

Fundraising for Women-Run Venture Capital Funds Accelerates

Despite remaining underrepresented in the industry, women-owned funds are securing more capital and making more deals in 2017

Women make up an average of 21% of staff at venture capital funds. This proportion falls to 11% of senior staff, and just 6% of board members at venture capital firms. However, women-owned* venture capital vehicles have seen fundraising reach new heights in 2017 YTD, as 13 funds have secured \$2.4bn as of September. This is up from the \$1.8bn raised by 25 women-owned funds in all of 2016, and follows a consistent trend of growing activity over the past five years. Looking ahead, there are 58 further women-owned funds in market, seeking a combined \$6bn from investors – 4% of total capital sought by the industry. Women-owned funds are also increasingly active deal makers, being involved with 510 financings in 2017 so far, worth a total of \$6.4bn. The largest proportions of these were in software and internet companies, mirroring overall industry trends.

For more information & analysis, see the full *November 2017 Private Equity & Venture Capital Spotlight* here:
<https://www.preqin.com/docs/newsletters/pe/Preqin-Private-Equity-and-Venture-Capital-Spotlight-November-2017.pdf>

Key Women in Venture Capital Facts:

- Women make up an average of 21% of venture capital employees. **At a senior level, women constitute 11% of staff**, and occupy 6% of venture capital board seats.
- Women-owned venture capital funds have seen a sustained upswing in annual fundraising. Twelve women-owned funds raised \$0.8bn in 2013. **As of October 2017, though, 13 women-owned vehicles have secured \$2.4bn**.
- There are **58 women-owned venture capital funds in market, seeking a combined \$6bn**. The largest of these is Baidu Capital, which is targeting \$2.95bn.
- In the first three quarters of 2017, **women-owned funds have been involved with 510 deals, worth a total of \$6.4bn**. Of these, 25% were for software companies, and 22% were for internet firms.
- On a partner level, **female partners have led 307 deals in 2017 so far, worth a combined \$5.1bn**. This is a record for both the number and value of women-led deals, and accounts for 9% of total deal activity this year.
- **Funds of funds are the most active investors in women-owned funds**, providing 29% of funding since 2000. Public pension funds (22%) and foundations (13%) are also significant backers.
- Almost **three-quarters (74%) of funding for women-owned venture capital funds comes from North America-based investors**. European and Asian investors account for 20% and 5% of commitments, respectively.

Felice Egidio, Head of Venture Capital Products:

"The venture capital industry is undergoing a storm of controversy over the representation and treatment of women both as founders and as venture capitalists. Initiatives to promote gender equality in the industry have included high-profile decency pledges and women-focused mentorship and empowerment programs. Women only represent one in five staff at venture capital firms, and one in ten senior staff, highlighting the uncommon nature of these programs, and the structural and long-term challenges they face.

However, we may feel encouraged by the fact that women-owned venture capital funds have steadily become more common and more active, raising more money in the first three quarters of 2017 than ever before as well as being involved in over 500 financing rounds. At the same time, female partners at firms have already marked a record year for both the number of deals they have led, and the total size of those deals. While these developments are welcome, it should not dilute the fact that women undoubtedly still face numerous challenges in the venture capital industry."

***Preqin defines 'women-owned funds' as funds managed by firms with a female founder or co-founder.**

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