Money Matters

NAVIGATING THE FINANCIAL LANDSCAPE

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WREN STERLING

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Welcome to the Winter 2020 edition of Money Matters.

First of all, I hope you and your family are well. A phrase that has left most of its emptiness behind in 2020, where we've all been reminded that our health is the single most important part of life. Closely followed by our finances and ability to support our lifestyles and future aspirations, of course. With that in mind, I'm pleased to bring you a full edition of Money Matters, There's perspective from 7IM as they look back on twenty years of investments for their seven lessons for investors. Tatton Investment Management is a firm that we've enjoyed working with in 2020 in our Impact Investing portfolios and they've got an insight into what happens to ethical portfolios when companies step out of line - with the much-publicised practices of Boohoo.com under the microscope this year.

Our building society partners have been hard at work supporting their communities impacted by Covid-19 so there's a positive article on that for you.

For Wren Sterling, it has been a very busy year for our corporate team and their clients, which are drawn from all industries, as Paul Mitchell explains.

There's some fascinating insight into the mindset of UK employees as they consider pensions and retirement, which was brought out in our white paper "Mind the pensions gap" and finally, we have reflected on the changing communication preferences for clients and advisers driven on by Covid-19 and how we see these panning out in future.

I hope you enjoy the magazine and please stay safe as we approach the festive period.

Ian Halley
Chief Executive Officer
Wren Sterling

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LESSONS ON
INVESTING

Seven lessons from 20 years of investing

Terence Moll, Head of Investment Strategy, 7IM

Once upon a time, General Electric (GE) was the most valuable company in the world. Founded by Thomas Edison in 1889, it was one of the original 12 stocks in the Dow Jones Industrial Average. By late 2000, GE had a market capitalisation of half a trillion dollars. It had diversified into manufacturing, power generation, media, health and finance. Jack Welch, its CEO, was a business superhero who wrote several best-selling books about leadership.

These days, GE is a mess. Many of its businesses have imploded, it has lost almost 90 percent of its value, and it's become a case study in poor business management.

The world has shifted in the last 20 years. GE got left behind.

This was an extraordinary period for investors. Much about investing has changed, but a great deal has stayed the same. Let's begin by looking at three long-term investment principles that have come through rather well.

1. Buy, hold, grit your teeth

Most investors have long time horizons, whether they realise it or not. If you're 45 years old, say, you can expect to live into your eighties and beyond, if all goes well. You should be taking a decent amount of investment risk to maximize your returns over your lifetime.

That means buying and holding equities. Since 1900, world equities have returned about 5% per year after inflation. For bonds, the number is 1.9% per year, while cash is on 0.8%. Equities have won by far.

Yields on government bonds are now low or negative in much of the world. You buy a bond expecting to lose money after inflation. So it's even more important to hold lots of equities.

But investing in stocks is not smooth. Much of the time, they're below their highs and you feel anxious. And you might be tempted to cut your losses when markets are plunging and most of your holdings are in the red.

That is usually a mistake. We've had three huge market crashes in the last two decades: 2001-02, 2008-09, and earlier this year. All were glorious buying opportunities.

Long-term investors have time on their side. They should try not to panic in tough times... and aim to buy, rather than sell.

Investors would do well to tune-out newspaper headlines

2. Spread your risk

Forecasting is hard. It's hard to predict who will win the US election this year, let alone which companies or markets are likely to succeed over the next 40 years.

So long-term investors should diversify. Buy some of everything and you won't go far wrong. If you spread your risk across lots of markets you will usually perform just fine.

Not diversifying is dangerous. The more concentrated your portfolio, the higher the risk that it can go horribly wrong.

We've seen lots of examples of this in the last 20 years. World equities have done well, as have world bonds. But many large stocks like GE have crashed, as have some popular equity themes like banks, solar energy and uranium.

3. Don't listen to doomsayers

Most news out there is gloomy. Negative headlines hit you in the face. Negative headlines sell papers and generate clicks.

We're more likely to read an article about the impending collapse of the global financial system than one saying that investors are likely to do quite well in the next decade. But the latter outcome is far more probable.

In the last 20 years I've heard many forecasters predicting financial disaster. Thus far, they've all been wrong. I have a sneaking suspicion that none of them are rich. But they continue to get lots of attention in the media, despite their appalling track records.

Investors are too scared most of the time. The disasters they fear rarely happen. Y2K (remember it?) was a non-issue, the global financial system survived 2008, the euro has not split up yet, we will get over COVID-19.

Humanity tends to muddle through in the long run. Don't get bogged down by the negativism.

And here are three ways in which investing has changed:

4. Madness has become normal

Negative interest rates. Rule by tweet. Lockdowns. Apple more valuable than the FTSE 100.

Lots has happened in the last 20 years that would have seemed inconceivable in the 1980s, and goes against the economics textbooks. Sometimes it feels as though the world has gone mad.

The world is wilder than we can imagine. We should expect many more mad surprises in the near future – both good and bad.

5. The internet is an unprecedented disruptor

New technologies always disrupt old ways of doing things. Usually this happens fairly slowly, and often within an industry, as when cars displaced wagons in the early 1900s.

But technological disruption has reached new highs in the last 20 years. Internet-based firms are changing the nature of modern business. Companies like Apple, Amazon and Google are reaching across the world and eating everybody's lunch. And they're still hungry.

Tech disruption will keep on going: think electric vehicles, renewable energy, meat grown in labs, artificial intelligence. Investors will need to adapt, or get left behind.

> Companies like Apple, Amazon and Google are reaching across the world and eating everybody's lunch. And they're still hungry.

6. ESG has become mainstream

Twenty years ago, people who talked about environmental, social and governmental (ESG) issues in investments weren't regarded as mainstream. You thought of hippies with long hair and sandals wanting to put the world to rights.

These days, ESG is becoming the norm. Why? Because taking such issues into account can help investors make better decisions. Well-governed firms and countries, for example, tend to beat their dodgy counterparts. Likewise, an environmental focus can highlight portfolio risks like extreme weather or stranded fossil fuel assets.

The world will go on heating up. And managers that don't take ESG into account will look increasingly rusty.

And finally...

Beware complexity

The investing world has become amazingly complex in the last 20 years. There are a myriad stocks, funds, derivatives and structured products. You can buy a Pet Care ETF that lets you "capitalise on people's passion for their pets." Or a 3X Long Tesla product that gives you three times the daily return on a Tesla share.

Joy when Tesla rises, but you lose money three times as fast when it's falling.

Does this immense range of products benefit investors? I'm not convinced. Much of the financial industry creates unnecessarily complex products, charges too much for them, and obscures the fact that they don't deliver.

Hedge funds charging two percent per year and one fifth of the profits?! Don't do it. Most investors are better off sticking to simple.

Seven Investment Management (7IM) is an investment manager partner of Wren Sterling.

Wren Sterling's advisers recommend investments that align to our clients' financial goals, while investment managers apply their expertise to managing the performance of those portfolios.

MIND THE **PENSION GAP**:

Wren Sterling's retirement attitudes report

Our research was carried out with a panel of **2,000 UK employees**

Earlier this year, we surveyed 2,000 UK employees about their attitude towards retirement, their expectations in retirement around the amount of money they will have, and who should fund their retirement.

The results threw up a few known facts.

Financial advisers know that people can disengage with their retirement because it feels too complicated and the language is unfamiliar. We also know that people's expectations of their retirement standard of living and the provisions they've actually made can be quite far apart – we see that among people who consider themselves to be prepared too, so this isn't a surprise.

Areas we wanted to explore in the research were linked to how we think the attitude towards retirement can be shifted without just relying on telling people over and over that they've got a problem and need to address it.

Failure to understand the role of risk

The first part was to understand how people view risk in relation to the investment of their retirement savings. We put a hypothetical scenario to our survey respondents where we asked:

You have £100,000 to invest into a pension for your retirement and have to decide what level of risk to take with your money.

The higher the level of risk the greater the potential return but also the greater the likelihood you will see the value of your pension pot fall during that time.

We used some typical risk profiles to inform the scenarios with the 'riskiest' reflecting an 80/20 high risk/ low risk portfolio and the 'safest' in a reverse 20/80 portfolio. With only 9% choosing the riskiest portfolio, we found that the population is risk averse when building up pension savings, when this was their chance to work with the risk to increase their pots.

Given that most employees are invested in their workplace pension's default fund, which doesn't consider their retirement goals, millions of employees are not setting goals, not assessing the suitability of their retirement plans and not taking action to change it.

61%

agree that the concept of retirement is outdated.

The word 'risk' could just have too many negative connotations for people to embrace in the way they need to in order to maximise the potential of their savings. Headlines that shout about lost savings, risky ventures and scams might have scared a generation of savers who prefer to have something rather than nothing. However, the historic performance of equity markets suggests the only way to substantially boost savings is through investment, albeit with the tutelage of an expert. They will need people to reassure them, especially at the early stages of their career, that it's a long-term game and over time, equity markets do perform.

Related to this is the fact that a lot of young people think cash savings are going to pay for their retirement. Given the tax benefits of saving into a pension, it makes little sense for young people to prioritise cash savings but terms like 'tax relief' are alien. It's a positive move by the government so it could to be called something positive, like a 'tax boost'.

Working through retirement

We then wanted to assess attitudes towards the concept of retirement. According to our research, Britons don't plan to retire any time soon, with 61% agreeing with the statement that the concept of retirement is outdated. This is backed up by 66% of our research panel saying they plan to fund their retirement with work, either full time, part time or contract.

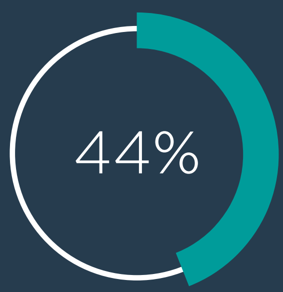
As financial planners, it's hard not to think that if UK employees had a guide to help them make realistic retirement objectives and a plan to achieve them, they would change their view of retirement.

We asked our research panel what their best piece of advice for younger generations would be and the most popular answer (44%) was saving into a pension earlier, followed by generally saving more when younger.

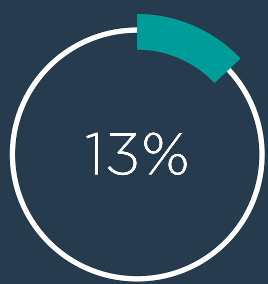
Cost seen as the biggest barrier but there's value to be had

So what's stopping people engaging an adviser? 13% of people regret not taking professional financial advice with a further 18% wishing they could give that piece of advice to their younger self.

UK financial regrets



would advise younger generations to start saving into a pension earlier



regret not taking financial advice

One of the biggest barriers identified by 30% of people was that professional financial advice is perceived to be too expensive and, according to a further 16%, it's only suitable for the wealthy.

We know that isn't the case and the value of financial advice far outweighs the costs in the vast majority of cases, according to research released last year, by an average of £47,000 over a decade.

Reality puncturing dreams

One of the ways we tried to get people to focus on what their retirement might look like was to imagine their 'bucket list' – essentially, the life goals they want to achieve.

But the gap between dream and reality was clear, as 24% don't think they will be able to afford their bucket list.

Travelling the world, building their dream home and learning new skills featured on the most popular items in our retirement bucket list.

Five typical items on a list added up to £10,000 for a couple, meaning they would need a substantial amount of spare cash to achieve their goals:

- Explore the Galapagos Islands
- Visit the Grand Canyon
- Walk the Great Wall of China
- Go on Safari
- See the Northern Lights

Given that our population of employees were so uncertain about how they would pay for their retirement and when they might retire, there might be plenty of items left unticked on the list.

What can everyone do with this information?

Once again, there's an opportunity for financial advisers and clients who see the benefit of financial advice to spread the word that building towards life goals is what advisers do, not just one-off recommendations for a particular point in time.

While planning for retirement is central to an adviser's recommendations, we want to understand ambitions and emotions to ensure the plan we recommend will be comfortable for our clients and leisure plays a big part in this.

Source: citywire.co.uk

The value of an investment can go down as well as up, capital is at risk.

FINDING THE **RIGHT BLEND**:

Delivering financial advice in a Covid-19 environment

When Boris Johnson announced the UK lockdown back in March, Wren Sterling initiated its business continuity plan, which included transitioning to working from home and communicating with clients through remote methods, while drastically reducing our printing and postage activity.

It could be argued that these measures would have become more of a part of our way of working anyway but the suddenness of lockdown brought it all forward dramatically.

As we move into a world where some people are comfortable meeting in a public space, others are shielding, or know someone who is shielding, there won't be a one size fits all approach and we're working towards a way of being able to advise people in a way that keeps them and our advisers safe, but also provides the reassurance and peace of mind that clients are used to receiving.

What do our clients think?

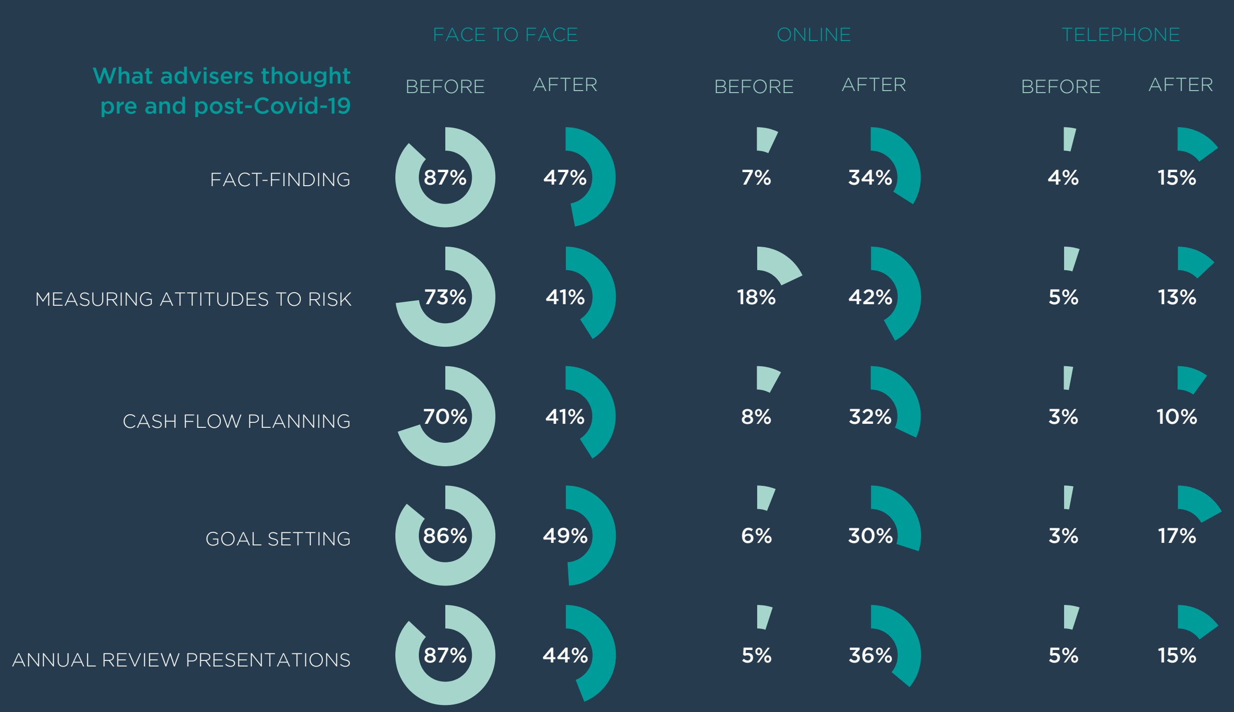
We surveyed 600 of our clients to find out how they feel about meeting their adviser in the future. The results reflected the polarised attitudes we've seen in society, with some clients saying they're very comfortable meeting their adviser either at home or in our offices, with the required social distancing and Covid-secure processes in place (masks, washing hands etc). Conversely, roughly the same amount of those surveyed were very uncomfortable both at home and in the office.

Interestingly, those that had received advice via telephone or video are 25% more likely to want to continue that than those who have not.

What do financial advisers think?

Survey results on the impact of the lockdown on working patterns and attitudes towards social interaction are starting to appear and they indicate that a long-term shift to working from home and more permanent use of telephony and video conferencing.

In a piece of research conducted by *Fidelity Funds Network*, advisers considered their current working practices and their expectations of how that would change. As you can see below, there's a big move towards online as a way of gathering information, with the more visual or emotive aspects of the financial advice experience, such as fact-finding and goal setting more likely to be done face to face.



How will we approach things in the future?

This period has caused us to reflect on what clients see as the value in Wren Sterling's service. There's no doubt that physical interaction with a financial adviser and the recommendations that come afterwards are a great comfort to many clients. However, in a world where that is harder to do, we're focused on making sure that peace of mind can be achieved through other channels.

What we know to be true is that clients value the option to speak to their adviser and the "little and often" approach is becoming more popular – it's also easier to do now through technology. It is never more important than in a period of financial and societal instability. During the early stages of lockdown, we issued a number of email communications with comment pieces from our investment manager partners and the feedback we received was that people were glad to hear a trusted voice in a difficult period, so we will continue to do this in future.

We're keen to make sure that however the advice is delivered, our priority is to make sure everyone is safe and receiving the advice they need. We don't want to postpone necessary changes to a financial advice strategy because the meeting cannot be conducted face to face.

For the time being, we're asking advisers to conduct meetings via telephone or video conferencing (using Skype or Microsoft Teams). Where this isn't possible for our clients, risk assessments will be carried out and decisions made accordingly.

We will continue to invest in technology and the most client-friendly way of doing business that we can, with safety always our paramount consideration.

We talk a lot about financial planning overcoming bumps in the road and clients being blown off course by unexpected events. Global pandemics count as more than a bump in the road but we've shown that we can continue to provide our service in the most testing of circumstances, so thank you to every client who has made adjustments in 2020.

Clients value the option to speak to their adviser and the "little and often" approach is becoming more popular

ETHICAL INVESTMENT CRITERIA:

What happens when companies behave badly

Chris Robinson, Investment Specialist, Tatton Investment Management Ltd

As an investment specialist at Tatton Investment Management, I regularly meet with advisers and clients to discuss market conditions, the strength of the global economy and in many cases politics. A question I get asked regularly is the impact of individual company news on the value of clients' portfolios.

Examples would include events such as British Airways (AIG) rights issue as it struggles with lower demand for flights, Boohoo's publicity around its supply chain, or Royal Dutch Shell cutting its dividend for the first time since 1945. Each of these can understandably cause concern for investors and questions such as 'should I be worried about my portfolio?', 'are Tatton doing something on the back of the news?', 'should I stay invested?' are regularly thrown into the mix.

Well firstly let us clarify the risk question regarding company news and if you should be worried about one company being held in your portfolio. In our model portfolios we hold in excess of 7,000 underlying companies, diversified across the UK, Europe, North America, Emerging Markets and Japan. These companies are selected by experienced fund managers (around 30 funds in each portfolio), all experts in their region and asset class.

"As a discretionary wealth manager it is our role to choose funds... avoiding the bad eggs but also making sure not all your eggs are in one basket."

As a discretionary wealth manager it is our role to choose funds that provide the diversification and aim to deliver exposure to the best growing companies in a region, avoiding the bad eggs but also making sure not all your eggs are in one basket. Therefore, the chances of that one company being in that 7,000 is possible, but overall, it's a very low risk. Secondly the fund managers will know everything to do with that company, its sector, and its true valuation, making investment decisions with the best interests of the investor.

So, how do we do select these funds and monitor these on an ongoing basis?

Well as an investment manager that aims to utilise the most up to date technology for researching, constructing, and managing portfolios, our analysts and chief economist are consistently reviewing opportunities.

Our Chief Economist and Chief Strategists, Jim Kean and Astrid Schilo, highlight at our weekly investment meeting any market themes, government/fiscal/monetary regime shifts and economic data in order to support or challenge our existing positions.

This leads the investment committee to make active decisions, such as in April when we took an overweight position to China and the Emerging markets, as reduced lockdown measures led to rise in consumer spending and trade in the region. Alongside this we underweighted UK equities as trade negotiations continued to hinder UK equity market performance.

These tactical calls then include an ongoing review of the best funds within the region. However, this does not mean picking the fund that has been best the performing in the past. It is important to select a fund that is likely to benefit in the future. For example, take a fund manager that performed well between 2011-2015 by holding oil stocks, it wouldn't have been right to buy this fund in 2015 just because of its strong performance, it is important to understand that the oil price drove the performance and it would have been a poor time to buy said fund as the commodity markets collapsed in 2015.

It is understanding global dynamics that enable our investment team to explore opportunities to deliver consistent returns, but also make sure we are not over exposed to one sector, such as oil and gas, or more recently technology.

What steps do we take to analyse regional funds?

Funds are rigorously screened using a large database (quantitative analysis), and then the top five managers we meet face-to-face, or in the current climate over a video call. When investing in a fund we want to know the fund manager and team, look them in the whites of their eyes to truly understand their passion and process for delivering sustainable returns. It is important, just like when fund managers select companies, that when we pick funds, we select funds with a clear process, team ethos and vision.

What happens if a fund deviates from its strategy?

Firstly, it is worth mentioning we monitor all funds daily, have a monthly review meeting to discuss any concerns, and meet all managers at least once a year. However, our regular screens highlight if a fund has changed exposure and is heavily invested in a sector.

Woodford is a good example of our active management - in April 2016 the Tatton Investment team identified a move into unlisted and micro-cap companies from small cap stocks by the manager. This increased liquidity risk in the fund and to an extent the portfolio. The team made the decision to sell in May 2016 following the meeting. This turned out to be a positive decision with access to capital restricted in more recent years in said fund.

What if a manager holds something that has been scrutinised in the media or we identify a controversial investment?

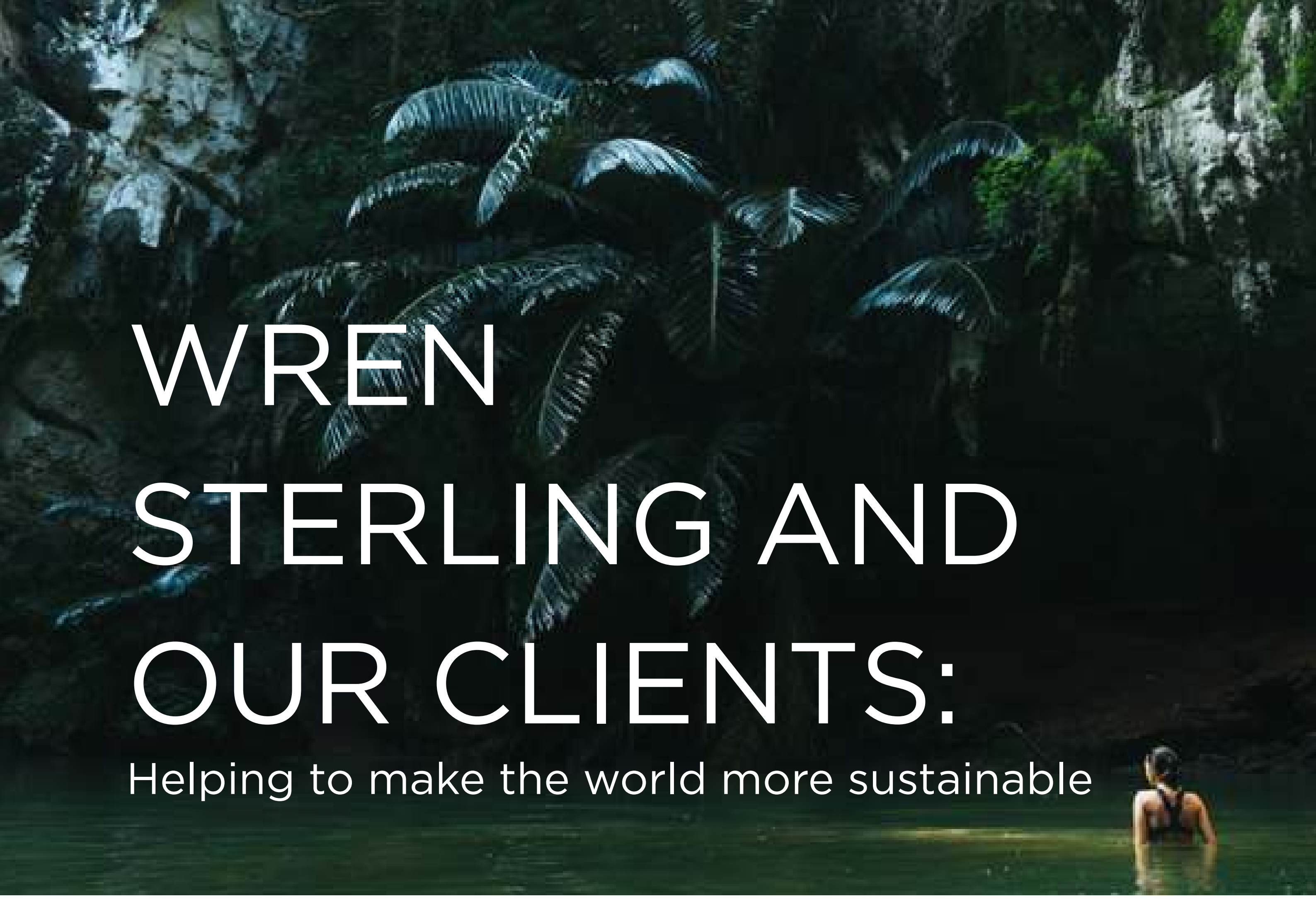
Firstly, every manager is required to justify any investment in the portfolio to us if we ask. In the ethical fund universe this is even more crucial as there are strict principles and screening criteria we apply and the manager applies. If we feel the fund is breaching its criteria and process we will sell, likewise if the fund deems a company has done something that breaks the fund criteria it is likely to sell the company. Ultimately we would expect any fund not to hold stocks that go against its investment principles and criteria or we will not invest or continue to invest. As part of our ethical screening criteria we analyse exposure to difference sectors weekly to check funds haven't invested in anything that could be deemed controversial.

The Tatton Investment team combines the best of Top down analysis (Macro-Economics) and Bottom-up (fund selection) to construct portfolios that take a consistent level of risk in order to generate the returns to meet client goals. Whether this is through active fund managers, passives or even in more recent years, Ethical. Tatton's Investment Team aims to carry out the analysis described above and provide as much information to the investor as possible to maintain confidence and understanding of the approach.

For more information on Tatton Investment Management's ethical portfolios, please speak to your financial adviser.

WREN STERLING AND OUR CLIENTS:

Helping to make the world more sustainable



In late 2019, Wren Sterling launched an impact investing option for our clients offering ways for investments to be made in funds that are in line with environmental, social and governance criteria.

As we were building this, we began to question our own activities as an organisation; could we cut our business travel, or print less paper? Or conduct more meetings over the phone or video conferencing?

We already operate in energy-efficient offices but we concluded that the bulk of our environmental impact could be addressed through technology, in particular internal and client communication, which is why we're encouraging all of our clients to sign up to our Personal Finance Portal (PFP). Through using the PFP, all the key information we might have sent in the post can be quickly and securely accessed online. In some cases this will save hundreds of sheets of paper and all the associated costs that go with print and postage.

Supporting sustainable initiatives

For our part, we will donate £20 for every client who agrees to go paperless. Those donations will go towards sustainable projects taking place around the world and each of those corresponds to the UN's sustainable goals, which is a feature of the investment options in our impact investing range. It is a globally-recognised commitment to channel funds into causes that need investment and this will create sustainable solutions.

In October we were able to donate to four sustainable initiatives aligned to "Life on Land", one of the UN's 17 sustainable goals. This resulted in the equivalent of 153 tonnes of CO_2 being offset.

The initiatives we've supported so far

THE NICAFOREST HIGH IMPACT REFORESTATION PROGRAM

The program plants teak and other valuable species for future timber production, protects the remaining patches of native vegetation and creates conservation areas on the banks of rivers. The forest is a natural habitat for native animals and plants, it protects and enriches the soil, saves and filters water and mitigates the greenhouse effect.

ETHIOPIAN FOREST REGENERATION

Ethiopia's agricultural sector, which provides livelihoods for over 90% of the population, has been crippled by environmental degradation, with less than 3% of Ethiopia's native forests left. The Sodo/Humbo Forestry Project protects the forest on the slopes of the mountains and plants new trees, supporting the long-term restoration of the ecosystem in the region.

HEALTHY HOMES FOR MEXICO

Extreme weather events and increasingly unpredictable patterns have significantly disrupted crop yields in Mexico. The use of improved cookstoves in this project has saved 16,608 tonnes of wood per year; thus, contributing to prevent deforestation, forest degradation and maintaining biodiversity.

SOLAR COOKING FOR REFUGEES IN CHAD

Since the start of the programme in 2005, 40,000 families in Chad's refugee camps and surrounding villages have been equipped with solar cookers made out of carton and aluminium foil that, when folded in a semi-parabolic form can be used to heat water and cook entire meals. The cooker can be used 330 days out of the year, thus almost completely eliminating the need for firewood.

How you can help

As a client of Wren Sterling, you can sign up to receive your communications electronically and choose to invest via our impact investing route where your investments enable companies to continue the work they do. Or if you would rather not do that and just want to sign up to the PFP, the world will still benefit from your actions. Every quarter we will ask our clients and our employees to vote for the projects they want to support.

You can quickly sign up to the PFP by giving your email address to your adviser or by emailing pfp@wrensterling.com

COMPANY IN COVID-19

How Wren Sterling's Corporate advisers supported their clients affected by Covid-19, lockdown and challenging trading conditions

Paul Mitchell, Director of Corporate Solutions

Paul Mitchell, a Director in Wren Sterling's Corporate team explains the approach he and his colleagues took as they were forced to adapt quickly in a changing situation.

Money Matters: How did your clients react when lockdown was announced and how did you help them through the early days?

Paul Mitchell: Most of our clients' immediate concerns were around homeworking and putting their business continuity plans (BCP) into action, as you would expect. As advisers, we see ourselves as an extension of our clients' businesses, particularly for finance and human resources directors, so we were heavily involved, providing information and taking on an educational role with employees, freeing up our clients' Finance Directors and Human Resources Directors to complete other vital work.

Their main priorities were ensuring the IT infrastructure was working properly and setting up regular calls with teams to monitor performance and mental wellbeing as employees adjusted to homeworking. Where homeworking was impossible (such as manufacturing clients where people need to be on site) getting around those headaches and implementing COVID secure measures were all important.

> We delivered webinars on how to work from home effectively, keeping a positive mental state and signposting available support

At the time there was a lot of unknowns on how the COVID Job Retention Scheme (commonly known as the Furlough Scheme) would work, and how it would interact with Workplace Pension and Salary Sacrifice. We therefore focused our energy on providing our clients with detailed information on how this Scheme worked and helped clients to implement processes to take advantage of government support.

MM: As companies transitioned to remote working, how did you find clients were dealing with the wellbeing of their employees?

PM: Most clients were concerned about how their employees would transition to home working. They set up regular meetings to stay in touch and as their advisers, we delivered webinars and material on how to work from home effectively, keeping a positive mental state and signposting available support.

The strength of our relationships with third parties, such as insurance partners, really supported our clients here. Via our promotion to clients' employees, these partners held informative webinars on everything from running professional virtual meetings to claiming additional benefits. We also highlighted ways for employees to seek help for anxiety and other issues brought about by lockdown, for example advertising employee assistance programmes (EAP) to employees. EAPs include everything from a counselling service to help and guidance for everyday problems and the more complete packages can include access to doctors via smartphone apps, so very useful during the lockdown period.

We also provided webinars on financial wellbeing to employees. For example, there were concerns around stock market performance and the impact of this on their Workplace Pension, so we worked to allay their concerns and reiterate the fact that a pension is a long-term investment. We encouraged employees to take advantage of their pension provider's online facilities, to ensure they can keep up to date with their Workplace Pension and by doing so, maybe get more engaged with their retirement planning. We also reminded employees of how to update their beneficiary details on their Workplace Pension, as many employees often forget to do this. Given the seriousness of the situation in the early stages, this was a very timely reminder.

MM: We know that firms were coming under financial pressure during the lockdown period and throughout the summer, especially those in sectors like leisure and hospitality. Did this affect the type of client that you dealt with?

PM: We have many clients in industries badly affected by the restrictions, including high street restaurant chains, retail stores and charities. Understandably, they were concerned with their operating costs as much as their employee welfare. It's easy to forget just how unsettling that early period was for organisations in the space between the lockdown being announced and the true impact of government support measures being realised.

Interestingly, we are now seeing an increased interest in our services from larger businesses, such as FTSE 250 companies. I believe there are two main reasons for this.

Firstly, we already advise clients from household brands through to small organisations, therefore new larger clients have the reassurance they are dealing with a benefits consultancy with the experience and scope to meet their ever-evolving needs.

> As a leaner organisation, our fee levels can be far lower than the larger benefit consultancies, but without sacrificing the service and advice they receive

Secondly, most organisations are now reviewing their costs across the board and establishing where they can reduce these. As a leaner organisation, our fee levels can be lower than the larger benefit consultancies, but without sacrificing the service and advice they receive, so larger employers are now considering moving from their existing benefit consultants. We provide a bespoke service to every one of our corporate clients with tailored approaches to their employee benefit challenges that has proven particularly effective at this time.

MM: What do you think companies will focus on now when it comes to employee benefits and how can Wren Sterling's corporate team support them?

PM: If employers haven't done it already, looking at their wellbeing strategy again; not just physical or mental state, but also their financial wellbeing.

Since the lockdown, we've agreed 12 month financial education programmes with our corporate clients who would not previously have considered this, covering off a variety of topics to help their employees understand their finances in more detail, leading to more informed decisions and subsequently, happiness and productivity.

Topics include budget planning, saving, protecting your family, looking after mum and dad, planning for retirement, Will planning etc. From a mental wellbeing perspective, this will mean greater signposting to support services in the event that the employees need expert help.

An unfortunate outcome of COVID for some employers has been that they have had to undertake redundancies from their workforce. Being made redundant can be one of life's most traumatic events and so we provided redundancy counselling workshops (both online and on site) for the affected employees which helped them get to grips with this and help them plan for life outside of their employer.

We may be living through multiple national or local lockdowns or shielding restrictions over the coming months, which will affect everyone differently and employers will have a duty of care to support employees through times like this that test their mental and physical resolve. We're there to help employers with this duty of care using all our experience and the capability of the partners we work with.

Wren Sterling's corporate team advise clients on their employee benefits strategies. This encompasses everything from reviewing and recommending group pension schemes and group risk services through to educating their workforce on financial wellbeing.

To see how a Wren Sterling corporate adviser could save your organisation money or deliver your wellbeing strategy, please get in touch with your adviser.

The Financial Conduct Authority does not regulate will writing.

THE IMPORTANCE OF **COMMUNITY**

How societies are supporting their members through the pandemic

Unable to visit friends and family or see our colleagues, it's our neighbours, communities and local businesses that keep us going during lockdown. While 84% of people support the use of targeted lockdown measures, many have been combatting the social challenges of 2020 by volunteering and offering support where they can.

Building societies have long offered their members help with their finances and a sympathetic ear, so they are uniquely placed during COVID-19. They offer an established local presence and a sense of belonging. As a financial hub, building societies are an essential services and have had to adjust to remain open to lockdown life. With new safety measures in each branch, they are able to do what they do best – support their local communities.

Nottingham Building Society

The Nottingham increased their planned charity donations as a direct response to Coronavirus. Traditionally their focus was on employability, financial education and literacy and tackling homelessness, but this now includes:

- Supporting those facing financial hardship with donations to Trussell Trust foodbanks
- Combatting isolation by supporting The Silver Line, a 24-hour free and confidential helpline for older people to call if they feel lonely
- Partnering with Nottingham City Council to deliver the StoryParks project to support education and young people
- Donating to homelessness charity partners Framework, who used the money to deliver emergency food and care packages people and buy personal protective equipment to keep staff and residents safe

The Nottingham's Chief Executive David Marlow said: "*The Nottingham has a long and proud history of doing the right thing and in times like these, this is more important than ever. As a mutual organisation we are committed to supporting our communities and, although we realise these are uncertain times, we know we will get through this together, looking after each other and supporting those that need it most.*"

Saffron Building Society

"At Saffron we were aware that the pandemic was going to have a detrimental effect on all our members. We immediately offered support including savings reviews and individually tailored advice to those facing financial hardship over the telephone.

However, that did not feel like enough when we considered our local, loyal member base that often relied on visiting the branch and were now home shielding. The older generation who would have little or no contact outside of their home, parents with children at home, those working from home and knock on mental health effects became a real concern for our team." - Kelly Bixby (Head of Service and Sales).

...with new safety measures in each branch, they (building societies) are able to do what they do best – support their local communities.

Since the beginning of lockdown, the Saffron has:

- Launched a telephone service with our older and vulnerable members to combat loneliness
- Created their 'Here for you Hub' to provide additional resources; activities for children and teens, information and tools for parents, advice for older adults and links to phone numbers of organisations who could offer support

Tipton Building Society

Throughout the peak of the crisis the Tipton Building Society has continued to provide members support with branches open on restricted hours providing access to essential transactions. Mortgage payment holidays have been made available for members experiencing financial difficulty. Here are just a few of the ways the Tipton is supporting their members:

- All branches returned to their normal opening hours, with new safety measures including restricted visitor numbers and social distancing
- New phoneline offers support for any members experiencing financial difficulty meeting their mortgage commitments
- Local clubs and charity sponsorship, including fundraising for the Midlands Air Ambulance

West Bromwich Building Society

Our primary focus was to ensure that we continued to deliver essential services, so our members were able to manage and have access to their finances, as well as prioritising the safety of both members and staff.

We implemented social distancing at our Head Office and across our branch network, and reduced our opening hours to limit the risk of exposure for all of our colleagues. During the pandemic, we have:

- Provided over 5,000 mortgage holidays to help those in financial difficulty
- Enabled penalty-free early access to savings on accounts that would normally be subject to withdrawal restrictions
- Facilitated transfers to nominated bank accounts or trusted third parties, so any members that were self-isolating could safely access their savings

As well as helping our customers and colleagues, the Society also continued to support the community with a variety of grants and charitable donations provided to local causes. Through our charitable arm the Mercian Trust, so far this year we have been able to support 36 local causes and provide much needed funds during the pandemic.

The West Brom are looking at ways they can help those that have been, and still might be, facing financial hardship as a result of the pandemic. They are agreeing repayment plans with all of their borrowers that took mortgage holidays and have set up a vulnerable customer team to support those who may be in financial difficulty.

Leek United Building Society

Leek United Building Society's fundraising campaign has seen staff arranging more than 20 different events, including a virtual quiz, a charity auction and a 600 miles endurance challenge. The Society matched the public's donations, which were then split equally between Home-Start Staffordshire Moorlands, Treetops Hospice Care, Derbyshire and East Cheshire Hospice.

Andrew Healy, Chief Executive of Leek United Building Society, said: "*The past few months have been difficult for everyone, not least our local charities whose income has fallen as a result of events being cancelled and shops*


being closed. I'm really delighted with how our wonderful team of staff have rallied to support these three charities. They've been not only kind but also exceptionally creative in coming up with fun ways to generate badly-needed funds just when they're needed most."

Leek United has also:

- Created dedicated opening hours for elderly and vulnerable members
- Supported over 800 members with mortgage payment deferrals
- Set up telephone support to allow members to manage their finances from home

Mansfield Building Society

Throughout the pandemic, Mansfield Building Society has remained open, with the priority focused on ensuring members have access to their money. The Society has chosen to waive penalties and notice periods to help worried members manage their finances.

The Mansfield also supports the local community with a series of donations to:

- Mansfield Community Response Network Fund (helping vulnerable people who have become isolated through age, ill-health and other limiting factors)
- Sherwood Forest Foodbank, to purchase essential food and toiletries for those most in need.
- Ashfield and Mansfield Dementia Friendly Communities Partnership (AMDFCP) to providing inspiring activities for those living with dementia and their carers, while self-isolating.
- The Society also gifted toys, activity books and stickers to King's Mill Hospital's Children's Ward, for youngsters receiving treatment during the crisis.

The Mansfield continues to adapt to the changing landscape by developing 'virtual' appointments to ensure it is able to support new and existing members who continue to value face-to-face advice and a personal service. Throughout the pandemic the mutual has remained true to its founding principles, putting its members, its staff, and its community first.

About Wren Sterling

Wren Sterling is a nationwide independent financial planning business that specialises in all aspects of investments, protection, and retirement planning. We pride ourselves on navigating clients through their financial journey by providing uncompromised and objective advice.

Our advisers are committed to developing longstanding client relationships that span generations to achieve our clients' lifetime financial goals.

Where we are

We have advisers throughout the UK, based in seven regional offices including our head office in Nottingham.

- Glasgow 0141 341 5240
- Halifax 0333 0438 900
- Nottingham 0115 908 2500
- Warwick 0333 043 9001
- Grantham 01476 560 662
- London 0370 1432 100
- Weybridge 01932 481069

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