ST. JAMES'S PLACE
WEALTH MANAGEMENT

ANNUAL RESULTS 2011

February 2012

ST. JAMES'S PLACE WEALTH MANAGEMENT

Charles Gregson

CHAIRMAN

David Bellamy

CHIEF EXECUTIVE

Andrew Croft

CFO

ST. JAMES'S PLACE
WEALTH MANAGEMENT

CHARLES GREGSON

Chairman

ST. JAMES'S PLACE

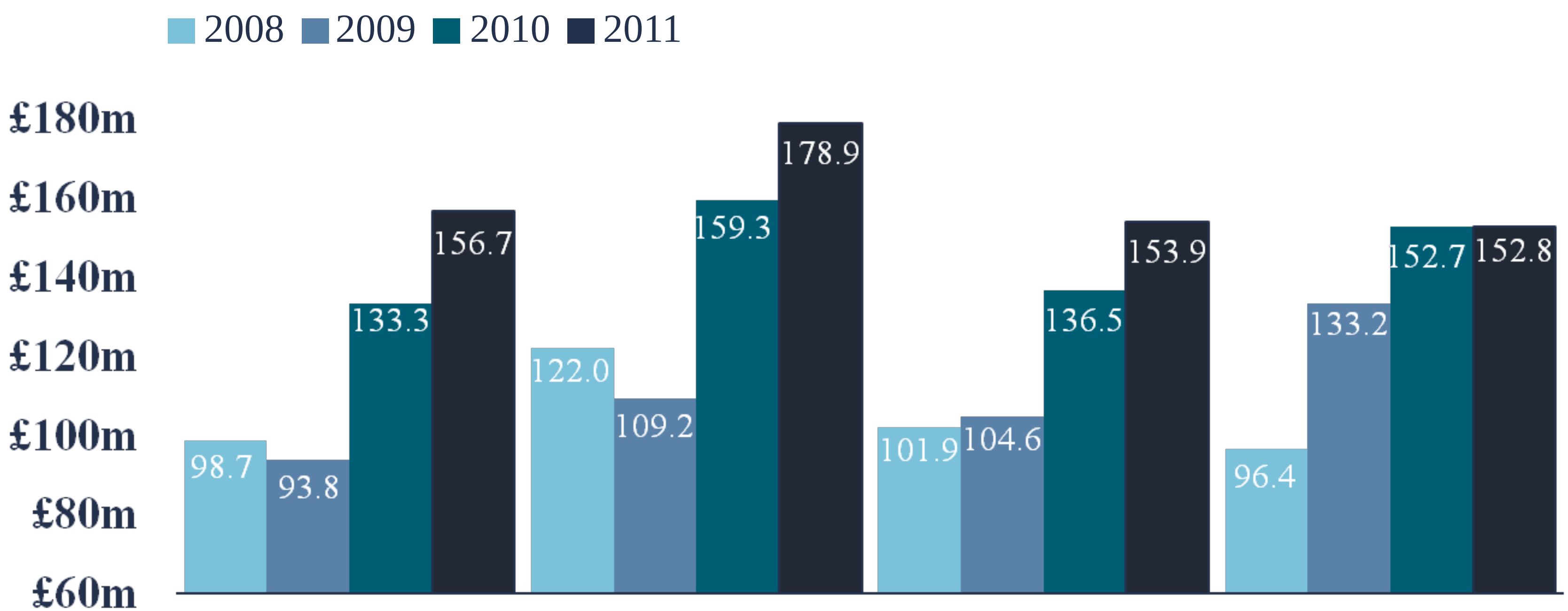
WEALTH MANAGEMENT

ANDREW CROFT

Chief Financial Officer

ST. JAMES'S PLACE WEALTH MANAGEMENT
Total new business by quarter

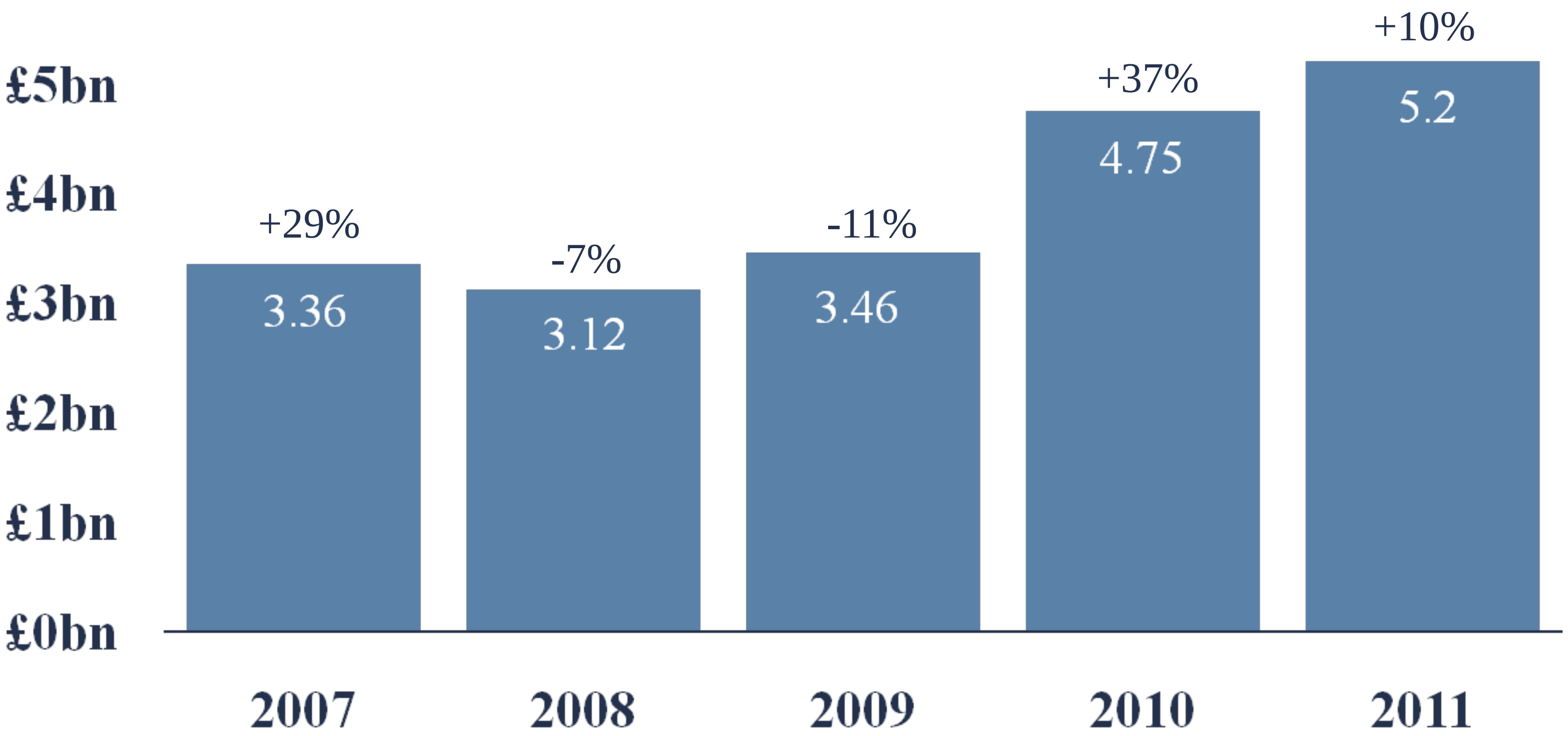
APE (Annual premiums plus 10% of single premiums)



	Q1	Q2	Q3	Q4
2008 over 2007	+1%	+5%	+0%	-15%
2009 over 2008	-5%	-10%	+3%	+38%
2010 over 2009	+42%	+46%	+30%	+15%
2011 over 2010	+18%	+12%	+13%	+0%

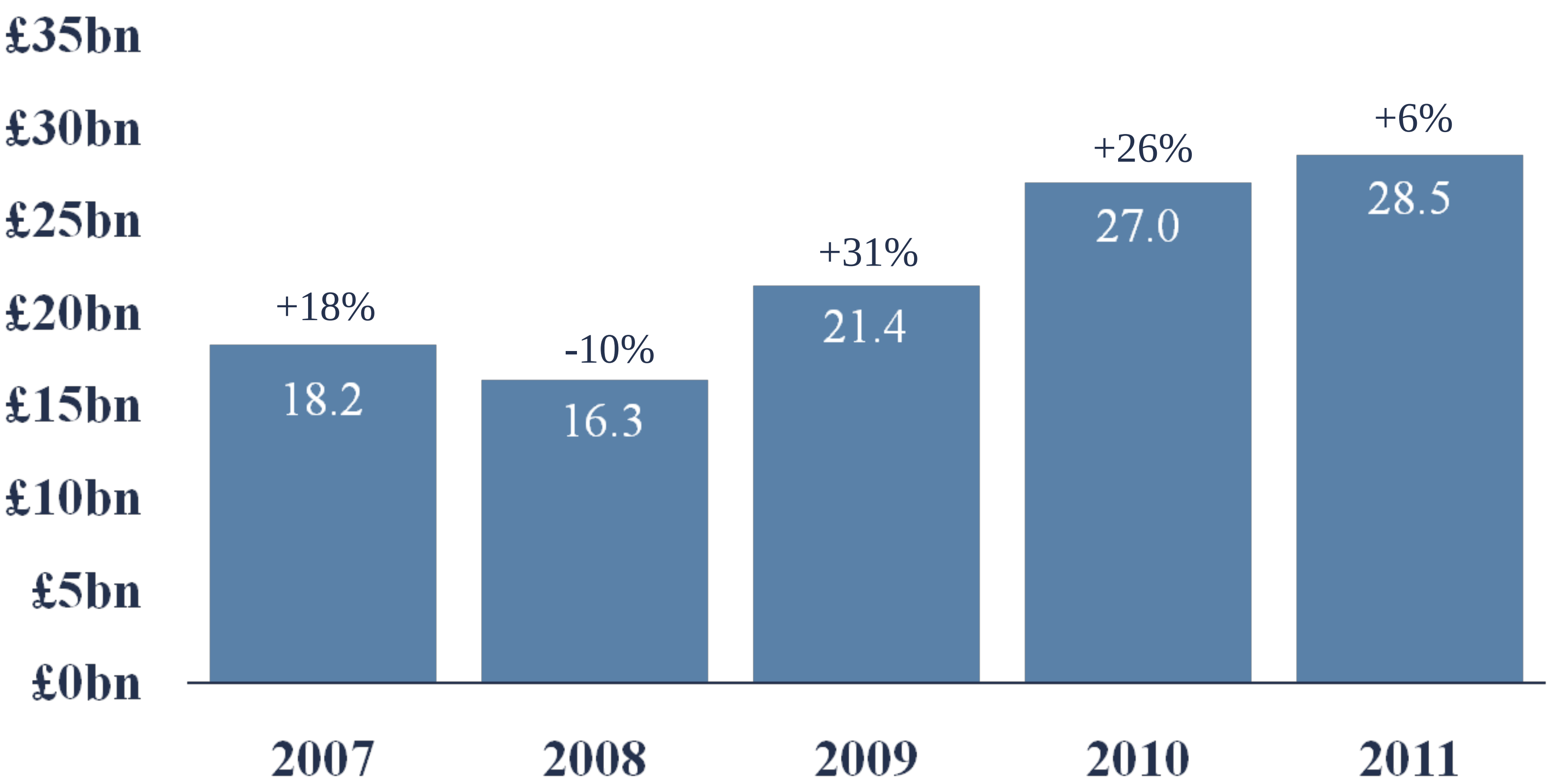
ST. JAMES'S PLACE WEALTH MANAGEMENT

Record single investments (£'bn)



ST. JAMES'S PLACE WEALTH MANAGEMENT
Funds under management

16% p.a compound growth over the last 10 years



ST. JAMES'S PLACE WEALTH MANAGEMENT
Analysis of EEV operating profit

£'m	2011	2010	
New business contribution	**246.0**	**217.8**	*+13%*
Profits from existing business			
– expected	91.2	93.5	
– experience variance	38.1	26.4	
– operating assumption changes	0.6	(3.4)	
Investment income	2.8	4.2	
Life & unit trust operating profit	378.7	338.5	
Distribution	6.1	5.8	
Other	(13.3)	(11.7)	
Operating profit	371.5	332.6	

ST. JAMES'S PLACE WEALTH MANAGEMENT
New business margin

	2011	2010
On an APE basis	38.3%	37.4%
On a PVNBP basis	4.6%	4.4%

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Other	(13.3)	(11.7)	
Operating profit	**371.5**	**332.6**	*+12%*

ST. JAMES'S PLACE WEALTH MANAGEMENT

Analysis of EEV pre-tax result

£'m	2011	2010
Operating profit	371.5	332.6
Investment variance	**(180.4)**	**117.6**
Economic assumption change	(0.3)	4.8
Pre-tax result	190.8	455.0

ST. JAMES'S PLACE WEALTH MANAGEMENT

Analysis of EEV pre-tax result

£'m	2011	2010
Operating profit	371.5	332.6
Investment variance	(180.4)	117.6
Economic assumption change	**(0.3)**	**4.8**
Pre-tax result	190.8	455.0

ST. JAMES'S PLACE WEALTH MANAGEMENT

Analysis of EEV pre-tax result

£'m	2011	2010
Operating profit	371.5	332.6
Investment variance	(180.4)	117.6
Economic assumption change	(0.3)	4.8
Pre-tax result	**190.8**	**455.0**

Taxation

£'m	2011	2010
Pre- tax result	190.8	455.0
Taxation	(42.5)	(120.1)
Change in corporation tax rate	**50.5**	**17.7**
Post-tax result	198.8	352.6

ST. JAMES'S PLACE WEALTH MANAGEMENT

EEV net asset value per share

Pence	2011	2010	
Net asset value per share	385.0	352.9	+9%

ST. JAMES'S PLACE WEALTH MANAGEMENT
IFRS

£'m	2011	2010	
Life	**89.1**	**72.8**	
Unit trust	27.8	17.3	
Distribution	6.1	5.8	
Other	(13.3)	(11.7)	
Profit before shareholder tax	109.7	84.2	*+30%*

ST. JAMES'S PLACE WEALTH MANAGEMENT
IFRS

£'m	2011	2010	
Life	89.1	72.8	
Unit trust	**27.8**	**17.3**	
Distribution	6.1	5.8	
Other	(13.3)	(11.7)	
Profit before shareholder tax	109.7	84.2	*+30%*

ST. JAMES'S PLACE WEALTH MANAGEMENT
IFRS

£'m	2011	2010	
Life	89.1	72.8	
Unit trust	27.8	17.3	
Distribution	6.1	5.8	
Other	(13.3)	(11.7)	
Profit before shareholder tax	**109.7**	**84.2**	*+30%*

ST. JAMES'S PLACE WEALTH MANAGEMENT
IFRS net asset value per share

Pence	2011	2010	
Net asset value per share	137.5	120.6	*+14%*

ST. JAMES'S PLACE WEALTH MANAGEMENT

Analysis of post-tax cash result

£'m	2011	2010	
Arising on in force business	**125.4**	**102.3**	*+23%*
Arising from new business	(62.4)	(61.4)	
Underlying cash result	63.0	40.9	
Variance	4.0	7.4	
	67.0	48.3	

ST. JAMES'S PLACE WEALTH MANAGEMENT

Analysis of post-tax cash result

£'m	2011	2010	
Arising on in force business	125.4	102.3	
Arising from new business	**(62.4)**	**(61.4)**	+2%
Underlying cash result	63.0	40.9	
Variance	4.0	7.4	
	67.0	48.3	

ST. JAMES'S PLACE WEALTH MANAGEMENT

Analysis of post-tax cash result

£'m	2011	2010	
Arising on in force business	125.4	102.3	
Arising from new business	(62.4)	(61.4)	
Underlying cash result	**63.0**	**40.9**	*+54%*
Variance	4.0	7.4	
	67.0	48.3	

ST. JAMES'S PLACE WEALTH MANAGEMENT

Analysis of post-tax cash result

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	67.0	**48.3**	*+39%*

ST. JAMES'S PLACE WEALTH MANAGEMENT

Return on in force

- Where product structure uses surrender penalties the business is cash neutral in the first six years
- This relates to £10.2 billion of new business added in last six years, which is not yet generating positive cash earnings*
- Over £71.0 million of post tax cash earnings per annum in future*

* Ignores stock net movements and out flows

ST. JAMES'S PLACE WEALTH MANAGEMENT

Return on investment in new business

	2011	2010
As % of gross inflow of FUM	**1.2%**	**1.3%**
As % of net inflow of FUM	1.9%	2.0%
Cash payback	5 yrs	5 yrs
IRR (net of tax)	20.6%	19.6%

ST. JAMES'S PLACE WEALTH MANAGEMENT

Return on investment in new business

	2011	2010
As % of gross inflow of FUM	1.2%	1.3%
As % of net inflow of FUM	1.9%	2.0%
Cash payback	5 yrs	5 yrs
IRR (net of tax)	**20.6%**	**19.6%**

ST. JAMES'S PLACE WEALTH MANAGEMENT
Dividend

- 33% increase in 2010 full year dividend to 8.0p per share
- Expect a similar significant increase in the 2012 dividend
- Thereafter dividend to progressively grow in line with the underlying business performance

ST. JAMES'S PLACE WEALTH MANAGEMENT

Capital position

- Total group solvency assets at 31 December 2011 are £342.2 million
- Solvency remains strong
- Investment policy for solvency assets continues to be prudent and no direct exposure to Euro Sovereign debt
- Solvency II preparations continue
- Expect to see a reduction in the total capital we are required to hold for regulatory purposes
- Cash emergence from the business is expected to continue to grow

ST. JAMES'S PLACE WEALTH MANAGEMENT
Summary

- EEV new business profit up 13%
- EEV operating profit up 12%
- EEV net asset value per share up 9%
- IFRS profit before shareholder tax up 30%
- Cash result up 39%, with further growth expected going forward
- Full year dividend up 33%, with a similar significant increase in the 2012 dividend

ST. JAMES'S PLACE

WEALTH MANAGEMENT

DAVID BELLAMY

Chief Executive

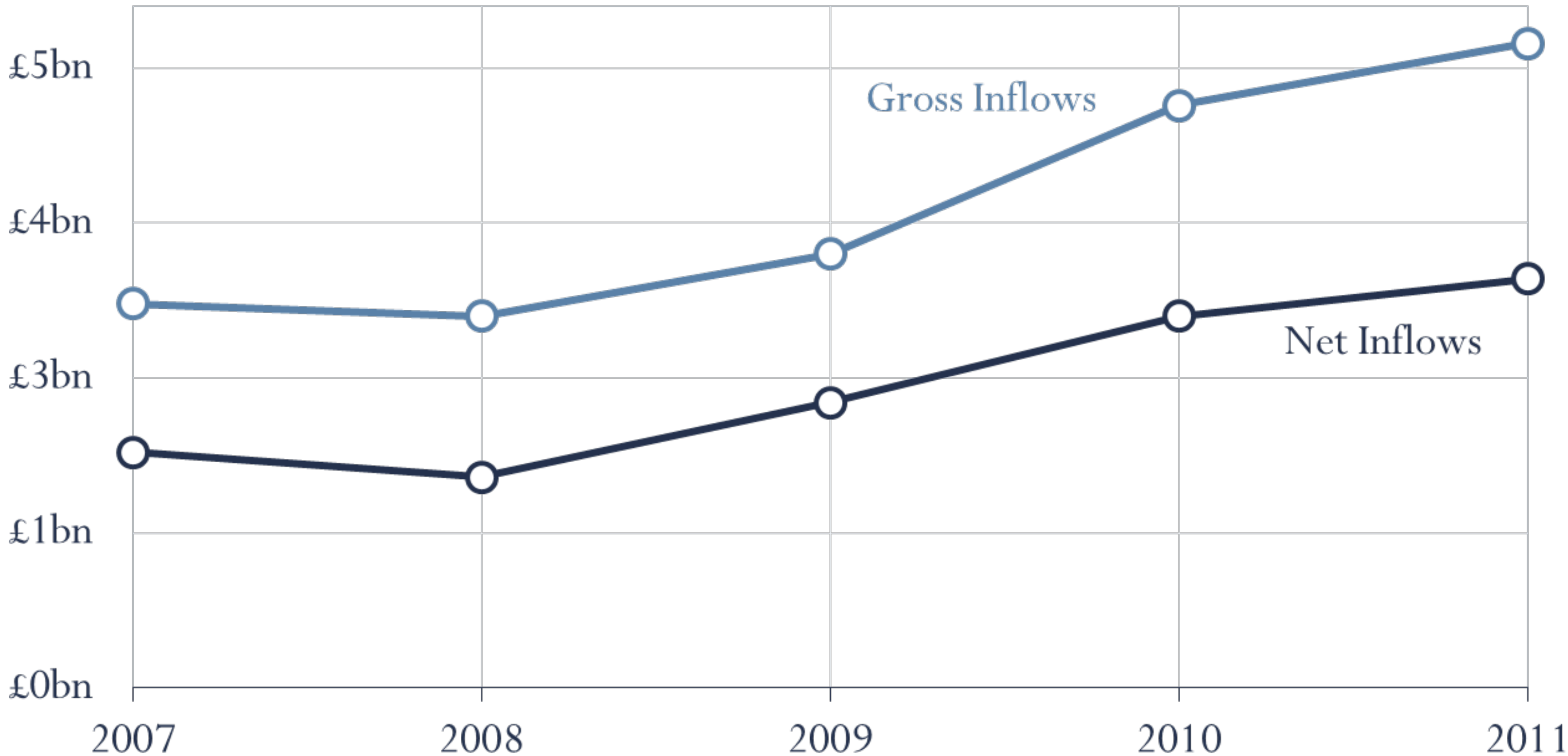
"Strong Financial Performance"

ST. JAMES'S PLACE WEALTH MANAGEMENT

- EEV new business profit up 13%
- EEV operating profit up 12%
- EEV net asset value per share up 9%
- IFRS profit before shareholder tax up 30%
- Cash result up 39%
- Full year dividend up 33%
- **Number of Partners** **1649** **+6%**
- **Partner Productivity** **+4%**
- **'Diploma' Qualified** **82%**
- **Number of new Fund Managers** **11**

ST. JAMES'S PLACE WEALTH MANAGEMENT

Growing inflows of funds under management

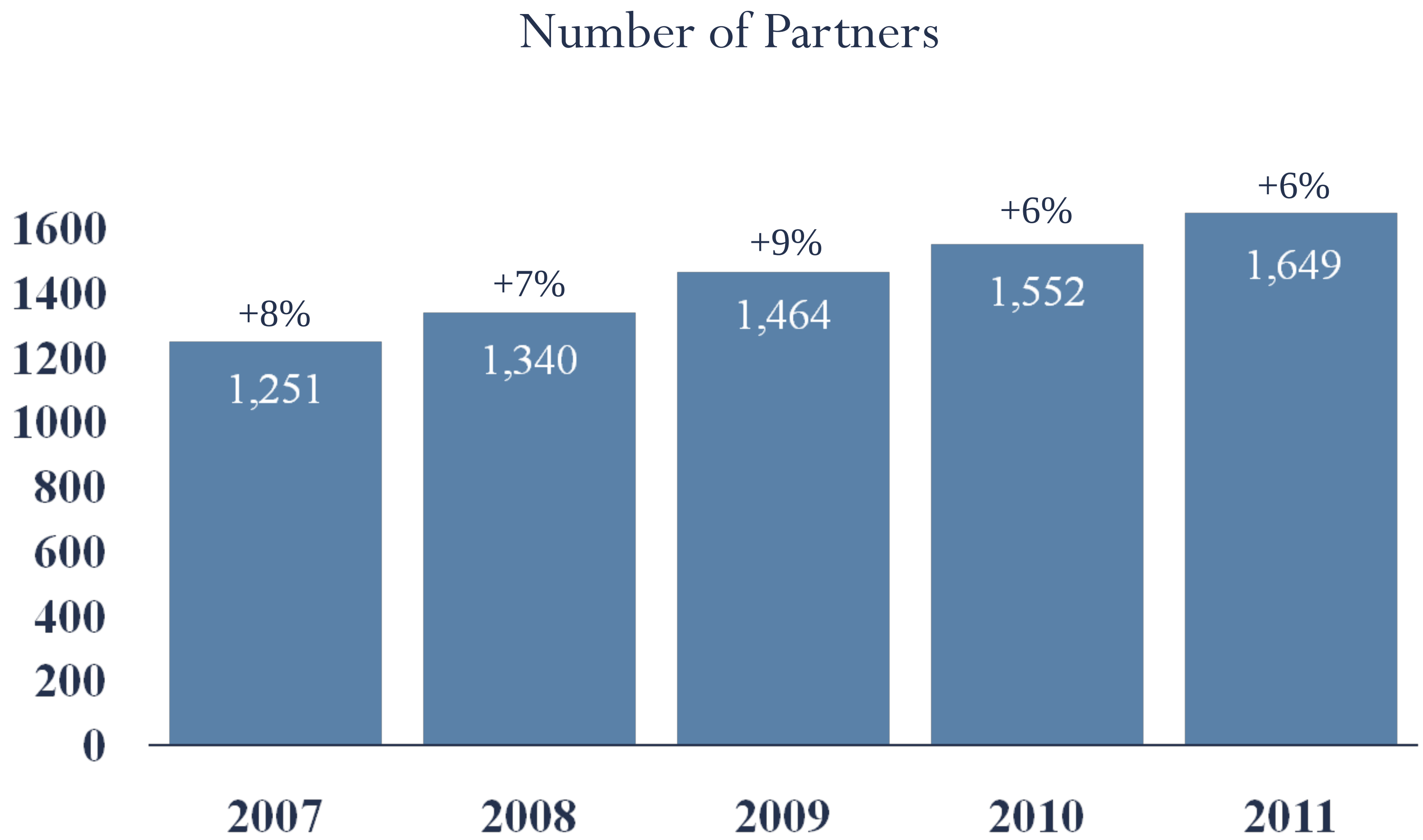


ST. JAMES'S PLACE

WEALTH MANAGEMENT

ST. JAMES'S PLACE WEALTH MANAGEMENT

Five strong years of Partner recruitment



ST. JAMES'S PLACE WEALTH MANAGEMENT
Progress on Professional Qualifications

- 4500 exams
- 225,000 Partner hours
- 82% fully diploma qualified
- 11% within 1 or 2 exams

The Partnership

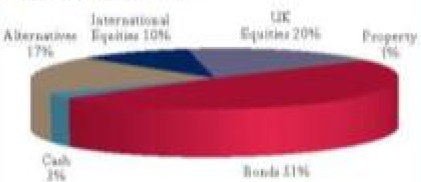
- More Partners
- More qualified Partners
- Fewer distractions

ST. JAMES'S PLACE WEALTH MANAGEMENT
Growth Portfolios

CONSERVATIVE PORTFOLIO
Low to medium risk

- Aims to provide steady growth for investments of at least five years
- Aims to avoid large fluctuations in value, although fluctuations in value will occur
- Predominantly invests in bonds and the UK Absolute Return fund
- Some holdings in commercial property and equities

Portfolio asset mix:



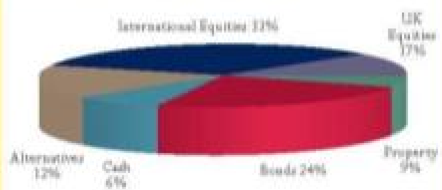
Fund mix:

Jupiter Cautious (Cautious)	20%
International Corporate Bond	15%
UK Absolute Return	15%
Alternative Assets	10%
GAM Managed (Recovery)	10%
Gilts	10%
Investment Grade Corporate Bond	10%
UK & General Progressive	10%

BALANCED PORTFOLIO
Medium risk

- Aims to provide growth for investments of at least five years
- Diversified across asset classes to reduce risk, but fluctuations in value may be significant
- Wide variety of assets, including some holdings in emerging economies

Onshore Portfolio asset mix:



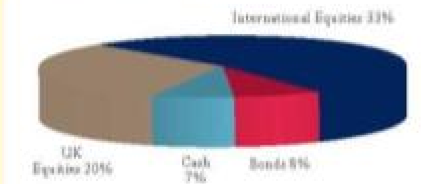
Fund mix:

	Onshore	Offshore
Alternative Assets	10%	11%
Corporate Bond	10%	11%
GAM Managed (Recovery)	10%	11%
Global Managed (Global)	10%	11%
International Corporate Bond	10%	11%
Property	10%	0%
UK & General Progressive	10%	11%
UK Absolute Return	10%	11%
Worldwide Managed (Worldwide Opportunities)	10%	11%
Far East	5%	6%
Global Emerging Markets	5%	6%

MANAGED FUNDS PORTFOLIO
Medium risk

- Aims to provide capital growth for investments of at least five years
- Diversified across managers with different investment styles
- Fluctuations in value may be significant
- Invests in global equities, inluding emerging economies, and bonds

Portfolio asset mix:



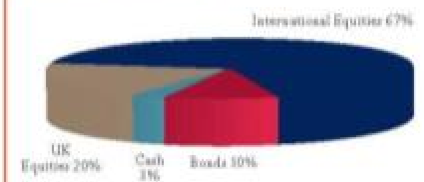
Fund mix:

Invesco Perpetual Managed (Strategic Managed)	15%
SchroderManaged (Managed Growth)	15%
AXA Framlington Managed (Balanced Managed)	14%
GAM Managed (Recovery)	14%
Global Managed (Global)	14%
THSP Managed (International)	14%
Worldwide Managed (Worldwide Opportunities)	14%

ADVENTUROUS PORTFOLIO
Medium to high risk

- Aims to provide higher levels of capital growth for investments of at least ten years
- The value of the portfolio may go up and down sharply
- Predominantly invests in global equities, including emerging economies
- Some holdings in bonds

Portfolio asset mix:



Fund mix:

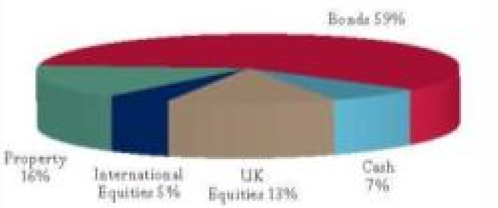
Far East	15%
Global Emerging Markets	15%
Greater European	15%
High Octane	15%
North American	15%
Corporate Bond	10%
UK & General Progressive	10%
UK Growth	5%

ST. JAMES'S PLACE WEALTH MANAGEMENT
Income Portfolios

IMMEDIATE INCOME PORTFOLIO
Low to medium risk

- Aims to generate a consistent level of income with some potential for capital growth
- Aims to avoid large fluctuations in value, although fluctuations will occur
- Predominantly invests in bonds, mostly in the UK, and commercial property
- Some holdings in equities

Onshore Portfolio asset mix:

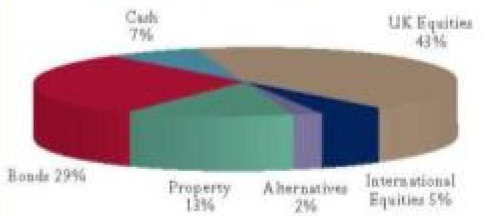


Fund mix:	Onshore	Offshore
Gilts	20%	20%
International Corporate Bond	20%	20%
Investment Grade Corporate Bond	20%	20%
Property	20%	0%
UK & International Income	20%	20%
Equity Income	0%	10%
UK Growth	0%	10%

BALANCED INCOME PORTFOLIO
Medium risk

- Aims to generate an attractive level of income with the potential to rise over time
- Some potential for capital growth
- Fluctuations in value may be significant
- Predominantly invests in equities, mainly in the UK
- Some holdings in commercial property, bonds and alternative assets

Onshore Portfolio asset mix:

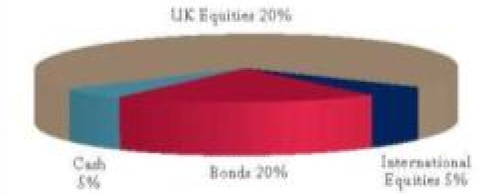


Fund mix:	Onshore	Offshore
Diversified Income (Allshare Income)	15%	17%
Equity Income	15%	17%
Investment Grade Corporate Bond	15%	17%
Property	15%	0%
Alternative Assets	10%	12%
International Corporate Bond	10%	13%
UK & International Income	10%	12%
UK Equity (Income Distribution/UK High Income)	10%	12%

DEFERRED INCOME PORTFOLIO
Medium risk

- Aims to generate a rising level of income
- Potential for capital growth over the medium to long term
- Fluctuations in value may be significant
- Predominantly invests in UK and International equities
- Some holdings in bonds

Portfolio asset mix:



Fund mix:	
Diversified Income (Allshare Income)	20%
Equity Income	20%
UK & International Income	20%
UK Equity (Income Distribution/UK High Income)	20%
Corporate Bond	10%
International Corporate Bond	10%

A new global equity strategy – St. James's Place Global Equity fund

- A unique combination of high quality, active global equity managers
- Combines five diverse yet complementary investment management styles
- Equally weighted core provides truly global diversity

MAJEDIE ASSET MANAGEMENT

Simon Todd · Michael Nickson

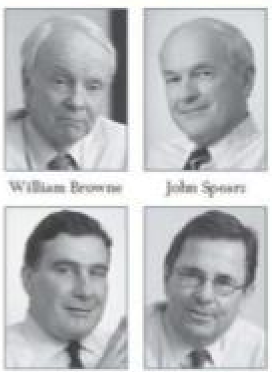
TAUBE HODSON STONEX PARTNERS

Cato Stonex · Mark Evans · Ali Miremadi · Robert Smithson · Xavier Van Hove · Manuel Stotz

SANDS CAPITAL MANAGEMENT

David Levanson · Sunil Thakor

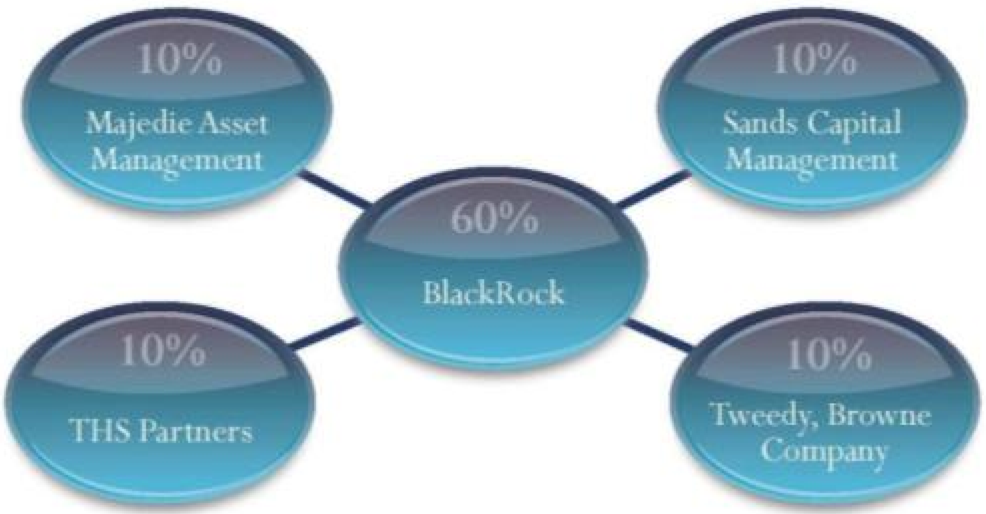
TWEEDY, BROWNE COMPANY



William Browne · John Spears · Tom Shrager · Robert Wyckoff

Investment Style
QUALITY AT REASONABLE PRICE

Investment Style
GROWTH



Investment Style
GLOBAL THEMATIC

Investment Style
VALUE WITH INCOME BIAS

ST. JAMES'S PLACE WEALTH MANAGEMENT
PIMCO

PIMCO

Dr Mohamed El-Elrian

Dr Vineer Bhansali

Curtis Mewbourne

Loomis Sayles

Kenneth Buntrock

Invesco Perpetual

Paul Boyne

Doug McGraw

- Index linked gilt fund – BlackRock
- UK Growth funds – Majedie

ST. JAMES'S PLACE WEALTH MANAGEMENT

Current Fund Houses

RWC Partners

GAM

Aberdeen Asset Management Asia

Artemis The Profit Hunter

THS Partners

Artisan

Invesco Perpetual

BlackRock

State Street Global Advisors | SSgA

PIMCO

J O Hambro Capital Management Group

Orchard Street Investment Management LLP

Majedie Asset Management

First State Investments

Liberty Square Asset Management

Burgundy Asset Management Ltd.

Schroders

Polaris

Babson Capital

Tweedy, Browne Company LLC Established in 1920

Aristotle Capital Management, LLC

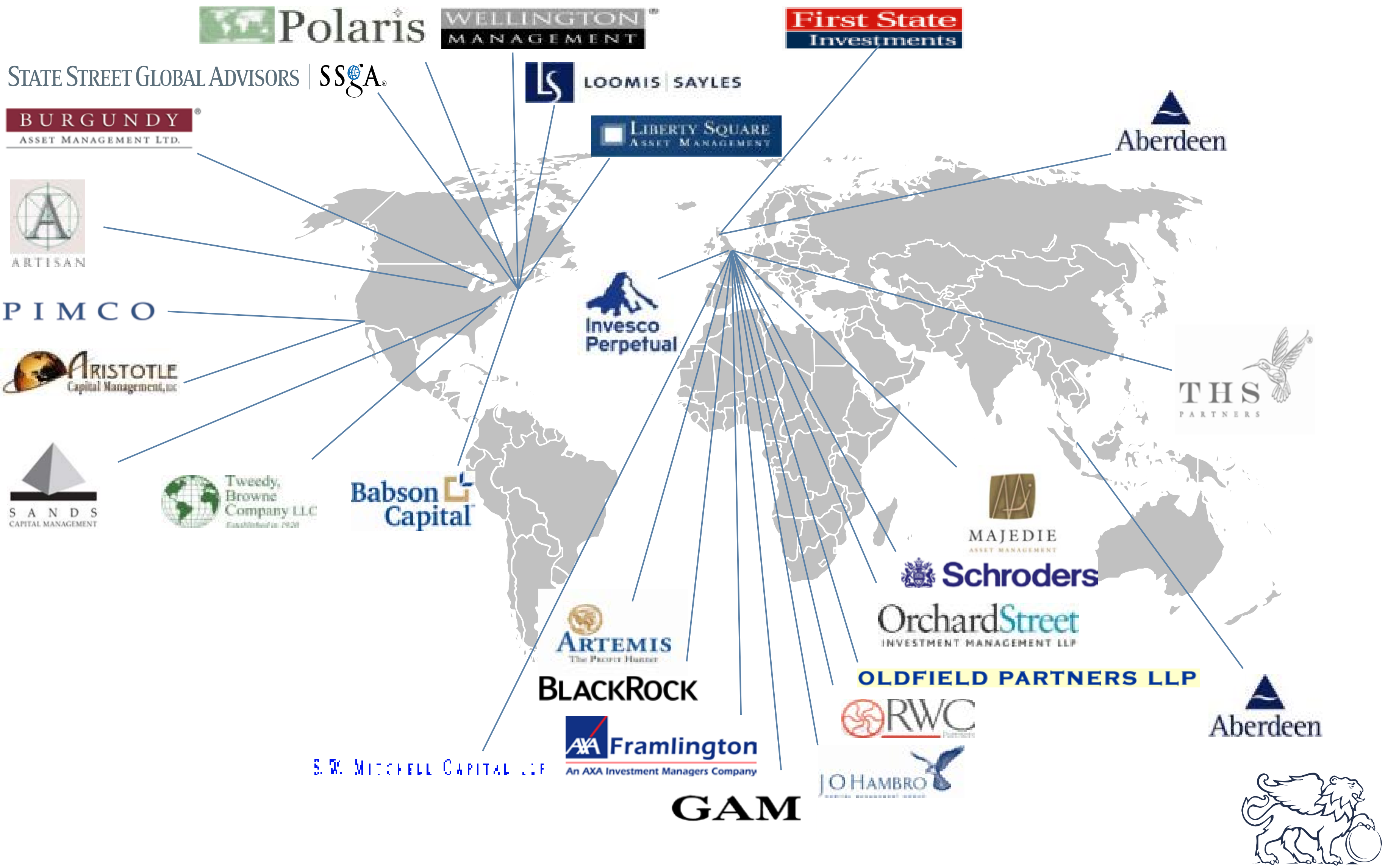
Sands Capital Management

AXA Framlington An AXA Investment Managers Company

OLDFIELD PARTNERS LLP

S. W. Mitchell Capital LLP

ST. JAMES'S PLACE WEALTH MANAGEMENT



"The most thorough and most professional we have experienced, going beyond the depth and detail we have seen before"

Ken Broekaert

Burgundy Asset Management

"Distinct" Investment Approach

ST. JAMES'S PLACE WEALTH MANAGEMENT

Ian Gascoigne
Managing Director

David Lamb
Managing Director

Andrew Croft
Chief Financial Officer

ST. JAMES'S PLACE WEALTH MANAGEMENT

Ian Gascoigne
Managing Director

Adrian Barchelor
Academy Director

Mike Gravestock
Establishment Director

Mike Blunt
Partnership Director

Peter Edwards
Partnership Director

Simon Monks
Partnership Director

ST. JAMES'S PLACE WEALTH MANAGEMENT

David Lamb

Managing Director

Chris Ralph

Chief Investment Officer

Andrew Humphries

Asset Management

Ian MacKenzie

Business Development Director

ST. JAMES'S PLACE WEALTH MANAGEMENT

Andrew Croft
Chief Finance Director

Tony Dunk
Marketing & Investor Relations Director

Iain Rayner
Commercial Director

Charles Wood
Actuarial Finance

Sue Meech
Investment & Financial Accounting

ST. JAMES'S PLACE WEALTH MANAGEMENT

- Independent Non Executive Director of
  02 April 2012
- Member of House of Lords
- Previously Editor in Chief at Wall Street Journal
- Former Editor of Sunday Telegraph
- Was Business & City Editor of
  The Times 1997 – 2006
- Non Executive Director of Barclays
- Group plc & Shaftesbury plc 2008/2009

ST. JAMES'S PLACE WEALTH MANAGEMENT

New Non Executive Directors

Vivian Bazalgette

Iain Cornish

Patience Wheatcroft

ST. JAMES'S PLACE WEALTH MANAGEMENT
In great shape

- Strength and depth of Partnership
- Breadth of distinctive investment approach
- Experienced & stable Management team

ST. JAMES'S PLACE WEALTH MANAGEMENT
Looking forward

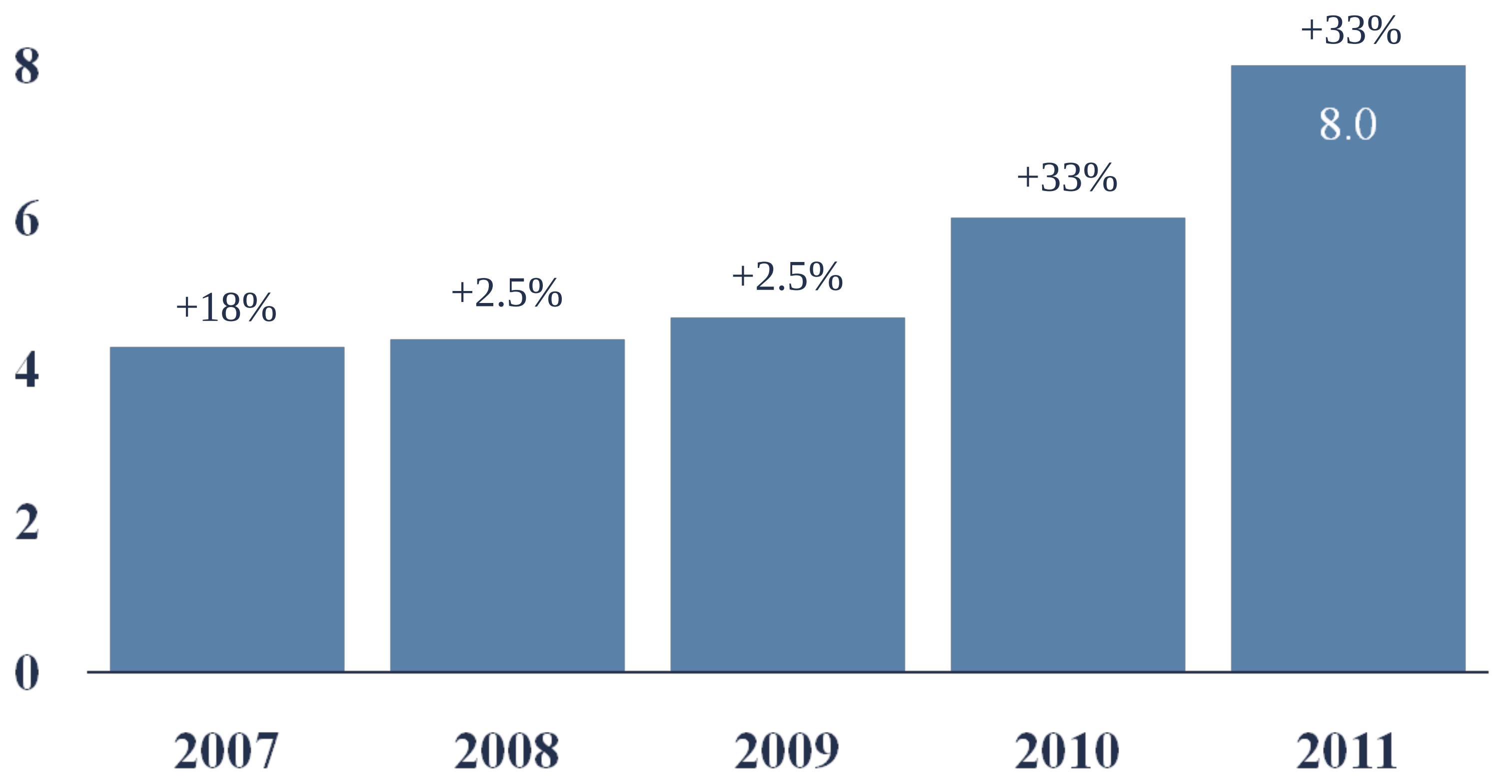
- Re-launch of Academy
  - first intake in place
  - two further intakes
  - "family" intake
- Banking services
- Explore DFM and Private Client Stockbroking services

ST. JAMES'S PLACE

WEALTH MANAGEMENT

ST. JAMES'S PLACE WEALTH MANAGEMENT

Continual dividend growth



ST. JAMES'S PLACE WEALTH MANAGEMENT

- Broad investment proposition for clients
- Strength of distribution and support teams
- Delivering value to shareholders

ST. JAMES'S PLACE

WEALTH MANAGEMENT