Professional Paraplanner

The magazine for paraplanners and financial technicians

June 2020

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TIME FOR CHANGE?

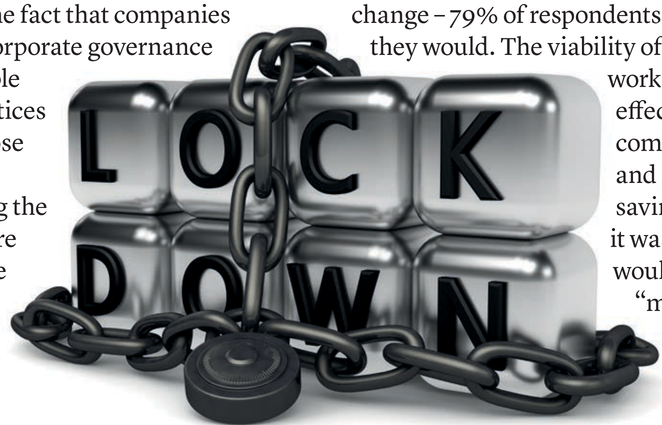
As I write we are eight weeks into lockdown. Hopefully, we are all used to it by now and sufficiently into a rhythm that our operations are working as efficiently as possible. In the May issue I ended my editorial by asking 'do we want things to go back to just the way they were?', suggesting it is radical events like these that act as catalysts for change.

There is clear consensus on areas that might change, including an optimism that it could be a better world that comes out of this global crisis.

From an investment perspective, one clear winner must now be technology. Digitalisation was already accelerating in our daily lives and our businesses. The crisis has proven that well run businesses can operate under remote working and video conferencing systems are valid substitutes for face-to-face meetings. Trust in and accordingly, use of technology is predicted to increase as a result of the crisis – tech stocks largely have driven the markets during the crisis – which will also not only boost existing firms but open up potential for new businesses and industries.

Healthcare is likely to be a major focus also. As Darius McDermott says in his article on page 22, this sector had a lot of tailwinds prior to the virus such as an ageing global population, and now, as governments look to ensure national medical supplies and supply chains are robust, as well as a vaccine for C-19, the sector could see growth over the near to medium term.

Sustainable investing, another sector riding tailwinds, also is likely to see a further boost, with the crisis highlighting the need for sustainable and diverse supply chains, and the fact that companies with strong corporate governance and responsible business practices have been those on the solid ground during the crisis. For more on sustainable investing post C-19, see the article from Liontrust on pages 24-25, particularly the box outlining the areas where the fund manager sees significant shifts in consensus.



At a more granular level, our parameters survey this month asked paraplanners how they had adapted to the new working environment, 'Working under lockdown', and how working practices might change in the months ahead – you can see some of the results and analysis on page 9.

The survey showed a clear groundswell of paraplanners in favour of a change to the way they worked prior to the crisis. Among those who had never worked from home before, 92% said they would consider or want to work from home and over half thought their firm would now allow it. An article on the results will be published on our website.

We also asked paraplanners whether they thought industry working practices would change – 79% of respondents thought they would. The viability of remote working, more effective remote communication, and office cost savings for firms it was suggested would lead to "more open-minded bosses", while individuals too would become more willing to utilise technology and try new ways of working.

Paraplanners also expected travel and face-to-face client meetings would decline in favour of video calling, and it was also hoped that providers will continue to accept signatures and key documents electronically, rather than revert to paper and post.

This could be a time when industries and working practices move on at pace. But humans, of course, are not great lovers of change. So could we see a reversion to the norm as was? Or is that now impossible?

Rob Kingsbury,
Editor, *Professional Paraplanner*
robkingsbury@researchinfinance.co.uk

PROFESSIONAL PARAPLANNER EVENTS

With the continuing lockdown preventing running of our live events, we are working with our speakers to deliver technical and investment webinars to all paraplanners registered to attend one of our events postponed by the current crisis. We will be making further announcements in due course – please keep an eye on the *Professional Paraplanner* website and we will email delegates once we have webinar dates confirmed.

We hope to be able to run our live events from the Autumn and possibly, re-schedule some of the live events that are unable to go ahead at present. This will depend on government guidelines as well as company policies on live events. We will keep you informed.

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In this issue...

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RESEARCH IN FINANCE

Address
80 Coleman Street, London EC2R 5BJ
T: +44 (0)20 7104 2235 **E:** info@researchinfinance.co.uk
W: professionalparaplanner.co.uk

Editorial

Editor
Rob Kingsbury
E: robkingsbury@researchinfinance.co.uk

Designer
Pascal Don Design
E: pascal.don@mac.com

Editorial inquiries: editorial@researchinfinance.co.uk
Production inquiries: production@researchinfinance.co.uk

Research analytics

Research Director
Adele Gray
T: +44 (0) 20 7104 2237
E: adelegray@researchinfinance.co.uk

Head of Insight
Annalise Toberman
T: +44 (0) 20 7104 2238
E: annalisetoberman@researchinfinance.co.uk

Events

Event Manager
Louisa Hooper
T: +44 (0) 7990 823423
E: louisahooper@researchinfinance.co.uk

Management

Founding Director
Toby Finden-Crofts
T: +44 (0) 20 7104 2236
E: tobyfindencrofts@researchinfinance.co.uk

Founding Director
Richard Ley
T: +44 (0) 20 7104 2239
E: richardley@researchinfinance.co.uk

Advertising and sponsorship enquiries: sales@researchinfinance.co.uk

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A BOLD MOVE

Katherine Harvey, client services director, Russell Gibson had a novel means of winning her role at interview, particularly as it didn't exist at the time, she tells Rob Kingsbury

Katherine Harvey went for an interview at Russell Gibson as a senior paraplanner and walked out as client services director for the company, a role that didn't exist at the time. She did it, she says, by pitching the role in the context of a suitability report.

"It was a bold move and I admit, a little bit cheesy," she says. "I had done research on the company and spoken in depth to the owners and wanted to show them what I could do for them, in addition to my paraplanning skills. At interview, the owners asked me questions about all aspects of my career and skill set that no-one else had ever asked me, which piqued my interest and made me realise that they had the ability to think differently.

"I presented the report with myself as the investment and the firm as the client and explained where I thought I could best fit into their vision for expansion. Innovators by nature, the business owners had the foresight to take me on and allow me to run with it, which was a leap of faith on their part but one that has thankfully paid off for them and me."

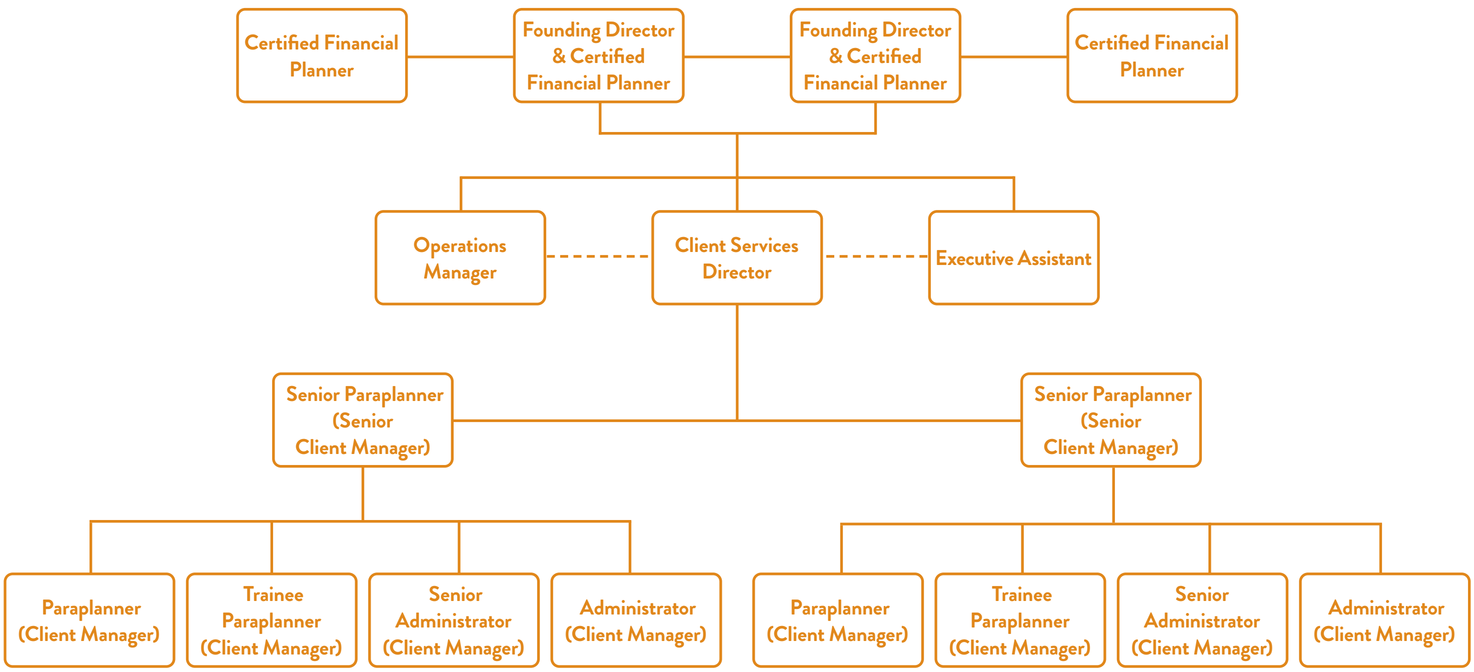
Before you all rush to rewrite your CVs in the same vein, much of Katherine's career to that point had been in business development roles, both within financial services and including researching, developing and successfully attracting third-party investment into her own business.

She began her working career in the early 1990s, working for nearly five years as constituency secretary for the Rt Hon Malcolm Rifkind QC MP. "It was such a great first job that people have asked me if I got it through nepotism but actually I had responded to an advert in the Edinburgh Job Centre. I was exposed to so many different things and I learned so much working for him, not least that you can treat people the same no matter who they are and what they do."

Leaving the role to undertake a business degree at Edinburgh Napier University, when she graduated she joined Scottish Widows, first liaising with an assigned panel of financial advisers by telephone – a new role the company populated with graduates to help the in-the-field salesforce and which is still going today, Katherine explains – and then as a service development consultant, primarily identifying and implementing business process improvements within the Client Service Division areas and managing relationships with Scottish Widows sales teams and the key IFA accounts assigned to them.

Becoming a mother led her to write the business plan and get the backing for her

The Russell Gibson staffing structure as it stands – May 2020



own business, Mummy's Kitchen Ltd, an online organic baby food business, which she left Scottish Widows to pursue. "It was a situation where I couldn't find commercially what I was making for my child in my own kitchen. It took a lot of research, planning and negotiation, particularly around the regulatory and organic sides of the business, which was accredited by The Soil Association."

Unfortunately, for a premium product, the launch timing was completely wrong, coming immediately before the Financial Crisis. Despite the extensive research predicting otherwise, there simply wasn't the demand to sustain the business, and also experiencing a marriage break up, she returned to her native Aberdeen.

She first took a career break to focus on being a mum and then found a part-time role as the office manager for a firm of solicitors, which gave her time to decide on where next to take her career. Having spent several years in financial services during which time she gained relevant qualifications, she decided to pursue a career in financial planning but eschewed sales support for a paraplanning role.

She spent the next four years working as a paraplanner for a small IFA firm, Medical & Dental Financial Planners Ltd until it was acquired, pending retirement of the adviser owner, by The Financial Planning Group, owners of Acumen Financial Planning.

"I enjoyed my time in the Acumen fold and was offered a great opportunity, to take over in the adviser role at M&DFP but I wasn't sure that the advice route was right for me," Katherine says. "So, I explored other options and the more I learned from Russell Gibson about their plans for the company and the scope for progression, the more I felt the move into my current senior management role was right for me."

"The more I learned from Russell Gibson about their plans for the company and the scope for progression, the more I felt the move into my current senior management role was right for me"

Structural change

What she found at Russell Gibson was a relatively small company but with the intent and ambition to grow. "They had already identified through the business improvement initiative Concord that they needed more support, including more paraplanners, in order to grow but some restructuring on-the-ground, in terms of procedures and processes was also required to properly support the plans. I was able to come in with a fresh pair of eyes and see what changes could be made so everyone was in the right job, and the business was getting the best out of everybody."

This, she explains, meant tracking processes from pre client meeting through to post meeting work, looking at how the back-office worked and supported the front office, identifying some workflow blockages and duplication and assessing where the processes could be finessed to run more efficiently. Recruiting of paraplanners and administrators was also key. "In the past year we have almost doubled the client service team."

It also meant analysing the role of the paraplanner in the company, identifying how the technical tasks should be tackled, and by whom – "a lot of

the technical work was sitting with the financial planners and that wasn't the best use of their time" – and bringing in more people with the requisite skills sets to effect that change and allow the advisers to concentrate on the strategies and client-facing work.

Currently, as client services director, Katherine heads up the client service team, which includes the paraplanners and the admin teams. These are split into two 'pods', each with a senior paraplanner, additional paraplanners and administrators, both serving two advisers.

When she joined the company, there was no defined structure within the team as it was small, she says. "What I wanted to do was build in structure, so there are now two senior paraplanners overseeing the day-to-day workflow. Also, we wanted to build a route for progression within the firm, as well as recruiting into paraplanner positions from administrator roles, so people can see there is room to progress within the company, even if they don't want to pursue a career in advice."

Katherine admits that she was nervous about the level of change being implemented, especially as it meant bringing in new recruits. "It has been a challenging year with lots of changes and I fully expected there would be some friction or resistance. I have been very, very fortunate that people have adapted extremely well to the changes. I think everyone knew they were necessary and have embraced them accordingly. It really is testament to what a strong team the firm has built up over the years."

"It has been a challenging year with lots of changes and I fully expected there would be some friction or resistance. I have been very, very fortunate that people have adapted extremely well to the changes"

Paraplanners as professionals

Another important part of the way Russell Gibson is structured is ensuring clients see the firm's paraplanners as "professional individuals in their own right", Katherine says.

With this in mind, it is the paraplanners who make first contact with clients to arrange annual review meetings, collect the necessary details and data from them, and do the follow up correspondence. The intention is that they will eventually do this for referrals and new clients too and be heavily involved in the onboarding process.

As such, paraplanners will be first port of call for client questions. "They will deal with any non-advice questions and pass the others on to the adviser to follow up on."

The intention is that paraplanners will attend all client meetings with the advisers – it has not fully happened to date Katherine explains, as they have been recruiting to the right capacity – "ironically just as were reaching that and the paraplanners were gearing up to start attending even more meetings, lockdown occurred."

To further solidify this professionalism with clients, all paraplanners have business cards and their qualification certificates sit alongside those of the advisers in the client meeting rooms. "It's about showing clients we are a team of professionals and everyone in the firm that they are valued, from having a route for career progression to involvement in the client relationships."

The practical element of having a paraplanner in the meeting also means the data capture is enhanced, in comparison to when the adviser has to deliver the meeting and take notes along the way. "The planner can focus on discussion and delivering the strategy to the client, in the knowledge that absolutely everything is being captured by the paraplanner. Also, the client is meeting the paraplanner face-to-face and the paraplanner is hearing first-hand what the client is saying and what their goals and objectives are, which means no debrief is required and this also assists the paraplanner when drafting recommendations."

Aims and ambitions

While the past year has been focused on restructuring, recruitment and improving processes and workflows, Katherine says when the firm returns to business proper, post-lockdown, it will be set to take forward its growth plans, through a variety of strategies.

Based in Aberdeen, a lot of the firm's clients are involved in the oil and gas industries. "It is a very different clientele and type of work to my previous role at Medical & Dental Financial Planners. Our clients often are contractors, so tax is a big issue, especially the constantly changing landscape around issues like IR35. We have a sister company, Lime Blue Accountancy, with which we work closely on these types of issues.

"It is frustrating that when the Coronavirus crisis took hold we were on the cusp of taking our plans forward. But when things return to normal, we will be set to gear up and continue the push for growth through new business. We'll start promoting through PR, marketing and events and ramping up our visibility. To keep growing is our intention – and we're getting there."

PARA-METERS
WORKING UNDER LOCKDOWN

How have you adapted to home working? What have been your biggest challenges? Might this crisis change the way your firm and the industry operates? We asked these questions and more in our monthly Parameters survey

Financial planning firms have responded in different ways to working under lockdown over the past few weeks, so for this issue's Parameters we have focussed on how you as paraplanners are adapting to the current situation.

The majority of paraplanners responding to the survey had been fully office-based (45%) and so had not worked from home before, which meant they had to adapt 100% to the new regime. Of those that were used to some form of home working, 22% had been on an *ad hoc* basis only.

Given home working became mandatory on 23 March 2020, when we surveyed in early May most paraplanners said that they were coping with the change very well (64%), or moderately well (31%); just 2% felt they weren't adapting at all by that time.

There were clearly going to be challenges moving from an office environment to setting up to work from home and just 64% of paraplanners said they had been able to establish a dedicated work area. A number already had an office or working/study area but many were using their dining room or kitchen table, often with the added comment that they were sharing that space with their partner or older children doing their school work and "there is lots of activity going on around me!"

A major challenge for survey participants was the lack of interactive contact with their colleagues, both social (45%) and work (21%). Typical comments were as follows: "We work in a dynamic environment with lots of innovation and regular conversations for shared learning. This has been dampened by being online only" and "There is no substitute for face-to-face human contact. I have missed this."

The fact that motivation was cited as the second biggest challenge (32%) may well go hand-in-hand with that lack of interaction. "I have found it quite lonely and hard to motivate at times. I miss the daily interaction with colleagues/team mates" as one paraplanner said, while another cited the potential for the crisis to have a more long-term effect on businesses: "The monotony and ever-increasing anxiety of the virus has been difficult at times, particularly when we do not know if our business will survive the pandemic."

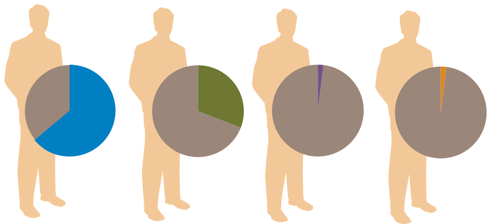
As might be expected, technology has been a bugbear from the beginning – the third biggest challenge (26%). Several respondents said their company had implementing changes without giving them any training but they had adapted: "We were never 100% tech savvy – but we are now."

One challenge we didn't ask about specifically but which was raised time and again in the comments, was the difficulty of balancing a full-day's work with having children permanently at home particularly when in need of home schooling. Comments included: "Trying to combine work with home schooling my 11-year-old has been tricky"; and "Due to interruptions and the needs of my kids, time spent working from home isn't as productive as time spent in the office. I miss my office!"

SURVEY PRIZE DRAW

Congratulations to Susan Lowis of Paraplanning at Holme, who is the winner of this month's survey prize draw of £50 worth of Amazon vouchers. Don't miss out on your chance to win a similar prize by completing the monthly survey. And if you have any questions that you'd like us to pose to your fellow paraplanners, just fill in the section at the end of the survey form.

HOW DO YOU FEEL YOU HAVE ADAPTED TO HOME WORKING?



VERY WELL	64%
MODERATELY WELL	31%
GETTING THROUGH IT	2%
NOT AT ALL	2%

WHAT HAVE BEEN THE MAJOR CHALLENGES?

LACK OF SOCIAL INTERACTION WITH COLLEAGUES 45%

MOTIVATION	32%
TECHNOLOGY	26%
WORKING SPACE	21%
LACK OF WORK INTERACTION	21%
MORALE	17%
LACK OF GUIDANCE/HELP FROM BOSS/FIRM	9%

HOW OFTEN DO YOU COMMUNICATE WITH YOUR BOSS?

SEVERAL TIMES A DAY 25%

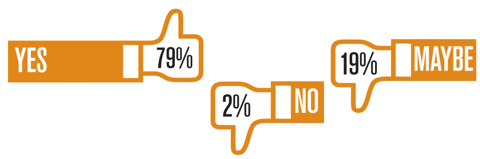
ONCE A DAY	18%
TWICE A WEEK	13%
SEVERAL TIMES A WEEK	23%
IS THIS ENOUGH CONTACT – YES	94%

HOW OFTEN DO YOU COMMUNICATE WITH COLLEAGUES?

SEVERAL TIMES A DAY 56%

ONCE A DAY	14%
TWICE A WEEK	2%
SEVERAL TIMES A WEEK	17%
IS THIS ENOUGH CONTACT – YES	92%

WILL INDUSTRY WORKING CHANGE POST THE CRISIS?



BRIDGING THE GAP

Exemption for BPR investments doesn't apply until two years after the initial investment. What happens if the client is elderly or unwell? A product with short-term insurance to cover the IHT liability can help, says Tom Collins, senior business development manager, Foresight

In light of recent events, it is perhaps unsurprising that individuals are increasingly aware of their mortality. Market research conducted recently by Foresight suggested that around 1 in 3 estate planning recommendations did not proceed due to client inertia – "why do it now when I can proceed at the next review?" Unlike tax planning season, there is no 5 April deadline for estate planning, although the ongoing health crisis has brought this area into sharper focus.

There are a number of tools available to help protect investors and their beneficiaries against Inheritance Tax (IHT) but the vast majority take up to seven years to become effective and typically involve giving up control of assets.

Protection has historically offered a potential remedy although underwriting is increasingly stringent and is unlikely to help those in an older demographic. In the world we currently find ourselves in, this issue is exacerbated with a number of insurers excluding certain conditions, including Covid-19, or curtailing cover levels for new policies.

Instant IHT mitigation

Last month, we relaunched Foresight Accelerated Inheritance Tax Solution (Foresight Accelerated ITS) which offers investors an immediate solution to their IHT liability through a combination of a Business Relief (BR) qualifying investment and a two-year term insurance policy covering the IHT liability until the assets qualify – think *gift inter vivos*.

Given the inherent issues underwriting can present, the real strength of incorporating the life policy into the product is the underwriting or lack thereof. Investors need only to tick two boxes to qualify for cover:

- Aged 62 - 89 attained at the time of application;
- To the best of their knowledge they are not suffering from a 'terminal illness'.

Unlike tax planning season, there is no 5 April deadline for estate planning, although the ongoing health crisis has brought this area into sharper focus

Investors are deemed to have a terminal illness if:

- They have received a diagnosis by their attending Consultant of an illness that has no known cure or has progressed to the point where it cannot be cured; and
- Their attending Consultant has estimated that the illness will lead to their death within twelve (12) months of such diagnoses.

This definition is an important one as the phrase 'terminal' is often used in a more colloquial sense which is inaccurate for this policy. Whilst an illness may ultimately be 'terminal', if life expectancy is greater than twelve months, then it does not meet the definition of 'terminal illness' defined by this policy. Investors must apply personally i.e. no Attorney or Trustee applications. Beyond this, there are no additional exclusions, medical questionnaires or underwriting. Since the original version of the product was launched some four years ago, payment of completed claims is 100%.

The catch

The insurance cover comes at a cost although you might be surprised to hear that the additional cost starts at just 1.22% per annum for the first two years on top of the 1% annual management charge. What's more, as the solution is targeting a return of 3% per annum, many investors should still receive positive annual growth even allowing for the premiums. There are two ratings for the insurance based on the investor's age at the point of application:

- Category A – those aged 62 to 85 attained;
- Category B – those aged 86 to 89 attained.

Investors can then either opt for:

- Single Life or;
- Joint Life Second Death (JLSD).

The cover level should be considered on a case-by-case basis as each investor will have their own needs and investment objectives. It is however worth remembering that IHT is charged on second death for those who are married or in civil partnerships. Therefore the JLSD policy is an interesting consideration given the premium levels are lower than those for entering the fund on a single life basis.

LOCKED DOWN

Dan Atkinson shares his thoughts on the unusual situation of starting a new job when the office is in lockdown

One question I've been asked several times recently is, what's it like starting a new job in lockdown? I know that I am not the only one to do this so I thought it might be helpful to share my reflections on starting my new role as Head of Technical at Paradigm Norton Financial Planning.

Strange but efficient

I've always worked in an office with occasional periods working from home. These have been very focused times done primarily to avoid interruption. In contrast, when starting at a new firm spending time with people is key to building relationships and understanding how they work. A typical first day might involve getting set up at your desk, meeting the team and going through some paperwork. Not this time.

Instead, a couple of days prior to starting I received my company laptop and phone. My first day was spent on the phone with our Backstage Team making sure that all my systems were in place and working. Paradigm Norton use MS Teams as a core way of communicating. And so, by the power of video, I was able to see and hear my new colleagues.

Having induction meetings by video is surprisingly efficient. No need to worry about colleagues being based elsewhere, no need to travel and a far smaller impact on the environment. Win, win, win.

Quality time

The team made a real effort to make me feel included with lots of time meeting people in my diary. I expected to feel slightly remote (no pun intended), but that really wasn't my experience.

Despite the physical distances between us, my meetings felt more intimate than I had expected. When we join a team, we rarely meet people in their own homes. We might have a conversation over lunch, but that's very different from the kitchen table. With me sat in my home office, we were both on 'home turf'. The shared experience of lockdown brought us together in a way that was quite unexpected.

Intense

You would think that sitting at a desk at home chatting to people on video would be relatively easy. So why not have back-to-back calls with people? It turns out this is not a great idea. Listening well requires great concentration. You need discipline to listen without your own agenda. You need to be present in that moment, in that meeting, with that person. In a video meeting you are face-to-face across a virtual table. You are on show the whole time. It is intense.

Christopher Jones-Warner has run sessions on communicating to connect for the Chartered Institute for Securities & Investment. He says, "when you put love in, you get love out". In other words, if you want to build a relationship you need to make an effort. On reflection, of course it is intense and tiring. Building relationships is one of the most important things to do when you join a company. Having deep and meaningful encounters with individuals (and lots in a short timespan) is intense and needs to be paced.

Having induction meetings by video is surprisingly efficient. No need to worry about colleagues being based elsewhere, no need to travel and a far smaller impact on the environment. Win, win, win

Looking forward to meeting

It's strange to think that when I first meet my new colleagues, I will have seen their homes and spent many hours with them (even met their children) but not shook their hands. Having a beer or taking part in a company quiz night via Zoom is one thing, but I'm really looking forward to finally meeting them face-to-face.

What have I learned?

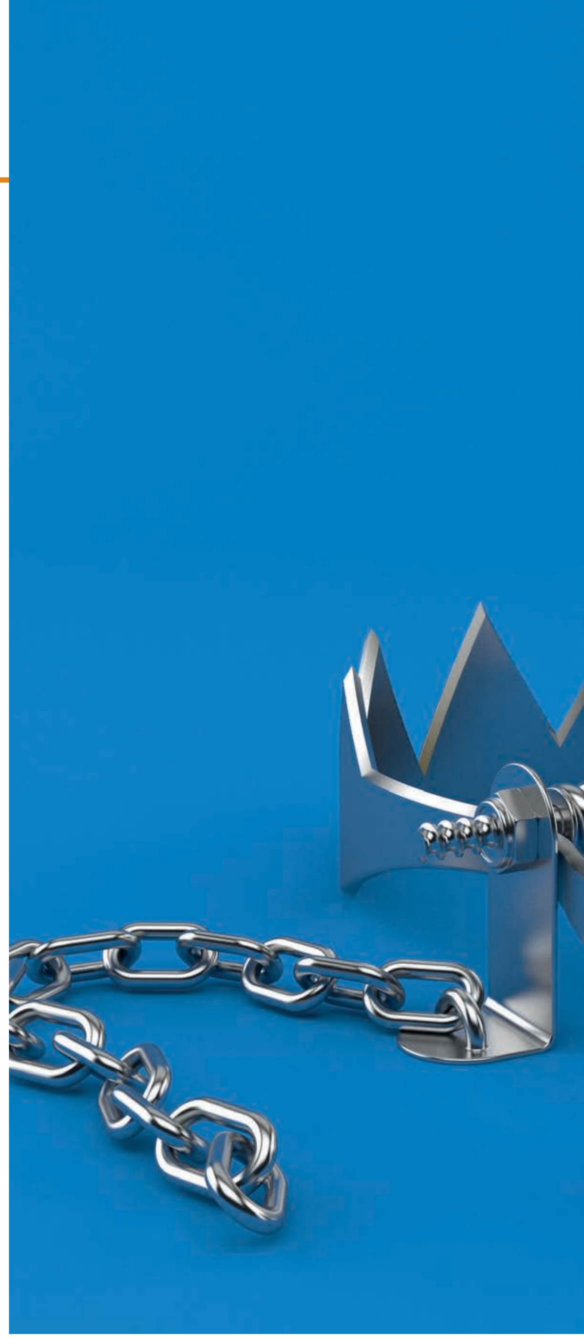
Tim Maurer says that "personal finance is more personal than it is finance". I have long believed this, but I have also come to understand just how personal the business of personal finance is too; we sometimes take the relationships we have with colleagues for granted. We shouldn't.

I've learned that building lots of relationships in a short time is rewarding and exhausting in equal parts. A key lesson from my first month is to be intentional in setting time to focus. For me that means building time into my day to prepare to be present for meetings and time to mentally debrief afterwards. You need to learn your rhythm.

So, what's it been like starting a new job in lockdown? Rewarding, exhausting but ultimately well worth the effort!

THE SCHEME PENSION TRAP

Can scheme pension continue to have a place in financial planning? Stephen McPhillips, technical sales director, Dentons Pension Management Limited, considers its use in financial planning



When it comes to retirement benefit options within self invested pensions, paraplanners will be familiar with the most common options clients elect – flexi-access drawdown (FAD) and capped drawdown (CD).

Both of these offer some flexibility around the amount and timing of income payments and, arguably, FAD offers the greatest degree of flexibility. That, of course, has to be balanced with the impact on a client's annual allowance (AA) since accessing pension income flexibly in that way triggers the money purchase annual allowance (MPAA) (currently £4,000) and therefore would restrict tax relievable pension contributions.

Underpinning both options is the fact that it is no longer a requirement for a client to ever purchase an annuity and, thanks to the pension freedoms introduced in 2015, clients now have tremendous flexibility to cascade pension wealth down through the generations using vehicles such as these.

Occasionally, however, paraplanners might become involved in a client scenario involving a "scheme pension" within a small self administered scheme (SSAS) or, even less commonly, within a self invested personal pension (SIPP).

What is a "scheme pension"?

The concept of scheme pension within SSAS has been around for decades and it was a form of annuity purchase deferral. In effect, it offered a window through which to arrange for a timely disposal of (potentially illiquid) investments in preparation for the purchase of an annuity with the member's accumulated cash fund. Ultimately, though, an annuity had to be purchased at a point in time, generally by the time the member reached age 75.

The principle behind it is sound enough; the actuary to the scheme should calculate the amount of pension income that the member's share of the SSAS fund would be likely to sustain and the pension income would be paid from the SSAS bank account – instead of being paid by an insurance company through an annuity. In order for this income level to be calculated properly, the actuary should be taking into account factors such as:

- The member's age.
- The member's health status.
- Any contingent spouse or dependant pension(s) payable on death of the member.
- Any increases in the pension(s) in payment (escalation) required.
- The value of the member's share of the fund.

In effect, the member must make clear decisions about the look and shape of the pension income at the time they start to take the scheme pension option – akin to the decisions which would need to be made when buying an annuity. The actuary then

> ***Thanks to the pension freedoms introduced in 2015, clients now have tremendous flexibility to cascade pension wealth down through the generations***

takes all of these factors into account when assessing and setting the level of income that the member's fund is likely to be able to sustain, assuming all the assumptions are borne out in practice. Thereafter, it must be regularly reviewed by the actuary and adjusted if necessary.

Why use a scheme pension?

As noted above, historically, it was used within some SSASs to enable deferment of an annuity purchase and, often, to allow for timely disinvestments to create the cash necessary for annuity purchase.

More recently, however, in some cases scheme pension was seen by some as a vehicle to maximise a client's pension income from SSAS/SIPP if the scheme pension calculation offered a higher level of income than, for example, capped drawdown figures, which are constrained by Government Actuary's Department (GAD) rates. A higher level of income might be possible where, for instance, the member's health is sufficiently poor to suggest shorter life expectancy than normal. In turn, a shorter life expectancy suggests that the member's fund can be used-up more quickly through higher levels of pension income being paid - so as to exhaust their fund during their lifetime.

Clearly, for this concept to work legitimately, the member's health status must be accurately assessed by the actuary and involve suitable medical evidence being obtained at outset (and possibly beyond for future reviews). In addition, the member should be making all the necessary decisions about contingent pensions and so on, as outlined above. If all of these are not considered fully at outset and factored into the actuary's calculations, this calls into question the legitimacy of the operation of scheme pension in that case.

Why avoid using scheme pension?

Readers will make their own judgements about the efficacy of scheme pension – whether it is operated fully as it should be, or whether there is some side-stepping of the general principles around it, for example, little or no regard to obtaining proper medical evidence. Undoubtedly, scheme pension will have been the right option at the right time for certain clients.

Income

It can be argued that the introduction of FAD has completely negated the need for scheme pension, as it offers unlimited levels of pension income to the member. Compare this with the constrained levels of scheme pension certified by the actuary. In addition, members don't have to make difficult "crystal-ball" type decisions around building-in any pension increases, contingent pensions and so on. The lack of need for medical evidence for FAD might, in itself, be a comfort to many clients.

Death benefits

Worthy of an article in its own right, the death benefit position under FAD is far more flexible than the death benefit position under scheme pension. As noted above, pension freedoms offer members, their nominees and successors amazing options. Unfortunately, these are not options available under scheme pension.

Restrictions on choice

Scheme pension cannot be converted to FAD, capped drawdown and so on. The only option once in scheme pension is annuity purchase. In this respect, scheme pension can be seen as a one-way street for the member.

In conclusion, whilst there may be circumstances where scheme pension was, and possibly still is, the right decision for a SSAS/SIPP member, it has largely been superseded by newer, better, options and it remains a very niche proposition which many providers choose not to offer for good reason.

TACKLING R06

The 2019 pass rate for R06 dropped by 10%. Catriona Standingford, MD of Brand Financial Training, looks at the October 2019 exam, what may have affected the pass rate and what future candidates need to consider

You might think the R06 exam is an easy pass; after all the case studies are provided two weeks in advance of the exam which reasonably gives plenty of time to consider any questions that might be asked.

The pass rate however doesn't necessarily reflect this – in 2019 the pass rate was 67%, although in the two previous years it was over 77%. Does this mean the structure of the exam changed in 2019 catching candidates out? In this article we look at the October 2019 sitting of R06, consider the detail given in the case study and the questions that appeared in the exam.

Case Study 1

The first case study concerned an unmarried couple, John and Emily, both aged 63 with no plans to marry. Emily was a widow and John was a divorcee.

Their first financial aim was to 'generate an adequate income in retirement'.

In the case study we are told that Emily inherited a pension scheme valued at £600,000. The pension had been crystallised and was held in a flexi-access drawdown arrangement.

John was employed and a member of his workplace pension scheme. This had a value of £320,000 and both he and his employer paid 10% of gross salary as contributions. John also had a personal pension which offered a guaranteed annuity rate of 11.3% at age 65 on a single life level basis with a five-year guarantee period but no dependants benefits in payment. This was invested in a unitised with-profits fund; current value £56,000 and a transfer value of £65,000.

There were various questions relating to this aim; candidates were asked to:

- Explain why John should consider increasing contributions to his workplace pension.
- State the benefits and drawbacks for John of accepting the GAR at age 65.
- Explain the likely reason why the transfer value of his pension is higher than the current value and why it is important to keep the plan under review.
- Identify the factors to consider to determine an adequate retirement income.
- Explain the factors to consider when deciding whether to use uncrystallised funds pension lump sums to provide pension benefits.

Out of the 74 marks available for this first case study, 46 marks were for answering questions on aim 1. The following two aims had 20 marks in total:

- Ensure that their current investment holdings are suitable and tax-efficient (8 marks).
- Ensure that John's estate can be passed as tax-efficiently as possible to his children (12 marks).

There was one more question on the importance of their wills and death benefit nominations being reviewed and this was for 8 marks. In the case study

It's clear then that to ensure a pass in R06, candidates need to be thoroughly prepared. The case studies need to be studied in detail and every possible avenue explored this was signposted as 'neither John nor Emily have updated their Wills since John's divorce and the death of Emily's husband' – which shows the importance of picking up every hint in the case study and considering the questions that could arise based on this.

Case study 2

This case study concerned a married couple Rafa aged 60 and Lara aged 53 with two financially independent children. Their first financial aim was to ensure that their mortgages are repaid before they retire. There was a clear question on this aim related to their holiday cottage; candidates had to state the factors to be aware of if they chose to use the sale proceeds of Lara's business to repay the mortgage on the cottage; this question was for 8 marks.

Also related to the cottage (but not the aim) candidates had to explain how the rental income from a holiday home is taxed and how the sale proceeds may be taxed if they decided to sell.

Their second financial aim was 'put in place a suitable investment strategy to fund their retirement'.

There were two questions relating to pensions but neither related to investment strategy; one on fact-finding for 8 marks and one on the process that should be followed when advising Rafa regarding his pensions – this was for 9 marks.

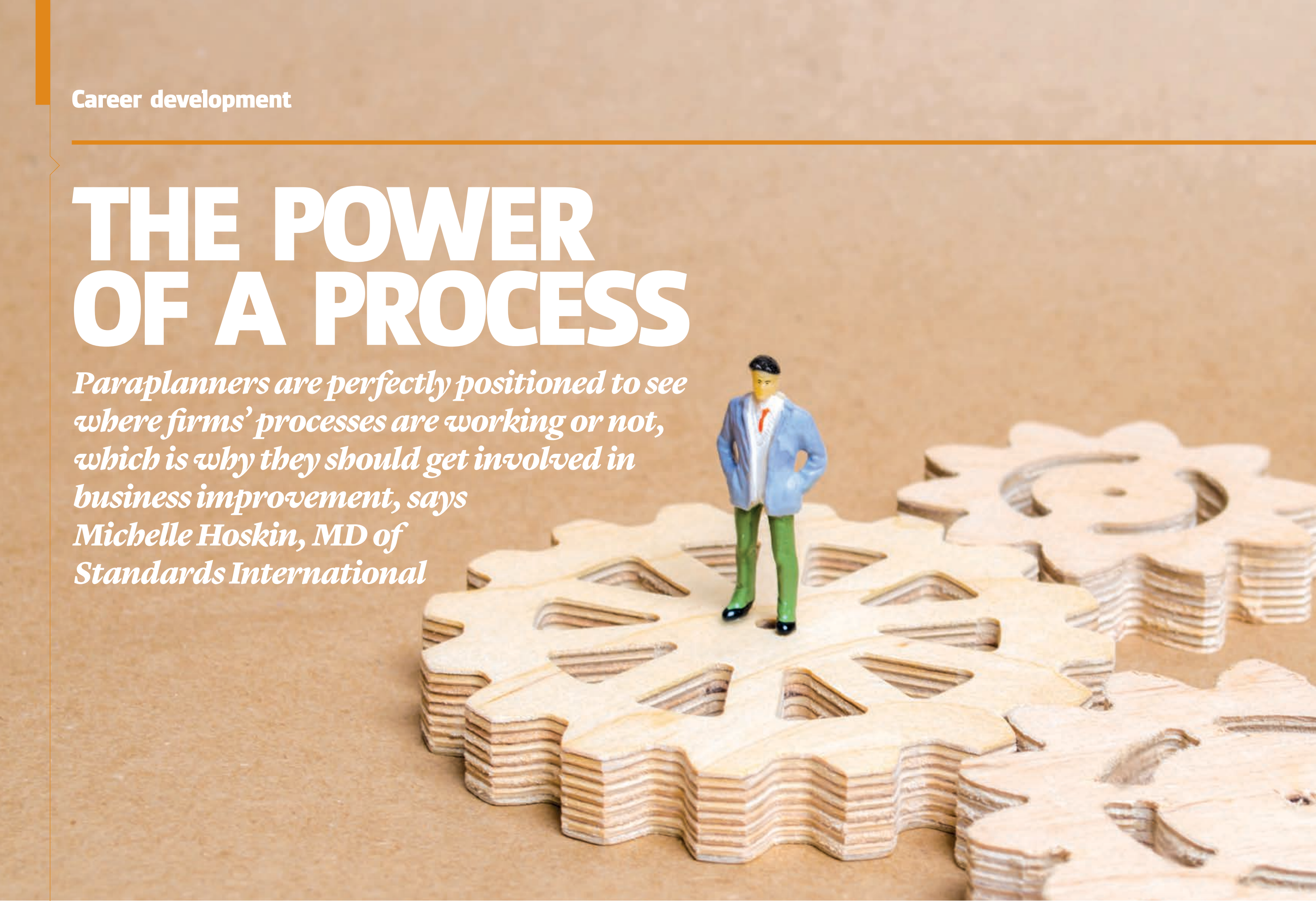
There didn't appear to be a question relating particularly to aim 3 which was to 'ensure that their investments are held as tax-efficiently as possible' and other questions which also didn't relate to their stated financial aims were:

- Identify the key information needed to assess the suitability of their protection policy. (10 marks)
- The pros and cons of joining the employer's group PMI scheme. (10 marks)
- The benefits and drawbacks of retaining their current ISA and unit trust funds. (6 marks)

The case study did state they might wish to do IHT planning in the future and one question asked candidates to explain how a DGT would operate – this was for 8 marks.

Looking at this one paper from 2019 might give some indication as to why the overall pass rate dropped last year. In case study 1 the questions were very much weighted towards the retirement aim and in the second case study questions were asked that didn't directly relate to the stated client aims.

It's clear then that to ensure a pass in R06, candidates need to be thoroughly prepared. The case studies need to be studied in detail and every possible avenue explored. Although the stated aims are important to have covered, it's clear from this paper that candidates need to think beyond these as well.



THE POWER OF A PROCESS

Paraplanners are perfectly positioned to see where firms' processes are working or not, which is why they should get involved in business improvement, says Michelle Hoskin, MD of Standards International

As a paraplanner, you sit and work firmly at the coalface of the business. You interact with every aspect and element of daily client processes and, as such, this puts you in the perfect position to bring new and innovative ideas to the business as a whole.

However, often we can lack of confidence in putting forward suggestions and achieving the recognition that we deserve.

So, how can we bypass the need for a bucketload of confidence and replace it with a tried-and-tested process that is sure to elevate your value to the level you are 100% capable of contributing?

Process and service improvement are essential and any driven and thriving business should have a continual improvement policy and supporting process in place. So, here is your chance: if your business doesn't have one, create one and suggest that it gets implemented. Also, please don't for a second think – "Well, they must have thought of this before" – because I can tell you that this is one of those magical processes that gets overlooked time and time again.

> ***We all need to get better, improve what we are doing, strive for better performance and keep moving forward – and we can only do that by asking for and joyfully receiving feedback***

Continual improvement

All best practices and standards are built on a continual cycle of improvement (Deming's cycle of Plan, Do, Check, Act – https://en.wikipedia.org/wiki/PDCA). The core objective and purpose of a continual improvement policy and its supporting procedures and documents are to ensure that any feedback (good or bad), complaints or service/process suggestions or improvements raised from ANY source, are correctly recorded and processed and that the necessary corrective action is effectively concluded.

In simple terms... if you get feedback that something is working really well then the process will support you to identify what made it work so well. That can be bottled and repeated over and over again. Conversely, if you get feedback that something didn't go so well or didn't work the way that it should, the process will allow you to identify the root cause of the problem and then fix it so that it doesn't happen again.

Feedback vs complaints

There is a lot of misunderstanding about what feedback is and concern that when you do ask for it, it will only open up the opportunity for complaints. Of course, it won't. All feedback is good feedback, regardless of whether it is positive or negative. We all need to get better, improve what we are doing, strive for better performance and keep moving forward – and we can only do that by asking for and joyfully receiving feedback from as many sources as we can.

"The purpose of information is not knowledge. It is being able to take the right action."
Peter Drucker.

First steps

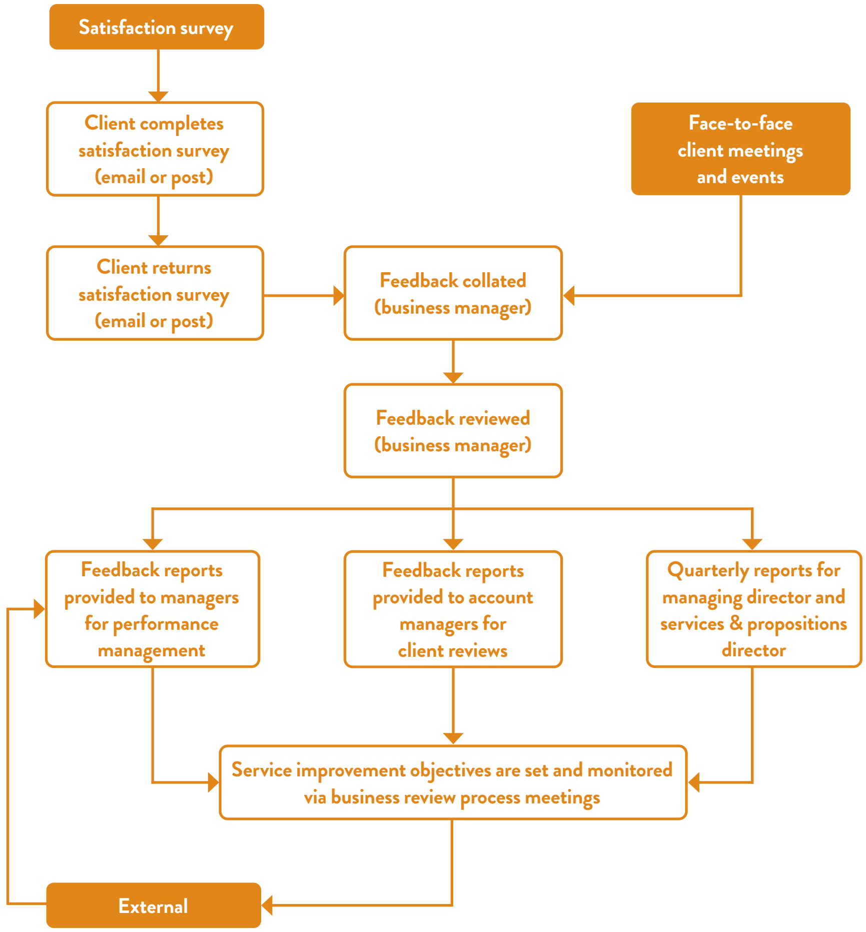
You need to kick off with the policy itself. This should include:

- The objective of what you are trying to do;
- Your firm's position and thoughts around why continual improvement is so important;
- Who is responsible for the process as a whole; and
- How the data is collected and then processed.

Then you need the means to obtain client feedback – email templates, surveying tools (we like SurveyMonkey or SmartSurvey) and the questions that you want to ask. A tip here – try to keep away from the standard 'How did you find the advice?' type of questions – they don't work and won't give you anything like the information that you are looking for. Then agree at all key levels of the business how frequently the feedback will be reviewed and acted upon. We suggest this is done monthly and also should be part of management or board meetings.

Then you need your process: remember it is key to also capture the random and unexpected feedback that comes in. There is much to glean from this type of feedback as it comes very often unpromoted and with an authentic agenda.

Business improvement process



Questions that can be asked of clients to get better feedback:

Please tell us what you like most about us.

Please describe any particular aspects of our service process that stood out for you.

If you had to choose three words to describe our relationship, what would they be?

What do you think is unique about us/our service?

What do we do well?

How good is our ability to anticipate your needs and proactively provide assistance?

How satisfied are you with our team members' skills in communication, responsiveness and follow through?

Did you feel the right people dealt with you in the right way and at the right time?

How do you rate our responsiveness in dealing with you?

TEST YOUR KNOWLEDGE

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

1. The term 'mental accounting' refers to a client who:

- A Can calculate their net asset position.
- B Has a different attitude to risk in respect of different objectives.
- C Has a preference for visual data as opposed to verbal explanations.
- D Has capacity to grasp stochastic modelling and the use of probability techniques.

2. Fred and Nancy have a Child Trust Fund for their 11-year-old daughter as well as holding a Cash ISA and a Stocks and Shares ISA. They are looking around for better providers and have asked you for advice as to the type of transfer they can do. Which of the following would they be unable to do?

- A The Child Trust Fund to a Cash ISA
- B The Child Trust Fund to a Junior ISA
- C The Stocks & Shares ISA to a Cash ISA
- D The Cash ISA to another Cash ISA

3. In what circumstances might Fred's conventional lifetime annuity amount fall from that paid in a previous year? Tick all that apply.

- A Fred has just married.
- B Fred chose a with profit annuity at outset.
- C Fred chose an annuity linked to RPI.
- D Fred has reached the end of the guarantee period.

4. Tim is in a partnership with Nigel and they have agreed to set up a buy and sell agreement. The associated life assurance policies should be written as:

- A Own life policies in trust for the other partner
- B Own life
- C Life of another
- D Own life in trust for their dependants

5. Which of the following is specifically exempt from the Consumer Credit Act 1974?

- A Building societies
- B Debt restructuring services
- C Credit card issuers
- D Payday loan companies

6. How do you calculate a company's dividend yield?

- A $\frac{\text{Dividend}}{\text{Number of ordinary shares in issue}} \times 100$
- B $\frac{\text{Earnings per share}}{\text{Dividends per share}} \times 100$
- C $\frac{\text{Current market price of share}}{\text{Earnings per share}} \times 100$
- D $\frac{\text{Dividend per share}}{\text{Current share price}} \times 100$

7. Which type of bottom-up active management style aims to capitalise on existing trends continuing?

- A Value
- B GAARP
- C Contrarianism
- D Momentum

8. Under what circumstances will insurance companies offer higher annuity rates for "impaired lives"?

- A When the annuitant is unable to perform a number of Activities of Daily Living
- B When someone has been rated when proposing for life assurance
- C When a joint annuity will not commence until after the first death
- D Where the medical condition or the lifestyle of the annuitant signal a shorter than average life expectancy

9. Rob is applying for a mortgage to buy a commercial property. He should be aware that it will:

- A Not be a regulated mortgage contract
- B Be classed as a business loan
- C Be treated as other regulated mortgage contracts
- D Be classed as a lifetime mortgage

10. If a local authority regards unpaid care costs as a debt and looks to recover them through the courts, what is the maximum debt recovery period?

- A Two years
- B Three years
- C Four years
- D Six years

Your answers

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

Last issue's answers

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

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

In association with

Professional Paraplanner
The Investment Committee

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

Investment Committee events – update

Our intended schedule of Spring Investment Committee events have had to be postponed for the time being.

However, we will be running Investment Committee webinars and we will be making further announcements regarding these in due course.

Everyone who has registered for the events will be emailed with details. If you have not registered to date but are interested in having access to the webinars, please keep an eye on our daily emails and the Professional Paraplanner website for more details.

DIVIDENDS DONE?

Will James, deputy head of European Equities at Aberdeen Standard Investments, considers the impact of recent cancelled and delayed dividends and what this means for equity income investing

The Covid-19 crisis has radically changed all aspects of daily life and business. Markets have plunged and recently rebounded, while companies from across the investment spectrum have cancelled or delayed dividends. Which begs the question: is this the end of equity income investing as we know it? It's informative to first look back. In general, we were relatively sanguine coming into 2020. Growth was reasonable, valuations fair and dividends still attractive in the context of yielding assets. Ironically, there were signs as we entered the recent

reporting season that companies were going to remain generous with their cash payouts.

However, there were concerns about where we were in the economic cycle – the longest in living memory – and therefore, we didn't expect to see the same kind of market returns as in 2019. We were also becoming more circumspect about yield at any price and the bifurcation in the market between quality and value.

Then the coronavirus hit.
The depth and ferocity of the market correction has taken a lot of people by surprise and things have moved quickly. One week, the consensus view was that PMIs were stabilising and the equity risk premium was due to fall. The next, all bets were off and most analysts deemed the equity risk premium too low. Meanwhile, valuation metrics became somewhat redundant as share prices moved 5-10% per day (up and down). Investors were hazarding guesses as to what revenues and profits would look like – wipe off a month, a quarter, a year?

Market response
The market's response to the demand shock has meant a tough few months for yielding equities. In our view, the rout has been

driven as much by commentators and hedge funds adopting a 'sell-first, ask questions later' mentality, rather than an accurate reading of events on the ground. Cash generative companies with sound balance sheets fell with the markets. Those that should be able to deliver attractive absolute dividends on a through-cycle basis were also caught up in the race for the exits. This, though, has left many excellent companies trading at extremely attractive valuations. An ideal backdrop for active investors looking to bolster yield and capture decent medium-term opportunities.

As a quid-pro-quo for government funding, politicians in places such as France have 'suggested' that companies refrain from paying dividends. As a result, we would expect to see the withdrawal of some previously announced special dividends That said, depending on the duration of the crisis, this could, in some cases, result in a phasing of payments rather than outright cancellation. After all, companies largely accrued the dividends in question during 2019. Again, this could mean opportunities for active investors.

The European Central Bank also instructed lenders not to pay dividends until at least October 2020. This is so the banks have the capital for increased provisioning and post-crisis lending. Nonetheless, there remain a couple of outstanding questions as to whether this guidance constitutes a delay/deferral versus a complete passing of dividends for this year.

That said, one of the benefits of investing in Europe is the depth and breadth of the market. This means investors can diversify their income opportunity set without the reliance on a few companies or sectors. Some unloved sectors are now back in favour. Take telecoms as an example. From a low-growth, much-maligned area of the market, many telcos, in my opinion, look set to benefit as more of us work from home, with the potential for a modicum of pricing power further down the line. Additionally, some recently 'loved' yielding sectors such as utilities have been caught up in the market falls. However, most companies remain relatively immune to Covid-19, while the drive to 'decarbonise' the world is already in motion and unlikely to slow. We therefore expect the sector's newfound growth dynamic to continue apace.

What was asked for

The one thing investors have been calling out for over the last three to four years is fiscal loosening –and they have got what they asked for. Let's hope it is not all spent on bailing out economies versus stimulating growth and corporate profitability, although, it is likely to be somewhere in the middle. This will see the strong get stronger, while weak companies and business models may unfortunately wither on the vine.

In the meantime, as investors, we need to remain active and vigilant to both the downside risks and to capturing the upside. If we do, we believe that opportunities will present themselves – and equity dividends will remain a key component of returns as we navigate through these uncertain times.

UNDER THE MICROSCOPE

Darius McDermott, managing director, FundCalibre looks at the Healthcare sector, which has a number of positive factors in its favour including a potential uplift in demand post the current crisis

We've heard a lot about how the world is going to change given the unprecedented global impact the COVID-19 pandemic has had, not just economically, but also socially. Working from home and online shopping are two such trends set to accelerate, but this crisis has been all about health, so it's logical this will also become an increasing focus once we find the 'new normal'.

The truth is, the healthcare sector had a lot of tailwinds before this pandemic – suggesting it will see significant growth in the medium to long-term. One of the reasons for this is the sector tends not to be economically sensitive – there is always a demand for new medical products and services. There are also a number of structural factors which support the sector, such as aging populations across the globe, as well as the rise of the middle-class in many emerging economies. All suggest greater demand for drug treatments and medical care over time.

It's important to recognise healthcare is more than just large pharmaceutical companies. It's a broad church which includes the likes of biotech – which has taken on the mantle of developing drugs from the large pharma companies, who in turn will typically buy and patent those drugs. Other sectors include medical devices, managed care, life science, hospital facilities and many more.

The figures support this growth, particularly since the financial crisis. In the past decade the MSCI World/Health Care Index has risen by 290.7%, compared with 154.3% for the MSCI World[1].

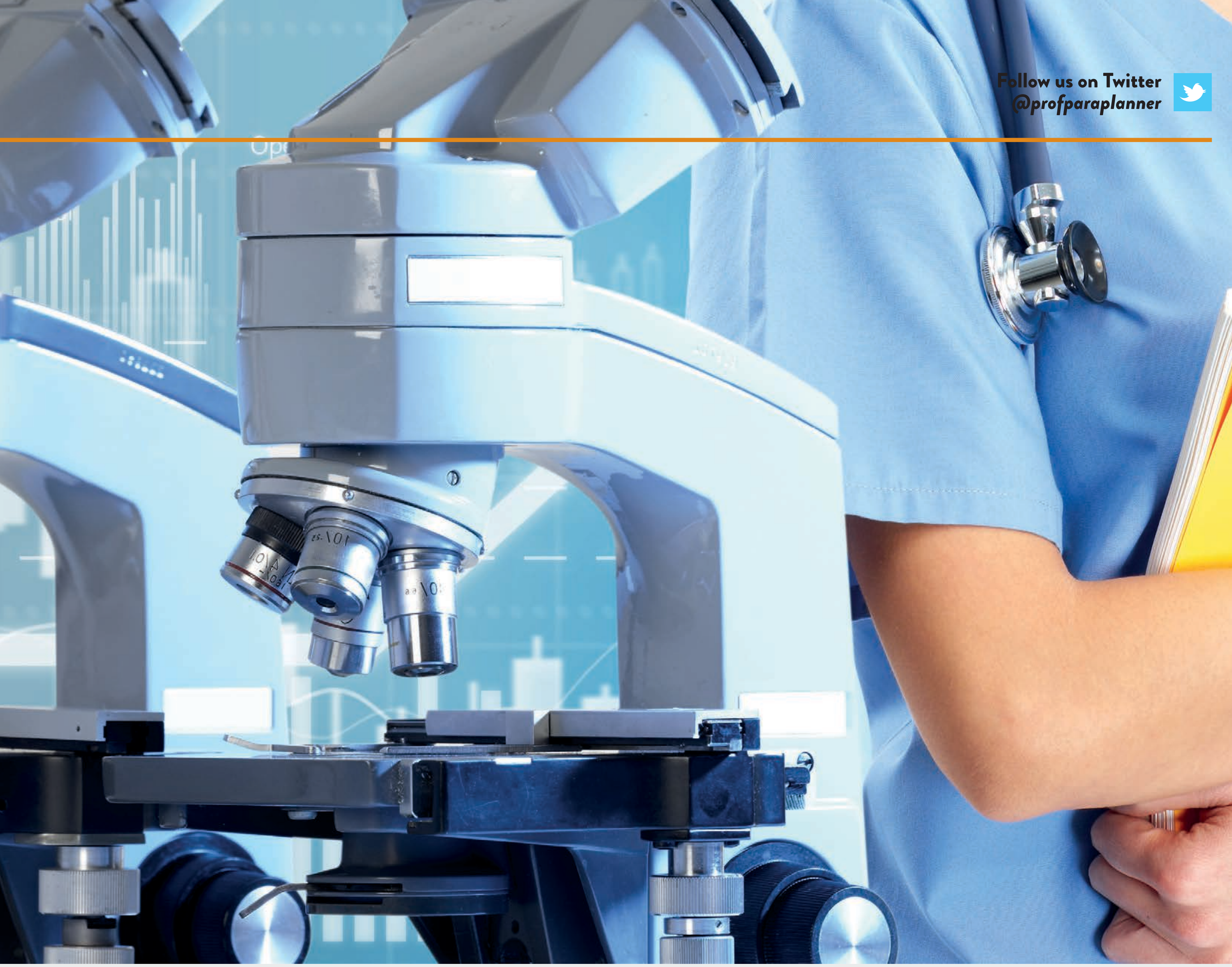
Race for a vaccine

Of course, many firms in the sector are currently geared towards finding a vaccine that is needed by some 7.8 billion people around the world[2]. The numbers behind that are astronomical, even if firms are committed to not profiteering out of the drug. I expect the firm that does find the right vaccine will be allowed to make some money, but it also highlights how essential the industry is and that trend will not change.

> ***We will see a significant rise in demand before we return to some type of normal for the healthcare sector – and I believe that 'normal' demand will be higher than what we've seen before the crisis***

Accounting for roughly two-thirds of the MSCI World Health Care Index (67.8%)[3], the outlook for the US is integral to the sector's wider growth. With this in mind, valuations for blue-chip companies at present look reasonably attractive relative to history: the S&P 500 US Healthcare sector is approaching levels last seen in 1990 and 2008-2009[4], on both occasions the strain was due to the political landscape in the US and saw a strong recovery once this began to clear.

A recent note I read from James Douglas, manager of the Polar Capital Global Healthcare Trust, says their favoured defensive areas at presents include large-cap pharmaceuticals and large-cap biotechnology – both of which has strong balance sheets, good cashflow and secure dividends. James believes areas which have been hit the hardest,



during the pandemic – such as medical devices, healthcare facilities and small/mid-cap biotech stocks – screen as highly compelling on a one to three-year view.

I think we will see demand on two fronts following COVID-19. The first is that many countries were caught off guard by this black swan healthcare event and are likely to decide they need larger stockpiles of equipment needed to manage future virus outbreaks, such as personal protective equipment and ventilators. We can also expect a greater desire for frequent screening, telemedicine and digitisation of healthcare – the latter is particularly interesting from a growth perspective.

TB Amati UK Smaller Companies fund manager Paul Jourdan noted on a recent client update that history shows we tend to spend the next decade trying to solve the previous crisis – as was the case with banks following the credit crunch. This is why he feels healthcare will be more important in the next decade than it was going into the crisis. The fund currently has 11.4%[5] in the sector, including the likes Dechra Pharma and Oxford Biomedica.

I also think we will see a significant rise in demand before we return to some type of normal for the healthcare sector – and I believe that 'normal' demand will be higher than what we've seen before the crisis. The dial has moved. What has not changed is the long-term story of aging demographics and the rise of the middle-class in emerging markets, both of which are more foundations for growth.

There are so many ways investors could choose to access the sector. They could use a specialist vehicle, like the Polar Capital Global Healthcare Trust, which focuses on companies in the pharmaceuticals, biotechnology, medical technology and healthcare services areas.

But also, a number of traditional UK equity income funds also have allocations to the healthcare sector, such as Rathbone Income (11.9%) and Royal London UK Equity Income (9.3%). An alternative is the BMO Responsible Global Equity fund, managed by Jamie Jenkins and Nick Henderson, which has 19.6% exposure to healthcare stocks[5].

[1] Source: FE Analytics, total returns in sterling, MSCI World/Health Care Index and the MSCI World Index, 30 April 2010 to 30 April 2020
[2] World population, as at 1 May 2020
[3] Source: MSCI World Health Care Index, figures in USD, as at 31 March 2020
[4] Source: Polar Capital: Resilient blue chips set to outperform, 28 April 2020
[5] Source: Fund factsheets, 31 March 2020

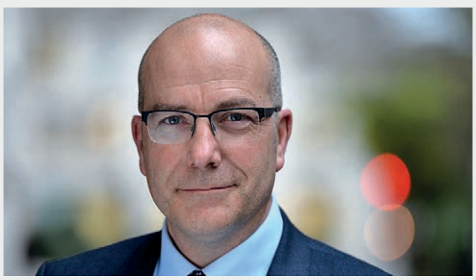
Past performance is not a reliable guide to future returns. You may not get back the amount originally invested, and tax rules can change over time. Darius's views are his own and do not constitute financial advice.

NEW WAY OF THINKING

Mike Appleby, Investment Manager, Liontrust Sustainable Investment team considers potential economic changes post Covid-19 and how they may affect sustainable investing. Could we see an economy that is cleaner, healthier, safer and more equitable?

Covid-19 has been a shock to all of us, as well as to the system; the priority now is to get through it with minimal loss of life and damage to the economy. Like everyone across the world, we have been trying to come to terms with monumental changes to our everyday lives. This has focused our thinking on whether we could see more profound and longer-lasting impacts on the economy and the way people behave, and what implications this might have for investments in our Sustainable Future funds.

We think about the future of the global economy in terms of major long-term



trends, and we have identified 20 themes in which we want to invest: the ultimate impact of these is to make our world cleaner, healthier and safer.

While Covid-19 and its fallout will have short-term impacts on many of these themes, both positive and negative, we feel they will be all the more relevant longer term as the economy recovers.

Connecting people: If anyone was unsure what this trend was about, they certainly understand it now. This theme looks at how we can be better connected through the infrastructure that helps us communicate and the service providers we use to do this: think about mobile tower networks and internet, data and voice providers. Companies exposed to this theme have performed well amid recent weakness, as have those within Increasing cyber security as remote working and the need to protect end users increases.

Significant shifts in consensus

Liontrust believes the effects of the Covid-19 crisis will result in a change in the way we think about the world, including:

- People will become more risk averse and save more, if they can, and be more discerning in what they buy. Buying more insurance to manage unforeseen shocks could be another result and we would expect to see proactive insurance companies benefit.
- The desire to eat healthier food and exercise will persist.
- People will continue to demand improvements in local air quality for the health of their families. Links between local air pollution and fatality rates from Covid-19 (even small changes in air quality result in significantly higher fatality rates) will only serve to accelerate this.
- Efficiency in the use of materials and the desire to make industrial and agricultural improvements will persist. This will also be true for how we manage water and waste.
- Being forced to work remotely and finding it is a very effective form of communication means people will do this more, saving time and resources.
- Paying tax is good, dodging tax is bad.
- Banks may regain some of the credibility lost in the global financial crisis. Some will, some won't.
- Companies will take a different view of how they run their business and value will be seen in proactively managing staff and supply chain stakeholders. Society is watching how companies react and some brands will take a long time to recover.
- Demand for quality education will persist.
- People will give up more of their time to help others, either through donations or volunteering.
- Healthcare systems will be more supported and activity around managing diseases should be bolstered.

Consumption and behavioural changes: While slowing the spread of the virus, lockdowns have had a negative impact on consumer-facing businesses (travel, dining/going out, collective pursuits, non-essential bricks and mortar retail). For our *Enabling healthier lifestyles* theme, which promotes exercise through affordable gyms and gym equipment, social distancing has hit businesses hard but we are confident demand will come back quickly post-lockdown, with people potentially even keener to get fit.

Our *Making transport more efficient* theme, through a modal shift away from driving cars to safer and more efficient public transport (trains and buses), has also taken a hit as these services have all but shut down but, again, we feel this is temporary.

Moving finally to our themes focused on improving quality of life through *Enabling innovation in healthcare* and *Providing affordable healthcare*, these have benefited from the broad focus on who can solve this crisis and come up with an effective treatment. It is interesting to note, however, that given the high profile of Covid-19, any eventual vaccine or treatment will likely be delivered at very low margin or close to cost – no one wants to be seen to profiteer from the crisis.

Longer-term implications

While too early to be definitive, we do think it is worth spending time trying to understand the longer-term implications of the crisis for the next decade and beyond. Again, we believe this will result in some lasting changes in how society thinks and should ultimately support and accelerate our themes towards an economy that is cleaner, healthier and safer, as well as more equitable.

We would hope to see shifting priorities in certain areas after this outbreak, from realising that a good healthcare system is worthwhile, to remunerating key workers properly and addressing inequality (and removing the 'low-skilled' designation), to recognising the value of understanding supply chains and how things get to the shelves.

What has also become very clear is that political agendas can flip when stressed and the shift from austerity to "whatever it takes" suggests at least one of these positions might be wrong. Of course, any activity will be constrained to some extent by the debt built up to fund current emergency measures but we believe there will be significant shifts in consensus – see box.

Overall, we believe many of the changes coming out of the Covid-19 crisis are about doing things smarter and taking a longer-term view.

IT'S GOODBYE FROM ME…

As Tom O'Hara of Warwick Financial Solutions steps down as a member of the Personal Finance Society Paraplanners Practitioners Panel, he reflects on what has been achieved in the five years since the panel was started

Five years ago, the Personal Finance Society Paraplanners Practitioners Panel was created under the guidance of Cathi Harrison, owner of Parasols. When Cathi became CEO of the Verve Group the reins were passed over to Caroline Stuart. Caroline is the only paraplanner on the Personal Finance Society Board.

The original ambition of the panel was to bring the Purely Paraplanning Seminars to a wider audience than the original London seminar. Over the last five years, we have managed to get to a range of locations, and Martin Green of the Panel was the Chair of six nationwide roadshows.

In addition, the superstars on the Panel have written numerous articles in our professional press, for the Personal Finance Society magazine, IFA magazine and of course *Professional Paraplanner*. We are also the proud co-authors of the *Personal Finance Society – Getting you Started in Paraplanning* booklet.

But it is now my turn to hand over to someone smarter and younger! My role in Warwick Financial Solutions is changing after 19 years of paraplanning, and I am now the new Practice Manager, a role, which at this time is something of a baptism of fire!

My directors have been working closely with Brett Davidson over the last two years on the FP Advance course Uncover Your Business Potential. A natural extension of the programme is for me take on the Practice Manager role working with Dominika Sieradzka at R.I.E. Solutions.

Our PFS colleague and friend Lee Travis has also changed from his role as the Partnerships and Member Engagements Director to start a new career as a financial planner. We all wish him the very best in his new position and may well work together again in the future in some capacity.

We had planned a fantastic programme for this year's Purely Paraplanning events, in Cambridge, Bristol, Leicester, London, Manchester and Edinburgh with each of us taking one event to Chair. However, in the current circumstances everything has been postponed with more news to follow later in the year.

At each event we will have a Q&A with a panel of Paraplanners and Caroline is always on the hunt for volunteers, so please get in touch through the usual LinkedIn, Facebook and Twitter channels if you would like to be a contributor.

The search for my replacement has started, albeit hampered by the current lockdown. We are looking for someone who is able to demonstrate a passion for paraplanning who is able to contribute to the ongoing development of the paraplanning community through the Panel. Being able to work in a team is essential, as is having great ideas, and of course, a positive attitude!

You won't need to be the most qualified or experienced but you'll need to have a passion to drive the profession forward. If you think it could be you, then get in touch with Caroline or any of the Panel. Good luck to the new person and I'll be keeping a watchful eye on things from my new role!

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Message from the Panel: We just wanted to say congratulations and wish every success to Tom and Lee on their new positions. Their insight, views and commitments to the Panel and paraplanning in general have been invaluable in getting projects and events to completion, so also a huge thank you to them. We have no doubt they will be massive successes in their new roles and we look forward to seeing them in the future.

CONTINUING PROFESSIONAL DEVELOPMENT VERIFICATION TEST

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

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

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

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

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

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

Professional Paraplanner CPD questions for Structured CPD verification

Paraplanner profile (p6)
Which of the following is Russell Gibson using to promote its paraplanners to clients as professional individuals?
- ☐ Business cards
- ☐ Participation in client meetings
- ☐ First port of call for clients
- ☐ Displaying paraplanner qualification certificates

Pensions (p12)
Flexi-access drawdown must be balanced by what major consideration?

Pensions (p12)
Name one criteria assesses by an actuary when calculating scheme pension income.

Pensions (p12)
Why might scheme pension be useful where the client is likely to have a shorter life span?

Development (p16)
Deming's continual improvement cycle consists of which four of the following?
- ☐ Act
- ☐ Assess
- ☐ Check
- ☐ Do
- ☐ Plan

Development (p16)
Name one input necessary to help feed improvement in a business.

Investment (p22)
The MSCI World Health Care Index has outperformed the MSCI World index over the past decade by:
- ☐ 97.7%
- ☐ 109.3%
- ☐ 136.4%

Investment (p22)
Which is the biggest regional market in the MSCI World Health Care Index?
- ☐ Europe
- ☐ Asia
- ☐ US

Sustainable investing (p24)
Name two of Liontrust's 20 sustainable investing themes:

1.

2.

Sustainable investing (p24)
Name two of the shifts in consensus Liontrust believes will occur post Covid-19:

1.

2.