

All In

Female Founders in the
US VC Ecosystem

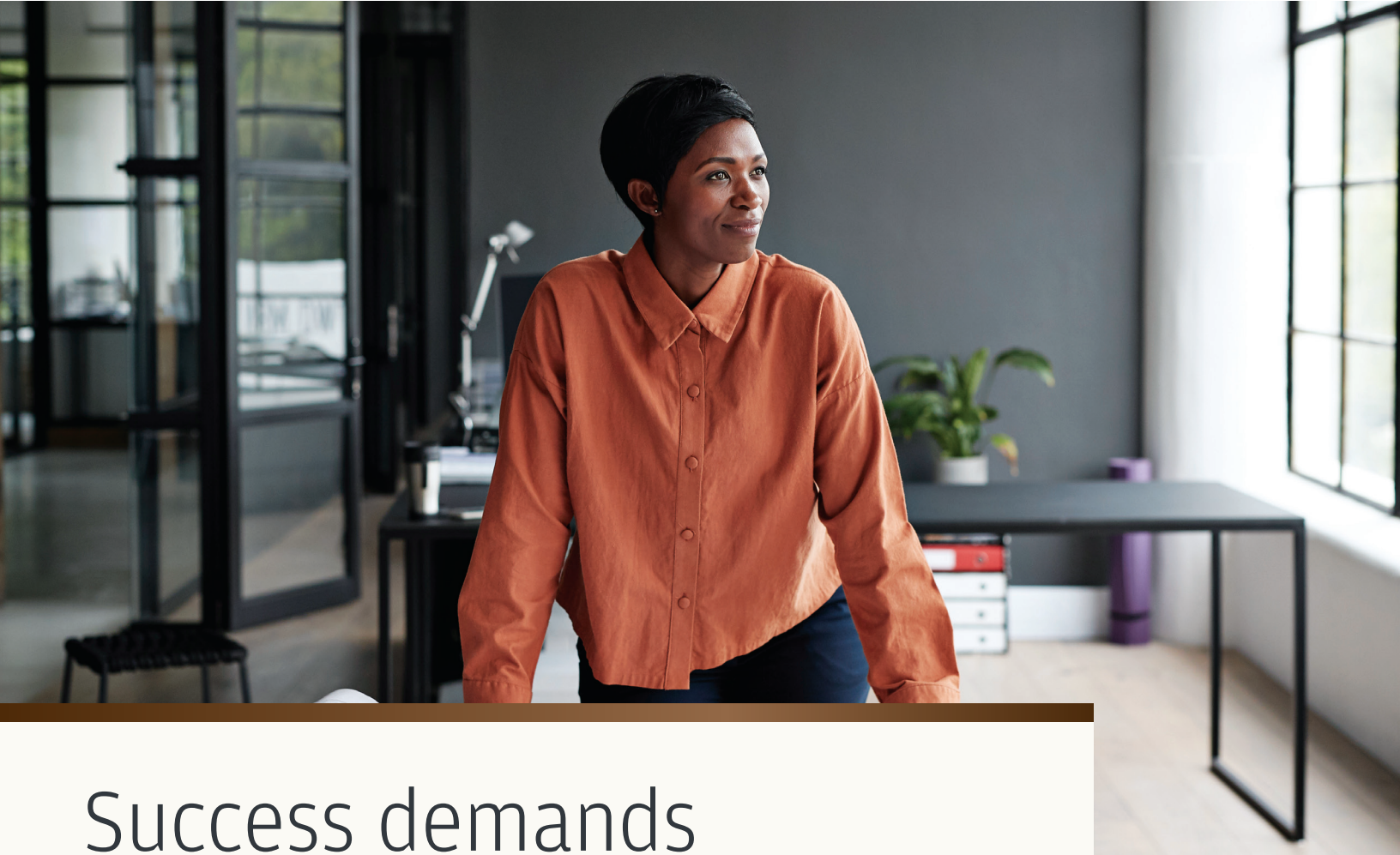


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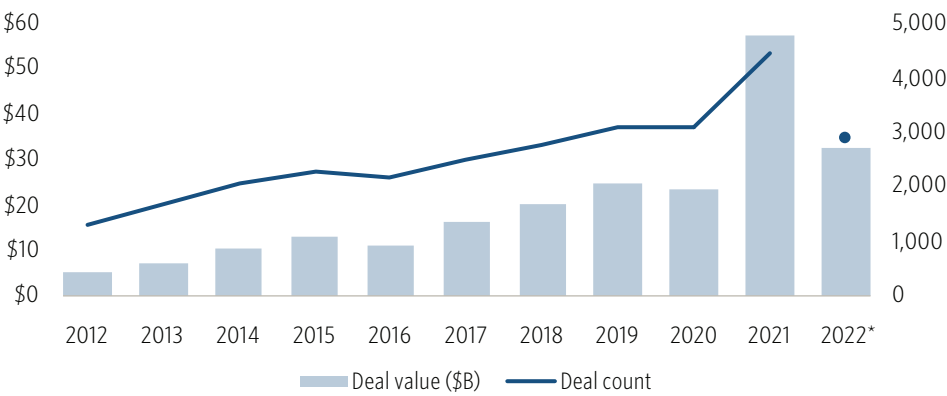
Executive summary

The *All In Report* presents and analyzes data surrounding female founders and investors in the VC ecosystem. Access to VC funding is historically more difficult for female founders, and our aim is to quantify both progress and pain points. The broader VC world has faced serious headwinds in 2022 as market conditions have soured, and one area of concern is whether the downturn will disproportionately affect female founders. Data in the 2021 edition of the *All In Report* showed female founders receiving fewer investments during the onset of the COVID-19 pandemic than their male counterparts. While the macroeconomic issues that emerged in 2022 are reflected in slower deal activity, female founders still managed to close more deal value three quarters into 2022 than in any year prior to the record highs set in 2021.

While VC dealmaking remains resilient on a historical basis, there is more to the story. This report examines granular company valuation and exit activity—two areas that bear the brunt of macroeconomic changes. We also consider the presence of female angel investors and female decision-makers within VC firms,¹ two parties that can transform and create opportunities for female-founded companies.

The 2022 *All In Report* is supported by four firms committed to opening doors for female founders and investors. Our partner Beyond The Billion and sponsor J.P. Morgan have both contributed to previous reports, and we are excited to welcome this year’s new sponsors, Apex Group and Pivotal Ventures. Read on to learn more about how each of these firms address diversity in the venture space. We sincerely appreciate the support these organizations provide.

VC deal activity for female-founded companies



Source: PitchBook | Geography: US
*As of September 30, 2022

1: “Decision-makers” refers to senior leaders including partners, principals, and managing directors of institutional venture investment firms.

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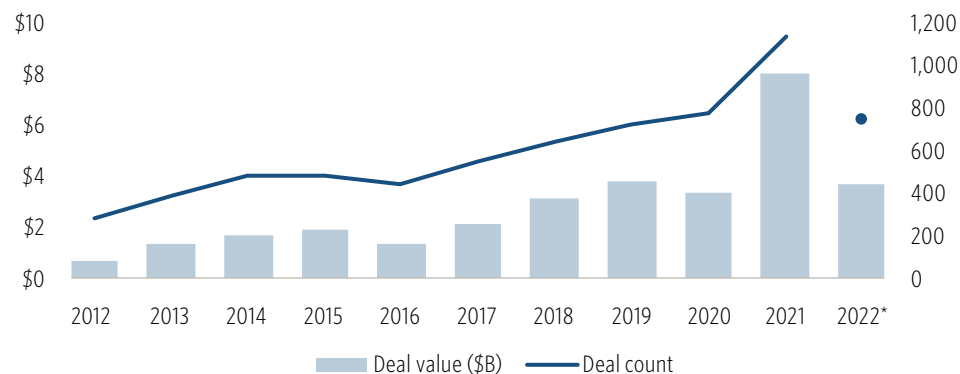
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Overview

Year-to-date (YTD) data through Q3 2022 shows US VC deal value for female founders reached \$32.4 billion across 2,811 deals, meaning 2022 is already the second-biggest year for venture-backed female founders in terms of deal value. 2021 was a blockbuster year for the entire venture industry, and female-founded companies were no exception; they closed a record \$57.1 billion across 4,430 deals. While year-over-year (YoY) growth is unlikely to break this record, female founders are sustaining elevated levels of funding while navigating headwinds. As market conditions worsened for the broader VC industry, deal value for female-founded companies moderately declined each quarter since Q3 2021. Similar quarterly trends took shape for all-female- and all-male-founded companies. Deal activity among those two populations still contrast starkly, with YTD deal value reaching \$3.6 billion for all-female-founded companies, compared with a staggering \$154.9 billion for all-male-founded companies. There is a long way to go to close the gap between these populations, but the data shows female founding teams weathering the current macroeconomic storm relatively well.

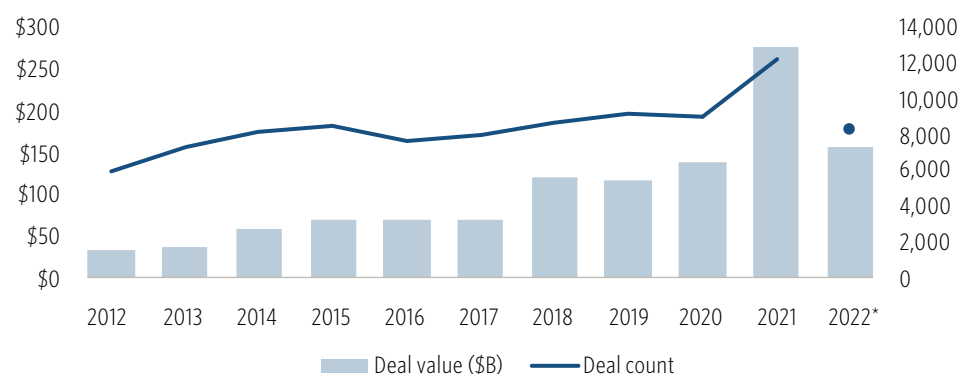
Female-founded companies represent 25.5% of total VC deal count in the US, down slightly from 26.4% in 2021. Their proportion of total deal value remains flat from 2021, at 17.2%. While a plateau in this metric is not cause for celebration, it is a positive signal that the tougher conditions for startups raising capital are not disproportionately affecting female founders like the pandemic did in 2020, when their proportion of total deal value dropped to 14.5%.

VC deal activity for all-female-founded companies



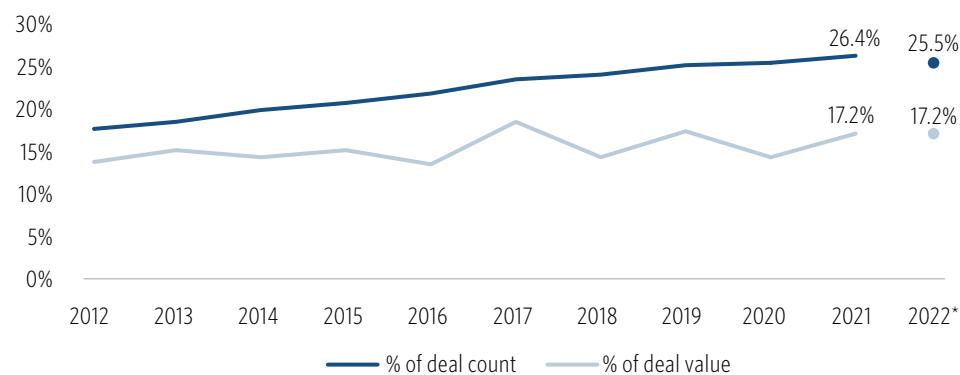
Source: PitchBook | Geography: US
*As of September 30, 2022

VC deal activity for all-male-founded companies



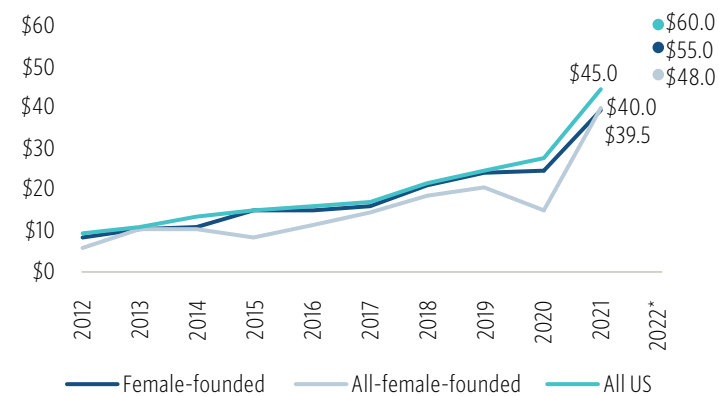
Source: PitchBook | Geography: US
*As of September 30, 2022

VC deal activity for female-founded companies as a share of all VC deal activity



Source: PitchBook | Geography: US
*As of September 30, 2022
Note: Data excludes undisclosed founder gender in the denominator.

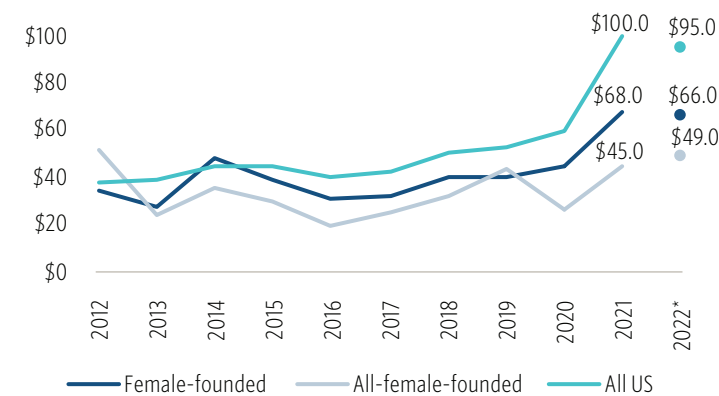
Median US early-stage VC pre-money valuation (\$M)



Source: PitchBook | Geography: US
*As of September 30, 2022
Note: Data excludes undisclosed founder gender in "all US" category.

The proportion of equity up rounds (compared with down or flat rounds) increased for both female-founded companies and all US VC companies YTD, signaling continued valuation growth for startups in the current market despite headwinds. Median valuations have also risen across the board for US early-stage VC companies YTD. Female-founded teams experienced slightly higher growth, at 39.2%, compared with 33.3% for the broader VC population. Late-stage VC valuations, on the other hand, experienced minor declines, with

Median US late-stage VC pre-money valuation (\$M)



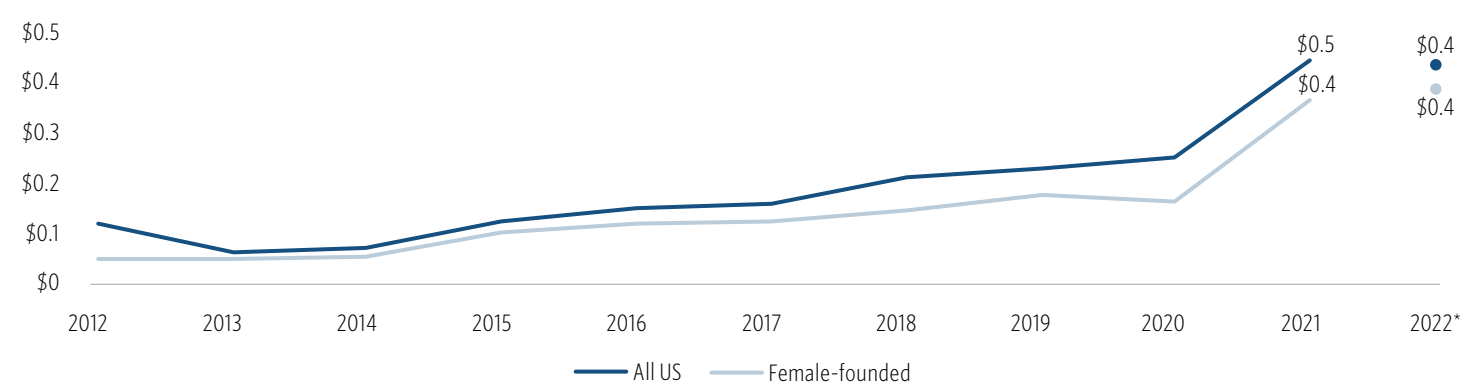
Source: PitchBook | Geography: US
*As of September 30, 2022
Note: Data excludes undisclosed founder gender in "all US" category.

the median dropping 5.0% for all US VC companies and 2.9% for female-founded companies.

Precise financials are not published for private companies, so the burn rate—determined by the difference in the size of the most recent round and the number of months since the previous round—can be used as a proxy to determine the rate at which companies are using cash. The median burn rate for all US VC companies nearly doubled between 2020 and 2021 as companies spent more each month with plentiful

capital sources in a market more conducive to growth. Burn rates have since tapered off YTD as priorities shift to extending runway. PitchBook figures show that female-founded companies consistently maintain a slightly lower median burn rate compared with the broader population of US companies. Prudent use of cash will become increasingly important as difficult economic conditions persist and investors become more risk-averse, thereby making additional equity rounds harder to obtain.

Median VC burn rate (\$M/month) for VC companies



Source: PitchBook | Geography: US
*As of September 30, 2022
Note: Data excludes undisclosed founder gender in "all US" category.

Driving returns through diversity in challenging times

As we at Beyond The Billion™ (BTB) continue to work with our partner funds to deploy beyond \$1 billion to female founders, we are encouraged that many within our consortium and wider network have been able to fuel the very innovation addressing the current challenges our world is contending with today. In the midst of turbulent times, with public market volatility and heightened geopolitical tensions, the key question remains: **How do we continue to invest in diversity not as an afterthought, but as a core pillar for driving returns?** We gathered some of our best funders to tackle the topic.



Payal Dalal
Senior Vice President, Mastercard



Elise Liberto
Partner, Private Equity Group at Brown Advisory



Elodie Dupuy
Founding Partner, Full In Partners



Lorine Pendleton
LP & Lead Fund Partner, Portfolia Rising America Fund (PRAF)



Anna Snider
Managing Director & Head of Due Diligence, CIO Office, Bank of America

Payal: Our world is full of possibilities, but they're not always open to everyone. At Mastercard, we're focused on designing a better world for women because we know that when we do, we create a better world for us all. We believe that together, we can create an economy that's more equitable and inclusive. Real results are seen when engagement is substantive and integral to our operations and core goals, not an afterthought or extracurricular activity. That's why we've embedded this work into our everyday efforts, committing to provide 25 million woman-owned

businesses with solutions to help them grow—part of our broader commitment to bringing 1 billion people and 50 million micro, small, and medium enterprises (MSMEs) into the digital economy by 2025.

In 2021, we also launched Strive—a global initiative to accelerate economic recovery for small businesses—which is expected to enable women entrepreneurs to unlock their potential through access to capital, digital solutions, and networks. In that same year, Mastercard announced a multimillion-dollar investment

in Fearless Fund, a venture capital fund built by women of color to support women of color founded and cofounded businesses in the CPG, food & beverage, beauty, fashion, and technology sectors.

Our continued support of Beyond The Billion is an example of how we're activating our network and applying our expertise to help ensure an inclusive and equitable economy becomes a reality for women.

Elise: At Brown Advisory, we take an intentional, programmatic approach

to private market investments. But leaning into illiquid investments during times of turbulence is easier said than done. Long-term investing requires partnership—with managers, entrepreneurs, and investors—that are aligned not just from a time perspective but also in terms of values. In GPs, we seek demonstrable thought leadership that can translate into durable business building. We believe great investors are found in a host of areas—no one type of firm, whether large or small, holds a monopoly in this regard. And, because great investors are found in many places, we cast a wide net. Similarly, we seek to invest with entrepreneurs who stay a step ahead of their peers, who are positioned to take advantage of differentiated networks and who utilize asymmetric data to their advantage. We believe the perspectives of diverse founders can be an outperformance edge within an increasingly crowded marketplace. We believe in the power of private businesses to spur growth and innovation. As a result, we are deliberate in the attention we pay to investing in women founders and advising women on investing. A focus on allocation of capital to fund the best ideas—from multiple vantage points—aligns well with a performance-first mentality. Accordingly, diverse talent is one factor we consider in our investor portfolios today. And we believe this exposure has the potential to drive returns well into the future.

Elodie: Returns will be driven by those who have a truly unique value proposition that resonates with the founder market. LPs should be looking for funds that have found “product-market fit” with founders, as defined as an ability to win an investment on a dimension beyond

price. Additionally, LPs should prioritize firms that have actively put in place processes to reduce selection bias in the sourcing process. Firms that rely heavily on network, scouts, cold-calling, or other human-driven deal generation will almost certainly be impacted by subconscious bias and will continue to concentrate investment in nondiverse founders, but also in far more competitive investment opportunities and thus face higher entry valuations/lower returns. Firms developing proprietary technology systems that drive sourcing leads based on a company's data and performance, rather than the founder's network/access (or lack thereof) will drive a more diverse flow of founders in less competitive opportunities. Additionally, LPs should seek out GPs that have a programmatic approach to supporting their portfolio companies operationally post-close. Funds that can shepherd company operations will drive outsized returns, and will need this to compensate for diverse founders who often don't have the same access to mentorship/advisers/talent pool as those plugged into more “traditional” networks.

Lorine: More women are investing now than ever. Recent statistics show we still have a long way to go to balance out the landscape.² But it begins with that one step, one check. We change things when we talk about them. It begins with talking about money and investing, sharing with other women where you're investing and why.

Personal referrals are powerful, and seeing other women you respect doing something to tip those scales, that's incredibly inspiring. Acknowledging the data that women are better investors is

important, too.³ Once we get started, we outperform our male counterparts,⁴ bring in more diverse founders,⁵ and launch the groundbreaking innovations we want. PRAF invested in Canela Media, Maven Clinic, Madison Reed, and Goalsetter, all companies with outsized opportunities lead by great entrepreneurs who are disrupting their industries.

Anna: In my role as head of manager selection, we have focused on looking at the diversity of the investment managers who are allocating capital to women and diverse founders. Our clients, both individual and institutional, are demanding greater transparency about how their capital is being allocated. We are of course being driven by this demand, but also by our belief that it is important to: 1) ensure that diversity across one's portfolio not only relates to asset class and sector, but reflects the full universe of investable businesses; 2) provide access to businesses that are transformative to our economies and communities; and 3) provide clients with access to the returns that women and diverse founders can generate. To this end, we have doubled down on efforts to not only source investments that reflect Bank of America's \$250 million+ commitment to inclusive development, but have incorporated DEI criteria into our investment conviction in the managers in whom we entrust client capital.

Beyond The Billion is the world's first and largest global consortium of venture funds pledged to invest & actively deploying over \$1 Billion into women-founded companies.

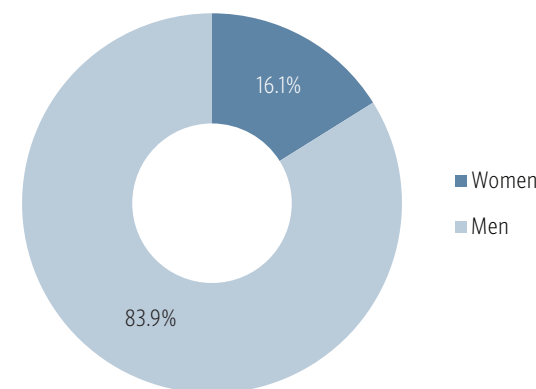
²: “Fidelity Investments Survey Reveals Only Nine Percent of Women Think They Make Better Investors than Men, Despite Growing Evidence to the Contrary,” Fidelity Investments, May 18, 2017.
³: “Why Women Are Better at Making Investment Decisions,” Association of Certified Chartered Accountants, March 1, 2017.
⁴: “Data Suggests Women Are Better (Behaved) Investors,” Betterment, March 4, 2015.
⁵: “Women VCs Invest in Up to 2x More Female Founders,” Kauffman Fellows, Collin West and Gopinath Sundaramurthy, March 25, 2020.

Representation at the GP level

On the other side of the investment equation, check writers are a driving force for representation in the VC ecosystem. Having a female decision-maker involved at the GP level can open doors for female founders to access necessary capital and provide LPs with diversified investment opportunities. Female decision-makers represent 16.1% of the national total in 2022, meaning there is still much progress to be made within VC firms along with the startups that receive their funding. Furthermore, 95.5% of US VC firms have a majority male population of decision-makers. Barriers to access in these institutional roles can have ripple effects on the broader venture industry. Female check writers can provide insight into demographics and market opportunities that may be overlooked by all-male investment teams.

Certain industry-focused firms, including commercial products &

Share of decision-makers in US VC firms by gender*

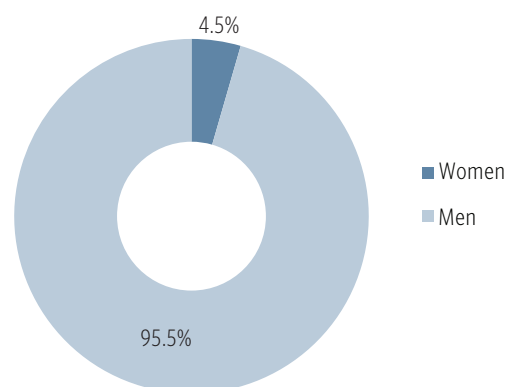


Source: PitchBook | Geography: US
*On September 30, 2022

services, at 22.1%, and healthcare services & systems, at 20.3%, have greater female representation than the broader VC industry. Importantly, in the previous edition of this report, firms that made at least 25% of their investments in life science & healthcare companies were excluded from GP

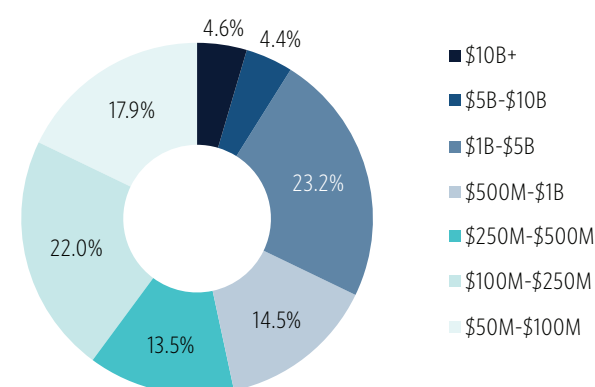
percentages. This year, these firms are included in report figures, and therefore, year-over-year comparisons are not fully aligned. Moving forward, growth in the representation of female check writers may be considered a leading indicator for the female founder population.

Share of US VC firms by majority decision-maker gender*



Source: PitchBook | Geography: US
*On September 30, 2022

Share of AUM by size bucket for US VC firms with female decision-makers*



Source: PitchBook | Geography: US
*On September 30, 2022

Note: See methodology for definitions used in these charts.

Featured investor



Michelle Wie West

On page 16, we discuss female angel investors and the important role they play in the broader venture capital process. Professional golfer and PitchBook partner Michelle Wie West

is one such angel investor who uses PitchBook to assess private market investment opportunities. Wie West's portfolio currently includes four female-founded companies:

BLUELAND

Producer of nontoxic, sustainable cleaning and personal care products.

Founder: Sarah Paiji Yoo
Most recent financing: \$20M Series B, February 2022
Most recent post-money valuation: \$155M

happyviking

Provider of plant-based meals free from dairy, lactose, soy, gluten, and artificial ingredients.

Founder: Venus Williams
Most recent financing: \$2M early-stage VC round, August 2022
Most recent post-money valuation: \$2M

Supergoop!

Manufacturer of sunscreen products made with clean ingredients.

Founder: Holly Thaggard
Most recent financing: Undisclosed amount of PE growth capital, May 2022
Most recent post-money valuation: \$700M (prior to most recent PE growth round)



SPORTSBX AI

Developer of an artificial intelligence (AI) coach mobile application for athletes that utilizes 3D technology.

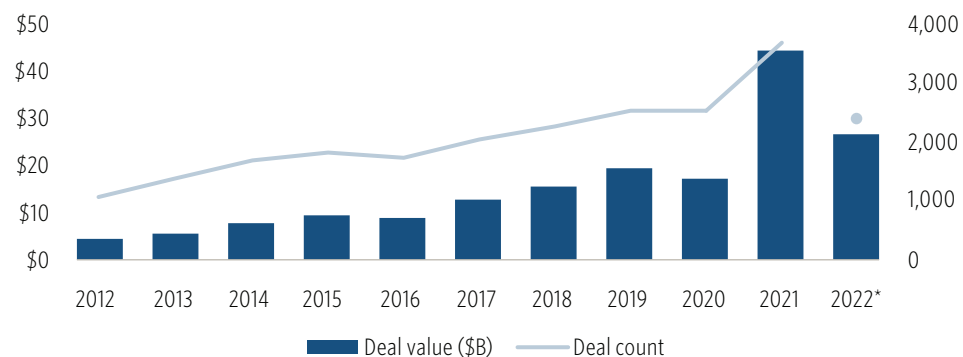
Founder: Jeehae Lee
Most recent financing: \$5.5M seed round, April 2022
Most recent post-money valuation: \$24.5M

By the numbers

Tech

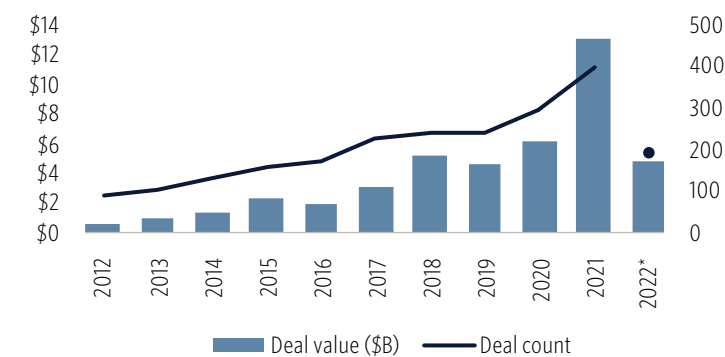
Female founders in tech closed \$26.8 billion in the first three quarters of 2022—just shy of the amount closed by Q3 2021 and 54.3% higher than the amount raised in 2020. Tech is one of the most popular VC industries and by far the largest industry for female founders by deal value.

Tech VC deal activity for female-founded companies



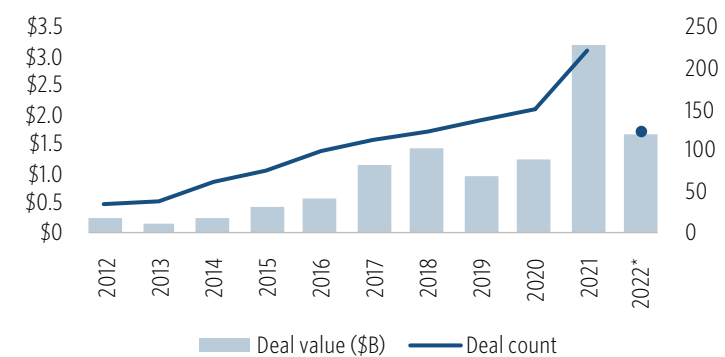
Source: PitchBook | Geography: US
*As of September 30, 2022

Biotech & pharma VC deal activity for female-founded companies



Source: PitchBook | Geography: US
*As of September 30, 2022

Digital health VC deal activity for female-founded companies

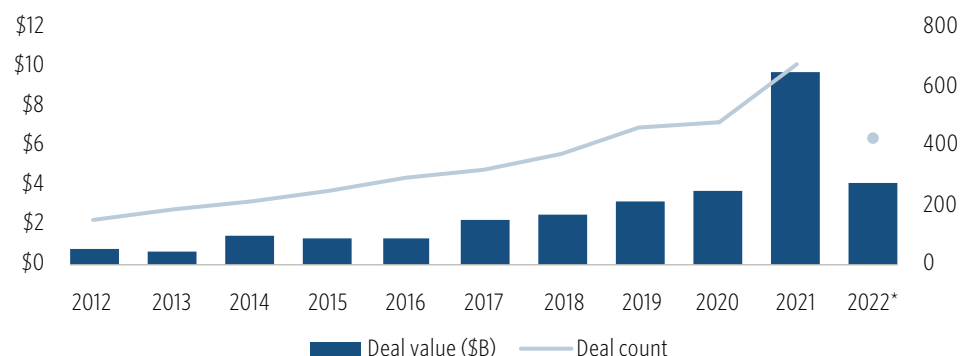


Source: PitchBook | Geography: US
*As of September 30, 2022

Healthcare

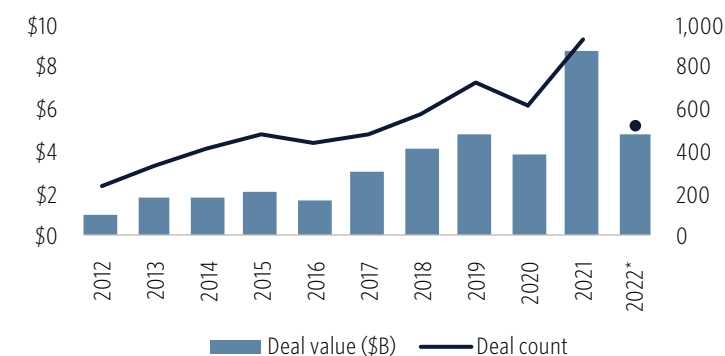
Female founders in healthcare (excluding biotech & pharma) raised \$4.2 billion YTD, exceeding \$4.0 billion for the second time ever. Deal value so far in 2022 represents less than half of the amount raised in 2021 but more than the amount raised in 2020 and across fewer deals.

Healthcare VC deal activity for female-founded companies



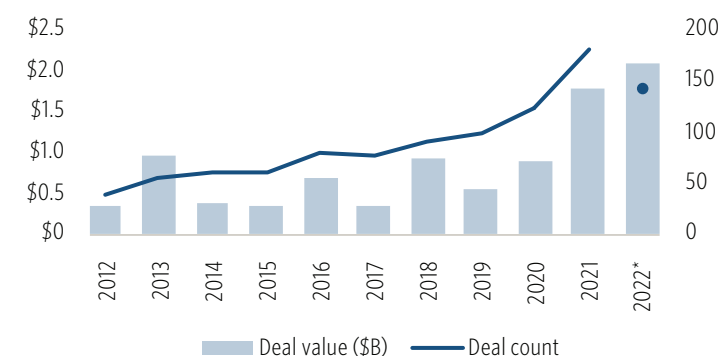
Source: PitchBook | Geography: US
*As of September 30, 2022

Retail VC deal activity for female-founded companies



Source: PitchBook | Geography: US
*As of September 30, 2022

Cleantech VC deal activity for female-founded companies

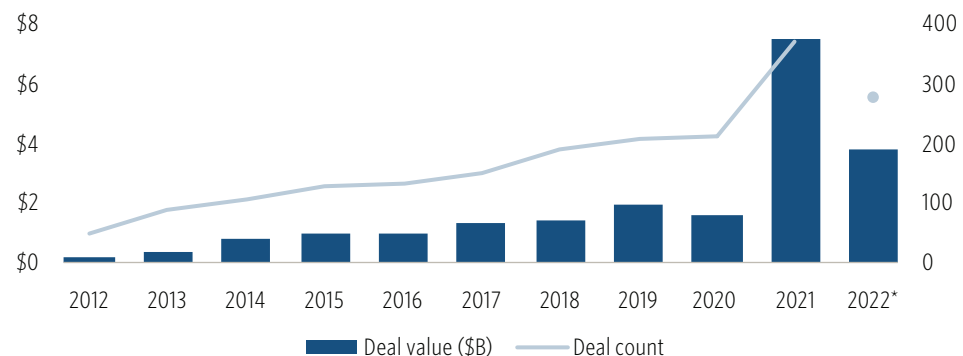


Source: PitchBook | Geography: US
*As of September 30, 2022

Fintech

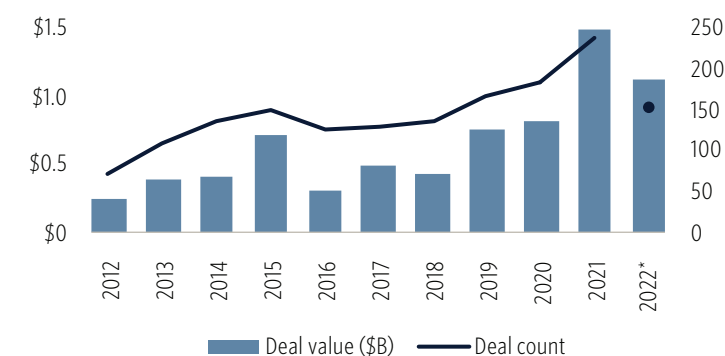
Female founders in fintech raised \$3.8 billion YTD, more than half the amount raised in 2021 and significantly more than the amount raised in any year prior to 2021. Across many industries, 2022 is shaping up to be a significant year for female founders despite a relative decline from the euphoria of 2021 and market headwinds.

Fintech VC deal activity for female-founded companies



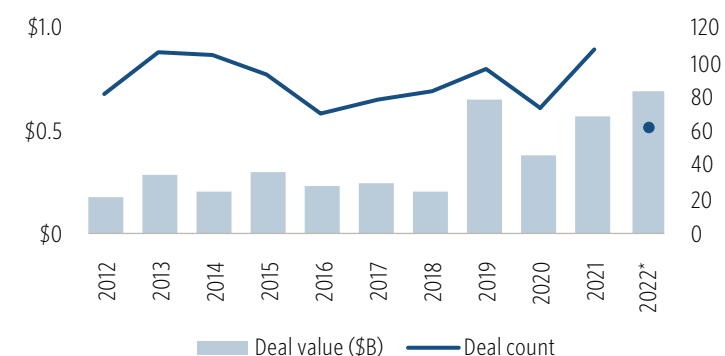
Source: PitchBook | Geography: US
*As of September 30, 2022

Education VC deal activity for female-founded companies



Source: PitchBook | Geography: US
*As of September 30, 2022

Media VC deal activity for female-founded companies



Source: PitchBook | Geography: US
*As of September 30, 2022

Around the country

Bay Area

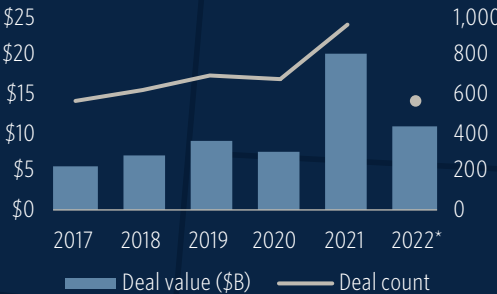


16.9%

Proportion of total deal value for female-founded companies in the Bay Area

2021: 16.7%

Bay Area female-founded company VC deal activity



Los Angeles

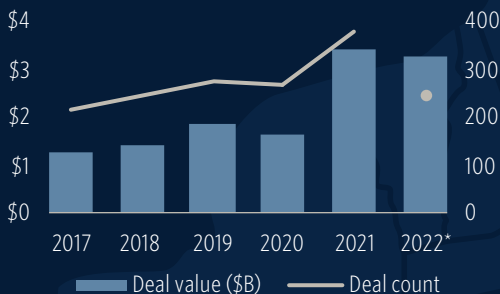


17.7%

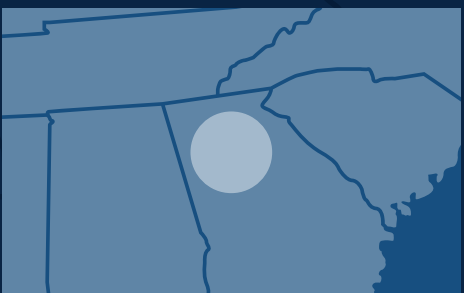
FProportion of total deal value for female-founded companies in Los Angeles

2021: 12.7%

Los Angeles female-founded company VC deal activity



Atlanta

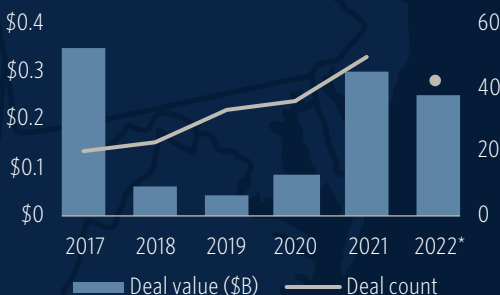


14.3%

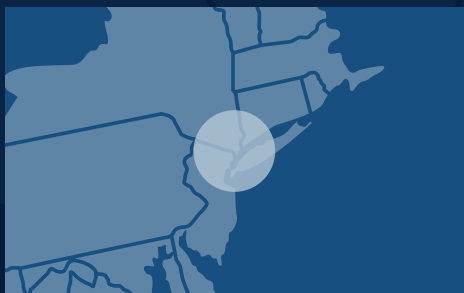
Proportion of total deal value for female-founded companies in Atlanta

2021: 7.8%

Atlanta female-founded company VC deal activity



New York City

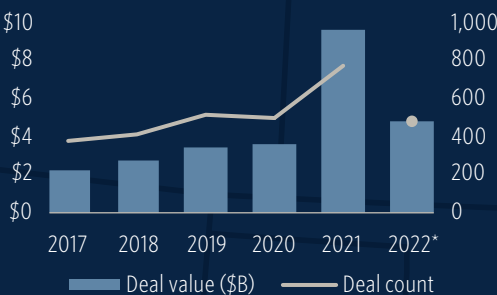


19.7%

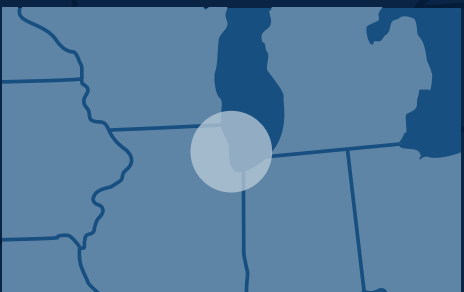
Proportion of total deal value for female-founded companies in New York City

2021: 18.5%

New York City female-founded company VC deal activity



Chicago

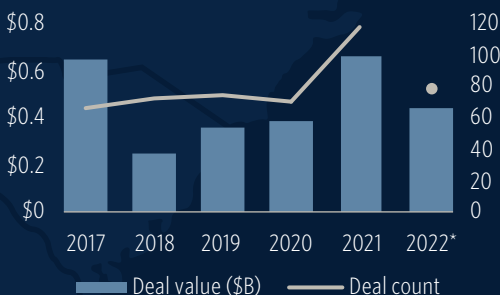


14.0%

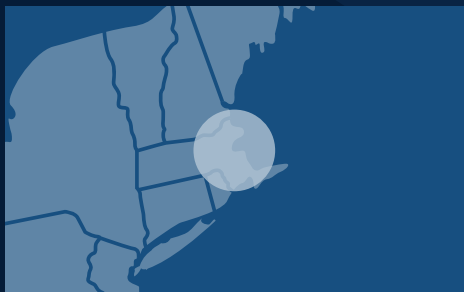
Proportion of total deal value for female-founded companies in Chicago

2021: 10.5%

Chicago female-founded company VC deal activity



Boston

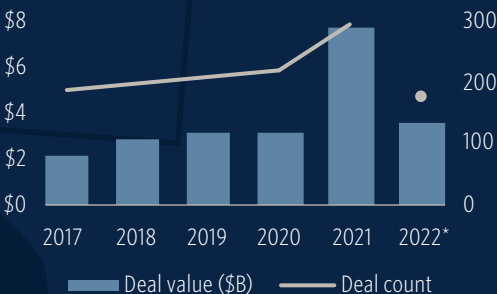


22.6%

Proportion of total deal value for female-founded companies in Boston

2021: 23.1%

Boston female-founded company VC deal activity



Washington, DC

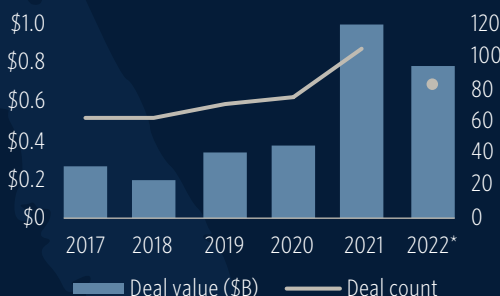


24.5%

Proportion of total deal value for female-founded companies in Washington, DC

2021: 16.2%

Washington, DC, female-founded company VC deal activity



All charts
Source: PitchBook
*As of September 30, 2022

Women in VC: Taking stock of where we are

Two industry experts provide their perspectives on the current landscape, and what actions are needed to increase the representation of women in venture.



Pamela Aldsworth
Head of Venture Capital Coverage,
J.P. Morgan Commercial Banking



Katie Taormino
Managing Director and Relationship Executive,
Venture Capital Coverage, J.P. Morgan
Commercial Banking

Over the past few years, the number of women-led funds has started to rise, making a dent in a landscape long dominated by men. And while the numbers are still low, we’re heading in the right direction.

That’s the message from two long-standing experts of the VC ecosystem, Pamela Aldsworth and Katie Taormino of J.P. Morgan. Here, they discuss the changes they’ve seen, how women can support one another, and why “paying it forward” is the best path for women in VC.

In your experience, how has the culture of VC changed for women? Where do you see the most progress?

Few women can say they’ve been working in venture for more than two decades. Twenty years ago, venture wasn’t a welcoming space for women. Ten years ago, women were still an

anomaly in VC. Five years ago, it was better: VC firms founded by women were no longer a novelty but signaled the next wave of venture.

While the industry has begun to respond to these inequalities—prompted in part by the #MeToo movement—we won’t immediately feel the positive effects. But the arrival of newer independent media channels is something to celebrate. They not only cover venture deals but also spotlight topics that matter to underrepresented entrepreneurs. We are coming to expect this kind of transparency, and that’s a step in the right direction.

From our vantage point—covering both coasts and engaging with hundreds of investors and founders—one of the biggest steps forward has been women creating spaces to build networks. All Raise, Equity Summit, and a number of women-founded firms represent

“All Raise marked a turning point because it galvanized women in venture; it fortified the community with a way to focus efforts. And Equity Summit spurs access to capital for underrepresented investors. Both exemplify what’s happening at a national level to improve the path forward for everyone.”

Katie Taormino

meaningful departures from the status quo.

Women now have their own proprietary networks in the VC community. As a result, we’re starting to see an

acceleration of those small-but-mighty local cohorts of female and underrepresented investors. We’re witnessing more collaboration, deal sharing, and referrals. There’s a spirit of “paying it forward” matched by fierce independence and a sense of empowerment.

Are firms updating their recruitment efforts to facilitate greater representation from within?

Many firms are being more intentional in hiring decisions to improve diversity among their ranks, which is a step forward. We have started to see progress in the associate and principal levels. However, finding women in senior positions is still rare because they often haven’t received the same access and/or mentorship as their male predecessors. The traditional path to becoming a partner can take up to ten years. So, in addition to intentional recruitment, intentional retention and advancement of diverse talent is just as critical to making sustainable progress.

As more women are now in charge of LP decisions at foundations and institutions, this could also help move the ball forward with venture firms, as well. Many VC firms realize they have

an opportunity to help shape the future of the innovation ecosystem and will want to demonstrate progress in areas clearly of value to LPs.

We believe a more inclusive and diverse venture ecosystem is possible. Despite how far we have to go, the culture is evolving.

Do you expect the market conditions that emerged in 2022 to disproportionately affect female founders?

The shorter fundraising cadence in recent years is an additional challenge for newer—and in many cases, female—managers, as it leaves less time between raises to build track records and networks. Smaller funds or newer managers won’t have the access when LPs have capital tied up with established managers or have already committed to new funds in their existing networks. J.P. Morgan Asset Management’s Project Spark initiative is helping bridge this gap.

J.P. Morgan has written some of the first checks for funds managed by these early-stage GPs. Having an institutional investor can both have a halo effect and increase the probability of success for these managers.

From your perspective, what’s in store for the next generation of venture leaders?

The next generation of venture is already here. They’re associates and principals in some of the most established VC firms, learning about the business and building their networks. They may be first-time founders or serial entrepreneurs, but tomorrow they’re angel investors or launching their own funds.

The new frontier will see women investing across all stages, with decision-making powers in the Series A, B, C, and D funds. It will see women who are managing partners, who fundraise, and who sit at the table and lead \$100 million rounds. This is where female and underrepresented entrepreneurs can find momentum and get their firepower.

With everyone playing their role, progress will happen. And for those of us who have the mic, we must pull our weight. If you are part of this ecosystem, stand up. If you can mentor, good. If you can give access to your network, do that. Everyone got their start somewhere; everyone had an advocate.

“The Project Spark program is designed to help minority-, women- and veteran-led emerging managers. In addition to committing \$140 million of the firm’s proprietary capital to funds managed by diverse managers, J.P. Morgan is leveraging its brand and expansive network to help close the funding gap and strengthen diversity across the ecosystem.”

Jamie Kramer
Head of J.P. Morgan Asset Management’s Alternatives Solutions Group and Project Spark Investment Committee Chair

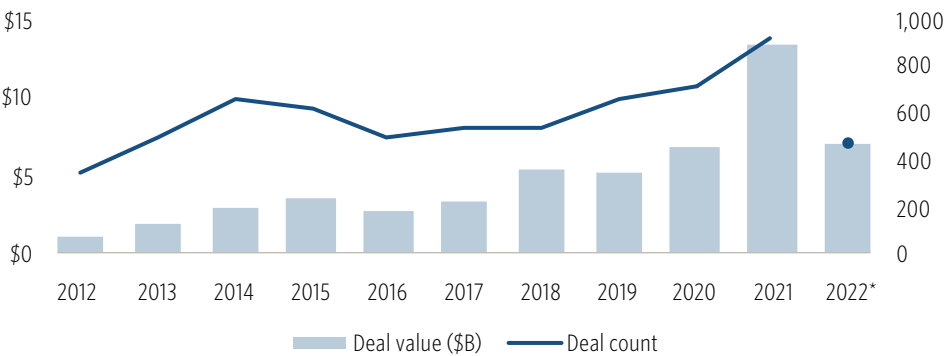
Female angel investment

In 2021's report, we discussed the growing trend of female angel investors and the key role they play in shaping the startup pipeline for institutional venture capitalists. Updated figures show that the number of active female angel investors in the US reached a record 935 in 2021, growing 35.3% YoY. So far in 2022, 507 female angel investors have made at least one deal, demonstrating some deceleration in this population of investors. Dealmaking conditions have worsened since 2021, and many investors are looking to de-risk and pause new ventures, and companies naturally carry greater risk in the angel stage than in later stages.

However, the smaller number of active female angel investors has not had an outsized impact on the dollar value of their aggregate dealmaking. Specifically, in 2022, female angel investment into female-founded companies has already reached its second-highest year for deal value and represents a record 36.9% of all deals with angel participation.

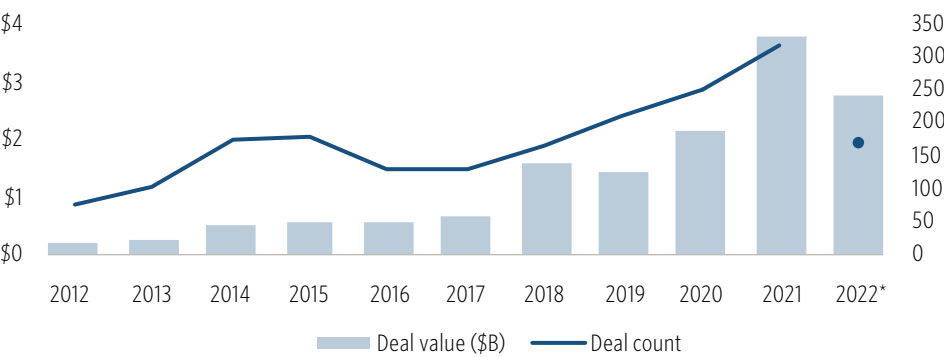
Female-founded companies have closed \$7.0 billion in deals with angel investor participation YTD, more than the amount closed in any year prior to the record set in 2021 and across notably fewer deals—thus indicating larger deal sizes. Greater female investor participation and leadership in these earliest stages can facilitate more involvement in late-stage companies as they mature. Angel investment can provide a crucial jump-start for female founding teams as they bring new solutions to market that may have otherwise been overlooked.

VC deal activity for female-founded companies with angel investor participation



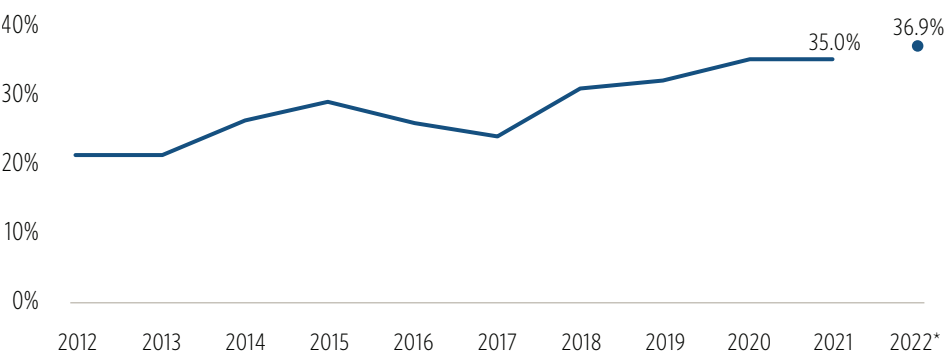
Source: PitchBook | Geography: US
*As of September 30, 2022

VC deal activity for female-founded companies with female angel investor participation



Source: PitchBook | Geography: US
*As of September 30, 2022

Deals with both female founder and female angel investor as a share of all US VC deals with angel investor participation



Source: PitchBook | Geography: US
*As of September 30, 2022

Note: At least one angel investor with disclosed gender in the deal

Female-founded unicorns

At the other end of the spectrum of valuations are unicorns, which are defined as venture-backed companies that have raised a round at a post-money valuation of \$1 billion or more. These companies can provide impressive returns upon exiting and therefore represent the most likely success stories for their investors. In the first three quarters of 2022, deal value for female-founded unicorns reached its second-highest annual level, with \$6.1 billion closed across 45 deals.

While sample sizes are low, the median time to reach unicorn status for female-founded companies is slightly higher than all US VC companies YTD, at 7.6 years. Since 2017, the disparity between these populations has narrowed and remained within a margin of two years. In 2021, when venture activity was particularly hot, female-founded companies took a lower median of 5.8 years to achieve unicorn status, compared with 6.9 years for the broader VC population.

Top 10 US female-founded unicorns by most recent post-money valuation*

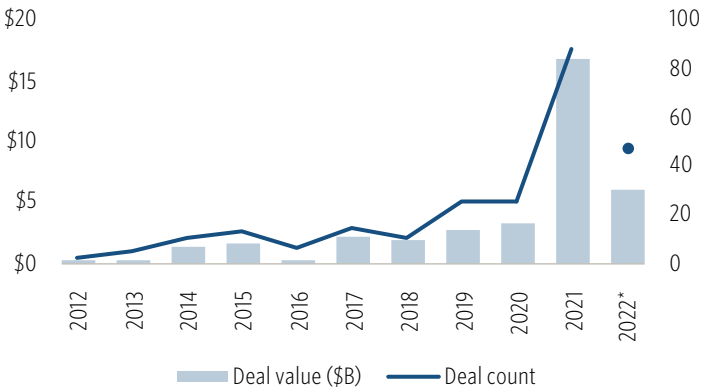
Company	Founder	Post -money valuation (\$B)	Industry sector
Deel	Shuo Wang	\$12.1	Business products & services
Talkdesk	Cristina Fonseca	\$10.4	IT
Scale AI	Lucy Guo	\$7.3	IT
Automation Anywhere	Neeti Mehta Shukla	\$7.3	IT
Cityblock	Toyin Ajayi	\$6.3	Healthcare
Upgrade	Adelina Grozdanova	\$6.3	Financial services
Lyra	Dena Bravata	\$5.9	Healthcare
6Sense	Amanda Kahlow	\$5.2	IT
BlockFi	Flori Marquez	\$4.8	IT
Guild	Rachel R. Carlson & Brittany Stich	\$4.4	IT

Source: PitchBook | Geography: US
*As of September 30, 2022

Among the highest-valued female-founded unicorns, the top three were founded by individuals who have founded two additional companies, highlighting how the experience of seasoned entrepreneurs can be an

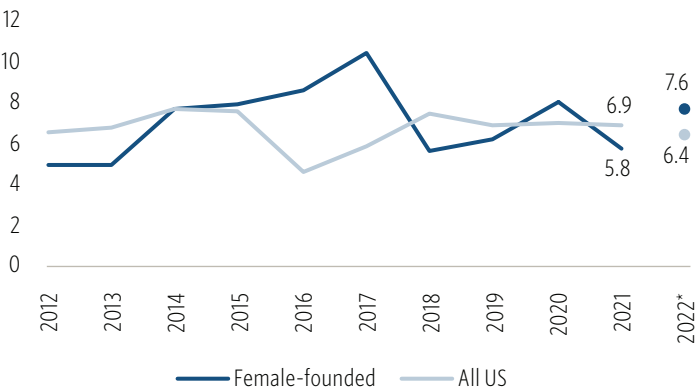
important asset for their companies. Two female-founded unicorns, Deel and Talkdesk, have further achieved what has been coined “decacorn” status, or a post-money valuation of \$10 billion or more.

US female-founded unicorn VC deal activity



Source: PitchBook | Geography: US
*As of September 30, 2022

Median time (years) since founding for US female-founded companies to reach unicorn status



Source: PitchBook | Geography: US
*As of September 30, 2022

Note: Excluding undisclosed founder gender in “all US” category.

Inclusive future: Picking up the baton

Female representation is increasing across the industry. While most VC firms have a 50/50 gender split at the lower levels of the business, there is disparity higher up the corporate ladder. With new regulation and a spotlight on equity, equality, diversity, and inclusion, firms are picking up the pace to enhance employer brand and drive positive change for a more inclusive future. As corporate citizens, senior leaders, particularly women, must pick up the baton and share their stories to accelerate change. In this feature, seven leaders from Apex Group share their experiences and insights.



Hari Bhambra
Global Head of Compliance Solutions



Elaine Chim
Global Head of Closed Product



Valerie Mantot
Regional Head of ASEAN



Vikita Patel
Chief Human Resources Officer



Jing Jing Qian
Regional Head of North Asia



Marie Measures
Chief Digital Information Officer



Rosie Guest
Chief Marketing and Communications Officer

In your experience, how has the culture surrounding female representation in financial services changed over the past five to 10 years? Do you believe progress is accelerating or decelerating?

Hari: Change has certainly accelerated, with many VC firms under the spotlight in terms of how diverse their business is, particularly at senior levels. Recent findings over a five-year period showed an increase in female representation; however, most firms still saw slow progress. This is particularly across executive directorships, despite studies showing that greater female representation on boards brings carbon reduction and presents a more

collaborative approach to leadership. While regulatory change has opened the discussion on female representation, to truly accelerate progress, there needs to be a shift in attitudes away from filling quotas toward solid recognition of what women bring to the table.

Among the female founders/ leadership in your VC clients and vendor space, what factors are top of mind when they think about the next generation of founders and innovators?

Elaine: I have had the pleasure of working with a number of inspiring female founders in VC. Kenza Lahlou, founder of Africa-focused VC Outlierz

Ventures, saw talent and opportunities but not enough resources and capital for founders to build in that region so she started a fund to re-invent Africa's future. I feel privileged to provide support to women like Kenza as she continues to build a transformative business that is changing the world. In our industry, we have access to cutting-edge technology. Inveniam is one of our strategic partners, and we leverage their decentralized finance (DeFi) data operating system and virtual federated data room to overhaul operational inefficiencies in our clients' processes. Kirsten Evans, Inveniam's Chief Experience Officer, believes that innovation and education are inextricably linked and that we need

to promote women in STEM and help the younger generation get access to STEM education. I am excited to see how Kirsten continues to pave the way for innovation and inspire the next generation.

Do you expect the difficult market and fundraising conditions that emerged in 2022 to disproportionately affect female founders?

Valerie: Although various studies show that the pandemic has affected women more than men, the number of women funding companies and fundraising has never been so high. Historically, challenging market factors have pushed more women than men to leave the corporate world, and some of these women then chose to become entrepreneurs. Between 2019 and 2021, the number of female founders grew approximately 15% more than the number of male founders worldwide. Access to capital and funding for these women is neither more nor less challenging than for men founders as, in such a competitive market, investors favor businesses fitting criteria that apply regardless of founder gender.

Are the firms you work with updating their recruitment efforts or best practices to facilitate greater female representation from within?

Vikita: We are first and foremost an equal-opportunity employer and a merit-based business. Everyone, regardless of race, religion, gender, or sexual orientation, has access to our vacancies and will be nurtured throughout their careers with us. We are looking at tools that will help streamline our recruitment processes so that we can search for a more diverse pool of candidates and make our job postings more inclusive. Once within the business, we use mentoring

programs and enhanced training to increase female representation at senior positions in the business. These programs look to educate all managers on removing unconscious bias, as well as specific programs targeted at career development for our female employees.

What factors or initiatives have the greatest impact on improving female representation in your field?

Jing Jing: It is encouraging to see an increasing percentage of female leadership in our industry. However, there is still a lot of work to do. For many women, lack of confidence and support is a barrier to success, which is why our mentoring program and Women's Accelerator Program are so vital. With a community of like-minded individuals and senior leadership backing, women can achieve their full potential. Firms in the industry should also review policies and procedures to make them more equitable. Policies that are more gender-balanced facilitate a fairer split of home-related tasks, including caregiving, which can enable better performance in the workplace. Our SMART Working Policy, for example, has helped employees to balance personal responsibilities while still excelling professionally.

Do you have any personal anecdotes or experiences you would like to share?

Marie: Early in my career, I worked across multiple industries, and it was obvious that I was in a minority as a female. During my time as a Senior Consultant, I arrived at an office with two male apprentices. The customer shook their hands and then turned to me and said, "And you must be the apprentice." This was not uncommon at the time. However, moving into financial services, there were more senior female role models, and that

helped me to rethink my value to the firm as a working mother. As a senior leader, I've devoted time to working with schools to explain the benefits of having a career in technology, balancing work and family life, and sharing my experiences. It's vital that we pass on our learnings to the next generation to show them that there is a place for women in the corporate world.

What is Apex Group doing to support an inclusive and equitable environment for women as a global financial services provider?

Rosie: The industry trails other sectors when it comes to gender diversity, and with increasing pressure on transparency, companies often look to try to fix the issue by focusing on the most visible problem, the C-suite. This doesn't address the core reasons for there being fewer women at the top, which is ultimately a fundamental issue with mobility and progression. We took an honest look at our firm and examined the ways in which women were moving, or not moving, through the business. Although we have plenty of women entering our business, they were not moving through the firm in the same way as their male peers. We therefore launched our Women's Accelerator Program, which addresses eroding gender diversity at each rung of the corporate ladder by supporting our female talent in progressing equitably. Our inaugural program welcomed over 50 high-performing women across the business. The program provides a community, additional training, learning and development, and opportunities to hear from female speakers—ultimately with a goal of accelerating their progression. The program is not about quotas or promoting women over men; it's about nurturing our existing female talent and driving equity in progression for long-term sustainable change.



The world's first & largest global consortium of venture funds
pledged to invest & actively deploying
over \$1 billion in women-founded companies

Join our LPs & GPs around the globe that are backing:

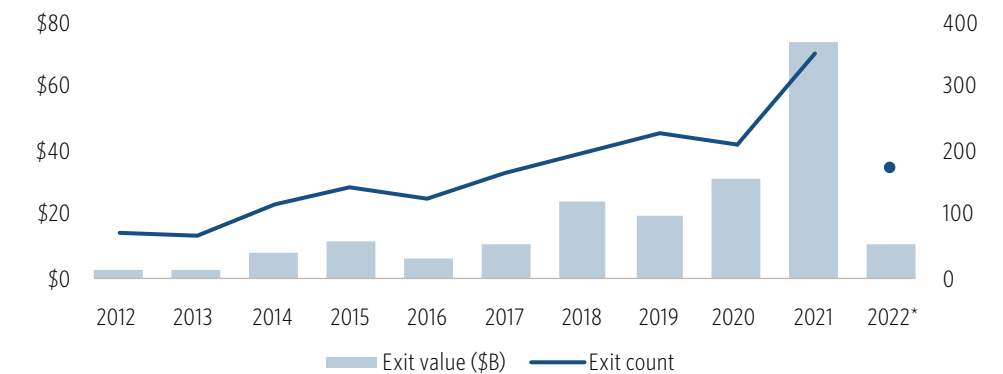
- Innovations addressing some of the world's greatest challenges (including solutions only women could conceive and deliver)
- Higher returns driven by diverse teams and
- A more inclusive and dynamic VC ecosystem

Exit activity

Following a massive year in 2021, the exit environment for startups has experienced marked changes in 2022. After the announcement of conflict in Ukraine, public market performance stumbled. This was compounded by persistently high inflation and widespread supply chain snares. Many investors looked to reduce unnecessary risk and wait out the turbulence. Capital is no longer as freely available as it was in 2021 when markets were performing well and startup prospects were deemed strong. Successful IPOs depend upon the performance of equity markets to provide solid returns; therefore, IPO activity will likely remain low until conditions improve. Rising interest rates and input costs may deter acquisitions, as well.

Female founders approaching exit opportunities have not been immune

VC exit activity for female-founded companies

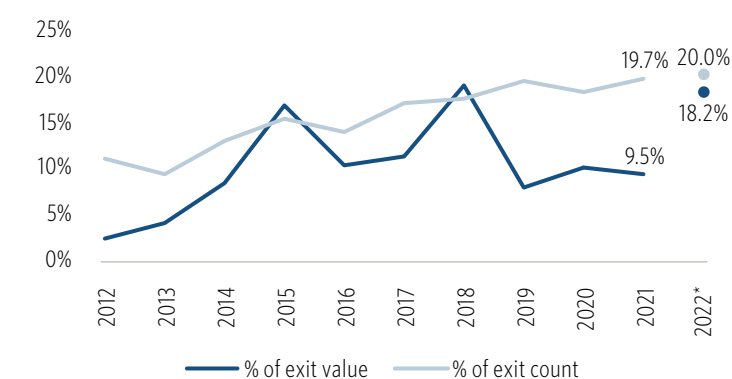


Source: PitchBook | Geography: US
*As of September 30, 2022

to these difficulties. US VC exit activity for female-founded companies has reached \$10.9 billion across 172 exits YTD, which is significantly lower than \$73.3 billion closed in 2021 and \$31.4 billion in 2020. The proportion

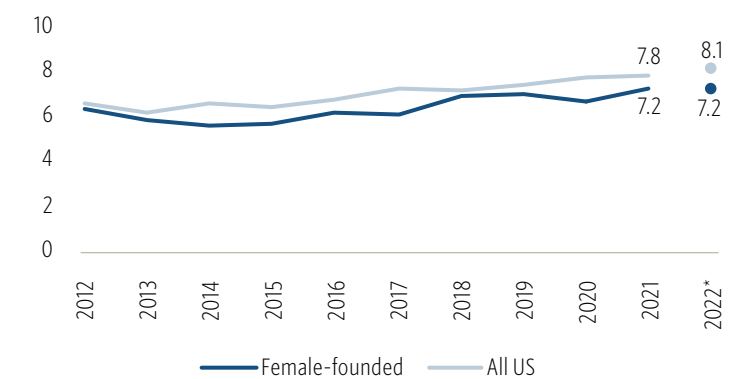
of total exit value for female-founded companies jumped from 9.5% in 2021 to 18.2% in 2022 YTD, driven largely by a smaller population of companies exiting this year.

VC exit activity for female-founded companies as a share of all VC exit activity



Source: PitchBook | Geography: US
*As of September 30, 2022

Median time (years) to exit for female-founded companies versus all US VC companies



Source: PitchBook | Geography: US
*As of September 30, 2022
Note: Excluding undisclosed founder gender in "all US" category.

Breaking with tradition

Pivotal Ventures wants to prove that getting more women decision-makers in VC will unlock greater returns



Erin Harkless Moore
Director, Pivotal Ventures

In 2018, our founder, Melinda French Gates, announced that Pivotal Ventures had started investing in “nontraditional” VC funds. “Nontraditional,” she explained, is “industry parlance for any fund that isn’t completely overindexed on companies led by white men.”⁶

My team shares Melinda’s conviction that VC has the potential to unlock market-based solutions to societal problems. To get there, we’re helping bring new attention and resources to founders who see the world through a different lens than most people in the venture ecosystem.

Take caregiving, for example. Anyone taking care of a loved one will tell you that this is extremely hard work, and there aren’t nearly enough products, services, or resources to make the job easier. Last year, the Investor’s Guide to the Care Economy, backed by Pivotal, sized the care economy at \$648 billion. But established investors have been slower to fund startups in the space, and even though disruptive ideas are out there, founders often struggle to secure the capital they need for

innovation to keep pace with demand. As the pandemic has made clear in many painful ways, caregivers need better solutions, and the market needs to do better at delivering them.

Although Melinda is a philanthropist, not all her work through Pivotal is philanthropic. We invest in funds and companies with the expectation to turn a profit, because our goal is to signal to the wider venture ecosystem that investing with a diversity-first mindset will generate meaningful returns.

Fortunately, the conversation in VC circles has evolved in the past several years. There is general agreement that the sector is too homogenous and that it relies too much on networks that are hard for others to break into. The challenge now is to transition from believing in diversity and equality as principles to operationalizing them.

Here’s what that doesn’t mean: relaxing rigorous due diligence and fund performance monitoring standards. But diligence and rigor may need to be redefined if we want to disrupt old patterns. At Pivotal, we try to evaluate emerging fund managers in ways that don’t perpetuate unconscious bias. For example, relevant experience can come in many forms, and venture capitalists don’t necessarily need 15 years at a large firm before they start a fund.

We don’t have it all figured out, and we still miss out on great opportunities.

But we adapt to try to close the gaps. We’re learning a lot from the funds we work with about what’s possible when the industry is creative enough to break with tradition.

Samara Hernandez and her Chingona Ventures team focus on “growth markets that are often overlooked,” including financial tech (fintech), female tech (femtech), foodtech, health and wellness, and the future of learning.

Leadout Capital, founded by Ali Rosenthal in 2018, has supported 35 early-stage companies whose leaders are committed to diversity and inclusion. More than 85% of their portfolio companies are led by women or underrepresented minorities, and seven of 22 Fund I companies have already raised subsequent rounds, proving that these businesses can succeed and grow if they get early support.

Monique Woodard’s Cake Ventures refers to the three “layers” of demographic changes driving her investing: an aging population, the shift to majority-minority, and the increased spending power of women.

We’re trying to contribute to a future of VC wherein Samara, Ali, and Monique are the norm, not the exception. They model for the industry what it looks like when equity and inclusivity help determine who has access to, controls, and benefits from investment capital.

“How does society benefit when there are more women, specifically women of color and LGBTQ+ women, in decision-making roles in VC?”



Samara Hernandez
Chingona Ventures

“We believe in diversity as a differentiator, innovation source, and company culture driver. Seeking founders that lean into their unique perspectives as their competitive edge is central to our differentiated approach. For instance, Jade Kearney, Founder and CEO of SheMatters, a platform that connects Black mothers who experience postpartum comorbidities to culturally relevant care, demonstrates how diverse founders and funders can address societal inequalities through private sector innovation.

“We don’t invest in just women and minorities, but our portfolio reflects the outcome of building a diverse network within an entrepreneurial ecosystem. By intentionally cultivating a diverse deal flow and network, we have built a portfolio that beats the industry’s diversity standards. We are proud to say that women CEOs—not just cofounders—make up 42% of our portfolio. Beyond gender diversity, we also track how many of our CEOs are immigrants (31%), are people of color (69%), and are operating outside the Bay Area (78%).”



Ali Rosenthal
Leadout Capital

“Representation matters. It demonstrates that being a woman, Person of Color, or LGBTQ+ does not prevent success in the venture environment.

“Making investment decisions at the earliest stages of company building comes down to judgments about the founding team’s edge for success, as well as the attractiveness of the pursued opportunity. Different people will make these assessments based on their own knowledge and experience. One venture capitalist may see opportunities for success where others do not.

“We should want entrepreneurs who see opportunities to receive investment for two reasons. First, access to opportunity. We think a society wherein more people can pursue purposeful, interesting, and financially rewarding work is a better one. Investing in diverse teams creates access to opportunities for more of society. Second, a successful business benefits its customers by bringing a solution to a real need. Society benefits when more needs are met with creative innovation through technology. Identifying and supporting new ideas and potential solutions from all segments of society ensures that technological progress serves everyone.”



Monique Woodard
Cake Ventures

“Founders of all backgrounds benefit when female investors have access to capital and decision-making power. Having diverse perspectives gleaned from lived experience on a board or cap table can help founders navigate everything from recruiting talent to exploring new markets to building company culture. This helps create stronger companies that are built to solve the unmet needs of more people.

“As an investor, I can give founders a point of view on ways to approach consumer groups that other investors haven’t thought about and can’t authentically engage with. Over the past 15 years, 92% of the population growth in the US has come from ethnic minorities, or the rising New Majority. And while women have been treated as a niche market, they are actually a growth market that has accelerated the growth of businesses in categories like social, e-commerce, and healthcare. As consumers become more diverse, founders need new ways of building product and marketing to new audiences.

“When women are given the space to show up and authentically deliver their perspectives and back that with real capital, founders reap the benefits.”

6: “Melinda Gates: Why I’m Betting on Diversity,” Fast Company, Melinda Gates, September 13, 2018.



Inspiring
we inspire positive
change, so you
achieve more.

As a truly inclusive workplace,
we strive to create a culture
of belonging.

Leverage our DEI analysis solution to
formulate your action plan for real
world impact.

Our **Women's Accelerator Program**
helps drive equity for progression
and diversity across all levels.

To find out more visit apexgroup.com

We are:

10,000
people

85
offices

50/50
gender split

Positive change
with **opportunity**



J.P.Morgan



Key takeaways

Across several metrics, venture capital activity has shown declines from the all-time highs in 2021, but female founders in 2022 are proving resilient in the face of a tougher market.

The venture capital industry was forced to navigate rougher terrain in 2022, with economic pressures mounting. Check writers became stricter with their capital deployment, and venture-backed companies therefore faced more difficult capital-raising conditions. While this is evident in broader deal activity data, it appears that female founders have not been disproportionately affected, as they have closed greater deal value YTD than during any year prior to 2021. Female-founded companies still represent only 25.5% of total VC deal count, but activity among these companies has proved relatively durable.

Check-writing authority remains largely male-dominated and can have significant impacts on the capital-raising process for female founders.

16.1% of VC decision-makers in the US are female, and just 4.5% of firms have a majority female decision-maker population, which means that most institutional investors are operating in male-dominated environments. This narrows the lens through which firms view pitches and investment opportunities. The lack of female representation in these firms has a ripple effect on the founders they invest in as well as the LPs that trust them to generate returns. Promoting and recruiting female check writers can open doors for more female founders and diversify portfolios.

In 2022, angel investment and unicorn deal value among female-founded companies have both reached their second-highest annual levels.

It is important to assess founder representation across various company stages and valuations. Angel investments provide critical funding for companies as they develop their business, and female angel investors can provide unique perspectives and insight for founders. Unicorns represent some of the biggest success stories in venture and reaching this status is a testament to the abilities of their founders. Deal value for both female-founded unicorns and female-founded companies with angel investment have reached their second-highest annual levels on record in 2022.

Methodology

Please refer to PitchBook's [Report Methodology](#) page for a complete breakdown of our terms and definitions. Throughout this report, we refer to "female-founded companies" as VC-backed companies with at least one female founder, unless otherwise noted. Classification as "female" for founders and investors is based on individual PitchBook profiles using proprietary data sourcing. PitchBook recognizes diversity in personal identity and strives for correct representation but cannot guarantee complete accuracy in all instances. Female GPs include only fully disclosed decision-makers

who are currently with their firms as of September 30, 2022. Decision-makers include partners, principals, and managing directors. Firm data includes only VC firms with AUMs of at least \$50 million and excludes firms that are out of business, inactive, or have been acquired/merged. Industry-focused firms are defined as those with more than 50% of investment count made in a particular industry since 2012. The geographical scope of this report is focused on the US. Any data references to Silicon Valley include VC activity within the San Francisco/Bay Area MSA combined with the San Jose MSA.

Education: Includes educational training & services (both business products & services and consumer products & services), educational software, and edtech
Media: Includes broadcasting, radio & television, information services, movies, music & entertainment, publishing, social content, and other media.
Digital health: Includes telemedicine, digital wearing devices, fitness trackers, and remote monitoring & diagnostics software.
Retail: Includes apparel & accessories, consumer durables, consumer nondurables (such as food and beverage), retail, LOHAS, and wellness.



Meaningful insights on **female-founded** startups, deals, firms, and more



Check out our US VC Female
Founders Dashboard