

INVESTMENT MANAGER DIVERSITY REPORT

January 20, 2016



In 2014, SVCF challenged itself to explore how it could engage more people of color and women managers across its investment portfolio. As part of this exploration, we co-authored the report, *"The Hardest Taboo to Break"* (siliconvalleycf.org/manager-diversity).

Our approach is four-fold:

- 1 Annually require SVCF's investment consultant, Colonial Consulting, to report on the number of diverse managers they have met with throughout the year.
- 2 Annually require SVCF's investment consultant to report on the number of diverse managers they have recommended to ALL of their clients.
- 3 Annually review how many diverse managers were considered for SVCF's investment portfolio.
- 4 Annually review how many diverse managers were selected to manage SVCF's investment portfolio.

SVCF holds diversity and inclusion as fundamental core values. We reject the idea that identifying a diverse pool of high-performing minority and women investment managers is somehow contradictory to the goal of maximizing returns. Our conviction is supported by ample research confirming that smaller, skilled investment managers with a differentiated view outperform their peers.

We partner with our investment consultant to identify prospective minority- and women-owned firms to ensure that our managers represent a diverse set of strategies, views and backgrounds, and to ensure that we are not excluding qualified diverse managers due to hidden biases.

Increasing the diversity of investment managers is important work, and it is ongoing. As leaders in this space, we aim to be transparent in sharing our journey and progress. Our goal in sharing the data is to encourage other foundations and endowed institutions to take action towards more inclusive investment practices. We invite you to visit siliconvalleycf.org/manager-diversity to learn about emerging best practices and encourage all foundations to join us by supporting [The Association of Black Foundation Executives' Investment Manager Diversity Pledge](#) and the Diverse Asset Managers Initiative's Statement of Principles.

We made a commitment to share our progress and experiences. This report highlights our first year of results. While we are pleased with the outcomes, we recognize that we have more work to do.



Emmett D. Carson, Ph.D.
CEO and President

Manager Meetings:

60%
INCREASE



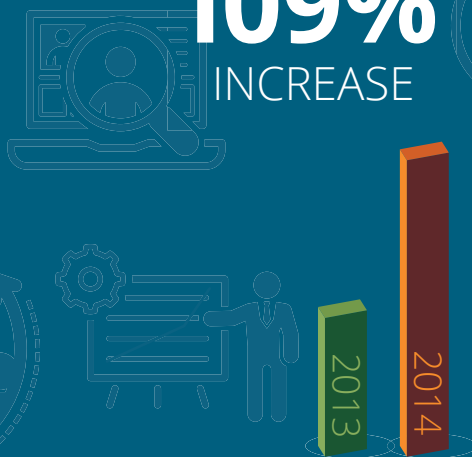
Manager Meetings:

60% increase – from 43 to 69

Greater engagement by our investment consultant with minority and women managers resulted in 60% increase in meetings with diverse managers*

Manager Recommendations:

109%
INCREASE

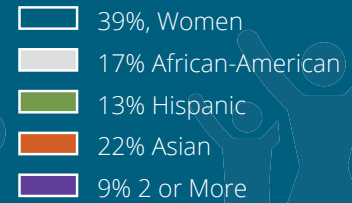


Manager Recommendations:

109% increase – from 11 to 23

More meetings with diverse managers resulted in more recommendations by our investment consultant

Diversity of Recommendations:



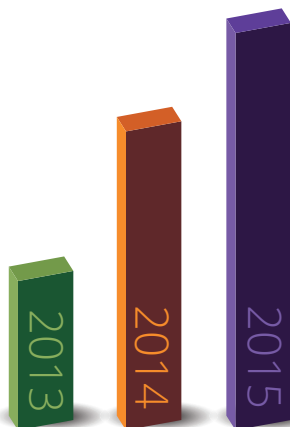
Diversity of Recommendations:

Manager recommendations were inclusive across gender and ethnic groups

*Diverse managers are defined as investment firms with 51% or more ownership by minorities or women.

Diverse Managers at SVCF

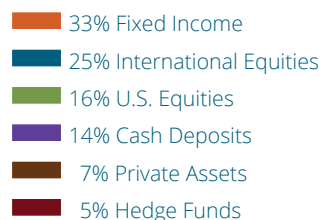
167%
INCREASE



From 3 to 6 to 8 over 2013, 2014, 2015. More recommendations by our consultant resulted in more mandates awarded to diverse managers at SVCF.

SVCF Investment Strategies

TOTAL **\$139** MILLION

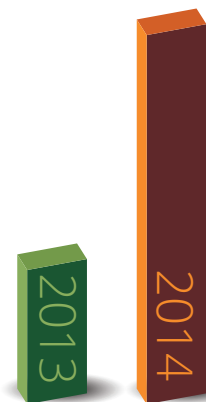


Mandates have been awarded across multiple asset classes.

SVCF Assets Managed

167%
INCREASE

\$52 MILLION TO
\$139 MILLION



As a result of these efforts, diverse managers managed \$139 million of SVCF's assets in 2014, up 167 percent from 2013.

Action Steps:

- 1 Assess the level of diversity in your portfolio
- 2 Discuss the importance of diversity and inclusion with trustees, staff and your investment consultant
- 3 Publicly commit to inclusive practices



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About Silicon Valley Community Foundation

Silicon Valley Community Foundation advances innovative philanthropic solutions to challenging problems. As the largest community foundation in the world, we engage donors and corporations from Silicon Valley, across the country and around the globe to make our region and world better for all. Our passion for helping people and organizations achieve their philanthropic dreams has created a global philanthropic enterprise committed to the belief that **possibilities start here.**