

Due Diligence Report

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A tech business. A service business. A people business.

This is Wealthtime Classic.

Financials

- AUA: £2.4bn
- Solvency Ratio: 4.9x
- 2022 Revenue: £4.9m
- 2022 EBITDA: £2.3m
- 2022 EBITDA margin: 46%

Board

- Patrick Mill (CEO)
- James Slade (CFO)
- Ken Fry
- Lucy Bristow

History

- Launched in 2009
- Built with advisers in mind
- Designed to provide outstanding service at a manageable scale

Tech

- Back Office: Proprietary Technology
- Hosting: Azure
- Disaster Recovery: Cloud Direct/Azure
- Tools: FE Fundinfo and FinoComp

Asset choice and trading

- 2,000 funds
- 200 managers
- DFMs
- Easy addition of new funds on request
- Calastone

Product wrappers

- Stocks and Shares ISA
- SIPP
- General Investment Account (GIA)
- Offshore bond (GIA on behalf of OSB provider)
- Junior Stocks and Shares ISA
- Junior SIPP
- Corporate GIA for trusts, pension funds, charities and other suitable entities

Tools

- Cash Management
- Portfolio Analysis
- Asset Class Design
- Model Portfolio
- Bulk Rebalance
- Product preference
- Share class conversion – without being out of market
- Capital Gains Calculator, with detailed bulk reporting capability
- Financial express links
- Ringfencing of Assets

1. History and background

Wealthtime Classic was launched in 2009 with the intention of providing a comprehensive platform service for financial advisers and their clients. Our whole ethos is based on our close partnership with advisers and will continue to be so going forward.

We give advisers access to a wide range of product wrappers and dozens of tools. Our pricing structure is transparent and easy to understand. We firmly believe it offers outstanding value for money.

With a highly experienced senior management team we're well placed for the future. Unlike other investment platforms, our purpose-built systems have no legacy issues to contend with. We're proud to have built a cost-effective platform that is ready for whatever the future holds.

At the end of Q1 2023 we held £2.4bn assets under administration.

Board members

Patrick Mill (CEO)

Patrick began his career at the Prudential as a financial adviser before progressing into senior leadership roles in the advice industry. He was Managing Director at Bradford and Bingley for 13 years and ran the UK's largest IFA network at the time.

Since then, Patrick has held a number of roles in the advice industry before working with AnaCap Financial Partners to develop their wealth management strategy.

Patrick is a season ticket holder at Tottenham Hotspur and tries to attend as many games as possible. When he isn't cheering on Spurs, you'll find him on the golf course or renovating properties.

James Slade (CFO)

James has worked in financial services for more than two decades. Most recently he was CFO of Brightside Group, another Anacap investment. Prior to his time at Brightside, James was Head of Finance at Friends Life Group, having previously spent ten years at Deloitte where he trained as a Chartered Accountant.

Away from work, James has three children who take up most of his spare time. He is an ECB level two cricket coach, running youth cricket teams for his local club and enjoys a round of golf when time allows.

Ken Fry

Ken has worked in financial services for more than 25 years. He joined Aberdeen Asset Management in 1989 and was appointed Chief Technology Officer (CTO) in 2004. While CTO he established the global operating model before becoming Chief Operating Officer (COO) four years later.

Ken has a strong technology and operations background and has worked on an array of large transformational projects.

1. History and background (cont.)

Lucy Bristow

Lucy joined Wealthtime Classic in 2018. She was Managing Director at Embark in her previous role and has held senior positions at James Hay and Ascentric. With over 20 years of platform experience, Lucy is passionate about delivering excellent customer outcomes and building successful long term key strategic relationships.

Outside of work Lucy is a keen runner and enjoys skiing, tennis, theatre, and live music.

Awards

We have built a strong reputation for high quality service. This is reflected in the feedback from advisers and the awards we've won, including 5-star ratings from Defaqto for our service and platform. And this year we were one of only two firms to receive a Gold rating from STAR.



Wealthtime Classic is authorised and regulated by the Financial Conduct Authority (Reg. No. 468461).

2. Stability, profitability and financial strength

Wealthtime Classic is owned by AnaCap, one of Europe's largest specialist private equity firms who are solely focused on the financial services sector.



Founded in 2005, AnaCap has raised over €5bn across private equity, credit funds

and co-investment funds. They have one clear aim: providing outstanding wealth management services to advisers and their clients. Their investment philosophy is centred on business growth and operational engagement rather than financial engineering.

The Wealthtime Classic business model aims to maximise the benefits of technology with a personal touch, driving service excellence in a scalable and cost-effective manner. We're purely a platform business so we have the freedom and time to focus solely on you, with no distractions. We have an expert team on hand to help. Award winning, friendly, and knowledgeable, they're the core of our business and highly valued by our users.

We operate profitably, are cash generative and command a position of significant financial strength. The company had net assets of £6.4m and net current assets of £6.2m at the end of 2022.

3. Fees and charges

We're proud of our simple and transparent pricing structure and believe it offers great value for money for your clients. Our pricing model is broken down into three tiers. Charges vary depending on the total number assets your firm holds on the platform. The annual charge is based on the total value of a client's assets held within a family wrap.*

Firms that hold under £50million on the platform

Client assets	Annual charge
£0 - £500,000	0.30%
£500,000 - £1,000,000	0.20%
£1,000,000+	0.05%

Firms that hold £50million to £150million on the platform

Client assets	Annual charge
£0 - £500,000	0.25%
£500,000 - £1,000,000	0.20%
£1,000,000 - £1,500,000	0.05%
£1,500,000+	No charge

Firms that hold over £150million on the platform

Client assets	Annual charge
£0 - £1,000,000	0.20%
£1,000,000 - £1,500,000	0.05%
£1,500,000+	No charge

*A family wrap can include any products held by a spouse, civil partner, parent, child, sibling, grandparent, or grandchild.

3. Fees and charges (cont.)

Dealing charges

We do not charge dealing charges.

Fund management charges

Investment manager charges typically consist of an initial charge and an annual charge. We have negotiated the removal of the initial charge for most funds. We may have cleaner share classes available, which have a cheaper ongoing charge. Restricted share classes can be added to the platform and made available to certain advisers.

Cash account

Interest on funds in the cash account are paid according to the rate set by Barclays bank.

Clients earn interest at this rate, less an amount of up to 0.25% a year which is retained by Wealthtime Classic.

To check the latest rate please see the FAQ's at <https://www.wealthtime.com/advisers/adviser-hub/faqs/>

Re-registration

Wealthtime Classic uses electronic services to complete re-registrations using an easy to use system with our chosen service provider.

4. Underlying technology and third-party administrator

Our proprietary technology has been built hand in hand with our users. We can make small changes to the platform quickly. And our service and technology can be tailored to suit the needs of advisers and their clients.

Data and system security

We take Information Security and Cyber Security very seriously. We're continuously improving processes to ensure we know where data comes from, the value of it, where it is stored and how to protect it.

Good technical controls are employed to protect data, such as encryption, firewalls, IDS and IPS. These controls are regularly monitored, audited, and improved. We have a comprehensive supply chain management process that ensures all parties contractually protect valuable data assets.

Unfortunately, Cyber Security is about more than just expensive and complex technical systems. Human behaviour is a bigger risk to data security than even the most sophisticated hacker. We ensure all staff receive regular awareness training and phishing campaigns are carried out with additional training provided when required.

We are currently aligning to ISO27001:2022 with plans to commence the certification process at the end of 2023. Later this year we will attain Cyber Essentials. Penetration testing is carried out at least annually, or if there is a significant software or hardware change.

Disaster, risk and business continuity

Wealthtime Classic has established a business continuity and disaster recovery policy that aims to identify threats to business continuity, essential data, statutory obligations, client interests and credibility to

ensure business resilience is maintained at all times. The aim of the policy is to identify and evaluate the risks faced by the business in a structured way so we can cope with the effects of an emergency. To do this the business will monitor internal controls, test plans and scenarios and ensure the appropriate level of oversight, governance and training is applied to meet its obligations.

Disaster recovery

We develop and manage our core platform NWRAP, along with all applications internally. A disaster recovery strategy is in place to manage core applications and infrastructure to support the services in the event these are impacted.

The NWRAP platform is hosted in geographically diverse locations at Microsoft's Azure UK South and West datacentres utilising high availability technologies and replication between sites with user services adopting Azure Site Recovery (ASR) for resilience. Each Microsoft Azure zone is composed of one or more datacentres equipped with independent power, cooling, and networking infrastructure and operates at Tier 4 rating with 99.99% availability.

Business continuity sites

Wealthtime Classic has enabled remote working by hosting the user environment in Microsoft Azure cloud Virtua Desktops and the platform alongside in Microsoft Azure cloud. In the event the office is unavailable users will be required to work from home remotely.

Trading capabilities

We use Calastone's order routing service. This enables us to trade 99% of Straight Through Processing.

5. Platform facilities

Adviser charges

Our platform fully supports flexible adviser charges. They can be paid as a fixed amount, or as a percentage of a client's assets or on a tiered basis. Charges can be paid from alternative products if requested.

Product wrappers available

- ✓ Stocks and shares flexible Isa
- ✓ Sipp
- ✓ General Investment Account (GIA)
- ✓ Offshore bond (GIA on behalf of OSB Provider)
- ✓ Corporate GIA
- ✓ Jisa
- ✓ Junior Sipp

We want our advisers to be able to pick investments they deem suitable for their clients. We believe platform providers should not have any sway over what investments advisers can choose. That's why we aim to work with any investment manager who meets our operational and compliance requirements.

Range of assets

You can access more than 2,000 funds from 20 fund managers using our platform. If you would like to add a new fund, please get in touch. We'll let you know if the asset can be added and how long it will take.

Model portfolios

Model portfolios can be designed for multiple different risk profiles and products. Advisory firms can establish their own model portfolios to match their own investment proposition or appoint a Discretionary Fund Manager (DFM). Once set up, asset allocations and investments and tolerances can be changed at any time, without any charges for switching,

administration or transactions. Models can be managed independently or through the cash management tool, including auto invest and disinvestment on a variety of bases.

Alongside model portfolios, assets can be ringfenced to ensure they're not included in rebalances. This will provide more protection for your client's portfolios.

Discretionary fund management (DFM)

We currently work with eight DFMs:

- ✓ Copia
- ✓ Timeline
- ✓ PortfolioMetrix
- ✓ EBI
- ✓ Binary Capital
- ✓ Kings and Shaxon
- ✓ Charles Stanley
- ✓ Sparrows

You maintain control of a client's assets even when they outsource the management of their investments to a DFM. Assets remain on the Wealthtime Classic platform and do not come under control or ownership of the DFM. You can switch DFMS at any time.

We will work with any DFM subject to operational and compliance checks, and adviser demand.

Portfolio rebalancing tools

Portfolios can be rebalanced daily, weekly, monthly, quarterly, half yearly, and yearly.

Tools provided

We provide a wide range of tools for advisers. All our tools are designed to make it easier to manage a client's investments.

5. Platform Facilities (cont.)

MiFID II reporting and increased cost clarity for investors

An 'Ex-Post' report is run annually and is available in a client's document store. This breaks down all product costs in both monetary and percentage terms, including all relevant Wealthtime Classic, adviser and DFM charges.

Portfolio analysis reports

Advisers can get a comprehensive breakdown of asset allocations in comparison to benchmarks and risk ratings. The report can also provide a complete summary of activity since inception. This report is widely used for client updates and annual review packs. You can use it to provide ad-hoc valuations with performance figures set against money and time weighted benchmarks.

Capital gains calculator

Our Capital Gains Calculator enables advisers to provide reports on realised and unrealised gains. It captures previous acquisition costs for re-registration and in-specie transfers. It automatically links to any GIA trades and historic values can be inputted for asset transfers. There is also a bulk option available, so you can easily review your whole client base in one go.

The calculator also has a scenario planner. This functionality allows you to see what might happen in various situations before making any sales requests. You can use a number of different methodologies like targeting a specific gain or sales proceed. Once inputted into the system, it will suggest which assets to sell to realise the necessary gains or losses for the client's CGT position.

Proportionate disinvestment

Advisers and paraplanners can quickly instruct a proportional sale of a client's assets using this tool.

There's no need to manually calculate the cost of each sell. The report will do the proportioning calculations for you.

Access to tools

Our tools are available to all users of the platform.

Charges for tools

We don't charge users for using our tools.

White labelling

White labelling allows advisers to brand their use of the platform. This includes client view screens and the output from our tools.

Back-office integration

We integrate with:

- ✓ Finio – which enables connectivity to alternative back-office providers, including IO and Plannr
- ✓ Adviser Cloud
- ✓ IDurell
- ✓ Dynamic Planner
- ✓ Intelliflo
- ✓ Iress (Xplan and Adviser Office)
- ✓ Fastrak (Sprint)
- ✓ Focus Solutions
- ✓ JCS
- ✓ Moneyhub
- ✓ Moneyinfo
- ✓ Plum Software (Praemium)
- ✓ Time4Advice

5. Platform Facilities (cont.)

These integrations make a range of adviser charging, valuation, and transaction data available.

We're happy to discuss additional integration development.

Management information

Our reporting area covers client valuations, investments, and transactions reports. Reporting on client cash levels, investment choices and regular payments. Information can be provided in a variety of formats and is exportable. Firms can set various levels of access to data based on role levels. Bespoke reporting is available on request. You can extend access to other users and the report can be added to your dashboard for all to use.

6. Best execution

Wealthtime Classic does not execute any transactions, so we are not required to meet all the best execution requirements. Instead, we rely on the best execution policies of the executing venues. We don't undertake the transaction itself but pass it on to fund managers and/ or stockbrokers, who will deal the transaction.

Fund managers and stockbrokers each have their own best execution policies normally described in their terms and conditions. We monitor and review these arrangements. We recommended that clients and their advisers check the best execution policy of the chosen investment provider or stockbroker before continuing.

7. Transaction reporting obligations

We have an obligation under the FCA transaction reporting rules noted in SUP17A. These obligations are reported via UnaVista Trade Repository.

8. Resources

We're made up of a team of outstanding individuals who can be relied on to deliver the first-class service our clients expect.

Our users can access our technical team and platform experts whenever they need to.

9. Implementation and support

We understand that every firm is different. That's why we designed our platform with flexibility in mind. You'll be given support from our experienced team. We'll help you configure the platform to ensure it's set up to meet your needs and those of your clients.

Training

Training can be tailored to meet your specific requirements and typically involves online demonstrations. Ongoing support is available from our award-winning team.

Legacy analysis and migration support

We're always ready to help firms move legacy business from previous providers to our platform. We can provide advice and support whenever you need it. We have experienced project managers on hand who can help your firm and give assistance. We can analyse previous business and create a bespoke migration plan. This phase of the process can be brought in earlier if required.

10. Next steps

Thank you for considering Wealthtime Classic. We hope that we meet your criteria for an outstanding platform. If you want to find out more, please don't hesitate to contact **Andrea Villis** on 03330 417 010, or by email at: andrea.villis@wealthtime.co.uk

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