

INVESTMENT MANAGER AND CONSULTANT DIVERSITY AND INCLUSION SURVEY PRESENTATION

Investment Office

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INTRODUCTION

In January 2014, CalPERS published the *CalPERS Commitment to Diversity and Inclusion Report for Fiscal Year 2012-13* (D&I Report). The D&I Report highlights CalPERS recent accomplishments and continued commitment to diversity and inclusion.

The *CalPERS Investment Manager and Consultant Diversity and Inclusion Survey Report* (Report) is an important part of CalPERS 2014 Investment Office diversity and inclusion efforts. This presentation summarizes the results of a survey of current investment managers and consultants on the following topics:

- Firm workforce and key position diversity
- Firm governance diversity
- Firm Diversity and Inclusion practices, policies and programs

SURVEY OVERVIEW

In March 2014, CalPERS surveyed 232 current investment managers and consultants. Valid survey submissions were received from 147 companies, representing an aggregate workforce of 51,466 employees.

FIRM	SURVEYS SENT TO ELIGIBLE FIRMS	SURVEYS COMPLETED	RESPONSE RATE	NUMBER OF EMPLOYEES
Manager Firms	203	125	62%	26,372
Consulting Firms	29	22	76%	25,094
Total	232	147	63%	51,466

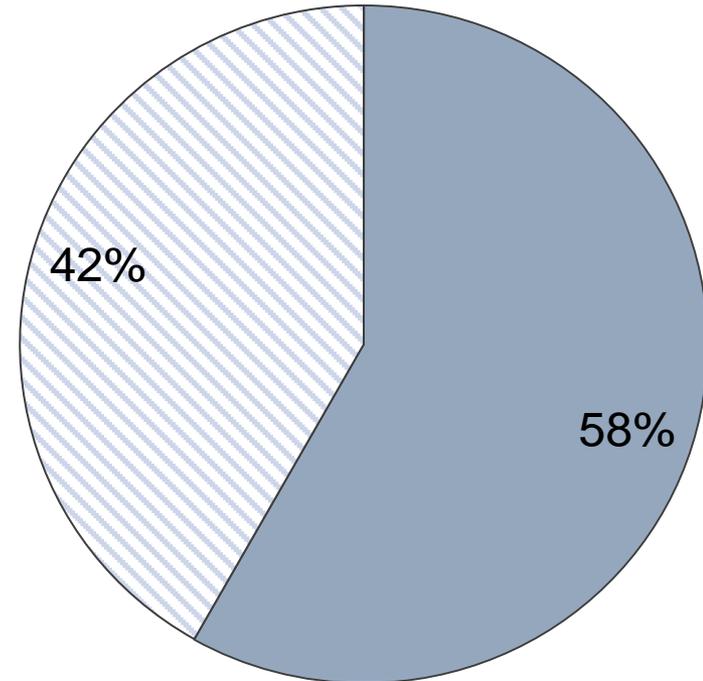
WORKFORCE DEMOGRAPHICS

Surveyed firms were asked to provide gender and race/ethnicity for all employees across their entire investment unit.

- Of the workforce, 28% are minorities.
 - 13.5% are minority women
 - 14.3% are minority men
- The percentages of women and minorities mirror broader Equal Employment Opportunity Commission (EEOC) Investment Industry data.
 - 43% women and 57% men
 - 24% minorities and 76% undisclosed

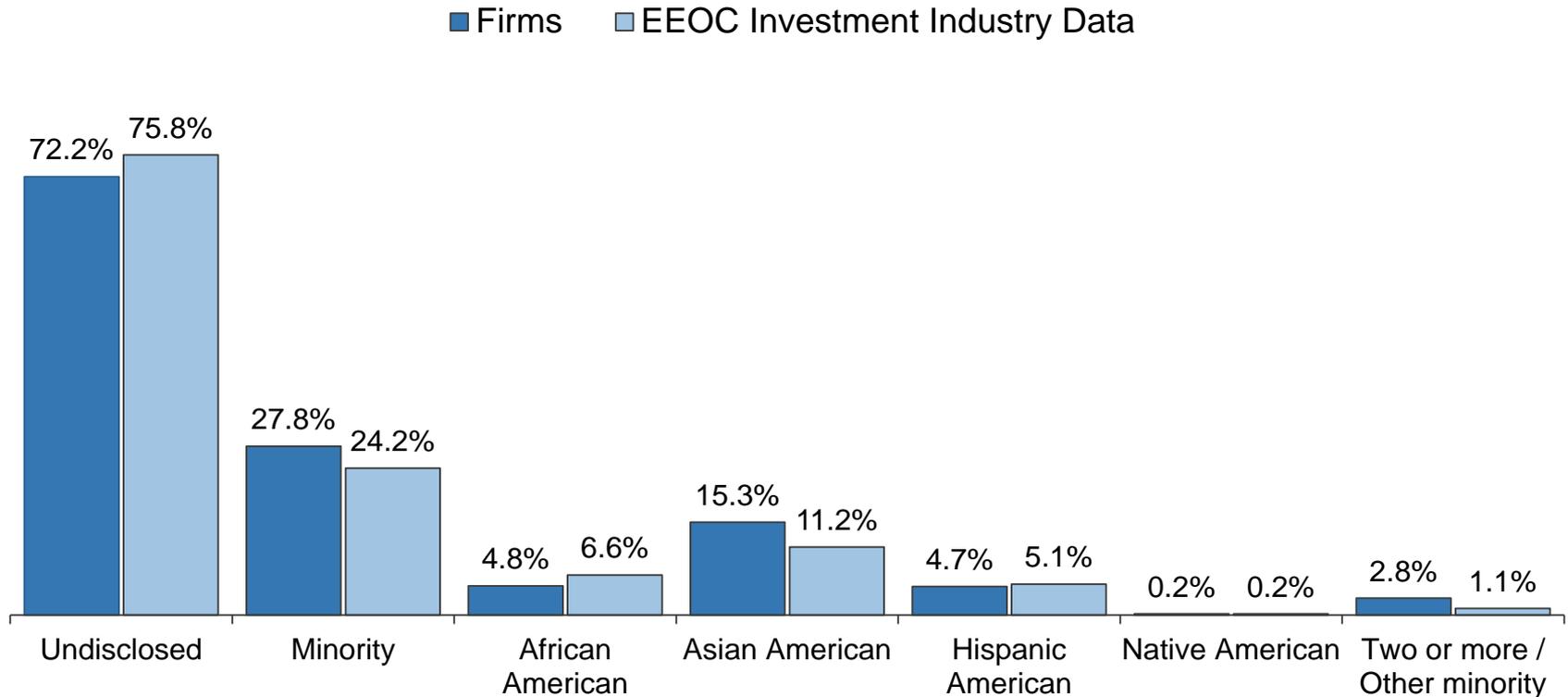
Workforce by Gender

■ Men ■ Women



WORKFORCE DEMOGRAPHICS

Firms Compared to EEOC Investment Industry Data by Specific Race/Ethnicity

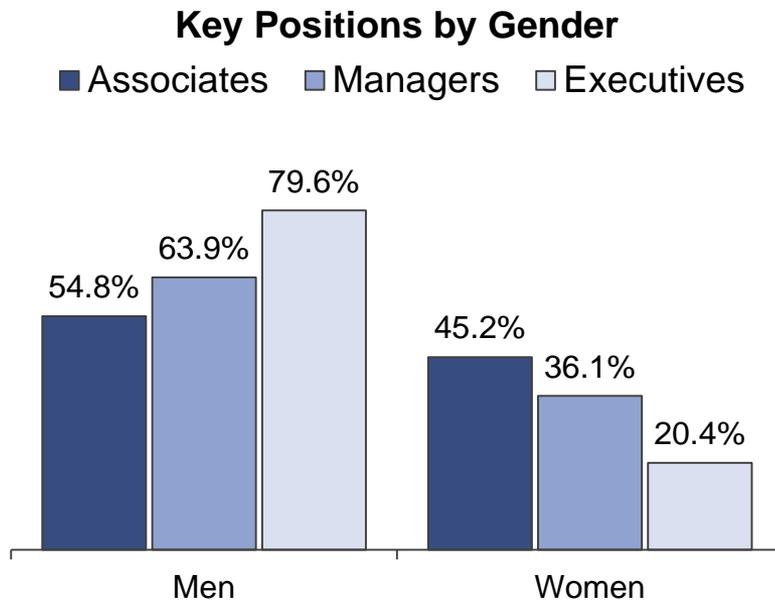


- Percentages of minorities at Firms surveyed vary by race/ethnicity when compared to Investment Industry data.

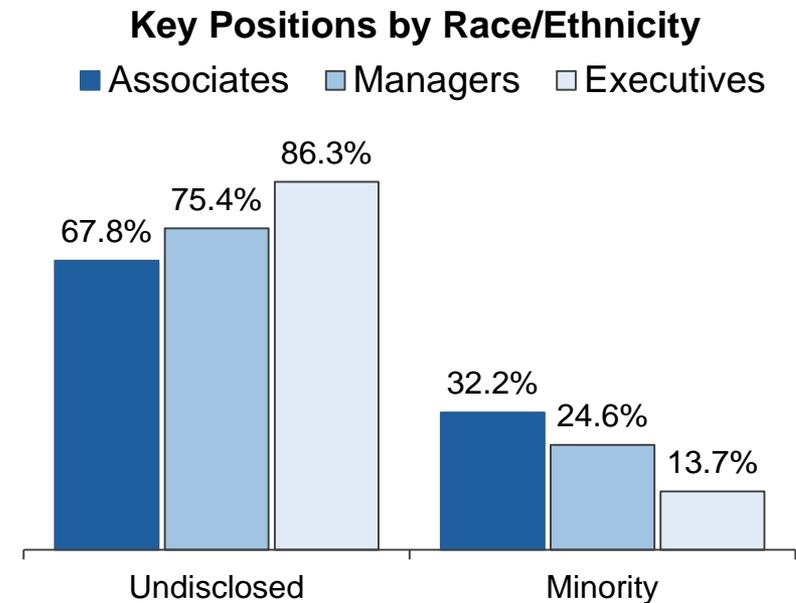
KEY POSITION DEMOGRAPHICS

Key Positions by Gender and Race/Ethnicity

CalPERS surveyed firms on key positions: Executive, Manager, and Associate.



Percentage of women decreases as seniority of key positions increases.

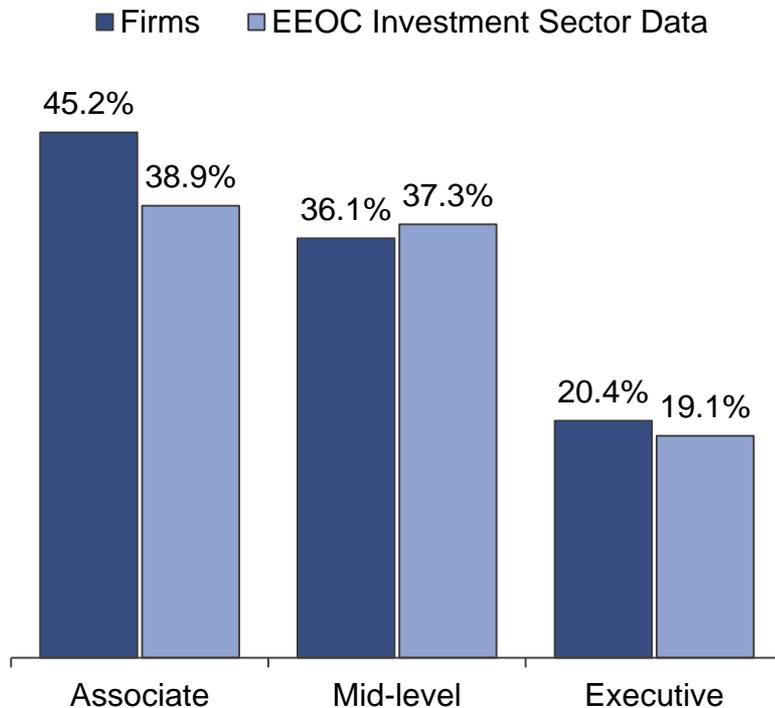


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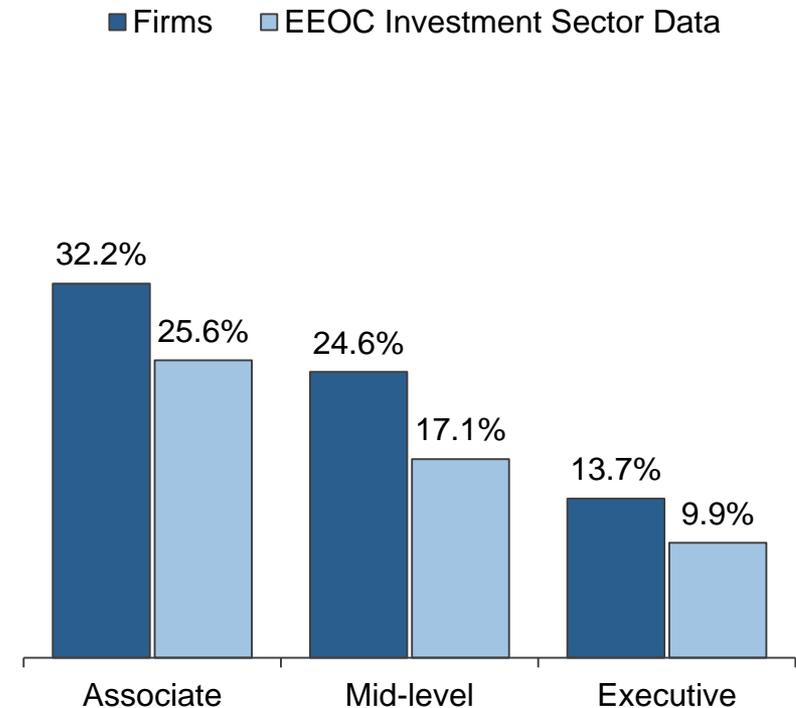
Key Positions Compared to EEOC Investment Sector Data

Women in Key Positions



The percentages of women in key positions mirror or are greater than Investment Industry data.

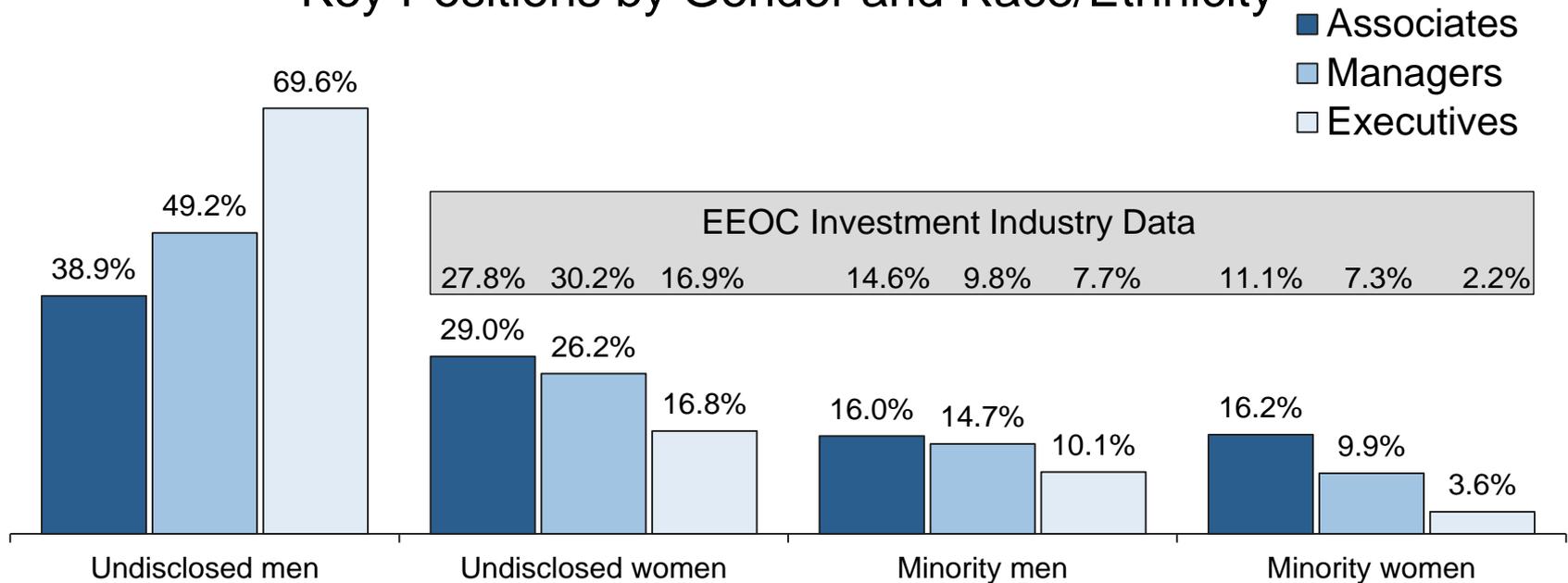
Minorities in Key Positions



The percentages of minorities in key positions are greater than Investment Industry data.

KEY POSITION DEMOGRAPHICS

Key Positions by Gender and Race/Ethnicity



- Of the four cohorts, minority women are least represented at the Manager and Executive-levels.
- Although undisclosed women and minorities account for 61.2% of Associate-level positions, they make up only 30.4% of Executive-level positions.
- As a whole, women represent a large percentage of the Associate-level (45.2%) but a small percentage of the Executive-level (20.2%).

KEY POSITION DEMOGRAPHICS IN FIRM FUNCTIONAL AREAS

Staff analyzed key position data in Investments, Business Development and Operations and found:

- Women are best represented at all levels in Operations.
- Participation of women lags in Investments.
- In the three firm functional areas, percentages of women at firms surveyed mirror or exceed the broader Investment Industry in most key positions.
- As a whole, minorities are best represented in Operations and Investments.
- In the three firm functional areas, percentages of minorities at firms surveyed exceed the broader Investment Industry in almost all key positions, including all Executive-level positions.

BOARD AND COMMITTEE DEMOGRAPHICS

- Percentages of women are highest on Hiring (20.2%) and Compensation Committees (19.9%). Women's participation is lowest on Investment Committees (12.8%).
- Minorities, particularly Asian-Americans, are best represented on Investment Committees (18.5%).

PRACTICES, POLICIES, AND PROGRAMS

- Almost all firms with 250+ employees have diversity and inclusion practices, policies and programs.
- Smaller firms are less likely to have diversity and inclusion practices, policies and programs.

CONCLUSIONS

- Percentages of women and minorities at surveyed firms mirror or exceed the broader investment industry for both workforce and key positions.
- Investment industry diversity significantly lags the diversity of the U.S. workforce.
- The low representation of women and minorities and the disparity in the diversity of the investment sector compared to the U.S. workforce raises concerns.