



## **ST. JAMES'S PLACE plc**

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### **PRESS RELEASE**

**30 October 2014**

#### **ST. JAMES'S PLACE WEALTH MANAGEMENT**

#### **STRONG MOMENTUM CONTINUES WITH 23% INCREASE IN NET INFLOWS TAKING FUNDS UNDER MANAGEMENT TO £49.1 BILLION**

St. James's Place plc ("SJP"), the wealth management group, today issues its new business statement for the three months ended 30 September 2014.

#### **Highlights:**

- Total new single investments of £1.8 billion in the quarter (2013: £1.5 billion) up 19% and 21% over the nine months to £5.8 billion (2013: £4.8 billion)
- Net inflow of funds under management of £1.27 billion (2013: £1.03 billion) – up 23% in quarter and 23% over nine months at £3.71 billion (2013: £3.02 billion)
- SJP new business on an APE basis of £212.6 million in the quarter (2013: £179.9 million) up 18% and 19% over the nine months to £660.5 million (2013: £553.8 million)
- Continued strong retention of clients' funds under management – 95%
- Funds under management of £49.1 billion (2013: £41.8 billion) – up 17% over 12 months and 11% since the beginning of the year.

#### **David Bellamy, Chief Executive, commented:**

"I am very pleased to report that the strong momentum in our business continued into the third quarter, with growth in new business buoyed by a 50% increase in new ISA investments, as clients took the opportunity to capitalise on the higher limits introduced on 1 July. This growth, coupled with the consistently high retention of our existing client funds, saw net inflows increase by 23% to £1.3 billion in the quarter, bringing our total funds under management to a record £49.1 billion. After nine months the growth in new investments, to £5.8 billion, is 21% higher than the same period last year.

These results once again demonstrate the resilience of the business as a result of the outstanding job that our Partners do in managing our clients' financial affairs, both when the markets are positive and when they are less so.

With the increasing freedoms and responsibility individuals have for their own affairs, both leading up to and through retirement, the need for reliable and expert advice has never been more obvious. Consequently, I am confident that we remain well positioned for continued growth in line with our medium term objectives."

The details of the announcement are attached.

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## 1. Commentary and Outlook

The third quarter of 2014 saw momentum in our business continue with a 19% increase in new single investments to £1.8 billion, buoyed by a 50% increase in new ISA investments as our clients took the opportunity to capitalise on the higher limits introduced on 1 July.

This level of new business, together with the continued excellent retention of existing client funds, resulted in a net inflow of funds under management of £1.3 billion, up 23% on the same quarter last year.

In September we announced a number of changes to our range of fund managers and portfolios that will take effect from November 2014. These include the announcement that the Multi Asset fund will be restructured to blend three new investment managers; teams from Invesco Perpetual, Schroders and US-based Payden & Rygel will manage the fund. The objective of the fund will remain unchanged - to provide a balance of income and capital growth over the medium to long term. At the same time we will launch the UK Income Fund, managed by Chris Reid of Majedie Asset Management, whilst the Allshare Income Unit Trust and Diversified Income funds managed by George Luckraft of AXA Framlington will be closed to new investments.

The changes result from regular reviews conducted by the Investment Committee and Stamford Associates to ensure the best outcome for clients. The committee believes that these manager changes will help St. James's Place clients achieve their long term objectives to build and maintain capital.

### *EEV net asset value per share*

The net asset value on the European Embedded Value basis at 30 September 2014 was estimated to be 620.0 pence per share.

### *Capital*

There have been no material changes to group solvency capital during the period.

### *Outlook*

With the increasing freedoms and responsibility individuals have for their own affairs, both leading up to and through retirement, the need for reliable and expert advice has never been more obvious. Consequently, we remain confident that we are well positioned for continued growth in line with our medium term objectives.

## 2. Funds under Management

During the third quarter of 2014 we have once again seen a net inflow of funds under management which, at £1.27 billion, was some 23% higher than the £1.03 billion for the third quarter of 2013. This brings the total net inflow year to date to £3.7 billion (2013: £3.0 billion), up 23%.

Given this strong net inflow, total funds under management increased to £49.1 billion despite the slight fall in the world stock markets (with the FTSE100 index, for example, down 1.8%).

	<b>Unaudited 3 Months to 30 September</b>		<b>Unaudited 9 Months to 30 September</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>£'BN</b>	<b>£'BN</b>	<b>£'BN</b>	<b>£'BN</b>
Opening funds under management	47.6	39.9	44.3	34.8
New money invested*	2.0	1.6	5.8	4.9
Net investment return	0.2	0.8	1.1	4.0
Regular income withdrawals and maturities	(0.3)	(0.1)	(0.7)	(0.5)
Surrenders and part surrenders	(0.4)	(0.4)	(1.4)	(1.4)
<b>Closing funds under management</b>	<b>49.1</b>	<b>41.8</b>	<b>49.1</b>	<b>41.8</b>
Net inflows	1.3	1.1	3.7	3.0
Implied surrender rate as a percentage of average funds under management			4.1%	4.7%

\* Includes gross new single investments together with the current year contributions in respect of regular investments plans

### Analysis of Funds under Management

The following table provides an analysis of the funds under management at 30 September:

	<b>30 September 2014</b>		<b>30 September 2013</b>	
	<b>£'BN</b>	<b>% of total</b>	<b>£'BN</b>	<b>% of total</b>
UK Equities	14.7	30%	12.4	30%
North American Equities	9.5	19%	7.6	18%
Fixed Interest	6.3	12%	5.9	14%
European Equities	5.3	11%	4.8	12%
Asia & Pacific Equities	4.5	9%	3.9	9%
Cash	4.3	9%	3.2	8%
Property	1.5	3%	1.0	2%
Alternative Investments	1.4	3%	1.3	3%
Other	1.6	4%	1.7	4%
<b>Total</b>	<b>49.1</b>	<b>100%</b>	<b>41.8</b>	<b>100%</b>

### 3. SJP New Business

	Unaudited 3 Months to 30 September			Unaudited 9 Months to 30 September		
	2014	2013		2014	2013	
	£'M	£'M		£'M	£'M	
<b>New single investments</b>						
Investment	581.2	576.3		1,800.8	1,612.1	
Pension	513.5	429.9		1,577.9	1,427.4	
Unit Trust and ISA	739.7	531.6		2,372.1	1,731.7	
	<u>1,834.4</u>	<u>1,537.8</u>	<b>+19%</b>	<u>5,750.8</u>	<u>4,771.2</u>	<b>+21%</b>
<b>New annualised regular investments</b>						
Investment	4.1	5.4		12.7	11.7	
Pension	24.5	20.2		71.0	63.3	
Protection	0.5	0.5		1.7	1.7	
	<u>29.1</u>	<u>26.1</u>	<b>+11%</b>	<u>85.4</u>	<u>76.7</u>	<b>+11%</b>
<b>Total new business (APE)*</b>						
Investment	136.2	116.2		430.0	346.1	
Pension	75.9	63.2		228.8	206.0	
Protection	0.5	0.5		1.7	1.7	
	<u>212.6</u>	<u>179.9</u>	<b>+18%</b>	<u>660.5</u>	<u>553.8</u>	<b>+19%</b>

\*Calculated as 1/10<sup>th</sup> single investments plus the annualised regular investments

#### **4. Third Party New Business**

In addition to SJP new business, the Partnership also advises on the products and services of a number of selected third party providers.

- Investment into various schemes (eg VCT and EIS etc)
- Pensions: Group Personal Pension Schemes, Annuities and SIPPs
- Protection and general insurance

For the three month period to 30 September 2014, the total third party single new business was £120.4 million (2013: £150.3 million) and total annualised new regular business was £12.5 million (2013: £9.0 million).

For the nine month period to 30 September 2014, the total third party single new business was £454.5 million (2013: £445.4 million) and total annualised new regular business was £36.6 million (2013: £32.1 million).