



Stanford Management Company: Diversity, Equity, and Inclusion Action Plan

We intend to source more diverse applicants for our staff. We aspire to have our job applicant pools reflect the broader population of the U.S. We are reaching out to organizations that can help us source diverse candidates and hope to collaborate with them when possible. We will track the diversity of our applicant pools and will report on progress to the SMC Board of Directors annually.

We intend to source more diverse-led investment firms to consider for the Merged Pool investment portfolio. We aspire to review or meet with every diverse-led firm that follows an investment approach that fits the Merged Pool's investment strategy. We are building our list of diverse-led firms by tapping into third-party databases, attending forums of diverse-led managers, and reaching out to persons or organizations who can expand our sourcing networks. We will track the number of diverse-led firms we identify and meet and report this information to the SMC Board of Directors annually.

We intend to attract more diverse students to the asset management industry. We aspire to collaborate with Stanford's diverse-student organizations and with external organizations and peer universities. We are reaching out to these groups to discuss our job positions, internships, presentation opportunities, and potential educational content sharing. We will track our outreach efforts and report on our progress to the SMC Board of Directors annually.

We have already undertaken a number of concrete steps towards achieving these goals. We have discussed our action plan in detail with our Board, and we are adding metrics and timelines for individual actions where possible.

SMC is committed to the IDEAL initiative, to broaden the participation of underrepresented minorities in asset management generally, and to continue to find the most talented colleagues and partners for our investment work across all parts of our society, regardless of race, ethnicity, gender, sexual orientation, or religious affiliation. Our specific action items are listed below.

- As members of Stanford's campus community, we are enthusiastic participants in the campus-wide initiatives of Inclusion, Diversity, Equity, and Access in a Learning environment (IDEAL).
- We established our own task force of senior and junior professionals to work on diversity and inclusion initiatives.
- We are building relationships with Stanford groups that can help connect our organization with diverse students, including the Black Community Services Center, El Centro Chicano y Latino, the Native American Cultural Center, and the First-Gen and/or Low Income office. We are working with these groups to expand the diverse talent pools from which we recruit, to provide information on our organization and on the investment industry in general, and to discuss potential mentorship opportunities.
- We offer internships where a diverse group of students have the opportunity to learn about what we do and about the asset management field in general. We host between two and six interns every summer and often have one or two working in our office during the academic year. This summer, all four of our interns were diverse, and a high level of diversity among our interns has been typical over the last six years..
- We have widened our funnel for sourcing new investments in order to identify more diverse-led investment managers. As part of this initiative, we are stretching beyond our existing networks by attending diverse talent-focused conferences, seeking databases of diverse-led firms, and speaking with others who are well-connected to diverse-led firms. We hope to review and/or contact all diverse-led firms in the U.S. that have a strategy and capability aligned with our investment program. Although this canvassing will take a number of years, we have made a good start.
- We established the Diverse Manager Initiative to allocate capital to diverse-led investment firms with strong potential for outperformance, but that may not yet be a fit for many large institutional portfolios due to factors such as scale or length of track record. This initiative builds on our experience in backing diverse-led investment firms in our endowment and opens a new avenue for us to partner with diverse-led firms.
- We are engaging with our existing investment partners to understand their diversity practices, encourage their diversity efforts, and help where appropriate. We have had several dozen detailed conversations to date.
- We help all of our partners build their businesses thoughtfully and believe we can be especially helpful to our diverse-led investment partners. Particularly if the firm is young and still maturing, we can provide introductions to other thoughtful institutional investors and offer advice on organizational matters.
- We have contacted external professional organizations and employment collectives, including SEO, Prospanica, the Association of Latino Professionals For America, the

National Association of Black Accountants, American Association of Blacks in Higher Education, Native Americans in Higher Education, and the African American Employee Network of the Bay Area, to explore potential partnership opportunities and broaden our recruiting.

- We are enhancing our website and other digital communications to create clear pathways for diverse professionals to engage with us as potential partners or staff members.
- We are considering expanding the reach of our undergraduate economics seminar in order to share the content with a broader group of diverse talent at Stanford and beyond. We believe this course material can be an important tool to attract more diverse talent to the investment industry.
- We are collaborating with our peer universities. Discussions with our leading peers, which began over a year ago, offer a chance to learn from others and disseminate best practices, including strategies for finding diverse-owned managers, attracting diverse professionals to the investment industry, and helping young diverse-led firms grow thoughtfully.
- Our Board of Directors recognizes that diversity is complementary to our investment mission. We will report our progress on diversity initiatives to our Board at least annually.
- Our staff diversity statistics will be disclosed to the Stanford community annually as part of the IDEAL dashboards.