

# Emerging Manager *Monthly*

The Trusted Source for Emerging Managers

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## Return To Office: KPG Sees Opportunity In NYC Market

The headlines for the past few years have painted a bleak outlook for office and retail real estate – particularly in New York City where COVID-19 left many companies and their employees in a multi-year work from home situation.

But while many office building owners faced declining lease occupancy during the pandemic, KPG Funds has emerged as an active buyer of assets across the city.

“Everyone thinks New York is dead. For us, now is the golden age of investing,” says Greg Kraut, co-founder and ceo of the firm.

Kraut, who launched KPG in 2014 with CIO Rod Kritsberg, has found an opportunity set with Class B and Class C buildings in targeted locations between Canal Street and 23rd Street from river to river.

“We saw a need in the marketplace to deliver a boutique quality feel to New York City office. That white gloved service that wasn’t being served and we knew the areas we specially wanted to focus in on,” he explained.

While large office buildings have continued to struggle as the city emerges from the pandemic, KPG’s focus on buildings with at least five stories and minimum floor spaces of 5,000 to 6,000 square feet that are close to transportation is perfectly suited for creating an experience that draws employees back to the office, Kraut said.

“It is the experience outside the building and inside the building. You need to have the good location and fin-

See KPG, Page 45



## Women & Minority CIO Hires At Largest Public Pensions, Nonprofits Show Hope But Progress Remains Unstable

By Danielle Correa

**T**he last five years have seen little to no progress for women and minorities who seek the cio role at the largest public pension and nonprofit institutions, yet industry professionals remain hopeful for more future opportunities despite the discouraging figures.

“It saddens me because the investment industry is an amazing industry and it can only be even more amazing with the contributions of more diverse professionals, particularly women and minorities. Sometimes it’s discouraging, but those feelings are really brief and passing for me, because I know that the current environment doesn’t have to be the future environment,” said Angela Miller-May, cio of the \$50 billion Illinois Municipal Retirement Fund, who will mark two years with the fund in August.

Emerging Manager Monthly began tracking diverse cios at the 100 largest defined benefit plans and 100 largest nonprofits in 2019, when 12% of the cios were women at public pensions and 29% of cios at the endowments and foundations were women, compared to today’s respective figures of 13% and 28%.

Meanwhile, the 2019 data for minorities showed that 15% of cios at the top public pension plans were from diverse backgrounds, while 14% were in the top endowments and foundations compared to today’s respective figures of 14% and 10%.

“For the sake of moving it forward, it’s not a numbers game. It’s making sure that anybody who’s qualified has an opportunity. That will strengthen the overall industry and de-

See CIO, Page 23

# CIO: Diverse CIO Representation Remains Largely Unchanged Over 5 Years

*Continued From Page 1*

cision making because we'll have diverse views and experiences," said Alison Romano, who joined the \$33 billion San Francisco Employees' Retirement System as ceo and cio in June 2022.

Elizabeth Havens, a partner at executive search firm David Barrett Partners, plays the role of seeking minority and women candidates who may not be on the top of everybody's list and DBP offers diverse individuals a seat at the table to prove themselves.

"Back in the day, maybe they didn't get the chance to even present themselves. Give them a chance, a seat at the table and the ability to prove themselves," she said.

## The State Of The Industry

Women and/or minority executives hold the top investment position at 24 of the 100 largest U.S. defined benefit plans, up from 21 in 2022, 19 in 2021 and up from 23 in 2019, when EMM began tracking the data, but it is slightly down from a high of 25 in 2020. Changes in senior investment leadership were minimal among the top 100 U.S. nonprofits, where the number of women and/or minority executives leading these institutions is now 36, down from 39 last year and from 38 in both 2021 and 2020 and on par with 2019.

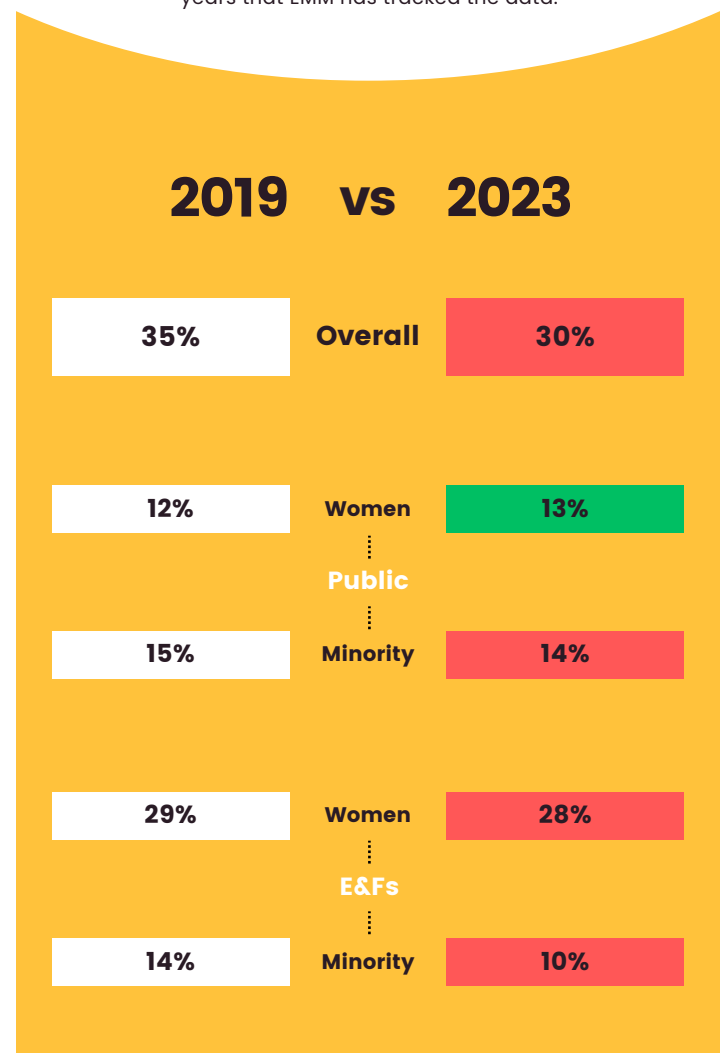
Some new women and minority cio hires from the public pension space in the past year have come from within the organization – including Richelle Sugiyama of the \$22 billion Public Employee Retirement System of Idaho, who previously served as an investment officer at the fund, and Carina Coleman of the \$10.5 billion San Diego City Employees' Retirement System, who previously served on the plan's board of administration and its investment committee while she fulfilled duties as director of pension and trust investments at Sempra.

"I have been involved with SDCERS since 2015 and serving on the board of administration since 2016. I served as vice president, and eventually as president. I was also the chair of the investment committee at one point. So, I was very familiar with the organization and the people," Coleman said.

Most women and minority cio hires in the public pension space in the past year came from outside the organization, including new executive director and cio of the \$83 billion Minnesota State Board of Investment Jill Schurtz, who joined in August and previously served as executive director and cio of the \$1.2 billion St. Paul (Minn.) Teachers' Retirement Fund Association; Kristin Varela of the \$22 billion Employees' Retirement System of the State of Hawaii, who joined in January after previously serving as deputy and interim cio at the \$16 billion New Mexico Public Employees Retirement Association; Michael Shackelford joined NMPERA as cio in August after serving as director of investments of the \$7 billion North Dakota State Department of Trust Lands; Raynald Leveque joined the \$11 billion New Hampshire Retirement System as cio in October from the \$48 billion State of Connecticut Retirement Plans & Trust Funds, where he served as deputy cio; and Anirudh Chowdhry, investment officer at the \$5.8 billion Fresno County (Calif.) Employees' Retirement Association joined in November after prior experience at the \$132 billion

## TOP 100 CIO COMPARISON

Diverse cio representation among the largest public pensions and endowments and foundations has remained relatively unchanged – or even declined – over the five years that EMM has tracked the data.



New York State Teachers Retirement System, where he served as an assistant manager in the fixed-income department.

Having personal ties to New Mexico in addition to nearly 30 years of experience in investments at the time helped Shackelford secure his cio role at NMPERA.

"I've looked around a lot, and I've seen a lot of jobs filled over the

**Continued On Next Page**

## CIO: More Than 50% Of CIO Hires In Past Year Were Women, Minorities

*Continued From Previous Page*

last three or four years, and I'm always heartened to see that there's either a woman or a minority getting those new jobs. That tells me that people are at least thinking about it and being thoughtful about it. I think that's a good thing as long as they've got the experience and know how to do the job. It's good that people are open and openly trying to recruit. They may ultimately give the job to a man or a white male, but they're at least trying to make sure that their candidate pool is diverse," he said.

This year, the public pension space will see the resignation of executive director and cio Johara Farhadieh of the \$24 billion Illinois State Board of Investment, which the plan announced on June 27. Farhadieh, who has been the plan's cio since 2016, will join the \$24 billion Wespath Benefits & Investments. Her last day at ISBI will be Oct. 2. No further details on the search process for a successor have been announced.

On the nonprofit side, May Ng joined the \$14 billion Robert Wood Johnson Foundation as its cio in April from the \$3.5 billion Annie E. Casey Foundation, where she most recently served as cio, while Leslie Lenzo assumed the ceo and cio role at the \$9.2 billion Hershey Trust Company in January after serving as cio of the \$15 billion Advocate Aurora Health Care hospital plan. Meanwhile, Christi Opitz was

or, and then 23% minority males. In terms of statistics, at least from what we've been doing, we're pleased with the results," Havens said.

"I think that's not necessarily indicative of the finalist pool," Havens continued. "There have been a number of top nonprofit platforms [that] are maybe more white male-oriented. We've done several searches where the final candidate may wind up a white male, but many times, the finalist candidate pool is incredibly diverse."

Daniel Cummings, a managing director in executive search firm EFL Associates' Denver office, believes the firm has made headway in its searches when seeking women and minority candidates, however, there is still a long way to go.

"Boards, investment committee people, executive directors, if they're doing the hiring, they're very, very attuned to, 'We need to have the most diverse candidate pool possible, because diversity of thought, diversity of backgrounds, it's been proven, it's a value add for an organization,'" he said, adding that its "incumbent upon cios to, when they're filling a PM role or an analyst role, look in non-traditional places to find a different variety of candidates for those roles, and they've got to start developing them."

Of the 13 cio hires made at the top 100 pension plans over the past year, seven were women or minorities, of which one was a minority woman. Among the seven cio hires at the top 100 endowments and foundations, four were women, of which one was a minority woman. None of the new hires made this year among the top E&Fs were minority men.

### **How DEI Discussions Have Made An Impact On The Industry & CIO Role**

The last five years have seen more attention drawn to diversity, equity and inclusion practices and initiatives within the industry, and while the cio role has been affected, more work can always be done.

More studies have been conducted mainly by industry investment consultants on DEI practices and how it is advancing within the organization, firms are promoting and/or stating their own DEI policies and practices on their websites, ESG has become more popular with regard to portfolio construction and within the boardroom and institutions are increasingly looking to hire more diverse-owned firms to manage their portfolios.

A few specific examples include investment consultant NEPC's third annual [DEI Progress Report](#) from this spring; investment firm Cambridge Associates' second annual [DEI Report](#) released in March; investment consultant Meketa Investment Group's third annual [DEI Questionnaire](#) published in April; and the Diverse Asset Manager Initiative's annual [Investment Consultant survey](#), which serves as

It's good that people are open and openly trying to recruit. They may ultimately give the job to a man or a white male, but they're at least trying to make sure that their candidate pool is diverse.

promoted to director of investments at the \$15.5 billion Silicon Valley Community Foundation in August.

Further, the endowments and foundations space will see the retirements of women cios, such as Rosalind Hewsensian, who is set to retire from the \$5.9 billion Leona M. and Harry B. Helmsley Charitable Trust at the end of 2023, and Collette Chilton, who will retire from the \$3.5 billion Williams College endowment at the end of 2023.

Director of Investments Joshua Fenton, a white male, will take over Hewsensian's role on Jan. 1 and Deputy CIO Abigail Wattley succeeded Chilton as cio on July 1, when Chilton assumed the title of senior advisor to the investment committee to work with Wattley during the transition.

David Barrett Partners conducts most of its mid- to senior-level work in the C-suite within the asset owner space, including endowments and foundations, where the firm has done 45 searches for cios.

"Of those 45, 57% have been diverse hires made by us. Breaking that down, 34% are women, of which four have been women of col-

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# WHO ARE THE CIOS?



**Jill Schurtz**



**Raynald Lévêque**



**Leslie Lenzo**

## ◀ PUBLIC

- Nicole Musicco, California Public Employees' Retirement System
- Anastasia Titarchuk, New York State Common Retirement Fund
- Thomas K. Lee, New York State Teachers' Retirement System
- Rex Kim, Oregon Public Employees Retirement Fund
- Shoaib Khan, New Jersey Division of Investment
- Jill Schurtz, Minnesota State Board of Investment
- Amy McGarrity, Colorado Public Employees' Retirement Association
- Angela Miller-May, Illinois Municipal Retirement Fund
- Ted Wright, State of Connecticut Retirement Plans & Trust Funds
- Sriram Lakshminarayanan, Iowa Public Employees Retirement System
- Alison Romano, San Francisco Employees' Retirement System
- \*Johara Farhadieh, Illinois State Board of Investment
- Richelle Sugiyama, Public Employee Retirement System of Idaho
- Kristin Varela, Employees' Retirement System of the State of Hawaii
- Rodney June, Los Angeles City Employees' Retirement System
- Molly Murphy, Orange County Employees Retirement System
- Farouki Majeed, School Employees Retirement System of Ohio
- Michael Shackelford, New Mexico Public Employees Retirement Association
- Joanna Adams, Delaware Public Employees Retirement System
- Fernando Vinzons, Chicago Teachers' Pension Fund
- Carina Coleman, San Diego City Employees' Retirement System
- Raynald Lévêque, New Hampshire Retirement System
- Betty Tse, Alameda County Employees' Retirement Association
- Anirudh Chowdhry, Fresno County Employees' Retirement Association

## NONPROFIT ▶

- Narv Narvekar, Harvard University
- Jagdeep Singh Bachher, University of California
- Amy Falls, Northwestern University
- May Ng, Robert Wood Johnson Foundation
- Ana Marshall, William & Flora Hewlett Foundation
- Kim Lew, Columbia University
- Srinivas Pulavarti, Emory University
- Carol Dow, Vanguard Charitable Endowment Program
- Christi Opitz, Silicon Valley Community Foundation
- Kenneth Miranda, Cornell University
- Leslie Lenzo, Hershey Trust
- Ellen McGuinn, National Philanthropic Trust
- Denise Baker, West Virginia Board of Treasury Investments
- Susan Manske, MacArthur Foundation
- Allison Thacker, Rice University
- Amy Diamond, University of Southern California
- Kimberly Sargent, David & Lucile Packard Foundation
- Denise Strack, Gordon and Betty Moore Foundation
- Vishnu Srinivasan, Ohio State University (The)
- Jane Dietze, Brown University
- Chun Lai, Rockefeller Foundation
- Elaine Frisbie, Kansas Board of Regents
- Rosalind M. Hewsenan, Leona M. and Harry B. Helmsley Charitable Trust
- Jeffer Choudhry, University of Pittsburgh
- Caryl Stern, Walton Family Foundation
- Kathleen Jacobs, New York University
- Anca Ion, Texas Treasury Safekeeping Trust Company
- Lauren Meserve, Metropolitan Museum of Art
- Noel Juguilon, American Endowment Foundation
- Jessica Strausbaugh, Chicago Community Trust
- Eli Niepokoy, Robert W. Woodruff Foundation
- \*Abigail Wattley, Williams College
- Lila Hunnewell, Boston University
- Dawn Fitzpatrick, Open Society Foundations
- Erica Daley, Oregon Community Foundation
- Letitia Johnson, Amherst College



Positions of those included in the chart were pulled as of July 3 using the [FIN Searches database](#).

Farhadieh announced in June that she will leave her role as executive director and cio of the Illinois State Board of Investment on Oct. 2.

Wattley took over as cio from Collette Chilton on July 1. She was previously deputy cio of the fund.

Continued On Next Page

## CIO: More Effort Made To Quantify Diversity In Financial Industry

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benchmark for progress among the representation of women and racial or ethnic minorities at the largest investment consultants in the U.S., was conducted for the fifth time this year.

One organization looking to change the face of leadership is private membership network Chief, which is committed to DEI and has a leadership team that is 90% women and 43% people of color, while its board of directors is 66% women and 33% people of color.

Chief is focused on connecting and supporting women executives since it launched in 2019, when its goal was to have 36% of the Chief community identify as a member of color, which the organization based on global management consultant firm McKinsey's [Women in the Workplace 2018](#) report that showed only 18% of women at the v.p. level and above identified as part of communities of color.

The McKinsey figure has only risen 1% — to 19% — at the start of 2022 across all industries, of which 37 companies included in the study were in the asset management and institutional investment industry of the overall 311 private-sector firms.

CIO Jagdeep Singh Bachher of the \$160 billion University of California system — inclusive of the pension, endowment, working capital and the nation's second largest defined contribution program — indicated that his goal is to “model change,” which has resulted in the publication of an [annual diversity report](#), full of data that charts the system's progress and points to areas where there is room for improvement.

“As part of this report, we also survey our investment partners about their own diversity efforts. We've seen progress and just as important, we've seen a growing realization among our partners that diversity improves an organization's bottom line,” he said.

The report indicated that in 2022, the UC Investments team met with roughly 333 diverse-owned managers, including 101 managers largely sourced through its partnership with the National Association of Investment Companies and its allocation to diverse-owned partners increased to 40% of surveyed assets from 36%.

Many initiatives have taken place with various industry partners and Miller-May, whose goal is to continue diversifying the portfolio and creating a more inclusive culture at IMRF, thinks it is a good start, but it also feels like there are starts and stops along the way.

“It's moving the needle for individual organizations, however, I don't think it's been enough. It's going to not only take initiatives, but actions by the industry as a whole to increase diversity. There needs to be more diverse leaders, decision makers and positions that can help to move the needle. The closer we are to the problem, the closer we are to finding a solution to the problem and really being able to find the allies and sponsors as well,” she said.

Romano, who began a career in investment banking that eventually led to consulting and a deputy cio role at the \$177 billion Florida State Board of Administration before her current role at SFERS, believes that these DEI and ESG trends are true and provide value, but noted that it is different depending on various places across the country.

“Having a formal framework to consider these issues, having



**Angela Miller-May**

metrics to monitor and observe and setting goals is a way that we can continue to make forward progress. I am supportive of efforts that asset owners and asset managers have made in this space to really make this a focus. And in addition to these frameworks and metrics and goals, we should also remember that it's about the people and there's an opportunity to make it personal,” she said.

Bachher indicated that UC Investments does not have a finish line when it comes to DEI.

“We don't do quotas or fill boxes with one ‘type’ of person or another and then say we're done. Quite simply, we intentionally cultivate a mindset that I think is just common sense. Where are we looking to find the best talent, whether that's in managers or in new hires? By casting a wide net, we expand our network and make connections that are accretive to our organization. We are in the people business and the trust business. Finding the best people from all sorts of backgrounds, those aligned with our cultural values, makes us better,” he said.

Similarly, the \$11.4 billion Public School Teachers' Pension & Retirement Fund of Chicago understands that diverse managers are good for the portfolio and CIO Fernando Vinzons does not think anyone at the fund is going to say “enough.”

“If you look at our history of investments, we've seen our percentage of diverse managers grow from 5.4% in 1998 to 48% today,” Vinzons said. “The fund maintains guidelines requiring over 25% of brokerage commissions for its traditional fixed-income and equity managers are to be executed with CTPF approved minority, women and disadvantaged business enterprises brokers and we blew past

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## CIO: Industry Looks To Ensure Short-Term Efforts Last Into Future

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that goal in 2009. Today we invest 48% of its assets with managers who are also MWD-BE-owned and we're always looking to improve that number — because we know that our minority managers have excellent performance while supporting the values we believe in as an organization.”

Coleman finds that the industry is headed in the right direction, but like her peers, she feels a lot of progress can still be made specifically around reporting and standardizing DEI.

“With regard to the companies that we are looking to hire, I think that greater transparency and uniformity around reporting of diversity numbers and some sort of standardization around how to compare DEI efforts across organizations would be helpful,” she said.

“I think one of the main tenants of sound investment is to avoid group think,” Coleman continued. “Diverse perspectives lead to better business outcomes. I think there's been a lot of attention on the ‘D’ and ‘E,’ and probably less on the ‘I.’ But I do think this ‘I’ is very important to pay attention to, because when people feel included in the workplace, they can bring their authentic selves to the job and deliver their best. When they feel like they're not accepted for any reason, then they're more hesitant to voice different ideas and to actively participate in championing change for fear of retribution or not being listened to or acknowledged.”

SDCERS is considering diversity in the managers that it hires and reporting on DEI efforts of existing investment managers to the board. The plan is also monitoring the managers in a greater intensity and reporting that feedback as requested by the board, which is something that shows SDCERS' commitment to this cause, according to Coleman.

Havens, a Colombian woman who came from asset management and private wealth management prior to landing a career in executive recruiting, agrees that while some progress has been made, there is still a long way to go.

“Yes, more people are promoting and stating their DEI practices and policies. I think in every single one of our searches

there's a focus on diversity hiring. This is what many diverse candidates asked, ‘Is it lip service? Is it [just] to check the box?’ Is it just more of a function of ‘Oh, because LPs are looking for GPs to be diverse or investment committees are looking for teams and cios to be diverse.’ I think that's all improved the focus, you just want to make sure that this will last in perpetuity, and then it's not just short-term focus and everyone's getting on board with it because they feel like they should,” she said.

Shackelford finds that the last five years has seen movement in the right direction as well, but agrees that it is something that does not happen overnight and the industry needs to continue to work for progress and not forget about it.

“It takes time to find and recruit people out of college and get them into these roles. And then it takes time for them to advance their careers. I'm on year 30 of my investment journey. It takes time to build a career and learn things. You need to learn to manage people, learn to manage assets and roll into those roles. What I've seen from both managers and from other public institutions is a lot more diverse staff in the junior ranks then I saw when I was starting out. I think that's a good thing, because those people in those junior ranks today will be mid-level in 10 years and then in another 10 years, th[ey] will be in senior-level positions. It's all moving in the right direction. I just think people need to keep working on it and not let it become something that's not important anymore,” he said.

Cummings, who has been with EFL for 13 years and placed cios like Miller-May and Shackelford in their roles, finds that there is much greater emphasis on DEI recruitment and ESG issues and while it is “great” that they are top of mind, that in and of itself does not address the pipeline.

“That pipeline has to start filling. It has to fill at the lower levels because cios aren't



**Jagdeep Singh Bachher**



**Elizabeth Havens**

born, they're groomed, and they have to have that diversity of experience of multi-asset class interfacing with the board, interfacing with the external stakeholders, with members, and go through market cycles, too. They don't get that without intentionality, without experience, without years of tenure. It's great that these things are top of mind for many organizations, but there has to be an action plan put in place. It's like a strategic

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## CIO: Solution To Diversity Issues Begins With Intentionality At Institutions

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plan. If you don't have the tactical steps mapped out, your strategy is just that, a strategy that's never realized," he said.

The conversations specific to DEI have affected the cio role in numerous ways over the last five years.

While simultaneously acting as a fiduciary to the fund, Miller-May pointed out that her role at IMRF has evolved and advanced in that there have been increased opportunities to make decisions to further advance minority women and persons with disabilities.

"I can do both as a woman and a woman of color. Similar to the untraditional path that I took to the cio role, I believe [in] becoming a voice for the advancement of diversity simply because I've become this voice because of who I am as a person, as a leader and as an investor. I understand the challenges and the obstacles for women and minorities and I have fiduciary responsibilities to the fund and our members, and I believe that the solution is to identify diverse firms that can satisfy my fiduciary duties by providing those risk-adjusted returns to IMRF and those duties and the DEI goals that I have are not mutually exclusive," she said.

While working at Semptra, Coleman was involved in the HQ Local Diversity and Inclusion Council, and thinks it really opened her mind to some of the issues around diversity and inclusion.

"It was important in the hiring process for my current position that I was able to speak to some of these issues. Having this exposure really made me more aware of my own cognitive biases and just to be more sensitive to others around me who may come from different walks of life. I think this type of exposure was really instrumental in me landing this role and I would encourage others to become more involved if their organizations do offer employee councils, or to create them if they don't, so that this self-awareness can grow," she said.

Bachher, who has served as cio at UC for nine years after serving on the leadership team with Canadian sovereign wealth fund Alberta Investment Management Corporation, indicated that the university was at the forefront of advancing diversity and inclusion long before George Floyd's murder and other recent tragedies related to the racial inequities in the U.S.

"Our students, for example, are often the first to speak out about injustices and to demand change. I often learn from them. I'm a very active cio. I don't believe in simply sitting, or standing, in my office and waiting for someone to knock on my door. I visit with our stakeholders on the campuses. I easily meet individually with hundreds of people a year and many more if you count speaking engagements. I'm energized by what I learn and the prospect of learning more," he said.

Romano thinks there is increased effort when running searches to make sure the candidate pool is more diverse yet also believes that many are there based on merit.

"Different organizations may define that differently, but I think there is a distinct effort to look for a diversified candidate pool. That certainly helps if somebody is never interviewed for a job, they certainly will never get it. But I also think that women and minorities that have been successful aren't there by happenstance. They have worked hard to develop their skillset to get access to opportunities and to be active in seeking out those opportunities. [It's] continuing



**Fernando Vinzons**

to make sure that talented women, talented minorities manage their own careers and seek out the opportunities as those funnels now are wider. Putting those two together is what will create change now and into the future," she said.

Like the National Football League's Rooney Rule, Shackelford noted that at least one diverse candidate must be interviewed for executive roles such as cio.

"[With] a lot of new jobs that are open, the hiring staff or board are trying to make sure they have a diverse pool. When you do that, then you give opportunity to people who might not have those opportunities," he said.

### **Finding The Diverse Candidate Pool**

With many white males still holding the cio position across the top U.S. funds, women and minority cios find the lack of progress for others like them can be attributed to institutions not having time for change and the COVID-19 pandemic, but the reasons can also be complex and there is not only one answer to finding the diverse pool.

Vinzons, who joined Chicago Teachers in July 2022 and has over 18 years of investment and financial market expertise, finds that overcoming these challenges requires a concerted effort and commitment to various strategies.

"Including diversity and inclusion training, targeted recruitment strategies, mentorship programs, and fostering inclusive cultures — all of which require a commitment from organizations and their leaders to drive meaningful change," he said.

Coleman finds that the lack of progress tends to be more of a pipeline issue that became more evident during COVID.

"Before COVID, if you were to look at the C-suites in terms of

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## CIO: Promoting, Retaining Diverse Investment Staff Critical To Progress

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representation, it's much, much narrower versus entry-level jobs, and this is just broadly corporate America and not necessarily ci-[related]. It's not just in the hiring, but it's in the career progression, the development and the mentoring that goes along the way after an employee is hired where attention must be focused to ensure greater representation," she said.

"During COVID this uneven playing field became even more uneven and, for women in general, and working mothers in particular, and especially those of us in what's called the 'sandwich generation' that had to take care of both kids as well as aging or maybe even ailing parents during COVID," Coleman continued. "That was definitely a step back for a lot of women and also a step back in terms of the gender diversity numbers of these corporations."

From a pipeline perspective, Romano feels there are many skilled and talented women and minorities that need help and could benefit from actively reaching out for opportunities.

"[They should] not assume that because 'I haven't had all the experiences and then some that I shouldn't throw my name in the hat for an opportunity.' It's building the pipeline by helping people create informal networks and having individuals support each other ... I think that would help from the bottom up [to] create more diverse pools for jobs," she said.

Shackelford sees time as the issue, noting that when he was hired last year by NMPERA, the institution asked how long he planned to stay in the cio role, to which he responded "10 years at least, maybe 15."

"You get in this role and you don't want to leave. You look at a lot of these guys that I've met with over the years who've been in their cio role of X, Y, Z public plan for 20 years or 30 years, and they're not going to leave until they're 70. You get this role [and] it's a pyramid. You start with these associates and these investment officers, and then you get up to deputies, and then the cio. That person leaving means that everybody else gets stopped out. I think over time as these older guys start to retire, it'll be interesting to see who fills those roles," he said.

Shackelford added his belief that it is a good sign when an older white male leaves and the board that replaced them was open to a diverse candidate.

"It's not that people aren't trying to change. You have to get through this pipeline of older people who've been in their roles for 20 years and as they retire, then you're going to have more diverse candidates from some of those roles," he said.

In thinking about the white males in the cio position, Miller-May also thinks about the allies and sponsors that do believe in diversity and offer opportunities for diverse talent to perform and improve,

just as she experienced during her time as cio at Chicago Teachers' Pension Fund before joining IMRF.

"I was promoted, supported and sponsored by one of these colleagues that held a leadership position. But, one thing that has not improved across the industry is allowing for people with diverse backgrounds in education to have access to opportunities that would place them on the path to becoming a cio like I had the opportunity to have it. It's really that layer beneath the current cios that need to have a diverse pool of talent that can provide succession for the current cios. If I should leave, you should be able to have a talent pool of

diverse candidates that should apply for this position because I've taken the time to develop them," she said.

"Recruiting and hiring women and minorities is a useless effort

if you're not promoting and retaining them," Miller-May continued. "And retaining them today means you have to stay engaged with them and understand what their motivations are, what do they aspire to be, what they're interested in, and try to satisfy that with more education, more training. Allowing them to really make mistakes, but have that safety net and learn from those mistakes. I think all employees should be treated as an organization's largest asset."

In addition to organizations having frameworks and DEI discussions, Romano finds it would be beneficial to think about the skills and potential needed for the role as there are many folks who can succeed in the cio chair.

"Everybody doesn't have to look the same or have the same resume to be able to be successful in a role. Being in a cio role is not only the quantitative analysis, it's how you interact with people, it's how you lead people, it's how you think about the organizational structure. People can build those skills in a lot of different roles," she said.

For those organizations that have not made efforts to increase diversity, Miller-May thinks they believe that they will continue to do well without it.

"But the truth is that the world is constantly changing and becoming more diverse. And you have to adjust to the changing demographics, the changing consumer, the changing stakeholders to create a sustainable organization. Some institutions have become complacent and some are just unwilling to change, but that's going to damage them financially in the future," she said.

Over time, Coleman thinks that there will be a greater pool of female talent as recruitment and development ramps up.

"Companies just have to work actively to create those outreach opportunities and recruiting efforts to essentially grow and develop

Recruiting and hiring women and minorities is a useless effort if you're not promoting and retaining them.

**Continued On Next Page**



## CIO: Institutions Increasingly Seeking Diverse Candidate Pool For Roles

*Continued From Previous Page*

the talent pool. It will happen over time, but it will take time,” she said.

The executive search space finds that most institutions are looking for a diverse candidate pool when filling roles such as cio, but challenges like opportunistic hiring and location remain.

“We always suggest to be open to opportunistic hires,” Havens said. “You might not have a position to be filled, but if you meet a [prospective candidate] and if they’re open to informational conversations, we always suggest and will present diverse candidates who we think are really talented. They may or may not be right for a position or there may not be a position open, but for firms that hire those folks, that will increase their diversity. It’s talent. It’s not just hiring for the sake of hiring.”

“For the endowments and foundations space, it’s a little bit harder to hire opportunistically. There’s continued focus on hiring diverse talent at the mid-engineer levels whether they be promoted, if there’s attrition and maybe a successful cio candidate, or just in general increasing the talent at those levels so that they can become cios, even at other platforms. I would just continue to encourage. The nonprofit side [has] done a really good job at focusing on diverse hiring at all levels,” she continued.

Cummings indicated that many institutions reach out and invite EFL to respond to an RFP, with many focused on diverse pools of talent.

“[With] every single client of mine, I can think of very few exceptions where DEI doesn’t come up. I understand that and I appreciate that. When we take on a search like that, we are casting the widest net possible in the traditional places and in the non-traditional places, because the traditional places are going to frankly draw the traditional candidates, a lot of white males, but if I’m a public pension fund in Chicago or Washington, D.C. or Los Angeles, my membership is not white. My membership is diverse, as those cities are, and people want to see people they can identify with. That’s a benefit to the members, but I think it’s a benefit to the organization and the ability of the organization to serve those members by having diverse schools of thought represented.”

The whole idea is to broaden the initial talent pool to be as wide as you can focusing on the must haves as opposed to the nice to haves, according to Havens.

“We’re obviously conscious of the nice to haves, but really making sure that that funnel is as wide as possible. Depending on the platform, they may or may not be right regardless of ethnicity or gender, but it is a way to increase the diversity of candidates and also to increase in diversity of thought,” she said.

“If you’re recruiting people from the direct side, they are new to the endowment and foundation side, they’re new to fund investing, they may not have group think, and that could be beneficial in terms of just having a new and different perspective. It’s adding diversity beyond even just the diversity of gender and ethnicity, it’s diversity of thought,” she continued.

### Progress For Diverse Employees, CIO Candidates

Institutions are encouraged to make progress for diverse candidate hires by casting the widest net possible and utilizing resources to have diversity within their own teams like executive search firms and organizations that support diversity for access to managers, but many find there is always more work to do.

Bachher indicated that UC is 100% aligned with the fact that having a diverse representation of people in an organization improves financial performance and leads to greater innovation and increased employee engagement, but still finds there is room for improvement.

“We need to constantly check in with ourselves to ensure we are living by our values. When we fall short, we fix it,” he said.

As of July 2022, the investment team at UC Investments is made up of 18 men and five women, of which 11 are Asian, 10 are white and two are Latinx, according to the 2022 diversity report.

Similarly, Romano’s mindset for most things diversity and running an organization is that there is always room for improvement.

“We can celebrate the things that we’re doing well and seek out ways to do things even better. Having cognitive diversity on the investment team and on every team in an organization comes with benefits. There

are statistics to support that, but I’ve seen it in everyday meetings where people come to the table given their academic background, given their gender, given other experiences and jobs that they had that each of them may analyze an investment or analyze the situation a little bit differently. We are all better off as a team and an organization when we hear from those individuals. It’s about fostering an environment where everybody is heard,” she said.

SFERS’ internal investment staff led by Romano is comprised of roughly 20 individuals from diverse backgrounds in race, gender and



**Alison Romano**

**Continued On Next Page**

## CIO: Inclusive Cultures Offer Collaborative Environment For Staff

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job experiences, according to FIN Searches data.

In general, SDCERS is a “very” diverse organization that Coleman believes is well represented.

“When it comes specifically to the investment team at SDCERS we are an internal staff of four and we are 50% female at that, but there is definitely room for improvement. I will say our board is also quite diverse and I think there is potential to enhance our diversity further. But we have made tremendous strides when you look at the board constitution a few years ago versus today in terms of being more inclusive. I think that’s been a positive for SDCERS because it brings diverse perspectives and it leads to better business outcomes,” she said.

NMPERA currently has 12 people on its investment team, of which the deputy cio and two senior portfolio managers are female and some of the operations staff are also women, and Shackelford reiterated that New Mexico’s location brings an advantage for the plan to have a diverse team as they always strive to have a diverse pool of candidates.

“It helps that we have several Hispanic employees, including a couple of the females. Then we have two African Americans. My operations manager is African American and myself. We have a fairly diverse staff. It helps that we’re in New Mexico that has a very diverse population, but we also try to make sure that when we’re interviewing people [that] we’re making sure we have a diverse candidate pool. We just hired a new associate, he’s a white male, but we made sure that we interviewed a diverse candidate pool before we ultimately selected him. And another associate we just hired on the other hand, is Hispanic. Having that diverse candidate pool helps you build a diverse staff, and I agree that having a diverse staff makes you better because it makes you think about things you might not have thought about when you’re making investment decisions,” Shackelford said.

IMRF is a diverse organization with a board of trustees that is 50% minority or women and senior leadership that is made up of 71% women, 40% of which are women of color, while the investment team is diverse across gender, ethnicity, nationality, age, experience and backgrounds in education, according to Miller-May.

“The investment team is 50% minority or women with 25% Latina, 13% non-minority women and then 6% African American and 6% Asian, but there’s always room for improvement. We ensure that opportunities are open to a diverse slate of candidates whenever we have an open position. IMRF’s holistic approach is to strive for organizational excellence, which leads to best practices in many areas including diversity and inclusion,” she said.

“If we can build an inclusive culture, it becomes everyone’s responsibility to engage and build relationships and I think that shared responsibility leads to shared accountability and a more systematic approach,” Miller-May continued. “We believe that an inclusive culture allows for a respectful exchange of ideas and collaboration that really leads us to a better solution and decision making. We are

collaborative. We have a team approach. We listen to everyone’s input and then I make decisions. But everyone has to be heard.”

As of the end of March, 25.6% of IMRF’s assets were managed by 70 diverse-owned firms, an increase from 21% when Miller-May joined the fund in Aug. 2021.

Chicago Teachers uses search firms when hiring senior positions at the fund as they help to broaden the applicant pool to source diverse talent and help ensure that each search gets the full attention it deserves, according to Vinzons.

“They are experts in creating a match between the organization and the employee. They help

to eliminate any inherent bias, elevate the importance of the position they have been engaged to fill, and supplement internal hiring talent with their reliability, efficiency and efficacy,” he said.

SDCERS used an executive search firm in filling Coleman’s role and she believes diversity was a consideration in her hiring, but not a determining factor.

“Ultimately, you land this role or you become an investment manager, based on your merit, credentials and fit and not solely the diverse perspective you bring,” she said. “In our case, when we look at managers, we are looking to hire the best in breed, but we also consider how is the manager thinking about diversity? And what are they doing as an organization to progress diversity internally? For example, if you see two managers and one has 100% all male staff and another has a more diverse staff, then you want to ask yourself going forward, which firm is going to be able to think about problems more holistically and from different points of view, and what do you think is going to be the corresponding impact on investment performance?”

While San Francisco utilized an executive search firm to fill Romano’s role, she pointed to the fact that working at a pension plan or in asset management is not solely about numbers as women and diverse individuals have equal capability and skill to run portfolios.

“There are many cases where those numbers have been strong,



**Michael Shackelford**

**Continued On Next Page**

## CIO: Diversity Of Staff Vital For Successions, Manager Sourcing

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but it's a lot more than numbers. It's getting the return. It's an organization. Having an individual be able to communicate, to have confidence that if they're at an asset manager, they communicate with clients and [are] in the business that they could manage teams. Investment performance is one part of a robust set of skills. It's really trying to identify that there are different ways to build client relationships. There are different ways to manage teams. There are different ways to make decisions and set strategy and realizing that a lot of different approaches can be equally successful. When we go to hire individuals or we go to hire managers, [it's] acknowledging that it's not a very narrow definition of what success can be," she said.

Originally established as a fund that assists families and orphans of firefighters and police, SFERS currently serves more than 74,000 active, vested and retired employees of the city and county of San Francisco and their survivors, according to the retirement system's website.

NMPERA ensures that when a position is open that the plan has a diverse candidate pool but ultimately, it is Shackelford's hope that his deputy cio will succeed him.

"She may want to retire in 10 years but if she doesn't, we're working with our senior PMs to groom them. Two of our three senior PMs are female. Maybe one of them will ultimately become cio if I leave and my deputy leaves at the same time. That's all we can do is make sure that we have a diverse staff and a diverse candidate pool whenever we're hiring new staff and grooming and mentoring the staff that we have, so that one of them can take over our roles as we [leave] these positions."

As consultants act as gatekeepers for diverse managers, Miller-May finds that search firms can act as the gatekeepers for diverse talent.

"It is truly important that when you're hiring, you are really clear and know the quality of the person who you're looking for, who you're seeking, making sure that they are not putting up gates that would not allow any diverse talent to apply to the positions, looking at their questionnaires picking that apart to say, 'If I were a diverse person, could I answer this? Would I be able to even look at the questionnaire and think that the position is something that I should apply to?' For the most part, we try to make sure we're in agreement with the search firms, make sure we're in agreement with our own HR department, and we really try to create a sustainable and viable ecosystem within investments that really facilitates the hiring of diverse managers and the hiring of diverse candidates," she said.

For access to diverse managers, IMRF partners and aligns with organizations that support diversity such as the National Association of Securities Professions, NAIC and others in a list that is "countless," according to Miller-May.

Hiring diverse managers is about intentionality, and Bachher implied that making sure UC has a diverse slate of potential managers and hires is vital.

"We are looking for the best candidates, as is everyone, which makes it all the more important to look beyond the usual channels. That doesn't mean, of course, that we will always hire the diverse

manager, but it does mean we will have fairly evaluated everyone available to us," he said.

Havens thinks the goal of recruiters within executive search firms should be to continue to meet people that are new to the networks.

"I know some recruiters get very used to their candidates that they know. Our goals as recruiters are if you find people that don't look and act like us, how can we broaden our network so that we are able to truly present a diverse slate? That's on us as recruiters to continue to expand our networks, to utilize and leverage affinity groups, SEO, [the Robert] Toigo [Foundation]. Make sure that we're networking with groups that we normally wouldn't associate with. There's a lot of talent there that is undiscovered that I would just recommend all recruiters to continue to broaden our networks, find the undiscovered candidates to just continue to improve diversity within asset management," she said.

"Investment committees don't want to see just white male finalists," she continued. "At the end of the day, that may be who they choose just based on being the best fit for the position, but there's a very big, conscious focus and effort on making sure that candidate pools are diverse."

Cummings is a "huge" believer in internships, because people do not go to a business school thinking they want to work in the public sector or for a public pension fund, but it comes down to location and being creative.

"They are probably more geared toward asset managers and going to Wall Street. I think Wall Street's done a better job of recruiting diverse candidates. Pension funds a lot of times don't have the bench strength to bring in people and develop them because they've got roles to fill, and everybody's got a role to fill. That's something that I would hope the industry could take a hard look at and say, 'What are we doing to fill the pipeline of diverse candidates, be it women, be it people of color or both?' They have to figure out, maybe depending on where they're located, 'How do we do that? How do we get people here?' You just have to be creative," he said.

### **The Rewards & Challenges Of The CIO Role**

The cio role is met with both rewards and challenges as evidenced by those in the position, and while some feel the ability to mentor is most rewarding, others find that among the challenges is opportunity.

"Most days, I feel like any other cio that's trying to meet the challenges of today's market environment. I do feel rewarded when I'm really growing IMRF's assets and providing the best risk-adjusted returns," Miller-May said. "When I'm doing my job, when I'm just in the thick of it, selecting managers and moving through strategies and figuring out if that's what's best for our portfolio. When I can provide opportunities for minorities and women-owned firms and diverse professionals, I feel like I'm leaving a legacy of not only being an accomplished investor, but also a legacy of encouraging and em-

**Continued On Next Page**

## CIO: Current Diverse CIOs Look To Continue Building Path For Others

*Continued From Previous Page*

powering and enhancing diverse people that look just like me.”

Being a cio is a “huge challenge” in and of itself, according to Romano, but it is additionally a “huge opportunity.”

“I am leading an organization to support the retirements of individuals who have spent their lives serving the city and county of San Francisco. What I take seriously and I take pride in now is the fact that I am a woman doing that. There is some element of ‘Yeah, there aren’t many of us.’ It’s an opportunity to then also potentially serve as a role model, as a mentor. That’s a lot of pressure, but if there are people that feel comfortable reaching out to me and I can informally provide guidance and help them on their career path, that’s fantastic,” she said.

Investing is Coleman’s passion and she is thankful for those who carved the path for her to do what she loves every day, particularly one of her former colleagues.

“A woman, who at the time worked at one of the larger investment firms, had a child in the early nineties, but employers didn’t offer maternity leave at that time. Hearing stories of those that went before me makes me very thankful for the path that was carved out, and I’m very grateful for the opportunity to make an impact through representation going forward,” she said.

Having the opportunity to mentor people is rewarding for Shackelford, who tries to offer advice to other minorities.

“There are a few people that are junior and interestingly, some of them I’ve reached out to and [I’ve] talked to others that have reached out to me. Through LinkedIn, people will contact me and say, ‘Hey, do you have any advice for me? I’m just starting out.’ I’m always happy to give that advice and talk to people and try to mentor people. Most of them are young Black men,” he said.

“I’m also happy to have a diverse staff and be able to mentor the people in my own office and try to help them become better investors, better leaders so they can take cio jobs in the future,” Shackelford continued.

While Bachher does not look at his place in the world through the lens of being a minority, especially in the majority minority state of California, he tries to do his best on a personal and professional level.

“That’s the way I approach life. I’m a positive person. That being said, I do think my international background gives me an advantage in life. I know firsthand that diversity is an asset. Talent comes from all corners, in and through people with different backgrounds and perspectives. Diversity is a strength,” he said.

Most challenging to Miller-May is the fact that being a woman and a minority is never hidden and people make assumptions from what they see or think.

“Being kind of introverted and quiet, it really takes someone to get to know me to uncover some of those layers. What I’ve done really to advance myself is to get out of my comfort zone and to be more outgoing, be more accessible to the community, to the industry, diverse women, minorities whether it is Latina, Asian, African American. That is the community that I’ve created that supports me



**Carina Coleman**

and understands me. And I think women in general joining many of these organizations helps to quiet some of the self-doubt that you sometimes experience and working in an industry that is majority male,” she said.

Taking on a role as both cio and ceo was most challenging for Romano as it came with an expanded set of responsibilities.

However, “There’s a lot of benefits and opportunities having that big, broad picture and acknowledging that the success of this organization is not driven by investments. It’s driven by the collection of our ability to generate returns through investments, to administer benefits and to meet the needs of our retirees and everybody at this organization has a role in doing that. In my combined role, I really can bring this together and make this organization. ‘We are one team, one mission,’ and I think that makes the organization stronger. But it’s a big job. It’s a lot of things to manage, to think through and a lot of moving pieces. The challenges would be to prioritize, set objectives and work productively with a great set of individuals and work as a team to push the organization forward,” she said.

For any cio, whether male or female, the challenge lies in effective time management, according to Coleman.

“When you get down to it, you basically have, depending on the number of meetings and how long those meetings are, but let’s call it 18 hours to manage \$10 billion. You have to get 13 folks in alignment with you, or at least the majority of those 13 folks. It’s the meetings that go into the meetings, the pre-meetings, to discuss agenda items and build those relationships with committee members. I think doing that work upfront to talk with your stakeholders is really important

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## CIO: Networks Can Help Navigate Challenges, Offer Suggestions

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to creating good outcomes. That advice applies to any cio. It's just about being able to really understand the needs of your stakeholders and delivering on those needs," she said.

Shackelford did not identify any particular challenges from being a minority cio, yet he indicated that looking across the investment industry and seeing a snail's pace of folks moving from lower to middle to upper ranks has been challenging for him.

"The DEI requirement is not something that we look at first when we look at an external investment manager, but it is something we look at and it's something we comment on if we see a manager that has no diversity or doesn't have enough diversity. My hope is that when we make those comments to them [like], 'Where's your diverse staff? You have 100 investment professionals and only a handful are women or only a handful are minorities,' [and] if other public cios and endowment and foundation cios are making those comments, then it will register that people will start hiring and are making an effort to hire more diverse candidates in their investment staff. Hopefully over time we'll push firms that maybe don't care or haven't thought about it as a big issue for them," he said.

"Maybe we'll push them in the direction of, 'Hey, it's something you should think about, because you might have good performance, but if someone else has good performance, everyone else is going to start migrating to the other managers that have good performance to have more diversity than you do. I would encourage other cios to make that point when they're in meetings with external investment managers," Shackelford continued.

As one becomes more senior in their career, whether it is as a cio or in other roles, Romano indicated that different sets of challenges are faced.

"It's always important whether you're just out of college or in a senior role like [cio] to find a network of individuals that you can share ideas with, talk about challenges and make suggestions. Being able to build those informal networks is really important and harder to do as the set of individuals in a similar role narrows," she said.

For Miller-May, having a supportive base of other women cios, whether it is Farhadih over at ISBI or Deputy CIO Ellen Hung at the \$22 billion State Universities Retirement System of Illinois, is helpful.

"I think we all experience some of the same things, but what is still exciting to me is that there is a resilience that you feel and that

you know in this support and I think that helps us to keep going and to keep thriving and to keep being successful," she said.

### **Mentorship Opportunities Give Hope For A Future That Looks Different**

Cios and executive search recruiters alike have had their share of mentors that have helped pave the way to their positions today while they agree that finding the difference in others will affect progress for diversity in the institutional investment industry.

The leadership of EFL being intentional about recruiting women and minorities has set an example for Cummings as he mentioned that he and his own boss are "lock-step" on its importance and why it adds value to an organization, indicating there are certain cios that he admires.

"The folks at New York Common, the folks at CalSTRS [like CIO Chris Ailman] and Angela Miller-May is somebody I greatly admire. I've had good luck replacing some executive directors of color, I greatly respect them and what they're doing because they're breaking barriers," he said.

Coleman noted a former boss of hers that used to have several helpful phrases such as "work harder, not smarter" and "if you're not ruffling feathers, you're probably not doing your job."

As one of only a handful of female cios in California, Coleman thinks it is important to understand that when looking to hire for these executive positions, people tend to go

with what they know, therefore mentorship is key.

"They tend to choose something that they're familiar with. And for this reason, it's really important that we foster mentorship of females within the industry to create a pipeline for talent development for these key positions within the investment management industry. That pipeline is really critical. Today it is still difficult for a female to gain the access needed to network successfully to attain some of these positions if they're just not in certain circles. I think it takes years to really develop a solid professional network within the investment management industry, which tends to be a very relationship-based business. So, it's going to be absolutely critical for females to find male mentors and allies within the industry that are willing to partner so that females can have better access to these types of positions going forward," she said.

Bachher noted that he always asks the successful people that he has met from all walks of his life, "What led to your success?"

"I would say that 90% of these people say that what led to their success is patience. That has really resonated with me. Patience doesn't come naturally to me or, I would venture to say, to most



**Dan Cummings**

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## CIO: Mentors Offer Guidance

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people. You have to train yourself to be patient. Certainly, that is what being an investor is about, being patient. There are no quick fixes, as much as we would like there to be. But if you're patient, your work and training will pay off," he said.

From a mentor perspective, Shackelford has had a couple of good ones, including his manager Jeff Rogers when he first started at a bank in New York and John Draghi, who worked with him at Lehman Brothers and Goldman Sachs.

"Both of them gave me basically the same advice. 'If you want to be successful, if you want your team to be successful, you need to understand the strengths and weaknesses of your staff, need to understand their motivations and if you can understand that, then you can lead them in the right direction.' When I interview people, I'm not looking for the perfect person. I'm looking for the best person who can do the job, but they don't have to be perfect because no one is. And [I want to] understand their motivation for why they want this job. If I can understand those things, I can help them grow and become better investors and better leaders themselves," he said.

"The one thing that both of them taught me to do was 'Don't always look for someone like yourself,'" Shackelford continued, adding that in the mid-1990s and early 2000s, "both of them made a point of interviewing women and interviewing minorities and making sure that they had a diverse pool of people and that taught me a lot [such as] 'Don't limit yourself to people who look like you.' I'll be honest, when I got my first manager job, my first thought was 'Maybe I should only interview African American men, because that's what I look like and I don't see any of them working around where I work.' But, in the back of my mind I remember what they had taught me, [and that is to] always have a diverse pool."

Miller-May has plenty of mentors throughout the industry that she has learned from and has had the pleasure and privilege of working and partnering with that have wanted to see her succeed, including Co-CEO and President Mellody Hobson of Black-owned manager Ariel Investments and CEO & CIO Tina Byles Williams of Black- and women-owned manager Xponance.

"I do look up to these women because I'm performing a job here. And regardless of [whether] I have to compete with 100 applicants to get this role, it's nothing like the courage that you have to start a management firm and to raise capital, to go into a room and hear people tell you 'no' a million times until you finally get to that 'yes.' I admire that because I don't have that type of entrepreneurial spirit. When I see it in others, it always drives me and it lets me know that there are plenty of people out here fighting to be successful and anything that I can do to be helpful is just some small thing that I can do," she said.

Romano has found that different people have different skills and things to offer, so it is not necessarily about finding the one mentor with guidance, wisdom and answers.

## Minority Women Meeting Obstacles In Obtaining CIO Roles

This year, EMM began to track minority women in the cio role at the largest public pension plans, endowments and foundations and industry professionals agreed the results are "disappointing" and a "disgrace."

Three out of the 13 total women cios in the top public defined benefit space are minorities, while only two of 28 women cios in the top nonprofits come from a minority race, data compiled by EMM shows.

The three minority women cios at the 100 largest public pension plans include Angela Miller-May of the \$50 billion Illinois Municipal Retirement Fund, Richelle Sugiyama of the \$22 billion Public Employee Retirement System of Idaho and Betty Tse of the \$10 billion Alameda County Employees' Retirement Association, while May Ng of the \$14 billion Robert Wood Johnson Foundation and Kim Lew of the \$13.3 billion Columbia Investment Management Company of Columbia University represent the two minority women at the 100 largest endowments and foundations.

Sugiyama and Ng, two Asian women, were appointed to the cio roles at their respective organizations in the last year, according to EMM sister publications FIN Daily and Nonprofit News.

Female Asian American and Pacific Islanders in asset management face low representation and attrition, according to nonprofit organization Association of Asian American Investment Managers' recent study.

AAPJ women face additional quantifiable challenges when advancing to senior-level roles in asset management. Independent of ethnicity, roughly 20% fewer women enter the industry compared to men.

"AAPJ women also face female attrition as they work to climb the corporate ladder. This double bind for AAPJ women makes the upward mobility that much more difficult," AAAIM Board Co-Chair Brenda Chia said.

AAPJ women constitute 14.2% of all senior-level – partners and managing directors – women in asset management, according to the study.

As one of the few minority women in her role, Miller-May finds it is her responsibility to keep the door open for others to have the opportunity to become cio and aid in the transition.

"I'm trying to do as much as I know how to do and trying to be a clear representative of what can be. I'm persistent in my commitment to really increase diversity in the industry and I'll continue to lead from the front and meet challenges head on. It's my voice, it's my legacy. It's what I want to leave behind," she said.

Through networking events, development workshops, keynotes and more, Black Women in Asset Management, a leadership community comprised of Black women in investment and asset management, has a mission to champion the positive impact of talented Black women and provide them with the tools that will enable them to thrive in the industry.

"Having started my career in investment banking and private equity in the U.K., where I was typically the only Black woman in every team, it was so refreshing to be in a room with hundreds of amazing Black women across all levels of the asset management industry," said

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**See MINORITY WOMEN, Next Page**

## CIO: Support, Exposure For Diverse Investment Talent Needed

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“It’s ‘Hey, this person is really good at this, and I admire their skillset in communicating. So, what can I learn from that? And this person is really good at this aspect of investing and how can I learn from being in the room or asking them for guidance? That way, I can take these skills and put them together in a way that is consistent with the way I am and the way that I can implement it.’ That’s certainly been helpful to me,” she said.

“The other thing is having relationships either with peers or people that are more senior that will say, ‘Hey, you could do this, have you thought about it? You should try it. You’re qualified.’ That’s not specifically DEI-related, but if we have a lot of individuals of women and diverse candidates that have somebody in their corner that’ll do that or that will say, ‘Hey, you should work on this project because it’s going to help build your skills,’ I think that it can be very impactful. It certainly has been impactful in in my own career,” Romano continued.

Havens meanwhile embraces and appreciates people who focus on diversity and truly believe in it, regardless of their background, and in the recruiting world there are plenty of women in asset management, but less women of color, therefore she focuses on that for herself.

“There’s not many that look like me that are in this industry and so, how do I take that and make sure that I change that number? Because, yes, it’s bad in asset management. I can help by recruiting and how do I even help in the recruiting space? There’s a dearth of people who look like me, and it could affect the people that are being hired. All of this trickles down to unconscious biases. How do we make sure that we minimize them? The number of diverse recruiters in the asset management space needs to increase,” she said.

At the end of the day, looking for others who are different and connecting with others in the industry will help advance and progress to more women and minorities in cio chairs.

“Look for people who don’t look like yourself. Look for people who don’t think like you. Look for people who are different than you, because having a diverse staff leads to better outcomes in the long run,” Shackelford said.

There are many small things that can be done, according to Miller-May.

“Whether it’s calling on a person first, or making sure that when you go to a conference that you’re taking a diverse person with you to provide them with exposure or volunteering them for things that they don’t want to do, but that they can be successful at and giving them exposure to present to boards and present at panels,” she said. “Those little things really direct what the future looks like. It is really trying to do what we can in the time and the space that we have and believing that that’s going to put us at a better position down the road. We can’t really lose faith in that, because it keeps us going.”

Cummings finds there has been too much lip service over the decades despite the strong intention out there to attract diverse candidates to opportunity.

“You better go the next step and start putting some tactical steps in place to ‘How are we going to achieve DEI?’ It’s great that people talk about it. It’s great that it’s an important value, but if it doesn’t have meat behind it, it’s just lip service,” he said.

The state of women and minority cios is better than it was when Shackelford started in his investment career, and it is getting better every day.

“As long as everyone in the industry remains focused on it, or at least have it in their minds when they’re interviewing candidates for internal jobs, or if you’re an allocator, when you’re interviewing and doing due diligence on external investment managers,” he said. “If you think about it and you’re open and honest about it, it will continue to get better.”

## MINORITY WOMEN: Current CIO Figures ‘Disappointing’ For Industry

*Continued From Previous Page*

one managing partner at an emerging markets private equity fund on the firm’s website about BWAMCON 2022, the organization’s inaugural conference.

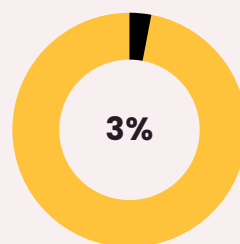
Alison Romano, who joined the \$33 billion San Francisco Employees’ Retirement System as its ceo and cio in June 2022, finds EMM’s compiled figures to be disappointing not only as a woman, but as a human being.

“There are a lot of men and individuals that also are very supportive of wanting to see diversity. It’s a challenge, but challenge is opportunity. If it’s not where we want to be, we can work as an industry to move it forward,” she said.

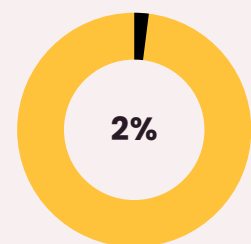
Carina Coleman, who was offered and accepted the role of cio at the \$10.5 billion San Diego City Employees’ Retirement System in August, is not surprised by the figures of minority women in the largest

### MINORITY WOMEN CIOS IN 2023

within the top 100 public plans and top 100 E&Fs.



Public



E&Fs

**Continued On Next Page**

# MINORITY WOMEN: Insiders See Hope With Next Generation Of Talent

*Continued From Previous Page*

plans and nonprofits.

“I think COVID had a negative impact on female participation in the workforce and it had actually a disproportionately negative impact on female minorities in the workforce,” Coleman said. “COVID really brought out some of the inequities that were already present, and amplified them, particularly with the advancement of women in the workplace. When I go to industry conferences today, and I see 500 in attendance, I can count maybe 20 female heads, and that type of representation should change going forward.”

Michael Shackelford, who joined the \$16 billion New Mexico Public Employees Retirement Association as its cio in August, is not surprised by the low figures but is encouraged by the hiring activity of diverse candidates at smaller pensions and nonprofits.

“I was at a smaller public plan in North Dakota, a \$7 billion plan. Now, I’m at a \$16 billion plan. I know some of those candidates who are in those smaller plans and the smaller endowments will go to the bigger endowments. Ultimately, the thing that heartens me is that when I look at the lower ranks, I see more diversity than I saw 30 years ago and 20 years ago,” he said.

Shackelford, who began his career in investments 30 years ago, recalls working at a bank with no other diverse loan officers and none were females, but looking around today, he sees Asians, Blacks, Hispanics and women at investment manager shops, which would not have been the case 20 or 30 years ago.

“It’s frustrating that there aren’t more senior women and minorities, but if you think about it, eventually those people will become senior people. Sometimes you just have to tap down your frustration and say, ‘Give these people time to mature in their career [and] get the experience they need.’ Twenty years ago, if I went to a meeting, I might[’ve] been the only Black person in the meeting [or] I might[’ve] been the only minority. Today, that’s not true. Things are getting better. It feels like a snail’s pace sometimes, but it’s certainly getting better,” he said.

Daniel Cummings, managing director at executive search firm EFL Associates’ Denver office, finds the figures of minority women representation at the top pensions and nonprofits are a “disgrace” as he thinks there should be “much greater representation of women and minorities” in the cio role.

“Something needs to change, but it can’t change overnight. It has to start at the foundational level. That pipeline has to start to be more diverse. And there’s no shortcut for that,” he said.

At the \$11.4 billion Chicago Teachers’ Pension Fund, diversity in every form and representation are “critically important to our organization,” according to CIO Fernando Vinzons.

“Our Board of Trustees is diverse, our stakeholders are diverse, and our organization and our investment policies reflect that diversity and our shared values,” he said.

Like his peers, Jagdeep Singh Bachher, cio of the \$160 billion University of California system, finds that “we all need to do better” if we hope to see more minority women in the cio chair.

While Coleman may be categorized as a non-diverse woman by

## TIMELINE

### MINORITY WOMEN CIOS

2023

#### MAY NG

May Ng, an Asian woman, joined the Robert Wood Johnson Foundation as its cio in April 2023 from the Annie E. Casey Foundation, where she worked a v.p. and cio since 2015 after joining as director of public market investments in 2013.



2022

#### RICHELLE SUGIYAMA

Richelle Sugiyama, an Asian woman, began her role as cio of the Public Employee Retirement System of Idaho on Oct. 1, 2022 after serving at the pension plan as an investment officer, where she was “heavily involved” with the investment portfolio for “many years.”



2021

#### ANGELA MILLER-MAY

Angela Miller-May, an African American woman, joined the Illinois Municipal Retirement Fund as its cio in August 2021 after serving at Chicago Teachers’ Pension Fund as cio since September 2017 and director of investments since November 2010.



2020

#### KIM LEW

Kim Lew, an African American woman, joined the Columbia Investment Management Company of Columbia University as its president and ceo in November 2020 after serving for 13 years at the Carnegie Corporation of New York, most recently as its v.p. and cio.



2002

#### BETTY TSE

Betty Tse, an Asian woman, became the Alameda County Employees’ Retirement Association’s first cio in 2002 after working at the plan since 1999 as an investment officer and analyst.



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## MINORITY WOMEN: Current Successes Offer Role Models For Others

*Continued From Previous Page*

race or ethnicity, she points to certain other unseen or hard-to-measure differences between individuals and hopes for greater representation going forward.

“When these positions are filled by a very narrow subset, it’s like limiting the talent pool unnecessarily, and it should be that we cast a broad net to fill these positions. But the Catch-22 is that folks are looking for you to have experience at that role,” said Coleman, the former v.p. and president of SDCERS’ board of administration.

“I would have had probably an easier shot at becoming cio had I been the cio of another public pension plan or had I served with the same cio title in my previous position,” Coleman continued. “One has to overcome certain title barriers and argue, ‘Well, this was functionally what I was doing, even if that wasn’t my title at my former company.’ That can be a little bit hard to engineer sometimes. If you continue to hire who you know, it can become a closed network that makes it more difficult for women and minorities to penetrate. That’s why it’s very important for companies that espouse that they are DEI advocates to really build this recruiting pipeline to attract the best talent and develop opportunities for these individuals. I think then, you truly can hire the best of the best.”

Seeing other diverse folks in positions of power who are women, such as Vice President Kamala Harris, brings hope that the industry will progress in advancing and filling more leadership roles such as cio with women and minorities, but there still needs to be more representation.

Women and minorities represent what could be and without former Executive Director Chuck Burbidge choosing Miller-May to lead a small investment team at her former employer CTPF and without President Joe Biden choosing and giving Harris the opportunity, they would not be in their roles.

“It’s not only seeing her in that role and having the hope that we could do that, it’s also hoping that there are others out there that would encourage, support and provide opportunities that would give that one chance that a Kamala needs, or Angela needs, or any one of us that are in this industry that are trying to advance. All we really need is an opportunity. Seeing that happen does give me hope, but I don’t feel like it happens enough. And I would need to see more of that to feel that we’re moving in a positive and sustainable direction. It’s hopeful, but it’s not enough at this point,” Miller-May said.

Young women of color see a Kamala Harris, or Co-CEO and President Mellody Hobson of Ariel Investments or an Angela Miller-May and think anything is possible, Cummings implied.

“That glass ceiling, that lack of opportunity for minorities, she’s proven you can rise to the highest levels, and I think those kinds of examples encourage more people to think ‘If I’m an African American female, I look at what my parents and my mother and my aunts and others are doing, and I might think that’s just not possible for me. Well, Kamala Harris proves that wrong, Mellody Hobson proves that wrong.’ I think those examples of people like that has a dramatic effect. We may not see it for 17, 18 years, but I think it’s a very positive development,” he said.

While Partner Elizabeth Havens of executive search firm David Barrett Partners finds having women and minorities in senior leader-

ship is helpful, the investment management industry needs more stand out women and minorities on that platform to better identify with younger generations.

“There’s obviously a lot of successful women and we need more in the investment asset management role for role models,” she said. “Everybody knows Warren Buffett. If we had a female equivalent or a minority female Warren Buffett just in terms of prestige and somebody that younger people of color could look up to, that would be a game changer. I’m not saying that they’re not out there now, I know that they are, but I do think that they need to be even more in the limelight.”

“If you think about tennis, what Serena Williams did to the game not only for African American girls, but even if you look at the top men tennis players, many of them have even commented on what she did to their game and how she influenced them. I do think we [should] give them a bigger platform to be better known specifically for junior people, younger people to look up to them because it’s sometimes hard when you’re in big asset management firms,” Havens, a Colombian woman, added.

Similarly, Shackelford finds it is good to have a Black and female v.p. and other successful African Americans, however, diversity in the junior and middle ranks gives him the most hope.

“Over time, those people will become senior people and they will hire. If you’re hiring more diverse people then you get to senior ranks, it’s sort of an evolution. Knowing that the foundation of the investment experience pyramid is much more diverse than it was when I started, I know in time those people become senior investors and ultimately cios,” he said.

“There’s always a first, but that first female won’t be the last,” according to Coleman.

“It’s about delivering your personal best on a daily basis. When you see a female break this type of a barrier, it is encouraging to others, and certainly I think the fact that Kamala broke not only one, but two, barriers as she is a female from an underrepresented racial community. I think the legacy is not that you ‘made it,’ or that you overcame a barrier. Your legacy is really what you leave behind. You’ve maybe opened the door for others. You are the first. You’re not the last, but how you’re going to be remembered is the legacy that you leave behind. What did you effectively do in that role?” she continued.

While seeing more women and minorities in leadership positions has benefits today, Romano believes it has the greatest benefit on the next generation, who will not view it as an issue.

“When they close their eyes and they picture a ceo or a president, they may picture a woman, whereas I don’t know that that would be the case of people in my generation or earlier than that. For people to have somebody that they can identify with, whether it’s based on gender, whether it’s based on race, whether it’s based on nationality, go through the list. That is important so that people can say, ‘Oh, yeah, I can do that, too,’” Romano said.

“As a woman and a woman of color, when I can connect people and advance minorities and women in this industry, that is what I feel like I’ll leave behind. That is going to be even more sustainable than the long-term growth of assets,” Miller-May said.