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PLATFORM SECTOR
Aberdeen Elevate

FINANCIAL STRENGTH ASSESSMENT

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

AKG



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.



TABLE OF CONTENTS

Rating & Assessment Commentary.....	3
Ratings.....	3
Summary.....	3
Commentary.....	4
Group & Parental Context.....	7
Background.....	7
Group Structure (simplified).....	8
Company Analysis: Elevate Portfolio Services Ltd.....	9
Basic Information.....	9
Operations.....	10
Strategy.....	13
Key Company Financial Data.....	14
Guide.....	17
Introduction.....	17
Rating Definitions.....	17
About AKG.....	19



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Rating & Assessment Commentary



RATINGS

Overall Financial Strength



Supporting Ratings

	Service	Image & Strategy	Business Performance
Elevate Portfolio Services Ltd	★★★★	★★★★	★★★★



SUMMARY

- Elevate Portfolio Services Ltd (EPSL) provides the Elevate platform and is part of the Aberdeen Group plc (Aberdeen) which has a longstanding track record of activity and support for the UK intermediated sector
- Aberdeen has evolved into an asset management, platform and wealth management group, with its platform propositions core to the business and as at 31 December 2024 reported 4,619 employees and AuMA of £511.4bn
- The group has three growth businesses: Adviser - the Aberdeen platforms (Wrap and Elevate) and the MPS business; Investments - asset management; and Interactive Investor (ii) - a direct-to-consumer platform
- Following the acquisition of ii in 2022 there has been only minor refinement to the shape of the group with the sale of abrdn Capital Ltd (excluding Managed Portfolio Solutions (MPS)) to LGT Wealth Management in 2023, and threesixty services to Fintel plc in 2024
- Outsourcing arrangements with FNZ continue to play a pivotal role in supporting the growth ambitions of the Adviser business; although the business is building up its digital product, data and engineering capabilities to accelerate in-house digital product developments in areas of differentiation for Advisers in efficiency, integration and experience alongside platform enhancement with FNZ
- The Adviser business is focused on an Adviser Experience Programme to meet the demands and expectations of advisers, and to position itself at the forefront of the sector
- Through 2024, EPSL's parent, SLSL, was focussed on progressing the Aberdeen SIPP onto the Wrap platform, which will replace the previous Standard Life Wrap SIPP with the aim of making this available to new customers in H2 2025
- Aberdeen Adviser saw a net outflow of £3.9bn [2023: £2.1bn] during the year, although overall platform AuA rose from £70.9bn to £72.4bn driven by positive market movements and the business reports a reduction in year-on-year outflows
- During 2024, Aberdeen made key organisational changes and appointments within the Adviser segment through the recruitment of a new Chief Distribution Officer (CDO), Chief Product & Technology Officer (CPTO) and a Chief Financial Officer (CFO)



COMMENTARY

Financial Strength Ratings

Elevate Portfolio Services Ltd

The financial strength of the Adviser platform operation is closely linked to that of the wider group (Aberdeen and its subsidiaries, see Group Structure, page 8) for which it provides a strategically important integrated component. The group commitment to continue investing in the platform business remains firmly in line with its stated ambitions for the Adviser business stream to become the UK's "leading provider of advisory business services", and with an overarching stated focus on experience, for the platforms to become the easiest business for wealth managers and advisers to deal with.

The advised platform propositions remain key to the group in accessing the intermediary market and providing a consistent and predictable revenue stream in the Adviser business channel to complement (or offset) the performance of the Investment and ii business areas. The transformation and integration of the platform propositions continues against a difficult set of market factors, but with progress being made towards targeted levels of scale and efficiencies.

Aberdeen retains a stake in Phoenix Group Holdings plc (PGH, Phoenix). The relationship with Phoenix continues to evolve, with Phoenix having acquired the Standard Life brand. A shareholding of 10.4% of PGH is still held by Aberdeen at a value of c.£0.5bn, as at June 2025.

As at 31 December 2024, Aberdeen held CET I capital resources of £1,465m [2023: £1,466m] against a total regulatory requirement of £1,054m [2023: £1,054m], with a CET I coverage ratio of 139% remaining unchanged since the prior year. The full value of the group's significant listed investments (essentially, the stake in Phoenix) is excluded from the capital position under IFPR.

EPSL's IFPR disclosure for 2024 showed an OFR of £6.6m [2023: £7.7m] (on a FOR basis) against Own Funds of £125.6m [2023: £101.6m], providing a surplus of £118.9m [2023: £93.9m] and coverage of 1,910% [2023: 1320%].

Service Rating

Service has always been a key part of the Elevate offering and with the support of FNZ it has continued to perform well. Extending from this emphasis, the business sees itself as competing based on the experience it delivers, and that this provides a positive differentiator. The business is investing in providing more information and market education around service, including collaborative activities with other sector stakeholders, to make comparison and communication more consistent, where possible.

The Adviser business (encompassing Wrap, Elevate and MPS) is operating at scale and continues to be developed in such a way as to deliver levels of governance and administrative ease with a far greater throughput of activity and assets, across a wider distribution network than ever before. Aberdeen's platforms - Wrap (including Fundzone) and Elevate - were used by over 50% of adviser firms in 2024, servicing c. 400k customers.

In 2024, Aberdeen continued its significant technology investment initiative that began in 2023. Several key processes were made more efficient to enhance speed and accuracy of client service including:

- Establishing new roles to support clients transferring from third-party platforms
- The business also refreshed our segmentation model to ensure the improved service model better supports its clients' needs

Elevate continues to perform well from a service perspective with key processing metrics performing ahead of target, with average speed to answer consistently under 1 minute.

The longer-term objective is to set a new / re-imagined high standard for service for the wider market. The business continues to digitalise, providing more self-servicing opportunities around common questions and requests, with operational teams able to focus on more complex requests via direct communications.

2024 has seen many changes and improvements for the Wrap platform with the key one being to simplify Wrap's pricing structure and lower pricing. December saw the launch of the ESG Hub analytics tool on Wrap to enable advisers to hold more informed conversations with their clients about their portfolios ESG characteristics.

Image & Strategy Rating

Aberdeen, via its Standard Life background, has a long pedigree in the UK in terms of long-term savings, investments and pensions, and is committed to its platform proposition as key to the continued growth in its UK retail business. The platform business remains firmly in the centre of the group's broader proposition as one of its core businesses (Adviser), and is fundamentally, culturally and financially supported by its ultimate parent. The ongoing demand and adoption for platform infrastructure to sit at the core of adviser businesses and meet regulatory requirements effectively is a key driver, and the group has positioned its platform offering accordingly.

The group sold abrdn Capital Ltd (aCL) (AuM c. £6.0bn) to LGT Wealth during 2023, retaining the MPS business (c. £2.8bn AuM) and repositioned it from the ii business stream into Adviser to take advantage of growth in this market by leveraging platform sales relationships.

In May 2023, Aberdeen announced its intention to bring together the platforms Wrap, Elevate and Fundzone together onto one common technology stack. The focus of the business remains on simplifying processes, prioritising service and delivering end-to-end technology enhancements around advisers' needs.

Together, this common technology stack, tighter ecosystem integration, new wrapper products, fee cuts, digital SIPP launch, and service enhancements underscore Aberdeen's strategy to build an efficient, adviser-centric platform that drives growth. The goal being to help advisers scale, improve client outcomes, and capture a larger share of the UK advisory market.

Aberdeen launched its Adviser Experience Programme in 2021 to ensure its platforms remain best in class. Through 2024, EPSL's parent, SLSL, was focussed on progressing the Aberdeen SIPP onto the Wrap platform, replacing the previous Standard Life Wrap SIPP.

FNZ technology is playing a pivotal role in supporting the growth ambitions of the Adviser business to develop as an 'advised solutions' platform business; as a step within this, Elevate's operations transferred to FNZ in early 2021. In 2024, Aberdeen continues to evolve its product operating model through the recruitment of 50+ new hires in engineering, design, data and product management, while maintaining a strong partnering model with FNZ on Core Platform enhancements. Further integration with FNZ is evident through the addition of a client service team between Aberdeen and FNZ to support relationship management.

The Wrap and Elevate platforms have both received recognition, through external awards, which enhance individual and collective brand perception. Overall, there is an emphasis within the business on ease of client experience and an aspiration for this to form a core part of the business image and a differentiated advantage.

The former abrdn brand received significant attention, including criticism, on announcement and during rollout across the organisation throughout 2022. In 2025, the business changed its brand to Aberdeen which is now the principal trading identity of the Investments and Adviser businesses.

Business Performance Rating

Aberdeen Group plc

Aberdeen AuMA was £511.4bn as at 31 December 2024 [2023: £495bn], split across Investments division (£369.7bn), Adviser (£75.2bn) and ii (£77.5bn) with £11.0bn eliminations for double counting between the divisions. Total gross inflows of £78.3bn [2023: £64.1bn] were offset by redemptions of £79.4bn [2023: £81.7bn] with a resultant net outflow of £1.1bn [2023: net outflow £17.6bn]; net outflows in Investments of £4.0bn and Adviser of £3.9bn were partially offset by ii net inflows of £5.7bn (including financial planning). Market and other movements added £24.2bn to AuMA in 2024 [2023: £19.4bn].

The reported group adjusted net operating revenue (ANOR) for Aberdeen was £1.3bn [2023: £1.4bn], a decline of 6%, reflecting the impact of net outflows and changes to asset mix in Investments, and a net reduction from corporate actions in Investments and ii.

At ii, ANOR was 3% lower at £278m [2023: £287m], or 7% (£19m) higher adjusting for the sale of aCL, which included the MPS business that transferred to Adviser in May 2023. In the Adviser business, ANOR was up 6% to £237m [2023: £224m]. This was primarily due to the full 12-month benefit from the revised Wrap SIPP distribution agreement as well as higher treasury income. In Investments, adjusted net operating revenue was 9% lower at £797m [2023: £878m], driven by a continuation of trends seen in recent years. These included changes to asset mix, with net outflows from higher margin asset classes, mainly equities, partially offset by strong inflows into lower margin asset classes such as quantitative strategies and liquidity.

Group AOP increased from £249m to £255m in the year, up by 2%. All three segments contributed higher profits than last year. This was driven by cost discipline, better markets and a strong performance by ii increasing to £116m from £114m despite the sale of the discretionary fund management business and transfer of MPS to Adviser. The pricing changes implemented on the Wrap platform will have a limited impact on 2024 performance as they were made available to new customers in 2024 and delivered to existing customers from February 2025. Furthermore, the sale of threesixty occurred halfway through the year and third-party outsourcing discounts were ended in 2025, both of which will have a limited impact in 2024 and adversely impact Adviser AOP in 2025.

On an IFRS basis, there was a PBT of £251m [2023: loss before tax of £6m] that comprises higher AOP, the gain on the sale of the private equity business of £92m and lower restructuring and corporate transaction expenses of £100m [2023: £152m].

During 2024, the group returned dividends of £260m [2023: £279m] with no share buybacks in 2024 [2023: £302m].

Elevate Portfolio Services Ltd

AuMA in the Adviser business increased to £75.2bn at the year-end [2023: £73.5bn], driven by an improvement in the market over the reporting period. Platform businesses Wrap and Elevate held £72.4bn [2023: £70.9bn] AuMA between them. Across MPS and the platforms there were gross inflows of £6.5bn [2023: £5.8bn] and redemptions of £10.4bn [2023: £7.9bn], leading to a net outflow of £3.9bn [2023: £2.1bn], with favourable market movements underlying the ultimate increase in AuMA.

Total revenue for EPSL, which consisted mainly of fee income relating to the provision of investment management and administration services, increased by 8% to £57.0m in 2024. Fee income from the Elevate platform, driven by AuA, remained broadly static increasing £0.3m whereas the cash margin increased by £2.0m. Contributing also was interest income, up by £1.7m to £5.4m which was due to the higher UK base rate during 2024 vs 2023.

Administration expenses decreased by 13%, similar to prior year, to £25m, down by £4m, due to a reduction in restructuring costs. The majority of staff who manage the affairs of EPSL are employed by ACSL and their costs recharged to EPSL. Adjusted PBT was £34.7m [2023: £31.1m] whereas the IFRS PBT included restructuring and corporate transaction costs of £2.9m [2023: £7.1m].

No dividend was paid in 2024 [2023: nil] to immediate parent company, SLSL.

Group & Parental Context



BACKGROUND

Aberdeen was formed in August 2017 as Standard Life Aberdeen plc from the merger of Standard Life plc and Aberdeen Asset Management plc and is a UK based financial services group focused on providing long-term savings and investment solutions on a global basis.

The Life Insurance Company of Scotland was founded in Edinburgh in 1825. It was renamed as The Standard Life Assurance Company (SLAC) in 1832 and reincorporated as a mutual assurance company in 1925. Standard Life Investments was established in 1998 and Standard Life entered the offshore market with the launch of the Dublin based subsidiary, Standard Life International Ltd in January 2006. SLAC was demutualised and Standard Life plc floated on the London Stock Exchange on 10 July 2006.

Aberdeen Asset Management was founded in 1983 and listed in 1991. In 2005, it acquired the UK and US institutional businesses of Deutsche Asset Management, including a unit linked group pension vehicle, renamed as Aberdeen Asset Management Life and Pensions Ltd. Certain parts of Credit Suisse's Global Investors fund management business were acquired in July 2009 and Aberdeen Asset Management also acquired parts of RBS Asset Management in 2010. April 2014 saw the acquisition of Scottish Widows Investment Partnership. In January 2016, the purchase of the platform provider Parmenion Capital Partners LLP, along with its online advice business sister company, Self Directed Holdings Ltd, was completed.

In February 2018, SLA announced the sale of its UK and European insurance business and an enhanced long-term strategic partnership with Phoenix Group. Specifically, the life business Standard Life Assurance Ltd (SLAL) and its subsidiary, Standard Life Pension Funds Ltd (SLPF), which operated in the UK were sold. The acquisition completed in August 2018 with SLAL acquired partly with consideration by way of shares which SLA retained in PGH; the shareholding reduced when PGH acquired Reassure, which involved the issuing of new shares, and Aberdeen plc now holds in total approximately 10.7% of the issued share capital of PGH. Aberdeen Asset Management Life and Pensions Ltd was retained by Aberdeen and is now named as abrdn Life and Pensions Ltd.

At the time of the sale to Phoenix, SLA confirmed that it would retain its adviser platforms (Wrap, Elevate and Parmenion). The strategy with respect to Parmenion was changed as one of the first decisions by then new group CEO Stephen Bird, and its sale to private equity firm Preservation Capital Partners for £102m was completed in July 2021.

A new partnership agreement between Aberdeen and Phoenix was signed in February 2021, making various amendments including: extension of the asset management agreement for 10 years at least; Aberdeen to acquire back the Wrap SIPP and Wrap Onshore Bond tax wrappers; sale of the Standard Life brand to Phoenix; with Aberdeen to retain its shareholding in PGH.

SLA changed its name to abrdn plc in July 2021 and then to Aberdeen Group plc in March 2025 in line with the change of brand.

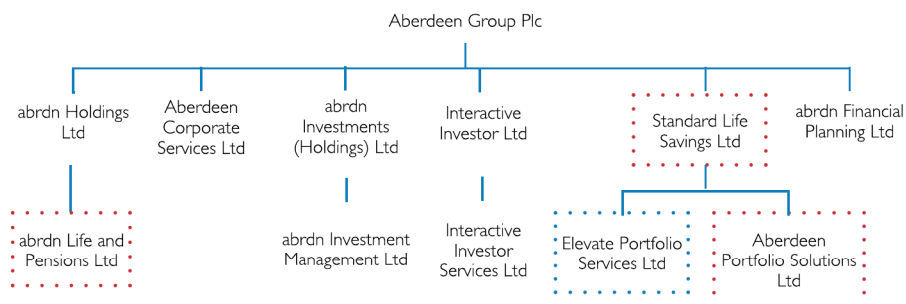
In May 2022, Aberdeen purchased 100% of the issued share capital of Antler Holdco Ltd (Antler), the parent company for the Interactive Investor group of companies for a total consideration of £1,496m. The acquisition of ii provided Aberdeen with direct entry to the high growth digitally enabled direct investing market, accessing new customer segments and capabilities.

In February 2023, the group agreed the sale of aCL, the discretionary part of its fund management business, to LGT, albeit with the carved out retention of the MPS proposition. The sale completed on 31 August 2023 and involved the transfer of approximately £6.1bn in AuM (as at 31 December 2022) and approximately 140 employees. The retained MPS business is now provided by Aberdeen Portfolio Solutions Ltd, formerly abrdn Portfolio Solutions Ltd.

In 2024, Aberdeen's threesixty services business was sold to Fintel plc, with the acquisition completed in July 2024.



GROUP STRUCTURE (SIMPLIFIED)



Key:

- • • • • Subject of this Assessment
- • • • • Subject of another AKG Assessment
- • • • • Non UK

Company Analysis: Elevate Portfolio Services Ltd



BASIC INFORMATION

Ownership & Control

Aberdeen Group plc

Year Established

2007

Country of Registration

UK

Head Office

1 George Street, Edinburgh, EH2 2LL

Contact

<https://www.aberdeenadviser.com/en-gb/elevate/contact>

Key Personnel

Role	Name
Chair	Sir D Flint
Group Chief Executive	J M Windsor
Group Chief Financial Officer	S Boylan
Chief Executive Officer, Adviser	N T Butwell
Chief of Staff, Adviser	O Jarvie
Chief Client Experience Officer, Adviser	J Black
Chief Product and Technology Officer, Adviser	D Smith
Chief Financial Officer, Adviser	L Williams
Chief Risk Officer, Adviser	M Wilson
Chief Distribution Officer, Adviser	V Kenny
Chief Marketing Officer, Adviser	M Rothery

Company Background

In January 2007, AXA established a strategy to develop and deliver a platform and services proposition for the UK market place, and this resulted in the launch of Elevate as a 'full' platform proposition in February 2010, provided by AXA Portfolio Services Ltd, renamed to Elevate Portfolio Services Ltd. October 2016 saw the company acquired by SLSL.

The company's principal activities are the provision of Elevate and associated services and the management of ISA and Pension scheme business.

EPSL had previously also provided AXA Self Investor, an investment platform, offering a 'non-advised' direct investment solution and remains a closed proposition. Another proposition, Family Suntrust, was transferred to Phoenix.



OPERATIONS

Governance System and Structure

Aberdeen operates a matrix structure with global functions providing key services to each of the businesses within Aberdeen, including the platforms. In terms of platform corporate governance and risk management, SLSL and EPSL are managed within the Adviser growth business, with a dedicated leadership team in place managed by Noel Butwell. This team defines and manages the strategy for the platform businesses. The boards and Risk Committees of SLSL and EPSL consist of the same individuals in each case, in this respect. There are dedicated platform teams across many functions where the nature of platform activity differs from broader Aberdeen activity.

Aberdeen operates using a governance framework aligned to the principles of the UK Corporate Governance Code (2018) (the Code). The board of directors oversee the implementation of the business model and the activities of the Investments, Adviser, and ii businesses.

The Aberdeen board is responsible for the adequacy of the risk management arrangements of the group and alongside the corporate transformation, it has continued to evolve and strengthen the Enterprise Risk Management Framework (ERMF) and embed it in the activities of the group. This helps to ensure that the framework is keeping pace with industry standards and is appropriate for the risk profile of the business.

2024 improvements to the ERMF include:

- Delivering a new approach to Risk and Control Self Assessments, focused on key business outcomes and executive accountability
- Implementing an enhanced risk appetite monitoring process
- Simplification of Aberdeen's risk taxonomy, adopting a single version taxonomy across the Group
- Delivering improved risk reporting through the adoption of consistent risk dashboards
- Improved accessibility of the ERMF and its supporting materials

Specific oversight in relation to material business activities and challenge to management on matters in respect of risks and opportunities is provided by the board or through its four key committees:

- Nominations & Governance Committee (N&G)
- Audit Committee (AC)
- Remuneration Committee (RC)
- Risk Capital Committee (RCC)

The RCC is responsible for: the Risk Management Framework (RMF); compliance reporting; risk appetites and tolerances; transactional risk assessments; capital adequacy; and anti-financial crime.

Following the appointment of Jason Windsor as CEO in September 2024, a group operating committee was set up for the development of corporate objectives and strategy, oversight of commercial operations, finalisation of the annual budget and business plan, proposals for inorganic strategic activity, commercial aspects of people-related matters and to support the effective operation and cohesion of the Executive Leadership Team (ELT).

The ELT is responsible to the CEO for the execution of corporate objectives and strategy, competitive analysis, sharing client insights, ensuring communication and alignment across senior leadership, oversight of annual budget and business plan proposals, review of performance against targets and plan, idea generation, oversight and delivery of people-related matters, oversight of sustainability and oversight of risk and controls.

In line with the requirements of the Code, the board reviewed the effectiveness of the system of internal control during 2024. The Audit Committee undertook the review on behalf of the board. The review of Aberdeen's risk management and internal control systems was carried out drawing on inputs across the three lines of defence taking into account the operation of each component of the ERMF.

The report concluded that the business continues to make control improvements to meet increasing regulatory expectations, particularly, in the areas of operational resilience and third-party oversight. 2024 saw the business continue to strengthen controls within its operating model through better definition of accountability and processes. Technology advances and the implementation of actions around the Consumer Duty and Operational Resilience regulations continued to drive further improvements in the control environment. The Finance function operates a set of defined processes which cover all aspects of financial reporting, which includes the senior review and approval of financial results, controlled processes for the preparation of the IFRS consolidation, and the monitoring of external policy developments to ensure these are adequately addressed.

The business has established two climate-related working groups chaired by the Head of Sustainability Insights & Climate Strategy and the Head of Corporate Environment Strategy. Aberdeen considers these as key to its climate governance structure and consist of subject matter experts from across the business. The group states that it continues to take a forward-looking view and has taken steps to advance its governance beyond climate and to sustainability as a whole. A Sustainability report and TCFD report is provided on the group's website.

Risk Management

EPSL and its parent SLSL operate within a strong control environment, achieved through the Aberdeen group's ERMF which enables a risk-based approach to managing the business and integrates concepts of strategic planning, operational management and internal controls. An ICARA (Internal Capital and Risk Assessment) process supports the implementation of the ERMF and is how Aberdeen identifies, assesses, controls and monitors the risks that inform its capital requirements specifically. SLSL provides disclosures under the IFPR. It is not however managed as a separate platform group but as part of the Adviser business, the group's continuing operations of asset management, platforms and wealth, and as such adopts the group-wide governance and risk management practices. The principal risks and uncertainties facing SLSL are integrated into the principal risks and uncertainties of the group and are not managed separately.

The group's Risk and Compliance function is responsible for the design and implementation of the ERMF. The ERMF continually evolves to meet the changing needs of the group and to make sure it keeps pace with industry best practice and the risk profile of the business.

A 'three lines of defence' model of risk management is operated by the group, with clearly defined roles and responsibilities for committees and individuals. This ensures that there is clear accountability for risk-taking within the individuals' areas of responsibility.

The Chief Risk Officer supports the ELT and the CEO in their first line management of risk. The Chief Internal Audit Officer attends the Executive Risk Committee. The Directors have overall responsibility for the governance structures and systems of the group, which includes the ERMF and system of internal control, and for the ongoing review of their effectiveness.

During 2024 the RCC continued to review and challenge key activities undertaken by the business and advise the Board on these, including:

- Evolution of the ERMF
- Delivery of the group's ICARA and capital and liquidity
- Conduct risks across the three businesses and implementation of the Consumer Duty and continued support of vulnerable customers
- Key project delivery updates from the transformation activity across the Group
- The progress to strengthen anti-financial crime and anti-money laundering activity across the group
- Work to mature Aberdeen's approach to managing cyber resilience in line with the US National Institute of Standards and Technology (NIST) framework
- The simplification and diversification of the business model

Administration

Aberdeen states that it recognises the critical importance of good service to clients and customers, particularly when it comes to primary platform selection and ongoing due diligence. The platform offers a comprehensive service proposition across a dedicated contact centre, relationship management, platform and technical consultancy teams that has both breadth and depth as capabilities of today.

By the end of 2024 Aberdeen delivered major improvements to client service by reducing the steps involved in several key processes to enhance speed and accuracy. Aberdeen was able to reduce sign-up and transfer-in process lead times by up to five days, introduce smart forms to capture client data accurately first time, deploy AI to client-facing mailboxes to filter requests more efficiently, and establish new roles to support clients transferring from third-party platforms. Aberdeen also refreshed its segmentation model.

The actions were attributed to improvements such as improving the average speed-to-answer to consistently under one minute, while the customer satisfaction score (CSAT) and service net promoter score (NPS) steadily climbed throughout the year, achieving averages of 91% and 34 respectively. The latter marked a significant improvement on 2023's average NPS of 16.

The next phase of the Adviser Experience Programme will deliver a fully online Aberdeen SIPP, supporting greater online functionality and retirement planning capability and provided directly by the Aberdeen group.

The platform wrappers for SIPP, onshore and offshore bonds were historically provided within the group by the appropriately permissioned insurance entities. These entities were acquired by Phoenix, and a strategic partnership was entered into in order to maintain such relationships and servicing requirements. SLAL continued to operate the Standard Life brand whilst owned by Phoenix. SLAL transferred its entire business to Phoenix Life Limited by way of a Part VII transfer in 2023.

As the businesses have evolved, so has the relationship and some significant changes have been agreed between the parties in terms of these operational arrangements. The Standard Life brand is now used only by the Phoenix Group in its distribution and marketing materials. Aberdeen acquired certain products in Phoenix's savings business offered through Aberdeen's Wrap platform including the Wrap SIPP. Aberdeen and Phoenix continue to collaborate on the evolution of the products provided by Phoenix and are working on the timing of the formal transfer of the existing Standard Life Wrap SIPP contracts into the new Aberdeen SIPP, until which time SLSL will continue to receive payments from Phoenix for the provision of services relating to existing contracts.

Benchmarks

The platform offering has been recognised by the industry numerous times in recent years including:

- Both Elevate and Wrap retained a Defaqto 5 Star Platform Rating in 2025
- Elevate and Wrap were Platinum Rated at the 2023 Adviser Asset Awards for the sixth and tenth year respectively
- Elevate won 'Best Platform Provider' (under £25bn AuA) in 2020, and Wrap won the same for the over £40bn category at the 2022 Schroders UK Platform Awards for the ninth consecutive year

Outsourcing

There is one significant outsource arrangement; FNZ provides the following services for Elevate (as well as for Wrap and Fundzone platforms):

- Technology provider - provides software, hardware and hosting of technology
- Custodian - regulated service providing custody of mutual fund assets under its own regulatory permissions

The adviser platform technology upgrade in February 2023 provided greater operational efficiency, allowing Aberdeen to exit transitional service arrangements with Phoenix and to begin to deliver an increasingly personalised and efficient service to clients as part of the Adviser Experience Programme.

Other third-party providers include:

- Origo - Transfers Service
- eValue - Risk profiling questionnaire, asset Allocation tool, risk mapping tool and eValue modelling and asset allocations
- Experian - Bank account verification
- Financial Express - KIIDs, Fund Factsheets, Fund data provision
- Okta - Identity Management
- HSBC & Winterflood - provide Aberdeen Wrap with stockbroker services to buy and sell any of the securities which are available on the Wrap Platform

- Salesforce - used for CRM services
- Paragon - for Print and Mailing



STRATEGY

Market Positioning

Aberdeen has evolved into an asset management, platform and wealth management group, with its platform propositions core to the business. The group has three growth businesses: Adviser - the Aberdeen platforms, Wrap and Elevate; Investments - asset management; and ii (renamed from Personal / Personal Wealth to reflect the inclusion of Interactive Investor, acquired in 2022) - direct investing / financial planning. Following the acquisition of ii in 2022 there has been only minor refinement to the shape of the group with the sale of abrdn Capital Ltd (excluding MPS) to LGT Wealth Management in 2023, and threesixty services to Fintel plc in 2024.

Aberdeen provides platform propositions spanning the advised market. The platform operating model has been adopted to service a full range of client needs - from simple low-cost solutions for basic savers, up to powerful, flexible solutions for sophisticated investors. This delivery of an 'advised solutions' business is considered key to capitalising on positive market trends identified and will continue its focus on being the primary platform choice for advisers. The platforms leverage expertise from their relative position within the value chain and access to investment solutions.

Wrap is designated as a specialist investment and financial planning platform designed to support firms operating in the wealth management sector whose client propositions are built around the management of investment portfolios; these portfolios can be managed by the firm itself and/or by third party discretionary fund managers. As well as wealth managers, where it has historically been considered a market leader and has its widest band of clients/users, Wrap is now designed to span a wide range of financial planning firms and potentially some private client managers.

Elevate sits alongside Wrap and is the group's core open-architecture financial planning platform, designed to support a large range of financial advice, tax structuring and investment activities offered by UK adviser businesses. It has its historic heartland amongst large financial planning firms, and is looking to grow this part of the market, although its proposition is also attractive to smaller financial planning firms and wealth managers.

Aberdeen launched its Adviser Experience Programme in 2021 to ensure its platforms remain best in class. This includes a long-term strategic partnership with FNZ for platform custody services, back-office administration and technology change. In 2023, the programme enabled the exit of transitional service arrangements with the Phoenix as well as launching a new and modern platform front-end for Aberdeen Wrap. In May 2023, Aberdeen announced its intention to bring together the platforms Wrap, Elevate and Fundzone together onto one common technology stack. The focus of the business remains on simplifying processes, prioritising service and delivering end-to-end technology enhancements around advisers' needs. Through 2024, EPSL's parent, SLSL, was focussed on progressing the Aberdeen SIPP onto the Wrap platform, replacing the previous Standard Life Wrap SIPP.

FNZ technology is playing a pivotal role in supporting the growth ambitions of the Adviser business to develop as an 'advised solutions' platform business; as a step within this, Elevate's operations transferred to FNZ in early 2021. In 2024, Aberdeen continues to evolve its product operating model through the recruitment of 50+ new hires in engineering, design, data and product management, while maintaining a strong partnering model with FNZ on Core Platform enhancements. Further integration with FNZ is evident through the addition of a client service team between Aberdeen and FNZ to support relationship management.

In October 2024, Verona Kenny joined in the newly created role of Chief Distribution Officer (CDO). A senior leader in the platform industry over many years, Verona will lead the sales strategy, with executive responsibility for managing client relationships across strategic partnerships and regional accounts.

Proposition

Elevate provides access to over 4,000 mutual funds from over 200 fund managers with over 400 discounted share classes including Aberdeen investments:

- Integrated tax wrappers and options for third party products through GIA

- A comprehensive range of funds that includes over 400 super clean funds from leading fund managers including Aberdeen Investments
- A range of tools, integration and support for efficient financial planning processes
- Simple online processes and usability with straight through processing
- Transparent and simple charging structure

Elevate is an advised platform providing access to a whole market range of investments. Options for discretionary fund managers to manage client assets are available via MPS solutions and bespoke portfolios. Linked accounts are also offered, reducing combined charges between family members.

Financial Express (FinEx) provides fund performance data. Winterflood Business Services provides an online securities trading facility.



KEY COMPANY FINANCIAL DATA

Last 3 reporting periods up to 31 December 2024

Own Funds Disclosures

	Dec 22 £m	Dec 23 £m	Dec 24 £m
Available own funds	83.5	101.6	125.6
Own funds requirement (OFR)	8.5	7.7	6.6
Excess own funds	75.1	93.9	119.0
OFR coverage ratio (%)	985	1,320	1,910

Aberdeen group is supervised under the IFPR and EPSL is categorised as a non-SNI MIFIDPRU firm

EPSL's IFPR disclosure for 2024 showed an OFR of £6.6m [2023: £7.7m] (on a FOR basis) against Own Funds of £125.6m [2023: £101.6m], providing a surplus of £119.0m [2023: £93.9m] and coverage of 1910% [2023: 1,320%].

As at 31 December 2024, Aberdeen held CET1 capital resources of £1,465m [2023: £1,466m] against a total regulatory requirement of £1,054m [2023: £1,054m], with a CET1 coverage ratio of 139% remaining unchanged since the prior year. The full value of the group's significant listed investments (essentially, the £0.5bn stake in Phoenix) is excluded from the capital position under IFPR.

Statement of Financial Position

	Dec 22 £m	Dec 23 £m	Dec 24 £m
Assets	97.0	117.0	143.4
Current liabilities	(13.4)	(15.0)	(17.9)
Long-term liabilities	0.0	0.0	0.0
Net assets	83.5	102.0	125.6

Statement of Changes in Equity

	Dec 22 £m	Dec 23 £m	Dec 24 £m
Equity at start of period	75.9	83.5	102.0
Movement due to:			
Share capital and premium	0.0	0.0	0.0
Retained earnings	7.6	18.4	23.6
Other	0.0	0.0	0.0
Equity at end of period	83.5	102.0	125.6

Total assets increased by £26.4m during 2024 due to an increase in cash and cash equivalents of £29.2m partially offset by a trade receivables decrease of £2.3m. Current liabilities increased by £2.8m and there were no long-term liabilities.

During the year to 31 December 2024, net assets increased by £23.6m to £125.6m, wholly due to the profit retained in the period.

There were no capital movements during the year, and no dividends were paid, so all the profit £23.6m was retained, improving the deficit on the Profit & Loss reserve to negative to £93.7m from £117.3m.

Income Statement

	Dec 22 £m	Dec 23 £m	Dec 24 £m
Revenue	42.1	49.2	51.6
Other operating income	0.6	3.7	5.4
Operating expenses	(33.2)	(29.0)	(25.2)
Operating profit (loss)	9.4	24.0	31.8
Other gains (losses)	0.0	0.0	0.0
Profit (loss) before taxation	9.4	24.0	31.8
Taxation	(1.8)	(5.6)	(8.2)
Profit (loss) after taxation	7.6	18.4	23.6
Other comprehensive income	0.0	0.0	0.0
Dividends	0.0	0.0	0.0
Retained profit (loss)	7.6	18.4	23.6

Financial Ratios

	Dec 22 %	Dec 23 %	Dec 24 %
Operating margin	22	45	56
Pre-tax profit margin	22	45	56
Employee costs as a % of revenue			

Total revenue in 2024 increased by £4.0m to £57.0m of which fee income from the Elevate platform, driven by AuA, remained broadly static increasing by only £0.3m to £37.5. Cash margin, being the charge on interest earned by client money held on the platform, increased by £2.0m to £14.0m due to rising interest rates over 2024. Other operating income comprising wholly of interest income also rose by £1.7m to £5.4m due to interest rates rising throughout 2024, compared to 2023.

Administration expenses decreased by 13% to £25.2m, largely due to a reduction in restructuring costs and transaction costs incurred during the year that amounted to £2.9m [2023: £7.1m]. The majority of staff who manage the affairs of EPSL are employed by Aberdeen Corporate Services Limited and their costs recharged to EPSL. No dividend was paid [2023: nil] to immediate parent company, SLSL.

Statement of Cash Flows

	Dec 22 £m	Dec 23 £m	Dec 24 £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	6.0	15.9	29.2
Cash and cash equivalents at end of period	85.3	101.2	130.4

Assets under Administration (AuA)

	Dec 22 £bn	Dec 23 £bn	Dec 24 £bn
Assets at start of period		15.4	15.7
Inflows		1.2	1.2
Outflows		(2.0)	(2.5)
Net market and other movement		1.1	1.2
Assets at end of period		15.7	15.6
Growth rate (%)		2	(1)
Net inflows as % of opening AuA		(5)	(8)

EPSL is not required to produce a cash flow statement. Balance sheet cash and cash equivalents increased by £29.2m to £130.4m primarily due to growth of short-term money market funds by £28.4m to £82.3m.

AuMA in the Adviser business increased to £75.2bn at the year-end [2023: £73.5bn] including MPS funds of £2.8bn [2023: £2.6bn], driven by an improvement in the market over the reporting period. Platform businesses Wrap and Elevate held £72.4bn [2023: £70.9bn] AuA between them. Across MPS and the platforms there were gross inflows of £6.5bn [2023: £5.8bn] and redemptions of £10.4bn [2023: £7.9bn], leading to a net outflow of £3.9bn [2023: £2.1bn], with favourable market movements underlying the ultimate increase in AuMA.

Aberdeen AuMA was £511.4bn as at 31 December 2024 [2023: £494.9bn], split across Investments division (£369.7bn), Adviser (£75.2bn) and ii (£77.5bn) with £11.0bn eliminations for double counting between the divisions. Total gross inflows of £78.3bn [2023: £64.1bn] were offset by redemptions of £79.4bn [2023: £81.7bn] with a resultant net outflow of £1.1bn [2023: net outflow £17.6bn]; net outflows in Investments of £4.0bn and Adviser of £3.9bn were partially offset by ii net flows of £5.7bn (including financial planning). Market and other movements added £24.2bn to AuMA in 2024 [2023: £19.4bn].

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 any specifically onerous element such as with profits realistic balance sheet position, 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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