

Diversity Insights

August 2020

We are happy to present the Sixth Edition of Convergence's Diversity Insights. Its importance as the industry is amplified by the SEC's announcement to make diversity and inclusion a top priority for asset managers. Last month, the SEC's Asset Management Advisory Committee set up a panel to frame the requirements for asset managers to disclose diversity information. This level of transparency will build confidence in investment decisions and guide our mission to bring diversity and inclusion where it is needed most.

Eileen's Views: Covid-19 has had an impact on the overall industry growth but we have seen an increase in hiring this past month. Unfortunately, fewer positions went to women. Is Covid-19 hindering women's abilities to change positions or find new employers? It was interesting to see that the majority of women recently hired during Covid-19 into the C-suite roles were in established firms. However, most of the hiring this month was in emerging firms who accounted for 47% of the women hires.

July Hires: The hiring in alternative asset management firms has consecutively increased for the last two months with a 7.3% increase in total C-suite hiring, Smaller Managers with AUM<\$250M dominated this trend, with 61% of the overall hiring. Hedge Funds accounted for 38% of the total C-suite hiring, followed by PE and VC managers with 21% and 15%, respectively. There were 219 new or changed leadership roles in July. Women accounted for 15.5% of the hires, a decline of 32% over June 2020. For women, the CCO role accounted for 44% of the position, followed by CFO with 21%. Of the 66 replacement positions, women replaced men in 9%, and men replaced women in 17%; 42 of the total replacements were for CCOs.

Women C-suite Executives: The percentage of advisers in the industry without women holding C-suite positions remains unchanged at 67%. Women hold 18.2% of all key leadership positions, a decline of 0.1% over June 2020.

Growth Bias: The total AUM of the managers with women CEOs declined by 0.25% over June 2020, 24% less than firms led by males. The total funds managed by women CEO declined by 1%, while the average funds managed by women CEO remained the same at 4.8 when compared to June 2020.

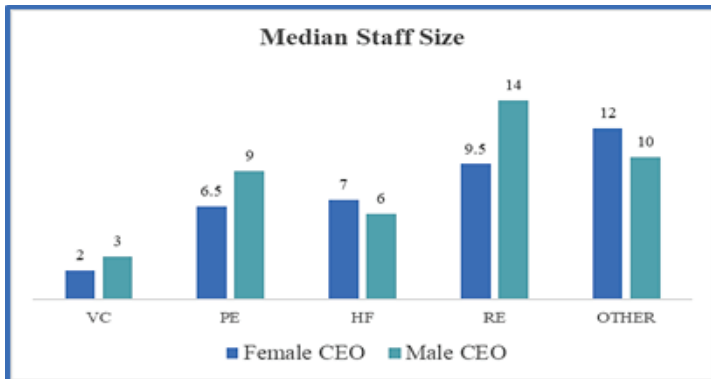
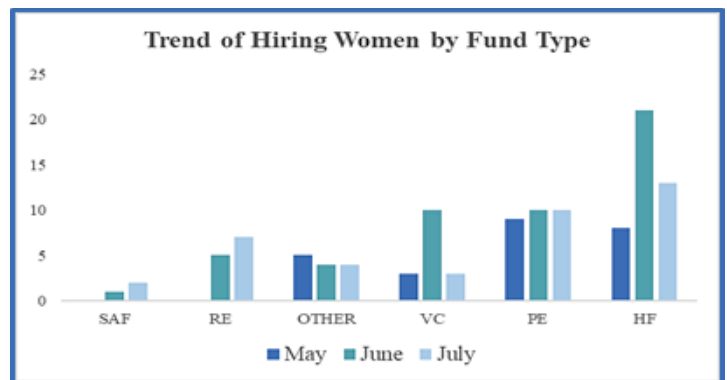
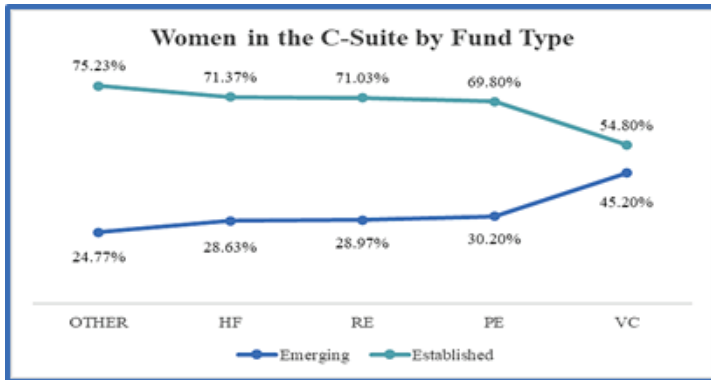
Size Bias: The average and median AUM of the managers with a male CEO is 1.4x and 1.8x their female counterpart, respectively. The average fund count of male CEOs is 1.6x their female counterpart. The average number of employees in managers with a women CEO was 1.4x more than firms led by males. Meanwhile, the median full-time employees in the managers with women CEOs stood at 5, 0.8x the median size with men CEOs.

Position Bias – Women CEOs accounted for 8% of the total CEO positions in the industry; 47% of the women CEOs are concentrated in the emerging managers (<5 years old), while 98% of the AUM with women CEO managers is concentrated in established firms. Women account for 32% of Hedge Fund CEOs, followed by VC and PE with 23% and 22%, respectively. The CCO position accounts for 52% of the total women in the top four C-suite positions. 48% of all women CCOs are employed by managers with less than \$500MN in AUM. Women CCOs cover 27% of the total private funds in the industry.

The Convergence Database includes 4,000 data points on each Adviser/Manager updated daily, including:

- 38,000+ SEC and State Advisers
- 183,000+ private and public funds,
- 6,000+ Service Providers
- 100,000+ C-Suite Executives
- 30+ Investment Strategies

Our data is enriched each day into meaningful intelligence that is used by Advisers, Investors, Service Providers and Governmental agencies. Convergence "insights" are used to support key business decisions they make to improve their top and bottom line and identify risks and threats to their business.



Hiring Trends	New Positions			Replacement Positions			Grand Total	
	M	W	Total	M	W	Total		
Number	129	24	153	56	10	66	219	
Percentage	84%	16%	67%	85%	15%	33%	100%	
Replacement Positions				CEO	CFO	COO	CCO	Total
Men Replacing Women				3	2	0	6	11
Women Replacing Men				0	1	1	4	6
Net Change for Women				-3	-1	1	-2	-5



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