



MEDIA RELEASE

Thursday, 28 November 2024

RESULTS OF THE 2024 WOMEN IN INVESTMENT MANAGEMENT SURVEY

The Financial Services Council (FSC) has released the results of its 2024 Women in Investment Management Survey.

Conducted by Storniolo Consulting, the survey measures women participation in investment management teams in Australia. The survey shows women, on average, make up 27 per cent of the investment management teams.

The survey is consistent with the results for the past two years, which showed a result of 29 and 27 per cent representation respectively.

The FSC and our members recognise this survey demonstrates that achieving greater diversity remains a challenge for the funds management industry, however to develop a better understanding of this challenge we used the survey to explore the medium-term recruitment and pipeline issues and to provide case studies and tangible actions that the industry can implement.

CEO of the Financial Services Council, Blake Briggs said: “Growing women participation in investment management teams remains a focus for the industry. Funds are considering ways to make their teams more diverse, and this survey is design to assist them on this journey, but the industry acknowledges there is still a long way to go.

“The survey highlights the efforts a number of funds go to in order to increase diversity in their teams, including growing the pipeline of talent by investing in school and university education programs.”

Examples of this include a number of fund managers offering summer intern programs to attract more women to the industry and presenting at student university career days.

Other findings from the survey include:

- 94 per cent of organisations track gender diversity statistics in their investment management teams;
- 72 per cent of respondents have set formal diversity targets for their organisation (Up from 56 per cent in 2023); and
- 83 per cent of respondents have expectations, KPIs or linkages to remuneration in place for leaders and managers related to diversity and inclusion.

Storniolo Consulting Managing Director Cecilia Storniolo said: “The survey highlights there are investment managers who are leading the way for diversity, including gender diversity, and it’s not necessarily just the bigger, most well-resourced funds that are doing the most.

“Funds of all sizes have varying programs and metrics they are using to track diversity and this survey contributes to the literature, allowing funds to benchmark themselves against other Australian businesses.”

This is the fourth year the FSC has conducted the survey and it was completed by 18 members. The survey participants are both global and domestic fund managers representing a broad range of funds management businesses.

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Media Contact: Kylie Adoranti - 0423 715 955 - kadoranti@fsc.org.au

About the Financial Services Council

The FSC is a peak body which sets mandatory Standards and develops policy for more than 100 member companies in one of Australia’s largest industry sectors, financial services. Our Full Members represent Australia’s retail and wholesale funds management businesses, superannuation funds and financial advice licensees. Our Supporting Members represent the professional services firms such as ICT, consulting, accounting, legal, recruitment, actuarial and research houses. The financial services industry is responsible for investing more than \$3 trillion on behalf of over 15.6 million Australians. The pool of funds under management is larger than Australia’s GDP and the capitalisation of the Australian Securities Exchange and is one of the largest pools of managed funds in the world.

FSC 2024 DIVERSITY SURVEY

The Financial Services Council (FSC) 2024 Diversity Survey has found 100% of survey respondents from domestic and global fund managers reported having a focus on improving gender diversity in their organisation and 100% track gender diversity statistics in their organisation (up from 94% in 2023). 94% track gender diversity in their investment management teams (up from 88% in 2023). 78% of respondent also reported tracking diversity statistics other than gender.

83%

OF RESPONDENTS HAVE EXPECTATIONS, KPI'S OR LINKAGES TO REMUNERATION IN PLACE FOR LEADERS AND MANAGERS RELATED TO DIVERSITY AND INCLUSION.

94%

OF ORGANISATIONS TRACK GENDER DIVERSITY STATISTICS IN THEIR INVESTMENT MANAGEMENT TEAMS



THE PROPORTION OF WOMEN IN CIO INVESTMENT MANAGEMENT ROLES SLIPPED IN 2024 COMPARED TO 2023 (DOWN FROM 11%) BUT ROSE IN PORTFOLIO MGT AND ANALYST ROLES (18% AND 41% RESPECTIVELY).

2%

CHIEF INVESTMENT OFFICERS

23%

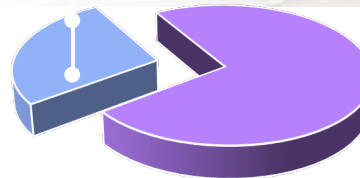
PORTFOLIO MANAGERS

75%

PORTFOLIO ANALYSTS

PROGRESS

27%



WOMEN ON AVERAGE MAKE UP 27% OF THE INVESTMENT MANAGEMENT TEAM IN THE 2024 RESPONDENT COHORT, WHICH IS 2% LOWER THAN 2023. THIS IS THE SAME RESULT ACHIEVED IN 2022 AND IS TWO PERCENT HIGHER THAN 2021.

72%

OF RESPONDENTS HAVE SET FORMAL DIVERSITY TARGETS FOR THEIR ORGANISATION (UP FROM 56% IN 2023).

OF THOSE WHO HAVE SET A FORMAL TARGET FOR THEIR INVESTMENT MANAGEMENT TEAM, 39% ARE NEAR/MADE STRONG PROGRESS OR HAVE MET THEIR TARGET.

39%

44%

WHILST INVESTMENT MANAGEMENT IS A PREDOMINANTLY MALE DOMINATED INDUSTRY IN AUSTRALIA, RESPONDENTS REPORT ON AVERAGE 44% OF THEIR TOTAL ORGANISATION ARE WOMEN IN 2024, UP FROM 36% IN 2023.

WOMEN IN INVESTMENT MANAGEMENT CHARTER

44%

OF RESPONDENTS INTEND TO IMPLEMENT THE FSC WOMEN IN INVESTMENT MANAGEMENT CHARTER.

39%

OF RESPONDENTS HAVE USED THE FSC'S GUIDANCE NOTE 38.



WHAT BARRIERS EXIST TO ACHIEVING A GENDER DIVERSE INVESTMENT TEAM

01

LOW TURNOVER OF THE TEAM AND THEREFORE LOW OPPORTUNITY TO DRIVE CHANGE

02

SMALL FEMALE CANDIDATE POOL IS STILL A CHALLENGE PARTICULARLY AT THE SENIOR/EXPERIENCED LEVEL

03

LOW REPRESENTATION/SPONSOR & WOMEN MENTORS TO ATTRACT, SUPPORT AND ADVOCATE FOR GENDER BALANCE

WHAT CHANGES HAVE ORGANISATIONS MADE TO IMPROVE GENDER DIVERSITY IN INVESTMENT MANAGEMENT TEAMS

01

ENHANCED RECRUITMENT PRACTICES INCLUDING HAVING DIVERSE REPRESENTATION ACROSS INTERVIEW PANELS, COMPETENCY BASED TRAINING OF RECRUITERS AND HIRING MANAGERS

02

ACTIVELY ENGAGING IN A BROAD RANGE OF PROGRAMS WITH SCHOOLS AND UNIVERSITIES TO BUILD AWARENESS OF THE SECTOR, ENHANCE PARTICIPATION AND DEVELOP FUTURE PIPELINE

03

ENHANCED TALENT MANAGEMENT PROGRAMS TO BETTER ATTRACT, RECRUIT, SUPPORT AND PROMOTE TALENT. EXAMPLES INCLUDE ENHANCED INTERNAL POLICIES TO DRIVE AND PROMOTE DEI, REMUNERATION REVIEWS AND OFFERING COACHING PROGRAMS.

DIVERSITY IN YOUR INVESTMENT TEAM

33% of respondents provided information regarding the breadth of activities they are actively engaged in to develop talent pipeline particularly at the graduate level. Following is an example of the types of activities investment managers are engaged in with schools and universities currently.

Global example of talent pipeline development

Global respondents appeared to have a more structured and consistent approach to engagement and pipeline development through universities at an undergraduate and post graduate level. For example, one investment manager offers a long-tenured MBA and undergraduate internship program targeting MBA programs at leading business schools and undergraduate schools.

The summer MBA and undergraduate intern program allows the investment manager to assess the interns' capabilities to succeed as full-time analyst (MBA) or research associate (undergraduate). This program provides the investment manager ample opportunity to evaluate the candidate over a longer time frame. Typically, the investment manager hires several summer interns as full-time analysts (MBA) or research associates upon graduation. Additionally, the Research Associate Program they offer, is designed to allow associates to become fully immersed in the investment management world of stock picking. The investment research associates work with the fundamental equity/fixed income research teams and gather information on companies to augment the coverage of the analysts. The Research Associate Program is designed to be a two – four-year program, where top performers may have an opportunity to become a senior research associate and track to research analyst position with the investment manager.

The investment manager also has a pre-MBA program in which they bring individuals in for a month before they go to business school, exposing them to the investment managers business, immerse them in who we are and pair them with a mentor. If they are successful in this program, the fund manager offers them an MBA internship between their first and second year of school and if successful there, offer them a full-time job.

The investment manager says **“Our investment in this program that targets candidates early in their career has allowed us to attract diverse top talent”**.

DIVERSITY IN YOUR INVESTMENT TEAM

Following is a list of the type of activities both global and domestic investment managers are actively engaged in at the university undergraduate and school phase:

Undergraduate awareness and pipeline development

- One investment manager has built and sponsors a Fixed Income Showcase competition with the University of NSW (separate to the Equities competition). The student teams of four must have at least one female and they must make decisions on whether a company should invest in the debt (fixed income securities) of a company. The investment manager provides input into the prizes and act as a judge for the competition. They also present to students at the university career days to raise awareness of investment management and participate in the FINSOC (the UNSW Finance Society) female mentoring program (have done so since inception). In 2024, this investment manager has introduced a graduate role in the investment management team.
- A number of respondents participate in investment competitions through the Future IM/Pact National Investment Competition. Participation includes time mentoring and judging the competition and some award internships to winning team members.
- A number of fund managers also offer summer intern program to attract more females into investment management. One spoke to the marked and positive impact the interns have on the discussions and meetings held with the investment management team. At least two managers spoke to having offered the interns a role in the investment management team post completion of their degree.

School Programs

Both global and domestic investment managers said they are increasing engaging with the community to develop future potential candidates by building awareness of a potential career in investment management at the high school phase. For example:

- Two investment managers said they are engaged in building awareness of the sector at “Girl’s Days” or simply engaging with schools at speaking opportunities.
- One investment manager has offered a senior high school female (winner of an investment competition) an internship over two years to work with various teams within their business.
- One investment manager spoke to their sponsorship with the Harding Miller Education Foundation (a female high school charity) and run expo days to build awareness of investment management as a career.

DIVERSITY IN YOUR INVESTMENT TEAM

How effective is this level of pipeline activity? Its early years and there are mixed results. For example:

- A few have been able to offer graduates a role in the investment management team.
- A number of respondents said that a challenge being faced by many in the sector (prohibiting bringing on more female graduates on full time post university) is that team turnover is quite low consequently presenting fewer opportunities to bring on diverse talent.
- Where an investment management team is small, there is limited chance to change the gender balance when there is high tenure and or without impacting tenure numbers, and also because stable or high tenure numbers is something rating/research houses heavily scrutinised and which may impact an investment managers rating.
- Pleasingly the Future IM/Pact National Investment Competition is having positive impact. An investment manager shared the following Future Impact competition participant numbers over the last three years which highlighted that female participation was increasing (albeit perhaps off a slow/low base): Competition participation numbers were 442 in 2024, ~342 in 2023 and 223 in 2022) - females must at least make up 50% of the team for a team to compete.

This infographic and case study provides a summary of Storniolo Consulting's key findings during the course of undertaking the Financial Services Council's Gender Survey – Women in Investment Management 2024, under the terms of the engagement letter dated 24 June 2024. Storniolo Consulting is a trading name of C.A.S Investment Holdings Pty Limited ABN 80 669 009 554. The contents of this infographics and the case study, are an extract from our final report dated November 2024. As a consequence, this infographics and case study must be read in conjunction with our conclusive findings contained in our final presentation report.

These infographics and case study have been prepared at the request of Financial Services Council. Other than our responsibilities to the Financial Services Council, Storniolo Consulting nor any other of it's related entities, undertakes responsibilities arising in any way from reliance placed by a third party on these infographics and case study. Any reliance placed is that party's sole responsibilities.