



Case Studies

Fund Managers Advancing Gender Equality *in* Private Equity *and* Venture Capital

Lessons learned from
IFC's Invest2Equal Program

About IFC

IFC—a member of the World Bank Group—is the largest global development institution focused on the private sector in emerging markets. We work in more than 100 countries, using our capital, expertise, and influence to create markets and opportunities in developing countries. In fiscal year 2024, IFC committed a record \$55.9 billion to private companies and financial institutions in developing countries, leveraging the power of the private sector to end extreme poverty and boost shared prosperity as economies grapple with the impacts of global compounding crises. For more information, visit www.ifc.org

About We-Fi

The Women Entrepreneurs Finance Initiative (We-Fi) is a collaborative partnership among the 14 governments that have made financial contributions, six multilateral development banks that serve as implementing partners, and other public and private stakeholders. We-Fi was formally established in October 2017 as a Financial Intermediary Fund hosted by the World Bank. We-Fi invests in programs and projects that help unlock billions of dollars in financing to address the full range of barriers facing women entrepreneurs—increasing access to finance, markets, technology, and mentoring, while strengthening policy, legal and regulatory frameworks. As one of the We-Fi Implementing Partners, IFC supports private sector clients with investment and advisory services to expand financial services and market access for women-owned/led firms, as well as increasing the capacity of women entrepreneurs to run high-growth businesses. For more information, visit www.we-fi.org.

Contents

1	Return on Investment: Fund Managers Making Gains through Gender Equality
2	Fund Managers Participating in Invest2Equal
3	Horizon Capital: Enabling Investees to Achieve Gender Equity in the C-Suite
5	AC Ventures: Backing Women as Investors and Women-led Portfolio Companies
7	Navis Capital Partners: Looking Within to Strengthen Diversity
9	Mediterra Capital: Helping Investees Tackle Harassment & Discrimination
11	India Alternatives: Empowering Women as Business Leaders and Consumers
13	Summary of Recommendations
15	Acknowledgments
16	References & Endnotes

Return on Investment: Fund Managers Making Gains through Gender Equality

Across the world, private equity and venture capital fund managers are reaping business benefits by investing in gender equality—both within their own teams and across their portfolios.

Research by the International Finance Corporation (IFC) revealed that returns are up to 20 percent higher for fund managers with gender-balanced investment teams in which women hold 30 to 70 percent of leadership roles.¹ It also found valuations are 25 percent greater for portfolio companies with gender-balanced leadership compared to those without. Moreover, when McKinsey & Company examined otherwise comparable private equity firms, it found limited partners were willing to allocate twice as much capital to those with greater gender diversity.² Institutional investors are also placing greater focus on diversity, equity, and inclusion when assessing portfolio companies.

Despite strong and growing evidence that gender diversity correlates with higher returns, lower risks, and greater impact, serious gender gaps remain. In emerging markets, women hold only 11 percent of senior investment positions in private equity and venture capital firms, while just 7 percent of female entrepreneurs receive equity investment capital.³

Invest2Equal Program

Spurred on by these challenges and opportunities, IFC created Invest2Equal in partnership with the Women Entrepreneurs Finance Initiative (We-Fi). This program brought together 16 IFC portfolio fund managers operating in emerging markets. These fund managers made specific, measurable, and time-bound commitments to advance gender equality within their firms and to apply a gender focus to their investment processes. See An Overview of Gender-lens Investing Box for an overview of gender-lens investing.

During the 18-month program, the fund managers examined topics relevant to gender-lens investing, such as hiring, retention, and promotion practices that elevate female talent, how to create respectful workplaces that proactively address sexual harassment, and ways to measure and report portfolio impact. These learning sessions were supported by gender specialists, investment

An Overview of Gender-lens Investing



Gender-lens investing is an investment strategy that seeks to intentionally and measurably use capital to address gender disparities between women and men, and to better inform investment decisions. Fund managers can apply a gender-lens to their portfolio by investing in companies with:

1. Women represented at leadership levels.
2. Gender-diverse and equitable workplaces.
3. Inclusive value chains.
4. Products or services that consider the unique needs of women consumers.
5. Operations that do no harm to women in the community.
6. Fund managers can also commit to gender diversity in their own workforce and investment teams.

According to [2X Global and Sagana](#), the value of the gender-lens investing market is at least \$7.9 billion. Of funds engaged in gender-lens investing, 78 percent report that this made them more attractive to limited partners. The benefits go beyond balance sheets, with mounting evidence that women's equal participation in the private sector as leaders, entrepreneurs, workers, consumers, and community members leads to improved environmental, social, and governance performance too.

Source: IFC & BII. 2020. *Private Equity and Value Creation: A Fund Manager's Guide to Gender-smart Investing*.

professionals, and speakers from leading gender-lens investing industry stakeholders, such as 2X Global, Value for Women, the EDGE Certification Foundation, and UN Women. Fund managers also received one-on-one mentoring, coaching sessions, policy reviews, and training.

This collection of case studies profiles five Invest2Equal fund managers, and their strategies, lessons learned, and recommendations to advance gender equality. Stakeholders across the private equity and venture capital ecosystem are encouraged to draw from these examples to shape and implement their own gender diversity strategies, ultimately enhancing returns, mitigating risks, and amplifying development impact.

Fund Managers Participating in Invest2Equal

The 16 fund managers that participated in the Invest2Equal program represent a diverse group of emerging market private equity and venture capital firms from IFC's portfolio, with varied investment strategies and geographic focus. Collectively, they manage over \$18 billion in assets, reflecting the influence they wield in their markets.

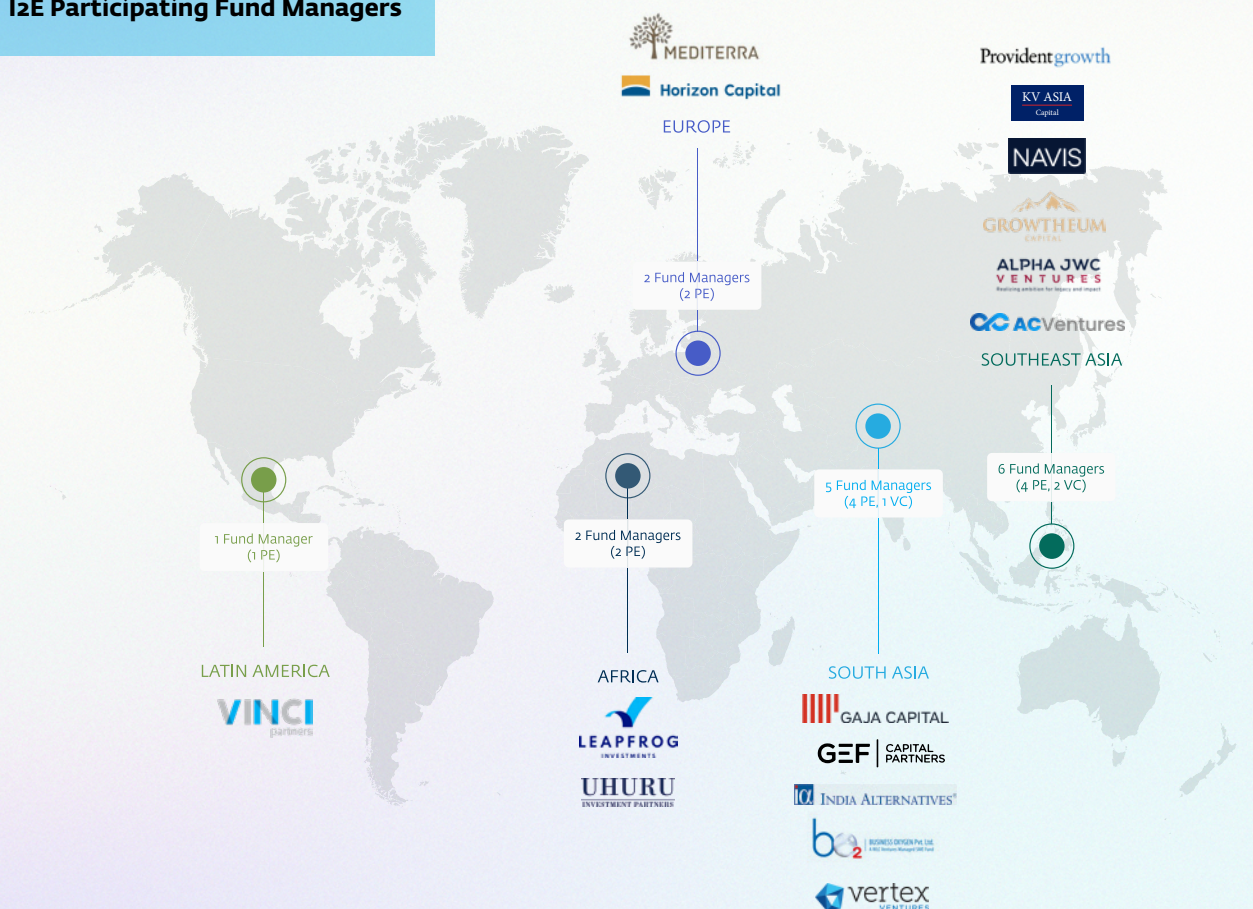
When they joined the Invest2Equal program, some of these fund managers had already made progress in integrating a gender focus into their operations, while others were starting out. By the end of the program, these fund managers made 62 commitments to advance gender equality.

At the firm level, 10 fund managers had set specific targets for women's representation within their firm and in leadership positions, while eight were committed to gender-balanced recruitment practices.

Twelve fund managers had implemented non-discrimination and anti-sexual harassment policies, and 10 introduced parental leave policies. Nine fund managers adopted flexible work arrangements and six created partnerships with organizations like 2X Global to further gender equality goals. Thirteen fund managers conducted training and other activities to raise internal awareness of gender-lens investing.

At the portfolio level, 11 fund managers directly invested in women-led enterprises and incorporated gender considerations into their investment screening procedures. Nine fund managers had set targets for women's representation within portfolio companies, and eight aimed to increase women in leadership roles in their investees. Eleven fund managers helped their investees to establish policies against discrimination and sexual harassment, and three fund managers supported their portfolio companies to implement parental leave and flexible work policies. One fund manager developed financial products for women-owned small and medium enterprises, while five took other actions, such as improving gender data reporting.

I2E Participating Fund Managers





Fund signing ceremony at the administration of the President of Ukraine ©Horizon Capital, 2024

Horizon Capital: Enabling Investees to Achieve Gender Equity in the C-Suite



Recognizing that gender diversity delivers stronger returns and greater impact, Horizon Capital helps its investees build high-performance teams capable of navigating a constantly evolving business landscape.

Horizon Capital is a private equity firm providing growth capital to entrepreneurs in Ukraine and Moldova. It has over three decades of experience managing more than \$1.6 billion in assets and an investor base of more than 40 institutional investors in the United States, Asia, and Europe.

“As a firm, we systematically track and report on diversity and inclusion metrics, thereby driving greater diversity within our portfolio,” said Human Resources Director and Head of People Advisory, Olga Kovalchuk. “We also require portfolio companies to submit quarterly workforce representation reports detailing

women’s representation on the board, in the C-Suite, and in middle management.”

Horizon’s strategy to advance gender diversity includes the creation of a specialized ‘People Advisory’ team to support investees with executive searches and leadership development. From 2020-2023, the team helped companies hire 47 executives, and 50 percent of these hires were women.

The team starts with a deep dive to understand each company’s needs, strengths, challenges, and business environment. It supports investees to build a pipeline

of diverse candidates, including through initiatives that enable women in junior and middle management prepare for senior roles.

The team also helps investees to create a diverse hiring panel, a targeted hiring matrix, and an inclusive search process. It follows this up with executive coaching and support to ensure a smooth transition, especially for first-time female leaders in executive positions.

In addition to working closely with Horizon Capital's Investment Team, members of the People Advisory team serve as brand ambassadors and advocates in the wider recruitment and business community.

"The People Advisory team has become an integral part of the value-add services that Horizon Capital provides to visionary founders, partnering together to attract top talent to the fast-growing, innovative businesses that we back," said Horizon Capital's founding partner and Chief Executive Officer, Lenna Koszarny.

Horizon Capital says participating in the Invest2Equal program provided new opportunities for the firm to strengthen gender equity in its own operations. As part of this commitment, the firm has strengthened grievance mechanisms and implemented more robust policies and procedures to foster a respectful, collaborative workplace environment.

The firm has applied a gender lens to its \$350 million Horizon Capital Growth Fund IV and set commitments for women-owned or led businesses to make up at least 25 percent of the fund's portfolio companies, while also striving for gender parity in the C-suite across its investees.

Horizon Capital's Top Tips for Fund Managers Accelerating Gender Equity



01

Integrate a gender lens from the top down and build teams with a diverse mix of skills, identities, and lived experiences to attract diverse employees, consumers, and investors, and enhance business decisions, products, and performance.



02

Employ an unbiased search strategy, aim for shortlists with at least 30 percent female representation, and provide integration support post-hire.



03

Develop initiatives that equip women for senior roles and leverage your network of executives, mentors, coaches, and female founders to act as role models and foster inclusion.



04

Partner with experts, such as global executive search firms, to enhance your firm's gender inclusion practices, strengthen your portfolio, and foster diverse leadership and business growth in your region.



Helen Wong, Managing Partner at AC Ventures ©ACV, 2023

AC Ventures: Backing Women as Investors and Women-led Portfolio Companies



For Indonesia-based AC Ventures, supporting women-owned businesses and women as investors is not only the right thing to do, it makes good business sense as well.

Micro, small, and medium-sized enterprises account for 99 percent of all businesses in Indonesia and generate over 60 percent of the country's gross domestic product.⁴ Recognizing that more than half of these companies are owned by women, AC Ventures adopted a strategic focus on female tech founders and other high-potential women entrepreneurs.

Leveraging an initial investment from IFC in 2022 and learnings from the Invest2Equal program, AC Ventures built a portfolio in which 40 percent of investees are owned and founded by women. It used a range

of gender-lens investing strategies to achieve this, including incorporating diversity factors into its due diligence processes and ensuring potential investees have women in leadership positions.

AC Ventures hosts workshops for portfolio companies on the benefits of gender diversity. It also provides investees with support to develop gender action plans or roadmaps containing time-bound targets, outputs, responsibilities, and budget and resource requirements to implement and measure progress.

“Investing in women-led businesses not only promotes gender balance, it is also economically astute,” said Helen Wong, Managing Partner at AC Ventures. “We do this through our investments, and we also promote gender diversity within our firm as well.”

Women make up 50 percent of senior leaders at AC Ventures and they hold 65 percent of positions at the firm overall. This stands in stark contrast to most fund managers, with an IFC report finding nearly 70 percent of investment teams in emerging markets consist solely of men, while men in investing roles are 50 percent more likely than women to be promoted.⁵

AC Ventures said developing indicators and setting clear targets on women’s representation in its own workforce has been key to its success.

“By leveraging gender diversity as a differentiator, we have secured a competitive advantage,” said Wong. “We have been able to attract more capital and strengthen our access to top female founders.”

Fund managers can introduce gender criteria across the talent management pipeline to improve recruitment, retention, and growth, without compromising candidate quality. The [2X criteria](#) offer useful guidance and benchmarks in this regard.⁶ Leadership and sponsorship training also supports the recruitment and retention of female talent.

By fostering an inclusive environment for women to thrive within the firm and intentionally targeting women-led enterprises in their portfolio, AC Ventures is supporting female economic empowerment in Indonesia, while also achieving sustainable growth and returns for its investors.

AC Ventures' Top Tips for Fund Managers Accelerating Gender Equity



01

Set quantifiable targets for gender representation at different levels within your own firm and within portfolio companies. For example, AC Ventures set a goal for women to make up 50 percent of its investment team, which provided a clear benchmark for measuring progress.



02

Ensure investment teams and portfolio companies engage in ongoing training in gender-lens investing and regularly benchmark their performance against industry standards.



03

Use sex-disaggregated data throughout the deal process to identify gender gaps, inform decisions, and promote gender equality. This could involve tracking the percentage of women in leadership roles or the number of women-led businesses within portfolio companies.



Annual CFO Conference ©Navis Capital Partners, 2024

Navis Capital Partners: Looking Within to Strengthen Diversity



When it comes to gender diversity and inclusion, Navis Capital Partners is committed to putting words into action—including within the firm itself.

Founded in 1998, Navis Capital Partners is a private equity firm specializing in buyouts and recapitalizations in Southeast Asia. It has a network of over 40 institutional investors from across the globe, including in the United States, Asia, and Europe, and a portfolio of investees that collectively employ over 40,000 people.

The firm manages approximately \$5 billion in equity capital, and it knows that applying a gender lens to investments leads to greater returns, bigger impact, and lower risks. So, it made good sense to apply the same approach to its own workplace by proactively

addressing unconscious bias against women and refining its human resources policies to better serve all employees.

As a first step, its team of over 100 professionals from 15 different countries received training to raise awareness of implicit biases against women in the workplace and to mitigate their impact.

"This reflects our commitment to creating a culture of inclusivity where all individual's contributions are valued," said Partner Tabongkod Peunchob. "As a

result, our work environment is more productive and innovative.”

Leveraging learnings from the Invest2Equal program, the firm sought out resources and expert guidance on best practices that would make its human resources and diversity, equity, and inclusion (DEI) policies more comprehensive and easier to put into practice.

It added measures to address structural inequities, such as providing reasonable accommodations to support employees with family responsibilities at different life stages. It also developed anti-bullying and harassment policies and consulted experts for advice to strengthen grievance mechanisms.

“Applying a gender lens to our human resources management processes, including instituting some flexibility in our way of working and having family-friendly policies, helps us retain and attract top talent in a very competitive sector, and wherever possible, we encourage the application of similar ideas in our portfolio companies.” said Cheryl Chow, Director of Portfolio Operations (Human Capital).

Navis Capital Partners mainstreamed these principles beyond human resources management into areas such as strategy and governance, and in late 2023, it used best practices from the Invest2Equal program to launch a DEI onboarding session for a pilot group of portfolio companies.

Within six months, the selected companies reported positive change, including implementing DEI policies, appointing sponsors and champions to continuously drive progress, and regular tracking of sex-disaggregated data, such as women’s representation at senior management and departmental levels.

The firm says it is committed to making diversity, equity, and inclusion central to talent management in its own operations and in its portfolio.

Navis Capital Partners' Top Tips for Fund Managers Accelerating Gender Equity



01 Secure buy-in internally and externally by using data and case studies to demonstrate the business case for gender equality initiatives.



02 Actively seek out expert advice to develop and implement policies and practices that are easy to understand, flexible, family-friendly, and support gender equality.



03 Create a community among portfolio companies to share case studies and knowledge on the business benefits of diversity, equity and inclusion, lessons learned, and action plans.



Mediterra Capital Team ©Mediterra Capital, 2024

Mediterra Capital: Helping Investees Tackle Harassment & Discrimination



Mediterra Capital's gender-lens investment strategy includes proactive steps to eradicate sexual harassment and discrimination within portfolio companies.

Headquartered in Istanbul, Mediterra Capital has more than \$2 billion in equity investments across more than ten countries. The private equity firm is a signatory to the Principles of Responsible Investment and promotes environmental, social, and governance standards in all portfolio companies. This includes applying a gender-lens to its investments to create safe and inclusive workplaces.

Mediterra Capital organizes workshops and training sessions for human resources managers at its investee companies to better understand the nuances of sexual harassment and discrimination in the workplace. It also

shares best practices and legal frameworks that help make policies comprehensive and enforceable.

"We wanted to create an environment where Human Resources managers felt comfortable discussing local cultural and legal sensitivities," said Operating Partner Burcu Günhan. "Tailoring policies to local conditions is important if companies are to effectively stamp out harassment and discrimination."

Following Mediterra Capital's participation in the Invest2Equal program, all of its portfolio companies have either adopted new policies against sexual harassment

and discrimination or strengthened existing policies. It says employees now have greater awareness of their rights and know how to report any infractions.

"The process had cultivated transparency and accountability within our portfolio companies," said Günhan. "Workplaces that are safe and respectful for all employees are more productive too."

Mediterra Capital's efforts have resulted in its portfolio companies Tavuk Dünyası and Glasshouse achieving 'Great Place to Work' certifications. The firm also established metrics that align with the [Sustainable Development Goal on Gender Equality](#), and these metrics are monitored across portfolio companies.

It recommends investing in training and development programs that empower women within portfolio companies and ensure all staff have equal opportunities for advancement. It also advocates for flexible work arrangements and family-friendly policies that support greater work-life balance and enable companies to retain talented employees.

Mediterra Capital uses its influence and experience to help investees navigate local contexts and promote responsible corporate behavior, not only enhancing the value of its investments, but also contributing to the broader goal of creating equitable and respectful workplaces.

Mediterra Capital's Top Tips for Fund Managers Supporting Gender Equity



- 01** Peer learning is a powerful way to inspire action among portfolio companies and to drive progress towards gender equality.



- 02** Consider local cultural, legal, and generational factors when tailoring policies to ensure they are effective in each unique environment.



- 03** Walk the talk—high standards of corporate governance and inclusion in your own firm will motivate investees and other companies to lift their game too.



Shivani Bhasin Sachdeva, founder and CEO of India Alternatives ©India Alternatives, 2024

India Alternatives: Empowering Women as Business Leaders and Consumers



India Alternatives leverages ambitious targets and networks to support women as business leaders and empower women consumers in one of the world's fastest-growing economies.

India Alternatives is a Mumbai-based private equity firm with a strategic focus on backing mid-market companies with demonstrated potential to become market leaders. Since launching its first fund in 2013, India Alternatives has consistently worked to support women in its own team and across the private sector. After participating in the Invest2Equal program, it formalized a strategy to strengthen gender balance at both the firm and portfolio-level even further, while also contributing to the socio-economic empowerment of women in India.

"At India Alternatives, we believe that gender balance is not about mere numbers," said founder and Chief Executive Officer Shivani Bhasin Sachdeva. "Instead, women should drive change and be at the helm of decision-making across functions."

Women currently hold 40 percent of leadership roles at India Alternatives including on its board of directors, in its investment team, and across its operations. India Alternatives also conducts activities to create awareness and knowledge of gender-lens investing within the firm and in its portfolio companies.

"We set clear targets for at least one third of our portfolio companies to be owned or led by women, and for women to be represented on at least half of our investee companies' boards," said Sachdeva. "I'm very happy to say that we have already surpassed our initial goals."

India Alternatives hosts events for women entrepreneurs to deepen their connections with the broader business community. This provides important opportunities for knowledge sharing, collaboration, and mentorship that can help women grow into leadership positions.

Recognizing the increasing influence of women consumers in India's booming economy, the firm also strategically invests in companies that both target this demographic and empower women consumers.

"Women control 60 to 80 percent of all consumption decisions, making them one of the largest addressable markets in India with a potential of \$1.5 trillion," said Sachdeva. "Our holistic approach not only taps into a substantial market opportunity, but also supports women as key economic agents."

By setting and exceeding targets for female leadership and representation, India Alternatives demonstrates how investment firms can advance gender equality and social impact while strengthening financial returns.

India Alternatives Top Tips for Fund Managers Accelerating Gender Equity



01

Use networking, knowledge-sharing, collaboration, and mentorship to level the playing field for women in the investment ecosystem and ensure all genders have equitable access to leadership roles.



02

Many founders in traditional male-dominated industries are open to change in their companies—use your influence and knowledge to help investees grow the number of women in senior management roles.



03

Advocate for women to play a central role in decision-making across all roles and functions.



04

Measure and monitor sex-disaggregated data at both firm and portfolio levels to track progress and impact.

Summary of Recommendations

The private equity and venture capital fund managers that participated in Invest2Equal are actively tackling gender imbalances in the investment ecosystem—and reaping significant business benefits by doing so. Using the following strategies and approaches, managers can accelerate gender equality within their firms, across portfolio companies, and throughout the private equity and venture capital sectors.





The fund managers profiled in this publication not only enhanced gender diversity within their own teams, but they also championed equality across their investment practices. We hope their insights and learnings from the Invest2Equal program inspire other fund managers and industry stakeholders to develop their own gender equality and diversity strategies, thereby enhancing financial returns, reducing risks, and amplifying development impact.

Acknowledgments

This publication was produced by IFC's Gender and Economic Inclusion Department (GEID) and Disruptive Technologies and Funds (CDF) in partnership with the Women Entrepreneurs Finance Initiative. It was developed under the guidance of IFC's Global Gender Director, Nathalie Akan Gabala, IFC's Global Director for Health, Education, Tourism, Retail and Property, Farid Fezoua, GEID Principal Innovation Officer, Heather Kipnis, and Global Gender Lead for Disruptive Technologies and Funds, Laurien Field. Research was conducted by IFC consultant, Pilar Marroquin.

Appreciations are also extended to the Fund Managers that participated in IFC's Invest2Equal Program, including those who contributed to this publication, namely Managing Partner at AC Ventures, Helen Wong; Horizon Capital founding partner and Chief Executive Officer, Lenna Koszarny, and Human Resources Director and Head of People Advisory, Olga Kovalchuk; India Alternatives founder and Chief Executive Officer, Shivani Bhasin Sachdeva; Mediterra Capital Operating Partner, Burcu Günhan; and Navis Capital's Partner, Tabongkod Peunchob, and its Director of Portfolio Operations (Human Capital), Cheryl Chow.

The team would also like to thank Gina Wilkinson, who edited this publication, and designer Beatriz Calvo.

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⁶ 2X Criteria is the global standard for gender finance unifying investors under one framework and language. <https://www.2xchallenge.org/2xcriteria>

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