



2018 Gender Pay Gap Report

In order for us to grow and evolve as one of the largest IFA's in the UK we must continue to build a diverse and inclusive organisation, where everyone has an equal opportunity to thrive regardless of their background, race, ethnicity or gender.

It is pleasing to report that 26% of our Senior Leadership roles were undertaken by females in the 2018 reporting period. However, we continue to have too few women employed as Financial Advisers. Whilst attracting females to this role has been a challenge for many across the industry, in our organisation it is a role that has the highest earnings potential and therefore we are keen to explore this further.

We appreciate that the reasons for this are complex and wide-ranging, and to help us to address this I am delighted that we are setting up a 'Women in Finance' initiative to help us to get a better understanding of the barriers faced by females in our industry and to also encourage meaningful dialogue with colleagues on this particular subject.

We are vehemently committed to supporting equality through fair pay. We are confident that men and women are paid equally for the same job across Chase de Vere, although the greater proportion of men relative to women in our upper quartile pay bands continues to create a gender pay gap.

A handwritten signature in black ink, appearing to read 'Stephen Kavanagh', written in a cursive style.

Stephen Kavanagh
Chief Executive

What is the Gender Pay Gap?

The gender pay gap measures the difference in the hourly pay of all men and women in an organisation, and it is expressed as a percentage of the male employees' hourly pay.

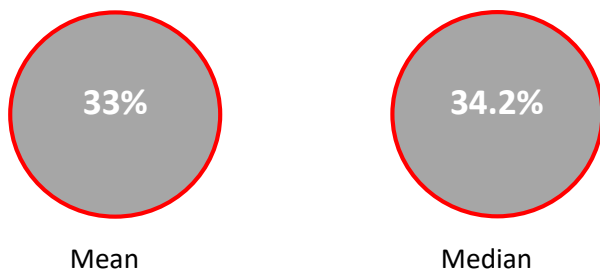
The reporting is a UK specific requirement and although it compares all employees, it does not take into account differences in the role performed, individual expertise, experience, or other factors which legitimately impact the way in which different employees are paid.

The gender pay gap is not the same as equal pay; which is where one gender is paid less than the other for the same work.

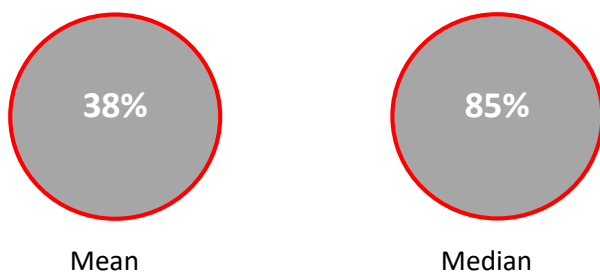
The **mean pay gap** is the average hourly earnings of men and women. The **median pay gap** involves listing all the salaries in order, from lowest to highest, and picking the salary in the middle.

2018 Results

*Pay Gap



*Bonus Gap



**The figures provided are based on rates of pay as at 5 April 2018 and bonuses paid in the year to March 2018.*

Our reported pay gap is driven by a combination of the structure of our workforce and our strategic approach to expanding and growing the business.

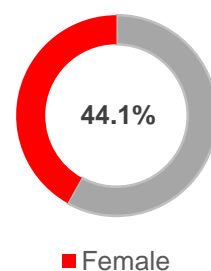
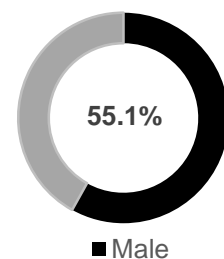
- We have fewer women in roles that have the highest earnings potential. **38.5%** of the overall workforce are females, however **12.4%** are employed in the upper quartile pay band where roles that have the highest earnings potential tend to sit.
- There is a gender imbalance in our lower quartile pay banding, where **62%** of colleagues in this quartile are female. The under representation of male employees at this level is also where the pay rates are lower. Both factors impact our pay gap.
- Our strategic aim is to grow the business through acquisition. Our due diligence in this area has consistently resulted in discussions with established financial advisory companies that have significantly higher number of males in more senior and associated higher paid roles compared to females. Our findings have shown that there is a gender imbalance across a number of small to medium sized IFA's across the industry.

In terms of our bonus gap, this has remained relatively static year on year. This continues to be impacted by the fact that twice as many males received a bonus compared to females, which is predominantly due to there being significantly more male than female Financial Advisers.

Proportion of employees awarded a bonus payment

Our bonus pay structures ensure that employees that are eligible to be awarded a bonus payment, as an intrinsic part of their role, are able to determine their bonus potential based purely on their personal performance.

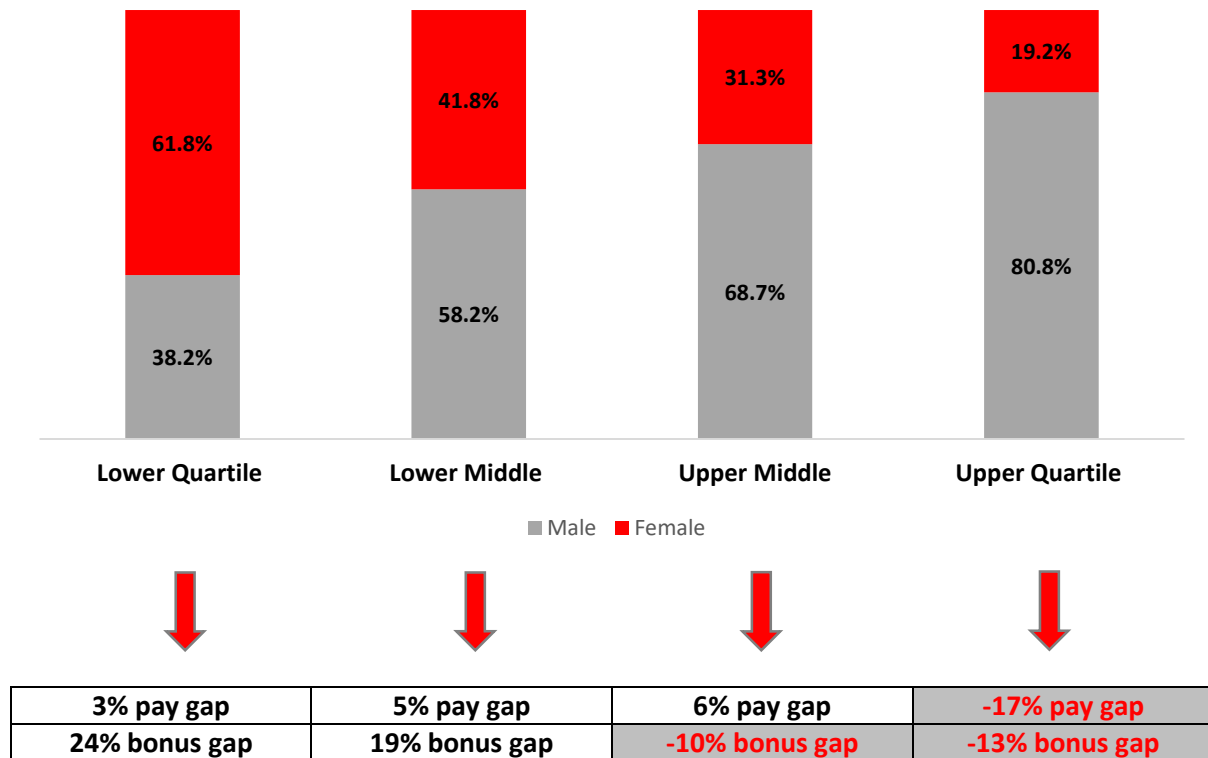
- Our meritocratic approach ensures that gender plays no part in an employees' ability to be awarded a bonus.
- In the 2018 reporting period, we are pleased to report that the proportion of female employees awarded a bonus increased by 4.3%, whilst the proportion of males receiving a bonus fell by 0.1%. Whilst we are pleased with this shift we would like to see further positive movements in this area.



Gender Representation: Pay and Bonus Gap by Quartile

The charts below show the proportion of males and females in each pay quartile (when we order the hourly rate of pay from highest to lowest and group them into four equal quartiles), along with the pay and bonus gaps broken down by quartile.

Each quartile comprises of 115 colleagues in total.



When looking at gender representation by quartile we have a greater proportion of men relative to women in our upper quartile bands, and the reverse in our lower quartile bands. This is a common gender pattern across the financial services sector.

To help us understand our pay gaps when looking at comparable employees who have similar levels of responsibility and earnings potential, as opposed to simply comparing all employees across the organisation, we have broken down our mean pay and bonus gaps across each quartile.

This helps provide a clearer picture and by doing so we can see that both the pay and bonus gaps are significantly lower than the headline figures when broken down by quartile.

- We continue to have a negative pay gap of **-17%** in our upper quartile band (which means that female colleagues are paid more than male colleagues as an average in this quartile).
- We have seen significant positive movements in the bonus gap in both the upper middle (13% swing) and upper quartile ranges (4% swing), which now stand at **-10%** and **-13%** respectively.
- The gaps in the lower quartiles are also significantly lower than the overall figures; whilst pleasing we appreciate that more needs to be done to address this.

Why we have a gender pay gap?

Our reported pay gap is driven by a combination of the structure of our workforce and our strategic approach to expanding and growing the business.

- Having fewer women in roles that have the highest earnings potential (which in our organisation is overwhelmingly the Financial Adviser role), coupled with a gender imbalance in our lower quartile pay banding are 2 key reasons for our pay gap.
- When Chase de Vere completed the acquisition of Medical Money Management in October 2017, we gained 28 Partners and Financial Advisers who were in more senior and associated higher paid roles, yet only 2 of these were females. At the same time we also gained 24 employees who were in roles with lower rates of pay, with 17 of these roles were undertaken by females.

Both these factors have directly impacted our overall pay and bonus gaps and it provides an insight into the gender imbalance that exists across a significant number of organisations within the financial advice sector.

It is also pertinent to outline that during the reporting period we have had limited opportunities for both senior positions and Financial Advisers across the organisation, predominantly due to our strategy to grow through acquisition.

How are we looking to address the pay gap?

1. We are exploring how we can increase the proportion of females in roles that have the highest earnings potential through our approach to recruitment, promotion and managing attrition.
 - Recruitment can be difficult as we know there is a lack of female Financial Advisers because the industry has not attracted enough women over the years. This is also the case for women at senior levels, although 26% of our Senior Leadership roles were undertaken by females in the 2018 reporting period. We all recognise that the pace of change in our particular sector has been slow and therefore this will take time to address the balance.
 - To support promotion we are looking at our internal pipeline by developing women at all levels and ensuring that our talented females are given opportunities to drive and accelerate their careers through the organisation.
 - With regards attrition we must ensure that this is balanced between males and females, whilst looking to continue to better understand what causes women to leave.
2. We are also setting up of a 'Women in Finance' initiative. The primary purpose of this is to look at how we:

- engage with our female advisers in order to understand how we can attract and encourage more women to join the business and to implement the appropriate initiatives to support this; and
 - understand how we can enrich the progress of the careers of the female advisers within the business and to promote and better facilitate movement into the adviser role from other functions across the business.
3. In addition, we will continue to take action to address any gaps and to make sure our policies and procedures are fair and family friendly. This includes continuing to evaluate the effectiveness of our HR practices so that we do not disadvantage any colleagues in how we attract, select and develop our people.

The information contained in this report is accurate and aligned with requirements of the Regulations. We will continue to report on the gender pay gap in line with the requirements as outlined in the legislation and accompanying guidance.