



PULSE SURVEY

October 2021 Survey Report:

How Financial Professionals are
Operating in this Era of Uncertainty

Brought to you by

InspereX

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Introduction

InspereX has partnered with Red Zone Marketing to conduct research on how financial professionals are adapting and changing in response to crisis conditions. This is a follow up to the first survey conducted in May 2020, the second conducted in June 2020, the third conducted in September 2020, the fourth in December 2020 and the fifth in April 2021.



Survey Respondents:

260 financial professionals from 50+ broker-dealers and banks as well as RIAs were surveyed from October 18-23, 2021. The respondents came from 38 states across urban, suburban and rural locations. The gender breakdown of 24% female, 76% male.



Survey Objective:

To collect insights designed to help financial professionals navigate through this time of great uncertainty and move their business forward.

Key Findings

This research found that confidence in the economy and in the financial services industry is relatively high for financial professionals. And their clients are not necessarily anxious about investing right now.

Financial professionals expect several equity market corrections in 2022, believe inflation will become a larger problem, and mostly do not believe that the impact of COVID on the stock market is over.

Financial professionals are worried about rising taxes, and they believe that their clients are also worried about this. They do not believe that their clients are as worried about inflation or market corrections, but those are still concerns.

Related to new business development, financial professionals who are bringing on new clients are acquiring those new clients from other financial professionals. In some cases (36%), the new clients are those who never worked with a financial professional before. Most new business is resulting from referrals without asking, followed by asking for referrals, in-person networking, LinkedIn prospecting, and virtual educational seminars. Top advisors (\$800,000+ in revenue) are also acquiring new business from virtual client appreciation events.

The study found that most financial professionals do not have relationships with a majority of their clients' children. Also, financial professionals are meeting with their clients and prospects virtually, which gives them the opportunity to connect with new clients outside of their geographic area, including the children of their clients.

Financial professionals are worried that clients in retirement are using more of their principal as income replacement due to low interest rates. And **a majority of financial professionals believe that by the end of 2022, interest rates on the 10-year Treasury will be between 1 and 3%.**

Respondents feel mostly supported by their wholesaling partners, with the top firms mentioned for bringing value being First Trust, InspereX and American Funds. 20% of top advisors (\$800,000+ in revenue) indicate they do not see wholesalers at all.

Confidence Level in the Economy



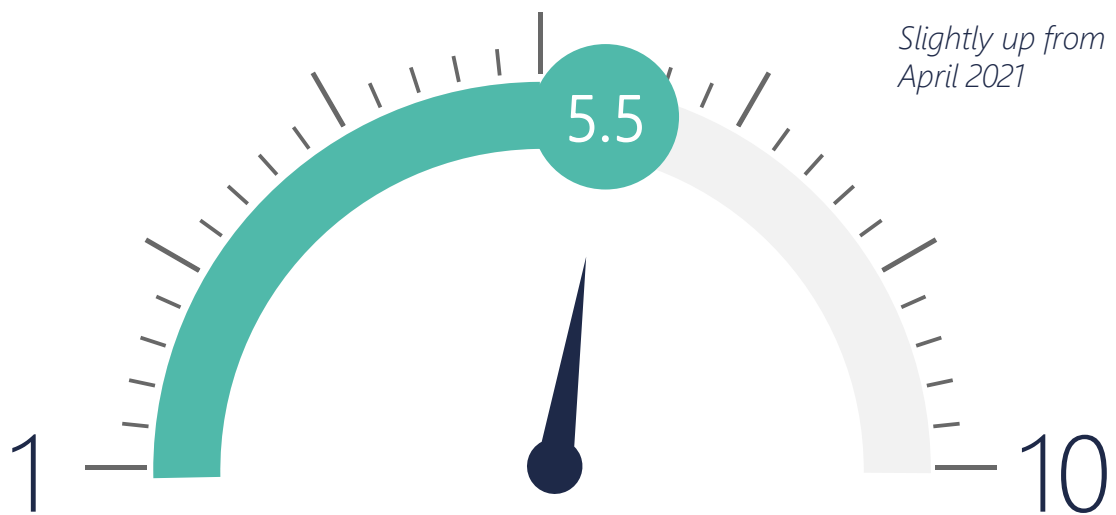
On a scale of 1-10 with 10 being the highest

Confidence Level in the Financial Services Industry



On a scale of 1-10 with 10 being the highest

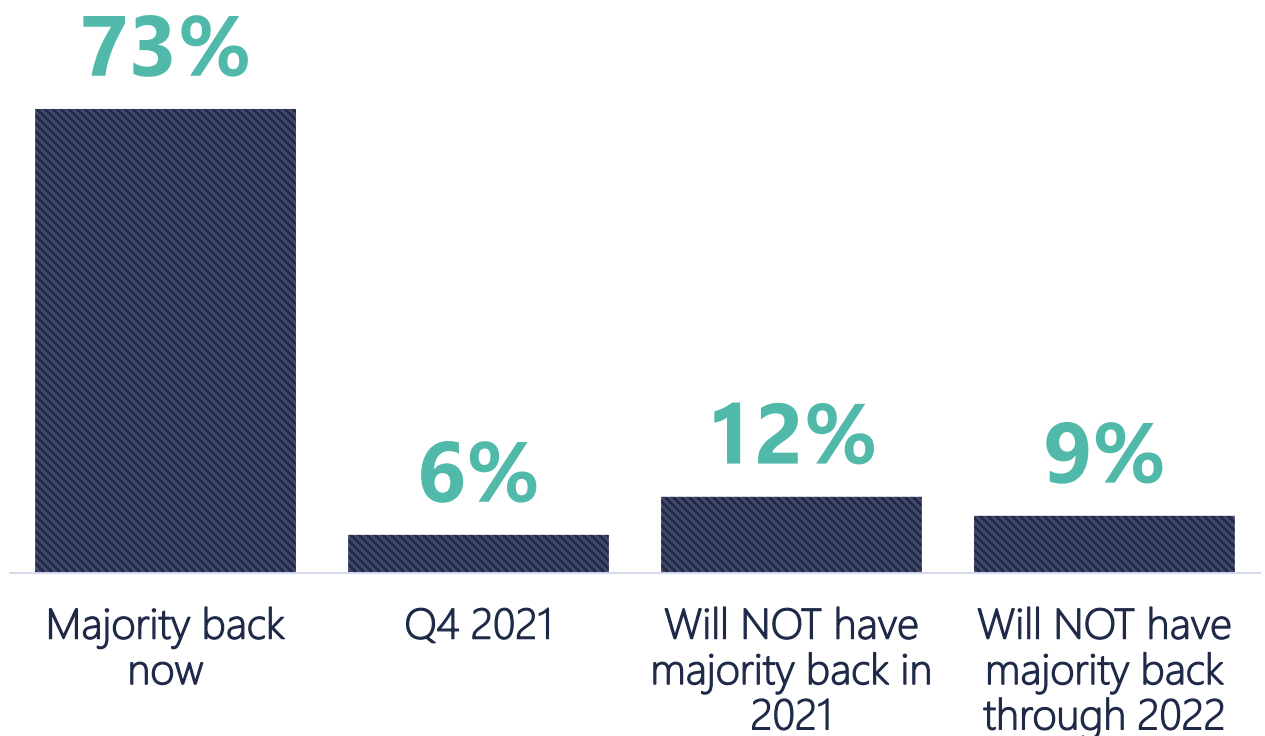
Anxiety Level of Your Clients Towards Investing Right Now



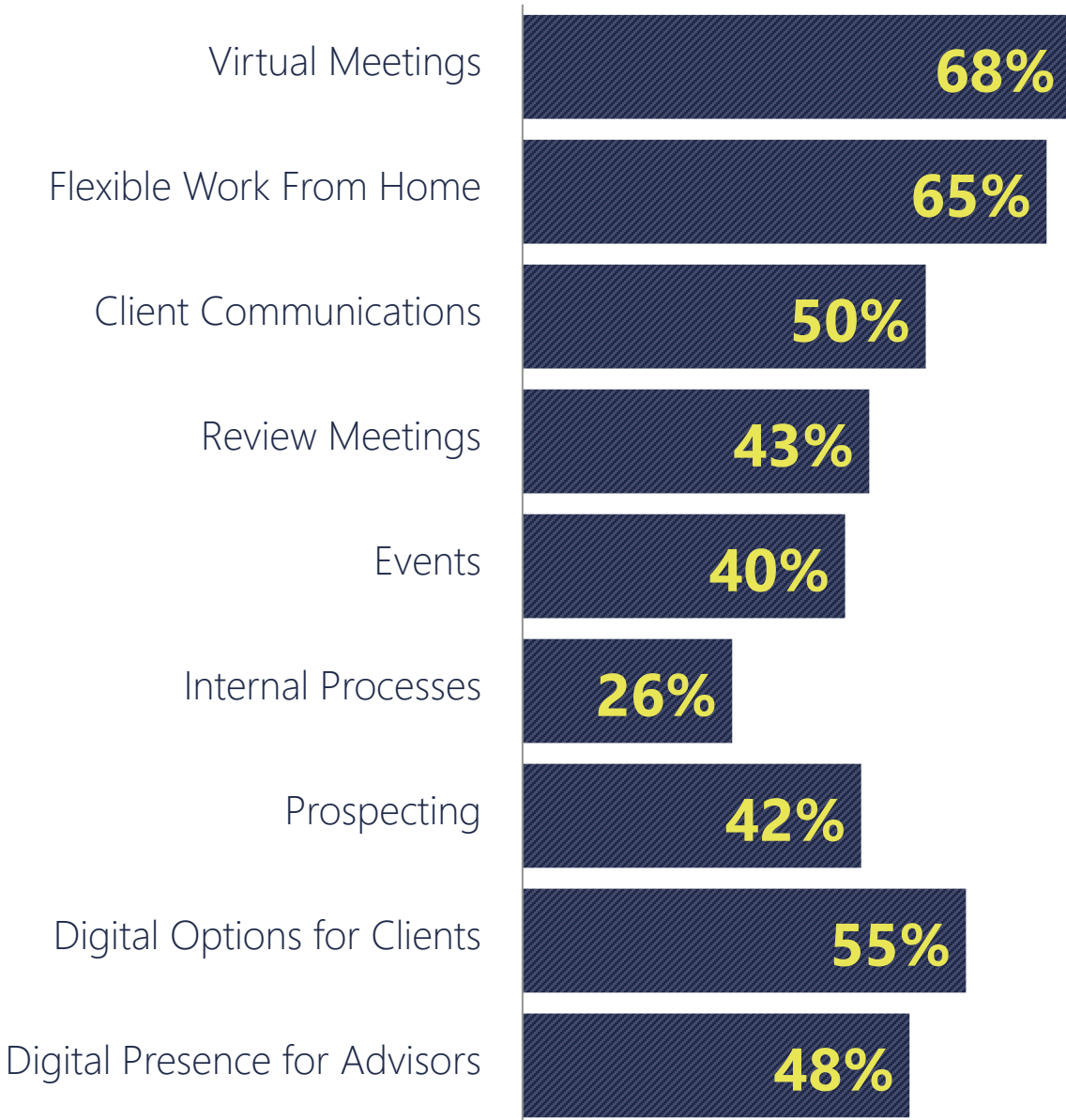
On a scale of 1-10 with 10 being the highest

Returning to the Office

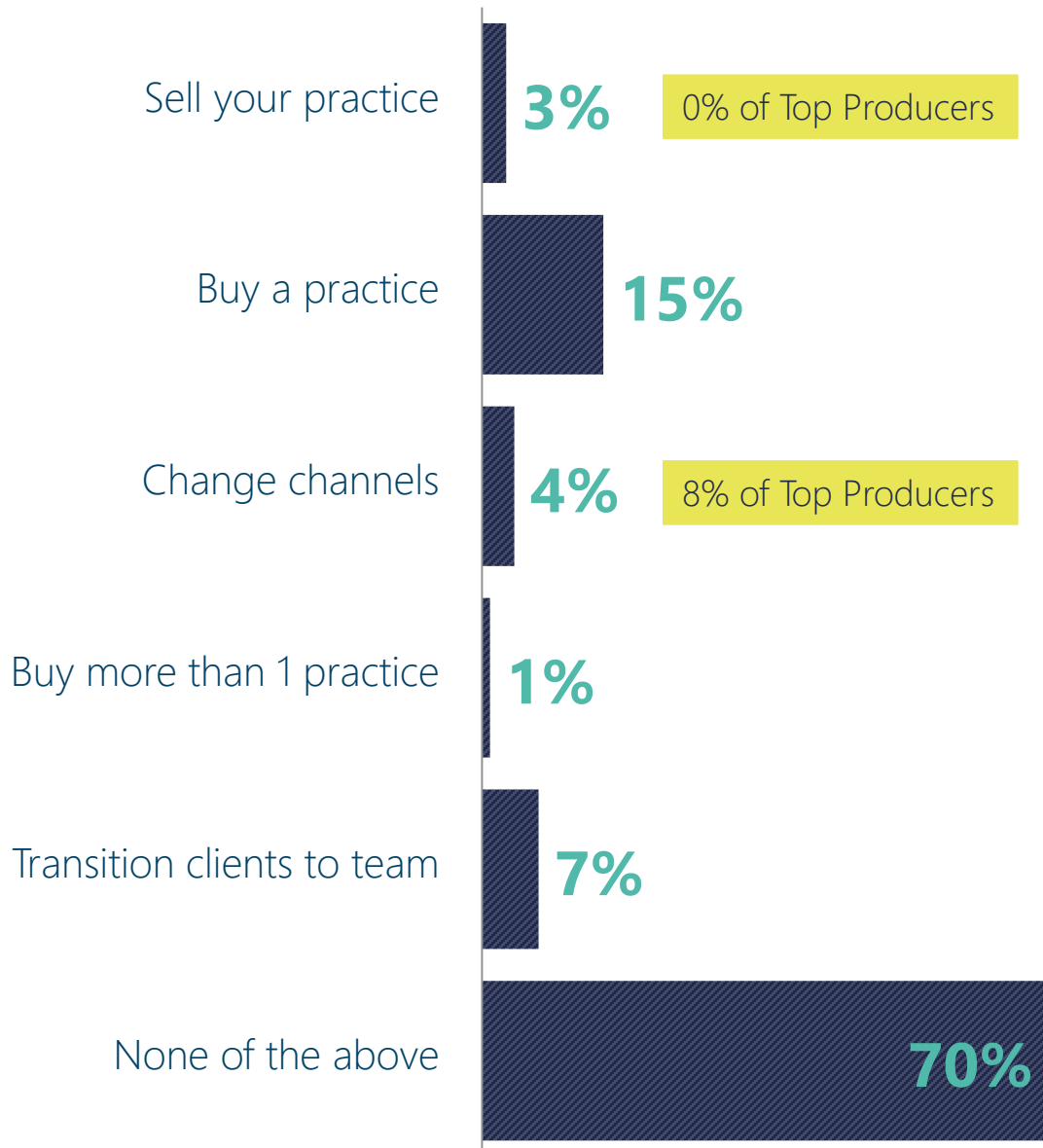
When do you plan on returning to a normal, in-office schedule for you and a majority of your team members?



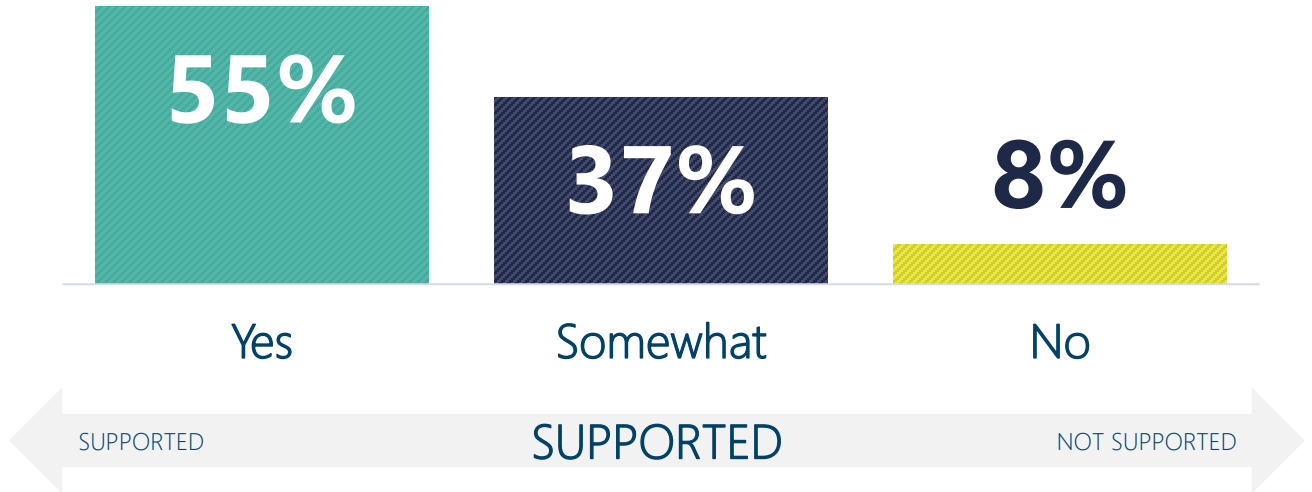
What has changed permanently over the past 20 months



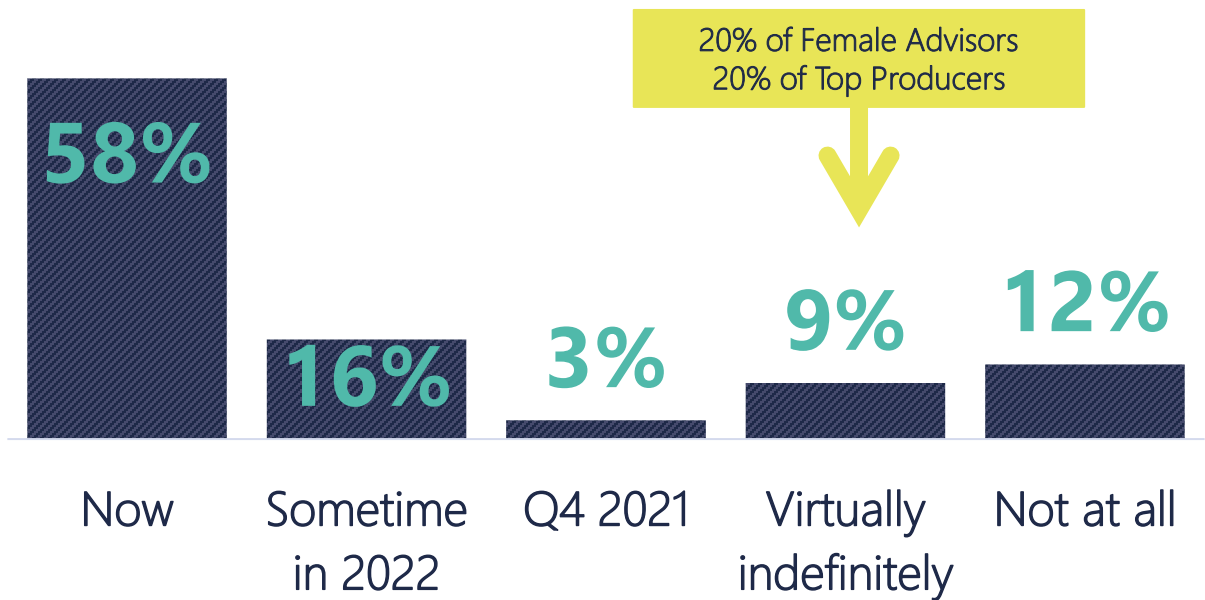
Do you have plans in the next 6 months to...



Do You Feel Supported By Your Wholesaling Partner?



When Will You Allow Wholesalers in Your Office?





Top 10 Wholesaling Firms That Provide the Most Value

First Trust

Lincoln

InspereX

Allianz

American Funds

Prudential

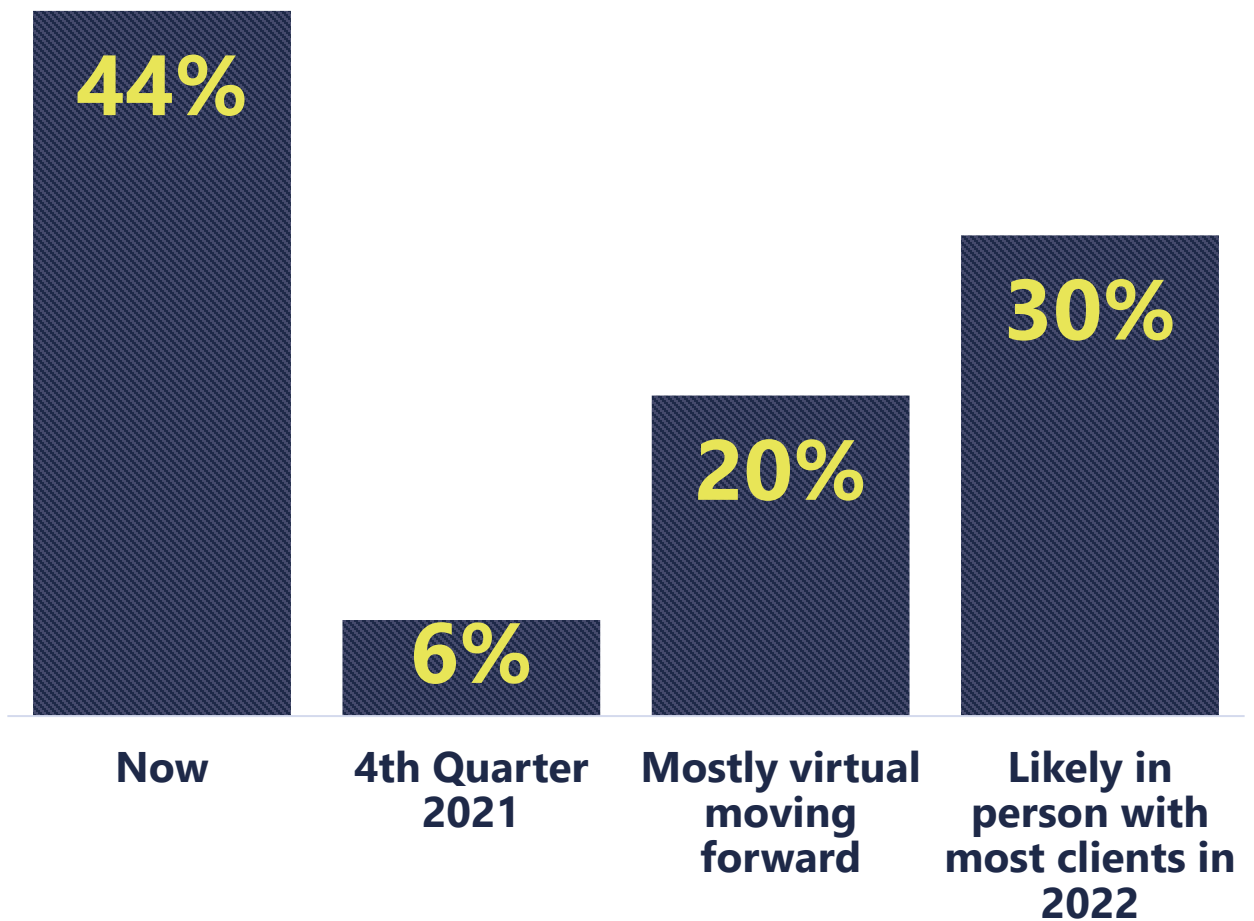
AIG

Jackson

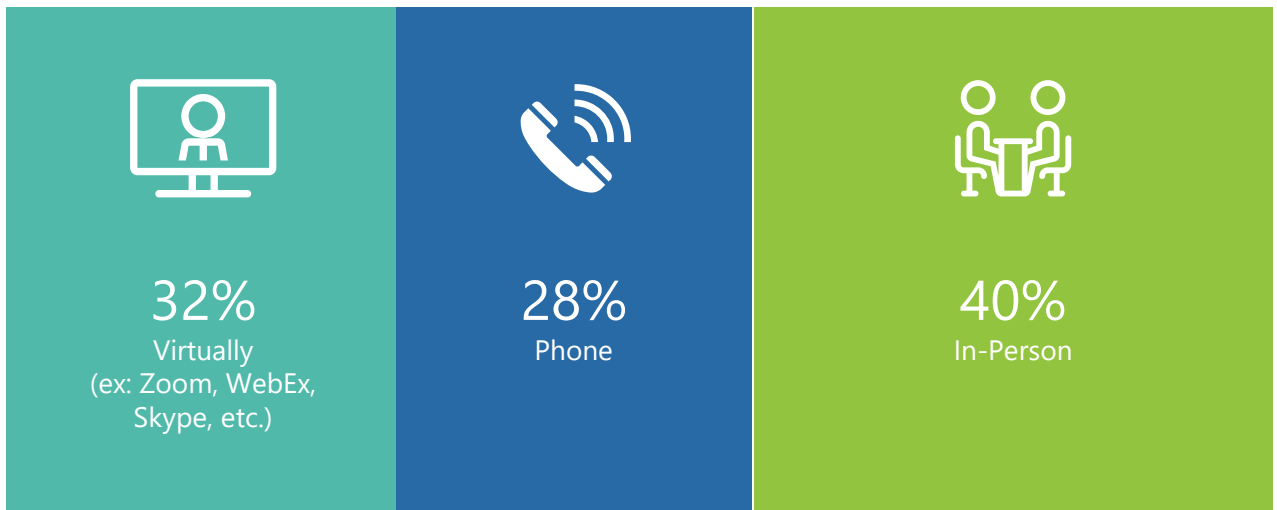
JP Morgan

John Hancock

Mostly **In-Person Meetings** with Clients ...

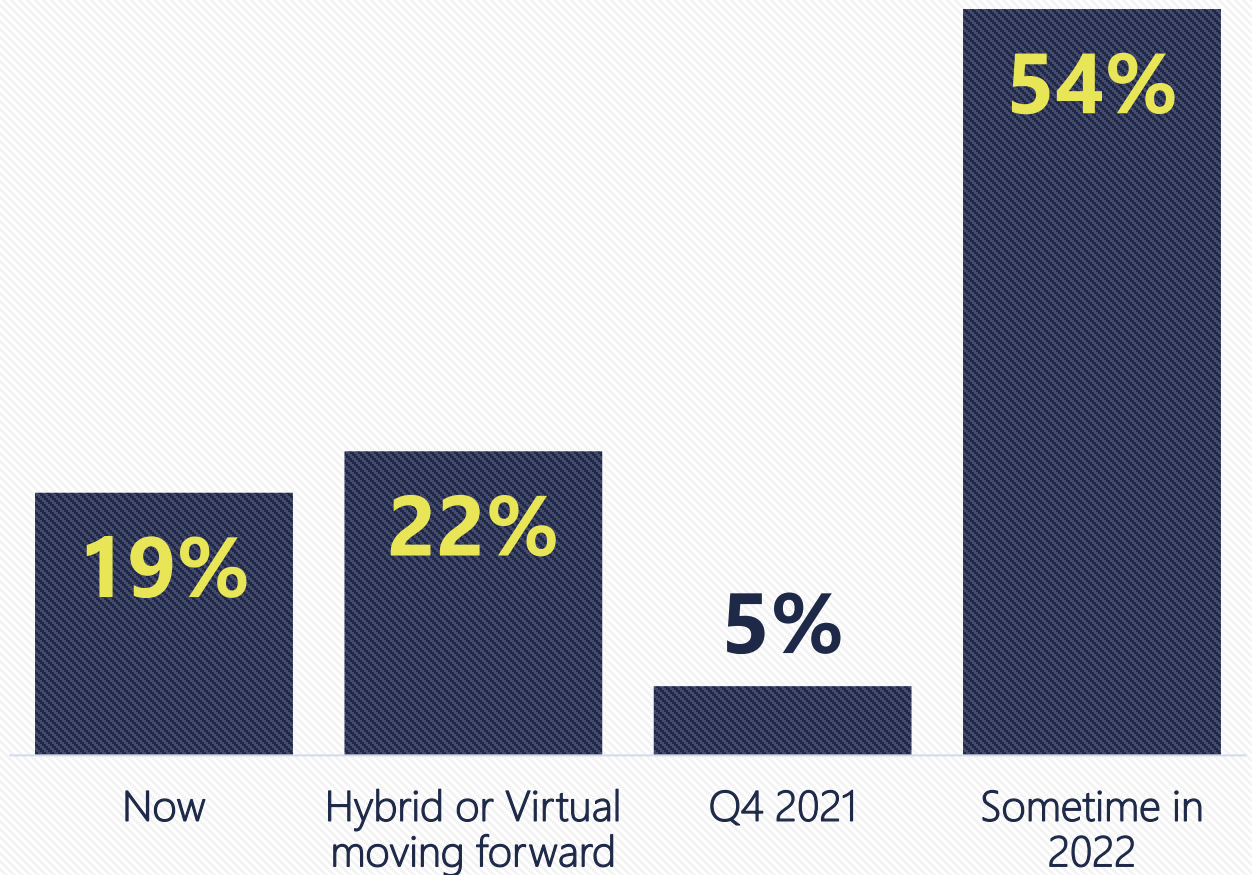


What is the Main Way You Are Meeting with Clients Now?

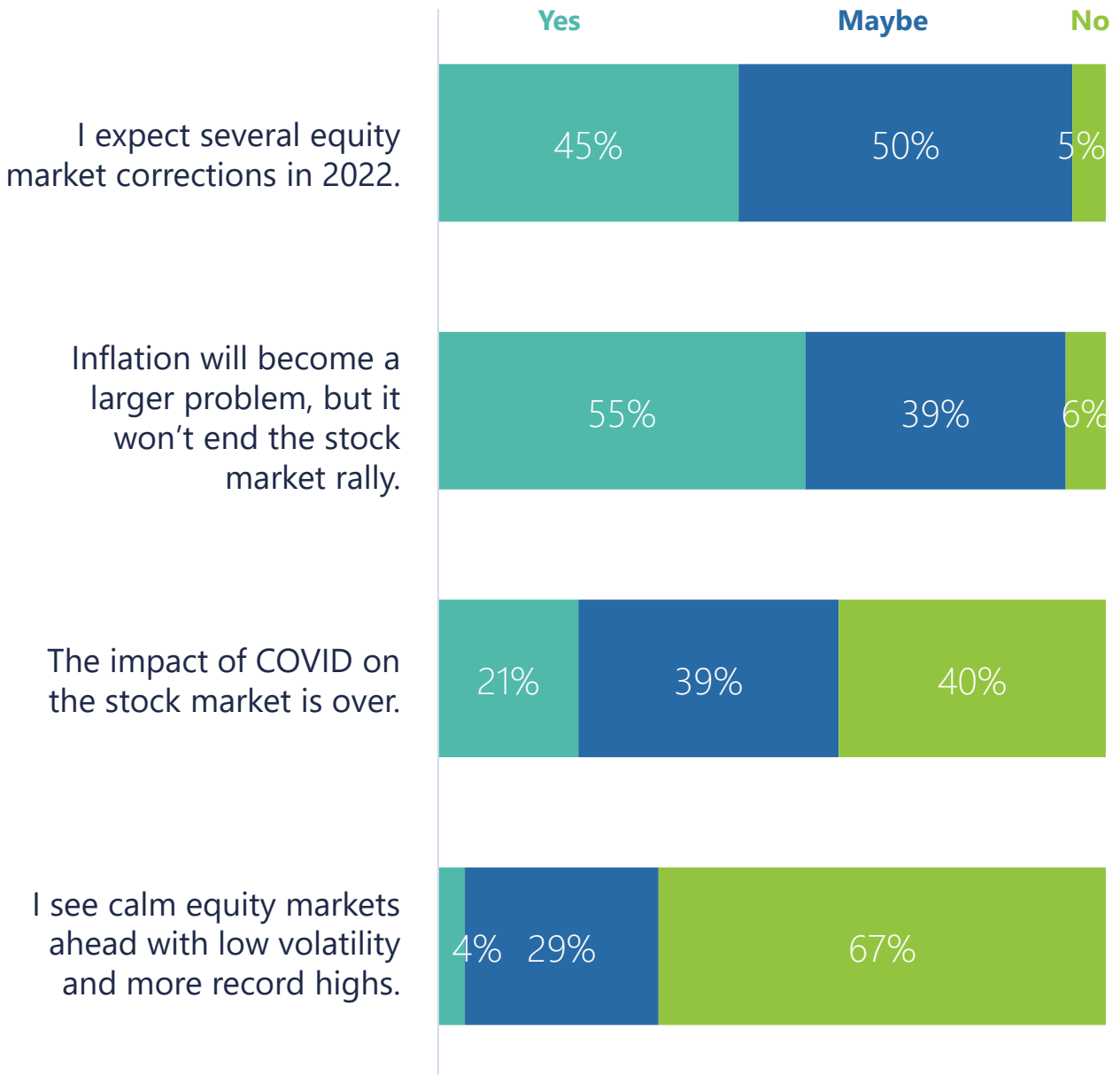


Female Advisors are holding 53% of their client meetings **VIRTUALLY**

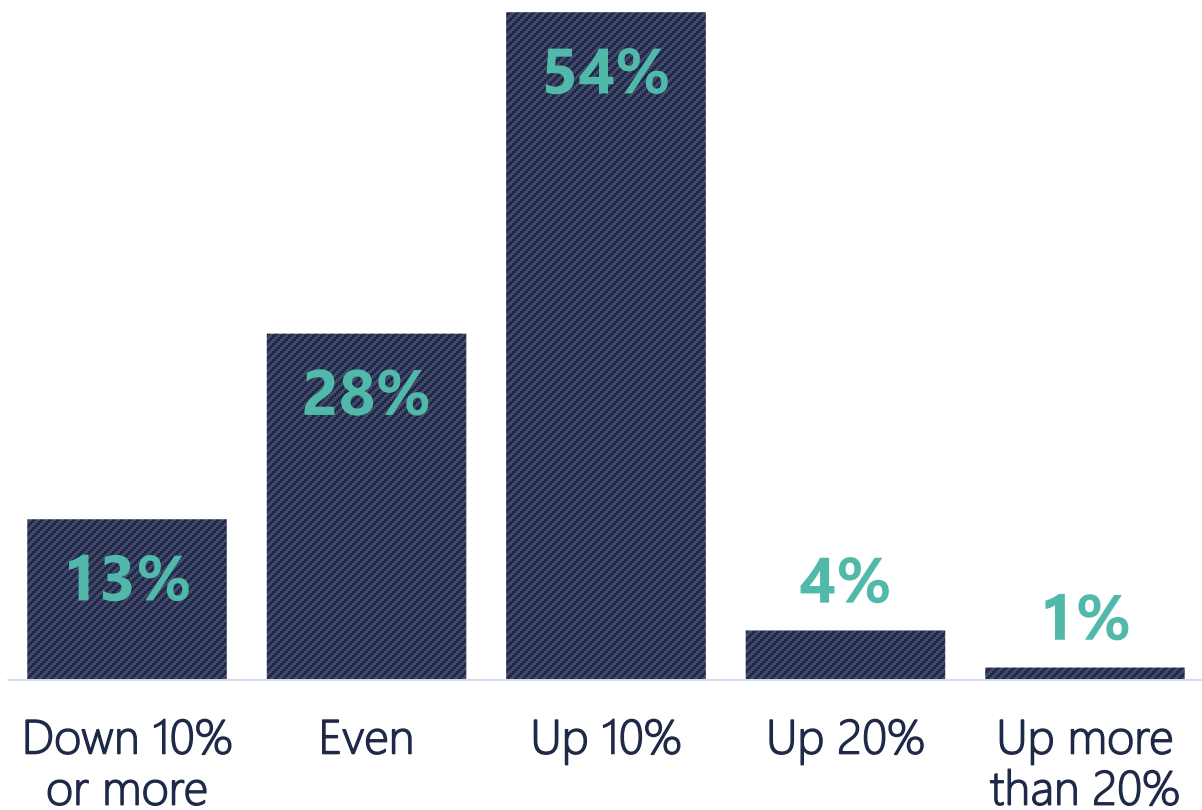
When Will You Begin Hosting Live, In-Person Educational Events?



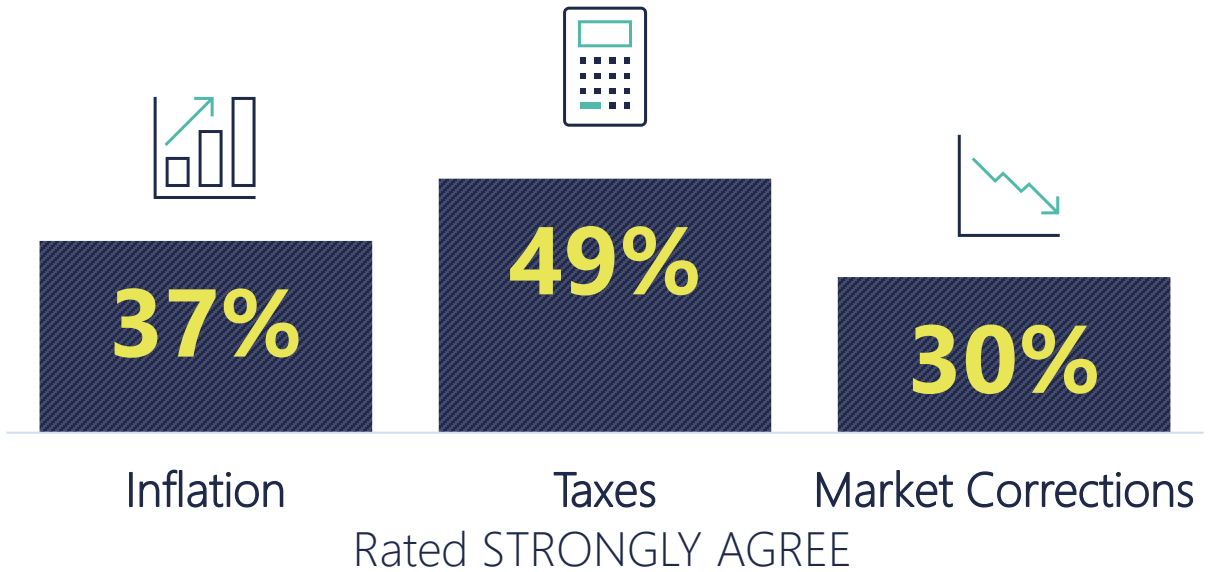
Regarding the future of the market and the economy



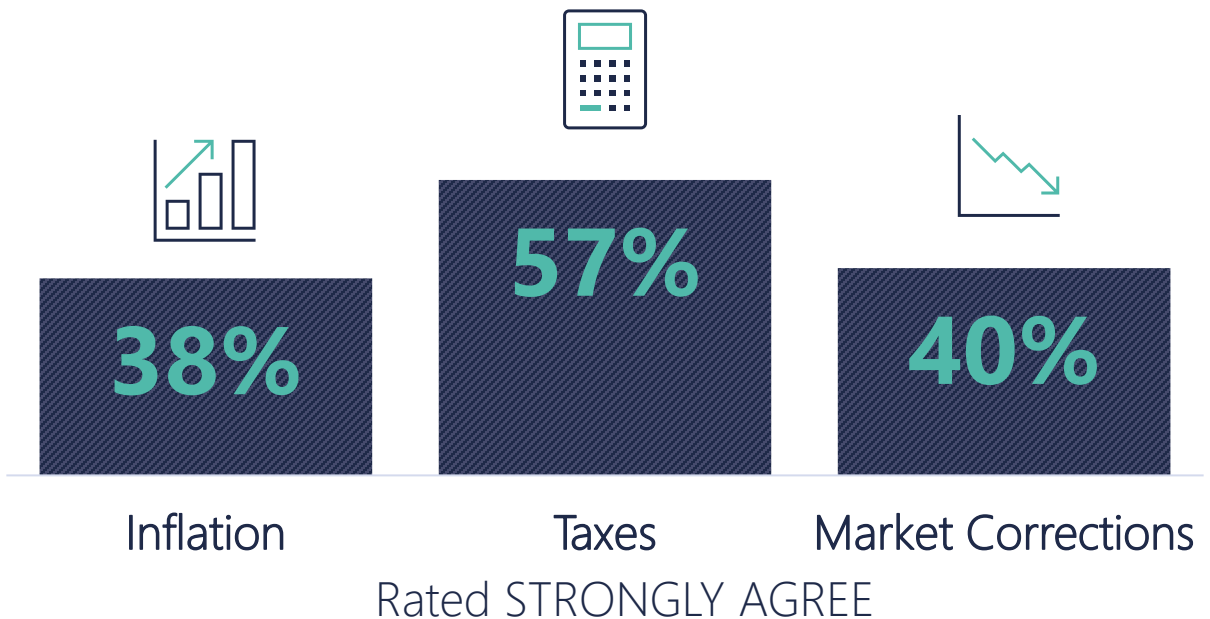
What is your forecast for the stock market in 2022?



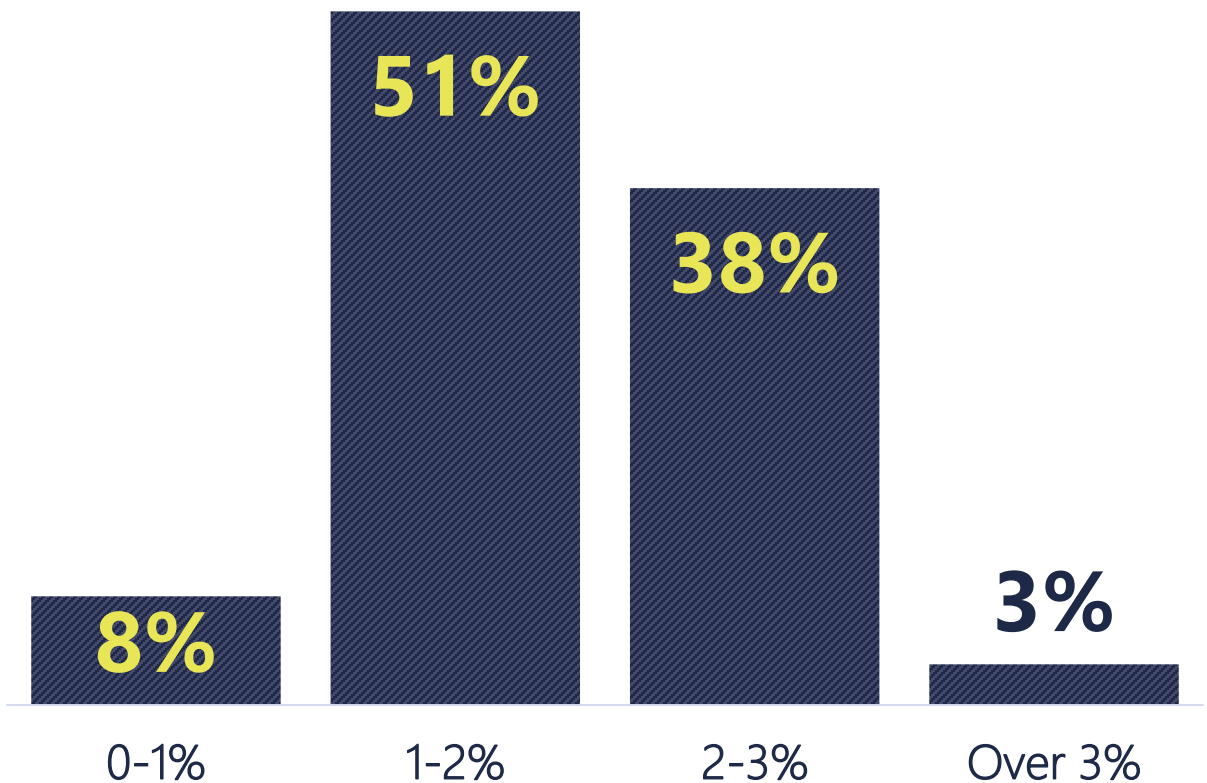
As an advisor, I am very worried about...



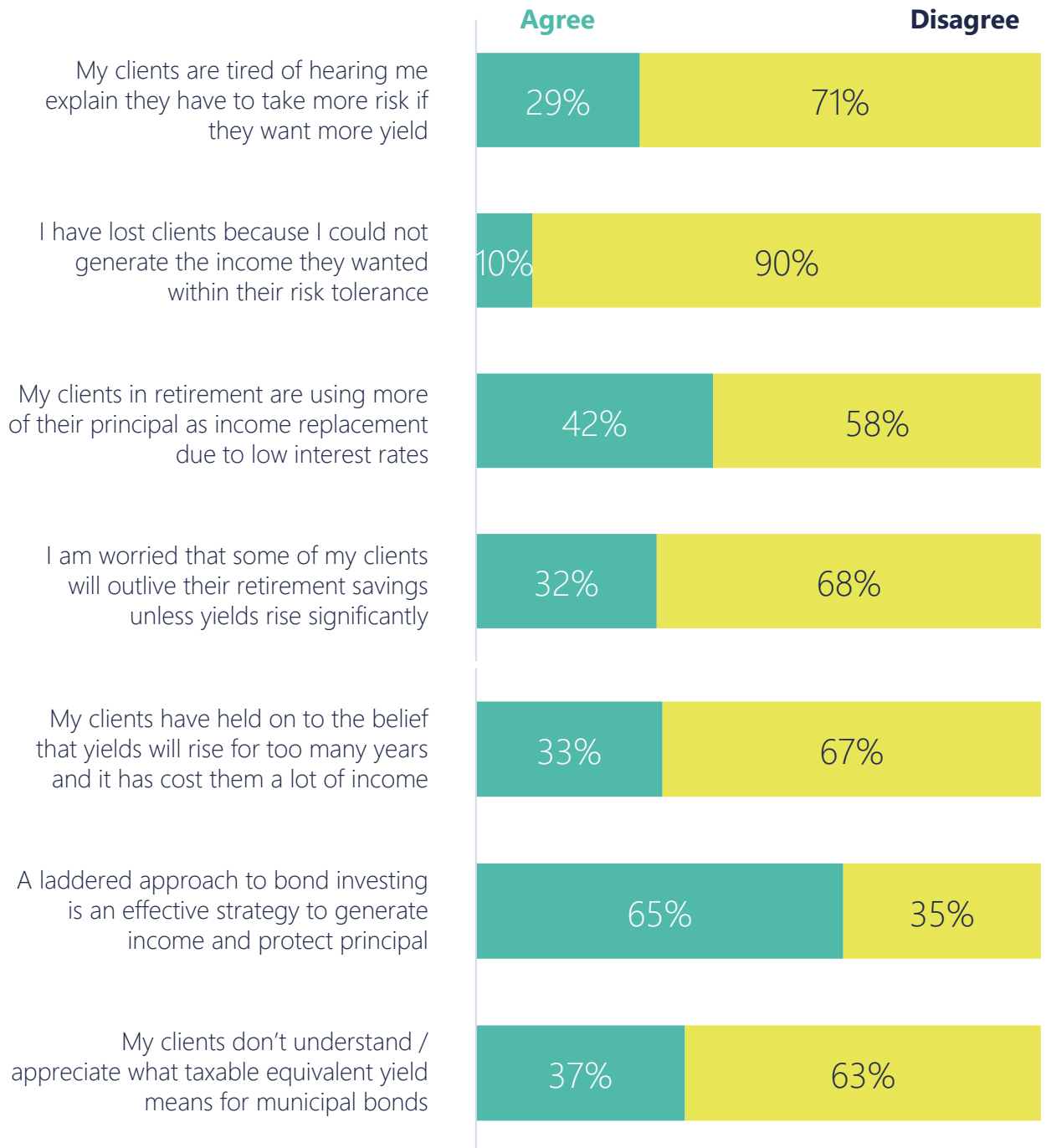
My clients are very worried about...



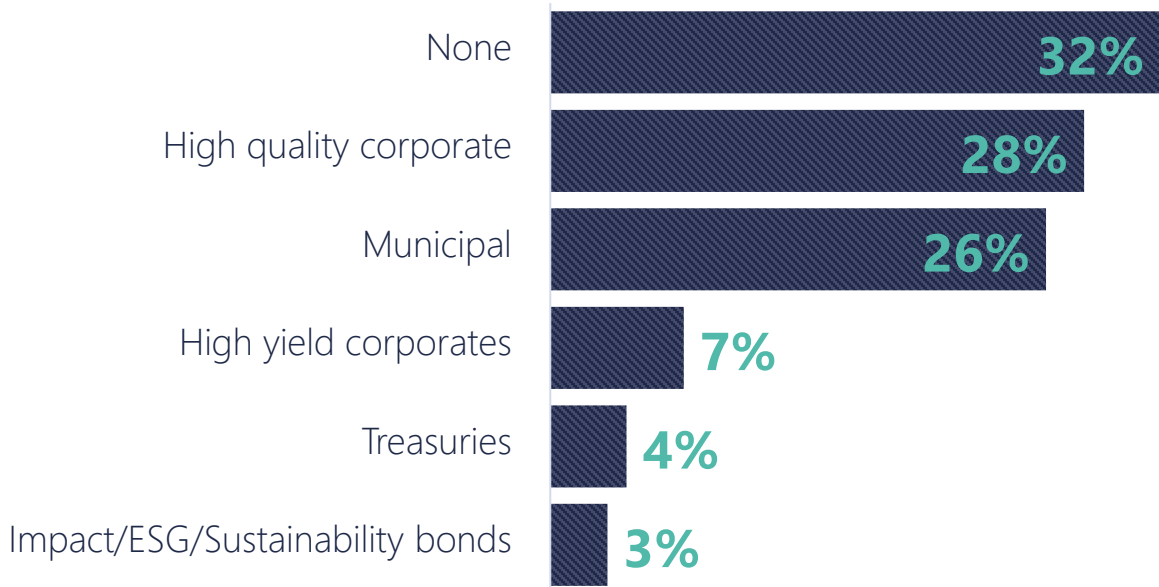
I believe that by the end of 2022, interest rates on the 10-year Treasury will be...



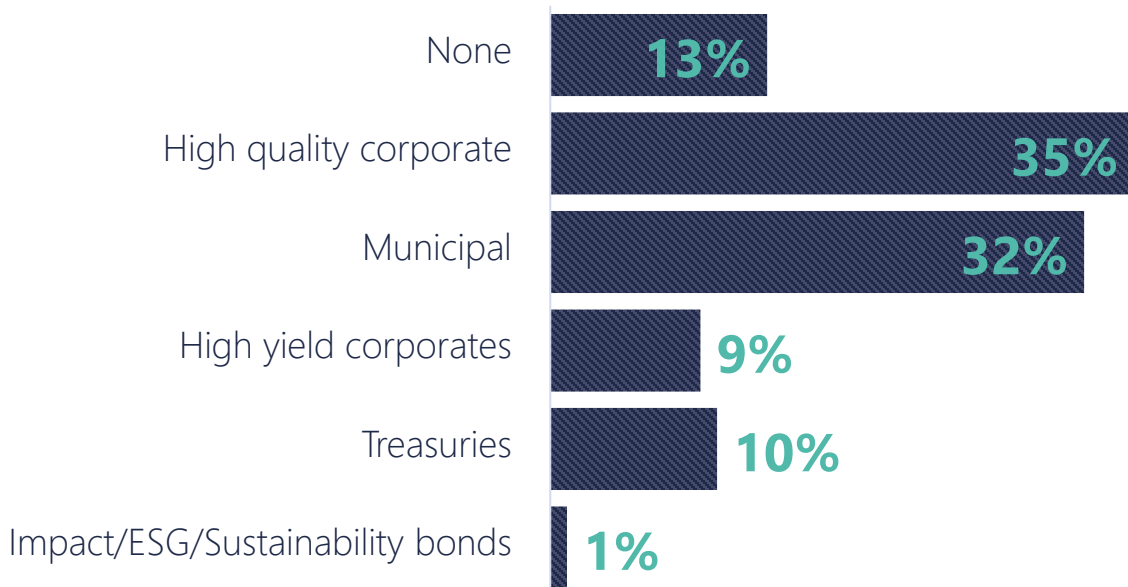
Agree or Disagree with statement...



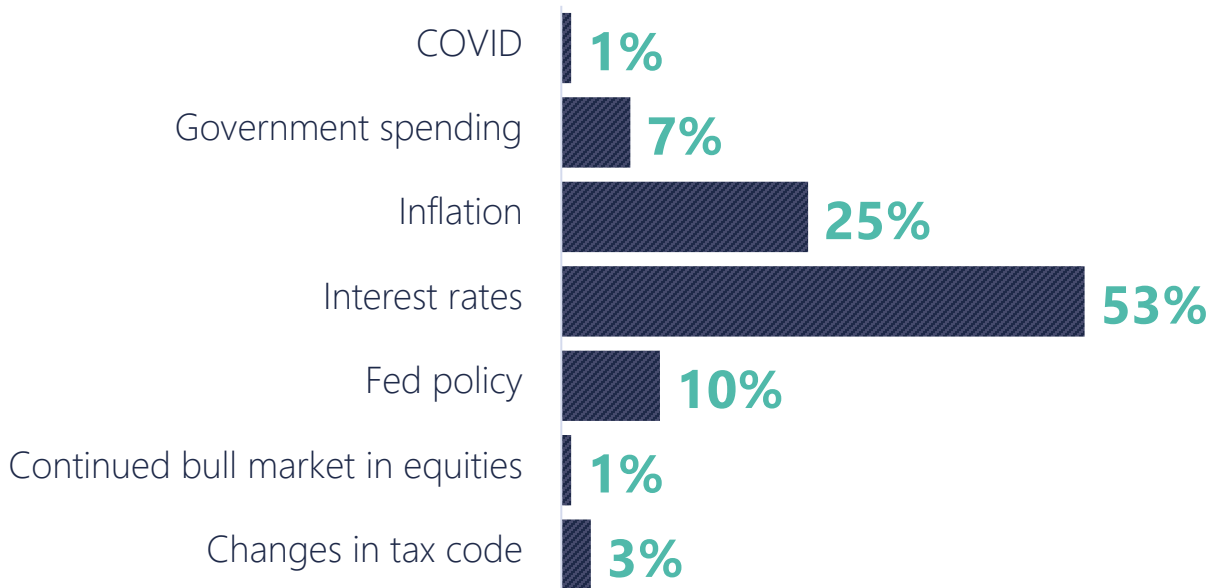
What Bonds are you most comfortable buying for your clients?



What types of bonds do your clients own?

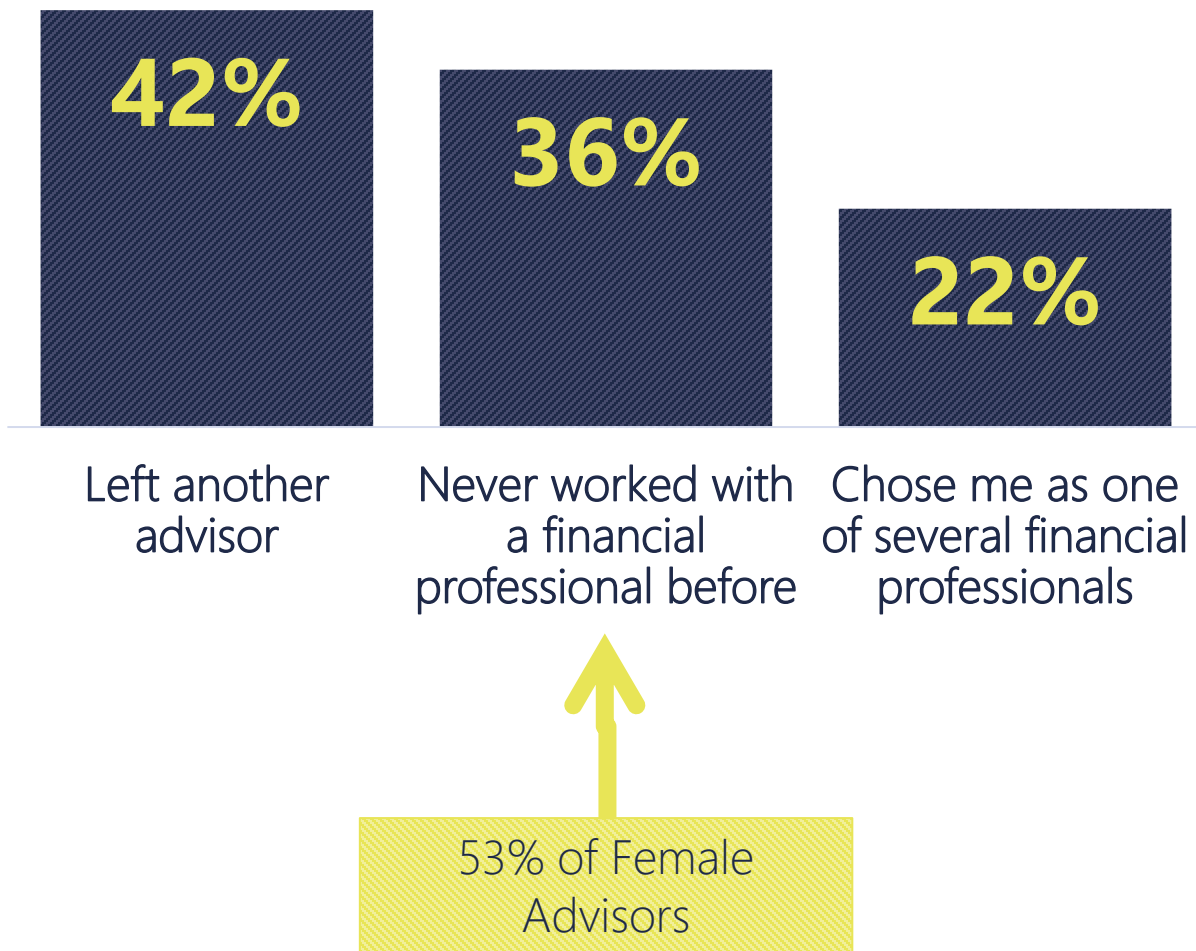


Where Do You See the Biggest Risks to the Bond Market over the next 6 Months



Top Producers Believe There is a Greater Risk from **COVID** and **Inflation** than the average

The Majority of Your New Clients in 2021...





Which Marketing Strategy Has Resulted in the Most New Clients?

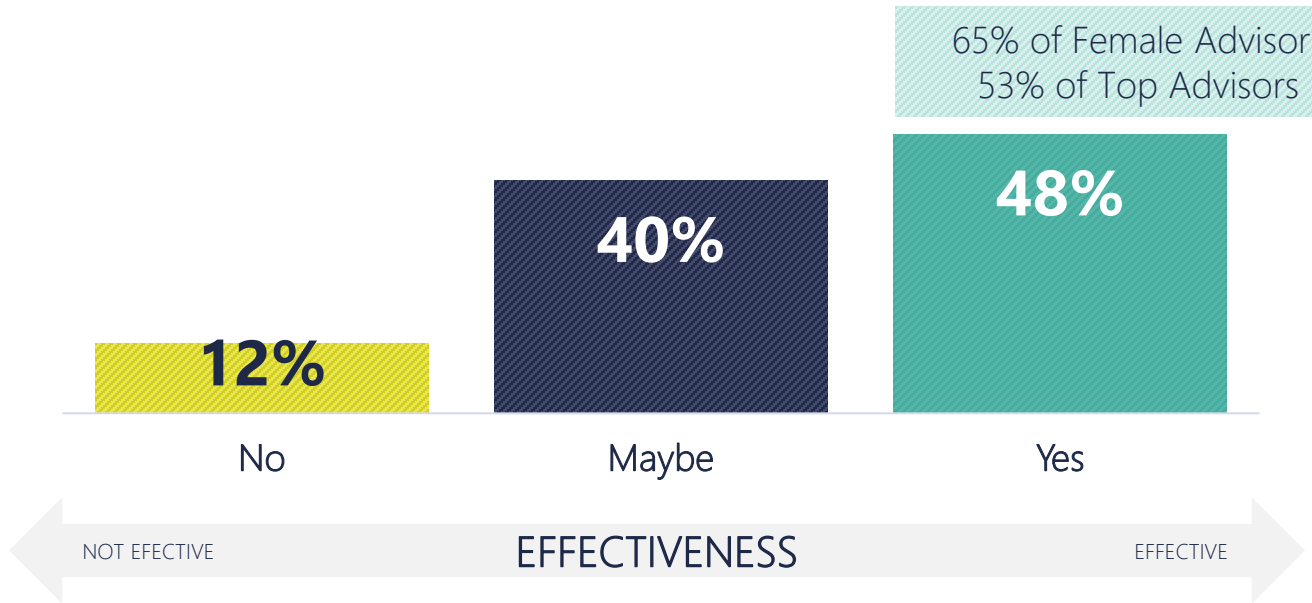
Most new clients by strategy

- 1. Referrals Without Asking**
2. Asking For Referrals From Clients & Strategic Alliances
3. In Person Networking
4. LinkedIn Prospecting
5. Virtual Educational Seminars

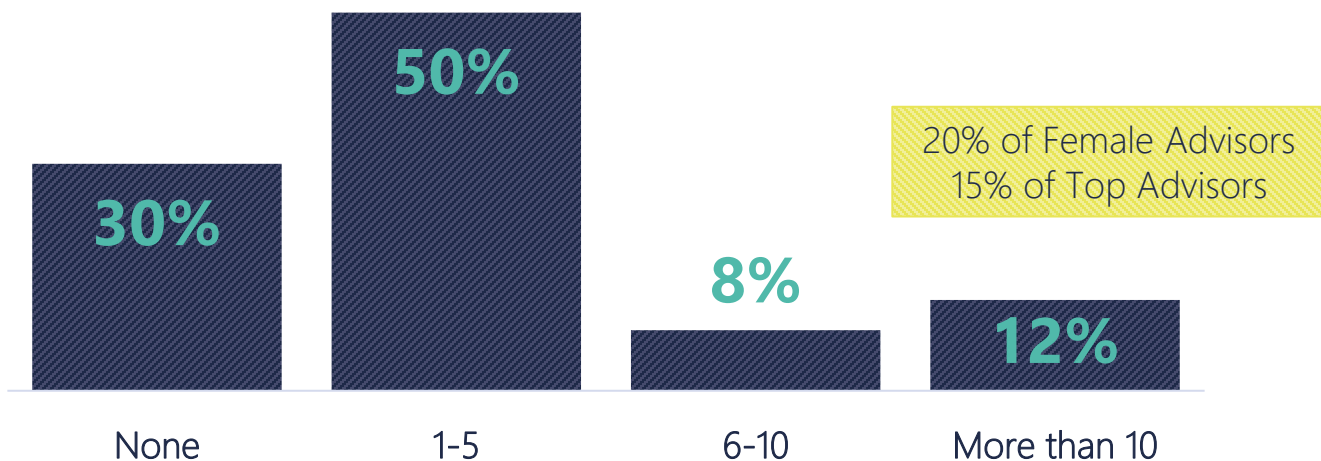
Top producers more successful than average at...

- Referrals without asking
- Email Campaigns
- In Person Networking
- Virtual Educational Seminars
- Virtual Client Appreciation Events

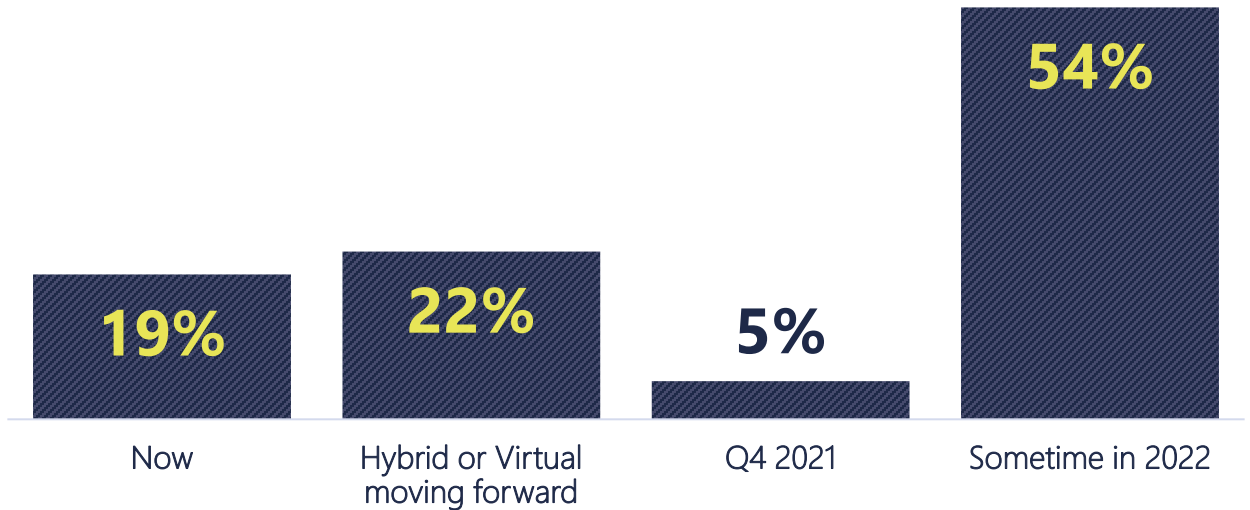
Do You Believe Prospecting and Selling Can be Done Effectively via Virtual Meetings?



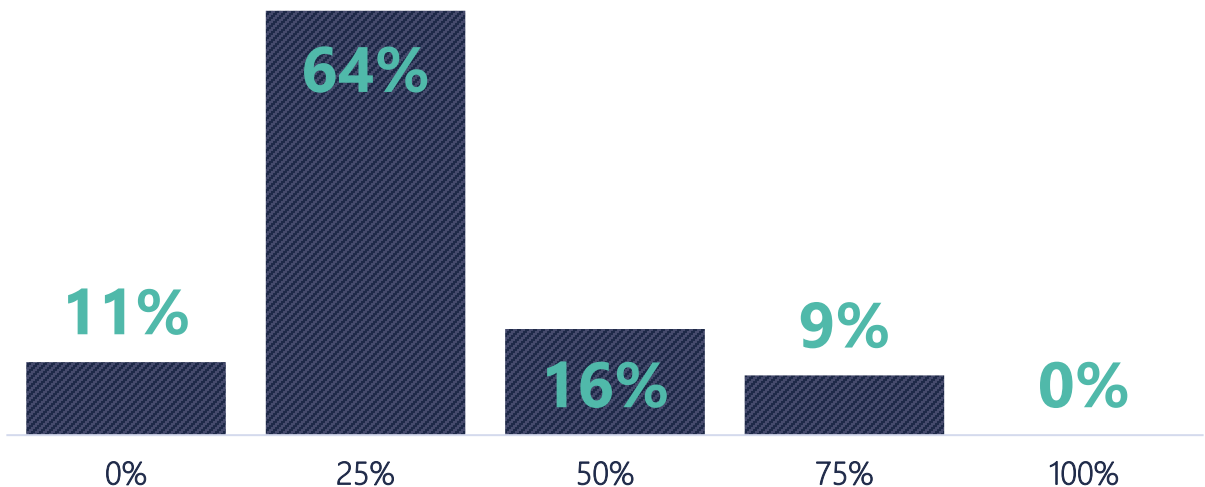
How Many Virtual Prospect Meetings Resulted in New Clients in 2021?



When Will You Begin Hosting Live, In-Person Educational Events?



What percentage of your clients do you have generational relationships (with children)?



Barriers to Success for Financial Advisors



Changing legislation



The Presidential
administration



Robo advisors



Shrinking margins



Repeated shutdowns due to
resurgence of COVID-19



Volatile markets



Social/physical distancing



Unemployment

October Survey Methodology

October 18 – 23, 2021

SURVEY COLLECTION

260 Financial Advisors

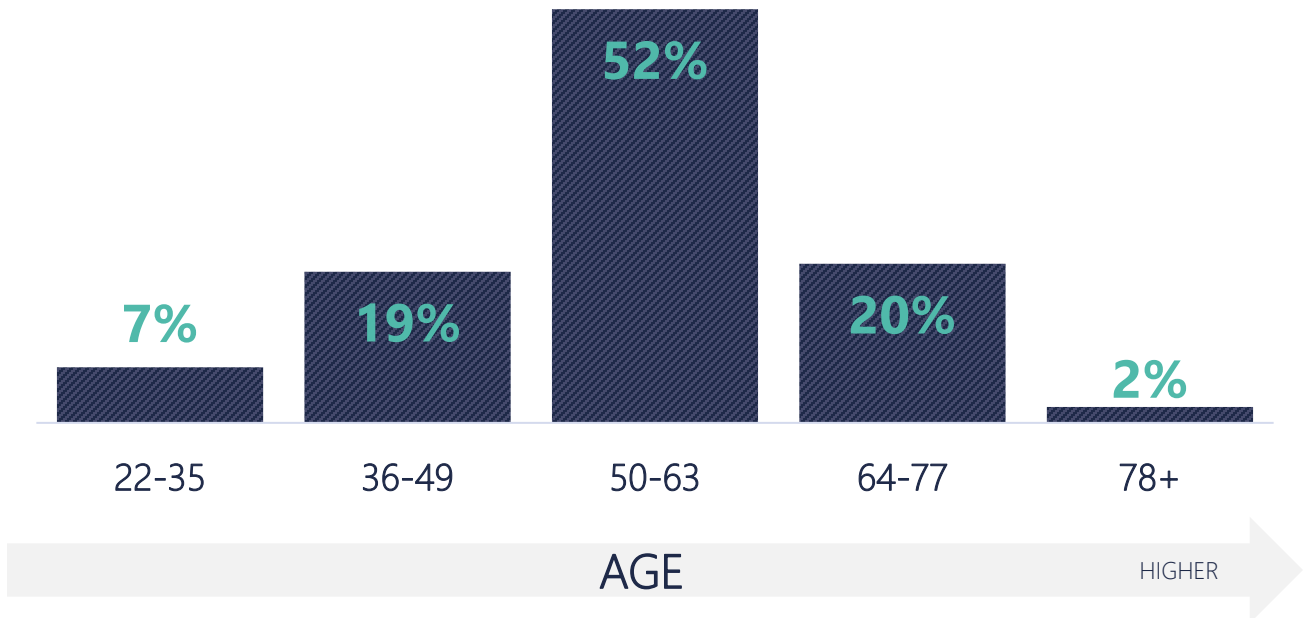
RESPONDENTS

36 Broker Dealers + RIAs

AFFILIATIONS

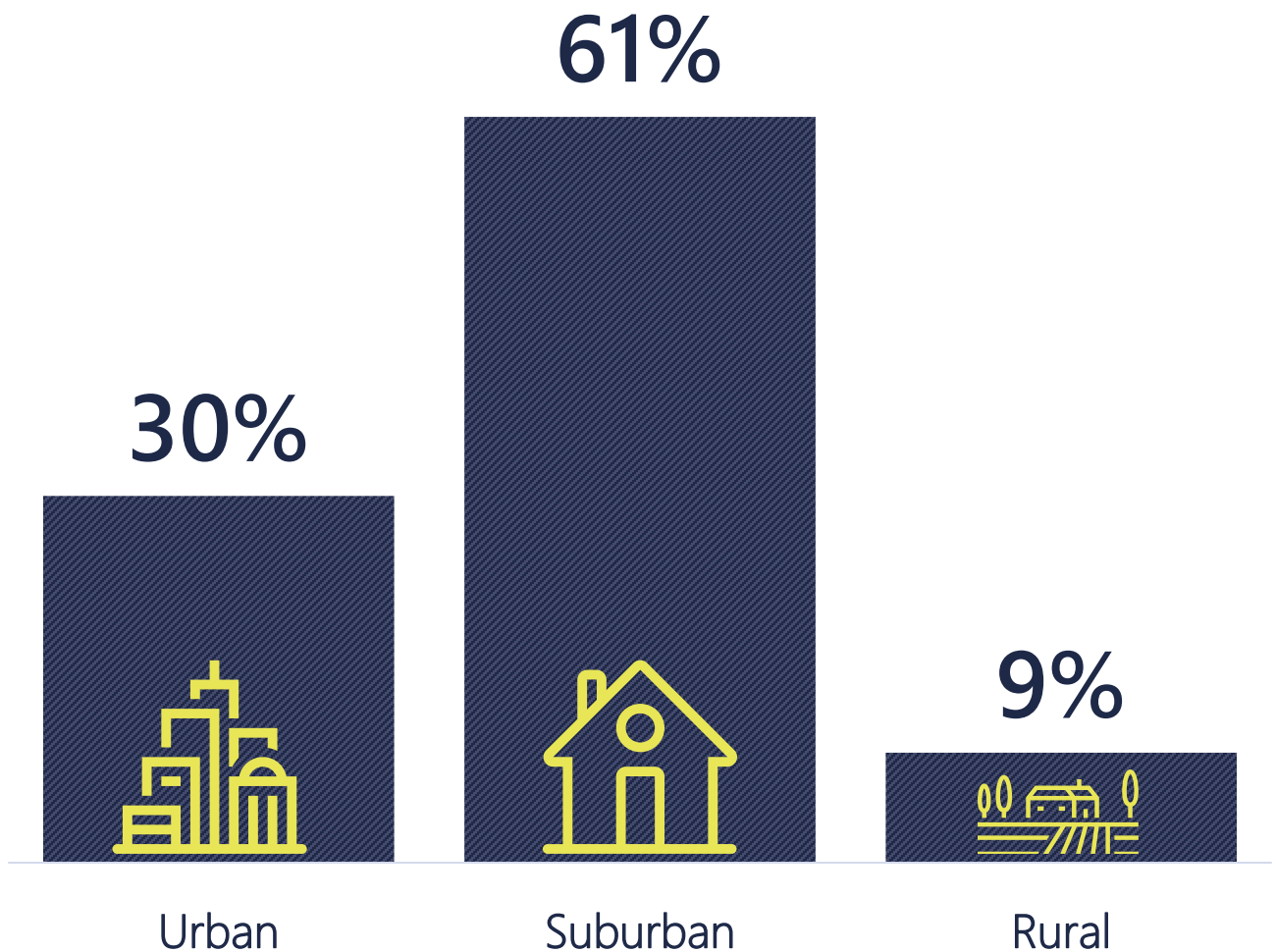


Age Breakdown



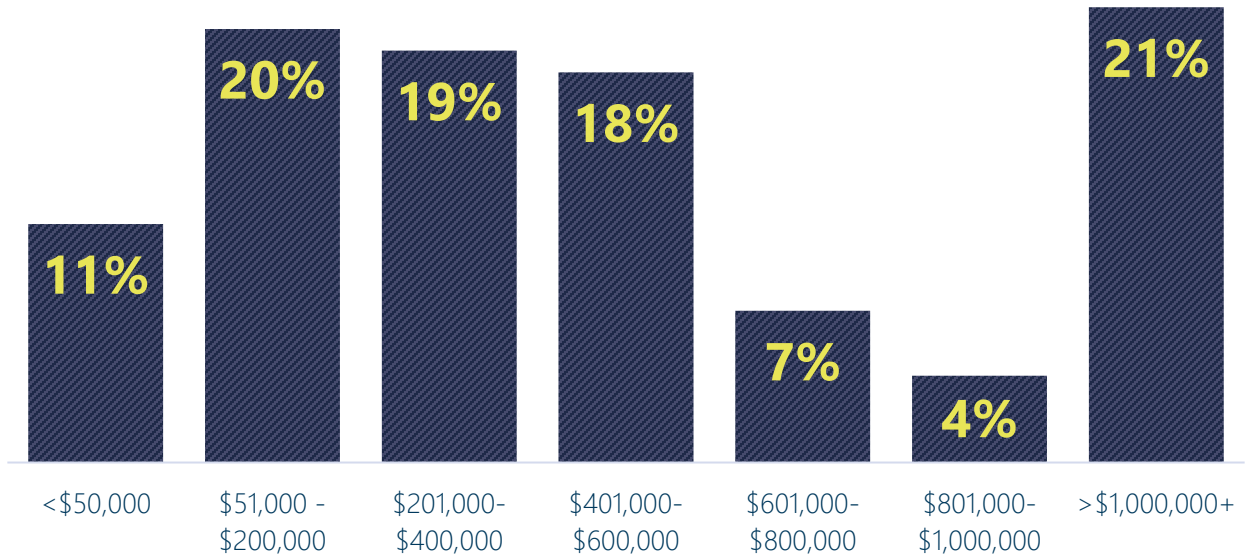
38
STATES

Geography of Participants



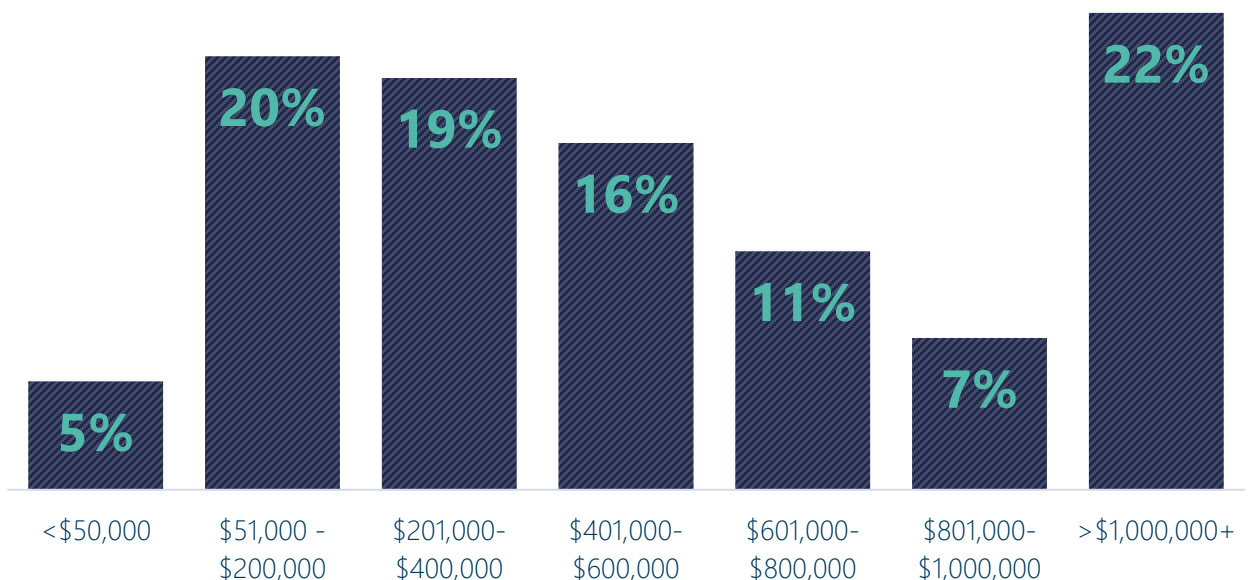
Individual Gross Revenue in 2020

Financial Professionals at Each Production Level



Anticipated Individual Gross Revenue in 2021

Financial Professionals at Each Production Level



About InspereX

InspereX unites the more than two decades of success in fixed income and market-linked products origination, underwriting, distribution, and education of Incapital with the innovation of Silicon Valley's 280 CapMarkets and its revolutionary fixed income tech platform, BondNav.® We represent more than 400 issuing entities and have underwritten more than \$670 billion in securities. InspereX stands for people, products, and technology you can trust.

QUESTIONS?

Contact InspereX at **888.849.5732** or **AdvisorSupport@insperex.com**

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