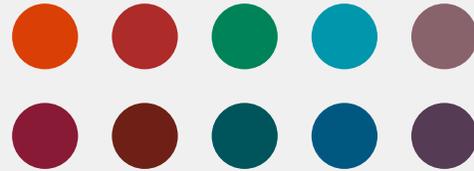


DIVERSITY PROJECT



Understanding diversity and inclusion in the investment management industry

JON TERRY

#buildingmomentum

Our review approach

3 main components

External assessment

Internal assessment

Sector benchmarking
(FS and non-FS)

4 diversity and inclusion areas

Strategy

Leadership

HR processes

Other diversity and
inclusion areas

Consistent maturity scale

Leading

Advanced

Defined

Simplistic

The analysis aims to provide a **snapshot** of the diversity and inclusion maturity. We have aggregated individual firm results to provide an **industry wide view**.

AUDIENCE QUESTION

Which aspect of diversity and inclusion do you think your organisation / the industry is strongest in?

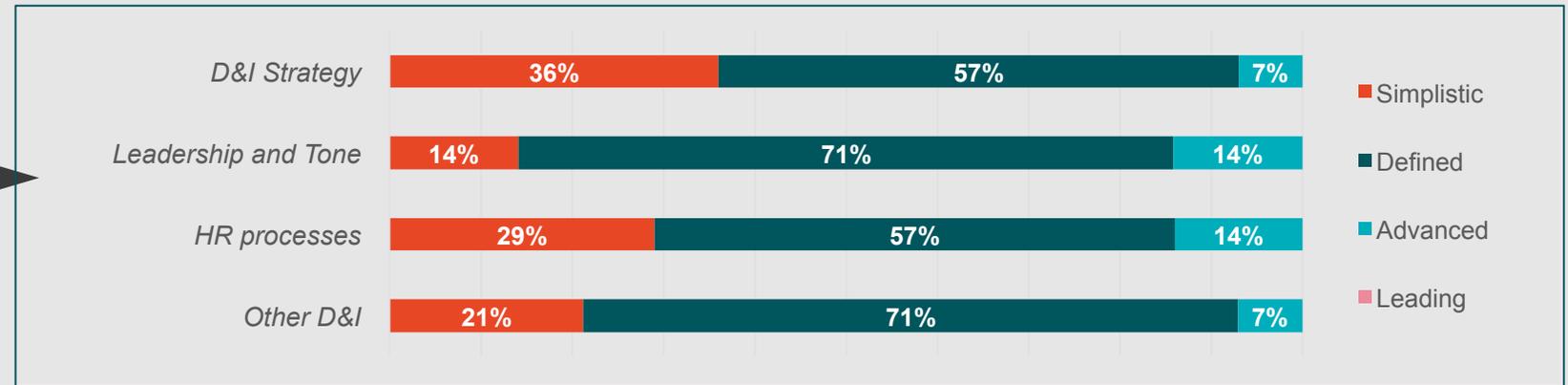
- 1) Strategy*
- 2) Leadership*
- 3) HR processes*
- 4) Other diversity and inclusion areas*

Key results

External assessment

46%

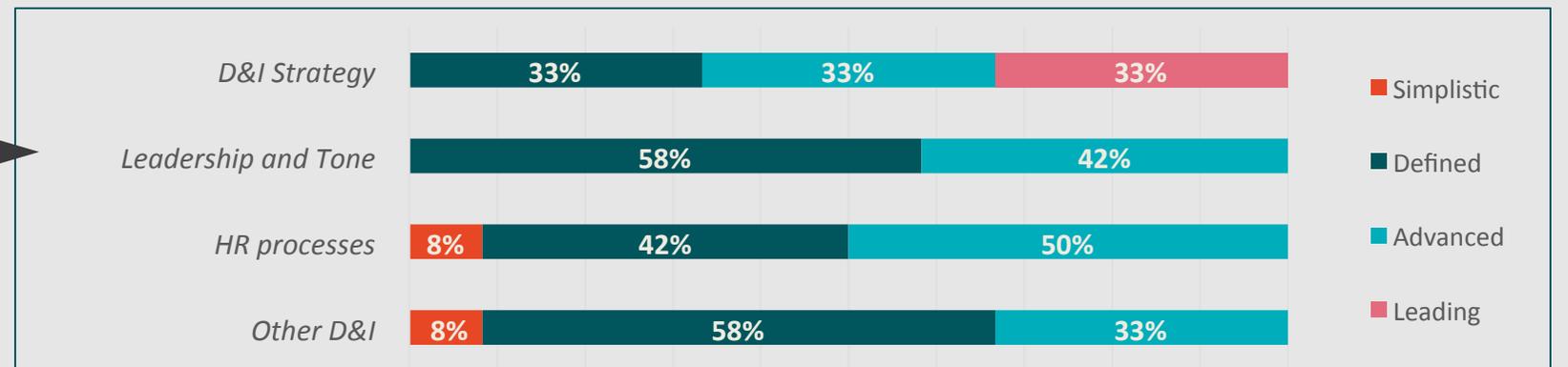
Distribution of firms



Internal assessment

63%

Distribution of firms



A strong reputation on diversity and inclusion reputation creates considerable opportunities

Attracting talent

Bringing you closer to your customers

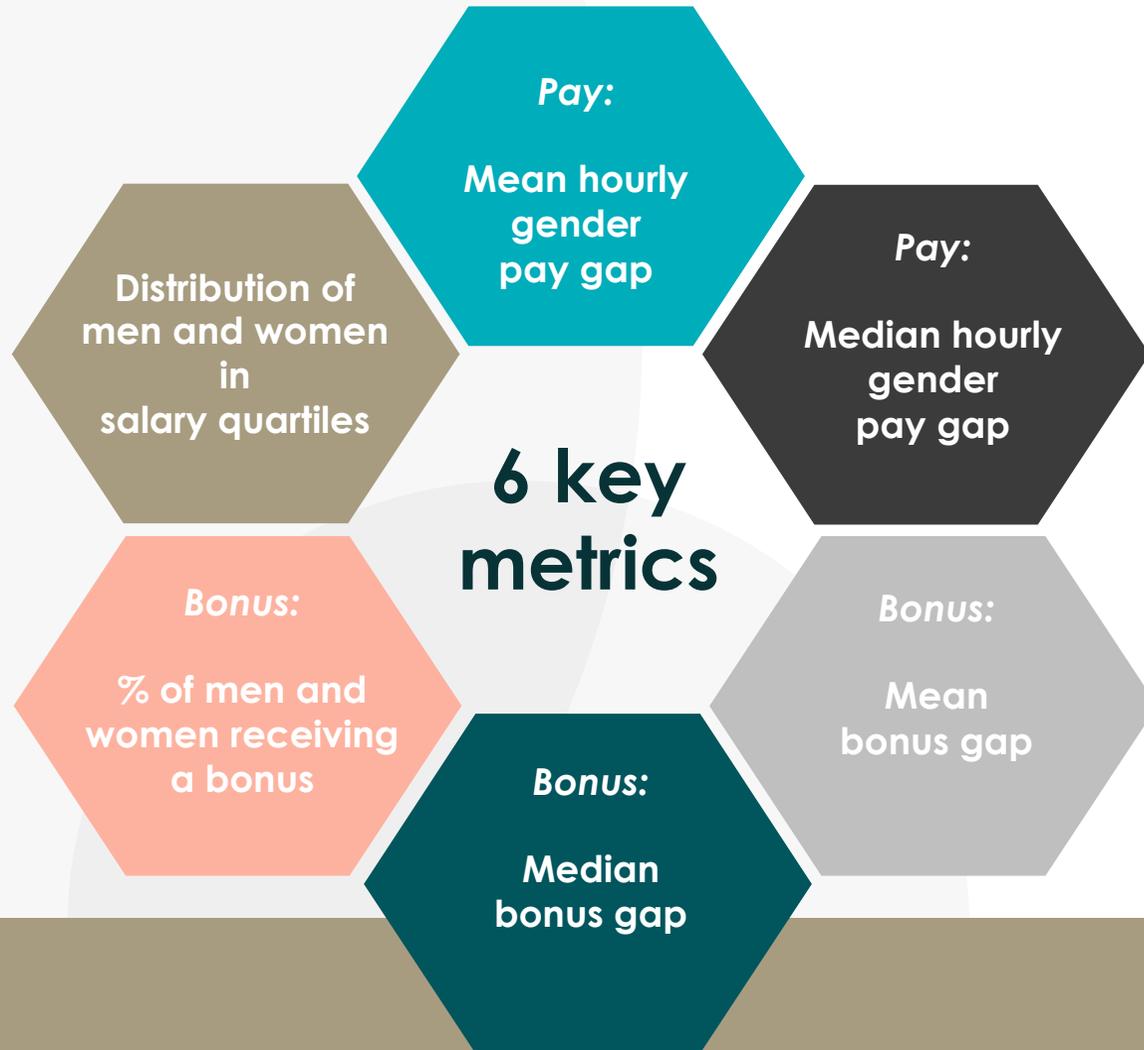
Gaining stronger investor support

Winning the trust of the communities and the public

Enhanced government and regulator support



Reputational risks are magnified by gender pay gap disclosure requirements



**Disclosure by
4 April 2018**

The gender pay gap in investment management is likely to be significant

All sectors

16%

**Financial
Services sector**

34%

**Investment
management**

?

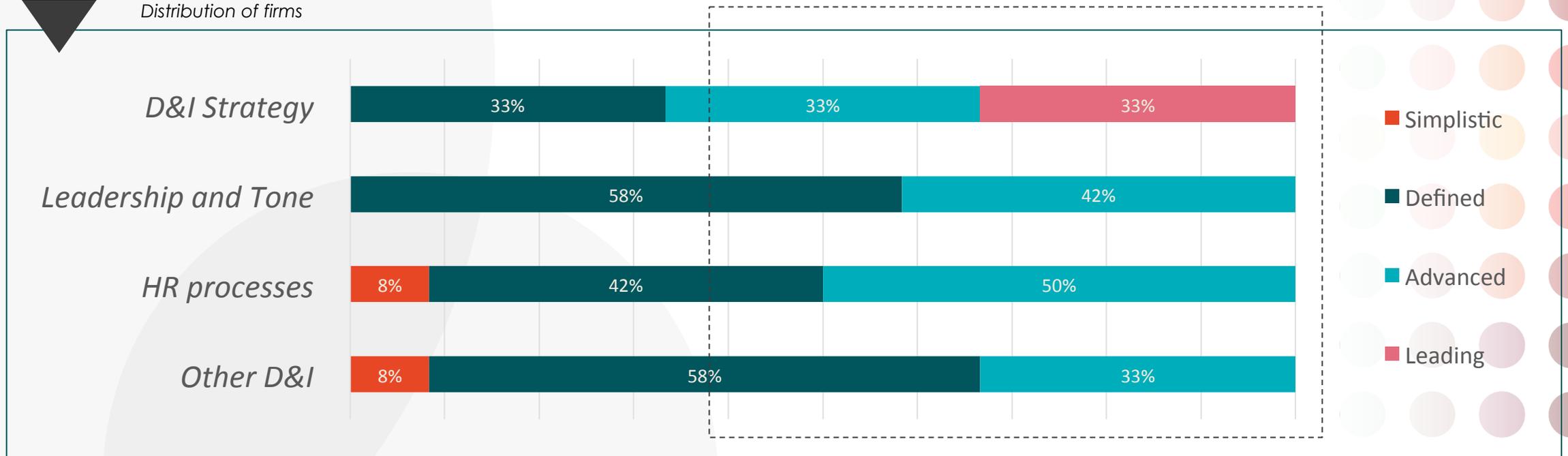
Sources used:

OECD: The Organisation for Economic Co-operation and Development. Figure represents the median hourly pay gap.
PwC research. Figures are based on median hourly pay.

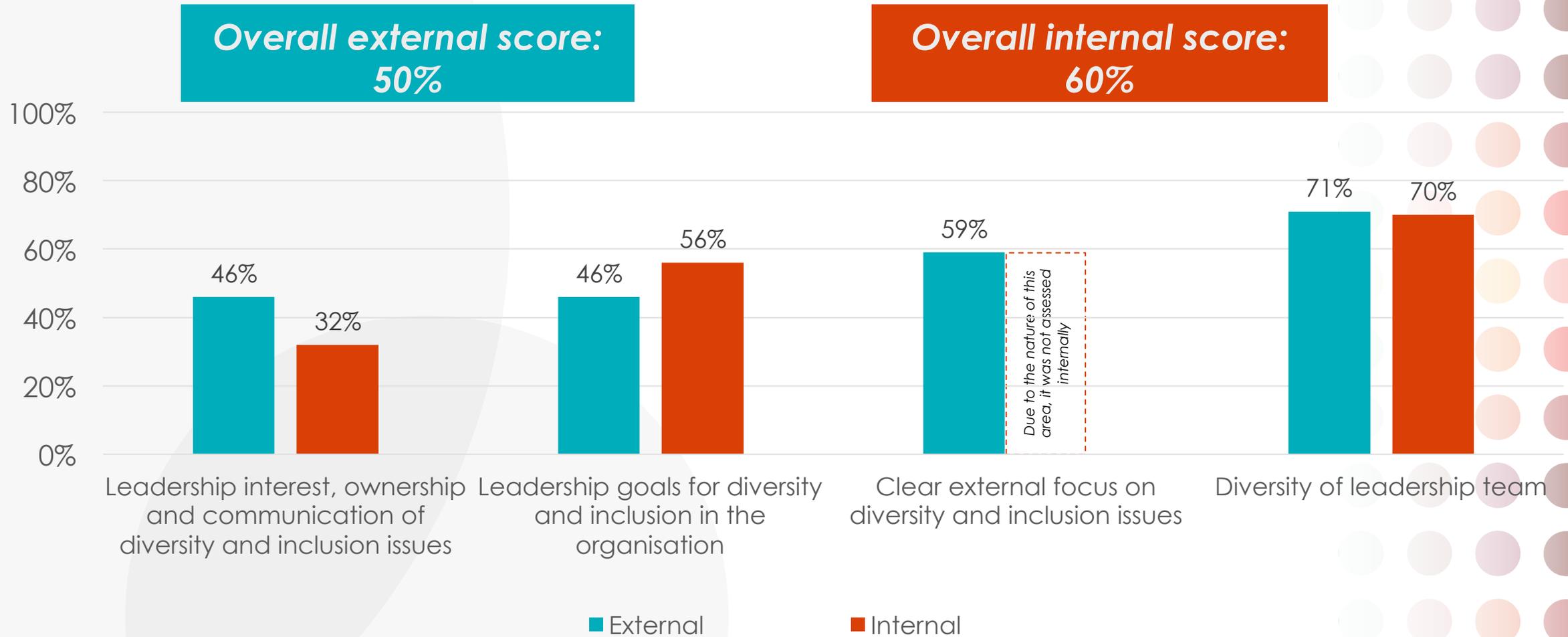
Further areas for action can be identified from the perceived internal maturity of the industry

63%

Distribution of firms



Moving the diversity dial must be led by leadership teams, and so progress here must be a focus



Building the industry's reputation on diversity and inclusion and gender pay reporting requirements are opportunities...

... for individual firms to focus on creating a clear approach and plan for their diversity and inclusion efforts and the industry to collectively be seen to prioritising the issues.

*... to create **momentum** and **leapfrog** other industries to be seen (and become) an industry with a leading commitment to diversity and inclusion.*