

Diversity Insights

July 2020

Diversity Insights of the month provides timely and consistent information on gender diversity trends that we see in the asset management industry. Become a member of our "diversity community" by emailing us at diversity@convergenceinc.com, and we will send you our regular research, which includes a directory containing the names of new women taking leadership roles in the industry and basic information about their firms. This is a great tool for networking and analyzing trends. Covid-19 has changed the way we do business, and Convergence Talent Management is helping our clients and partners through these challenging times. We wish you, your family and colleagues' peace and safety.

June Hires: The hiring trends in the alternative asset management industry have been in line with the rise in the hiring activity and a decline in the unemployment rate. There was a 30% increase in the number of C-Suite hires over last month. Northeastern states dominated the trend, representing 41.2% of total C-Suites hires in the country.

Women C-Suite Executives: The percentage of advisers without at least one woman in a C-Suite position remains unchanged at 67%. Women hold 18.3% of leadership positions, a rise of 0.12%, *indicating that advisers who already have women in leadership positions are adding more.* A total of 206 new or replacement leadership roles were filled in June with women accounted for 24.2% of them, an increase of 10.2% over May. Women accounted for 60% of the CCO jobs filled, followed by 14% of the CCO and CFO jobs. Women replaced men in 20% of job replacements.

Leadership Bias: Advisers overseeing 19.2% of alternative funds have at least one woman in C-Suite while 1.5 % have a woman CEO, a 6% increase over last month. The average AUM of women-led advisers is \$370 MM.

Position Bias: The CCO position continues to attract women with 24.2% of industry CCOs, an increase of 0.1% over last month, followed by the CFO position with 24%. Women hold 7.62% of CEO roles. Newer firms make up 32% of the total firms in the industry and employ 48% of the women in leadership positions.

Multifunction Bias: Women holding multi-function C-Suite positions is at 18%, a 2% increase. The multi-functional C-Suite condition creates conflicts of interest that have been detected in 70% of SEC cases involving wrongdoing. Established firms have 66% of these multi-functional women, and 30% are in firms with AUM > \$1BN. The overall industry trend is 22%.

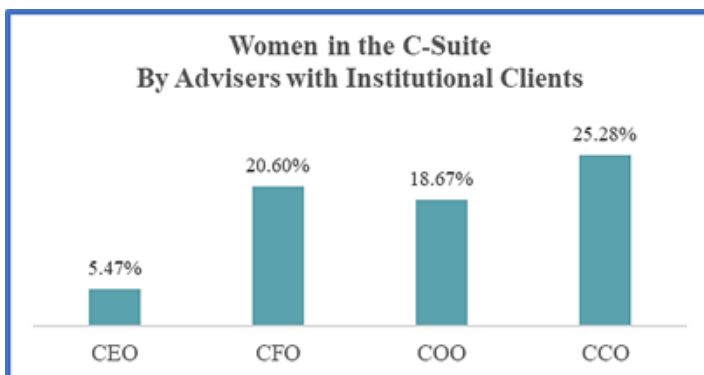
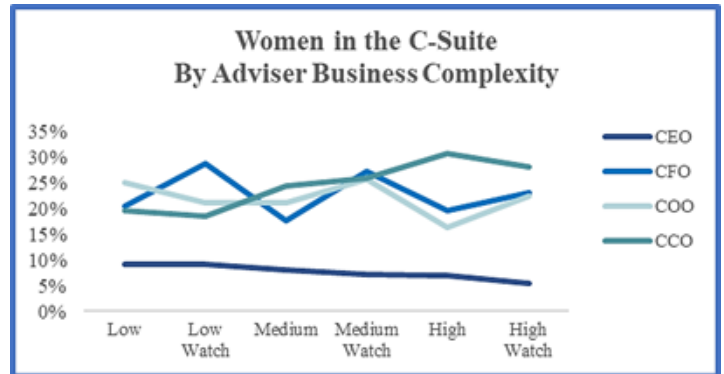
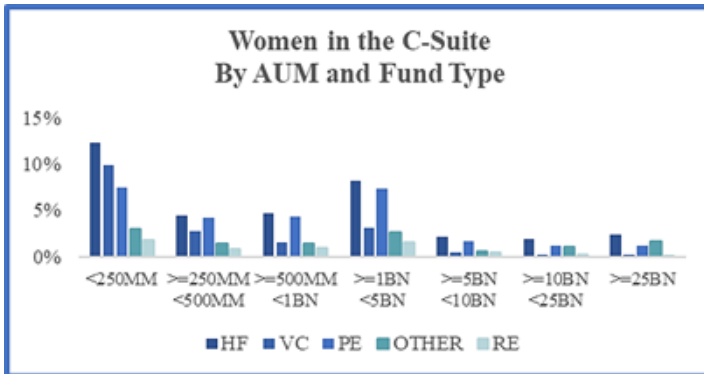
Complexity Bias: 16.1% of high complexity firms are led by a woman CEO, an increase of 2% over last month. The percentage of women holding CCO roles increases in firms as the complexity of their business increases. For more information on complexity, contact asafi@convergenceinc.com and stay tuned for additional posts.

Eileen's views: *All leaders should be concerned with the risks created by multi-functioning C-Suite leaders. Conflicts of interest exist and overwork is considerable. A disproportionate number of women in established firms are in this situation. Is this by choice, and why? Also, our data shows that only 22% of advisers whose client base is 100% institutional investors have at least one woman in the C-Suite, and sadly, only 5.7% are led by women CEOs, which is below the industry average of 7.6%. Perhaps ESG initiatives will take longer to realize, but institutional investors should encourage their advisers to be more inclusive.*

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	92	24	116	64	26	90	206	
Percentage	91%	9%	67%	75%	25%	33%	100%	
Replacement Positions				CEO	CFO	COO	CCO	Total
Men Replacing Women				0	3	0	10	13
Women Replacing Men				1	1	1	15	18
Net Change for Women				1	-2	1	5	5



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