

Time For

TRANSPARENCY

14th November 2019; Lansons, London.

Welcome to

THE
TRANSPARENCY
SYMPOSIUM

on

**“The Woes of Woodford; who needs
to learn what?”**

- plus -

“Costs & Charges – are we there yet?”

David Masters

Partner & Director

Lansons

LANSONS

Advice Ideas Results

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**“The Woes of Woodford; who needs
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“Costs & Charges – are we there yet?”

Andy Agathangelou
Founder
Transparency Task Force

THE
TRANSPARENCY
TASK FORCE

Before we go any further...

Let's please show our appreciation to today's host and sponsors:

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Brief introductions please

Who you are; and what you and your organisation do

About **THE TRANSPARENCY TASK FORCE** by numbers

- What do we have **1** of?
- What do we have **2** of?
- What do we have **19** of?
- What do we have **3** of?
- What do we have over **1,060** of?
- What do we have **155** of?
- What do we need **100,000** of?

About **THE TRANSPARENCY TASK FORCE** by numbers

- What do we have **1** of? ...full time member of staff
- What do we have **2** of? ...part time members of staff
- What do we have **19** of? ...topic-based Special Interest Groups
- What do we have **3** of? ...geographically-based SIGs
- What do we have over **1,060** of? ...members of our SIGs
- What do we have **155** of? ...Ambassadors
- What do we need **100,000** of? ...£ per year to operate



About THE **TRANSPARENCY** TASK FORCE

- We can be thought of as “an international *movement* of good people that want the financial services sector to be more **transparent, truthful and trustworthy**”
- We are the collaborative, campaigning community, **dedicated to driving up the levels of transparency in financial services**, right around the world
- We believe that higher levels of transparency are a pre-requisite for **fairer, safer, more stable and more efficient markets that will deliver better value for money** and better outcomes
- Furthermore, because of **the correlation between transparency, truthfulness and trustworthiness**, we expect our work will help to repair the reputational damage the sector has been suffering for decades

About ^{THE} TRANSPARENCY _{TASK FORCE} mission

- We are an **informal but increasingly influential forum** of ethically-minded people that care about the financial services sector and the people it serves
 - We are **collaborative, collegiate and consensus-building**; focusing on solutions not blame
 - We believe **the financial ecosystem is profoundly important to the wellbeing of society, the global economy and political stability**; but there's a great deal wrong with it that needs fixing
- **Our mission: “To help fix financial services, so consumers get a better deal; and trust and confidence can be restored”**



What is ^{THE} TRANSPARENCY TASK FORCE

working to
fix?

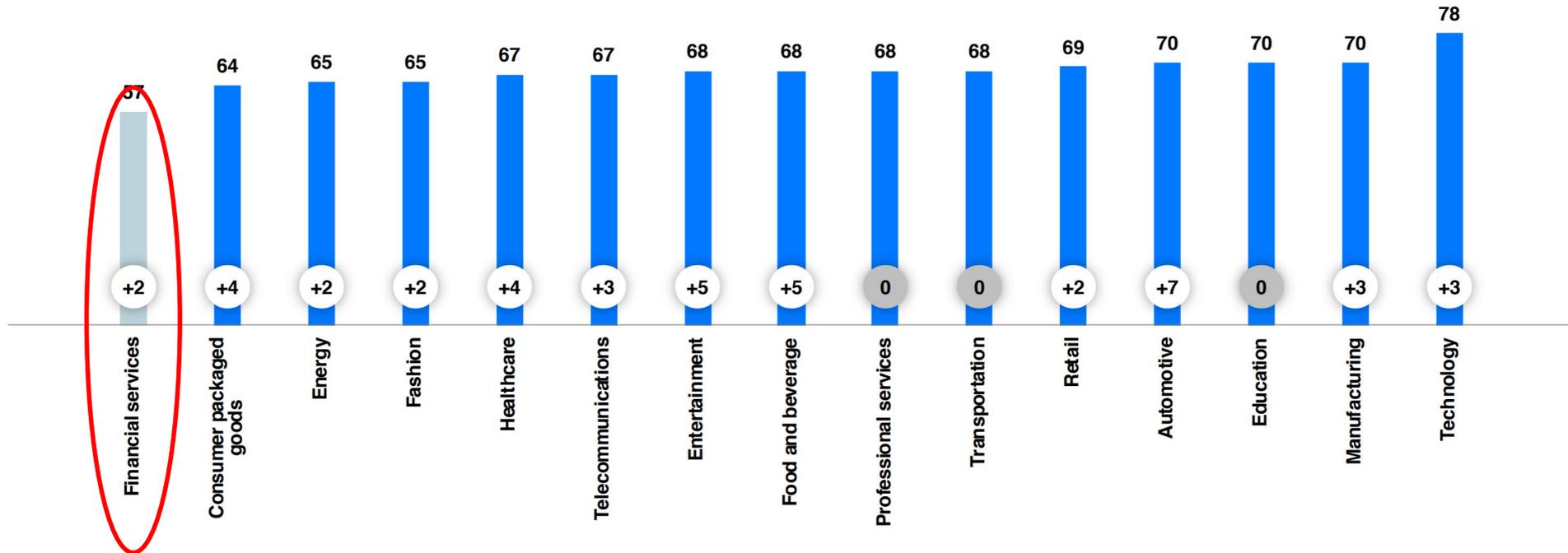
- Hidden and excessive costs
- Hidden and excessive risks
- Opportunistic opacity
- Opportunistic obfuscation
- Short-termism
- Insufficient client-centricity
- Scams and scandals
- Regulatory capture
- Irresponsible reward systems
- Malpractice, malfeasance, misconduct, miss-selling
- A 'profit before principles' mindset
- A 'money before morals' mindset
- Conflicts and misalignment of interest
- Excessive lending and gearing
- Disingenuous communications
- Financial instability
- Weak governance
- A lack of market integrity
- A lack of values-based leadership

THE TRUST DEFICIT

The 2019 Edelman Trust Barometer

Percent trust in each sector

■ Distrust ■ Neutral ■ Trust
● - 0 + Y-to-Y Change



2019 Edelman Trust Barometer. TRU_IND. Please indicate how much you trust businesses in each of the following industries to do what is right. Again, please use the same nine-point scale where one means that you "do not trust them at all" and nine means that you "trust them a great deal". 9-point scale; top 4 box, trust. Industries shown to half of the sample. General population, 26-market average.

"...at 57 percent trust among the general population, financial services remains the least-trusted sector.."

Why the FS trust deficit is so worrying...

- The financial services sector **has to be trusted to function successfully**
- The trust deficit is therefore a **serious and systemic issue**
- The continuous “drip, drip, drip” of misconduct means **we are becoming de-sensitized to** it and the reputational damage it causes
- We are at risk of accepting the FS trust deficit as **“business as usual”**
- If we tolerate that **we’ll start to expect untrustworthy conduct**
- **If we expect it, we are in effect condoning it;** perpetuating the problem
- The problem will not go away on its own; **we** should do **something**

➤ **What should we do?**

What's our plan, so far?

- #1 Evidencing that there is a problem that needs solving
- #2 Posing a question to initiate and facilitate discussion
- #3 Creating the Finance Development Goals
- #4 Recruiting Subject-Matter Experts
- #5 Recruiting the Scientific Committee
- #6 Advocating a “whole-system solution to a whole-system problem”
- #7 Implementing our Strategy for Driving Change**
- #8 Reaching out to the 1,000 people that control the FS sector
- #9 Creating an international network network of TTF Chapters**
- #10 Growing our Special Interest Groups
- #11 Growing our LinkedIn Group**
- #12 Video-interviewing virtues-based leaders
- #13 Publishing “The book that is much more than just a book” annually

#7

THE TRANSPARENCY TASK FORCE strategy for driving change

- Our strategy for driving change is all about bringing together the thinking of two very important groups:
 - #1, those with a sense of **passion & purpose** about what needs to change, such as our Ambassadors and the members of our Special Interest Groups
 - #2, those with the **power & position** to make change happen; such as the politicians, policymakers, regulators, leaders of key trade bodies and professional associations, leaders of key commercial organisations etc.

We already do this in many ways including through our Special Events; here are three good examples of our Special Events:

- 12th September 2016 at the Houses of Parliament
(one of 3 special meetings I've led at the House of Commons)

'The First Transparency Strategy Summit in the World'

*'The primary purpose of the first Transparency Strategy Summit in the world is to begin to build consensus on the best way to **protect the interests of the UK's pensions-saving public** through full disclosure on all the costs and charges they are paying but not being told about.'*



13th Jan 2017

The Rt. Hon Frank Field MP
Chair, Work and Pensions Committee
House of Commons
London SW1 0AA

Dear Mr. Field,

We are writing to you as a group of independent individuals and organisations, motivated and united by the desire to help protect the interests of the UK's saving public, through the better provision of transparent, consistent and straightforward disclosure of all the costs and charges they pay.

The issues raised in this letter affect Defined Benefit and Defined Contribution pension schemes and cannot be dealt with fully under the scope of your existing Defined Benefit pensions inquiry.

It is vital that we have transparent, consistent and straightforward costs disclosure because opacity and obfuscation on pension and investment costs leads to:

- #1. Decision-makers, including consumers, being unable to exercise 'informed choice' properly: They find the market opaque, complex and confusing: It is difficult to identify value for money.
- #2. The risk of future litigation: Consumers may argue they are not being treated fairly. Such action would severely damage confidence in the sector and its intermediaries.
- #3. Seemingly impotent market forces: In this sector, the 'invisible hand' seems unable to work its 'magic' to create a healthy, competitive and efficient market.
- #4. Poor consumer outcomes: If costs are 2% p.a. and gross market returns 5% p.a., a 20-year-old saving £100 per month until 65 will lose 42.55 % of his/her pension fund to costs.
- #5. A marketplace where progressive, innovative and highly cost-effective offerings that do represent good value for money inexplicably struggle to get the market share they should.
- #6. The risk that the success of the Government's pensions policy is jeopardised: Those automatically enrolled might opt out if they are later disappointed by their net of costs returns.
- #7. The risk that should the 'high costs/low returns' reality continue to prevail, belief in the wisdom of deferred gratification and confidence in long term savings will be undermined.
- #8. Investment Governance Committees and Trustee Boards struggle with their duty to manage scheme's costs properly: 'You can't measure, monitor or manage what you cannot see.'
- #9. Bad publicity, falling trust and apathy: The public's confidence in pensions is falling sharply and we want to stop it falling 'below the point of no return': This is a serious and systemic risk.
- #10. The UK's savings market, including pensions, not being seen to be well-governed, transparent and trustworthy: That's a particularly important point in our post-Brexit world.

Furthermore, we believe that savers should not only know what their savings cost; they should also know where and how their money is invested. Greater transparency in investment holdings and the stewardship around those holdings is needed. On the basis that it is hard even for MPs to establish

where and how their own Parliamentary Contribution Pension Fund is being invested, it follows that the public as a whole may be similarly challenged.

In general terms, we believe that:

- This is an important and widespread public interest issue; it has parallels with the known shortcomings that are affecting the energy sector's opaque and complex regime of tariffs.
- Greater transparency on costs and investment holdings will help create the better-served, better-engaged and better-performing savings market we all want.
- There is merit in doing all we collectively can to help sustain the success of the Government's automatic enrolment pensions policy.
- In a post-Brexit world, we shouldn't underestimate the value to our economy of the potential for the UK becoming the world-leader in pensions and investing transparency.
- Your Committee is uniquely placed to lead an open enquiry that we are confident would be run in a constructive, forensic, inclusive, robust and non-partisan way, for the long-term benefit of all.
- There is excellent regulatory activity underway by DWP, FCA and TPR; your enquiry would support that work by 'pulling it all together', creating an even more cohesive approach.

To conclude: For reasons of social justice, market efficiency, good governance, national reputation and to help protect the ongoing success of the Government's pensions policy, we would like your Committee to open an inquiry into the matters set out in this open 'letter'.

I believe the Financial Times are publishing an article regarding this request online today and in their newspaper tomorrow.

If requested I would be happy to liaise with yourself and/or your Committee Clerk regarding this matter.

For administrative purposes (as it would not be practical to liaise with all the co-signatories) please reply to andy.apothangelou@transparencytaskforce.org

We look forward to hearing from you.

Yours sincerely,

All those listed below, who are equal co-signatories in this endeavour.

x 110 (99 in the UK+ 11 overseas)

.....which **may** have led to the opening of the Work & Pensions Select Committee's Enquiry on Pensions Costs Transparency

5th Sept 2018 at the Commons:



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Committees

- All committees A-Z
- Committee Select
- Work and Pensions Committee
- Inquiries
- Parliament 2017
- Pension costs and transparency
- Publications

Work and Pensions Committee

Pension costs and transparency inquiry - publications

Inquiry status: open

Correspondence

Letter from the Chair to Anthony Rafferty, Managing Director, Origo Services Ltd on the Pensions Dashboard, 3 September 2018 (PDF 132.4 KB) [PDF](#)
Published 04 September 2018

Oral evidence

05 Dec 2018 - Work and Pensions Committee - oral evidence | PDF version (237 KB) [PDF](#)
HC 1476 | Published 07 Dec 2018
Evidence given by Colin Meach, National Officer, UNISON, Jonathan Lipkin, Director of Policy, Strategy & Research, Investment Association, Yvonne Braun, Director of Policy, Long-Term Savings and Protection, Association of British Insurers, Nigel Pepler, Director of Policy, Pensions and Lifetime Savings Association

05 Sep 2018 - Work and Pensions Committee - oral evidence | PDF version (242 KB) [PDF](#)
HC 1476 | Published 11 Sep 2018
Evidence given by Dr Chris Sizer, Former Chair, FCA Institutional Disclosure Working Group, Andy Apothangelou, Founding Chair, Transparency Task Force, David Pitt-Watson, Visiting Fellow, Cambridge Judge Business School

- 26th June 2017 at the Houses of Parliament

‘Launch of the TTF Banking Team’s White Paper on Current Accounts’

‘Sensible recommendations about the lack of transparency around charges for Free-If-In-Credit personal current accounts’



- 7th February 2018 at the Houses of Parliament

“Ideas to help reduce the chance of another Global Financial Crisis”

‘A special meeting at which we presented our White Paper on the topic and initiated the launch of a new All Party Parliamentary Group on Financial Stability’; the inaugural meeting is on 23rd May



#9

The TTF Chapters Initiative: the basic idea

- To create an international network of TTF Chapters
- 8 Chapter Leaders in each Chapter, operating as 4 pairs
- Each pair responsible for 1 meeting a year. $X 4 = 4$ meetings p.a.
- + 1 meeting a year I run = 5 meetings a year
- Meetings at breakfast, lunch or early evening
- 2 hours; structured agenda to facilitate discussion and debate
- No presentations
- Marketing by TTF UK (+local help from the Chapter Leaders and Members)

The TTF Chapters Initiative: objectives

- To help to grow the TTF community
- To help engage with the local “power and position” people
- To identify and deal with the issues of most importance to the Chapter

The TTF Chapters Initiative: locations

- Amsterdam
 - **Brussels**
 - Luxembourg
 - Paris

 - **Melbourne**
 - Canberra
 - **Sydney**
 - Brisbane

 - Frankfurt
 - Vienna
 - **Zurich**
 - Geneva
- **Dublin**
 - Edinburgh

 - **Washington DC**
 - Philadelphia
 - **New York**
 - **Boston**

 - Vancouver
 - San Francisco
 - Santa Monica
 - Los Angeles
- Kentucky
 - Chicago
 - Toronto
 - Montreal

 - Tokyo
 - Shanghai
 - **Hong Kong**
 - **Singapore**

 - Johannesburg
 - Pretoria
 - Durban
 - Cape Town

[**Bold = first phase**]

The TTF Chapters Initiative: the UK

- We will also be launching TTF Chapters here:
 - Bristol
 - Birmingham
 - Manchester
 - Liverpool
 - Glasgow
 - Edinburgh
 - Newcastle
 - Leeds
 - Southampton
 - London West End
 - London City
- Where else?

The TTF Chapters Initiative: next steps

- To create a flexible yet robust governance framework
 - “Like a franchise but without a profit motive; the motive is the cause; a cause which is both noble and necessary”
- **Let me know if you have an interest in the TTF Chapters initiative**

#11

Growing our LinkedIn Group

- A great way to harness the power of social media
- Share information ideas, insights
- Call out bad practice; “sunlight is the best disinfectant”
- Recognise good practice and positive developments
- 100,000 members in 5 years?
- 1,000,000 in 10 years?
- <https://www.linkedin.com/groups/8299877/>

➤ **Please join and actively participate**

Comments?

Questions?

Ideas?

Presentation by

**Sunil Chadda, Director, Punter Southall Analytics;
Advisory Board Member, Association of Professional
Fund Investors; Ambassador of the Transparency Task
Force; former Associate Principle, Costs & Charges,
Grant Thornton LLP**

...on "Costs & Charges - are we there yet?"

<https://www.linkedin.com/in/sunil-chadda-1a05937>

Investment Costs & Charges

Are we there yet?

Thursday, 14th November 2019

Sunil Chadda

- TTF Ambassador
- Director – Punter Southall Analytics
- APFI Advisory Board Member
- MD, Cairn Consulting Ltd

Caveat

The issue of investment costs is an extremely complex one involving many actors.

All my comments and observations in this presentation should be viewed in the context of the “Investment Costs in Europe: Game of Thrones” article that was published in the September 2018 issue of The Transparency Times.

The article is also available on my LinkedIn profile

1. Is regulation working?

Who actually does think that regulation is working?

2. The Problem with Financial Products

Financial Products are the only products that you will buy where you do NOT know;

i. The true INITIAL costs

ii. The true ONGOING costs

at time of purchase.

Price Discovery will lead to a proper functioning market. If fees have to go up then so be it – the market will ultimately find the new equilibrium point.

3. The Sources of Investment Cost



4. So, is regulation working?

Since 2008, the EU's financial markets have seen an unprecedented volume of regulation with no review and no roll-back. Regulations have moved to being fully prescriptive in nature and Brexit is adding to the patchwork quilt nature of regulation;

- Overly complex, cumbersome and inconsistent. Prescriptive and not Principles-based
- Confusing for all market participants – especially retail investors
- How does a regulator keep up and monitor and enforce?
- Much higher product manufacturing costs – paid by the investor
- Extremely high regulatory, reputational and financial risks for asset management firms with a very high chance of breaches
- Does the intended purpose of the regulations match the consequences? Where's the Cost Benefit Analysis?
- Is there a level playing field in the EU?

4. So, is regulation working? (cont.)

Here's what the Chief Executive of the FCA, Andrew Bailey, and the Chairman of the FCA, Charles Randell had to say to the Treasury Select Committee in August 2019 (Source: House of Commons);

- i. AB: “Here we get to what I call the “rules versus principles” point. In my view, as I have said quite a bit recently, we should have much more of a principles-based system with enforceable principles, because quite clearly there is a distinction between what we might call the principle of the whole thing and what the rule is delivering.”
- ii. AB: “The point is that, for me, the UCITS rules demonstrate the problem you get with an excessively rules-based system. That is a feature of much of the EU system. In my view, it does not have a sufficient element of principle in it. I mean “principle” in the sense that it can actually be enforced.”
- iii. CR: “Over time, if we do have a freer hand in the setting of our rulebook, I would hope that we will be able to look more at outcomes. It is outcomes that I am interested in, supported by principles.”

5. A Change of Regulatory Approach?

Interestingly, the FCA have already changed their approach;

FCA TR19-3 “Review of the Fair Treatment of With-Profits Customers” - April 2019.

- i. Outcomes framework identified and used with FCA principles acting as the driver. Rules?
- ii. Products sold many years ago, at a time of higher growth and inflation, still need to keep in mind the outcomes that were promised at the time of sale.
- iii. Insurance companies compliantly managing products to tight product T&Cs have to review them and take action if outcomes look to be adverse. Costs and charges are slowly being removed – but what about questionable or old practices and the uneven playing field with the Authorised Fund world?
- iv. TCF applies at the whole customer-level and between cohorts of customers
- v. FCA’s Assessment of Value regime likely to be applied to insurance products.

6. Regulatory Arbitrage & Confusion

Borne out of the FCA Asset Management Market Study, the Assessment of Value regime came into force in September 2019, with the first investor disclosures, one per share class, due by the end of January 2020;

- i. All Fund Boards of UK Authorised Funds will have to produce an investor disclosure based on 7 or more principles
- ii. EU and other overseas-based fund managers are not in scope, yet some are considering complying on a “voluntary” basis, with no regulatory oversight. Others are not going to do anything at all and are not obliged to
- iii. Chances of unexpected and adverse outcomes may well be higher for non-UK competitor funds but a big advantage and selling point for UK Authorised Funds – but Boards will have to become independent at some point post-Woodford
- iv. Confusing for the UK investor, especially retail, who won’t know or be able to work out that UK Authorised Funds have better governance, oversight and controls – but higher costs
- v. Who is going to inform the investor as to the dual regulatory regime that applies?
- vi. Similar EU regulatory initiative to follow at some point.

6. Regulatory Arbitrage & Confusion (cont.)

The curious case of MiFID II...

- i. Flagship EU Financial Services Regulatory Initiative. Live from 3rd, January 2018
- ii. 7-9 EU member states have not yet entered the regulation onto their own Statute Books. Uneven landscape with no investor transparency
- iii. Rules implemented differently on a country and firm basis
- iv. 13-20 different transaction cost calculations in use. Gaming?
- v. Are national regulators monitoring and enforcing in the same way?
- vi. Political factors and various sovereign interests related to Brexit have muddied the water further
- vii. Cost Disclosures inconsistent: UCITS or MiFID II?

7. Cost Disclosure Initiatives

The myriad of regulatory and industry initiatives covering investment cost transparency is adding to the confusion. All initiatives should be fully transparent in a number of areas and investors MUST do their own thorough Due Diligence. The list is not exhaustive;

Scope

- i. What is explicitly in and out of scope?
- ii. Is this a Level I or Level II costs initiative?
- iii. What asset classes are covered?
- iv. Which markets/jurisdictions?
- v. Which types of investor does it apply to?
- vi. Is the regime compliant with MiFID II, PRIIPs and other relevant regulatory cost initiatives?
If not, where and how is it different?

Gap items

- i. Which cost items are in scope and which are not?
- ii. How many cost items have been included and excluded, in total?
- iii. How any non-standard or contentious cost issues are handled?
- iv. Have any issues been parked until a later version? What are they and when will they be covered?
- v. What is the quantum of costs covered and not covered?
- vi. What is the confidence level, in terms of completeness and accuracy?

7. Cost Disclosure Initiatives (cont.)

Transaction Costs

- i. What slippage or other transaction cost calculation methodologies have been used and is this documented?
- ii. Have underlying funds used different transaction cost calculation methodologies? If so, how has this been equalised?
- iii. A clear explanation should any funds or products exhibit negative transaction costs

Support

- i. Is there a comprehensive user manual for investors and governance bodies to refer to?
- ii. Is there a mechanism for providing timely assistance on queries and issues?
- iii. Is all information in the public domain?

Thank you!

Power Panel on “Costs & Charges - are we there yet?” Featuring:

Lesley Curwen, award-winning BBC Broadcaster; Financial Journalist

<https://www.linkedin.com/in/lesleycurwen/>

Philip Miller, Co-founder, Fair Return; former Co-founder and Head of Client Services, Marland Thomas Solicitors; former Founder, Pension Focus

<https://www.linkedin.com/in/phil-miller-10bb717a/>

Sunil Chadda, Director, Punter Southall Analytics; Advisory Board Member, Association of Professional Fund Investors; Ambassador of the Transparency Task Force; former Associate Principle, Costs & Charges, Grant Thornton LLP

<https://www.linkedin.com/in/sunil-chadda-1a05937>

About **THE TRANSPARENCY TROPHY**

- The TTF shines a light on problems; to help solve them
- The TTF also shines a light on transparency champions; to encourage others
- We do this by awarding a Transparency Trophy at each of our symposia
- The winner gets to keep it
- The star-shape is significant - people can navigate using the stars so the star shape has been chosen to symbolise the idea that the winners are helping to navigate the sector to a better place



Previous winners of THE TRANSPARENCY TROPHY

- February 2016: **Tomas Wijffels**, Pensioen Federatie
- April 2016: **Rachel Haworth**, ShareAction
- June 2016: **Jackie Beard**, Morningstar
- September 2016: **Gina & Alan Miller**, the True & Fair Campaign
- October 2016: **Robin Powell**, Evidence-Based Investor
- November 2016: **Daniel Godfrey**, The People's Trust
- December 2016: **Ralph Frank**, Cardano Risk Management
- February 2017: **Con Keating**, Brighton Rock Group
- May 2017: **David Pitt-Watson**, London Business School
- July 2017: **Mike Barrett**, The Lang Cat
- September 13th 2017: **Steve Conley**, Founder, Values Based Adviser
- September 28th 2017: **George Kinder**, Founder, The Kinder Institute
- November 15th 2017: **Angela Brooks**, Founder, Pension Life



Previous winners of **THE TRANSPARENCY TROPHY** continued

- November 23rd 2017: **Dr. Chris Sier**, Independent Chair, FCA's IDWG
- November 30th 2017: **Dan Brocklebank**, Head of UK, Orbis Investments
- March 8th 2018; **Henry Tapper**, Pension PlayPen, First Actuarial & AgeWage
- March 14th 2018; **Bob Compton**, Director, ARC Benefits Ltd
- May 24th 2018: **Susan Flood**, Vice Chair, Ark Campaign Group
- May 24th 2018: **Nicholas Morris**, Adjunct Professor, Faculty of Law, UNSW
- July 11th 2018: **John Howard**, Director, Consumer Insights
- July 26th 2018: **JB Beckett**, UK Lead, Association of Professional Fund Investors
- September 20th 2018: **Heather Buchanan**, Dir. of Pol. APPG/Fairer Business Bk'g
- 6th November 2018: **Lesley Curwen**, Reporter, BBC Freelance
- 14th November 2018: **Dr. Kara Tan Bhala**, President and Founder, Seven Pillars Institute for Global Finance and Ethics

Previous winners of **THE TRANSPARENCY TROPHY** continued

- 17th December 2018: **Julia Dreblow**, Founder, SRI Services & The Fund EcoMarket
- 16th January 2019: **Norma Cohen**, Former Financial Times Correspondent
- 12th March 2019: **Darby Hobbs**, CEO/Founder SOCIAL3, Co-Founder & Chairperson Conscious Capitalism Boston Chapter; and Professor Boston University
- 14th March 2019: **Connie and Michael Erlanger**, Co-Founders of GoKnown.
- 20th March 2019: **Mark Falcon**, Director, Zephyre
- 16th May 2019: **Dr. Anna Tilba**, Associate Professor in Strategy and Governance, Durham University Business School
- 29th May 2019: **Paddy Delaney**, Founder, Informed Decisions
- 6th June 2019: **Paolo Sironi**, Watson Financial Services, IBM
- 18th June 2019: **Guy Spier**, Chief Executive, Aquamarine Fund
- 20th June 2019: **Josina Kamerling**, Head of Regulatory Outreach, EMEA, CFA Institute

Previous winners of **THE TRANSPARENCY TROPHY** continued

- 23rd July 2019: **Sunil Chadda**, Director, Cairn Consulting
- 10th September 2019: **Chris Tobe**, Founder, Stable Value Consultants
- 11th September 2019: **Jon Lukomnik**, Managing Partner, Sinclair Capital
- 12th September 2019: **Robert McNulty**, Dir of Prog's, Hoffman Ctr for Business Ethics
- 10th October 2019: **Rick Adkinson**, Chief Executive, Private Capital, Hong Kong
- 15th October 2019: **Dr Shann Turnbull**, Principal, Int Inst for Self Governance
- 17th October 2019: **Dr David Knox**, Senior Partner, Mercer
- 22nd October 2019: **Dean McClelland**, Tontine Trust
- 5th November 2019: **Richard Emery**, 4 Keys Consulting
- 14th November 2019: **???**

Refreshments & Networking

We restart at 15:20, Team Photo

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Presentation by

**David Masters, Partner and Director, Lansons;
Member of the Board of Advisors, QR&P Consulting;
former Analyst at Standard & Poors, New York; former
Analyst at Micropal**

...on "The Woes of Woodford - who needs to learn
what?"

<https://www.linkedin.com/in/davidmasters>

Learnings from the Woodford saga

David Masters, Lansons, November 2019

A quick recap of events.....

Woodford's flagship fund nears limit on unquoted securities

The £7.2bn fund had unquoted securities accounting for 9.69% of portfolio in January



Neil Woodford © Goodall/ANL/REX/Shutterstock

Peter Smith in London FEBRUARY 27 2018



Woodford accuses critics of misleading investors

Fund manager blames campaign of 'misinformation' for flood of withdrawals



Neil Woodford has vowed to stick with his 'valuation-focused' stock selection approach © Richard Cannon/FT

Peter Smith and Kate Beioley in Oxford MARCH 14 2019



A quick recap of events.....

Woodford fund shrinks by £560m as investors pull capital

Neil Woodford slams the gate in investors' faces

Hargreaves Lansdown hit by Woodford woes

Run on Woodford fund leaves broader sector exposed

Neil Woodford fights to save career after losing biggest client

Neil Woodford broke the ground rules – now investors will pay the price

Is the fallen 'star' fund manager a victim? Hardly. He's made a fortune in recent years

MERRYN SOMERSET WEBB

+ Add to myFT



Neil Woodford fund problems to face scrutiny by MPs

Woodford in scramble to raise cash after devastating week

A quick recap of events.....

Conflicts of interest in fund manager market exposed by Woodford

Opinion **Financial services**

Neil Woodford episode raises issues for financial regulators

Fund's inability to meet investor withdrawals suggests the rules are not working properly

ANDREW BAILEY [+ Add to myFT](#)



Andrew Bailey, chief executive of the Financial Conduct Authority, left, and fund manager Neil Woodford © Bloomberg/Tom Pitston

Andrew Bailey JUNE 9 2019



MPs to probe UK regulator's oversight of Woodford

Investing in funds

Woodford upheaval puts spotlight on 'best buy' lists



Woodford apologises to clients but defends portfolio

Fund manager understood there had been 'company specific issues within the portfolio'



Inside London **Neil Collins**

Woodford affair has exposed the funds liquidity illusion

Woes compounded by difficulty of establishing value of underlying investments



Analysis **Woodford Investment Management**

Questions mount over weak Link in Woodford affair

Link Fund Solutions oversees stock picker's funds and had similar role in 2 earlier fund closures

A quick recap of events.....



UK financial regulation

Flawed rules contributed to Woodford fund meltdown, says FCA

Chief says investment fund was engaged in 'regulatory arbitrage'



UK financial regulation

Carney calls for change to investment regulation

Funds allowing instant access to illiquid assets are 'built on a lie', says central banker



FCA pressed Woodford into being overseen by Link

Watchdog now itself investigating management service over role in collapse of flagship fund

Neil Woodford's flagship fund suspension extended indefinitely

UK's best-known stockpicker sells more stakes as freeze enters fifth week

Neil Woodford: decline and fall

The cult of personality in the fund manager is over in retail investment



Neil Woodford, once the UK's most formidable stock picker, looks finished as a force in retail funds © Richard Cannon

OCTOBER 15 2019



A quick recap of events.....

What next for Woodford Equity Income investors?

Opinion **Lombard**

Should Neil Woodford repay his £8m fees on shut down fund?

Arguably, there is no clear justification or mechanism for giving the money back

MATTHEW VINCENT

+ Add to myFT



Woodford fallout spreads beyond former top manager's downfall

Crisis heightens liquidity fears and further erodes investor faith in fund industry



Serious Money **Clae Barrett**

No one emerges from the Woodford debacle with any credit

Light-touch regulation continues to fail retail investors



Woodford and partner take £20m dividends amid crisis

Payout on top of nearly £100m shared by duo between 2014 and 2018



Investments

Trapped Woodford fund investors weigh their options

Search is on for a new manager to take over Income Focus fund



Investing in funds

UK funds suffer record outflows in wake of Woodford

Investment Association data show damaged investor sentiment in British equity funds

It hasn't stopped there.....

OLIVER SHAH
OCTOBER 27 2019, 12:01AM, THE SUNDAY TIMES

Oliver Shah: Fund managers deserve same scrutiny as bosses

OLIVER SHAH



UK financial regulation
FCA to scrutinise fund supermarkets after Woodford saga

FCA head says fund rules may need to change after Woodford meltdown

Sex pest inquiry at M&G could hit float

Keep retail investors in own funds, says Andrew Bailey

FCA chief raises questions after Woodford saga

Top fund manager forced to resign after BBC investigation

© 21 October 2019

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Try to find where your fund manager is investing – I dare you

COMMENT
NOVEMBER 12 2019, 12:01AM, THE TIMES

The skeleton in City closet that no one thinks necessary even to acknowledge

PATRICK HOSKING



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Fund firms are not the winners....

Cumulative net sales (all funds)

12 months to 30 September 2019



Source: The Investment Association

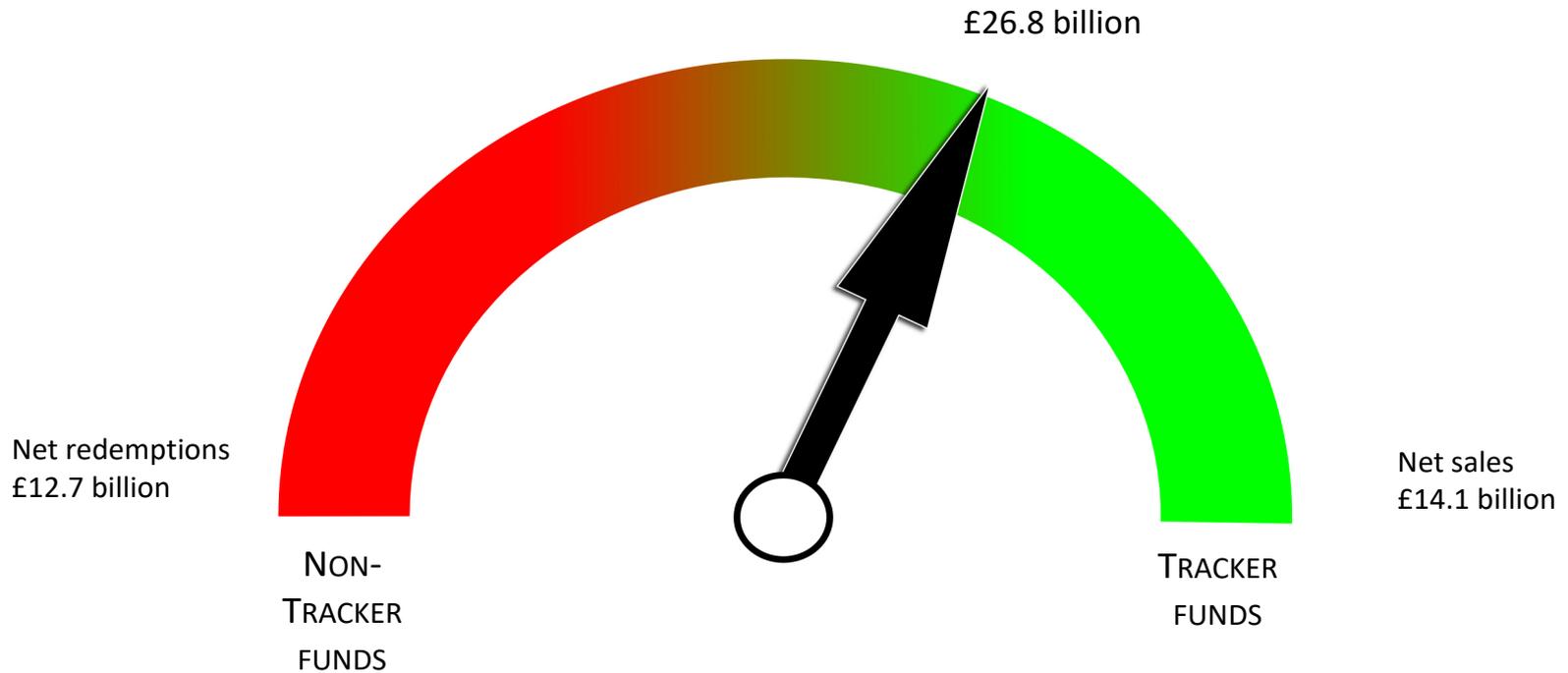
LANSONS

Its probably these people...



LANSONS

The investment “swing-o-meter”



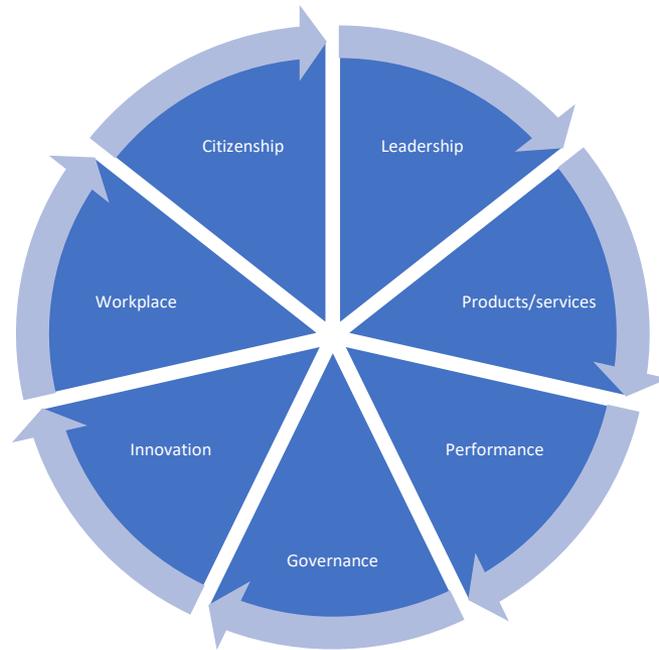


THIS WAY

THAT WAY

ANOTHER WAY

Reputation – its not just performance



How do we move forward?



Any questions?

Power Panel on "The Woes of Woodford - who needs to learn what?" Featuring:

Shane Norman, Principal, Business Development for Fund Managers; UK Representative, Fuchs Asset Management SA; Senior Advisor, MontLake Funds Ltd; former Head of Research, ML Capital Ltd
<https://www.linkedin.com/in/shanenorman/>

Mikkel Bates, Regulatory Manager, FE fundinfo; former Director, Belmont Marketing Services; former Member of the ExCo, Castle Trusts; former Head of Retail and Institutional Marketing, GLG Partners UK Ltd (formerly Societe Genarale Asset Management)
<https://www.linkedin.com/in/mikkel-bates-2b45355/>

Adam Samuel, Financial Services Compliance Specialist; International Dispute Resolution Lawyer; Visiting Lecturer at the University of Westminster; former Deputy Chief Executive, Personal Investment Authority Ombudsman Bureau
<https://www.linkedin.com/in/adamsamueltc/>

David Elliott, Director, Flat Mountain; Retirement Strategist, Timeline Tech; Retirement Associate, FinalytiQ; Former Head of Business Development, Foster Denovo
<https://www.linkedin.com/in/davidjelliott1/>

Upcoming meetings

“THE PERILS OF PENSION SCAMS”

Tuesday 3rd December from 12:00 to 17:00

Thank you to Mayer-Brown for hosting

Our work is done, for today!

Thank you very much for your attendance, input and ongoing support!

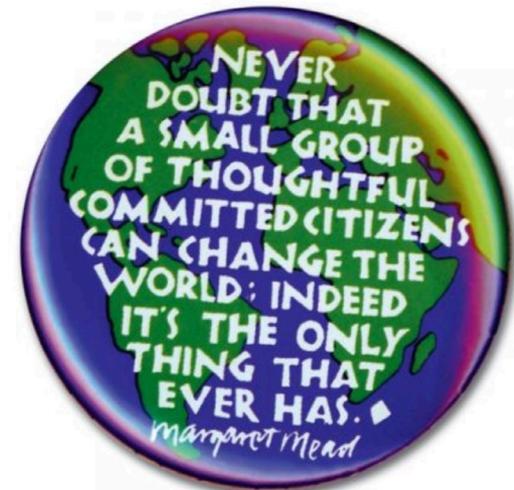
I will be in touch to schedule a debrief 'phone call with each of you 😊

THE TRANSPARENCY SYMPOSIUM

Andy Agathangelou

Founding Chair

Transparency Task Force



**Many thanks again to today's host and sponsors;
and everybody else for taking part so fully!**

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