

Half year results

for the six months ended 31 December 2021

Strategy delivering strong results

10 March 2022

BM

BROOKS MACDONALD



Speakers



**Andrew
Shepherd**
CEO



**Ben
Thorpe**
Chief Financial
Officer



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Andrew Shepherd

- 1 Context and introduction**
- 2 Financial results
- 3 Opportunity and outlook
- 4 Q&A
- 5 Appendices



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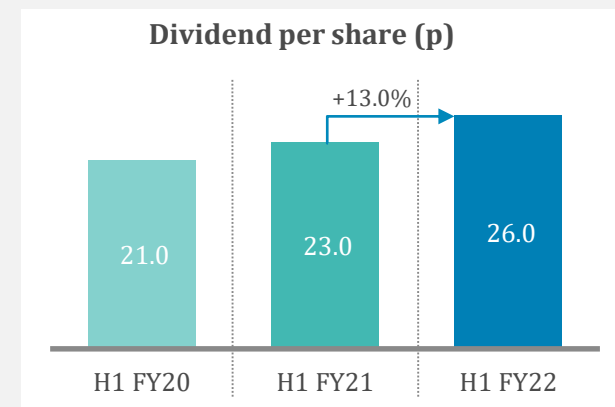
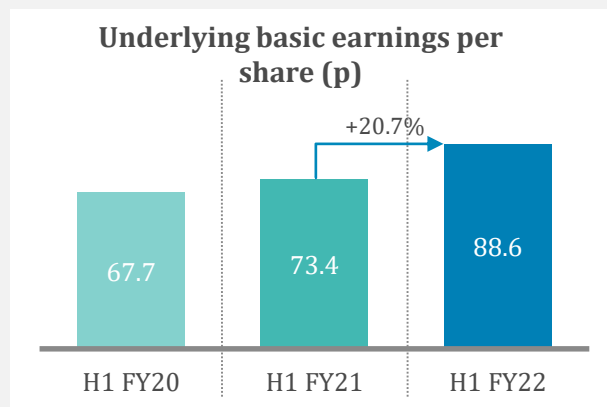
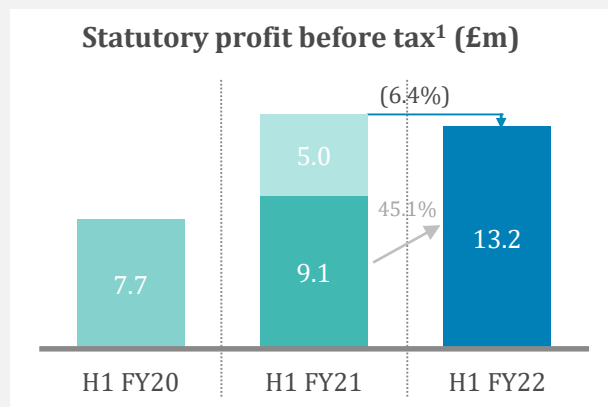
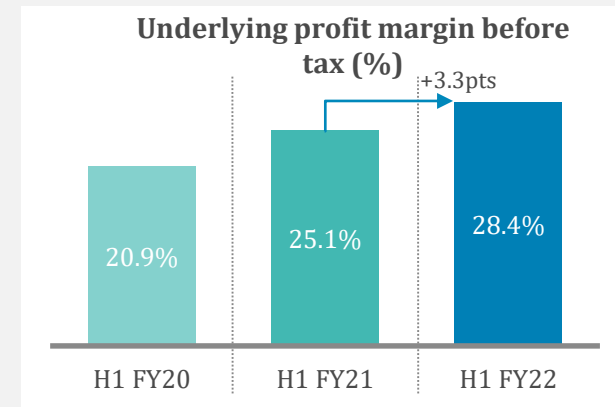
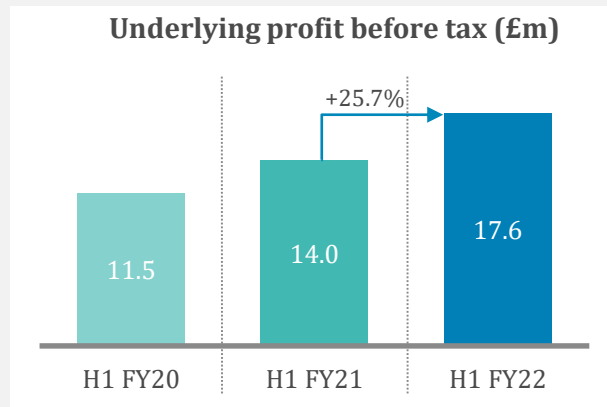
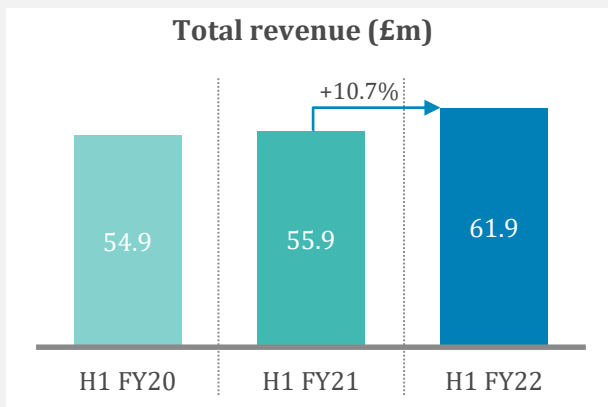
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Ben Thorpe

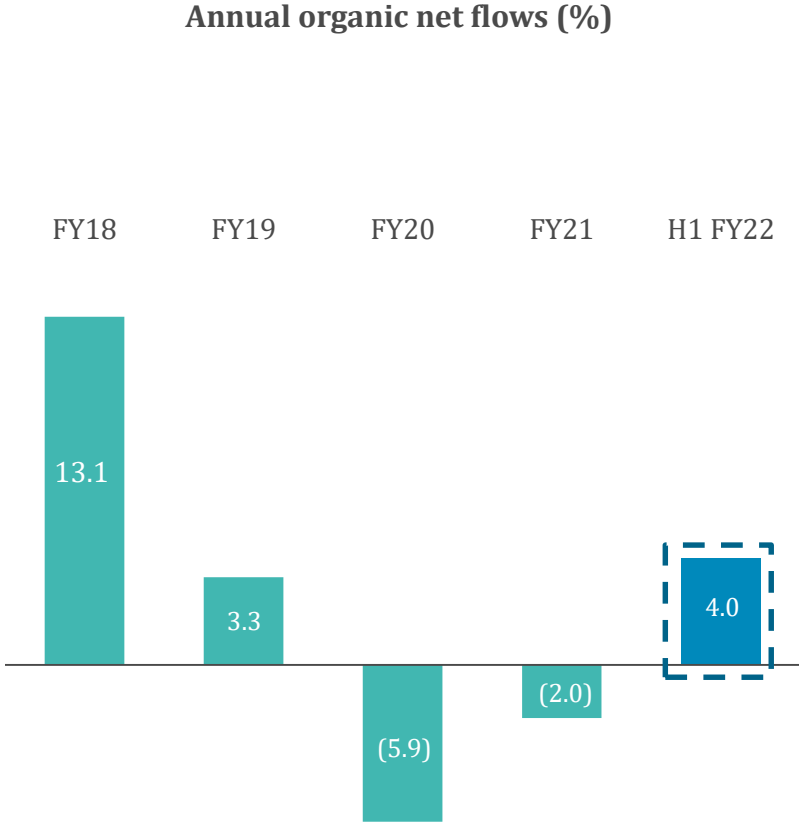
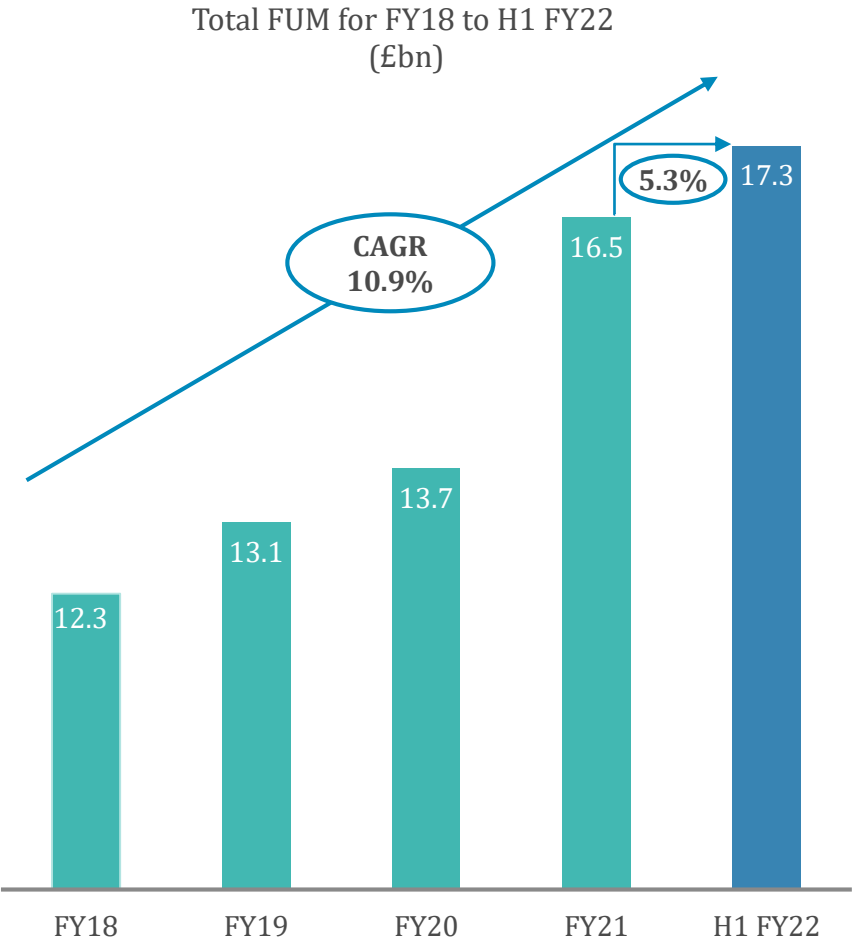
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Another strong half year with underlying profit margin reaching 28.4%



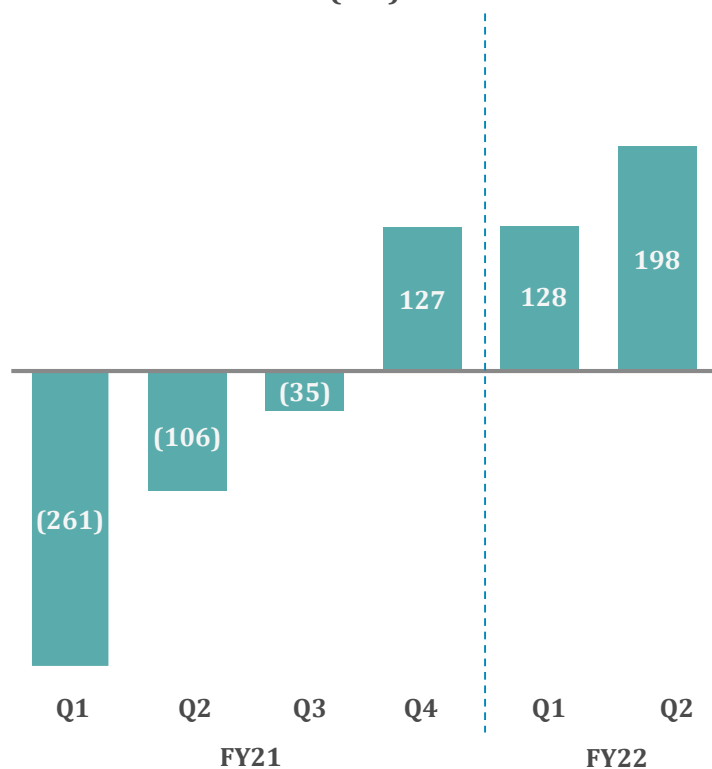
Note: 1. H1 FY21 statutory profit included a one-off gain arising on the Lloyds Channel Islands acquisition of £5.0m.

Total FUM reached £17.3bn with annualised net flows of 4% in H1 FY22



Continuing improvement in net flows across the board

Organic net flows by quarter FY21-22
(£m)



Organic net flows (£m) annualised growth (%)	FY21				FY22		Closing FUM (£m)
	Q1	Q2	Q3	Q4	Q1	Q2	
BPS	(119) (5.8%)	(43) (2.1%)	(26) (1.2%)	28 1.4%	6 0.3%	51 2.2%	9,814
MPS	(81) (17.9%)	40 8.8%	139 30.8%	184 40.7%	162 26.9%	156 25.9%	2,834
Funds	(100) (19.5%)	(84) (16.4%)	(69) (13.5%)	(12) (2.3%)	(26) (5.0%)	(21) (4.0%)	2,099
UKIM	(300) (9.9%)	(87) (2.9%)	44 1.5%	200 6.6%	142 4.1%	186 5.3%	14,747
International	39 9.9%	(19) (4.8%)	(79) (20.0%)	(73) (18.5%)	(14) (2.2%)	12 1.9%	2,582
Group	(261) (7.6%)	(106) (3.1%)	(35) (1.0%)	127 3.7%	128 3.1%	198 4.7%	17,329



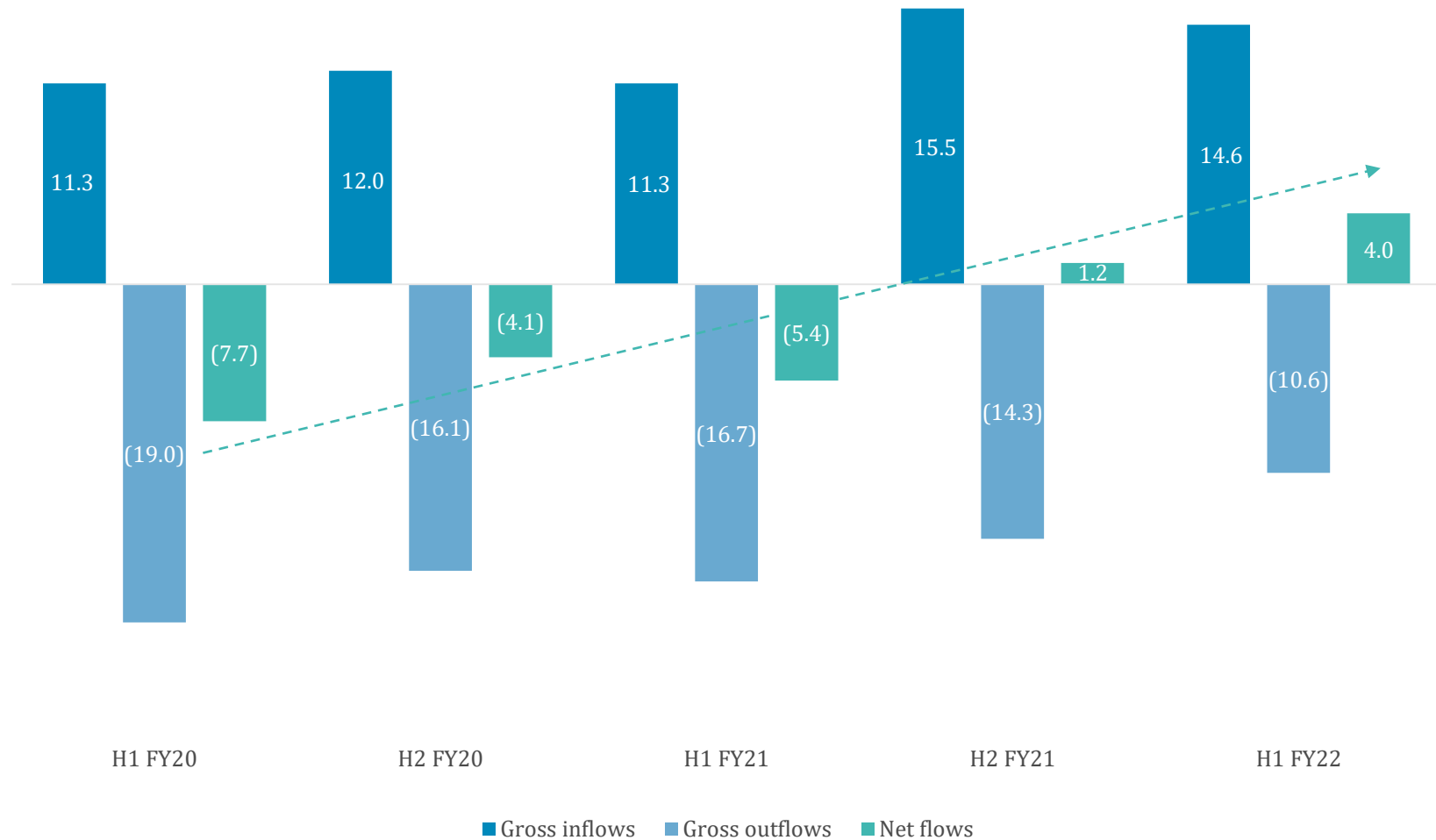
Improvement vs prior quarter



Decrease vs prior quarter

Improving net flows underpinned by higher gross inflows and declining gross outflows

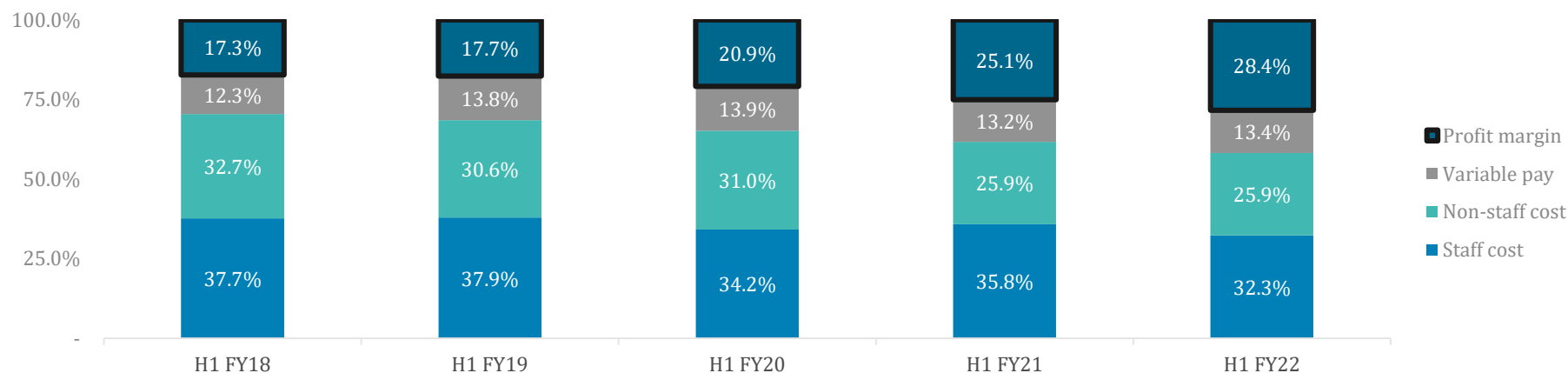
Annualised gross and net flows by half year (%)



Revenue up 10.7% and continued cost discipline delivering margin improvement

	H1 FY21	H1 FY22	Increase/(decrease)	
	£m	£m	£	%
Fee income	44.3	52.6	8.3	18.7
Transactional income	7.5	5.6	(1.9)	(25.3)
Other income	4.1	3.7	(0.3)	(7.3)
Total revenue	55.9	61.9	6.0	10.7
Total underlying costs (see page 11)	(41.9)	(44.3)	2.4	5.7
Underlying profit before tax	14.0	17.6	3.6	25.7
Jaws ratio ¹	5.5ppt	5.0ppt		

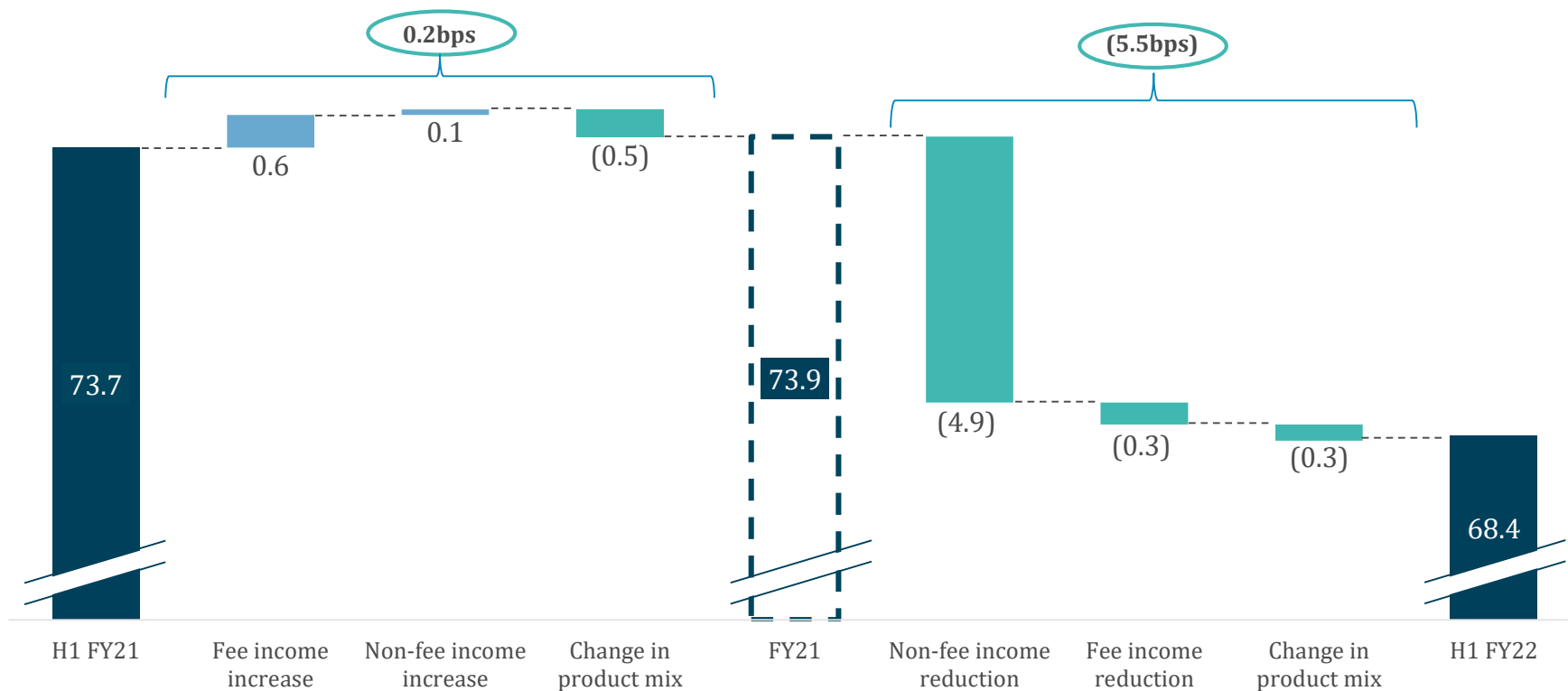
Margin composition



Note: 1. Jaws ratio calculated as % growth in revenue minus % growth in costs.

Overall yield reduction predominantly driven by drop in non-fee income

Yield bridge from H1 FY21 to H1 FY22 (bps)



Continued cost discipline whilst investing for growth

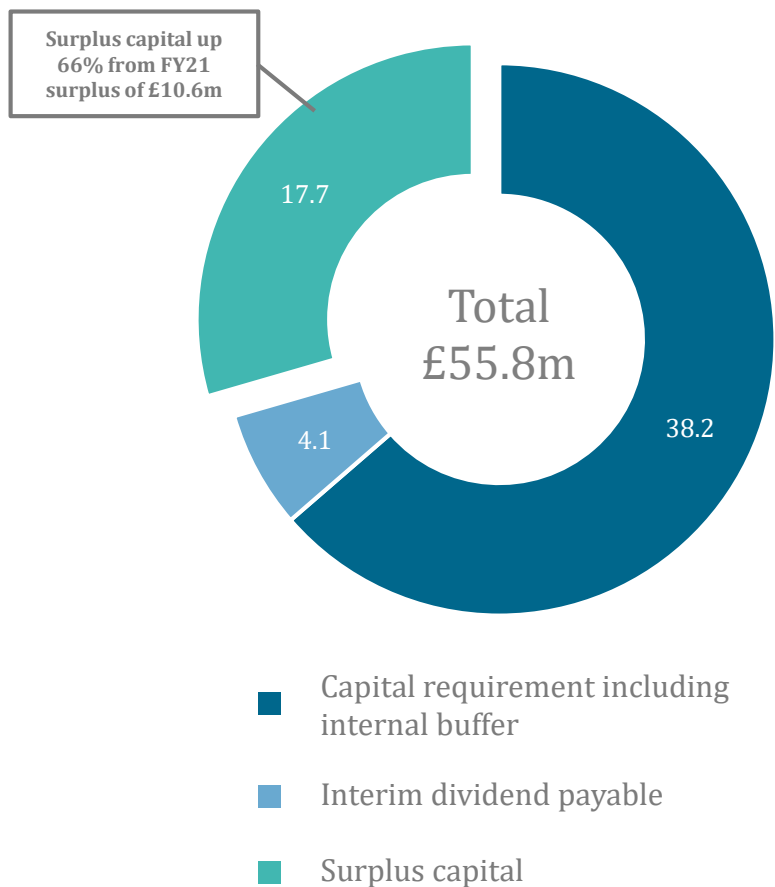
	H1 FY21	H1 FY22	Change	
	£m	£m	£	%
Fixed staff costs	19.9	18.7	(1.2)	(6.0)
Variable staff costs	7.3	8.0	0.7	9.6
Acquired staff costs	0.2	1.6	1.4	N/M
Total staff costs	27.4	28.3	0.9	3.3
Non-staff costs	14.3	14.5	0.2	1.4
Acquired non-staff costs	0.2	1.5	1.3	N/M
Total non-staff costs	14.5	16.0	1.5	10.3
Total underlying costs	41.9	44.3	2.4	5.7
Total underlying costs (excl. acquisitions)	41.5	41.2	(0.3)	(0.7)
Headcount	410	443	33	8.0
Total staff costs/Income	49.0%	45.7%		
Fixed staff costs/Income	35.8%	32.3%		
Non-staff costs/Income	25.9%	25.8%		

SS&C impact

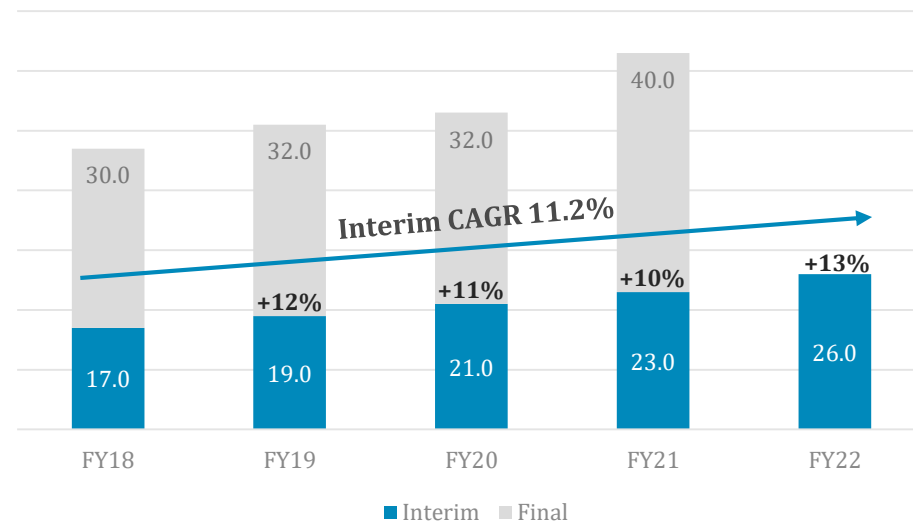
- Fixed staff costs decrease of £(1.2)m largely driven by the transfer of a number of roles from the Investment Services and Technology Services departments to SS&C in December 2020.
- The equivalent amount is recognised within non-staff costs as a recharge.

Strong capital position to support growth and dividend enhancement

Own Funds¹ Attribution (£m)



Interim and Final dividend per share (p)



	H1 FY18	H1 FY19	H1 FY20	H1 FY21	H1 FY22
Interim dividend growth	13%	12%	11%	10%	13%
Underlying basic EPS (p)	45.6	51.9	67.7	73.4	88.6

Notes: 1. Own Funds includes profit for the six months ended 31 December 2021 as this is verified as at the date of release of these results.

H2 FY22 guidance points

P&L	FUM	<ul style="list-style-type: none"> • Net flows in H2 will remain in positive territory but quarterly progression will not necessarily be linear • UKIM pipeline remains strong with current events expected to have an impact on BPS conversion times • International half year net flows expected to return to being positive for H2
	Income	<ul style="list-style-type: none"> • Total Group yield in H2 is expected to be at least 2.5bps higher due to increased portfolio activity given market volatility
	Underlying costs	<ul style="list-style-type: none"> • Cost discipline remains a key focus. Baseline H2 costs expected to be in line with H1 with additional c. £2.5m for FSCS levy which is fully expensed in H2
Cashflow	Capex	<ul style="list-style-type: none"> • Guidance of c. £4m capex for FY22 maintained with c. £2.0m in H2
	EBT purchases	<ul style="list-style-type: none"> • Full year guidance of £3.0m maintained
Other	Tax	<ul style="list-style-type: none"> • Underlying tax rate of c. 21% expected for FY22 maintained
	Share count	<ul style="list-style-type: none"> • Actual number of shares at year end expected to be 16.2m • Weighted average number of shares for FY22 expected to be 15.8m for basic EPS calculation • Weighted average number of shares for FY22 expected to be 16.3m for diluted EPS calculation



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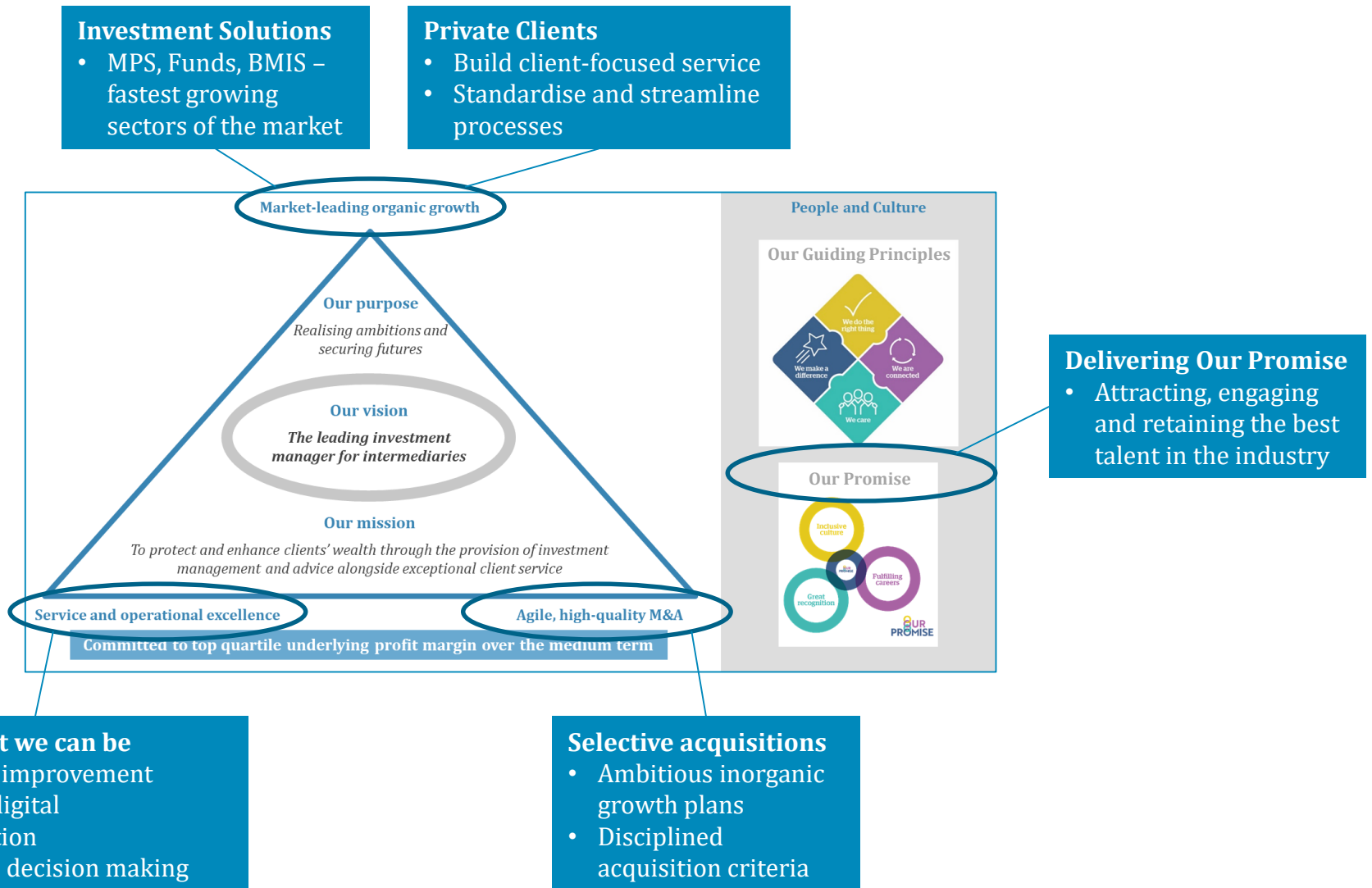
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Andrew Shepherd

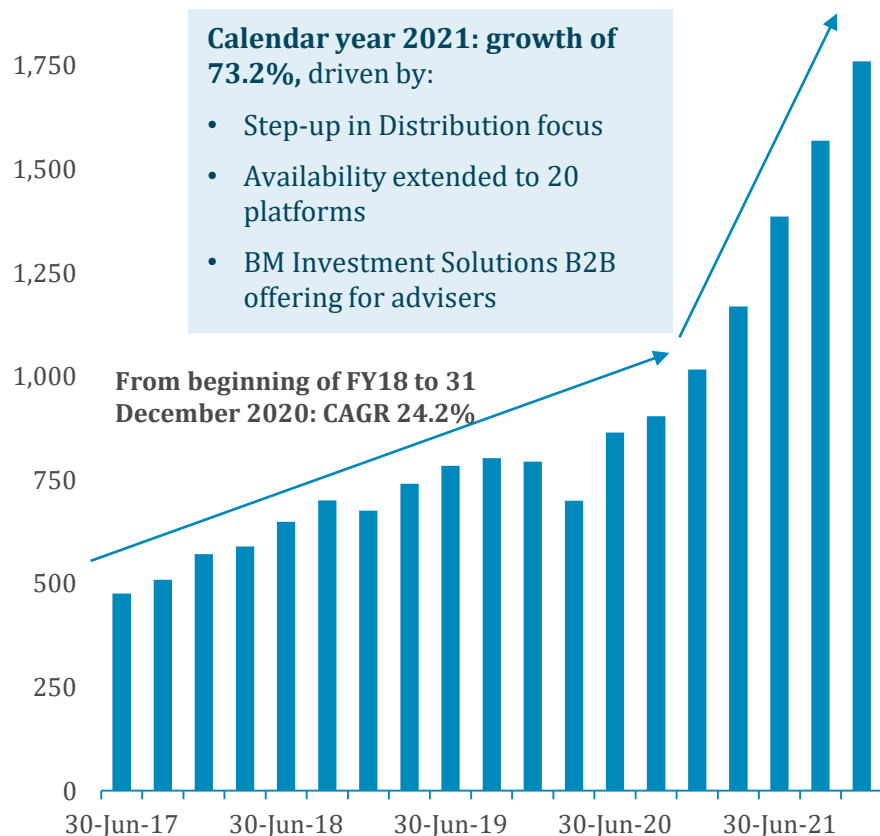
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Within our existing strategy we have identified five priority areas for 2022



We sharply accelerated Platform MPS FUM growth to 73% in 2021, and we have clear plans for our Investments Solutions businesses

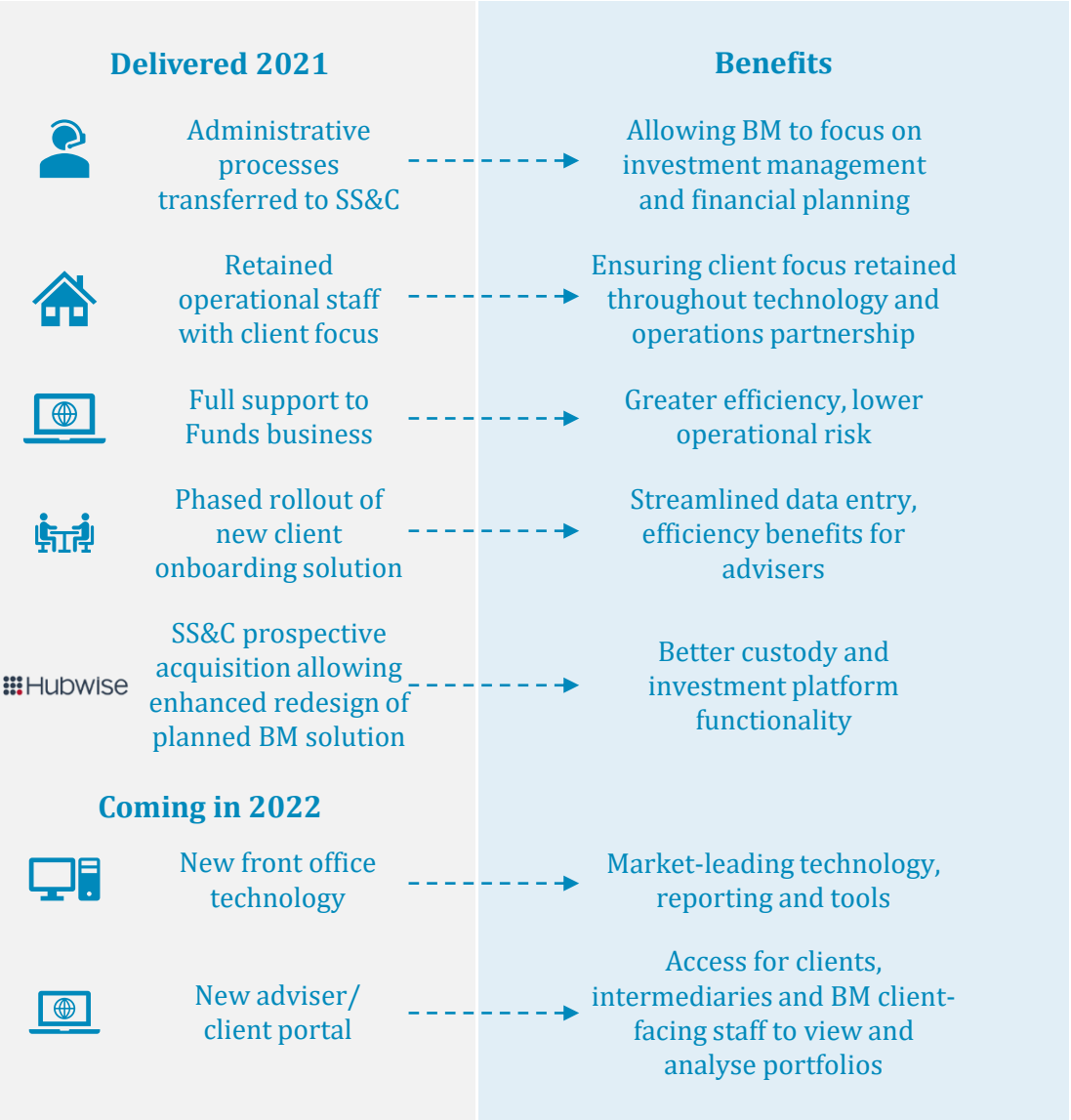
Brooks Macdonald Platform MPS FUM 2017-2021 (£m)



How we will accelerate growth in our Investment Solutions businesses

- **Across the Solutions businesses:**
 - Enhanced intermediary targeting using data mining to identify lapsed and potential new users
 - Rethinking front office organisation to capture the opportunity
 - Selective high quality acquisitions to build scale and capability
- **MPS:** intensified marketing and distribution of the existing range, potential range enhancements
- **Funds:** building on the Blueprint rebranding of Multi-Asset Funds, further marketing and distribution focus, review of possible further actions
- **BMIS:** leveraging success to date, identifying potential larger targets, roll-out to International

Our digital transformation is progressing, with the end goal of market-leading adviser experience and client service



BM digital transformation



- Easy to do business with
- Strengthening client and intermediary relationships
- Delivering service and operational excellence
- Putting data at the heart of everything we do

Disciplined acquisition criteria shape our ambitions for inorganic growth

How we think about M&A

There are three characteristics that underpin our approach to M&A:

- **Disciplined acquisition criteria** – we have applied consistent criteria to all potential targets. To be considered, the target must:
 1. Be a good business in its own right;
 2. Have a clear strategic logic in combination with BM;
 3. Have a good cultural fit with BM; and
 4. Deliver strong economics through acquisition.
- **Focus on delivery of benefits** – we follow through rigorously on capturing the planned benefits of an acquisition, with robust tracking and an explicit “lessons learned” review from each one.
- **Range of sizes** – we are open to further bolt-on acquisitions like Cornelian or Lloyds, or larger opportunities.

We are committed to our Corporate Social Responsibility and Environmental, Social & Governance agenda

Diversity & Inclusion

- Diversity critical to our ability to innovate and to serve an increasingly diverse client base
- Our Inclusive Futures programme incorporates Investment 2020, #10000blackinterns, and the BM graduate scheme

Fundraising

- Partnering with the Dame Kelly Holmes Trust for a series of fundraising activities to support the Trust's work in tackling youth inequality and disadvantage
- In the period, the BM Foundation donated £15.5k to support the vital work of 13 charities including MND, Crisis and Save the Children.

Property

- Opened three new offices, ensuring each workspace supports wellbeing with contemplation rooms, and collaboration and relaxation spaces
- Increasing use of serviced offices that support our CSR agenda – e.g., BE Offices measure and challenge every process that has an environmental impact

Procurement

- Only work with suppliers who have ethical business practices that align with ours – e.g., Principle Cleaning Services for our London headquarters:
 - Paperless, plastic-free at their own HQ
 - Chemical and aerosol free in their cleaning
 - Pay London Living Wage and provide English lessons



The Group is working with a respected independent organisation with the intention of achieving certified status on their standards programme, measuring a company's entire social and environmental impact

We have five clear priorities for 2022

1. **Investment Solutions:** MPS, Funds and BMIS the fastest growing sectors of the market – an enormous opportunity for Brooks Macdonald
2. **Private Clients:** delivering client focused service and streamlining our processes
3. **“Being the best we can be”:** continuous improvement, digital transformation, data-driven decision making and continuing cost discipline
4. **Selective high quality acquisitions:** ambitious for inorganic growth, meeting our acquisition criteria
5. **Delivering Our Promise:** attracting, engaging and retaining the best talent in the industry

Exciting opportunity and a high quality team, focused on our 2022 priorities to achieve our ambitious growth plans

Q&A

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Appendices

Leadership team



Andrew Shepherd
Group CEO



Ben Thorpe
Chief Financial Officer



Lynsey Cross
Chief Operating Officer



Robin Eggar
Managing Director, UKIM



Tom Emery
Chief People Officer



Richard Hughes
CEO International



Alick Mackay
Director, Strategy &
Corporate Development

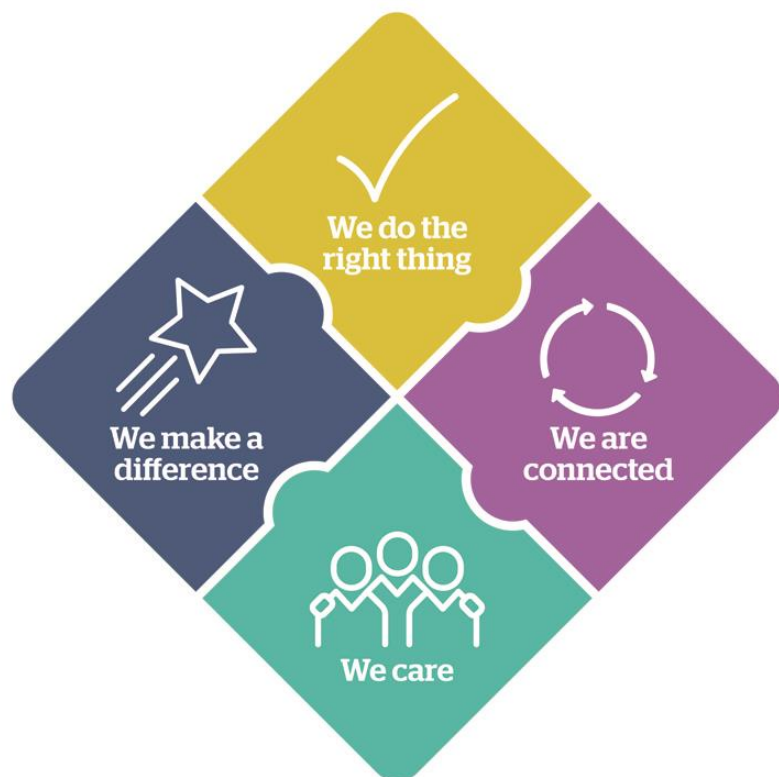


Edward Park
Chief Investment
Officer



Priti Verma
Chief Risk Officer

Our guiding principles



... underpin everything we do and the way we do it

We do the right thing

- We are worthy of our clients', advisers', partners' and one another's trust
- We act with integrity, honesty and fairness and we value diversity
- We take responsibility for our actions and decisions
- We deal with issues and tackle hard decisions head on

We are connected

- We collaborate and work as one team to bring the best of Brooks Macdonald to all we do
- We actively seek opportunities to learn from others and share our expertise
- We actively listen and communicate with clarity
- We look externally, challenge ourselves and are open to new ways of doing things

We care

- Our clients, advisers and partners are at the heart of everything we do
- We support our people to be the best they can be
- We treat our clients, advisers, partners and each other with respect
- We ask for help and we offer support to one another

We make a difference

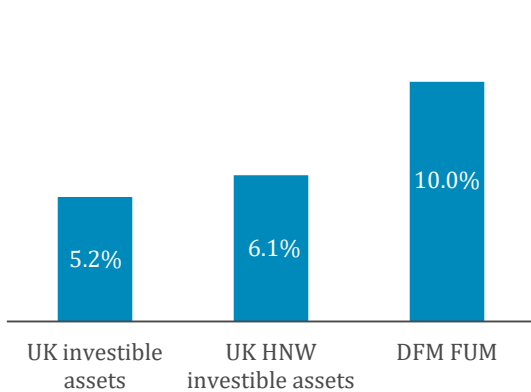
- We focus on delivering value for clients, advisers, partners and shareholders
- We are ambitious and constantly strive to be the best at what we do
- We innovate, learn from our actions and actively gather feedback to improve
- We develop our skills and nurture our relationships to ensure we remain relevant

Fundamental opportunity – demographics and policy

Underlying demographic and policy trends

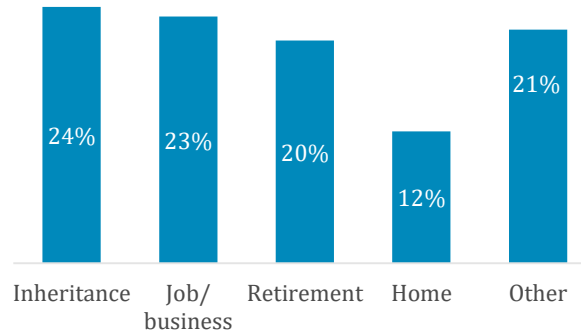
- **Supportive demographic trends:** ageing population with need to save for retirement
- **Supportive policy environment:** public policy-driven onus on individuals to plan for retirement, with suitable investment of assets
- **Growing demand for pre- and post-retirement related advice,** also focus on saving for long-term care costs
- **Trends reinforced by COVID-19:** widespread need to rebuild retirement incomes, focus on inheritance planning

Growth rates 2012-19 (%)

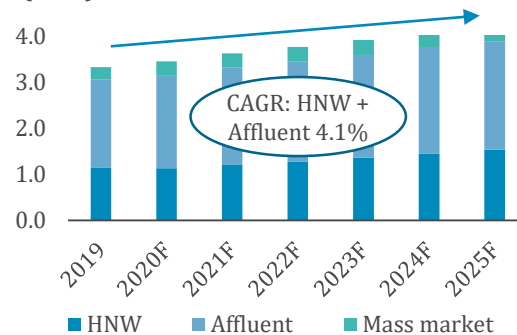


1. GlobalData define HNW as liquid assets > £750k; affluent in the range £30k - £750k; mass market <£30k
 2. Wealth in 2018, excluding NS&I, Occupational DC pensions and cash ISAs
 Source: GlobalData, ONS

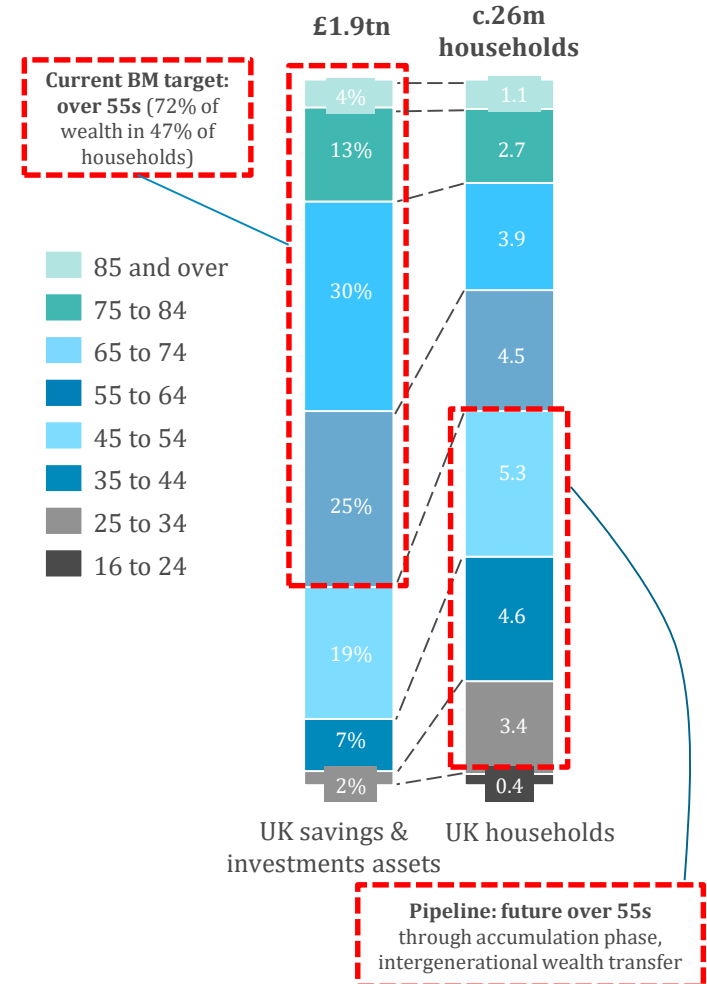
Trigger for seeking financial advice (%)



Forecast UK assets by wealth band (£trn)

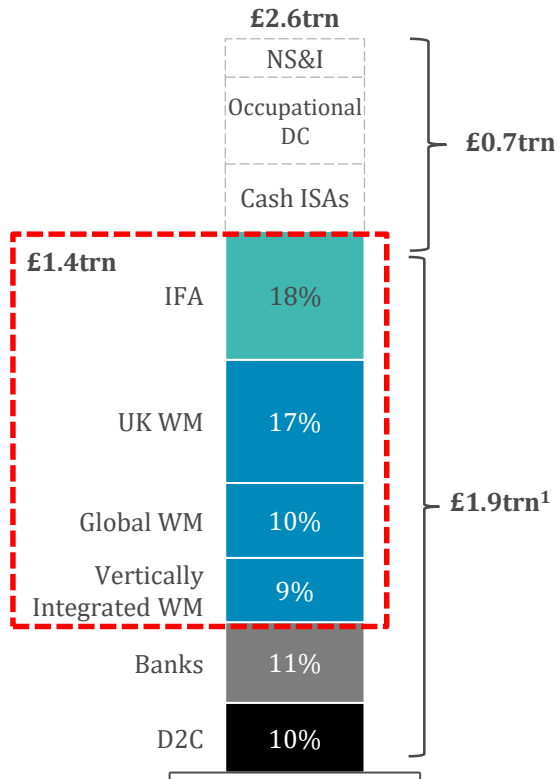


UK household wealth² by age band

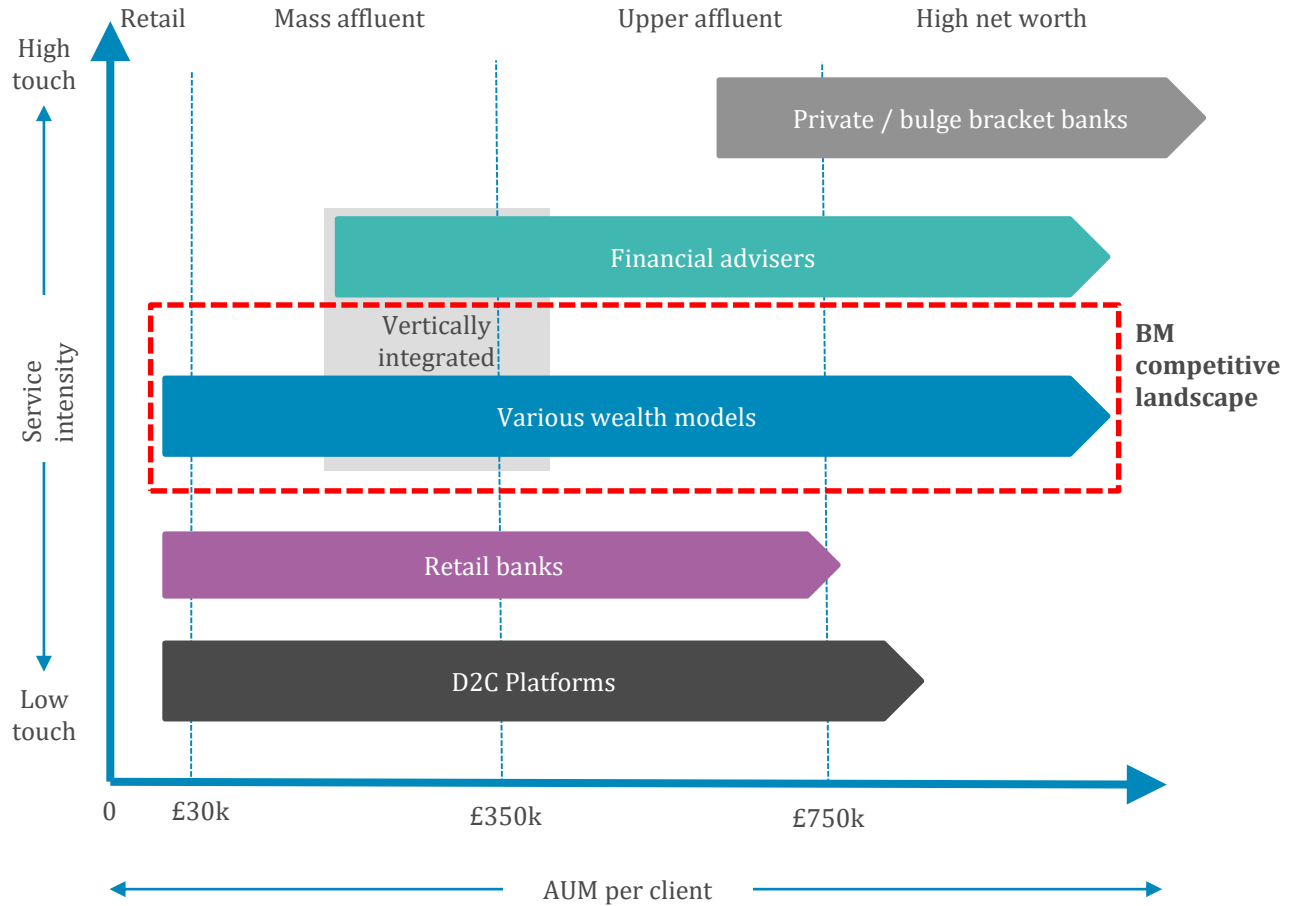


Fundamental opportunity – UK wealth market

UK S&I market
(by investment management provider)



Wealth market participants by segment



¹ Total savings and investment assets as per previous page
Source: 2018 ONS data, PIMFA, and PwC interviews,

Fundamental opportunity – IFA market

IFA firm characteristics

- Large national scale leaders
- Targeting individuals and firms in the ‘long tail’ to increase adviser numbers
- All have in-house DFM, though some also use external providers

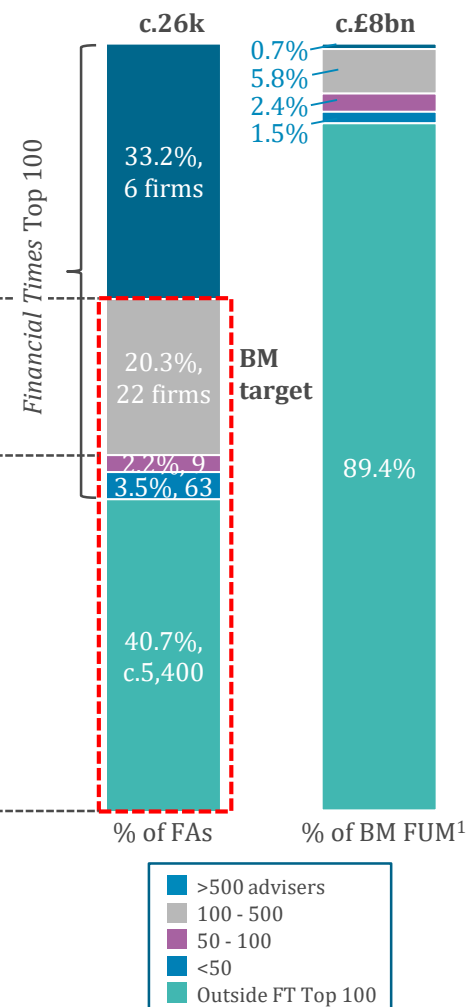


- Typically PE-owned or part of larger group. Some buying up ‘long tail’ firms
- Majority have in-house DFM, though some also use external providers



- Long tail of smaller firms
- Segmented between higher value (service orientated) and lower value (volume driven) propositions
- While some firms being bought up by larger players, others very focused on building strong sustainable businesses
- Increasingly outsourcing to DFMs (and outsourcing more)
- Trend towards more specialised services, model portfolios and unitised solutions, consultancy to support business success

IFA firms by size, share of FA population and share of BM funds¹ (%)



Note 1. Of UKIM custody FUM introduced by IFAs

Source: FCA, PIMFA, The Financial Times 2018 top 100 advisers (CF30s)

Our Centralised Investment Process has delivered consistently strong investment performance

		Cumulative performance (%)			
		1 year to 31.12.21	3 yrs to 31.12.21	5 yrs to 31.12.21	10 yrs to 31.12.21
Low Risk	BM Low Risk	4.27	16.92	19.37	58.18
	ARC Sterling Cautious PCI	4.23	17.35	18.15	45.73
	Relative performance	0.04	-0.42	1.22	12.45
Low-to-Medium Risk	BM Low-to-Medium Risk	7.54	26.02	30.18	82.94
	ARC Sterling Balanced Asset PCI	7.64	25.45	27.02	72.90
	Relative performance	-0.10	0.56	3.16	10.04
Medium Risk	BM Medium Risk	10.52	35.23	41.31	107.02
	ARC Sterling Steady Growth PCI	10.24	32.55	36.84	100.15
	Relative performance	0.29	2.67	4.47	6.87
Medium-to-High Risk	BM Medium-to-High Risk	12.13	46.32	54.73	138.32
	ARC Sterling Equity Risk PCI	12.31	40.29	46.12	125.71
	Relative performance	-0.18	6.03	8.62	12.60
High Risk	BM High Risk	12.68	52.18	62.94	161.68
	ARC Sterling Equity Risk PCI	12.31	40.29	46.12	125.71
	Relative performance	0.37	11.89	16.83	35.97

Past performance is not a reliable indicator of future results

All figures are rounded to 2 decimal places. Please note that due to rounding, the figures shown in this table may not precisely add up to the totals/differentials shown. All performance figures are net of underlying fund charges and Brooks Macdonald management fees but gross of professional adviser charges. Deduction of these fees will impact on the performance shown.

Source: Brooks Macdonald, Asset Risk Consultants (ARC) Research Limited www.suggestus.com. All data as at 31 December 2021

Driving organic growth

	Importance to advisers	What Brooks Macdonald will deliver
Robust Centralised Investment Process (CIP)	<ul style="list-style-type: none"> • Critical to assure advisers of consistency of client returns • Incorporates input from all investment and portfolio managers, ensuring buy-in • Historically differentiated, now a quality baseline 	<ul style="list-style-type: none"> • Bring best of our ideas consistently to clients' portfolios, giving consistently strong returns • CIP is core to BM: performance ahead of ARC benchmarks over 5 and 10 years • Flexibility to accommodate adviser investment and compliance screening processes
Compelling investment proposition	<ul style="list-style-type: none"> • Demand for ESG and other more specialised products within bespoke portfolios • More value-driven offerings – model-based, funds and unitised solutions • Complemented by adviser support and communications and excellent client service • Compelling investment proposition important to be credible 	<ul style="list-style-type: none"> • Strong set of specialised BPS products, clearly differentiated (<i>AIM, Court of Protection, Decumulation, Responsible Investment Service</i>) • Further development of model-based and unitised solutions, leveraging expertise of CIP and BPS specialisms • B2B BM Investment Solutions offering with consultancy overlay, responding to adviser needs and preferences • Excellent client service
Best in class adviser experience	<ul style="list-style-type: none"> • Efficiency and ease of doing business increasingly important • Delivering a strong, easy to access service is key • Digital enabling a broader adviser relationship • Excellent client service, supporting advisers retain clients and grow their business • Opportunity to differentiate within sector 	<ul style="list-style-type: none"> • Committed to delivering best-in-class adviser experience and ensuring adviser confidence in client service levels • Market leading reporting and tools (e.g. look-through) for model-based and unitised portfolios • Systematic ongoing review of adviser requirements to shape development of offering • Sustainable differentiation through ongoing innovation

Our specialist BPS proposition

Responsible Investment Service

- Environmental, Social & Governance offering which aims to delivery meaningful change to sustainability changes on behalf of investors
- Two options – Advance, which invests in funds giving exposure to businesses providing direct solutions to the world’s sustainability challenges, and Avoid, which excludes investment in funds with exposure to businesses involved in the production of pornography, armaments, gambling, tobacco and alcohol
- Available in BPS, MPS and International

AIM Portfolio Service

- Invests in businesses in the London Stock Exchange’s AIM market which serves smaller high-growth companies
- Portfolio of 30-40 carefully selected AIM listed companies
- UK government provides incentives to private investors to support growth companies through Inheritance Tax relief

Grown 25% in 2021, now over £1bn FUM

Decumulation Service

- A new approach to retirement planning designed to help clients meet their income requirements throughout their full retirement
- Splits client assets between a short-term portfolio invested in cash and short-term structured return assets in the early years of retirement and a longer-term portfolio invested in growth assets
- Adaptable to clients with other income requirements

Court of Protection

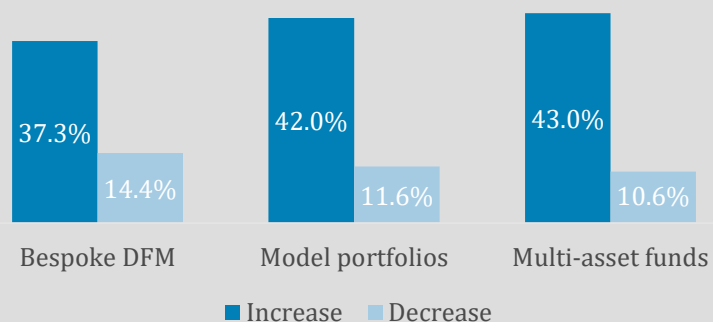
- Proposition that supports clients with court-appointed deputies and their advisers, where the individual lacks the mental capacity to make their own financial decisions
- Part of a broader approach to vulnerable clients in general, with targeted communication and support mechanisms

Fundamental opportunity – IFA outsourcing

The trend for IFAs to outsource investment management to DFMs is continuing, with the proportion of model portfolios and funds in the mix of underlying product growing

Advisers planned use of outsourced DFMs, 2020

Expected change in client assets allocated to outsourced DFM services over next 2 years



Platform report August 2020

“UK Wealth Management Market Overview”

2020

“There is a trend towards outsourcing portfolio management in the advice market. Multi-asset funds have been growing strongly but on-platform model portfolios are also expected to see strong growth.”

“We expect demand for fully bespoke outsourced discretionary to remain strong.”

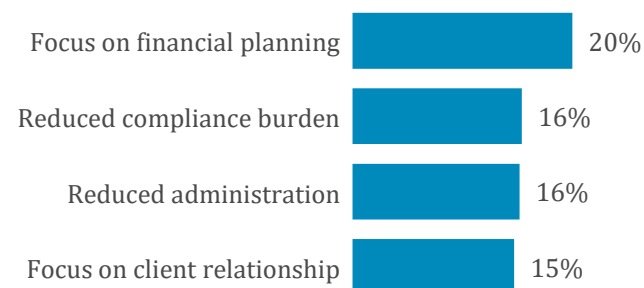
2021

“Several trends are therefore evident for wealth managers [...] financial advisers are more likely to outsource portfolio management to wealth managers”

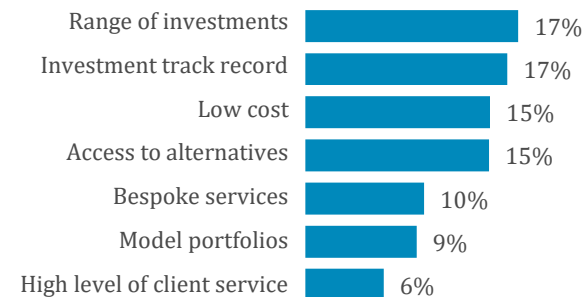
Source: GlobalData, Platform

IFAs decide to outsource to let them focus and reduce their administrative and compliance burden, but choice of DFM depends on investment track record and customer service

IFAs’ top reasons for choosing to outsource, 2020 (%)



IFAs’ top requirement for choosing a DFM, 2020 (%)



Higher statutory profit with adjusting items relating to acquisitions and platform transformation

	H1 FY21 £m	H1 FY22 £m
Underlying profit before tax	14.0	17.6
Amortisation of client relationships	(2.3)	(2.7)
Dual running operating platform costs	-	(1.6)
Changes in fair value and finance cost of deferred consideration	(0.2)	(0.1)
<i>Acquisition related costs:</i>		
Gain arising on acquisition	5.0	-
Integration and staff retention costs	(2.4)	-
Statutory profit before tax	14.1	13.2
Taxation	(2.0)	(3.0)
Statutory profit after tax	12.1	10.2
Balance sheet and capital adequacy	H1 FY21	H1 FY22
Total net assets ¹ (£m)	129.0	140.3
Cash (£m)	38.6	45.7
Total capital ratio ¹ (%)	17.2	22.9

¹Total net assets and total capital ratio calculation take into account the half year's profits (net of declared dividend) as these are deemed to be verified at the date of publication of the half year results.

Notes on reconciliation to statutory profits:

Amortisation of client relationships (£2.7m)

Higher charge in prior period reflecting the recently acquired investment management contracts.

Dual running operating platform costs (£1.6m)

Net incremental costs of running two operating platforms concurrently as part of transition to SS&C.

Changes in fair value and finance costs of deferred consideration (£0.1m)

Change in fair value measurement on deferred payments in connection with Group M&A.

H1 FY21 Acquisition related costs +£2.7m:

- i. Gain on purchase (+£5.0m) in relation to the Lloyds acquisition.
- ii. Deal and integration costs (£2.4m) incurred on the Cornelian and Lloyds acquisitions.

Balance sheet and regulatory capital

Balance sheet remains strong with higher net assets due to acquisitions and improved performance.

Solid total capital ratio of 22.9%, representing the level of 'capital cover' on the Group's Pillar 1 risk weighted exposure requirement.

Improved performance in both divisions, International margin enhanced by Lloyds full period impact

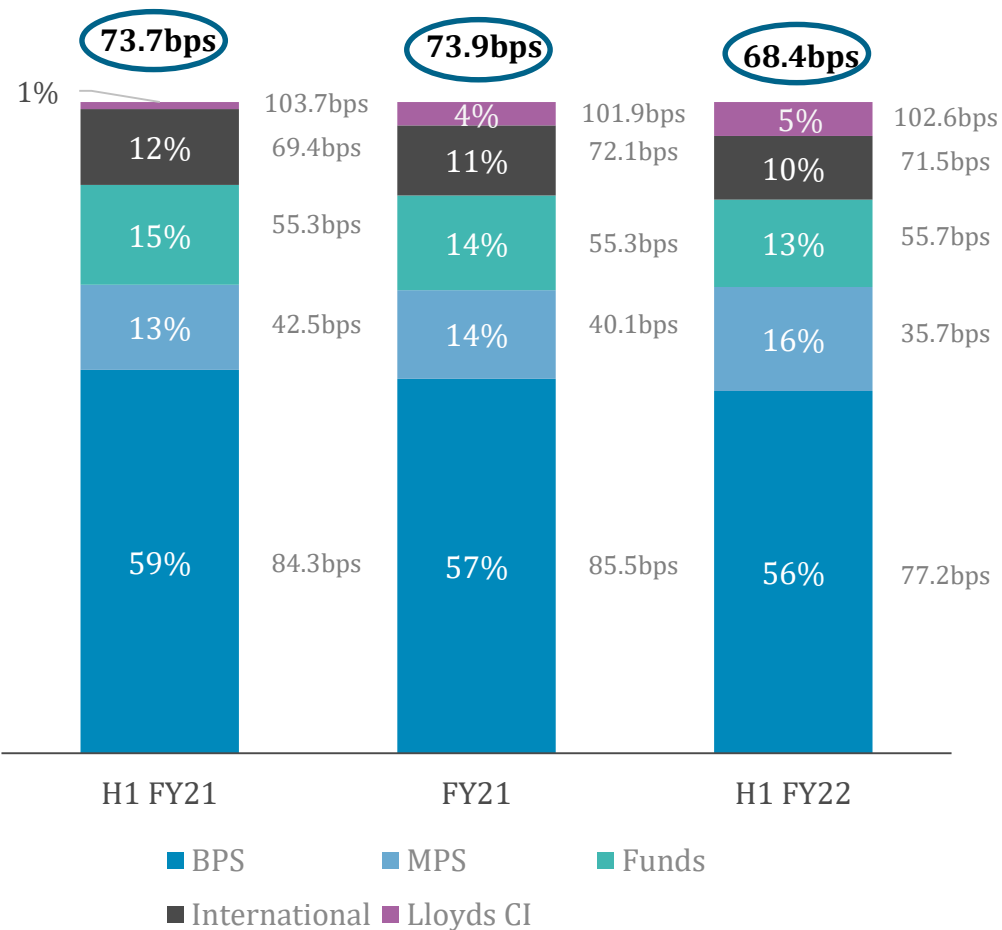
H1 FY22 (£m)	UK Investment Management	International	Group ¹	Total
Revenue	50.9	11.0	-	61.9
Direct costs	(20.1)	(6.8)	(17.4)	(44.3)
Contribution	30.8	4.2	(17.4)	17.6
Indirect cost recharges	(14.0)	(1.8)	15.8	-
Underlying profit/(loss) before tax	16.8	2.4	(1.6)	17.6
Statutory accounting adjustments	(2.2)	(0.7)	(1.5)	(4.4)
Statutory profit/(loss) before tax	14.6	1.7	(3.1)	13.2
Underlying profit margin before tax	33.0%	21.8%	N/A	28.4%
Underlying profit margin growth (ppt)	+3.7	+2.1	-	+3.3

H1 FY21 (£m)	UK Investment Management	International	Group ¹	Total
Revenue	48.8	7.1	-	55.9
Direct costs	(21.7)	(4.3)	(15.9)	(41.9)
Contribution	27.1	2.8	(15.9)	14.0
Indirect cost recharges	(12.8)	(1.4)	14.2	-
Underlying profit/(loss) before tax	14.3	1.4	(1.7)	14.0
Statutory accounting adjustments	(0.7)	(2.3)	3.1	0.1
Statutory profit/(loss) before tax	13.6	(0.9)	1.4	14.1
Underlying profit margin before tax	29.3%	19.7%	N/A	25.1%

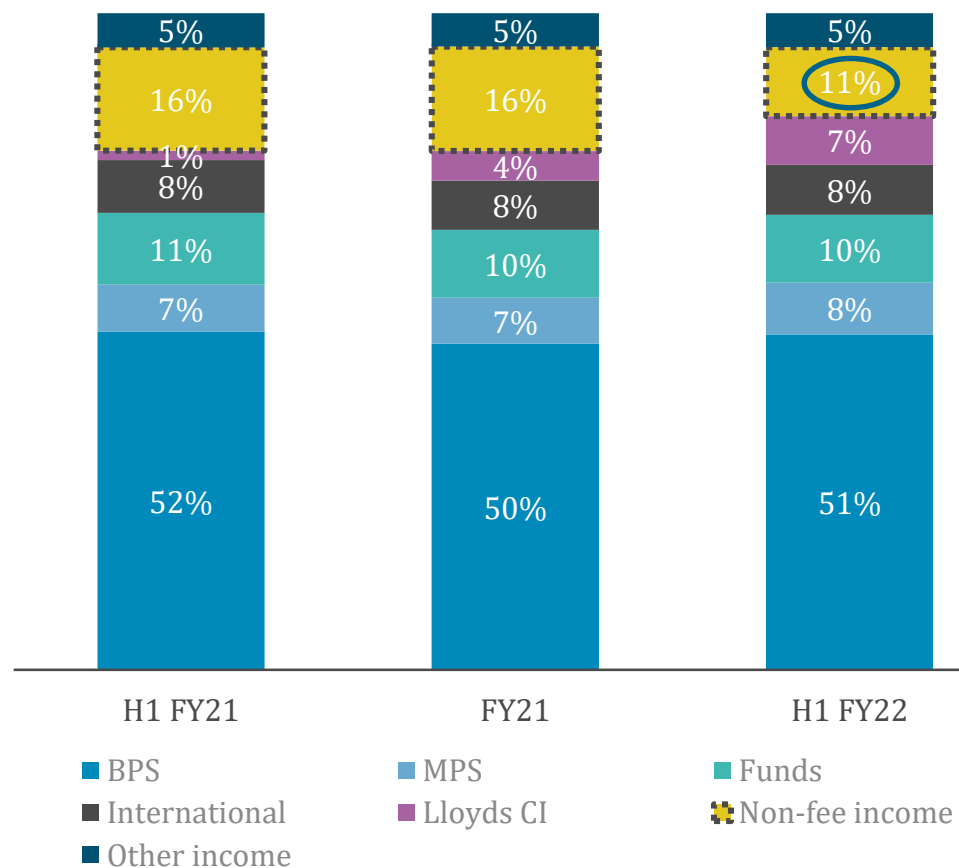
Note 1. Includes consolidation adjustments. Comparative figures have been restated to reflect the integration of the Financial Planning division into UK Investment Management on 1 July 2021.

Lloyds and MPS driving mix change in average FUM, and decline in non-fee income year on year

Average FUM (%) and yield (bps)



Income by service and type (%)



Higher average FUM, growth in revenue and slight drop in non-fee yields

	Revenue			Yields				Avg FUM		
	H1 FY21	H1 FY22	Change	H1 FY21	FY21	H1 FY22	H1 FY22 vs FY21	H1 FY21	H1 FY22	Change
	£m	£m	%	bps	bps	bps	bps	£m	£m	%
BPS fees	28.8	31.6	9.7	68.0	67.3	66.3	(1.0)	8,398	9,475	12.8
BPS non-fees (transactional income)	6.9	4.9	(29.0)	16.3	16.6	10.3	(6.3)	-	-	-
BPS non-fees (interest turn)	0.6	0.3	(50.0)	1.4	1.6	0.6	(1.0)	-	-	-
Total BPS	36.3	36.8	1.4	85.7	85.5	77.2	(8.3)	8,398	9,475	12.8
MPS	4.0	4.9	22.5	42.5	40.1	35.7	(4.4)	1,867	2,726	46.0
UKIM discretionary	40.3	41.7	3.5	77.9	76.8	67.9	(8.9)	10,265	12,201	18.9
Funds	6.1	6.4	4.9	55.3	55.3	55.7	0.4	2,188	2,281	4.3
Total UKIM	46.4	48.1	3.7	73.9	73.2	65.9	(7.3)	12,453	14,482	16.3
International fees	4.5	4.7	4.4	53.8	54.4	56.0	1.6	1,659	1,665	0.4
International non-fees	1.3	1.3	-	15.5	17.7	15.5	(2.2)	-	-	-
Lloyds CI ¹	0.8	4.6	475	103.7	101.9	102.6	0.7	153	889	481
Total International	6.6	10.6	60.6	72.3	79.3	82.3	3.0	1,812	2,554	40.9
Total FUM related revenue	53.0	58.7	10.8	73.7	73.9	68.4	(5.5)	14,265	17,036	19.7
Financial Planning - UK	1.9	2.2	15.8							
Financial Planning - International	0.5	0.5	-							
Other income	0.5	0.5	-							
Total non FUM related revenue	2.9	3.2	10.3							
Total Group revenue	55.9	61.9	10.7							

Note 1. Average FUM for Lloyds CI for H1 FY21 and FY21 time weighted for the purposes of the yield calculation.

Notes on yields movement:

UKIM:

BPS fee yield – down slightly on FY21 primarily due to impact of timing of flows.

BPS non-fee yield – down by 7.3bps due to reduction in transactional income given continued switch to fee only rates, and lower interest income following base rates reductions.

MPS fee yield – down by 4.4bps as a result of business growth.

Funds yield – marginal increase of 0.4bps due to change in mix.

International:

Fee yield – up slightly by 1.6bps on prior year due to higher performance and custody fees.

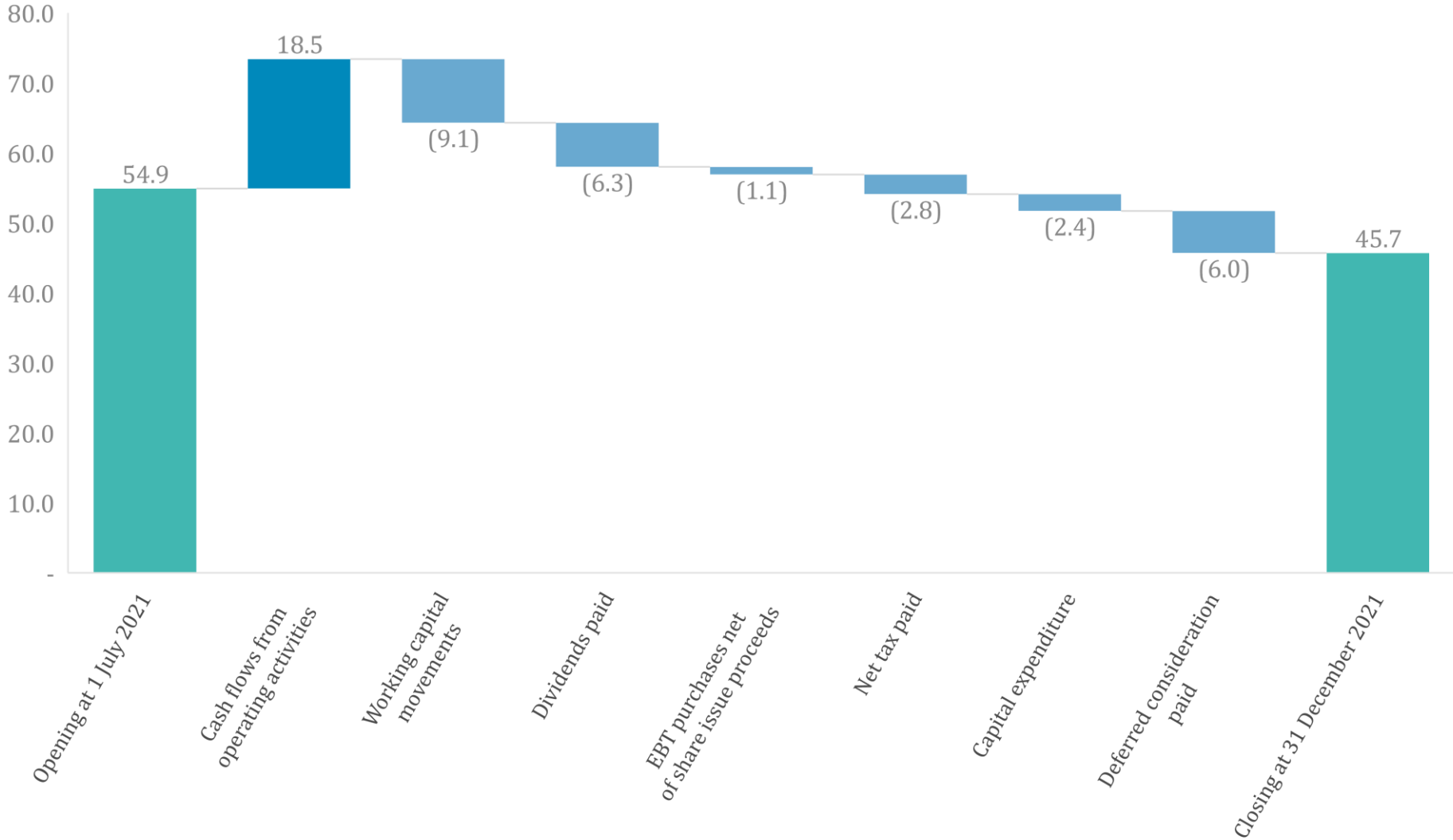
Non-fee yield – down by 2.2bps due to lower interest and transactional income.

Lloyds CI – fee yields relatively in line with prior year.

Cash flows

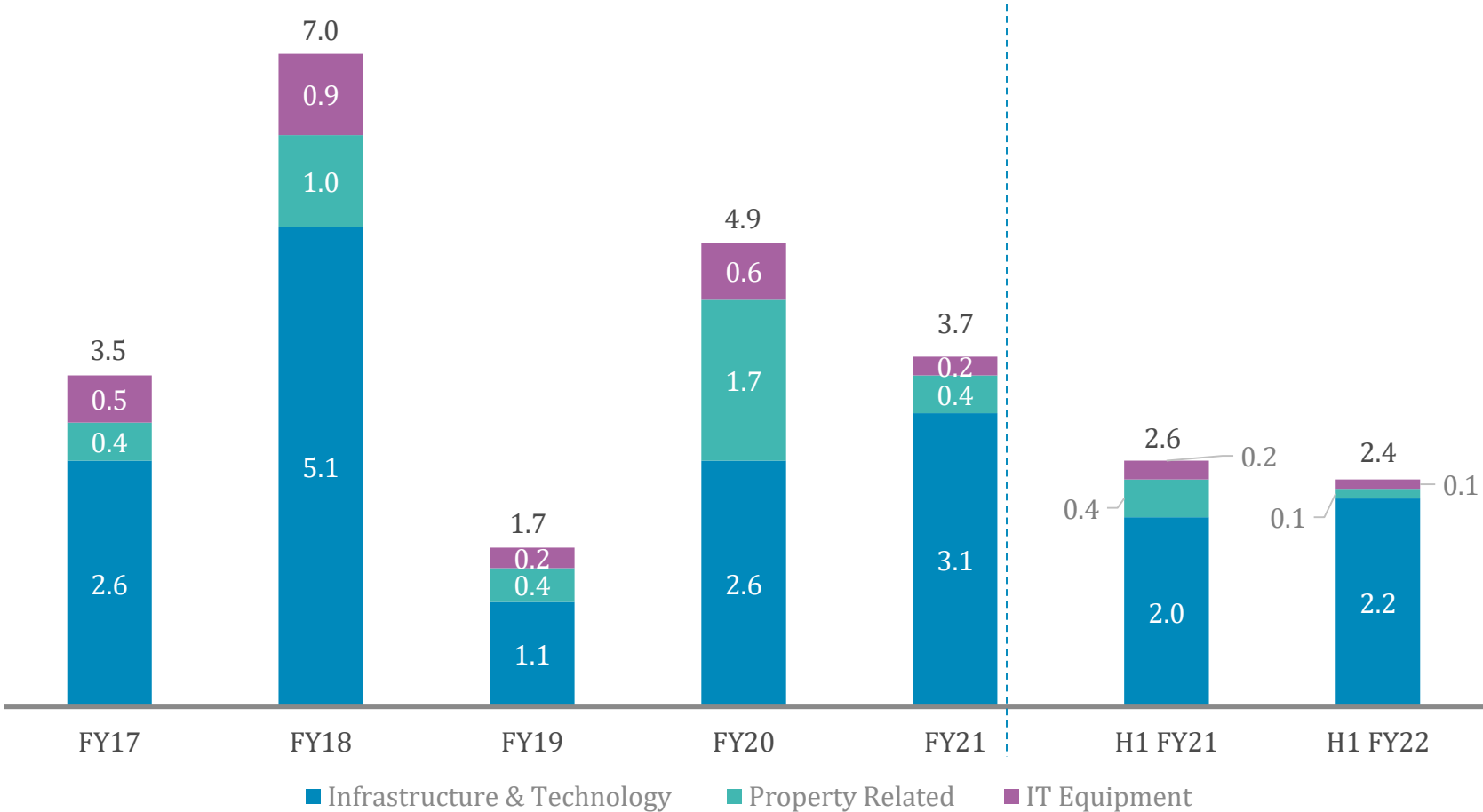
£m	H1 FY21	H1 FY22
Opening cash	50.2	54.9
Cash flows from operating activities	16.7	18.5
Working capital movements	(6.2)	(9.1)
Net interest received	-	-
Cash paid on purchase of subsidiary	(5.3)	-
Dividends paid	(5.0)	(6.3)
Net tax paid	(3.0)	(2.8)
Purchase of shares by EBT, net of share issue proceeds	(3.4)	(1.1)
Capital expenditure	(2.6)	(2.4)
Deferred consideration paid	(0.4)	(6.0)
Exceptional items	(2.4)	-
Closing cash	38.6	45.7
Change in cash	(11.6)	(9.2)

Cash outflows weighted in H1 covering dividends, bonuses and CAM deferred consideration



Capital expenditure trend

Capital expenditure FY17 - H1 FY22 (£m)



Contacts

Andrew Shepherd

CEO

21 Lombard Street
London
EC3V 9AH

T 020 7659 3492

E info@brooksmacdonald.com

Ben Thorpe

Chief Financial Officer

21 Lombard Street
London
EC3V 9AH

T 020 7659 3492

E info@brooksmacdonald.com

John Welch

Peel Hunt

Moor House, 120 London Wall
London EC2Y 5ET

T 020 7418 8900

E FIG-IBD@peelhunt.com

Edward Berry

FTI Consulting

200 Aldersgate
Aldersgate Street
London, EC1A 4HD

T 020 3727 1046

E brooksmacdonald@fticonsulting.com

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