

July 1st, 2021

Chairman Gary Gensler
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Dear Chairman Gensler,

We are reaching out in support of the Asset Management Advisory Committee (AMAC), calling on the SEC to act upon proposed July 7th recommendations from the AMAC Diversity and Inclusion Subcommittee.

The work that the Diversity and Inclusion subcommittee has done over the past 18 months has been critical to addressing the systemic challenges that exist for minorities in our country. We are incredibly grateful to the Commissioners and the SEC staff for their consideration in implementing the recommendations.

As you know, money management firms owned by women and minorities oversee just 1.3% of the \$69 trillion US assets under management (AUM), according to a 2019 study led by the Knight Foundation. Further, US public pension plans allocate virtually all of their investment capital to white, male-dominated managers. This is so, even though it is statistically proven that diverse firms perform the same as white male firms and are consistently over-represented among the top-performing asset managers.

Transparency is vital to protect investors. Consistent with that approach, we support the recommendations that the SEC must expand disclosures to cover the key issues that will drive economic success, and it has both the authority and an obligation to do so. The SEC has tried voluntary disclosure of diversity information with no success. Mandatory disclosure is the only way to achieve transparency.

We support the proposals being put forth formally by the AMAC Diversity and Inclusion Subcommittee to:

1. Require enhanced disclosure and transparency of SEC registered Investment Advisors including (1) transparency of ownership; (2) transparency of ownership and workforce demographics that provide gender and racial diversity at four levels: (a) ownership; (b) board level; (c) officer level; and (d) all employees.
2. Provide transparency on material business practices regarding gender and racial diversity for asset allocators and consultants. Ensure complete and prominent disclosure of any and all economic benefits that a consultant received from asset managers.
3. Provide guidance that clarifies that a wide variety of factors may be considered by fiduciaries in their selection of asset managers and that fulfillment of one's fiduciary duty

does not require exclusion of diverse, newer, or smaller firms.

4. Review current Pay-to-Play rules to ensure that diverse and small firms are not negatively and disproportionately impacted despite large multi-million-dollar PAC contributions and extensive lobby budgets of large, non-diverse firms.
5. Establish centralized and uniform practices for recording discriminatory behavior in the asset management industry.
6. Consider that the SEC develops a forum for complaints to be shuttled through the SEC to other appropriate federal agencies such as an SEC tip line. With employment, people can turn to the EEOC, among other regulatory entities, to seek relief. In housing, people can turn to HUD. But in the investment management business, there is no appropriate federal agency to turn to regarding racist business practices.

We, the undersigned leaders in the asset management industry and our allies, are humbly calling on you to take action and approve the recommendation at the July 7th meeting. Use your voting power to rectify systemic bias within the asset management industry.

Signed,

Angela Lee, Founder and CEO, 37 Angels
Carlos Garcia, CEO, Finhabits Advisors LLC
Caryn Effron, Founding Member, IDiF
Daniel J. Villao, Chief Executive Officer, Intelligent Partnerships, Inc
Deborah Perry Piscione, Managing Partner, Sterling Ventures
Dessy Levinson, Founding Member, IDiF
Eoin O'Sullivan, CFA, individual stakeholder
Ivka Kalus, Chief Investment Officer, Promethos Capital
Kristin Hull, PHD, Founder and CEO, Nia Impact Capital
Kristin Resnansky, individual stakeholder
Lawrence P. Bancroft, President & CEO, Bivium Capital Partners, LLC
Malcolm Robinson, individual stakeholder
Marie Roker-Jones, Co-founder, Essteem
Michael Muyot, CEO, CRD Global
Nnamdi Okike, individual stakeholder
Renee Morgan, Social Justice Strategist, Adasina Social Capital
Samantha Katz, Founding Member, IDiF
Seth Pardo, Epidemiologist, San Francisco Department of Public Health
Sheryl Mejia, Managing Partner, Steward Asset Management
Sidney Hawkins Gargiulo, individual stakeholder
Sonya Sepahban, CEO and Co-Founder, OurOffice
Toan Huynh, Baylane Capital
Tracy Stuart, CEO, Corbin Capital Partners
Zoya Shchupak, Managing Partner, Innovobot

