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True Potential LLP is registered in England & Wales
as a Limited Liability Partnership No. OC380771.

true potential LLP®
Do more with your money.

Annual Report



Chief Executive's Update

Writing this year's foreword has proven to be a bittersweet task. Bitter, because one cannot reflect on 2020 without referencing the COVID-19 pandemic and the harm it has caused, but sweet, because 2020 was by far and away our most successful year in business.



59% growth
In EBITDA for the year, up to £74 million

£12.5 billion
invested in True Potential funds

£4.2 billion
of new client money

Whilst never wishing for a pandemic, it has perversely proven that the True Potential model and our diversified approach is the right way to run a financial services business. Whilst others in our industry have floundered, we have thrived in 2020.

Our 'Hybrid Advice' model, combining the expertise of a financial adviser with our client-led technology, resulted in increased contact, improved service and industry reach like never before.

And the results have been impressively effective.

£4.2 billion of new client money was invested onto the True Potential Platform, a 62% increase. As of writing, we administer £14.5 billion of client money, and invest and manage £12.5 billion of this in True Potential funds.

This growth in sales has ensured an equally strong growth in turnover and profit. Our turnover jumped £40 million to £184.9 million and our EBITDA grew by 59% to £74 million.

Our diversified and active approach to investing meant that all our True Potential Portfolios increased in value in 2020. COVID-19 introduced record amounts of volatility in 2020 - with some dramatic decreases and some equally dramatic increases being a regular theme.

Through being actively diversified across a range of investment strategies, asset types, currencies and regions, our best performing Aggressive Portfolio grew by 3.81%.

Our strong financial foundations and excellent results over the year have enabled us to continue to invest back into the firm to further improve our proposition.

Our approach to agile working and innovation has been a great example of this.

All staff have been at full working capacity since the first lockdown in March and have done a remarkable job working from home, with a smaller team maintaining a physical presence from Head Office to complete physical tasks.

When regulations have allowed, we have been able to reintroduce the teams back into the office at various times throughout the year - something that is essential when it comes to working together as a team and being able to socialise in person.

This has meant that all of our service commitments have been met throughout 2020 to all of our clients and we have been able to offer support and commitment at all times.

This has been recognised throughout the industry - we received:

- Public Vote Champions at the City of London Wealth Management Awards 2020.
- True Potential Adviser Services have been awarded 5 stars in the Back Office and Support Services category at the Financial Adviser Service Awards 2020.
- The Platform Operations Team were awarded the joint highest score from Defaqto.
- True Potential finished top of the Next Wealth Platform Leader Board and we've been named as a 'Digital Process Champion'.

I would like to take this opportunity to formally thank the team for all of their hard work and commitment exhibited during 2020; something that has been maintained since the beginning of this year.

Our 'Hybrid Advice' model, combining the expertise of a financial adviser with our client-led technology, resulted in increased contact, improved service and industry reach like never before.

The innovation that comes from our approach to development has also reaped rewards. Faced with the potential operational and health issues that come from paper forms, the team designed and implemented a radical new way to help deal with client wishes, called Digital Direct Offer. This fully paperless process processed more than £1 billion of all group business last year.

An older innovation, but still an exclusive to our group, impulseSave®, saw clients save £97 million through their online accounts and mobile applications.

2020 also saw us overhaul and release our core technology. Named VNext, this platform is an all-in-one solution for clients, advisers and anyone else using True Potential. Its sound operating principle of one set of data means that we have the most scalable and fit-for-purpose system in UK financial services – used by thousands of individuals daily and hosting billions of pounds of client assets under management.

Those technologies referenced above are just three examples of our commitment to making the investment journey as integrated as possible, resulting in a better experience and better value investing for all and saw us acknowledged as Digital Process Champion by NextWealth.

This approach to technology has also allowed us to massively increase our overall communications and interactions. Our clients logged in to their accounts almost 4 million times – looking at valuations, setting goals, topping up and getting in touch with us or their financial adviser.

We handled more than 140,000 phone calls and 87,438 emails and made sure that we were there to reassure all of our investors when markets were volatile. COVID-19 also accelerated the willingness of clients to use video calls – we helped clients ‘face-to-face’ more than 3,000 times and this is a figure that will only continue to grow.

We also ensured that we played our part as an educator, to help reassure our clients that we were there and to provide vital, fact-based information. We did this by sharing 43 weekly email updates, 4 editions of our flagship True Insight magazine and through regular videos. Our 250+ daily ‘Morning Markets’ videos and 50 weekly ‘Do More With Your Money’ podcast episodes helped contribute to almost half a million views in 2020.

Writing this in February 2021, I am full of optimism for the year ahead. The business has just enjoyed its most profitable month to date and third best on record for new investments. There is hope that the UK vaccination program will allow us to truly break free of this terrible virus – which can only lead to good times ahead for us all.

Thank you to everyone who trusts True Potential with their investments and who worked with us in such strong partnership in 2020. It is a privilege to lead this firm and your backing is hugely appreciated by us all.



Daniel

Our VNext platform has the most scalable fit-for-purpose system in the UK financial services, hosting billions of pounds of client assets.

£97 Million saved by clients through their online accounts

£4 Billion worth of business in the group was fully paperless

Foreword from the Chairman

A rising tide floats all ships is a metaphor for the way strong markets make all firms look good, but it can fool those who only look at surface level statements and opinions, not real facts and results over time. The opposite is also true.



Those who do well and excel when conditions are against them are rare and are what the author Nassim Taleb labelled anti-fragile. They aren't just resilient, or robust, they actually improve when put under the same stressful situations that kill off scores of firms, and cause economies to re-set.

2020 was a year that tested countries, not just firms throughout the world. Many hysterical media commentators, exaggerating even more than normal, liberally overusing words like unprecedented, would have us believe that it was the end of the world, as we know it.

It isn't, but 2020 certainly had some features: Brexit; Covid; Trump/USA; Stock Market crash. They challenged the status quo, in the short term, but here are some quick facts.

The levels of business carried out increased tremendously, as did our ability to help our clients manage using our in-house technology, via their own True Potential apps.

COVID

22.1 million people travelled through Heathrow airport last year, **down 58.8 million** on the previous 12 months.

We had been told it could take **several years** to find a vaccine, it took **several weeks**, there are now several, some of which the EU have finally approved.

UK internet sales were **36%** of total retail sales at the end of 2020 - up from **21%** a year earlier and having averaged 19% over the previous decade.

Energy consumption in the UK is down by **13%** compared to 2019¹

98% of all Covid deaths occurred in those who were 70 years old and above. All of this age group, **approximately 22%** of the entire UK population, has now been vaccinated. 22% helps safeguard 98%, an extreme example of the 80/20 rule.

1. <https://bit.ly/3jVnCo2>

BREXIT

Agreements with Japan and India have been reached

£900bn

of trade deals
have already
been signed
outside of EU

Britain is back up to **5th**
largest economy in the world

Minimum **10 freeports**
to open, starting this year

GREEN ENERGY

China alone produced
28% and was responsible
for almost two-thirds of
the growth in emissions
since 2000¹

In 2019, total UK
greenhouse gas
emissions were
45.2% lower than
in 1990 and 3.6%
lower than 2018.

The UK accounted for **1%** of global emissions

In **2019**, wind and solar between them supplied
just **1.5%** of the world's energy consumption.
94% – came from burning coal, oil, gas, wood,
and biofuels²

WEALTH

Britons saved
£250bn during
Covid lockdown,
according to the
Bank of England.

Median
household net
wealth in Great
Britain has
increased by **9%**
to **£286,600**,
after adjusting
for inflation

In the last 20
years the amount
of people living
in the world in
extreme poverty
has halved (Ipsos
from Factfulness)

Our sales, turnover and profits are all up by a large margin – continue reading to find out by how much. As a company we have come through several years that commentators all labelled as cataclysmic, and yet in each of those years we have posted exceptional figures. We are a strategic company, we aim to hit objectives over the long term, whilst taking advantage of short-term shocks.

For me, 2020 was exceptional in the way many who should have known better, acted in a panicky and hysterical fashion, and tested the limits of our democracy. Many took advantage of a media hungry for even more hysteria to push their own private agendas on a range of issues unrelated to the serious medical one, and I believe the reaction to that has yet to be seen.

We worked throughout the year, we put no-one on furlough, our people volunteered to come into the offices as needed to handle client specific correspondence.

My thanks to every one of them – no complaints, no asking for medals, no weeping on cue on camera, just great people (the UK has loads of them) helping each other and our clients, as per normal.

I will leave you with that same author's caption on the front of his totemic book Antifragile: Tough times don't last, tough people do.



David

1. <https://bit.ly/2NAGnkq> 2. <https://bit.ly/3asJ8xI>

The Numbers

2020 was a record breaking year for True Potential, with our Hybrid Advice model driving turnover and EBITDA to new highs.

Group turnover for 2020

£184.9
MILLION

Group EBITDA for 2020

£74
MILLION

The Numbers

Thanks to our focus on innovation and diversification, we saw more impressive figures across the True Potential group.

**3.6
MILLION**

Client logins through
website and app

**£12.5
BILLION**

In True Potential
Funds in 2020

**£97
MILLION**

Total value of impulseSave
transactions this year

**£177
MILLION**

Total value of all direct
debits handled in 2021

**£4.2
BILLION**

Assets under management
added in 2020

33%

Increase in assets under
management compared
to previous year

137,889

Phone calls, emails, live chats, video
chats and secure messages

Personal Financial Advice

We're privileged to work with 20% of UK financial advisers and their clients, meaning we can have a real impact on the way people in this country save and invest their money. It's a responsibility that we don't take lightly in any year, but never more so than 2020.

We believe in Hybrid Advice, blending innovative technology with expert financial advice. This offers clients the access and support they need 24/7, whilst ensuring they have an adviser to speak to whenever needed.

True Potential Wealth Management pioneered this approach and it's proven incredibly popular. In 2020, 220 new advisers joined us, taking the firm to 700 advisers - one of the largest in the UK.

93,000 clients now benefit from Hybrid Advice, ensuring they have constant access to their investments and can speak to a highly qualified adviser if they need to review or adapt their financial plan.

Through True Potential Adviser Services, we also work with 682 directly authorised firms and 3,400 financial advisers, representing 1 million clients who also have access to Hybrid Advice.

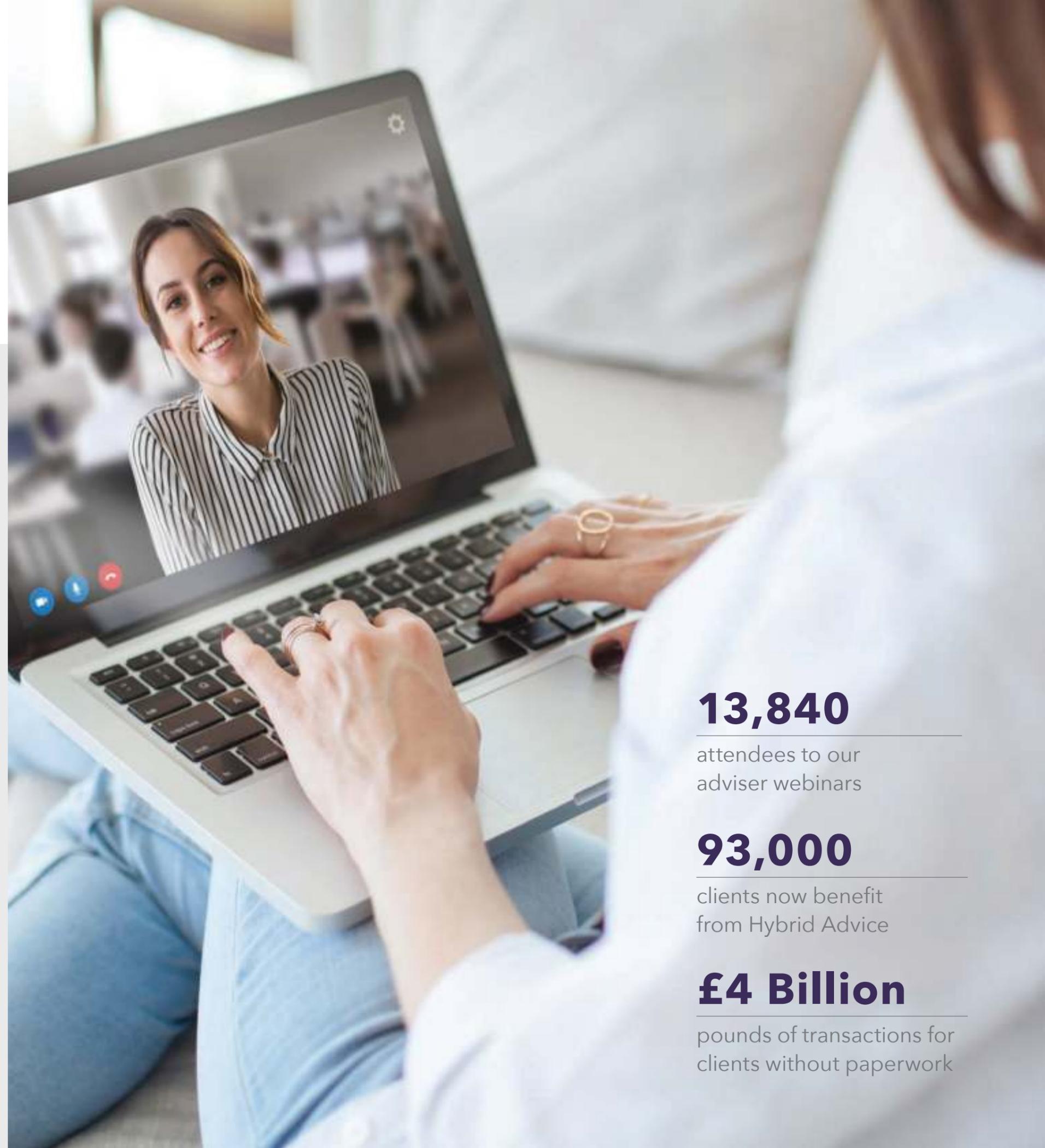
This blended approach enabled us to adapt at speed to the challenges of 2020. Our advisers moved seamlessly from in-person to remote meetings, meaning no client had to wait to get the advice they needed. In fact, thanks to the efficiency of video calls, we increased the number of client meetings over the same period last year.

Thanks to our digital approach to advice, we saw no delays or interruptions to client investments either. With 95% of our processes online, we handled over £4 billion pounds of transactions for clients without paperwork.

Alongside our operational changes, we also took the opportunity to increase and improve our client communications.

We welcomed 13,840 attendees to our adviser webinars, keeping our advisers up to date with the industry and new ways of working. We also held two remote adviser conferences, both with 1,000 attendees.

For clients and advisers, we launched our Do More With Your Money podcast. This weekly show covers a wide range of topics suggested by investors, including investment and market discussions, political and economic news as well as personal finance tips and the latest from True Potential.



13,840

attendees to our adviser webinars

93,000

clients now benefit from Hybrid Advice

£4 Billion

pounds of transactions for clients without paperwork

Investment Management



This year we celebrated the fifth anniversary of our True Potential Portfolios by hitting several significant milestones. We reached £12.5 billion in True Potential Funds, our Aggressive Portfolio surpassed 59% growth since launch and we now have 90,000 individual clients invested in a True Potential Portfolio.

The success of the Portfolios is thanks to our focus on maximising growth, minimising risk and driving down the cost of ownership. We achieve these outcomes for clients through a strategy we

call Advanced Diversification - blending tried-and-test multi-asset strategies from a range of world-class fund managers.

Our approach gives us access to 9,000 experts in 200 locations around the world. This unrivalled range of expertise enables us to put clients in what we believe is the best position for the future.

We've always believed our investment philosophy allows us to adapt to any market conditions and 2020 was testament to that. Using the insight of our

fund managers, we reviewed and rebalanced Portfolios and have continued to do so as national lockdowns around the world have impacted the economy and people's money.

Our in-house investment analysts constantly monitor performance, asset allocation and risk ratings to ensure our Portfolios remain aligned to our goals and those of our clients. As we entered various stages of lockdown in the UK, we took our daily meetings online so that we didn't miss a single day of analysis.

In addition, to help our clients better understand the unusual events of the year and cut through the noise we launched Morning Markets. This daily video breaks down the biggest investment story of the moment in just a few minutes and explains what it means in real terms for our clients' money.

£12.5 Billion

in True Potential Funds

Investment Performance

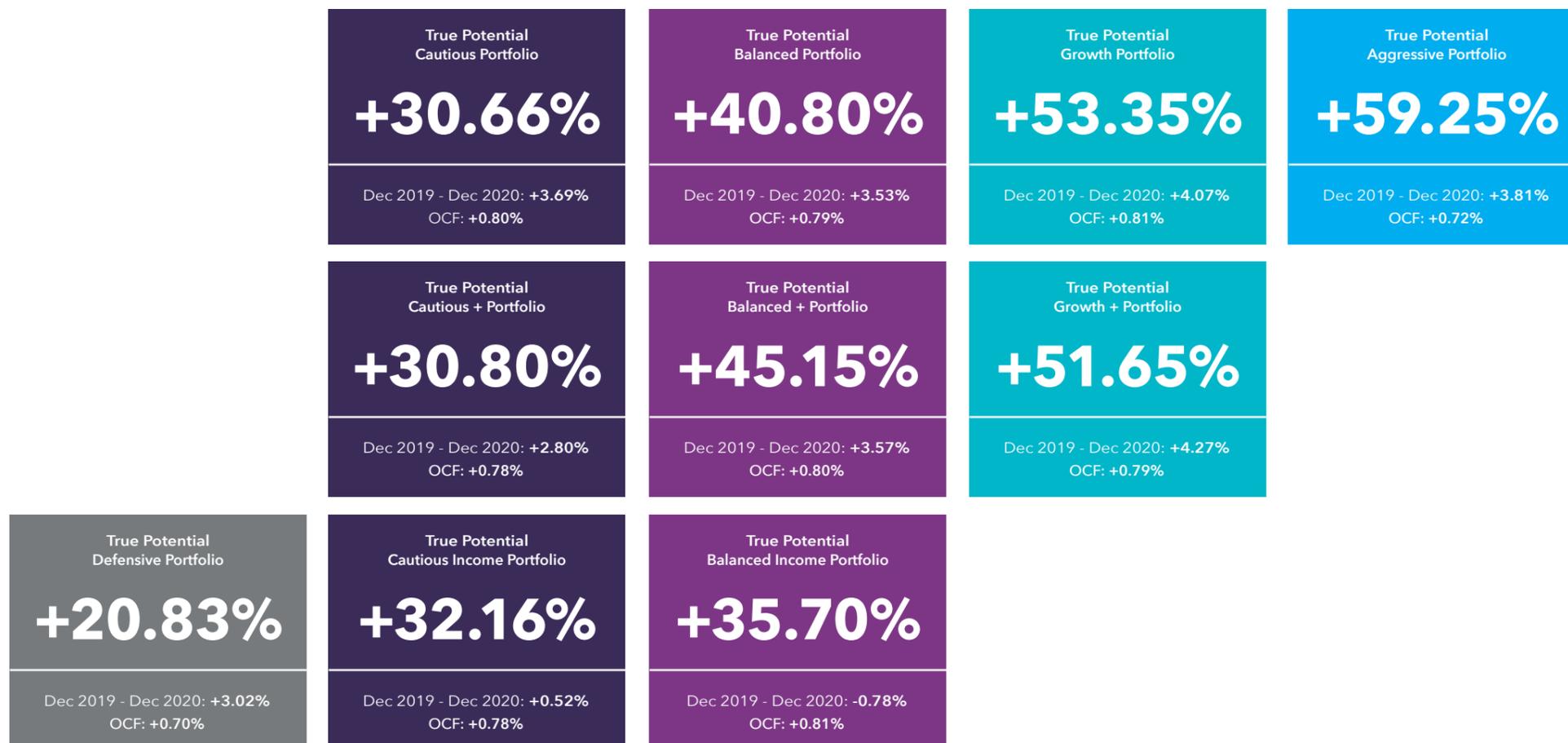
Our True Potential Portfolios are a suite of fully-diversified, discretionary-managed investment solutions. With wide exposure to world-class investment managers, as well as diversifying their investment by asset class and geographic region, our clients benefit from having more potential to grow their money and manage volatility, all in one Portfolio.

And, as we're committed to helping our clients reach their financial goals, we continually monitor our Portfolios to make sure they perform as expected and remain within the chosen risk profile.

We also rebalance for the future, rather than the past, taking an active approach to allocating your money where we see the greatest potential for growth.

We call this strategy 'Advanced Diversification'.

The results on the next page show the performance of each Portfolio since we launched them in October 2015.



Innovative Technology

With over 3.6 million logins in 2020, our clients had unrivalled access to their investments in what's been one of the most volatile years in recent memory. For the vast majority, this was the reassurance they needed to weather the stormy days and make the most of the recovery. Those who wanted more could launch a chat directly from their account and speak to our staff in seconds.

Working remotely didn't slow our drive for innovation as we grew our development team and released a range of new features. Clients received an updated app, offering faster response times and greater stability, as well as a vital upgrade in April that introduced real-time valuations so that clients can now see investment performance to the minute.

In April, we released a new online transfer process, taking us to 95% paperless processes, which has now handled over £1 billion of transactions. The following month we launched our online drawdown system, empowering clients to manage their Pension withdrawals in just a few clicks. Since May, 2,783 clients have accessed their money this way, with no paperwork. Our industry-first online annual review system, now in its second year processed a record 158,622 reviews for clients.

Later in the year, we began a phased roll out of True Potential Rewards. This latest innovation aims to help clients find new ways to reach their goals, by providing money back offers from over 500 popular retailers. With just a click of the app, the rewards are recorded and can be automatically invested into a clients Pension or ISA. It's no surprise that our most popular offer this year has been Just Eat, with clients turning takeaways into top ups.

For our financial advisers, we launched our most ambitious upgrade to our Back Office system to date. Rebuilt from the ground up by our developers, VNext takes everything we've learned from 14 years servicing advisers to bring their entire business into a single system. Seamlessly integrated with our True Potential Platform, vNext makes running a business, staying compliant and servicing clients more straightforward than ever - freeing up advisers to spend their time finding new clients and advising their existing ones.

Since launch 682 firms, 3,400 advisers and 12,000 support staff have used vNext, recording a total of 229,080,124 pageviews in 2020. Despite its complexity behind the scenes, the average screen loading time for an adviser is just 1.3 seconds.

Our technology drew a huge level of industry praise this year, including topping NextWealth's leaderboard and being named a 'Digital Process Champion' as well as recording the highest ever score from the lang cat as they reviewed the industry's response to the pandemic.

To help our clients make the most of their accounts and the latest upgrades available to them, we launched our Investor Academy. This short online video course, delivered by email when a client joins us, helped thousands of viewers do more with their money.

1 Million

clients can now access their money in just a few clicks

158,622

annual reviews processed online





Dedicated Support

With over a million clients and 3,400 financial advisers relying on us, we've been delivering award-winning support for over a decade. In 2020, being available to assist our clients and advisers whenever and however they needed became more important than ever.

While our Hybrid Advice model means that our clients have all the information they need about their investments in the palms of their hands, we know how vital it is to be accessible when a question arises. The same is true for financial advisers, whose businesses depend on us delivering a technology-led service backed up by reliable support.

We know how important it is that clients and advisers can contact us in a way that suits their lifestyle and preferences. That's why we're available through a range of easy-to-use channels and will continue to expand our service to meet changing demands.

We can be contacted by:

- Video call - for face-to-face conversations
- Phone call - to talk through any questions
- Live chat - for help and support on-the-go
- Email - when an instant response isn't needed

Thanks to our in-house technology and digital approach, our support teams made a seamless overnight transition to remote working. By 8am the morning after lockdown, we were taking calls, live chats and messages without missing a single client or adviser query.

After settling into this new way of working, we were able to reduce call waiting times first to an average of just 20 seconds, then further to 13 seconds. It's this dedication to improvement that saw our support service rated 5 stars by the Financial Times Service Awards.

Since the beginning of the year, we've handled 145,718 phone calls, 14,819 live chats, 3,120 video calls, 147,757 pipeline messages, 8,527 secure messages and 87,438 emails from clients and advisers. In March, as markets reacted to global lockdowns and an advancing pandemic, we dealt with a record 8,767 incoming support queries. In response, we began trialling extended opening hours which we've since adopted long-term to give our clients more opportunities to contact us.

As we spoke to clients throughout the year, we began to deal with a broader range of financial matters and took the step of launching a new video series, Master Your Money. This weekly show deals with the personal finance questions we receive, such as retirement planning, the state pension and getting started with ISAs. The episodes aim to help clients improve their financial education and start doing more with their money.

Over 1 million
clients and growing.

5 Star rating
by the Financial Times

Live chat
for support on-the-go

Giving Back

In a year when supporting our clients and financial advisers has been more important than ever, we've also focussed on expanding the ways we help the wider community around us. We're delighted to have raised over £300,000 for a range of charities, as well as provided support for some of the most vulnerable during the COVID-19 pandemic.

As the first national lockdown began in March, we identified potentially vulnerable clients and began a programme of enhanced contact with them.

The response was fantastic, with both clients and our customer care team enjoying the opportunity to talk to each other about their wellbeing, personal finances and anything else on their mind.

We followed up with clients who wanted to stay in touch and arranged the delivery of 14,000 hampers from a local North East deli to clients living alone or who had trouble shopping.

At the same time, our Chairman David Harrison launched the Unisolated group on Facebook which grew to 10,000 members, all using it to keep in touch and make new friends. Using his personal experiences of being in lockdown from the early days, David posted live videos, hosted quizzes and shared his tips for staying positive through the pandemic.

We also launched the C-19 Business Pledge, which created a network of employers around the country dedicated to responding to the pandemic. In just a few months the Pledge grew to cover 3 million employees.

The C-19 Business Pledge followed the success of our ongoing Social Mobility Pledge, founded by David Harrison and Rt Hon Justine Greening, which now covers 7 million people.

The 500 organisations signed up to the Pledge are all committed to creating better opportunities, even more so throughout the recovery phase of the pandemic.

Within True Potential, our staff and advisers proved their generosity throughout the year with an incredible £300,000 raised for a range of charities that support disadvantaged and vulnerable people in the UK.



Although we had to get creative with our activities, we managed to complete the Great North Run in our Head Office carpark as well as host a virtual sports day with challenges for staff.

Our business model, technology focus and, most of all, the dedication of our staff and advisers has produced a record year for True Potential. We believe our success also brings a responsibility to give back to those that need help, even more so in challenging times. After a record year for giving, we're looking forward to helping people do even more in 2021.

£300,000 Raised

for a range of charities, as well as provided support for some of the most vulnerable during the COVID-19 pandemic.



Our Awards

Over the years, we are proud that our mission to do more for our clients has been recognised with multiple industry awards.

2020 has been yet another successful year for us at True Potential, starting off in March when we were named Public Vote Champions at the City of London Wealth Management Awards 2020.

In November our Adviser Services team were also awarded 5 stars in the Back Office and Support Services category at the Financial Adviser Service Awards 2020. We are extremely proud to share that we provided the best adviser support in the industry.

Lastly another great achievement is that in November True Potential finished top of the Next Wealth Platform Leader Board and we've been named as a 'Digital Process Champion'.

While it's great to see our awards cabinet full, the recognition we value most of all is from our advisers and clients. With 20% of the advice industry using us and over 1 million clients benefitting from our services, the numbers speak for themselves.

We're looking forward to making 2021 the year we help investors all around the UK do more with their money.



NEXTWEALTH

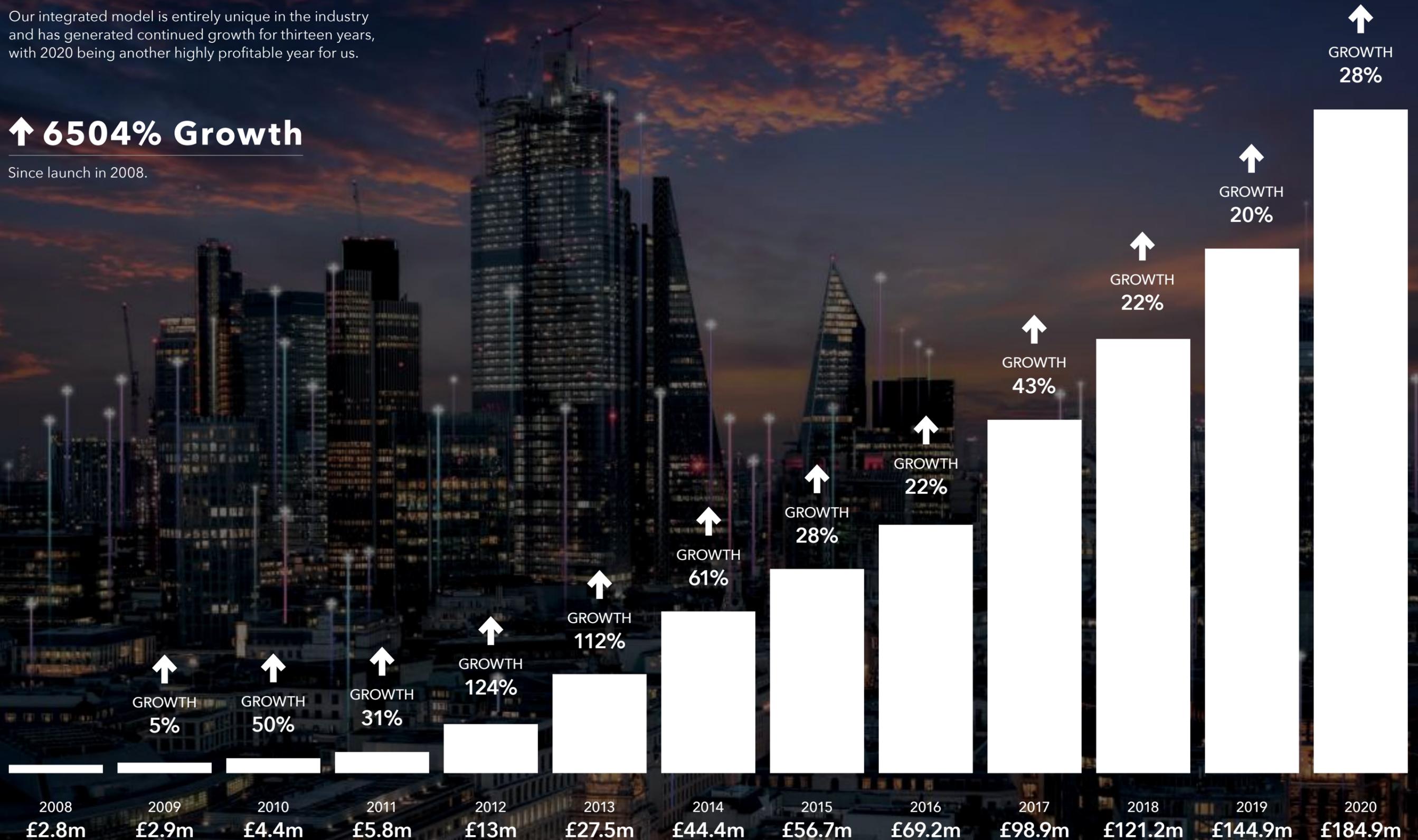


Group Turnover

Our integrated model is entirely unique in the industry and has generated continued growth for thirteen years, with 2020 being another highly profitable year for us.

↑ 6504% Growth

Since launch in 2008.



Group EBITDA

Our diverse income streams create a predictable and sustainable recurring income for the group.

↑ 5264% Growth

Since launch in 2008.



The Future

2020 will be remembered around the world for many reasons, both positive and negative. We've all been impacted by COVID-19, some of us in life-changing ways. At the same time, we have a collective experience and togetherness that has helped us survive and allows us to begin to look forward.

The world has changed forever. 2021 will not be the year we predicted 12 months ago, but within those changes are advances that help all of us do more. From the achievements of scientists developing a vaccine in record time to simply learning how to keep in touch with friends and family remotely, tough times create opportunities for all of us.

Our clients and advisers can now manage their money and businesses entirely online, through paperless processes that have arrived years earlier than they would have.

Our apps and online accounts are on course for a major upgrade, recognising their growing importance in people's lives.

And, with open banking, personal finance tools, online transfers and money-back rewards, True Potential is set to be the home for people to view their entire financial lives in one place.

These upgrades, alongside our expert financial advice and dedicated support teams are the key to helping people across the UK do more with their money.

We won't ever stop innovating, no matter what is happening in the world around us. We believe that having control of your money makes life better, whether it's building up an emergency fund to get through the hard times or having the opportunity to retire on your own terms.

It's been a difficult year for all of us, but we've been privileged to work with the best clients, financial advisers and staff in the industry.

As we have been saying all year at True Potential; tough times don't last, tough people do.