



UBS SA Financials Conference “Ecosystems for a digital world”

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Quilter

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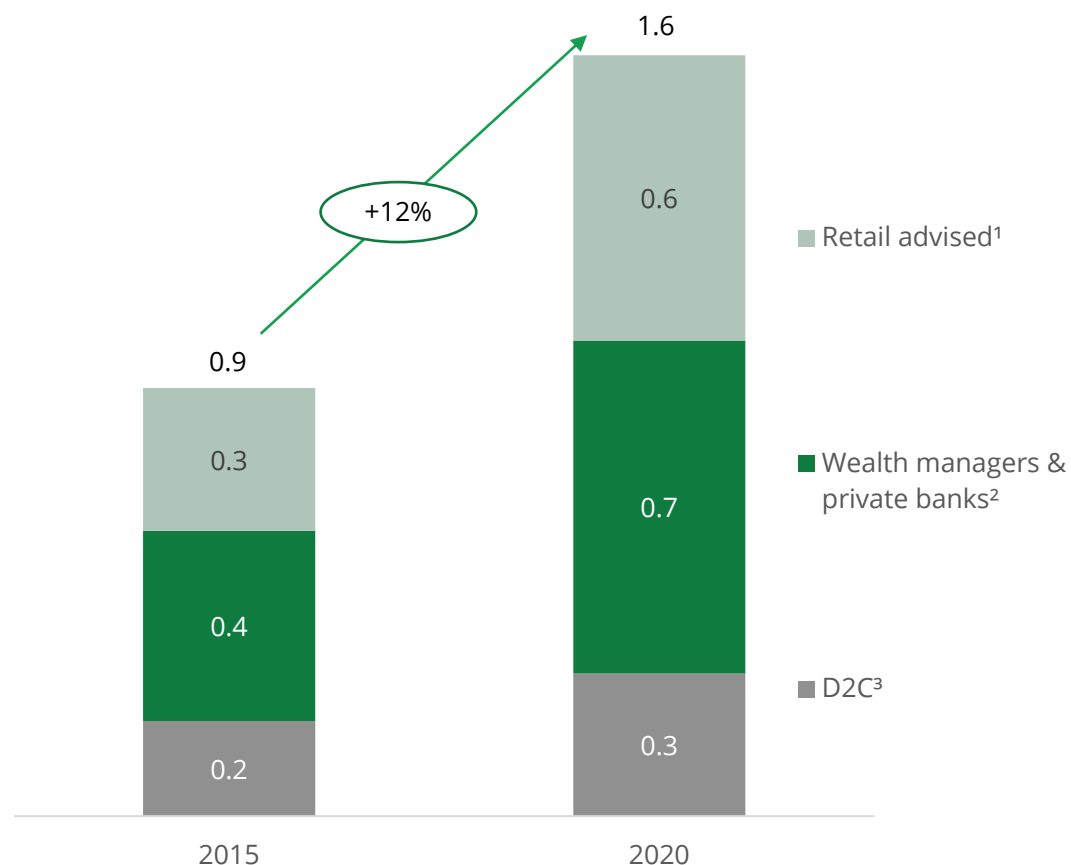
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Growing UK Wealth management served broadly by three models

UK wealth management market¹

AuM, £trn

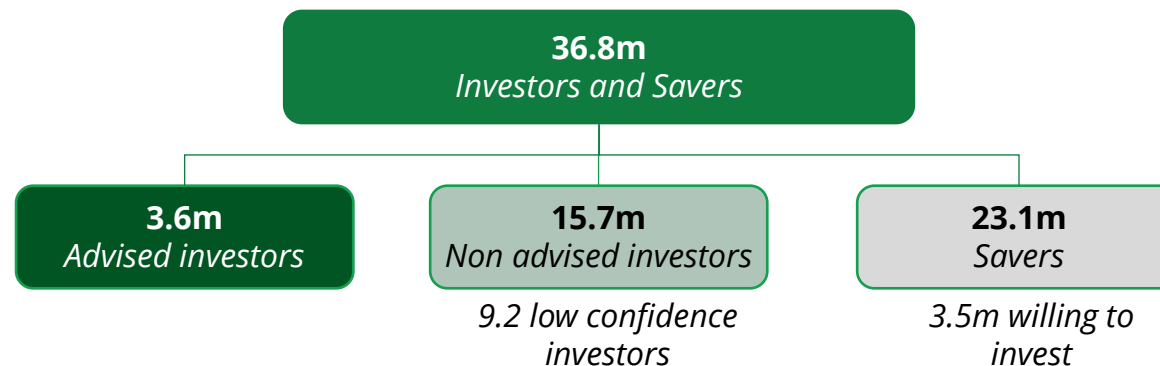


- Retail advised market continues to be a high growth market
 - c.15% CAGR over last 5 years as assets consolidate onto Platform with support from Financial Advisers
- Discretionary market remains largest Wealth market sector
 - Slower growing than other two sectors
- D2C also grown at c.15% CAGR over last 5 years
 - New entrants and younger clients' accounts key drivers of growth

1. Fundscape Platform report Q420, Mar 2021. Retail Advised Platform AuA, including £59bn and £129bn St. James Place AuM in respective years.
 2. Compeer UK Wealth Management Report, 2021. Includes Wealth manager and Private banks Discretionary AUM only.
 3. Boring Money Online Investing Feb 2021.
 Utilising different sources results in some overlap in underlying participants and AuMA

Growing UK Wealth management with differing needs and preferences

UK market size for digital advice, c.37 million Investors and Savers¹



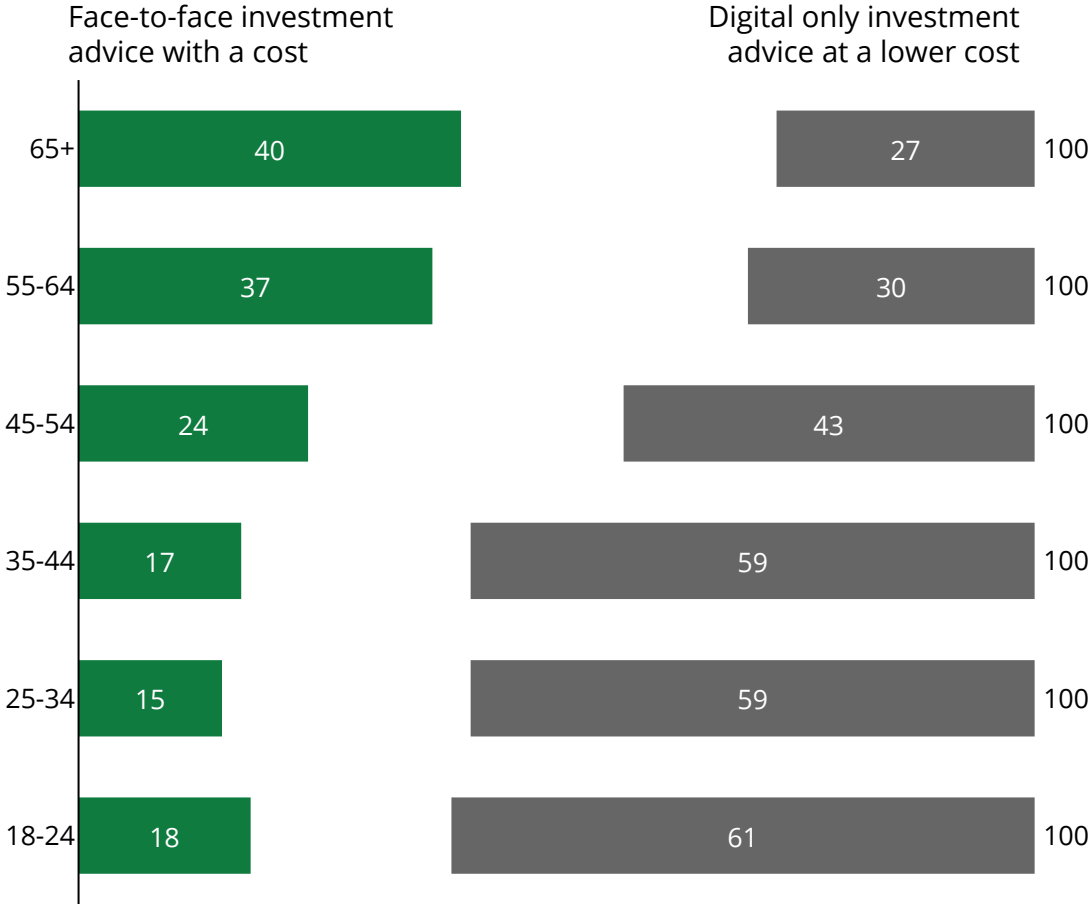
UK investable wealth segments	Investable assets	Dynamic
High net worth	£300k to £2m+	<ul style="list-style-type: none"> Relationship driven advice and investment management; given invested pots and bespoke needs
Affluent	£100k to £300k	<ul style="list-style-type: none"> Relationship driven advice; particularly complex and critical life stages e.g. At-retirement
Mass Affluent	£0 to £100k	<ul style="list-style-type: none"> Mass market incl. younger savers attracted to Digital Wealth and D2C solutions
Advice gap with less confident investors and savers looking to invest, with digital preference		

1. Boring Money Insights, Advice May 2021.

COVID-19 a catalyst for shift to digital, but investors remain cautious

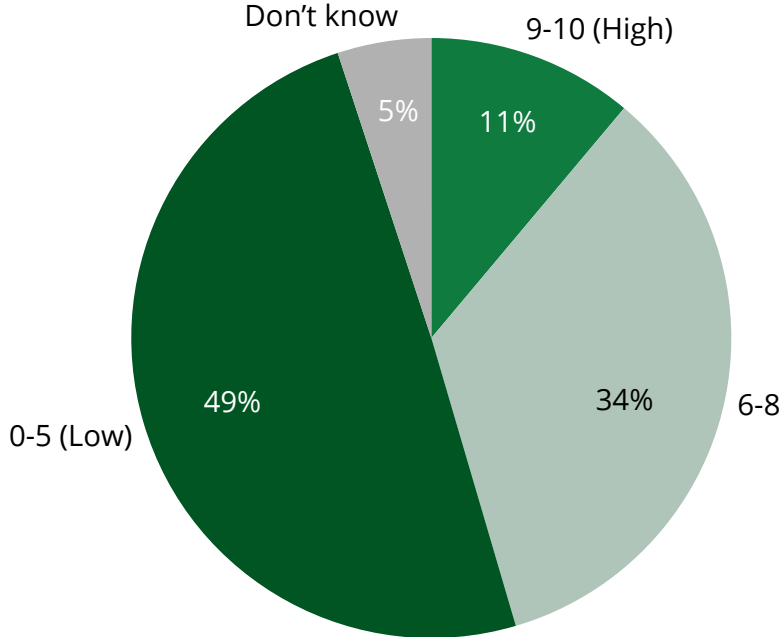
Investors preference for digital advice vs face-to-face¹

% of respondents, by age



Investors confidence in opening new investment product¹

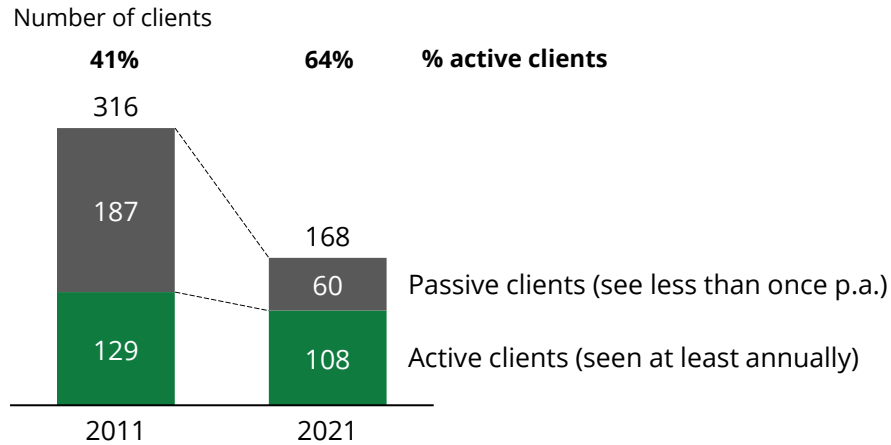
"On a scale of 0-10, how confident would you be in choosing a new investment product for yourself (i.e. at the right price, with correct services for your needs etc.), where 0 is not confident at all and 10 is very confident?"



1. Source: Boring Money Insights, Advice May 2021.

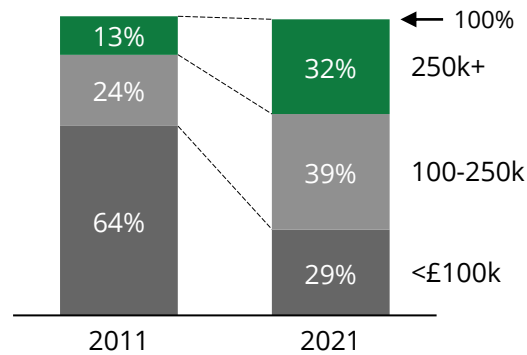
Average UK Adviser capacity constrained given current technology

UK Adviser average client portfolio¹



- Adviser trend to serve fewer active clients:
 - Change in compensation model from commission to fees
 - Smaller number of those with higher investable assets
 - Time and effort required to provide ongoing service
 - Opportunity to serve customers' wealth needs for longer
- Potentially more customers left without access to advice at a time when the need for advice is increasing
- Digital solutions supporting advisers to service a greater number of clients, but small nature of firms means available investment is limited

UK Adviser AuM per client¹



1. Source: Investment Trends. March 2021 UK Adviser Technology & Business Report, based on a survey of 943 advisers. Passive clients considered to be those the adviser sees less than once a year; Active clients considered to be those the adviser sees as least annually.

UK Wealth management digital ecosystem

Supply



- Advisers serving fewer ongoing relationships, focusing on more affluent clients
- Robo-advice been around for a decade, but 'hybrid advice' availability still limited
- Platforms driving scale efficiencies, largely playing in either advised or D2C markets with limited multi-channel offerings

Demand



- Need for advice across the wealth spectrum in an environment of complex tax planning, increasing inflation and volatile markets
- Advice through digital channels – uptake influenced by client preference and solution complexity
- Inter-generational solutions, facilitating wealth planning and transfer
- Open architecture wrap-platforms, with transparent pricing, investment choice and easy to use interface
- Risk-based investment solutions incorporating ESG preferences

Quilter model and approach to developing digital

	IFA's offering Quilter Platform and Quilter and 3 rd party Investment solutions	RFP's offering Quilter Platform and Quilter Investment Solutions	IFA's and PCA RFP's offering Quilter Cheviot discretionary solutions
Client type and need	<ul style="list-style-type: none"> ➤ Typically 45-55 years old ➤ £100k+ to invest, mainly pension wrapper 	<ul style="list-style-type: none"> ➤ Typically 45-55 years old ➤ £100k+ to invest, mainly pension wrapper 	<ul style="list-style-type: none"> ➤ Typically £300k+ to invest, mainly unwrapped ➤ Financial advice and Investment management solution for client
Proposition	<ul style="list-style-type: none"> ➤ Independent advice most often related to pension switch, consolidation, at-retirement, inheritance, ISA and GIA 	<ul style="list-style-type: none"> ➤ Restricted advice most often related to pension switch, consolidation, at-retirement, inheritance, ISA and GIA 	<ul style="list-style-type: none"> ➤ Typically combined Financial advice and Investment management solution for client
Investment solution	<ul style="list-style-type: none"> ➤ Wealth Select MPS ➤ 3rd party funds 	<ul style="list-style-type: none"> ➤ Cirilium unitised range ➤ Wealth Select MPS 	<ul style="list-style-type: none"> ➤ Discretionary
Digital opportunity	<ul style="list-style-type: none"> ➤ Improve client experience and engagement (e.g. Mobile App) ➤ Develop solutions to further support IFA community, increasing Adviser productivity and broadening target market 	<ul style="list-style-type: none"> ➤ Improve client experience and engagement ➤ Improve QFP process and efficiency to support adviser productivity ➤ Serve new channels to broaden target market and better support Affinity partners 	<ul style="list-style-type: none"> ➤ Improve client experience and engagement (QC on Platform) ➤ Improve process and efficiency to support adviser and investment management productivity



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