

# SANNE

## 2016 Full year results

The global provider of alternative asset  
and corporate administration services

### Making the difference



Over 1,000 clients



Over £160 billion of assets  
under administration



Over 1,000 people  
worldwide



Global expertise,  
local experience

# Caution statement

---

## Forward looking statements

This presentation may contain and the Company may make verbal statements containing "forward-looking statements" with respect to certain of the Company's plans and its current goals and expectations relating to its future financial condition, performance, strategic initiatives, objectives and results. Forward-looking statements sometimes use words such as "aim", "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", "seek", "may", "could", "outlook" or other words of similar meaning. By their nature, all forward-looking statements involve risk and uncertainty because they relate to future events and circumstances which are beyond the control of the Company, including amongst other things, UK domestic and global economic business conditions, market-related risks such as fluctuations in interest rates and exchange rates, the policies and actions of governmental and regulatory authorities, the effect of competition, inflation, deflation, the timing effect and other uncertainties of future acquisitions or combinations within relevant industries, the effect of tax and other legislation and other regulations in the jurisdictions in which the Company and its respective affiliates operate, the effect of volatility in the equity, capital and credit markets on the Company's profitability and ability to access capital and credit, a decline in the Company's credit ratings; the effect of operational risks; and the loss of key personnel. As a result, the actual future financial condition, performance and results of the Company may differ materially from the plans, goals and expectations set forth in any forward-looking statements. Any forward-looking statements made herein by or on behalf of the Company speak only as of the date they are made. Except as required by applicable law or regulation, the Company expressly disclaims any obligation or undertaking to publish any updates or revisions to any forward-looking statements contained in this presentation to reflect any changes in the Company's expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

No statement in this presentation is intended to be a profit forecast, and no statement in this presentation should be interpreted to mean that earnings per share of the Company for the current or future financial years would necessarily match or exceed the historical published earnings per share of the Company.

# Agenda

---

- **Key highlights and group overview – Dean Godwin**
- Financial review – Spencer Daley
- Operational review – Dean Godwin
- Summary and outlook – Dean Godwin
- Q&A

# A transformational year


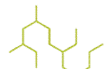



## Strong underlying growth supported by strategic acquisitions

### Financial highlights

- Group revenue increased 40% to £63.8 million (2015: £45.6 million), of which 22% was organic growth
- Underlying<sup>1</sup> operating profit up 31% to £22.7 million (2015: £17.3 million)
- Underlying<sup>1</sup> diluted earnings per share at 17.4p (2015: 13.9p)
- Underlying<sup>1</sup> operating cash conversion of 99% (2015: 112%)
- Recommended final dividend of 6.4p, bringing the total dividend for the year to 9.6p (2015: 7.0p)

### Operational highlights

- Acquisitions completed in 2016 brought operational capability in Ireland, South Africa, Malta, the Netherlands, USA, Serbia and Mauritius (1 Jan 2017)
- Each acquisition helped to further broaden product capabilities, client reach and increased pipeline opportunities
- Service provision expanded with development of new regulatory reporting services and global roll-out of asset specialisms
- New business wins with annualised fees of approximately £13.8 million won in the year (2015: £13.0 million)
- Strong pipeline of new business within core alternatives focused business divisions (Debt, Real Estate, Private Equity and Hedge)

	2016 *	2015
 <b>CLIENTS GLOBALLY</b>	1,000+	600+
 <b>STRUCTURES &amp; FUND ADMINISTERED</b>	5,000+	3,200+
 <b>AuA</b>	£160bn+	£100bn+
 <b>PEOPLE GLOBALLY</b>	1,000+	515+
 <b># OF LOCATIONS</b>	15	9

\* Includes Mauritius acquisition (which completed on 1 Jan 2017)

<sup>1</sup> Before acquisition and integration costs, share based payments and amortisation of goodwill

# Operational review – Alternatives

Business line	Operational update
<b>Private Debt &amp; Capital Markets</b>	<ul style="list-style-type: none"> <li>▪ Maintaining strong market position with banks and non-bank lenders</li> <li>▪ Operational capabilities increased in London, Dublin, the Netherlands and Luxembourg to reflect new work flows</li> <li>▪ Now able to deliver services across a wider geographic footprint</li> </ul>
<b>Real Estate</b>	<ul style="list-style-type: none"> <li>▪ New business wins from both new and existing clients</li> <li>▪ UK real estate market continues to attract significant foreign investment</li> <li>▪ New fund raising driving demand for fund structures across multiple jurisdictions</li> <li>▪ Increased demand from fund managers who are outsourcing non-core roles</li> <li>▪ New funds platform enhances capabilities and our ability to service increasing reporting requirements</li> <li>▪ Team strengthened with key appointments in Jersey, London, Dublin, Luxembourg and Asia</li> </ul>
<b>Private Equity</b>	<ul style="list-style-type: none"> <li>▪ Continue to see growth with the launch of successor funds and new strategies</li> <li>▪ Client base growing reflecting high quality service and a stronger brand</li> <li>▪ Focused on continuing to provide a flexible, multi-jurisdictional offering adapted to client requirements</li> </ul>
<b>Hedge</b>	<ul style="list-style-type: none"> <li>▪ New business pipeline developed since acquisition</li> <li>▪ Clients transitioned into the new Management Company regulated service with associated positive revenue impact</li> </ul>
<b>North America – Alternative Assets</b>	<ul style="list-style-type: none"> <li>▪ Stronger than anticipated revenue performance driven by new client wins and additional services for existing clients</li> <li>▪ Highly attractive market dynamics: increasingly sophisticated reporting requirements and demand for independent oversight driving trend to outsourcing</li> </ul>

ALTERNATIVES

# Operational review – Corporate & Trustee

CORPORATE & TRUSTEE

Business line	Operational update
<b>Corporate and Institutional</b>	<ul style="list-style-type: none"> <li>Integration of CCS and leveraging expertise has increased pipeline activity across existing client base and beyond</li> <li>Cross selling of depositary services into Alternatives business divisions and jurisdictions</li> <li>Key appointments strengthened operational capabilities and driven new business wins</li> <li>Continued focus on developing a distinct product suite to expand market offering and provide flexible cross-jurisdictional capabilities</li> </ul>
<b>Executive Incentives</b>	<ul style="list-style-type: none"> <li>Impact of uncertainty around EU referendum in first three quarters</li> <li>Strong return of transactional work in private equity and FTSE 100 and 250 IPOs in Q4</li> <li>Healthy pipeline of FTSE 100 and 250 employee share trust transfer mandates</li> </ul>
<b>Private Client</b>	<ul style="list-style-type: none"> <li>Strong pipeline of new mandates from existing clients</li> <li>Growing number of new client opportunities driven by increased business development activity</li> <li>Strategic focus remains on UHNWs</li> </ul>
<b>Treasury</b>	<ul style="list-style-type: none"> <li>Remains an effective strategic partner to the other divisions</li> <li>Cash and FX services have seen a number of strong client wins across the business divisions</li> <li>Focused on expanding breadth of services</li> <li>Future increases in interest rates will have a positive effect on earnings</li> </ul>

# New business growth overview

---

	2016	2015
NEW BUSINESS WINS	£13.8m	£13m

## Key highlights:

- Strong continued performance from alternative asset focused business divisions, specifically Private Debt & Capital Markets, Real Estate, Private Equity, and to the latter part of the year, the US alternatives business
- Sources of work increased as network of offices across different continents grew, supported by continued performance by legacy office locations of Jersey, London, Dublin and Luxembourg
- Increased frequency of cross-selling activities across the business allowing new multi-disciplined pipelines to be realised
- Good mix of corporate, funds, and private client work in 2016

# Strategic acquisitions

## Enhancing our global capabilities

	CHARTERED CORPORATE SERVICES	IDS FUND SERVICES	FLSV FUND ADMINISTRATION SERVICES LLC	SORATO B.V.	IFS GROUP
OVERVIEW	Dublin based corporate services business that specialises in the delivery of company secretarial, liquidations, payroll and VAT reporting services	Cape Town & Malta based provider of outsourced investment administration services to the domestic South African asset management industry, particularly focused on hedge fund clients	New York & Belgrade based fund administration business offering end-to-end accounting, operations, reporting and investor services focused on alternative asset classes	Netherlands based domiciliation and associated corporate services business, acquisition brought key location and additional corporate expertise in-house	Mauritius based fund and corporate administration services business with focus on emerging markets
PRODUCT / SECTOR EXPOSURE	<ul style="list-style-type: none"> <li>Corporate and Institutional</li> </ul>	<ul style="list-style-type: none"> <li>Hedge</li> <li>Management Company</li> <li>Private Equity</li> </ul>	<ul style="list-style-type: none"> <li>Private Equity</li> <li>Real Estate</li> <li>Private Debt &amp; Capital Markets</li> </ul>	<ul style="list-style-type: none"> <li>Corporate and Institutional</li> </ul>	<ul style="list-style-type: none"> <li>Private Equity</li> <li>Real Estate</li> <li>Corporate and Institutional</li> <li>Private Client</li> </ul>
STATUS UPDATE	<p><b>Completed February 2016</b></p> <ul style="list-style-type: none"> <li>Integration into Corporate and Institutional division completed in June 2016</li> <li>Increased pipeline opportunities since integration</li> <li>Good operational scale and capabilities in Dublin</li> </ul>	<p><b>Completed June 2016</b></p> <ul style="list-style-type: none"> <li>Integration completed in November 2016</li> <li>Established as new Hedge business division</li> <li>Strong pipeline of new Management Company business opportunities</li> </ul>	<p><b>Completed November 2016</b></p> <ul style="list-style-type: none"> <li>Integration expected to complete end of H1'17</li> <li>Established SANNE's Americas platform</li> <li>Stronger than anticipated revenue performance driven by new client wins and additional services for existing clients</li> </ul>	<p><b>Completed December 2016</b></p> <ul style="list-style-type: none"> <li>Integration into Debt division expected to complete end of H1'17</li> </ul>	<p><b>Completed January 2017</b></p> <ul style="list-style-type: none"> <li>Spencer Daley relocated to Mauritius to lead integration process</li> <li>New pipeline opportunities to be realised in 2017</li> <li>Integration expected to complete end of H2'17</li> </ul>



# Agenda

---

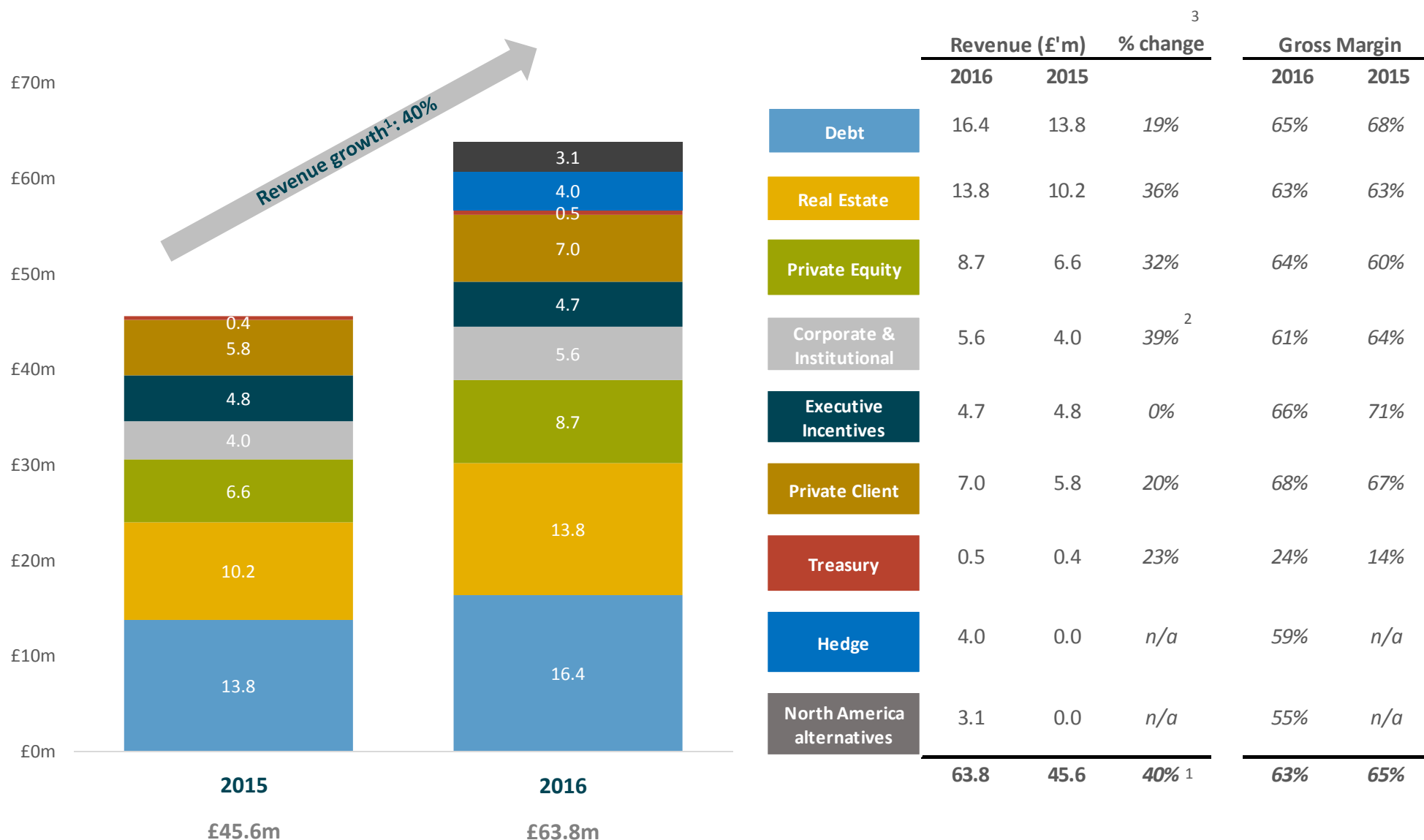
- Key highlights and group overview – Dean Godwin
- **Financial review – Spencer Daley**
- Operational review – Dean Godwin
- Summary and outlook – Dean Godwin
- Q&A

# Group income statement

	2016 (£'m)	2015 (£'m)	% change
<b>Revenue</b>	<b>63.8</b>	<b>45.6</b>	<b>40%</b>
<b>Gross profit</b>	<b>40.4</b>	<b>29.7</b>	<b>36%</b>
<i>Gross profit margin</i>	<i>63.3%</i>	<i>65.1%</i>	<i>-180bps</i>
Underlying operating profit	<b>22.7</b>	<b>17.3</b>	<b>31%</b>
<i>Underlying operating profit margin</i>	<i>35.5%</i>	<i>37.9%</i>	<i>-240bps</i>
Initial public offering expense	-	(6.9)	
Share based payments	(1.4)	(2.8)	
Acquisition and integration expense	(3.9)	(0.1)	
Amortisation of intangible assets	(2.7)	(1.6)	
Operating profit	14.7	5.9	
Underlying Interest cost and other gains and losses	(0.7)	(1.2)	
Non-underlying Interest cost and other gains and losses	1.0	(2.3)	
Profit before tax	15.0	2.4	
Tax	(2.0)	(0.8)	
Profit for the year	13.0	1.6	
Underlying diluted earnings per share	17.4	13.9	
Interim dividend per share	3.2p	1.4p	
Final dividend per share	6.4p	5.6p	
Total dividend per share	9.6p	7.0p	

1. Strong organic revenue growth of 22%, remaining growth as a result of acquisitions
2. New business secured of approximately £13.8m on an annualised basis (2015: £13m)
3. Margin reduction as a result of acquisition profile
4. Interest costs reflective of strong balance sheet and low interest rate environment
5. Progressive dividend policy

# Divisional revenue analysis



1. Revenue includes £8.2m from acquisitions made during the year. Organic growth was 22%.  
 2. The Corporate and Institutional revenue includes revenue from acquisitions made during the year of £1.1m.  
 3. The % change in revenue is calculated on non-rounded figures.

# Group balance sheet and working capital

	2016 (£'m)	2015 (£'m)
Intangible assets	82.7	7.7
Equipment	2.8	1.6
<b>Total non-current assets</b>	<b>85.5</b>	<b>9.3</b>
Trade receivables	21.1	17.7
Other debtors and prepayments	1.7	0.9
Cash and bank balances	108.7	19.4
Accrued income	1.5	1.1
<b>Total current assets</b>	<b>133.0</b>	<b>39.1</b>
Borrowings	(59.5)	(17.7)
Deferred tax liabilities	(2.3)	-
<b>Total non-current liabilities</b>	<b>(61.8)</b>	<b>(17.7)</b>
Trade and other payables	(13.7)	(3.2)
Current tax liabilities	(2.6)	(1.4)
Provisions	(0.4)	(0.1)
Deferred revenue	(8.6)	(7.0)
<b>Total current liabilities</b>	<b>(25.3)</b>	<b>(11.7)</b>
<b>Total equity</b>	<b>131.4</b>	<b>19.0</b>
Working capital	14.0	11.8
Annualised revenue adjusted for acquisitions	82.7	45.6
<b>Working capital / Revenue</b>	<b>17%</b>	<b>26%</b>
<b>Net cash</b>	<b>46.1</b>	<b>1.2</b>

1. Strong control of working capital has reduced the ratio of working capital to 17% of annualised revenue (2015: 26%)
2. Cash includes c.£74m paid for deal completion in Jan 2017
3. Deferred tax liabilities as a consequence of amortisation profile
4. Trade and other payables includes c.£5.9m deal related deferred consideration and c.£1.4m accrued costs relating to the acquisitions and capital raise

# Group cash flow statement

	2016 (£'m)	2015 (£'m)
<b>Operating profit</b>	14.7	5.9
Depreciation of equipment	1.1	0.9
Amortisation of intangible assets	2.7	1.6
Share-based payment expense	1.4	2.7
Increase in provisions	0.2	0.2
<b>Operating cash flows before movements in working capital</b>	20.1	11.3
Net movement in working capital	(1.4)	1.1
<b>Cash generated by operations</b>	18.7	12.4
<i>Underlying operating cash conversion<sup>1</sup></i>	<b>99%</b>	<b>112%</b>
Income taxes paid	(1.0)	(1.1)
<b>Net cash from operating activities</b>	17.7	11.3
Interest received	0.1	-
Purchases / disposals of plant and equipment	(1.5)	(0.7)
Increase in deferred consideration	5.9	-
Acquisition of subsidiaries	(56.0)	-
<b>Net cash used in investing activities</b>	(51.5)	(0.7)
<b>Net cash used in financing activities</b>	122.4	(3.6)
Net decrease in cash and cash equivalents	88.6	7.0
Cash and cash equivalents at beginning of year	19.4	12.5
Effect of foreign exchange rate changes	0.7	(0.1)
<b>Cash and cash equivalents at end of year</b>	108.7	19.4

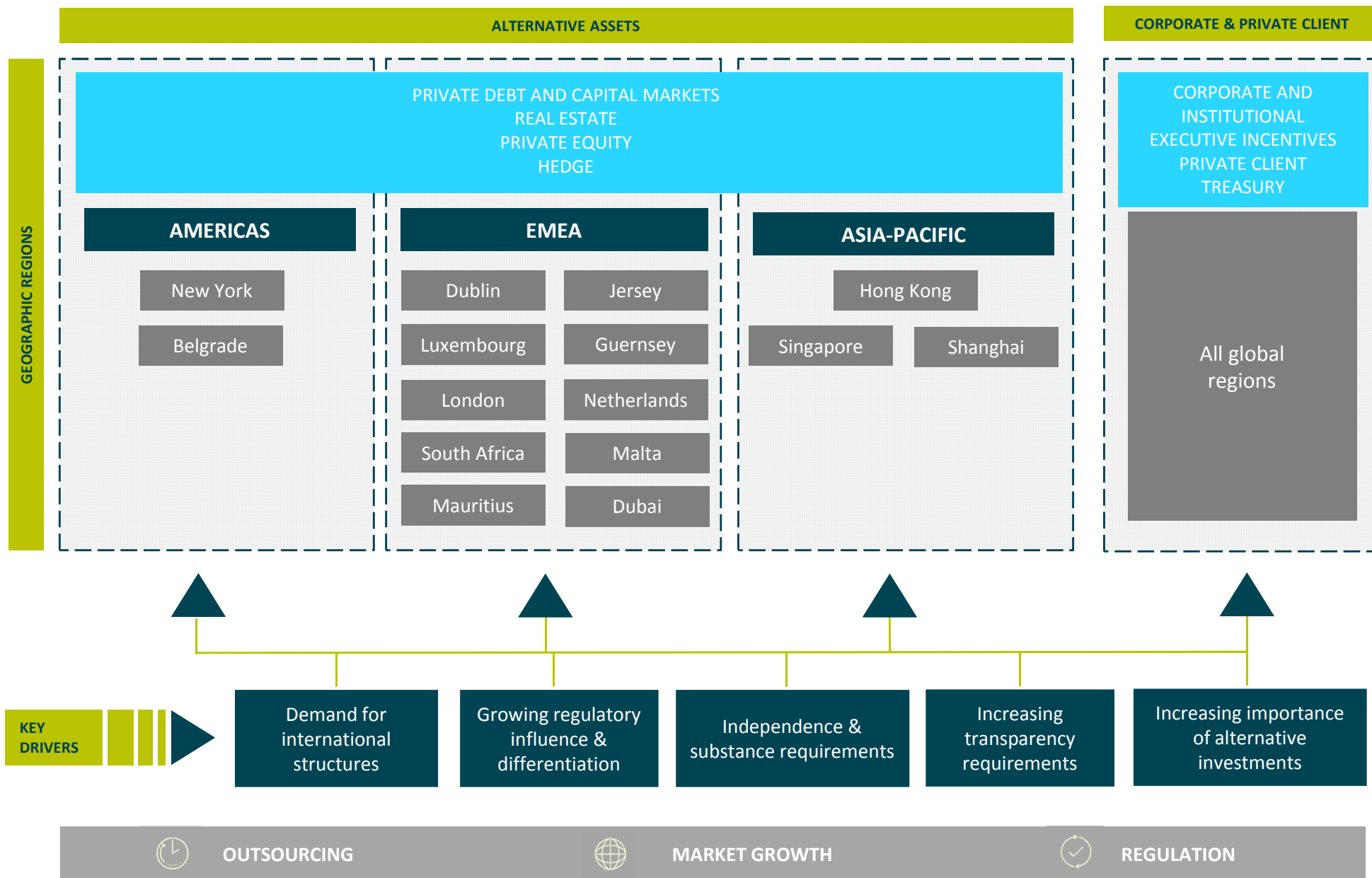
<sup>1</sup> Compares cash generated by operations, adjusted for cash acquisition and integration costs and IPO related costs incurred in the year

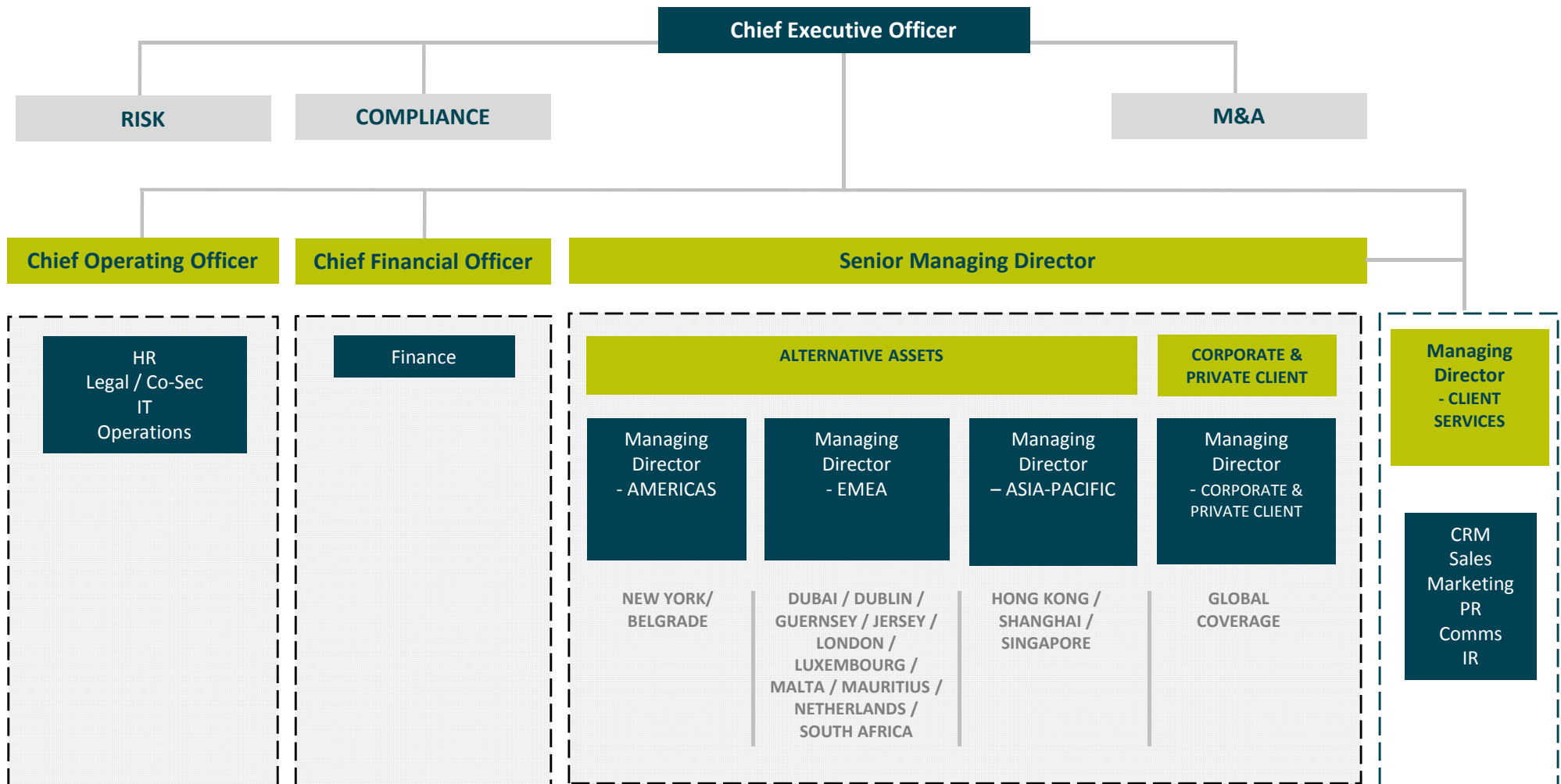
# Agenda

---

- Key highlights and group overview – Dean Godwin
- Financial review – Spencer Daley
- **Operational review – Dean Godwin**
- Summary and outlook – Dean Godwin
- Q&A

# New global structure for delivering continued growth







# Areas of strategic focus

	EUROPE		EMERGING MARKETS		US / CARIBBEAN
Existing SANNE offices	<u>UK and CI</u> Jersey Guernsey London	<u>European Union</u> Luxembourg Netherlands Ireland Malta	<u>Asia-Pacific</u> Hong Kong Shanghai Singapore Dubai	<u>Sub-Saharan Africa</u> Mauritius Cape Town	New York
Future focus?		Luxembourg Frankfurt	Japan Australia		East Coast / West Coast expansion Cayman / Caribbean
Comment	<ul style="list-style-type: none"> <li>Continue to build out operations in UK and Guernsey to deepen outsource relationships and service proposition across all core asset classes</li> <li>Number of strategic acquisition targets under review</li> </ul>	<ul style="list-style-type: none"> <li>Continue to expand Luxembourg base to build market capability in continental Europe</li> <li>Dublin operation reaching critical mass with CCS acquisition</li> </ul>	<ul style="list-style-type: none"> <li>Focus on building out operational centres to deliver scalable operating platform on the ground to service Asia growth</li> <li>Seeking to build out Singapore capability in line with developing client servicing requirements</li> </ul>	<ul style="list-style-type: none"> <li>IFS and IDS acquisition delivers strong operational base</li> <li>Also delivers operational leverage across the group platform</li> </ul>	<ul style="list-style-type: none"> <li>Increasing number of existing client enquiries in relation to servicing of US structures</li> <li>Trend increasingly moving towards outsourcing within alternatives space</li> <li>Cayman Islands to support US fund services capability and institutional clients in the Americas</li> </ul>
Key focus service areas	Alternative Assets		Alternative Assets		Alternative Assets Corporate & Private Client

# Agenda

---

- Key highlights and group overview – Dean Godwin
- Financial review – Spencer Daley
- Operational review – Dean Godwin
- **Summary and outlook – Dean Godwin**
- Q&A

# Summary and outlook

---

## A significant year, positioning the Group for continued growth

- **Strong underlying organic growth**
  - Increased depth and breadth of service offering has generated revenue and profit growth across existing divisions
- **Strategic acquisitions providing a truly global platform**
  - Five completed acquisitions will enhance SANNE's ability to address opportunities in high growth markets
- **Considerable opportunities for growth across the Group's core markets**
  - Strong new business pipeline and underlying trends within the alternatives sector
- **Continuing trend towards the outsourcing of corporate and fund administration activities**
  - Driven by increasing regulation, cross-border investment and the growing expectation of independent oversight
- **The right structure for future growth**
  - Strong management team with clearly defined roles and responsibilities
- **Focus remains on building a truly global service platform through organic and inorganic investment**

---

## Appendices

## Strategic acquisitions | Dublin & Cape Town/Malta

### Two acquisitions completed in H1 2016

	Chartered Corporate Services	IDS Fund Services
<b>Overview</b>	Corporate services business that specialises in the delivery of company secretarial, liquidations, payroll and VAT reporting services.	Provider of outsourced investment administration services to the domestic South African asset management industry, particularly focused on hedge fund clients.
<b>Price</b>	€ 3.65 million (£2.9m) <sup>1</sup>	R 265 million (£11.8m)
<b>Offices</b>	Dublin	Cape Town Malta
<b>Staff</b>	15	150
<b>Strategic rationale</b>	<ul style="list-style-type: none"> <li>Delivers a full service corporate team based in Dublin who can be integrated into the C&amp;I business division</li> <li>Doubles size of Ireland operation in support of expansion of wider servicing capabilities</li> <li>Offers additional product specialisms for C&amp;I to market (liquidations, VAT, payroll)</li> </ul>	<ul style="list-style-type: none"> <li>Broadens SANNE's alternative asset capabilities, through delivery of hedge platform and builds operational scale in South Africa and Malta</li> <li>Provides an opportunity to leverage IDS's lower-cost South African platform to deliver wider operational benefits across the Group</li> </ul>
<b>Status update</b>	<p><b>Completed February 2016</b></p> <ul style="list-style-type: none"> <li>Integration into Corporate &amp; Institutional business division completed in June 2016</li> <li>CCS staff and existing SANNE staff have recently moved into new premises in Dublin</li> <li>Since integration pipeline opportunities have seen an increase</li> <li>Good operational scale &amp; capabilities in Dublin</li> </ul>	<p><b>Completed June 2016</b></p> <ul style="list-style-type: none"> <li>Established as new Hedge business division</li> <li>Integration completed in November 2016</li> <li>Strong pipeline of new regulated Management Company business opportunities</li> </ul>

<sup>1</sup> Price includes €1.7m (£1.3m) of acquisition cost that has been accounted for as remuneration

## Strategic acquisitions | New York/Belgrade & Rotterdam

### Two acquisitions completed H2 2016

	FLSV Fund Administration Services LLC	Sorato B.V.
Overview	Fund administration business offering end-to-end accounting, operations, reporting and investor services focused on alternative asset classes.	Netherlands based domiciliation and associated corporate services business.
Price	US\$ 70.7 million (£57.8m)	€2.3 million (£2.0m)
Offices	New York & Belgrade	Rotterdam
Staff	115	4
Strategic rationale	<ul style="list-style-type: none"> <li>Establishes a high quality platform in North America with additional systems and operational capabilities in Belgrade</li> <li>Focused on alternative asset classes, which is a high growth sector in the US market supported by trend toward outsourcing administration services due to increasing regulatory complexity and oversight requirements</li> </ul>	<ul style="list-style-type: none"> <li>In-house regulated capability in the Netherlands, a complementary jurisdiction identified to support the broader growth strategy in Europe</li> <li>Sorato has a number of shared clients with SANNE and this will serve to strengthen the depth of the Group's institutional client relationships</li> </ul>
Status update	<p><b>Completed November 2016</b></p> <ul style="list-style-type: none"> <li>Established SANNE's Americas platform.</li> <li>Stronger than anticipated revenue performance driven by new client wins and additional services for existing clients</li> <li>Integration of FAS business continues but view is to materially complete end of H1'17</li> </ul>	<p><b>Completed December 2016.</b></p> <ul style="list-style-type: none"> <li>Being integrated into Corporate &amp; Institutional business division</li> <li>Provides SANNE with strategic location in Europe</li> <li>Integration of business continues but view is to materially complete end of H1'17</li> </ul>

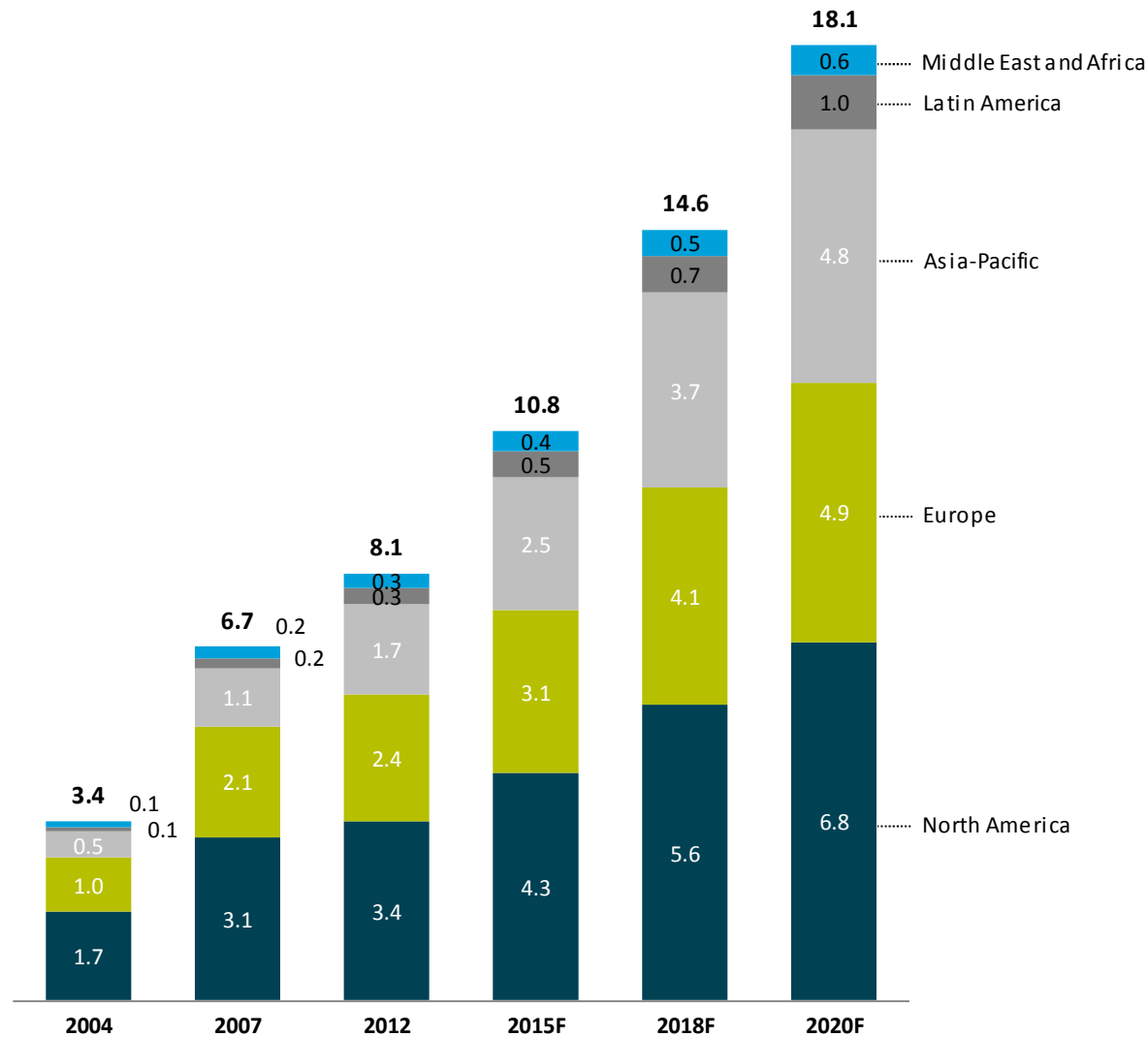
## Strategic acquisitions | Mauritius

### Class 1 acquisition completed 1 January 2017

	IFS Group
<b>Overview</b>	Mauritius based fund and corporate administration services business with focus on emerging markets.
<b>Price</b>	\$133.3 million (£108m)
<b>Offices</b>	Mauritius
<b>Staff</b>	260
<b>Strategic rationale</b>	<ul style="list-style-type: none"> <li>▪ Establishes emerging markets operational platform from which to build out Africa / Asia – Pacific proposition</li> <li>▪ Highly cash generative (cash conversion c.100%)</li> <li>▪ Strong operating profit margins (65%) provide opportunity to invest in front office to drive growth and back office to support wider group objectives</li> <li>▪ Immediately earnings enhancing</li> </ul>
<b>Status update</b>	<p><b>Completed 1 January 2017</b></p> <ul style="list-style-type: none"> <li>▪ Spencer Daley relocated to Mauritius to assist IFS business leaders and integration process</li> <li>▪ New pipeline opportunities to be realised in 2017</li> <li>▪ Integration of business continues but view is to materially complete end of H2'17.</li> </ul>

# A diverse and growing market

## Global alternative assets (USD trillions) by region





# Divisional business overview

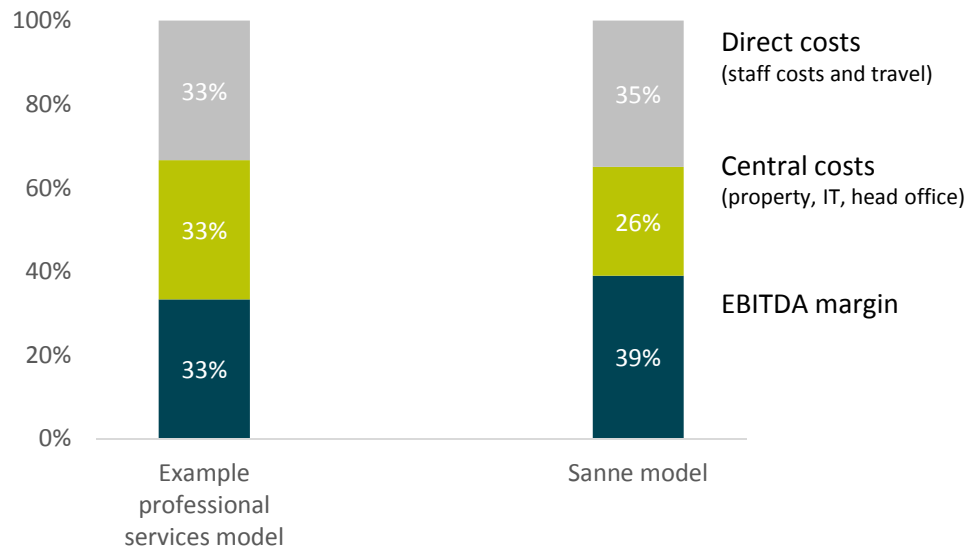
Specialist provider of outsourced corporate, fund and private client administration, reporting and fiduciary services

	Business line	Client profile	Services delivered
ALTERNATIVE ASSETS	Debt	<ul style="list-style-type: none"> <li>Global financial institutions and credit fund managers</li> </ul>	<ul style="list-style-type: none"> <li>Fund and corporate administration</li> <li>Accounting and reporting services</li> </ul>
	Real Estate	<ul style="list-style-type: none"> <li>Real estate management, sovereign wealth funds, pension funds and institutions</li> </ul>	<ul style="list-style-type: none"> <li>Asset servicing</li> <li>Loan agency and servicing (Debt)</li> </ul>
	Private Equity	<ul style="list-style-type: none"> <li>Asset managers, institutions and family offices</li> </ul>	<ul style="list-style-type: none"> <li>Depository services</li> <li>Compliance monitoring</li> </ul>
	Hedge	<ul style="list-style-type: none"> <li>South African and international hedge fund managers</li> </ul>	<ul style="list-style-type: none"> <li>Transaction management</li> <li>SPV administration</li> </ul>
	North America – Alternative Assets	<ul style="list-style-type: none"> <li>Asset managers, institutions and family offices</li> </ul>	<ul style="list-style-type: none"> <li>Company secretary / governance support</li> </ul>
CORPORATE & PRIVATE CLIENT	Corporate and Institutional	<ul style="list-style-type: none"> <li>International corporates, entrepreneurial groups and asset managers</li> </ul>	<ul style="list-style-type: none"> <li>Regulatory reporting services including FATCA, CRS and Annex 4 reporting</li> <li>Listing services</li> </ul>
	Executive Incentives	<ul style="list-style-type: none"> <li>Internationally listed companies, IPOs, private companies and asset managers</li> </ul>	<ul style="list-style-type: none"> <li>Director and trustee services</li> </ul>
	Private Client	<ul style="list-style-type: none"> <li>Ultra high net worth individuals and family offices</li> </ul>	<ul style="list-style-type: none"> <li>Portfolio reporting (Private Client)</li> <li>Philanthropy services (Private Client)</li> </ul>
	Treasury	<ul style="list-style-type: none"> <li>Business wide clients requiring treasury support</li> </ul>	<ul style="list-style-type: none"> <li>Cash and FX management (Treasury)</li> </ul>

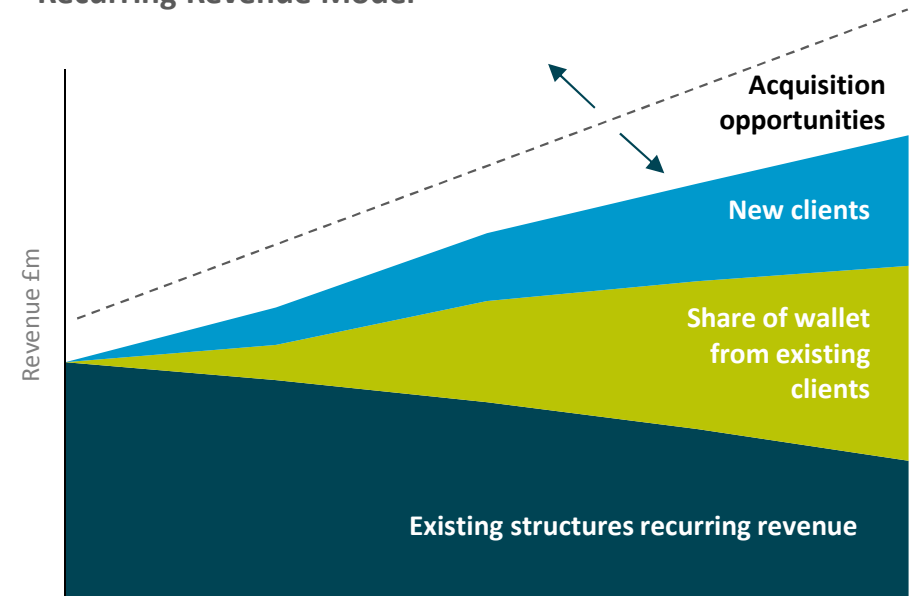
# SANNE's business model

## Strong understanding and control of performance drivers

Simple Cost Model



Recurring Revenue Model



- Control of working capital cycle and control of central overhead drives margin performance

- Majority of revenue is derived from multi-year structures
- Strong revenue growth driven by share of wallet gains supplemented by new client relationships

# Delivering growth – a compelling strategy

## Focus on core strategy continues to deliver growth in 2016

### Market share development

- Deepening of key client relationships in core asset classes
- Increased billing across top clients through take-on of new structures and broader service scope

### Expansion of core asset-led offering

- Continuing to build capabilities across all asset classes
- Hedge platform delivered through recent South African acquisition completing alternatives suite

### Expansion of global network and platform

- Staff number outside Jersey now represent more than 50% of total employees
- Scaled operations in London, Luxembourg, Dublin, Cape Town and Malta
- Business acquired in Mauritius (completed 1 Jan 2017) – leading fund & corporate administration & reporting business with high value client base and high profit margins

### Expansion of services provided

- Increased scale in depositary and loan agency specialisms
- Management Company capabilities delivered through South African/ Malta acquisition
- Focus on FATCA, Annex 4 and CRS reporting as part of developing regulatory reporting capability

### Inorganic strategy

- Acquisition of Chartered Corporate Services in Dublin
- Acquisition of IDS Fund Services in Cape Town
- Acquisition of Sorato B.V. in Netherlands
- Acquisition of FLSV Fund Administration Services LCC in New York & Belgrade
- Acquisition of IFS Group in Mauritius

# Brexit – the impact

SANNE is well placed to adapt to the potential challenges and opportunities of Brexit

	UNITED KINGDOM	CHANNEL ISLANDS	EUROPEAN UNION	REST OF WORLD
Existing SANNE offices	London	Jersey Guernsey	Luxembourg Dublin Malta Netherlands Belgrade *	USA Cape Town Mauritius Hong Kong Shanghai Singapore Dubai
Staff	50	300	200	450
Comment	<ul style="list-style-type: none"> <li>• UK based fund managers already use Irish or Luxembourg alternative investment fund platforms for pan-European distribution</li> <li>• Brexit has the potential to enable greater flexibility to broker trade deals with other / emerging markets</li> </ul>	<ul style="list-style-type: none"> <li>• Not a member of the EU but treated as a “Third Country” for financial services</li> <li>• £200bn+ AUM in Jersey originate from EU markets (excluding the UK)</li> <li>• Offers constitutional / regulatory stability</li> </ul>	<ul style="list-style-type: none"> <li>• SANNE has real substance in European financial centres</li> <li>• Strong cross-jurisdictional relationships already in place with other regional offices</li> </ul>	<ul style="list-style-type: none"> <li>• Little or no impact</li> <li>• Reinforces globalisation strategy</li> </ul>

\* Not part of EU, membership expected in 2020

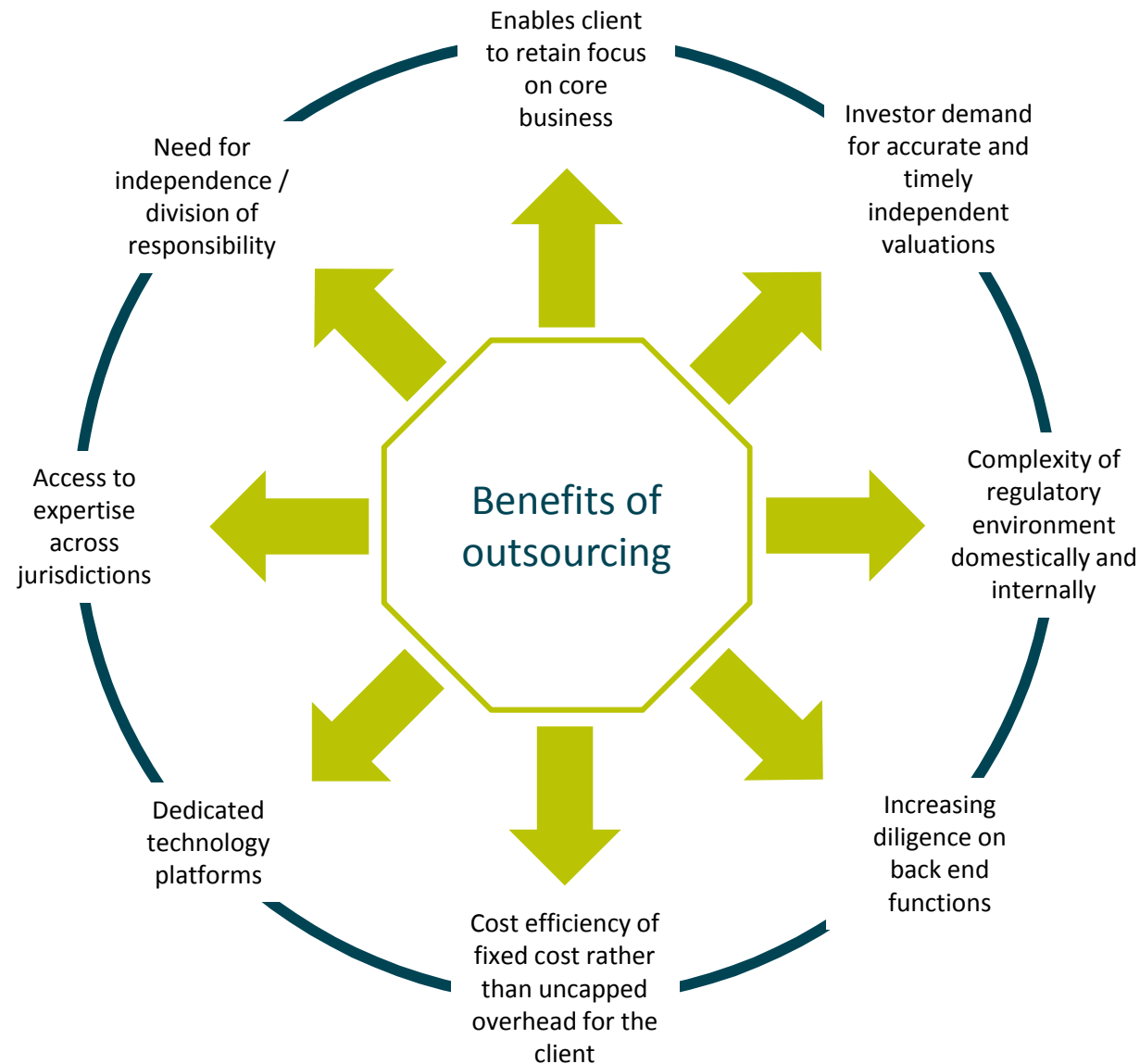
# Market context and key segments

## Fragmented industry with few dominant players

	ALTERNATIVE (Debt, RE, PE)	HEDGE	CORPORATE	PRIVATE CLIENT	TRADITIONAL FUNDS (mutual funds/life funds)
Description	<ul style="list-style-type: none"> <li>Fund and corporate administration</li> <li>Accounting and reporting services</li> <li>Loan agency and servicing</li> <li>Compliance monitoring</li> <li>Transaction management</li> </ul>	<ul style="list-style-type: none"> <li>Valuation</li> <li>Performance reporting</li> <li>Investor reporting</li> <li>Corporate, regulatory and compliance services</li> </ul>	<ul style="list-style-type: none"> <li>SPV administration</li> <li>Company secretary / governance support</li> <li>Regulatory services</li> <li>Carried interest vehicles</li> <li>Listing services</li> <li>Treasury management</li> </ul>	<ul style="list-style-type: none"> <li>Accounting and administration</li> <li>Fiduciary services</li> <li>Asset administration</li> <li>Portfolio reporting</li> <li>Philanthropy services</li> </ul>	<ul style="list-style-type: none"> <li>Establishment of fund structures</li> <li>Fund accounting, calculation of fund performance and investor and regulatory reporting</li> <li>Share holder dealing and registration</li> </ul>
Industry structure	Fragmented	Consolidating	Fragmented	Fragmented	Highly consolidated
Competition					
<b>SANNE's current focus</b>					

# Drivers for outsourcing

Multiple factors influencing outsourced partnership between administrator and client



# Focus on compliance and risk management



SANNE