

Insider

June 2019

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Fergus Lyons
Managing Director

Last month, we released our first set of financial results since becoming a listed company in December 2018. The inherent strength of our business model has been proven time and again in the many years running up to our IPO, and these latest figures tell the same positive story.

Our success is due not only to the hard work of our staff, but also to the continued support of advisers like yourself – so thank you. I'm looking forward to providing our full-year update in December 2019.

AJ Bell Investival

Believe it or not, plans for this year's Investival conference are already well advanced, with the date set for 14 November at London's fabulous Shaw Theatre. The theme this year

is West End musicals, although in my opinion the line-up of investment stars we have assembled easily outshines anything the Gielgud, Apollo or Lyceum could host!

Top of the bill, and back by popular demand, is the brilliant Edward Bonham Carter, alongside a wealth of talented others like Sebastian Lyon, Mike Riddell, Claudia Calich, Nick Kirrage and many others.

As ever, there will also be a great evening of entertainment to look forward to when the talks are over, including a guest speaker interview, live music, food, drink, and a chance to network with hundreds of other financial professionals.

You can find a full agenda and details of how to register for the event on our [Investival 2019 website](#). I hope to see you there.

AJ Bell plc performance overview

I briefly discussed our latest financial results in the introduction to this edition of Insider, but I think they merit a more detailed look. The figures in question cover the first half of our current financial year, which ended on 31 March 2019.

The headline news is that both revenue and profit were up considerably compared to the first half of last year, with revenue increasing 17% to £50.1 million, and profit before tax up 27% to £17.7 million. This improvement was mainly down to our platform business, which managed to attract a significant number of new customers and assets over the period. Indeed, customer numbers increased 9% to 214,853, while our customer retention rate increased slightly to 95.3%.

The amount of assets under administration jumped to £47.7 billion, thanks to net inflows of £1.8 billion.

All this means that the Board has been able to declare an interim dividend of 1.50p per share, which is in line with our stated dividend policy. The dividends are due to be paid on 28 June 2019 to shareholders who were on the register at the close of business on 7 June 2019.

Taking the long view, our ongoing profitability allows us to keep investing in the business and working towards our goal of becoming the easiest platform to use. Ultimately, our aim is always to help people invest by providing them with a high quality service at a competitive price. If we keep doing that, I know we'll be in a great position to capitalise on the growing market for investment platforms in the coming years.

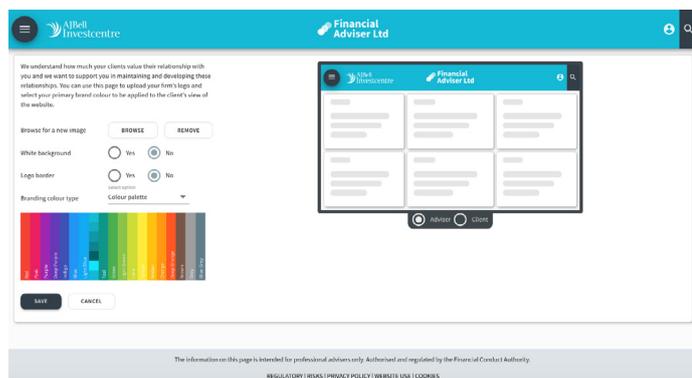
In case you are interested, a short [Q&A video](#) with our Chief Executive, Andy Bell, is available via our website, alongside the [full interim results statement](#) and our [results summary](#).

AJ Bell Investcentre V2.0

I am very pleased to announce the latest release of AJ Bell Investcentre V2.0, which features new enhanced functionality enabling you to add your firm's logo and primary colour to both the adviser- and client-facing sides of AJ Bell Investcentre. For now, this facility is only available on the desktop version of the platform and on the new reporting functionality; the option to brand the mobile app version will follow in due course – more details will be announced soon.

One thing to bear in mind is that any branding you had on the existing AJ Bell Investcentre platform will not automatically carry across to V2.0, although you can easily take advantage of the new functionality to maintain your branding on the latest version.

The new, user-friendly interface is accessible via the main menu, and allows you to upload your firm's logo, select brand colours and see a preview before applying your changes.



In addition, our new reporting tool is now also available in V2.0 with the first set of reports available covering Capital Gains Tax (CGT) and valuations.

CGT reporting now includes the accrued losses and gains in the current tax year, and allows you to input gains and losses made elsewhere or carried over from previous years.

Valuation reporting provides adviser-branded, point-in-time reports for individual and multiple accounts at client level. SIPP valuations include Funds & Shares Service assets, as well as investment partner and off-panel holdings.

We will continue to add other reporting options to the tool – covering areas such as pension income, adviser charges, cash flow and performance tracking – so keep an eye out for news of these over the coming months.

You can find full details on these new developments, and our future plans for the platform, [here](#).

We never stand still

I talk a lot about how we constantly strive to make investing easier and meet your changing needs. The latest release of AJ Bell Investcentre 2.0 is the most recent development I could point to as evidence of this, but there are many others. Here's a quick reminder of the projects, products and features we have delivered in just the last six months.

AJ Bell Income funds

In March, AJ Bell Investments extended its range of multi-asset investment solutions by launching two new funds with a target yield of 4% p.a. paid monthly.

The [VT AJ Bell Income fund](#) will seek a 4% income return, with the expectation of holding its capital value over time. The [VT AJ Bell Income & Growth fund](#) will aim for a 4% income whilst also looking to grow the capital in line with inflation.

The target yields are not guaranteed and can fluctuate.

Both funds have an annual management charge of just 0.15% p.a. and benefit from a simple, transparent disclosure of portfolio costs and OCFs. Diversification is achieved through a global multi-asset approach, whilst actively targeting risk to avoid unnecessary surprises.

Pactive MPS

On Valentine's Day, we launched our new '[Pactive](#)' MPS, which combined an active management style with the benefits of a low-cost passive fund.

Using one of AJ Bell's Passive funds as a low-cost 'core', it has a lower OCF than an Active MPS, allows for more frequent rebalancing, and also lets you access instruments like gilts that can't normally be used directly in an MPS.

The value of investments and the income from them can go down as well as up and your client may not get back their original investment.

Changes to charges

At the start of this year we completely removed the £1 dealing charge for all deals carried out via our Bulks & Models tool, including all deals for portfolios linked to our Managed Portfolio Service.

We also removed the SIPP establishment and quarterly administration charges for all Junior SIPPs (where all assets are held in the Funds & Shares Service), creating a saving of up to £320 plus VAT in the first year. The standard SIPP charges will only apply when the account-holder reaches age 18.

AJ Bell Investments also kept its promise to pass back any cost-savings it makes to investors, reducing the cap on the AJ Bell Passive funds' ongoing charges from 0.5% to 0.35%.

Resource available on info hub

In response to advisers' requests for more guidance on their regulatory responsibilities under COBS, PROD and MiFID II, we launched a new [info hub](#) in February. Resources available via the hub include:

- a lang cat report, analysing the various issues that can hinder transfers, and proposing some practical ways that adviser firms can deal constructively with these obstacles;
- an article by Regis Media's Robin Powell, considering the potential impact of excessive investment charges;
- a contribution from former FCA man Rory Percival, outlining the key considerations for advisers around PROD and client suitability;
- an explanation of AJ Bell's approach to product governance from our Head of Product, Mark Rendle;
- an update on pension-transfer suitability from AJ Bell's Senior Technical Consultant, Charlene Young.

MiFID tool enhancement

We have also further enhanced our MiFID II costs and charges calculator, which allows you to look up individual holdings and input your own bespoke investment cost breakdown, or upload the client's full portfolio.

If you would like a member of the team to contact you to explain more about anything I have covered above, you can request a call by clicking [here](#).

Additional events in the pipeline

15 of our ever-popular 'On the Road' sessions have already taken place all over the UK this year, and we'll be extending the tour to more locations over the coming weeks. Seats are available in the following locations:

Kendal

Wednesday 3 July

[Agenda](#) | [Registration](#)

Milton Keynes

Tuesday 23 July

[Agenda](#) | [Registration](#)

London - Legg Mason

Thursday 18 July

[Agenda](#) | [Registration](#)

Monthly service performance

To give you a flavour of our service delivery and how we are performing, our typical turnaround times for a number of key service areas are outlined below.

The information below is not provided as a formal measure of our service levels, but rather to give you a general idea of how our Customer Services Team is currently performing.



*Assuming all required information and documentation has been received.

Key contacts

Adviser Support Team

☎ 0345 83 99 060

✉ enquiry@investcentre.co.uk

Business Development Team

☎ 0345 40 89 100

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