KINGSWOOD

AN INTERNATIONAL INTEGRATED WEALTH & INVESTMENT MANAGEMENT GROUP POSITIONED FOR $\ensuremath{\mathsf{GROWTH}}$

INVESTOR & ANALYST PRESENTATION

JUNE 2020

GROWTH JOURNEY



UK Institutional business continues to display strong growth

- Treasury and cash enhanced investment solutions provided to universities, public authorities and charities on discretionary and separate account basis
- Re-launch of Cash Enhanced fund as a "Green" fund meeting stringent ESG criteria

Significant progress with international strategy

- Represented in 3 countries: UK, US and South Africa
- Infrastructure, management team and regulatory approval in place in US to expand and grow
- Recently announced increased investment in Manhattan Harbor and its combination with Chalice (154 reps, \$1.7 bn AUM)
- Kingswood to hold majority interest in Manhattan Harbor and re-brand as Kingswood US
- Established presence in New York, Atlanta and San Diego
- Dedicated investment banking proposition launched under Kingswood Capital Markets with 5 bankers

Appointed Peel Hunt as corporate brokers

Diversity & Inclusion Forum

- Recent introduction of Diversity & Inclusion Forum
- Proud to be an equal opportunity employer committed to recruiting and maintaining a diverse workforce irrespective of race, religion, age, gender, sexual orientation or disability

CORONAVIRUS UPDATE

- ✓ Transition to remote working has gone smoothly with all employees working remotely since March 2020
- Advisers actively engaged with clients via Zoom and available at usual email and telephone numbers
- ✓ Business progressing well despite restrictions
 - ✓ No significant outflows experienced
 - ✓ £15m net flows into central investment proposition
 - ✓ Pipeline robust with active cases at healthy levels
 - ✓ Taking longer to process paperwork with third parties
- \checkmark Weekly audio, visual and written communications emailed and available on the website for clients
- Recently produced quarterly magazine on Covid-19 and market impact highly popular with clients
- \checkmark In the US businesses and offices have operated seamlessly
 - ✓ NY office already prepared for full remote working following 9/11 and Hurricane Sandy
 - \checkmark Atlanta office remained fully operational and staffed during the pandemic
- US business levels have held up well, supported by the enormity of Government and Federal Reserve support which has underpinned investor confidence
- M&A volume slowed in Q2, but seller interest remains strong with an expectation of higher deal volume in Q3 & Q4 2020





Assets under advice & management



62 Client Advisers



£80m

Growth equity for investment



174

Employees in 14 locations across UK, 3 offices in US and 1 in South Africa



16,000

Private Clients

INTERNATIONAL BUSINESS TODAY



- Pensions
- Estate Planning
- Mortgages
- Protection
- Tax & accounting

Investment Management

- Discretionary Service
 - Managed Portfolio Service
 - Personal/Bespoke portfolios
- Alternatives
 - Defensive Alpha Fund

- Professional treasury and segregated liquidity management
- Institutional client base
- Discretionary and advisory basis

- Self employed model
- Commission driven
- Firm provides centralised compliance and custodian access

ESG Enhanced Cash Fund

- Short dated, low volatility collective offering
- Daily liquidity •
- 'Green' credentialed

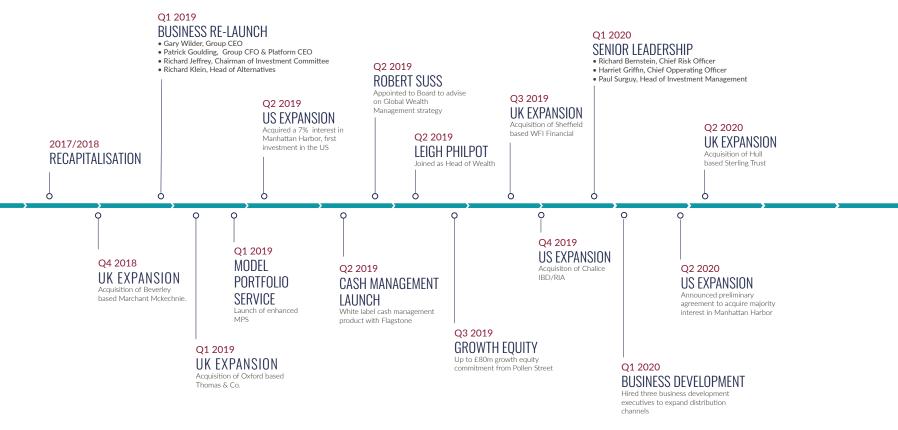
Registered Investment Advisors (RIA)

- Employee model
- Recurring advisory fees
- AUM driven

Investment Banking/ Kingswood Capital Markets

- Self employed model
- Fee and commission driven
- Firm provides centralised compliance • and distribution

RECENT HISTORY



BUSINESS IS LED BY AN INSTITUTIONALLY CREDIBLE MANAGEMENT TEAM





GARY WILDER

A Chartered Accountant by training with over 30 years' experience and a substantial track record in pan European private equity and real estate. Gary was a Managing Director at Bankers Trust, MD and partner at Credit Suisse, and Managing Partner and Co-Head of the European funds group within Nomura, prior to establishing a private equity firm in partnership with Jonathan Massing.





PATRICK GOULDING

Patrick is a Chartered Accountant with more than 25 years' experience in strategy, finance and operational roles in the global financial services industry. Experience includes senior roles at Morgan Stanley, Lend Lease, ING and Schroders in the US, Australia and Europe.

HEAD OF WEALTH



LEIGH PHILPOT

With over 20 years' experience in the Private Client industry, Leigh joined Kingswood in 2019 from Kleinwort Hambros Private bank, where he was Head of Regions.

Prior to this he founded and led the Discretionary Fund Management (DFM) business strategy for the bank.

SENIOR LEADERSHIP



RICHARD BERNSTEIN Chief Risk & Compliance Officer



PAUL SURGUY Head of Investment Management



HARRIET GRIFFIN Chief Operating Officer



RUPERT THOMPSON Chief Investment Officer



NIGEL DAVIES Head of UK Institutional



DEREK BRUTON US (CEO)



MIKE NESSIM US (President)



RICHARD KLEIN Head of Alternatives 9

BOARD OF DIRECTORS



PLATFORM CEO/GROUP CFO







VICE CHAIRMAN





GARY WILDER Group Chief Executive Officer

PATRICK GOULDING Group CFO & Platform CEO

KENNETH WEST Non-Executive Director

JONATHAN MASSING	
Non-Executive Director	

GRAYDON BUTLER Executive Director



HOWARD GARLAND

Non-Executive Director



DAVID HUDD Non-Executive Director * Legal Consultant







LINDSEY MCMURRAY

Non-Executive Director

ROBERT SUSS Non-Executive Director JONATHAN FREEMAN Non-Executive Director

KEY PERFORMANCE INDICATORS



Total Revenue £10.1 million 2018 £7.5 million + £2.6 million	Recurring Revenue 83% 2018 83% No change	Operating EBITDA £0.7 million 2018 £(1.6) million + £2.3 million	Pro Forma Annualised 2019 Operating EBITDA <i>£</i> '000 Divisional EBITDAs: Core 3,282 Marchant McKechnie 712
Total Equity £30.6 million 12/18 £25.1 million + £5.5 million	AUM/AUA 12/19 £2.4bn (*06/20 £4.8bn) 12/18 £1.6 billion *06/20 +£2.4 billion	Current market valuation 0.7% Price/AUM Compared to fully integrated peer group valuation of 2.8% Price/AUM - 2.1% Price/AUM	Thomas & Co*480WFI*2,208Centralised costs(4,334)Pro forma 2019 Operating EBITDA2,348*Assumes full year of ownership

- Re-launched under new management in early 2019, and further bolstered by significant new hires with large firm experience and strong track records
- Pollen Street Capital, a major private equity manager, committed up to £80 million permanent growth capital under-pinning a strong, debt-free balance sheet
- Sterling Trust acquisition transformative for business, with 22 financial advisers advising/managing £1.2 billion AUA/from 5 locations across
 Yorkshire and the North East of England
- ✓ Significant progress executing Kingswood's international strategy
 - ✓ US infrastructure, management team and regulatory framework now in place to expand and grow
 - Completed the acquisition of Chalice (an IBD and RIA) based in San Diego which provides full-service securities brokerage, advisory and investment banking services to broad client base
 - ✓ Agreed to exercise option and increase interest in Manhattan Harbor (MH) from existing 7% to 20%
 - Signed heads of terms subject to DD and regulatory approval to contemporaneously merge Chalice business into MH
 - ✓ Kingswood will then hold a 50.2% majority interest in MH with commitment to contribute additional capital

• Drive to consolidation intensifying

- Competitive forces of digitalisation and globalisation
- Greater strain on small wealth firms with weaker balance sheets and inability to invest in technology and people
- Increasing competition in a challenging, more price-conscious market
- Pressure on wealth managers to bear down on costs and find ways to add new clients

• Continuing fee pressure forcing managers to streamline costs

- Clients demanding customised services at lower fees
- In 2007 industry cost-to-income ratio was 63%
- By 2018 ratio had increased to 77%
- Further fee pressure post coronavirus puts added impetus on wealth managers to manage costs and enhance margins

• Digital technology

- Improve personal communication with clients
- Help reduce adviser time on administrative tasks and focus more on client interaction

WELL POSITIONED TO WEATHER

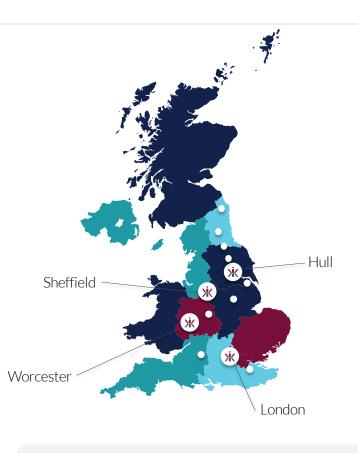
- International strategy provides hedge against UK centric businesses and enhances quality of earnings
 - Only firm in peer group with US strategy
 - Provides greater scale and diversification of distribution and revenue streams
 - In-place US team with commitment to allocate further capital
- Implementation of change management programme
 - Launched firm-wide initiative to expand technology, enhance processes and drive further operational efficiency, led by Harriet
 Griffin
 - Continued focus on improved cost-to-income ratio (target below 70% by end 2021), process efficiencies and margin enhancement
- Ramp-up acquisition momentum and avail of consolidation opportunities
 - Dedicated underwriting, completion and integration teams in place to quickly evaluate, close and integrate targets
 - Three further UK acquisitions under exclusive due diligence
 - Active pipelines in place in UK and US
- Risk and Compliance
 - Greatly enhanced risk and compliance function under leadership of Richard Bernstein

UK EXPANSION



The UK private wealth market is fragmented and undergoing *substantial consolidation*

- Significant number of IFA owners at or close to retirement age and looking to exit
- Speed and scale of regulatory change proving highly disruptive
- Major aggregating opportunity, targeting strategic acquisitions and the creation of regional 'hubs'
- Over 2,750 firms across UK with 2-50 advisers represent potential targets



10 Satellite offices

***** 4 Regional Hubs

RECENT UK ACQUISITIONS

Kingswood focused on expanding its network across the UK by acquiring strong regional financial advisory businesses

		EBITDA * (£m)	Value (£m)	AUM/AUA	Advisers
	Business Acquired	-			
Oct-18	Marchant McKechnie	£0.5	£4.0	£200m	4
Feb-19	Thomas & Co Financial Services	£0.5	£3.0	£150m	4
Sep-19	WFI Financial LLP	£1.8	£14.0	£550m	16
Jun-20	Sterling Trust	£2.5	£17.8	£1,200m	22

* Represents EBITDA delivered 12 months prior to acquisition

processes



SEAMLESS TRANSITION PROCESS

Dedicated integration team Drives a higher margin



EXPANDING REGIONAL HUB FOOTPRINT

Increases our distribution channels Ability to seamlessly bolt on acquisitions



CENTRALISED SUPPORT SERVICES Economies of scale through shared support costs Standardised risk and compliance, finance & HR



CENTRAL INVESTMENT PROPOSITION Fully integrated CIP enhances client returns and boosts profitability margins



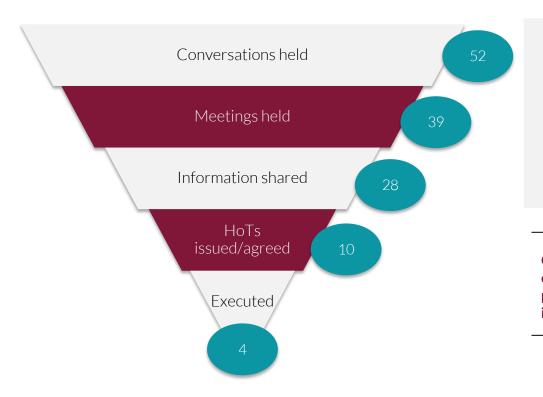
ALIGNMENT OF INTEREST

Deferred consideration structure tied to future performance Ability to issue LTIP



HIGHLY EXECUTABLE UK PIPELINE

The approach is disciplined in both identifying opportunities and determining value, given the accretive possibilities of each specific deal



- ✓ Strong in house M&A skillset
- ✓ Standardised documentation & process
- ✓ 4 acquisitions completed to date
- ✓ 3 under exclusive due diligence
- ✓ Significant reverse enquiry as a result of Pollen Street Capital's equity investment

Clear executable	+25	£7.5bn
oipeline dentified	Opportunities across the UK	Projected UK AUM/AUA by 2021

UK WEALTH & INVESTMENT MANAGEMENT





PERSONAL AND LOCAL

We focus on individual and tailored advice from our teams of experts across the UK.

INTEGRATED EXPERTISE

Combined financial advice and investment management delivers enhanced client outcomes

DEPTH

We offer advice and complete solutions for every stage of life and for future generations

GROWTh

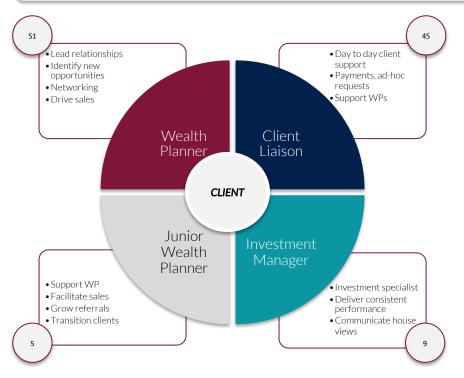
Our core investment philosophy, targeting sensible returns to 'Protect & Grow' our clients' wealth

IMPACT

We strive to make a positive difference across everything we do and invest to meet ESG criteria

OUR APPROACH

Local and personal service at client level, supported by a scalable, risk controlled business model



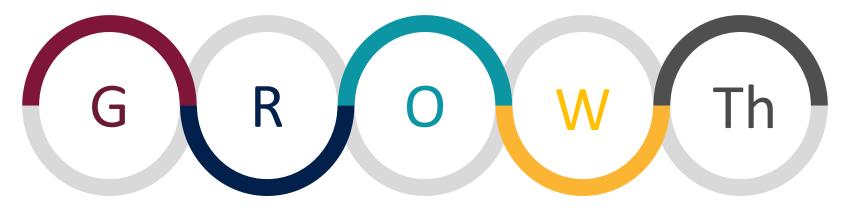
Summary

- Client relationships serviced by 3 or 4 named individuals
- Provide a highly personal front end, powered by a standardised core offer
- Wealth Planners lead all client relationships, with dedicated support teams ensuring business efficiency
- Highly experienced and resourced investment team can manage clients across all wealth bands

Benefits

- Enhanced client service
- Demonstrate depth of capabilities
- Improve client retention less "key man" risk
- Capacity for sales
- Hunter/Farmer coverage across team
- Investment proposition directly linked to advice risk profiling, leading to a seamless integrated client experience and suitable outcomes

INVESTMENT PHILOSOPHY



GLOBAL

Investment opportunities are not constrained by location

RISK

A clear understanding of risk versus reward

ORIGINAL

We produce our own research and come to our own conclusions

WORTH

Valuation is key, the price we pay will drive the return you get

THEMATIC

We identify secular growth themes that will drive long term performance

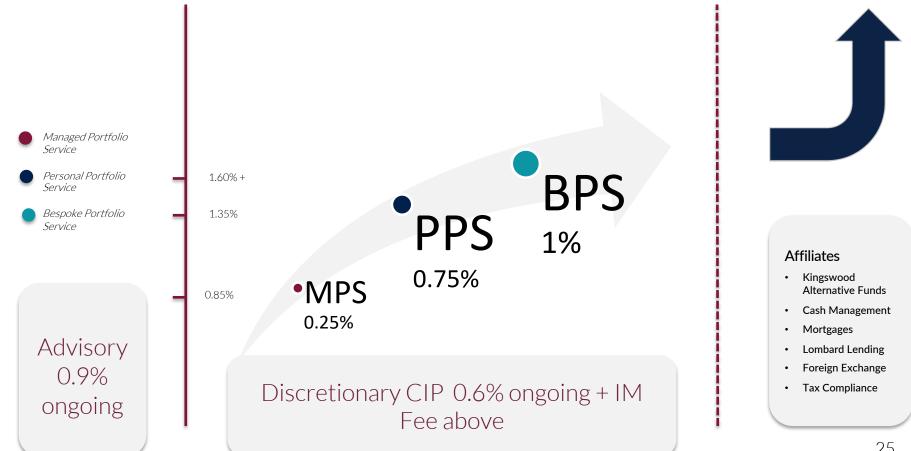




INVESTMENT SELECTION

INCREASED CLIENT ENGAGEMENT DRIVES REVENUE GROWTH





	1 MPS	² PPS	3 BPS	
Rebalancing	Quarterly	Monthly	Ongoing	
Investment Manager	n/a	Named	Named	
Implementation	Model portfolio of funds	Tailored portfolio of funds	Direct equities & funds	
CGT Management	No	Annual allowance	Yes	
Custody	Platforms	KW	KW	
IM Discretion	None	Limited	Full	

INVESTMENT COMMITTEE

The Kingswood Investment Committee comprises 7 experienced and diverse members who through a collaborative process provide clients with rounded and robust investment solutions



RICHARD JEFFREY Investment Committee Chair



RUPERT THOMPSON Chief Investment Officer



PAUL SURGUY Head of Investment Management



RICHARD KLEIN Head of Alternatives



PAUL WORT Managing Director - Investment Manager



NIGEL MARSH Managing Director – UK Institutional



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MPS HIGHLIGHTS



Wide Investment Choice:

- Risk rated portfolios: Defensive, Cautious, Balanced, Growth, Adventurous.
- Available with different implementation: Core, Passive, ESG, Income.



Discretionary Management:

- A flexible strategy that is constantly monitored, allowing fast and active investment changes.
- The ability to de-risk or add-risk to portfolios immediately, enabling us to capture opportunities as they appear.



Established Long Term Return Guidelines:

- Helping clients relate to their investments and manage expectations.



A strong and robust Investment Committee (IC):

- Our IC comprises internal and external members providing a variety of views and investment ideas.



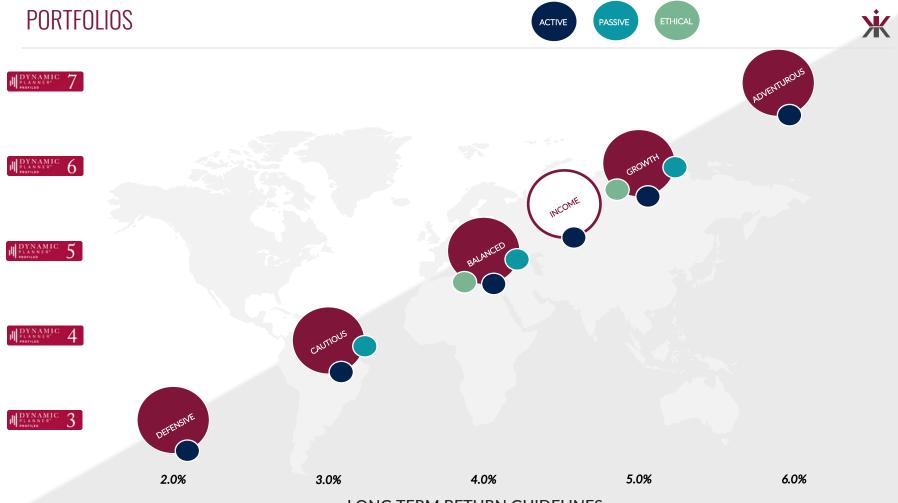
Economies of Scale:

- Our size and position in the marketplace allows our clients to benefit from:
 - Substantially discounted fees with our platform partners.
 - Institutional rates on funds held within our portfolios.



Industry Leading Risk Monitoring:

- Our portfolios are profiled by Dynamic Planner – an independent investment risk monitoring company.



LONG TERM RETURN GUIDELINES

ALTERNATIVES

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Kingswood Defensive Alpha: Multi-strategy absolute return UCITS fund to be launched in Q3 2020.



RICHARD KLEIN Head of Alternatives

35 year career in investment banking, fintech and hedge funds

- Focus on working with best in class global partners across real assets, private equity, hedge funds, structured products and credit with the aim of providing retail clients direct access to institutional quality alternative investment products.
- ✓ Kingswood's first product launch, Defensive Alpha (KDA) is a fund of funds, investing in liquid, diversified, alternative UCITS funds with the goal of providing access to best in class hedge fund managers - uncorrelated to equity and fixed income positions.
- ✓ Partner and Investment Advisor, MontLake, is a leading alternative UCITS Management Company and platform provider with over \$8bn in AUM and an outstanding reputation for forensic risk profiling expertise.
- ✓ KDA will list as a sub-fund on the MontLake platform with an absolute return target of cash + 4-5% after fees with a minimisation of capital drawdown.
- ✓ Volatility of the fund is expected to be approximately 4-5% providing daily liquidity with 4 days' notice.

UKINSTITUTIONAL



UK INSTITUTIONAL

Provide professional treasury and liquidity management services to institutional clients on a primarily segregated basis

Service Provision

- Prudent investment management of surplus cash balances _
- Portfolios range in size from £10m to over £100m _
- Utilise a range of fixed interest instruments _
- Provide Treasury Management Policy reviews _
- Offer tailored treasury training programs _
- £935 million AUM

Specialist client sectors

- Universities
- Smaller Corporates _
- Charities _
- Institutes

of capital

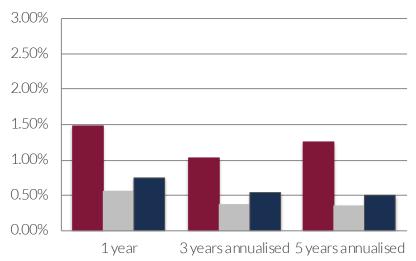
Investment philosophy



Preservation 2 assets



Performance returns





Short duration, low volatility collective offering enhanced cash returns for institutions and private client investors with smaller sums to invest, sub £5m.

KINGSWOOD US



OBJECTIVES



BUILD SUCCESSFUL SCALED B/D AND RIA

Recognised as one of the industry's premier wealth management firms



PROVIDE EXCELLENT SERVICE AND TECHNOLOGY

Kingswood will be the preferred destination for recruits and business principals looking to sell their business



BENEFIT FROM MOVEMENT TO FEE BASED BUSINESS

Managing significant B/D AUM/A to directly benefit from valuation uplift associated with anticipated movement from commission based assets to recurring fee based assets



UTILISE ECONOMIES OF SCALE

Expense management and sharing the cost across two firms, Kingswood will optimise earnings potential

KEY PERFORMANCE INDICATORS (Year end 2019 actual)



*Figures for Benchmark are for 9 months only

VALUE PROPOSITION

True hybrid RIA platform offering, with support of fee-based and commission business on one platform

- ✓ Multiple advisor affiliation options
 - W2 (employed) and 1099 (independent) models
 - Flexible payout schedules
- ✓ National presence with bi-coastal home offices
- ✓ Seasoned and accessible senior management team, with proven experience in the independent RIA and B/D industry
- ✓ Multi-custodial and multi-clearing flexibility
- ✓ Extraordinary, highly-personalised client service and transition support
- $\checkmark \quad {\rm Comprehensive \ and \ affordable \ group \ health \ insurance \ coverage}$
- ✓ Industry-leading technology platform with Orion Advisor Services and AdvisorEngine
- ✓ Alternatives investment platform combined a superior due diligence platform
- ✓ CAIS platform providing access to institutional quality, private equity and hedge fund investments
- ✓ Fully automated process with the clients utilising Docusign
- ✓ Institutional-quality wealth management solutions with leading Turnkey Asset Management platforms and direct relationships with quality alternative investment product platforms
- ✓ Nimble and flexible due diligence approach to advisor onboarding and Investment product additions

Kingswood Group has committed to provide additional funding to Kingswood US to support both acquisitions and organic growth driven by the recruitment of independent financial advisors. Organic growth driven by recruitment only is projected to deliver the following:

	Year end 2020	Year end 2021	Year end 2022
Projected total advisers	200	275-350	350-450
Projected AUM/A	\$2Bn	\$6.9Bn -\$8.75Bn	\$8.75Bn - \$11.25Bn



KINGSWOOD CAPITAL MARKETS

Kingswood has launched an investment banking business in the US under the brand Kingswood Capital Markets (KCM), initially with 8 bankers and support staff based in NY, with a goal to increase to 25 bankers plus in key locations across the US over the next two years. KCM will generate high quality income for our business via securities underwriting and placement, debt arrangement, advisory and M&A leveraging our growing advisor distribution network.

✓ Access to digital marketing and social media platform

AT A GLANCE

By combining Chalice and Manhattan Harbor, including its B/D Benchmark, Kingswood US will capitalise on a growing demand for financial advice in a fragmented B/D and RIA marketplace.

Kingswood US will grow by:

- ✓ Recruiting independent financial advisors
- ✓ Acquiring small to mid-size RIA firms and Broker/Dealers
- Expanding advisor "same store sales" growth by offering a superior wealth management platform and practice management support





Successful Hybrid RIA business in the United States led by highly experienced management team with proven experience and track record in the independent RIA and B/D industry



DEREK BRUTON

CEO



MICHAEL NESSIM President



JEFF MCCULLOUGH Director of Adviser Services



DAVID MARTIN Director of Compliance



MIKE ALSORAIMI

Chief Compliance

Officer

E.

JEREMY WILDER Chief Legal Counsel

Target Market:

>100,000 Advisors with est. \$100-\$1MM in T12 Gross Revenue¹

Kingswood Will Recruit From

Wirehouses, Independents, Regional B/Ds

Recruiting Pipeline

Over 25 advisors with ~\$3.5MM in revenues, ~\$750MM in AUM

Why advisors are joining Kingswood US

- 1. A significant in house recruitment team and platform in place
- 2. Provides a hybrid platform, maximising the advisor's efficiency and minimising client complexity
- 3. Higher payouts and business owner tax advantages, advisors will increase their annual take home compensation
- 4. Flexibility of multi-clearing and multi-custodial platform
- 5. Independence to run their business the way they want
- 6. Offload costly compliance and operation expenses by using a strong corporate RIA
- 7. Their business will not be managed to the lowest common compliance denominator
- 8. Access to a senior management team with deep experience and skills in the independent advisor industry
- 9. A built-in succession plan by agreeing to buy the advisor's business at market prices when they retire
- 10. Kingswood US will help the advisor grow their business organically through a high degree of practice management and new business support
- 11. With its business partners, Kingswood will help the advisor grow by identifying business acquisition opportunities

 Historically trade at revenue multiples of 0.40x - 0.75x With <\$100MM in gross revenues¹ Focus on asset vs. stock purchases to: Retain reps we want, avoid others Reduce our exposure 	Why?	 B/D marketplace is ripe for acquisition Aging owners Regulatory pressures Rising costs No scale Dismal recruiting results Valuation multiples are generally more reasonable than RIAs 		EBITDÀ mai • Slower grow and resource <u>Market</u>	d to RIAs, independent B/Ds typically have low rgins (2-9%) wh rates – More difficult to recruit without capital es vs. large competitors, low organic growth • Abundance of "scratch and dent" advisors that may drive up compliance costs and taint reputation • AUM and revenue mix is tilted toward non- recurring	Risks
 Earnouts are based on rep, AUM, and revenue retention as EBITDA earnouts are difficult to manage Content hub opportunities to finite that are a content in the opportunities to finite the	Valuations	 0.40x - 0.75x While valuations vary based on EBITDA, dealon revenue multiples Normally cash deals, but equity can be comp Earnouts are based on rep, AUM, and revenue 	 Retain reps we want, avoid Reduce our exposure Pursue firms with favorable growth rates and higher BITDA potential through a shared service model Offer "Hub" opportunities to firms that are Larger and/or have strong brand identity Have a more defined business niche 		 Retain reps we want, avoid others Reduce our exposure with favorable growth rates and higher adjusted ential through a shared service model opportunities to firms that are and/or have strong brand identity more defined business niche 	KW Objective

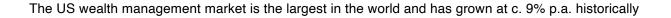
Current B/D Acquisition Pipeline 4 firms, ~400 advisors, ~\$7.5B in AUM, ~\$90MM in revenues

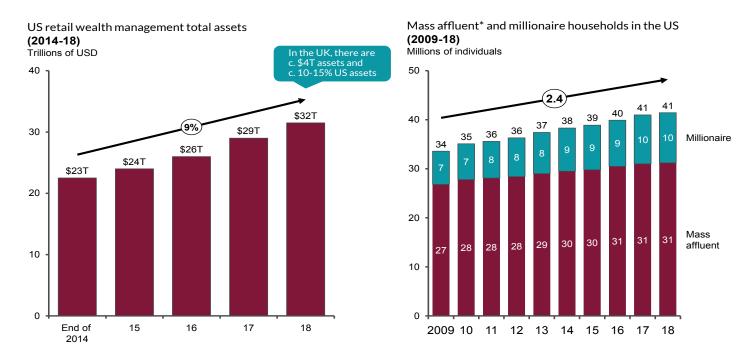
GROWTH STRATEGY – ACQUIRE RIAs

Why?	 RIA marketplace is ripe for acquisition: Aging owners Rising operational costs Inadequate succession planning Slow growth RIAs generate recurring measurable and predictable recurring request 		 Due to high competition Need to car	akage as owner transitions out of business demand for RIA businesses, we will face staunch for good firms efully discern between RIAs and "Servicing RIAs", lower gross margins	Risks
>	predictable recurring revenuesTypically stronger and more ethical advisors than B/D reps	<u>Target N</u>	Market	 Because it's a seller's market, seller expectations and conditions could e unreasonable 	
Valuations	 Market is frothy, generally range from 6-8x EBITDA for target firms. Varies by Size of firm Whether they posses some unique value proposition (e.g. technology) Quality of client base Typically cash + equity deals, with potention year earn outs based on AUM and revenue 	· · · · · · · · · · · · · · · · · · ·	M in AUM ¹ Pursue firms "First-move following put Offer "Hub" Large 	 Leverage RIA and referral agent relationships, as well as Bruton's RIA contacts, to source "under the radar" opportunities s with reasonable expectations r advantage" with initial RIA acquisition as archases will drive greater synergies opportunities to firms that are r and/or have strong brand identity a more defined business niche 	KW Objective

<u>Current RIA Acquisition Pipeline</u> 3 firms, ~\$1.6B in AUM, ~\$10MM in revenues

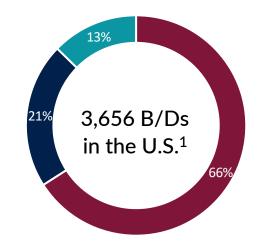
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INDEPENDENT B/D INDUSTRY FACES PRESSURE TO CONSOLIDATE





■ Retail ■ Independent >\$100 MM ■ Independent <\$100 MM

- Independent broker-dealers control ~\$3 trillion in AUM with 123,000 advisors, mostly 1099 independent contractors
- This sector includes firms that are as large as LPL, with close to 17,000 independent financial advisors and ~\$700 billion AUA, to small B/Ds with less than 20 advisors
- Independent B/D marketplace is plagued by:
 - Rising regulatory and technology costs
 - Challenging recruiting environment as large competitors issue upfront checks and other perks
 - Inability to scale the business, leaving very little leverage to revenue share with clearing firms and product sponsors
- As a result, the independent channel has seen significant consolidation
 - B/Ds have gone out of business or transitioned to branch offices of other B/Ds
 - All recent transactions have been majority stake deals, as buyers have fallen into two main categories:
 - Private equity firms, who want control of a platform; or
 - Strategic buyers seeking significant home office cost savings
 - Larger B/D networks are capable of achieving economies of scale and increasing their bargaining power on the expense front, allowing them to attract advisors with a larger service offering or a reduced price

INDUSTRY FRAGMENTATION

TREND	CATALYST	OPPORTUNITY
Advisor and consumer wealth transition to the 1099 independent model	Growing recognition of economic, control, and cultural advantages of independence	Recruit advisors to Kingswood Highlight our value proposition to appeal to their needs
Accelerated movement towards fee-based advice	Preferred advice model Regulatory changes (Reg BI) Higher business valuations	Recruit advisors to Kingswood and educate them on values of fee-based advice Offer access to our TAMP platforms
Consolidation in B/D industry	Higher operational and compliance costs Higher attrition and lower recruiting results Lack of scale	Acquire B/Ds, especially smaller firms who have no other choice than to sell
Consolidation in RIA and IFA Industries	Aging advisory firm owners Rising operational costs Consolidator firms Access to capital	Acquire RIAs Provide an attractive and more flexible alternative to large consolidators in marketplace
Rise of digital advice (a.k.a. Robo-advice); Baby Boomer to Millennial wealth transfer	Generational desires for advice delivery Operational efficiency needs	Highlight the Kingswood Robo-advice offering and optimise operational and new account opening efficiencies to increase business margins

There are over 60,000 RIA employees, managing \$5 trillion in AUM

- Average age of RIA firm owners is 59 years old
- Majority of firms are "lifestyle" businesses, plagued by low organic growth, fee management pressures, and poor succession planning

There is a race for scale amongst the non-lifestyle businesses

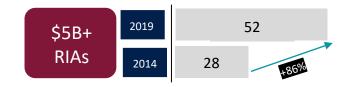
- RIAs with \$1 billion or more in AUM has grown 54% in the last 5 years, from 216 firms in 2014 to 338 firms in 2019
- While organic growth accounts for a good portion, with the S&P 500 posting total returns of ~51% from 9/14 through 12/19, M&A accounts for the lion's share of the increase in asset size
- Megafirms have acquired aggressively over the past 5 years
- EBITDA margins of 25% to 35% are typical

Kingswood's RIA focus is driven by:

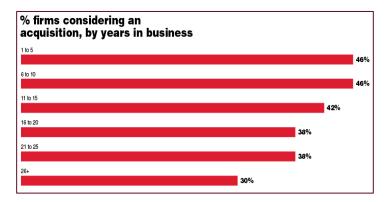
- It's a fragmented market: billion-dollar RIAs only account for 5% of firms, but control 64% of the assets
- Recurring revenue streams and sticky clients
- High profit margins
- Advisors who are generally free of regulatory issues

Data sourced form Echelon Partners 2019 Deal Report as well from interview with DeVoe Associates

MEGAFIRM GROWTH



75% of RIAs with \$1.5 billion or more expect to buy another firm within 24 months



CONCLUSION



Kingswood is significantly undervalued relative to both its fully integrated peers and wealth managers in general, offering the opportunity for investors to make outsized alpha returns

Company	Market Cap	AUM	P/AUM	PER		EV/EBITI	DA
		Last reported		CY2020	CY2021	CY2020	CY2021
Fully Integrated							
Schroders	£8,431m	£470,500m	1.8%	19.8x	18.9x	13.8x	13.0x
Standard Life Aberdeen	£6,388m	£490,000m	1.3%	19.5x	17.0x	31.4x	25.4x
St James's Place	£5,402m	£101,670m	5.3%	24.8x	21.5x	N/A	N/A
Quilter	£2,669m	£95,300m	2.8%	23.8x	18.2x	16.3x	13.7x
Average			2.8%	22.0x	18.9x	20.5x	17.4x
Kingswood	£35m	£4,800m	0.7%	7.9x	6.3x		
Wealth managers with final	ncial planning ca	pability					
Brewin Dolphin	£899m	£41,400m	2.2%	18.0x	18.0x	11.7x	11.5x
Rathbones	£888m	£42,646m	2.1%	17.2x	16.3x	N/A	N/A
Brooks Macdonald	£265m	£12,223m	2.2%	14.7x	12.8x	8.9x	7.6x
Mattioli Woods	£206m	£9,400m	2.2%	18.2x	18.0x	10.8x	10.6x
Charles Stanley	£142m	£20,200m	0.7%	14.5x	11.3x	3.5x	2.9x
Average			1.9%	16.5x	15.3x	8.7x	8.2x



- ✓ High growth, international and fully integrated wealth & investment manager in three countries
- ✓ £4.8bn AUM/AUA and circa 16,000 clients
- ✓ Significantly undervalued relative to fully integrated peer group: 0.7% AUM/AUA vs 2.8% AUM/AUA
- Significant focus on closing valuation gap relative to fully integrated peer group to reflect true underlying valuation
- ✓ Active transaction pipeline in UK and US with a number in exclusive due diligence
- Unique management team combining extensive private equity experience and a track record of out performance, with a leadership group with large firm experience and success
- Rapid implementation of change management programme to significantly improve cost/income ratio and enhance margin
- ✓ Strong risk and compliance culture
- ✓ Robust balance sheet underpinned by Pollen Street Capital's growth equity commitment
- ✓ Targeting total £13-£15 billion AUM/AUA internationally by end 2021
- ✓ Targeting further capital raise to advance strategy within next 12 months



Disclaimer

Certain statements included or incorporated by reference within this presentation may constitute "forward looking statements" in respect of the company's operations, performance, prospects and/or financial condition.

By their nature, forward looking statements involve a number of risks, uncertainties and assumptions and actual results or events may differ materially from those expressed or implied by those statements. Accordingly, no assurance can be given that any particular expectation will be met and reliance should not be placed on any forward looking statement. Additionally, forward looking statements regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. No responsibility or obligation is accepted to update or revise any forward looking statement resulting from new information, future events or otherwise.

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