

Quilter Results

4th March 2026

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Steven Levin: All right. Good morning, everyone, and welcome to our 2025 results presentation.

Before I start, we are all conscious with the very uncertain global political environment that we see, geopolitical environment. Across Quilter, our thoughts are with our colleagues and our clients in the Middle East right now.

Let me get on to the results. I will start with a review of the year, then I will cover our business highlights and talk through our flow performance, Mark will take us through the financials, and then I want to spend some time today talking about the growth outlook and the exciting opportunities that we see ahead. After that, we'll finish with Q&A as usual.

I'm very pleased with our strategic and financial performance in 2025. We delivered another good year of strong profit growth from a very strong base in 2024. We saw excellent momentum in flows, taking market share in growing markets.

Let me run through the highlights. Core net flows were up to a record £9 billion pounds. That's 75% higher than 2024. Our operating margin is at 30%, in line with our medium-term goal. Adjusted profit increased 6% to £207 million. That reflects higher revenues and good cost management combined with increased investments. Earnings per share increased 4% to 11 pence, and the Board has declared a dividend for the year of 6.3 pence, an increase of 7%. We've also announced a share buyback and a change in distribution policy, which Mark will cover later.

Let's now drill down into the flows. This slide shows gross new business outflows and net inflows for the last two years. New business flows on the left have continued to build momentum with sequential period-on-period improvement across both channels. Outflows in the middle temporarily picked up with the protracted speculation and uncertainty around the UK budget in November last year. But even so, we've seen consistent improvement in net flows on the right. And given the market share gains we achieved last year and the current level of net flows of around £2 billion a quarter feels broadly sustainable.

Our strong flows are no accident. It's the direct result of the strategic progress we've made. First, in distribution, we've delivered flows ahead of our targets. We've added to the number of advisors and advisor firms in our Quilter channel, and we've increased their productivity. More than a hundred advisors graduated from our academy and they're now starting to build their books.

In high net worth, we added investment managers and announced the acquisition of Gillen Markets in Ireland, building out our footprint there.

Next, in propositions, our high-performing WealthSelect MPS is the largest in the market and is now on six third-party platforms. And early in the year, we launched Smoothed Funds with Standard Life. This is a unique product for clients nearing the accumulation on retirement. We've been working on our targeted support proposition, and I'll say more about this shortly.

And in high net worth, we've added a private market proposition for those wanting alternative asset classes and a new decumulation offering for clients in retirement.

In terms of becoming future fit, we've completed our simplification programme, invested in our brand, and progressed our advice transformation programme. And we've started rolling out AI productivity tools to advisors, as you will hear shortly.

So, we've achieved a lot, and we're doing it from a position of strength. We're already the UK's largest single advisor platform and the fastest growing of the large platforms. The vertical axis here shows gross flows of each platform in 2025. The horizontal axis is net flows as a percentage of opening assets, and the size of the bubble is the total AuMA. We are clearly the largest and fastest growing. This gives us scale in a market where scale matters.

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Now what's especially gratifying is that we've been increasing flows onto our platform consistently, month on month, year on year, as you can see here. The charts show cumulative monthly net flows, the Quilter channel in green and the IFA channel in grey. As you can see, inflows onto the platform from the Quilter channel were up 12% year on year and net flows are around 18% of opening balances.

Similarly, in the IFA channel, net inflows were up at 92% year-on-year, and these are running at 9% of opening balances.

The key to delivering results like this is providing a market-leading proposition to customers combined with excellent distribution and that's been our focus over the last few years. Let's step back to 2020. Back then, we were only capturing around half the platform flows generated by Quilter advisors. Following the successful migration to our new platform in 2021, we started focusing on advisor alignment and began reviewing the productivity of our advisor force and we streamlined where appropriate. As you can see in the top right, our advisor force is now smaller, more aligned and far more productive, more than doubling the gross flows it generates onto our platform.

In the IFA market, our focus since launch of our new platform was growing market share by deepening our share of wallet with existing relationships and winning new friends. And you can see the success of that in the black line in the bottom right, which combined with the improvement in total flows across the market has driven a trebling of gross flows over the period. There's also a slide in the appendix which gives a helpful perspective of our performance against the market.

So, we've done well, and we've got real momentum, and we're continuing to invest where we see opportunity. There are three areas I'm focused on to drive our distribution even further. First, building the advice business of tomorrow. Our advice transformation programme is giving advisors the tools to materially increase their productivity, serving more customers and bringing in more new business. And Quilter partner assets are also growing significantly and these are assets that are both on our platform and in our solutions. Brand will also play an important role here.

Second, on recruitment, we'll continue to add firms, like the six we announced earlier this week, and the Quilter Academy will deliver a higher number of graduates this year. Our goal is for the Quilter Academy graduates to offset the natural attrition from advisor retirements so that all the recruitment into the advice business drives net advisor growth.

Third, support. We'll continue to invest in the award-winning service and propositions which sit behind our platform and our solutions. This is key for our network and for the broader IFA community.

Now let's turn to our solutions business. We want to be recognised as the leading asset manager for advised flows. As you know, across the industry we're seeing a move away from active management towards passive and blend solutions, and a trend away from fund of funds towards MPS. That's reflected in what you see on the left. Our growth is biased towards our WealthSelect MPS, as well as to passive and blend solutions with outflows in Cirilium Active. The regulatory environment is also encouraging advisors to focus on planning and to outsource investment solutions. And we've been clear beneficiaries of this.

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On the right, you can see our managed assets have increased from £26 billion in 2023 to £37 billion at the end of 2025 and the strong performance and competitive pricing of our WealthSelect MPS means that it's now got over £25 billion under management. It's recognised as the market leader, and in direct response from requests from IFAs, it's now available on multiple third-party platforms. That means they can use it as their core investment solution across their entire client base, no matter which platform those clients are on.

Now to high net worth. Net flow growth improved year on year, and we continue to outperform our listed peers, as you can see on the left. We've broken down the flow picture by channel on the right-hand side, and you'll see good net flows from our own advisors in green. There's a more challenged picture from the IFA and the direct channel. This is generally a more mature book with higher natural redemption rates. It's also worth noting that the uncertainty caused by the pre-budget speculation was a notable concern amongst high net worth clients, which led to above average outflows in Q4.

This is a strong business with strong foundations, but we know it's got more potential. Over the last 12 months, we've made good progress. Advice and investment management permissions are now in a single entity. We've digitised a number of core processes, and we've launched a mobile app to provide a much better client experience. We've expanded our client solutions, and we've continued to deliver strong investment performance. But we still need to do more.

So, when John Goddard took over the reins in September, I gave him a clear mandate to grow the business. We're refocusing our distribution strategy across both our own advisors and the IFA market. We've reviewed the fit of our own RFPs to deliver high net worth products and services more effectively, and we're realigning and rationalising the team in some places. The advisors impacted by this change can explore options within our Affluent segment or exit the business. Once we've done that and enhanced productivity, we will grow the team.

We're also leveraging our MPS capabilities. We're moving smaller scale clients from DPS to MPS, which are more suited to their needs, and come at a lower cost. This also frees up investment manager capacity, allowing them to concentrate on higher value clients where discretionary solutions are more appropriate.

We were the first UK retail wealth business to offer private market evergreen solutions and we've led the way with decumulation offerings. It's important to offer a broader

propositional range beyond the traditional DFM offering. We're aiming to attract a broader client base, and as ever, distribution is the key.

We intend to build a high-performance business. That means building out our digital capabilities, continuing to invest in proposition and distribution, and maintaining the strong client service and investment performance culture. We're working towards delivering mid-single-digit rate of net flows as a percentage of assets and operating margin in the mid-20s.

Right, with that, let me hand over to Mark.

Mark Satchel: Thank you, Steven, and good morning, everyone.

Let me start by echoing Steven's comments that our business is in great shape. We delivered a strong financial performance in 2025. Let me give you my three key messages.

One, we delivered revenue growth of 5%. That included 7% growth in net management fees, partly offset by lower interest income on shareholder capital, which reduced revenue growth by around a percentage point. Costs were well managed and came in below our £500 million guidance. We invested in initiatives such as our brand and Quilter Invest and absorbed higher national insurance costs. Our cost discipline and the remainder of our simplification initiatives contributed to a percentage points increase in our operating margin, which has now reached 30%. And our balance sheet remains in very good shape. I'll cover the conclusions of our capital review later.

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Let's get into the detail with my usual analysis of our P&L dynamics. Starting top left, net flows of £9.1 billion were, as already covered, significantly ahead of 2024. Strong flows in positive markets meant that average AuMA was up 14%. Top right, you can see revenues grew 5% to £701 million, despite the impact of lower interest rates. Costs, bottom left, were up 4% to £494 million, reflecting inflation and higher national insurance, as well as planned business investment. As a result, adjusted profit increased by 6% to £207 million. Positive jaws gave an operating margin of 30%. And we reported adjusted diluted earnings per share of 11 pence, an increase of 4%, with the difference in growth between EPS and adjusted profit attributed to a small rise in our effective tax rate.

Now getting into the moving parts. Let's start with revenue margins, which are in line with guidance. On this slide, each chart shows the average revenue margin for the past four half-year periods. And the main point I'd like to draw out is the relative margin stability into the second half. In high net worth on the left, the overall margin was down three basis points in 2024, largely reflecting mix and changes to some fee structures. Touching on Steven's point earlier, in time, we expect the mix of DPS to MPS to result in a slight attrition in high net worth margin. That mix change will provide greater capacity for larger clients which, in turn, will improve the operating margin.

In Affluence, the year-on-year reduction in the managed margin largely reflected mix shift, with Cirilium Active outflows offset by growth in MPS and other solutions. And this is in line with our previous guidance. I expect the managed margin to fluctuate around the low to mid-30s basis points level, with mix being the driver of movement. Given the success of our MPS solution, I expect that range to hold. And finally, our platform, or administered margin, was 23 basis points.

Let's now turn to revenue by segment. Our high net worth revenues grew modestly. Higher net management fees and advice fees were offset by lower investment revenue, with total revenue up 3%. In the Affluent segment, revenues grew 7%, a good performance. The main contributors were higher net management fees on both administered and managed assets and a stable contribution from advice fees.

Turning now to costs. I'm pleased to report that while total costs increased 4%, that was lower than revenue growth, giving us positive operating leverage for the year. The waterfall on the right summarises the main cost changes year on year. Increases came from inflation, higher national insurance and regulatory levies, and the investments we've made. And these include bolt-on acquisitions, such as MediFintech, brand building activities and the Money Needs a Plan campaign, continued support to grow and develop Quilter Invest and the Quilter Academy, as well as costs associated with cyber and technology functionality. Reductions principally came from our simplification programme, which I'm pleased to report is now completed, and I'll touch more on that shortly.

But with our large transformation programmes now complete, many of you have asked how we expect our cost base to evolve. As a people and technology focused business, the main drivers of our cost base are linked to salaries and technology contracts. So, I've previously guided to inflation, plus a few percentage points. We do, of course, remain vigilant on costs and continue to focus on effective cost management to provide capacity for reinvestment in revenue generating activities. And looking to 2026, with the significant growth opportunity ahead of us and the returns we've already seen, I expect the business to invest a bit more to support the growth opportunities we see for our business. And these include costs associated with acquisitions, including GillenMarkets in Ireland. We plan to develop Quilter Invest's proposition further, including targeted support. We will continue to grow the Academy to add new financial advisors. We expect to spend a bit more on technology, including AI capabilities. And we do intend to build our brand profile and will continue with the marketing campaigns that we kicked off in 2025.

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As some of this investment started in the second half of 2025, that level of cost run rate is a reasonable base to add inflation onto, and on the far right of the slide, you can see the first half versus second-half cost split. So, in terms of thinking about the outturn for 2026 costs, I would take the second half level, double it, and add around 4% or so for inflation. That would get you to a figure somewhere between £530 to £540 million, which seems a sensible base for your models, with the actual outcome likely to be managed with an eye on market sensitive revenues. I'll provide further updates on our cost expectations at the interims.

I should underline that the current rate of investment, excluding acquisition activity, won't increase to this extent every year, and our longer-term guidance of inflation plus a few percentage points remains unchanged.

While on the topic of transformation, I wanted to take a step back and reflect on what we've achieved with our cost programmes since listing in 2018. Since then, we've done a huge amount. I won't run through it all, and you can see it here in the slide, with savings coming across the business, particularly in the technology, state, operations, and support functions, while we've continued to invest in revenue generating opportunities, in total we've delivered over £160 million of savings. And this has enabled the operating margin we report today. And importantly, it also provides the foundations for efficient and disciplined growth as we continue to scale.

So, putting the segment revenues and group costs together, this slide shows a segmental contribution to group profitability. Affluent profits showed a healthy 14% increase to £169 million, and high net worth delivered profit of £47 million, broadly in line with the prior year. The operating margin declined marginally in high net worth, but improved by two percentage points in Affluent. And as you've heard before, this part of our business is very scalable, so there's scope for further improvement here.

Now let me turn to the balance sheet. As you'd expect, we've maintained a strong solvency ratio and cash position. You'll recall that last year we raised a provision of £76 million in relation to potential remediation for on-gain advice. We have now started our remediation programme, and based on our current expectations of expected remediation and administration costs, we anticipate that this will cost us some £20 million less to complete than we originally anticipated, and we have therefore reduced the provision by this amount. You can see that come through as a positive contribution to the Solvency II ratio. Together with the utilisation of the provision during the year, the provision balance at the end of 2025 was £42 million. More broadly, the solvency ratio reduced marginally over the period, largely due to regular dividend payments and our proposed capital return, which I'll come to shortly.

In terms of cash, you'll note the capital contributions into subsidiaries, where we capitalise our regulated advice business to cover both the original £76 million ongoing advice remediation provision and provide funding for modest acquisitions to support our advice and high net worth businesses. The subsequent £20 million provision release from the remediation provision is not reflected in the cash position and will be netted off against future capital contributions into the advice business.

On the right you can see we've got around £270 million of cash available after payment of the recommended final dividend and the proposed buyback. That leaves us with a good buffer to cover contingencies, liquidity management and business investment while retaining balance sheet optionality. So, our balance sheet is in good shape.

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The Board has recommended a final dividend of 4.3 pence per share, given a total dividend for the year of 6.3 pence, an increase of 7%. That was modestly ahead of earnings growth with the payout for the year at the midpoint of our current dividend payout range. And the total cash distribution for the year was £85 million.

This next slide sums up our revised approach to capital allocation. Going forward, we plan to return 70% of adjusted post-tax, post-interest earnings to shareholders. And the other 30% will be retained to support growth, including funding bolt-on M&A, as well as investment supporting business growth and development. Of course, we'll keep the amount of capital we have here under review, and if we do build up further excess capital, we will, of course, consider additional one-off shareholder distributions.

As well as the distribution policy, the Board's capital review also looked at our stock of capital and concluded that given the strength of our balance sheet, we currently have around £100 million of excess capital over and above what we are likely to need for the foreseeable future. So, we'll return this to shareholders through a share buyback, which will start as soon as practical and which we anticipate will complete before year end.

And given the strength of our business, coupled with this high cash generation, we intend to switch from a dividend payout policy to a distribution policy. From 2026 onwards, we'll distribute around 70% of post-tax, post-interest adjusted profits to shareholders. Within this, we expect to see progressive growth in the ordinary cash dividend in sterling terms, which together with reducing share count from share

buybacks, will lead to progressive dividend per share growth. And starting from our 2026 full year results in March 2027, alongside the final dividend announcement, we'll also set out the amount of any buyback for the year. The buyback will represent the difference between the 70% distribution target and the dividend cost for the year. The interim dividend will be paid in cash, and in normal circumstances, I expect this to represent one-third of the previous year total cash dividend measured on a per share basis. So, for 2026, you should expect an interim dividend of 2.1 pence per share.

Let me conclude with our usual guidance slide. Our expectation is for the operating environment to remain constructive and our margin guidance is unchanged. I spoke earlier in detail about cost expectations for the remainder of the year, and dividend, distributions and capital I've already covered in detail.

So, let me finish by summarising my three key points from our results. First, we delivered solid growth in overall revenue despite a lower interest rate environment. Second, costs were well managed even as we stepped up the investment for future growth. And thirdly, our balance sheet remains in good shape, which has given us the scope to announce the capital returns, return plans I've set out today.

And with that, let me hand back to Steven.

Steven Levin:

Thank you, Mark.

I'm now going to talk about the opportunities that we see. We've successfully established the leading position in the advice market and we're continuing to grow our market share. Furthermore, the market is growing, driven by a need for advice in an increasingly complex tax environment, the need for individuals to invest more for their retirement, and the demand for financial planning to minimise tax leakage on future intergenerational wealth transfer.

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As you know, there is a fundamental supply/demand imbalance. There simply aren't enough advisors to meet the overall need. Let me share some data that we've collected from Boring Money to give you a perspective. Our current advised market is the circle on the left, around a trillion pounds of assets across about four million people. That's an average investment portfolio of around £240,000. But beyond this, in the advice gap, there are a lot more people who need our help. We need to turn a nation of savers into a nation of investors. There is significant excess cash sitting in the banking system, generating subpar returns and being eroded by inflation. And there's a huge amount of wealth that will be transferred down the generations over the next 20 to 30 years. Work by Boring Money suggests there are around 12 million people with over £800 billion in assets who are currently unadvised and have got low confidence around investing. They need help. And that's the circle on the right.

While the average wallet size across this portfolio is about £90,000, that's smaller than our typical advised client, they're also younger and still accumulating, so they have good long-term growth prospects.

Policymakers have woken up to the scale of the problem. Their response has been targeted support and a national advertising campaign on the benefits of investing. Both of these are constructive steps.

We want to be recognised as a customer champion. A big focus is on breaking down the barriers to brighter financial futures for customers and unlocking the potential of their money. We believe advice and support is key to that. On the left-hand side are

customers with less complex needs that can benefit from prompts and nudges, from guidance and targeted support to help them make better decisions with their money. And as we move up the complexity spectrum, in the future we expect simplified advice to reach more clients. And at the far end of the spectrum, those customers with the most complex needs will continue to seek holistic, personalised advice.

With an additional 12 million potential customers, this is a huge market. At its heart is the need to deliver better outcomes for customers and for society and Quilter can be a home for clients throughout their financial life cycle, from targeted support to simplified to full financial advice, and clients can move up the curve as and when it's relevant for them to do so. Importantly, we believe the role of advisors will remain critical for customers who recognise the value of having a personalised financial plan.

There's been a lot of debate in the market recently about the role of AI in advice. Our view is that AI has an important role to play in making advisors materially more productive. But what AI won't do is remove the need for advice. Here's why.

First, navigating the UK financial landscape is challenging. Each individual is different, and most clients don't have the time or confidence to do it themselves. It is very complicated. The UK has an incredibly complex tax and pension system that changes on a regular basis. While AI may be able to provide the answers to basic planning questions or provide simple investment advice, when it comes to more complex situations, long-term tax planning, it's completely reliant on the individual knowing the right questions to ask. The role of the advisor is to help clients through the complexities of UK income tax, inheritance tax, trust and legacy planning, and to provide the reassurance and help to let clients take actions at the key moments of their financial lives. Clients want the empathy and the coaching that an advisor provides. The more complex or vulnerable their financial situation, the more they want the help of a trusted expert. That human personal relationship and the trust that underpins it is something that AI just can't replicate. Critically, we give regulated financial advice. This gives customers comfort and strong protections. With AI tools alone, there is no comeback.

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So, how are we going to build on the power of AI for our advisor capabilities? We need technology and AI tools to deliver the propositions and the services needed at scale and we need a strong brand that's recognised as a customer champion.

Let me start with technology and AI. Advisors are crying out for tools that will make them more effective. The stats on this slide summarise some recent research by NextWealth. Frustratingly, advisors say only a third of their time is actually spent with clients. More than half of advisors cite compliance and regulation as their top challenge. They want streamlined compliance, automated onboarding, and better system integration. Nearly half believe AI will positively impact their workload. We agree. So, we spent the last two years working with advisors to deliver a solution to them to meet this need.

As you know, driving up advisor productivity is something we've been working on for years. It started with ensuring advisor alignment and back book transfers. We've now rolled out market leading AI tools, and I'll say more about this in a moment. The next part is a brand new end-to-end advisor support system that we're in the final stages of development with FNZ. It includes further AI capabilities. The aim is to help firms run more profitably, advisors to work smarter and service more clients, and for clients to have a smooth, intuitive digital advice experience.

Our new technology will be all-encompassing. We're already rolling out some of the elements ahead of full implementation in early 2027. The goal is full end-to-end

technology integration between our platform and the tools that the advisors need to avoid them having to repopulate data fields across applications and allow seamless client data management.

We see three high-impact ways in which AI will support further growth in our business. First, in enhancing productivity. We've already rolled out an AI solution for advisors that allows them to record, transcribe and summarise meetings and actions. Work that took hours now takes 10 to 15 minutes. We expect it to materially expand advisor and paraplanner capacity over time, helping generate additional flows onto our platform and into our solutions, which is where we make our money.

Secondly, improving client and advisor engagement through next best actions, client reporting and portfolio insights helping advisors and investment managers to have higher quality conversations.

And thirdly, operational and process redesign reducing the steps in the process and speeding up fulfilment while reducing operational cost. These tools will also enhance risk management by making compliance, file checking and advisor oversight a lot faster. And a more efficient advice network brings greater scalability and operating margin potential. And of course, we've done all the testing and the research to make sure that the AI systems we're giving to advisors are robust and the client data is safe and secure. Investment in AI is therefore critical to us, and it's incorporated in the guidance that Mark set out earlier.

Let's now turn to brand. As we move to a world of digital delivery, it's important that the market knows who we are and, most importantly, what we stand for. So, we're investing in the Quilter brand. We launched our brand awareness campaign late last year in conjunction with the Quilter Nation Series. The strap line is, "Money needs a plan," and the feedback has been extremely positive. This is the first step in what is a multi-year effort. We want Quilter to build on our position as a leading advisor brand to being a trusted consumer brand focused on retirement, advice and savings and investments. And ultimately, we want to be recognised as a customer champion.

Let me return to our business growth plans and draw things together. Our three key profit drivers are platform, solutions and high net worth. We have clear goals for each, which I've summarised on the left, and we know exactly what levers we've got to pull to enable us to deliver on them, and I've set these out on the right. Collectively, these will sustain our growth, deepen our competitive position, and drive our operating leverage.

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So, to conclude, we're really pleased with our performance in 2025, and we've started 2026 with strong momentum across our business. The messages I'd like to leave you with are, we operate in a large, fragmented, and growing market, helping us deliver sustainable growth, and there's a new nascent market opportunity that could be significant in time. Our propositions and the breadth of our distribution are both market leading, and they're delivering strong inflows. Our platform and solutions business allow us to generate scale efficiencies and operating margin progression. And through investment in technology and AI tools, we'll be able to augment these existing strengths to meet customer needs across a larger market and deliver faster growth over time. That's why we're excited about the future.

Right, let's open up for questions.

We've got a mic in the room and we'll go to the room first. Go to the back there, sorry.

Questioner 1: The question is on cost. The way you've looked at your 26 guidance looks more like a multi-year programme. And don't view that negatively at all. It's more you're growing market share, it's working very well, you're going to need to invest probably more. Is there a section of your cash flow, of your liquidity that you've just mentioned that you would dedicate the same way that you're dedicating part of your profits back to shareholder? I think it's a very important point because it's a bit ignored in the industry right now. Thank you.

Mark Satchel: Look, I mean, it's included within the overall guidance that I've provided. I'm not sure if you're meaning part of the capital piece of it. I mean, most of our costs, we capitalise very little costs, so most of our costs are the expenses we incur them. So, you know, it's driven through the P&L rather than necessarily through certainly the investment that we're making and that sort of stuff. When you look at our balance sheet, we've got very little capital built up in IT and software development and that sort of stuff, virtually everything's expensed.

So, the way that I like to or prefer to treat it is through the P&L, get it all out when it's incurred, provides better flexibility later on, you don't have any recurring depreciation charge and things like that. So, that's how we tend to look at it.

But the reason why I've typically guided to inflation plus a few percentage points is those few percentage points are already there for that sort of stuff, and in different years, it'll be different things. And so things this year, it's a sort of a slightly higher amount than normal, but if you think about it in overall terms, I mean, effectively, and maybe if I sort of just maybe just a bit of a broader question on the cost side, I previously guided that I expect our costs to increase by inflation plus a few percentage points. Inflation this year for us is about 4%. That's what our salary increases are on average, etc, etc. You add a couple of percentage points of that, you're getting to six percentage points. The actual guidance I provided today is 8%. So, it's really 2% higher than what my previous guidance has been in any event. 2% in our world is about £10 million, and of that £10 million, about half of it is in things like targeted support and Quilter Invest and the investment we make in there. The other half is kind of split between some of the acquisitions we've made, so that's more inorganic add on, and a bit more going towards brand build and some tech investments. I mean, in the grander scheme of things, in pound million terms, it's relatively small amounts.

Steven Levin: Yeah.

Questioner 2: Thank you. Three questions. The first one, just to clarify, on the new dividend policy, you said that it will grow in absolute terms. Is that on both a per share and a total pound basis?

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The second question, you mentioned the opportunity and targeted support and simplified advice. Is it possible to give us a sense of where you think the margins on that may land and how long it will take to show in earnings?

And the last question, you've had impressive growth in your MPS range in recent years. Any thoughts on competitors entering the market? For example, Vanguard and Wellington launched a low-cost product.

Steven Levin: So, first question, I'll go to Mark.

Mark Satchel: The first one very quickly, per share.

Questioner 2: Thank you.

Steven Levin: So, in terms of targeted support and the margins, so one of the key things about the targeted support solution is that it will be Quilter based funds. So, actually the margin should be pretty good because we'll get a platform margin and we will be using our core Quilter investment solutions. So, that's good.

It is, you sort of ask about what would it do to earnings over time. I think one's obviously got to recognise this is a small business, it's going to take time to build out and to grow out. I mean, we've also got a very substantial business in our advice space. So, I think it is going to build out over time and we look at this market and sort of say the targeted support market over the next ten years could be very exciting, but it's obviously not going to, it's not really going to move the dial from a profitability perspective in the next one, two, three years. But from a flow perspective, hopefully it will start picking up, and on a medium-term view, we think it's very important, but it should be a good operating margin business.

In terms of MPS, our MPS range, WealthSelect, is absolutely market leading. It has got 12 years of first quartile investment performance, a phenomenal track record with a consistent investment philosophy, team approach, etc. I think we're quite a formidable competitor. You can see the growth that we've got. We also have, our MPS is also very broad in terms of its options, possibly the broadest in the market. We've actually got 56 different portfolios within WealthSelect across different risk profiles, active, blend, passive, responsible, sustainable, managed solutions. So, a lot of people are coming up with, they're launching quite simple offerings. We are very holistic in terms of the support we can provide advisors.

And finally, the reporting and tools that we've got around WealthSelect are absolutely market leading. So, we're very comfortable that markets, that WealthSelect is in a very strong position and will continue to perform incredibly well. Yes, James.

James Allen: Hi, morning. James Allen from Berenberg. Could I ask two questions?

First one, you've obviously done a really good job over the last two or three years of revamping the business, particularly in Affluent. But playing devil's advocate looking forward, so in revenues, you've still got the investment revenue drag from interest revenues coming down, interest rates coming down, the cost savings plan has now played out, and the upsized shareholder returns policy is now out there in the market. So, I guess if you're a new investor, where is the scope for outperformance going forward?

Second question, just on the private market solutions, there's obviously been a lot of noise in the US over the last few weeks around the kind of duration mismatch between wealth investors in stuff like private credit and real estate funds, which obviously have a much longer duration than their time horizons from an investment perspective. How do you plan to manage that, particularly around kind of redemption windows and things like that?

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Steven Levin: Sure, thanks. So, I think the first thing that is about our Affluent business is our business has got incredible operational leverage. I mean, we have, as we've said before, both our platform and our asset management business, we can add a lot of extra assets without adding much in terms of extra cost to our business and that will continue to drive strong profitability and we would expect to see the Affluent operating margin continue

to rise over time. So, I think that is what is going to drive the drive the sort of future upside as you talk about.

The other thing is the size of the market and the size of the opportunity. I mean, we've built up a significant market share. We still are focused on driving up our market share even higher, and we believe we can. But actually, we look at the market and say, you know, we actually really see that the size of the market is continuing to increase. There's reports from independent companies who look and analyse the platform market, looking at the growth, Fundscape data on how much they expect the platform market to grow, for example. It is the place where people have to save and invest. We've got a nation, as I've talked about, of people who are over-saving and under-investing, and that is starting to change. We've got a nation where people have got to take more responsibility and look after themselves. The age of defined benefit pension funds is over. The contributions that people are typically making in this country into pensions through workplace arrangements is too little to reach appropriate replacement ratios. So, this is a nation that's got to invest more, and we are incredibly well placed to do that. We are seeing improvements there, but there's more work to be done, including across all the industry and including with some of the government support.

But I'm really pleased because we've got the dominant market share position in a business that's highly scalable and we're going to continue to do things to make our business obviously more efficient, but I think there's a huge amount of upside for those reasons.

Your question about private market solutions. So, we've launched private market solutions. Ours are focused on private equity, not private credit. They have liquidity options. You are able to take money out. You have to give notice and you can take money out. There's a small 5% discount if you withdraw. But liquidity is managed. It's an evergreen solution. So, we think it is appropriate. Obviously, we're not recommending clients put large portions of their money in it. So, you know, you put sort of 5% of your portfolio into it and things like that. And now it is only appropriate for clients in our high net worth business, but it is something they have been asking for. And it's not obviously for every client, but we think it is a very attractive sort of thing to have in our toolkit. Yes, David.

David McCann: Yeah, morning. David McCann from Deutsche Bank. Just two for me.

Yes, you made an interesting remark, and obviously we've seen it through the increased marketing that they want to resonate more with consumers rather than just advisors. Obviously, the business has come very much from an advisor-driven background. At what point does this potentially cause some kind of internal conflicts in the business, particularly with the advisors if you are going down more the consumer channel, the reasons you've articulated around targeted support and so forth? And I guess what gives you the right to win in that area when there's a very well-established direct-to-consumer marketplace out there?

And the second question, probably for Mark, just more a technical point here. You mentioned inflation expectation at 4% a number of times. Obviously, market expectation is closer to three for that number. So, I just wondered what was driving the four forecast for inflation rather than sort of a more market consistent three-ish?

Steven Levin: Thanks, David. Mark will enjoy that question. So, in terms of brands, so actually advisors are very supportive of what we're doing in brand. It helps them and the advice as the brand campaign, as you'll see, is about money needs a plan. It is about people needing to have a plan. So, it is very constructive towards advice. A plan doesn't only obviously mean an advice, you need an advisor. You can do some of these things with a bit of

targeted support. That's why we pick those words quite carefully. But that still is a plan. You can't just sit and expect your money sitting in cash to perform for you.

[0:45:32]

We are not though looking to go and create a D2C business, just to be clear. We are working with advisors, our targeted support proposition is about, I've talked about how clients can move through that spectrum. We've talked about how we're using targeted support in particular through Quilter Invest to work with advisors to incubate clients for the future for them and things like that. So, we're doing it very much in a way that is working to our advice core. I think that's one of the strengths that we have. Clients can start in that journey and then if they need help, we've got one of the strongest advisor businesses and very strong penetration in the IFA space to help them along the way. So, that's how we look at it. We look at it as absolutely complementary and that is consistent with the feedback that we're getting from advisors as well.

Mark, do you want to take an inflation question?

Mark Satchel: I know. David, thank you very much for that question. Just on the inflation, look, every report that we use to look at our own workforce inflation, which is about 60% of our cost base, is salary generally probably from about August last year, was closer to four than it was to three. And that's why I'm using round numbers. It's about 4%. 4%, you'll see when our annual report comes out is what we're saying is a sort of average salaried cost increase of our workforce across our business for this year, going from 25 into 26. So, I'm referencing four. We're using round numbers, that's where I'm getting that from.

Steven Levin: Other questions in the room? No? Should we go to the lines or the web?

Facilitator: Yeah. We just have nothing on the lines at the moment. I think we have one at the moment on the web from Mike Christelis at UBS. A two-part question, one of which you partially answered, but she says can you provide an update on NuWealth, Quilter Invest and the strategy for that business, which we touched on it, but maybe you just want to just reinforce the points there. And then he also asks, how has the launch of a smoothed managed fund been received by advisors?

Steven Levin: Sure, so happy to take those. So, Quilter Invest, the key thing that we're doing there is we are getting targeted support permissions for Quilter Invest. That is the business that we will be entering the targeted support market in. Those regulatory applications, in fact, just opened this week, and we've submitted our application to be registered and authorised by the EFC to provide targeted support, so that's what we're doing and working on Quilter Invest, we're continuing to enhance the proposition, and to gear up for that, we've built the capability now to do that advisor incubation that I've previously talked about. So, advisors can refer clients to Quilter Invest, they can then track those clients and they can see what contributions they make when those clients want to press a button, "I want a bit of help," they go straight back to that same advisor who's introduced them, etc. So, that's the sort of stuff that we've been doing in Quilter Invest, both through our advisor incubation strategy and as we're leading into targeted support.

And then the smoothed managed fund, that's only just very recently been launched, was launched in January, and the feedback from the market has been very positive, but these things obviously do take a bit of time. You've got to go out there. We've got our team out there doing lots of sales presentations and explaining the fund to advisors. It is a lot more transparent than some of the other smoothed managed funds out there, which I think has been very well received by advisors. So, we're optimistic about the future there.

[0:48:58]

Go ahead, Greg.

Facilitator: We have a question from Gregory Simpson.

Gregory Simpson: Yes, thanks for taking my questions on the phone. Just two questions. Firstly, on targeted support, I'd imagine a lot of the assets sit in bank accounts and in workplace pensions. And so, I'm wondering if you can outline how you access the 12 million adults if you're not a bank or workplace pension provider and don't have that direct relationship with what might be quite unengaged customers? That's the first question.

And then secondly, just on AI, do you think there's an opportunity on Quilter's own cost base from leveraging AI? There's £220 million or so base costs, a lot of them support staff. And you talked about inflation plus cost growth in the medium-term, but why couldn't that be better if you can leverage AI to answer the manual processes? Thank you.

Steven Levin: Sure. So, in terms of targeted support, there are a few things to say. It's obviously a very big market. We think that there are lots of different companies that are going to have different strategies. I'm sure the banks are going to participate in the targeted support market as well, but we don't look at this and sort of think there's only one model that is going to work. We've got a different model to the way I think some of the other players are going to participate through our close tie and link with advisors, and we think that gives us a really interesting angle.

We are also working in our, we've got a workplace channel as well, where we do provide support in workplaces and targeted support will also be used there.

So, we have got a range of distribution strategies, and we think it is an exciting market. There's going to be a lot of people that participate in it, and a market of 12 million people is a significant market.

In terms of the AI, the cost base and AI, we are obviously looking at and we are implementing AI solutions across our business. We're implementing things in our call centre, in our back office, in various of our, in our middle office functions, which will look to improve productivity, reduce cost, improve efficiency, etc. So, we are looking to things like that. We haven't changed our cost guidance as a result, but obviously we are looking to make sure that we run our business as lean and efficiently as we can and AI is one of the tools that we are deploying. Do you want to add anything to that, Mark?

Mark Satchel: No. I'd probably say, Greg, look, I think there is potential in time from getting cost reductions coming from AI efficiencies, but I think given the relative immaturity of all of that at the moment, it's a little early to actually pinpoint precise numbers or targets or anything else like that on it. I think it's something that'll play out in the more medium-term rather than having a more short-term impact right now.

Gregory Simpson: Makes sense. Thank you.

Steven Levin: Okay, I think we're done. Thank you everyone for your time.

[End of Transcript]