



ST. JAMES'S PLACE plc

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PRESS RELEASE

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ST. JAMES'S PLACE WEALTH MANAGEMENT

STRONG FIRST QUARTER TAKES FUNDS UNDER MANAGEMENT TO £55.8 BILLION

St. James's Place plc ("SJP"), the wealth management group, today issues its interim management statement for the three months ended 31 March 2015.

Highlights:

- New business on an APE basis of £232.2 million (2014: £205.4 million) – up 13%
- Total new single investments of £2.0 billion (2014: £1.8 billion) – up 11%
- Continued strong retention of client funds – 96%
- Net inflow of funds under management of £1.30 billion (2014: £1.19 billion) – up 9%
- Funds under management of £55.8 billion (2014: £45.8 billion) – up 22% over 12 months and 7% since the beginning of the year

David Bellamy, Chief Executive, commented:

"I am pleased to report a strong first quarter with new investments of £2 billion and continuing high retention of our clients' existing funds, taking our funds under management to £55.8 billion, up 7% since the beginning of the year.

During the period we received feedback from 47,000 clients who responded to our annual Wealth Account Client Survey. The majority told us that their highest priority is ensuring they have enough to live on in retirement. They also want to be able to enjoy retirement without worrying about financial matters and have sufficient funds to pay for their long term care, should they need it in the future. This survey reinforces our experience that people keep their money invested as long as possible, contributing to our strong retention of funds under management. It further suggests that individuals understand the need to save and are unlikely to disturb their retirement plans following the introduction of the new rules.

People face an increasingly complex range of decisions when considering how to manage their wealth. Irrespective of any changes that may result from the impending General Election, our Partners will continue to play an important role in helping them to fully understand their options, now and in the future, to achieve their financial objectives.

Consequently, there has rarely been a greater need for advice which is why I remain confident that if we continue to focus on achieving the best possible outcomes for our clients, through the provision of sound personal advice, a reliable ongoing service and our distinctive approach to the management of their wealth, we will continue to grow our business in line with our objectives, in 2015 and beyond."

The details of the announcement are attached.

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1. Commentary and Outlook

The first quarter of 2015 has seen growth in a number of global stock markets, which would suggest increasing investor confidence in the world's developed economies.

This has contributed to strong levels of new business, with an 11% increase in new single investments to £2.0 billion and a particularly strong growth in unit trust, ISA and pensions business as our clients took encouragement by way of the higher ISA savings limits and the introduction of increased flexibility for retirement savings.

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 9%.

Today, St. James's Place Wealth Management has published findings from its annual Wealth Account Client Survey for the first time. With over 47,000 respondents it represents the largest sample of consumer opinion in UK financial services and reveals how our clients view their financial future and their concerns.

When asked to specifically consider their three top priorities for their future wealth, 75% of respondents say ensuring they have enough to live on in retirement is their highest priority, and 68% suggest being able to enjoy their retirement without having to worry over financial matters, is a key focus. Nearly half (47%) of those surveyed place importance on having sufficient funds to pay for their long term care should they need it in the future.

Just over a third (38%) believe leaving an inheritance is among their top three priorities while a similar proportion (37%) talk more generally of wanting to help their children and/or grandchildren.

When asked which issues concern them over the next three to five years, 69% are worried about the state of the UK economy, with 54% nervous of the outcome of the impending General Election. Furthermore, 43% are concerned about the potential impact of the UK leaving the European Union. Only one in three (29%) worry about a potential rise in interest rates and the cost of living (35%).

As announced earlier in the year, The St. James's Place Money Management Account, in association with Metro Bank, was launched last week. Early indications are that our clients have positively received this additional service.

EEV net asset value per share

The net asset value on the European Embedded Value basis at 31 March 2015 was approximately 700 pence per share (685 pence after the payment of the full year dividend).

Capital

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

Outlook

There has rarely been a greater need for advice which is why we remain confident that if we continue to focus on achieving the best possible outcomes for our clients, through the provision of sound personal advice, a reliable ongoing service and our distinctive approach to the management of their wealth, we will continue to grow our business in line with our objectives, in 2015 and beyond.

2. Funds under Management

During the first quarter of 2015 we have once again seen a net inflow of funds under management which, at £1,304 million, was some 9% higher than the £1,191 million for the first quarter of 2014.

Given this strong net inflow and positive returns in the world stock markets (with the FTSE100 index for example up 3%), total funds under management increased to £55.8 billion.

	Unaudited 3 Months to 31 March 2015	Unaudited 3 Months to 31 March 2014
	£'bn	£'bn
Opening funds under management	52.0	44.3
New money invested*	2.1	1.9
Net investment return	2.5	0.3
	<hr/> 56.6	<hr/> 46.5
Regular income withdrawals and maturities	(0.2)	(0.2)
Surrenders and part surrenders	(0.6)	(0.5)
Closing funds under management	<hr/> 55.8	<hr/> 45.8
Net inflows	<hr/> 1.3	<hr/> 1.2
Implied surrender rate as a percentage of average funds under management	<hr/> 4.1%	<hr/> 4.3%

* 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 31 March 2015 split by geography and asset type:

	31 March 2015		31 March 2014	
	£'bn	% of total	£'bn	% of total
UK Equities	16.0	29%	13.7	30%
North American Equities	11.3	20%	8.9	19%
Fixed Interest	7.5	13%	6.3	14%
European Equities	6.5	12%	5.4	12%
Asia & Pacific Equities	5.1	9%	3.9	9%
Cash	4.6	8%	3.4	7%
Other	2.0	4%	1.6	3%
Property	1.8	3%	1.3	3%
Alternative Investments	1.0	2%	1.3	3%
Total	<hr/> 55.8	<hr/> 100%	<hr/> 45.8	<hr/> 100%

3. SJP New Business

	Unaudited 3 Months to 31 March		
	2015	2014	
	£'m	£'m	
New single investments			
Investment	530.1	623.9	
Pension	663.0	515.1	
Unit trust and ISA	823.0	671.4	
	<u>2,016.1</u>	<u>1,810.4</u>	+11%
New annualised regular investments			
Investment	5.5	3.2	
Pension	24.6	20.7	
Protection	0.5	0.5	
	<u>30.6</u>	<u>24.4</u>	+25%
Total new business (APE)*			
Investment	140.8	132.7	
Pension	90.9	72.2	
Protection	0.5	0.5	
	<u>232.2</u>	<u>205.4</u>	+13%

*Calculated as 1/10th 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

During the three month period the total third party single new business was £177.4 million (2014: £166.5 million) and total annualised new regular business was £10.4 million (2014: £9.5 million).