

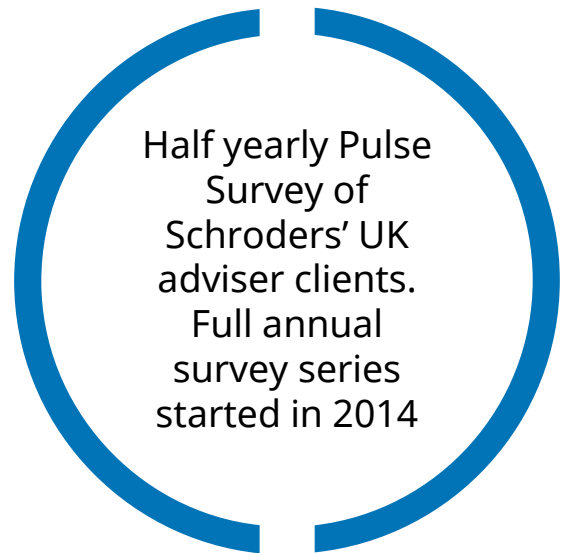
Schroders

# Schroders UK Financial Adviser Pulse Survey May 2021

May 2021

Marketing material for professional clients only.

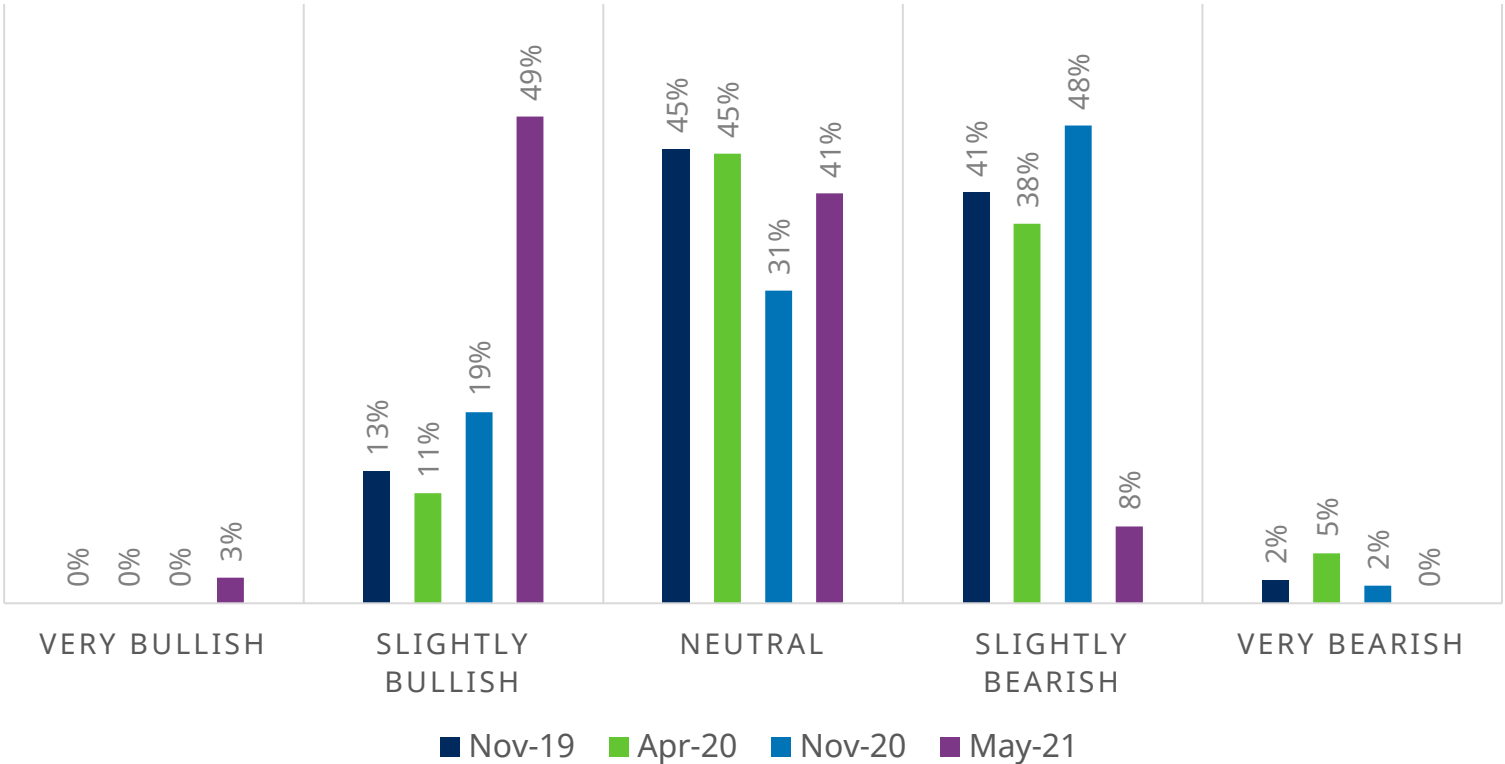
# Schroders UK Adviser Pulse Survey May 2021



# How would you describe the sentiment among most of your clients?

## Client sentiment

- Sentiment has swung significantly in a positive direction with 52% now reporting bullish sentiment among most of their clients, against 19% in November,
- Less than 10% now reporting bearish sentiment against 50% in November



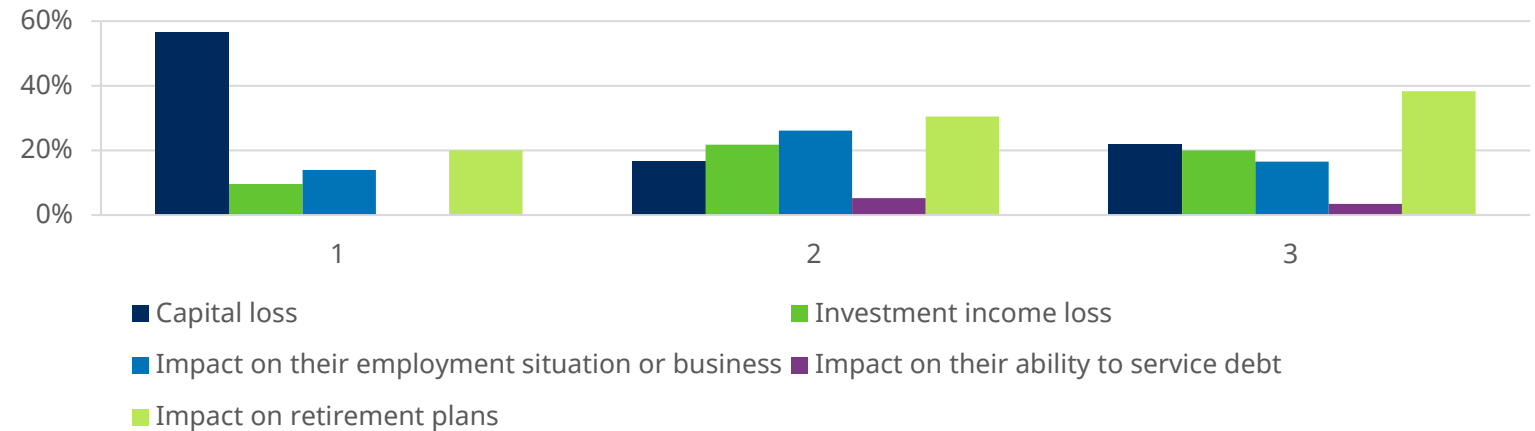
Source: Schroders Adviser Pulse Survey May 2021

# Client concerns

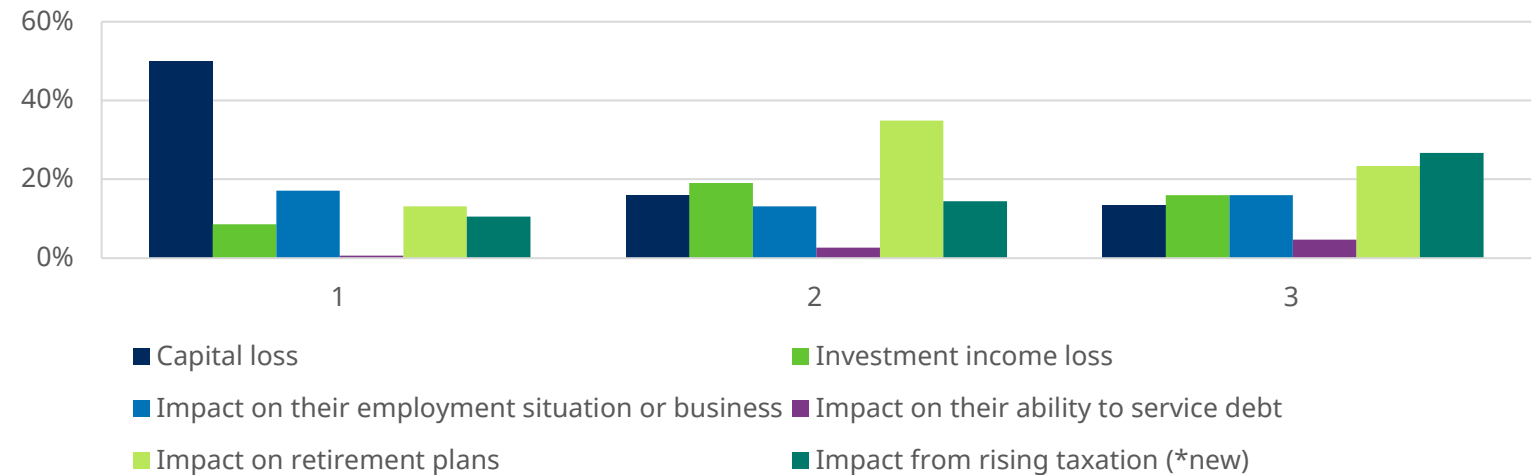
- As in November 2020, advisers cited capital loss as the number 1 concern of their clients with 50% putting it in first position and 79% in their top 3 concerns
- The second biggest concern for clients also remained the same - the impact on their retirement plans with 71% putting this in their top 3 concerns
- 52% cited the impact of rising taxation in their top 3 concerns (\*new to this survey)

## Top 3 financial concerns of advisers' clients in relation to the coronavirus crisis

### November 2020



### May 2021

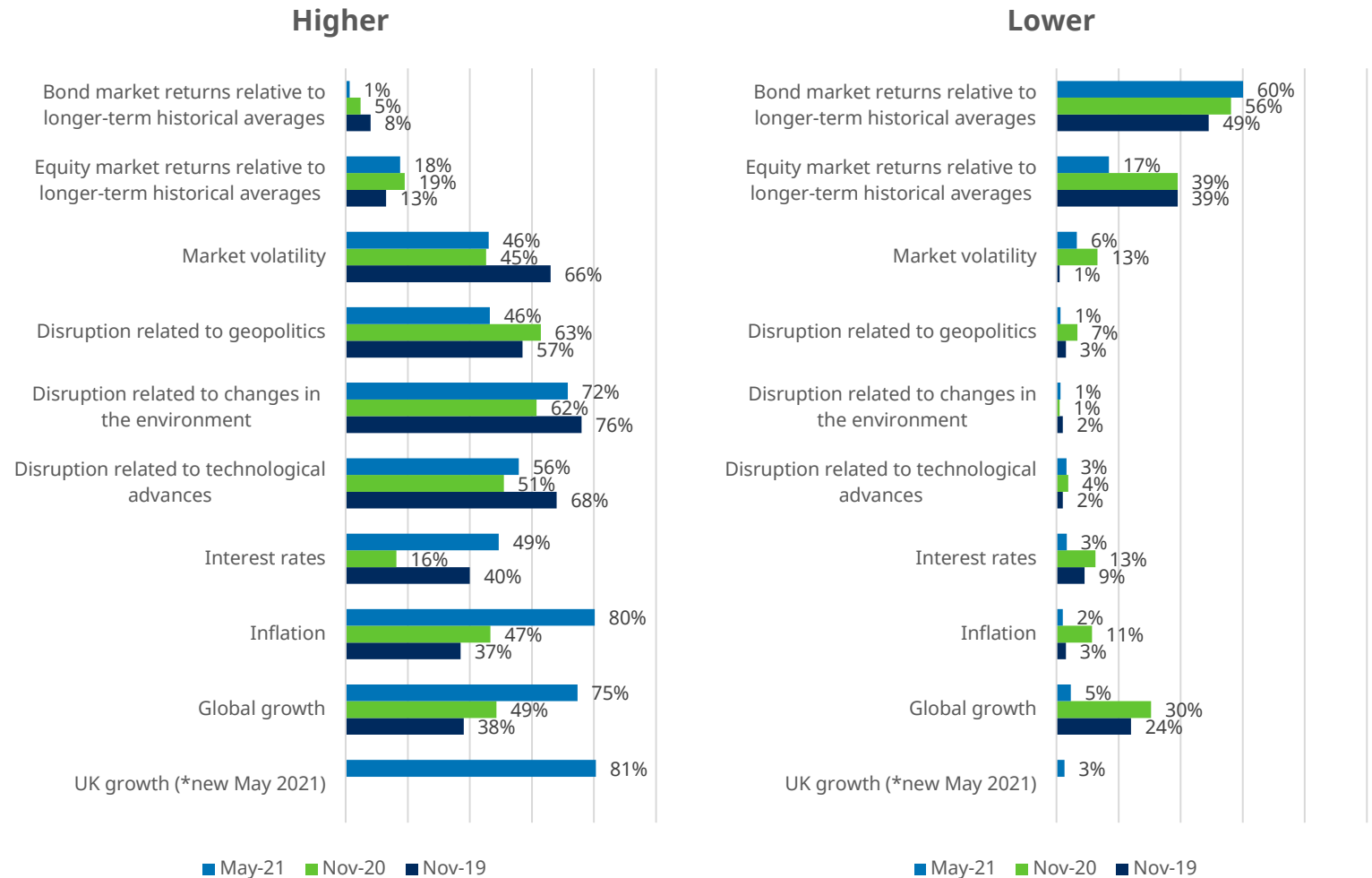


Source: Schroders Adviser Pulse Survey May 2021

# Inescapable truths

- Growth expectations have increased with 75% expecting higher global growth and 81% higher UK growth
- This has been accompanied by rising inflation and interest rate expectations, with 80% expecting higher inflation and 49% expecting higher interest rates
- 72% expect higher disruption related to changes in the environment, up from 63% in November 2020

## How would you expect the following to trend over the next 5 years?



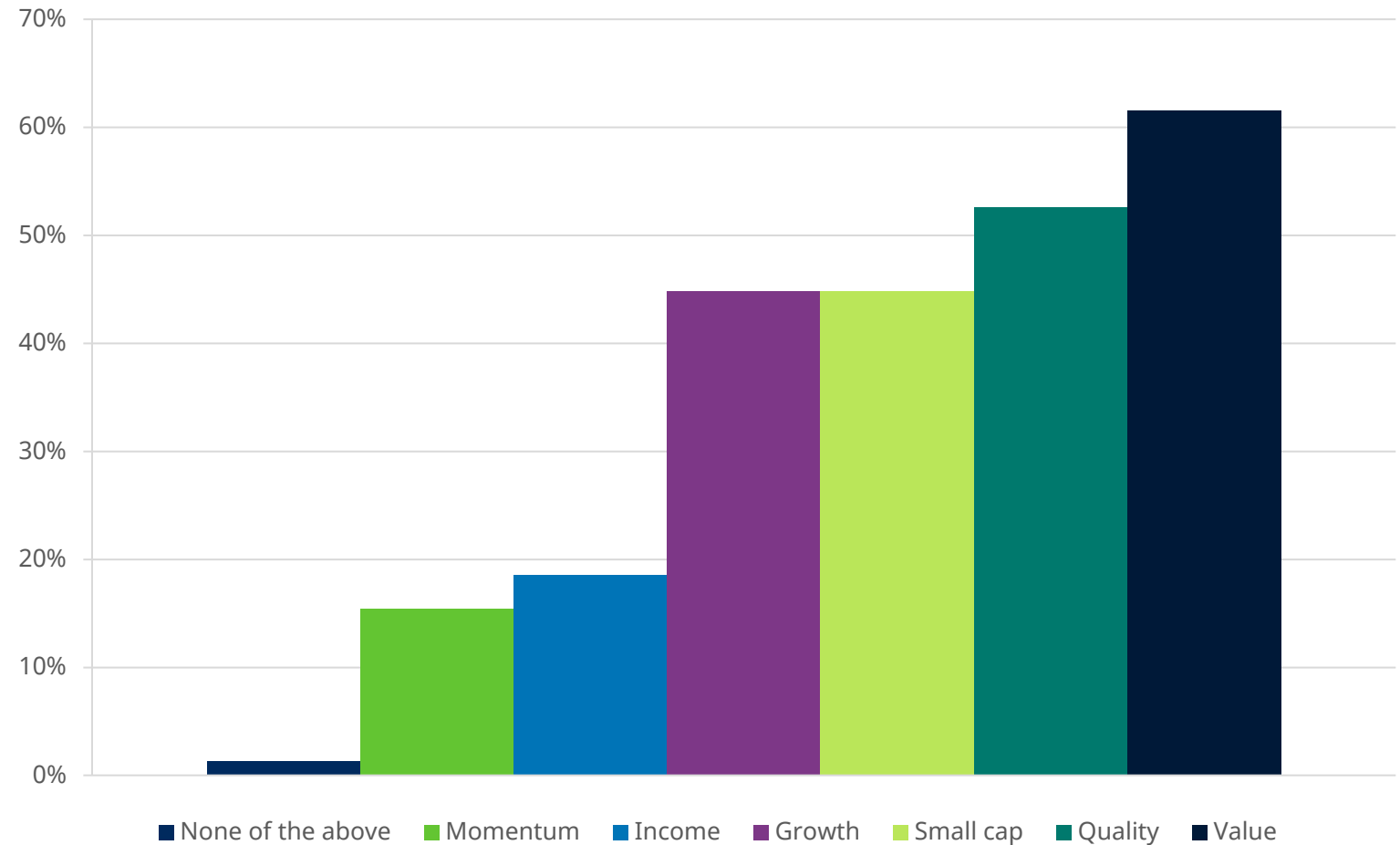
Source: Schroders Adviser Pulse Survey May 2021 (Little change also an option)

# Market expectations

- Value and quality are the factors advisers expect will be most favoured by equity investors

## Market expectations for the next 12 months

Which of these factors would you expect to be favoured by equity investors?



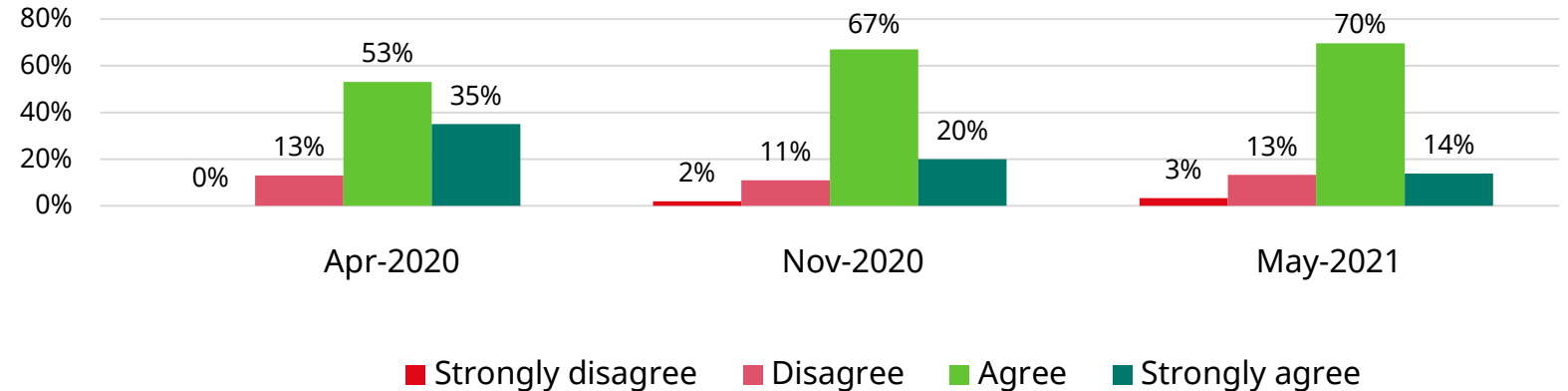
Source: Schroders Adviser Pulse Survey May 2021

## Changing attitudes towards sustainable investing

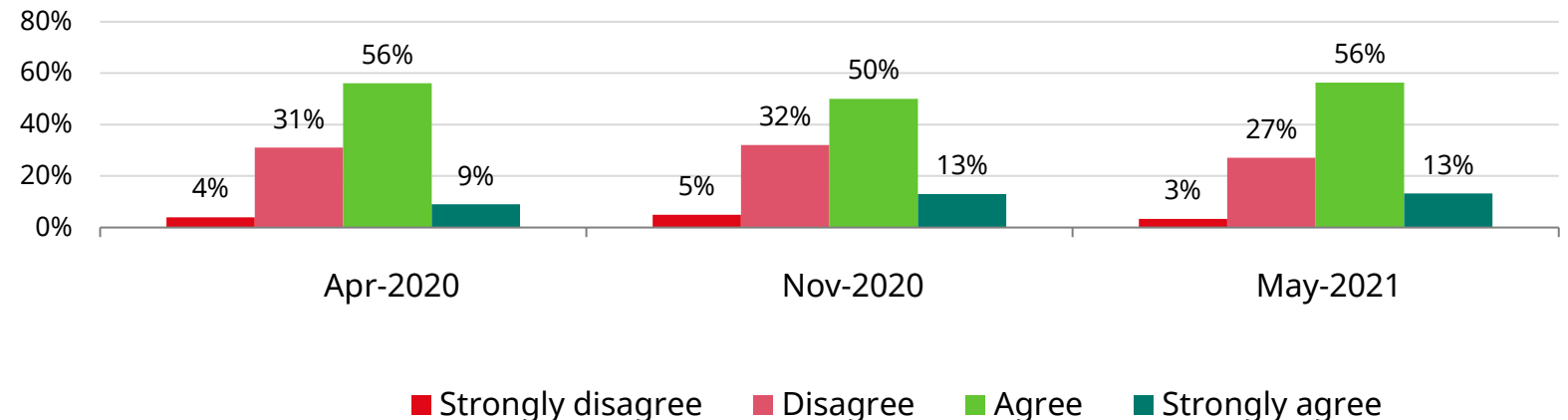
- 84% of advisers agree that the coronavirus crisis reinforces the importance of stewardship and using an asset manager who actively engages with company management
- 69% of advisers say the crisis will increase the attention they pay to the environmental, social and governance risks associated with investments

## To what extent do advisers agree or disagree with the following statements?

### The coronavirus crisis reinforces the importance of stewardship and using an asset manager who actively engages with company management



### The coronavirus crisis will increase the attention I pay to the environmental, social and governance risks associated with investments

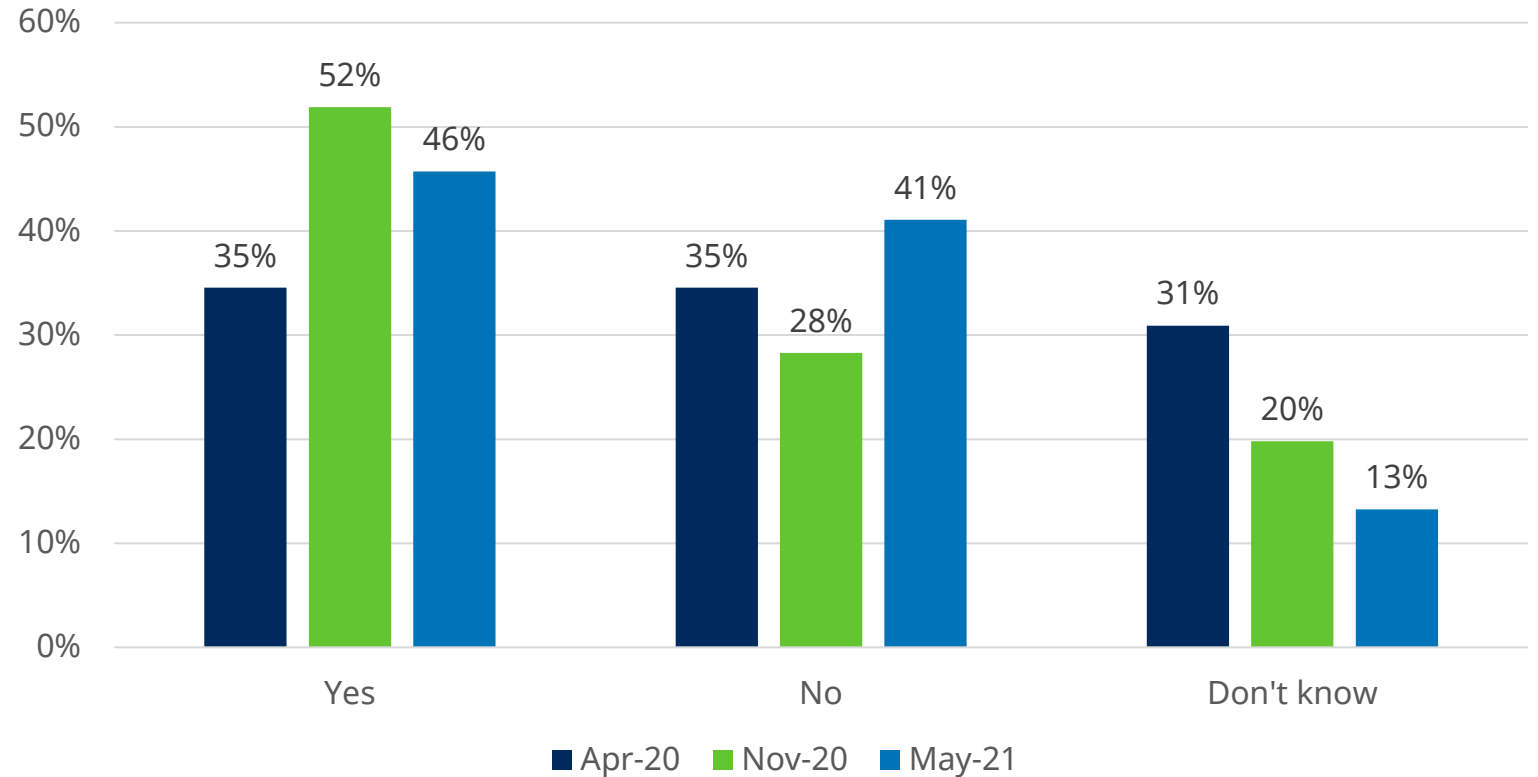


Source: Schroders Adviser Pulse Survey May 2021

# ESG

- 46% of advisers think that client attitudes to sustainable investing have changed as a result of the coronavirus crisis, up from 35% in April 2020

## Has Covid 19 changed client attitudes towards sustainable investing?



Source: Schroders Adviser Pulse Survey May 2021



## Adviser activity during Covid 19 crisis

- During the Covid 19 crisis advisers have prioritised servicing their existing clients over attracting new clients
- 54% reported a higher level of activity servicing existing clients in November 2020 rising to 56% in May 2021
- However, between November 2020 and May 2021, the number of advisers carrying out a higher level of activity to attract new clients has risen from 18% to 31% and the amount reporting a lower level of activity has fallen from 43% to 29%

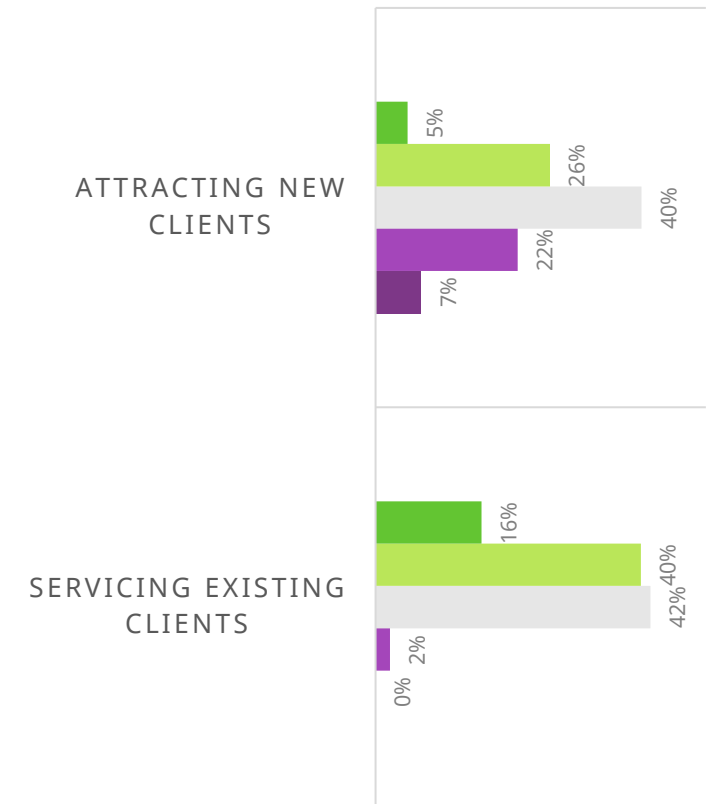
## How has your level of activity relating to servicing clients and attracting new clients changed as a result of Covid 19?

November 2020



■ Much higher   ■ Higher   ■ The same  
■ Lower   ■ Much lower

May 2021



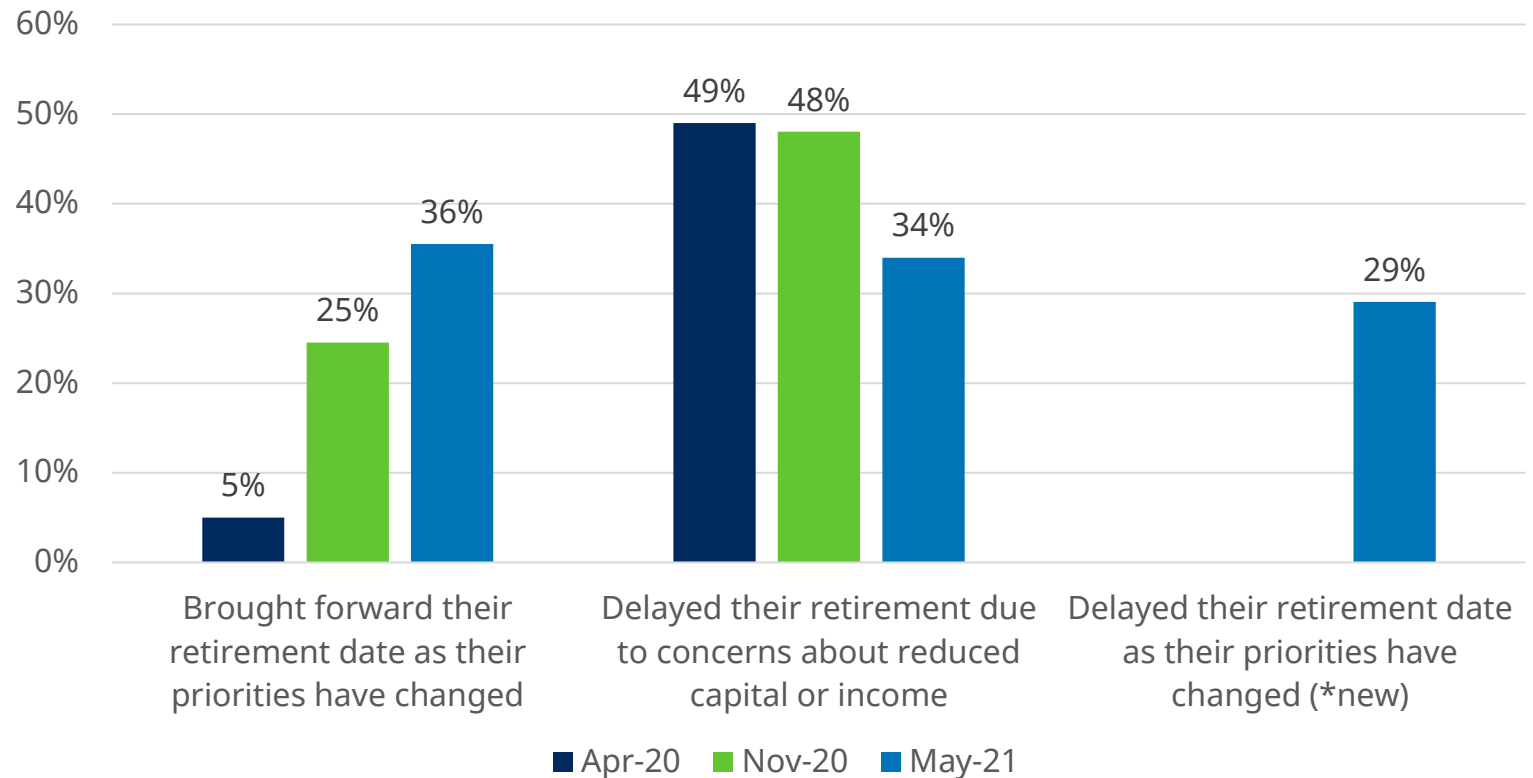
■ Much higher   ■ Higher   ■ The same  
■ Lower   ■ Much lower

Source: Schroders Adviser Pulse Survey May 2021

# Retirement plans

- The proportion of advisers reporting that they have clients who have delayed retirement due to concerns about reduced capital or income has fallen from 49% to 34%
- The proportion of advisers reporting that they have clients that have brought forward their retirement date as their priorities have changed has risen from 25% to 36%
- Balanced against this, 29% of advisers also report that they have clients who have delayed their retirement date as their priorities have changed

As a result of the impact of coronavirus on markets, have any of your clients who are approaching retirement:

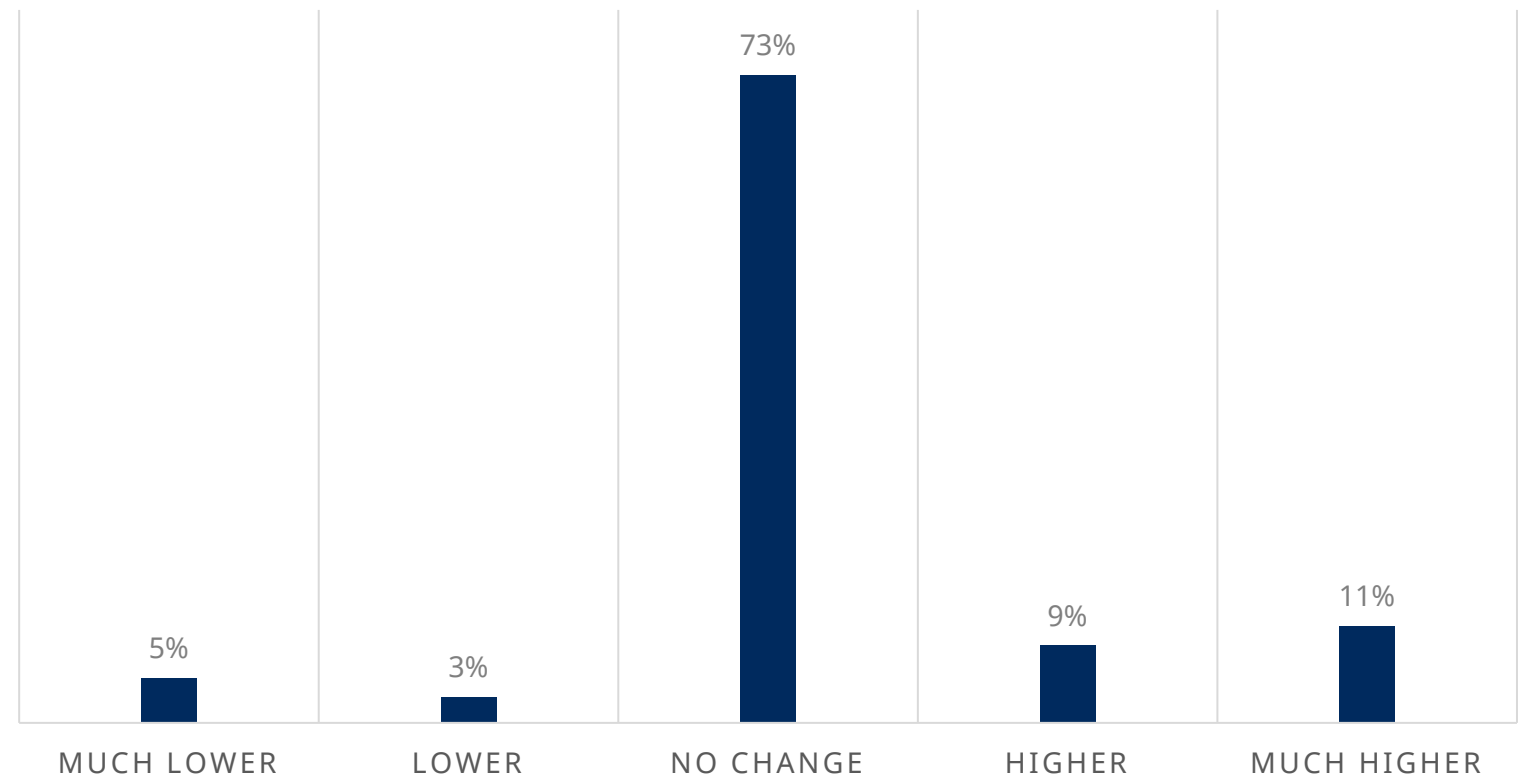


Source: Schroders Adviser Pulse Survey May 2021

## How has your use of outsourced portfolio management changed in the last year?

### Outsourcing portfolio management

- 20% of advisers report that their use of outsourced portfolio management has increased and 8% report that it has decreased
- 73% of advisers report no change

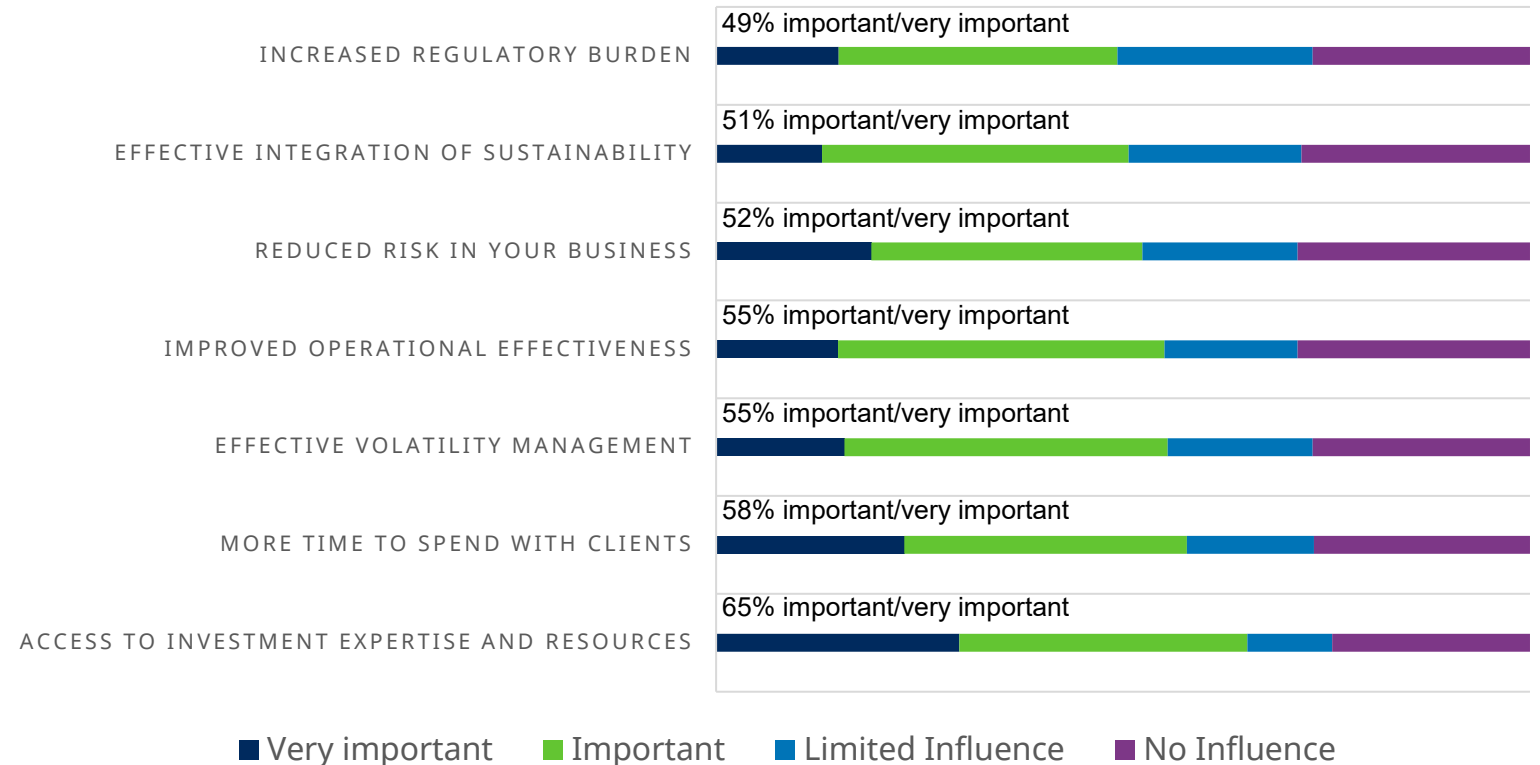


Source: Schroders Adviser Pulse Survey May 2021

## Outsourcing portfolio management

- The two factors rated most important in reaching a decision to outsource portfolio management are 'access to investment expertise and resources' and 'more time to spend with clients'

How would you rate the following in reaching a decision to outsource portfolio management?

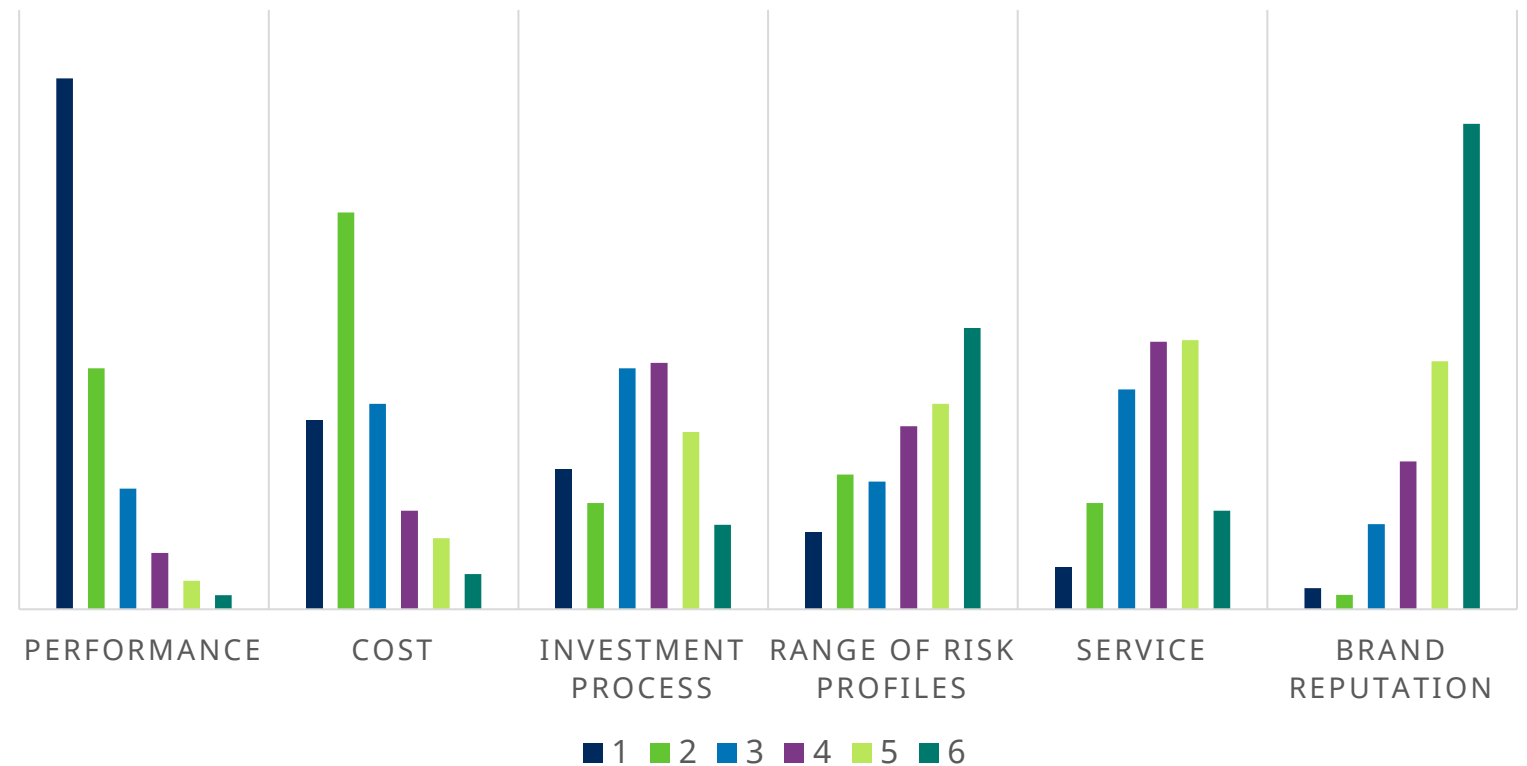


Source: Schroders Adviser Pulse Survey May 2021

# Selecting an MPS solution

- Performance is the governing factor for most advisers in selecting an MPS solution with 53% ranking it number 1, and 78% number 1 or 2
- Cost is ranked number 1 or 2 by 58% of advisers, and investment process by 24% of advisers
- The least important factors in reaching a decision are brand reputation and service

Rank the importance of the following 6 factors in selecting a Model Portfolio Service solution for your clients from 1 (most important) to 6 (least important)

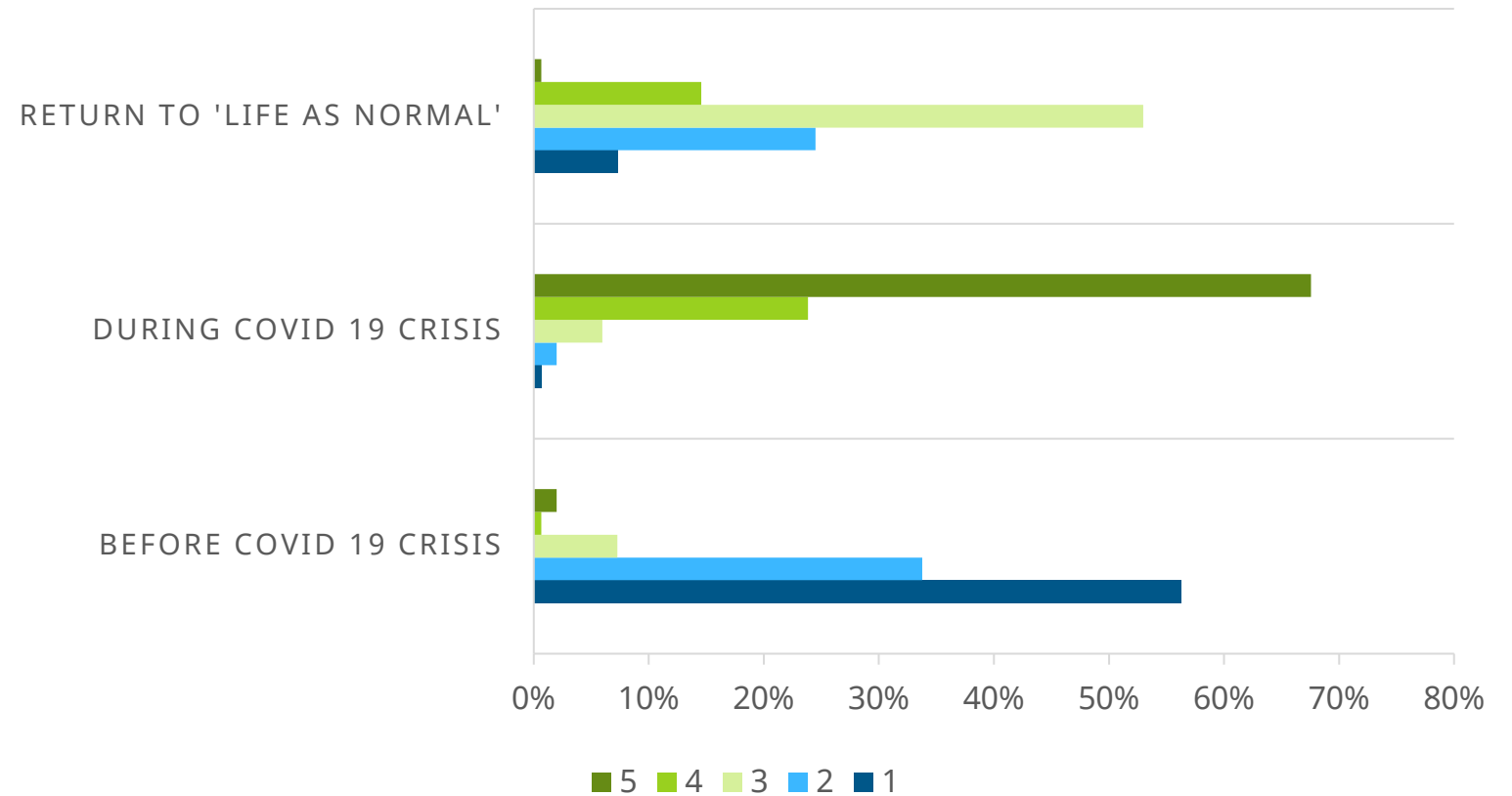


Source: Schroders Adviser Pulse Survey May 2021

# Client meetings

- Client meetings have swung from predominantly face to face to predominantly virtual during the Covid 19 crisis
- In a return to 'life as normal' 52% of advisers expect a hybrid of virtual and face to face meetings

On a scale of 1 (all face to face) to 5 (all virtual), how did you conduct client meetings before Covid, how do you conduct them now and how do you expect to conduct them if there is a return to 'life as normal'

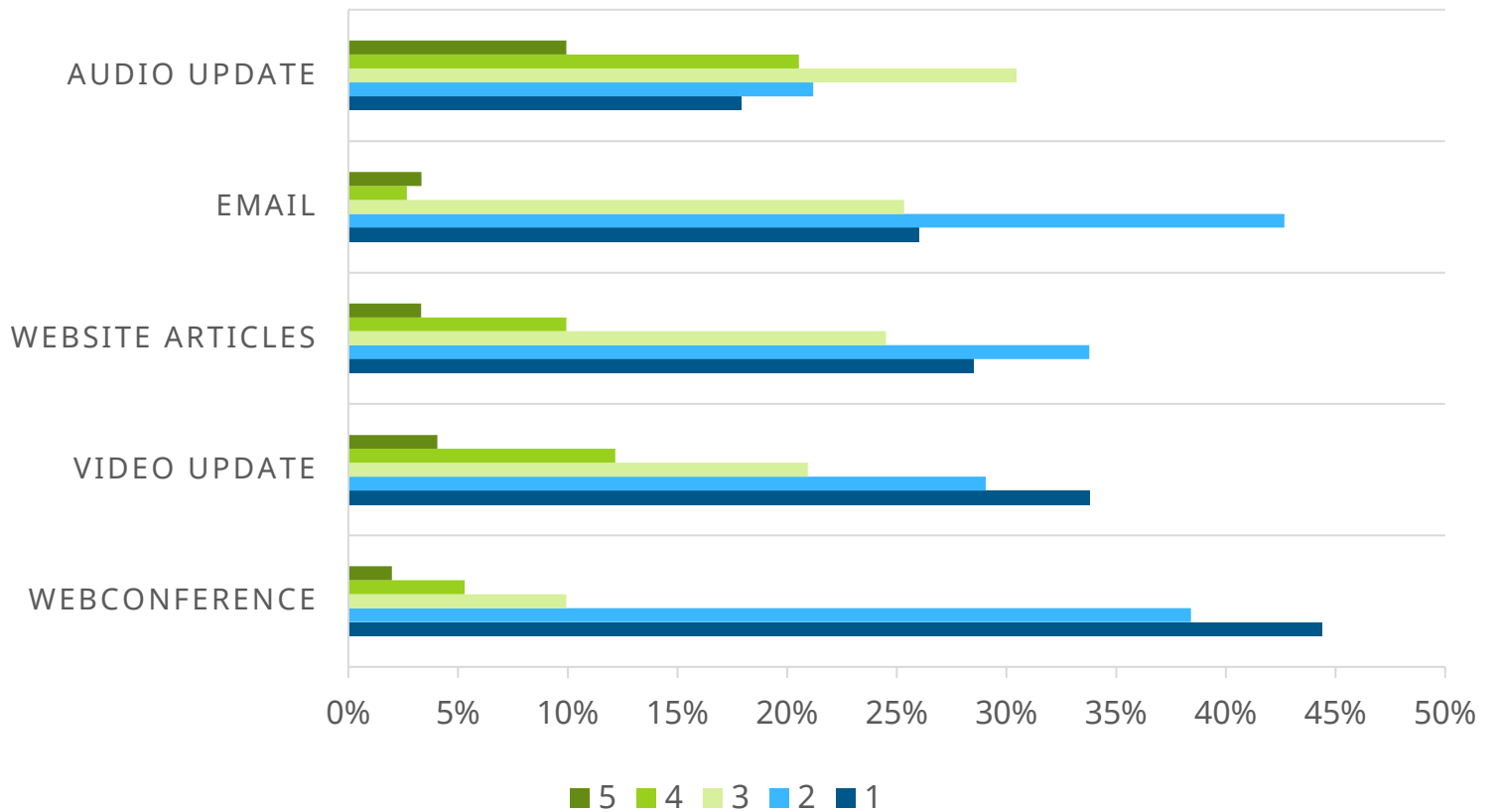


Source: Schroders Adviser Pulse Survey May 2021

## Communications from asset managers

- Webconferences and video updates were most commonly cited as very helpful by advisers

On a scale of 1 (very helpful) to 5 (not at all helpful), how helpful have you found the following communications from asset managers over the past year?



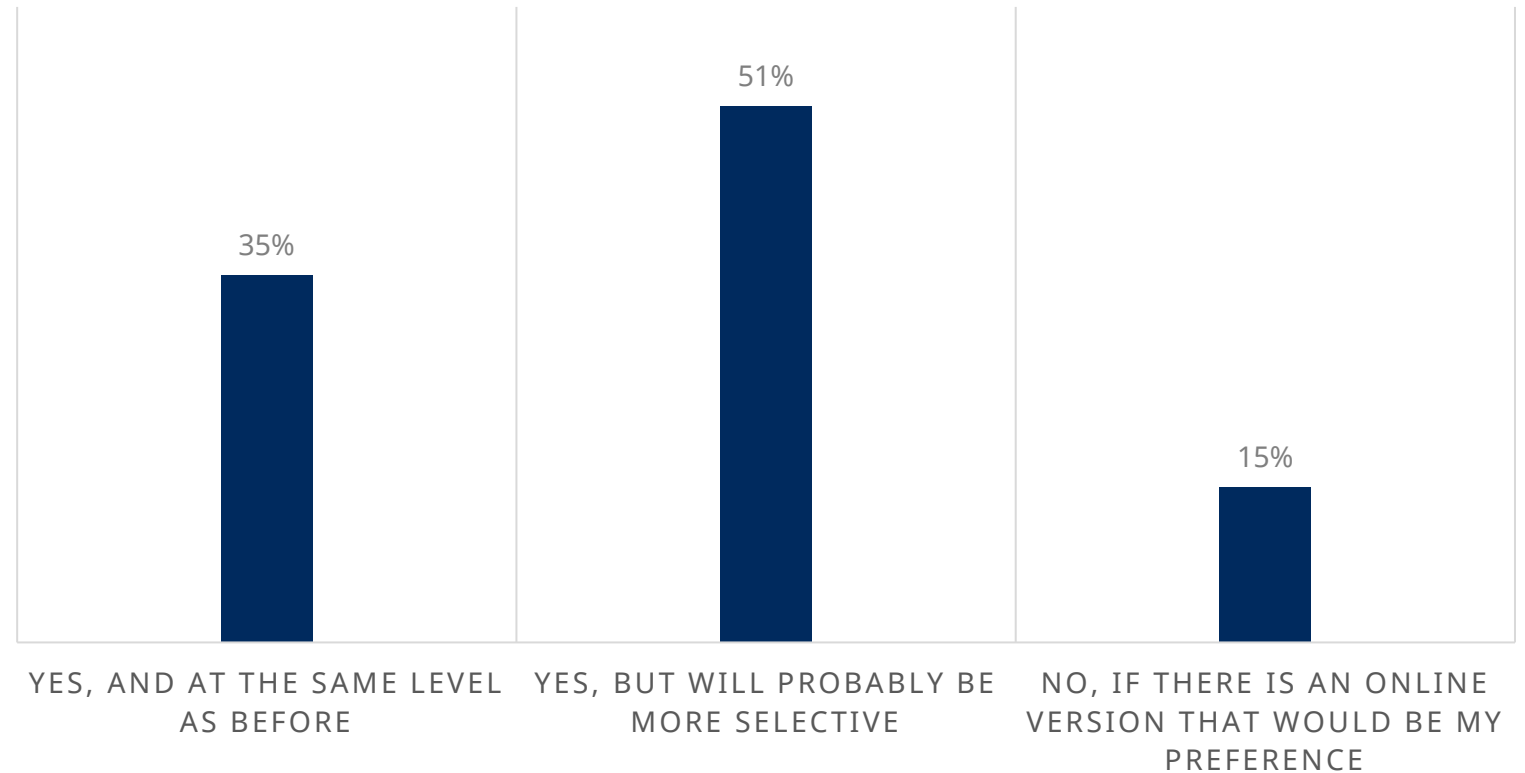
Source: Schroders Adviser Pulse Survey May 2021

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## Events and conferences

- 86% of advisers will return to attending 'in person' events and conferences but 51% will be more selective about which of these they attend

Will you attend 'in person' events and conferences when government guidelines permit?



Source: Schroders Adviser Pulse Survey May 2021



# Important information

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