



**JENSEN  
PARTNERS**  
EXECUTIVE SEARCH

# A Movement Takes Shape

An Empirical Analysis of Diversity, Equity and Inclusion (DEI) in the Alternative Asset Industry

## EXECUTIVE SUMMARY

DEI is not a moment; it's a movement. In the alternatives space, true DEI in the industry can be achieved if asset managers continuously pursue the goal of building a workforce that accurately reflects the clients they serve. These are teachers, police officers, firefighters and many more diverse industries and, most importantly, diverse people. Although the Alternative Asset industry is nowhere near an accurate representation of our world today, we are starting to see the real impact of those efforts. I am seeing our movement take hold and make real change.

To help asset managers set actionable and measurable DEI goals, Jensen Partners launched Jensen DiversityMetrics™, a data visualization tool designed to support alternative investment firms in

understanding how they compare to their peers regarding workforce diversity. It's also why we built Jensen DiversityMetrics Pipeline Tracker™, which enables on-demand pipelines of thousands of self-identified diverse candidates across the alternatives industry. To dispel the myth that the industry lacks diverse candidates,

**"We need to have those fearless discussions on DEI and express the need for transparency and measurement across the industry."**

**—Sasha Jensen**



we pledged in 2021 that all future human capital searches would begin with a candidate pool comprised of at least 51% of candidates from underrepresented backgrounds powered by Jensen DiversityMetrics Pipeline Tracker™. We've developed these initiatives and data software because words are not enough; we must act.

Jensen Partners is an award-winning leader in recruiting diverse talent in the alternative asset management space. We have often accurately predicted trends based on our Jensen DiversityMetrics™ data, which is why we are compelled to continue to speak up about the DEI initiatives that can bring about progress in the alts space. To reiterate the key message of our 2021 report, good intentions and ad hoc initiatives are not enough to move the needle on DEI within the alternatives industry. We want to continue measuring progress and encouraging asset managers to tackle our industry's disparities. Our 2022 report includes an update on our 2021 findings and data, all of which demonstrates definitive proof of progress and of initiatives that can help propel DEI forward for asset managers who want to answer our calls to action.

Many firms have answered that call. Over the last two and a half years, alternative asset managers have hired more than 50 new DEI leaders. 60% (29 hires) were hired just in the last year, each with the charge of effectuating the advancement of diversity, equity and inclusion firmwide. Jensen DiversityMetrics™ data reveals that

a dedicated DEI unit sitting outside the remit of HR and reporting directly into the C-Suite is the most significant determiner of retention on a platform.

**According to Jensen DiversityMetrics™, 33% of asset managers who are equipped with such a DEI unit showed increased retention of women and POC as well as an increase in women and Black and Hispanic/Latinx professionals in senior positions compared to their counterparts who are lacking dedicated DEI units.**

Firms with dedicated DEI units have demonstrated their commitment to centering diversity equity and inclusion as a core business objective. Moreover, the creation of mentorship programs has enabled the professional development of women and POC (people of color) at these firms.

Furthermore, as this report shows, there has been an attitude shift across the industry and there are many reasons to be optimistic that the DEI movement will continue to accelerate. After an initial groundswell of support, the push to address systemic inequality continues to reverberate across society, keeping DEI top-of-mind among decision makers, human resource departments and rank and file staff.



## EXECUTIVE SUMMARY

DEI has become a differentiator for many managers, especially when it comes to hiring. Candidates and employees alike are asking questions about what managers are doing to increase DEI. Finally, investors have become more discerning about who they choose to work with and how the companies they support are working to create a positive impact on the communities they serve.

All these factors suggest the industry has reached the critical mass necessary to sustain the long-term effort it will require to bring about a more diverse, equitable and inclusive workforce. However, fully realizing the goals of DEI is still a long way off. The alternatives industry continues to

be predominately comprised of males and Caucasians. Advancing the movement requires an increased level of commitment and must be deeply rooted in transparency and accountability.

Each of these actions underscores our firm belief that gender parity and equitable representation are achievable in the alternative investment industry. We remain committed to leveraging technology and data to help our clients make meaningful progress toward those goals. I want to take this moment to recognize the progress made to date and to take this opportunity to highlight additional ways alternative investment firms can accelerate the movement toward truly diverse workforces.



*Sasha Jensen*

**Sasha Jensen**

CEO and Founder of Jensen Partners,  
Jensen Diversity Metrics

[Jensen-Partners.com](https://Jensen-Partners.com)



# DEI Pledges from LPs

**NY State Common Retirement Fund**

**CTPF (Chicago Teacher's P.F.)**

**LACERA**

**LACERA**

**Mass Prim**

**TRS**

**DCRB**

**CALSTRS**

**CALPERS**

**Harvard University Endowment**

**Stanford University Endowment**

**PRINCO**

**Yale University Endowment**

**Pension Protection Fund**

**Washington State Investment Board**

**Kaiser Permanente**

**Allianz Global Investors**

**NY State Teachers' Retirement System**

**Kresge Foundation**

**GCM Grosvenor**

**Sillicon Valley Community Foundation**





In this section, we focus on distribution professionals (marketing, investor relations and business development professionals) across all alternative asset classes. For data on hiring and demographic trends for investment professionals, please contact Jensen Partners to learn more.

## Signs of Change

Throughout alternatives, Caucasians, particularly Caucasian males, outnumber all other groups. Such imbalances are especially pronounced at the most senior levels. However, for the first time since the murder of George Floyd sparked a national movement to address systematic inequality in May of 2020, we started to see signs of meaningful progress on diversity, equity and inclusion (DEI) in alternative investment industry. While the pace of change remains slow, there are reasons to be optimistic.

## Diversity of Marketing and Distribution Professionals by Asset Class

Jensen DiversityMetrics™ data, retrieved September 2022

### PRIVATE CREDIT

2,944

Total Professionals

Employed at firms with a combined \$2.2 Trillion AUM

23.57%

Non-Caucasian

44.29%

Women

### PRIVATE EQUITY

2,270

Total Professionals

Employed at firms with a combined \$6.7 Trillion AUM

25.51%

Non-Caucasian

44.89%

Women

### HEDGE FUND

1,904

Total Professionals

Employed at firms with a combined \$14.2 Trillion AUM

20.90%

Non-Caucasian

45.38%

Women

### PRIVATE FUND GROUP

603

Total Professionals

22.06%

Non-Caucasian

27.20%

Women

### SECONDARIES

350

Total Professionals

22.86%

Non-Caucasian

31.43%

Women

### INFRASTRUCTURE

1,354

Total Professionals

Employed at firms with a combined 11.6 Trillion AUM

27.33%

Non-Caucasian

43.21%

Women

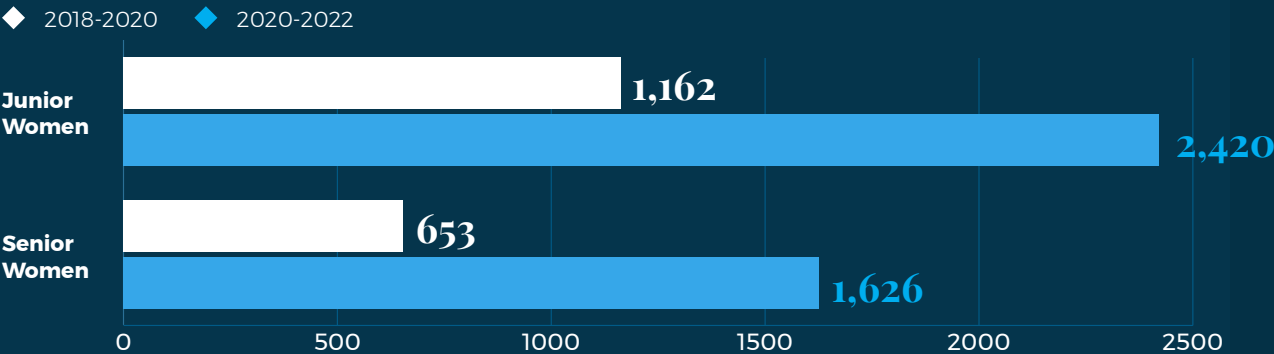


# STATE OF THE MARKET

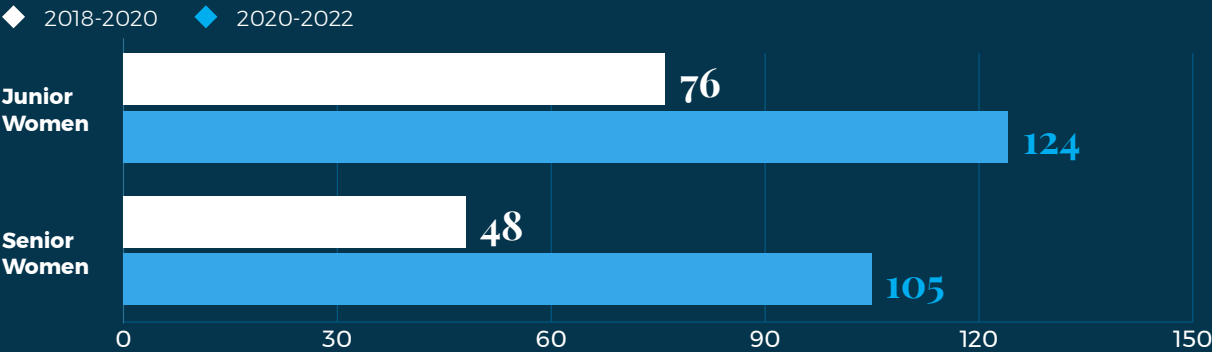
Across many of the major demographic categories Jensen Partners tracks, the murder of George Floyd on May 25, 2020 marked an inflection point for diversity in the alternatives industry. The number of senior women hired to marketing and distribution roles more than doubled in the two years following May 2020, compared

with the two years prior. The number of senior Black professionals hired also more than doubled. Two years after the moment that sparked the movement, Jensen Partners' hiring and demographic data shows the widespread efforts to reduce systematic inequality are making a positive impact across the industry.

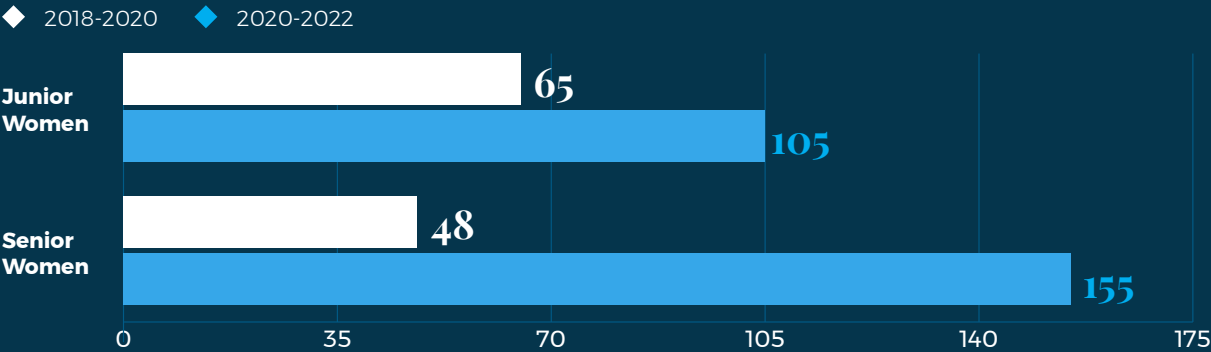
## GENDER HIRING TRENDS: MEN VS. WOMEN BEFORE & AFTER 2020



## BLACK HIRING TRENDS: HIRES BEFORE & AFTER 2020



## HISPANIC/LATINX HIRING TRENDS: HIRES BEFORE & AFTER 2020



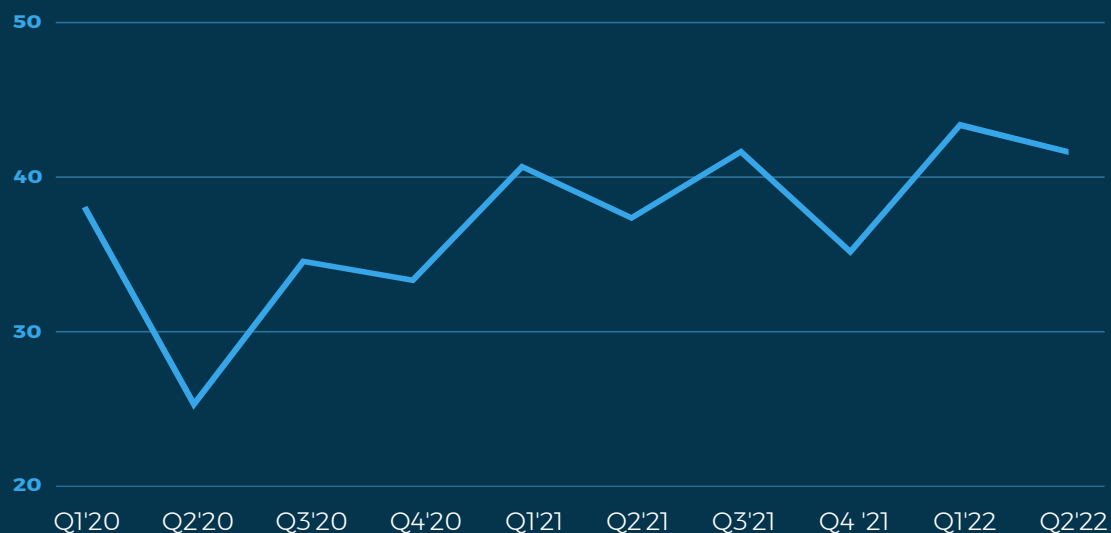




# Measuring the Movement

From an empirical perspective, Jensen Partners' hiring data shows evidence of DEI progress accelerating across the industry. On gender representation, we tracked a nearly 50% increase in women hired in 2021 versus the same period in 2020. While this is still a bit less than half of all moves (2,645 moves in 2021 vs. 1,749 moves in 2020), we are encouraged by the steady increase in the gender ratio across the industry (see chart below).

**FEMALE GENDER RATIO FROM Q1'20 TO Q2'22**



Many of these hires and promotions are increasingly concentrated at the senior level (42.7% of all female moves in 2021 vs. 37.8% in 2020), which we view as a positive sign that women are rising to the highest ranks at these organizations. This is particularly true of Private Equity firms, Hedge Funds and Multi-Asset firms, were responsible for the bulk of senior-level moves.

Jensen Partners tracked 520 women that received promotions over the last two years (300 in 2021, 220 in 2020). This is an impressive achievement for an industry that has a historical reputation as being male-centric and an important milestone for the hundreds of women that are now carving out careers in the alternative investment space. Multi-Asset firms (173 promotions), Private Equity firms (136 promotions) and Hedge Funds (59 promotions) are among those leading the way, but virtually every type of alternatives firm has made progress in both hiring and promoting women.



Much of the progress in these areas has been directly related to recruitment, hiring and promotion practices. Jensen Partners is participating in this trend firsthand, with a growing number of executive search mandates for women. Many firms we work with have set goals to increase female representation by +30% in the coming years, with the eventual goal of achieving a 50/50 split between men and women.

While the industry is making strides on gender representation, progress on racial and ethnic representation has been slower. In every asset class tracked, Caucasians comprise 70-80% of marketing and distribution professionals. Looking at the intersection of gender and ethnicity, Black, Hispanic/Latinx and Middle Eastern women are particularly underrepresented in every asset class tracked.

Though some groups, such as Hispanic/Latinx professionals, have made modest strides in recent quarters, other groups have lost ground. Black marketing professional hires as a percentage of all hires fell by 12% during the height of Black Lives Matter protests, (when comparing hiring during Q4 2019-Q2 2020 to Q3 2020-Q1 2021). In Q1 2022, the hiring of Black marketing professionals decreased below recent averages to 2.47% of all hires -- a 20.06% decrease from Q1 2021 and a 17.71% decrease from Q4 2021. However, the decrease in hiring of Black professionals correlates with increased retention due to promotions, equating to fewer moves from firm to firm. In the first quarter of 2022, promotions from junior to senior positions among Black professionals increased 100% from Q4 2021.

## Seniority of Women by Asset Class

*Jensen DiversityMetrics™ data, retrieved September 2022*

	Junior Women	Senior Women	Total Women
<b>Private Credit</b>	763	541	1,304
<b>Private Equity</b>	619	400	1,019
<b>Hedge Fund</b>	518	346	864
<b>Private Fund Group</b>	94	164	258
<b>Infrastructure</b>	359	226	585
<b>Secondaries</b>	67	43	110





## Racial/Ethnic Diversity by Asset Class

Jensen DiversityMetrics™ data, retrieved September 2022

### PRIVATE CREDIT



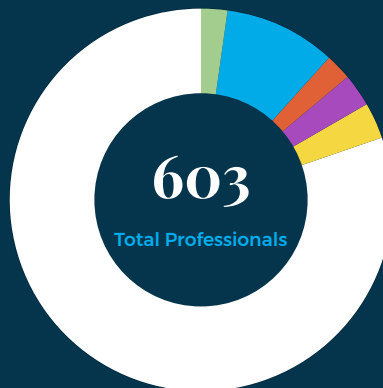
### PRIVATE EQUITY



### HEDGE FUND



### PRIVATE FUND GROUP



#### Key:

- Black Professionals
- East Asian Professionals
- Hispanic/ Latinx Professionals
- Middle Eastern Professionals
- South Asian Professionals
- South East Asian Professionals
- Caucasian Professionals

### INFRASTRUCTURE



### SECONDARIES

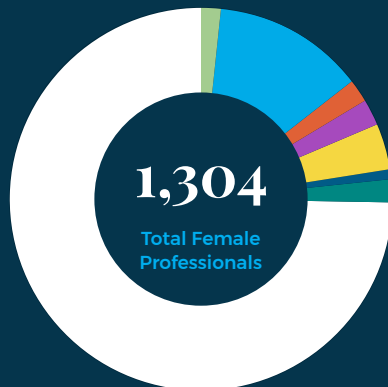




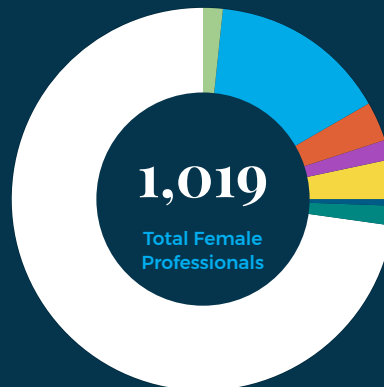
## Intersectional Lens: Gender and Race/Ethnicity

Jensen DiversityMetrics™ data, retrieved September 2022

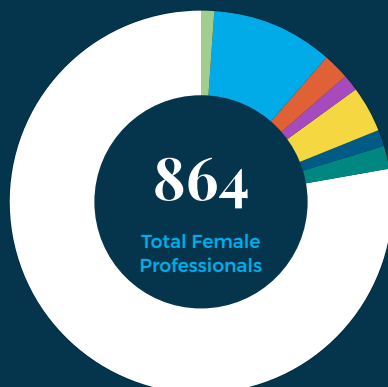
### PRIVATE CREDIT



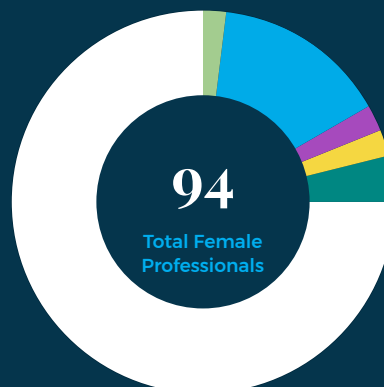
### PRIVATE EQUITY



### HEDGE FUND



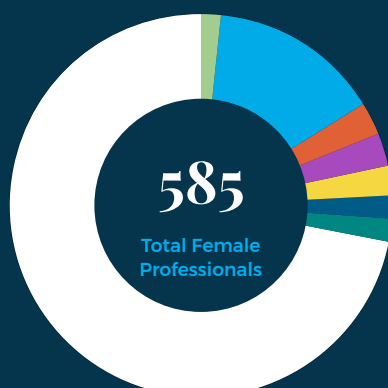
### PRIVATE FUND GROUP



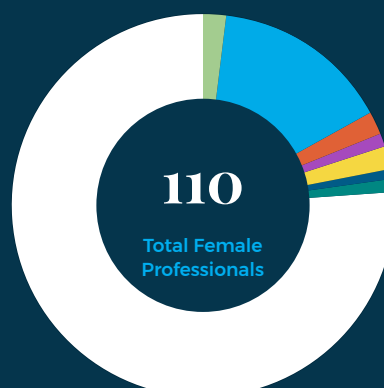
#### Key:

- Black Women
- East Asian Women
- Hispanic/Latinx Women
- Middle Eastern Women
- South Asian Women
- South East Asian Women
- Caucasian Women
- Other Women

### INFRASTRUCTURE



### SECONDARIES





# Hiring at Record Pace

While the Great Resignation is constricting hiring across industries, alternative asset marketing and distribution professionals have witnessed a pronounced hiring boom as firms worldwide realize how critical a sophisticated marketing team is to their long-term success. As the industry has grown to \$11.5 trillion in global AUM, Jensen Partners has consistently tracked record levels of hiring across asset classes.

In the first quarter of 2022, Jensen Partners tracked 1,013 moves – the most we’ve

ever tracked in a single quarter – which represents a 68.83% increase from Q4 2021 and a 35.97% increase from Q1 2021. This is the ninth straight quarter that hiring activity has surpassed 400 moves and the first quarter where it exceeded 1000 moves.

Since 2016, the Jensen Partners team has tracked more than 6,500 marketing moves across the alternative investment industry. More than two-thirds of these moves have come in just the last two years, with a record 2,645 moves in 2021 alone.

## MARKETING HIRES BY STRATEGY BY QUARTER





# Uneven Gains for Diverse Hiring

As alternatives firms continue the hiring spree, the hiring of diverse candidates has also increased, albeit unevenly. Jensen Partners tracked 531 diverse moves in Q1 2022 (439 female candidates and 92 male BIPOC candidates), representing 52.42% of all marketing moves in the quarter. The 531 diverse marketing professionals hired in Q1 2022 was an 8.08% increase from Q4 2021 and 1.17% increase from Q1 2021.

From a gender perspective, female moves in Q1 2022 represented 43.34% of all hires, up from 35.17% in Q4 2021 and 40.67% for Q1 2021. Though more males continue to be hired on an absolute basis, women are closing the gap on a relative basis. In Q1 2021, female moves increased by 44.88%; whereas male moves increased by only 29.86%.

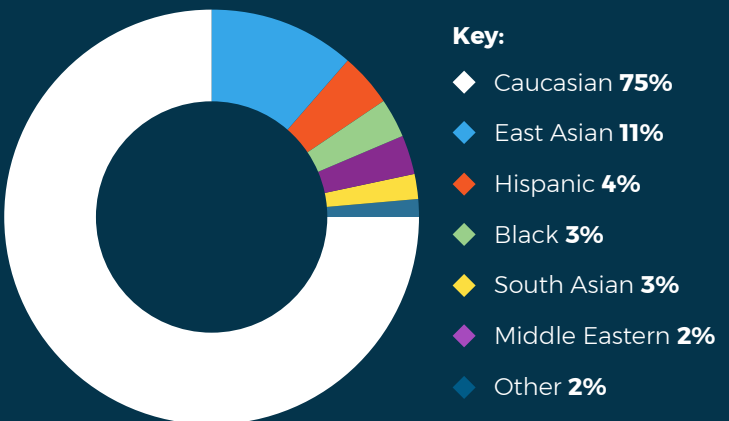
In terms of racial and ethnic diversity, we continue to see Caucasians make up the vast bulk of all marketing moves – 80.00% in Q1 2022, representing a 3.17% increase from 77.50% in Q4 2021 and a 2.18% increase from 78.26% in Q1 2021.

Hispanic/Latinx professionals experienced the highest increase in moves when compared to Q1 2021 by 314.29% (or 29 moves, +22 from Q1 2021). The increase in Hispanic hires is followed by East Asian hires with 85 moves (or +24 moves, a +39.34% increase), Caucasian – 810 moves (or +227 moves, +38.94%), Middle Eastern – 19 moves (or +3 moves, +18.75%) and Black – 25 moves (or +2 moves, +8.70%).

MARKETING HIRES BY GENDER



REPRESENTATION OF RACE/ ETHNICITY (Q1 '22)





# Challenges Remain

Despite clear gains in recent years, many challenges remain front and center for the alternative asset industry. Caucasian males continue to be overrepresented across the industry in nearly every metric tracked by Jensen Partners. At the other end of the spectrum, women of color are disproportionately disadvantaged across the industry, both in representation and level of seniority. In private equity, for example, we've seen an increase in both women and Black professionals hired, however, Jensen DiversityMetrics™ data shows 84% of Black women in working in private equity marketing and distribution hold junior roles.

**Diverse-owned asset managers manage only 1.4% of the \$82.24 trillion USD in assets under management (AUM) at U.S.-based asset managers, as of September 2021.**

Lerner et al., Diversity of Asset Managers Research Series: Industry, December 7, 2021.

## Seniority of Black and Hispanic Women Marketing and Distribution Professionals by Asset Class

*Jensen DiversityMetrics™ data, retrieved September 2022*

Asset Class	Junior Black Women	Senior Black Women	Junior Hispanic/Latinx Women	Senior Hispanic/Latinx Women
Private Credit	68.2%	31.8%	65.4%	34.6%
Private Equity	84.2%	15.8%	62.1%	37.9%
Hedge Funds	60%	40%	58.8%	41.2%
Infrastructure	50%	50%	68.8%	31.2%

Similarly, inclusion remains a challenge for certain underrepresented groups. Both women and Black professionals tend to leave jobs sooner than their male and Caucasian counterparts. The discrepancy between Black and Caucasian retention rates is particularly pronounced. Though

a longer time horizon may be necessary to realize improved retention rates, a firm's ability to grow and promote diverse talent is closely tied to retention patterns. Retention rates are also closely tied to a firm's success or failure to implement a culture of inclusivity.



# Retention Rates for Select Groups

Jensen DiversityMetrics™ data, retrieved September 2022

Asset Class	Retention Men	Retention Women	Caucasian Retention	Black Retention
Private Credit	6.3 Years	5.6 Years	5 Years	3.7 Years
Private Equity	5.3 Years	4.7 Years	3 Years	4.9 Years
Hedge Funds	4.8 Years	5.9 Years	2 Years	5.8 Years
Infrastructure	5.2 Years	4.5 Years	3.1 Years	4.7 Years

Stark inequalities still exist across the industry. While gains are being made, no one should be planning any victory parties. Additional gains will require more time and greater commitment. To accelerate the DEI movement, alternatives firms must be willing to set measurable goals, analyze progress and report outcomes. Investors are already asking about such efforts and all indications suggest DEI reporting requirements will only increase. A [recent survey found the](#) 40% of private market investors will expect daily, if not real-time, reporting on DEI within the next 10 years.

Keeping up with increased reporting standards will require additional resources and capabilities. Many firms are taking steps, both internally and with service providers, to build and implement the technology and skill sets needed to increase transparency. As the DEI movement progresses and pressure mounts, firms that fail to prioritize and report DEI progress may find it harder to compete.



Section 3 of this report, “Accelerating the Movement” details actionable steps alternatives firms can take to prioritize DEI across the organization.



## STRATEGY SPOTLIGHT

In this section, we analyze demographic and hiring trends among professionals employed at private credit firms. For data on hiring and demographic trends in other asset classes, please contact Jensen Partners to learn more.

# Private Credit Industry Snapshot

To better demonstrate how the DEI movement is gaining momentum, we examine how private credit firms have made progress on gender diversity in recent months. For years, private credit has lagged nearly every other alternative asset class in nearly every measure of DEI. As recently as Q3 2021, we were asking, [‘why are private credit firms failing to measure up on diversity?’](#) Yet, that dynamic has changed: starting in Q1 2022, we’ve seen a material improvement in gender diversity across private credit.

Over the last few years, managers have realized that DEI has become an imperative for firms seeking to be competitive, whether in the market for talent or the market for institutional capital. Though private credit, like all alternative asset classes, still has a long way to go to reach gender parity, recent changes in hiring, retention and promotion practices have started to make an impact.

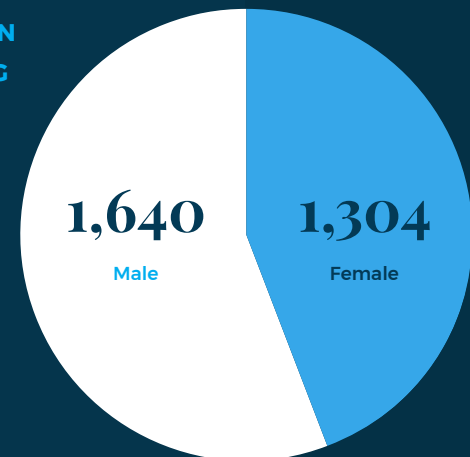


### GENDER REPRESENTATION IN PRIVATE CREDIT MARKETING AND DISTRIBUTION ROLES

Jensen DiversityMetrics™ data, retrieved September 2022

**Key:**

- ◆ Distribution of Men
- ◆ Distribution of Women

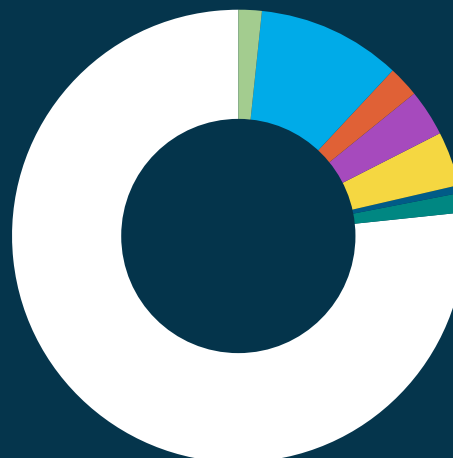


### ETHNIC/RACIAL REPRESENTATION IN PRIVATE CREDIT MARKETING AND DISTRIBUTION ROLES

Jensen DiversityMetrics™ data, retrieved September 2022

**Key:**

- ◆ Caucasian **76%**
- ◆ East Asian **10%**
- ◆ South Asian **3.8%**
- ◆ Middle Eastern **3.4%**
- ◆ Hispanic **2.3%**
- ◆ Black **2%**
- ◆ Other **1.4%**
- ◆ Southeast Asian **.6%**

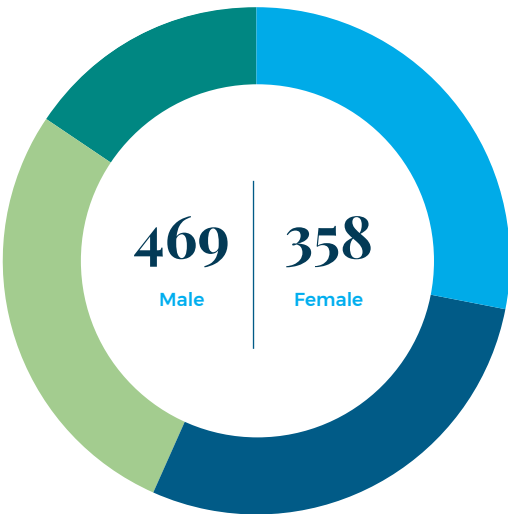




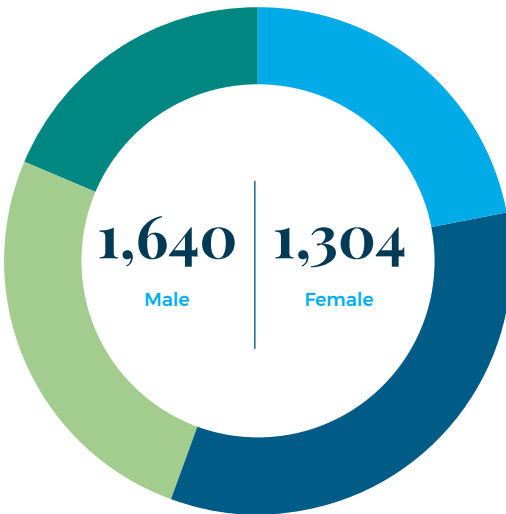
## STRATEGY SPOTLIGHT

Based on data from Jensen DiversityMetrics™, 44.5% of private credit marketing and distribution roles are held by women. However, the first half of 2022 has shown a noticeable increase in female hires, rising over 7%, from 43.2% of hires during 2020 and 2021 to 50.6% of hires in the first half of 2022.

### Private Credit Marketing and Distribution hires between January 1, 2020 and December 31, 2021.



### Private Credit Marketing and Distribution hires between January 1, 2022 and September 1, 2022



◆ Junior Male    ◆ Senior Male    ◆ Junior Female    ◆ Senior Female

*Jensen Partners' hiring data, retrieved September 2022*

Similarly, the hiring of senior women of color has also been strong in the first half of 2022. In 2020 and 2021, 32 women of color were hired to senior positions at private debt firms. From January 1, 2022 to May 26, 2022, 13 senior women of color have been hired. Thus, in roughly the first six months of 2022, private debt firms hired 40% as many senior women of color as they did in the prior two years.

### Seniority of Women of Color hired between January 1, 2020 and December 31, 2021

	Junior	Senior
East Asian	34	14
South Asian	9	9
Hispanic/Latin(x)	9	1
Black	8	3
Middle Eastern	3	3
Other	2	1
Southeast Asian	3	1

### Seniority of Women of Color hired between January 1, 2022 and September 1, 2022

	Junior	Senior
East Asian	12	11
South Asian	5	1
Hispanic/Latin(x)	8	1
Black	4	0
Middle Eastern	0	4
Other	1	2
Southeast Asian	0	1



# Make Data-Driven Decisions

When it comes to improving DEI outcomes, very few managers have adopted the same systematic, data-driven rigor they apply to their core business objectives. This failure to scrutinize DEI at the analytical level is holding the industry back from greater DEI gains. To move forward on diversity and inclusion, managers must make diversity analytics a focal point. The data alone will not solve the issue, but the transparency and accountability the data enables will make a difference. Today, gut checks do not cut it anymore. The asset management industry depends on every accessible data point it can gather to make business decisions. DEI should be no different.

Consistent data and tracking will play an important role in boosting DEI. Aggregating metrics on diverse hiring, promotions, retention and attrition provides managers with the tools necessary to make data-driven decisions and design better DEI programs and initiatives. By combining quantitative analytics with qualitative information, managers can gain deeper insights into how company culture and management style either promote or discourage diversity.

## Establish Ownership

One of the most impactful steps a firm can take is to establish ownership over the firm's DEI progress. Jensen Partners' DiversityMetrics™ data has consistently identified a correlation between HR-led diversity committees and underperformance relative to peers on key DEI metrics.

When a diversity committee is organized within the human resource department, firms are effectively sending the signal that DEI is a human capital objective — not a core business objective. To truly change the culture, firms must prioritize DEI at the same level they prioritize other key business objectives.

The better approach is to assign accountability to an individual or group (preferably from the C-suite), so that there is clear ownership over the firm's progress. Over the last few years, more than 60 alternative managers have hired an executive to lead the firm's DEI progress. Expect this trend to continue and for DEI heads to build out teams with additional staff.

DEI DEDICATED  
ROLES HIRED BY  
YEAR (2020-2022)

23  
in 2020

21  
in 2021

19  
in 2022

63  
total



## Set Targets

Setting hiring targets with clear deadlines is the most impactful DEI action managers can take. Hiring targets force accountability and convey commitment to employees and industry peers. These targets can either be absolute (e.g., hire 20 more women) or relative (e.g., increase the representation of women by 20%) with specific and achievable deadlines.

In fact, we feel so strongly about hiring targets that Jensen Partners made our own last year, [pledging that all future human capital searches](#) would begin with a diverse candidate pool comprised of at least 51% of candidates emanating from underrepresented backgrounds. If an executive search firm can do it, so can any investment firm.

## Build Strong Candidate Pipelines

To overcome DEI challenges, alternatives firms need dedicated, always-on diverse candidate pipelines. Because diverse talent can be scarce, especially in senior roles, firms need to be constantly building their candidate pipelines – not waiting until a role opens. To help alternatives firms achieve this goal, we built Jensen DiversityMetrics Pipeline Tracker™, which enables on-demand pipelines of thousands of self-identified diverse candidates.

Once a pipeline of diverse talent is established, the most effective approach is to start by focusing on senior level talent, with the idea that senior hires will build out their teams with diverse talent at every level. This has proven to be a more effective strategy for increasing organizational diversity than mentorship or recruitment programs, which can often take a long time to bear fruit.





# Create a Culture

We believe great culture is an outcome, not an objective. Companies with great culture usually don't dwell on culture. They dwell on improving DEI, employee wellbeing and satisfaction, and employee retention. These attributes sometimes get labeled 'culture,' but the distinction is important because focusing on culture frames the issue as systemic and intrinsic, when in reality, performance is contingent on the satisfaction and wellbeing of each employee. Quite simply, unhappy, alienated employees are generally less likely to regularly go above and beyond. Hence, improving performance is more about making sure each employee feels valued, and less about establishing a sense of shared values or beliefs.

There is no secret recipe for great company culture, but there are several traits that companies with great culture tend to share. For one, they value diversity – not just in principle, but based on the belief that a workforce comprised of different backgrounds and experiences yields a rich diversity of perspectives that can be leveraged to gain a competitive advantage. A growing body of research supports that belief.

Another trait companies with great culture share is inclusiveness. We often encounter companies that fall short in this area because they assume that top-down mandates centered on diverse hiring will automatically translate into a groundswell of belonging and community among rank-and-file staff. However, inclusivity is a function of thousands of day-to-day interactions between employees, so building an inclusive workplace requires more than just mandates from the C-suite.

The final commonality among companies with great culture is that they take a systematic, data-driven approach to managing their workforce. They set empirical goals, they measure qualitative and quantitative metrics, they regularly analyze and refine their approach based on data and they continually strive to be better. The most sophisticated companies are utilizing technology and analytics to better understand the effectiveness of their own initiatives, benchmark KPIs versus their competitors and report progress to stakeholders.







## Here are a few tangible steps any firm can take to create a culture of equity and inclusion:

### **Define what diversity means to the firm:**

Diversity, equity and inclusion (DEI) is often used as a catch-all to show a firm's commitment to its current and future employees. But DEI can take on different meanings for different people and organizations. An investment firm based in a country with a strong commitment to gender equality may have an easier time finding talented women to fill open roles than a firm where women represent a small percentage of the overall workforce. For Jensen Partners, we define "diversity" as someone from an underrepresented background, which in the case of the alternative investment industry includes but is not limited to women or people of color. We have extensive data on the gender and racial diversity of the industry, which clearly shows how certain demographic groups are in the minority. But every firm should come to its own definition and feel comfortable using that as justification for any DEI initiatives.

### **Create mentorship programs for diverse talent:**

It can be intimidating for anyone to start a job where few of their peers look or sound like them. This is especially true of the alternative investment industry, which tends to be dominated by Caucasian males at almost every level of the organization. That's why firms should be more proactive in creating mentorship programs that help entry-level, or mid-level professionals feel safe in their work environment and empowered to take risks and develop new skills. Larger Private Equity firms have created mentorship programs and employee resource groups that have streamlined and accelerated the success of females of the organizations. At Jensen Partners, we're also seeing many junior-level candidates request information on any mentorship or training programs when completing their due diligence of a prospective employer.

**Pay diverse employees a fair wage:** You can't have equity without pay equity. For alts firms, this means offering women and other diverse employees the same salary and benefits to men of similar skills and experience. There is significant progress on this front, with many firms making serious efforts to reduce the pay gap between men and women, including offering more women access to a potentially lucrative slice of any carried interest earned from investments. From the Jensen Partners perspective, eight of every ten distribution candidates that we've placed in the last 18 months were allocated carrying as part of their compensation. To hold themselves more accountable, alts firms should carefully track and disclose anonymized data on how people are paid at different levels of the organization.





## CONCLUSION

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It is now clear DEI is not just a moment, but a movement across the alternative asset industry. Hiring and demographic data now show evidence that the advocacy, attitude shift and initiatives of the past two years are making a difference across the industry. The progress we see today proves the alternatives industry has both the tools and the desire make meaningful DEI advances. Yet, there is still much progress to be made. Realizing a truly diverse, equitable and inclusive industry will require greater commitment and a longer time horizon.

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**Though DEI progress takes time, we fundamentally believe that gender parity and equitable representation are achievable across the alternative asset industry. We are on a mission to help our clients make meaningful progress toward those goals.**

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# Jensen Partners Provides the Data and Technology to Accelerate the DEI Journey

For over two decades, Jensen Partners has developed trusted relationships with alternative investment professionals and institutions, learning their motivations, specialties and hiring needs – especially viewed through a DEI lens with peer comparisons.

## QUALITATIVE & QUANTITATIVE METHODOLOGIES

### Quantitative

#### DiversityMetrics™

- ◆ Proprietary database of 22,000+ global capital raisers
- ◆ Relationships with over 600 global alternative investment firms
- ◆ Tracking over 14,000 marketing personnel moves across the alternative industry since 2012

### Qualitative

#### Understanding the Talent

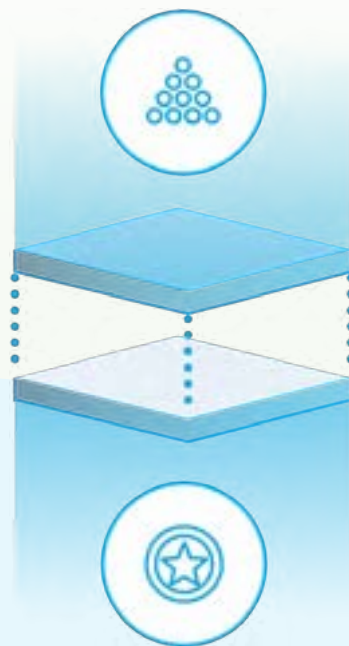
- ◆ Power players, rising stars, movers, shakers and newcomers
- ◆ Women and persons of color
- ◆ What are the firm's goals, expectations and backgrounds?

#### Organogram Mapping

- ◆ Track diverse candidate trajectories, including traditional and non-traditional educational institutions
- ◆ Career path in alternative investments and alternative firms

#### How Firms Stack Up

- ◆ What culture or management style promotes diversity throughout the organization
- ◆ Best ways to attract and retain diverse professionals
- ◆ Benchmark firms against industry standards and direct competitors





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EXECUTIVE SEARCH

## Taking the Next Step

As this report makes clear, the alternative asset management industry has a long road ahead to become more diverse, equitable and inclusive. However, firms that continue to ignore DEI do so at their own peril. Public opinion has shifted to the point where improving diversity is no longer a moral decision; it is now a core business decision. The tools to make the right decisions, like DiversityMetrics™, are already on the market. Now it is up to managers to leverage those tools and convert good intentions into measurable progress.

If you'd like to learn more about Jensen Partner's DiversityMetrics™ tool or schedule a demo, please contact Sasha Jensen at **sasha@jensen-partners.com** or call **+1 212-457-0062**.

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### KEY TAKEAWAYS

## Can your firm answer the following questions?

- ◆ What is the retention rate of your diverse candidates compared to their white male counterparts?
- ◆ What is your attrition rate for your diverse candidates?
- ◆ What percentage of women and persons of color are in senior positions?
- ◆ How many leading women or people of color are there on your platform?
- ◆ What is the promotion rate of diverse professionals at your firm compared to their white male counterparts?
- ◆ Do you have a dedicated DEI unit, or does it sit under HR?
- ◆ What story does your firm tell in terms of diversity?
- ◆ Do professionals from diverse backgrounds within your firm believe the firm is taking adequate steps to address inequality?