

To be or not to be a shareholder... is that the question?



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ALL EMPLOYEE SHARE PLANS



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EMPLOYEE PLANS



To be or not to be a shareholder... is that the question?

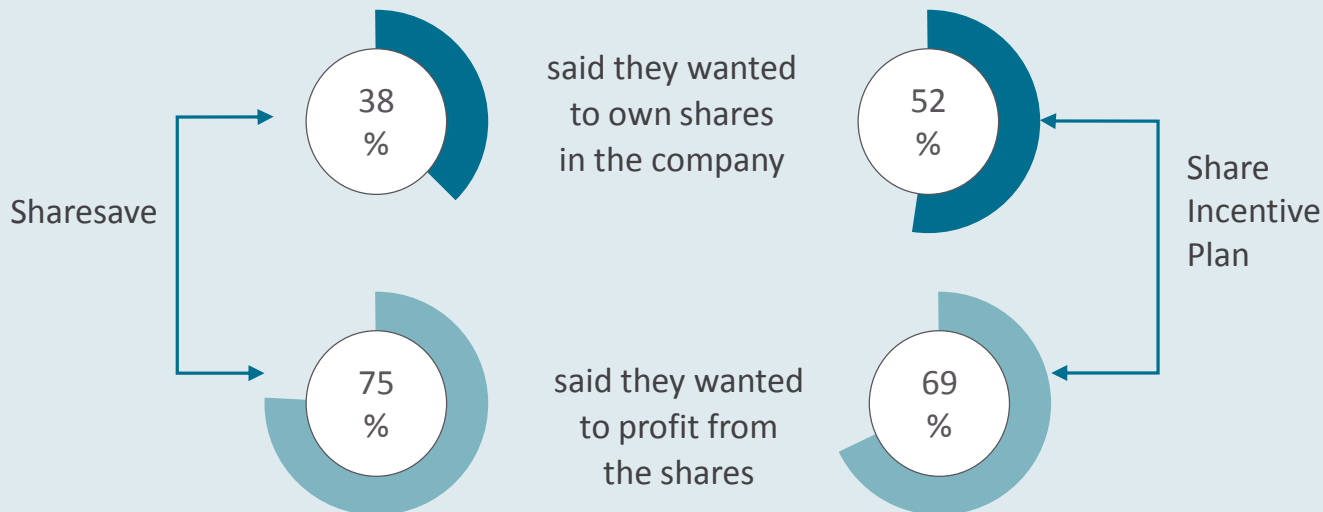
**Sharesave
SAYE**

**Share
Incentive
Plan**




PROSHARE - ATTITUDES TO EMPLOYEE SHARE OWNERSHIP RESEARCH

REASONS FOR PARTICIPATION



PLANNING

SHARESAVE MATURITIES

- 
- Difference between option price and market price

+

- Share price volatility
- Emphasis on exercise

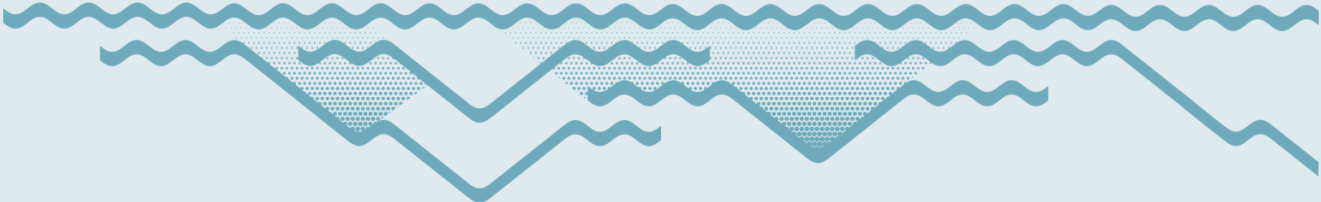
- Difference between option price and market price

-

- Share price volatility
- Emphasis on repay

- Difference between option price and market price

?

- Share price volatility
 - Emphasis on hold/retest
- 



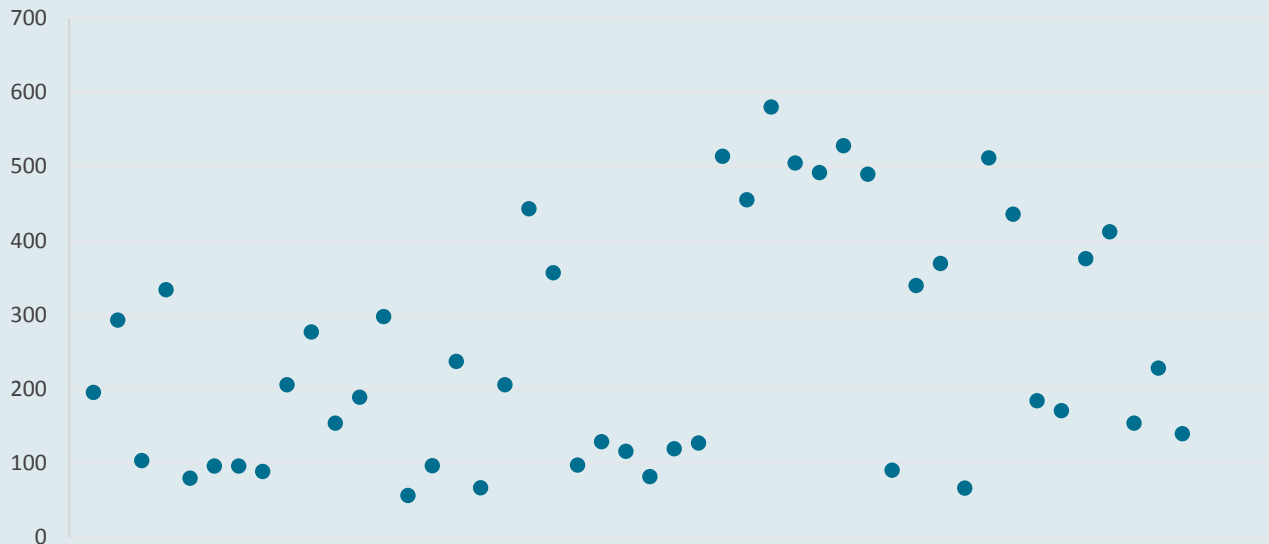
OPTION PRICE AND MARKET PRICE VARIANCE (PENCE)

112 SHARESAVE PLANS



OPTION PRICE AND MARKET PRICE VARIANCE (PENCE)

66 SHARESAVE PLANS



Good News

ABOVE WATER

Own shares

Make a profit

Exercise
and keep

ISA

Investment
account

Pension

Exercise
and sell

Exercise
and
re-invest

No action!
Auto-repay



OPTION PRICE AND MARKET PRICE VARIANCE

(PENCE)

22 SHARES/AVE PLANS



Good News

EVEN IF BELOW WATER

Own shares

Hold and
retest

Market
purchase
(at start)

Market
purchase
(at end)

*"Buy your
shares and
get some
cash back"*

Make a profit

Hold and
retest

Repayment
and
re-invest

No action



OPTION PRICE AND MARKET PRICE VARIANCE (PENCE)

24 SHARES/SAVE PLANS



Good News

IN THE BUFFER ZONE

Own shares

Hold and
retest

Exercise
and keep

Market
purchase

ISA etc

Make a profit

Hold and
retest

Exercise
and sell

Repayment
and
re-invest

No action



WHEN SHOULD YOU DIVERSIFY?

POLL QUESTION

Question: What is the maximum percentage of an employee's savings/investments that should be tied into their employing company's shares?

- **A. 0%**
- **B. 1% – 10%**
- **C. 11% - 20%**
- **D. 21% - 50%**
- **E. More than 50%**



SHARE INCENTIVE PLAN

INVEST AND SELL

- Locked in shares
- Conditional shares
- Available shares
- 'Have you thought about your SIP shares recently' campaign
 - Sell available shares
 - Add to your SIP shares
- SIP to SIPP



WHEN SHOULD YOU DIVERSIFY?

POLL QUESTION

Question: How many is too many?
When do you think an employee
should consider selling? When the
value of available shares in their SIP is:

- **A. Under £5,000**
- **B. £5,001 – £10,000**
- **C. £10,001 - £25,000**
- **D. £25,001 - £50,000**
- **E. More than £50,001**

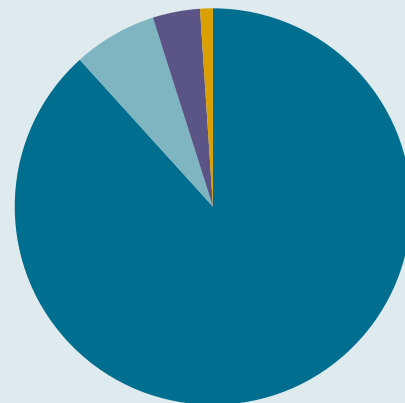


WHEN SHOULD YOU DIVERSIFY?

EMPLOYEE HOLDINGS

How many is too many?

Under £5,000	177,839 employees
£5,001 – £10,000	13,756 employees
£10,001 - £25,000	7,772 employees
£25,001 - £50,000	2,098 employees
More than £50,001	1,007 employees



A FEW THOUGHTS

WHAT'S COMING UP

- Share price volatility
- Exchange rates
- Brexit
- Multi-asset ISAs
- Payments plus



QUESTIONS

