



2020 DEI Progress Report

April 2021

Foreword



DEI: EXPANDING THE POOL OF EXCELLENCE

Diversity is one of the strengths uniquely woven into the fabric of America. Accordingly, increasing diversity is one of three core initiatives considered critical to NEPC's business. We understand that extraordinary human talent is at the heart of our culture and is the driver of value we provide to our clients. Our Diversity Equity & Inclusion (DEI) Mission Statement captures the priority we place on proactively including people from all backgrounds in our relentless search for the excellence that our employees expect from one another and the excellence we expect from the investment companies that manage our clients' portfolios.

NEPC DEI MISSION STATEMENT

At NEPC, diversity, equity and inclusion are critical to help our clients meet their investment goals and objectives by building a firm that attracts, develops, excites and retains exceptional people.

NEPC is publishing this 1st annual DEI Progress Report with two objectives in mind. Firstly, we believe the adage that you can't manage what you don't measure. Therefore, we hold ourselves accountable to specific goals for diversity, equity and inclusion in the same way that we manage our progress toward any other strategic objective that is important to our company. Progress does not always occur in a straight line, so quantitative data may differ from year to year. But we will be transparent in reporting on whether we are making meaningful improvements over time.

Secondly, we believe that by clearly stating the importance of inclusion for our business, we may encourage more progress on diversity throughout the financial services industry. Indeed, we hope that our leadership in voluntarily disclosing this DEI Progress Report will challenge other investment consultants, asset managers and investors to set, pursue and report on their goals for diversity, equity and inclusion.

We have organized this report to reflect the three distinct arenas in which we evaluate our performance on DEI: Workforce, Workplace and Marketplace. The Workforce arena primarily concerns the demography and upward mobility of the NEPC family of employees, leaders and ownership. The Workplace dimension involves the culture of equity and inclusion that ensures all NEPCers feel comfortable bringing their authentic personalities to work. The Marketplace reflects our engagement with diverse managers, the communities we serve and the future talent pool we wish to attract to NEPC.

In my 32-year career, I have personally witnessed the superiority of solutions produced by teams that view diversity as a resource for expanding the pool of innovative talent. A deeper, more diverse pool of excellence tends to help organizations generate better ideas and avoid the pitfalls of groupthink.

Thank you,

A handwritten signature in black ink, appearing to read 'Sam Austin', with a stylized flourish at the end.



Sam Austin
*Partner & Executive Committee Member
Manager, Western U.S. Public Funds Team
Chair, NEPC Diversity & Inclusion Board*



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DEFINITIONS

INHERENT DIVERSITY

Gender, race, age, religious background, socioeconomic background, sexual orientation, disability, nationality/ethnicity

This is what people typically think about when one refers to "diversity"

ACQUIRED DIVERSITY

Cultural fluency, generational savvy, gender smarts, cross-functional knowledge, global mindset, language skills, educational attainment

Less commonly thought about aspects of "diversity"

EQUITY

The quality of being fair and impartial; giving as much advantage, consideration, or opportunity to one individual or group as you would another; justice

Commonly misinterpreted as "equality" but rooted in justice and fairness

INCLUSION

The act or state of being included within an organization or structure; universal acceptance of everyone, everywhere

Centered around idea of feeling safe to show up as one's authentic self

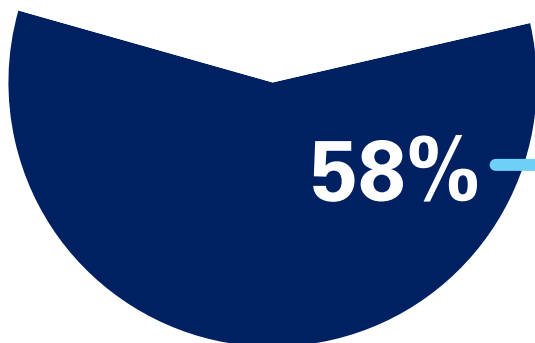
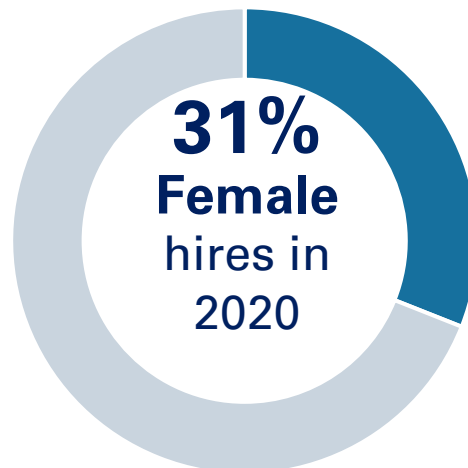
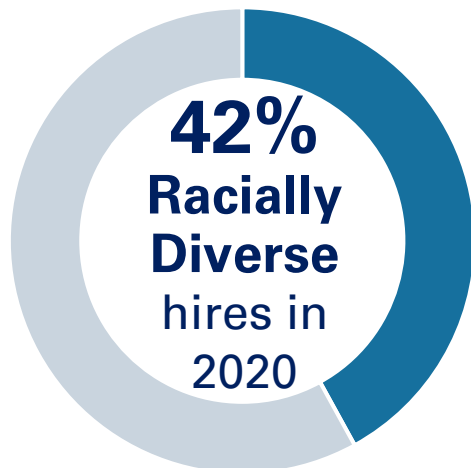
For the purpose of this Progress Report, NEPC has adopted the definitions of Racial/Ethnic backgrounds used by the U.S. Department of Labor Statistics

WORKFORCE

DEMOGRAPHY OF RECRUITING,
DEVELOPMENT AND RETENTION



2020 DIVERSITY UPDATE



→ of all **2020 new hires** were **diverse** based on gender, ethnicity or race



Diversification is a central tenet to building a successful investment program and is absolutely essential in building a great investment organization. We are really excited about the progress we have made across the board on our DEI initiatives.

Our DEI efforts are focused on three aspects: building greater representation in our employees base, becoming a more inclusive culture, and expanding our knowledge and use of diverse managers. Over 55% of all hires in 2020 were diverse, the diverse ownership of NEPC has more than doubled in the last 10 years, and our research meetings with diverse managers increased by over 70% last year.

2020 was an incredibly challenging year in many respects and serves as a stark reminder about the importance of driving our initiatives forward – for our employees, our clients, our firm, and the industry as a whole.

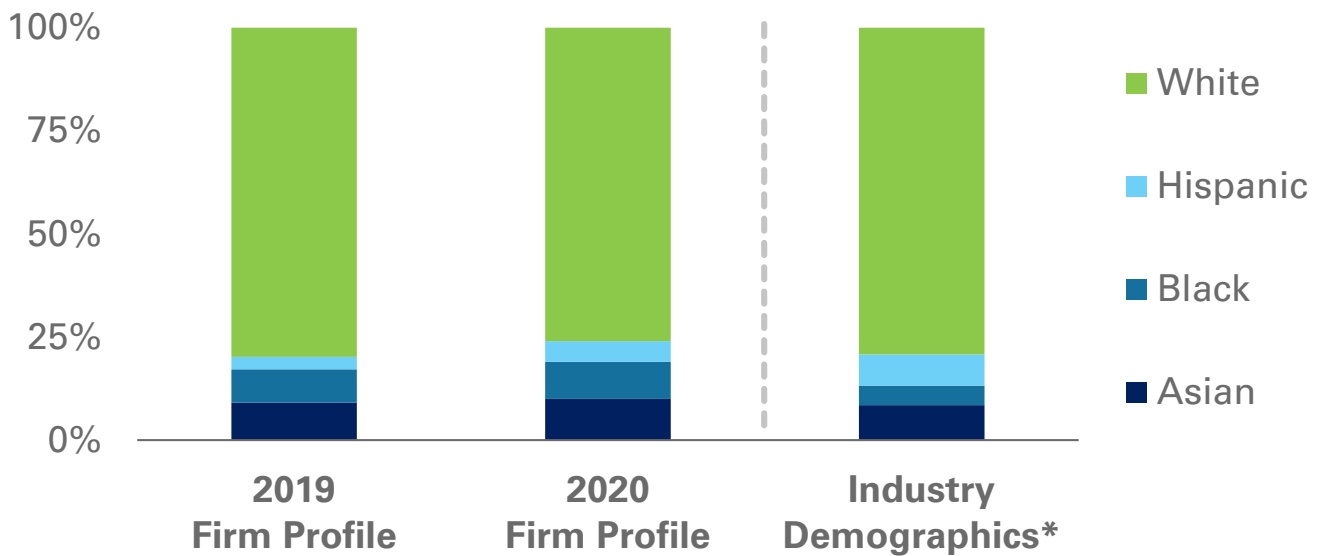
Mike Manning, Managing Partner



2020 NEPC RACIAL/ETHNIC DIVERSITY PROFILE

Compared to industry averages, NEPC employees that identify as Black/African-American (9% vs, 5%) and Asian-American Pacific Islander (10% vs. 9%) are represented at higher levels than industry average, while people of Hispanic/Latinx heritage are under-represented (5% vs. 8%).

NEPC Employees by Race/Ethnicity vs. Industry



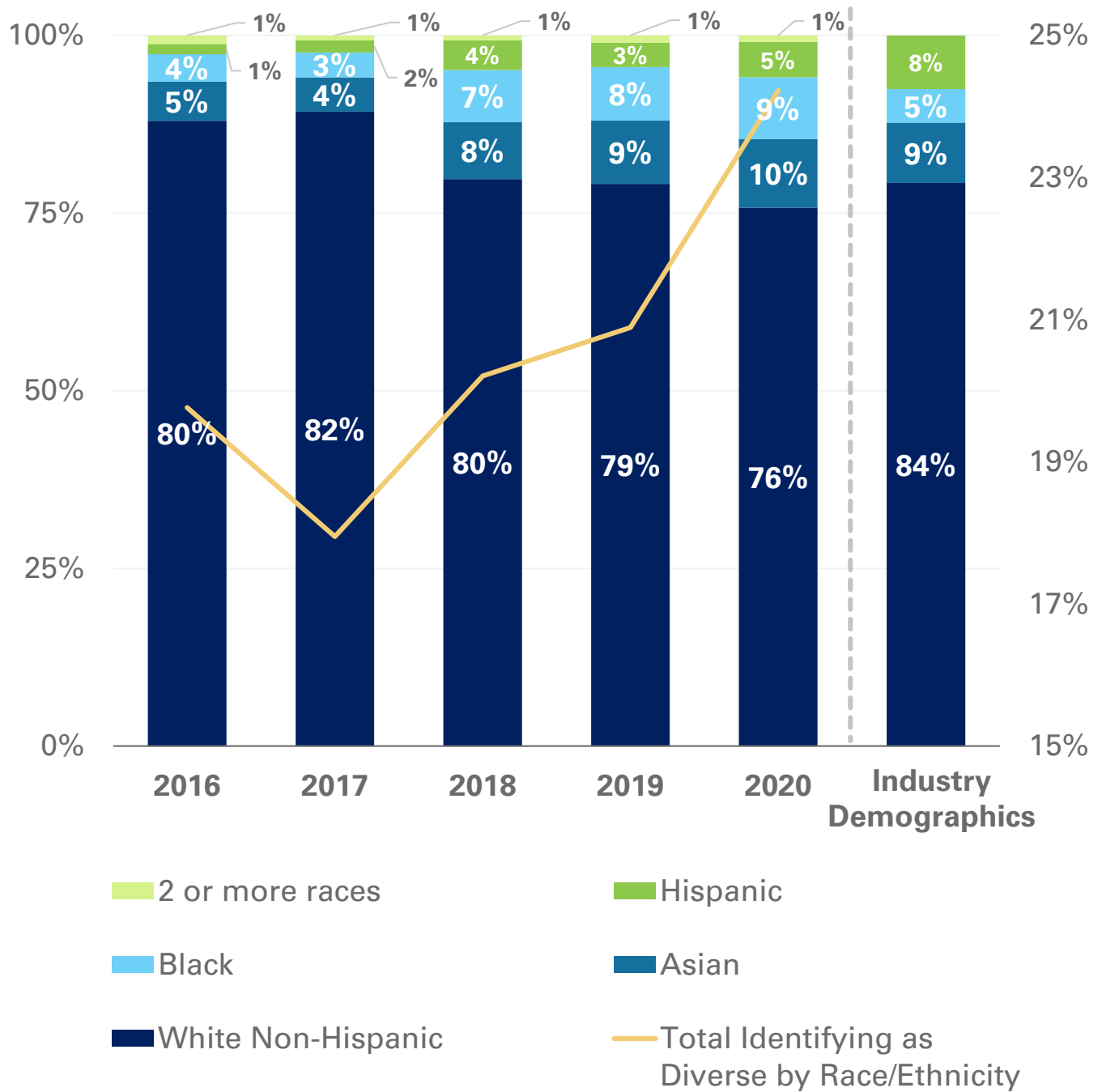
2020 Hires by Race/Ethnicity vs. Industry



*Note: Industry demographic data (White, Black or African American, and Asian) adds up to 105% because data are not shown for all races. Persons whose ethnicity is identified as Hispanic or Latino may be of any race and could be double counted. (Dept of Labor Statistics from the Current Population Survey - (Securities, commodities, funds, trusts, and other financial investments).)



5 YEAR ETHNIC/RACIAL DIVERSITY TREND AT NEPC

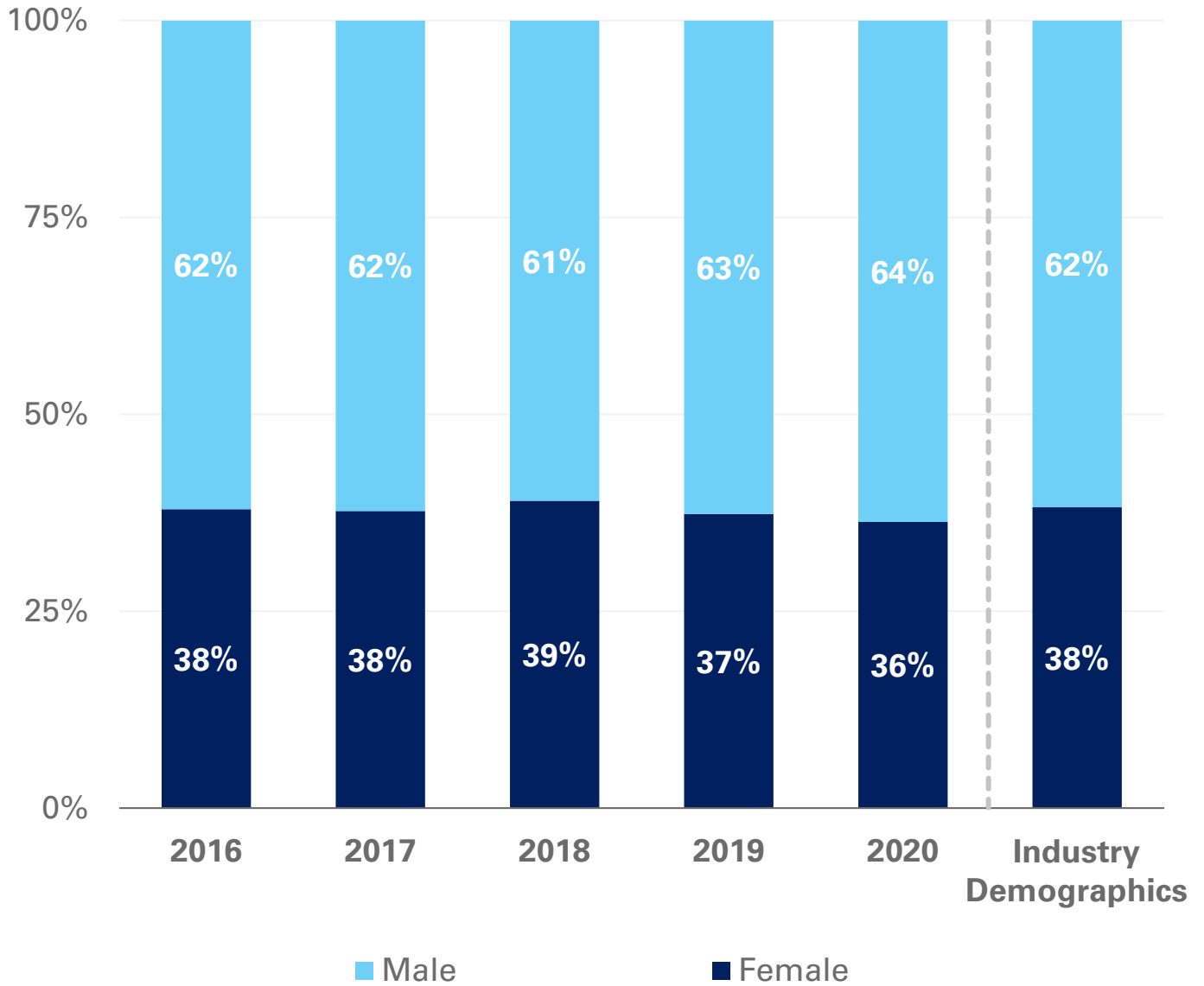


Steady improvement can be seen since 2017, primarily due to more focused recruiting and, less so, due to slightly lower turnover since 2018.

*Note: Industry demographic data (White, Black or African American, and Asian) adds up to 106% because data are not shown for all races. Persons whose ethnicity is identified as Hispanic or Latino may be of any race and could be double counted. (Dept of Labor Statistics from the Current Population Survey - (Securities, commodities, funds, trusts, and other financial investments).)



5 YEAR GENDER DIVERSITY TREND AT NEPC



Gender diversity has been relatively stable.

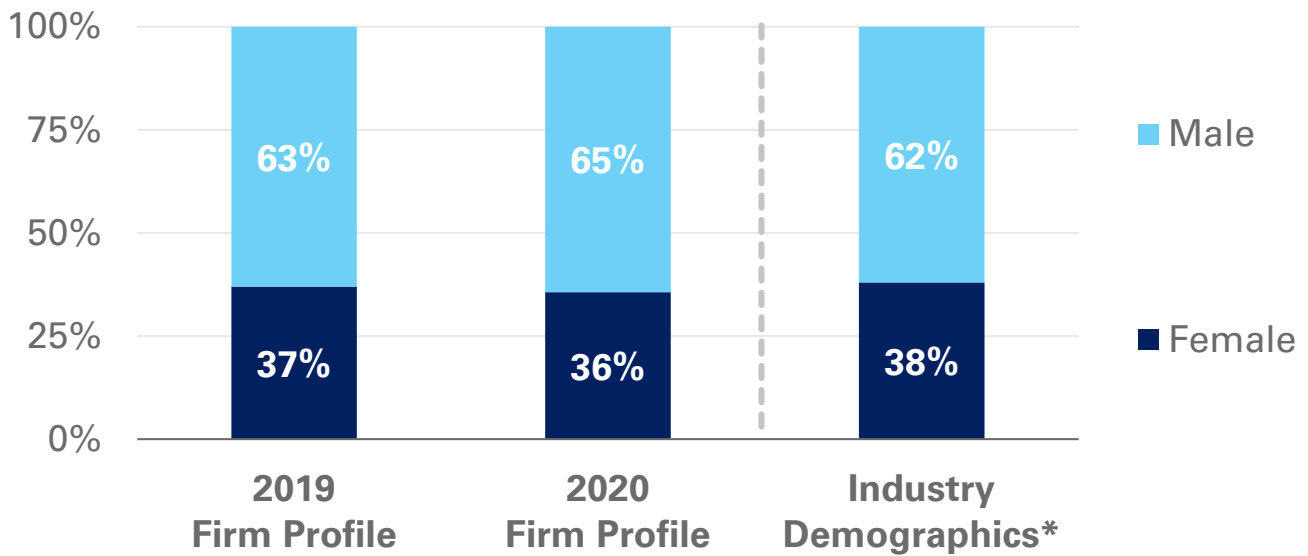


Note: Dept of Labor Statistics from the Current Population Survey - 2020 (Securities, commodities, funds, trusts, and other financial investments)

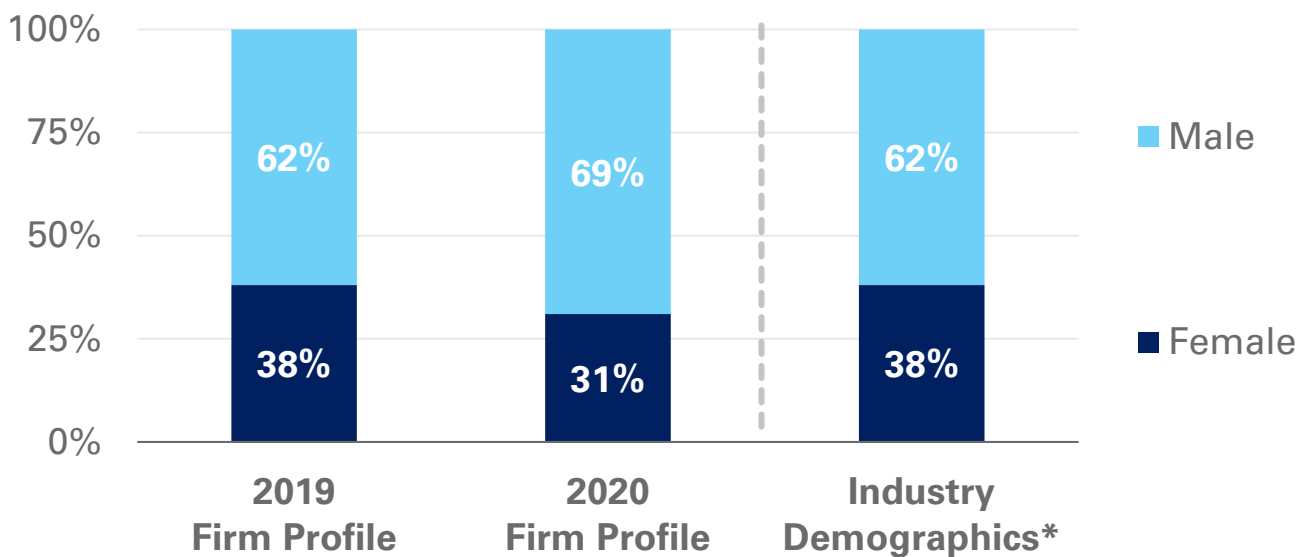
2020 NEPC GENDER DIVERSITY PROFILE

Compared to industry averages, NEPC employees that identify as female are slightly under-represented compared to industry average (36% vs. 38%), hindered primarily by higher turnover in 2019 and fewer hires in 2020.

NEPC Gender Population vs. Industry



2020 Gender Hires vs. Industry

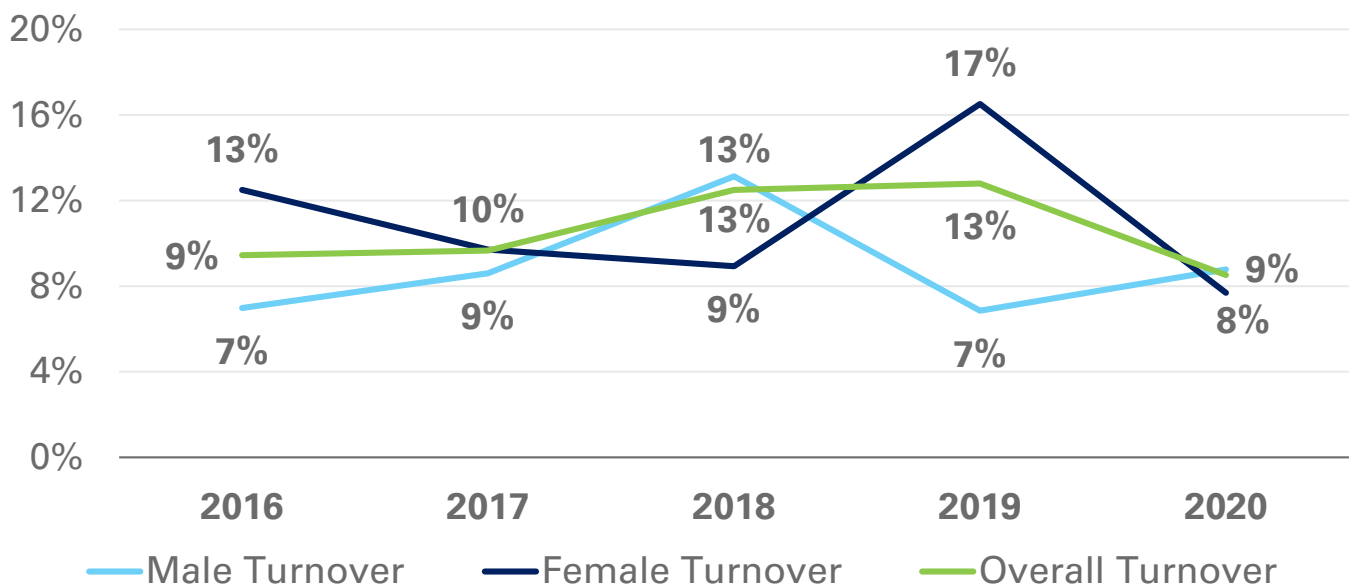
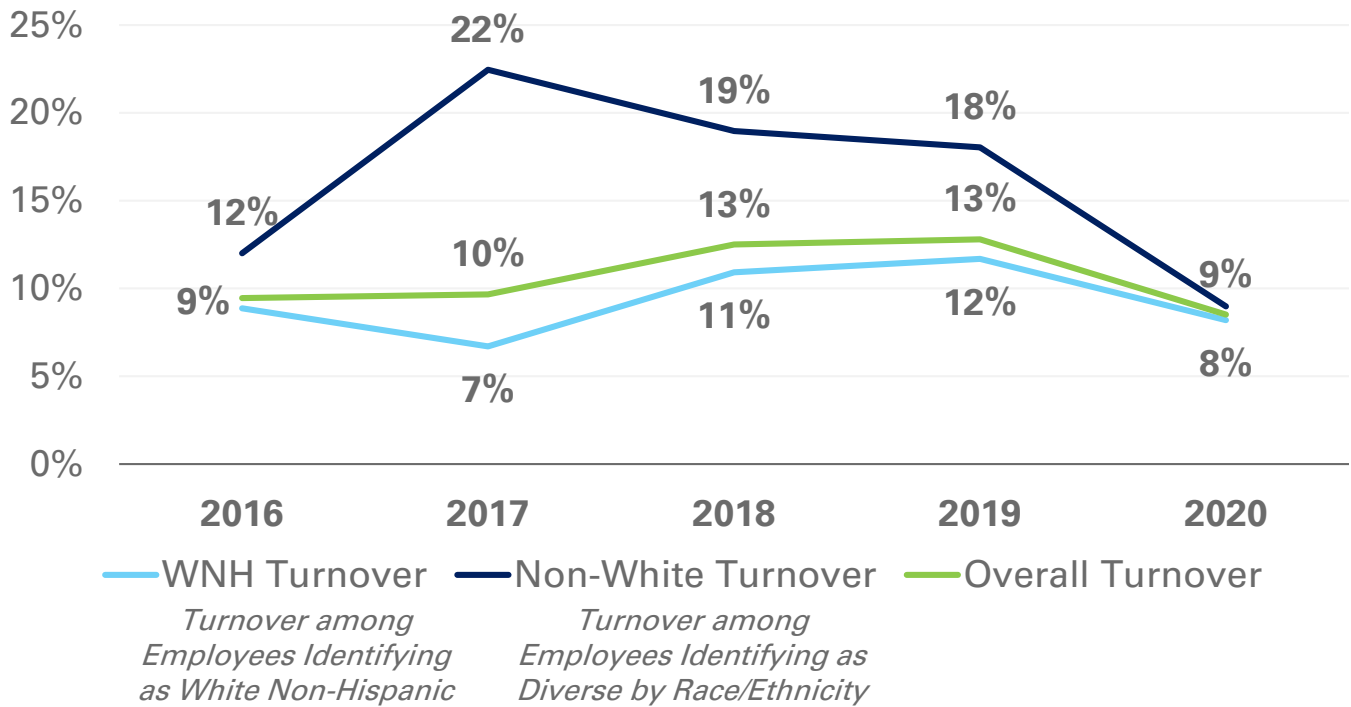


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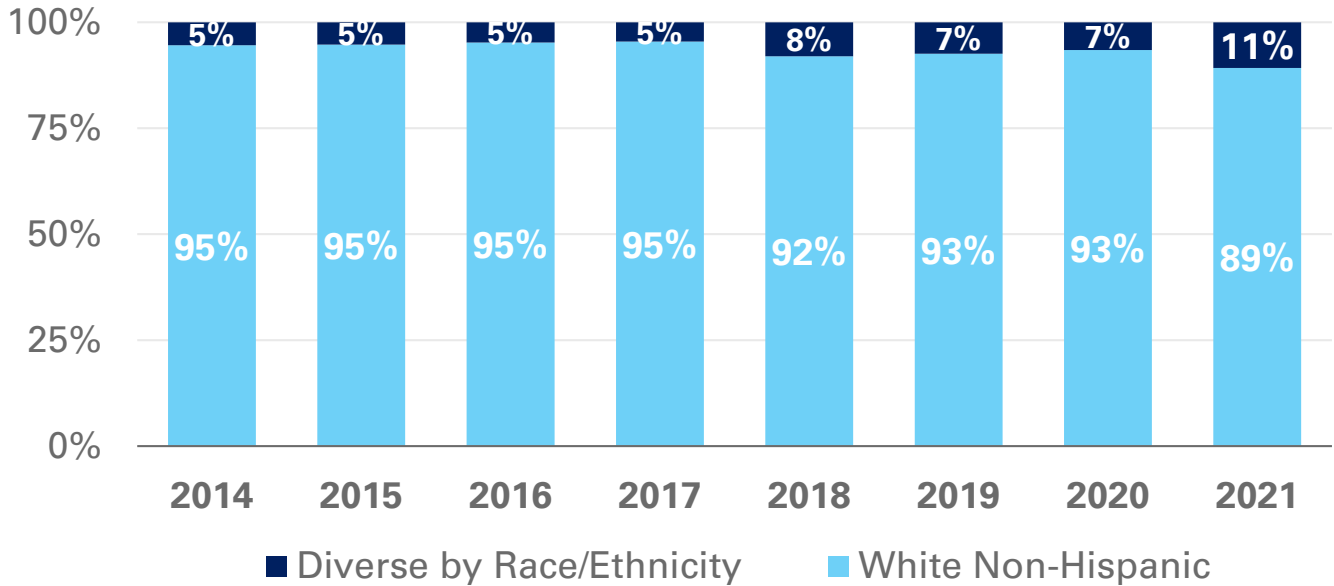
WORKFORCE TURNOVER

Turnover was significantly lower in 2020, likely due to some combination of more focused policy on inclusive retention and effects of the Covid-19 pandemic. Turnover has remained consistently higher among diverse employees than the overall workforce, although progress was made toward closing this gap last year.

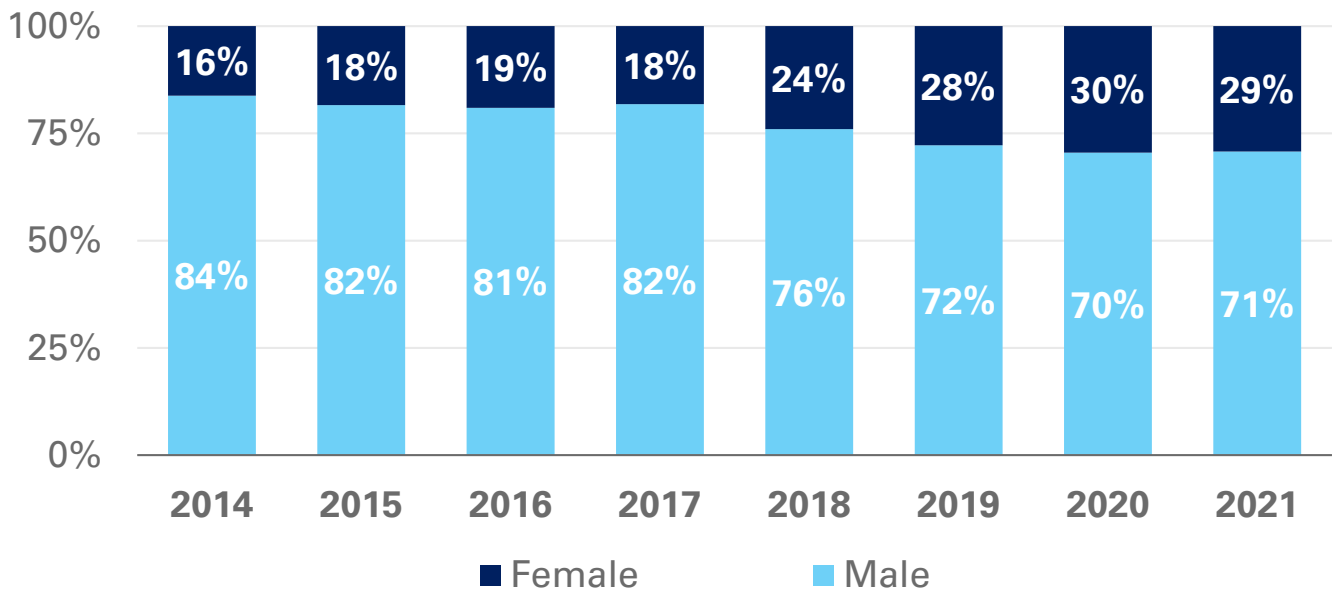


PARTNER/PRINCIPAL DIVERSITY

Race/Ethnicity



Gender



Career advancement opportunities have been more positive for women than minorities. Gender diversity among partner/principal level (30%) nearing the same rate as within the employee population (36%). Ethnic/racial diversity at the most senior levels (10.8%) remains lower than employee population (24%)

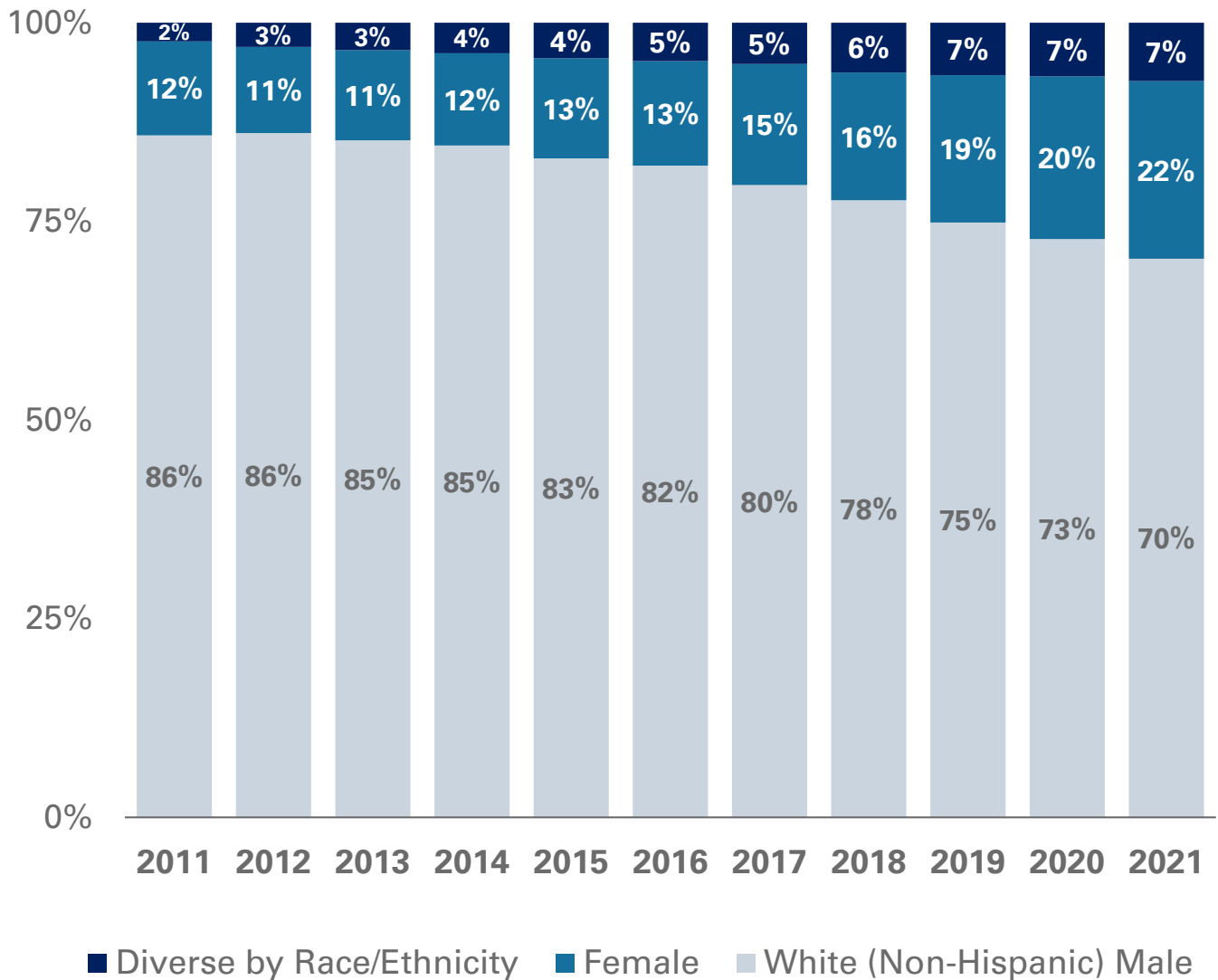
Notes: : Each year's numbers reflect data from the prior year, as appointments are made in the prior year and become effective January 1.



NEPC OWNERSHIP DIVERSITY TREND

Diverse Partners own a 30%-interest in the firm.

NEPC Ownership Diversity



Notes: Data is of January 1st in each year and may not equal 100% due to rounding.



MBA INTERNSHIP & ROTATIONAL PROGRAM

- Began recruiting for Summer 2021 launch of MBA Internship Program targeted to diverse candidates interested in a career in investment consulting
- Targeting diverse MBA candidates with prior finance, investment or consulting experience
- Successful interns may be invited to participate in a Senior Investment Associate Rotational Program lasting up to two years (including up to four rotational assignments)
- Rotations could include assignments in Consulting, Outsourced CIO, Manager Research and Portfolio Construction
- Successful Senior Investment Associates may be offered a full-time role with NEPC



Attracting and retaining diverse talent is a top priority for NEPC. This new Senior Investment Associate rotational program will provide a formal gateway for diverse talent to join NEPC and experience assignments in our Research, Consulting and OCIO business lines. We are excited about the potential this program has to develop diverse talent and provide them an opportunity to learn about NEPC and our investment consulting expertise in a dynamic, evolutionary way.

Judy Murphy, Partner

ROTATIONAL PROGRAM EXAMPLE

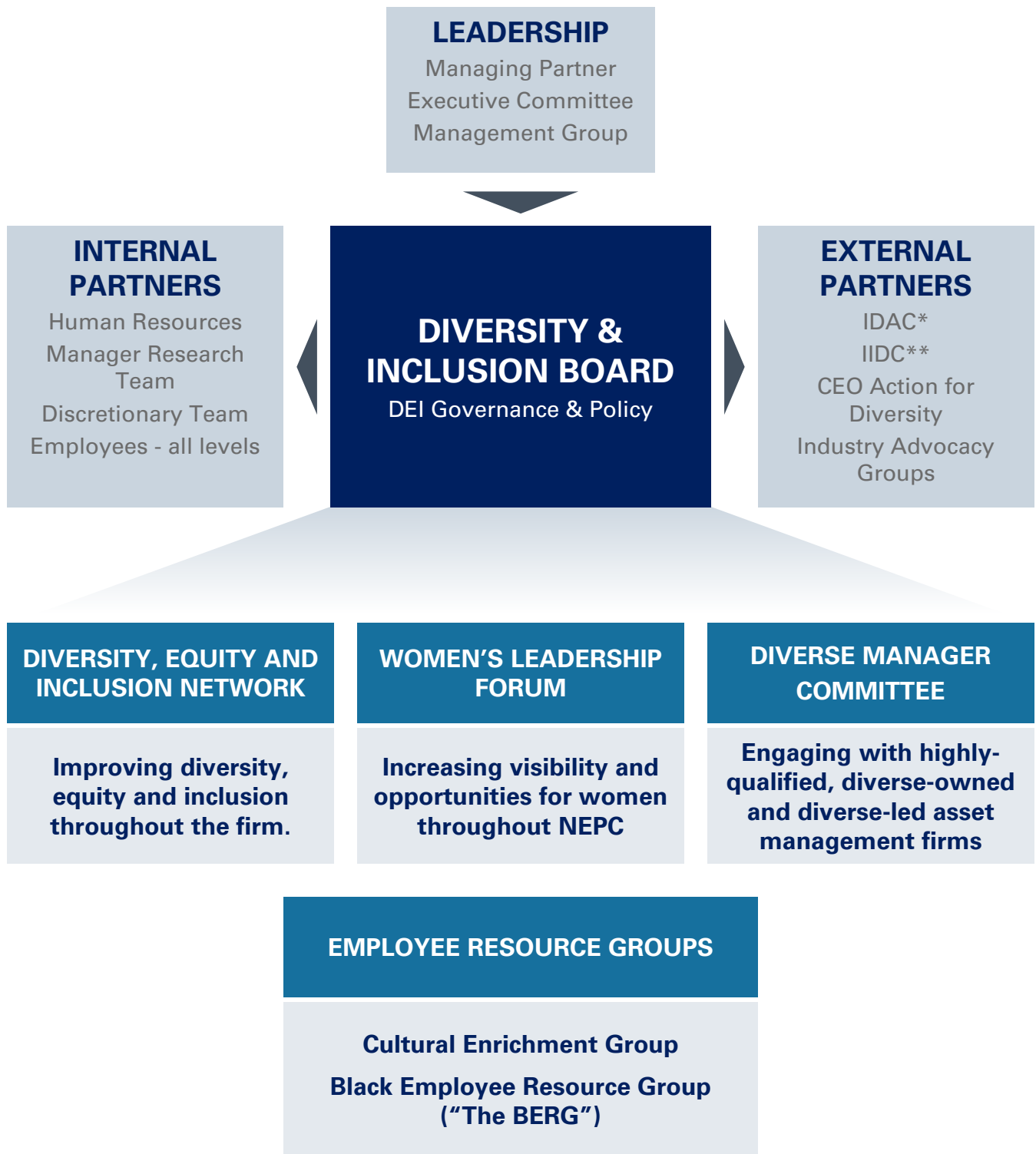
- Consulting, Discretion, Research, Consulting Operations
 - Exposure to key business areas across the firm
 - Provide project management on high priority deliverables
 - Develop relationships with senior leaders
 - Develop technical expertise on assignments
 - Understanding of NEPC investment thesis and processes



WORKPLACE

SUSTAINABILITY OF AN
EQUITABLE AND INCLUSIVE
CULTURE

THE DEI ECOSYSTEM AT NEPC



* IDAC = Investment Diversity Advisory Council (Resource sharing among NEPC and its clients)

** IIDC = Institutional Investing Diversity Cooperative (Data collaboration among investment consultants and asset owners)

LEADERSHIP OF THE DEI ECOSYSTEM AT NEPC

NEPC'S DIVERSITY & INCLUSION BOARD

Samuel Austin, Partner,
Diversity & Inclusion Board Chair

Judy Murphy, Partner,
Director of Human Resources

Mike Cairns, Partner

KC Connors, Partner

Cathy Konicki, Partner

Scott Perry, Partner

Jay E. Roney, Partner

Sarah Samuels, Partner

The Diversity & Inclusion Board reports to
Mike Manning, Managing Partner

COMMITTEE CO-CHAIRS

DIVERSITY EQUITY & INCLUSION NETWORK	Chenae Edwards Partner	Devan Dewey Principal, CTO	Megan MacInnes Digital Marketing Associate
WOMEN'S LEADERSHIP FORUM	Margaret Belmondo Partner	Lynda Dennen Costello Principal, Sr. Research Consultant	
DIVERSE MANAGER COMMITTEE	Samuel Austin Partner	Kristin Finney-Cooke Senior Consultant	
CULTURAL ENRICHMENT GROUP	Leah Tongco Investment Operations Analyst	Sunny Thayer Executive Assistant	
BLACK EMPLOYEE RESOURCE GROUP	James Fenton IT Support Specialist	Zoe Heyman Sr. Consulting Analyst	Kim Kaczor Sr. Consulting Analyst

The Diversity Equity & Inclusion Network, Women's Leadership Forum, Diverse Manager Committee, CEG and the BERG are made up of NEPC employees from all seniority levels



DIVERSITY & INCLUSION BOARD

VISION FOR DEI AT NEPC

NEPC values the proactive inclusion of extraordinary human talent from a broad diversity of backgrounds. We believe this is a meaningful driver of long-term success in our own business as well as the investment organizations with which we collaborate. NEPC and our clients' investment programs benefit from the different perspectives and ideas that come from a diverse and inclusive workforce. As such, NEPC aspires to attract and retain a diverse and inclusive workforce to achieve superior business results. Our goal is to employ and develop the best and brightest from all walks of life and to create a culture of inclusion where all individuals have an opportunity to excel in their career, be respected, be treated fairly, and experience work-life balance.

MISSION STATEMENT

At NEPC, diversity, equity and inclusion are critical to help our clients meet their investment goals and objectives by building a firm that attracts, develops, excites, and retains exceptional people.

2020 ACCOMPLISHMENTS

- Articulated NEPC's business case for DEI
- Adopted 12 DEI Strategic Initiatives
- Advocated for NEPC to become signatory to CEO Action on Diversity & Inclusion pledge
- Joined Managing Partner in co-hosting Town Hall Forums
- Provided support and coordination for all DEI Ecosystem groups at NEPC
- Committed to publishing annual DEI Progress Report



DEI STRATEGY MUST AUTHENTICALLY FLOW FROM FIRMWIDE VALUES



NEPC Values,
Vision & Mission

Diversity & Inclusion Board
sets DEI Vision, Mission
and Business Case

Diversity & Inclusion
Board articulates
DEI Strategy

**NEPC DEI Ecosystem implements
DEI Strategy across three arenas**



*Demography of
recruiting,
development and
retention*

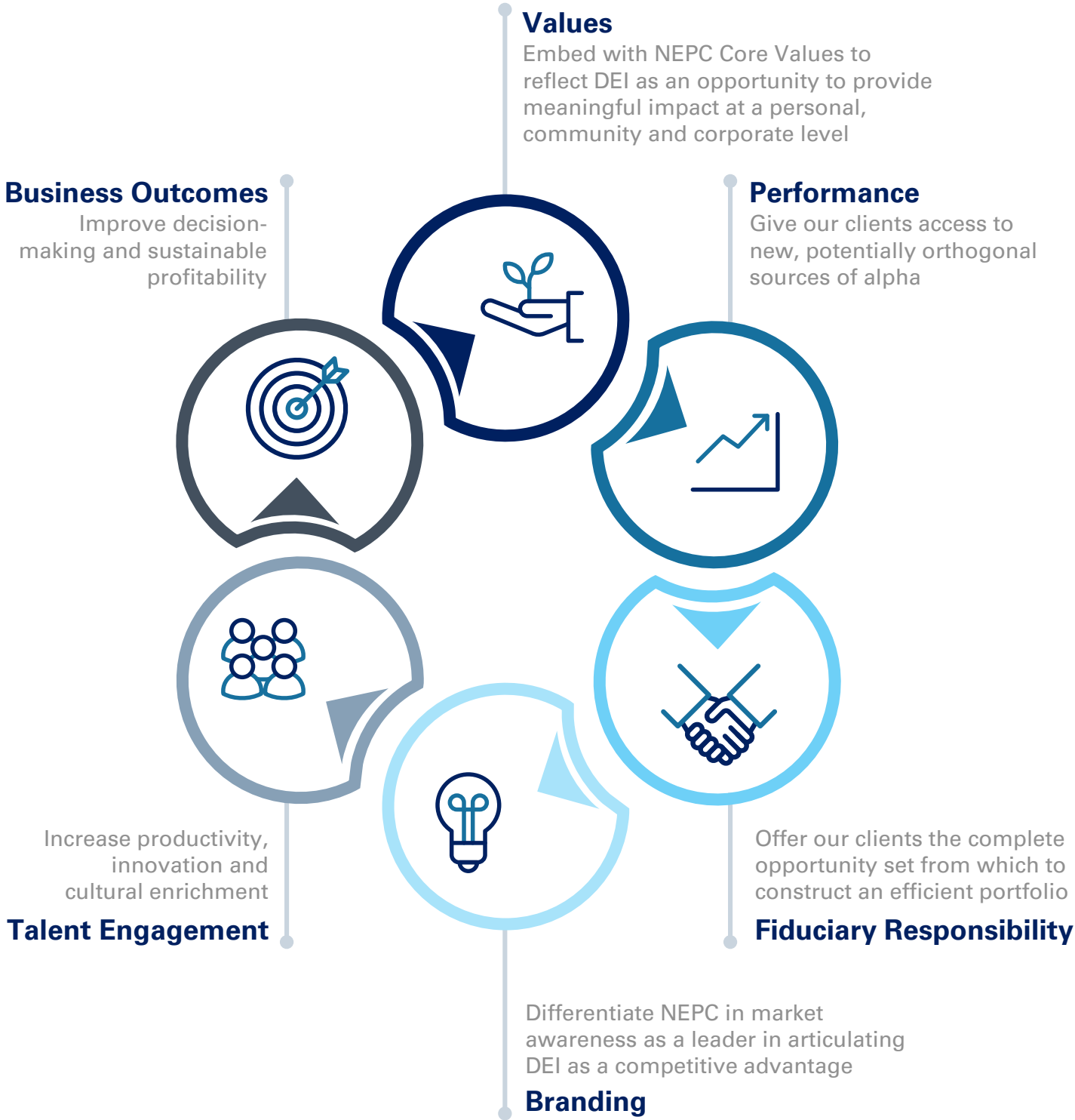


*Sustainability of an
equitable and
inclusive culture*



*Engagement with
clients, managers
and community*

BUSINESS CASE FOR DIVERSITY, EQUITY & INCLUSION



DEI STRATEGIC INITIATIVES



WORKFORCE

1. Firmwide Goals & KPIs
2. Recruiting, Retention & Development
3. Leverage Networks for Candidate Sourcing



WORKPLACE

4. Support Voluntary Employee Resource Groups
5. Leadership & Firmwide DEI Training
6. HR Resources
7. Employee Survey Feedback on DEI
8. Firmwide Town Halls and Cultural Engagement



MARKETPLACE

9. Diverse Manager Policy Applied to Discretionary Assets
10. Proprietary Diversity Score Applied to Manager Due Diligence
11. Develop Robust Underwriting of Diverse Managers
12. Support Community & Industry Organizations that Train Diverse Talent for Investment Careers

DIVERSITY, EQUITY AND INCLUSION NETWORK

SCOPE OF THE DEIN

Our work is primarily focused on the firm internally. We seek to improve diversity, equity and inclusion throughout the firm. We intend to engage professionals at all levels of the firm and across the entire organization.

2020 ACCOMPLISHMENTS

- Collaborated with Diversity & Inclusion Board to create the firm's business case for DEI
- Collaborated on the creation of Town Hall Forums
- Expanded Conscious Inclusion training (140+ participants)
- Hosted firmwide discussion featuring Mellody Hobson on the topic "Is the Investment Industry Ready to be Color Brave?"
- Supported Cultural Enrichment Group and Black Employee Resource Group

LEADING THROUGH CONSCIOUS INCLUSION TRAINING

At NEPC, we believe developing leadership skills within our workforce positions us to serve the needs of clients better. Our clients reflect the rich diversity of geographies, sectors, genders, ethnicities and physical abilities that one finds in many communities. At the intersection of leadership development and diversity, we championed the rollout of *Leading Through Conscious Inclusion* to hone the cultural dexterity necessary to engage not only with our clients but also our colleagues.

Led by Performance Paradigm, the Leading Through Conscious Inclusion live virtual training sessions brought together leaders at all levels of the organization. We focused on moving leaders beyond awareness of the theoretical definitions of bias to building practical skills about how to think, act and decide with conscious inclusion at the forefront of our minds.

We recognize leaders must learn these skills to tackle challenges facing our increasingly diverse firm and clients. These intensive sessions introduced the R.I.C.H. Dialogues™ framework, a type of communication that accelerates relationship management by acknowledging and exploring variations in points of view around race, identity, culture and heritage. We believe everyone at NEPC plays a critical role as a culture carrier to create a more inclusive environment. Through this training, we empowered leaders to seek out opportunities for deeper dialogue and to intentionally focus on fostering a sense of belonging for everyone. Our leaders voiced their feedback to delve more deeply into the R.I.C.H. Dialogues framework, so we are offering new sessions throughout the year. **We stand proud of our strides towards achieving a consciously inclusive organization and ready to demonstrate how leaders can embody these behaviors.**



The lack of diversity as well as inclusive and equitable practices in the finance industry is the result of decades of persistent actions by leaders, board members and companies. The moment requires similarly persistent actions from all stakeholders to reset our industry's foundation to reflect the rich diversity of the global marketplace.

Chenae Edwards, Partner

IS THE INVESTMENT INDUSTRY READY TO BE COLOR BRAVE™



On February 4, 2020, Chenae Edwards, Partner on NEPC’s Healthcare team and co-Chair of NEPC’s Diversity, Equity and Inclusion Network sat down with Mellody Hobson, co-CEO and President of Ariel Investments for an exclusive fireside chat entitled, “Is the Investment Industry Ready to be Color Brave™?”

Ms. Hobson shared powerful insights from her successful 28-year career and remarkable rise through the ranks at Ariel Investments. The talk returned to issues Hobson raised in her popular TED Talk on the importance of speaking openly about diversity in hiring to improve business and society at large.

The discussion also touched on the critical urgency of increasing diversity in finance; why a diverse investment staff is a competitive advantage; and steps key leaders in finance can take to bridge the diversity gap.

This exclusive event was a continuation of NEPC’s commitment to shaping the Future Fundamentals of Investing and championing diversity as one of the core pillars that will define the investment industry.

A replay of the fireside chat can found on [NEPC.com](https://www.nepc.com).



WOMEN'S LEADERSHIP FORUM

SCOPE OF THE WLF

The mission of the Women's Leadership Forum is to increase visibility and opportunities for women throughout NEPC by influencing policies and practices that drive gender equality. We aim to attract, retain and engage women at all stages of their career through training, mentoring and networking so that NEPC become an industry leader in gender diversity.

2020 ACCOMPLISHMENTS

- Personal Branding training provided for 34 NEPC women from all levels of the firm
- Initial WLF Mentor Program was concluded and surveys collected from mentors and mentees
- Suggestions for Parents of School-aged Children was distributed firmwide to aid with COVID-related childcare and school adjustments
- Helped inform the flexible work arrangements implemented by HR during the pandemic



Having worked at NEPC for 15 years, I have seen tremendous growth in the area of diversity coming from top management over the last 4 years. Diversity has become a core focus at NEPC, and I'm thrilled to see all the progress we have made in such little time. We are proud to say that now 30% of the partnership are women, and this increase in senior role models and mentors will undoubtedly help improve gender diversity at all levels

Lynda Dennen Costello, Principal

DIVERSE MANAGER COMMITTEE

SCOPE OF THE DMC

The purpose of the Diverse Manager Committee is to collaborate with NEPC Research to identify and engage with highly-qualified diverse-owned and diverse-led asset management firms who can best fulfill the goals, risk parameters and financial objectives of our clients. The DMC can also assist clients in building Diverse Manager Programs or otherwise integrating diverse managers into their portfolios.

2020 ACCOMPLISHMENTS

- Collaborated with Research to increase diverse firm representation on NEPC's Focused Placement List by 45%
- Achieved a 72% increase in the number of Research interactions with diverse firms
- Hosted annual Equitable Manager Participation Day that engaged with more than 100 diverse firms
- Launched Investment Diversity Advisory Council as a DEI best practice database for NEPC clients and consultants

CULTURAL ENRICHMENT GROUP

SCOPE OF THE CEG

The purpose of the Cultural Enrichment Group is to encourage culture and diversity between members of the organization and unearth hidden knowledge in our co-workers by sharing different perspectives of a globalized industry. This will enrich employees and inspire NEPC future leaders from any corner of the world. Exposure to and involvement with various cultures around the world can give us a different perspective about how to conduct business and approach clients. Aligned with the mission and values of NEPC, we will support, pilot, foster company culture, and implement programs while promoting diversity and inclusion.

2020 ACCOMPLISHMENTS

- Hosted Virtual Potluck Recipe Exchange accessible to all employees via a downloadable recipe book
- Sponsored Virtual Trivia event to promote morale and cultural connection during pandemic

BLACK EMPLOYEE RESOURCE GROUP

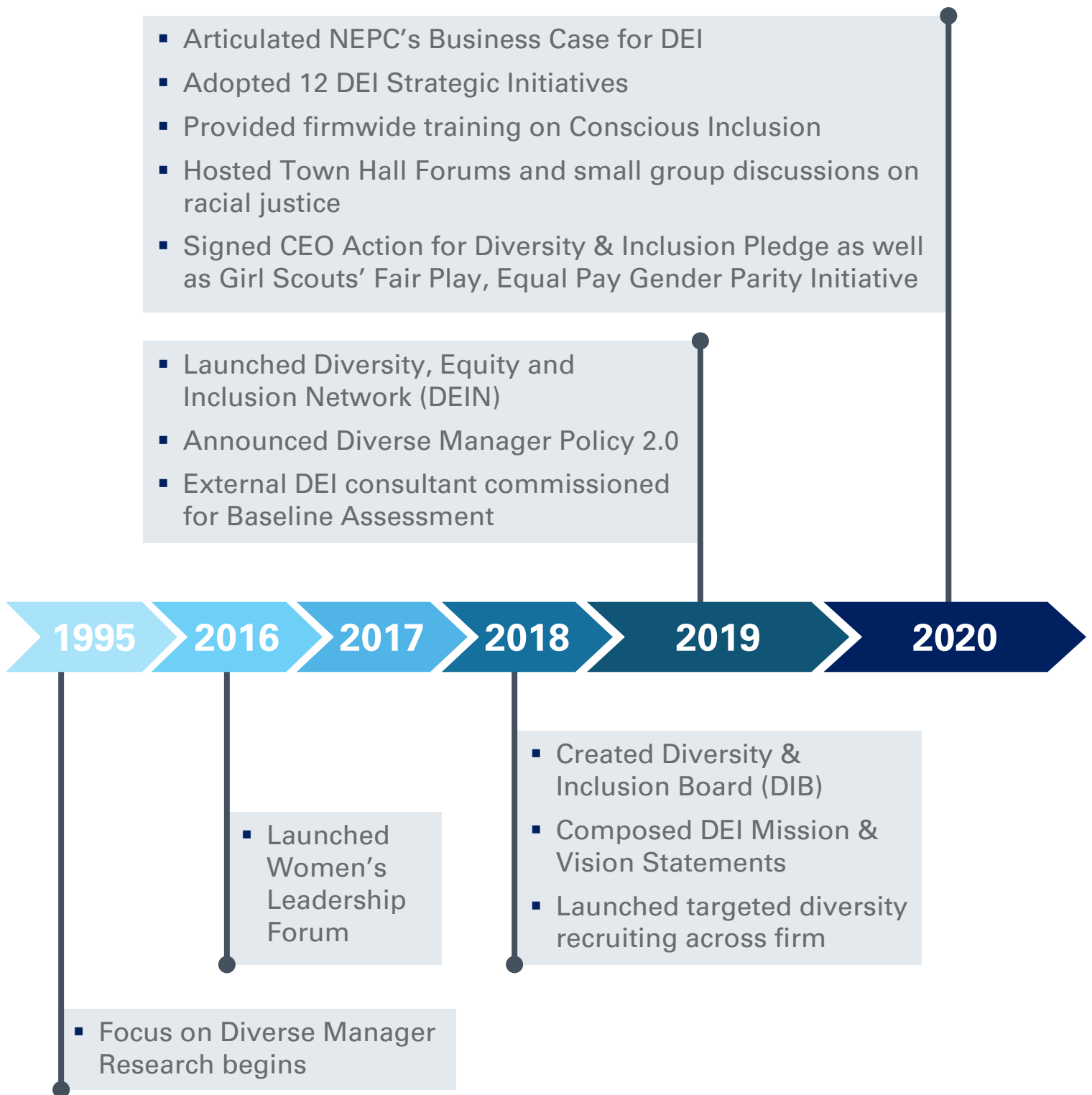
SCOPE OF THE BERG

NEPC's Black Employee Resource Group is a voluntary, employee-led collective of individuals that seek to improve the equity and inclusion of Black employees and other individuals of color throughout NEPC and beyond.

2020 ACCOMPLISHMENTS

- Successfully launching in the 4th Quarter of 2020 as NEPC's newest Employee Resource Group, the BERG is busy with exciting plans for 2021.

TIMELINE OF DEI ACCOMPLISHMENTS AT NEPC





MARKETPLACE

ENGAGEMENT WITH CLIENTS,
MANAGERS AND COMMUNITY



CLIENT ENGAGEMENT

- Approximately 40% of NEPC clients use diverse managers in their portfolios and we assist several dozen clients in maintaining Diverse Manager or Emerging Manager policies
- Conducted numerous manager searches that included diverse managers across our client base
- Met with 10 NEPC clients to launch Investment Diversity Advisory Council, pledging to share best practices, resources and data on Diversity, Equity and Inclusion, while developing sample roadmaps for successful diverse manager programs
- Participated in one-on-one meetings with diverse managers at several client-sponsored conferences
- Testified on DEI at Illinois Legislative Hearings alongside Chicago-based Public Fund client
- Helped design a brand new diverse manager program for a State Endowment client, providing board education and assisting with manager search. in planning to launch new diverse manager program
- Worked with several Endowment & Foundation clients to incorporate policy language around their commitment to DEI and ESG.
- Assessed the portfolio of another Foundation client, with an eye toward diverse ownership and leadership of its investment partners.
- Composed an “inventory” of our diverse manager utilization across our Healthcare clients
- Responded to over 100 client requests for information regarding diverse managers or DEI at NEPC

HOW NEPC DEFINES & TRACKS DIVERSE EXPOSURE

Consistent with industry trends, source both diverse-owned and diverse-led firms/strategies

We've enhanced our ability to track and report our diverse exposure

Diversity Tags: tag a firm as diverse-owned or diverse-led

Diversity Identifiers: choose from a list of under-represented groups to identify the way in which a firm qualifies as being diverse

DIVERSE-OWNED	DIVERSE-LED
A firm that's at least 50% owned by an under-represented group	A firm that's 33% -to- 50%-owned by an under-represented group

- ### UNDER-REPRESENTED GROUPS
- Black/African American
 - Latinx
 - Asian/Pacific Islander
 - American Indian/Alaskan Native
 - Female
 - Disabled Persons
 - Veteran
 - LGBTQ+



As a firm, we're committed to sourcing, underwriting, and supporting diverse firms of high conviction. I also think its important that the way we define diversity across firms and strategies evolves over time.

Will Forde, Principal

PRIVATE MARKET MANAGERS

In 2020, NEPC underwrote 13 strategies that were either managed by diverse-owned and diverse-led General Partners or were focused on diversity-lens investments.

Because of the limited time window when private market strategies are in fundraising mode, the NEPC Diverse Manager Committee disseminates the “Managers in the Market” list published by the National Association of Investment Companies (NAIC) to our Research Teams for quarterly review.

NEPC'S DIVERSE MANAGER POLICY 2.0

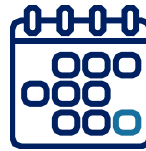
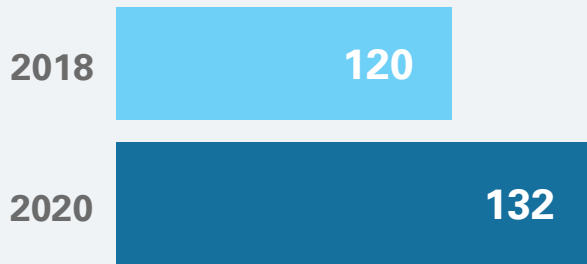
10%

Target for FPL Strategies by 2021



10%

Target for Annual Increase in Meetings



Responsiveness Target

DMC will seek to respond with preliminary feedback within 3 months after initial contact.



Accountability Target

NEPC will include manager diversity objectives in annual evaluation process of Research and DMC professionals.



Search Inclusion Target

NEPC will make best efforts to include a diverse manager in searches where an appropriate manager is available.



Transparency Target

NEPC will publish annual progress toward Diverse Manager Policy targets.

Multiple Pathways to Engage NEPC Clients



**Standard
NEPC
DD Process**

1-Rating or 2-Rating



**Discovery
Platform
Process**



**Turnkey Solution to
Use Rated
MoMs/FoFs that
Focus on Diverse
Managers**



**Client-Directed
Search**



*1-Rating, 2-Rating
or 3-Rating*

2020 PROGRESS TOWARD DIVERSE MANAGER POLICY 2.0 GOALS

The Diverse Manager Committee is responsible for overseeing diverse manager engagement across the firm
 2019 marked the launch of our Diverse Manager Policy

Our Diverse Manager Policy focused on several goals with the hopes of increasing our engagement with and exposure to diverse managers

The below highlights several of those goals along with a status update

DMC Goal/Initiative	Status	Comments
<p><i>10% target</i> to diverse firms on public mkt. FPL by YE 2021</p>	<p><i>In Progress</i></p>	<p>Diverse representation was up 45% by YE 2020 with 31 strategies representing 8.7% of FPL</p>
<p>Conduct <i>132 interactions</i> with diverse firms in 2020 (10% increase from 2019)</p>	<p> <i>Completed</i></p>	<p>206 diverse manager interactions in 2020, representing a 72% increase</p>
<p>Increase <i>quality of data</i> related to diverse manager exposure</p>	<p> <i>Completed</i></p>	<p>New enhancements to help us to better identify and track diverse firms</p>

DIVERSE MANAGER METRICS

CLIENT EXPOSURE

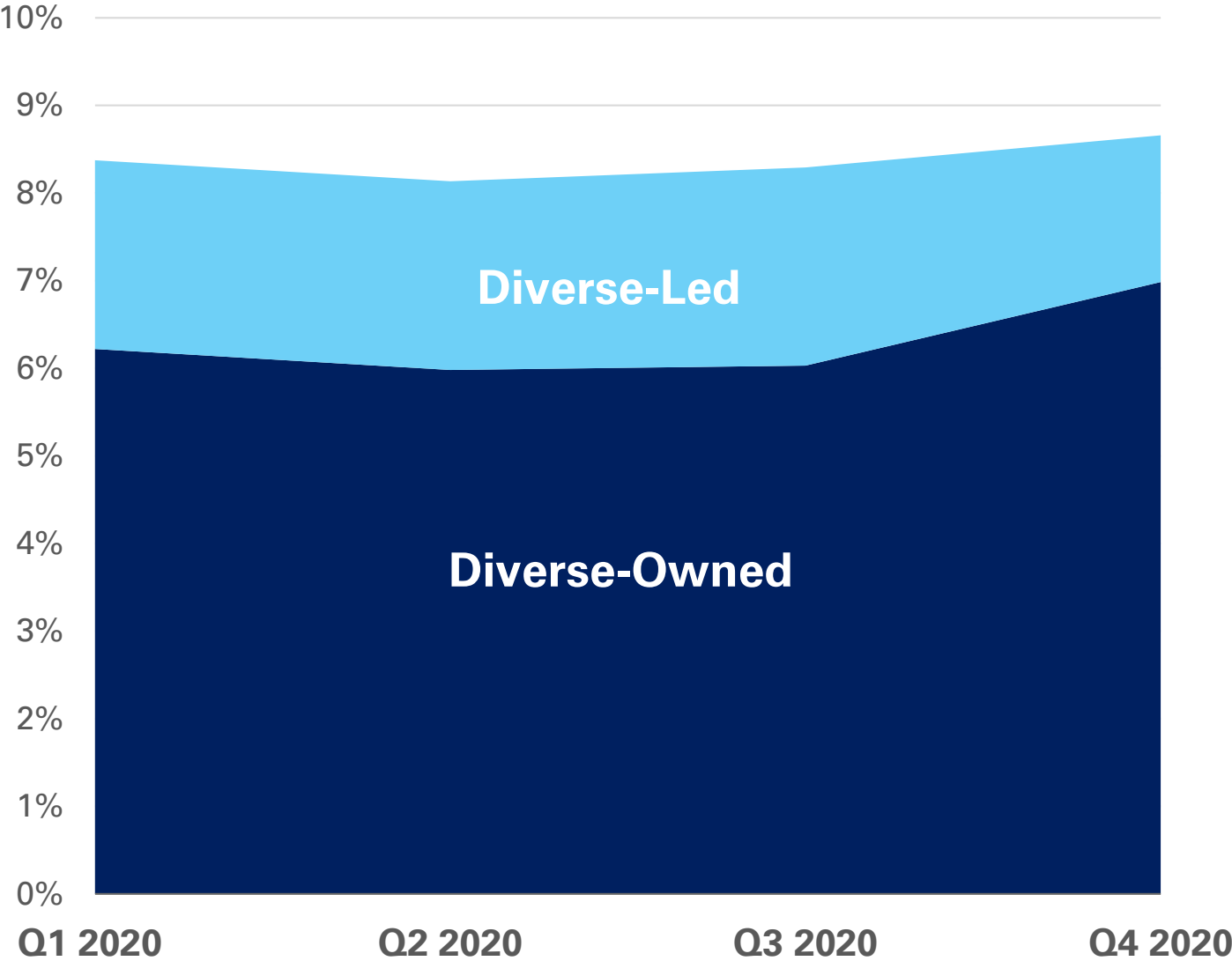
<p>How Do We Define A Diverse Firm?</p>	<p>What's Our Client Exposure to Diverse Firms?</p>	<p>How Are Clients Using Diverse Firms?</p>
<p>Diverse-Owned Firm majority owned by an underrepresented group (>50%)</p> <p>Diverse-Led Firm majority led by an underrepresented group (>33%)</p>	<p>\$34.7 Billion amount of client assets with Diverse firms</p> <p>175 the number of client strategies managed</p> <p>31 the number of strategies managed by diverse firms on our Focused Placement List**</p>	<p>Leveraging our 1- and 2- ratings our 2-rating has increased flexibility for clients and consultants</p> <p>Manager of Managers/Fund of Funds we've successfully rated 3 MOM's/FoFs focused on diverse managers in their portfolios</p>

*Underrepresented groups include Black/African American, Latinx, Asian/Pacific Islander, American Indian/Alaskan Native, Female, Disable, Veteran, LGBTQ+- owned firms
 **Reflects the number of strategies across NEPC's public market Focused Placement List
 As of December 2020



DIVERSE MANAGER EXPOSURE FPL EXPOSURE (PUBLIC MARKETS)

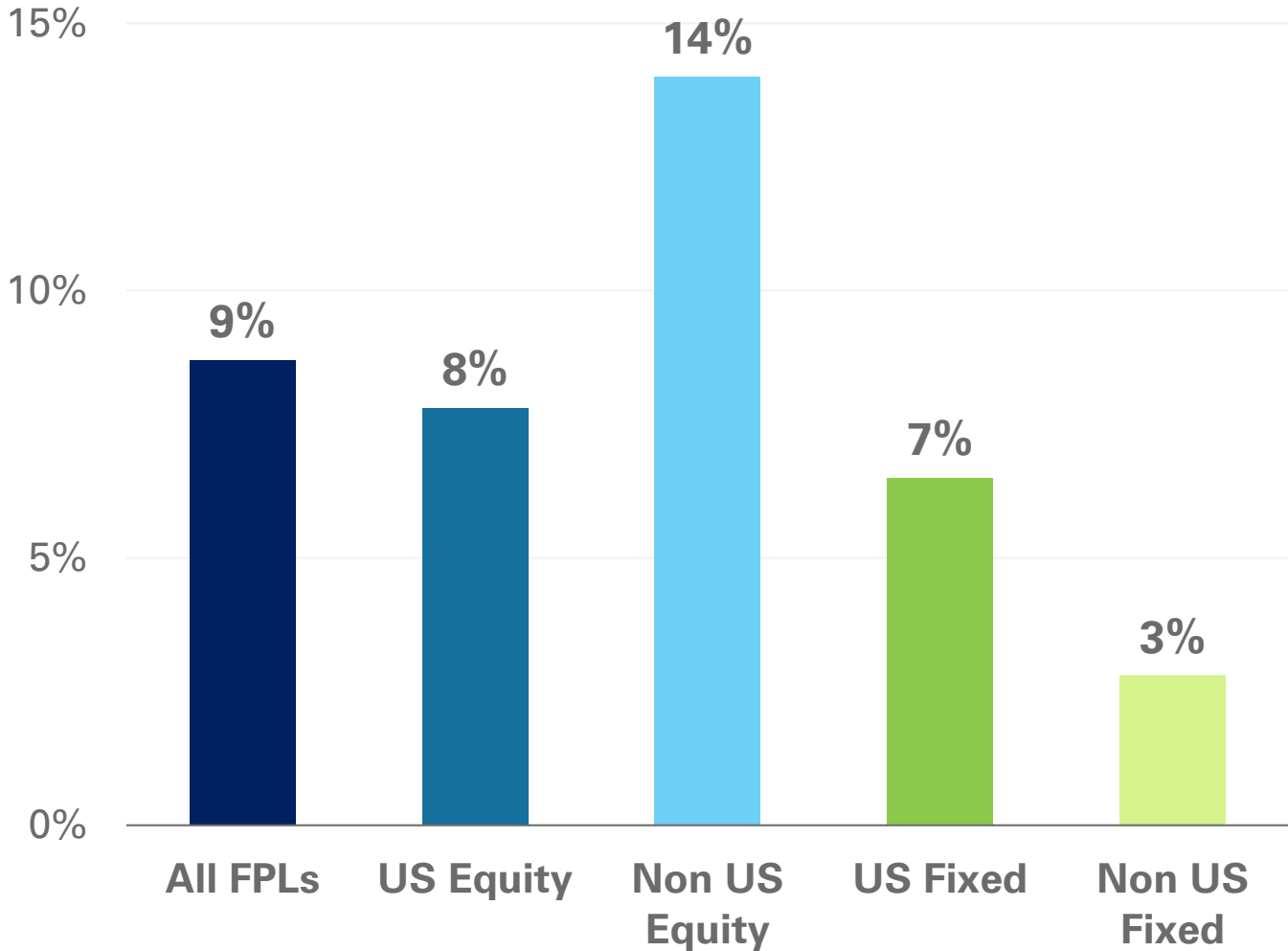
Diverse Exposure



*The above includes 1- and 2- rated diverse-owned and -led managers
 **Diverse-led managers were not formally tracked prior to 2020
 As of December 2020



DIVERSE MANAGER EXPOSURE FPL EXPOSURE (PUBLIC MARKETS)

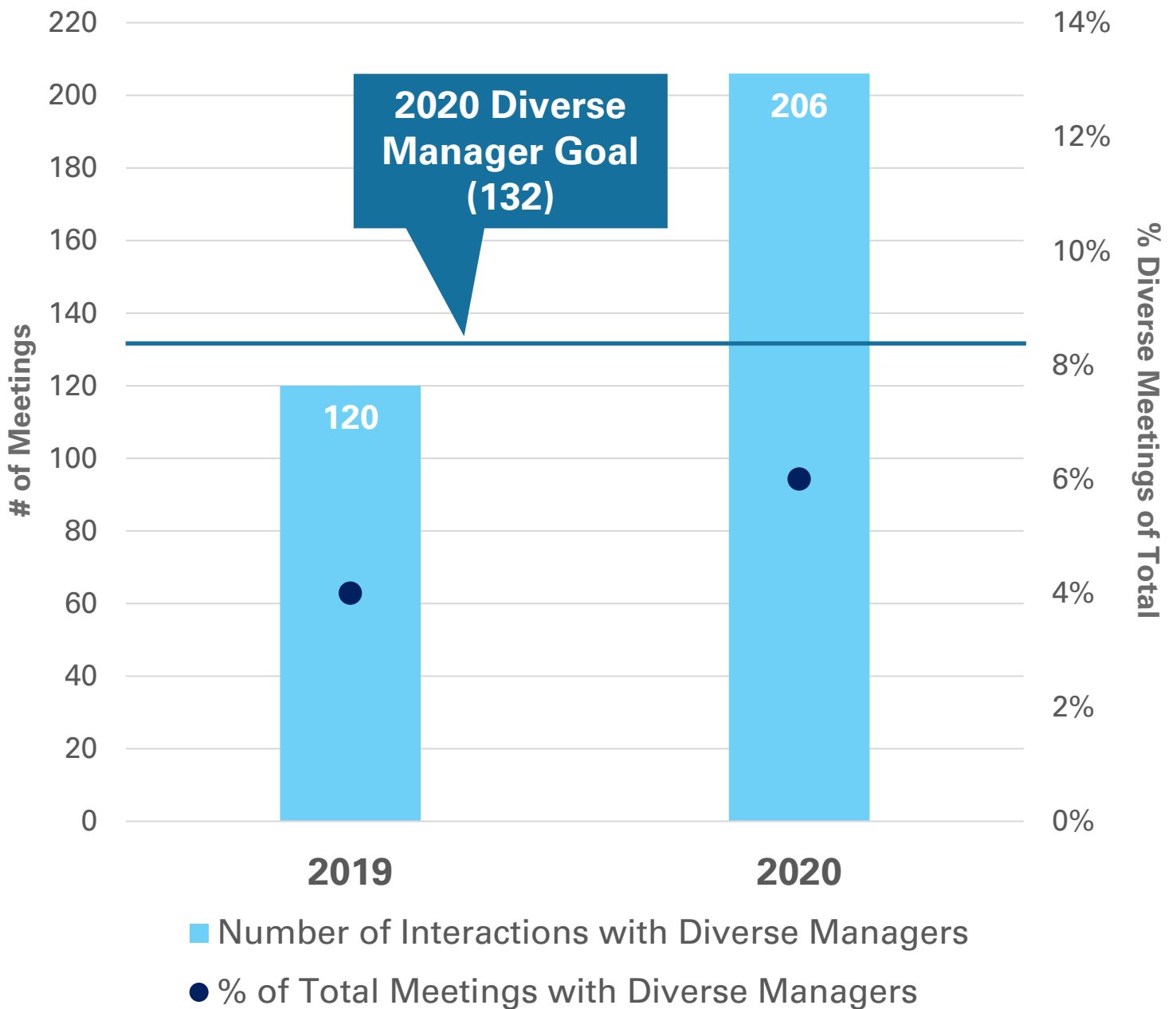


*The above includes 1- and 2- rated diverse-owned and -led managers
Data as of December 2020.



DIVERSE MANAGER INTERACTIONS

MANAGER INTERACTIONS YOY



*Interactions with manager of managers and fund of funds who focus specifically on investing with diverse managers are included in totals
As of December 2020



ENGAGEMENT WITH THE INVESTMENT INDUSTRY

NEPC spoke on DEI (as well as other topics) at the following industry conferences and workshops in 2020

- Becker's Healthcare Industry Webinar: "Diversity as a Driver of Excellence in Your Investment Approach"
- CFA Society of Austin
- GCM Grosvenor Consortium
- GCM Grosvenor Small and Emerging Manager Conference
- NAA Dealmakers Forum
- NASP Annual Pension & Financial Services Conference
- NCTR
- NEPC Equitable Manager Participation Day
- NEPC Investment Diversity Advisory Council
- NEPC Public Fund Workshop
- SACRS Fall Conference
- The Investment Diversity Exchange (TIDE)

ENGAGEMENT WITH THE COMMUNITIES WE SERVE



Toigo Foundation

For several years, NEPC has partnered with the Toigo Foundation, which is focused on fostering the career advancement and increasing the leadership of underrepresented talent throughout the finance industry. Our partners, employees and clients have attended the annual gala, a capstone event to celebrate Toigo's achievements and network with a diverse group of industry leaders. Our recruiting team has tapped Toigo's strong alumni network and MBA fellowship program as a pipeline for talent. We also collaborated to provide industry insights on "Investing in the New Normal", highlighting the evolution of capital markets in the midst of the pandemic and the finance industry's efforts to embrace diversity and inclusion.



NASP SoCal FAST Track Program

NEPC was a sponsor of the NASP Southern California Chapter "Day of Private Equity Education", which raises funds for the NASP SoCal FAST Track Program. This program supports the college education of underserved students at the Crenshaw High School Business Academy. The first NASP FAST Track program was founded by NEPC's Sam Austin when he was President of the NASP NYC Chapter in 1995.



Neighborhood Youth Association

NEPC was a sponsor of the Investors in Education event, which raises money for the Neighborhood Youth Association. NYA's after school program provides urban youth in Los Angeles with targeted, individualized academic support and empowers students to achieve 100% college placement.



Year-Up Program

We have an ongoing relationship with YearUp, an organization that focuses on empowering urban talent to reach their full potential. Many of our partners and senior managers mentor YearUp students, get involved in mock interviews and job preparation workshops, and participate in fundraisers. We have further demonstrated our support for YearUp by hiring a YearUp intern every 6 months since 2014. We have hired several of those interns once their program was completed.



Girls Who Invest

NEPC Partner and Director of Manager Research Sarah Samuels is an Advisory Board member at Girls Who Invest, a non-profit organization dedicated to increasing the number of women in portfolio management and executive leadership in the asset management industry. Sarah Samuels also serves as a mentor for the program, along with fellow NEPC Partners Cathy Konicki, Krissy Pelletier, and Kristin Reynolds.

DISCLAIMERS AND DISCLOSURES

- *Past performance is no guarantee of future results.*
- *All investments carry some level of risk. Diversification and other asset allocation techniques do not ensure profit or protect against losses.*
- *The information in this report has been obtained from sources NEPC believes to be reliable. While NEPC has exercised reasonable professional care in preparing this report, we cannot guarantee the accuracy of all source information contained within.*
- *The opinions presented herein represent the good faith views of NEPC as of the date of this report and are subject to change at any time.*



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