



ST. JAMES'S PLACE
WEALTH MANAGEMENT

FULL YEAR RESULTS – 2019

PARTNERS IN MANAGING YOUR WEALTH

CONTENTS

PART ONE – BUSINESS MODEL

OUR STRATEGY 4

THE PARTNERSHIP 19

INVESTMENT MANAGEMENT 29

OUR CLIENTS 43

CLIENT SURVEY 47

THE ADVICE MARKET 50

COSTS & CHARGES 59

PART TWO – FINANCIAL RESULTS

CASH & DIVIDEND PROFILE 66

OUR SHAREHOLDERS 72

ANALYST FOLLOWING 74



PART ONE – BUSINESS MODEL

ST. JAMES'S PLACE OVERVIEW

- **Leading UK Wealth Management Company**
 - Established 1991
 - UK listed with market cap of c.£6 billion
 - Over £117 billion in funds under management
 - Target market £50k to £5 million free investable assets
- **Differentiated advice led business model**
 - Dedicated advice distribution – the Partnership
 - Distinctive global investment management approach
- **Well positioned to benefit from long-term market growth**
 - Favourable demographic trends
 - Future intergenerational transfer of wealth

FACTORS DRIVING DEMAND FOR ADVICE



WHAT OUR ADVISERS OFFER

“ The first pillar of value, financial planning, starts with building a deep understanding of who the client is, and what they are seeking to accomplish – properly grounded in trust and transparency, it serves as the roadmap to achieving the clients financial goals.

The true value of the relationship is the interpersonal understanding between the adviser and their client – understanding their needs, financial situation and risk profile is vital. ”

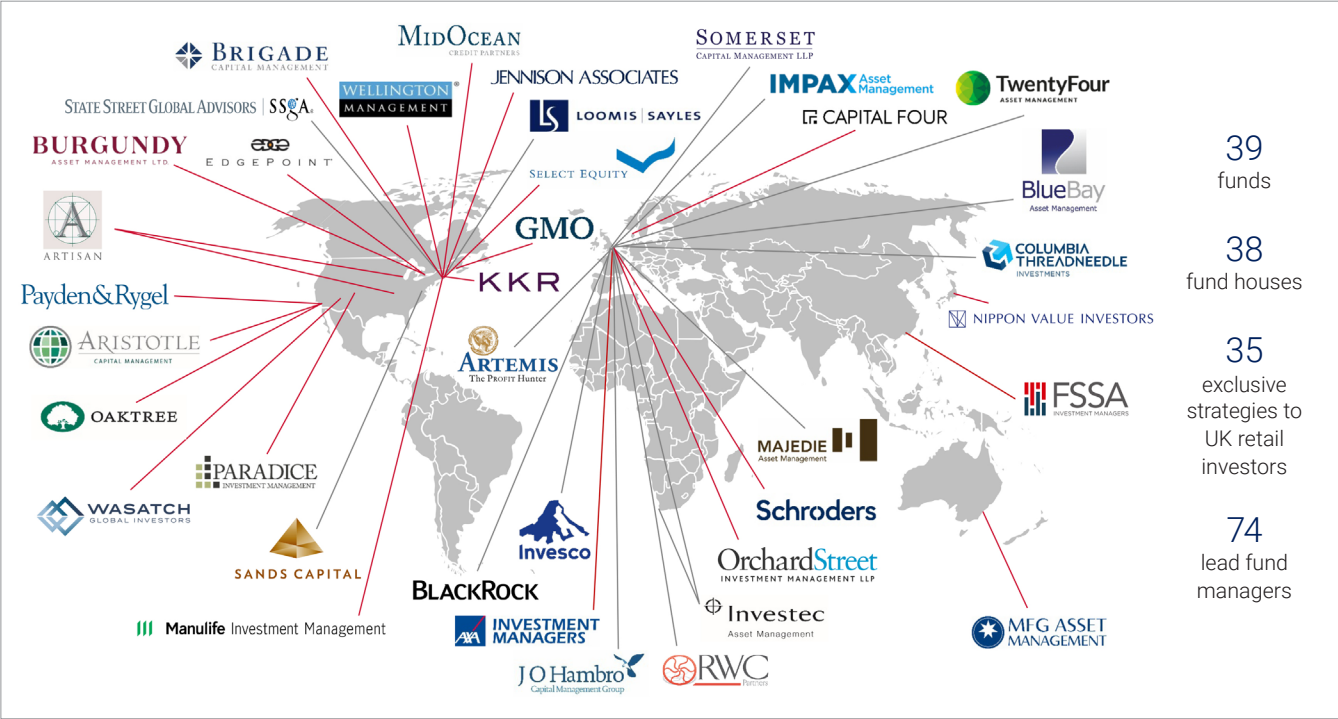
Source: Capital Sigma – sources of advised created value

WHAT OUR ADVISERS OFFER

- Holistic financial planning
- Understanding a client's goals and objectives
- A personalised tax efficient financial plan and investment strategy
- Keep clients informed and review circumstances throughout relationship
- Peace of mind – being there at key moments of truth
- Managing the transition of wealth to next generation

Source: Capital Sigma – sources of advised created value

GLOBAL INVESTMENT MANAGEMENT EXPERTISE



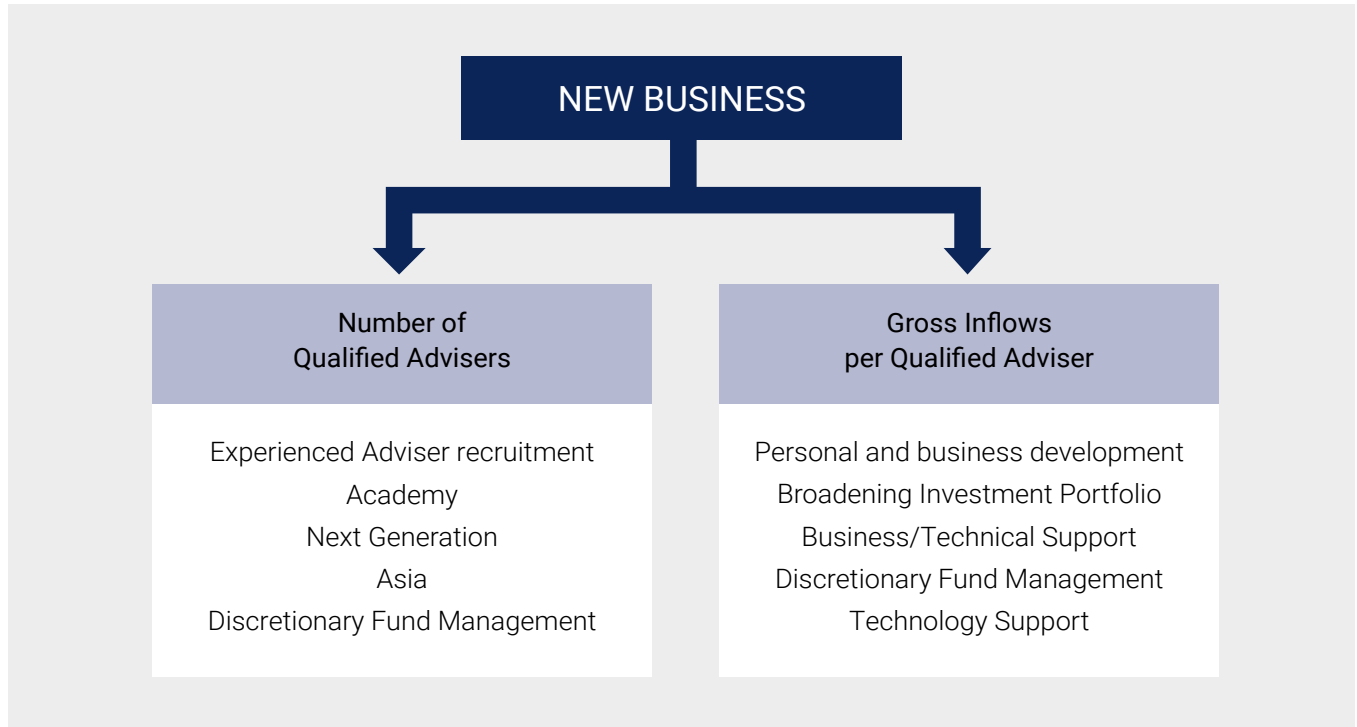
Red lines indicate fund managers from whom all the strategies we offer are exclusive to St. James's Place clients in the UK retail space.

WHOLE OF MARKET APPROACH

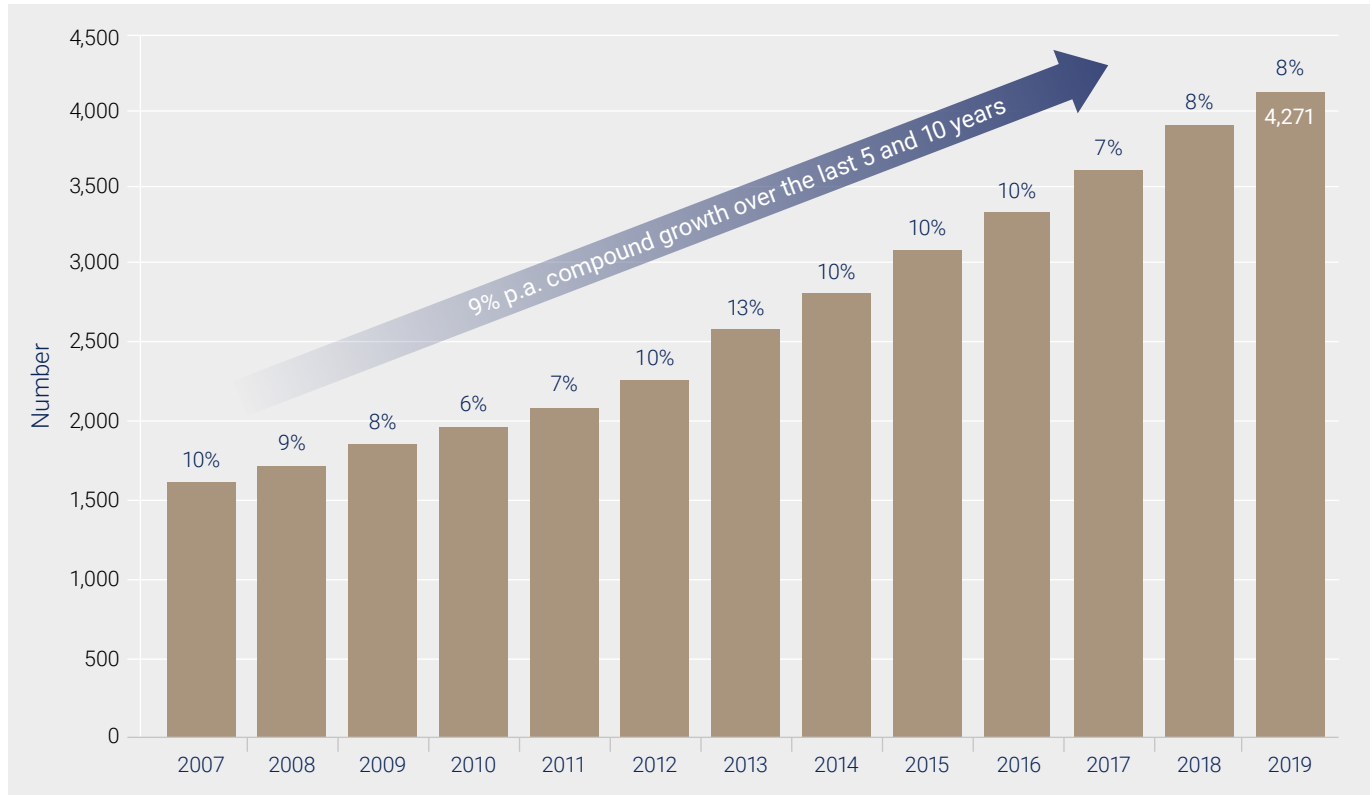
Although our advice is restricted to the products and services available through St. James's Place, we take responsibility for the due diligence on all the providers whose products and services we make available to our clients, some of which are shown below.



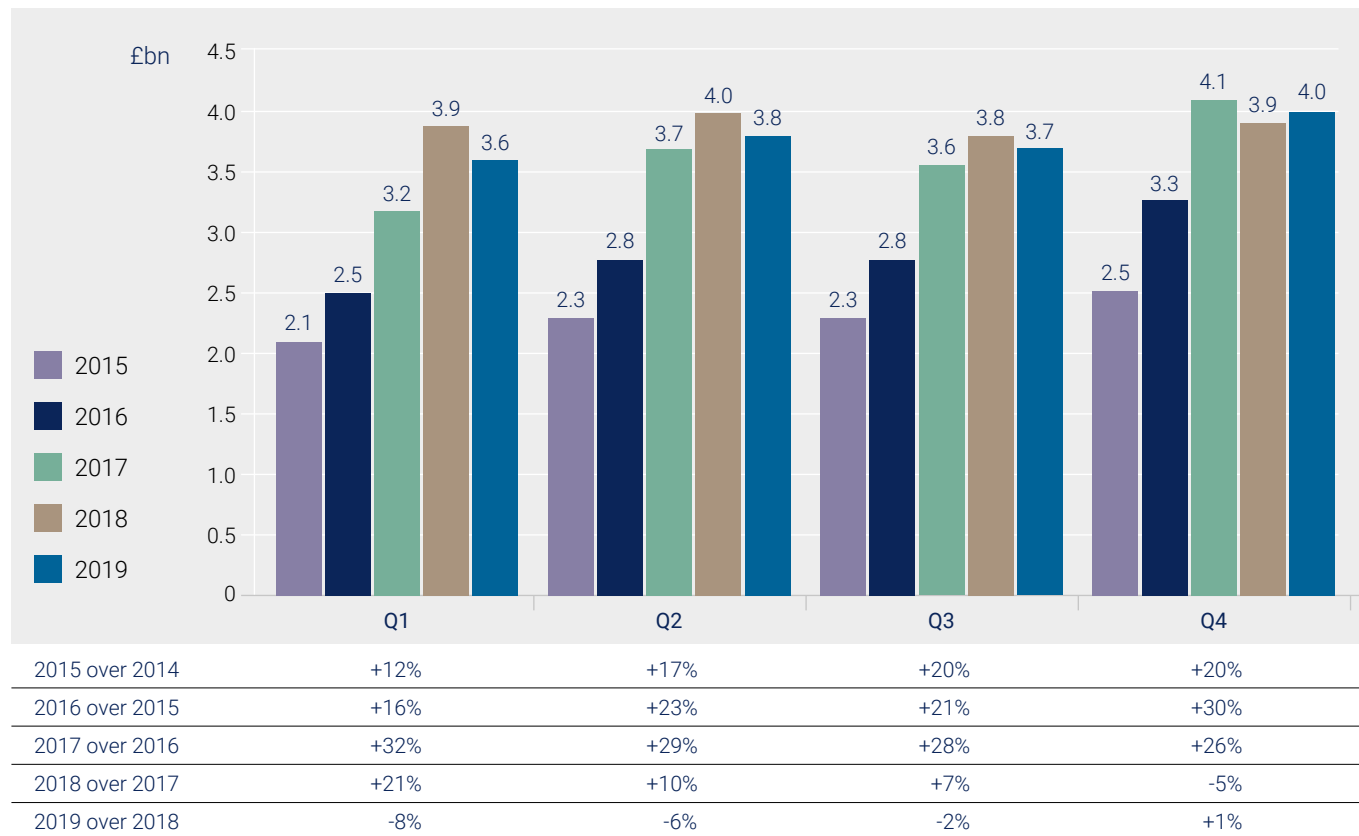
STRATEGIC CONTEXT – THE GROWTH MODEL



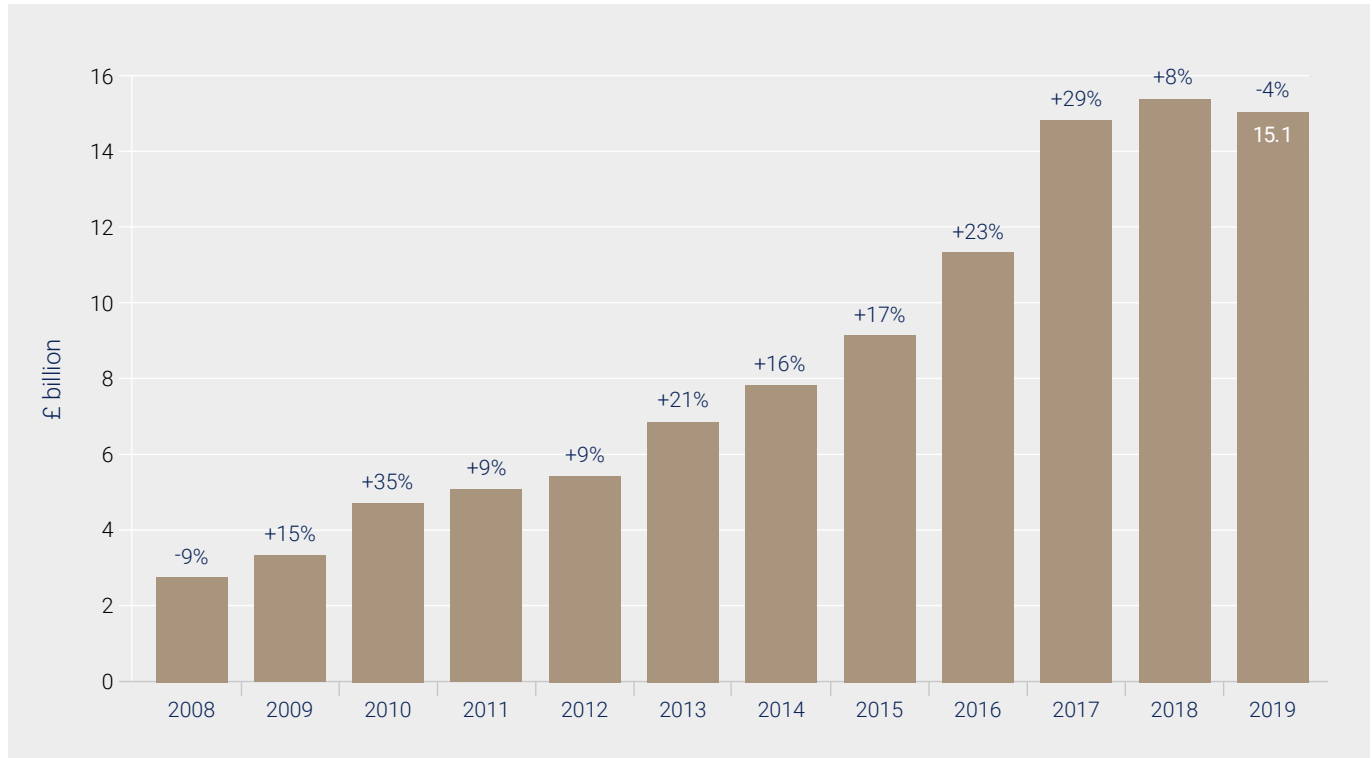
NUMBER OF QUALIFIED ADVISERS



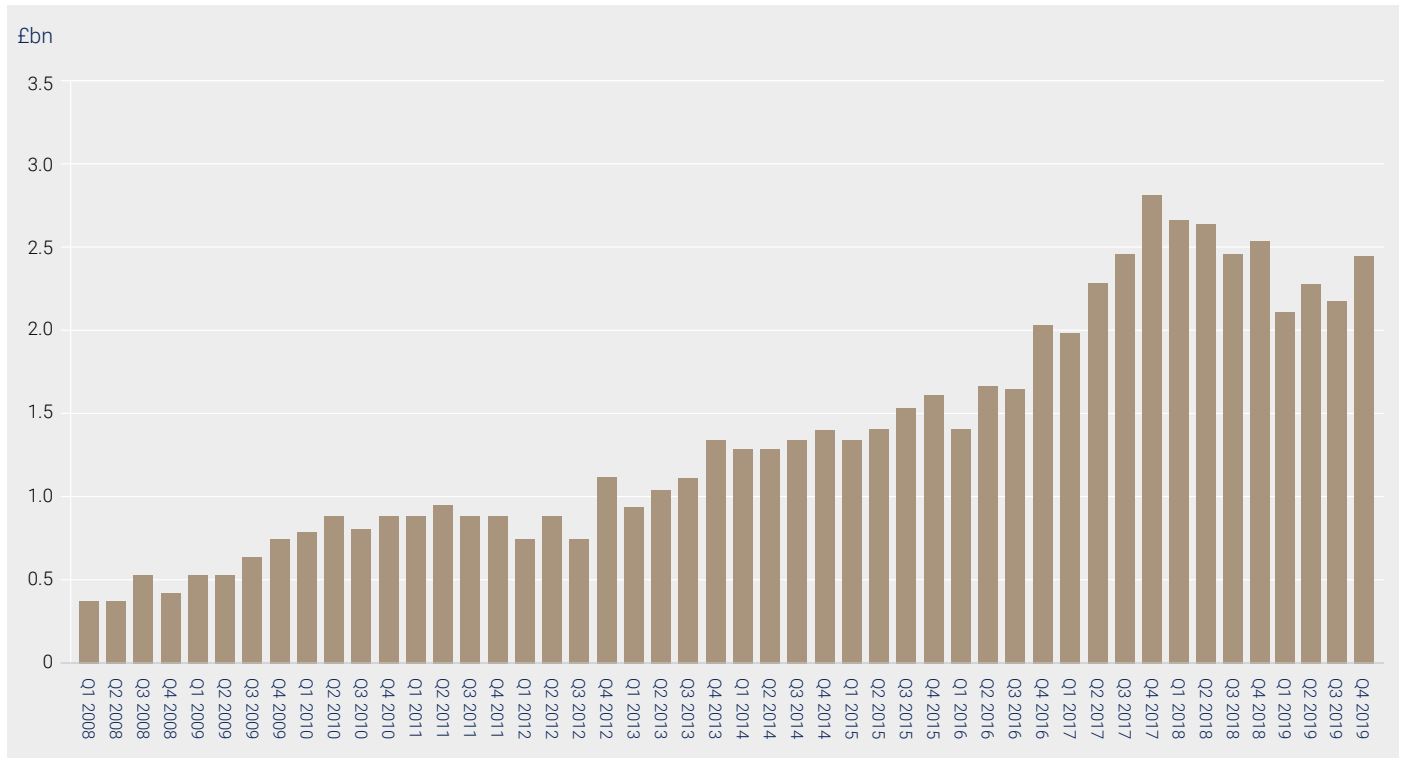
GROSS INFLOWS BY QUARTER



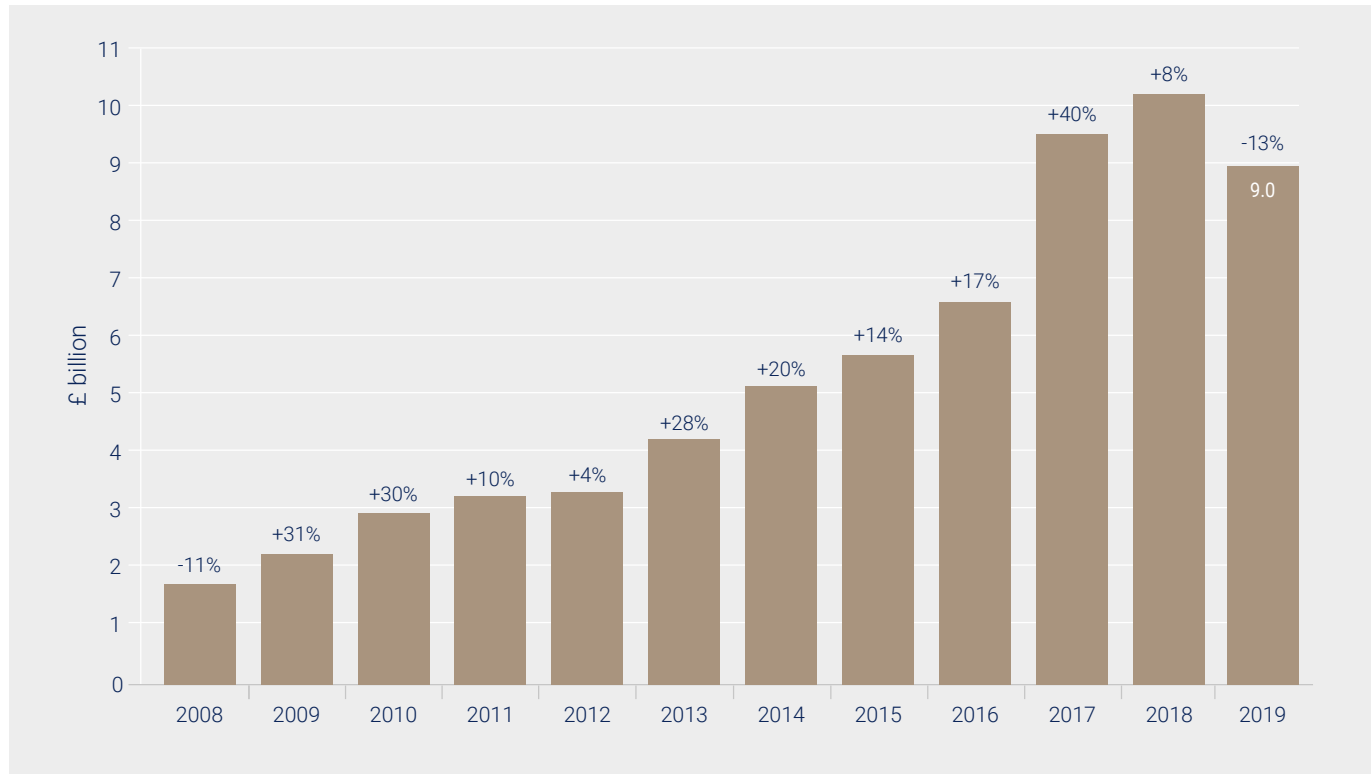
GROSS INFLOWS



QUARTERLY NET INFLOWS 2008–2019

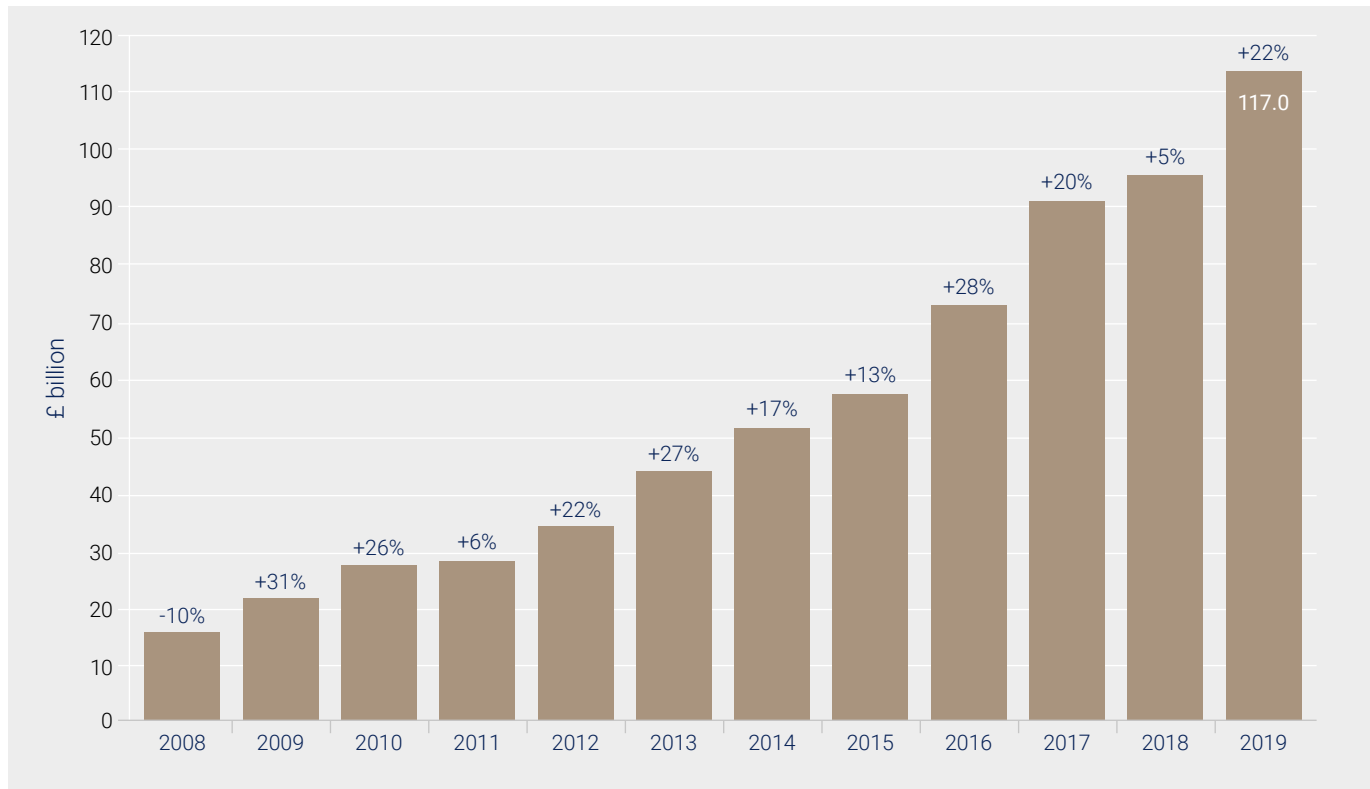


CONSISTENT NET INFLOWS



FUNDS UNDER MANAGEMENT

18% p.a. compound growth over the last 5 years and 19% p.a. over last 10 years (at 31 December 2019)



2019 – FUND FLOW INFORMATION

£ billion	12 months ended 31 December 2019	12 months ended 31 December 2018
Funds under management at start	95.6	90.7
Gross inflows	15.1	15.7
Investment return	12.4	(5.4)
	<u>123.1</u>	<u>101.0</u>
Regular income withdrawals/maturities	(1.9)	(1.6)
Surrenders/part surrenders	(4.2)	(3.8)
Funds under management at close	<u>117.0</u>	<u>95.6</u>
Net inflow of funds under management	<u>9.0</u>	<u>10.3</u>
Implied surrender rate as % of average funds under management	4.0%	4.1%

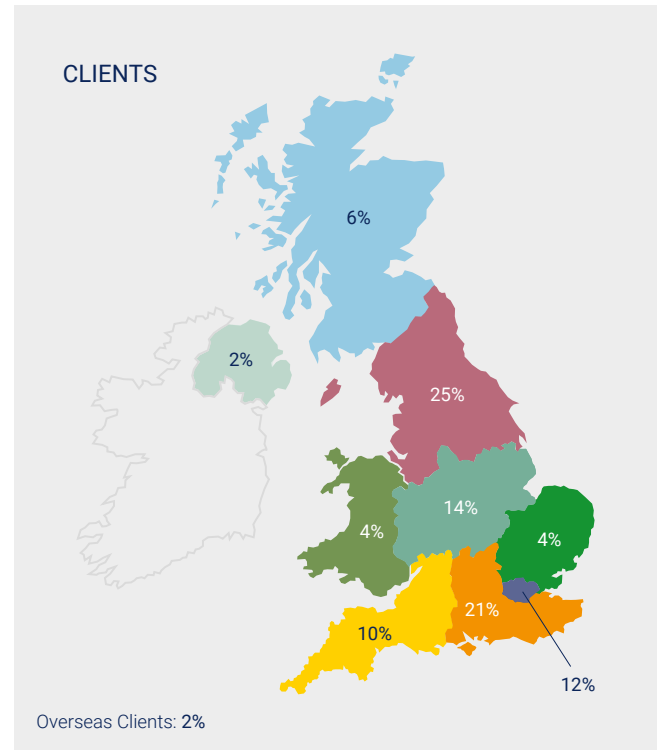
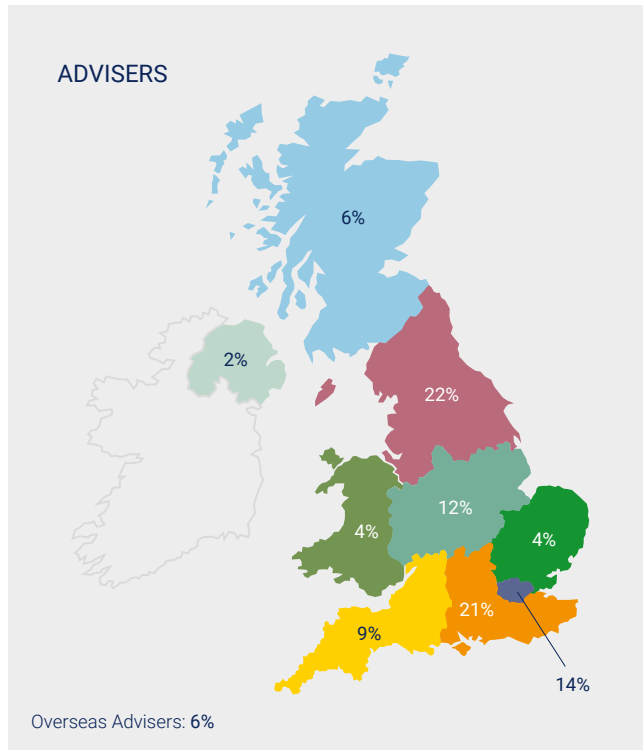
THE PARTNERSHIP

DEDICATED DISTRIBUTION – THE PARTNERSHIP

- High quality self-employed team of 4,271 Qualified Advisers
 - Average age is 47
 - 90%+ per annum retention rate
- Aim to grow Adviser numbers by 6% to 8% per annum
- Aim to increase productivity each year
- Average industry experience is 19 years

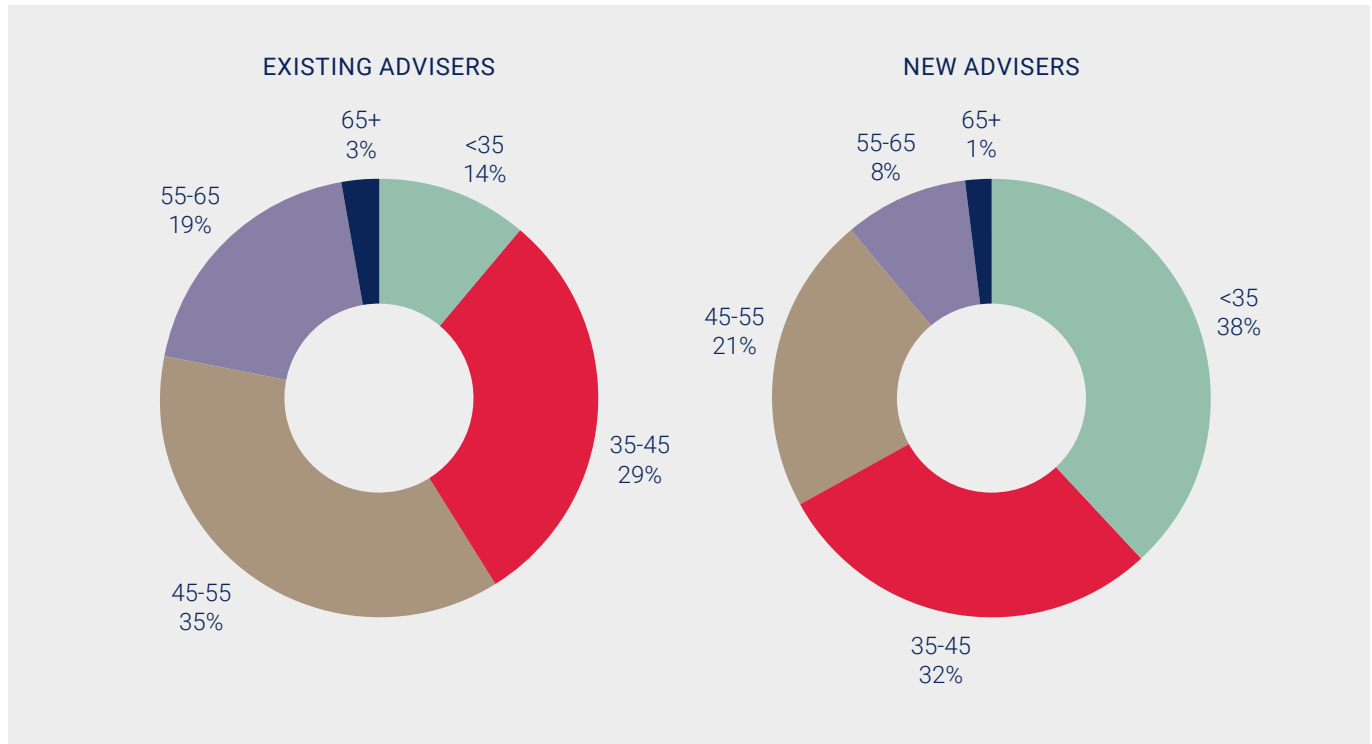
GEOGRAPHIC DISTRIBUTION OF ADVISERS & CLIENTS

31 December 2019

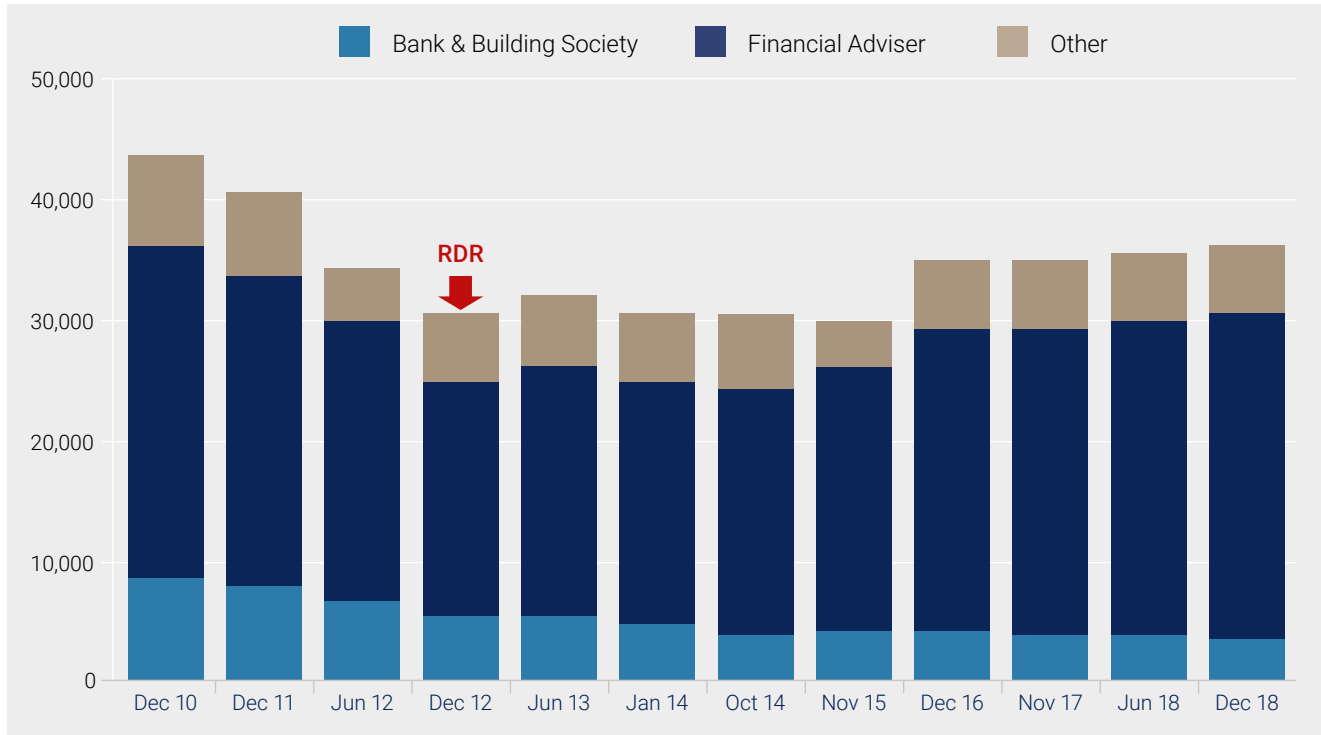


QUALIFIED ADVISERS BY AGE BAND

31 December 2019



UK QUALIFIED ADVISERS



Source: Financial Conduct Authority

ST. JAMES'S PLACE ASIA



ST. JAMES'S PLACE
ASIA

- Offices in Singapore, Hong Kong and Shanghai
- 167 advisers
- SJP Funds under management: £934 million, up 49%

31 December 2019



- Over 600 have graduated from the Academy
- Currently 458 in the programme
- 172 graduated in 2019
- Four Regional Academies (London, Manchester, Solihull & Edinburgh)
- Typical intake 15–20 per programme
- 42% from financial services background
- 58% from non-financial services background (Military, Recruitment, Sport, Marketing, IT)

ST. JAMES'S PLACE ACADEMY



ST. JAMES'S PLACE
ACADEMY

- Average age 34: previous earnings c£61,000
- 71% male/29% female
- 60% are Partner referrals
- 14% are Staff referrals
- 15% directly from Academy website



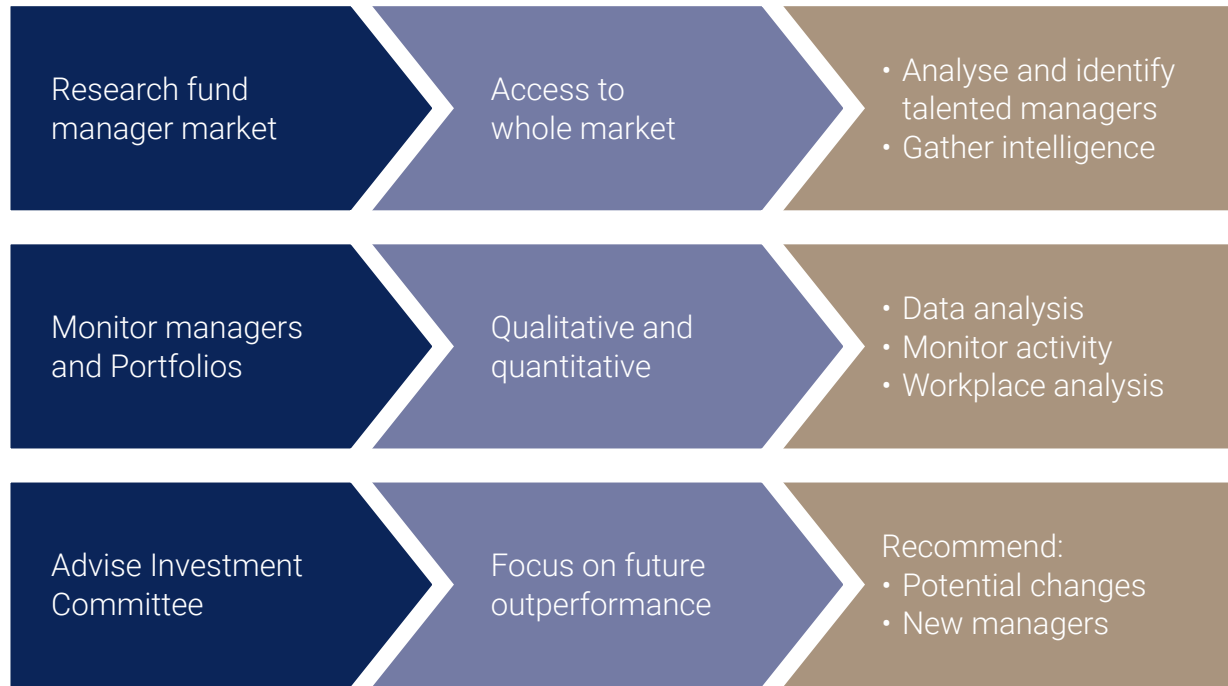
- Specialises in Discretionary Fund Management (DFM) and stockbroking services
- Growth model – acquiring and retaining client investments
- Strong persistency – long-term retention data similar to SJP – 95%
- 16 offices, 280 employees, 54 investment executives
- Assets under management in excess of £2.8 billion (over £1 billion from the Partnership)
- DFM market – circa £600bn and growing with ~4,000 investment executives

INVESTMENT MANAGEMENT

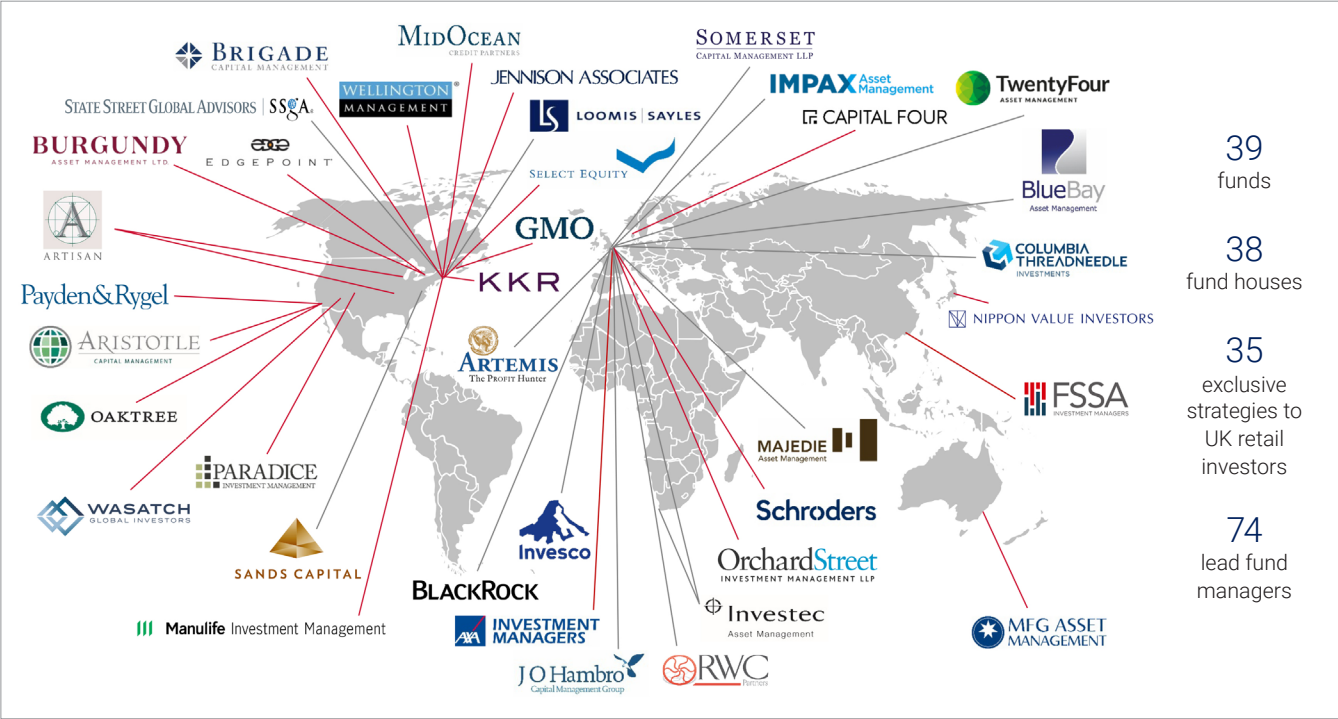
OUR APPROACH TO INVESTMENT MANAGEMENT



STAMFORD ASSOCIATES AND REDINGTON: INDEPENDENT INVESTMENT CONSULTANCIES



GLOBAL INVESTMENT MANAGEMENT EXPERTISE

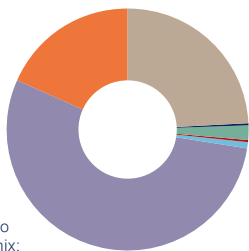


Red lines indicate fund managers from whom all the strategies we offer are exclusive to St. James's Place clients in the UK retail space.

GROWTH PORTFOLIOS

DEFENSIVE PORTFOLIO

Low Risk



Portfolio asset mix:

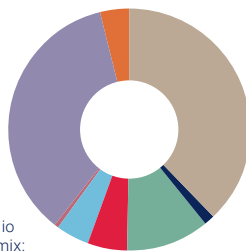
Global Fixed Interest	28.9%	International Equities	0.1%
UK Equities	0.4%	Property	0%
North American Equities	2.6%	Alternatives	65.0%
Asia Pacific Equities	0.3%	Cash	1.6%
European Equities	1.1%		

Fund mix:

Multi Asset	40%
UK Absolute Return	15%
Alternative Assets	10%
Diversified Bond	10%
Gilts (UK Gilts)	10%
Investment Grade Corporate Bond	10%
Worldwide Opportunities	5%

CONSERVATIVE PORTFOLIO

Lower-Medium Risk



Portfolio asset mix:

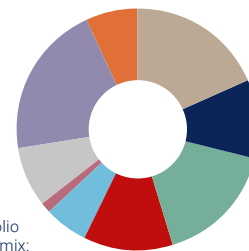
Global Fixed Interest	36.2%	International Equities	0.7%
UK Equities	1.4%	Property	0%
North American Equities	10.9%	Alternatives	36.7%
Asia Pacific Equities	5.8%	Cash	3.7%
European Equities	4.6%		

Fund mix:

Global Equity	15%
Multi Asset	15%
Alternative Assets	10%
Index Linked Gilts	10%
Investment Grade Corporate Bond	10%
UK Absolute Return	10%
Corporate Bond	5%
Diversified Assets (FAIF)	5%
Diversified Bond	5%
International Equity	5%
UK Absolute Return	5%
Worldwide Opportunities	5%

BALANCED PORTFOLIO

Medium Risk



Portfolio asset mix:

Global Fixed Interest	17.0%	International Equities	1.3%
UK Equities	10.6%	Property	8.5%
North American Equities	15.7%	Alternatives	21.7%
Asia Pacific Equities	12.9%	Cash	5.9%
European Equities	6.4%		

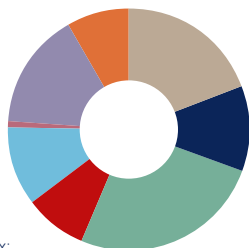
Fund mix:

	Onshore	Offshore
Alternative Assets	10%	11%
Global Equity	10%	11%
International Equity	10%	11%
Investment Grade Corporate Bond	10%	11%
Multi Asset	10%	11%
Property	10%	0%
UK & General Progressive	10%	11%
Worldwide Opportunities	10%	11%
Asia Pacific	5%	6%
Emerging Markets Equity	5%	6%
International Corporate Bond	5%	6%
Diversified Assets (FAIF)	5%	5%

GROWTH PORTFOLIOS (continued)

MANAGED FUNDS PORTFOLIO

Medium Risk



Portfolio asset mix:

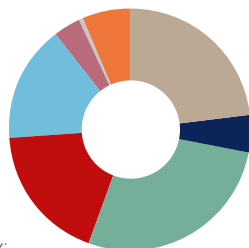
Global Fixed Interest	19.0%	International Equities	0.9%
UK Equities	11.9%	Property	0%
North American Equities	24.0%	Alternatives	16.7%
Asia Pacific Equities	9.1%	Cash	6.3%
European Equities	12.1%		

Fund mix:

Balanced Managed	15%
Global Equity	15%
Managed Growth	15%
Multi Asset	15%
Strategic Managed	15%
International Equity	10%
Strategic Income	10%
Diversified Assets (FAIF)	5%

STRATEGIC GROWTH PORTFOLIO

Medium Risk



Portfolio asset mix:

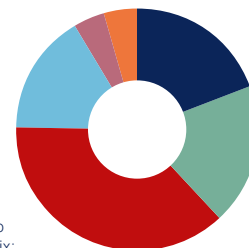
Global Fixed Interest	21.7%	International Equities	2.9%
UK Equities	4.8%	Property	0%
North American Equities	26.6%	Alternatives	1.7%
Asia Pacific Equities	20.2%	Cash	5.3%
European Equities	16.8%		

Fund mix:

Global Growth	25%
Greater European Progressive	15%
North American	15%
Diversified Bond	10%
Global Emerging Markets	10%
Investment Grade Corporate Bond	10%
Asia Pacific	5%
Diversified Assets (FAIF)	5%
Japan	5%

ADVENTUROUS PORTFOLIO

Upper-Medium Risk



Portfolio asset mix:

Global Fixed Interest	0%	International Equities	3.8%
UK Equities	18.9%	Property	0%
North American Equities	18.9%	Alternatives	0%
Asia Pacific Equities	37.2%	Cash	4.6%
European Equities	16.5%		

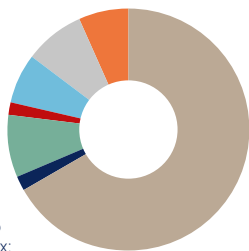
Fund mix:

Asia Pacific	15%
Emerging Markets Equity	15%
Greater European Progressive	15%
Global Smaller Companies	15%
North American	15%
UK & General Progressive	15%
Japan	10%

INCOME PORTFOLIOS

IMMEDIATE INCOME PORTFOLIO

Lower-Medium Risk



Portfolio asset mix:

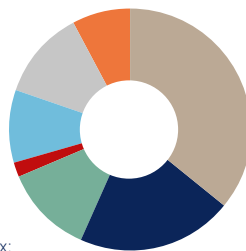
Global Fixed Interest	67.7%	International Equities	0.1%
UK Equities	2.6%	Property	8.5%
North American Equities	8.4%	Alternatives	0.1%
Asia Pacific Equities	1.4%	Cash	5.5%
European Equities	5.8%		

Fund mix: Onshore Offshore

	Onshore	Offshore
Diversified Bond	20%	22%
Strategic Income	15%	17%
Corporate Bond	10%	11%
Gilts (UK Gilts)	10%	11%
Global Equity Income	10%	11%
International Corporate Bond	10%	11%
Investment Grade Corporate Bond	10%	11%
Property	10%	0%
Worldwide Income	5%	6%

BALANCED INCOME PORTFOLIO

Medium Risk



Portfolio asset mix:

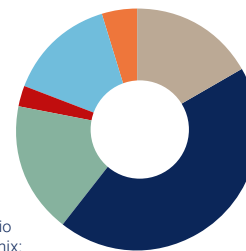
Global Fixed Interest	37.8%	International Equities	0.1%
UK Equities	21.1%	Property	12.7%
North American Equities	11.6%	Alternatives	0.1%
Asia Pacific Equities	2.0%	Cash	5.8%
European Equities	8.7%		

Fund mix: Onshore Offshore

	Onshore	Offshore
Strategic Income	20%	23%
Diversified Bond	15%	17%
Property	15%	0%
Global Equity Income	10%	12%
Investment Grade Corporate Bond	10%	12%
UK & International Income	10%	12%
Worldwide Income	10%	12%
Equity Income	5%	6%
UK High Income	5%	6%

DEFERRED INCOME PORTFOLIO

Medium Risk



Portfolio asset mix:

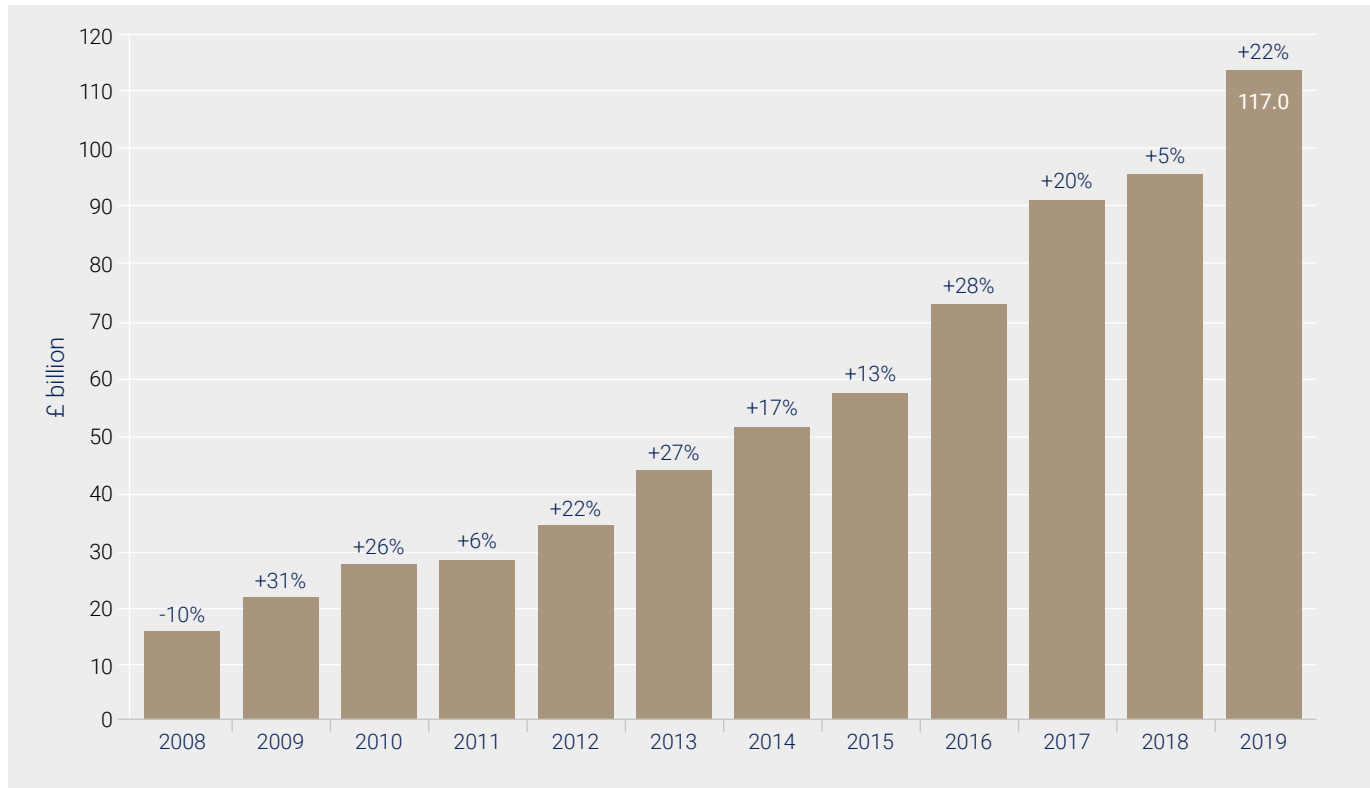
Global Fixed Interest	18.2%	International Equities	0.1%
UK Equities	44.2%	Property	0%
North American Equities	17.4%	Alternatives	0.1%
Asia Pacific Equities	2.8%	Cash	4.5%
European Equities	12.9%		

Fund mix:

Strategic Income	20%
Equity Income	15%
Global Equity Income	15%
UK & International Income	15%
UK High Income	15%
Worldwide Income	15%
Corporate Bond	5%

FUNDS UNDER MANAGEMENT

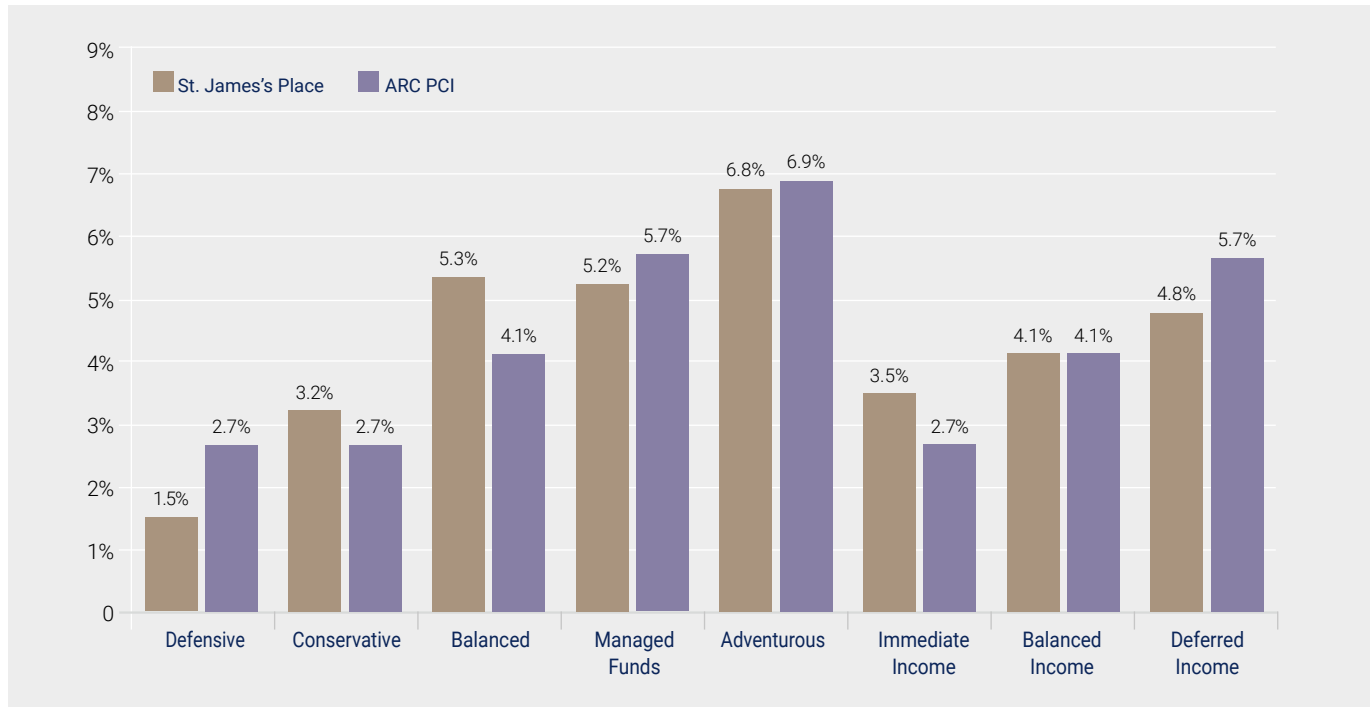
18% p.a. compound growth over the last 5 years and 19% p.a. over last 10 years (at 31 December 2019)



ANNUALISED PERFORMANCE OF
ST. JAMES'S PLACE PORTFOLIOS

ANNUALISED 3 YEAR PERFORMANCE

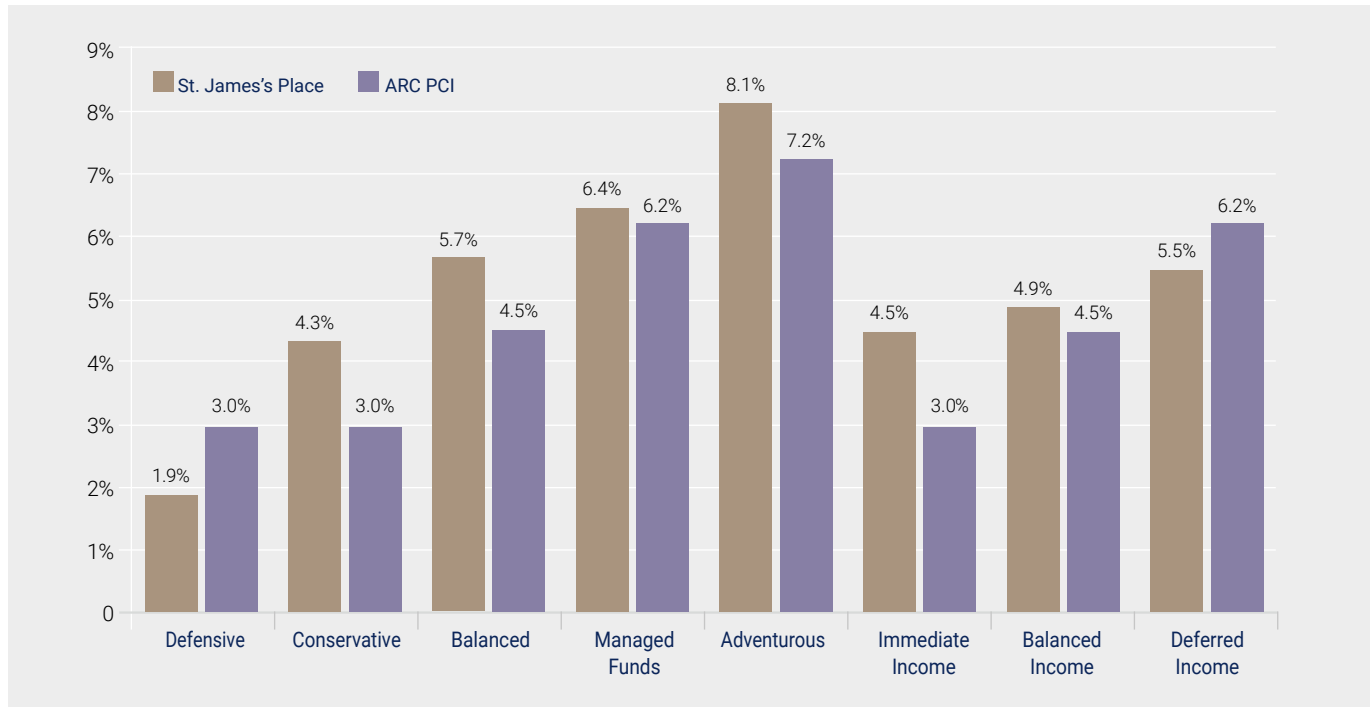
St. James's Place Portfolios vs ARC Private Client Indices



Source: FE Analytics, Asset Risk Consultants (ARC) Private Client Indices and SJP internal data. Data to 31 December 2019.

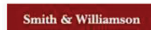
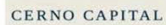
ANNUALISED 5 YEAR PERFORMANCE

St. James's Place Portfolios vs ARC Private Client Indices



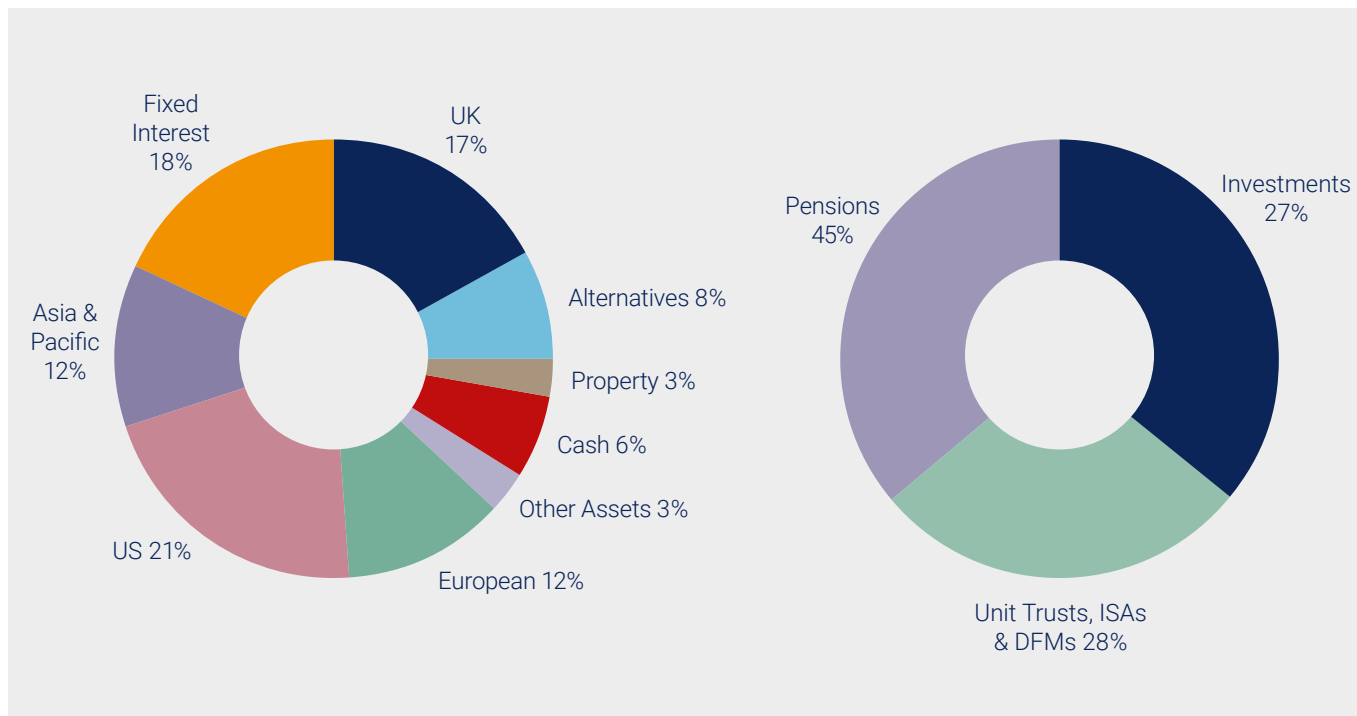
Source: FE Analytics, Asset Risk Consultants (ARC) Private Client Indices and SJP internal data. Data to 31 December 2019.

ARC PRIVATE CLIENT INDICES UNIVERSE



FUNDS UNDER MANAGEMENT: SHOWN BY ASSET CLASS, REGION AND WRAPPER

31 December 2019



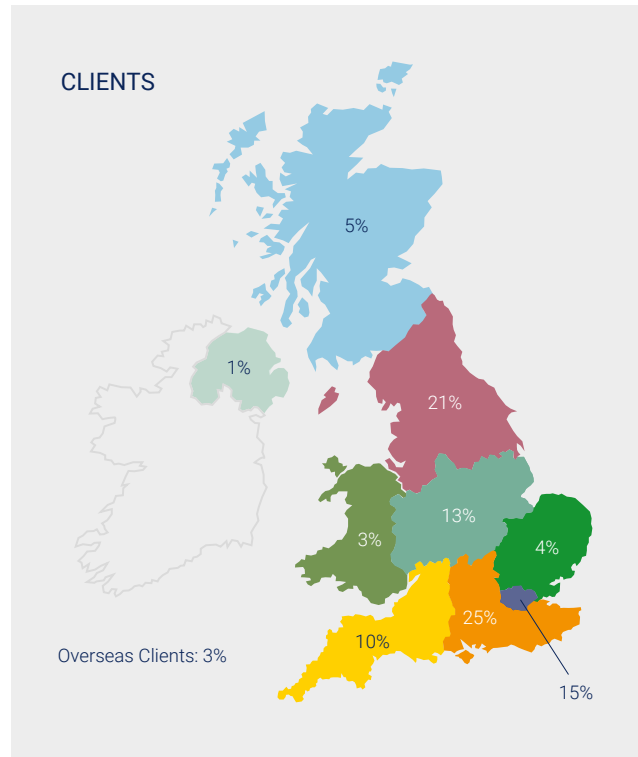
BENEFITS OF INVESTMENT MANAGEMENT APPROACH

- No in-house managers, so no conflict of interest
- Benefit from Investment Committee experience & expertise
- Ability to appoint the best fund managers with wholesale purchasing power
- Easy to change manager
- Clients free to switch funds
- Significantly improved retention of funds
- A+ rating United Nations Principles for Responsible Investment
- 90% of investment managers signatories to UNPRI – expect to achieve 100% in 2020

OUR CLIENTS

GEOGRAPHIC DISTRIBUTION OF CLIENT FUM

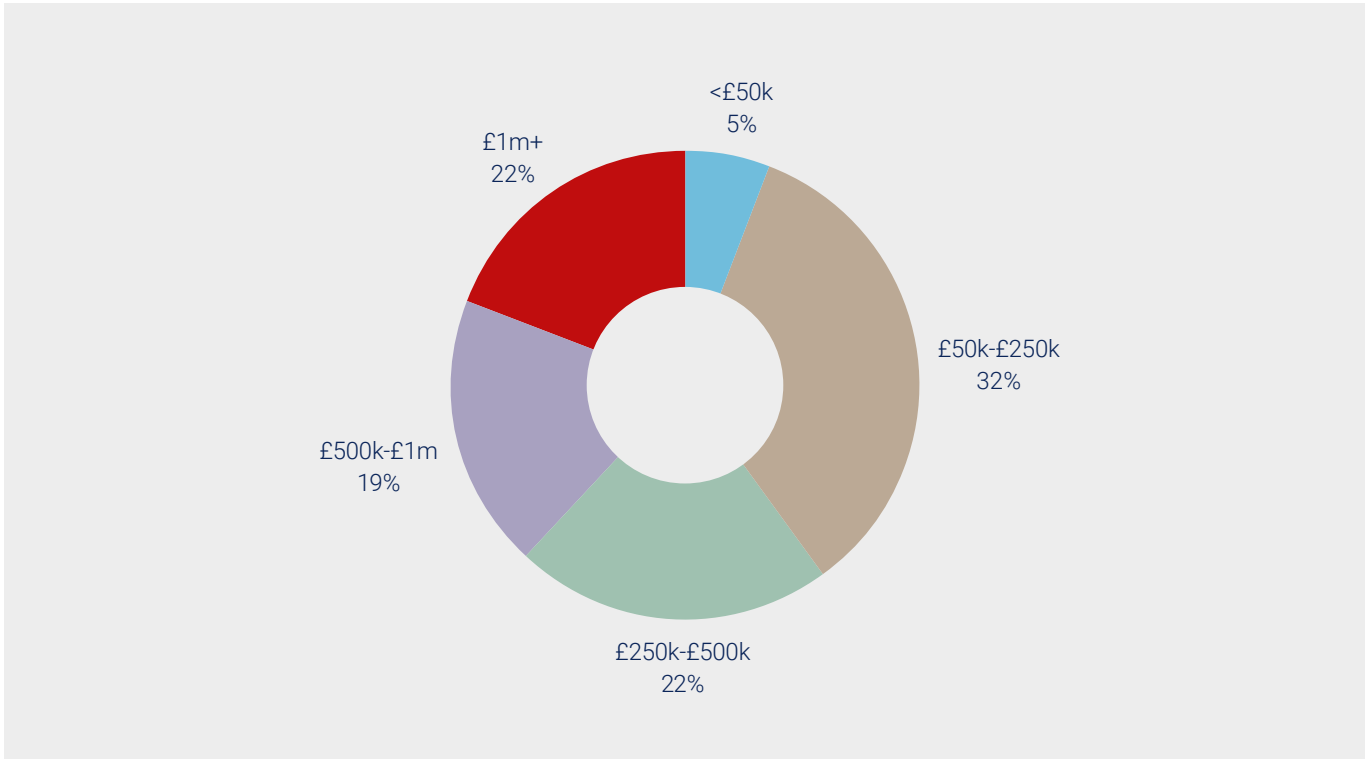
31 December 2019



Male	53%
Female	47%
Average age	56

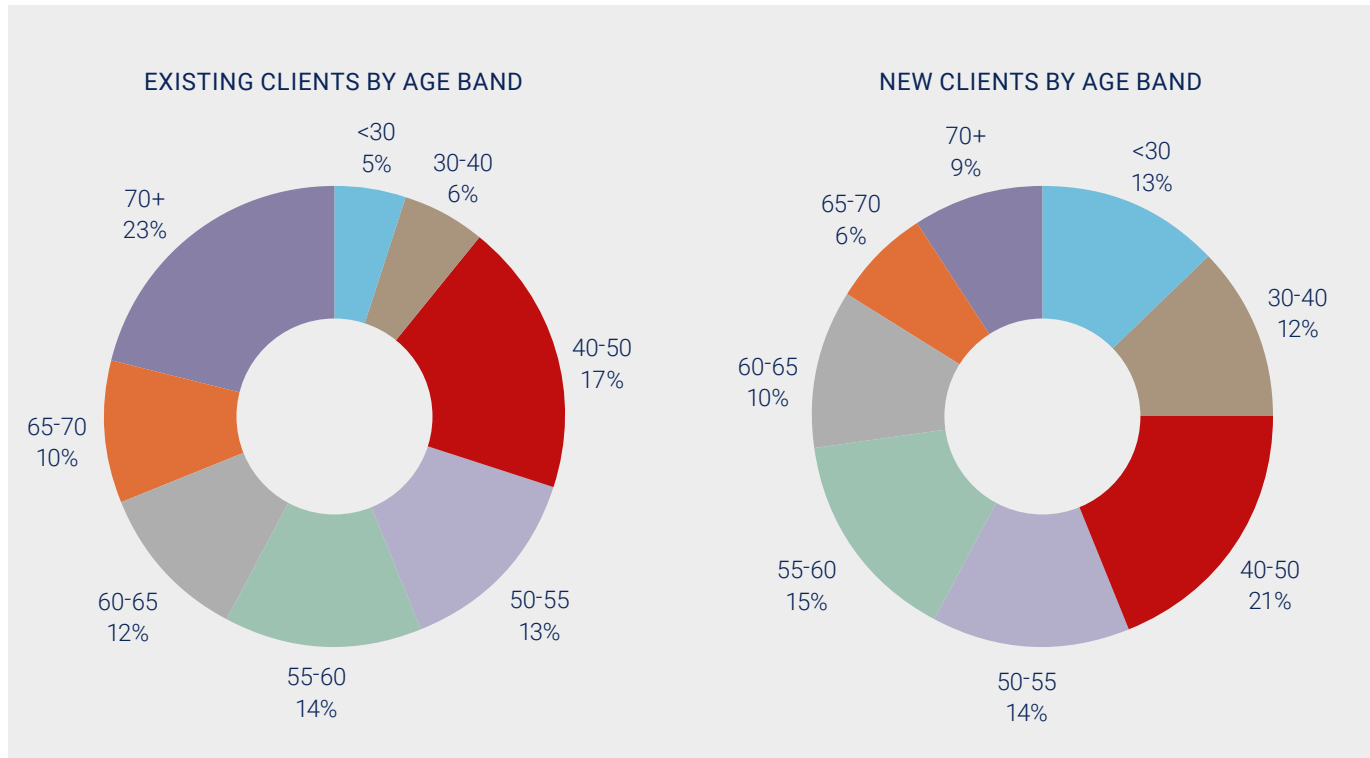
CLIENTS BY FUM VALUE BAND

31 December 2019



NEW AND RETAINED CLIENTS BY AGE BAND

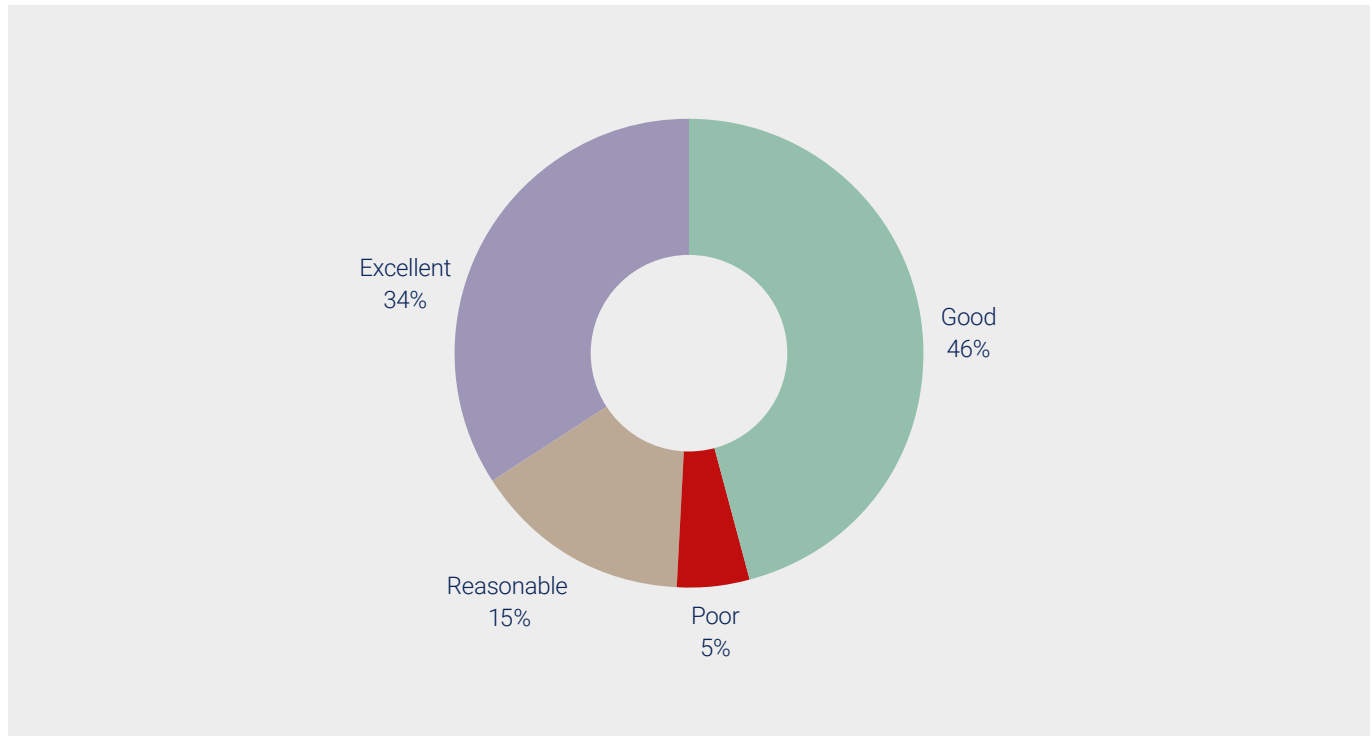
31 December 2019



CLIENT WEALTH ACCOUNT SURVEY
2019

CLIENT WEALTH ACCOUNT SURVEY

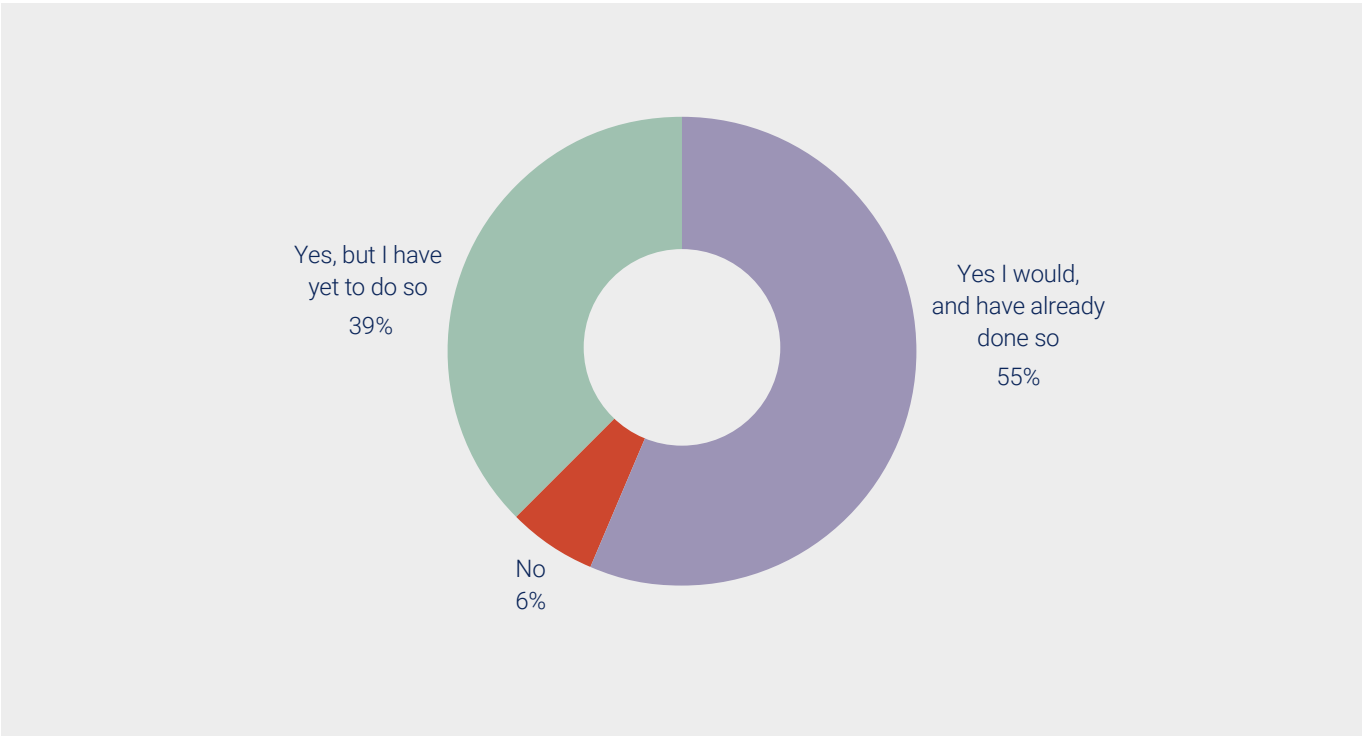
What is your view of the St. James's Place proposition in terms of value for money?



St. James's Place Annual Wealth Account Survey, 2019

CLIENT WEALTH ACCOUNT SURVEY

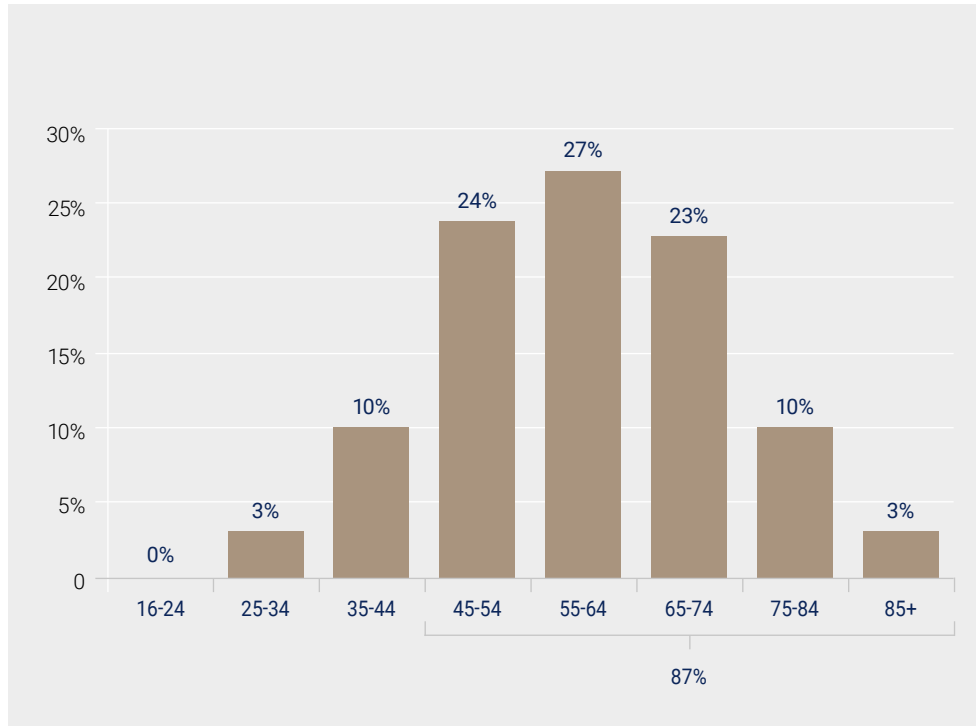
Thinking about your overall experience, would you recommend St. James's Place services to others?



St. James's Place Annual Wealth Account Survey, 2019

THE UK ADVICE MARKET

UK AGGREGATE WEALTH



Source: ONS analysis 31/12/18

£50k to £5m of investable wealth

- 11.5 million individuals with £2.2 trillion investable wealth
- Projected to grow to 13.2 million individuals with £2.6 trillion investable wealth by 2023
- Excluding property and occupational pension assets

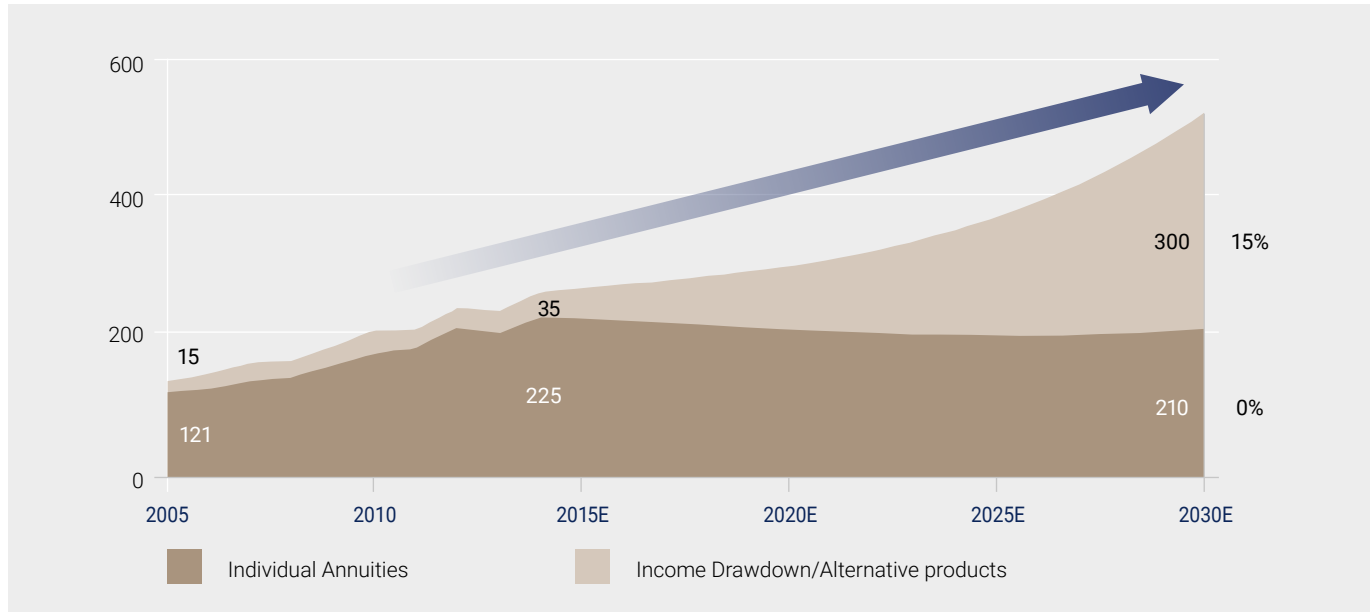
Source: Global Data 31/12/19

INCREASING TAX BURDEN

- UK tax rules often described as 'Fiendishly Complex'
- Record number of higher rate tax payers
- 2018-19 IHT receipts £5.4 billion – up 68% in 5 years
- HNW population up 20%
- Finance Act 2017 – 674 pages (second largest in history)



PROJECTED GROWTH IN RETIREMENT INCOME ASSETS (£BN)



- In 2015, there were circa 12 million people of retirement age in the UK
- By 2030, this figure will be nearly 14 million, and by 2050, it will be nearly 17 million
- In the USA, individuals aged 65 and over set to rise from about 49 million in 2017 to 79 million by 2035.

Source: Pensions Policy Institute

DEMONSTRATING VALUE – BEHAVIOURAL ASSURANCE

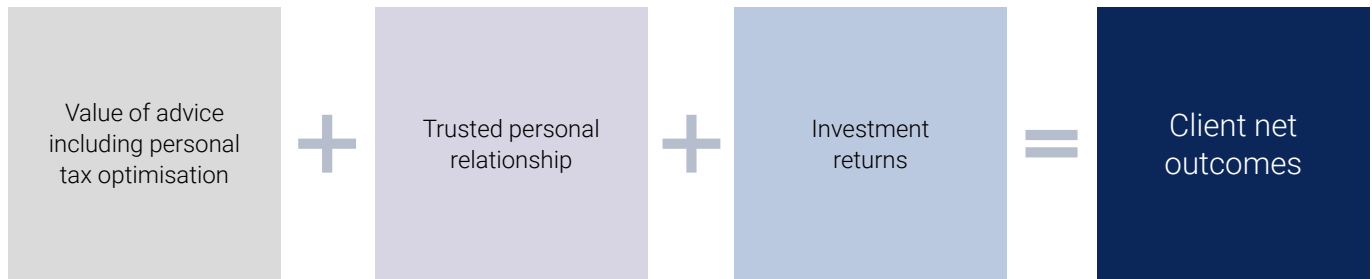
Recent FT article – ‘Time in’ the market



Sources: FT, 2017 and Vanguard Asset Management, 2015

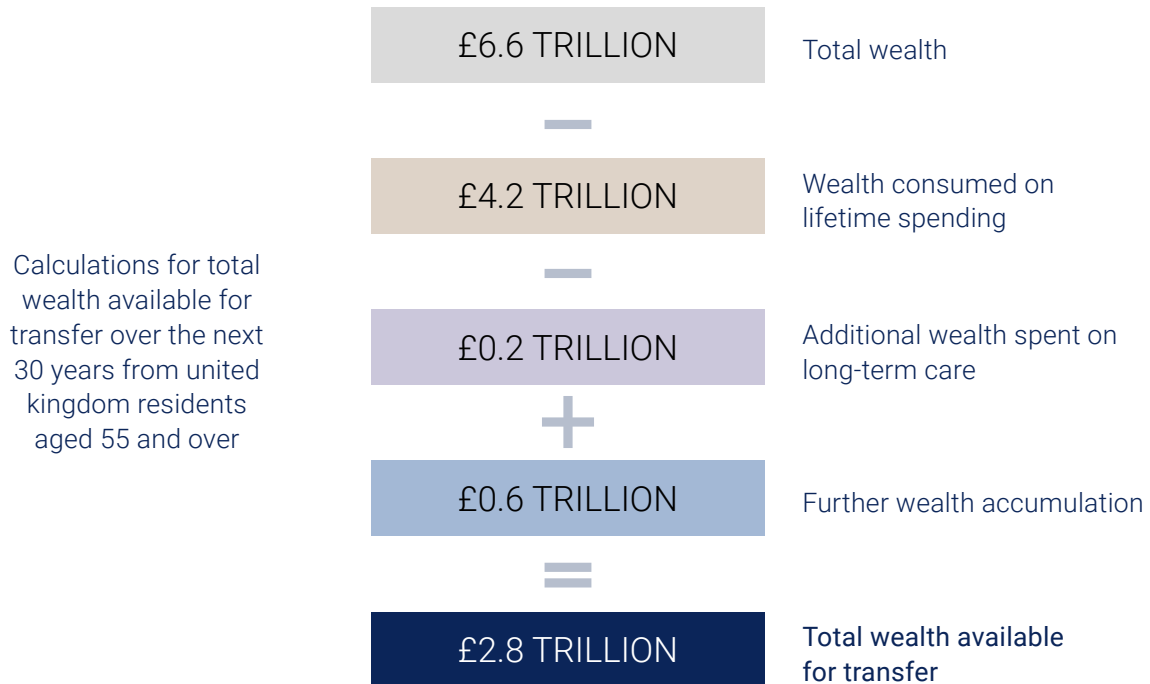
- ‘If you had been out of the FTSE All-Share index for 10 of the best-performing days over the past 20 years, you would have lost 170 per cent of your returns.’
- A report from Vanguard Asset Management suggested **‘Professional advice can add “about 3%” a year in returns’** with key benefits seen in behavioural advice at times of market volatility and tax planning.

THE VALUE OF ADVICE



...so much more than just an investment return

£2.8 TRILLION OF WEALTH AVAILABLE FOR TRANSFER OVER THE NEXT 30 YEARS



Sources: Capital Economics, Office for National Statistics' *Wealth and Asset Survey* and HMRC's *Personal Wealth Survey*.

THE SJP OPPORTUNITY

• ISAs	
– Cash	£270 bn (April 2019 – HMRC)
– Stocks & shares	£337 bn (April 2019 – HMRC)
• Bank and Building Society deposits	£1,411 bn (Jan 2020 – Building Societies Association)
• National Savings and Investment (NS&I) deposits	£176 bn (Jan 2020 – Building Societies Association)
• Mutual funds	£1,111 bn (Dec 2019 – The Investment Association)
• Discretionary Fund Management	£626 bn (December 2018 – Compeer/PAM Directory)

COSTS & CHARGES

THE ADVICE MARKET... TRANSPARENT?

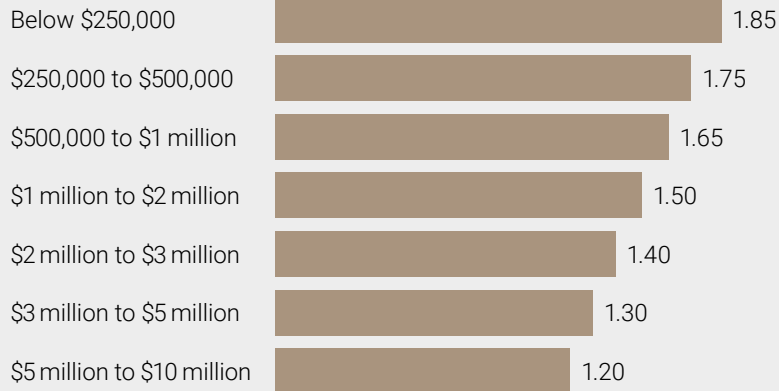
The fees a client may have to consider when trying to compare advice and products based on publicly available information for a variety of firms and providers.

Advice	Initial advice fee	% of initial investment or hourly rate (£)	Tiered fee based on amount invested + VAT
			Rate may depend on seniority of adviser
	Ongoing advice fee	% of funds under management or hourly rate (£)	Tiered fee based on fund value
			Rate may depend on seniority of adviser
	Administration fee	% of funds under management or prescribed fees (£)	Amount based on fund value
			Amount may depend on activity
Platform/Admin	Annual charge (%)	Tiered fee based on fund value	
	Account fee (£)	Amount will depend on platform provider	
	Transaction charges	% of funds under management or prescribed fees (£)	Amount per transaction
			Tiered fee based on transaction size
Tax Wrapper	Wrapper charges	Amount based on fund value	
	Administration fee	Amount will depend on insurance company	
Fund management	Annual management charges (£)	Amount based on value of funds under management	
	Additional miscellaneous costs	Amount based on value of funds under management	

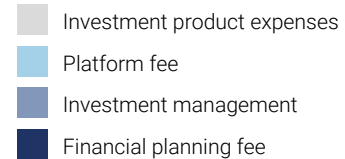
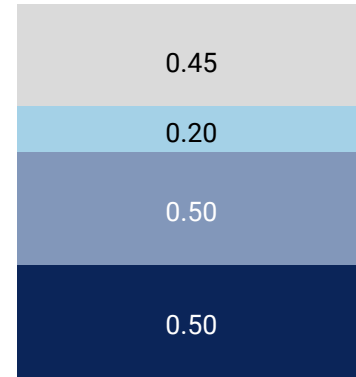
USA – ANNUAL COST OF ADVICE AND INVESTMENT SERVICES (EXCLUDING INITIAL PLANNING FEES)

The total bill to investors

Median annual cost financial advice and investment services, by portfolio size.



Example charges for a \$500,000-\$1 million portfolio



NB Initial planning fees charged separately.

Source: Bloomberg – Planning Profession Fee Survey 2017



PART TWO – FINANCIAL RESULTS

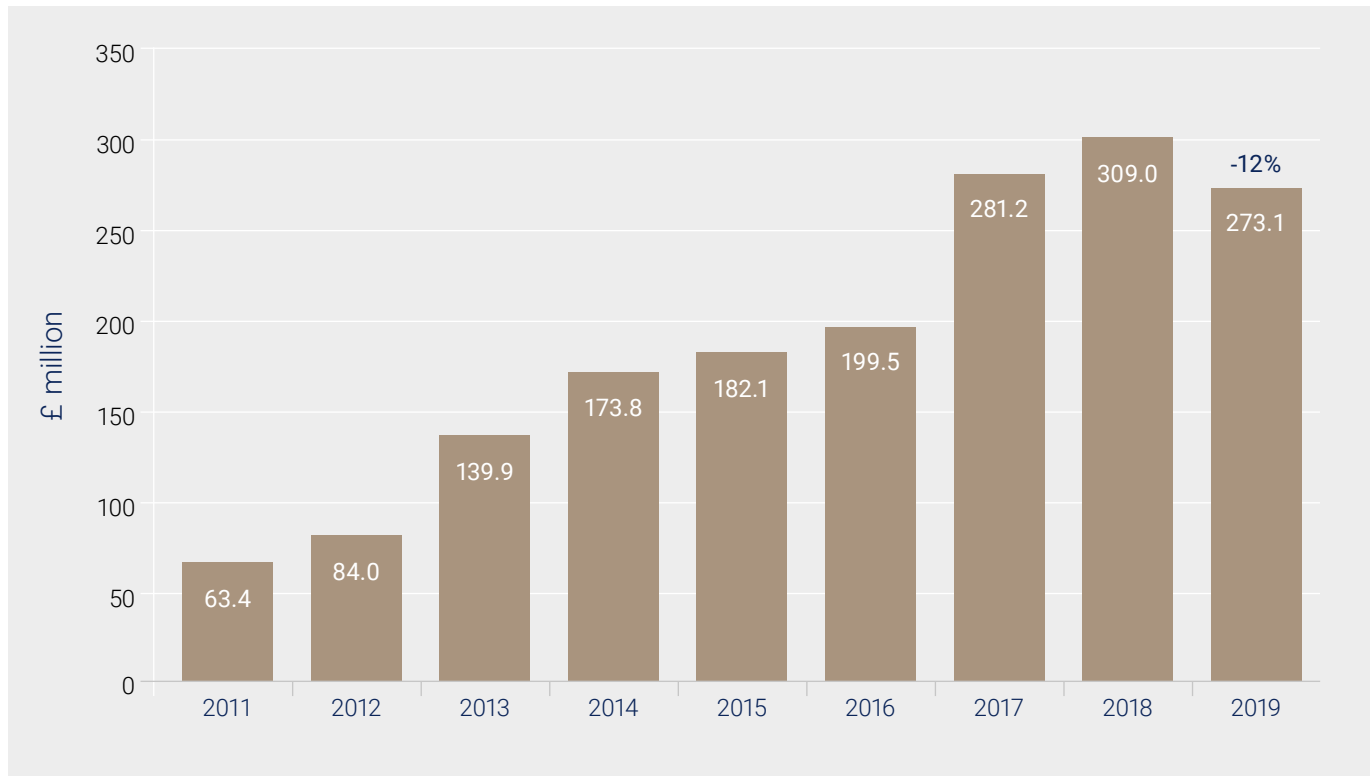


2019 – FULL YEAR FINANCIAL SUMMARY

- EEV new business profit of £793.0 million
- EEV operating profit of £952.0 million
- Underlying cash result of £273.1 million
- Full year dividend of 49.71 pence per share, up 3%
- Underlying cash earnings per share 51.4 pence

CASH & DIVIDEND PROFILE

UNDERLYING POST-TAX CASH RESULT



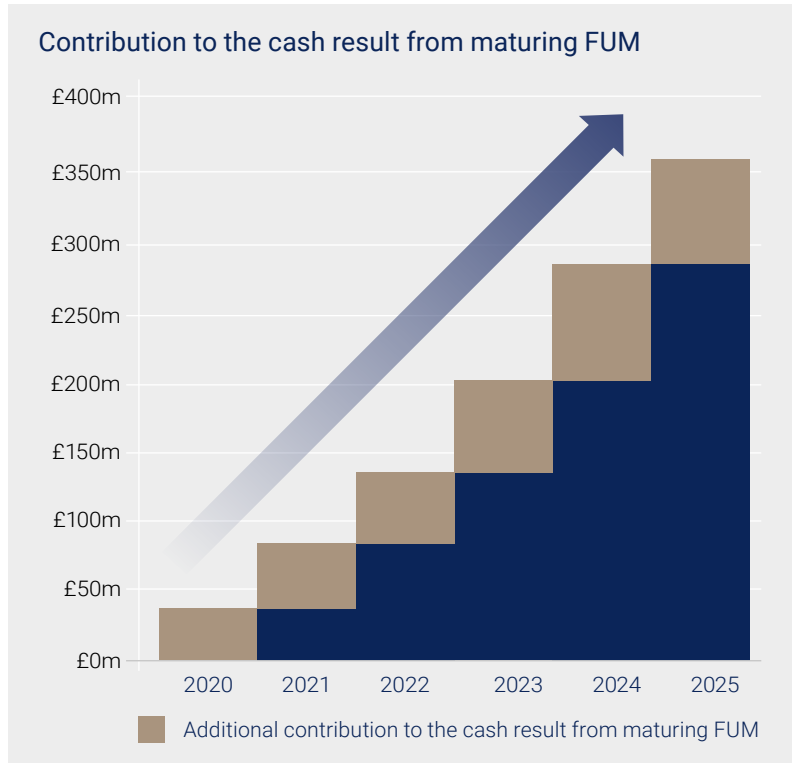
ESTIMATED RETURN ON FUNDS IN GESTATION

Year Invested	Maturing	Additional annual post-tax cash (£m)	Cumulative annual contribution to post-tax cash result (£m)
2014	2020	36.1	36.1
2015	2021	45.2	81.3
2016	2022	53.2	134.5
2017	2023	67.6	202.1
2018	2024	80.0	282.1
2019	2025 onwards	74.2	356.3

Value of FUM in gestation @ 31 December 2019 £40.2bn

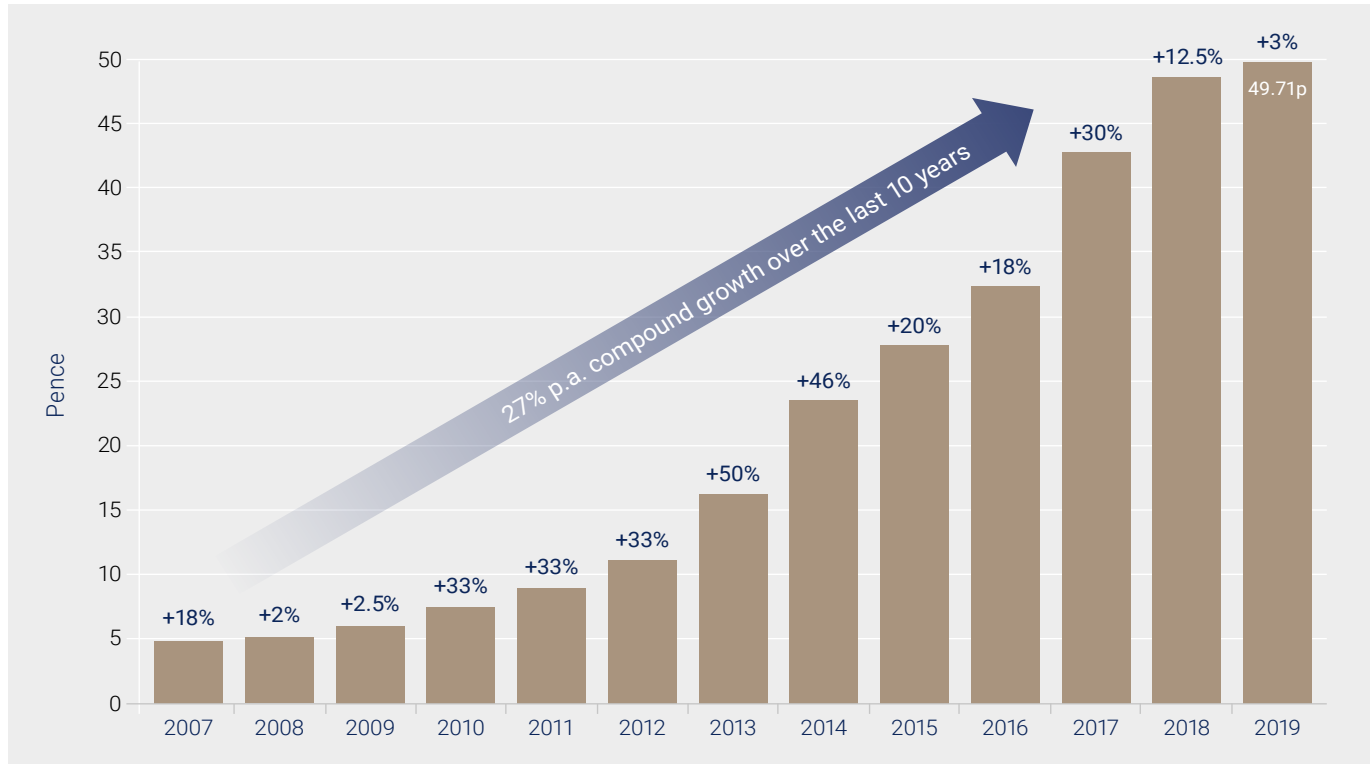
The table above provides an indication, for illustration purposes, of the way in which the gestation balance of £40.2 billion at 31 December 2019 may start to contribute to the Cash result over the next six years and beyond. It reflects the reduction of fees in the gestation period and assumes that the gestation FUM values remain unchanged.

GESTATION FUM – UNDERPINNING FUTURE RETURNS



- FUM in gestation provides visibility around growth in net income from FUM
- Based on simplified modelling assumptions, current balance of £40.2bn of gestation FUM to contribute over £1bn of additional total income over next six years
- By 2025, the annual contribution to the post-tax cash result of FUM currently in gestation would be £356.3m

CONTINUAL DIVIDEND GROWTH

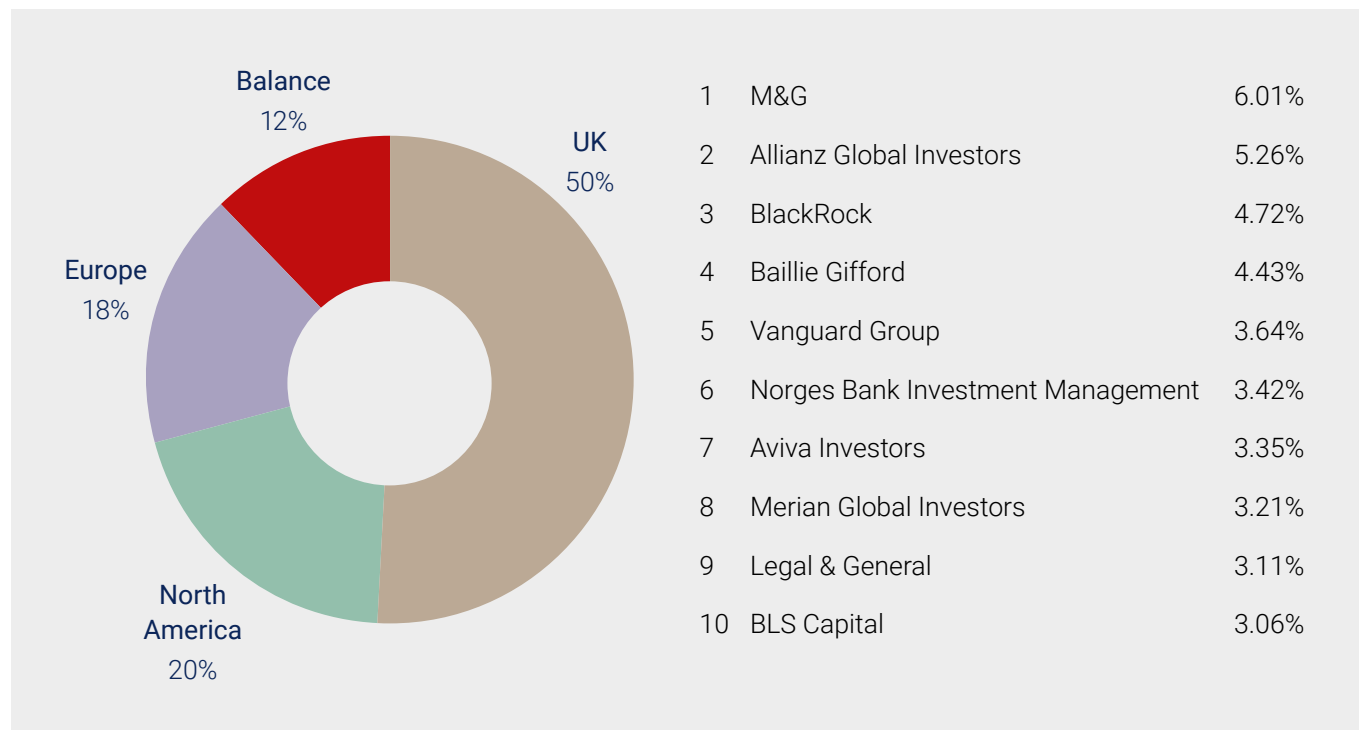


CONCLUSION & OUTLOOK

- The advice market is big
- Favourable demographics
- The tax burden is increasing
- Move from state to individual responsibility
- UK high net worth individuals want face-to-face advice
- Limited access to advice as adviser numbers have reduced
- Established and well-respected brand/business
- Experienced and stable management team
- Experienced and stable advisory team – ‘The Partnership’
- Proven and resilient track record of growth
- Global investment management approach
- Strong solvency position
- Award winning performance

OUR SHAREHOLDERS

OUR SHAREHOLDERS



Source: KPMG Makinson Cowell

As at 31 December 2019

ANALYST FOLLOWING

ANALYST FOLLOWING

• Trevor Moss	Agency Partners	• Ashik Musaddi	JP Morgan Cazenove
• Andrew Crean	Autonomous	• Charlie Beeching	KBW
• Thomas Howarth	Barclays Capital	• Fahad Changazi	Mediobanca
• Chris Turner	Berenberg	• Jon Hocking	Morgan Stanley
• Andrew Sinclair	BoA Merrill Lynch	• David McCann	Numis
• Andrew Baker	Citi	• Barrie Cornes	Panmure Gordon
• Abid Hussain	Credit Suisse	• Stuart Duncan	Peel Hunt
• Oliver Steel	Deutsche Bank	• Gordon Aitken	RBC Capital Markets
• Greg Simpson	Exane BNP Paribas	• Charles Bendit	Redburn Partners
• Johnny Vo	Goldman Sachs	• Colm Kelly	UBS
• Steven Haywood	HSBC		

INVESTOR RELATIONS CONTACTS

If you have a query or require more information, please get in touch with one of the contacts below:



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FEBRUARY 2020



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WEALTH MANAGEMENT