

18 April 2023

Tatton Asset Management PLC
("TAM," the "Group" or the "Company")
TRADING UPDATE AND NOTICE OF FINAL RESULTS

Tatton Asset Management plc (AIM: TAM), the on-platform discretionary fund management (DFM) and IFA support services Group, today announces the following unaudited trading update for the year ended 31 March 2023 ("FY23", the "Period" or the "Year"), which shows strong growth in line with the Board's expectations. The Group's audited Final Results are scheduled to be released on 13 June 2023.

TRADING UPDATE

Record organic net inflows of 15.8% in a challenging environment have contributed to a strong performance in FY23 and the Board is confident that the financial results for the Year will be in line with consensus market expectations.

Highlights

Assets under management ("AUM/AUI") increased by 22.3% in the Year to £13.871 billion (2022: £11.341 billion).

Tatton Investment Management delivered another strong year of growth with the number of active firms increasing 16.5% to 869 (2022: 746), supporting record organic net inflows for the year of £1.794 billion (2022: £1.277 billion), an increase of 15.8% of the AUM at the start of the year. Net inflows in the second half of the year were £0.887 billion, an average of £148 million per month maintaining the strong performance delivered in the first half of the year of £0.907 billion. These record inflows of £1.794 billion represent a 40.5% increase on the prior year net inflows. AUM/AUI was further increased through the acquisition of 50% of the share capital of 8AM Global Limited in August 2022, contributing assets under influence ("AUI") of £1.136 billion, which is an increase from the £1.0 billion at acquisition. Market performance over the year reduced AUM/AUI by 3.5% or £0.400 billion.

	£bn
Opening AUM 1 April 2022	11.341
Organic net flows	1.794
Market and investment performance	(0.400)
Total AUM 31 March 2023	12.735
Acquisition 50% 8AM Global (AUI)	1.136
Total AUM / AUI 31 March 2023	13.871

Paradigm has performed well with Consulting member firms increasing to 431 (2022: 421) and Mortgage firms increasing to 1,751 (2022: 1,674). Paradigm Mortgages involvement in completions in the second half of the year remained strong at £7.2bn, despite rising interest rates and continued global uncertainty. This resulted in a record year for completions which totalled £14.5 billion (2022: £13.2 billion), a 9.8% increase on the prior year.

The Group ended the year with cash on the balance sheet of £26.5m.

Paul Hogarth, Chief Executive Officer, commented:

"I am delighted with the performance this year as the Group delivered another year of strong growth in what has been a difficult and volatile market environment for most asset managers. Against this backdrop we have increased our AUM/AUI over the year by 22.3% to £13.9 billion, close to our £15 billion target by the end of FY24 and with still a year to go.

"This year we are celebrating the tenth anniversary of the creation of Tatton and during that period we have been at the forefront of the MPS market and continued to champion the IFA. We have consistently grown, adding new firms and AUM annually, resulting in this year being our strongest ever and I now believe the MPS market has reached a point where it has truly come of age. In addition to the £1.1bn of AUI acquired with 8AM in August, Tatton Investment Management delivered record organic net inflows of £1.8 billion a 40.5% increase on the prior year and a 71.5% increase over the average of the last five years (five-year average: £1.046 billion). It was even more pleasing that we carried the first half momentum into the second half of the year, ensuring we maintained consistent flows throughout the year as a whole. The market drivers remain unchanged and we will continue to invest to strengthen the team in order to take advantage of the sizeable opportunity for further organic growth in the years ahead.

"Paradigm has also delivered a good year with involvement in record mortgage completions of £14.5 billion despite a much more difficult market in the second half of the year.

"We look forward with confidence as we make further progress and continue to deliver against our strategic objectives."

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