Professional Paraplanner

The magazine for paraplanners and financial technicians

September 2022

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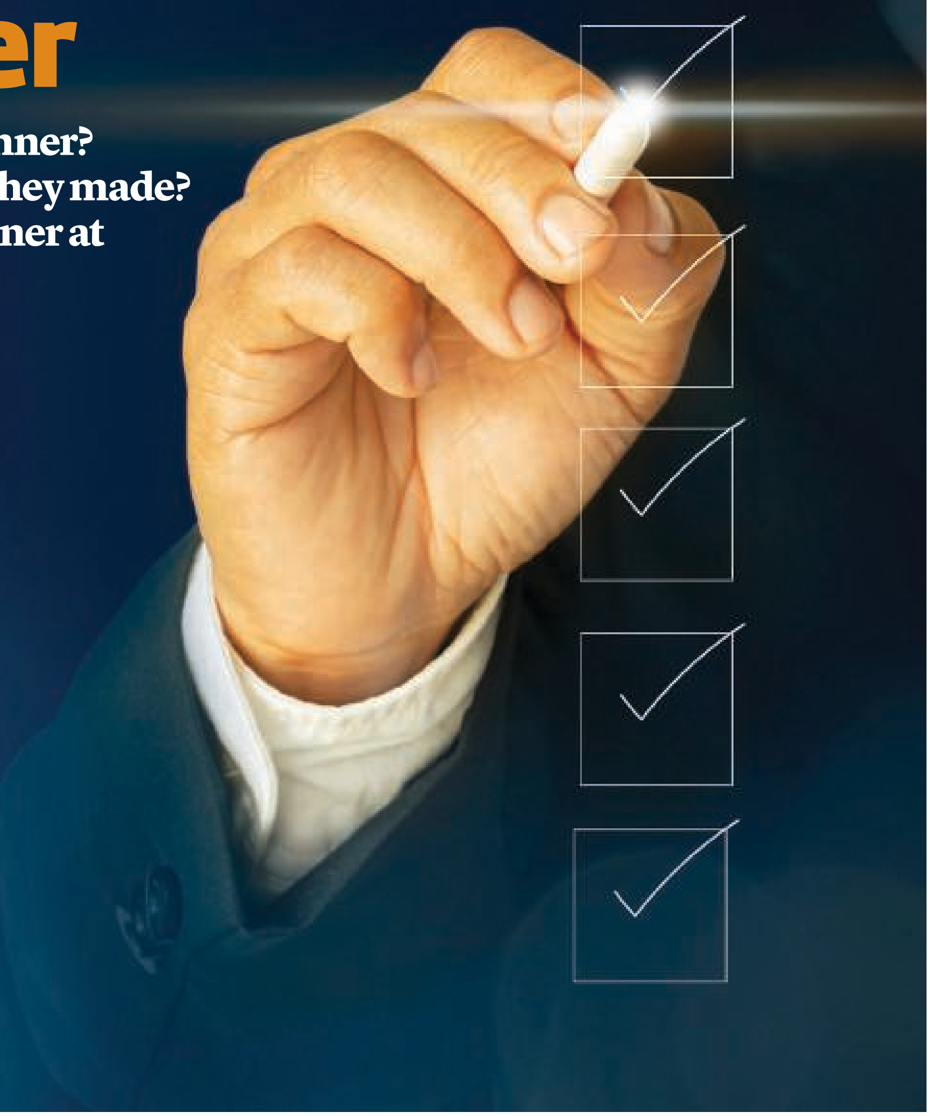

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HAVING ATTITUDE

This quote jumped out at me in a podcast I was listening to this week. It came from Jamil Quresh, a high-performance expert and psychologist. He said: "When it comes to high performance, attitude is more important than intelligence or facts." Or more succinctly: 'I will' over IQ. It made me think.

Access to facts has always been a significant contributor to business and personal success and can be a differentiator but over the past few years our relationship with information has changed. These days, facts are accessible at any time; web browsers make that possible.

Knowledge is powerful but now there are many more ways to become knowledgeable – online courses abound. How you apply that knowledge is more powerful – and that comes down to… attitude.

Quresh argued that two people from the same background, with the same start in life, can go on to have totally different personal/business success. Why? Primarily, it will be down to how they approach life. Life is continually moving, and it is how we respond and adjust to it – our attitude – which affects how things play out.

The other attribute high performers have, Quresh said, is the enthusiasm to be a life-long learner, driven not just by formal education but by curiosity, open mindedness, agile thinking and self-discovery.

Now more than ever, the attitude we bring to things – including drive and self-motivation, passion for what we are doing, determination to make things happen – matters. It marks out not just the high performers but often those who most enjoy their roles as well.

A paraplanner can be exceptionally well qualified and knowledgeable, but it's how they view their role (job or profession?), how they interact with colleagues, their desire to deliver a great outcome to the client, their ability to impart what they know in a meaningful way, which can mark them out and create the difference for them, the people they work with, their bosses and their clients.

Some people seem to come with attitude; some have to work at it. But we can all have it; if we choose to.

Rob Kingsbury,
Editor, *Professional Paraplanner*
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One lucky respondent will receive a £50 Amazon voucher in our monthly prize draw.

AUTUMN EVENTS

This autumn's *Professional Paraplanner* event schedule includes four Technical Insight Seminars, more technical and investment Webinars, and our first Investment Committee Seminar of 2022.

TECHNICAL INSIGHT SEMINARS

On the agenda for our autumn seminars are: Lifetime Allowance Planning, intergenerational wealth transfer, market correlation strategies, inheritance tax planning, pensions due diligence, study and exam techniques, using investment bonds and others.

14th September: Edinburgh at Waldorf Astoria
5th October: Manchester at Midland Hotel
19th October: Leeds at Queens Hotel
9th November: Bristol at Aztec Hotel

We look forward to seeing you at one of these locations.

TECHNICAL INSIGHT WEBINARS

We will be hosting several webinars throughout the rest of the year, so please keep an eye on our daily email alerts for more details. REGISTER via the email or look for the relevant webinar under the Event tab on our website. Upcoming webinars:

AF5 September 2022. Some practical guidance
30 August 2022, 12:30pm
Presented by Luiza Todd, Director of Bespoke Training Solutions (BTS).

How to develop a bullet proof attitude
7 Sept 2022: 12:30pm
Presented by Katalyst Coach Tony Fields

INVESTMENT COMMITTEE SEMINARS

13 October 2022: London

Our first in person Investment Committee event of 2022 features James Bird of Fidelity International, as well as speakers from the AIC, Ninety One, TIME Investments and others, on a broad range of topics.

REGISTER via our daily email or look for the event under the Event tab on our website.

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In this issue...

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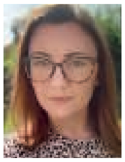
NEURODIVERGENT LEARNERS

Alex Langhorn, head of Business Support at BTS, looks at some of the challenges faced by neurodivergent learners studying for regulated exams, and the support available



The term neurodiversity was coined in the 1990s by Australian sociologist Judy Singer to describe the natural range of difference in cognitive functioning in people. Neurodiversity encompasses a range of conditions including dyslexia, ADHD, Autism Spectrum Disorders (ASD), dyscalculia, and Asperger's which can be characterised as alternative thinking styles that differ from those of a "neurotypical" learner.

How does neurodiversity affect studying for regulated exams?

Neurodiversity has a spectrum of strengths and needs that will vary from person to person. The following provides examples of how neurodivergent learners may find the study experience different from a neurotypical learner.

A brain with dyslexia processes language differently, sometimes requiring greater cognitive effort than a brain without dyslexia. Reading a weighty text isn't usually going to be the most effective method of study for a dyslexic learner.

A person with ADHD may find it difficult to know where and how to get started. The volume of study ahead may seem intimidating; they may struggle to commit to a starting point with the uncertainty ahead of them.

A person with ASD may find they spend too much time on areas that aren't relevant to the exam due to hyper focus or "going down a rabbit hole" and study may take longer than expected.

What study options do learners have that can help?

Candidates embarking on the CII Diploma in Regulated Financial Planning often don't realise they have a choice when it comes to their study materials. In fact, they absolutely have a choice whether to purchase the examining body text and additional resources via 'enrolment plus' or to book the exam sitting standalone via the 'assessment only' option and purchase alternative study materials elsewhere. When it comes to study material, there is a lot of choice out there.

- Printed materials are helpful to learners who prefer physical resources that allow them to use highlighters and post-it notes. For these learners, digital materials can be overwhelming as they can feel too much is out of sight (and therefore doesn't exist) which can create feelings of anxiety.
- Digital materials have the advantage that they can be used with screen readers, font can be resized, and they can be accessed quickly for short bursts of study.
- Interactive resources such as e-Learning, audio, video, and on-screen activities can be helpful for learners who like to use a range of different modalities and study at their own pace.

> ***For all learners, don't neglect self-care. Whether that is getting enough sleep, eating well, making time for relaxation. If you are working on burnout, you won't be getting the most out of your study***

What about study strategies?

A big factor is recognising what works for you. **For learners with dyslexia**, break

the subject down into more manageable chunks using a non-linear approach. Work at your own pace using mind maps and diagrams to help process the information in a way that you can recall it when you need it.

For learners with ASD, work when your brain is more likely to be engaged and put the study down when it isn't. Past papers and model answers can be useful to remove some of the uncertainty around the exam and are a great way to understand what it is you are aiming for.

For learners with ADHD, have clear aims for each study session. Ask yourself questions about the topic and study to answer the questions. This can help to actively engage the learning and reduce the load on the working memory.

For all learners, don't neglect self-care. Whether that is getting enough sleep, eating well, making time for relaxation. If you are working on burnout, you won't be getting the most out of your study.

What about the exam sitting?

Candidates have a choice over when, where, and how they sit the exam. A remote sitting has the advantage of being in your own environment, a test centre sitting can provide needed structure. There are some helpful walk-through videos on the CII website. Watch these to minimise the unknown and be prepared for the unexpected. What will you do if you have systems issues? Have the PSI helpline number to hand and be ready to report any issues to the CII at: https://www.cii.co.uk/about-us/contact-us

Is there any support for exam sittings?

The CII offer reasonable adjustments, such as additional time, to support candidates. To access these adjustments, candidates need to disclose their condition to the CII via email, including evidence from a professional e.g., an occupational psychologist / GP, explaining how their performance might be affected and the steps needed to support this. The CII encourages candidates to disclose additional needs to enable them to put in place the things candidates need to be able to perform at their best. All disclosures are treated discreetly and confidentially.

In summary

Neurodiversity is part of the range of human experience. Seek out the help and support you need to perform at your best, there is lots of it out there.

About Bespoke Training Solutions

Bespoke Training Solutions (BTS) have been supporting regulated exams for 19 years, Luiza Todd is a founding director with a wealth of experience in this field. BTS R04 resources include a digital and printed study guide, an e-Learning module, revision workshops and a mobile app of exam-standard practice exam questions. Visit https://www.bespoketrainingsolutions.com/what-are-the-r0-exams-bts/r04-pensions-and-retirement-planning/ to view our R04 Toolkit and options available to candidates in more detail.

BTS
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What makes for a good paraplanner? Are they born to the role, or are they made? Andrew Masson, paraplanner at Acumen Financial Planning believes there are five attributes that are key for every good paraplanner

FIVE ATTRIBUTES OF A GOOD PARAPLANNER

Having previously worked as a product technician for an advisor platform company, my paraplanning career began two-and-a-half years ago. I was just settling into my training as words like 'asymptomatic', 'lateral flow test' and 'lockdown' were becoming commonplace. It's not an exaggeration that I had been in our office all of two weeks before everyone countrywide got sent home, and I learned the role remotely via Zoom for a year plus before we actually returned to the office.

Learning how to be a paraplanner remotely had me frequently thinking about the attributes of a good paraplanner, and these are a five that I have found to be key.

1. Patience

Not everyone in life can have patience but in paraplanning you will need it. My colleagues were patient with me as I began learning the role, emailing them questions every two minutes, and requesting yet another Zoom call with them to ask for help with a client's cashflow.

And we need to be patient with each other, with clients, and with providers. It's natural to get annoyed when things don't go the way we want, but how we manage that and have patience while we deal with others is an invaluable paraplanning soft skill.

You catch more flies with honey than you do with vinegar and being able to keep calm in a crisis can help others keep calm too.

2. Empathy

Empathy is an essential skill not just in paraplanning but in financial services as

An important attribute of a good paraplanner is the ability to keep learning. There should never be a point where you mentally close the shutters because you've learned all you need

a whole. The ability to see things from multiple sides, to be able to put yourself in the client's shoes (even if those shoes may be significantly more well-heeled than your own!) lets you provide the best possible service.

All clients are unique. They could have similar levels of assets but be from drastically different backgrounds, live different places, and have different attitudes to their money and investments. You need to be able to empathise with the client as an individual, and not dealt with in a default way.

Finally, empathy is important in your interactions with colleagues as well, it is a unifying force and helps bind a strong team together and helps us all to collaborate better.

3. Time management

This isn't a soft skill, and beyond numeracy, this might actually be the coldest, hardest skill. We live in a world of deadlines, whether it's a final application date for a VCT investment, getting everything lined up for a mortgage application, or simply making the ISA cut off point.

While tax year end or a company year-end gives you a fixed point in time to be aware of, many clients who run their own businesses have variable income and turnover and will not always know how much they can add to their wrappers until the last minute. You might be on the wind down for Christmas, but guess what, Mr. Smith's company year-end just happens to be Dec 31st. Better get that pension contribution sorted! But if you also have 10 client reports to do, 5 suitability reports, 3 pension transfers and a partridge in a pear tree, your ability to manage your time is essential. What needs to be prioritised? What can wait? Do you need to ask for help from someone who might have less on?

Everyone has their own methods, but good time management skills can take a lot of stress out of the working day. Good paraplanning work should be like a swan, all the client should see is the graceful gliding on the surface and not the furious paddling underneath!

4. Integrity

The relationship between the firm and the client is based on trust, knowledge, and communication. While a certain element of trust is inbuilt in the relationship given what we are being entrusted with, the majority of this trust is earned over time. And trust is built not by achieving enormous returns for the client (although this helps!) but by keeping your promises. The client needs to know the actions agreed upon in their meeting will be carried out within the required timeframes.

We must also be transparent when we deal with the client. If a problem arises, we must be honest with the client and work quickly to resolve them. To provide great service you must always act with integrity, which helps maintain trust not just between you and the client, but also with your colleagues.

5. Learning

And last but not least, an important attribute of a good paraplanner is the ability to keep learning. There should never be a point where you mentally close the shutters because you've learned all you need. As they say, every day is a school day. We keep learning our entire lives, whether it's Offshore Bond encashments, paddle-boarding, how to fix a plug, or who is liable to tax in a Discretionary Trust.

You will never reach the point where you know everything. But it's ok, because if you don't know the answer someone in your team is likely to. At our firm we have the benefit of a team of 23 paraplanners across the firm, regular training throughout the year with opportunities through our Career Advancement Programme.

There is a wealth of technical advice out there at your fingertips and opportunities to collaborate with other paraplanners at events and training specifically tailored to paraplanners. You need to be open to learning new things and refreshing your knowledge, and this will help you provide a first-class service to your planner and your clients.

BEING BRAVE TO GROW

Nothing good comes from comfort zones, say Sara Hickman and Rhi Baxter at the We Are BRAVE training consultancy

We're sure you've heard that one before. Many people talk about the Zone of Genius being the place where we get our inspiration and biggest personal growth, unfortunately that place is not in our comfort zone. We at the We Are BRAVE training consultancy want you to ask yourselves a big question.

'Be honest – have you been hiding in your comfort zone?'

Take a moment. Think hard. When did you last do something that made you step out of what feels comfortable? We mean when it felt really uncomfortable, when it gave you that sinking feeling in your stomach, the jittery nerves or butterflies... sounds horrible but it's actually a pre-cursor to personal growth.

When we feel uncomfortable our body creates a natural response. It screams at us to run back to the relative safety of the comfort zone and just carry on doing what we know.

There's an issue here. You won't grow. You won't change and you certainly won't learn anything new. Comfort zones are great for some of the time because we get a feeling of stability and safety. Hugely valuable. The flip side is without stretch or challenge stagnation can set in quickly. Whilst comfort zones might work in the short term in the long run it's not always a great personal strategy. Doing something new, different and perhaps even risky is simply a part of the world we work in today and without the skill and courage to take the leap we can miss out on those opportunities for growth.

Here are three Simple Steps to boost your confidence

Step 1: Acknowledge & revisit those excuses. Spend a little time looking back at the reasons and excuses you've given to stay in your safe place. 'I don't have time' 'It might go wrong' 'I might look silly' ' I don't want to upset anyone' 'I don't want to stick my neck out'.

Sound familiar? It's OK to acknowledge those excuses, they probably worked for you in the past. Now, do a reality check. Would you accept these excuses in other situations? If your friend said them would you offer some perspective? Would you encourage them to try something new? Would you give them some benefits?

Often when we look back, we realise we've fallen into habits and as the saying goes 'if you always do what you've always done, you'll always get what you've always got'.

Identify which of those excuses are out of date and need a bit of a talking to. Talk to yourself in the same way as you'd speak to a good friend: be kind, be encouraging and be firm. Offer support and challenge in equal measure.

Step 2: Don't make one giant leap...try a smaller step first. Once you've checked in with those excuses think about how you can identify some small personal steps. It can feel way too intimidating to step outside the zone of safety and make a giant leap. We get it, sometimes the risks outweigh the perceived benefit.

How about this, identify where you have felt more comfortable to stretch yourself (let's call it Situation A) and then steal a little bit of that confidence for this new situation (let's call it Situation B). Write down some specifics in these three areas:

1. **THINK:** How do you prepare or think about Situation A: what is the inner dialogue?
2. **FEEL:** Pay attention to the feelings you get in Situation A: what labels do you give those feelings eg: excited vs. nervous. They often feel the same but we label them differently in different situations.
3. **DO:** Get specific: what are your routines, what do you say, what's your body language, do you ask great questions or are you good at some small talk up front to ease nerves?

Once we get specific then we can take a small step in Situation B by repeating some of what we know do well. No leaping just testing the water to see how it could be worth the risk. Help your brain identify these specifics and then it will find this risk a little easier. Your brain will start to work for you rather than telling you to run back to your comfort zone!

Step 3: Bite the proverbial bullet…just do it!
You've acknowledged your excuses and you've given your brain a few useful examples to think about which means Step 3 is coming…

For you to really step outside your comfort zone you have to do it even if it's uncomfortable. And trust us, it will be and that's OK! You need to dig deep and put some steps in place to force you to take the plunge. Let's say you are terrified of talking in front of others (there's millions that do!).

Doing something new, different and perhaps even risky is simply a part of the world we work in today and without the skill and courage to take the leap we can miss out on those opportunities for growth

Think back to all those excuses and acknowledge them, identify a small step then bite the bullet and volunteer to share an easier section of next month's results at the team meeting. A step with lower risk and lower chance of scaring you if it doesn't work out.

And here's the final hook: once you've done it, revisit Step 2 and write down some more specifics so you can remind your brain next time of what you did and how you felt. Those are our three simple steps. They're simple but we acknowledge they're not always easy. Everyone has to start somewhere and as the saying goes, nothing good comes from comfort zones.

You can learn more about a whole host of topics and thought leadership on the We Are Brave LinkedIn page or website. www.wearebrave.co.uk

IHT AND GIFTING

Richard Cooper, business development manager at The London Institute of Banking & Finance, looks at how paraplanners can help clients reduce their inheritance tax liability through gifting

All the weddings throughout the summer made me think of gifts, which inspired me to write about gifting exemptions and how you – as a paraplanner – can use them to reduce clients' inheritance tax (IHT) liability.

As this is the season when lovers tie the knot, we'll start with gifts in consideration of marriage or civil partnership. Before the marriage or civil partnership takes place, gifts can be given free of IHT, as follows:

- each parent can give £5,000
- each grandparent can give £2,500
- any other person can give £1,000.

Of course, gifts between UK domiciled spouses and civil partners are also IHT exempt, whether they're made during life or death. But remember, special rules apply if the gift is from a UK domiciled to a non-domiciled spouse.

Lifetime transfers – to a current or former spouse or civil partner, or a dependent relative for their maintenance – are not subject to IHT. Similarly, neither are payments for a child's maintenance, education or training.

IHT exempt gifts

Other exempt gifts made during lifetime or on death include:

- gifts to charities and political parties
- gifts for national benefit, such as to museums, universities and libraries.

The 'annual gift exemption' allows individuals to gift up to £3,000 each tax year, and this allowance can be carried forward for one tax year only. The current year's exemption will be used before any amount is carried forward. So, for example, a couple who have not used the exemption in the current or previous tax year could make exempt gifts of £12,000.

The 'small gifts exemption' allows gifts of up to £250 to be made to any number of people in the same tax year. However, these must be outright gifts, not made to a trust. The exemption won't apply if the total of gifts to one person made in the tax year is more than £250. And you can't combine the small gifts exemption with others.

Normal expenditure out of income

The 'normal expenditure out of income exemption' allows the donor to make a series of IHT effective gifts from surplus income. There's no monetary limit to this exemption, so the size of the exempt gift is only limited by the amount of the donor's

The 'annual gift exemption' allows individuals to gift up to £3,000 each tax year, and this allowance can be carried forward for one tax year only

surplus income. However, to qualify for the exemption, the gifts must:

- form part of normal expenditure , that is, a habitual pattern of gifting
- be made out of income
- leave the donor with sufficient income to maintain their usual standard of living.

You can demonstrate the habitual pattern of gifting from the history of gifts the donor has made. If there's no such history, the exemption may still be claimed if you can show the donor committed to future gifting.

There's no defined period for the length or the pattern of gifting to satisfy the condition. For example, a commitment to pay regular premiums to a life assurance

contract could be satisfied merely by paying the first premium. Where the commitment is less clear, HMRC will typically look at a period of three to four years to establish a regular pattern of gifting. Gifts don't have to be made to the same recipient every year provided they are paid to recipients within the same category, for example children or grandchildren. The size of the gifts should be comparable but where an exceptional gift is made, the exemption may still apply up to the value of the previous gifts. Any excess will fall outside of the exemption.

What is classed as income?

For the purposes of the normal expenditure out of income exemption, unlike income tax, gifts must come from current net income, not capital. As with normal accountancy rules, income means:

- earnings received from employment, such as a salary or payment for self-employment
- pension annuities and income from defined benefit schemes
- regular withdrawals from flexible pensions, including any tax-free cash element – subject to conditions
- the natural yield from investments, such as interest or dividends (not accumulated income)
- income derived from assets such as rental or trust income
- savings interest and income from 'individual savings account' (ISA).

HMRC deem that withdrawals from investment bonds are capital in nature, even though any gains are subject to income tax through the chargeable events legislation. Consequently, bond withdrawals cannot be used to increase the amount of surplus income to give away.

For example, stripping out all the tax-free cash and gifting it over a couple of tax years isn't likely to establish a regular pattern of gifting. However, it would be possible to satisfy the exemption by giving away flexi-access drawdown – that includes withdrawals made up of 25% tax free cash and 75% taxable income – over a period of say ten years.

What qualifies as a usual standard of living?

After making gifts, the donor should be left with enough income to maintain their usual standard of living. This is the standard of living they enjoyed when initially making the gift. If they have to resort to capital to maintain their lifestyle, the exemption may be lost or limited.

However, if their circumstances change, due to say unemployment or a requirement for residential care, the exemption may not be completely lost. For example, the transferor may have committed to pay regular insurance premiums, which they could afford. Later they have to pay nursing home fees, that were unforeseen when the policy was first taken out.

However, if the transferor made the commitment when the fall in income was foreseeable, the exemption would be lost.

Record keeping

This article started with weddings and I don't want to talk about funerals and death. However, exemptions for IHT from gifting are usually made after a donor's death by their personal representatives (PRs).

PRs rely on the information provided so keep a schedule of the gift made, including the date and exemption used. Form IHT403 has a section for income and expenditure that donors can complete whilst still alive.

TRUST REGISTRATION SERVICE

Joshua Croft, technical consultant at AJ Bell, explains the Trust Registration Service and how it works

The Trust Registration Service (TRS) was set up in 2017 as a register of the beneficial ownership of trusts. The purpose of the TRS is to capture information on most trusts under the anti-money laundering rules.

The EU passed the Fourth Money Laundering Directive (4MLD) in 2015. The Directive set out a requirement for Member States to establish a central register containing information about the beneficial ownership of trusts. Under these regulations, trustees of certain trusts were required to maintain accurate and up to date records in writing of all the beneficial owners of the trusts, including potential beneficiaries.

Originally only trusts that had a tax liability were required to register with TRS.

This was then expanded with the Fifth Money Laundering Directive (5MLD) that was transposed into UK law on 10 January 2020. The Directive increases the original scope and now affects all UK express trusts and many non-UK express trusts. 5MLD significantly extends the application of the TRS so now most trustees will have to consider registration with HMRC.

Express trusts

An express trust is defined as a trust created deliberately by a settlor, usually in the form of a document such as a written deed or declaration of trust.

HMRC contrasts express trusts to trusts that come in to being through the operation of the law. Non-express trusts therefore do not result from the clear intent or decision of a settlor to create a trust, for example a statutory trust created for the child of a deceased parent who dies leaving no will.

The regulations confirm that several types of express trust are exempt, this includes, among others, UK registered pension scheme trusts, Charitable trusts and Trusts arising from a personal injury payment.

> ***Under these regulations, trustees of certain trusts were required to maintain accurate and up to date records in writing of all the beneficial owners of the trusts, including potential beneficiaries***

Bare trusts

Bare trusts are simple trusts where the trustee holds assets on behalf of the beneficiary. A common example of a bare trust would be an investment account opened to invest funds for children under age 18. Bare trusts are Absolute trusts where the beneficiaries are absolutely entitled to their share of the trust income and capital. Any income tax or CGT from gains on assets held in the trust will fall on the beneficiary. This is usually managed within annual allowances, but if they are exceeded it is the beneficiary that is taxed.

So most bare trusts would not have been on HMRC's radar, but the expansion brought in by 5MLD now changes this. There is no specific exclusion from registration for bare

trusts. In general, if a bare trust is an express trust it should register on TRS.

Registration

The trustees are responsible for completing the registration and updating the register with any changes. If there is more than one trustee, they need to appoint a lead trustee to complete the registration process and be the main point of contact for HMRC.

Trusts required to register will have to provide certain information on the trust and information on all persons involved with the trust. Anyone involved in the trust is referred to as a "beneficial owner", although the term beneficial owner in this context is much wider than what is generally understood.

For TRS purposes a beneficial owner includes the following persons:

- Settlor(s)
- Trustees
- Beneficiaries (individuals and categories of beneficiaries)
- Any individual who has control over the trust, in some instances referred to as protectors.

The amount of information that must be disclosed differs depending on whether the trust is a non-taxable trust or taxable trust. Taxable trusts must also provide details of the trust assets and their tax liabilities.

The TRS process is completely online only with no paper-based alternative currently available. Before they can register, the lead trustee must apply online for an "organisation" Government Gateway account. A separate account is required for each trust even if the settlor and trustees are the same.

The original registration deadline for unregistered express trusts without a tax liability which are already in existence has been extended by HMRC. Non-taxable express trusts created after 6 October 2020 must register within 90 days of being created or 1 September 2022, whichever is the later. Any changes or updates to the details held by HMRC should be reported to HMRC within 90 days of the trustee becoming aware of the change. The Regulations allow HMRC to impose fines if trustees do not fulfil their obligation to register.

Once the registration is complete the trust will be allocated a Unique Taxpayer Reference (UTR) for taxable trusts or Unique Reference Number (URN) for non-taxable trusts. Trustees will also be able to download proof of registration to be used to support due diligence checks by certain institutions or organisations which are required to carry out such checks. From September 2022 the Trustees may not be able to deal with any financial institution without showing a proof of registration.

VCTS ARE TRENDING

Jack Rose, head of Retail Sales, Triplepoint asks whether, on the back of a record year, VCT investment is set to go from strength to strength

It is no secret that this past tax year has been a record year for VCT fundraising. In fact, VCTs raised some £1.3 billion in the 2021/22 tax year as investors sought to capitalise on innovation. As we approach the new VCT fundraising season, this strong demand is set to continue in spite of the current economic environment, with investors continuing to seek vital tax relief.

Providing tax relief

With VCT investment experiencing a 65% increase in amount raised relative to the previous tax year, this once niche alternative investment is becoming increasingly mainstream. However, with investors facing building financial pressures, this popularity is set to continue as they seek to capitalise on vital tax relief benefits.

A series of restrictions on pensions has driven increased VCT popularity in recent years as many savers have been forced to look elsewhere for tax-efficient options for their capital. For example, the government's decision to reduce the lifetime allowance on savers' pensions and lock it at this level until 2026 will see any excess in pension pots subject to a 55% tax penalty.

At the same time, investors are facing increasing economic pressures which are likely to continue for the foreseeable future. With the Bank of England predicting that inflation could jump to 13% in the fourth quarter of this year, tax relief could become an increasingly important priority for investors facing these economic pressures in the coming months.

VCTs remain one of the most efficient tax solutions by allowing investors to claim upfront tax-relief worth 30% of the amount invested, up to an investment of £200,000, and earn tax-free dividends and capital gains. Considering 72% of VCT investors already cite tax breaks as their primary reason for investment, these tax-free dividends could become an increasingly attractive option and offer a vital income stream for investors in the months ahead.

> ***A series of restrictions on pensions has driven increased VCT popularity in recent years as many savers have been forced to look elsewhere for tax-efficient options for their capital***

Investing in the future

At the same time as offering crucial tax relief, VCT investment also provides investors with the opportunity to capitalise on innovation. VCTs can offer start-ups access to fast and reliable capital at the earliest stages of their lifecycle. As the challenges of the current economic and geopolitical situation continue to evolve, it is the companies which prioritise innovation who will truly succeed and VCT investment offers an opportunity to both support and capitalise on this entrepreneurialism.

Legislation for VCTs has evolved over the years and, since 2015, has tended to focus specifically on early-stage growth companies. In this sense, VCT investments offer entrepreneurs and small businesses much-needed support. Over the past decade, investors have been

rewarded for this support with the average fund returning 155%.

Equally, almost half of VCT investments are in companies that have grown revenues by more than 25% year on year in comparison to just 5.9% of the companies in the UK main market. In this way, VCT investment offers investors an opportunity to capitalise on booming innovation and entrepreneurialism in the UK.

Strategy is key

Whilst the benefits of the booming VCT investment sector are clear, it is also vital that investors employ a strategy which mitigates some of the risks associated with investing in early-stage companies. With VCTs tending to focus on start-ups, performances can have significant variation. Where some have seen their share prices jump between 20 and 30% over five years, others have plunged by over 20%.

In order to truly capitalise on the benefits of VCT investment, selecting the right strategy is key. With 20% of start-ups failing within the first five years, selecting a strategy which mitigates the risks of investing in early-stage companies is crucial. For example, Triple Point's Venture Fund VCT adopts a challenge-led approach which primarily seeks to invest in pre-Series A B2B technology businesses. With high-growth B2B technology businesses accounting for 77% of all exits in 2019, this sector tends to offer better valuation on entry and better returns.

Equally, adopting a challenge led approach helps mitigate the risk of failed start-ups by establishing market need. Triple Point's approach works with corporates to identify the issues they are facing and then selects the start-ups which are offering solutions to these existing problems. By ensuring investors are adopting a VCT strategy which is thorough and well-considered, investors can mitigate some of the risks associated with this nature of investment.

With the current geopolitical and economic situations continuing to evolve, VCT investment can provide investors with crucial tax relief benefits. Equally, with innovation continuing to boom in the UK, VCTs provide an opportunity to capitalise on exciting high growth businesses at an early stage. However, in order to ensure that investors reap the rewards of VCT investment, strategy is key. Putting strategy first can offer investors access to vital benefits which will see the continued demand for VCT investment go from strength to strength.

DUE DILIGENCE – AN UPDATE

Stephen McPhillips, technical sales director, Dentons Pension Management Limited, looks at the practical implications for advice firms when a pension provider fails

Regular readers of *Professional Paraplanner* may recall that I recently wrote an article on the importance of due diligence – particularly in relation to providers of self invested personal pensions (SIPPs). Only a few short months have passed since the publication of that article but, sadly, in that time we have witnessed the passing of at least one other SIPP provider into Administration.

For the sake of brevity, I will refrain from re-stating a possible range of due diligence considerations that paraplanners and their firms may wish to consider when reviewing/selecting a SIPP provider. Instead, I will focus here on what can happen when a provider fails and/or falls into Administration – and the possible impact on clients.

Possible impact on clients

Before we delve into a situation where a provider has actually failed, one aspect to consider is that there may be issues apparent in advance that suggest that the provider is struggling without having actually failed. These might include, but are not limited to, administrative errors, long delays in providing information and handling transfer-out requests, difficulties in being able to contact the provider by phone, overdue Company Accounts on Companies House website and so on. It may also include notices on the Financial Conduct Authority's website regarding restrictions it has agreed with/placed upon a provider. Some of these issues might only be apparent to the adviser firm in the short term, as it tries to shield clients from the effects of poor service and other impacts.

However, when a provider actually fails, it is highly likely that its clients will suffer noticeable consequences of this. Very recent industry events have demonstrated that the following might apply in the event of a provider falling into Administration:

- A new buyer is urgently sought for the failed business, meaning a period of uncertainty for clients and adviser firms in the meantime.
- Pension contributions into schemes of that provider are suspended, meaning that alternative vehicles may need to be used to meet clients' ongoing needs.
- Transfers into/from the provider are suspended, meaning that clients cannot simply extricate themselves from the failed provider in order to move to one of their choice or the adviser's recommendation.
- The failed provider still levies its fees, so costs still accrue despite potentially lower levels of service/reduced functionality being delivered.
- Clients are unable to complain about the provider to the Financial Ombudsman Service (FOS) during the period of Administration due to a statutory moratorium.

Any one of these consequences, on its own, could be of considerable concern to clients and could lead to very unsettling times. Roll all of these together and it's a very difficult situation for clients to find themselves in. Clients might also experience difficulty in placing trades, making new property purchases and so on.

What can be done?

If the provider has been instructed/has agreed to suspend transfers/switches to another provider then, until that restriction is lifted, there is no option to break the link and move away from that provider to another one – despite an eagerness of receiving schemes to assist and take on those clients unfortunate enough to be affected by the situation.

Of course, once such restrictions are lifted, there may be a rush leading to a mass exodus from the failed provider. That possibility alone might be a factor in any buyer stepping-in to take on the failed provider's business; if there is a concern that clients will leave in droves once restrictions are lifted, why would a buyer wish to pay in advance for clients it might not retain long term?

What can be said with some certainty (and thankfully, considered against a backdrop of a beleaguered industry), is that there will still be good quality SIPP providers out there, to whom advisers and clients can turn when the time comes to finally make the move.

GREEN TREND

This issue the Brand Financial Training team highlights key areas to understanding ESG/SRI investments

While potential performance is important, it isn't always a client's prime motivator when selecting investments. For some clients, investing in an ethical or socially responsible manner is just as, if not more, important.

ESG factors

There has been a great deal of press regarding the environmental, social and governance (ESG) factors that influence how ethical and sustainable an investment is. Indeed, sustainable finance is about including consideration of ESG factors when making decisions about investments.

You might come across the term 'material factors' in relation to ESG. These are the ESG factors that are likely to affect the financial condition or operating performance of a business. For example:

- fuel consumption for a distribution company;
- paper recycling for a newspaper company; or
- use of pesticide for a crop growing company.

Tackling material factors is considered to be key to a successful ESG strategy and has benefits not only for the firm itself, but also for its key stakeholders.

SRI approaches to investments

There are a number of approaches to socially responsible investments, some are more well-known than others:

Positive screening Including companies that score highly on ESG factors in an investment portfolio.
Negative screening Excluding companies whose output is harmful or unethical from an investment portfolio.
Norms-based screening Excluding companies that score poorly on ESG factors from an investment portfolio.
Best in class Companies who would otherwise be excluded due to their sector, may be included if they score more highly on ESG factors than their peers.
Shades of green 'Shades' refers to the degree to which a firm is 'green' – the darker, the more likely that they'll score higher on ESG factors and will qualify for inclusion in an investment portfolio.
ESG Integration This is where an investment manager comprehensively assesses a firm's ESG material factors as part of their overall analysis of the firm before determining whether to include them in an investment portfolio.

There is some evidence to suggest that SRI funds have performed as well as, if not better, than non-SRI funds of late

Impact investing An area of investing that aims to create a positive environmental or social impact.
Thematic investing An area of investing that aims to tackle the ESG issues of today by investing in solutions to them.

Pros and Cons

While socially responsible investing and ESG in particular are very 'flavour of the month' right now, they are not without their critics. Potential disadvantages include:

- Narrowing the investor's choice of companies to invest in.
- Reducing access to dividend income by excluding high-yielding companies in ethically unacceptable sectors, such as tobacco.
- Increased portfolio volatility, as many larger companies are excluded leaving only small and medium size companies whose performance tends to fluctuate more widely.
- Potentially higher charges as many SRI funds are actively managed.

However, others would argue that companies who score highly for ESG are likely to be progressive in their thinking and successful in the fields in which they operate. There is some evidence to suggest that SRI funds have performed as well as, if not better, than non-SRI funds of late.

One area of concern for advisers and their clients is the concept of 'Greenwashing'. This is where companies exaggerate their green credentials. Care should be taken, therefore, not to accept at face value what a company says they are doing in terms of sustainability. Instead, greater emphasis should be put on what they actually are doing. Such information is increasingly available online.

About Brand Financial Training

Brand Financial Training provides a variety of immediately accessible free and paid learning resources to help candidates pass their CII exams. Their resource range ensures there is something that suits every style of learning including mock papers, calculation workbooks, videos, audio masterclasses, study notes and more. Visit Brand Financial Training at 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 21/22, examinable by the CII until 31 August 2022.

1. Under the status disclosure rules, what should an adviser confirm to a retail client on first contact where advice or arrangements in packaged products are contemplated? Tick all that apply.

- A How to complain
- B The firm's regulatory status
- C Investment objectives
- D Withdrawal rights

2. Disinflation typically occurs when:

- A Prices are declining over time and the rate of inflation becomes negative.
- B The supply of goods rises faster than the supply of money.
- C There is a decrease in the rate of inflation.
- D Buying power of money is reduced.

3. Henry is planning to move to Switzerland. Which of the following tax planning strategies relating to his investments should he consider? Tick all that apply.

- A Move bank accounts offshore to avoid any potential liability to UK income tax
- B Dispose of any gilt-edged securities as the income is taxable
- C Withdraw any ISA investments as they will lose their tax-free status
- D Dispose of any assets that will produce a loss and postpone the disposal of any assets that will produce a gain

4. A contract-based pension scheme has which advantage over a trust-based pension scheme?

- A Member contribution refunds for early leavers
- B Member contributions deducted from gross pay before tax and National Insurance contributions are applied
- C Less costly and time-consuming administration
- D Protection for the members, with their interest being safeguarded by Trustees

5. Which of the below is disregarded for long term care purposes according to the Care Act 2014?

- A Insurance (investment) bonds
- B Capital redemption bonds
- C Individual Savings Accounts
- D Unit trusts

6. Money supply is the quantity of money available within the economy. The most quoted measures of money supply in the UK are M0 and M4. What is the difference between M0 and M4?

- A M4 is 'broad money' and includes bank/building society deposits that have been created through their lending activities.
- B M0 is 'broad money' and includes deposits lodged by savers.
- C M4 is the more commonly quoted measure of money supply in the UK.
- D M4 reflects changes in the economic cycle, and M0 causes changes in the economic cycle.

7. The term given to a collection of services provided by investment banks to their hedge fund clients and other asset management boutique firms is known as

- A Prime brokerage.
- B Stock-lending.
- C Service provision.
- D Financing.

8. Under the Care Act 2014, in England after paying domiciliary care an individual must be left with an amount equal to:

- A The basic State pension or new State pension depending on their age
- B The weekly personal expenses allowance
- C The rate of income support or Pension Credit they are eligible for
- D The rate of personal independence payment or disability allowance they are eligible for

9. Which of the following statements regarding the key elements of MCOB's definition of a lifetime mortgage is false?

- A Borrowers should be above a certain age
- B There may or may not be a mortgage term
- C Repayment can be sought at any time
- D Potential deferral of interest repayments

10. Vera and Ken are a couple in their mid-50s in need of a capital lump sum. They are considering taking out a second mortgage to release some of the equity in their home. They should be aware:

- A When they sell their property, it will be paid off first.
- B The second mortgage will usually carry lower interest rates.
- C Their home is not at risk with a second charge mortgage.
- D When they sell their property, the first charge is paid first.

Last issue's answers

Q	Answers	Reference material
1	A	CII R02 Study Text Chapter 3
2	A	CII R03 Study Text Chapter 1
3	B	CII R04 Study Text Chapter 4
4	C	CII R05 Study Text Chapter 5
5	D	CII J10 Study Text Chapter 5
6	C	CII J12 Study Text Chapter 6
7	D	CII ER1 Study Text Chapter 5
8	A	CII CF8 Study Text Chapter 1
9	D	CII R07 Study Text Chapter 6
10	D	CII R01 Study Text Chapter 11

Your answers

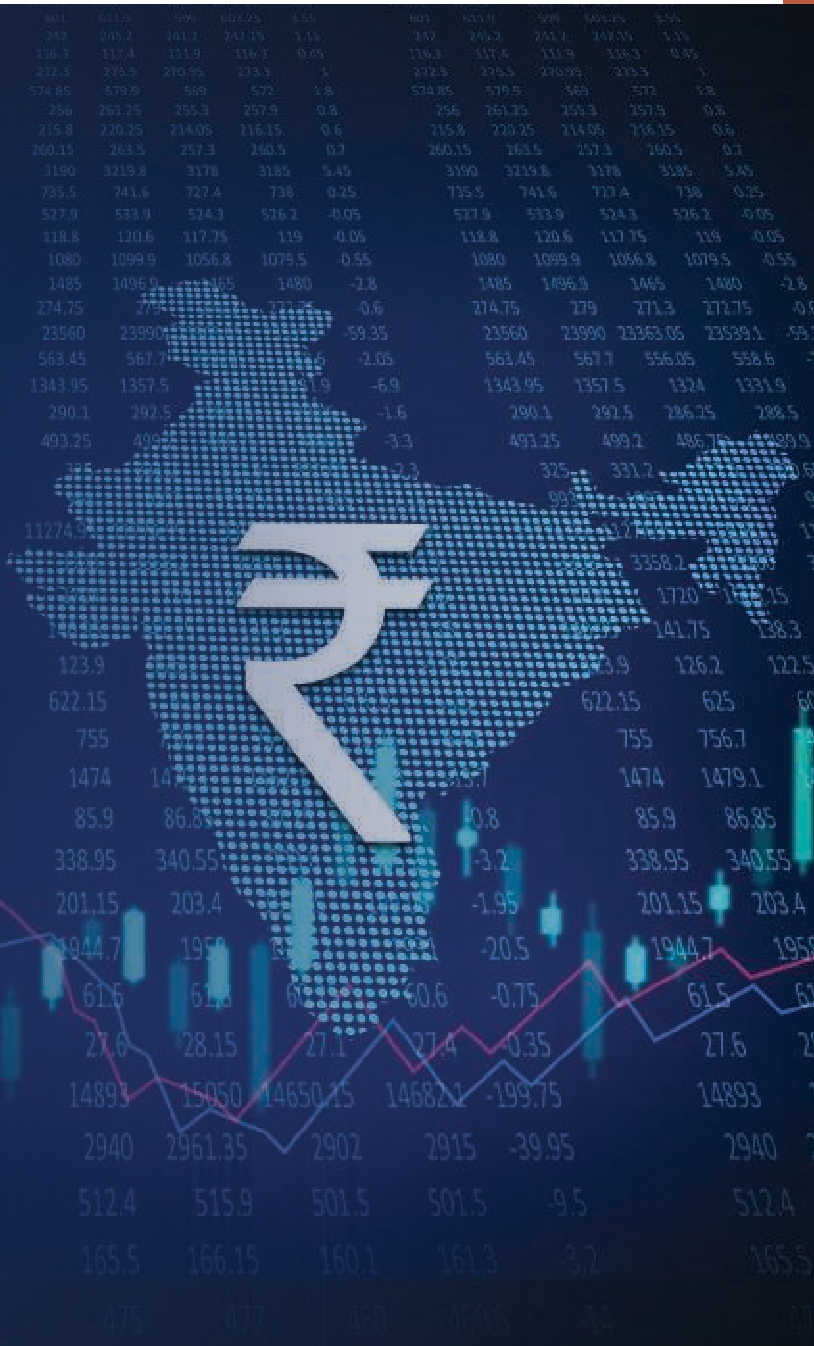
1. ☐ ☐ 2. ☐ 3. ☐ ☐ 4. ☐ 5. ☐
6. ☐ 7. ☐ 8. ☐ 9. ☐ 10. ☐

Answers and cross-references can be found under the Development tab on the Professional Paraplanner website. 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 SEMINAR: 13 OCTOBER 2022

Join us for our first LIVE Investment Committee Seminar of 2022, taking place in London on 13 October 2022. Speakers include Fidelity International, the AIC, Ninety One, TIME Investments and others, speaking on a broad range of topics. These in-person events are perfect for all paraplanners sitting on their firms' Investment Committees or who are involved in researching and recommending investments for client portfolios, MPS, CIPs and CRPs.

REGISTER TO ATTEND via our daily email alerts or under the Events tab on the Professional Paraplanner website.

MARKET ASSESSMENT

Inflation, GDP, and equity/bond correlation, there's a lot to talk about, says David Hambidge, investment director – Multi-Manager Funds, Premier Miton Investors

While we were never in the inflation is transitory camp, we were certainly not expecting the kind of readings we have seen this year which have confirmed prices in the US, UK and Eurozone are increasing at their fastest rate in four decades. Not surprising then that when the latest US CPI data registered a decline for the first time since 2020, markets breathed a collective sigh of relief.

Interestingly, following a horrendous first half of the year longer dated government bond yields have declined quite significantly over the last few weeks. That might seem strange given that until the latest US inflation numbers both the CPI prints and strong employment data suggested that prices are likely to stay way above central bank targets for a considerable length of time.

Of course, the decline in government bond yields may be down to the market pricing in a significant slowdown in economic activity next year (we think this is likely), but that doesn't explain the rally we have also seen in riskier assets such as corporate bonds and equities. It may be that bearish sentiment towards the end of the second quarter just got too extreme and that we are just witnessing some sort of mean reversion.

However, what is certainly true is that equities and government bonds in many countries and regions remain positively correlated and this causes all sorts of problems for hybrid equity/bond (60/40 etc.) models that have been so reliable over the last forty years or so.

While the recent lower US inflation number is to be welcomed, it is only one set of data and the Fed and many other central banks are still a very long way from getting prices under control. In the US, CPI at 8.5% is over four times the Fed's target while in the UK and Eurozone, inflation is likely to increase further in the short term.

Against this backdrop, it seems very likely that interest rates will have to increase further and monetary conditions will continue to tighten. This has been a headwind for both equities and bonds this year and may continue to be so for several months.

> ***In the US, CPI at 8.5% is over four times the Fed's target while in the UK and Eurozone, inflation is likely to increase further in the short term***

Against this backdrop, our portfolios remain relatively defensive with equity allocations below their historic norm, while we continue to favour allocating away from the US where both equities and the dollar appear overpriced and overowned. The UK remains one of our favoured markets although valuations are attractive in many other areas including Europe, which has suffered particularly hard from the war in Ukraine and Emerging Markets, which have not enjoyed tighter US monetary policy and a surging dollar.

Within our bond portfolios, we have not materially changed our exposure although we did marginally increase our allocation to emerging market debt (EMD) in June. EMD has had a truly dreadful year for a number of reasons but at least we are now being compensated with a very significant increase in yield.

The majority of the duration in our bond portfolios emanates from our EMD exposure but elsewhere duration remains very low with a meaningful exposure to floating rate debt. These assets haven't been immune from the poor sentiment in corporate bond markets generally but we expect higher coupons over the next year or so as interest rates continue to climb.

UK commercial property has been one of the stand out asset classes of 2022 so far although even here July saw a fall in prices for the first time since March 2020. Having increased our exposure quite meaningfully early last year, we have taken some profits recently. However, the areas we favour which include care homes, primary healthcare and student accommodation continue to offer attractive yields with dividends expected to increase over time.

Finally, with government bonds no longer the reliable diversifiers they once were, alternative assets remain an important part of the overall portfolio mix and we expect this to remain the case for the foreseeable future. We own a number of complimentary strategies which not only have a low correlation with each other but more importantly, both equities and bonds.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INTERNATIONAL

INDIA

The long-term outlook for India remains promising, argues Darius McDermott, managing director, Fund Calibre

As one of just a handful of markets to produce positive returns in the first seven months of this year, resiliency has been the order of the day for Indian equities[1].

Like other parts of the world, it has had its challenges with inflation and supply chain disruption hitting hard. Yet, as a recent Deloitte report on the nation's economy pointed out, the "domestic demand and the desire of global businesses to look for more resilient and cost-effective investment and export destinations, among other factors, will help India ride this tide of headwinds.

The optimism about India's economic recovery, although slightly bruised, remains intact[2]."

There are numerous reasons why the economy has outperformed its peers. Not only has it been able to continue to deliver decent GDP growth, and a reasonable outlook, but we're also seeing strong corporate profitability growth, with earnings coming in well ahead of expectations, generally up around 30-40 per cent since last year[3].

Add in the long-term tailwinds like strong demographics, a stable government and strong corporate governance – and you can see why India has been a favourite among investors.

The main challenge has been around valuations – those positive characteristics have not gone unnoticed by savvy investors. Historically, Indian equities trade at a 40 per cent premium to other emerging markets, but by the end of April 2022 it was closer to 70 per cent.

While much of it is justified, there are other reasons for these lofty valuations. FSSA Global Emerging Markets Focus co-manager Naren Gorthy points to the rapid growth of the IPO market (600 or so in the past five years) many of which have high valuations with scope to correct. He also cites the rise of numerous consumer

> ***It's hard to argue against the long-term growth story when over half the population of a country is under 25 years of age***

Investing in India – Pros and Cons

Pros

✓ The world's best demographics
✓ Strong, stable government and good corporate governance
✓ Growing online/digital presence
✓ Domestic demand-driven economy

Cons

✗ Inflation has led to supply chain disruptions – exacerbated by the war in Ukraine
✗ Rising oil prices could hit the economy
✗ Valuations are not cheap

Funds to consider

The all-weather fund

Backed by a well-resourced and experienced team, the Goldman Sachs India Equity Portfolio targets businesses of all sizes when building a 70-90-stock portfolio. The team's ability to meet companies in India differentiates it from many in its peer group.

Domestic Growth

Managed by the passionate Mike Sell, the Alquity Indian Subcontinent fund looks past the larger companies in the index and invests in firms lower down the market cap spectrum which other investors often overlook. The domestic angle will lead to weights in names with a focus on internal growth, such as financial services and household products.

Regional funds with an overweight to India

The FSSA Global Emerging Market Focus fund is a high conviction strategy of 40-45 large to medium sized companies, which currently has over a quarter of its allocation in Indian equities[4], while the Aubrey Global Emerging Markets Opportunity fund has 36 per cent.

staples companies in India which have benefitted from the re-rating process and now have high valuations.

The other challenges are inflation and the oil price. The former is somewhat mitigated as India is expected to have a good harvest this year – the ability to feed itself takes the pressure off to some degree. As a major importer of oil, that is a greater concern, with the likes of Alquity Indian Subcontinent fund manager Mike Sell believing a price between $150-$175 a barrel would pose challenges to India; this again is offset to some degree by the central bank sitting on $600bn of cash reserves.

Aids to the India growth story

I recently read foreign investors had removed some $33bn from Indian shares since October 2021, a contributor to the curtain being brought down on India's outperformance versus other emerging markets during Covid. However, it seems domestic investors are picking up the slack. Over the past two years, individual depository equity accounts have gone up from around 33m to just under 100m accounts. Investors are saving on a monthly basis, with many taking out five or 10-year investment plans. In the second half of 2021 alone, more money was invested in Indian equities by domestic investors than was invested by foreign investors for the full seven years prior to that.

Reforms by Prime Minister Nahindra Modi continue to catch the eye as well – these include the Goods and Services Tax and the Indian Bankruptcy code – all of which are designed to make the country more attractive from an investment perspective.

Another factor is the country is almost fully digitised now. As Jupiter India manager Avinash Vazirani points out, everyone has a bank account, and India is a leader in terms of Fintech. He says: "Over half a million jobs were created in the tech sector in India last year, and c.700,000 more are expected to be created this year. These kinds of jobs are generally well paid, and they allow people to spend more money on housing, cars etc."

In my view, India is as compelling an investment case as it's ever been. It's hard to argue against the long-term growth story when over half the population of a country is under 25 years of age, with 1m people entering the work force each month. Future GDP growth is in the safe hands of millions.

[1] Source: FE fundinfo, total returns in sterling, 31 December 2021 to 3 August 2022
[2] Source: Deloitte Insights – India economic outlook, July 2022
[3] Source: Jupiter – Notes from the Investment Floor: the outlook looks bright for India – July 2022
[4] Source: Fund factsheet, 31 May 2022

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 July 2021, provided by FE Fundinfo

BEST RATED FUNDS

IA	3 year Cumulative Performance	FE Fundinfo Alpha Manager Rated	FE Fundinfo Crown Fund Rating
Fidelity Global Technology	72.20	✓	5
IFSL Marlborough Global Innovation	52.90	✓	5
Stewart Investors Indian Subcontinent Sustainability	51.81	✓	5
Baillie Gifford Pacific	47.81	✓	5
Slater Recovery	44.24	✓	5

AIC	3 year Cumulative Performance	FE Fundinfo Alpha Manager Rated	FE Fundinfo Crown Fund Rating
Baillie Gifford Pacific Horizon	102.27	✓	5
Dunedin Income Growth Investment Trust	21.76	✓	5
Liontrust Edinburgh Investment Trust	20.39	✓	5
Personal Assets Trust	19.41	✓	5

BEST PERFORMING FUNDS IN TERMS OF RISK VS RETURN

IA	3 year Cumulative Performance	FE Fundinfo Crown Fund Rating
Active Niche Luxembourg Selection Fund Active Solar	192.96	238
iShares Global Clean Energy UCITS ETF	113.56	211
Guinness Sustainable Energy	102.34	144
L&G Battery Value-Chain UCITS ETF	97.89	141
SSGA SPDR S&P U.S. Technology Select Sector UCITS ETF	82.78	146

AIC	3 year Cumulative Performance	FE Fundinfo Crown Fund Rating
CATCo Reinsurance Opportunities Limited	1383.35	5,549
Edge Performance VCT	1038.26	264
Starvest	471.43	340
Independently Managed Kingswood Holdings	172.72	213
Blue Star Capital	152.94	689

RISKIEST SECTORS

IA	3 year Cumulative Performance	FE Fundinfo Crown Fund Rating
Latin America	-19.9	150
Technology and Technology Innovations	39.22	130
China/Greater China	6.66	128
Commodity/Natural Resources	42.98	127
North American Smaller Companies	23.95	127

AIC	3 year Cumulative Performance	FE Fundinfo Crown Fund Rating
VCT Specialist: Media, Leisure&Events	183.99	196
China/Greater China	21.91	185
Commodities & Natural Resources	48.84	162
Property Securities	5.80	161
European Smaller Companies	23.68	154

OUTFLOWS

Fund name	Size 1y ago (£m)	Size now (£m)	Performance Effect on Size (£m)	Out (£m)
BlackRock ACS US Equity Tracker	17,219.19	14,383.68	-23.44	-2,812.07
State Street ACS Multi-Factor Gbl ESG Idx Eqty	2,251.81	244.01	184.12	-2,191.92
BlackRock ACS 50:50 Global Equity Tracker	6,244.69	4,052.46	-53	-2,139.23
PUTM ACS Lothian UK Listed Equity	10,270.44	8,715.80	418.94	-1,973.58
BlackRock ACS UK Equity Tracker	12,131.61	10,363.22	199.7	-1,968.08

INFLOWS

Fund name	Size 1y ago (£m)	Size now (£m)	Performance Effect on Size (£m)	In (£m)
M&G Japan	27,824.28	37,300.74	1,472.30	8,004.16
BlackRock ACS Climate Transition World Equity	3,831.12	8,127.58	-347.12	4,643.58
Liontrust Japan Equity	30,718.95	34,848.73	-509.81	4,639.59
LGIM Future World Global Equity Index	3,129.49	6,831.52	-488.19	4,190.22
M&G Japan Smaller Companies	14,587.55	18,815.36	378.14	3,849.67

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

Commodity/Natural Resources
42.98

Technology & Telecommunications
39.22

India/Indian Subcontinent
35.98

North America
35.26

Healthcare
29.21

AIC

VCT Specialist: Media, Leisure&Events
183.99

Infrastructure Securities
72.86

Property UK Logistics
56.49

Insurance & Reinsurance Strategies
52.95

Commodities & Natural Resources
48.84

MOST RESEARCHED

	IA		AIC
1	Global	1	Global
2	UK All Companies	2	Flexible Investment
3	Unclassified	3	UK Equity Income
4	Mixed Investment 40-85% Shares	4	Private Equity
5	Volatility Managed	5	Infrastructure

MOST VIEWED FACTSHEETS

	IA		AIC
1	Vanguard LifeStrategy 60% Equity	1	Scottish Mortgage Investment Trust
2	Fundsmith Equity	2	Ruffer Investment Company
3	Vanguard LifeStrategy 80% Equity	3	Polar Capital Technology Trust
4	Vanguard LifeStrategy 40% Equity	4	Personal Assets Trust
5	Baillie Gifford Managed	5	Capital Gearing Trust

MOST CHARTED

	IA		AIC
1	Vanguard LifeStrategy 60% Equity	1	Scottish Mortgage Investment Trust
2	Vanguard LifeStrategy 80% Equity	2	Ruffer Investment Company
3	Vanguard LifeStrategy 40% Equity	3	Personal Assets Trust
4	Fundsmith Equity	4	Capital Gearing Trust
5	Vanguard LifeStrategy 100% Equity	5	Polar Capital Technology Trust

STRUCTURED PRODUCTS

STRUCTURED PRODUCT MATURITIES JUNE-JULY 2022

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

Provider	Plan	Maturity Date	Term (years)	Change in underlying %	Plan Gain %
Societe Generale	UK Defensive Growth Plan (UK Four) Issue 11	24/06/2022	6.00	17.43%	60
Societe Generale	UK Defensive Growth Plan (UK Four) Issue 12	29/07/2022	6.00	10.39%	51.97
Investec	FTSE 100 Enhanced Kick-Out Plan 68 - UK 5 Option	06/06/2022	5.01	0.81%	41.25
Mariana	10:10 Step Down Kick Out Plan June 2017	30/06/2022	5.00	-1.96%	35.7
Hartmoor	FTSE 100 Deposit Growth Plan 4 April 2016	13/06/2022	6.00	19.20%	34
Hartmoor	FTSE 100 Deposit Growth Plan 5 May 2016	25/07/2022	6.00	8.88%	34
Walker Crips	Semi-Annual Step Down Kick-Out Plan June 2018 (Exclusive to Clients of Lowes)	01/06/2022	4.00	-2.19%	28
Walker Crips	UK 95% Kick-Out Plan Issue 2 (MS028)	19/07/2022	3.00	-2.83%	25.5
Walker Crips	UK 7Y Step Down Kick-Out Plan June 2019	07/06/2022	3.00	3.64%	21
Investec	FTSE 100 8 Year Kick-Out Plan 2	22/06/2022	2.00	13.46%	20
Investec	FTSE 100 Defensive Kick-Out Deposit Plan 4	29/07/2022	4.00	-4.61%	18

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