

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

---



**Graham Bull**  
MANAGING DIRECTOR  
ALL EMPLOYEE SHARE PLANS



**Jennifer Rudman**  
STRATEGIC DEVELOPMENT MANAGER  
EMPLOYEE PLANS



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

---

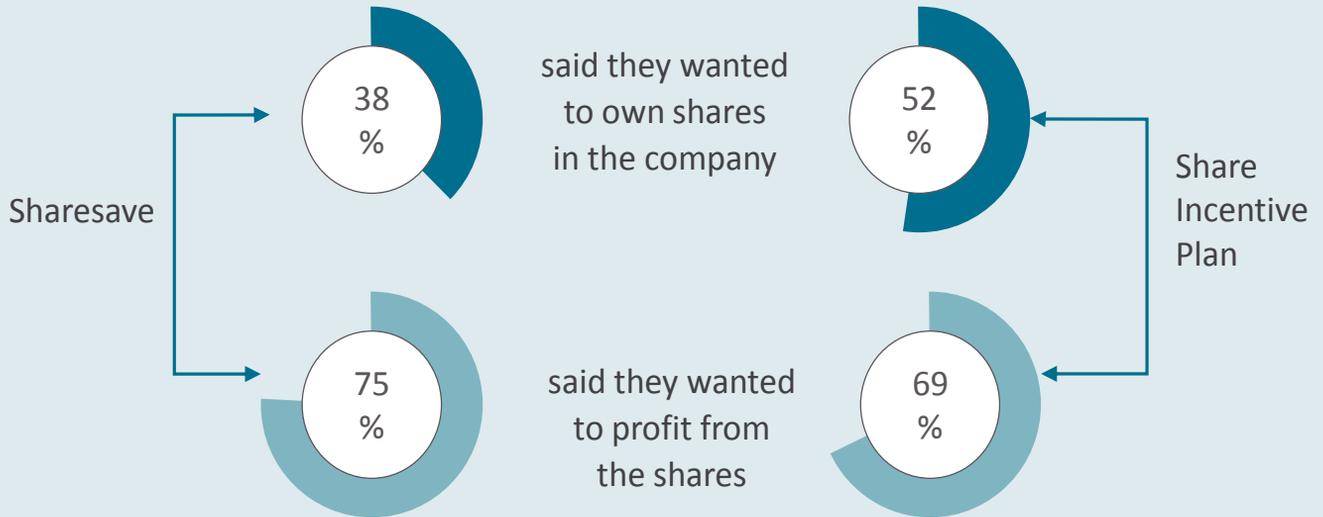
**Sharesave  
SAYE**

**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

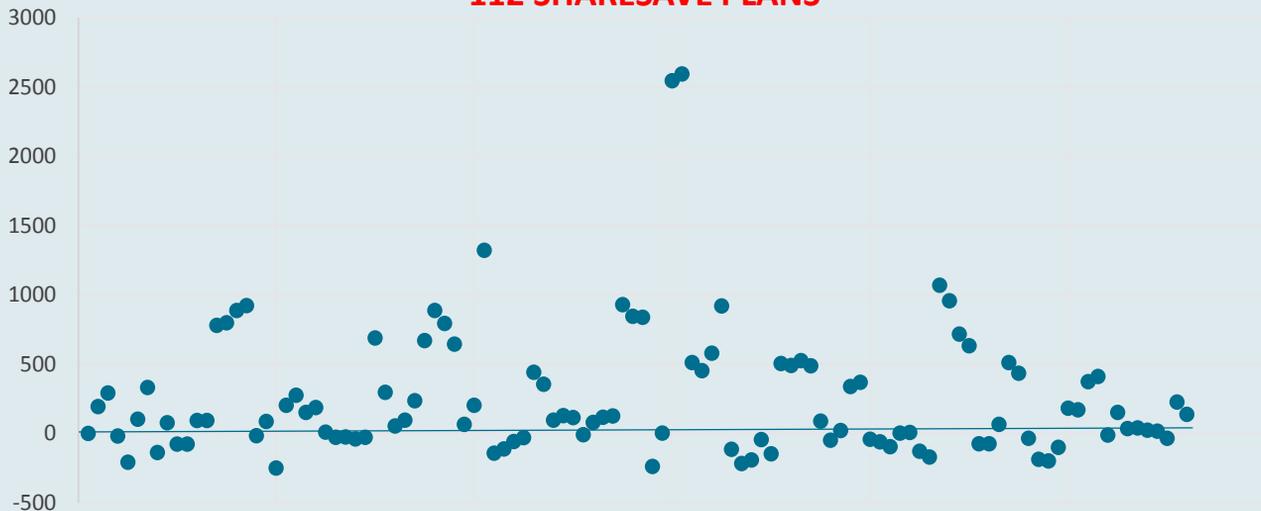
?

- Share price volatility
- Emphasis on hold/retest



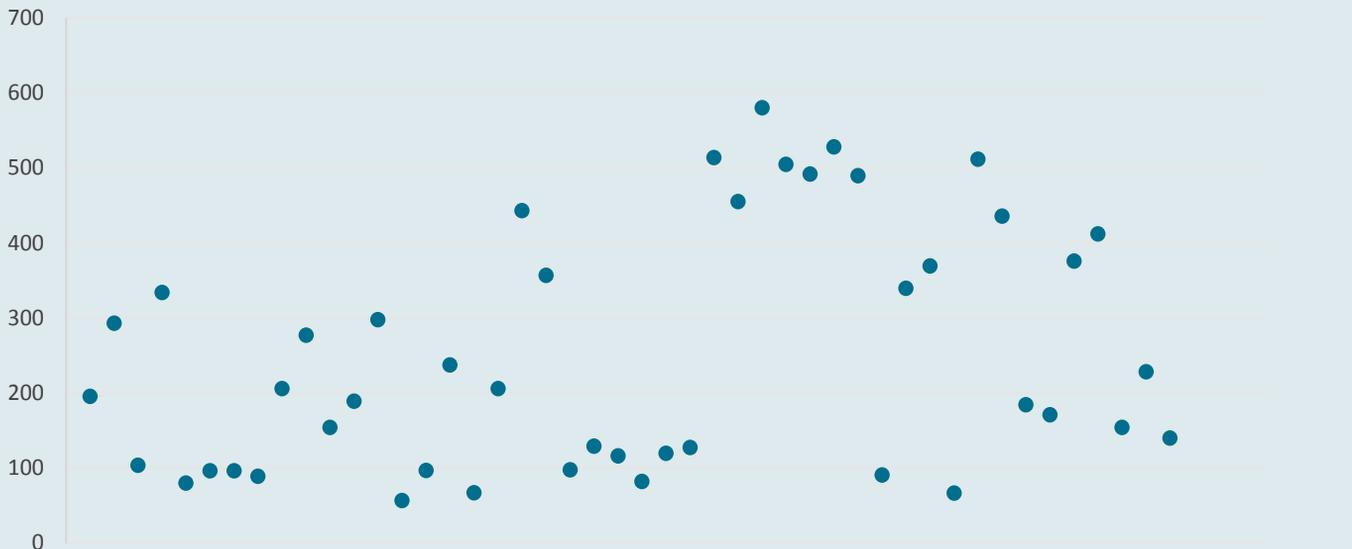
# OPTION PRICE AND MARKET PRICE VARIANCE (PENNY)

112 SHARES SAVE PLANS



# OPTION PRICE AND MARKET PRICE VARIANCE (PENNY)

66 SHARESAVE PLANS



# Good News

ABOVE WATER

Own shares

Exercise  
and keep

ISA

Investment  
account

Pension

Make a profit

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**



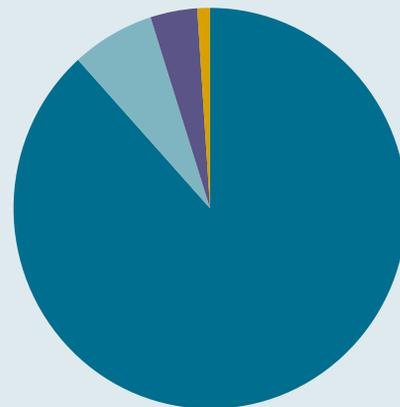
## WHEN SHOULD YOU DIVERSIFY?

---

### EMPLOYEE HOLDINGS

How many is too many?

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



## A FEW THOUGHTS

---

### WHAT'S COMING UP

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



# QUESTIONS

---

