



Stanford Management Company: Portfolio Diversity Data

Diversity, equity, and inclusion are core values at Stanford University. As a business unit of the University, Stanford Management Company (SMC) is committed to increasing diversity among its staff, expanding upon the existing diversity of the endowment portfolio, and contributing to diversity in the asset management industry. Our DEI Action Plan can be found [here](#).

SMC manages Stanford's Merged Pool, which comprises most of the University's investable assets, including its endowment. These assets are generally managed by external investment firms with whom we have long-term partnerships.

At the end of 2021, 41 percent of the Merged Pool's ongoing investment partners globally were led or co-led by diverse professionals, and those partners managed 42 percent of the global, non-liquidating assets. Looking exclusively at active partners based in the U.S., these numbers are 35 percent and 38 percent, respectively. Eleven percent of Stanford's assets placed with ongoing U.S.-based investment firms is managed by women-led firms and 28 percent is managed by minority-led firms¹.

For the purposes of calculating the figures above, we categorized a firm as diverse if women or minorities own 50 percent or more of the firm, founded or co-founded the firm, or comprise a majority of the firm's leadership. Our definition of racial and ethnic minorities includes Asian, Black/African American, Hispanic/Latino, and American Indian/Alaska Native.

Representation of diverse investment partners in the Merged Pool is significantly higher than the overall U.S. asset management industry, where diverse firms represent 12.2 percent of asset management firms and manage 1.4 percent of total industry assets².

A 2022 study by the Knight Foundation, available [here](#), offers a comparison of Stanford's endowment to that of other large university endowments. Of the 16 universities that participated in the study, Stanford had more of its U.S.-based assets managed by diverse firms than any other university.

¹ Note that the sum of these two figures exceeds the total for diverse-led firms because some of our partners are both minority-led and women-led.

² See Knight Diversity of Asset Managers Research Series: Industry, a study of ownership diversity and performance in the asset management industry, 2021.