

# Insider

May 2017

## In this issue

- The global cyber attack
- AJ Bell financial health
- AJ Bell Passive funds campaign
- Investival 2017 speakers
- Digital Strategy update
- Funds & Shares Service valuation statements
- Funds & Shares Service tax summary packs
- Monthly service performance



Fergus Lyons  
Managing Director

I'm writing this edition of Insider from our fantastic new offices at Salford Quays. The move from our old place at Trafford House was phased over a number of weeks, but all departments are now fully settled in here at EQ4 after what was a surprisingly smooth transfer. Our only concern is that some adviser firms are still sending mail to the old address at Trafford House, which then has to be redirected to EQ4. The resultant delay obviously has an impact on our turnaround times, so please make sure that all letters to us are addressed correctly – you will find our full contact details at: [www.investcentre.co.uk/contact-us](http://www.investcentre.co.uk/contact-us). Apart from this small issue it is now 'business as usual' for the company, albeit in a sombre mood following the terrible events that took place just down the road from us at Manchester's MEN Arena. Our thoughts are with all those affected by the tragedy.

## The global cyber attack

As you will be well aware, the WannaCry ransomware worm caused chaos earlier this month, affecting thousands of organisations and making headlines across the world. I am pleased to report, however, that AJ Bell's service was not impacted by the attack.

As news of the attack emerged our Security Incident Response Team immediately convened to manage the situation. This resulted in a review and immediate update of our security protection and monitoring systems in order to mitigate the threat. We also conducted a detailed threat assessment of all internal and hosted systems which could have potentially been impacted by the outbreak.

The WannaCry worm exploits a vulnerability with Microsoft Windows Systems, but is mitigated by the installation of a security patch. A significant number of our systems already had this patch applied as part of our regular patching regime. As part of our response, any remaining vulnerabilities were quickly identified and promptly patched to ensure that we were fully protected. We will continue to monitor developments regarding this and any other outbreak in order to ensure we remain fully protected.

“ As you will be well aware, the WannaCry ransomware worm caused chaos earlier this month, affecting thousands of organisations and making headlines across the world. I am pleased to report, however, that AJ Bell's service was not impacted by the attack. ”

## AJ Bell financial health

AJ Bell released its interim financial statement on 19 May, and the picture it paints is an extremely healthy one.

The number of retail customers increased by 13% compared with the first six months of the previous financial year, growing to 152,441 as at 31 March 2017 and helping to increase Assets Under Administration by over 14% to £36.3bn. This record growth in new customers was predominantly driven by our core platform proposition; AJ Bell Investcentre. Across the group, revenue in the first six months to 31 March 2017 totalled £37.0m, an increase of 24% compared with the same period of the previous financial year, and Profit Before Tax increased strongly by 27% to £11.2m.

**“ We have demonstrated over many years that we have a robust business model, and this allows us to continue to invest in the platform to ensure that we are able to satisfy the changing needs of you and your clients. ”**

The group's overall financial position continues to be extremely strong, with net assets totalling £57.6m at 31 March 2017, £36.8m of this being held in cash. Our regulatory capital requirement and related details can be found under our Pillar III disclosures (see page 29 of the Directors' report in the 2016 annual financial statements for more information: [www.ajbell.co.uk/investor-relations](http://www.ajbell.co.uk/investor-relations)). As ever, we continue to hold a significant amount of capital over and above our official regulatory capital requirement.

We have demonstrated over many years that we have a robust business model, and this allows us to continue to invest in the platform to ensure that we are able to satisfy the changing needs of you and your clients.

All of this should make interesting reading for any of you who are undertaking platform due diligence at the moment. We have been saying for a while that financial stability should be a major consideration when choosing the right platform, and this view is backed up by the likes of FinalytiQ, the lang cat and Platform. You can read much more on the topic at our Due Diligence Hub, which features a range of useful resources - including a free download of FinalytiQ's Advised Platform Report 2017: [www.investcentre.co.uk/duediligence-hub](http://www.investcentre.co.uk/duediligence-hub).

## AJ Bell Passive funds campaign

You may have noticed that we recently launched our AJ Bell Passive funds with another great creative campaign in the press and online. The ads highlight the way each fund offers exposure to a different level of risk, and is named accordingly - so we have the Cautious, Moderately cautious, Balanced, Moderately adventurous and Adventurous funds. All of us sit somewhere on this risk aversion spectrum, so we decided to highlight the fact with slightly tongue-in-cheek examples from everyday life - like the choice of swimwear or nightwear that people opt for.

By showing pictures of outfits that range from super-modest to decidedly risqué, we aimed to raise a smile, while getting across the key fact that everyone is different, and that our fund range is designed to reflect that diversity. The second part of the headline draws attention to the capped charge by pointing out that there's one area where many of us are the same - we want to know how much we are going to pay in terms of charges. If you haven't seen the campaign yet, look out for it in Money Marketing, FT Adviser and New Model Adviser. I'd be interested to hear your feedback on the ads, so get in touch - whether you like or loathe them!

## Investival 2017 speakers

Over 230 people have taken the early bird option and now booked their places at Investival 2017, which will take place on 9 November at the Royal Institute of British Architects in London. Plans for the event are well advanced and I can confirm that the following speakers have committed to attend on the day:

- Neil Woodford - Woodford
- Mark Barnett - Invesco Perpetual
- Edward Bonham Carter and Ross Teverson - Jupiter
- Guy Morrell - HSBC Asset Management
- David Ennett - Kames Capital
- Matthew Vaight - M&G

In addition you will also get to hear from our own Andy Bell, Russ Mould and Ryan Hughes. The final two fund group speakers will be added over the coming weeks.

**“ Over 230 people have taken the early bird option and now booked their places at Investival 2017, which will take place on 9 November at the Royal Institute of British Architects in London. ”**

With only 200 seats remaining we are confident that the event will be at full capacity over the coming weeks. Please bear in mind that a number of advisers who wanted to attend last year missed out because they delayed their registration, so if you are keen to attend I would advise you to register now to avoid disappointment. You can register online here: [www.investcentre.co.uk/investival](http://www.investcentre.co.uk/investival).

Hopefully I'll see you there!

## Digital Strategy update

Our Digital Strategy work keeps marching on, with new features being worked on all the time. To help you keep track of our progress we keep the 'platform enhancements' area of the BETA site regularly updated with details on any new and forthcoming developments that you need to know about.

In our next deployment to BETA, we will aim to include:

- **An enhanced new business application process** – a simplified and more user-friendly experience with improved verification processes and an integrated capability to initiate transfers.
- **Straight through cash transfer processing** – where the transferring scheme has ORIGO messaging capability, transfers can be initiated and completed online with no manual user interventions required.
- **Transfer case tracking** – monitor the progress of outstanding transfers via a simple-to-use tracking tool.
- **A new customer area in the secure area of the website** – designed to make it easier for your clients to get valuations and up-to-date information on their accounts. It will also enable you to customise the colours of the client-facing areas of the website to match your corporate identity. To complete the branding experience, you will also be able to link in your logo, which will carry through to any reports generated.

**“ Our Digital Strategy work keeps marching on, with new features being worked on all the time. ”**

I am particularly interested in any feedback that you may have. Take a look and, as always, feel free to provide any views via [digitalstrategy@ajbell.co.uk](mailto:digitalstrategy@ajbell.co.uk).

## Funds & Shares Service valuation statements

The Funds & Shares Service portfolio valuation statements are now available for any of your clients who have a SIPP, ISA and/or GIA. You can get to the statements by visiting the Funds & Shares Service dealing area and looking under Administration >> Documents >> Account. At this point you will need to select whichever of your clients' accounts comes first alphabetically. So, if one of your clients has a GIA, ISA and SIPP account, the valuation statement for all three accounts will show if you select their GIA account.

The statements reflect the valuation of assets held through the Funds & Shares Service as at 5 April 2017.

## Funds & Shares Service tax summary packs

Your clients' annual tax summary packs are now available to view in the Funds & Shares Service dealing area under Administration >> Documents. A notification will be sent via secure message to your clients with General Investment Accounts, informing them that their packs are available to view. If you have any queries, please email us at [enquiry@investcentre.co.uk](mailto:enquiry@investcentre.co.uk) or contact our Adviser Support Team on 0345 83 99 060.

## 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. We will update this in each issue and flag any hotspots which may occur, particularly in the lead-up to peak periods.

The information below is not provided as a formal measure of our service levels, but rather to give you a general flavour of how our Customer Services Team is currently performing. Looking across all of the areas listed below, we are hitting the indicative timescales provided in 93% of cases.



## Key contacts

Adviser Support Team

☎ 0345 83 99 060

✉ [enquiry@investcentre.co.uk](mailto:enquiry@investcentre.co.uk)

Business Development Team

☎ 0345 40 89 100

This document must not be copied or reproduced, in part or whole, without permission. This information is for adviser use only.

AJ Bell Management Limited (company number 03948391), AJ Bell Securities Limited (company number 02723420) and AJ Bell Investments LLP (OC355313) are authorised and regulated by the Financial Conduct Authority. All companies are registered in England and Wales at 4 Exchange Quay, Salford Quays, Manchester M5 3EE. See website for full details.