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Representative Cleaver  
Representative Kennedy  
Congress of the United States  
Washington DC, 20515

July 31, 2020

Dear Representative Cleaver and Representative Kennedy,

Thank you for your letter to President Reif regarding MIT's endowment. MIT believes very strongly in the benefits of diversity and is committed to equity and inclusion. Further information about MIT's commitment to these core values can be found at <http://diversity.mit.edu/>.

MIT's investment management arm is known as MITIMCo. MITIMCo is a department of MIT and adheres to its equal opportunity hiring policy and other policies that prohibit "discrimination against individuals on the basis of race, color, sex, sexual orientation, gender identity, pregnancy, religion, disability, age, genetic information, veteran status, or national or ethnic origin in the administration of its educational policies, admissions policies, employment policies, scholarship and loan programs, and other Institute administered programs and activities."



MITIMCo has taken a number of steps to promote diversity. Four years ago, we established an internal Diversity and Inclusion Working Group (DIWG), a diverse selection of roughly 10% of MITIMCo staff that meets monthly to discuss current issues and recommend new initiatives. This group has catalyzed a number of important new efforts. For example, we started several years ago hiring interns through CREST, a program for minorities and women focused on commercial real estate, and Girls Who Invest, a program for women focused broadly on the asset management industry. We believe these programs will increase the number of underrepresented minorities and women who pursue a career in the investment management industry.<sup>1</sup> DIWG also recommended training for our staff to identify areas of bias, unfair processes, and other barriers to diversity and inclusion. As a result, we have hosted office-wide on-site trainings and presentations on implicit bias by Project Implicit at Harvard, micro-aggressions by MIT's Diversity and Inclusion staff and Boston Improv, gender equality by the founder of Parity Pledge, social media and implicit bias by MIT professor Renee Gosline, and equity and inclusion by Greg Watson of the Schumacher Center for New Economics. Finally, we restructured our internal recruiting practices to ensure we are considering a wider diversity of candidates for every new position.

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<sup>1</sup> Further information about these programs can be found at [www.naiopma.org/crestinternship](http://www.naiopma.org/crestinternship) and [www.girlswhoinvest.org](http://www.girlswhoinvest.org).



We are extending these efforts to our external manager selection process. Our traditional manager sourcing primarily identified potential managers through existing networks of relationships. While historically effective, this approach is more likely to lead us to firms similar to existing managers. Though we do not have precise demographic data of our external investment managers, our portfolio doubtlessly reflects the longstanding less-than-diverse composition of the finance industry. To combat this reality of history, we have introduced other types of sourcing efforts. For example, we constructed an automated program that uses SEC 13-F regulatory stock holding data to identify promising firms quantitatively. These tools enable us to avoid more subjective sourcing characteristics such as market longevity or market reputation when finding new managers. We also have established frameworks in recent years to allow for us to invest with smaller, emerging managers.

Your letter references outreach and communication to external parties. We do not use external consultants and we have not reached out to large groups of managers, other than by publishing materials on our website and regular communications to MIT alumni. However, we believe broader outreach represents an area of opportunity and we plan to pursue it.

We are confident that these efforts will help us promote diversity in the investment management industry. We also believe these efforts can lead to better long-term returns for MIT and other institutional investors who adopt similar policies.

Sincerely,



A handwritten signature in blue ink, appearing to read 'Seth Alexander'.

Seth Alexander  
President, MIT Investment Management Company