



Recent launches of gender lens funds?

During June Fidelity Investments launched a nontransparent gender lens ETF, the Fidelity Women's Leadership ETF (FDWM). The ETF will track the Fidelity Women's Leadership Fund, which seeks to invest in U.S. companies with women in key C-suite roles, at least one-third board seats held by women, or best-in-class gender diversity initiatives. *See the latest performance of the Fidelity Women's Leadership Fund and other gender lens equity funds [here](#).*

In addition, Invesco announced the pending launch of the Invesco Racial and Gender Diversity ETF, which will track the Invesco US Inclusion Index of large- and mid-cap stocks. The investment criteria includes: leadership representation by persons of color and women ranking in the top 50% of both the index universe and the company's sector; non-negative growth in leadership diversity; and a third-party diversity score in the top 50% of the index universe. The fund meets the Parallele Finance definition of a gender lens fund, which requires a stated measure for gender diversity in corporate leadership.

Verve, an Australian superannuation fund managed by women and tailored for women investors, recently announced it will offer a Gender Equality and Inclusion Strategy for its member clients. The Strategy will be based on its recently launched Gender Equality Index. The investment approach will rank Australian companies on five pillars of equality and inclusion, including women in leadership, based on data from several sources, including the Workplace Gender Equality Agency. The firm's 3-year Gender Equality Index Model Return outpaced the ASX200.

What was on the gender equality agenda at the June G7 gathering?

The recent G7 meeting included [14 recommendations by the Gender Equality Advisory Council \(GEAC\)](#). These included several proposals for addressing the unequal impact of Covid-19 on women, a range of education measures, recommendations for ending gender-based violence (GBV) in all forms, and a number of economic empowerment proposals. The Council also highlighted the lower political participation of women globally.

For gender lens investors, these recommendations present opportunities to advocate for their implementation, as well as become shareholders or bondholders of the investment vehicles that respond to the call. The recommendation for equal access to capital by women-owned micro-, small-, and medium-sized enterprises is a long-held goal of gender lens and impact investors, development finance institutions (DFIs), and a broad range of equality advocates. Progress toward equal access to capital - and the growth of women-owned businesses - will lead to investment opportunities for private and public funds.

What happened at the UN Women's Generation Equality Forum in Paris?

In the largest gender equality gathering of global public and private sector leaders since the 1995 Conference on Women in Beijing, [UN Women convened the Generation Equality Forum in Paris](#), hosted by France and Mexico. The Forum announced US\$40 billion in commitments to gender initiatives by governments, DFIs, global philanthropic organizations, the private sector, and others. Centered around six action coalitions, a five-year Global Acceleration Plan for Gender Equality was unveiled by UN Women during the conference. Acceleration of progress toward closing gender gaps was a focal point due to the outsized negative impacts of covid-19 on women, including increased GBV, job losses, and gaps in caregiving supports.

The U.S. announced [Forum-related commitments and initiatives](#) to prevent GBV, strengthen women's economic security, and protect sexual and reproductive health and rights. Other U.N. member countries also announced significant policy

reforms and initiatives. In impact investing, [2XChallenge announced a goal of raising \\$15 billion](#) by the end of 2022. Founded by G7 development finance institutions and focused on projects in developing economies, the program has already committed \$7 billion, attracting additional commitments of \$3 billion from private investors - exceeding its initial 2018 challenge of \$3 billion in total commitments.

Who led the private sector commitments from the Generation Equality Forum?

In the largest private sector commitment at the Forum, [P&G announced it would spend US\\$10 billion with women-owned and women-led businesses through 2025](#). This comprised a quarter of the announced commitments from the conference. In addition, P&G stated a goal of eventually making 10% of purchases through women-owned businesses, significantly above industry average. P&G is held by 7 of the 21 global, U.S. and North America gender lens equity funds (as of a March 31, 2021 review), including as a top ten holding in two of the funds. 13 out of 36 positions listed on the company's leadership page are women.

The CEO, CFO, and COO of the company are all male, while three of six division chiefs are women. At a broader level, women make up 40% of the company's global workforce and 48% of management. In addition to its purchasing commitments, P&G has a target of 50% women at all levels of the company, including the board. Will gender lens funds and other stakeholders hold P&G to account on its gender equity and supplier diversity commitments? We will monitor this going forward.

Contact us for analysis of gender lens equity funds holdings. See top ten holdings across funds [here](#).

Recent developments in gender lens fixed income?

Mexico's Fonacot, a national workers fund, issued a 3-year MXN1,500 million gender bond during June. Proceeds will be used to extend credit to working women in Mexico. The issue was oversubscribed and will carry an interest rate of .2% of 28-day T1IE. 40% of Fonacot's financing goes to women, who earn less than half of men's salaries on average in Mexico. The bond issue will allow Fonacot to increase loans to women without charging higher rates.

Leading up to the Generation Equality Forum, [Anita Bhatia, UN Women Deputy Executive Director, issued a call for sovereign gender bonds](#). In the same way that green bonds ushered in a new market for climate funding, gender bonds would provide a new source of financing for governments who are ready to expand financing sources for the many existing and planned projects to advance gender equality. Bhatia points out that sovereign gender bonds would signal political commitment to gender equality, mobilize public and private funding, and help countries deal with massive post-pandemic debts.

We have an eye out for the first sovereign gender bond. See our latest analysis of bank and DFI gender bonds [here](#).

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