



  
**AssetCo**<sup>®</sup>  
October 2021

## Mission

To build a 21<sup>st</sup> century  
asset and wealth  
management business that  
will deliver for investors  
and shareholders

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AssetCo focuses on making strategic acquisitions and organic growth in specific areas of the asset and wealth management sector where structural shifts have the potential to deliver exceptional opportunities





“Our industry is contending with significant structural shifts, including technological advances, a reorientation of investing habits and evolving client needs. We are committed to investing, building and managing an asset and wealth management business that is fit for purpose in the 21<sup>st</sup> century. Our agility, experience and focus will enable us to respond to these changes to deliver greater value for investors and clients alike.”

*Martin Gilbert, Chairman*

# Our Strategy



## Acquire

Focus on high growth, specialist and niche areas in response to investor need. Agile and responsive capabilities. Extensive network and access to opportunities. Complementarity is key



## Improve

Enhance distribution and investor access. Data & analytics-led approach. Optimise competitive advantages. Fully integrate ESG



## Grow and focus

Grow inorganically, though supportive acquisitions, and scale organically through a modern distribution infrastructure with strong digital capability supported by an efficient operating platform with no legacy operations and organisational complexity. Leverage network effects to accelerate growth

**What is our opportunity?**

# Structural market shifts offer exceptional scope for value creation...

A lower return environment for investments due to interest rate dynamics

Shifts to more passive investment products and to private markets asset classes

Continuing drive for lower fees to ensure "value for money"

Reorientation from institutional to individual investors

Increasing regulation and the cost thereof

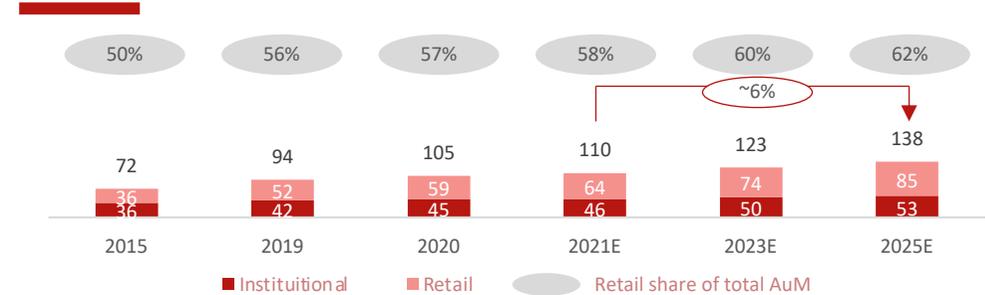
Increasing use of technology and drive for digitalisation

An ongoing and increasing polarisation of the industry

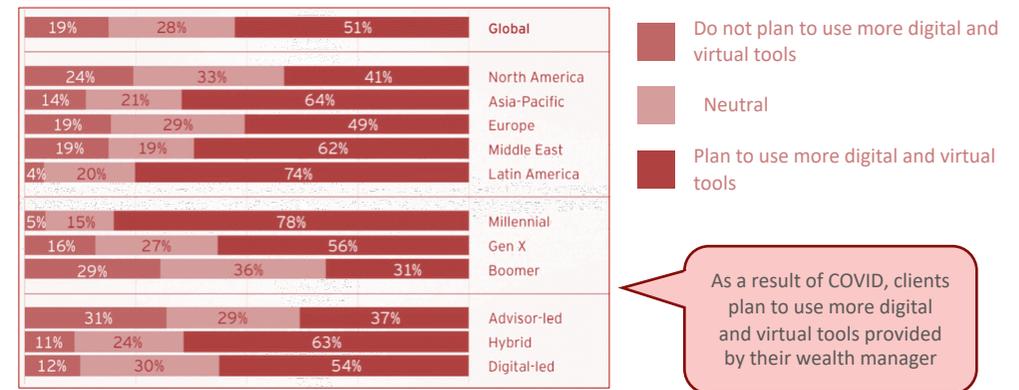
Greater focus on ESG and the nature of underlying investments

**Key:** AssetCo focus area.

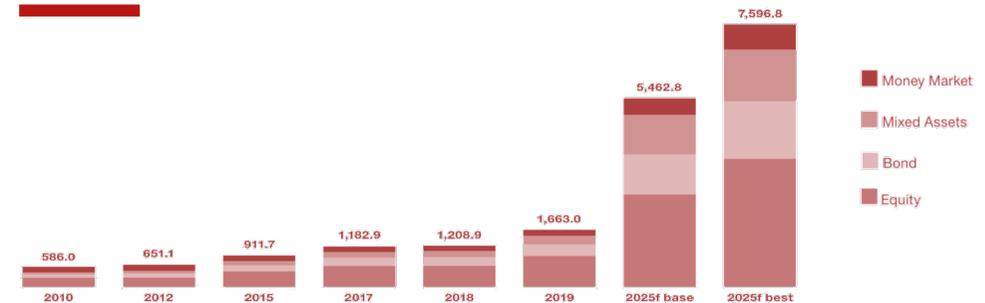
## Global AuM composition by client segment (\$tn)<sup>(1)</sup>



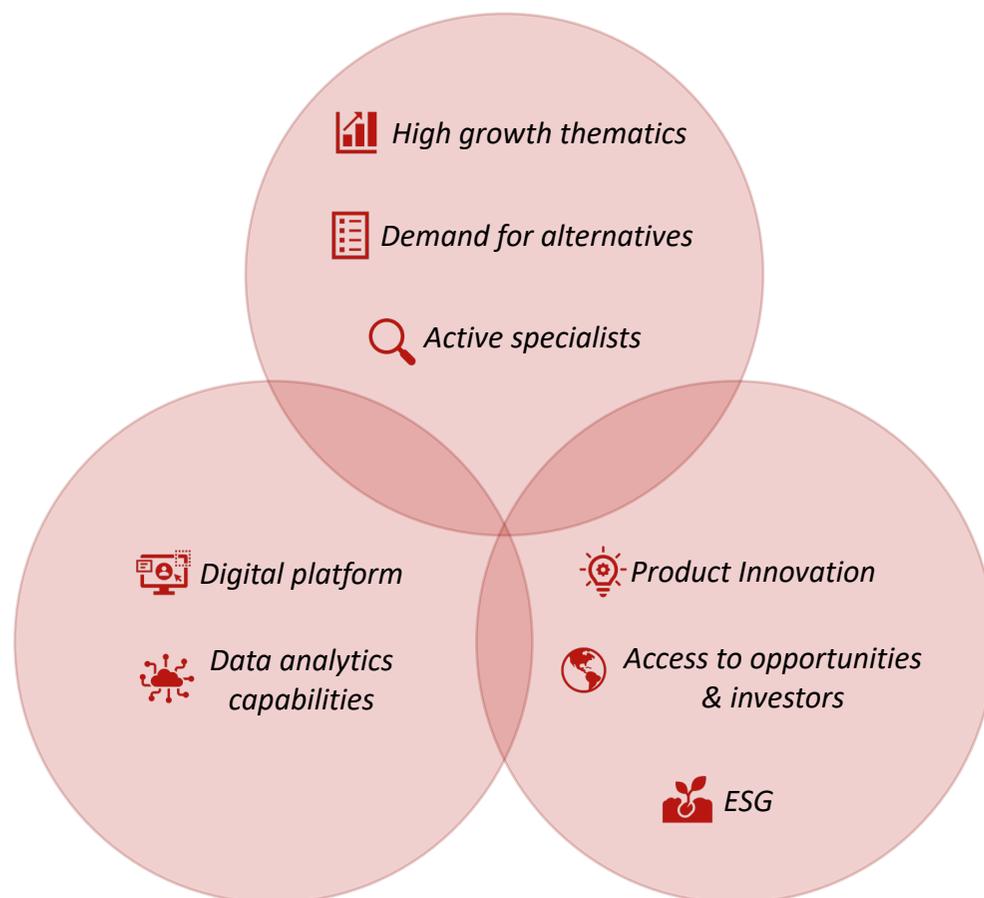
## Usage of digital and virtual tools



## European ESG mutual fund AuM (€bn)<sup>(2)</sup>



# ...with significant implications for the success of asset and wealth managers



## Areas to avoid

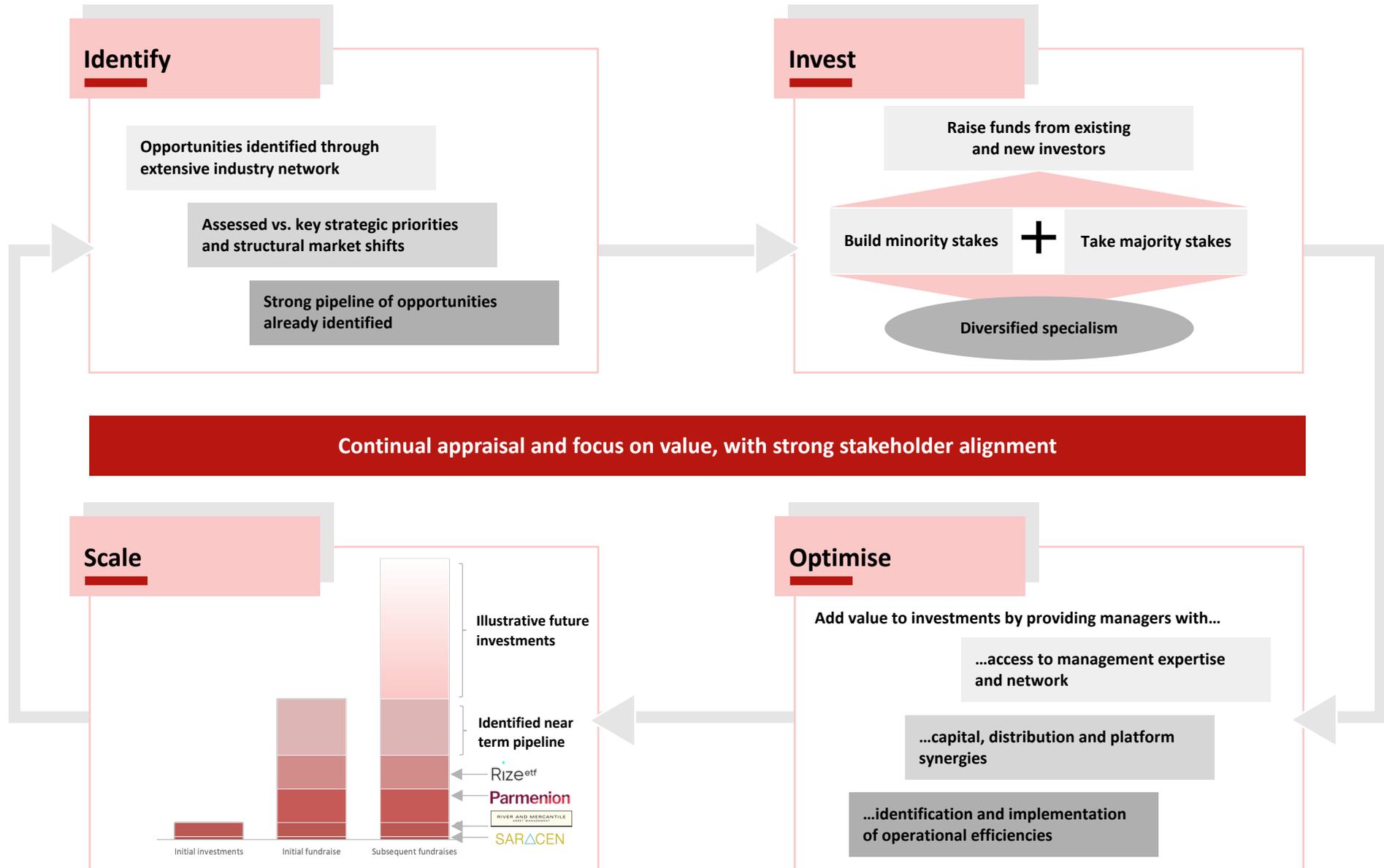
- × Complex business models
- × Scale vs specialism
- × Concentration risk
- × Variable performance
- × Fee pressure
- × Legacy strategies and distribution models

AssetCo is well positioned with no legacy issues, constraints or complexities

**How are we capitalising on this  
generational opportunity?**

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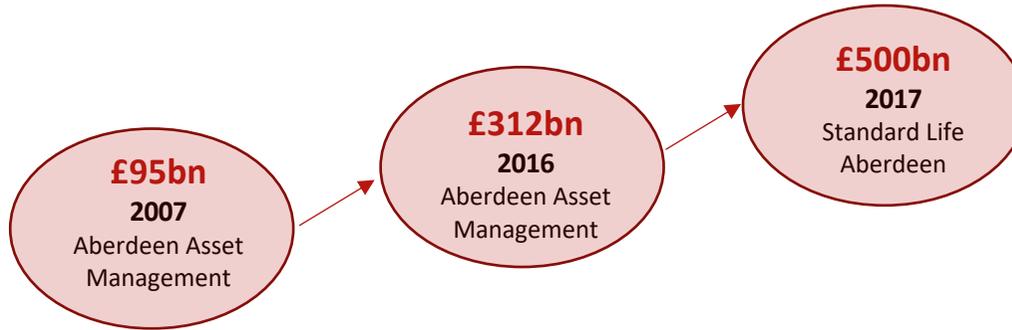
# A differentiated investment proposition with flexible approach



# Our track record speaks for itself



## Business growth



## Harvard Business Review

Ranked 22 (out of 907) in Harvard Business Review's 2015 list of world's top performing CEOs

## GLOBAL INVESTOR GROUP

Named Asset Management CEO of the Year 2018 at the Global Investor Awards



## Distribution and leadership

### Head of UK

#### JP Morgan Asset Management

- ✓ Modernises business and delivers growth assets grow from \$6bn to \$52bn (1997-2009)
- ✓ Assets under management more than doubled (2009-2016)



### Chief Executive – EMEA, Global COO Columbia Threadneedle Investments

- ✓ CEO of the Year 2015, Financial News
- ✓ Assets under management more than doubled (2009-2016)

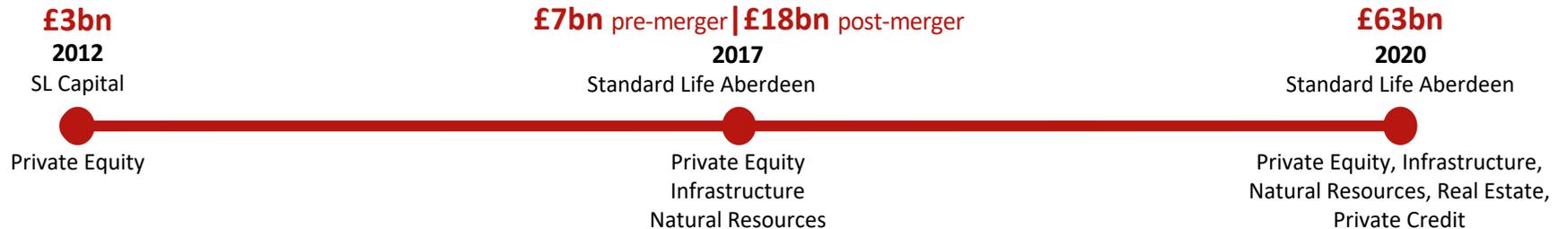


### Global Head of Distribution and Marketing Standard Life Aberdeen

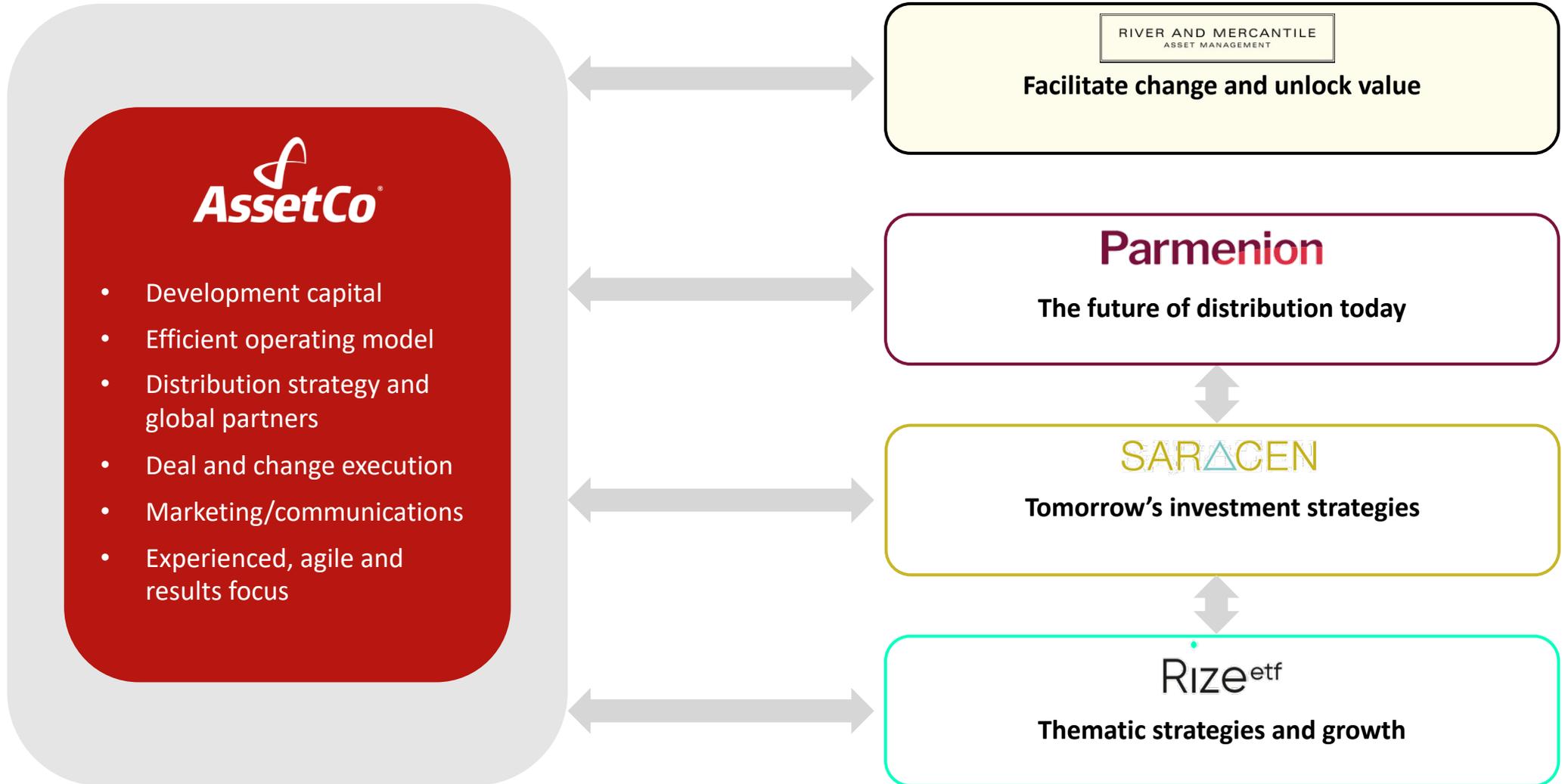
- ✓ Gross flows of £235.7 billion (2018-2020)
- ✓ Member of Phoenix Group Holdings Plc Board (2018-2020)



## Development of private markets



# Building an integrated business model



# AssetCo's journey to becoming a leading diversified asset & wealth manager with focus and no legacy constraints

Building a business for the 21<sup>st</sup> century through selective strategic acquisitions and organic growth in areas where structural shifts have the potential to deliver exceptional growth opportunities



**Business created in April**

**Completed acquisitions**

Providing value and positioned to benefit from supportive structural shifts, e.g. digital platform and thematic investment

**The next acquisitions**

Work in progress to round out the proposition

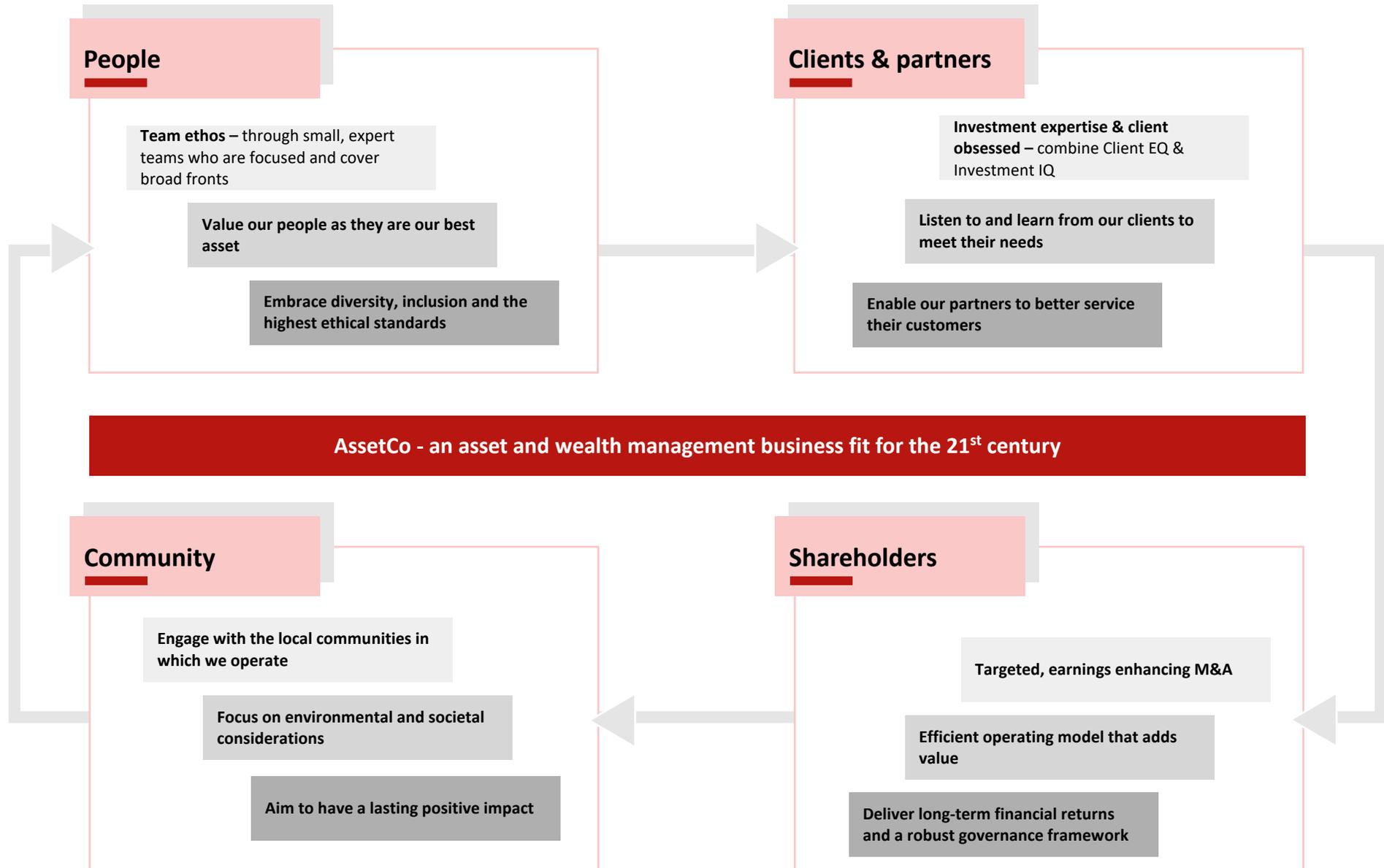
**Unlocking value**

Collaborating with partners, enhancing their each and enabling them to continue meet clients' evolving needs

**AssetCo delivering for all stakeholders**

# Appendix

# Stakeholder principles



# Why we like digital platform distribution

Strong market growth

Attractive returns and high degree of recurring revenue with sticky customer base

Low cost, efficient operations

Technology-led scalability with significant operating leverage

Low acquisition cost customer expansion

Multiple organic growth opportunities and ability to leverage low cost distribution for incremental investment products



## Acquisition of 30% equity stake in Parmenion (alongside Preservation Capital)

- ✓ One of the fastest growing platforms in the B2B platform space, benefiting from strong market growth and digitalisation of the adviser market
- ✓ Market leading adviser ratings, competitive pricing and proprietary technology with rich functionality
- ✓ Highly successful DFM proposition with attractive returns that consistently beat benchmarks and significant growth potential
- ✓ Sticky assets and recurring revenues with low individual adviser firm AuM concentration
- ✓ Highly scalable, well invested and on the cusp of critical mass with significant operational leverage expected as asset base grows
- ✓ Organic growth is expected to be a material driver of value creation. Strong alignment of interests and management incentivised by EBITDA growth
- ✓ Multiple organic growth 'levers', including broadening product into high growth / difficult to access areas (eg private markets), deepening award winning platform functionality, new tailored propositions / solutions, expanding distribution, widening TAM (e.g. D2C) and opportunity for platform consolidation



**AuM more than quadrupled L5Y to c.£9.2bn (Jun)**



**Advisers 2,500+ (c.900 adviser firms)**



**Savers 68,000+**

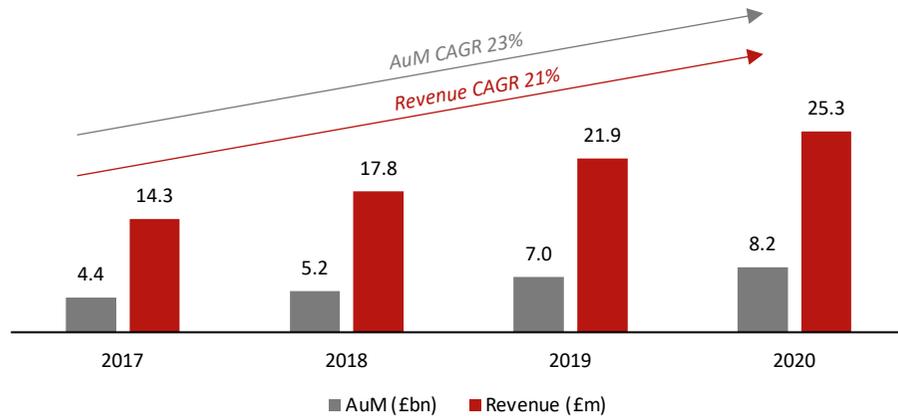


**Multi-award-winning portfolios**

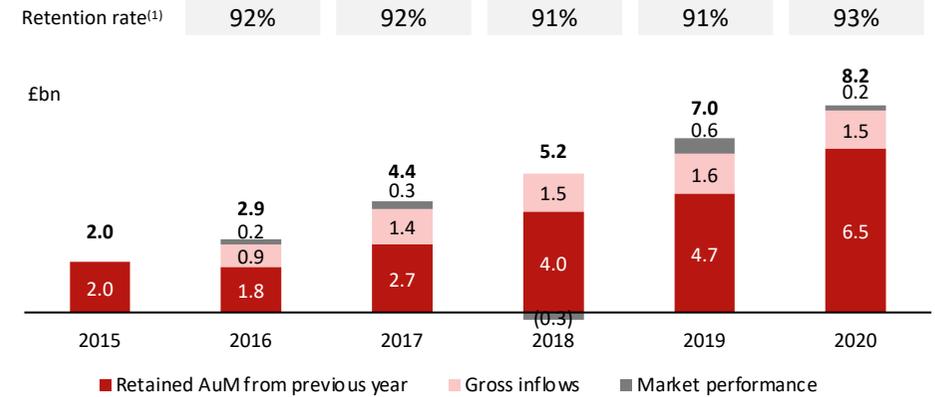
**The adviser platform sector is one of the most attractive sub-sectors within the UK wealth management industry**

# Parmenion in numbers

## Strong AuM and revenue growth

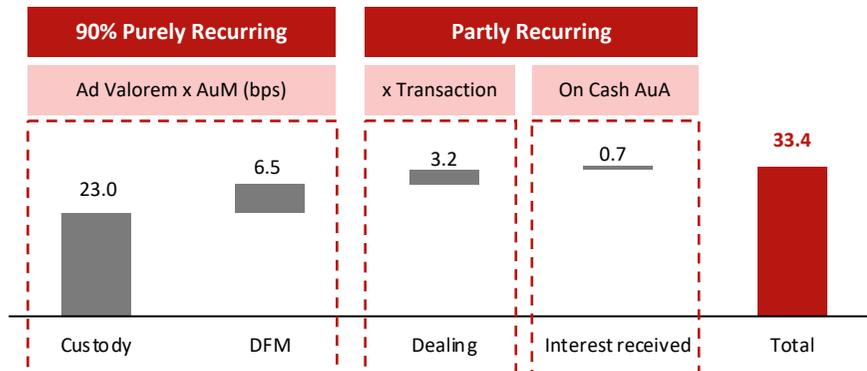


## Sticky asset base



## Highly recurring revenue...

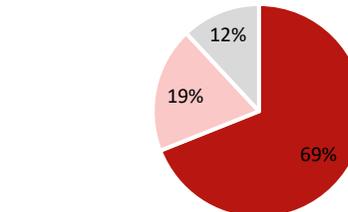
2020 Revenue Fee margin by Service (bps)



## ...with additional margin from DFM (30bps)

Revenue by source (FY20)

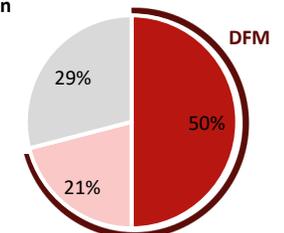
Total: £25.3m



- Custody, £17.4m
- DFM, £4.9m
- Dealing & interest, £2.9m

Business mix by Adviser type

Total: £8.2bn



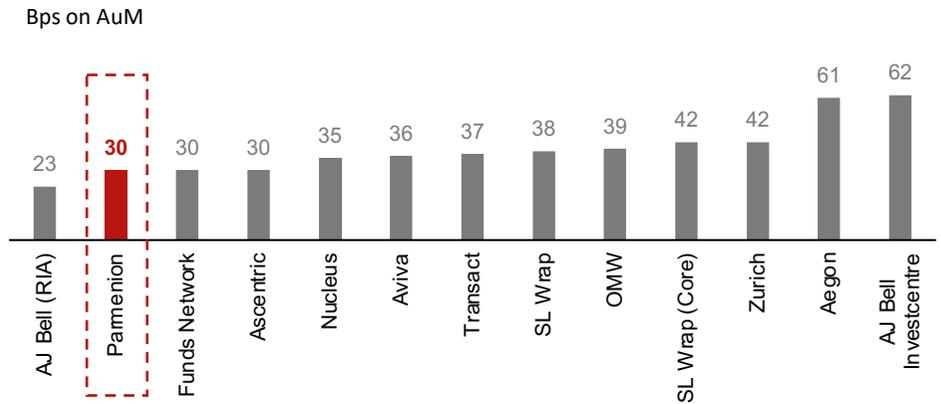
- Fully outsourced (smaller FAs), £4.1bn
- Tailored AIA (medium FAs), £1.8bn
- Partnerships (larger FAs), £2.3bn

# Parmenion is a growth leader in the B2B platform space

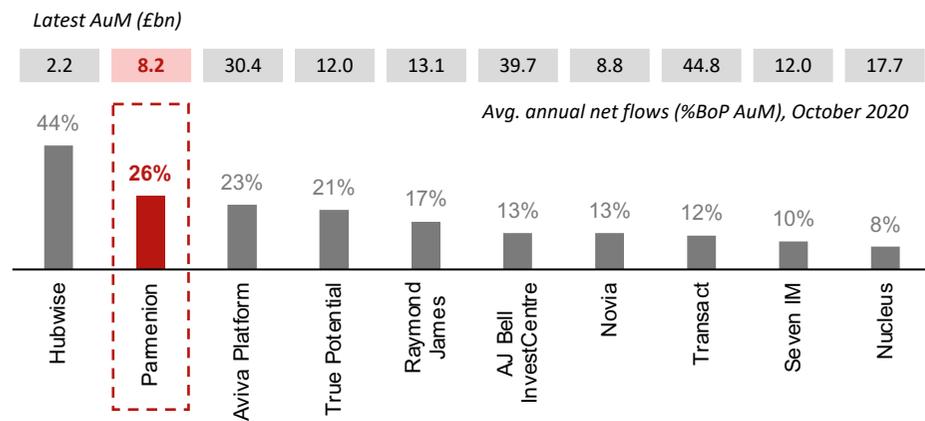
## Parmenion is a high quality platform...

Platform User Leaderboard (Nov-20)		
Rank	Platform	Total (max 50)
1	<b>Parmenion</b>	45.0
2	Transact	43.8
3	AJ Bell Investcentre	43.3
4	True Potential	43.0
5	7IM	42.8

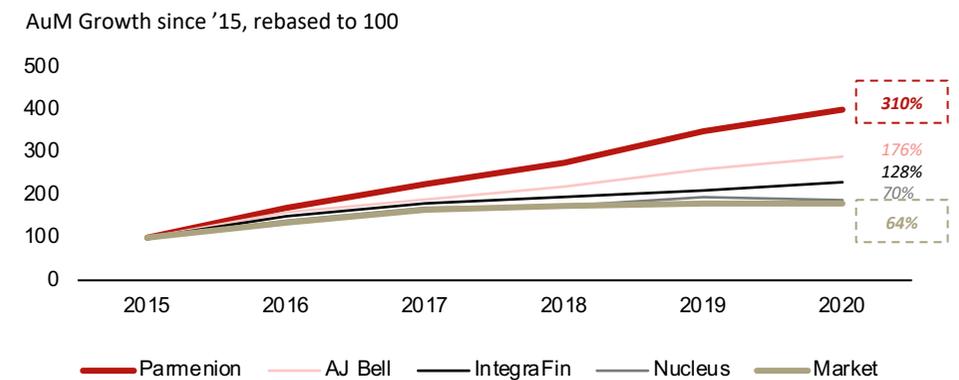
## ...and offers competitive pricing<sup>(1)</sup>



## Parmenion has significant annual net flows...



## ...and is outgrowing the market<sup>(2)</sup>



# Why we like thematic ETFs

Niche segment with exponential growth potential

Highly scalable with significant untapped investor demand

Mass investor appeal and increasingly important part of overall portfolios

Attractive, low cost, liquid way to access difficult-to-access asset classes

Bespoke and tailored offerings



# Thematic investing is experiencing significant AuM growth

ETF innovation continues to create opportunities for more dynamic investing

Top ETF strategies investors would like to see more of in the market

Thematic

Market cap index

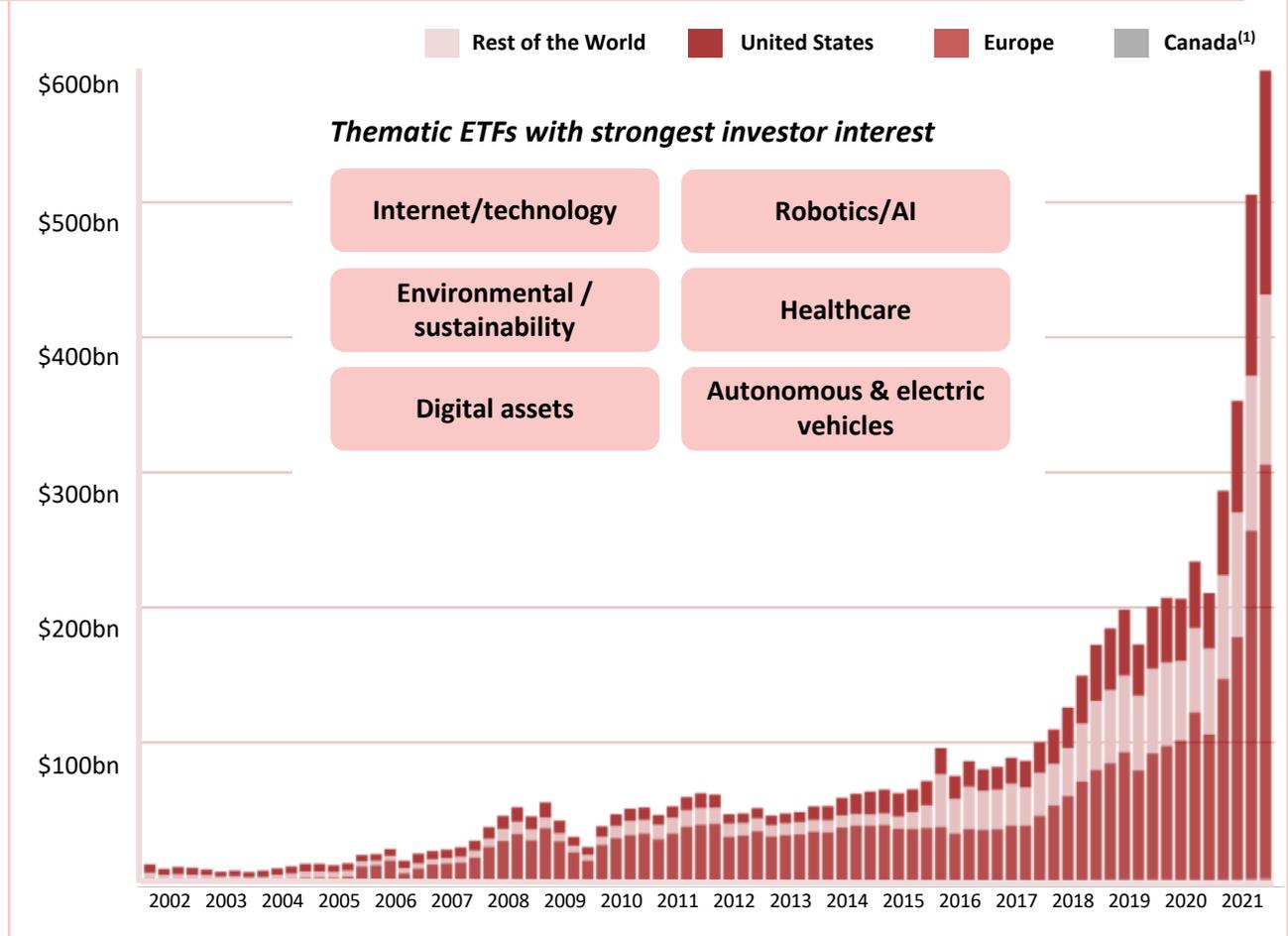
Cryptocurrency

ESG

Defined outcome (buffered ETF)

Active

Global growth in thematic fund AuM by region



Total thematic AuM \$595bn > Total Europe thematic AuM \$304bn > Total Europe thematic ETFs \$40bn



# A NEW WAY TO INVEST IN THE FUTURE

## Majority acquisition of Rize ETF



### Rapid growth

AuM is growing rapidly and has reached \$400m within 16 months of launch despite unprecedented market challenges



### Specialist issuer

Believed to be Europe's first specialist thematic ETF issuer pioneering a new way of investing



### Niche offering

Offers investors custom built exposures to transformative, global megatrends



### Proven track record

Team of ETF experts with a proven track record of setting up and scaling a leading ETF business



### Excellent pipeline

On track for a further 4 ETF launches in 2021 and a very strong pipeline for the medium term

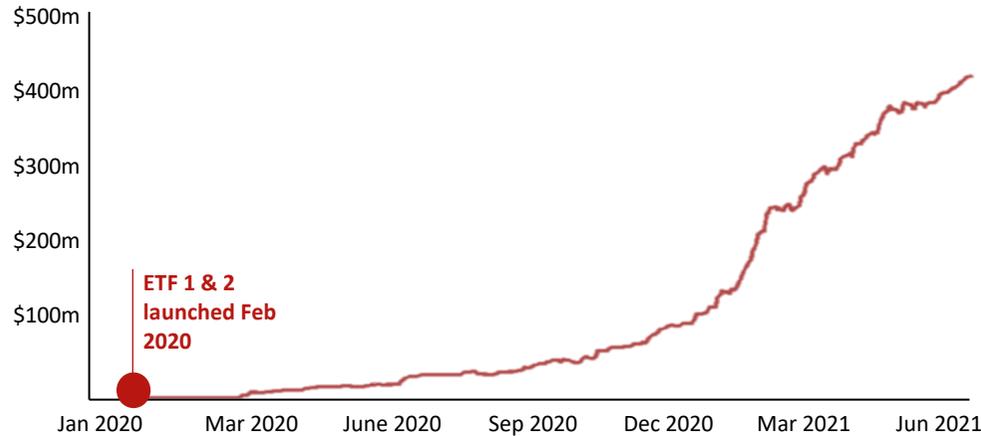


### Multi-award winner

Winner of Best New ETF Entrant (ETF Express European Awards, 2021) and Best ESG Fund: Thematic (ESG Investing Awards, 2021)

# Rize ETF in numbers

## Assets under management



## Key metrics

Weighted avg. management fee

0.48%

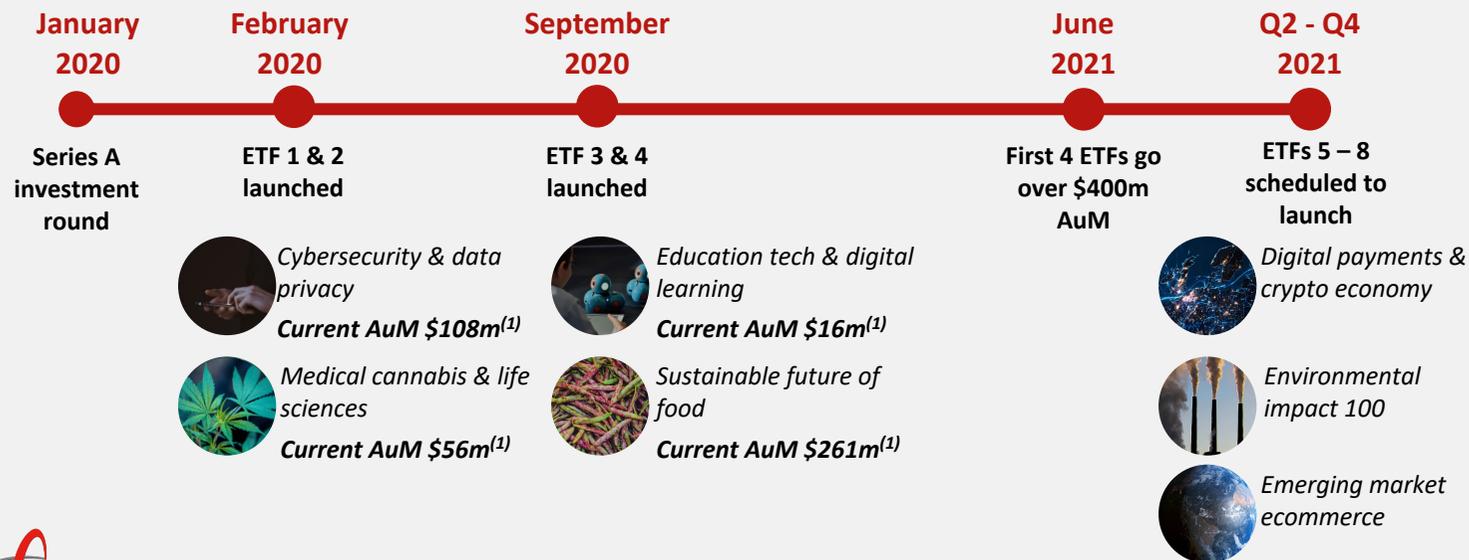
Annualised run rate revenue

>\$2m

Digital advertising

40 million impressions per month

## Milestones



## Listings

- London Stock Exchange
- Frankfurt Stock Exchange
- Borsa Italiana
- SIX Swiss Exchange
- Euronext Amsterdam

## Geographies<sup>(2)</sup>

- UK
- Italy
- Switzerland
- Germany
- Austria
- Netherlands
- Sweden
- Finland
- Denmark
- Luxembourg
- Ireland
- Spain
- Portugal<sup>(3)</sup>

Leveraging our extensive network and breadth of experience in the sector helps us access the best opportunities

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**Martin Gilbert**  
Chairman

**Aberdeen Asset Management**  
Co-founder & CEO

**Standard Life Aberdeen**  
Co-CEO

**Revolut Ltd**  
Chairman

**Toscafund**  
Chairman

**River and Mercantile Group**  
Deputy Chairman

**Glencore plc**  
Senior Independent Director



**Campbell Fleming**  
Chief Executive Officer

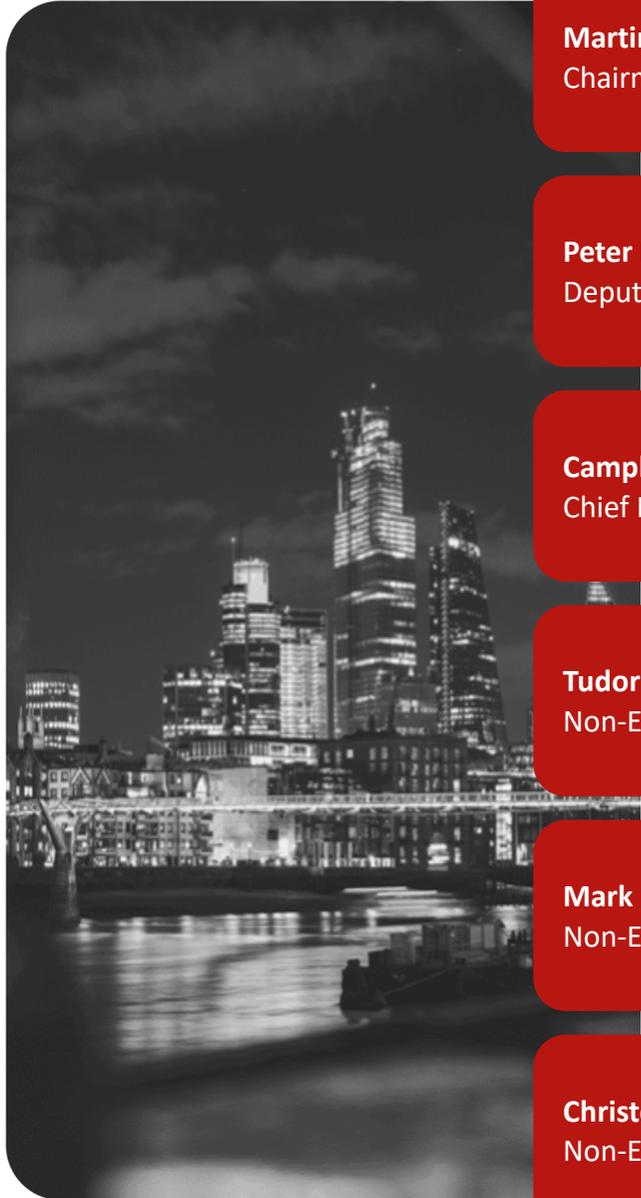
**Standard Life Aberdeen**  
Global Head of Distribution & Marketing

**Columbia Threadneedle Investments**  
CEO – EMEA and Global COO

**JP Morgan Asset Management**  
Head of UK

**The Big Exchange**  
Chairman

# Board of Directors



**Martin Gilbert**  
Chairman

**Peter McKellar**  
Deputy Chairman

**Campbell Fleming**  
Chief Executive Officer

**Tudor Davies**  
Non-Executive Director

**Mark Butcher**  
Non-Executive Director

**Christopher Mills**  
Non-Executive Director

# Highly supportive shareholders with significant management buy-in

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## Significant Shareholders

Shareholder	% ISC
Harwood Capital Management	23.0%
ToscaFund Asset Management	12.7%
Martin Gilbert	8.7%
ICM Limited	8.6%
Lombard Odier Asset Management (Europe) Limited	7.9%
Richard Griffiths	3.7%
Peter McKellar	3.1%
Cadoc Limited	2.4%

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