



Showcase Presentation

26 April 2018

Quilter

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Agenda

Introduction

Glyn Jones

Investment case and business model

Paul Feeney

Advice and Wealth Management

Paul Feeney / Tim Tookey

Q&A and break

Wealth Platforms

Paul Feeney / Tim Tookey

Q&A and break

Financials and capital management

Tim Tookey

Wrap-up

Paul Feeney

Q&A

My observations on Quilter and what we have achieved

- ✓ A modern integrated wealth manager
- ✓ Structural market growth
- ✓ Multi-channel with Managed (AuM) and Administered (AuA) assets
- ✓ Established model with operating leverage opportunity
- ✓ Strengthened governance and control culture in preparation for public markets
- ✓ Sale¹ of Single Strategy Business
- ✓ De-risked Platform Transformation Programme (PTP)
- ✓ Positioned the business for independent life
- ✓ Continued delivery of good customer outcomes and consistent strong growth
- ✓ Established a strong Day 1 Balance Sheet



**Advice and
Wealth
Management
(AWM)**

**Wealth
Platforms
(WP)**

1. Note: Subject to completion

Quilter Board



Glyn Jones – Chairman
Appointed – November 2016



Rosie Harris – NED
Appointed – April 2017



George Reid – NED
Appointed – February 2017



Paul Feeney – CEO
Appointed – August 2012



Moira Kilcoyne – NED
Appointed – December 2016



Cathy Turner – NED
Appointed – December 2016



Tim Tookey – CFO
Appointed CFO – August 2017



Jon Little – NED
Appointed – April 2017



Committee key:

-  Audit committee
-  Risk committee
-  Remuneration committee
-  IT committee
-  Corporate Governance & Nomination committee
-  Denotes Chair of committee

Today's presenters



Paul Feeney
CEO

Tim Tookey
CFO



Agenda

- Investment case and business model Paul
- Advice and Wealth Management Paul / Tim
- Q&A
- Wealth Platforms Paul / Tim
- Q&A
- Financials and capital management Tim
- Wrap up Paul
- Q&A

Agenda

Introduction

Glyn Jones

Investment case and business model

Paul Feeney

Advice and Wealth Management

Paul Feeney / Tim Tookey

Q&A and break

Wealth Platforms

Paul Feeney / Tim Tookey

Q&A and break

Financials and capital management

Tim Tookey

Wrap-up

Paul Feeney

Q&A

What we will be covering today

- Recap on our investment case
- More on how our model works, our segments and economic model
- Update on sale of Single Strategy Business
- Progress on Platform Transformation Programme
- FCA Thematic Review update
- Full year 2015-2017 numbers
- Key growth drivers including targets and guidance
- Balance sheet, capital and dividend policy

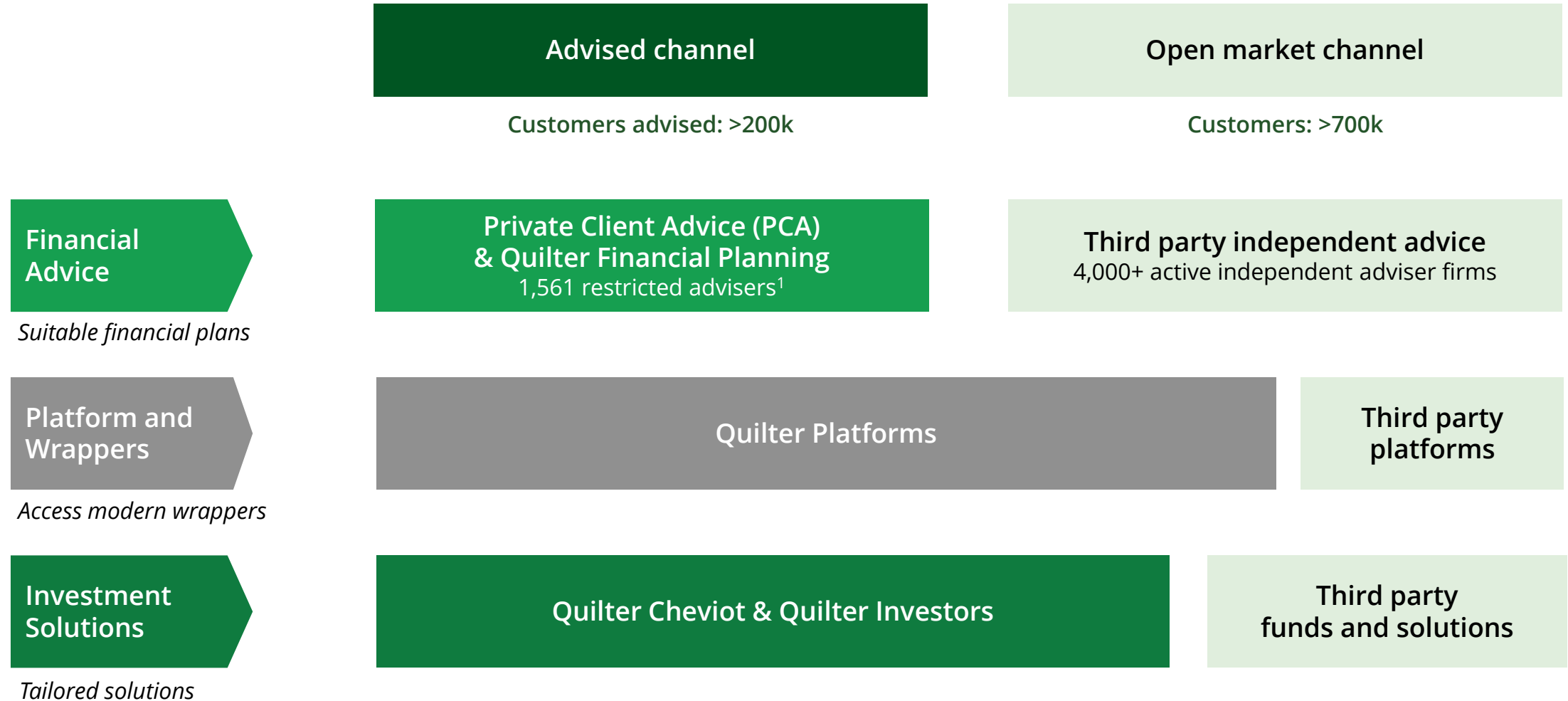
Quilter investment case

A unique combination of capabilities, scale and market positions

- 1 Full service wealth manager providing choice and delivering good customer outcomes
- 2 Leading positions across one of the world's largest wealth markets with strong structural growth drivers
- 3 Multi-channel proposition and investment performance driving integrated flows and long term customer and adviser relationships
- 4 Attractive top-line growth and the opportunity for operating leverage
- 5 Strong balance sheet at separation with low gearing¹ and improving cash generation to drive shareholder returns

1. Post Single Strategy Business sale proceeds

1. Full service wealth manager providing choice and delivering good customer outcomes

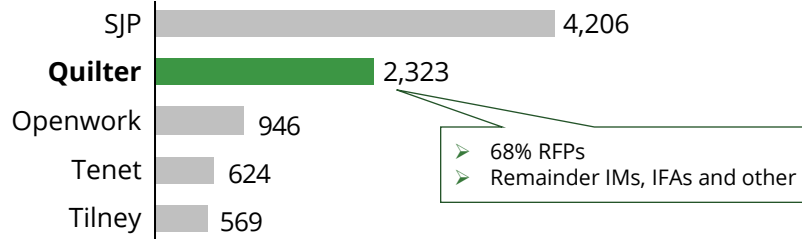


1. Restricted Advisers excludes 422 Independent Financial Advisers. Restricted plus Independent advisers equals 1,983 CF30 Advisers

2. Leading positions across one of the largest wealth markets with strong structural growth drivers

Advice¹

CF30s #s, Jun-2017



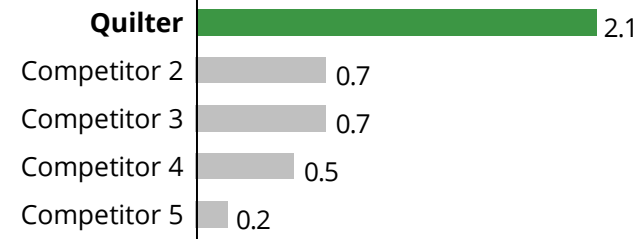
Platforms²

UK Adviser platforms, AuA £bn, 2017



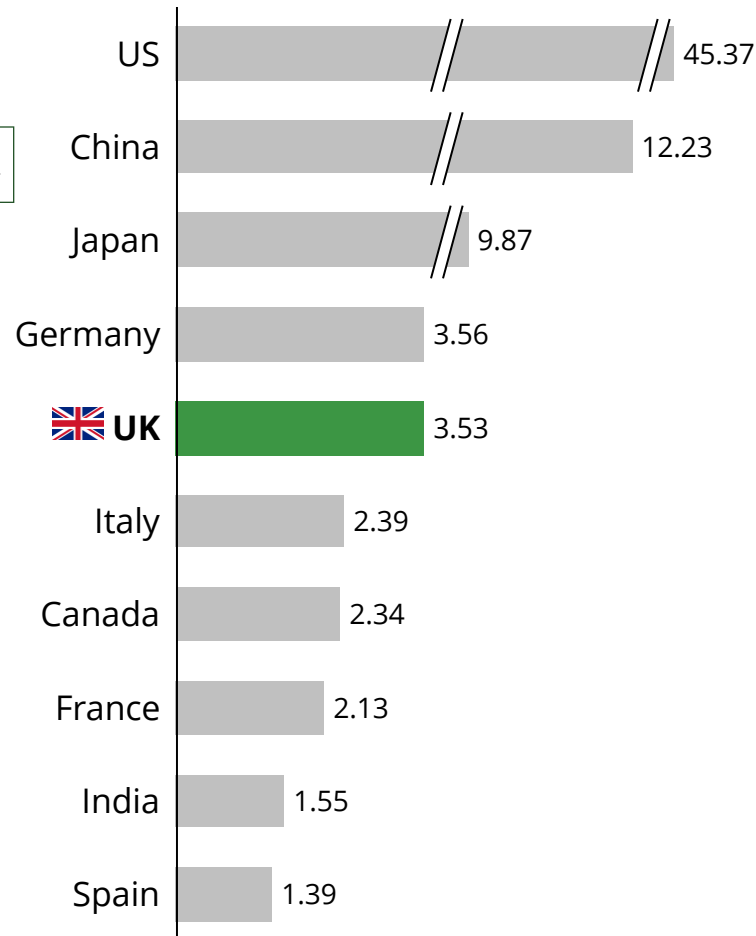
Solutions³

Multi-manager, net sales £bn, 2017



UK is the 5th largest global market⁴

Liquid assets \$trn, 2016



Structural growth drivers

- Shift of **savings responsibility** to the individual
- **Demographics** and **pension reform** driving need for retirement solutions
- **Withdrawal of financial advisers** post RDR
- Growth in **modern transparent investment and retirement products**
- **Product complexity** driving need for advice

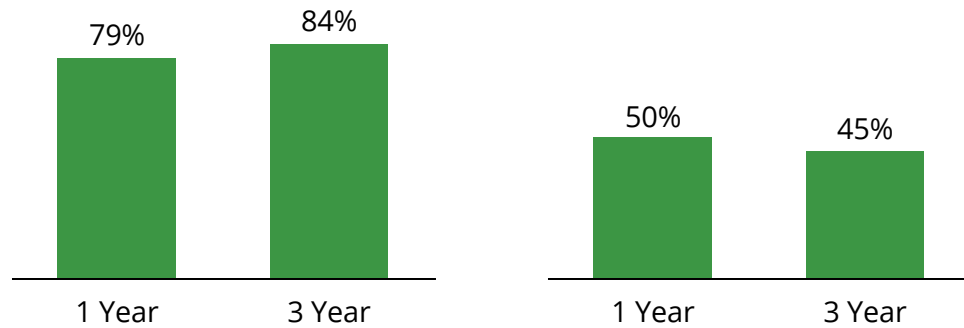
1. Source: Financial Times top 100 Financial Advisers 2017. Includes all CF30's for businesses, including investment managers. 46 CF30's relate to Single Strategy Business excluded from Quilter CF30's
 2. Source: Fundscape Q4 2017 ; Fundscape AuA including Quilter International AuA UK Platform of £1.2bn; Aegon figures include the sum of Aegon and Cofunds advised AuA
 3. Pridham Report Q4 issue, February 2018
 4. Source: The Global Wealth market in 2017, GlobalData

3. Multi-channel proposition and investment performance driving integrated flows and long term customer and adviser relationships

Quilter Investors performance

% of funds above peer median¹

% of funds above index target²



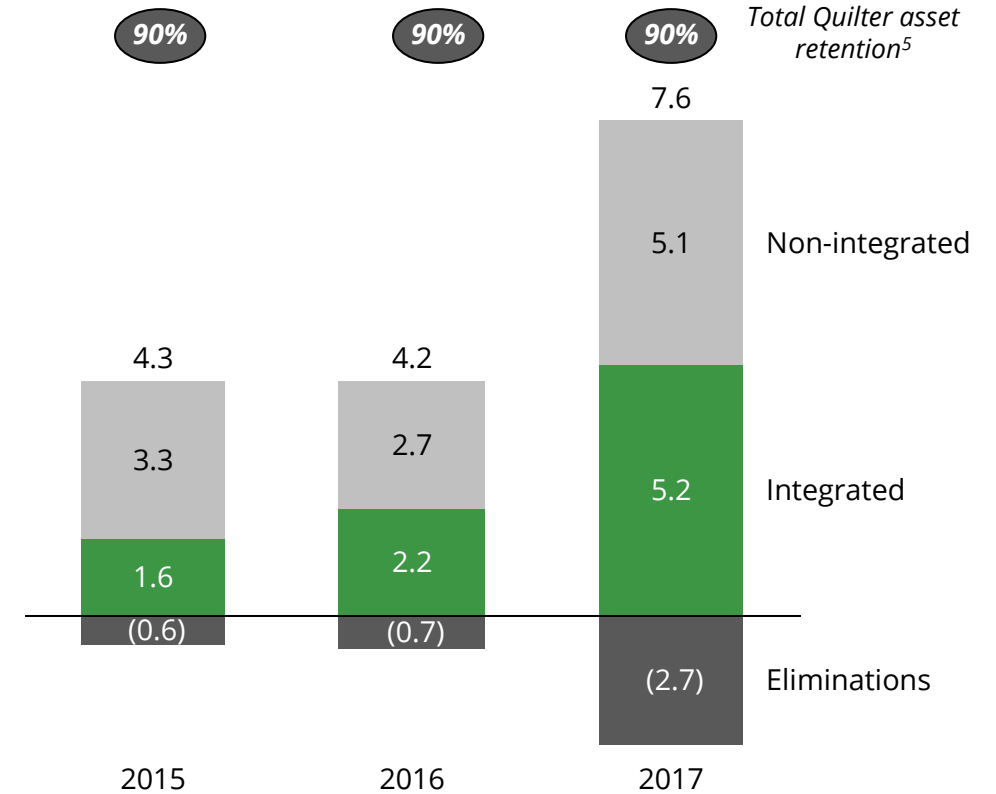
Quilter Cheviot PCI Quartile Ranking

ARC Private Client Index³

	1Y	3Y	5Y	10Y
ARC PCI Balanced Asset	2	2	1	1
ARC PCI Steady Growth	2	1	1	1
ARC PCI Equity Risk	2	2	1	2

Total NCCF⁴

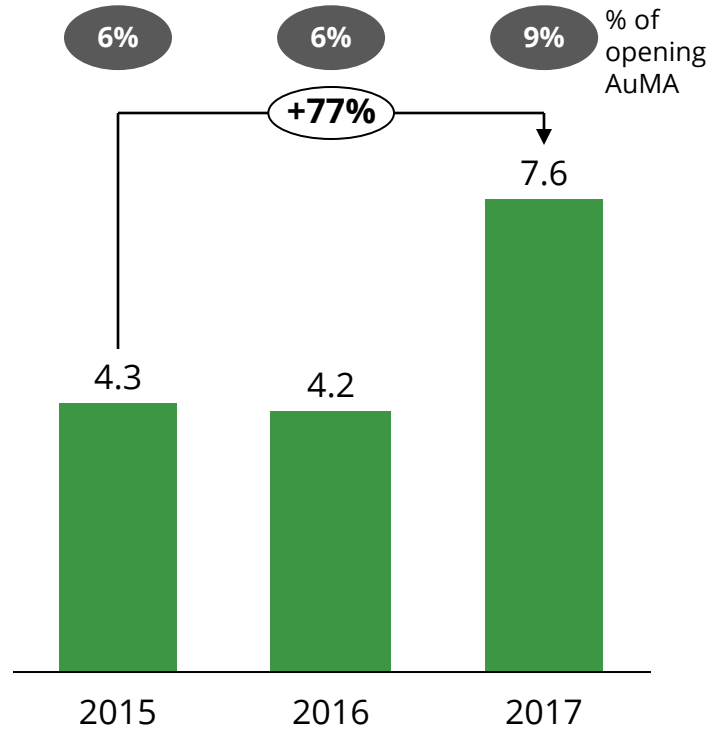
£bn



- All Funds that are measured net of fees against a peer group and have a 3 year track record
- All Funds that are measured net of fees against an index and have a 3 year track record
- 13,415 private client portfolios with monthly returns were submitted and placed into risk categories by ARC, QC's performance is ranked against composite performance of other contributors
- Excludes Heritage NCCF outflow and Heritage eliminations of £1.3bn Total NCCF (incl. Heritage) of £6.3bn integrated flows of £4.8bn for 2017
- Asset retention calculated as 1 - (gross outflows / opening AuMA): excluding Heritage (for both outflows and AuMA)

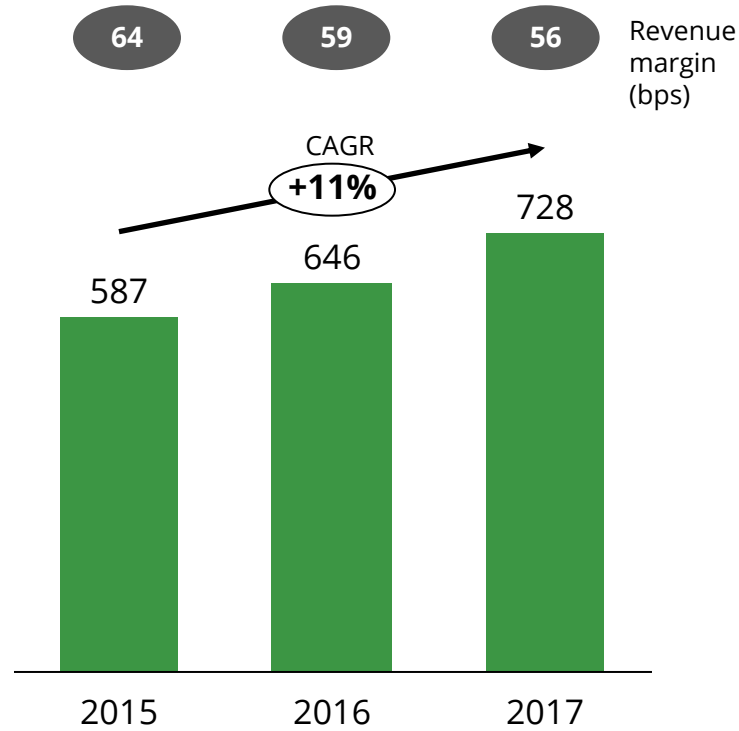
4. Attractive top-line growth with opportunity for operating leverage

NCCF (excl. Heritage)¹
£bn



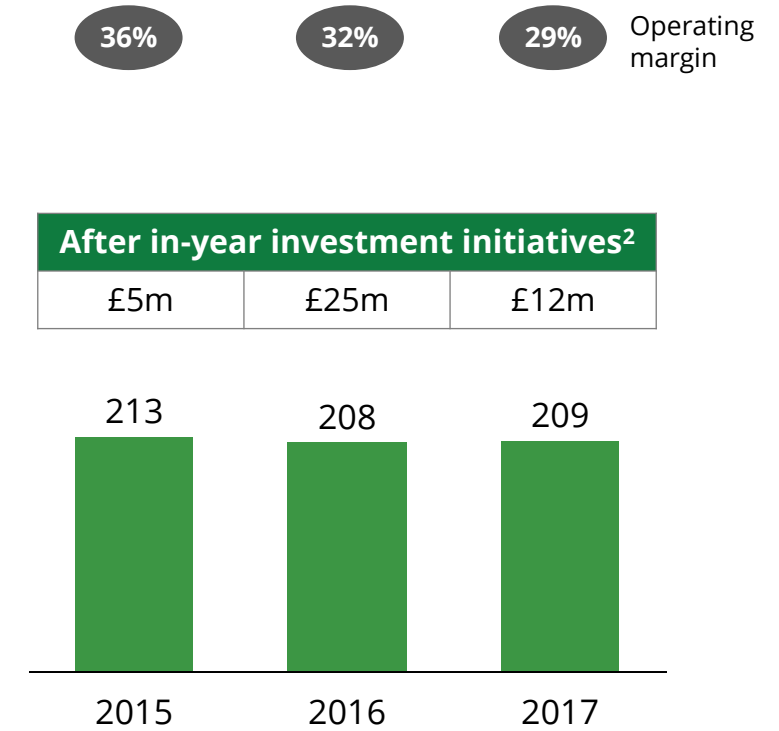
Target 5% NCCF on opening AuMA (excl. Heritage)

Revenue
£m



Rate of revenue margin decline to slow

Operating profit
£m



Target 30% operating margin in 2020³

1. Excludes Heritage net outflows and eliminations of £0.4bn, £0.9bn and £1.3bn for 2015, 2016 and 2017 respectively
 2. Investment initiatives accounts for investments in the business including spend in PCA and acquisition of Caerus
 3. Excludes interest cost

5. Strong balance sheet at separation with low gearing and improving cash generation to drive shareholder returns

Strong balance sheet with improving cash generation driving shareholder returns

- Quilter solvency ratio of 171%¹
- High quality of capital with Unrestricted Tier 1 capital accounting for 90% of Own Funds

Improving cash generation, attractive returns for shareholders and modest investment in growth

Dividend pay-out target range of 40–60% of post-tax operating profit, starting at lower end of range in 2019

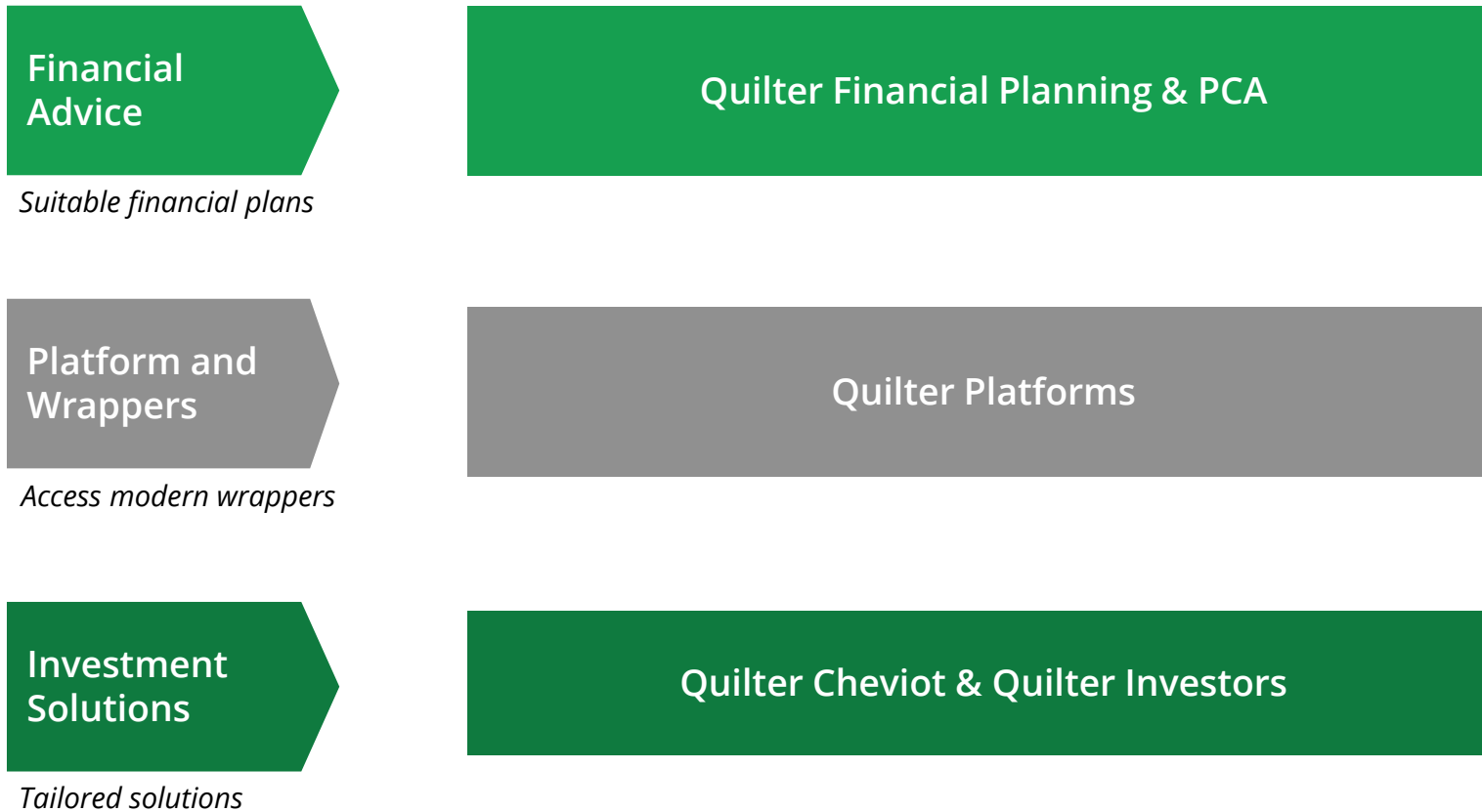
Following the completion of the sale of Single Strategy Business, and outside the above dividend policy, Quilter will also consider a distribution from the surplus proceeds to shareholders:

- Subject to *inter alia* debt repayment, related sale costs and establishment costs for Quilter Investors

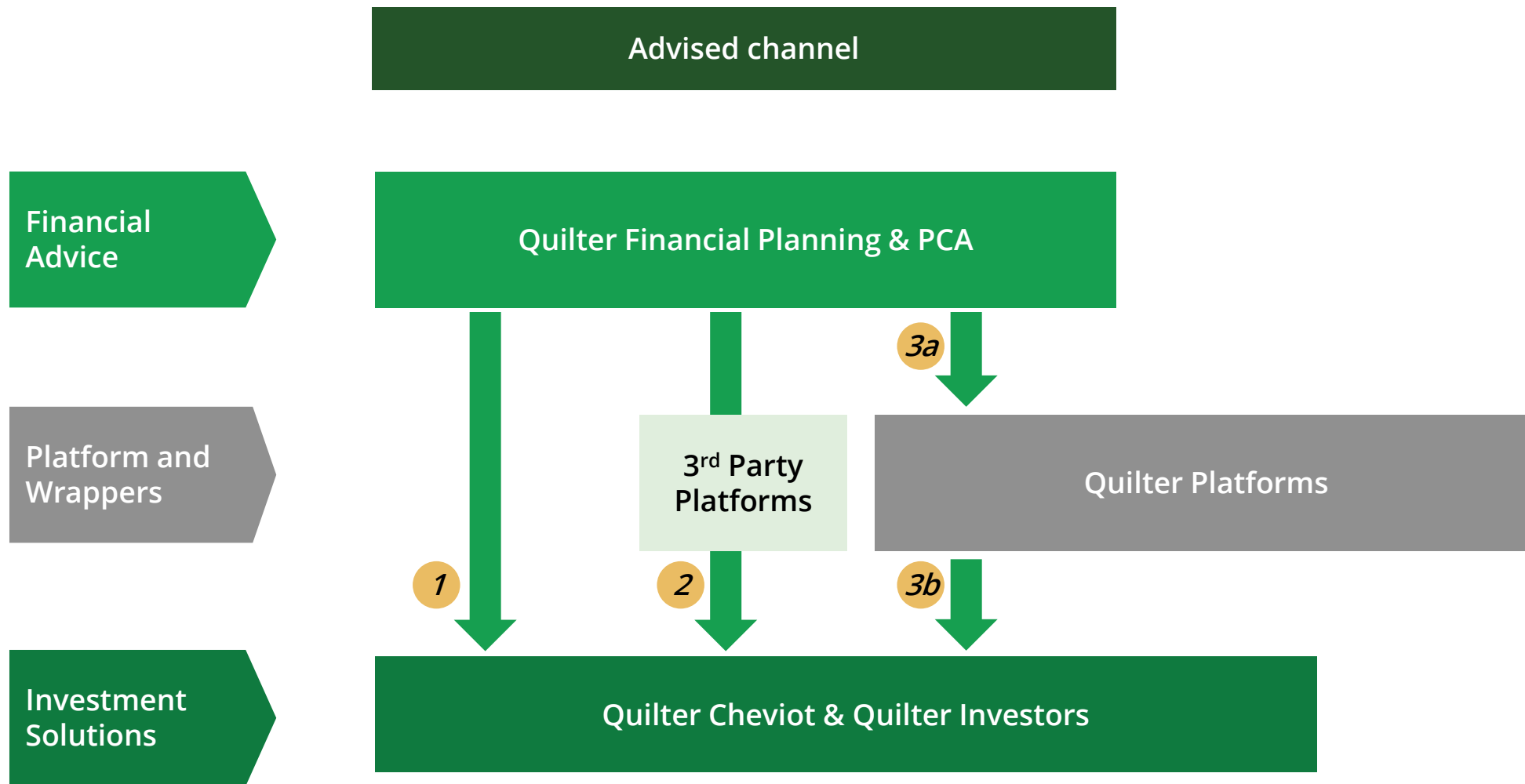
1. Includes pro forma impact of Tier 2 debt issue – solvency ratio of 155% before Tier 2 adjustment. Numbers are unaudited
2. Liquid resources in the holding companies excluding any access to RCF and any liquid resources that are required to cover capital requirement for holding companies

Quilter: Full service multi-channel wealth model

Key Quilter components across the business model

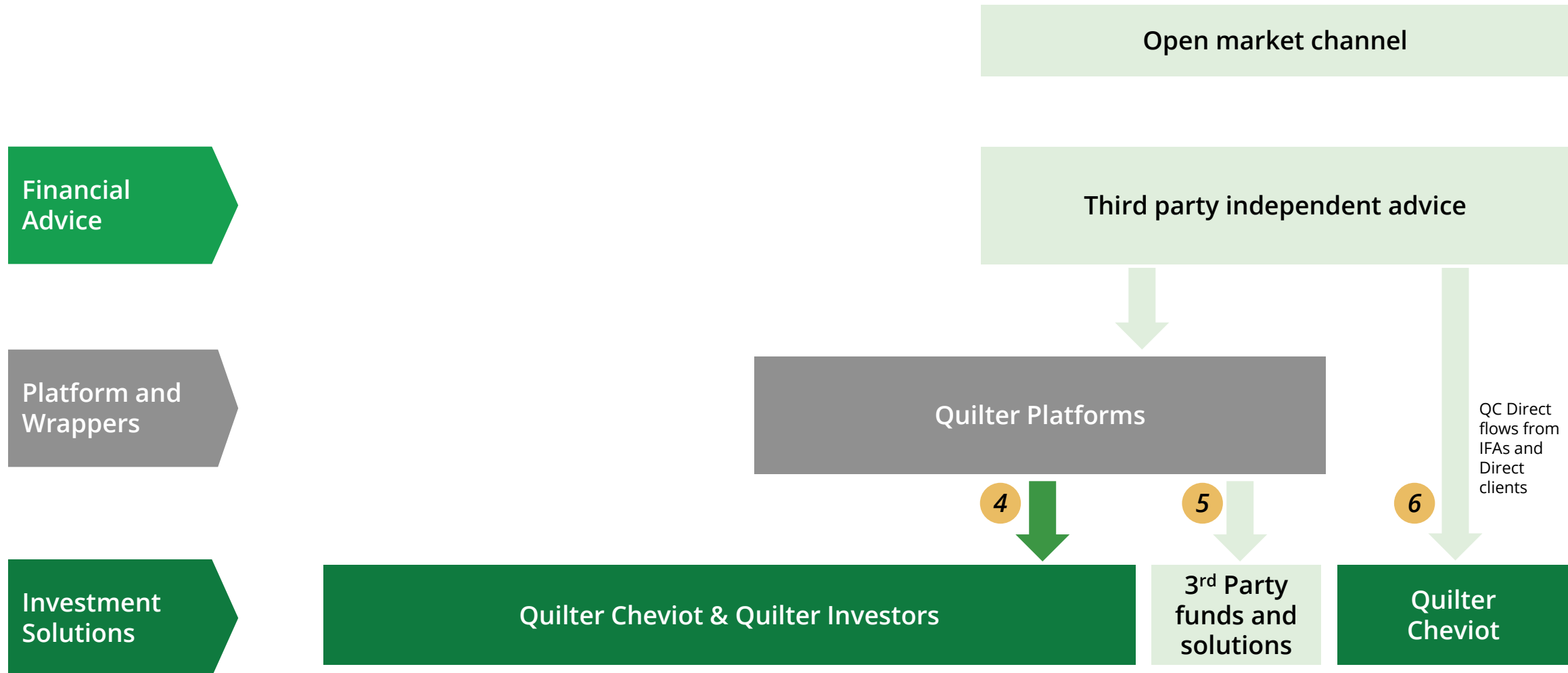


Restricted advice channel supported by Quilter Platforms and Investment solutions



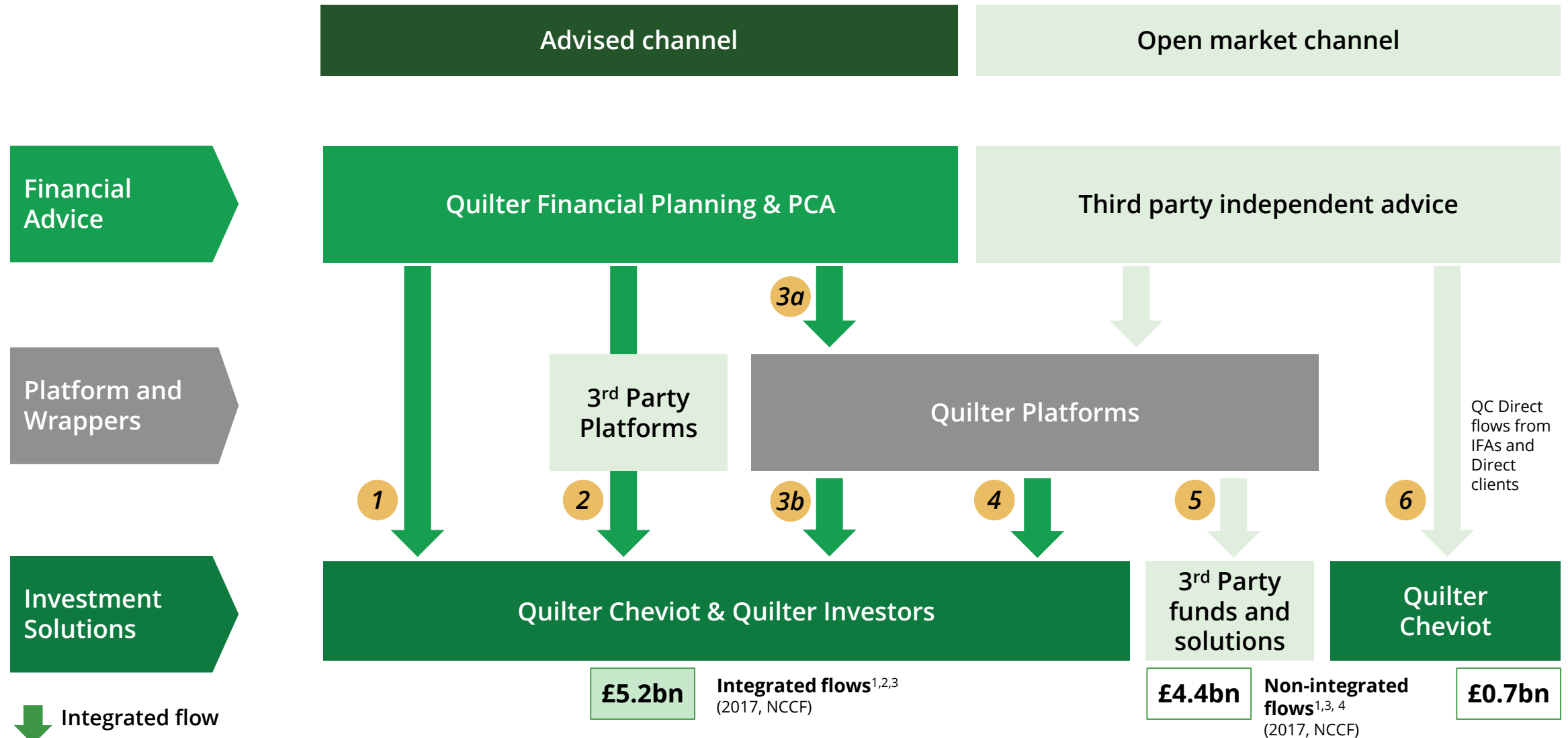
↓ Integrated flow

Open market channel independent advisers supported by Quilter Platforms and Investment solutions



↓ Integrated flow

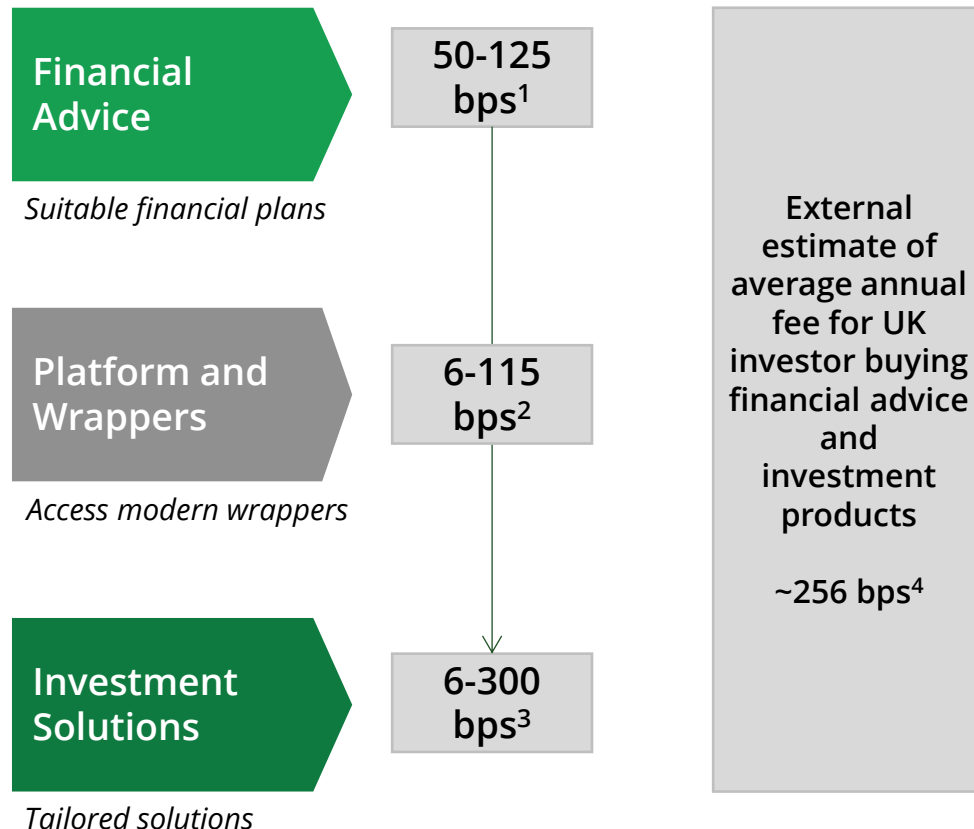
Full service multi-channel wealth model designed for customer choice



1. Excludes 2017 Heritage net outflows and eliminations, representing £0.4bn of integrated outflows (total integrated flows £4.8bn) and £0.9bn non-integrated outflows (total 3rd party funds and solutions of non-integrated flows of £0.8bn)
2. Does not show separately minor flows where 3rd party adviser uses 3rd party platform to access Quilter Investors solutions
3. Excludes eliminations of £2.7bn
4. Includes outflow of £0.3bn from Quiltered Investors

Broad ranges of fees being charged across the market

UK Market: wide fee ranges for UK consumers



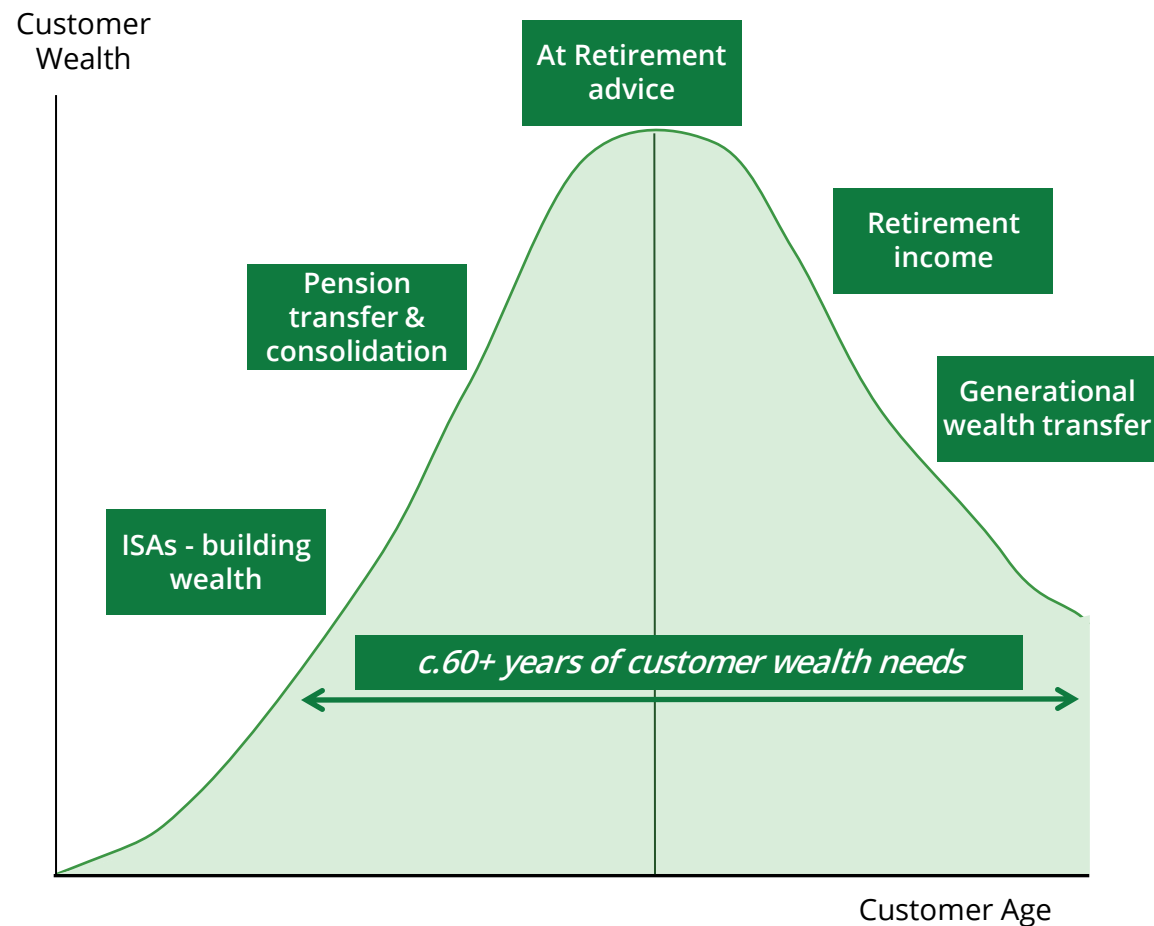
Quilter customers can choose which part our proposition they want, we offer:

- **Choice:** customers able to use 3rd party provider for any part of value chain
- **Transparent:** component charges clear and comparable to market levels
- **Flexibility:** unbundled pricing provides customer flexibility
- **Tailored:** investment solutions designed to meet customer needs and risk appetite

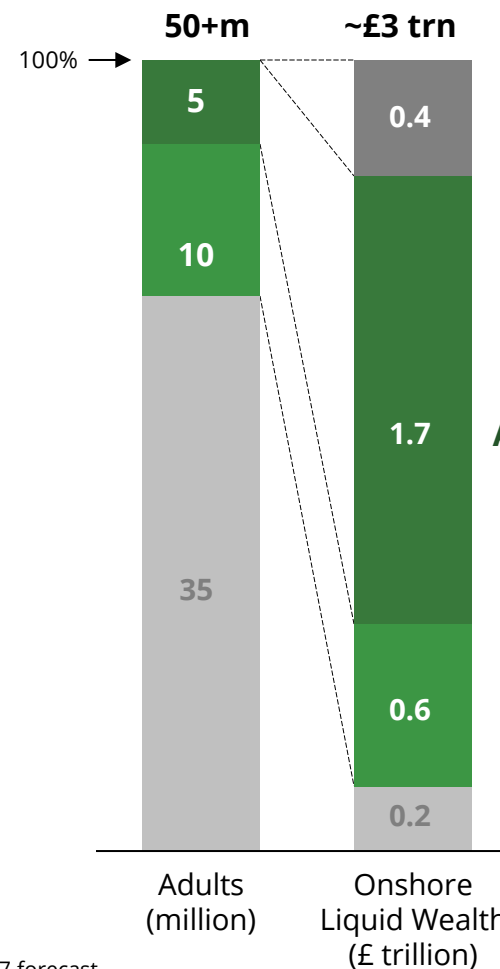
1. Financial advisers charge 1% in 2016, Financial Times, December 2016. Based on 2016 data
 2. UK Adviser Platform Pricing Guide, Platform, October 2017
 3. Source: Financial Express – Annual charge on all Retail GBP funds, excluding funds with missing annual charge
 4. Grant Thornton research, published in Financial Times August 26, 2016. Based on 2016 data

Quilter full service multi-channel wealth model able to meet changing needs of affluent customers over life cycle

Opportunity to serve customers for c.60 years



c.5 million affluent adults with £1.7 trillion wealth¹



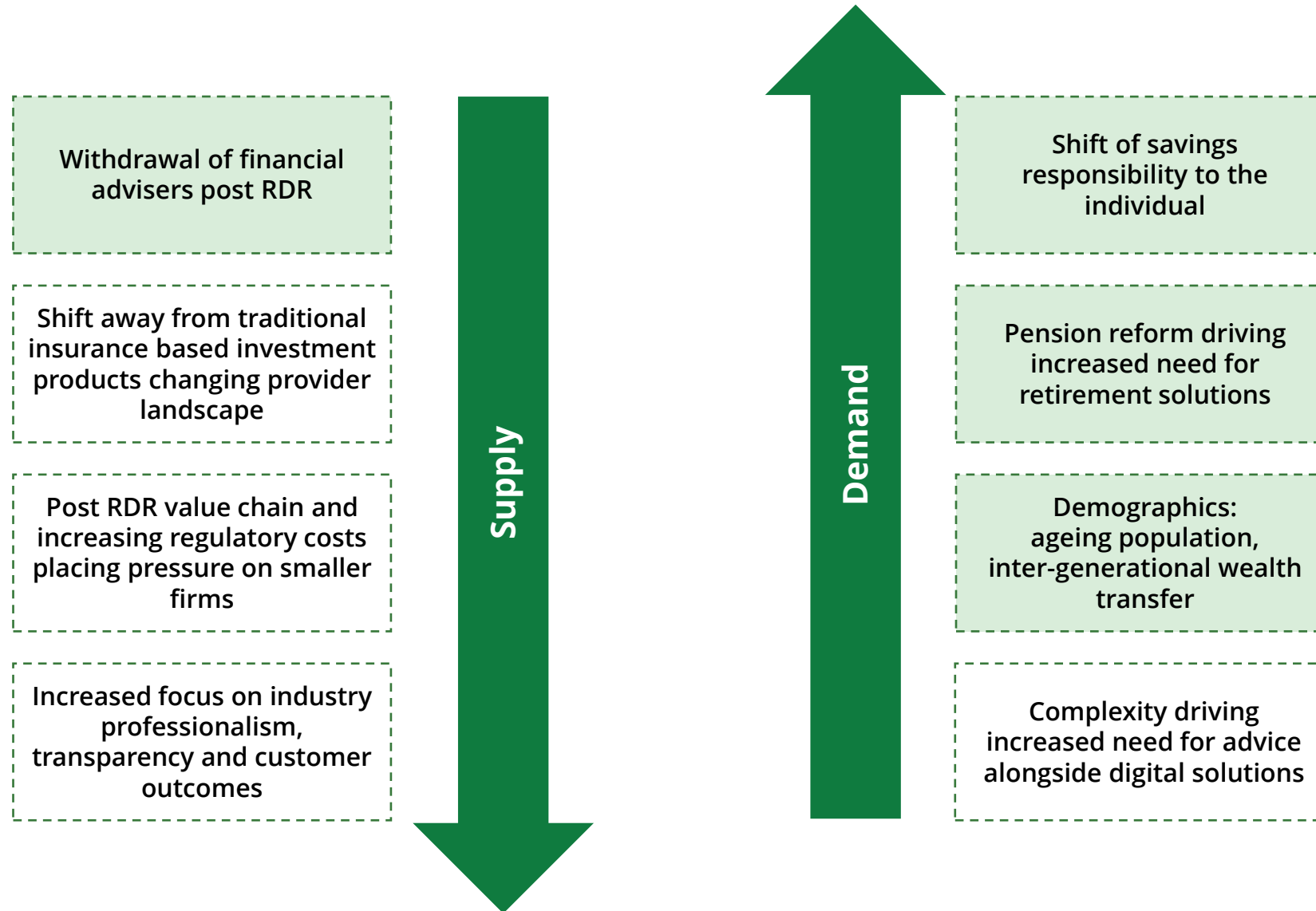
- c.50 million adults in the UK
- c.5 million affluent adults with over £100k in liquid assets²
- Further c.10 million adults with £30-100k in liquid assets²

Affluent segment

Liquid asset ² bands	
£5m+	Dark Green
£100k-£5m	Green
£30k-100k	Light Green
<£30k	Grey

1. Source: GlobalData, Financial Wealth in the UK: Sizing the Market Opportunity, March 2017. Data shown for 2017 forecast
 2. Liquid assets includes cash/deposits, ordinary stocks and shares, government and other bonds and other collective investment schemes

Structural market growth with growing demand but constrained supply



Quilter has scale and leading position in chosen capabilities

Comparison with listed UK peers

	Total AuMA ¹ (£bn)	Advice		Platforms		Solutions	
		Restricted (CF30's) ²	Independent advisers	Advised Platform	International	Multi-asset	Discretionary
Quilter	£114bn³	✓ 2,323	✓ 4,000+ firms	✓ £50bn AuA	✓ £19bn AuA	✓ £17bn AuM	✓ £24bn AuM
St. James's Place	£91bn	✓ 4,206		<i>Restricted only platform</i>		✓	<i>Rowan Dartington</i>
Standard Life Aberdeen⁴	£58bn	95	✓	✓		✓	<i>SL Wealth</i>
Hargreaves Lansdown	£86bn	156		<i>Direct platform</i>		✓	
Rathbones	£39bn	<i>n.a.</i>					✓
Brewin Dolphin	£42bn	422					✓



Indicates capability **and** scale within capability

1. Includes closing AuA and / or closing AuM for competitors as at December 2017
2. FT Top 100 financial advisers 30-June 2017 includes all CF30's for businesses, not only financial adviser, such as Quilter Cheviot investment managers. 46 CF30s related to Single Strategy Business excluded from Quilter CF30's
3. Total Quilter closing AuMA excluding Single Strategy Business but includes Heritage, Quilter Financial Planning and intra-group eliminations
4. Retained UK Platform AuA post Phoenix Group deal

Our model is suited to industry and regulatory change

Pension reform

- Provides customers with opportunity for **consolidation and flexibility** to manage retirement assets
- Demand and complexity driving **need for advice**
- Increased **longevity of client relationships** for wealth managers versus compulsory annuitisation

Government initiatives

- **Auto-enrolment** increasing flows into pensions, albeit slowly – future customers for wealth managers
- Increase in **ISA allowances** and introduction of JISA and NISA and Junior SIPPS
- Continually **changing tax and allowances** on savings, pension and IHT driving need for advice

FCA reviews: Asset management and Platform

- **Asset management market study** completed June 2017 – remedies focussed on driving competitive pressure in asset management, investor value for money and effectiveness of intermediaries
- **Investment Platform study** underway, due summer 2018 – focus on improving competition and better consumer outcomes

MiFID II and GDPR

- Further **increase in regulatory burden** for advisers, particularly low scale players and new entrants
- MiFID II further **increase transparency** for customers
- GDPR clarifies existing requirements and **increases costs of non-compliance**

Agenda

Introduction

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Paul Feeney

Advice and Wealth Management

Paul Feeney / Tim Tookey

Q&A and break

Wealth Platforms

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Financials and capital management

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Q&A

Advice and Wealth Management

Quilter Financial Planning & PCA

- UK's second largest advice business
- 1,561 RFPs and 422 IFAs
- Growing advice footprint through acquisitions and recruitment

Quilter Investors

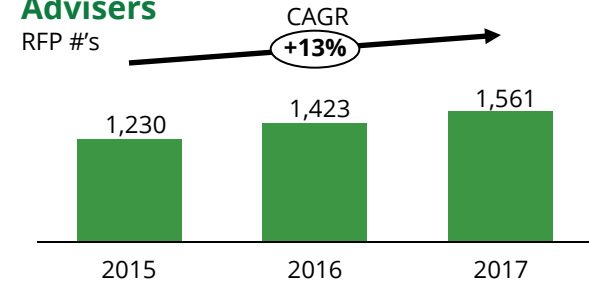
- A leading provider of investment solutions
- Strong investment performance

Quilter Cheviot

- Top five discretionary wealth manager
- Relationships with over 2,600 advisers
- Serving affluent and HNW private clients

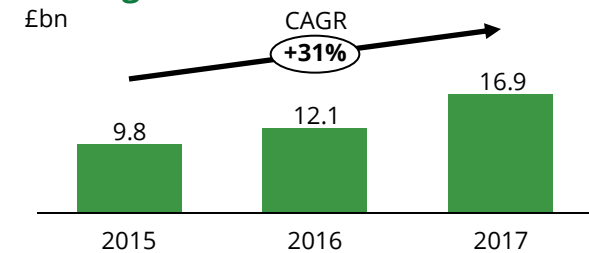
Advisers

RFP #'s



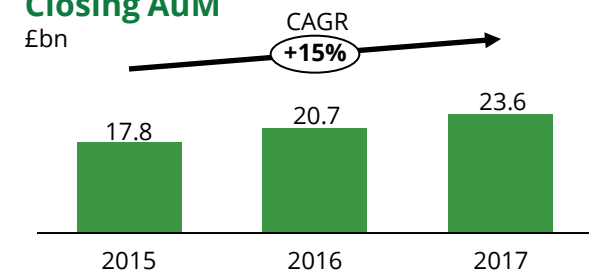
Closing AuM

£bn



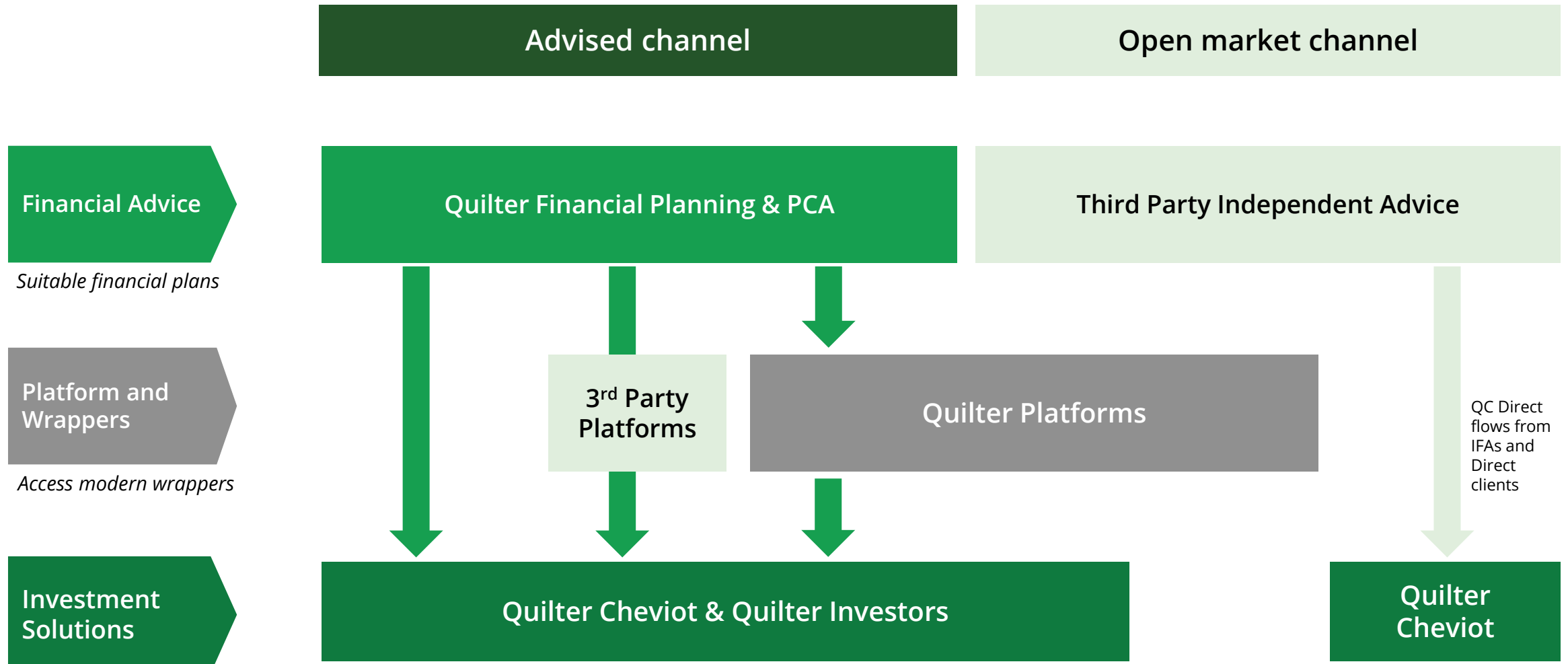
Closing AuM

£bn



Our customer channels in Advice and Wealth Management

How customer flows come to Quilter



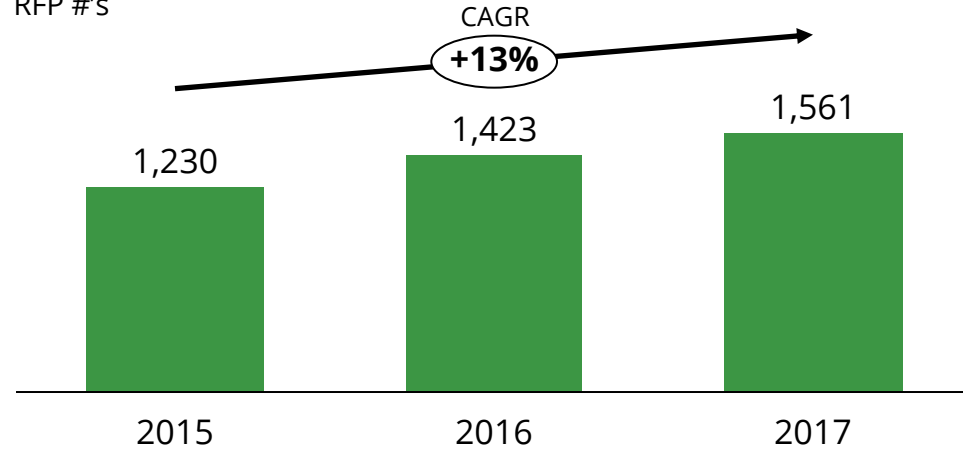
↓ Integrated flow

Adviser and IM growth and productivity

Steady adviser growth and increasing adviser productivity driving flows

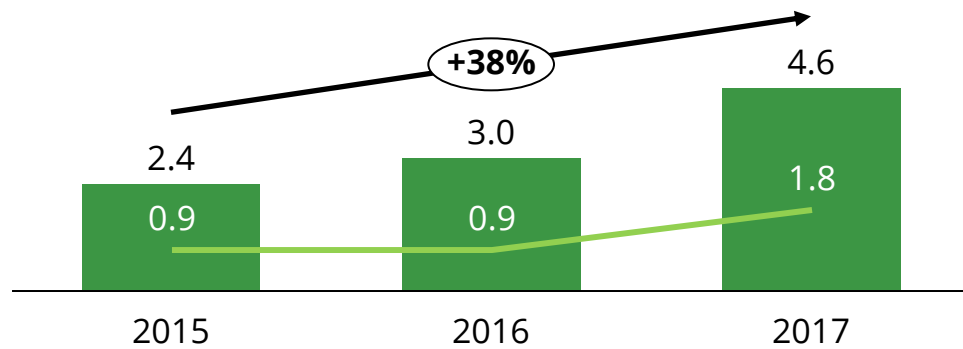
Quilter Financial Planning & PCA

RFP #'s



RFP productivity ¹

NCCF / adviser, £m

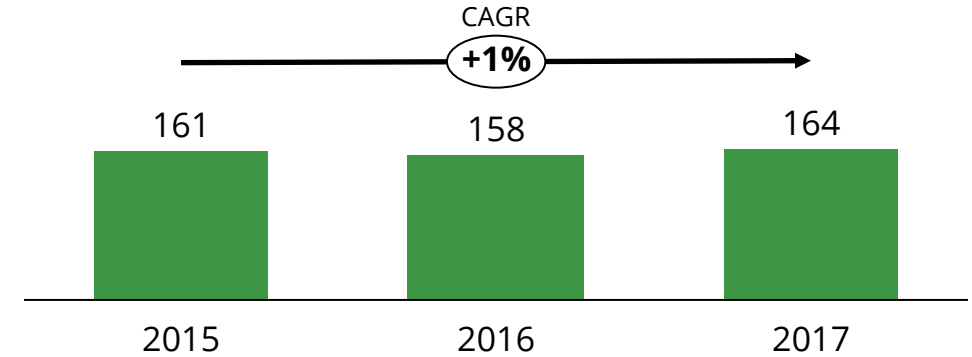


1. Integrated productivity including PCA

— Productivity NCCF/RFP
 ■ Integrated AuM/RFP

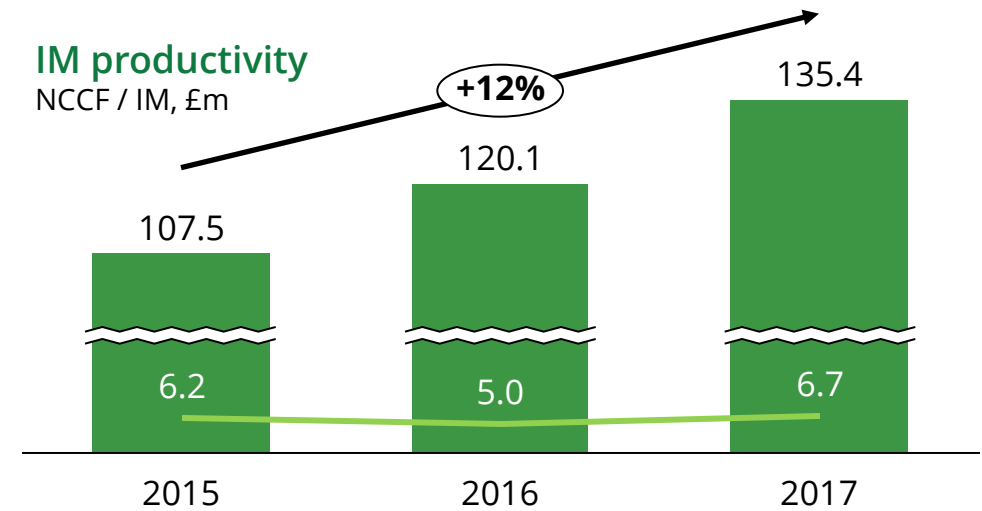
Quilter Cheviot

IM #'s



IM productivity

NCCF / IM, £m

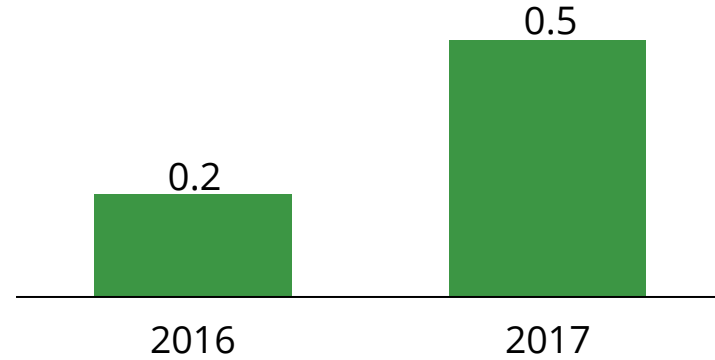


— Productivity NCCF/IM
 ■ Average AuM/IM

Quilter Cheviot managing increasing integrated AuM

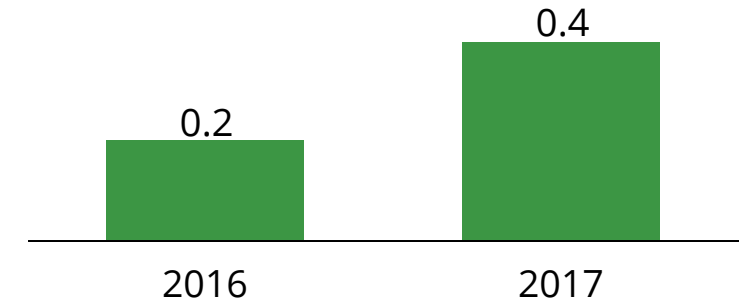
1. Quilter Financial Planning clients AuM managed by QC

£bn



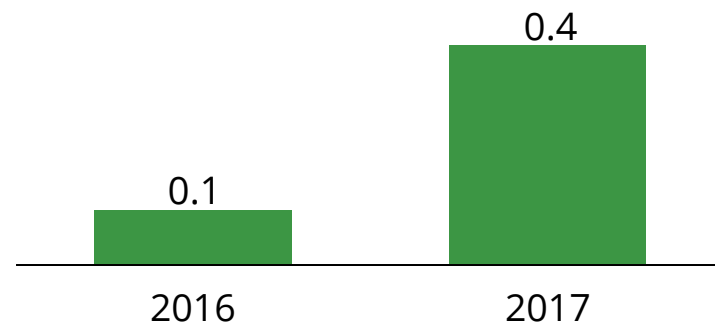
3. International clients AuM managed by QC

£bn



2. PCA clients AuM managed by QC

£bn

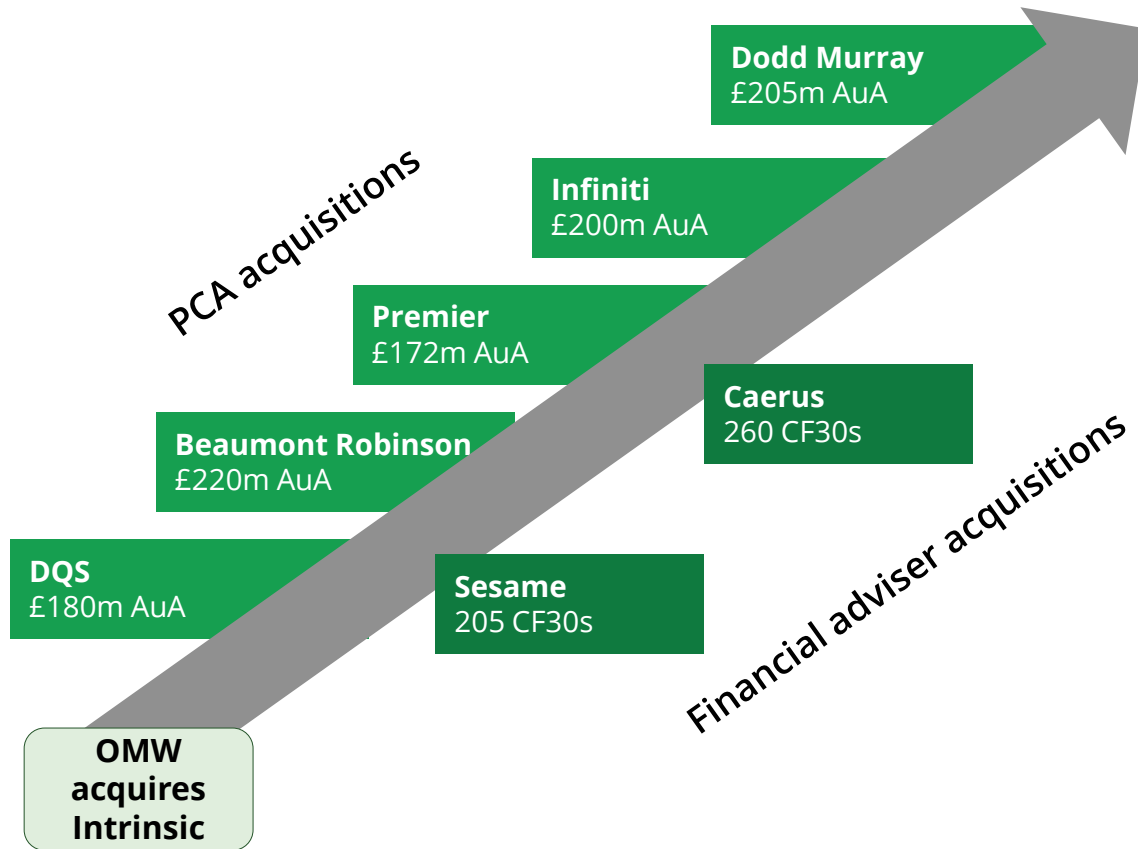


- QC discretionary proposition aligned to more affluent clients
- More affluent clients in PCA, International and Quilter Financial planning access QC solutions

Strong adviser growth through investment and acquisition

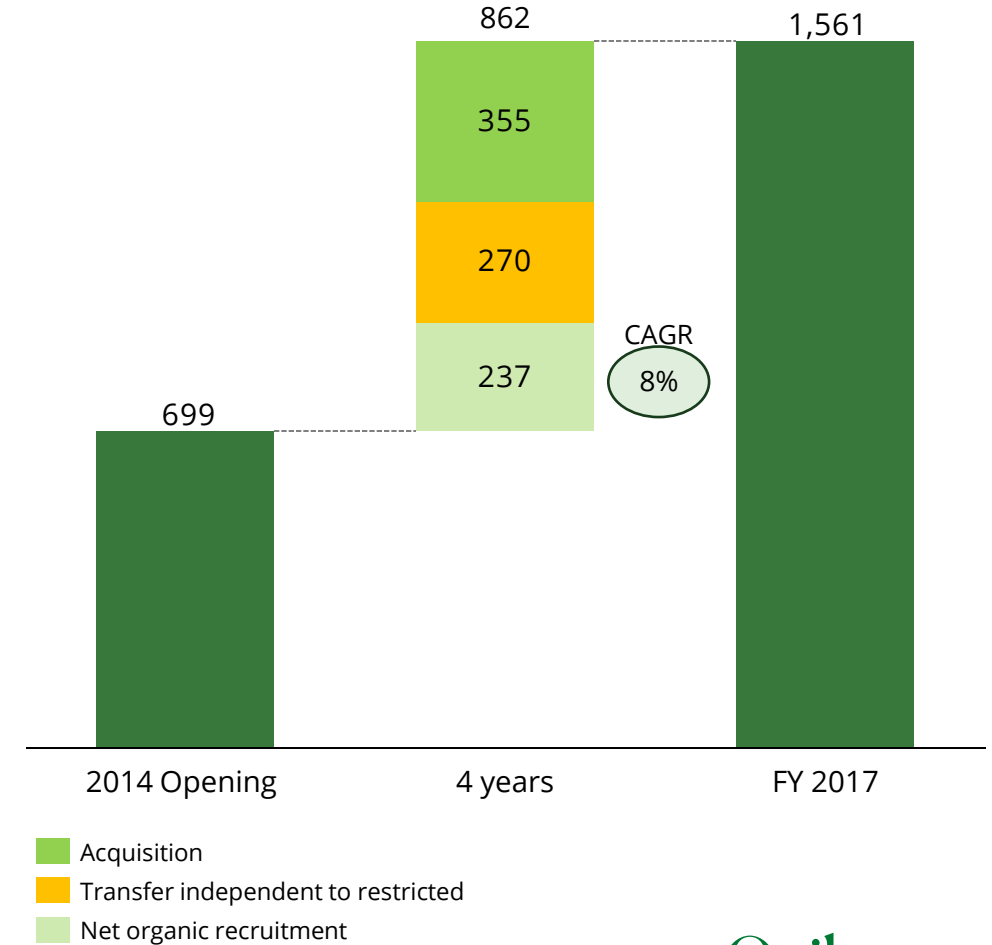
Inorganic growth of RFPs

Key acquisitions



Growth of RFPs

RFP #'s



Why do advisers join us?

Proposition, scale and development opportunities

Key benefits to advisers

- **Attractive** home for advisers
- Protect advisers and customers with **robust proposition**
- **Knowledge of advice** and advice businesses
- **Investment in technology** and digital capabilities
- **Ongoing development and training** for advisers
- **Practice buy-out model** provides business continuity and value realisation

Investing in the future – Financial Adviser School

- Acquired in 2016
- **Commitment to future** of face-to-face advice
- Makes advice more accessible, **supports advice firm growth**
- **Promote professionalism** and confidence in industry
- At 31 December 2017, **83 students** enrolled; 42 students graduated to date



Adviser case study

The Quilter advantage



Key advice risks that we focus on

Proven track record of managing risks

Risks we face	Description	What we do
Advice	Provision of advice to customers with good outcomes	<ul style="list-style-type: none"> ➤ Robust adviser on-boarding and training process ➤ 1st and 2nd line oversight, advice checks and ongoing customer reviews ➤ Pre-approval of higher risk cases e.g. DB transfers ➤ 2017 complaints: 597 advice complaints, 93 referred for FOS and 23 upheld by FOS
Acquisitions and recruitment	Managing acquisition and recruitment of advisers, including transition and integration	<ul style="list-style-type: none"> ➤ Size, culture and quality criteria for acquisition target selection ➤ Disciplined acquisition process combined with extensive acquisition experience ➤ Post-acquisition onboarding, training and migration to restricted proposition
Conflict of interest	Focus on conflicts between businesses, concentration risk and inappropriate incentives	<ul style="list-style-type: none"> ➤ Governance and oversight of investment proposition ➤ Advice process controls and advice assessments ➤ Incentive arrangements subject to Quilter Executive Risk and Customer Forum oversight

Different customer needs require different solutions

Solution	Description
Discretionary portfolio service	<ul style="list-style-type: none">➤ Dedicated investment manager to design bespoke portfolios➤ Consider each client's personal investment objectives, attitude and risk tolerance➤ Service for clients with more than £200k to invest
Multi-asset funds	<ul style="list-style-type: none">➤ Range of multi-asset funds including Cirilium, Creation, Generation and Compass➤ Fund range differs in terms of breadth of investment proposition➤ Customer needs include accumulation, decumulation and international
Managed Portfolio Service (MPS)	<ul style="list-style-type: none">➤ WealthSelect provides an active investment management solution➤ Outsourcing portfolio construction and management to Quilter's investment specialists➤ Active management utilising risk-matched portfolios from Global Partner range of funds

Investment performance

Delivering outperformance for clients

Discretionary

Quilter Cheviot PCI Quartile Ranking
ARC Private Client Index¹

AuM³
£24bn

Performance quartile	1Y	3Y	5Y	10Y
ARC PCI Balanced Asset	2	2	1	1
ARC PCI Steady Growth	2	1	1	1
ARC PCI Equity Risk	2	2	1	2

Multi-asset funds²

Fund performance – key funds

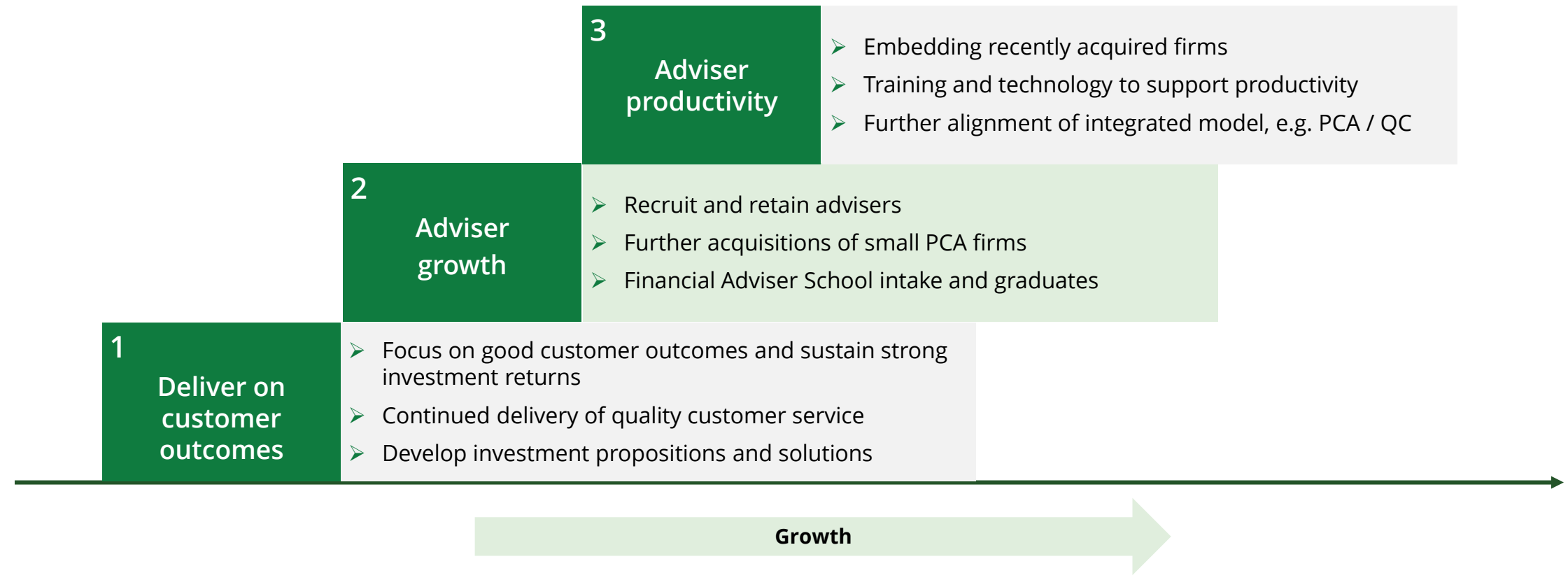
AuM³
£17bn

Sector-based performance quartile	AuM (£bn) Dec-17	1Y	3Y	5Y
Cirilium Balanced	2.4	1	1	1
Cirilium Moderate	2.3	2	1	1
Cirilium Dynamic	1.7	2	1	1
Cirilium Conservative	0.6	2	1	1

- 13,415 private client portfolios with monthly returns were submitted and placed into risk categories by ARC, QC's performance is ranked against composite performance of other contributors
- Largest funds by closing AuM; Established ranges include Cirilium, Creation, Generation, Foundation, Compass and WealthSelect
- Closing AuM as of December 2017; All performance figures shown net of fees

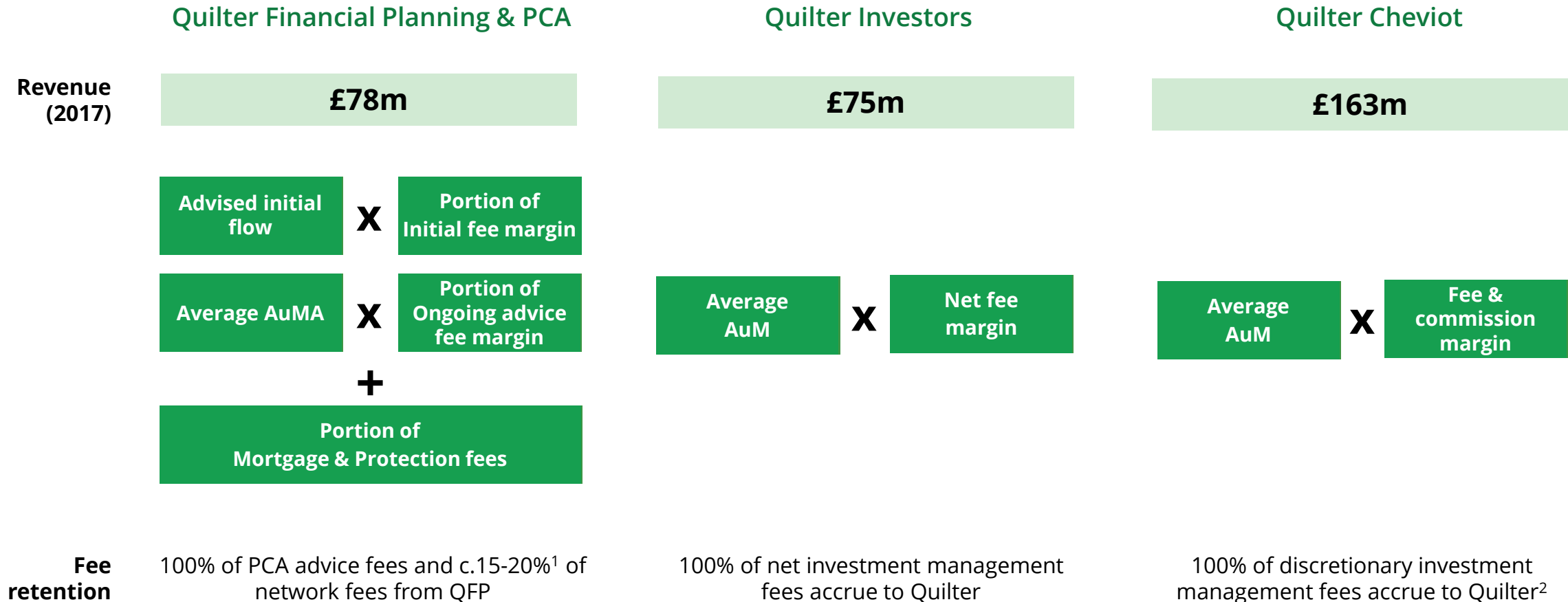
Advice and Wealth Management: key segment growth drivers

Recent high adviser productivity supported by strong market flows and integration of new advisers



Advice and Wealth Management: revenue model

Primarily fee based revenues



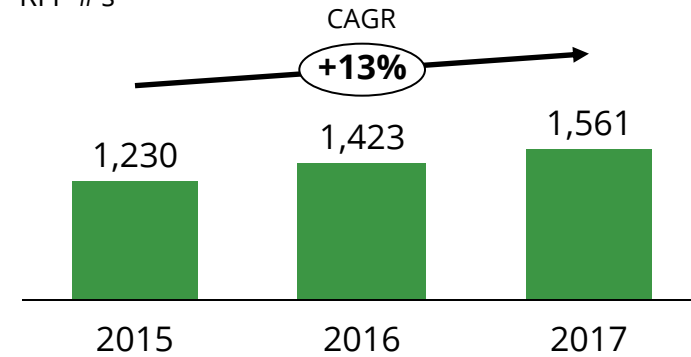
1. Includes both a variable and a fixed fee component
 2. Excludes legacy fee payments, c. £4m in 2017

AuM and revenue

Increasing net flows and market growth driving revenues

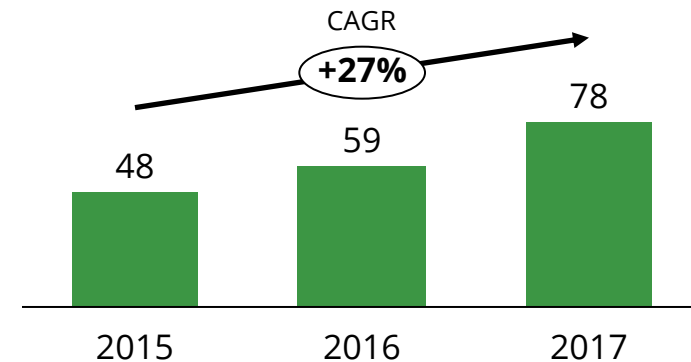
Quilter Financial Planning & PCA

RFP #'s



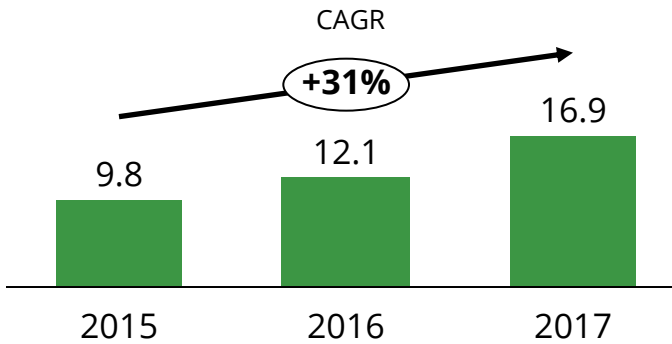
Quilter Financial Planning & PCA own revenue

£m



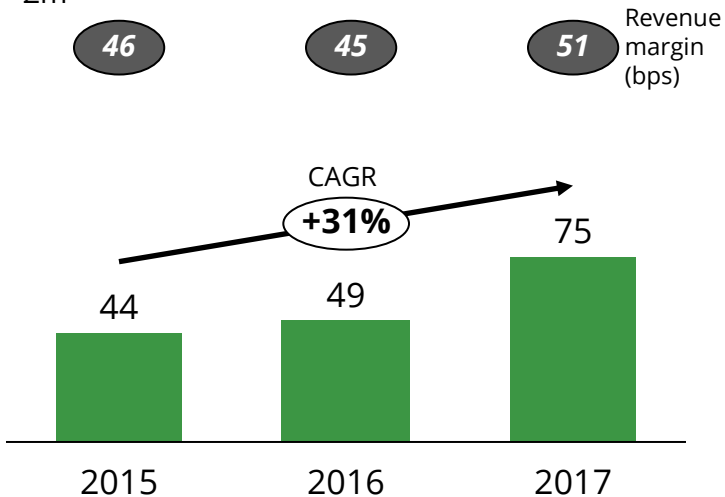
Quilter Investors

Closing AuM £bn



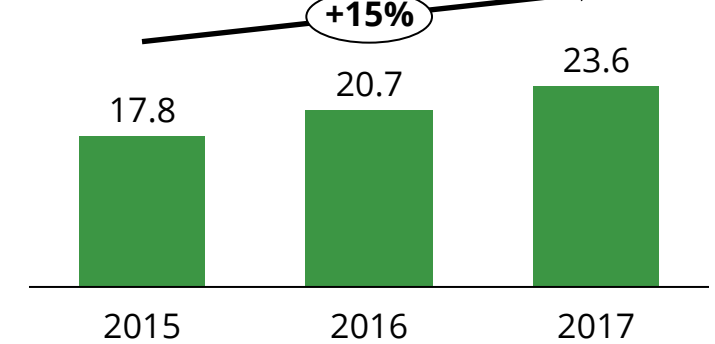
Quilter Investors revenue

£m



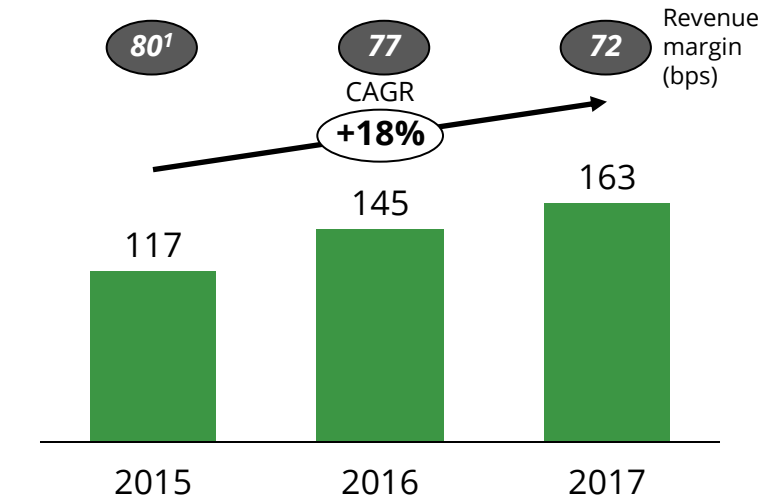
Quilter Cheviot

Closing AuM £bn



Quilter Cheviot revenue

£m



1. Revenue margin includes fees and trail commission. Quilter Cheviot acquired in February 2015. Figures on an annualised basis (Closing AuM of £17.4bn at February 2015)

Advice and Wealth Management: revenue drivers

Growing advisers and flows into Quilter Investors and Quilter Cheviot

		2015	2016	2017	Key takeaway
Quilter Financial Planning & PCA					
RFPs + PCA	#	1,230	1,423	1,561	➤ Growing advisers
Productivity ¹	£m	0.9	0.9	1.8	➤ Productivity increasing
Advice revenue	£m	48	59	78	➤ Advice revenues broadly offset by advice costs
Quilter Investors					
NCCF	£bn	0.7	0.8	3.3	➤ NCCF from growing RFPs and increased IFA adoption
Closing AuM	£bn	9.8	12.1	16.9	➤ Strong investment performance / market action
Average AuM	£bn	9.4	10.6	14.2	
Revenue margin	bps	46	45	51	➤ Revenue margin reflects products selected
Quilter Cheviot					
NCCF	£bn	1.0	0.8	1.1	➤ Consistent NCCF
Closing AuM	£bn	17.8	20.7	23.6	➤ Strong investment performance / market action
Average AuM	£bn	17.3	19.0	22.2	
Revenue margin ²	bps	80	77	72	➤ Revenue margin impacted by mix
Asset retention ³		92%	91%	92%	➤ High client asset retention

1. Defined as NCCF per adviser into integrated investment solutions including Quilter Investors and Quilter Cheviot, based on average number of RFPs

2. Quilter Cheviot acquired in February 2015. Figures on an annualised basis (Closing AuM of £17.4bn at February 2015)

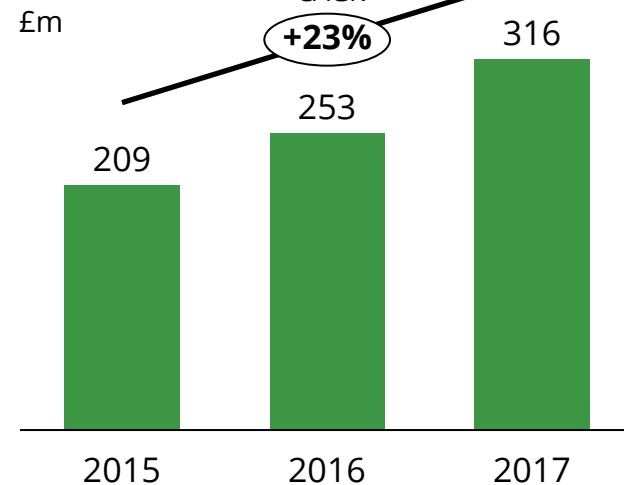
3. Asset retention calculated as 1 - (gross outflows / opening AuMA)

Advice and Wealth Management: financial summary

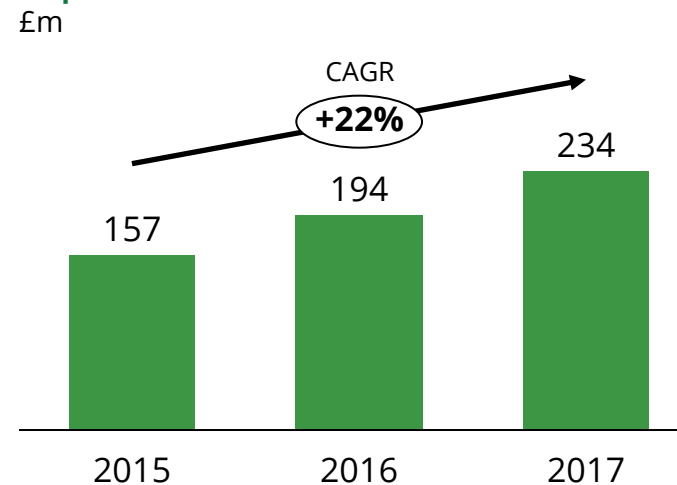
Key financial metrics

		2015	2016	2017
Revenue margin	bps	68	66	63
NCCF	£bn	1.7	1.6	4.4
NCCF / Opening AuM		7% ¹	6%	13%
Closing AuM	£bn	27.6	32.8	41.7 ²
Average AuM	£bn	26.8	29.6	37.0

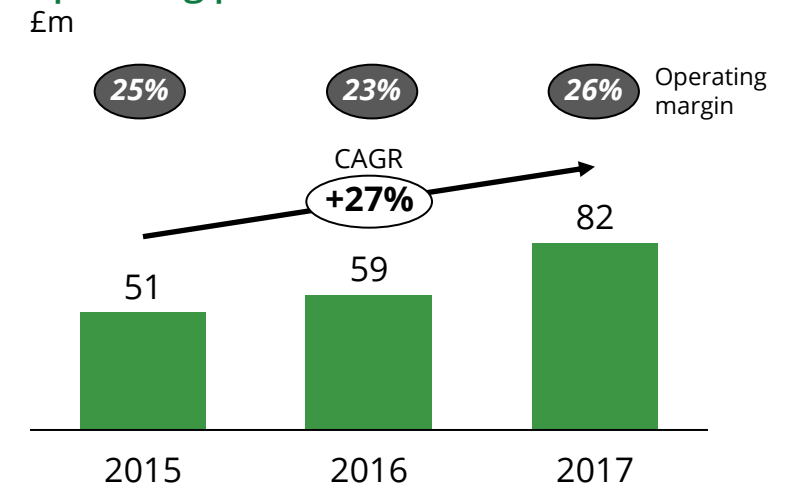
Advice and Wealth Management revenue



Advice and Wealth Management expenses



Advice and Wealth Management operating profit



1. Opening AuM for Quilter Cheviot as at 1 January 2016 of £16.7bn

2. Includes £1.3bn closing AuM in 2017, of which £1.0bn from Caerus MPS and £0.3bn from Attivo

Agenda

Introduction

Glyn Jones

Investment case and business model

Paul Feeney

Advice and Wealth Management

Paul Feeney / Tim Tookey

Q&A and break

Wealth Platforms

Paul Feeney / Tim Tookey

Q&A and break

Financials and capital management

Tim Tookey

Wrap-up

Paul Feeney

Q&A

Quilter

Agenda

Introduction

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Paul Feeney

Advice and Wealth Management

Paul Feeney / Tim Tookey

Q&A and break

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Q&A and break

Financials and capital management

Tim Tookey

Wrap-up

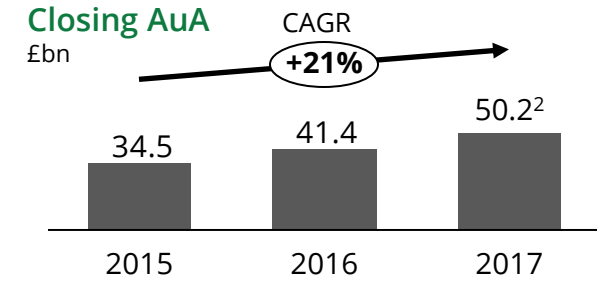
Paul Feeney

Q&A

Wealth Platforms

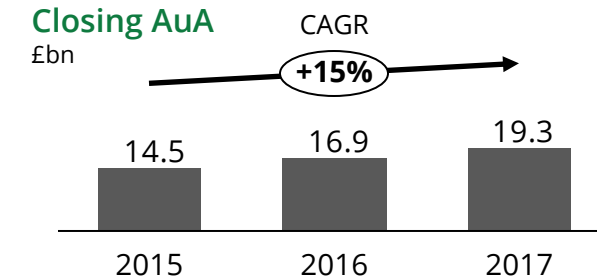
Quilter UK Platform

- Second largest adviser UK wealth platform¹
- Closing AuA of £50.2bn² (2017)
- Fast growing Retail adviser platform market (19% CAGR³)
- Well placed to take advantage of market opportunity, particularly after the launch of the new platform



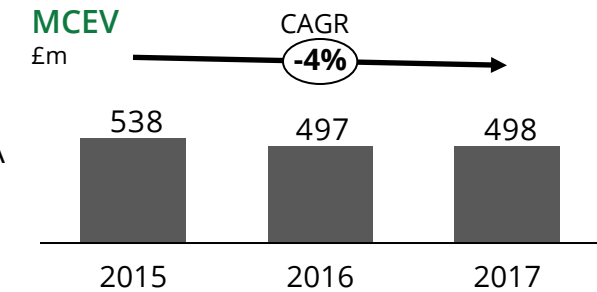
Quilter International

- Closing AuA of £19.3bn (2017)
- Strong positions in chosen International markets



Heritage

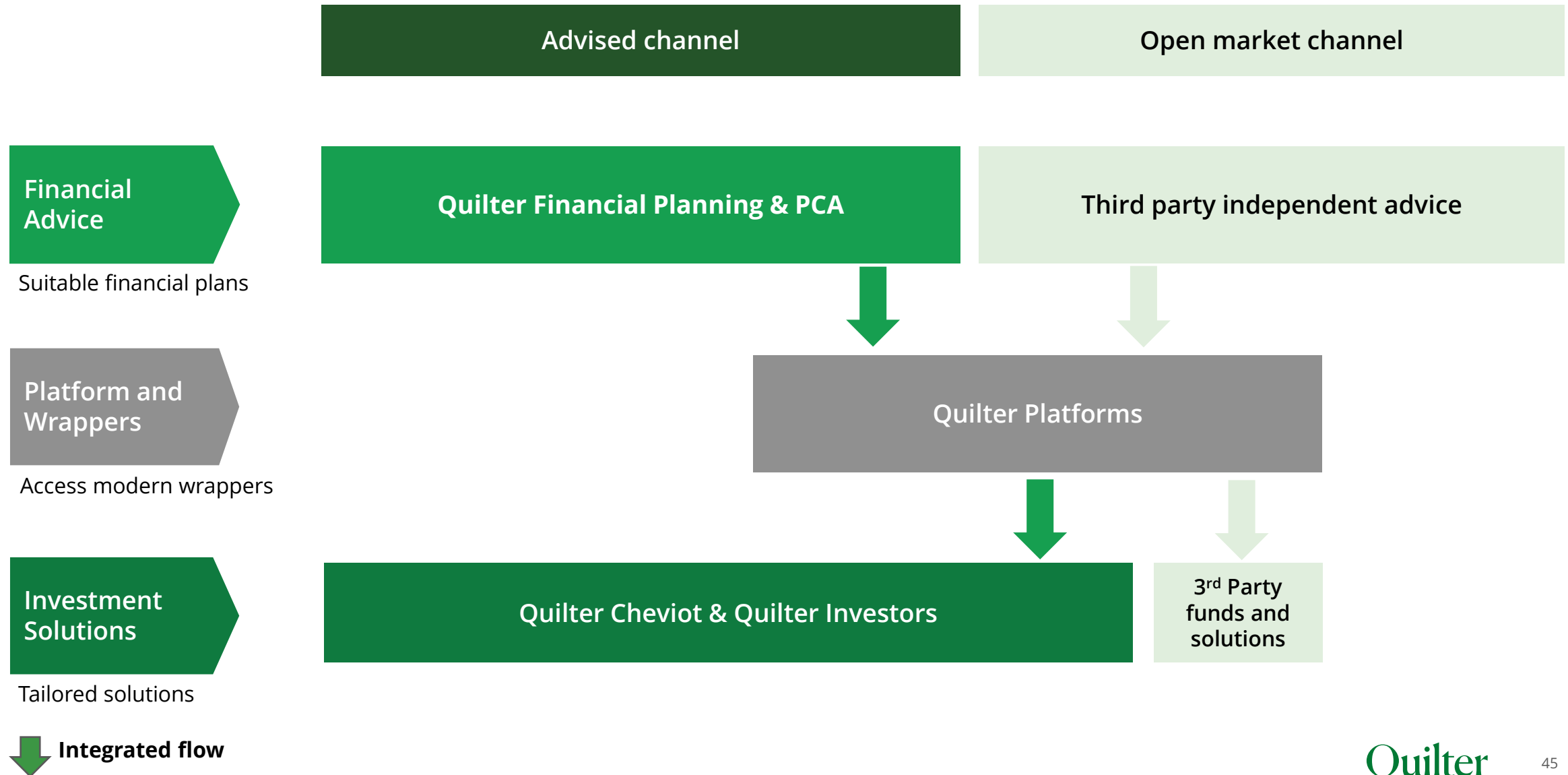
- Profitable and cash generative
- Institutional life business expected to run-off in 1-2 years
- Closing AuA of £15.1bn, of which £4.9bn is low margin Institutional AuA
- Stable expected rate of run off of c.15% p.a. (excl. Institutional)



1. At Q4 2017 Quilter was the second largest advised UK wealth platform by AuA as evidenced by Fundscape
 2. AuA excluding Quilter International assets on Quilter UK Platform of £1.2bn
 3. CAGR for the three year period ending December 2017

Our customer channels in Wealth Platforms

How customer flows come to Quilter

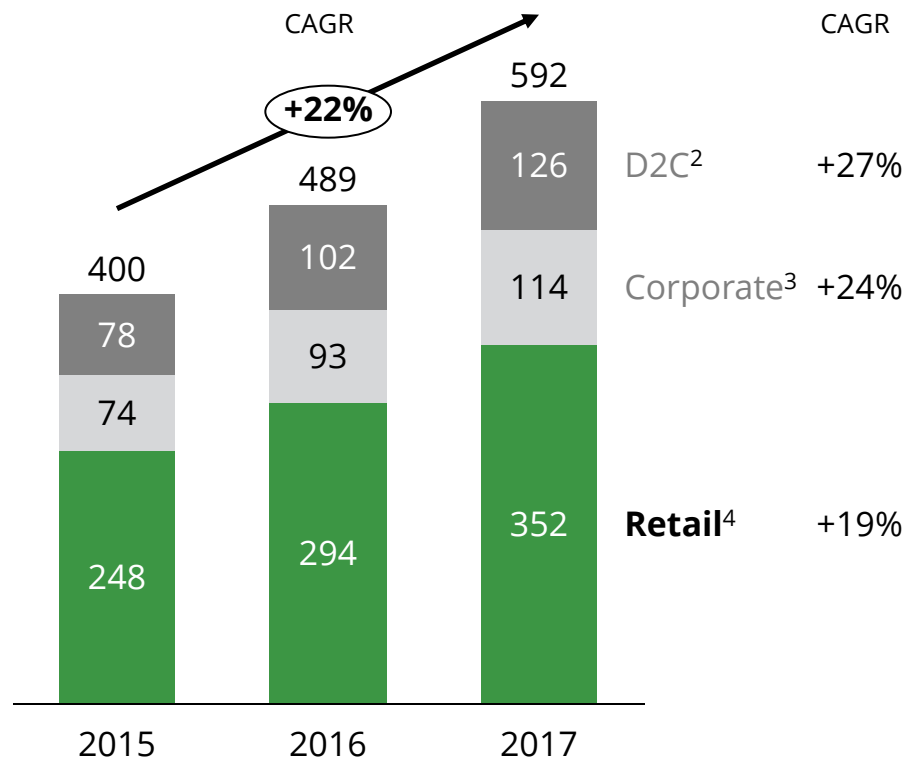


The UK platform market is an attractive segment

Significant growth in assets under administration

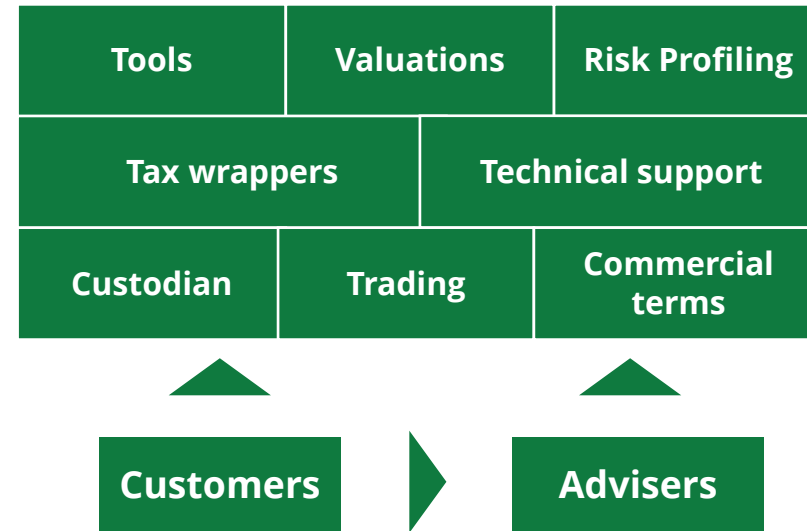
UK platform market¹

Closing AuA, £bn



1. Source: Fundscape Q4 2017
 2. D2C refers to Direct platforms
 3. Corporate and Institutional assets
 4. Fund platform, Wrap and Sub-advised assets

Role of platforms



- Platforms consolidate assets for customers and advisers
- Provide tax efficient retirement and investment wrappers
- Provide access to funds and investment solutions
- Deliver 'back office' functionality including custody, settlement and reporting

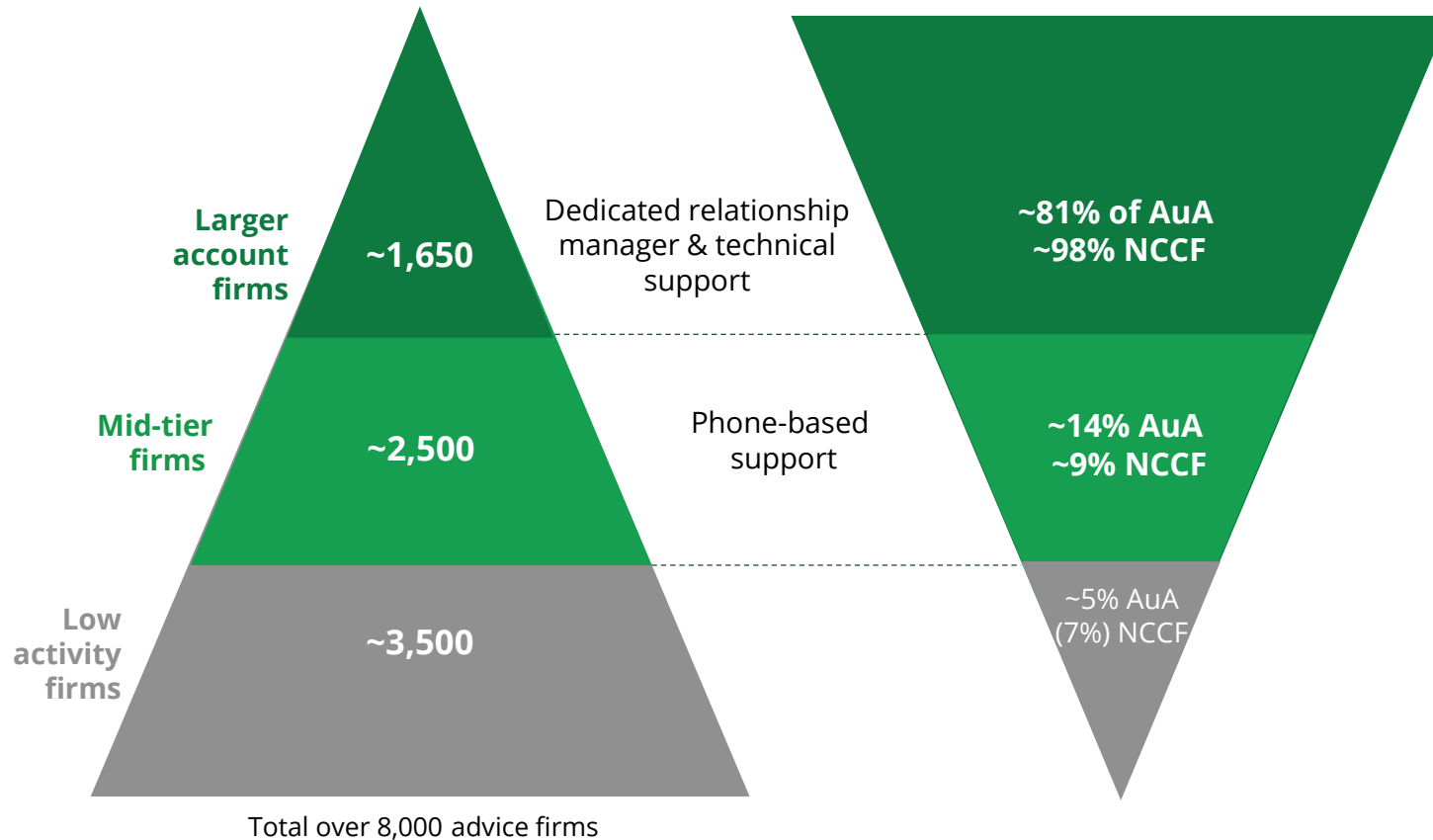
Platform growth driven by strong contribution from key accounts

Opportunity to capture greater share with enhanced functionality from Platform Transformation Programme

Over 4,000 Active Independent Adviser firms on platform¹

Independent Adviser firms contribution to Quilter²

Opportunity to capture greater share



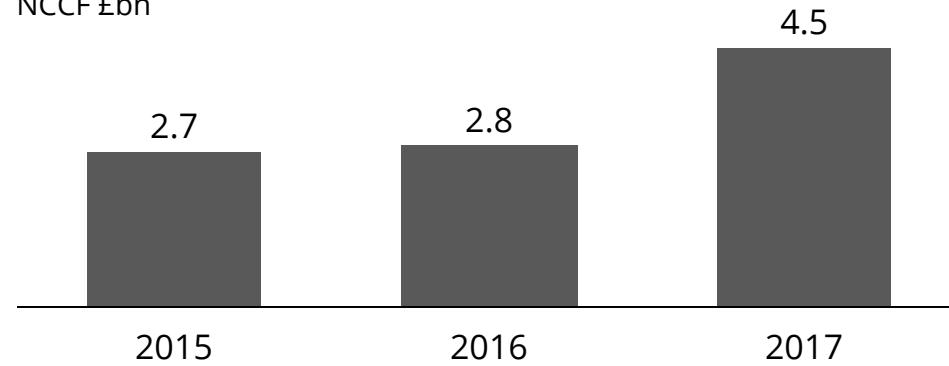
- Larger account firms contribute majority of AuA and NCCF
- Grow engagement in large and mid-tier accounts with enhanced Platform Transformation Programme functionality
- Increase flows to Quilter solutions

1. Total number of independent adviser firms on platform circa. 7,600, excluding a further circa. 800 Quilter Financial Planning firms on Platform
 2. Total AuA from independent adviser firms circa. £45.1bn, further circa. £4.6bn AuA from Quilter Financial Planning firms

Platforms generating strong flows with good asset retention

Quilter UK Platform

NCCF £bn



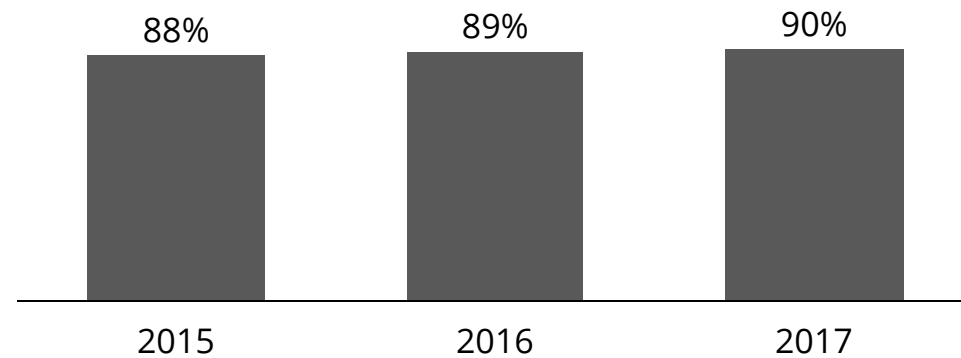
Quilter International

NCCF £bn



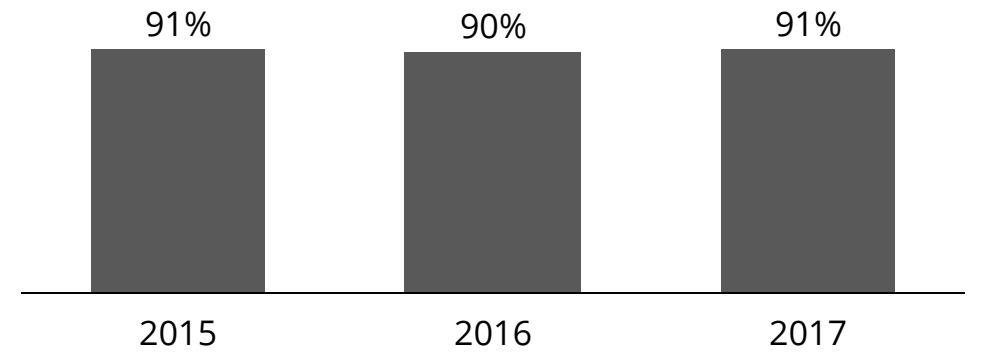
Quilter UK Platform

Asset retention¹, %



Quilter International

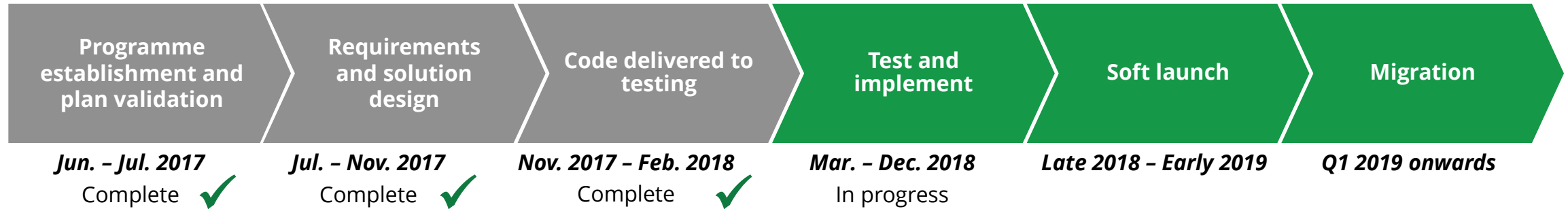
Asset retention¹, %



1. Asset retention calculated as $1 - (\text{gross outflows} / \text{opening AuMA})$; excluding Heritage (for both outflows and AuMA)

Platform Transformation Programme on track for 2018/2019 delivery

Costs in line with previous stated levels of £120-160m



Costs to date

- £21m to 31 December 2017
- Tight control of spend
- Optimised delivery model to align with programme phase

Yet to be incurred

- £75m in 2018, with balance in 2019
- Focus on build completion, testing and readiness
- No change to overall cost guidance or timelines

New platform functionality

Building on our key strengths and filling proposition gaps

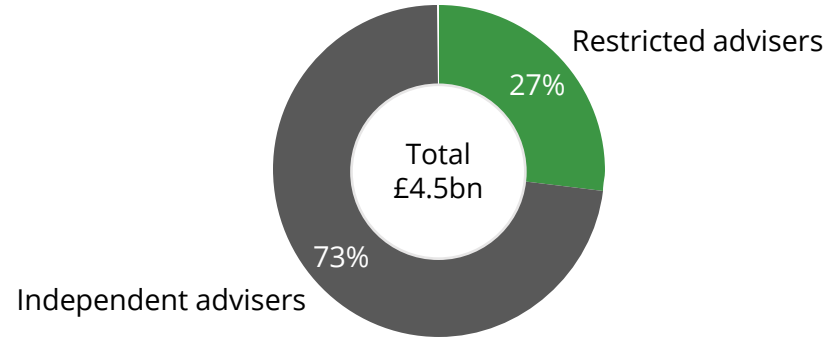


	Current platform	New platform
GIA	✓	✓
ISA	✓	✓
Personal pension	✓	✓
Onshore bond	✓	✓
DFM	✓ (limited)	✓
Cash account	✗	✓
Investment trusts	✗	✓
ETFs	✗	✓
SIPP	✗	✓
Junior ISAs	✗	✓
Adviser Back Office Integration	✓ (limited)	✓

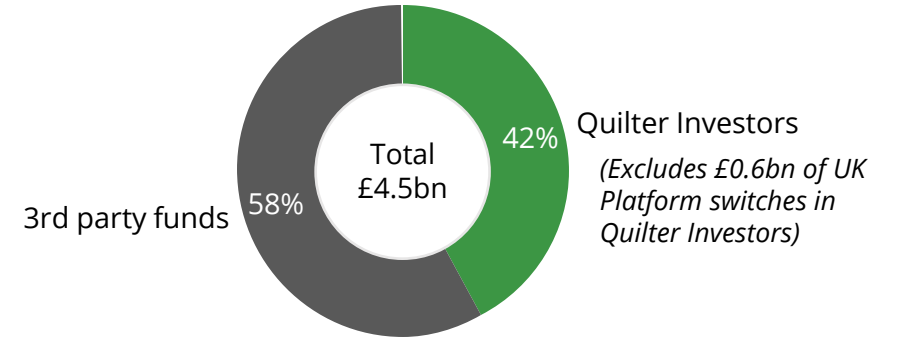
UK Platform benefiting from Restricted advice flows and providing strong flows into Quilter Investors

UK Platform Flows

UK Platform NCCF by advice type

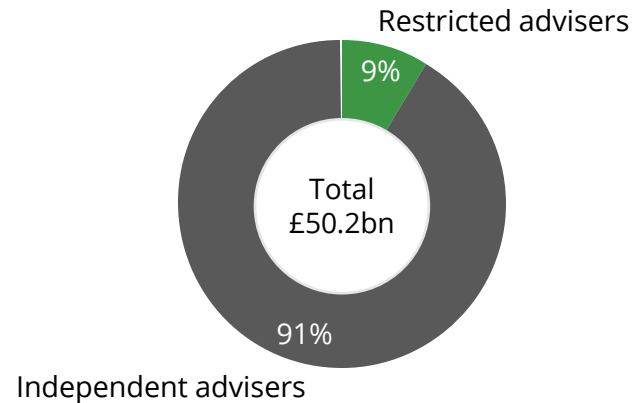


UK Platform NCCF to investment solution¹

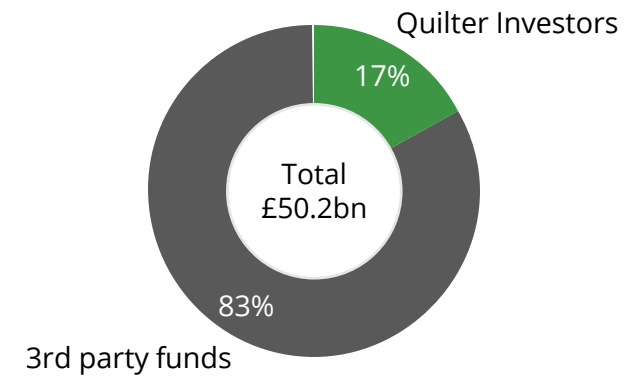


UK Platform AuMA

UK Platform AuMA by advice type



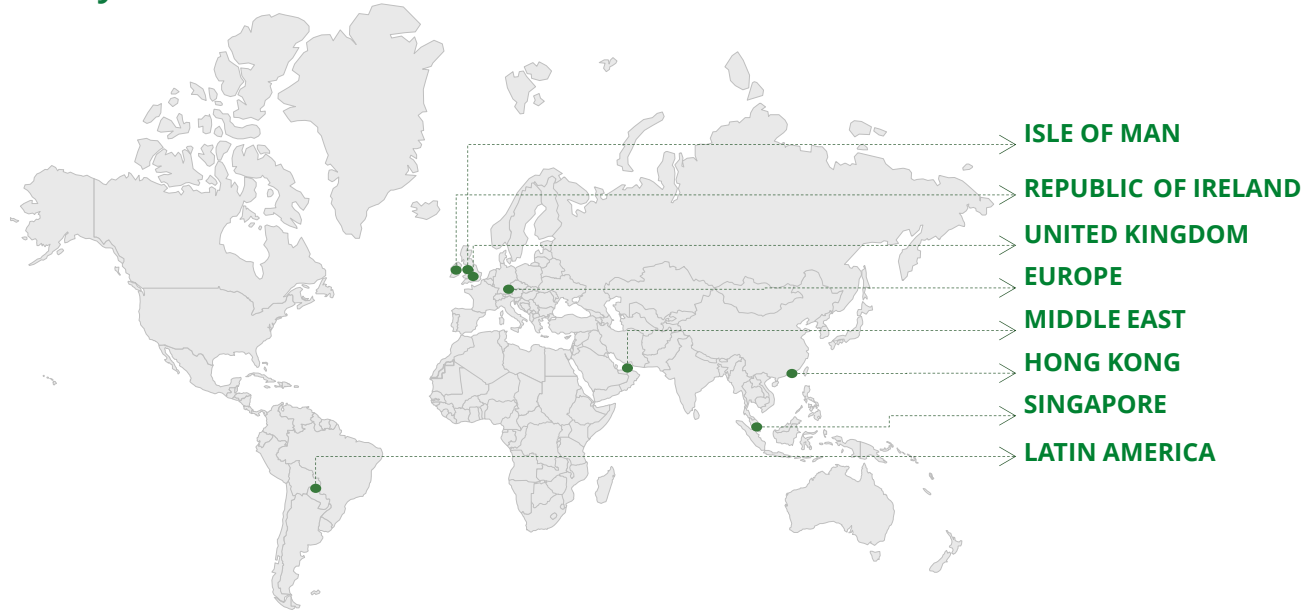
UK Platform AuMA to investment solution



Note: Numbers as of 31 December 2017 and exclude intra-group eliminations
 Note: Excludes Quilter International AuA on UK Platforms
 1. Excludes switches

Quilter International focused on key markets

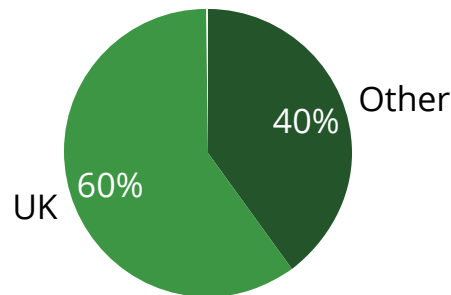
Key markets



- Reshaping of business to **key markets and supporting UK customers**
- **Established positions in affluent markets in Asia and Middle East**
- **Diversified distribution** through IFAs, Banks, Professional Advisers and owned (AAM Advisory)
- **Scalable core product**, portfolio bond, meeting needs of chosen customer segments
- **Integration opportunity**, offering leading solutions of Quilter Investors and Quilter Cheviot to international investors

AuA by customer nationality

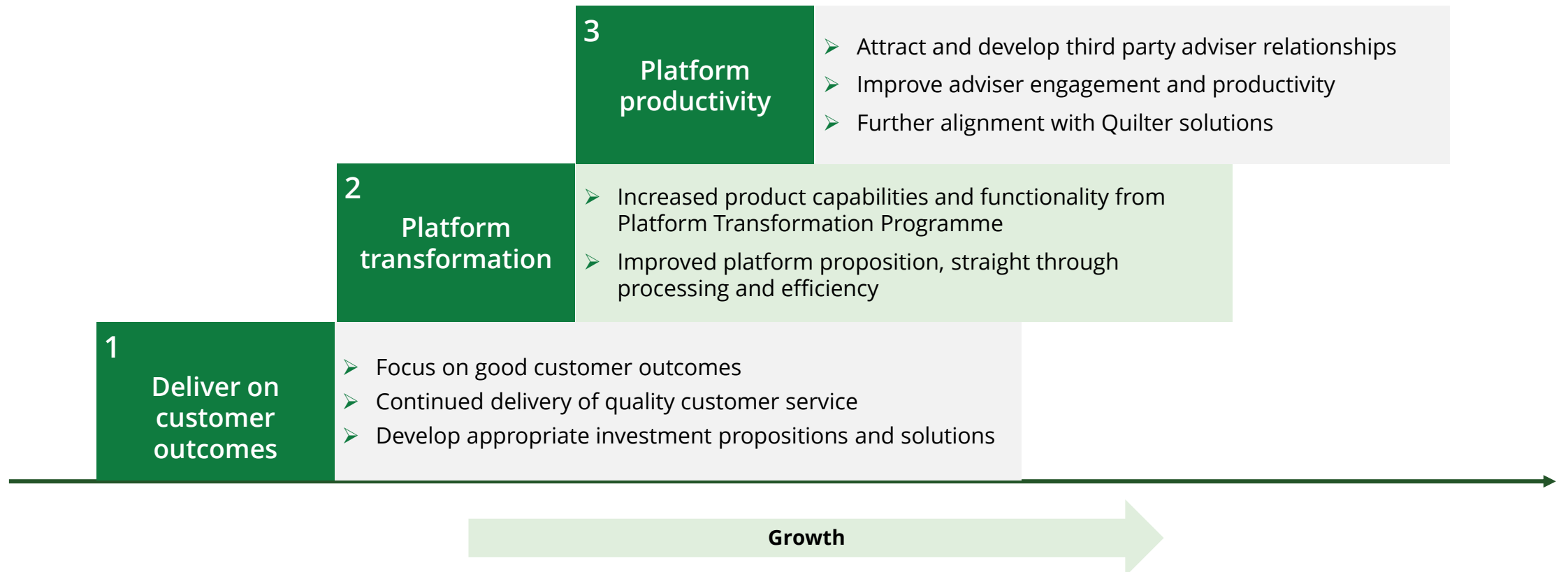
% AuA



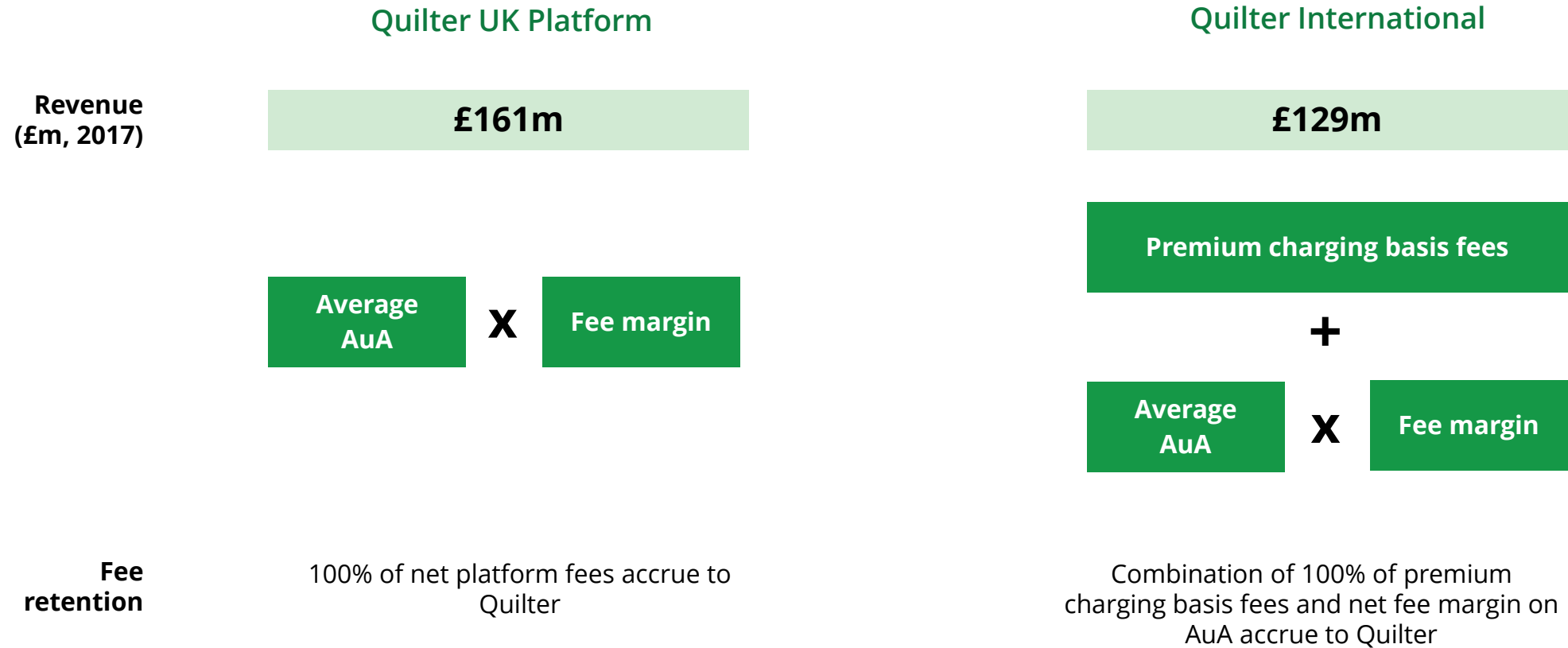
International customers need ... tax efficiency, portability and security



Wealth Platforms: key segment growth drivers



Wealth Platforms: revenue model

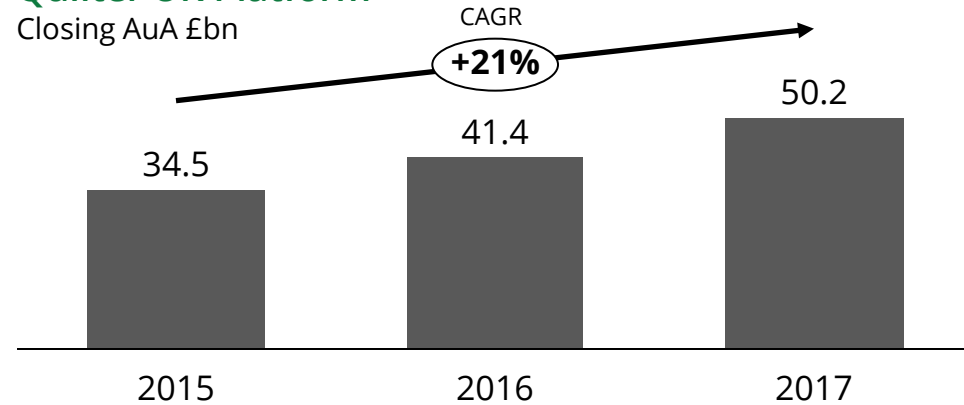


AuA and Revenue

Steady growth in AuA and revenues

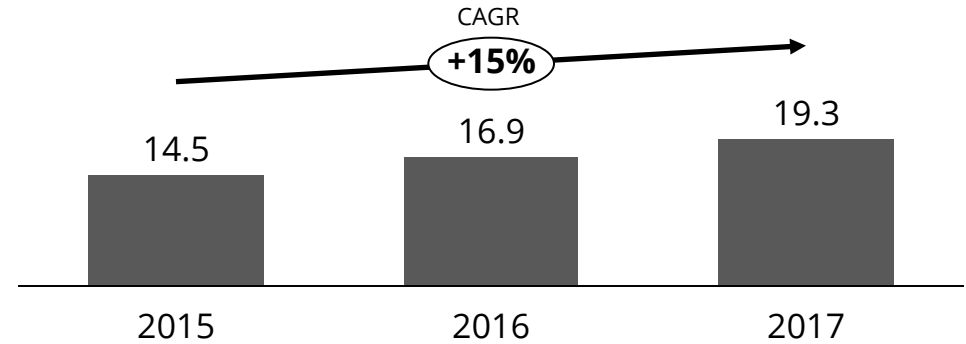
Quilter UK Platform

Closing AuA £bn



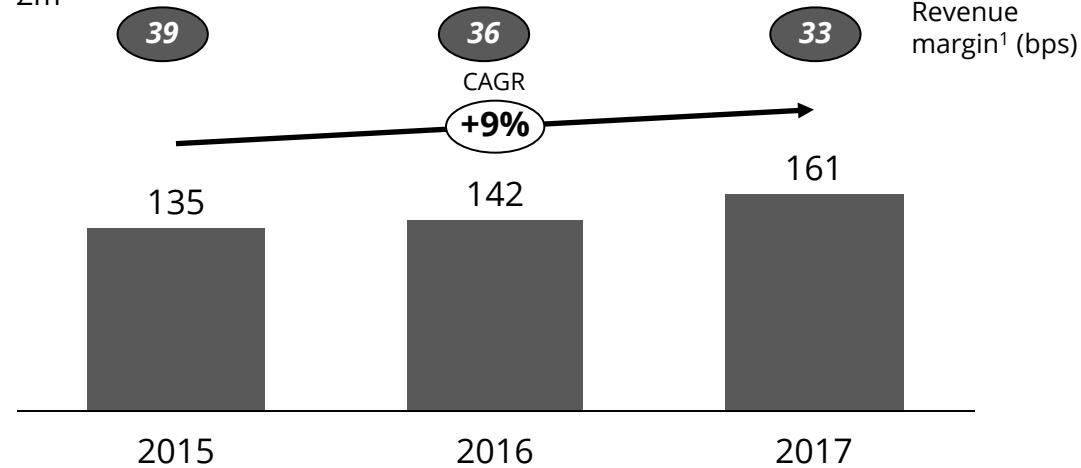
Quilter International

Closing AuA £bn



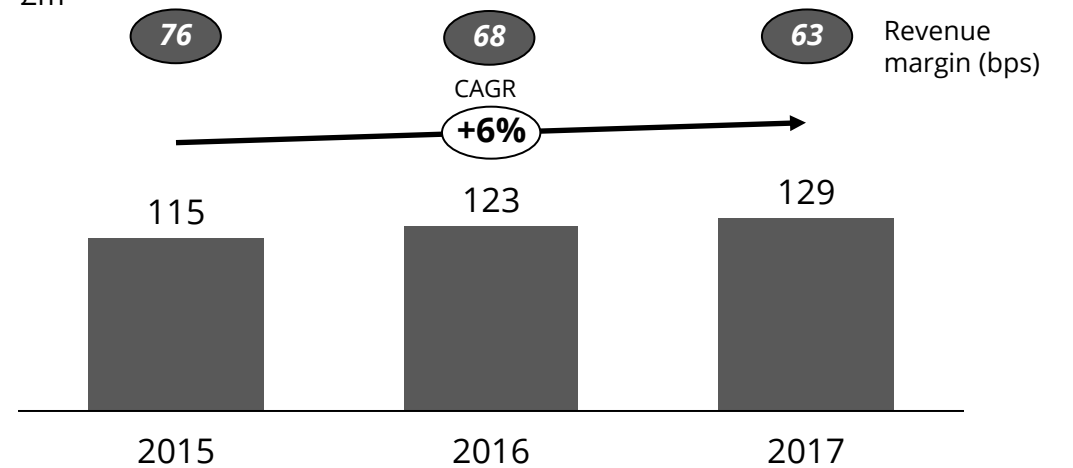
Quilter UK Platform revenue

£m



Quilter International revenue

£m



1. Revenue margin is calculated on net management margin over average AuA including Quilter International assets on Quilter UK Platform

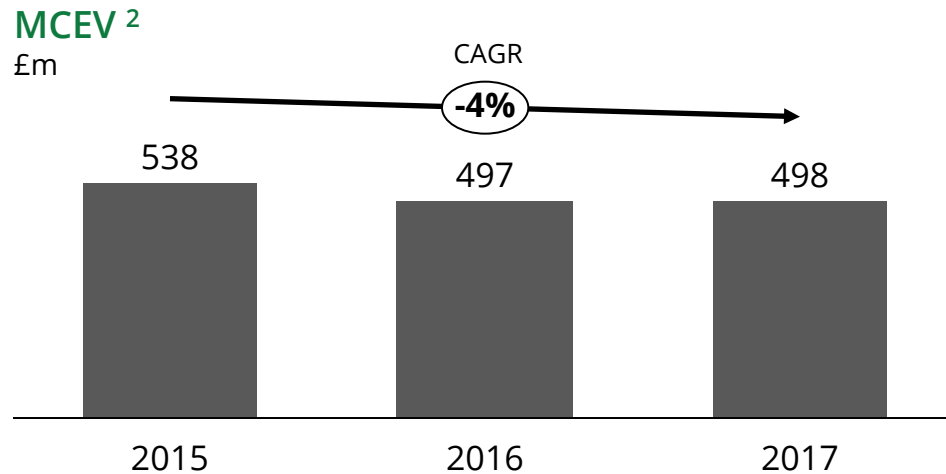
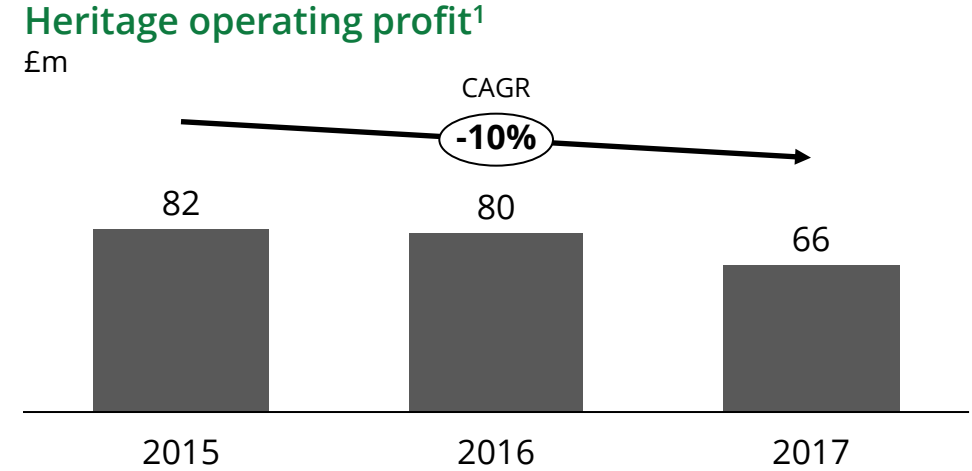
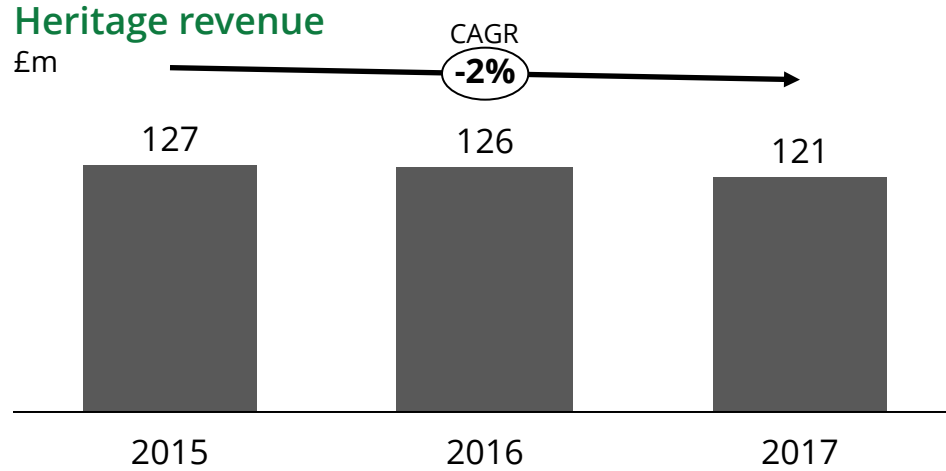
Wealth Platforms revenue drivers

Strong asset growth and stable NCCF

		2015	2016	2017	Key takeaway
UK Platform					
NCCF	£bn	2.7	2.8	4.5	➤ Continued NCCF even with limited product capabilities
Closing AuA	£bn	34.5	41.4	50.2	➤ Revenue supported by scale benefits
Average AuA ¹	£bn	32.7	37.1	45.5	➤ Strong flows and market growth
Revenue margin ²	bps	39	36	33	
Asset retention ³		88%	89%	90%	
International					
NCCF	£bn	0.5	0.5	1.4	➤ Focus on core markets / deeper penetration
Closing AuA	£bn	14.5	16.9	19.3	➤ Premium charging basis fees supports income resilience
Average AuA	£bn	14.5	15.4	17.7	➤ Strong flows and market growth
Revenue margin	bps	76	68	63	
Premium charging		56%	57%	54%	
Asset retention ³		91%	90%	91%	
Heritage					
NCCF	£bn	(0.8)	(1.1)	(1.6)	➤ Run-off 15% net outflow p.a. (excl. Institutional)
Closing AuA	£bn	14.7	15.3	15.1	➤ Institutional book expected to run-off in 1-2 years
Average AuA	£bn	14.6	14.5	14.8	➤ Institutional book ~£4.9bn closing AuA at 5bps margin
Revenue margin	bps	68	60	60	
Asset retention ³		86%	86%	82%	
MCEV	£m	538	497	498	

1. Excludes average other shareholder assets of £0.2bn, £0.2bn and £0.4bn in 2015, 2016 and 2017, respectively
2. Revenue margin is calculated on fund based revenue over AuA including International assets on Quilter UK Platform
3. Asset retention calculated as gross outflows as a % of opening AuMA

Heritage profitable and cash generative, albeit in runoff



- Provided free cash flow to grow other Quilter businesses
- Institutional book expected to run-off over next 1-2 years
- Remaining Heritage book expected to run-off at c.15% net outflow p.a.

1. Operating profit does not include impact of Heritage product review due to charge outside of Operating profit
 2. EV includes impact of Heritage product review

Update on FCA Thematic Review and investigation

FCA Thematic feedback and guidance

- Feedback from FCA on Thematic Review (TR16/2)
- Finalised Guidance (FG16/8) on the fair treatment of long-standing customers in the life insurance sector

Voluntary remediation

- Product reviews consistent with FCA's TR16/2 feedback and FG16/8 guidance conducted on Heritage book of business
- Following product reviews, voluntary remediation programme to be commenced
- Voluntary customer remediation provision £69m

FCA investigation

- We continue to cooperate and work openly with the FCA in connection with their investigation following TR16/2
- No provision has been made for any potential fine that may be levied by the FCA

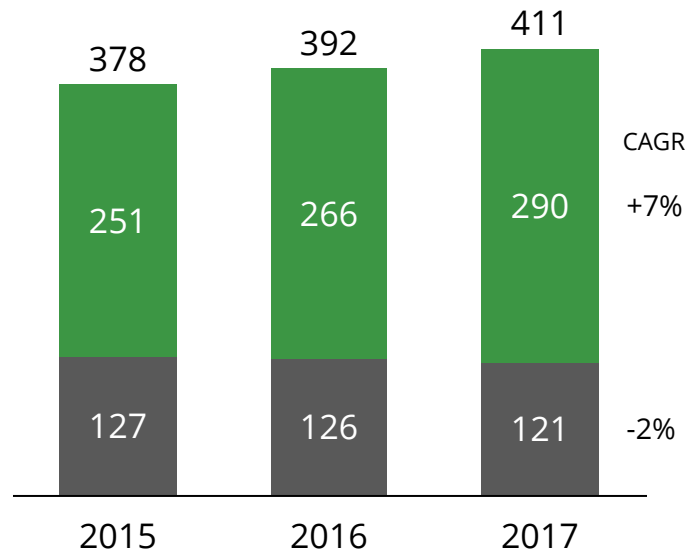
Wealth Platforms: financial summary

Key financial metrics

		2015	2016	2017
Revenue margin	bps	56	49	46
NCCF ¹	£bn	3.2	3.3	5.9
NCCF ¹ / Opening AuA ²		7%	7%	10%
Closing AuA ³	£bn	63.8	73.7	84.6
Average AuA ³	£bn	61.8	67.0	78.0

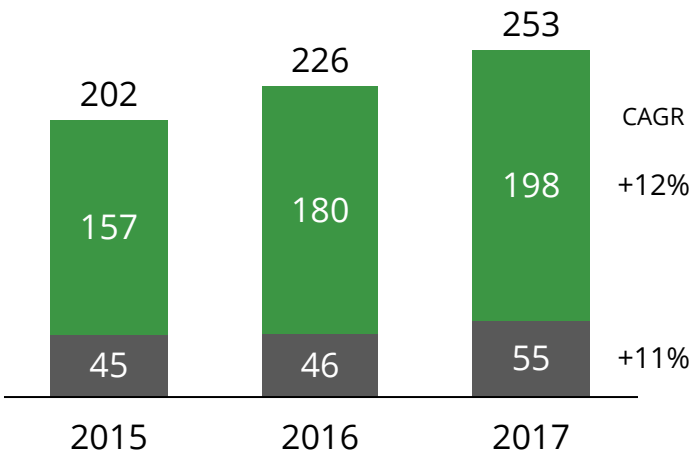
Wealth Platforms revenue

£m



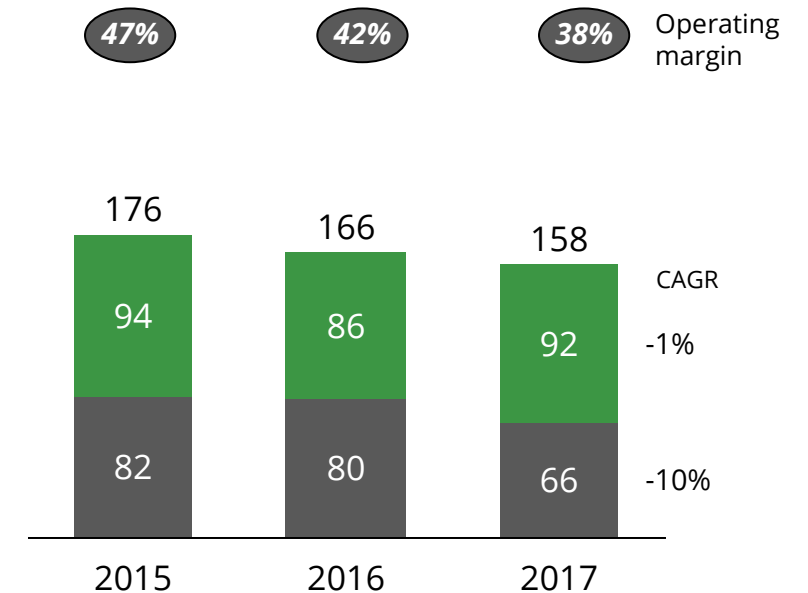
Wealth Platforms expenses

£m



Wealth Platforms operating profit

£m



1. Excludes Heritage net outflows of £0.8bn, £1.1bn and £1.6bn for 2015, 2016 and 2017 respectively
2. Excludes Heritage opening AuA of £15.4bn, £14.7bn and £15.3bn for 2015, 2016 and 2017 respectively
3. Includes Heritage



Agenda

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Glyn Jones

Investment case and business model

Paul Feeney

Advice and Wealth Management

Paul Feeney / Tim Tookey

Q&A and break

Wealth Platforms

Paul Feeney / Tim Tookey

Q&A and break

Financials and capital management

Tim Tookey

Wrap-up

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Wrap-up

Paul Feeney

Q&A

What we will cover

Excellent 2017 performance

- 2017 financials
- Basis of the financial information presented
- Track record of growing revenue

Integrated flows driving revenue

- More on our integrated model and the value to Quilter
- Explanation why the decrease in revenue margins is expected to reduce

Continued costs to support separation

- Further detail on our cost base and how it will look after separation
- Outline of what business optimisation may involve

Improving cash flows dynamics

- Post-separation balance sheet and capital and liquidity
- Cash flow dynamics
- Our new dividend policy

Strong NCCF driving operating margin

- Recap on our guidance and targets

Reconciliation of Group reporting profit to profit after tax

£m	2015	2016	2017
Normalised operating profit before tax	213	208	209
- Normalisation adjustments	8	(31)	-
Operating profit before tax attributable to shareholders' profits	221	177	209
- Goodwill, intangible and associated charges	(57)	(52)	(54)
- Profit on the acquisition and re-measurement of subsidiaries	-	-	3
- Business transformation costs	(96)	(102)	(89)
- Managed separation costs	-	(7)	(32)
- Group debt costs and other interest	(32)	(43)	(39)
- Policyholder tax adjustments	12	(8)	17
- Voluntary customer remediation	-	-	(69)
Profit/(Loss) before tax attributable to shareholders' profits	48	(35)	(54)
- Income tax attributable to policyholder returns	(7)	102	49
Profit/(Loss) before tax	41	67	(5)
- Income tax expense on continuing business	16	(94)	(41)
Profit/(Loss) before tax from continuing operations	57	(27)	(46)
- Profit after tax from discontinued operations	28	62	203
Profit for the year after tax	85	35	157

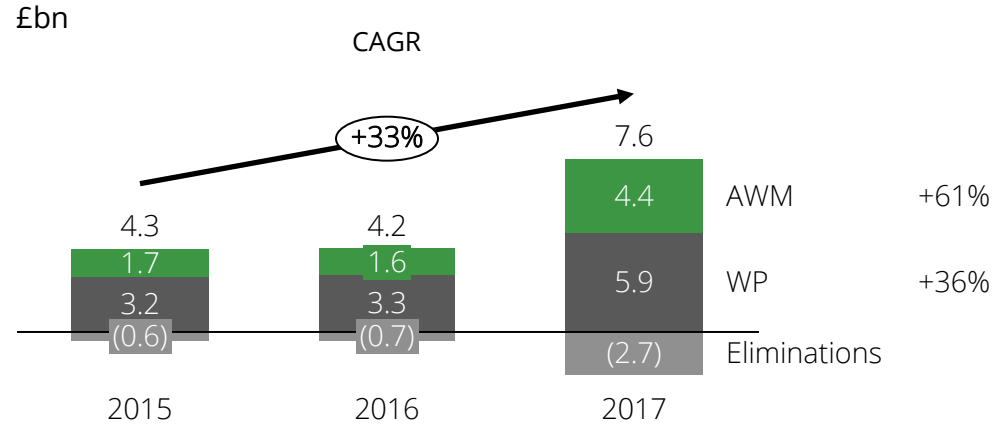
➤ **Normalised profit** is the management view and focus of the business going forward

➤ **Operating profit** as a standalone (basis on which the Prospectus has to be prepared). To be referred to as **Adjusted Profit** in future

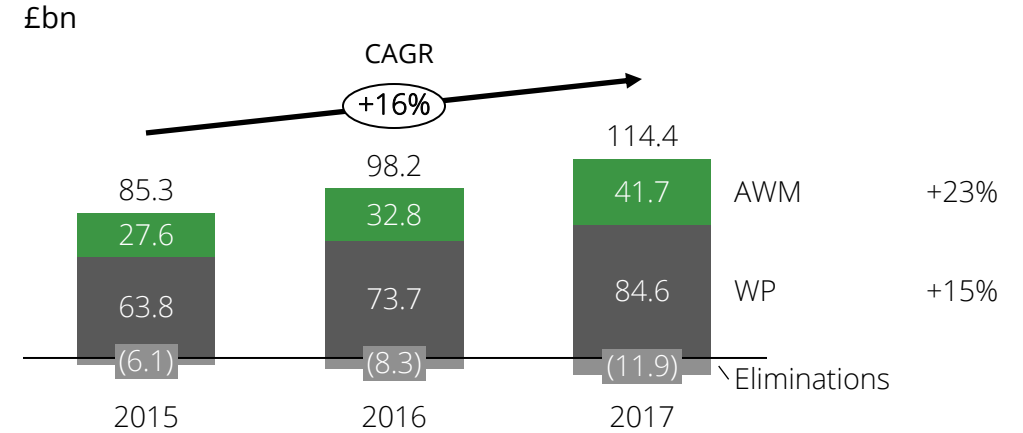
➤ Full **accounting view** of P&L

Financial performance

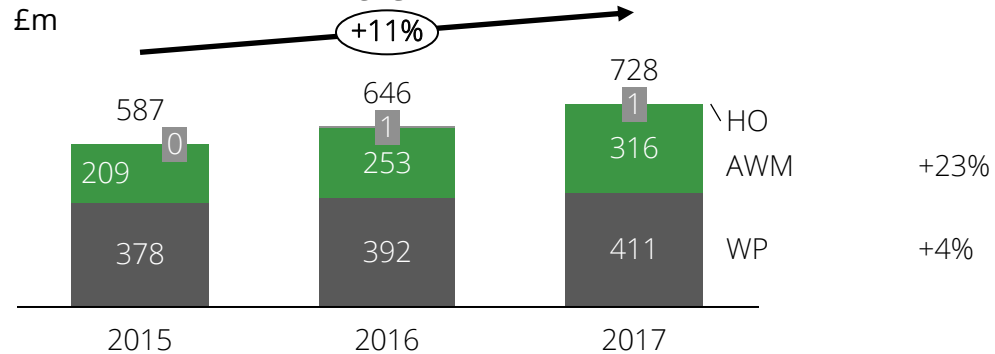
NCCF excl. Heritage¹



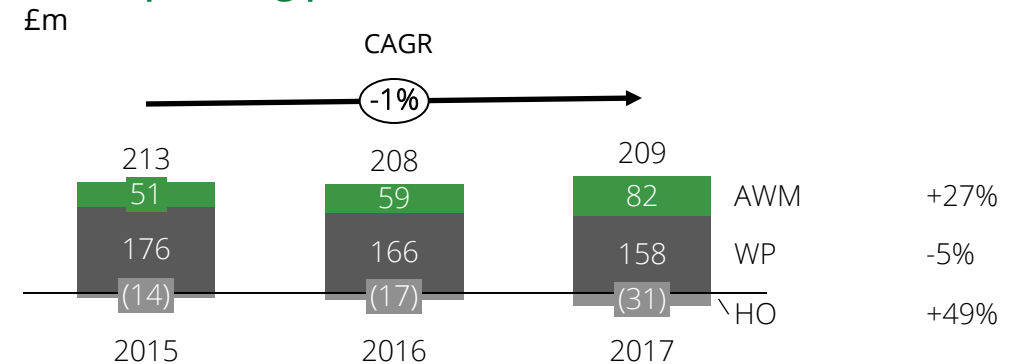
Total closing AuMA²



Total revenue



Total operating profit

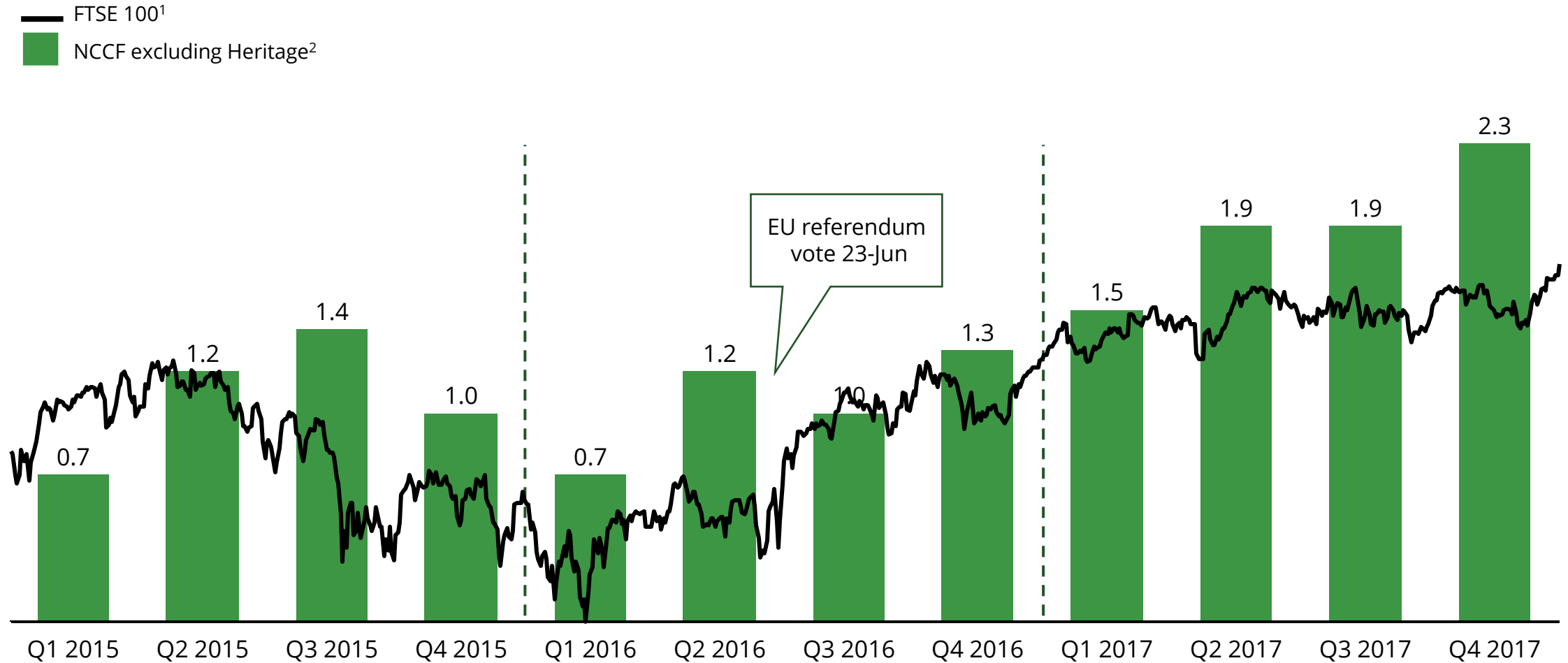


After in-year investment initiatives³

£5m	£25m	£12m
-----	------	------

1. Excludes Heritage net outflows of £0.8bn, £1.1bn and £1.6bn for 2015, 2016 and 2017 respectively and Heritage elimination adjustments of £0.4bn, £0.2bn and £0.3bn for 2015, 2016 and 2017 respectively
2. Eliminations includes Head Office and other shareholder assets of £0.2bn in 2015, £0.1bn in 2016, £0.2bn in 2017
3. Investment initiatives accounts for investments in the business including spend in PCA and acquisition of Caerus

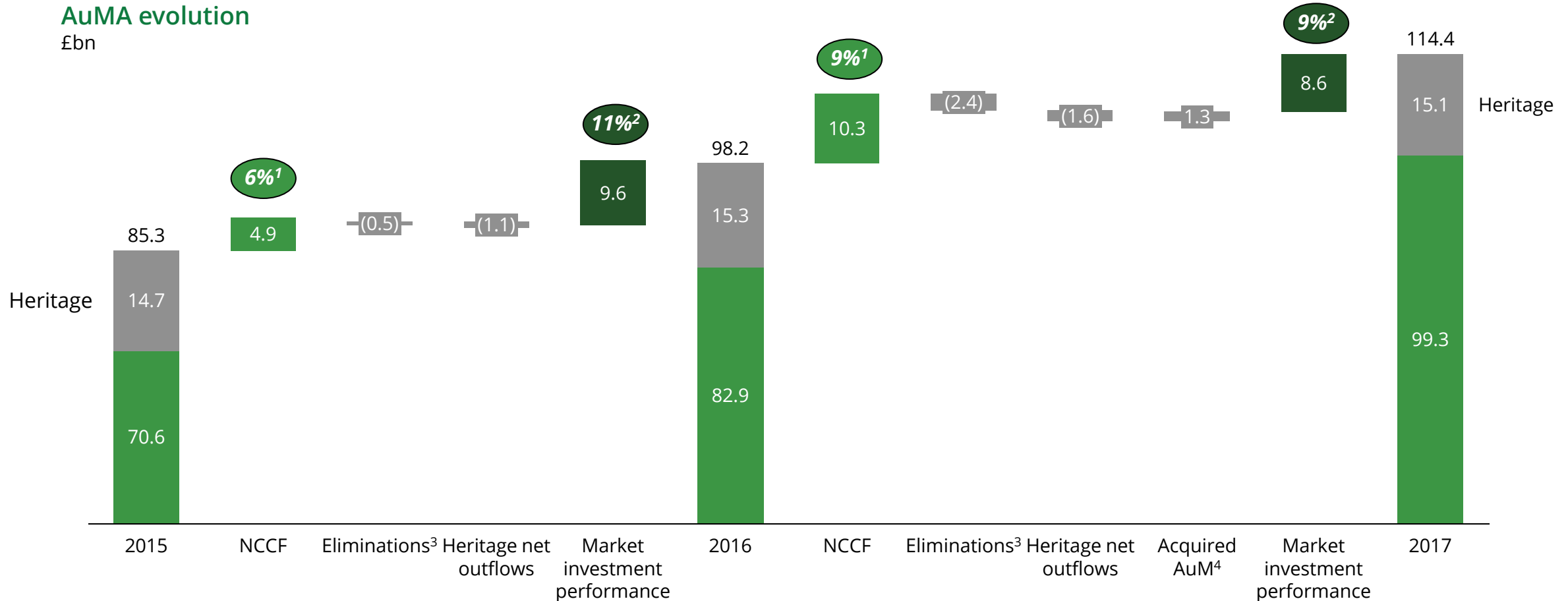
Consistent quarterly delivery of positive net flows



1. Market data sourced from Factset as at 10-Jan-2018
 2. Excludes Heritage net outflows and eliminations of £0.4bn, £0.9bn and £1.3bn for 2015, 2016 and 2017 respectively

Strong NCCF and AuMA growth

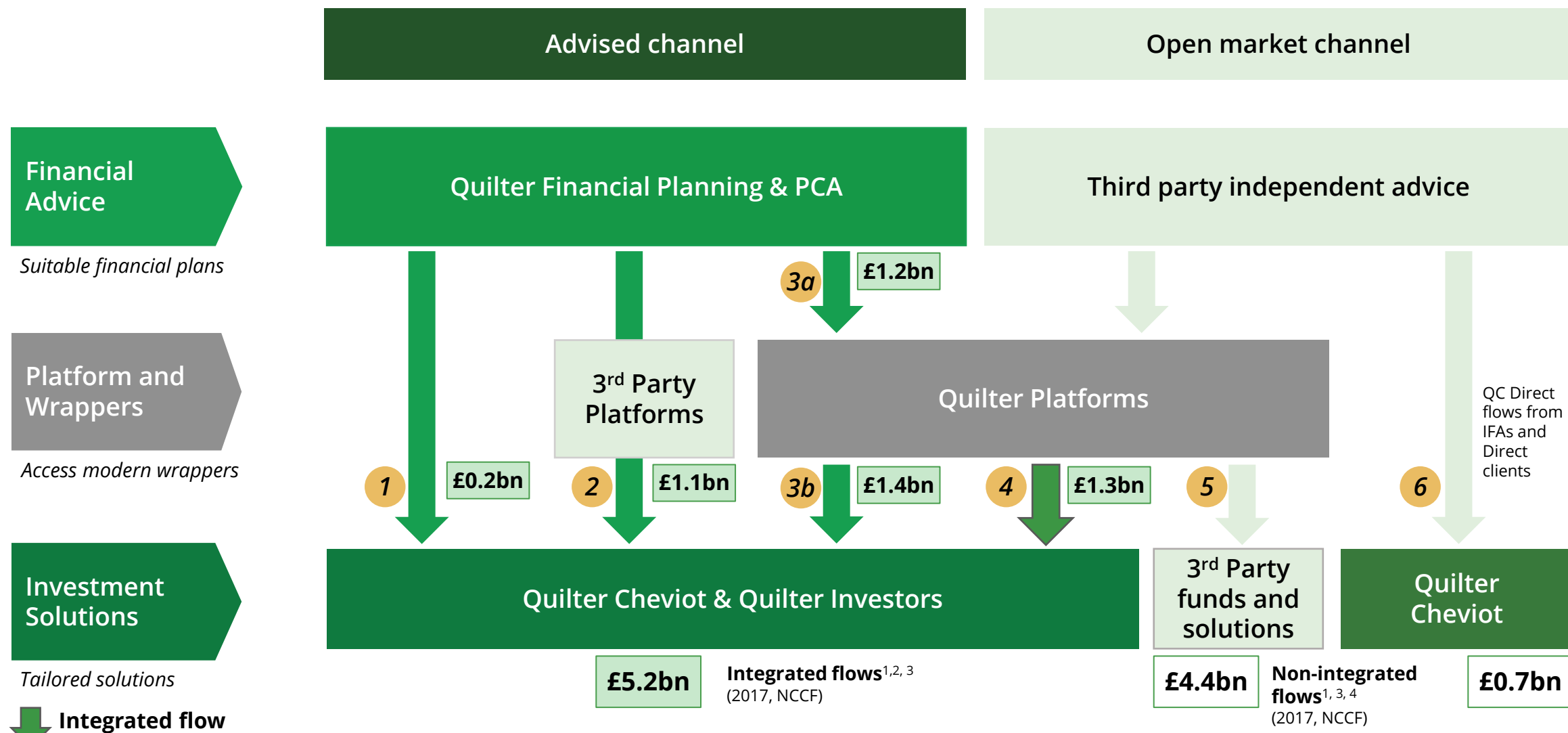
Target delivering 5% NCCF (excluding Heritage) of opening AuMA per annum over the medium term



1. AuMA and NCCF exclude Heritage, includes appropriate eliminations
 2. Market investment performance defined as market / opening AuMA
 3. Include £0.2bn in 2016 and £0.3bn in 2017 Heritage associated eliminations
 4. Acquired AuM of £1.3bn, of which £1.0bn from Caerus and £0.3bn from Attivo

% NCCF as % of opening AuMA excl. Heritage
% Market growth²

Our full service, multi-channel model...



1. Excludes 2017 Heritage net outflows and eliminations, representing £0.4bn of integrated outflows (total integrated £4.8bn) and £0.9bn non-integrated outflows (total 3rd party funds and solutions non-integrated flows of £0.8bn)

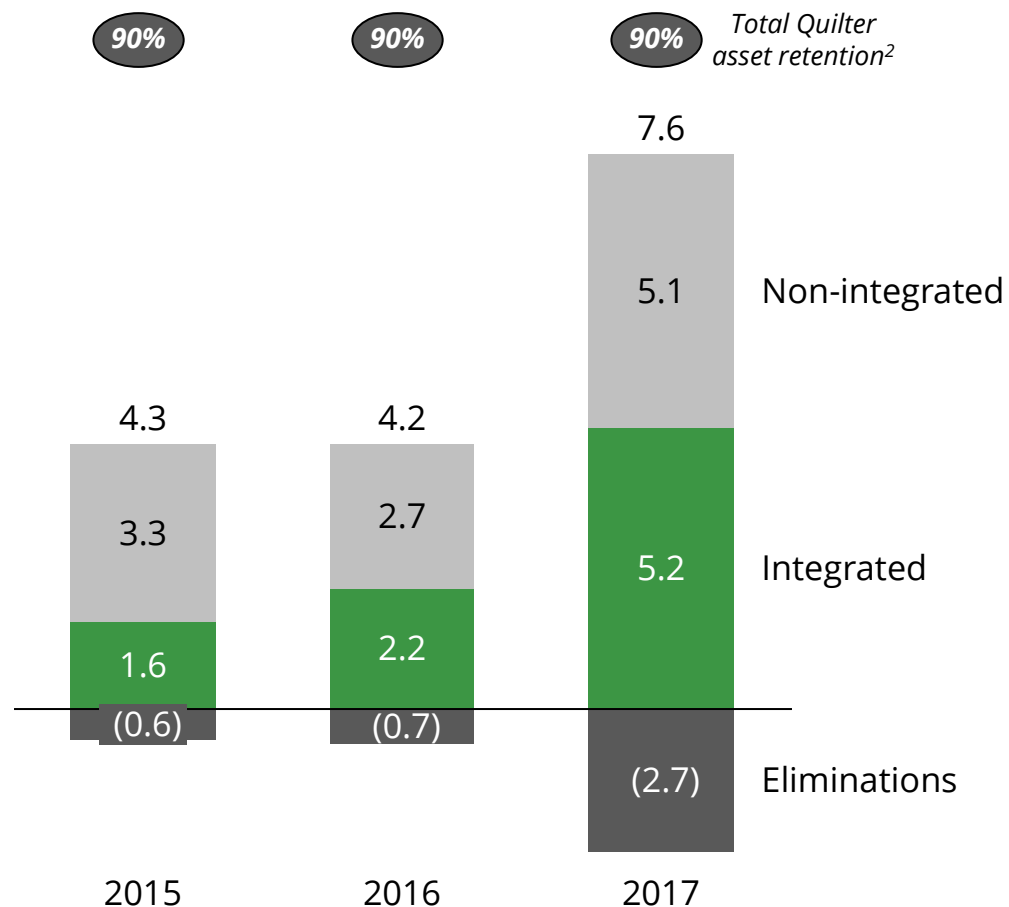
2. Does not show separately minor flows where 3rd party adviser uses 3rd party platform to access Quilter Investors solutions

3. Excludes eliminations of £2.7bn

4. Includes outflow of £0.3bn from Quilted Investors

... drives integrated flows¹

NCCF
£bn



Integrated flows

- 1 £0.2bn PCA and Financial Planning to Quilter Cheviot, not captured on UK Platform
- 2 £1.1bn PCA and Financial Planning to Quilter Investors, not captured on UK Platform
- 3a £1.2bn PCA and Financial Planning to Quilter Platforms
- 3b £1.4bn integrated flows to Quilter Investors and Quilter Cheviot via Quilter Platforms
- 4 £1.3bn IFA flows to Quilter Platforms and then to Quilter Investors

£5.2bn^{3, 4}

Non-integrated flows

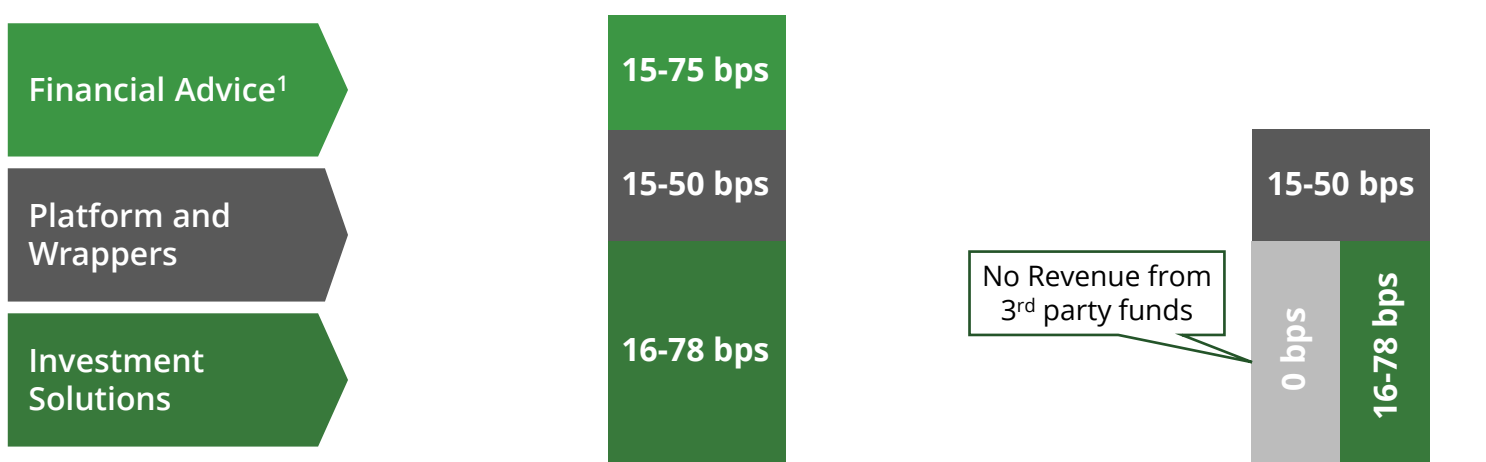
- 5 £4.4bn IFA flows to third party fund managers
- 6 £0.7bn flows from IFA and direct client to Quilter Cheviot

£5.1bn⁴

1. Excludes Heritage net outflow and eliminations of £1.3bn, total NCCF of £6.3bn including Heritage outflows of which £4.8bn integrated flows including Heritage – all numbers for 2017
 2. Asset retention calculated as 1 – (gross outflows / opening AuMA): excluding Heritage (for both outflows and AuMA)
 3. Excludes Heritage integrated flows of £(0.4)bn for 2017
 4. Excludes eliminations of £2.7bn

Revenue contribution benefits of multi-channel model

UK only	Advised channel			Open market channel		
	1	2	3	4	5	6
Typical services	<ul style="list-style-type: none"> Restricted Advice Platform Investment solutions 			<ul style="list-style-type: none"> Independent Advice Platform Investment Solutions or 3rd Party funds 		
What customers pay (market average)	~256 bps					
What Quilter typically earns	120-180 bps			25-110 bps		



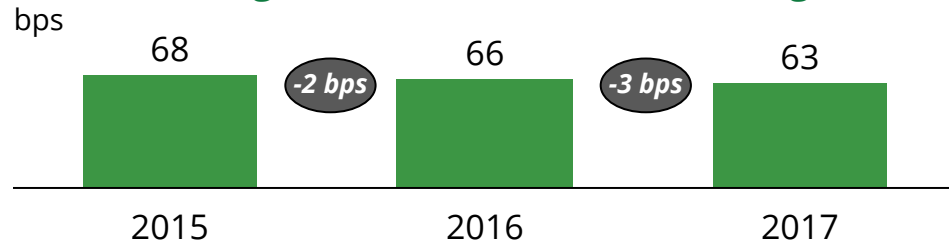
- Revenue margins higher through advised channels
- Strong flows through open market channel
- Both channels capture economic value for Quilter
- Multi-channel model provides market insight for product development
- Overriding focus, is adviser responsibility to consumer; we provide choice

1. Advice fee excludes initial advice fee

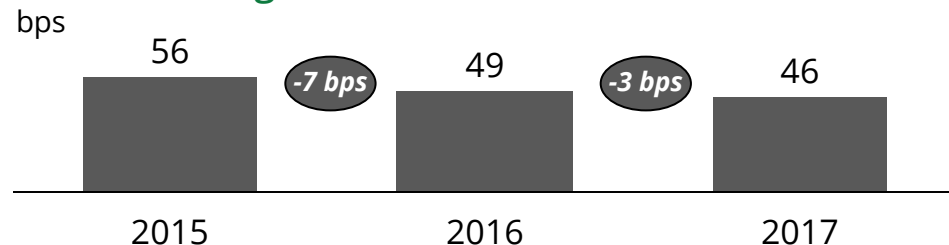
Revenue growth despite margin pressures

Quilter revenue margin expected to become increasingly stable

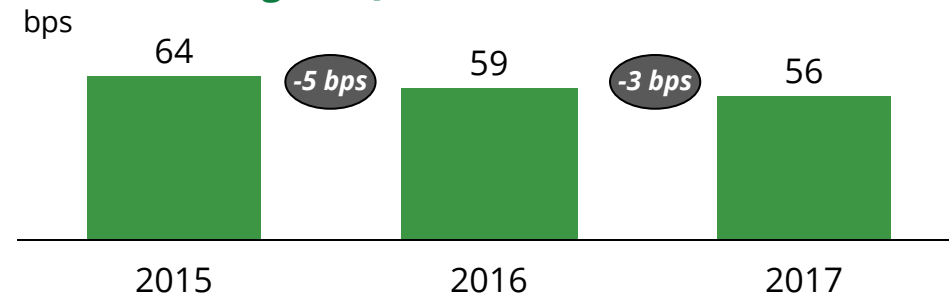
Revenue margin - Advice and Wealth Management



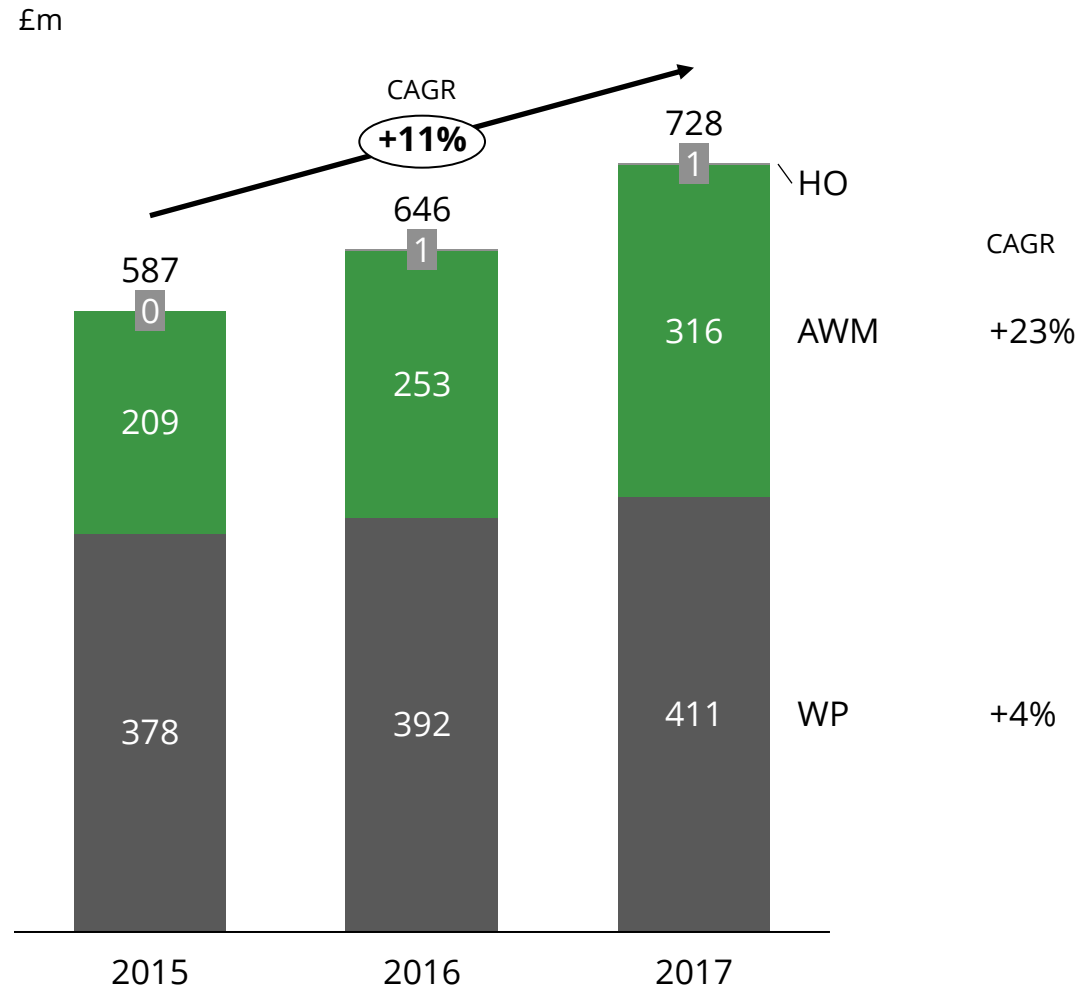
Revenue margin - Wealth Platforms



Revenue margin - Quilter

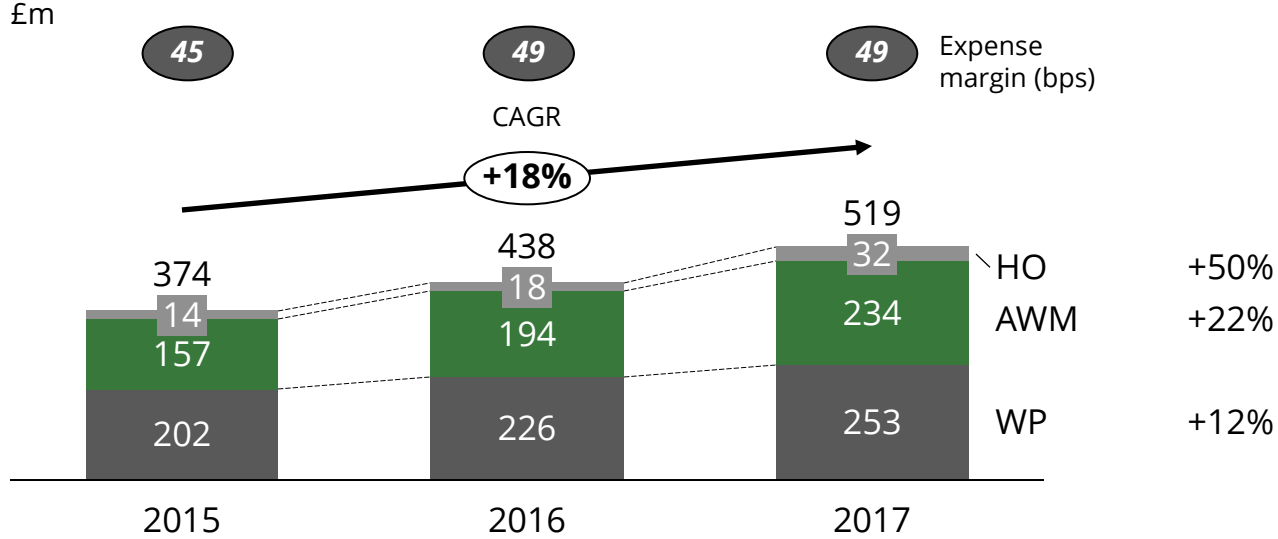


Revenue



Expense base for Quilter's standalone future

By segment



Higher Advice and Wealth Management expense growth due to:

- Investments in business growth including acquisition of advice and development of multi-asset capability
- Organic growth and inflation

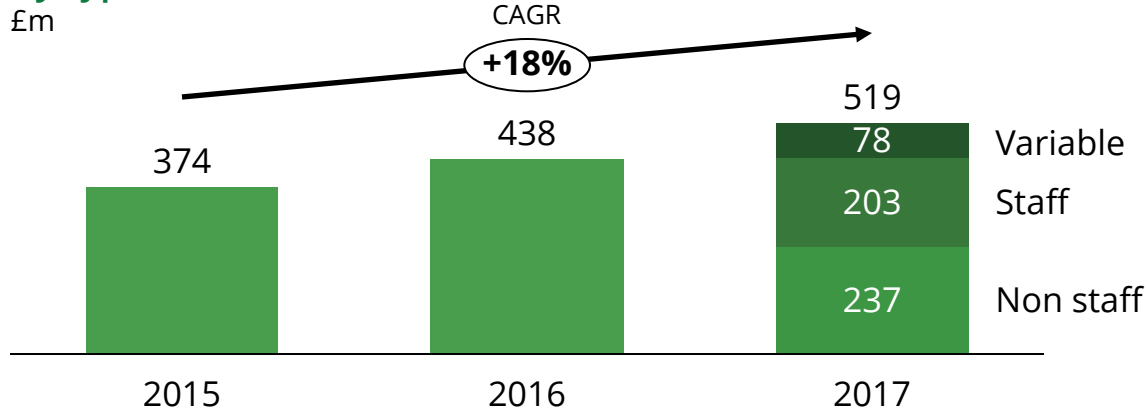
Wealth Platforms expense drivers:

- IT stabilisation
- Regulatory spend
- Organic growth and inflation

HO expense drivers:

- Costs of being a standalone company

By type

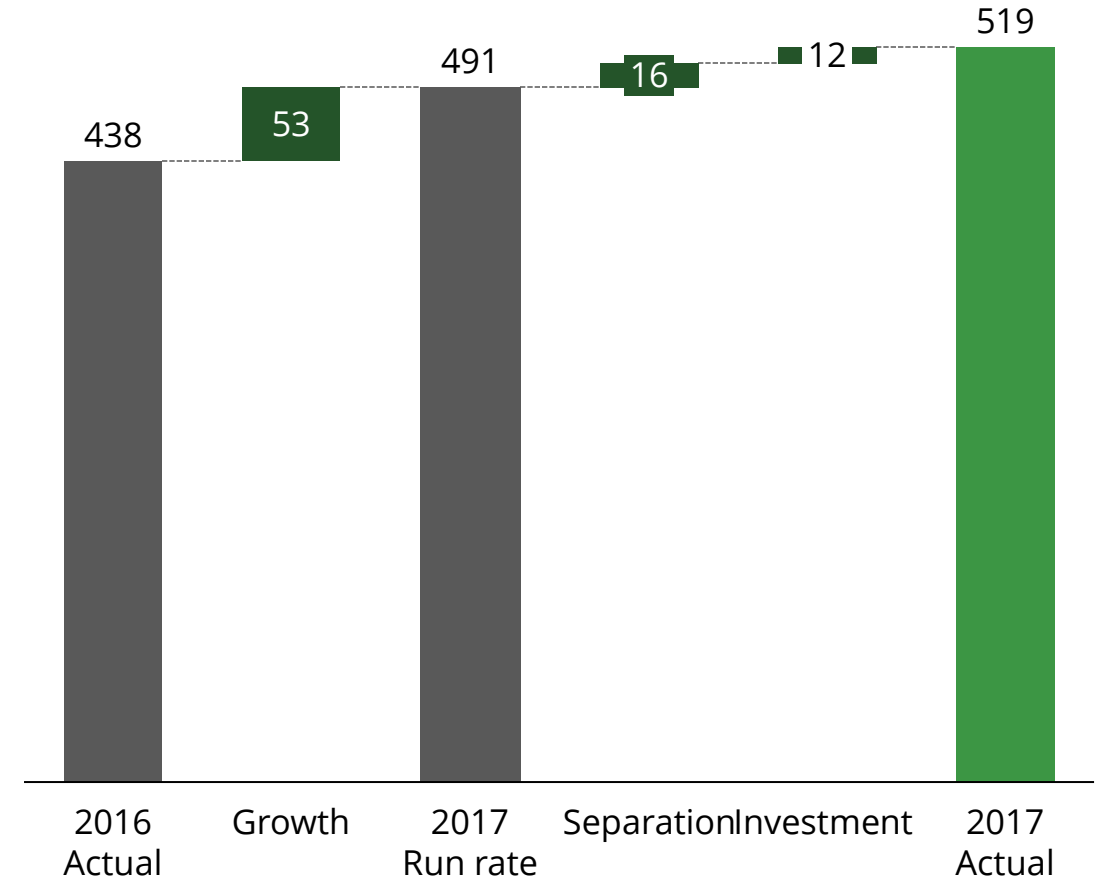


2017 costs increase due to separation and investment, as illustrated at previous showcase

Showcase (Nov-17) Illustrative costs on standalone perimeter
£m

H1 2017 expenses	~250
x 2	500
+ Investment in existing business	
+ Investment in new business	
+ MS and standalone increased run rate	
= Expected reported costs for 2017	
+ Further investment in new business initiatives	
+ Further MS and standalone costs	
= Illustrative standalone and go forward costs for 2018	

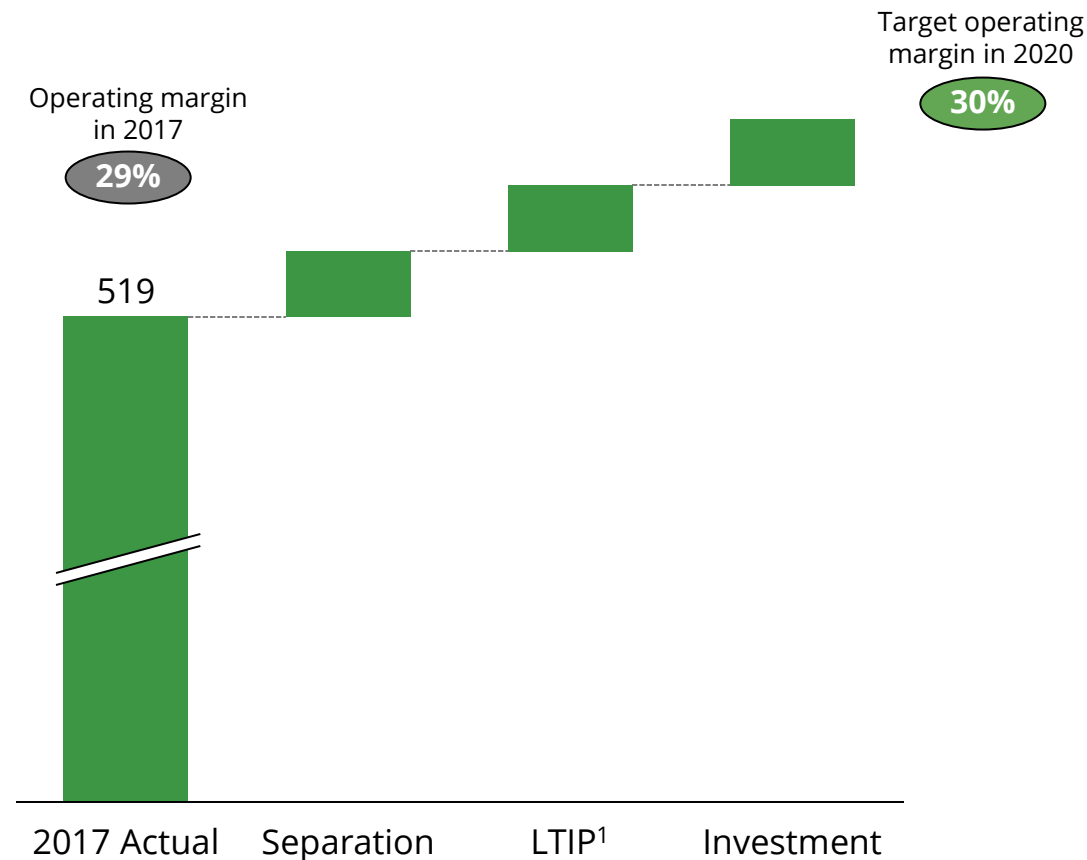
2016/17 Expense build
£m



Managed separation has increased the standalone cost base

Expense build

£m

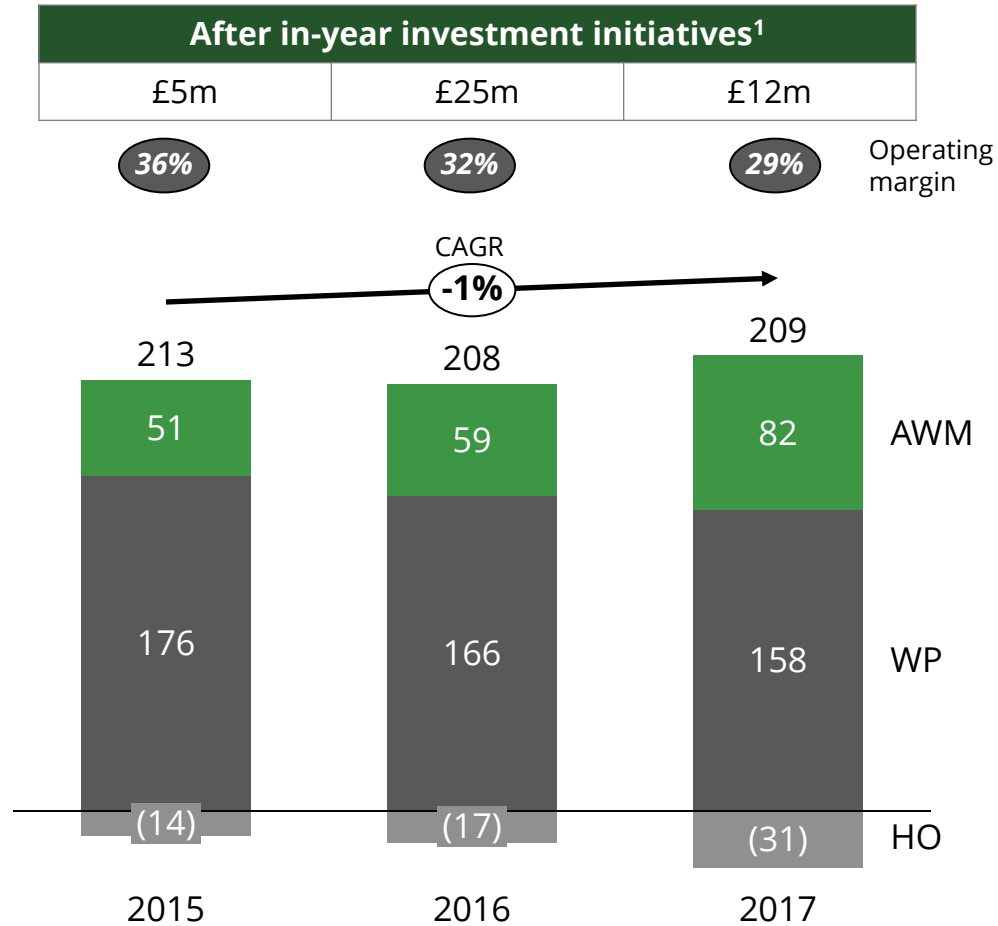


- **Managed separation:** up to £14m of additional annual separation costs over and above those incurred in 2017
- **LTIP:** LTIP awards under new Quilter Performance Share Plan. Costs will increase steadily on a phased basis to approximately £15m per annum by 2020
- **Investment:** new initiatives principally Quilter Financial Planning and PCA build increased expenses by £25m in 2016 and further £12m in 2017. Incremental impact on annual expense base expected to be £20-30m in aggregate over the next 3 years
- No provision has been made for the ongoing FCA Thematic Review

1. Increasing over 3 years to £15m p.a.

Operating profit evolution after investment initiatives

Operating profit
£m



- Significant investment in building model and developing capabilities to deliver strong flows
- Expense base growth has been deliberate, targeted and managed
- £16m of standalone costs incurred in 2017 is equivalent to 2 percentage points of the 3 percentage points operating margin decline (2017 vs. 2016)
- We have invested in new capabilities for a listed environment, particularly in e.g. Finance, Risk, Investor relations, Company Secretarial
- Headcount growth rate in areas such as PCA to drive the business and returns

1. Investment initiatives accounts for investments in the business including spend in PCA and acquisition of Caerus

Full economic model – 2017 results

	Advice and Wealth Management	Wealth Platforms	Head office												
Revenue	<p>£316m</p> <table border="1"> <tr> <th>Advice</th> <th>QC</th> <th>Investors</th> </tr> <tr> <td> <ul style="list-style-type: none"> Initial & ongoing advice fee Mortgage & protection fee </td> <td> <ul style="list-style-type: none"> Fee & commission margin on average AuMA </td> <td> <ul style="list-style-type: none"> Fee margin on average AuMA </td> </tr> </table>	Advice	QC	Investors	<ul style="list-style-type: none"> Initial & ongoing advice fee Mortgage & protection fee 	<ul style="list-style-type: none"> Fee & commission margin on average AuMA 	<ul style="list-style-type: none"> Fee margin on average AuMA 	<p>£411m</p> <table border="1"> <tr> <th>UK Platform</th> <th>International</th> <th>Heritage</th> </tr> <tr> <td> <ul style="list-style-type: none"> Fee margin on average AuMA </td> <td> <ul style="list-style-type: none"> Fee margin on average AuMA Premium charging basis fees </td> <td></td> </tr> </table>	UK Platform	International	Heritage	<ul style="list-style-type: none"> Fee margin on average AuMA 	<ul style="list-style-type: none"> Fee margin on average AuMA Premium charging basis fees 		<p>£1m</p>
Advice	QC	Investors													
<ul style="list-style-type: none"> Initial & ongoing advice fee Mortgage & protection fee 	<ul style="list-style-type: none"> Fee & commission margin on average AuMA 	<ul style="list-style-type: none"> Fee margin on average AuMA 													
UK Platform	International	Heritage													
<ul style="list-style-type: none"> Fee margin on average AuMA 	<ul style="list-style-type: none"> Fee margin on average AuMA Premium charging basis fees 														
Expense	<p>£234m</p> <table border="1"> <tr> <th>Staff, Variable & Non Staff</th> </tr> <tr> <th>Investment</th> </tr> </table>	Staff, Variable & Non Staff	Investment	<p>£253m</p> <table border="1"> <tr> <th>Staff, Variable & Non Staff</th> </tr> </table>	Staff, Variable & Non Staff	<p>£32m</p> <table border="1"> <tr> <th>HO, Recurring standalone¹</th> </tr> </table>	HO, Recurring standalone ¹								
Staff, Variable & Non Staff															
Investment															
Staff, Variable & Non Staff															
HO, Recurring standalone ¹															
AOP	<p>£82m</p>	<p>£158m</p>	<p>(£31m)</p>												
	<p>£209m</p>														

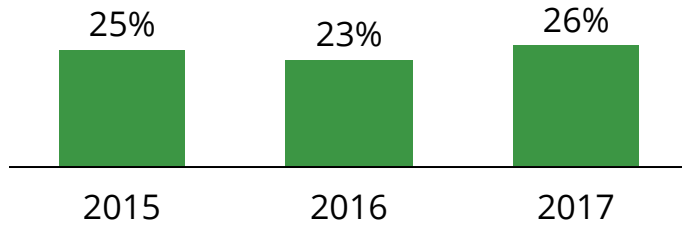
1. Excludes debt interest costs

Opportunity to improve operating margins

Operating margin target of 30%¹ by 2020 after impact of additional expenses but before any optimisation initiatives

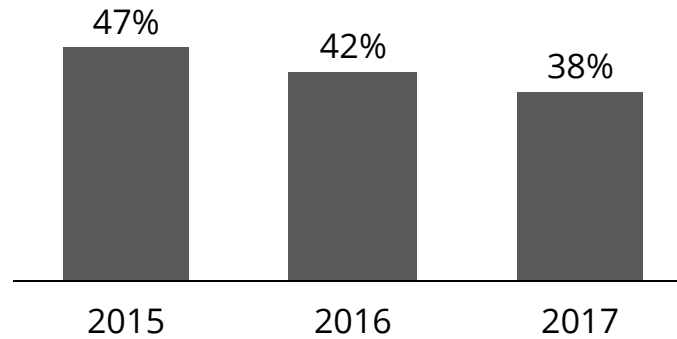
Advice and Wealth Management

Operating margin %



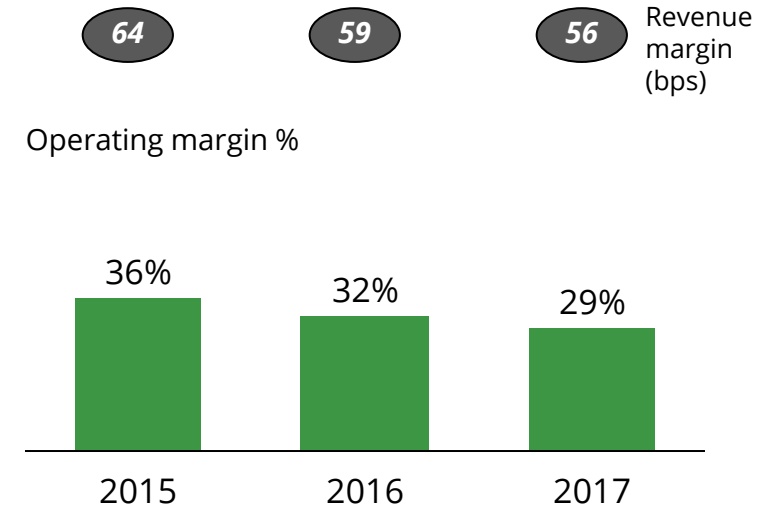
Wealth Platforms

Operating margin %



Quilter

Operating margin %



Opportunities to enhance operating margin

- Expected strong NCCF and scalability of Quilter Investors
- Greater opportunity to deliver operating margin improvement in Advice and Wealth Management compared to Wealth Platforms as business grows and delivers higher levels of Integrated NCCF
- Expected run-off of the Institutional book at average 5 bps revenue margin over next 2 years

1. Operating margin calculated pre-finance costs

Optimisation: What we are aiming to achieve

We will continue to grow the business to take advantage of significant market opportunities

What we want to achieve

- Grow **shareholder value** whilst doing the **right thing for customers**
- **Sustainable improvements** targeted 2019 onwards to drive financial performance and provide 'headroom' for future growth and investment
- Leverage capabilities and scale to **drive competitive advantage**

Timing

- **H2 2018:** Design and develop Optimisation
- **Prelims March 2019:** Provide details to market of Optimisation programme (cost and benefits)

Optimisation: What it is and is not

What it is

- Working more efficiently and sharing common resources within and across segments
- Utilising and leveraging scale
- Extracting benefits from technology spend, including automation of processes
- Platform Transformation Programme benefit of shared cost of future development

What it is not

- Blunt cost reduction, 'squeezing the expense base'
- Risk damaging the growth model developed over last five years
- Damaging the cultures that have made our business successful

Composition of profit performance and ‘below the line’ items

	Category	2017	2018	Medium term
	Profit ¹	AOP	Adjusted Profit	Adjusted Profit
Consistently below the line	Amortisation of intangibles	✓	✓	✓
	Policyholder tax	✓	✓	✓
	Debt interest cost	✓	✓	✓
Near term items	Platform transformation programme	✓	✓	<i>Not applicable</i>
	One off managed separation	✓	✓	<i>Not applicable</i>
	FCA thematic review	✓	✓	<i>Not applicable</i>
	Sale of single strategy business and multi asset rebuild	<i>Not applicable</i>	✓	✓
Future item	Cost of implementing optimisation	<i>Not applicable</i>	?	?

1. Previously AOP, Adjusted Profit going forward

Executive and senior management incentives aligned with shareholders

Short term scorecard

Category	Description	Weighting
Financial	➤ IFRS pre-tax profit excl. amortisation of intangibles assets and policyholder tax	60%
Risk & Customer	<ul style="list-style-type: none"> ➤ Effective risk management ➤ Good customer outcomes 	20%
Individual Performance	➤ Performance against balanced scorecard objectives	20%

Long term scorecard

Category	Description	Weighting
Earnings growth	➤ Compound annual growth in earnings per share	70%
Total Shareholder Return (TSR) ranking	➤ Against FTSE250 (excluding Investment trusts)	30%

What we will cover

Excellent 2017 performance

- 2017 financials
- Basis of the financial information presented
- Track record of growing revenue

Integrated flows driving revenue

- More on our integrated model and the value to Quilter
- Explanation why the decrease in revenue margins is expected to reduce

Continued costs to support separation

- Further detail on our cost base and how it will look after separation
- Outline of what business optimisation may involve

Improving cash flows dynamics

- Post-separation balance sheet and capital and liquidity
- Cash flow dynamics
- Our new dividend policy

Strong NCCF driving operating margin

- Recap on our guidance and targets


Strong capital and liquidity position

Well-capitalised operating companies

- Proforma Quilter solvency II ratio of 171%¹
- Solvency II entities well-capitalised and can withstand significant stress events
- ICAAP entities: buffers maintained above regulatory requirement²

Prudent target leverage

- OMGI Single Strategy Business sale completion will reduce £500m IPO leverage to £200m

- 
- ✓ Capital and liquidity policies focused on strong balance sheet liquidity
 - ✓ Proforma Solvency II ratio post Tier 2 debt issue of 171%
 - ✓ Free cash buffers at holding company level

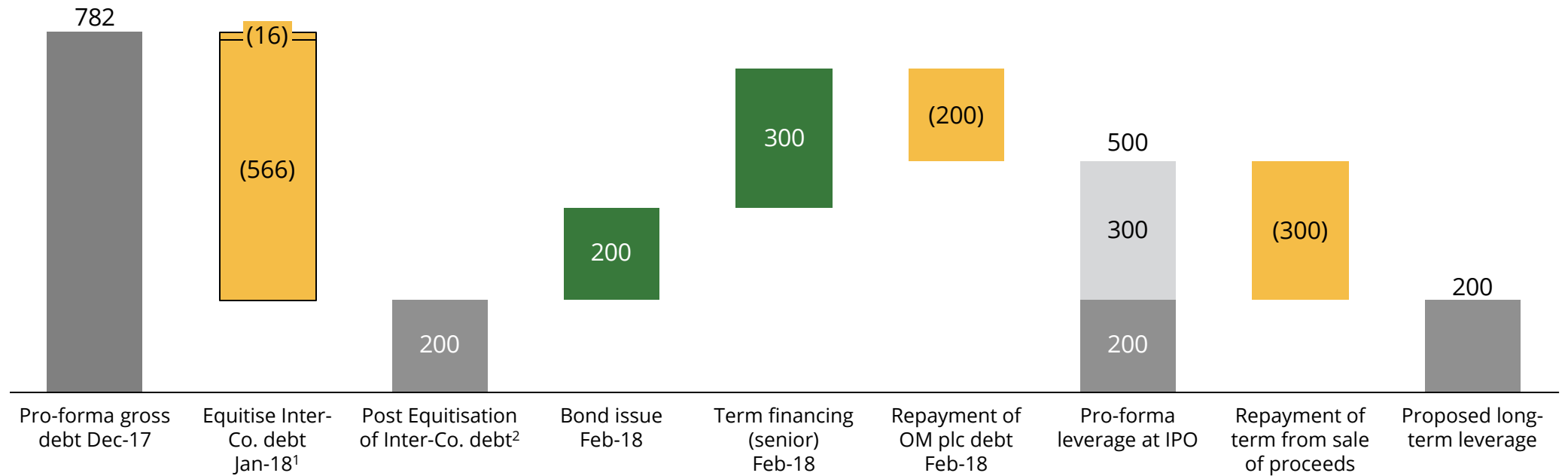
1. Includes pro forma impact of Tier 2 debt issue – solvency ratio of 155% before Tier 2 adjustment
2. Higher of Pillar I and Pillar II with £5-10m buffer on top in each relevant entity

Prudent capital structure with conservative long-term leverage

Undrawn £125m RCF for temporary liquidity as contingency buffer

Leverage

£m



£bn

Equity	1.1	0.6	1.6	-	-	-	1.6	0.4	2.0
Leverage	0.8	(0.6)	0.2	0.2	0.3	(0.2)	0.5	(0.3)	0.2

1. £582m in total with £566m converted into equity and £16m settled through ordinary course of business transactions

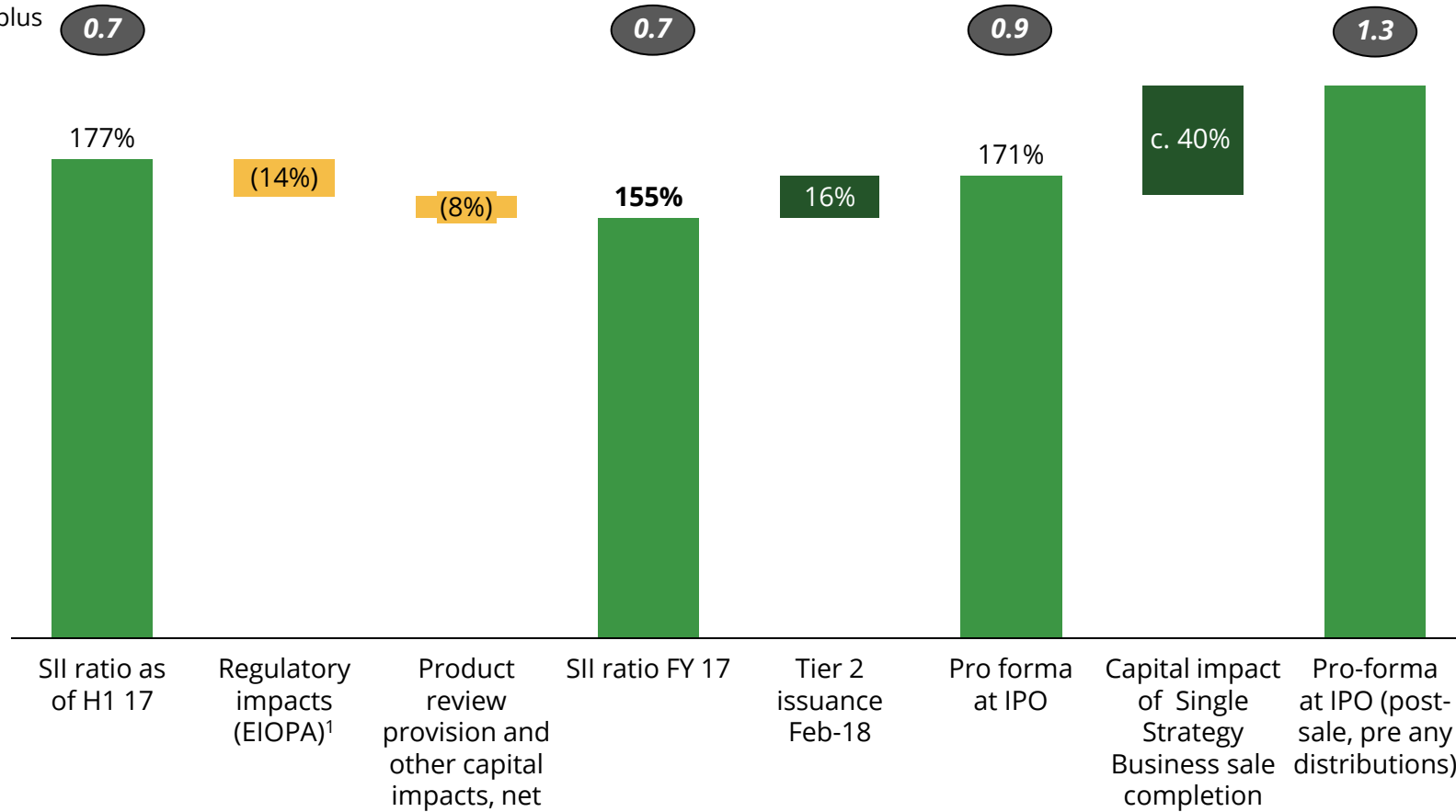
Following separation, Quilter will have a strong solvency position

Fitch rating confirmed – OMWML IDR A-, Tier 2 notes BBB-

SII ratio

%

SII surplus (£bn)



Ongoing capital strain in near term from:

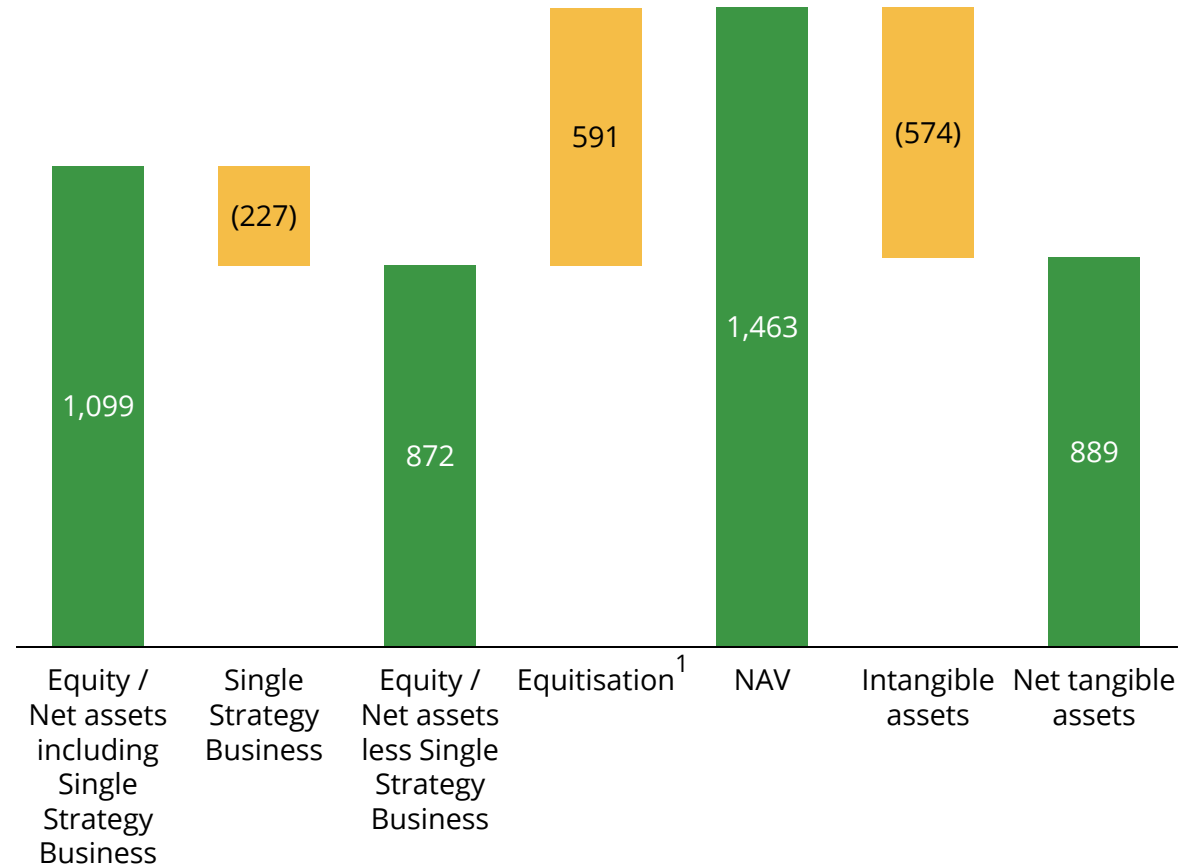
- Platform Transformation Programme
- FCA Thematic Review
- Establish Quilter Investors

1. The European Insurance and Occupational Pensions Authority

Low leverage and positive returns relative to net assets

Equity / Net assets

£m, 2017



	To: Net assets incl. equitisation	To: TNAV
Leverage	14%	22%
ROE ²	13%	21%

1. Equitisation includes intercompany balance of £566m and other adjustments
2. ROE numerator for both bases calculated using 2017 post-tax AOP, less a pro forma interest cost based on the long-term Tier 2 bond

Expectations of improving cash generation

Operating profit (post-tax)

- Advice and Wealth Management
- Wealth Platforms
- Head Office

After

- Normal movements in regulatory capital requirements

Before

- One off items excluded from operating profit
- Debt interest costs
- Acquisitions of distribution and distribution capabilities

In 2017, free cash generated from continuing operations was 83% of post-tax operating profit

Future guidance: Approximately 80% of post-tax operating profit from continuing operations into free cash, partially utilised to fund debt servicing costs and targeted acquisitions of distribution (which are currently expected to be up to £20m per annum)

Expectations of improving cash generation – Illustration for 2017

	Comments	£m
2017 Adjusted operating profit ¹		209
Tax at 2017 effective tax rate	➤ 2017 effective tax rate 13% ²	~(27)
Post-tax AOP		~182
Free cash generation at c. 80%	➤ 80% conversion of post-tax operating earnings	~146
Future items excluded from operating profit		
Platform transformation programme	➤ Pre-funded	-
Debt interest costs (post-tax)	➤ As guided, recurring	(9)
One off managed separation costs (post-tax)	➤ As guided, assumed all incurred in 2018	(30)
Acquisition (advice/distribution)	➤ As guided	(20)
Illustrative net cash generation		~87
Illustrative dividend	➤ 40-60% of post-tax Operating profit	c. 70 - 110

40-60%

1. Previously AOP, Adjusted Profit going forward
2. Pro forma tax rate excluding one-off allowances in 2017
3. Future LTIP costs not considered in illustration

Dividend policy

- Target a dividend pay-out range of **40 to 60%** of post-tax operating earnings (excluding interest debt costs)
- Split of dividends approximately **1/3 interim and 2/3 final** dividends
- Final dividend in respect of year end **2018 expected to be at the lower end of target range**
- Maintain disciplined approach to capital, liquidity and investment needs, **returning any excess capital as appropriate**

Proceeds following completion of sale of Single Strategy Business

- Subject to prudent capital management and liquidity policy, will **consider a distribution from the surplus sale proceeds**
- Size of any potential return to shareholders will **take into account, *inter alia***:
 - **repayment senior unsecured term loan**
 - **costs associated with sale** of Single Strategy business, and
 - **establishment costs** associated with standalone Quilter Investors

Single Strategy Business sale to Management team and TA Associates

Financial consideration and key metrics

- Total consideration c. £600m, with cash consideration payable on or before completion c.£570m
- Residual consideration of up to c.£30m payable in 2019 to 2021
- IFRS book value impact of disposal: £227m including goodwill of c. £80m
- Expected increase in net asset value of c.£360m
- Approx. Solvency II impact: c. 40%¹

Conditions precedent and regulatory approvals

- All profits and performance fees generated up until 31 December 2017 for the account of Quilter
- Operational and IT transitional service agreements for up to three years from the date of completion
- Subject to customary closing conditions, including regulatory approvals (FCA UK, SFC Hong Kong and FINMA Switzerland)
- Quilter Investors Irish funds also requires approvals from FCA and Central Bank of Ireland

1. Assuming statutory tax rate of 21%

Recap guidance and targets (1/2)

NCCF	<ul style="list-style-type: none"> • Target: NCCF of 5% of opening AuMA (excluding Heritage) per annum over medium term • Expect to exceed medium term target annualised NCCF target in 2018 should market conditions remain supportive • Expect higher percentages of NCCF over opening AuMA in the Advice and Wealth Management segment
Revenue margin	<ul style="list-style-type: none"> • Subject to delivering expected AuMA volumes and mix, overall Quilter annual rate of revenue margin decline to slow in near-term and become increasingly stable • Business units managed with intention of delivering revenue and profit growth, may lead to mix driven changes in segment revenue margins over time • Greater proportion of flows into higher revenue margin Advice and Wealth Management segment • Run-off of Heritage Institutional book over next one to two years, expected to support to overall revenue margin in near term • Growth of Integrated NCCF would support revenue margin going forward
Expenses and operating margin	<p>Managed separation and standalone costs</p> <ul style="list-style-type: none"> • Old Mutual plc guidance approximately £25-30m per annum of additional operating expenses above 2016 level as a consequence of Managed Separation and need to operate on a fully standalone basis • Approximately £16m on annual basis were reflected in 2017 year-end reported results, up to £14m of additional annual separation costs to be incurred during 2018 <p>Investment levels</p> <ul style="list-style-type: none"> • Incremental investments increased operating expenses by £25m in 2016 and a further £12m in 2017 • For the period 2018-2020 further total investment estimated to impact expense base by £20-30m, in aggregate <p>LTIP costs</p> <ul style="list-style-type: none"> • New Quilter Performance Share Plan will result in additional LTIP staff costs in 2018 and later years. • LTIP costs to increase steadily on a phased basis to approximately £15m per annum by 2020. <p>Debt costs</p> <ul style="list-style-type: none"> • £200m subordinated debt increasing operating expenses in Head Office segment • £300m senior unsecured term loan, to be repaid in full using proceeds from sale of Single Strategy Business following completion of transaction <p>Operating margin (pre-tax)</p> <ul style="list-style-type: none"> • Target: Op. margin of 30% (excl. interest) for 2020 after impact of additional expenses expected in 2018, but before benefits from any optimisation initiatives • In 2018 and 2019 we will bear the full impact of standalone costs, this is likely to lead to a small decrease in our current operating margin prior to 2020 <p>Tax rate</p> <ul style="list-style-type: none"> • Corporate tax rate to remain below UK marginal rate, because of profit mix and lower tax rate in International

Recap guidance and targets (2/2)

One-off costs in 2018/2019 excluded from operating profit	<ul style="list-style-type: none"> • £36m one-off Managed Separation costs in 2018 (including £12m associated with rebranding) • c.£20m one-off costs in 2018 related to establishment of standalone Quilter Investors • £120-160m Platform Transformation Programme estimated remaining costs announced in May 2017, £21m incurred in 2017, c. £75m in 2018, with balance in 2019
Cash position and cash conversion	<ul style="list-style-type: none"> • Approximately 80% of post-tax operating profit from continuing operations into free cash, partially utilised to fund debt servicing costs and targeted acquisitions of distribution (which are currently expected to be up to £20m per annum)
Capital	<ul style="list-style-type: none"> • Subordinated debt security issued to ensure sufficient capital and liquidity to maintain strong capital ratios and free cash balances to withstand severe but plausible stress scenarios, including the remote event of the sale of the Single Strategy Business failing to complete
H1 dynamics	<ul style="list-style-type: none"> • FSCS levies paid in first half of the year • Debt facilities drawn on 28 February 2018, with intercompany interest ceasing

Summary

Excellent 2017 performance

- 2017 financials
- Basis of the financial information presented
- Track record of growing revenue

Integrated flows driving revenue

- More on our integrated model and the value to Quilter
- Explanation why the decrease in revenue margins is expected to reduce

Continued costs to support separation

- Further detail on our cost base and how it will look after separation
- Outline of what business optimisation may involve

Improving cash flows dynamics

- Post-separation balance sheet and capital and liquidity
- Cash flow dynamics
- Our new dividend policy

Strong NCCF driving operating margin

- Recap on our guidance and targets

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Glyn Jones

Investment case and business model

Paul Feeney

Advice and Wealth Management

Paul Feeney / Tim Tookey

Q&A and break

Wealth Platforms

Paul Feeney / Tim Tookey

Q&A and break

Financials and capital management

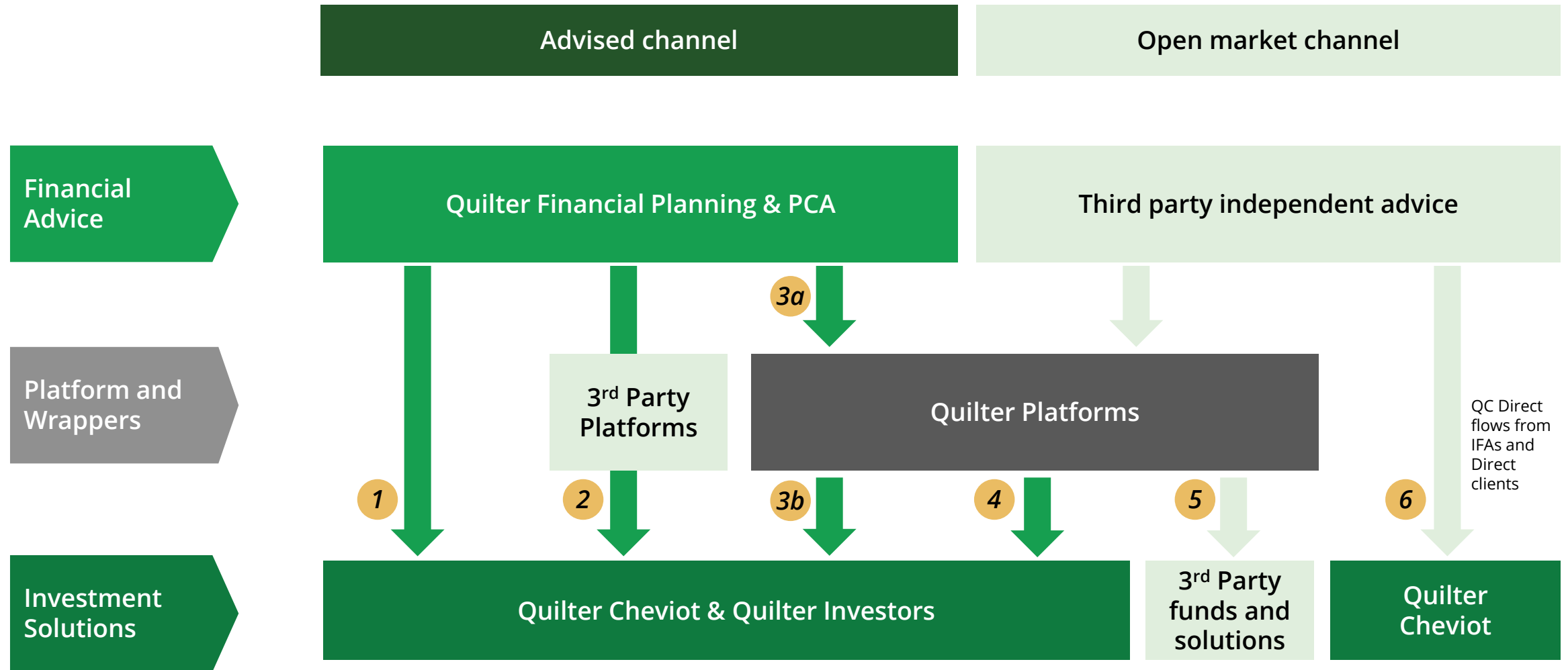
Tim Tookey

Wrap-up

Paul Feeney

Q&A

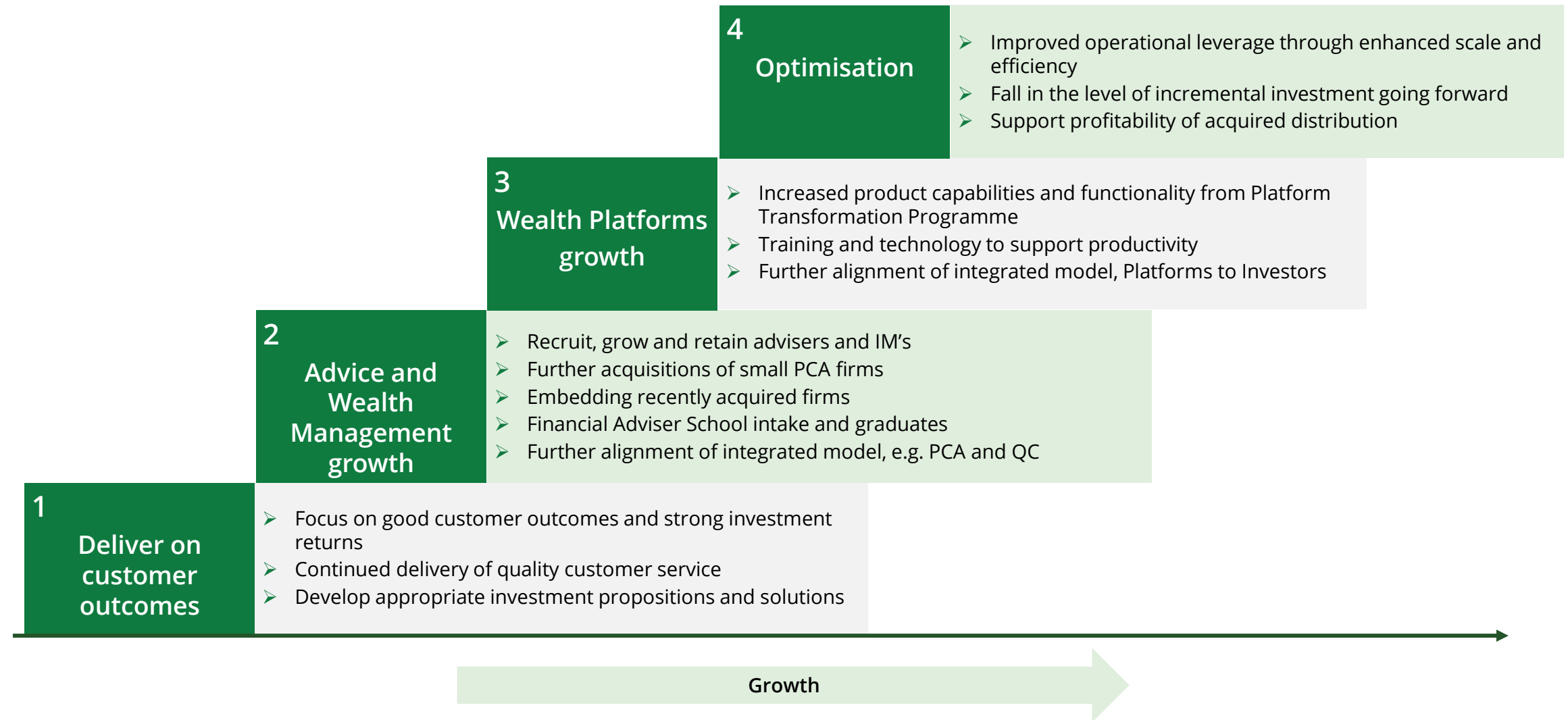
Full service multi-channel wealth model designed for customer choice



↓ Integrated flow

1. Excludes 2017 Heritage net outflows and eliminations, representing £0.4bn of integrated outflows (total integrated £4.8bn) and £0.9bn non-integrated outflows (total open market 3rd party £0.8bn)

Quilter growth drivers



Quilter investment case

A unique combination of capabilities, scale and market positions

- 1 Full service wealth manager providing choice and delivering good customer outcomes
- 2 Leading positions across one of the world's largest wealth markets with strong structural growth drivers
- 3 Multi-channel proposition and investment performance driving integrated flows and long term customer and adviser relationships
- 4 Attractive top-line growth and the opportunity for operating leverage
- 5 Strong balance sheet at separation with low gearing¹ and improving cash generation to drive shareholder returns

1. Gearing post Single Strategy Business sale proceeds

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Quilter

Appendix A: Financial disclosure supplement

AuMA and NCCF

Closing Assets under Management / Administration¹

£bn	2015	2016	2017
Advice and Wealth Management	27.6	32.8	41.7
<i>Quilter Investors</i>	9.8	12.1	16.9
<i>Quilter Cheviot</i>	17.8	20.7	23.6
<i>Advice</i>	-	-	1.2
Wealth Platforms	63.8	73.7	84.6
<i>Quilter UK Platform</i>	34.5	41.4	50.2
<i>Quilter International</i>	14.5	16.9	19.3
<i>Heritage</i>	14.7	15.3	15.1
Head Office and Eliminations	(6.1)	(8.3)	(11.9)
Total closing AuMA	85.3	98.2	114.4

Net client cash flows

£bn	2015	2016	2017
Advice and Wealth Management	1.7	1.6	4.4
<i>Quilter Investors</i>	0.7	0.8	3.3
<i>Quilter Cheviot</i>	1.0	0.8	1.1
<i>Advice</i>	-	-	-
Wealth Platforms	2.4	2.2	4.3
<i>Quilter UK Platform</i>	2.7	2.8	4.5
<i>Quilter International</i>	0.5	0.5	1.4
<i>Heritage</i>	(0.8)	(1.1)	(1.6)
Eliminations	(0.2)	(0.5)	(2.4)
Total Net Client Cash Flow	3.9	3.3	6.3

1. End manager basis

Source of earnings per segment

2017, £m	Advice and Wealth Management	Wealth Platforms	Head Office	Quilter excl. Single Strategy
Net management fee	234	357	0	591
Other revenue	82	54	1	137
Total revenue	316	411	1	728
Total expenses	(234)	(253)	(32)	(519)
Financing costs				
Operating profit	82	158	(31)	209

2016, £m	Advice and Wealth Management	Wealth Platforms	Head Office	Quilter excl. Single Strategy
Net management fee	194	330	0	524
Other revenue	59	61	1	122
Total revenue	253	392	1	646
Total expenses	(194)	(226)	(18)	(438)
Financing costs				
Operating profit	59	166	(17)	208

2015, £m	Advice and Wealth Management	Wealth Platforms	Head Office	Quilter excl. Single Strategy
Net management fee	160	343	0	503
Other revenue	49	34	0	84
Total revenue	209	378	0	587
Total expenses	(157)	(202)	(14)	(374)
Financing costs				
Operating profit	51	176	(14)	213

Note: Rounding differences may arise in the tables above

Revenue per business unit

2017, £m	Quilter Investors	Quilter Cheviot	PCA & QFP	Advice and Wealth Management	Quilter UK Platform	Quilter International	Heritage	WP	Business Units Total	Head Office	Total Revenue
Net management fee	73	160	1	234	156	112	89	357	591	0	591
Other revenue	2	3	77	82	5	17	32	54	137	1	137
Total revenue	75	163	78	316	161	129	121	411	728	1	728

2016, £m	Quilter Investors	Quilter Cheviot	PCA & QFP	AWM	Quilter UK Platform	Quilter International	Heritage	WP	Business Units Total	Head Office	Total Revenue
Net management fee	48	146	0	194	138	105	87	330	524	0	524
Other revenue	1	(1)	59	59	4	18	39	61	121	1	122
Total revenue	49	145	59	253	142	123	126	392	645	1	646

2015, £m	Quilter Investors	Quilter Cheviot	PCA & QFP	AWM	Quilter UK Platform	Quilter International	Heritage	WP	Business Units Total	Head Office	Total Revenue
Net management fee	43	117	0	160	134	110	99	343	503	0	503
Other revenue	1	0	48	49	1	5	28	34	83	0	84
Total revenue	44	117	48	209	135	115	127	378	587	0	587

Note: Rounding differences may arise in the tables above.

Different customer needs require a broad range of solutions

AuM 2017

£bn

International
 Decumulation
 Accumulation
 MPS

