



Spotlight on Adviser

23 November 2022

[abr dn.com](https://www.abr dn.com)

Agenda

Introduction Stephanie Bruce

abrdrn Adviser Noel Butwell

Differentiating through experience Russell Bignall

Our business model Jonny Black

Driving shareholder value Noel Butwell

Q&A



Stephanie Bruce
CFO abrdrn



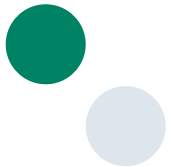
Noel Butwell
CEO Adviser



Russell Bignall
Managing Director Sales, Adviser



Jonny Black
Commercial & Strategy Director,
Adviser



Our strategy

We enable our clients to be better investors

abr dn plc

To deliver client-led growth

Three vectors addressing different client groups supported by content

Investments

Institutional • Wholesale • Insurance

£386bn
AUM

86%
CIR

c2,000

Institutional clients

63%

Investment performance¹

Global investment solutions

c50%

Adj op profit contribution⁵

Adviser

Regional and national financial advisers •
Discretionary fund managers

£68bn
AUA

59%
CIR

c430k

Adviser customers

c13%

Market share²

No. 1 UK adviser platform by AUA²

c50%

Adj op profit contribution⁵

Personal



Individuals • Intermediaries •
Charities and trustees

£66bn
AUMA

56%
ii CIR

c430k

Personal +
ii customers

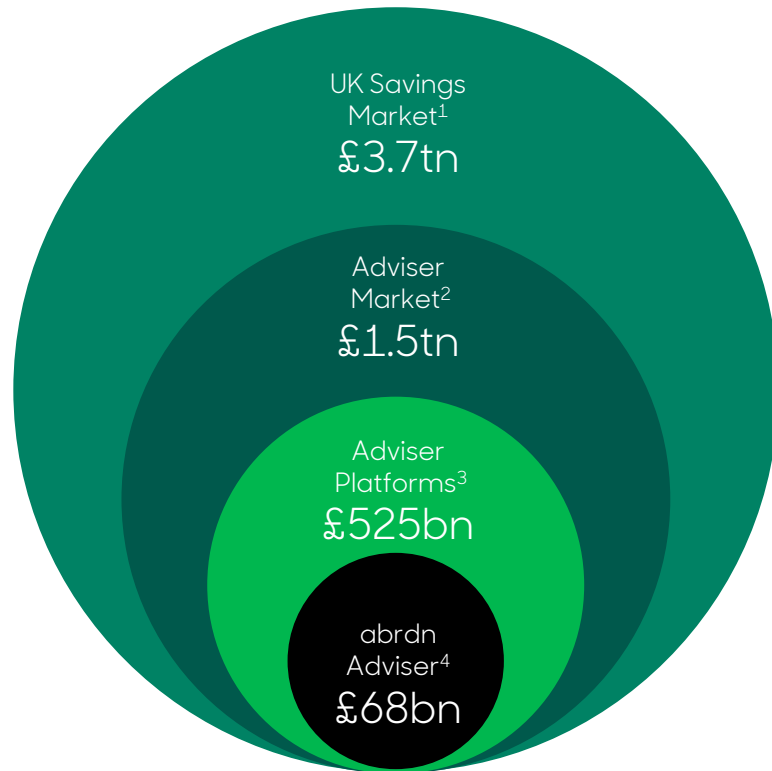
c18%

ii market share³

No. 2 UK D2C platform by AUA⁴

A compelling market opportunity

Strong dynamics in the UK market



Market trends

Democratisation of finance

- Shift in responsibility onto the individual for their own financial affairs

Advice gap

- Complexity of needs continues to drive growing demand for advice

Macro-economic environment

- Cost of living crisis and rising interest rate environment creating volatility and uncertainty for customers

Market inefficiency

- Advisers remain capacity constrained by disjointed and fragmented technology

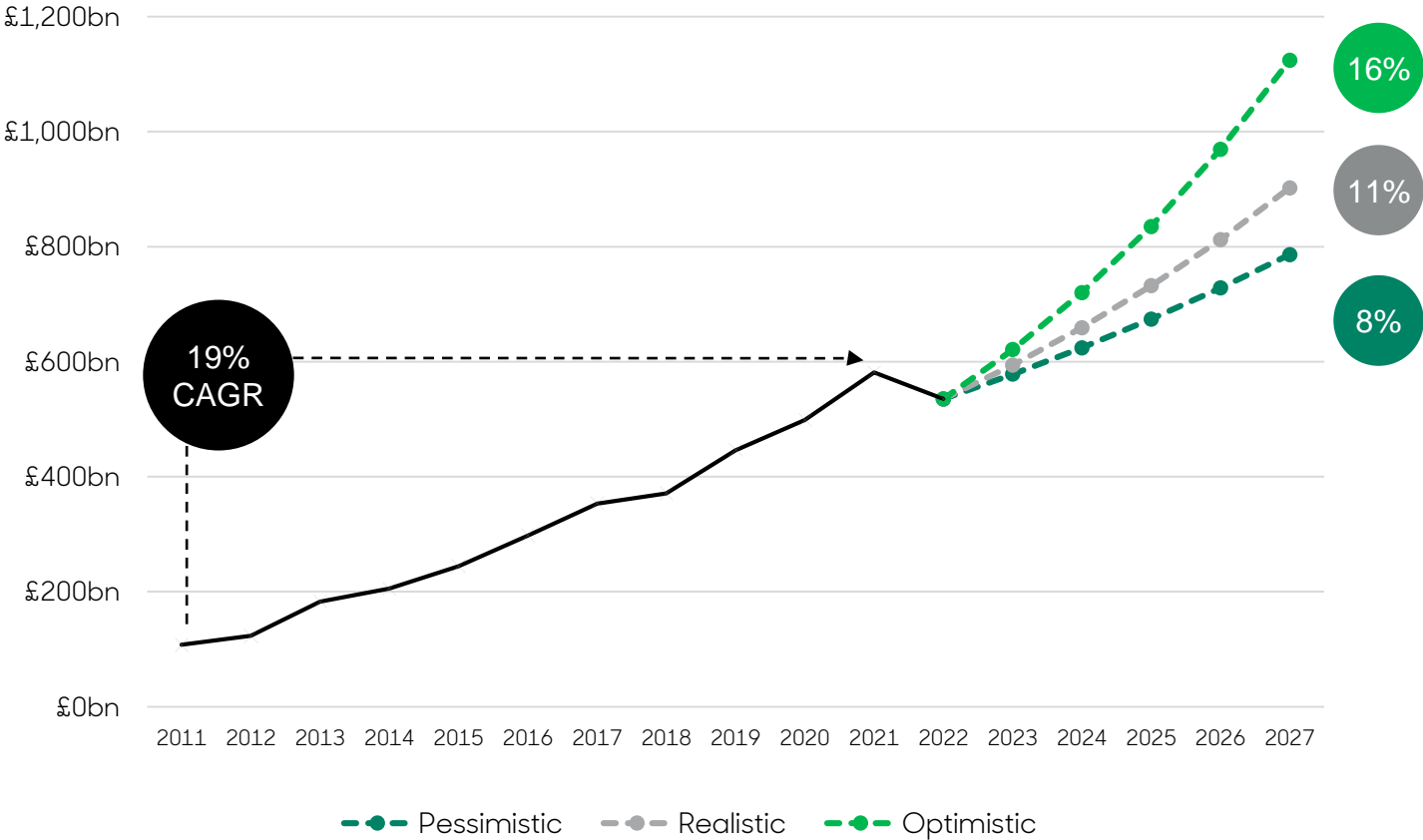
Consolidation

- Over the next 5-10 years the number of advice firms could reduce by up to 50%²

Structural growth market

19% CAGR over last 10 years with substantial growth expected to continue

Predicted adviser platform asset growth¹



Opportunity to expand leading position in a growing market

Growth by unlocking advisers' capacity to serve clients

¹ Fundscape Q3 2022 report



abr dn Adviser

Our market leading position



We are **No. 1** in the UK adviser platform market by AUA¹








Significant penetration partnering with 50% of UK adviser firms

Leading service offering with 95% customer satisfaction score

Strongly positioned via technology and focus on client journeys

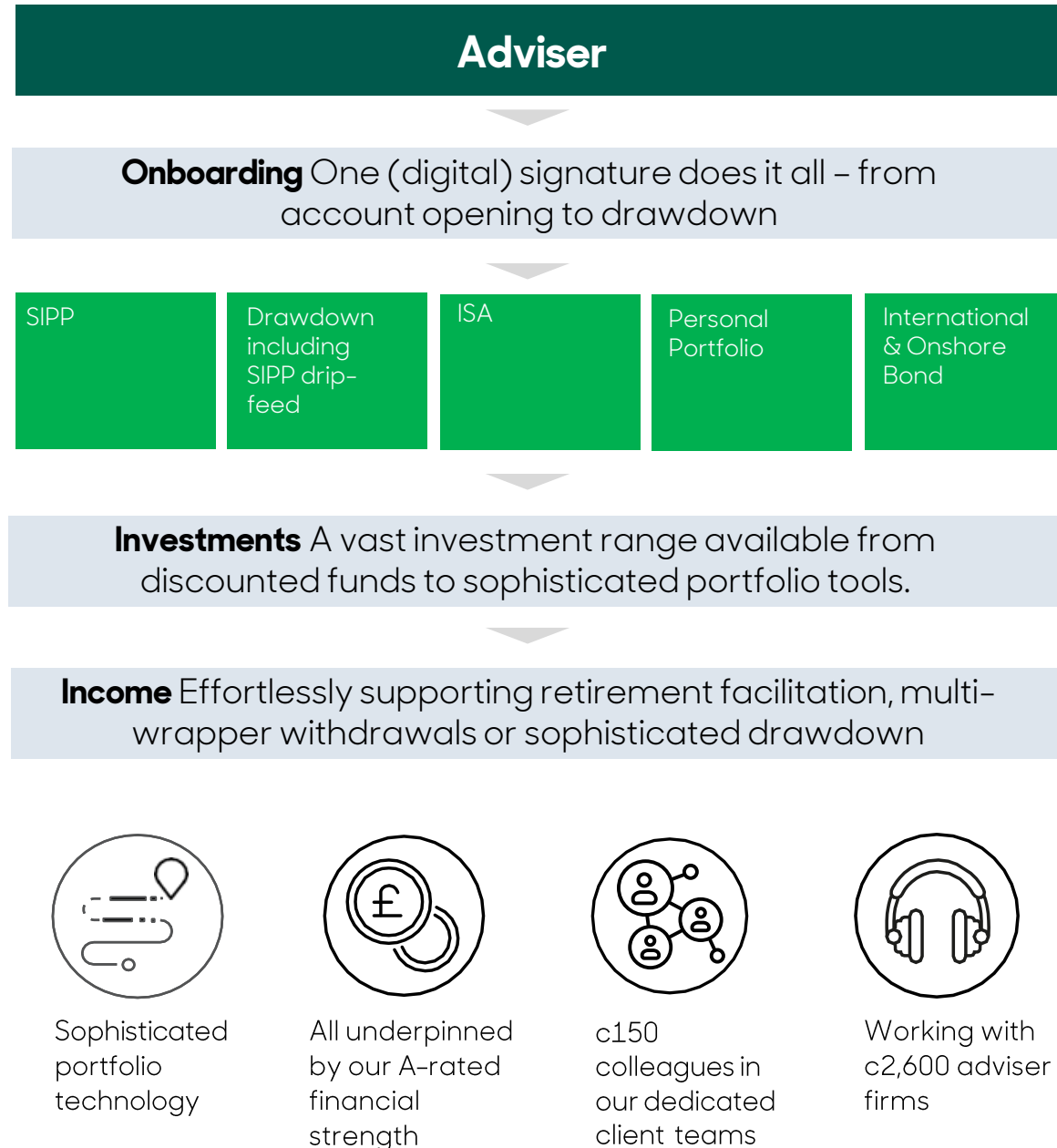
Underpinned by **financial strength**

abrdn already provides full spectrum wealth offering

	Investment solutions	Adviser platform	D2C platform	Discretionary	Face-to-face advice	Hybrid robo advice
	✓	✓	✓	✓	✓	✓
	✓	✓	-	✓	✓	-
	✓	✓	-	✓	✓	Planned
	✓	✓	-	✓	✓	-
	✓	✓	✓	-	-	-
	✓	-	✓	-	✓	Planned
	-	✓	-	-	-	-

Our platform

One of the fullest and most flexible platforms on the market



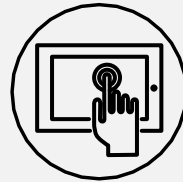
Growing from a market leading position

Delivering against those factors that directly influence platform selection

Our client-first approach positions us strongly to further grow our leading market share

Outstanding position to deliver on what clients tell us matters to them¹

Good online functionality	Financial strength/stability	Low overall cost to clients	Efficient administration	Range of products and wrappers
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New client and customer portals with **extensive white-labelling capability**



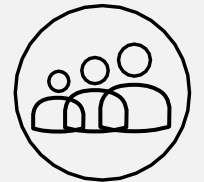
The **only platforms A-rated for financial strength**



Simplified and innovative pricing, **including the only drawdown price lock**



Targeting world-class NPS and CSAT
NPS of 53% CSAT of 95%



Launching full range of wrappers, **including Junior Suite**



Differentiating through experience

Winning with clients

1

Doing business their way

A tailored user experience with business solutions built for advisers and their clients

Delivering a personalised service with products that make advisers more valuable to clients and their families

2

Making things easy

Returning capacity back to advisers. Reclaiming time lost to basic information and processes by enhancing efficiency and support at all stages of the client journey

3

Putting our strength to work

Supported by a strong technology platform and insights to improve efficiency while keeping clients up-to-date with changing regulation

Adviser experience programme

Building on our strength of offering to do more for UK advisers so they can do more for their clients



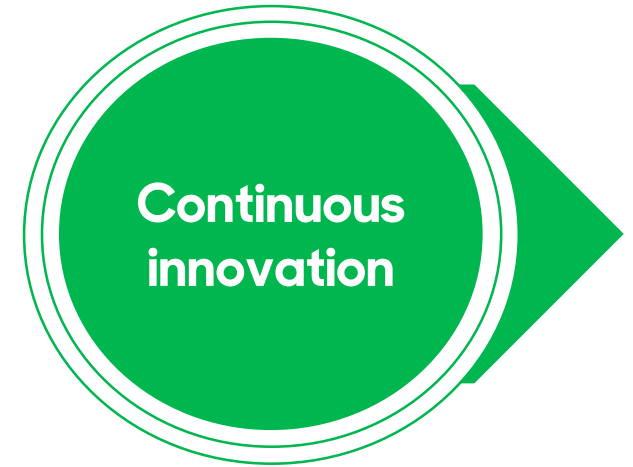
Completed

- Amazon Web Service
- Salesforce Service Cloud
- Fully enabled e-signatures
- Fast and secure email with Unipass Maillock Encryption
- Junior ISA launched May 2022



**Next
release**

- Modernised, intuitive user interface
- Enhanced client reporting
- Fuller advice suite - flexible ISAs and General Investment Accounts
- Faster servicing
- New bulk valuation service



**Continuous
innovation**

Unlocking capacity in processes

Investment Trends research shows strong demand to serve more customers

+16% Growth ambition¹

On-boarding clients

c1 million minutes saved per year

50%
fewer inputs

8 mins
quicker

c2,500 working days saved based on 2021 quote volumes

On-going reviews

15-30 mins saved
per report

10,700
days saved

30
customisable features

Fully customisable to each individual client

Product enhancements

Allowing clients to **manage multiple pots**

5
personal pots

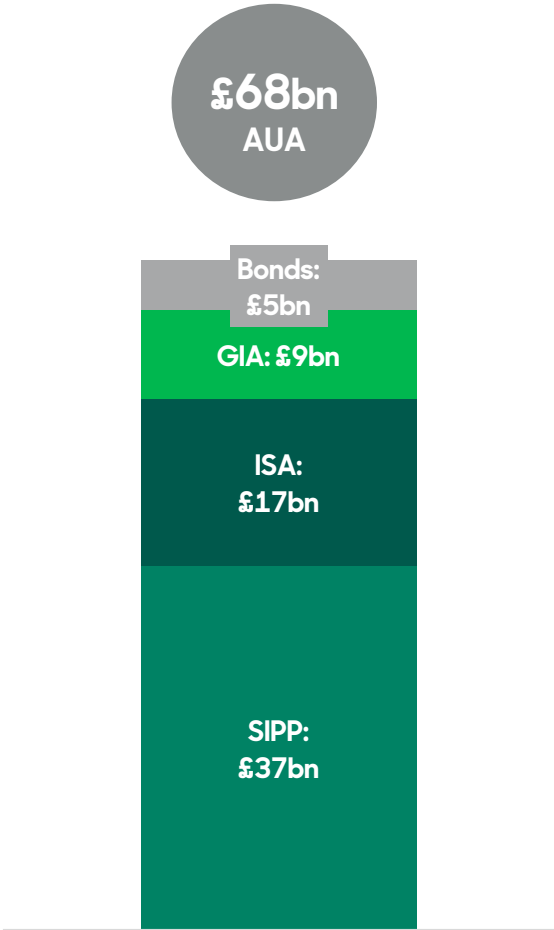
Flexi-ISA

Allowing more **flexible income options** across wrappers



Our business model

High quality customer base



H1 2022

A high quality customer base delivering returns through the customers financial journey

An average of **1.65** wrappers per customer attracting stickier assets and lower cost to serve

97% customer retention rate highlighting quality of service and offering

Average customer age of **63** across **c430k** total customers

A high average pot size of **£160k** per customer

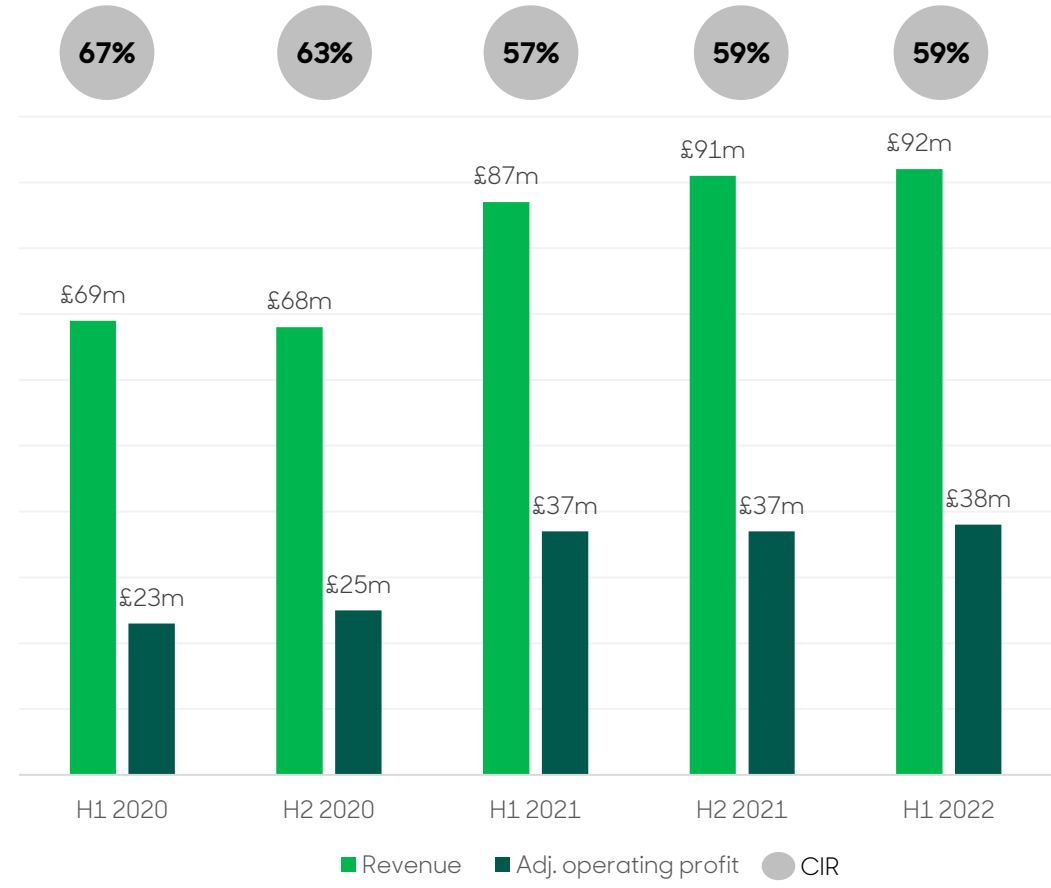
Servicing **c2,600** adviser firms or **c50%** of UK advice firms

Track record of consistent, high margin performance

Consistent growth in a volatile market



Driving strong profit and margin performance



Sources of growth and flows

1. Existing customers

Wrappers per customer



Now

Future

- 245k customers without a SIPP with us
- £200k average pension value
- **£49bn consolidation opportunity**

2. Existing clients

Primary partnerships



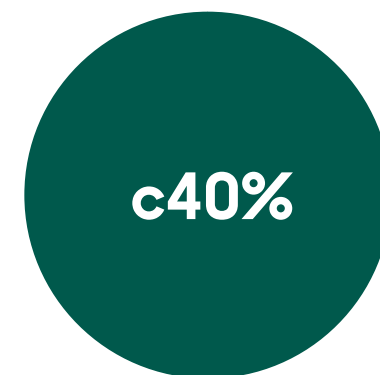
Now

Future

- Primary firms use us for 70% of their flows
- High share of larger IFAs partner with us
- Plus **back book migration opportunity**

3. New clients

Client advocacy



- c40% of advisers recommend their primary platform provider to peers¹
- **Leverage advocacy of existing clients**

Sources of revenue and pricing

Platform charges

- ✓ Sustainable, competitive pricing model with **strong value for money**
- ✓ **Family linking** available to support wealth transfer
- ✓ Innovative and one-of-its-kind **drawdown price lock**
- ✓ Industry margin compression halted in 2021/22

Fee revenue yield¹



Of which platform charge: c24.5bps

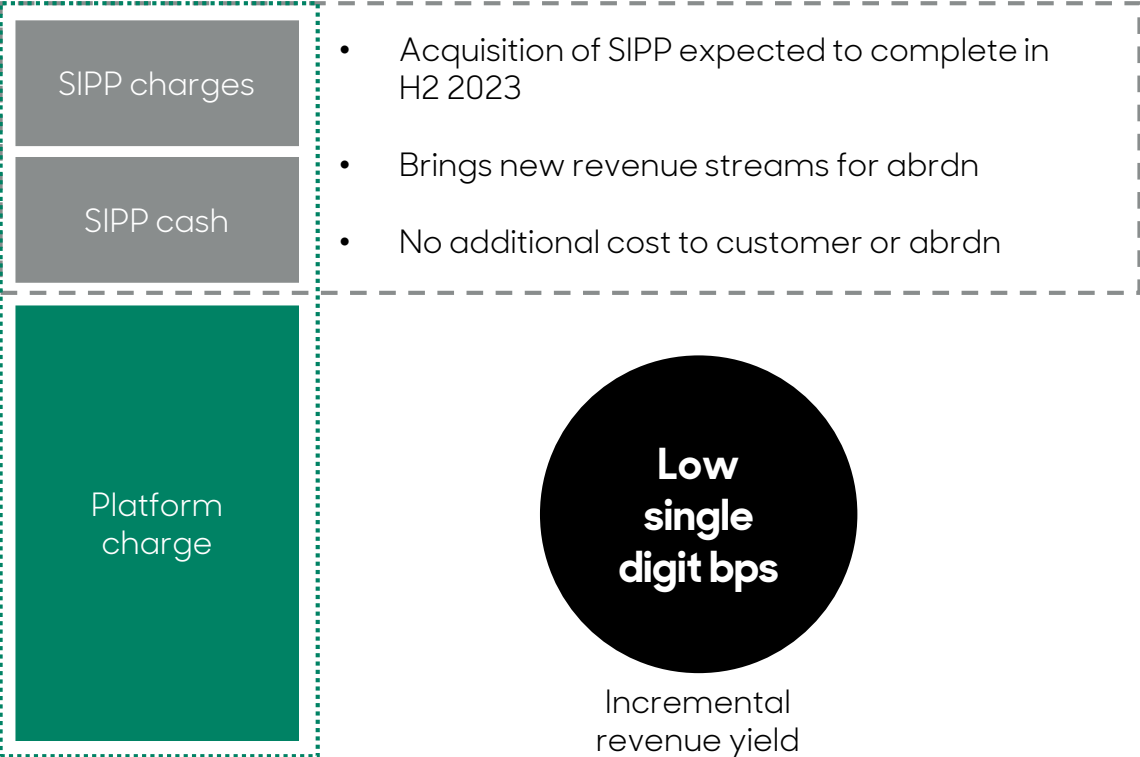
Cash margin

- ✓ Interest earned shared between customer and abrdn
- ✓ Two main reasons advised clients hold cash:
 1. Operational (paying charges)
 2. Income payments
- ✓ Exiting 2022 on c1.65% cash margin, based on current BoE base rate



Drivers of revenue

Additional revenue streams



Summary of revenue drivers

- Historic repricing ensures stable competitive position
- Cash margin policy
- Acquisition of SIPP from Phoenix
- Flow growth

A client-focused efficient model

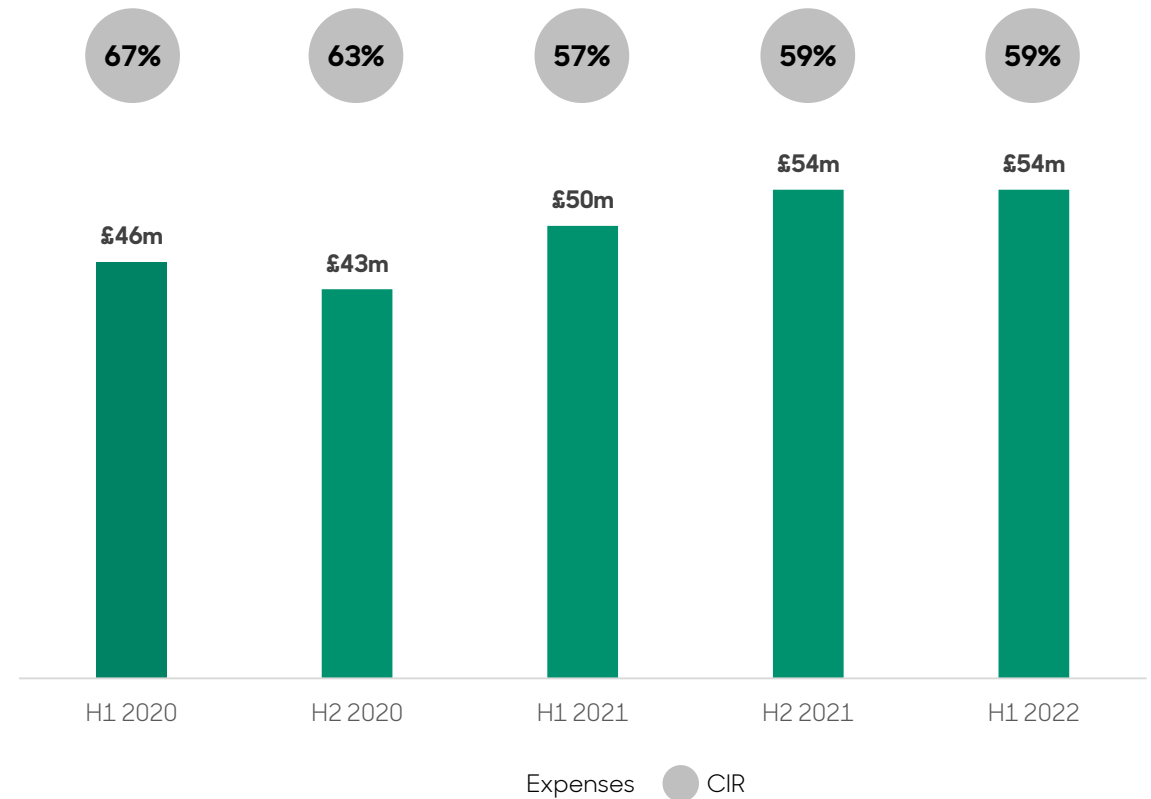
Deploying a “best of both” model, focusing on areas impacting client experience

abrdn strengths

- ✓ Client and customer telephony and experience
- ✓ Proposition and innovation
- ✓ Process design
- ✓ Distribution and marketing
- ✓ Proprietary research and insight
- ✓ Safeguarding and control, with first-class oversight

Outsourcing specific capabilities

- ✓ FNZ custody and back office administration
- ✓ Salesforce CRM and Amazon Web Services
- ✓ Driving a flexible cost model





Driving shareholder value

Strongly positioned to drive shareholder value

Market

- ✓ Market leading position
- ✓ Structural growth forecast at 11% CAGR¹

Opportunity

- ✓ New revenue streams
- ✓ "Best of both" operating model
- ✓ Market share growth driven by adviser experience programme

Technology

- ✓ Future-fit core
- ✓ Third party synergies

Team

- ✓ Diverse experience
- ✓ Focused P&L management

Driving operating margin improvement and shareholder value



Q&A

Forward-looking statements

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