



DIVERSITY, EQUITY & INCLUSION AT CAMBRIDGE ASSOCIATES 2021

DAVID DRULEY,

Chief Executive Officer
David talks about why diversity, equity, and inclusion are important to the continued success of the firm.

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MELINDA WRIGHT,

Global Head of Diversity, Equity, and Inclusion
Melinda joins the firm with an impressive set of credentials and talks about the progress made to date and what CA is doing to make the firm even better.

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JASMINE RICHARDS,

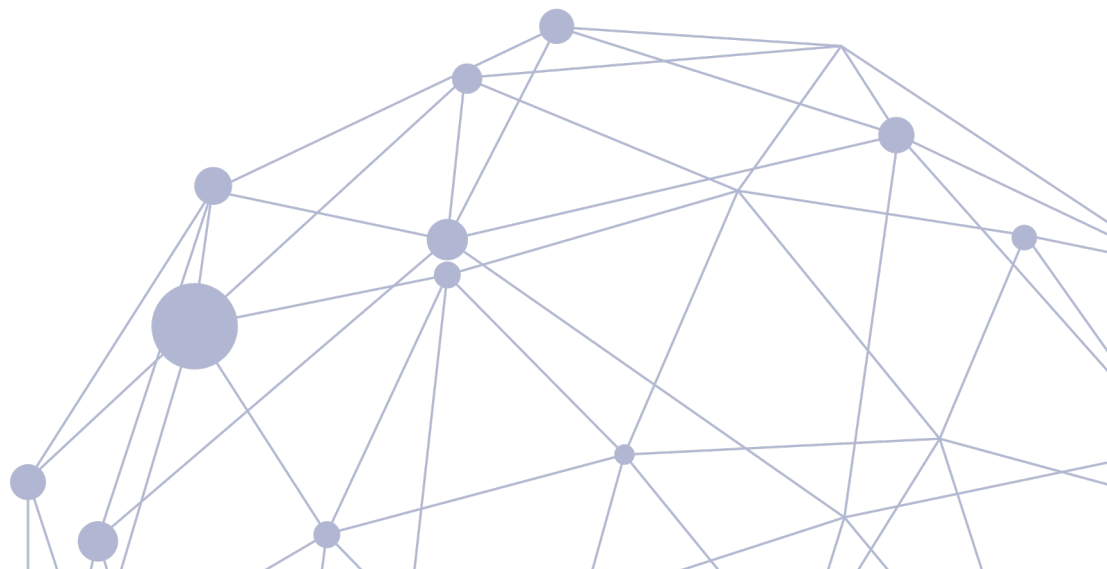
Head of Diverse Manager Research
Jasmine dives into how DEI is built into the foundation of our research process and how diverse managers can drive investment returns.

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KEY METRICS

A survey of the metrics we use to measure progress and how we're doing on the journey.

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DAVID DRULEY
Chief Executive Officer

“We’ve always been proud of Cambridge Associates as a place where clients come first, kindness matters, and ideas are more important than rank. The last few years have reminded us that we need to do even more to create an environment that embraces all our colleagues and reflects the objectives and the demographics of those institutions who we serve.”



Cambridge Associates' mission has always been clear and consistent. We are here to help our clients generate outperformance in their portfolios so they can maximize their impact on the world. We never lose sight of the fact that the work we do in partnership with you leads to tangible results for our communities and our world. It translates to more scholarships. More foundation grants to invest in our communities. More medical research. More dollars to help fund so many worthy philanthropic efforts around the globe.

As a leading global investment firm, our job is to be good stewards of long-term capital. And we believe that an increasing part of that equation is to also be good stewards of the socioeconomic systems that ultimately drive long-term value creation — and that those two elements are completely aligned.

Cambridge Associates bears a significant responsibility to lead by example and make a real-world, positive impact in the systems and communities in which we operate. Guided by our Corporate Social Responsibility, we believe it is our mission and obligation to create and provide access to opportunity and support success in the communities where we work. Our CSR focuses on two important areas: promoting diversity, equity, and inclusion and creating sustainable communities.

Progress requires action, and we've taken some tangible steps to begin this work in both areas. We are committed to advancing diversity, equity, and inclusion both in how we invest portfolios and in how we operate as a firm. In this report, we share our progress and perspective on those efforts.

We are proud of the work we have done so far to advance our commitment to systemic progress. We recognize this is just the beginning of what we know is a long journey.

We also know that none of this work can happen without your partnership and your trust in us. We are honored to be your investment partner, building a portfolio that is right for you, to deliver on your specific priorities and objectives.

Thank you for letting us be a part of your impact on the world.

56%

WOMEN IN SENIOR MANAGEMENT

MELINDA WRIGHT

Global Head of Diversity, Equity, and Inclusion

“The data is irrefutable: companies perform better with more diverse voices and perspectives around the table. Cambridge Associates represents ‘a room of the willing’ — people who want to see change and are committed to being part of it.”



HOW DO YOU THINK ABOUT THE ROLE DIVERSITY, EQUITY, AND INCLUSION PLAY IN A COMMUNITY?

Diversity is the representation of different ideas, values, and perspectives. Diversity of background, ethnicity, religion, and race all shape how people think, navigate the world, and ultimately contribute. The notion being that people’s backgrounds shape how they think, navigate the world, and ultimately contribute. Equity is not just about fairness, but equal access and the recognition that each person has different circumstances and needs — it is about creating a level playing field with access to opportunity for everyone.

Once different perspectives are represented at the table, it’s working together to anchor on the values we have in common and learning to understand and respect the things that we don’t. That’s inclusion.

WHAT ROLE CAN DEI PLAY IN OUR BUSINESS?

In the simplest terms, we want Cambridge Associates to be a highly impactful organization and exceed expectations for our clients. Diversity, equity, and inclusion — when done well — helps accomplish these business objectives.

HOW?

Two main ways. First, the data is irrefutable: companies perform

better with more diverse voices and perspectives around the table.

Second, central to the Cambridge client experience is the team of investors who partner closely with our clients. Creating a truly engaged and equitable culture at the firm makes all of our colleagues feel valued for what they bring to the organization. It’s not just the right thing to do; it creates more incentive to be a productive, committed part of the Cambridge community which is really important as we build long-term relationships with clients.

WHERE IS CAMBRIDGE TODAY IN OUR DEI EFFORTS?

Much great work has already been happening at CA. We have a great deal working in our favor, and we have a solid baseline of information on which to build, which is key to helping us understand where we are strong and where we have opportunity for growth.

WHAT ARE SOME OF THOSE AREAS OF STRENGTH TODAY?

On inclusion, we are at a great starting place because we have what I call “a room of the willing.” People who want to see change and are committed to being part of it.

For example, the firm’s Global DEI Council and employee resource groups are doing real work to advance

DEI and ensure that the true CA experience is represented. There is incredibly thoughtful work happening to create meaningful impact on the firm’s culture and our employees’ day-to-day involvement.

WHAT ROLE DO THESE GROUPS PLAY WITHIN THE ORGANIZATION?

The Global DEI Council serves as an overarching advisory group, bringing together leaders from across the firm who represent different practices, workstreams, and regions to think about DEI globally.

The ERGs bring together a cross-section of deeply engaged colleagues whose goal is to make CA’s culture even better, focusing on activities and resources to enhance the culture.

AND WHERE ARE THE OPPORTUNITIES FOR GROWTH?

There is a fair amount of “invisible” diversity at CA today. That’s diversity of perspective, ideas, and socioeconomic backgrounds. And the firm is an industry leader on gender diversity, which is great. But around race, we can do better, particularly in senior leadership.

On equity, we’re committed to creating more clarity and transparency, especially on the process for promotion. Creating a level playing field for

27%

PERCENT OF FIRM (US ONLY) THAT IS ETHNICALLY DIVERSE

equitable access to opportunity will hopefully help shift those metrics on demographics within leadership over time as well.

SO, HOW DO YOU GET STARTED?

Step one is building a clear strategy that reflects the strength of our firm values, the vision of the Council and ERGs, and the influence we can bring to the broader industry at large. And then we get to work.

THAT SOUNDS SIMPLE, AND YET THERE ARE SO MANY AVENUES TO PURSUE. HOW DO YOU PRIORITIZE?

It's important to look internally first. The first goal is to make clear traction on a few tactical things so that we're experiencing small wins — because nobody wants to stay in the fight if they're not winning small battles along the way.

SMALL WINS LIKE...?

I'm a huge fan of running pilots. Try things in bite size and if they work, then scale to expand the impact. That could be outside speaker programs, increased education around DEI, more internal data sharing as related to DEI so that people feel that we're operating in transparency. All of those things go a long way in creating a healthy culture. And if our culture is healthy, everything else falls into place much more easily.

SO, INTERNAL FIRST, THEN EXTERNAL. WHAT DOES EXTERNAL ENTAIL?

External won't be too far behind just because we have so much reach outside the firm. We can start to take some of the things we learn internally and then convene some of our peers to think together about ways investment managers can think differently and more strategically about their impact as it relates to DEI.

Ultimately, I would love for people to be able to look at CA, see our results, see the type of people and leaders that work here or come out of here, and to say whatever they are doing, I want to do that too.

YOU WANT CA TO LEAD BY EXAMPLE.

Exactly. And the time really is now. Many people have been thinking about DEI for a long time. Certainly many people at CA have been. But in the wake of George Floyd and the social unrest in the country in recent years, there was a shift in the country's consciousness about how we talk about race and equity. It's brought more people to the table who weren't here before.

We're in a moment in time where we can capture hearts and minds because people are open, talking and listening, in a way that perhaps they weren't before.

EMPLOYEE RESOURCE GROUPS AT CA



WE'RE VERY PROUD OF OUR



ETHNIC DIVERSITY & BELONGING



LGBTQ+ EQUALITY & ADVOCACY



GENDER EQUITY & EMPOWERMENT



JASMINE N. RICHARDS, CFA

Head of Diverse Manager Research

“ There’s still a misperception that investing in diverse managers leads to concessionary returns. We believe that bias has artificially limited the industry’s investment opportunities, evidenced by the fact that firms owned by women and people of color make up less than 1.4% of the industry. Our focus is to broaden our investment universe and bring the best ideas to our portfolios no matter where they reside.”

IS DIVERSE MANAGER RESEARCH SEPARATE FROM OTHER MANAGER RESEARCH EFFORTS?

Diligencing and allocating capital to diverse managers is thoroughly integrated into our global research process across all asset classes. We focus on getting the right managers within our investment pipeline and applying an equitable underwriting process. Our investment teams add diverse managers into portfolios because of their potential to outperform. Today, more than 60 percent of our global clients hold investments with diverse managers*.

BUT DO CLIENTS BELIEVE THAT DIVERSITY MAKES A DIFFERENCE?

Yes. We conduct a biennial impact investing survey and one of the things we ask clients about is their motivation for considering various investment decisions. In the 2020 survey, clients’ belief that diversity leads to outperformance increased more than seven times since 2018. We believe that number will continue to increase.

AND DOES THAT ATTITUDE TRANSLATE TO DEMAND FOR DIVERSE MANAGERS?

There has been an exponential increase in demand among our clients and the industry at large.

Research suggests that the prevalence and impact of bias within asset management is real and we believe there is more work to be done to create awareness and demand for investing with diverse managers. We are focused on breaking down implicit and explicit structural barriers that prevent capital flows.

DO YOU HAVE SPECIFIC GOALS AROUND YOUR WORK WITH DIVERSE MANAGERS?

We have over 20 years of history working with diverse managers and believe the opportunity for investing with diverse managers is great and expanding. In 2020, we publicly committed to double both our assets invested with diverse managers and the number of diverse managers we partner with by the end of 2025 — and we’re on target to meet that goal.

WHAT ARE SOME OF THE ALLIANCES YOU’VE BUILT TO EXPAND CA’S NETWORK IN THIS SPACE?

This is still a network-driven business so the relationships we’ve built and continue to build to encourage people to consider careers in investing matter. We’re working with groups like The Investment Diversity Exchange, 10,000 Black Interns, National Association of Securities Professionals,

and New America Alliance, where we worked together to launch their Pathway Fellowship Program. These organizations are not only critical to finding investment partners, but they are also key to diversifying the asset management industry overall.

ANY NOTABLE SUCCESSES TO HIGHLIGHT AT THIS POINT?

Our north star has to be allocation of assets. Between June 2020 and June 2021, we invested with 86 additional diverse managers — our goal for that time period was 40. To continue to expand that universe, we held 119 meetings in fourth quarter 2021 with diverse managers and completed due diligence on 18 managers. Every quarter we make progress.

WHEN DO YOU DECLARE VICTORY?

Never. The search for the next best investment idea is always ongoing — which means that the search for the diversity of thought to find those ideas is also perpetual.

*Cambridge Associates defines diverse managers as firms owned and/or led by women and people of color; and diverse firm ownership/leadership as a minimum of 33%. The managers held by clients are not necessarily recommendations of Cambridge Associates.

63%

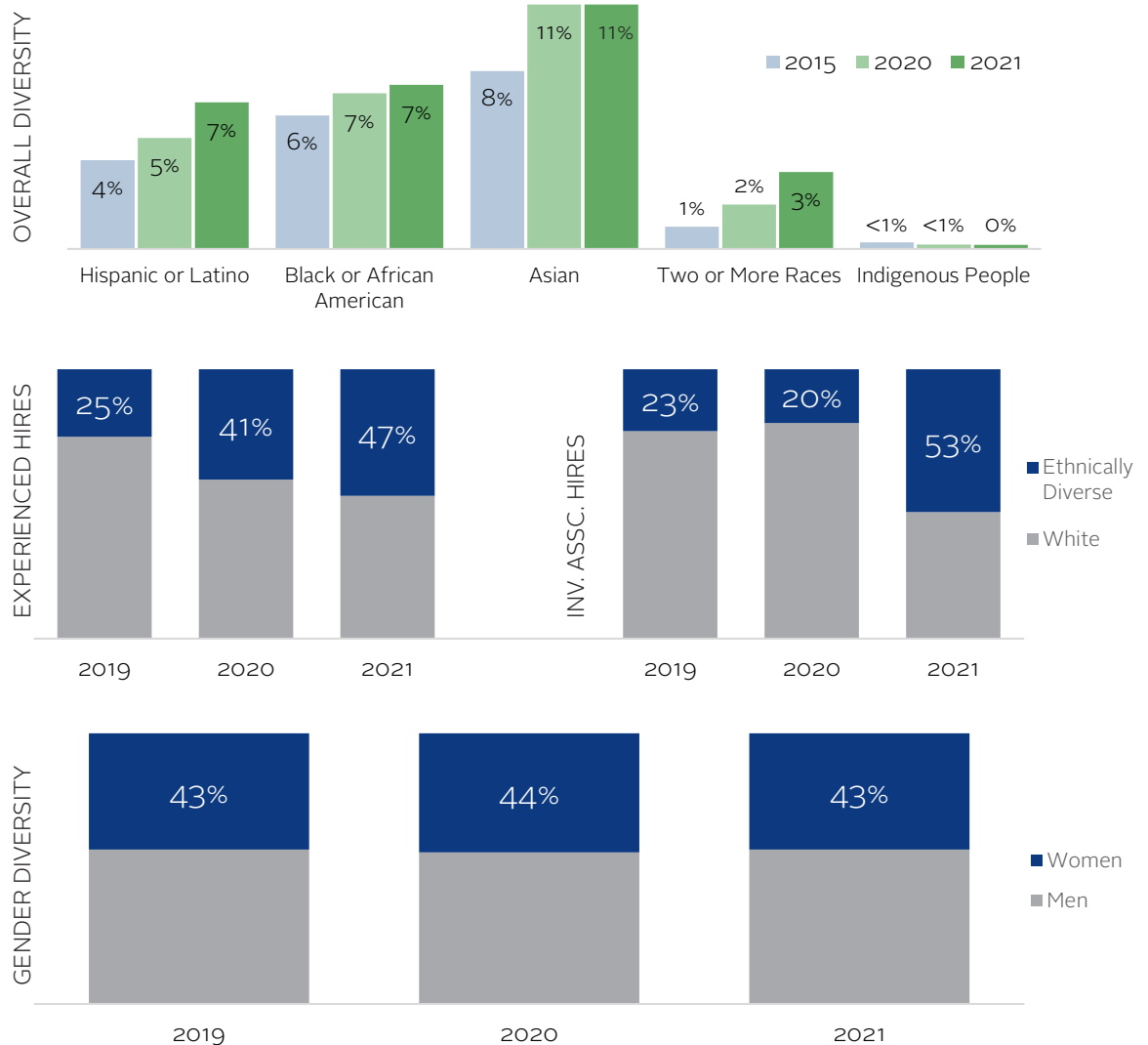
PERCENT OF CLIENTS WITH AT LEAST ONE DIVERSE MANAGER IN THEIR PORTFOLIO

KEY METRICS

towards being a truly diverse and inclusive organization

Measuring progress towards goals is essential to knowing whether you are effecting the desired change. This section shows how we're holding ourselves accountable to becoming a more diverse and inclusive firm, both in the make-up of our colleagues and the breadth of investment ideas.

PEOPLE METRICS

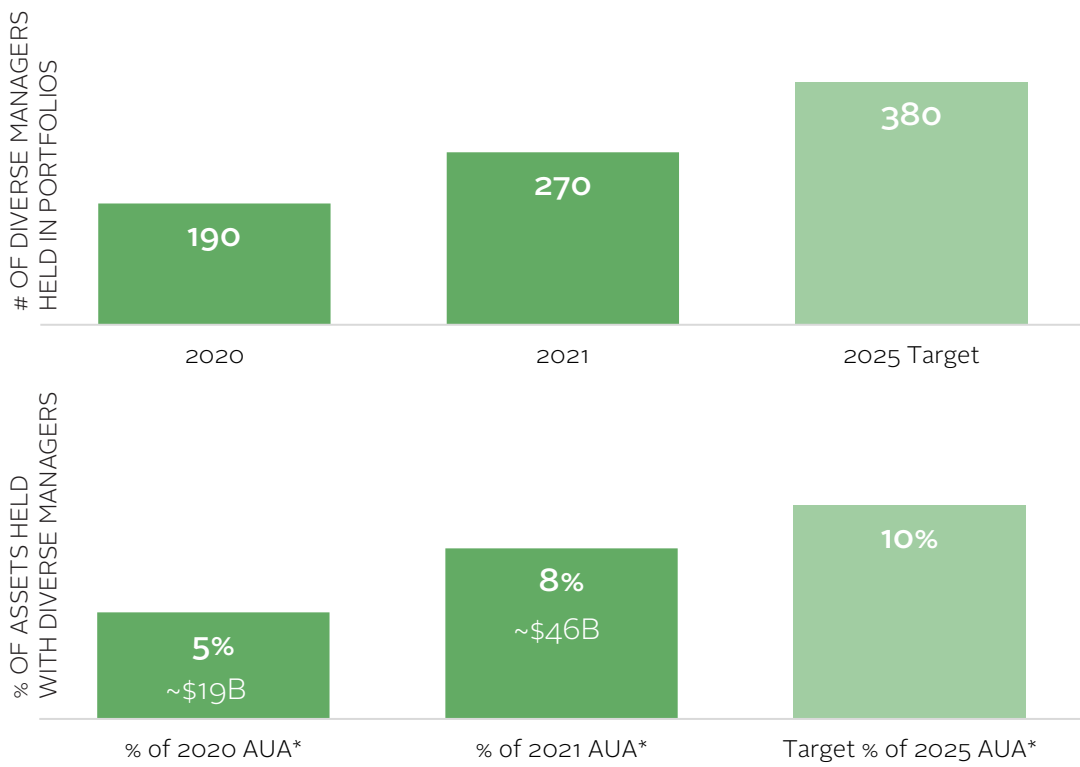


Workforce racial and ethnic identity data is gathered routinely, compliant with US employment law, but such data are not available by law outside of the United States so overview reflects our United States based workforce only. We recognize as well that race and ethnicity represent only one measure of diversity within our community. Gender diversity reflects all global employees.

48%

PERCENT OF NEW US HIRES IN 2021 WHO IDENTIFY THEMSELVES AS ETHNICALLY DIVERSE

RESEARCH METRICS



NUMBER OF MEETINGS HELD WITH DIVERSE MANAGERS IN 2021

423

Cambridge Associates defines diverse managers as firms owned and/or led by women and people of color; and diverse firm ownership/leadership as a minimum of 33%. Data for 2020 begin December 31, 2019 and represent the full calendar year 2020. Reflects data as of June 30, 2021.

* Represents assets invested with diverse managers as a percentage of total assets Cambridge Associates advises or manages for clients.

KEY DEI MILESTONES IN 2021

HIRED GLOBAL HEAD OF DIVERSITY, EQUITY, AND INCLUSION

Melinda Wright has broad experience as an educator, attorney, and as a diversity strategist committed to closing the opportunity gap. She drives our global DEI efforts forward and collaborates across the firm in developing, executing, and communicating our DEI initiatives.

ESTABLISHED A GLOBAL DEI COUNCIL

Spanning our global offices and departments, this diverse group of individuals collaborates to ensure our DEI strategy is fully aligned with the needs of our community and our business.

RECOGNIZED FOR EQUITY IN THE WORKPLACE

For the second year in the row, we achieved the designation as a Best Place to Work for LGBTQ+ Equality (2022 and 2021) by the Human Rights Campaign.

CREATED ROBUST TRAINING RESOURCES TO EDUCATE AND EMPOWER OUR COMMUNITY

CA University, our online learning platform, launched new content focused on DEI learning for our global community, including the introduction of a curriculum called BE@CA, a three-part learning journey focused on Being Aware, Being Accountable, and Being an Ally.

HELPED ADVANCE INVESTMENTS IN UNDER-REPRESENTED MANAGERS

We partnered with several clients, including a number of Historically Black Colleges and Universities (HBCUs) to anchor and help bring to market Base10, the largest Black-owned venture capital firm, and their Base10 HBCU Advancement Initiative.

ADVOCATED FOR EQUITY AND JUSTICE IN OUR COMMUNITIES

CA joined more than 100 other US companies in signing a statement opposing any discriminatory legislation or measures that restrict or prevent eligible voters from having an equal and fair opportunity.

PARTNERSHIPS FOSTERED IN 2021

The Partnership

-
- United Negro College Fund's Lighted Pathways Program (Founding sponsor)
-
- Black Women in Asset Management
-
- The STREAM Foundation
-
- 10,000 Black Interns
-
- Stonewall UK
-
- ILPA Diversity in Action (Signatory)
-
- CFA Institute DEI Code (Early signatory)
-
- New America Alliance's Pathway Fellowship Program (Inaugural sponsor)
-
- Economic Empowerment Day for the 1921 Tulsa Race Massacre Centennial Commission Planning Committee

