

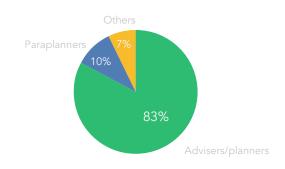
Overview

We undertook this research with the Adviser Home community to establish how advisers were responding to the new conditions – 12 months on from the first lockdown. This time last year we ran the same study so can now present a fascinating 20/21 picture.

Who took part?

Responses and views were shared by **advisers/ planners (83%)**, **paraplanners (10%)** and **others** including compliance, investment consultants and wealth managers **(7%)**.

75% of respondents were **directly authorised** and 25% were members of a network.



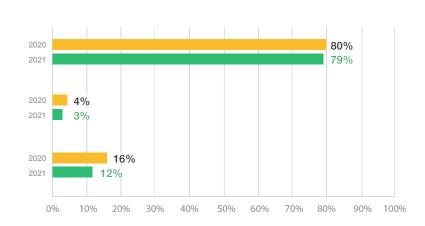


What are clients being advised to do in current market conditions

I'm advising clients to stick to their plan and asset allocation

I'm advising clients to de-risk where necessary

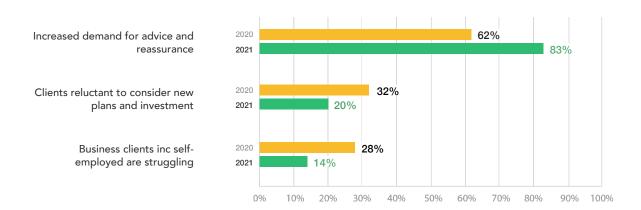
Markets are now under valued in the long term, so I'm advising clients buy into the right opportunities



These responses are notably consistent over the two years with an overwhelming majority of advisers using a client's plan and associated asset allocation to shape investment portfolios.

66	We now have quite a few clients interested in Impact investing
66	We'd only change advice if client's circumstances have changed
66	Allocation adjustment may be ill advised - Bonds are more risky than they look
66	SOME markets are undervalued, but some are fair value. We offer bespoke portfolios based on clients risk profile and needs. Most are long term and involve strategic asset allocation not traditional allocation models.
66	Certain clients with disposable capital, I have recommended to buy throughout the last year as the markets were significantly under-valued, but in the main the advice is to stick to the plan and asset allocation. Certainly not to de-risk.
66	Existing clients are generally sticking to plan, new clients I am seeking more shorter term opportunities created by the pandemic
66	It's a mix of answers 2 & 3 depending on where clients are in their life and investment mix
66	Asset allocation (risk profile) remains key but we have to recognise that there is a large swathe of assets that will deliver less than inflation going forward.
66	We have already advised clients re taking advantage of the earlier very substantial downturn, portfolios are now well diversified and in general we are making a small shift towards holding slightly more value investments.
66	Not gung-ho, but there are opportunities. Using Pound Cost Averaging to reduce risks
66	Some clients wanted to put their investments in to cash as they are just too nervous but generally the clients already have adequate cash balances in case of an emergency so can sit tight and thankfully we have seen a fairly quick recovery.
66	The UK is cheap, the US and tech especially are in bubble territory and at two-thirds of world market cap, it causes us concern and we aren't invested in that.

What impact are current market conditions and in particular the Coronavirus - having on the demand for your service?



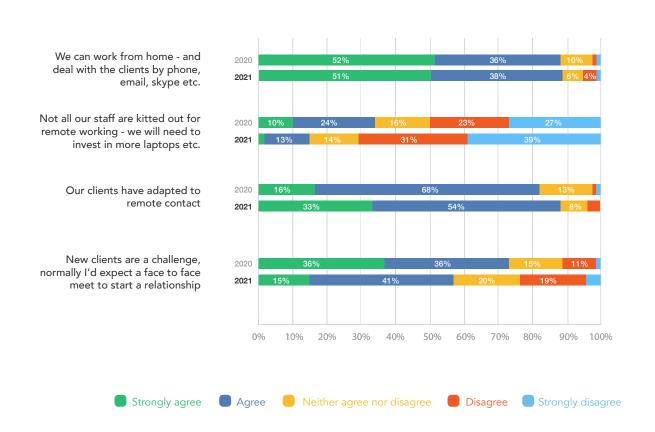
These results show material rise in the client demand for increased advice and reassurance and a material fall in the number of clients reluctant to consider new plans and investment – this may be as advisers and prospective clients have spent time over the intervening 13 months becoming more familiar and comfortable with technology enabling remote communications. At the same time there is also a reduction in the number of business clients who are seen to be struggling compared to adviser predictions in 2020.

- 66 People over 55 are encashing funds now
- Clients are very much spit 50/50 in terms of delaying and others wanting to capitalise on market instability
- Good contact with clients throughout last year provided reassurance, and proactive investment planning is resulting in client confidence now markets are recovering and investment values and markets increasing. Therefore, clients want to do business with me.
- Broadly though, our clients have been reassured and have taken appropriate guidance & advice depending on their situations & objectives many of them have been here before!
- 66 Because of the success of our portfolios we have seen more new clients referred to us by existing.

66 Lots more business to come when lockdown ends 66 When the pandemic struck and lockdowns started, certain self-employed and clients in the badly affected sectors took stock and waited to see what the effects on their business would be, but now all are back making investments and trying to catch up on the last year. 66 People are delighted to be able to communicate with their advisor. Many businesses have been unable to operate anywhere near efficiently. While clients' priorities changed with the pandemic, life being more important than money, they are reassured how well they have done. 66 I would say at present we are really busy with pension planning but the urgency to use ISA allowances is not a busy as usual, seems a reluctance to utilise their cash in the current environment, happy to wait and see. 66 Actively contacting clients to reassure and maintain strong relationships 66 As ever, there isn't one clear trend but we have never been busier! 66 Business is taking longer to get over the line as clients are more cautious and need more reassurance, however, demand is now creeping back to pre-Covid levels. 66 Varies between clients seeking initial reassurance but then hesitant to proceed to invest due to the market conditions, despite lengthy conversations/planning etc. 66 Our existing clients have seemingly been touched little by the Covid-19 pandemic other than physical inconveniences, but we have noticed recently an upturn in the number of new enquiries although given the small numbers we deal with this could be purely by chance. 66 Some clients have performed really well and others have not. It is a K economy We have seen no change despite the pandemic 66 I think people are at home and focusing on their finances

- Generally not worrying too much as they know it is a long term plan but some are naturally slightly worried due to uncertainty. The biggest impact is really in relation to building new relationships due to lockdown as people prefer face to face meetings.
- We are too busy with incessant enquiries and can hardly cope.
- Demand was subdued from my clients in the early stages of the pandemic, existing clients were however very engaged.

What impact has the pandemic had in terms of your day to day dealings with clients?



As we can see advisers are consistent across 2020 and 2021 as to their ability to work from home with 90% in 2021 either agreeing or strongly agreeing that they can deal with clients remotely with tech support. We can also see clearly that over the last 12 months advisers have invested to ensure their staff are kitted out for remote working.

In 2020 advisers were confident that clients would adopt to remote contact (86% agreeing or strongly agreeing). Did this prove to be the case? Indeed yes, and with more advisers prepared to answer "strongly agree" to this question. So in 2021 only 12% of clients have not adopted to a remote way of working with their adviser – which given the lifting of restrictions may not prove to be an issue.

Are new clients a challenge? In 2020 72% of advisers thought they would be and in 2021 this concern level has dropped to 56%. The reality has proven less concerning than the prediction but nevertheless there is clearly a new client problem and we will see whether this is solved by changing client attitudes, new advances in remote communications or a return to face to face.

Individual adviser comments

Mostly positive response to the current situation.

- 66 I am getting much more done working from home
- It's only elderly clients without smartphones and internet access who are quite difficult to enact with.

 All done by telephone and mail
- Specialising in later life brings with it its own unique issues regarding electronic meetings largely most have adapted however as soon as able to I am sure face to face meeting will resume
- We had a continuation plan for situations just like this. We made the decision to go to remote working one evening and the next day we were fully operational with no issues and this has remained the case. We have viewed this last year as possibly the best testing ground for our business continuation plans!:)
- Some of our staff are better able to work at home than others and clients have been happy either way, generally
- We have learned over many years to be flexible in dealing with clients. Some are OK dealing at a distance, some need face to face meetings (certainly initially). With new clients I believe it is important to hold face to face as soon as you can.

66 I will continue to work from home once measures ease, with 2 days a week in the office 66 We have adapted well to working from home and certainly video meetings may form a lasting part of our service, certainly for client reviews for those client where is it not convenient to attend a faceto-face meeting. That said, for initial meetings with new client, face-to-face is always going to build a strong and lasting relationship. Most clients have adapted well to Zoom and remote meetings. Form completion and ID checks have been a little more challenging but this is being overcome with changes in attitude and technology 66 I've worked from home since 1994, so no change there. The clients have adapted well to remote working and have agreed for that to be the norm in the future. I believe the future will see a mix of F2F and remote - not one or the other. 66 66 Important to ensure there is rapport with others in the organisation and that there is not a disconnect between advisers and administrators 66 Most existing clients have adapted, we have several elderly clients who have not but we managed to see them last year when this was allowable. New clients are taking a little longer to develop but whilst this was a bit of a challenge six months ago it is now par for the course. 66 Our staff are working from home as well as the office on a rota basis. A fair amount are using personal equipment when working from home to securely log in to the work systems 66 I think this sums it up, we can work and we can deal with new and existing clients but people like face to face, especially when it's a new relationship and it's their hard earned money, but it's not as though we can't work. But..

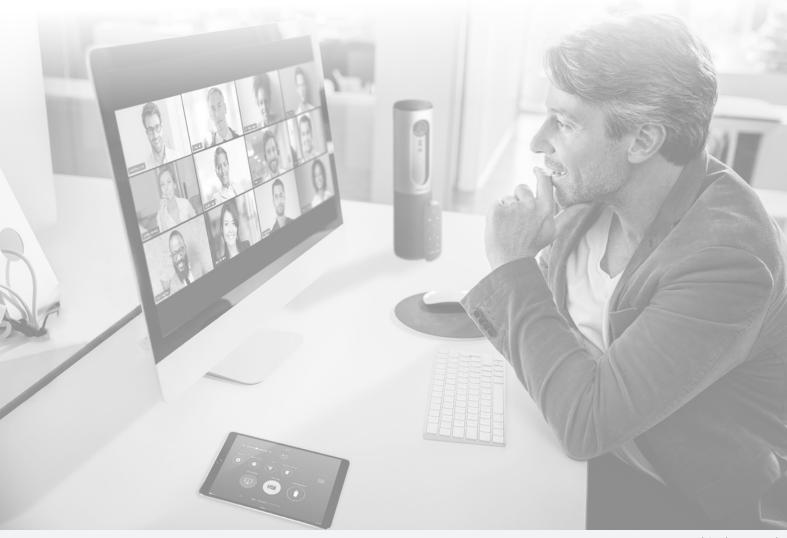
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We deal mainly with clients in decumulation. They not only need more reassurance but face-to-face

contact is essential for their social and mental wellbeing (and ours!).

66

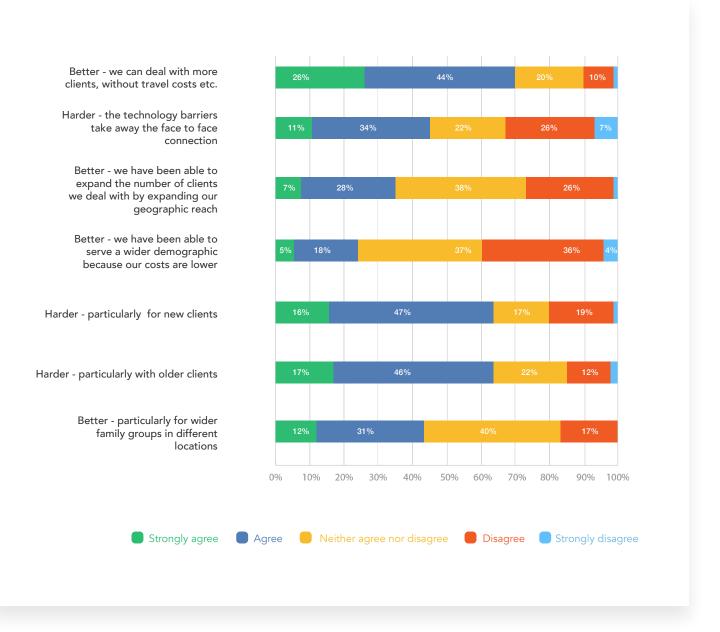
- Face to face is best. The initial excitement of Zoom has waned and people want real human contact.
- Some staff have not coped with the isolation and we have lost a couple as a consequence.
- WFH means everything takes longer. Institutions cannot manage the same level of service in present circumstances. Staff training is much more difficult.
- 66 I think we miss some things...
- With people having more time to look at their affairs, some are deciding that equates to having more expertise even when that's not the case



In the last twelve months what's your view on remote working?

One year on from Lockdown One we asked advisers more detailed questions on their response to remote working. These are shown below in the chart and the summary is:

- Remote working is better more clients and lower costs
- But advisers are not seeing this as a way to deal with different sorts of clients
- Problems with technology / remote dealing are most acute for prospective new clients and for older



Individual adviser comments

Some practical difficulties endure.

66	Whether better or worse has been wholly dependent on the individual client. On the whole our clients new and existing have engaged well with technology and this has made it more convenient for them, for us and more efficient and flexible for the business. Whereas we would have previously possibly only had one meeting per client during an advice cycle, we now regularly have several meetings with them which we believe has improved connection and understanding. There are however clients who rely on face to face meetings (for company) and who are not computer literate and we have had to take a different approach to be able to service them. For these clients face to face meetings will be a welcome return to normality. Our key actions moving forward will be to ensure our business model allows for a mix of face to face and video meetings.
66	I have always worked remotely with 90% of my clients
66	Our systems were quite tech ready before the lockdown
66	Client age v technology is a massive mismatch
66	As ever there is a mix depending on the client and their circumstances.
66	The technology would allow us to expand geographic and demographic reach if we were interested in doing so but we are not.
66	Introduction of e-signatures has helped

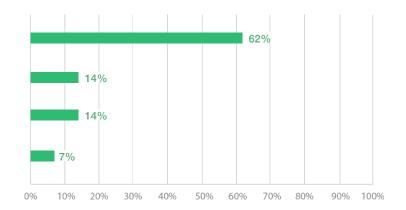
Once restrictions are lifted do you think you will?



Revert back to pre-lockdown

New clients face to face then digital wherever possible

Minimise face to face - try and deal using technology

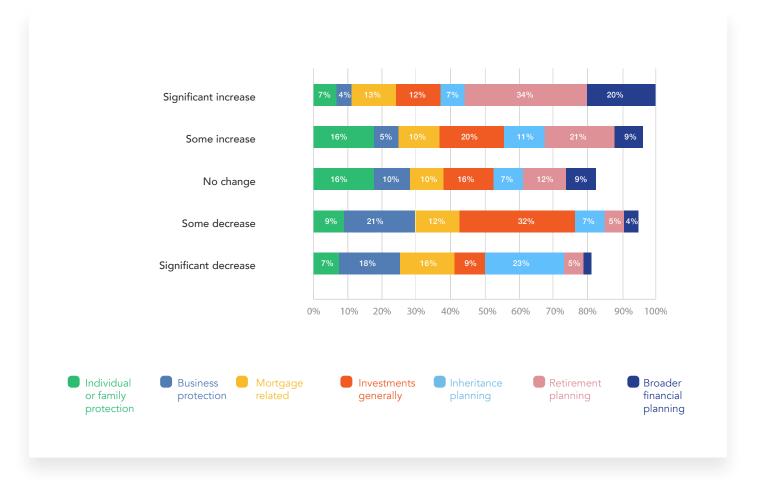


The large majority of advisers plan to operate with a combination of digital and face to face with minorities either reverting to pre lockdown or moving to minimise face to face work.

- These advisers make the same point business approach will be client dependent
- 66 This will be very client driven
- We will tailor make to the client and the service level that they pay for
- Based on the client's preference for either face to face or virtual meet

In the past twelve months which types of business have shown an increase or decrease?

The chart below shows clearly that the three big winning areas were Retirement Planning, Broader Financial Planning and Investments generally with the latter also showing falls for some advisers.

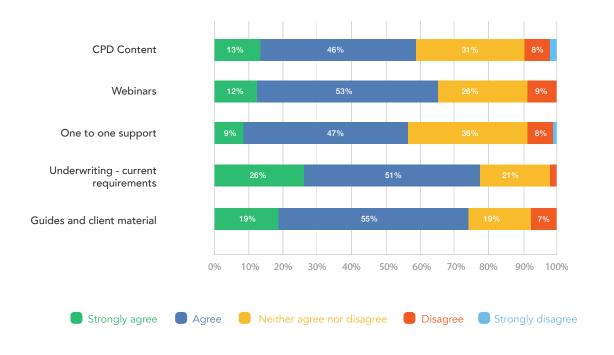


Individual adviser comments

- Ongoing review and servicing are very important and everything else comes on the back of that
- 66 DB Transfers remain high in demand for advice
- 66 A huge increase in business generally
- 66 More DB enquiries

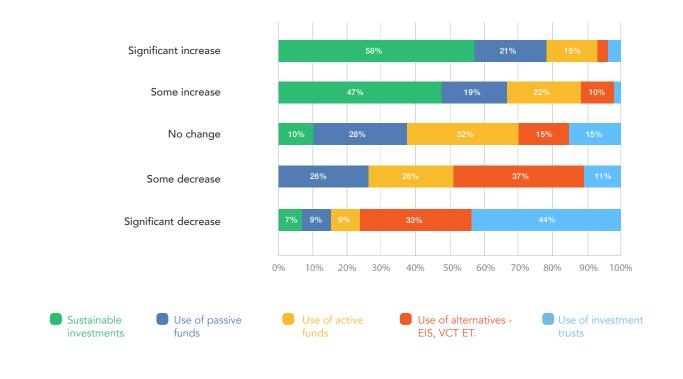


Which aspects of provider support are most important in developing Income Protection business?



There is strong demand for all these types of support with strongest positive feelings in favour of more info on current underwriting requirements – as we would expect given the prominence of health issues - and for guides, client material and webinars. None of the five categories of support featured are considered unnecessary.

Which of these business areas have shown changes in demand in the last twelve months?



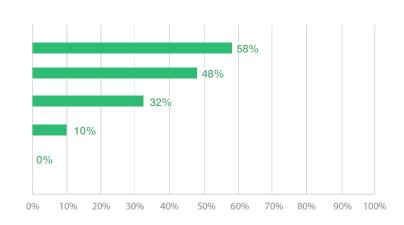
Sustainable investments, as expected shows the most notable increase in 2021 – off a strong 2020. There are net falls in alternatives and investment trusts.

Level of adviser business confidence since this time in 2020

58% of advisers are either more confident or much more confident than this time last year. This is a buoyant response from the sector with only 10% describing themselves as less confident. There are two drivers here – the fact that businesses have survived and thrived during a time of unprecedented challenge and that we can now see the way out with restrictions lifting, infection rates falling and a high and rising level of vaccination.

Level of adviser business confidence since this time in 2020





- We remain confident. Financial planning is not a short term service, calm and steady hands are needed more than ever in difficult times and the last year has illustrated to our clients the importance of long term planning and the importance of our understanding of our client's situations
- I am always confident of the future and the ability to meet my client's needs. Everything else is short term noise.
- 66 More confident, BUT there is a danger of burn-out through over-work

Which providers have been most helpful to your business over the least 12 months?

We asked this question on an entirely open, free form basis so that advisers could select from the complete range of providers – life groups, asset managers, platforms, networks and tech providers. The most notable outcome was that over 50 different providers gained a mention.

Congratulations to Royal London with the highest vote overall.

Top Platform was A J Bell.

A number of advisers were unable to nominate a provider, either because they felt none stood out or in a minority of cases that providers service had not shone through the difficulties of remote working.

Overall Top 10 Helpful Providers

- 1 Royal London
- 2 AJ Bell
- 3 Standard Life
- 4 AVIVA
- 5 Aegon

- 6 Old Mutual
- 7 LV
- 8 Novia
- Octopus
- 10 Prudential

In addition we had positive comments for **Baillie Gifford** for the quality of information, **Transact** for their service and **Intelligent Office** for overall support.

