

COLUMBIA UNIVERSITY

IN THE CITY OF NEW YORK

ANNE SULLIVAN

EXECUTIVE VICE PRESIDENT FOR FINANCE AND INFORMATION TECHNOLOGY

August 20, 2020

The Honorable Emanuel Cleaver, II
2335 Rayburn House Office Building
Washington, DC 20515

The Honorable Joseph P. Kennedy, III
304 Cannon House Office Building
Washington, DC 20515

Dear Congressmen Cleaver and Kennedy,

Thank you for your letter of July 10. On behalf of President Bollinger and Columbia University, I am pleased to respond to this important and timely inquiry.

As the University's Chief Financial Officer, I am responsible for the Finance Division of which our endowment team (Columbia IMC) is a critical part. I want to state unequivocally my and the IMC's firm belief that we can further our objective of maximizing endowment returns to support the University's missions of teaching, research and clinical care by considering, and ultimately partnering with, a wide range of diverse firms. We define diversity along many dimensions including, but not limited to, those outlined in your letter. Certainly, ownership by women and underrepresented minorities is a central criterion when considering the diversity of the many firms with which we partner, as are a firm's diversity practices regarding its employees, and the representation of diverse groups among senior management roles.

This philosophy is an extension of Columbia's core values and commitment to having a diverse student body, faculty and staff. We believe very deeply that striving for diversity through our hiring practices and business relationships makes us better and stronger as an institution. With respect to the IMC itself, our internal endowment management team is comprised of individuals with a broad diversity of backgrounds, an achievement we think is critical to meeting our institutional goals. The same holds true for the governing board which oversees the University endowment and the IMC team; that board's diverse composition seeks to ensure that the broadest of perspectives can inform investment practices at the highest level.

More specifically, the networks of both our endowment board members and the IMC team members are examples of how diversity in our organization helps to develop the known population of potential external managers for our endowment assets. Our team members participate regularly in industry forums and professional associations which serve to broaden our networks for sourcing diverse managers. Examples include team members' ongoing participation in professional associations such as the Private Equity Women Investment Network, as well as a variety of focused investment conferences and mentoring organizations such as Girls Who Invest. In order to expand upon these networks and informal interactions, we have recently established a

Diversity Task Force within our endowment management team. That task force is evaluating a range of additional initiatives we can undertake to further expand our sourcing networks and enhance the diversity represented by the managers with which we partner.

While many such partnerships come from these personal networks or from investment firms that approach us, we also rely on internal screening of and proactive outreach to thousands of managers based on objective criteria. We have a rigorous and data-driven selection process which is designed to ensure that our final investment decisions are free from any bias. First, our process by its very nature casts an extremely wide net, relying subsequently on both objective and subjective metrics that help inform our investment decisions. Second, rather than having final investment decisions primarily based on a single person's view, our generalist team investment approach relies on taking input from the entire investment team, including junior level members, so as to encourage a range of perspectives along the way to a final selection. Third, we are very careful not to limit our universe of potential partners. We have no specific restrictions with regard to size or age of firm that could adversely impact our consideration of new or smaller firms. We have invested in both new and small firms on multiple occasions, including acting as the initial anchor investor for new firms. We continue to look for opportunities in this space, and consider it one of our responsibilities as an investor to help bring new ideas and under-represented perspectives into the marketplace.

While we have no set targets for investing in firms owned by women and minorities, we are committed to a process which considers a diverse set of firms in an unbiased manner. While we would like to include women and minority owned firms in the consideration of every investment decision, that is unfortunately not always possible. In certain asset classes, strategies or geographies in which we choose to invest, there are no women or minority owned firms. We hope and expect that the percentage of such firms in our portfolio will rise as the representation of women and minorities in the asset management industry increases. Today, approximately 70% of Columbia's endowment assets are invested with managers based in the United States. Of the assets under management by these US-based firms, we estimate that approximately 27% are invested with women or minority owned firms. I should note that this is an internal estimate, and that our own methods of determining key factors of how our managers identify with various minority groups may be imperfect.

Through the efforts highlighted above, and others which are underway at the highest levels of the University, we are committed to growing Columbia's relationships with women and minority owned firms. I am grateful to you both for your leadership in these efforts and we look forward to working together in the months and years ahead to address this critically important issue.

Sincerely,

A handwritten signature in blue ink that reads "Anne Sullivan". The signature is fluid and cursive, with the first name "Anne" and last name "Sullivan" clearly distinguishable.

Anne Sullivan

Executive Vice President for Finance and Information Technology
Columbia University