

2021

**DIVERSITY,  
EQUITY AND  
INCLUSION REPORT**



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## A MESSAGE FROM OUR CEO

For the past two years, we have been living in a digital world of Zoom, MS Teams, WebEx and other video formats. It has indeed been a fascinating and challenging time for us all. We all learned to work from home, to establish new forms of communication, and to build new work formats and cultures that will forever change the workplace.

And yet, as we hit the COVID airbrake on our economy, we faced an even more critical crisis in the United States—the crisis of racism and discrimination. This stain on our society is not new, it has been embedded in our culture for hundreds of years. The tragic deaths of George Floyd, Breonna Taylor and others ignited a social awakening and racial reckoning like never before.

As a result, it is time for Commonfund to be critically conscious of our efforts to lead the movement in diversity, equity and inclusion (DEI) not only for our firm, but also for our constituents and society more broadly. A just society requires that we all believe in, and have access to, the bounties of capitalism and democracy. And yet, our society still has a long way to go to ensure that access is open to all—everyone counts, or no one counts.

At Commonfund, I am proud to see that our differences bring us together rather than push us apart. An important development of our digital workplace has been the democracy of the video screen. Whether you are on a Zoom call or a MS Teams video or whatever digital format that you may use, everyone gets the same amount of digital space. There is no privilege or entitlement on a video screen—racial and gender barriers fall away—everyone is equal. As we Return to Office, we must stay connected and continue to push forward and educate ourselves and our constituents on how DEI is not only an advantage for all but also a necessity for society.

Therefore, Commonfund has established specific initiatives and accountability structures to create, nurture, and build a culture of inclusivity that celebrates diversity and recognizes the equity it brings to the table. As an affirmation of our commitment, we present our first Diversity, Equity, and Inclusion Report. We recognize that increasing diversity, equity and inclusion requires a dedicated effort with a long term horizon. We also recognize that while we have put extensive effort into advancing DEI within our own walls and among the managers with whom we work as well as the asset management industry in general, we still have work to do. Diversity is too critical a mission, and too special a privilege, to rest on any laurels or past accomplishments.

This report represents a crucial aspect of Commonfund's commitment to fostering and advancing DEI at our firm, in our industry and in society. It is often said that "What gets measured, gets done." Transparency and accountability are critical if we are to make progress on DEI over the years to come. This inaugural report provides an accounting of the work we have done to date and sets a baseline for work yet to be accomplished. To that end, we will publish this report every other year—alternating it with our larger [Corporate Responsibility Report](#)—to document our progress on the journey.



**"WHAT GETS MEASURED,  
GETS DONE."**

**Mark Anson**

Chief Executive Officer and Chief Investment Officer  
Commonfund

## Diversity, Equity and Inclusion: Our Core Values

**Commonfund believes that a diverse workforce leads to higher quality work, better decision-making and greater employee and client satisfaction. But the value of diversity, equity and inclusion (DEI) extends far beyond corporate output.**

Racial and gender equity have important implications for the long-term health and effectiveness of our industry, the nation and the world. This is only likely to increase in importance over time as the percentage of people of color rises and more women are able to participate actively in the workforce due to changes in technology and employment norms, such as working from home. When we encourage and include women, racial/ethnic minorities and others traditionally excluded from financial services to come into asset management and rise through the ranks of leadership, not only do we help to change the lives of those people, we broaden the investment opportunity set for investors and, ultimately, help to build a more equitable and balanced society at large.

To this end, we embrace and encourage diversity across age, color, ethnicity, family or marital status, gender identity or expression, language, national origin, physical and mental ability, race, religion, sexual orientation, socio-economic status, veteran status, and other characteristics that make our employees unique. We also encourage the managers we invest with to consider the value that a diverse work force can bring to their organization and, in particular, we encourage them to focus on diverse leadership.

Commonfund recognizes that our human capital is our most valuable asset. The collective sum of the individual differences, life experiences, knowledge, inventiveness, innovation, self-expression, unique capabilities and talent that our employees invest in their work represents a significant part of our culture, our reputation and our achievements.

We recognize that women, ethnic and racial minorities, people with disabilities, veterans and/or LGBTQ+ people are underrepresented in the financial services industry. We are committed to increasing the representation of these groups at our firm. It is equally important to continue fostering an inclusive and safe environment where employees feel comfortable to share their identity. As a moderate-size firm with a stable workforce, we recognize and acknowledge that affecting significant change will take time. This does not, however, diminish our resolve to make continuous improvements.





# TRANSFORMATION WITHIN COMPELS CHANGE BEYOND

**In 2018 the Diversity, Equity and Inclusion Office was formed with a mission to “intentionally promote and foster inclusion and equity across Commonfund and our investment process, thought leadership and professional and organizational development.”**

To underscore our foundational beliefs and actualize the benefits of diversity, Commonfund created a Diversity, Equity and Inclusion Office (DEI Office) in 2018 with a mission to “intentionally promote and foster inclusion and equity across Commonfund and our investment process, thought leadership and professional and organizational development.”

**The Diversity, Equity and Inclusion Office brings together the three core elements of Commonfund’s DEI efforts as follows:**



The DEI Office is charged with fostering an environment that values different perspectives, challenges conventional thinking and seeks to maximize the potential of all employees.

Commonfund’s Operating Committee selects the office’s membership and biennial rotational chairperson. The office regularly provides progress reports and updates directly to the Operating Committee and Board of Trustees. The office is also supported by the Diversity Committee, a group of employees who volunteer for the variety of initiatives put forth by the office. The three people shown below currently comprise the leadership of the DEI Office.

**DEI  
LEADERS**



**Caroline Greer**

Managing Director and Head of Diverse Manager Investments



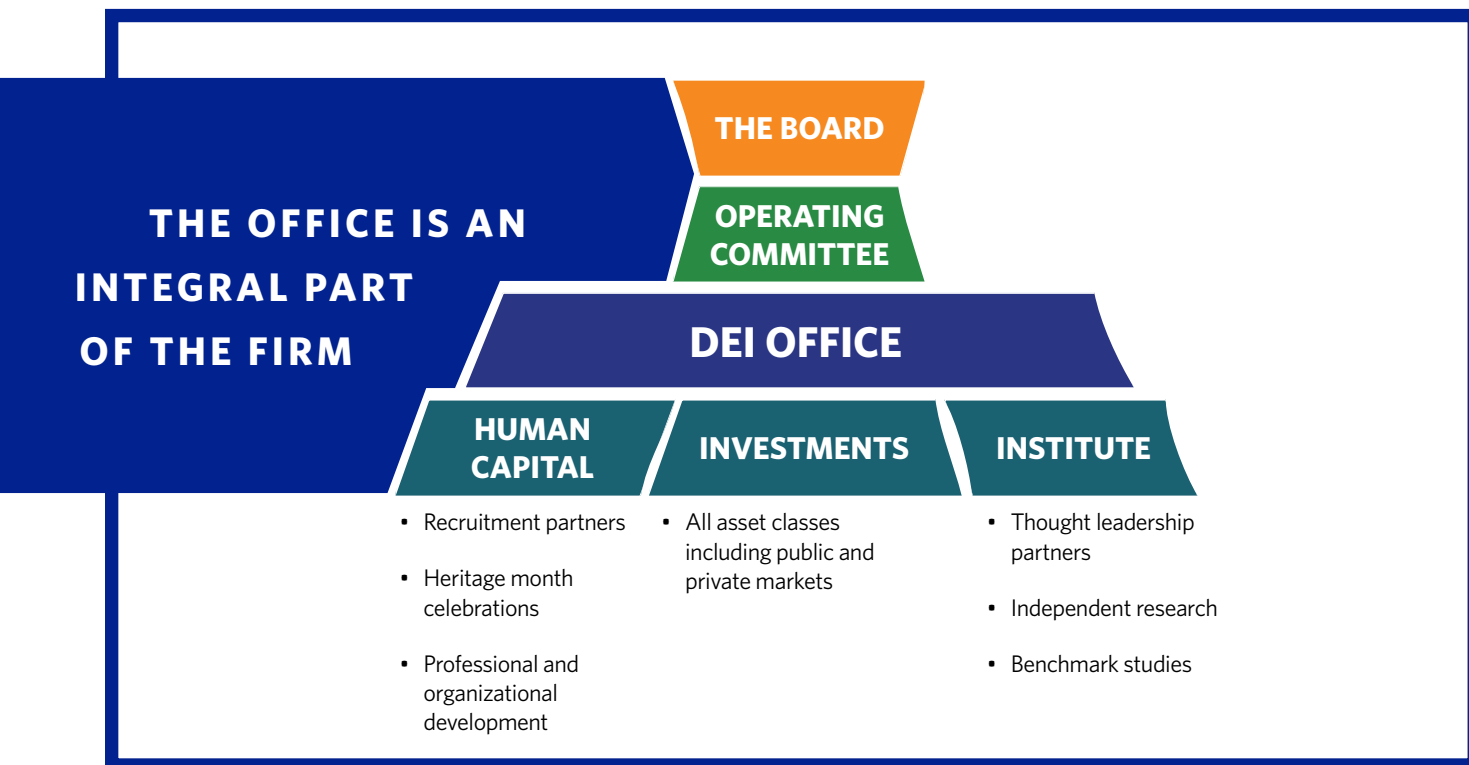
**George Suttles**

Managing Director and Executive Director, Commonfund Institute



**Elaine Mizer**

Chief Human Resources Officer and Chair of the DEI Office



## Our Diversity Committee: Engaging and Empowering Employees

In 2017, Commonfund formed a volunteer Diversity Committee to broaden discussion on DEI issues that are important to employees and to develop the cross-fertilization of DEI-related ideas across the firm. The Committee focuses its attention on diverse summer intern recruitment, deepening the understanding of our cultural differences through heritage month celebrations, and consulting on proposed firm-wide DEI policies and initiatives such as diverse hiring practices.

## Diverse Manager Day

Commonfund's Diverse Manager Day is an invitational event for managers from historically underrepresented groups in the investment management industry. Managers participate in a lively exchange of presentations to our investment teams with the objective of being added to our pipeline of diverse managers for consideration in client portfolios. For Commonfund, this event is an opportunity to grow our diverse manager universe and the assets we have with diverse-owned investment firms.

## TIMELINE OF INITIATIVES

### 2017

Established volunteer Diversity Committee

Implemented our version of the “Rooney Rule” for all new manager and employee hires, requiring at least one diverse candidate—race or gender—be considered for all roles. See “What is the ‘Rooney Rule’?” on page 9.

### 2018

Formed a Diverse Manager Team including members of all Commonfund investment teams

Incorporated diversity questions into third-party investment manager due diligence process

Became signatory to [Pension Real Estate Association \(PREA\)](#) Foundation Diversity Initiatives

Established Diversity, Equity and Inclusion Office

## Intentional Investing: Expanding the Opportunity Set

In 2017, Commonfund implemented a policy of including diverse managers in every new manager search across all asset classes and strategies. The purpose was both to ensure exploration of the broadest possible universe of talent for investment portfolios and to meet the specific requirements of clients with diverse manager investment mandates. In that same year, we added specific questions on diversity to our manager due diligence questionnaires. Questions focus on diverse ownership, team composition, actions the manager is taking to advance diversity initiatives within their workplace, and information regarding their diversity and sensitivity training practices.

A year later, we formed a Diverse Manager Team (DMT) comprising representatives of our public and private investment teams who work to incorporate diverse managers in every manager search. They also help to shape Commonfund’s definition of diverse managers, expand and deepen the questions we ask our managers with respect to DEI, and extend ongoing discussion and awareness throughout Commonfund.



## 2019

Launched proprietary Diverse Manager Database

Launched dedicated [Diverse Manager Portal](#)

## 2020

Held first invitational Diverse Manager Day with attendance by 10 managers

Developed DEI Policy and Diversity Committee Charter

Became signatory to [Confluence Philanthropy Racial Equity Pledge](#)

Official recognition of Juneteenth as a company holiday

## 2021

Held second annual invitational Diverse Manager Day with attendance by 18 managers

In the time since the formation of the DMT, we have built a proprietary Diverse Manager Database that has 280 diverse managers and a dedicated [Diverse Manager Portal](#); conducted and overseen two annual Diverse Manager Days; and held hundreds of meetings with diverse managers.

Our commitment is not only to our current employees and constituents, but also to help influence and guide the next generation of professionals entering the workforce. This year we hired our first summer intern dedicated to our diverse manager investment team.

### WHAT IS THE "ROONEY RULE"?

The "Rooney Rule" was established by the National Football League in 2003. It was the brainchild of the legendary owner of the Pittsburgh Steelers, Dan Rooney. During his many years in the NFL, Rooney had been a trailblazer helping the league incorporate diversity at every level. He was the main proponent of the policy that, once adopted, requires each NFL team with a head coaching vacancy to interview at least one candidate of a minority ethnicity before filling the open position.

At Commonfund, we have modified the original Rooney Rule to include at least one woman and/or ethnic or racial minority for every open position within Commonfund and for every manager search.



## **RESEARCH ADVANCES; PARTNERSHIPS BROADEN**

**In order to create sustainable momentum, we recognize that we must continue to evolve and express our point of view that diversity, equity and inclusion must continue to be at the forefront of conversations and movements in our industry.**

## Thought Leadership

**At Commonfund we focus on two main thought leadership approaches:**



Research to advance the field



Strategic industry partnerships

## Research

[Commonfund Institute](#) (the Institute) is the center of our education and research activities. The Institute is dedicated to the advancement of investment knowledge and the promotion of best practices in financial management. Through the Institute and related initiatives undertaken by Commonfund, we seek to expand the overall knowledge base and promulgate understanding and adoption of DEI principles throughout the nonprofit sector and the asset management industry. In that respect, the Institute seeks to:

- Include Commonfund's perspective and voice in important conversations addressing DEI initiatives
- Focus on investing through diverse managers, building diverse talent pipelines in the financial services industry and diversifying nonprofit boards, as well as other key issues
- Promote investing based on a more equitable and inclusive vision

The Institute also shares content and perspectives at Commonfund-sponsored convenings, including [Commonfund Forum](#) and the [Investment Stewardship Academy](#). Institute staff also makes frequent contributions to the [Commonfund Insights Blog](#) and other content for the [Commonfund website](#). Staying true to the firm's commitment to DEI initiatives, members of Commonfund's investment teams and investor service and sales teams also create content for dissemination across the industry and participate as speakers/panelists at industry events. As efforts in the DEI space are always evolving, we believe it is important for Commonfund to commit to ongoing active participation, to be transparent about our journey and to share our perspectives.

## Thought Leadership: 2021 Highlights

Commonfund has been active in 2021 across a wide range of outreach initiatives, from publishing and research to event sponsorship and collaborations with nonprofit organizations that share our commitment to DEI. A summary capsulizing a representative sample of these activities follows.

### **INVESTING IN RACIAL EQUITY: A PRIMER FOR COLLEGE UNIVERSITY ENDOWMENTS**

Commonfund Institute Executive Director, George Suttles, and Commonfund Asset Management Managing Director, Caroline Greer, were among 25 leaders from across the asset management industry who contributed to this report from the Intentional Endowments Network (IEN). This primer provides an overview of the current state of racial inequity in the U.S. as it relates to the long-term sustainability of the economy; the unique, underappreciated opportunity available to college and university endowments in racial equity investing; and the variety of tools, products, partners and best practices available. The primer also outlines how fiduciaries can begin to address racial equity in their roles through specific action steps.

### **HOW TO INVEST IN DIVERSE MANAGERS**

Recently, Ford Foundation and Commonfund Institute hosted a discussion with peers who are at the forefront of the effort to invest with diverse managers. The panel was moderated by George Suttles, Executive Director of Commonfund Institute, together with Ford Foundation trustee Gaby Sulzberger, Rockefeller Brothers Fund trustee Valerie Rockefeller, and trustee and interim CEO of the Nathan Cummings Foundation, Rey Ramsey.

During this virtual session, panelists shared the experiences of their own institutions in allocating capital to diverse managers; the benefits of investing in diverse managers; challenges they have encountered; and the resources they have found helpful.

### **COMMONFUND FORUM 2021 A FIRESIDE CHAT WITH DARREN WALKER | FROM GENEROSITY TO JUSTICE**

Forum 2021 keynote speaker and Ford Foundation President Darren Walker shared his bold vision for the future of philanthropy. Since his arrival in 2013, Mr. Walker has transformed the venerable Foundation, refocusing its considerable resources and influence on moving philanthropy from generosity—helping someone in need—to justice—solving the problems that created the need. That task requires humility, moral courage and an unwavering commitment to democratic values and institutions. Mr. Walker challenged and emboldened attendees to consider the ways in which their organization can be a tool for achieving economic, social and political justice.

### COMMONFUND FORUM 2021 PROMOTING GENDER EQUITY IN LEADERSHIP ROLES

In this intimate conversation, Caroline Greer, Managing Director, Commonfund Asset Management, and Dr. Kellie A. McElhaney, Founding Director, Center for Equity, Gender and Leadership, discuss the importance of gender equity and Dr. McElhaney's work at the Center for Gender, Equity and Leadership at the Haas School of Business, University of California.

The Center was launched in 2017 to educate equity-fluent leaders to ignite and accelerate change. Equity-fluent leaders are committed to learning how systemic inequities impact people across, race, class, gender orientation and more. These leaders intentionally use their power to promote and create a more equitable world.

### COMMONFUND FORUM: A PLATFORM FOR CHANGE

For 22 years and counting, Commonfund Forum has been the leading annual conference for institutional nonprofit investors. Forum delivers timely information, thoughtful analysis and unique perspectives from recognized experts—from the U.S. and around the world—representing the worlds of investment management, economics, business and finance, government, academia and the media. Over the years, Commonfund has designed an agenda for Forum that is inclusive and features sessions that delve into the topics that matter most with regard to diversity in institutional investing. Recent session topics have included “Diversity and Emerging Managers” and “Why Diversity Makes Us Smarter.”

## Partnerships and Collaboration: Working Together

We are gratified that there are many institutions and organizations working on DEI efforts—and we want to collaborate with them, foster novel thinking, and build our shared resources and tools. To accomplish this, Commonfund Institute maintains partnerships with organizations and trade associations that represent the many nonprofit organizations that our firm has worked with for 50-plus years. We continually seek new partnerships to develop research and tools surrounding DEI to extend our reach and impact.

Some examples of relationships include:

- [Council on Foundations](#) (CoF, Private and Community Foundations)
- [National Business Officers Association](#) (NBOA, Independent Schools)
- [National Association of College and University Business Officers](#) (NACUBO)
- [Intentional Endowment Network](#) (IEN)
- [Association of Governing Boards of Universities and Colleges](#) (AGB)



One example of how we partner to celebrate and recognize diverse leadership and create communities of practice is the [CASE-Commonfund College and University Foundation Award](#). For the past 20 years, the award has recognized individuals who have contributed to the advancement of the college and university foundation field.

In celebration of the 20th anniversary of this award, CASE (Council for the Advancement and Support of Education) and Commonfund hosted a preconference session to present the award to this year's recipient, Dr. Vita Pickrum, President of the Delaware State University (DSU) Foundation and Vice President for institutional advancement at DSU. Following the presentation of the award, George Suttles, Executive Director of Commonfund Institute, moderated a leadership panel to further recognize Dr. Pickrum, who was joined by Delaware State University President, Dr. Tony Allen and Delaware State University Board Chair, Dr. Devona Williams. During this discussion, the leadership at DSU highlighted their COVID-19 response, receiving a \$20 million donation from philanthropist Mackenzie Scott and the importance of philanthropy to support HBCUs, and other strategic partnerships that make DSU one of the premier universities in the country.

Commonfund has many additional strategic partnerships and will continuously explore opportunities to partner on many aspects of its DEI work. For more Commonfund DEI thought leadership, please visit our website at [www.commonfund.org](http://www.commonfund.org) or [access our research center content on DEI](#).

## COMMONFUND IN THE COMMUNITY

Commonfund employees sit on more than 80 different nonprofit boards. Some of those boards are directly focused on improving diversity within the financial services industry and broadening career opportunities for minorities. These Commonfund people include, but are not limited to, Mark Anson, Commonfund CEO, who sits on the board of the Toigo Foundation; Tim Yates, Commonfund Asset Management CEO, who sits on the Advisory Board of Girls Who Invest; Nicole Melwood, Director, Commonfund Asset Management, who is on the advisory board of A Better Chance; and Commonfund Trustee Nicole Arnaboldi, who is a member of the board of Prep for Prep.

# DEI-BASED EMPLOYMENT

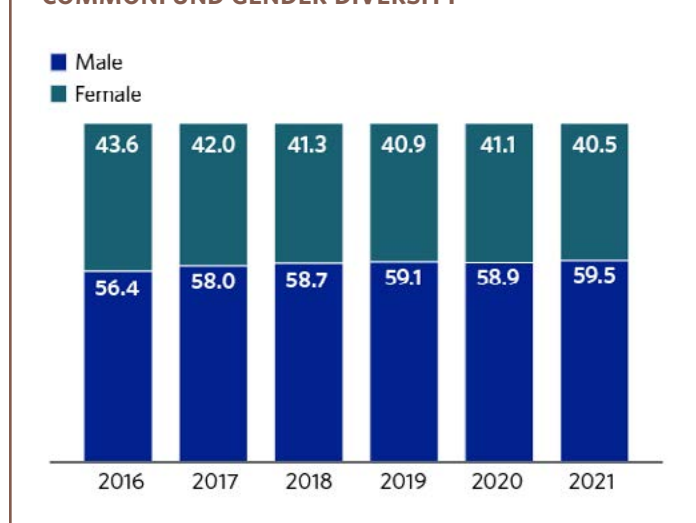


Ongoing commitment to hire and engage with diverse candidates and diversifying our sources for hiring.

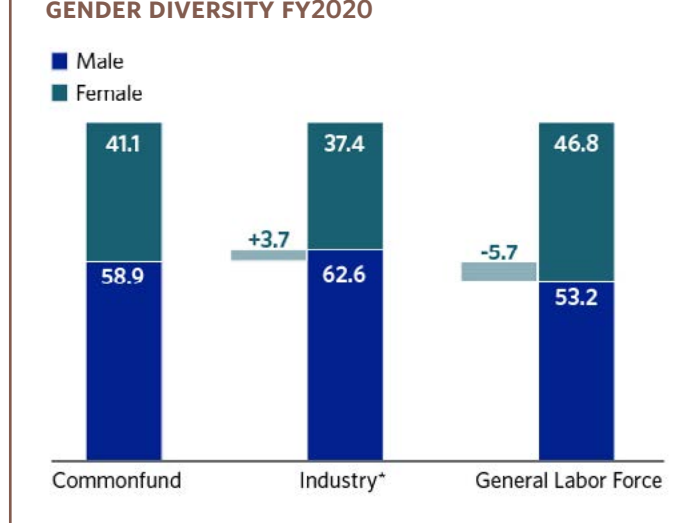
## Composition of our Workforce

In 2017, Commonfund implemented a policy of requiring at least one diverse (including female) candidate for all open positions. This policy is intended to help the firm increase the diverse representation within our employee base. The female representation within our workforce is currently 40.5 percent and just over 30 percent of our new hires over the last three years have been women, including several who were returning to the labor market. While the percentage of women at Commonfund is higher than the industry average, Commonfund aspires to raise that bar to at least the participation rate of the broader labor force.

**COMMONFUND GENDER DIVERSITY**



**COMMONFUND VS. INDUSTRY GENDER DIVERSITY FY2020**



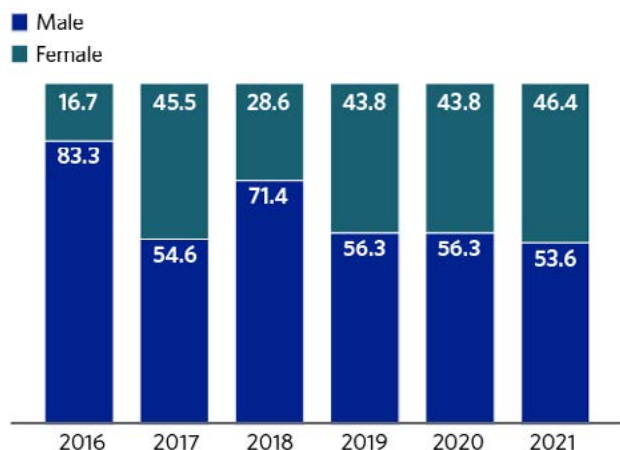
\*Includes securities, commodities, funds, trusts and other financial investments  
Source: U.S. Equal Employment Opportunity Commission; Bureau of Labor Statistics

Efforts to recruit women and other diverse candidates to our summer internship program have progressed steadily over the past six years, with the 2021 class comprising 48 percent women and 48 percent racial or ethnic minorities, well above the industry average and in line with the broader labor force representation. This is in part thanks to our participation in programs that focus on providing opportunities for under-represented groups. These programs include Girls Who Invest, the John W. Rogers Program at the University of Chicago, the Hord Foundation, Prep for Prep and Modern Guild, as well as on-campus recruiting at select universities including Historically Black Colleges and Universities (HBCUs). Commonfund has also made a conscious effort to better engage with diverse candidates by expanding our sources.

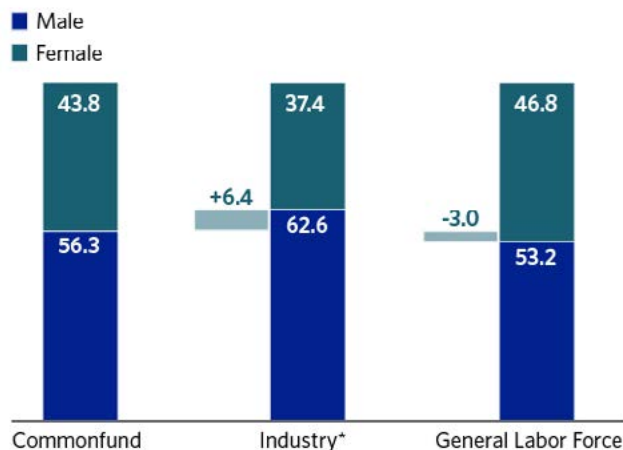
## An Active Internship Program

Our internship recruitment efforts have helped to prepare students for careers in asset management while providing us with a valuable pool of candidates for potential future hires. Our total number of interns increased from 11 in 2017 to 25 in 2021 and the number of diverse inter hires has risen from one in 2017 to 14 in 2021.

**COMMONFUND INTERN GENDER DIVERSITY**



**COMMONFUND VS. INDUSTRY  
INTERN GENDER DIVERSITY FY2020**



\*Includes securities, commodities, funds, trusts and other financial investments  
Source: U.S. Equal Employment Opportunity Commission; Bureau of Labor Statistics

### INTERN SPOTLIGHT

Gabby worked with the Diverse Manager Team within Commonfund Asset Management. She met with women- and minority-owned managers, helped to update Commonfund's proprietary Diverse Manager Database, refined the Diversity Due Diligence Supplement and contributed to this report.

"This summer I met with and conducted due diligence on the leaders in diverse investment management. Interning under a team that diligently works toward creating opportunities for diverse managers has inspired me. It has given me the courage to see myself as an owner or founder of my own firm, which I never saw before this summer. As a woman of color myself, my experience at Commonfund has truly given me hope for my future in finance," Gabby says, reflecting on her experience as an intern.



**GABRIELA  
(GABBY)  
HARRIS**

RIISING 3<sup>RD</sup> YEAR  
STUDENT AT  
WESLEYAN  
UNIVERSITY

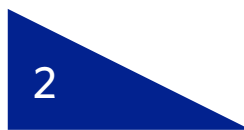


## Opportunities for Recent Graduates

Commonfund has two analyst programs for recent college graduates:



A three-year investment management analyst program within our Outsourced Chief Investment Office (OCIO) business launched in 2016



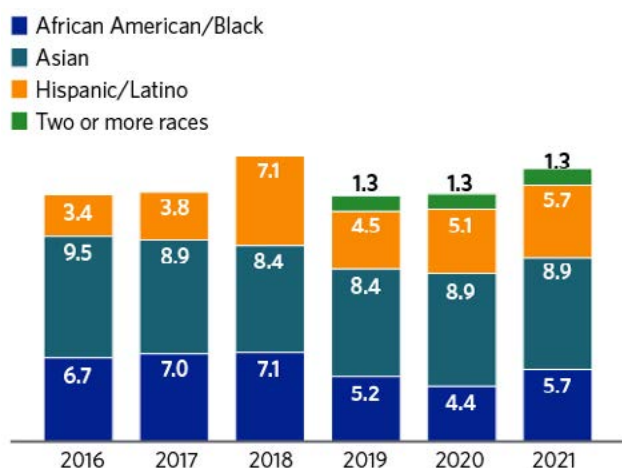
A three-year investment analyst program within our private capital business launched in 2018

These programs provide highly visible opportunities for candidates to work collaboratively across Commonfund teams, including investments, sales and service, middle office, and operations teams. Analysts in private capital experience all aspects of the investment process, including conducting due diligence, performing quarterly analysis and reporting, meeting with managers and assisting with client inquiries. Analysts on the OCIO team provide quantitative and analytical support to clients and experience all aspects of the investment process, including exposure to the many different asset classes and strategies in which Commonfund invests.

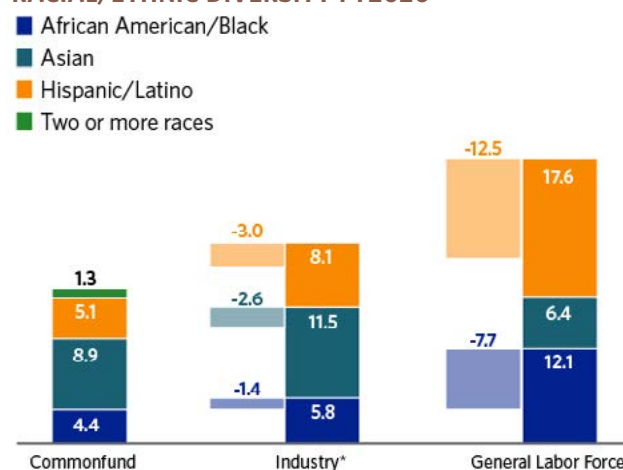
## Overall Racial/Ethnic Diversity

Minorities comprise 22 percent of the Commonfund workforce, with a mix of African American/Black, Asian, LatinX and people of mixed race. Recent efforts to increase the number of African American/Black and LatinX employees through targeted recruitment is beginning to bear fruit. Nonetheless, we recognize that we have more work to do, to broaden the racial/ethnic mix of employees.

**COMMONFUND RACIAL/ETHNIC DIVERSITY**



**COMMONFUND VS. INDUSTRY RACIAL/ETHNIC DIVERSITY FY2020**

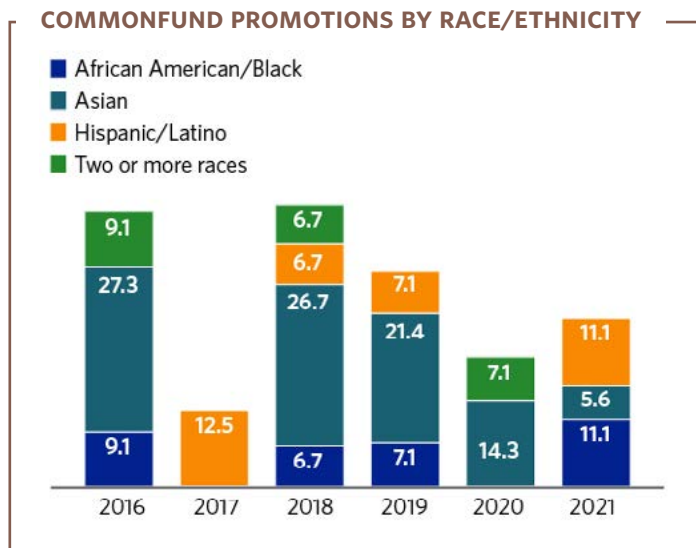
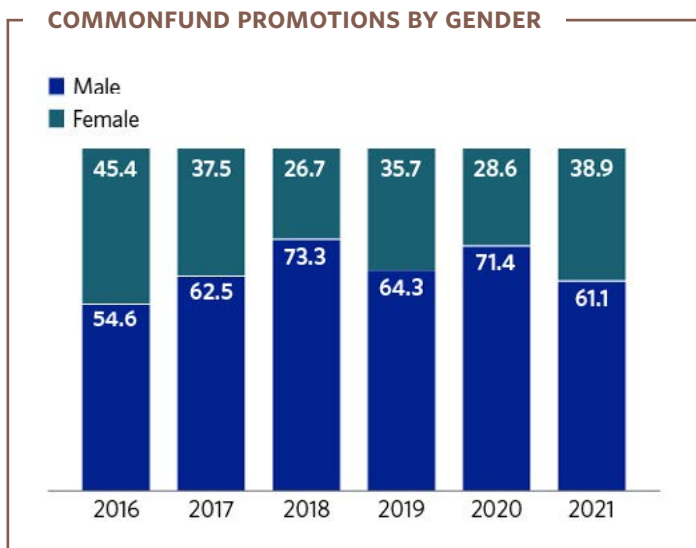


\*Includes securities, commodities, funds, trusts and other financial investments  
Source: U.S. Equal Employment Opportunity Commission; Bureau of Labor Statistics



## Advancement by Gender and Race/Ethnicity

We measure and track our workforce across several important DEI metrics. While promotion rates by gender vary from year to year, in 2021, 39 percent of promoted employees were female, closely matching the overall gender distribution across the firm.

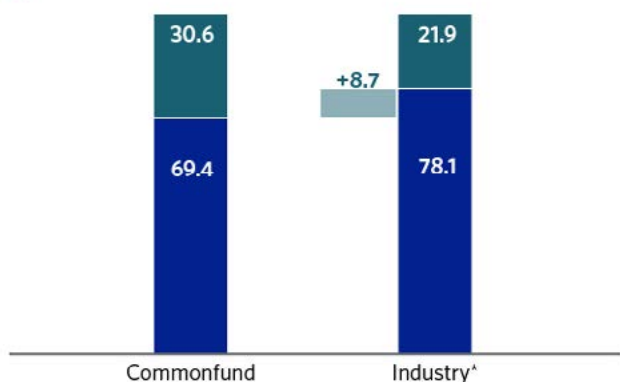


Several studies have highlighted the financial services industry's inequities across gender and racial lines including lower promotion rates among these groups. At Commonfund, this has not been the case for minorities, who have seen advancements exceed their relative representation within the firm. Recognizing we need to do more to help all employees advance their careers at Commonfund, in 2021 we implemented the first in a series of mentorship programs to train mentors and develop mentees.

Commonfund has a higher percentage of women and African American/Black employees at senior levels than industry averages. While Asian and LatinX employees remain underrepresented, women and all minorities continue to be a focus area for recruitment. Our hiring and mentorship training programs aim to address the need for more women and people of color to have avenues for advancement within the organization.

### COMMONFUND VS. INDUSTRY GENDER DIVERSITY SR. LEVEL POSITIONS FY2021

■ Male  
■ Female



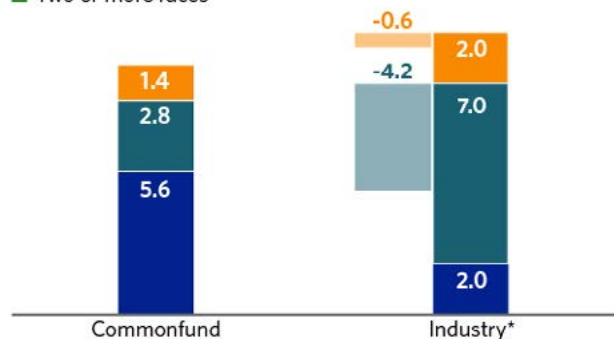
Senior positions include Director level and above.

\*Includes securities, commodities, funds, trusts and other financial investments

Source: U.S. Equal Employment Opportunity Commission

### COMMONFUND VS. INDUSTRY RACIAL/ETHNIC DIVERSITY SR. LEVEL POSITIONS FY2021

■ African American/Black  
■ Asian  
■ Hispanic/Latino  
■ Two or more races



Senior positions include Director level and above.

\*Includes securities, commodities, funds, trusts and other financial investments

Source: U.S. Equal Employment Opportunity Commission

## Investment Teams Reflect Diversity

Approximately 22 percent of Commonfund's investment team members are women. This number seems low relative to the broader labor force participation rate of 46 percent, or even the financial services industry data of 37.4 percent. However, a study conducted by Morningstar demonstrated that at the end of 2020 just 14 percent of portfolio managers globally are women. In the United States, the number of women portfolio managers has fallen from 14 percent in 2016 to 11 percent in the current study.<sup>1</sup> Such low rates underscore the need to do more, both within Commonfund, in our engagement with the managers in which we invest, and our industry peers.

<sup>1</sup> Morningstar: Women in Investing, March 2021

### COMMONFUND GENDER DIVERSITY INVESTMENT TEAM FY2021

- Male
- Female



Commonfund

### COMMONFUND RACIAL/ETHNIC DIVERSITY INVESTMENT TEAM FY2021

- African American/Black
- Asian
- Hispanic/Latino
- Two or more races



Commonfund

According to academic literature, teams can benefit from increased diversity, as diverse teams bring with them greater innovation, imagination and improved project outcomes. As a result, increasing diversity within Commonfund's investment teams is an important goal when we look to fill open positions. Currently, there are women and/or racial/ethnic minorities embedded in all of our investment teams, including private equity, public equities, fixed income and credit, diversifying strategies, quantitative research, venture capital, secondary investments, real assets and sustainability, and OCIO. Nonetheless, we recognize the need and benefits of adding more diverse members to our investment teams.

# WORKING WITH DIVERSE MANAGERS

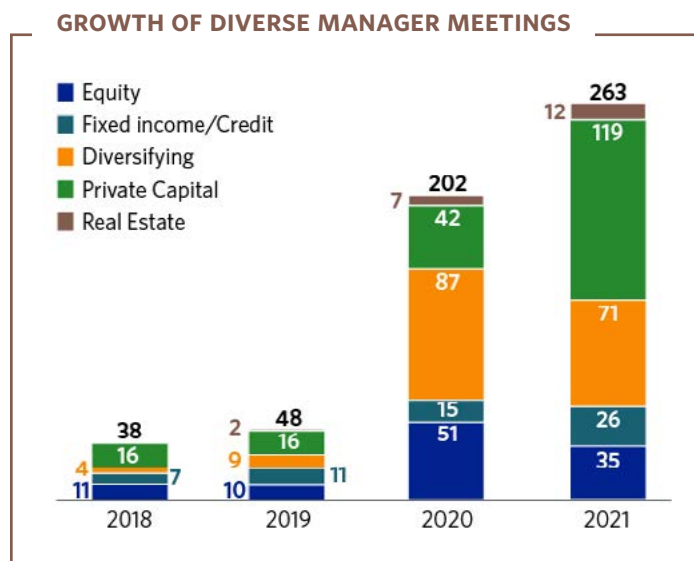


**Investing in diverse managers benefits our clients,  
the industry, society at large and Commonfund.**

**At Commonfund, diverse managers are defined as investment firms with 33 percent or more diverse ownership by women, African American/Black, Asian, LatinX, people of indigenous descent, veterans and/or people with disabilities and other diverse persons potentially not captured in this list.**

## Growth of Diverse Manager Meetings

Commonfund meetings with diverse managers have increased over 700 percent in the past four years. This is a result of the adoption of a policy to incorporate diverse managers in every manager search, the building of a diverse manager database and the launch of our dedicated [Diverse Manager Portal](#), together which have helped us identify numerous diverse managers previously unknown to us.

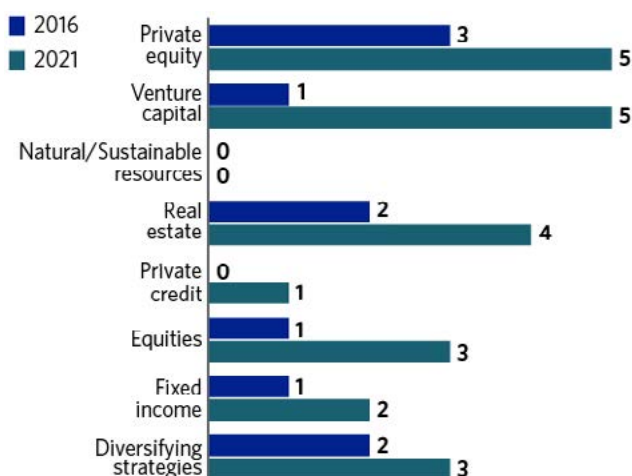




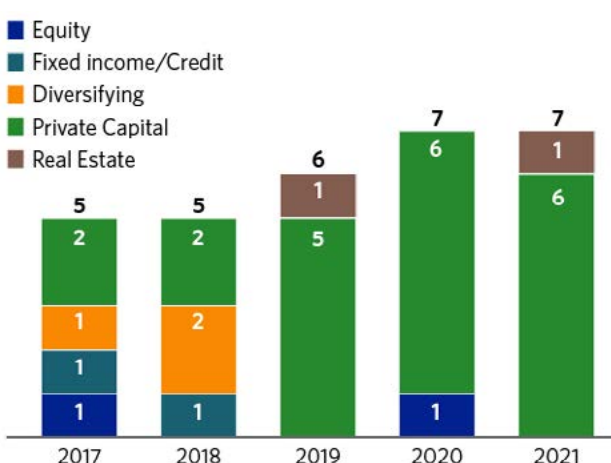
## New Diverse Manager Hires

The number of investments in diverse managers increased from 10 in 2016 to 23 as of June 30, 2021 and across every asset class in which Commonfund invests. Allocations to diverse managers have likewise increased from 2.1 percent to 3 percent of Commonfund assets under management, even as firm-wide assets have increased by approximately 14 percent. In other words, despite a substantial increase in assets, Commonfund's commitment to diverse managers has been able to outpace asset growth.

NEW DIVERSE MANAGERS BY ASSET CLASS



NEW DIVERSE MANAGER HIRES



In the past year, Commonfund hired five new diverse managers across equities, real estate, private equity and venture capital asset classes/strategies. On July 1, 2021, we added two more diverse managers in diversifying strategies and real estate, bringing the total number of diverse managers in client portfolios to 25.

MINORITY & GENDER BREAKDOWN OF COMMONFUND DIVERSE MANAGERS		
SUMMARY	NUMBER	PERCENT(%)
AFRICAN AMERICAN/BLACK	10	43
ASIAN	6	26
LATINX	3	13
WHITE	4	17
<b>TOTAL</b>	<b>23</b>	<b>100</b>
WOMEN	7	30

Commonfund continues to build its exposure to diverse managers with intentionality to ensure we are capturing a broad mix of talent. African American/Black managers make up our single largest allocation to diverse managers at 43 percent. Three of these 10 managers are led or co-led by African American/Black women, one of the most underrepresented groups within the financial services industry.

While we are not there yet, our goal is to have investments in diverse managers across every asset class in which we invest.

NUMBER OF DIVERSE MANAGERS IN COMMONFUND CLIENT PORTFOLIOS*	
STRATEGY	TOTAL
EQUITY	3
FIXED INCOME	2
DIVERSIFYING STRATEGIES	4
PRIVATE CREDIT	1
PRIVATE EQUITY	5
VENTURE CAPITAL	5
REAL ESTATE	5
<b>TOTAL</b>	<b>25</b>
*as of July 1, 2021	

# CONCLUSION

**Diversity, equity and inclusion are not new to Commonfund. They are built into our culture ...part of our DNA. What is new—the catalyst for measurable progress in recent years—is adopting an active posture that incorporates diversity into our strategic plan. As stated in the introduction to this report, “What gets measured gets done.”**

This change—tangible and measurable—began in 2017 with the establishment of a volunteer Diversity Committee.

In the same year we implemented a policy of requiring at least one diverse candidate for all open positions. The movement gained momentum with the creation of our Diversity, Equity and Inclusion Office in 2018. In 2019, we launched our proprietary Diverse Manager Database and our dedicated Diverse Manager Portal, followed in 2020 by our first Diverse Manager Day. During the same year we developed our Diversity, Equity and Inclusion Policy (Appendix A in this document).

Along a parallel path, we set in motion external efforts consistent with our internal initiatives. These ranged from collaborations with organizations across the financial services industry to original research and authorship to convenings such as Commonfund Forum and participation in industry conferences and events.

Now, in 2021, we can point to this report as another way that we are moving forward, actively, and committing to transparency on DEI. It is our plan to release this report biennially, alternating it with our larger Corporate Responsibility Report.

We hope this report inspires others in our industry to communicate their metrics and provide transparency into their actions. One thing this report is not is a self-satisfied accounting of accomplishments. We have made great progress, but we impose on ourselves even loftier goals for the future. The journey will continue, and we are excited about the prospects that lie ahead.



## About Commonfund

Commonfund was founded in 1971 as an independent asset management firm with a grant from the Ford Foundation. Today, Commonfund provides investment solutions to sophisticated investors through two affiliates. Commonfund Asset Management provides outsourced CIO services designed for nonprofit institutions, using independent investment sub-advisers for discretionary and non-discretionary engagements. Commonfund Capital is a global private capital manager with over 30 years of experience offering a full suite of private investment strategies to sophisticated investors, both nonprofit and for-profit. All securities are distributed through Commonfund Securities, Inc., a member of FINRA. For additional information about Commonfund, please visit [www.commonfund.org](http://www.commonfund.org).

## About Commonfund Institute

Commonfund Institute houses the education and research activities of Commonfund and provides the entire community of long-term investors with investment information and professional development programs. Commonfund Institute is dedicated to the advancement of investment knowledge and the promotion of best practices in financial management. It provides a wide variety of resources, including conferences, seminars and roundtables on topics such as endowments and governance; proprietary and third-party research such as the Commonfund Benchmark Studies®; publications including the Commonfund Higher Education Price Index® (HEPI); and events such as the annual Commonfund Forum and Investment Stewardship Academy.

# APPENDIX A: COMMONFUND DIVERSITY, EQUITY AND INCLUSION POLICY

## MISSION STATEMENT/ STATEMENT OF VALUES

The Common Fund for Nonprofit Organizations, (together with its affiliates, “Commonfund”) established a Diversity, Equity and Inclusion Office (“DEIO”) with the mission to “intentionally promote and foster inclusion and equity across Commonfund and our investment process, thought leadership and professional and organizational development.”

The DEIO brings together the three core elements of Commonfund’s Diversity, Equity and Inclusion (DEI) efforts: i) to include diverse managers within investment portfolios; ii) to advance the understanding of the value of diversity and inclusion in the asset management industry; and, finally, iii) to provide firm-wide opportunities for professional and organizational development. The DEIO is charged with fostering an environment at Commonfund that values different perspectives, challenges conventional thinking and maximizes the potential of all employees.

## HUMAN CAPITAL

Commonfund is committed to fostering, cultivating and preserving a culture of diversity, equity and inclusion.

Our human capital is our most valuable asset. The collective sum of the individual differences, life experiences, knowledge, inventiveness, innovation, self-expression, unique capabilities and talent that our employees invest in their work represents a significant part of our culture, our reputation and our achievements.

We embrace and encourage our employees’ differences in age, color, disability, ethnicity, family or marital status, gender identity or expression, language, national origin, physical and mental ability, race, religion, sexual orientation, socio-economic status, veteran status, and other characteristics that make our employees unique.

Commonfund's diversity initiatives apply to, but are not limited to, our practices and policies on recruitment and selection; compensation and benefits; professional development and training; promotions; transfers; social and recreational programs; terminations; and the ongoing development of a work environment built on the premise of gender and diversity equity that encourages:

- respectful communication and cooperation among all employees;
- teamwork and employee participation, encouraging the representation of diverse groups and perspectives;
- work/life balance through flexible work schedules to accommodate employee needs; and
- employer and employee contributions to the communities we serve to promote a greater understanding and respect for diversity.

All employees of Commonfund have a responsibility to treat others with dignity and respect at all times. All employees are expected to exhibit conduct that reflects inclusion during work, at work functions on, or off, the work site, and at all other company-sponsored events. All employees are also required to attend and complete annual diversity awareness training.

Any employee who exhibits any conduct or behavior contrary to Commonfund's policies may be subject to training, counseling or disciplinary action.

#### **INVESTMENTS – DIVERSE MANAGER INITIATIVE**

This component of the Diversity, Equity and Inclusion Policy is referred to as the Diverse Manager Initiative ("DMI"). The purpose of the DMI is twofold:

- to expand the prospective investment universe on behalf of clients—Commonfund wants to ensure it considers the broadest possible set of investment talent for client portfolios; and
- to meet the specific requirements of those clients with diverse manager investment mandates.

To implement the DMI, Commonfund aims to include diverse managers in every manager search across asset classes. And to facilitate this objective, an internal team of investment professionals—the Diverse Manager Team ("DMT")—has built and maintains a dedicated Diverse Manager Database comprising all diverse managers across all asset classes with whom the investment teams of Commonfund Capital, Inc. ("CCI") and Commonfund Asset Management Company, Inc. ("COMANCO") have had contact. The DMT also maintains a Diverse Manager Portal that allows diverse managers to submit presentations, performance and due diligence questionnaires. In addition, it maintains a



dedicated email channel for diverse managers to communicate with the investment teams.

On a quarterly basis, the DMT aggregates a “known universe” of diverse managers across asset classes from various databases. It also updates Commonfund’s proprietary diverse manager database. Manager reviews may include both portal submissions as well as manager meetings. Finally, the DMT updates the number of diverse managers with whom Commonfund is actively invested.

On a semi-annual basis the DMT confers with CCI’s and COMANCO’s investment teams to update the total assets allocated to actively invested diverse managers. These figures are often used in RFP requests.

On an annual basis, the DMT includes questions regarding diverse manager ownership and team diversity in manager due diligence questionnaires.

A definition of an “active” diverse manager is included in Appendix B.

**STRATEGIC DIVERSE MANAGER INDUSTRY PARTNERSHIPS**

Commonfund seeks to collaborate with other institutions that prioritize diverse manager investment initiatives to help expand its pipeline of investment prospects and its network of diversity contacts.

Current relationships include:

TOIGO FOUNDATION
DIVERSE ASSET MANAGEMENT INITIATIVE (DAMI)
NATIONAL ASSOCIATION OF SECURITIES PROFESSIONALS (NASP)
NEW AMERICA ALLIANCE (NAA)
NATIONAL ASSOCIATION OF INVESTMENT COMPANIES (NAIC)
SEIZING EVERY OPPORTUNITY (SEO)
HISPANIC HERITAGE FOUNDATION
GIRLS WHO INVEST

Commonfund participates in industry conferences focused on diversity as attendees, panelists and speakers. Commonfund believes it is important to stay connected and to continue to expand relationships with other industry and investment professionals to expand its understanding, knowledge and network focused on diverse managers.

# APPENDIX B: COMMONFUND DIVERSE MANAGER CODIFICATION

## DIVERSE OWNERSHIP DEFINITION

Commonfund diverse managers are generally defined as investment firms with 33 percent or more diverse ownership. Diverse managers include: women, African American/Black, Asian, LatinX, people of indigenous descent, and veterans and/or people with disabilities. This definition applies to managers with whom Commonfund has an active investment.

## DIVERSE TEAM DEFINITION

Commonfund believes it is also important to recognize the value of diverse teams. Commonfund monitors the composition of manager teams and expects managers to expand the diversity of their teams over time.

## ACTIVE INVESTMENTS

An active investment is defined as an investment with a net asset value (NAV) of greater than \$1. For the purposes of clarity, for marketable investments any manager for whom a full redemption notice has been given would be considered inactive as of the final redemption date, regardless of any holdback for audit purposes. This means that in the case of a hedge fund which has gate provisions it would be considered active until the last redemption had been met, excluding any holdback for audit purposes. Private investments, in which there is no longer an expectation of distributions and the manager itself has terminated the fund, would be considered inactive, regardless of whether it has technically been dissolved.

## PERFORMANCE REPORTING

Performance reporting for all diverse managers includes all designated managers until the investment relationship is formally dissolved.



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