

Diversity Insights

2020 YEAR END REVIEW

Convergence Data Recap

Our data shows us where there has been improvement in the industry for women and hence, we know where the doors to into the C-suite are open.

- The CCO & CFO positions have consistently been a place for women to enter the C-suite. Women hold 23% of these positions.
- Firms with AUM less than \$1BN are attracting C-suite level women over larger firms – 10.4% vs 7%
- Emerging funds (less than 5 years) hire/promote women to the C-suite than established firms

ESG investing becomes increasingly popular. Companies that don't prioritize diversity could see investors drop funds or not consider them for future investment. We would expect that firms with institutional investors would have a higher proportion of women in the C-suite but the data does not support this.

The Policy Changes described on the right may move the diversity numbers in the right direction but there will also be pressure for firms to become more transparent from other sources. Independent firms are gathering information about public policy statements and the action they are taking beyond donating to causes. There will be higher demand for transparency in recruiting, hiring, and promoting and the transparency push is seen as more effective in addressing diversity issues.

Goals

- 100 Women in Finance: Women in 30% of Investment and Exec roles by 2040
- Goldman Sachs: 40% women in VP level roles globally by 2025
- Convergence: 30% Women in the C-suite for Investment Advisors by 2030

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

- 38,000+ SEC and State Advisers
- 83,000+ 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.

Good Reads from 2020

Good Guys by David G. Smith and W. Brad Johnson

The Fix by Michelle P. King
We Are All in This Together by Mike Robbins

Coming this Summer

Undiversified: The Big Gender Short in Investment Management
by Ellen Carr, Katrina Dudley

Policy Change

Two notable policy changes were proposed this past year to promote transparency to investors. Research shows a strong association between diversity, financial performance, and governance.

The SEC's Asset Management Advisory Committee (AMAC) has proposed a mandate for all Registered Investment Advisors (RIA) to disclose diversity information. The Diversity and Inclusion segment has met several times throughout the year. The webcasts of these events can be viewed at <https://www.sec.gov/news/webcasts.htm>. The AMAC heard from Consultants, Allocators, and RIAs how increases in diversity can be achieved. All agree that the "tone from the top" is most important in initiating change.

Nasdaq proposed new listing rules that "would require all companies on Nasdaq's U.S. Exchange to publicly disclose consistent, transparent diversity statistics regarding their boards of directors. Additionally, the rules would require most Nasdaq-listed companies to have, or explain why they do not have, at least two diverse directors."

While both policy changes are intended to be helpful, the SEC proposal is looking for ways to promote diversity with its registered companies. However, Nasdaq is looking at mandates among its listed companies that some will argue are unlawful.

Women on the Move

This past year there was reason to celebrate the women on the move in asset management. Here are a few of the highlights:

- Jane Fraser, President & CEO Citi
- Jean Hynes, CEO of Wellington Management
- Kim Lew, CEO of Columbia Investment Management
- Johanna Lasker, CEO BNP Paribas Asset Management, North America
- Renee LaRoche-Morris, Chief Operating Officer of BNY Mellon Investment Management, is the newest member of the U.S. Securities and Exchange Commission's Asset Management Advisory Committee.

Convergence congratulates all the women in asset management that joined the C-suite this past year.

Events

There were many events this past year that were conducted virtually due to Covid-19. . One event stands out as a mechanism to expand the vision and scope of women fund managers.

100 Women in Finance, the 20,000-member global industry association for hedge fund, alternatives, and investment management professionals, hosted the largest ever dedicated global gathering of female investment managers and asset allocators this past November. The event aimed to facilitate capital introductions and connected some 200 of the world's top allocators with more than 180 women founders and managers from across the alternative and traditional asset management industries.



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