

DIVERSITY

EQUITY & INCLUSION:

questionnaire

INTRODUCTION

Meketa recently launched a new initiative to more thoroughly evaluate asset managers' efforts to ensure Diversity, Equity & Inclusion ("DE&I") within their organizations. We sent our Annual Diversity, Equity & Inclusion Questionnaire to public and private market managers within the firm's internal database in January 2021.

Out of approximately 830 firms who received the questionnaire, 283 responded. Responses to all questions were not required; therefore, the average number of responses per question was 195. The participation rate was highest among questions regarding policies and initiatives, with many managers abstaining from reporting diversity statistics at decision making levels of the firm (Board, Equity Ownership, Senior Management). Note that there is likely respondent bias in the results, with more diverse firms opting to respond to the questionnaire. The following analysis summarizes key findings from the responses received.

2021 RESULTS SUMMARY

PUBLIC AND
PRIVATE MARKETS
RESEARCH TEAMS

FIRM COMPOSITION

Firm Composition by Race and Gender

Key takeaways include:

- 232 organizations reported Total Firm diversity statistics, while only 128 reported diversity statistics for the Board, and 125 reported diversity statistics for Equity Ownership. It is worth noting that not all firms have a Board in place.
- Decision making levels (Board and Equity Ownership) are the least diverse both in racial and gender diversity.
- Women are least represented in portfolio management positions, while minorities are least represented in Board positions.
- Lower level positions are the most diverse for both racial and gender measures. (Operations top quartile $\geq 48\%$ minority, and $\geq 57\%$ female. Admin top quartile $\geq 56\%$ minority and 100% female).
- Veteran and disabled employee representation was $<1\%$ across all categories.

FIRM COMPOSITION

Firm Composition by Race and Gender Quartile Ranges

The below chart summarizes diversity statistics in quartile ranges for Total Firm, Board, Equity Ownership, Senior Management, and Portfolio Management positions. The top quartile represents the highest percentage of minority and female employees.

The below table depicts the mean, median, and cutoff point between the second and top quartile, and the cutoff point between the third and bottom quartile. To interpret this data, let's use the Total Firm – Female category as an example of how the table should be read. If you have more than 42% of your firm identifying as female, you would be in the top quartile of the questionnaire results. If you have less than 30% of your firm identifying as female, you would be in the bottom quartile of questionnaire results.

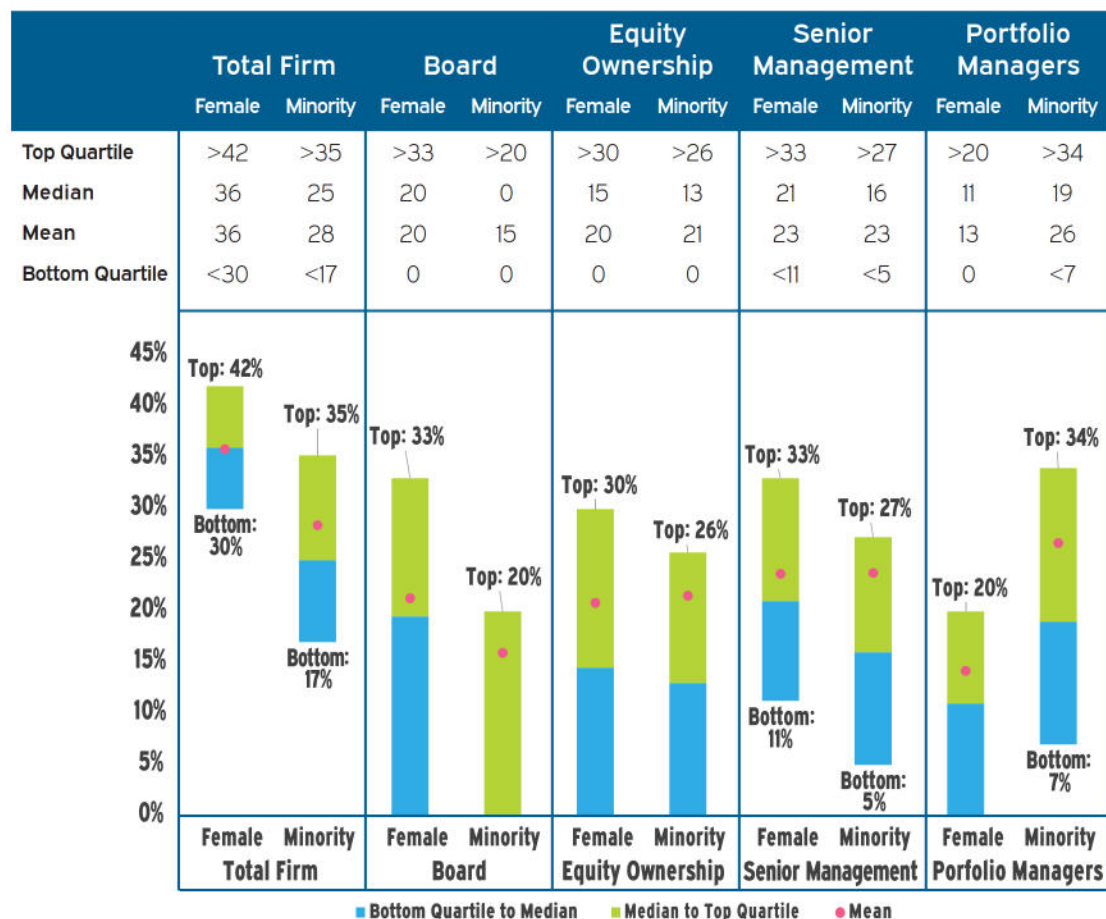


FIGURE 1
FIRM COMPOSITION
BY RACE AND GENDER
QUARTILE RANGES

Source: Meketa Investment Group 2021 Questionnaire.

DE&I INITIATIVES

Percent of Firms with Diversity, Equity & Inclusion Policies and Initiatives in Place

Key takeaways include:

- Larger investment firms have more robust policies in place and more resources dedicated to DE&I initiatives.
- Many smaller firms that rank high for diversity statistics do not have meaningful policies in place due to fewer resources or cited, that given the diversity of the staff, specific policies were not in place.
- Only 28% of firms have a plan to expand equity ownership to women or minorities.
- Based on the commentary submitted, many firms incorporate DE&I efforts under an Environmental, Social, and Governance (ESG) committee, or under a Chief Diversity Officer instead of through a separate committee dedicated to Diversity, Equity & Inclusion.
- Very few companies extend their DE&I efforts to service providers (18% include DE&I policy reviews in their evaluation of service providers, and only 29% partner with MWDBE service providers).

The below chart summarizes our findings on Diversity, Equity & Inclusion policies and initiatives in place.

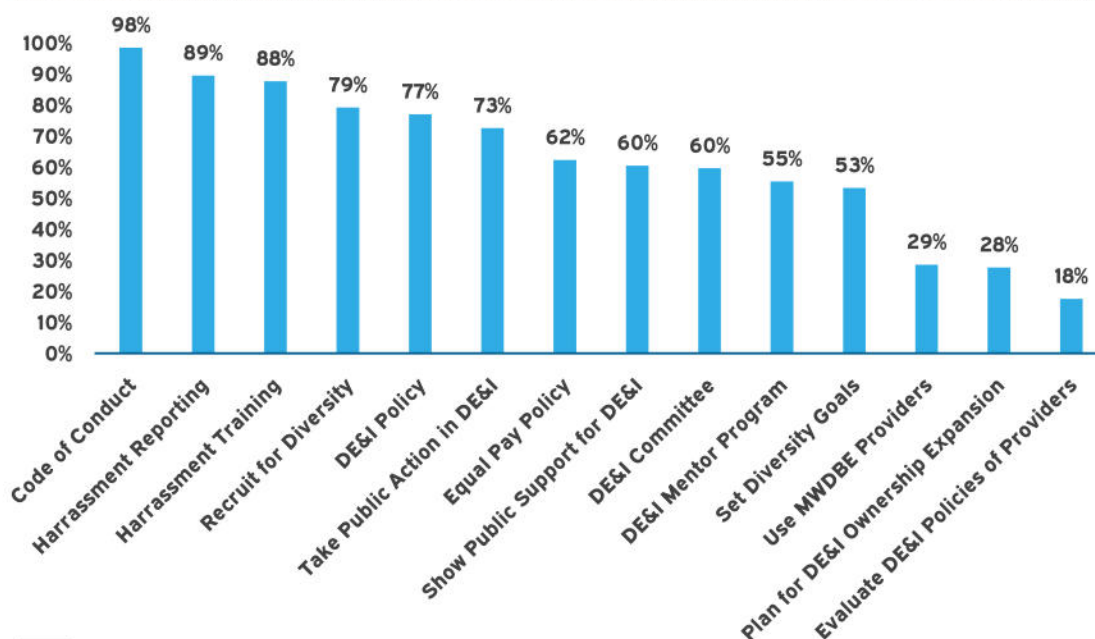


FIGURE 2
% OF FIRMS WITH
DIVERSITY, EQUITY &
INCLUSION POLICIES IN
PLACE

Source: Meketa Investment Group
2021 Questionnaire.

CONCLUSION

With 2021 marking our first annual Diversity, Equity & Inclusion Questionnaire, we expect to see progress in diversity, equity and inclusion efforts and greater participation in the questionnaire over time.

That said, investment managers can begin to differentiate themselves by focusing on the following areas:

- Diversify their Board or establish a plan to create diversity over time.
- Develop a plan to expand ownership to staff that enhances diversity.
- Ensure the firm has policies and committees in place to support Diversity, Equity & Inclusion at all levels of the firm.
- Set corporate diversity goals and seek continual progress.
- Establish mentorship opportunities for staff that promote diversity.
- Evaluate the Diversity, Equity & Inclusion policies of service providers.
- Partner with Minority, Women and Disadvantaged Owned Business Enterprise (MWDBE) service providers.

DISCLOSURE

Disclosure Information

- Questionnaire was distributed in January 2021.
- Conclusions are based directly off of results from questionnaire answers.
- 283 institutions responded.
- Not all participants answered every question.

Definitions (DE&I-related terms specific to the questionnaire)

- Minorities or minority groups are defined based on the following factors: race/ethnicity, veteran status, and disability.
- Diversity is defined as the inclusion of women and minority groups, Inclusion is defined as the practice of equal recognition, and respect, with Equity focused primarily on merit-based evaluation.
- The use of the term minority is intended to represent a numerical minority.

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