



## SUPPORTING DIVERSITY: PARTNERSHIP & ENGAGEMENT TO IMPROVE INDUSTRY STANDARDS

### OVERVIEW

Angeles integrates responsible investing into our manager research process at all levels and is committed to adopting and implementing environmental, social & governance (ESG) and diversity, equity, and inclusion (DEI) considerations aligned with client preferences across our portfolios. While seeking out managers who are already ESG/DEI focused can be an effective way to ensure alignment with the missions and values of our clients, acting as a catalyst for change by encouraging managers to expand their ESG/DEI efforts can better help expedite industry progress.

In the following case study, Angeles highlights how we partnered with a private credit manager to expand their team diversity to better align with the values of our firm and clients.

## THE PROBLEM

Angeles identified a top-tier private credit manager with a strong track record, deep credit expertise, and a cohesive, core senior investment team. However, the credit industry is traditionally male-dominated, and the team lacked the diversity vital to Angeles' values and investment approach.

## GOAL

Partner with this private credit manager to establish actionable steps which would expand their diversity to better align with the values of our clients and firm.

## COLLABORATION PROCESS

Through the completion of our proprietary ESG/DEI questionnaire, which asks for detailed information about gender and race across the investment team, ownership structure, and overall employee count, Angeles could better understand how the Manager incorporated DEI into its organizational culture.

While the firm initially did not exhibit a high level of gender and racial diversity, the Manager was proactively working on expanding its diversity while growing its team and had already identified its first female hire when Angeles began supporting the Manager to be more intentional in its DEI efforts. The Manager was committed to prioritizing the hiring of women and underrepresented minorities. Through frequent dialogue and regular check-ins on this topic every few weeks, Angeles was able to demonstrate the importance of this initiative and help establish accountability towards goals.

To establish diversity as a top priority, the Manager evolved its hiring tactics from recruiting through employee networks and word-of-mouth to working with recruiters, who helped source diverse talent. The Manager also modified its interview process to ensure new hires were a good fit with the firm's aspirational DEI goals, culture, and values.

While these actions aided progress towards the Manager's gender and racial diversity efforts, the Manager also focused on maintaining an inclusive culture. The Manager operates a flat structure to ensure accessibility to senior people, offers the opportunity for everyone to attend all relevant meetings, and actively onboards new hires to ensure they are integrated into the culture successfully.

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## RESULTS

At the time of Angeles' original investment in 2020, the Manager's team was comprised of 14 men. Since then, the team has grown to 23 people, including 6 women, across all 4 departments. Out of the 8 new hires made since 2020, 6 identified as people of color or women. This partnership and subsequent team expansion resulted in better decisions at the team level as well as better diversity across the investment industry in general over time.

Moving forward, the Manager will continue to opportunistically add new talent with a continued goal of expanding the firm's diversity. While diversity numbers are important, the Manager will also continue to develop its firm culture to ensure an environment where all employees feel engaged and valued. Angeles and this Manager recognize that our respective organizations must continue improving and actively cultivate a diverse workforce that contributes to better decision-making.



## ABOUT ANGELES INVESTMENT APPROACH

DEI is critical to manager research at Angeles. Angeles actively seeks out firms that have diverse ownership, leadership, and/or investment teams, as well as those managers who demonstrate a strong commitment to improving diversity and inclusion through proactive initiatives and practices.

Angeles asks all managers to provide detailed information on gender and race across their employees, firm leadership, investment team leadership, investment team, non-investment team, and employee-owners. At the same time, we go beyond the statistics in seeking to understand managers' commitment to promoting DEI at their firm and within the industry overall; we want to know managers' DEI goals and how they plan to measure and communicate progress. In addition, we press managers on whether and how they engage with the companies where they invest regarding DEI goals and practices.

By being proactive with managers on their DEI practices, we believe we are a catalyst for positive change in the industry. Where we identify high conviction managers lacking in DEI, we proactively encourage said managers to improve their firm, team, and leadership in diversity, equity, and inclusion.

While a firm may not exhibit a high level of diversity at a specific point in time, through engagement and dialogue we can work with managers to be more intentional on DEI, which will result in better decisions at the team level as well as better diversity across the investment industry over time.



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