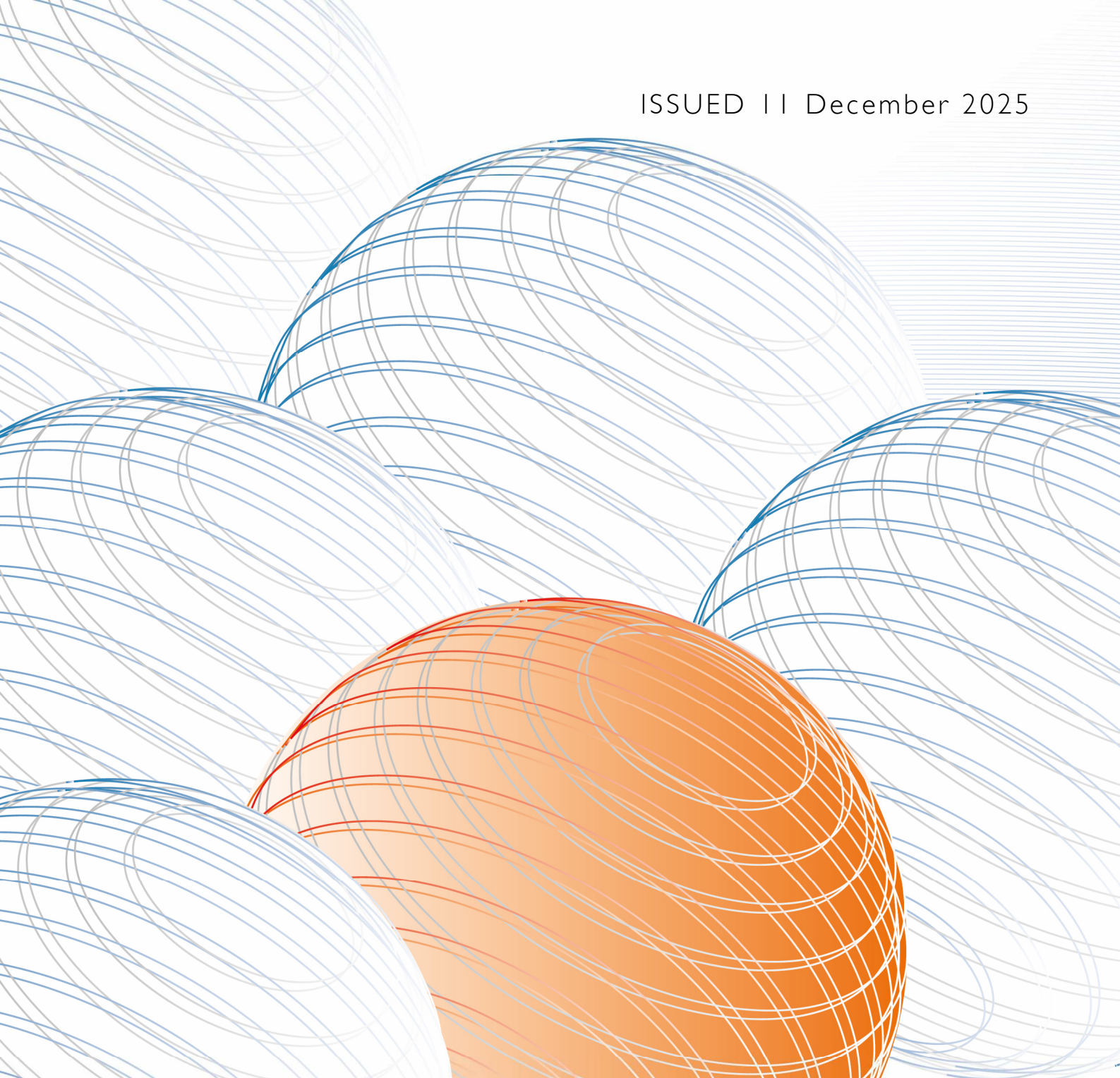


ISSUED 11 December 2025



DFM SECTOR
Brooks Macdonald

FINANCIAL STRENGTH ASSESSMENT

Analysis by **AKG Financial Analytics Ltd**
Accessible • Comparative • Independent





ABOUT THIS FINANCIAL STRENGTH ASSESSMENT

This AKG report and the analysis and ratings contained within it provide assessment of financial strength and associated considerations. Financial Strength is focused on the ability of a company to deliver ongoing operational capability in the interest of its customers and in line with their fairly held expectations. AKG's perspective in the assessment of financial strength is wholly that of a customer of a product or service. From that foundation, this analysis is specifically designed to inform financial advisers and assist in their required understanding of a company's operational financial strength.

Given the underlying customer perspective, the financial strength of companies needs to be focused at an operational level, specifically on the company that is effecting the product or service that a customer is selecting. This is important, because from the customer's perspective it is that company that needs to survive in a form that maintains the requisite operational characteristics to meet their fairly held requirements. And it is thus at this level that the selection needs of the customers' advisers must be met. This contrasts to credit rating, which will be undertaken at group or parent company level where investment or debt placement etc. is made.

Further details on how analysis is undertaken is provided at the end of this report and may also be obtained from AKG.



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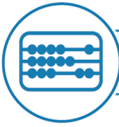
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Rating & Assessment Commentary



RATINGS

Overall Financial Strength

AKGB
FINANCIAL STRENGTH RATED
DFM SECTOR **STRONG**
BROOKS MACDONALD ASSET MANAGEMENT LIMITED

Supporting Ratings

	Service	Image & Strategy	Business Performance
Brooks Macdonald Asset Management Limited	★★★★	★★★★	★★★★



SUMMARY

- Brooks Macdonald Asset Management Ltd (BMAM) provides investment management and financial planning services in the UK
- Brooks Macdonald Group plc (BMG) has sought to simplify its business, focused on multi-asset investment management and financial planning in the UK, supported by ongoing adviser business acquisitions. In February 2025, FTSE-listed Brooks Macdonald Group plc (BMG), sold its international division to focus solely on the UK wealth market
- During the financial year, BMG has grown inorganically through the acquisitions of Lucas Fettes Financial Planning, LIFT-Financial Group Ltd (LIFT) and CST Wealth Management (CST)
- Funds under Management (FuM) in BMAM stood at £15.8bn as at year end 30 June 2025, with good growth again in the Platform MPS proposition
- BMG revenue continued to increase in 2025 aided by positive investment market performance but revenue in BMAM declined marginally
- BMG expanded its product offering through the launch of the Global MPS and a suite of retirement strategies, including a solution available on third-party platforms
- Capital position remains strong at both a group and company level with BMG's regulatory coverage ratio declined to 202% [2024: 349%] and BMAM to 192% [2024: 209%]
- There have been a number of group board and senior management changes over the past three financial periods, including a new chair appointed in 2023, a new CEO (promoted from CFO to replace the retiring incumbent) in October 2024, CFO replacement in November 2024 and COO and interim CRO in July 2025
- The previous geographic distribution model continues to be refined to provide a clearer focus on adviser-led business alongside private clients/Wealth



COMMENTARY

Financial Strength Ratings

Brooks Macdonald Asset Management Limited

The BMG group has continued to develop through acquisition and organic growth over the last two years, and has completed a successful migration of its core investment management processes to its technology partner SS&C. BMAM remains the dominant company in the group, reflecting the UKIM segment of the group. There was an overall net outflow of organic new business in the group over the year, offset by a positive market performance. The business mix continued to feel the influence of Consumer Duty which sees new growth drawn to MPS due the greater transparency, diversification and consumer protection offered in MPS versus other sophisticated propositions; MPS was the only service that showed net inflows in 2025. BMG remains positive about its range of propositions and its investment, sales and distribution processes.

Capital adequacy remained good, although lower for both BMG and BMAM. Notwithstanding higher capital requirements, BMG's regulatory coverage ratio declined to 202% [2024: 349%] and BMAM to 192% [2024: 209%]. BMG's surplus capital resources increased to £22.9m [2024: £54.0m].

The market in which BMAM operates remains extremely competitive. However, the company and group are well capitalised and seem well placed with very strong recognition in their sector, plus an ability and depth of resources to manage regulatory change and grow the business organically, while seeking selective high-quality acquisitions. The investment process technology outsource to SS&C is expected to continue to drive cost savings as the business scales up, and this supports underlying improvements in performance and profit growth going forward.

Shareholders in BMG are largely institutional and these have been stable over past periods however significant change has arisen due to BMG transitioning its listing from AIM to FTSE to gain access to a broader group of investors. Although some investors have reduced their stake as a result of the change in listing, Gresham House Asset Management continues to increase its stake (12.7% in 2024 to 20.4% in 2025).

Service Rating

The Brooks Macdonald service proposition is valued by professional advisers and has been awarded a Defaqto gold rating for DFM Service in 2025. It was also awarded 3 stars at the 2023, 2024 and 2025 Financial Adviser Service Awards in the DFM category. BMAM states that its strength of relationships with clients and their advisers is reflected in its ability to deliver positive net flows in a more difficult external environment.

Brooks Macdonald continues to work closely with professional adviser businesses, including through its client portal InvestBM available online and on mobile, with more online delivery / paperless procedures bringing quality improvements in client service delivery (both to intermediaries and direct to clients). Full migration onto SS&C was completed in July 2022, with benefits such as digital onboarding bringing significant time savings for intermediaries and cost savings for Brooks Macdonald. Whilst some difficulties in delivery performance subsequently emerged, concerted action to address these has now allowed the newly appointed COO to move relative quickly from remediation to a phase of targeting optimisation.

The specialist offerings, such as Decumulation Service and Responsible Investment Service, have continued to see good growth, and underlines Brooks Macdonald focus on meeting client needs.

InvestBM replaced a number of separate systems and as well as expecting to provide a better portal to users, it also provides better MI to the business. BMAM's Adviser Academy continues to be an important element of its proposition.

The business has been focused on its own approach to the treatment of vulnerable customers, where it hopes to promote best practice and has also taken the topic out to the market as part of its established roadshows.

Image & Strategy Rating

BMG remains committed to the intermediary channel and has a strong brand presence and reach with professional advisers. It has continued to develop the business in line with its long held strategic plan, when it first brought all its core UK and offshore business together under the Brooks Macdonald brand in 2016-2017. The business has enhanced its client portal and continues to develop its online presence for advised as well as direct customers. It has also invested in its core

platform and centralisation of services, and moved to a single new office location for all London business, including operations and IT functions, and has outsourced its technology (investment management processes) to SS&C to support its continued digital transformation journey. The Financial Planning business now uses Intelliflo providing increased capabilities, and the customer relationship system has been consolidated into Salesforce.

The business has expanded through acquisitions of Comelian Asset Managers Group Ltd (Comelian) and Lloyds Banking Group's Channel Islands wealth management and funds business, followed in 2022 by Integrity Wealth (Holdings) Ltd (Integrity) and Adroit Financial Planning Ltd (Adroit). These selected acquisitions provide increased scale and reach, and the group has continued to expand through its more recent acquisitions of Lucas Fettes Financial Planning, LIFT-Financial Group Ltd (LIFT) and CST Wealth Management (CST) in 2024.

2025 has seen BMG refocus its strategy to take advantage of the growth opportunities in the UK wealth management sector. The group has sold its international business, acquired and integrated three financial planning businesses and enhanced the breadth of its propositions (Global MPS and various retirement strategies).

There is continued investment in the digital experience for both adviser and clients, including a refresh to client onboarding in 2025 and increased portal and app functionality which complement the go paperless strategy.

The business is also now giving greater co-ordinated emphasis to its overall brand and marketing strategy and continues to develop all parts of the mix, including greater use of social media (LinkedIn in particular) as well as adviser events.

The group engaged with third party consultants to undertake a strategic review of BMI in 2024 as a result of its performance falling behind plan, which resulted in a sale of the International business to Cannacord Genuity Wealth Management for £50.9m, completed February 2025. Also, in line with its simplification plans, BMG moved the management and distribution of its Defensive Capital Fund to specialist platform RM Capital Markets Ltd in November 2024.

There has been significant management change (executive and senior management), including a new interim CRO and COO in July 2025.

Business Performance Rating

Brooks Macdonald has made reasonable progress across most parts of the business through the 2025 financial year, and business performance has been satisfactory against the internal change and external environment.

Group FuM increased by 7% to £16.6bn as at 30 June 2025, with £0.7bn of positive investment performance and acquired FUM of £0.8bn partially offset by £0.4bn of net outflows during the year. Total MPS FuM increased from £5.3bn to £6.9bn with positive net flows of £0.5bn, acquired FUM of £0.8bn and positive market performance of £0.3bn. Within this, net flows to MPS Platform were the only positive at £0.6bn of positive inflows in 2025 with £0.1bn of net outflows in MPS Custody.

BMAM's revenue increased by 5% to £111.6m in 2025 [2024: £106.7m]. The largest revenue stream, investment management fees, decreased by 4% to £65.4m [2024: £67.8m], and represented 62% of the 2025 income [2024: 61% of income]. Transactional income and FX trading saw a 13% rise to £14.0m constituting 13% of 2025 income. The only other revenue stream that grew was financial planning fees which grew 21% to £4.7m. Fund management fees declined marginally to £6.3m [2024: £6.6m] whilst Interest turn and Management charges also declined by 33% and 17% to £7.6m and £7.0m respectively.

Administrative expenses increased by 4% to £85.7m [2024: £82.7m] and operating profit was down by 30% to £19.4m [2024: £27.9m]. Profit after tax (PAT) for 2025 was down slightly from £23.7m to £17.3m in 2025. The company paid dividends of £14.0m [2024: £24.5m].

BMAM's net assets / shareholders' equity increased from £55.7m to £60.7m in 2025, including cash and cash equivalents reducing to £19.6m [2024: 20.3m].

In the financial year to 30 June 2025, BMG reported increased revenue of £111.6m in 2025 [2024: £106.7m]. Investment management fees, the largest revenue stream, are generated by BMAM, as the main subsidiary, represented 59% of group revenue and remains the key generator of profit within the group. In recent years, the group has operated through two operating divisions, UKIM and International. On 21 February 2025, BMG completed the sale of its international division, BMI, to Canacord Genuity Wealth Management to create a UK-focused wealth manager.

BMG statutory PBT was down 29% to £17.5m driven by non-recurring one-off items including acquisition and integration costs totalling £4.4m [2024: £0.4m] and ongoing organisation restructure costs of £2.1m [2024: £2.1m]. The group also received a refund from HMRC totalling £3.1m pertaining to VAT arising on the group's AIM portfolio services from the period 1 October 2019 to 30 September 2024 as these were confirmed to be VAT exempt. This improved the PBT by £2.3m after a partial offset of legal legacy costs and strategic and transformation reviews.

Dividends of £12.7m were paid [2024: £12.1m]. The group had no borrowings at 30 June 2025 [2024: £nil].

Group & Parental Context



BACKGROUND

Brooks Macdonald has grown from a specialist financial consulting firm founded in the early nineteen nineties into an established UK wealth management group. The group listed on AIM in 2005 and has expanded through a series of acquisitions and organic development. By June 2025 it employed more than 470 people and managed group FuM of £16.6bn as at 30 June 2025 [2024: £15.5bn].

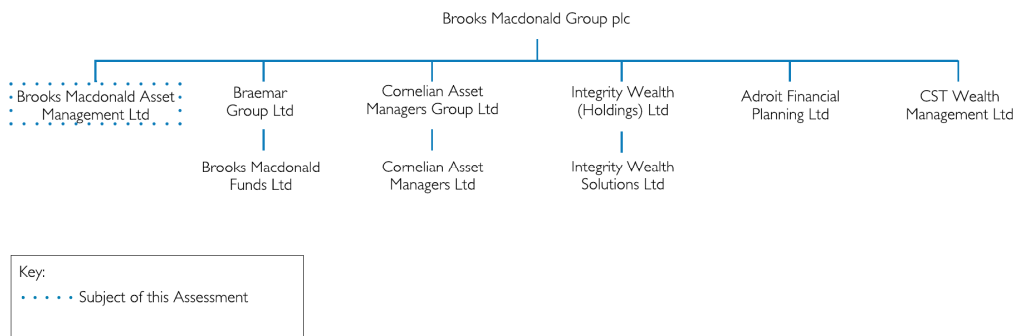
The group has reshaped itself significantly in recent years. In September 2024 it agreed the sale of its International business, which completed in early 2025, allowing strategic focus to shift entirely to the UK market. The group now centres on its UK Investment Management business, which includes discretionary fund management, a range of funds, and wealth planning services provided through a Private Clients division. This model reflects the integration of the former financial planning activities into the UK investment management operation.

Brooks Macdonald Asset Management remains the largest subsidiary and the main contributor to group funds, revenue and profit. The business has expanded through a number of acquisitions, including Cornelian Asset Managers, Integrity Wealth, Adroit Financial Planning and a further set of transactions in 2024 that added scale in financial planning and outsourced investment management. These additions have strengthened client reach and broadened the adviser solutions offering.

The group has also undergone considerable leadership change. These changes have taken place alongside a strategic refocus on the core UK business and the development of a clearer proposition for advisers and private clients.



GROUP STRUCTURE (SIMPLIFIED)



Company Analysis: Brooks Macdonald Asset Management Limited



BASIC INFORMATION

Ownership & Control

Brooks Macdonald Group plc

Year Established

1997

Country of Registration

UK

Head Office

40 Leadenhall Street, London, EC3A 2BJ

Contact

www.brooksmacdonald.com

Key Personnel

Role	Name
Chair	M Slendebroek
Group Chief Executive Officer	A G M Montague
Group Chief Financial Officer	K Jones
Chief Operating Officer	K Charlery
Chief People Officer	A Robinson
Chief Commercial Officer	R T Eggar
Chief Risk Officer (Interim)	J Harris
Chief Strategy and Corporate Development Officer	J Lewsey
Group Communications and Marketing Director	C Steele
Distribution Director	N Cowell
Co-Chief Investment Officer	M Toolan
Co-Chief Investment Officer	R Lamer

Company Background

BMAM is a specialist investment manager, providing discretionary management services for private clients, trusts, charities and pensions funds. It also acts as fund manager to a regulated OEIC providing a range of risk-managed multi-asset funds and a specialised absolute return fund. The business has 11 offices delivering investment management services, in Birmingham, Cardiff, Edinburgh, Exeter, Glasgow, Leeds, London, Manchester, Nuneaton, Southampton and Tunbridge Wells. BMAM was incorporated as Brooks Macdonald Gayer Asset Management Ltd in 1997, changing to its current name in 2002.

BMAM is authorised and regulated by the FCA as an IFPRU 125k Limited Licence Firm and is subject to the Investment Firm Prudential Regime (IFPR). Due to this, BMG is considered a regulated group under IFPR (by both the FCA and the Jersey and Guernsey Financial Services Commissions) and has to assess its regulatory capital and liquidity on an ongoing basis through the ICARA (Internal Capital Adequacy and Risk Assessment) process and the ANLA (Adjusted Net Liquid

Asset) assessment. These include performing a range of stress tests and scenario analyses to determine the appropriate level of regulatory capital and liquidity that the group needs to hold.



OPERATIONS

Governance System and Structure

BMG states its governance structure is designed to ensure there are appropriate challenges to business objectives and risk management. The BMG board is ultimately accountable for setting the group's strategic objectives and risk appetite and for assessing the adequacy of its capital resources to meet the risks to which the group is exposed. Oversight and management of the effectiveness of the risk, compliance and internal control systems has been delegated to the group Risk and Compliance Committee (RCC), which is therefore responsible for reviewing and approving the group Risk Management Framework (RMF) - this is designed to identify, quantify and manage those risks which are inherent in the group's business activities. The membership of the committee consists of five NEDs, CEO, CFO, CRO and representatives from the Risks and Compliance function as required to report on monitoring output, the results of the risk and control self-assessments and changes to both group and entity level risk registers. Information to assess this is obtained from other committees on a monthly basis. During the year ended 30 June 2025, the RCC met on 4 occasions [2024: 4 occasions].

The RCC and board have delegated responsibility for day to day management of the RMF to the CEO; consequently the CEO has established the Executive Risk Management Committee (ERMC), chaired by the interim CRO, to provide support in assessing the adequacy and effectiveness of the risk management, compliance and internal control frameworks in place.

As such, the ERMC has been tasked with oversight of the design of the RMF, for monitoring and reporting of the risks identified across the group; for ensuring appropriate mitigating actions are in place, and escalating risk matters to the RCC where appropriate. The ERMC also has responsibility for monitoring compliance with the group's Risk Appetite Statements.

The ERMC is supported by the Investment Committee, chaired by an independent advisor. Underlying these are business and functional risk management committees, chaired by the relevant executive heads, which are responsible for ensuring the risks and issues related to each area are identified, measured, monitored, managed and reported, in the context of the overarching Group risk policy and the RMF. There is a routine escalation of key issues and risks (together with mitigating actions) from these committees to the ERMC and RCC.

At a group level, there has been a large operational focus in past years on preparing the business, underlying systems and processes for the introduction of GDPR, SMCR, MiFID II, PROD and the requirements of the Sustainable Finance Disclosure Regulation (SFDR), which imposed ESG transparency obligations and periodic reporting requirements on investment management firms at both a product and manager level. Ongoing workstreams were put in place to prepare the business for the introduction of these regulatory requirements with additional staff being appointed with experience in other relevant sectors. The business has worked to establish a culture that looks to consider wider developments in preparing it for changing risk and regulatory requirements. The focus in 2022 and 2023 was on organising the group for the introduction of Consumer Duty, ensuring the business was able to meet outcome rules by the end of April 2023.

For 2024 the focus was overseeing the transition to a new CEO and appointment of a new CFO. BMG introduced changes designed to improve the governance of its key operating businesses so that key strategic decisions are subsequently made on a group basis. Day to day management of the underlying businesses is now undertaken by a single executive management committee, which reports to the group board. The aim is to improve investment governance by ensuring that risk and investment management controls are applied uniformly across BMG's products and services.

Risk Management

A range of risks at group and business line levels are identified within the RMF, and these are managed in a consistent and uniform way, subject to oversight by relevant committees and boards. The risk management system implemented across the group empowers all staff to manage risks as first-line risk managers.

Key group risks relate to operational liquidity, market and credit risk; the associated measures and policies for the management of these risks are set out in BMG's annual report and accounts, together with further detail on business level risks, and emerging risks identified such as geopolitical events and disruptive technologies.

BMG uses the ICARA process to ensure it complies with the overall financial adequacy rule, with a focus on identifying and managing risks that may result in material harms. The impact and probability of each material risk can be measured and quantified in terms of capital risk, as part of the ICARA process. The ICARA is reviewed and challenged by ERMC and RCC and approved by the Board. The group conducts business model analysis, stress testing, recovery, and wind-down planning, based on its business model and strategy over the medium term and longer (financial forecasts for up to 5 years).

Each of the elements within the Brooks Macdonald proposition are underpinned by the same Centralised Investment Process (CIP), which Brooks Macdonald adopts to ensure that the risk and governance processes and structure are supportive of delivering and monitoring the central framework. Investment Managers need to adhere to the CIP, but they are permitted some individuality/flexibility in relation to asset allocation frameworks employed for customer investment portfolios, with tolerance limits put in place around the core asset allocation portfolios. In recent years, the group has systematically embedded ESG considerations into the investment analysis frameworks in order to identify financial material risks and opportunities.

Overall, in keeping with other management, structural and technology changes, an emphasis on clearer responsibility and accountability is being pursued by the business. This has included the introduction of 'Risk Champions' throughout the business.

A further, and key, initiative in 2025 has been the introduction of ServiceNow, through a phased approach, beginning with Risk Incidents. This platform, whilst more complex than prior GRC tools, has the ability to promote better customer outcomes via improved data capture and management information.

Administration

Brooks Macdonald has invested in service infrastructure and administration enhancements over recent years, targeting the automation of tasks and processes where possible to reduce inefficiencies and create servicing cost savings. A centralised Client Operations team was established in 2019 as part of a wider drive to use technology better to improve the quality of administration and client service.

Client portal InvestBM was launched in 2019/2020 (as MyBM), replacing three separate systems, leading to improved MI collection for the business as well as better service for clients, providing access to key information.

With the large intermediary distribution approach at Brooks Macdonald, the interaction with, and servicing of, financial adviser relationships forms a key element. Professional advisers and end customers are provided with 24/7 online investment portfolio valuations, statements, holdings etc.

Brooks Macdonald considers integration with back-office systems as a key enabler for efficient partnerships with advisers and has implemented or is progressing data feeds to Iress, Intelliflo, time4advice, Enable, Sammedia, Plum Software, Xplan (powered by Iress), Avelo (Adviser Office) and Intelligent Office.

Since October 2020, Brooks Macdonald has had a strategic partnership with SS&C. A number of Brooks Macdonald's operations employees transferred to SS&C's operations team, while remaining integral to the Brooks Macdonald group. Brooks Macdonald completed the transition of all client and intermediary facing processes on to the SS&C platform in July 2022. This was later than previously expected, with additional costs incurred from a dual running charge over the period.

In 2025, BMG has transitioned its GRC tool to ServiceNow to enhance risk control reporting.

A very close relationship with SS&C is maintained at COO level, given this is a material outsourced relationship and the complex nature of the infrastructure and support provided, with a strategic roadmap extending over several years in respect of contractual obligations and expectations. All the investment management processes have been migrated to the SS&C platform as Brooks Macdonald has continued its digital transformation for products and services. In addition, financial planning activities have been migrated to Intelliflo, and more recently the business has implemented Salesforce for client relationship management.

Brooks Macdonald has investment teams and a multi asset team based in its London HQ office on Leadenhall Street, and then ten investment teams based regionally (Exeter, Southampton, Birmingham, Leeds, Manchester, Tunbridge Wells, Cardiff, Glasgow and Edinburgh). The Investment Services department of BMAM comprises business units for Operational

Finance, ISMO, Dealing Desk, Settlements & Custody, Client Money, Fees, Static Data & ISA/CSD and Corporate Actions & Dividends.

Benchmarks

In 2025, Brooks Macdonald retained a five-star rating by Defaqto for its BPS, MPS and MPS on platform. Defaqto first awarded BMG a Gold Standard for DFM service in 2019, and it attained this benchmark again in 2023, 2024 and 2025.

Brooks Macdonald achieved three stars in the DFM category of the 2023, 2024 and 2025 Financial Adviser Service Awards.

In 2025, Brooks Macdonald is a VouchedFor Top Rated Advice firm.

Individuals with BMG have been recognised in a number of awards initiatives for their sector influence and leadership, including 2025 awards from PAM NextGen Leaders. Additionally in 2025 Brooks Macdonald won 'Best Market Newsletter' at the City of London Wealth Management Awards.

BMG also maintains a Cyber Essentials Plus certification.

Outsourcing

Brooks Macdonald states that due diligence takes place prior to the commencement of any outsourcing or supply, in order to maintain robust procurement processes and good contract governance. Subsequently, key outsourcing partners are kept under review and procedures are in place to regularly assess the performance of such suppliers as well as renegotiating contracts.

In October 2020, Brooks Macdonald announced a strategic partnership with SS&C and saw some 60 roles transfer as part of what is considered and is reported to be a key close working relationship. Following the initial migration phase and then some remediation activity, a roadmap is in place for further optimisation and propositional development enhancements. The relationship and its performance against objectives are monitored through appropriate governance and oversight. In 2025, contractual objectives and KPI's were reviewed and revised where appropriate and quarterly senior meetings have been planned in addition to ongoing monthly performance reviews.



STRATEGY

Market Positioning

The BMG executive team states that the group's strategic priorities under its strategy of Reigniting Growth are:

- Delivering excellent client service
- Broadening and deepening client reach
- Driving scale and efficiencies

Brooks Macdonald states a fundamental belief that partnerships between professional advisers and discretionary fund managers (DFMs) provide the best possible outcome for clients. Success to date has been built on commitment to the adviser community and strength of relationships, consistent investment performance and client-centric culture.

Brooks Macdonald has been at the forefront of the DFM push into the retail financial advice market for several years and its primary distribution channel continues to be the supply of outsourced investment solutions to professional advisers. Each year, 90% of Brooks Macdonald's new business is introduced by professional advisers.

Brooks Macdonald has a strong regional presence, now operating out of 11 locations in the UK. The International business, with offices in Jersey, Guemsey and the Isle of Man, has been disposed of effective February 2025.

The teams in London were merged into one office, and a Scottish hub developed following the acquisition of Comelian in 2020. Brooks Macdonald continues to see new business opportunities across the regional network in the UK and believes that having the right regional structure is key to ongoing growth and development. That said, the business is also now giving greater co-ordinated emphasis to its overall brand and marketing strategy, alongside sales. And in this respect the business continues to develop more distinctly into addressing adviser solutions and the wealth business spaces directly, with cross-functional support. Reach has also been complemented by online development work, which saw the Brooks

Macdonald website refreshed in 2023. Amongst its DFM peers, the size and reach of the Brooks Macdonald intermediary business development team compares well.

As part of its commitment to working with professional advisers, BMG has continued to run face-to-face events, including round tables and is exploring a mix of further activity for the future.

Brooks Macdonald remains on RSMR's DFM panel. The impartial approach of the panel, which was launched in June 2020, provides each DFM with the ability to contribute additional content and ideas for advisers, supplementing the existing quantitative ratings service.

Proposition

BMAM now operates under one brand with a range of three prominent solutions for the intermediary market: BPS, MPS and Multi-Asset Funds.

BPS has been the flagship solution for what it considers the mid to top end of the market (minimum investment of £250k). On and offshore, Brooks Macdonald managed £8.5bn via BPS as at 30 June 2025, equating to 51% of the group's total FuM. Customers accessing the BPS get a dedicated investment manager who works in tandem with the professional adviser to manage the customer's investment objectives. The BPS offers an individually tailored investment portfolio which is constructed for the customer stated to provide access to all asset classes via all investment media. Investment managers for BPS follow the core asset allocation and asset selection recommendations of the group-wide CIP.

Within BPS, in addition to the core BPS, there are three specialised services aimed at clients with distinct sets of needs:

- Responsible Investment Service, designed for clients with dual objectives of responsible investment and return generation in line with defined risk profiles, and delivered through two strategies: Avoid and Advance
- Decumulation service, a bespoke approach that aims to shield the portfolio from downturns in the early years of withdrawals
- Court of Protection service, aimed at clients in that particular sub-segment and vulnerable clients more broadly

MPS, with a minimum investment of £20k, available only via professional advisers, is a more commoditised investment service, available for investment on a stand-alone basis with Brooks Macdonald or via third party platforms. MPS can be accessed as a portfolio or via a unit managed around a series of risk-based mandates. Brooks Macdonald's MPS assets were £6.9bn as at 30 June 2025, equating to 42% [2024: 30%] of the group's total FuM.

As expected, MPS has quickly shown its potential as a strong area of growth for the business. MPS offers customers access to ten risk-rated (by BMAM) portfolios. Eight of these are actively managed, diversified portfolios and the remaining two are passively managed (tracker) portfolios. Investors can consolidate their assets into one diversified managed portfolio to simplify administration. MPS portfolios are constructed with access to structured products, investment trusts, ETFs, unit trusts and OEICs. The portfolios are managed to remain within five risk levels, and the MPS is risk-rated by Defaqto, Dynamic Planner, EV, FinaMetrica, Oxford Risk and Synaptic to help advisers translate BMAM's risk levels to their own chosen risk profiler. MPS is available via selected third-party investment platforms (Platform MPS), which allows platform clients to access the services of Brooks Macdonald whilst the platform retains control and oversight of the client's assets.

Platform MPS has grown significantly again over the past year, with net flows of 13.7% [2024: 13.4%] and including the group's B2B offering for financial advisers, BMIS, grew to FuM of £6.0bn, an increase of 37% on 2024. BMAM makes its MPS available on a number of platforms as follows: Scottish Widows Platform (formerly Embark), Aegon Platform, AJ Bell Investcentre, Aviva, Fusion Wealth, Hubwise, Nucleus Platform, James Hay, M&G Wealth Platform, Wealthtime, Platform One, Morningstar Wealth Platform, Quilter, Seven Investment Management, Aberdeen Wrap/Elevate, Succession Group, Fidelity and Transact. Platform MPS is more limited than MPS in terms of its proposition i.e. the Platform MPS does not have access to ETFs and investment trusts, nor does it benefit from web access to valuation reports or valuation feeds; but it provides for certain users to access day-to-day active asset management who might otherwise not be able to.

In March 2025, the Global MPS range was launched to complement the existing core MPS offerings.

Multi-Asset Funds are accessible with a minimum investment of £1k. Four funds are available - Defensive Income, Cautious Growth, Balanced and Strategic Growth.

The AIM Portfolio Service is available to those with at least £50k to invest and is only accessible via professional advisers. It provides clients with access to a carefully selected portfolio of AIM-listed companies, with preference given to companies that are judged to have attractive long-term investment potential.

The Fund Portfolio Service is used where the adviser decides it is suitable to invest the client's portfolio in one of the multi-asset funds, typically where the needs and risk profiling are not complex and/or the portfolio is small.

BM Investment Solutions are investment solutions meeting specific investment objectives delivered via an open-ended fund solution or an investment platform, in fund or model portfolio form.

Within UKIM, the Private Clients business provides financial planning and wealth management advice services to high-net-worth individuals and families, enabling clients to build, manage and protect their wealth.

In June 2025, the Retirement Strategies suite was launched which offers Bespoke, Tailored and Modelled solutions to address income drawdown needs for clients approaching retirement.



KEY COMPANY FINANCIAL DATA

Last 3 reporting periods up to 30 June 2025

Own Funds Disclosures

	Jun 23 £m	Jun 24 £m	Jun 25 £m
Available own funds	32.3	32.9	34.4
Own funds requirement (OFR)	15.6	15.7	17.9
Excess own funds	16.7	17.2	16.5
OFR coverage ratio (%)	207	209	192

BMAM is now subject to the IFPR. BMAM's available own funds increased from £32.9m to £34.4m as at 30 June 2025. With the OFR (on an FOR basis) increasing to £17.9m [2024: £15.7m], the OFR coverage ratio decreased to 192% [2024: 209%].

At a group level, BMG reported significantly decreased own funds of £45.2m [2024: £75.7m] due to higher intangible assets held on the balance sheet that are not permissible as capital under IFPR. There is also an increased OFR of £22.3m, giving a decreased surplus of £22.9m [2024: £54.0m] and coverage of 202% as at 30 June 2025 [2024: 349%].

Statement of Financial Position

	Jun 23 £m	Jun 24 £m	Jun 25 £m
Assets	89.9	91.4	112.6
Current liabilities	(25.5)	(30.3)	34.9
Long-term liabilities	(7.1)	(5.4)	17.1
Net assets	57.3	55.7	60.7

Statement of Changes in Equity

	Jun 23 £m	Jun 24 £m	Jun 25 £m
Equity at start of period	58.4	57.3	55.7
Movement due to:			
Share capital and premium	0.0	0.0	0.0
Retained earnings	2.4	(0.5)	17.9
Other	(3.6)	(1.1)	(13.0)
Equity at end of period	57.3	55.7	60.7

Total assets increased to £112.6m [2024: £91.4m], with cash and cash equivalents decreasing slightly to £19.6m [2024 restated: £20.3m].

Current liabilities in the table above are largely trade and other payables, which increased from £26.9m to £30.9m. Current lease liabilities were £2.2m [2024: £1.9m]. Long-term liabilities included lease liabilities of £12.5m [2024: £1.5m] and net deferred tax liabilities of £3.2m [2024: £3.0m]. Total provisions in the year (current and non-current) increased marginally to £1.9m [2024: £1.8m]. BMAM had no external borrowings at the end of June 2025 [2024: £nil].

BMAM's net assets / shareholder's equity increased from £55.7m to £60.7m in 2025. This reflected the payments of a £14.0m dividend, share option recharges to BMG of £2.0m and tax on share options of £0.3m offset by the profit of £17.9m and a transfer into reserves for the year's share based payments charge of £3.3m from BMG.

At a group level, shareholders' funds increased from £152.3m to £154.4m in the year to 30 June 2025. The group balance sheet reflects very significant intangible assets of £119.5m, up from £83.2m due to the acquisitions of CST, Lucas Fettes and LIFT as well as the acquisition of a portfolio of financial advice clients totalling £22.3m. Intangible assets comprise goodwill of £63.3m [2024: £41.5m] and acquired client relationship contracts with net book value of £42.5m [2024: £33.1m], which are amortised over 6-20 years as well as capitalised computer software and system development costs of £13.6m [2024: £8.6m]. The group had no external borrowings at 30 June 2025 [2024: £nil].

Income Statement

	Jun 23 £m	Jun 24 £m	Jun 25 £m
Revenue	107.5	112.4	105.1
Other operating income	0.0	0.0	0.0
Operating expenses	(78.3)	(84.1)	85.7
Operating profit (loss)	29.2	28.4	19.4
Other gains (losses)	0.4	1.5	4.3
Profit (loss) before taxation	29.5	29.8	23.7
Taxation	(5.1)	(5.8)	(6.4)
Profit (loss) after taxation	24.4	24.0	17.3
Other comprehensive income	0.0	0.0	0.6
Dividends	(22.0)	(24.5)	(14.0)
Retained profit (loss)	2.4	(0.5)	3.9

Financial Ratios

	Jun 23 %	Jun 24 %	Jun 25 %
Operating margin	27	25	18
Pre-tax profit margin	27	27	23
Employee costs as a % of revenue	39	40	38

BMAM's revenue decreased by 5% to £105.1m in 2025 [2024 restated: £110.6m]. The largest revenue stream, investment management fees, decreased by 4% to £65.4m [2024: £67.8m], and represented 62% of the 2025 income [2024: 61% of income]. Transactional income and FX trading saw a 13% rise to £14.0m constituting 13% of 2025 income. The only other revenue stream that grew was financial planning fees which grew 21% to £4.7m. Fund management fees declined marginally to £6.3m [2024: £6.6m] whilst Interest turn and Management charges also declined by 33% and 17% to £7.6m and £7.0m respectively. All fee income is derived in the United Kingdom.

Administrative expenses increased by 4% to £85.7m [2024: £82.7m]. Staff costs were down by 12% to £39.5m [2024: £44.7m] and represented 46% of total costs [2024: 54%]. The average number of monthly employees increased from 362 to 369, the reduction falling mainly in functional staff again (down from 148 to 126), with business staff increasing at 243 [2024: 214] - reflecting the continuing underlying changes in business structure following acquisitions.

Operating profit was down by 30% to £19.4m [2024 restated: £27.9m] with the operating margin falling to 18%, having been around 25% in 2024.

Profit after tax for 2025 was down on 2024, from a restated £23.7m to £17.3m. The company paid dividends of £14.0m [2024: £24.5m].

In the financial year to 30 June 2025, BMG reported increased revenue of £111.6m in 2025 [2024: £106.7m]. Investment management fees, the largest revenue stream, are generated by BMAM, as the main subsidiary, represented 59% of group

revenue and remains the key generator of profit within the group. In recent years, the group has operated through two operating divisions, UKIM and International. On 21 February 2025, BMG completed the sale of its international division, BMI, to Canaccord Genuity Wealth Management to create a UK-focused wealth manager.

BMG statutory PBT was down 29% to £17.5m driven by non-recurring one-off items including acquisition and integration costs totalling £4.4m [2024: £0.4m] and ongoing organisation restructure costs of £2.1m [2024: £2.1m]. The group also received a refund from HMRC totalling £3.1m pertaining to VAT arising on the group's AIM portfolio services from the period 1 October 2019 to 30 September 2024 as these were confirmed to be VAT exempt. This improved the PBT by £2.3m after a partial offset of legal legacy costs and strategic and transformation reviews.

Statement of Cash Flows

	Jun 23 £m	Jun 24 £m	Jun 25 £m
Net cash generated from operating activities			
Net cash used in investing activities			
Net cash used in financing activities			
Net increase (decrease) in cash and cash equivalents	(5.4)	(1.8)	(0.7)
Cash and cash equivalents at end of period	22.1	20.3	19.6

Assets under Management (AuM)

	Jun 23 £bn	Jun 24 £bn	Jun 25 £bn
Assets at start of period	12.7	14.7	15.5
Inflows			
Outflows			
Net market and other movement			
Assets at end of period	14.7	15.8	15.8
Growth rate (%)	9	7	2
Net inflows as % of opening AuM			

BMAM does not produce a cashflow statement at its own entity level, given that there is consolidation at group level. Cash held by BMAM reduced by £0.7m to £19.6m.

BMG saw a decrease in cash to £33.9m in 2025 [2024: £44.7m]. Net cash flow from operating activities was £24.7m [2024: £34.9m]. Net cash used in investing activities decreased significantly to £4.3m [2024: £29.9m] largely due proceeds received from disposal of BMI and the SVS Brooks Macdonald Defensive Capital Fund. Within financing activities there was an increased net cash outflow of £25.1m [2024: £15.8m] with the increase primarily attributable to a purchase of shares under a share buyback programme totalling £7.0m. Financing activities includes dividends paid of £12.7m [2024: £12.1m].

In respect of FuM, BMAM saw its assets increase by 2% in 2025 to £15.8bn, despite a positive investment performance of 4.6% which slightly underperformed the MSCI WMA Private Investor Balanced Index benchmark of 4.7%, the overall FUM declined by 2.8%, which primarily due to net outflows which more than offset investment gains

BMG FuM of £16.6bn [2024: £15.5bn] was largely driven by acquisitions as well as market and investment performance which added £0.7bn and total outflows were £0.4bn. BPS FUM closed down 4% at £8.5bn whereas MPS Platform FuM grew 37% to £6.0bn which saw net inflows of £0.6bn, acquisitions of £0.8bn and £0.2bn from investment performance. Advised only assets increased to £2.6bn benefitting from £1.8bn of acquired assets in the second half of the year.

Guide



INTRODUCTION

For over 30 years AKG has particularly focused on the financial strength requirements of financial advisers, who when acting on behalf of their clients, need to ascertain a company's ability to deliver sustained provision.

From this customer perspective, the financial strength of companies needs to be focused at an operational level, specifically on the company that is effecting the product or service that a customer is selecting. This is important, because from the customer's perspective it is that company (not some higher corporate entity) that needs to survive in a form that maintains the requisite operational characteristics to meet their fairly held requirements. And it is thus at this level that the selection needs of the customers' advisers must be met.

It is also important to understand the sector approach (comparative peer groups) that is adopted in financial strength assessment and rating process.

At AKG, this is again driven by the end customer perspective and the fact that assessment is designed solely for this purpose, i.e. as a component in helping customers' advisers to select between comparable companies competing to deliver relevant products or services.

AKG's focus and approach has remained consistent over the years since it commenced assessment and rating support for the market. However, coverage, format and presentation has rightly evolved over this period, in line with the needs and expectations of assessment and rating users in the market. And AKG considers further changes on a continual basis.

Further details including an explanation of what is included in the assessment reports and coverage can be found online at <https://www.akg.co.uk/information/reports>.

AKG's process for assessment and rating is to use a balanced scorecard of measures and comparative information, relevant to the companies contained within each peer group. This is gathered via Public Information only for non-participatory assessments and public information plus company interactions with companies for participatory assessments. Further details on AKG's process can be found at <https://www.akg.co.uk/information/reports>.

This includes further information on the different participatory and non-participatory basis and for companies wishing to learn more about participatory assessment AKG is pleased to outline this and welcomes contact.

This is a participatory assessment.



RATING DEFINITIONS

Overall Financial Strength Rating

The objective is to provide a simple indication of the general financial strength of a company from the perspective of those financial advisers who when acting on behalf of their clients need to ascertain a company's ability to deliver sustained operational provision of products or services.

The overall rating inherently reflects the mix of business within the company, since different types of customer or policyholder have different requirements and expectations, and the company may have particular strengths and weaknesses in respect of its key product or service areas. However, it also takes account of comparison across the sector in which it is assessed.

The rating takes into account those of the following criteria which are relevant (depending upon the company's mix of business in-force): capital and asset position, expense position and profitability, structure (and size) of funds within the company, parental strength (and likely attitude towards supporting the company), operational capability, management

strength and capability, strategic position and rationale, brand and image, typical fund performance achievements or product / service features, its operating environment and ability to withstand external forces.

Rating Scale	A	B+	B	B-	C	D	☐
	Superior	Very Strong	Strong	Effective	Challenged	Very Challenged	Not applicable

Service Rating

The objective is to assess the quality of the organisation's service to the intermediary market in respect of the brand concerned.

Criteria taken into account include: performance in surveys, awards and benchmarking exercises (external and internal), the organisation's philosophy, service charters, the extent of investments designed to improve service, and feedback from intermediaries.

Rating Scale	★★★★★	★★★★	★★★	★★	★	☐
	Excellent	Very Good	Good	Adequate	Poor	Not Rated

Image & Strategy Rating

The objective is to assess the effectiveness of the means by which the organisation currently positions itself to distribute its products for the brand concerned and the plans it has to maintain and/or develop its position.

Criteria taken into account include: overall trends in the company's market share position, brand visibility and reputation, feedback from intermediaries and industry commentators, and AKG's view of the company's general strategy.

Rating Scale	★★★★★	★★★★	★★★	★★	★	☐
	Excellent	Very Good	Good	Adequate	Poor	Not Rated

Business Performance Rating

This review is an assessment of how the company and the brand has fared against its peers, and how it is perceived externally. Effectively this is how it has performed recently in the market. Whilst it will include performance indicators from the most recent available statutory reporting (report and accounts and SFCRs in the case of insurance companies, for example) it will also draw on other recent key performance elements before and after such disclosure, up to the point at which the assessment is undertaken.

Criteria taken into account include: increase/decrease in market shares, expense containment, publicity good or bad, press or market commentary, regulatory fines, and competitive position.

Rating Scale	★★★★★	★★★★	★★★	★★	★	☐
	Excellent	Very Good	Good	Adequate	Poor	Not Rated



ABOUT AKG

AKG is an independent organisation. Originally established as an actuarial consultancy AKG has, for over 30 years, specialised in the provision of assessment, ratings, information and market assistance to the financial services industry.

As the market has evolved over this period, the range of entities considered by AKG has expanded. Consequently, AKG has brought additional skill sets into its operations. This has meant the inclusion of accounting, corporate finance, IT and market intelligence experience, alongside actuarial resources, to deliver an expanded professional capability.

Today AKG's core purpose is in the provision of financial analysis and review services to support the wider financial services sector and its customers.

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