



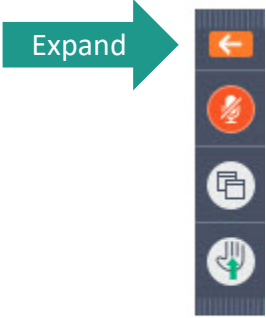
**PERSPECTIVES
THAT DRIVE
ENTERPRISE
SUCCESS**



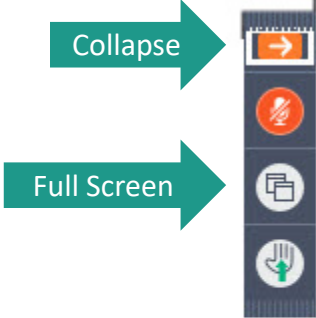
APRIL 10, 2024

Emerging & Diverse Manager Diligence Days Webinar

Question instructions



Use the orange arrow to expand or collapse the control panel



Ask questions here



A screenshot of the Verus Webinar interface. At the top, there's a menu bar with "File", "View", and "Help". Below it is a "Audio" section with "Sound Check" and a signal strength indicator. There are two radio buttons: "Computer audio" (selected) and "Phone call". A microphone icon is labeled "MUTED". Below that are dropdown menus for "Microphone Array (Realtek High...)" and "Speakers / Headphones (Realtek...)". A volume slider is also present. The "Talking:" section shows "Verus presenter". Below that is a "Questions" section with a text box containing "Thank you for joining us. Stay tuned, the call will begin shortly." and an input field with the placeholder "[Enter a question for staff]". A "Send" button is at the bottom right of the input field. At the very bottom, there's a "Verus Webinar" header, a red dot indicating "This session is being recorded.", and the "GoToWebinar" logo.

To adjust your view

Faraz Shooshani

Ian Toner

Marianne Feeley

Questions

Expand

Collapse

Full Screen

Use the orange arrow to expand or collapse the control panel

Ask questions here

Questions

File View Help

Audio

Sound Check

Computer audio

Phone call

MUTED

Microphone Array (Realtek High...)

Speakers / Headphones (Realtek...)

Talking: Verus presenter

Questions

Thank you for joining us. Stay tuned, the call will begin shortly.

[Enter a question for staff]

Send

Verus Webinar

This session is being recorded.

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← Pull the light gray bar (between the webcams and the slides) to adjust your view, whether you'd like to see more of the presenters or enlarge the slides.

Agenda

- Why are we doing this event?
- Emerging & Diverse Manager Diligence Days
- What we're looking for / meeting requirements
- Q&A

MODERATOR:

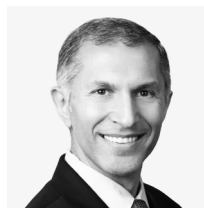


Ian Toner, CFA
Chief Investment Officer

PRESENTERS:



Marianne Feeley, CFA
Managing Director
Public Markets



Faraz Shooshani
Managing Director
Senior Private Markets
Consultant

Why do we hold this event each year?

- Expanding usage of underutilized sources of alpha in client portfolios
- Encouraging diversity of thought can be good for outcomes
- Purposefully avoiding simplistic rules of thumb to improve our thinking and our process

Verus' commitment to diversity

INFLUENCE THE INDUSTRY

Striving to improve diversity within our industry through engagement:

- Institutional Investing Diversity Cooperative, which Verus founded www.iidcoop.org
- Engaging with partners such as Toigo Foundation, WIIN, WAVE, NASP, and IDAC
- Publishing research of relevance

MAINTAIN AN INCLUSIVE VERUS

Seeking demographic balance and inclusion through our:

- Hiring practices
- Firm policies
- Inclusive culture
- Mentorship program

EXPAND ACCESS TO DIVERSE MANAGERS

Actively providing the benefits of diversity for our clients by:

- Ensuring diversity considerations are integrated in manager evaluations
- Holding targeted emerging and diverse manager events annually
- Including diverse managers in searches

RESEARCH

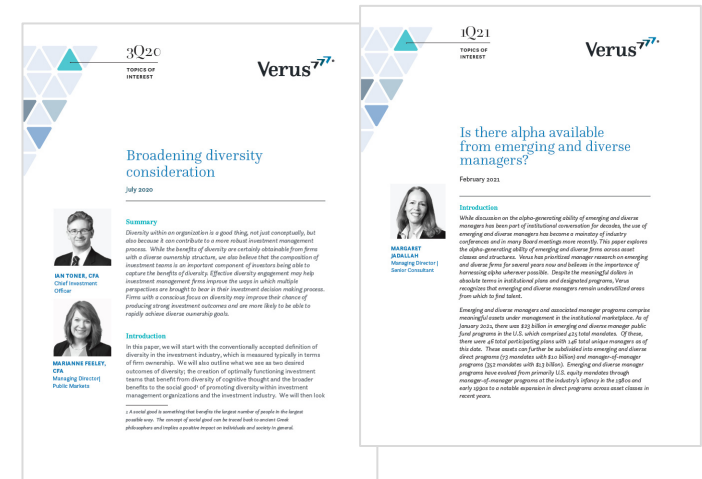
July 2020

Broadening Diversity Consideration

verusinvestments.com/research

February 2021

Is There Alpha Available from Emerging and Diverse Managers?



Emerging & Diverse Manager Due Diligence Days

June 3–14

2023 event recap

39 Virtual Meetings

—Breakdown by Asset Class

- **U.S. Equity:** 9 meetings
- **Non-U.S. Equity:** 11 meetings
- **Fixed Income:** 4 meetings
- **Real Assets/Private Markets:** 14 meetings
- **Hedge Funds:** 1 meeting

—Current State

- 1-2% of Verus AUA in emerging/diverse strategies
- 73 investment strategies approved for usage in client portfolios

What we're looking for

Goal: Find managers that make a difference for client portfolios
Effectively implement by combining best-in-class actively managed products, low-cost passive exposures, and efficient operations

GUIDING PRINCIPLES

Alignment of Organization, Incentives, and Resourcing

Investment Edge

Ability to Implement

Optimal approach to taking and managing risk

Understandable performance drivers

Homework:

In preparation for your meetings, please read our *Topics of Interest* paper, **AEIOU > PPPPP** for more information on how we use these principles, at <https://www.verusinvestments.com/vowels-beat-ps/>.



Submitting data to eVestment

Product-level data in addition to ownership

Diversity & Inclusion Data

Over 1,000 institutional investors and investment consultants spanning 45+ countries rely on eVestment as their source of data on institutional managers. Increasingly, this global network of allocators wants to understand how managers are thinking about diversity and inclusion and implementing D&I policies at the firm level.

D&I questions in the eVestment database give managers the opportunity to more fully articulate their firm's approach to diversity and inclusion and, importantly, streamline requests for D&I data. Instead of providing it again and again to requesting asset owners and gatekeepers, managers provide it just once, in the institutional market's most influential database.

D&I Questions

Can the firm provide diversity statistics for the entire portfolio management team?

Yes No, due to firm policy No, due to privacy regulations/laws that affect some or all of the team

If yes:

	Female	Male	Non-Binary	Decline to State	Total
Asian	%	%	%	%	%
Black	%	%	%	%	%
Hispanic, Latinx, or Spanish	%	%	%	%	%
Indigenous/Tribal People (domiciler-specific)	%	%	%	%	%
Middle Eastern or North African	%	%	%	%	%
White	%	%	%	%	%
Some Other Race or Ethnicity	%	%	%	%	%
Two or More Races or Ethnicities	%	%	%	%	%
Decline to State	%	%	%	%	%
Total	%	%	%	%	100%

If no – due to firm policy, please enter any narrative information you wish to provide:

If no – due to privacy regulations/law, please explain:

What percentage of portfolio decision-makers are military veterans?

What percentage of portfolio decision-makers are disabled?

Additional information regarding the diversity of the portfolio decision-making team you wish to add:

Supplemental diversity and inclusion documentation you wish to add:

www.evestment.com

Keep in mind that staffing questions in the ESG questionnaire also give managers opportunities to articulate their approach to D&I.

Does your firm have policies that are intended to increase the level of gender and ethnic diversity of senior leadership and investment teams?

If yes, does your firm track KPIs related to staff diversity initiatives?

If yes, do you make your KPI reporting available to external parties?

Does your firm have a mentorship program available for women/minorities?

Has your firm undertaken a gender or ethnic diversity pay-gap study?

If yes, are there policies in place to remedy any deficiencies found?

Does your firm have a pay-parity policy in place?

Does your firm have an ethics code and/or code of conducts?

If yes, how often are updates made?

Does your firm have an explicit sexual harassment policy?

If yes, how often are employees required to review/sign it?

Tell your D&I story through database marketing.

eVestment Omni can help.

solutions@evestment.com

Make sure to submit your product-level diversity data within the eVestment questionnaire.

The questionnaire may be found in the product summary page where you submit your team description.

Submitting alternative assets data

- Complete the InHub questionnaire, found at <https://www.erfp.us/inhub-verus-rfi/>
- **Due April 23, 2024**
 - As noted in InHub, specifically for private markets, we are seeking track record in the same strategy by the proposing team
- Hedge Funds are requested to be on Aksia at <https://aksia.com/gp-reporting/>

InHub RFPs Proposals

2023 Verus Emerging and Diverse Manager Questionnaire (Private Markets)

Welcome! You've been invited to participate. Please review the information and choose whether to accept or decline the invitation.

- 1 Background
- 3 **Private Market Questions**
- Questionnaire
- Communications
- Team

3.1 Target geographical region

3.2 Target size of individual investments

3.3 Please attach the most recent net-LP performance of up to the last 5 funds with same/similar strategy with the following columns:
1. Fund Name
2. Size (\$MM)
3. Vintage Year
4. Net IRR
5. Net TVPI
6. Net DPI
7. Reporting Date

3.4 Please attach your latest pitchbook and fund PPM

We will review all material received and respond in early May.

Selected firms invited to meet Verus between June 3-14, 2024.

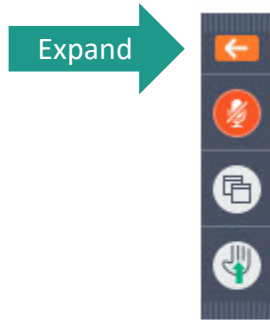
Meeting requirements

- **Definitions:** Verus defines emerging managers as employee-owned firms with less than or equal to \$3 billion in total assets under management (“AUM”).
 - Private fund managers (private equity, private debt, and real assets) raising their first or second institutional vehicles under \$1.5 billion are also invited to attend.
 - Diverse firms are typically characterized by levels of women and minority ownership or where key investment decision-makers on the strategy team are minorities and/or women (“diverse teams”), although **we are permitting managers to define their own diversity attributes.**
- Additional information on our website, at verusinvestments.com/edm-diligence-days/
- We’re aiming for introductory meetings with firms we haven’t met with before to fulfill the goal of expanding our emerging/diverse universe.

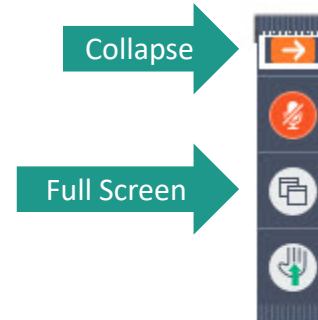
What are our goals for this event?

- Identify a greater number of emerging/diverse firms who can be recommended in manager searches for clients
- Examine and encourage diversity of thought, which can be good for outcomes
- Broaden our research process, including a thoughtful and inclusive view towards emerging/diverse firms

Questions



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Ask questions here



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Thank you