



June 7, 2020

Memorandum for: Pt Capital and affiliates

Re: Racial Injustice

Systemic racism formed my mother. She was born and raised on the Seward Peninsula, spending her youngest years in Nome. It was the late 1940s and 50s. Alaska Natives, Inupiaq, were not allowed to speak their Native language, forced to leave their home for boarding schools, many sexually abused by clergy of a tolerant and permissive Catholic Church. These were the 'big' things young Mildred Kotongen had to deal with; then there were the 'small' things like "No dogs, No natives" at the local movie theater. Alaska Natives from her generation know systemic racism and understand all too well how difficult it can be to 'make it' in Western society.

Pt Capital was formed by the son of Mildred Short. She persevered through some of the most difficult times in an era when her people went from living a nomadic subsistence lifestyle, to one where societal class is defined by education and money. But her struggle is not one of futility. Instead it is a story of sacrifice and love. She gave everything of herself to her children to provide them a chance to be better off. She recognized that education was important and pushed all her children to go to college, to be honorable and respectful members of society, and to hold ourselves with grace and strength in the face of tremendous strife.

I've reflected on what this last week and half has meant for my family, co-workers, shareholders, and investors. Racism in America today is subtle but systemic; punctuated by shocking and horrific overt events like the murders of George Floyd and Ahmaud Arbery, that serve to expose the pervasiveness of an unjust paradigm. These events awaken the feelings of generations of Black, Indigenous, and People of Color (BIPOC) that have been made to feel less than others of privilege in the United States. The pain that derives from generations of a knee on your mother's, father's, grandmother's neck turns to anger because – what else do you have?

Our country today is torn. On one side there is law and order and a perceived meritocracy that rewards those that can make it; on the other side are folks that are fed up with the system and are tired of how it is rigged against them. We must create another path where we bridge the division and define a new set of norms and values that move us forward from hate and anger, to trust and cooperation. I don't know what that looks like, but until those in power understand the generational pain and suffering that underpins the worldview of BIPOC Americans, we cannot move forward to a new paradigm of enlightenment.

I am sensitive to the criticism that many corporations have responded with empty words and promises. With that in mind, Pt Capital will commit to publishing a comprehensive strategy to accomplish the following goals: increase initiatives in our companies for career opportunities and executive development for BIPOC individuals; to develop investment strategies and operating plans that go beyond financial return and provide societal benefits to make communities healthier; and to participate and lead in an effort for better corporate citizenship in the financial services industry. Our commitment will be measurable and transparent, and we will hold ourselves accountable to the goals and metrics. This pain we are feeling must create the change we need to be better.

Hugh Short