



ARKESDEN
GENDER DIVERSITY
IN PRIVATE EQUITY

REPRESENTATION & RETENTION
2022 REPORT



Foreword

Arkesden is pleased to present the findings of our 2022 UK gender diversity report. This report follows and expands on the findings in our 2020 report. Gender diversity remains a hugely important issue within Private Equity (PE), but very few firms assessed are close to gender parity in their investment teams.

This report totals, analyses and evaluates the number and proportion of women working in investment roles among 100 PE funds with a significant presence in the UK (primarily London)¹. We've focused solely on investment team roles, excluding specialist portfolio management, origination and investor relations positions alongside wider middle and back office functions, to assess gender diversity within this core function of the PE market. Where international firms were included, only their UK offices were assessed.

We've broken these investment teams down into 4 levels:

- Associate c.0-3yrs in PE
- Vice-President c.4-6yrs
- Director c.7-10yrs
- Partner c.10-12yrs +

While there are many more titles present in PE investment teams, this serves to ensure the report remains readable and digestible. A breakdown of the alternate titles included in each level can be found in the appendix.

¹ Data collected during August 2022, using solely public sources. All efforts have been made to ensure the accuracy of our data, and all data remains strictly confidential.

We've also started measuring and comparing retention trends amongst the funds we assessed, in what we believe to be an industry first. While there are multiple ways to measure this, and first-hand data could be further revealing on this topic, we hope this helps progress the discourse on gender diversity in PE.

Funds have been grouped by identities: US-heritage Large Cap firms, European-heritage Large Cap firms, Growth Equity and Mid-Market. While the overall averages remain the most important outcome of this report, a more focused breakdown allows for both thematic comparisons and more direct peer to peer analysis.

We also note Level 20's August 2022 report into European gender diversity within PE & VC and are pleased to complement this with updated UK focused data.² Additional guidance on organisations working to promote gender diversity within the private investments industry is included in our appendix.

All firms assessed in this report are Private Equity GPs undertaking direct investments; we have not included LP strategies and other investment firms such as pension plans, sovereign wealth funds or family offices in this data. We have also excluded real asset based strategies.

² <https://www.level20.org/european-gender-diversity-report-2022/>

Data from the London Private Equity market

100
FIRMS

1,944
INVESTMENT
PROFESSIONALS



Executive Summary

Female representation in PE is increasing.

Female representation within PE investment teams is increasing, with 20.5% of the professionals we researched being women. This is a rise of 11.5%, or 2.1 percentage points, over the 2 years since our August 2020 figure of 18.4%, representing 41 more women employed in PE investment teams across our data set. While this is a step in the right direction, the number is a long way below parity. It would take until 2039 to reach gender-balanced investment teams across the London PE market at this rate.

The 3 key findings are:

- Representation is driven by junior hires
- Disparity is greater at Mid and Senior Levels
- Improvements are being made through hiring, not retention

We hope that these findings will contribute to enabling improved approaches to ensuring gender diversity within PE investment teams.

20.5% WOMEN

AN INCREASE OF 11.5% FROM OUR AUGUST 2020 REPORT

OR 41 MORE WOMEN ACROSS OUR 1,944 INDUSTRY PROFESSIONALS





REPRESENTATION IS DRIVEN BY JUNIOR HIRES

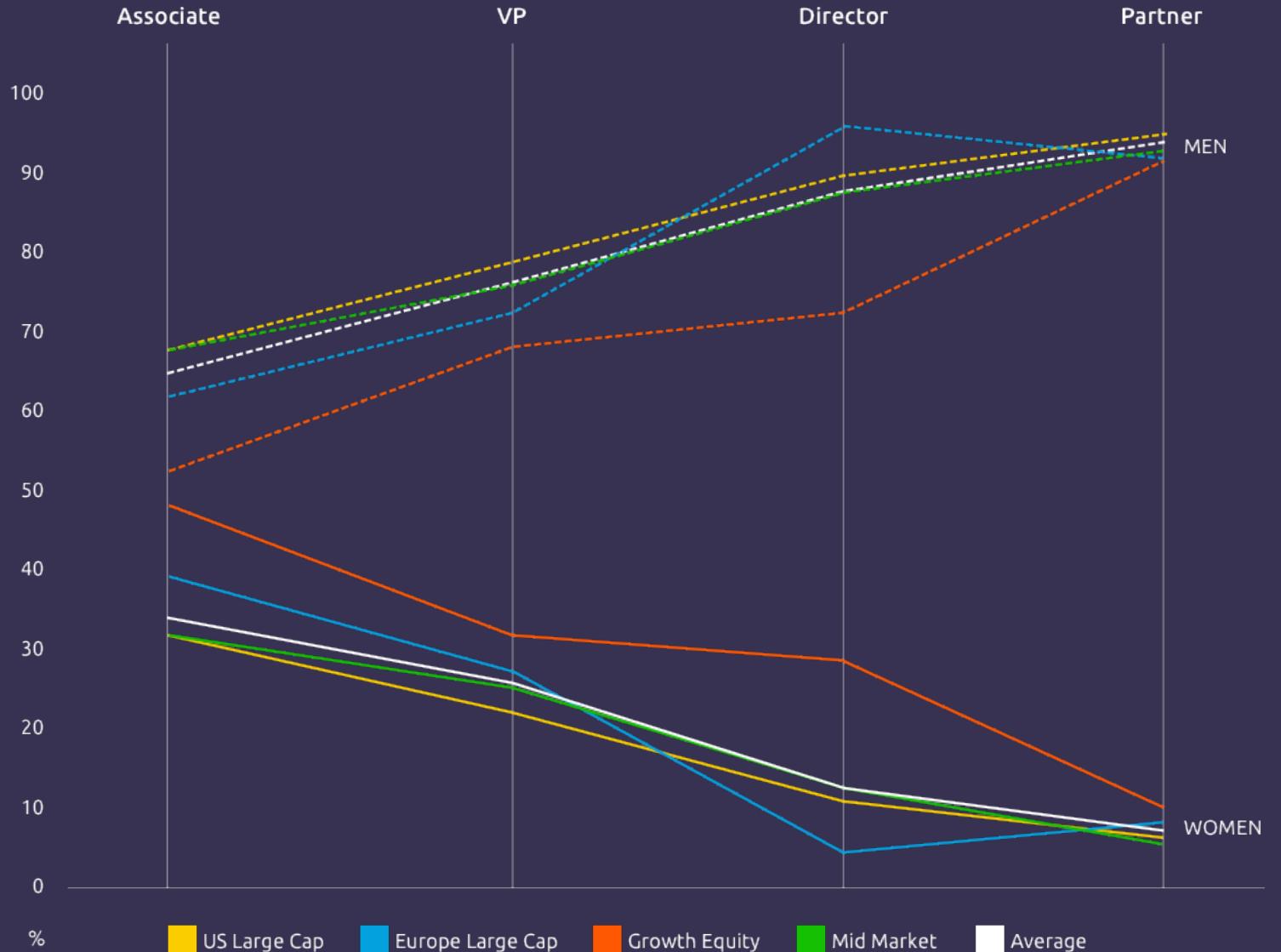
Decreasing Representation by Level

Gender diversity varies significantly by level. While female representation across our data set peaks at 35% of Associates, it drops notably at each level, to just 7% of Partners.

Encouragingly, data from growth equity, which consistently performs strongest in overall representation, suggests that this increased junior diversity can lead to increased mid-level diversity over time.

Average Female Representation at each level

Associate	35%
VP	25%
Director	12%
Partner	7%





DISPARITY IS GREATER AT MID AND SENIOR LEVELS

Change is not consistent

The total number of women employed in mid and senior level PE investment roles remains low, and the disparity is most pronounced at the Partner level. This remains true at each type of fund we evaluated.

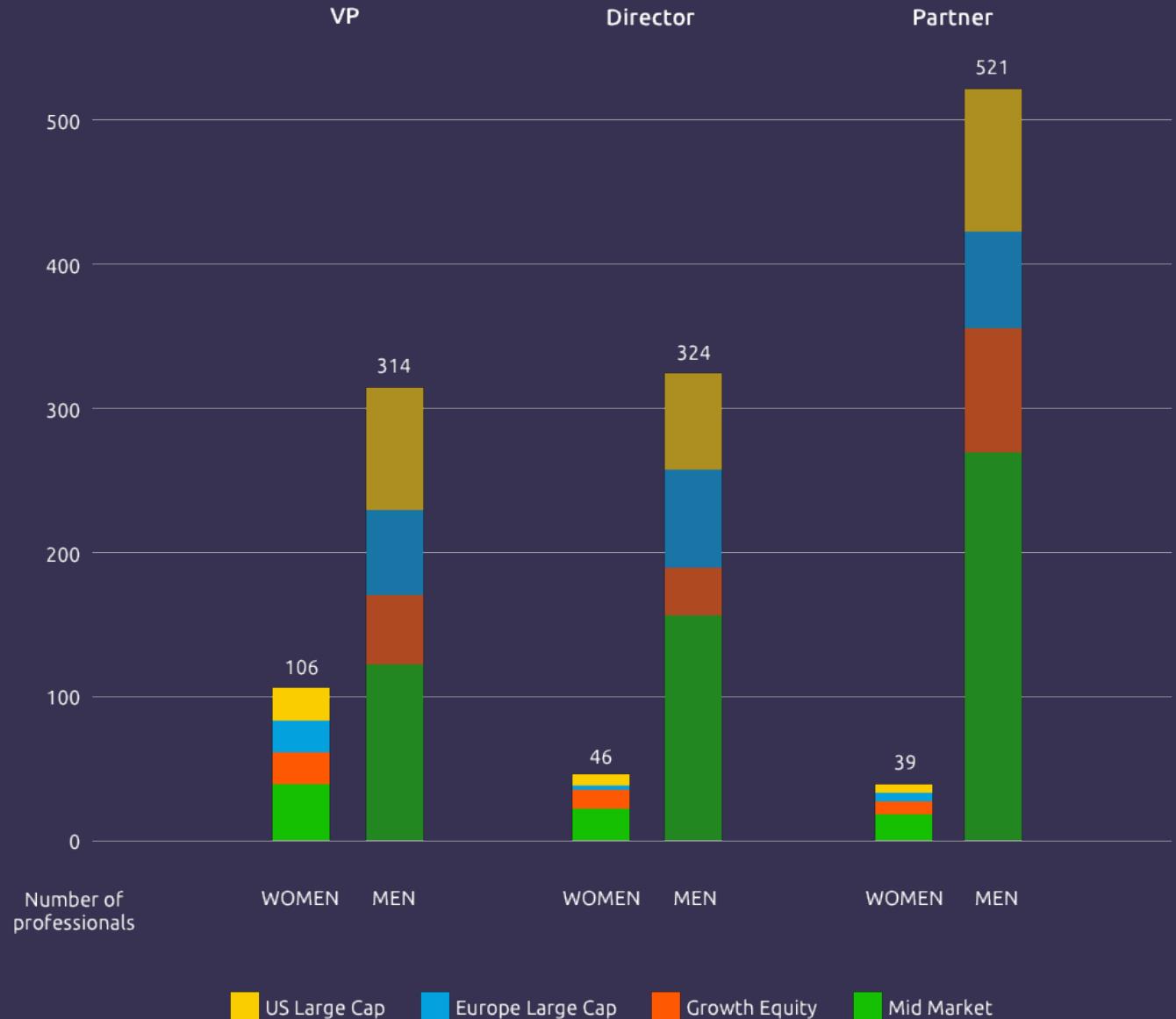
Mid and senior diversity should improve over the coming years if women are retained and progressed from the junior and mid-levels. Arkesden will monitor this potential trend through future editions of this report.

39

Number of female partners we identified

560

Total number of partners we identified





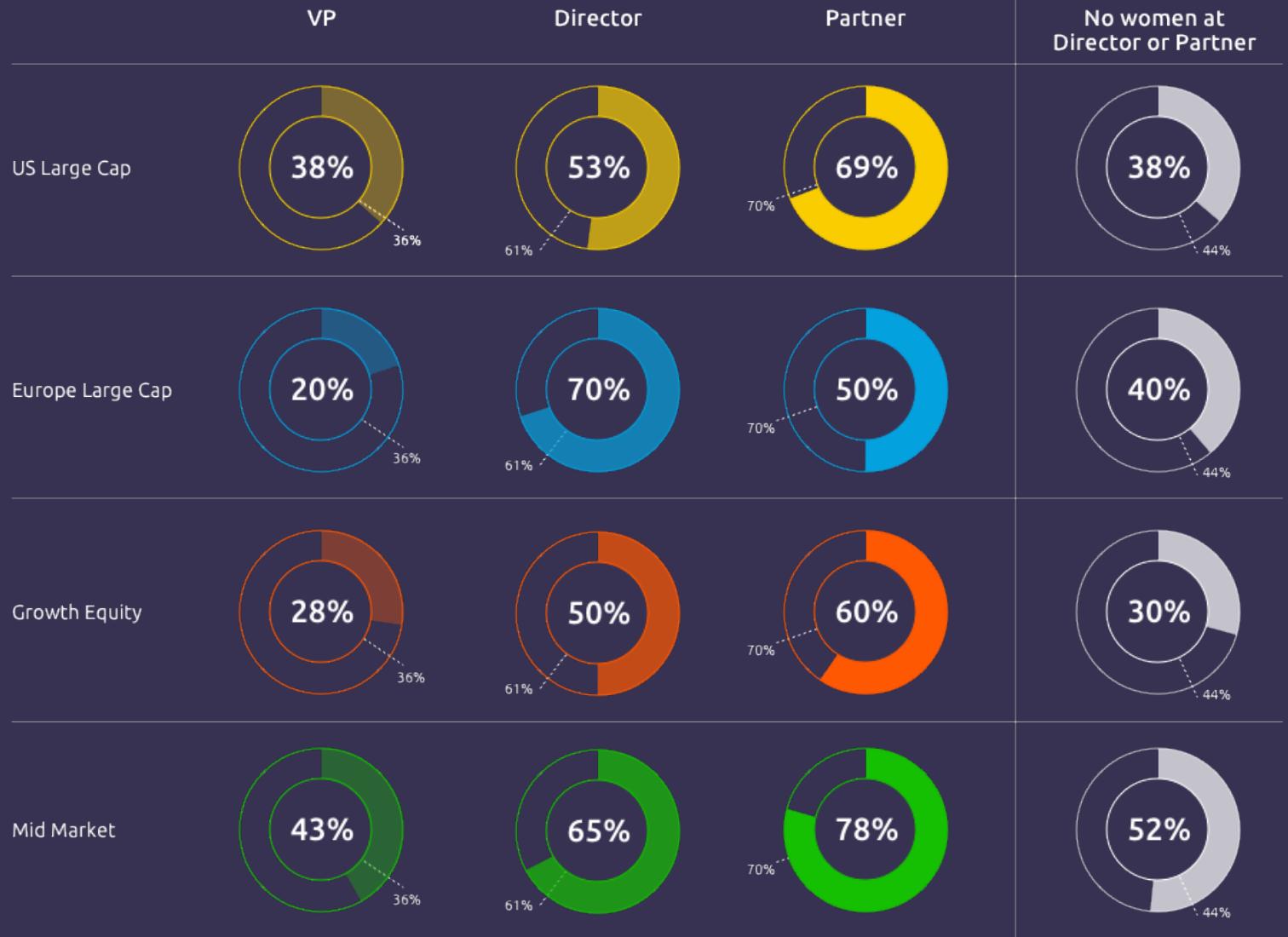
DISPARITY IS GREATER AT MID AND SENIOR LEVELS

Levels with no women still exist, prominently

Few investment teams with no women in exist, especially in the larger cap firms assessed (with naturally larger investment teams). However, levels with no women still exist prominently at the VP, Director and Partner levels across all fund types.

Perhaps most concerning, 44% of the firms assessed had no female investment professionals at either the Director or Partner levels, meaning the entire senior decision-making core of these investment teams remain male.

Percentage of levels with no women in, sorted by fund type and level

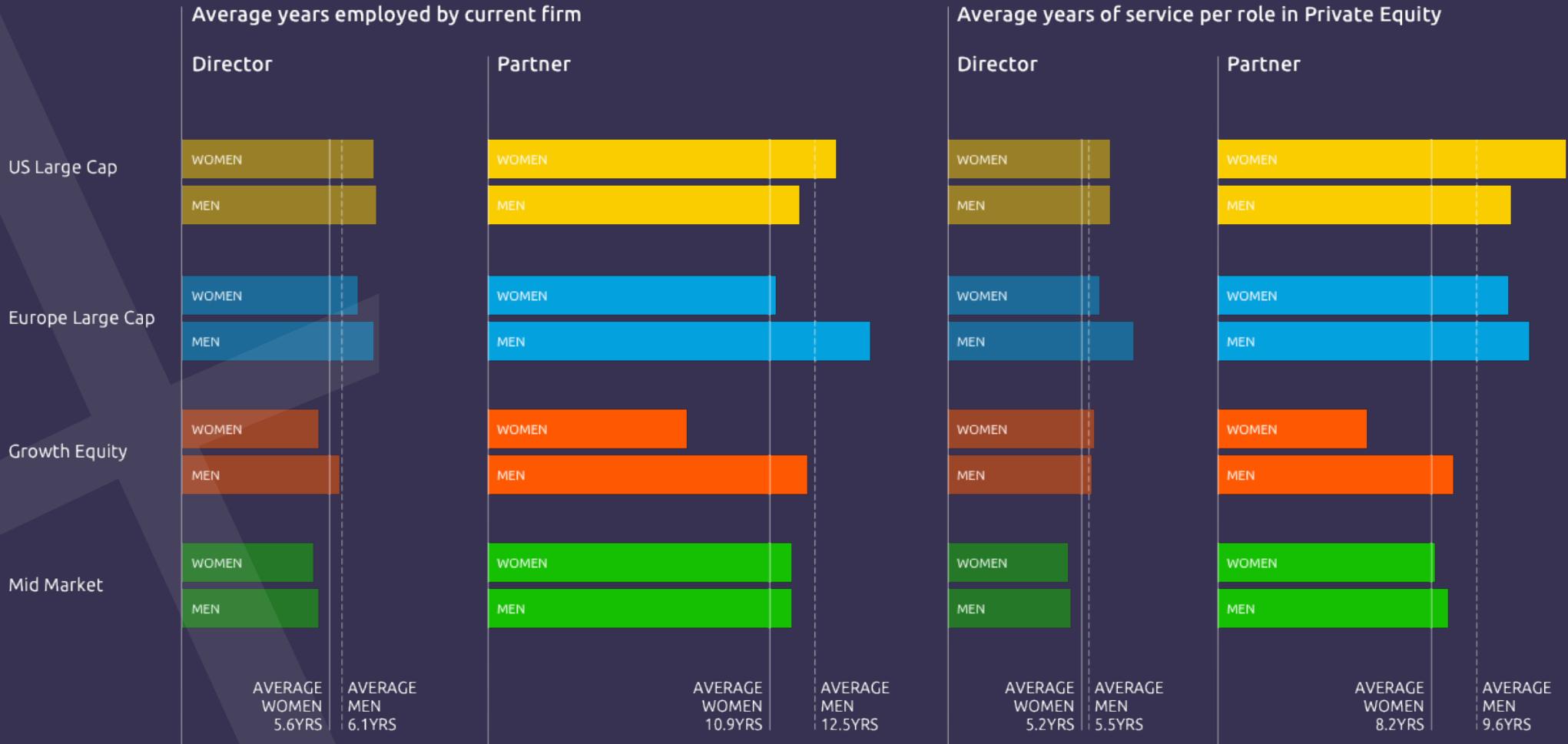


----- AVERAGE % FOR EACH LEVEL



IMPROVEMENTS MADE THROUGH HIRING, NOT RETENTION

Women change employer more than men





IMPROVEMENTS MADE THROUGH HIRING, NOT RETENTION

Women change employer more than men

Data shows women have typically remained in their current role for less time than their male counterparts and moved about more frequently than their male counterparts, especially at the Partner level (with the gaps existing but less pronounced at the Director level). The key implication is weaker retention of mid and senior level female investment professionals than their male counterparts.

24%

The increase in the amount of PE firms that female Partners have worked at compared to female Directors, compared to an 11% increase in the same statistic for men.

2X

Women are therefore just over twice as likely to make an additional move when progressing from Director to Partner as their male counterparts.

Evidence from Growth Equity

As previously stated, growth equity is the strongest performing asset class in gender diversity throughout each level we assessed, particularly at the Director level. However, female Partners working in growth equity have also:

- Worked at the most amount of PE firms throughout their career (on average)
- Spent the shortest average amount of time in their current firm
- Spent the shortest average amount of time in each role throughout their career

As such, the data from growth equity would seem to suggest that where stronger mid-level diversity numbers have been achieved, firms are achieving this through hiring, rather than retention.



CAUSE FOR OPTIMISM, BUT WORK TO BE DONE

It is clear that there remains a significant amount of work to be done to improve gender diversity within PE investment teams in the UK. The direction of travel is one that gives cause for optimism. Increased representation at the junior level is a promising trend that should filter through to the mid and senior levels over the coming years. However, this will take time to bear results and it's worth noting that even junior levels are not yet at parity.

For the impact of this to be truly felt, it is imperative that firms improve the retention of female investment professionals at the mid-level. Our data currently indicates this remains a weak spot for most employers. From our regular conversations in the industry we know this to be a topic most PE firms are conscious of, but there is no silver bullet and no single 'one-size-fits-all' solution. Meaningful, sustainable progression on this issue will likely require significant receptiveness to change from the top down to address the professional, cultural and historical drivers (conscious and subconscious) behind the lack of current mid-to-senior level gender diversity as of 2022.

It is also essential to achieve gender diversity at mid and senior levels to ensure that firms are best positioned to bring in the top talent when hiring diversely at junior levels.

Feedback from female juniors reveals that they are increasingly placing the presence of senior female role models as a 'must-have' when evaluating a fund, particularly if they have multiple career options. Gender diverse mid and senior levels also provide female investment professionals with confidence in both their progression prospects and the decision-making process of the potential employer.

While gender diverse hiring at the mid-to-senior levels is clearly encouraged, where hires are being made, this cannot be the only solution to producing more diverse teams over the long term. We know that LPs are now commonly including gender diverse investment teams as a key condition of fundraising, and view this trend as an impactful one which we see continuing.

There is significant work to do on retention to create environments within firms where gender diverse teams are encouraged and maintained through to mid and senior levels. Promising trends within junior hiring look like they will give PE firms the platform and opportunity to do this. Arkesden will continue to update and produce this gender diversity report over the coming years and hope to continue to see positive progression on the issue.





Organisations & upcoming events working to promote or support diversity with private investments

Level 20 (PE & VC)

www.level20.org

PEI Women in Private Equity Forum

www.peievents.com/en/event/women-private-equity-forum

Women in Real Estate (WIRE)

wirewomeninrealestate.com

Ladies in Real Estate

www.ladiesinrealestate.co.uk

RE Women

rewomen.org

Women Talk Real Estate

www.diversitytalksrealestate.org

POWERful Women (Energy)

powerfulwomen.org.uk



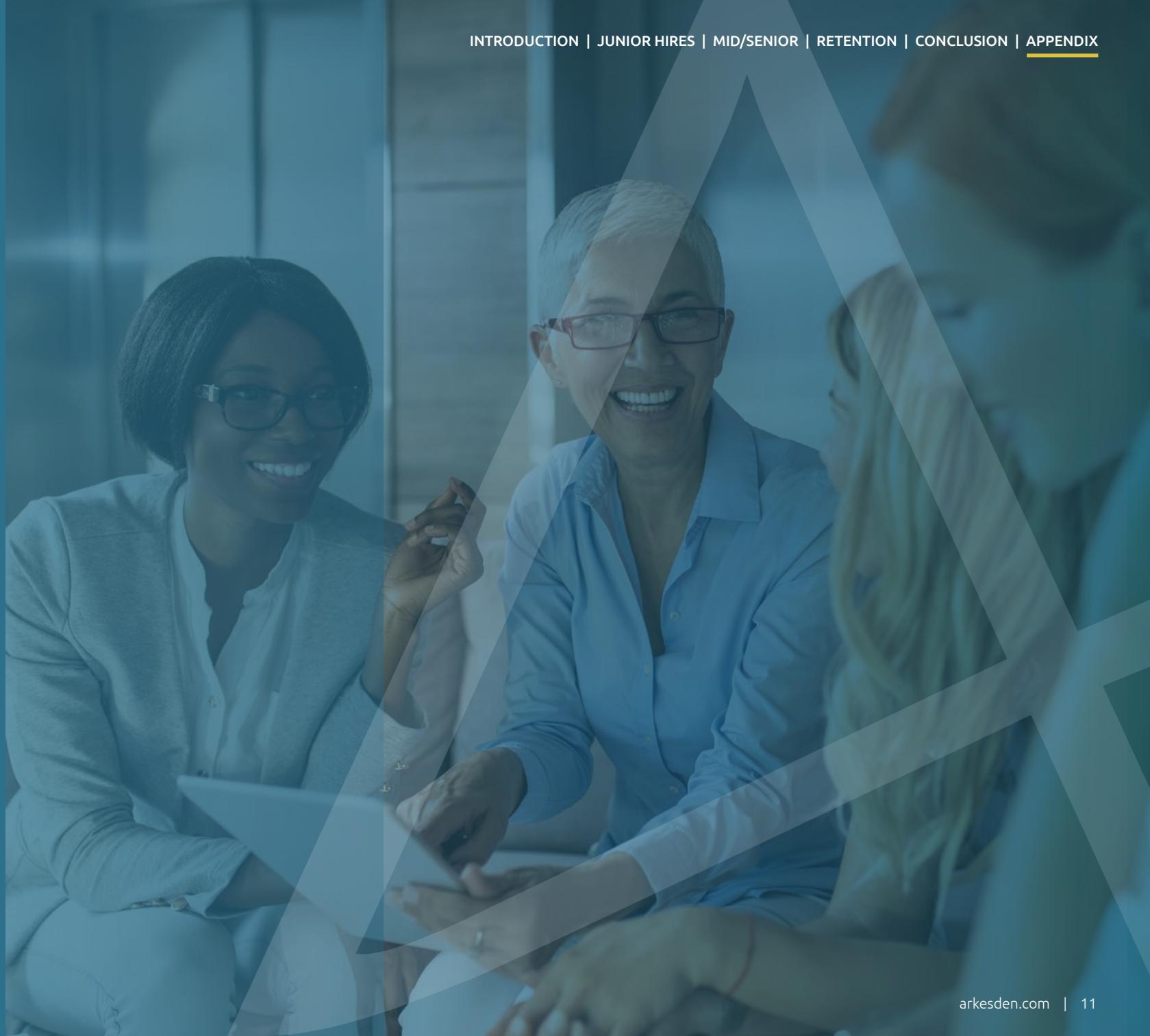


Appendix

Data Summaries

Methodology: Additional
Information

Disclaimers



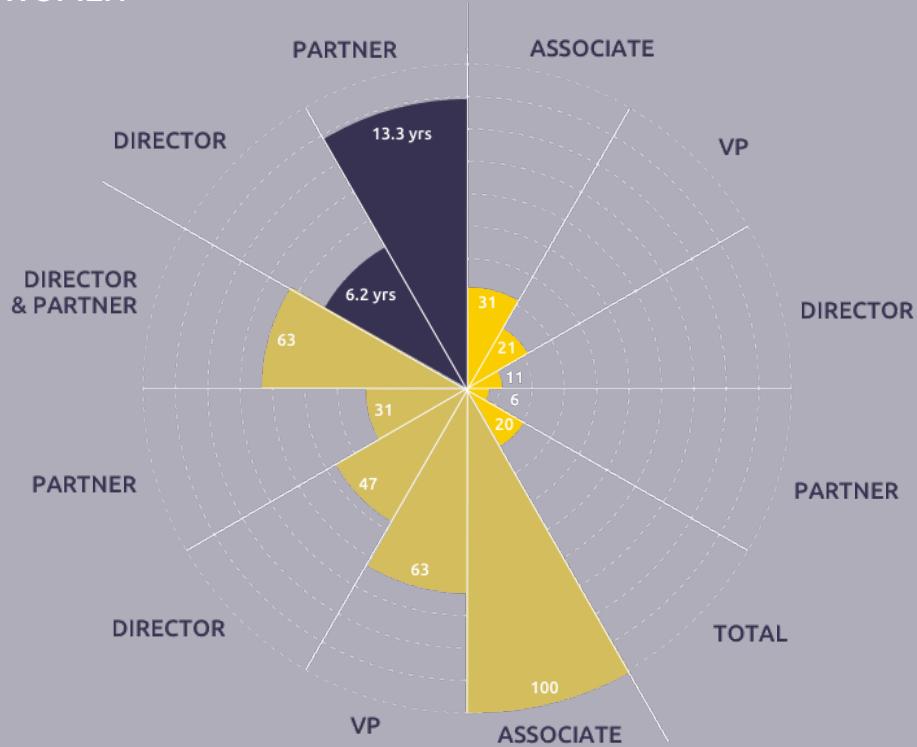


Data Summaries - US Large Cap

These charts summarise the key average data inputs used for US large cap funds throughout this report. They're useful to visualize strengths and weaknesses across a range of inputs simultaneously.

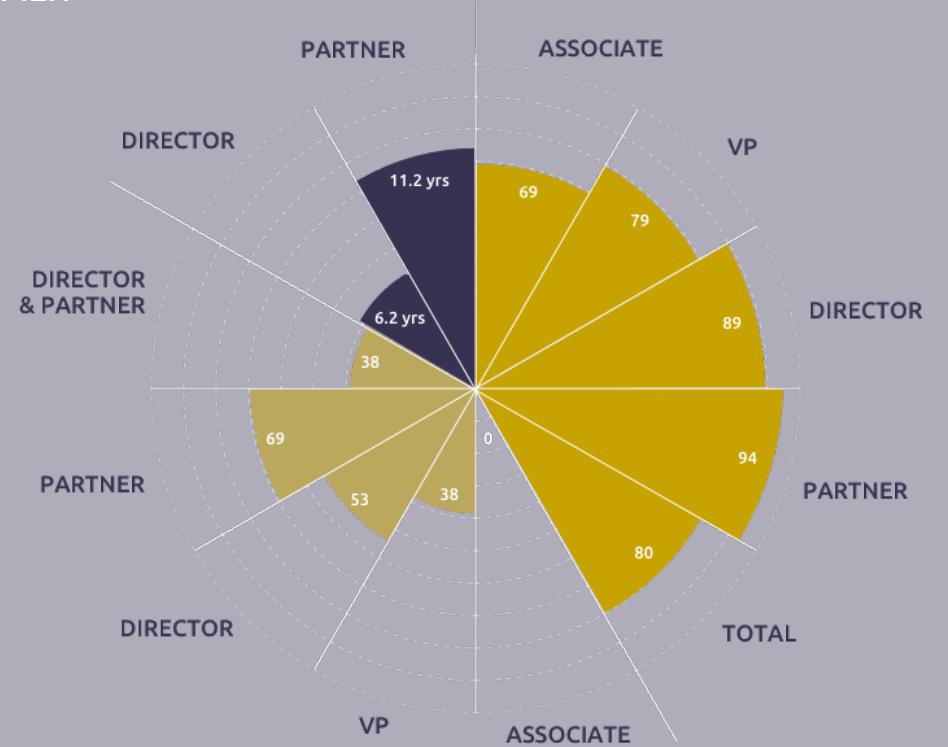
In our charts, the greater the shaded area, the greater the representation and retention of the data group. Conversely, more blank space equates to lower representation and retention of the data group.

WOMEN



- % FEMALE INVESTMENT PROFESSIONALS
- % WITH AT LEAST ONE WOMAN
- AVERAGE NUMBER OF YEARS PER MOVE

MEN



- % MALE INVESTMENT PROFESSIONALS
- % ALL-MALE TEAMS
- AVERAGE NUMBER OF YEARS PER MOVE

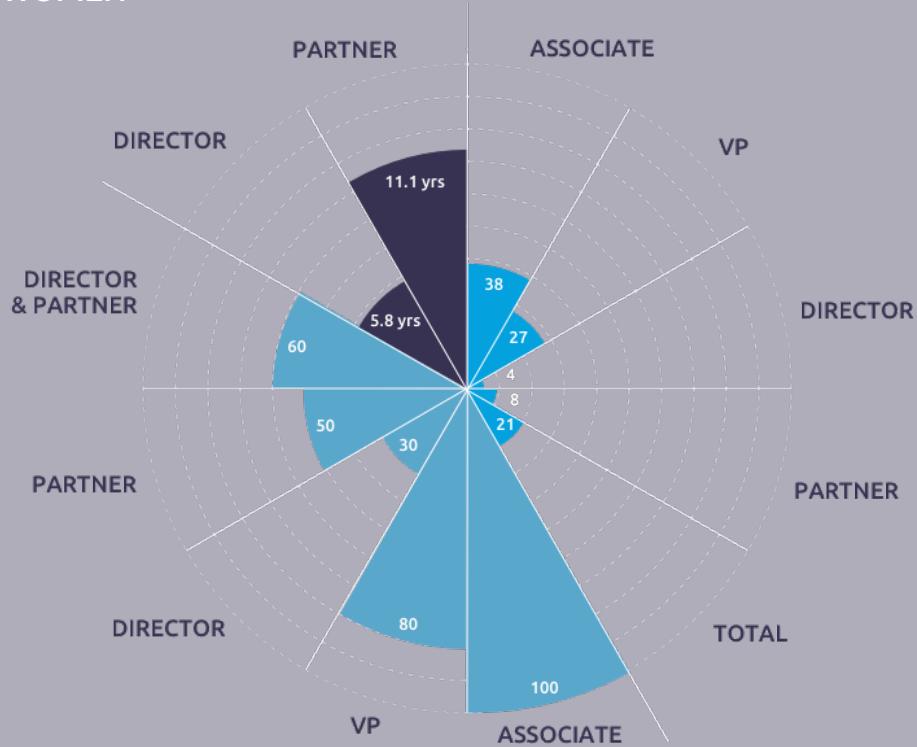


Data Summaries - European Large Cap

These charts summarise the key average data inputs used for European large cap funds throughout this report. They're useful to visualize strengths and weaknesses across a range of inputs simultaneously.

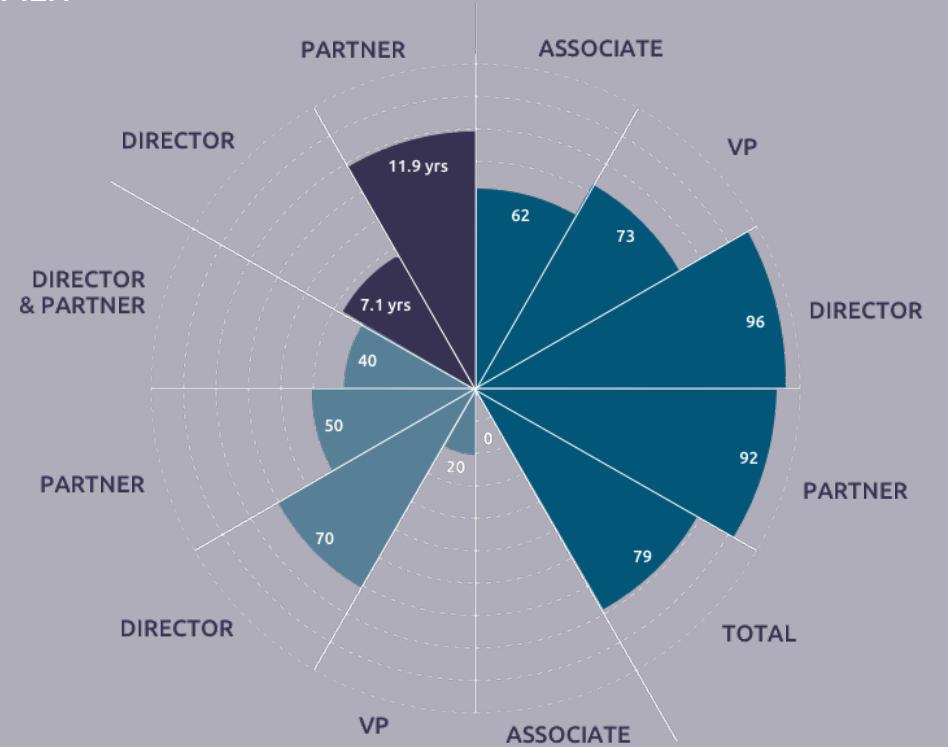
In our charts, the greater the shaded area, the greater the representation and retention of the data group. Conversely, more blank space equates to lower representation and retention of the data group.

WOMEN



- % FEMALE INVESTMENT PROFESSIONALS
- % WITH AT LEAST ONE WOMAN
- AVERAGE NUMBER OF YEARS PER MOVE

MEN



- % MALE INVESTMENT PROFESSIONALS
- % ALL-MALE TEAMS
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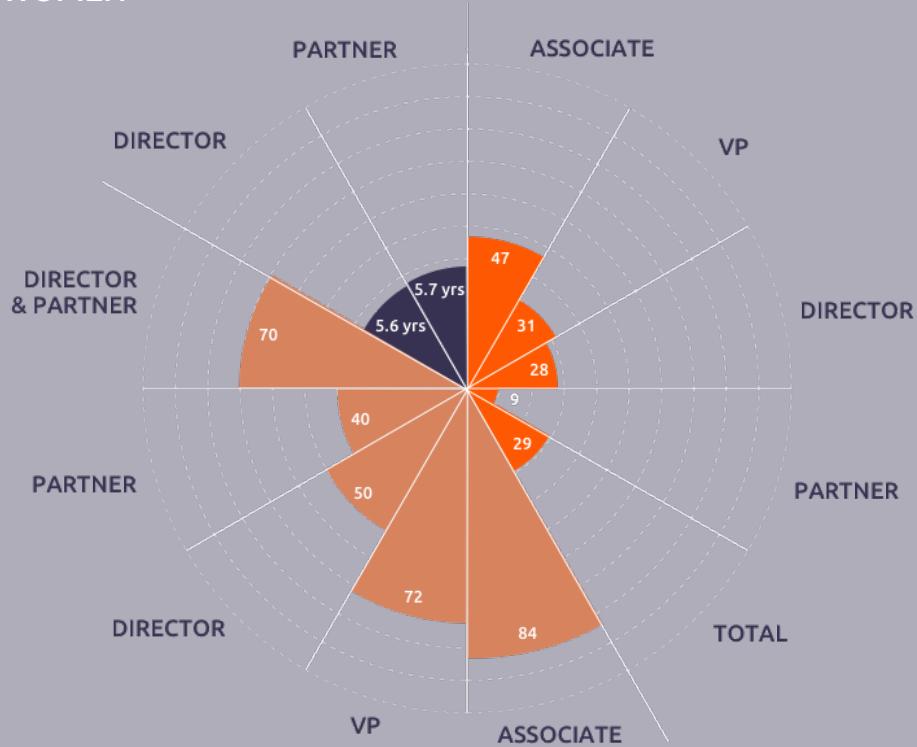


Data Summaries - Growth Equity

These charts summarise the key average data inputs used for Growth Equity funds throughout this report. They're useful to visualize strengths and weaknesses across a range of inputs simultaneously.

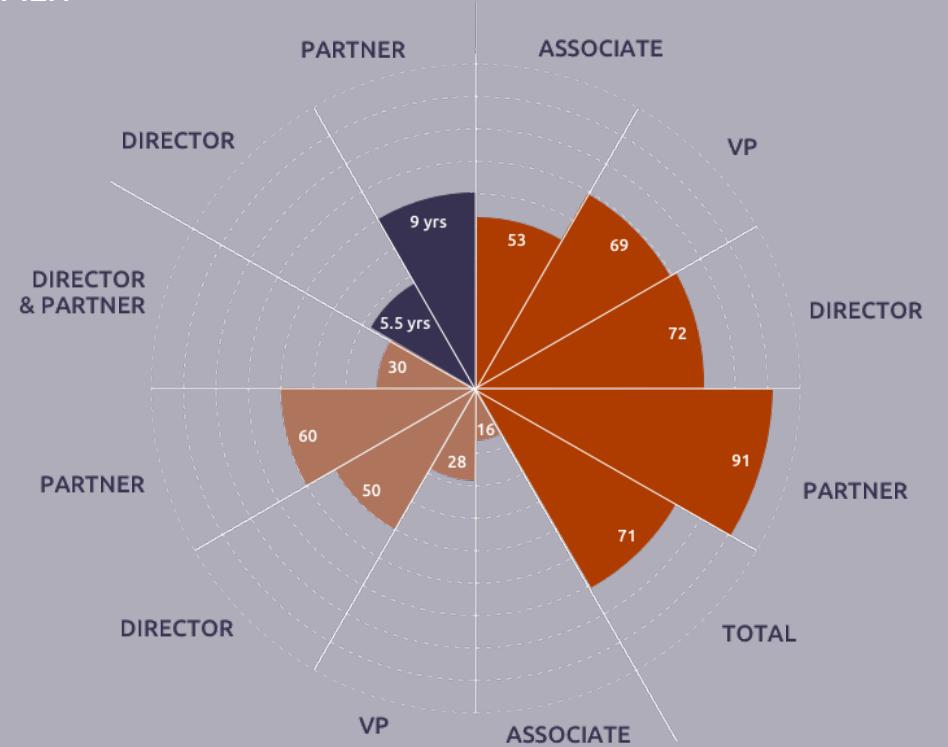
In our charts, the greater the shaded area, the greater the representation and retention of the data group. Conversely, more blank space equates to lower representation and retention of the data group.

WOMEN



- % FEMALE INVESTMENT PROFESSIONALS
- % WITH AT LEAST ONE WOMAN
- AVERAGE NUMBER OF YEARS PER MOVE

MEN



- % MALE INVESTMENT PROFESSIONALS
- % ALL-MALE TEAMS
- AVERAGE NUMBER OF YEARS PER MOVE

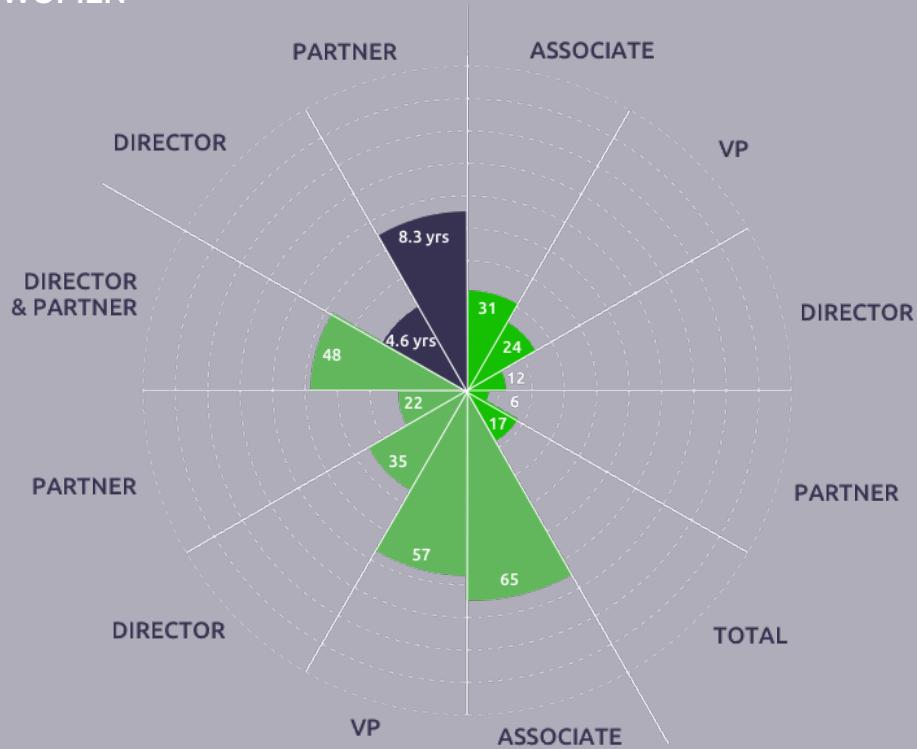


Data Summaries - Mid Market

These charts summarise the key average data inputs used for Mid Market funds throughout this report. They're useful to visualize strengths and weaknesses across a range of inputs simultaneously.

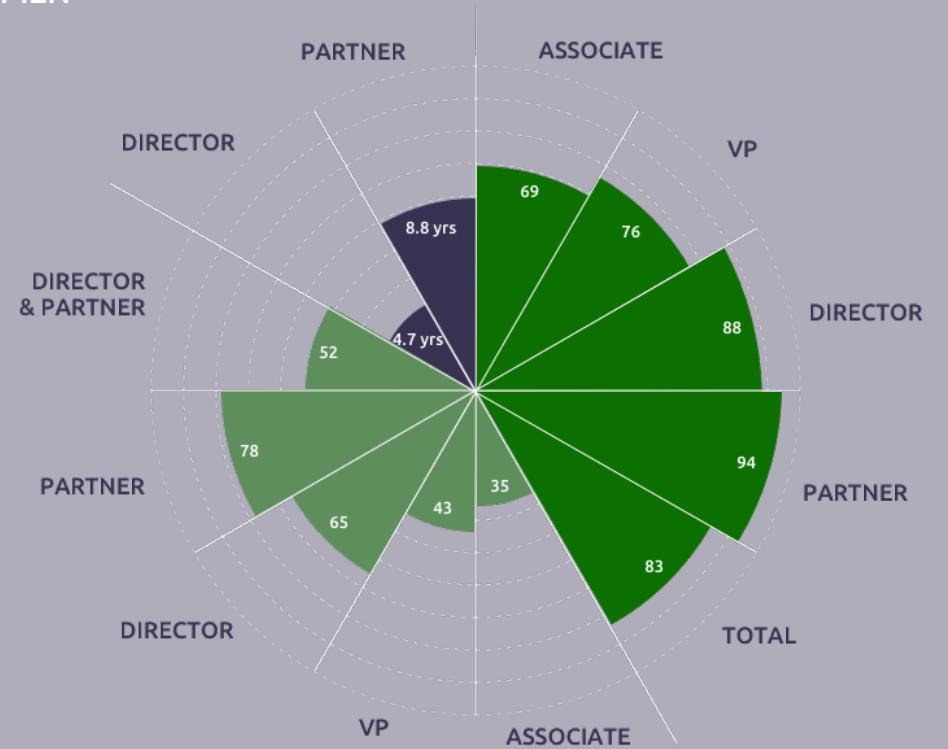
In our charts, the greater the shaded area, the greater the representation and retention of the data group. Conversely, more blank space equates to lower representation and retention of the data group.

WOMEN



-  % FEMALE INVESTMENT PROFESSIONALS
-  % WITH AT LEAST ONE WOMAN
-  AVERAGE NUMBER OF YEARS PER MOVE

MEN

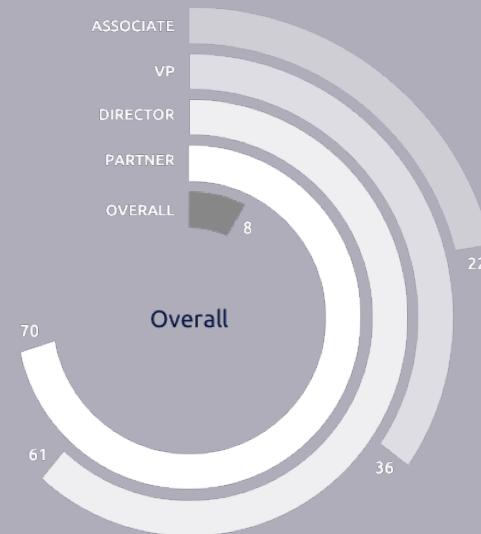
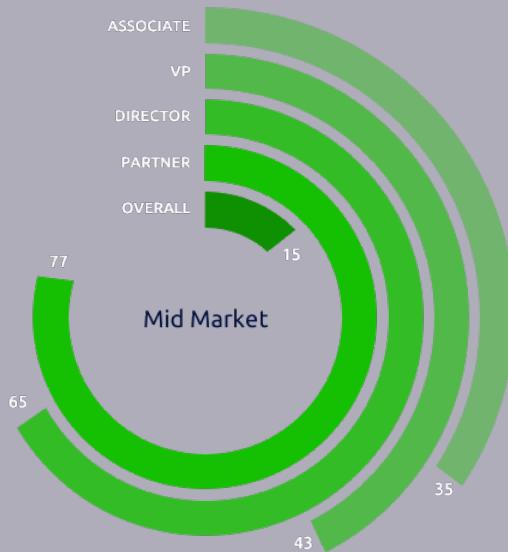
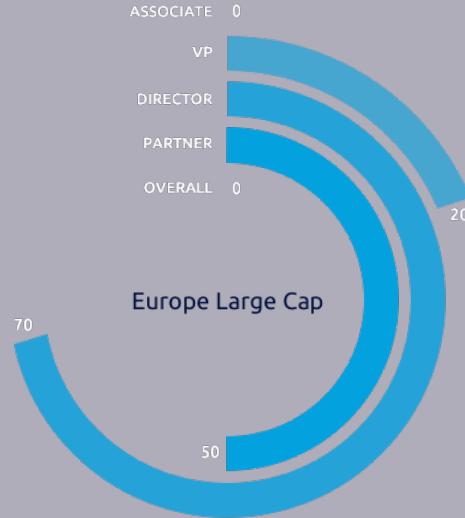
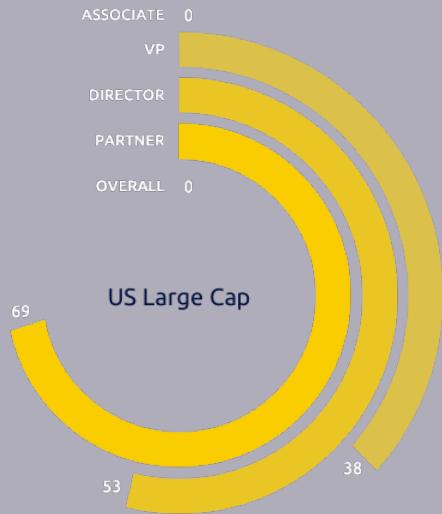


-  % MALE INVESTMENT PROFESSIONALS
-  % ALL-MALE TEAMS
-  AVERAGE NUMBER OF YEARS PER MOVE



Data Summaries - All-Male Teams

These radial charts show the percentage of levels with no women in, sorted by seniority and fund type.



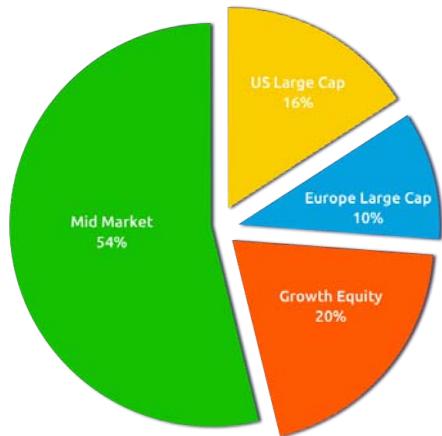


Methodology: Additional Information

A summary of the titles used in each level:

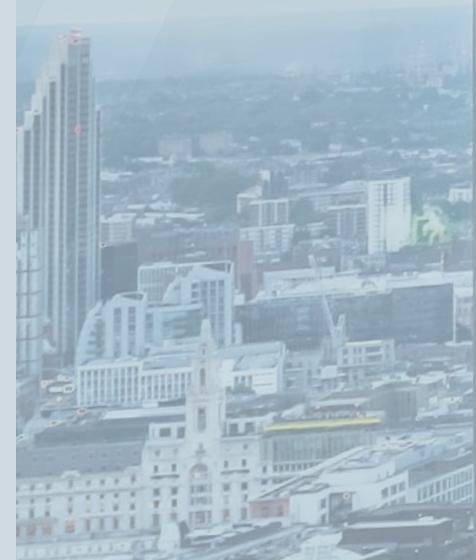
- Associate: Analyst, Associate, Senior Associate, Executive.
- Vice-President: Investment Manager, Investment Officer, Vice-President, Associate Director, Associate Principal.
- Director: Principal, Director, Associate Partner, Senior Vice-President.
- Partner: Managing Director, Senior Managing Director, Partner, Founding Partner, Managing Partner, Senior Partner, Head of.

Number of funds in each fund type



Disclaimers

- All data collected during August 2022, using only open and public sources.
- While we're confident in the depth of the sample size we've used for this report and in the conclusions that we've generated, a few potential limitations are worth noting:
 - For much of the senior data in particular, it must be considered that the overall lack of senior female profiles could make our data more susceptible to outliers. Outer decile removals were considered when analysing the data for this report, but overall we felt that every person's, and in particular women's, experience is important and as such should be included in our outputs.
 - When measuring years of experience for Partners, it must be considered that the lack of cap on experience at this level likely increases the averages compared to other bands. Years of female under-representation in PE teams means that these most senior professionals are more likely to be male, which could affect our averages when calculating length of service data.
- The leaner typical investment teams within smaller, mid-market institutions are more likely to be 'all-male' given their size, although it should be noted that this is an observation, not a justification.
- Mid-market funds are also more likely to have been set up more recently, making it more likely that employees will have worked at multiple different employers historically by the necessity of having to move to work at a newer firm.





Arkesden is a leading private investments search firm, with specialist teams focusing on private equity, real estate, energy & infrastructure, credit and asset-backed credit. We place significant numbers of investment professionals into European and global investment teams every year, across the Senior Associate, Vice-President, Director and Partner levels (or equivalent).

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