



INVESTING IN WOMEN
SMART ECONOMICS
AN INITIATIVE OF THE AUSTRALIAN GOVERNMENT



INVESTOR'S JOURNEY IN GENDER LENS INVESTING:

Examples from the field

A RETURNS-FIRST
INVESTOR PROMOTES
GENDER DIVERSITY AS
A CORE PRINCIPLE

Case example:
**Ascend Vietnam
Ventures (AVV)**
February 2023



I.

INTRODUCTION

Ascend Vietnam Ventures (AVV) is a venture capital firm based in Vietnam that is incorporating gender lens investing (GLI), motivated by a desire to do good investing and to prove that a gender lens makes business sense for all investors. This case study documents AVV's GLI journey while engaged with Value for Women. It forms part of a case study series that seeks to promote awareness and knowledge exchange of GLI practices by sharing honest and relatable examples, impacts from GLI strategies, as well as illustrating the role of philanthropic capital in these.

AVV

AVV is a venture capital firm based in Ho Chi Minh City, Vietnam. The goal of the firm is to empower tech entrepreneurs in Vietnam to positively transform the lives of people everywhere, by investing in and guiding Vietnam's exceptional teams in building "internationally iconic tech companies". For more information, visit www.ascendvietnam.com.

Investing in Women

Investing in Women, an initiative of the Australian Government, catalyses inclusive economic growth through women's economic empowerment in South East Asia. Investing in Women uses innovative approaches to improve women's economic participation as employees and as entrepreneurs in the Philippines, Indonesia, Vietnam, and Myanmar through:

- **Workplace Gender Equality (WGE)** – We support Business Coalitions who work with influential businesses on shifting workplace cultures, practices, and policy barriers to achieve WGE;

- **Impact Investment for Women's SMEs** – We partner with Impact Investors and ecosystem builders to expand market opportunities for women, with a view to incentivising and catalysing access to capital for small and medium enterprises (SMEs)– led by and responsive to the needs of women; and
- **Influencing Gender Norms** – We work with partners to positively shift attitudes and practices to support women in the world of work. In collaboration with corporations and business leaders, impact investors, entrepreneurs, and advocates, we are working with those who are driving change for women's economic equality in our region.

For more information, visit www.investinginwomen.asia.

Value for Women

Value for Women (VfW) is a women-led global social enterprise that works closely with partners to design and implement research, technical assistance programmes, evaluations, tools, and blended capacity-building initiatives in Africa, Asia, and Latin America focused on impact investing and the small and medium enterprise space. VfW helps organisations to advance gender inclusion. We believe that women are key drivers of economic and social growth and that women's inclusion is essential for better business outcomes. We identify and test new solutions that foster inclusion while unlocking the powerful economic potential that women hold. Specifically, we support investors seeking business and social returns in diverse sectors, such as finance, agriculture, and clean energy by providing research and technical advisory support. Learn more at www.v4w.org.



II.

THE START OF AVV'S GLI JOURNEY

AVV is a venture capital firm founded by Eddie Thai and Binh Tran¹— men born into Vietnamese families and raised in the United States. They founded AVV following their success running 500 Startups Vietnam, a US\$14M fund investing in promising Vietnam-connected startups. There, the team supported 76 startups and built a strong case for the potential of Vietnam startups. These results inspired Eddie and Binh to leverage their expertise, team, and passion to found AVV and achieve greater impact.

AVV was created as a venture capital firm specifically to recognise, support, and encourage talent in the early-stage technology startup space (including fintech, the future of work, edtech, enterprise SaaS, and health tech, amongst others) in Vietnam. It is unique in looking for Vietnamese companies that have the potential for global growth and success.

In 2021, AVV launched AVV Alpha, its inaugural US\$50M (target) fund. The firm offers its portfolio companies capital, technical assistance, and operational support. It also intentionally pursues gender diversity and inclusion through creating a diverse internal team, supporting women entrepreneurs, and promoting gender equality in portfolio companies.

“We want to ensure that diversity is part of AVV’s ‘why’ for every team member”

- AVV leadership

¹ In Vietnam, names are family (last) names first, as opposed to the general practice in English-speaking countries where family (last) names are placed last. Given the context and target audience of this document, and since AVV is composed of both American and Vietnamese people, we have presented all names with the family (last) name second as in the Anglophone style, to avoid confusion.

WHY AVV PURSUED GLI

Both Eddie and Binh brought to their investing work a powerful personal commitment and motivation to gender equality. Both have strong women in their families who faced adversity and created success— including mums who immigrated to the United States and whose influence caused them to value the contributions and knowledge that women can bring to an organisation. Both founders have also worked with women in the past who positively impacted the quality of work and created a more inclusive and effective working environment— both founders wanted to ensure these attributes became a standard feature of the workplace they lead.

"I've seen [women leaders] create an amazing culture where women felt safe to celebrate and perform and challenge. That ultimately helped the men do the same, and created a high performing culture [in the firm]."

- AVV leadership

While personal conviction was the initial driver, ultimately the co-founders' motivation to engage in GLI was driven by commercial imperatives. For both, it made commercial sense to recognise that, if talent is equally distributed but resources and opportunities are not (with the vast majority of funding going to men entrepreneurs and not women), there is an opportunity to find exceptional women who are not currently being backed. With sufficient time and sample size, they predicted that their portfolio would bear out this hypothesis of women as an untapped and talented entrepreneurial market segment.

In addition, for AVV, gender is tied to the firm's fundamental belief in diversity among staff and participants at the decision-making table.

Furthermore, the team's experience at 500 Startups Vietnam convinced Eddie and Binh that successful sourcing of women founders would require recognition of structural barriers and addressing those barriers with intentionality. The team saw, for instance, that women entrepreneurs presented their ambitions more modestly than men entrepreneurs, not out of a lack of ambition but due to social norms promoting humility. This type of difference needed to be understood by the team, to prevent the undervaluing of women entrepreneurs in the selection and assessment process.

"The AVV partners are aware of the gendered challenges faced by women entrepreneurs and addressing them is foundational in our work"

- AVV staff

Furthermore, achieving gender balance would require deliberate measurement and action. Among 500 Startups Vietnam's first 20 investments, there was only one woman co-founder. By collecting and tracking data on founder gender moving forward,

the team kept the issue front and centre and quickly reached 20% women co-founders, ultimately reaching 26% of the portfolio companies having at least one woman co-founder. This was twice the industry standard, and the result of awareness building, targeted outreach, and offering programmes such as mentoring and acceleration targeting women founders.

"It is a lot easier to get started [incorporating a gender lens into investing] than private sector investors might think, and just starting with collecting sex-disaggregated data is very low hanging fruit."

- AVV leadership

Additionally, 500 Startups Vietnam had encouraged investees to consider gender balance in their teams. For instance, Stably, a 500 Startups Vietnam portfolio company, evolved from having no women on its team to approximately 20% women as a result of this encouragement and support which led to intentional talent recruitment.

"Gender is part of our approach seeding the entrepreneurial ecosystem. ... It's aligned with our vision to uplevel the country by investing in startups."

- AVV staff



How Gender Fits Into the Approach of a Returns-First Investor

AVV is a returns-first investor, with most of the capital originating from family offices or high net worth individuals.²

Despite its commercial orientation, AVV considers the pursuit of gender inclusion as a foundational part of good investment and good business practices. AVV is a market leader in this respect and at the vanguard of Vietnam's and the region's VC space.

"We consider [gender and impact], and we include them in our decision making but they don't outweigh the fundamentals."

- AVV staff

² AVV's institutional investors have been interested in ESG at a minimum, but are more on the commercial end of the spectrum, expressing positive interest in AVV's commitment to women entrepreneurs but not showing specific interest in targeting positive outcomes for women. Only a few prospective investors rejected investing in the fund precisely because of its focus on gender equality; AVV believes these concerns arise from mixed data in the impact investment ecosystem at large. Since May 2021, AVV has completed an additional fund raise which included several values-aligned DFIs and other investors.

IV.

AVV'S GLI JOURNEY

AVV considers itself gender aware, based on the institution's commitment both to hiring and promoting women in all parts of the business and at all levels of seniority and to ensuring that many investees are women co-founded and with gender-balanced teams. AVV sees gender diversity and inclusion as crucial parts of its strategy in finding and supporting Vietnamese companies that can have global reach. Through a diverse team it is better able to connect with and understand women founders and others with skills or experience that may not be properly valued by the rest of the investment community.

For AVV, gender diversity is about having a strong business built on multiple perspectives, not simply about impact or social benefits. It is a key strength of its business. From AVV's inception, gender diversity and inclusion were integrated through AVV's multi-pronged gender approach (see box below, "AVV's Gender Approach").

"We want to not stop at supporting women founders, but improve ownership, respect, protection for women— elevate them."

- AVV leadership



AVV's Gender Approach

1) INVESTMENT STRATEGY: COMMITMENT TO FINDING AND SUPPORTING WOMEN FOUNDERS. This is evidenced by AVV's soft targets for a percentage of AVV's investment portfolio to have women co-founders. AVV also has as standard practices to raise to founders during the investment process the issue of diversity, workplace culture, and gender and to collect data on the gender balance of the founding team and employees.

2) INVESTMENT STRATEGY: CREATING A SUPPORTIVE ECOSYSTEM FOR WOMEN WITH ENTREPRENEURIAL POTENTIAL. AVV's incubator programme SHINE, focused on women founders, prepares women entrepreneurs for growth and potential future funding. Specifically, it provides participating women founders with support in defining the business model, target customers, team, and funding options, together with pitch preparation support, office hours, mentors, and access to support networks. Additional workshops offered by AVV build women entrepreneurs' capacity on financial structures, negotiations, and more.



3) INVESTMENT PROCESS: FOMENTING DIVERSITY IN PORTFOLIO COMPANIES.

AVV uses its leverage as an equity holder to promote diversity and inclusion among its investees. This includes: (a) encouraging equity reallocation to women co-founders as a prerequisite for investment if current equity allocation does not reflect the value each co-founder brings, (b) including in the Investment Committee memo the gender ratio of the founding team, (c) encouraging investees to hire more women to senior leadership positions if current team composition shows a gender disparity, and (d) taking an active role in sourcing diverse talent for investees.

4) ORGANISATIONAL STRUCTURE AND CULTURE: PROMOTING WOMEN IN INVESTMENT AND DECISION-MAKING ROLES.

AVV has implemented gender-balanced hiring as well as policies on anti-harassment, maternity and paternity leave, and whistleblowing. Historically, between 30-50% of AVV's team has been women, including two management-level positions. Furthermore, both as best practice for attracting and supporting top talent and to model gender-diverse teams for Vietnam's startup and VC space, AVV upholds transparent and participatory decision-making processes and invests in staff members' growth.

Partnering with IW

AVV and IW partnered upon launch of the AVV Alpha fund, with the specific goal of further developing AVV's gender lens investing approach and funding its initiatives supporting women entrepreneurs (e.g., the SHINE woman-focused incubator programme and additional stand-alone workshops for women entrepreneurs). After formalising the partnership, 25% or more of AVV's first-check capital was targeted to go to women-owned / women-led startups (referred to as "women's startups" hereafter); this significantly surpassed the regional market average of 17%.³

In partnering with IW, AVV realised that being more explicit about supporting women's economic empowerment could have the added benefit of supporting fundraising. This was particularly powerful because fundraising is a key challenge for any fund, particularly funds under a new fund manager, and even more so in the Vietnamese market where competition abounds and international investors are sometimes reluctant to enter. This reluctance comes from multiple factors, including lack of familiarity with the market, perceived regulatory complexity, and a limited number of companies that have previous investment.

³ DealsStreetAsia. [Women in Startups: The SE Asia Edition](#). Singapore: DealStreetAsia, 2021.

HONOR AND CHAMPION
VIETNAM'S ENTERPRISING WOMEN IN TECH

Shine

Women in Tech Gala

28/06/2022 | HO CHI MINH CITY



Multi-Pronged Finance Model Between IW and AVV

IW supported AVV to make investments into women's startups in Vietnam, with the goal of unleashing regional and local pools of capital and driving inclusive growth.

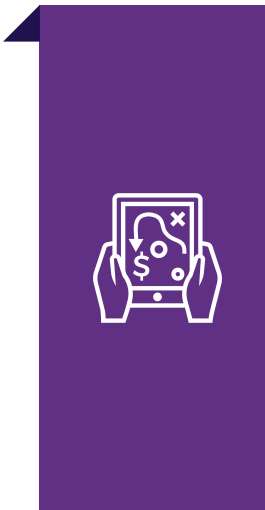
Features of the finance support from IW for 2020-2030 are:

- **Investment capital** for up to 10 women's startups, with AVV aiming to invest at least 25% of its capital in women's startups. Anticipated private sector leverage and co-investments of 3.6x IW investment capital, with this coming from Asia-wide family offices, corporates, foundations, and development finance institutions.
- **Operational support** to assist with establishment costs of the fund.
- **Technical assistance facility** for AVV's incubation programme and AVV's support to women's startups in the fund portfolio.
- **Advisory support** from VfW, to help AVV put in place a GLI action plan to strengthen its capacity to engage with, evaluate, and execute transactions with women's startups.

Translating Commitment into Action

Even with AVV's commitment and experience implementing gender-inclusive strategies, the leadership and team acknowledged not knowing exactly how to translate this commitment into a gender strategy, programme plans, and operations. AVV also faced challenges by way of men's predominance in the technology sector, a lack of comparable funds with both commercial returns and a gender driver against which to benchmark and to have as peers, as well as the fund's tight timeline for closing investments.

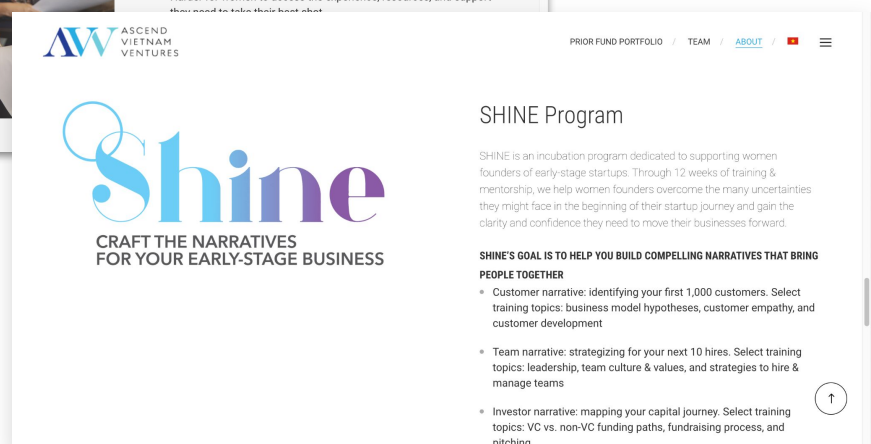
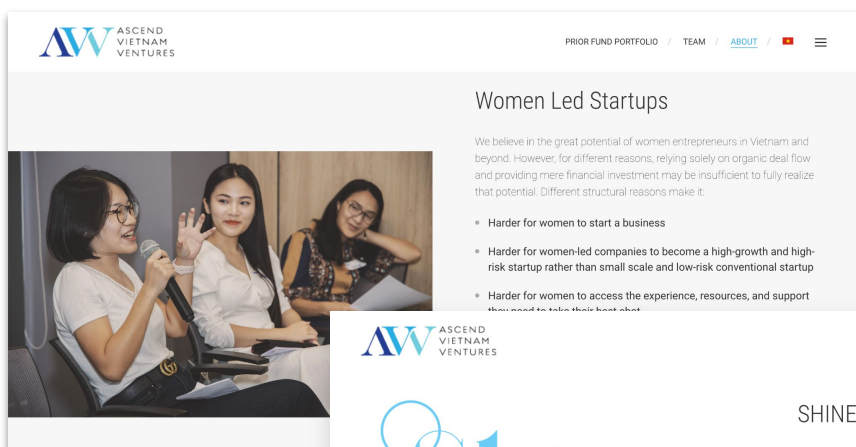
AVV's partnership with IW initiated a new phase in AVV's engagement with gender. The technical assistance provided by VfW under this partnership supported AVV to streamline its gender strategy and test new diversity and inclusion approaches. With this support, AVV accomplished the following:



Women-inclusive communications strategy.

AVV is adopting gender-inclusive communications principles and has notably updated its communications plan to include specific outreach to women via channels and using messages that matter to women entrepreneurs. AVV realises that it can have specific strategies for engaging women and meeting them where they are in the entrepreneurial journey.

Today, the website has a section on "Women Led Startups" and one on the SHINE Programme for women founders, and many photos on the website put women front and centre (*See images from the [AVV website](#), below*)





Creating team alignment for a gender-responsive investment process.

VfW trained the AVV team in GLI, which included assessing how gender is already considered in AVV's investment process and which gender lens strategies could support more gender-inclusive outcomes. It was important to set a foundation for everyone across all parts of AVV to be conversant in gender inclusion and know how to use gender lens strategies to improve the investment process.



'Countering bias' training focused on the investment process.

Following the GLI training, AVV requested specific training on one of the strategies discussed—countering bias in the investment process. Identifying where discretion in the investment process could be inviting bias and designing interventions to control for bias is a lean strategy that is highly adaptable to AVV's agile investment pipeline. The team discussed how to recognise where bias might impact business decisions, particularly investment decisions, and delved deeply into ideas for countering six types of bias within operations.





V.

RESULTS TO DATE

Deals closed: AVV started bringing in investees in late 2021 and as of January 2023, 11 deals have been approved, with 2 of these led by women founders.

Next generation of women's start-ups: AVV's accelerator programme for women founders, SHINE, has touched over 60 women founders. Beyond technical skills gained, a key benefit of this programme has been to foster a community of women entrepreneurs in tech, with alumni continuing to engage with each other and to grow their businesses. Additionally, a number of these founders' companies have subsequently raised capital.⁴

Sourcing strengthened: Sourcing channels for SHINE, workshops, and the portfolio now include both inbound and outbound efforts, such as scraping LinkedIn, taking cold calls on AVV's website, going to events, and taking referrals through the team's VC networks. SHINE has proven to be a sourcing channel for investees.

Gender as an organisational priority: AVV's co-founders have earned the team's trust in advancing gender inclusion and diversity as organisational priorities for business success and impact - and have set the foundation for prioritising gender and inclusion going forward.

"In the last year we've built the foundations for long-term work on gender."

- AVV leadership

⁴ Note that the SHINE programme is not focused on fundraising, and AVV does not formally track the programme's impact on fundraising. Nevertheless, AVV estimates that since participating in SHINE, more than seven founders have raised capital for their company.

By now, the team recognises the business case for both continuing its gender lens efforts and finding new ways to improve its core business through gender lens strategies. This includes, for instance, prioritising the recruitment and hiring of women into AVV's team, as the team grows. The team – at various levels – expressed pride in the organisation's commitment to diversity and inclusion in every aspect of the business.

Gender in the portfolio: To date, seven out of 12 women founders in the SHINE programme have worked to increase their equity ownership, moving from an estimated average of 32% of ownership of their companies before the programme to 53% after the programme. AVV has also successfully supported the hiring of more women's talent for investee companies, including the following:

- Woman hired as a marketing manager of a Vietnam-focused fintech startup
- Woman hired as a product manager of a Vietnam-focused fintech startup
- Woman as first hire in Vietnam, and eventually as country manager, of a global edtech startup

Sex-disaggregated data on investees: From its start, AVV collected data on the gender of founders in its portfolio, which has powerfully supported AVV in keeping gender top of mind in investment decisions. Forthcoming tools being created for the investment team are expected to enable AVV to see where women are being left out. Together, this will build AVV's business case for continuing to prioritise gender as a returns-first investor.



Investee Snapshot

Women-owned Mandu empowers micro-entrepreneurs to succeed in the online world

E-commerce has seen rapid adoption in Vietnam, much of it driven by micro-resellers— ranging from one-person efforts to 20 person teams —who sell through social network platforms. These micro-resellers tend to offer their customers more personalised product discovery, adequate product information, and better prices than larger e-commerce sellers. Yet these micro-resellers also face challenges managing the multi-step process from sourcing and sales to fulfilment and after-sales support. This complexity, coupled with the need for working capital, hampers micro-resellers in scaling their businesses.

Wife-and-husband duo Linh Dang and Tung “Jerry” Hoang began to build [Mandu](#) in 2021 after Linh experienced these challenges firsthand. Mandu is a social commerce enabler, which allows micro-resellers to buy goods at wholesale prices (removing micro-resellers’ need for heavy working capital) and access marketing, logistics, and after-sales services. With this offer, Mandu enables micro-resellers to scale their businesses faster and more efficiently.

AVV learned about Mandu from another founder who referred the company. AVV led the pre-seed round, joined by Contrau Ventures. From launch to the end of 2021, Mandu grew from US\$0 to US\$2M in annual run-rate gross merchandise value. As of early Q2 2022, Mandu is serving approximately 800 active resellers and is near breakeven.





Investee Snapshot

Bringing empathy to buy-now-pay-later service

Buy-now-pay-later (BNPL) service has taken off around the world, from Indonesia to Sweden and Australia. Yet in Vietnam, the market is still relatively nascent, market penetration still modest, and those lenders that have achieved some scale often provide inadequate services.

Fintech professional [Truong-Anh “Olivia” Nguyen](#) founded [EasyGop](#) in 2021 because she believes there’s another way to provide buy-now-pay-later services. Her platform is marked by a flexible application (offline and online), fair and transparent terms, and collaborative debt servicing. She believed that by taking this approach, she could build a BNPL brand to last.

Eddie first met Olivia years earlier when she was studying at Adelphi University. After graduating, she held operations, product, and growth roles at companies including the international insurer AIG, Southeast Asia financial aggregator startup GoBear, and international auto ecosystem Auto Portal Global. Then, in 2021, after Olivia started EasyGop, AVV recruited her to join SHINE. Olivia was one of the best performers in this group, learning quickly and sprinting hard.

KEYS TO EARLY SUCCESS

Leadership centring inclusion and diversity: Both co-founders prioritise diverse and inclusive business practices that they believe should be the norm. AVV hires for industry experience and skills, not solely from the more typical consulting backgrounds; this lends the team more creative ways of seeing opportunities and ensures the team has more in common with, and thus better communication with, potential portfolio companies, including women founders. Hand in hand with this is the inclusion of women as leaders in the firm— women hold Partner and Head of Investments roles in AVV. Additionally, AVV brings the entire team into strategy conversations and decision making, from structuring work in cross-functional pods around firm priorities to inviting all staff to participate in the Investment Committee.

This centering is also seen in AVV's sustained focus on women co-founders in their external presence. Hau Ly (Ms.), AVV Partner and Head of Portfolio Success and the only Vietnamese woman named Forbes Asia 30 Under 30 in 2019, frequently appears in local media advocating for women in tech. Binh has previously served as a mentor for Women Innovate Mobile.

Prioritising talent: A focus on talent is one of AVV's corporate objectives and the firm facilitates this in multiple ways. First, the team organises ad hoc learning sessions around VC topics, case studies, and industries. Secondly, an annual team offsite is held around professional development (e.g., giving & receiving feedback effectively; celebrating behaviours that can promote AVV's values). Thirdly, AVV allocates annual budget for development at both the organisational and team levels. Finally, AVV offers generous leave policies (maternity leave of 2-4 months fully paid and a couple more months partially paid, and paternity leave) compared to market standards. The result of this is a long tenure for many AVV employees. A case in point is Hau Ly, who began her career as an Executive Assistant at 500 Startups Vietnam and worked her way up to today being a partner at AVV.

Partnership: IW being the first investor in the AVV Alpha fund has served as a stamp of approval and anchor for the fund's gender lens— AVV leverages this partnership in fundraising. Furthermore, partnership with IW has led AVV to be more explicit about its gender goals and strategies.

CHALLENGES & LEARNINGS

Fund positioning: AVV has found that the terms "impact investor" and "gender lens investor" have generated some negative reactions from certain potential private sector investors of its GLI fund. It has also found that communication around its women-focused programmes has confused some entrepreneurs ("Is AVV a women-focused/women-only fund?").

At the same time, the firm has found that it can achieve its fundraising goals without targeting only GLI-aligned investors. In fact, it does not have a sufficient pipeline of GLI-aligned investors to rely only on those for fundraising. Hence, AVV continues to limit its use of the terms "gender lens investor". Unfortunately, this has complicated finding peer investors.

Today, AVV is looking at branding itself as a 'gender-forward' and 'gender-aware' investor. It is creating a balance of communications that speak to its general aspirations and goals, with some messaging to specifically address women. In parallel, it is enhancing focus on women-led sourcing channels (e.g., proactively involving alumni and successful women founders in its outreach).

Investment process: Despite AVV's strong commitment to addressing gender, the team initially found itself lacking sufficient understanding of how to connect its investment process to the specific barriers women entrepreneurs face. There was also concern that the pre-screening of companies to select those that would be considered leads, done by a single investment manager, leaves room for unconscious bias to influence decisions and for misalignment in analysis between investment officers. AVV is exploring ways to address these challenges in the early stages of selection. It is also collecting data to identify attrition points— examining the gender breakdown at each stage of the investment process starting from lead generation to pinpoint areas for future attention.

Resource constraints: AVV often finds itself challenged to find the staff, time, and financial resources required to do the long-term pipeline building it envisions in the midst of its fast, agile way of working and its remit as a fund manager. Today, AVV is focusing on the SHINE programme and complementary workshops as well as being an ambassador for good practices and a gender-balanced approach. Moving forward, it is looking at how to make scalable the support it provides its portfolio companies.

ASPIRATIONS & FUTURE GLI OPPORTUNITIES

- **Deploying a new fund:** AVV is targeting investments in up to 30 portfolio companies by 2023, with strong representation by women founders. In addition, AVV seeks to move beyond the focus on women founders and, over time, to motivate and support investees to prioritise gender diversity at all levels, and to establish strong inclusion practices that help women employees to thrive.
- **Further proving the business case:** AVV will analyse data from their own portfolio to further prove the business case that investing in women and gender-diverse teams is at least as profitable as men-led teams.
- **Gender diversity and inclusion within AVV:** AVV is committed to bringing on a third woman GP in the next 1-3 years. More imminently, in response to feedback from its team, AVV plans to develop an HR manual and more to provide models on what work-life balance could look like if team members have children. This is important because, while AVV's co-founder Eddie is a parent, there are not yet women at the top modeling balancing work and parenting.
- **Advocating for investment in women's startups:** AVV is a market leader, and plans to continue using its voice and platform to publicly advocate for redressing biases and investing in women founders as a business opportunity.

"We want to have women-led unicorns."

- AVV staff





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IX.

CONCLUSION

AVV got started on its gender lens journey with a firm belief in, and commitment to, the value of focusing on women founders and gender-inclusive teams. Along the way, the firm has leveraged its key assets: an actively engaged and gender-aware senior leadership team, staff buy-in and experience from previous VC work, a personal awareness of the value of diversity in the team, and a growing body of internal gender data.

AVV is demonstrating that gender is a fundamental part of all investing, not just impact or gender lens investing. It offers an example for the industry on how to move forward as a finance-first and gender-aware investor.

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