Fairstone

ONEVIEW

Changing Landscapes: Retirement is not just for the old

An investment in your future pays the best interest

Contents

The opinions expressed are those of Fairstone Group and the information contained herein should not be taken as financial advice and should not be relied upon by any other persons.

Executive summary

Our clients are at the heart of everything we do – they shape both our strategy and thinking as a business. And talking to clients is an essential part of this, to help us recognise what our clients want now and also in the future, to ensure we understand the financial realities of their lives and how to best meet their individual needs.

Our annual client survey is fundamental to this; enabling us to hear directly from our clients and gain a unique insight into their thoughts, patterns and behaviour. More than 1,600 clients responded to our latest questionnaire, which forms the basis of this new annual report.

One statistic that stood out was that **98% of clients thought that starting a financial plan as early as possible was critically important.** This clearly shows that our clients see the value of expert advice with a long-term view to maximise their investments, navigate volatility and achieve financial security.

On a broader stage though, there is still much to be done across the sector to educate people about the importance of seeking financial advice and the value in starting that journey as early as possible to ensure that the 'wealth outlasts the life'.

In fact, a recurring theme from many of our clients surveyed, is that they wished they had started their financial journey earlier. More than 45% of respondents echoed this sentiment, and strikingly **a third of clients in their 20s also said that they too wished they had started financial advice earlier.**

This becomes more pertinent with recent government statistics showing that 10 million people in the UK are expected to live to the age of 100, creating a range of challenges to fund (and enjoy) longer lives.

In a recent report from FCA, the financial services regulator, only around 8% of all UK adults have received financial advice[1]. The report went on to conclude that many consumers are still holding money in cash that could be invested to provide potentially higher returns, but they have not sought or received the help with their finances that would enable them to make better investment decisions.

That poses a challenge and a wake-up call to our sector; as financial institutions we need to be focussed on assisting consumers to have access to high-quality advice and guidance at the right time in their lives, to give them the confidence to make better investment decisions.

This report examines consumer opinion on a range of financial issues and demonstrates the need for tailored financial advice along the different stages of a lifetime financial journey. In addition it illustrates the importance of an ongoing service to review the implemented plan, taking into account changes to the individuals' circumstances, demands and needs.

It also provides a relevant snapshot on the changing landscape in consumer behaviour; from women emerging as a new wave of prudent wealth investors with a focus on minimising volatility, long-term planning and responsible investing to learned behaviour and its impact of future generations and their tendency to seek out financial advice.

We need to educate consumers, be open and transparent about financial services, listen to clients and be agile and proactive, responding to change and initiating it. Industry estimates claim that around £5.5 trillion will be passed between generations in the next 30 years, creating a new wave of consumers who need to know the value of investing and financial planning.

Educating the next generation is paramount to ensuring they are empowered and have the time to plan for the future. Recognising this, Fairstone will be launching our Junior Finance Academy in October, a new educational platform for the children of our clients, providing an informative introduction to financial management.

As a sector we need to prepare ourselves for the future where the younger generation will be with more money that they are used to having and needing to make it work harder than ever before.

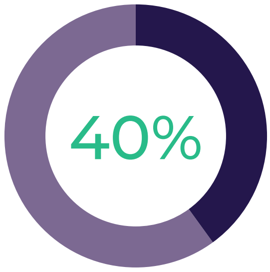
Lee Hartley
CEO, Fairstone

Survey highlights

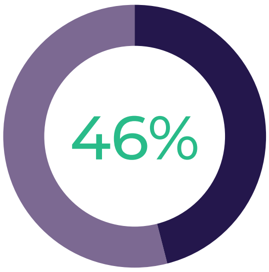
87% of clients have made provision in their savings for the fact people are living longer

One in 10 clients 65+ started financial advice in their 20s

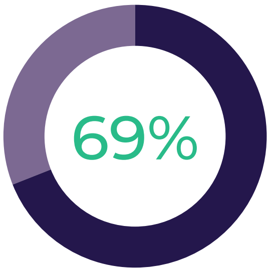
1/3 of clients who started financial advice in their 20s wished they'd started earlier



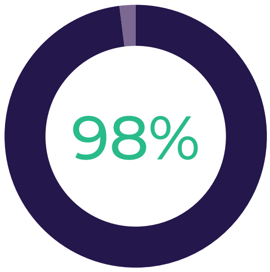
40% of clients started financial advice in their 40s



Almost half (46%) of those in their 40s wish they'd started earlier



69% of clients have introduced children/ grandchildren to the concept of financial advice



98% think starting a financial plan as early as possible is beneficial

25% of clients in their 20s started their financial journey despite their parents not having a financial adviser

Fairstone

Annual client index

Further demonstrating the value that we bring to our clients in a more rounded and balanced way, we launched our new Annual Client Index which shows three very tangible outputs: client satisfaction, repeating advice and investment cost savings.

The Index shows that we have **98% client satisfaction, 93% repeating advice and have secured £4.1 million in investment cost savings for clients**.

Overall this demonstrates that we are delivering exceptional outcomes to our clients. Our returning clients figure illustrates a clear measure of trust and confidence in us and the **£4.1m investment cost savings we have passed on to our clients** demonstrates our intent to deliver to them the best net returns.

Continued client satisfaction is also evidenced in our **5-star Trustpilot score from over 5,000 independent reviews**, making us the **number one rated wealth management house on Trustpilot***

On VouchedFor, we are also recognised as receiving the **most positive ratings of any wealth management firm** in its **2021 Guide to the UK's top-rated Financial Advisers.**

Collectively this endorses our client centric ethos and is testament to our commitment that our client relationships should underpin all aspects of our business.

**All Trustpilot references are correct as of 14/09/2021*

98%
Client satisfaction

93%
Repeating advice

£4.1m
Investment cost savings

The importance of education/learned behaviour

1/3 of clients who started financial advice in their 20s wished they'd started earlier

Nearly **70%** of our clients have introduced their children and/or grandchildren to the concept of financial advice

98% think starting a financial plan as early as possible is beneficial

We develop our attitudes and beliefs about money in childhood. By talking often about money, and modelling good money management habits, you can start the foundations to setting your children up for a future of financial success.

It is important for younger generations to be educated and informed on financial matters to demystify the subject and to empower them with the confidence to start their financial journey early.

These conversations should start within the family as savings and investment habits develop over a lifetime, with family culture and age all impacting on decisions that are made.

And as children grow and hit key life events such as weddings, having children, paying tax, planning for retirement and illness, it is crucial that they are financially prepared for each stage.

Put simply, what is the couch to 5k equivalent in the world of financial advice and moving on, what is the best way to prepare for a 10k run and then a half marathon?

Encouragingly, **almost 70% of our clients have introduced their children and/or grandchildren to the concept of financial advice**, illustrating that strides are being made in this area.

This will be bolstered moving forward with the upcoming launch of our Junior Finance Academy, which has been developed in partnership with financial institutions and Newcastle University, to help educate the children of our clients in a fun and accessible way, on important financial issues.

"I first took financial advice as I needed to save and look at getting the right money to help when I am older, as that is what I had been taught by my parents"

Survey respondent

Requirement for tailored advice based on gender and age

A third more male than female clients saw market fluctuations as an opportunity to make investment gains

Females rated minimising volatility and potential for loss of value as a higher priority **(31%)** than male respondents **(23%)**

42% of women surveyed said they currently invest in responsible portfolios compared to **36% of men**

A quarter of male respondents claimed responsible investments isn't important to them compared to **14% of women**

There have been many reports that have examined the barriers standing in the way of financial gender equality.

One key issue identified earlier this year by pensions company Scottish Widows, was that a female saver would typically save £2,200 annually for the first 15 years of her career, compared with £3,300 for a young man.

Quite simply that means that **the average woman in her 20s today would have to work 37 years longer than a man of the same age to reach retirement parity.**

The lower contributions are partly attributed to lower earnings of women (latest figures from the Office for National Statistics claim that women earn about 16% less than men). Added to this, more women tend to take time out of work to raise a family, which can result in broken national insurance records and years without putting any money at all into savings.

Findings from our annual client survey also highlight that women are more risk averse than men when it comes to financial risk taking. **Females rated minimising volatility and potential for loss of value as a higher priority (31%) than male respondents (23%).**

Coupled with this, a third more male than female respondents saw market fluctuations as an opportunity to make investment gains.

This is something echoed by recent research carried out by the FCA, which demonstrated a clear difference in confidence between men and women in relation to financial matters.[2]

Their research found that men feel more comfortable dealing with financial services than women and a higher proportion of women say they have low confidence in managing money or knowledge of financial matters.

Reassuringly, when it came to making provision for the fact that people are living for longer, both 87% of men and women in our survey said they had, while an equal number of men and women (69%) said they had introduced their children or grandchildren to the concept of financial advice.

But an emerging picture of differing investment attitudes between men and women will have important implications for both financial advisers and their clients, in particular men and women who are considering how to invest for the future according to their age group.

Why take financial advice

Few adults seek expert financial advice on a regular basis

Fee transparency helps to foster trusted client relationships

Financial planning is an ongoing process of managing your personal finances to meet the goals you have set for yourself or your family.

You will make financial decisions all your life; often you can see those decisions coming and plan accordingly, but sometimes you won't.

Personal financial planning is about making deliberate decisions that allow you to get closer to your goals and to stay on track, even when things take an unexpected turn.

It is a lifelong journey and during that time, your financial plan should be re-evaluated and adjusted to ensure your plan is still working for you and your circumstances.

A good financial plan should be flexible enough to be responsive to unanticipated needs and requirements, robust enough to support specific goals, and crucially protect you from unexpected risks.

Why take financial advice? What our clients say...

- "To manage my pension so I can retire before state retirement age" (Age 20 - 35)
- "Previously I'd used savings but I wanted to get a much better return on my money" (Age 45 - 55)
- "Because I was not adequately making financial provision for the future via investments and pension" (Age 55 - 65)
- "My aunt faced several years in an expensive nursing home. It made me think about long-term investments of my own." (Age 55 - 65)
- "To get the best from life and have enough to live on in retirement." (Age 55 - 65)
- "Complexity and constant changing financial scene. Also the requirement to have a single point of contact for my relatives should anything happen to me." (Age 65 - 75)

Life stages

Starting off: under 20s

Checklist:

- Open a savings account
- Start an ISA
- Explore investment preferences
- Look into available Government schemes

Adviser view - Fairstone Chartered Financial Planner Simon Turner:

"Starting your financial journey early is very important to give you the best start to achieving your long-term goals. Usually, clients in this age group have been prompted by their parents to seek advice and it is often focussed on starting to save money for the future.

As people in this age group are approaching a period where they will be taking on more independence, the main points for discussion are around savings and the need to segment funds into short-term, medium-term and long-term needs. This can cover anything from cash deposits and ISAs to pensions.

If you do nothing in this age bracket, you are limiting your choices for your future. Most under 20s have high aspirations of what career they want to have, where they want to travel and what they want to buy, and planning from an early age helps to realise these aspirations.

At this age, usually there is no need to implement any protection plans as there is often no debt to protect, no dependents to protect and no income to protect. However, it is a very good time to start the discussion of protecting future income to ensure that lifestyle plans can be protected in the future."

Client view - Age 14 and 16 :

"My main financial priorities are mainly short-term ones such as buying my first car, going on holiday, buying clothes. I like to know that I have money to spend when I want to and get worried if I don't," said 16-year-old Tom.

"I'm interested in knowing and learning how to use money as well as putting any savings I have away for the longer-term. It's reassuring to know that by starting to save now, I will have some spare money available should I need it in the future." said 14-year-old Mark.

"I was starting my first job and needed financial advice"
Survey respondent

"I received an inheritance and needed to know what best to do with it"
Survey respondent

98% of our clients think that starting a financial plan as early as possible is beneficial

Staying on track: 20 - 35

Checklist:

- Start pension planning - investments in these early years benefit most from compounding returns so have the most growth potential
- Ensure your growing wealth is protected
- Make provision with your disposable income for holidays/hobbies/activities
- Consider your future financial needs (marriage, first home, family, retirement)

Adviser view - Fairstone Chartered Financial Planner Elizabeth Webb:

"People in this age group will be early in their careers and potentially will not have had to really consider what to do with money before. Depending on roles, they may also suddenly find themselves with significantly more money and so may need some help understanding how to best use this.

The first step would be helping them to understand what money does, can do and how it can protect you and give you freedom as well.

There will be plans needed for significant life events such as further education, marriage, first properties, children and, perhaps, divorce as well.

Retirement should also be considered here, not in concrete terms, but to start thinking about and saving for, if possible. The earlier this planning is started, the more powerful it will be.

Doing nothing could result in significant financial hardship at pinch points in the future, for example not having protection in case of illness or death for themselves and their family, plus potentially not being able to enjoy life to the full. This has been starkly illustrated by the 7 Families initiative, a charity-led campaign to raise public awareness of the financial impact of long-term illness or disability, which changed the lives of seven families who did not have any financial protection in place but needed it.

Planning and understanding finances can give you much more control and protection, allowing you to be more resilient and adapt to changes as and when they present themselves, as well as the tax savings that can generally be made along the way.

Considerations toward income protection and critical illness insurance are overlooked but can provide so much benefit to this age category. It can be the difference between a health issue being a bump in the road or a complete car crash.

The best way to approach financial advice in this age group is to talk to a professional about your situation and be honest with them and yourself. It doesn't matter if you don't know all the answers or even the questions, ask someone and they will help!"

65% of clients look to optimise their investment growth and achieve consistent investment returns

Client view - 32-year-old Angela:

"I would say the main priorities for my financial affairs at the moment is finding a way to get onto the property ladder and starting to consider how to save for retirement.

"The biggest positive of receiving financial advice for me is having someone to explain financial services in an easy to digest way, as well as having someone to come to with inevitable questions."

Client view - 25-year-old Becky

"My main priority is to start planning ahead to be able to save for bigger life events in the future, including providing for my family if/when that happens.

"Having access to financial advice takes the confusion out of what to do with money and being told the best way to manage it dependent on different stages of my life and situations. I wish I'd started getting financial advice sooner."

"I have taken professional advice since my late 20s when my husband and I began earning good money"
Survey respondent

"I started taking financial advice to protect a young family and plan for the future"
Survey respondent

1/4 of clients in their 20s started their financial journey despite their parents not having a financial adviser

Accumulating: 35 - 45

Checklist:

- As your career becomes established, make sure your money is working for you
- Review your financial goals – children's education, investments
- Review pension contributions at least annually and make sure you're increasing them as your income grows
- Align protection needs to your financial plans

Adviser view - Fairstone Chartered Financial Planner Sarah Tory:

"People in this age group should be focussing their attention on school fees and building additional wealth for their family, as by 35-45 the expectation would be that a house had been purchased 10-20 years ago and children would be well into their teens.

Life cover and critical illness cover would be in situ alongside a pension more than likely funded through the employer. However, it is no longer the case that by this time we are 'settled' and for many in this age group that's far from the case.

No final salary pensions and no 'jobs for life' mean that at 35 you could well have been in several jobs and accrued little to no pension at all. This age can span the whole 'lifecycle' just on the property ladder and needing life assurance, building wealth for children, substantial professional incomes with large tax liabilities or even inheriting large sums or receiving generous gifts. Therefore this age group is all about solidifying intent, getting achievable goals in place and making sure a realistic plan is established, implemented and reviewed.

Focussing on the retirement aspect, by 45 you are likely 20+ years into your working life and may well be less than 20 years to your retirement. Being in this age group myself; I am acutely aware of the risk to State Pension provisions and I'm unlikely to see a large inheritance from parents as they will realistically need some form of long-term care.

It is very much the case that you are on your own and you need to make your own plans for long-term stability. Failure to put plans in place could result in a severely delayed retirement and, not ideally, working into your mid-70s. A lack of retirement provision could also see enforced downsizing.

The consequences of inadequate protection could be much more devastating on a family. In terms of protection planning; income protection and a well thought out family income benefit plan could prevent serious financial hardship as underpinning the family's income is the cornerstone of planning at any age. It may be too that larger mortgages are now in place and ensuring they are adequately covered is entirely sensible.

In your mid-30s – mid-40s you may well be very busy with a career, children and running a home. You are probably far more cost conscious than your parents so paying for advice may seem like a luxury you can't afford and even if it were free you might feel you don't have time or assets to focus on it right now. A good financial adviser is in essence a project manager of your assets and goals and engaging early is absolutely worth doing. It is always good to get a sense of 'where you are right now' and an adviser should be able to give you a really good idea. If all of this feels just a little too much or a little too grown up; make a Will, get life cover on your debts and save as much as you possibly can into your pension."

Client view - 43-year-old Miss S:

"The main priority for me with my financial affairs is having them handled by someone who will be better at doing it than I would be myself. I suppose I could spend a lot of time learning and researching what the most efficient, risk-appropriate investment plan would be, but it would certainly take me much longer than the equivalent cost of using an IFA.

The biggest positive of receiving financial advice is that I rarely need to think about my financial affairs because they are managed by an IFA. Even if my investments fall in profit because of whatever market forces, I am confident I could not have made better decisions than the IFA, so I'm not plagued by regret."

"I needed to think about and plan for my retirement and make sure any spare money was put to work to increase its value"
Survey respondent

"Our assets were accumulating and salary rising but we had no financial planning in place"
Survey respondent

62% of our clients considered taking financial advice before the age of 50

Approaching retirement: 45 - 65

Checklist:

- Protect your legacy through estate planning
- Take financial advice on the best ways to invest an inheritance
- Make sure your retirement plans are on track as this is a crucial time for pension accumulation – you might consider adding lump sums to help you reach your retirement goal

Adviser view - Fairstone Chartered Financial Planner Sean Larkin:

"People within this age group are typically at the peak of their career and earning capacity and as such, can face a number of trade-offs regarding pension contributions to savings and investments.

Many people at this age have accumulated a number of financial plans such as investments, pensions and insurance policies but may not have established any clear goals and assessed whether or not these existing arrangements meet with their objectives.

Depending on your age, you will be at some point along the journey to retirement. This therefore, provides an ideal opportunity to give yourself a Financial MOT and check in where you are.

A good starting point would be to review your existing investments and pension plans and check that they are on track with meeting your financial goals and objectives. Check that these plans are invested within funds that match your attitude to investment risk and timeframe. Review how they are performing and that your plans are competitively charged for what they offer. Having a look at your household income and expenditure could also help to identify any savings which could then be re-directed to boost your pension contributions.

Checking that your mortgage is on track to be cleared before you reach retirement would also be prudent as aiming to have this paid takes away the pressure of paying for this once you have retired. Review your current insurance and protection arrangements to check that they are still fit for purpose and that you are covered for loss of income, death and critical illness if required. If you haven't done so already, make or review your existing Will and have a Lasting Power of Attorney in place, ensuring that they both reflect your wishes.

In summary, take stock of where you are financially, have clear financial goals, bridge any gaps and review your financial plans often. The cost of doing nothing can be expensive and may result in you not living the life you want in retirement."

70% While your financial adviser should be your family adviser – **70%** of clients haven't introduced beneficiaries to theirs

As the financial needs of family decline, the balance of savings tends to transition more towards retirement planning. Financial planning is critical in this phase.

Client view - 60-year-old Garth:

"Considering our financial affairs at an early stage was very significant especially at retirement, when all options needed to be assessed in detail.

Researching, understanding and putting a financial plan in place early was critical to having a stress-free life, knowing lifestyle funding requirements are covered. Other priorities to consider include security and access to funds, flexibility within the plan, assessment of market trends matching up with our aspirations and how major expenses might be covered into the future.

The biggest positive for me in receiving financial advice is getting to grips with unknowns about the future and being able to understand our retirement income within a detailed modelling structure was paramount when receiving our financial advice. This included looking at various schemes and obtaining clear and well-balanced advice, guidance and direction on which pension route to choose that suited our risk profile.

If I could turn back time, the only thing I would do differently is to start our financial planning journey about five years earlier. This would have allowed us to research the pension options more closely and try to gain as much information as possible to help make our decisions easier. It would also have allowed us to look at other services for example Wills, Enduring Power of Attorney and Tenants in Common, gifting and include these in the overall package."

"I wanted to ensure my retirement income would be sufficient for the rest of my life"
Survey respondent

"I needed someone to look after my hard-earned cash as if it were theirs"
Survey respondent

1/3 Around one third of clients retired between the ages of 55 and 60

Retirement: 65 upwards

Checklist:

- Review your investments and attitude to risk to allow an income in retirement
- Consider any potential long term care needs while reviewing life and wealth protection
- Update estate plans to reduce impact of IHT
- Discuss your estate plans with beneficiaries

Adviser view - Fairstone Chartered Financial Planner Rick Hollington:

"The key thing to start thinking about as you approach retirement is what your income and expenditure will be. Not what you hope they will be, but what they realistically will need to be. Afterall, there is no point in building a realistic plan around an unrealistic target or worse still a target that you aren't actually happy with, so be truly honest with yourself!

You will normally find that some costs will actually go up. Medical costs perhaps as you get older but also holidays and day to day spending as you are not tied up in work each day. Fuel or domestic travel costs on the other hand will likely reduce as you stop the daily commute to work.

We always use cashflow modelling with clients and make use of personal allowances as failing to take tax into account (or indeed not using available allowances) can have a surprisingly detrimental effect on the efficiency and sustainability of your income.

If you have a large estate, it is at this point that you might also want to start developing a plan to reduce your estate for inheritance tax purposes. Gifting money is one of the easiest ways to reduce inheritance tax, but you don't want to give away money you will later need. Again, being realistic about future care costs is therefore important at this stage.

With all of the above in mind, now is the time to do a holistic review of your pensions and investment portfolios to ensure that they not only meet your agreed attitude to risk and capacity for loss but in doing so check that they are able to provide the returns required to fund the lifestyle you have set your hopes on. Cash in the bank is only ever going to go down in real terms (in today's interest rate market) as inflation relentlessly takes bites out of its purchasing power. Reviewing your investments at least annually is also therefore vital to ensuring that your plans remain on track and enables you to make any necessary changes along the way.

If you haven't already, now is also the time to look at revising your Wills and also arranging Powers of Attorney. Most of us will hopefully still feel like spring chickens when we retire but both of these documents will all but certainly be required one day so getting these things in order now means you don't have to be reminded to do them every year (by your financial adviser) or worse still, you need them before you have them. In arranging these it also provides a great opportunity to introduce your adviser to your family as if/when something does happen, your advisor is likely to be one of the most knowledgeable person in terms of your financial affairs and be in the best position to help your family when you are no longer around."

87% of clients have made provision in their savings for the fact people are living longer

Client view - 65-year-old Anne:

"The main priority for my husband and I is to secure a sustainable and reliable pension income on retirement, especially as I finished full-time employment sooner than I had expected.

The biggest positive to me in receiving financial advice has been to build our savings, and pension potential, through sound advice and investments based on our identified level of risk. This has meant we have been able to use some funds prior to retirement (e.g. to buy a new car, pay university fees for my son and daughter-in-law, etc.) without reducing our pension funds significantly.

The only thing I would do differently if I could, would be to engage a financial services adviser much sooner. I believe that had we invested some of our savings at an earlier stage we may have been in an even better position than we are at present. Our funds were safe and secure in building societies, etc. but I think, with advice, our savings could have been better employed."

Client view - 71-year-old Ms H:

"My main priority is the continued management and rebalancing of my portfolio for my best advantage during the Brexit transition and the coronavirus crisis.

The biggest positive is that my financial advisor relieves me of the stress of making investment decisions.

I wish I had sought financial advice sooner than I did. I previously thought (wrongly) that financial advice was for wealthier people."

"I wanted my money to make money for retirement and private care if required in old age"
Survey respondent

"My husband and I wished to make out a new Will in order to put our home in Trust to our children and for advice on investing our savings"
Survey respondent

What advice would you give your younger self?

Hindsight is a wonderful thing, but when it comes to finances, what do people wish they had done differently?

"Invest in a good pension scheme - I didn't think about pensions when I was in my 20s and 30s and didn't start saving until I was in my 40s. By that time it didn't give me a great pension when I retired at 56. If only I had been sensible and put a little away for a rainy day I would be reaping the benefits now."

Elaine

"That you could have almost 30 years to live after you finish work and unless you save for those years , even a small amount each month, you will be very restricted in how you live what should be the best years of your life."

Tracy

"Try to pay extra on your mortgage each month, whenever possible, to reduce the amount of interest you pay overall and finish the loan earlier."

Nadia

"I agree with everyone who says save into a pension starting as young as possible, but would also say take advantage of the tax breaks the Government gives us (pension tax relief/top ups, isas, lifetime isas, company share incentive schemes, marriage allowance etc)."

Tracy

"Get life health insurance when I had the chance, after now battling illness 6 years and have had to pay for some private treatment."

Lesley

Horizon scanning

Ethical Investing

Imogen Hambly Fairstone Portfolio Manager

Ethical investments have long been thought of as low returning solutions, created solely by excluding certain 'bad' areas of the market. However, the past five years have seen a marked shift in this notion, as governments and corporations alike have begun to focus on the externalities of their actions.

It is no longer acceptable for firms to strive for profits alone; instead, the safety and wellbeing of staff, sustainability of supply chains, as well as carbon emissions and waste associated with operations, are being brought into focus. Growing regulatory frameworks are also beginning to force better practice.

This changing backdrop has allowed asset managers the opportunity to better integrate Environmental, Social and Governance (ESG) factors into their investment process and create suites of new products to meet differing investor requirements.

But how do you differentiate between products, and how do you know what is right for you?

Values based: uses screens or avoidance criteria to remove exposures to certain areas of the market

Sustainable: involved investing in companies with good environmental, social and governance practices, in order to reduce risk and increase long term growth potential versus peers and the wider market.

Thematic: targets leading or innovative companies within specific areas of the market or related to particular ESG themes.

Impact: looks to invest in companies who are providing measurable environmental or social solutions to world issues, in addition to financial returns.

Often, your responsible portfolio will be a holistic combination of the above, providing diversified exposures to pioneering companies, in addition to those that are striving to be the best they can be and those transitioning operations to meet sustainability targets.

Responsible investing is no longer an exercise of simply excluding certain companies, but one that seeks to find the leaders of tomorrow.

By focusing on companies that employ best practice, or those that are tackling climate change and social injustice, these solutions are seeking to reduce long-term risk factors and create long-term, sustainable growth.

40% of clients currently invest in responsible portfolios to avoid investing in 'bad' industries (34%) and to use money to make an impact (7%), with a further 33% saying both.

Hybrid approach to advice

Globally we have all adjusted to communicating remotely and this has the potential to have a positive and lasting impact on the advice industry, paving the way for a hybrid approach to advice which combines the best of technology with human interaction.

As a technology-leveraged firm, Fairstone has always taken pride in being operationally agile. While face-to-face and direct contact with clients will always remain at the core of the business, technology can allow advisers to work more efficiently and spend more time with clients.

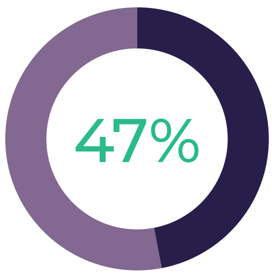
Over the last year, Fairstone became one of the first national firms to launch an entirely remote advice process, enabling the business to fully engage with clients in a no-contact environment. The ZETO (zero touch) solution, went from concept to implementation to first client use within eight weeks and enables all aspects of a face-to-face consultation to be delivered entirely in virtual form.

Fairstone also implemented Adobe Sign across the business, giving clients the option to quickly, safely and securely conduct business with their adviser. In the last quarter, almost 6,000 documents have been securely processed.

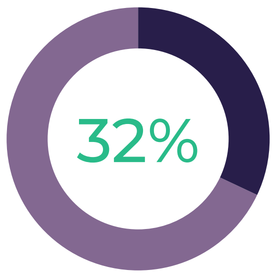
These upgrades to technology deliver greater flexibility, drive efficiencies and ensure that client experiences are consistent, professional and first-class.

While face-to-face and direct contact with clients will always remain at the core of our business, championing a new innovative world of working, which seamlessly combines first-class remote and real-life practices, will enable us as a firm to embrace the best of both worlds.

Of clients who prefer remote meetings:



47% said they were 'easier to fit into the day'



32% said they were beneficial to environment

25% said they take less time

80% of clients prefer the human interaction of face-to-face meetings

Lifetime value of financial advice

Trustpilot

Continued client satisfaction is evidenced in our 5-star Trustpilot score from over 5,000 independent reviews, making Fairstone the number one rated wealth management house on Trustpilot.

Here are just a few of the things our clients have to say.

Colin

"I have always found the advice I've received to be consistent and reliable; my adviser has advised me on building my pension savings prior to retirement and continues to advise me now that I have retired and rely on pension savings for part of my income.

Mark is a master of detail, regularly checking my wider financial situation (which I am happy to share with him) and he is always willing to answer any questions I have.

The proof of the value of his consistent advice is that my pension investments have withstood or largely recovered from market volatility (including the big fluctuations at the start of the pandemic) and Mark regularly checks that they will continue to support me in future now that I am in drawdown."

Al

"I thought the mortgage broker process was a very time consuming and costly route but it was the opposite to my initial thoughts it saved us so much time and research for a service that I would definitely say has provided value for money. Great service, great value for money, couldn't have asked for better."

Kathryn

"From initial contact and throughout my numerous consultations Danielle was professional and confidently demonstrated her in-depth knowledge of pensions. I value her advice highly and am very pleased with the decision I eventually made. Aside from pensions advice she also helped me to find suitable savings accounts and ISAs. Very professional and likeable."

Finaki

★★★★★

"Knowing you have an experienced financial adviser and his team in your corner when dealing with insurers and funds is a great benefit and gives peace of mind."

Michael

★★★★★

"Paul has been my IFA for 5 years. He is very open and honest in his dealings with me. I value his opinion and advice on a wide range of issues and trust his judgement which has always been sound. He has helped me clarify my goals and any agreed follow actions have been carried out diligently."

David

★★★★★

"Fairstone manage a portfolio for me and I am very pleased that the assets have improved in value over and above what I could have expected in the current Covid19 climate. Easily accessible and secure on-line information makes keeping up with progress a few clicks away and independent advice is always accessible by phone."

Why Fairstone

Fairstone is a full-service wealth management house delivering intelligent solutions for your lifetime journey. Incorporating one of the UK's largest Chartered financial planning firms, our team of financial advisers offer independent financial advice, investment management and estate planning services.

Our clients are at the centre of everything we do and thanks to them, we are the number one rated wealth management house on Trustpilot and VouchedFor.

We are the trusted wealth manager for our clients and their families. We offer clients independent whole of market advice with unrestricted choice while delivering intelligent solutions that are uniquely tailored to their individual circumstances.

Our clients benefit from a full service offering which includes retirement planning as well as wealth and investment management, all of which we can typically provide at a **60% lower cost than the market leader through our transparent and flexible fee structure.**

As a business we are committed to quality and delivering exceptional client outcomes, which has resulted in Fairstone continuing to carry a **Defaqto 5 star rating for six years** for our core managed investment portfolios. In addition, our **client satisfaction rating of 98%** makes us the stand-out wealth management business as measured independently by Trustpilot.

Whether you're looking for advice for the first time, a review of your portfolio or a second opinion, Fairstone can help.

We offer all new clients a no cost, no obligation initial consultation.

Find out more

[1] Evaluation of the Retail Distribution Review and the Financial Advice Market Review December 2020, *https://www.fca.org.uk/news/press-releases/fca-publishes-evaluation-financial-advice-market*

[2] Gender, personal finances and Covid-19, *https://www.fca.org.uk/insight/gender-personal-finances-and-covid-19*

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