

2018 GENDER PAY GAP REPORT

The UK Government Equalities Office has introduced legislation which, as of 4 April 2018, requires employers with 250 or more UK employees to publish certain information in respect of their gender pay gap.

Newton Investment Management welcomes initiatives that encourage greater diversity in the workplace.

THE GENDER PAY GAP IS A MEASURE OF THE DIFFERENCE BETWEEN THE AVERAGE (OR MEDIAN) EARNINGS OF MEN AND WOMEN.

GENDER PAY VERSUS EQUAL PAY

It is important to recognise that measuring a gender pay gap is not the same as measuring equal pay. Equal pay means men and women being paid the same for the same/similar work, and Newton conducts regular and consistent reviews of pay levels across all comparable roles in the business to ensure that men and women with similar levels of experience and skill are paid equally for doing equivalent jobs.

Newton's gender pay and bonus gap at April 2018

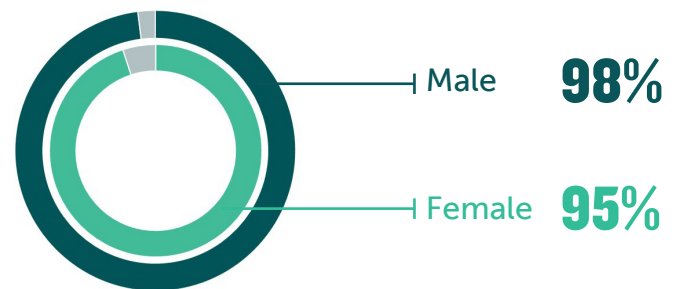
	Mean		Median	
	2018	2017	2018	2017
Base salary pay gap	22%	18%	34%	20%
Bonus pay	43%	48%	59%	57%

Difference in mean and median pay and bonus between male and female employees

Our gender pay gap reflects an overall gender split of 67% men to 33% women. These figures are influenced by the greater number of men than women in senior higher-paid roles, the fact that several senior female staff spent part of 2018 on maternity leave, and the fact that a small number of senior women left the firm last year. Given the comparatively small size of our workforce, marginal changes can have a relatively marked impact on our near-term gender pay data.

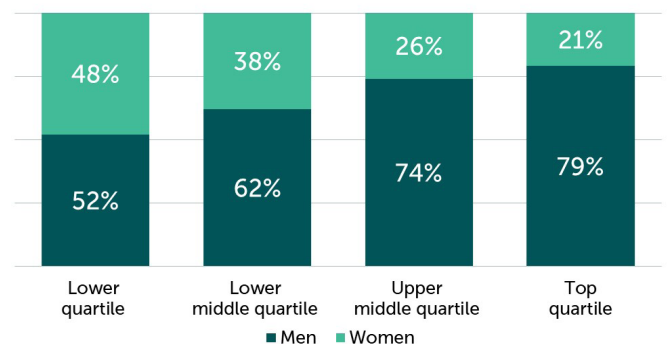
Our bonus pay gap is influenced by a number of women occupying part time roles whose incentives are paid on a pro-rated basis.

PROPORTION OF EMPLOYEES RECEIVING AN INCENTIVE AWARD



All employees are eligible for our incentive programmes, and we actively monitor and review decisions made in our annual pay-for-performance cycle.

GENDER DISTRIBUTION BY PAY QUARTILE



The above graph shows the gender distribution across our population split into four quartiles of equal size.

ADDRESSING THE PAY GAP

The pay gap is likely to persist until there is a more balanced representation of men and women at every level in the organisation, but particularly at more senior levels. Ensuring diverse senior leadership depends upon having diverse talent pipelines, from graduates through to the boardroom. At Newton, we are making efforts to tackle diversity within our workplace, but we are also looking at ways of ensuring not only that we attract more talented female professionals to our industry, but that they stay in our industry and maximise their career opportunities. Bringing about such balance will take time, but it will help close the current pay gap.

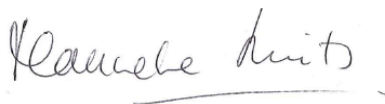
Some of the initiatives we are undertaking to address this are outlined below:

- We continue to work with our recruitment partners to ensure balanced shortlists of candidates.
- Working with BNY Mellon, we signed the UK HM Treasury's Women in Finance Charter in July 2016, which supports the progression of women into senior roles in the financial services sector.
- We have created a Diversity and Inclusion committee, which reinforces the remit of our women's initiative.
- Our compensation committee continues to be governed by an independent non-executive board director.
- Inclusive leadership training courses for managers, focusing on addressing unconscious bias and nurturing behaviour that helps to engender an inclusive working environment.

As signatories of the [HM Treasury's UK Women in Finance Charter](#) since 2016, we are committed to championing industry-wide gender diversity transformation, and continue to drive accountability against our set goals. We actively promote diversity across the financial services industry through thought leadership, best practice sharing and peer collaboration forums.

As part of our ongoing commitment to responsible investment, we continue to make gender equality a priority for us as a business.

I confirm the data reported is accurate.



Hanneke Smits

CEO, Newton Investment Management



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