

Allfunds publishes its 3Q 2022 Trading update

London/Madrid/Amsterdam - Allfunds Group plc ("Allfunds") (TICKER: ALLFG), one of the world's leading B2B WealthTech platforms for the fund industry, today releases a trading update for the third-quarter period ended 30 September 2022 and announces the creation of Allfunds Tech Solutions, a dedicated company that will integrate the financial technology capabilities of Web Financial Group ("WebFG") with Allfunds Digital, and the creation of Allfunds Data Analytics, a rebranded business line on data & analytics solutions which has joined forces with instiHub Analytics ("instiHub"). WebFG and instiHub are the two companies acquired by Allfunds in 1H 2022.

Juan Alcaraz, Founder and Chief Executive Officer, commented:

"While we face challenging market conditions that have led to a slowdown in activity year-to-date, Allfunds continues to experience a positive trend in our organic growth levers: strong flows from new client migrations with €17.2 billion - the best quarter in migrations this year and in line with the expected migrations pipeline, capacity to attract new clients across all of our markets and strong progress and growth of our digital subscription offering. We are delivering on what we can control.

We have seen net flows on Allfunds platform service AuA representing only (1.1)% in the first nine months of 2022. This third quarter has been the strongest quarter of the year.

We continue progressing with our key strategic initiatives and we have successfully completed the integration of WebFG and instiHub on schedule, to further differentiate our client value proposition. We are now starting a new chapter, in which the creation of these new teams, Allfunds Tech Solutions and Allfunds Data Analytics, is one step further in Allfunds' desire to put our clients' needs first."

Key highlights of the quarter

- Allfunds' assets under administration ("AuA") remained relatively stable, decreasing (0.8)% or €10 billion since 30 June 2022, from €1,301 billion to €1,290 billion. This was a result of continued new client migrations, with €17.2 billion in this quarter, largely offsetting outflows from existing clients and despite negative market performance in this period
 - Platform service AuA⁽¹⁾ decreased by (2.2)% quarter-on-quarter, driven by negative market performance (-1.7%) and relatively stable net flows (-0.5%)
 - Dealing & Execution AuA⁽²⁾ increased by 2.5% quarter-on-quarter. This positive performance was mostly driven by a c.€8 billion new client migration in this portfolio
- Year-on-year, AuA were down (8.6)%, from €1,412 billion as of 30 September 2021 to €1,290 billion. In line with the performance in Q3, the vast majority of this decline was market driven, while net flows from existing and new clients were relatively stable
- Platform service AuA decreased by (2.1)% since June 2021
 - Market performance was heavily impacted this quarter by the volatility in equities, especially during the months of August and September. However, given fixed income markets had better performance this quarter, it only represented a decrease of (1.7%) over beginning of period (BoP) AuA⁽³⁾ or €15.7 billion. This compares with a decrease of (4.8)% of Stoxx Europe 600, (6.6)% of MSCI World or (6.9)% of Bloomberg Global Aggregate Index during that same period
 - Net flows were stable, representing a slight decrease of (0.4)% over BoP AuA⁽³⁾, as a result of market volatility during the quarter, and were supported by continued strong new client activity in line with our expectations
 - Flows from existing clients decreased by €13.7 billion, representing (1.5)% over BoP AuA. These outflows were concentrated mostly in the equity asset class
 - Flows from new clients added almost €10 billion, in line with expectations, representing 1.1% over BoP AuA. As previously communicated, we have a strong new client pipeline for the remainder of the year
- Dealing & Execution AuA decreased (5.9)%⁽⁴⁾ year-on-year, while it increased 2.5% or €9.6 billion during the quarter. This included a client migration related to a large new customer

Despite the challenging environment, Allfunds continued to attract new clients to its wealth platform:

- 51 new Distributors onboarded year-to-date, continuing the strong momentum experienced during 2021. In this quarter:
 - 28% captured from platforms / legacy providers
 - 56% shifting from in-house to outsourced model
 - 17% new to open-architecture model
- 104 new Fund Houses onboarded year-to-date. During this quarter, significant growth in UK & Ireland (9), Central Europe (7), France (2) and Asia (2), reinforcing our competitive position in those markets

<i>Figures in EUR bn, unless otherwise stated</i>	3Q 2022	2Q 2022	3Q 2022 Q-o-Q (%)	1Q 2022	3Q 2022 YTD	3Q 2022 YTD (%)	3Q 2021	3Q 2022 Y-o-Y (%)
AuA EoP	1,290.5	1,300.9	(0.8)%	1,404.8	1,290.5	(13.7)%	1,412.5	(8.6)%
Platform Service ⁽¹⁾	895.3	915.3	(2.2)%	996.6	895.3	(15.1)%	914.5	(2.1)%
Dealing & Execution ⁽²⁾⁽⁴⁾	395.2	385.6	2.5%	408.2	395.2	(10.1)%	498.0	n.m. ⁽⁴⁾
Platform Service								
Market performance	(15.7)	(76.4)		(56.1)	(148.2)		0.7	
Net flows	(4.3)	(5.0)		(2.4)	(11.7)		32.7	
Flows from existing clients	(13.7)	(11.5)		(12.8)	(38.0)		19.9	
Flows from new clients (migrations)	9.4	6.6		10.4	26.3		12.8	
Net flows as a % of BoP AuA ⁽³⁾	(0.5)%	(0.5)%		(0.2)%	(1.1)%		3.7%	
Net flows as a % annualised of BoP AuA	(1.9)%	(2.0)%		(0.9)%	(1.5)%		14.9%	
Dealing & Execution								
D&E variation⁽⁵⁾	9.6	(22.6)		(31.1)	(44.2)		30.6	
<i>of which D&E migrations</i>	7.9	-		-	7.9		-	
D&E variation as a % of BoP AuA ⁽⁵⁾	2.5%	(5.5)%		(7.1)%	(10.1)%		6.6%	

Note: AuA refer to Assets under administration at End of Period ("EoP") 30 September 2022

- (1) Platform service AuA includes Allfunds standalone, acquisitions of Nordic Funds market, CS Investlab, BNPP Local paying agent business and BNPP Wealth management platform business.
- (2) AuA for which we provide only Dealing & Execution services.
- (3) Calculated as the sum of flows from existing clients and from new clients over Allfunds total AuA only as of beginning of period. For any Q 2022, beginning of period is considered previous quarter (i.e. for Q3, it is 30 June 2022 amounting to €915 billion); for YTD, it is considered 31 December 2021 (amounting to €1,055 billion).
- (4) Dealing and Execution AuA as of 30 September 2021 amounted to €419.8bn on a like-for-like basis. The figure shown in the table for 3Q 2021, which is the public data, includes the portion of assets migrated during 2021 into Allfunds platform as a result of BNP Acquisition that were reclassified by the end of the year into the platform service AuA.
- (5) Variation coming from Dealing and Execution portfolio refers to market performance, flows from existing clients and flows from new clients (migrations). Percentage calculated as total D&E variation over Dealing & execution AuAs as of beginning of period (for any Q, it is considered previous quarter; for 3Q 2022, considering €386bn as of 30 June 2022; for YTD, it is 31 December 2021, amounting to €439 billion).

Integration of recent acquisitions and creation of Allfunds Tech Solutions

- The integration of the two recent acquisitions, WebFG and instiHub, has been completed without any setbacks and in less than 4 months. Juan de Palacios, Chief Strategy & Product Officer, will lead the two new business lines
- Established as a dedicated company, Allfunds Tech Solutions will be managed by Julio Bueso, Head of Allfunds Tech Solutions

- The new data analytics business line, managed by Andreas Pfunder, former founder and CEO of instiHub and newly appointed Head of Allfunds Data Analytics, will significantly enhance Allfunds' existing set of data & analytics solutions to better serve our clients in their sales efforts

Allfunds Tech Solutions is an evolution of Allfunds Digital, that will incorporate the digital solutions offering of WebFG, following the acquisition by Allfunds in May 2022.

The Allfunds Tech Solutions team aims to be a leader in bespoke end-to-end software solutions and digital services for the full spectrum of the wealth management value chain: from asset managers to large financial distributors. Leveraging the data management and market-leading technology expertise of the former WebFG, Allfunds Tech Solutions will also enhance the offering with which Allfunds' clients engage with the spectrum of its products, in line with the company's commitment to best-in-class client service.

This integrated approach falls in line with Allfunds' WealthTech DNA and ambition to become the most comprehensive one-stop-shop partner. Allfunds' client support capabilities will also benefit from this structure, allowing extension to new global markets, thus driving the company's international growth pipeline. Finally, as clients and their needs evolve, Allfunds Tech Solutions, with its blended collaborative global network of developers and sales talent, will be best positioned to anticipate and respond to those needs as the unit continues to grow and refine its technology, and digital offering.

The development of new and existing products under Allfunds Tech Solutions will be managed by Julio Bueso, former Co-Founder and CEO of WebFG, and newly appointed Head of Allfunds Tech Solutions. Allfunds Tech Solutions nearly 130-person global team will integrate those collaborators who will retain their focus on the development of the company's full digital offering, thus deepening the technological capabilities of the new team and further addressing the digital needs of clients at both a global and local level.

Additionally, the new Allfunds Data Analytics team will be managed by Andreas Pfunder, who will lead a team of professionals located in the United Kingdom, France and Spain. This team will continue to focus on bespoke data solutions to derive distribution-focused commercial insights. The product range, consisting of Commercial Optimiser and Telemetrics provides a solid database and thorough market insights that support trend analysis and distribution planning.

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Conference call and webcast

At 10.00 CET / 9.00 GMT / 4.00 EST, today, 20 October 2022, Juan Alcaraz, CEO, and Alvaro Perera, CFO, will host a conference call to present the trading update and offer an update on the business. The dial-in details are the following: please dial-in 10 minutes before the call starts. Spain: +34 919 011 644 or Spain toll free number 900 053 626; United Kingdom: + 44 203 362 999 or UK toll free number 0800 640 6441; United States: + 1 646 664 1960 or US toll free 1 855 9796 654.

Participant code is 925108.

A conference call replay will be available on our website on Thursday, 20 October 2022 at www.investors.allfunds.com.

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Registration number 10647359