



A key component of the Rainbow Push Coalition’s mission is to identify and to encourage a mutually beneficial relationship between major corporations and Minority, Women and Disabled Veteran Business Enterprises (MWDVBE) businesses in the financial services sector. This mission is supported on the belief that efforts to ensure civil rights and equal access for women and minorities should extend from Main Street to Wall Street to Silicon Valley and importantly that diversity and inclusion should extend beyond the workforce and into the area of professional services.

For over 20 years Rainbow Push has facilitated a productive narrative between major corporations and state and local governments about their procurement of financial services for debt and equity capital raising [and asset management?]. The Rainbow Push Wall Street Project (WSP), started in 1997, is proud to be a successful forum for bringing key corporate financial services business leaders, public elected officials and MWDVBE financial firms together to build business relationship and to foster business partnerships. The WSP meetings helped create opportunities for MWDVBE firms to participate on some of the largest corporate debt and equity offerings and to grow their firms. In addition to the WSP, Rainbow Push also implemented a Silicon Valley/Tech initiative in 2014. The Tech initiative through individual meetings, networking events and an annual conference put a specific sector focus on the utilization or the lack of professional services by MWDVBE financial firms in the Tech sector. Since 2014, MWDVBE financial firms have experienced increase opportunities to participate in debt offerings for some of the largest tech companies.

The WSP and PushTech forums facilitated introductions between senior corporate executives and their financial staff with MWDVBE firms. These meetings highlighted the value added investment banking and underwriting capabilities that MWDVBE firms can provide for debt and equity capital raising. Most of these Tech companies were not knowledgeable about MWDVBE firms and the specific financial services these firms can provide. Given the banking expertise and resources that MWDVBE firms can offer there are significant benefits to including them in financial transactions. These benefits include:

- Significant investment banking and marketing expertise exist at MWDVBE firms since most of their professionals were trained and have years of experiences at major bulge bracket firms.
- Incremental distribution network as MWDVBE firms have relationships with small and medium size investors who are often overlooked by major bulge bracket firms but can be an important source of capital.
- This broader distribution of securities can result in lower financing costs and greater investor participation in a company’s debt and equity transactions.
- MWDVBE firms bring innovative and objective investment banking advice that is focused on long term value and relationship building and not solely focused on “pitching” the next transaction.

The bottom line is that diversity is a good business practice and not a philanthropic endeavor. Inclusive business practices provide access to innovation and fosters a competitive environment in all procurement activities. RainbowPush promotes that a corporation's diversity activities should not just be business goals but should be designed to achieve actual business results and those diverse relationships should reach beyond traditional supplier diversity but to professional financial services.

To provide a record and evaluation in the Tech sector's willingness to include MWDVBE financial firms in their debt and equity capital markets financing activities, Rainbow Push has compiled underwriting statistics on new issue transaction since 2014. Some of these results are correlated to RainbowPush interactions with various Tech companies through the WSP and PushTech forums as well as individual meeting. Sometimes the decision to include MWDVBE firms are motivated to do the same when witnessing peer companies including MWDVBE firms in their transactions. The record of the Tech sector record is at best mixed. Large and seasoned technology firm have demonstrated their willingness to incorporate MWDVBE firms in their transactions.

[This report was produced by the Rainbow PUSH Wall Street Project, led by Rebecca Cruz, and the organization's PUSHTech2020 initiative, led by Butch Wing. Invaluable research was provided by Jordan Woodard of Loop Capital Markets, and Eda Kouch of Drexel Hamilton. The report was presented at the 21st Annual Wall Street Economic Summit held in New York, February 9, 2018.]

Closing Remarks from Sidney Dillard, Loop Capital Markets

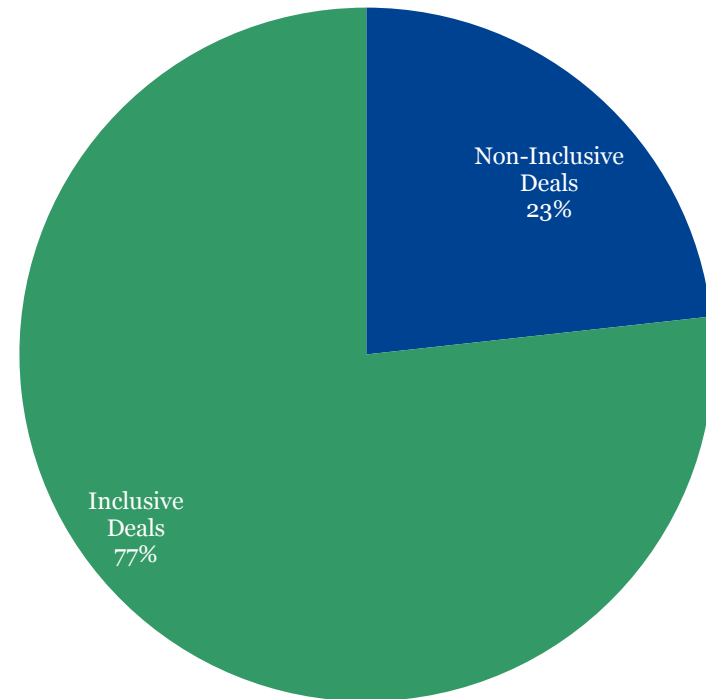
Presented at the 21st Annual Wall Street Economic Summit
February 9, 2018
New York

MWDVBE Inclusion in 2014 – 2017 Deals (Top 10 Tech Issuers)

Deal Inclusion

Company	Total # Deals	# of Deals with MWDVBEs	# of Deals with MWDVBEs (%)
Apple Inc	11	10	91%
Microsoft Corp	4	4	100%
Gilead Sciences Inc	5	4	80%
Qualcomm Inc	2	2	100%
Cisco Systems Inc	4	3	75%
Amazon.com	2	1	50%
Intel Corp	7	3	43%
Hewlett Packard Enterprise Co	2	2	100%
eBay Inc	4	3	75%
Alphabet Inc	2	1	50%
Total	43	33	

Deal Inclusion

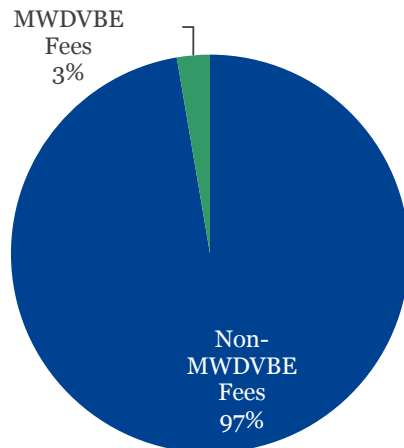


MWDVBE Portion of 2014 – 2017 Fees (Top 10 Tech Issuers)

Fee Allocation

Company	Total Underwriting Fees	Total Underwriting Fees Allocated to MWDVBE Firms	Total Underwriting Fees Allocated to MWDVBE Firms (%)	# of MWDVBE Firms Included	Avg Underwriting Fee per MWDVBE
Apple Inc	\$169,025,000	\$5,340,750	3.2%	11	\$153,125
Microsoft Corp	\$329,625,000	\$11,575,000	3.5%	13	\$384,922
Gilead Sciences Inc	\$140,937,500	\$1,262,600	0.9%	1	\$315,406
Qualcomm Inc	\$73,750,000	\$2,760,475	3.7%	6	\$460,079
Cisco Systems Inc	\$54,950,000	\$440,625	0.8%	2	\$146,875
Amazon.com	Undisclosed	Undisclosed	Undisclosed	3	Undisclosed
Intel Corp	\$38,597,000	\$809,100	2.1%	5	\$134,850
Hewlett Packard Enterprise Co	Undisclosed	Undisclosed	Undisclosed	5	Undisclosed
eBay Inc	\$49,962,500	\$747,000	1.5%	2	\$203,500
Alphabet Inc	\$12,500,000	\$320,000	2.6%	4	\$80,000
Total	\$869,347,000	\$23,255,550		52	\$1,878,757

Fee Allocation



Summary

Although there has been a tremendous amount of growth over the past several years with regards to pure deal inclusion, there is still much to be desired when speaking about MWDVBE underwriting allocations and those corresponding fees.

- From 2011 – 2013, these top 10 issuers were inclusive in:
 - 7 of 20 deals (35%)
 - MWDVBE fees ranged from 0.4% – 3.5% for an average of 1.0% of the overall fee pool
- From 2014 – 2017, these top 10 issuer were inclusive in:
 - 33 in 43 deals (75%)
 - MWDVBE fees ranged from 0.8% – 3.7% for an average of 2.3% of the overall fee pool

MWDVBE’s stand ready to bear more responsibility in each of these deals given the following:

- Incremental distribution network as MWDVBE firms have relationships with small and medium size investors who are often overlooked by major bulge bracket firms but can be an important source of capital
 - This broader distribution of securities can result in lower financing costs and greater investor participation in a company’s debt and equity transactions
- MWDVBE firms bring innovative and objective investment banking advice that is focused on long term value and relationship building and not solely focused on “pitching” the next transaction



PUSHTech2020 Report and Analysis of Minority Participation in the Capital Markets

January 2014 – December 2017




[This report was produced by the Rainbow PUSH Wall Street Project, led by Rebecca Cruz, and the organization's PUSHTech2020 initiative, led by Butch Wing. Invaluable research was provided by Jordan Woodard of Loop Capital Markets, and Eda Kouch of Drexel Hamilton. The report was presented at the 21st Annual Wall Street Economic Summit held in New York, February 9, 2018.]

February 2018

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Executive Summary

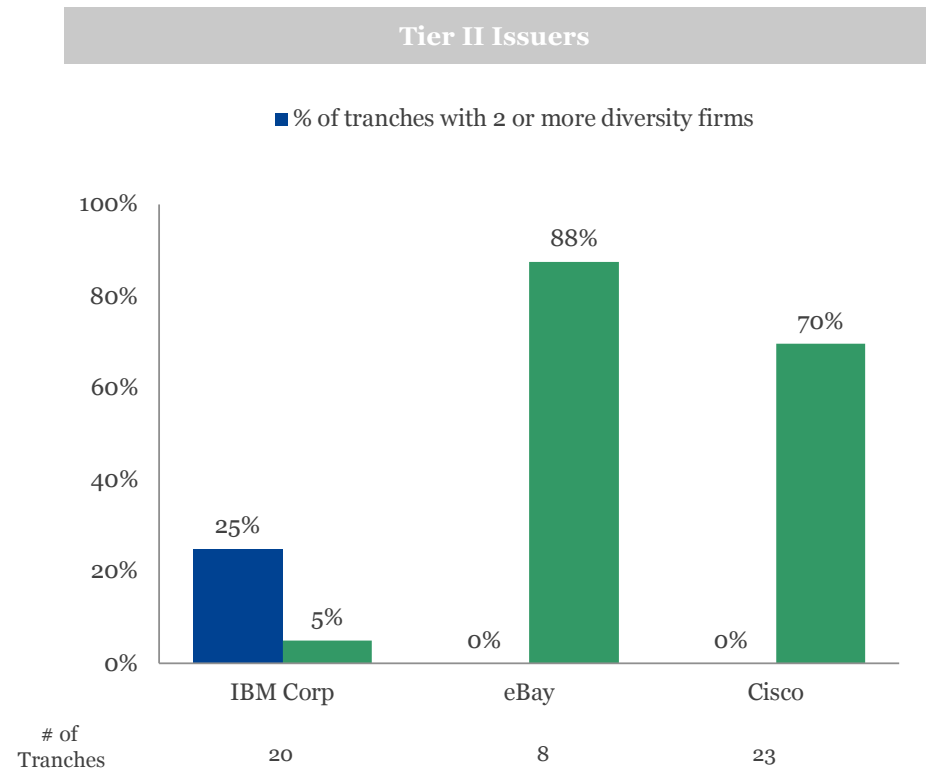
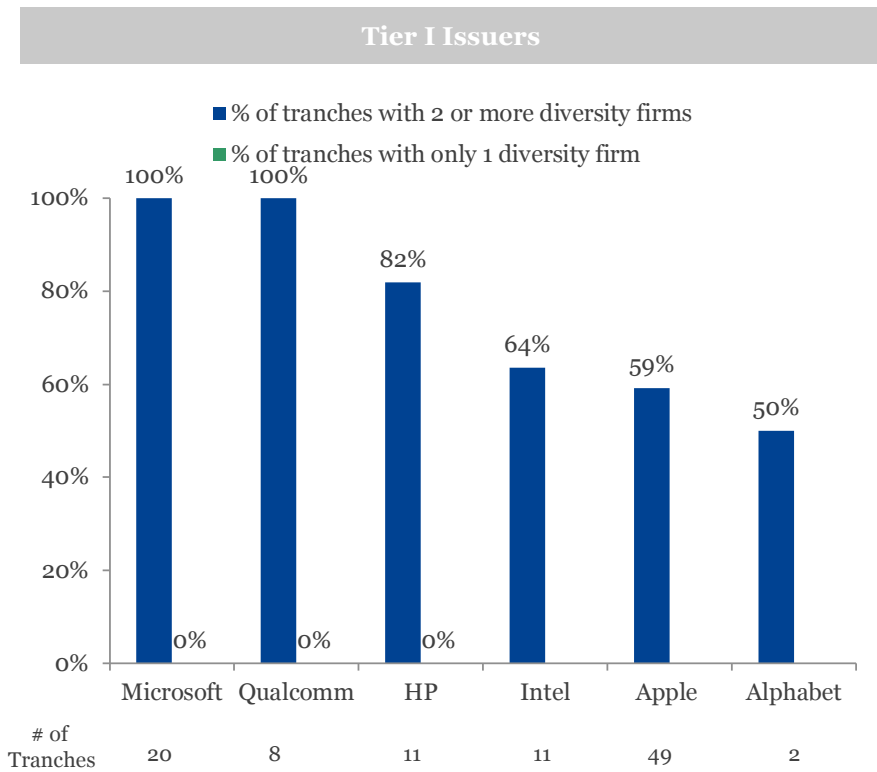
MWDVBE firms have enjoyed success, in varying degrees, with large cap technology new issuance activity

- Larger and more “seasoned” technology issuers have demonstrated, in varying degrees, their willingness to incorporate MWDVBE firms in their underwritings
 - Microsoft has emerged as the preeminent leader in inclusion, having utilized diversity firms on the majority of its offerings
- Certain technology names which had relatively low inclusion rates, historically, have gained meaningful momentum recently:
 - Comparatively, the % of tranches with 2 or more diversity firms for:
 -  **100%** (2014 – 2016) versus **100%** (FY 2017)
 -  **59%** (2014 – 2016) versus **87%** (FY 2017)
 -  **64%** (2014 – 2016) versus **78%** (FY 2017)
- Several names have accessed the capital markets infrequently and as a result have not utilized diversity firms on their new issue tranches
 - Opportunity to articulate diversity firm credentials and capabilities to ensure inclusion in future offerings
- A natural capability extension for diversity firms is to target large corporate share repurchase programs
 - Technology companies have well established share repurchase programs with significant authorized volume levels

Most Inclusive Technology Firms (2014 – 2016)

Tier I issuers include firms with 2 or more diversity firms in 50% or more deal tranches

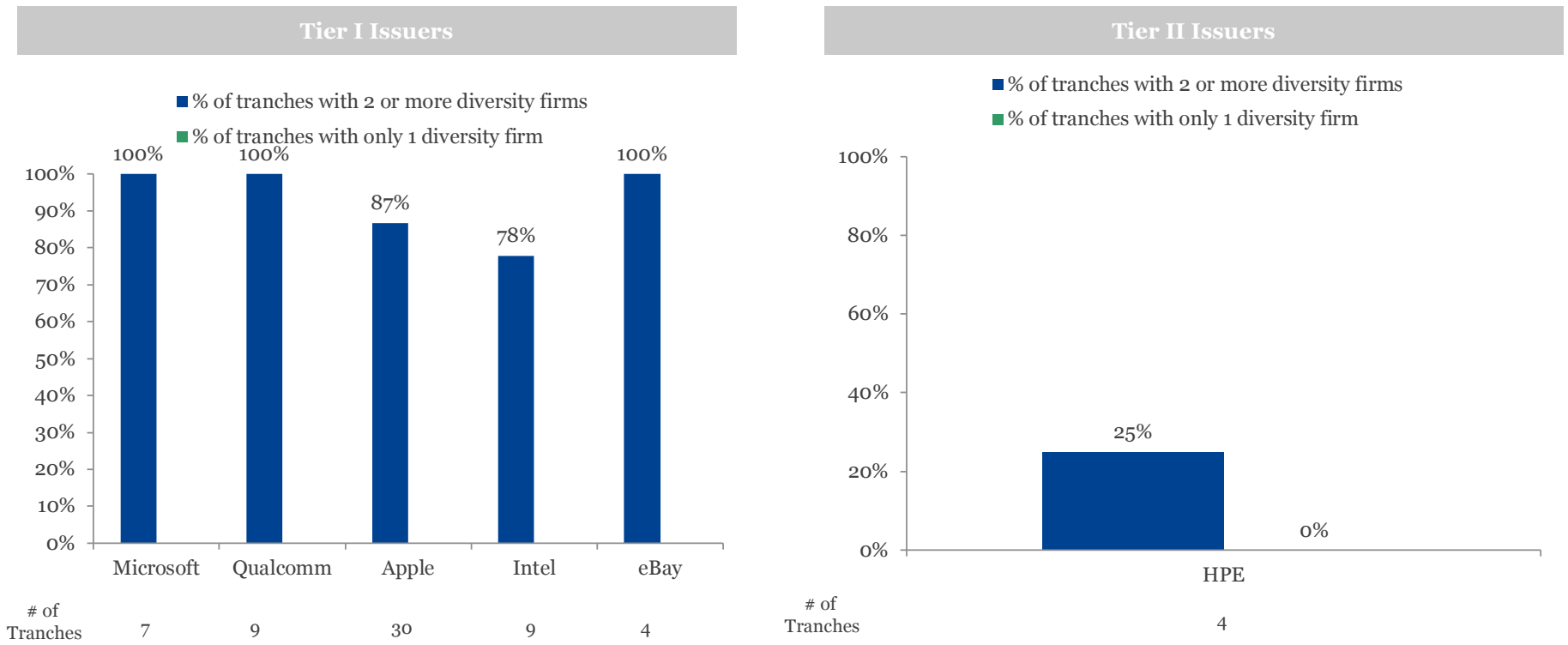
Tier II issuers include firms with 2 or more diversity firms in fewer than 50% of deal tranches



Most Inclusive Technology Firms (FY 2017)

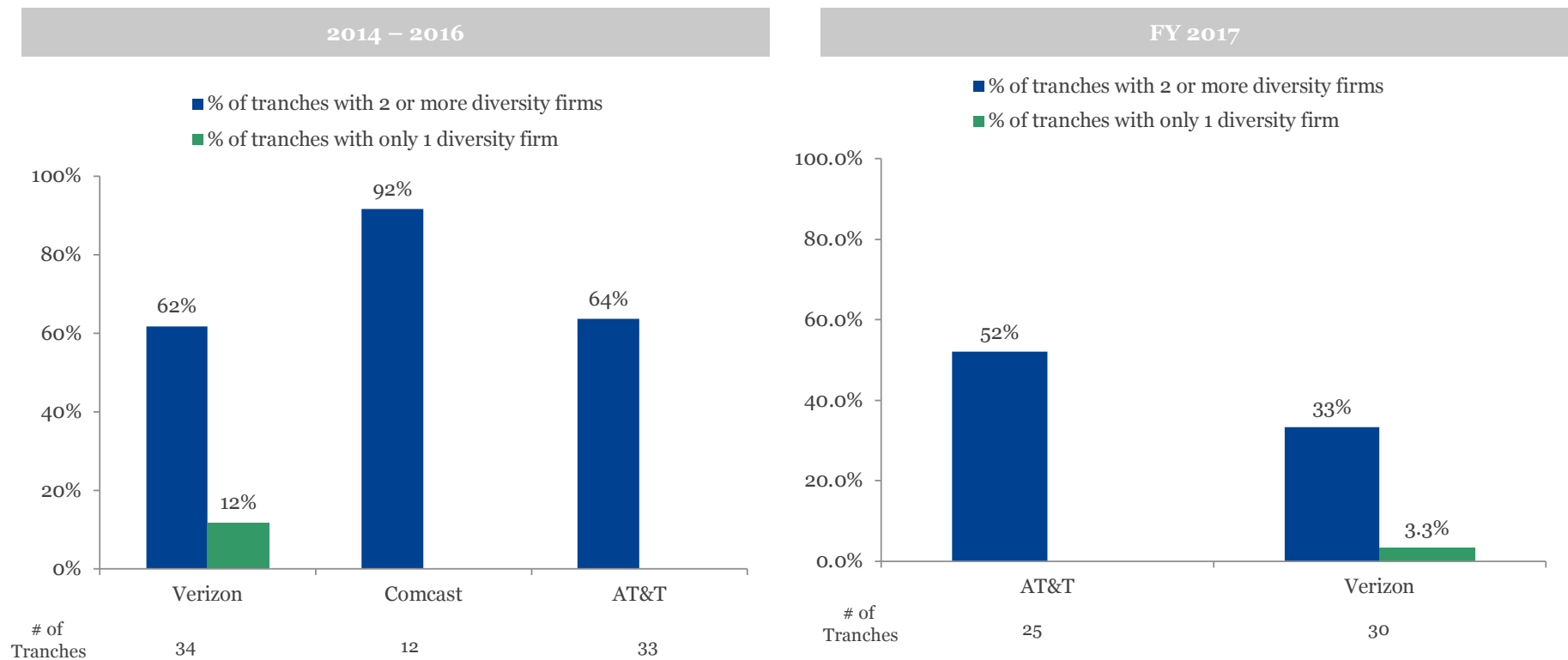
Tier I issuers include firms with 2 or more diversity firms in 50% or more deal tranches

Tier II issuers include firms with 2 or more diversity firms in fewer than 50% of deal tranches



Historically Inclusive Issuers (2014 – 2016 vs FY 2017)

Verizon, Comcast and AT&T have historically been inclusive of minority firms on debt transactions. This history of inclusion dates back to the late 1990's, and each of these companies has continued to do so as of late



Underwriting Analysis (2014 –2016)

Issuer	# of New Issue tranches	% of tranches with 2 or more diversity firms	% of tranches with only 1 diversity firm	# of tranches with 2 or more diversity firms	# of tranches with only 1 diversity firm	Total underwriting fees paid	MWDVBE underwriting fees paid	MWDVBE underwriting fee %
Microsoft	20	100.0%	0.0%	20	0	\$242,000,000	\$9,822,500	4.1%
Verizon	34	61.8%	11.8%	21	4	144,744,840	7,896,980	5.5%
Qualcomm Inc	8	100.0%	0.0%	8	0	39,500,000	1,777,500	4.5%
Hewlett Packard	11	81.8%	0.0%	9	0	7,000,000	405,844	5.8%
Comcast	12	91.7%	0.0%	11	0	57,340,000	2,193,350	3.8%
AT&T	33	63.6%	0.0%	21	0	171,835,852	9,179,887	5.3%
Apple	49	59.2%	6.1%	29	3	120,083,313	3,146,750	2.6%
Intel	11	63.6%	18.2%	7	2	25,622,000	580,400	2.3%
IBM	20	25.0%	5.0%	5	1	40,467,536	513,750	1.3%
eBay	8	0.0%	87.5%	0	7	40,862,500	474,000	1.2%
Cisco	23	0.0%	69.6%	0	16	54,950,000	440,625	0.8%
Intuit	1	0.0%	0.0%	0	0	0	0	-
Oracle	18	0.0%	0.0%	0	0	139,000,000	0	0.0%
Facebook	0	-	-	-	-	-	-	-
Alphabet	2	50.0%	0.0%	1	0	12,500,000	320,000	2.6%
Amazon	5	0.0%	0.0%	0	0	32,875,000	0	0.0%
Broadcom (Avago)	2	0.0%	0.0%	0	0	4,462,500	0	0.0%
LinkedIn	1	0.0%	0.0%	0	0	14,375,000	0	0.0%
SalesForce	0	-	-	-	-	-	-	-
Twitter	2	0.0%	0.0%	0	0	27,000,000	0	0.0%

NOTE: Some fee data unavailable for fields marked "-". Source: Thomson SDC

Underwriting Analysis (FY 2017)

Issuer	# of New Issue tranches	% of tranches with 2 or more diversity firms	% of tranches with only 1 diversity firm	# of tranches with 2 or more diversity firms	# of tranches with only 1 diversity firm	Total underwriting fees paid	MWDVBE underwriting fees paid	MWDVBE underwriting fee %
Microsoft	7	100.0%	0.0%	7	0	\$87,625,000	\$1,752,500	2.0%
Verizon	30	33.3%	3.3%	10	1	94,152,704	5,073,272	5.4%
Qualcomm Inc	9	100.0%	0.0%	9	0	34,250,000	982,975	2.9%
Hewlett Packard	4	25.0%	0.0%	1	0	9,350,000	158,950	1.7%
Comcast	0	-	-	-	-	-	-	-
AT&T	25	52.0%	0.0%	13	0	223,243,911	9,384,760	4.2%
Apple	30	86.7%	0.0%	26	0	51,850,000	2,194,000	4.2%
Intel	9	77.8%	0.0%	7	0	12,975,000	228,700	1.8%
IBM	11	0.0%	0.0%	0	0	10,975,000	0	0.0%
eBay	4	100.0%	0.0%	4	0	9,100,000	273,000	3.0%
Cisco	0	-	-	-	-	-	-	-
Intuit	0	-	-	-	-	-	-	-
Oracle	5	0.0%	0.0%	0	0	29,895,000	0	0.0%
Facebook	0	-	-	-	-	-	-	-
Alphabet	0	-	-	-	-	-	-	-
Amazon	7	0.0%	0.0%	0	0	0	0	-
Broadcom (Avago)	0	-	-	-	-	-	-	-
LinkedIn	0	-	-	-	-	-	-	-
SalesForce	0	-	-	-	-	-	-	-
Twitter	0	-	-	-	-	-	-	-

NOTE: Some fee data unavailable for fields marked "-". Source: Thomson SDC

Share Repurchase Analysis

Issuer	Total Share Repurchase Amount (\$mm)	Open Market Share Repurchase (\$mm)	ASR Repurchase Amount (\$mm)	Total Shares Repurchased	Shares Repurchased (Open Market)	Shares Repurchased (ASR)	Open Market Share Repurchase Commissions ¹	Program Type
Apple, Inc.	35,397	20,397	15,000	246	142	104	2,130,587	Open Market & Accelerated
Microsoft Corp	8,333	8,333	0	129	129	0	1,934,714	Open Market
Oracle Corp ⁽²⁾	3,992	2,795	1,198	87	61	26	915,600	Open Market & Accelerated
Qualcomm Inc	1,342	1,342	0	23	23	0	341,880	Open Market & Accelerated
Cisco ⁽²⁾	6,225	4,357	1,867	198	139	59	2,079,000	Open Market & Accelerated
Verizon Communications Inc	0	0	0	0	0	0	0	Open Market
IBM Corp	4,531	0	4,531	28	0	28	0	Accelerated
Hewlett Packard Co/HP Enterprise	2,623	2,623	0	139	139	0	2,090,025	Open Market & Accelerated
Comcast ⁽²⁾	5,058	3,541	1,517	137	96	41	1,440,801	Open Market
Intel Corp	4,141	4,141	0	116	116	0	1,744,500	Open Market
Intuit Inc	1,008	1,008	0	8	8	0	121,869	Open Market
eBay Inc ⁽²⁾	2,764	1,935	829	85	60	26	893,182	Open Market & Accelerated
Alphabet	2,746	2,746	0	3	3	0	46,875	Open Market
Broadcom (Avgo)	0	0	0	0	0	0	0	Open Market & Accelerated
AT&T Inc	530	530	0	16	16	0	236,777	Open Market
Facebook Inc	1,038	1,038	0	7	7	0	103,860	Open Market
Amazon	0	0	0	0	0	0	0	Open Market & Accelerated
LinkedIn Corp	0	0	0	0	0	0	0	Open Market
SalesForce.com Inc	0	0	0	0	0	0	51	Open Market & Accelerated
Twitter Inc	0	0	0	0	0	0	0	None

NOTE:

Reflective of each issuer's most recent 4 quarters as of January 24, 2018

1) Commissions are hypothetically based on a \$0.015 commission per share repurchased.

2) If ASR volume isn't publicly disclosed, it is assumed to be 30% of total repurchase amount

Source: FactSet