



KINGSWOOD

INVESTOR PRESENTATION  
May 2023

Exceptional progress against our objective to become a leading international fully integrated wealth and investment management business

## Group Financial

- ✓ Group revenues of £145m and £8.7m Operating Profit
- ✓ Material improvements in financial performance across Investment Management, Wealth Planning and Kingswood US RIA/BD business
- ✓ Organic and Inorganic AUM/A growth

## UK

- ✓ Completed the acquisition of 10 UK IFA businesses in 2022 and 5 in 2021, all have added £11.8m of additional revenue in 2022
- ✓ Our market leading 'Kingswood Go' app, launched in March 2022, has over 6,000 registered clients and we continue to focus on enhancing the client experience and developing the technology to provide additional in-app services

## US

- ✓ The US added 21 registered representatives in the 2022, driving an increase in US AUM to \$3.0bn
- ✓ Industry-leading automated alternative investment platform surpassed 1,200 subscriptions, representing \$129m in investments in three years

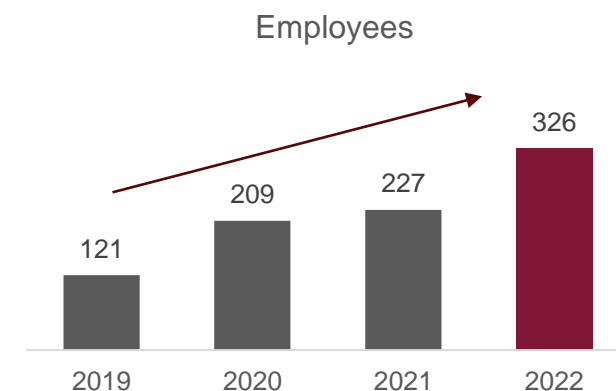
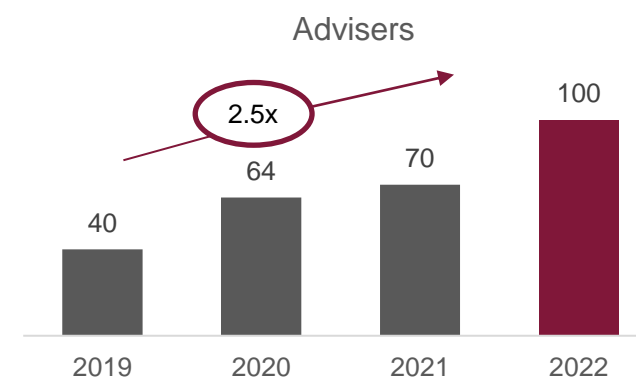
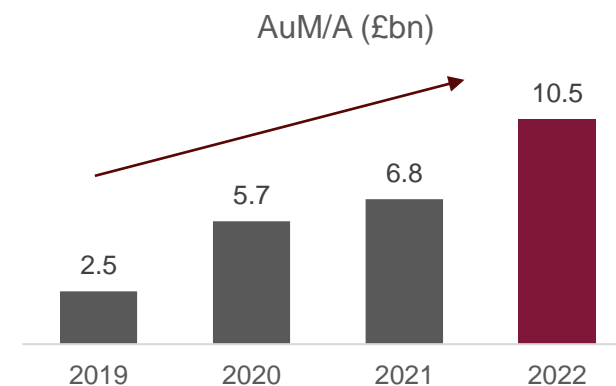
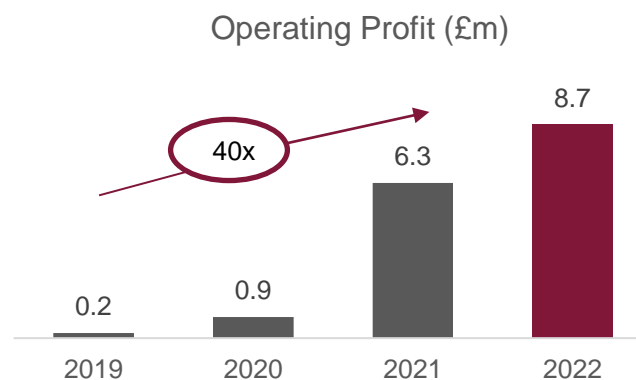
# Consistent growth in revenue and profitability ahead of expectation



Transformative double-digit growth across our key business metrics over the past 4 years

Revenue £m	2019	2020	2021	2022
Investment Management	4.2	4.2	4.7	7.2
Wealth Management	5.9	12.9	17.2	26.7
<b>UK Revenue</b>	<b>10.0</b>	<b>17.2</b>	<b>21.9</b>	<b>33.8</b>
<b>US Revenue</b>	<b>-</b>	<b>8.3</b>	<b>127.8</b>	<b>112.2</b>
<b>KW Group Revenue</b>	<b>10.0</b>	<b>25.5</b>	<b>149.7</b>	<b>146.0</b>

Operating Profit £k	2019	2020	2021	2022
UK Operations	2.0	4.3	6.1	11.5
Central Costs	(1.8)	(4.0)	(4.9)	(5.8)
<b>UK Operating Profit</b>	<b>0.2</b>	<b>0.3</b>	<b>1.2</b>	<b>5.7</b>
<b>US Operating Profit</b>	<b>-</b>	<b>0.5</b>	<b>5.1</b>	<b>3.0</b>
<b>KW Group Operating Profit</b>	<b>0.2</b>	<b>0.9</b>	<b>6.3</b>	<b>8.7</b>



# Kingswood UK Operations

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# A differentiated proposition in UK wealth management



## Advice-led

- Holistic wealth and investment services
- High quality adviser base with strong national footprint
- Typical private client with £350k+ of AuA
  - HNWI business – 725 clients with >£1m
- Over 20,000 clients



## Vertically integrated with market leading investment offering

- Award-winning investment manager – bespoke DFM and MPS
- Investment solution attractive to advisers, and businesses that we intend to acquire
- Penetration of 10% of the total wealth planning AuA today (ambition of ~40% over 5 years)



## Business to Business Investment Management

- Treasury, liquidity & investment solutions for UK universities and similar institutions
- Broad market reach with retail distribution through 84 third party IFA firms



## Proven M&A capability

- Highly acquisitive
- Fully integrated strategy with independent status
- Proven capability to integrate and capture cost and revenue synergies
- Curated / Off-market M&A opportunity from third party IFA firms
- The recent Irish acquisition opens up a new market



## Building a leading business

- Actively technology focused
- New client propositions to reach additional demographics
- Culture: 'One Kingswood'
- Adviser accelerator programme
- Diverse composition of senior leaders and advisers
- ESG: building credentials

**£4.9bn**

AuA<sup>(1)</sup>

**£2.0bn**

AuM<sup>(1)</sup>

**£1.2bn**

AuM<sup>(1)</sup>
































**22**

acquisitions<sup>(1)</sup>



# Diverse and capable management team



 <b>David Lawrence</b> CEO Schroders 				
 <b>Hayley Burton</b> MD, Wealth Planning  	 <b>Jon Millam</b> CFO   	 <b>Harriet Griffin</b> COO  	 <b>Rachel Bailey</b> CPO  	 <b>Paul Hammick</b> CRO 
 <b>Lucy Whitehead</b> CCO  	 <b>Jeff Grantham</b> MD, Wealth Planning 	 <b>Chris Metcalfe</b> CIO  	 <b>Paul Surguy</b> Head of Investment Management  	 <b>Nigel Davies</b> MD, Institutional  

# Key investment highlights



- 1 Diverse, experienced management team
- 2 Purpose built UK wealth management platform
- 3 Focused complementary organic growth
  - A Enabling onboarding of new advice clients
  - B Leveraging IBOSS
- 4 Taking advantage of growth opportunities from acquisitions
  - A Track record of successful acquisitions and strong pipeline of further acquisitions
  - B Well versed in efficiently integrating acquisitions
- 5 Business model has significant operational leverage
- 6 Expansion into Ireland increases market opportunity



## Helping clients navigate the advice gap



### Wealth Planning

- Full private client advisory proposition tailored to client needs
- Good mix of mass affluent and HNW clients
- Average client size of £350k+
- 117 fully employed advisers, with international coverage – low adviser turnover and concentration

**£4.9bn**

AuA<sup>(1)</sup>

**£26.6m**

Revenue<sup>(2)</sup>



### Investment Management

- Investment solutions for mass affluent clients (through IBOSS AM) and fully bespoke investment service for HNWIs (Personal DFM)
- Products have long term track record of high performance and low volatility
- Latent vertical integration opportunity from wealth planning assets

**£2.0bn**

AuM<sup>(1)</sup>

**£5.2m**

Revenue<sup>(2)</sup>



### Institutional

- University clients
- Treasury, liquidity & investment solutions
- 3 FTEs investment team
- 37 clients in total, of which 26 universities represent 90% of AuM

**£1.2bn**

AuM<sup>(1)</sup>

**£2m**

Revenue<sup>(2)</sup>

(1) As at 31 December 2022

(2) For the year ended 31 December 2022



# Leading investment manager with long investment track record of outperformance and low volatility



- **Completely independent fund selection** based on robust quantitative and qualitative processes and an emphasis on consistent performance
- The aim is to **beat the relevant benchmark over as many periods as possible** with less than benchmark volatility across all risk ratings
- Fund range aimed to cater for different investment appetites and time horizons, with **diversification being key to achieving long term investment goals**

## Diversified fund range to suit client requirements

Fund	Investment strategy	Portfolios	Funds per portfolio	Capped OCF	DFM Fee
<b>MPS Core</b>	Long term return, multi-asset	9	36-47	0.58%	0.2
<b>MPS Passive</b>	Reduced annual fees through use of low-cost passive funds	9	29-32	0.14%	0.15
<b>MPS Income</b>	Income solution alongside financial returns	7	33-38	0.65%	0.15
<b>MPS Sustainable</b>	ESG instruments alongside financial returns	7	37-41	0.75%	0.25
<b>OEIC Fund Range</b>	Total return over a 4+ year period	4	40-47		

**5**

Highly qualified investment team members

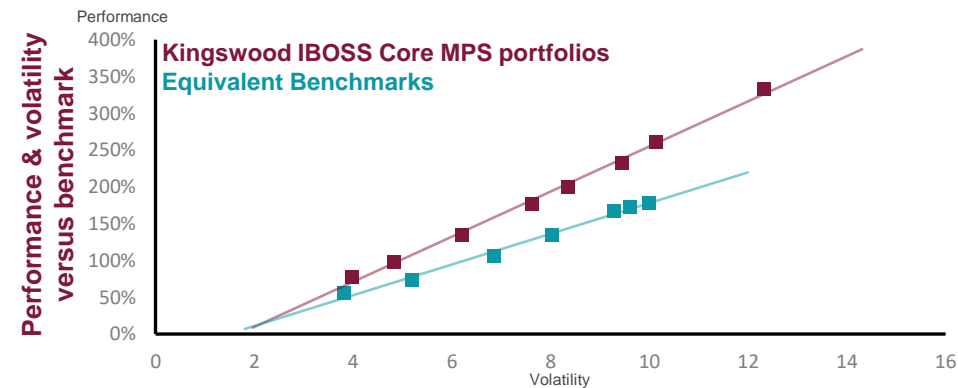
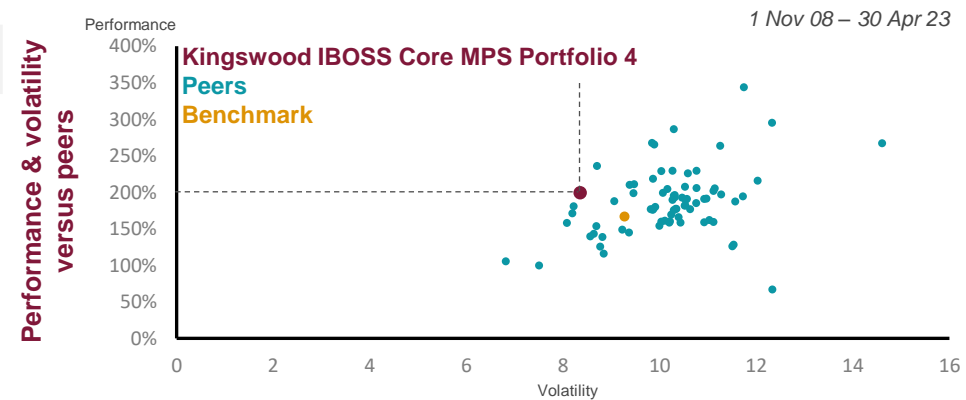
**6,000+**

Hours of fund research conducted each year

**300+**

Fund house meetings attended each year

## Outperformance versus benchmarks and peers



Note: Performance versus benchmark and peers from Nov-08 to Apr-23

# Focused on Organic growth



## 1. New advisory clients

- ✓ New business historically derived from **professional introducer base and referrals**
- ✓ Attractive net organic inflows into the business this year in spite of volatile market conditions
- ✓ Investing in a range of **lead generation and digital tools** to widen reach to new and younger demographics

## 2. Wealth advisory clients using investment management

- ✓ Strong suite of initiatives are in place to encourage vertical integration and value chain capture
- ✓ **Over £300m of assets have been introduced** in the past 24 months
- ✓ Opportunity in existing AuA to increase to 40% penetration into DFM over a three year term with material income upside, as existing clients go through annual review process

## 3. New third party clients to IBOSS

- ✓ IBOSS has a **growing base of 85 IFA clients - B2B relationships**
- ✓ A BDM team of 6 to service and grow the number of IFA clients

## 4. Kingswood Personal

- ✓ Fully bespoke investment service for HNWI's
- ✓ Kingswood AIM Portfolio Service (in partnership with Unicorn) is an actively researched and dynamic strategy

**3.1%**

Organic net inflows in wealth planning (2022)

**£100m**

Net inflows in wealth planning (2022)

£m, AuM Vertical integrated



**£1.3bn<sup>(1)</sup>**

AuM of 3<sup>rd</sup> party IFAs invested through IBOSS



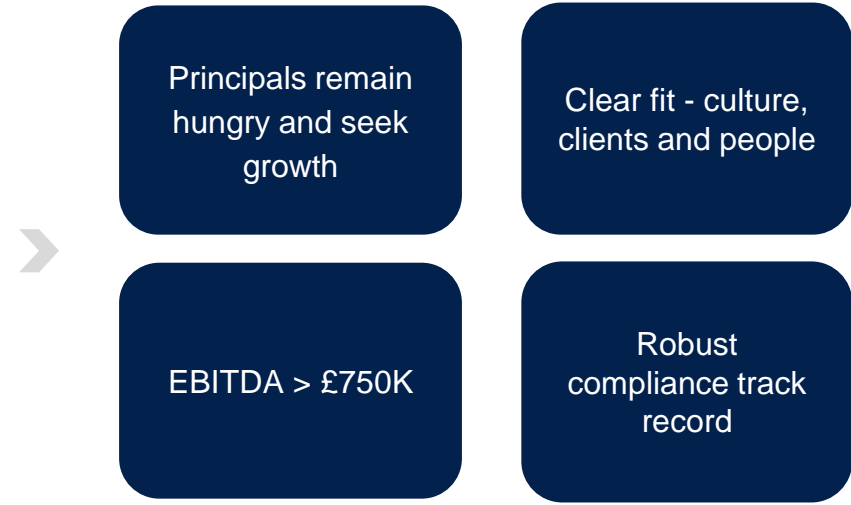
(1) As at 31 December 2022

# A market-leading consolidator having made 22 acquisitions since 2018

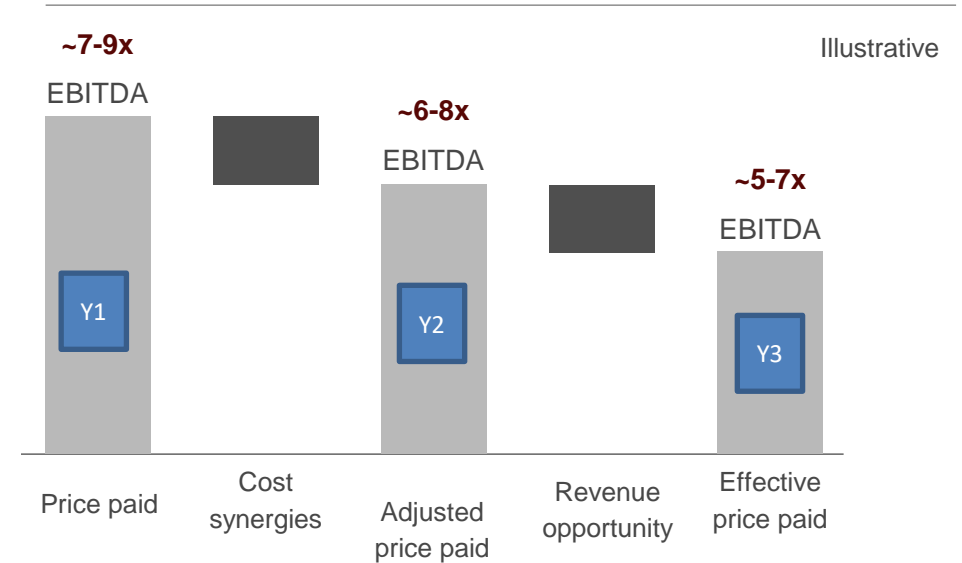


## Leading consolidator – why do counterparties choose Kingswood?

- ✓ **Reputable counterparty** with a straightforward, reliable and trustworthy approach
- ✓ Kingswood's **growth culture** is attractive to principals
- ✓ **Clear objective to integrate but with tailored timetable** (typically within 6-12 months) and aim to minimise client disruption
- ✓ In-house **centralised investment proposition** and **centralised support functions**, to support advisers
- ✓ **Ability to manage several deals simultaneously**



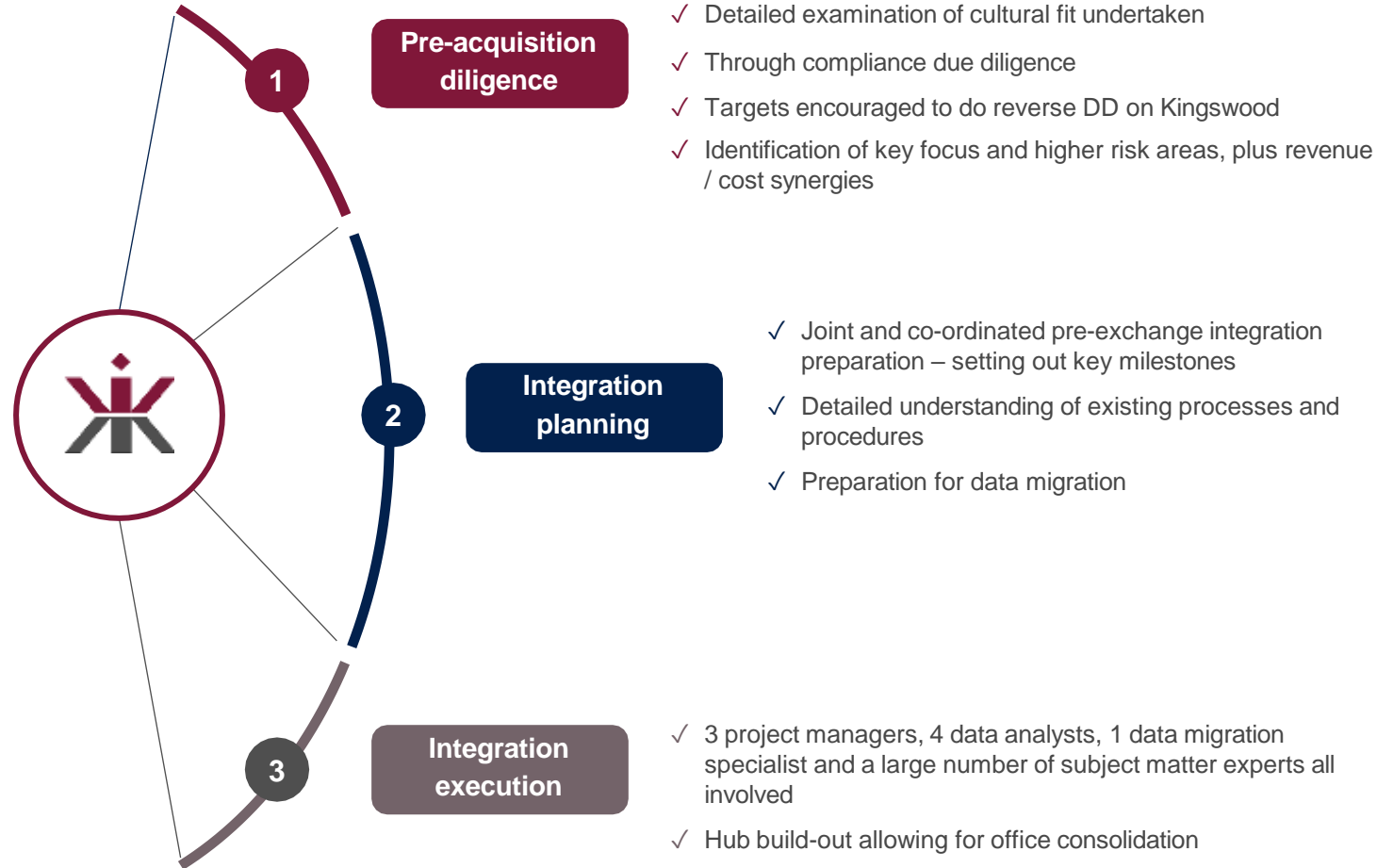
Approach to transaction pricing



# Tried & tested integration capability



Kingswood has significant experience in making acquisitions; and an established process



**12 months**  
average time to fully integrate

**3 months**  
average time for CRM data migration

**10-12**  
integrations that can be handled simultaneously

# Progressive use of technology:- All-in-one client interface: Kingswood Go!



Kingswood Go is a digital finance app and portal, launched in March 2022 which allows clients to view their financial progress when they want through a mobile phone or desktop

- 5,615 clients registered to date, with 3,550 logins issued and 1,504 active users
- The application is white labelled and based on the MoneyInfo platform
- Integrated with Kingswood's Third Financial Platform
- KW Go also enables us to serve smaller clients in an efficient and cost effective manner. Accordingly we can target clients at an earlier stage of their wealth journey



Evolution plan			
Legend:  In testing  Live			
Nurturing	Digital financial health check	Kingswood Insights	Financial goal setting
	Documents, e-signatures & messaging	Digital Fact Find Aggregation <i>Resulted in 30min of time saved per factfind</i>	Suitability report
Servicing	Annual Review	Online investment tracking	Regular nudging
	Integrated open banking facilities		

# Kingswood US Operations

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# Integrated Platform Built for Growth



KWUS has built a robust wealth management platform that is operationally geared for scale.

Comprehensive  
Wealth Advice  
(IBD & RIA)



Best-in-class  
Technology  
Platform



Best-in-Class  
Products



- KWUS has established relationships with some of the largest clearing firms which serve as a key referral source for recruitment and acquisitions
- Having multiple vendor options provides KWUS advisors with maximum flexibility
- KWUS intends to add Pershing and Fidelity to its choice of custodians (ideally through an acquisitions)
- KWUS technology partners combine to provide clients and advisors with seamless integration onto the platform
- Assists with everything from email to advising, trading, research, security and marketing
- KWUS strives to provide advisors with all the tools necessary which can include customization towards their clients technological needs
- Focuses on providing advisors a wide range of products that are not typically accessible from RIAs (pre-IPO shares, covered securities, DSTs, etc)
- A best-in-class suite of alternative products allows KWUS and its clients to be a step ahead of peers

RAYMOND JAMES

TD Ameritrade

charles  
SCHWAB



Artisan SOFTWARE

global RELAY

ORION

BlackRock

CANTOR  
Fitzgerald

BRAEMAR  
HOTELS & RESORTS

# Experienced and credible management team



Michael Nessim

US Chief Executive Officer  
20+ years experience  
New York, NY



Val Peters Rayevsky

US Chief Operating Officer  
10+ years experience  
New York, NY



Jeremy Wilder

US Chief Legal Officer  
10+ years experience  
New York, NY



Mike Alsoraimi

US Chief Compliance Officer  
10+ years experience  
New York, NY





Kingswood US operates in a vast and growing market

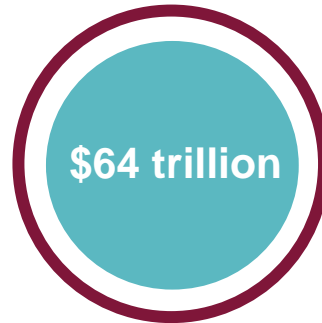
## 2020 Total US Financial Assets



10-year CAGR

5%

## 2030 Total US Financial Assets



Assets by Intermediary

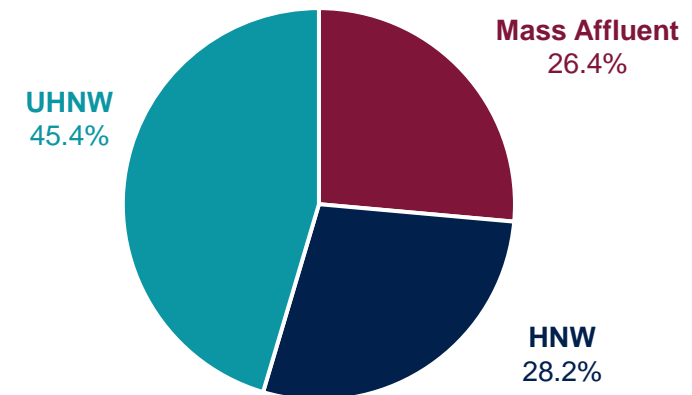


- The retail sector continues to dominate total US financial assets with a total of 62% of total assets. Compensation for advice provided can either be AUM fee-based, or commissions.
- The retail direct sector has generated significant asset growth supplemented by an increasing number of low-cost investing options

- Over the next 10 years, total US financial assets are expected to increase to **\$64 trillion**, resulting in an additional **\$150 billion** to **\$240 billion** in wealth management fees.
- The level of growth is primarily driven by market performance, net flows, and the continued shift from brokerage to advisory, (where revenue yields are typically higher).

## Household Asset Distribution

HNW & UHNW households (\$1 million or more in assets) represent just 14% of the total population, yet they control 73.6% of the total assets



# Advisors and Assets Continue to Shift to Independent Channels



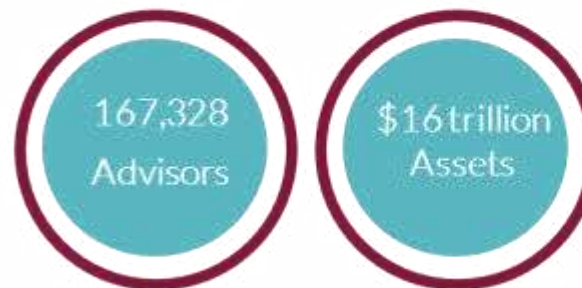
Retail wealth advice can be broken out into two operating models

## Independent Operating Model



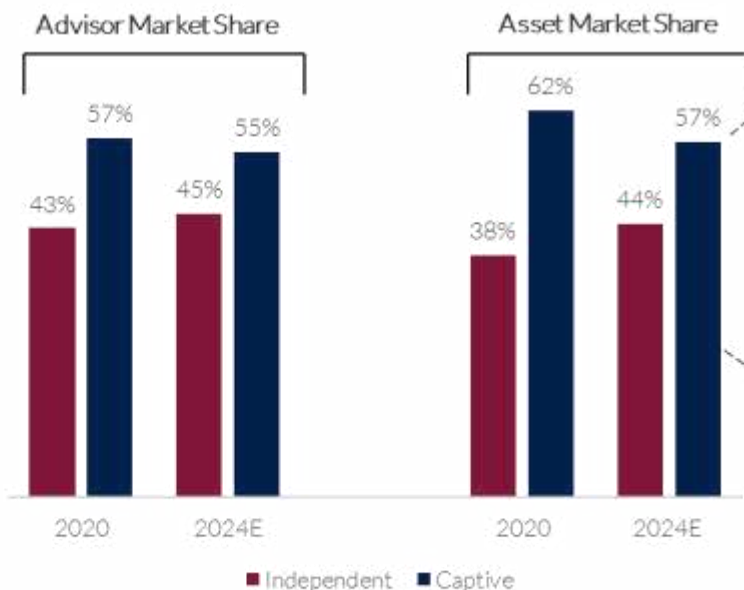
- ✗ Higher advisor payouts
- ✓ Low OPEX costs
- ✓ Dominated by mass affluent and HNWI investors
- ✓ Access to wider range of investment and technology products

## Captive Operating Model



- ✓ Lower advisor payouts
- ✗ High OPEX costs
- ✓ Highest percentage of institutional and UHNW investors
- ✗ Access to smaller range of investment and technology products

## Asset and Advisor Market Share



### Main Drivers leading to Advisors and Assets to Shift to Independent Channels

- Compensation** → Independent advisors retain a significantly large share of wallet than wirehouse advisors
- Technology** → Differential in technology capabilities between large and smaller firms is shrinking
- Autonomy** → Independent advisors have the autonomy to run their practice in the way they want.
- Support** → Wirehouse firms continue to focus on their biggest producers effectively forcing out smaller producers



## Kingswood is...

- A purpose built wealth management platform which is attractively positioned to take advantage of the growth opportunities and tail winds that exist within wealth management...
- ...with a management team that has the experience and network to take advantage of these opportunities
- Operating profit set to increase meaningfully in FY23
  - Embedded earnings from recent acquisitions ...
  - ... benefitting from a vertically integrated model as Kingswood captures more of the value chain
- Strong pipeline of future acquisitions to take advantage of operational leverage
  - Track record of acquiring businesses efficiently...
  - ... and of integrating them

# Appendix

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Kingswood Holdings Board composition



**David Hudd**

**Chair**

Joined the board as non-exec in June 2018 and became Chairman in July 2021. He is also Senior Counsel and a former Partner of Hogan Lovells who served as its global Deputy Chief Executive Officer from 2014 to 2020. He is a seasoned capital markets and finance specialist with over 40 years' experience as a lawyer and investment banker.



**David Lawrence**

**CEO**

Joined Kingswood December 2020 and the Board in April 2022. Over 30 years experience in financial services with Lloyds Banking Group latterly as Chief Operating Officer and Commercial Director for Lloyds Private Banking. David played a lead role in the establishment of Schrodgers Personal Wealth at which he was Chief Commercial Officer.



**Jonathan Massing**

**Non-Executive and vice chairman**

Joined October 2017 – strong background in commercial and corporate finance advisory, buyouts, venture capital, shareholder dispute advisory, and private businesses valuation. capital markets specialist with over 35 years' expertise.



**Gary Wilder**

**Non-Executive**

Joined October 2017 - over 30 years experience in pan European private equity and real estate particularly in the area of investment, capital raising, structuring, debt financing and asset management. He is the co-founder of Kingswood Property Finance Limited Partnership



**Howard Garland**

**Non-Executive**

Joined December 2019 - is a partner at Pollen Street Capital and a member of its private equity and credit investment committees.



**Lindsey McMurray**

**Non-Executive**

Joined December 2019 - is has been a private equity and credit investor for more than 26 years with a focus on the financial and business services sector. Lindsey co-founded Pollen Street Capital in 2005 and serves as Managing Partner.



**Jonathan Freeman**

**Independent Non-Executive**

Joined June 2018 - seasoned corporate financier and company director with extensive experience of listed companies, financial services and FCA regulated entities.



**Jane Millar**

**Independent Non-Executive**

Joined 2022 - over 30 years financial services experience across the wealth management industry. Has led large scale change and has a wide depth of experience across digital, Previously senior executive at Investec Wealth and Investment.



**Gemma Godfrey**

**Independent Non-Executive**

Joined 2022 - founded two digital businesses, acquired by or built on behalf of publicly-listed organisations. Specialises in helping businesses digitise and de-risk the delivery of new services. Gemma was the Head of Investment Strategy for Brooks Macdonald Plc.



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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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