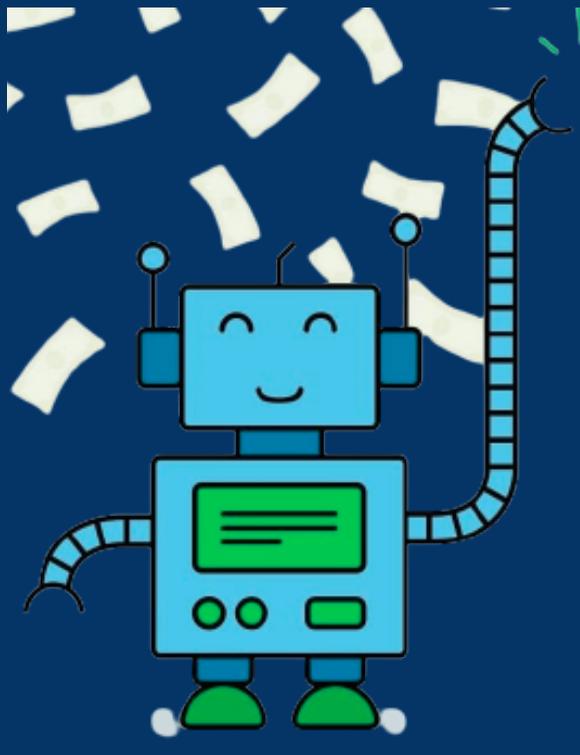
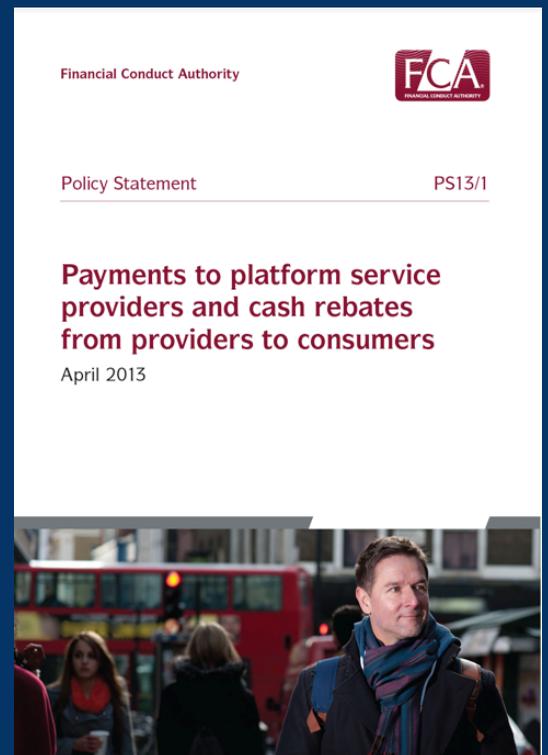
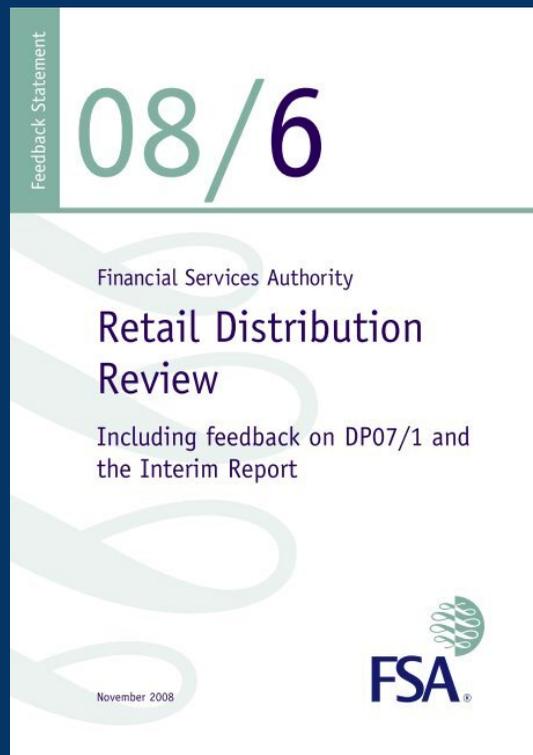




timeline

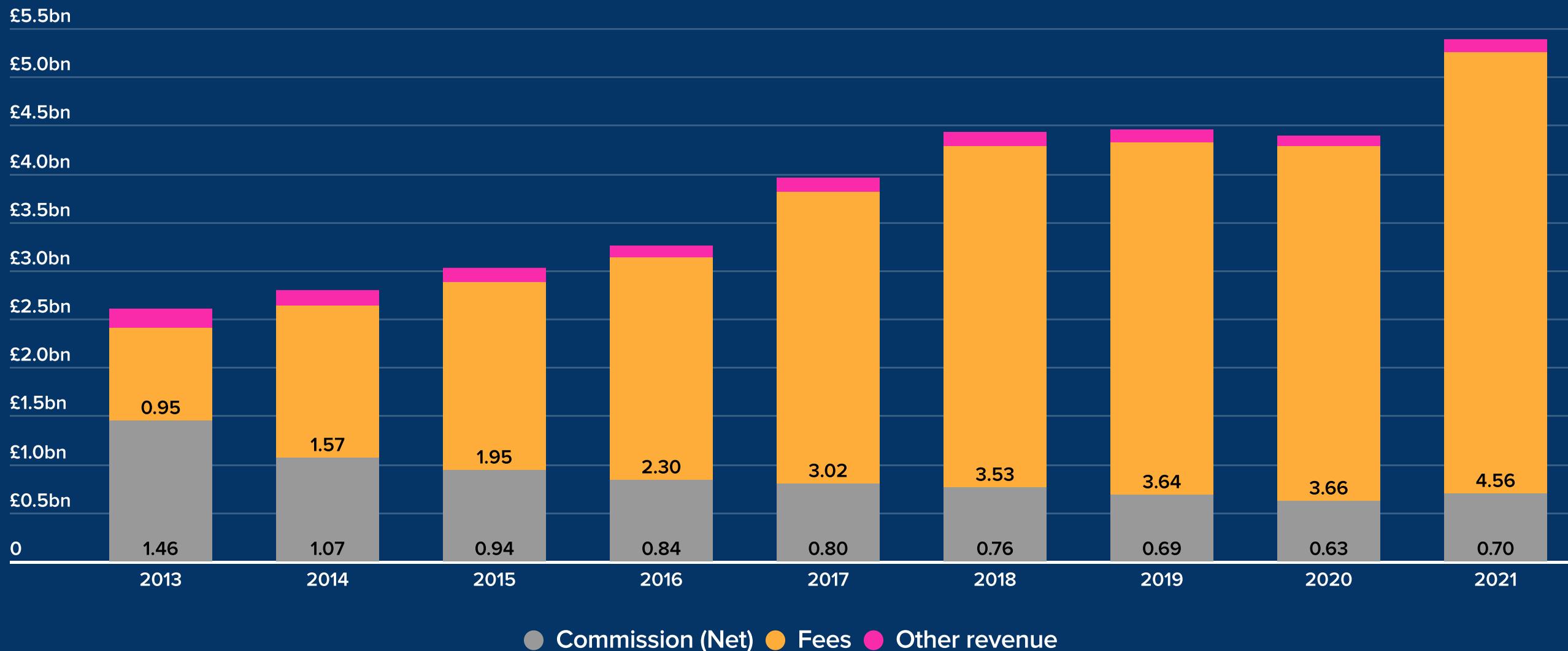
MONEY FOR LIFE

What Doesn't Kill You....



Better, Faster, Stronger...

Revenue from retail investment advice business



Sources: FCA (Jun, 2022) - The retail intermediary sector in 2021 July 2022 data publication - underlying data pack

Never Had It So Good...

News of the demise of the independent adviser has been greatly exaggerated



3.21m

Ongoing Advice Clients (2021)



21%

Av increase in fee revenue (2013 -2021)



93%

Net Client Retention (2021)



£5.3bn

Retail Investment Advice Revenue (2021)



8.3%

Net New Client Growth (2021)



0.09%

% of Advice Client Complaints to FOS (2021)

'Threats'

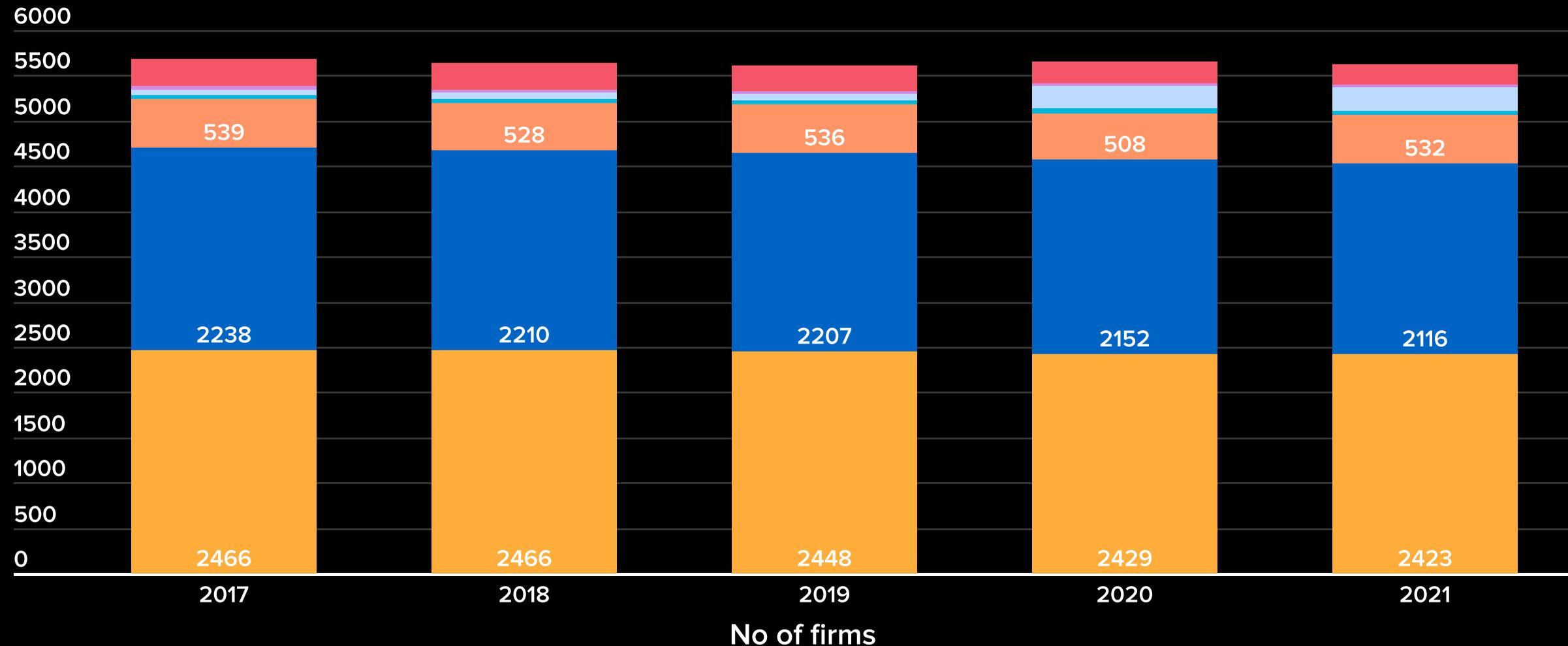
Supposed emerging threats to the independent financial advisers!

- ✘ Consumer Duty
- ✘ AI
- ✘ Consolidation



Consolidation? What Consolidation?

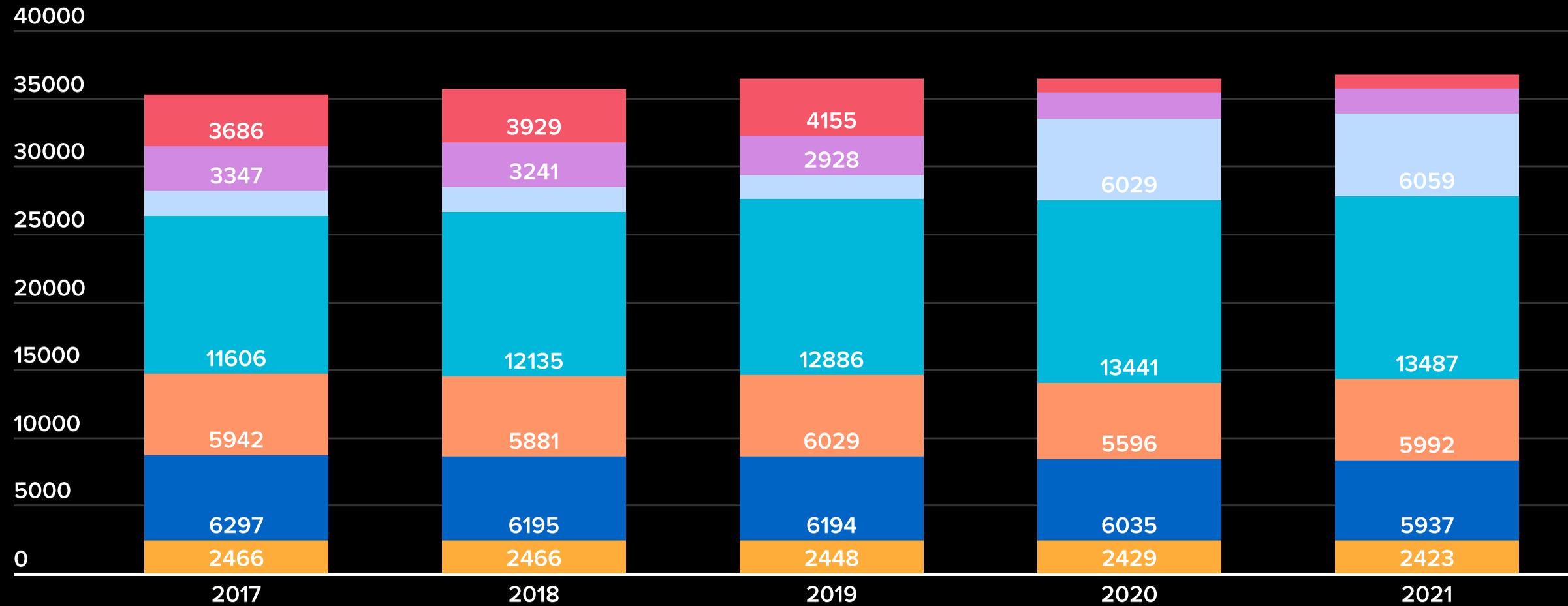
Regulated Advice Firms by Category



● 1 adviser
 ● 2-5 advisers
 ● 6-50 advisers
 ● Over 50 advisers
 ● Wealth & Inv Mgr
 ● Banks & BS
 ● Other firms

Consolidation: Talkin' Loud And Sayin' Nothing

No of Advisers by Firm Type



No of firms

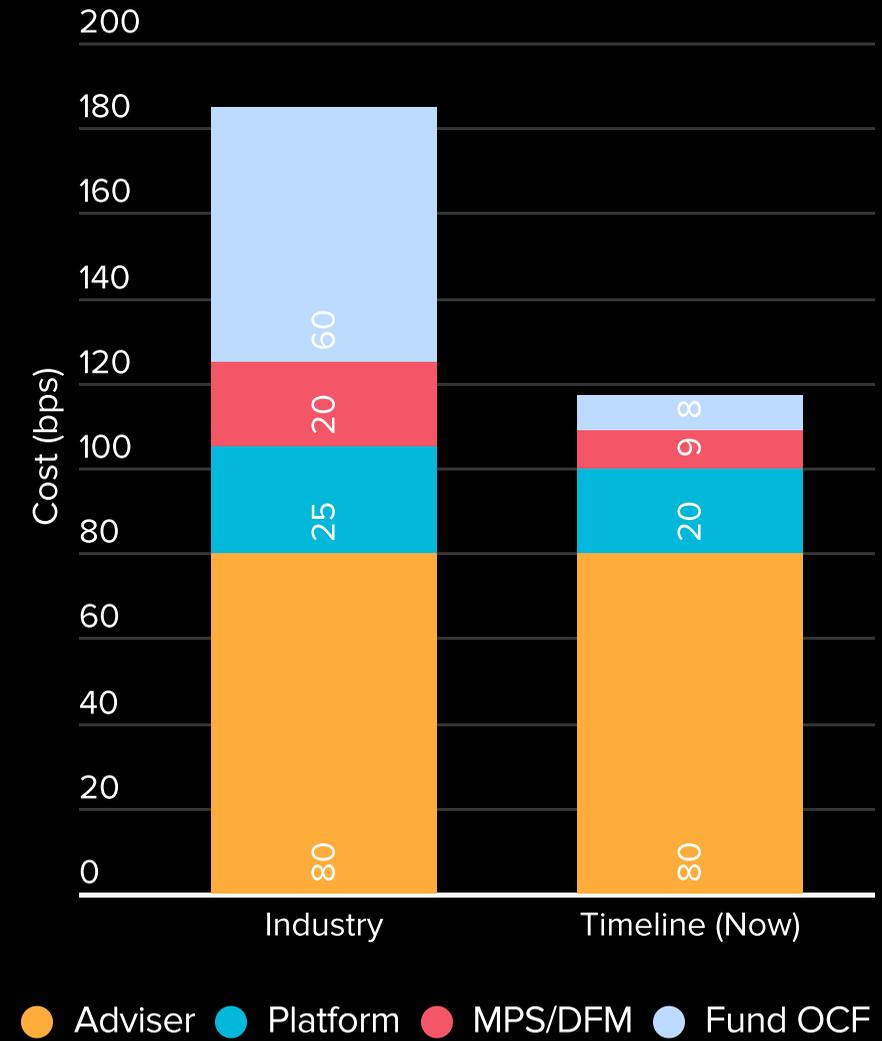
● 1 adviser ● 2-5 advisers ● 6-50 advisers ● Over 50 advisers ● Wealth Mgrs/ Stockbrokers ● Bank & BS ● Others

Troubles, Troubles, Troubles

For PE-backed Consolidators



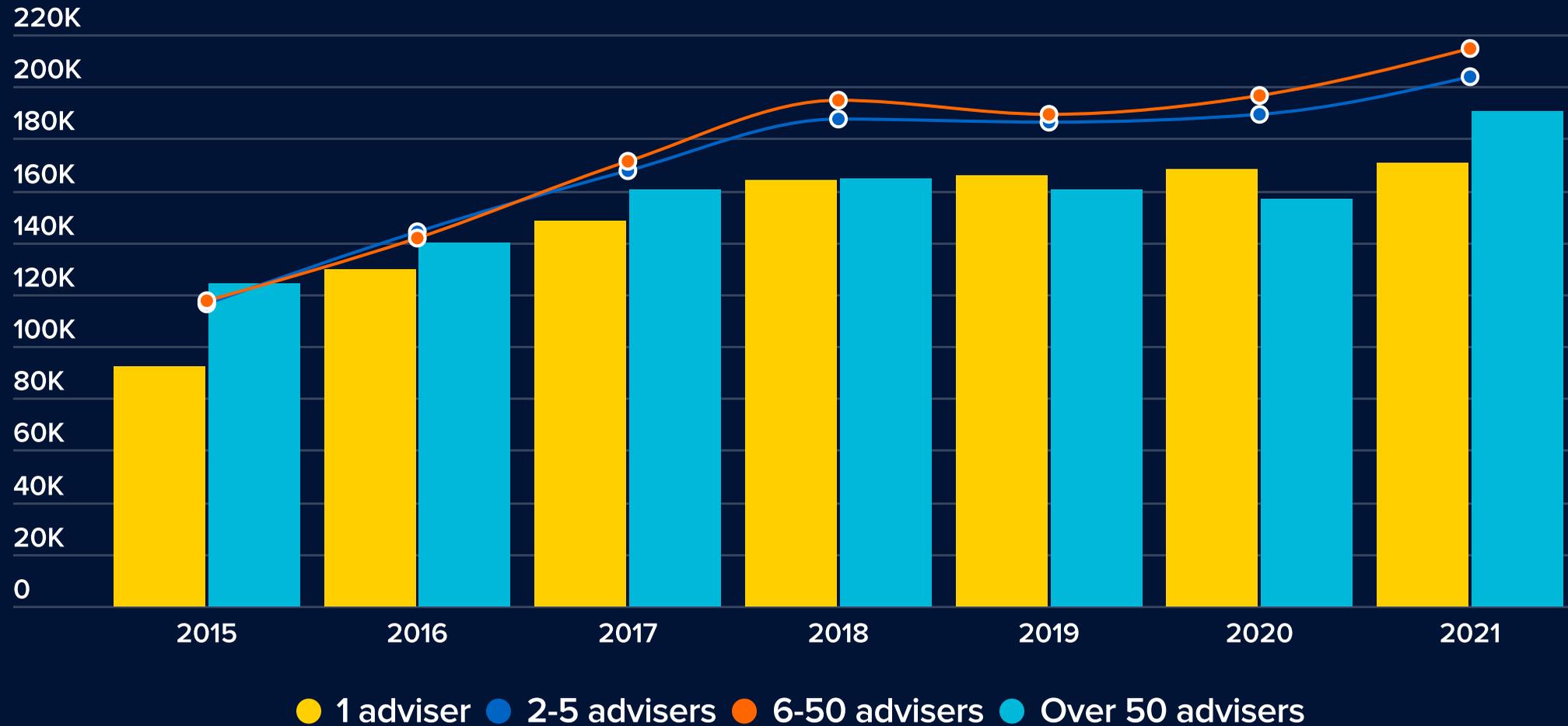
- ✘ Failure to integrate acquired firms
- ✘ Margin compression on MPS, Funds & Platform
- ✘ Breakaway advisers



Sources: NextWealth (2022) MPS Proposition Comparison Report, lang cat (2020) Better. Stronger. Faster.
How do we rebuild centralised investment propositions from here?

Right Size of Life?

Average Retail Investment Revenue per Adviser



£214k

6-50 advisers



£204k

2-6 advisers



£191k

Over 50 advisers

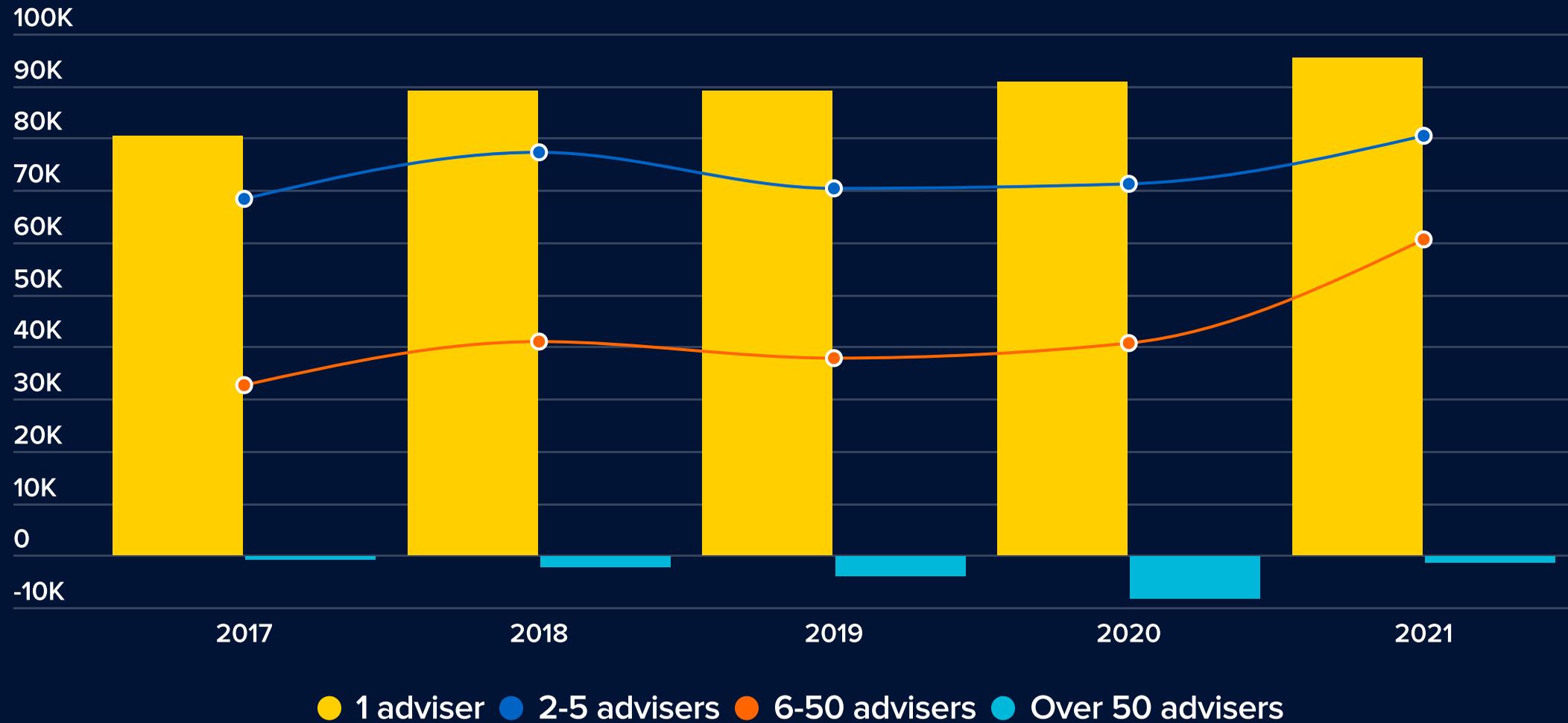


£171k

Solo adviser

Taking Care of Business...

Average Pre-tax Profit per Adviser



£95k

Solo adviser



£81k

2-6 advisers



£61k

6-50 advisers

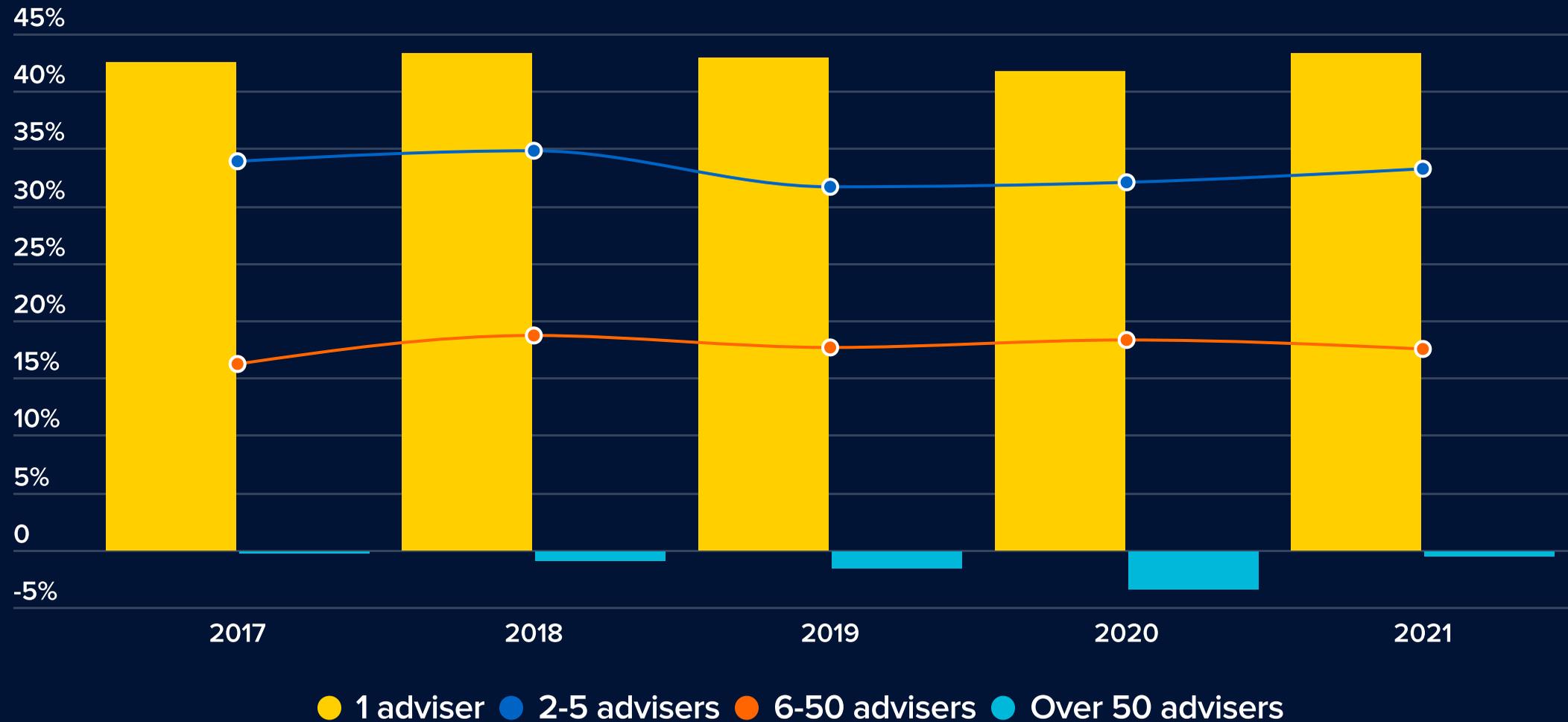


-£1k

Over 50 advisers

Works Hard for the Money...

Average Pre-tax Profit Margin per firm



43.2%

Solo adviser



33.2%

2-6 advisers



17.5%

6-50 advisers



-0.4%

Over 50 advisers

Golden Age of The Million Pound Solo Adviser

"the death of the solo financial advisor" has been forecasted for nearly two decades now, and in the meantime solo financial advisors have actually become more profitable than ever!

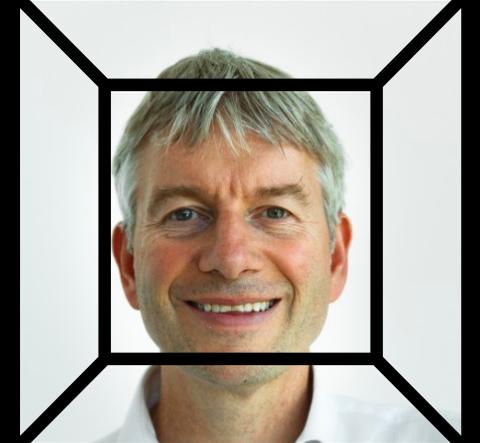
... The best solo advisors are taking home as much hard dollar cash compensation as the typical partner in an advisory firm managing more than \$1 billion of AUM."



Beautiful Boutiques

Ensemble firms with 3 - 10 advisers with shared stewardship of client relationships

- ✘ £3 - £10m turnover
- ✘ Building enterprise value
- ✘ G2 Leadership & Ownership



Just Do It

Your Way

 **timeline**
MONEY FOR LIFE

