OPALESQUE

Opalesque Diversity Roundtable

Opalesque Roundtable Sponsor:

wts global

opalesque.com

Editor's Note

It's all about the data! But when it comes to diversity, the data is all there, but nobody acts on it. The asset management industry purports to be a meritocracy where companies, founders and investment managers that produce strong returns would (easily) attract additional capital, but the reality looks different. Despite an ever increasing pile of data and studies on overperformance of diverse teams and founders – *the VC industry has had the numbers for 20 years, HBR has a large collection of studies and the Nordic banks have done a study of thousands of female CEOs* – **people are not changing their behavior.**

Three decades after the first efforts to achieve more diversity in the finance sector, 98% of the $69tn industry is still under the control of white men. In fact, investors in UK funds are more likely to have their money managed by a man called David than a woman. If diversity brings outperformance, then traditional ways lead to underperformance. This discussion is therefore much more than a social justice conflict.

Despite all the talk around diversity, the problem runs very deep and in the end touches on everyone's personal beliefs. **Harvard and Wharton professors showed that with the identical pitch, good-looking men outperformed bad looking men, and bad looking men outperformed women. Bad looking women slightly outperformed good-looking women,** but it was within the margin of error. *Knowing that both female and male investors (!) select pitches by gender and by looks – why on earth would you use an investing process that selects the best looking men rather than the best company? How comes we still assume that blond women are dumb in some shape or form and that pretty women always get by being pretty?* At the same time, workplace data shows that women who support and encourage other women get penalized at performance reviews and pay reviews.

There's still a lot of ground to cover, but also clear signs of progress. In this Roundtable we set out to explore ***why we are still stuck*** *– why it is so hard to change the paradigm and modus operandi of a whole industry, and* ***what measures and processes do help*** (hint: **hard rules**, see page 13, 23, 25).

The 2019 Opalesque Diversity Roundtable took place in London with:

1. Amanda Pullinger, CEO, 100 Women in Finance
2. Anya Navidski, Founding Partner, Voulez Capital
3. Christiane Schönbach, Partner, WTS
4. Hannah Czerkawska, HR Director - Investment Management, Fidelity International
5. Dr. Ilga Haubelt, Head of Equity Opportunities, Newton Investment Management
6. Kamal Hassan, Partner, Loyal VC

The group also discussed:

- **Why the prevalent investment selection processes are mostly dysfunctional, reward irrational self-confidence and fall for numerous biases:** Traditional pitching formats (Shark Tank, Lion's Den etc.) will mislead most investors into the wrong investments. Should investors take money off from non-diverse teams? (page 4, 9, 26)

- Terms, culture and unhealthy power dynamics are deterring female founders to work with traditional VC. Where they go instead (page 11, 26)

- *"If you hire more women, then more women will be funded" - but that isn't happening either.* Why, and how to change that (page 10, 33). What are female investors actually looking for? (page 34)

- **Why relationships trump performance and what to do about it** (page 7)

- The lack of role models and how to overcome it (page 7, 13, 17, 21, 28)

- **What do five-year-olds already learn about gender roles?** All-girls vs. mixed schools. How 100 Women in Finance inspires teenagers to become a portfolio manager when they grow up (page 8-9, 17)

- **What can asset management learn from a music audition?** (page 13)

- **The incredibly shrinking female workforce:** Why is a baby a problem, exactly? (page 29). How to retain highly educated women and deal with peer pressure when you prefer working over staying at home (page 17). Why a UK pension hired a senior female investment manager who had been out of the job for 10 years (page 25). The challenge of female drop-offs making it to growth-stage ventures (page 28)

- **"Being diverse" is in itself not a competitive advantage. There's *something else* that makes the difference between very successful or very unsuccessful** (page 30)

- Redefining Impact and ESG as an opportunity rather than a compliance obligation (page 32)

Enjoy!

Matthias Knab
Knab@Opalesque.com

Participant Profiles

(LEFT TO RIGHT):

Hannah Czerkawska, Dr. Ilga Haubelt, Amanda Pullinger, Kamal Hassan, Anya Navidski, Christiane Schönbach

Group photo: © Matthias Knab

Introduction

Christiane Schönbach
WTS

My name is Christiane Schönbach, I am a tax partner at WTS in Frankfurt. WTS was founded in 2000 in Germany as an independent tax consultancy. The company developed rapidly: At present, our headcount in Germany is approx. 1.000, and the international tax network of WTS Global worldwide exceeds already 3,000 consultants.

Our main focus in Germany is tax consultancy and tax compliance for large corporations, both DAX and "Mittelstand". **These clients are expanding their investments in private equity and alternatives.** Our unique business-partnering model constitutes de facto the in-house tax functions of corporations. We are expanding this business model not only in Germany but also on a worldwide basis.

I am working in the domain of Financial Services; my clients are mainly funds, administrators and investors, which we advise very much concerning investments in close-ended funds. We mainly provide tax compliance services to investors and private equity / venture capital funds, which also includes the preparation of specific German tax returns for these types of investments. In addition, we advise large corporations as well as family offices regarding possible set ups for their investments into private equity and alternatives. In addition, we provide tax compliance and consulting services to open-ended investment funds, which are subject to a special taxation regime in Germany.

Anya Navidski
Voulez Capital

I am Anya Navidski, Founding Partner at Voulez Capital – **Europe's first VC fund for female founders.** I am an entrepreneur turned investor.

Voulez Capital was born when I observed a huge opportunity that was not being exploited by investors and a lot of value being left on the table. As you can guess, today's topic is very close to my heart. Having now worked with thousands of female founders, we have a unique perspective on the context behind some of the industry numbers, such as the fundamental way that the industry has to change if it wishes to invest in the very best opportunities.

Kamal Hassan
Loyal VC

I am Kamal Hassan from Loyal VC. We are based in Toronto.

We see ourselves as innovators in the VC industry in a few ways. For starters, *we fund entrepreneurs based on what they do, rather than on how they pitch.* We do this by investing small amounts in companies sourced exclusively through some strategic global partnerships. We then gather monthly reports and watch the business evolve until they show progress that makes them worthy of larger and larger investment amounts, which we implement through a fixed, rules-based process designed to protect capital, and to eliminate human psychological biases to allow us to make better investment decisions.

Probably because of this strategy of funding based on performance, rather than based on promises, we end up funding many more women than industry average. We didn't target women entrepreneurs specifically, we're just looking for the best businesses. Right now, 35% of our capital is invested in companies with a woman as the CEO. Note that we track women CEOs - and not just women management like most of our industry - because we think that who the team reports to, and who makes the final decision, matters.

We also innovate in the fund structure. We offer an evergreen fund that gives investors control of their money, so they can trade in and out every quarter. We have built a fund that runs the way we think a fund should be run and gives investors actual choices.

Amanda Pullinger
100 Women in Finance

I'm Amanda Pullinger, CEO of 100 Women in Finance, a global association of professionals, male and female, in the finance industry. We are now in 24 locations across four continents, so you can imagine I am traveling quite a bit.

Up to now, our mission has been around empowering women in the industry, and we have done this through industry education events, peer engagement initiatives and through our philanthropic initiatives.

One of the things that I have focused on over the last year was in a way reflecting back on almost 20 years that we have been doing this and examining what has actually worked. I do think we have done a great job for women and engaging around empowering those women, but, at the same time, the numbers haven't changed. Let me explain what I mean by that and what we will do differently going forward.

In the next 20 years, we will focus on what we call our "30 by 40 vision", which is that by 2040 we want to see 30% of investment teams be women and 30% of senior executive roles in the finance industry be occupied by women. We also believe that one of the key pieces to getting there is inspiring, equipping and advocating for teenage girls, the next generation of leadership that's hopefully to be going to enter the industry.

So, this is the shift or the wider approach we will be adapting. We will continue to focus on empowering women, and of course, we definitely need the role models in place, but we will also strive to get into the minds of teenage girls, inspiring them to come into this industry with passion particularly around the investing side.

Hannah Czerkawska
Fidelity

I'm Hannah Czerkawska. I'm an H.R. Director here at Fidelity within the IM HR team. I am the HR lead for Alternatives, Fixed Income and Product globally. I also sit on the Asset Management Diversity and Inclusion committee and am currently co-chair of Fidelity for Everyone, which is our global Fidelity Diversity.

We are focusing on programs that will assist us in increasing our number of senior females in the investment roles. We are also spending time analyzing the leaver trends and information to understand why females are leaving the organization when they reach that level and ensure that we are doing what we can to retain and promote them through the business.

Dr. Ilga Haubelt
Newton Investment Management

I am Ilga Haubelt. I have just finished the process of moving companies and geographies, having come from Frankfurt, where I worked for Deka Investments, to Newton Investment Management in London.

At Deka, which is the asset manager of the Savings Banks, I was heading up a team of 23 people, which I would describe as quite diverse. My team managed a range of equity funds, comprising of global, global income, thematic and sustainable strategies. I have recently joined Newton and was very happy to hear about Kamal's findings that companies with female CEOs may enjoy better performance, given that Hanneke Smits is the female CEO heading up Newton. I am very excited about my new role, where I am leading the Global Equity Opportunities team. I am very much looking forward to today's conversation for two reasons: First, in my leadership role, I am aiming to hire more women for our team, and I am keen to motivate more women to work in the asset management and investment industry, because I view it as a very interesting industry for women. Given that our strategy performance is measurable, everyone is accountable. Secondly, at Deka, I was running a large fund. We had more than 1500 one-on-one meetings with CEOs and CFOs of global companies annually, in order to find our investment ideas for our funds. I am happy to share the findings of these meetings with you today.

This material reflects the analysis and opinions of the speakers and may differ from the opinions of Opalesque and/or the Roundtable sponsors. It is intended to be of general interest only and should not be construed as investment, legal, tax or accounting advice or a recommendation or solicitation to buy, sell or hold any security or to adopt any investment strategy. This material also does not constitute an offer to sell or a solicitation of an offer to purchase any interest in any fund or investment vehicle.

The views expressed are those of the speakers and the comments, opinions and analyses are rendered as of 8th December 2019 and may change without notice. The speakers make no representation or warranty as to the accuracy of any views or information contained herein and expressly disclaim any obligation to revised or update such views or information. The information provided is not intended as a complete analysis of any subject discussed herein. Statements of fact are from sources considered to be reliable, but no representation or warranty is made as to their completeness or accuracy. Furthermore, any assumptions, assessments, estimates, projections or the like (collectively, “Statements”) regarding future events or which are forward-looking in nature constitute only subjective views, outlooks or estimations, are based upon the speaker’s expectations or beliefs, and involve inherent risks and uncertainties, many of which cannot be predicted or quantified. In light of these risks and uncertainties, there can be no assurance and no representation or warranty is given that these Statements are now or will prove in the future to be accurate or complete in any way.

Matthias Knab Amanda, going back go what you said earlier, why have the numbers not changed in favor of more female participation in investment management and senior roles, despite all the discussions and the efforts for the past twenty years?

Amanda Pullinger: Look, I think it's a complex issue, and there are many different answers to that question depending on where you are coming from. I like to tackle these things both from a very practical perspective, so taking just a personal perspective here, I actually don't come out of the diversity and inclusion world in the sense that **I have worked in seven different industries that were all male-dominated. I loved them all and never really understood why more women weren't in those industries, including finance.**

I think that there are a number of issues and performance is one of them, but maybe not in the sense you are thinking about it and how we have discussed it earlier.

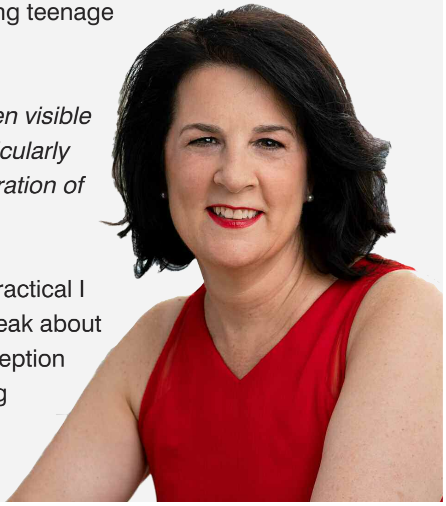
In my mind, actually one of the biggest issues for women in professional roles is that we are told that at school to go and work hard, as it would be all about the performance. The issue is that this more or less works out well in school and university, but when you come into an industry like finance, the perception among women is that it's still about performance and hard work, but this is actually not right, is it?

There is a much bigger issue than performance, and that is relationship building. Maybe part of the issue of why the numbers haven't changed is that women have not gone into those investment roles because of a lack of role models, which is something that we are really trying to change through our female fund manager visibility initiative. But I also do think there is this issue of women believing that hard work is enough, and then being disappointed because they are passed over for promotion.

So, **I think there are multiple factors, but this issue of lack of role models is a really critical one.** If I look at myself, I grew up in the UK in a middle-class family, I was the first to go to university. I went to Oxford. Why did I go to Oxford? I went to Oxford because Margaret Thatcher was Prime Minister, and she was visible to me, right? Another woman who was the first in her family to go to university. She went to a local school and then to Oxford. So as a young teenage girl, I remember thinking, *if she can do it, I can do it.*

And so, what hasn't happened over the last 30 years is that our role models have not been visible enough, preferring to stay under the radar. We therefore also try to really encourage particularly women on the investment side to be visible for their own sake, but also for the next generation of young women to see that it's possible to be in those roles.

Again, there are lots of different reasons why the numbers are what they are, but being practical I always look at what we can actually do to change those base reasons. I will let others speak about culture because that's something that I think is very specific from firm to firm but my perception is that what we need are more role models that are visible to the next generation of young women and then we will be able to see things change.



Matthias Knab

I have a five-year-old; her name is Amanda, and I mean, it's stunning what types of realizations I have because she is very conscious of her gender, already at that early age. When we talk about people and professions, she always reminds me not to use the male form only. We speak German, and while in English language some professions are gender-neutral like a doctor or engineer, in German there are feminine forms for a lot of professions, and when we speak about something casual like that we have "great bakers" in our town, she adds "... and great Bäckerinnen", which is the female form.

This happens all the time, and so at one point, you start wondering how much of gender identity and perception about the world is happening through language, and how much of that is completely unconscious and automated. I see my five year old daughter already trying to find her space in a male-dominated world, and as she also speaks English, I am now buying books like *'Good Night Stories for Rebel Girls'* and these types of books, and interestingly, most of them came out just in the last two years.

Christiane Schönbach:

I can confirm that the discussion on "gender-neutral" speech is very present in Germany, probably because there are quite a lot of names that differentiate between male and female form. Although I think that this discussion should not be exaggerated, I realized that for many professions – especially in higher ranking positions – a female version is not really common. For example, when I was elected Partner and while in English you just use Partner as a male and female designation, in Germany I debated if Partnerin or just Partner should be on my business card. Partnerin, although it is not uncommon in another context, does indeed sound strange.

Matthias Knab

Romanic languages such as Italian or Spanish also have an interesting trait that you do have female versions for professions like dancer (bailarin/bailarina) that historically were women professions already a couple of hundred years ago. Of course, this is also a big discussion in societies such as Germany where some people do object the "genderization" of language, so we see that also here **there are no easy solutions,** but what I do see interacting and speaking with a five year old daily is that language and how we express things do matter.

Christiane Schönbach:

I have also two children, one female, and one male, and although both children experience in our family that I have more the traditional role of working outside of the house while my husband is at home, only my son – at least at this point in time – talks about working in the financial industry.

Therefore, I am not sure if also we may have to accept that there are some differences or different preferences. Or maybe we also need to look at how to accommodate those female preferences in the current management model, how we manage ideas and people, possibly we need to change a few things there as well to get to greater female participation.

Anya Navidski: I would like to raise two points, one is that I have a 1.5 years old daughter and so I just went through this whole process of figuring out how to raise her without gender stereotypes which could restrict her potential.

As part of that, I read an amazing book called *'Parenting Beyond Pink & Blue'* which reviews a huge body of relevant research from a scientist's point of view. For example, it turns out that just by saying things like, "Good girl, good boy!" you are already mentally creating a stereotype in children's heads, on which they then very quickly build and expand. So, I consciously had to change my language with my daughter to more neutral statements such as "well done".

The other point I want to make is that we keep focusing on what we have been doing for 20+ years - which is trying to "fix" the women. And yet, half of the population is not defective. I think in business, in particular, we need to reexamine what real, constructive, good leadership looks like (i.e. one that is inclusive) and drive change from that perspective.

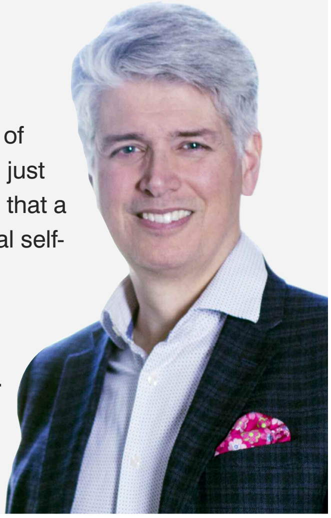
One of our advisors, Avivah Wittenberg-Cox works with CEOs of Blue Chip companies to balance and improve gender aspects. However, when she goes to work with companies she doesn't even mention diversity and inclusiveness. She starts from the very top of the company and from their key business objectives. Gender balance, when seen as part of these primary objectives, suddenly becomes just a normal part of everyday good management throughout the company. It also no longer makes people defensive.

Since I started Voulez Capital I have been on many diversity and inclusiveness panels, looking at these issues. Not only are these panels full of women, but there are hardly any men in the room. For example, this April I was at the Innovate Finance Global Summit here in London. As soon as the audience realized that it was a diversity panel, two-thirds of the men got up and left. It was a true exodus and quite impressive to watch from the stage. But the ones who stayed found that this was the most engaging and fun conversation of the entire day. They were actually not falling asleep for a change…

The challenge is, therefore, how do we make it an 'us' issue and not just a women's or a minority issue? How do we take the stigma out of the conversation and make it about building of great businesses and organizations and creating value day-to-day?

Kamal Hassan: I am starting to get used to being the token man on the panel, as I am here, and was on the panel that Anya mentioned.

*A lot of the men I meet ignore diversity questions with the excuse of 'I just think about investing'. What is interesting is that a lot of these male investors then ask me questions like, "Where do you find all these great women entrepreneurs? We want to invest in more women, we just don't find them!". I think part of it is their **selection process.***



In society and human interactions, one thing you can often count on is the irrational self-confidence of men in many situations. I do believe that that is a genetic difference coming to play. Usually, women just nod when I mention men being self-confident, even when they have no basis in fact. The problem is that a lot of the processes, certainly in venture capital where we are from, are set up to reward this irrational self-confidence.

One of the first filters in the investing process is the pitch. You see all these Shark Tank or Dragon's Den formats where people are asked to pitch, and investment decisions are made solely as a result.

I was on a panel in Switzerland about six months ago with two entrepreneurs, a woman, and a *man. When the moderator asked, "What are your plans, your ambitions for the company?", the woman said, "I've got a detailed plan of how to grow my business to 100 employees." And the man then said, "This is going to be a billion-dollar company."*

A lot of people look at that information and say, "She's not ambitious enough. She is less interesting than he is," but the truth is that it's not about what they promise, it's what they do. He will never have a billion-dollar company until he gets to 100 employees first. And which of the two of them will get to 100 employees first? I don't know. But the fact that one is saying it's about 100 employees and the other says it's about a billion dollars has, as far as I'm concerned, no impact on their chance of success. ***Too many things we look at as investors reward the promise rather than actually rewarding performance and trying to find the best investment.***

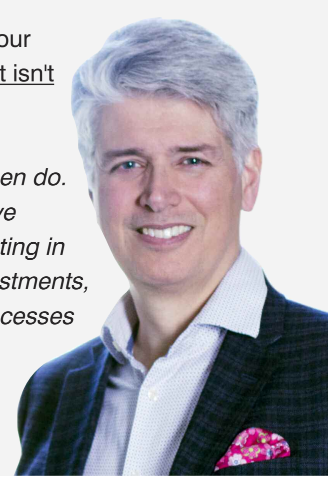
And let me also share the story of how I fell into this whole theme. Investing should be all about the best possible investment. I realized too many investors are blind to the fact that they are making bad investments because they are believing promises rather than trying to actually identify the most profitable company. Obviously, when you start talking to men and ask them to be less biased, many men won't see themselves as biased.

My point here is really that we should all wake up to the fact that our job is making money. If we invest with biased filters, we are leaving money on the table. Every investor, every pension plan out there who funds a fund that invests 98% in companies with male CEOs is **leaving money on the table.** You are failing your fiduciary duty when putting money to work if you are not giving it to someone who invests in the best opportunities, and not just into half of the opportunity pool.

Anya Navidski: As an investor, we deliberately do not go to pitch days. This format is just not conducive to making the right investment decisions. And they tend to disadvantage everyone that does not fit into this mental image of an entrepreneur that we all seem to have.

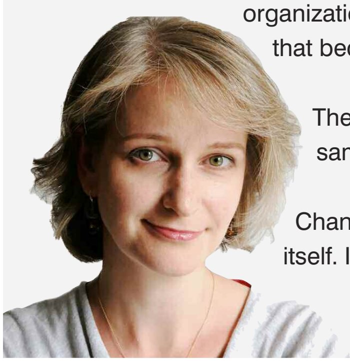
I was at one such event a while ago and afterward investors praised a certain male founder, saying how amazing he was. After a while, I intervened, pointing out certain cues from the female entrepreneur pitching in that same batch, the traction she was getting, the pragmatic, solid decisions she was making in building her business. My colleagues were shocked: "Oh gee, how did we miss that?" Well, they missed it because they are looking for the wrong cues.

Kamal Hassan: Here's another thing I want to address. One presumption which has been made in our industry in Venture Capital is that if you hire more women, then more women will be funded. But that isn't happening either.



The data that I've seen so far says that women VCs invest in men at the same predominance that men do. One example I still remember is Omidyar's social venture fund, Spero Ventures, where four of the five investing team members are women, and it is run by a woman. So here's a social impact fund investing in social impact companies, which is supposed to be a female-dominated area. Out of the first 17 investments, 16 had a male CEO. I think what is really going on here is that we all seem to have unconscious processes that create these types of results.

Anya Navidski: You hit the nail on the head.



If you spin out of another fund, like the women investors in your example, you have grown up career-wise within that organization and its specific culture. To succeed within it, you naturally conform to that culture. Over time, that becomes part of your investor DNA.

Therefore, investors who leave large funds and set up their own tend to end up making exactly the same mistakes.

Changing that culture means having to start afresh and changing the core processes of the industry itself. It takes fresh blood and outside thinking.

Dr. Ilga Haubelt: So how do you correct your filters and processes in order to make sure that you are not investing in firms based on an irrationality bias?

Anya Navidski: Kamal and I have taken slightly different paths although they have a lot of overlap. As a result, we are actually working on something together at the moment that will hopefully create a more inclusive industry.

For us, at Voulez Capital, we decided that I will invest only in companies that include at least one woman founder or co-founder. That naturally excluded all-male teams. And yes, some may say it's a bit discriminatory, but I would say that those founders are getting plenty of capital elsewhere, so let me try and rebalance the scales a little bit. So that part naturally avoids some of the biases.

I then decided that I will not go to pitch days. Pitch days are a lazy way for incubators and accelerators to get their ventures in front of a bunch of investors instead of knowing which investors would be a good fit for each of their companies and making those introductions instead. For me, pitch days simply do not provide the right forum to identify the best opportunities.

So, instead, we look at the concept first and, if I like it, I meet the team. I do that even if their deck is horrible because it doesn't really matter if they paid a designer to create a brilliant deck. As long as the idea is clear and interesting.

At the end of the day, it's the team behind the venture that I want to get to know and having a conversation allows me to see what they have done. What they have delivered on. How much money have they raised and what have they done with that cash. It allows me to get a bearing on their traction and credibility.

The other aspect is about alignment and culture, and this is also where Kamal and I have a big overlap. I don't come from the VC industry originally but from the other side of the table. **I realized that the terms being put on the table by investors are deterring women from going into VCs in the first place.**

Over the last twenty years, everything became about valuations and that led VCs to use more and more complex instruments to claw back some of the value. This creates massive misalignments between founders and investors, with draconian terms being imposed on founders.

The culture, the terms, and the environment that this creates, turn women off the industry. In my observation, women are looking for a real partner in their investors and are not willing to take money just for the sake of cash.

Only about 5% of decks seen by VCs are from women-led businesses, and part of the reason is that women don't trust them, they don't like the sector, they find the culture is terrible and they are choosing to go a different route because they would rather have a slower growth rate than have the wrong investment partner on board.

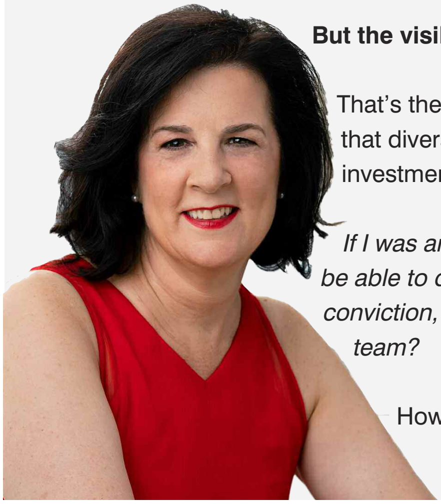
I mentor companies at Google for Startups as part of my relationship with them. A few days ago, I had a conversation with a founder who is part of the Google Residency Programme. This is a very high quality, selective program. She mentioned that a leading VC firm in Europe reached out to her and wanted to talk. She had not followed up on that. Did not feel comfortable. And yet, she was pitching me for investment.

Amanda Pullinger: I would agree that some women are rejecting the culture of VCs and traditional fundraising, however, what I would also say is that many women, whether they are fund managers of they have a regular business, do not know how to go about raising the capital, right?

We have been putting on FundWomen Investment conferences on the US' East and West Coast and in London recently where we bring in institutional investors to meet female fund managers, some of who run their own fund while others may be part of a larger fund.

At every conference, the investors say to us, "How is it possible that I didn't know these women?" So, while I agree that some women may be rejecting the culture and thus interaction with the male dominated VC industry, there is also a large number of women who simply don't know how to make that connection.

So, when you have an industry that's saying they can't find the women, we are saying, "We will find the women and bring them to you, they are out there."



But the visibility is only one thing, but are they now investing in them?

That's the next step, really. And while there is still a lot of chatter about this and studies that say that diversity produces better results, then why does Bloomberg not have a gender identification of investment professionals?

If I was an institutional investor and I believe that looking for diversity is mattered, I would want to be able to do a screen to see who are the diverse managers out there. And, by the way, if this is my conviction, then maybe I would also like to pull my money from an all-male, all white investment team?

However, I am not convinced we are at this point.

Anya Navidski: I think there is there are two types of relationships we need to understand. One is the GP-LP relationship which is a very peculiar ecosystem with a lot of entrenched relationships, people funding people they know and who are basically part of the club. And then you have the GP and the entrepreneur relationship which is governed by slightly different dynamics. And there, very few women are coming to VCs, full stop. Women as investors found about 40% of businesses but only 5% of the decks are actually going to VCs. So, I think they are two interrelated but slightly different dynamics, but I agree with you.

Most institutional LPs would not back a first time fund manager. They require at least three years of track record in order to invest. But, if they back someone who spins out of another fund, they are already facing a very tiny pool of options. **Only one out of ten decision makers in VC is a woman.** And very few of them would consider spinning out on their own.

So, I agree with you. Put LP investors in front of new fund managers and tell them, “Well, these are the women, they are doing great things, they might not fit your original box, but the box has to change.”

Amanda Pullinger: There are many aspects and layers to that visibility issue. Let me give you another example. I challenged someone who is an anchor on a TV show asking, *“How do we get more women visible on your show because there is no doubt about the fact that there too few. We need to change the perception of what a financial expert looks like.”*

And she said, “Well, you know, I have people on my show that have a billion dollars under management”, and I said, “Well, hold on a second. I know two hedge fund managers, both men, who do not have a billion dollars in assets, but they were on your show!”

“Ah,” she said, “Well, in their case, a manager who was managing several billion dollars asked me if I would mind if he brought a couple of buddies along? And they really were great on the show.”

So I said to her – and this is what I am now challenging allocators – “You say you have your criteria, and yet there are exceptions, so I want to understand under what circumstances do those exceptions happen, and how do we get more women in there as the exception?”

Matthias Knab

Earlier this year I was at the Cayman Alternative Investment Summit where they had **Natalie Portman** as VIP guest and speaker. So she was interviewed on stage and she said something very interesting I think is relevant for us as well. At some point, the conversation was about the male dominance in Hollywood where only 8% of all movies have a female director. That also needs to change, the question is – how?

Natalie Portman said that when you look at the music industry, specifically how an orchestra like say the Berlin, London, Boston, Chicago philharmonic orchestras are looking for new musicians to join, the whole gender discussion really stopped when they started to introduce the curtain to the audition and have the applicant play behind *it. They even found out that they need to ask the applicant to go barefoot on stage, because otherwise, the chances are too high that the gender can be identified just by the different sound of a woman or a man walking with their shoes on a large stage.*

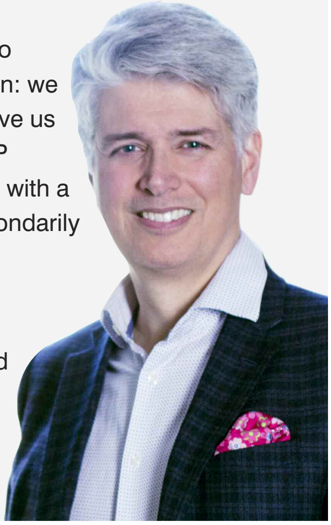
So, **the whole auditioning and hiring in classical music changed when that change in the process occurred.** And you can see the results! I was just with my wife in Rachmaninov's second piano concerto, and there were visibly more women musicians in the orchestra than men. But only the curtain removes the biases, and so the question is what can other industries learn from that, how do we get the same results in other sectors?

Kamal Hassan: Let me go back to Ilga's question of how we are attempting to take down the biases and filters around gender when it comes to investing. I just came from meeting a company in London where we have just invested in a female founder. I learned about her business today after writing the first check.

And I know that sounds crazy and the wrong way around, so let me also add that we have two source groups we work with, and in her case, she has been doing an accelerator program with a group called Founder Institute we have partnered with around the world. This founder spent three months showing people what she could do in building her business. I called the woman who runs the program in London and asked for their best company, and she referred the company to us. So, initially, we are trusting the opinion of a third party, who spent three months doing diligence on the company and watching them perform week in, week out, to make our initial investment.

Now, our first check to the founder is a $10,000 check, so it's a tiny check and it will take six to eight months until we do a second, much larger check. But then, we are investing based on months of performance. Why is this process important? One person could come and say, "I have these modest ambitions for the business and another one comes and says, "I am going to double sales every month." I think at this point you will have guessed that we will not care as much about what they say but who does what in the coming six to eight months.

This is our way of taking bias out because we can see how someone performs month in, month out before making a much larger investment.



I agree entirely it makes sense to have diverse founder teams, and this is where we as a firm are also having a challenge right now. My partner and I joke that it's a shame neither of us was born a woman: we are two white men, even if we have ethnic backgrounds. We have had some female LPs refuse to give us money until there is a woman on the team. While that's their choice, we should point out that if an LP invests with us, it's not going into our pockets: 35% of it will be allocated to women CEOs. Investors with a social justice motivation should care most about who their money is actually going to, and only secondarily about who manages it.

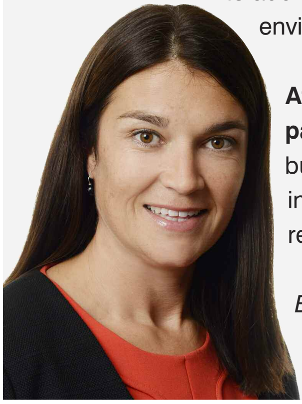
We already mentioned that 10% of the investment professionals in venture capital are women, however, **only 3% of the capital goes to companies with a woman CEO.** So it's clear that we need to think about changing what we do and how we do it so that money flows to women. Diverse teams are certainly a start, but there is more I think LPs need to look at.

Hannah Czerkawska: Working in HR, I come in from a slightly different angle when facing the challenge of what are we going to do to change the dial, how can we change that dial? It is obviously going to take time and will involve a number of different actions, there is no slam dunk solution.

Historically, the nature of the investment business is male-dominated.

The Diversity Committee that we have formed within the asset management group is made up of representatives from all asset classes. It's males, it's females, it's different levels, and everyone has a different opinion, but I think it's for me a bit like you, Amanda – I have always worked in financial services, it's always been male-dominated. My key stakeholders have always been majority male, sometimes difficult to crack or may be skeptical of HR, but that's the biggest challenge for me, and once I build relationships with them and they see me as a trusted advisor, that is where my job satisfaction comes from.

We need to get to a point where leaders are not just talking about the numbers and statistics but we are actually taking action to address it and understand the business case and benefit for addressing it. Creating an inclusive working environment where people feel happy and want to come to work as they have a sense of belonging is key.



At one of my previous Firms, we introduced something interesting, which was rewarding the partners who acted in a diverse way. They may not always have moved the dials in terms of numbers, but engaged in different ways to create that more diverse talent, the makeup of the teams, and so instead of penalizing and saying you are not doing this or not doing that, team members were actually rewarded for a positive action and contributing to a positive spin.

But until we start measuring people and leaders, making them accountable for it, I don't think will to move that dial.

Kamal Hassan: I was wondering, Hannah, is the challenge more on the new hire side in terms of getting enough women to join, or more in getting the female team members promoted? Where does the shortfall come in?

Hannah Czerkawska: I think it's a combination of everything. Let me quickly talk through what we have achieved. For example, we are proud of our campus hiring for Investments this year which was a 50:50 split of male and female. We have also managed to change the way in which we approach the recruitment. This involved widening the number of universities we work with and also a scholarship programme.

We have recently launched a Women in Leadership Pilot Programme for a handful of our Asset Management females who have been identified through our talent planning process as high potential. This programme focuses on personal and business development needs with the aim of leveraging personal leadership style and overcoming barriers to success. It includes various personality tests, coaching, mentors and a real focus on personal development.

Again, it is important that companies focus on a combination of everything, particularly given the fact that everybody is looking for diverse talent. All the other firms are also doing what we are talking. In fact, the competition in that is significant, and there is not an abundance of senior females in the market, looking to move, so we need to focus where we can to tap into this limited talent pool.

At Fidelity, we are on course to meet our 2020 target, which is 30% of women in leadership positions globally. At the moment we are at 29.8%, so we will meet the target, but we have still got a long way as this is only an intermediate step.

Amanda Pullinger: I wonder, Hannah, how do the numbers look like on the investment side of Fidelity?

Hannah Czerkawska: Within Investment Management, our numbers are slightly lower so we are faced with more of a challenge in this space and that is why we are doing what we can to address it.

Amanda Pullinger: I have been doing a lot of conferences over the last year-and-a-half and one of the things I am facing is how do you engage men in this conversation. Anya also spoke about this challenge and her recent experience at a conference.

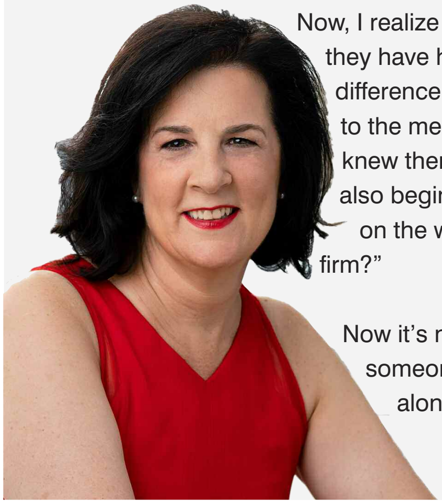
I realized that we have to make the diversity theme both positive and personal. The other thing I am insisting on is that I won't join a diversity and inclusion panel unless a man is included. Because what's the point when half the room leaves? Some may leave anyway, but if a man is on the panel, some will stay because they are curious and they want to support the program.

Before I say anything else I will start asking those men in the room to put their hand up if you have a daughter, a sister, a niece, a granddaughter or a female partner, and so most of the men will, of course, put their hand up. And I continue saying that ***what we are talking about up here is not about men versus women, but about the people that you care about.*** *It's about giving those people opportunity and access to this industry. It's quite interesting that once you have someone focused on something relevant and personal to them, all of a sudden any assumption of threat or feeling uncomfortable with the theme kind of goes away.*

I also have a top ten list of really practical ways that men can help move the needle for women in finance. And each time when I talk about those at conferences, invariably men come up afterward and said, "Thank you for giving me something specific to do." I am not saying they are all genuine or that they will all actually follow through, but there is something about this, identifying practical ways that men can be helpful actually gets them involved in the solution to what we are talking about.

One of the most powerful things that we have done over the last couple of years is what we call now **First Impressions Dinners.**

Here we invite senior men in the industry to bring their teenage daughters or nieces to an event where they are exposed to female role models. There are many great things about this experience. First of all, those teenage girls who walk in the room, either neutral or negative on finance, literally leave the room saying I am going to be a portfolio manager when I grow up.



Now, I realize things change. But it's one thing to enable this change in attitudes in two hours because they have heard a woman talk about what she does every day and the fact that she is making a difference for ordinary people through her role, but the other interesting thing is also what happens to the men at the back of the room. Because firstly, they are observing and they are like, "Who knew there were female portfolio managers out there, why don't we have any?" But then they are also beginning to see the world through their daughter's, niece's eyes, and so the conversations on the way home are, "Hey dad, how many female portfolio managers do you have at your firm?"

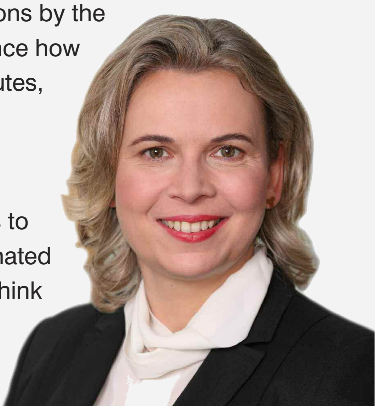
Now it's not us saying, "You naughty men are or are not doing this", now it's from and for someone who they care about. So, trying to make this conversation personal and bringing men along in this process is a much better way than trying to fight this out.

Dr. Ilga Haubelt: I would like to add that we have faced the problem of receiving a very low percentage of female applications when we were recruiting trainees, for example. In Germany at least, many women don't want to work in the financial industry for ethical reasons, as the reputation of our industry has suffered significantly owing to the financial crisis. We really have to work hard to motivate more women to join our industry. It's a great idea to expose young teenagers to female role models in the industry.

And I think ESG or sustainable funds might also help to get more women interested in working in the asset-management industry, as they can alleviate ethical concerns and are perceived as "good".

I would like to share a personal experience with you. I went to a girl's school, and at the beginning, I didn't like it, but in the end, it turned out that it really was a major advantage, because I never naturally learned the stereotypical roles that girls and boys "ought" to have.

I recall that once I went to an art exhibition, where we were the first group to get a guided tour. Afterwards, a mixed group of girls and boys came in, where they had the same guided tour and were asked the same questions by the guide. It was very interesting to observe the interactions there and it was fascinating to experience how completely different the dialogue between the guide and the group was. For the first 10-15 minutes, only the boys were giving answers, which were not necessarily the most intelligent answers. Obviously, the issue already starts very early as a problem in the education system.



Coming back to the influence of role models, we had a maths teacher who was encouraging us to go into business and not become teachers or go one into other traditionally more female-dominated professions. So I absolutely agree that we need these role models, and then sometimes I also think we have to do something about the education, as well to really empower the girls.

Anya Navidski: That's interesting, I also went to an all-girls school here in London. It has a brother school across the wall, literally next door on the same site, and for many years there has been a belief that keeping academics separate like this allowed girls to develop in the classroom without all the stereotypes, without all that pressure.

This is one of the very top schools in the country, and within the federation that runs those two schools, there are a whole bunch of others, including a number of academies in very deprived areas. I am the governor of one of those academies and it serves one of the poorest areas in the country – the bottom 2% of the population in terms of economic opportunity. Some of these kids are from third generation income support families and this often means they don't see anything outside of their council estate. What is even harder for them is that their aspirations are often dampened by their own parents.

One of the things we are doing with them is specifically on broadening their mindset and on being able to develop a better vision for themselves. For example, we are taking some of them to London to visit the Google headquarters and to meet some amazing people in tech. I want them to see that this is what entrepreneurs and tech innovators look like and what they do. So they can see that it's fun and it's cool, and can easily be something they can do themselves one day.

I agree with Ilga, these things are starting early. We can do a lot by giving the youth, and girls, in particular, a different perspective. And these initiatives work really well. Even just taking something like communication. We did an impact and influence communication workshop with the kids recently. Actually, one of my friends runs it as a business, and I asked him to please come and run it for these students. I have to give credit to the school, they put together a gender-balanced group of students, who, of course initially they were like, "What is this? Why are we here?", but by the end of the day, they got it. They suddenly realized that if they have an internship somewhere, they can go and have

Hannah Czerkawska: I live in Sevenoaks, where fortunately we have a number of very good schools many of these being Independent schools. My daughter attends a girl's school and my son goes to a boy's school, but that's really because it just suits them in terms of their personalities and their characters.

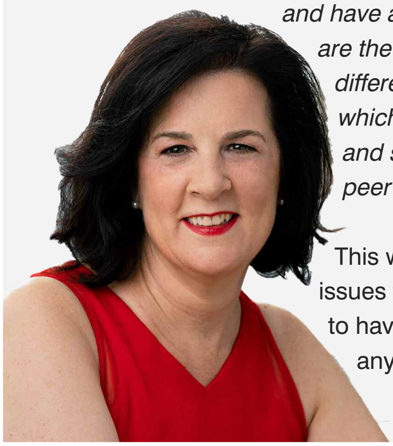
One of the things that my daughter, not my son as much, sometimes seems to struggle with, is the fact that I work. Both I and my husband work in the City, and the conversation that sometimes comes up is that everyone else's mummy always seems to be around, "and why are you not at home mummy, why doesn't daddy just do the work stuff."

I am fortunate that coming here to work is my choice, I love it and do want to work and so I do my best educating her and saying, "it's because I enjoy it. People are different, and I don't want to be around the house all the time. I want to feel challenged and go to work and interact with people." It is what I do for me.

We are looking at secondary schools at the moment, and the things that I am looking for is if those headmistresses and headmasters are actually standing up and talk about STEM, they talk about the challenges that all children are faced with, with artificial intelligence, automation and all the other opportunities or challenges that we and more our children will be facing.

Amanda Pullinger: Thank you for bringing this up, Hannah, as I believe that one challenge that doesn't get talked about is exactly what you have just described, this type of Sevenoaks environment where some of the most professional women in the western world, who are highly educated, are facing huge peer pressure once you have a family not to work.

Again, here we have some of the most highly educated women being the most likely to then stay home. And if you still go out and have a job in the City such as Hannah, the peer pressure goes to the negative because then you are the one who is different from all the others in their community. And I believe that sense of feeling different is one of the key reasons why women simply opt out of the workforce at a certain point, which is also why peer networks, where I spend a lot of my time thinking about how we can build and strengthen them – are so critical. Just by virtue of finding someone else, and ideally a whole peer group, you can feel much different about yourself and more empowered.



This whole issue of highly educated women being under this peer pressure is one of the biggest issues facing professional women, not just in finance, but actually in the broader arena. So we need to have the conversations about why we work and finding those peers that can lift you up when anyone tells you, "Oh, I haven't seen you at the pickup line at school recently!"

Christiane Schönbach: I agree with everything we are discussing today. And allow me to add another dimension to our conversation which is taking a closer look at the actual working conditions in finance or higher management in general and how flexible and adaptable are they really to accommodate someone who wants to work but also wants to have an intact family.

I studied law in Germany where your exam is very decisive of what your options are in the sense of what you are able to do later on. ***The best exams and grades are normally female students,*** *but then what happens is that most of the top alumni don't go into finance or business and don't even become lawyers, but they want to work for the government, which of course* *is a wonderful career, but the main reason is really because it's the most compatible and easiest option when you want to have a family as you enjoy very high degrees of support and freedom.*

So one thing is really shaping, encouraging and supporting the female workforce to go into certain sectors such as finance and senior positions, but then we should also question a bit our work culture and leadership paradigms because ***being a leader should not automatically mean that you spend like 10, 12, 15 hours a day in the office*** *but that you can have sufficient time for whatever else is important for me.*

I don't know whether it is that moral hazard or bad reputation finance has from the financial crisis or this lack of flexibility in work hours and the work environment in general that makes women hesitant or reluctant going into the finance industries, or both...

Anya Navidski: The issue of working hours and the lack of flexibility are very important issues, and I have seen it from the banking side, from the consulting side and I now see it on the startup side.

I am a single parent, I have a toddler, I gave birth to her and I launched the fund at the same time. When it comes to that balance and how do you find it, it's probably a very unique set of experiences over the last year-and-a-half.

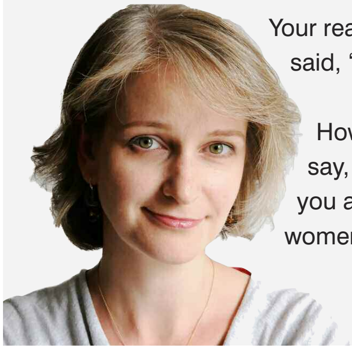
But I don't work on weekends. I try to get home most nights. Obviously, there are exceptions and I typically limit nights out to one or two at most a week. When I am home for 5 o'clock, I take her and the dog out for a walk. I do dinner, bath, bedtime, and yes, I sometimes go back to emails and maybe talk to some of my founders if we didn't manage to touch base during the day.

The other thing is that I had to train people around me to adjust their expectations. I do not respond to WhatsApp messages on the weekend if it's not urgent or critical so that they know that this is my time. I am there for my team, my companies, my investors, but there are limits around this and I have been very strict with it.

I know that some of my VC colleagues are frowning at this, like telling me, "What do you mean, you are not going to yet another event?" Because every night there is a bloody event in London or somewhere else in Europe and I have to say to a lot of them, "I am sorry. No, I have a family."

Christiane is right, many things in the workplace can be very inconsiderate or unreflected for people with families. My top example was this year's International Women's Day where one VC decided to have an event on startup founders with young families at 7:00 in the evening.

[laughter]



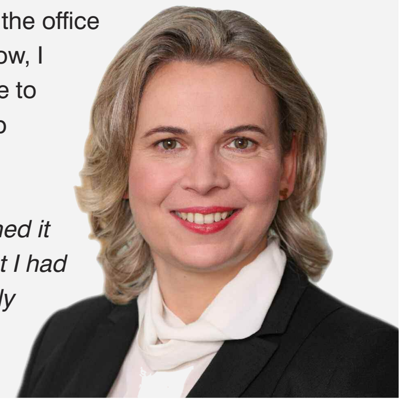
Your reaction says it all. And when someone in the industry approached me saying, are you coming? I said, "No, I am going to be with my one year old."

How about you do it at lunchtime or late breakfast? And often enough people come back to me and say, "Well, I haven't thought about this." I then say, "Well, if you are going to work on diversity issues, you are failing from the start when you are not looking at who you're talking to because at some point women in their 30s and 40s need to get home because they have kids and family."

Christiane Schönbach: If we look to the other side, so men and husbands, I mean they could also stay at home with the kids, but I think in many cases they have the choice and they will then do what they want. And so, when we are talking about these very well-educated women, we have to give them the choice to do what they want to do in the end so that they can meet their own wishes or what they think it's important for them.

Dr. Ilga Haubelt: More and more often, you see that the fathers are now also stepping out of the office to fetch or bring their children somewhere, and they will proudly and openly tell you, "You know, I brought my kid to childcare or to school this morning, and now I have to leave because I have to pick him or her up from football". They do so without the urge to say "sorry", or "I'll make it up tomorrow". This is exactly what also needs to change for more women.

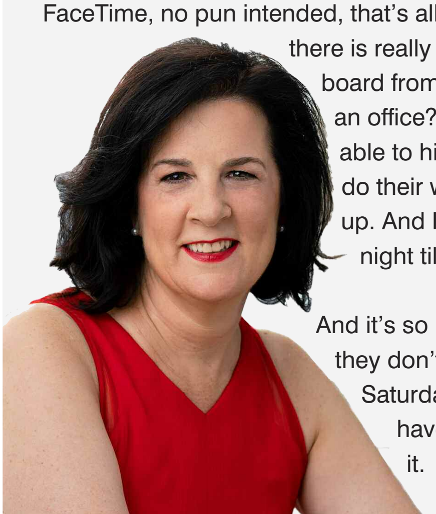
After my finishing my Ph.D., I got a job offer from a very well-known consulting firm, and I turned it down because one of the key people at the firm was telling me proudly that I would know that I had "really succeeded in the company" if he would "call me on a Sunday at 7 am." I think we really have to question this type of culture.



Christiane Schönbach: You are right, this is particularly important for the young generation. I had young men on my team becoming fathers as well, so they quickly also learned that there are important, if not vital demands on their time from that side too. <u>By advocating and pushing for my own freedom I thought I can be a role model for all of them as well.</u>

Amanda Pullinger: I do think some of these issues are going to change. I think the next generation wants different things, right? They do want more flexibility. They don't see themselves as having a career in one area for the rest of their lives. I think the finance industry and others will be forced to change because if you want the best talent out there, you are going to have to accept that actually they only want to work a certain number of hours and, by the way, they want a sabbatical for a year after that.

And quite frankly, the whole flexibility in the industry, the whole notion of having to come into an office every day and do the FaceTime, no pun intended, that's all changing. 100 Women has no offices anywhere. We have a global membership, and there is really no reason to maintain expensive, centralized office space somewhere, even though my board from time to time will say we should get you an office. I am like, 'What am I going to do with an office? I don't want to be going into an office!" All of my staff work virtually, and we have been able to hire some amazing women who have families. At the end of the day, I don't care when they do their work. I really don't care. And I make it very clear. I don't care whether you pick your kids up. And I see it because I see the time of the emails. I don't care if you want to work from 11:00 at night till 3 o'clock in the morning. If that works for you, it's great.



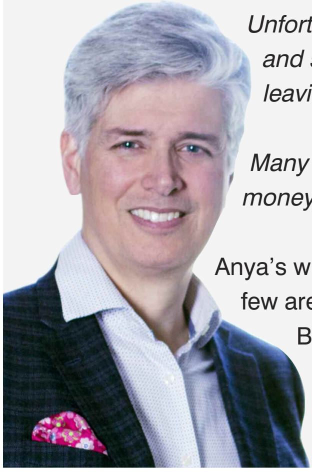
And it's so interesting, **you give flexibility to women, they give you loyalty.** Like I always say that they don't have to work at weekends, but in case I need to send out an email to my staff on a Saturday, they would respond, not because I am telling them they have to, but because they have that sense of loyalty to me, because I have given them flexibility at the times they need it.

Anya Navidski: I see that in startups, more precisely, in companies being built by women, because they are much more aware of their own and their friends' constraints and the need for flexibility. So, they are building the next generation of businesses that are flexible, which are built on that trust, and on the kind of, "I want the output and the result. I don't care how you get there."

We also don't have an office, and people keep asking me, "Where are you based, where is your office?" I say, "Well, we have Google for Startups space when we need it, but I am almost never there." I am very conscious when it comes to meetings and scheduling them. I live in central London, but it can still be 45 minutes to an hour to get across to a location or someone's office – that's two hours out of my life that I could spend actually working and creating value.

So, I fully agree with Amanda that the next generation is coming in with new paradigms and that the flexibility that these women entrepreneurs are offering to their male and female employees is brilliant.

Kamal Hassan: A lot of the conversation in this area has a **social justice tinge** to it. You ask men to think of their daughter, their sister or their wife to understand why it's important to have women represented from a justice point of view.

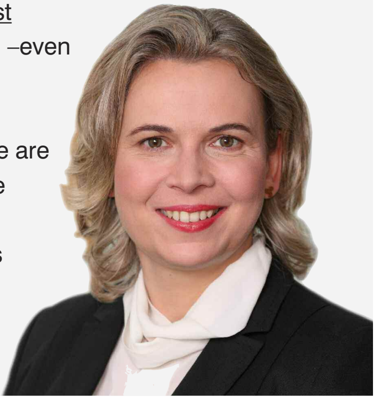


Unfortunately, the social justice aspect is somehow perceived as the only dimension. When we show up and say it's also about making money and that all these people who are not investing in women are leaving real money on the table, it doesn't register.

Many investors can't even wrap their heads around the fact that by not investing in women, you are losing money, because they only hear social justice.

Anya's whole fund is built on the premise that because almost all of the money is all going to men and very few are investing in women, you get higher returns for women because it's a supply and demand at play. But it's really challenging that we can't get a financial argument out that is heard, because people just hear women's social justice.

Dr. Ilga Haubelt: There have been so many studies on the whole notion of diversity. One of the most interesting was the one in the Harvard Business Review on the VC industry last summer, where they looked at the composition of the deal team of 20,000 deals and then looked at the performance over the short and long-term. The worst performing deals were deals where the deal team all went to the same university. I love that example. And the best performing deals were ones where the deal team was ethnically diverse. I love that example too –even if gender wasn't a factor.



So, at the end of the day, I want the argument to be that it's about better businesses and that we are actually going to make more money. But I think the reason social justice comes in is that people clearly are not believing in those studies. Simply put, these things are not part of their personal belief system. And therefore, Hassan, saying there is an opportunity there, etc., from a business perspective, is not getting through to people. The studies are there, but it's not being realized.

Matthias Knab

At last year's Greenwich Economic Forum in Greenwich, CT, I moderated a panel with business leaders on business culture. It was the last panel of the day but the most engaging of the afternoon.

One of the guests was Tim Armstrong, the former CEO of AOL and a real big hitter in venture capital. He says when he arrives for a meeting with a company and he sees that the team is not diverse, he turns on his heels and tells them to call him back when he can see diversity in the core team.

That's a **hard rule,** and reflecting on our conversation today, maybe to really move the needle and get more momentum is by having a social consensus to implement more of such hard-coded rules.

Anya Navidski: Some Scandinavian funds have started to do that. We have had a recent conversation with one of them and they basically said they had not followed up with the next round of investments in specific companies because those firms have done nothing on diversity and inclusiveness. They are a large investor and diversity is a huge topic for them, and so they are not going to put more money in.

They are also actively diversifying their own fund management team and are talking to people like us to figure out what works. Unfortunately, they do later stage investments and my point to them is that unless we fix the early-stage pipeline, we are not going to get the type of later-stage deals that they are looking for.

Investors are waking up to it, but I still often have conversations like, "Hang on a second, you are discriminating against men!" I say, "Really, how did we turn that around?" I am surprised, but that still comes up. The rest of the industry has been discriminating against women for decades, it just hasn't been publicly stated as such.

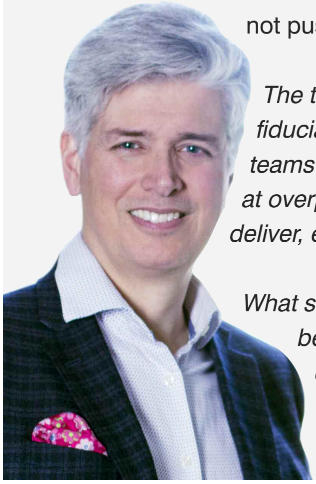
Kamal Hassan:

And this is circling back to the fairness argument. If the argument is to invest in women for fairness, that's fine. Our thesis is to make the most money by investing in the best companies, whether led by women or men.

Anya Navidski: Exactly. **I very early on realized that the impact argument had to fly out the window.** We are not an impact investment fund, we are a for-profit, and in fact, above-market returns fund. I had to educate investors and say, "Well, if 80%, and, in some industries, it's even higher than that, of spending decisions are made by women, surely we want to back businesses that are understanding their customers, because if they don't, their products and services are going to be inferior." That's how we ended up with breast pumps that haven't changed in fifty years and still don't work for women.

I am always searching for ways to bring the discussion back to parameters that my investors could understand and the numbers they could connect with. *Going back to Amanda's point of how do we get that emotional connection, because, until you create that emotional connection, nothing happens, no matter how many numbers you throw at them.* The VC industry has had the numbers for 20 years. HBR has got a collection of studies that covers a whole spectrum of these decisions, and the Nordic banks have done the study of thousands of female CEOs. We have data on over-performance in this space, but people are not changing their behavior.

Kamal Hassan: I will be blunt, I think experienced investment managers will invest using the process they always have. What I wonder is from the side of the limited partners, the people who are giving the pools of capital out, why are they not pushing for more gender balance in how their money is invested?



The thing I hear all the time from the managers' side is, "We don't invest more in women as we have a fiduciary duty to our investors to make the most profitable investments. Even when we see women, those teams aren't as good as the men." But as we discussed earlier, maybe the women are simply not as good at overpromising, hence their pitches are less "inspiring". Investors make money based on what the women deliver, even if they underpromise.

What surprises me is I don't hear any LPs pushing back and saying, "Your fiduciary duty is to invest in the best companies. You are excluding half of the human population. You, therefore, are clearly missing out on at least some of the best companies, and are giving me lower returns than you should."

Anya Navidski: It's a scale issue and it's a limited resources issue.

If you are a mainstream European VC you get 4,000 to 5,000 decks a year. You have a team of six/seven people, which means you physically can't go through additional stuff. You are barely coping with the decks you get, and maybe a 100 of those 4,000-5,000 are going to be from women founders. So, you feel like, "Well, I can't, I don't have the resources to go out there and do extra work because I am barely coping with what I have." From my experience, the limitation on that end is coming from the resource issue that I keep seeing over and over.

Christiane Schönbach: I think what Amanda said earlier is that everyone knows the studies and reads them and it's like intellectually everyone sees it but still one doesn't really believe it and less even work for a good outcome or balance on the diversity side. We have to make efforts already when hiring and then, as we said, do some handholding and coaching for the talent to really thrive.

I have the impression that many decision-makers would agree if they were asked whether they supported diversity. However, when it comes to reality, many teams, firms, and leadership circles are stuck in this very self-sustaining system because this

is how it has always been, what people have seen, experienced, and what they are looking to maintain.

To change the perspectives or the whole system is obviously very difficult. We need the role models and help individuals and the whole system to understand that it is worth the time, effort, and the money to promote diversity. And maybe that insight has to start at the top of the leadership.

Anya Navidski: I agree, top-down is very powerful and a number of companies are doing it that way. I was talking to a fund recently, and they are very serious about addressing this within their portfolio. They are doing it with **specific rules.**

For example, for every key hire in their portfolio companies, there has to be a woman on the shortlist. They don't have to hire her, but there has to be at least one woman on the shortlist. And if they can't find one, then the fund will put one on the shortlist for them. What was really interesting is that in nine out of ten cases, it was that woman that got hired because the quality was so high.

Amanda Pullinger: I had a very interesting experience recently in terms of helping a firm with hiring. A woman from a UK Pension Fund called me out of the blue, at the beginning of this year and said, "We are looking to expand our investment team and it's a senior investment role. We are not getting any female applicants, and someone said 100 Women could help because you have a job board and you have members," and I said, "we are happy to help, of course. We may not be going to get you hundreds but those within our membership."

So she said, "Fine, I will send you the job description," and one of the things that I always say to firms who are sending us job descriptions is that in addition to an HR person's contact there must be a senior woman on the business side listed with her contact details because our members will call and will ask what's the culture like for women at your firm, and they may also ask, "Do you think I qualify for this job?" So, with a female contact person to reach out to, the number of applicants definitely increases.

So we sent it out to our membership, and shortly after the person who had originally reached out to me gave me a call and shared with me that they shortlisted four candidates, one of whom is a woman who came through 100 Women. She said, "What's really interesting about her is that she has been out of the business for ten years but she has this phenomenal background. And so, when I showed my boss the application of this woman, he was like, 'Wow! Wow! Oh, but why would we hire somebody who has been out from the business for ten years?', and so I said, 'Well, I want to interview her.'" So you can see that the advocacy piece is absolutely essential.

So when the woman was then interviewing this applicant, she is so blown away by this woman, she drags the boss in and says, "You have to meet this woman, she is just phenomenal." And they decided to hire her.

But what that experience showed me was the broader dimension of the challenge. It is just about hiring a woman and then check the box because "we did this, we found a woman, we found a woman!" There is still a lot more to address, particularly if somebody has been out the workplace for a while. I am sure, Hannah, you must see this more frequently, no?

Hannah Czerkawska: Correct, and one of the things that we are currently implementing is introducing what we are calling a Recruitment Concierge. Basically, this involves ensuring that we are provided with a diverse talent slate, the interview panel is a diverse panel, and identifying senior leaders from within the business who can partner with candidates right the way through the recruitment process and provide them guidance and support.

Amanda Pullinger: If someone would be overly critical you could say that's fixing the women, which is something we talked about earlier on, but I actually think it's really critical. I think we have to acknowledge that men and women come up at these things very differently and so I think a certain effort to really help women to get through the process is just going to be necessary.

Coming back to Kamal's frustration, I have the same frustration. It makes no sense to me that institutional investors are not taking money off from non-diverse teams. What they will say is, "Oh, but you know, it's about risk, it's about risk-taking, and this and that and the other," but from a purely rational perspective, it's so illogical. But it goes back to relationships! The number of men I saw after the financial crises whose funds blew up, they laid low for a year, and came back raising more money than before – this is why I say, this industry is not about performance, it's not about data, it's about relationships.

Kamal Hassan: It's really funny you say that, because with Anya and myself, you are speaking to two new fund managers. It's been a challenge to raise funds so far because we don't have those relationships with the big investors. I am upper middle class in terms of my wealth. I often hear wealthy investors say, "Well, you have only put a couple of hundred thousand into the fund, therefore we are not going to put a million in unless you put one million or two million in."

So **the result is a closed circle of the wealthy who are connected together, funding each other and missing out on performance.** They are not saying: "is the underlying financial performance the best we can get, and what are we missing out on." They are instead evaluating other factors, such as connections, without realizing that in doing so they sacrifice financial returns.

Anya Navidski: You are completely right. Also for us as a first-time fund, it's exactly the same issue. I had to make a conscious decision not to go to traditional LPs because again they would say, "You are a first-time fund; you haven't put any decent money into the fund." I have been doing entrepreneurial things for last ten years but things go up and down so I don't have millions sitting in the bank to put into the fund. In the end, what we decided on was an alternative route.

*In our case, it meant **excited entrepreneurs** who understand how we work, our ethos, our strategy. They get what we do and they want to get involved with our companies. People who actually say, "You know what, I like that or this business in your portfolio, I want to come in as an advisor." And then they say, "Actually, I am going to put all my VC-type allocation through you now because I love how you work."*

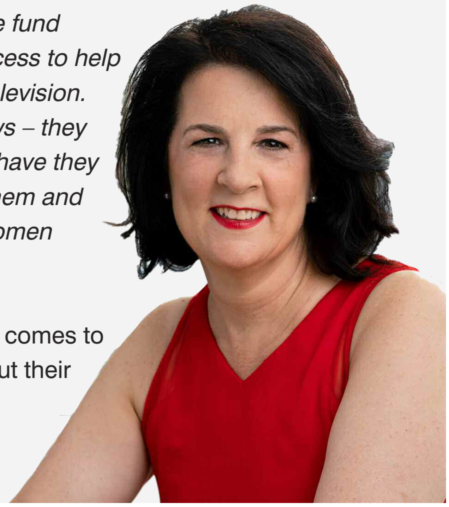
We do the same thing with family offices. They are hard to access, but once we explain to them how we work day-to-day, they are much more amenable and say, "Well, actually we like the approach, we like the companies that you are looking at, we like the progress that they are making."

Our **Fair Venture approach** makes entrepreneurs and family offices our natural partners. Fair Venture takes VC back to what it was originally designed to do and it aligns well with these people's own experiences as entrepreneurs and business owners.

Amanda Pullinger: It's still about relationship building, but also choosing who you are relating to, and this goes back to why visibility is so important. We list now 400 female fund manager faces on our website. When I wrote to these female fund managers asking their photo, I also asked, "Will you speak to 100 Women, will you speak in external conferences and will you speak to the media?"

We actually got a great response, and my argument extended beyond the need to change the perception of who gets to be seen as a financial expert. The reality is if you get on a stage, whether it's real or virtual, people think you are smarter than you actually are, and when it comes to women who are managing money, you may have the best performance out there, but if investors don't even know you exist, you are not going to build your fund.

We actually did a pilot with CNBC this year, which is really interesting. We took six female fund managers who have never spoken to the media before and we took them through a process to help them get comfortable with the situation because nobody really wants to go straight on television. So those six women went to pitch to the executive producers of the different CNBC shows – they were phenomenal investors and articulate, and so soon people wondered why on earth have they not been on television before? They haven't been on television because no one asked them and they didn't put the hand up. And as a result of that simple introduction, all six of those women now regularly appear on CNBC shows.



Now, that is only six, and so we need to scale this thing up, but I can tell you that when it comes to investors who before never saw those women, it's not their performance has changed, but their visibility.

Anya Navidski: Exactly because of that the BBC recently launched its 50-50 initiative. Their producers and staff have short-lists of people that they constantly go to, so it's the same people on the same shows talking about the same issues, and at some point, they have realized that that list was basically white male. This initiative is supposed to help redress this issue.

They haven't quite got around to making it very broadly known and it is still who you know that gets on that shortlist, so I was lucky that I knew someone that added me to the list, which, as you can guess, is inevitably just a spreadsheet.

On the flip side, we didn't have approaches from investors until suddenly the *Financial Times* decided to do a piece and they had my picture next to the founder Aspect Ventures. We were still really early-stage at that point, but somehow just having that one article with those photos all over the page suddenly made us accessible and credible. My performance hasn't changed. We are still the same fund, the article did not cover how we invest or any of the kind of nitty-gritty details you would want and need.

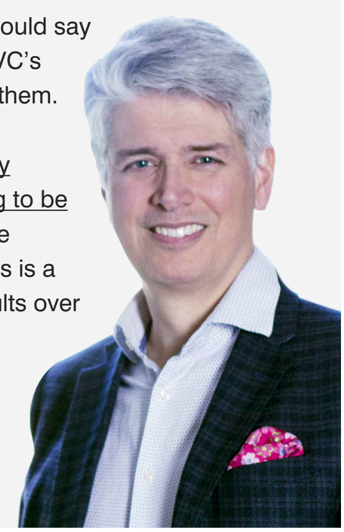
But because the Financial Times has covered us, suddenly we were on the map. And it's crazy, just because you're in the media you have become the expert. But the downside to that is that you also get a whole bunch of people who are not creating any value whatsoever who are in the media talking about issues that they don't really have experience of, but they are pitched as experts.

Kamal Hassan: *I am going to pick up on Anya's earlier comment on developing the pipeline in terms of early-stage investing. When you go to tech accelerators like Founder Institute or MassChallenge, they graduate about 30% to 35% women. That's who comes out the door. A similar study by the Business Development Bank of Canada found that 28% of entrepreneurs were women.*

When you now look at each of the stages along the way, back to Amanda's point about securing the funding – if they don't get the early stage financing they can't get the growth financing. ***I do think there is an absolute problem of drop-off along the way.*** *I agree you need to address things at the early stage to build the pipeline to have companies with women CEOs ready for funding at the later stages.*

This is something we are conscious of and see as an early-stage investor. We can have 35% female founders because we are an early-stage investor and we can get companies right when they finish the accelerators, so we can potentially match the accelerator output in terms of their output percentage. *If you are a growth-stage investor, it's hard to be at 35% because women are falling off along the way.*

Anya, also you mentioned earlier the women coming to you who wouldn't go to other VCs, and I would say about a third of the women we have invested in are women who told us they didn't want to take a VC's money and didn't want to work with a VC, but they liked our approach and liked how we deal with them.



Part of our approach is that we are trying to change the power dynamic. Venture capital has a crazy **power dynamic,** with the VC sitting on high, with hundreds of supplicants coming to the VC asking to be picked. Our way of funding first, and then working with the entrepreneur side-by-side to support the business, changes that power dynamic. It renders things a lot more collegial and collaborative. This is a whole different way of working, The way in our door isn't a pitch but rather your demonstrated results over time to someone who has watched you work. Once you are through Loyal's door, you experience something very collegial. Perhaps that's why we have a 100% accept rate on all our follow-on investment offers to date.

Anya Navidski: I just want to share a little personal anecdote story in terms of that power dynamic or rather lack thereof. When we did our first investment and the due diligence on an experienced founder, she has an exit to Google under her belt, so it's not like it was her first rodeo.

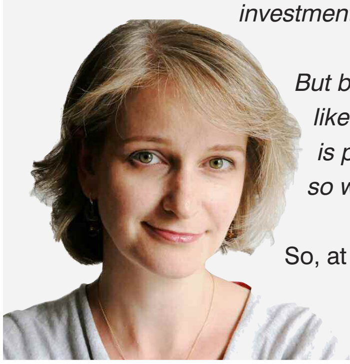
Then I went into labour and needed to have an emergency C-section, so I couldn't leave the house for a little while. She had to come to my house to finish transaction documents while I was trying to figure out breastfeeding at my kitchen table, covered in baby puke, while we were negotiating final points on the documents.

I mean, if that doesn't shift power dynamics, I don't know what would.

As you would imagine, this experience has created a relationship – we talk to each other, not because I demand to have board meetings every six weeks, which I don't, by the way, but because she wants to talk to me. She sees me as a real partner that she can trust.

I think Kamal is right, the power dynamic of a VC setting the terms and controlling the market has to break down. It has to be the right investor for the right company based on the right relationship, and that's certainly what we are trying to build. That's why we get comments like: "We like your approach, we like how we engage with you, and therefore we want to go down this journey with you."

That's something that the rest of the industry hasn't caught on to yet. It's still very much a numbers game: doing 100 investments and hoping one of them becomes a unicorn.



But back to the biases I recently had an investor come to me saying, "I found this business and really like it, it's getting great traction, but oh, the founder just got married and she is in her 30s and so she is probably going to go and have a baby." And I say, "Well, I have launched a fund and I had a baby, so why is that an issue exactly?"

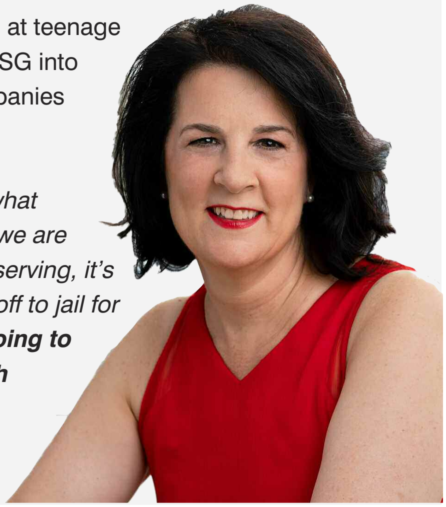
So, at times we have to force people to confront those biases head-on.

Kamal Hassan: In one woman's business we funded recently, the founding CEO was eight months pregnant with her first child and just launching her business. We decided to make that first initial, small investment because the truth is that we never know what's going to happen. The business may do really well, it may do badly, but we thought having a pregnant founder today is an immaterial factor in the long-term. You want a business that makes money, and who cares what the starting condition is.

Amanda Pullinger: So I have a theory about the pipeline, particularly around how do we increase the number of women who go onto the investment side of the business. We can see that in the analyst class or in many companies women come in kind of equal, so then the question is where do those women go, right? Some of them may leave the industry, but I would argue a lot of those women end up in other roles in finance like investor relations. We see many women in the Investor Relations Department – those are women who started on the analyst track and who were then persuaded to go on to another side. And often they went because it was much more of a female culture, etc.

My theory here is that if we can get teenage girls really passionate about investing early, then when they come into those analyst programs and someone says to them, "Oh, would you like to go to the communication side or the sales and marketing side or whatever", they are going to say, "No, because I want to be a portfolio manager, because I am passionate about investing."

One of the things that we want to roll out is a global stock picking competition app aimed at teenage girls, right? One of our Leadership Council members suggested we should incorporate ESG into that. How cool would it be to have an app that really focuses on how do you look at companies from a sustainability perspective, how to think about social good in that?



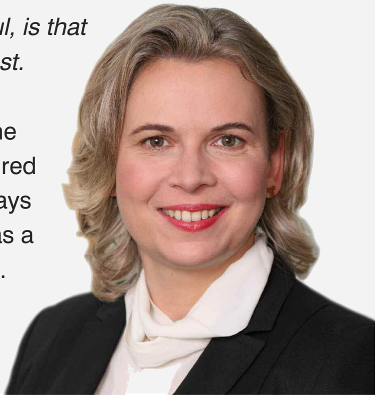
I have seen it again and again at our First Impression Dinners that at the end of the day what really triggers the change in the teenage girls is when we start talking about the fact that we are making a difference for ordinary people. There is this perception that this industry is self-serving, it's about making rich people richer, and from time to time they see some, usually a guy, go off to jail for doing something bad. ***We need to change that narrative because otherwise we are going to lose out and the next generation of young men and women is going to go to the tech industry,*** *which is even worse for women.*

Anya Navidski: There is a platform called FDisruptors aimed at teenage girls and jobs in the tech space. The whole thing is done in a way that appeals to these girls, with visual and informative content. The whole point is to help shape their view of the tech space. And funny enough, consulting companies and all the very large tech companies are starting to realize they **need to engage with that next generation in early teens** so that by the time they are at university looking at jobs, they are thinking in a positive way about those roles.

Dr. Ilga Haubelt: We have so far talked very positively about diversity, but I think it's not without challenges, right?

I was mentioning that I managed a very diverse team. The most interesting aspect about my team was that the members of the team were on the one hand very diverse, while on the other, they were trying to be very homogenous. I mentioned that I started to read academic studies on diversity, and there are many studies that show that diverse teams have better results. But I found one meta-study that showed if you have a diverse team, it either ends up at the top, so it's very, very successful or it's very, very unsuccessful.

And the difference between the two results, between being very successful or very unsuccessful, is that ***the successful, diverse teams are aware of their diversity,*** *and that's what struck me the most.*



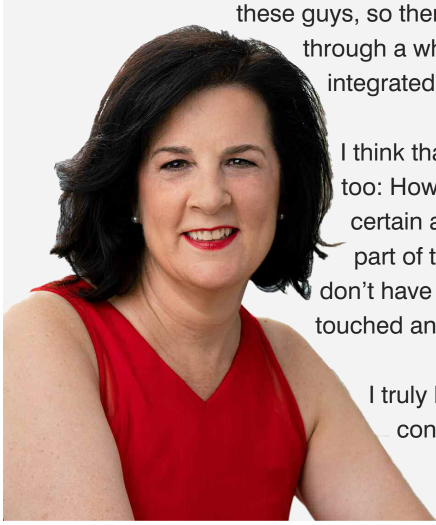
Then I started working with my team because I felt they were sometimes hesitant when someone new would come into the team to integrate and to introduce other ideas to the discussion. Inspired or guided by that research, I started working with the team to encourage them to explore the ways in which ways they are different, so really talking about our diversity and becoming aware of it as a strength. I don't know whether that's an experience you share or you have come across as well.

Amanda Pullinger: You are right, to produce a better business model it's not just about gender diversity, it's coming to the table with different perspectives so that you end up with a group of people who don't look like you, who don't think like you, who have different backgrounds and different experiences you can get an idea just asking them, "What did you do last night?"

There is a short animated video, which is brilliant because there are no real people in it, about eight minutes long from Pixar called Purl. It's the story of the first woman to join the investment team at B.R.O. Capital. So she comes to her first company meeting, and obviously, she has gone through an anonymous selection process where her face or gender hasn't been revealed as part of the process. She now opens the door and there are all these guys dressed the same way, and all their jaws drop seeing a woman.

The next thing you see happening is when she tries to join the informal conversations at the water cooler, and she doesn't even know what to say, and when she starts talking about what she wants to talk, the guys walk off.

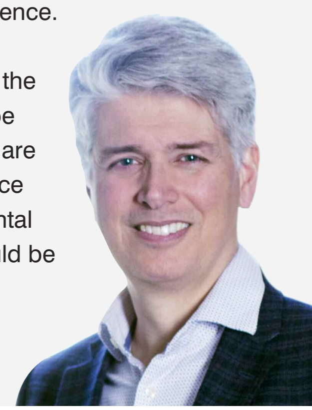
And then when it comes to the investment piece, actually she has different perspectives which ended up making money for these guys, so then they accept her, and now she is really part of the team. You can then see how she goes through a whole process of changing the way she dresses, changing the way she talks in order to be integrated, and it's only when the second woman joins the firm that she actually has this decision.



I think that's precisely the challenge, on the investment side and probably in other departments too: How do we encourage leaders to take on people who are going to be better than they are in certain aspects, but in other areas may have to be brought up to speed in order to make them part of the team. We think that in finance, we are a smart industry, but part of the reason that we don't have more diversity in our industry is because it's really hard and many different layers are touched and involved.

I truly believe that talking about all of the stuff, bringing it down to personal, honest conversations is the solution to many things in life.

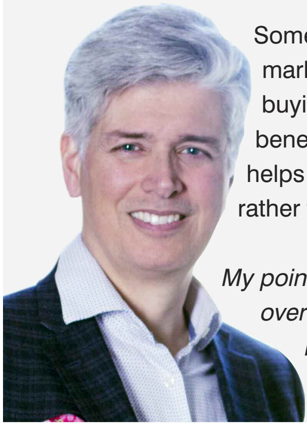
Kamal Hassan: And also, measuring things transparently, just counting them, can make a big difference.



We touched on ESG investing, and one of the things we want to roll out is ESG measurement for all the companies in our portfolio. We realized that the problem here is that in many cases ESG seems to be reduced to a mere compliance risk reduction process. Meanwhile, many of our portfolio companies are having massive impact, but this can sort of get lost as people integrate ESG as a negative compliance function ticking boxes and screening out things rather than quantifying positive social or environmental impact. So my take here is that ESG should be more about opportunity rather than a topic that should be about negative in compliance.

Dr. Ilga Haubelt: But we do all of that on the impact investing side, don't we?

Kamal Hassan: Well, again, what is impact investing? We have a woman in our portfolio whose company, Mekhala, sells organic, vegan, gluten-free Asian sauces. She recently landed a major contract to be distributed across the US in Whole Foods. She employs illiterate refugee Burmese tribeswomen to make these sauces and developed symbolic training materials for them to be able to learn how to work in her factory. So she is having a significant social impact with her business. And we doubled down on our investment based on her performance.



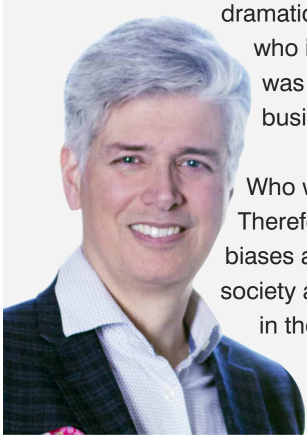
Sometimes I think impact companies are more about marketing. For instance, we have a peer-to-peer marketplace who allows people to rent tools, trailers and household goods from neighbors rather than buying them. Yet the founder pitches his business as a purely economic play, despite the environmental benefits of people sharing instead of buying. On the other hand, we have a founder who has software that helps grocery stores and restaurants avoid food waste. She chooses to play up the environmental aspect rather than economic. Both businesses have impact. Only one markets herself that way.

My point here is to view impact and ESG as an opportunity rather than a compliance obligation. I believe overlooking the opportunity angle is a major weakness of the investment industry's current approach to ESG.

Anya Navidski: It's interesting you mentioned the social impact of portfolio companies – when I look at our portfolio, basically every single one has a very strong natural, social impact as part of what they do. I think this is because the founders want to build good businesses that deliver value in a holistic, healthy way. I actually don't think there is a disagreement between profit and value for society, environment, etc. For me, impact and profits are really a natural fit. Unfortunately, many people still see impact as philanthropy.

In my experience, increasingly girls and women tend to bring these two together. They want to have passion for what they do and that means they need to develop and follow a greater vision and mission for their business.

Kamal Hassan: Allow me to give one good example of a business we have just added to the portfolio which does have dramatic social impact, and by the way also breaks all the stereotypes. This is a young man of 30 years or so who is doing a business to address menopause with women. He launched the business because his mom was going through menopause and he saw firsthand what she was going through. His co-founder in the business is another man, his father, who is a doctor with expertise in the area.



Who would have thought a father and a son would launch a business to help women in menopause? Therefore, back to my point about measuring and numbers, I think a focus on data can help to remove the biases and further open up the field of opportunities. Impact in a business like this can do really good for society and be an attractive financial investment. But let me also add that I think we don't see enough of this in the public stock market.

Dr. Ilga Haubelt: I agree with you that most ESG investment has been based on negative screenings and exclusions, but I can also share that, at least in my team, the discussion was on how can we turn it around and include positive impacts when we make investments. This can then also trickle down to the actual product design where, for example, we set up a thematic fund that's investing in companies that have an environmentally positive impact, and so are doing just what you asked for, Kamal, and turning the whole theme around.

Kamal Hassan: We talked about funding earlier and I want to bring up here another paradox.

We invest about 35% of our money in companies with women CEOs. But when we analyze where our capital is coming from, we find that only 5% of our capital comes from women. So, we are making money by investing in women, but who gets the payout? It's mostly men. We would love to diversify our capital sources and have more of it come from women. Sure, they may perceive that venture capital is risky. And unlike many of our peers, we manage it in a way to protect capital and provide more predictable returns to our investors.

I have read that women control half or more than half of the financial assets of the world. Maybe it is time to challenge women to take action, and put their money where their mouth is, by looking for funds that invest in both women and men.

Dr. Ilga Haubelt: What is your minimum investment?

Kamal Hassan: We have taken small checks. In other words, we have never turned away an investor because of check size.

Anya Navidski: The challenge, for example, for me here in the UK, is that I can't market to retail investors. I can only market to professional investors which naturally defines the size of the tickets and a whole bunch of other aspects.

We have just found a way to prequalify some of our female advisors but I had to work with compliance to be able to lower the minimum because they simply can't do a £500,000 check.

It was worth it though because it instantly got me three new investors who are hugely passionate, well-connected and will bring a lot of value to us.

When I talk to asset managers, again, they have the same issues, they have a smaller ticket size because people are just wanting to try investment, they want to understand how it works, but they can't do a 500k check. Maybe they can do 10k or 15 or 20k and then they feel like that's my pocket money, I can do whatever I want. Afterwards they get more involved but you kind of have to change the whole infrastructure to make it happen.

Amanda Pullinger: *I think there is still an issue for women who are in a position to make an investment decision and for many senior women in other sectors as well where they don't want to be seen to be discriminating positively. They are afraid of making such decisions because they fear it may look like they are only hiring or investing in them because I am a woman. Very subtly they may have somehow have a view is that that reflects on them as well, to the point that they may think that they are really in the place they are because they're a woman.*

I still think there is a real sense of that and women constantly are fighting that element and it's not constructive at all. For example, why shouldn't women who sit on a board be looking for just other women to go on that board?

It could also be a combination of the risk-taking, because some women may also falter when it comes to investing in themselves. They can be highly successful in raising money or investing in other people and not so good at thinking about themselves in terms of investing.

Anya Navidski: Sadly, workplace data shows that women who support and encourage other women get penalized at performance reviews and pay reviews. It's not that they are just hesitant, it's also that they have learned the hard way that the more you put your hand up and support other women the more you get pushed down.

Kamal Hassan: I wonder if women may be doing themselves a disservice by not exploring more options in their investing?

Anya Navidski: There is an organization that was launched recently called WealthiHer because, exactly as you said, Kamal, the asset management industries realized that more than 50% of their client cash is going in the hands of their female clients in the next few years, and they don't know how to deal with them.

I have been to a few of their events and roundtable discussions. The biggest challenge seems to be that in mainstream finance, there are packaged bits of products that are presented to clients, and clients then make percentage allocations between them. But this is not how women make decisions, they need to connect with what it is that they are doing.

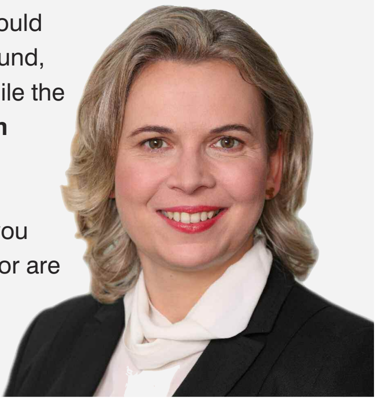
With a packaged product, women say: "Well, I don't know what that is, so why would I want to go and do this if I don't really know what's in that?"

It's a bit like the whole securitization issue and the financial crisis– we didn't know what was in the packaged mortgage packages and nobody could do their own assessment of the risk.

Parts of the UK asset management sector have started to look at what we need to do as an industry to engage with women on a different level. While I don't think they have quite got there yet, at least the question is being asked.

Dr. Ilga Haubelt: The other issue is that I think women need much more flexible models in which to invest their own money as they go through life. This could be helpful if they are having one or several pauses to have babies, or if they go part time, etc.

And also, many women want their money to be invested into a good purpose. I have participated in hundreds of marketing events for the Savings Banks, and it would always be the women that would come at the end of the presentation and say:, “Great, I got your message about your dividend fund, and I was wondering if you had a version of your fund that’s sustainable or that’s ESG?” So, while the industry is now trying to catch up, I think that there is still a **lack of products that resonate with women.**



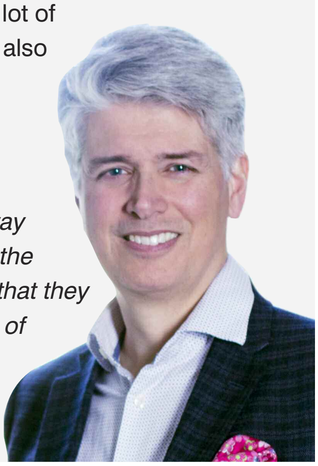
I have a question for the two VC managers here at the table. When you look at the companies you invest in, do you think it is really the female or the diversity factor that drives their performance, or are these just per se the better companies?

Anya Navidski: At Voulez Capital, we have looked at over 2,000 companies in the last year and a little bit. Of course, you get a lot of stuff that you dismiss easily. Every VC gets a lot of stuff that you just dismiss. However, the quality of the investments that we were able to make has been exceptional. When other VCs are sitting down with me and looking at our portfolio when we plan our next next rounds, they want to be in on those rounds. A few of them have said that they would have never seen this without Voulez Capital.

We are very selective. It’s hard to get funded by us - I can only do a handful of investments. Each has to be exceptional.

And then there may be another factor at play. I do believe that women tend to have a broader perspective on the market which then enables them to make day-to-day business decisions that are more effective. Over the longer term, all of the studies that I have been looking at about women run businesses, show that they often excel because of the decisions that are being made on a day-to-day basis. And this is what then can create the extra return.

Kamal Hassan: What I do know is that there are many different ways to succeed. I haven’t seen any data from our companies yet to say whether diverse teams outperform non-diverse teams, but what I can say is that we have a lot of diversity in who we are funding. I already mentioned 35% goes to companies with women CEOs. We also have only 30% white males as the CEOs of our portfolio companies.



We fund a really diverse group, and we believe the best people can come from anywhere.

I also think that many investors don’t recognize talent because it isn’t packaged and presented the way they expect it. There was a brilliant study done by Harvard and Wharton professors, where they took the same pitch, same script, same slides, and presented it to a room full of investors. The key thing was that they had a mix of men and women actors presenting the script. The investors in the room were also a mix of men and women investors, and they were asked to rank the company pitches. ***The result of***

the exercise was that the investors ended up ranking the companies identically: Good-looking men outperformed bad looking men, and bad looking men outperformed women on the identical pitch. There was a really dramatic difference in how the identical pitch was ranked depending on who presented.

So we know that a pitch selects by gender and by looks. So why on earth would you use an investing process that selects the best looking men rather than the best company?

Now, the nice thing is if you are an all-female fund, it doesn't bias by gender. And for women, it was found that appearance doesn't make a difference: bad looking women slightly outperformed good-looking women, but it was within the margin of error.

Anya Navidski: I have seen in various contexts that being blond and female and in her 30s is still a factor. We still assume that blond women are dumb in some shape or form and that pretty women always get by being pretty and don't have a brain. And if a woman makes a mathematical or technical mistake, she tends to get penalised heavily for it, with investors literally questioning her entire technical knowledge. Whereas if a man has a technical error or say messes up the numbers, then the reaction is "Oh, he is just having a bad day."

These biases run deep, causing collateral damage all around and creating inequalities and loss of value, which are really difficult to overcome.

DON'T MISS OUT

ACTION REQUIRED

Business decision makers LOVE online video because it gives them the most amount of information in the shortest amount of time.
– Bob Wies / President MV Digital

When done correctly, all you need is one video to build up highly targeted traffic for a really long time.
– Carey Lowe / Marketing Consultant

Video marketing is the most effective way for you to get someone's attention and engage them for a substantial period of time. Keeping someone engaged is the best and quickest way to gain their trust. Gaining trust is the only way to convert your audience into happy, long-term clients and customers.
– David Grimes / Marketing Manager

Video solidifies your online presence while building deep and meaningful relationships with your customers. It adds a personal touch to your brand while increasing your conversions! Videos are now an expected component of any website.
– Lilach Bullock / Marketing Consultant – Forbes top 20 women power influencers

It's more effective:

Video attracts two to three times as many monthly visitors, doubles their time spent on the site and has a 157% increase in organic traffic from search engines like Google.
– Marketing Sherpa

And more *cost effective*:

Video promotion is 600% more effective than print and direct mail combined.
– Diode Digital

One minute of video is worth 1.8 million words.
– Forrester Research

Video content can increase the chances of front page Google ranking by 53 times
– Cisco

And did you know that:

Online video is shared 1200% more times than links and text combined.
– Simply Measured

75% of executives watch videos while working.
– Forbes

"The Opalesque videos are a clever solution to the persistent problem of getting to know managers' style and philosophy within a dizzyingly large universe of possibilities and with increasingly limited time. More managers would be wise to step out of their 20th century shells to embrace the new economy of communication technology to find more efficient ways to convey their story and message to existing and prospective investors."

Adam Choppin, Manager Research & Investment Strategy of FIS Group

Opalesque videos are regularly featured among the best in any top 10 or top 20 hedge fund / investor video ranking, such as this one which lists 4 Opalesque videos out of a total recommended of 19 videos.

Opalesque started shooting manager videos in 2009 - you will probably know that **Julian Robertson, Izzy Englander, Jim Chanos, Jeffrey Ubben, Danny Yong, Elena Ambrosiadou,** and **many other hedge fund legends** have produced videos with Opalesque. We have also produced videos for some of the **biggest institutions** as well, such as **Morgan Stanley, State Street Global Advisors, M&G Investments.**

Save up to 50% in travel costs by making your first meeting the second one

Have you ever spent time and money to take a trip to present your fund, only to hear, *"Thank you for coming to our office, and please keep sending me your reports ..."?*

What if you had known before that the investor is looking for something else?

By sending their video to prospects **before the meeting,** the manager wins twice. Should the investor be looking for something else, the manager can focus his efforts on those investors who watched the video **and liked** what they saw.

In these cases, managers tell us that the first real meeting becomes more like a 2nd meeting (the 1st one being the video) as the groundwork has been laid and the meeting will be much more successful and achieve much more compared to a regular first meeting. By better **qualifying your leads**, you can basically halve your travel budget and raise more assets quicker.

Compliant

- Opalesque.TV videos are produced to comply with your regulatory requirements
- Allow for true reverse solicitation

You're in control

When you're doing a custom Opalesque.TV video, you have full control about any aspect of your message. This is not a given in any other regular media coverage.

A manager portrait on Opalesque.TV is generally designed to simulate a first time meeting with a prospective investor, meaning that questions like the following will be discussed:

- Please introduce yourself and your firm
- What is special about your strategy?
- How are you different from your competitors?
- What else is important regarding the asset class?
- Opportunities you focus on

Working with a trusted partner

Over 1.3 million people have watched one or more Opalesque.TV videos, which means that the people you may be targeting will already be familiar with Opalesque.TV videos.

Managers like **Julian Robertson, Izzy Englander, Jim Chanos, Jeffrey Ubben, Elena Ambrosiadou, Anthony Scaramucci,** and many others have done Opalesque videos, as well as institutions like **Morgan Stanley, State Street Global Advisors, M&G Investments.**

Broad distribution

You can either produce a private video with us, which will only be hosted on the non-public part of your website, or we can offer you the broadest possible multi-channel distribution on Opalesque.TV and our partners like Reuters and other leading platforms. Contact us to discuss your custom distribution package.

Managers have **quadrupled assets** thanks to our video ($700m to $2.4bn in 1 year) and also received a book contract or **invitation to speak at the World Economic Forum or at TED** through our video:

- View count: Over 1.6 million views (hundreds of thousands of people)
- Thousands of investors will view your presentations
- Longterm effect: Views do not drop significantly over time
- Without investing a single additional minute of your time - time required to record a video is approximately 90 minutes.

Costs

For a 10 minute video the all-inclusive package price is US$10,000 which includes: travel (Europe and NY tristate), full production at your office, multiple edits (cuts), provision of the final video file, and a global, multi channel distribution package. A 15 minute video is $15,000, so $1,000 will be billed for each additional minute above 10 minutes. The client determines the final length of the video.

Links

Opalesque.TV video which got 104 views over 2016 Christmas:
http://www.opalesque.tv/hedge-fund-videos/patrick-stutz/

Opalesque.TV videos sorted by number of views:
http://www.opalesque.tv/most-viewed-hedge-fund-videos/

Opalesque.TV videos sorted by number of social media shares:
http://www.opalesque.tv/most-shared-hedge-fund-videos/

Contact

Matthias Knab
Founder
Opalesque Ltd.
www.opalesque.com
Email: knab@opalesque.com
Tel: +49-89-2351-3055
Mobile: +49-170-189-0077