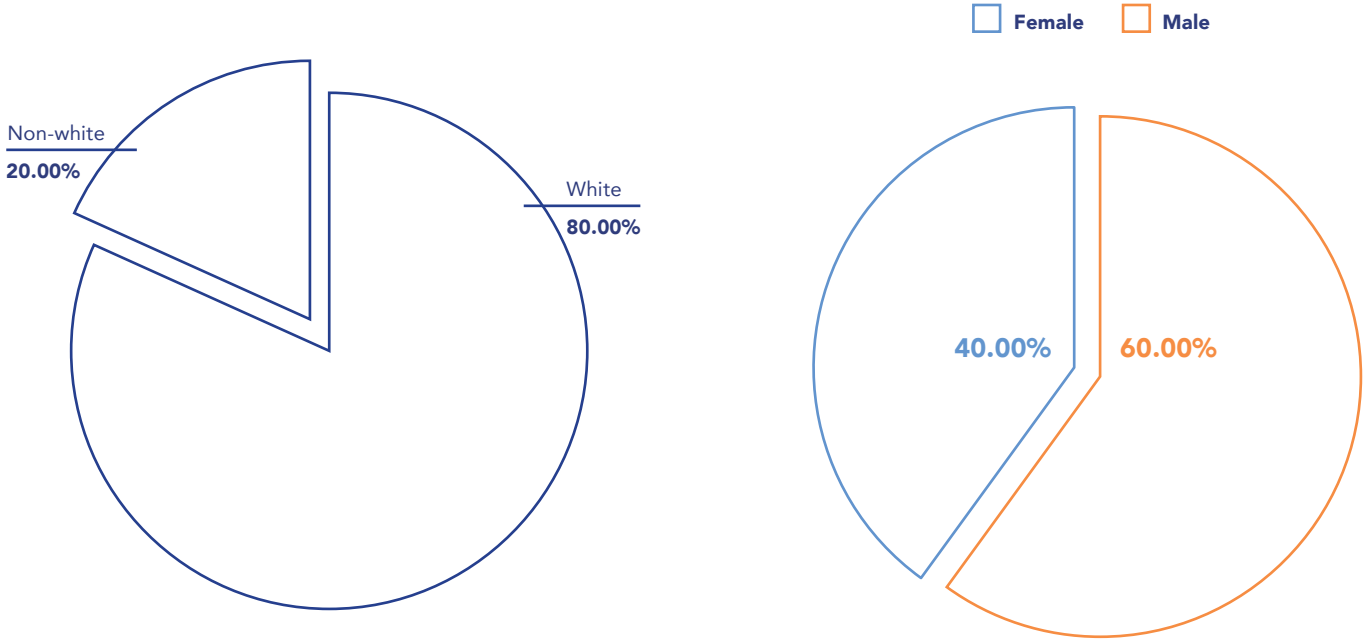


- 1 - African American/Black
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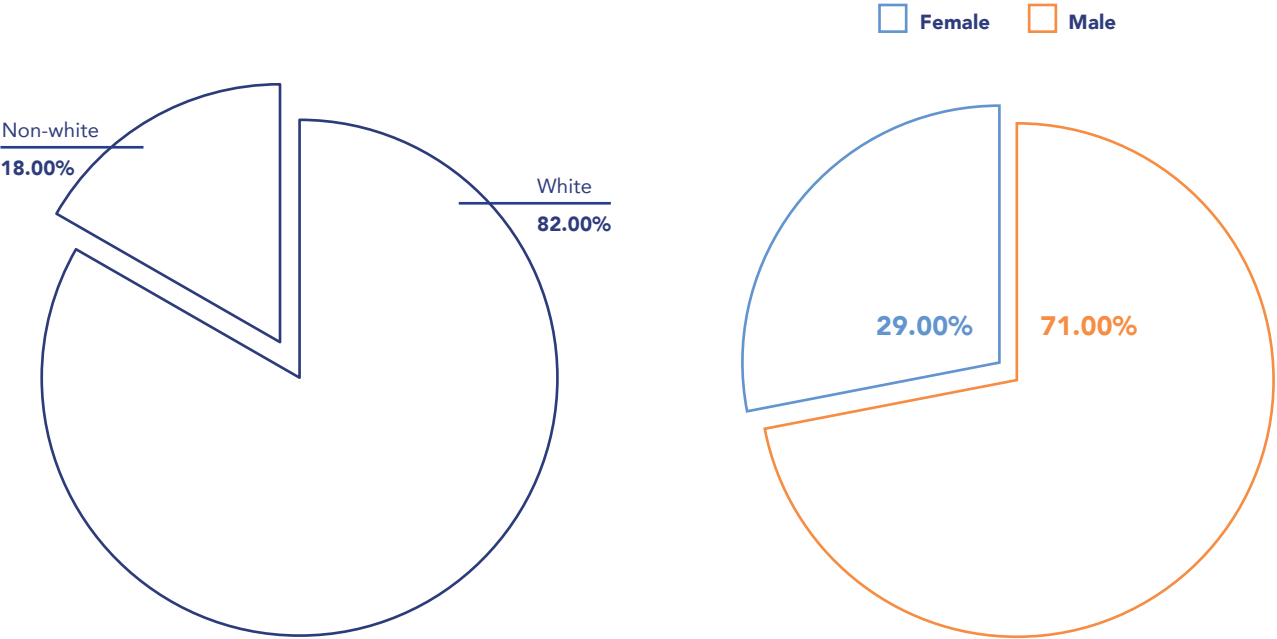


Meketa Investment Group

Racial and Gender Representation in Senior Management



Racial and Gender Representation in Ownership



Meketa Investment Group

Hiring Practices

- Firm **does** have a policy (written or unwritten) to interview a racially and/or ethnically diverse group of candidates when hiring.
 - Firm **does not** have a policy to interview one or more women candidates for every available position.
 - Firm **does not** have a policy to interview one or more minority candidates for every available position.
 - Firm **does** keep track of hiring metrics, for example, how many candidates, how many were interviewed, how many were finalists, and who was hired.
 - Firm's hiring metrics **do** include gender and race/ethnicity.
- 

Searches For Clients: Rooney Rule

- Firm **does not** implement the Rooney Rule when conducting a search.
 - Firm **has** discussed diversity in asset management with clients to educate, learn their viewpoint, seek direction.
 - Firm **has** discussed the Rooney Rule with clients.
 - Firm **does** help clients understand the fiduciary benefits of considering and hiring diverse managers.
 - Firm **does** regularly recommend diverse managers to clients, even when there is not a diverse mandate.
- 

Searches For Clients: Goals and Policies

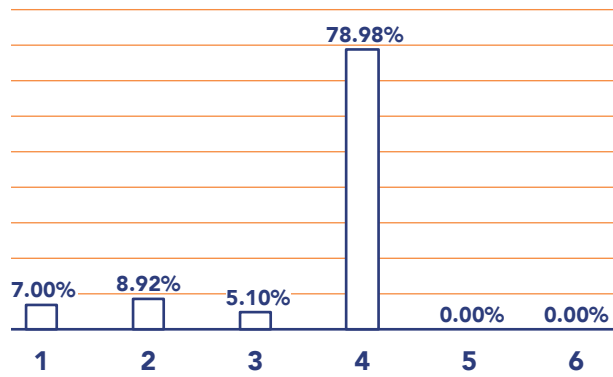
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 - Firm does currently have clients with an Investment Policy that addresses diversity policies.
- 

Searches For Clients: Metrics and Reporting

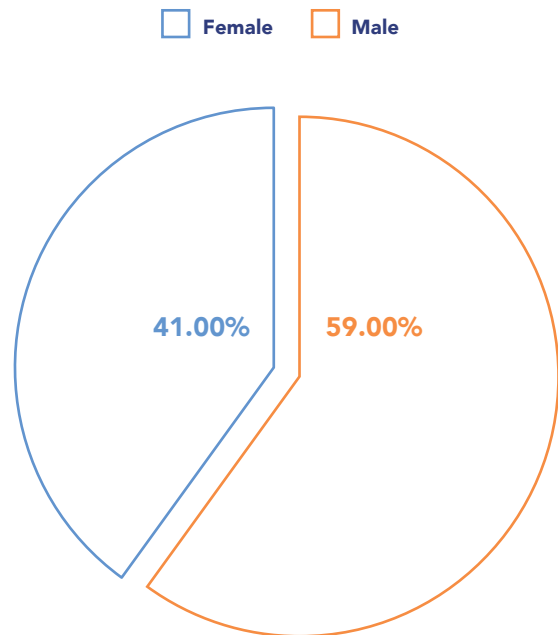
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- 

Commonfund

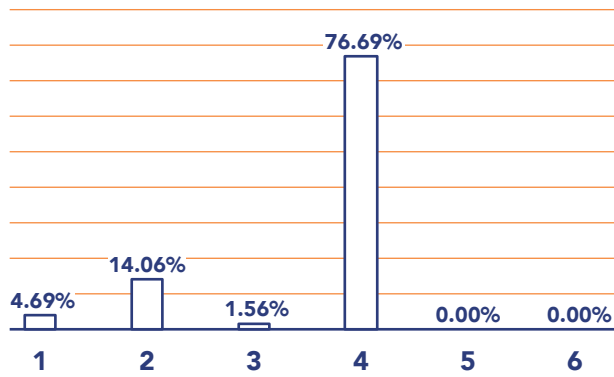
Racial and Gender Representation in Entire Staff



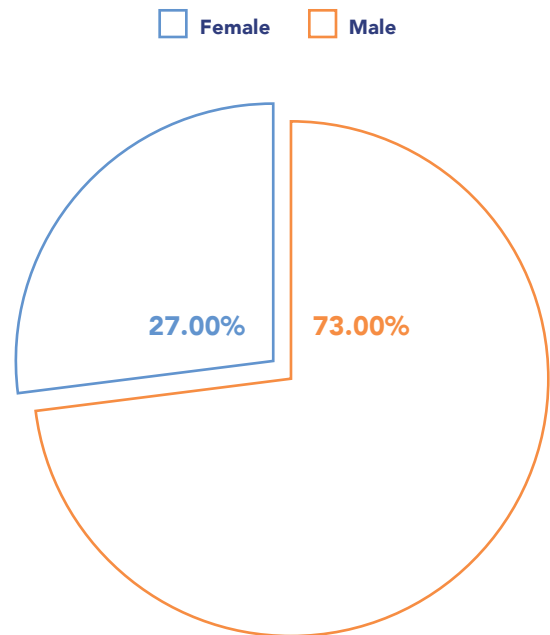
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Racial and Gender Representation in Consulting Staff

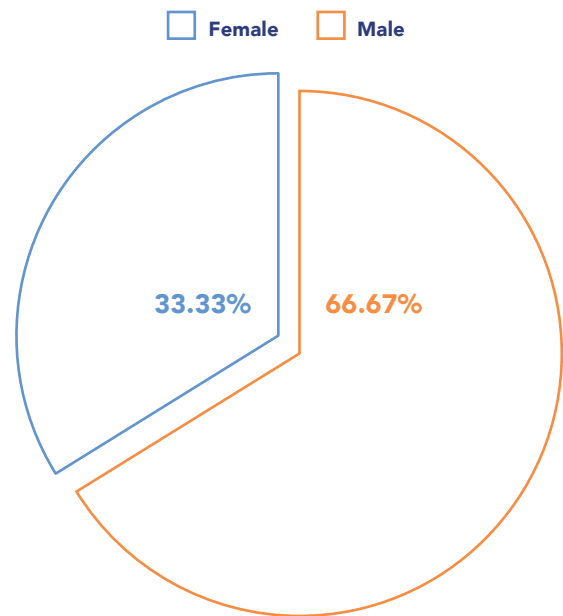
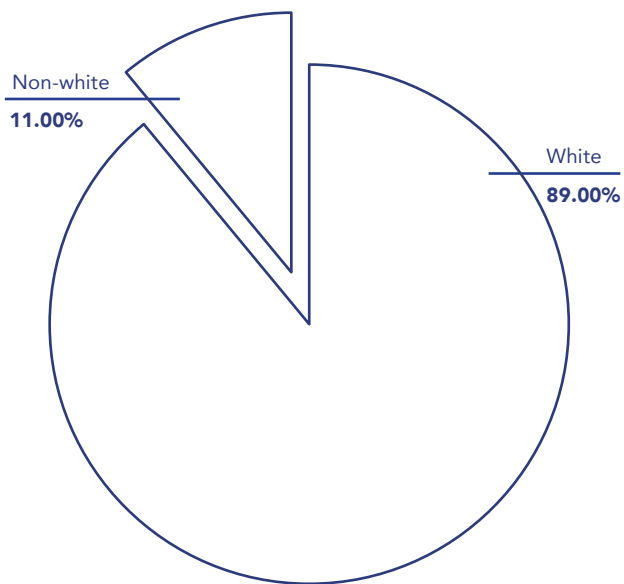


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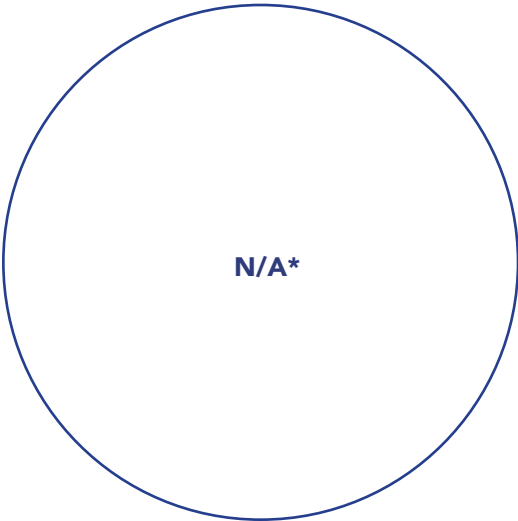


Commonfund

Racial and Gender Representation in Senior Management



Racial and Gender Representation in Ownership



* Nonprofit organization

Commonfund

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Searches For Clients: Goals and Policies

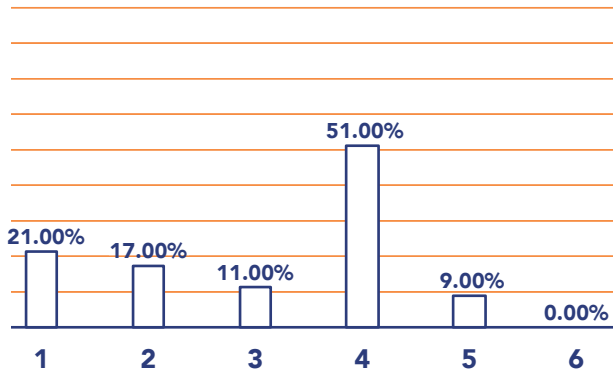
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Searches For Clients: Metrics and Reporting

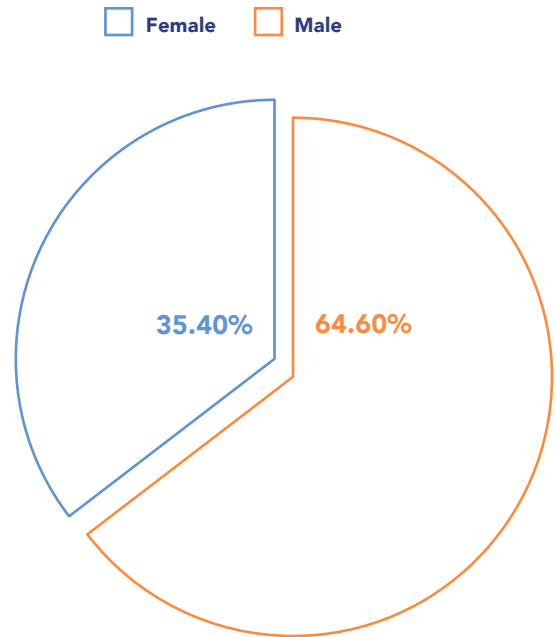
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Colonial

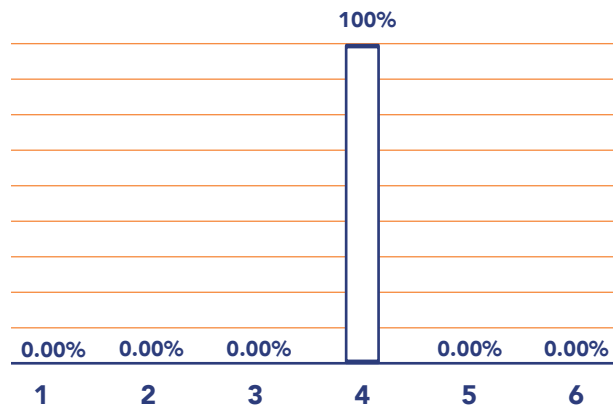
Racial and Gender Representation in Entire Staff



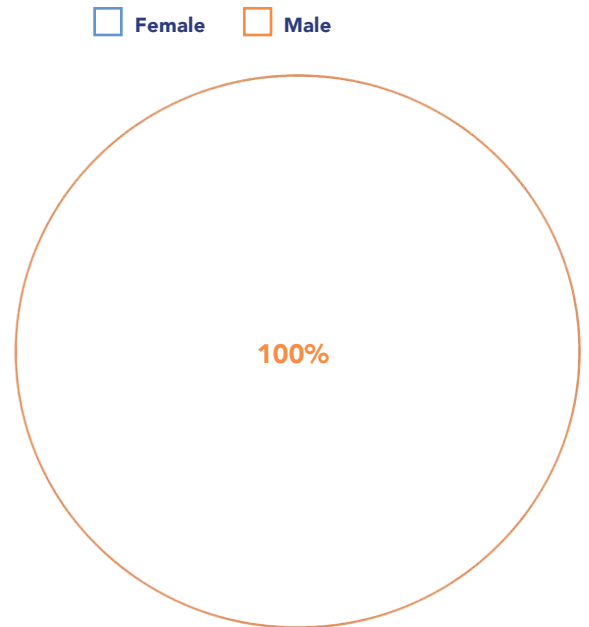
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Racial and Gender Representation in Consulting Staff

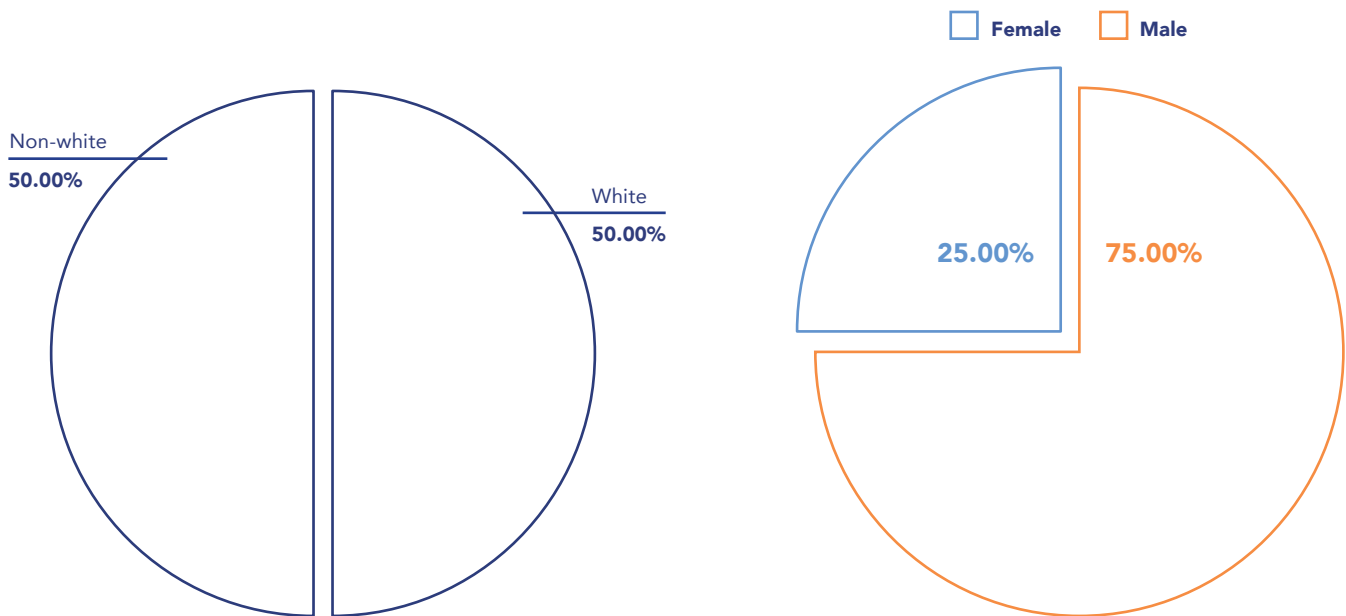


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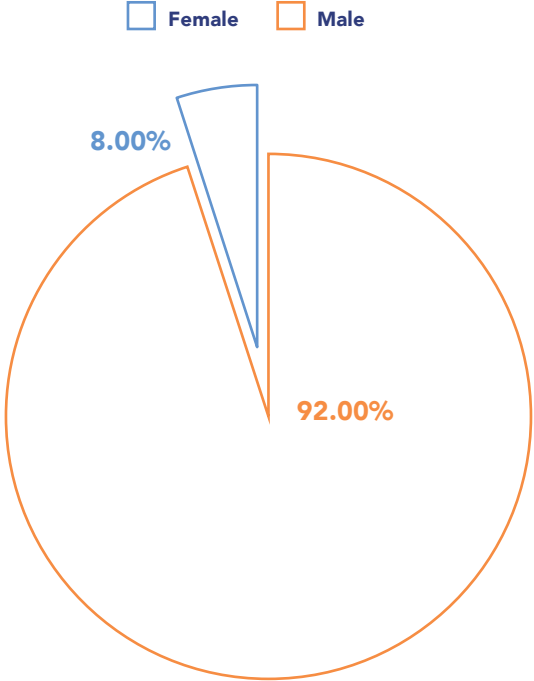
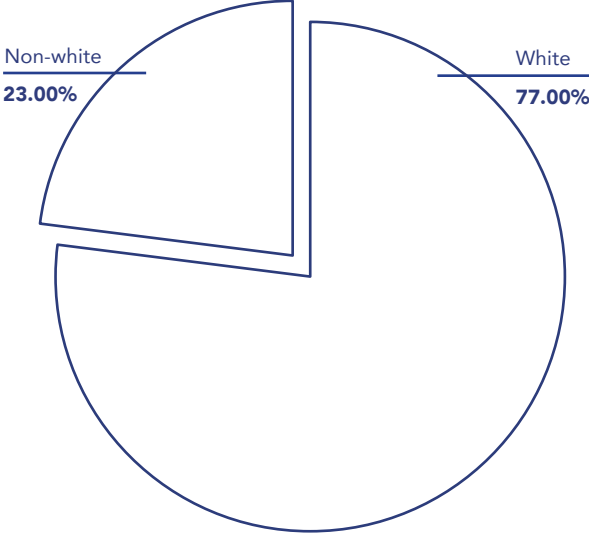


Colonial

Racial and Gender Representation in Senior Management



Racial and Gender Representation in Ownership



Colonial

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Searches For Clients: Goals and Policies

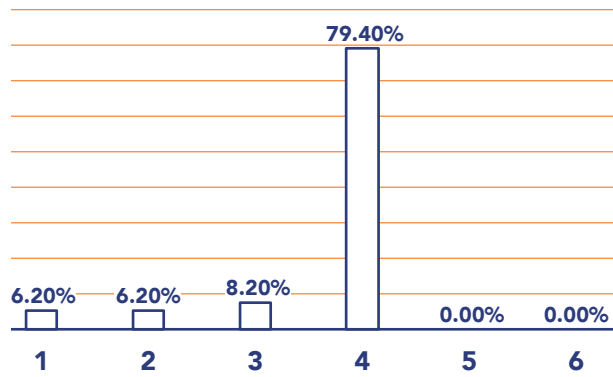
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Searches For Clients: Metrics and Reporting

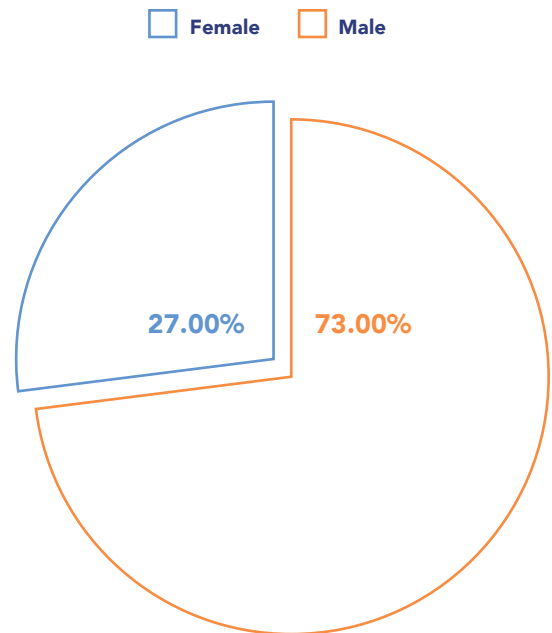
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- 

Marquette Associates, Inc.

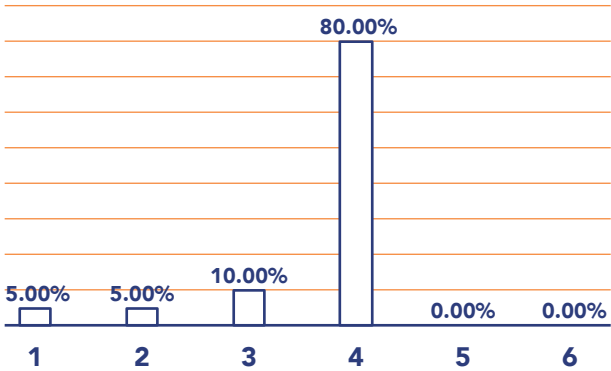
Racial and Gender Representation in Entire Staff



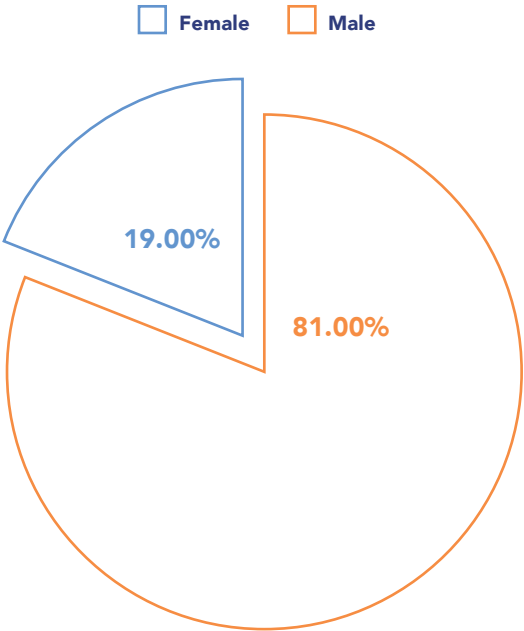
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Racial and Gender Representation in Consulting Staff

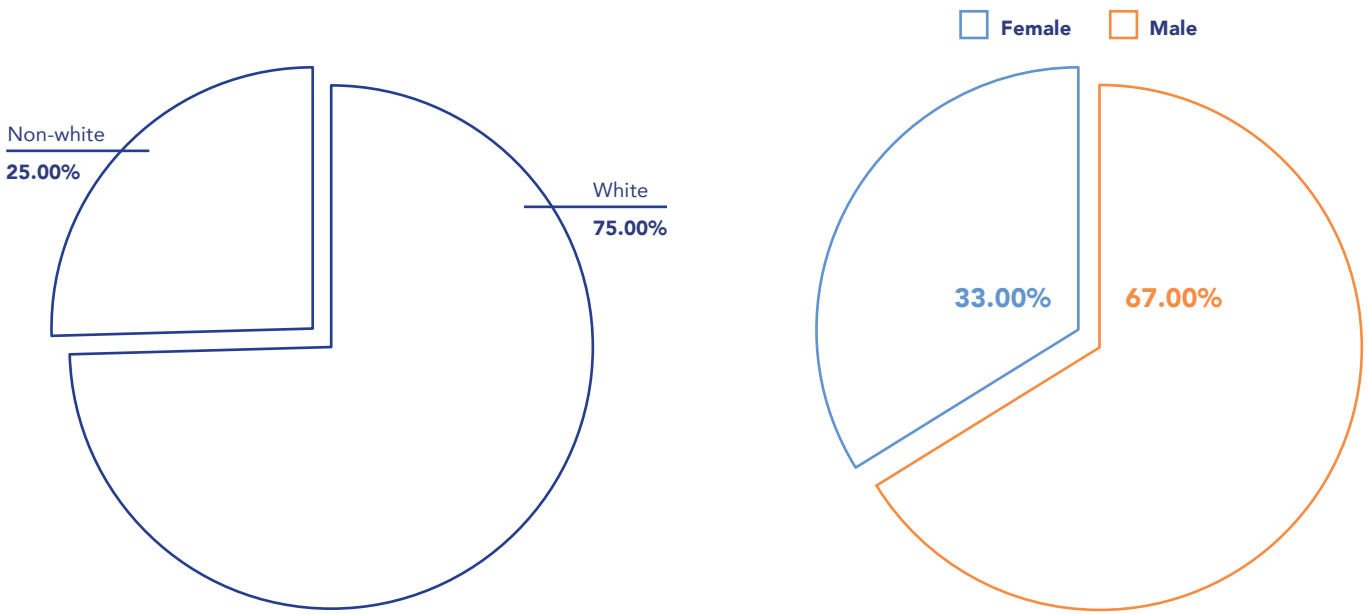


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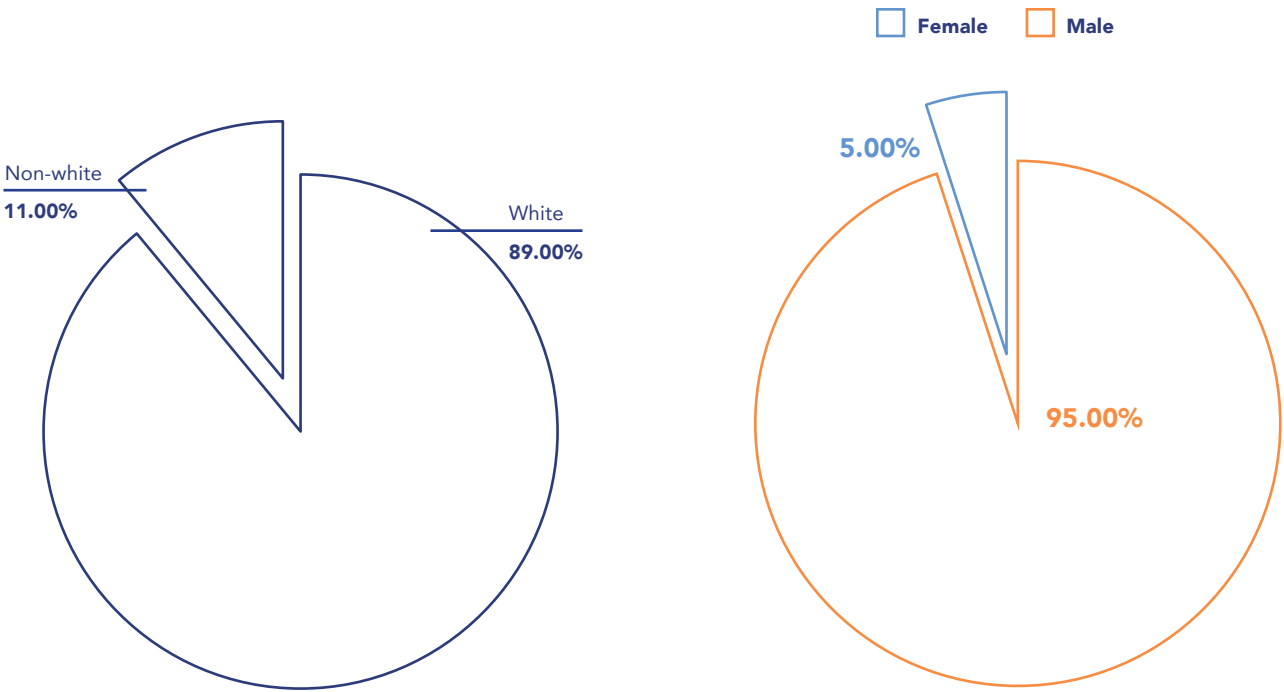


Marquette Associates, Inc.

Racial and Gender Representation in Senior Management



Racial and Gender Representation in Ownership



Marquette Associates, Inc.

Hiring Practices

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Searches For Clients: Goals and Policies

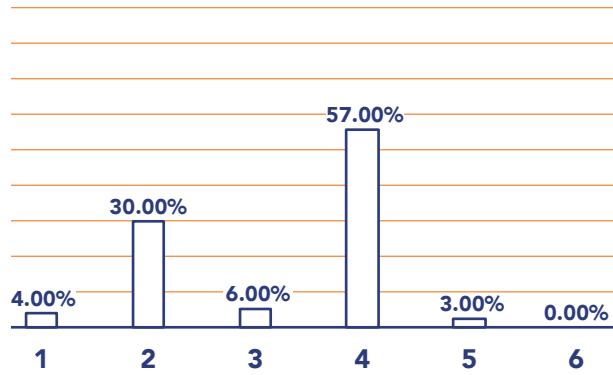
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Searches For Clients: Metrics and Reporting

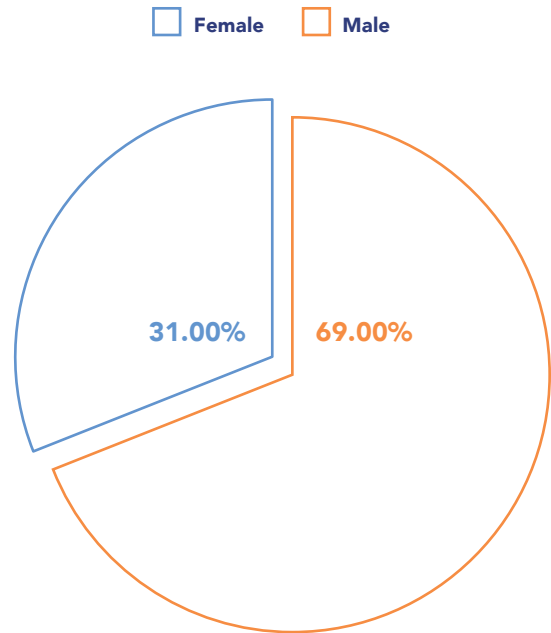
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Wilshire

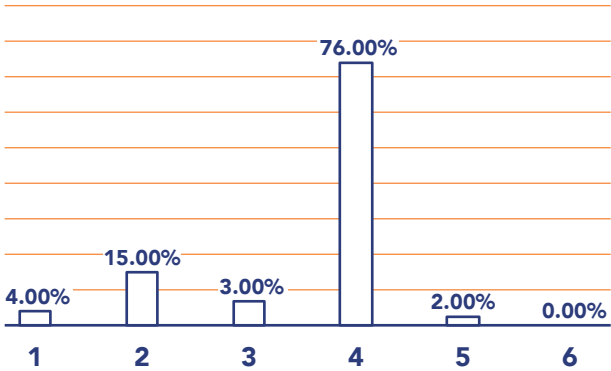
Racial and Gender Representation in Entire Staff



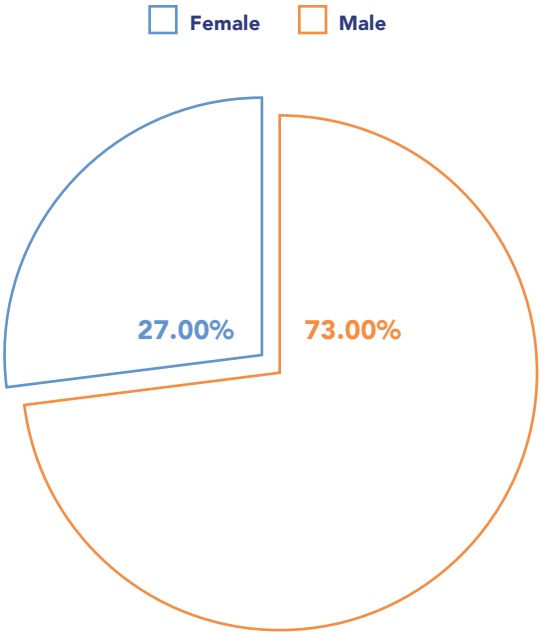
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Racial and Gender Representation in Consulting Staff

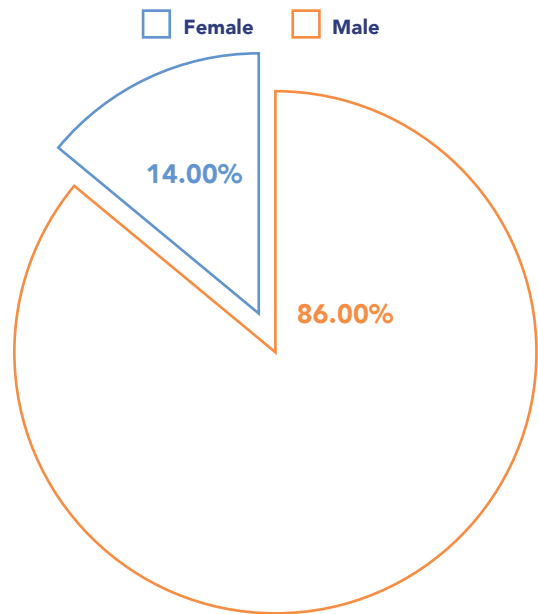
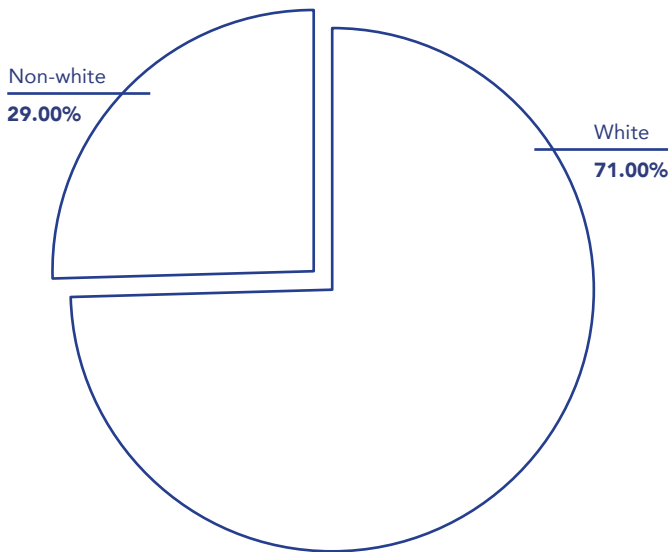


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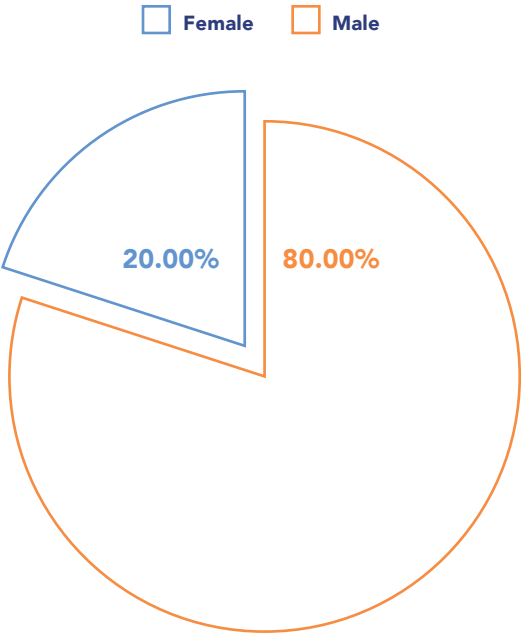
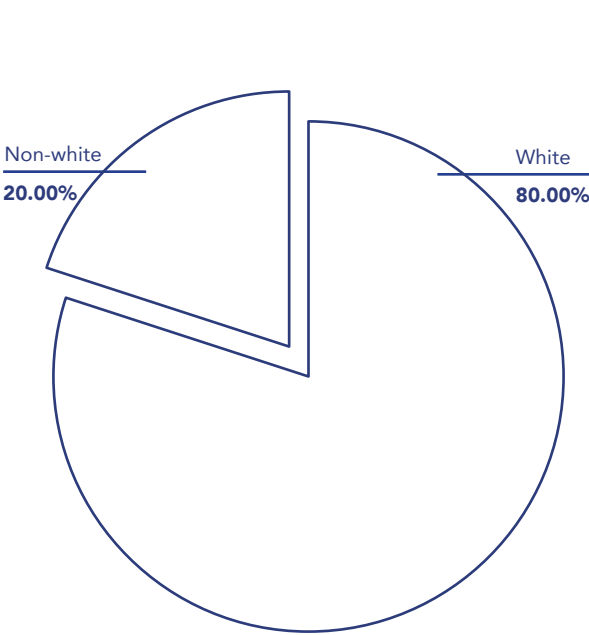


Wilshire

Racial and Gender Representation in Senior Management



Racial and Gender Representation in Ownership



Wilshire


Hiring Practices

- Firm does not have a policy (written or unwritten) to interview a racially and/or ethnically diverse group of candidates when hiring.
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 - Firm's hiring metrics do include gender and race/ethnicity.
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Searches For Clients: Rooney Rule

- Firm does implement the Rooney Rule when conducting a search.
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Searches For Clients: Goals and Policies

- Firm does currently have clients that have policies in place regarding diversity in manager search.
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Searches For Clients: Metrics and Reporting

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AON

Racial and Gender Representation in Entire Staff



Racial and Gender Representation in Consulting Staff



AON

Racial and Gender Representation in Senior Management



Racial and Gender Representation in Ownership



AON

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Searches For Clients: Rooney Rule

- Firm **does not** implement the Rooney Rule when conducting a search.
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Searches For Clients: Goals and Policies

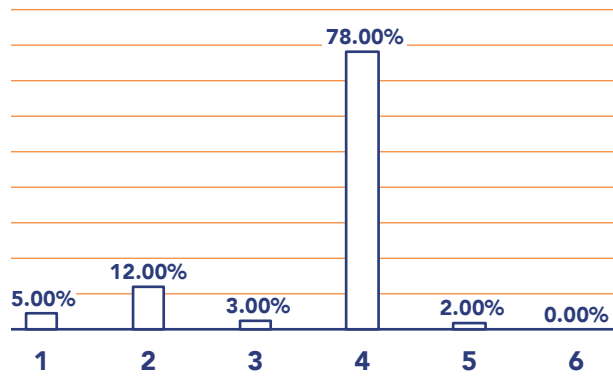
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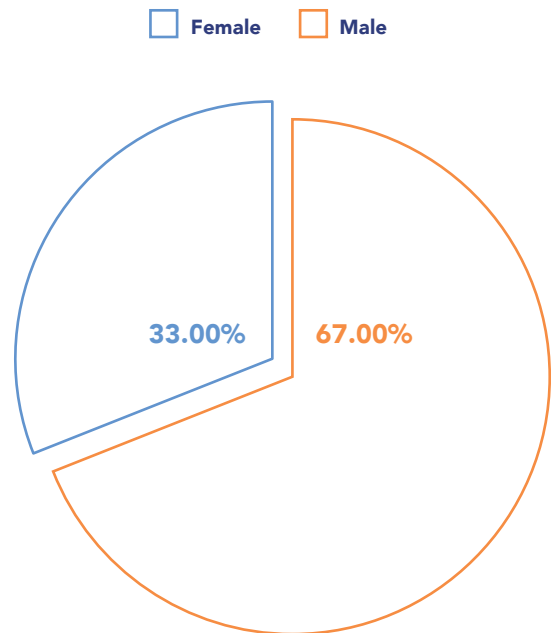
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Verus

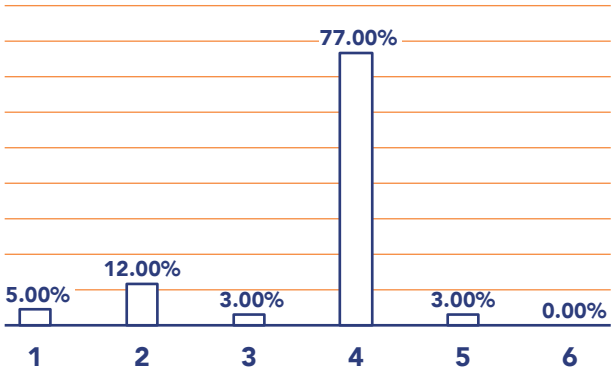
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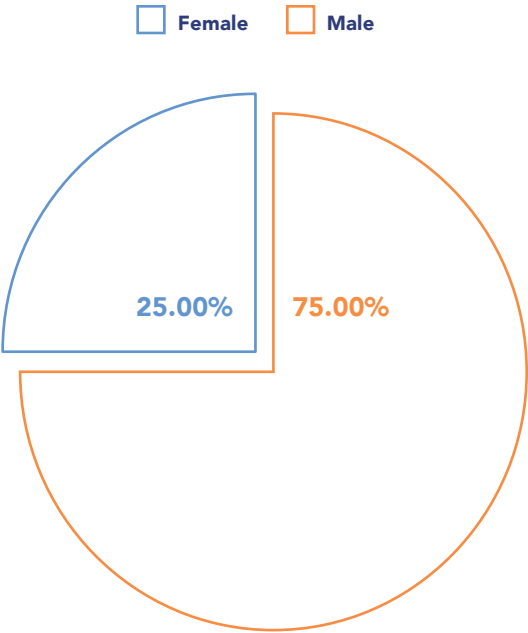
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Racial and Gender Representation in Consulting Staff

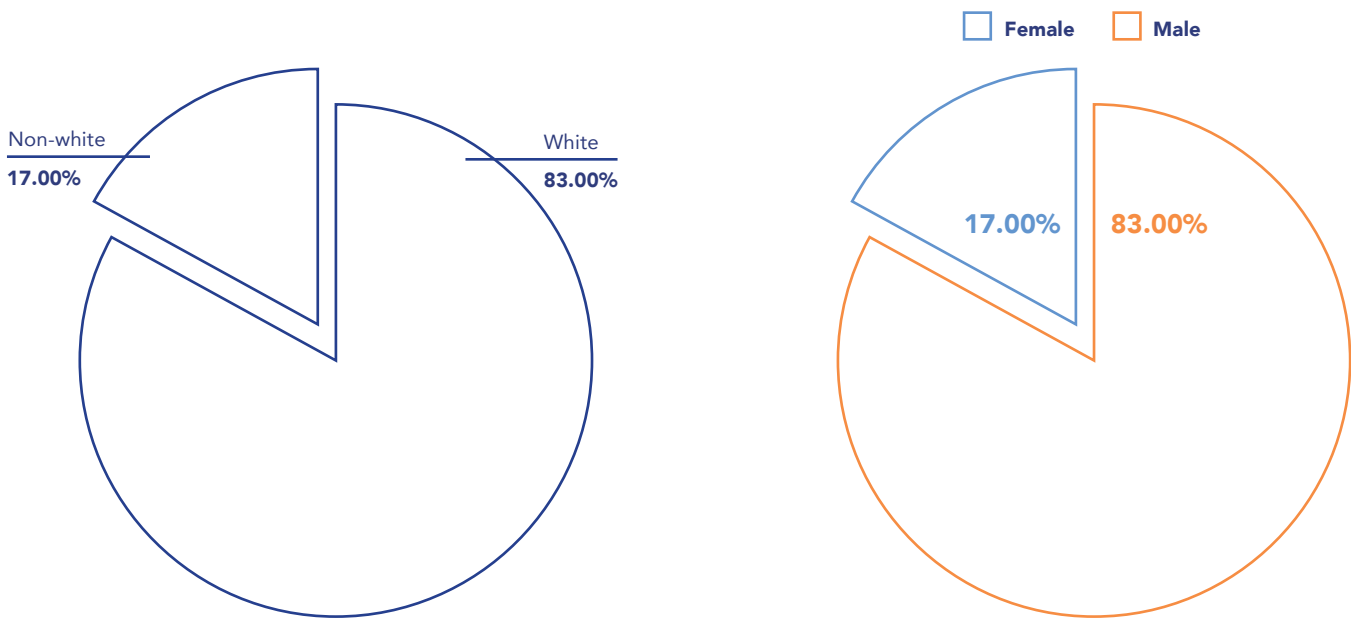


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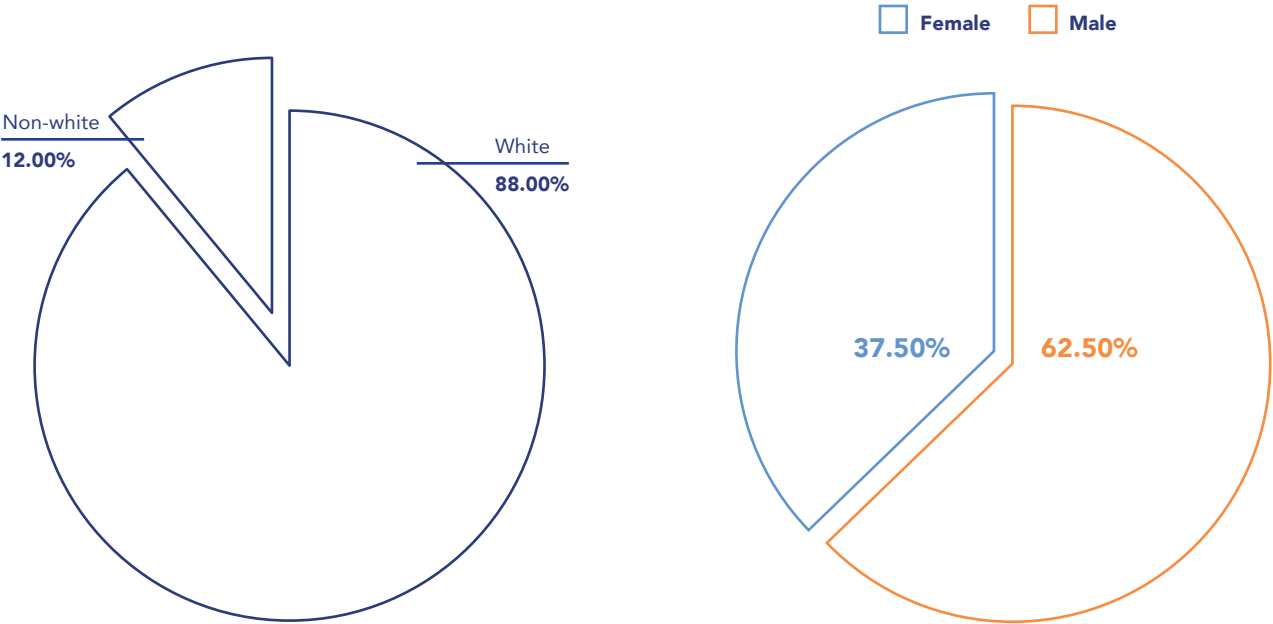


Verus

Racial and Gender Representation in Senior Management



Racial and Gender Representation in Ownership



Verus

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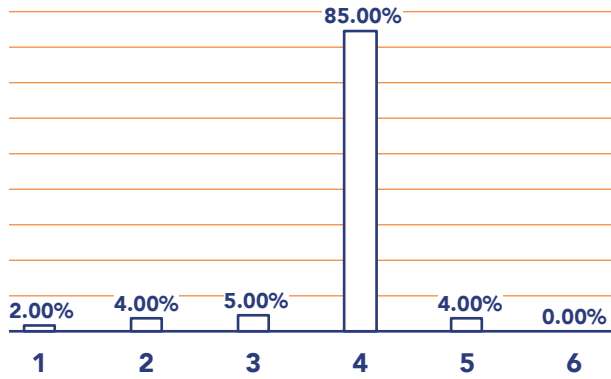
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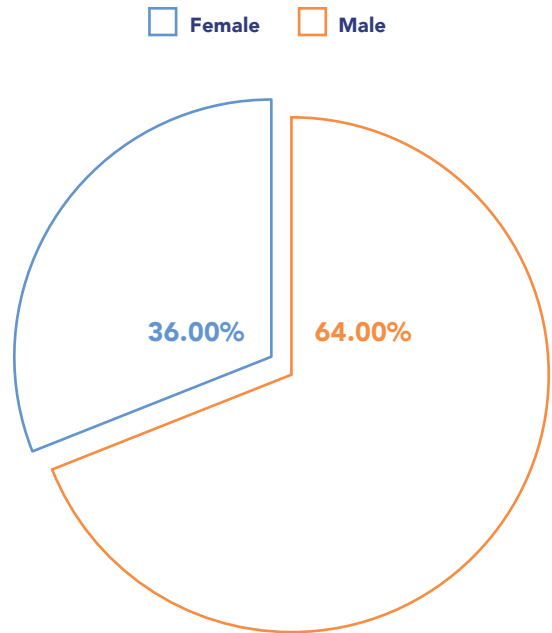
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RVK

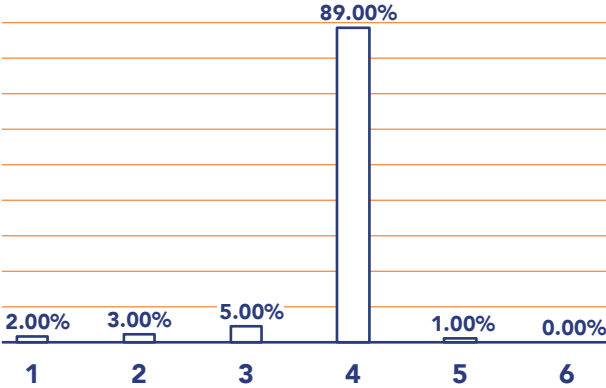
Racial and Gender Representation in Entire Staff



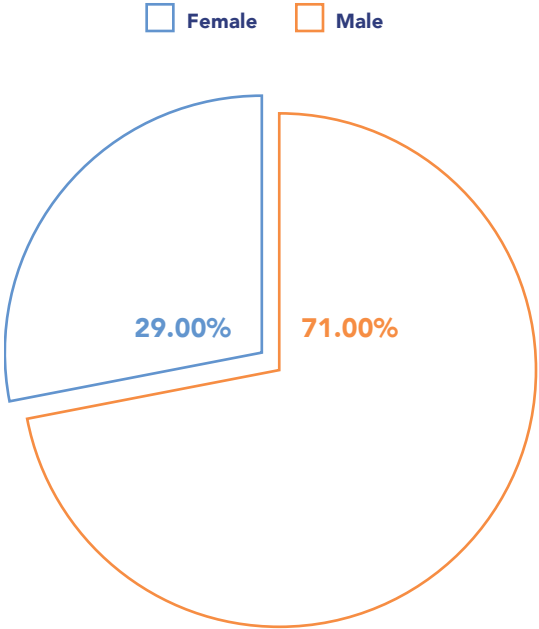
- 1 - African American/Black
- 2 - Asian/Hawaiian/Pacific Islander
- 3 - Latino/Hispanic
- 4 - White
- 5 - Other
- 6 - American Indian/Alaska Native



Racial and Gender Representation in Consulting Staff

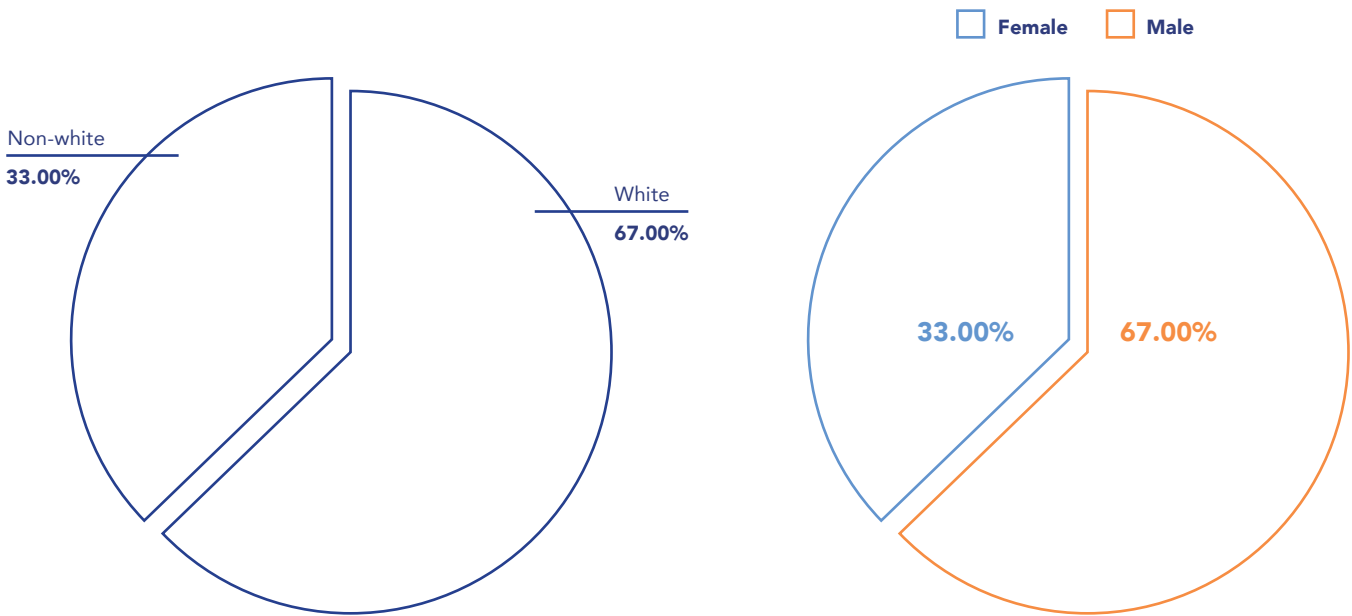


- 1 - African American/Black
- 2 - Asian/Hawaiian/Pacific Islander
- 3 - Latino/Hispanic
- 4 - White
- 5 - Other
- 6 - American Indian/Alaska Native

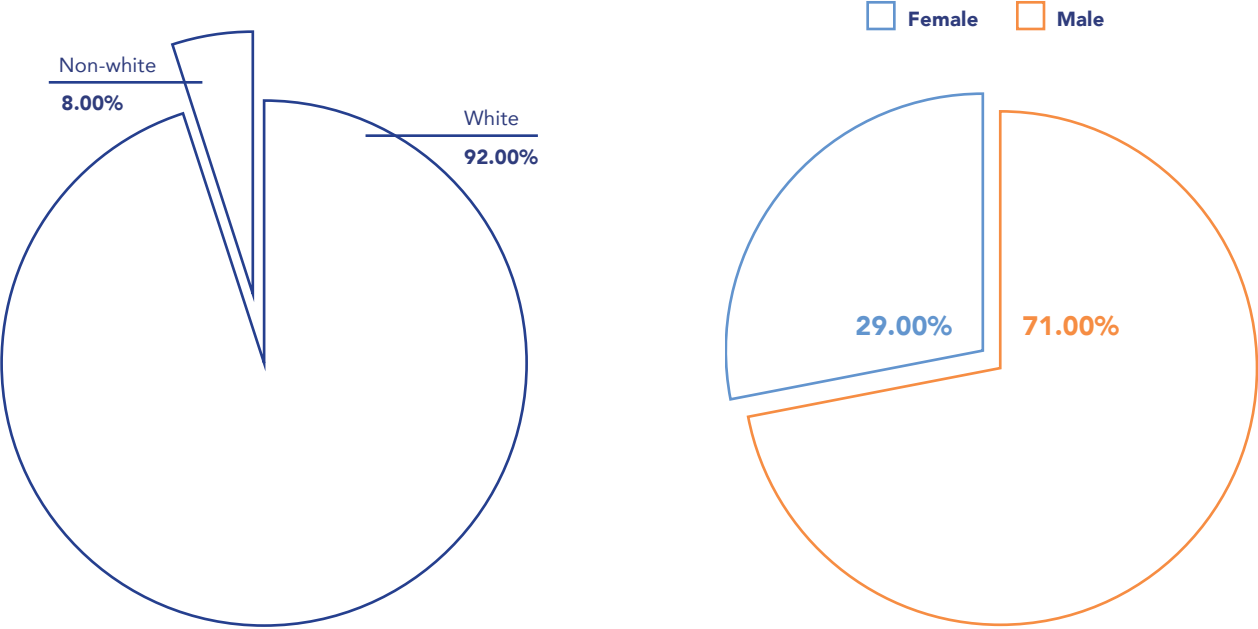


RVK

Racial and Gender Representation in Senior Management



Racial and Gender Representation in Ownership



RVK

Hiring Practices

- Firm **does** have a policy (written or unwritten) to interview a racially and/or ethnically diverse group of candidates when hiring.
- Firm **does not** have a policy to interview one or more women candidates for every available position.
- Firm **does not** have a policy to interview one or more minority candidates for every available position.

Firm did not indicate if they keep track of hiring metrics, for example, how many candidates, how many were interviewed, how many were finalists, and who was hired.

Firm did not indicate if their hiring metrics include gender and race/ethnicity.



Searches For Clients: Rooney Rule

- Firm **does not** implement the Rooney Rule when conducting a search.
- Firm **has** discussed diversity in asset management with clients to educate, learn their viewpoint, seek direction.
- Firm **has** discussed the Rooney Rule with clients.
- Firm **does** help clients understand the fiduciary benefits of considering and hiring diverse managers.
- Firm **does** regularly recommend diverse managers to clients, even when there is not a diverse mandate.



Searches For Clients: Goals and Policies

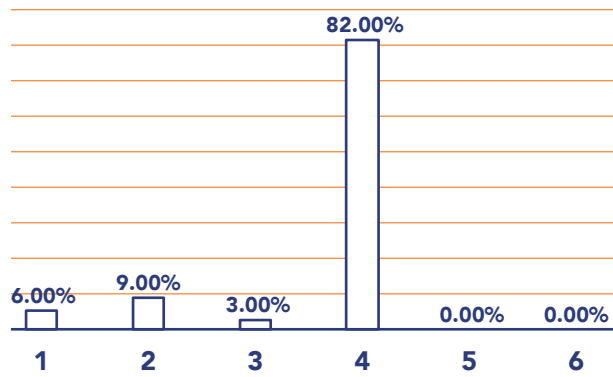
- Firm does currently have clients that have policies in place regarding diversity in manager search.
 - Firm does currently have clients that have policies in place regarding diversity in manager selection.
 - Firm does currently have clients that have policies in place regarding the Rooney Rule.
 - Firm does currently have clients with a long-term plan to diversify the portfolio with regard to the diversity of asset managers.
 - Firm does currently have clients with an Investment Policy that addresses diversity policies.
- 

Searches For Clients: Metrics and Reporting

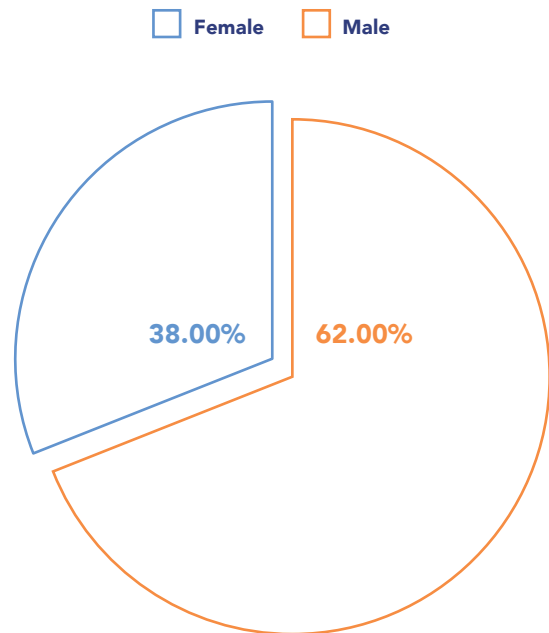
- Firm does maintain metrics and report annually as to how many diverse managers they have met with.
 - Firm does maintain metrics and report annually as to how many diverse managers they have vetted formally.
 - Firm does maintain metrics and report annually as to how many diverse managers they have included in searches.
 - Firm does not maintain metrics and report annually as to how many diverse managers have made it to finals.
 - Firm does maintain metrics and report annually as to how many diverse managers were hired by client(s) and received money to invest.
- 

NEPC

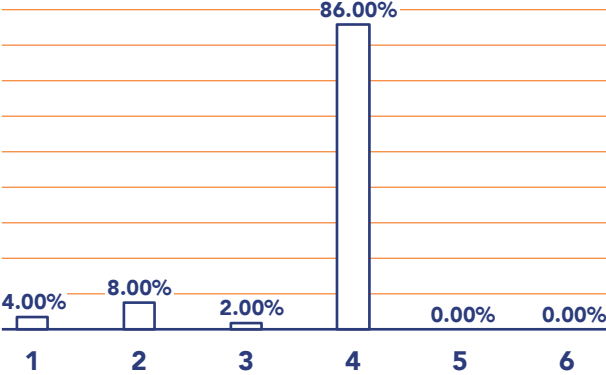
Racial and Gender Representation in Entire Staff



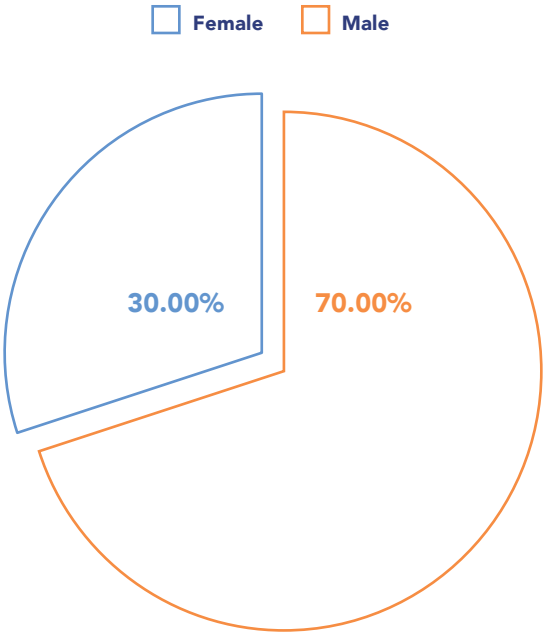
- | | |
|----------------------------|-------------------------------------|
| 1 - African American/Black | 2 - Asian/Hawaiian/Pacific Islander |
| 3 - Latino/Hispanic | 4 - White |
| 5 - Other | 6 - American Indian/Alaska Native |



Racial and Gender Representation in Consulting Staff



- 1 - African American/Black
- 2 - Asian/Hawaiian/Pacific Islander
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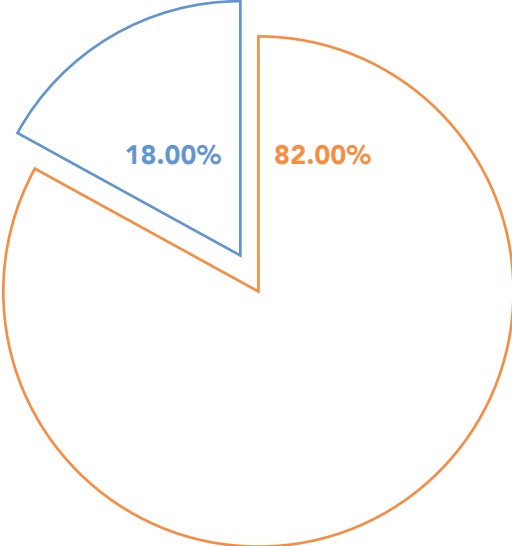
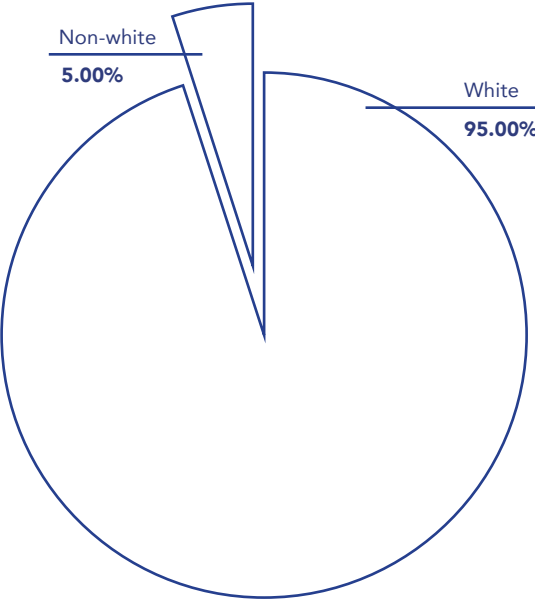


NEPC

Racial and Gender Representation in Senior Management



Racial and Gender Representation in Ownership



NEPC

Hiring Practices

- Firm **does** have a policy (written or unwritten) to interview a racially and/or ethnically diverse group of candidates when hiring.
 - Firm **does not** have a policy to interview one or more women candidates for every available position.
 - Firm **does not** have a policy to interview one or more minority candidates for every available position.
 - Firm **does not** keep track of hiring metrics, for example, how many candidates, how many were interviewed, how many were finalists, and who was hired.
 - Firm's hiring metrics **do not** include gender and race/ethnicity.
- 

Searches For Clients: Rooney Rule

- Firm **does not** implement the Rooney Rule when conducting a search.
 - Firm **has** discussed diversity in asset management with clients to educate, learn their viewpoint, seek direction.
 - Firm **has** discussed the Rooney Rule with clients.
 - Firm **does** help clients understand the fiduciary benefits of considering and hiring diverse managers.
 - Firm **does** regularly recommend diverse managers to clients, even when there is not a diverse mandate.
- 

Searches For Clients: Goals and Policies

- Firm does currently have clients that have policies in place regarding diversity in manager search.
 - Firm does currently have clients that have policies in place regarding diversity in manager selection.
 - Firm does currently have clients that have policies in place regarding the Rooney Rule.
 - Firm does currently have clients with a long-term plan to diversify the portfolio with regard to the diversity of asset managers.
 - Firm does currently have clients with an Investment Policy that addresses diversity policies.
- 

Searches For Clients: Metrics and Reporting

- Firm does maintain metrics and report annually as to how many diverse managers they have met with.
 - Firm does maintain metrics and report annually as to how many diverse managers they have vetted formally.
 - Firm does maintain metrics and report annually as to how many diverse managers they have included in searches.
 - Firm does maintain metrics and report annually as to how many diverse managers have made it to finals.
 - Firm does maintain metrics and report annually as to how many diverse managers were hired by client(s) and received money to invest.
- 

Glossary.

DAMI

The Diverse Asset Managers Initiative (DAMI) is fundamentally committed to increasing the absolute number of, and assets under management by, diverse-owned asset management firms.

Diverse-owned

DAMI defines "diverse-owned" as majority-owned by diverse parties (women, African-American, Latinx, Asian-American).

Investment Consultants

An investment consultant provides investors with investment products, advice and/or planning. Investment consultants do in-depth work on formulating clients' investment strategies, helping them fulfill their needs and reach their financial goals. (<https://www.investopedia.com/terms/i/investmentconsultant.asp>)

Rooney Rule

The Rooney Rule is a policy requiring firms to interview women or minority candidates for vacancies with no quota or preference given to minorities in the hiring of candidates.

Acknowledgements.

About the Survey

We would like to thank the eleven participating firms for sharing their experience as a launching point from where they, and the industry, will grow. Since this survey, several of these firms have made additional announcements and policy changes that will result in greater accountability on the issue of diversity, with the intention of becoming more competitive through greater diversity within their ranks.

In an industry in which data rules, and everything is measured, it was telling to us that the basic question of who is leading these crucial firms wasn't being asked or answered. We are delighted that half the firms worked with us to inform their minority and gender participation; that half the firms would not even answer the question ought to be cause for concern to clients.

Additionally, we thank our DAMI partners and supporters, whose help was instrumental in securing robust participation from ICs in this survey.

