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# Measuring Diversity Impact Using Standardized Performance Indicators



LENOX PARK SOLUTIONS

**PREPARED BY:**

LENOX PARK SOLUTIONS, INC.

79 MADISON AVENUE, 3<sup>rd</sup> FL.  
NEW YORK, NY 10016

1613 S. CAPITAL OF TX. HWY  
SUITE 300

AUSTIN, TX 78746

info@lenoxparkinc.com



## EXECUTIVE SUMMARY

Throughout its history, the U.S. domestic Asset Management Industry, projected by PwC to grow to \$71.2 trillion in assets under management by 2025<sup>1</sup>, has exhibited an empirical lack of diversity with respect to gender and ethnicity within its ranks. Numerous studies have shown that Women and People of Color ("POC") are underrepresented in the Industry, including a 2019 study commissioned by the Knight Foundation finding that Asset Management firms owned substantially or majority-owned by Women or POC managed only 1.3% of the Industry's total assets under management<sup>2</sup>. Encouragingly, we do know that for many in the Limited Partner allocation universe, Diversity, Equity & Inclusion ("DEI") is being prioritized in manager diligence and monitoring processes. We even see investors that may not have formal Emerging or Diverse Manager programs applying diversity factors when assessing potential investments. Despite these trends, efforts remain inconsistent and uncoordinated. If you are an asset manager raising capital, you have likely seen this evidenced throughout processes that request "diversity" data around varied definitions and standards. Recognizing this, we highlight two themes around DEI initiatives in Asset Management that we view as vital focus points to achieve meaningful, coordinated progress:

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- 1) Perhaps most importantly, there has been no actionable, standardized DEI measure that all Industry participants can leverage as a baseline and measuring tool for accountability and improvement. While there are selected metrics around ESG components, they are either too narrowly focused when it comes to DEI metrics, or too broadly so; and
- 2) Arbitrary thresholds for what constitute "Diverse Asset Managers" paint an incomplete picture of the state of DEI, and exclude a large group of vital participants from the conversation

Our observations around deeper engagement with respect to DEI in Asset Management from various Industry stakeholders lead us to conclude that advanced efforts require a new standardized and coordinated measuring methodology, one that all Industry participants can rely upon, and take part in. Momentum is building for the adoption of a standard performance indicator – a "FICO® Score" for DEI assessment.

**Lenox Park Solutions ("Lenox Park")** is a Financial Technology firm that leverages software to solve Asset Management's most pressing challenges. The firm provides subscription-based data aggregation and peer collaboration tools adopted by financial institutions, institutional investors, and asset managers for insights, unbiased asset manager selection, co-investing, capital raising, events, research, and best practices.

## Lenox Park Diversity Impact Score™ ("LPI")

The ability to scientifically measure Diversity, Equity & Inclusion ("DEI") is an important first step in incorporating it into decision-making. Recognizing this, Lenox Park has developed a statistically rigorous methodology to rank Asset Management Industry participants based on robust diversity firm data gathered through Data Aggregation tools on our RoundTables™ platform: the **Lenox Park Diversity Impact Score ("LPI")**. Much like the consumer lending industry relies on FICO Scores to assess consumer creditworthiness, LPI can be used to measure how any firm performs with respect to DEI. LPI was developed in concert with a Ph-D level econometrics team by marrying the best elements of technology and data science with significant industry experience, and we believe the resulting Index and methodology advances the state of institutional DEI assessment. And while we recognize that our current sample universe has room to grow, we are confident in its ability to provide insightful context today, and that it will only become more robust as Industry participants continue to adopt this methodology as standard.

### WHAT IS ROUNDTABLES™?

**RoundTables** ("RT") is a cloud-based Engagement Hub that provides collaboration and data aggregation tools to the Asset Management Industry through subscriptions to the platform:

#### RT Modules

- **RT Peer Organized Domains ("PODs")** are self-curated, thematic private peer networks of like-minded investors that leverage collaborative tools to drive decision around Investments, Events, and Research and Best Practices
- **RT Lenox Labs** is our Data Aggregation, Insights and Analysis module which includes our **Lenox Park Diversity Impact Score (LPI)** and Survey products
- **RT Exchange** is Lenox Park's Limited Partner inbox management system that filters GP and deal solicitations and standardizes the capital application process

#### Key Stats



~\$945 billion in  
Limited Partner AUM  
represented on the system



~1,300  
Users



~750  
Organizations



500+  
General Partners  
(Across Asset Classes)

### Overarching Goal for DEI

In collaboration with some of the largest institutional stakeholders in the U.S., we came to the general conclusion that the primary goal for almost any DEI effort today is to increase representation and meaningful participation of people from diverse backgrounds, starting with Women, and People of Color. We expect the attributes and definitions to continue to evolve going forward – a more expansive and accurate reflection of the complexity of what it means to be of a 'diverse background' is undoubtedly forthcoming - but today it is widely accepted that the two underrepresented groups that are of primary focus are Women, and POC.

With the above in mind, we set forth below some more specific goals for developing the first credible metric for assessing DEI at any firm, and that if adopted by all investors, we believe will have material 'impact' on the diversity demographics of Asset Management and other related industries.

### Specific Goals in Developing LPI

- **Establish a Standardized Metric** that assesses DEI in a comparable format across a wide range of firms; a standard that reduces resources required by allocators during diligence or monitoring, and by asset managers, who would only provide DEI demographic data to a single platform; and a metric that would also adapt to changing definitions and perspectives over time
- **Advance Beyond Firm Ownership** percentages towards a more comprehensive way of assessing DEI efforts by also incorporating firm Leadership and Total Workforce data; enhanced statistical measures such as duration of ownership, transparency; and the discretionary ability to consider evenness in diversity using the Normalized Herfindahl-Hirschman Index (HHI) as a supplement to the standard methodology

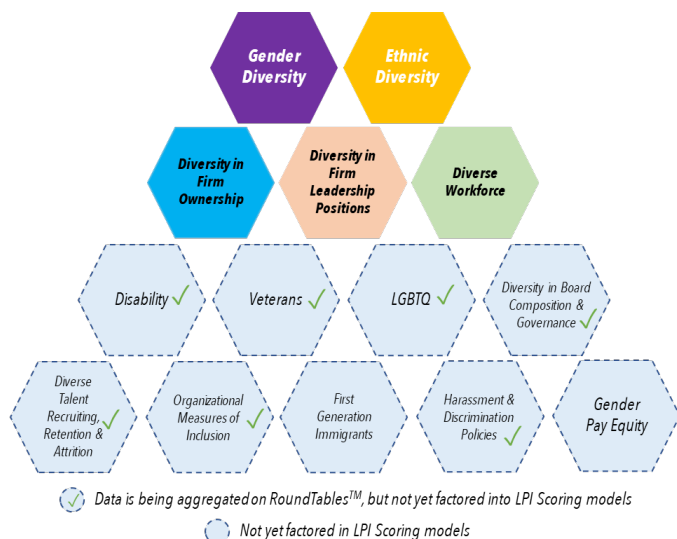
- **Create Realistic DEI Benchmarks** that meet the Industry and firms where they are *today* with respect to DEI by offering statistics across multiple categories, including Asset Class, AUM, Firm Size, Geographic Region, and sub-categories of gender and ethnicity that reveal relative performance in selected peer sets
- **Expand the Pool of Asset Managers** that contribute to DEI by 'Impact-Weighting' allocator portfolios, and tracking the amount of capital that has DEI impact as a percent of total allocations to asset managers over time
- **Provide a Transparent Roadmap** with a scoring methodology that all firms (not just those with diverse ownership) can reference to improve, participate in, and be held accountable for around their DEI efforts

We are pleased with the data gravity taking place in RoundTables as the book of record for DEI, and we want to encourage the Industry to continue contributing data from their own firms and their investments.

## Scoring Methodology

To develop LPI, we started by using advanced tools in our RoundTables platform to aggregate data, and then applied statistically rigorous analysis and vast amounts of expertise and context from a broad network of institutional stakeholders. It was imperative that we establish a robust scoring methodology that was sound today, but that would also evolve as we add more DEI components. We expect the components to become more expansive as data becomes more readily available, and as the definitions within DEI become more encompassing. Today, LPI is calculated using gender and ethnic diversity data for firm Ownership, Leadership, and Total Workforce.

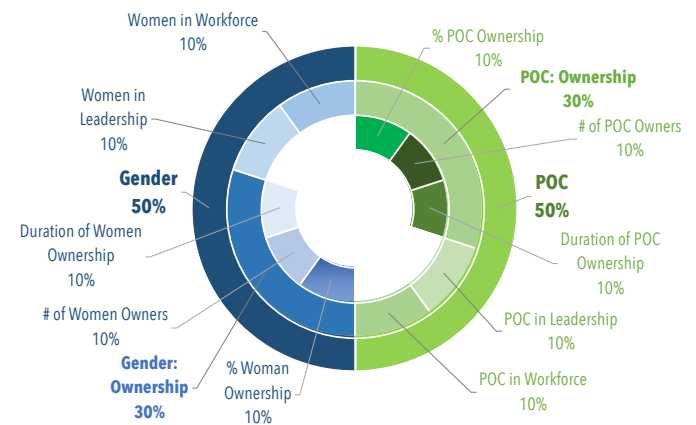
**Figure 2: Current & Future Components of LPI**



The selection of the components and factors in Figure 2 above are informed and continuously refined by a growing database of self-reported firm data within RoundTables, which currently has approximately 300,000 data units on DEI.

As detailed below in Figure 3, LPI is currently comprised of 10 components, each of which are awarded sub-scores between 0.00 and 1.00. Firms are then assessed a final score that ranges from 0.00 to 10.00 based on a comprehensive set of diversity data.

**Figure 3: LPI Components**

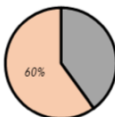


	Gender Diversity	Ethnic Diversity	Total
Ownership	30%	30%	60%
Leadership	10%	10%	20%
Total Workforce	10%	10%	20%
<b>Total</b>	<b>50%</b>	<b>50%</b>	<b>100%</b>

## Ownership Contributions


At 60% of the final LPI score (Figure 3), diverse Ownership comprises the greatest proportion of LPI compared to diverse Leadership or Total Workforce. And for good reason: Ownership is still an undeniably strong indicator of how firms perform in hiring and promoting Women and POC. In the RoundTables LPI Universe, we see that firms scoring in the top decile for Ownership also scored 1.8x better than the remaining firms on Leadership and Total Workforce diversity. Despite some of its shortcomings as a standalone metric, percentage of diverse Ownership still remains a key indicator for assessing diversity.

Recognizing this, we expanded upon the Ownership concept within LPI by establishing the following sub-components that we concluded are significant contributing factors to a more complete picture of diverse Ownership:




PERCENTAGE

**Ownership Component #1:** Percentage equity stake of the firm that is owned by Women or POC remains an important aspect of Ownership



HEADCOUNT

**Ownership Component #2:** The actual number of Women or POC that own stakes in firms (e.g., Firm #1 is 55% Women-owned and has 10 total owners; 55% Women-ownership is held, however, by only 1 woman. Firm #2 is also 55% Women-owned, but of the 10 owners, the 55% is distributed among 5 women instead of 1. LPI scoring methodology rewards Firm #2 with a higher score as having greater gender diversity impact.)



TENURE

**Ownership Component #3:** Duration of diverse Ownership is a novel component of our scoring methodology. Firms are rewarded if equity stakes in the firm have been held by Women or POC for greater proportions of the firm's history, relative to all owners. Early indications from the data suggest that duration of diverse Ownership may signal how a firm performs with respect to diversity in leadership ranks and across its workforce. In RoundTables, firms scoring in the top decile for duration of diverse Ownership, on average scored 2.1x better than the remaining firms with respect to diverse Leadership and Total Workforce.

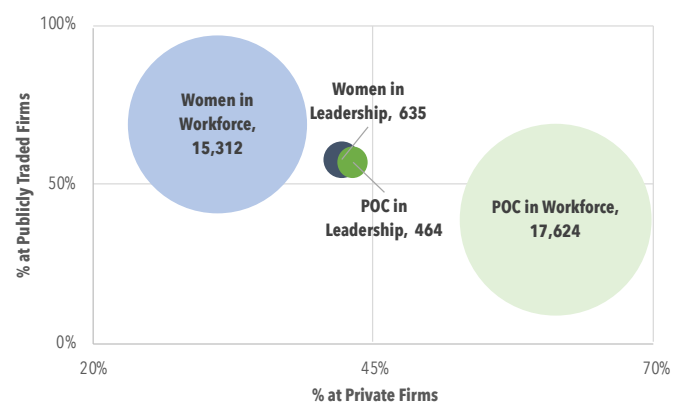
### Advancing Beyond Diverse Ownership: Leadership & Total Workforce

Traditionally, firms have been qualified as 'diverse' exclusively based on the percentage of the firm that is owned by Women or POC (Component #1 above). However, percentage ownership thresholds that designate a firm as 'Women-owned' or 'Minority-owned' (or MWBEs) are arbitrary, and vary from institution to institution. A notable advancement in the thinking among many stakeholders is an acknowledgement that *all participants*, and *all firms* have responsibility and accountability for DEI, not just those that are majority or primarily diversely-owned. To that end, the scoring methodology for LPI allows participation from all firms, and rewards those that display strength in hiring and promoting Women and POC into leadership ranks, in addition to having any diverse Ownership. To have the greatest impact and

to achieve the overarching goal above, participation from all firms is crucial.

The LPI Scoring methodology considers that firms with little or no diverse Ownership may see success in other measures of DEI. This dynamic is evidenced in data we analyzed in the RoundTables Universe, where firms that scored bottom quartile in Ownership statistics (meaning little or no diverse Ownership), still employ a significant number of Women and POC in the Total Workforce, and have meaningful numbers in Leadership positions, as well.

**Figure 4: Women and POC in Total Workforce and Leadership positions at asset managers with bottom quartile diverse Ownership**



In Figure 4 above, we see that despite bottom quartile Ownership statistics, the analyzed firms employ 15,312 women and 17,624 POC; and perhaps more impactful to the Industry, 635 women and 464 POC from those firms are in Leadership positions. One might suspect that of the firms with bottom quartile diverse Ownership scores, the pipeline of Women and POC would be coming from large, publicly-traded companies. In fact, in this cohort, private firms account for a significant percentage of Women and POC in Leadership and Total Workforce roles (and in the case of POC in Total Workforce, private firms constitute the majority). In sum, there are many asset managers, that despite not having diverse Ownership, employ thousands of Women and POC - and providing these firms with the encouragement and accountability measures to invest in and cultivate diverse talent, and then to promote that talent into Leadership roles will have meaningful and sustainable DEI impact.

### Transparency

Transparency is accounted for when firms simply provide the data necessary to arrive at each of the 10 components, which means that firms that do not provide the data receive a lower score



based on omission. The methodology is meant to encourage disclosure, and firms can only gain by inputting their data.

### Future LPI

The current version of LPI marries accepted market indicators with novel components that bring the Score to a standard which is more reflective of DEI today. In addition to the current LPI components, we are also gathering other DEI-related data as stakeholders come to consensus on their importance. Future versions of LPI will include the following components once enough of these data have been collected, and prove to be statistically significant:

- **Portfolio Company** diversity metrics, to account for total DEI impact including a GP's private market investments
- **Hiring / Attrition / Promotion** diversity metrics
- **LGBTQ, Veteran, and Disabled** identification metrics
- **Inclusion** measures, to gauge employee perception of how they view their firm's DEI practices and environment

### Data Aggregation Methods & Technology

The integrity of RoundTables data has been a crucial aspect to early adoption of LPI by some of the largest institutional investors, who subscribe to LPI scoring as a market-approved method of evaluating DEI as part of their diligence and monitoring of firms they do business with. A tech-enabled platform for centralizing data, RoundTables offers advanced tools that preserve strict privacy, while also allowing Asset Management firms to respond to requests from existing or potential investors with much greater efficiency. Firms that warehouse their DEI statistics privately in RoundTables are able to transmit that information in response to surveys and diligence questionnaires in consistent form. Any updates to their data occur in one location, and changes to their statistics are reflected to LPI subscribers in real-time.

- The total RoundTables Universe represents approximately \$945 billion in Limited Partner AUM, and includes several of the largest U.S. Public Pensions, Financial Institutions, Endowments, and Foundations
- Asset Management firms comprising the current LPI Universe represent an estimated \$18.5 trillion in AUM across Private Equity, Hedge Fund, Real Assets and Long Only funds
- 100% of the asset managers with LPI scores in RoundTables have received investment capital from at least a top-10 U.S. Public Pension, global Financial Institution, Endowment,

or Foundation; and over half of those asset managers have \$1 billion or more in AUM

### Weighting Portfolios for Diversity Impact

#### All Investing has an 'Impact'

Our contention is that a portion of every dollar of pensioner, philanthropic, or endowment capital that is awarded to an asset manager will have some level of impact on DEI. In recognition of this, bottom-line minded allocators are increasingly asking the following:

- Is the impact, whether intended or unintended, aligned with our organizational priorities?
- How can we quantifiably measure the DEI impact of making that investment? (And not simply ask arbitrary questions during diligence.)
- Can we track the impact over time to assess progress?

Assigning LPI Diversity Impact Scores to each asset manager in an investor's portfolio illuminates the true DEI impact of the total portfolio, and provides a roadmap to areas for improvement.

#### Illustrative Investment Portfolio

In the following example, we examine an illustrative \$11.2 billion investment portfolio with allocations to 20 Asset Management firms across varying asset classes: EQ (Public Equities), PE (Private Equity), RE (Real Estate), FI (Fixed Income) and OPP (Opportunistic).

**Figure 5: Illustrative multi-asset class investment portfolio yielding a weighted-average portfolio LPI of 2.74/10.00 (RoundTables Avg Score is 1.86/10.00)**

Investment Manager	Asset Class	Total Allocation	LPI Diversity Score (0-10)	Impact Adjusted Allocation
<b>Manager 1</b>	<b>EQ</b>	<b>\$1,746</b>	<b>0.94</b>	<b>\$164</b>
Manager 2	PE	\$1,742	0.66	\$115
Manager 3	RE	\$1,503	5.25	\$789
Manager 4	PE	\$731	1.40	\$102
Manager 5	RE	\$650	2.90	\$189
Manager 6	EQ	\$593	3.75	\$222
Manager 7	RE	\$551	1.31	\$72
<b>Manager 8</b>	<b>EQ</b>	<b>\$455</b>	<b>6.84</b>	<b>\$311</b>
Manager 9	PE	\$371	0.86	\$32
Manager 10	RE	\$332	0.36	\$12
Manager 11	EQ	\$320	4.89	\$157
Manager 12	EQ	\$276	1.14	\$31
Manager 13	EQ	\$264	8.15	\$215
Manager 14	FI	\$263	3.60	\$95
Manager 15	RE	\$260	0.53	\$14
Manager 16	RE	\$260	5.08	\$132
Manager 17	EQ	\$260	4.44	\$115
Manager 18	PE	\$260	3.82	\$99
Manager 19	OPP	\$205	5.03	\$103
Manager 20	EQ	\$200	5.27	\$105
<b>TOTAL PORTFOLIO</b>		<b>\$11,243</b>	<b>2.74</b>	<b>\$3,076</b>

To calculate the Impact Adjusted Allocation made to an asset manager, divide the asset manager’s LPI Diversity Score by 10 (the maximum LPI score possible) and multiply by the Total Allocation \$ made to that Manager:

$$\text{Total Allocation} \times \frac{\text{LPI Score}}{\text{Max. LPI Score of 10}} = \text{Impact Adj. Allocation}$$

This figure then yields the total Women and POC impact that manager contributes to the Asset Management portfolio of a Limited Partner.

A few notable observations from Figure 5 above:

- Because of the relatively low LPI Diversity Score of 0.94/10.00 for EQ asset manager #1 (highlighted in yellow), a sizable Total Allocation of \$1.75 billion only nets to \$164 million in Impact Adjusted Allocation
- In contrast, EQ asset manager #8 (also highlighted in yellow) only received \$455 million in Total Allocation \$, but with a relatively high LPI Diversity Score of 6.84/10.00, yields \$311 million in Impact Adjusted Allocation, which is almost twice the impact of asset manager #1
- The figure that most acutely exhibits how impactful the investment portfolio is with respect to Women and POC is the \$3.1 billion in Impact Adjusted Allocation, and particularly when shown as a percent of the Total Allocation – in this case 27 percent

Figure 6: Benchmarking investment portfolios against the broader market (%iles are for all firms in RoundTables)

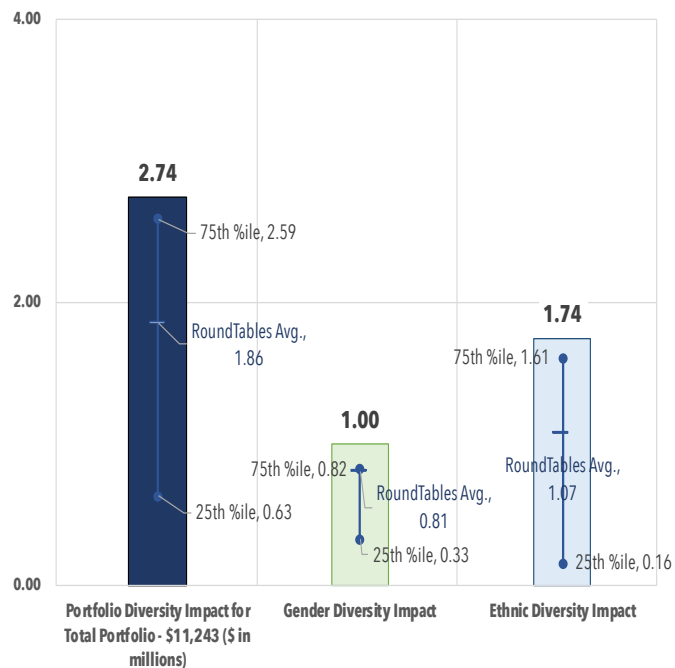
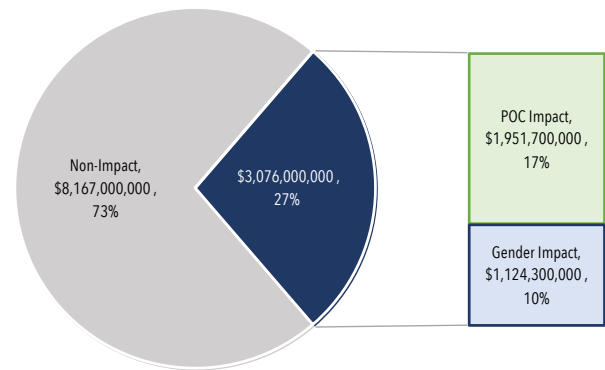


Figure 6 above shows the weighted average LPI Diversity Score for the \$11.2 billion investment portfolio is 2.74/10.00, which is above the average of 1.86/10.00 for all firms in RoundTables, and also above 2.59, which puts it in the top quartile. Figure 6 also shows how the portfolio scores with respect to the impact on Women (score of 1.00/5.00) and POC (score of 1.74/5.00), better than the RoundTables average, and top quartile in both cases.

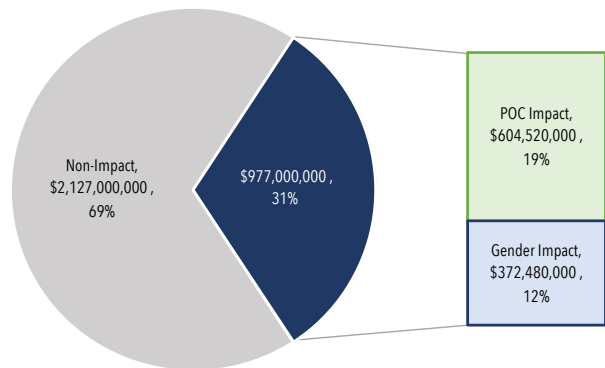
Figure 7: Total \$11.2 billion portfolio Women and POC impact within Asset Management



In Figure 7 above, we see that \$3.1 billion (27%) of the total \$11.2 billion portfolio has DEI impact, with \$1.9 billion (17%) impacting POC and \$1.1 billion (10%) impacting Women.

Figure 8 below is the same chart as Figure 7, except filtered to show the DEI impact for all the asset managers of a particular asset class within the portfolio – in this case, PE (Private Equity).

Figure 8: \$3.1 billion PE (Private Equity) portfolio Women and POC impact within Asset Management



Segmented investment portfolio impact by Asset Class and other sub-categories provides a tangible way to assess and chart relative performance across multiple DEI criteria.

### Investors & Asset Managers: Working Together to Realize Change

For the leadership and the investment staff managing and making allocations to asset managers, measuring the percent of

your total portfolio with DEI impact over time (year-over-year, or quarter-over-quarter) is a much more tangible and sustainable practice than any other practice we've observed. For leaders (executives, board members, trustees) that are looking to increase quantifiable representation of Women and POC in the Industry, here are a few ways to leverage LPI scoring to improve the percentage of DEI impact in your portfolio:

- **Include all Asset Managers:** Establish a practice of working with *all* of the existing asset managers in portfolios to improve their overall LPI Diversity Score, providing them specific areas for improvement (e.g., more Women in leadership positions, more POC in your workforce, etc.). Each incremental basis point of improvement to the total portfolio LPI score is accretive to the impact the portfolio is having for representation of Women and POC in Asset Management
- **Minimum Diversity Qualifications:** Consider implementing minimum LPI Diversity Scores as a mitigant to total portfolio DEI dilution (e.g., a Long Only asset manager should have an LPI Diversity Score of at least the Universe average for firms in same Asset Class, which is 2.26/10.00 – see Figure 9 on the following page, “*Current benchmarking categories*”)
- **Portfolio Rebalancing:** Assuming DEI is an organizational priority, use the LPI scoring metrics to establish metric-driven ways of rebalancing the portfolio to reflect DEI priorities (e.g., asset managers are often rewarded with more capital for meeting certain hurdles, or terminated for not meeting expectations)

Whether at Industry conferences, annual DEI surveys, or in DEI related questions during manager due diligence, Asset Management firms (diversely owned, or not) are receiving the DEI message from investors, and they've generally been receptive to prioritizing DEI efforts at their firms. Indeed, some asset managers may be receptive simply to aligning with the interests of an investor base that has made DEI an obvious priority. But encouragingly, like some of the investors for whom they manage capital, many asset managers are intrinsically motivated to move the needle on DEI in the Industry and capture the value of having diversity in their leadership teams and workforce. In fact, in many cases asset managers have allocated the resources, established firm principles, and are showing results that reflect DEI as a priority. We also observe, however, traces of frustration and skepticism from asset managers who respond to DEI surveys or diligence questionnaires from investors, but are left discouraged by a lack of standardization in

how and which DEI data is collected, and whether investors actually use the information gathered.

Here are a few ways we believe asset managers can contribute to DEI impact:

- **Standardization:** Asset managers can build consensus around an Industry standard metric and use LPI Diversity Scores to support their commitment to DEI with investors or potential investors. By displaying their own scores along with Industry benchmarks to highlight the areas where they may be doing well, as well as other areas where improvements are needed, they can convey to investors that DEI is a priority, and that the effort is ongoing. For example, when compared to other firms in its asset class, a firm may be doing comparably well with POC in its Total Workforce, but lag the benchmarks with Women in Leadership positions.
- **Roadmap to Improvement:** The LPI scoring methodology provides a clear roadmap for expectations, and how asset managers can improve DEI at their firms. The easiest way to improve is to implement DEI efforts that result in the hiring, retention and promotion of more Women and POC – that's the point. The tools within RoundTables help firms visualize how demographic changes in their workforce can increase their measured DEI representation (e.g., if a firm is seeking new talent, LPI tools can aid in hiring decision-making)
- **All Asset Managers are Welcome to Participate:** Asset managers that are not owned or substantially owned by Women or POC can and should participate in the effort, particularly if they've prioritized DEI in such a way that they are making a significant impact in areas of firm leadership and workforce that have high representations of Women and POC

## Benchmarking for Investment Portfolios

In order to realize wide adoption and standardization, just as important as developing a robust scoring methodology is the ability to readily benchmark the scores. Each asset manager's LPI in a given portfolio, and the weighted average LPI of an investor's total portfolio, takes on significantly more relevance when compared to Industry benchmarks.

A notable Industry challenge has been the arbitrary nature of how firms have historically been deemed to be impactful with respect to DEI. As previously mentioned, the focus has been primarily on using percentage Ownership statistics to qualify

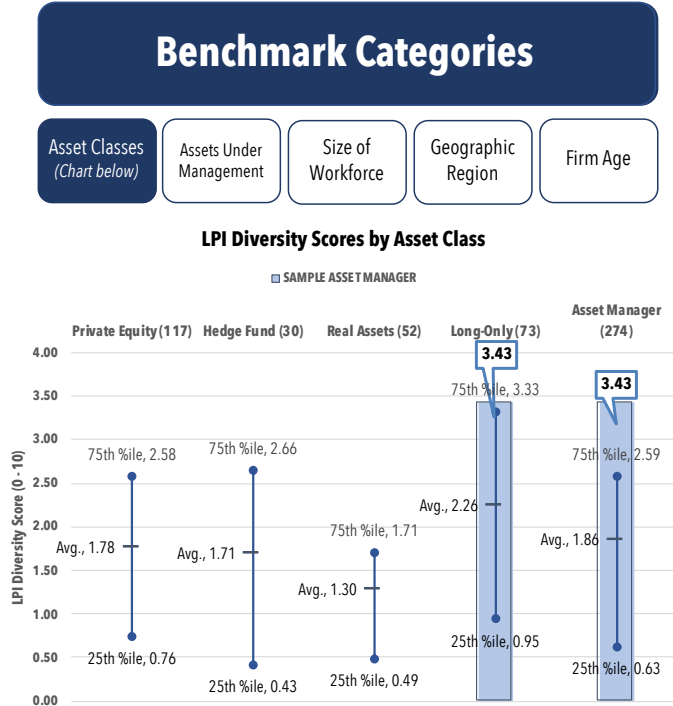
firms as 'diverse' or 'MWBE' (Minority or Woman-owned Business Enterprise). While there is no agreed upon percent threshold, 33% ('substantially diverse') and 51% or more ('diverse' or 'MWBE') ownership standards are common. These arbitrary thresholds are often challenged for the high bar they set in industries like Asset Management that are inherently not diverse. While we are mindful of its importance, we also acknowledge that Ownership alone doesn't necessarily tell you about the impact a firm is having with Women and POC, or a culture of inclusion.

It was important to all stakeholders who've contributed to our effort that we meet the market where it is in earnest. An asset manager with an LPI Diversity Score of 3.43/10.00 may initially view that as a low grade on a stand-alone basis. But when the score is viewed in tandem with the average LPI in RoundTables, which is 1.86/10.00 today, that is very valuable context. Additionally, if their asset class is Private Equity, with AUM between \$1 and \$10 billion; size of workforce between 51 and 250 people; firm age between 10 and 20 years; and headquartered in the Northeastern U.S., that asset manager is top quartile performing for DEI in all those benchmark categories.

While we acknowledge that our dataset is still growing, LPI benchmarking statistics become even more meaningful as consensus builds among investors and asset managers, who are compelled to gravitate towards one standard. We can also offer that while the current \$18.5 trillion of General Partner AUM on RoundTables does not represent the entire Asset Management universe, we are not aware of a more robust, credible, and sustainable foundation on which to build and advance DEI standardization.

(See Figures 9 & 10 below and on the following page)

Figure 9: Current benchmarking categories<sup>3</sup>



CONCLUSION

The introduction of LPI Diversity Scores for measuring impact is a tangible and meaningful step in bringing standardization into the DEI conversation in the Asset Management Industry. It eases the burden on both allocators and asset managers by streamlining processes and eliminating multiple definitions; offers more comprehensive and nuanced assessment around complex issues that merit such treatment; allows participants to benchmark against what matters to them most; provides clear pathways towards agreed upon improvement criteria; and encourages constructive participation by all Industry constituents to progress toward meaningful change.

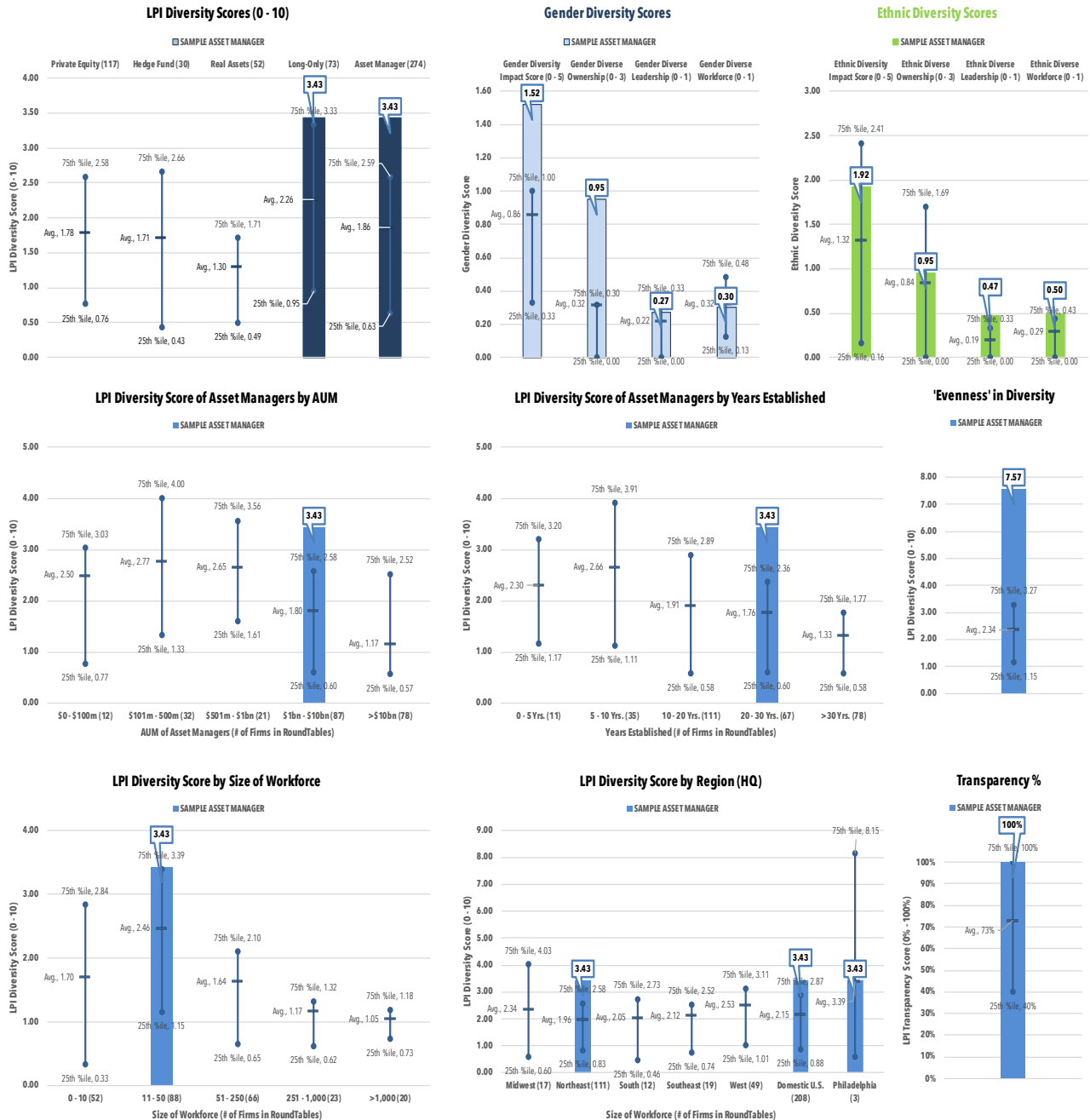


Figure 10: Sample of LPI Diversity scoring analysis with Industry benchmarks<sup>3</sup>

## SAMPLE ASSET MANAGER

LPI Diversity Score = 3.43/10 (RoundTables Percentile: 86%)

Private & Confidential



**IMPORTANT:** The LPI Score is calculated using data self-reported by the firms. Lenox Park can make no guarantee that the information provided by these firms is accurate. In some cases, a firm may have omitted or failed to report a key factor or piece of information which would alter their Score. Firms are always permitted to update their information on [www.roundtables.lenoxparkinc.com](http://www.roundtables.lenoxparkinc.com). Please review the [Terms of Use](#) and [Privacy Policy](#) on RoundTables™. This presentation is confidential and is being submitted to a select group of recipients only. It may not be reproduced (in whole or in part) or distributed to any other person without the prior written permission of Lenox Park Solutions, Inc.

### Lenox Park Impact ("LPI") Score:

The Lenox Park Impact Score ("LPI") is a statistically robust ESG-focused Index for the Asset Management Industry developed by Lenox Park in concert with a leading PhD-led Econometrics Data Science Team. The Index comprises numerous Gender and Ethnic Diversity components around Owners / Ownership; Leadership / Decision-makers; and Total Workforce / Staff gathered from asset management firms that self-report these data into RoundTables™. These components are weighted according to statistical analysis that then comprise a final LPI Score (Max Score = 10.0).



## Definitions

Terminology around diversity and its components that appear in this document have been reviewed in concert with experts in Asset Management, Philanthropy, and Human Resources. While we realize that no one term or set of terms is perfect, we endeavor to employ the most inclusive and generally agreed-upon standards for each. In general, when discussing issues of gender diversity, we use the descriptor **Women**, and for racial / ethnic diversity, **People of Color**. These terms, while not perfect, represent a consensus opinion of preferred terms around those categories.

Other Terms:

**Ownership:** The equity in an entity, which can be assessed through percentage holdings, but also by number of individuals with those holdings, and their tenure of ownership. Publicly traded firms do not receive LPI Ownership scores given the inability to track public holdings demographics.

**Leadership:** Decision-making personnel within an organization that typically lead teams, or have investment oversight or authority, or manage a division or P&L; the number of individuals who establish and oversee the implementation of policies, set strategy, and provide overall direction of firms for the development and delivery of a firm's services.

**Total Workforce:** The entire staff of a firm or organization.

## Disclosures

The Lenox Park Impact Score ("LPI") is calculated using data self-reported by firms who have submitted these data into Lenox Park technology platforms. Lenox Park can make no guarantee that the information provided by these firms is accurate. In some cases, a firm may have omitted or failed to report a key factor or piece of information which would alter their LPI score, and firms themselves are responsible for the accuracy of their data that comprise any score. Registered firms are always permitted to update their information on [roundtables.lenoxparkinc.com](https://roundtables.lenoxparkinc.com).

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<sup>1</sup> *Asset & Wealth Management Revolution: Embracing Exponential Change*, PwC; p. 7

<sup>2</sup> *Diversifying Investments: A Study of Ownership Diversity and Performance in the Asset Management Industry*, Harvard Business School / Bella Research Group, sponsored by the Knight Foundation, January 2019; p. 17

<sup>3</sup> Sample asset manager data and benchmarks are presented for illustrative purposes only and may not accurately reflect actual platform data and benchmarks

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## Lenox Park Solutions Contributors

We would like to thank the extensive network of clients and Industry stakeholders who have contributed to this work, and who continue to prioritize Diversity, Equity, and Inclusion.



**Jason Lamin, Founder & CEO**  
*jason.lamin@lenoxparkinc.com*

Jason is the Founder of Lenox Park Solutions and oversees all aspects of the firm. Before founding Lenox Park, Jason was a Director in Merrill Lynch's Fixed Income Structured Credit group in New York. In that role, Jason was instrumental to Asset Management due diligence for a highly selective Investor base. He began his career in Investment Banking working on M&A transactions for Financial Institutions, then helped launch a start-up group in London focused on deepening Merrill Lynch's most lucrative institutional client relationships. Jason graduated from the University of Texas with a B.A. in Economics. At the University of Texas, he was a member of the prestigious organization, The Texas Cowboys. Jason remains active at his alma mater, where he serves on the advisory boards for the Department of Economics and the Department of Black Studies. He was recently honored to deliver the College of Liberal Arts commencement address for 2017 University of Texas graduates, where he spoke about diversity and inclusion. He is an active member of the United Nations Private Sector Forum, the World Policy Institute, Carnegie Council for Ethics in International Affairs and an active volunteer in his community in New York. In 2008, Jason founded Nyawa Funding Group, a 501(c)(3) not-for-profit organization with a mission to improve living standards in Sierra Leone.



**Christopher Finley, CFO & COO**  
*chris.finley@lenoxparkinc.com*

Christopher serves as Chief of Finance & Operations for Lenox Park Solutions, bearing responsibility for the firm's financial forecasting, budget, fundraising efforts as well as its organizational infrastructure and other strategic planning duties. He served as a member of LPS's Advisory Board prior to his appointment as CFO/COO. Chris brings to LPS broad experience in Investment Banking, Private Equity and Principal Investing. He has executed and evaluated numerous corporate finance and M&A transactions in lead roles as an Investment Banker at Morgan Stanley and Deutsche Bank Securities, and as an independent consultant and investor. Prior to Morgan Stanley, he was an analyst at Oaktree Capital Management's \$3bn Emerging Markets Fund in New York, where he helped manage a \$300mm consumer products portfolio. Chris also works with the North Carolina Council for Entrepreneurial Development (CED), where he serves as an advisor to early stage companies in The Triangle as part of CED's Venture Mentoring Service. Mr. Finley received his Master's in Business Administration from Columbia Business School, where he graduated with Honors. He holds a BA in Public Policy and French Studies (minor) from Duke University and is a graduate of Phillips Academy, Andover.



**Andrew Cronin, Director**  
*andrew.cronin@lenoxparkinc.com*

Andrew is Head of Business Development at Lenox Park Solutions. His responsibilities include product development, relationship management, financial modeling, due diligence, and consulting, as well as strategic planning responsibilities for the overall firm. Prior to joining Lenox Park, Andrew was an Associate at the Teacher Retirement System of Texas (Texas TRS). During his tenure at Texas TRS, Andrew was a key member of the Emerging Manager (EM) program, developing the portfolio to \$2BN+ AUM with nearly 150 investments across Private Equity, Real Assets, Hedge Funds, and Traditional Long Equities. Prior to developing the EM program, Andrew was a Senior Analyst on the Texas TRS Private Markets team, assisting on diligence, analysis, and portfolio monitoring on a \$30 billion portfolio across numerous asset classes, with a focus on Other Real Assets including Energy, Infrastructure, Farmland, Timber, and niche Real Estate. Andrew graduated from Texas A&M University with a B.B.A. in Finance. Andrew serves as a Director for the Hugh O'Brien Youth Leadership Conference (HOBY) in the Texas Capital Area, and is an active member of Titans of Investing, an elite class and mentorship program for students at Texas A&M.



**Esteban Fernandez, Associate**  
*esteban.fernandez@lenoxparkinc.com*

Esteban is an Associate at Lenox Park Solutions. His responsibilities include financial modeling, due diligence, product development, and client relationship management. Esteban holds a B.A in Economics with a focus in Finance from the University of Texas at Austin, where he was a member of the Hispanic Business Student Association.



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