

A Look at Gender Lens: Diversity in the Asset Manager Industry and the Integration of Gender Lens in a Bond Portfolio

This perspective takes a closer look at two areas of gender lens — diversity in the asset management industry and the integration of gender lens in a bond portfolio. Gender lens is a viewfinder that reveals opportunities for the world of investing, including diversity of women in the asset management industry and ways in which gender lens investments can scale social impact and cement lasting change.¹

Gender in the Investment Industry

Women continue to be underrepresented in senior positions at asset management firms. Diverse teams make better decisions, and inclusive cultures foster and retain the best talent. But the financial services industry has a reputation for lacking diversity across its employees, including poor representation of women.² Mercer conducted a 2019 study of the asset management industry, "Diversity Dressing," which found that, globally, only 12% of the key decision makers were women, representing just 1 in 8 from a population of 50/50. Mercer's updated 2023 study found that although minor improvement in diversification has been made over the past three years, the proportion of women in these roles remains disappointingly low — 13.7% of key decision makers (KDM) are women — an annual increase of only 0.6%.³

Summary of Key Decision Makers

2019 - 2022

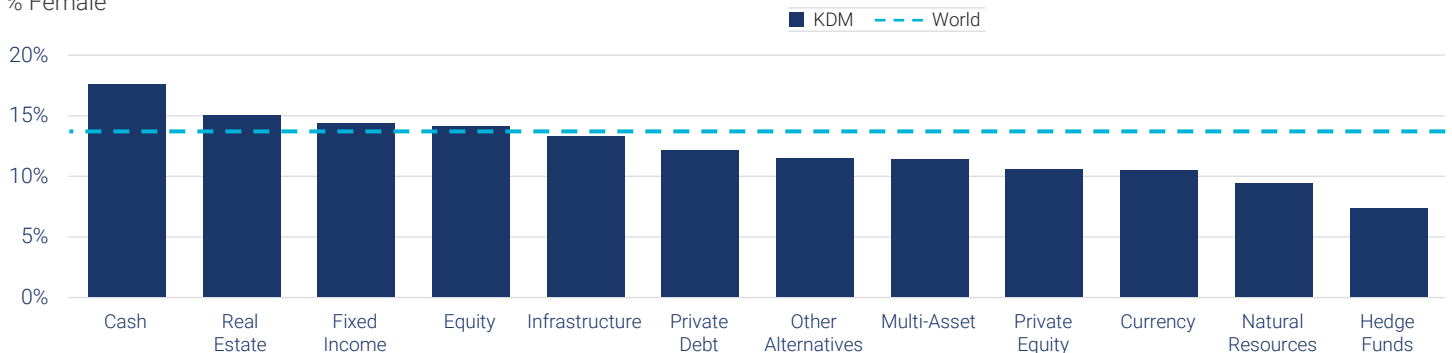
	Sample	% Female
Dec 1, 2019	20,040	12.0%
KDM out	6,109	14.4%
KDM in	7,521	18.8%
Dec 1, 2022	21,452	13.7%

Source: MercerInsight™

The report also includes a breakdown of KDMs by strategy/asset class, globally. Only four asset classes — cash, real estate, fixed income, and equity — are above the overall 13.7% of women KDMs.

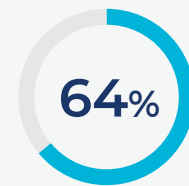
Key Decision Makers by Strategy/Asset Class

% Female



Source: MercerInsight™

A gender gap persists in the asset management industry, but at CCM, we are proud to share that women comprise 64% of its employees and 50% of its investment team.



of CCM team members are women



of the CCM investment team are women

As of 06/30/23

Increasing Gender in the Investment Industry: The Diverse Investing Collective⁴

The Diverse Investing Collective is an initiative incubated at the Tara Health Foundation in San Francisco, CA to accelerate progress toward having more women and people of color at financial decision-making tables investing more assets, not only because it is the right thing to do but because the evidence shows gender-diverse and racially diverse teams deliver higher returns. Despite the business case to bring more diversity to investment tables, women and people of color are often excluded from decision-making circles.

The Diverse Investing Collective believes what gets measured gets done and has set the goal of having 33% of assets managed by gender-diverse and racially diverse portfolio management teams by 2033. Progress looks at the number of women and people of color in the investment industry — but the true measure of power is the portion of assets under management controlled by gender-diverse and racially diverse teams. The initiative looks to measure and increase this diversity to drive transformational change.

The Tara Health Foundation's mission is to advance health and economic justice by transferring all of its resources and assets to invest in and elevate solutions at the intersection of race and gender. Learn more about the Tara Health Foundation and its initiative [here](#).



Gender Lens Investing

Gender Lens Investing (GLI) is a strategy or approach to investing that takes into consideration gender-based factors across the investment process to advance gender equality and better inform investment decisions. The Global Impact Investing Network (GIIN) defines gender lens within two broad categories:⁵

Investing with the intent to address gender issues or promote gender equity includes investing in:

- Women-owned or women-led enterprises
- Enterprises that promote workplace equity (in staffing, management, boardroom representation, and along their supply chains)
- Enterprises that offer products or services that substantially improve the lives of women and girls

And/or investing with the following approaches to inform investment decisions:

- A process that focuses on gender, from pre-investment activities (e.g., sourcing and due diligence) to post-deal monitoring (e.g., strategic advisory and exiting); or
- A strategy that examines, with respect to the investee enterprises:
 1. Their vision or mission to address gender issues
 2. Their organizational structure, culture, internal policies, and workplace environment
 3. Their use of data and metrics for the gender-equitable management of performance and to incentivize behavioral change and accountability
 4. How their financial and human resources signify overall commitment to gender equality

This definition of GLI is all-encompassing, covering a variety of asset classes and the way investments can benefit women. At Community Capital Management (CCM), we focus on the asset class of fixed income and how a bond has the potential to generate both a positive financial return *and* have a positive impact on the lives of women and girls.

The Integration of Gender Lens in a Bond Portfolio

CCM has been investing in bonds financing gender lens initiatives for two-plus decades. One of our earliest investments helped finance a business incubator for women-owned businesses. At the time, the term “gender lens” was not yet mainstream. Fast forward to today, GLI has become increasingly popular among a variety of investors.

At CCM, the integration of gender lens in a bond portfolio primarily focuses on researching the use of bond proceeds to be able to evaluate what the bond is financing and how it benefits women and girls. We believe this research provides an added layer of investment transparency, enables us to report to clients on the multiple positive impacts of their investments, creates long-standing impactful portfolios, and enhances long-term performance. One of the best ways to show this integration is through an impact investment gender lens case study.

In recent years, the commitment to GLI has gained significant traction. Publicly traded gender lens equity funds totaled \$4.8 billion in assets under management (AUM) and gender lens fixed income AUM was \$8.0 billion, as of December 31, 2022, based on research from Parallele Finance.

Source: <https://parallelefinance.com/gli-2023>

CCM Gender Lens Case Study:

Glenmore Apartments

Brooklyn, NY

Glenmore Apartments is a special public purpose multifamily affordable housing property in Brooklyn, New York. Of the 79 apartments, 50 are reserved under a master lease with a nonprofit operator to provide transitional housing for homeless women and children. An additional 20 apartments are reserved under a New York City program that houses individuals leaving the shelter system and pays their rent. Of these 20 units, 12 are reserved for residents whose income is 40% or less of the area median income (AMI), four units are reserved for residents whose income is 60% or less of AMI, and four units are reserved for residents whose income is 130% or less of AMI.

Glenmore Apartments is a newer eight-story residential building. The property is in a moderate-income, high-minority, and high-poverty census tract where 97% of the population are minorities and 37% live below the poverty line.

Providence House, the nonprofit operator providing the transitional housing, has a unique gender-responsive, trauma-informed approach to providing temporary housing for women who would otherwise be incarcerated, transitional housing for homeless women and children, and permanent supportive housing for a range of clients. Its professionally trained staff collaborate closely with residents to provide support and develop strategies to help residents regain their sense of inherent self-worth and a stability in their lives that permeates their relationships as well as their ability to maintain self-sufficiency.

At Glenmore, Providence House provides housing and services for families in Brooklyn who have found themselves homeless due to a variety of life circumstances, including job loss, lack of education, family disruption, trauma, or mental illness. Providence House staff work to create a physically and emotionally safe and supportive environment where residents can successfully face the challenges of stabilizing their lives. Professionally trained social services staff work closely with each family to address concrete issues, including ensuring they connect to a primary care physician, secure a stable source of income, and access appropriate childcare. They help clients develop emotional management skills, create strategies for making healthy choices in relationships, and find opportunities for positive parent-child interactions. The staff provide immediate support for mental health needs and make referrals to mental health providers as appropriate.

Residents in Providence House's transitional shelter facilities stay for an average of six to eight months during which housing specialists assist in searching for and obtaining safe and affordable housing. The organization's aftercare services follow up with families for at least one year after they leave Providence House, allowing them to benefit from continuity as they adjust to independent living and have the security of early intervention should obstacles arise. Providence House serves and advocates for women and families at risk of harm, who have histories of homelessness or justice-involvement, and provides a safe community where their dignity is recognized, strengths are enhanced, and a transition to stability is achieved.



A special public purpose **multifamily affordable housing (MAH)** property is a property that does not comply with the rent, income, or occupancy restrictions typically required for an MAH but has other rent and/or income restrictions and meets a noteworthy special public purpose. A lender must request a waiver for a property to be considered a Special Public Purpose Property.

¹ <https://criterioninstitute.org/explore/a-gender-lens>

² <https://www.mercer.com/insights/yield-point/time-to-improve-gender-diversity-in-asset-management>

³ https://insightcommunity.mercer.com/v1/api/uploads/Diversity_Dressing_Progress_Evaluation_b70357f48a.pdf?public=true

⁴ <https://tarahealthfoundation.org/specialprojects>

⁵ <https://thegiin.org/gender-lens-investing-initiative>

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