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VOICES Gender Lens Investing Builds Traction, Says Glenmede's LaRosa



Gender lens investing — which focuses on women's access to capital, workforce equality and products and services for women — is gaining traction with wealthy investors, according to Laura LaRosa, director of client development at Glenmede, the \$37 billion Philadelphia asset manager which focuses on high net worth individuals and institutions.

Assets tied to more than 20 gender-focused investment funds and ETFs have climbed to around \$700 million this year up from about \$100 million in 2014, according to data tracked by Veris Wealth. Those figures are set to grow as academic research continues to show companies with women in leadership positions tend to outperform, according to LaRosa.

She spoke to Emily Chasan on Sept. 27. Comments have been edited and condensed.

Where are you seeing demand for gender lens strategies?

Gender lens investing is one of our most discussed impact investment areas. We're seeing a lot of demand from successful women. They've seen firsthand how leadership can play a role in making companies successful.

You also see a lot of interest from that rising generation. We've been working to make sure we're pairing those clients with appropriately-aged advisers and also that we're opening up a conversation with their parents about doing good things with their wealth. It's fascinating because parents are really looking to have this conversation and once that rising generation gets the opportunity to invest their own capital you're going to see even stronger interest.

Do investors think of these gender-focused strategies as risky?

That's a key issue. Companies with women on boards or a large percentage of women in management tend to have

really good financial results. That gets people interested in investing in the space, and the more people invest in these companies, the better those companies do.

But there's a mindset change that needs to occur to get investors over the hump. It takes being really committed to talking about the strategy in a logical way, focused on the returns and the data behind it to make the case.

There's been a lot of focus lately on female entrepreneurs struggling to attract VC funding. Are there enough opportunities to invest in women out there?

Like everything else, when it's not mainstream, people can have more trepidation. Investors worry about being the first one in to a new strategy. They don't want to put money in this because they haven't seen this entrepreneur be successful before and don't know if there's enough interest. The focus on having a track record is a problem.

VCs always want to know how many of these deals an investor has done. They want an entrepreneur to have over \$25 million to be credible. If you only have \$1 million they say to come back when you have \$20 million. That doesn't work for investing in women. It creates a chicken and egg problem, of "I don't want to do this unless somebody else is." These opportunities are new, but incredibly important and will do well.

Where do you see demand growing for gender lens allocations in the future?

Endowments. If you are the president of an all-women school, like the Seven Sisters colleges, I don't know why you wouldn't want to invest in strategies focused on women. To me it's a natural fit. Right now, schools are nervous to be the first one, but once they get going there will be a domino effect and they'll all go.

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