

DOWNSTREAM BUY OUT PROGRAMME

Driving growth for ambitious IFAs
and wealth management firms

INTRODUCING A PROVEN PARTNER TO SUPPORT YOUR GROWTH



We are the **number one**
ranked wealth management
firm on Trustpilot with a client
satisfaction score of 98%



Core managed investment
portfolios have been Defaqto
5 star rated for eight years



We are independent
meaning our advisers aren't tied
to any particular product providers
and offer whole of market choice



Incorporating one of the
UK's largest Chartered
Financial Planning Firms

TRUSTED ACQUIRER

With over 90 deals completed since 2010, Fairstone is the leading acquirer in the UK retail financial advice space, with the strongest track record of delivering to sellers.

INTELLIGENT INVESTOR

Partnering with high-quality advisory firms, building sustainable growth together and sharing the enhanced value that we create.

FULL-SERVICE WEALTH MANAGEMENT FIRM

One of the fastest growing financial services organisations in the UK and Ireland, offering clients independent and whole-of-market financial advice and delivering intelligent investment solutions.

INTRODUCING THE DBO

Fairstone's Downstream Buy Out (DBO) is the market-leading growth model. Partnering with the owners of ambitious wealth management practices like yours, we invest in their growth enabling them to maximise the long term value of the business.

Our national infrastructure shelters partner firms from the ever-increasing demands of regulation, compliance, risk and running a business. Safe in the knowledge that our team deal with these time consuming and often complex necessities, principals have more time to access our growth services and realise the full potential they (and we) see in their business.

We know that it is becoming more challenging to operate profitably in the Financial Services sector. Fairstone enables quality operators to thrive in a rapidly changing regulatory environment, focusing on delivering a best-in-class proposition to clients.

Our unique proposition offers shareholders the invaluable support of a highly experienced minority investor, dedicated to driving growth and maximising value for stakeholders ahead of the full sale. With our considerable national infrastructure and growth support, business performance is optimised, growth potential fully realised, and capital value is maximised.

The DBO model delivers these advantages over a timeframe that is set by principals, while also allowing you to secure attractive ongoing earnings and guarantee that your clients, advisers and support team members remain fully protected.



A FRAMEWORK FOR GROWTH, CAPITAL VALUE CREATION AND SUCCESSION PLANNING

We invest in the growth of your business from the start of our partnership - but not simply through the payment of cash for an initial, minority equity stake. The critical investment in every one of our partner firms is the provision of extensive and market-leading support services (outlined on page 9). Removing barriers to growth and providing national infrastructure, regulatory support and growth services, we help to unlock latent potential, maximising the value of your business in preparation for full acquisition.

INVEST

We acquire a small equity stake in your business, but you continue to run it with Fairstone as a minority shareholder.

We deal with regulation, compliance and risk, providing national infrastructure and expertise, giving you more time to do what you do best – look after your clients and grow your business.

GROW

By supporting you with services, infrastructure and expertise, the DBO programme helps to unlock latent potential in your business, giving you the chance to realise optimum capital value when the time is right.

You can utilise our support and wide-ranging growth services over a timescale that suits, enabling you to grow faster, stronger and more securely.

REMAIN

We are fully committed to retaining principals that go through the entire DBO programme with us. After the full acquisition and payment of your Primary and Secondary Capital, you can stay embedded in the Fairstone family as long as suits you - doing what you really enjoy and being well remunerated and incentivised for doing so.

For those who have the energy and vision to start, build and ultimately sell another business of scale, contributing to our National Hub strategy, we provide capital and infrastructure support, along with a future acquisition commitment.

INTEGRATE

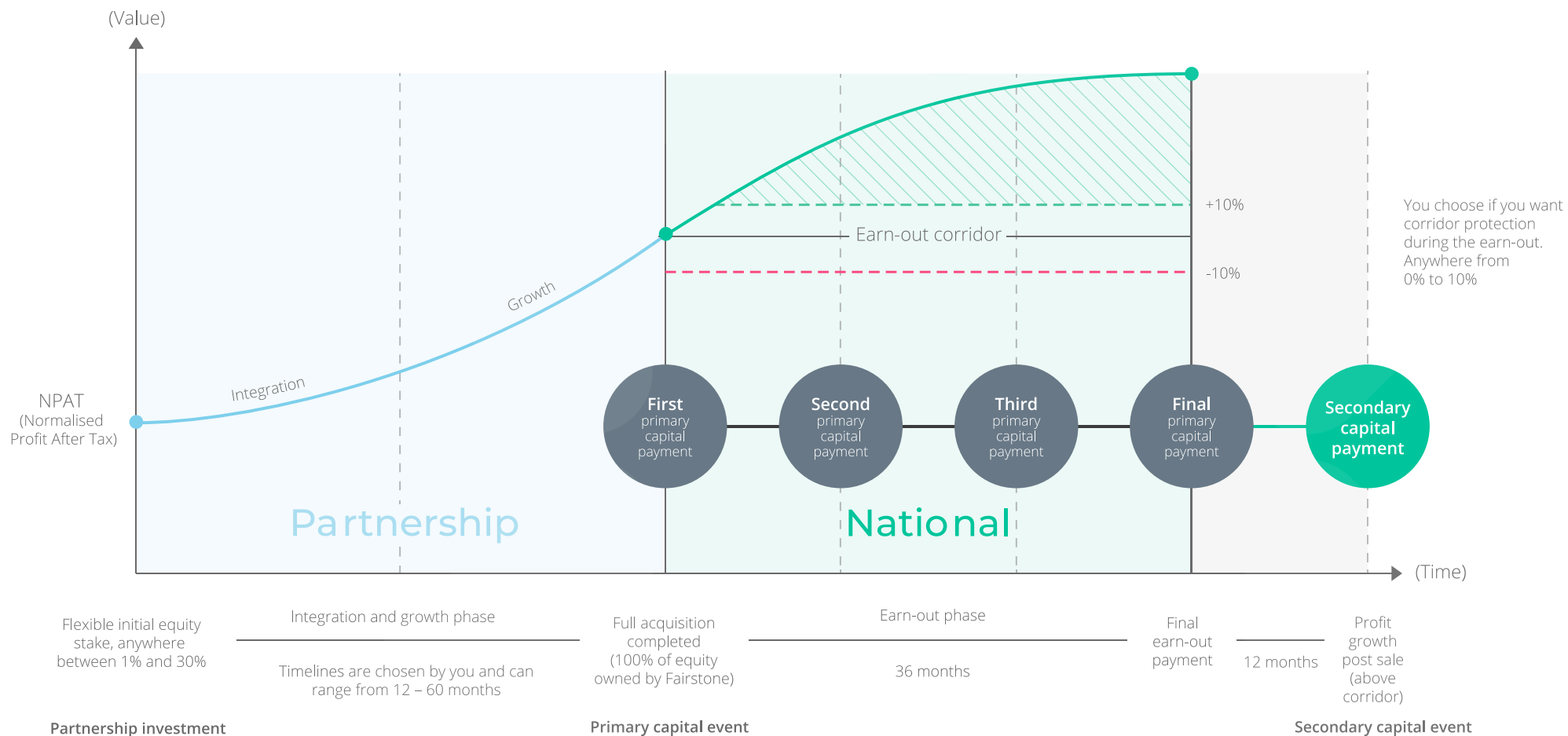
We have a large team that is solely focused on helping our DBO firms to integrate smoothly. It's not easy – change never is – but the DBO model provides a safe environment, with considerable long term rewards.

ACQUIRE

At the end of the integration period, when you have adapted fully and capitalised on all of the growth services that bring increased profitability and value, Fairstone will acquire the remaining shares in your business at a pre-agreed profit multiple.

We pay you 100% of that value (your Primary Capital), and then go on to reward you for all of the profit growth that you are able to achieve during the 36 months following acquisition (your Secondary Capital). That is two capital events.

THE DBO JOURNEY





FAIRSTONE UNDERSTOOD US AND LIKED OUR PROPOSITION - IT REFLECTED THEIR OWN

"The appeal of the DBO route over an outright acquisition was because it gave both sides the opportunity to get to know each other...When you've been running your business for 14 years the idea of selling it is a daunting proposition, so the integration period gave us an opportunity to get to know each other and know that it was a good fit."

KEITH FISHER

PLANNING TODAY FOR SEAMLESS SUCCESSION

The Downstream Buy Out programme has been specifically designed for high quality wealth advisory business owners who do not want to **sell their business today** but do want to plan for an exit and capital event in the future. Business owners with a strong client base, proven levels of recurring income and ambitious aspirations.

Whilst your business may not be for sale now, the DBO programme offers an invaluable proposition for principals who live by the advice that they give to clients every day – it is important to prepare for the future.

Your ultimate exit might be years down the line, but the principals for whom the DBO programme has been designed, understand that planning an exit that **maximises capital value** and **protects their clients and team members**, takes time. You know that being able to **control the timing** of a transaction, with a **guaranteed and trusted purchaser**, is hugely valuable in its own right.

A TRULY FLEXIBLE MODEL WHICH OFFERS...

- ☒ Ability to release capital value on day one
- ☒ Retention of brand and control of the business until full acquisition
- ☒ A partnership period stretching between 12-60 months
- ☒ Shelter from regulation
- ☒ Access to capital resource and new clients
- ☒ Ability to bring non-shareholders into the deal
- ☒ Separate capital events for self-employed advisers
- ☒ Flexibility to remain advising full time, slow down or even stop advising, post sale
- ☒ Continuous growth and business development post-sale
- ☒ Opportunity and support to build another business of scale with Fairstone, post-completion



With the support of the UK's leading independent financial advice firm, principals can secure an initial capital release on day one, then focus on unlocking growth and development opportunities within their business before completing a full sale to Fairstone.

FAIRSTONE PROVIDES A FAMILY FEEL - BIG ENOUGH TO PROVIDE THE SUPPORT OF A NATIONAL BUSINESS, BUT SMALL ENOUGH TO CARE

"Fairstone allow autonomy, but they've got their arms around you in terms of regulation, compliance and support. So, I feel like we have the best of both worlds. We are autonomous, independent, whole of market – but they've got our back and provide the peace of mind of a national firm.

They were there for us from day one – that's before we brought our first client over. They stood shoulder to shoulder to show we want you; we trust you. I'll never forget that support, as it's probably been one of the most challenging times of my professional career."

IAN STALEY, STALEY & JONES

Fairstone 



THE VALUE OF INTEGRATION

We believe that integration is the key to any successful partnership, enabling everyone to invest, support and grow together.

Experience tells us that integration handled over an extended period allows both parties to get to know one another and achieve a gradual alignment of culture.

Dealing with this transition very early in the partnership creates time for businesses to continually increase profits and fully utilise our growth services, avoiding the friction that most acquisition structures create, during the most important period, post full-acquisition.

Over the last 2 years, on average our acquired firm owners have received 120% of the capital value that they were entitled to at the point of full sale. During the same period the most successful firm achieved an incredible 180%. We are very proud of our earn-out statistics and continue to disclose them, which is something that our competitors are reluctant to do.



OUR GROWTH SERVICES

We believe that we will always create more value together than apart.

Fairstone is committed to investing in your growth journey, creating the platform for you to go beyond your existing expectations and reach new horizons.

Business and
M&A consultancy

Organic growth
funding

Recruitment

Mineral

Marketing and
business development

Customer
acquisition
programme

Acquisition capital

Investment
framework

Centralised services
(paraplanning)

Remote advice
solution (ZETO)



OUR COMMITMENT TO YOU

We protect your clients

We give you everything
that you need to grow

We protect advisers and
support team members

We do not force you
to move your assets

We pay you everything you
are entitled to... and more

YOUR COMMITMENT TO FAIRSTONE

You commit to
integrating, fully

You commit to growing,
profitably and sustainably

You commit to staying, for
as long as works for you

WHAT MAKES THE DBO MODEL UNIQUE?

DYNAMIC

Our DBO programme is not simply a transactional event. It is a dynamic model that has been purpose-built for principals who do not want to sell today but want to plan to create maximum capital value in the future, at a time of their choosing. This is a model for principals who want the option to continue to do what they love, for as long as they like.

PROTECTIVE

We remove barriers to growth and shelter your business from sector headwinds and industry pressure. Principally we do this by assuming responsibility for regulation, compliance and risk management. This frees up time for you and your advisers, so that you can concentrate on advising clients.

BESPOKE

No two businesses are the same. Ambitions and timescales of owners often differ. The DBO programme is truly dynamic, offering flexibility and the chance to design your own bespoke structure.

TRIED AND TESTED

The DBO model has been successfully adopted by over 90 firms since its introduction in 2012. Over the years, it has been continually refined and enhanced to navigate market and regulatory challenges. This ongoing evolution ensures it remains the market-leading growth acquisition model.





THE PARTNERSHIP PERIOD

The DBO model is driven by values and underpinned by cultural alignment. That is why there is a defined partnership period, during which all our partner firms are supported to fully integrate with us, ahead of the full acquisition.

During the partnership period (which can be anything from 12 - 60 months):

- you retain your firm name
- you continue to operate from your offices, unless you choose otherwise
- your advisers and support team members are protected and stay with you
- you continue to run your business
- you receive all of the infrastructural, resource and growth support that you need
- we provide market leading regulatory, compliance and risk support and infrastructure

Once you are fully integrated, the next question is when you want to complete the full sale of your business to us.

Timing is in your hands. Remain in the partnership to capitalise on more growth or begin the sale process. The choice is yours.

WHY CHOOSE FAIRSTONE?

We are proud to provide a safe, compliant and independent environment for business owners.

In a financial landscape that has remained challenging for a variety of reasons (including macro and micro-economics, geo-political challenges and regulatory changes) we have consistently delivered more deals than our competitors.

No one else has invested in, successfully integrated and then acquired as many firms as Fairstone. What's more, we pay every single penny of capital value to the principals, and more if their business continues to grow. No competitor can or does make this claim.

The Fairstone Group is extremely well-funded and has the ongoing support of a wide institutional shareholder base and market-leading finance houses. This gives us the ability to draw capital from a number of sources and provides further avenues for external financing. These scalable facilities provide a robust foundation for the Group to accelerate growth and deliver sustained success.

We are one of the fastest growing financial services organisations in the UK and Ireland, offering an independent, whole of market home for high quality, profitable, sustainable and integrated firms.





FAIRSTONE HAD THE CLEAR STANDOUT OFFERING

"We wanted to work with a Chartered business that believes in independence and whole-of-market choice.

We felt that the Fairstone proposition was quite unique in its construct and provides an outstanding support framework, which takes care of all the business quality and regulatory requirements. Ultimately this provides us with the platform to build from over the coming years."

DAVID HALSALL

ABOUT FAIRSTONE

90+ IFA FIRMS

partnered with and invested in across UK and Ireland

125,000+ CLIENTS

across mortgage and wealth

OVER 90

DBOs signed

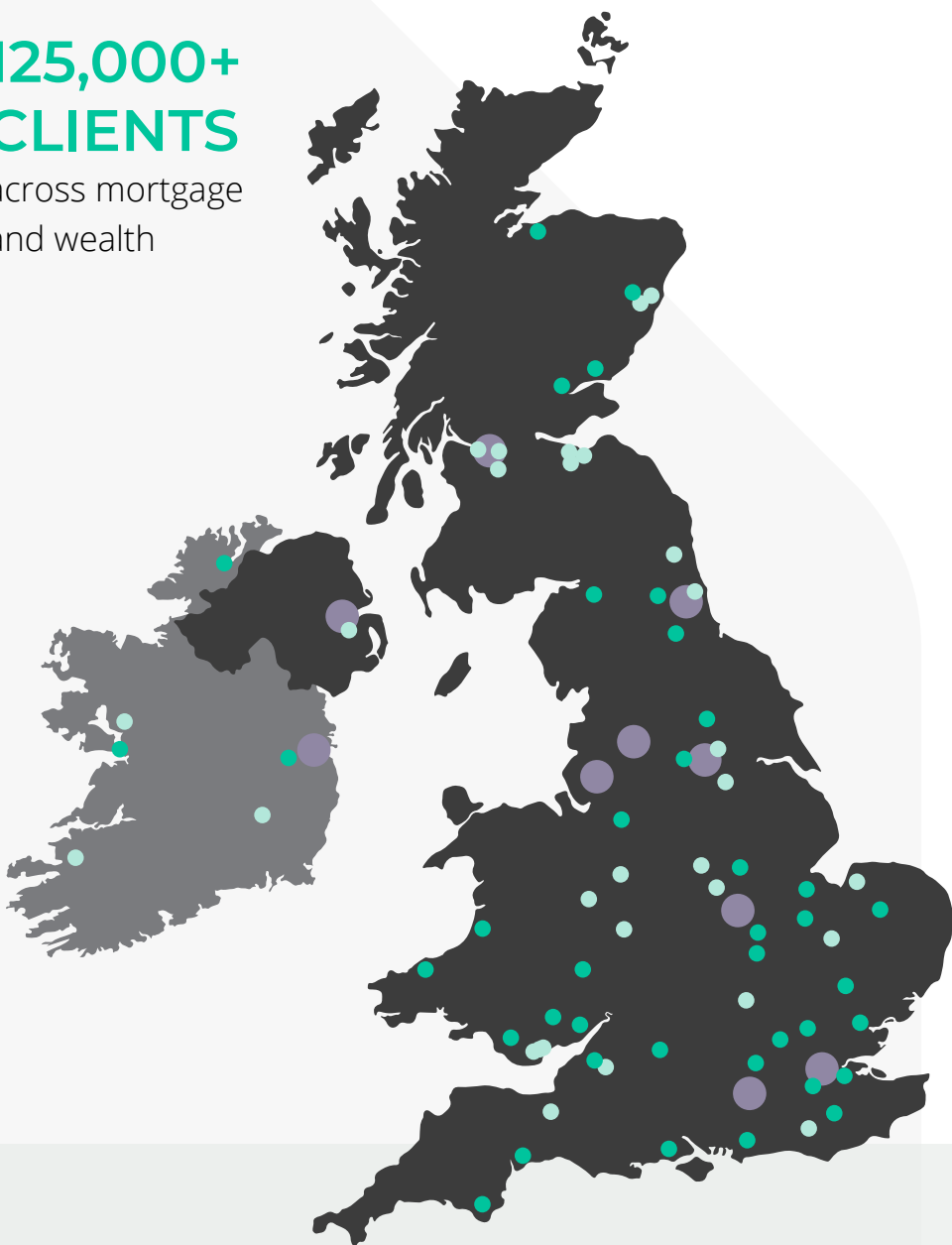
OVER 1,250 COLLEAGUES

across the UK and Ireland

50+

OFFICES

across the UK and Ireland



FAIRSTONE

was founded in 2008

£18BN

in funds under management

£2.7BN

in our own investment framework

£160M

pro forma revenue

£2.5BN

in annual mortgage lending

● Fairstone Hub

● Fairstone Office

● Fairstone Partnership

SCHEDULE A CONFIDENTIAL CALL WITH OUR M&A TEAM

Discover the potential of your business and explore how our DBO model, combined with tailored investment and support services, can drive growth, now or in the future.

Get in touch to arrange a confidential, no-obligation conversation with our team



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A PROVEN, TRUSTED PARTNERSHIP

BUSINESS PERFORMANCE
IS OPTIMISED

GROWTH POTENTIAL
IS REALISED

CAPITAL VALUE
IS MAXIMISED



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