

20 April 2021

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("MAR"), and is disclosed in accordance with the Company's obligations under Article 17 of MAR.

Tatton Asset Management PLC
("TAM plc", the "Group" or the "Company")
AIM: TAM

TRADING UPDATE

TAM plc, the investment management and IFA support services Group, today announces the following unaudited trading update ahead of its Final Results for the year ended 31 March 2021 ("FY21" the "Period" or the "Year"), which are scheduled to be released on 15 June 2021.

The Group has achieved strong growth in revenue, adjusted operating profits¹ and assets under management ("AUM") and cash generation was also strong.

The Board expects FY21 results to be ahead of all analysts' forecasts.

This performance demonstrates the resilience of the Group's business model in a year which has been dominated by a complex backdrop of market and economic uncertainty and volatility brought about by the global pandemic. The Group remains in a healthy financial position, with a strong balance sheet and £16.9 million of net cash.

Highlights

Tatton Investment Management further improved its performance in the second half of the year with net inflows of £427 million, an increase of 30.0% on the first six months of the year. The total inflows for the year were £755 million, or 11.3% of opening AUM. The year ended with AUM of £9.0 billion (2020: £6.7 billion) an increase of £2.3 billion or 35.2% for the year.

	Total £bn
Opening AUM 1 April 2020	6.7
Net flows	0.8
Annual market and investment performance	1.5
Closing AUM 31 March 2021	9.0

Paradigm has performed well with Consulting member firms increasing to 407 (2020: 394) and Mortgage firms increasing by 4.4% to 1,612 (2020: 1,544). Paradigm Mortgages saw an increase in market activity in the second half of the year driven by the stimulus of the government's stamp duty holiday and an improved lending environment. As a result, it delivered a marked increase in the second half of the year of 20% in gross lending to £6 billion, totalling £11 billion for the year (2020: £10 billion).

Paul Hogarth, Chief Executive Officer, commented:

"I am pleased to report that TAM continued to make very good progress this last financial year, building on a positive first half performance and delivering an even stronger second half of the year. I am particularly pleased with the 30% increase in net flows in H2 and reaching a milestone of £9.0 billion of AUM despite considerable market uncertainty. Our strong performance proves the resilience of our business model which is supported by a high degree of annual recurring revenues and cashflow generation creating a strong balance sheet which is the bedrock of all good businesses.

As we enter the new financial year, we carry forward good momentum and expect to make further progress in the

execution of our strategy.”

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

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