Invest Differently - The Women Effect
Investing with a gender lens
Hedda Pahlson-Moller
Social Impact Investor

Kaspar Wansleben
Executive Director of LMDF
• From entrepreneurship to impact

• Discovering LMDF – a social impact fund with venture philanthropy principles

• From gender blind to gender positive

“It’s official: women on boards boost business”
*World Economic Forum from World Economic Forum*

More CEOs of companies called ‘David’ or ‘John’ than women
*New York Times*
Suzanne Biegel
Catalyst at Large
ABOUT ME

• Past Tech Entrepreneur
• Individual Philanthropist / Impact Investor
• Women Effect
• Confluence Philanthropy
• Women Donors Network (WDN)
• Ariadne Network
• EVPA Gender Lens Working Group
• Clearly Social Angels
• Toniic / 100% Impact
• SPRING Accelerator
• Criterion Institute
SOME “LENSES” OF “GENDER LENS” INVESTING…

- OFFERING PRODUCTS & SERVICES POSITIVELY IMPACTING WOMEN & GIRLS
- WORKING TO DISMANTLE STRUCTURAL GENDER INEQUALITY
- ADDRESSING URGENT HUMAN RIGHTS OR SOCIAL JUSTICE ISSUES
- RUN BY WOMEN ENTREPRENEURS
- DEMONSTRATING GENDER EQUALITY/PARITY
- OFFERING PRODUCTS & SERVICES POSITIVELY IMPACTING WOMEN & GIRLS
AND
Opportunity to achieve impact by seeing gender as a factor of analysis across all asset classes
Investing in women and girls leads to positive returns for investors and better social and economic outcomes for everyone.

Valuing women and girls when deploying or managing capital is called the women effect.

A growing number of investors with diverse cultural, geographic and investment perspectives have come to realise the women effect.

INTRODUCING WOMEN EFFECT

CONNECT

COLLABORATE

LEARN

WOMENEFFECT.COM
A dedicated GLOBAL network for investors from all asset classes which makes it easier to invest in women and girls in a strategic way.

**COLLABORATING**

Help investors articulate their principles and areas of focus, get input on new vehicles, and move forward on investment R&D projects of shared interest.

**FACILITATING LEARNING**

Sharing learning to build each other’s capacity to increase impact.

**CONNECTING**

Connecting co-investors, co-funders, expertise, and deal flow.
We believe that investing in women and girls is smart. It leads to positive returns for investors and better social and economic outcomes for everyone. This is the women effect.
Women led private tech companies see 35% more in ROI and 12% increases in revenue with 33% less capital (Kauffman Foundation).

Public companies with a higher proportion of women leaders enjoy 46% higher ROE and 51% higher EBIT margin (McKinsey and Company).

Companies with greater board diversity display excess stock market returns when adjusted for sector bias. They exhibit higher returns on equity, higher valuations & higher payout ratio. (Credit Suisse)

Public companies with a higher proportion of women leaders enjoy 46% higher ROE and 51% higher EBIT margin (McKinsey and Company).
POSITIVE POTENTIAL FOR WOMEN EFFECT

- 70% of the world’s poor are women (Global Poverty Project) yet a billion women are poised to enter the work force (Strategy).
- Increases in girls' education result in a decrease in both human and fiscal costs associated with challenges such as domestic violence and HIV (BasicEd).
- With every increase of 10% in girls going to school, a country’s individual GDP rises by 3% (Global Poverty Project).
- Achieving gender equality could add 12 trillion to the world GDP (McKinsey).
- Gender gaps in labor forces decrease GDP for both rich and poor countries (Goldman Sachs).
- Potential for positive returns for investors.
UPGRADING INVESTMENT APPROACH, DUE DILIGENCE, and MANAGEMENT OF INVESTMENTS, WITH A GENDER LENS

Establish Criteria
Search
Screen
Select
Diligence
Structure
Negotiate
Govern
Report
You might look at:

Number of women in …
Patterns of compensation…
Non traditional gendered roles…
Upward mobility and/or retention rates…
Customer data …

But it will vary by:

CONTEXT

SECTOR

GEOGRAPHY
Who should have a seat at the table in investing with a gender lens?

- NGOS
- INDIVIDUAL INVESTORS
- FOUNDATIONS
- PHILANTHROPISTS
- WOMEN'S FUNDS
- ADVISORY COMMUNITY
- DFI's
- PUBLIC SECTOR
- BANKS
- INDIVIDUAL INVESTORS
Wider spectrum of asset classes and capital needs for different kinds of businesses and organisations that can take different kinds of capital with a gender lens.

<table>
<thead>
<tr>
<th>Type of Finance</th>
<th>Sources of Finance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Microfinance/Inclusive Finance</td>
<td>Funds, MFIs (and their investors)</td>
</tr>
<tr>
<td>Larger Loans/Quasi Equity for “Normal” Growth Companies/Enterprises/Social Purpose Orgs</td>
<td>Banks, Peer to Peer Lending, Angels, Foundations/Trusts, Funds</td>
</tr>
<tr>
<td>Seed Capital for Ambitious SGBs (Grants, debt, equity, quasi equity)</td>
<td>Foundations, Angels, Incubator/Accelerator MicroVC Funds, Corporates, Crowdfunding</td>
</tr>
<tr>
<td>Scale Up Capital for Ambitious SGBs (Equity, debt)</td>
<td>Foundations, Family Offices, Angels, VCs, Other Funds, Corporates, DFIs</td>
</tr>
<tr>
<td>Growth, Mezzanine, PE and Public Equity Capital for Growth/Mature Businesses</td>
<td>VC, PE, Banks, DFIs, Family Offices, Corporates, Holding Companies, Public Markets, Pension Funds</td>
</tr>
</tbody>
</table>
STRATEGIES - PUBLIC EQUITIES

BMO

ROBECOSAM
We are Sustainability Investing.

ellevate
Invest in Women

U.S. TRUST
Bank of America Private Wealth Management

EQUILEAP
(in development)

Morgan Stanley
Parity Portfolio

UBS
Gender Lens Investing Strategy

SHE (new ETF)

BARCLAYS
Women in Leadership Exchange Traded Notes
FACTORS OF ANALYSIS - PUBLIC EQUITIES

- Women on boards / board diversity / senior management
- Parental / flexible work policies
- Pay gap
- Human rights impact assessments / supply chain
- Sexual orientation / discrimination
New Types of Players/Vehicles

A Wider Universe of Possibilities

- Holding Company Structures
- Crowdfunding Sites
- "Curated" Angel Offerings and Angel Syndicates
- Collaborative "Angel" Funds (like Rising Tide!)
- Development Impact Bonds & Social Impact Bonds
- Layered/Integrated Capital Funds
- New Types of VCs
- Peer to Peer Lending
- MicroVC Funds & Incubator/Accelerator Funds
- Matching Funds
- Sector-Specific Community Investment Funds
- Peer to Peer Lending
- Holding Company Structures
GLOBAL NORTH & GLOBAL SOUTH CONTEXTS & GENDER LENS INVESTING

- How do we source deal-flow with a positive women effect?
- How do we find investment offerings with a positive women effect?
- How do we mobilise capital with a positive women effect?
- What else is needed beyond financial capital?
- How do we know what is strategic, impactful?
EXAMPLES OF FUNDS THAT USE A GENDER LENS

- goodwill
- Grassroots Business Fund
- TrueWealth Ventures
- Safer Made
- Quona Capital
- Illuminate Ventures
- Belle Capital USA
- Impact America Fund
- sankhya
- Hivos
- Triodos Bank
- DBL Investors
- Aspect Ventures
- GameChanger Films
- acumen Fund
- Ankur Capital
- Merian Ventures
- Makeda Capital, LLC
- Reinventure Capital
- Texas Women Ventures
- Rising Tide
- The Next Women Crowd Fund
- Better Ventures
- Women’s World Banking
- Karmijn Kapitaal
Figure 4: Business Life Cycle Analysis – Constraints faced by women-owned SMEs

V Axis: Life Cycle
Y Axis: Barriers

- Financial Barriers
- Non Financial Barriers
PHILANTHROPIC STRATEGIES

Grants to social enterprises/charities/impact businesses
- To get them through R&D, pilot stage
- To fund their impact measurement work
- To fund their participation with incubators/accelerators/advisers
- To fund their participation in conferences, events, training on capital raising

Grants to intermediaries
- Incubators/accelerators
- Research
- Advisory work for orgs you want to help
- Research on sourcing ventures to invest in
- Fund a competition, awards

Grants to gender lens investing market formation

Grants to organisations that then invest on
Accelerators and Incubators ... like this one...

SPRING IS A PIONEERING ACCELERATOR THAT SUPPORTS BUSINESSES WHOSE PRODUCTS AND SERVICES COULD TRANSFORM THE LIVES OF ADOLESCENT GIRLS

MEET OUR 2019 SPRING PARTICIPANTS
ASK YOURSELF:

- What role do you want to play in helping to move capital with a gender lens, or a much broader set of gender lenses?
- How can you move your private / institutional funds or even corporate venture capital? What is the role you can play?
- Where can your philanthropy/grants play a role?
- Where can public sector capital / development finance play a role?
Panel discussion

Sarah Khabirpour
Director, LINK Management
Extended Board Member
Strategy, Regulatory Affairs & MarCom, BIL

Aude Lemogne
Director, LINK Management

Claudine Lorang
Extended Board Member
Foundation Fuse

Sarah Khabirpour
Strategy, Regulatory Affairs & MarCom, BIL

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Claudine Lorang
Extended Board Member
Foundation Fuse
Percentage of Women in Government

23%
Only 4 out of 17 members of the government are female

Percentage of Higher Education Graduates

52%
Aged between 30-34

Percentage of working women in Luxembourg

64%
Of female between 20 and 64 were employed in 2012

Decision Making in Luxembourg

11%
Of women on boards of listed companies

Wage Gap between Genders

24%
Less pay on the salary than man globally

Percentage of management positions

25%
In the public service

Percentage of Women

64%
Of female between 20 and 64 were employed in 2012
So what can we do?

- Awareness of unconscious bias
- Open discussion
- Gender lens & gender POSITIVE
  - As employer
  - As investors
- Education/Parenting
- Engagement
- Associations and programs in Luxembourg and beyond
Luxembourg Microfinance and Development Fund

#InvestDifferently

www.lmdf.lu