



diverse
INVESTING COLLECTIVE

INNOVATIVE INVESTORS CIRCLE

33 BY 33: IT'S TIME

WHY THE INVESTMENT INDUSTRY NEEDS TO CHANGE—AND NOW

Who controls capital matters. The investment industry shapes every aspect of our society, from which companies get loans, to which innovations get financed, to holding corporations accountable. For too long, the people designing our financial systems and driving investment decisions have looked the same - and women and people of color have largely been excluded from financial decision-making tables.



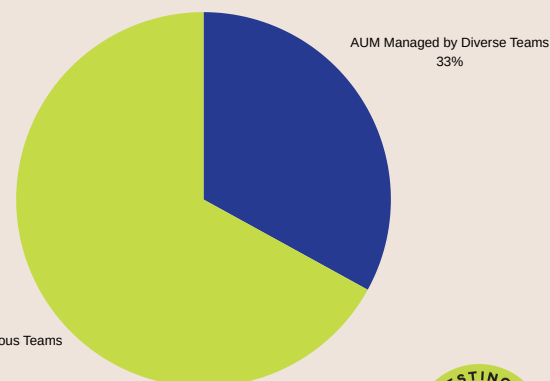
Women comprise just 14% of fund managers globally - a number that hasn't changed in 20 years. People of color comprise just 22% of the investment industry workforce. Only 1.4% of US-based assets are managed by diverse-owned firms.

This lack of diverse thinking and experience in investing isn't just wrong, it's bad business. A 2021 Vanguard study of 2,600 US active equity funds found mixed-gender teams outperform the benchmark by 47 basis points per year, and a 2020 WTW study found "investment teams with diversity, in particular ethnic diversity, tend to generate better excess returns." A study in Harvard Business Review said it best: "the evidence is clear: Diversity significantly improves financial performance on measures such as profitable investments at the individual portfolio-company level and overall fund returns." By excluding women and people of color from financial decision-making tables, investors are leaving money and talent on the table.

VISION FOR CHANGE

A new Diverse Investing Collective seeks to accelerate change in the investment industry by increasing not only the numbers of women and people of color, but critically the amount of assets they manage, and therefore the power they hold. This is the first time, that we know of, that this approach has been taken.

What gets measured gets done, and we have **set a bold goal of having 33% of assets managed by gender-diverse and racially-diverse fund management teams by 2033.**



HOW WE ACCELERATE PROGRESS

Guided by our founders, Ruth Shaber, President of the Tara Health Foundation, and Patience Marime-Ball, CEO of Women of the World Endowment; together with our Advisory Board with members from Merrill, UBS, Citi, Women Moving Millions, and more; the Collective is pursuing three strategic actions:

1. **Transparency & Accountability:** Standing up the first-of-its-kind public dashboard to measure progress across the industry toward our goal to have 33% of AUM managed by gender- and racially-diverse teams.
2. **Asset Owners/Allocators Call for Change:** Building a coalition of asset owners and allocators to call for more transparency and diversity on the teams managing their assets to drive social change and outperformance.
3. **Lifting Up Stories:** Working with a public relations firm to capture and share stories of investors who are using diverse investment teams and seeing outperformance and impact.

WHAT DIFFERENTIATES US

- We are measuring **how much AUM is managed** by diverse teams, not just % of diverse workers.
- We are focused on **diversity of fund management teams**, not just owners and leaders.
- We can offer **independence & accountability**.
- We are offering **the business case**, in addition to diversity being the right thing to do.
- We are looking at not only **how** assets are invested, but **who** is making the investments. This is **true values-aligned investing**.



JOIN AN INNOVATIVE INVESTORS CIRCLE. DRIVE SYSTEMIC CHANGE.

Asset owners and allocators have immense power to change the face of finance, drive more impact investing, and generate higher returns by calling for more transparency and greater diversity in those managing their funds.

The Diverse Investing Collective is seeking small groups of pioneering asset owners and allocators from High-Net-Worth Individuals and Family Offices, to Foundations and Endowments, to Pension Funds to join our invitation-only Innovative Investors Circles. Each Circle will comprise a different investor type. These select groups of asset owners will join the Collective for a six-month action journey to test and co-create the tools and actions needed to diversify the teams managing their investments. The tools to be tested and iterated include:

- Diversity & Inclusion survey for portfolio management teams
- Illustrative case studies and scripts for asset owners to use with their advisors, consultants, and managers
- Sample commitments to diversify investment teams
- Sample letters to asset management firms

Many asset owners and allocators have harnessed their power to drive social change while generating alpha through impact investing, or adjusting how they invest their resources; but the next phase of values-aligned investing calls for investors to examine *who* is investing their funds.

JOINING AN INNOVATIVE INVESTORS CIRCLE WILL ENABLE ASSET OWNERS AND ALLOCATORS TO:

- Join a strategy retreat in Lisbon, San Francisco, or New York
- Serve as pioneers in the movement to diversify who has decision-making power in finance
- Connect with like-minded asset owners and allocators to learn and share best-practices
- Develop tools to scale diversity in asset management
- Develop and sharpen skills
- Meet in-person for periodic salon dinners and meet virtually quarterly
- Receive press coverage in high-level outlets highlighting commitments and actions to diversify asset management teams

Pioneering Models: At the end of this action journey, investors will have the tools and best practices they need to serve as models for others seeking to overhaul an outdated system of investing where women and people of color have had to sit on the sidelines for too long.

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TO LEARN MORE AND JOIN THE MOVEMENT.**

