

## **Intentional investing will drive the gender revolution**

By Ivka Kalus, CIO

Promthos Capital, LLC

The evolution of medicine serves as a useful analogy for how asset management might evolve. Forty-five years ago the archetypal physician was a confident, male doctor, who eased his patients' fears by telling them they would be healed with his intervention but there was insufficient outcome data so faulty practices weren't recorded. Today's evidence-based medicine care has evolved to a doctor-patient partnership, where up-to-date treatments and statistical outcomes are shared and managed with the patient as an active participant. In this "patient-centered" model, empathy and collaboration have a premium over bravado, and this likely explains the dramatic increase in female MDs to 50% of new residents.

As in Medicine, the focus of the investment industry is shifting from information gathering towards information management and analysis, and from making decisions for the client to bringing client preferences into investment decisions. All signs point to a need for a dramatic increase in gender diversity to align with this transition. As of 2018, women account for only 4% of active investment managers, and control only 1%-3.5% of assets.

Change can come through evolution or revolution. Revolution is more likely, because of the megatrend of sustainability and intentional investing that is overwhelming asset management. Gender diversity is just one of many material sustainability factors that are being incorporated into investment decisions because they have been shown to have a positive impact on performance and risk. Soon the sustainability mirror will be turned onto the asset management industry itself. Clients will ask, "why aren't you implementing sustainability factors and gender diversity into your own business model?" Investment teams will likely focus on implementing gender diversity to gain a competitive edge over their less enlightened peers. Everyone stands to benefit from investing more in women investors and the gender revolution is coming.

Contact: [Jacki.Linnehan@promethoscapital.com](mailto:Jacki.Linnehan@promethoscapital.com)

Phone: 617-535-9240

[www.promethoscapital.com](http://www.promethoscapital.com)