

HARGREAVES  
LANDOWN

# HL WORKPLACE

Keeping you informed

Autumn 2022

I'm delighted to be writing my first contribution to the HL Workplace EBC newsletter. Since joining the business on 30th May, I have been blown away by the quality of the people at HL and the service excellence that they deliver to our customers. Having been an HL customer for over 20 years and experiencing 'best in class' customer support, it is fantastic to see these standards have mapped across to Workplace members too.

In my early weeks at HL, results from our Workplace Employer survey landed. A response rate of 30% was a great start and means that the results reflect the thoughts of a meaningful number of our client base. With 97% of respondents rating service as excellent or good, it's no surprise to see that our current retention rate is running at 99%. Service is a key component of the overall proposition we provide and it is great to see that we're getting it right.

As referenced in our April newsletter, we are continuing to invest in our business to keep our proposition at the forefront of the market and to provide innovative ways to support and engage members of workplace schemes. In this newsletter, we will cover:

- [HL Growth fund update](#) →
- [Savings & Resilience update](#) →
- [2022 Workplace Employer survey](#) →
- [Engagement update](#) →

This should give you good insight into how our business continues to develop and comfort around how both employers and members will be supported.

There will be lots more to come and I look forward to updating you further in coming months.

Regards



**ALAN MILLWARD**

Head of Workplace Acquisition  
and Engagement



## HL GROWTH FUND UPDATE

We're delighted to announce that in June 2022 we increased the ESG investment focus of the HL Growth fund. The fund now includes 85% ESG tilting within underlying assets, which is an increase from 52.5% ESG tilting when the fund launched.

The default fund now uses a wider range of LGIM (underlying manager) funds to increase the ESG focus. This aligns with our broader objectives and commitment to reach net zero by 2050. 70% of the fund's underlying assets are LGIM's 'Future World' funds which aims to decarbonise at an annual rate of 7% per year, also targeting net zero by 2050.

We aim for the remaining 15% of the fund to be ESG integrated in the near future and will let you know when further changes are made.

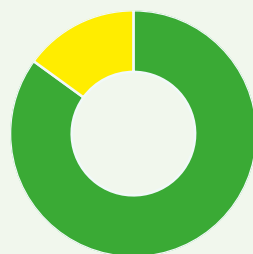
In addition to this, in April, we transitioned all existing default users to our new strategy. This was the culmination of a substantial campaign run by our dedicated communications team. The communications included QR code responses to facilitate opt-out requests and multiple versions of the communications based on member's age and lifestyling circumstances.

### PREVIOUS HOLDINGS



Contains ESG Tilts and exclusions	52.50%
Exclusions based on LGIM FutureWorld Protection List	22.50%
Not ESG integrated, but LGIM do engage	25.00%
Total	100.00%

### CURRENT HOLDINGS



Contains ESG Tilts and exclusions	85.00%
Not ESG integrated, but LGIM do engage	15.00%
Total	100.00%

## HL CONTINUES TO BUILD RESEARCH EXPERTISE



Derren Nathan  
joins HL as Head of Equity  
Research from Hybridan  
**Derren Nathan,**  
**Head of Equity Research**

Derren has come from corporate brokers Hybridan, where he spent eight years, four of which he spent as Director of Research. Prior to that, Derren worked at WH Ireland as an equity analyst. Derren has more than 15 years of experience in investment research, corporate finance, investor relations and M&A transactions – as well as specialist equity analysis experience in tech, leisure, smaller companies and AIM stocks.

The HL Equity Research team at HL produce more than 500 pieces of research every year, covering all major sectors as well as featuring regularly in national press, on broadcast, and contributing to the [Switch Your Money ON podcast](#).



Hal Cook  
joins as Senior Investment  
Analyst from Mercer  
**Hal Cook,**  
**Senior Investment Analyst**

Hal joins HL from Mercer where he was responsible for fund selection and monitoring for their Private Wealth Discretionary Management Service. He brings expertise across all sectors, including mixed asset and fixed income, which will be his specialisms within the HL Fund Research team. Prior to Mercer, Hal worked at JLT Investment Management for eight years.

As well as being responsible for two mega-sectors, as a member of the Senior Research Team he will also provide oversight and challenge to fund selection across all sectors on the Wealth Shortlist, and vote on all proposals.

The HL Fund Research team analyses funds, investment trusts and ETFs, producing more than 300 pieces of research a year. The team is also responsible for making fund selections for solutions that serve HL's platform, advice and workplace clients, including our preferred fund list, the Wealth Shortlist.

### Emma Wall, Head of Investment Analysis and Research says:

"We believe the right mix of homegrown talent and external expertise helps us to deliver the best possible client outcomes, and I am therefore thrilled to share two key appointments within the Investment Analysis and Research team. Joining the equity and fund research functions, Derren and Hal bring a wealth of knowledge and experience – both of their specialisms and the wider market. These are high calibre hires for HL and will add immediate value to our analysis processes and help us deliver an ever better service to clients."



# SAVINGS & RESILIENCE BAROMETER 2ND EDITION (SUMMER 2022)

In January we launched HL's Savings & Resilience Barometer. Working in partnership with Oxford Economics, this research provides assistance for both individuals and policymakers when viewing the nation's financial resilience and aims to answer the important question – How are British households managing financially?

This links to our existing 5 to Thrive programme of financial resilience/ wellbeing and provides an additional tool for our financial wellbeing programme.

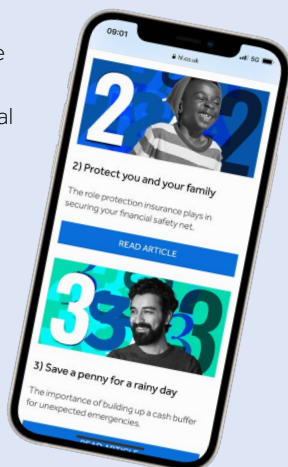
The second edition focuses on how the nation was placed after the impactful pandemic years and the changes a rising inflationary environment has had on individual financial resilience.

## The key findings are:

- While financial resilience increased through the pandemic, these gains have been eroded by rising inflation. Surplus incomes, cash savings and pensions investments have fallen across all demographic groups.
- 41% of households will need to dip into savings or even debt just to stand still in the current environment.
- Real disposable income fell by almost 3% in the last 3 months and will remain stagnant over the coming year, despite generous fiscal support.

There's more to come from this work as we've committed to publish updates every 6 months and we continue to explore pockets of the population that are underserved.

You can read the full report [here](#).



In this edition, we've also created a supplement focusing on proposed Auto Enrolment changes and their potential impact on financial resilience. The two recently proposed policy changes we reviewed were:

- **Automatic enrolment expansion:** removing the lower limit on qualifying earnings, so contributions start from £1 rather than at £6,240, and reducing the entry age from 22 to 18. These proposals were recommended in the Government's 2017 review of automatic enrolment.
- **Minimum pension contribution:** raising the minimum contribution to 12% for all employees (6% contribution from the employee and 6% from the employer) on top of the automatic enrolment expansion.

Using the methodology and data from our Savings & Resilience Barometer this supplement shows the trade-off between short and long term resilience. Lower income and younger households are particularly impacted by the proposed changes.

## As a result of our analysis, we're calling for:

- Proceeding with the proposed changes, enrolling from age 18 and ensuring contributions from the first pound earned.
- Not implementing the changes until 2025 at the earliest.
- Thereafter there should be no further increases to minimum contributions.
- Instead, Government should research the extent to which further voluntary saving can be incentivised, specifically through employer matching contributions.

We hope this research drives a more rounded discussion about how to boost pension contributions. You can read the full supplement [here](#).

# ACCESSIBILITY AT HL

We want to be the most client-obsessed company in the UK. And we know that we can only hope to achieve this by meeting the needs of all our clients.

Our clients should be able to use all our services without any issues, regardless of their accessibility needs.

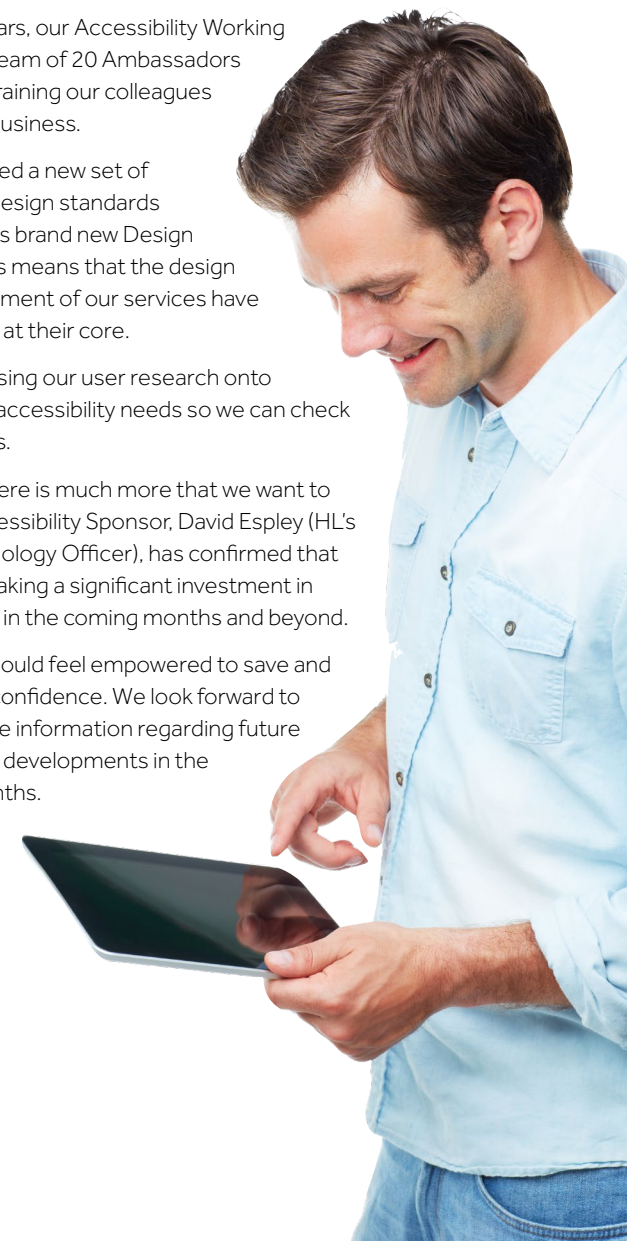
In recent years, our Accessibility Working Group and team of 20 Ambassadors have been training our colleagues across the business.

We've created a new set of accessible design standards via Flare, HL's brand new Design System. This means that the design and development of our services have accessibility at their core.

We're focussing our user research onto clients with accessibility needs so we can check our progress.

However, there is much more that we want to do. Our Accessibility Sponsor, David Espley (HL's Chief Technology Officer), has confirmed that we will be making a significant investment in accessibility in the coming months and beyond.

Everyone should feel empowered to save and invest with confidence. We look forward to sharing more information regarding future accessibility developments in the coming months.



## 2022 HL EMPLOYER SURVEY

More than one in four of our clients responded to the survey. They told us what they value, what we do well and what we could do to improve.

**97%** of respondents rated the service they received in the last year as 'Excellent' or 'Good'.

The range of services we provide employers helps them offer modern and competitive workplace benefits to their employees.

From pensions and investments to wider savings and financial wellbeing, we aim to support members from the start of their working lives right through to retirement.

### ADVOCACY

When it came to whether our employers would recommend us to their peers, **98%** said they would.

That's a huge motivation for our teams to continue the great work they're already doing and to continue to make positive changes.

### COMMUNICATION AND ENGAGEMENT

Our most valued service – as voted by our employers – is the communications we produce for pension members.

The key to encouraging members to engage with their pension and retirement planning is to educate, motivate and demonstrate through effective use of communications.

When this works well, it can lead to better outcomes for individuals when they stop working.



Good materials for employees, well written, rarely get changes from our internal comms team.

Breaking down complex topics in plain, jargon-free English is vital in helping people understand their options and make informed decisions about their future.

### MANAGING RELATIONSHIPS

The governance and management information we provide to consultancies for their clients is also highly valued.

Our Client Relationship Managers are experienced and proactive. We produce detailed reports to provide valuable insight to employers or advisers and take time to understand the individual needs of each company's workforce.



[Our CRM] is always prompt to respond to my varied queries and is also thorough in his response.

### COMPARISON WITH PREVIOUS PROVIDERS

90% of employers who have used other pension providers told us that we offer a 'better' or 'much better' service.

Our employers said that the level of personal service and speed of response they receive to complex queries is what sets us apart.

### AREAS FOR IMPROVEMENT

An area in which our employers expected more from us related to the portal they use to upload monthly member contribution data. We've taken this feedback on board and have big plans for development in this area, including an overhaul of our front-end user experience for employers.

We recognise the importance of all the ways our clients interact with us, whether it's on a personal basis or through the technology and systems used to administer the products we provide.

**Alan Millward, Head of HL Workplace Acquisition & Engagement, said:**



The feedback from our employer clients is a fantastic insight into the efforts and expertise of HL Workplace colleagues. We work hard to exceed expectations and focus on developments that matter most to our clients. We'll continue to put the client at the centre of everything we do.



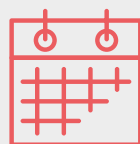
# ENGAGEMENT UPDATE

## LATEST MEMBER ENGAGEMENT

We use the 7 actions below to identify how well members are engaging with their pension.

We increase our engagement levels through relevant and targeted communications from our in-house communications team. And our Financial Education & Wellbeing specialists also conduct on-site and online sessions.

		AUG 22
Contributions	Paying more than the minimum	52.2%
Investment Choice	Made an investment outside of the default	20.9%
Pension Transfer In	Transferred in another pension	23.3%
Online Access	Registered to view account online	65.9%
Log In – Last 12 Months	Logged in to view account – last 12 months	72.3%
Additional Account	Saving into an additional account with HL	13.3%
Death Benefit	Set up a nominated beneficiary	25%



## COMMUNICATIONS CAMPAIGNS

APRIL 2022 – JUNE 2022

### April

- Transfer in member Cashback introduction
- Switch Your Money On – Pension consolidation webinar invites

### May

- Scheme webinars for employer needs
- Switch Your Money On – Saving for Children webinar invites


### June


- Client satisfaction surveys
- Green nudge – Helping people to be more sustainable in managing their pension
- Retirement service webinars invites
- Switch Your Money On – Funds in focus webinar invites



## MOBILE APP PERFORMANCE

(August 2022)

 **4.70** ★ from **43.7K** ratings

 **4.50** ★ from **11.5K** ratings

**662k**

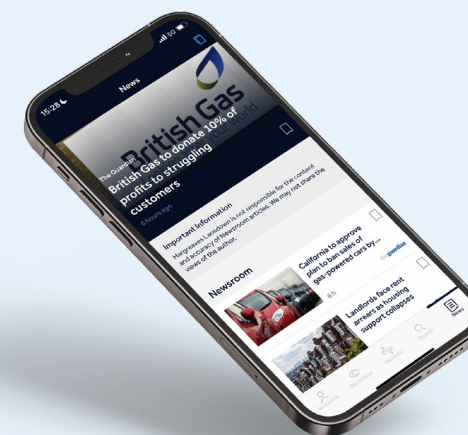
**MONTHLY ACTIVE USERS**

(both retail and HL Workplace August 2022)

**82.5%**

**OF WORKPLACE MEMBER LOGINS WERE VIA THE APP**

(Dec 2021 to July 2022)



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