



TATTON ASSET MANAGEMENT

INVESTOR AND ANALYST PRESENTATION

JUNE 2024





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AGENDA



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INTRODUCTION TO THE TEAM



INTRODUCTION TO THE TEAM



Paul Hogarth
CEO

Over 40 years' experience at Board level in the financial services sector

Founder of Tatton Asset Management Group. He also created Paradigm Consulting and was the founder of Perspective Financial Group Limited in 2007



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



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



Investment Management Division ("Tatton")

- Tatton Investment Management offers on-platform model DFM MPS, the fastest-growing segment of the wealth management market
- Aligned with Consumer Duty principles
- Competitively priced at 15bps
- 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



KEY FINANCIAL & OPERATIONAL HIGHLIGHTS

Financial Highlights

Group Revenue
£36.8m
up 13.9%

Adjusted Operating Profit²
£18.5m
up 12.9%

Adjusted Operating Margin²
50.3%
2023: 50.7%

Fully Adjusted Diluted EPS³
22.91p
up 11.2%

Total Year Dividend
16.0p
2023: 14.5p

Operational Highlights

AUM/AUI¹
£17.6bn
up 26.9%

Tatton IFA Firms
975
up 12.2%

Tatton Client Accounts
126,150
up 17.9%

Organic Net Inflows
£2.3bn
18.1% of opening AUM

June 2024 (YTD)
AUM/I¹: **£18.6bn**
Net inflows: **£0.9bn**

All comparisons are Mar 24 v Mar 23

1. Assets Under Influence (AUI) 100% of the 8AM AUM

2. Adjusted for exceptional items, share-based payment costs, changes in fair value and amortisation

3. Adjusted for exceptional items, share-based payment costs, changes in fair value, amortisation, unwinding of the discount, and potentially dilutive shares



STRONG FINANCIAL PERFORMANCE SINCE IPO

Group Revenue (£m)



Adj Operating Profit¹ (£m)



Adj OP Margin¹ %



Adjusted F.Dil EPS² (p)



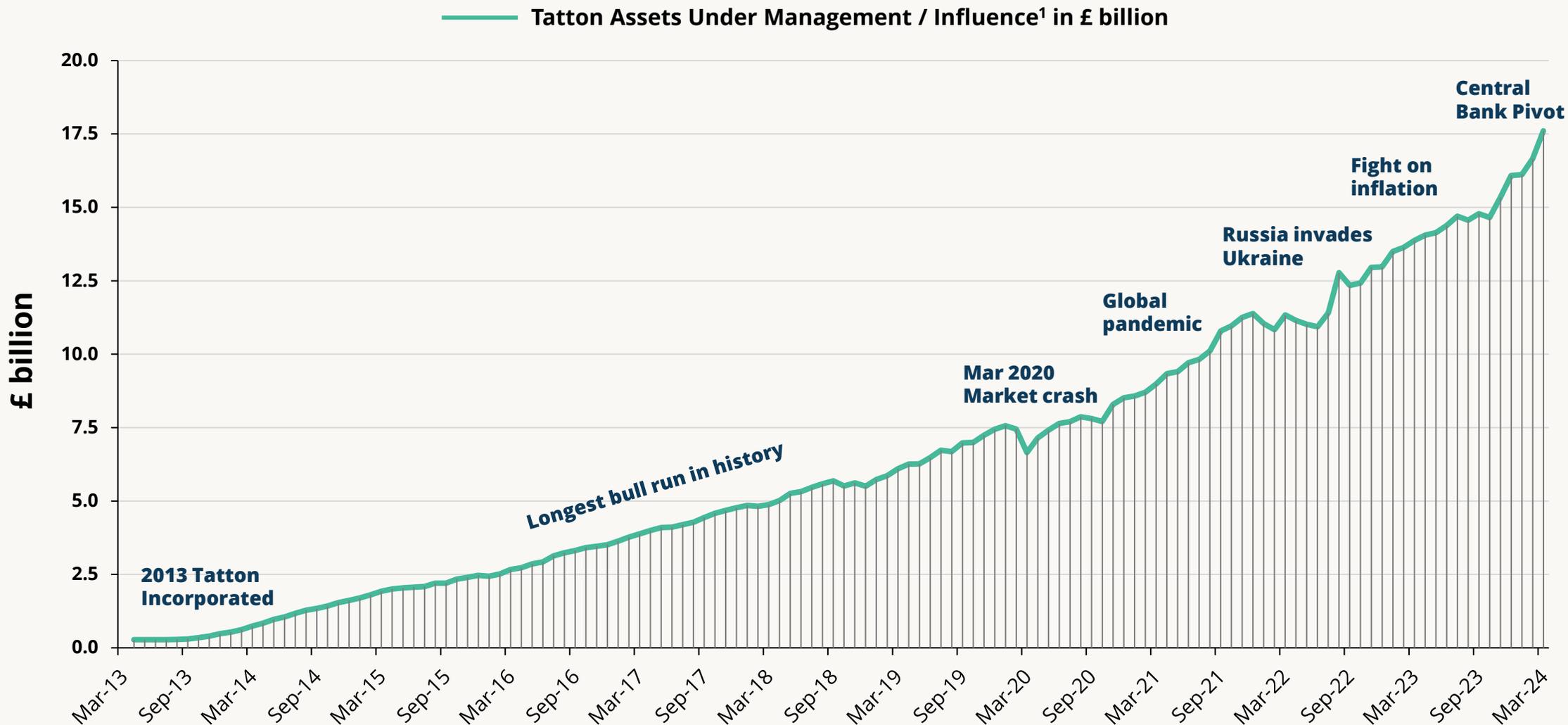
1. Adjusted for exceptional items, share-based payment costs, changes in fair value and amortisation

2. Adjusted for exceptional items, share-based payment costs, changes in fair value, amortisation, unwinding of the discount and potentially dilutive shares

Note: CAGR between FY17 to FY24



ASSETS UNDER MANAGEMENT / INFLUENCE



1. Assets Under Influence (AUI) 100% of the 8AM AUM



FINANCIAL PERFORMANCE





GROUP PROFIT & LOSS

	Growth %	Mar-24 £000's	Mar-23 £000's
Revenue	13.9%	36,807	32,327
Administrative expenses		(18,293)	(15,925)
Adjusted Operating profit¹	12.9%	18,514	16,402
Margin¹ %		50.3%	50.7%
Share-based payment costs		(1,458)	(1,511)
Other adjusting Items		(592)	1,719
Operating profit		16,464	16,610
Finance income		640	-
Finance costs		(353)	(614)
Adjusted Profit before tax¹	19.1%	18,801	15,788
Profit before tax		16,751	15,996
Corporation tax		(3,830)	(2,623)
Profit for the financial year		12,921	13,373
Adjusted F.Dil EPS²	11.2%	22.91p	20.61p
Total Year Dividend	10.3%	16.00p	14.50p

- **Group revenue** increased 13.9% to £36.8m
- **Group adjusted operating profit¹** increased 12.9% to £18.5m
- **Adjusted operating profit margin¹** 50.3%
- **Adjusting items:**
 - Share-based payments in line with prior year
 - Other items include amortisation of intangibles and gains on fair value adjustments
- **Finance income/(costs)**
 - Debt facility now expired – interest income in H2, majority of finance costs are non-cash unwinding of the discount
- **Taxation**
 - An underlying effective tax rate of 23%, (CT rate from 19% to 25%)
- **Adjusted F.Dil EPS²** increased 11.2% to 22.91p
- **Total year dividend** increased 10.3% to 16.0p (2023: 14.5p)

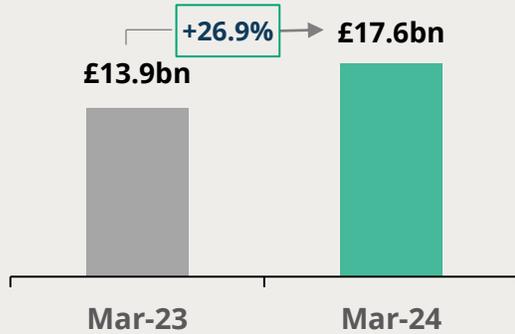
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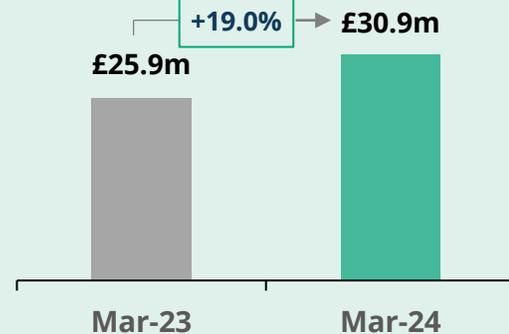


DIVISIONAL PERFORMANCE: TATTON

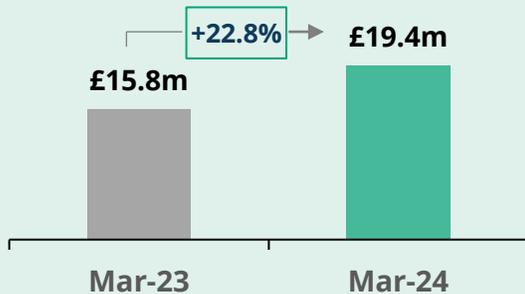
AUM/I (£bn)



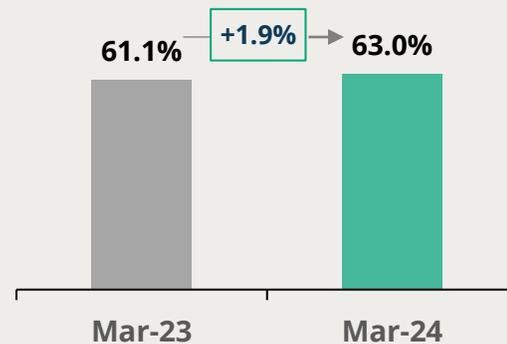
Revenue (£m)



Adj Op Profit¹ (£m)



Adj Op Profit Margin¹ (%)



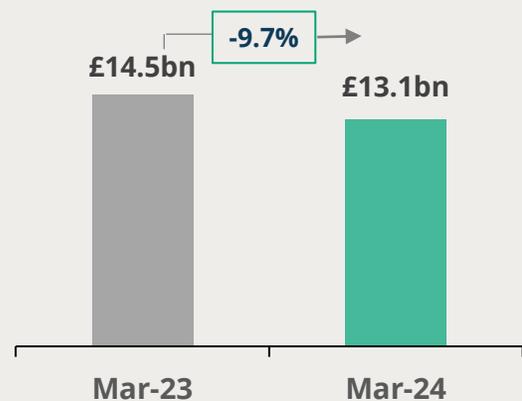
- Strong underlying growth in AUM/I to **£17.6bn**, underpinned by:
 - Record net inflows of **£2.303bn**, an average of **£192m** per month – equates to 18.1% of opening AUM - £12.7bn
 - Net inflows in H2 FY24 were £1.393 billion, representing an increase of 53.1% on the first half net inflows of £0.910 billion
 - Market performance in the period, increasing AUM/I by **£1.5bn**
 - Disposal of AIM portfolio - £25m AUM, immaterial financial impact
- Translated into a **19.0%** increase in revenue to **£30.9m**
- Average revenue at **21.9bps** (Weekly average AUM £14.1bn)
- Strong operating leverage in business model, with Adj Op Profit Margin¹ of **63.0%**
- Continue to invest for growth, adding resource across commercial and operational functions

1. Adjusted for exceptional items, share-based payment costs, changes in fair value and amortisation

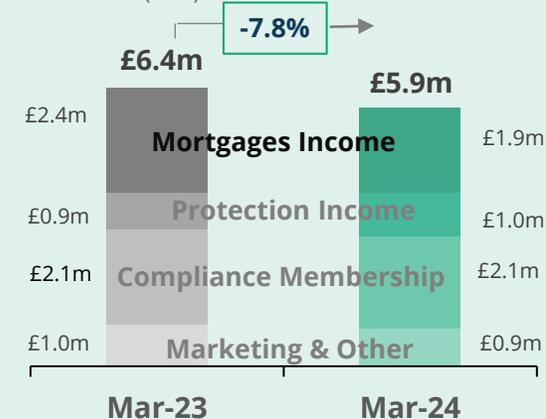


DIVISIONAL PERFORMANCE: PARADIGM

Mortgage Completions (£bn)



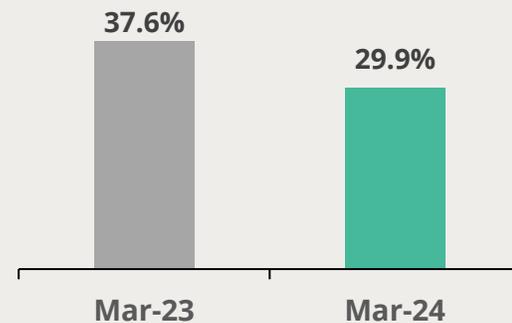
Revenue (£m)



Adj Op Profit¹ (£m)



Adj Op Profit Margin¹ (%)



- Paradigm Mortgages grew market share, participating in mortgage completions totaling £13.1 billion (2023: £14.5 billion), a 9.7% reduction year on year, which compares to a 29% year-on-year fall in the gross mortgage market
- Mortgage firms increased **9.4% to 1,916** (Mar23: 1,751)
- Consulting member firms of **424** (Mar23: 431)
- Revenue of **£5.9m** reflects the reduced mortgage completion levels plus the change in mix of products (*1.7% Adj OP Margin impact*) and an increase in insurance and protection income
- In the short to medium-term we anticipate continued membership growth to result in increased completion volumes for 2025, returning to 2022/23 level of £14.5bn
- Adjusted Operating Profit¹ reduced by **£0.6m**, reflecting reduced mortgage completions & a change in mix, plus the annualisation of the investment in the cost base during FY23
- Looking forwards, activity and demand are improving as we see mortgage applications at their highest levels in 18 months, with property values anticipated to remain resilient in 2024

1. Adjusted for exceptional items, share-based payment costs, changes in fair value and amortisation



GROUP FINANCIAL STRENGTH

	Mar-24 £000's	Mar-23 £000's
Goodwill & intangible assets	18,834	19,714
Tangible fixed assets	816	454
Trade & other receivables	5,402	3,905
Tax	2,569	1,379
Cash	24,838	26,494
Trade & other payables	(8,109)	(7,911)
Non - current liabilities	(1,016)	(2,254)
Net Assets	43,334	41,781
Return on capital employed	42%	42%

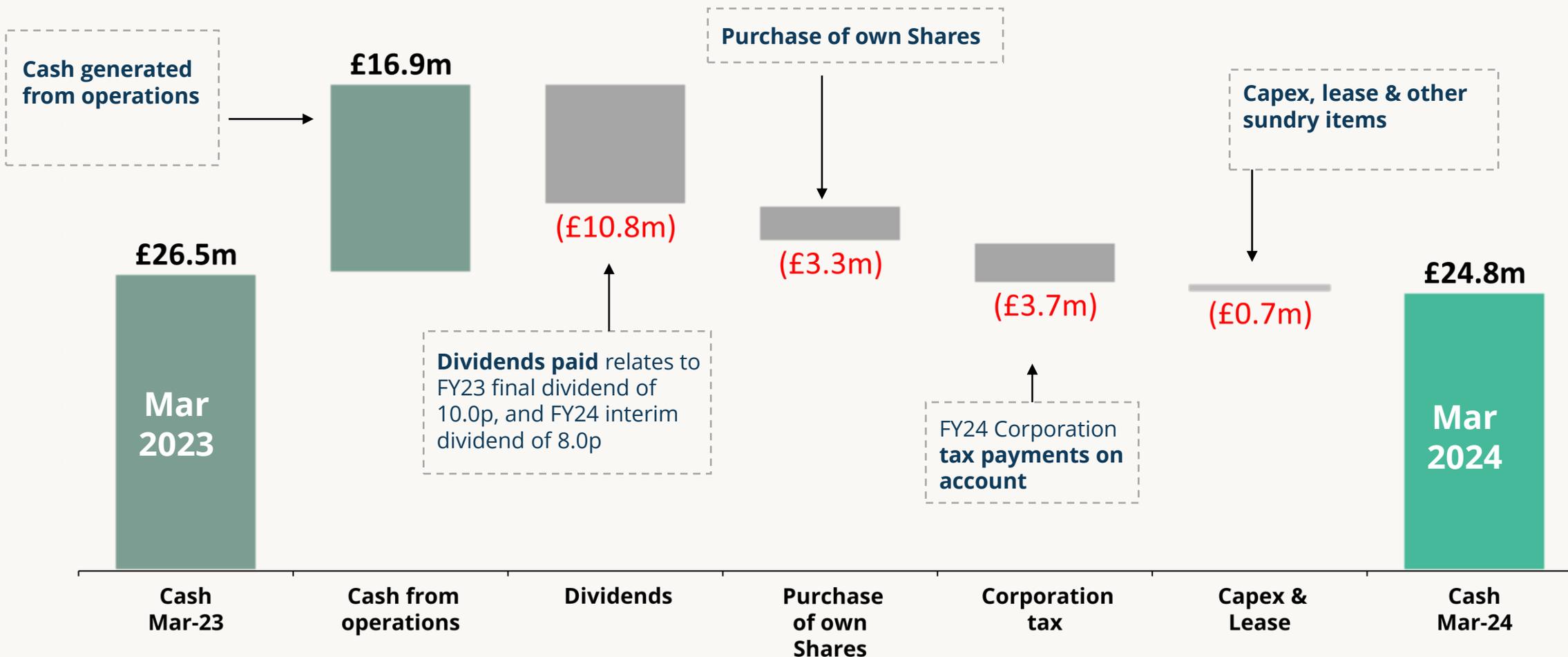
	Mar-24
Regulatory capital requirement	£4.3m
Total Shareholder funds	£43.3m
Less: Foreseeable dividend	(£4.8m)
Less: Non-Qualifying assets	(£21.4m)
Total qualifying capital resources	£17.1m
<i>% Capital resource requirement held</i>	400%

Capital resource requirement held
£17.1m¹ or 400%

1. Includes the impact of the FY 24 final dividend



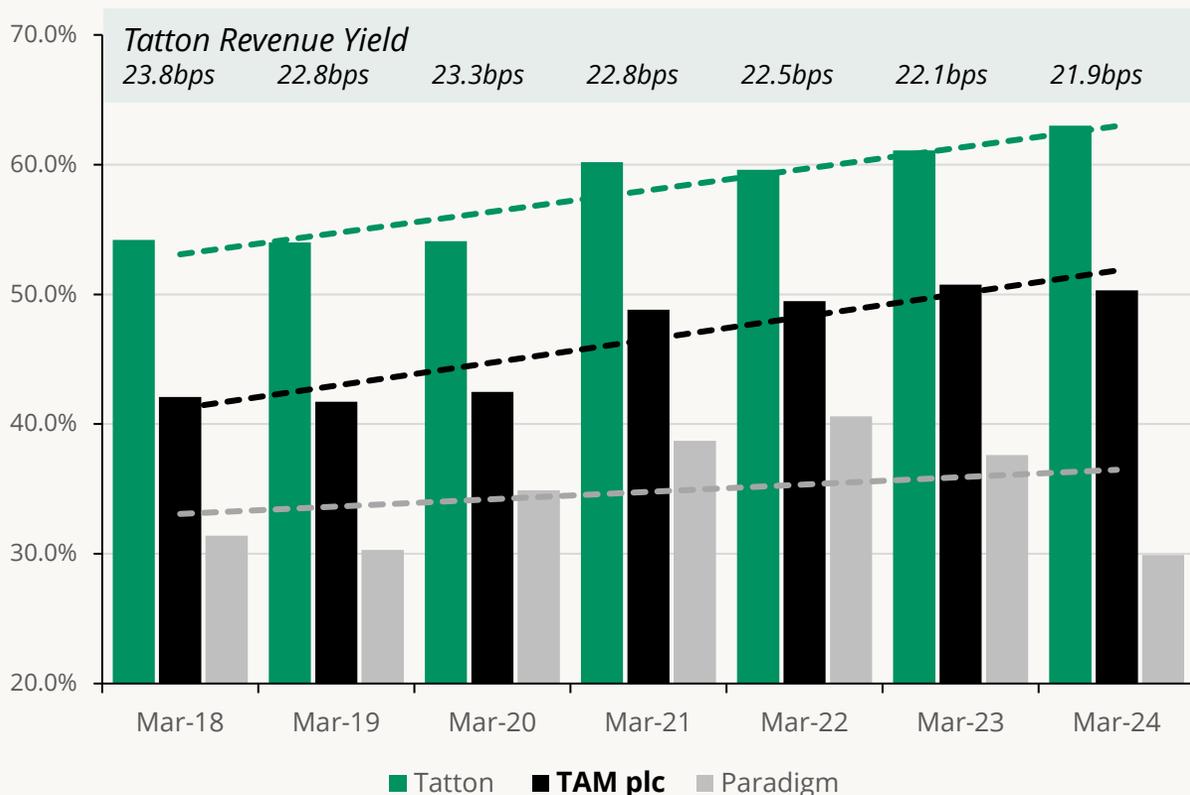
GROUP CASH FLOW BRIDGE





MARGIN TRENDS & EVOLUTION

Adj.OP Margin¹ Trends (%)



Change in Revenue Mix by Division

Division	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Tatton	68.1%	71.5%	74.5%	77.5%	79.5%	80.2%	83.9%
Paradigm	31.6%	28.3%	25.4%	22.4%	20.4%	19.8%	16.1%

- Group long-term Adj OP margin¹ trend anticipated to grow by 1-2% per annum over the medium-term
- Margin is driven by Volume, Mix, Yield & Costs
 - **Volume** – MPS AUM expected to increase by an average of over £2.0bn per annum
 - **Mix** - Tatton delivering stronger growth and margin +60% versus Paradigm +c.30%. Change in divisional mix will help drive improvement in Group margins
 - **Yield** – Tatton revenue yield at 21.9bps (Mar24) - will trend towards high teens as MPS growth priced at 15bps outstrips other forms of income
 - **Costs** – we expect the growth in revenue, driven by increased volume (AUM), to outstrip the growth in costs which are expected to increase between c.10% - 15% p.a. over medium term
- Paradigm geared to the Mortgage market, growth anticipated to be single digit and margins to normalise between 30% - 35%

¹ Adjusted for exceptional items, share-based payment costs, changes in fair value and amortisation



KEY DRIVERS & OUTLOOK

REVENUE TATTON

REVENUE PARADIGM

COSTS / ADJ OP PROFIT¹

FY24

- Average AUM of £14.1bn v £11.7bn in FY23
- Record net inflows of +£2.303bn
- AUM supported by positive markets +£1.538bn
- Closing AUM/I of £17.6bn

- £13.1bn mortgage completions, a 9.7% reduction year on year, which compares to a 29% year-on-year fall in the gross mortgage market
- +9.4% increase in firms to 1,916 member firms
- Consulting maintained consistent performance
- FY23 annualisation of investment in cost

- Inflationary salary increases +c.5%, plus new employees
- Annualisation of strategic partner costs
- General inflation impacting existing contracts
- **Adjusted operating profit margin¹ remains above 50%, at 50.3% during an inflationary environment**

FY25 OUTLOOK

- Net inflows £0.9bn after 11 weeks, and expected to normalise to £150m - £200m per month
- Markets remain uncertain and volatility remains but cautiously optimistic
- June 2024 AUM/I £18.6bn

- Mortgage market remains uncertain in short term
- Improving rates of applications which is a positive indication for future completions
- Opportunity – New firm growth, Re-mortgages, Product Transfers & Protection
- Consulting remains resilient

- Inflationary environment anticipated to be 3-5%
- Inflationary salary increases plus ongoing investment +10%
- Ongoing investment in sales, distribution and service resource
- **Adjusted operating profit margins¹ anticipated to remain strong 1-2% increase per annum**

¹ Adjusted for exceptional items, share-based payment costs, changes in fair value and amortisation



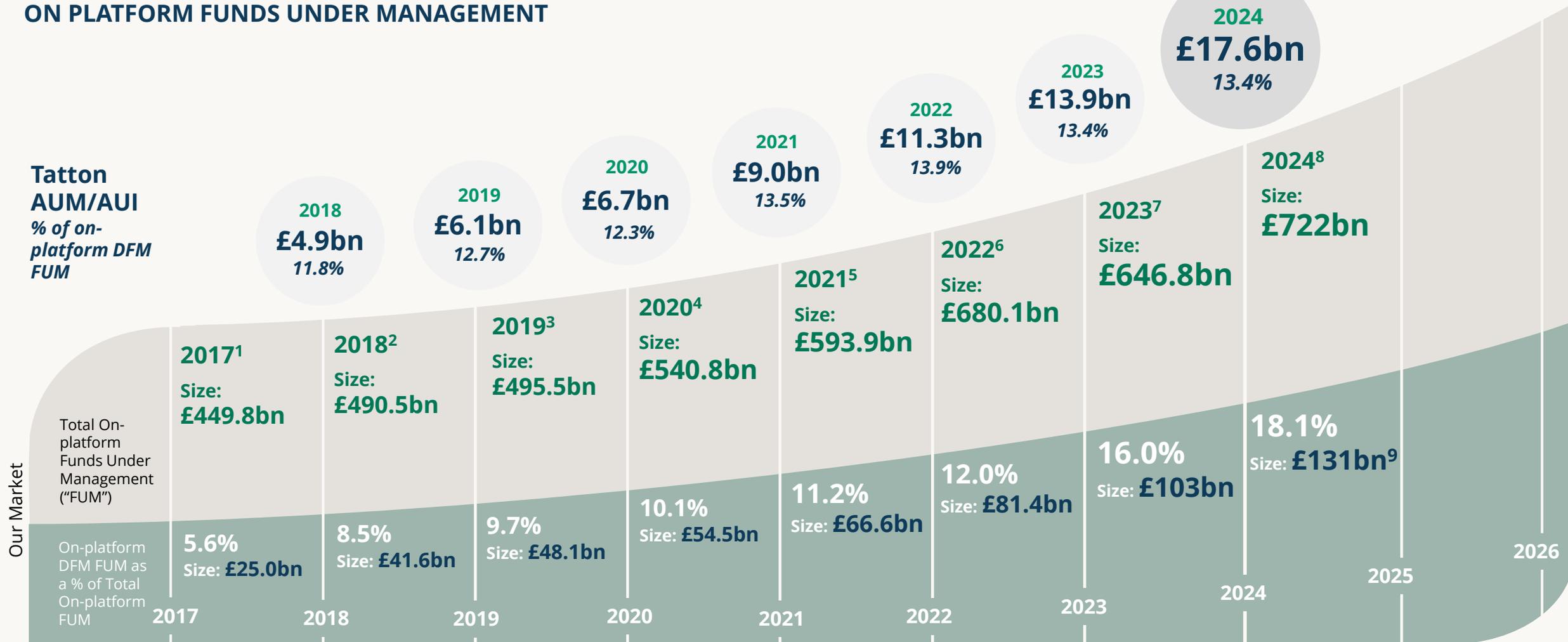
STRATEGIC UPDATE



Largest participant in the fastest growing segment of the market

MARKET GROWTH ON PLATFORM FUNDS UNDER MANAGEMENT

Tatton AUM/AUI
% of on-platform DFM FUM



1. Source: Platforum, 2017
2. Source: Platforum, July 2018

3. Source: Platforum, July 2019
4. Source: Platforum, November 2020

5. Source: Platforum, July 2021
6. Source: Platforum, August 2022

7. Source: Platforum, June 2023
8. Source: Platforum, May 2024

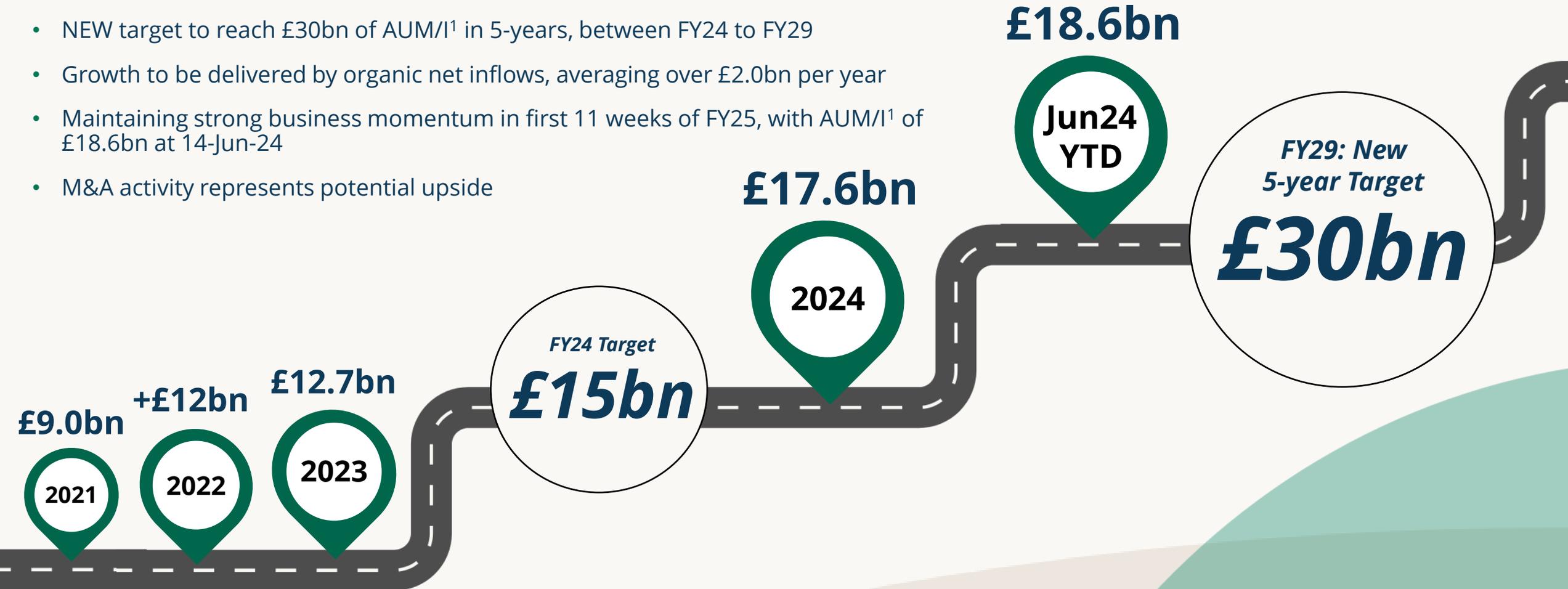
9. Source: Avg Platforum, May 2024 & NextWealth Jun 2024



ROADMAP TO GROWTH – 5 YEAR PLAN

ASSETS UNDER MANAGEMENT / INFLUENCE

- FY24 - AUM/I¹ £17.6bn +17.3% ahead of £15bn target
- NEW target to reach £30bn of AUM/I¹ in 5-years, between FY24 to FY29
- Growth to be delivered by organic net inflows, averaging over £2.0bn per year
- Maintaining strong business momentum in first 11 weeks of FY25, with AUM/I¹ of £18.6bn at 14-Jun-24
- M&A activity represents potential upside

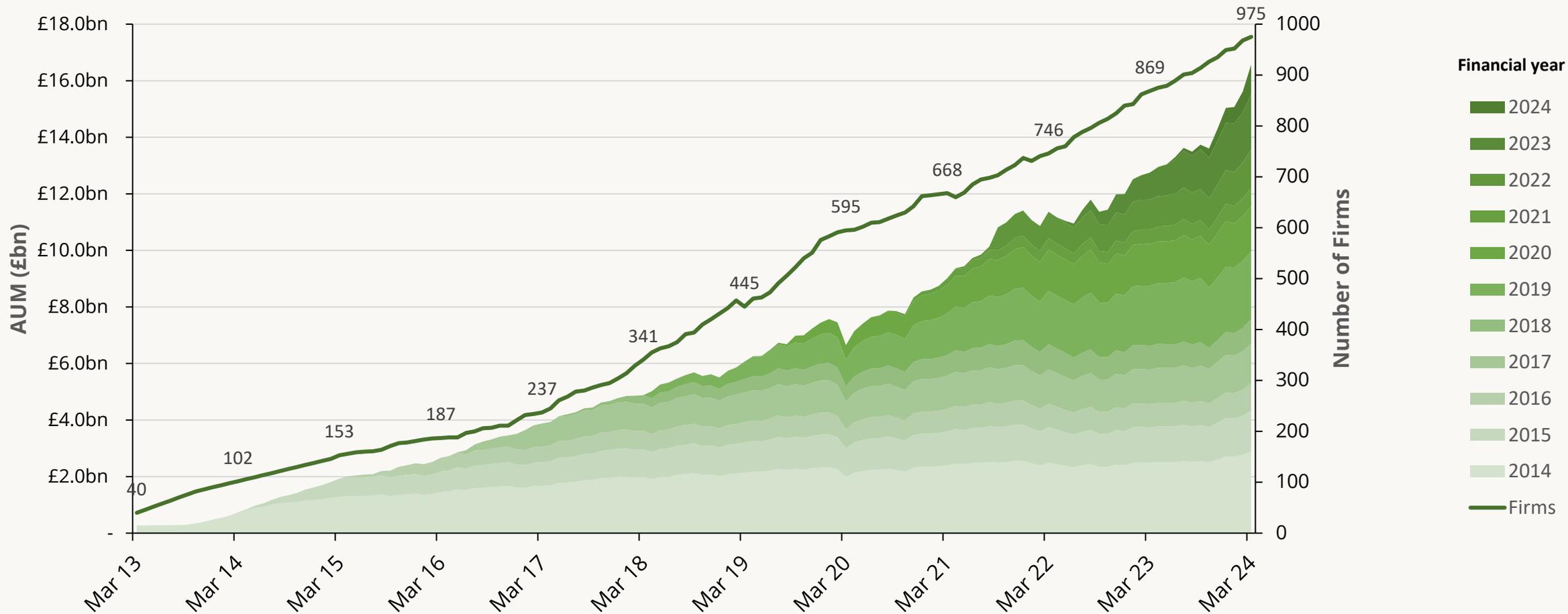


1. Assets Under Influence (AUI) 100% of the 8AM AUM



TATTON AUM GROWTH BY FIRM COHORT

AUM growth, showing assets generated from each year's new firms ('cohorts')





TATTON – OPPORTUNITY UPDATE

CONTINUED PROGRESSION

Mar 2022

Number of firms 746

Direct firms

581 / 78%

Paradigm firms

165 / 22%



Mar 2023

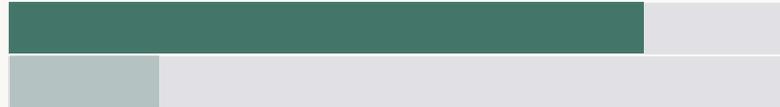
Number of firms 869

Direct firms

703 / 81%

Paradigm firms

166 / 19%



Mar 2024

Number of firms 975

Direct firms

821 / 84%

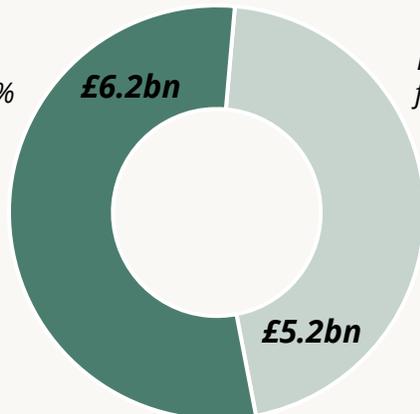
Paradigm firms

154 / 16%



AUM £11.3bn

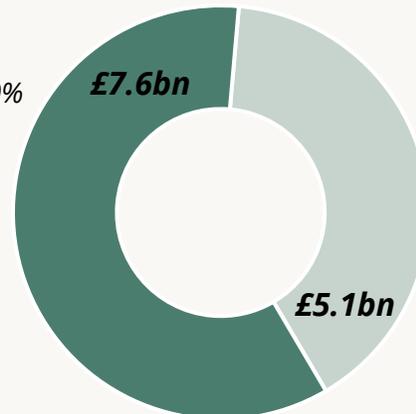
Direct firms 54%



Paradigm firms 46%

AUM £12.7bn

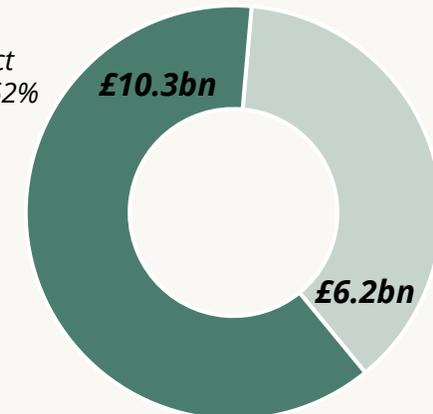
Direct firms 60%



Paradigm firms 40%

AUM £16.6bn

Direct firms 62%

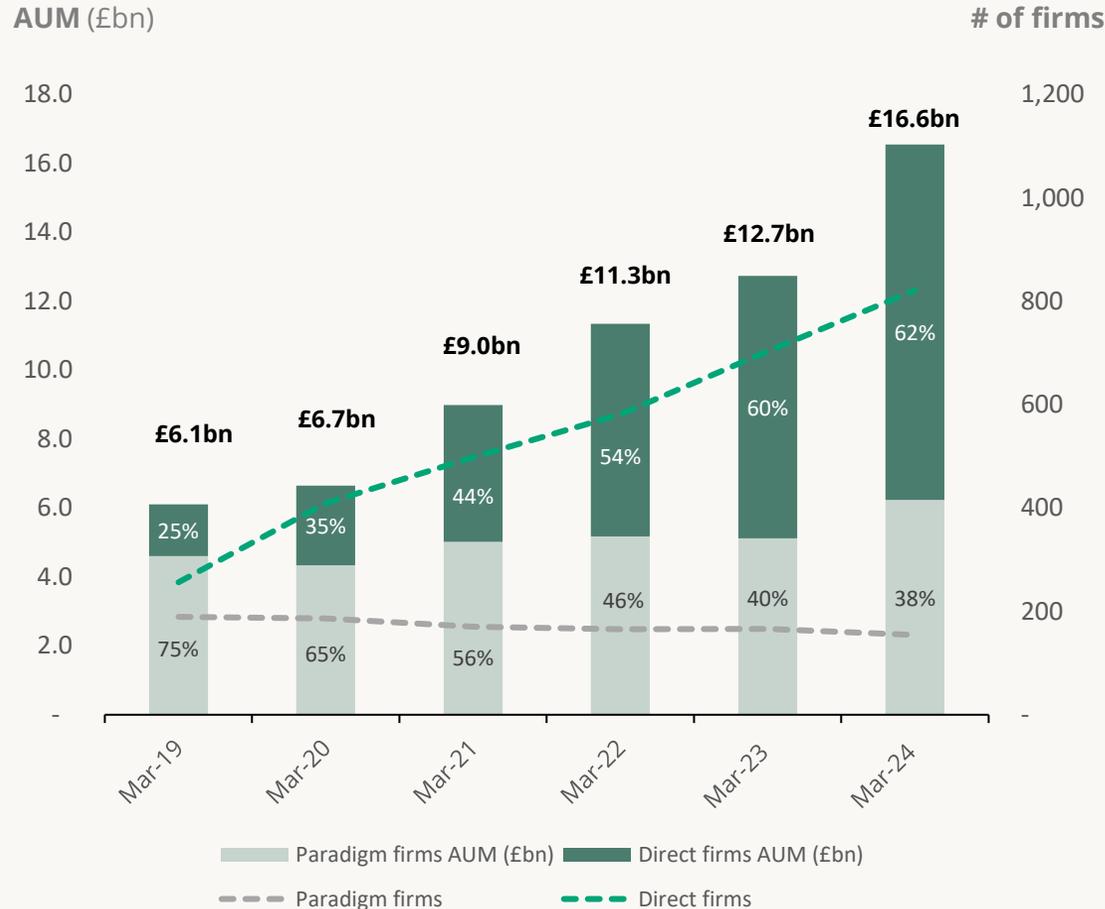


Paradigm firms 38%



Strong growth through accelerating number of non-Paradigm IFA relationships, with sizeable opportunity for further growth

Non-Paradigm firms now represents 821 firms and 62% of AUM



- Successfully **increased penetration** of non-Paradigm firms from £5.9m of average AUM per firm in Mar-19 to £12.6m in Mar-24
- Untapped opportunity to increase penetration of existing non-Paradigm firms
- Average firm across the industry has approx. £40m on platform
 - Paradigm firms = Average £40.5m per firm
 - Non-Paradigm firms = Average £12.6m per firm
 - **Non-Paradigm opportunity = £27.9m x 821 = £22.9bn**

	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Paradigm firms	189	186	170	165	166	154
Paradigm firms AUM (£bn)	4.6	4.3	5.0	5.2	5.1	6.2
Average per Paradigm firm (£m)	24.3	23.3	29.5	31.3	30.8	40.5
Direct firms	256	409	498	581	703	821
Direct firms AUM (£bn)	1.5	2.3	4.0	6.2	7.6	10.3
Average per non-Paradigm firm (£m)	5.9	5.7	8.0	10.6	10.8	12.6
Non-Paradigm Opportunity (£bn)	4.7	7.2	10.7	12.0	14.0	22.9



EVOLVED MPS OFFERING

CO-BRANDED TATTON MPS

23 arrangements

£1,199m AUM (Mar24)

- Offering jointly branded client facing literature
- Offered to larger firms bringing back book assets >£50m target AUM over 2 years

Mar-24

**23 arrangements /
£1,199m AUM**

Mar-23

**11 arrangements /
£898m AUM**

WHITE LABELLED TATTON MPS

11 arrangements

£1,062m AUM (Mar24)

- Offering IFA firm branded portal, portfolios on platform, and all client facing literature
- Offered to larger firms bringing back book assets >£100m target AUM over 2 years

Mar-24

**11 arrangements /
£1,062m AUM**

Mar-23

**8 arrangements /
£724m AUM**

APPOINTED INVESTMENT ADVISER (AIA) MPS

3 arrangements

£362m AUM (Mar24)

- Offering a joint investment committee approach providing IFAs bespoke asset allocation & fund selection
- Offered to larger firms bringing back book assets >£150m target AUM over 2 years

Mar-24

**3 arrangements /
£362m AUM**

Mar-23

**1 arrangements /
£82m AUM**



Impact of Consumer Duty

Helpful Customer service

Product & services fit for purpose

Consumer understanding

Fair value of products & services

Tatton MPS

- Tatton MPS aligned to principles of consumer duty
- Low-cost high value offering from inception
- Always led on client outcomes, price and value
- We do not profit from client funds on platform
- We help clients achieve their financial goals
- Customer centric ethos, great service & consistent client communication
- Consumer duty validates our core beliefs

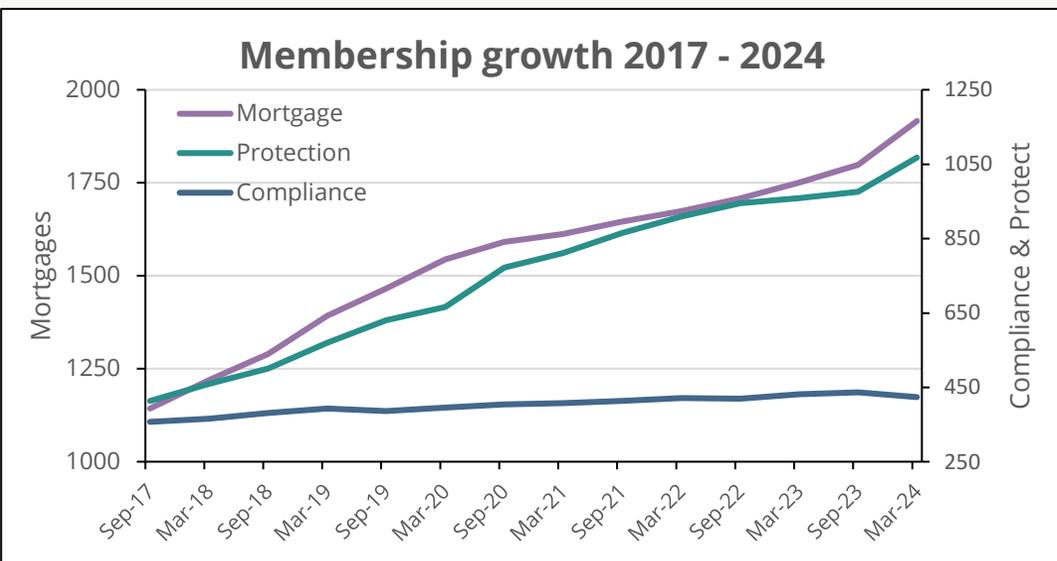
Market Impact

- Sets higher and clearer standards of consumer protection across financial services
- Requires firms to act to deliver good outcomes for customers.
- Potential shift from classic **BPS** to **MPS** as consumer duty “bites”
- Tatton is well positioned with core **MPS** offering
- Regulator appears to be acutely focused in this area



PARADIGM

Membership growth 2017 - 2024



Mortgages: 1,916

Up 9.4% (March 2023: 1,751)



Protect: 1,068

Up 11.4% (March 2023: 959)



Consulting: 424

(March 2023: 431)

Current Market Activity



- The current market is resilient, but this continues to be tested by economic factors, consumer confidence & affordability constraints
- Q1-2024 delivered a marked increase in both properties for sale & buyer activity leading to a revival in residential purchases
- We anticipate an improved market size for 2024 of c.£250-£260bn versus completions of £226bn in 2023 (Note: 2023 contracted 28.5% from £316bn in 2022)
- Intermediaries continue to dominate the advice space with 85% of mortgages written through brokers
- Maturing fixed rate mortgages (Product transfers), continue to offer an underpin to adviser volumes, with over £200bn maturities in 2024

Areas of focus



- Via our now established Relationship Management team, we will continue to expand our share of the intermediary market, with market share currently 5.8% (2023: 4.6%) of Total UK Lending
- We will continue to identify/target cross sales opportunities, and strengthen relationships with existing firms
- Championing adviser firms via the provision of bespoke regulatory support, and we remain at the forefront of Consumer Duty support – for both firms and Lender/Provider partners
- Insurer research confirms an increase in adviser Protection enquiries following Consumer Duty implementation. Given the breadth and quality of Paradigm's proposition we are well placed to take advantage



INVESTMENT CASE



- ✓ **Leading market position** – the market leader in the UK DFM MPS market with £17.6bn¹ of AUM/I, operating in the fastest growing segment of the UK wealth market
- ✓ **Large barriers to entry** - breadth of investment and service offering with +11-year investment track record, and a wide distribution reach, with 975 IFA firm relationships
- ✓ **Simple and predictable** - Consistent organic growth with outstanding asset retention
- ✓ **High return on capital** - Highly scalable business model with excellent operating leverage
- ✓ **Attractive Financial Profile** - High recurring revenues and long-term margin expansion drives strong free cashflow generation
- ✓ **Strong balance sheet**- debt free, capital light business model
- ✓ **Limited exposure to extrinsic risks** – benefitting from regulatory change, underpinned by low cost, high value offering
- ✓ **Excellent Management** - Experienced and entrepreneurial management team, and good governance

¹ AUM/I as at 31 March 2024





INVESTMENT MANAGEMENT UPDATE



PROPOSITION ENHANCEMENT – 2024

Passive Fund range replicating Tatton Tracker MPS, complementing Core range

BACKGROUND

Reduction of CGT allowance led to increased demand for fund wrapped Tracker MPS proposition

PURPOSE

CGT optimisation for tax exposed MPS investing clients

The three middle risk profiles with the bulk of AuM;

Also suitable for IFAs with multi-manager fund portfolio propositions

CONSTRUCTION

MPS portfolio, enhanced by ETF availability and faster implementation of positions

OCF

25-30 bps for global multi-asset portfolio

Aiming at the highly competitive multi asset tracker fund universe

BENEFITS

CGT roll-up
Simplicity of structure

Off platform use (legacy bond links)

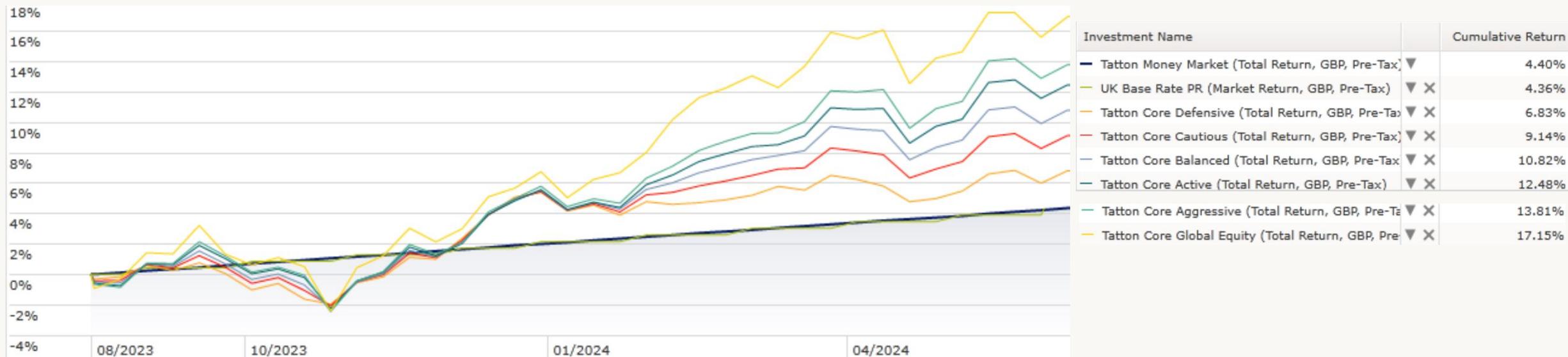


Money Market (MM) Portfolio follow up

MM PORTFOLIO vs MPS RANGE

Existing MPS range of risk profiles complemented by a “risk profile 1 or 2” money market MPS

Chart: Since launch 16 Aug to June 10 2024



Money Market MPS in solid dark blue, Source: TattonIM and Morningstar, 11/06/2024



MPS INVESTMENT PORTFOLIO RETURNS

10 years to 31st March 2024

Portfolio Performance (per cent.) - core product set annualised, after DFM charge and fund costs				
	Active	Tracker	Hybrid	ARC Peers ¹
Defensive	3.2	3.5	3.5	2.4
Cautious	4.9	4.9	5.0	3.8
Balanced	6.1	6.1	6.2	5.0
Active	7.3	7.2	7.3	5.0
Aggressive	8.1	8.1	8.2	5.9
Global Equity	9.9	9.8	9.9	5.9



- Tatton has now been running portfolios for in excess of 10 years and the risk adjusted performance of the portfolios looks strong relative to our main comparator peer group composite indices over the last 10 years. While there have been a few tough periods, our diversified consistent approach has provided consistent returns both in relative and absolute terms for our clients.

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



MPS INVESTMENT PORTFOLIO RETURNS

5 years to 31st March 2024

Portfolio Performance (per cent.) - core product set annualised, after DFM charge and fund costs					
	Active	Tracker	Hybrid	Ethical	ARC Peers ¹
Defensive	2.1	2.3	2.2	3.3	2.1
Cautious	4.1	4.2	4.2	5.2	3.4
Balanced	5.6	5.7	5.6	6.5	4.5
Active	7.1	7.0	7.1	7.9	4.5
Aggressive	8.3	8.2	8.3	9.3	5.5
Global Equity	11.2	10.9	11.0	9.9	5.5



- Our robust asset allocation has ensured we've consistently outperformed the ARC benchmarks over the last 5 years
- Recently we benefitted through an overweight to Japan in 2023 as well as taking advantage of extending duration in Q4 2023.

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



MPS INVESTMENT PORTFOLIO RETURNS

1 year to 31st March 2024

Portfolio Performance (per cent.) - core product set annualised, after DFM charge and fund costs					
	Active	Tracker	Hybrid	Ethical	ARC Peers ¹
Defensive	5.3	6.5	5.9	9.6	4.7
Cautious	8.2	9.1	8.6	11.4	7.3
Balanced	10.6	11.2	10.9	12.8	9.3
Active	12.4	13.0	12.7	14.2	9.3
Aggressive	14.5	14.4	14.4	15.2	11.1
Global Equity	20.6	19.6	20.1	16.6	11.1



- Our relative performance in the higher equity portfolios was very strong over last year. Owing to some good factor tilts, an overweight to Japanese equity and strong manager selection
- In Defensive the relative performance was more on par, owing to a slightly lower equity allocation for risk profiler alignment and some fixed income funds that misjudged their timing of peak yields for this cycle and our diversified alternatives strategies which have not kept up with Equities or Bonds of late

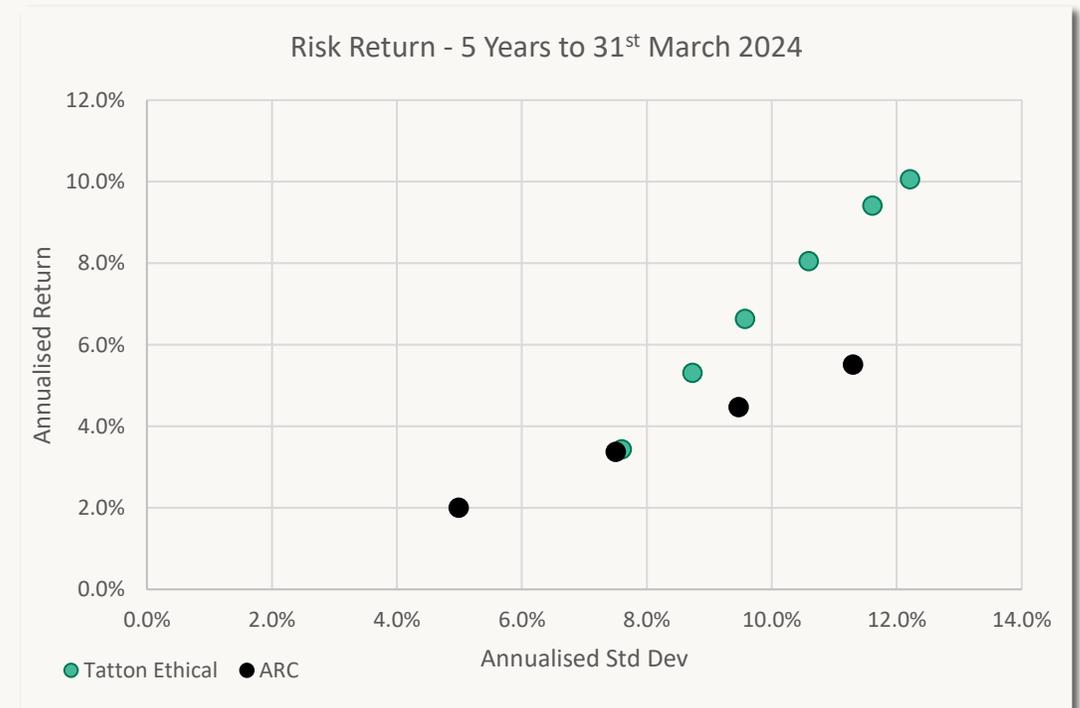
1. ARC PCI - UK wealth management portfolio peer group with historically comparable asset allocation characteristics



ETHICAL INVESTMENT PORTFOLIO RETURNS

5 years to 31st March 2024

Tatton Fund Performance (% - ethical product set, annualised, after DFM charge and fund costs)		
	Ethical	ARC Peers ¹
Defensive	3.3	2.1
Cautious	5.2	3.4
Balanced	6.5	4.5
Active	7.9	4.5
Aggressive	9.3	5.5
Global Equity	9.9	5.5



- The Ethical MPS Strategy has retained its strong outperformance vs the unrestricted ARC peer group over the last 5 years. While outperformance lagged in 2022 due to their inherent growth bias, in 2023 the portfolios resumed their outperformance on the back of the growth style rebound, fund selection and its global cap weighted equity allocation. 2024 saw a strong start for the Ethical portfolios before a bit of underperformance in April / May as UK and value performed well

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



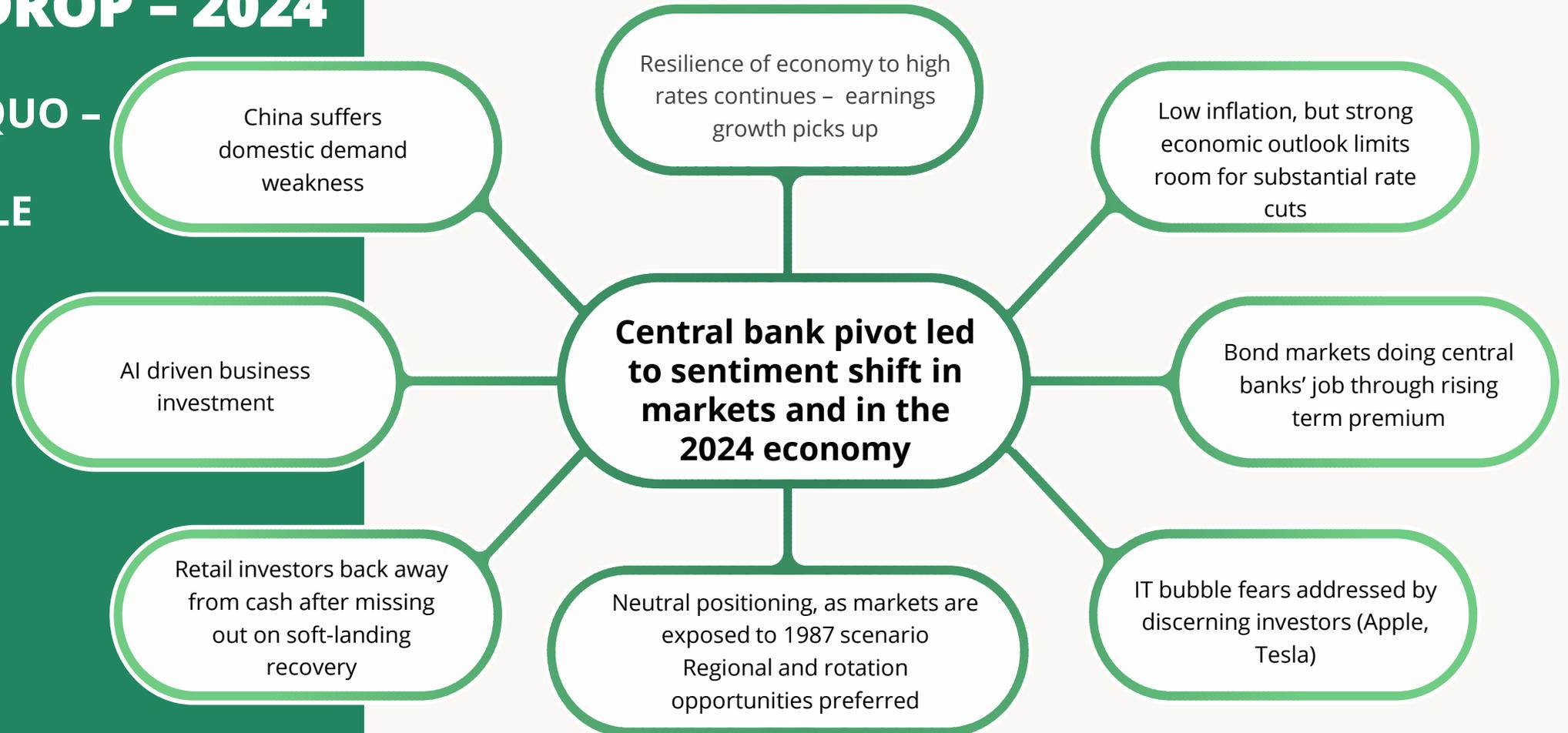
DISTRIBUTION OF AUM ACROSS PROPOSITION MATRIX

45 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	0.5%	3.7%	10.6%	6.0%	2.4%	1.5%	24.7%	3.3%
Tatton Managed/Active	0.3%	3.0%	7.8%	5.3%	1.5%	0.9%	18.8%	(3.3%)
Tatton Hybrid/Blended	0.5%	7.3%	21.3%	12.3%	3.7%	1.4%	46.5%	0.2%
Tatton Income	0.1%	0.1%	0.6%	0.3%	0.1%	-	1.2%	(0.0%)
Tatton Ethical	0.3%	1.6%	4.2%	1.9%	0.6%	0.2%	8.8%	(0.2%)
Total	1.7%	15.7%	44.5%	25.8%	8.3%	4.0%	100.0%	-
12m Change %	(0.5%)	(2.8%)	(1.5%)	2.8%	1.3%	0.7%	-	

INVESTMENT BACKDROP – 2024

STATUS QUO –
BACK TO
MID CYCLE



2024 MARKET VARIABLES

BETWEEN SOLID EXPANSION AND CREDIT DEFAULT CYCLE FEARS

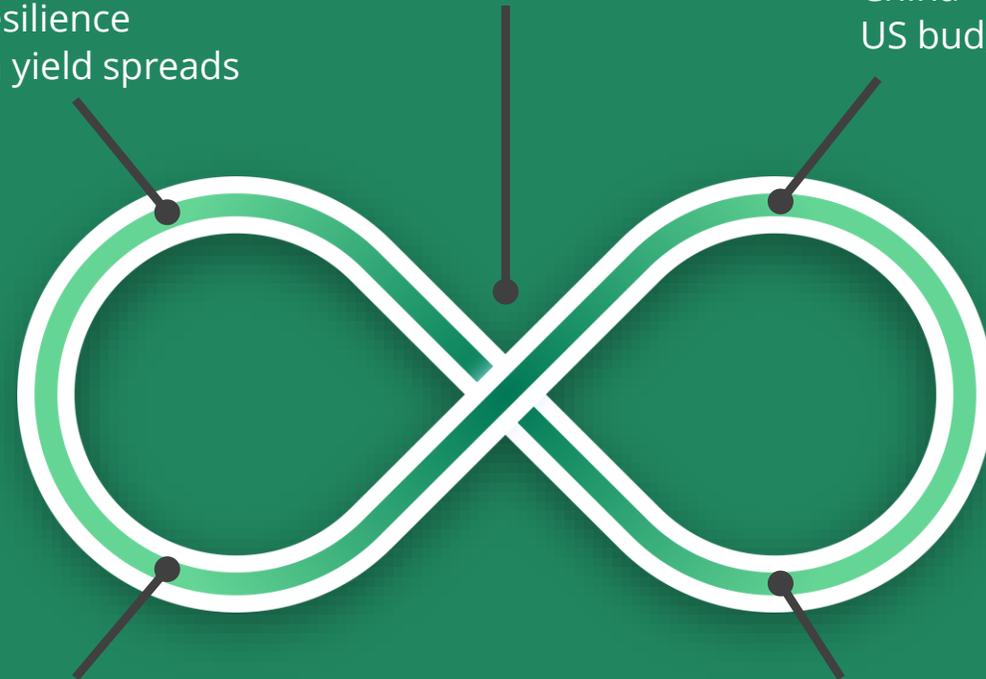
Labour markets still linchpin both for yields and for demand

Risks:

Higher rates default cycle risk vs. demand resilience
Watching high yield spreads for widening

Wildcards:

AI boom/bust, China
US budget deficit



UK:

Better than expected
(Service sector focus, tight labour markets, higher yields not yet biting)

Balance:

Improved earnings outlook vs creeping default risk accumulation



INVESTMENT OUTLOOK - 2024

**STRONG SENTIMENT,
BUT RISK OF RATE CUT
DISAPPOINTMENT**

- ▶ **Cycle rewind:** Markets grind higher as earnings steadily improve
- ▶ **Sentiment:** The 2008/2009 GFC and the COVID Pandemic lead to next disaster behind every corner thinking
- ▶ **Interest rates:** Will come down, but likely not more than 1%, perhaps 2% and then not for very long
- ▶ **Politics:** Will continue to disturb, but economy/markets grind on. Only a softening of income and opportunity disparities has potential to reunite societies
- ▶ **Opportunities:** Overheating risks remain (1987!), but opportunities outweigh them for now
As/If the 'old normal' becomes accepted norm again, focus will shift from the recent sure winners (Mag7) to the laggards of the past 15 years (style, small cap)
- ▶ **2024:** **Portfolio rotation return potential while on overheating watch!**



SUMMARY

Growing the IFA relationships to grow AUM

- New Roadmap to Growth target to reach £30bn AUM by 2029
- Organic growth continues to be a key strategic focus, through existing channels and continuing to promote cobranding, white labels, back book migrations and AIAs.
- Further disciplined M&A activity to support AUM growth
- Developing additional strategic IFA partnerships and JVs
- Extending the proposition to support IFAs where strategically aligned



APPENDICES



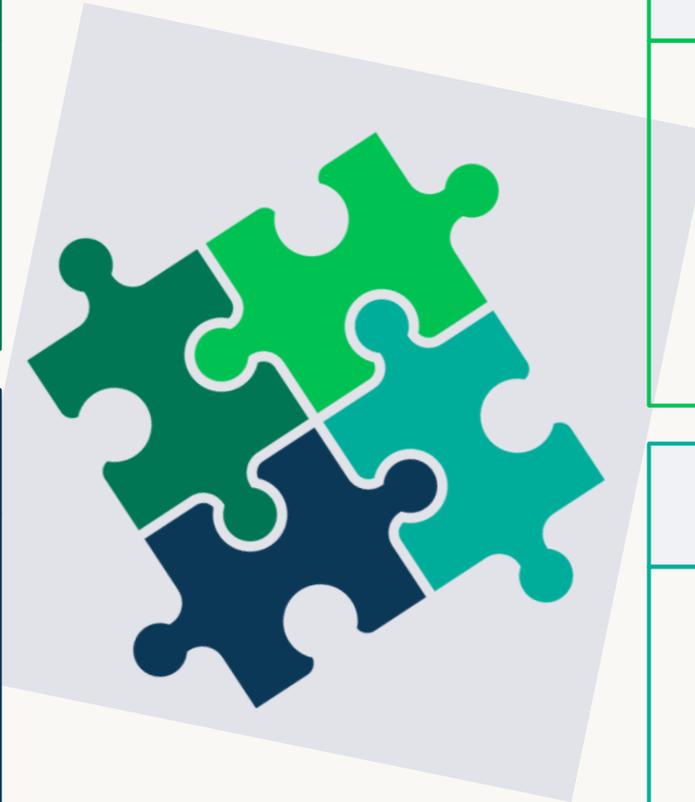
CLEARLY DEFINED GROWTH STRATEGY

Increase Tatton's market share through organic growth

- MPS market continues to mature and is forecast to grow from £131bn¹ today to £200bn by 2027
- Maintain new firm growth through marketing and account management, leveraging Tatton's distribution footprint

Develop strategic partnerships / alliances

- Successfully developed strategic partnerships and alliances with the largest UK distributors
- Existing partnerships represent +300 of Tatton's existing firms (+£3.8bn AUM) - significant upside opportunity through growing existing partnerships and winning new relationships



Deepen Tatton's IFA relationships to grow AUM/I

- Significant opportunity to strengthen existing IFA relationships, particularly with non-Paradigm firms (869 of 975 firms)
- Best-in-class back book migration solution for IFAs - provides opportunity to capture significant assets at pace
- Established a white label, co-branding and AIA proposition to support this process

Take advantage of M&A opportunities

- Disciplined acquisition strategy - focus on strategically relevant and complementary opportunities
- DFM MPS market has a long-tail of providers - provides natural acquisition pipeline

threesixty FINTEL

TENET
CONNECT • SELECT • LINK

SESAME
BANKHALL
GROUP

8AM
GLOBAL

verbatim
Asset Management

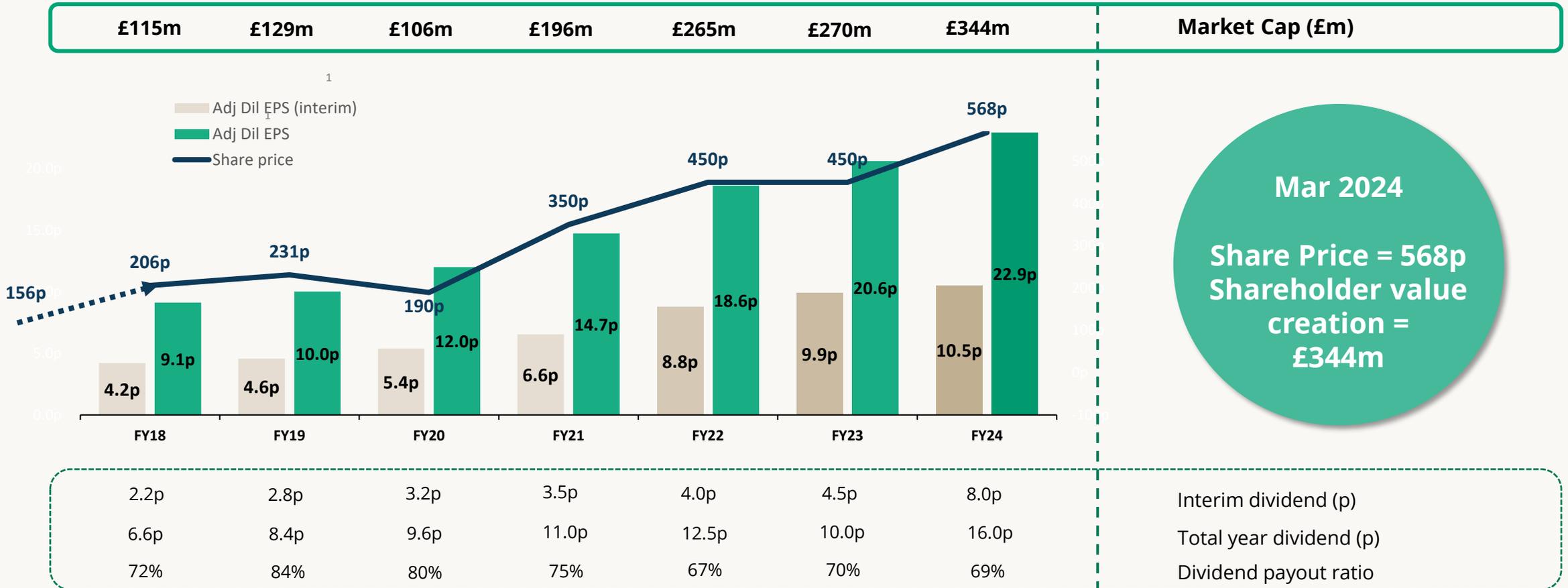
SINFONIA
Asset Management Limited

1. Source: Avg Platform, May 2024 & Nextwealth Jun 2024



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



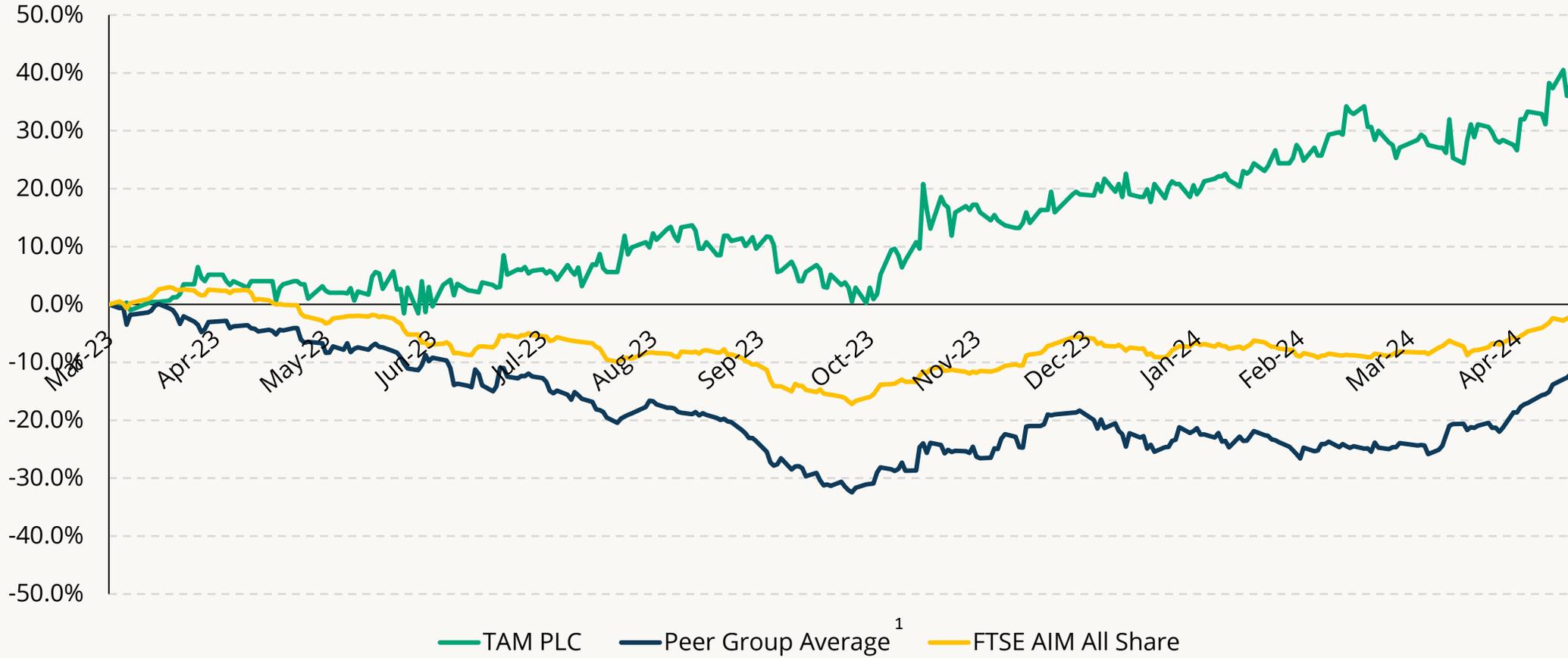
1. Adjusted for exceptional items, share-based payment costs, changes in fair value, amortisation and potentially dilutive shares



TATTON SHARE PRICE

COMPARISON TO PEER GROUP

Share price performance comparison v peer group



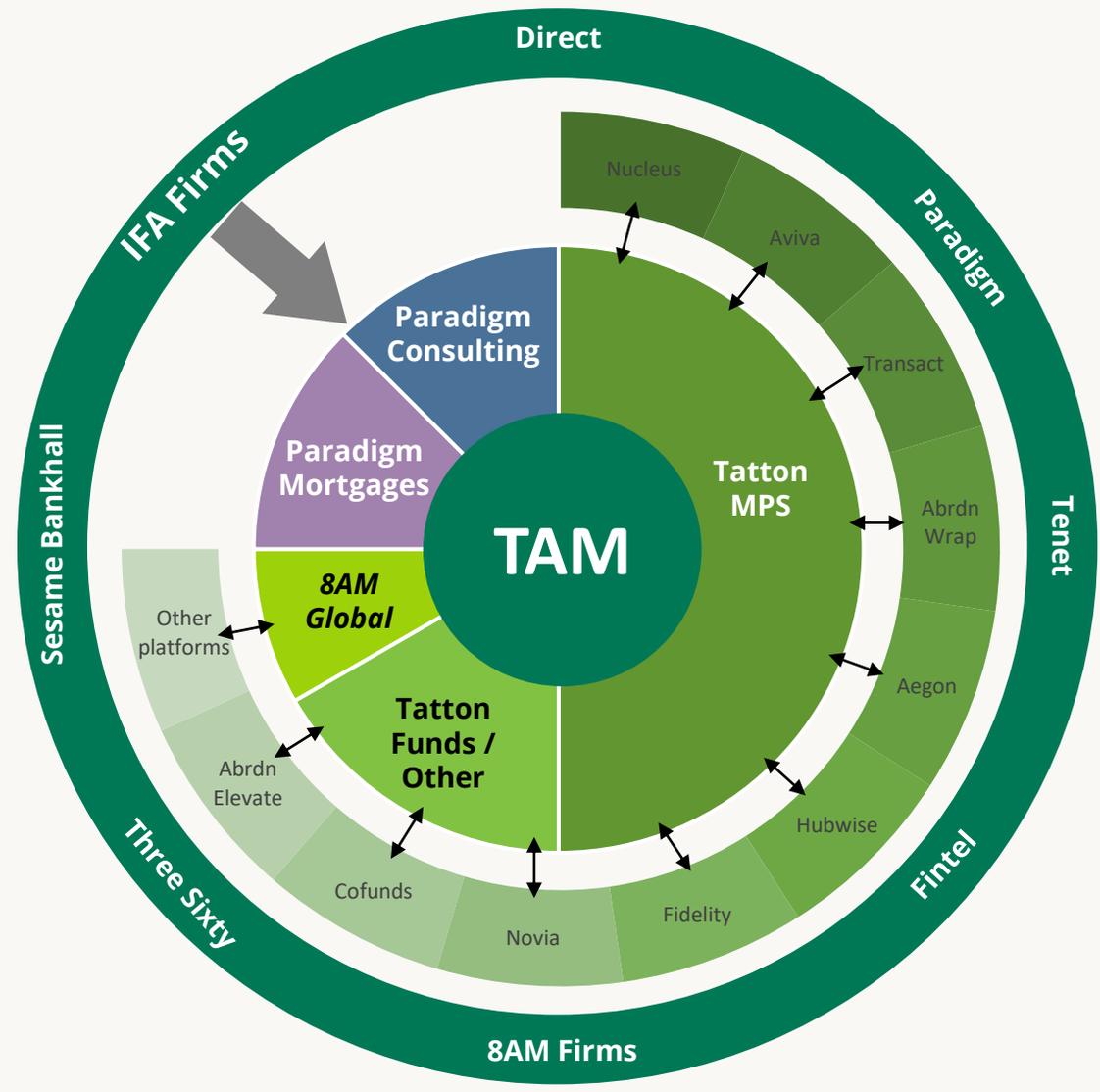
1. Selected peer group companies, including AJ Bell, Rathbones, Brooks Macdonald, Polar Capital, Jupiter Investments, Premier Miton, IMPAX and Liontrust



TATTON ECOSYSTEM

TAM PLC (Group Propositions)

Company	Mar-24	Proposition
Tatton MPS	£15.294bn AUM	MPS
Tatton Funds /other	£1.257bn AUM	OEICs / BPS / Other
8AM	£1.053bn AUI	MPS / Funds
Paradigm	£13.1bn Completions	Mortgage Distribution & Consultancy Services



Tatton Ecosystem

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

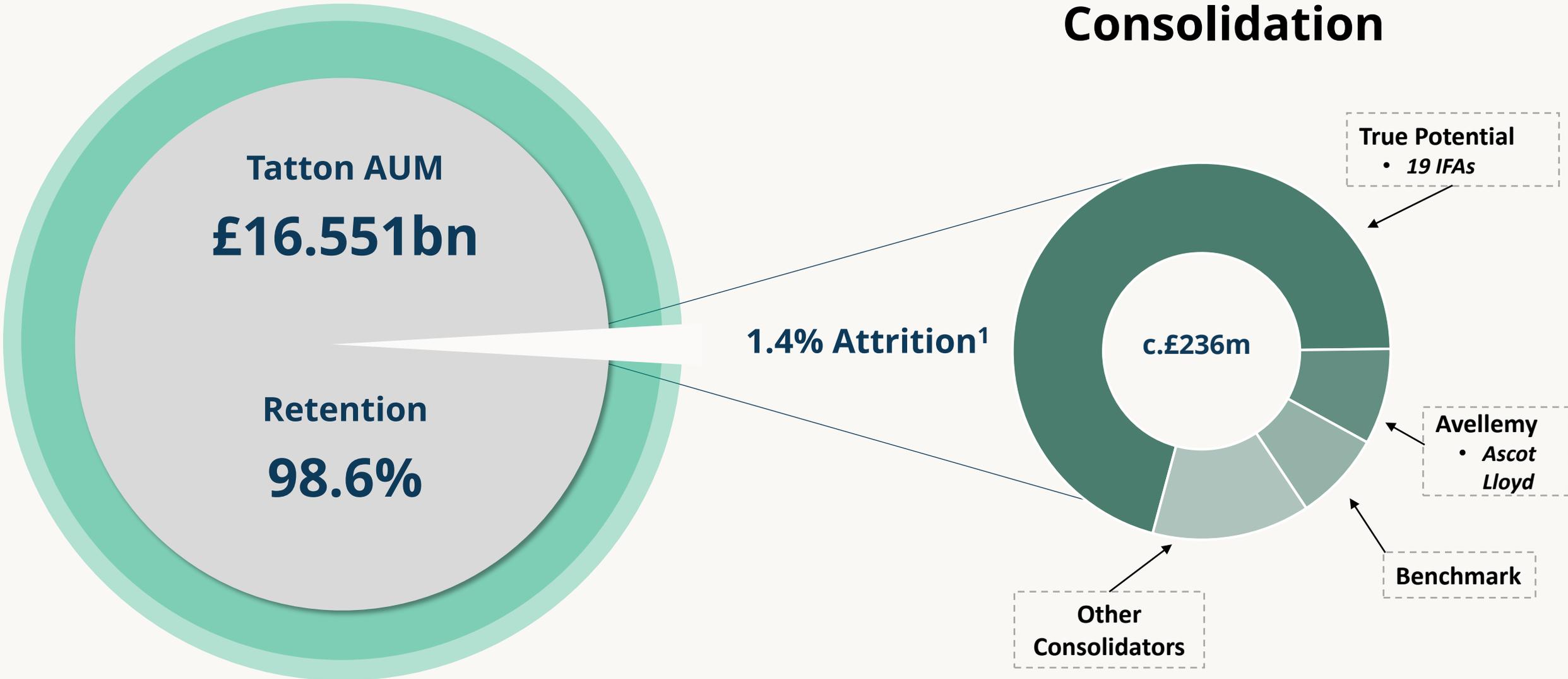
Strategic Partners



Exceptional asset retention provides strong visibility

March 2024

Consolidation



1. Attrition of assets under management from consolidators