

# Annual Report 2022.

Sustained success.

# 2022 highlights.

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**£338 million**  
group turnover  
for 2022.



**150th**  
Do More With  
Your Money  
podcast episode.

**£183 million**  
total value of  
impulseSave®  
top ups.

Extended our service to the  
beneficiaries of our clients,  
helping them make the most  
of intergenerational wealth.

**9,620**  
fund manager  
experts in  
**162**  
locations around  
the world.



Watch our Year  
in Review 2022.



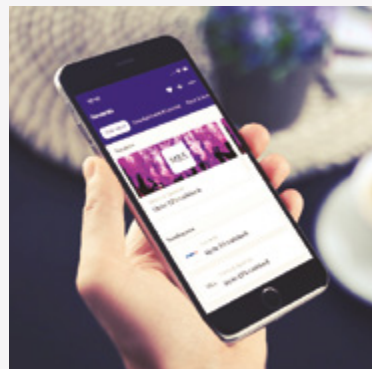
**£183 million**  
total value of  
impulseSave®  
top ups.

Extended our service to the  
beneficiaries of our clients,  
helping them make the most  
of intergenerational wealth.



Over **2,000**  
financial advisers  
attended our  
regional seminars  
across the UK.

**125,000**  
clients now  
benefit from  
Hybrid Advice.



**£1.4 million**  
worth of Rewards  
transactions.

**£500,000**  
raised for our  
charity partners.

Our Chairman and founder  
**David Harrison was Knighted**  
for his services to business,  
education and social mobility.



Successfully implemented the addition  
of our latest fund manager partners,  
**Pictet** and **Waverton**.



**6.9 million**  
client logins  
by app and  
online.

**98%**  
retention across  
our centrally  
advised clients.

**£176 million**  
EBITDA  
for 2022.



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# Chief Executive's update.

Our mission to close the UK's savings and advice gaps has never been more vital, with 2022 proving the value that expert financial advice and award-winning technology provide investors in volatile markets.

With an ongoing war in Ukraine, three UK Prime Ministers and a surge in interest rates, clients turned to us more than ever for help with their finances.

I'm incredibly proud of our response to the challenges of 2022. Our financial advisers and support staff worked harder than ever to support the needs of our clients when they needed us most. We produced more content, hosted more webinars and met more people face-to-face than ever before - making sure we stood up to be counted.

We understand the stresses that depressed and volatile markets bring to investors - because we're in the same boat with you. Our directors, financial advisers and staff all invest in the same Portfolios as our clients - meaning we have true 'skin in the game' - in the good times and the tough times.

If you're a regular listener to our podcast, you'll have heard me say "tough times don't last, tough people do". We've been through plenty of tough times in the past few years but our optimism for the future remains strong and there are signs that 2023 will look brighter.

As a result of our services to both financial advisers and consumers, clients added £6.7 billion of investments to the True Potential Platform in 2022. This was another record result for the business and an increase of 4% on 2021. We also saw our EBITDA increase to £176 million for the year, up from £146 million in 2021. Doing so under the stresses of an unusually difficult year for markets is a sign our vertically integrated strategy continues to work for our clients, financial advisers and True Potential.

At the end of 2022, 125,000 clients were benefitting from hybrid financial advice from True Potential Wealth Management. As well as having access to an expert financial adviser, these clients use our industry leading and award-winning technology to stay in control of their investments 24/7. In addition, another 314,000 investors access our True Potential Platform through a financial adviser - meaning we looked after over £23.3 billion of people's money at 31st December 2022, increasing to £24.5 billion at the time of writing.

Many of these clients choose to invest in our flagship True Potential Portfolios, which are managed in-house by our dedicated Investment Management firm, True Potential Investments.

As of March 2023, £24.5 billion of assets are held on our platform with £21.3 billion in our Portfolios - an increase of over £4 billion from the same time last year.

In times of uncertainty, having access to their investments at the touch of a button has been invaluable for clients. Over 2022, we saw a record 6.9 million logins to our purpose-built technology, with 4.7 million of those being through our newly rebuilt mobile app.

We were delighted to welcome 284 new financial advisers to the group in 2022, ending the year with more than 1,000 Wealth Management Partners representing the firm across the UK. We're incredibly proud of reaching this milestone and pushing further forwards with the 36 who've joined us in the first two months of 2023.

On a more personal note, our Chairman Sir David Harrison received two honours last year - a Doctorate from the Open University and a Knighthood for services to business and education. Allow me to pass on our congratulations for this well-deserved recognition.

Before I close this introduction, let me pay tribute to the incredible hard work and dedication of our staff throughout the year. We now employ over 450 members of staff, with more than 50 of those gaining new qualifications in 2022 - you are all credit to the clients who trust us to look after their money.

I hope that you enjoy reading this year's annual report. If you've been involved with supporting the business as an employee, financial adviser or client let me place on record my sincere thanks for your support once again.

Daniel

# Foreword from the Chairman.

I ended my remarks in last year's annual report with a reference to True Potential's business growth over the last 15 years. As I wrote those words, I didn't know that 'growth' would come to dominate political and economic conversations in 2022. It continues to do so and with a UK general election at most 18 months away, you're going to hear a lot more about growth.

In her record-breaking, short-lived premiership, Liz Truss talked about 'growth, growth, growth'. Her list of positive achievements in those 49 days is not long, but she was right to make growth her mission. There is now a consensus among our political leaders that growing the British economy is the priority, even if they don't have the answer to the vexed question of how to do it.

The good news is that growth is already happening and True Potential is a flourishing example of it. Since the founding partners mortgaged their homes and set up True Potential in 2007 - yes, just in time for the financial crash - the business has grown 41% per year on average. Over the same period, the British economy has averaged 1.2% growth per year.

Our in-house investment team now manages over £21 billion of our clients' money and they have exposure to global investment experts who, after the widespread turbulence in investment markets we saw in 2022, are exceptionally positive and optimistic about the outlook. Historically the United States has been a driver of global growth with investment returns to match. The S&P 500's average annual return over the last 20 years is 9.8% while the Dow Jones also achieved 9.8%. Exposure

to other markets, both developed and emerging will be necessary in this rapidly evolving world.

The True Potential Portfolios are further evidence of long-term growth. Between October 2015, when we launched the Portfolios, and December 2022, the Balanced Portfolio has delivered annualised growth for clients of 4.58% after fund fees, while our Aggressive Portfolio has achieved 7.33%. You will be aware that during this period we have had the Covid epidemic and a continuing war in Ukraine which have caused stock and bond market turbulence, worldwide.

So, some short-term volatility is inevitable but sustained growth over the long-term, whether in investments or the broader economy, is a better measure of success.

As Chairman of this great and growing business, I'm proud to say that in this report you can see how True Potential achieved its 15th year of consecutive growth, but the first with our partners, Cinven, by our side. The results in this annual report show that the partnership is working as it was intended to do. There is much more to be excited about as we look to the future together and we have skin in the game.



I have a bias that says if a businessman who is totally invested in his own business makes a mistake, then they suffer, and that is probably the best way to judge whether to invest in that business or those funds.

Simply recommending a course of action to others where there is no penalty for poor performance is a bad model. The senior partners and a large proportion of management at True Potential are not only shareholders but investors in the same funds as our clients. Skin in the game is the best guide and my question to any financial adviser is always, where is your money, is it in the same place you are recommending to me?

With three Prime Ministers, 2022 was a dramatic reminder that faces and ideas come and go. In politics, as in business, change is inevitable. A further changing of the guard will come sooner or later but one thing will remain the same. True Potential was built for growth and has delivered it for 15 years. As we look to the next 15 years, we are in the strongest possible position, and I am full of optimism.

Sir David Harrison KGCN, DUniv, MBA





## Our mission.

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As the UK's leading wealthtech firm, we believe we offer the best for our clients - but we also know that too many Britons are heading towards retirement without enough saved or invested. That's why we've made it our mission to close the UK's savings and advice gaps by innovating in three key areas.

1

### Hybrid advice.

We offer our clients a mix of expert financial advice and market-leading technology, with no minimum investment and the option of ongoing advice from our Central Advice Team at 0.5% per year. As well as being able to access their investments by app 24/7, clients can contact us from 7am to 8pm weekdays and book an appointment with a financial adviser whenever needed.

2

### Innovative investments.

Our approach to investing aims to maximise returns within a client's risk profile, reduce volatility and drive down the cost of ownership for investors. By pioneering 'Advanced Diversification' we bring the expertise of 9,620 professionals in 162 global locations directly to our clients through our True Potential Portfolios.

3

### Award-winning technology.

Through our in-house development team, we've been building unique technology for over 15 years - putting the tools of professional investors into the palms of UK investors' hands. Our clients logged in 6.9 million times in 2022, with 4.7 million of those being through our mobile app.

# Our unique business model.

True Potential is a fully integrated group, meaning we control every element of the client experience for our hybrid advice clients.

This includes providing expert financial advice, managing our own innovative investment funds and creating the award-winning technology that administers clients' assets.

As a result, we can adapt quickly to meet the changing needs of clients, control costs and reinvest more profit into our business.

Clients and financial advisers made the most of our business model in the final quarter of 2022, as we were the top fund manager and platform in the industry by net inflows, according to independent analysts Fundscape.

Over the full year, consultants the lang cat noted we were one of only four platforms to end 2022 with more assets than we began with - an excellent achievement over a difficult period.

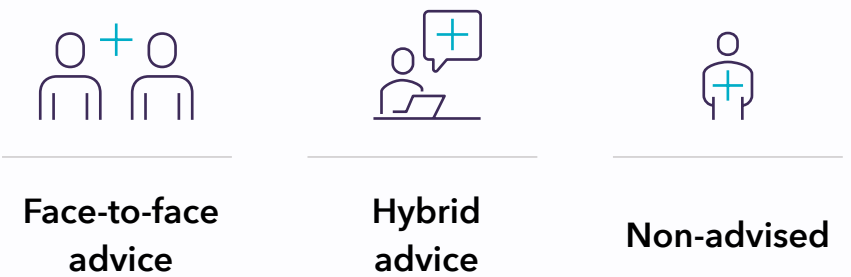


## Our business is built to deliver the best client experience.

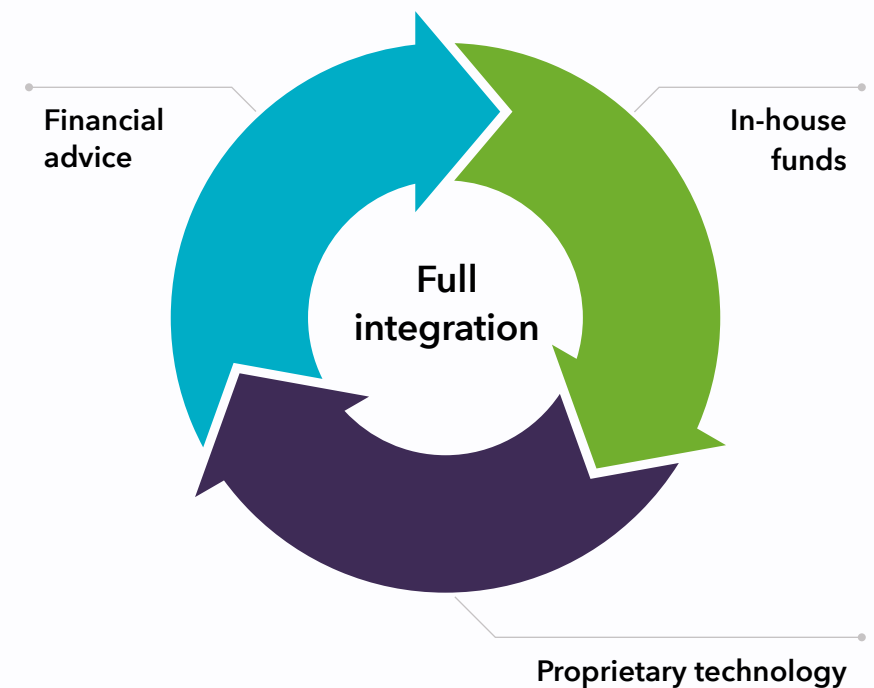


A service for all types of client.

A



B



C

Full control of the client experience.



# Hybrid advice.



Our blend of regulated financial advice and technology puts our clients firmly in control of their money, with expertly-qualified financial advisers on hand whenever they're needed, as well as annual reviews and support with tax, inheritance planning and retirement.

By giving clients 24/7 access to their investments, they're empowered to take action throughout their journey - whether that's setting their goal, tracking performance, topping up or managing their drawdown payments. This approach revolutionises the way clients interact with their financial adviser, moving to a client-driven approach. With full transparency over their money, clients can self-serve and contact their financial adviser whenever they need to.

When clients choose to get in touch, they're supported by our dedicated Customer Care team, who are available to help from 7am to 8pm weekdays. Last year, this team answered 67,077 phone calls, 45,634 emails and 40,668 live chats to help our clients do more with their money.

While our Customer Care team can deal with the majority of enquiries, they can also set up meetings with our expert financial advisers - ensuring our clients get the service they need at a time that suits them.

In 2022, we extended our service to the beneficiaries of our clients - ensuring they are in the best place to get financial advice when the time comes and protect their investments as they pass to future generations.

We also rolled out our free pension finding service - open to new and existing clients - where we'll search for old workplace and personal pensions that have become forgotten or lost over the years. With an estimated £26 billion of pensions considered lost, our goal is to ensure our clients have full control of their entire retirement plan.

Over the year, our Hybrid Advice clients completed a record 98,000 annual suitability reviews. We also maintained our excellent retention rate, with 98% of clients of our centrally advised clients choosing to continue investing with us.

# 125,000

clients.

# 1,000+

financial advisers.

# 98%

retention rate.

# 98,000

annual suitability reviews.





# Innovative investments.

Our approach of 'Advanced Diversification' aims to:

- + maximise returns within a risk profile
- + reduce volatility
- + lower the cost of ownership

Throughout a difficult year for markets, our team have worked hard to make the most of the opportunities available and provide information and insight directly to our clients through 250 daily episodes of our 'Morning Markets' video series.

Unlike others, we don't rely on the outlook and strategy of a single fund manager, whose expertise may not be best suited to all types of market behaviour. Instead, we bring together 11 world-class fund managers into a single investment solution - the True Potential Portfolios.

This blend of tried-and-tested multi-asset strategies provides us with access to 9,620 experts in 162 locations around the world. We believe this gives us unrivalled insight into global markets, and a truly around-the-clock view of investments.

We provide this expertise to our clients with no fee for discretionary fund management and a minimum investment of just £1.

**7IM**

**Allianz** Global Investors

**Close Brothers** Asset Management

**COLUMBIA THREADNEEDLE** INVESTMENTS

**Goldman Sachs** Asset Management

New + **PICTET** 1805

**Schroders**

**sej**

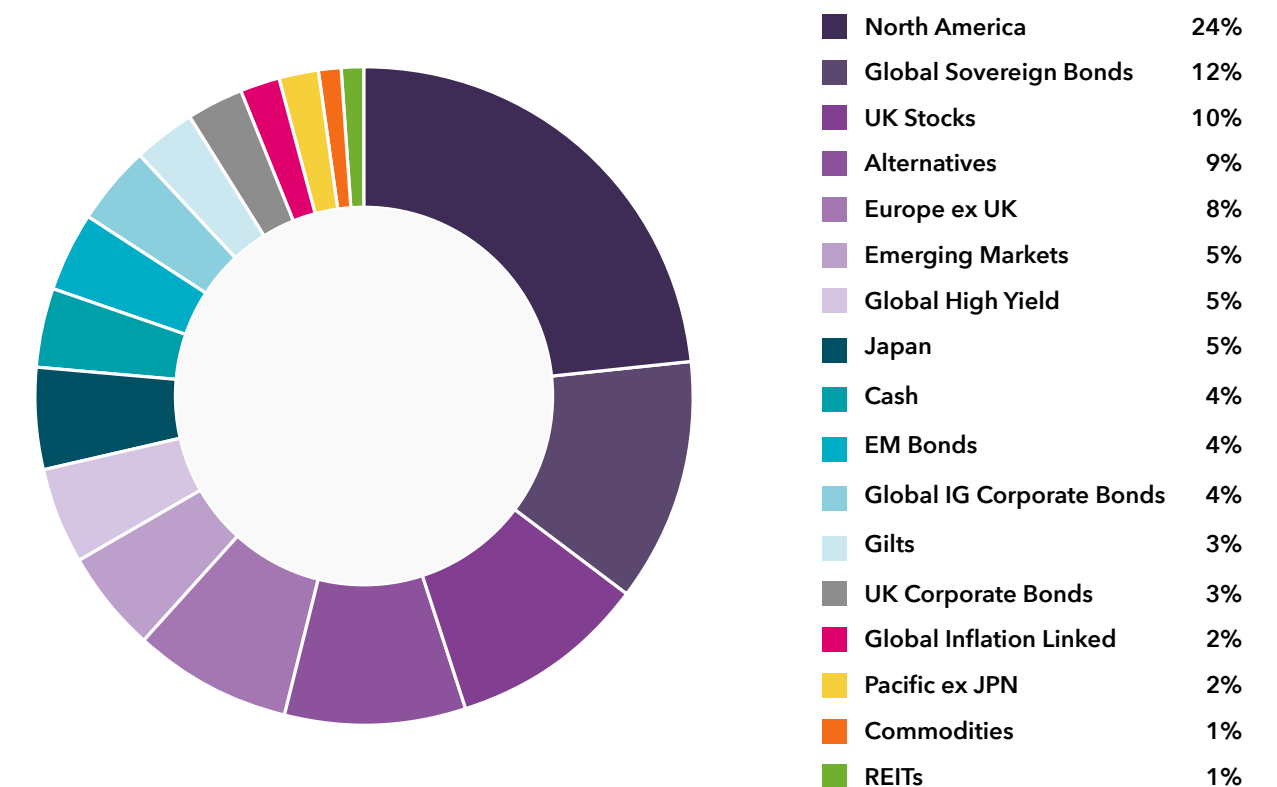
true potential growth aligned

**UBS**

New + **WAVERTON**

# True Potential Balanced Portfolio asset allocation.

Our 'Advanced Diversification' approach blends together multi-asset strategies from a range of expert fund managers. This gives our Investment Management team a wide range of assets to use in building our Portfolios.



Allocation as of 13th March 2023.

## Annualised Portfolio performance.

Net of fund fees, 1 Oct 15 - 31 Dec 22.

Defensive	Cautious	Balanced	Growth	Aggressive
+1.95%	+3.32%	+4.58%	+6.31%	+7.33%

Source: True Potential Investments, data as of 31 December 2022.

# True Potential Portfolios.



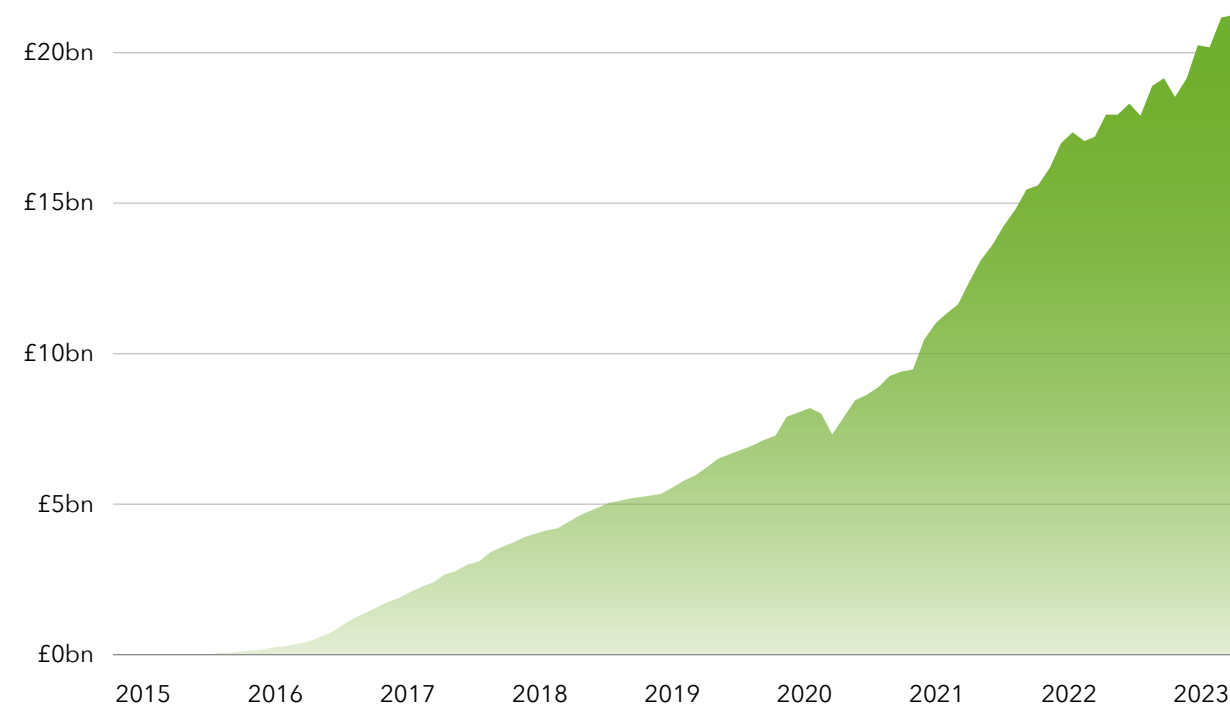
*Mark Henderson*

**Mark Henderson**  
Chief Executive  
True Potential Investments

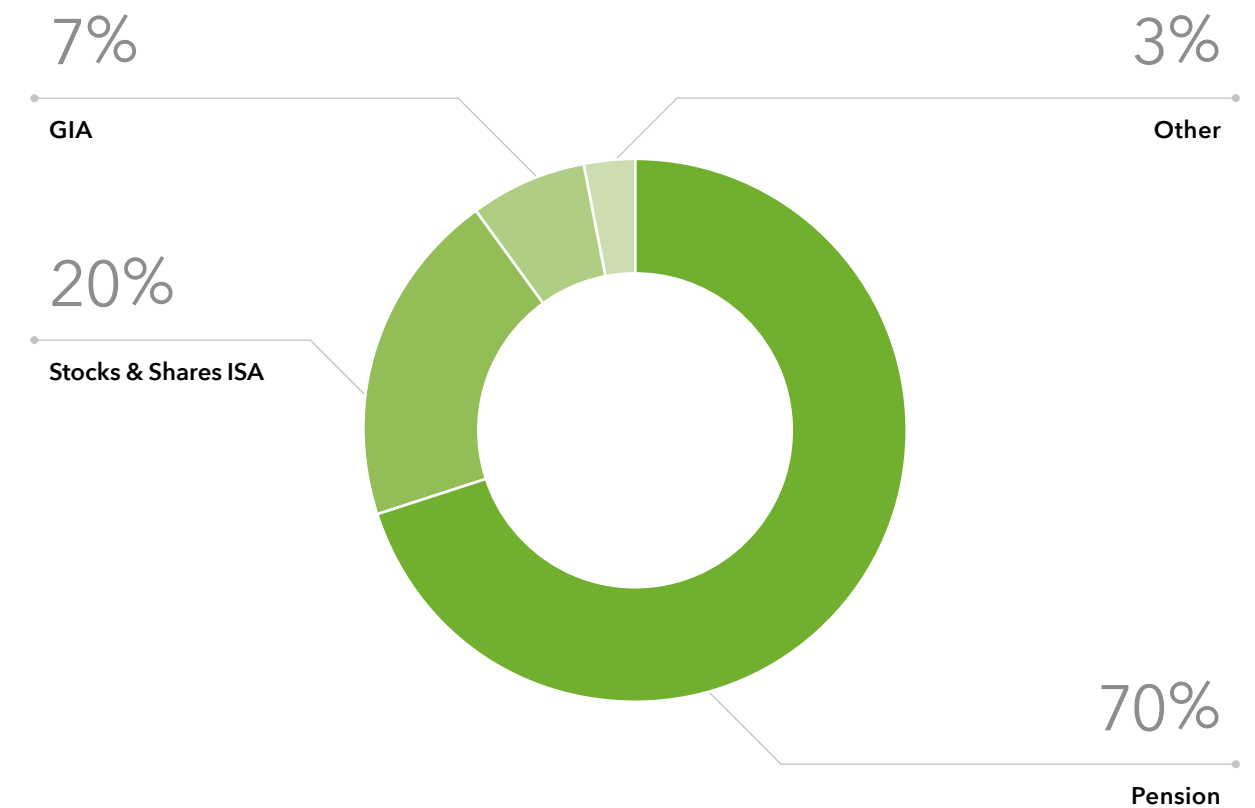
With over £21 billion of assets and 157,000 clients invested in our True Potential Portfolios, 2022 saw more people than ever before benefit from our fee-free discretionary fund management expertise.

The majority of our True Potential Portfolio clients are investing over the long-term for their retirement by using a Personal Pension. Many also make use of a Stocks & Shares ISA to protect their assets from Income and Capital Gains Taxes. We don't charge our Portfolio clients for holding these products, helping them keep more of their money invested.

## Portfolio assets.



## Long-term investment products.



Product split as of 31st December 2022



# Award-winning technology.

Building our technology in-house means we can develop and release new updates throughout the year, innovating and delivering new features to help our clients do more with their money.

Our clients make full use of the technology we provide for them, with 6.9 million logins over 2022. 4.7 million logins were through our mobile app, a record number that proves our 'mobile first' strategy was ahead of the game and is continuing to pay dividends.

2022 began with our biggest ever release of client technology - fully rebuilt apps and online accounts with improved speed, reliability and security. For the first time we saw our True Potential app overtake the web as the most popular way for clients to track their investments.

## 6.9 million

Client logins.

## 4.7 million

App logins.



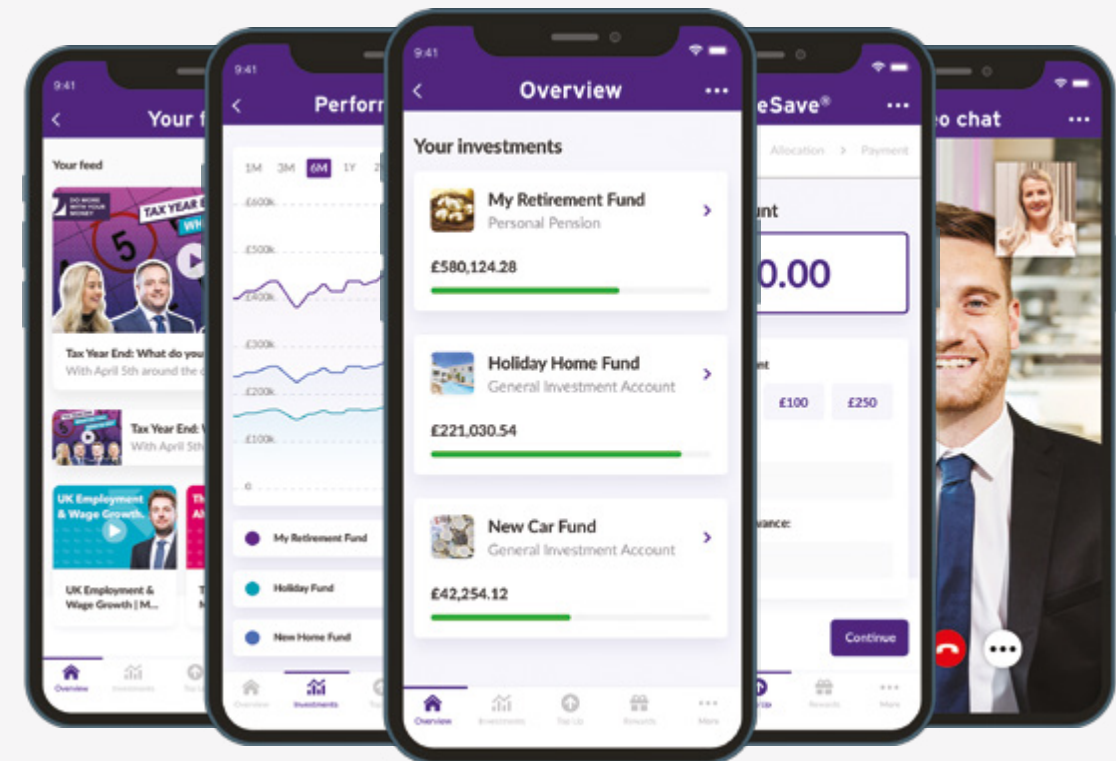
Quick and easy top-ups with impulseSave®, as little as £1 at a time.



24/7 access at your fingertips, whenever and wherever.



Quickly and easily check your investments against your goals.



Get in touch with our dedicated customer care team by phone, email, live chat or video call.



Get quick and convenient access to investment insights from the same experts that manage your money.



Earn cashback rewards on your everyday online shopping.

## 45,000

impulseSave® top ups in 2022.

Scan the QR code to download our app.



Our enhanced technology includes True Potential Rewards, which enables clients to earn and automatically invest cashback from their everyday online shopping.

Over the year, our clients made £1.4 million pounds of purchases through the feature, adding the cashback to their investments at no cost.

We also improved our open banking integration, giving clients the ability to see all of their finances in our app for the first time. As well as keeping on top of their balance, clients can track and analyse their spending habits - finding new ways to boost their investments and even retire earlier.

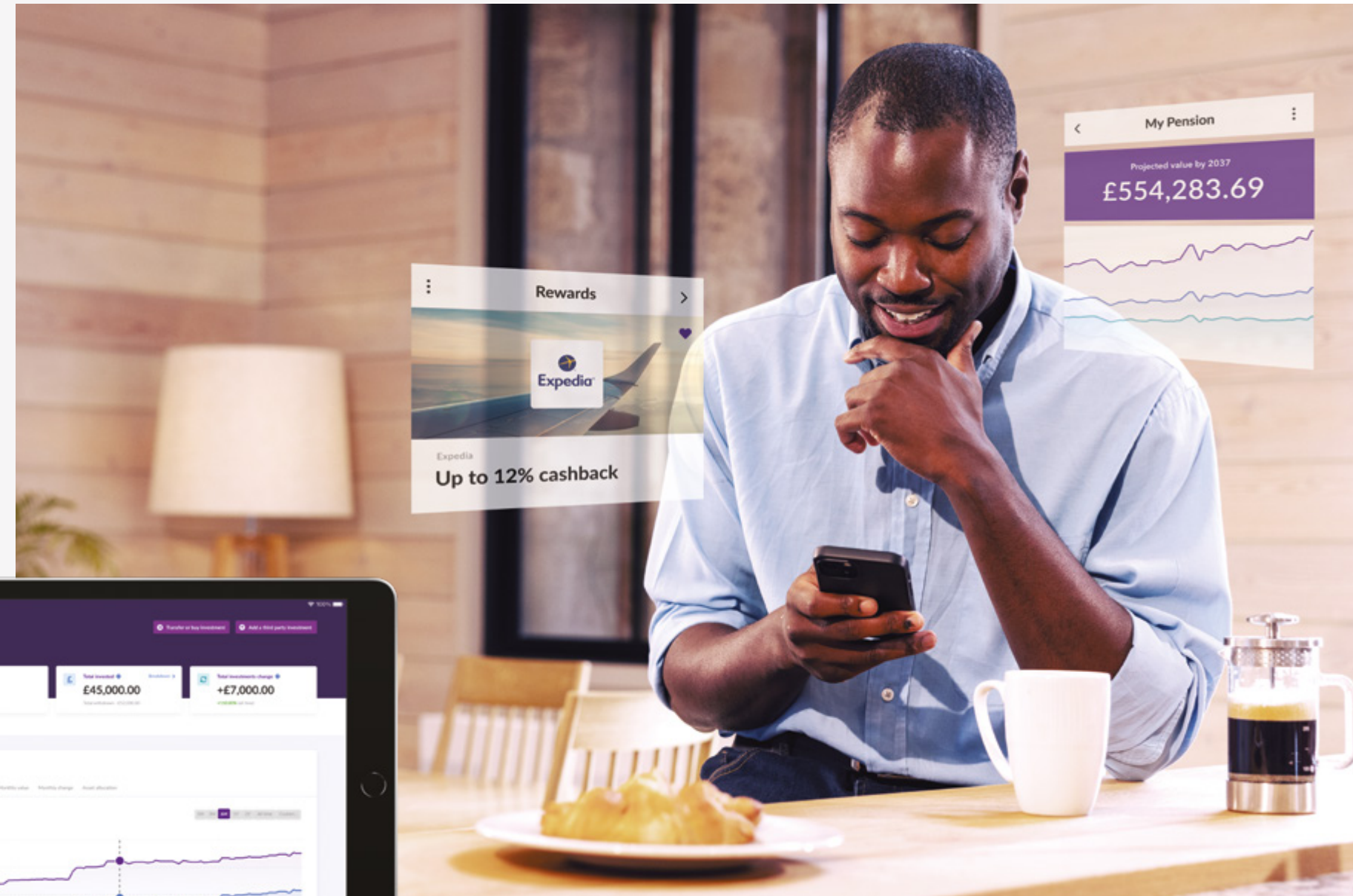
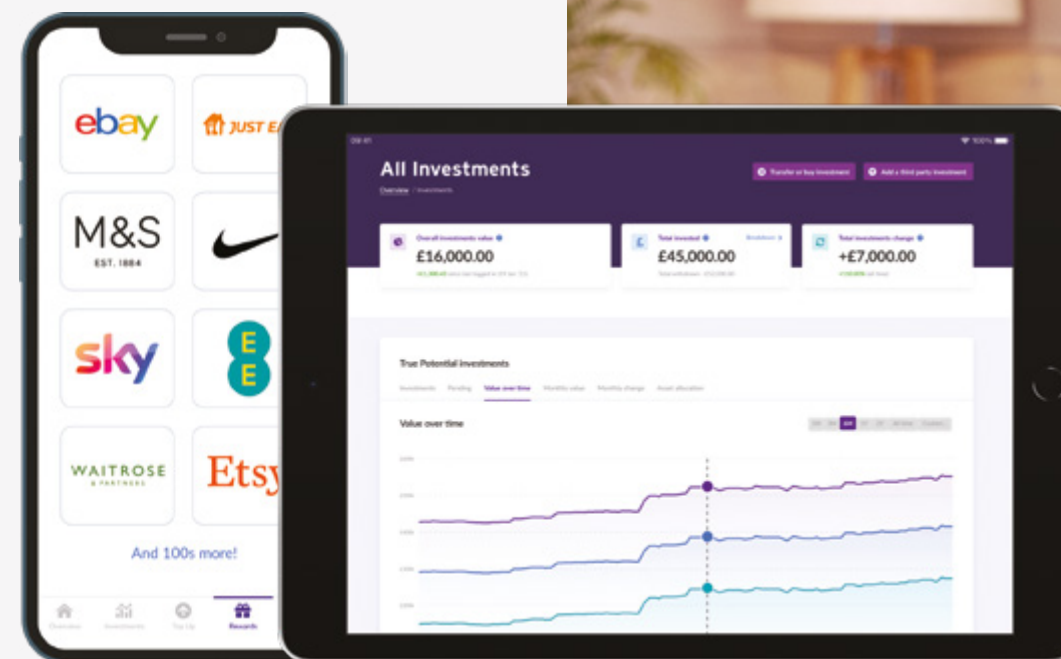
Our app was also enhanced with a new feature enabling clients to set up and manage their direct debits with just a few taps. Over the year, we handled 323,000 direct debits payments totaling just over £95 million.

For those ready to make the most of their investments, we also redeveloped our pension drawdown process to make it easier for clients to manage their retirement income. As well as simplifying the language we use, we've added projection charts to show the impact of each withdrawal on the overall pension pot - empowering

clients to make better choices and giving them the option to ask for advice whenever they need it.

Finally, we launched our new Beneficiary Service to clients. We've always helped our clients pass their wealth to the next generation, but they can now send their beneficiaries an activation link to create their own account and start investing before they inherit.

With more logins than ever before, it's clear to us that today's clients demand 24/7 access to their investments as well as the ability to control their money and get help whenever they need it.



**£1.4 million**

purchased through Rewards.

**1,024**

Rewards merchants.

**323,000**

direct debit payments.

**£95 million**

invested by direct debit.





# Financial advisers.

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In addition to the 125,000 clients who receive Hybrid Advice from True Potential, we work with around 20% of all UK financial advisers and their clients - giving us a total reach of over 5,000 financial advisers and more than 1 million clients.

Each of these financial advisers relies on us for a range of services, including business support, compliance consultancy, back office and client facing technology.

During 2022, our support teams answered 50,140 phone calls, 53,213 emails and 7,622 support tickets to help financial advisers run and growth their businesses.

We also helped financial advisers stay compliant with 2,300 case checks and assistance with 800 regulatory returns.

50,140

phone calls.

53,213

emails.

7,622

support tickets.

## Seminar success.

We were once again delighted to run our Spring and Autumn seminars across 10 locations, with over 2,000 financial advisers in attendance.

These in-person events are a fantastic way to keep in touch with advisers and deliver the latest business and industry updates face-to-face.

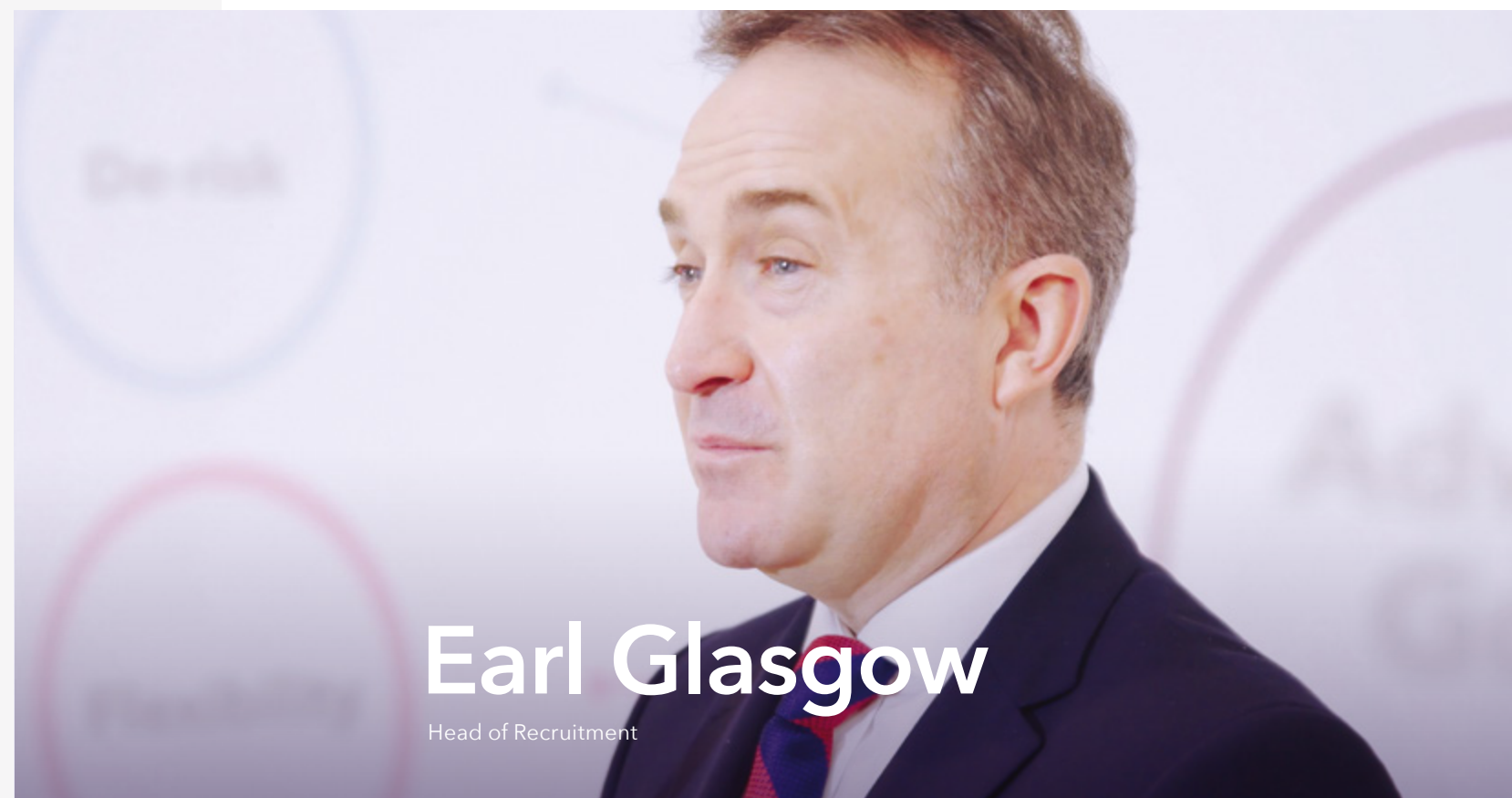


# 72,000

transfers for clients.

# 2,396

Final Salary Pension transfers.



## Earl Glasgow

Head of Recruitment

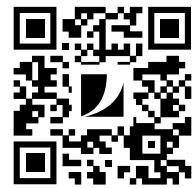
In a tough year for markets, our financial adviser partners were busier than ever speaking to clients about their long-term goals and reassuring them of the path they're on. Across the year, we handled 72,000 transfers for clients consolidating their investments as well as 2,396 highly specialised Final Salary Pension transfers for clients wanting to make the most of their pension freedoms.

We believe that financial advisers who choose to work with us can offer their clients the very best service in the market and excellent value for money. When the time is right, we also offer our Wealth Management Partners the best contract in the industry for downsizing, de-risking or retiring.



# Empowering through education.

We know that the UK needs to do a lot better in educating people about their finances and the importance of investing. That's why we've invested in a range of materials that our clients and the public can use to learn more about their money.



## Free Open University Courses.

Through our charitable partner, The Harrison Foundation, we've launched a range of free learning resources, supporting our core priorities: education, training and skills. The courses aim to help the public gain a better understanding of managing money and investments, as well as commercial awareness and business.



## Morning Markets.

Our daily *Morning Markets* show is available in clients' accounts and publicly on YouTube. It provides a short summary of the most important economic story of the day and explains how it impacts people's investments.



## Do More With Your Money.

This weekly show and podcast dives a little deeper into a range of topics, from pensions and retirement to the comings and goings at 10 Downing Street - always with the aim of helping viewers do more with their money.



## Interactive webinars.

In addition to our public information and shows, we invite our Hybrid Advice clients to regular webinars to give them the opportunity to speak directly to both financial advisers and investment management experts about the markets and their money.

# Community & charity.

As part of our ongoing mission to close the UK's savings gap, it's important that we also help our local communities do more in order to reach their full potential.

Our charity partner, The Harrison Foundation, is a shareholder in the business, so the more we succeed, the more our communities can benefit. Throughout 2022 we raised a combined £500,000 from staff, financial advisers and The Harrison Foundation.

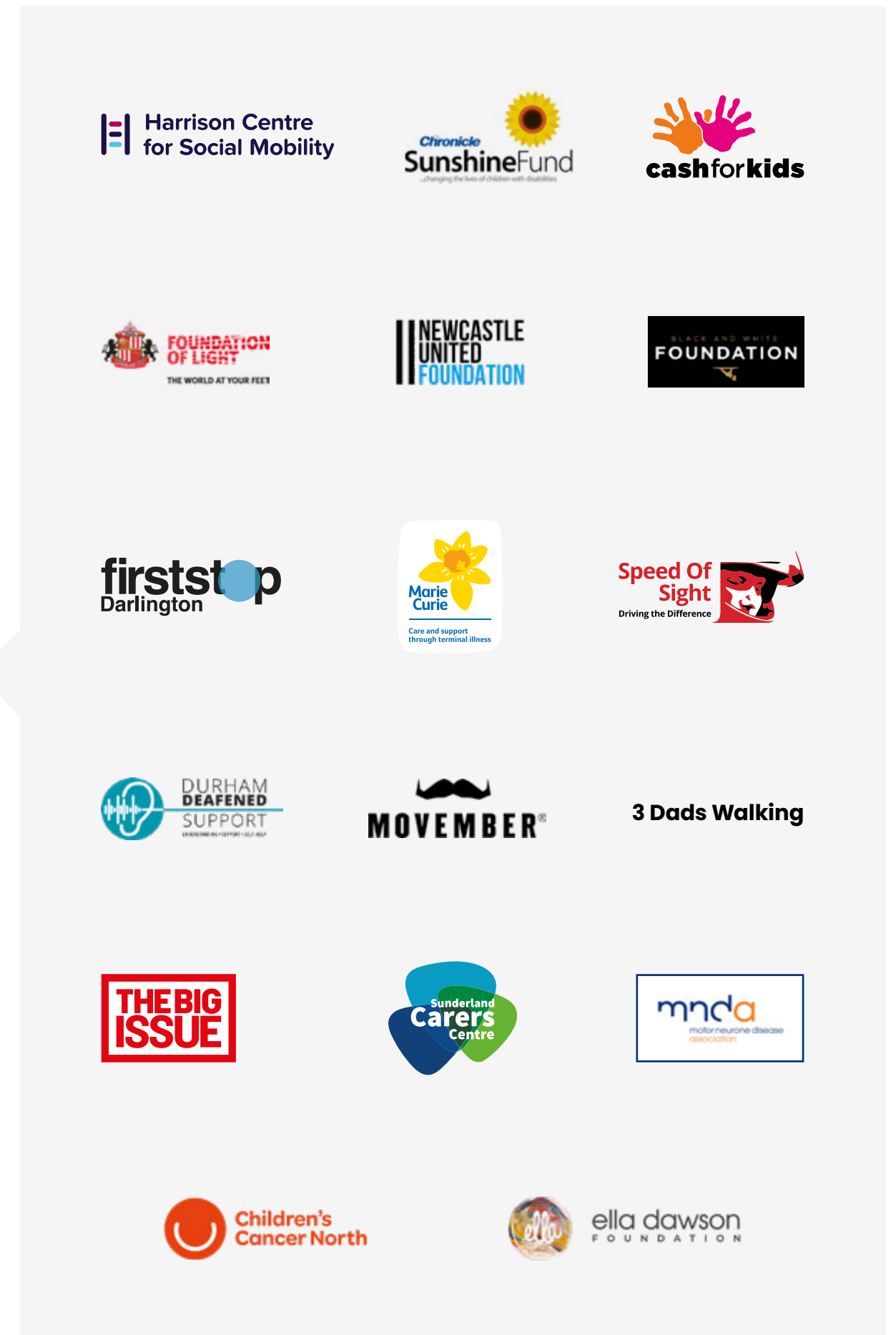
As a business, it's also important for us to lead by example - which is why we're proud co-founders of The Social Mobility Pledge. This nationwide initiative now covers 750 employers and 8 million employees, making it the largest of its kind in the UK.

Signing the Pledge commits businesses to working with schools, offering apprenticeships and implementing fair recruitment processes. The final point is an essential part of how we work at True Potential, making sure that everyone that joins us succeeds on merit alone.

In 2022, more than 50 of our staff gained new qualifications and we employ 19 former apprentices - many of these are now trained in areas they began with no experience in.

# £500,000

raised throughout 2022.





# Sustainability.

We understand that clients want to maximise returns in a way that is sustainable over the long-term, not only for their investments but for the world and communities around them.



Through our investment management team, we've partnered with fund managers who share our values. Our partners score A or higher under the UN-supported Principles for Responsible Investment, including many founding signatories. The UNPRI has six principles against which fund managers are reviewed, each with the overall aim of creating a long-term economically efficient and sustainable global financial system.

A key part of our own investment approach is investing in areas we believe will produce sustainable long-term returns. This includes:

- Considering sustainability in our analysis and our overall decision-making
- Seeking disclosure on sustainability issues from our fund manager partners
- Upholding and promoting sustainability issues by working alongside our partners.

As a large and growing company, we're also conscious of our direct impact on the environment.

We proactively review and seek to improve our energy and water usage, as well as how we recycle and dispose of waste.

Our Head Office uses energy saving materials, low-energy lighting and our living walls increase indoor air quality for our staff and guests. By moving to a hybrid working arrangement, we've reduced the number of journeys our staff make by road and encourage the use of public transport wherever possible.

As a digital first business, more than 98% of our processes require no paper at all. Where our clients value paper communications, such as our quarterly True Insight magazine, we carbon-balance the paper through the World Land Trust.

We'll continue to drive forward our sustainability initiatives in 2023 as we develop our pathway to NetZero.

## NetZero

We'll continue to drive forward our sustainability initiatives in 2023 as we develop our pathway to NetZero.

# 98%

digital business.



# Our 2022 awards.



Throughout 2022, we were delighted to receive several industry awards, adding to our trophy cabinet throughout the year.

Our first award came at the City of London Wealth Management Awards in March, where we were the proud winners of 'Best Online/Mobile Access'.

In the same month the lang cat, an independent financial services consultancy firm, rated the True Potential Platform as the very best in the industry, whilst also noting we were the only Platform to record positive growth in the first quarter of 2022.

We then won three awards at the UK Platform Awards 2022, topping the vote for 'Best Platform Service', 'Best Platform Provider' and 'Leading Adviser Business'.

Our success continued at the Money Marketing Awards, where we secured a further two awards, 'Best SIPP Provider' and the 'Best Support Service Provider'.


In November, our focus on video throughout the year was rewarded with 'Best Video/Podcast Campaign' at the Citywire Engage Content Awards.


Our inflows in the final quarter of the year saw us recognised by Fundscape as the top performing fund manager and platform in the industry over the period by net sales.

To round off the year, we were once again named a 'Digital Champion' by NextWealth, thanks to 98% of our processes being completely online.


While we focus on providing excellent service to clients and financial advisers, it is always a source of pride to be recognised in the industry for our effort and successes.

 **Best Online/Mobile Access**  
City of London Wealth Management Awards 2022

 **Rated 'best in the industry'**  
the lang cat

 **Best Platform Service**  
UK Platform Awards 2022

 **Best Platform Provider**  
UK Platform Awards 2022

 **Leading Adviser Business**  
UK Platform Awards 2022

 **Best SIPP Provider**  
Money Marketing Awards 2022

 **Best Support Service Provider**  
Money Marketing Awards 2022

 **Best Video/Podcast Campaign**  
Citywire Engage Content Awards

 **Platform with the highest net sales**  
Fundscape Q4 Report

 **Digital Champion**  
NextWealth



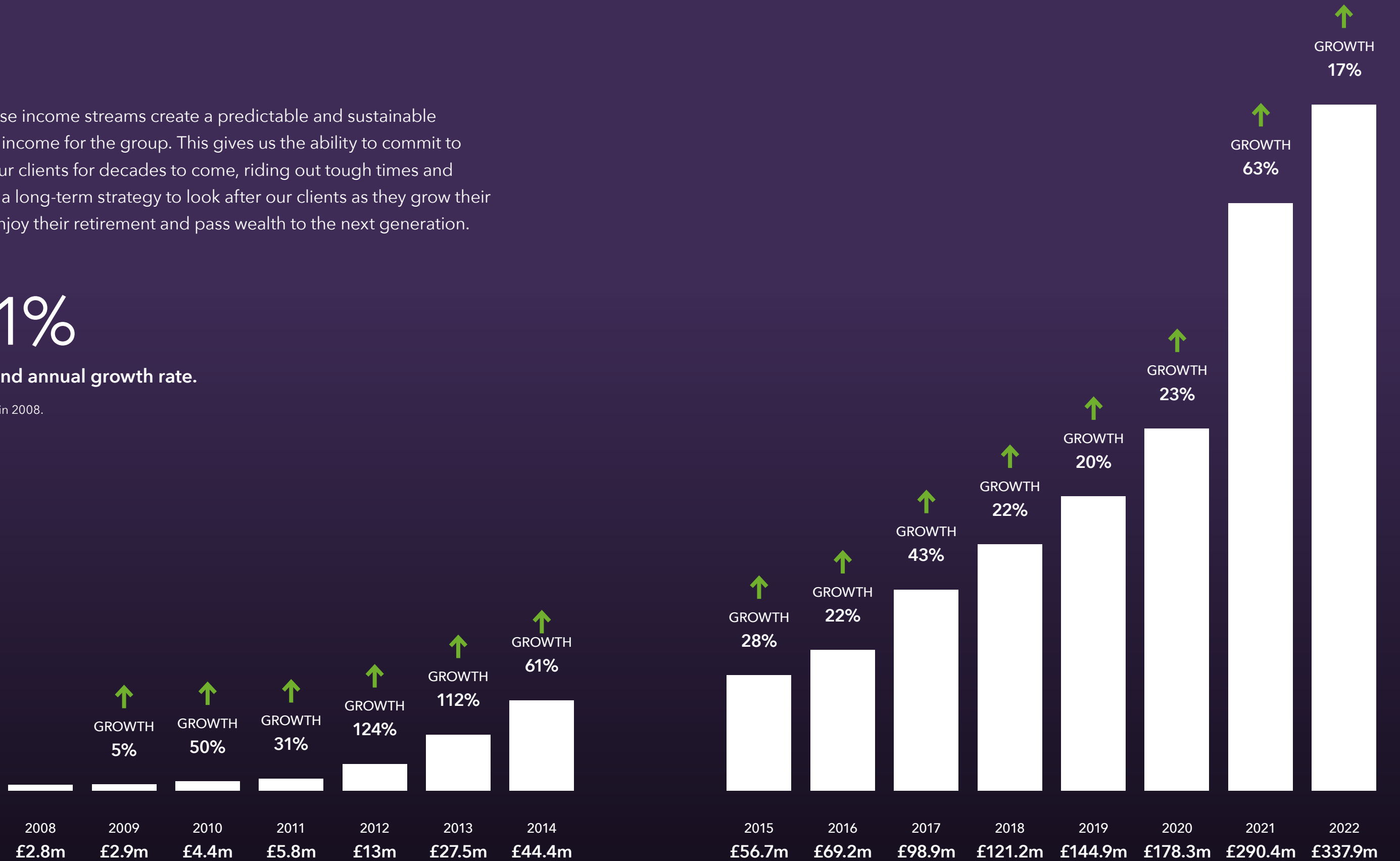
# Group turnover.

Our diverse income streams create a predictable and sustainable recurring income for the group. This gives us the ability to commit to serving our clients for decades to come, riding out tough times and following a long-term strategy to look after our clients as they grow their money, enjoy their retirement and pass wealth to the next generation.

↑ 41%

Compound annual growth rate.

Since launch in 2008.



2020 and 2021 figures are restated following the adoption of IFRS (International Financial Reporting Standards, IFRS 1) from 1 January 2020, previously reported under UK Accounting Standards, FRS102. Please refer to the 2022 True Potential Group Limited consolidated financial statements for full disclosure.



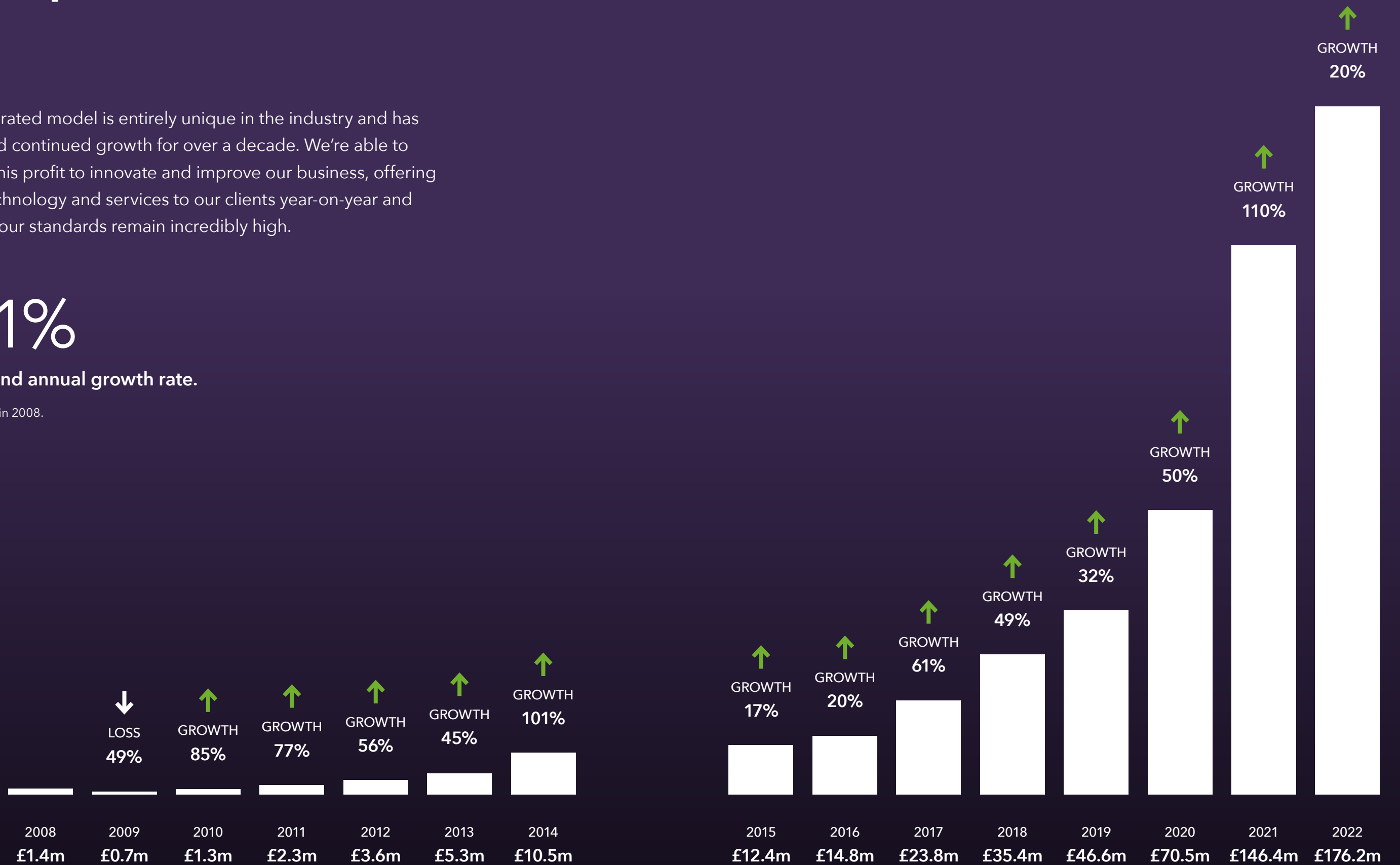
# Group EBITDA\*

Our integrated model is entirely unique in the industry and has generated continued growth for over a decade. We're able to reinvest this profit to innovate and improve our business, offering better technology and services to our clients year-on-year and ensuring our standards remain incredibly high.

↑ 41%

Compound annual growth rate.

Since launch in 2008.



\*Earnings before interest, tax, depreciation and amortisation.

2020 and 2021 figures are restated following the adoption of IFRS (International Financial Reporting Standards, IFRS 1) from 1 January 2020, previously reported under UK Accounting Standards, FRS102. Please refer to the 2022 True Potential Group Limited consolidated financial statements for full disclosure.



Do more with your money.

With investing, your capital is at risk.  
Investments can fluctuate in value and  
you may get back less than you invest.

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