



Gender Lens Investing Q3 2021 Review:

Featuring A Spotlight on Women in Asset Management

November 2021

Gender Lens Investing Q3 2021 Review

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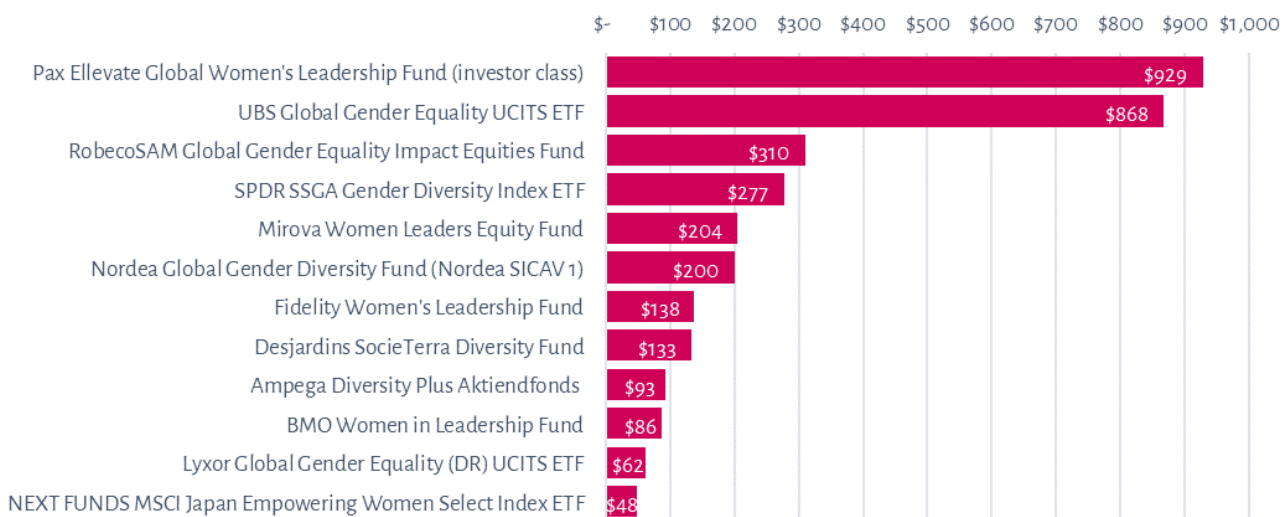
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Executive Summary

Key Findings

- ❖ Publicly traded *gender lens equity funds (GLEFs)* totaled **US\$3.56 billion in AUM** as of September 30, 2021. **AUM grew 3% during the third quarter**, for funds in our coverage universe as of June 30, 2021. **Year to date AUM growth is 35%.**
- ❖ There are **10 global equity funds** and **16 regional equity funds** available to individual investors. These are domiciled in the U.S., Canada, the E.U., South Korea, and Japan.
- ❖ **Gender lens fixed income AUM was US\$8.41 billion** as of September 30, 2021. This reflects a **74% increase** from December 31, 2020. Vehicles include U.S. and emerging markets funds, private financial institution bond issues, development finance institution (DFI)-backed bonds, U.S. notes and certificates, and a lending platform.
- ❖ **Diversity, equity, and inclusion (DEI) funds** totaled **US\$170 million in AUM** as of September 30, 2021. This growing group of funds focus on investing in companies with robust DEI policies.
- ❖ The report provides an exploration of **gender diversity** at the 25 largest **global asset management firms**.
- ❖ We **introduce our new fund scorecard**. Our methodology includes scores in four categories: fund gender lens equality criteria and metrics, fund performance, firm gender equality commitment and metrics, and fund ESG criteria.

Figure A: 12 Largest GLEFs by AUM (in US\$ millions)



As of September 30, 2021

Sources: Fund fact sheets

Figure B: Top GLEF Performers. Along with the broader market, the group of 26 gender lens equity funds (GLEFs) showed dampened performance in the three-month period ended September 30, 2021. [A full discussion of performance and composition of the GLEF group is included in the report.](#)

As of September 30, 2021	Performance (%)			Financials	Technology
	<i>in base currency</i>	<i>3 months</i>	<i>1 year</i>	<i>Group average:</i>	<i>Group average:</i>
Gender Lens Equity Funds (GLEFs)				19.2%	17.6%
NEXT FUNDS MSCI Japan Empowering Women Select Index ETF	JPY	5.98	23.43	7.6%	14.3%
Daiwa ETF MSCI Japan Empowering Women Index WIN	JPY	5.80	25.50	7.8%	13.9%
Smart ESG 30 Empowering Women Net Return ETN	JPY	4.86	N/A	7.0%	13.3%
RobecoSAM Global Gender Equality Impact Equities Fund	EUR	4.18	21.67	16.0%	25.0%
BMO Women in Leadership Fund ETF	CAD	2.85	21.23	23.5%	23.7%
BMO Women in Leadership Fund	CAD	2.85	21.22	21.9%	23.2%
Desjardins SocieTerra Diversity Fund	CAD	1.88	16.77	15.5%	23.1%
Nordea Global Gender Diversity Fund (Nordea SICAV 1)	USD	1.81	28.10	14.6%	25.7%
AVA Gender Equality Tracker	SEK	1.49	29.16	28.2%	N/A
Mackenzie Global Women's Leadership ETF	CAD	1.00	19.30	18.1%	17.1%
Mackenzie Global Women's Leadership Fund	CAD	0.80	18.50	18.0%	17.8%
Valeurs Femines Global	EUR	0.72	24.90	17.1%	20.5%
Ampega Diversity Plus Aktiefonds	EUR	-0.01	16.83	14.1%	4.3%
Gender Lens Indexes					
Solactive Equileap Global Gender Equality NTR Index	USD	-2.94	31.63	N/A	N/A
MSCI World Womens Leadership Index (Net)	USD	-1.01	31.80	13.6%	22.6%
MSCI USA Womens Leadership Index (Net)	USD	-1.34	34.97	11.1%	28.4%
Broad Market Indexes					
S&P 500 Net Total Return Index	USD	0.48	29.43	11.4%	27.6%
S&P 500 Financials Net Total Return Index	USD	2.61	58.20	100.0%	0.0%
S&P 500 Information Technology Net Total Return Index	USD	1.28	28.54	0.0%	100.0%
MSCI All Country World Net Return Index	USD	-1.05	27.44	14.4%	22.3%
MSCI ACWI Financials Gross Return Index	USD	2.04	50.50	100.0%	0.0%
MSCI ACWI Information Technology Gross Return Index	USD	0.60	30.62	0.0%	100.0%

Sources: Fund & index fact sheets

by: Parallele Finance

The Ongoing Need for a Women-Focused Recovery

The report includes an overview of recent developments in the impact of COVID-19 on women. The back-to-school season further highlights how the previous normal does not work for women. The September 2021 U.S. jobs report showed that women had a net loss of 26,000 jobs during the month, while men gained 220,000. The National Women's Law Center (NWLC) estimates that U.S. women will need two consecutive years of job gains at the September level to recover the three million net job losses suffered since February 2020. The women's unemployment rate stood at 4.2% at the end of September, compared to a pre-pandemic rate of 3.1% in February 2020. Unemployment for Black women was 7.3%, compared to a pre-pandemic rate of 4.9%. If the U.S. unemployment figures counted the nearly two million women who have left the labor force since February 2020, the women's unemployment rate would have been 6.8% at the end of September.

Latest Developments in Corporate Gender Equality

Gender lens investing (GLI) is centered on the achievement of inclusive gender equality through the direction of investment resources. Broadly defined, GLI describes investment funds and portfolios in a range of private and public capital markets segments. Since the mid-2000s, a wide body of research has demonstrated that higher levels of corporate gender diversity at the board and C-suite levels are related to higher share price performance, improved risk management, and better financial results on several metrics. A company's metrics around women-in-leadership (WIL) became investable. A range of studies spanning 15 years, [as summarized by Parallele Finance here](#), has continued to show connections between higher WIL and better financial performance, including return on equity (ROE) and profitability, as well as lower incidences of fraud, better environmental decision-making, and improved risk management. [The report summarizes recent WIL research and the latest corporate gender equality metrics.](#)

Parallele Finance Coverage Universe: Q3 Update

A suite of gender lens equity funds (GLEFs) has grown from the wide body of research demonstrating the performance and other benefits of higher levels of women in leadership (WIL). GLEF fund criteria are centered around investing in companies with higher WIL and strong additional equality metrics, including pay equity and disclosure and policies supportive of retaining and promoting women. As of September 30, 2021, there are 26 GLEFs available to individual investors, including ten global equity funds and 16 regional equity offerings. As of September 30, 2021, assets under management (AUM) for the GLEF group was US\$3.56 billion. Seven funds in the GLEF universe are domiciled in the U.S., including one global fund and six U.S. equity funds. Seven are based in Canada, with eight in Europe, three in Japan, and one in South Korea. There are three pairs of mutual funds/ETFs. The funds hold between 30 and 416 stocks. **For key stats on these 26 funds, see [here](#).**

Along with the broader equity markets, the group of 26 GLEFs generally turned in muted returns for the three-month period ended September 30, 2021. [Figure 4.1](#) shows the top absolute performers for the quarter (in base currencies), as well as their weights in the top two sectors for the GLEF group. Relative performance for the 3- and 12-month periods was mixed. **A [full discussion of fund performance and composition](#) is included in the report. For multi-period performance figures, see [here](#).**

In addition to equity funds, the Parallele Finance coverage universe includes a growing array of private and public gender lens fixed income funds and products, and a small but growing number of public DEI equity funds.

Women in Financial Services: A Spotlight on Asset Management

The report provides an analysis of gender equality at the top 25 global asset managers, as well as their equality stewardship policies and their gender lens investment offerings.

Global asset managers have a range of stewardship policies and statements in place to support growth in corporate WIL. A growing number of asset managers have announced a willingness to vote against non-diverse boards, but their approach to stated thresholds requires work. The report summarizes the diversity-related proxy voting policies of the top asset managers.

Which of the top 25 asset management firms will be the first to achieve board and leadership gender parity? The report summarizes key WIL data for these firms. BNP Paribas, Goldman Sachs, and JP Morgan boast the highest female board representation, followed by BlackRock and Bank of America. Several firms lag behind on female board representation, including Pimco, Northern Trust, and Invesco.

Female board representation is progressing faster than C-suite gender diversity. Women CEOs are found at only 6% of S&P 500 constituents and 8% of the Fortune 500 companies. In keeping with broader data, only four of the top 25 asset managers have female CEOs: Fidelity, Amundi, Edward Jones, and Franklin Resources. There are seven female CFOs. Eleven of the 25 firms have no women in core C-suite positions, and nine firms have only one. Fidelity leads with three, although one woman holds two of those.

The Parallele Finance Gender Lens Scorecard

We introduce the Parallele Finance Gender Lens Scorecard, a tool for evaluating funds with an in-depth gender lens. The Scorecard applies five grade levels to four categories, each comprised of scores from sub-categories and indicators. Taken together, the categories assess both the fund and the asset management firm on gender equality in investment criteria, holdings, portfolio management team, and firm-wide leadership, as well as the fund's performance and overall ESG approach.

Section 1: The Ongoing Need for a Women-Focused Global Recovery

A resurgence in global COVID-19 cases in the third quarter was driven by the Delta variant. U.S. GDP growth decelerated during the quarter on a sharp upward trend in cases, a choppy labor market, and an array of supply chain bottlenecks. Vaccinations have continued at a steady pace in the U.S., with global rates remaining mixed. 72% of the U.S. population had received at least one dose of the vaccine by the end of September.¹ In contrast, only 2% of the population in low-income countries received at least one dose by then, while the global rate stood at 44%. Only 15 countries had fully vaccinated more than 70% of their populations as the third quarter came to a close.²

Gender-unequal impact of COVID-19

The global pandemic has dealt outsized setbacks to the world's women in several ways: more jobs have been lost by women; there has been a dramatic increase in unpaid caregiving work, with much of the burden falling to women; and there have been COVID-19 safety risks in the low-paying service jobs predominantly held by women. See previous discussions of these dynamics in our [year-end 2020 GLI review](#) and our [Q1 2021 Review](#).

Latest employment trends for women in the U.S.

The back-to-school season further highlights how the previous normal does not work for women. The September 2021 U.S. jobs report showed that women had a net loss of 26,000 jobs during the month, while men gained 220,000. The National Women's Law Center (NWLC) estimates that U.S. women will need two consecutive years of job gains at the September level to recover the three million net job losses suffered since February 2020. The women's unemployment rate stood at 4.2% at the end of September, compared to a pre-pandemic rate of 3.1% in February 2020. Unemployment for Black women was 7.3%, compared to a pre-pandemic rate of 4.9%. If the U.S. unemployment figures counted the nearly two million women who have left the labor force since February 2020, the women's unemployment rate would have been 6.8% at the end of September.³

The particular impact of COVID-19 on Black women must be addressed. Black women have lagged the worst in job recovery since February 2020, with 291,000 Black women leaving the workforce through September 2021.⁴

Workplace dynamics and the impact on women

As we have highlighted in previous quarters, low-paying services jobs were predominantly held by women before the pandemic. In the U.S., low-wage workers made up 43% of the workforce pre-pandemic. While jobs have been added to the U.S. economy after the initial sharp losses in early 2020, many workers have shunned recent services job openings, by either leaving the workforce or shifting their focus into jobs with better pay and working conditions. As of June 30, 2021, low-wage earners were 52% of those leaving or shifting into new jobs.⁵ The avoidance of low-paying jobs, high burn-out, and the burdens of increased caregiving, are all contributing to high levels of job exits and transitions by U.S. women.⁶ As job openings in the U.S. go unfilled, what is being called the Great Resignation is women being forced out of the workplace due to increased caregiving burdens. Nearly one-third of all mothers have left or reduced their work since 2020.⁷

After the Bell 1

U.S. women's employment finally saw an upward trend during October. Amid overall strong job growth, women gained 57% of jobs added during the month, and 251,000 women over 20 joined the labor force. Even so, at 57.3%, women's labor force participation remained largely unchanged year-over-year, down from the pre-pandemic level of 59.2%. The women's unemployment rate came in at 4.4% at the end of October. Women will need eight months of job growth at the October rate to regain pandemic job losses.⁸

McKinsey & Company and Lean In recently released the seventh annual *Women in the Workplace* study, the largest annual survey of women in corporate America.⁹ With the burdens of child care and housework five times more likely to fall to women, the report found a widening gap in levels of burn-out reported by women and men. Women reported a burnout rate of 42% in 2021, compared to 35% for men. In

2020 this was 32% versus 28%. The study found that one in three women - at all job levels - has considered downshifting or leaving her career. In an environment of heightened focus on racism, the *Women in the Workplace* report found disconnects between publicly stated DEI commitments by companies and the reality of what minority women continue to experience. All women experience micro-aggressions at work, but Black women are three times more likely to face certain common micro-aggressions.

The *Workplace* report also found that women are more likely to take on the extra work to support a diverse and inclusive workplace. Women are largely tasked with performing diversity, equity, and inclusion (DEI) work, which results in higher employee satisfaction and retention, with less burnout. At the same time, this critical work is primarily overlooked in the promotion and career path process, with few companies recognizing it.

Supporting women back to full-time work, with the accompanying economic gains, requires complex solutions. At a minimum, surveys have shown that parents need reliable school schedules, affordable and high-quality childcare, higher wages, paid caregiving leave, and flexible work policies. How are gender lens funds incorporating all this? See [Section 3](#) for a discussion of gender lens equity fund and index criteria.

Global Policy Responses Needed

Globally, the pandemic continues to inflict an unequal impact on women. UN Women recently unveiled *A Feminist Plan for Sustainability and Social Justice: Beyond Covid-19: The Imperative for Transformative Change*.¹⁰ A women-centered global recovery plan is a necessary response to a combination of economic crises for women. These include a livelihood crisis, a care crisis, and the ongoing gender impact of the climate crisis. Urgent levels in all three areas have been ushered in by the gender impact of the global health disaster, an impact which includes COVID-19, as well as heightened occurrences of gender-based violence and child marriage. The report asserts that a feminist economic recovery would ensure sustainable livelihoods for all and would stop treating both unpaid care work and the environment as limitless resources that can be used for free and depleted without cost or consequence. Instead, a feminist recovery would put economic policies at the service of sustainability, gender equality, and social justice.

We second UN Women on this: Care as a public good. Not free. Not limitless on the backs of women.

Placing care at the center of economic recovery would prioritize investments in quality care jobs with living wages and social protection, and this initiative would also support unpaid caregivers. Care should be treated as a public good, with adequate resources and regulations. Care should not be treated as a personal choice or family obligation, nor as limitless and supplied for free. The UN Women plan calls for financing, public-private partnerships, accountability, and metrics around caregiving.

U.S. Policy Responses Needed

The childcare provisions of the Biden Administration's Build Back Better plan would provide federal funding for early childcare, from full support for low-income families up to a cap of 7% annual income spent on childcare. U.S. families currently spend an average of 13% of their income on childcare. In addition, the plan proposes paid family and medical leave and investments in long-term care, including improved pay for caregivers.

After the Bell 2

On October 22, 2021, the White House announced the first-ever National Strategy on Gender Equity and Equality. The Strategy, which is designed to include a push to organizational equality and policy actions at all government agencies, is intended as a long-term roadmap for the U.S. to close persistent gender gaps. The principles of the Strategy are designed to promote equality for all genders throughout the economy, with acknowledgment of longstanding systemic discrimination and barriers affecting women and girls. In addition, the Strategy seeks to address the impact of intersectional discrimination on the basis of gender, race, ethnicity, sexual orientation, religion, socioeconomic status, and other factors.¹¹

Also, the Build Back Better bill was approved by the House of Representatives on November 19, 2021. Following months of negotiations, the bill includes provisions for universal pre-k education and paid family and medical leave, among other measures.

Gender lens equity and fixed income funds and vehicles have a role to play in addressing the gender-unequal impact of the global pandemic. Gender lens equity funds had US\$3.56 billion in AUM as of September 30, 2021, while gender lens fixed income funds and vehicles represented US\$8.41 billion in AUM.

See [our take](#) on how gender lens investing supports the priorities of the **new National Strategy on Gender Equity and Equality**.

Section 2: WIL and metrics

Gender lens investing (GLI) is centered on the achievement of inclusive gender equality through the direction of investment resources. Broadly defined, GLI describes investment funds and portfolios in a range of private and public capital markets segments. Since the mid-2000s, a wide body of research has demonstrated that higher levels of corporate gender diversity at the board and C-suite levels are related to higher share price performance, improved risk management, and better financial results on several metrics. A company's metrics around women-in-leadership (WIL) became investable. A range of studies spanning 15 years, **as summarized by Parallele Finance here**, has continued to show connections between higher WIL and better financial performance, including return on equity (ROE) and profitability, as well as lower incidences of fraud, better environmental decision-making, and improved risk management.

For additional background on the WIL investment philosophy, see our year-end [2020 GLI Review](#).

Improved gender equity on additional corporate metrics also drives WIL and its many benefits. Among these WIL-supportive metrics, pay parity and pay gap disclosures have become key focus areas for gender equality investors and advocates. Research demonstrates that voluntary or mandated disclosure of unadjusted pay gaps moves the needle on narrowing them. Paid caregiving leave has been shown to promote retention of female employees. In addition, anti-sexual harassment policies make a significant difference in retaining and promoting women. Higher numbers of women in leadership positions requires a safe work environment, pay equity, retention, and promotion.

Contact us for analyses of gender metrics reflected in the holdings of gender lens equity funds and diversity, equity, and inclusion funds.

See our [Q1 report](#) for an analysis of recent progress on WIL-supportive metrics.

Research continues to demonstrate the benefits of gender diversity in corporate leadership.

Credit Suisse recently released *CS Gender 3000 in 2021: Broadening the diversity discussion (CS 3000)*.¹² This is the

latest in the biannual CS Gender 3000 report series, a cornerstone global study of women in corporate management. The dataset is comprised of more than 3,000 global companies in the Credit Suisse research universe. The report found that women's representation on boards is increasing at a faster pace than within management and executive ranks, a dynamic that we have often highlighted. As with previous versions, the report examined the "diversity premium". While not demonstrating a causal relationship, the data continue to point to an observed premium for higher levels of gender diversity in leadership on several measures, including better EBITDA margins through time and stronger share price performance.

A prominent researcher on diverse leadership, Julie Gorte recently authored Impax Asset Management's latest research on board diversity, *The Business Case for Diversity: 2021 Update*.¹³ The report's comprehensive literature review covered the impact of gender and other measures of board diversity on financial performance, corporate culture, innovation, environmental impact, and several other areas. It found that positive and no-correlation studies on the impact of diversity outnumber those finding negative correlations. Recent studies demonstrate the positive impact of gender, racial, ethnic, and other diversity metrics on corporate resiliency, strides in innovation, and reduced risk for losses associated with adverse behaviors by senior management.

We were pleased to see our Q1 data on public sector AUM included in CS Gender 3000 in 2021's discussion of gender lens investing.

In terms of financial performance, recent studies have arrived at findings similar to the earlier examinations of the benefits of gender-diverse leadership. A 2020 study of S&P 500 boards over eleven years found that gender diversity was associated with a higher return on assets, and a 2021 Bloomberg study of the Russell 1000 found that board gender diversity was positively associated with a higher ROE. The review also looked at the relationship between board gender diversity and environmental policies and impact. Notably, a 2021 MSCI report found that gender-diverse ACWI Index companies had better records on reducing carbon emissions. A U.S. study found that gender-diverse boards were more likely to pursue renewable energy, which boosted financial performance. (Note: Impax Asset

Management is the manager of the Pax Ellevest Women's Leadership Fund.)

According to recent data from BoardReady, companies with more than 30% female boards turned in year-over-year revenue growth at a higher percentage than companies with less than 20% women on their boards. Companies with over 30% female board representation outperformed their less diverse counterparts in 11 out of top 15 of the S&P 500 industries. Revenue growth was stronger for companies with at least 30% non-White boards.¹⁴

Diverse Leadership Creates a Sense of Belonging

In a survey of 3,500 respondents globally, those who work at organizations with diversity in leadership were more likely to say they feel a strong sense of belonging at work. 31% of men reported a sense of belonging at work, while only 22% of women reported the same.¹⁵

The recent *Women in the Workplace* study showed that women have made strides in most levels of the workplace, but a broken rung at the first management level persists. Only 86 women are promoted to this level for every 100 men. In one sign of progress, this metric was equal for women of color as well as White women. Despite gains, White men still comprise 62% of the C-suite.

What is happening in pay gap reporting?

The annual deadline for the U.K.'s mandate for firms with over 250 employees to publish their unadjusted gender pay gap data was pushed from April to October this year to accommodate the disruptions of the pandemic. With 2020 results now in just after the third-quarter bell, the overall gender pay gap widened a notch over 2019, which also saw a slight worsening from 2018. In some sectors, including finance, technology, and energy, the pay gap worsened notably from 2018 to 2020. With fewer women in higher roles, banks and law firms had the widest U.K. gaps. HSBC had a gap of 48%, Goldman Sachs International had a steadily worsening gap of 37%, and Lloyd's reported a gap of 34%. Barclays was one of the worst performers at 38%, but it eked out modest improvement since 2018. Many law firms had pay gaps above 40%.¹⁶

Pay Gap for Black Women

The third quarter included a relentlessly frustrating annual reminder of the U.S. gender pay gap. August 3, 2021 was the approximate day marking how much longer a Black woman in the U.S. must work beyond January 1, 2021 to make the average 2020 salary of a White, non-Hispanic man.

Research on pay gap reporting by the Global Institute for Women's Leadership at King's College London recently pointed to the lack of mandated action plans in the U.K.'s reporting mandate, which earned good marks for transparency and compliance. In comparing the reporting systems of six countries, Spain and France were the highest scorers, followed by Sweden and South Africa, while the U.K. and Australia came in last. The key differences were found in mandated action plans and enforcement measures.¹⁷

As summarized in Figure 2.1, a stubborn gender pay gap persists in the U.S. As we have previously highlighted, some U.S. states are enacting measures for reporting and addressing gender pay gaps. The National Women's Law Center recently published a summary of various measures. These include prohibiting the use of past salary information in hiring. Also, some states now require transparency on the salary ranges for a prospective position. Other provisions of pay equity laws are centered on expanding equal pay beyond gender to other characteristics, moving toward fairer comparisons of jobs, and closing employer defense loopholes. Only Illinois and California have enacted pay gap disclosure legislation.¹⁸

Caregiving policies take center stage

If paid leave becomes mandated in the U.S., we look forward to assessing its impact on the gender equality metrics of gender lens equity and fixed income funds and vehicles.

All eyes are on the prospects for paid leave legislation in the U.S., the only OECD country without some provision for it. The FMLA of 1993 requires those who employ more than 50 people to provide up to 12 weeks of unpaid time off for caregiving or illness. That coverage excludes more than 40% of the total workforce.¹⁹ The Build Back Better bill passed by the House in November 2021 would provide a federal benefit for employees to take paid leave due to illness or caregiving.

See our summary of recent research on the benefits of pay gap reporting, caregiving policies, and other metrics supportive of women in leadership here: [Gender Lens Investing: Corporate Equality Metrics Beyond WIL - Parallele Finance.](#)

By the Numbers: Choppy and slow progress

Figure 2.1

Parallele Data: WIL and WIL-supportive metrics		
World Economic Forum gender gap in 2020:	68%	
Women as % of U.S. population:	51%	
Women as % of global population:	49.6%	
U.S. WIL and workforce		
S&P 500 board seats	30%	Up from 28% in 2020 and 12% in 2000
Fortune 500 board seats	28%	Up from 26.5% in 2020 and 11.7% in 2000
Russell 3000 Index board seats:	26%	Up from 22.6% in 2020 and 15.1% in 2016
S&P CEOs	30 (6.0%)	
Minority board members	11% Black, 4% Latino, 6% Asian	
Fortune 500 CEOs	41 (8.2%)	Up from 15 (3%) in 2010 and 2 (0.4%) in 2000
Minority CEOs	5 women or color, 29 men of color	
Fortune 1000 CEOs	73 (7.3%)	
Russell 3000 CEOs	168 (5.6%)	Up from 96 (3.2%) in 2010
S&P 500 executive suite:	18%	
S&P 500 senior and executive management	26.5%	
S&P 500 first and mid-level management	36.9%	
S&P 500 workforce	46.8%	
Global WIL and workforce		
FTSE 350 with 33% women on board	65%	
FTSE 350 with 33% executive-direct report	30%	
FTSE 100 women on boards	36%	
Board seats in G20 countries	20%	
CEOs in G20 countries	4%	
ACWI board seats 2020	20.6%	Up from 17.3% since 2017
ACWI CEOs 2020	4.8%	Up from 3.9% since 2017
ACWI CFOs 2020	14.1%	Up from 9.5% since 2017
MSCI World board seats	30.0%	Up from 20.4% since 2017
MSCI World CEOs	5.0%	Up from 4.2% since 2017
MSCI World CFOs	12.0%	Up from 9.4% since 2017
MSCI World executive committees	15.0%	
MSCI World senior management	21.0%	
MSCI World middle management	27.0%	
MSCI World global workforce	36.0%	
MSCI EM board seats	13.0%	Up from 10.2% since 2017
MSCI EM CEOs	4.8%	Up from 3.3% since 2017
MSCI EM CFOs	18.7%	Up from 9.8% since 2017
MSCI World Women's Leadership board seats	38.5%	
Equileap dataset board seats	25%	
Equileap dataset executive level	17%	
Equileap senior management	25%	
Equileap workforce	37%	
Pay Gap		
U.S. pay gap all women	18%	Down from 36% in 1980
Black women	37%	
Asian women	15%	
Latinx women	43%	
U.S. states mandating pay gap disclosure	2	
U.K. pay gap (2021 average)	15%	Down from 27.5% in 1997
Equileap dataset % publishing pay gap	15%	
Caregiving policies		
OECD countries with paid care leave	All but U.S.	
Equileap dataset publishing flexible work policy	38%	
Anti-sexual harassment (ASH) policies		
% companies not using forced arbitration:	11%	
Equileap % publishing ASH policies	50%	

Sources are numerous. Contact us for specific source information.

Figure 2.1 summarizes current WIL and WIL-supportive statistics for the U.S. and other locations. With steadily increasing attention on board diversity, progress is inching forward to around one-third female participation for some

datasets. Ongoing and glaring gaps show up in the CEO and executive level data, both in the U.S. and globally. Minority representation in U.S. board and CEO ranks remains dismal. As has been widely cited, women's representation takes a sharp fall at senior and executive management levels. In the U.S., the S&P 500 companies lag the population on women in the workforce. MSCI and Equileap data show large gaps in workforce participation.

Female CEOs Bring More WIL

A recent study of 3,000 companies in 55 countries found that those with a female CEO had significantly more women in executive positions and on the board of directors. The study found that the increase in women's leadership happened after the appointment of a female CEO.²⁰

According to the *CS3000* report, Europe, with board mandates and quotas in place, leads the way on female board representation. France topped the country list with 45% of board seats held by women. In looking at sectors, financials (26.5%) and health care (26%) had the most women on boards. The report found that a low 5.48% of the global dataset had a female CEO, in keeping with other broad market averages. Also reflective of recent trends, 16.1% of companies had a female CFO, with Vietnam (58%) and Thailand (49%) registering the highest numbers of female CFOs. The report also found that women comprised 33.4% of shared services management in the global dataset, while only making up 16% of business management roles. Austria scored the lowest on women in all levels of management.

Among U.S. listed companies, the slightest majority (251) of S&P 500 companies now have at least 30% female board directors for the first time.²¹ This threshold has been crossed only through longtime pressure by investors and other stakeholders, as well as through regulatory actions. There is still much work ahead to achieve board parity among S&P 500 constituents and the largest global companies. In executive ranks, among FTSE 100 companies there are only 36 women in the top three C-suite roles, or 12.2%. A recent U.K. study by Green Park warned that C-suite gender parity will not be reached until 2059 at the current rate. The study also pointed out that there are no Black CEOs in the FTSE 100.²²

Elsewhere in Europe, a study from the University of St. Gallen found that corporate gender equality is two or three

generations away in Switzerland at the current pace. With a dataset of 320,000 employees, the report found that only 17% of top management roles are held by women. Women are also earning fewer high-level promotions and experiencing a higher turnover rate within Swiss companies.²³

Board Diversity Requires Pay Parity

Notwithstanding progress for women on boards, true board diversity requires pay parity. Recent data from New Street Consulting Group showed that FTSE 100 female board members are paid 40% less than their male counterparts. The U.K.'s Office of National Statistics 2020 data indicated a broad pay gap of 16%.²⁴ Clearly the U.K. pay gap is widest at the highest levels.

Section 3: The Parallele Finance Coverage Universe

Gender Lens Equity Funds (GLEFs)

A suite of gender lens equity funds (GLEFs) has grown from the wide body of research demonstrating the performance and other benefits of higher levels of women in leadership (WIL). GLEF fund criteria are centered around investing in companies with higher WIL and strong additional equality metrics, including pay equity and disclosure and policies supportive of retaining and promoting women. As of September 30, 2021, there are 26 GLEFs available to individual investors, including ten global equity funds and 16 regional equity offerings. As of September 30, 2021, assets under management (AUM) for the GLEF group was US\$3.56 billion. Seven funds in the GLEF universe are domiciled in the U.S., including one global fund and six U.S. equity funds. Seven are based in Canada, with eight in Europe, three in Japan, and one in South Korea. There are three pairs of mutual funds/ETFs. The funds hold between 30 and 416 stocks. **For key stats on these 26 funds, see [here](#).**

Equileap is Leader in Gender Lens Equity Indexes

A leading provider of corporate gender equality data, Equileap's 19 metrics include women in leadership, management and the workforce; pay gap reporting; and equality-centered policies on workplace benefits and anti-sexual harassment. We view Solactive Equileap benchmarks as the gold standard in gender lens equity indexes.

Our coverage universe also incorporates several families of gender lens equity indexes, including a suite of global and regional Solactive Equileap indexes, several core MSCI women's indexes, and two FTSE Russell women's leadership indexes. There is also a collection of stand-alone gender lens equity indexes. In addition, some GLEFs utilize custom tracking indexes. **See [index stats here](#).**

Several gender lens funds and indexes reached milestones during the third quarter. The Impact Shares YWCA Women's Empowerment ETF crossed the 3-year threshold, and the Morningstar Women's Empowerment Index has a three-year history. The Daiwa ETF MSCI Japan Empowering Women Index is now four years old. The RobecoSAM Global Gender Equality Impact Equities Fund now has a 6-year history. The Barclays Women in Leadership ETN passed the

7-year mark. In addition, several Solactive Equileap benchmarks crossed the ten-year threshold.

One new GLEF was announced shortly after the third quarter came to a close. On October 21, 2021, New York Life Investments launched the IQ Engender Equality ETF (NYSE Ticker: EQU), one of three impact ETFs launched by its subsidiary, IndexIQ. The ETF tracks the Solactive Equileap U.S. Gender Equality Index, which is constructed on Equileap's 19 corporate gender equality metrics. According to the fund's prospectus, IndexIQ is a supporter of and donor to Girls Who Code (GWC), and fund criteria are in alignment with the initiatives and programs of GWC. The fund was designed to promote investment objectives consistent with GWC's mission to raise women's representation in STEM education and workplaces.

For more information about fund holdings and WIL stats, [contact us](#).

GLEF AUM grew 3% during the third quarter and 35% YTD.

Gender Lens Fixed Income

In addition to equity funds, the Parallele Finance coverage universe incorporates a growing array of private and public gender lens fixed income funds and products. These include U.S. and emerging markets funds, private financial institution bond issues, development finance institution (DFI)-backed bonds, DFI-issued bonds, U.S. notes and certificates, and a lending platform. As of September 30, 2021, total AUM of gender lens fixed income funds and vehicles was US\$8.41 billion. Accounting for a significant maturity during the quarter and a revised second-quarter total due to previously unpublicized Asian Development Bank (ADB) bonds, AUM in gender lens fixed income was largely flat for the third quarter.

Within gender lens fixed income, strong growth has been achieved in gender bonds for the past two years, particularly in Asia, followed by Latin America. **See [Section 5](#)** for a description of the gender bonds issued and maturing during the quarter.

Last quarter we spotlighted the pending launch of the Invesco Racial and Gender Diversity ETF in our [Q2 Review](#).

Diversity, Equity, and Inclusion (DEI) Funds

A small but growing number of publicly traded diversity, equity, and inclusion (DEI) funds have an investment philosophy centered on companies with robust and publicly disclosed diversity policies. Research has demonstrated that closing gender and racial gaps would raise U.S. GDP. AUM in the DEI fund group was US\$170.10 million as of September 30, 2021.

The Satrix Inclusion and Diversity ETF was launched in South Africa during the quarter, and we have added it to our coverage universe. The fund tracks the Refinitiv Satrix South Africa Inclusion and Diversity Index of thirty Johannesburg Stock Exchange-listed companies with high diversity and inclusion scores.

Nasdaq ESG Data Hub

Nasdaq launched an ESG Data Hub to provide investors with data sets of detailed information on companies' ESG metrics. All of the data is aligned with the UN's 17 Sustainable Development Goals (SDGs). Corporate gender equality data from Equileap are included in the Data Hub.²⁵

Figure 3.1: Coverage Universe

As of September 30, 2021			
Type of Vehicle	Parallele Finance Definition	Number of vehicles	AUM (in US\$mil)
Gender Lens Equity Funds (GLEFs)	<ul style="list-style-type: none"> Fund criteria centered on investing in companies with a target range of women-in-leadership (WIL) metrics. (Often) Additional corporate gender equity measures supportive of higher WIL. 	26	\$3,564
Gender Lens Equity Indexes	<ul style="list-style-type: none"> Index constructed around WIL targets. Global or country/regional index. 	19	N/A
Diversity, Equity, and Inclusion (DEI) Funds	<ul style="list-style-type: none"> Fund criteria centered on investing in those companies with strong DEI policies. 	6	\$170
Gender Lens Fixed Income Funds and Vehicles	<ul style="list-style-type: none"> Tradable fixed income funds or vehicles with proceeds going to women-owned enterprises or women-focused criteria. 	50	\$8,414
Funds and Indexes of Women-Managed Hedge Funds	<ul style="list-style-type: none"> Index or fund holding shares of women-managed hedge funds. Fund size and strategy criteria may be applied. 	4	N/A

Section 4: Gender Lens Equity Funds (GLEFs) Performance and Composition

U.S. and Global Equity Markets Performance

U.S. and global equities were dampened during the quarter by a resurgence of COVID-19 cases, driven by the Delta variant, a China sell-off as debt servicing concerns impacted a major property group, and ongoing growth, supply chain, and inflation worries. The S&P 500 Index rose early in the period and then pulled back. Estimated 2021 U.S. GDP stood at 5.9% as the quarter came to a close.

The U.S. broad market S&P 500 Net Total Return Index returned 0.48% during the third quarter. Six of the eleven sectors outperformed the index, led by Financials (2.61%), Communication Services (1.54%), Utilities (1.52%), and Health Care (1.31%). Industrials (-4.32%) and Materials (-3.64%) led the decliners. Financials were boosted by an upward direction in rates over the summer. The largest technology companies, which have become known as the FANGMAN, or FAANG stocks, continued their market dominance. A cohort of these shares - Facebook, Amazon, Apple, Microsoft, and Alphabet - declined by nearly 10% in September, driving the S&P 500 to a steeper monthly decline that it would have seen without them. At the end of the quarter these stocks represented 22% of the index.²⁶

The MSCI All Country World Index (MSCI ACWI) posted a slight loss for the quarter, returning -1.05%. Energy (3.11%) and Financials (2.04%) were the strongest sectors for the period, while Consumer Discretionary (-5.11%) and Materials (-4.85%) lagged. The developed markets MSCI World Index was flat for the quarter at -0.01%. Financials (2.08%) and Energy (1.64%) turned in the best sector results. Materials (-5.50%) and Consumer Staples (-1.86%) posted the weakest returns.

The S&P 500 posted a 15.55% gain for the year-to-date (YTD) period, while returning 29.43% for the 1-year period. Energy and Financials strongly outperformed all other sectors and the index for the year. Energy shares moved up sharply during the third quarter as oil prices rose on supply chain bottlenecks. The MSCI ACWI rose 11.12% YTD and 27.44% for the 1-year period. Top sector performers for the year were Energy and Financials. The MSCI World traded up 13.04% YTD and 28.82% for the year, during which Energy and Financials were also in the lead.

3- and 12-Month Performance of GLEFs

Figure 4.1: GLEF top quarterly performers with Financials and Information Technology weights

As of September 30, 2021	Performance (%)	Financials weighting		Technology weighting	
		3 months	1 year	Group average: 19.2%	Group average: 17.6%
Gender Lens Equity Funds (GLEFs)	<i>In base currency</i>				
NEXT FUNDS MSCI Japan Empowering Women Select Index ETF	JPY	5.98	23.43	7.6%	14.3%
Daiwa ETF MSCI Japan Empowering Women Index WIN	JPY	5.80	25.50	7.8%	13.9%
Smart ESG 30 Empowering Women Net Return ETN	JPY	4.86	N/A	7.0%	13.3%
RobecoSAM Global Gender Equality Impact Equities Fund	EUR	4.18	21.67	16.0%	25.0%
BMO Women in Leadership Fund ETF	CAD	2.85	21.23	23.5%	23.7%
BMO Women in Leadership Fund	CAD	2.85	21.22	21.9%	23.2%
Desjardins SocieTerra Diversity Fund	CAD	1.88	16.77	15.5%	23.1%
Nordea Global Gender Diversity Fund (Nordea SICAV 1)	USD	1.81	28.10	14.6%	25.7%
AVA Gender Equality Tracker	SEK	1.49	29.16	28.2%	N/A
Mackenzie Global Women's Leadership ETF	CAD	1.00	19.30	18.1%	17.1%
Mackenzie Global Women's Leadership Fund	CAD	0.80	18.50	18.0%	17.8%
Valeurs Femines Global	EUR	0.72	24.90	17.1%	20.5%
Ampega Diversity Plus Aktienfonds	EUR	-0.01	16.83	14.1%	4.3%
Gender Lens Indexes					
Solactive Equileap Global Gender Equality NTR Index	USD	-2.94	31.63	N/A	N/A
MSCI World Womens Leadership Index (Net)	USD	-1.01	31.80	13.6%	22.6%
MSCI USA Womens Leadership Index (Net)	USD	-1.34	34.97	11.1%	28.4%
Broad Market Indexes					
S&P 500 Net Total Return Index	USD	0.48	29.43	11.4%	27.6%
S&P 500 Financials Net Total Return Index	USD	2.61	58.20	100.0%	0.0%
S&P 500 Information Technology Net Total Return Index	USD	1.28	28.54	0.0%	100.0%
MSCI All Country World Net Return Index	USD	-1.05	27.44	14.4%	22.3%
MSCI ACWI Financials Gross Return Index	USD	2.04	50.50	100.0%	0.0%
MSCI ACWI Information Technology Gross Return Index	USD	0.60	30.62	0.0%	100.0%

Sources: Fund & index fact sheets

by Parallele Finance

Along with the broader market, the group of 26 GLEFs generally turned in muted returns for the three-month period ended September 30, 2021. Figure 4.1 shows the top absolute performers for the quarter (in base currencies), as well as their weights in the top two sectors for the GLEF group. Relative performance for the 3- and 12-month periods was mixed.

In viewing performance over longer periods, 16 funds have a history of at least three years. In the current market environment, relative performance was tepid for the 3-year period. The Impact Shares YWCA Women's Empowerment ETF outpaced the Russell 1000 Index, three funds performed in line with the market for the period, and the rest trailed.

Our Take on Long-Term Performance

Looking back at the growth in corporate WIL over the last 3-10 years, in both disclosures and metrics, raises questions about the investment universe available to GLEFs in earlier years. Were gender lens funds and indexes faced with limited investment opportunities due to a lack of gender equality disclosures and fewer women in leadership? With improved strides in WIL metrics, including at the board level and the in the steady increase in female CFOs, how will

higher WIL impact long-term performance from here? As gender equality data disclosures and milestones improve, the GLEF investment universe will expand, and gender lens portfolios may have greater opportunities to demonstrate performance.

See the Parallele Finance website for [multi-period performance figures for the GLEFs funds, their benchmarks, and the gender lens equity indexes](#).

Figure 4.2 summarizes highlights of 3- and 12-month performance.

Figure 4.2: 3- and 12-month GLEF performance

Regional Equity Funds

US Equities

Glenmede Women in Leadership Portfolio

- Outperformed Solactive Equileap US Gender Equality NTR Index for the quarter. Trailed the other U.S. women's⁽³⁾ and broad market⁽⁴⁾ indexes.
- **Outperformed the U.S. women's and broad market indexes for the YTD (17.32%) and 12-month (36.47%) periods.**
- **Strongest absolute performance among U.S. and global equity funds for the 12-month period.**

Barclays Women in Leadership ETN

- Outperformed Solactive Equileap US Gender Equality NTR Index for the quarter and in line with the MSCI Women's Leadership Index. Trailed the U.S. broad market indexes.
- **Outperformed the S&P 500 Index and U.S. women's indexes for the YTD (15.33%) and 12-month (31.51%) periods, while in line with the Russell indexes on a YTD and a 12-month basis.**

SPDR SSGA Gender Diversity Index ETF

- Outperformed MSCI U.S. Women's and S-EQ US for the quarter with a return of -0.51%. Trailed the broad market indexes.
- Outperformed the U.S. broad market indexes for the 12-month period with a gain of 33.25%. Trailed the U.S. women's indexes for the period.

Fidelity Women's Leadership Fund (incl. mutual fund offered in Canada and U.S. ETF)

- U.S. and Canada funds outperformed Solactive Equileap US Gender Equality NTR Index for the quarter. Trailed the other U.S. women's and broad market indexes.
- U.S. fund gained 30.35% for the 12-month period, outperforming the S&P 500 Index. Trailed the U.S. women's indexes and the Russell indexes for the period.
- **U.S. and Canada funds are in line with R3000 benchmark for the since-inception period.**

Impact Shares YWCA Women's Empowerment ETF

- Came in ahead of the U.S. women's indexes with a return of -0.56% for the quarter. Trailed the broad market indexes.
- Outperformed the U.S. broad market indexes for the 12-month period with a gain of 32.51%. Trailed the U.S. women's indexes for the period.

Japan Equities (in JPY)

NEXT FUNDS MSCI Japan Empowering Women Select Index ETF

Daiwa ETF MSCI Japan Empowering Women Index WIN

- Both of these ETFs outperformed the MSCI Japan Empowering Women Index for the quarter.

(1) Global Broad Market Indexes: MSCI All-Country World Index (ACWI), MSCI World Index, S&P 500 Index (SP500)

(2) Global Women's Indexes: MSCI World Women's Index, Solactive Equileap Global Gender Equality Index (S-EQ Global), Solactive Equileap Global 100 Leaders Index (S-EQ 100)

(3) U.S. broad market indexes: Russell 3000 Index, Russell 1000 Index, S&P 500 Index

(4) U.S. Women's Indexes: Solactive Equileap US Select Gender Equality NTR Index (S-EQ US), MSCI USA Women's Index

Global Equity GLEFs

UBS Global Gender Equality UCITS ETF

- Returned -2.00% for the quarter, in line with its benchmark, the Solactive Equileap Global Gender Equality 100 Leadership Index.
- Performed in line with the global broad market indexes⁽¹⁾ and global women's indexes⁽²⁾ for the 12-month period with a gain of 32.07%.

RobecoSAM Global Gender Equality Impact Equities Fund

- Posted EUR gains of 4.18% for the quarter. Outperformed the global broad market indexes and the global women's indexes.
- Trailed for the YTD and 12-month periods.
- Since-inception EUR performance slightly trailed the MSCI World Index benchmark.

Nordea Global Gender Diversity Fund (Nordea SICAV 1)

- Returned 1.81% for the quarter. Outperformed the global broad market and global women's indexes.
- Up 28.10% for the 12-month period, outperforming the MSCI ACWI, while trailing the MSCI World and the global women's indexes.

Desjardins SocieTerra Diversity Fund (in CAD)

- Posted gain of 1.88% for the quarter, outperforming the MSCI ACWI (CAD).

Lyxor Global Gender Equality (DR) UCITS ETF (in USD)

- Returned -2.95% for the quarter, in line with its benchmark, the Solactive Equileap Global Gender Equality NTR Index. Trailed the other global women's indexes and the global broad market indexes.
- Gained 32.04% for the 12-month period, outperforming the global broad market and global women's indexes.

Sector Composition of GLEFs

Financials remained the top AUM-weighted sector allocation for the GLEF asset class at the end of the third quarter, with Information Technology remaining as the second biggest allocation. In the regional GLEF segment, where AUM is dominated by the U.S. funds, this order is reversed: Information Technology has 25.3% of the AUM-weighted allocation, while Financials has 11.8%.

Figure 4.3: AUM-weighted sector allocations of GLEFs

As of September 30, 2021			
Sector	GLEFs (Sep 2021)	GLEFs (Sep 2020)	MSCI ACWI (Sep 2021)
Financials	19.2%	16.3%	14.4%
Information Technology	17.6%	19.1%	22.3%
Consumer Discretionary	13.1%	11.7%	12.4%
Health Care	12.0%	11.9%	11.7%
Consumer Staples	9.1%	10.6%	6.8%
Industrials	9.1%	8.9%	9.7%
Communication Services	6.9%	6.1%	9.3%
Materials	4.8%	5.0%	4.7%
Real Estate	2.9%	2.4%	2.6%
Other	2.5%	1.8%	0.0%
Utilities	1.6%	3.3%	2.6%
Energy	0.3%	0.8%	3.5%
Cash	1.0%	2.1%	0.0%
Total	100.0%	100.0%	100.0%

Sources: Fund fact sheets, FT.com, TrackInsights

The Financials weighting for the full group is higher than both the S&P 500 and ACWI allocations, while the GLEFs are now underweight the S&P (27.6%) and ACWI (22.3%) in

Information Technology, as large technology and related stocks continue their market dominance, particularly among U.S. shares. In reviewing the GLEFs AUM-weighted allocations year-over-year, the top and lower allocations remained roughly similar. The Consumer Discretionary and Health Care sectors make up the next layer of current allocations after the top two. Materials, Real Estate, Utilities, and Energy have held smaller positions in both periods.

Figure 4.4 shows the funds with the highest combined Financials and Information Technology weightings.

Figure 4.4: Funds with highest combined Financials and Information Technology weightings.

As of September 30, 2021		
Fund Name	Fund Combined Financials & IT Allocation	Percentage points above average
BMO Women in Leadership Fund ETF	47.1%	10.4
BMO Women in Leadership Fund	45.1%	8.3
RBC Vision Women's Leadership MSCI Canada Index ETF	45.0%	8.2
SPDR SSGA Gender Diversity Index ETF	41.1%	4.3
SPDR SSGA Gender Diversity Index ETF	41.1%	4.3
RobecoSAM Global Gender Equality Impact Equities Fund	41.0%	4.2
Fidelity Women's Leadership Fund	40.7%	4.0
Nordea Global Gender Diversity Fund (Nordea SICAV 1)	40.2%	3.4
Fidelity Women's Leadership Fund (Canada)	40.1%	3.3
Meritz The Woman Securities Investment Company	39.0%	2.2
Average Gender Lens Equity Fund Allocation (Global and Regional)	36.8%	-
MSCI All Country World Index Allocation	36.7%	(0.1)

Source: Parallelex Finance, based on information from fund and index fact sheets

The gender-uneven disparities of the COVID-19 pandemic placed a spotlight on the predominance of women in lower-paying service sector jobs. As we have previously discussed, before the pandemic women held two-thirds of minimum-

wage jobs in the U.S.²⁷ As recovery has moved out of the starting gate, a high rate of job openings in services sectors have gone unfilled. (*see Section 7*) A women-focused recovery will require substantive change in a number of industries. A re-growth in lost service jobs will require higher rates of pay and improved benefits and working conditions.

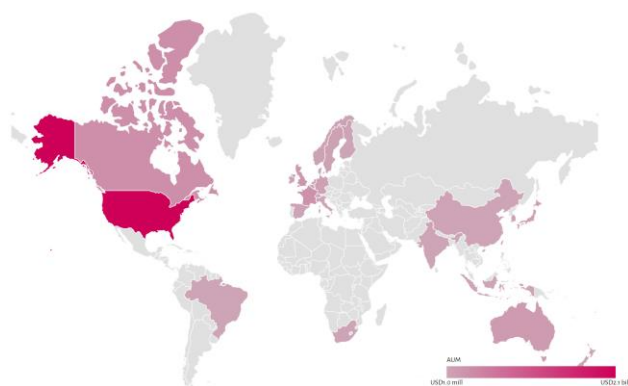
Represented by Health Care and the two consumer sectors, the combined AUM-weighted GLEF allocations in service sectors is 34.2%, consistent with last quarter. The ACWI has a combined allocation of 30.9%, and the S&P 500 also holds a combined 31.5%. *Figure 4.5* shows the top ten funds with above-average allocation in these sectors. The largest allocations are held by the Smart ESG Empowering Women Net Return ETN (Japan equity), the Desjardins SocieTerra Diversity Fund (global equity), the Meritz The Woman Securities Investment Company (S. Korea equity), the Pax Ellevate Global Women's Leadership Fund (global equity), and the Mackenzie Global Women's Leadership Fund.

Figure 4.5: Investing where lower-paying services roles are dominated by women

As of September 30, 2021			
Fund Name	Fund Combined		Percentage points above average
	Consumer and Health Care Allocation	Percentage points	
Smart ESG Empowering Women Net Return ETN	50.1%	15.9	
Desjardins SocieTerra Diversity Fund	46.6%	12.4	
Meritz The Woman Securities Investment Company	44.0%	9.8	
Pax Ellevate Global Women's Leadership Fund (investor class)	40.3%	6.1	
Mackenzie Global Women's Leadership Fund	40.3%	6.1	
Mackenzie Global Women's Leadership ETF	39.7%	5.5	
Ampega Diversity Plus Aktiefonds	37.9%	3.7	
Lyxor Global Gender Equality (DR) UCITS ETF	35.3%	1.1	
RobecoSAM Global Gender Equality Impact Equities Fund	35.0%	0.8	
Fidelity Women's Leadership Fund (Canada)	34.2%	0.0	
Average Gender Lens Equity Fund Allocation (Global and Regional)	34.2%	-	
MSCI All Country World Index Allocation	30.9%	(3.3)	

Source: Parallele Finance, based on information from fund and index fact sheets

Country Composition of GLEFs



See an interactive map summarizing GLEF AUM invested by country [here](#).

Figure 4.6: AUM-weighted country allocations of GLEFs

As of September 30, 2021					
Country	GLEFs (Sep 2021)	GLEFs (Sep 2020)	MSCI ACWI (Sep 2021)	Equileap 2020 Rank (of 14 total)	WEF 2020 Rank (of 156 total)
U.S.	61.4%	58.9%	59.6%	12	30
France	6.6%	4.8%	2.9%	11	24
U.K.	5.4%	3.9%	3.7%	1	16
Canada	4.9%	7.5%	2.9%	4	23
Australia	3.8%	2.6%	1.8%	6	50
Japan	2.1%	3.3%	6.2%	14	120
Netherlands	1.9%	0.7%	1.2%	7	11
Germany	1.4%	4.7%	2.3%	10	31
Sweden	1.3%	1.7%	0.0%	-	3
Norway	1.1%	0.8%	0.0%	3	5
Other	10.2%	11.2%	19.5%		
Total	100.0%	100.0%	100.0%		

Figure 4.6 shows the AUM-weighted country allocations of the GLEF sector as of September 30, 2021. As it has for the past two years, the U.S. continues to dominate the GLEF sector with an oversized weighting of 61.4%. The global equity segment holds a slightly lower allocation of 59.9%. Both are roughly in line with the ACWI's U.S. allocation of 59.6%. France, the U.K., Canada, and Australia round out the top five for the GLEF sector.

The global equity segment is above both the MSCI ACWI and World indexes in Canada, France, the U.K., Australia, and the Netherlands, while below both indexes in Germany, Japan, and Switzerland. Among the global equity funds, the Pax Ellevate Global Women's Leadership Fund, the Mackenzie Global Women's Leadership Fund, and the RobecoSAM Global Gender Equality Impact Equities Fund are above the segment's average U.S. weighting. As in previous quarters, the Valeurs Feminines Global Fund, the UBS, and the Lyxor Global Gender Equality (DR) UCITS ETF are notably underweight the group's average in U.S. shares.

GLEF Top Ten Holdings

Figure 4.7: Sector concentration of top ten GLEF holdings

As of September 30, 2021				
Sector	Count	As % of Top Ten Count	AUM (USD M)	As % of Top Ten AUM
Communication Services	18	10%	\$ 61	7%
Consumer Discretionary	20	14%	\$ 166	19%
Consumer Staples	8	6%	\$ 68	8%
Energy	2	1%	\$ 1	0%
Financials	31	19%	\$ 161	19%
Health Care	14	9%	\$ 61	7%
Industrials	15	8%	\$ 42	5%
Information Technology	32	29%	\$ 263	30%
Materials	7	3%	\$ 11	1%
Real Estate	1	0%	\$ 11	1%
Utilities	2	2%	\$ 24	3%

Source: Fund facts sheets, FT.com

Figure 4.8: Top ten holdings in four+ GLEFs

As of September 30, 2021				
Company	Number of Funds	Country	Sector	Industry
Microsoft	15	U.S.	Information Technology	Software
Estee Lauder	7	U.S.	Consumer Staples	Personal Products
Adobe	6	U.S.	Information Technology	Software
Amazon	6	U.S.	Consumer Discretionary	Internet & Direct Marketing Retail
Accenture	5	Ireland	Information Technology	IT Services
NVIDIA	5	U.S.	Information Technology	Semiconductors & Semiconductor Equipment
Salesforce	5	U.S.	Information Technology	Software
Alphabet	4	U.S.	Communication Services	Interactive Media & Services
Bank of America	4	U.S.	Financials	Banks
Best Buy	4	U.S.	Consumer Discretionary	Specialty Retail

Source: Fund and index fact sheets

There are 150 unique top ten holdings among the GLEF group, according to publicly disclosed data, with 61 of these are held in the global equity funds segment. A list of these companies, together with their countries, sectors, and industries, is provided [here](#). Figure 4.7 summarizes the sector make-up of the unique top holdings. Information Technology, Financials, and Consumer Discretionary are the top three sectors, followed by Communication Services. Figure 4.8 highlights the top ten companies held by the most funds, a list dominated by Information Technology and technology-related shares. Financials and the consumer sectors also have companies held by four or more funds. Only 29% of the unique top holdings are represented on the Solactive Equileap Global Gender Equality Index, whereas 45% of the top holdings are represented within the group of Solactive Equileap indexes. 89% of the top holdings are represented on the MSCI ACWI Index.

After the bell 3

Amazon recently expanded its parental leave policies, mental health resources, and flexible work policies, with parental leave now available to corporate and hourly workers.

Figure 4.9: WIL statistics for GLEF top ten holdings

September 30, 2021		
Leadership Position	Count	Percentage of Total
CEO	24	16%
Chair/Vice Chair	22	15%
President	3	2%
CFO	31	21%
COO	13	9%
Board Parity (50%)	21	14%
More than one of the above	21	14%
None of the above	81	54%
Female board members		35%
Female executives		27%

Source: Company public disclosures

How well are the top holdings reflecting above-average WIL statistics? Figure 4.9 summarizes key WIL measures for the GLEF top ten holdings, and the analysis indicates that these funds are capturing higher-than-average WIL levels. Board representation is above the averages for key indexes ([see Section 2](#)), and board parity is 14%. CEO representation is more than double the S&P 500, and other C-suite figures are also above average, with CFO representation weighing in at 21% for these companies. 14% of the top holdings have more than one woman at the C-suite level. At the executive or management committee level, the top holdings average 27%.

Consistent with last quarter, 54% of the top holdings do not score on any of these WIL measures. What does this signal? First, other indicators may be driving these holdings, including management-level data or the presence of robust leave benefits. Second, a culprit may be a one-and-done approach to women in leadership positions, as research shows they are not typically replaced by other women when they step down. One departure can often remove a company from a WIL roster. The changing dynamics of leadership and workplace equality may not be best captured through infrequent rebalancing by the ETFs in the GLEF group. These top holdings WIL figures may be indicating that annual rebalancing is not frequent enough for style adherence and for capturing the proven benefits of higher WIL.

Section 5: Fixed Income Developments and Composition

New Issues

The Japan International Cooperation Agency issued gender bonds in two tranches during July, raising a combined US\$181 million. The non-government guaranteed, domestic issues included a 10-year JPY10 billion bond and a 20-year JPY10 billion bond. The bonds follow the social bond framework, and the proceeds will be allocated to projects in developing markets where gender equality is a primary or key objective.

In late July the Asian Development Bank (ADB) announced plans to issue a NZ\$200 million gender bond, its second gender bond in the Kauri market. It appeared the final issuance was NZ\$750 million, indicating strong demand. The ADB has issued a total of NZ\$1.1 billion in gender bonds YTD.

YTD growth in gender lens fixed income AUM was 74% as of September 30, 2021.

Maturities

The Impact Investment Exchange (IIX)'s Women's Livelihood Bond™₁ (WLB₁), the world's first gender lens and impact investing instrument to be listed on a stock exchange (the Singapore Exchange), matured on July 6, 2021. With all coupon payments and principal payments made on time, even throughout the COVID-19 pandemic, the Bond provided investors with an annual return of 5.65% from 2017-2021. The WLB₁ is the first issuance of the US\$150M Women's Livelihood Bond Series, a series of innovative debt securities that creates sustainable livelihoods for over three million underserved women across Asia and other emerging markets. In addition to its strong financial performance, all social performance targets were met or exceeded. These targets around increased financial inclusion and resilience demonstrated the sustainability of the bond's underlying portfolio throughout the pandemic.

CIBC's three-year Women in Leadership Bonds matured in late September. In early October the bank announced a new Sustainability Issuance Framework, with Green, Social, and Sustainability issuances, to support the financing of sustainable businesses and projects. The Framework is the first of its kind for a major Canadian bank. Products will include bonds, notes, certificates, commercial paper, and

deposits, as well as guaranteed investment certificates. CIBC has a female board chair and board gender parity. While there are no women in key C-suite roles, women make up 40% of the bank's executive team.

Figure 5.1: Gender lens fixed income (GLFI) AUM by vehicle

Gender Lens Fixed Income AUM by Vehicle	
As of September 30, 2021	
Vehicle	AUM in USD million
Individual Investor Vehicles	
Bond Funds	\$ 1.38
Lending Platforms	\$3.50
Notes and Certificates	\$593.78
Total Individual	\$ 598.66
Accredited and Institutional Investor Vehicles	
Notes and Certificates	\$7.80
Bond Funds	\$ 108.90
Bond Issues	
Developed Market Bank	\$1,377.67
Emerging Market Bank	\$1,251.92
Development Finance Institution	\$5,069.32
Total Accredited and Institutional	\$ 7,815.60
Total GLFI	\$ 8,414.26

Gender Lens Fixed Income by Currency

Where are gender bonds being sold? And what does this say about investor demand?

Figure 5.2: GLFI by Issue Currency

As of September 30, 2021		
Country	AUM in Issue Currency in USD million	AUM Issue Currency as % of total GLFI
Canada	\$ 2,399.42	28.5%
U.S.	\$ 1,601.48	19.0%
Norway	\$ 1,063.70	12.6%
Australia	\$ 975.73	11.6%
New Zealand	\$ 877.20	10.4%
Japan	\$ 421.48	5.0%
Mexico	\$ 338.20	4.0%
Sweden	\$ 255.52	3.0%
Indonesia	\$ 227.94	2.7%
Colombia	\$ 188.61	2.2%
Singapore	\$ 27.70	0.3%
Kazakhstan	\$ 19.91	0.2%
Peru	\$ 16.00	0.2%
Nigeria	\$ 1.38	0.0%
Total GLFI AUM	\$ 8,414.26	100%

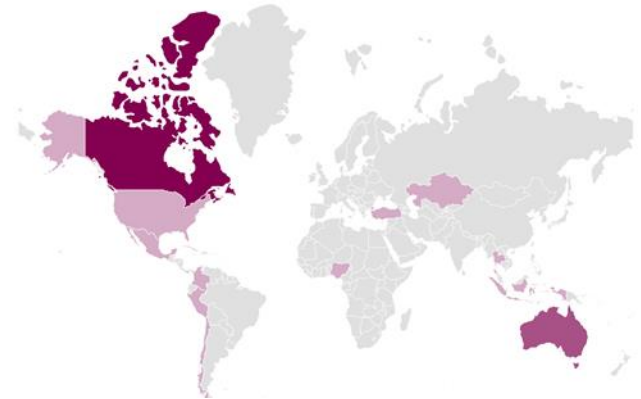
Figure 5.2 shows gender lens fixed income (GLFI) AUM in U.S. dollars by issuance currency. The greatest concentration is in Canadian dollar-denominated vehicles at US\$2.4 billion, or 28.5% of our GLFI coverage universe. This includes six gender bond issues from one commercial bank, the Bank of Montreal, and two from DFI's, the ADB and the World Bank Group (WBG).

The second largest currency concentration is U.S. dollar-denominated GLFI vehicles, which offer the widest range in instruments and use-of-proceed locations. These include a bond fund offered by Community Capital Management, notes and certificates offered by Self-Help Credit Union, and the C-Note Wisdom Fund. The Calvert Impact Capital's Community Investment Notes are investing in communities in the U.S. and 96 other countries. In addition, U.S. dollar-denominated gender bonds have been issued by DFIs, commercial banks in Asia and Latin America, and an Australian insurer, QBE. In sum, these vehicles are investing in businesses owned by and supportive of women in the U.S. and globally, including enterprises, childcare, education, affordable housing, and broad-based SDG-5 goals. (UN Sustainable Development Goal 5: Gender Equality.)

The Norwegian krone, Australian dollar and New Zealand dollar round out the top five GLFI issuance currencies. The Australian dollar-denominated instruments consist of gender bonds issued by commercial banks and DFIs. The ADB and WBG have successfully marketed over US\$1 billion in Norwegian krone-denominated gender bonds this year with strong demand from local investors. The ADB has seen outsized demand for New Zealand dollar-denominated gender bonds from international and domestic investors. The ADB's first gender bond was New Zealand dollar-

denominated, with the full NZ\$130 million placed with Japan's Dai-ichi Life in 2017.

Gender Lens Fixed Income by Country



See an interactive map summarizing GLFI AUM invested by country [here](#).

Our [Q2 Review](#) explores where the AUM in gender lens fixed income is being invested to support women-owned businesses and gender equality in the workplace.

Section 6: Women in Financial Services: A Spotlight on Asset Management

Women in Financial Services: Slow progress, bright spots

Within the workforce and leadership ranks in financial services, women have been on a slow march toward equality. The latest Credit Suisse report found that the global average for women on boards was 24%. In comparing its data by sector since 2015, communications services, energy, health care, and materials all saw increases of roughly ten percentage points. Female board representation in financials improved from 18.7% in 2015 to 26.5% in 2021, the highest sector score for the year. Financial sector female CEOs was 6%, in keeping with broader market metrics. Management representation in the sector was only 21%.

Among global asset management roles, women make up approximately 14% of fund managers, a figure that has not budged in two decades. The U.S. metric actually declined from 14% in 2000 to 11% in 2010 and has not moved since.²⁸ Broken rungs remain for women throughout the job progressions that typically lead to fund management roles. Moreover, growth in women fund managers is hampered because the same women are being recruited to manage different funds. Within institutional portfolio management, recent analysis shows that only 29% of portfolios from 150 leading asset managers have at least one woman on the management team. However, for the 3-, 5-, and 7-year periods, the top performing portfolios from the study had women on the team.²⁹

Question: Is greater gender equality being achieved in finance? Or just slightly lower inequality?

Barron's recently estimated that only 20% of financial advisers in the U.S. are women. On the other hand, 37% of wealth in the U.S. is controlled by women, a figure expected to register strong long-term growth. A recent summary of female representation in total investors by country showed that women comprise only 24% of investors globally. The Philippines led with 44% female investors, while the U.S. lagged at 23%, and Canada came in at 21%. In better news, online investing firm Saxo Markets found that new female investors grew by 354% during 2020.³⁰

Women Advising Women

As asset managers seek to develop more women advisors to serve increasing numbers of women investors, one firm stands out. Ellevest, a digital investing platform for women, was launched in 2016 by Sallie Krawcheck, former CFO of Citigroup. In addition to providing digital investing and banking services and insurance services through partnerships, its private wealth management offerings include investing with a gender lens. In a unique move, Ellevest also provides membership services which incorporate both financial and career planning. (We are fans of the firm's blog, [Raising Elle](#).)

The third quarter saw the launch or announcement of several noteworthy women-owned financial services firms. Independent Point Advisors is a forthcoming investment bank led by women in both capital and management. The firm, headed by former Bank of America executive Anne Clarke Wolff, will be owned and managed by women and minorities. Lazard Ltd. is in talks with Independence Point for a minority stake and a strategic partnership. There is growing anticipation for this so-called "Salomon Sisters" to change diversity trends on Wall Street.³¹ In addition, Chicago-based First Women's Bank had a much-cheered opening during the quarter. It is the only U.S. commercial bank founded, owned, and led by women. The bank's mission is to grow the economy and advance the role of women within it.³²

The Role of Global Asset Managers

Global asset managers have a range of stewardship policies and statements in place to support growth in corporate WIL. A growing number of asset managers have announced a willingness to vote against non-diverse boards, but their approach to stated thresholds requires work. Under pressure for its lack of calling out all-male boards in 2020, late last year BlackRock announced it will push companies to disclose diversity data and information on measures to improve.³³ The announcement was followed by similar statements from Vanguard, Fidelity Investments, State Street Global Advisors, and others.

Figure 6.1: Diversity Voting Guidelines

Asset Manager	Date of Policy	Stated stewardship policies on diversity
BlackRock	Mar-21	Encourages companies to have at least two women on their boards. May vote against nominating committees where board diversity is not progressing and not in keeping with regional norms. Encourages companies to disclose EEO-1 data.
Vanguard Group	Dec-20	Will vote against boards where progress on diversity is falling below market and regional norms and expectations. Does not advocate mandates. Board should reflect customer and employee composition. Encourages companies to disclose EEO-1 data.
UBS Group	2021	Expects all global companies to have at least one female board member. Expects companies to comply with listing requirements around board diversity. May vote against boards not meeting these thresholds.
Fidelity Investments	Feb-21	Will generally oppose the election of certain or all directors if there are no women on the board or if a board of at least ten members has fewer than two women directors.
	Jun-21	Fidelity International will consider voting against Japanese companies who do not achieve 30% female representation on board and throughout workforce in stages by 2030.
	Jul-21	Beginning in 2022, Fidelity International will consider voting against management in most developed markets when there is less than 30% female board representation.
State Street Global Advisors	Jan-21	From 2022 will vote against chairs of nominating and gov committees of S&P 500 and FTSE 100 companies without at least one minority board member. Will also vote against compensation committee chairs of those same companies who do not disclose EEO-1 data on entire workforce.
	Mar-21	Will vote against the nominating committee chair if S&P 500 company does not disclose diversity data on board members. May vote against nom. comm. chair of R3000 and TSX companies without at least one female board member; against whole nom. comm. if failure to meet this expectation for three consecutive years.
Morgan Stanley	Sep-20	Generally supports proposals urging board diversity of gender, race and other factors if board has failed to take diversity into account.
JP Morgan Chase	2021	Will utilize voting power to bring about change where board lags on gender and racial/ethnic diversity. Supports resolutions calling for disclosure of EEO-1 or comparable data.
		UK policy: Supports Hampton-Alexander Review target of one-third women on boards.
		Japan policy: States gender equality as a top priority for Japanese companies and expectation for boards to have a strategy to improve female representation.
Allianz Group	Aug-21	Encourages all boards and management teams to have 30% representation by each gender. Expects to see national and ethnic diversity represented. From 2021 will "call out" companies falling below these thresholds.
Capital Group	n/a	Per published guidelines, diversity proposals are considered on a case by case basis.
	Feb-21	CEO letter stated expectation for portfolio companies to disclose EEO-1 data and to have board composition consistent with local market best practice. No board targets specified.
Goldman Sachs	Dec-20	From 2021 will no longer take a company public in U.S. or Europe without two female or other diverse board members.
	Mar-21	Will vote against or withhold from nominating committee if board does not have at least one woman and one other diverse board member. Will vote against or withhold from full board if lacking at least one female member.
Bank of New York Mellon	n/a	Considers diversity among various board characteristics when voting proxies.
Pimco (subsidiary of Allianz)	n/a	Generally follows guidelines of an independent industry service provider for proxy voting research and recommendations.
Amundi	2021	No statement re board gender diversity. No statement re publication of pay data.
Edward Jones Investments		N/A
Legal & General Group	2021	In 2021 will "apply voting sanctions" to FTSE 350 companies without a minimum of 30% women on the board and to FTSE 100 companies that do not have 30% women on their executive committee. For smaller companies, expect at least one woman on board. Expect companies to collect diversity data. From 2022, voting sanctions to FTSE 100 without at least one board member from an ethnic minority background. Expect smaller companies to make progress.
		For non-U.K. companies will vote against chair or nominating committee chair where there are "insufficient women on the board".
Credit Suisse	2020	Encourages board diversity.
Prudential Financial		N/A
Deutsche Bank	2021	For Russell 3000 and S&P 1500 constituents, will withhold or vote against the nominating committee chair where there are no women on the board, and beginning in 2022, if the board has no apparent racial and ethnic diversity. Exception if there was a woman on the board or racial/ethnic diversity at preceding annual meeting and company makes commitment to return to diversity.
		Will vote on case by case basis on requests for gender/race/ethnicity pay gap data.
T. Rowe Price	2021	For U.S., Canada, Europe, U.K., India, Japan, South Korea companies, generally oppose the re-elections of Governance Committee members if no evidence of board diversity. Considers internal pay equity.
Bank of America	Mar-21	Merrill clients can choose to delegate voting per Institutional Shareholder Services (ISS) socially responsible guidelines, among other choices.
Northern Trust Corporation	2020	Generally votes for proposals for reasonable steps to ensure that women and minority candidates are among board nominees. May vote against directors if concerns on board composition and diversity. Votes case by case on proposals requesting diversity report and workforce diversity data.
Franklin Resources	2021	No diversity statement other than "supports" diverse boards.
Invesco Ltd		Generally votes against nominating committee chair where women comprise less than two board members or 25% of the board for at least two consecutive years (with consideration for improvements), and if there are multiple concerns on diversity issues.
BNP Paribas	2021	Will abstain or vote against male candidates if less than 30% of women on board in Europe, North America, Australia, New Zealand, and South Africa. Will take into account improvements, board size, and presence of a female CEO or Chair.
		Will apply a threshold of 40% women on boards beginning in 2025.
Natixis Investment Managers	2021	Natixis IM International will vote against the nominating committee chair if the board is comprised of less than 30% of either gender.
		Natixis Funds does not specify a diversity voting policy.
	2016	Mirova favors a board that incorporates stakeholders in a balance fashion and that resultly take account of issues of corporate social responsibility. Voting policies centered on balance among stakeholders.
	2017	Harris Associates does not include diversity in its board-related proxy voting guidelines.

Source: Publicly available proxy voting guidelines and stewardship statements.

Figure 6.1 summarizes the diversity voting guidelines for the 25 largest global asset managers by AUM as of September 30, 2021. Many of these guidelines "encourage" board diversity, with several stating no targets and others naming thresholds of only 1-2 female and other diverse board members. Among the top twelve firms, Goldman Sachs has a clear statement on voting against non-diverse boards, but the stated threshold is only two diverse members.

Call for Parity

Who will be the first among these asset management firms to call for board gender parity? For board parity that encompasses both gender and race/ethnicity? Who will be the first to vote against parity?

Advocating for 1-2 female board members places asset managers behind the curve instead of leading a charge toward board parity. As discussed in [Section 2](#), women hold 28% of Fortune 500 board seats, 30% of S&P 500 seats, and 36% of FTSE 100 seats. A slight majority of S&P 500 companies now have at least 30% female board representation.

Coming out ahead on the issue, Legal and General applies voting sanctions against FTSE 350 companies with less than 30% women on their boards and against FTSE 100 without at least 30% at the executive level. Fidelity Investments states that it will consider voting against boards where women hold less than 30% of the seats. BNP Paribas will abstain from or vote against new board members in a range of countries if there are less than 30% women on the board.

Allianz Group encourages boards and management teams to have 30% female representation. In addition to Legal and General, Fidelity, JP Morgan Chase's proxy voting policies state support for the U.K.'s Hampton-Alexander Review threshold of one-third women on boards.

WIL at the Largest Asset Managers

Equally as important, which of these will be the first to achieve their own board and leadership gender parity?

Figure 6.2 summarizes key WIL data for these asset managers. BNP Paribas, Goldman Sachs, and JP Morgan boast the highest female board representation, followed by BlackRock and Bank of America.

Several of these asset managers lag behind on female board representation, including Pimco, which trails Allianz, its

parent company, and comes in last at a low 17%. Northern Trust and Invesco have the next lowest percentages of female board members.

As noted in [Section 2](#), female board representation is progressing faster than C-suite gender diversity. Women CEOs are found at only 6% of S&P 500 constituents and 8% of the Fortune 500 companies. In keeping with broader data, only four of the top 25 asset managers have female CEOs: Fidelity, Amundi, Edward Jones, and Franklin Resources.

There are seven female CFOs. Research on Russell 3000 constituents links an increase in profits and share prices with the first 24 months after a woman CFO is in place.³⁴ Eleven firms have no women in core C-suite positions, and nine firms have only one. Fidelity leads with three, although one woman holds two of those.

In looking at the executive management level in terms of leadership web pages, Edward Jones Investments has the highest female representation at 43%. Capital Group is next with 40%. JP Morgan has 37%, and Pimco and Bank of America each have 36%. Invesco, BlackRock, and Credit Suisse scored the lowest on this metric.

Only four of these asset managers offer gender lens equity funds to individual investors. The UBS Global Gender Equality UCITS ETF had US\$867.86 in AUM as of September 30. The SPDR SSGA Gender Diversity Index ETF had US\$277.43 in AUM, and the Fidelity Women's Leadership Funds (U.S.-domiciled mutual fund and ETF and a Canada-domiciled mutual fund) had a combined AUM of US\$184.65. The Mirova Women Leaders Equity Fund had US\$204.22 in AUM. Invesco has a gender lens fund pending launch.

Seven firms are signatories to the UN Women's Empowerment Principles, although all but three have signed the UN Principles for Responsible Investing, a commitment to sustainable investing best practices. Fourteen of the 25 have signed the CEO Action for Diversity Pledge, a call to action on strengthening diversity issued by a coalition of CEOs.

Global asset managers have two areas of opportunity to boost corporate WIL. The first is within their own ranks. Second, they should use stewardship to lead the way forward to board gender parity and higher female C-suite representation.

Figure 6.2: WIL Statistics for Top Asset Managers

Top Global Asset Managers	AUM (1) <i>USD billions, 9/30/21</i>	Women on Board of Directors (2)	Women in Top C-suite Roles (3)	Women Executives (4)	Gender lens equity fund for individual investors? (5)	CEO Action for Diversity Pledge	Signatory to UN Women's Empowerment Principles?
1 BlackRock	\$ 9,464	39%	0	14%	No (5)	Yes	Yes
2 Vanguard Group	\$ 8,000	33%	0	23%	No	No	No
3 UBS Group	\$ 4,432	33%	1	25%	Yes	No	Yes
4 Fidelity Investments	\$ 4,228	n/a	3	n/a	Yes	No	No
5 State Street Global Advisors (6)	\$ 3,900	25%	0	32%	Yes	Yes	No
6 Morgan Stanley	\$ 3,650	29%	2	25%	No	Yes	No
7 JP Morgan Chase	\$ 2,996	40%	1	37%	No	Yes	some units in L.A.
8 Allianz Group	\$ 2,966	33%	2	20%	No	No	Yes
9 Capital Group	\$ 2,600(7)	20% (8)	1	40%	No	Yes	No
10 Goldman Sachs	\$ 2,372	46%	0	22%	No	No	No
11 Bank of New York Mellon	\$ 2,300	25%	2	28%	No (9)	Yes	No
12 Pimco (subsidiary of Allianz)	\$ 2,200	17%	0	36%	No	Yes	Yes
13 Amundi	\$ 2,108	44%	1	29%	No	No	No
14 Edward Jones Investments	\$ 1,757	n/a	2	43%	No	Yes	No
15 Legal & General Group	\$ 1,750(7)	30%	0	23%	No (10)	No	No
16 Credit Suisse	\$ 1,742	36%	0	15%	No	No	No
17 Prudential Financial	\$ 1,727	31%	0	27%	No	No	some units in Asia and Brazil
18 Deutsche Bank	\$ 1,671	32%	0	20%	No	Yes (12)	No
19 T. Rowe Price	\$ 1,610	42%	1	21%	No	Yes	No
20 Bank of America	\$ 1,579	38%	1	36%	No	Yes	Yes
21 Northern Trust Corporation	\$ 1,532	23%	0	30%	No	Yes	No
22 Franklin Resources	\$ 1,530	27%	1	22%	No	Yes	No
23 Invesco Ltd	\$ 1,529	23%	1	11%	Yes (11)	Yes	No
24 BNP Paribas	\$ 1,419	47%	0	32%	No	No	Yes
25 Natixis Investment Managers (6)	\$ 1,390	38%	1	36%	Yes	No	Yes

(1) Source: ADV Ratings and company public disclosures
 (2) Source: Company websites as of 11/26/21
 (3) Includes Chair, Vice Chair, CEO, CFO, COO and CIO (or head of asset management if no CIO).
 (4) Based on the Executive Committee or similar shown on the website.
 (5) BlackRock offers a DEI fund, the iShares Refinitiv Inclusion and Diversity UCITS ETF.
 (6) Data other than AUM refers to parent company.
 (7) As of June 30, 2021
 (8) Advisory Board
 (9) BNY Mellon recently closed the BNY Mellon Japan Womenomics Fund.
 (10) Legal & General expanded the mandate of its Legal & General Future World Gender in Leadership UK Index Fund in early 2021.
 (11) Invesco recently registered its Invesco Racial and Gender Diversity ETF with the SEC.
 (12) Deutsche Bank USA Corp only.

Top Asset Manager and Gender Lens Fixed Income

There are several areas of engagement by the top asset managers within gender lens fixed income. Notable roles include the following.

Roles in gender bond issues:

- Goldman Sachs supported the 2019 Bank of Ayudhya (Thailand) gender bond through the Women Entrepreneurs Opportunity Facility, a partnership between the Goldman Sachs 10,000 Women Initiative and the IFC.
- Morgan Stanley was a lead manager and book runner on the QBE 2017 gender bonds.
- BNY Mellon was a bond and security trustee for the IIX Women's Livelihood gender bonds.
- Mitsubishi UFJ Morgan Stanley Securities was the lead manager on the recent Japan International Cooperation Agency gender bonds.

Roles in development finance:

- JP Morgan launched JP Morgan Development Finance last year, which named gender-focused lending as one of its priorities.

More broadly, many of these firms are active participants in green, social, and sustainability (GSS) bond issues. Credit Suisse, Deutsche Bank, Goldman Sachs, and Invesco have GSS bond frameworks. In addition, the ADB has highlighted that several of these firms are book runners on its green bonds.

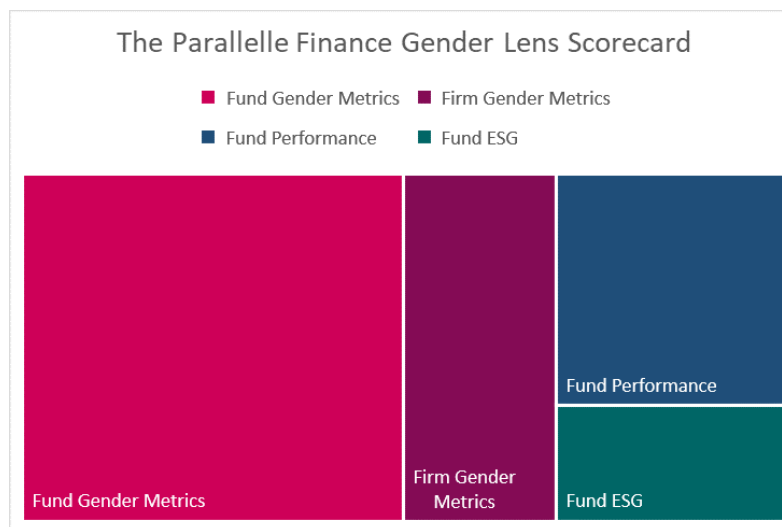
DEI Initiatives at Leading Asset Managers

Among DEI efforts, BlackRock and Goldman Sachs have stated that their municipal bond due diligence includes matters of racial equity. Goldman Sachs pledged US\$10 billion to support the One Million Black Women Initiative.

The Parallele Finance Gender Lens Scorecard

We introduce the Parallele Finance Gender Lens Scorecard, a tool for evaluating funds with an in-depth gender lens. The Scorecard applies five grade levels to four categories, each comprised of scores from sub-categories and indicators. Taken together, the categories assess both the fund and the asset management firm on gender equality in investment criteria, holdings, portfolio management team, and firm-wide leadership, as well as the fund's performance and overall ESG approach. The tool incorporates a range of both qualitative assessments and quantitative measures. In particular, the Scorecard is designed to assess funds on adherence to stated objectives and criteria around diversity and equality.

Parallele Finance provides subscription access to scores of the gender lens and DEI equity funds in our coverage universe. Scores on a suite of leading ESG funds are pending. We also offer scoring of gender lens and ESG separately-managed accounts, gender lens scores for asset management firms, and customized weightings among Scorecard categories.



Category 1: Fund gender metrics

- ◆ Gender lens investment criteria.
- ◆ Women in leadership and workforce metrics of holdings.
- ◆ Representation of women on portfolio management team.



Category 2: Firm gender metrics

- ◆ Women in leadership metrics.
- ◆ Firm public commitments to equality.
- ◆ Advocacy for gender equality and diversity.



Category 3: Fund performance

- ◆ Internal rating of fund performance vs. gender lens indexes and broad market indexes.
- ◆ Third-party ratings of fund risk-adjusted performance.



Category 4: Fund ESG

- ◆ Aggregation of leading ESG scores.

[Contact us to learn more about the Parallele Finance Gender Lens Scorecard.](#)

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