

WOMEN IN PRIVATE EQUITY & VENTURE CAPITAL IN THE NETHERLANDS 2022

Produced by NVP and Level 20

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FOREWORD

NVP and Level 20 are delighted to publish our second report on the number of women working in the Dutch private equity and venture capital sector. The purpose of this continuing study was to create a dataset that would allow us not only to measure gender diversity in the industry and progress being made, but also to examine the type of roles women have and their level of seniority.

Increasing the representation of women, and retaining women in senior roles in particular, is a strategic priority for Level 20, a non-profit organization which was created to drive gender diversity in the private equity industry.

This latest research provides a comprehensive dataset that highlights that although progress is being made both in terms of overall number of women joining the industry and in a reduction in male only investment teams, there is still a lack of gender diversity in investment teams particularly evident in the shortage of women in senior roles. The pipeline, however, is promising and we will continue to work with the industry to improve on these results over the coming years.

We would like to thank the NVP and the research team at PGGM for their commitment and enthusiasm throughout this project.

Pam Jackson
CEO, Level 20

We live in challenging times. Investment firms aim to make good returns for investors in increasingly competitive markets. In addition and quite rightfully, investors and the broader public expect a positive contribution to the society in which we live. To tackle these challenges, we need diverse teams: in gender, age, ethnicity, disability, sexual orientation, education, etc.

Data on the number of women working in the private equity and venture capital industry provide a valuable starting point for the discussion on diversity in our industry. In this review, 172 firms (of which 79 are NVP members) with an office presence in The Netherlands have been included. The intent is to repeat this exercise every two years to gauge the trends with respect to diversity in the industry.

The figures show there is work to do. I am delighted to see a growing number of talented young women in junior roles. But we really need to get better at retaining diverse talent. We need to cooperate to enable young women to grow towards senior roles. That's why NVP supports Level 20.

We would like to thank Level 20 and PGGM for making this study possible.

Annemarie Jorritsma
Chair NVP

EXECUTIVE SUMMARY

The 2022 NVP/ Level 20 research has been undertaken to provide data on gender representation at junior, mid and senior levels across the Dutch Private Equity and VC industry and to measure progress since the previous analysis in 2021. The intent is to repeat this exercise every two years.

It's encouraging to note that progress is being made at all levels, with significant progress at junior levels (26%), reflecting the general wisdom that “ what gets measured gets done”. Increased representation of women at junior levels, and in medium to large teams creates optimism for the industry: it underlines the importance of the active participation of firms as well as organizations like Level 20 to further the diversity agenda.

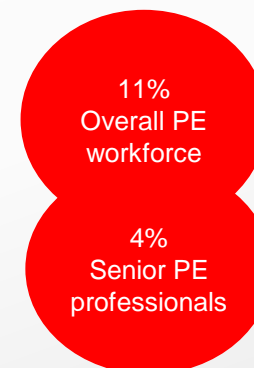
The growth of the PE/VC industry in The Netherlands has, over the past year, impacted the overall number of women in the industry which, on a like for like basis, has increased by an impressive 32%. Consequently, overall growth in the number of investment professionals has led to an overall 2% absolute increase in the number of women working in senior investment roles since 2021. While this is only a slight improvement, it is progress nonetheless.

We are encouraged by a decrease in the number of male-only investment teams firms. In 2021, 57% of the 143 firms in both studies had no women in their investment teams, this decreased to 51% in 2022.

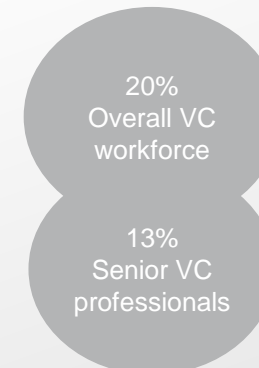
We look forward to further discussion on how we can continue to improve the number of women working in investment roles in The Netherlands through specific initiatives that will attract, promote and retain a greater number of women in the industry.

% of women working in private equity and venture capital investment professional roles

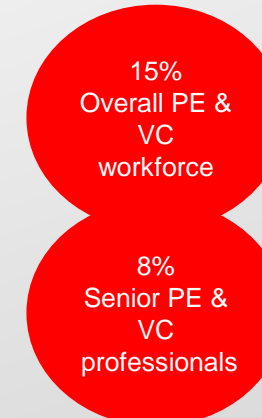
Private Equity



Venture Capital¹



Combined PE & VC

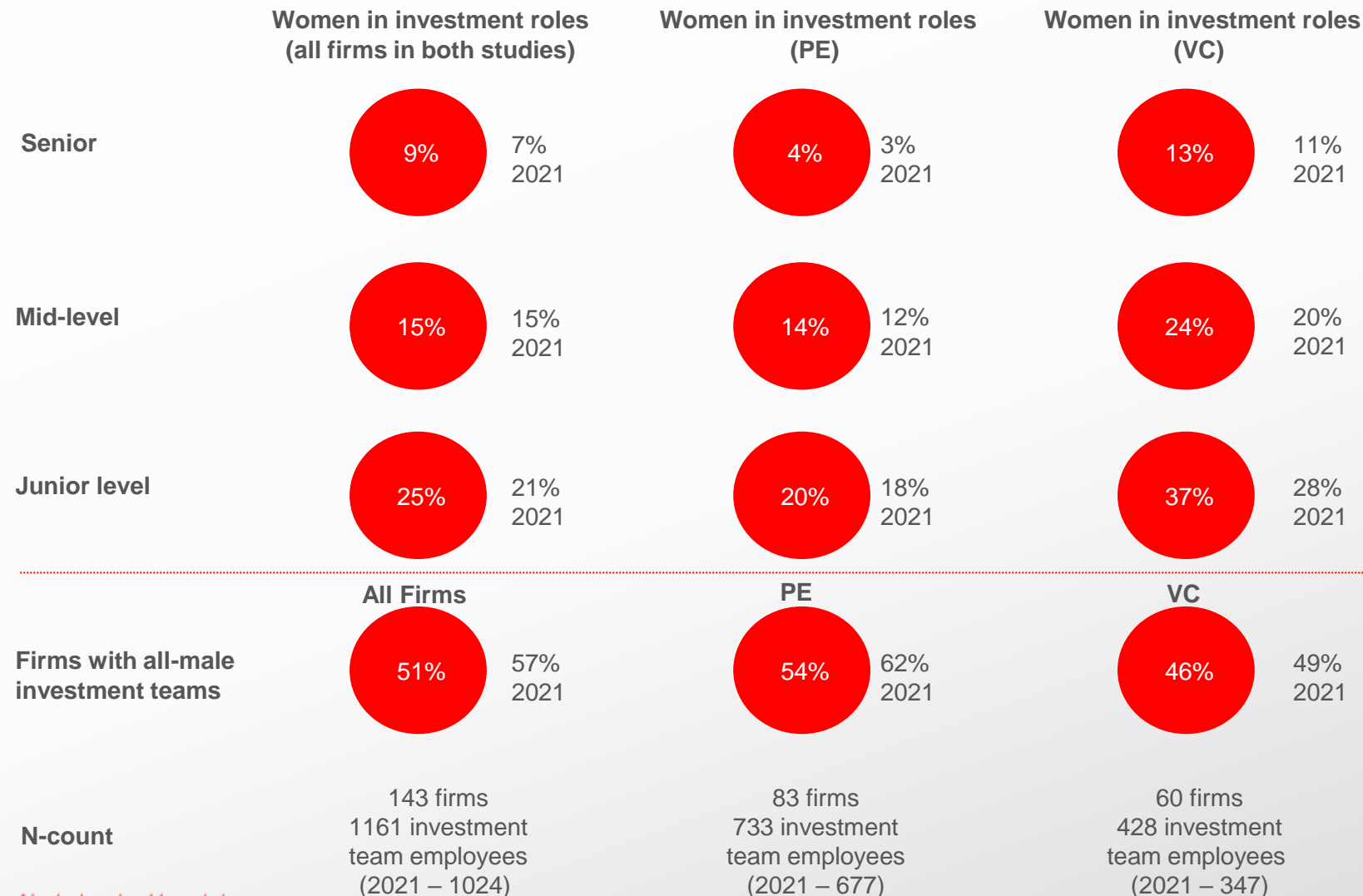


¹ Venture capital and private equity are defined in the Methodology section.

AT A GLANCE 2022 data (172 firms)



AT A GLANCE 2021 v 2022 LFL data (143 firms)



Between the study conducted in 2021, and our 2022 review, not only has the percentage of women at all levels improved, but there is a backdrop of a large increase in the total investment professional population for these firms: 13%.

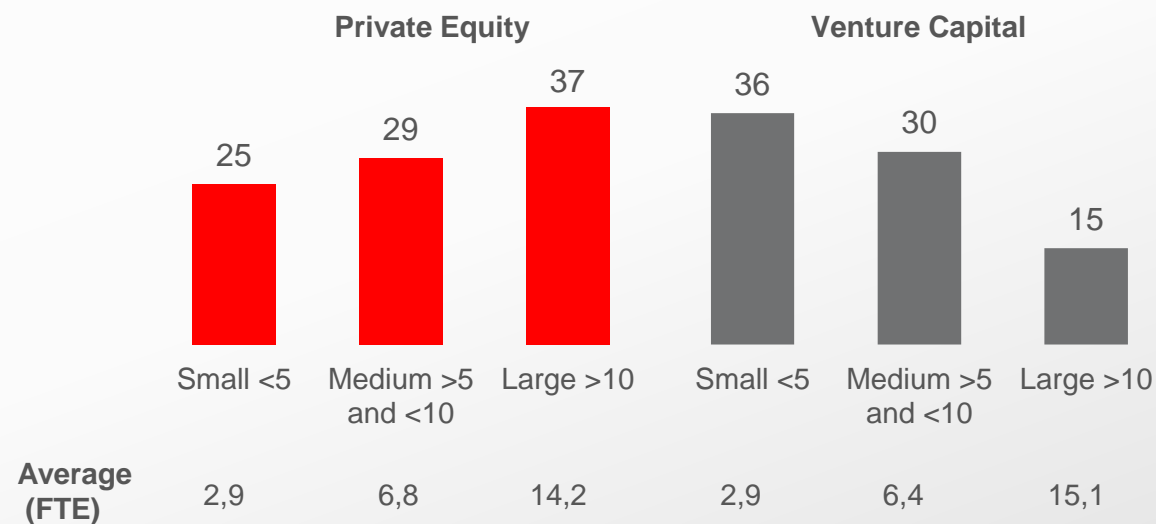
Therefore, as well as the percentage of women as a proportion of investment professionals increasing across the board, on a like for like basis overall, the absolute number of women investment professionals has increased by an impressive 32%.

ABOUT THE STUDY

From February to March 2022, NVP and Level 20 conducted desktop research across 172 private equity and venture capital firms (91 private equity and 81 venture capital) of which 79 are officially registered with the NVP, the Dutch Private Equity & Venture Capital Association. In addition, like-for-like figures are presented to enable a comparison between 2021 and 2022 data. The like-for-like dataset consists of 143 firms (83 private equity and 60 venture capital) and is constructed by eliminating firms from the 2022 dataset that are not included in the 2021 dataset and vice versa.

The study collected data on circa 1.319 investment professionals working in private equity and venture capital in the Netherlands, thus providing one of the most comprehensive views of the industry in the Netherlands. The size of firms ranged from 2 to 21 investment professionals. Firms were categorized into small, medium and large peer groups. The intent going forward is to repeat this exercise every two years to continue to showcase diversity trends in the industry data, and allow firms to benchmark themselves.

Number of firms by Size (FTE) - 2022 dataset



In the Dutch Private Equity and Venture Capital sector there are a large number of small firms with less than 5 FTE. In PE there are 25 small firms and in VC 36 small firms.

In total combined, more than 35% of all firms in this research consist of less than 5 FTE's. In general it is more difficult for small firms to diversify their workforce on a meaningful scale.

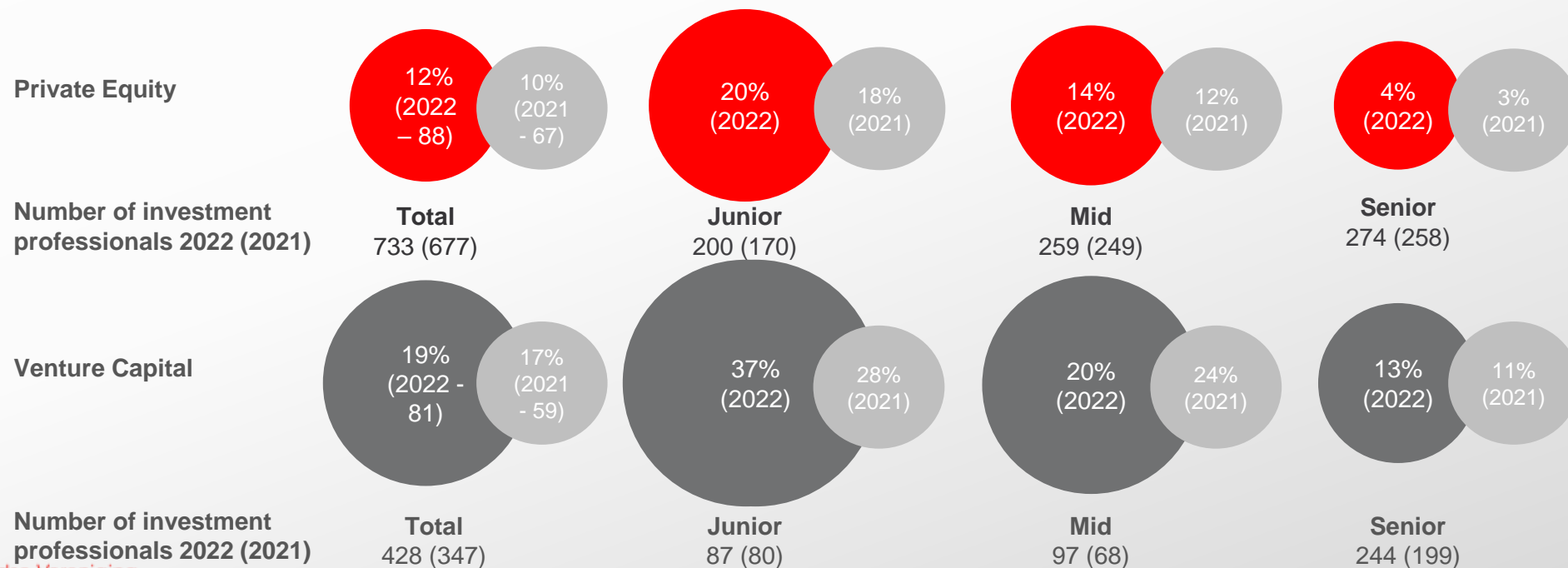
OUR FINDINGS: % of women in investment teams has improved

2021 vs 2022, LFL analysis, 143 firms

Compared to 2021 data, the % of women in investment teams in Dutch private equity and venture capital firms slightly improved.

Based on our like-for-like research of 83 private equity and 60 venture capital firms active in the Netherlands, the 2022 data shows that 12% of investment professionals in private equity and 19% in venture capital are women while that proportion is even lower for senior investment professionals, 4% for private equity and 13% for venture capital. Encouragingly, there is a higher percentage of women at the mid and junior levels, with 14% for private equity and 20% for venture capital of the mid-level roles (including Directors, Principals and Investment Managers) and 20% for private equity and 37% for venture capital of the junior roles (including Associates, and Analysts).

% of women in investment teams, by seniority 2022 LFL (2021)

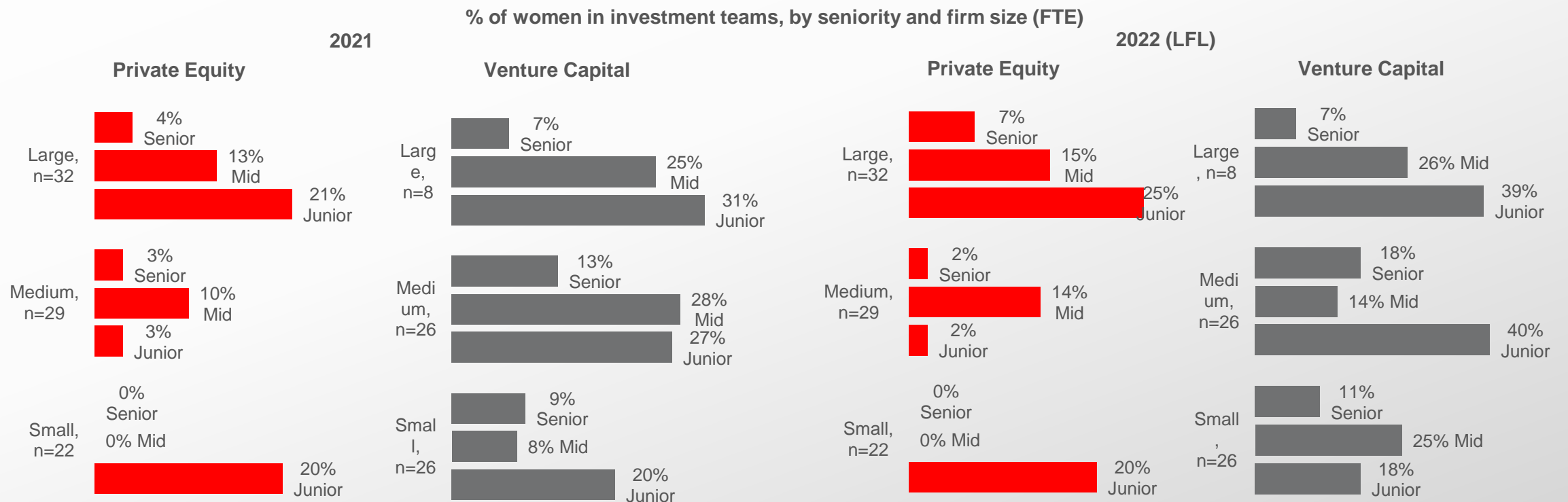


OUR FINDINGS: higher % of women in larger firms

2021 vs 2022, LFL analysis, 143 firms

Large private equity firms have a slightly higher percentage of women in their investment teams at almost all levels, however given the size of their teams, we would have expected more progress in these firms relative to smaller firms.

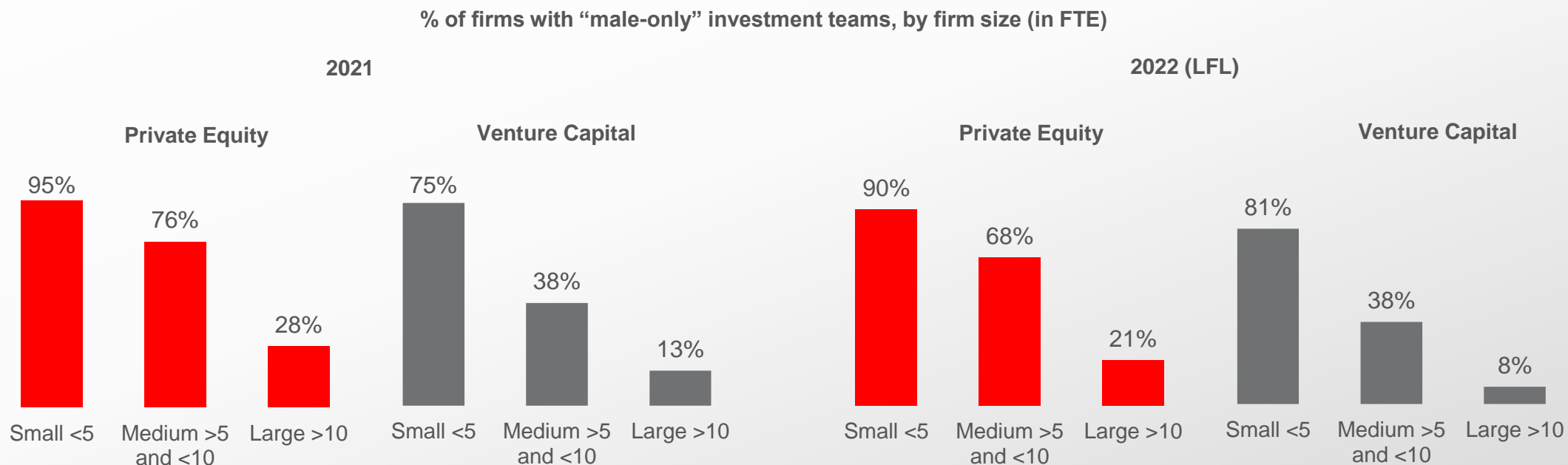
In 2022, mid and senior level female representation is absent at small sized private equity firms. Encouragingly, compared to 2021, the % of mid level women in medium sized private equity firms has improved and a higher ratio of junior, mid- and senior women in large private equity firms is evident.



OUR FINDINGS: “Male-Only” teams

2021 vs 2022, LFL analysis, 143 firms

In 2021, 57% of the 143 firms had no women in their investment teams. In 2022 this decreased to 51% of the 143 firms having no women in their investment teams. This a significant improvement which also implies that by highlighting this information, greater efforts have been made by male only firms to improve this statistic. Most of the male only teams are within the small firms by FTE, both in PE and VC.



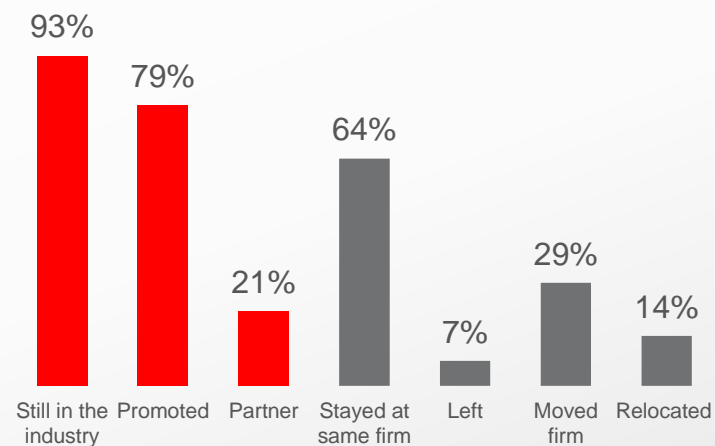
OUR FINDINGS: Mentoring produces positive results

Level 20 mentoring programme

The impact of the Level 20 Netherlands mentoring programme produces positive results. In 2020-2021, 79% of mentees were promoted and the vast majority (93%) are currently still working in the industry. The same applies to 2021-2022, where 72% of the mentees received a promotion. These numbers are promising and implies the Level 20 Netherlands mentoring programme has positively contributed to the development and retention of female employees across the sector

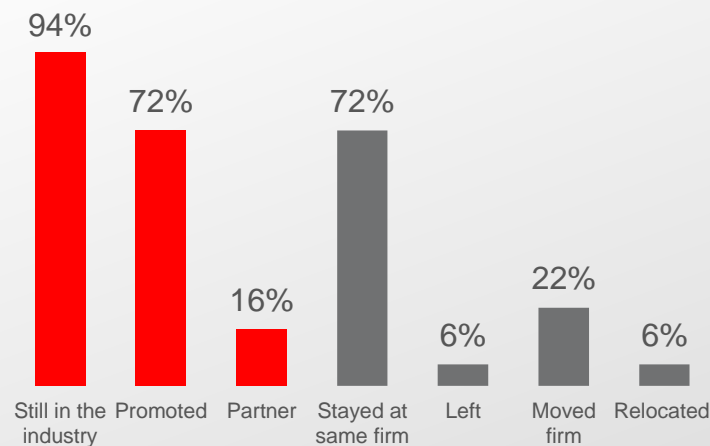
Mentees that participated in Mentor Programme 1 (2020-2021) and Programme 2 (2021-2022)

Programme 1 (2020-2021)



Total mentees: 14

Programme 1 & Programme 2 (2021-2022)



Total mentees: 32

CONCLUSIONS

Overall, positive conclusions can be drawn from the research as the total % of women in PE investment teams increased from 10% to 12%, mostly due to an increase of women at junior investment roles at large PE firms. The key take-aways of the research are presented below:

- 1 The total number of investment professionals increased compared to 2021.**
Compared to 2021, the total number of investment professionals increased (2021: 1.024, 2022:1.161) by 13%. This increase in investment professionals reflects both an increase in female representation, as well as an increase in the total number of professionals in the industry as a whole.
- 2 Larger PE firms (measured by FTE) are the main contributors to the increase in female investment professionals.**
The total number of investment professionals in large PE firms increased from 435 (2021) to 456 (2022) and female professionals made up for 71% of this growth
- 3 Most of the growth in number of female investment professionals is visible at junior levels today.**
The increase in female investment professionals is mainly driven by the increase in women in junior investment professional roles which is typical for the sector where talent is retained over many fund cycles. Overall, 26% of junior investment roles across PE and VC are fulfilled by women in 2022, through bespoke retention programmes and talent development this should become visible at mid-levels in several years time.
- 4 Women in senior level roles (Managing Partner, Partner, Managing Director) are also growing in number.**
The number of senior female investment professionals in PE increased from 8 to 12 (an increase of 50%) in 2022 due to promotions. Whilst still low in absolute numbers it is a sign of the sector's improved ability to retain and promote women.
- 5 The number of male-only investment teams is decreasing.**
The % of firms with male-only investment teams is decreasing. In 2021, 57% of the 143 firms had no women in their investment teams, this decreased to 51% in 2022, which implies that a number of firms have started hiring women since the previous reporting period. The % of male-only teams is smallest at large PE (21%) and VC (8%) firms.
- 6 The mentoring programme shows positive results, with the majority of women in the programme receiving a promotion.**
As a result of the first mentor programme, 79% of the 14 mentees got promoted, only 1 mentee left the industry. The second mentor programme included 32 mentees, of which 72% got promoted, 2 mentees left the industry. These statistics are promising as they emphasize the added value of the mentor programme.

RECOMMENDATIONS

When Level 20 was established in 2015, it set the goal of having 20% of senior roles in the private equity industry held by women.

Whilst this report reveals that currently only 9% of senior investment roles are held by women, it is encouraging to see that the number of women in middle ranking roles is 15% and in junior roles 26%.

NVP views diversity as an important business issue and therefore has a responsibility in improving diversity (gender, age, ethnicity, disability, sexual orientation, education, etc.) at all levels in the Dutch venture capital and private equity industry. The NVP supports the work of Level 20.

Level 20's and NVP's joint efforts are focused on achieving the following:

- 1. Attracting more women to join the PE industry.** By being engaged in a variety of outreach activities to reach young women at all stages of their career planning.
- 2. Helping firms retain and develop women so they stay in the industry and build successful careers.** Level 20 runs a mentoring program, now in its 4th year in The Netherlands, to help retain and develop high potential women in the industry. It also helps more junior women to benefit from the experience of mentoring from more senior men and women in private equity. Level 20 also supports firms wanting to develop their internal strategies.

- 3. Encouraging firms to develop a culture that welcomes and promotes diversity.** We encourage firms to recognise the importance of a culture that values diversity of thought and approach and recognises that within its teams. NVP has ensured their own governance bodies, line-ups of speakers for events and representatives of the sector in the media have a diverse composition and can act as role models.
- 4. Making the business case for diversity by working with other groups with similar objectives.** We seek to use data from studies outside of the PE industry showing the business case for diversity in management teams.
- 5. Regularly collecting and analysing data on gender diversity to track progress.** This latest study gathers data on the number of women working at NVP members that have an office in the Netherlands¹⁾ and it provides a valuable benchmark. It is our intention to expand the scope of the study to all Dutch private equity and venture capital firms and update this study every other year in order to track progress.

Level 20 and the NVP are confident that with the help of GPs and LPs we will help further improve gender diversity in the private equity and venture capital industry.

1) See: Methodology

M E T H O D O L O G Y

Firms included in the analysis.

Data on the 172 firms used comes from a customized dataset, maintained by NVP. Excluded firms are Asset Managers, LPs, Governmental entities, firms with no Dutch office, Mezzanine firms, single person family offices and banks.

Venture capital or private equity GP/investment team.

Venture capital funds invest in companies in the early stages of their lifecycle, that are often not profitable. Private equity funds make minority and/or majority investments in relatively mature companies. In case a GP manages both private equity and venture capital funds, we have assigned it to the most applicable group.

Coding seniority using job titles.

The data team manually reviewed all job titles on seniority. For the purpose of this report, the following categorization was used:

- Senior: Founding Partner, Managing Partner, Senior Partner, Managing Director, General Partner, Partner.
- Mid: Director, Investment Manager, Principal.
- Junior: Senior Associate, Associate, Analyst.

Please note that Operating Professionals were excluded, as this study is solely focused on Investment Professionals.

FTE categories are allocated based on number of investment professionals only.

Dates of the research.

The research has been conducted over the months of June, July 2022.



PGGM is delighted to partner with NVP and Level 20 again to publish the second study on the diversity levels in the Dutch private equity industry. We prioritize strengthening diversity in the private equity industry and challenge GPs to evidence policies and practices that encourage diversity in their organizations. As part of our ESG engagement, we ask for data on how they develop diversity within their own teams and the boards and management of their portfolio companies. Within our own team, we seek candidates from different backgrounds, ethnicities, genders, and experience levels.

Appendix

OUR FINDINGS: % of women by AUM

2022 total dataset, 172 firms

In 2022, medium sized firms (global AuM) have a higher ratio of female employees.

% of women in investment teams, by size (global AuM) (2022)

