

Exceptional momentum, AUM +18% over H1-26

14 October 2025

Tatton AM's momentum shows no sign of abating. Assets Under Management/Influence (AUI) jumped 18% in H1 to a record £25.8bn; ahead of our forecast growth and well on track to meet Tatton's medium-term target of £30bn by end-FY29 (page 3). Net flows were again very strong, adding £1.7bn to AUM (£281m/ month), with the net inflow rate far higher than peers (page 2) and above Tatton's guidance for FY26 (£200-£250m/ month). Investment returns added £2.1bn (+9.9% over 6 months, in line with the *MSCI PIMFA Private Investors Balanced Index*).

Assuming flat markets for the balance of FY26 (noting there is always the chance of market falls pegging back AUM), we upgrade FY26 forecasts as follows (page 4): AUM £22.4bn (previously £21.1bn - excluding c. £1.2bn AUI from 50%-owned 8AM Global); revenue: £51.6m (£50.6m); adjusted operating profit £26.3m (£25.6m); PBT: £25.0m (£24.3m).

Note that our previous and new end-FY26 AUM forecasts allow for the loss of the *Perspective Financial Group* mandate from Jan 26. This pending AUM loss was flagged from Oct 25. Perspective is a low-fee-margin account, making up c. 14% of AUM (£3.5bn) but only c. 2.4% of group revenue.

Solid half-year for Paradigm

Paradigm, the IFA support services business (c. 14% of group revenue), saw mortgage member firms increase to 1,960 (from 1,915 on 31 Mar 25), with mortgage completions at £8.3bn, on a solid growth trajectory (H2-25: £7.5bn; H1-25: £6.6bn). Tatton has however flagged that completions were skewed towards lower margin product transfers rather than new mortgages or buy-to-let completions. Paradigm Consulting member firms grew from 425 to 426.

Growth prospects remain strong, valuation ticks up

Growth is underpinned by market and Tatton-specific factors: savers and investors keep contributing to investment/ retirement pots; an ageing population demands more advice with more 'adviser-led' investments (Tatton's channel); and **advisers continue to outsource investment management**.

Moreover, Tatton has a superior offering in Model Portfolio Services (see page 2), which advisers commonly use. It grows AUM by adding new IFA clients (+5.4% over H1 to 1,170) and by increasing average-AUM-per-client-firm (capturing a higher share of wallet).

On revised forecasts, our fundamental valuation ticks up from 735p per share to 750p.

Company data

EPIC	TAM.L
Price (last close)	720p
52 weeks Hi/Lo	752p/550p
Market cap	£439m
ED Fair Value / share	750p
Net cash** 2025A	£32m
Avg. daily volume (3m)	120k

Share price, p



Source: Investing.com

Description

Tatton Asset Management was founded in 2007 and serves smaller, UK-based Independent Financial Advisers via two business units:

Tatton Investment Management: discretionary fund management delivered via WRAP (investment) platforms (c86% of group revenue).

Paradigm: regulatory & compliance consulting & outsourcing, mortgage & protection insurance aggregation (c14% of group revenue).

AUI 30 Sep 25: £25.8bn

Next event

Interim results - 18 November 2025

Paul Bryant (Analyst)

0207 065 2690
paul.bryant@equitydevelopment.co.uk

Hannah Crowe

0207 065 2691
hannah@equitydevelopment.co.uk

Key financials & valuation metrics

Year to 30 Sep (£m)	FY23A	FY24A	FY25A	FY26E	FY27E
AUM end-period* (£bn)	12.7	16.6	20.9	22.4	26.1
Revenue	32.3	36.8	45.3	51.6	57.9
Adjusted operating profit	16.4	18.5	22.9	26.3	30.1
PBT	16.0	16.8	21.6	25.0	28.9
EPS basic (p)	22.4	21.4	26.4	30.3	34.4
EPS adjusted & diluted (p)	20.6	22.9	28.7	32.0	36.1
Net cash**	26.5	24.8	32.1	40.1	49.9
P/E	32.1	33.7	27.2	23.8	20.9
DPS (p)	14.5	16.0	19.0	21.2	23.8
Dividend yield	2.0%	2.2%	2.6%	2.9%	3.3%

Source: Company data, Equity Development, priced at 13/10/25 *Excludes c£1.2bn of 'Assets under Influence' (AUI) from 50%-owned 8AM Global (stake acquired in Aug 22 i.e. in FY23). **ex leases.

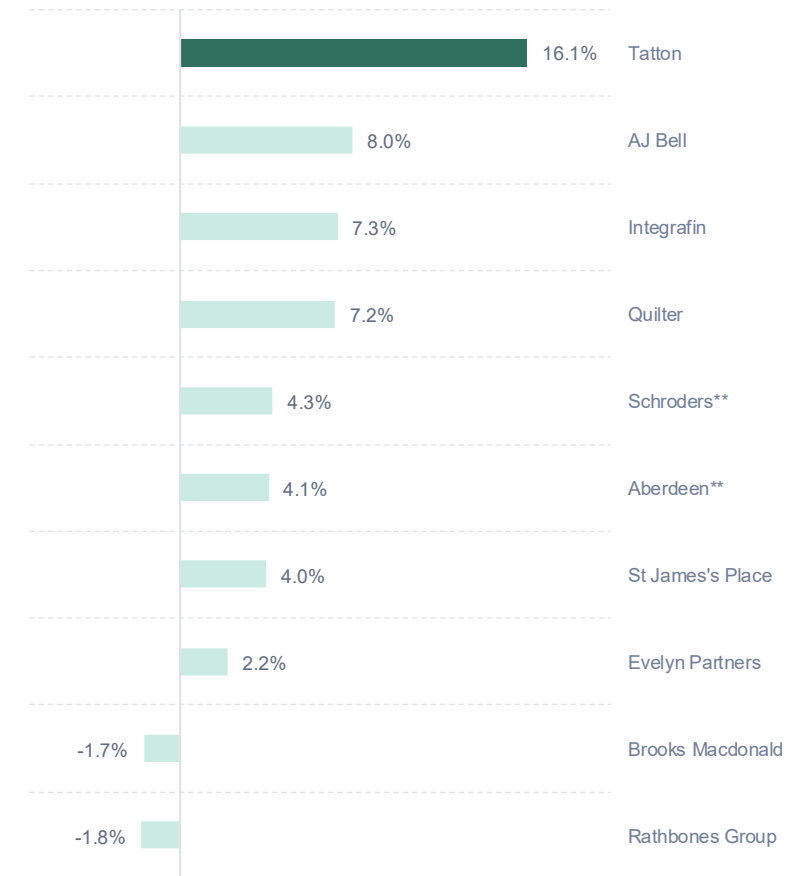
Tatton continues to attract AUM at a rate far higher than peers

Net flows strong, sustained, driven by superior model and execution

- Tatton continues to attract AUM at a rate far higher than peers (16.1% annualised net flow rate in H1-26: Apr 25 – Sep 25). While others have not yet reported updates for the period to 30 Sep 25, in the 6-months ending 30 Jun 25, the next highest net flow rate was less than half of Tatton's at 8.0% with the peer group median net flow rate just 4.2%.
- This continues Tatton's net flow rate outperformance of the last few years (see our previous note covering Tatton's FY25 for full details of this analysis: [Strong growth drives profit +24%, dividend +19%](#)).
- In H1-26 average monthly net flows were £281m, above the previously guided range for FY26 of £200-£250m per month but down on FY25's £307m, which Tatton previously flagged as an elevated level which would not be sustained into FY26.
- We can only repeat what we have said before: *"our key takeaway from Tatton's hugely impressive last few years is that it has designed and implemented a superior offering in platform-MPS, with net flows consistently far higher than peers."* It has **focused on consistent investment performance (built over 12 years), exceptional service, and low fees.**
- Indeed, in a recent analysis entitled: [Tatton's MPS assets are surging - does it deliver performance to match?](#), Citywire Wealth Manager found: *"Compared to both its peers and its benchmarks, Tatton has delivered strong performance. Over every time period that features in our analysis, Tatton has beaten the average return of rivals by a considerable margin."*

Net flows as % of opening AUM, latest available 6 months (annualised)

UK-listed wealth managers/investment managers/platforms*
(1 Mar 25 - 30 Sep 25 for Tatton; all others 1 Jan 25 - 30 Jun 25)

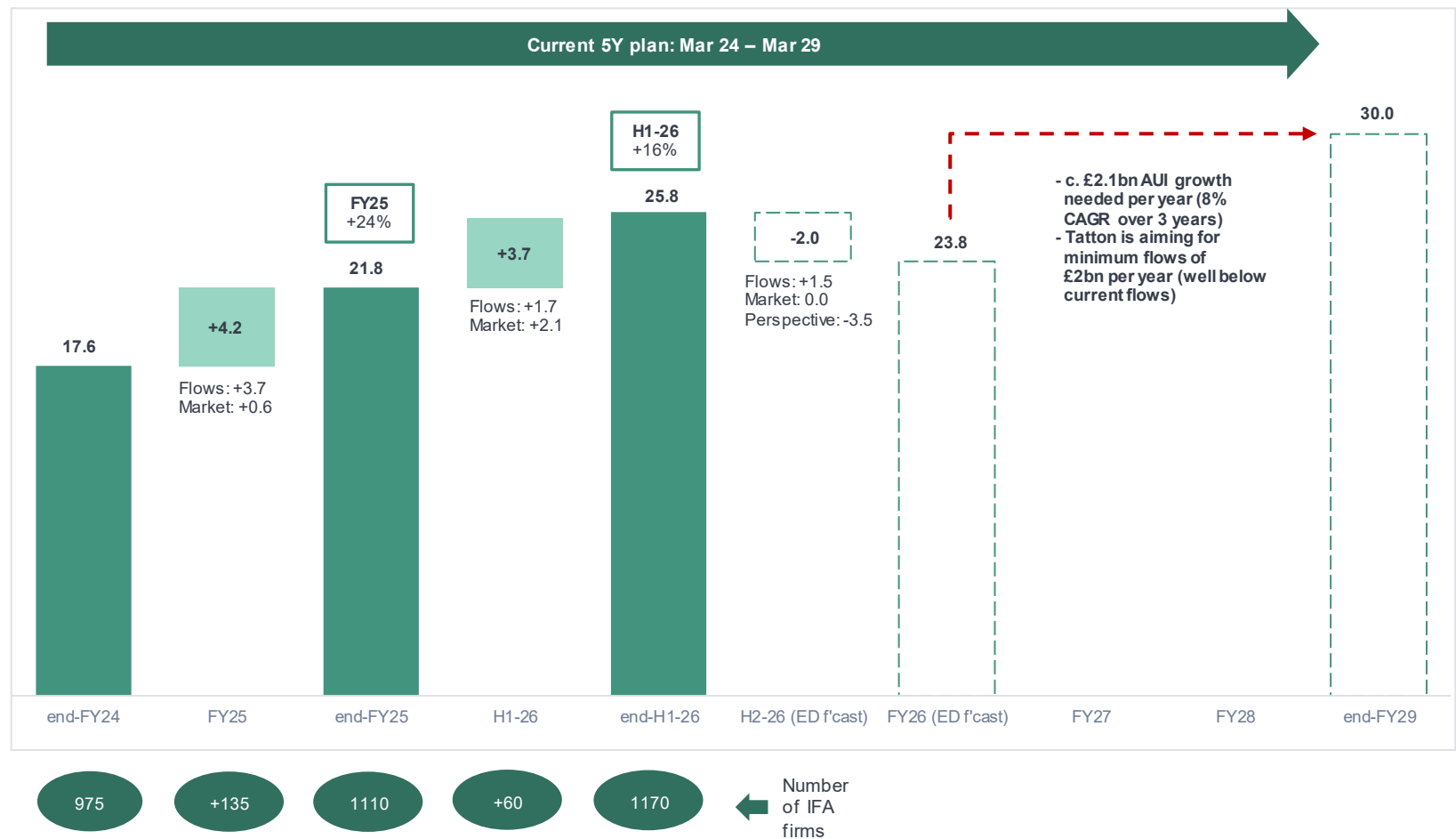


Source: company reports, ED analysis. *Peer group includes companies which typically house portfolios for individual investors. It does not include 'pure play' asset managers which typically run individual funds making up only a part of an investor's portfolio – these have different net flow characteristics. Evelyn Partners is not publicly listed but is a large player and publishes this data, therefore included as a useful peer comparator. **Wealth management business units only (Schroders: 'wealth management', Aberdeen: 'adviser + interactive investor').

Ahead of trajectory on medium-term AUI target (despite loss of Perspective account)

In Jun 24 Tatton set a new five-year target of reaching £30bn AUI by end-FY29 (31 Mar 29), requiring adding c. £2.5bn per year on average, an 11% CAGR. Even after we account for the £3.5bn Perspective AUM loss, we estimate Tatton will need to add c. £2.1bn per year from end-FY26, which is well below recent growth achievements.

AUM/AUI development over current medium-term growth plan, £bn



Source: company reports, ED analysis.

Updated forecasts

- We update forecasts due to AUM running ahead of our projected growth path.
- We will further refine forecasts in November, when we will get more granularity on Tatton's H1-26 results.

Performance v forecast and Forecast changes

Year to 30 Sep (£m)	FY26E	FY26E	Change	FY27E	FY27E	
	New	Old	forecast	New	Old	Change
AUM end-period (£bn)	22.4	21.1	6%	26.1	24.7	6%
Revenue	51.6	50.6	2%	57.9	55.2	5%
Adjusted operating profit	26.3	25.6	3%	30.1	27.7	9%
Adjusted operating profit margin	50.9%	50.6%	1%	52.0%	50.2%	4%
PBT	25.0	24.3	3%	28.9	26.5	9%
EPS basic (p)	30.3	29.4	3%	34.4	31.5	9%
EPS adjusted & diluted (p)	32.0	31.2	3%	36.1	33.2	9%
Net cash	40.1	39.7	1%	49.9	48.2	3%
P/E	23.8	24.5		20.9	22.9	
DPS (p)	21.2	20.7	2%	23.8	22.0	8%
Dividend yield	2.9%	2.9%		3.3%	3.1%	

Source: Equity Development, Priced at 13/10/2025

Contacts

Andy Edmond

Direct: 020 7065 2691

Tel: 020 7065 2690

andy@equitydevelopment.co.uk

Hannah Crowe

Direct: 0207 065 2692

Tel: 0207 065 2690

hannah@equitydevelopment.co.uk

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Contact: info@equitydevelopment.co.uk | 020 7065 2690