

Business matters

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How to spend and invest your money

In terms of the nation's bank balances, there have been winners and losers from Covid-19.

Millions of workers in the UK have seen their income reduce due to lower furlough payments, no overtime hours or losing their jobs.

But on the other hand, many households' finances have improved during the pandemic as they work from home without petrol and parking costs while making substantial savings from being unable to take a foreign holiday along with fewer outings and meals out.

This month's issue of Business Matters looks at how to spend and invest your money.

With the Bank's base rate at a record low, returns on savings are negligible and it might be time to consider alternative investments such as items at auction (page 4), classic cars (page 7) or even handbags (page 8).

Dundee-based Thorntons Investments (page 2) reveals its plans to grow by acquisition while Martin Gilbert of Aberdeen Standard Investment explains why renewables and opportunities in Asia are the way forward (page 9).

And for those who have adopted a 'life's too short' attitude, then there's always the option of splurging £18,500 on a pair of hi-fi speakers (page 3).

Business Matters will be back on September 29 with the theme of entrepreneurs and SMEs.

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Dundee firm hopes to accumulate with two acquisitions

THORNTONS INVESTMENTS LOOKING TO CUT COSTS BY PURCHASING RIVALS

IAN FORSYTH

A Dundee-based investment house with ambitious expansion plans has revealed it is currently sizing up two possible acquisitions.

Many firms have batted down the hatches during Covid-19, but Thorntons Investments believes that adding to its operations just now is important for a bright future.

Chief executive Stephen Webster said: "Our strategic ambition is to grow. In recent years, the impact of regulation has had a major impact on our cost base and we believe one way to mitigate those costs is to achieve the economies of scale which growth can bring. "Organic growth is a challenge in such a competitive market and so we believe the answer to the growth conundrum is via acquisition.

"We are actively looking at two potential acquisitions in the east of Scotland, and we see this as a first step towards achieving our strategic ambitions."

Thorntons Investments now has 32 staff, most of them in Dundee. There is also an office in Edinburgh and one employee south of the border.

The business has advised clients on investments across the UK since 1995, initially as part of Thorntons Law and it became a separate legal entity in 2014.

Stephen said: "Within our financial planning team we have in excess of 600 clients, and in our discretionary portfolio team we have more than 400 clients. We manage investments on behalf of individual clients, trusts and charities throughout the UK.

"We also manage assets on behalf of external financial advisers through our model portfolio service. With more than 70 external financial advisers now using this service, we operate throughout the UK from Thurso to Truro."

Thorntons Investments says that, at

“We believe the answer to the growth conundrum is via acquisition.”

STEPHEN WEBSTER

the outset of a relationship, it spends time exploring the financial ambitions of clients and what they want from a relationship with the firm before getting into the technical details of the client's investment objectives and attitude to investment risk.

The chief executive added: "It is about getting to know our clients and understanding their motivations and what they want out of life.

"This is an in-depth conversation which is essential for us to ensure the correct investment strategy is in place for the client at the start of their relationship with Thorntons Investments. We want to ensure they have complete confidence in the business from the beginning."

Stephen, who hails from Dundee, spent around seven years in financial services leading the portfolio management service for the Bank of Scotland before joining Thorntons Investments in 2012.

He said 2019 was a good year for his company, explaining: "Performance was strong across our range of investment offerings and particularly good in the AIM (Alternative Investment Market) portfolio.

"The business had new inflows of £40 million and we made good progress in expanding our investment offerings to external advisers, hiring a dedicated business-development manager in the south of England and expanding the number of platforms we are available on."

Stephen said a variety of factors make the firm successful.

"We are always looking to adapt to changes in the industry and markets, whilst at the same time focusing on the service provided to our clients.

"Our team are all very experienced and we have a really good culture throughout the whole business.

"Good performance from our investments, internal research and analysis that we have conviction in, competitive fees and being on hand to provide a personal touch when clients need us ensures that clients remain at the heart of everything we do."

Stephen said that, despite the unprecedented disruption that Covid-19 has caused, financial markets never shut, and Thorntons Investments has operated without interruption.

"Our business recovery plans proved effective and all staff have been able



Stephen Webster. Picture: Dougie Nicolson.

to work from home," said the chief executive. He added that the nationwide Covid-19 lockdown restrictions had been without parallel, saying: "The worst has hopefully passed, with the gradual lifting of restrictions. However, recovery is likely to feel like two steps forward, one step back for a while.

"Unfortunately, a full recovery is likely to take years rather than months and not all businesses will survive, especially as government support measures reduce."

Though Brexit has been overshadowed on the news front by Covid-19, it has not gone away and the clock is ticking fast towards the end of the transition period in December.

Stephen said: "Economic interest on both sides would argue for something as close to the current trading terms as possible, but politics have a nasty habit of getting in the way. The UK stock market has lagged others, suggesting a Brexit cloud hangs over prospects currently. I do not expect any substantial progress until the 11th hour."

The chief executive also gave some general advice for those looking to invest in today's markets.

"Markets can be volatile, so make sure you know what your goals and expectations are. Find the right adviser, who will be there to work with you through both calm and choppy waters."