



Tatton

TATTON ASSET MANAGEMENT PLC

**INVESTOR AND ANALYST PRESENTATION
June 2022**

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AGENDA

- Introduction to the team
- Key highlights
- Financial performance
- Strategic Update
- Investment and fund update
- Summary

INTRODUCTION TO THE TEAM

INTRODUCTION TO THE TEAM



Paul Hogarth
CEO

- Over 30 years' experience at Board level in the financial services sector
- Founder of Tatton Asset Management Group, specifically Paradigm Consulting in 2007 and subsequently of Tatton Capital Limited in 2012



Paul Edwards
CFO

- Joined Tatton Asset Management plc as Group CFO in May 2018
- Previously Group Finance Director of Scapa Group plc and NCC Group plc



Lothar Mentel
CIO

- Co-founder of Tatton Capital Limited in 2012
- Ex CIO of Octopus. Has held senior investment positions with NM Rothschild, Threadneedle, Barclays Wealth, and Commerzbank AG

DIVISIONAL STRUCTURE



Tatton Asset Management plc ("TAM" or "Group")



Investment Management Division ("Tatton")

- *Tatton Investment Management offers on-platform only challenger model DFM MPS*
- *Low charges - MiFID II alignment*
- *Intermediated only - not in competition with IFAs*
- *Complementary, low-cost multi-manager fund range*
- *Aligned with Consumer duty principles*



IFA Support Services Division ("Paradigm")

Paradigm Consulting

- *Compliance services*
- *Technical support*
- *Business consultancy*

Paradigm Mortgage Services

- *Mortgage aggregation*
- *Protection*
- *Other insurance aggregation*

KEY HIGHLIGHTS

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FINANCIAL

Group Revenue

£29.4m

up 25.7%

Adjusted operating profit¹

£14.5m

up 27.4%

Adjusted operating margin¹

49.5%

2021: 48.8%

Fully diluted EPS²

18.62p

up 26.3%

Final Dividend

8.5p

up 13.3%

Dividend yield³

2.8%

Net Assets

£31.0m

up 27.0%

AUM

£11.341bn

up 26.2%

Net Cash

£21.7m

up 28.2%

1. Adjusted for exceptional items, share-based payment costs and amortisation

2. Adjusted for exceptional items, share-based payment costs, amortisation and potentially dilutive shares

3. Based on share price at March 2022 of £4.50

KEY HIGHLIGHTS

OPERATIONAL

Organic Net Inflows

£1.28bn

up 69.1%

verbatim
Asset Management

Acquisition of £650m Verbatim funds

FINTEL
INSPIRING BETTER OUTCOMES

5-year strategic partnership

Ethical Portfolios AUM

£812m

up 84.1%

Non-MPS Propositions AUM

£1.2bn

Number of IFA firms

746

up 11.7%

Number of accounts

89,780

up 23.9%

Paradigm Mortgage completions

£13.15bn

up 16.0%

Paradigm Consulting members

421

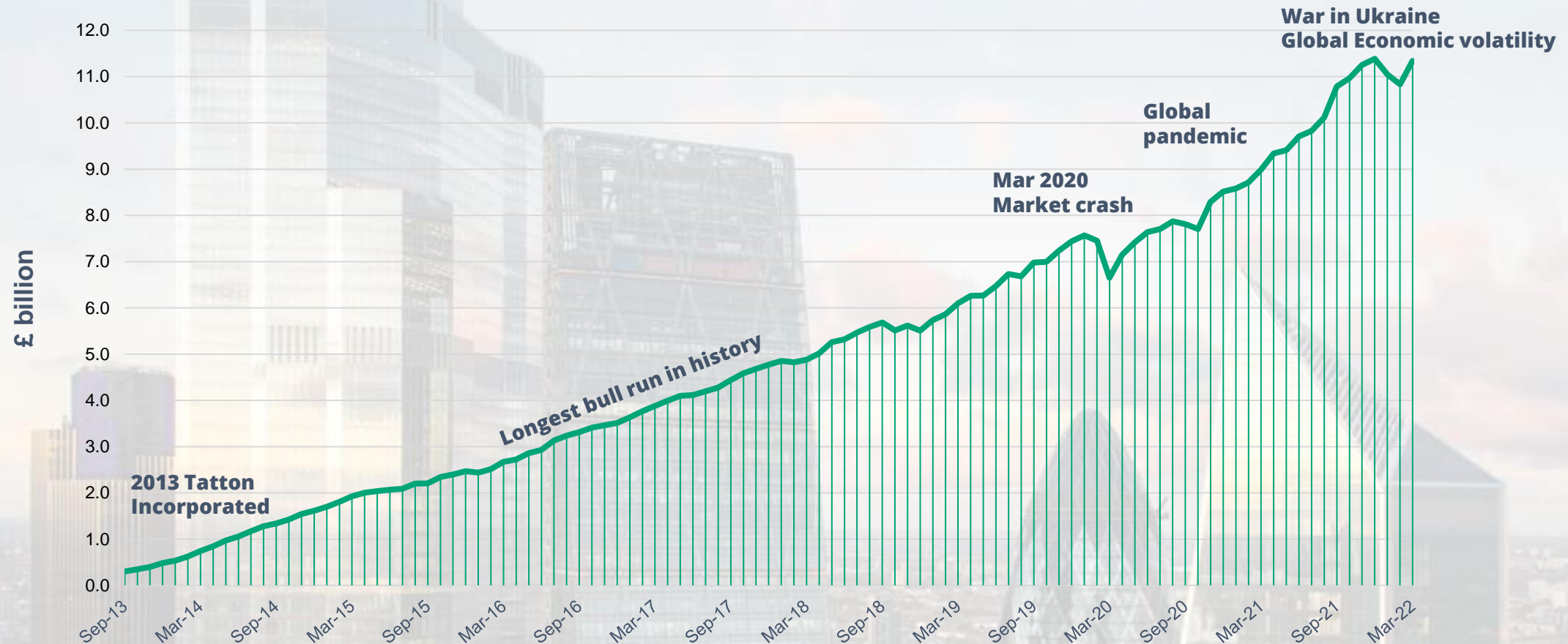
up 3.4%

RESILIENT GROWTH IN ASSETS

+£2.4bn OVER 12 MONTHS, MAR-21 to MAR-22

Assets under management

Tatton Assets Under Management in £ billion





FINANCIAL PERFORMANCE

GROUP PROFIT & LOSS

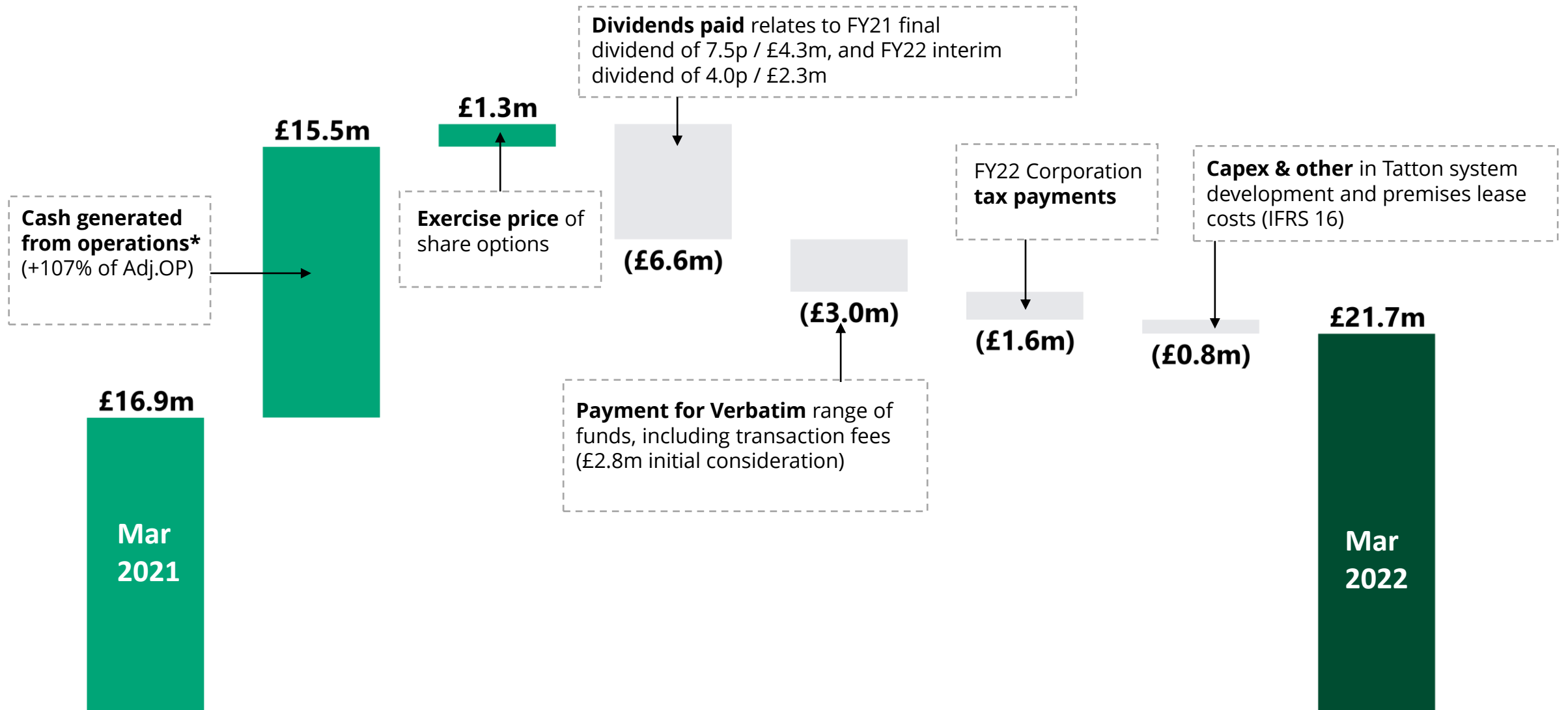
	Mar-22	Mar-21	Growth
	£000's	£000's	%
Revenue	29,356	23,353	25.7%
Adjusted Operating profit¹	14,526	11,402	27.4%
Margin %	49.5%	48.8%	
Share-based payments (IFRS2)	(2,399)	(3,740)	
Exceptional items & Amortisation	(497)	(154)	
Operating profit	11,630	7,508	
Finance costs	(355)	(205)	
Adjusted Profit before tax¹	14,171	11,197	26.6%
Profit before tax	11,275	7,303	
Corporation tax	(2,033)	(1,192)	
Profit after tax	9,242	6,111	
Basic earnings per share	15.92p	10.86p	
Adjusted F.Dil EPS²	18.62p	14.74p	26.3%
Final Dividend	8.50p	7.50p	13.3%

- **Group revenue** increased 25.7% to £29.4m
 - Organic Growth 20.7% ex-Verbatim
- **Group adjusted operating profit¹** increased 27.4% to £14.5m
- **Adjusted operating margin²** increased to 49.5%
- Exceptional items relate to the acquisition of the Verbatim range of funds £0.2m
- Effective underlying tax rate 18.6% (2021: 18.9%)
- **Adjusted F.Dil EPS²** increased 26.3% to 18.62p
- **Final dividend** increased 13.3% to 8.5p (FY2021: 7.5p)

1. Adjusted for exceptional items, IFRS2 share-based payment costs and amortisation

2. Adjusted for exceptional items, IFRS2 share-based payment costs and amortisation and potentially dilutive shares

GROUP CASH FLOW BRIDGE



*Cash from operations adjusted for exceptional items

GROUP BALANCE SHEET HIGHLIGHTS

	Mar-22 £000's	Mar-21 £000's
Goodwill & intangible assets	13,384	7,690
Tangible fixed assets	749	992
Trade & other receivables	3,957	4,465
Tax	1,547	1,468
Cash	21,710	16,934
Trade & other payables	(10,303)	(7,103)
Net Assets	31,044	24,446

- **Robust balance sheet - Net assets increased +27.0% to £31.0m**

- **Intangible and Tangible assets**

Increase in intangible assets following the acquisition of the Verbatim funds

Capital light, no significant tangible asset requirement

- **Trade & other receivables**

Reduced due to collection of outstanding debt

- **Cash**

Strong financial liquidity position, net cash **£21.7m** after paying an initial £2.8m for Verbatim acquisition

- **Tax**

- Net tax asset - £0.7m current tax asset & £0.8m deferred tax asset anticipated to be utilised over the medium term, reducing future tax payments

- **Trade & other payables**

Deferred consideration of Verbatim discounted to £2.5m

CAPITAL ADEQUACY REQUIREMENTS

NEW INVESTMENT FIRM PRUDENTIAL REGIME "IFPR"

IFPR

The FCA's IFPR focuses on the prudential requirements as to the potential harm to clients and the market. It includes the amount of capital and liquid assets a firm should hold to enable it to wind down in an orderly way if required and to ensure it holds enough capital to mitigate and address any harms to clients, markets, or the business itself where these have been in the business' control.

New Regime

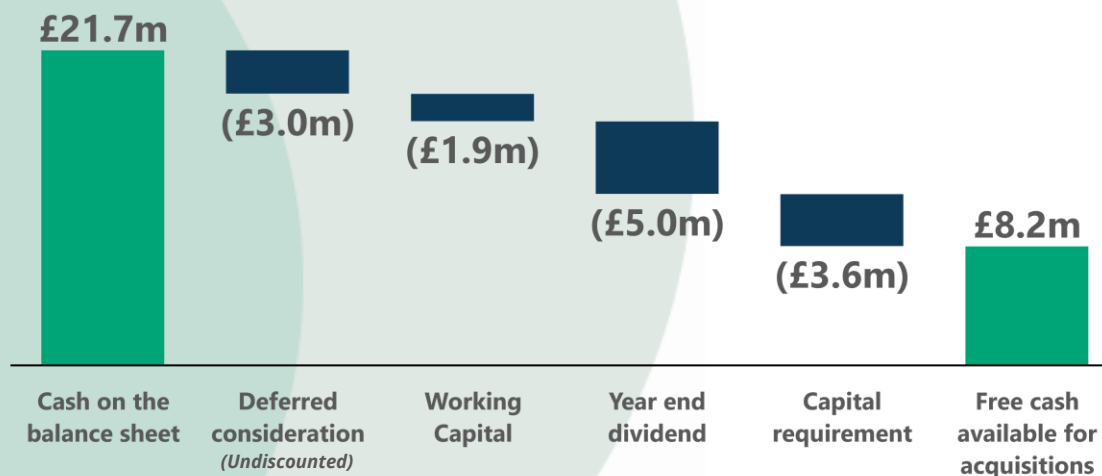
Came into effect
1 Jan 2022

The new IFPR rules represent a significant change for investment firms with the requirement to look at the Group's consolidated position from a regulatory perspective, with the rules applying to TIML ("Tatton Investment Management Limited"), the only regulated entity within the Group as well as on a Group consolidated basis.

This has resulted in an increase of capital resources being required to be held, which in turn has reduced the amount of free cash held by the Group. The Group's free cash flow, being the headroom of cash resources over and above the Group's capital requirements.

The impact of this is that as the Group pursues its acquisition strategy, it will be restricted on how these transactions are funded, ensuring that it utilises cash as consideration only where the Group has appropriate capital headroom available. Above this, consideration will be funded through the issue of shares, either directly to the sellers or through a market fund raise.

Capital
Adequacy
Headroom
**£8.2m¹ /
228%**



Capital / Net Assets	£31.0m
Less Goodwill	(£9.3m)
Less Intangibles	(£4.1m)
Less Deferred tax	(£0.8m)
Less FY22 Year End Dividend	(£5.0m)
Attributable Capital	£11.8m
Capital Requirement	(£3.6m)
Capital Adequacy Headroom	£8.2m

1. Cash available for acquisitions will be impacted by any interim dividend announced within 2022

DIVISIONAL PERFORMANCE

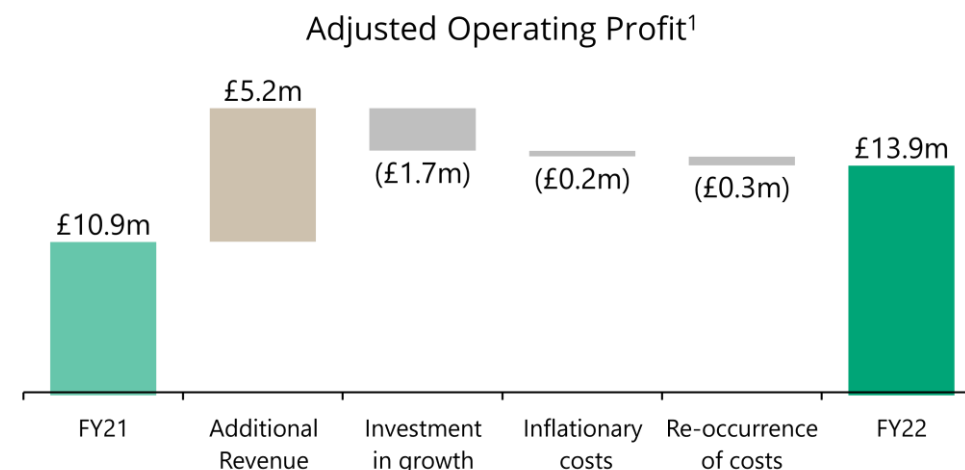
PERFORMANCE

Tatton	Mar 2022	Mar 2021	Change %
Revenue	£23.3m	£18.1m	29.0%
Adj Op Profit ¹	£13.9m	£10.9m	27.5%
Margin	60%	60%	-

COMMENTARY

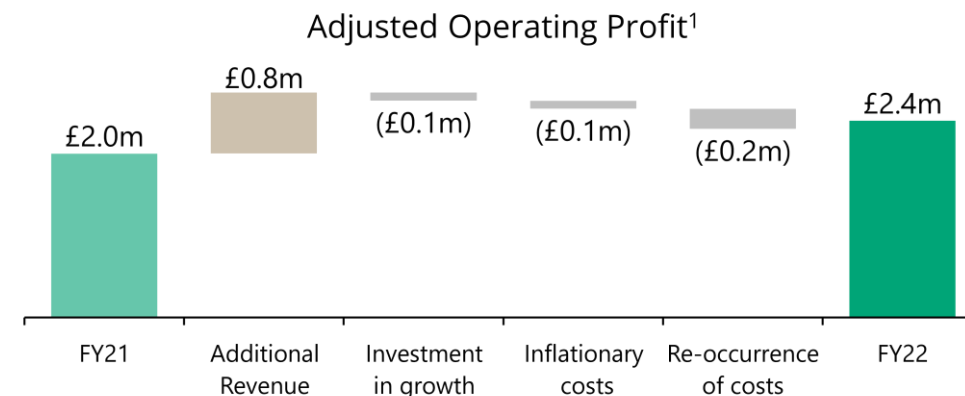
- Revenue and Adj Operating Profit delivered double digit growth, driven by:
 - Net inflows £1.277bn or 14.2% of opening AUM (2021: net inflows £0.755bn), averaging £106m per month (2021: £63m)
 - Market performance £424m or 4.7%
 - Acquisition of the Verbatim range of funds £650m
- Cost investment in sales and distribution, compliance & investment to support growth
- Return of pre-covid costs with face-to-face events

ANALYSIS



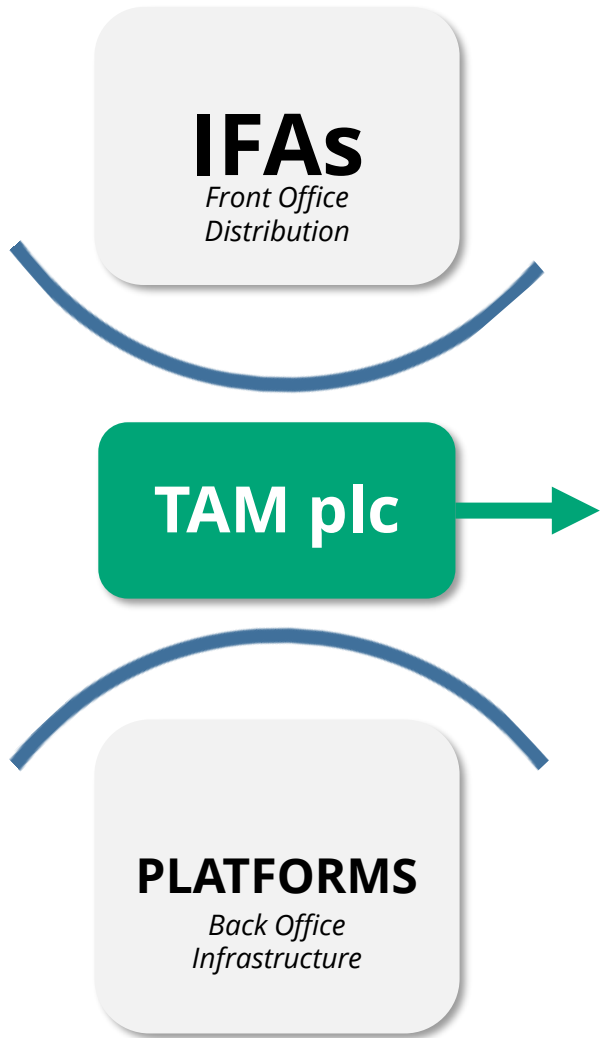
Paradigm	Mar 2022	Mar 2021	Change %
Revenue	£6.0m	£5.2m	14.4%
Adj Op Profit ¹	£2.4m	£2.0m	20.0%
Margin	41%	39%	2%

- Revenue and Adj Operating Profit both delivering strong growth
- Mortgage completions increased 16.0% to £13.15bn (2021: £11.34bn)
 - Mortgage firms grew to 1,674 (2021: 1,612)
- Consulting member firms increasing to 421 (2021: 407)
- Investment in new sales staff helping drive growth
- Return to pre-covid costs with face-to-face events



1. Adjusted for exceptional items, share-based payment costs and amortisation

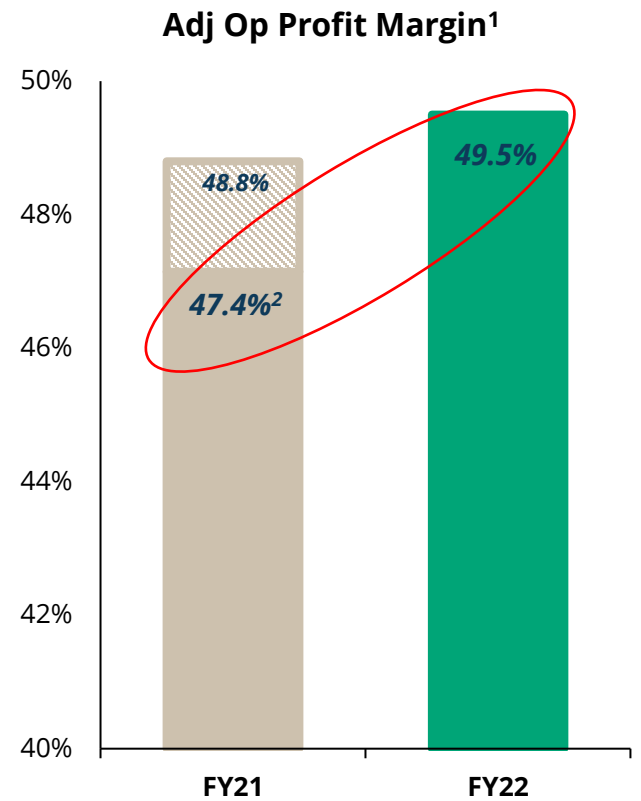
INVESTMENT IN GROWTH DRIVING FURTHER OPERATIONAL LEVERAGE



Generation of future incremental margin through a scalable business model, utilising the role of the platforms (back office) and our IFAs (front office)

- **Additional annual revenue** driven by new net inflows of c.£1bn per annum, annualisation of prior year AUM, +/- markets and new firms – crucially operating through 44 model portfolios
- **Inflationary costs** – salary costs are +60% of the cost base with a 2% - 5% annual increase per annum
- **Re-occurrence of costs** due to return to pre-COVID costs, including travelling and event costs
- **Investment in growth** – we will continue to invest in sales and marketing, compliance and investment expertise to drive and support growth +/- £0 to £2m p.a – **i.e. incremental costs**
- **Infrastructure** - No material investment in infrastructure

Continued Growth additional c.1-2% p.a. Group profit margin



1. Adjusted for exceptional items, share-based payment costs and amortisation
 2. Adjusted for like for like returning costs since COVID

FUTURE OUTLOOK / GUIDANCE

REVENUE TATTON

REVENUE PARADIGM

COSTS / ADJ OP PROFIT

EXCEPTIONAL / OTHER ITEMS

FY22

Average AUM of £10.2bn, from the opening AUM of £9.0bn and closing AUM of £11.3bn

Net inflows of £1.277bn, and 22bps average fee rate

Acquisition of £0.65bn of Verbatim Fund assets

£6.0m of revenue from £13.15bn of mortgage completions and 1,674 member firms, with completions supported by Government stimulus

Staff costs accounted for two thirds of the Group's total operating expenses, and grew by 12.4% in FY22, with investments in both Tatton and Paradigm to generate growth as well as risk & compliance and IT development resources

Adjusted operating profit margin of 49.5%¹

Costs relating to acquisition of Verbatim Funds, and Strategic partnership with Fintel plc

FY23 OUTLOOK

AUM expected to continue to grow organically by targeting over £1.0bn net inflows per year

Average bps fee rate expected to remain at a similar level to FY22

Paradigm expected to maintain revenue levels from the prior year through a growth in member firms, offset by the removal of the stamp duty holiday stimulus

Further recruitment in FY23 to support the delivery of value from the acquisition of the Verbatim funds

Inflationary cost increases with third party suppliers and existing salary costs

Adjusted operating profit margin¹ expected to increase by c.1-2% on the FY22 levels

Exceptional costs will be accounted for on a consistent basis with prior years

1. Adjusted for exceptional items, share-based payment costs and amortisation

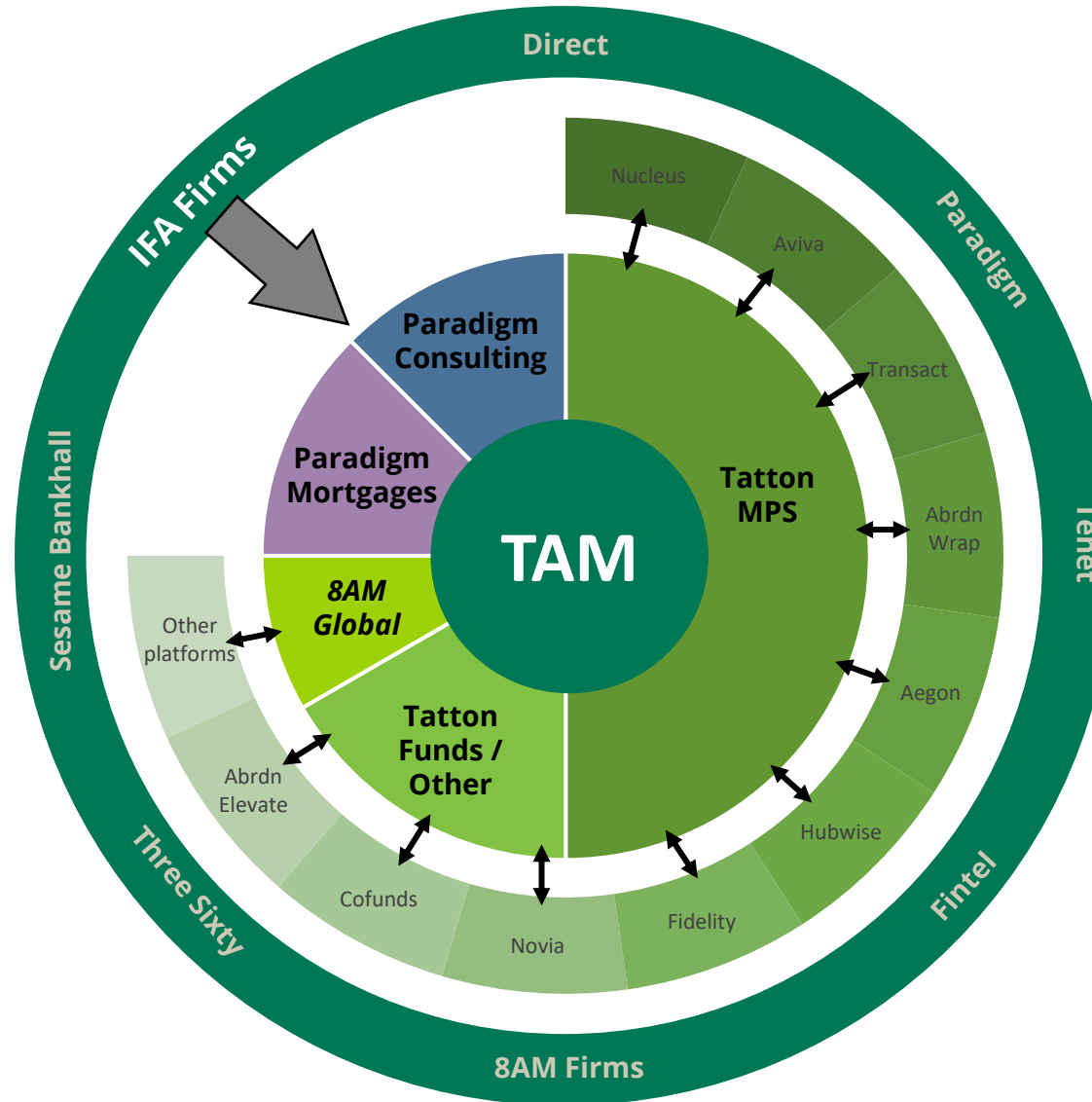


STRATEGIC UPDATE

TATTON ECOSYSTEM

TAM plc (Group Propositions)

COMPANY	AUM	Proposition
TATTON MPS	£10.1bn	MPS
TATTON FUNDS / OTHER	£1.2bn	OEICs / BPS / Other
8AM ²	£0.8bn ¹	MPS / Funds
PARADIGM	£13bn Completions	Mortgage & Consulting Services



Tatton Ecosystem

- Direct Firms
- Paradigm Firms
- Tenet Firms
- Fintel Firms
- 8AM Firms
- Other Strategic Partners

Strategic Partners



1. Estimated 8AM Global Limited AUI on completion
 2. Subject to regulatory approval

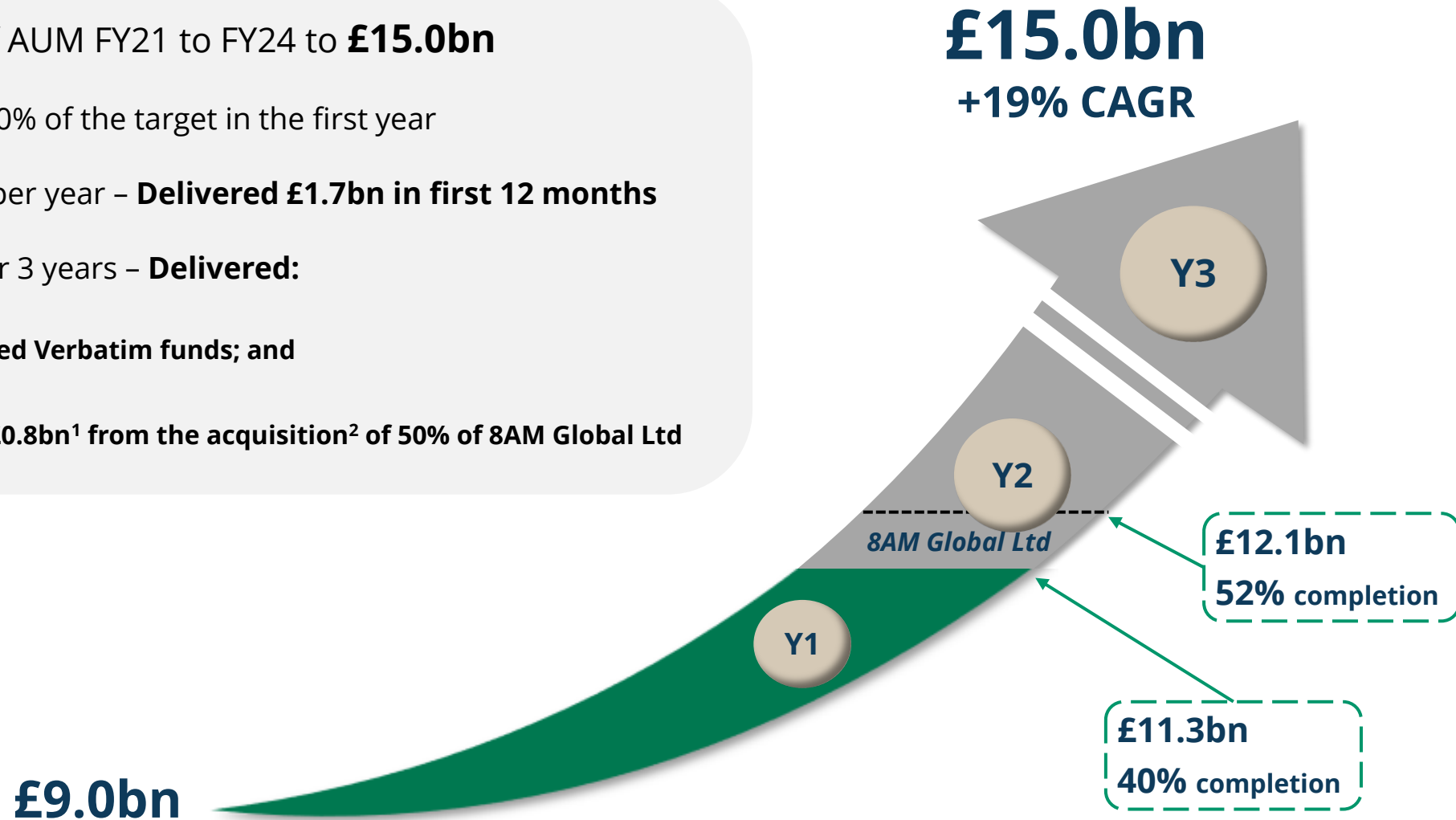
ROADMAP TO GROWTH

OVER A THIRD OF THE WAY AFTER THE FIRST YEAR

Targeting additional £6.0bn of AUM FY21 to FY24 to **£15.0bn**

- We have delivered £2.4bn or 40% of the target in the first year
- Organic growth target £1.0bn per year – **Delivered £1.7bn in first 12 months**
- M&A activity target £3.0bn over 3 years – **Delivered:**
 - **£0.65bn through the acquired Verbatim funds; and**
 - **When complete, a further £0.8bn¹ from the acquisition² of 50% of 8AM Global Ltd**

Markets could add/subtract to target AUM

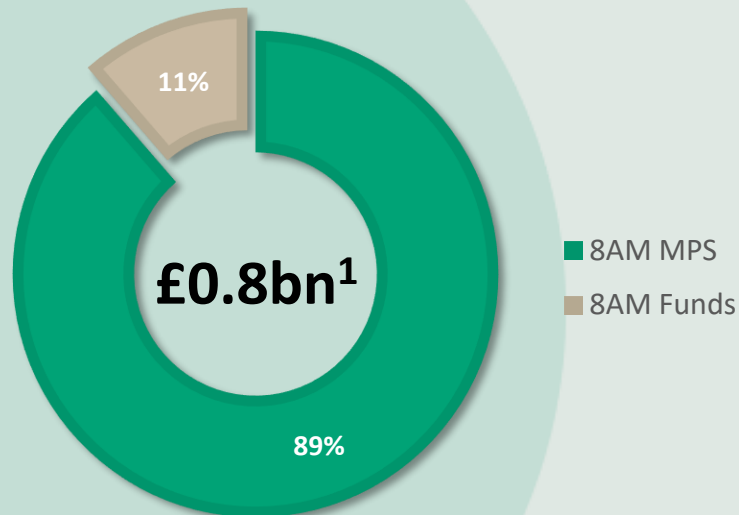


1. Estimated 8AM Global Limited AUI on completion
2. Subject to regulatory approval

8AM GLOBAL LTD ACQUISITION

ACQUISITION MECHANICS

- **TAM has entered into a sale and purchase agreement to purchase 50% of the issued share capital of 8AM Global Ltd**
- **Completion subject to FCA change of control approval**
- **Purchase Price c.£7.0m - 10x underlying EBIT or c.0.88% of AUI**
 - 50% or £3.5 million of initial consideration, payable through the issue of new shares
 - £3.5 million deferred consideration payable in equal cash instalments against financial performance targets at the end of Years 1 and 2 post completion
 - An option to acquire the remaining 50% in due course



STRATEGIC RATIONALE

- The transaction is expected to be earnings enhancing in FY23 and beyond
- Contribution from the 50% shareholding expected to generate adjusted operating profit² of £0.7m in its first full year
- Strong synergistic deal, provides complementary alternative investment proposition
- Provides access to a broader distribution base of UK financial advisers and offers further breadth of proposition
- Alignment of pricing – 8AM MPS service will be charged at 15bps
- Will be the third acquisition the Group has made following Sinfonia H1 FY20, Verbatim H1 FY22.
- Will further contribute to the Group's £15bn "Roadmap to Growth" strategy

1. Estimated 8AM Global Limited AUI on completion
2. Adjusted for exceptional items, share-based payment costs and amortisation

FOUR FUNDAMENTAL CHARACTERISTICS

DFM MPS COMES OF AGE

GROWTH

On platform DFM (MPS) market continues to grow, £81.4bn (5yr CAGR +27%)
Tatton AUM has grown strongly to £11.3bn (5yr CAGR +24%)
Growth in adjusted operating profit¹ £14.5m (5yr CAGR +26%)

DEFENSIVE MOAT

Largest MPS player, market leading price, consistent long-term investment performance track record, widest breadth of distribution across the IFA landscape, diversified offering, award winning service standards

RETENTION

High retention of firms / Low attrition of AUM

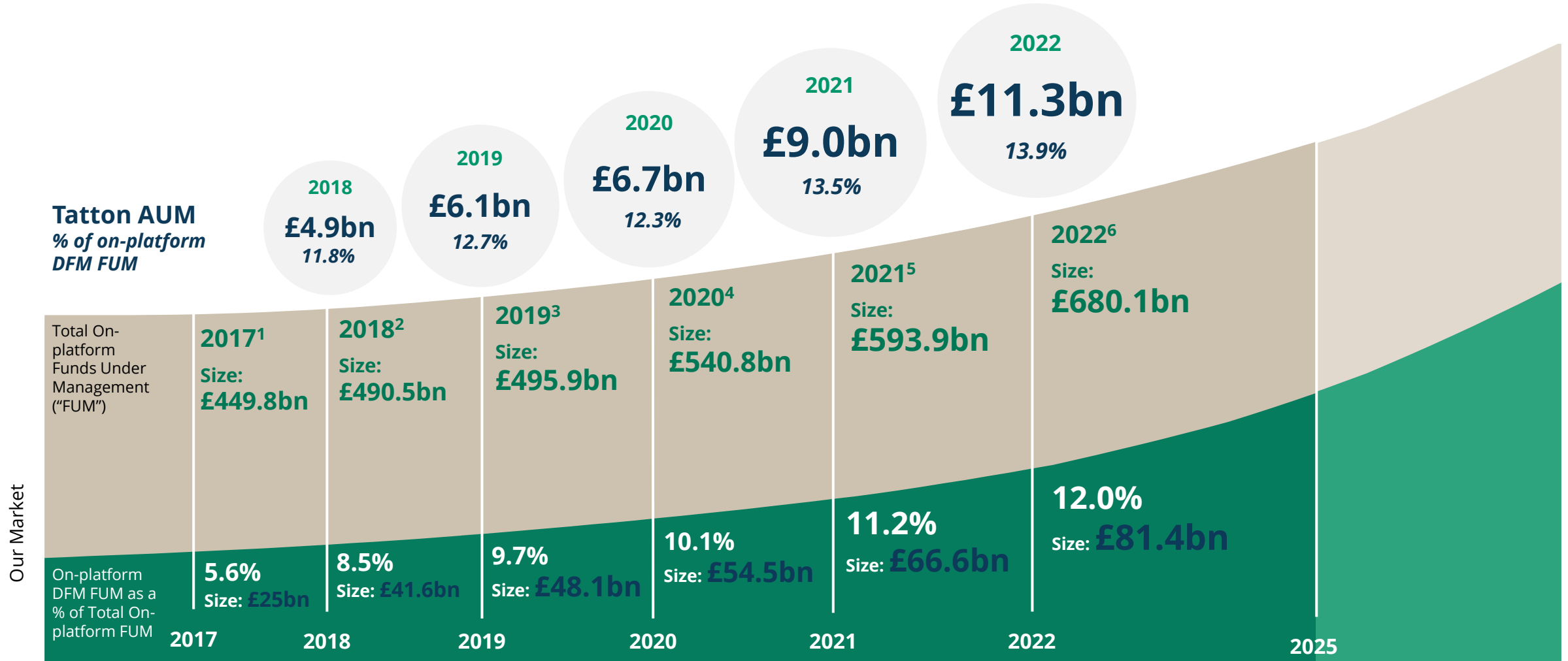
MARGIN

Strong adjusted operating margin¹ of 49.5%, ongoing operational gearing

1. Adjusted for exceptional items, share-based payment costs and amortisation

OUR MARKET SHARE

MARKET GROWTH – ON PLATFORM FUM



1. Source: Platform, 2017

2. Source: Platform, July 2018

3. Source: Platform, July 2019

4. Source: Platform, November 2020

5. Source: Platform, July 2021

6. Source: Platform, 2022

DEFENSIVE MOAT

COMPETITIVE POSITION & BARRIERS TO ENTRY



MPS SIZE

£10.1bn
Mar22

PERFORMANCE

Consistent c.10yr
Investment
performance

PRICE

15bps

SERVICE

+++
Tatton Portal,
Dedicated support,
Investment Webinars

DISTRIBUTION

IFA only
MPS Specialist
18 Platforms



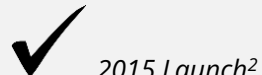
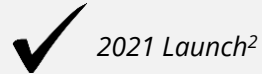
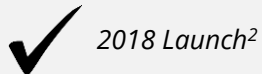
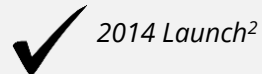
£6.5bn⁶
Mar22

£2.9bn³
Mar22

£5.0bn¹
Dec20

Est. <£1.0bn⁵

£5.0bn⁴
Dec21



20-30bps¹

20-25bps¹

25bps¹

6bps²

18bps²

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BPS / MPS /
Multi-channel

BPS / MPS /
Multi-channel

BPS / MPS /
Multi-channel

BPS / MPS /
Multi-channel

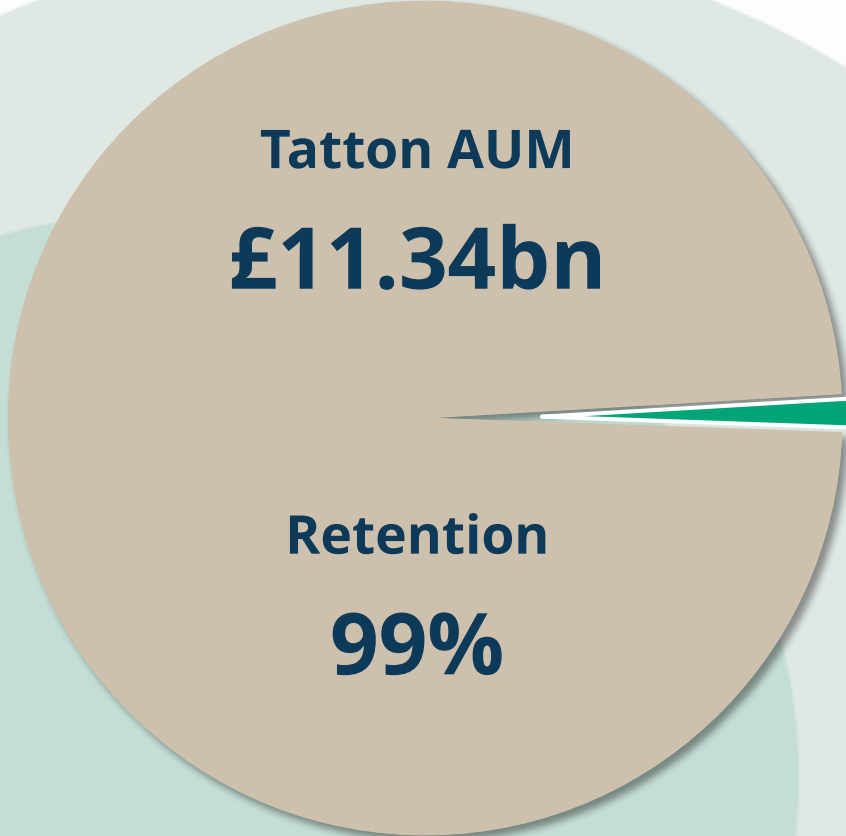
BPS / MPS

1. Platform – July 2021
2. IFA Magazine October 2021 (Managed Portfolio Services Research by TC Compliance Services)
3. Brooks Macdonald RNS – Quarterly announcement of Funds under Management

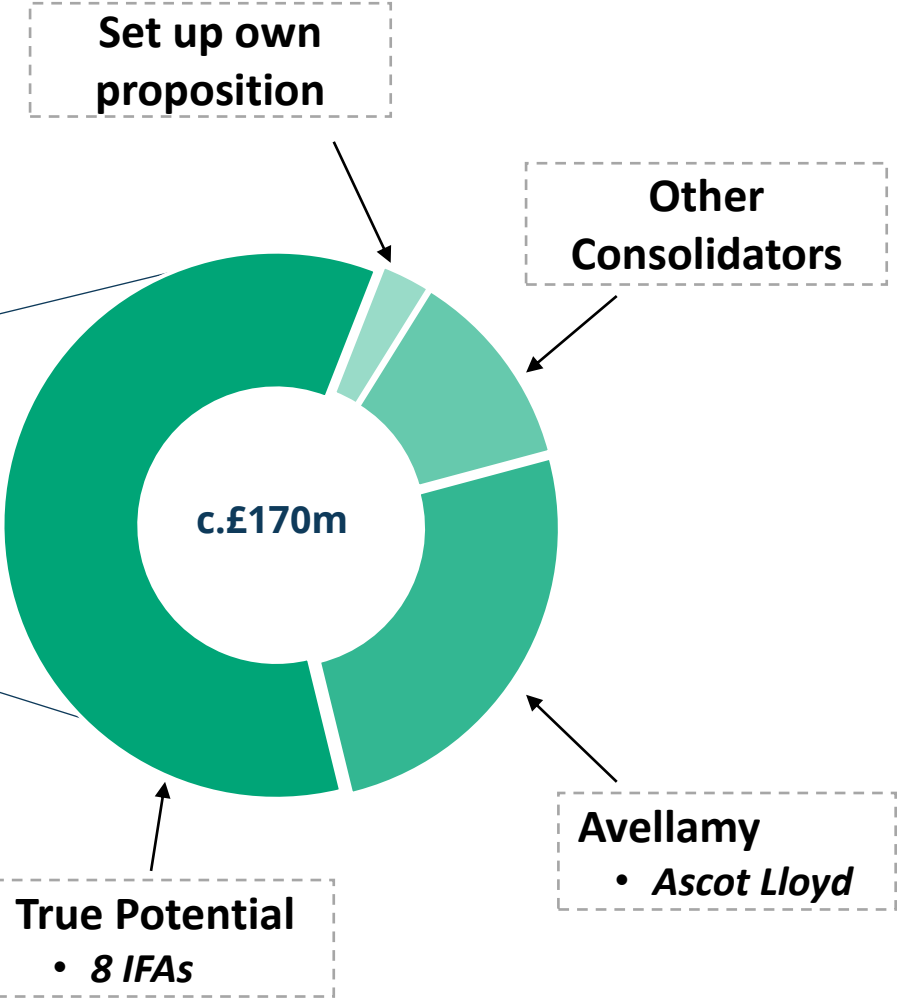
4. <https://www.financialexpress.co.uk/en-gb/news/assets-under-management-hit-5bn-at-fe-investments/>
5. Estimated MPS AUM having launched in June 2021
6. Brewin Dolphin RNS – Half Year Results 2022 – MPS/Voyager

HIGH ASSET RETENTION

FY2022

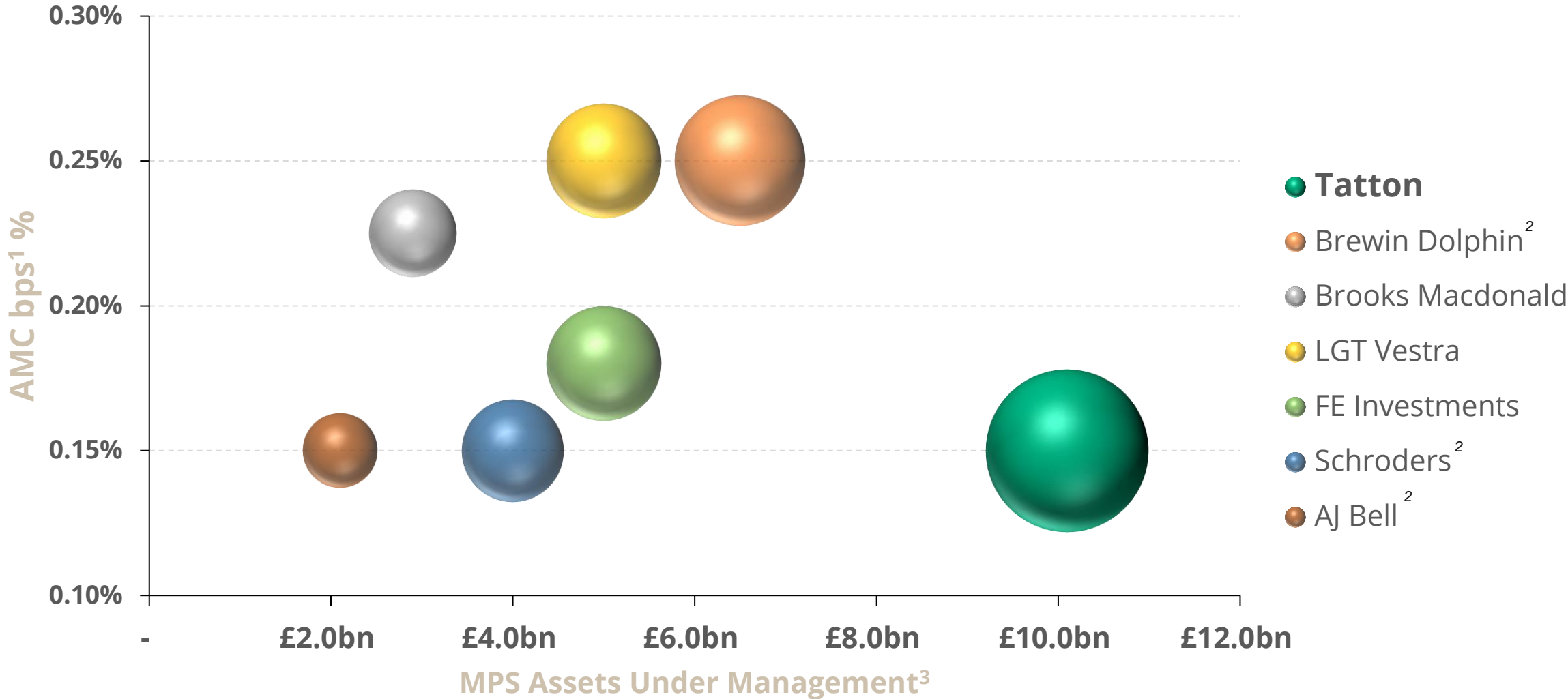


1% Attrition¹



1. Attrition of assets under management from consolidators

A CHANGING LANDSCAPE



1. AMC Source: Platform - July 2021
 2. AUM includes MPS and Multi-Asset investments

3. AUM Source: Platform July 2021, <https://www.financialexpress.co.uk/en-gb/news/assets-under-management-hit-5bn-at-fe-investments/>, Brooks Macdonald RNS 'Quarterly announcement of Funds under Management', IFA Magazine October 2021 (Managed Portfolio Services Research by TC Compliance Services), AJ Bell RNS 'Q2 Trading Update', Brewin Dolphin RNS (Half Year Results 2022)

TATTON STRATEGIC DIRECTION

EXAMPLES

Organic Growth & Strategic Partnerships

- Organic growth through net inflows, tailored solutions (white labels), and 'back book' migration
- Panel with nationals, networks and consolidators
- IFA distribution partnerships



Mergers and Acquisitions & Joint Ventures

- Strategically relevant
- Complementary
- Earnings enhancing
- Joint Ventures with IFA-DFMs



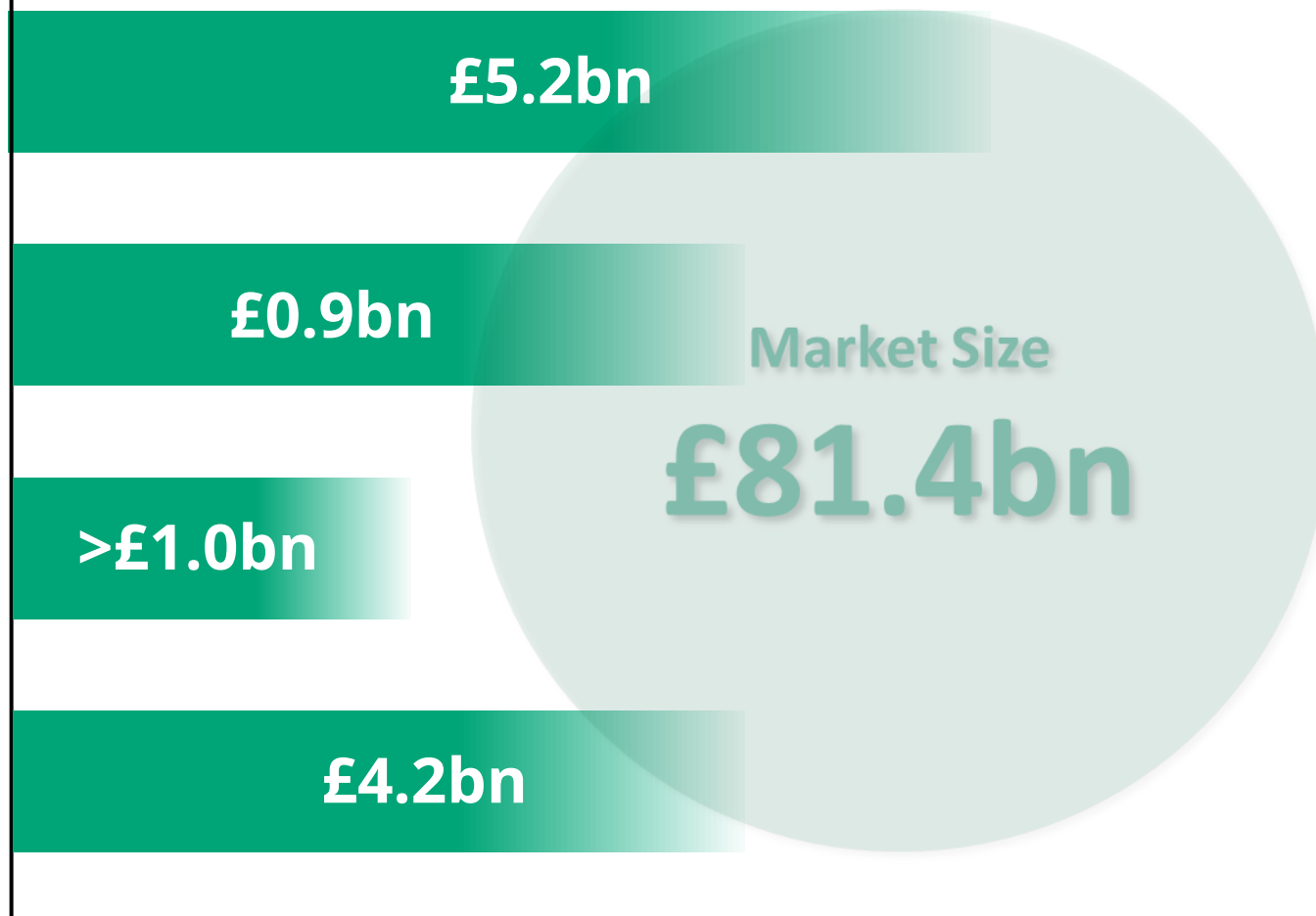
Considering fund ranges, other DFMs, shared ownership and strategic partnerships

STRATEGIC PARTNERSHIPS

- Market size of £81.4bn, up 22% over the last year
- Tatton AUM of £11.3bn, up 26% over the last year
- 13.9% share of the on-platform DFM FUM



DIRECT FIRMS

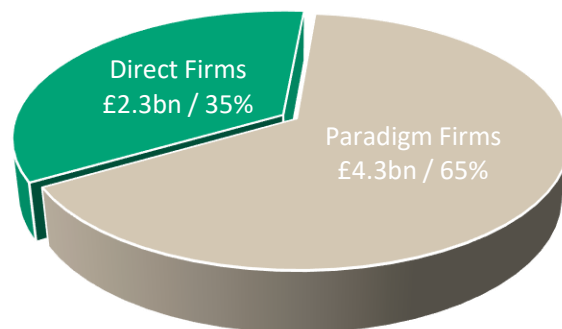


TATTON – OPPORTUNITY UPDATE

PROGRESSION

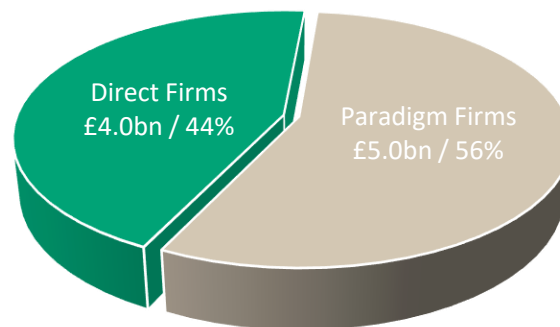
Mar20

AUM £6.7bn



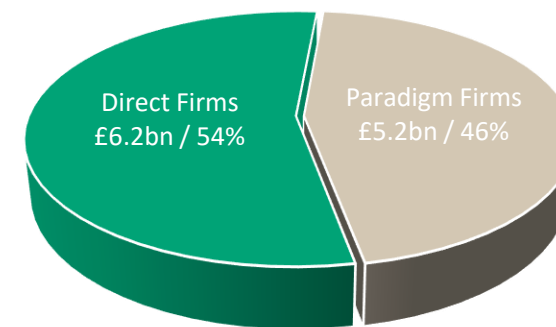
Mar21

AUM £9.0bn

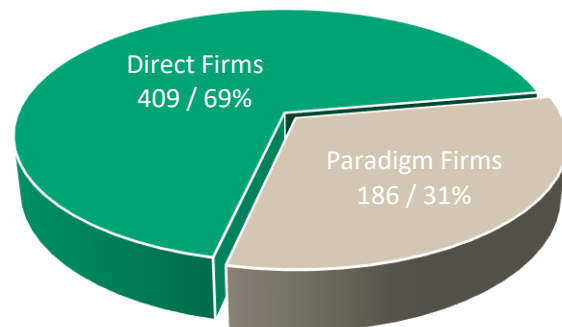


Mar22

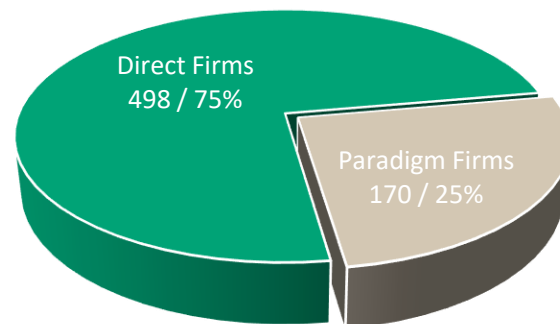
AUM £11.3bn



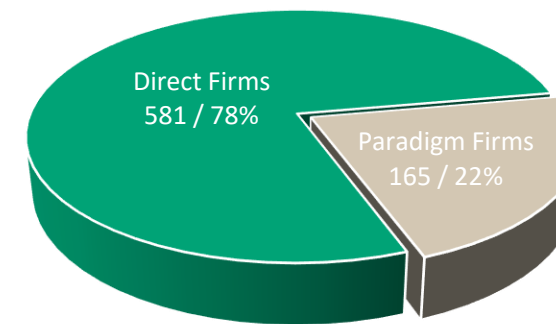
Number of Firms 595



Number of Firms 668

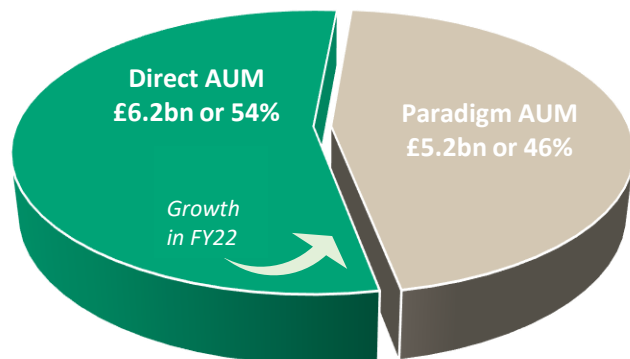


Number of Firms 746

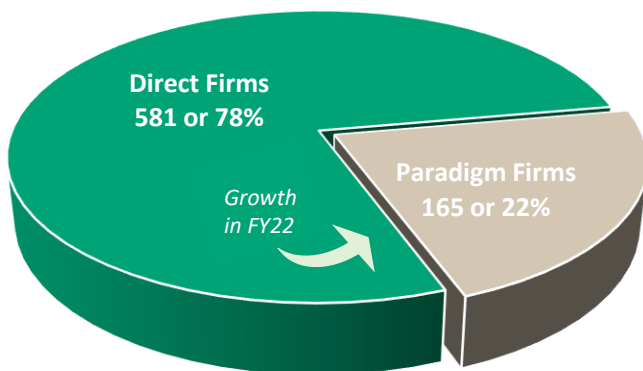


TATTON – OPPORTUNITY UPDATE

Total AUM £11.3bn



Total number of firms 746

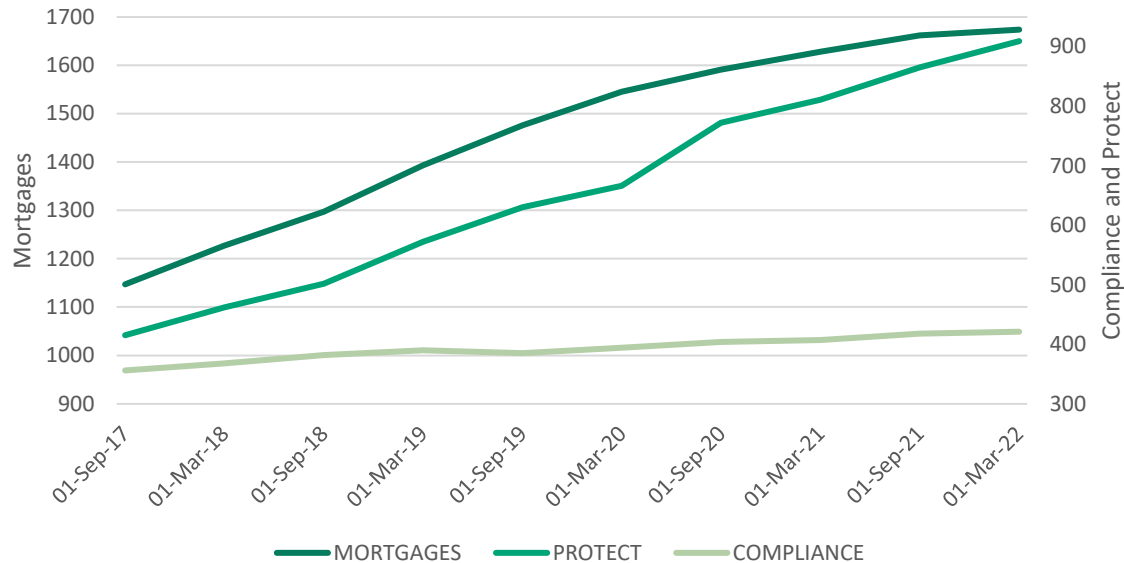


- £680.1bn¹ Assets held on platform
- £81.4bn¹ Assets held in DFM and growing
- Tatton £11.34bn from 746 firms
- Paradigm firms = 165 or 22% firms = £5.2bn AUM or 46%
- Non-Paradigm firms = 581 or 78% firms = £6.2bn AUM or 54%
- Average firm across the industry has approx. £40m on platform
 - Paradigm firms = Average £31.3m per firm
 - Non-Paradigm firms = Average £10.6m per firm
- **Non-Paradigm opportunity = £20.7m x 581 = £12.0bn**

	Mar-19	Mar-20	Mar-21	Mar-22
Paradigm firms	189	186	170	165
Paradigm firms AUM (£bn)	4.6	4.3	5.0	5.2
Average per Paradigm firm (£m)	24.3	23.3	29.5	31.3
Non-Paradigm firms	256	409	498	581
Non-Paradigm firms AUM (£bn)	1.5	2.3	4.0	6.2
Average per non-Paradigm firm (£m)	5.9	5.7	8.0	10.6
Non-Paradigm Opportunity (£bn)	4.7	7.2	10.7	12.0

1. Source: Platform, 2022

Membership Growth 2017-22



Current Membership

- Mortgage: Up 2.8% to 1,674 (March 21: 1,628)
- Consulting: Up 3.4% to 421 (March 21: 407)
- Protect: Up 12.1% to 909 (March 21: 811)
- For 22/23, targeting (net) new 21 contracts p/m (12 Mortgages, 7 Protect & 2 Compliance)

Current market activity

- Strong activity although heat come out of the market
 - April 22 gross lending £26.5bn up from £26.2bn in March 22
 - April 22 66,000 approval for house purchases, 69,500 March 22, and 66,770 Feb22
- Buoyant Q1 which is counter to the wider economic volatility
- House Prices continue to increase - 10th consecutive monthly gain in May 22
- Mortgage brokers exceptionally busy as borrowers worry about rising rates
- Growing Intermediary channel share. Affordability, criteria, financial change & disruption, means advice is now more important than ever
- IFA consolidation set to remain for the foreseeable future

Areas of focus

- Growing new members and firms to further penetrate the market
- Grow strategic partner base – i.e. lender & provider panels creating bigger voice, footprint & market offering to match evolving market conditions
- Further strengthen the relationship management team to deliver more effective member contact management whilst supporting greater cross-sales and new member growth



INVESTMENT & FUND UPDATE

TATTON'S MATURING FUND PROPOSITION

Tatton Funds – good value risk rated funds with distinct strategies



Tatton
Blended Funds

Five risk rated funds
Cost focussed hybrid active and passive



Tatton
Verbatim Growth
Funds

Five risk rated funds
Active managed funds
Pure growth, Hymans Robertson allocation



Tatton
Verbatim Index
Funds

Five risk rated funds
Tracker funds
Low cost, Hymans Robertson allocation



Tatton
ETHOS Funds

To be launched H2/2022
Three risk rated ESG funds
Low cost combined active, passive and ETF
SDR - Responsible

Third party funds - three fund families



Five risk rated MM funds
Managed by Tatton



Four MM funds
Managed by Tatton



Income fund managed by Sarasin

DISTRIBUTION OF AUM ACROSS PROPOSITION MATRIX

44 multi-asset portfolio choices that satisfy multi-manager, index tracker, income drawdown and ethical investment choices across 6 standard UK risk profiles (3-8 out of 1-10) and a UK home bias set as well as a global market capitalisation weighted set

	Defensive (3) 25% Equity	Cautious (4) 45% Equity	Balanced (5) 60% Equity	Active (6) 75% Equity	Aggressive (7) 90% Equity	Global Eq. (8) 98% Equity	Total	12m Change %
Tatton Tracker	0.9%	4.6%	8.3%	3.6%	1.2%	-	18.5%	0.2%
Tatton Managed/Active	0.6%	5.4%	11.4%	5.3%	1.7%	-	24.5%	(5.3%)
Tatton Hybrid/Blended	1.0%	8.6%	20.4%	9.6%	2.2%	-	41.8%	0.6%
Tatton Income	0.0%	0.2%	0.5%	0.2%	0.0%	-	0.9%	(0.1%)
Tatton Ethical	0.3%	1.6%	4.2%	1.4%	0.4%	0.2%	8.1%	2.9%
Tatton Global*	0.2%	0.7%	1.5%	0.9%	0.3%	2.5%**	6.2%	1.8%
Total	3.0%	21.1%	46.3%	21.0%	5.9%	2.8%	100.0%	-
12m Change %	(0.5%)	(1.3%)	(0.5%)	1.1%	0.6%	0.7%	-	

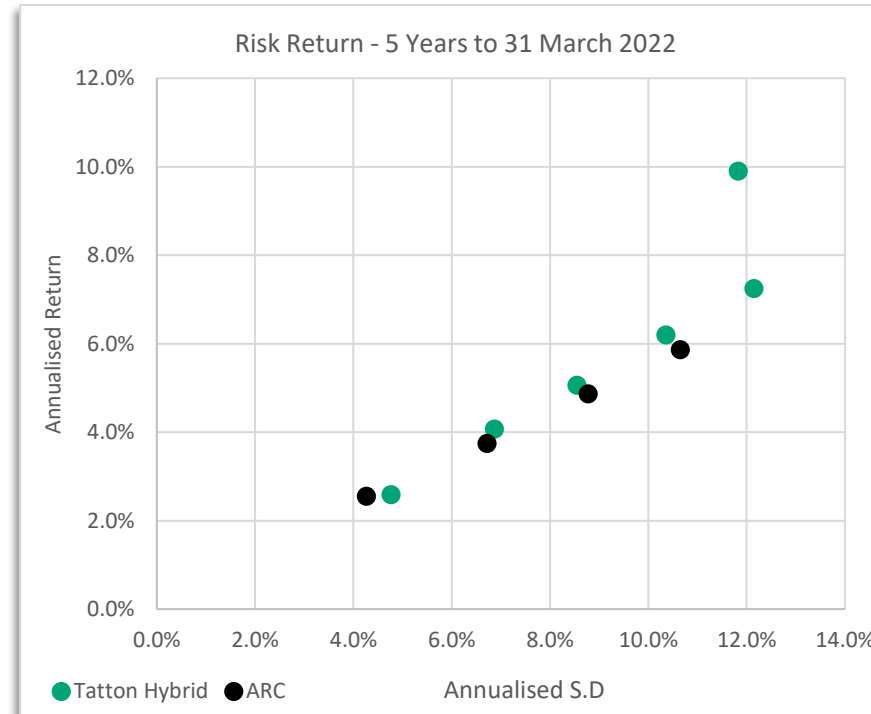
* Tatton Global summarises Managed, Tracker and Blended sub models

**previously split across Managed, Tracker and Hybrid / Blended

MPS INVESTMENT PORTFOLIO RETURNS

5 years to 31 March 2022

Portfolio Performance (per cent.) - core product set annualised, after DFM charge and fund costs					
	Active	Tracker	Hybrid	Ethical	ARC Peers ¹
Defensive	2.6	2.6	2.6		2.6
Cautious	4.1	4.1	4.1		3.7
Balanced	5.1	5.0	5.1	6.6	5.0
Active	6.4	6.1	6.2		5.0
Aggressive	7.4	7.2	7.3		6.1
Global Equity	10.2	10.0	10.1		6.1



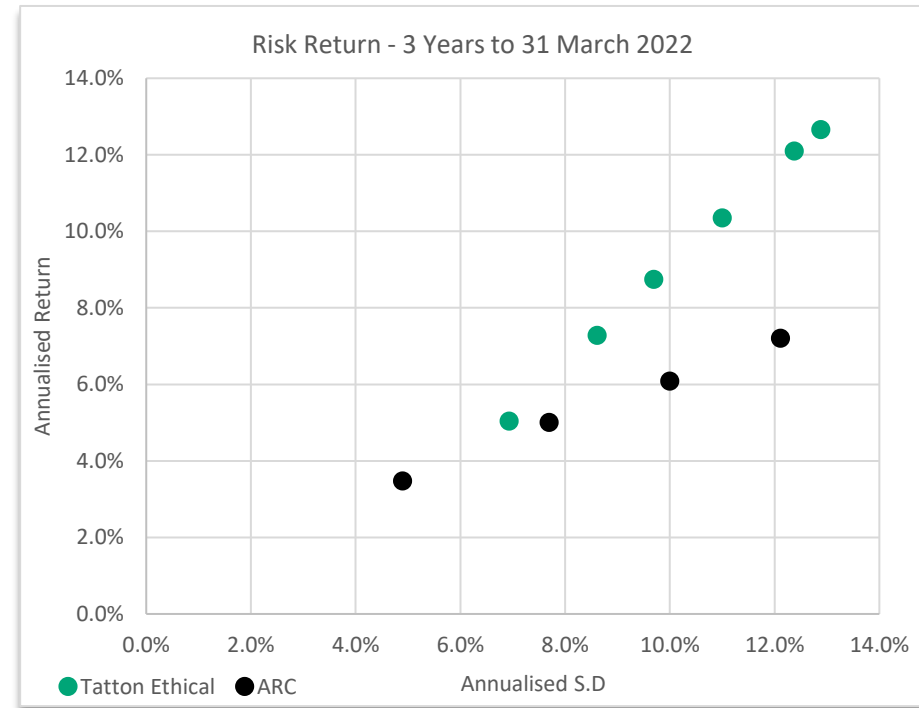
- Our steady rotation from a defensive growth tilt towards increased value and cyclical equity exposure added value over the course of the year, when compared to the ARC DFM peer group returns
- In addition, our continued overweight to equity (now neutral), a tactical position in global small caps and strong manager selection ensured our strong relative performance has been maintained through 2021/2022

1. ARC PCI – UK wealth management portfolio peer group with historically comparable asset allocation characteristics

ETHICAL INVESTMENT PORTFOLIO RETURNS

3 years to 31 March 2022

Tatton Fund Performance (% - ethical product set, annualised, after DFM charge and fund costs)		
	Ethical	ARC Peers ¹
Defensive	4.8	3.5
Cautious	7.1	4.9
Balanced	8.6	6.2
Active	10.2	6.2
Aggressive	12.0	7.6
Global Eq.	12.6	7.6



- The Ethical MPS Strategy has retained its strong outperformance over the last 3 years, however, the positive gap reduced during 2021/2022, due to the Growth style tilt of the ESG investment universe

1. ARC PCI – UK wealth management portfolio peer group with historically comparable asset allocation characteristics

EFFECTIVE COMMUNICATIONS – KEEPING CONNECTED TO IFAs AND THEIR CLIENTS



Accessible, insightful and valued communications

- Tatton Weekly – 5,000+ readership each week
- Market updates – 1,000s of views in 2022
- Monday digest – LinkedIn and media footprint
- Tatton Teasers – bringing investment to life

Tatton Market Updates

The latest market updates from the Tatton investment team.



Talking recession

🕒 19 May 2022



From overbought to oversold

🕒 12 May 2022



Certainly uncertain

🕒 4 April 2022

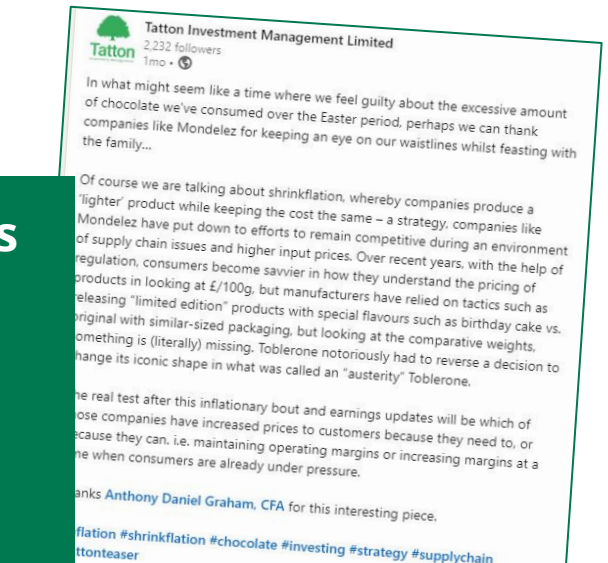


Figure 1 - Oreo Original 405g net weight vs. Oreo 110 Birthday 345g net weight
Figure 2 - The "austerity" Toblerone



Summary

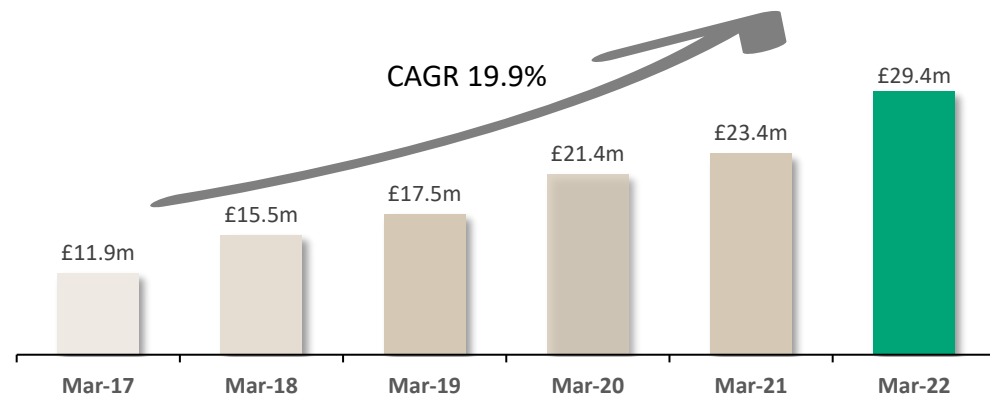
Growing the IFA relationships to grow AUM

- Strategic direction and Roadmap to Growth on track and delivering
- Continued organic growth, white labelling & back book migration arrangements
- Further disciplined M&A activity to support AUM growth
- Developing additional strategic IFA partnerships and JVs
- Extending the asset management proposition

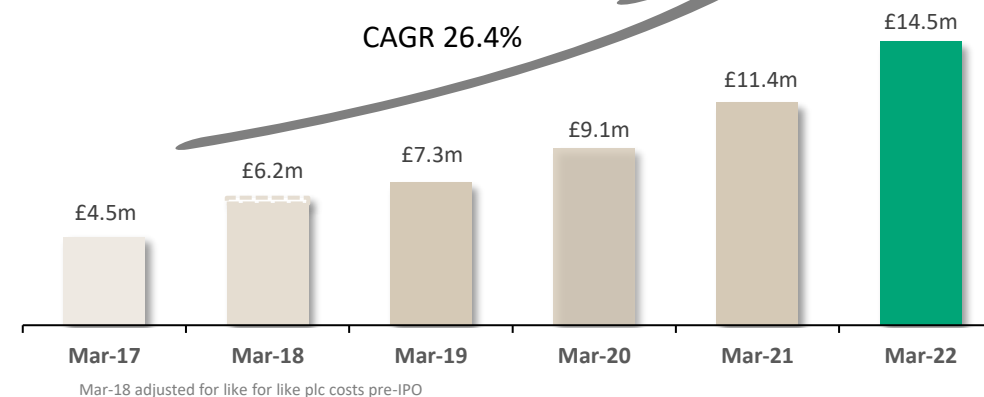
Appendices

FINANCIAL PROGRESS SINCE IPO

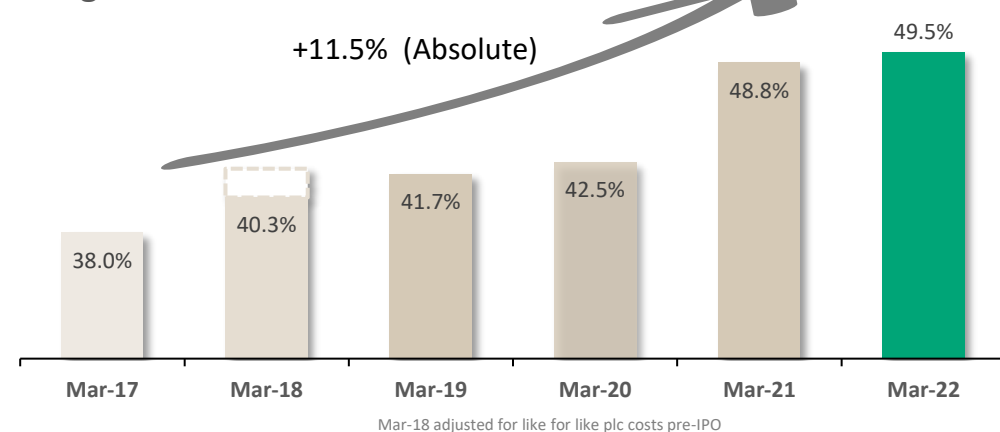
Revenue £m



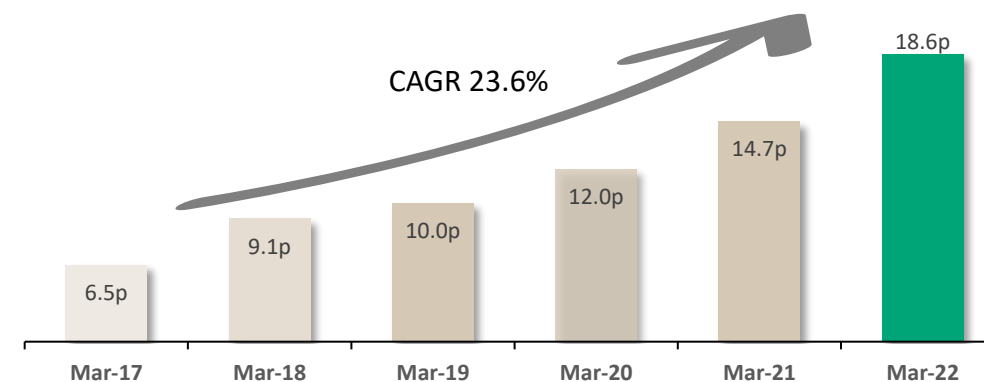
Adj Operating Profit¹ £m



Margin¹ %



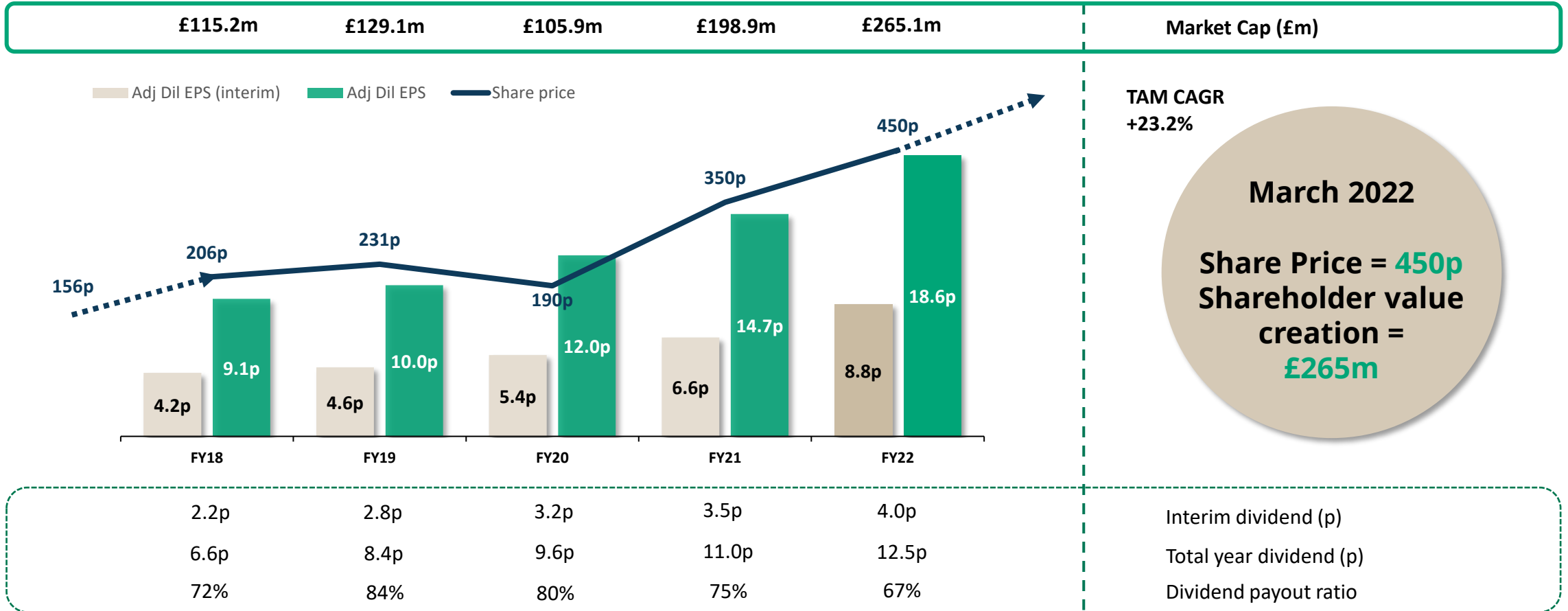
Adjusted F.Dil EPS² (p)



1. Adjusted for exceptional items, share-based payment costs and amortisation
 2. Adjusted for exceptional items, share-based payment costs and amortisation and potentially dilutive shares

MAXIMISING SHAREHOLDER VALUE

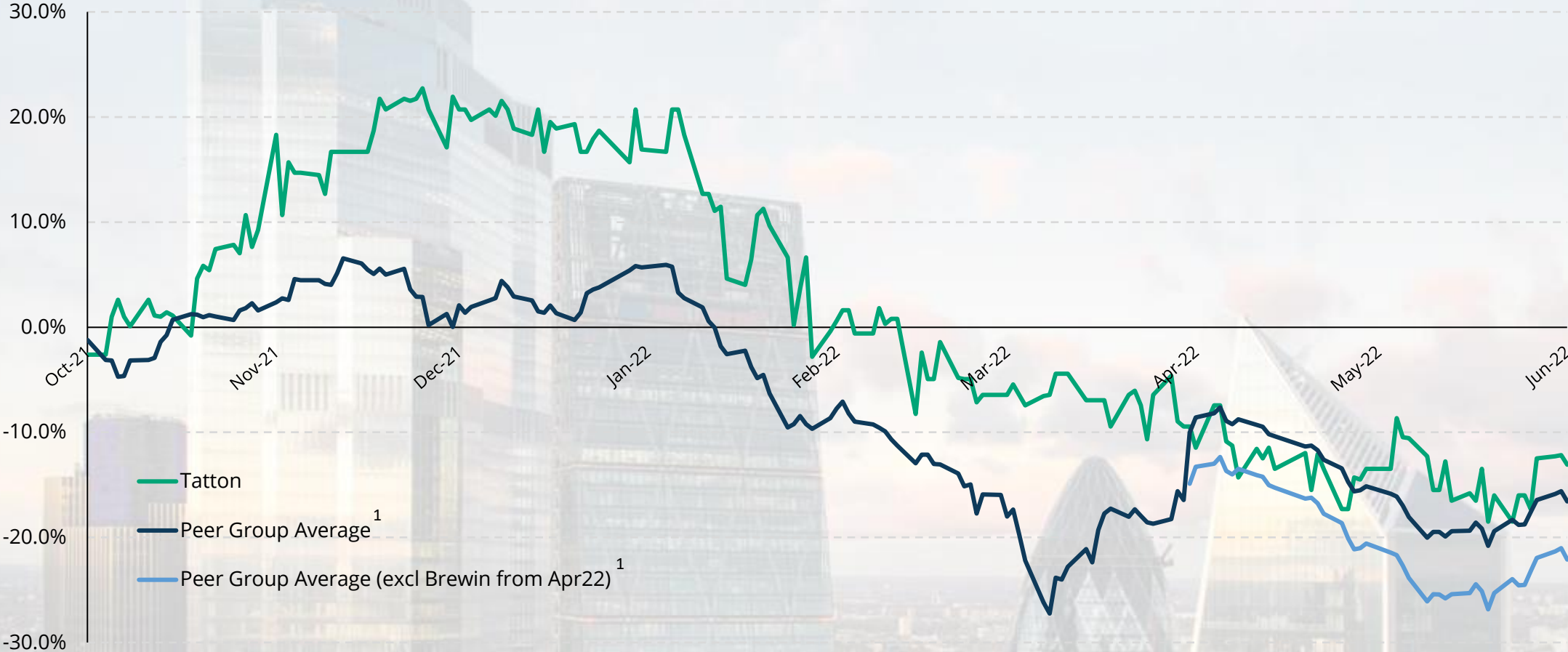
- The Group has continued its growth trajectory and delivered against its financial performance targets
- Earnings generated from the business are issued to shareholders as dividends or reinvested in the business to drive future growth to maximise shareholder value.



TATTON SHARE PRICE

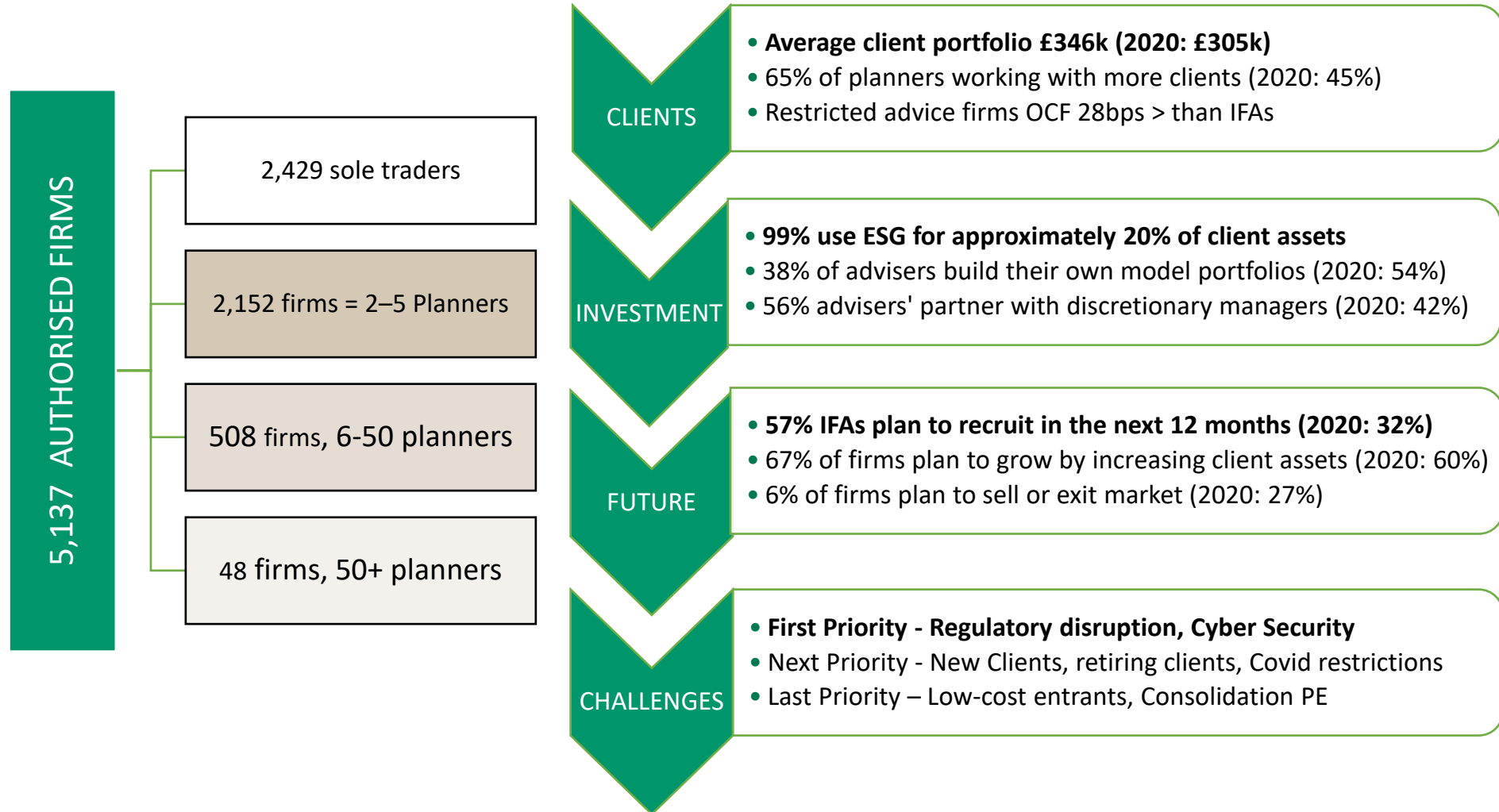
COMPARISON TO ASSET MANAGERS

Share price performance comparison of Asset Managers



1. 10 selected peer group companies, including AJ Bell, Brewin Dolphin, Rathbones, Brooks Macdonald, Mattioli Woods, Polar Capital, Jupiter Investments, Premier Miton, IMPAX and Liontrust

HEALTHY & GROWING IFA SECTOR



DFM ASSETS ON PLATFORM

AUM £bn

Wealth manager	Mar-18	Mar-19	Dec-19	Dec-20
Tatton Investment Management	£5.000bn	£6.100bn	£7.440bn	£8.517bn
Parmenion	£4.540bn	£5.760bn	£6.960bn	£8.200bn
Quilter WealthSelect	-	-	£6.700bn	£7.900bn
LGT Vestra	£2.500bn	£3.400bn	£3.860bn	£5.030bn
Brewin Dolphin	£2.560bn	£3.200bn	£3.800bn	£4.900bn
FE Investments	£1.100bn	£1.960bn	£2.330bn	£4.200bn
Aberdeen Standard Capital	-	-	£1.280bn	£1.161bn
Portfolio Metrix	£0.429bn	£0.698bn	£0.925bn	£1.130bn
Travistock Wealth	£0.840bn	£0.945bn	£1.020bn	£1.100bn
EBI Portfolios	-	-	£0.880bn	£1.070bn
Morningstar	£0.743bn	£0.909bn	£1.060bn	£1.020bn
Brooks Macdonald	£0.590bn	£0.741bn	£0.793bn	£1.020bn
YOU Asset Management	-	-	-	£0.936bn
Fairstone Private Wealth	-	-	-	£0.899bn
Sanlam	-	-	-	£0.846bn
Charles Stanley	£0.365bn	£0.500bn	£0.670bn	£0.845bn
Liontrust	-	£0.466bn	£0.580bn	£0.707bn
7IM	£0.771bn	£0.745bn	£0.550bn	£0.700bn
GDIM	-	-	£0.500bn	£0.600bn
Quilter Cheviot	£1.200bn	£1.490bn	£0.747bn	£0.525bn
Waverton Investment Management	£0.200bn	£0.310bn	£0.400bn	£0.500bn
Smith & Williamson	-	-	-	£0.477bn
AJ Bell Investments	£0.043bn	£0.080bn	£0.166bn	£0.412bn

- At Dec20 £66bn on platform DFM funds under management (“FUM”), Mar22 increased to £81.4bn²
- 38 MPS providers account for £54bn of the FUM at Dec20
- Tatton remain largest provider of DFM MPS on platforms
- Tatton AUM of £11.3bn, with £10.1bn in MPS at 31 March 2022

1. Source: Platform, July 2021
2. Source: Platform, 2022

STRATEGIC PARTNERSHIPS

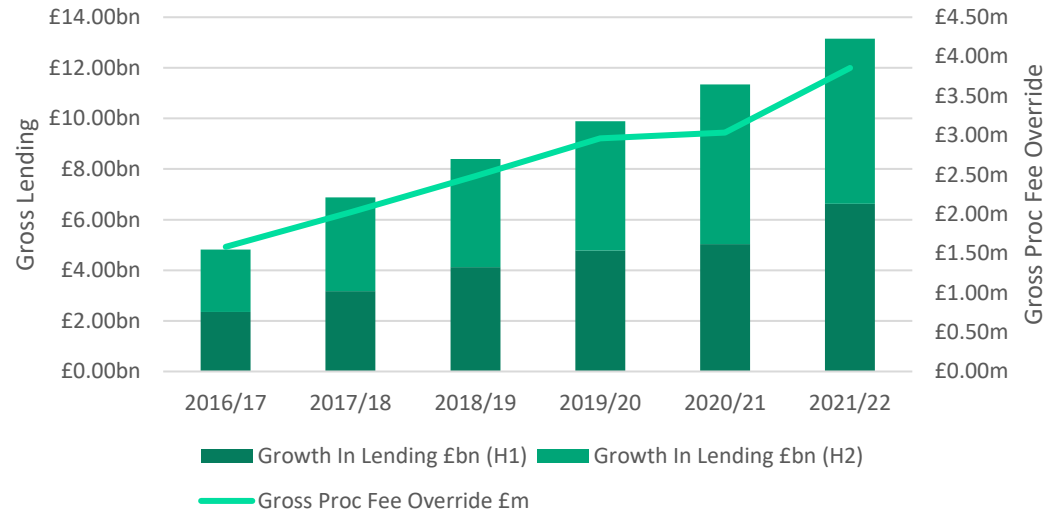
TOP UK DISTRIBUTORS

Partnership	Distribution Reach	Source	Type
Simply Biz	+10,000 financial intermediaries using Fintel services or technology	Co. Annual Report	Partnering
Sesame Bankhall	+10,000 Advisers, +800 directly regulated financial services firms	Co. Website	Partnering
Threesixty	+900 IFAs, including over 100 discretionary management firms (more than 9,000 individuals)	Co. Website	Partnering
Openwork	+4,320 Advisers, +710 firms, £10.7bn AUM, +£1.2m clients	Co. Website	Own Proposition
Quilter	+3,350 Advisers, +1,300 appointed firms	Co. Website	Own Proposition
SJP (St. James's Place Wealth Management)	+3000 Appointed Representatives	Tatton Research	Own Proposition
Tenet	+500 firms	Tatton Research	Partnering
Paradigm	+407 firms, +1,150 Advisers	Tatton	Partnering
True Potential	+780 Advisers	Tatton Research	Own Proposition
Fairstone	+610 Advisers, based nationwide across 42 locations	Tatton Research	Potential
Sense	+120 Appointed Representatives, +460 registered individuals	Tatton Research	Opened up to trade
AFH Wealth Management	+200 Advisers nationwide	Co. Website	Own Proposition
2-plan	+70 Appointed Representatives, +200 registered individuals	Tatton Research	Opened up to trade

PARADIGM MORTGAGES & PROTECTION

MORTGAGE HIGHLIGHTS

Growth in Lending vs Proc Fee Override

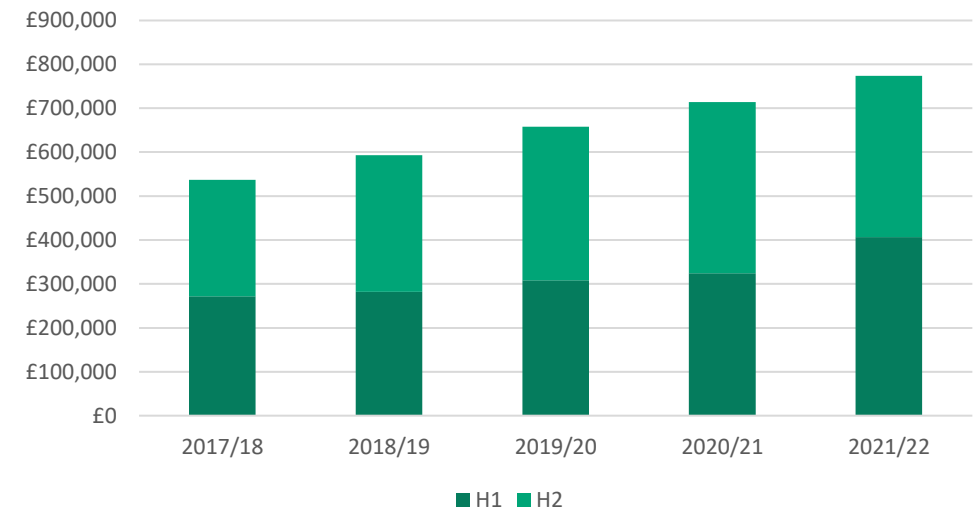


- Completions of £13.15bn (+16%), Applications of £15.21bn (+23%)
- BTL Completions with higher profit margins increased by 11% (£2.51bn) whilst Product Transfers (PTs) only increased 3% (£3.91)
- Lender overrides for the year were £3.86m, an increase of 27%, driven by combination of greater BTL share, more maturities being written as remortgages & growth in “almost-prime” mortgages written with Specialist lenders, all of which pay higher fees

PROTECTION HIGHLIGHTS

- FY21/22 Life & Group Income £704k - 8% increase on FY 20/21
- FY21/22 GI Income £68k – 13% increase
- Policies written increased 28% on FY 20/21 to 29,586
- FY23 targets:
 - Maintain forecasted levels of recruitment
 - Focus on evolving non-Mortgage-based business insurance market opportunities

Life & GI Total Income



TATTON'S SALES PROPOSITION TO ADVISERS



Low cost – places the adviser at the heart of the value chain, 0.15% DFM fee



Agnostic on platform, risk profiler, investment style, charging structure – you decide “how”



Non compete with adviser, platform only, IFA only, no D2C, Service Excellence



Breadth of Offering – Primarily Model Portfolios but also funds, AIM and BPS



Strong Ethical Approach – 7 Year ESG history, breadth of offering, accessible cost



Client Protection - We adopt the reliance on others approach



Migration Support Process – bulk migration support, costs and charges comparison, “Why Tatton?” and “Why Discretionary?”

TATTON'S MPS DFM

Managed Portfolio Service – two strategic allocations, six risk profiles

Two strategic asset allocations: Classic with a higher allocation to UK based investments and Global which exploits the opportunity of the wider global economy



Bespoke Portfolio Services – two strategies



Risk profile compatibility



Access on 18 platforms

