2X Collaborative

A leading global industry body for gender lens investing

Prospectus

1. Our Achievements To Date
2. The 2X Industry Body
3. Membership
4. Join us
Where we’re coming from…

• Launched 2X Challenge at the G7 Summit 2018
• Established 2X Criteria as a global standard
• Signature GenderSmart Investing Summit
• Convened investors from 50+ countries and unlocked billions of capital
• Communities of practice around key themes
• Accelerated learning & development of toolkits
### Making The Case for Gender Lens Investing: The Opportunity

<table>
<thead>
<tr>
<th>Business area</th>
<th>The stats</th>
</tr>
</thead>
</table>
| Entrepreneurship| - 33% of all SME’s worldwide are owned by women. (World Bank, 2018)  
- BUT 69% are unserved or underserved by financial institutions. (IFC, 2019)  
- The finance gap for women-owned MSMEs accounts for $1.7 trillion. (SME Finance Forum, 2019)  
- Companies founded by women receive less than half as much funding as those founded by men, although they deliver twice as much revenue per dollar invested. (BCG & Mass Challenge, 2018) |
| Leadership      | - Gender balanced leadership teams in private equity generate a 20% higher net IRR. Yet only 15% of senior investment teams have a gender balance. (IFC & Oliver Wyman, 2019)  
- Having a more gender-balanced board and leadership team contributes to stronger environmental, social, and governance performance, which in turn, leads to better business performance (IFC, 2018) |
| Employment      | - 25% more labor productivity can be achieved by removing barriers to employment for women (World Bank, 2018)  
- Women spend 90% of their earned income on their families, while men spend only 30-40%. (UNAC, 2012) |
| Consumption     | - Women make 80% of global buying decisions. (Oliver Wyman, 2019)  
- Women control $40 trillion of global consumer spending. (World Economic Forum, 2019)  
- Gender bias in products and services design is a major global problem. (Caroline Criado-Perez, *Invisible Women: Exposing Data Bias in a World Designed for Men*, 2019) |
COVID-19 is exacerbating the gender divide:

- **Current research tracker:**
  
  CGDev The COVID-19 Gender and Development Initiative

- Women have lost their jobs at greater rates than men. (ILO 2021)
  Women-owned businesses shuttered at greater rates than men’s. (Goldstein et al. 2020)

- Care burdens continue to pile up for women. Studies in diverse settings such as Colombia, Lebanon, Nigeria, and India indicate women are shouldering up to several hours of additional care work per day. (UN Women 2020)

- This decline in women’s employment is expected to reduce global GDP by $1 trillion in 2020 alone. If this results in a longer-term reduction in women’s participation in the labor force, overall economic recovery will be slower.

- Gender based violence has significantly increased as a result of the Covid-19 crisis and is expected to put millions of women and girls at severe risk over the next years. (CGDev, 2020)
Mobilizing Capital with a Gender Lens

The original US$ 3 bn target was significantly surpassed.

First Round: 2018-2020
US$ 6.9 bn committed

Second Round: 2021-2022
New $15 Billion Target
Launched at 2021 G7 Summit

US$ 11.4 bn total mobilized

Current Members:

Observer:

Our achievements to date:
1. Setting New Standard for Gender Lens Investing

Our achievements to date:
Alignment of indicators with IRIS+, HIPSO, UN Women WEPs, OECD DAC Gender Marker

The 2X Criteria have quickly become the global standard for gender lens investing.

A broad range of investors and investee companies is adopting the 2X criteria.

The criteria and metrics are aligned with the GIIN’s IRIS+, HIPSO, UN Women WEPs, OECD DAC Gender Marker

2X Criteria defining what good looks like:

<table>
<thead>
<tr>
<th>Direct Criteria</th>
<th>Criterion</th>
<th>Threshold</th>
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<tbody>
<tr>
<td>Entrepreneurship</td>
<td>A. Share of women ownership</td>
<td>51%</td>
</tr>
<tr>
<td></td>
<td>B. Business founded by a woman</td>
<td>Yes/No</td>
</tr>
<tr>
<td>Leadership</td>
<td>A. Share of women in senior management*</td>
<td>20-30%²</td>
</tr>
<tr>
<td></td>
<td>B. Share of women on the Board or IC¹</td>
<td>30%</td>
</tr>
<tr>
<td>Employment</td>
<td>A. Share of women in the workforce¹</td>
<td>30-50%²</td>
</tr>
<tr>
<td></td>
<td>B. One &quot;quality&quot; indicator beyond compliance</td>
<td>Yes/No</td>
</tr>
<tr>
<td>Consumption</td>
<td>4. Product or service specifically or disproportionately benefit women</td>
<td>Yes/No</td>
</tr>
<tr>
<td>Investments</td>
<td>5. Cor-Lending facilities: Percent of the DFI loan proceeds supporting businesses that meet direct criteria¹</td>
<td>30%</td>
</tr>
<tr>
<td></td>
<td>Funds: Percent of portfolio companies that meet the direct criteria¹</td>
<td>30%</td>
</tr>
</tbody>
</table>

Sector-Specific Thresholds

<table>
<thead>
<tr>
<th>3A Women in the Workforce*</th>
</tr>
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<tbody>
<tr>
<td>Grp</td>
</tr>
<tr>
<td>Low</td>
</tr>
<tr>
<td>Mid</td>
</tr>
<tr>
<td>High</td>
</tr>
</tbody>
</table>

¹Please for judgment: Investment in unique sectors or geographies may require case-by-case consideration.
1. Providing Thought Leadership to the Global Industry

Our achievements to date:

* $514m
  - $338m
  - $456m
  - $321m
  - $997m
  - $556m
  - $747m

Regions:
- South Asia
- Eastern Europe
- Latin America & Caribbean
- East Asia & Pacific
- Middle East & North Africa
- Global

2X Challenge and Gender Finance Collaborative response to the COVID-19 pandemic
Why women and girls should be central to response mechanisms

PRIVATE EQUITY AND VALUE CREATION
A FUND MANAGER'S GUIDE TO GENDER-SMART INVESTING

Gender & Climate Investment: A strategy for unlocking a sustainable future
Creating Deal Pipeline with 2X Flagship Funds

Our achievements to date:

One of the best ways to scale the impact of our capital – and also to mobilize investment from a broader range of institutional and commercial investors - is to invest in funds and intermediary platforms that in turn invest in women through gender-smart businesses.

As part of our new 2X Challenge commitment, we are developing a portfolio of gender-smart funds, who are committed to both improving gender diversity in the investment industry (within the fund managers themselves) and also to investing with a gender lens to build gender-smart portfolios.

The three tiers of the 2X Flagship Funds portfolio:

1. GROWTH
   - High-performing, mainstream PE and credit fund managers
   - $300 m-$1 bn fund size
   - Regionally focused – emerging markets
   - Committed to building gender balance at 2 levels

2. PIONEER
   - Gender-balanced PE and credit fund managers with clear gender-smart investing strategies
   - $20-$500 m fund size
   - Committed to building commercially successful, gender-smart PE and credit funds
   - + Pioneer Accelerator Facility

3. VENTURE
   - Gender-balanced VC fund managers with clear gender-smart investing strategies
   - $15-$100 m fund size
   - Committed to building commercially successful, gender-smart VC funds

Mobilizing global LPs to co-invest into vetted pipeline of 2X Flagship Funds

- Elected, dedicated Committee responsible for the ‘vetting’ (commercial & gender) and decision on funds entering the pipeline with a 2X Flagship Fund stamp.
- Each investor follows own internal approval process for investments in 2X Flagship Fund pipeline.
2. A New Leading Industry Body for Gender Lens Investing

The 2X Collaborative:

We are launching a structured network for those who move capital at the forefront of gender lens investing, building on our strong track record.

The 2X Challenge has gained significant traction in the market.

A broad range of investors & financial institutions is working with the criteria, standards and best practice we developed and have expressed interest in formal membership.

The timing is opportune to bring 2X together with GenderSmart into a unified field-building initiative, serving a full suite of global investors, capital providers and influencers.

Key Benefits the 2X Collaborative provides:

- Leading industry body for gender finance, organized as a structured network with membership open to the spectrum of capital providers, mobilizers and influencers.

- Unique platform for deal pipeline, peer-learning, shared tools.

- In partnership with GenderSmart, a one-stop shop that connects the dots between the suite of initiatives, resources and innovations globally.
The 2X Collaborative Model is based on Real Investor Needs

**Vision**
Transform systems of finance as a powerful tool to drive intersectional gender parity, inclusive economies and sustainability

**Mission**
Convene and equip investors to increase the volume and impact of capital directed towards gender equality & women’s empowerment and to transform investor cultures to embed gender in all investment frameworks

**Key outcomes**
1. **BUILD INVESTOR CAPACITY**
   - to deepen investee engagement and increase capital allocated to gender equality & women’s empowerment
2. **INCREASE INVESTMENT RIGOR**
   - to track the capital mobilized, financial performance and impact.
3. **RAISE AWARENESS, ADVOCATE & INFLUENCE**
   - to elevate gender lens investing (GLI) visibility and champion the integration of gender in investment frameworks.
4. **INNOVATE**
   - to deepen existing efforts or identify new solutions that strengthen the sustainability of gender lens investing (GLI).

**High priority offerings**
- 2X Challenge 2.0 and beyond: Joint commitment & target
- Structured Networks of Communities of Practice: peer groups, sectors, themes
- Deal Pipeline Sharing & Co-investing, Mobilization
- Tools & Resources, Knowledge Hub, Trainings
- Standard Setting, 2X Criteria, 2X Certification
- 2X Flagship Funds
- 2X Ignite
- Thought Leadership & communications
- Market Building: 2X Index, Gender Bonds, Legal gold standard
- 2X Data Hub, GLI Initiative Harmonization
- Co-creation, Innovation, Pipeline creation
- Showcasing case studies, Evidence of what works
- Strategic Alliances with other networks & initiatives
3. Our Value Proposition
Our Value Proposition
Core Partnership Around A Shared Vision

Ecosystem Builder and Broker
- Thought Leadership and Communications
- Open Access Ecosystem

Working Groups
- Global Summit
- Knowledge and Tools

Dealflow
- Investor Certification
- Investor Training

Investor Member Network
A structured network of investors, capital providers & influencers

Members-driven structured networks

Peer Groups:
- DFIs, MDBs, PDBs
- Pension Funds
- Asset Managers & Wealth Managers
- Family Offices
- Foundations, Endowments
- Fund Managers (GPs), VC & PE Firms
- Financial Institutions
- Insurance Companies
- Companies with GLI activities

Sectors:
- Driven by members’ demand
  - Energy
  - Agriculture
  - Infrastructure
  - Manufacturing
  - Tech
  - Financial

Themes:
- Driven by members’ demand
  - Climate & Gender
  - Impact Management & Measurement
  - Financial & Digital Inclusion
  - Care Economy
  - Justice, Equity, Diversity and Inclusion
  - Gender Bonds
  - Gender-Based Violence
  - Value Chains
## Member Benefits

<table>
<thead>
<tr>
<th>Capacity Building &amp; Tools</th>
<th>Co-Investing &amp; Pipeline Sharing</th>
<th>Standard Setting &amp; Credibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Communities of Practice</td>
<td>Co-Investment Opportunities</td>
<td>2X Criteria</td>
</tr>
<tr>
<td>Capacity Building for Investors and Investees/Clients</td>
<td>2X Assess Tool</td>
<td>Shape the 2X standard setting work</td>
</tr>
<tr>
<td>Solution Salons</td>
<td>2X Deal Making Platform</td>
<td>Credibility towards 2X Certification</td>
</tr>
<tr>
<td>Tools, Knowledge &amp; Resources</td>
<td>2X Flagship Funds</td>
<td>Collective challenges &amp; commitments</td>
</tr>
<tr>
<td></td>
<td>2X Ignite</td>
<td>Pioneer 2X investment innovation</td>
</tr>
</tbody>
</table>

### Profile-Raising & Visibility

- Share the stage at major industry events
- Nominate 2XC Board members & co-leads
- Gain visibility in the 2XC Directory
- Get spotlighted in 2XC media

### Networking & Match-Making

- Networking Events & Sessions
- 2X Membership Platform
- Members GLI Workshops
- Annual Members Assembly

*Be part of a global movement to transform systems of finance towards gender parity, inclusive economies and sustainability.*
# Membership Tiers & Contributions

<table>
<thead>
<tr>
<th>Membership Category:</th>
<th>Annual Contribution (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TYPE OF INSTITUTION:</strong></td>
<td><strong>PORTFOLIO / AUM:</strong></td>
</tr>
<tr>
<td>DFIs, MDBs, PDBs, Fund Managers, Family Offices</td>
<td>Below 1 bn USD</td>
</tr>
<tr>
<td></td>
<td>Between +1 bn and 5 bn USD</td>
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<tr>
<td></td>
<td>Between +5 bn and 15 bn USD</td>
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<tr>
<td></td>
<td>Above 15 bn USD</td>
</tr>
<tr>
<td>Financial Institutions (Banks, NBFIs) and Foundations</td>
<td>Below 50 m USD</td>
</tr>
<tr>
<td></td>
<td>Between +50 m and 500 m USD</td>
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<tr>
<td></td>
<td>Between +500 m and 1 bn USD</td>
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<tr>
<td></td>
<td>Between 1 bn and 15 bn USD</td>
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<tr>
<td></td>
<td>Below 1 bn USD</td>
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<tr>
<td></td>
<td>Between +1 bn and 15 bn USD</td>
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<tr>
<td></td>
<td>Above 15 bn USD</td>
</tr>
<tr>
<td>Pension Funds and Institutional Investors, Wealth Management Firms</td>
<td>Above 10 m USD</td>
</tr>
<tr>
<td></td>
<td>Between +10 m and 500 m USD</td>
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<tr>
<td></td>
<td>Above 1 bn USD</td>
</tr>
<tr>
<td></td>
<td>Below 100 m USD</td>
</tr>
<tr>
<td>Donor organizations</td>
<td></td>
</tr>
<tr>
<td><strong>ANNUAL REVENUES:</strong></td>
<td></td>
</tr>
<tr>
<td>Companies with investment activities</td>
<td>Below 1 bn USD</td>
</tr>
<tr>
<td></td>
<td>Between +1 bn and 50 bn USD</td>
</tr>
<tr>
<td></td>
<td>Above 50 bn USD</td>
</tr>
<tr>
<td>Companies with advisory activities</td>
<td>Below 10 m USD</td>
</tr>
<tr>
<td></td>
<td>Between +10 m and 500 m USD</td>
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<tr>
<td></td>
<td>Above 1 bn USD</td>
</tr>
<tr>
<td>Other industry shaping organizations</td>
<td>Below 10 m USD</td>
</tr>
<tr>
<td></td>
<td>Above 10 m USD</td>
</tr>
</tbody>
</table>

Contact us for opportunities to become a core funding partner or provide TA/grants for specific 2XC programming!
Join us!

We launched the 2X Collaborative at the UN Generation Equality Forum in Paris on July 1, 2021 and officially started operations on January 1, 2022.

To join us as members, contact 2XC’s CEO Jessica Espinoza: Jessica.Espinoza@2XCollaborative.org

To find out more about this partnership, contact 2XC or GenderSmart: Suzanne Biegel, Co-Founder suzanne@gendersmartinvesting.com