Professional Paraplanner

The magazine for paraplanners and financial technicians

February 2022

Exam study
Is R06 now more difficult?

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How to do more in your working day

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THOUGHT FOR THE DAY

I'm currently reading a book entitled *Die with Zero*, by Bill Perkins, who argues that western financial culture is geared towards people saving for a point in their future – such as into a retirement fund – when really, they should be looking at how they can use more of the wealth they are accumulating to experience life as they go through it, not just at the end.

The author extrapolates on the idea that continually accumulating wealth, such as towards retirement, is too focussed on one final goal. What's needed is a healthy balancing (or rebalancing) of future need with an enjoyment of the here and now.

We live in a culture where we are conditioned in broad terms to think of working life/retirement life. Hence, archetypal financial planning focusses on accumulation when working and decumulation when retired. But just as working patterns have changed over the past two years, proving there are alternatives to the status quo, should life and financial patterns also be challenged?

Should we be opening up our thinking to look more at helping clients enjoy their lives while younger, while also saving for retirement, with a view that work doesn't necessarily stop mid 60s (currently) but continues in a reduced way into later years, thereby allowing for a more fulfilled life all round?

The notion that we work hard for 'x' many years and then retire overnight is a modern one in terms of human history. It is certainly a preferable one to work-work-work-die, but it precludes the fact that as we get older we are less able to do the things that we might have in our youth had we had the money to do so.

There is an argument also that working into what are thought of as the 'retirement' years is better for not only our financial wellbeing but also in terms of our mental wellbeing. Stories abound of people who are so focussed on the day they retire only to find the reality is not what they imagined – in fact they are unhappy, or worse, they pass away within a few years.

What if, as a matter of course and choice, people chose to continue working, continued contributing through their endeavours, for longer in their lives, bringing in a useful income stream but also having more time for themselves. Would that be a good and perhaps even a more physiologically natural, life balance?

Should people also be giving away their wealth during their lifetime when they can see their children and grandchildren benefit from it in front of their eyes, rather than when they are dead. Also, most inheritance is passed down through the generations on death, when the children are in their 50s/60s. By then, hopefully, they will have created their own wealth, so the time when inheriting is least advantageous for them. It may have made much more of a difference when they were in their 30s and 40s. Money passed on earlier would also solve some IHT issues.

And, of course, what if retirement never comes... unpalatable but possible.

All of this will depend on individual circumstances, but the clients of financial advice firms are most likely to be the people who could make these kinds of life choices.

This is a thought which needs more than this page but as the past couple of years have shown, we can and need to challenge more than we do, particularly how we look at a hybrid way of living/ working/ retiring. Let me know your thoughts.

Rob Kingsbury,
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Subscription prices:
UK 1 year £60
Europe 1 year ££75
Rest of world 1 year £95

RO FOCUS

How has the CII R06 exam evolved since it came in and have these changes made it more difficult to pass? Luiza Todd, director at BTS provides some insights based on her experience of taking the exams

The R06 Financial Planning Practice unit has been around for a few years now. So, how does the exam work, is it difficult to pass, and has it changed much? These are the questions that we consider in this article. Let's look at the R06 exam basics first.

The R06 exam

The exam is based on two case studies released approximately two and a half weeks before the exam date. Candidates will have to answer questions based on these case studies. The exam tests the financial planning process and is very different from the R01-R05 units. In R06, candidates are faced with case studies, a variety of questions and a blank screen to type their answers.

Historically the case studies follow a well-trodden path. One is usually based on a 'younger' individual or couple with dependants, so the examiner can test candidates on areas such as family protection, mortgage needs, school or university fee funding goals and planning for retirement (amongst other areas). The other case study tends to involve an older individual or couple, sometimes a widow or widower, so with different needs.

Is an R06 pass a 'shoe in'?

The 'word on the street' is that this unit is an easy one; just buy an analysis from one of the many companies that produce one, learn and practice the questions and answers, and you should be fine. So, a flurry of revision activity that only starts when the case studies are released.

Evolve or become extinct

The R06 exam has certainly evolved since it was first introduced, and we at BTS have noticed a few changes in recent years.

To start with, the exam questions won't always be based on just what is in the case studies. BTS are seeing more instances where a subject comes up, of which there is no mention in the case studies.

Topics such as family income benefit, DWP benefits, Pension Protection Fund and Lifetime ISAs are a few that spring to mind from recent papers. This means that base knowledge of protection, investments, savings, and pensions needs to be good. It also means that the 'last-minute revision' approach is a more precarious one.

Answering the question asked

It's never been more important to stop and consider exactly what the key words are in each question. Candidates tend to dive straight into the questions, especially if they see a question they like and know about. That enthusiasm can lead to candidates answering a completely different question from the one being asked by the examiner. They are then surprised when a 'deferred success' result comes in six weeks later, with very few marks awarded for a question that they thought they had aced.

STOP - IDENTIFY KEY WORDS - PLAN YOUR ANSWER is a BTS R06 mantra!

What about changes to the style of R06 questions being asked?

As well as their base knowledge, candidates should ensure they are aware of any recent regulatory focus. A question on vulnerable clients in the July 2021 exam is a great example of this.

Lastly the types of questions coming up in the exam are changing. Historically there used to be at least one high-scoring 'comment on' question included, so a question type that, if practised, was a 'no brainer' to get some marks in the bank. Recently, these appear to have fallen out of favour with the R06 examiner. Instead, we are seeing more 'factors' questions, with 'specific to the case study' included.

As R06 can only be sat on the quarterly exam dates, BTS recommend a 'little and often' approach that starts well before the case studies being released. Practicing key question answering techniques and ensuring base knowledge is solid are key to a first-time pass.

RED FLAG, AMBER FLAG

Stephen McPhillips, technical sales director, Dentons Pension Management Limited looks at the latest rules on pensions transfers and provides an explanation of how they will affect clients wanting to move their pensions between providers

Scams involving pension scheme members (and pension transfers) are, sadly, an all-too-common occurrence these days. The Pension Scams Industry Group (PSIG) have stated: "Most pension transfers are legitimate and can proceed with minimum intervention. However, PSIG estimates 5% of all transfer requests give trustees and scheme managers cause for concern".

In an effort to combat pension scams, the Government has taken action.

The Pension Schemes Act 2021 received Royal Assent on 11 February 2021 and passed into law. Amongst a number of other things, it introduced new regulations that trustees and administrators of pension schemes must follow when dealing with transfer-out requests from schemes. These new rules are enshrined in the Occupational and Personal Pension Schemes (Conditions for Transfers) Regulations 2021 and

they came into effect on 30 November 2021. They apply to all transfer requests received on or after this date.

The Regulations and supporting guidance were drawn up by the Department for Work and Pensions, The Pensions Regulator (TPR), the Money and Pensions Service (MaPS) and PSIG.

Application

It is important to note that certain types of receiving pension scheme are treated differently to others, which in turn makes the transfer more straightforward; transfers into a public service pension scheme, an authorised Master Trust scheme or an authorised collective defined contribution (CDC) scheme meet the "First Condition" requirements under the Regulations and can proceed without any further due diligence checks.

If, however, the receiving scheme does not meet the "First Condition" requirements, the trustees / scheme administrators must consider whether or not it meets those of the "Second Condition."

It is this "Second Condition" aspect of the new Regulations that will present some challenges to the pensions industry, as it will almost certainly require some form of due diligence checks to be undertaken by the transferring scheme, and there are no hard and fast rules around what those checks must entail – although there are specific requirements regarding transfers to occupational pension schemes (where an employment link between the member and the employer must exist) and transfers to

overseas schemes (where checks need to be undertaken on the overseas residency status of the member.

Flags

The Regulations have introduced the concept of "amber" and "red" flags for potential transfers-out. Either of these could mean that the pension transfer cannot proceed. Let's work on the basis that meeting the "First Condition" represents a "green" flag; the transfer can proceed.

An amber flag means that the transfer might still be permitted to proceed, but the member must first obtain guidance from the MoneyHelper service (part of MaPS). The member must provide (to the trustees / scheme administrator of the transferring scheme) evidence of the fact that he/she has undertaken the process with MoneyHelper. If that evidence is not provided, the transferring scheme can refuse to make the transfer (i.e. it becomes a red flag).

> ***The pensions industry has witnessed many forms of scams over recent years, and some of the amber and red flags tackle some of these head on***

Some examples of amber flags provided by TPR are:

Amber flag 1: the member hasn't shown an employment link or overseas residency
Amber flag 2: the member can't show an employment link or overseas residency
Amber flag 3: high-risk or unregulated investments are included in the scheme
Amber flag 4: the scheme charges are unclear or high
Amber flag 5: the scheme's investment structure is unclear, complex or unorthodox
Amber flag 6: overseas investments are included in the scheme
Amber flag 7: a sharp, unusual rise in transfers involving the same scheme or adviser.

The presence of a red flag means that the transferring scheme must refuse to make the transfer. Some examples of red flags provided by TPR are:

Red flag 1: the member has failed to provide the required information
Red flag 2: the member has not provided evidence of receiving MoneyHelper guidance
Red flag 3: someone carried out a regulated activity without the right regulatory status
Red flag 4: the member requested a transfer after unsolicited contact
Red flag 5: the member has been offered an incentive to make the transfer
Red flag 6: the member has been pressured to make the transfer.

It is important to note that the presence of amber and/or red flags means that the member does not have a statutory right to transfer. The trustees/ scheme administrator of the transferring scheme can make risk-based decisions on these "on balance of probabilities" and there is an appeal process that the member can undertake.

It is also worth noting that trustees/ scheme administrators can maintain a list of providers/receiving schemes that have already been accepted following previous due diligence. TPR has produced a very useful decision tree flowchart, which can be found here – https://www.thepensionsregulator.gov.uk/en/document-library/scheme-management-detailed-guidance/administration-detailed-guidance/dealing-with-transfer-requests.

Commentary

There is absolutely no doubting the fact that measures to combat scamming must be welcomed, particularly those involving members' lifetime savings within a pension scheme (often the largest single asset an individual will ever have).

The pensions industry has witnessed many forms of scams over recent years, and some of the amber and red flags identified by TPR tackle some of these head on, for example, the member was offered an incentive to make the transfer, the member was pressured to make the transfer and so on.

However, the new regulations will undoubtedly slow down the process of transferring from one scheme to another and that will also impact perfectly legitimate transfers being made for sound reasons. This is likely to be more pronounced in the short term, as trustees/ scheme administrators get to grips with new procedures and processes.

It is to be hoped that, in the fullness of time, the timescales for pension transfers will improve as transferring schemes build a list of 'clean' receiving schemes/providers upon which they have already conducted sound due diligence. Those 'clean' receiving providers might be well-respected, well-known ones with a long track record of pensions administration, impeccable service credentials, highly experienced staff, robust due diligence processes of their own and a sound financial base.

TIME MANAGEMENT, FROGS AND TOMATOES

Looking to improve your productivity and squeeze more into your working day? Richard Cooper, business development manager at The London Institute of Banking & Finance, provides some tips and tricks like, well, eating frogs and tomatoes…

Paraplanners are busy people. We all have the same number of hours in a day – and not all of them are for working. So why does it seem that some paraplanners can get more out of every minute?

Maybe they're using some tips and tools to manage their time. Perhaps they're better at avoiding time stealers and distractions, because they aren't working such long hours. I thought it would be useful to share a few of these tips and tools with you to help you make the most of each working day.

Eat the biggest frog first

Mark Twain once said, "if it's your job to eat a frog, it's best to do it first thing in the morning. And if it's your job to eat two frogs, it's best to eat the biggest one first". The point he was making is that should take care your biggest and most-challenging tasks first thing in the morning, because:

- You usually have more energy in the morning and are more focused.
- If you start your day by accomplishing something, it will give you a boost to help you get through the rest of the day's tasks.

Create a time audit

If you're serious about improving your time management, the first step is finding out where your time actually goes. A lot of apps can support you with this – many of which are free like Clockify or have free trials like RescueTime or Harvest.

You can use these to track everything you do for a week. Then you'll get a report which shows what's stealing your time. That information will help you adjust how you work.

Get into the planning habit

One of the worst things that you can do is wake up without a plan for the day. Get into the planning habit by either:

- Spending the last 15 minutes of each working day organising your office and composing a list of your most important tasks for tomorrow; or
- Starting each morning by writing down three or four of the most urgent and important things you need to address that day and working on those while you're most productive.

Use a to-do list or task planner

Having a properly structured and thought out list seems logical and simple enough but it's surprising how many of us fail to use them effectively or not all.

There are some great apps and tools available that link to diaries, such as Todoist and Remember the Milk. You may find using your Outlook Task Manager or Gmail Tasks effective. Or you may prefer a written list or simple spreadsheet that you can filter. Whatever your preference, a good to-do list will usually include:

- The list of tasks to be undertaken.
- Complex tasks will be broken down into manageable mini tasks.
- A good prioritisation of tasks from important at the top and least important at the bottom.
- The deadline for any task
- The potential time it may take to complete.

Reviewing and updating your to-do regularly is key.

We live in a world of constant distractions. We're all trying to balance the demands of messages, emails, social media, phone calls and to-do lists

Eliminate distractions

We live in a world of constant distractions. We're all trying to balance the demands of messages, emails, social media, phone calls and to-do lists with the tasks at hand. Many paraplanners have multi screens and it's easy to get pulled away by things that ping or ring.

When working on the important tasks you can manage this by:

- Putting the out of office on emails for an hour or two.
- Turning your phone to silent or switching it off altogether and leaving an answerphone message to say you're not available until later.
- Marking your calendar or Teams as 'busy' or 'out of office'.
- Turning off notifications on your computer.

Remember: you're in control of your time and you can manage it by allocating a time for checking and responding to emails and messages. Put this in your diary.

What is the tomato technique?

If you're one of the many paraplanners who want to advance your career and increase your knowledge by studying for a qualification, you might try using the tomato technique. Also known as the pomodoro technique, it's a popular time management tool that breaks your work time into blocks of 25 minutes for maximum focus and productivity – allowing five minute breaks between sessions.

This 25-minute timer technique was invented by Francesco Cirillo in the late 1980s and inspired by the tomato-shaped kitchen alarm that Francesco used to time himself. It's an effective time management tool that facilitates concentration and reduces distraction. There are five steps:

Step 1: Categorise the work or study tasks and work out how long you need for each one.
Step 2: Set a timer for 25 minutes.
Step 3: Focus and work only on the task in hand until the alarm goes off.
Step 4: Take a five-minute break .
Step 5: After every four tomatoes or sessions, ie, every two hours, take a 20-minute break.

Simply repeat the steps until you have achieved all your tasks or the element of study you wanted to complete. It sounds simple and it is. This technique not only ensures you complete your goals but also helps you maintain your focus because of the short and longer breaks you take.

Mix and match techniques

Some of these techniques may appeal to you more than others. You may be already using others or find that combining say 'eliminating distractions' with the 'tomato' technique suits your way of working and your schedule. If you are struggling to fit your work into the hours of a working day, then I would recommend trying a few of these techniques to see if they work for you. Paraplanning requires focus and attention to detail, so managing your time more effectively will always help – no matter what the day throws at you.

THE TRIPLE LOCK

This issue, the Brand Financial Training team turn their attention to the application of the Triple Lock on increases in the value of the State Pension

For those who are relatively new to the pensions market, it might seem that the triple lock increase on the State Pension has been around forever. It is easy to forget that the three-pronged pay rise has, in fact, only been in existence since 2010, having been introduced by the Conservative/ Liberal Democrat coalition government under David Cameron. The intention of the triple lock was to go some way towards ensuring that pensioners were not disadvantaged by seeing the value of their State Pensions eroded by inflation and that they were not getting poorer relative to people of working age. The triple lock basically provides that future increases in the State Pension are calculated with reference to three criteria:

- The increase in inflation, as measured by the Consumer Price Index, in the 12 months to the month of September prior to the start of the tax year;
- The increase in National Average Earnings year-on-year as measured during the May-to-July period immediately prior to the start of the tax year;
- A flat figure of 2.5%.

The intention of the triple lock was to go some way towards ensuring that pensioners were not disadvantaged by seeing the value of their State pensions eroded by inflation

The increase in payment would be based on the highest of these three factors. So, for example, the increase for the 2021/22 tax year was 2.5%.

This was because CPI for the year ended September was just 0.5% and national average earnings for the period May to July 2020 were 1% lower than the same period the year before due to the impact of the Covid-19 pandemic.

The 2020/21 tax year, by contrast, had seen the highest increase since 2012, a figure of 3.9% based on the rise in average earnings in the May-July 2019 period. This compared favourably with CPI at 1.7% and the flat 2.5%.

HISTORIC INCREASES IN THE STATE PENSION

Month	CPI	Average earnings	Flat rate	State pension increase
April 2012	5.2%	2.7%	2.5%	5.2% (CPI)
April 2013	2.2%	1.5%	2.5%	2.5% (Flat rate)
April 2014	2.7%	1.2%	2.5%	2.7% (CPI)
April 2015	1.2%	0.6%	2.5%	2.5% (Flat rate)
April 2016	-0.1%	2.9%	2.5%	2.9% (NAE)
April 2017	1%	2.4%	2.5%	2.5% (Flat rate)
April 2018	3%	2.3%	2.5%	3% (CPI)
April 2019	2.4%	2.6%	2.5%	2.6% (NAE)
April 2020	1.7%	3.9%	2.5%	3.9% (NAE)
April 2021	0.5%	-1.3%	2.5%	2.5% (Flat rate)
April 2022	3.1%	N/A	2.5%	3.1% (CPI)

Note that, interestingly, in order to increase the pension at all for 2021/22, the government was required to table a Bill to amend the existing legislation. This stated that State Pensions could only increase if there had been an increase in national average earnings over the relevant part of the prior year. This would, in theory, have meant that the State Pension remained static during a period of falling average earnings.

There has been widespread speculation over recent years that the government intends to dispense with the triple lock on the basis that it is unaffordable. To date, such rumours have proved to be unfounded. However, for the 2022/23 tax year alone, the government has decided to reduce the triple lock to a double lock, meaning that it will be increased by the September 2021 12-month CPI figure of 3.1%.

The reasoning behind this was the previously mentioned fall in national average earnings to July 2020, which came about as a result of the number of workers losing their jobs or being furloughed during the Covid-19 pandemic, which caused an unprecedented drop in income levels. As the worst effects of the pandemic started to subside and life slowly started to return to somewhere near normal, businesses have reopened, those made redundant or furloughed have been reinstated or found new jobs and income levels have returned to those that existed pre-pandemic.

This has caused an unprecedented situation where average earnings to July 2021 had hit an astonishing 8.3% increase on the previous year. The government, however, felt that an increase of 8.3% was unjustifiable since once the effects of Covid were smoothed out, national average earnings were, in reality, only 7.2% higher than the figure of two years earlier. It has been reiterated that this is a suspension rather than an out-and-out scrapping of the policy, which is currently intended to be maintained at least until the end of the current parliament in 2024.

For your interest, the historic increases in the State Pension under the terms of the triple lock are shown in the table above.The mathematically minded may note that this gives an average increase over the period of just above 3% per annum, which goes at least some way towards maintaining a pensioner's standard of living.

ESTABLISHING TRUST

How can paraplanners help prospective clients navigate big decisions when they have only just met them? Melissa Kidd, Director of Motem Ltd, offers some thoughts on how to build trust in a first meeting

More and more paraplanners are attending discovery meetings. Their presence can bring many benefits: another pair of ears to pick up on nuances, another person to ask the right questions – which can lead to increased efficiency when report writing and another point of contact for the client.

But the ability to connect and establish mutual trust doesn't always come easily. Some clients will be nervous, some will be confident, some will have no idea about what's involved or what they'd like their future to hold. So how can you help them navigate such big decisions, when you have only just met? Particularly, when you're more comfortable analysing figures behind your desk.

Understanding what may be going through their mind can help a lot. Even though no two clients are the same, we all have similar psychological needs. And when we can tune in to these, we can turbo charge rapport.

For a client to make big decisions, think deeply and share their concerns, they need to feel safe. They need to feel comfortable asking a stupid question, sharing their dream (which they may not have told anyone), and exposing their vulnerabilities – perhaps poor previous decisions.

Without this psychological safety in place, the conversation will remain surface level and the connection is unlikely to deepen. This is often why the first questions clients ask are never the real question they want answering.

They may begin by asking a product-related question, such as which investment they should go for or which pension is best. But that's not what they're really asking. They often want to know whether they will have enough to live on in later life. But they don't start there. So how do you go about creating the conditions of psychological safety so that you can answer the big questions and develop trust?

The field of neuroscience can help. As we are social animals, our brains are highly attuned to those around us. We are constantly trying to decide if others are a 'friend or foe'. No more so than when clients meet perfect strangers, such as advisers and paraplanners, to decide whether or not to hand over their life savings to them. David Rock's SCARF model shows us how trust builds and breaks. SCARF is an acronym, for the five key 'domains' that influence our behaviour in social situations. They are:

1. **Status** – our relative importance to others
2. **Certainty** – our ability to predict the future
3. **Autonomy** – our sense of control over events
4. **Relatedness** – how safe we feel with others
5. **Fairness** – how fair we perceive the exchanges between people to be.

When we get rewarded in one of these areas, we feel safer, can collaborate more easily and trust builds. Conversely, when one or more is triggered, we feel a threat response. It is hard for us to think clearly and trust takes a knock. Let's look at each one, in the context of a first meeting.

Status

Help clients feel important, included and interesting throughout the session. The way you organise the chairs, the genuine compliments you offer, the common ground you find, the interest you show and attention you give, all go a long way to help others feel high status.

Certainty

When things are certain, our brains can relax. But when there is a lot of uncertainty around, it's difficult to concentrate. How can you provide as

much certainty as possible? What do you do to manage expectations ahead of and at the start of the meeting?

For example, are you clear as to how long the meeting will go on for, the topics you will and won't cover and your fees? You don't want to get to the end of the meeting and the client to ask: "What about the fees?" They won't have been able to concentrate on what you've been saying.

The ability to connect and establish mutual trust doesn't always come easily. Some clients will be nervous, some will be confident, some will have no idea about what's involved

Autonomy

Many of us hate feeling forced into things. Clients may be worried that you're going to pressure them into transferring their pension offshore or that they're going to be tied into a long contract. Do what you can to illustrate options and choices. Explain how you will support them to make the best decisions according to how they want to live and what's important for them.

Relatedness

On first meeting someone, we judge whether they're in our tribe, whether they will have our back and best interests at heart. You might do this through your process, fee structure or chartered status. It may be through how you communicate, listen and match their pace. Get comfortable with silence, don't rush to fill it. When space is created and safety in place, they can share what's close to their heart. And from there you can progress.

Fairness

When we feel something is unfair, it's hard for us to get past it. How can you demonstrate the fairness of your approach through the meeting? It may be when they're trying to get you to answer their technical questions about whether something is a good investment or not.

Politely respond that you couldn't say whether it is a good or bad one yet because you don't know how it needs to perform in the bigger context of their life. It wouldn't be fair or professional.

First meetings are brimming with potential. Understanding how to tune into psychological needs is crucial in developing relational intelligence. Yes, we are wired for connection and the SCARF model can help us connect more deeply from the get go.

Communicate for Impact **is an online self-paced programme, specifically for financial advisers, paraplanners and support staff. It includes 6 steps which have shown to increase efficiency, engagement and confidence. More information can be found at www.motem.co.uk**

SOLD UP, SOLD OUT?

When a firm is put up for sale or merges it can create uncertainty and fear for its employees. As an individual, how might you respond? Michelle Hoskin, MD of Standards International, provides some reassurance

According to Gunner and Co. succession planning is currently on the strategic planning agenda of 75% of financial planning firms. These statistics make for interesting reading, especially if you are sitting in a role as an employee with very little control or say in what happens to the strategic direction of business of which you are a part.

Over the last five years, we have seen an increase in buying and selling activity within our own group of client firms. Of course, there are many reasons for this (enough for a whole other article) – but what I do know is that, with the right level of support and guidance available, these deals have gone extremely well for all involved… in particular for team members working within the firms being sold.

I have learned from my own experience of working alongside these firms that it's a turbulent time for all involved. We have to remember that, for many, selling a business will be a one-time event. Therefore, it's probably safe to say that they will be pretty much working totally blind through the majority of the process.

Of course, one of the biggest areas of uncertainty is the sense of being on an emotional rollercoaster – not only for those who are selling the business but also for those who are being taken on that journey with them. We advise our firms to involve employees and team members as early as possible: it is really important to establish buy-in and support from the people who will be key to a successful sale because they will likely play a central part in a successful transition into the buying firm.

While we recognise that involving all key people within the process as early as possible might be a utopia, we do know that many business owners who are approaching this process fear this element of the journey considerably.

Emotions will be running high. Not only are the sellers concerned about how they feel and will be feeling during this journey, they are also fearful and slightly overwhelmed with how their team members will take the news of the plans.

But there are certain things that you can do as a key member of the team, should a sale of your firm be on the cards.

We advise our firms to involve employees and team members as early as possible: it is really important to establish buy-in and support from the people who will be key to a successful sale

If you see it, say it!

If you do have any reason to suspect there is something going on, I want to encourage you to raise it with a senior member of your team. My recommendation would be to go to the highest point in your leadership structure and ask the question: "I feel/think/have noticed that there is quite a bit of activity happening at a strategic level within the business. If this is right, I was wondering if there is anything that I can do to support you/the leadership team in any way?"

start by overthinking and worrying yourself to death that this ONLY means the end of your role as you know it.

There are many opportunities available to individuals who are willing to be receptive to exploring them. Opportunities may present themselves in your current firm during the transition or in the buying firm once the full transition is complete. We must remember that firms are always looking for great team members; they would be crazy to cast aside those who continue to add value and are committed not only to their personal growth but also to the success of the firm they work for.

Do your own wish list!

During this process, we encourage the sellers to really nail in their own minds the ideal 'wish list' that a buyer must meet in order for them to consider the sale a success. We would also encourage the selling firm to discuss with their team members their own wish lists. Quite often, we find that the team brings a totally different perspective on some of the more important aspects of the process – which quite frankly some senior members of the team have often missed. Now, of course, without our involvement we have no influence on whether this element of the process occurs; however, it doesn't mean that you can't make a start on pulling together your own wish list of what a successful sale would look like for you, for your fellow team members, for the clients and of course for the business as a whole.

Again, this level of initiative and confidence will really help support the process and all those who are part of it – so feel free to get your thoughts down in writing and share them with all those involved.

With these few fundamental basics in place, you will certainly be putting yourself in a position of strength and at the forefront of the minds of those who are leading this project. Remember what I've said, it's daunting, it can be scary, it can be overwhelming at times for everyone involved – but it doesn't mean the end of a good thing. In fact, in many of the projects that we have supported, we have seen good firms become part of great firms and great firms become part of something quite special.

Now straight up, the fact that you have even had the confidence to approach them and ask the question outright sends a clear message to those at the top of the food chain that you are both mature enough and capable of being involved in this process.

I would suspect that your approach would be extremely welcomed and would give the key people a great sense of relief that you are offering your support. If of course your suspicions are incorrect – no harm done. You have not said anything out of turn and have merely offered your support for something that you thought you had identified.

Focus with 'your' end in mind

I have written many times that the single most important person in any of our lives is ourselves. Too many paraplanners, support staff and even advisers put their whole future in the hands of the firm they work for. This in itself is not a totally ludicrous approach; however, it is always important for you to be very clear about your own direction of travel, your dreams, your aspirations and, of course, your ideal professional and personal destination.

To have this clarity will give you not only the confidence to pursue what you know is right for you, it will also help bring to light the path and the steps that you need to take in order to achieve it. Imagine you have your plan and you know where you're heading. Then, when the news is presented to you that things are likely to change, all you need to do is simply take the time to reflect on how it will impact that path you are on to achieving your own goals. Then make your decisions and adjust your course accordingly.

Keep your cool

This of course follows on from my previous point. If you do get approached – either individually or as a group – with the news that a sale or a merger is on the cards, please keep calm. Under no circumstances

STEPPING UP TO THE PLATE

Do you want to contribute more to your team or to paraplanning as a whole but feel you don't have the confidence to do so? Welcome to the club, says Dan Atkinson, head of Technical, Paradigm Norton Financial Planning

We have an important part to play in the businesses we work in. Clients benefit from the collaboration that takes place within our teams. Each member of the team (adviser, paraplanner, administrator) has a different perspective on things. If we speak up and contribute, our clients will benefit. The result is something far better than if we just work on our piece of the picture in isolation.

But the lies we tell ourselves often stop us from being active collaborators. Let's see what some of these lies are and how we might overcome them.

The lies we tell ourselves

Assuming that we are competent at our core role, the main limiting factor is ourselves. It is good to have people that you respect and look up to. They inspire, guide, mentor and protect you. Having people further along in their careers can provide a path to follow and a source of wisdom.

However, sometimes our minds flip this opportunity to grow in a safe space into a place of inadequacy. We tell ourselves that our contribution can't possibly matter, or that others will certainly have thought of it already. We fear sharing the obvious or most straightforward view/solution. These self-limiting beliefs are often untrue and can prevent us from participating. They tell us that we don't have the potential to make a difference.

As we progress in our career (especially if we have people looking up to us) our minds might play a further dirty trick. Despite being competent, qualified, and experienced we tell ourselves the opposite: 'Who are you to be saying this? You're just a...' We tell ourselves that we don't have permission.

Dealing with the lies

The first step to overcoming these traits is to spot the signs. Recognise the feelings as a warning flag. Having locked your eyes on the cause, pause. Examine it and slowly, rationally, systematically; determine whether the feeling is valid or not. If it's not valid then call it out as false and cast it aside. In our workplaces we should remember that we have been appointed into our role – we are not here by accident but rather by endeavour.

I am no stranger to these feelings. Each time I write these articles I question what I can possibly have to share with the community that is of value? When I visit our various offices, or attend, participate in or host conferences/events – I get them too.

But I identify them, pause, and remind myself of two things. Firstly, I have been invited to write/speak as 'me'. Secondly, I have shown my competency through a combination of exams and practice/ experience. So, if I have been chosen in my own right, and know what I'm talking about then I jolly well better step up and do it! Changing this mindset transforms the fear of the situation into a responsibility to contribute. Indeed, this fear starts to be a sign of an exciting opportunity to come.

So, what will you do about it?

We are part of an incredible profession that has the potential to impact clients' lives for better. Start by stepping up and collaborating with your colleagues. Be active in the paraplanning community to learn from others and encourage them to step up.

Those of you who strongly feel the responsibility to contribute to the growth of the profession might seek out other opportunities. Why not be an active participant on The Big Tent forum (https://thebigtent.paraplannersassembly.co.uk/). From time to time there are also opportunities to be part of paraplanning committees or panels at both the CISI (https://www.cisi.org/cisiweb2/cisi-website/networking-events/professional-forums/paraplanner-interest-group) and PFS (https://www.facebook.com/PFSParaplannerHQ/). Or ask *Professional Paraplanner* if you can write or contribute to an article.

I look forward to hearing how you have stepped up in 2022.

> ***Each member of the team has a different perspective. If we speak up and contribute, our clients will benefit. The result is something far better than if we just work on our piece of the picture in isolation***

PARAMETERS: ARE EXAMS UP TO STANDARD?

For our latest Parameters survey, we asked two questions relating to the current exam structure, as posed by our paraplanner readers of their peers

Less than half of paraplanners believe professional exams are still fit for purpose and many believe that they fail to capture the realities of financial planning roles, the results of Professional Paraplanner's latest Parameters survey shows.

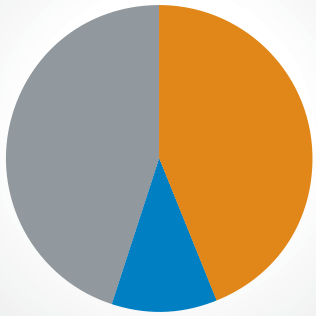
A further 45% of paraplanners said they were unsure, while 11% believe the exams are no longer suitable. Of those who felt the exams were still fit for purpose, one commented: "They give a great generic grounding for everybody with a wide variety of choice. Done in the right order, they will give the right grounding for career development, however, without experience they are not that great."

Another added: "It is clear when speaking to planners that the ones with higher qualifications have much more technical knowledge and keep up-to-date compared to those who just got a diploma to keep their jobs and have done nothing since."

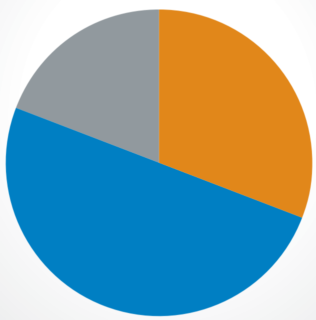
However, other respondents questioned whether the syllabus is keeping pace with changes in the industry. One said: "I am looking to study for one but I feel the subject matter is so broad and the exams so fixed that as things change, what was relevant when the syllabus was set might not be now."

Another echoed the sentiment: "I think it is always good to have the information that you would learn prior to an exam but things also change rapidly so it is a difficult balance. There is also the biggest factor of how much of it you can really put into practice at your own firm or in your own role."

ARE THE PROFESSIONAL EXAMS AVAILABLE STILL FIT FOR PURPOSE?



DOES A MULTIPLE-CHOICE TEST EXAMINE KNOWLEDGE AND UNDERSTANDING SUFFICIENTLY TO DETERMINE A PARAPLANNER'S COMPETENCY?



Many paraplanners agreed the current style of exam fails to capture the realities of the job, pointing out that while there is a lot of information to learn, it does not teach the practical side of the role.

Those paraplanners who deemed today's exams no longer fit for purpose also warned that the exams are too easy and bear little resemblance to the knowledge required to successfully serve clients.

One said: "Having spent years training paraplanners and supporting advisers, I do not believe that the diploma is fit for purpose. It is nowhere near the level of knowledge needed to deal with clients' complex circumstances. Candidates can cram the information to pass the exam and then lose it. It is far too easy to get diploma status and this puts clients at risk."

Another pointed out: "Written exams don't reflect the amount of research which goes on for a case. They don't represent real life and that facts and figures no longer need to be memorised. Witten exams are out of date and take too long to mark. Case studies completed online are a far better way of assessing skill in financial planning."

Half of paraplanners (50%) also said answering a multiple-choice test does not sufficiently examine knowledge and understanding to determine a paraplanner's competency, with less than a third (31%) believing they do.

According to one respondent, paraplanners need to "know and truly understand" the information to be able to use it, not simply select the correct answer on an exam paper.

The sentiment was echoed by others, with one paraplanner noting: "With multiple choice questions it is too easy to use deduction to guess at the correct answer rather than answer affirmatively. That's why the CII level 6 papers are a much more rigorous test of knowledge and should be the minimum standard in my opinion."

SURVEY PRIZE DRAW

Congratulations to Prize draw winner: David Mayer of Punter Southall, who is the winner of our 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.

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 21/22, examinable by the CII until 31 August 2022.

1. How is the capital adequacy of an authorised firm assessed?

- A Risk identification and management processes
- B Monitoring the value of assets
- C Monitoring the firm's liabilities
- D Monitoring the proportion of liquid assets over capital

2. Patrick has been advised by his financial adviser to use a tracker fund for his core holdings in order to:

- A Meet short-term tactical objectives
- B Maintain the risk and return in line with market average
- C Achieve superior performance through active selection
- D Attempt to beat the benchmark

3. A financial adviser has been asked to explain the potential capital gains tax (CGT) liabilities of the trustees regarding the assets of an interest in possession trust. She will explain that: Tick all that apply.

- A For those created after 22 March 2006, there is generally a CGT uplift on the death of the life tenant
- B The trust will benefit from a standard rate band of £1,000 to offset against gains
- C For those created before 22 March 2006, the trust assets are valued at the date of death of the life tenant
- D Most gains realised by trustees are charged at the rate of 20%

4. Which of the following statements is true of woodworm?

- A Small holes indicate a woodworm infection
- B Woodworm refers to a mature deathwatch beetle
- C It is the larvae that damages the timber
- D It can be treated by ventilation

5. Which of the following was introduced for occupational defined contribution pension schemes using master trusts as part of the Pension Schemes Act 2017?

- A Authorised schemes must submit monthly accounts to The Pensions Regulator
- B Schemes must submit monthly supervisory returns
- C Financial Conduct Authority powers to withdraw authorisation from a failing scheme
- D To be authorised those involved in the scheme must be 'fit and proper'

6. Susan has a mortgage payment protection insurance policy. If she makes a claim on becoming unemployed, the very maximum amount of time for which benefits will be paid is usually:

- A 9 months
- B 12 months
- C 18 months
- D 24 months

7. A key concept of MPT is the efficient frontier, which describes the relationship between the return that can be expected from a portfolio given its risk. Which of the following is regarded as a limitation of the Efficient Frontier Model?

- A It assumes standard deviation is the correct measure of risk.
- B It assumes that the underlying portfolios are actively managed.
- C It does not take account of risk.
- D It does not take account of portfolio returns

8. A bonus issue of shares is usually used to:

- A Attract new investors
- B Reduce the share price
- C Pay dividends rather than use cash
- D To reward existing shareholders

9. How does the FCA/PRA regulate pure protection contracts for long term care?

- A In the same way as "designated investments"
- B Similarly to general insurance contracts
- C In the same way as Income Replacement cover
- D Similarly to mortgage contracts

10. What might be the immediate adverse effects of releasing equity to produce additional income for an 80-year-old client?

- A Loss of part of State Pension
- B Additional income tax, loss of means-tested state benefits
- C Loss of means-tested state benefits only
- D Additional income tax only

Last issue's answers

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

Your answers

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

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

Professional Paraplanner
The Investment Committee

In association with

Fidelity International

In this dedicated section within the magazine – and also on the *Professional Paraplanner* website – we provide informed comment and insight for paraplanners engaged in research into investments, in particular for those contributing to their firm's Investment Committee decisions. Throughout 2022 we will be covering key areas from individual funds and alternatives, through market trends and commentaries, keeping you informed.

Investment Committee events

New presentations under our Investment Committee Webinars series can be found on the *Professional Paraplanner* website under the Events tab or via the *Professional Paraplanner* daily email.

We are keen to recommence our Investment Committee Seminars programme this year. Keep your eye on our daily email alerts for further details.

ECONOMIC LONG COVID

Luke Bartholomew, senior economist at abrdn, considers the potential for the global economy to suffer long lasting effects from the pandemic

As the world's economies begin to recover from the initial shocks of the Covid pandemic, it is time to ask what the long-term impact will be of the global lockdowns, shutdowns and stresses to productivity and supply.

We estimate that there will likely be economic scarring, or an 'economic long Covid', that causes a loss of long-term output of 3% of global GDP. In line with our estimate, the UK's Office for Budget Responsibility has assessed the economic outlook for the UK is 3% below its pre-Covid trend.

Due to the efforts of the world's central banks, the pandemic was not a financial or a liquidity crisis, and it can't be compared with past global pandemics as Covid's death toll has been significantly lower. However, it is important to realise that the global financial crisis in 2008 caused significant long-term damage – the global economy remains 35% down on its projected pre-crisis growth trend, which has had a huge impact on economies, businesses and livelihoods. After past pandemics, such as the Black Death and the Spanish Flu, fewer workers meant the cost of labour rose and major populist movements followed.

Will productivity rise?

Significant economic shocks don't always lead to only negative outcomes. They can force both individuals and companies out of ingrained, but sub-optimal behaviour and into 're-optimisation'.

It could be that working online from home will generate efficiencies.

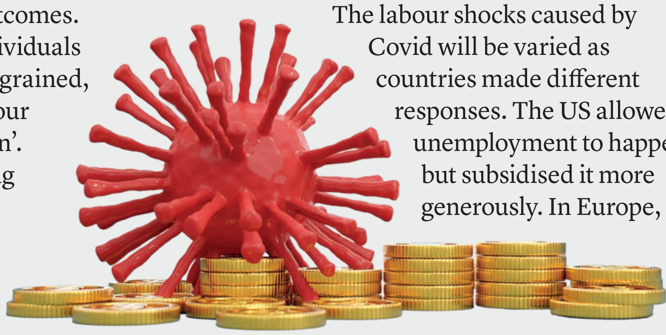
Long-term patterns of production and consumption may change permanently – for example, the boom in home entertainment and home gourmet food delivery may mean that cinemas and restaurants never go back to pre-Covid strength.

The focused investment that led to the breakthrough development of mRNA vaccines could lead to a wave of medical innovations around treating illnesses and creating new medicines and vaccines, thereby boosting productivity. However, these positives may not make up for the fact that lockdowns, bottlenecks and supply-chain stresses have led to the supply side of the world's economy being depressed.

Labour market effects

Recessions tend to leave scars on the labour market. Periods of high unemployment cause the working age population to lose skills, lose touch with the labour market, and take employment that isn't suitable. This affects the supply of labour and the efficiency of labour markets.

The labour shocks caused by Covid will be varied as countries made different responses. The US allowed unemployment to happen but subsidised it more generously. In Europe, workers were furloughed and paid to keep their jobs. The pandemic is likely to have caused significant skill gaps as a huge number of education hours have been lost due to school and further education closures. Younger children will likely catch up, but for older children – those just leaving school or university or starting employment – the gaps may remain.



Employers have found that training their new intake remotely is extremely challenging, so a damaging skills gap could continue. Without fully trained and skilled workers, companies will struggle in the years ahead to innovate and remain competitive.

'Belief scarring' and 'zombification'

It is also possible that the pandemic and its corresponding economic shock will fundamentally change the desire of consumers and businesses to spend and invest. Household savings levels are already at record highs as consumers take a more cautious approach to their finances. If they do not regain their confidence, subdued spending will pull down economic growth.

For companies, the risk lies in the creation of 'zombie' businesses, kept alive by government support and low interest rates when they would otherwise have shuttered for good reasons. The number of zombie companies is on the rise since the pandemic and this means that good companies are competing against 'zombies' for labour and resources.

The path forward

The task for governments and central banks now is to unwind the support they have provided to consumers and companies prudently, while ameliorating the long-term scarring of the economy. They can put training schemes in place to close the skills gap and help the labour force to adapt to a changed economy. More government infrastructure spending will help support the demand side of the economy. Central banks can play their part by normalising monetary policy gradually and being clear and consistent in their communication.

All of these measures could help mitigate the predicted 3% loss of GDP that Covid is expected to bring to the world's economy. The task is for governments to act now and central banks to tread carefully.

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UK EQUITIES

At what point are UK equities a screaming buy? In the first of a new series in which he considers individual IA sectors, Darius McDermott, managing director, FundCalibre considers the sector which keeps promising but continues to underdeliver on expectations

Twelve months ago, the word from many a fund manager and commentator was that UK equities were going to have their coming out party in 2021. The combination of a Brexit agreement and a vaccine bounce was expected to be the catalyst for a recovery in one of the most maligned markets of the past few years.

Unfortunately, it never really came to pass as the FTSE All Share once again

underperformed both global equities (18 vs 23 per cent) and US equities (29 per cent) in the calendar year[1]. While the prospects for UK equities have changed, sentiment towards them has not. Global equities saw net inflows of almost £8bn in the first eleven months of 2021, while UK equities recorded outflows of almost £4.4bn[2].

> ***But could the re-emergence of inflation change the game?... The UK's value-tilt actually makes it look more attractive in this scenario***

The fact is, UK shares remain cheap because of fears over the political and economic risks of Brexit, depressing the valuation of the UK stock market. I'm sure you've all heard that UK shares have been trading at a significant valuation discount to global peers, but I was surprised to see the discount had grown to 45 per cent by the end of 2021.

Schroder Income Growth manager Sue Noffke says the valuation discount is completely unwarranted and, as a result, UK listed companies continue to be picked off in a wave of M&A activity. In the first half of 2021 we saw the highest level of activity since the Global Financial Crisis[3].

UK Equity sector: Key points for and against

Positives

✓ Value tilt could help tackle inflation threat
✓ Most mature dividend paying market in the world
✓ Significant discount relative to other markets
✓ Buoyant small-cap market

Negatives

✗ Lack of growth companies – particularly technology
✗ Very concentrated in numerous sectors; majority of dividend payments come from a handful of companies
✗ Lots of old industry stocks
✗ Could take time to re-rate due to prolonged negative sentiment

Funds to consider

GAM UK Equity Income – this fund offers the potential to kill two birds with one stone. If you believe in inflation, then you need a value fund and this one has the added benefit of investing in dividend paying companies.

TB Amati UK Smaller Companies – UK small-caps have had the kitchen sink thrown at them in the past five years and continue to thrive. Backed by an experienced management team, this fund has a very solid investment framework, which has consistently worked for 20 years.

LF Gresham House Multi-Cap Income – While the FTSE 100 gets some 70 per cent of its earnings overseas, the small-cap sector is almost entirely domestically focused. This fund gives you the scope to have a foot in both camps.

Schroder British Opportunities – a unique investment trust set up to tackle the challenges of Covid. It is ideally placed to take advantage of the growing role of private equity businesses.

The valuation opportunity in the UK is further underlined by superior earnings momentum seen last year. Research from Invesco between June 2020 and October 2021 shows 12 months earnings estimates for the FTSE All-Share Index had risen by more than 50 per cent, while the index itself rose only 27 per cent over the same period. By contrast, the increase in earnings estimates for the S&P 500 stood at 45 per cent, with a total return of 51 per cent, while MSCI Europe ex-UK saw an increase of 44 per cent with a total return of 36 per cent[4].

Value-tilt and dividends

UK equities have also suffered due to their bias towards "old economy" stocks, like banking and oil. By contrast, it has far less exposure to technology, when compared to some of the behemoths which have driven growth in the US in the past 10 years. But could the re-emergence of inflation change the game? We are starting to see this trickle through to wage inflation (the big indicator of inflationary pressures).

The UK's value-tilt actually makes it look more attractive in this scenario as those same unloved sectors have pricing power, balance sheet strength and, crucially, the ability to transfer those inflationary costs onto the consumer. There is also the dividend angle – the UK is the most mature dividend paying index in the world, with latest figures showing a strong recovery from the challenges of 2020.

The last point I'd make is the UK also boasts a buoyant small-cap market. Smaller companies truly have demonstrated their resiliency in the past five years, with the FTSE UK Small Cap Index having comfortably outperformed the FTSE 100 over that period (40.3 vs 26 per cent)[5]. They have passed the biggest test they could face – a prolonged attack on liquidity. Predictions are hard to make in this industry, but as a long-term investor it really is hard to ignore the compelling opportunity that is UK equities relative to history – just expect a few more bumps in the road.

[1] Source: FE fundinfo, total returns in sterling for FTSE All Share, MSCI World and S&P 500, 1 January 2021 to 31 December 2021
[2] Source: Investment Association
[3] Source: Schroder: Outlook 2022, UK equities
[4] Source: Invesco - UK equities: what's in store for 2022?
[5] Source: FE fundinfo, total returns in sterling for FTSE UK Small Cap and FTSE 100, 28 December 2016 to 28 December 2021

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.

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 December 2021, provided by FE Fundinfo

BEST RATED FUNDS

IA	3 year Cumulative Performance	FE Fundinfo Alpha Manager Rated	FE Fundinfo Crown Fund Rating
Baillie Gifford Long Term Global Growth Investment	164.03	✓	5
Morgan Stanley US Growth	154.45	✓	5
GAM Star Disruptive Growth	142.18	✓	5
BlackRock Continental European	115.84	✓	5
Baillie Gifford Pacific	113.46	✓	5

AIC	3 year Cumulative Performance	FE Fundinfo Alpha Manager Rated	FE Fundinfo Crown Fund Rating
Baillie Gifford Pacific Horizon	200.99	✓	5
Baillie Gifford Scottish Mortgage	190.08	✓	5
BlackRock Greater Europe	135.29	✓	5
Dunedin Income Growth Investment Trust	58.95	✓	5
Personal Assets Trust	33.16	✓	5

BEST PERFORMING FUNDS IN TERMS OF RISK VS RETURN

IA	3 year Cumulative Performance	FE Fundinfo Crown Fund Rating
UBS Luxembourg Selection Active Solar	262.99	242
Baillie Gifford American	173.7	179
SSGA SPDR S&P U.S. Technology Select Sector	170.73	116
Xtrackers MSCI USA Information Technology UCITS ETF	169.69	118
L&G Global Technology Index Trust	168.12	113

AIC	3 year Cumulative Performance	FE Fundinfo Crown Fund Rating
Starvest	620.93	393
Independently Managed Adams	499.43	493
Edge Performance VCT	469.62	273
Belvoir Group	238.74	278
Baillie Gifford Pacific Horizon	200.99	190

RISKIEST SECTORS

IA	3 year Cumulative Performance	FE Fundinfo Crown Fund Rating
Latin America	-13.04	135
North American Smaller Companies	78.48	118
Commodity/Natural Resources	51.05	111
Japanese Smaller Companies	45.77	111
China/Greater China	34.83	107

AIC	3 year Cumulative Performance	FE Fundinfo Crown Fund Rating
China/Greater China	79.76	165
VCT Specialist: Media, Leisure&Events	42.11	155
Property Securities	47.03	148
North American Smaller Companies	71.47	146
India	51.86	138

OUTFLOWS

Fund name	Size 1y ago (£m)	Size now (£m)	Performance Effect on Size (£m)	Out (£m)
Invesco Global Targeted Returns (UK)	6,310.09	1,336.81	-93.25	-4,880.03
BlackRock NURS II Overseas Equity	2,554.83	259.08	139.55	-2,435.31
BlackRock ACS World ex UK Equity Tracker	10,945.98	11,087.57	2,138.88	-1,997.29
BlackRock ACS UK Equity Tracker	12,375.34	12,192.10	1,790.50	-1,973.74
BlackRock ACS 50:50 Global Equity Tracker	6,163.55	5,355.87	906.21	-1,713.89

INFLOWS

Fund name	Size 1y ago (£m)	Size now (£m)	Performance Effect on Size (£m)	In (£m)
Liontrust Japan Equity	30,244.67	36,795.97	2,361.23	4,190.07
M&G Japan Smaller Companies	9,888.25	17,841.64	3,882.65	4,070.74
MI Somerset Emerging Markets Discovery	9.17	5,203.27	1,568.70	3,625.40
SPW MM Global Investment Grade Bond	0.00	3,274.16	15.96	3,258.19
BlackRock ACS Climate Transition World Eqty	1,000.45	5,332.28	1,221.31	3,110.52

FE fundinfo

Data provided by FE Fundinfo

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.

BEST PERFORMING SECTORS

3 year Cumulative Performance

IA

Technology & Telecommunications
122.44

North America
81.4

North America Smaller Companies
78.48

European Smaller Companies
68.43

Global
65.39

AIC

Infrastructure Securities
107.51

European Smaller Companies
106.89

Property UK Logistics
104.88

Technology & Media
96.8

Environmental
87.98

MOST RESEARCHED

	IA		AIC
1	UK All Companies	1	Global
2	Global	2	UK Equity Income
3	Unclassified	3	Private Equity
4	Europe Excluding UK	4	Flexible Investment
5	Mixed Investment 40-85% Shares	5	UK Smaller Companies

MOST VIEWED FACTSHEETS

	IA		AIC
1	Vanguard LifeStrategy 60% Equity	1	Scottish Mortgage Investment Trust
2	Fundsmith Equity	2	Edinburgh Worldwide IT
3	Liontrust Sustainable Future Managed	3	Smithson Investment Trust
4	Baillie Gifford Managed	4	Impax Environmental Markets
5	Royal London Sustainable Diversified Trust	5	Monks Investment Trust

MOST CHARTED

	IA		AIC
1	Vanguard LifeStrategy 60% Equity	1	Scottish Mortgage Investment Trust
2	Vanguard LifeStrategy 80% Equity	2	Edinburgh Worldwide IT
3	Fundsmith Equity	3	Allianz Technology Trust
4	Vanguard LifeStrategy 40% Equity	4	Capital Gearing Trust
5	Vanguard LifeStrategy 100% Equity	5	Smithson Investment Trust

STRUCTURED PRODUCTS

STRUCTURED PRODUCT MATURITIES NOV-DEC 2021

The table shows maturities data for the 'Preferred Plans' selected for clients by Lowes Financial Management, publisher of StructuredProductReview.com. Data ordered by highest total returns.

Provider	Plan	Maturity Date	Term (years)	Change in underlying %	Plan Gain %
Societe Generale	UK Kick-out Plan (UK Three) Issue 2	21/12/2021	3.00	8.57	35.4
Meteor	FTSE Kick Out Plan November 2018	15/11/2021	3.01	4.52	30
Mariana	10:10 Plan November 2017 (Option 1)	17/11/2021	4.00	-1.21	28
Societe Generale	UK Step Down Kick-Out Plan (UK Three) Issue 2	21/12/2021	3.00	8.57	27.45
Mariana	10:10 Plan November 2018 (Option 1)	16/11/2021	3.00	4.46	24.51
Mariana	10:10 Plan December 2018 (Option 1)	21/12/2021	3.00	8.57	24
Mariana	10:10 Plan November 2019 (Option 2)	15/11/2021	2.00	0.67	21.88
Walker Crips	UK 95% Semi-Annual Kick-out Plan November 2019 (Exclusive to clients of Lowes)	08/11/2021	2.00	-0.8	16
Investec	/ Lowes 8:8 Plan 13	04/11/2021	2.00	-1.22	14.6
Investec	/ Lowes 8:8 Plan 14	23/12/2021	2.00	-3.24	14.5

Source: StructuredProductReview.com. Underlying for all plans = FTSE 100 index