PRESENTER: OK, Liz, so to kick things off. What was the purpose of this research? LIZ: It was designed to solicit deep insights into the way that IFAs view their industry and what they want from the DFMs that they work with. It covered a wide range of issues. We talked to over 400 people. At least 400 people took part in the research overall. We started with a series of focus groups: one in London, one in Manchester and one in Birmingham. We then conducted telephone interviews across the UK, so including Scotland. And that was followed by two online surveys: one among Brewin Dolphin's contacts and clients; and a second one among 200 IFAs who were a nationally representative sample of their sector. KEVIN: So, to put that into some sort of perspective, I travel the country on behalf of Brewin Dolphin, and the surveys highlighted exactly the sort of questions that we're asked out in the field. It's clearly a topic that advisers are extremely interested in, and I think that some of the discussion we're going to have will answer some of those questions but from a professional perspective. PRESENTER: So what exactly were you looking to establish and why now do you think this survey is prudent? LIZ: Well the industry has undergone an extreme amount of change. We wanted to understand how IFAs were reacting to the challenges and what concerns they had. So we looked at how they view their industry, how they view their specific business challenges, the way in which they deal with their clients - 67% for instance said that they now spend more time than they did with clients five years ago. We also wanted to understand what they expect from their relationship with a DFM. And we wanted to hear their views on the future, how they see their industry evolving. As one respondent put it, they see the industry evolving from an industry to a profession on a part with that of accountants and lawyers. PAMELA: For us, the research is really interesting, because we often think similar ideas, similar responses, and it's nice to know that we're not the sole voice in the industry. That was really refreshing because people are responding to challenges the same way we are. KEVIN: I think the other thing is that change has become part of our lives, it's constant. If you just look at the legislation we've had in 2018, we started off with the PRIPs on day one; moved on to MiFID on day three. We've had GDPR. We've got the Insurance Distribution Directive, and lurking around in the background we've got the senior manager certification regime coming sometime next year. And these are all questions that advisers are struggling with and asking us how are we going to cope with them, and what support can we give them in the marketplace to help them develop and manage their businesses? PRESENTER: So how exactly are you planning to use this research then? KEVIN: Well we're doing a lot of work as part of the follow-up. It's highlighted some of the areas that we need to focus on really clearly. Communication comes out as a real strong point. Support with implementation of the regulation. MiFID has taken up a huge amount of everybody's time, both in 2017 and the first half of 2018. And the communication of charges, costs, OCFs, OCF pluses is all new language for us. And supporting our customers in the market is really important for us. Because at the end of the line there's a client who needs to get this in plain English so that they can help their advisers make informed choices for them. LIZ: 80% of the respondents said that the burden of dealing with implementing legislation was their biggest challenge and concern. And for the IFA's own business, 75% said that dealing with the new regulation requirements was a challenge to them. And so any support that they can solicit from their other relationships is of great value to them. PRESENTER: And, Pamela, what are your thoughts, why do you think this information is useful rather than just say interesting for an IFA? PAMELA: Because we are in a period of change. And as I said when you're facing these challenges, you like to know that your peer group is facing them and what their response is. Make sure you don't become an outlier. That you're not going in a direction that doesn't make sense to other people. So it was very interesting from that perspective. PRESENTER: And, Kevin, how would you say the views of IFAs are a good indicator of the future? KEVIN: Well I've been lucky to be part of a series of roundtable events we've held: small events around the south of the UK to date with one of our partners, where we've looked at the regulation and how that impacts businesses. And we've been amazed by the turnout to those events, the demand for more of those events and for the support that we can bring to them, not just from Brewin but from other businesses that we work with, to help IFAs understand and get to grips with the challenges that lie ahead. And for us what it gives is a platform to elicit what we do, and how we can support them, but also to deliver solutions that don't sit within our gift. We don't deliver support services for compliance, but we do work with other business that do. And we've been really pleased by the support we've been given from across the industry to help us in those events. PRESENTER: And did this, what came out of the research in terms of IFAs being a good look to the future? LIZ: Well they're dealing with a lot of different kinds of consumers; albeit those who can afford their fees. But they're very keen to ensure that people get the advice they need. And I think the fact that 67% are spending more time with their clients is a good indicator of how much more complex the world has become, and how many more investment decisions people need to take given the low interest environment. People want their money to work harder for them. IFAs are very keen to try and ensure that actually access to advice is affordable, and they want to work with investment managers to ensure that that's the case, because there is certainly advice gap. And as a society we need help to manage our money. And so I think the work that IFAs do is incredibly important, and it's indicative of the way in which our society is functioning. PRESENTER: So let's look a little bit closer at industry expectations now, and something that came out of the research was there's a real interest in the decumulation strategy. So I'm going to put this to you, Kevin, what can advisers do to find out more? KEVIN: Well decumulation as you say is all over the press at the moment. There's various headlines. Some highlighting what can be done, some highlighting some of the disadvantages with some of the models that are in place. I think for me it's an area where there's a great deal of expertise sat around the industry, particularly across the discretionary management sector. And I think the real key to this is for advisers understanding what their clients want, making sure they understand what risks they're prepared to take, what their requirements are for the future. So if you like measuring their hopes and dreams. And then talking to the discretionary managers to outline precisely what's required that enables them to build a proposition that works for that client. And I think in the bespoke world that's precisely where we position our services is tell us what's required, and we'll build the model under the suitability of the investments to meet that client's needs. And I think that's what I think IFAs should be asking discretionary managers to provide in that space. And I think it can be bespoke for the client. I'd like to think we can make it relevant to the area that those clients are residing in, because it's different in different areas of the country. And I'm sure that would have come out as part of your research. LIZ: It did yes certainly. But there was great appreciation of how much a bespoke strategy can do to help clients preserve and grow their wealth. PAMELA: And for us it's the investment is a bi-product of what we do. So we spent a lot of time on the types of things you're talking about: what do we need this money to do short, medium, long term? And then be able to communicate with an investment professional, who then goes right OK I need this investment, that investment, it works very cooperatively and it works very effectively. KEVIN: I think the other thing that advisers do, and certainly our advisers do, is they keep as honest on the management of that investment. And I think… PAMELA: I don't know about honesty, but we have expectations. We measure those expectations and we hold you accountable if you don't achieve them. KEVIN: And that's exactly the role that advisers and IFAs should be playing with us. They need to keep us accountable for the portfolios that we're building, and to make sure that we have currency of what the underlying investor's requirements are, because that is critical to the success of the portfolio. PRESENTER: Another came out is this fear of legal action, and Pamela, I want to ask you about that. And this especially over DB transfers, I mean what are your thoughts on that? PAMELA: Well fear of legal action is a media hot topic, so it's up there front and centre. Our view is that if we're working within regulation, and we're working in the client's best interest, and we document at every step of the way why it's in the client's best interest, legal action isn't a fear for us. It's about being cooperative with the regulation and understanding how it fits. And it's at the infrastructure level of our firm, it's in our process, it's at the advice level. So yes we're always cognisant of a legal action, but we feel that we're doing the best we can. PRESENTER: And, Liz, how do you think advisers can best, is it all about transparency? LIZ: Well, Pamela's right. There is a lot of talk about getting something wrong, being the next PPI. And there was some concern among certain respondents to suggest that instead of giving the best advice, they were giving the safest advice, to the extent that they were compromising actually their advice, and this is not a good thing. But this comes back to the burdens that they face and the complexity of the regulatory environment. And mitigating risk was a key motivator for them outsourcing to DFMs. Not just because they want to pass that risk on, but because they actually want to do what's in the best interests of their clients. They want to focus on providing that kind of holistic consultative approach advice, which looks at the entire lifestyle of a client so that they deliver the best solutions. And they want to hand over the investment piece and tap into that expertise so that they can do what's in the best interests of their clients. But there is a concern. In fact, fear of legal action or repercussions for doing something, not handling something correctly, was the second biggest concern, second only to the burden of implementing legislation. PRESENTER: Well it is quite a tricky environment for advisers I think at the moment, especially because the FCA seems to have a lot of rules that don't really necessarily have a clear interpretation. I mean Kevin what's your thoughts on this? KEVIN: Well I agree with what both of you have said. Advisers outsource the investment part of the discussion with their underlying clients to us, because that gives them time and energy to spend on what the client really wants. And that fact find and talking to the client in a language that they understand. So they turn our complexity into simplicity, so the client knows what they're going to get. I think is probably the most important discussion a client can have when they, certainly when they get to retirement. So they know what their fund can sustain, they know what it can't sustain, and they have a proper plan for how they spend what is effectively their deferred pay from the years they've been working. And I agree entirely with you that if you have those discussions properly, and I've been talking to IFAs for over three decades, and they do a fabulous job of articulating that in the majority of cases to the underlying clients in a professional and articulate manner that means that the outcome is exactly what's desired. PAMELA: And I would say we, as our firm doesn't consider that we're passing a risk on by using a DFM, we believe there's a chain of process, and that every link of that chain will be responsible in the event that there is litigious action. And therefore it's important for us to communicate effectively with the DFM, prove that we have done our bit and offered the best insight to the client, and we can demonstrate that. And then hopefully the DFM will be accountable for what their part is. But we do believe there is no dodging any element of risk in working with the client. If it comes down to it, they'll just work down the chain and apportion blame as it goes along. So it's very important in our process that we communicate very effectively. KEVIN: I think you said hopefully, I think it's really incumbent on DFMs to make clear to our clients where we're responsible in the chain of command. So we do a lot of due diligence to help IFA clients understand what we're responsible for, and how we're taking what I think is the really difficult stuff, knowing your customer, attitude to risk, being able to explain their capacity for loss, and then giving us a mandate for us to manage those assets accordingly. And I think that would be my tip to advisers, is to make sure you've done that due diligence, and understand precisely what it is that the discretionary manager is responsible for, and how they account for it. Because it's really important to us at Brewin Dolphin, and we discuss in quite a lot of detail, I'm sure you've suffered, to help make sure that our customers or our agents understand exactly what it is that we're doing. PAMELA: We believe that there's a greater risk in keeping the investment decision within our firm. We don't have the information. We're not privy to what's happening in the markets. We're not being flooded by information relevant to investments. We believe that trying to pretend that we're investment managers leads us to a much bigger risk. PRESENTER: And, Liz, what came out of the research when it comes to agent as client relationship? LIZ: 49% preferred the agent as client relationship, that kind of agreement; 22% were happy with the tripartite agreement; and the rest had no preference. So it was by far the most acceptable type of agreement. They felt that the lines of responsibility and the nature of the relationship was better defined by that kind of arrangement. KEVIN: Yes, and I think I'd agree with that. That's certainly the feedback that I get going around the country. We do have to explain agent as client to a lot of our IFAs, because it's such an old model. It's been around for a long time, and it's tried and tested. And I think when it's truly understood as you've just said, then it becomes part of the way the business operates. And every managed portfolio service operates in that manner. Certainly our bespoke service operates in the same manner. And we're absolutely clear on what we're responsible for, and who we communicate to and when we communicate. And that really is at the behest of the agent. They control the underlying relationship with the client, and the client is always theirs and never ours. I think that's really important. It's probably really important for you as a business- PAMELA: Absolutely. KEVIN: -because that allows you to manage the other assets, the other requirements, and the other aspirations that clients have from their other assets that we don't see. LIZ: Some respondents said for instance they're my clients, I'm the one they've bought, and they want to work with me. PAMELA: That's all about client management though. If you define the role of everybody involved, and what the relationship is, and you build the client's confidence in that, it's seamless going into a DFM. They understand what that person's function is in the process, and there are things that came out of the research that are very old views of the world. PRESENTER: The research did highlight actually some confusion in the industry for one thing. DFM or MPS, many of them seemed to think that a DFM was an expensive version of the latter. Is that something that was raised a lot? LIZ: Not a lot, no. Some people felt that they were morphing actually so that there would become more cross-over between the two. Some IFAs did say that they felt that it was important for DFMs to define clearly exactly the extent to which a discretionary managed portfolio is truly bespoke. In fact MPS among certain respondents was a victim of its own success, because it's doing such a great job for their clients that they didn't feel the need to pay for a bespoke portfolio. So there were mixed views on that. PRESENTER: And why do you think there's this confusion? KEVIN: Well I was smiling because I've just come from a meeting just outside of the City where that was the very discussion that we had. And the MPS has been incredibly successful. That business had delivered them the outsourcing the investment risk, it's given great performance, their clients are satisfied. But they're also conscious that there's some clients where they need a different service. And I think again for us it's the power of the fact find that you do that defines whether client invests. MPS can't meet all of the requirements of a complex client. And a discretionary management arm can deliver that in a more bespoke fashion to meet what your outline for the requirements. And that's what we offer. But I think you're right, there's a space somewhere in the middle for a mixture of both. And hopefully that's something that we'll see more of as time progresses. I think there's a real space in the marketplace for that, I don't know what you might thing about that. PAMELA: Well the perception that bespoke comes at a much greater cost just isn't borne out by our experience. And that's a big thing to get over. They talk about the layered costs of a SIPP for instance. Well we can get SIPPs for £200 a year now. There's no cost in them whatsoever. So why pay a product charge when you can pay an investment charge instead and get the right outcome. Also it's about service. So some clients want to be able to sit and look their investment manager in the eye, and they're willing to pay for that. But also conservative investors, if we can get direct investment into bond holdings rather than going via funds and various other cost effective ways, the charges actually go down. So it's about misconceptions in the industry. PRESENTER: And just picking up on something you spoke about a little bit earlier on, and considering we're now 10 years into this bull market, do you think it's surprising that advisers don't want to see themselves as investors? PAMELA: I've never looked at in the context of bull market. For us, it's simply the time required to give the right investment service. We are confident in our investment partners that whatever the market conditions we will achieve the goals and objectives and the expectations of our clients. We are spending a lot of our annual review time at the moment moderating expectations based on the bull run that we've had; saying yes we've benefited from this and now we need to lock down and change our expectations. We've always quoted real returns rather than nominal returns. So that helps with the conversation too. Because we're looking at how much we're beating inflation, rather than numbers. So to me it's not a driver, it's just made a point. PRESENTER: And as you were nodding to that, so your thoughts on this. LIZ: Yes, IFAs are very keen to ensure that their clients gain consistent results, if you like, or at least they can rely and depend on the way their money is performing for them. And so this is a very good reason why they want to use DFMs. They know that DFMs are perhaps more adept at managing volatility expectations, and they ultimately want good value for their clients and they want to do the best thing for their clients. PRESENTER: But do you think there is this outsourcing to DFMs because they want to do the best for clients, or they're just maybe shifting risk? LIZ: There's a little bit of both. They do want to, not so much shift risk, they want to mitigate risk. And they know that by using experts, then they stand a better chance of mitigating that risk. But it's about sharing responsibility; it's not about passing the buck. And they definitely want to do the best thing for their clients, absolutely. KEVIN: Yes, I think both ladies have talked about the access to the underlying research that businesses like Brewin Dolphin have. And I've noticed over the last six months, particularly when we've dealing with due diligence from providers and from IFAs alike, they're much more interested in the research capability of the business, how we prepared, what the market's going to be doing, and making sure that, and again I know you keep us honest on this, to use the phrase again, to make sure that we communicate that again in language that the IFA can pass on to their underlying clients – because we do tend to talk a bit in jargon in the investment world. I'm not an investment expert, as everybody knows, so it's really important for us to get what we know out in a format that we believe the end client can read and understand, and then ask the appropriate questions when it comes to their review. PRESENTER: So let's now move on to the cost of regulation. It's been a very hot topic over the past year. So, Pamela, there's lots of grumbling about regulation, in fact there always has been, but is there any proof that regulation, the burden of it is going up? PAMELA: I'm not sure the burden is going up. The cost of implementation of these recent changes is very real. Whether that's a cost that continues once they're embedded, I'm not sure. The cost going up, no, we need to have processes that meet regulation regardless of what that regulation is. So it's more about that upfront cost. PRESENTER: And what did the research tell us about the cost of regulation? LIZ: Well no one said they would be explicitly charging more, but it puts more demand on IFAs' time. And in that regard it's a cost. And they didn't, having said that, rule out the possibility of having to charge clients more. And certainly when it came to doing additional research or taking on investments that might be more complex and therefore perhaps demand more due diligence, they were very cognisant of the fact that that was all time consuming, and time is money to them. So it is a challenge. PI insurance, professional indemnity insurance is a very real concern among IFAs as well, because of this fear of getting it wrong if you like. There are many more DB transfers being undertaken; they want to make sure that they get those right. A lot of IFAs told us that the regulations around pensions were not entirely clear to them, and this was a concern. So yes, as Pamela said, it is a very real worry. PRESENTER: But, Pamela, if these costs are being transferred into clients, do you think that this maybe runs the risk or affects the ability to recruit the next generation of financially advised people? PAMELA: Not sure I've met any potential entrants who have even thought about regulation and how it would impact their lives. Most of them want to know what their career path is, what the journey looks like and where they see themselves in that area. But bringing new people in is absolutely vital to the industry, and the improved perception of professionalism and credibility is really helping with that. And that's, I know something that came out of the research is, as we've always been saying to third parties, raise our standard, raise our credibility in the media and stop ranking us. I don't want to disparage estate agents, but below estate agents in terms of ethics and morals, because that's not the case anymore. PRESENTER: So, Kevin, how can, what can advisers do then to minimise regulatory costs? KEVIN: Well, I think, as I've said earlier, we've been around the country talking to advisers about businesses, models that they operate. We know that there are still a lot of advisers out there who manage their own what we term advisory portfolios. And those are complex areas of management in the post MiFID world. And we found a lot more businesses now looking to outsource that responsibility to us. And I think, and I feel a bit like the host of Countdown when I say this, when you look at the sheet paperwork that's involved in running your own portfolio, it's massive. And I spoke to a friend of mine in the business. He runs his own advisory portfolio as well as discretionary. His performance is good. You've probably heard this many times before. He was 20 funds. He does two switches every quarter on average, and he rebalances those portfolios on a quarterly basis. And he's found post MiFID that writing out with 28 documents every quarter with full suitability reports to support the changes he's made. Then he's got to think about the ex-ante costs and charges disclosure, four sets of contract notes, because all of those change. He's then got to do a cost-benefit analysis so the client understands the cost of coming out and the cost of buying back in. He's then got to do four ex-post costs and charges disclosures for the new investment. And then you follow that up with three extra quarterly statements. Now I'm not, and we don't have Rachel Roll in the room, I've got no idea what the end number is, but that just sounds like a lot of paper to me. And that's just for one client! If you've got 100 clients with that service, who all will send their forms back on different days, that's a lot of paper and it's a huge amount of management and that's a huge cost to any business, even if you employ mathematicians. PAMELA: It's a huge distraction from what our job is as well, which is to advise clients on their financial situation and their plans. And if you're spending all your time you're going to be very jaded by the end of that process and wonder where the value add is on that. KEVIN: I think advisers have worked out that that's the discretionary manager's job, to take the burden of that responsibility and that cost away from them, and to make sure that we manage it in accordance with the mandate they've handed over to us, as we've all said earlier. And I think that's absolutely vital to the end clients, because they're the ones that will judge whether any of us have been a success or not. PAMELA: And it means we can concentrate on compliance of the regulation of advice, which is basically what's going to trip this whole chain up somewhere down the line. If we cannot document that the advice was correct for the client, the rest of it just falls apart. And that's where we should be structuring our processes to incorporate compliance and regulation from the moment you speak to a client, and document it as you go along, and follow those processes. KEVIN: Whilst I agree with Pamela, we are seeing bright young people coming into the industry. We've been recruiting because we've expanded our business. It's been a lot easier for us to recruit bright people into our business who want to see what the future looks like, who bring in new thoughts from a new age to the industry. And I think that increasing professionalism has enabled us to compete with the traditional professions to get the very best talent into our business. And that's really important for us, really important for us. PRESENTER: Well, Liz, what's your thoughts on business succession; because there does seem to be not this steady flow of talent coming from the banks and insurers anymore, why do you think this is? LIZ: Well they've changed the way that they operate their businesses. But it's not just about the shortage of trained people coming into the profession, it's actually an ageing group of IFAs who are not prepared to take on a younger generation, because they don't feel they have the resources to invest their time and money in doing so. There's also a slight concern that a lot of these firms are fairly small firms, and so investing time and money in training a next generation is actually quite a big risk to them. They'd either have to lock them in for a period of time, or run the risk as, one or two of the respondents we spoke to did discover, run the risk of them just gaining that training and then walking out the door and setting up on their own. So it's a big undertaking, but there's definitely a shortage. And again this does not help the consumer at large, because it widens the advice gap. And what people need, and what IFAs are urging policy makers to try and encourage, is a promotion of the value of advice. And it does boil down to value. As Pamela's indicated earlier, it's not just about transaction costs or the fees and costs that are being charged. Does it measure up, does it stack up, does it ultimately give people a better outcome at the end of the day? And that's what really matters. PRESENTER: Pamela, do you agree, I mean do you think this mentality is a real mistake? PAMELA: Well as a firm we are all about educating and bringing new people in. But we're not a, we're a firm that is very active about our growth objectives. So we're loading the base if you will with young people, giving them a path and training them up quickly, and not putting them into, I think the traditional model in a small firm is to put them into some very dull and uninteresting roles, and basically drive them out of the business because it's not interesting work. We're really, and we're working with dare I say Old Mutual, who have an IFA academy. We're going to be putting young people through that academy. So we're really excited about bringing young people in. And we don't see it as a burden, we see it as an opportunity. PRESENTER: So let's move on to the future of the IFA market. Liz, why don't you start by just telling me what the research found in this area? LIZ: Definitely that it was transitioning from an industry to a profession, and that standards were definitely raised. RDR was a really good initiative in that regard. It's helped ensure that IFAs are working to good standards. What IFAs want for the future of their business is for plenty of support from policymakers, as I said earlier, to encourage a wider audience to ensure that they get the advice they need. The investment world is complex. Following pension freedoms people aren't necessarily always making the right choices, or at least they don't know where to go for the right choice of help. And so that's what they're very keen to achieve. They also want to work closely with the investment management industry, because again it is all about collaboration and doing what's best for the client in the long term. PRESENTER: And what about robo advice, did that come up much? LIZ: Yes, we had a lot of talk about robo advice. And of course you can't compare the personal one to one advice that you would gain from an independent financial adviser with an algorithm based service. And so it's not perceived as a threat in any real regard. But IFAs do recognise that there's a place for making, I don't know, access to information more readily available, and the use of technology. But it's a misnomer, the idea that you could ever achieve the same outcomes by perhaps consulting the robo advice platforms. There'll always be self-investors, and they're probably not among the pool of potential clients to IFAs anyhow. But it's certainly not perceived as a considerable threat, but they do welcome the opportunity to use more technology, and to modernise the services that they provide in some way, so that they can concentrate on giving their clients the one to one holistic advice, lifestyle based advice that will be of most benefit to them. PRESENTER: And what are your thoughts on robo advice, a threat or an opportunity? PAMELA: Just as Liz said, it is an element of the industry. I think the advice gap, it's creating a chasm, unfortunately, because there are people who will not know whether they want to self-advise, or whether they want to pay their fees, and they will drop down in the middle. But there will always be people who want to self-advise, just as there are people who want to do their own accounts and don't go to an accountant, and for them to have a mechanism is great. But, as Liz said, I will repeat, the outcomes will be better in the long term with a fully advised solution. PRESENTER: Your thoughts Kevin. KEVIN: Yes, I think I'd agree. Demographically, the populations are changing aren't they? The younger generation spend more time now apparently on their phones than talking to anybody else. So there's clearly an element of robo that's going to hit the markets over time. But again to reiterate those are different outcomes to advised outcomes. And I'm lucky enough, or unlucky enough not to be a millennial, but I perhaps would have a different view than some of them might have. Because I've been through the advice process, I'm in a better position because of it. PAMELA: And we're embracing technology to get that interactive experience that the millennials want, and lead them to advice when they can afford to pay for it. So they don't necessarily have to fall into robo advice just because they're tech savvy. We can be rising to that challenge, and every day we're getting better apps and better ways to communicate with them. PRESENTER: And another trend we're hearing a lot about is ethical investing. What's your approach there Pamela? PAMELA: Ethical investing, contrary to the research, is the core of our business now. It is leading us as a business, we're very much aware of our own corporate social responsibility, but we have an increasing number of clients who come in, largely 30 to 40-year-olds who have accumulated wealth, and they want to invest in a positive way, with positive impact and not do any damage. So it's core to us. PRESENTER: And, Liz, you said contrary to the research, just give me a recap of what the research said then about ethical investing. LIZ: Well when we asked how important ethical investing was to IFAs when they were selecting an investment manager, it's probably not surprising to know that performance and competitive fees and charges were right at the top of the list, up in the 80s and 90s. But ethical investing was only seen as important by 8% of the IFAs. When we asked them how important is it to be able to offer an ethical investment service to your clients, 46% or 47% said that it was very important. So there's a big difference there as you can appreciate. When we talked in the groups and in our interviews, by and large IFAs felt reluctant, because they felt it demanded a lot of extra research time, to take on certain bespoke ethical portfolios. They were also worried that they wouldn't perform as well. Now there's a lot of empirical evidence to show that that's not the case. In fact some ethical portfolios are outperforming traditional portfolios. So, to sum up, there are a lot of mixed views. Some IFAs remain firmly rooted in the idea that it's too problematic: they're never going to be able to satisfy all their clients. And ethical investing by its very nature is very individual, it's values based. That's not to say that ESG-based investing, i.e. paying attention to good corporate governance standards and all that go with it, is not becoming fully ingrained in the industry. It is, and it's seen as a best practice approach. So I think there's still a lot confusion over the terminology, and there are still a lot of mixed messages both for consumers to reconcile themselves to, for IFAs to get to grips with and for the industry to ensure that they can communicate effectively. So it's one of those minefields I'm afraid. But, as Pamela said, there's lots and lots and lots of reasons why we should all think along what I would say ESG terms. PAMELA: And another reason why we use bespoke DFM, because they have to do all that research for us. We couldn't begin to even come up with a strategy, but we can respond to strategies, and the client can respond and say yes that's what I want, or no that's not what I want, and we can work that way. But there would be no value for us trying to do that. PRESENTER: So we are almost out of time, so let's summarise now. Kevin, what would you say are the key takeaways then for our viewers? KEVIN: Well I think for me it's to reemphasise the value of advice, and that the outcomes for clients are without doubt, I think the research evidences this, are improved by the quality of the professional advice that they're given by the adviser. And used in conjunction with a discretionary manager or an investment manager delivers value to that advice process is critical for the success of their underlying clients. PRESENTER: Pamela, same question to you. PAMELA: Very similar answer, it's a co-operation between advice and investment objectives. And we see it as a growing importance, and a really important value added to our clients. PRESENTER: And finally Liz. LIZ: IFAs have a vital role to play in society, and I know from my experience with the investment management industry that they're keen to work with IFAs to ensure that ultimately clients get the best results that they can, and long may that continue. PRESENTER: Super, thank you. ALL: Thank you.