



ST. JAMES'S PLACE plc

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PRESS RELEASE

26 April 2016

ST. JAMES'S PLACE WEALTH MANAGEMENT

STRONG FIRST QUARTER DRIVES FUNDS UNDER MANAGEMENT TO £62.0 BILLION

St. James's Place plc ("SJP"), the wealth management group, today issues an update on new business inflows and funds under management for the three months ended 31 March 2016.

- Gross inflow of funds under management of £2.45 billion (2015: £2.11 billion)
- Continued strong retention of client funds – 95%
- Net inflow of funds under management of £1.36 billion (2015: £1.32 billion)
- Group funds under management of £62.0 billion (2015: £55.8 billion)

Other initiatives:

- Acquisition of Technical Connection Ltd
- Launch of the St. James's Place intergenerational mortgage suite

David Bellamy, Chief Executive, commented:

“Against a backdrop of continued uncertainty across global stock markets, our business is performing strongly. Supported by a monthly record £1 billion of gross inflows in March, the total gross inflows for the quarter were £2.45 billion, up 16% over the same period last year. This result, together with the continued high retention of clients and their investments, took Group funds under management to £62.0 billion.

In addition to advising clients on the more flexible, often complex, options available in respect of their retirement funds and changes to the contribution and fund limits which were announced last year, our Partners have been active in the run up to this year's spring budget, as speculation of more radical changes grew. The fact that the Chancellor avoided further changes to Pension tax relief and chose to give further encouragement to individual savings through a higher limit for ISAs in 2017, the introduction of a lifetime ISA and reduced Capital Gains tax, bodes well for the future.

We remain focused on achieving the best possible outcomes for our clients, through the provision of sound personal financial advice. The acquisition of Technical Connection with their specialist technical support services, together with the new St. James's Place intergenerational mortgage suite, adds to the resources and services that our Partners and clients can draw upon to achieve that.”

The details of the announcement are attached.

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This afternoon St. James's Place will host a Capital Markets Briefing for analysts and investors at The Great Hall, JP Morgan, 60 Victoria Embankment, London EC4Y 0JP. The meeting will commence at 3pm and finish at 5pm.

The event will provide attendees the opportunity to hear senior members of our executive management team talk about how we support the Partnership, a Partner's perspective of the benefits of our approach and how we plan to integrate the additional services offered by Rowan Dartington to the Group.

A full recording of the meeting will be published on 27 April.

Notes to editors:-

Acquisition of Technical Connection Ltd

Technical Connection is the financial services sector's recognised leader in delivering technical support, insight, proposition development and the provision of continuing professional development (CPD) to financial advisers and institutions.

A key supplier of technical resource to St. James's Place since our inception in 1991, the acquisition strengthens St. James's Place's existing technical support capability through the addition of a skilled team of advisory professionals. In addition to enhancing the Group's ability to provide business-focussed technical support to its Partners, Technical Connection will play a key role in business and proposition development activities. Technical Connection's online knowledge management platform, Techlink Professional, will also provide the foundation for further digital evolution of St. James's Place Partner support.

David Bellamy, Chief Executive, commented:

“In an increasingly complex world, the need for reliable and expert advice has never been more obvious. Bringing together the experience and innovation of Technical Connection with St. James's Place's existing technical support team creates a very powerful centre of business focussed technical expertise to enhance the support we provide to our Partners and advisers in helping clients to navigate their financial decisions.”

Launch of the St. James's Place Intergenerational Mortgage suite

St. James's Place has announced the launch of the St. James's Place Intergenerational Mortgage Range, in conjunction with Metro Bank. This new product range, exclusive to clients of St. James's Place, is specifically designed for parents and grandparents who want to support their children or grandchildren in buying their first home.

Intergenerational wealth transfer creates many positive opportunities to support generations within families. The new mortgage range offers flexibility to families providing support to their young relatives and is designed to make home ownership achievable, affordable and more secure. A primary benefit of the product range is that it provides a number of options to allow them to plan for their own future, while supporting their relatives to get onto the property ladder.

David Bellamy, Chief Executive, commented:

“We now live in a world where it's possible for four generations to exist within a family. As the UK demographics change, wealth is increasingly being transferred between generations during lifetimes. While offering such support, families also need to be secure in their own future. The Intergenerational Mortgage Range allows families to contribute to their children's home-owning ambitions but also enables them to be secure in their own future and plan for the longer term.”

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1. Funds under Management

During the first quarter of 2016 gross inflows to our funds under management were up 16% at £2.45 billion (2015: £2.11 billion) and we continue to experience high retention of existing clients and their investments, such that we are able to report net inflows of £1.36 billion (2015: £1.32 billion) in the quarter. Acquired funds under management relate to the acquisition of the discretionary fund manager (DFM), Rowan Dartington.

| Three Months Ended 31 March 2016 | Investment | Pension | UT/ISA & DFM | Total |
|--|-------------------|------------------|-----------------------------|------------------|
| | £'Billion | £'Billion | £'Billion | £'Billion |
| Opening funds under management | 22.52 | 20.86 | 15.23 | 58.61 |
| Rowan Dartington acquisition | - | - | 1.26 | 1.26 |
| Gross inflows | 0.46 | 1.18 | 0.81 | 2.45 |
| Net investment return | 0.17 | 0.49 | 0.13 | 0.79 |
| Regular income withdrawals and maturities | (0.13) | (0.21) | (0.01) | (0.35) |
| Surrenders and part surrenders | (0.19) | (0.26) | (0.29) | (0.74) |
| Closing funds under management | 22.83 | 22.06 | 17.13 | 62.02 |
| Net inflows | 0.14 | 0.71 | 0.51 | 1.36 |
| Implied surrender rate as a percentage of average funds under management | 3.4% | 3.7% | 6.9% | 4.5% |

Included within "UT/ISA & DFM" are gross inflows of £0.04 billion and outflows from regular income withdrawals and maturities of £0.01 billion in relation to the Rowan Dartington Group funds under management.

In addition, there is a further £421 million of funds under management in third party funds within our Asia business.

| Three Months Ended 31 March 2015 | Investment | Pension | UT/ISA | Total |
|--|-------------------|------------------|------------------|------------------|
| | £'Billion | £'Billion | £'Billion | £'Billion |
| Opening funds under management | 21.14 | 18.08 | 12.79 | 52.01 |
| Gross inflows | 0.59 | 0.73 | 0.79 | 2.11 |
| Net investment return | 0.84 | 1.00 | 0.64 | 2.48 |
| Regular income withdrawals and maturities | (0.12) | (0.12) | - | (0.24) |
| Surrenders and part surrenders | (0.19) | (0.12) | (0.24) | (0.55) |
| Closing funds under management | 22.26 | 19.57 | 13.98 | 55.81 |
| Net inflows | 0.28 | 0.49 | 0.55 | 1.32 |
| Implied surrender rate as a percentage of average funds under management | 3.4% | 2.6% | 7.3% | 4.1% |

In addition, there was a further £498 million of funds under management in third party funds within our Asia business.

2. Analysis of Funds under Management

The following table provides an analysis of the funds under management at 31 March 2016 split by geography and asset type:

| | 31 March 2016 | | 31 March 2015 | |
|-------------------------|---------------|-------------|---------------|-------------|
| | £'Billion | % of total | £'Billion | % of total |
| UK Equities | 15.4 | 25% | 16.0 | 29% |
| North American Equities | 13.8 | 22% | 11.3 | 20% |
| Fixed Interest | 9.8 | 16% | 7.5 | 13% |
| European Equities | 6.4 | 10% | 6.5 | 12% |
| Asia & Pacific Equities | 5.1 | 8% | 5.1 | 9% |
| Cash | 4.4 | 7% | 4.6 | 8% |
| Property | 2.3 | 4% | 2.0 | 4% |
| Alternative Investments | 1.4 | 2% | 1.8 | 3% |
| Other* | 3.4 | 6% | 1.0 | 2% |
| Total | 62.0 | 100% | 55.8 | 100% |

*Included within "Other" is £1.29 billion (2015: Nil) in relation to Rowan Dartington Group funds under management.

3. Gross Inflow Figures

| | Unaudited 3 Months to 31 March | |
|----------------------|--------------------------------------|-------------|
| | 2016 | 2015 |
| | £'Billion | £'Billion |
| Gross inflows | | |
| Investment | 0.46 | 0.59 |
| Pension | 1.18 | 0.73 |
| Unit Trust/ISA & DFM | 0.81 | 0.79 |
| | 2.45 | 2.11 |

4. EEV Net Asset Value per Share

The net asset value on the European Embedded Value basis at 31 March 2016 was approximately 760 pence per share (cum div) and 740 pence per share after the payment of the full year dividend on 13 May 2016.