



Closing the Gender Gap in Advice:

Insights to effect change

Focused on the future of your business

Corporate Responsibility

The world has changed dramatically since State Street's founding in 1792, but one constant over the past 225 years is our commitment to conduct our business in a responsible manner and do what is right for our shareholders, clients, employees and the communities in which we operate.

Asset Stewardship

Change is possible when we stand fearless.

Practice Management

The cornerstone of our business is helping advisers succeed. That's why we've created a comprehensive practice management program, leveraging proprietary research, that addresses the range of skills advisers need to build loyal, long-lasting client relationships.

Diversity and Inclusion are More Than Just Buzzwords

We have operated **from two fundamental beliefs** to achieve balanced gender representation:

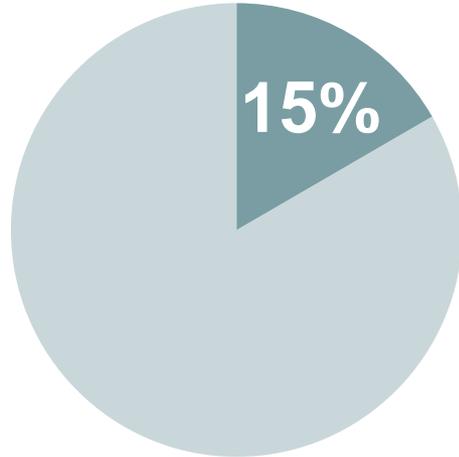
- 1. View both genders as identical on the inside**
- 2. Treat everyone the same**

However, sizing up each gender with a check list doesn't result in gender balance; and treating everyone the same may help eradicate bias, but doesn't result in gender equality.

What if the solution isn't eliminating the difference between men and women, but instead learning how to recognize, value, and leverage those differences?

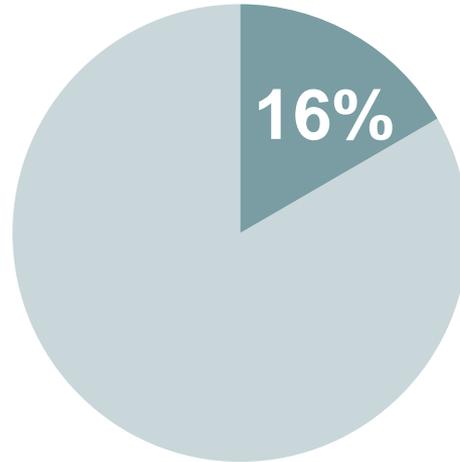
Diversity and Inclusion are More Than Just Buzzwords

FEMALE PORTFOLIO MANAGERS



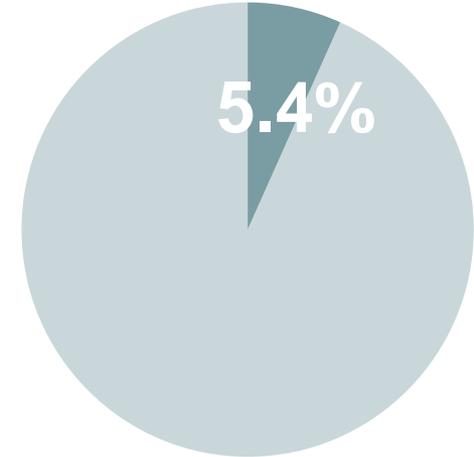
#WhereAretheWomen
– For all open end retail funds listed in the Morningstar database, *only 15% are portfolio managers are women*¹

FEMALE LEADERSHIP @ EXECUTIVE LEVEL



Although some progress has been made, *only 16% of Executive Committee members are women*²

FEMALE CEOS @ S&P 500 COMPANIES



While women make up 45% of the workforce for S&P 500 Index companies, representation at the top is much too low – *only 5.4% of CEOs are women*³

¹ Women in Portfolio Management, Oliver Wyman, 2016, Morningstar database: Funds were excluded from the analysis when they failed to meet criteria for inclusion, such as disclosing the managers' names

² Women in Financial Services, Oliver Wyman, 2016, 16% of ExCo members are women, up from 14 percent in 2013, report sample = 381 firms across 32 countries

³ Catalyst. Pyramid: Women in S&P 500 Companies. New York: Catalyst, as of 2/21/2017

Taking Stock: In the Company of Women

Current State

91%

ASX 300 companies
have a female director¹.

Opportunity

36.4%

Average increase
in return on equity for
companies with strong
female leadership².

\$28T

Increase in global GDP
if women participate
in the economy
Identically to men³.

¹ ISS Analytics as of December 2017.

² MSCI 2015

³ McKinsey Global Institute 2017

Correcting the Gender Imbalance is Critical:

Without it, the industry is denied access to the full pool of available talent

Decision-making is enhanced when a full range of views and experiences are included

While not all female clients prefer a female adviser, the scarcity of female advisers is a significant stumbling block to those women – and men – who do

The looming shortage of advisers and the changing face of the industry's potential clients demand that the industry expand its pool of advisers and potential leaders to meet changing client needs



Recognizing the Gender Imbalance

STUMBLING BLOCKS

1. Stalled professional progress
2. Work-life balance
3. Real and perceived lack of opportunities
4. Few female role models
5. Not acknowledging the issue

Seeing is Believing

The industry's views on diversity may stem from the scarcity of women in the ranks of its leadership

- ❑ Very few firm leaders are women – only 16% of advisory partners. This discrepancy is crucial – envisioning oneself in a higher position requires someone with whom you identify having attained that position (role model theory)¹
- ❑ Women are 2x as likely as men to believe that the lack of women in leadership roles plays a part in gender inequality (43% vs. 21%)¹

Not acknowledging the issue

- ❑ Perception divide is real on how important gender diversity is to the firm (62% of women vs 43% of men) and the success overall of the industry (68% vs 45%)¹
- ❑ 2 out of 3 men in the advice industry noted that they believe the playing field is level, while just half of women indicated the same¹

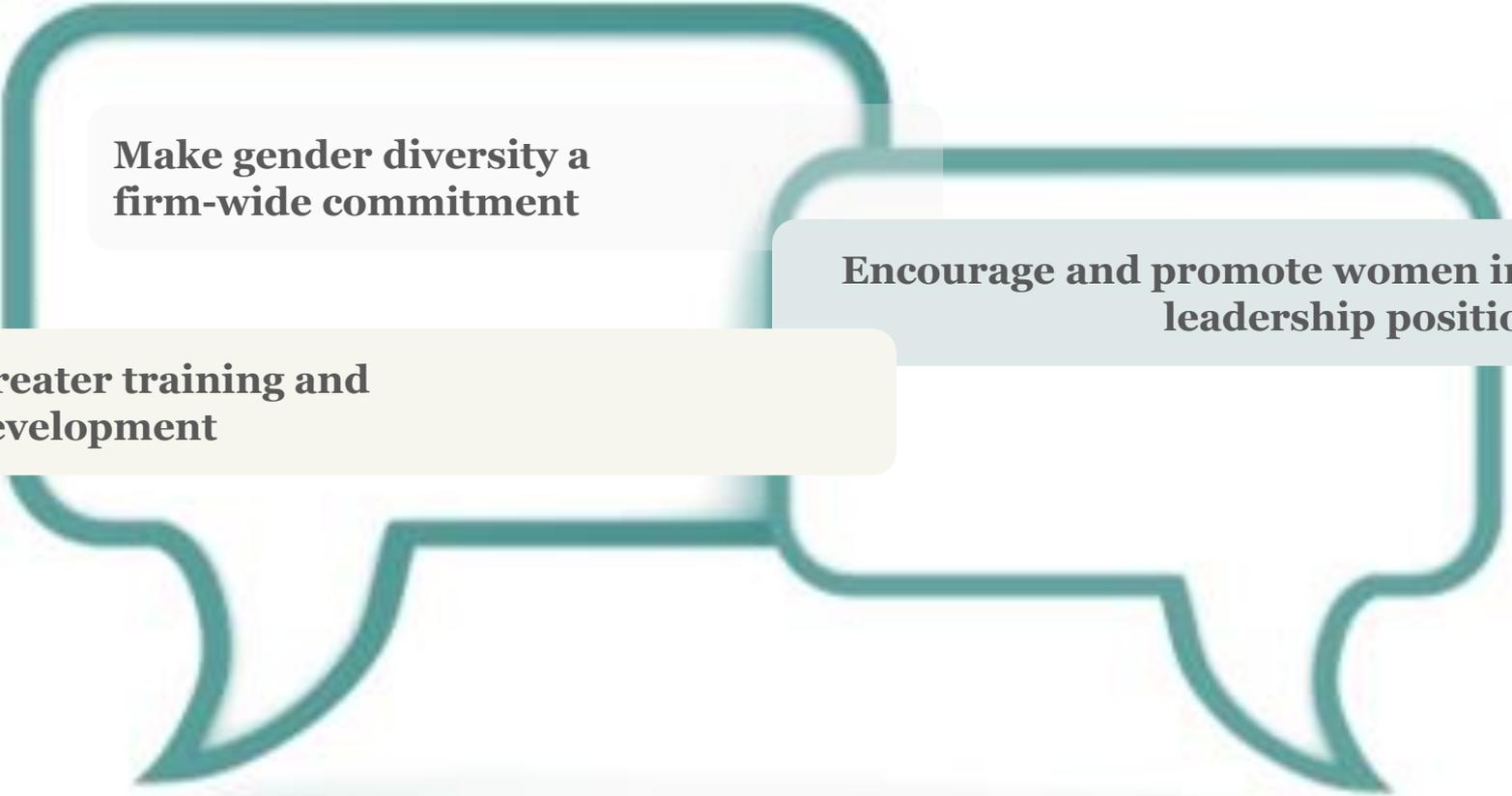
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Diversity is arguably less a value than a simple fact of life – We are diverse by nature.

The focus has moved to inclusion – revealing and increasing the diversity in the ranks. And the ultimate goal must be belonging²

¹ InvestmentNews Research, “InvestmentNews 2017 Adviser Compensation and Staffing Study”, September 2017.

² State Street Global Advisors and InvestmentNews Study, “Women in Advice: Inspiring the Next Generation of Financial Advisers”, 2017.



Make gender diversity a firm-wide commitment

Greater training and development

Encourage and promote women into leadership positions

Where do we go from here?

TAKING OWNERSHIP OF YOUR CAREER AND LEADING OTHERS

1. Set and communicate clear goals
2. Create and open feedback loop
3. Think about your accomplishments differently
4. Raise your hand
5. Get in the conversation
6. Make time to network



Three Action Items you – and WE as an Industry – Can Put to Work Immediately

1. Be fearless and go beyond talk
2. Pay it Forward and advocate for each other
3. Fail up



We have to be able to highlight women in the profession so that women generally, and young girls especially, know that this something that we can do – and do well.¹

1 State Street Global Advisors and *InvestmentNews* Study, “Women in Advice: Inspiring the Next Generation of Financial Advisers”, 2017.

What do Women Say About Their Overall Experience with the Investment Industry?

59% of self-guided female investors say they **don't see the value in an adviser**

"I don't need my adviser to tell me how smart he is. I need him to give me confidence in my own abilities"

61% of women **feel misunderstood** by our industry

"I want to be confident in my decisions, because it's my money. I've worked hard for it."

"I spend time reading the information provided and I get my questions lined up: Why this investment as opposed to something else?"

62% of women **leave their adviser** upon the death of their spouse

Source: State Street Global Advisors, "Assessing the Landscape: Female Investors and Financial Advice," 2015

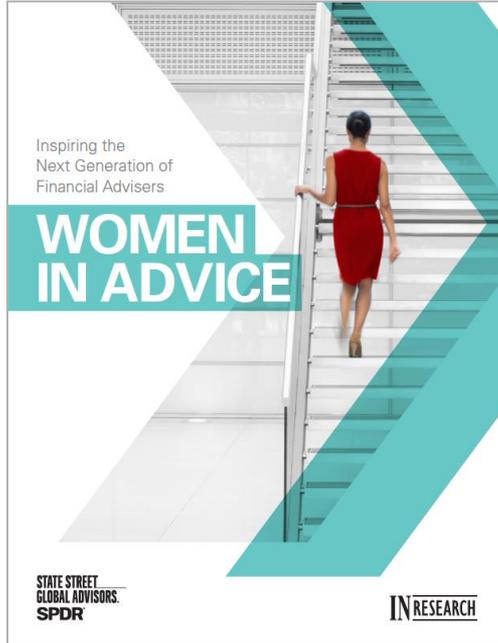
A Business Imperative: Going from well-meaning to well-doing

Correcting the gender imbalance isn't just about the industry's future success

– **it's about achieving better outcomes for our clients**

1. Disrupt the status quo to bring forward greater gender intelligence in how we approach the client experience
2. Decision-making is enhanced when you have diversity of thought at the table – In fact, bringing forward a balance of EQ + IQ might actually be the decisive edge we need to drive the change

Support is Intrinsic to Success



- **Be fearless**
- **Pay it forward**
- **Fail up**

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and your clients' portfolios

www.spdrs.com.au

Appendix A: Resources & Research Methodologies

Assessing the Landscape: Female Investors and Financial Advisors

2015

Online Survey

- Fielded among a nationally representative sample of 250 advisors and 1,000 investors
- All of the financial advisors had at least \$20M in accounts under management and represent a variety of institutions and dealer types
- All of the investors were female, between the ages of 25 and 84 and had a household investment portfolio of at least \$200,000 (\$150,000 for those aged 25–34)
- All worked full-time, part-time or were retired and at least shared in the financial/investment decision making for their household

Expert Interviews

- To further contextualize our learning, we also conducted in-depth interviews with a range of leading industry, business and economic experts to help inform our key findings and practice techniques. They included:
 - Phone interviews with 16 industry experts
 - In-home interviews with female investors with a household portfolio of at least \$100,000

State Street Global Advisors' Women and Investing Toluna Omnibus Survey

- A total of 946 adults, 516 males and 430 females responsible for investment decision-making of a portfolio of any size, completed the State Street Global Advisors' Women and Investing Toluna Omnibus. It was fielded online April 2–6, 2015. The sample is representative of the US adult population aged 18+

Women in Advice: Inspiring the Next Generation of Financial Advisers 2017

Online Survey

- In August 2017, we fielded an online survey, distributed to InvestmentNews' audience of financial advisers. The sample, which is representative across different advisory channels, received 612 responses in total — 208 from females and 404 from males
- The survey collected data on participants' demographics, current position in the industry and work history. In addition, the survey explored barriers to success, views on workplace and industry culture, and the role gender diversity plays at the firm and industry level
- The data collected from this survey were segmented and analyzed to extract insights and actionable intelligence. The results are accurate at the 95% confidence level, with a margin of error of +/-4%

Expert Interviews

- To further contextualize our learning, qualitative interviews were held with 18 financial advisers, financial planning students and a range of leading subject matter experts both within and outside of the wealth management industry to help inform our key findings and workplace recommendations
 - Interviews were led by contributing research partner, a2b planning in conjunction with InvestmentNews Research and the Practice Management Group at State Street Global Advisors between June and October of 2017. Comments and observations of these experts are included throughout the report

InvestmentNews Adviser Compensation & Staffing Study

- were used to provide detailed personnel information on independent advisory firm positions. The 2017 Study was conducted between April and June of 2017, and comprised of data — including gender — from 353 firms and 4,382 individuals across 30 positions

Appendix B: Important Disclosures

Important Disclosure

Issued by State Street Global Advisors, Australia Services Limited (AFSL Number 274900, ABN 16 108 671 441) ("SSGA, ASL").
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