

## Allfunds publishes its 3Q 2023 Trading update

**London/Madrid/Amsterdam** - Allfunds Group plc ("Allfunds" or the "Company") (AMS: ALLFG) one of the world's leading B2B WealthTech platforms for the fund industry, offering fully integrated solutions for both fund houses and distributors, today releases a trading update for the third-quarter period ended 30 September 2023.

### Performance updates for the quarter

- Allfunds' assets under administration ("AuA") increased by 2.0% or almost €27 billion since 31 December 2022, from €1,296 billion to €1,323 billion.
- Allfunds' AuA growth on a year-on-year basis remains healthy at 2.5% (30 September 2022: €1,291 billion), as the pace of organic outflows have slowed and continue to be mitigated by a recurrent pipeline of migrations. This compares to an increase of 2.3% for the European cross-border mutual fund industry.
- Quarterly decrease in AuA of -2.0% to €1,323 billion (30 June 2023: €1,349 billion), on account of:
  - A contraction in platform service AuA of -1.6% due to negative organic net flows across a limited number of countries (totalling €5.9 billion) and broader negative market performance over the period.
  - A decrease in Dealing & Execution AuA of €11.6 billion (-2.9%), on account of challenging market conditions over the period.
- Flows from new clients added €9.0 billion, representing 1.0% of beginning of period AuA<sup>(3)</sup>. Migrations have almost offset the market performance reduction in AuAs, and continue to be supported by the continued underlying trends towards open architecture platforms. Expectations for new client migrations on track to deliver guidance for 2023.
- Continued growth of Allfunds' WealthTech platform, marked by the addition of 10 new Distributors over the period (year to date: 41) and 8 Fund Houses (year to date: 60).
- Acceleration in the subscription-based business, with a solid pipeline of opportunities -well diversified by product line and by country- which has doubled since December 2022.

### Juan Alcaraz, Chief Executive Officer and Founder, said:

*Allfunds has delivered good performance over the period, despite challenging market conditions that have placed downward pressure on firms across the industry. We are encouraged to see that the pace of organic flows seen in Q2 has improved and that our assets have grown c.3% year on year. Although macroeconomic uncertainty will continue, we are focused on growing the platform business and we are excited with the progress achieved by the new areas of the business that complete and strengthen our value proposition. We are committed to delivering long-term value for shareholders and clients through organic and inorganic growth initiatives, including the acquisition of ICCREA, which is expected to complete in the coming quarter. We are also making good progress on returning surplus capital to shareholders through our share buy-back programme. I thank our shareholders and our global team for their ongoing support."*

### Strong momentum in Q3 against a turbulent market backdrop

Like many financial services industry participants, Allfunds has encountered performance challenges as a result of the volatility in global markets observed over the quarter, especially during August and September. In this quarter, the impact from market appreciation on platform service AuA was modest

and represented a decrease of -1.0%, or €9.1 billion, demonstrating the resilience of Allfunds' business model and its ability to uphold the Company's performance against wider market headwinds.

Volatility had a material impact on activity by a small number of Allfunds' existing clients, representing a decline in net flows of €5.9 billion in the quarter (-0.6% over BoP AuA<sup>(3)</sup>). Flows from new clients were in line with expectations, helping to maintain overall resilient performance during the period:

- Flows from existing clients decreased by €14.9 billion, representing a -1.6% over BoP AuA<sup>(3)</sup>. These outflows were concentrated in a limited number of countries.
- Flows from new clients added €9.0 billion, in line with expectations, representing 1.0% of BoP AuA and, on an annualised basis, 4.0% over BoP AuA<sup>(3)</sup>.

Allfunds' pipeline of new clients remains strong; 41 Distributors have been onboarded in the year-to-date, continuing the momentum established during H1 2023. Of these year-to-date onboardings, 27% represent onboardings from competitors; 41% have shifted their operations from in-house to outsourced via Allfunds; 30% are newly-benefiting from the open-architecture model.

The Company has also observed good year-to-date progress in the onboarding of 60 Fund Houses to the WealthTech platform. Allfunds continues to see significant growth in Luxembourg (14 Fund Houses onboarded), Ireland (12) and Spain (6), contributing to complete the range of fund offering in the platform.

The Company's subscription-based business has also delivered good momentum, with an increase in client volumes year-on-year and an acceleration in the pipeline:

- Allfunds Tech Solutions has added 41 clients over the period (a 17% increase YoY). The pipeline has nearly doubled since December 2022 and is completely diversified by region and product. The strongest regions today in terms of pipeline are Switzerland, France, Germany and the UK, with a growing presence in Italy too, an unexplored market for the team a year ago.
- Allfunds Data Analytics division has onboarded 10 clients (a 37% increase YoY) and has seen its pipeline multiplied by 6 year-to-date, although with a lower average fee which implies a higher number of ongoing discussions with clients.
- In Investment solutions, including our ManCo services, the pipeline has multiplied by c.5x times since December, especially with clients from France and Asia.
- ESG solutions, via MainStreet Partners, has gained 12 new clients and the pipeline has multiplied by c.4x times since we closed the acquisition, with the majority of the clients (around 60%) coming from Allfunds customer base and located in new expansion markets.
- Allfunds Connect now has an average of 9,000 monthly professional users (20% increase YoY).

In terms of new strategic initiatives, the Company has achieved significant milestones in this period with its Alternatives Solutions platform in a double front:

- Improving the operational set-up for the dealing and execution of this asset class.
- Expanding its Allfunds Private Partners programme to boost client access to private markets.
- As a result, we have seen an increase of 54% in capital commitments year-to-date.

### Share buyback programme

In July 2023, the Company announced a €100 million share buyback programme through two tranches over a 15 month period with the purpose to reduce Allfunds' share capital. On 31<sup>st</sup> July 2023, the first tranche of the programme started with a maximum of up to 12.5 million shares and up to a maximum total value of €50 million. The Company has made good progress in Q3 for the first tranche, having repurchased by 13 October 6,747,400 shares for €36.2 million, representing a 72.47% of the maximum total value of this first tranche.

## Outlook

The transformation of the asset management industry continues at pace, presenting opportunities for firms to seek avenues for greater efficiencies and more deeply integrated technological capabilities, ultimately enhancing the service they offer to clients. For the remainder of the year, we continue with a strong new client pipeline to meet the guidance previously communicated. Allfunds remains strongly positioned to grow against this backdrop, as a result of its best-in-class offering and the diversification of its products and solutions to meet clients' evolving needs.

## AuA breakdown

Figures in EUR bn, unless otherwise stated	3Q 2023	3Q 2022	Change y-o-y (%)	Dec 2022	Change vs Dec 2022 (%)
<b>AuA EoP</b>	<b>1,322.9</b>	<b>1,290.5</b>	<b>2.5%</b>	<b>1,296.0</b>	<b>2.1%</b>
Platform service <sup>(1)</sup>	929.8	895.3	3.9%	907.7	2.4%
Dealing & Execution <sup>(2)</sup>	393.1	395.2	(0.5%)	388.3	1.2%
<b>Net flows</b>	<b>(5.9)</b>	<b>(4.3)</b>			
Flows from existing clients	(14.9)	(13.7)			
Flows from new clients (migrations)	9.0	9.4			
<b>Market performance</b>	<b>(9.1)</b>	<b>(15.7)</b>			
Net flows as a % of BoP AuA <sup>(3)</sup>	(0.6)%	(0.5)%			
Net flows as a % annualised of BoP AuA	(2.6)%	(1.9)%			
<b>D&amp;E flows</b>	<b>(11.6)</b>	<b>9.6</b>			
Net flows + market performance as a % of BoP AuA <sup>(4)</sup>	(3.0)%	2.2%			
Net flows + market performance as a % annualised of BoP AuA <sup>(5)</sup>	(11.9)%	8.7%			

Note: AuA refer to Assets under administration at End of Period ("EoP") 30 September 2023

(1) Platform service AuA includes Allfunds standalone and platform acquisitions business in the period 2017-2020.

(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 2023, beginning of period is considered previous quarter (i.e. for Q3, it is 30 June 2023 amounting to €944.8 billion); for YTD, it is considered 31 December 2022 (amounting to €907.7 billion).

(4) 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 2023, considering €404.7bn as of 30 June 2023; for YTD, it is 31 December 2022, amounting to €388.3 billion).

(5) Annualised D&E flows (including based on net flows and market performance) in the quarter

## Flows from existing clients – 3Q breakdown

By region	%	By asset class	€bn
Southern Europe	(57%)	Equity	(9)
Central Europe	(45%)	Fixed income	(4)
France & Benelux	14%	Multi-Asset	(4)
Rest of Europe <sup>(1)</sup>	2%	Alternative UCITS	(3)
Rest of World <sup>(2)</sup>	(8%)	Money Market	5
		Alternative non-UCITS <sup>(3)</sup>	<1

Note: Breakdown of flows from existing clients from platform service AuA (amounting to €14.9bn) in 3Q

(1) Rest of Europe considers UK, Northern and Eastern Europe

(2) Rest of the World considers Asia, US, Latin America and Middle East

(3) Commitments received YTD on private capital markets (not included in flows)

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## Contacts

### For media enquiries:

Katherine Sloan, Head of Marketing and Communications  
+34 91 274 64 00  
katherine.sloan@allfunds.com

### For analyst/investor enquiries:

Allfunds Group Investor Relations  
+34 91 274 64 00  
investors@allfunds.com

## Conference call and webcast

At 10.00 CET / 9.00 GMT / 4.00 EST, today, 20 October 2023 Juan Alcaraz, CEO, and Alvaro Perera, CFO, will host a conference call to present the trading update and offer an update on the business outlook. To access to the call, kindly pre-register in the following link:

<https://aiti.capitalaudiohub.com/allfunds/reg.html>

Once you have registered, you will receive an email with your personal credentials: dial-in numbers, conference ID and user ID.

A conference call replay will be available on our website on the same day at [www.allfunds.com](http://www.allfunds.com)

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**Allfunds Group plc**  
2 Fitzroy Place, 8 Mortimer Street,  
London W1T 3JJ, United Kingdom

[www.allfunds.com](http://www.allfunds.com)

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