

Professional Paraplanner

The magazine for
paraplanners
and financial
technicians
July/August 2020

AWARDS ISSUE

Full coverage of the winners of the 2020
Professional Paraplanner Awards

Plus

A GOOD YEAR

Alistair Cartwright, winner of this year's
Paraplanner of the Year (in-house) award

Professional
Paraplanner
Awards
2020

Pensions

How to
conduct SSAS
due diligence

Happy humans

Time to improve
our overall
wellbeing

Corporate bonds

There will be
clear winners
and losers

Parameters

What tax increases
can we expect
after Covid-19?

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Professional Paraplanner

LOOKING AHEAD



As we move into H2 2020, should we view the next six months with trepidation or optimism? Within the next few days more lockdown restrictions are to be eased, allowing greater movement of people, more businesses to open, more people to return to work, and more overseas travel (albeit to limited destinations).

Things are beginning to return to some sort of 'normal' but we are a long way from where we were six months ago. I hear stories of companies with business plans that project restricted working practices into 2021 and as far out as 2023, depending on when a viable Covid-19 vaccine becomes widely available.

There are plenty of concerns on the economy front. We have all seen the news stories documenting job losses in various sectors and around the country. Personally, I know of two central marketing departments that have been closed down.

Verve MD Cathi Harrison recently wrote a blog questioning what impact the crisis – and the recession coming off the back of it – will have not just on the economy but also on people's psyche and wellbeing. You can read it on our website: Cathi Harrison – *Shockwaves to come*.

As she points out, from a business perspective, we have yet to fully appreciate the psychological impact of recession, redundancies, prolonged furlough, new working practices, the effect on profits and cashflow, upending of short and long-term goals, and a range of other issues on company morale and productivity in the months ahead.

Assuming the UK does not experience a serious spike in Covid-19 cases, we can expect that things will be tough but hopefully, moving in the right direction.

With that in mind, to answer my question above, we have to approach the rest of 2020 with optimism – because a positive attitude engenders positive actions. And as business history shows, it is the individuals and

companies that think positively and adapt to new situations, which invariably are the ones that win out.

Our next edition comes out at the end of August. Meanwhile we will be doing a lot of positive thinking as well as introducing some new content ideas. Keep your eyes on our website and daily email for more news in due course. Meanwhile, you may be interested in our new series of webinars – see below.

Awards



It was a strange feeling indeed to run this year's Professional

Paraplanner Awards without a live awards ceremony. We missed the euphoria and seeing the smiles of the award winners.

Nevertheless, our awards process once again served to highlight how many superb paraplanners and administrators there are around the country doing their best for the businesses in which they work and their clients. There were some long discussions between the judges around our final decisions. Well done to our winners and to everyone who was shortlisted. It was a year with some tough entries to beat.

You can see the full lists of the winners of both the Paraplanner Awards and Provider Awards, plus interviews with the winners and selected providers, on pages 16-37 of this issue. My thanks again to our judges for their time and deliberations.

Rob Kingsbury,
Editor, *Professional Paraplanner*
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SEMINARS AND WEBINARS



While our Technical Insight and Investment Committee Seminars are on hold until larger gatherings are possible, our series of webinars are well under way. Paraplanners receiving our daily email alerts will have seen the notifications of our recent Investment Committee Webinars from Close Brothers Asset Management and Fidelity

International and we have more lined up over the next few weeks. Also, we are running Technical Insight Webinars for delegates registered to attend our Spring and Summer venues. Our events team is contacting everyone registered for postponed events as the webinars become available.

Do please join us and our technical experts online for these sessions, which usually run for around 45 minutes. We will look to run physical events as soon as the rules allow.



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UNDERSTANDING CLIENTS' CAPACITY FOR LOSS

The C-19 crisis has thrown into stark relief the need to know clients' capacity for loss, says Alastair Black, head of Platform Proposition at Standard Life



The market volatility and economic uncertainty caused by the coronavirus means discussing capacity for loss with clients has never been more important. These challenging times have forced many to reassess what comes next and ask the pandemic will impact their livelihoods in the long term.

In a climate like this, an objective measure like capacity for loss can really help advice firms demonstrate to clients how or if they can still afford to live comfortably. Attitude to risk often has a tendency to undermine focus on a client's capacity for loss but, if anything, the latter should come first.

How can you truly judge the impact of taking a risk on investments at a time of such market volatility if you have little

understanding of your client's ability to absorb any falls in the value of their investments?

If any loss of capital would have a materially detrimental effect on a client's standard of living, this should be taken into account when assessing the risk that they are able to take in the current climate.

Adapting to challenging times

For clients where capacity for loss looks like it has become an issue, reassessment is worthwhile. A client's view on what a minimum comfortable level of income is may have changed given they have less ability to spend during lockdown – they might actually require a lower income.

It's worth remembering that any change at this time could be temporary. It isn't a case of checking capacity for loss and ticking that box, but instead it should be reassessed and adapted as time moves on and things continually change.

Assessing the capacity for loss doesn't have to be complicated. Cashflow modelling is still the most effective method. This requires an understanding of typical yearly income and how that may change over time, alongside a look at any expenditures and data about how the market downturn could affect the client's standard of living.

FCA dials up the focus

Capacity for loss has been high up on the Financial Conduct Authority's (FCA's) agenda for some time now – at least since the pension freedoms rules were introduced back in April 2015.

Before then, the main focus for many clients when making investment decisions was on their attitude to risk. However, over time it has become clearer the importance of understanding the true impact of any investment losses.

Putting the coronavirus to one side, the FCA has highlighted that the importance of understanding capacity for loss is an essential element of any DB transfer and the regulator has specifically stated that it needs to be treated separately to attitude to risk.

As detailed in its recent 'Dear CEO' letter to advice firms, a key concern of the rise in DB transfers is that clients in retirement aren't getting good enough outcomes. The FCA wants to make sure advice firms have robust processes in place to overcome this.

From the FCA's perspective, advice firms must always evaluate their clients' individual circumstances and be confident in taking any risk on their ability to have a sustainable income for life.

This applies equally to all clients in retirement and using pension freedoms, regardless of the current economic uncertainty. If the coronavirus pandemic has taught us anything, it is that you never know what might be around the corner. Knowing your client's ability to ride out a storm, whatever it may be, is always going to be critical.



In a climate like this, an objective measure like capacity for loss can really help advice firms demonstrate to clients how or if they can still afford to live comfortably

A GOOD YEAR

Rob Kingsbury talks to Alistair Cartwright, winner of this year's Paraplanner of the Year (in-house) award, about being promoted, his views on paraplanning and studying beyond the usual qualifications

Winning the Professional Paraplanner of the Year (in-house) award has been the icing on the cake this year for Alistair Cartwright, head of Advice Delivery at Clarion Wealth.

In February he was promoted from Associate Financial Planner (paraplanner) to head of Advice Delivery and in April, having passed AF8, he achieved both Chartered status and Fellow of the Personal Finance Society.

Six months into 2020 and despite the effect of the Coronavirus and lockdown, "it has been a good year so far," he says.

Already working as the paraplanner for Ron Walker, the founder of Clarion, his promotion means he heads up a team of seven; three paraplanners, three client support staff and the firm's receptionist, all focussed on client service. It also saw him given seven projects to deliver by mid-year through lockdown. "That was a challenge but I'm never scared to jump in and get on with things. I'll ask for help where I need it." The projects have included working on: MiFID II and IDD documents; the firm's decumulation strategy; PROD; a team staff training programme; fact sheets and other documents around the firm's own fund of funds solutions; and as the firm has recently adopted a

restricted advice model, a guide to the companies and products it is now using. "I can definitely say that the projects have kept me busy during lockdown," he says.



Alistair became a paraplanner six years ago. After graduating from university with a Sports Science degree, he started his career with a role in a small IFA, first processing general documents, then mortgages and then as a trainee paraplanner alongside a paraplanner working for one of the financial advisers.

"That's when I fell in love with paraplanning as a career. When I started to learn what paraplanning was about, the technical side, the calculations, and finding the solutions to issues for clients." He started the role in 2014 and began immediately studying for his exams, gaining his Diploma in 2016, around which time he became the main paraplanner to the adviser.

He stayed with the company for five years. "By then, I knew what kind of paraplanner I wanted to be and what kind of company I wanted to work for. I was lucky enough to get the opportunity as a paraplanner with Clarion Wealth, as their focus is lifelong cashflow-driven financial planning. It took me out of my comfort zone at that time but I knew it was what I wanted to do."

Moving into the head of Advice Delivery position, has again pushed Alistair out of his comfort zone. His time, he says is split roughly 75% client work and 25% management and project work. "I've never had a management role before and taking on the projects have added to the challenge but I'm really enjoying it. It's where I see

my skills lying. I don't want to be an adviser. I'm a paraplanner and I want to be the best paraplanner and best head paraplanner that I can be."

To that end Alistair is studying for the Chartered Management Institute (CMI) Level 5 Departmental Management qualification, which is an 18-month distance

learning course. “I’m also taking the NextGen Adviser leadership/management programme.”

Paraplanner qualities

Key to being a great paraplanner Alistair suggests, is confidence. “To my mind paraplanners need to be seeing clients and clients have to know the paraplanner is part of the team which is looking out for them and they can call upon us if they need to. It’s why I like working for Clarion, because I attend all client meetings and as a paraplanner I have that face-to-face contact. It’s about having the confidence to help build the relationship with the client so they have confidence in us to help them meet their objectives and lead the lives they want to.”

That level of client contact is not something every firm does but it is indicative of the way the paraplanning role and what businesses want from their paraplanners is changing, he believes. “Paraplanning used to be seen as just as stepping-stone to being an adviser but increasingly it’s being seen as a profession in its own right. In the responsibility paraplanners have, their technical knowledge and skills, the tasks they undertake for firms and the fact that advisers now depend on them for support. In many respects they are as important as the financial advisers to the success of advice businesses.

“For me the paraplanning team is the engine of an advice business. They take a piece of work and ensure it is properly researched and progressed in a compliant way and pushed over the line for the client, giving them the best outcome. It’s helping the adviser and the owners of the firm to progress and grow the business.”

Protecting the advice

Being part of the client meetings, Alistair feels has greatly enhanced his knowledge and focus as a paraplanner. “When you’re in the meeting you get an overall perspective that you can’t get as well from reading a fact find on paper. The adviser will run the meeting, which allows the paraplanner to listen and take notes. In some ways it’s a means of protection for the firm, because it’s two people in the room taking on board

“The paraplanning team is the engine of an advice business. They take a piece of work and ensure it is properly researched and progressed in a compliant way and pushed over the line for the client, giving them the best outcome”

what is being said, which makes it more likely that the recommendation which is made will match the client’s objectives. Sometimes the paraplanner may have a different view on what is right for the client’s circumstances and they need to have the confidence to challenge and push back where needed.”

Clarion clients receive an annual planning meeting once a year, plus any *ad hoc* meetings that are needed. “The annual meeting has a structured agenda and will normally last for two to two-and-a-half hours. We review the financial plan with the client; we pull it apart, review all their objectives and put the plan back together again, so when the client leaves the meeting they know exactly how their money is being managed, where their income is going to come from and so on, and they have confidence in their plan for the next year. This is why I think it is important that paraplanners do attend meetings, as paraplanners are the ones pre, post and during the meeting sometimes, who are tasked with finding the answers, doing the research and the technical work, having full knowledge of and drawing up the plan.”

Knowing the software used by the firm, such as cashflow forecasting, “inside and out”, is also essential for a paraplanner Alistair believes. “I want to know that if there is a question raised in a client meeting or afterwards, I can accurately provide the answer – whether straight away or later – and I can actively contribute by highlighting things to think about.”

Developing as a paraplanner

One of the benefits of lockdown and not having face-to-face client meetings, he says, is the time it has given him to undertake the project work he has been

given. “Alongside the daily meetings with rest of the team an ensuring the work is being progressed, taking on the individual project work has helped me hone my skills over a shorter period of time than would probably have been the case.”

It has also enabled him to put into practice one of the management course teachings, namely, “the skill and the art of delegation”.

“At the beginning as it was me that had been tasked with doing the projects I saw them as my responsibility to do them on my own. But as I started working on them I saw that there were elements where I could bring in other’s skills and I have learned to delegate during the course of the project work. They’ve benefited from us coming together and working together as a team.”

Another key to development, he says, is learning from mistakes. “There have been times in my career when I’ve made a mistake. I’ve learned not to dwell on it but to make sure I don’t make that mistake again and see it as a way to improve as a paraplanner and as a person.

“I think managers understand that mistakes will occur; what they don’t want is to see them being made again.”

Alistair would also recommend taking courses outside of the traditional qualification routes followed in financial planning. “A management course may not be relevant to everyone but there are plenty of other courses out there that can help you hone your skills in business or the soft skills which are useful in client meetings. And there are plenty of free webinars and other industry materials to keep improving your knowledge and your skills. I think as a paraplanners we should always be wanting to learn.”

COUNTING THE COST OF STALLING

John Humphreys, Inheritance Tax specialist, WAY Investment Solutions uses a case study to illustrate the disadvantages of putting off tax planning



Procrastination is rarely a good strategy. We all have things on a list somewhere that we keep managing to put off. But some things on the list may be more time-sensitive than others, and not getting through them can come at a higher price. Sometimes it can even be calculated as a real cost in pounds and pence.

I was reminded of this point recently when an IFA contacted me about the very real case of Mrs T. It had actually been back in late in 2012 that I first came across her story. At the time, Mrs T was 66 years old and had been recently widowed. Her husband's Nil Rate Band (NRB) for IHT had been fully used, and in terms of estate

planning, she was unsure what to do next. She had met with her IFA, and having researched her case in detail, he had recommended she make a gift equivalent to her NRB into a flexible trust.

After seven years this would be outside her estate for IHT purposes. At the discretion of the independent trustees, she would still be able to obtain some funds from the trust if needed via flexible reversions, although she was not anticipating needing to do so. For whatever reason, Mrs T decided not to proceed with the recommendation at that time.

Each time I saw the IFA over the following years, we would discuss Mrs T's case and how much she could have potentially reduced her IHT liability had she proceeded with his recommendation.

2018

Fast forward to 2018, and a new IFA joined the firm and contacted me to discuss Mrs T's case. By this time, Mrs T was age 72 and her net estate was valued at £2,550,000. Back in 2012 the Residence Nil Rate



Band (RNRB) didn't exist. Now in 2018, she would not qualify for all of it as her net RNRB-assessable estate was greater than the £2m threshold at which tapering begins. According to the ONS Average Life Expectancy data released in 2016, Mrs T would have an average life expectancy of 16 years, allowing time to potentially conduct two rounds of estate planning, via gifting, that would reduce her estate below the £2m RNRB taper threshold. Doing so could mean a scenario where both the NRB and RNRB (and the RNRB of her late husband, even though he died before it was introduced) would be offset against her estate following her death.

The new IFA, once again, recommended Mrs T make a gift into trust of a value equivalent to her NRB. This could be into a

The current pandemic situation may well further focus the mind on the need to put financial plans in place, as we are seeing with many clients



flexible discretionary trust, or if combined with a Discounted Gift Trust, subject to underwriting this would result in a net transfer of £325,000 and therefore avoid an entry tax charge for a Chargeable Lifetime Transfer. It would also likely avoid any Periodic Charge, as at least 40% of the trust fund would have been paid out to Mrs T in the first 10 years. Once again, Mrs T did not proceed with the recommendation.

2020

Fast forward again to May 2020, and once again the conversation came back to Mrs T's case. We discussed that had Mrs T proceeded with the planning initially recommended in late 2012, growth in the trust would have been outside the estate for inheritance tax purposes since then.

The full original proposed gift of £325,000 would have been completely removed from her estate for inheritance tax purposes when the inter-vivos period expired in late 2019/early 2020.

At that point she could have considered making a further gift into trust equivalent to her NRB, which would bring her RNRB-assessable estate below the £2m RNRB tapering threshold. Assuming she met the other RNRB-qualification criteria, Mrs T's estate would immediately be eligible for all of the RNRB allowance for herself. As mentioned above, her estate would also be able to claim the RNRB for her late husband. In the 2020/2021 tax year, that would give her estate an extra £350,000 of allowances (via the RNRB), resulting in an immediate reduction in potential IHT

liabilities of £140,000 (40% of £350,000). Plus, the original gift and growth in her 2012/13 trust would have been outside of her estate, along with future growth in her 2019/20 trust too.

Thankfully, Mrs. T is alive and well. At age 74, she potentially still has time to carry out some of the planning that has been suggested. The current pandemic situation may well further focus the mind on the need to put financial plans in place, as we are seeing with many clients.

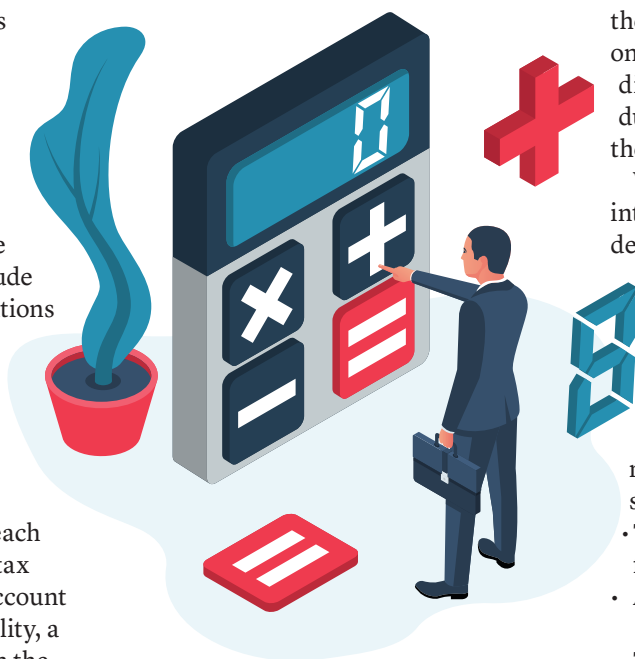
In Mrs T's case, taking action could reduce the future IHT bill faced by her family by hundreds of thousands of pounds. But if it continues to remain on the to-do list the opportunity will eventually be lost and the largest individual beneficiary of her estate could well be the Treasury.

SELF-EMPLOYED TAX BLUES

Brand Financial Training managing director Catriona Standingford looks at the tax position of self-employed tax payers whose income is affected by the Coronavirus lockdown

Anyone who is self-employed knows that their self-assessment tax bill has to be paid in full by 31 January following the relevant tax year if they want to avoid a penalty. So for the tax year 2019/20, the total tax bill must be paid by the 31 January 2021.

Payments on account are advance payments towards this bill and include class 4 National Insurance contributions (NICs) (but not class 2 NICs). Each year two payments on account are made to HM Revenue & Customs (HMRC); one at the end of January (during the tax year) and one at the end of July (same calendar year but during the following tax year) and each payment is half the previous year's tax bill. If, after the two payments on account have been made, there is still a liability, a balancing payment must be made in the January following the tax year.



However, for the 2019/20 tax year the self-employed have the option to defer their second payment on account due on 31 July 2020 if they are going to find it difficult to make that second payment due to the impact on their business of the coronavirus.

What's more, HMRC will not charge interest or penalties on any amount of the deferred payment as long as it is paid on or before 31 January 2021.

If a self-employed person decides to defer making their second payment on account in July, they don't need to let HMRC know but they must pay all of the following by midnight on 31 January 2021 (or they will start to incur penalties at that point):

- The second payment on account due for 2019/20 (deferred from July)
- Any balancing payment due for 2019/20 plus class 2 NICs
- The first payment on account due for 2020/21.

Case Study

Let's look at what this could mean in practice for James who is self-employed. His work dropped off due to the coronavirus and he has had to use the money he had saved for his July payment on account for living expenses. He has no choice but to defer making his July payment on account. Let's look at what he will need to pay by 31 January 2021. (Assume James's tax liability for 2018/19 was £22,000).

Tax year	Tax liability	1st POA due by:	Amount of 1st POA:	2nd POA due by:	Amount of 2nd POA - deferred:	Balancing payment:	Paid in full by:
2019/20	£24,000	31/01/20 (already paid)	£11,000 (50% of 2018/19 liability)	31/07/20	£11,000 (50% of 2018/19 liability)	£24,000 - 1 POA £11,000 = £13,000	31/01/21
2020/21	Not known yet	31/01/21	£12,000 (50% of 2019/20 liability)	31/07/21	£12,000 (50% of 2019/20 liability)	Only if tax bill for 2019/20 is more than £24,000	31/01/22

This means James has to pay £25,000 by the 31 January 2021. In tax year 2020/21, James's profits will be less due to the impact of the coronavirus on his business. If he expects his tax bill to be closer to say £18,000, he can ask HMRC to reduce his payments on account to £9,000 each meaning the payment being made in January 2021 would reduce to £22,000 (the balancing payment of £13,000 for 2019/20 and £9,000 as the first payment on account for 2020/21). If it turns out the wrong amount is paid, then interest will be charged on any underpayment – and if an overpayment is made HMRC will send a refund.

For more information on Brand Financial Training go to: <https://brandft.co.uk>

TEST YOUR KNOWLEDGE

For *Professional Paraplanner's* TDQ (Training, Development and Qualifications) pages, we have teamed up with key support providers, such as Brand Financial Training, to provide our readers with the very best in training, development and exam support. We will be providing you with valuable advice and guidance materials to help you achieve your training goals, perfect your exam techniques and test your knowledge of the financial services market. These questions relate to examinable Tax year 19/20, examinable by the CII until 31 August 2020.

1. Under the Consumer Rights Act 2015, what is the requirement for expressing standard terms?

- A** The terms must be individually negotiated with the consumer
- B** The terms must be in plain and intelligible language
- C** The terms must be forcible against the consumer
- D** The terms must take into account the consumer's legitimate interests

2. Which of the following best describes a 'synthetic' passive fund?

- A** An Exchange Traded Fund that uses derivatives to match an index
- B** An index-tracking fund that tracks a specialist index
- C** An Exchange Traded Fund that holds stocks to replicate an index
- D** A socially responsible index-tracking fund

3. Annuity rates have fallen in recent years due to people living for longer and also because of:

- A** Falling gilt yields
- B** Rising equity prices
- C** Lower charges
- D** Higher inflation

4. Craig is one of three partners in a partnership and has £80,000 in the capital account. On his death, this is treated as:

- A** An asset of the partnership
- B** An asset of his estate and repayable immediately
- C** An asset of his estate and the partnership equally
- D** An asset of the partnership up to the amount stated in the partnership agreement with the remainder being due to his estate

5. Bill and Ben are brothers and jointly own an investment bond. A chargeable event has occurred resulting in a gain of £10,000. How is this apportioned between Bill and Ben?

- A** The gain is split in the same proportion as their ownership
- B** If Ben caused the chargeable event through a part surrender, he would be liable
- C** The gain is always split 50/50 on a joint investment bond
- D** The gain is held over until total encashment of the bond

6. Gerard, a newly authorised financial adviser, has met with clients Ann-Marie and Janie for the first time. As his supervisor, which of the following would you advise him is the most important aspect of a sound client-adviser relationship?

- A** Trust
- B** Technical skill
- C** Length of time in industry
- D** Experience

7. A trade has been executed over the telephone by a member broker. When must the trade be reported to the exchange?

- A** Within 1 minute of execution
- B** Within 3 minutes of execution
- C** At the end of automatic trading ie 4.30pm
- D** By the time the LSE system finishes running, ie 5.15pm

8. Which benefit might an informal carer be able to claim as a result of providing support for an individual requiring care?

- A** Income Support/Universal Credit
- B** Attendance Allowance
- C** Personal Independence Payment
- D** Disability Living Allowance

9. How is a borrower's entitlement to Income Support potentially affected by taking out a lifetime mortgage?

- A** By the income generated
- B** Not affected
- C** By both the income and capital generated
- D** By the capital generated

10. Richard has been advised that he does not need advice regarding his mortgage application. This is most likely because:

- A** The funds are for residential purposes
- B** He has worked in the finance sector for six months
- C** he only requires a 50% mortgage
- D** he has net income of £350,000

Your answers

1. 2. 3. 4. 5.
6. 7. 8. 9. 10.

Last issue's answers

Q	Answers	Reference material
1	B	CII R02 Study Text Chapter 7
2	A	CII R03 Study Text Chapter 10
3	BC	CII R04 Study Text Chapter 6:1
4	A	CII R05 Study Text Chapter 10.2
5	A	CII R01 Study Text Chapter 5:2
6	D	CII J10 Study Text Chapter 12
7	D	CII J12 Study Text Chapter 4
8	D	CII ER1 Study Text Chapter 5
9	A	CII R07 Study Text Chapter 2
10	D	CII CF8 Study Text Chapter 3

Answers and cross-references can be found under the Development tab on the Professional Paraplanner website. Need help with your CII exams? For resources visit <https://brandft.co.uk>

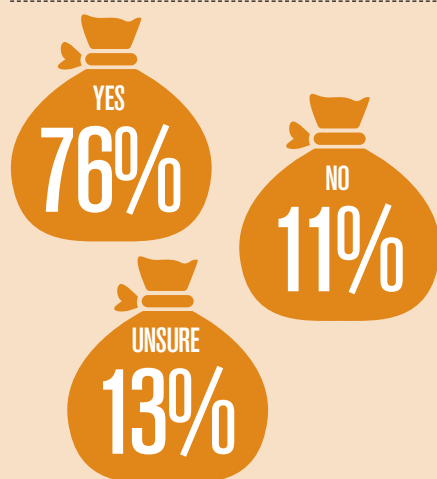
PARA-METERS

Our monthly paraplanner survey tracking trends and topical issues

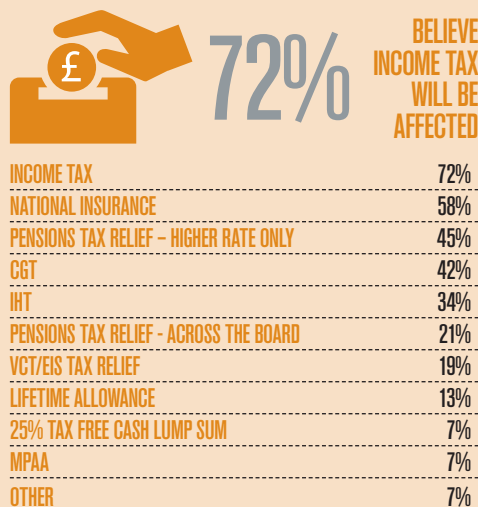
THE TOP 10 IA SECTORS MOST RESEARCHED BY PARAPLANNERS OVER THE PAST MONTH

1 MIXED INVESTMENT 40-85% SHARES	3 GLOBAL	5 MIXED INVESTMENT 0-35% SHARES	7 PROPERTY	9 PERSONAL PENSIONS
2 MIXED INVESTMENT 20-60% SHARES	4 VOLATILITY MANAGED	6 UK ALL COMPANIES	8 £ STRATEGIC BOND	10 SPECIALIST

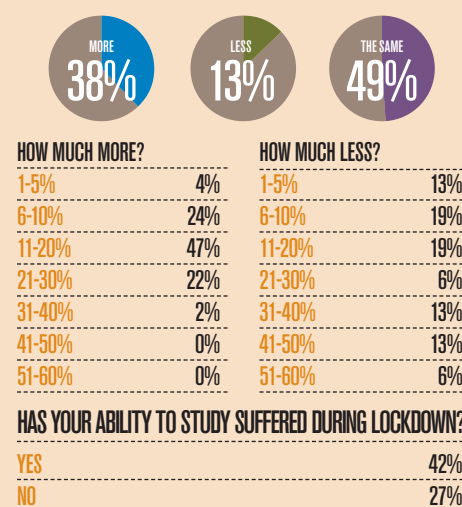
DO YOU BELIEVE PERSONAL TAXES WILL BE RAISED IN THE NEXT BUDGET?



WHICH TAXES DO YOU BELIEVE MAY BE AFFECTED?



ARE YOU WORKING MORE OR LESS DURING LOCKDOWN?



The UK economy has been significantly impacted by the Coronavirus crisis and the months of lockdown. The GDP output of the UK economy fell by 20.4% in April alone and government debt has increased through furlough payments and other expenses related to combating the virus. With GDP down effectively the wealth of the nation, and the government's ability to borrow money, reduces as does its bargaining power on interest rates.

No wonder, therefore, that 76% of paraplanners we surveyed expect personal taxes will be raised directly or through the reduction in reliefs and exemptions in the next Budget.

A recent survey by AJ Bell found that the majority of UK workers would be willing to pay extra income tax to help plug the hole in the UK's finances caused by Covid-19. According to the

provider, over three quarters (77%) of workers would be willing to accept on average 3.9% more income tax, with almost a fifth (19%) prepared to pay an extra 5% or more.

Had the survey been conducted amongst the retired, drawing down income from investments hit by the recent stockmarket falls, the picture might have been different.

Amongst paraplanners who believe taxes will increase, some believed it would be across the board, but most expected government to target the low hanging fruit – “it will be the taxes with the most immediate and significant affect”; “government will look for easiest route to gain most tax take”; “I think they will start with easier taxes – GCT, higher rate personal pension relief and VCT relief.” Inheritance tax and National Insurance increases were also suggested.

Some considered that the government would not want to increase taxes this year but would delay the hit. “I think there will be a freeze on allowance/band increases and then increases in taxes from the budget after that”, while others believe taxes would need to increase for successive years in order to meet the cost of the pandemic. “It has to be paid for, and over a significant period, this will be just the start of eventual income tax increases.”

Amongst those who believe taxes will not increase, it was felt the government would be able to stretch its borrowing. “No tax will be increased in order to restart the economy as government borrowing rates are very low at present.”

With pressure on the government from many sides, it may all depend, as one respondent put it, “on how the government thinks changes will be perceived and the possible repercussions.”

SURVEY PRIZE DRAW

Congratulations to Prize draw winner: Alex Ottowell, Succession Wealth, who is the winner of last month's survey prize draw of £50 worth of Amazon vouchers. Don't miss out on your chance to win a similar prize by completing the monthly survey. Keep an eye out for our email. And if you have any questions that you'd like us to pose to your fellow paraplanners, just fill in the section at the end of the survey form.

SSAS DUE DILIGENCE

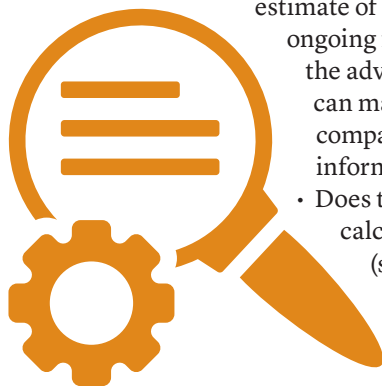
Stephen McPhillips, technical sales director, Dentons Pension Management Limited, provides practical tips for paraplanners needing to research SSAS providers



When reviewing a client's existing small self administered scheme (SSAS) scheme/provider or deciding upon a new provider to select for clients, there can be some overlap with the considerations for self invested personal pensions (SIPP), but there are some additional factors to take into account. This is because of the differing legal structures of SSAS and SIPP.

Some key factors to consider might be:

- Does the SSAS provider offer a full, hands-on service which encompasses co-trusteeship (along with the SSAS member trustees), joint Scheme Administrator duties and joint signatory to



the SSAS trustee bank account? Contrast this with a “practitioner-only” provider which does not take on the legal, and HMRC, responsibilities involved in full service propositions. Bear in mind that clients might assume that the financial adviser firm is responsible for some of the functions that are not being legally undertaken by the practitioner-only offering.

- Does the SSAS provider offer to undertake due diligence on any existing or proposed SSAS investments free of charge and without obligation prior to being appointed? For existing SSAS, does the provider offer a facility to review the scheme and highlight any potential issues with it – again, free of charge and without obligation?
- Will the SSAS provider quote an estimate of likely initial and ongoing fees in advance, so that the adviser firm and clients can make accurate cost comparisons and hence an informed decision?
- Does the SSAS provider calculate the fund allocation (split of fund between the members) routinely and communicate this to the members

at least annually? If not, who is made responsible for this potentially complex calculation and how can the adviser firm conduct any cashflow modelling for the members if the correct fund split is not available to hand?

- Does the SSAS provider offer some facilities that appear to be out of line with the vast majority of the market, for example, pushing boundaries around tax planning, and, if so, why? Is the adviser firm comfortable with a provider that seems to swim against an industry tide and its need or reasons to do so?
- What levels of service does the SSAS provider offer to advisers and clients? Does it, for example, allocate a named and dedicated multi-skilled administrator who takes responsibility for all aspects of day-to-day administration of the SSAS – including investments, benefit crystallisation, event calculations and so on?
- Will the SSAS provider assist the adviser firm with technical help and support around complex industry matters such as the Annual Allowance (AA), Tapered AA, Money Purchase AA, Lifetime Allowance and Protections against it and so on?
- Is the SSAS provider well-resourced in general and does it operate a profitable and sustainable business model?
- What are the SSAS business owners' plans for the future? Are they committed to the market with an aim to grow the business, or are they looking for an exit strategy?
- If the SSAS provider also has a SIPP operation, what is its Capital Adequacy position and what are its plans for the SIPP operation?
- What is the provider's exposure to non-standard assets such as UCIS and what is its due diligence process for asset acceptance?
- Does the provider have a nationwide network of sales professionals on-hand to assist paraplanners and advisers with enquiries and also on-hand to assist with joint client meetings?

Answers to all of the above questions should help to enable paraplanners to assess the strength, quality and reputation of a SSAS provider.

Does the provider offer a facility to review the scheme and highlight any potential issues with it – again, free of charge and without obligation?

BEING A HAPPY HUMAN

Will we enter the 'new normal' able to feel better about ourselves or will we revert to our old ways? This is the opportunity for us to look at how we can improve our overall wellbeing, says Michelle Hoskin, managing director, Standards International



I think it's safe to say that the topic of wellbeing – and in particular financial 'wellbeing' – is well and truly on its way to being overcooked. And, as with many other areas of financial services, we go through a period of obsession before that subsides to become part of the very important 'normal'.

However, the financial aspect of overall wellbeing is just that: it's one aspect and there are so many other key ingredients to throw into the mixing bowl, each of which add the beautiful flavours that make up a life of happiness and wellbeing.

In 2008, the Government commissioned a review into what actually contributes

to a person's 'overall' wellbeing. That review was conducted by the New Economics Foundation (NEF) on behalf of Foresight* and it drew on state-of-the-art research from across the world to consider how to improve everyone's mental capital and mental wellbeing through life. The evidence suggests that a small improvement in wellbeing can help to decrease some mental health problems and also help people to flourish.

5 action points

The document set out five actions to help improve personal wellbeing – and I think it is safe to say that if there was ever a time to direct our attention to this it's now.

As we enter into what I hope will be the latter stages of lockdown, behaviours are changing. As the new normal becomes normal I am seeing – in both my personal and professional groups – people falling back into their old habits. For some the daily walks have dropped off, the fitness routines are taking somewhat of a back seat and the daily focus to stay upbeat

and positive is starting to subside. The novelty is wearing off and cabin fever is well and truly setting in.

Now I know I am generalising massively, but I bet if you took a moment to reflect even on your own behaviours then some of what I am saying will ring true!

So, it's time for a reminder. It's time for a rocket to wake us all up. The truth is, if we don't focus on this and keep ourselves stimulated and well then, we won't be. We need to pay attention, otherwise there are going to be a whole load of people we are going to have to pull out of some very dark places.

So, what's needed? Well, if the five ways to wellbeing are right, which I think they are, then here's what we need to do. And remember this is not just for the grown-ups... the five ways are relevant for everyone!

1. Connect

Connect with yourself and with those important people in your life! There are always going to be people who you know you should have in your life – as well as those ones you're not sure should be and you have no idea what they are doing here or even how they got here! Whether it's over phone, Zoom, FaceTime or a simple text: make an effort to connect. Talk, laugh, moan and groan – it doesn't matter but ONLY surround yourself with people who bring out the absolute best in you. When this is all over, it is perfectly OK to have a people spring clean of your 'friend' list!

2. Be active

Get out! Move, do a workout at home, run around the garden, even take a walk. Create some new, fun exercise habits while you can. Exercising makes you feel good and of course, most importantly, try to find a physical activity that you enjoy and can keep you motivated and engaged and that suits your level of mobility and fitness.

3. Take notice

Take notice of everything. Watch and listen! It's the time to become curious. Catch sight of all the beautiful stuff that

The evidence suggests that a small improvement in wellbeing can help to decrease some mental health problems and also help people to flourish

you haven't noticed before because life is nuts and you rush around way too much. Savour the moments that will be gone again in a flash. Be aware of the world around you and what you are feeling. Reflecting on your experiences and life will help you appreciate what matters the most.

4. Keep learning

Try something new. Rediscover an old interest. With the abundance of free stuff available at the moment, there really is no excuse! Blimey you can even become a Harvard or Yale graduate from the comfort of your own sofa! Push yourself, offer to help the team, take on

a new role or responsibilities. Read that book or books that have been collecting dust on your bookshelf. Learn to play an instrument or how to cook your favourite food. Set a challenge you will enjoy achieving while in lockdown. Get stimulated, increase your confidence and learn something new!

5. Give

Give to others but not before you have given to yourself! Be nice, be kind and you will receive back what you give out.

At a time of crisis, people's true colours and character are shown so encourage the best of you to shine. Do something nice for

a friend, or even for a stranger, because let's be honest we may not all be in the same boat but we are in the same storm. Smile: it's amazing how that will make others feel!

It's not all about giving money... in fact, I think the most rewarding actions are the free ones. Go on – you can do it – and here's a shout out to all those doing their good deeds for the day!

Standards International will be running certified Mental Health and Wellbeing workshops as soon as lockdown lets up: <https://standardsinternational.co.uk/events/>
*** Foresight's Mental Capital and Wellbeing Project - <https://neweconomics.org/2008/10/five-ways-to-wellbeing>**



Professional Paraplanner Awards 2020

Sponsored by

Parmenion

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Spotlight on selected winners



Judging panel

The 2020 awards were judged by:



Jacqueline Lockie
Head of Financial
Planning, CISI



Rebecca Lucas
Founder, Lime
Outsourced Paraplanning



Martin Green
Paraplanning Manager,
Chadney Bulgin



Patrick Ingram
Head of Strategic
Partnerships, Parmenion



Caroline Stuart
Founder, Sparrow Paraplanning
and Member Director, PFS Board



Rob Kingsbury
Editor, Professional
Paraplanner

Professional Paraplanner Awards 2020

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This year our Paraplanner Awards 2020 not only received the highest number of entries but were the most highly competitive to date – reflecting the incredible talent in this profession and, I hope, that paraplanners and administrators see our awards as the ones to win.

Entry to the awards was by self-nomination (except in two categories), with all candidates writing a 500-word essay on a set question. Shortlists were then drawn up by the judges against a comprehensive set of criteria and shortlisted candidates interviewed by the judging panel. Judges were split across the panels and this year interviews were conducted by video.

The exception to the self-nomination process were the Administrator of the Year,



Paraplanner of the Year (In-house):
Alistair James Cartwright



Paraplanner of the Year (Outsourced):
Nathan Fryer

New Paraplanner of the Year:
Sean Hurst



Administrator of the Year:
Micheala Hawkins



Personality of the Year:
Caroline Stuart



Paraplanner Team of the Year:
Jo Campbell, Para-Sols

where we asked paraplanners to nominate their administrator for the award, and the Personality of the Year. The quality of submissions was matched by the very high calibre of the short-listed candidates. We congratulate our winners and add that everyone shortlisted should be proud of having made the cut.

I would like to thank our judging panel for undertaking the work this year – 14 interviews were conducted to reach our decisions. Our thanks also to Parmenion, whose recognition of the importance of paraplanners and administrators is borne out by their returning as our sponsor for a second year.

Rob Kingsbury
Editor,
Professional Paraplanner

The Paraplanner Awards 2020

Paraplanner of the Year (In-house)

- Winner: Alistair James Cartwright – Clarion Wealth Planning Ltd

Also shortlisted:

- Jacqui Beesley – Cooper Parry Wealth
- Daniel Willers – Robertson Baxter

Paraplanner of the Year (Outsourced)

- Winner: Nathan Fryer – Plan Works

Also shortlisted:

- Scott Daniels – Plus Group
- Holly Johnson – Para-Sols

Paraplanner Team of the Year

- Winner: Para-Sols

Highly Commended:

- Cooper Parry Wealth Ltd
- Highly Commended: Paradigm Norton

Administrator of the Year

- Winner: Micheala Hawkins – Navigatus

Highly Commended:

- Rebecca Batterham – Cooper Parry Wealth Ltd

New Paraplanner of the Year

- Winner: Sean Hurst – Richard Jacobs Pension & Trustee Services

Highly Commended:

- Zoe Aldridge – Mazars Financial Planning Ltd

Also shortlisted

- Joshua Shaxson – Holden & Partners

Personality of the Year

- Caroline Stuart - Sparrow Paraplanning



Patrick Ingram, Head of Strategic Partnerships, Parmenion: Parmenion have been proud supporters of the paraplanning community since our inception and in 2020, a year of exceptional challenges, we are delighted to demonstrate our enduring commitment through sponsorship of the Professional Paraplanner Awards. The whole Parmenion team congratulate all this year's short-listed entrants on receiving this recognition. We hope you will encourage many other planning professionals to follow your example in years to come. What came through very strongly in the judging process was the ambition of paraplanners to elevate the standing of their profession. The analytical and research support for financial advisers which paraplanners, both in-house and outsource, deliver allows financial advisers and relationship managers time to deepen and develop their understanding of the key motivations of clients as individuals. Paraplanners provide an invaluable second pair of eyes on the planning strategy. Paraplanners have a superb attention to detail, where the complexities so often lie. These talents contribute enormously to securing the best client outcomes, an ambition completely aligned to our aims at Parmenion. It is also clear that Retirement Planning, one of the most complex areas, is the key opportunity for professional advisers and great technical and report writing support is quite essential to operate safely in that field.

Professional Paraplanner Awards 2020

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“Our company goal for this year is innovation. Every year we set ourselves a business plan and an area of focus. In 2019 it was customer service and making that the best we can; for 2020, with a strong team in place and robust and efficient systems, we wanted to ensure we stayed ahead of the curve, driving us and the industry forward,” says Jo Campbell, director of outsourced paraplanning firm Para-Sols.

Para-Sols has a team of 31, serving 150 advice firms, from one-man bands to networks and works on the principle of constant development and looking to do things better, Jo says. “Our view is that as a business and an industry we should regularly challenge how we do things and not just keep on doing them in a certain way because that’s the way they have always been done. So, we start from a clean sheet of paper, we look at how we’ve been doing a task, and ask the questions: Is it the best way? How could we be doing it better? We want to be the company that is seen to always be thinking ahead and doing things first.

“As part of the Verve Group, we are also about what else we can do to help build the profession and the industry – how we can bring more people in, how we become more diverse, how we can shine a light on financial services as a great industry to work in.

“But you can’t start a project without having confidence in the quality of your core work, the paraplanning, knowing that the team and the systems are working efficiently and producing work of a really high quality. The past 10 years have been about ensuring we have developed the best service we can and building on that; which means we can now focus on innovation.”

PARAPLANNER TEAM OF THE YEAR PARA-SOLS



Jo Campbell, director, Para-Sols

The Coronavirus induced lockdown, rather than stifling that innovation, gave it a boost, she says. “As soon as lockdown occurred we rang our adviser clients to see how they would be reacting to it. It was clear workflow would be affected but we decided to use the time as an opportunity to drive through the projects we had always wanted to do but never had the time for.

“We looked at what advice firms might need during lockdown to help serve their clients and how the industry might look once things returned to normal. Then we looked at how we could innovate and develop our service to better serve the industry and help push it forward.”

The result was the launch of a range of new services. These included a dedicated support team, or hub, of executive assistant, technical paraplanner, associate paraplanner, two paraplanners and a financial administrator, serving the adviser; a secure client portal; interactive suitability reports delivered digitally; and a virtual paraplanning service, enabling

advisers to meet with their clients online, with Para-Sols’ virtual support service alongside them in the meeting.

“We took the opportunity that lockdown gave us and in under three months we developed and delivered on our theme of innovation with a service we think better meets the needs of advisers and their clients in 2020 and beyond.”

Jo acknowledges that having innovative ideas is the easy part of the process; making those ideas reality is where the hard work lies. “The way the paraplanning team has come together to build the service, has been fantastic. We are quite a young team, with a lot of skills over and above paraplanning and that came through in the work done during lockdown. I am so proud of everyone in the team for what they have achieved.

“Winning the *Professional Paraplanner* award is the icing on the cake – to have the external recognition of all the hard work that has been done not just this year but in the 10 years before that. We are over the moon about it.”

Professional Paraplanner Awards 2020

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Administrator of the Year

Leaving a steady job to join a start-up paraplanner firm could have been a huge risk, admits Micheala Hawkins, administrator with Navigatus, “but it has turned out to be the best career decision I ever made.”

Micheala had worked under Aleks Sasin, the founder of Navigatus, at a previous firm. “When she explained about the business I knew she would make a success of it,” she says.

Joining the company early on, as the first employee after the founder, has meant Micheala has had to pitch in above and beyond the normal tasks of an administrator. “But that’s what I love about the role.” Tasks she has undertaken have ranged from full client support, including everyday processing of new business, chasing providers, updating adviser clients, income reconciliation, valuations and so



forth, to looking after the entire back-office function of a small adviser’s business and, when Navigatus needed new premises, researching and locating an office.

Aleks says Micheala is “a key force in shaping the way we move forward, always full of enthusiasm and always willing to try new ways of working.”

Micheala says she has received enormous support from the team around her, which

now numbers four: two paraplanners and two support/administrators.

An example is in the help she received in studying for her exams. “I had taken exams in the past and failed them. It was the old school method of there’s the text book, learn it and take the exam. Aleks helped me approach learning doing a small amount every day, Monday to Friday.” It was structured and regular learning that has seen Micheala achieve FA2 and CF1.

Administration work can be intense and stressful, especially so in a small outsourced company. So how does Micheala deal with the stress of the role? “I’m a fairly level-headed person by nature and my view is that getting stressed benefits no-one. What’s important is having support of the team around you. If you feel you are getting stressed then being able to tell someone can really help. There’s usually something that can be done as a team to help reduce a stressful situation.”

Paraplanner of the Year (Outsourced)

As an outsourced paraplanner you could be dealing with a small IFA firm one day and a larger firm the next, a client with £600,000 then a client with £3 million, all with different issues and challenges. “You are the person who when the client



says, ‘This is what I have and what I want to achieve, what do I need to do’, finds the answer for them,” Nathan says.

“I was working on a case where a couple thought they would have to sell their house and downsize in order to retire and have the lifestyle they wanted. We went through everything they had and came up with a financial plan that not only enabled them to stay in the house but also showed that they could spend more money than they thought in retirement. They were simply unaware of what they had available to them through their pensions. That’s why I’m an outsourced paraplanner.”

The outsourced market is a diverse one and Nathan recommends anyone setting up on their own makes sure they know the kind of business they want to handle. “Outsourced firms offer a range

of different types of service because the market demands it. Some are solely report writers while others are more involved in the financial planning process, undertaking research and due diligence as well as acting as a sounding board for advisers who want that second pair of eyes on what they are recommending. I’m in the latter camp and what I think my clients’ value most is that consistently they are going to get a personal service, that they can ring me and ask my opinion or to do some research for them or to talk through a case when they need to.”

When taking on a new adviser client, Nathan says he looks for a strong investment process and platform due diligence, someone who wants a full paraplanning service and to build a productive working relationship, “but most of all that they have the end client at the centre of all they do.”

NEW PARAPLANNER AND PERSONALITY OF THE YEAR

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New Paraplanner of the Year

Sean Hurst had 15 years' experience of financial services before becoming a paraplanner in 2018, working for the Britannia Building Society, Co-operative bank and a mortgage broker, and has a BA in accounting. He readily admits that before seeing the job advert for his current role he had "never heard of paraplanning" but it is a role his previous experience enabled him to quickly pick up and which he sees as the best move of his career so far. "What I like about paraplanning is the variety, no day is ever the same. One day I could be doing retirement planning for a 70-year-old with a mixture of DB and DC pensions and the next a first workplace pension."

What he also likes about his role is working for a small financial advice



Sean Hurst, Richard Jacobs
Pension & Trustee Services

firm. "Until now I'd been mainly worked for larger companies. With a smaller firm you can be more involved with the decision making, which means you can have more impact and effect change. In larger companies when you put forward suggestions they tended to go up the line and that was the end of

it. Here, my suggestions are listened to and discussed and even if they are not implemented, it's explained why. That makes the job so much more enjoyable."

He believes paraplanners should look at improving processes and that business owners and advisers should be open to new ways of working. "I've looked at ways we can make our suitability reports easier to read, while still remaining compliant. What's important is not just to suggest change but to demonstrate how it would work and how it would change things for the better." He suggests taking a specific client and "showing how it would affect them" as a powerful way of showing the worth of an idea. Professional development is also important, he feels, which he does through attending seminars and webinars and the learning opportunities presented by providers.

Personality of the Year

This year's Personality of the Year, Caroline Stuart, has been a paraplanner since 2003. She is a Board member of the Personal Finance Society (PFS), has been a member of the PFS Paraplanner Panel since 2015 and is actively involved in the Paraplanner Powwows. Last year she set up her own outsourced paraplanning firm, Sparrow Paraplanning. She chaired the national Powwow in 2017 and 2018 and she and some fellow paraplanners recently started a Friday Powwow coffee morning via group Zoom, "an hour where people can join in for an informal natter about things paraplanning and non-paraplanning", she says.

Her PFS Board work (she joined in September 2018) includes representing paraplanners and helping to steer the Society's strategy year-on-year. The Paraplanner Panel has six members and

amongst other tasks, helps the PFS devise sessions for its annual Purely Paraplanning conferences. "One of three things I'm most proud of is our Getting you started in paraplanning brochure, which is now on the PFS website," Caroline says.

A career paraplanner, she believes paraplanning offers a wide spectrum of knowledge, experience and opportunity that it is attracting people in its own right and is no longer seen as a transition stage to be a financial planner.

She believes also that paraplanning can play a big part in driving the financial advice market forward. "Financial advice has developed a bit of a negative reputation over the years but there are so many people fantastic people in our sector, focussed on doing the right thing and moving the industry forward. Paraplanners are recognised as being a part of that.

So many paraplanners are being asked to participate in the work of key organisations, like the PFS and CISI, and I believe they can be a positive force for change."

She urges paraplanners to get involved and to have a voice in the future of financial planning and financial services. "When I chaired the first Powwow I was so nervous. I'd never spoken in front of a crowd of people before. But having done it, it gave me the confidence to speak up and put myself forward to join the PFS Board and have an influence in how the paraplanning profession and the sector is developing.

"Paraplanning has given me so much and now, to be nominated by my peers for this award, is such the nicest feeling. Thank you."



Personality of the year -
Caroline Stuart

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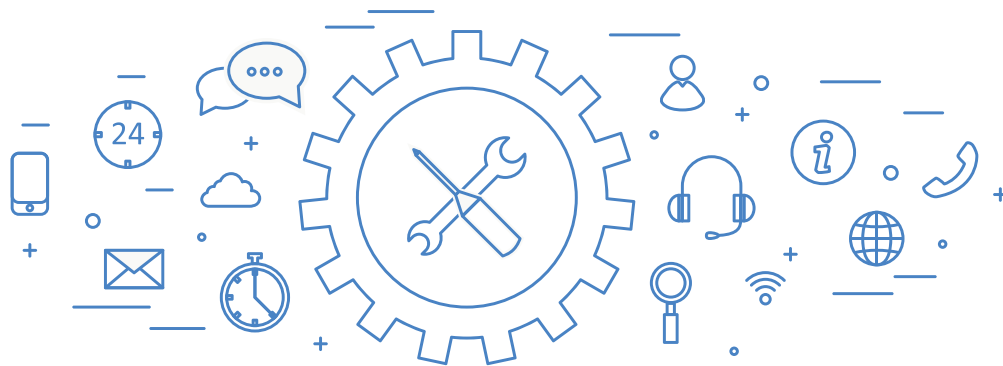
Parmenion

First, a big thank you to everyone^e who took the time to complete the nomination form for the Professional Paraplanner Provider Awards. Your input is greatly appreciated. Our Provider Awards are sought after by companies for two reasons.

Firstly, because they are recognition from paraplanners and administrators of the service they provide and paraplanners and administrators are most often the people at the coal face dealing with their products and support teams. Secondly, because to win the award they have to be nominated, i.e. paraplanners and administrators have to believe their products/service/support warrant being nominated for the award.

Every paraplanner and administrator subscriber to the magazine or website is sent a dedicated form on which they can

PROVIDER AWARDS WINNERS 2020



nominate the companies they consider delivered the best service to them in each of the award categories. Results are monitored to ensure nominations are restricted to our paraplanner and administrator subscribers.

The winners of the awards are those with the most nominations.

This year we have introduced Highly Commended status for the Provider awards. This is to recognise companies chasing the leaders for all categories. This we felt was needed in particular in categories where there may be a dominant

player in the market.

Nominators are also asked to comment on why they are putting forward the particular company for the award.

Unsurprisingly, comments this year show that it is companies that provide paraplanners with a key element of their role and their learning needs, i.e. technical knowledge and support, scored highly in the awards. Also, important is friendly and helpful attitude from staff and above all, a speedy response to queries.

Congratulations to this year's winners and highly commended companies.

THIS YEAR'S WINNERS

Best Overall Service to Paraplanners - New Business

- Parmenion
- Highly commended: Standard Life

Best Overall Service to Paraplanners - Existing Business

- Royal London
- Highly commended: Transact

Best Technical Support to Paraplanners

- Prudential
- Highly commended: Standard Life

Best Training Resource for Paraplanners

- Expert Pension
- Highly commended: Brand Financial Training

Best Research Software

- FE Analytics
- Highly commended: Defaqto

Best Non-Research Software

- Voyant
- Highly commended: CashCalc

Best Back-Office System

- Intelliflo - Intelligent Office
- Highly commended: IRESS Xplan

Best Platform

- Standard Life
- Highly commended: Parmenion

Best Third Party Support/ Compliance Service

- Three Sixty Services
- Highly commended: SimplyBiz

Best Provider Website

- Fidelity FundsNetwork
- Highly commended: Prudential

Best Small Product or Service Provider

- ATEB Consulting
- Highly commended: WAY Investment Services

Best Active Investment Solution Provider

- Liontrust
- Highly commended: Baillie Gifford

Best Passive Investment Solution Provider

- Vanguard
- Highly commended: L&G (Multi Index solutions)

Best Alternative Investment Provider

- Octopus Investments
- Highly commended: Investec Structured Products

Best Outsourced Investment Firm

- Rathbones
- Highly commended: Tatton

Best Offshore Product Provider

- Canada Life International
- Highly commended: Prudential International

Best Retirement Solution Provider

- Royal London
- Highly commended: Scottish Widows

Best Full SIPP Provider

- AJ Bell
- Highly commended: Curtis Banks

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Professional Paraplanner Awards 2020

In association with

Parmenion

Best Technical Support to Paraplanners: Prudential

Prudential scooped the accolade for Best Technical Support to Paraplanners in our 2020 Awards for the fourth year in a row and was highly commended for the Best Provider Website, an award it has also won in the past.

Les Cameron, head of Technical Services, Prudential UK says that 10 years ago, when the current technical team was established, “one of the first things we did was set ourselves the target of becoming the number one technical support team in the market.

“The feedback we receive now from advisers around the country and the fact that we’ve won this award for four years, from paraplanners, who are dealing with technical issues every day, is validation that we are doing well, we think.”

The technical team consists of six experts of differing backgrounds and experience, with a mix of chartered status and Fellows of the PFS, as well as a chartered accountant. When building the team, Les says he wanted not just technically strong individuals but also those who had

experience of working in the advice market. “Three of our team are ex-paraplanners,” he points out.

One thing they didn’t want to be was jack-of-all-trades. “We set out deliberately not to be experts in everything but to provide very comprehensive technical knowledge and insight on a range of topics we knew would be useful to financial advisers. These include trusts, inheritance tax, pensions and the more complicated issues affecting high net worth clients.”

Being a dedicated technical unit, the team is able to keep up-to-date on legislation, policy and taxation issues, which it then distils into articles and webinars, as well as recently introduced ‘Technical Shorts’, a series of technical videos which seek to provide all the information an adviser or paraplanner needs to know on a specific topic in around 7-10 minutes.

The team also answers questions from advice firms and supports Prudential’s 100 or so account managers around the country. It can receive as many as 17,000 queries a year, which answers the question why Prudential has this dedicated resource. “We want to support the financial advice



Les Cameron, head of Technical Services, Prudential UK

community because they can then better help their clients which leads to a better outcome all round,” Les says.

“We celebrate our tenth anniversary in July, so winning the Professional Paraplanner award now, and for the fourth year, is absolutely brilliant. We’d like to thank paraplanners for once again nominating us for this award. It’s given the team a real buzz.”

Best Outsourced Investment Firm: Rathbones

Greg Mullins, Director of Sales, Rathbones says: “We are thrilled to have been nominated and recognised once again by paraplanners, who are an increasingly influential and valuable part of the financial community, and integral to the research and advice process. We are committed to providing continued access and insight in order to support their endeavours.

“With an increasing emphasis on holistic planning skills, outsourcing to DFMs can

support investment performance, and research has shown that it can also benefit everything from client numbers and assets, to revenues and training.

“We believe that the longer an intermediary works with a third-party investment manager, and as that relationship strengthens, the greater the benefits.

“At Rathbones, we will always look to complement the existing work being done and the culture and maintain boundaries in

terms of ownership of the all-important client relationship. Ultimately, our aim will always be to enhance the overall advice proposition, and therefore deliver a superior client outcome and experience.”



Greg Mullins, Director of Sales, Rathbones

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There are two fundamental reasons why paraplanners nominated FundsNetwork for this year's award. The first is the platform's recognition of the importance of paraplanners and admin/support teams in the industry and the second is the website itself, including a wealth of technical information and other learning resources available.

"Our commercial success is built on our client-centricity – and by client I mean the adviser, the paraplanner and support staff too – and delivering the solutions and experiences that they need," says Jackie Boylan, Head of FundsNetwork.

"It is easy to say that but it has to be at the heart of what we do, and it has to permeate our entire culture, from our client-facing staff through to the back-office, whether a member of staff ever meets a client or not."

Over the past 18 months that client-centric focus has seen the platform pursue a programme of research, testing and development which is done with input across its range of users. "We don't build solutions internally, based on what we think, we build them with our clients, starting with the issues for advice firms from their perspective, from research through prototyping, iteration to delivery. This includes research with our potential clients too, so we know what is important to them."

Two major projects in the past year, Jackie says, have included Client Reporting and website enhancements. "Client Reporting uses what we term a human-



Jackie Boylan, Head of FundsNetwork

centred design approach. We researched how advice firms are using our reports with their clients, the type of information they need, the depth or simplicity of the information required, and we designed the solution to meet the differing needs of individual firms and their clients."

"We've also undertaken a big piece of work on the website, delivering further enhancements and ease of navigation. This has been received really favourably, which, we believe, is down to the research and testing we do before we go live."

As well as research and testing in development, FundsNetwork undertakes a twice yearly relationship survey and receives daily input from staff in the field, as well as online feedback, where every time users go on to the website they can rate it for ease and satisfaction of the experience and leave comments. "That is monitored real-time," Jackie says.

The FundsNetwork website hosts a large amount of technical and support material which is available via the Technical matters hub. A recent addition is a series of videos aimed at helping those taking the AF1 exam. The hub includes a dedicated Paraplanner Technical Hub, which currently includes 46 videos on retirement planning, as well as articles on compliance and regulation and an "Ask an expert" facility, where paraplanners can ask questions and receive an answer from one of the platform's technical specialists.

This reflects FundsNetwork's recognition, Jackie says, "...of the importance of paraplanners in the industry. We want to engage with them and provide information, support and training to help paraplanners fulfil their role as best they can. And it's not just technical content, it's the soft skills and the leadership skills as well. That's why we want to be involved in both Professional Paraplanner's Technical Insight and Team Leader seminars."

Over the next six to 12 months Jackie says there are number of developments that will be delivered, including enhancements to the DFM proposition, increasing the number of funds that can be held in model portfolios, reporting enhancements, automated split fee payments and improvements to the decumulation offering, "an area which is continuing to grow in importance". Other developments include further enhancements to the user experience on the secure website, API integrations "we believe this is the way of the future and for adviser firm efficiencies over the coming years", as well as a focus on cash and ESG.

Receiving the award, Jackie says: "Supporting paraplanners has been such a strong focus for FundsNetwork over the past few years, so knowing that to win the award we had to be nominated by paraplanners is really pleasing."

"Our commercial success is built on our client-centricity and delivering the solutions and experiences that they need"



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BEST BACK-OFFICE SYSTEM INTELLIGENT OFFICE

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The Intelligent Office (iO) back-office system from Intelliflo has scooped this award in three out of the four years. The first adviser back-office system built on the Software as a Service (SaaS) principle, its web-based approach has enabled it to take significant market share since launch in 2004.

But, as Nick Eatock, CEO and executive chairman of Intelliflo, points out, technology requires constant “evolution” to take advantage of new developments as well as to meet regulatory and market changes. So how has Intelliflo been keeping Intelligent Office on point for the financial advice market in the past year?

“As the external environment changes rapidly, we’ve been providing the tools and technology to help advisory firms become more efficient and manage business risk,” Nick says. One way Intelliflo is doing this is through the eAdviser Index, which helps firms focus on the correct use of technology.

“Our eAdviser Index helps our customers realise the full potential of adopting these technologies and it has shown consistently in the two years since launch that firms that adopt greater use of technology generate outstanding business results.”

Intelliflo also works with its customers to get the most from the software, Nick adds. “Through our customer success team, we like to continually work with our customers to help them be more successful with the software. As well as training, we also like to listen to the iO community, encouraging them to share thoughts and collectively vote on ideas to help us improve the software.”

Developments over the past year which should interest paraplanners, he says, include ‘gamified’ fact find functionality. “Launched last year, it cuts the time it takes to produce a client fact find, since there is no need to re-key data as information is automatically passed to sourcing/quote and planning tools. Completing fact finds is one of the more time consuming aspects of

the advisory process, so this functionality is a way to save a lot of that time and cost. It also seamlessly integrates with our Personal Finance Portal (PFP), giving clients access to view their data whenever they wish.”

Paraplanners might also find useful the Community on iO in their day-to-day role, he says. “Community on iO is a great way for paraplanners to connect to other iO users, to share articles and discussion points. It’s important that our software plays a role in strengthening the adviser and paraplanner community, enabling them to learn from one another.”

He encourages paraplanners to provide feedback to help develop and enhance the software. “We see paraplanners as key users of the technology, because they tend to use the tech more than almost any other category of user, so feedback through our Community page from paraplanners is vital. We want to make the complex simple, so we seek help and guidance from our customers to enable us to do that.”

Over the next year, Nick says paraplanners can look forward to “lots” in the way of new developments from Intelliflo. “Our Change the Game conference in September will reveal some great new changes and new announcements. Last year we announced our integrated model portfolio service. At the conference we bring together some of the greatest minds in the financial advice space to examine the state and future of our industry, so we encourage everyone to register now to come along.”

On the award win, Nick says: “It’s fantastic to be recognised in this way. As a Liverpool fan I’m in a state of double euphoria at the moment – Paraplanner Award and Premier League title! The award is a testimony to the constant evolution of our technology to help meet the evolving needs of paraplanners and advisers.”



Nick Eatock, CEO and executive chairman of Intelliflo

Do you have a client like Alan?

“I sold my business in the last three years. Now my daughters will have to pay IHT.”

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Professional Paraplanner Awards 2020

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Octopus Investments continued its winning streak at this year's *Professional Paraplanner* awards, scooping the award for "Best Alternative Investment Provider" for the fourth year in a row. Victoria Barber, Strategic Partnerships manager, Octopus Investments, says: "To win four years in a row is a huge achievement and we are so grateful to all the readers of *Professional Paraplanner* for nominating us.

"We absolutely love working with paraplanners and to win this award has shown us that the effort we've made to support the industry is working. The whole team is thrilled."

Since its inception in 2000, Octopus has worked closely with financial advisers to understand their needs and the needs of investors. However, in recent years the firm has taken steps to actively engage with paraplanners and create tailored content to support their learning and development, particularly around understanding the niche markets Octopus operates in.

Barber explains: "As a business, our biggest aim is to support advisers and paraplanners. The opportunities within estate planning are huge, so we are continually looking at ways to provide as much content, help and support as we can. We are the largest provider of business property relief-qualifying investments and venture capital trusts in the market and we appreciate these are very niche and often require more support."

"We absolutely love working with paraplanners and to win this award has shown us that the effort we've made to support the industry is working"

BEST ALTERNATIVE INVESTMENT PROVIDER OCTOPUS INVESTMENTS



Victoria Barber, Strategic Partnerships manager, Octopus Investments

Paraplanners can access a wealth of materials through the company, including CPD-accredited guides and webinars on subjects such as VCTs and inheritance tax.

Barber says: "Paraplanners are a fundamentally important part of the advice process. They are the ones writing the suitability reports so we know how hugely beneficial it is for them to have that extra knowledge. We are always on hand to answer their questions and provide help any way we can."

Octopus' commitment to providing information and support has not wavered during the Covid-19 pandemic, with the company stepping up efforts to help firms navigate the new working environment. Following conversations with advisers concerned around how to work with clients through lockdown, Octopus upskilled its sales team and published a document providing

advice on how to interact virtually with clients. In addition, the provider has created a page on its website regularly providing updates on all its investments and launched a dedicated online CPD resource hub so that paraplanners can use the opportunity to continue learning and developing professionally.

Barber says: "Paraplanners can access white papers through the hub, such as the one we recently published on BPR and discretionary trusts, and webinars with CPD accreditation on a range of subjects such as VCTs or how to advise business owners."

Octopus has also moved its annual regional events online. Its first "Octopus Live" event focused on inheritance tax planning, BPR-qualifying investments and how to approach the issue of suitability.

Octopus is also one of the companies running sessions for the Professional Paraplanner Technical Insight Webinars, for registered delegates of the postponed Technical Insight Seminars.

Barber says: "We want our events to be very practical we look at the advice process and break down what advisers and paraplanners should be considering. We pre-record mini interviews with experts and advisers who have specialist, expert knowledge within that particular area and can share best practice and tips."

The firm hopes that by raising awareness around advice and paraplanning more generally, it will help to bridge the advice gap the industry is facing, as the number of advisers working in the industry decreases at a faster rate than newcomers join.

Barber adds: "Anything we can do to promote the industry and help encourage its development we will do. Ultimately, we are always looking to receive feedback from the advisers and paraplanners we work with and be guided by them about what will be of greatest benefit to them."



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FE Analytics



Professional Paraplanner Awards 2020

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“Paraplanners are key users of FE Analytics so we are absolutely thrilled to have won the Professional Paraplanner Best Research Software award for the fourth year in a row,” says Mark Chanda, head of Adviser & Discretionary Investment Sales at FE fundinfo. “We are grateful to everyone who took the time to nominate us.”

Most users value the depth and functionality of the system, but Mark says that FE fundinfo has also tried to be responsive to user needs throughout this exceptional year. Prior to lockdown, FE Analytics received a “makeover” which was rolled out in March and April. This included improvements such as a redesign of the main menu bar, grouping tools within thematic submenus to help users find what they need faster, and quick reference crib-sheets within the submenus, providing access to tips for using the tools, Mark explains.

“When lockdown occurred, we very quickly and seamlessly moved all 667 FE fundinfo global staff to home working and ensured our users could continue accessing the system as and when they needed. With stockmarkets falling, this was essential in terms of our service to adviser firms as well as their end clients.

“FE Analytics saw a 39% increase in use year-on-year in the weeks around lockdown. At the same time, we felt it was important that our users were able to get the most from

BEST RESEARCH SOFTWARE FE FUNDINFO

our analysis, portfolio comparison tools and other vital functionality to help their clients through the market volatility and beyond. So, in addition to our usual training, update webinars and bespoke consultancy, we introduced our Lockdown Learning campaign, which gave users training for free, helping them learn more about the features in the system.

“We were able to train up to 100 people at a time. That campaign proved very popular, so we are looking at running a second one in due course. In addition, our in-house training consultant presented free CPD webinars on how to use FE Analytics in turbulent times to help review market data.”

Keeping in regular contact with clients through more conversations and delivering constant updates has also been high on the agenda throughout the Covid-19 crisis, Mark says. “With our FE Investments model portfolio service available via FE Analytics, we quickly anticipated what information advisers’ end clients would need and provided daily updates on the markets, thus giving advisers invaluable information and insights so they could stay up to date with what was affecting their clients’ investments.”

Mark adds that the feedback FE fundinfo is receiving through its conversations from adviser firms over the past few months, suggests many are reflecting on their business and investment models. “We get



Mark Chanda, head of Adviser & Discretionary Investment Sales at FE fundinfo

the feeling that adviser firms are revisiting the way that they do things – considering whether using managed portfolios or outsourcing to a DFM is now the way they should go. This was backed up in the findings of our 2020 Financial Adviser survey, which shows that a majority are now working with third parties.”

Looking ahead, FE Analytics is continuing to develop to further improve its functionality and make the system even easier to use and navigate. This is being done with the acknowledgement that it maintains its familiarity with its users, Mark says. “We have a team dedicated to development, which takes feedback from clients and we are always looking for ways we can enhance navigation and interfaces, make the system more responsive and supportive for our users, as the market itself changes.”

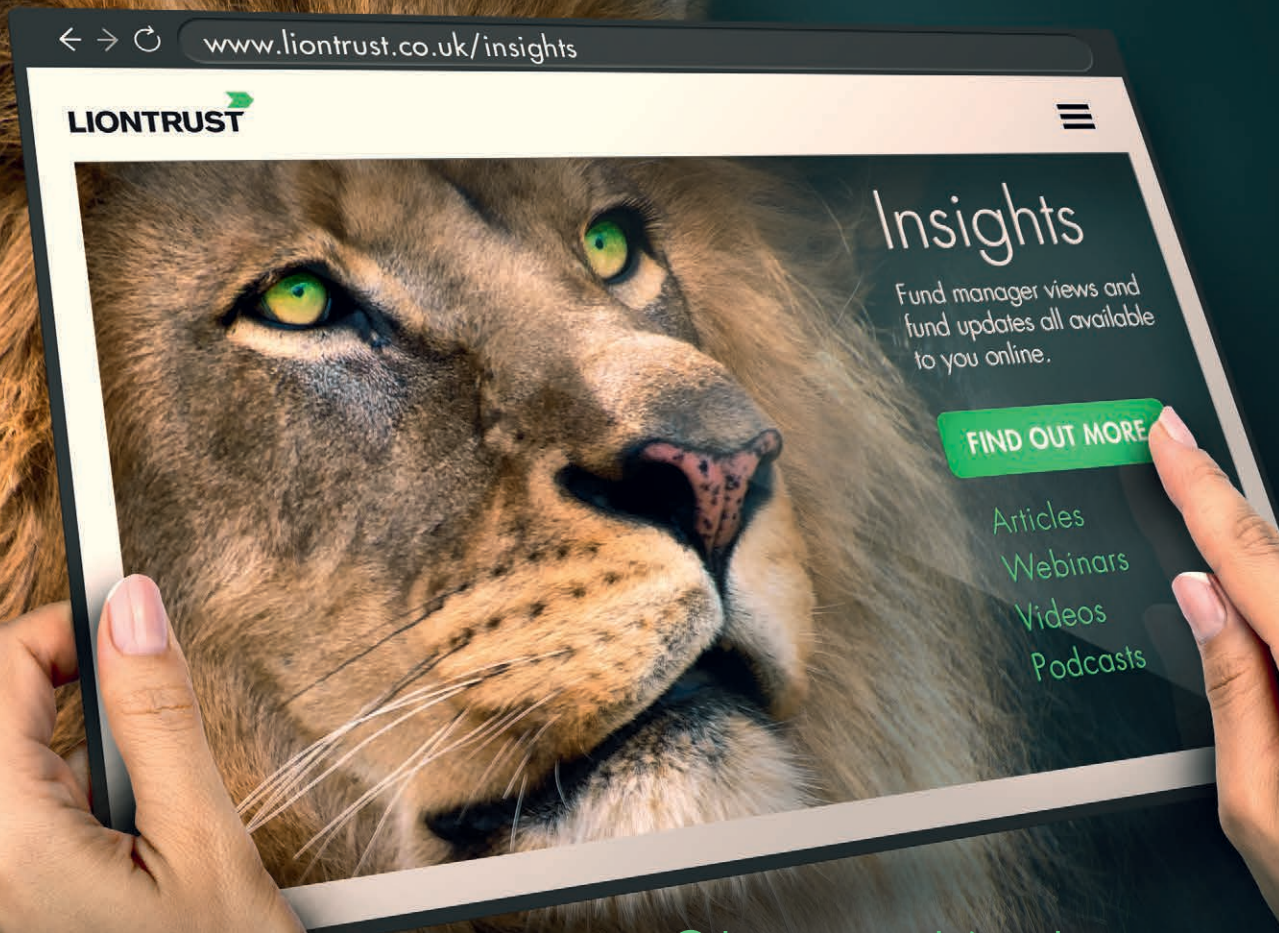
Paraplanners are going to be front of mind as key users of the system. “We are aligned with paraplanners and what they do and we value their feedback. In 2021, with the support of our users, we’ll be hoping to win the award for the fifth year running!”

“When lockdown occurred, we very quickly and seamlessly moved all 667 FE fundinfo global staff to home working and ensured our users could continue accessing the system as and when they needed”

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Simon Hildrey of Liontrust says the specialist fund management company takes pride in having a distinct culture and approach to running money. He writes: Our purpose is to have a positive impact on our investors, stakeholders and society.

We aim to achieve this by providing the environment which enables our fund managers and employees to flourish, helping our investors achieve their financial goals, supporting companies in generating sustainable growth, and empowering and inspiring the wider community.

What makes Liontrust distinct?

- The company launched in 1995 and was listed on the London Stock Exchange in 1999.
- We are an independent business with no corporate parent, our head office is on the Strand in London and we have offices in Edinburgh and Luxembourg.
- We believe in the benefits of active fund management over the long term and all our fund managers are truly active.
- We focus only on those areas of investment in which we have particular expertise. We have nine fund management teams. Six of the teams invest in UK, European, Asian and Global equities, one team invests in Global Fixed Income and we have a Sustainable Investment team that offers equity, fixed income and managed funds. Our ninth team manages target risk, Multi-Asset portfolios.
- Our fund managers are independent thinkers and have the courage of their convictions in making investment decisions.
- Our fund managers have the freedom to manage their portfolios according to their own investment processes and market views without being distracted by other day-to-day aspects of running a fund management company.

BEST ACTIVE INVESTMENT SOLUTION PROVIDER **LIONTRUST**



Simon Hildrey, Liontrust

- Each fund management team applies distinct and rigorous investment processes to the management of funds and portfolios that ensure the way we manage money is predictable and repeatable.
- Staying true to their documented investment processes helps to create an in-built risk control for our fund managers, especially in more challenging environments, by preventing them from buying stocks for the wrong reasons.
- We aim to treat investors, clients, members, employees, suppliers and other stakeholders fairly and with respect. We are committed to the Principles of Treating Customers Fairly (TCF) and they are central to how we conduct business across all our functions. Our vision is to help clients achieve their financial goals and to be a responsible investor, benefiting stakeholders and the wider society.

Our strong brand is based on an ethos of three fundamental principles.

Independence: We do not follow the herd. Our fund managers have differentiated and robust investment processes and are independent thinkers. Liontrust is an

independent business with no corporate parent, is innovative and is nimble.

Excellence: We pride ourselves on the quality of our fund management teams and the knowledge and ability of our staff across the business. We strive to provide first-class service to our investors and stakeholders and are transparent about the management of our funds, portfolios and the business, communicating clearly and frequently.

Ethics: We seek to be a responsible company and investor. We treat staff, investors and stakeholders fairly and with respect. We are committed to contributing to and benefiting the wider society.

How a fund manager performs is not just down to the talent of the individual or team but also to the culture and environment in which they work. Creating the right culture for fund managers to perform has been a central tenet of Liontrust since the company was launched in 1995.

We have created an environment in which fund managers can focus on running money and not get distracted by other day-to-day aspects of running a fund management business, particularly administration.

At the heart of the Liontrust culture is the fact that our fund managers are truly active, have the courage of their convictions when investing and manage funds and portfolios according to distinct investment processes. There is no house view at Liontrust, with our fund managers having the freedom to manage their portfolios according to their own investment processes and market views.

Another aspect of the Liontrust culture is that fund managers invest in funds they run, which shows a belief in and a commitment to their investment processes and fellow investors.

We empower members and employees to take on responsibility and to be accountable for their decisions, actions and behaviour.

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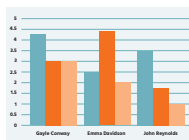
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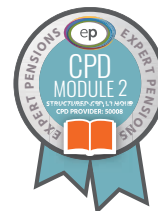
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Expert Pensions was crowned 'Best Training Resource for Paraplanners 2020' at this year's *Professional Paraplanner* awards, after spending the last few years expanding its proposition to become a leading online learning solution.

Gayle Conway, managing director, Expert Pensions, said the firm was delighted to win an award voted for by paraplanners themselves. "To know our students have voted for us has been an absolute honour. The whole team is over the moon and we are so grateful to everyone who voted."

In the eight years since the West Lothian-based firm was founded it has grown in popularity within the advice community, with 85% of new clients joining its growing network as a result of recommendations.

Expert Pensions, launched by pensions expert John Reynolds, initially focused on the now-defunct AF3 exam, however, in recent years the firm has branched out to cover a broad spectrum of exams within financial services. "We are primarily known for our Level 6 support and that's what our reputation has largely been built upon, but we



Gayle Conway, managing director,
Expert Pensions

BEST TRAINING RESOURCE FOR PARAPLANNERS EXPERT PENSIONS

never advertised that," explains Gayle. "We have spent the last few years developing our offering to ensure our courses cover a broad range of exams within tax, pensions investments and financial planning."

Since Gayle joined the firm four years ago, it has also moved to an online proposition, keeping pace with both a technology-driven world and the needs of its students.

"In the early days, the firm would run lots of face-to-face workshops, but we found that online sessions were more effective for students as they could sit and study at a time that worked for them," says Gayle.

In fact, making the studying process as efficient and effective as possible is at the heart of Expert Pensions' offering. All students receive a structured study plan that breaks down the syllabus week-by-week, as well as access to video tutorials, study notes, exam-style questions and contact with industry experts. Gayle says: "What we always advocate is having a structure and this has been one of our biggest selling points with students. The big problem people face is time – there is always something going on, whether it's work, family or other commitments and it's very easy to let studying slip."

But Gayle says where the firm stands out from others

is that it combines technical expertise with exam technique. "Passing exams is just as much about exam technique as it is about technical knowledge," she explains. "Our advice to anyone sitting an exam is to look through past papers and model answers to really understand what will be asked of you and how to format answers to get the highest marks. Don't be afraid to make mistakes while you're studying, that's how you learn."

As part of its growth strategy, Expert Pensions is continuing to develop its learning solutions, starting with a new knowledge hub focused on defined benefit transfers. "We're always reviewing our courses and one of things we've found is that people who go through their exams with us still want to be involved with the company and continue to develop. That drove us to offer masterclasses with built-in CPD certificates," explains Gayle.

And with defined benefit transfers a point of focus for the industry, building a focused hub was a natural next step, where users can share knowledge, experience and best practice as well as understand how FCA policy statements will directly impact advice firms.

Gayle adds: "Our mission has always been to create learning solutions that allow people to really excel in their professional life and we hope to continue growing by doing just that."

Best Small Product or Service Provider

Commenting on ATEB Consulting's win at this year's awards, director Steve Bailey said: "Well, firstly, what a wonderful surprise. It feels great to have received this award because it demonstrates that our views and insights are clearly valued and aligned with the general paraplanning population. We appreciate the great work that paraplanners do and if we can help them deliver their work

more effectively then everyone wins. ATEB has a national team of employed consultants and technical specialists that offer clients pragmatic and independent support to help meet both their business objectives and their regulatory commitments. We have offered regulatory advice since 1998 and we have direct 'coal face' experience with the FCA on significant projects including skilled persons work. ATEB acted recently in an expert witness capacity on behalf of the FCA."

Steve says areas that paraplanners may want to keep an eye on in 2020 include:

- **Switching:** It is just a matter of time before the FCA move decisively in this area.
- **Costs and charges:** There is regulatory pressure to go down or at least to properly justify
- **Segmentation:** This should be client needs focussed
- **PROD:** It feels like many firms still have their head in the sand on this one.

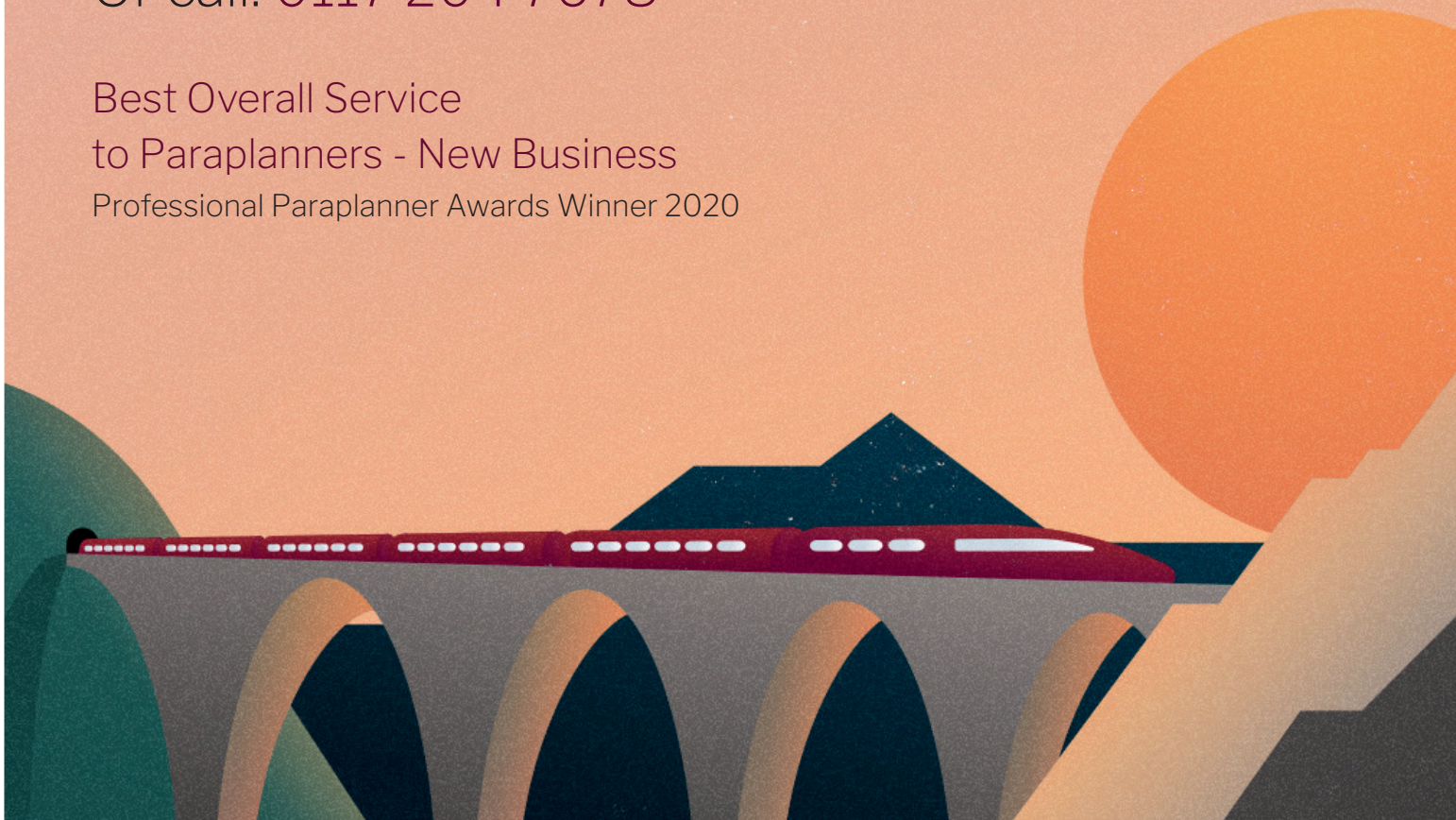
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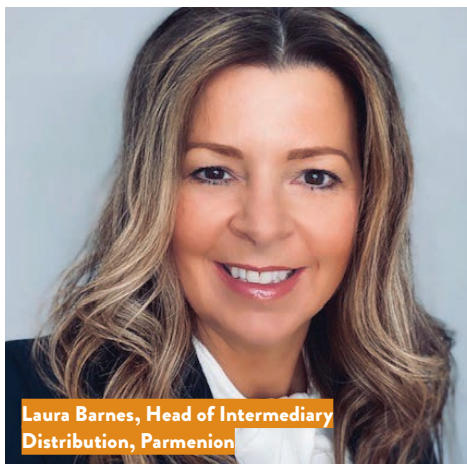
What does good service look like? “Many might say that is a hard question to answer, particularly in the world of financial advice where there are many intricacies at play,” says Laura Barnes, Head of Intermediary Distribution, Parmenion. “For us however, it’s simple; by listening to our clients’ needs, we get things right the first time around, delivering what we said we would. This saves everyone time – and money!”

This level of efficiency is particularly important for the paraplanner community, Laura adds. “Today’s paraplanners are relied upon to provide important research and complex recommendations during the initial advice process, and ongoing review enabling advisers to allow more time for client relationship management and advice. They play a pivotal role in making the financial adviser world go around, so understanding their challenges – and working on ways to tackle them – is always at the top of our priority list.”

It comes down to knowing your client. “We make it our business to really know who our clients are and what they might want to know. We created our knowledge base – an ever-growing library of articles answering everything from tax queries to untangling regulation change – to allow clients the opportunity to answer their own questions. And it’s used extensively.

“And because we understand our clients, we can anticipate the queries advisers &

BEST OVERALL SERVICE TO PARAPLANNERS - NEW BUSINESS PARMENION



Laura Barnes, Head of Intermediary Distribution, Parmenion

paraplanners have and off the back of it, we are proactive and create knowledge base articles so they’re available before clients even know they have that question. That gives our clients what we call ‘supported autonomy’ and has gone down really well.”

Creating a successful onboarding process, means providing the right training, Laura says. “Personalisation has seeped into all areas of our life and being able to customise your service experience is now expected of any modern business. For us, that is especially important when we start to work with a new client and begin their onboarding. We personalise all training via a variety of mediums to suit the individual or teams. That might take the form of face-to-face or web-based training, tailored for paraplanner staff, on all aspects of the Parmenion proposition.

“This rolls back round to our efficiency philosophy. The adage goes if you teach a man to fish, he’ll be able to feed himself.

The same is true for our systems. We ensure paraplanners are fully skilled up on how to use our platform, so they don’t waste time or second guess themselves. All clients are shown everything at the start, so they can do their job with ease.”

Ongoing support from a dedicated client onboarding and adoption team, also is available to every client, with access on a day-to-day basis, to well-trained staff on the phone, via email and on live chat, Laura explains. “Our teams are always at our clients’ disposal and because we encourage relationship development as part of our business, most clients get to speak to the same person whenever they get in touch. This is achieved because our client service team is small – much smaller than other businesses our size. We don’t need more – most queries are be solved via knowledge base. And those that do call are taken care of. We have a ‘one and done’ policy meaning we get the right answer for our client, straight away. They don’t need to call back and can get on with their day!”

Talking about the award win, Laura says: “Providing a great service has always been a differentiator between good businesses and the rest. Post-Covid19 you would expect that this will only get more important. We’re obviously delighted to have won the Professional Paraplanner Award, as it really reinforces that we are getting it right.

“But this doesn’t mean that we’ll stop continuously evolving our offering. It’s something we feel strongly about; we update our technology every fortnight, for example, as we know there is always something we can do better. Owning our own software gives us an advantage – we can fix things quickly via our dedicated tech team or change things to meet new regulatory standards. Not relying on a third party essentially allows us to ensure that there is never a problem in the first place. And, that is great service, the Parmenion way.”

“Personalisation has seeped into all areas of our life and being able to customise your service experience is now expected of any modern business”

Professional Paraplanner

The Investment Committee

In association with



This dedicated section within the magazine and on the *Professional Paraplanner* website provides information and insight for paraplanners engaged in research into investments and for those contributing to their firm's Investment Committee decisions. We will be covering key areas from individual funds and alternatives, through market trends and commentaries

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Current corporate bond markets offer rare opportunities but managers warn there will be clear winners and losers in the sector, writes Darius McDermott, managing director, FundCalibre

Investment Committee events


Our series of Investment Committee webinars are now up and running. In June we hosted live webinars from Close Brothers and Fidelity. You can access the recorded versions on the Professional Paraplanner website under the Events tab.

Keep your eyes on the website and the daily email alert for announcements regarding upcoming webinars over the next few weeks.



SECTOR CONSIDERATIONS: CORRELATION

Volatility	Volatility 3 Years prior to sell off	Volatility 19/02/2020-08/06 2020	Multiple increase in volatility
IT Debt Direct Lending	3.92	40.5	10x
IT Debt Loans & Bonds	3.3	49.3	15x
IT Private Equity	5.91	46.68	8x
IT Property Debt	2.79	43.79	16x
IT Property UK Commercial	4.29	51.43	12x
IT Renewable Energy Infrastructure	4.97	24.46	5x

FE fundinfo 	IA Europe Excluding UK	IA Global	IA UK All Companies	IT Debt Direct Lending	IT Debt Loans & Bonds	IT Private Equity	IT Property Debt	IT Property UK Commercial	IT Renewable Energy Infrastructure
Correlation 3 Years prior to sell-off									
IA Europe Excluding UK		0.87	0.85	0.37	0.67	0.74	0.52	0.34	0.44
IA Global	0.87		0.83	0.28	0.63	0.72	0.53	0.26	0.32
IA UK All Companies	0.85	0.83		0.23	0.62	0.72	0.62	0.52	0.48
IT Debt Direct Lending	0.37	0.28	0.23		0.34	0.31	0.17	0.02	0.31
IT Debt Loans & Bonds	0.67	0.63	0.62	0.34		0.69	0.56	0.31	0.33
IT Private Equity	0.74	0.72	0.72	0.31	0.69		0.52	0.44	0.3
IT Property Debt	0.52	0.53	0.62	0.17	0.56	0.52		0.22	0.45
IT Property UK Commercial	0.34	0.26	0.52	0.02	0.31	0.44	0.22		0.15
IT Renewable Energy Infrastructure	0.44	0.32	0.48	0.31	0.33	0.3	0.45	0.15	
Correlation 19/02/2020-08/06/2020									
IA Europe Excluding UK		0.98	0.96	0.99	0.98	0.95	0.98	0.95	1
IA Global	0.98		1	0.94	1	0.99	1	0.86	0.97
IA UK All Companies	0.96	1		0.91	0.99	1	1	0.82	0.95
IT Debt Direct Lending	0.99	0.94	0.91		0.95	0.89	0.93	0.98	0.99
IT Debt Loans & Bonds	0.98	1	0.99	0.95		0.99	1	0.88	0.97
IT Private Equity	0.95	0.99	1	0.89	0.99		1	0.8	0.93
IT Property Debt	0.98	1	1	0.93	1	1		0.86	0.96
IT Property UK Commercial	0.95	0.86	0.82	0.98	0.88	0.8	0.86		0.96
IT Renewable Energy Infrastructure	1	0.97	0.95	0.99	0.97	0.93	0.96	0.96	

Fund Calibre comment:

The benefits of alternative sources of returns has been well documented in recent years as a way to diversify and minimise risk within investor portfolios. However, in extreme periods of crisis such as those we've recently seen, you still have to wear some of the volatility, as asset classes become increasingly correlated.

A good example of this has been specialist investment trusts – an area which has become very popular over the years. Performance has supported the trend, as low correlations to other asset classes –

and low volatility in general – has made them a great addition from a risk perspective.

But recent events have seen this change and it has become a big talking point in our review meetings. The volatility chart above covers six specialist Association of Investment Company sectors and shows their weekly volatility three years prior to the sell-off and the weekly volatility from 19 February until 8 June 2020. The risk increase is stark with some staggering multiples. For example, trusts in the property debt space have seen a 16x increase in risk.

The second chart shows how uncorrelated these trusts have been to equities over the past three years, with private equity the only exception. However, the sell-off has seen almost every specialist area become fully correlated to developed market equities. That's almost unprecedented.

That does not mean there are not opportunities. Take renewables as an example: it's an asset class that should not have been affected by Covid-19, but its volatility has risen fivefold and has become almost fully correlated to global equities. Discounts will appear, but the risk lesson must be learnt.

WHERE NEXT FOR INCOME?

Charles Luke, senior investment director, UK Equities, Aberdeen Standard Investments, considers income investing during the current pandemic and what is affecting the market outlook

The coronavirus crisis is affecting almost every aspect of daily life; changing the way we work and socialise for the foreseeable future. Its effects on businesses, economic growth and financial markets are similarly far-reaching. We find ourselves in completely uncharted waters and with an extremely opaque outlook.

Some of the earliest financial consequences of the pandemic have come through in



company dividends. At time of writing, 44* constituent's of the FTSE 100 have cancelled,

cut or suspended their dividend payments. Tourism, hospitality, aviation and retail have been some of the hardest hit sectors. But even major UK bellwethers like Shell, previously associated with dividend security, have not been immune.

Impact on income investing

Clearly, it's not just balance sheet weakness behind this – politics and public relations are also at play. As a quid-pro-quo for government assistance during the pandemic, some companies are refraining from paying dividends and thereby avoiding negative PR. There are regulatory pressures too. The UK's largest banks and insurers have cancelled payments following pressure from the Prudential Regulation Authority. Such action should helping them retain capital for increased provisioning and post-Covid-crisis lending. For other businesses though, it's about taking a cautious approach and preserving cash when the economic outlook remains so uncertain. With a global recession already in train, and no way of

Fidelity Global Dividend Fund

In uncertain times, it pays to take a prudent investment view. That's why the Fidelity Global Dividend Fund focuses on high quality stocks with strong balance sheets and predictable cash flows that can provide portfolio diversification.

Portfolio Manager Dan Roberts' conservative approach and global remit has helped the fund outperform the index and beat 100% of its peer group with lower volatility and drawdown than the sector average since its launch in 2012 - achieving its aim of a steadier ride through unpredictable markets.

	Mar 15 - Mar 16	Mar 16 - Mar 17	Mar 17 - Mar 18	Mar 18 - Mar 19	Mar 19 - Mar 20
Fidelity Global Dividend Fund	6.1%	23.6%	-4.5%	15.2%	1.5%
MSCI AC World	-1.2%	32.3%	2.4%	10.5%	-6.7%
Peer Group Average	-0.5%	26.0%	-1.3%	8.6%	-9.6%

The value of investments and the income from them can go down as well as up and clients may get back less than they invest. As a result of the annual management charge for the income share class being taken from capital, the distributable income may be higher but the fund's capital value may be eroded, which will affect future performance. The fund can use financial derivative instruments for investment purposes, which may expose it to a higher degree of risk and can cause investments to experience larger than average price fluctuations. Changes in currency exchange rates may affect the value of an investment in overseas markets.

Past performance is not a reliable indicator of future returns.

 Go to professionals.fidelity.co.uk



Performance data source: Morningstar, 31.03.2020, bid-bid, net income reinvested. © 2020 Morningstar, Inc. All rights reserved. Peer group is the IA Global Equity Income sector. Morningstar Rating™ as of 31.03.2020, in the Global Equity Income Category™.

knowing how long or severe it may be, this seems a sensible precaution.

As a UK income investment manager, this dividend backdrop is particularly challenging. At times like these, there is often the temptation to churn the portfolio and react to every piece of newsflow and every 'noise'. Then there's the 'siren call' of investing in lower-quality companies with better near-term dividend yields. These approaches seldom work.

What can work through a crisis though is maintaining quality income strategy; focusing on dependable high-quality companies with strong balance sheets. These firms are well placed to continue to grow their business, reinvest in it, perhaps partake in M&A, and grow earnings year on year. And they are more likely to be able to pay dividends, even when conditions change. Companies with compelling long-term structural growth stories, perhaps with global brands or valuable intellectual property, are attractive too. There is a good chance that the strong will emerge stronger.

Then there's diversification. The pandemic has and will continue to affect different companies and sectors in different ways and at different times. As always, it makes sense to be well diversified and not overly dependent on any one economic scenario, sector or company. Dispersion across mid-cap and large-cap stocks can be a good idea too, as can exposure to other types of independent income streams, such as writing options.

Market outlook

Finally, know your companies. The pandemic has exacerbated and accelerated existing problems within many businesses, so right now, company fundamentals matter more than ever. A company with the right business model, in the right industry, with solid management and a strong balance sheet will always be better equipped to overcome the challenges that come to all businesses over time.

So what of the market outlook from here? As we stand today, only time will

tell if prices currently reflect the risks but I'm not optimistic about a v-shaped recovery. I expect we will be in a world of low growth, low inflation, high debt, high unemployment and weak demand for a long time.

In some sectors, particularly travel and leisure, valuations look cheap. However, it's difficult to have any confidence in what will happen next, when the outlook is dependent on so many unknowns. Will we find effective treatments for the coronavirus and a vaccine? What will be the long-term impact of social distancing on businesses? How will consumer behaviour change?

Finally, we've seen companies come to the market to raise capital of up to 20% of their shares through placings. We've yet to see rights issues for greater amounts, but that will come. We'll see more companies raising larger amounts, which will probably make valuations look less attractive.

* Source: www.dividenddata.co.uk/dividend-cuts.py?market=ftse100



For investment professionals only

For a steadier ride through unpredictable markets



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AVOIDING WATERLOO

Current corporate bond markets offer rare opportunities but managers warn there will be clear winners and losers in the sector, writes Darius McDermott, managing director, FundCalibre



There's an argument to be had that active bond managers have been waiting for the type of uncertainty we've seen this year, for the best part of a decade. A note I read from Invesco summed it up nicely. It stated: "The economic backdrop is extremely weak and uncertain but there is a queue to loan money to companies." We truly are in unique times.

All the talk in recent years has been about the risks associated with bonds, but after the unprecedented market falls this March, we saw record flows of new issuance in April – offering relatively high spreads.

The rhetoric is that the opportunities are there, but we are unequivocally entering a recession where companies will go bust – it's a case of how bad will

it get? Those managers who succeed in this environment will be lauded, while I suspect a number of those who fail could go the way of Napoleon in 1815.

Finding opportunities

Corporate bonds have caught the eye for a number of reasons. Most notably, the record amounts of stimulus being pumped into the market by central banks, while governments across the globe are also writing loans to give these companies additional liquidity.

Another boon is the wholesale dividend cuts expected in the UK equity market. While equity income is falling, investment grade yields have risen. And, unlike dividends which are discretionary, companies are contractually obliged to pay an income through their bonds.

The UK government also sold its first negative-yielding government bond in May 2020, meaning investors who hold the debt to maturity will get back less than they paid, so the risk/reward characteristics of corporate bonds are more attractive.

The opportunity of a generation was the tagline mentioned by numerous managers in early to mid-April – since then spreads

So, is there a fly in the ointment? The big danger to bonds – but particularly the high yield market – is the potential of a second lockdown, which has not been priced into markets

have closed, but there are still opportunities to be had in the market.

Manager views

Artemis Corporate Bond fund manager Stephen Snowden says there will still be clear winners and losers from a sector perspective. He says he is currently overweight to financials, food retailers, technology and healthcare within his fund¹.

The income opportunities in high yield are also gaining traction. Close Brothers Managed Income manager Matthew Stanesby believes that while we've seen lots of companies downgraded to BBB in the investment grade market – which could impact sentiment as it moves closer to high yield – conversely the high yield space might now get a glut of companies





downgraded from BBB to BB, which could push up the quality of a high yield fund.

Ford, Kraft Heinz, Renault and Marks & Spencer are amongst the issuers which have fallen into the fallen angels' category in the midst of the coronavirus and lower oil prices². And figures show that the performance of these fallen angels tends to outperform other high yield bond and investment grade companies over the long-term³.

So, is there a fly in the ointment? The big danger to bonds – but particularly the high yield market – is the potential of a second lockdown, which has not been priced into markets. Travel, leisure, pubs and restaurants are the sectors that would suffer greatly if restrictions continue into the late summer/autumn. Investors have to expect

that defaults will be higher than normal – but the economic stimulus should stop a number of companies going bust and, as always, careful stock picking will be key.

Those looking to invest in the corporate bond market may like the Artemis Corporate Bond, given the prudent mix of an experienced manager like Stephen Snowden and a nimbler portfolio to tap into investment opportunities. Another would be the M&G Corporate Bond fund, managed by Richard Woolnough.

In terms of high yield, a fund we like is the Baillie Gifford High Yield Bond fund managed by Robert Baltzer and Lucy Isles, which offers access to a portfolio of largely US, UK and European high yield bonds in a 50-90 stock portfolio. You can also access high yield through the likes of the Invesco

Monthly Income Plus fund – managed by Paul Causer, Paul Read and Ciaran Mallon – which currently has almost half its allocation to high yield⁴.

¹ Source: Artemis: What next for corporate bonds...

² Source: M&G Bond Vigilantes: Fallen angels – how to ride the upcoming wave

³ Source: The Credit Line: The two sides of “fallen-angel” downgrades: Risk vs. risk premium, Goldman Sachs, 20 April 2020

⁴ Source: fund factsheet, 30 April 2020

Past performance is not a reliable guide to future returns. You may not get back the amount originally invested, and tax rules can change over time. Darius's views are his own and do not constitute financial advice.

WHAT ARE YOUR DRIVERS?

A book on resilience has Jacqueline Lockie, head of Financial Planning, CISI, re-assessing motivation and what it means for paraplanners



Covid-19 has certainly made me stop and re-evaluate many aspects of my life and it has given me a chance to reflect on past experiences and ask myself if I have learnt all the lessons I can from them. One area I feel that I have always struggled with in my life is resilience. As a young paraplanner I felt I continually struggled with this and always seemed to carry the weight of the world on my shoulders, or at least that's what I was often told. In my first paraplanning job I used to go home and continually mull over what I had done wrong or what had happened that day. I've lost months and months of sleep over work issues in trying to work out if I'd done the right thing.

So, reading a new book, Ross Edgley's *Art of Resilience* has given me the opportunity to revisit this and had provided some new insights into this area. I've not finished his book yet, but it is a fascinating read. He writes about what makes us more resilient and the component parts of both the mind and body needing to play their part to make us more resilient. One of the most fascinating parts of the book so far which is important in helping us become more resilient is on motivation.

There are two fundamental types of motivation: intrinsic and extrinsic motivation. Intrinsic motivation is where



you are driven to keep going for reasons you have developed internally such as your desire to ensure the clients get the best all round advice and that you do the absolute best you can to create a report that helps the clients understand where they are with a clear path to achieve their objectives in life. Extrinsic motivation is where external factors motivate us, such as money, promotion/job title.

Have you thought about what motivates you to be a paraplanner? What motivated you to become a paraplanner in the first place? Is it a job well done for clients? Money? Happy clients? Happy advisers? What has motivated you to keep at it when things got tough? For some, times are tough now being a paraplanner. We might all be in the same storm, but we are not in the same boat and we are experiencing the effects of this pandemic on many different levels.

If you answered my questions on what motivates you, I'd like to bet that most

of you became paraplanners because of some intrinsic motivation. I've tested this out on a number of paraplanners recently and they all agreed. Doing the right thing, finding your way around client's problems to help them achieve what they want to, building a more client friendly service for clients, are all up there in the top reasons that many of you told me that motivated you to become paraplanners.

So, in order to become more resilient in life generally, we need to harness our minds and bodies to be comfortable in the uncomfortable. Probably the understatement of the year would be that the pandemic is certainly causing a lot of 'uncomfortable'. But no matter what your current situation, you can still try to exercise your resilience to get through it. Use your motivation to make plans for the future. Create your own budgets and cashflows. Make the tough decisions where you need to. Get help and support from others when you need to. Do something good to help someone else along the way. Look at what needs to change to enable you to continue to do what you love: paraplanning.

In my experience, paraplanners are a very supportive and caring bunch. Much loved and well respected and integral to delivering a first-class financial planning service to clients.

CONTINUING PROFESSIONAL DEVELOPMENT VERIFICATION TEST

Professional Paraplanner is approved under the Chartered Institute for Securities & Investment's CPD accreditation scheme for financial planning to enable paraplanners to accrue CPD points for reading the publication

The amount of credits will be determined by the length of time taken to read the articles within the magazine. Readers requiring Structured CPD points must read the magazine for at least 30 minutes and correctly answer the 10 questions on this page.

Under the CISI CPD Scheme all members must undertake a range of CPD activities in a year to demonstrate that they meet the requirements of the scheme. CPD activities undertaken during the year will fall under the following categories:

- Technical Knowledge
- Ethics
- Professional Standards
- Personal Development
- Practice Management

Members must satisfy themselves that the content is appropriate for their own development when allocating CPD points to their own record. The content will be reviewed on a quarterly basis by the CISI.

Complete and retain a copy of this page from the printed version of the magazine or download the pdf of the page from our digital edition and complete and retain that for CPD compliance purposes.

Professional Paraplanner CPD questions for Structured CPD verification

Viewpoint (p5)

In its recent Dear CEO letter what were some of the regulator's concerns:

- Lack of robust processes
- The rise in DB transfers
- Retirement outcomes

Tax (p8)

The adviser suggested the client put an NRB equivalent sum into which kind of trust?

- Bare
- Flexible
- Discretionary

Tax (p8)

In 2018 the client was ineligible for full RNRB because:

- Her husband died before it was introduced
- Her estate was over £2million
- She was over 70

TDQ: Tax (p10)

Due to the lockdown, self-employed individuals can defer their second tax payment on account due on 31 July 2020:

- True
- False

Pensions (p13)

Which of the points of SSAS due diligence referenced do you consider the most important?

Development (p14)

Name one of the 'five ways to wellbeing' referred to by the writer:

Sectors (p39)

Specialist investment sectors have become further uncorrelated to equities in the past three months

- True
- False

Income investing (p40)

Over 40% of FTSE 100 companies have cancelled cut or suspended dividend payments since March:

- True
- False

Corporate bonds (p42)

The UK Govt sold its first negative-yielding govt bond in which month?

- March
- April
- May
- June

Professional body (p44)

What are the two fundamental types of motivation referred to by the writer:

1.
2.

DATA DOWNLOAD

Monthly facts and figures on investment performance, risk v return, outflows and inflows, and the most analysed areas of the market. Data to 31 May 2020, provided by FE Fundinfo

BEST RATED FUNDS

IA	3 year Cumulative Performance	FE Fundinfo Alpha Manager Rated	FE Fundinfo Crown Fund Rating
Baillie Gifford Global Discovery	84.52	✓	5
Brown Advisory US Equity Growth	84.45	✓	5
Morgan Stanley Global Opportunity	69.39	✓	5
T. Rowe Price US Blue Chip Equity	67.86	✓	5
T. Rowe Price Global Focused Growth Equity	57.04	✓	5

AIC	3 year Cumulative Performance	FE Fundinfo Alpha Manager Rated	FE Fundinfo Crown Fund Rating
Baillie Gifford Monks Investment Trust	38.8	✓	5
Schroder Asian Total Return Investment Company	22.78	✓	5
Frostrow Capital Finsbury Growth & Income Trust	19.95	✓	5
BMO Managed Portfolio Trust	12.17	✓	5
N/A	-		-

BEST PERFORMING FUNDS IN TERMS OF RISK VS RETURN

IA	3 year Cumulative Performance	FE Fundinfo Risk Score
Baillie Gifford American	115.63	137
Morgan Stanley US Growth	108.66	137
Baillie Gifford Positive Change	99.66	98
Baillie Gifford Long Term Global Growth	96.94	110
Polar Capital Global Technology	95.51	103

AIC	3 year Cumulative Performance	FE Fundinfo Risk Score
Downing Four VCT	183.96	245
Starvest	166.67	326
Allianz Technology Trust	103.94	137
Baillie Gifford Edinburgh Worldwide	96.92	140
Gresham House	96.83	136

RISKIEST SECTORS

IA	3 year Cumulative Performance	FE Fundinfo Risk Score
UK Smaller Companies	-0.1	112
North American Smaller Companies	25.34	109
UK All Companies	-7.83	103
Japanese Smaller Companies	18.87	101
UK Equity Income	-13.53	100

AIC	3 year Cumulative Performance	FE Fundinfo Risk Score
VCT Specialist: Health & Biotech	68.72	161
European Emerging Markets	2.35	156
Country Specialist: Latin America	-22.02	153
Country Specialist: Europe ex UK	57.06	150
North American Smaller Companies	14.42	149

OUTFLOWS

Fund name	Size ty ago (£m)	Size now (£m)	Performance Effect on Size (£m)	Out (£m)
Liontrust Japan Equity	41,669.69	26,799.60	-2,686.25	-12,183.85
M&G Japan	45,503.80	31,678.49	-3,830.06	-9,995.25
ASI Global Absolute Return Strategies	8,798.30	3,858.20	114.5	-5,054.60
Invesco Global Targeted Returns (UK)	11,603.20	8,507.70	175.7	-3,271.19
M&G Japan Smaller Companies	12,909.20	8,736.34	-1,045.40	-3,127.47

INFLOWS

Fund name	Size ty ago (£m)	Size now (£m)	Performance Effect on Size (£m)	In (£m)
Vanguard FTSE U.K. All Share Index	8,550.53	9,730.36	-1,857.55	3,037.38
Vanguard LifeStrategy 60% Equity	5,588.14	7,732.29	-80.1	2,224.25
iShares UK Equity Index (UK)	9,535.53	10,167.27	-1,576.50	2,208.24
State Street UK Equity Tracker	6,302.19	7,204.81	-1,233.01	2,135.63
Vanguard LifeStrategy 40% Equity	3,700.59	5,258.25	82.85	1,474.80



Data provided by FE Fundinfo

BEST PERFORMING SECTORS

3 year Cumulative Performance

IA

Technology & Telecommunications

60.98

North America

32.36

China/Greater China

25.86

North America Smaller Companies

25.34

Global

19.91

AIC

Technology & Media

71.89

VGT Specialist: Health & Biotech

68.72

Country Specialist: Europe ex UK

57.06

Infrastructure Securities

52.8

Biotechnology & Healthcare

38.34

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MARKET'S EYE VIEW

Which are the most researched sectors, which the most viewed factsheets and which the most charted funds? FE Fundinfo provides Professional Paraplanner with data for the past month showing where financial adviser and planner firms have been conducting their research.

MOST RESEARCHED

IA

- 1 Global
- 2 UK All Companies
- 3 Unclassified
- 4 Mixed Investment 20-60% Shares
- 5 Mixed Investment 40-85% Shares

AIC

- 1 Global
- 2 UK Equity Income
- 3 Flexible Investment
- 4 UK Smaller Companies
- 5 Biotechnology & Healthcare

MOST VIEWED FACTSHEETS

IA

- 1 Fundsmith Equity
- 2 Vanguard LifeStrategy 60% Equity
- 3 Royal London Sustainable Diversified Trust
- 4 Royal London Sustainable World Trust
- 5 Baillie Gifford Managed

AIC

- 1 Baillie Gifford Scottish Mortgage IT
- 2 Frostrow Capital Finsbury Growth & Income Trust
- 3 Polar Capital Technology Trust
- 4 Baillie Gifford Monks Investment Trust
- 5 Fundsmith Smithson Investment Trust

MOST CHARTED

IA

- 1 Vanguard LifeStrategy 60% Equity
- 2 Fundsmith Equity
- 3 Vanguard LifeStrategy 40% Equity
- 4 Vanguard LifeStrategy 80% Equity
- 5 SJP International Equity

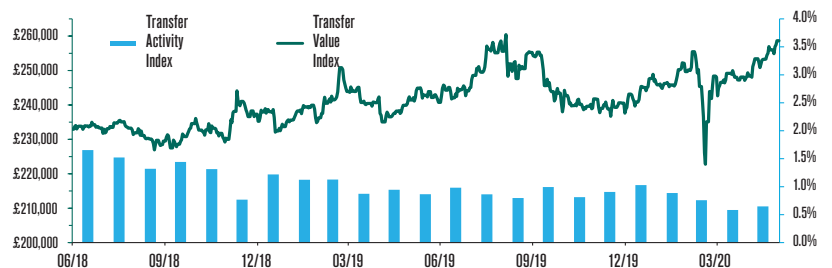
AIC

- 1 Baillie Gifford Scottish Mortgage
- 2 Polar Capital Technology Trust
- 3 Allianz Technology Trust
- 4 Baillie Gifford Monks Investment Trust
- 5 Frostrow Capital Worldwide Healthcare Trust

PENSION TRANSFER VALUE INDEX

XPS TRANSFER VALUE WATCH: 1 JUNE 2016 - 1 JUNE 2020

DB transfer values increased by nearly 4% during May and the number of members taking a transfer value rose slightly from the record lows in April, according to XPS Transfer Watch. XPS Pensions Group's Transfer Value Index increased steadily throughout May, finishing the month at £258,600, up from £249,300 at the end of April. This increase was a result of a rise in long-term inflation expectations. The index is now only marginally lower than the record value of £260,422 in September 2019. XPS Pensions Group's Transfer Activity Index rebounded from the record low of 0.58% set in April, with the number of completed transfers increasing to an annual equivalent of 0.65% of eligible members. This rise could be because fewer schemes are suspending transfers - only 6% of schemes the firm works with are continuing to suspend quotations, down from around 25% in March.



Note: The Xafinity Transfer Value index is based on a large pension scheme which invests a significant proportion of its assets in return-generating investments (rather than just investing its assets in Gilts). The index tracks the transfer value that would be provided by this scheme to a member aged 64 who is currently entitled to a pension of £10,000 each year starting at age 65 (increasing each year in line with inflation).

Source: XPS Group

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