DIVERSITY OF ASSET MANAGERS IN PHILANTHROPY

A STUDY TO ASSESS THE REPRESENTATION OF WOMEN AND RACIAL OR ETHNIC MINORITIES AMONG INVESTMENT FIRMS USED BY THE COUNTRY'S TOP 50 CHARITABLE FOUNDATIONS

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FOREWORD

In early 2010, we were publicly asked how much of Knight Foundation's $2.1 billion endowment was invested by asset managers whose ownership included people of color or women. We had never been explicitly asked this question but, given our values and the size of our endowment, we assumed the number would be material.

We were wrong. The answer then was $7.5 million, managed by a single firm. The answer today is $805 million, or over a third of our current endowment.

Like many leading independent foundations, we have an explicit commitment to equity and inclusion in our grant-making program. But our program spending is just a percentage of the assets we manage. As with all foundations, it is our assets, mainly a privately managed endowment, that yield the resources to invest in our program.

But even as foundations have become increasingly creative in the ways they put their endowments to work to do good and to grow, discussions about diversity and inclusion in who invests the endowment have only recently come to the fore.

There are many ways to consider how values of diversity, equity and inclusion can manifest in the management of an endowment. They might range from how funds are invested to the construction of a management team. We believe the question of diverse ownership, while not the only way, is an important one. In finance, firm owners reap great dividends from the value they create, and it is owners who have the greatest influence on how the capital they manage is invested and the makeup of their investment teams.

Finance is fundamentally about equity. That is, who owns the capital. And our values argued for a more equitable distribution of the equity, so we resolved to do that.

In the past few years, we've published two reports on the level of women and minority owned firms across the entire asset management industry. They concluded that total assets under management by diversely-owned firms is painfully low: around 1% of its $69 trillion in total assets under management across the entire asset management industry. These studies also found that the performance of minority and women firms is not statistically different from the rest of the industry—so we have to ask why they have so few assets under management.

In time, we also asked how we were doing compared to others. What was the state of our field, and what could we learn? Those are questions we've frequently been asked by a variety of stakeholders.

These are all difficult questions to answer. We've also noticed that, without clear answers, supposition has filled the void.

In trying to provide answers, we have struggled to report on how foundations are doing. Foundations are not required to disclose their investment managers outside of the IRS-required disclosure, which accepts general reporting so that identification of specific managers is often impossible to determine.

That's one challenge. Another is that it's difficult to understand the ownership structures of asset management firms. In this report, the economic firm we commissioned, Global Economics Group (GEG), relied on definitions provided through widely used commercial databases, although those definitions are open to reasonable contestation.

We regret the lack of transparency. If we can't agree on, much less describe, the state of the world, how can we hope to engage in discussion about how to move forward?

Because we believe this conversation is so critical, we decided to pose the question nonetheless: What is the representation of diverse-owned asset managers among philanthropic endowments? In response, GEG designed a study to assess the representation of women and minorities among asset managers used by the country's top 50 charitable endowments, which collectively represent endowment assets of $290.3 billion.

The first piece of good news is that charitable endowments are outperforming the industry in the representation of diversely-owned managers:

- All but four foundations for whom data was available (or provided) are investing some portion of their assets with diversely owned firms;
- Over half invest more than 10% of their assets with such firms; and
- Two foundations invest more than 30% of their assets with diversely owned firms, with the maximum invested amount equal to 45.9%.

The second piece of good news is the positive reception we received from our counterparts. Many shared additional data beyond what was publicly available. Others shared our goal but disagreed with the approach. Each foundation had the opportunity to comment, and several provided how they measure diversity in their enterprises and in their endowments. Their comments, in full, are included in this report.

We thank these foundations for their responses and applaud their efforts.

The goal of this report is to provoke a conversation—one that we hope will serve to improve our collective understanding, to clarify how we assess diversity in endowment management, and to enhance the available data on the field. And that will lead to a more equitable distribution of the equity generated by private foundation endowments.

Sam Gill, Senior Vice President/Chief Program Officer
Juan Martinez, Vice President/Chief Financial Officer

EXECUTIVE SUMMARY

For a decade, Knight Foundation has been intentional about identifying high quality, diversely-owned asset managers when investing its endowment. In response to frequent questions from a variety of stakeholders into the performance of the charitable sector regarding this issue — the questions arising from the general lack of data — Knight Foundation asked Global Economics Group to assess the representation of diverse asset managers among foundations.

The study assessed the representation of women- and racial or ethnic minority-owned investment firms ("diversely-owned firms"), among investment firms used by the country's top 50 charitable foundations.[3] The study analyzed available endowment investment data for 26 of the top 50 foundations ("Participating Foundations") and included only endowment investments managed by investment firms based in the United States, amounting to $63.95 billion in invested assets ("Analyzed AUM").[4] The study found:

- $8.62 billion (13.5%) is invested with diversely-owned firms.
- $6.82 billion (10.7%) is invested with women-owned firms, and $5.93 billion (9.3%) is invested with minority-owned firms, as defined below. Approximately 50% of the $8.62 billion is invested with firms that are both women- and minority-owned; thus, the sum of the two figures is greater than $8.62 billion.[5]
- The average foundation invests 13.3% of its assets in diversely-owned firms, 10.8% in women-owned firms and 9% in minority-owned firms. The median foundation invests 13.5% in diversely-owned firms, 10.9% in women-owned firms and 7.9% in minority-owned firms.

3 The top 50 foundations were determined in terms of total asset size. The top 50 foundations account for over $290 billion in total assets, collectively. Total assets include all foundation assets, including investment assets.

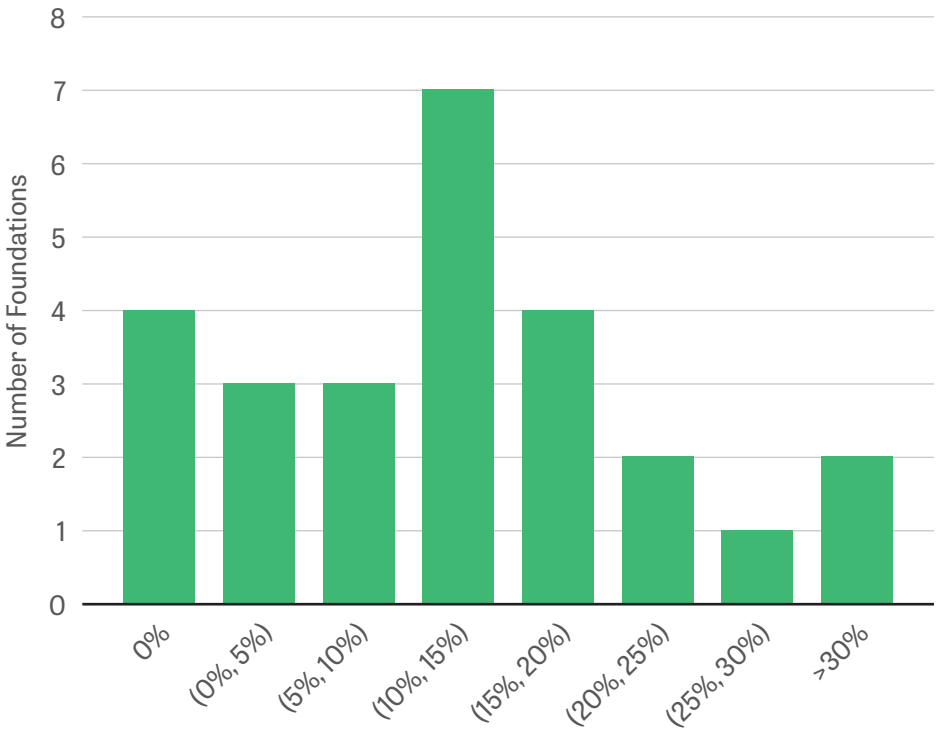
4 We included only United States-based firms because we define a minority as is typically defined from the perspective of the United States, as described below.

5 Due to the unique structure of public charities (that is, the organization itself controls only a portion of how its endowment is invested) we provide two alternative diversity scores in our study. The first includes the full invested endowment. The second includes only the portion of the invested endowment that the organization itself controls (where such information was provided by the organization). If we consider the second variation, the study found that, among the $53.47 billion of analyzed endowment investments, $8.62 billion (16.1%) is invested with diversely-owned firms, $6.82 billion (12.8%) is invested with women-owned firms, and $5.93 billion (11.1%) is invested with minority-owned firms. The results for the second variation are presented in parentheses in the Full Results table below. The remainder of the text refers to results from the first variation.

- As the histogram below shows, all but four of the 26 Participating Foundations invest some portion of their assets with diversely-owned firms. Over half invest more than 10% of their assets with such firms. Two foundations invest more than 30% of their assets with diversely-owned firms, with the maximum invested amount equal to 45.9%.

Distribution of Foundations in Each Range, Percentage of Analyzed AUM Invested with Diversely-Owned Firms

Chart Includes Only the 26 Participating Foundations



FULL RESULTS

The table below shows the full results for the top 50 foundations. We selected the top 50 foundations in terms of the market value of total assets, according to data compiled by Candid in 2019.[6] The top 50 foundations on the Candid list collectively hold $290.32 billion in total assets and consist of the following organizational types:

- 39 independent foundations,
- 7 community foundations, and
- 4 operating foundations.

Of the top 50 foundations, we were able to compile and analyze investment data for 26, either by accessing the data through publicly available sources or through direct voluntary submission by Participating Foundations. Such investment data amounts to $63.95 billion in Analyzed AUM. Of the remaining 24 foundations whose investment data are not included in the study:

- 16 had insufficient publicly available data and declined to participate in the study for a variety of reasons, including contractual nondisclosure agreements with fund managers (classified as: "Declined to participate; insufficient public data for analysis."),

- 3 had insufficient publicly available data and did not respond to our requests (classified as: "Did not respond to requests; insufficient public data for analysis."), and

- 5 had investment assets that were mostly or completely invested in assets that do not fit with the purpose of this study, such as art or a family office (classified as: "Investment assets are not relevant to the study. See notes.").

The remainder of this report provides greater detail on the study in order to ensure that the process we implemented is clear and replicable. This study is purely descriptive, based on a set of clearly defined rules as described in the Methodology section below. **Appendix A** provides a compilation of foundations' comments of up to 200 words from those foundations that elected to submit a comment. **Appendix B** provides detailed notes on the available investment data for each foundation.

6 "Top 100 Active U.S. Foundations by Assets, circa 2017," sourced by Candid in 2019.

					Analyzed AUM Managed by Woman-Owned Firms[3]		Analyzed AUM Managed by Minority-Owned Firms[3]		**Analyzed AUM Managed by Diversely-Owned Firms[3]**	
		Total Assets ($B)[1]	Foundation Type[1]	Analyzed AUM ($B)[2]	$B	As a % of Analyzed AUM	$B	As a % of Analyzed AUM	**$B**	**As a % of Analyzed AUM**
1	Bill & Melinda Gates Foundation	$51.83	IN	$1.15	$0.03	3.0%	$0.01	0.9%	**$0.04**	**3.4%**
2	Ford Foundation	$13.83	IN	Declined to participate; insufficient public data for analysis.						
3	Silicon Valley Community Foundation[4]	$13.58	CM	$8.58 ($0.95)	$0.11	1.3% (11.8%)	$0.14	1.6% (14.5%)	**$0.18**	**2.0% (18.4%)**
4	J. Paul Getty Trust	$12.60	OP	Declined to participate; insufficient public data for analysis.						
5	Lilly Endowment Inc.	$11.68	IN	Investment assets are not relevant to the study. See notes.						
6	The Robert Wood Johnson Foundation	$11.40	IN	$6.21	$1.32	21.3%	$1.19	19.1%	**$1.65**	**26.6%**
7	Foundation to Promote Open Society	$10.32	IN	Declined to participate; insufficient public data for analysis.						
8	The William and Flora Hewlett Foundation	$9.89	IN	Declined to participate; insufficient public data for analysis.						
9	W.K. Kellogg Foundation	$8.60	IN	Declined to participate; insufficient public data for analysis.						
10	Bloomberg Family Foundation Inc	$7.85	IN	Investment assets are not relevant to the study. See notes.						
11	The David and Lucile Packard Foundation	$7.10	IN	Declined to participate; insufficient public data for analysis.						
12	John D. and Catherine T. MacArthur Foundation	$7.00	IN	$4.80	$0.27	5.7%	$0.35	7.3%	**$0.47**	**9.9%**
13	The Andrew W. Mellon Foundation	$6.86	IN	$4.59	$0.66	14.3%	$0.38	8.2%	**$0.78**	**17.0%**
14	Gordon and Betty Moore Foundation	$6.45	IN	Declined to participate; insufficient public data for analysis.						
15	The Leona M. and Harry B. Helmsley Charitable Trust	$5.47	IN	$4.30	$0.59	13.8%	$0.64	14.9%	**$0.83**	**19.4%**
16	Walton Family Foundation	$4.93	IN	$3.44	$0.46	13.2%	$0.46	13.3%	**$0.53**	**15.4%**
17	Tulsa Community Foundation/ George Kaiser Family Foundation	$4.54	CM	$1.39	$0.00	0.0%	$0.00	0.0%	**$0.00**	**0.0%**
18	The JPB Foundation	$4.28	IN	$1.28	$0.25	19.1%	$0.08	6.0%	**$0.25**	**19.1%**
19	The Rockefeller Foundation	$4.09	IN	$2.73	$0.24	8.7%	$0.26	9.6%	**$0.39**	**14.2%**
20	The Kresge Foundation	$3.95	IN	$1.97	$0.24	12.1%	$0.03	1.4%	**$0.27**	**13.6%**
21	Open Society Institute	$3.73	OP	Declined to participate; insufficient public data for analysis.						
22	The Duke Endowment	$3.69	IN	Declined to participate; insufficient public data for analysis.						
23	The California Endowment	$3.67	IN	Declined to participate; insufficient public data for analysis.						
24	Carnegie Corporation of New York	$3.52	IN	$1.90	$0.32	16.8%	$0.15	8.1%	**$0.40**	**20.9%**
25	Robert W. Woodruff Foundation	$3.32	IN	$3.13	$0.00	0.0%	$0.00	0.0%	**$0.00**	**0.0%**
26	Simons Foundation	$3.32	IN	Declined to participate; insufficient public data for analysis.						
27	Greater Kansas City Community Foundation	$3.16	CM	Investment assets are not relevant to the study. See notes.						
28	Chan Zuckerberg Foundation	$3.13	IN	Investment assets are not relevant to the study. See notes.						
29	John Templeton Foundation	$2.91	IN	$1.91	$0.41	21.7%	$0.28	14.8%	**$0.41**	**21.7%**
30	Margaret A. Cargill Foundation	$2.90	IN	Declined to participate; insufficient public data for analysis.						

					Analyzed AUM Managed by Woman-Owned Firms[3]		Analyzed AUM Managed by Minority-Owned Firms[3]		**Analyzed AUM Managed by Diversely-Owned Firms[3]**	
		Total Assets ($B)[1]	Foundation Type[1]	Analyzed AUM ($B)[2]	$B	As a % of Analyzed AUM	$B	As a % of Analyzed AUM	**$B**	**As a % of Analyzed AUM**
31	Chicago Community Trust[4]	$2.83	CM	$2.50 ($1.06)	$0.27	10.8% (25.4%)	$0.32	12.8% (30.3%)	**$0.33**	**13.4% (31.6%)**
32	The Annie E. Casey Foundation	$2.82	IN	$1.28	$0.17	13.6%	$0.12	9.2%	**$0.19**	**14.9%**
33	The New York Community Trust[4]	$2.81	CM	$2.36 ($0.94)	$0.09	3.6% (9.1%)	$0.09	3.6% (9.1%)	**$0.09**	**3.6% (9.1%)**
34	Charles Stewart Mott Foundation	$2.79	IN	Declined to participate; insufficient public data for analysis.						
35	Conrad N. Hilton Foundation	$2.69	IN	Declined to participate; insufficient public data for analysis.						
36	The Susan Thompson Buffett Foundation	$2.67	IN	Did not respond to requests; insufficient public data for analysis.						
37	Shelby Cullom Davis Charitable Fund	$2.52	IN	Did not respond to requests; insufficient public data for analysis.						
38	The Wyss Foundation	$2.51	IN	$0.57	$0.00	0.0%	$0.00	0.0%	**$0.00**	**0.0%**
39	The William Penn Foundation	$2.49	IN	$1.60	$0.19	12.0%	$0.17	10.7%	**$0.21**	**13.1%**
40	The Carl Victor Page Memorial Foundation	$2.49	IN	$0.58	$0.05	7.8%	$0.04	7.6%	**$0.06**	**10.3%**
41	Maxcess Foundation Inc.	$2.48	IN	Did not respond to requests; insufficient public data for analysis.						
42	Foundation for the Carolinas	$2.48	CM	$1.51	$0.08	5.2%	$0.01	0.9%	**$0.08**	**5.2%**
43	Kimbell Art Foundation	$2.46	OP	Investment assets are not relevant to the study. See notes.						
44	Cleveland Foundation	$2.45	CM	Declined to participate; insufficient public data for analysis.						
45	Ewing Marion Kauffman Foundation	$2.43	IN	$0.95	$0.00	0.0%	$0.00	0.0%	**$0.00**	**0.0%**
46	McKnight Foundation	$2.41	IN	$1.51	$0.11	7.1%	$0.12	7.7%	**$0.12**	**7.7%**
47	Casey Family Programs	$2.39	OP	$1.28	$0.36	28.0%	$0.31	23.9%	**$0.45**	**35.3%**
48	The James Irvine Foundation	$2.37	IN	Declined to participate; insufficient public data for analysis.						
49	John S. and James L. Knight Foundation	$2.32	IN	$1.76	$0.53	30.2%	$0.70	40.0%	**$0.81**	**45.9%**
50	Richard King Mellon Foundation	$2.32	IN	$0.69	$0.08	11.0%	$0.09	12.7%	**$0.10**	**14.1%**
	Total[4]	**$290.32**		**$63.95 ($53.47)**	**$6.82**	**10.7% (12.8%)**	**$5.93**	**9.3% (11.1%)**	**$8.62**	**13.5% (16.1%)**

Notes

1 "Top 100 Active U.S. Foundations by Assets, circa 2017," sourced by Candid in 2019. Foundation Type as determined by Candid is defined as follows: IN=Independent Foundation, CM=Community Foundation and OP=Operating Foundation.

2 IRS Form 990 (most recent filing for each foundation as of October 1, 2019) and investment firm data provided directly by participating foundations. Analyzed AUM reflects the portion of the foundation's invested assets for which identifying information on its investment firms is available, and includes only the invested assets that are held and managed by firms that are (1) based in the United States and (2) available in Preqin's or eVestment's diversity datasets, or in the diversity data submitted by participating foundations, such that the investment firm's diversity of ownership profile can be observed. Analyzed AUM, therefore, may not reflect all invested assets. See Appendix B, "Notes on Available Data," for exceptions and additional information.

3 Preqin Alternative Assets diversity data for private equity, venture capital, private debt, hedge fund, real estate, infrastructure, and natural resource asset classes (as of June 26, 2019). eVestment® diversity data for separate account, commingled trust fund, institutional mutual fund, and exchange-traded fund asset classes (as of August 14, 2019). All eVestment® data Copyright (c) 2019. Diversity data submitted by participating foundations. See Appendix B, "Notes on Available Data,"

4 The figures in parentheses represent only the portion of the public charity's invested endowment that the organization itself controls. See Appendix B, "Notes on Available Data," for additional detail on the alternative diversity calculation used for participating public charities in this study. for exceptions and additional information on each foundation.

METHODOLOGY

APPROACH

We conducted the study with the following guiding principles: transparency about methods and data, a commitment to accuracy by sharing our findings with each foundation, and an openness to foundation input.

We collaborated with the foundations throughout the process. At the beginning of the process, we notified each of the top 50 foundations of our efforts and disclosed to the foundation our preliminary results with respect to its data.[7] At this stage we also offered each foundation the opportunity to submit its own investment data when such data was unavailable publicly, and to correct or clarify any publicly available investment data that may have been preliminarily relied upon in the study. We also afforded each foundation the opportunity to provide a comment of up to 200 words, which we have included in Appendix A without edit. Foundations used the opportunity to comment to describe other methodological criteria that could be used to assess the diversity of their endowment, to explain why they could not participate, and to provide detail regarding their own work in this area.

Furthermore, while we relied upon third-party data to determine the ownership diversity of investment firms, as described below, we also encouraged foundations to provide insight into the diversity profile of firms with which they have investment relationships and then used such insights to inform the study. We adopted a generous view of diversity when presented with conflicting information for a firm. In other words, if a participating foundation classified an investment firm as diverse when the third-party data did not, we accepted the foundation's definition and applied such definition study-wide, so that all foundations would benefit from the updated diversity profile of such investment firms.

Global Economics Group does not take a position on what an appropriate level of diverse investment should be for the foundations analyzed in the study or generally. The study simply provides a snapshot of where foundations are directing their investment funds according to set criteria as described in this report. In addition, we acknowledge that the analysis was performed only on the portion of the foundations' investments that were publicly available for study or voluntarily submitted by Participating Foundations. This may or may not be reflective of where investments are distributed among their total portfolios.

7 We shared the foundation's own results only. We did not disclose the full results of the study for all foundations before the study was finalized.

DATA COLLECTION

The study used two distinct datasets: (1) a dataset of Participating Foundations' invested assets ("Invested Asset Data") and (2) a dataset of the ownership diversity of a large set of investment firms ("Diversity Data").

The Invested Asset Data is sourced from publicly available IRS 990 data and directly from Participating Foundations. It consists of the name of the investment firms or funds and the fair market values of the AUM held by each firm or fund for each foundation, where available. For each of the top 50 foundations, we collected its most recent IRS Form 990-PF ("Return of a Private Foundation") or IRS Form 990 ("Return of Organization Exempt from Income Tax") as of October 1, 2019, from either GuideStar[8] or the foundation's website. We extracted all relevant data on invested assets from each IRS Form 990, including firm name, the fund name, and the fair market value of invested assets, and converted it from PDF into spreadsheet format. As mentioned above, we also incorporated investment data voluntarily provided by Participating Foundations. Due to differences in fiscal years and reporting schedules, our study includes investment data for fiscal years ending 2016 through 2019. Appendix B provides detailed notes on the available investment data for each foundation.

The Diversity Data is compiled from the most comprehensive investment firm data sources available, Preqin[9] and eVestment.[10] The Preqin data predominately consists of private equity and hedge funds and contains diversity information on 37,613 firms and 74,209 funds. The eVestment data consists of firms investing in public market securities, such as stocks and bonds, through a variety of products like mutual funds and separately managed accounts and contains diversity information on 1,834 firms and 13,316 products.

STUDY DEFINITIONS

The study includes Participating Foundations' invested assets that are held and managed by investment firms based in the United States for which diversity information is also available in Preqin's or eVestment's diversity datasets. We refer to this set of assets as Analyzed AUM. Analyzed AUM, therefore, may not reflect the full size of a foundation's invested endowment.

8 GuideStar by Candid, https://www.guidestar.org.

9 Preqin Alternative Assets diversity data for private equity, venture capital, private debt, hedge fund, real estate, infrastructure, and natural resource asset classes (as of July 9, 2019).

10 eVestment® diversity data for separate account, commingled trust fund, institutional mutual fund, and exchange-traded fund asset classes (as of August 14, 2019). All eVestment® data Copyright (c) 2019.

Our focus on firms based in the United States is necessary to apply a clear definition of diversity – that is, we define "minority" as it is typically defined from the perspective of the United States. "Minority" owned firms include racial and ethnic minorities (e.g., Hispanic, Black, Asian, and Native American). We use the term "diversely-owned" to refer to the broader group of women- and minority-owned firms.

The definition of what comprises a diversely-owned firm differs across the Preqin and eVestment data sources. Generally, we took the most generous definition of diversity possible in the available data with respect to women and minority ownership. Preqin considers a firm to be woman-owned (minority-owned) if either the firm has a woman (minority) founder or co-founder or at least half the partners are women (minorities). eVestment provides a percentage breakdown of firm ownership by gender and ethnicity. For the purposes of this study, we consider a firm to be woman- or minority-owned if it is flagged as such in Preqin or has greater than 0% diverse ownership according to the eVestment data. As mentioned above, keeping true to the principle of collaboration with the foundations, we accepted the diversity definitions provide by Participating Foundations. If a foundation represents a firm as diversely-owned and Preqin or eVestment does not, we recognize that firm as diversely-owned for the purposes of this study and apply such definition to every endowment included in the sample.[11]

11 Of the $63.95 billion in Analyzed AUM included in the study, 13.5% is invested with "diversely-owned" managers. Information provided by foundations themselves led to diversely-owned classifications for 6.8 percentage points. Thus, if we were to exclude the foundation-provided diversity definitions, the overall diversity score from the study would fall from 13.5% to 6.7%. Of the $63.95 billion in Analyzed AUM included in the study, approximately 80% matched with Preqin dataset and 20% matched with eVestment dataset. If we were to implement a stricter 50% ownership cutoff for the eVestment data to make it more similar to the Preqin standard, the overall diversity score from the study would fall by an additional 3.8 percentage points, from 6.7% to 2.9%.

APPENDIX A - FOUNDATION COMMENTS

1	Bill & Melinda Gates Foundation	Unlike most other large charitable endowments and as confirmed by this study, BMGFT manages the vast majority of our $50 billion portfolio in-house with limited use of external asset managers. As a result, the study looks at just a sliver of our portfolio. While we are grateful the study calls attention to this very important issue, it does not accurately capture how we manage our portfolio or our commitment to women and minority-owned asset managers. We strongly support initiatives that increase diversity, equity, and inclusion in the investment community and will continue to push to advance these important causes.
2	Ford Foundation	No comment provided.
3	Silicon Valley Community Foundation	Silicon Valley Community Foundation (SVCF) was an early champion of hiring diverse managers and has actively worked to diversify its portfolios for the last decade. SVCF partners with its investment consultant to identify and select diverse asset managers for its endowment and portfolios available to donors and nonprofits establishing funds at the foundation. These assets represent a portion of SVCF's total AUM. Other assets include donated assets that are in the process of being liquidated and separately managed funds that have separate investment policies. If these separately managed funds and donations in process of liquidation are removed, then 18.4% of SVCF's assets are invested with diverse managers.
4	J. Paul Getty Trust	No comment provided.
5	Lilly Endowment Inc.	No comment provided.
6	The Robert Wood Johnson Foundation	No comment provided.
7	Foundation to Promote Open Society	No comment provided.
8	The William and Flora Hewlett Foundation	Hewlett is unable to participate because of contractual nondisclosure agreements with fund managers.
9	W.K. Kellogg Foundation	At the W.K. Kellogg Foundation, we deploy our investment capital to improve the lives of children, their families and communities. We focus our investments in three key areas: 1. Emerging Managers Program – Launched in 2010, we've invested more than $100 million from our endowment in diverse manager-owned firms to develop the talent pipeline and increase innovation and racial equity in the investment industry. 2. Mission Driven Investment (MDI) • Mission-Related Investments – In our MDI program, one of the oldest and largest, we've committed $100 million of our endowment to market-rate, mission-related investments that disrupt the status quo and drive capital to communities of color. • Program-Related Investments – We've committed more than $50 million from our program budget to strategically fund below market-rate, program-related investments, exemplified by the Detroit-based Entrepreneurs of Color Fund. WKKF initiated this fund in partnership with JPMorgan Chase. Today, the Fund has more than tripled in size to $22 million and the model is being replicated nationally. 3. Expanding Equity Program – This game-changing program is equipping the financial services sector with the tools they need to drive racial equity within their companies. We're working with some of the largest managers in the U.S., with more than $1.5 trillion AUM.
10	Bloomberg Family Foundation Inc	No comment provided.
11	The David and Lucile Packard Foundation	No comment provided.

12	John D. and Catherine T. MacArthur Foundation	The MacArthur Foundation values diversity and the benefit it brings to perspective and decision making. In pursuit of our mission to build a more just, verdant, and peaceful world, the Foundation adopted a Just Imperative framework that describes the rationale and charge to lead with a commitment to justice. We are asked to consider across the Foundation, including our investment decisions, how to incorporate the values of diversity, equity and inclusion into all we do, what more we can do, what resources we need, and what barriers we need to tackle. We are committed therefore to identifying investment management firms that meet our investment criteria and that are owned by people of color and women-owned or firms where people of color or women are key principals, as this is often the path to influence and ownership over time. We have adopted a number of steps (on our website) to ensure we are taking all reasonable steps to identify such firms. We will continue our efforts to identify and retain diverse investment managers meeting our investment criteria as we seek to achieve our investment objectives over time to sustain our charitable mission. We welcome expressions of interest from such firms.
13	The Andrew W. Mellon Foundation	The Mellon Foundation has consistently engaged with partners and prospective managers on the benefits of diverse leadership and teams, both as a value unto itself and as a necessary component of effective work. A good indicator of a forward-thinking investment organization is a commitment to building a racially, ethnically, and gender- diverse team, as well as encouraging a range of diverse perspectives. We are not satisfied with the percentage of women and minority professionals in our portfolio, and we are committed to improve those numbers. We are proud that our own investment team is 10 of 13 women and 4 of 13 underrepresented minorities. We applaud the Knight Foundation for promoting diverse representation in the investment community. Firm ownership is one appropriate measure when gauging the diversity of organizations. A metric that we also focus on is the number of senior investment professionals at a Firm. Additionally, we think it is important to look at rates of change. We are encouraged by organizations that have made demonstrable progress in committing to add diverse talent to their ranks at all levels, and we continue to learn from and engage with Firms who are leading the way in this regard.
14	Gordon and Betty Moore Foundation	No comment provided.
15	The Leona M. and Harry B. Helmsley Charitable Trust	No comment provided.
16	Walton Family Foundation	We appreciate the Knight Foundation examining how the largest foundations work with women and minority-owned investment managers. This research is important as the financial industry evolves. We look forward to learning more and believe this research will advance this critical topic.
17	Tulsa Community Foundation/George Kaiser Family Foundation	No comment provided.
18	The JPB Foundation	No comment provided.
19	The Rockefeller Foundation	We applaud the impetus behind this survey, and hope it can serve to help stimulate important conversations in the investment/Foundation community. RF believes diversity and inclusion to be a critical issue, and we look forward to engaging further in this important discussion. Regarding the data, we realize certain methodology choices need to be made, agree with the focus on U.S.-based firms, and understand the rationale behind looking at firm ownership. In the future, we would respectfully submit that while the firm ownership approach works for most asset classes, we believe it does not capture the essence of "economic ownership/control" and decision-making as it relates to many private funds. Specifically, we would suggest that: funds run by a team of investment professionals physically located in China/India/other – who have 100% control over all decisions (including personnel, investments, compensation, etc.) – should not be classified as "U.S." simply because that team is affiliated with a U.S.-based firm; and (2) because of the long lives of private funds (in particular venture capital), differences should be considered between the makeup of the Managing Partners for say a 2002-vintage year fund versus the Managing Partners for a 2019-vintage year fund.

20	The Kresge Foundation	In April 2019, The Kresge Foundation announced "25% by '25", whereby it pledged to invest one quarter of its U.S. endowment assets in diverse-owned firms by 2025. Kresge launched this initiative not only because expanding equity and opportunity is central to its mission, but also because it believes endowment performance will be improved by diligently sourcing and partnering with diverse-owned firms across all asset classes. As of September 30, 2019, the Foundation had invested 15.9% of its U.S. assets in diverse-owned firms. In addition to "25% by '25", Kresge has announced initiatives related to Talent and Industry Leadership as part of its three-pronged approach to advancing diversity, equity and inclusion within the investment industry. Its Talent plan calls for improving decision-making by purposefully building a more diverse and inclusive team. Under Industry Leadership, the Foundation has pledged to further opportunities for diverse-owned firms and diversity candidates by systematically championing diversity, equity and inclusion within the industry, including with its current investment partners.
21	Open Society Institute	No comment provided.
22	The Duke Endowment	No comment provided.
23	The California Endowment	No comment provided.
24	Carnegie Corporation of New York	No comment provided.
25	Robert W. Woodruff Foundation	The Woodruff Foundation's managed investments favor passive strategies and low-cost index replication.
26	Simons Foundation	No comment provided.
27	Greater Kansas City Community Foundation	No comment provided.
28	Chan Zuckerberg Foundation	No comment provided.
29	John Templeton Foundation	The John Templeton Foundation has a globally diverse investment portfolio. The data shown excludes a large percentage of the Foundation's assets which are invested and managed internationally.
30	Margaret A. Cargill Foundation	No comment provided.
31	Chicago Community Trust	The Chicago Community Trust has greater influence over asset manager selection within its primary pooled portfolios, which represent a portion of its total AUM. The analysis presented in this study calculates the diversity ratio as the total Analyzed AUM that is diversely managed by US funds divided by its Analyzed AUM (i.e., $0.33 billion/$2.50 billion, or 13.4%). The denominator of this ratio includes all investment portfolios, including those for which Chicago Community Trust does not actively recommend asset managers. If only the primary pooled portfolios for which Chicago Community Trust has substantial influence regarding asset managers are considered, the diversity ratio is $0.33 billion/$1.06 billion, or 31.6%.
32	The Annie E. Casey Foundation	The Casey Foundation has a broad commitment to diversity in its investments. In addition to investing with firms that have majority women and people of color ownership, we invest with firms that allocate a substantial portion (25-49%) of firm or fund economics to women or people of color, have investment decision makers who are women or people of color, or are led by women or people of color. We also make social impact investments that aim to address racial disparities. As of June 30, 2019 investments with U.S.-based managers totaled $1.8B, including: • $138M (8% of AUM) managed by women-owned firms, $206M (12%) by people of color-owned firms and $325M (19%) by firms that are majority owned by either; • $17M (1%) managed by substantially women-owned firms, $165M (10%) by substantially people of color-owned firms and $305M (18%) by firms that are substantially owned by either; • $156M (9%) managed by women, $352M (20%) by people of color and $481M (27%) by portfolio managers who are either; • $154M (9%) managed by firms led by women, $218M (12%) by firms led by people of color and $345M (20%) managed by firms led by either; and •$6M in impact investments addressing racial disparities.
33	The New York Community Trust	The New York Community Trust can recommend asset managers for select funding pools, which represent a portion of its total AUM. The analysis presented in this study calculates the diversity ratio as the total Analyzed AUM that is diversely managed by US funds divided by its total Analyzed AUM (i.e., $0.09 billion/$2.36 billion, or 3.6%). The denominator of this ratio includes all the funding pools, including those for which New York Community Trust cannot recommend asset managers. If only the select funding pools for which New York Community Trust has discretion to recommend asset managers are considered, the diversity ratio is $0.09 billion/$0.94 billion, or 9.1%.

34	Charles Stewart Mott Foundation	No comment provided.
35	Conrad N. Hilton Foundation	No comment provided.
36	The Susan Thompson Buffett Foundation	No comment provided.
37	Shelby Cullom Davis Charitable Fund	No comment provided.
38	The Wyss Foundation	No comment provided.
39	The William Penn Foundation	No comment provided.
40	The Carl Victor Page Memorial Foundation	No comment provided.
41	Maxcess Foundation Inc.	No comment provided.
42	Foundation for the Carolinas	No comment provided.
43	Kimbell Art Foundation	No comment provided.
44	Cleveland Foundation	No comment provided.
45	Ewing Marion Kauffman Foundation	We chose not to engage in the study's process for correcting its publicly provided number in the preceding table for two reasons. First, we believe the study is flawed in its methodology. Second, we weren't satisfied it adequately addressed the confidentiality of information provided by our managers. Using Knight's methodology and timeframe, and with data provided by our managers, 30% of the Kauffman Foundation's U.S.-based assets are managed by firms that have female and minority ownership. A portion of this number is Vanguard Funds, which are shareholder owned and meet the Knight standard of diverse ownership. We also believe that a focus on ownership alone is too narrow and doesn't advance the much-needed efforts to increase diversity among teams, especially at larger investment firms. Over the past several years, we have actively pursued strategies to advocate for more inclusive teams. We are still learning as we work to address this important issue.
46	McKnight Foundation	No comment provided.
47	Casey Family Programs	Casey Family Programs integrates mission-related as well as financial goals as we invest globally across all asset classes. Diversity, equity and inclusion (DEI) is a natural part of our investment philosophy and process. We take keen interest in what our investment managers are doing to create opportunities in risk-taking roles for minorities and women. Total Fund has a much higher exposure to minorities and women, at 49.3% globally. We will continue to follow this approach and subscribe to models that advance quality in our DEI initiatives.
48	The James Irvine Foundation	No comment provided.
49	John S. and James L. Knight Foundation	No comment provided.
50	Richard King Mellon Foundation	No comment provided.

APPENDIX B - NOTES ON AVAILABLE DATA

1	Bill & Melinda Gates Foundation	The asset manager data used in this study was drawn from the foundation's most recent publicly available filing of the IRS Form 990 as of October 1, 2019, which is the Bill & Melinda Gates Foundation Trust 2017 IRS 990-PF for the fiscal year ending December 31, 2017. We have included in the analysis the following investment types as defined in the Bill & Melinda Gates Foundation Trust's 2017 IRS 990-PF: FUND INVESTMENTS, MUTUTAL FUNDS/ETF, PARTNERSHIPS and REAL ESTATE INV TRST.
2	Ford Foundation	Declined to participate; insufficient public data for analysis.
3	Silicon Valley Community Foundation	The figures in parentheses represent only the portion of Silicon Valley Community Foundation's invested endowment that the organization itself controls, which is $0.95 billion. The total investment asset amount used in this study was drawn from the Silicon Valley Community Foundation 2018 Independent Auditors Report for the fiscal year ending December 31, 2018 (svcf-audit-report-2019.pdf available at https://www.siliconvalleycf.org/sites/default/files/documents/financial/svcf-audit-report-2019.pdf). The asset manager data used in this study was drawn from the foundation-provided supplemental asset manager data for fiscal year ending December 31, 2018, which was used in conjunction with the data from the Auditor's Report to assess the diversity of the foundation's investments. The foundation's most recent publicly available filing of the IRS Form 990 as of October 1, 2019, which is the Silicon Valley Community Foundation 2017 IRS 990 for the fiscal year ending December 31, 2017, was not used.
4	J. Paul Getty Trust	Declined to participate; insufficient public data for analysis.
5	Lilly Endowment Inc.	According to the foundation's most recent publicly available filing of the IRS Form 990-PF as of October 1, 2019, which is the Lilly Endowment Inc. 2018 IRS 990-PF for the fiscal year ending December 31, 2018, the foundation's investments are primarily in the form of Eli Lilly and Company common stock contributed by its founders and passive index funds. It does not rely on external asset managers and therefore cannot be analyzed in this study.
6	The Robert Wood Johnson Foundation	The asset manager data used in this study was drawn from the foundation's most recent publicly available filing of the IRS Form 990 as of October 1, 2019, which is The Robert Wood Johnson Foundation 2017 IRS 990-PF for the fiscal year ending December 31, 2017.
7	Foundation to Promote Open Society	According to the foundation, the assets of the Foundation to Promote Open Society are invested in the Quantum Fund which is advised by Soros Fund Management (SFM). The vast majority of this capital is invested with internal SFM portfolio managers and the balance of the capital is invested in select external managers identified by SFM. These data were not available to us, and therefore the Foundation to Promote Open Society cannot be analyzed in this study.
8	The William and Flora Hewlett Foundation	Declined to participate; insufficient public data for analysis.
9	W.K. Kellogg Foundation	Declined to participate; insufficient public data for analysis.
10	Bloomberg Family Foundation Inc	According to the foundation's most recent publicly available filing of the IRS Form 990 as of October 1, 2019, which is The Bloomberg Family Foundation Inc 2017 IRS 990-PF for the fiscal year ending December 31, 2017, the foundation's investments are held by the Bloomberg family office. It does not rely on external asset managers and therefore cannot be analyzed in this study.
11	The David and Lucile Packard Foundation	Declined to participate; insufficient public data for analysis.

12	John D. and Catherine T. MacArthur Foundation	The total investment asset amount used in this study was drawn from the foundation's most recent publicly available filing of the IRS Form 990 as of October 1, 2019, which is the John D. and Catherine T. MacArthur Foundation [Consolidated] 2017 IRS 990-PF for the fiscal year ending December 31, 2017. The asset manager data used in this study was drawn from the foundation-provided supplemental asset manager data for the fiscal year ending December 31, 2017, which was used in conjunction with the data from the IRS 990 to assess the diversity of the foundation's investments.
13	The Andrew W. Mellon Foundation	The asset manager data used in this study was drawn from the foundation's most recent publicly available filing of the IRS Form 990 as of October 1, 2019, which is The Andrew W. Mellon Foundation 2017 IRS 990-PF for the fiscal year ending December 31, 2017.
14	Gordon and Betty Moore Foundation	Declined to participate; insufficient public data for analysis.
15	The Leona M. and Harry B. Helmsley Charitable Trust	The asset manager data used in this study was drawn from the foundation's most recent publicly available filing of the IRS Form 990 as of October 1, 2019, which is The Leona M. and Harry B. Helmsley Charitable Trust 2017 IRS 990-PF for the fiscal year ending March 31, 2018.
16	Walton Family Foundation	The total investment asset amount used in this study was drawn from the foundation's most recent publicly available filing of the IRS Form 990 as of October 1, 2019, which is the Walton Family Foundation, Inc. 2017 IRS 990-PF for the fiscal year ending December 31, 2017. The asset manager data used in this study was drawn from the foundation-provided supplemental asset manager data for the fiscal year ending December 31, 2017, which was used in conjunction with the data from the IRS 990 to assess the diversity of the foundation's investments.
17	Tulsa Community Foundation/George Kaiser Family Foundation	The asset manager data used in this study was drawn from the George Kaiser Family Foundation 2017 IRS 990, for the fiscal year ending December 31, 2017. The George Kaiser Family Foundation is a Type I supporting organization to the Tulsa Community Foundation (see George Kaiser Family Foundation 2017 IRS Form 990 (fiscal year ending December 31, 2017), pgs. 90-91), which means it is supervised or controlled by the TCF (see IRS, "Supporting Organizations - Requirements and Types," available at https://www.irs.gov/charities-non-profits/charitable-organizations/supporting-organizations-requirements-and-types). For purposes of this analysis, we have analyzed the invested assets that are publicly available in the George Kaiser Family Foundation's 2017 IRS 990. The Tulsa Community Foundation's 2017 IRS 990, for the fiscal year ending December 31, 2017, does not provide sufficient data on invested assets to be included in this analysis.
18	The JPB Foundation	The asset manager data used in this study was drawn from the foundation's most recent publicly available filing of the IRS Form 990 as of October 1, 2019, which is The JPB Foundation 2017 IRS 990-PF for the fiscal year ending December 31, 2017.
19	The Rockefeller Foundation	The total investment asset amount used in this study was drawn from The Rockefeller Foundation 2018 IRS 990-PF for the fiscal year ending December 31, 2018. The asset manager data used in this study was drawn from the foundation-provided supplemental asset manager data for the fiscal year ending December 31, 2018, which was used in conjunction with the data from the IRS 990 to assess the diversity of the foundation's investments.
20	The Kresge Foundation	The asset manager data used in this study was provided directly by The Kresge Foundation. The data reflects The Kresge Foundation portfolio as of December 31, 2018.
21	Open Society Institute	According to the foundation, the assets of the Open Society Institute are invested in the Quantum Fund which is advised by Soros Fund Management (SFM). The vast majority of this capital is invested with internal SFM portfolio managers and the balance of the capital is invested in select external managers identified by SFM. These data were not available to us, and therefore the Open Society Institute cannot be analyzed in this study.
22	The Duke Endowment	Declined to participate; insufficient public data for analysis.
23	The California Endowment	Declined to participate; insufficient public data for analysis.
24	Carnegie Corporation of New York	The asset manager data used in this study was drawn from the foundation's most recent publicly available filing of the IRS Form 990 as of October 1, 2019, which is the Carnegie Corporation of New York 2016 IRS 990-PF for the fiscal year ending September 30, 2017.

25	Robert W. Woodruff Foundation	The total investment asset amount used in this study was drawn from the foundation's most recent publicly available filing of the IRS Form 990 as of October 1, 2019, which is the Robert W. Woodruff Foundation 2018 IRS 990-PF for the fiscal year ending December 31, 2018. The asset manager data used in this study was provided directly by the Robert W. Woodruff Foundation.
26	Simons Foundation	Declined to participate; insufficient public data for analysis.
27	Greater Kansas City Community Foundation	According to the foundation's most recent publicly available filing of the IRS Form 990 as of October 1, 2019, which is the Greater Kansas City Community Foundation 2017 IRS 990 for the fiscal year ending December 31, 2017, the foundation-provided supplemental asset data, as of March 31, 2019, and commentary from the foundation, the foundation's investments are primarily in the form of passive index pools. The foundation does not rely on external asset managers and therefore cannot be analyzed in this study.
28	Chan Zuckerberg Foundation	According to the foundation's most recent publicly available filing of the IRS Form 990 as of October 1, 2019, which is the Chan Zuckerberg Foundation 2017 IRS 990-PF for the fiscal year ending December 31, 2017, the foundation's investments are primarily in the form of Facebook common stock. It does not rely on external asset managers and therefore cannot be analyzed in this study.
29	John Templeton Foundation	The asset manager data used in this study was drawn from the foundation's most recent publicly available filing of the IRS Form 990 as of October 1, 2019, which is the John Templeton Foundation 2017 IRS 990-PF for the fiscal year ending December 31, 2017.
30	Margaret A. Cargill Foundation	Declined to participate; insufficient public data for analysis.
31	Chicago Community Trust	The figures in parentheses represent the Analyzed AUM of Chicago Community Trust's primary pooled investment portfolios, which together total $1.06 billion. The total investment asset amount used in this study was drawn from the foundation's most recent publicly available filing of the IRS Form 990 as of October 1, 2019, which is the Chicago Community Trust 2017 IRS 990 for the fiscal year ending September 30, 2018. The asset manager data used in this study was drawn from the foundation-provided supplemental asset manager data for the fiscal year ending September 30, 2018, which was used in conjunction with the data from the IRS 990 to assess the diversity of the foundation's investments.
32	The Annie E. Casey Foundation	The asset manager data used in this study was drawn from the Annie E. Casey Foundation Inc 2016 filing of the IRS Form 990-PF for the fiscal year ending December 31, 2016. The foundation's most recent publicly available filing of the IRS Form 990 as of October 1, 2019, which is the 2017 IRS 990-PF for the fiscal year ending December 31, 2017, omits the attachments that contain the asset manager data making it insufficient for this analysis.
33	The New York Community Trust	The figures in parentheses represent only the portion of New York Community Trust's invested endowment that the organization itself controls, which is $0.94 billion. The total investment asset amount used in this study was drawn from the foundation's most recent publicly available filing of the IRS Form 990 as of October 1, 2019, which is The New York Community Trust 2018 IRS 990 for the fiscal year ending December 31, 2018. The asset manager data used in this study was drawn from the foundation-provided supplemental asset manager data for the fiscal period ending July 31, 2019, which was used in conjunction with the data from the IRS 990 to assess the diversity of the foundation's investments.
34	Charles Stewart Mott Foundation	Declined to participate; insufficient public data for analysis.
35	Conrad N. Hilton Foundation	Declined to participate; insufficient public data for analysis.
36	The Susan Thompson Buffett Foundation	Did not respond to requests; insufficient public data for analysis.
37	Shelby Cullom Davis Charitable Fund	Did not respond to requests; insufficient public data for analysis.
38	The Wyss Foundation	The asset manager data used in this study was drawn from the foundation's most recent publicly available filing of the IRS Form 990 as of October 1, 2019, which is the Wyss Foundation 2017 IRS 990-PF for the fiscal year ending December 31, 2017.
39	The William Penn Foundation	The asset manager data used in this study was drawn from the foundation's most recent publicly available filing of the IRS Form 990 as of October 1, 2019, which is The William Penn Foundation 2017 IRS 990-PF for the fiscal year ending December 31, 2017.

40	The Carl Victor Page Memorial Foundation	The asset manager data used in this study was drawn from the foundation's most recent publicly available filing of the IRS Form 990 as of October 1, 2019, which is The Carl Victor Page Memorial Foundation 2017 IRS 990-PF for the fiscal year ending December 31, 2017.
41	Maxcess Foundation Inc.	Did not respond to requests; insufficient public data for analysis.
42	Foundation for the Carolinas	The total investment asset amount used in this study was drawn from the foundation's most recent publicly available filing of the IRS Form 990 as of October 1, 2019, which is the Foundation for the Carolinas 2017 IRS 990 for the fiscal year ending December 31, 2017. The asset manager data used in this study was drawn from the foundation-provided supplemental asset manager data for the fiscal year ending December 31, 2017, which was used in conjunction with the data from the IRS 990 to assess the diversity of the foundation's investments.
43	Kimbell Art Foundation	Based on information provided directly by the Kimbell Art Foundation, of the foundation's total assets, 85% are charitable use assets, principally its art collection and museum buildings, and therefore not investable. Only 5% of the total assets are managed by external investment firms, which does not meet the study's minimum threshold; accordingly, the Kimbell Art Foundation was excluded.
44	Cleveland Foundation	Declined to participate; insufficient public data for analysis.
45	Ewing Marion Kauffman Foundation	The asset manager data used in this study was drawn from the foundation's most recent publicly available filing of the IRS Form 990 as of October 1, 2019, which is the Ewing Marion Kauffman Foundation 2017 IRS 990-PF for the fiscal year ending December 31, 2017.
46	McKnight Foundation	The total investment asset amount used in this study was drawn from the foundation's most recent publicly available filing of the IRS Form 990 as of October 1, 2019, which is The McKnight Foundation 2017 IRS 990-PF for the fiscal year ending December 31, 2017. The asset manager data used in this study was drawn from the foundation-provided supplemental asset manager data for the fiscal year ending December 31, 2017, which was used in conjunction with the data from the IRS 990 to assess the diversity of the foundation's investments.
47	Casey Family Programs	The asset manager data used in this study was provided directly by the Casey Family Programs. The data reflects the Casey Family Programs portfolio as of November 12, 2019.
48	The James Irvine Foundation	Declined to participate; insufficient public data for analysis.
49	John S. and James L. Knight Foundation	The asset manager data used in this study was drawn from the foundation's most recent publicly available filing of the IRS Form 990 as of October 1, 2019, which is the John S. and James L. Knight Foundation 2017 IRS 990-PF for the fiscal year ending December 31, 2017. In addition, the foundation provided supplemental asset manager data for the fiscal period ending June 30, 2018, which was used in conjunction with the data from the IRS 990 to assess the diversity of the foundation's investments.
50	Richard King Mellon Foundation	The asset manager data used in this study was drawn from the foundation's most recent publicly available filing of the IRS Form 990 as of October 1, 2019, which is the Richard King Mellon Foundation 2017 IRS 990-PF for the fiscal year ending December 31, 2017.