

January 5, 2020



Dear Marcie Frost,

The National Association of Securities Professionals (NASP) is a professional services organization formed in 1985 that serves as a resource for the diverse community at large. NASP is also a trade organization for diverse professionals within the securities and investments industry. NASP serves its constituents by providing opportunities to share information about the securities markets, and by functioning as a repository for data regarding current trends, facilitating industry-focused educational seminars, and hosting networking events. With over 500 members and eleven chapters across the United States, NASP's mission and objectives are:

- To pursue the highest standards of professionalism and excellence among NASP members
- To achieve equal opportunity for diverse populations in the securities industry
- To foster the growth and development of diverse professionals of diverse owned and controlled institutions in the securities industry
- To enhance communication among members
- To increase public awareness, especially among diverse populations, of public and private career opportunities in finance
- To pursue progressive and balanced policies affecting public and private finance

Our members include diverse asset managers in traditional and alternative asset classes. These include (i) firms with assets over \$2 billion; (ii) firms with assets under \$2 billion; and (iii) firms that are managers of managers that allocate pension dollars to provide funding opportunities to smaller firms while also providing investors with ongoing due diligence, monitoring and risk controls. Among our members, and of importance to the traditional and alternative asset management ecosystem, are minority- and women-owned (diverse owned) investment banks and broker dealers, that provide advisory and securities sales and trading services to asset managers. In addition, our members include other diverse professionals who serve the financial services industry such as lawyers and accountants.

In an October 2019 memo, the California Public Employees Retirement System ("CalPERS") elected to deeply slash its emerging manager equity program in order to reduce fees to external managers. CalPERS emerging manager program is part of the larger effort to increase the number of diverse and women-owned firms that have an opportunity to manage assets on behalf of the nation's largest public pension plan. Unfortunately, smaller firms, often led by minorities and women, and are unable to withstand the pressure of a significant reduction in assets under management as a result of CalPERS's action.

On December 17, 2019, long-time NASP member firm Progress Investment Management ("Progress"), led by Thurman White, decided to close its doors permanently. Progress is a manager-of-managers firm that assists institutional investors to access smaller and diverse fund managers. As of June 30, 2018, Progress managed \$3.9 billion on behalf of CalPERS. As of June 30, 2019, the assets had been reduced to a little

over \$600 million. At the time of the announcement of its closing, Progress managed approximately \$5.6 billion.

NASP is deeply saddened by this unfortunate series of events, and we will continue to support the members of Progress as they seek new opportunities. In addition, it is our sincere hope that Progress's remaining institutional investors decide to leave their capital with the underlying diverse managers that are meeting performance expectations.

As a professional and trade organization, NASP is here to support the member firms and individuals who were part of the Progress Investment Management portfolio. During the first 45 days of 2020, the NASP Organization will be contacting you to arrange a meeting with you, your Chief Investment Officer, Dr. Yu Meng and members of your Board of Directors. We will be joined by other like-minded diverse financial services associations to discuss opportunities and concerns regarding your recent decision. Thank you for reviewing this letter and considering how your program might continue working with the underlying diverse managers by maintaining a direct relationship or hiring another external firm to manage the program on your behalf. We look forward to connecting with you soon.

Sincerely,

A handwritten signature in black ink, appearing to read "Ron Parker", with a long horizontal flourish extending to the right.

**Ronald C. Parker**  
President & CEO  
National Association of Securities Professionals