

CELEBRATING INTERNATIONAL WOMEN'S MONTH

Working Towards a More Inclusive World, This Month and Every Month at RockCreek

This International Women's Month comes at a crucial time. After decades of progress, women's social and economic opportunities have been set back during the Covid-19 pandemic and global unrest. Now that hard-fought progress faces yet more threats, from the conflict in Ukraine, vaccine inequities, and rising economic uncertainty. RockCreek sees this moment as a challenge to which we and others must rise.

As a firm founded, owned, and led by women and diverse team members with over 75 percent diversity, prioritizing inclusion is an integral part of our daily lives and work. Our research is consistent with that of academia and the industry and has shown that diversity leads to better decision-making, results, and performance. Since inception, we have invested more than \$2.9 billion in women-owned and led firms.

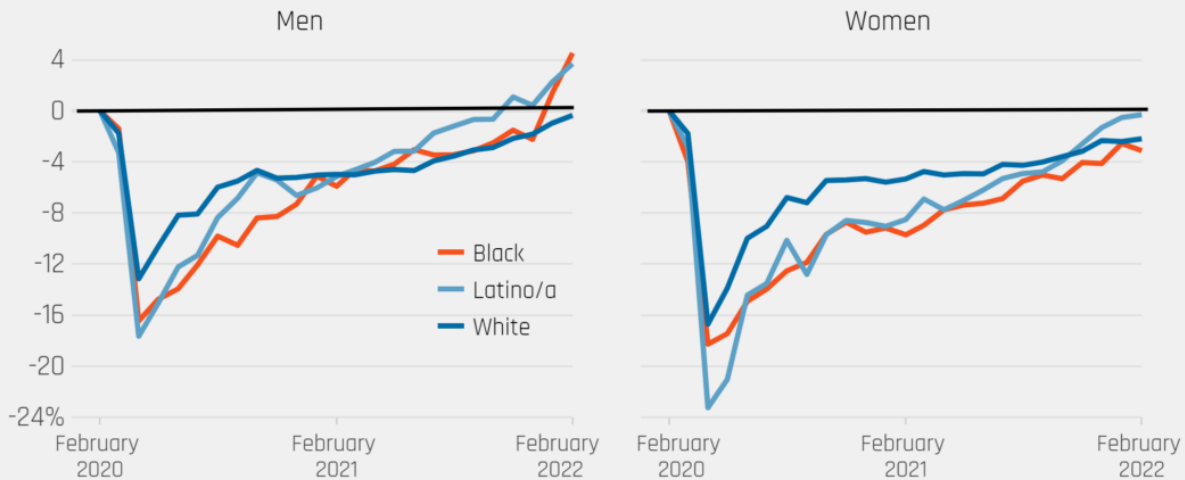
The Scope of the Challenge

Not that long ago, it was easy to celebrate the gradual gains being made by women in society – including in our world of economics and finance – and to urge on a faster pace of change. The evidence is clear that women have been hit hardest by Covid-19 and its economic disruption. From a startling rise in child marriages in some developing countries to a significant drop in the female labor force in the US that is only slowly beginning to improve, progress in women's economic opportunity did not just halt – it went backwards in many countries.

In the US during the pandemic, the participation of women in the labor force dropped to a level last seen nearly 35 years ago due to care responsibilities, occupational segregation, and other factors. And these same challenges continue to hinder the jobs recovery. Many women departed the labor force altogether to care for their family and communities, compounding the slower recovery in employment. As of February 2022, women's labor force participation rate was 1.3 percentage points below its pre-coronavirus recession level – a sobering thought for International Women's Month.

Employment for Black women and White women continues to be substantially below its pre-coronavirus levels

Percent change in U.S. employment for workers 20-years-old and over from February 2020 to February 2022, by race, gender, and ethnicity



Source: U.S. Bureau of Labor Statistics, "Current Population Survey" [n.d.].

Note: Chart includes data on gender, racial, and ethnic groups for which seasonally adjusted data is available.

But there are reasons to be hopeful. The slide has not gone unnoticed. Amidst the pandemic, researchers and policymakers have tried to understand what has driven women out of the labor force in some countries and off the path to economic independence in others. And with more women in leadership roles, and more attention to the losses for society when women lose out, these trends can be halted. There are two main reasons why the pandemic recession set us back.

The first is the concentration of women in service industries, which have been hardest hit by the pandemic, with job losses particularly among Black and Hispanic women in the US. Not all advanced countries have seen the same impact as in the US. A study by the Peterson Institute for International Economics (PIIE) found that better employment conditions for women, with benefits and protections for part-time workers, can make a difference. The second key reason is one that resonates with all parents by now – a lack of childcare that shows up in particular when schools are closed. Research during the height of school shutdowns showed that twice as many parents reported difficulty in finding childcare as pre-pandemic, a situation that has only marginally improved as cases shut down classrooms among children under 5, who still cannot be vaccinated. This too points to where and how improvements can be made. In a post-Covid-19 world, more employers are likely to recognize the importance of both flexible working and support for childcare as they compete to hire the best.

RockCreek is a diverse and woman-founded firm with over 75 percent diversity across our team

Celebrating the Women Contributing to an Inclusive Culture at RockCreek

Whether it be through our investments, workplace culture, or internships, RockCreek always looks to elevate the conversation around women and the importance of diverse leadership that looks around the corner. At no time in our industry's history has this been so critical. As CEO Afsaneh Beschloss remarked in an interview for Barron's 100 Most Influential Women in US Finance, "We all learned we have to embrace uncertainty to be more forward looking."

The RockCreek Internship Program, which has had over 350 interns to date, historically includes over 75% diverse interns and serves as a strong pipeline of talent and recruitment for the firm, while also advancing diversity, equity, and inclusion in the industry. Despite the Covid-19 pandemic, RockCreek was able to successfully host its internship program remotely for the summer of 2020. People from diverse backgrounds represented over 85% of RockCreek's 2020 Summer Analyst Program and 47% identified as women. For the summer of 2021, RockCreek was able to hold a hybrid internship program, with some interns working remotely from across the US and others coming into the office.

Finding Innovative Solutions – Mobilizing Capital for Gender Equality

The lack of financing for gender-focused projects globally continues to be a struggle. As we looked to invest in impact, generate returns and scale capital to address gender disparity around the world, the World Bank was a natural partner. With the expertise of ex-World Bank Treasurers, Afsaneh Beschloss and Ken Lay, RockCreek issued one of the first-ever sustainable development bonds linked to gender equality in partnership with the World Bank and Equality Fund. A comparable investment to other fixed income alternatives and with more than 85 percent of the proceeds targeting gender-specific projects in some of the lowest income economies, this can be a model for future investments. Similar to the emerging opportunities around green bonds and other social bonds, gender-linked bonds are a step forward for women.

Proceeds from our bond issuance will go towards projects that target women's health, safety, upward mobility, workforce participation and much more. A recent project in India highlights the impact such capital can make. To deal with Covid-19 and future disease outbreaks, a project was funded to close gender gaps by improving women's workforce participation in rural areas and financially empowering poor and vulnerable women that have been devastated by frequent extreme weather events. The World Bank estimates 100,000 women in the Pamba Basin district will benefit from the program.

Since inception, RockCreek has invested **\$2.9 billion** in women-owned and led firms

Investing in Women-owned Companies and Firms – \$2.9 billion and Growing

The number of women advancing the fields of science, technology, renewable energy, healthcare, education financial inclusion and other sectors has always been an attractive investment opportunity at RockCreek. With over \$2.9 billion of investments in women-owned and led firms since inception, we represent a large share of investments targeting women-founded companies. Recent data shows that only 2.3 percent of venture funding goes to female-founded startups. We would like to change that.

We are very excited about our investment in Apeel Sciences, founded by Jenny Du and James Rogers. Apeel has created organic compounds that extend the shelf life of fresh produce without refrigeration by naturally slowing down the respiration rate of fruits and vegetables. We believe this technology will significantly reduce food waste and revolutionize agricultural supply chains.



RockCreek CEO Afsaneh Beschloss interviews General Motors CEO Mary Barra at the Council of Institutional Investors' Conference in Washington, DC on March 7, 2022.

Recognizing the Track Record of Women Investors

With over 50 thriving relationships today, RockCreek's partnerships with female investors across public and private market funds continues to grow at an extraordinary rate

Our database of diverse, ESG and impact investments reflects the growing universe over time of women-founded and run investment firms. Tracking this long history of data, we have closely followed the performance of this group of investors and created RockCreek indices that highlight the strong returns generated. Our diversity and Women Index continues to highlight strong performance commensurate or greater than the industry over different asset classes and segments of the market.

Global Opportunities for Women Investors

Our extensive research and database contributed to a recent study with the IFC, "Moving Towards Gender Balance in Private Equity and Venture Capital." With a unique dataset of 700 firms in emerging markets, analyzing the landscape in emerging markets for women PE and VC investors was eye-opening. The performance of gender-balanced investment teams was shown to be correlated with higher returns. And while only 7 percent of private equity and venture capital was invested in women-led businesses (across the EM universe studied), there was a higher share of women GPs in emerging markets than developed markets. We continue to advance on this research with new studies at RockCreek on the developed markets universe and how improvements can be made to increase balance across GPs.

We commend the intelligent, thoughtful women across the globe who have carried the weight of Covid-19 at work and at home, and who now lead us into a period of recovery, war, and uncertainty. And we thank our partners for being allies in the fight for gender equity in 2022 and beyond.