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Diversity in Money Management APAFS Pacific Region Investment Conference

Fixed-Income
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Asset Concentration

Consultants

Largest 10 consulting firms advise \$28.7 trillion in assets, out of the P&I universe of 100 firms totaling \$35.8 trillion (**80.2%**)

Largest 20 consulting firms advise \$33.3 trillion in assets (**93.0%**)

Asset Concentration

Active Domestic Investment Grade Fixed Income Managers

Largest 10 firms manage \$1.33 trillion in assets, out of the P&I universe of 273 firms totaling \$2.65 trillion (**50.5%**)

Largest 20 firms manage \$1.87 trillion in assets (**70.5%**)

Consultant Concentration

- Transparency
- Artificial barriers of entry
 - Double standards
- Conflicts of interest

Asset Concentration

Money Managers

- Miss out on market opportunities
 - Dilute their best ideas
- Must use derivatives to gain market exposure

Diverse Manager Benefits

- Greater intensity and entrepreneurial spirit at firm
- Alignment of personal, professional and economic interests
- Less bureaucracy allows investment team to move quickly and efficiently, especially in a crisis
 - Better access

METRO's Solution

“Garcia Rule”

- Consultant must include one emerging firm in every search
- “Emerging” is defined as a minimum 51% woman-owned, minority-owned, veteran-owned, disabled American-owned; or firms less than one billion in assets