

TATTON ASSET MANAGEMENT

**INVESTOR AND ANALYST PRESENTATION
November 2021**



Tatton

ASSET MANAGEMENT PLC

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AGENDA

- Introduction to the team
- Key highlights
- Financial performance
- Market overview
- Investment and fund update
- Summary

INTRODUCTION TO THE TEAM

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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



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



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

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*
- *Pure investment manager*
- *Intermediated only – not in competition with IFAs*
- *Complementary, low cost multi-manager fund range*



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 increased 26.4% to £13.847m (Sep 2020: £10.956m)
- Adjusted operating profit¹ up 37.9% to £6.934m (Sep 2020: £5.030m)
- Adjusted operating profit¹ margin 50.1% (Sep 2020: 45.9%)
- Adjusted fully diluted EPS² increased 33.7% to 8.76p (Sep 2020: 6.55p)
- Interim dividend up 14.3% to 4.0p (Sep 2020: 3.5p)
- Strong financial liquidity position, with net cash of £14.747m
- Strong balance sheet – Net assets increased 37.5% to £27.5m (Sep 20: £20.0m)

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

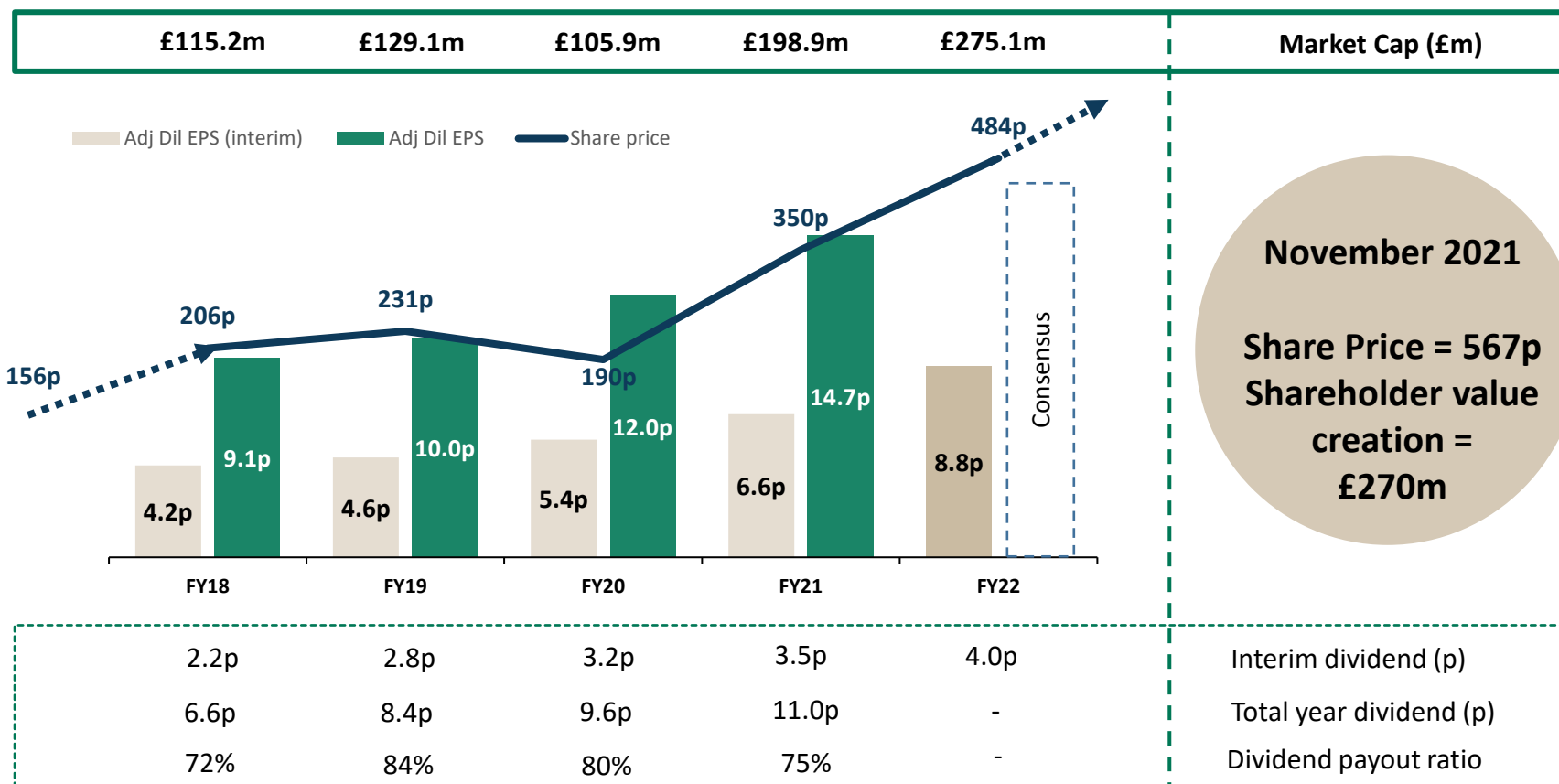
KEY HIGHLIGHTS

OPERATIONAL

- Assets Under Management (“AUM”) increased £1.8bn or **20% to £10.8bn** (Mar 2021: £9.0bn)
- Current AUM at 12 November 2021 c.£11.2bn
- Organic net inflows **£652m** (Sep 2020: £328m), an increase of 7.3% of AUM - Average run rate of £109m per month
- Acquisition of **£650m** Verbatim funds and a five-year strategic distribution partnership with Fintel plc, providing access to 3,800 firms and over 6,000 users
- Tatton’s non-MPS propositions now account for over £1.2bn of AUM
- New distribution partnerships with Threesixty and Sesame Bankhall
- Tatton’s IFA firms increased by **12.7% to 703** (Sep 2020: 624) and the number of accounts increased **19.1% to 81,600** (Sep 2020: 68,500)
- Tenet continues to develop well with AUM reaching **£740m** (Mar 2021: £541m)
- Paradigm mortgage completions up by **31.6% to £6.6bn** (Sep 2020: £5.0bn). Paradigm Mortgages member firms increased by **3.5% to 1,646 members** (Sep 2020: 1,591 members)
- Paradigm Consulting increased its members by **3.5% to 418** (Sep 2020: 404)

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.



November 2021
Share Price = 567p
Shareholder value creation = £270m

FINANCIAL PERFORMANCE

GROUP PROFIT & LOSS

	2021 Sep-21 £000's	2020 Sep-20 £000's	Growth %
Revenue	13,847	10,956	26.4%
Admin expenses ¹	(6,913)	(5,926)	
Adjusted Operating profit¹	6,934	5,030	37.9%
Margin %	50.1%	45.9%	
Share-based payments (IFRS2)	(1,735)	(1,642)	
Exceptional items & Amortisation	(247)	(279)	
Operating profit	4,952	3,109	
Finance (costs) / income	(165)	(35)	
Adjusted Profit before tax¹	6,769	4,995	35.5%
Profit before tax	4,787	3,074	
Corporation tax	(889)	(414)	
Profit after tax	3,898	2,660	
Basic earnings per share	6.82p	4.77p	
Adjusted F.Dil EPS²	8.76p	6.55p	33.7%
Interim Dividend	4.00p	3.50p	14.3%

- **Group revenue** increased 26.4% to £13.8m
- **Group adjusted operating profit¹** increased 37.9% to £6.9m
- **Adjusted operating margin²** increased to 50.1%
- Exceptional items relate to of the Verbatim range of funds
- Effective tax rate 19.9% (2020: 19.2%)
- **Adjusted F.Dil EPS²** increased 33.7% to 8.76p
- **Interim dividend** increased 14.3% to 4.0p (Interim FY2020: 3.5p)

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 BALANCE SHEET HIGHLIGHTS

	Sep-21 £000's	Mar-21 £000's
Goodwill & intangible assets	13,437	7,690
Tangible fixed assets	888	992
Working capital	(1,593)	(2,122)
Cash	14,747	16,934
Tax	3,457	1,468
Non-current payables	(3,388)	(516)
Net Assets	27,548	24,446

- **Robust balance sheet - Net assets increased +12.7% to £27.5m**

- **Intangible and Tangible assets**

- Increase in intangible assets following the acquisition of the Verbatim funds, adding £5.8m
- Capital light, no significant tangible asset requirement

- **Cash**

- Strong financial liquidity position, net cash **£14.7m** after paying an initial £2.8m for Verbatim acquisition

- **Tax**

- Deferred tax asset anticipated to be utilised over the medium term, reducing future tax payments

- **Non-current payables**

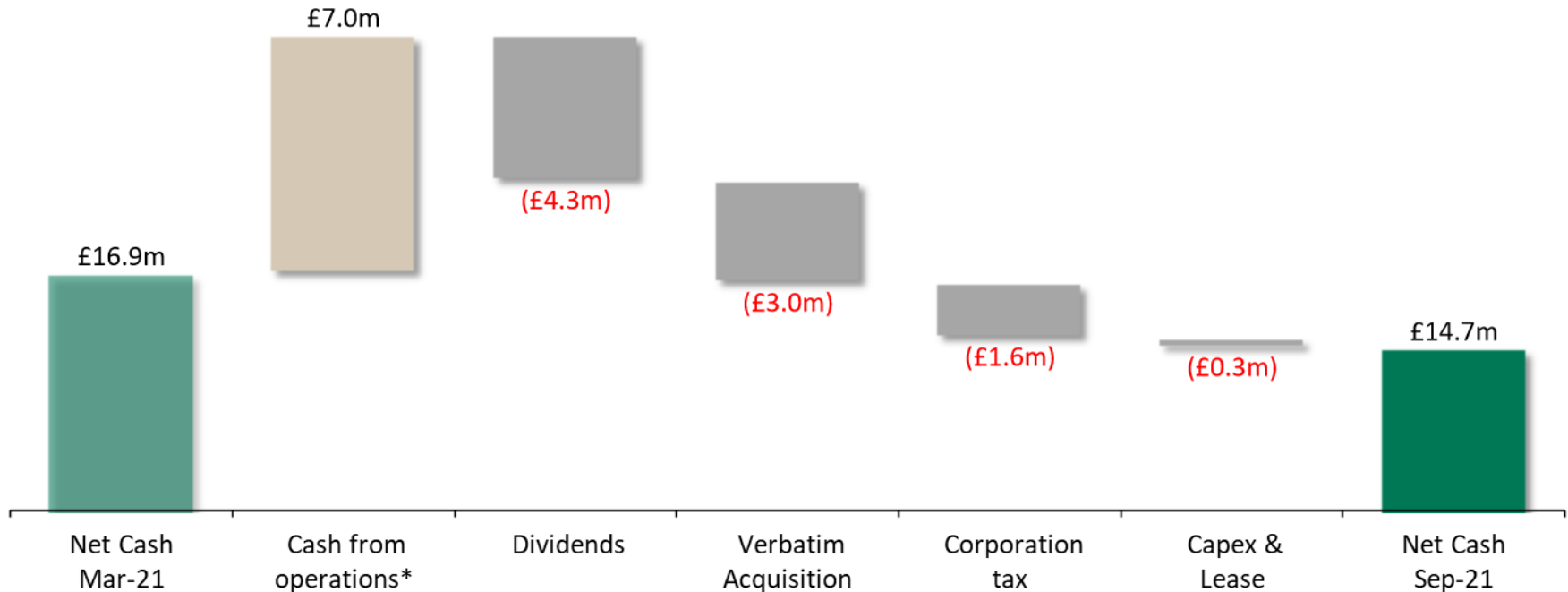
- Deferred consideration of Verbatim £3m

- **Capital adequacy**

- +100% headroom over capital requirement under new IFPR which comes into effect 1 January 2022

GROUP CASH FLOW BRIDGE

- Cash generated from operations* £7.0m (+101% of Adj OP)
- Dividends paid relates to FY21 final dividend of 7.5p / £4.3m
- £3.0m payment on Verbatim range of funds, including transactional fees (£2.8m initial consideration)
- FY22 Corporation tax payments of £1.6m
- Capex investment in Tatton system development and premises lease costs (IFRS 16)



*Cash from operations adjusted for exceptional items

DIVISIONAL FINANCIAL PERFORMANCE

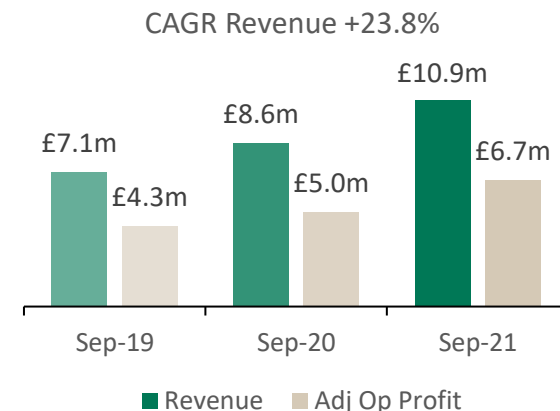
Performance

Commentary

Growth trend

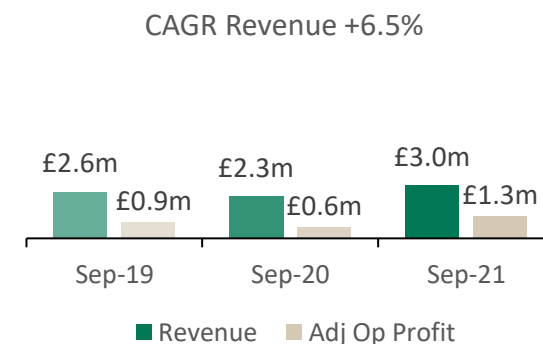
Tatton	Sep 2021	Sep 2020	Change %
Revenue	£10.9m	£8.6m	26.5%
Adj Operating profit ¹	£6.7m	£5.0m	34.2%
Margin	61.3%	57.8%	3.5%

- Revenue and Adj Operating Profit delivered double digit growth, driven by:
 - Net inflows £652m or 7.3% (H1 FY2021 net inflows £328m)
 - Net flows averaging +£100m per month (H1 FY2021 £55m)
 - Market performance £495m or 5.5%
 - Strong operational gearing driving an increase in margin to 61.3%



Paradigm	Sep 2021	Sep 2020	Change %
Revenue	£3.0m	£2.3m	26.1%
Adj Operating profit ¹	£1.3m	£0.6m	96.2%
Margin	42.5%	27.3%	15.2%

- Revenue and Adj Operating Profit both delivering growth
- Mortgage completions increased 31.6% to £6.6bn (Sep-20: £5.0bn)
 - Growth supported by the stimulus of the UK Government's stamp duty holiday coupled with an improved operational & lending environment
- Mortgage firms increasing to 1,646 (Mar-21: 1,612)
- Consulting member firms increasing to 418 (Mar-21: 407)

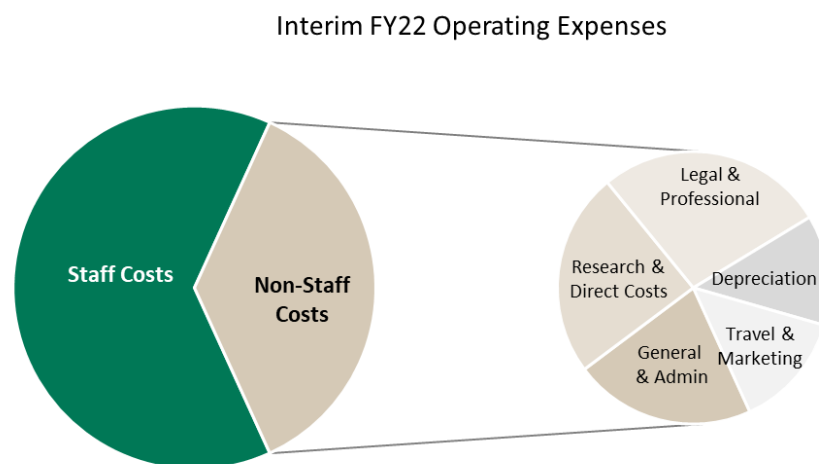


1. Adjusted for exceptional items, share-based payment costs and amortisation

Note: % Change and Margin % calculated using three decimal places

COST ANALYSIS

	Sep-21	Sep-20	Change £	Change %	Inflationary £	Investment in Growth £	COVID Recovery £	One off £
Staff Costs	(£4.4m)	(£4.0m)	(£0.4m)	9.3%	(£0.1m)	(£0.2m)	(£0.1m)	-
Legal & Prof	(£0.7m)	(£0.4m)	(£0.3m)	52.5%	-	(£0.1m)	-	(£0.2m)
Travel & Marketing	(£0.3m)	(£0.2m)	(£0.1m)	66.0%	-	-	(£0.1m)	-
Research & Direct Costs	(£0.6m)	(£0.5m)	(£0.1m)	22.2%	-	(£0.1m)	-	-
Other Operating Expenses	(£0.9m)	(£0.8m)	(£0.1m)	12.7%	(£0.05m)	(£0.05m)	-	-
Total Operating Expenses	(£6.9m)	(£5.9m)	(£1.0m)	16.7%	(£0.15m)	(£0.45m)	(£0.20m)	(£0.20m)
<i>% growth</i>					+2.5%	+7.4%	+3.4%	+3.4%

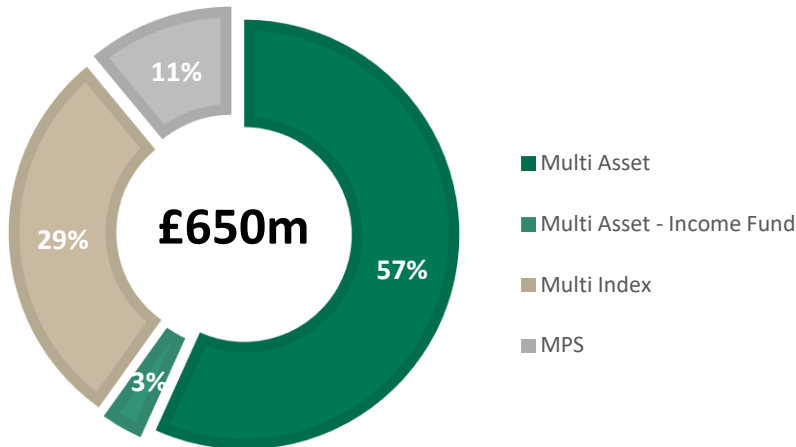


- Group continues to experience operational gearing while including an increase in total costs of £1.0m year on year
- Small inflationary increases in line with RPI/CPI
- Investment in growth of the business – new people in IT and risk & compliance, increased FCA fees relating to AUM growth
- COVID Recovery – increased spend on marketing and IFA face to face engagement
- One off costs including ACD change for Sinfonia

VERBATIM ACQUISITION

ACQUISITION MECHANICS

- **Sep-21 acquired £650m of Verbatim funds**
- **Purchase Price £5.825m (c.0.9% of AUM)**
 - £2.825m paid on completion, funded from cash resources
 - £3m deferred consideration, with £1m to be paid at end of each Years 2, 3 and 4 (subject to maintaining the level of AUM in the funds)
 - £5.8m recognised as an intangible asset on the balance sheet

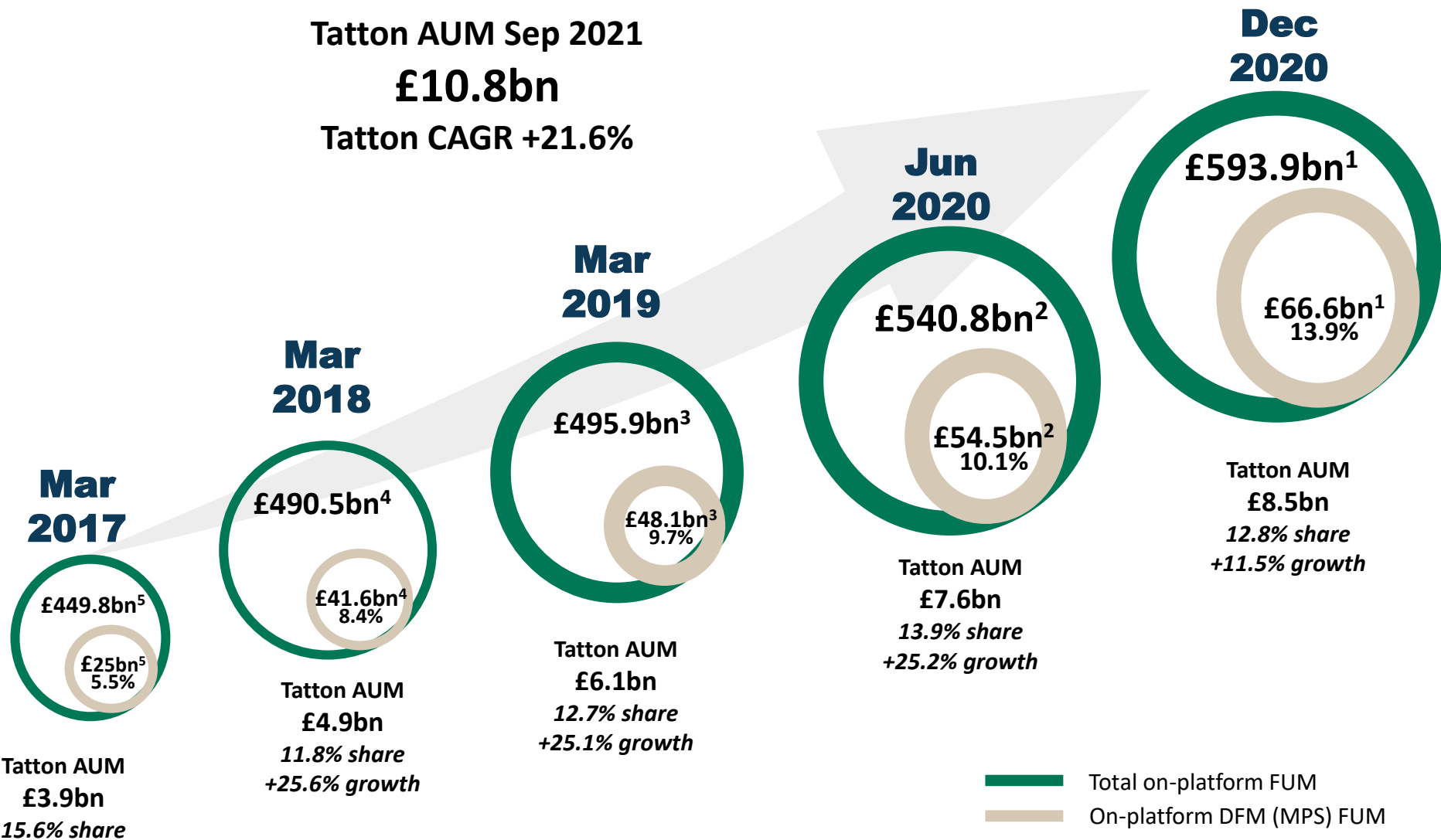


FINANCIAL RATIONALE

- The transaction is expected to be earnings enhancing in FY22 and beyond
- Over the remainder of FY22, the partnership and acquisition is expected to generate adjusted operating profit of c.£0.6m, with adjusted operating profit of c.£1.5m in FY23 (first full financial year)
- Strong synergistic deal leveraging existing resources including investment team
- Average blended bps of the funds is c.49bps
- Second acquisition the Group has made in two years (Sinfonia H1 FY20)
- Tatton's full range of funds (in OEICs) is now over £1.0bn, 10% of AUM.

MARKET OVERVIEW

MARKET GROWTH – ON-PLATFORM FUM



1. Source: Platform, July 2021

2. Source: Platform, November 2020

3. Source: Platform, July 2019

4. Source: Platform, July 2018

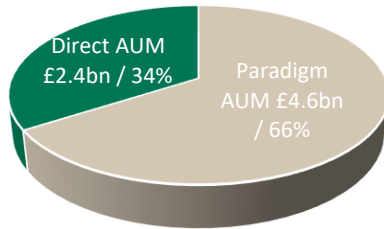
5. Source: Platform, 2017

TATTON – OPPORTUNITY UPDATE

PROGRESS

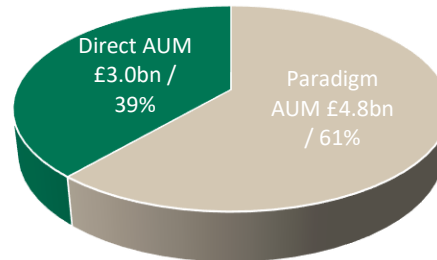
Sep19

AUM £7.0bn



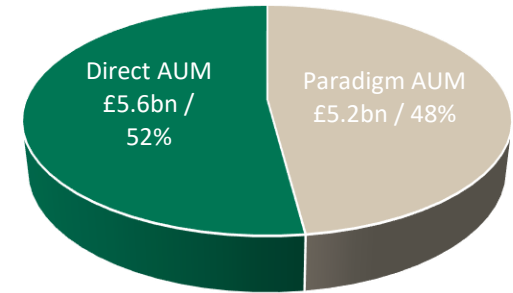
Sep20

AUM £7.8bn

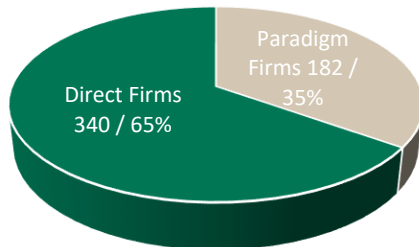


Sep21

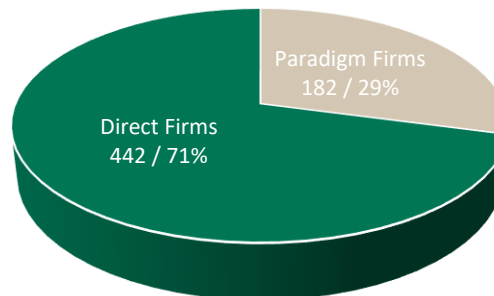
AUM £10.8bn



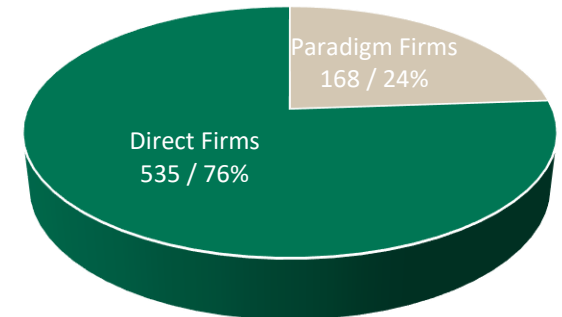
Number of Firms 552



Number of Firms 624

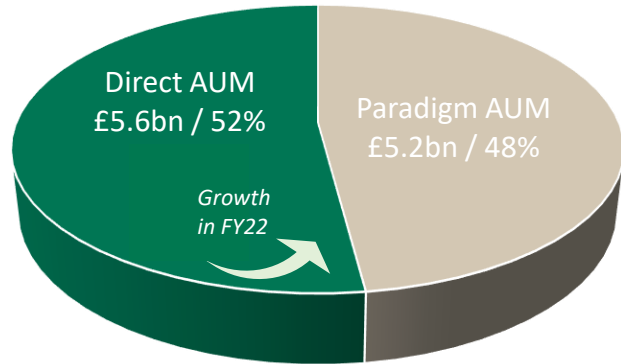


Number of Firms 703

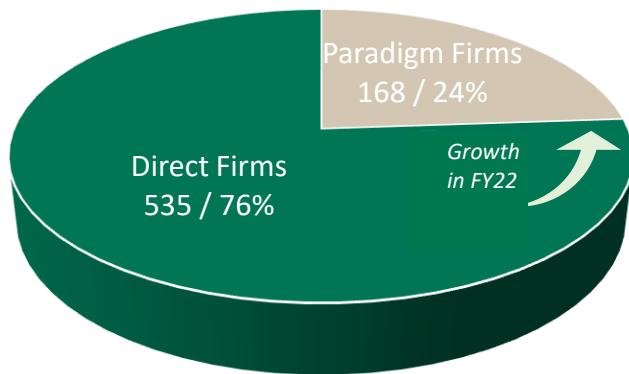


TATTON – OPPORTUNITY UPDATE

AUM £10.8bn



Number of Firms 703



- £480.6bn¹ Assets held on platform
- £66.6bn¹ Assets held in DFM and growing
- Tatton £10.8bn from 703 firms
- Paradigm firms = 168 or 24% firms = £5.2bn AUM or 48%
- Non-Paradigm firms = 535 or 76% firms = £5.6bn AUM or 52%
- Average firm across the industry has approx. £40m on platform
 - Paradigm firms = Average £30.8m per firm
 - Non-Paradigm firms = Average £10.5m per firm
- **Non-Paradigm opportunity = £20.3m x 535 = £10.9bn**

	Sep-19	Mar-20	Sep-20	Mar-21	Sep-21
Paradigm firms	182	186	182	170	168
Paradigm firms AUM (£bn)	4.6	4.3	4.8	5.0	5.2
Average per Paradigm firm (£m)	25.3	23.3	26.3	29.5	30.8
Non-Paradigm firms	340	409	442	498	535
Non-Paradigm firms AUM (£bn)	2.4	2.3	3.0	4.0	5.6
Average per non-Paradigm firm (£m)	7.0	5.7	6.8	8.0	10.5
Non-Paradigm Opportunity (£bn)	6.2	7.2	8.6	10.7	10.9

1. Source: Platform, November 2020

THE EVOLUTION OF AN ASSET MANAGER



Tatton
Investment Management

Managed Portfolio Services

- Pioneered access to DFM
- Available across 20 platforms
- Compatible with the leading risk profilers
- @ 0.15% - set the price for DFMs

Established Tatton as the IFAs' investment manager

Tatton Funds

- Straight forward, cost-effective investment option
- Broadening access with other wrappers beyond platforms
- Same robust investment process as our DFM MPS
- On leading risk profilers

Established Tatton as the cost-effective, multi-asset fund provider

Bespoke Services

- Designed for investors with more specific requirements
- Available through platforms for ease of access and transparency
- IFA remains client's primary relationship partner
- Control and cost effectiveness as DFM MPS

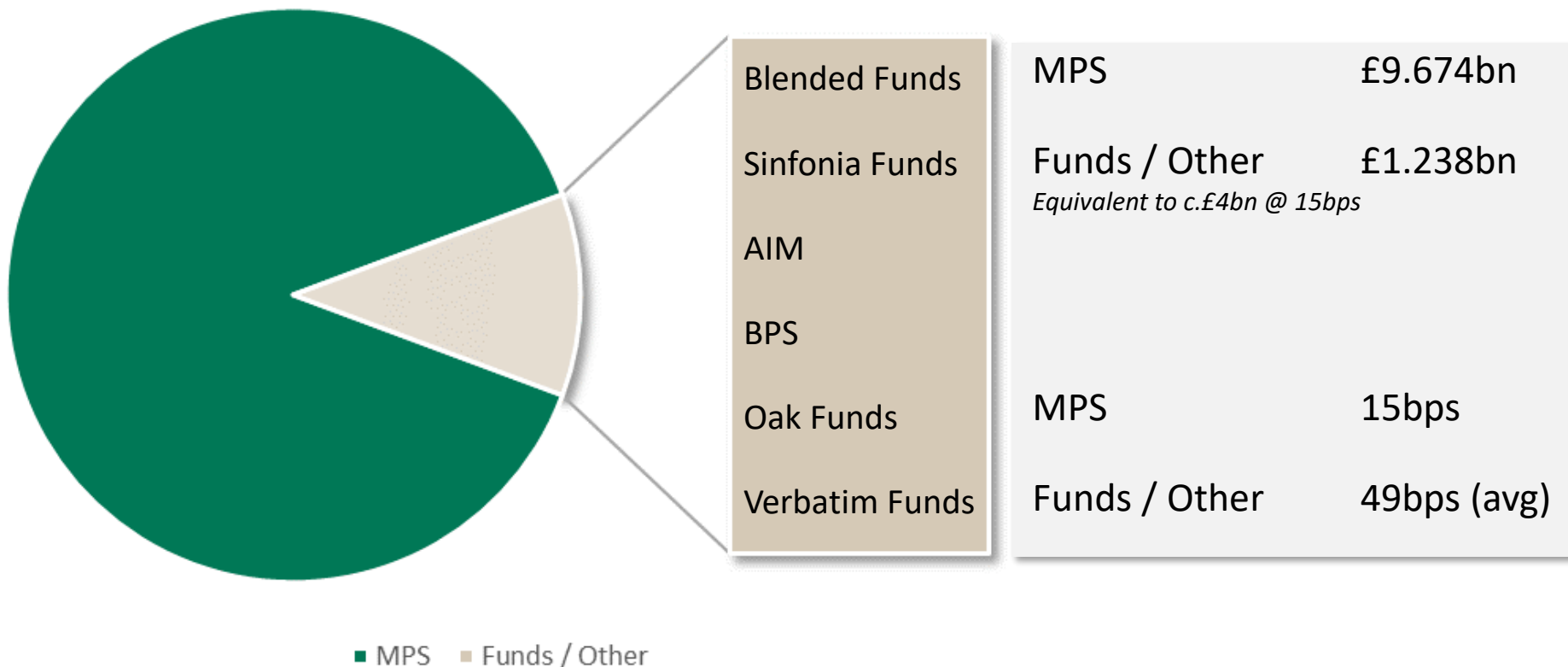
Tatton offering a flexible cost challenger alternative to traditional off platform bespoke

Three pillars to the business built around the needs of IFAs and their clients

MORE THAN MODEL PORTFOLIOS

UPDATE

Including the new acquisition of Verbatim funds, our fund range now accounts for £1.2bn or 11.3% of total AUM (*Mar21: £0.5bn*)



STRATEGIC DIRECTION

PROGRESS UPDATE

Organic Growth

- Growth in line with a growing market
- Organic growth through White labels
- Panel with consolidators

- Organic growth in the last 6 months 12.8% or £1.1bn AUM (*c.21% CAGR over the last 3 years*)

Acquisitions

- Strategically relevant
- Complementary
- Earnings enhancing

- Verbatim acquisition in Sep 2021 of £650m AUM, second acquisition in two years

Strategic Partnerships

- IFA distribution partnerships
- Joint Ventures with IFA-DFMs
- Platform partnerships

- New Fintel strategic distribution partnership
- New strategic partnership agreements with Threesixty and Sesame Bankhall

ROADMAP TO GROWTH

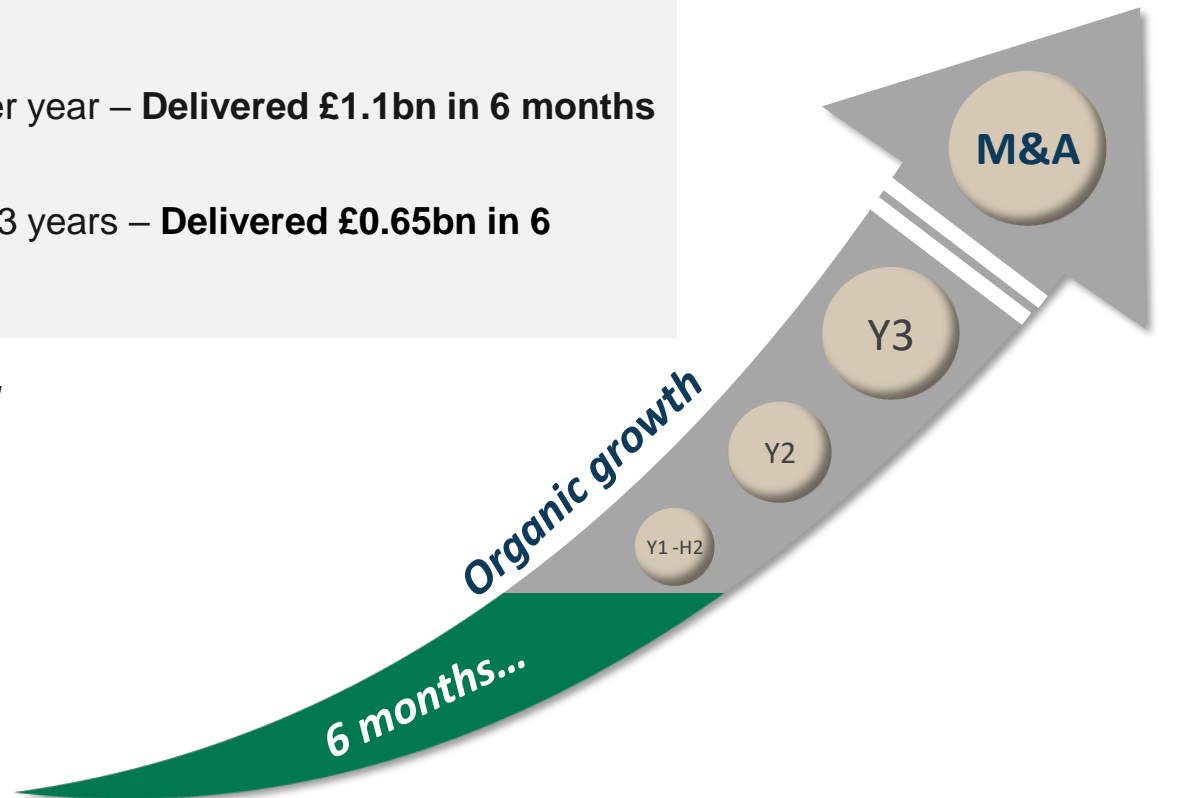
A THIRD OF THE WAY AFTER 6 MONTHS

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

- 6 months in we have delivered £1.8bn or 30% of the target in 17% of the time
- Organic growth target £1.0bn per year – **Delivered £1.1bn in 6 months**
- M&A activity target £3.0bn over 3 years – **Delivered £0.65bn in 6 months**

Markets could add/subtract to target AUM

£9.0bn



STRATEGIC PARTNERSHIPS ACCELERATING DISTRIBUTION – FINTEL PLC

FINTEL STRATEGIC PARTNERSHIP

- Extends Tatton distribution footprint through access to new distribution through 3,800 Fintel member firms controlling >£30bn AUM
- Tatton proposition forms bedrock of Simply Biz Risk Controlled Solutions as sole low cost MPS provider in Centralised Investment Proposition for firms
- Tatton MPS front and centre of Defaqto Engage sourcing software used by >6,000 adviser firms. Enhanced visibility of all Tatton MPS portfolios across the risk spectrum driving new recommendations in the wider IFA community
- Acquisition of £650m Verbatim Multi-Asset & Multi Index Funds - extends Tatton's OEIC proposition to include Tracker Funds and our future distribution footprint for fund sales by over 500 new IFAs

FINTEL



defaqto

verbatim
Asset Management

STRATEGIC PARTNERSHIPS ACCELERATING DISTRIBUTION – DELIVERING VALUE

FINTEL STRATEGIC PARTNERSHIP

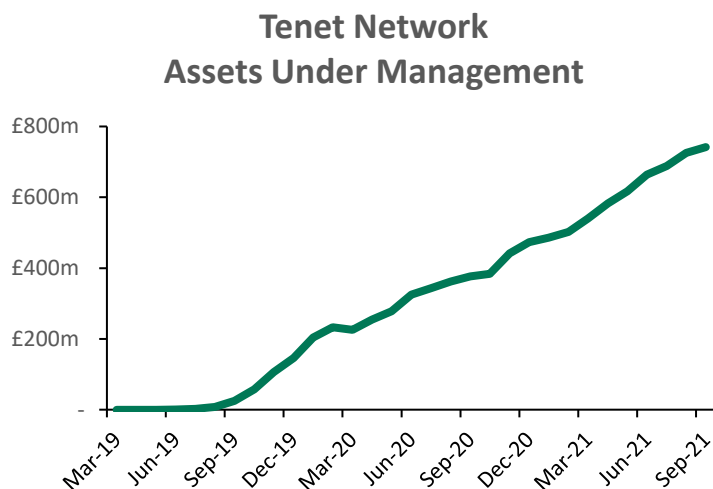
- Distribution and marketing footprint delivered via **3 FINTEL IFA brands**
 - **Simply Biz** - The UK's number one provider of outsourced compliance and business support to directly authorised advisers covering over 2,000 IFAs
 - **Compliance First** - Scotland's premier provider of compliance and business support services to 1,200 directly authorised advisers
 - **SIFA** - supports interaction between legal firms and financial advisers and provides marketing, training, compliance and business development services to advisers reaching over 600 IFAs
- Adviser Education Programme to create brand awareness and proposition understanding via 29 face to face events in Q4 2021 reaching circa 1,300 IFAs never previously exposed to Tatton
- Further engagement activity including;
 - Co-branded marketing messages to promote Tatton to IFA firms
 - Tailored activity based on data analytics driven by Defaqto
 - Conferences for SIFA
 - Dedicated provider page on Simply Biz website



STRATEGIC PARTNERSHIPS ACCELERATING DISTRIBUTION – TENET GROUP

TENET GROUP PARTNERSHIP

- In 2019 Tatton won a significant long-term investment mandate from Tenet, one of the UK's largest Adviser support Groups now giving access to over 400 network members and 180 directly authorized firms
- A sustained engagement programme delivered over the last 24 months including over 100 face to face events, webinars and targeting marketing campaigns creating brand awareness, engagement and trust
- Tenet continues to develop well with AUM reaching £740m from over 100 adviser firms (31 Mar 2021: £541m)



tenet | Network Services

tenet | Compliance Services

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	Potential
AFH Wealth Management	+200 Advisers nationwide	Co. Website	Own Proposition
2-plan	+70 Appointed Representatives, +200 registered individuals	Tatton Research	Potential

HEALTHY & GROWING IFA SECTOR

5,137 AUTHORISED FIRMS

2,429 sole traders

2,152 firms = 2-5 Planners

508 firms, 6-50 planners

48 firms, 50+ planners

CLIENTS

- Average client portfolio £346k (2020: £305k)
- 65% of planners working with more clients (2020: 45%)
- Restricted advice firms OCF 28bps > than IFAs

INVESTMENT

- 99% use ESG for approximately 20% of client assets
- 38% of advisers build their own model portfolios (2020: 54%)
- 56% advisers' partner with discretionary managers (2020: 42%)

FUTURE

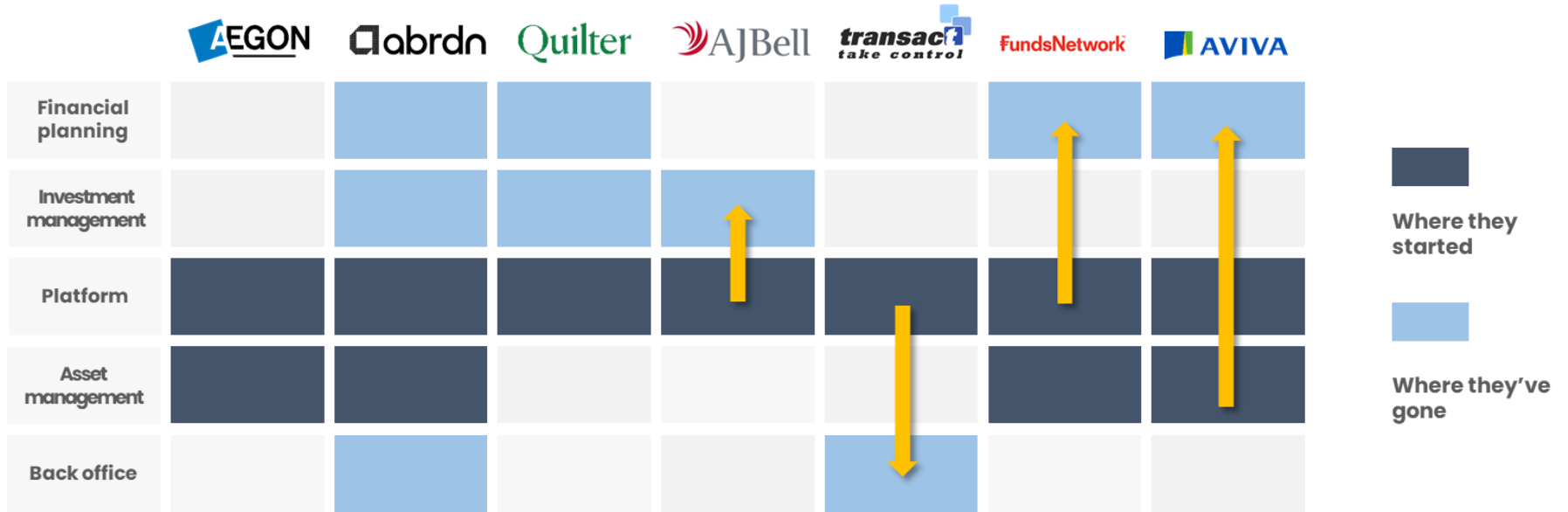
- 57% IFAs plan to recruit in the next 12 months (2020: 32%)
- 67% of firms plan to grow by increasing client assets (2020: 60%)
- 6% of firms plan to sell or exit market (2020: 27%)

CHALLENGES

- First Priority - Regulatory disruption, Cyber Security
- Next Priority - New Clients, retiring clients, Covid restrictions
- Last Priority – Low-cost entrants, Consolidation PE

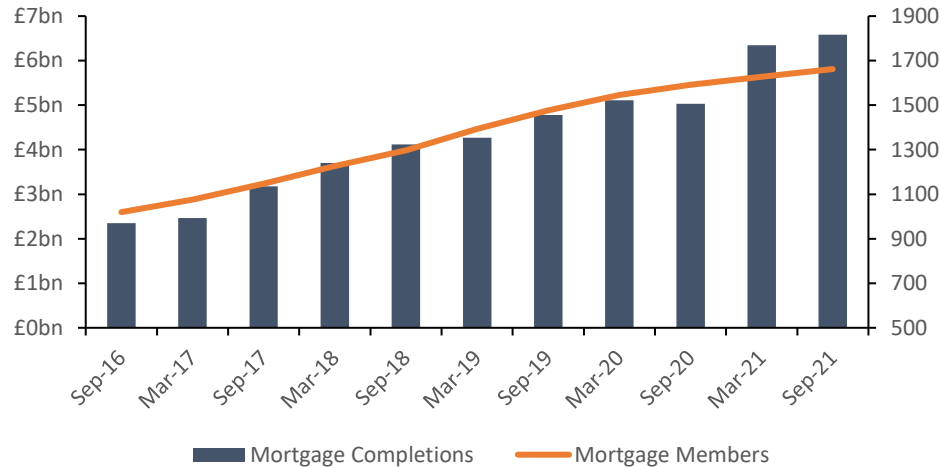
A CHANGING LANDSCAPE

INTEGRATED BUSINESS MODELS



Note: our magnificent 7 hold £506bn on UK adviser platforms at end Q2 2021. That's 81% of the market.

Paradigm Mortgages



Mortgage Market factors

- Mortgage intermediary Channel share at all time high c.90%
- Post pandemic affordability, criteria, financial change & disruption, means advice is now more important than ever
- BoE base rate will rise before the year end?
 - Potential market slow down
 - 74% of existing borrowers on a 2 or 5 year fixed rate,
 - Competition between lenders remains high for remortgages and product transfers
- Residential property transactions predicted to be 1.29m in 2022, higher than the 1.18m for 2019. Market not predicted to move from boom to bust (*Source: Office of Budget Responsibility*)

Current Membership

- Mortgage: Up 2% to 1,646 (Mar 2021: 1,612)
- Consulting: Up 3% to 418 (Mar 2021: 407)
- Protect: Up 6% to 865 (Mar 2021: 811)

General Market factors

- “New normal” working models emerging, inc’ return to F2F, with new hybrid models evolving across manufacturing & distribution
- IFA consolidation set to remain for the foreseeable future, with FCA framework & regulatory responsibilities enhancing the requirement for consultancy services
- IFAs, Brokers & Suppliers utilising enhanced Tech, Virtual processes, and adapting to changing employee expectations

Areas of focus

- Strengthening the skill-set of customer-facing personnel within Consulting & Mortgages to maximise Group opportunities, e.g. Director Of Membership appointed
- Expanding Ad-hoc & Bespoke work with existing members
- Continuing to expand member services, e.g. Cyber reporting, Essential Skills’ events, CPD Academy & the Agency

INVESTMENT & FUND UPDATE

GROWTH IN ASSETS UNDER MANAGEMENT

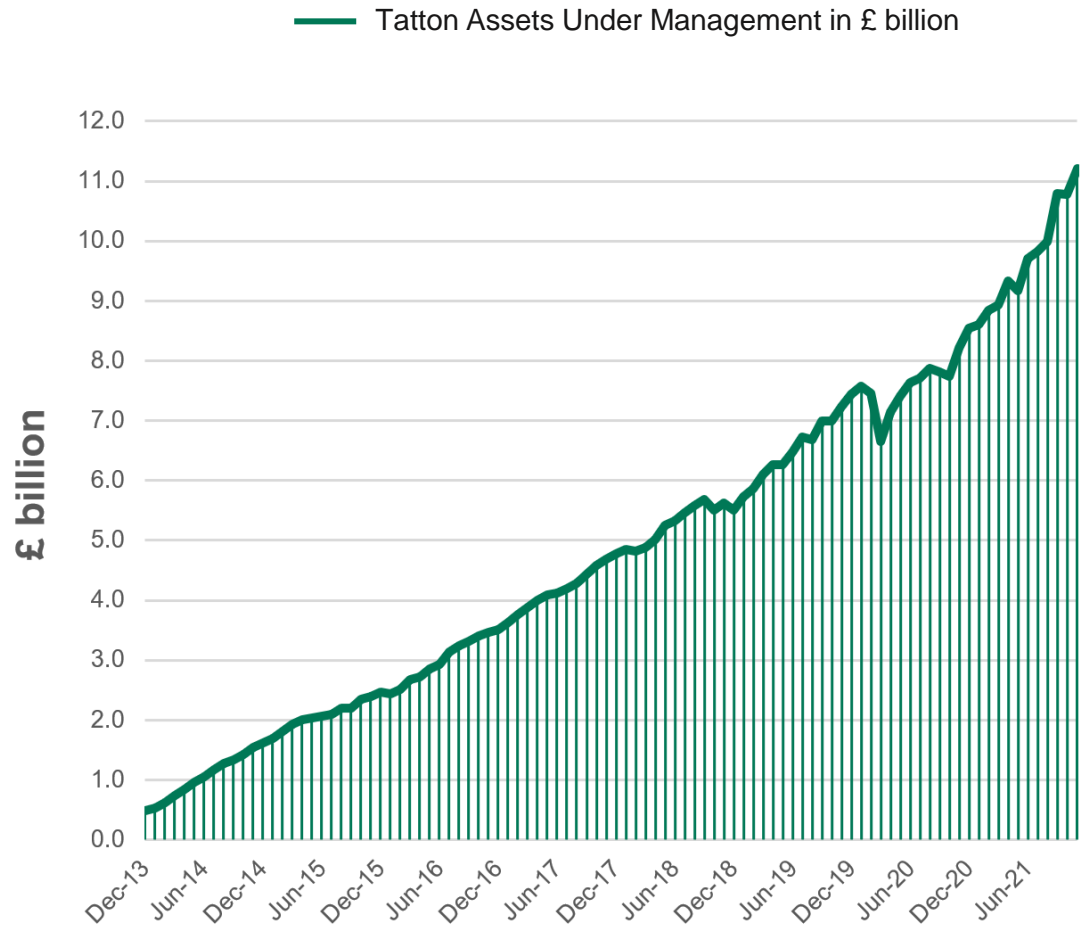
+£1.8bn over 6 months, Mar-21 to Sep-21

Assets under management

Key AUM milestones

- By June 2014: £1.0 bn
- By June 2015: £2.0 bn
- By June 2016: £3.0 bn
- By May 2017: £4.0 bn
- By Sept 2017: £4.4 bn
- By Mar 2018: £4.9 bn
- By Sept 2018: £5.7 bn
- By Mar 2019: £6.1 bn
- By Sept 2019: £7.0 bn
- By Mar 2020: £6.7 bn
- By Sept 2020: £7.8 bn
- By Mar 2021: £9.0bn
- By Sept 2021: £10.8bn
- By 12th Nov 2021: £11.2bn

AUM increased by £1.8 billion over the last 6months, an increase of 20% (Mar21 to Sep21).



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



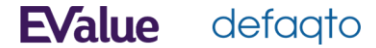
Bespoke Portfolio Services – two strategies



Investment funds – risk rated MM active, passive and tracker funds



Risk profile compatibility



Access on 20 platforms



TATTON IM's 'MOAT'

Barriers to imitation



High **opportunity costs** to an IFA to replace Tatton

Embedded service standards in IFAs business through multi platform Portal, investment communications and investment return consistency



Network effect of distribution deals

Relationships with Paradigm, Tenet, Fintel and 360 has created competitive distribution reach



Scale efficiency of business model

Scale of MPS business on 20 platforms with process and IT design of investment execution constitutes considerable hurdle to entry



Cost advantage maintains competitive edge

0.15% AMC and low OCFs remain very attractive and key to IFA requirements, while costly to imitate without scale

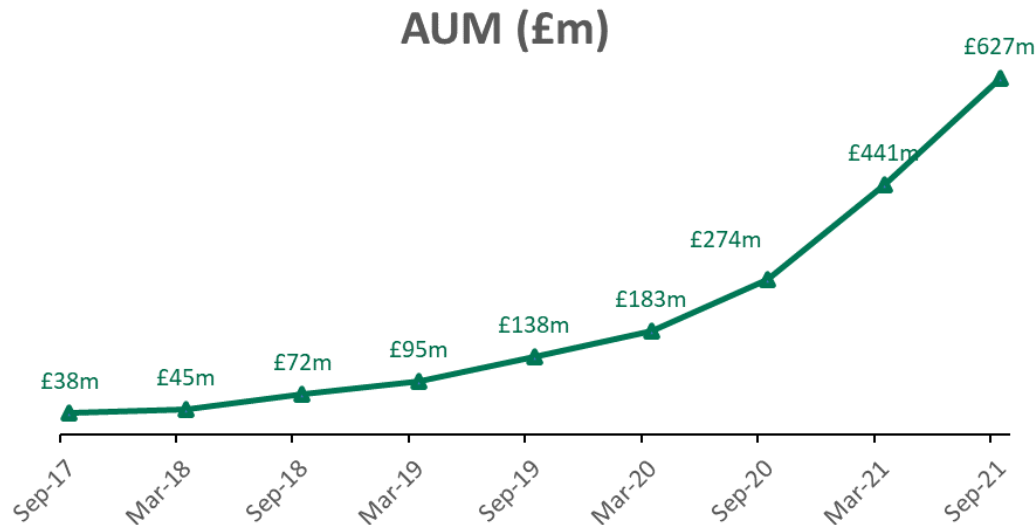


Intangible assets hurdle

Tatton Portal as unique bridging app; sharing of extensive platform experience with and understanding of the IFA sector

ETHICAL MODEL PORTFOLIOS

	Sep-21	Sep-20	Change £	Change %
Opening AUM (£m)	441m	183m	258m	142%
Net Inflows (£m)	158m	60m	99m	165%
Market (£m)	28m	31m	(4m)	-
Closing AUM (£m)	627m	274m	354m	129%
AUM % of Total	6%	4%		2%



- Tatton's Ethical portfolios hold **£627m million of AUM**, 6% of overall AUM and an increase of 129% over the last 12 months
- **Net inflows of £158m**, accounting for 24% of Tatton's total net inflows over the previous 6 months
- The number of accounts using the Ethical portfolios increased by 32% **6,222** since Mar-21, and make up 8% of Tatton's total number of accounts
- Income generated by the Ethical portfolios increased 134% to **£0.4m** versus the prior year

AFTER 7 YEARS ETHICAL MPS LAUNCH OF COMPLEMENTARY FUND RANGE (Q1 2022)

NEW LOW COST ESG FUNDS

Tatton **ETHOS** Defensive Fund

Tatton **ETHOS** Balanced Fund

Tatton **ETHOS** Aggressive Fund

- Multi-asset globally diversified trackers and ETFs, with active, whole of market selection
- Mapped to Defaqto and Dynamic Planner
- Same active management process as Tatton Ethical Portfolios
- Target OCF of 0.4% - 0.5%
- Launch Q1 2022

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)

	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	6m Change %
Tatton Tracker	1.0%	4.8%	8.2%	3.5%	1.1%	-	18.5%	0.2%
Tatton Managed/Active	0.8%	5.9%	12.5%	5.7%	1.8%	-	26.7%	(3.1%)
Tatton Hybrid/Blended	1.0%	9.1%	20.6%	9.2%	2.0%	-	41.8%	0.6%
Tatton Income	0.0%	0.2%	0.5%	0.2%	0.0%	-	1.0%	(0.1%)
Tatton Ethical	0.3%	1.3%	3.6%	1.0%	0.3%	0.2%	6.6%	1.4%
Tatton Global*	0.2%	0.6%	1.3%	0.7%	0.3%	2.2%	5.4%	1.0%
Total	3.3%	21.8%	46.7%	20.3%	5.5%	2.4%	100.0%	-
6m Change %	(0.2%)	(0.6%)	(0.1%)	0.4%	0.3%	0.3%	-	

* Tatton Global summarises Managed, Tracker and Blended sub models

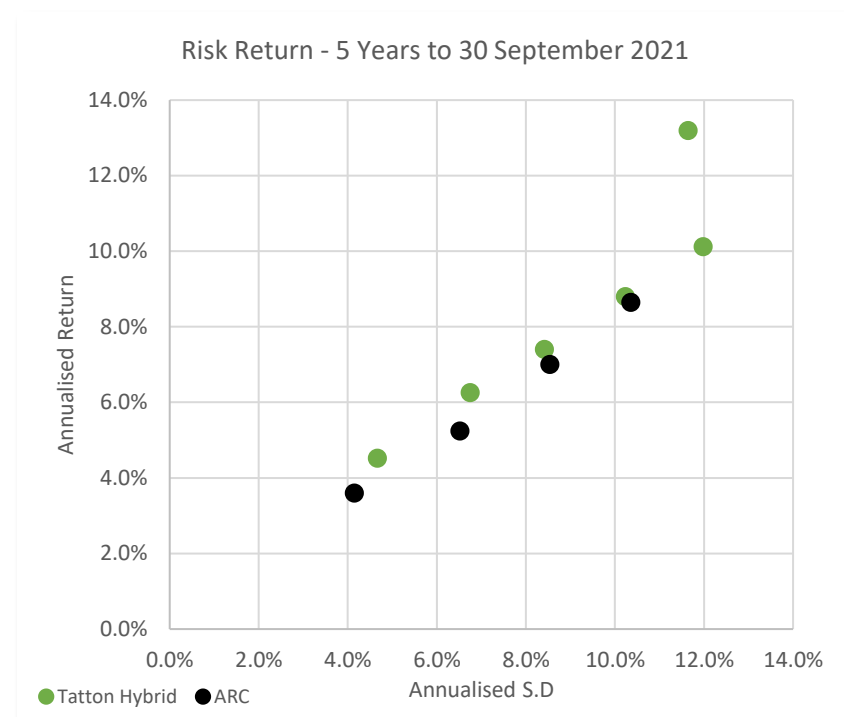
**previously split across Managed, Tracker and Hybrid / Blended

MPS INVESTMENT PORTFOLIO RETURNS

5 years to 30 September 2021

Portfolio Performance (per cent.) - core product set annualised, after DFM charge and fund costs

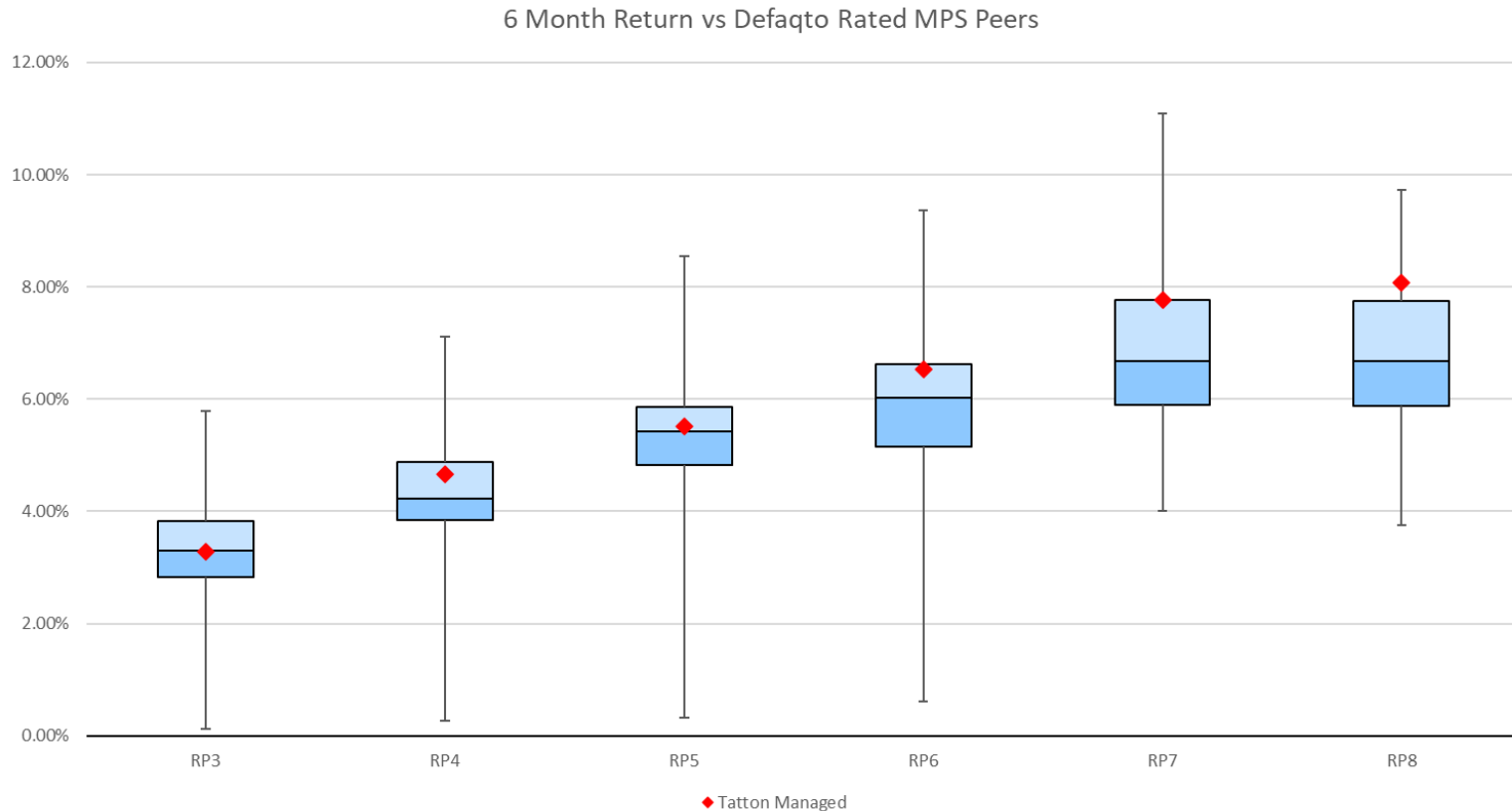
	Active	Tracker	Hybrid	Ethical	ARC Peers ¹
Defensive	3.7	3.6	3.6		3.1
Cautious	5.3	5.1	5.2		4.7
Balanced	6.4	6.3	6.3	8.2	6.3
Active	7.7	7.6	7.7		6.3
Aggressive	8.9	8.7	8.8		7.8
Global Equity	12.0	11.7	11.8		7.8



- Performance versus the ARC benchmarks has continued to be very strong, albeit the models do exhibit some additional volatility relative to the diversified index
- Our continued overweight to equity, a position in inflation-linked bonds and strong manager selection have ensured our strong relative performance has been maintained through 2021

MPS RETURNS vs. IMMEDIATE COMPETITORS

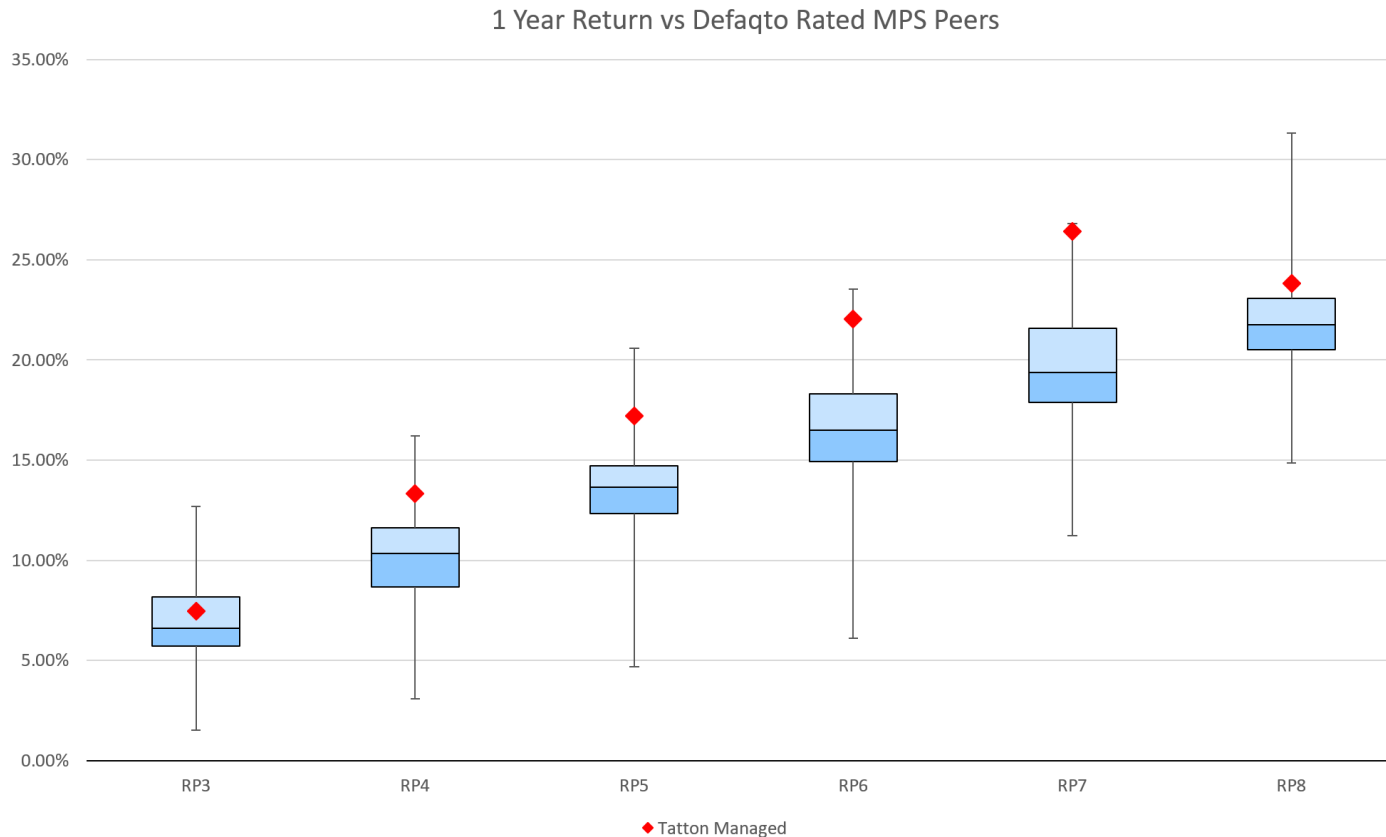
6 months to 30 September 2021



- Names including – AJ Bell, Brooks, Brewin, Parmenion, Hawksmoor, Investec, Liontrust, Charles Stanley, 7IM, FE, LGT, Quilter
- Our positioning in 2021 with an overweight to equities, and a more diversified exposure to value as well as growth resulted in adequate returns versus our MPS competitors, with high visibility of these performance differences visible in the Defaqto adviser system

MPS RETURNS vs. IMMEDIATE COMPETITORS

1 year to 30 September 2021



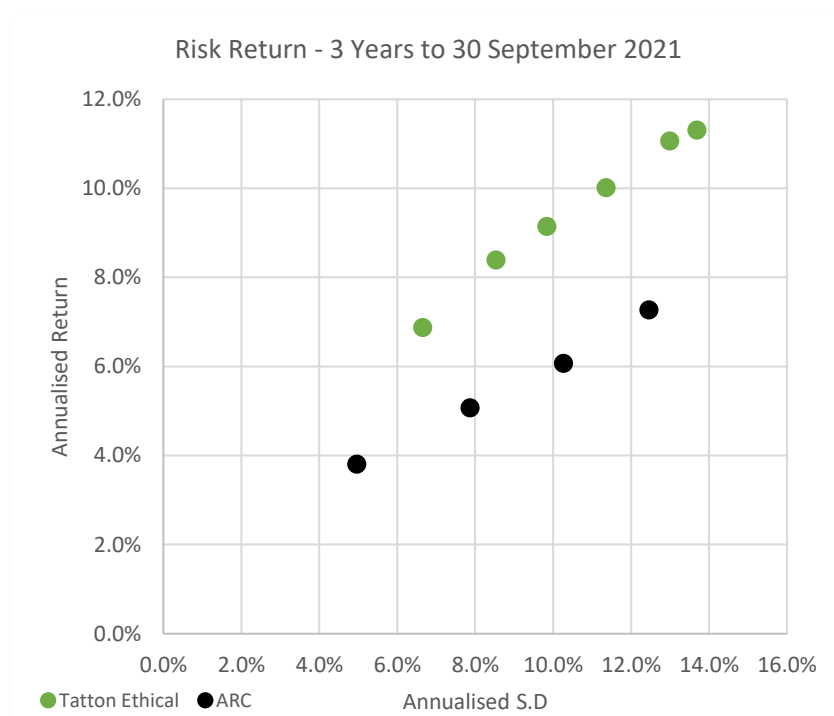
- Our more diversified exposure to regions and investment styles resulted in particularly strong relative returns over the period

ETHICAL INVESTMENT PORTFOLIO RETURNS

3 years to 30 September 2021

Tatton Fund Performance (% - ethical product set, annualised, after DFM charge and fund costs)

	Ethical	ARC Peers ¹
Defensive	6.6	3.5
Cautious	8.2	4.7
Balanced	9.0	5.9
Active	9.9	5.9
Aggressive	11.0	7.3
Global Eq.	11.3	7.3



- The Ethical MPS Strategy has retained its strong outperformance over the last 3 years. Although the gap has not widened during 2021, it has kept par with non-ESG investments.
- Structural overweight of the ESG investment universe to US and tech stocks accounts for much of the outperformance through 2020.

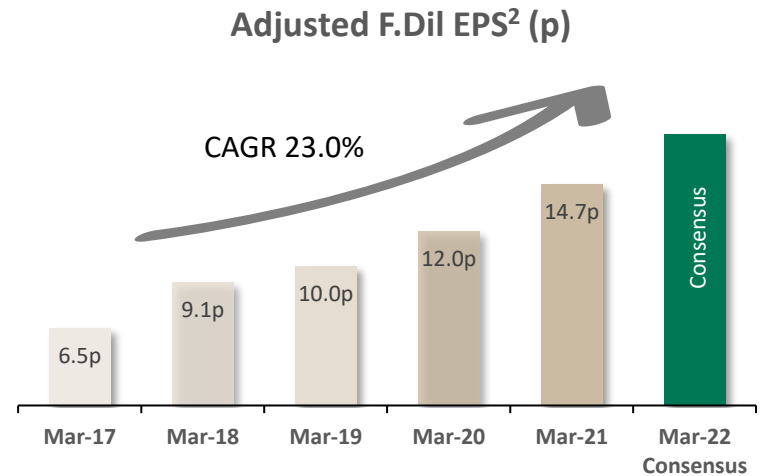
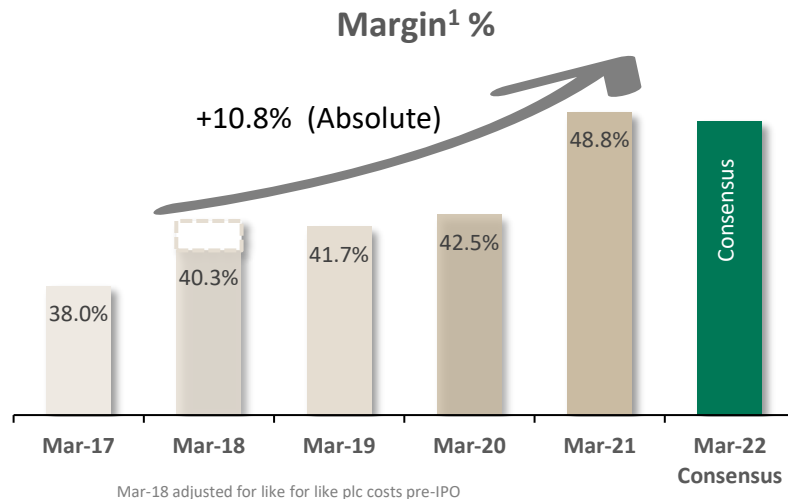
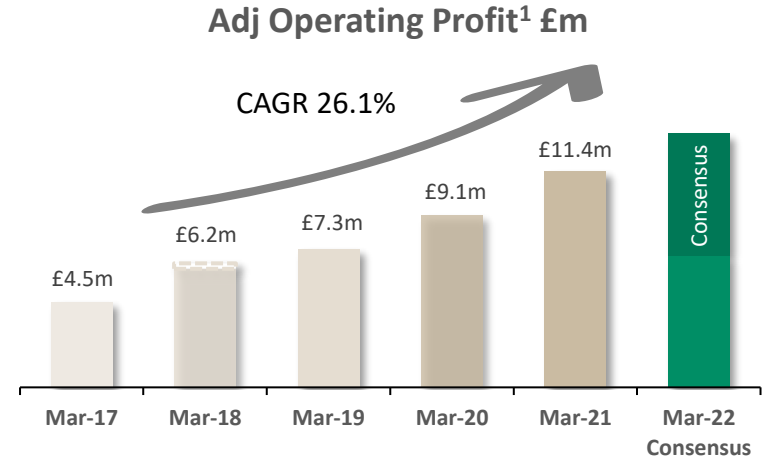
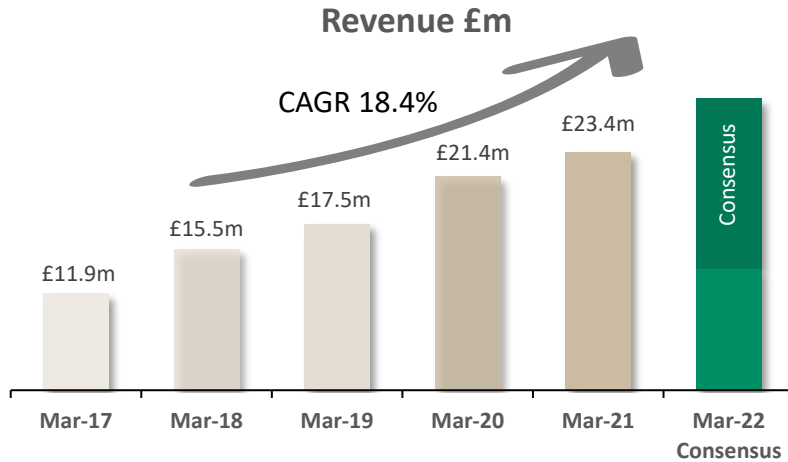
Summary

Growing the IFA relationships to grow AUM

- Strategic direction and road map 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



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

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

- Tatton remain largest provider of DFM MPS on platforms
- £1.8bn growth over 6 months
- £10.8bn 30 September 2021
- September 2021 AUM compares to:
 - Brooks Macdonald = £2.6bn
 - AJ Bell = £2.2bn

WHAT'S HAPPENING

- With the ending of the Stamp Duty deadlines, transactions in the housing market have begun to return to pre-pandemic levels, with both estate agents and lenders reporting that whilst demand is still there, stock has become a real issue.
- According to Land Registry data, on average, house prices have increased 4.5% since May 2021. Halifax report annual HP inflation of 8.1% (up 0.9% October), with the UK average home now costing £270k. Comparethemarket.com recently surveyed 1000 homeowners and concluded record house prices means the average UK home could jump by 30% over the next decade to hit £323,718.
- The OBR's economic and fiscal outlook, published following the recent budget, predicts that residential property transactions will be 1.29m in 2022, higher than the 1.18m for 2019, i.e. a rise of 9%. If this is correct, the market will not move from boom to bust as some have predicted, but carry on at a steady trajectory over the coming years – which is great news for brokers
- Lenders anticipate that the BoE base rate will rise before the year end, and are pricing this into their new business rates. However, with over 74% of existing borrowers on a 2 or 5 year fixed rate, whilst the effects of rate increases will potentially slow the market down, competition between lenders remains high, especially for retention, remortgage and margin rich BTL business.
- The market is thus moving from a Purchase bias to one of Remortgage and BTL. With BTL there are signs renters are returning to city centres sending rents higher, with many seeing double digit price growth in the third quarter of this year (Rightmove). Rental prices in London grew by 2.7%, the first annual rise since before the pandemic started, and just as important Rightmove are reporting that demand for rental properties overall is up 39% on 2019 and by 11% compared to September 2020.
- The remortgage market is growing in strength thanks mainly to the maturities available from borrowers coming off fixed rate deals. It is estimated by UK Finance that during 2022, £240bn in residential loans will mature creating a surge in both retention (product transfers) and remortgages, with January and April being the largest months,
- The Mortgage Efficiency Survey (undertaken by Iress) suggests there has been a significant increase in the number of mortgage applications coming via the intermediary with the channel share rising from 77.5 per cent at the start of the pandemic to 90 per cent in Q321, which given the recent history of intermediary/direct business splits is a staggering reassertion of the importance of advice, and good news for brokers futures.

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?”