

EQUALITY  
GROUP

Honordex  
Multi-  
Strategy  
Index

2023

# Foreword

Equality Group's latest report analyses the Diversity, Equity and Inclusion (DEI) performance of over 200 global Multi-Strategy funds across the Asset Management industry using Honordex. This is a multi-trillion dollar global industry with ownership stakes in the world's largest companies and stewardship of millions of individual pension holders' money. However, the industry is under serious pressure from rising interest rates, volatile market conditions and fee compression.

A recent report from [BCG](#) estimates that "existing pressures and market expectations are such that if asset managers simply stay the course, their annual profit growth will be approximately half the industry average of recent years (5% versus 10%). To get back to historical levels of profitable growth, asset managers need to invest in new ways of doing business and become more resilient to turbulent market conditions.

One of the ways to meet the current challenges facing the Asset Management industry is to invest in effective innovation and to build organisational resilience to withstand a rapidly changing world.

There is substantial research to show that DEI increases innovation, creativity, problem-solving and the resilience of organisations in challenged times. The firms that embrace and invest in DEI also outperform their competitors over the long term. This is how critical the DEI lens is for understanding industry innovation and resilience.

In this report, we have evaluated which Multi-Strategy Asset Management firms are investing and doubling down on DEI as a key driver of their strategic growth. The Top 20 funds are published in this report to highlight best practices within the industry.

Across the Top 20 funds, the average score was 73, which outperformed the Private Equity (PE) and Venture Capital (VC) Top 20 by 5 points. There are also more examples of Multi-Strategy firms who rank as Leaders within Honordex (scoring over 70 points), compared to our PE and VC funds analysis. However, there is still a vast majority (63%) of firms that rank as Laggards (scoring below 20 points) across the industry. The MS industry average was also one point less at 22 than the PE and VC industries. This means that most of the industry is not harnessing the transformative power of DEI for the benefit of their firm and the industry as a whole.



## **Hephzi Pemberton, Founder and CEO of Equality Group:**

*"It is encouraging to see the higher average scores across the Multi-Strategy (MS) top 20 funds, by comparison to the Private Equity and Venture Capital industry. Diversity, Equity and Inclusion (DEI) are critical to the future of the asset management industry and many of the leading MS funds are demonstrating clear commitment and progress. However, our analysis also reveals that two-thirds of the industry is still lagging behind on DEI standards. If funds took the diversification of their people and processes, as seriously as they took portfolio diversification, then we would see rapid change. This is what we are urging funds to consider today, as they look at this DEI data and benchmark themselves against peers."*

# Table of Contents

01

Introduction

02

Classification

03

Top 20

04

Top 20: Analysis

05

Categories per  
score

06

Methodology

07

Call to action

# Introduction

Equality Group has assessed 200 companies in the Multi-Strategy industry for their Diversity, Equality and Inclusion (DEI) performance. Equality Group created four classifications to help evaluate the companies in the index. They are:

70 - 100 - Leader: company demonstrated a clear commitment to DEI and scored highly across all of the six categories analysed by Equality Group. This is the highest classification awarded.

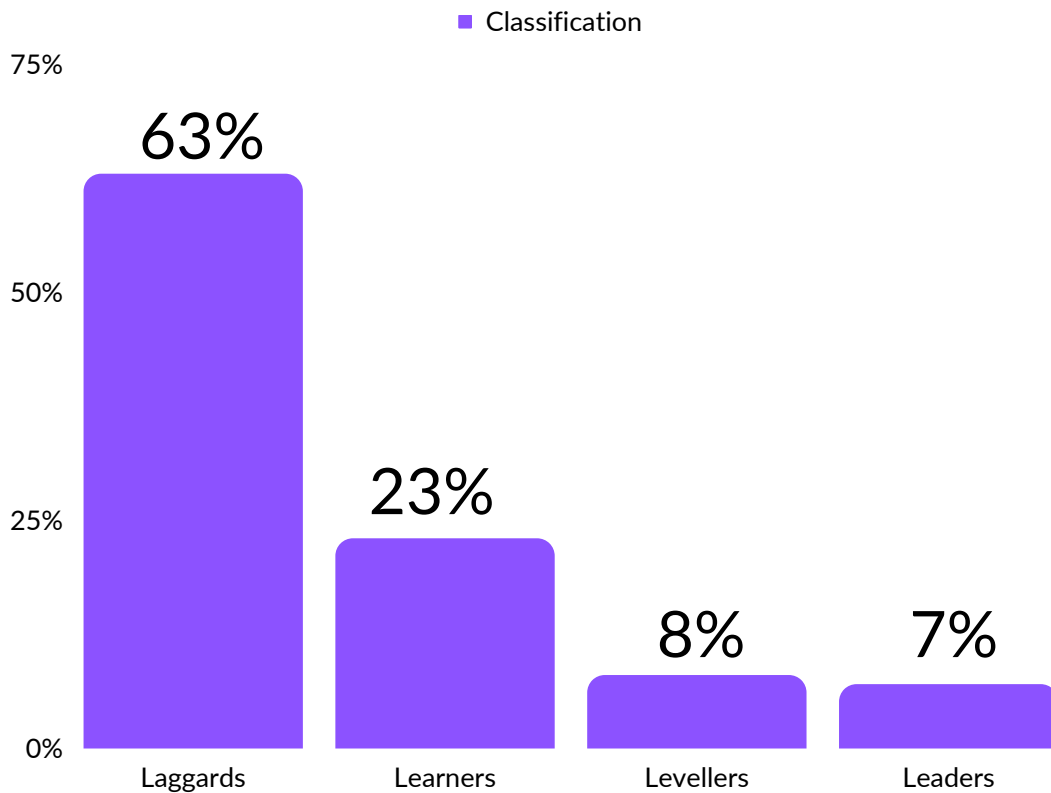
50 - 69 - Leveller: company demonstrated a commitment to DEI and scored well across all six categories, but there is still room for improvement.

21 - 49 - Learner: company demonstrated some commitment to DEI, but is currently operating at an unsustainable rate according to social sustainability standards. Significant improvement is required.

0 - 20 - Laggard: company has significantly fallen behind industry social sustainability standards. Urgent improvement is required.

Honordex is an evolving, self-improving methodology. We aim to capture nuanced data and to be fair and transparent in our scoring. However, no scoring system is perfect. Furthermore, companies change over time, which impacts their rating. The goal of Honordex is not that any company achieves a perfect score, but that all companies gain continuous insight into how their score can be improved.

# Classification



The Multi-Strategy (MS) industry behaves similarly to the PE and VC industry back in 2021. A total of 209 companies were assessed for this analysis; however, we are only considering those who scored above 0.

Most of the firms are Laggards (63%) and Learners (23%), and only a few of them are Levellers (8%) and Leaders (7%). The mean score for the Industry is 22 meaning that, on average, the MS sector behaves as a DEI Learner.

# Top 20

No	Company Name	Score
1	Schroders	83
2	Invesco	81
3	Abrdn	79
4	Janus Henderson	77
5	Barclays Global Investors	77
6	Amundi	77
7	T. Rowe Price	76
8	Franklin Templeton	74
9	BlackRock	74
10	Wellington Management Company	74
11	Man Investment Group	73
12	Ares Management	71
13	The Capital Group	70
14	Vanguard	70
15	Brown Advisory	68
16	Barings	68
17	M&G	67
18	Fidelity	67
19	PIMCO	66
20	Hamilton Lane	64

# Top 20: analysis

The top 10 average score is 77: the MS industry obtained the same score as the top 10 average for the PE & VC industry. The range for the top 10 is 9, 10 points lower than the range for the top 10 PE & VC firms. This reflects the higher score among the MS top 10.

The top 20 funds scored, on average, 73. They outperformed the PE & VC firms by 5 points. While the PE & VC top 20 ranked as DEI Learners, the top 20 MS funds rank as DEI Leaders. The range for the top 20 is 19, narrower than the top 20 PE & VC firms by 18 points. This range explains the higher score obtained by the bottom MS firms in the top 20: while the 3 PE & VC firms that are at the bottom of the top 20 have a mean score of 52, the equivalent firms for the MS industry score is, on average, 66.

The top 3 mean score is 81. They rank as DEI Leaders, however, the PE & VC top 3 outperforms this score by 4 points.

## Top 3 PE & VC

87

**ICG**

86

  
K I N N E V I K

82

**BGV** / Bethnal Green Ventures

## Top 3 Multi-Strategy

83

**Schroders**

81

  
Invesco

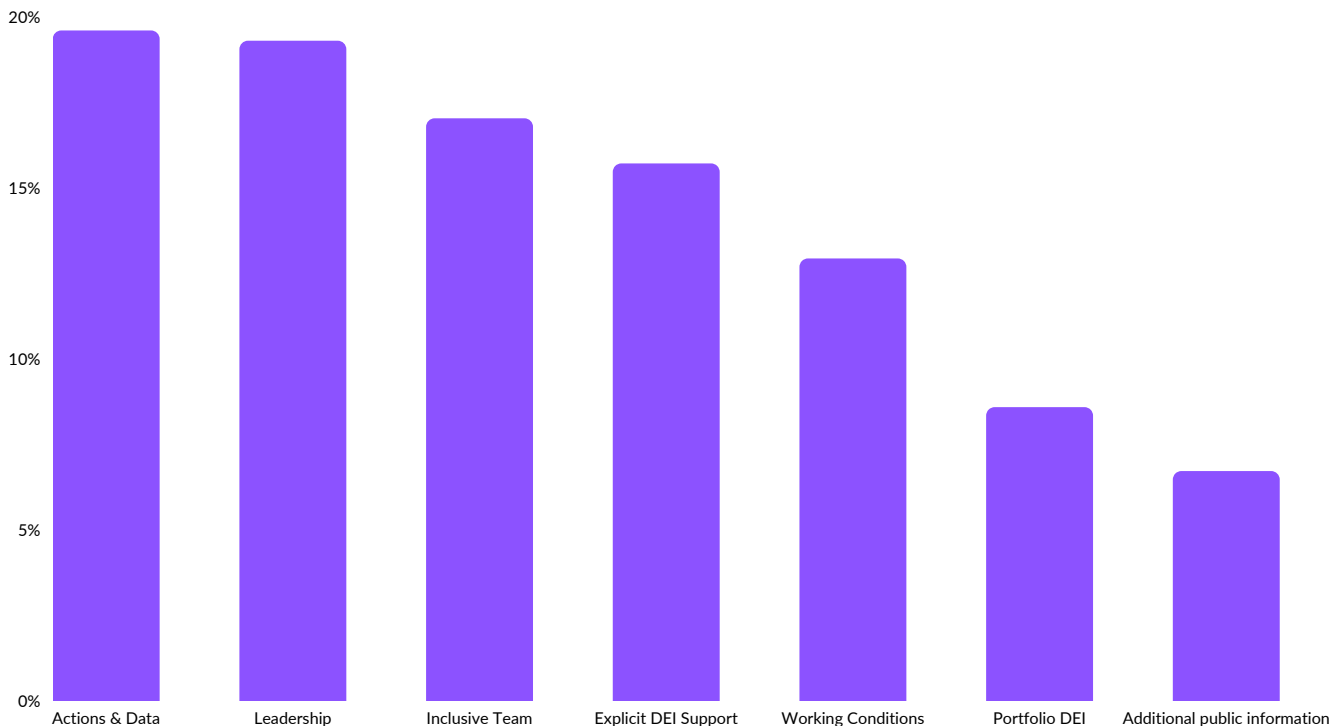
79

 **abrdn**

# Categories per score

All of the charts below display each category's contribution to the average score for the different categories of companies.

## Leaders



Leaders are the minority within the sector, with only 14 companies ranking in this category. They focused on displaying specific data and strategies to boost diversity in both overall recruitment and leadership, offering proactive support of inclusion and social sustainability and acknowledging their entire team on their website.

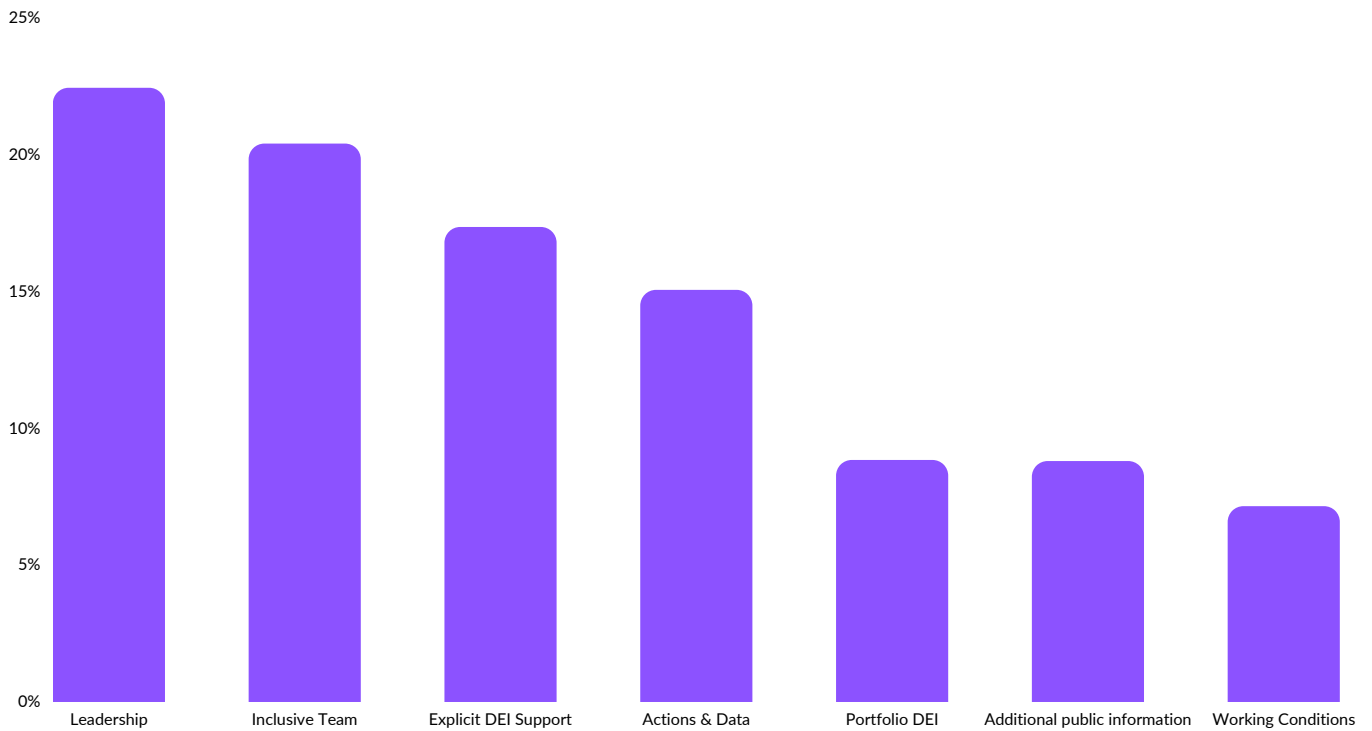
### Key observations:

- All of them generated a separate DEI section on their website, ensured that the Leadership is vocal on DEI, had a DEI strategy in place and were vocal with representative images across LinkedIn and Twitter
- Most of them (86%) have conducted a pay gap analysis
- 57% of the firms explicitly support flexible working
- Only a few of them guarantee that females and ethnic minorities are represented proportionally in the leadership team

The mean score in the Leaders classification is 76 and the categories that most contributed to the score are Actions & Data (19.62%), Leadership (19.32%) and Inclusive Team (17.05%)



## Levellers



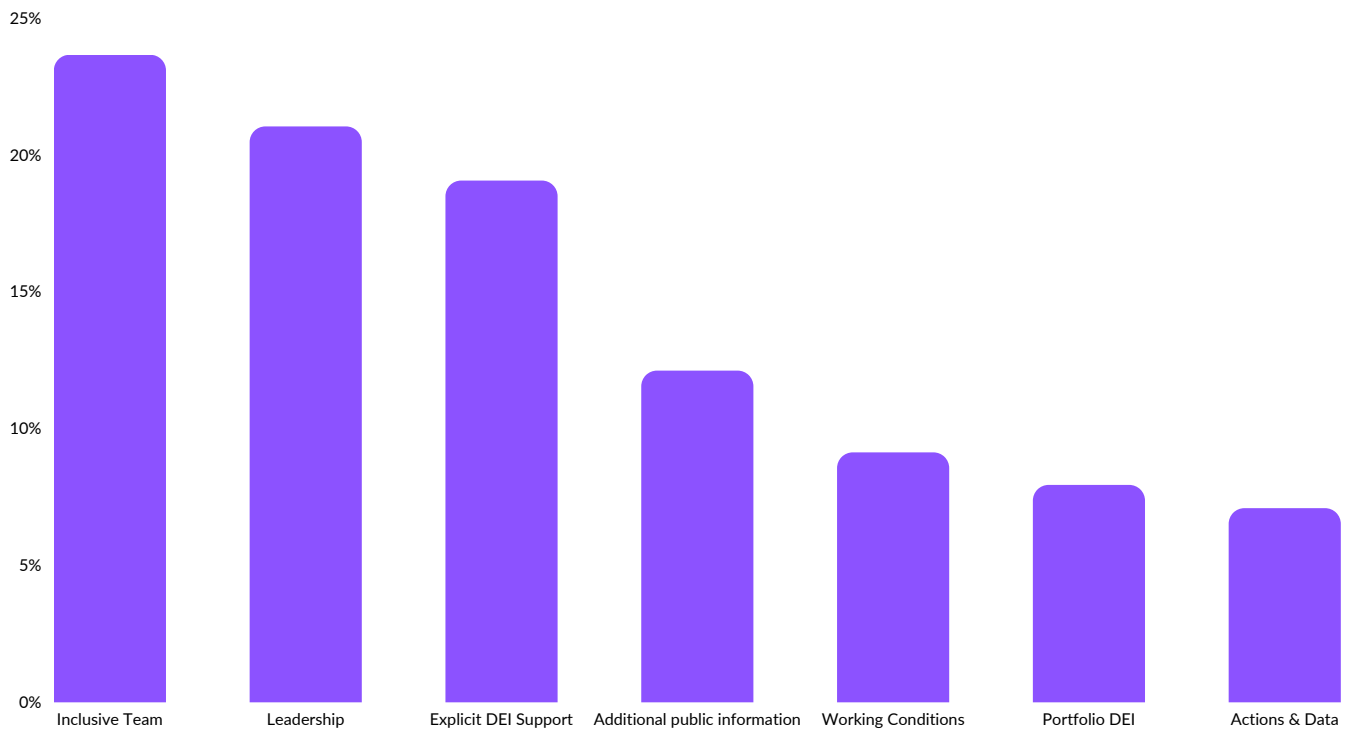
Levellers account for 16 companies of the total. They focused on boosting Diversity and Inclusion within the leadership team, acknowledging and valuing their entire team fairly, and showing explicit DEI commitment on the website.

### Key observations:

- All of them generated a separate DEI section on their website and were vocal about DEI on LinkedIn
- 63% of them have conducted a pay gap analysis
- 31% of the firms explicitly support flexible working
- Only a few of them (31%) guarantee that females and ethnic minorities are represented proportionally in the leadership team
- 13% of them offer equal parental leave for both parents

The mean score in the Leaders classification is 61 and the categories that most contributed to the score are Leadership (22.44%), Inclusive Team (20.40%) and Explicit DEI support (17.35%)

## Learners



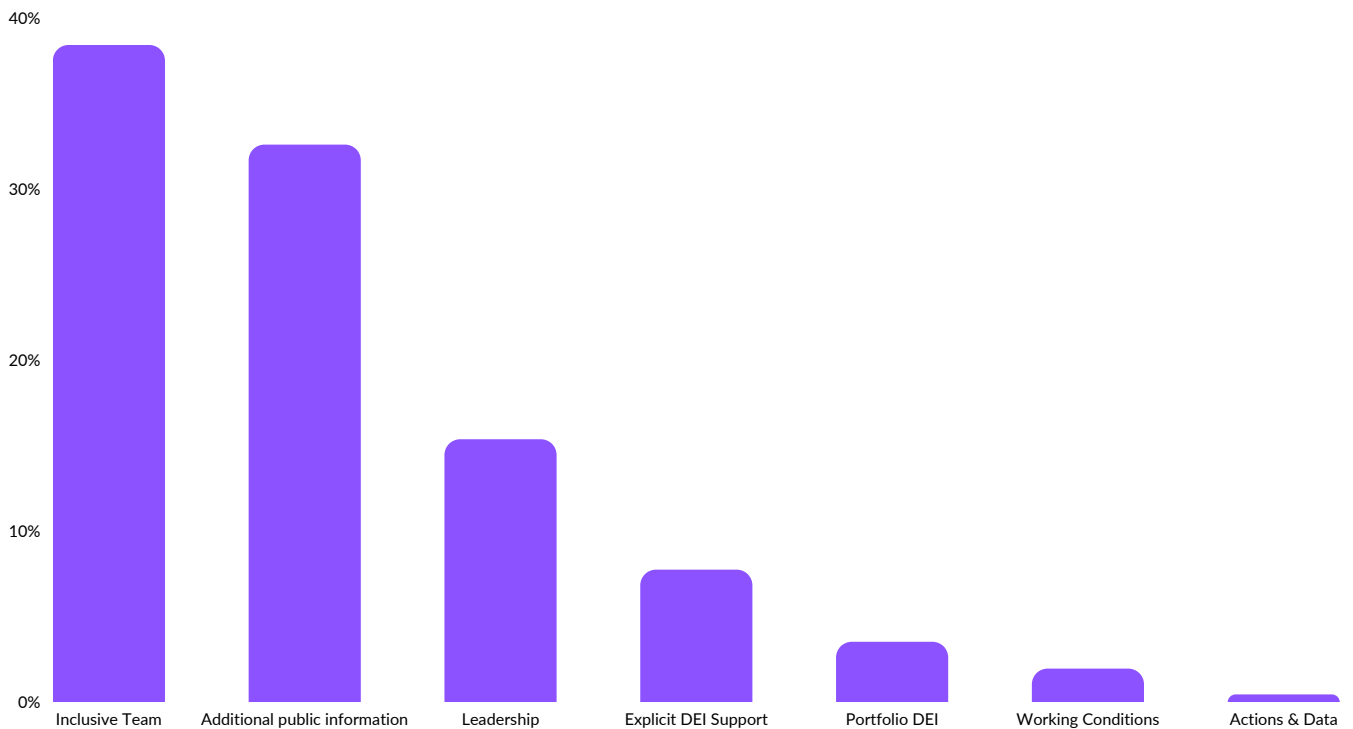
45 companies have ranked as DEI Learners for the MS industry. They mostly focused on ensuring that their whole team is acknowledged and valued within their website, having their leadership team be vocal about DEI and showing explicit DEI commitment on the website.

### Key observations:

- Most of them showed their commitment to DEI with representative images on LinkedIn, ensured that their whole team is visible on their website and added an explicit statement of support towards DEI
- 38% of them have guaranteed that females and ethnic minorities are represented proportionally in the leadership team
- 18% of the firms explicitly support flexible working
- Only 9% of them have conducted a pay gap analysis
- 4% of them offer equal parental leave for both parents

The mean score in the Leaders classification is 32 and the categories that most contributed to the score are Inclusive Team (23.66%), Leadership (21.04%) and Explicit DEI support (19.06%)

## Laggards



Most of the firms in the MS industry have ranked as Laggards, with 125 companies out of 200. They mostly focused on ensuring that their whole team is acknowledged and valued within their website, being vocal about DEI on social media and ensuring their leadership is supportive of diversity and inclusion.

### Key observations:

- Only half of them ensured that their Leadership is visible on the website
- 16% of the firms ensured that females and ethnic minorities are represented fairly within their leadership team
- Only 3% of them advocate flexible working
- None of them guaranteed that parental leave is equal for both parents nor did they have additional supportive policies for equal opportunities
- None of them have conducted a review of the pay gap by gender nor have they conducted a review of employee experiences
- None of them have an explicit statement of current leadership supporting DEI

The mean score in the Laggards classification is 9 and the categories that most contributed to the score are Inclusive Team (38.43%), Additional Public Information (32.60%) and Leadership (15.36%).

# Methodology

The data is sourced from multiple publicly available information sites, including fund websites, social media channels, published articles and reports. Honordex covers seven core categories: explicit EDI support, inclusive team, working conditions, actions and data, leadership, portfolio EDI and additional public information.

Within these categories, there are a total of 28 inclusion and diversity sub-metrics.

Equality Group has applied variable weightings to individual categories to reflect the most impactful data points across the core categories, as informed by the latest academic research.

Watch this 3-minute video explaining the [methodology](#).

## Breakdown of the score

The seven core categories analysed within the Honordex Index:

CATEGORY	SPECIFIC AREAS
Explicit DEI Support	Explicit DEI commitment on the website
Inclusive Team	Clear acknowledgement and value is given to the entire team. A wide range of employees represented
Working Conditions	Transparent and inclusive practices and policies are visible
Actions & Data	Specific data and strategies in place to boost diversity in both overall recruitment and leadership
Leadership	Diversity of leadership team and their proactive support of inclusion and social sustainability
Additional Public Information	Media articles, external EDI resources the company has created, supporting research and representative images on Social Media, and B Corp registration
Portfolio DEI	Commitment, reporting, improvement and SFDR compliance at portfolio holdings level

# Call to action

## What is the one key thing you can do to drive impact?

You should be vocal about your transparent and inclusive practices. This means making your DEI policies, practices and goals visible on your website, company materials, reports and social media channels.

If you want to take it further be strategic about your DEI efforts:

- Capture and analyse relevant data
- Empower leadership on the topic
- Bring more underrepresented groups into your organisation

If you want to know more or find out how to improve your score, contact Equality Group at [hello@equality.group](mailto:hello@equality.group).



# List of companies assessed

40/86 Advisors, Inc.  
Abrdn  
Acadian Asset Management  
ADM Capital  
Aegon Asset Management  
Aksia LLC  
Alcentra  
Allspring Global Investments  
AlphaSimplex Group  
AMP Capital  
Amundi  
Anchorage Capital Group  
Angel Oak Capital Advisors, LLC  
Angelo Gordon & Co.  
Apollo  
Appaloosa Management  
AQR Capital Management  
Ares Management  
Aristeia Capital  
ArrowMark Partners  
ARX Investimentos  
ASB Capital Management  
Ashmore Investment Management  
Asset Management One  
Atlanta Capital  
Avenue Capital Group  
Aviva Investors  
Bailard Inc.  
Baillie Gifford  
Balyasny Asset Management  
BankInvest  
Barclays Global Investors  
Bardin Hill Investment Partners  
Barings  
Barrow Hanley Global Investors  
Bayern Invest  
Bayview Asset Management  
Beach Point Capital Management  
Benefit Street Partners  
Bestinver Asset Management  
BlackRock  
Blackstone Group  
Blair William Leveraged Capital Management  
BlueBay Asset Management  
BlueCrest Capital Management  
Bluefin Companies  
Bracebridge Capital  
Brigade Capital Management  
Brookfield Asset Management  
Brown Advisory  
Brummer and Partners  
Calamos Investments  
Camden Asset Management  
Candriam  
Cantillon Capital Management  
Canyon Partners  
Capital Fund Management  
CarVal Investors  
Centerbridge  
Centiva Capital  
Cephei Capital  
Cerberus Capital Management  
Chevy Chase Trust  
Cheyne Capital  
CIFIC  
Citadel  
ClearBridge Investments  
Cognis Capital  
Cohen & Steers  
Columbia Threadneedle Investments  
Commonfund Capital  
Conning & Co  
Connor Clark & Lunn Investment Management Ltd  
Contrarian Capital Management  
Crabel Capital Management  
Crescent Capital  
Crestline  
Cyrus Capital Management  
Davidson Kempner Capital Management  
Dean Capital Investments Management  
Dimensional Fund Advisors  
Dodge & Cox  
DoubleLine Capital  
DWS Group  
E Fund Management  
Eagle Asset Management  
Eastspring Investments  
Ellington Management Group  
Equinox Funds  
Ersel  
Excalibur Fonder  
ExodusPoint Capital Management  
Farallon Capital Management  
Federated Hermes  
Fidelity  
Field Street Capital Management  
First Eagle Alternative Credit  
First New York Investment Advisers, LLC  
First Sentier Investors  
Five Mile Capital Partners  
Franklin Templeton  
Gateway Investment Advisers  
Gávea Investimentos  
Generation Investment Management  
Geode Capital  
GoldenTree Asset Management  
Goldman Sachs Asset Management  
Gramercy  
Greywolf Capital Management  
Guggenheim Partners  
Haidar Capital Management  
Hamilton Lane  
Harborlight Capital Management  
HBK Capital Management  
HeadStart Advisers  
Highbridge Capital Management  
HPS Investment Partners  
Hudson Bay Capital Management  
IGM Financial  
Indus Capital Partners  
Invesco  
Investec Asset Management  
Jacobs Levy Equity Management  
Janus Henderson  
JP Morgan Asset Management  
Kayne Anderson Capital  
KBI Global Investors  
King Street Capital Management  
KKR  
Korea Investment Management Co., Ltd.  
Laurion Capital Management  
Lazard Asset Management  
Leucadia  
LibreMax Capital  
Lombard Odier  
M&G  
Mackenzie Investments  
Magnetar Capital  
Maitland Group  
Man GLG  
Man Investment Group  
Manulife Asset Management  
Marathon Asset Management  
Marshall Wace  
Maverick Capital  
Mawer Investment Management Ltd.  
Midas Capital Partners  
Millennium Capital Partners  
MKP Capital Management  
Morgan Stanley Investment Management  
Muzinich & Co.  
Napier Park Global Capital  
Neuberger Berman  
Nikko Asset Management  
NISA Investment Advisers  
Nomura Asset Management  
Northleaf Capital Advisors Ltd.  
Oak Hill Advisors  
Oaktree Capital Management  
Onex Credit Partners  
Orbis Investment Management  
Ostrum Asset Management  
Paloma Partners  
Parallax Fund  
PGIM Fixed Income  
PIMCO  
PNC Capital Advisors

Pugh Capital Management  
Quantlab Financial  
QVT Financial  
Radcliffe Capital Management  
Redding Ridge Asset Management LLC  
Renaissance Technologies  
RockCreek  
Russell Investments  
Schroders  
Sculptor Capital Management  
Seix Investment Advisors LLC  
Shenkman Capital Management  
Silver Lake  
Silver Point Capital  
Silvercrest Asset Management Group  
Sound Point Capital Management  
Squarepoint Capital  
Sterling Capital Management LLC  
Strategic Value Partners  
Systematic Alpha Management LLC  
T. Rowe Price  
Taconic Capital Advisors  
TCW Group  
Tennenbaum Capital Partners  
Tetragon  
The Capital Group  
Thornburg Investment Management Inc  
Tilden Park Capital Management  
Tudor Investment Corporation  
VanEck  
Vanguard  
Varde Partners  
Verition Fund Management  
Victory Capital  
Volksbank Investments  
Wafra  
Washington Capital Management  
Waterfall Asset Management  
Wellington Management Company  
Western Asset Management  
Whitebox Advisors  
ZAIS Group