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Gentlemen,

We at the Diverse Asset Managers Initiative (DAMI) are writing with respect to a concerning [article](#) in the *Yale Daily News* about diversity, equity, and inclusion in the Investment Office.

The piece reflects an opacity from the Office with respect to how it discusses, and likely engages on, race and gender. Sadly, this behavior is indicative of an all too familiar trend seen at the intersection of asset management and diversity, equity and inclusion. Institutions that don't optimize the talent pools from which they draw their asset managers are at a greater risk of sacrificing returns for the endowment, and as this article manifests, courting dreadful public relations.

DAMI has repeatedly expressed concern with the investment office's approach to sourcing and vetting women and minority managers. Letters sent to your current and [former](#) CIO, and the [CIO search committee](#) were all dismissed. We are hopeful that the recent coverage by the *Yale Daily News*, will lead to some serious discussions about your commitment to diversity and maximizing investment performance by working with diverse asset managers.

Other elite universities who have committed to addressing the problem with good-faith measures are improving: Harvard College, Duke University, the University of California at Berkeley, and Georgetown University have decided to provide transparent data with respect to how their endowments work with managers who are women and people of color, and are beginning to increase their assets under management by diverse managers. And, these schools are working with genuine experts to improve how they think, talk about and engage with women and people of color.

Every study available shows that diverse talent pools, including in asset management, improves performance. Studies also show a critical mass of supply of minority and female talent in every asset class. It is because of these data with which we're well familiar – and Yale's prestige as an institution of higher learning, whose self-stated mission to be the preferred partner of the most talented investors in the world is “best fulfilled by a team of individuals from diverse backgrounds” – that the *Daily's* article was so alarming.

Regrettably Yale—along with Princeton and Stanford—remains stuck in an increasingly unacceptable frame which wrongly presumes that:

- Women and people of color can't perform as well as white men;
- There is an inadequate supply of talented women and people of color in the field, and
- Those people of color and women who manage assets are small firms and forever “emerging”, as opposed to seasoned managers who already have billions of dollars in their funds.

Each premise, as studies show, widely [held by many, and acutely so by white men](#), in the field of asset management, is wrong, and each one costs you money.

You provide diversity data in most other areas of University life — the student body, the faculty, and employees. Your institution even used its voice in a recent [Supreme Court](#) case to argue that diversity improves outcomes.

We believe it is also incumbent upon the Office to avail itself of the transparency that has so benefited the rest of the institution. The endowment with the most powerful trustees in the nation should have access to the best asset managers in the nation.

It is our belief that Yale would benefit from an increased effort to improve diversity, equity, and inclusion in the Office, and we are eager to provide guidance. Please see DAMI as a resource as we can provide valuable insight on how diversity can bolster Yale's endowment. However, whether that guidance is provided to you by DAMI or another expert, is not important. It is past time for the Trustees to exert leadership on this matter. The continued inaction not only prevents the investment office from living up to Yale's stated values, but it is also costing you returns.

With concern,

Robert Raben
DAMI