

Open in app



Dreilinden

15 Followers About

Making Gender Lens Investing More Inclusive



Dreilinden Just now · 4 min read



Photo credit: The Gender Spectrum Collection

This article provides a glimpse into how we look at using the power that comes from holding capital to influence the investment managers we work with.

Dreilinden invests its endowment across three buckets: (1) public equities and bonds; (2) direct investments in emerging markets; (3) impact funds. For each bucket, we have developed specific strategies for implementing an LGBTQIA* lens. Today, we would like to share our experience of applying an LGBTQIA* lens to our impact fund portfolio.

As we explained [here](#), we originally started out investing in gender-focused funds – among other reasons, due to a lack of any specific LGBTQIA*-focused investment products.

We have consistently made it a point to highlight the importance of LGBTQIA* topics in our communications with the fund managers with whom we work. While we have always received verbal buy-in, this has rarely resulted in the action we were hoping for. The fund managers themselves do, by and large, promote diversity and inclusion within their own organisations (with varying degrees of success), but this rarely filters through to the portfolio level. One of the challenges, we have been told, is that the fund managers themselves are often based in the US or Europe, while their investees are in emerging markets. The argument is that cultural sensitivities and even criminalisation in some of the countries the fund managers invest in makes it virtually impossible to broach the topic. We therefore decided to take a more proactive approach going forward.

As a first step we incorporated a diversity, equity and inclusion questionnaire into our due diligence process.

Diversity, Equity & Inclusion Due Diligence Fund Investments

Aligning our values with our fund investments



| Slide 1 |

Diversity, Equity & Inclusion Due Diligence Fund Investment — Dreilinden gGmbH

The overarching goal was to achieve improved alignment of our values and those of the potential investment manager. We also wanted to look beyond the specific investment managers and gain a better understanding of the degree to which the concepts of diversity, equity and inclusion are embraced within their organisations, and what they are doing to promote those concepts within their portfolio. Hence, the questionnaire specifically tackles the levels of investment manager, investment processes and committees, and investment portfolio.

One of our main critiques of the gender lens investing movement has been and continues to be, its binary definition of gender. This critical view intensified when we learned from one of our existing investment managers, who was in the process of raising another fund, that their organisation did indeed regard gender from a purely binary perspective.

This investment manager was very open to questioning their own definition and also welcomed us to provide input on their organisation's impact assessment questionnaire. So, over the course of four months, we had very active dialogue on gender and the language used within the impact assessment tool. Both ourselves and the investment manager approached this exchange with the full understanding that it was about moving in the right direction rather than trying to implement everything in one go. In the end, the investment manager's understanding of gender moved from a binary definition to a broader spectrum, while the language used in the documents was amended to be significantly more inclusive and less binary. We were excited to see that a relatively small capital commitment (in this case €1 million) could serve as such a strong tool for progress.

Given the restricted size of our own endowment, we know that there are limits to our potential for moving gender lens investors in our direction. In an effort to leverage more capital, we are currently designing an impact experience programme, dubbed the “Walk in Our Shoes Project” (WOSP). WOSP aims to bring together like-minded investors to raise awareness and foster change in the impact investment industry with regards to gender+ and LGBTQIA* topics. By pooling our voices and resources as holders of capital, we can send a strong signal to the market that these are important issues for limited partners and that they require attention from general partners and investment managers, too. Stay tuned for more!

About Stefan Bollier

Stefan is a member of Dreilinden’s investment committee. He is the founder of Swiss based Impact Advisors LLC which is advising Dreilinden on the development and implementation of the foundation’s impact investment strategy.

About Dreilinden

Dreilinden is a Hamburg-based foundation dedicated to advancing societal acceptance of gender and sexual diversity. Founded in 2007, Dreilinden has been at the forefront of supporting sexual orientation, gender identity and expression, and sex characteristics with grants and investments. Kindly note that Dreilinden does not accept any grant applications at this time.

[LGBTQ](#) [Impact Investing](#) [Social Impact](#) [Gender Lens Investing](#)

[About](#) [Help](#) [Legal](#)

Get the Medium app

