



## Investment Research – Summary Report. This adviser research, carried out with

**Octopus Investments was designed to establish adviser's involvement in alternative or specialist investment solutions and to explore what advisers would like to see to assist their development in this market.** *(The advisers taking part in this exercise were mostly independent ( 86%), directly authorised( 68% ) and in small to medium sized firms ( 80% had 10 or less advisers ) focussed on investment ( 67% ) with a substantial number ( 25% ) dealing mainly with pensions. 80% of the responding advisers worked with professional connections for referrals to their practice.)*

### Selecting Investments in house or use external vehicles?

We asked advisers whether they mainly selected funds and products in house or used Model Portfolios or DFM's. It's important to note that the question asked about "main use" – advisers will use different routes for different circumstances. Around 40% each use Model Portfolios or Select Funds themselves, with around 20% using a DFM service. The growth of DFMs and Model Portfolios was one of the clearest trends in 12/13. The responses overall would indicate that even where an adviser uses models or DFMs they will also consider or use other vehicles such as alternatives or specialist investment solutions.

### Use of Platforms

Around 20% of advisers use just one platform – 80% use 2 or more.

In terms of number of mentions here's the league table:

Skandia	41
FFN	36
Co Funds	29
AXA Elevate	23
Transact	18
Standard	17
AVIVA	17
Ascentric	12
Nucleus	10

True Potential	7
Parmenion	6
Sippcentre	5
Novia	5
7IM	5

There were also a few mentions for Alliance, Aegon, Amber, James Hay, Succession, Sanlam, and Wealthtime

### **Use of Specialist Investments like EIS and VCT**

Around 35% of responding advisers use EIS and VCT or use them frequently with 65% rarely or not using these vehicles. The breakdown figures show slightly greater use of EIS than VCT.

### **The appeal of specialist investments**

Those that used these investments for their clients were asked what the main attraction was

	Agree or Strongly Agree
Potential Tax Advantages	70%
Underlying Investment e.g. smaller companies	50%
Portfolio Diversification	30%
Clients expect less mainstream	20%

### **For those advisers who are not users or regular users of EIS/ VCT why is this?**

Concerned about possible PI issues	37%
Need to increase my/ team's knowledge	35%
Not easy to research and not easy to access independent comparison	34%
Concerned about regulators attitude to these investments	34%
Clients needs are met by other solutions	33%
Not considered in the past	21%
These are too complex	18%

Not on platform	16%
Negative experience in the past	10%

#### **What would make advisers more likely to use EIS/ VCT?**

An independent comparison tool	90%
More training via local seminars, tech training, workshops and support material	72%
Reassurance about PI insurer's position	67%
Better understanding of the features and benefits	67%
Easier to pass through my compliance team	58%
More online support via webinars	45%
More contact from the companies marketing these solutions	44%

#### **Solutions or Products Used for IHT Planning**

Discounted Gift Trusts	81%
Other Trusts e.g. Loan, Inheritor etc	78%
BPR Based plans	49%
AIM investments	40%
EIS	28%

#### **Use of BPR qualifying AIM investments in ISA to shield from IHT**

Yes – would consider this	65%
Do so already	15%
Probably not	15%
No	5%

#### **Reasons why BPR not previously used**

Not much experience in the past	54%
Need further training or research	38%

Prefer traditional trust planning	26%
Seem too complex	16%
Unaware of the 2 year IHT exemption	2%

#### **Preferences for CPD/ Training Events**

IHT and Estate Planning	78%
Business Development Ideas	55%
Technical Training	50%
Case Studies	50%
Opportunity to invite solicitors and accountants	38%

#### **Preferred Delivery of events**

Face to Face	71%
Webinar	29%

#### **Interest in workshop on specialist investment solutions and business development**

Yes please – sign me up	33%
Possibly – send me details	63%
No thanks	4%

#### **Interest in an Adviser Home/ Octopus Investments webinar covering estate planning**

Yes please – sign me up	25%
Maybe – remind me nearer the time	55%
No thanks	20%

Note: Some questions were non-mandatory and others had the option to select more than one response. Consequently some figures may add up to more or less than 100%.