



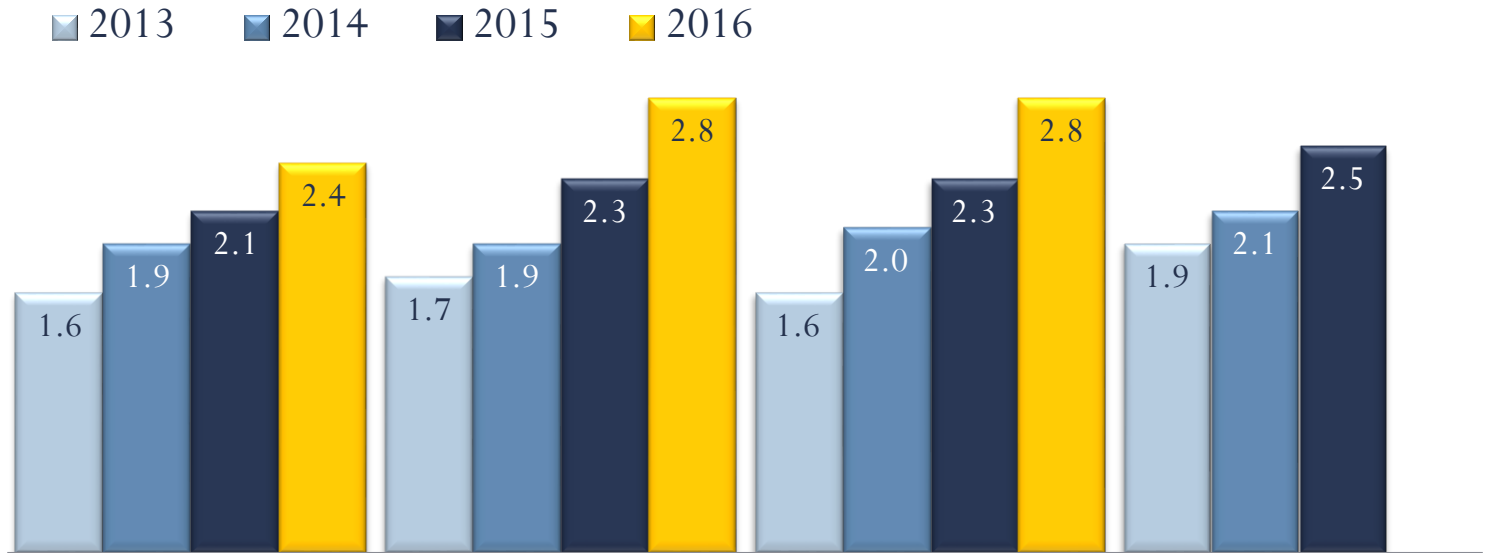
ST. JAMES'S PLACE  
WEALTH MANAGEMENT

CAPITAL MARKETS BRIEFING

31<sup>st</sup> OCTOBER 2016

# ST. JAMES'S PLACE WEALTH MANAGEMENT

## Gross Inflows by quarter

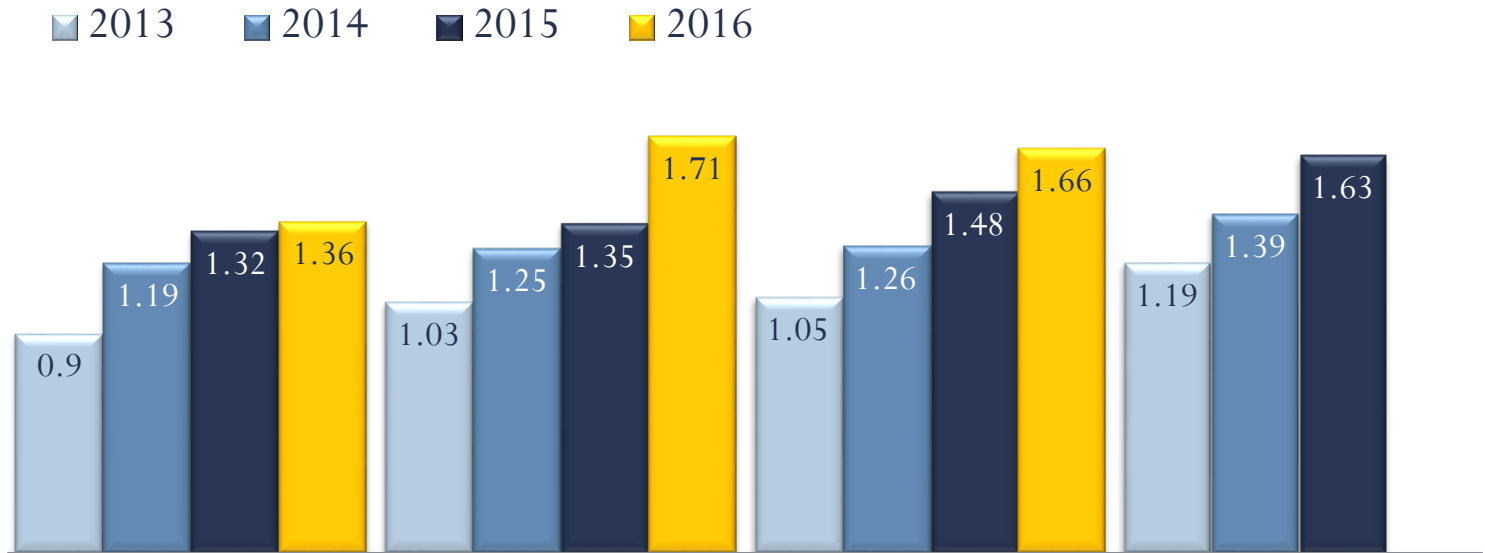


	Q1	Q2	Q3	Q4
<b>2013 over 2012</b>	+28%	+22%	+27%	+11%
<b>2014 over 2013</b>	+15%	+17%	+19%	+12%
<b>2015 over 2014</b>	+12%	+17%	+20%	+20%
<b>2016 over 2015</b>	+16%	+23%	+21%	



# ST. JAMES'S PLACE WEALTH MANAGEMENT

## Net Inflows by quarter

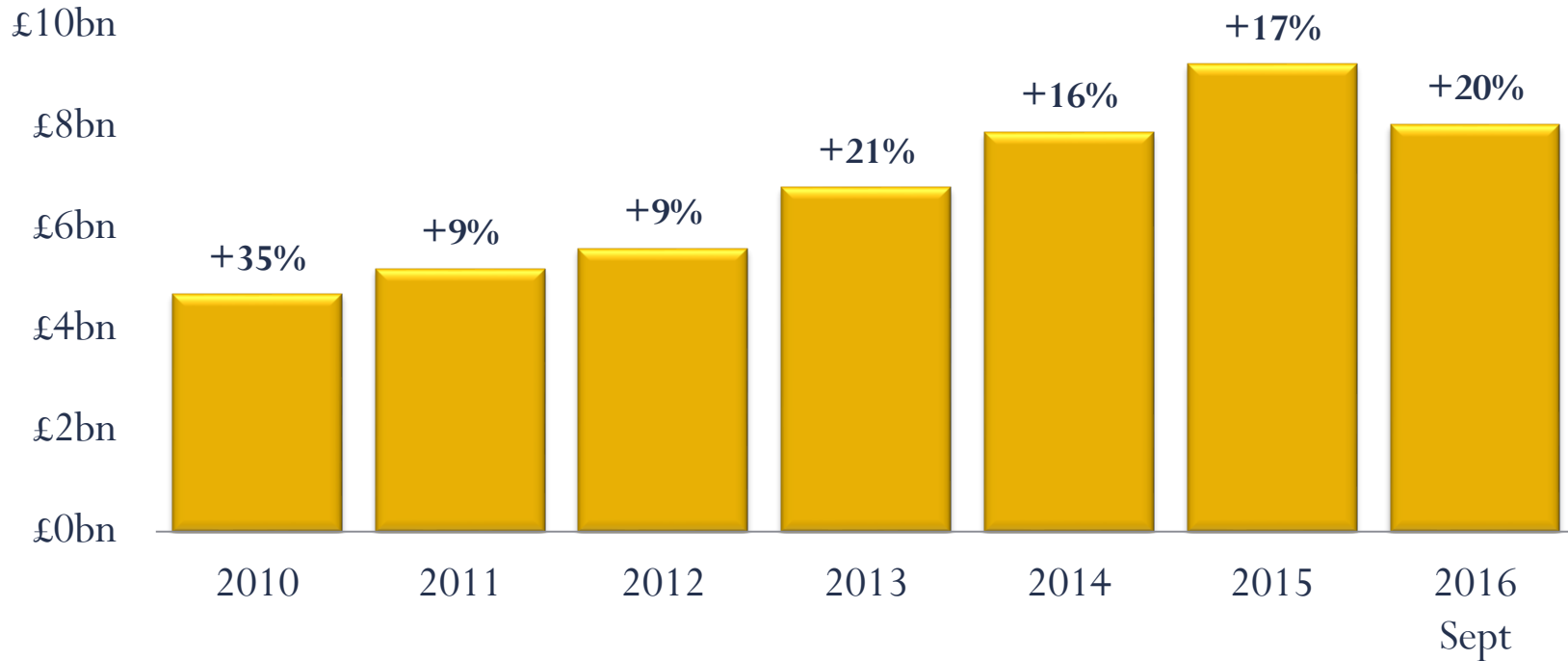


	Q1	Q2	Q3	Q4
<b>2013 over 2012</b>	+29%	+26%	+41%	+9%
<b>2014 over 2013</b>	+26%	+20%	+23%	+14%
<b>2015 over 2014</b>	+9%	+14%	+17%	+17%
<b>2016 over 2015</b>	+3%	+25%	+12%	



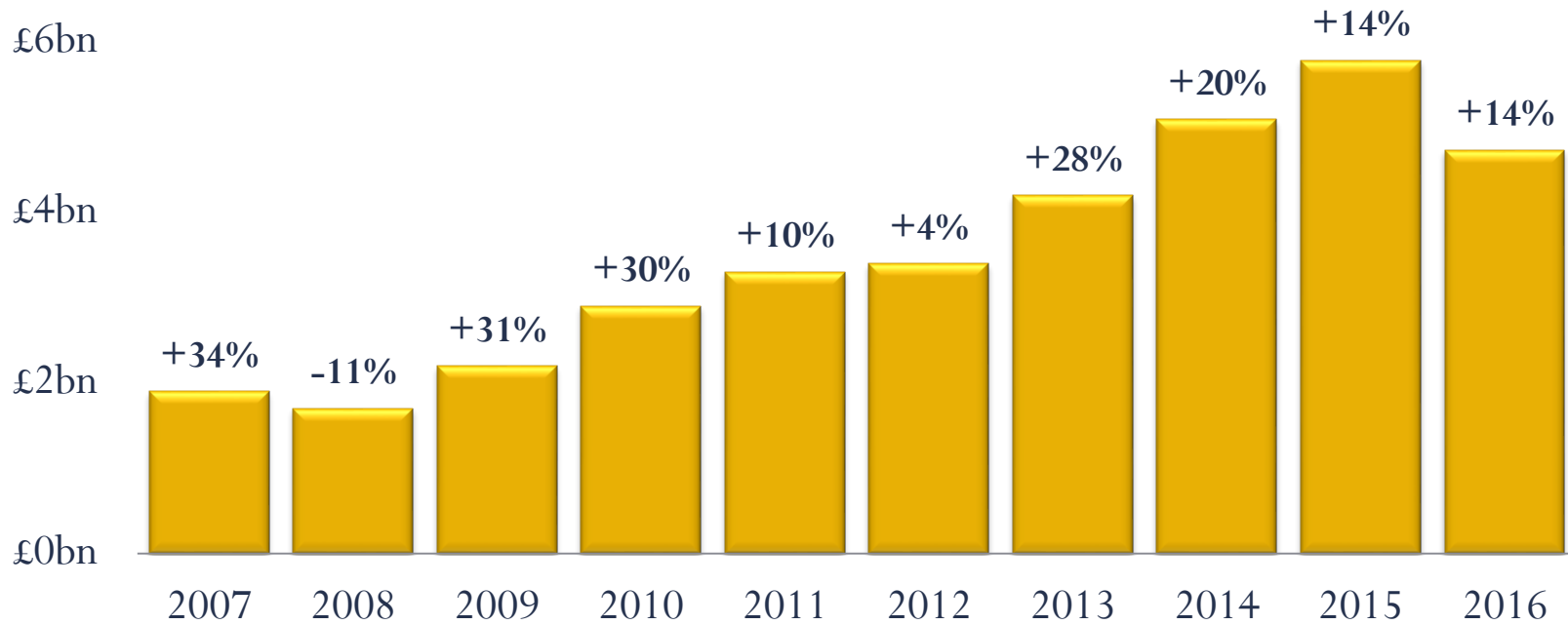
# ST. JAMES'S PLACE WEALTH MANAGEMENT

**Gross Inflows YTD – up 20% at £8.1bn**



# ST. JAMES'S PLACE WEALTH MANAGEMENT

Net Inflows YTD – up 14% at £4.73bn



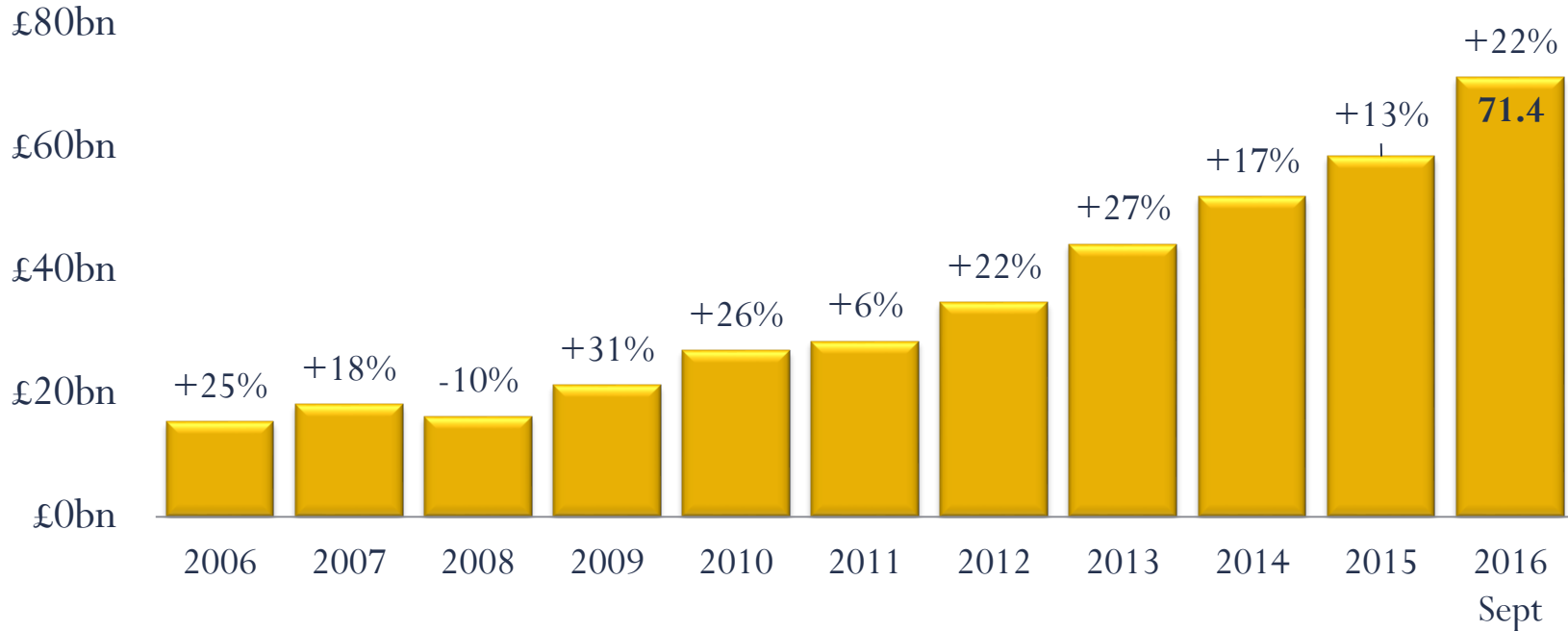
Sept

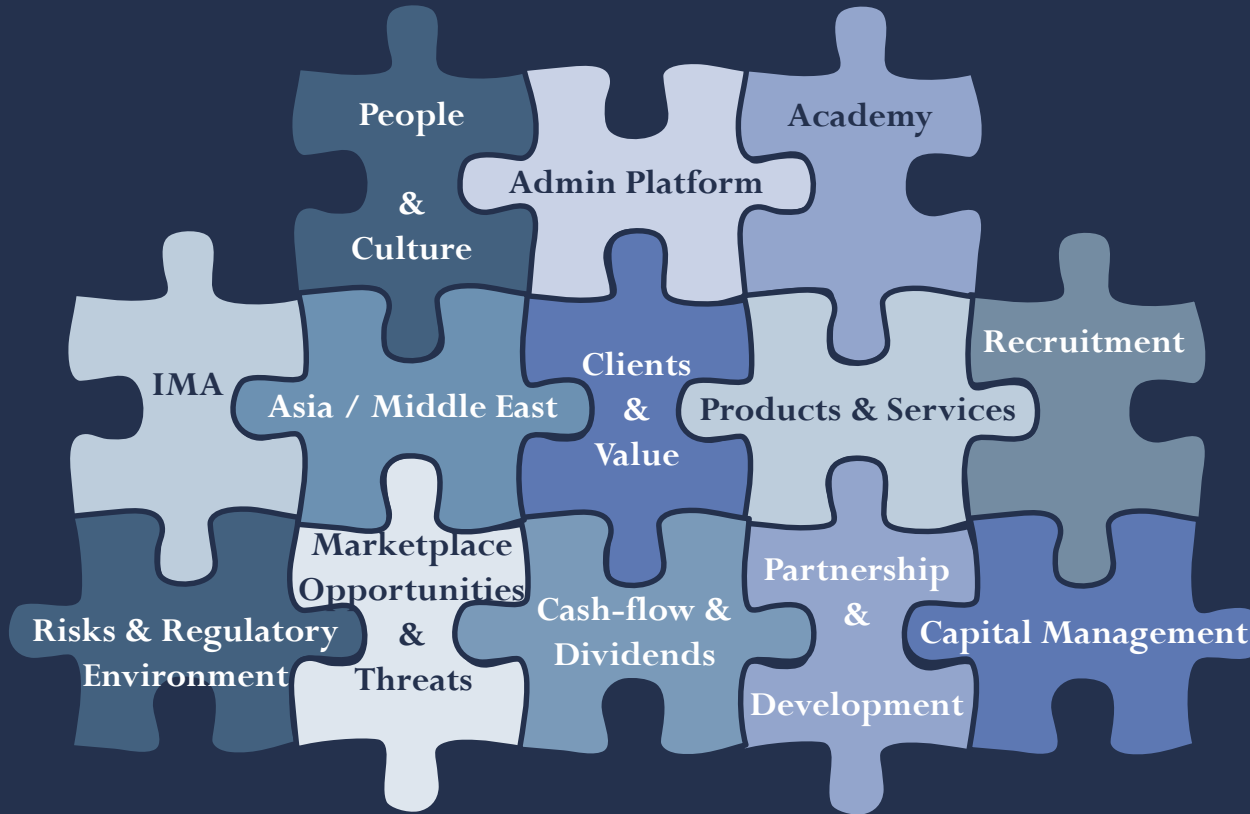


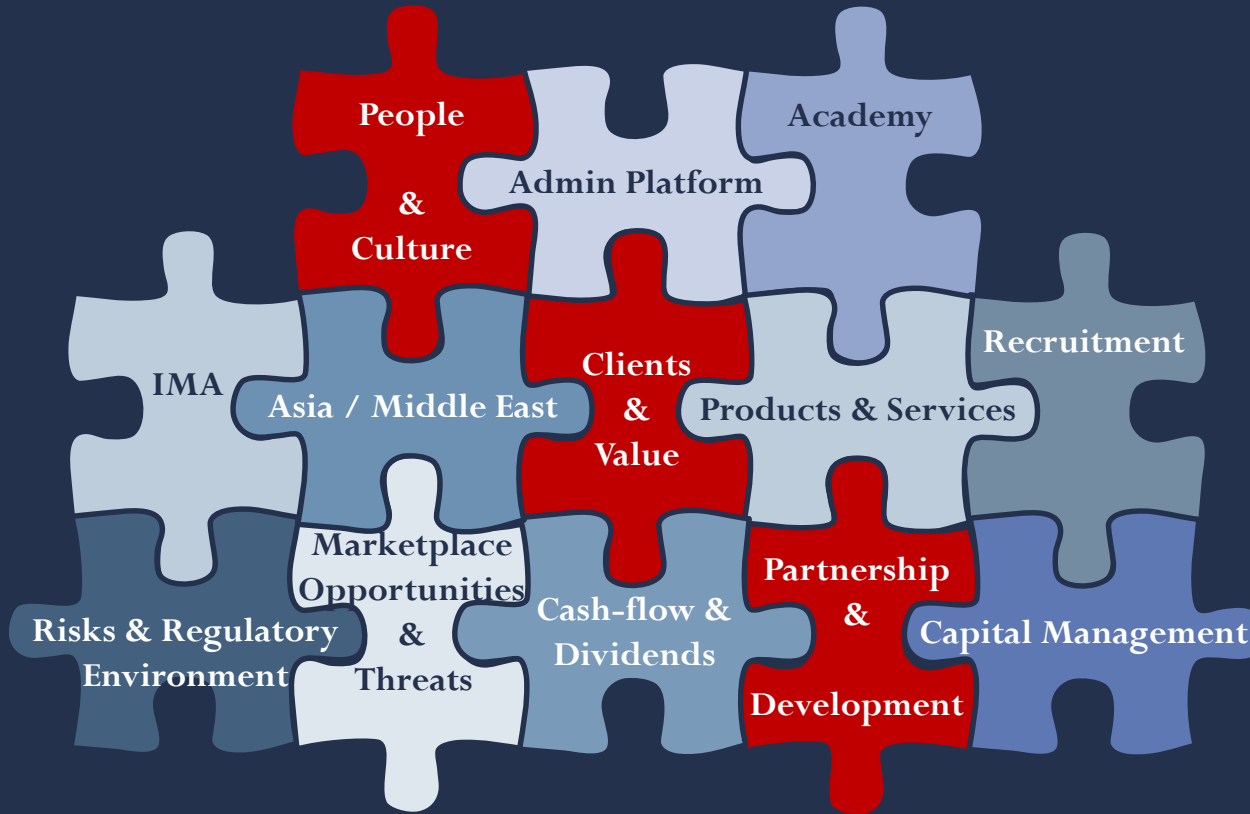
# ST. JAMES'S PLACE WEALTH MANAGEMENT

## Funds under management

**22%p.a. compound growth over the last  
5 years and 17%p.a. over 10 years (at September 2016)**











ST. JAMES'S PLACE  
WEALTH MANAGEMENT

TONY DUNK

Investor Relations Director

# ST. JAMES'S PLACE WEALTH MANAGEMENT

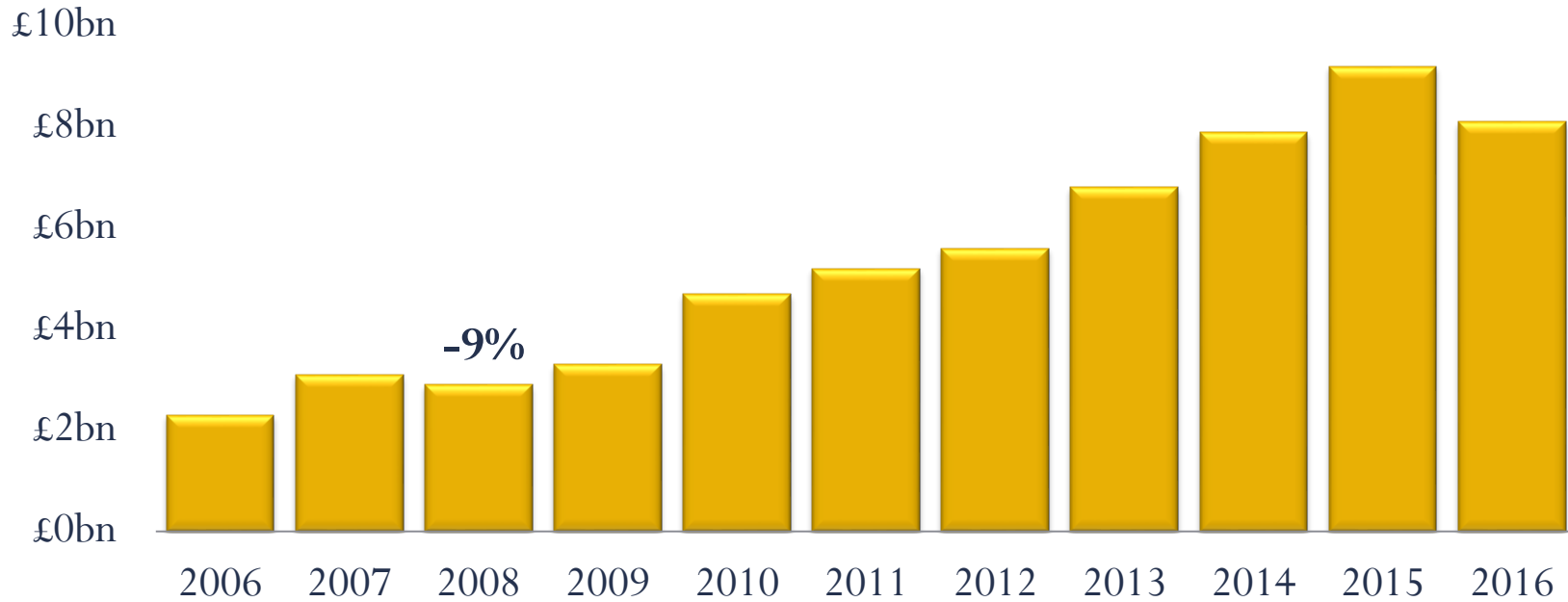




ST. JAMES'S PLACE  
WEALTH MANAGEMENT

# ST. JAMES'S PLACE WEALTH MANAGEMENT

## Gross inflows



Sept



# A PEOPLE BUSINESS

EMOTIONAL VS ARTIFICIAL





ST. JAMES'S PLACE  
WEALTH MANAGEMENT

# ST. JAMES'S PLACE WEALTH MANAGEMENT

*“The price is what you pay...value is what you receive”*





ST. JAMES'S PLACE  
WEALTH MANAGEMENT



# ST. JAMES'S PLACE WEALTH MANAGEMENT

*Don't have the time inclination, confidence or knowledge to make their own financial decisions*



# ST. JAMES'S PLACE WEALTH MANAGEMENT

- Pension freedom
- Brexit – Property funds



# ST. JAMES'S PLACE WEALTH MANAGEMENT

	Year Ended 31 December 2008 £'billion	Year Ended 31 December 2007 £'billion
Opening funds under management	18.2	15.4
New money invested	3.0	3.1
Investment return	(3.6)	0.9
	<b>17.6</b>	<b>19.4</b>
Regular income withdrawals/ maturities	(0.4)	(0.3)
<b>Surrender/part surrenders</b>	<b>(0.9)</b>	<b>(0.9)</b>
Closing funds under management	<b>16.3</b>	<b>18.2</b>
Implied surrender rate as % of average funds under management	5.2%	5.1%

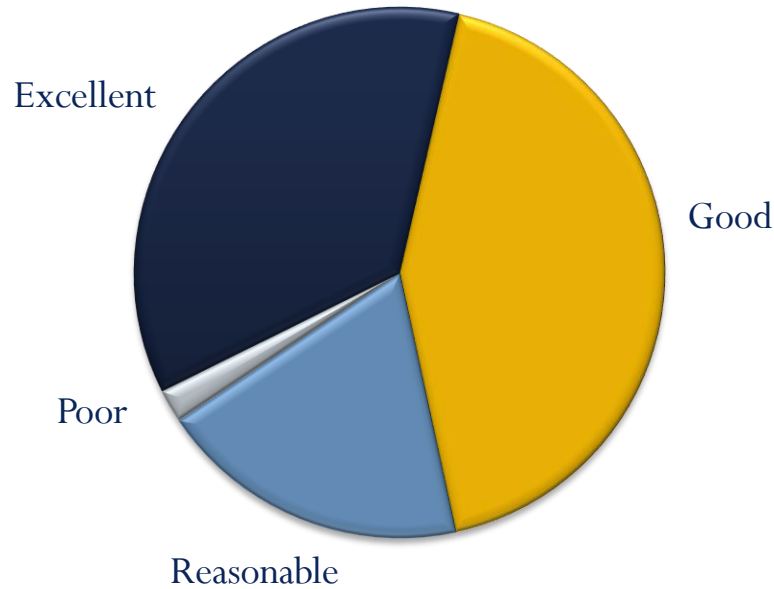
**“WE WERE PARTICULARLY PLEASED TO RETAIN 95% OF CLIENTS’ EXISTING FUNDS DURING 2008. RETENTION OF FUNDS UNDER MANAGEMENT IS NOT ONLY A GOOD MEASURE FROM A PROFITABILITY POINT OF VIEW BUT IS ALSO A GOOD INDICATOR OF THE STRENGTH OF RELATIONSHIPS THE COMPANY HAS WITH ITS CLIENTS”.**



# ST. JAMES'S PLACE WEALTH MANAGEMENT

## Client wealth account survey

Do you feel the St. James's Place proposition provides value for money?



# ST. JAMES'S PLACE WEALTH MANAGEMENT

## Things our clients value

- Working with someone they trust
- Dealing with complexity
- Taking away the worry
- Having a plan – managing the risks
- Getting things done
- Dealing with life's uncertainties
- Peace of mind



# ST. JAMES'S PLACE WEALTH MANAGEMENT

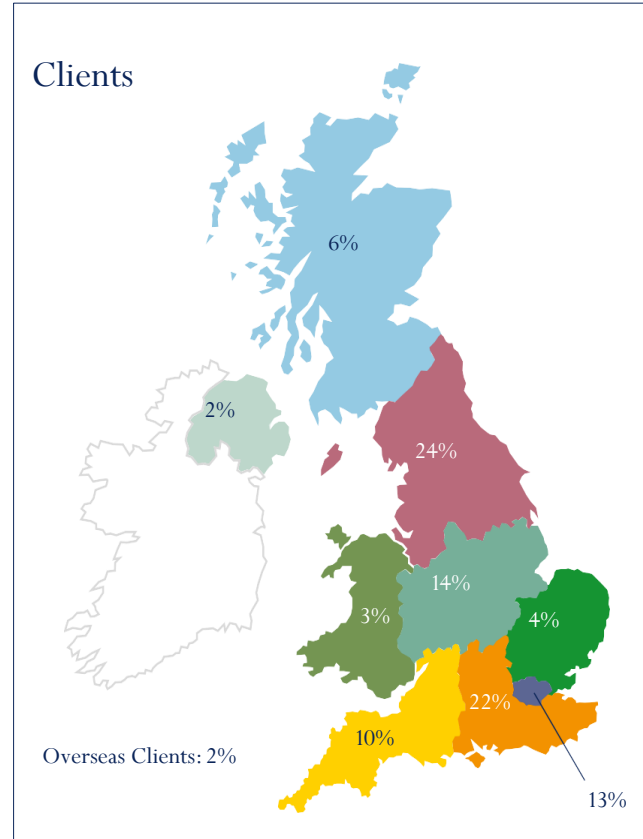
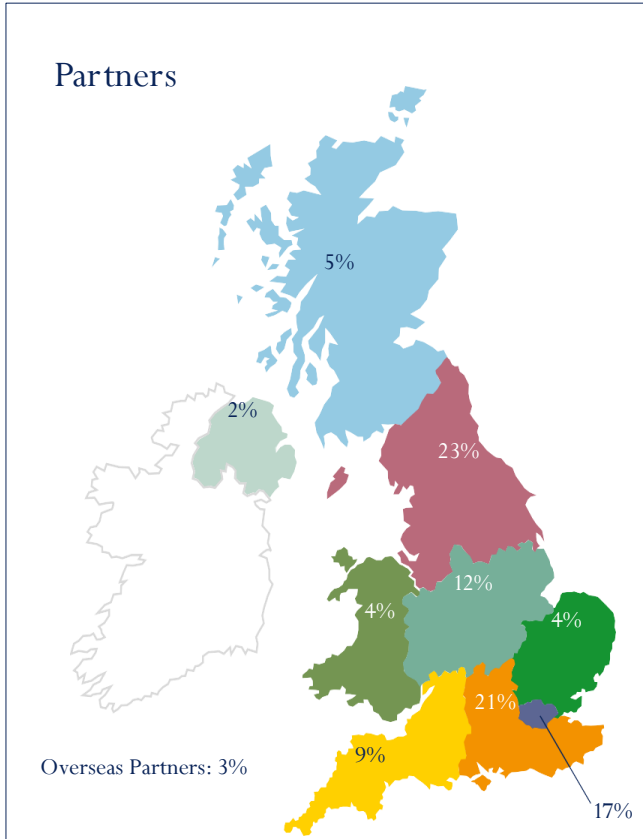
## What's important about SJP

- Highly respected
- 'Big' – FTSE100
- £71 billion of client funds under management
- Resources to do vital things well
- Suitability of advice guaranteed
- Access to advice throughout the UK (and now Asia)



# ST. JAMES'S PLACE WEALTH MANAGEMENT

## Geographic Distribution



# ST. JAMES'S PLACE WEALTH MANAGEMENT

## What's important about SJP

- Highly respected
- 'Big' – FTSE100
- £71 billion of client funds under management
- Resources to do vital things well
- Suitability of advice guaranteed
- Access to advice throughout the UK (and now Asia)
- Partner succession
- Technical expertise





# ST. JAMES'S PLACE WEALTH MANAGEMENT

## Global Investment Management Expertise



# ST. JAMES'S PLACE WEALTH MANAGEMENT

## Benefits of investment management approach

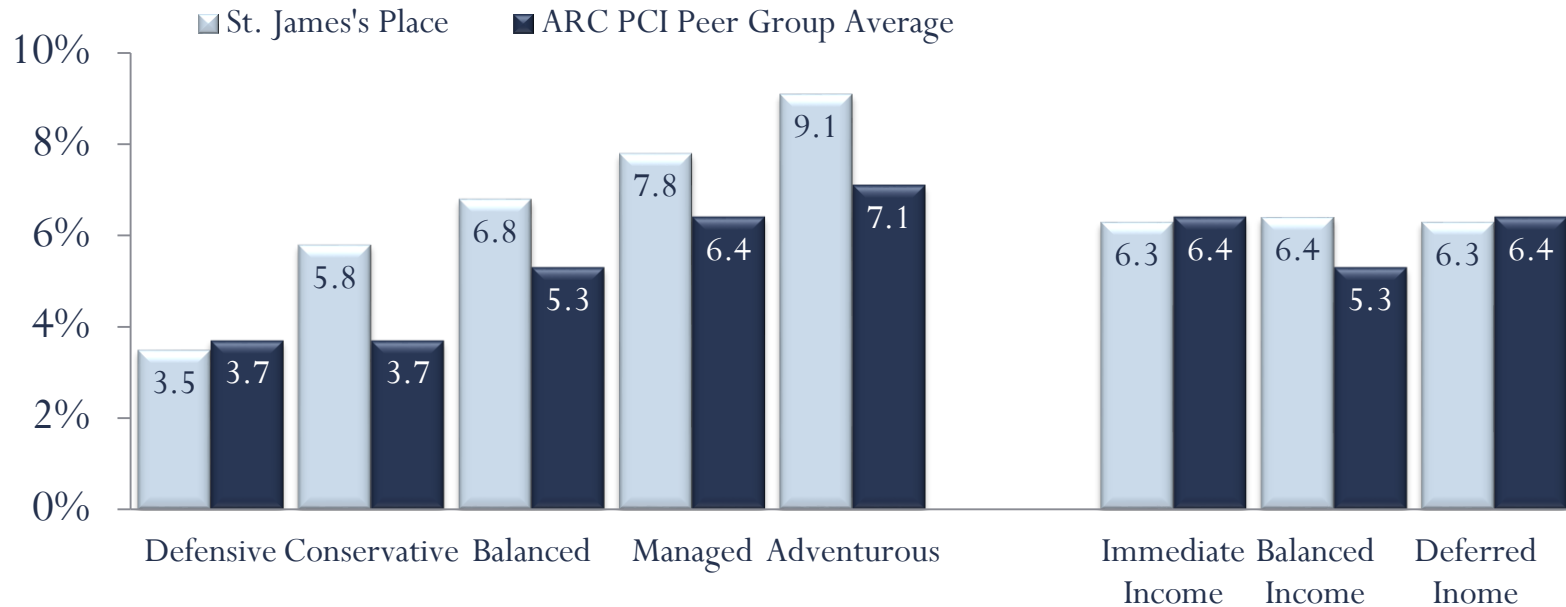
- Above average investment returns (net of charges)



# ST. JAMES'S PLACE WEALTH MANAGEMENT

## Annualised 3 year performance

### St James's Place Portfolio vs ARC Private Client Investment peer groups



Source: FE Analytics, Asset Risk Consultants (ARC) Private Client Indices and SJP internal data. Data to 30 September 2016



# ST. JAMES'S PLACE WEALTH MANAGEMENT

## Benefits of investment management approach

- Above average investment returns (net of charges)
- Exclusive funds and top fund managers
- Rigorous selection and ongoing monitoring
- Lower investment management fees
- Seamless change



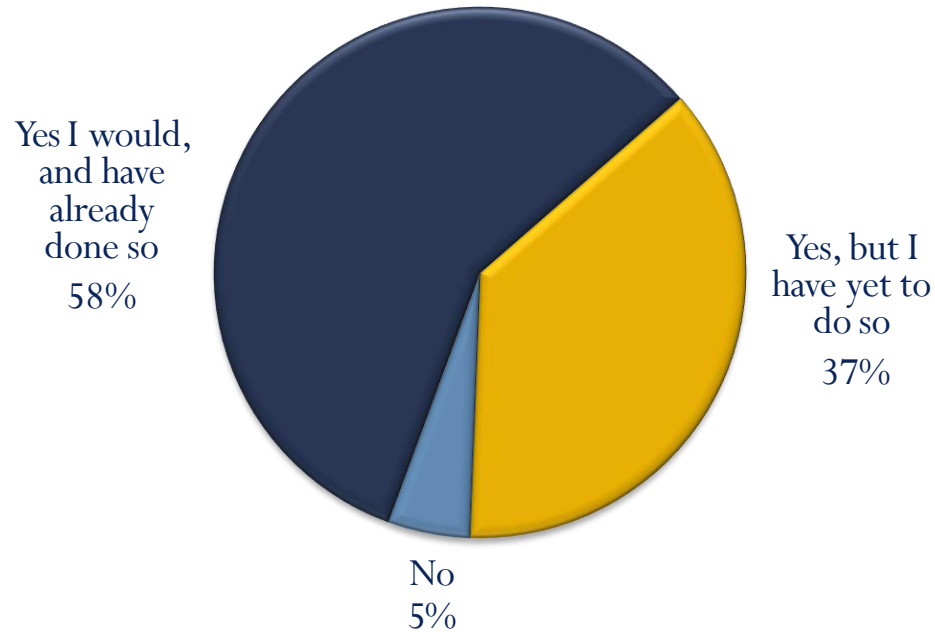


ST. JAMES'S PLACE  
WEALTH MANAGEMENT

# ST. JAMES'S PLACE WEALTH MANAGEMENT

## Client wealth account survey

**Knowing everything you know of the St. James's Place proposition,  
would you recommend it to others?**



# ST. JAMES'S PLACE WEALTH MANAGEMENT





ST. JAMES'S PLACE  
WEALTH MANAGEMENT

TONY WICKENDEN  
Technical Connection



# ST. JAMES'S PLACE WEALTH MANAGEMENT

## Tax alpha



# ST. JAMES'S PLACE WEALTH MANAGEMENT

## Tax alpha

Aggressive tax avoidance



Acceptable tax planning and tax structuring



# ST. JAMES'S PLACE WEALTH MANAGEMENT

So where does this leave us?

**BORING IS THE NEW EXCITING**



# ST. JAMES'S PLACE WEALTH MANAGEMENT

## The boring list...

- Pensions
- ISAs
- Collectives
- Bonds
- BPR Schemes
- VCT /EIS
- Gift trusts /Loan Trusts /DGTs
- Life Insurance
- **You get the picture ?**



# ST. JAMES'S PLACE WEALTH MANAGEMENT

## Comparison grid

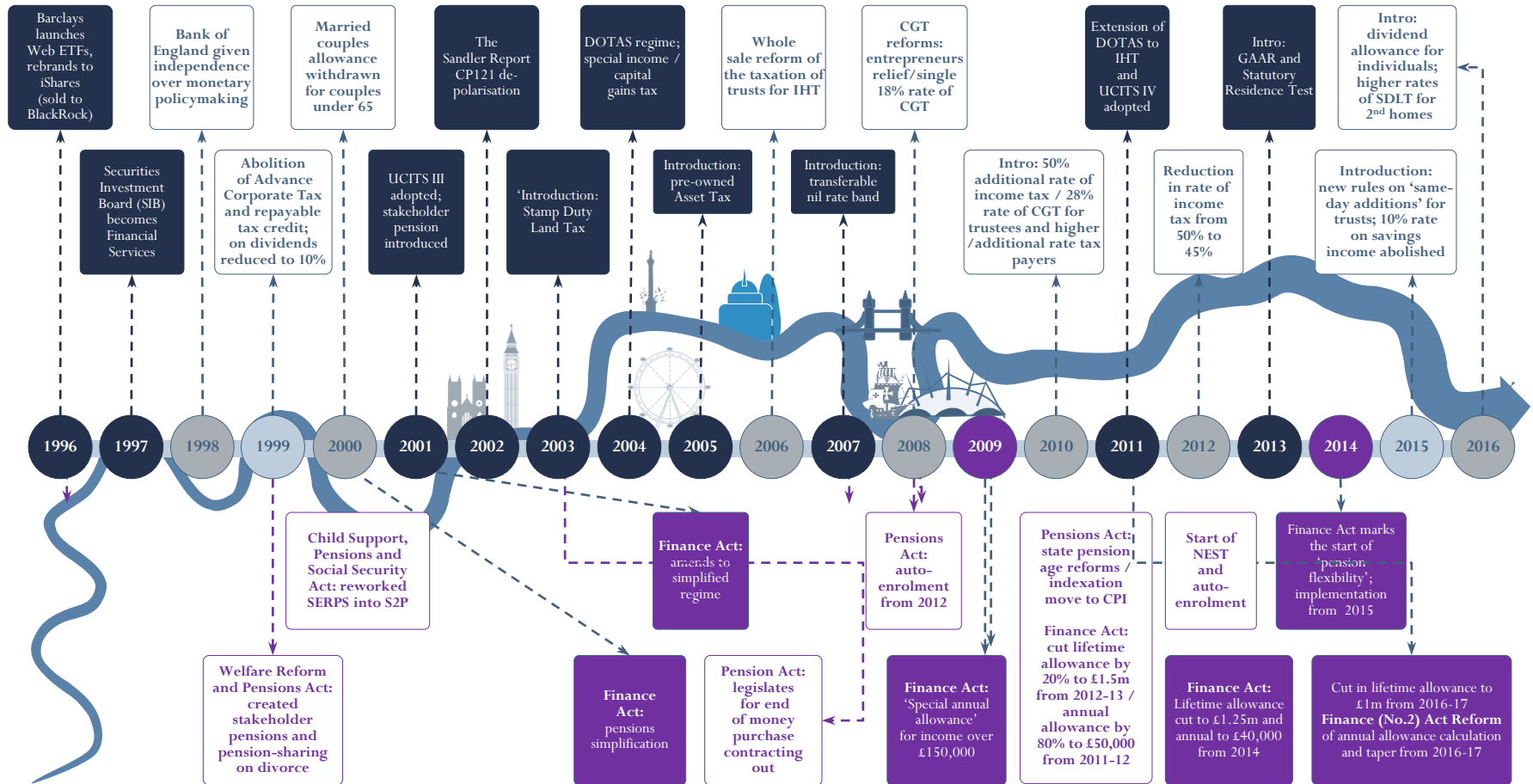
### INVESTMENT / ACCUMULATION PERIOD

### WITHDRAWAL

	Diversified spread of underlying investments possible	Tax relief on investment	Investor access	Tax on income	Tax on Capital Gains	IHT	Tax on income	Tax on Capital Gains	IHT on death	Other tax on death
<b>REGISTERED PENSION</b>	YES	YES	YES	NO	NO	NO	YES	NO	NO	POSSIBLE (DEATH 75+)
<b>ISA</b>	YES	NO	YES	NO	NO	YES	NO	NO	YES	NO
<b>UK COLLECTIVES</b>	YES	NO	YES	YES	NO	YES	YES	YES	YES	NO
<b>OFFSHORE REPORTING FUND</b>	YES	NO	YES	NO	NO	YES	YES	YES	YES	NO
<b>OFFSHORE NON-REPORTING FUND</b>	YES	NO	YES	NO	NO	YES	NO INCOME	YES	YES	NO
<b>UK INVESTMENT BOND</b>	YES	NO	YES	YES	YES	YES	NO INCOME	YES	YES	NO
<b>OFFSHORE INVESTMENT BOND</b>	YES	NO	YES	NO	NO	YES	NO INCOME	YES	YES	NO
<b>VCT</b>	NO	YES	YES	YES	NO	YES	NO	NO	YES	NO
<b>EIS</b>	NO	YES	YES	YES	YES	NO	YES	NO	NO	NO
<b>AIM STOCK</b>	NO	NO	YES	NO	YES	NO	YES	YES	NO	NO
<b>PROPERTY</b>	NO	NO	YES	NO	NO	YES	YES	YES	YES	NO
<b>CASH</b>	NO	NO	YES	NO	NO	YES	YES	YES	YES	NO

# ST. JAMES'S PLACE WEALTH MANAGEMENT

## 1996 – 2016 – Timeline of industry events



# ST. JAMES'S PLACE WEALTH MANAGEMENT

.....And there's no let up in sight

**2016/17**

- Personal Savings Allowance
- CGT change
- Dividend tax change
- Residence nil rate band: downsizing provisions

.....And consultations including

- Domicile
- Investment bond taxation
- Salary Sacrifice
- Disguised remuneration
- Personal Portfolio Bonds



# ST. JAMES'S PLACE WEALTH MANAGEMENT

Helping our clients to make hard choices

- Where to invest company or personal money when caught by the annual or lifetime allowance
- How and when to take money from your pension investments
- Whether and how to “wrap” your lump sum investments





# ST. JAMES'S PLACE WEALTH MANAGEMENT

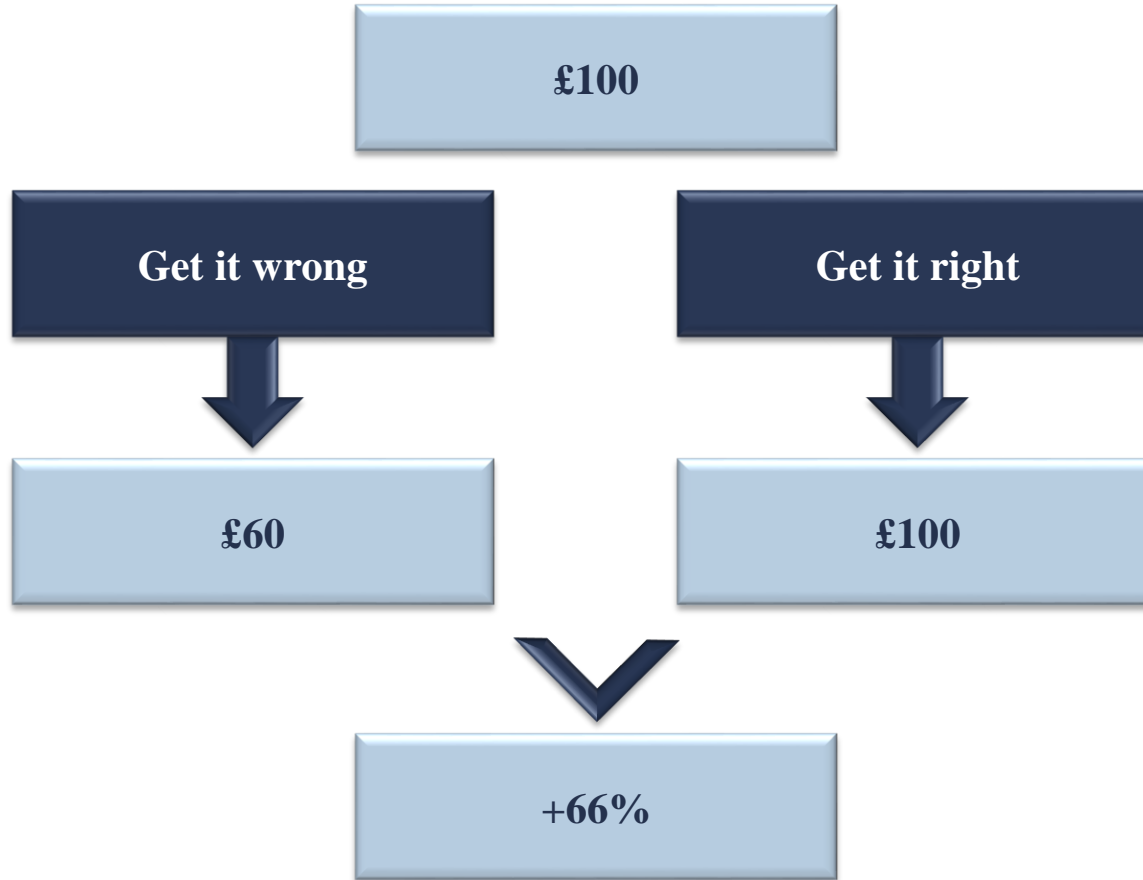
Helping our clients to make hard choices

- How best to effect employer paid life cover to minimise net cost?
- How to invest tax effectively for children while retaining control?
- Which estate planning solution can deliver IHT efficiency with investor control (and access)?



# ST. JAMES'S PLACE WEALTH MANAGEMENT

Tax alpha delivered



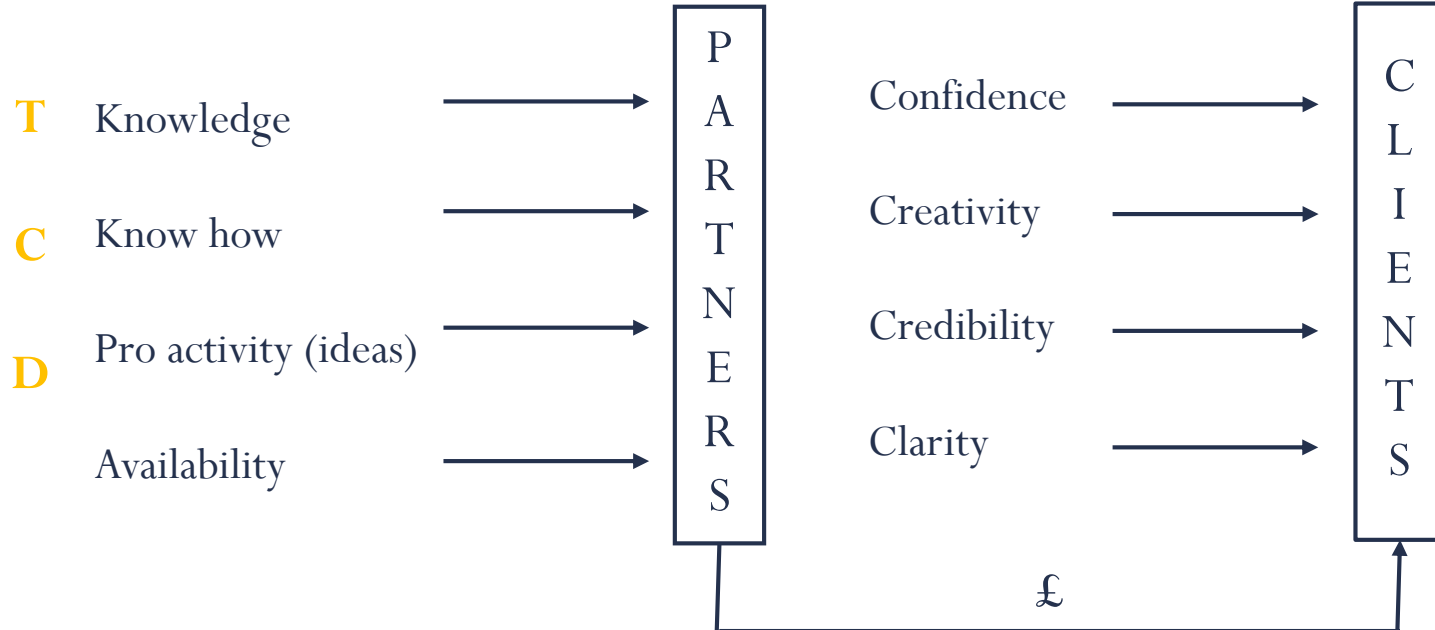


ST. JAMES'S PLACE  
WEALTH MANAGEMENT

OUR TEAM SUPPORTING PARTNERS  
Technical Connection Division

# ST. JAMES'S PLACE WEALTH MANAGEMENT

## TCD key suppliers



\* *Financially detrimental if you “get it wrong”*

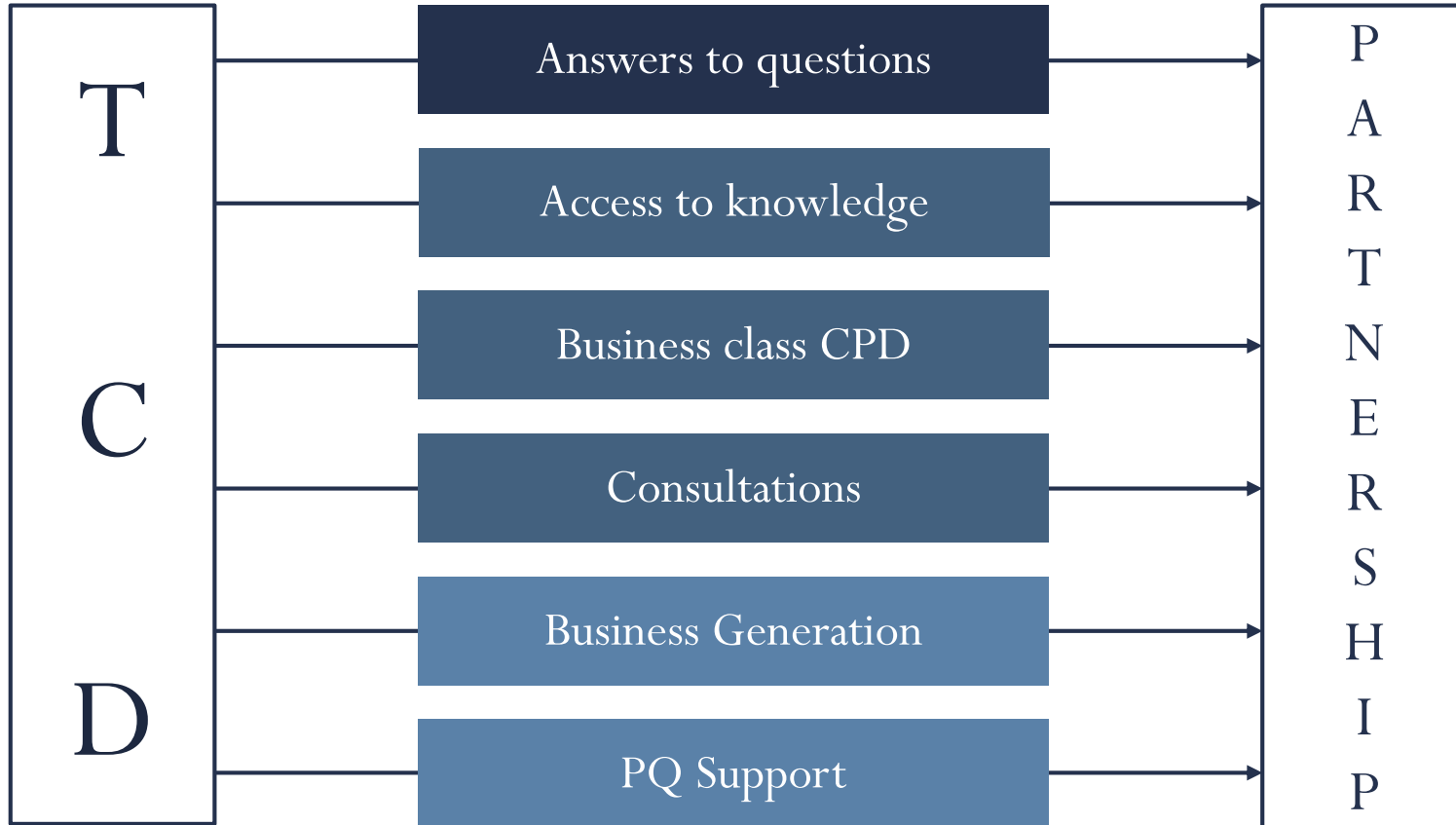
\*\* *Readily “self service” answers*

- Complex
- Consequences \*
- Can't \*\*



# ST. JAMES'S PLACE WEALTH MANAGEMENT

What do we deliver?



# ST. JAMES'S PLACE WEALTH MANAGEMENT

## The Value delivered by technical excellence

- Excellent client outcomes
- Reduced risk
- Increased productivity/profit
- Partner attraction/retention





ST. JAMES'S PLACE  
WEALTH MANAGEMENT

JONATHAN MCMAHON  
Joint Chief Operating Officer

# ST. JAMES'S PLACE WEALTH MANAGEMENT

## Overview

- Our community
  - Employee engagement
  - Apprentices and Graduates
- Our work in our communities
  - The Foundation
  - Corporate Social Responsibility





# ST. JAMES'S PLACE WEALTH MANAGEMENT

## The SJP community

- Number of Practices – 2,320
- Number of Advisers – 3,259
- Number of Partner Support Staff – 4,645
- Number of Employees – 1,472
- Number of Employees in our key third party providers – 1,608



# ST. JAMES'S PLACE WEALTH MANAGEMENT

## The SJP employee community

- 21 Locations in UK and 3 in Asia
- Supporting advisers in these areas:
  - Client Services & Administration
  - Legal
  - Marketing
  - Risk & Compliance
  - Tax & Trust etc.
  - Technology
  - Training & Development
- Average age of employees – 41.8
- Average length of service of employees – 5.4 years



# ST. JAMES'S PLACE WEALTH MANAGEMENT

Physical investment in our premises



# ST. JAMES'S PLACE WEALTH MANAGEMENT

## 2016 survey headlines



Engagement levels have remained high since 2014, with SJP employees understanding **how their work contributes to SJP's success** and believing that **the fair treatment of clients is central** to the culture.

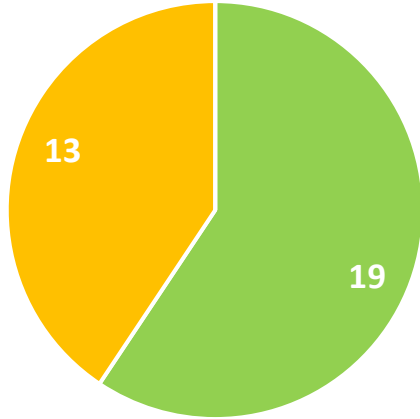
Some key scores	% positive
53. I feel proud of the work SJP does to help others through the SJP Foundation	96%
4. I understand how my work contributes to the success of the organisation	94%
45. I believe the fair treatment of clients is central to our culture	94%



# ST. JAMES'S PLACE WEALTH MANAGEMENT

## Vs. financial services benchmark

31 questions  
were comparable



Question score 5 or more points above Benchmark

Question score within 5 points of the Benchmark

Question score 5 or more points below Benchmark


4 of the top 5 results relative to the norm were engagement questions – indicating high levels of engagement relative to other Financial Services companies.

Questions most above Benchmark	% positive	Vs. benchmark
62. I would recommend SJP as a great place to work	88%	+21
63. I feel a strong sense of belonging to SJP.	83%	+17
37. I am satisfied with the total benefits package	93%	+17
61. I feel proud to work for SJP	92%	+15
64. I intend to still be working for SJP in 12 months' time.	88%	+13
32. During my last performance appraisal my manager helped me to focus on developing my performance.	78%	+12
48. I believe I am valued for what I can offer SJP.	77%	+12
40. I have confidence in senior managers to lead us effectively through the good times and the bad.	82%	+12

# ST. JAMES'S PLACE WEALTH MANAGEMENT

## Vs. Financial services benchmark

EMPLOYEE  
ENGAGEMENT  
INDEX

86% 



Sustaining high levels of engagement can be a challenge and although questions in the engagement index all perform above the Financial Service benchmark there has been a declining trend since 2014.



Say



Stay



Strive

			Diff vs. 2014	Diff. vs. Financial	Diff. vs. Best in Class
I feel proud to work for SJP	92%	-1	+15	+2	
I would recommend SJP as a great place to work	88%	-1	+21	+1	
I feel a strong sense of belonging to SJP	83%	0	+17	+4	
I still intend to be working for SJP in 12 months' time	88%	-1	+13	+3	
This organisation motivates me to go the 'extra mile' at work	79%	-3	-	+3	
Working here makes me want to do the best I can	87%	-2	+8	+1	



# ST. JAMES'S PLACE WEALTH MANAGEMENT

## Graduate and Apprenticeship schemes at SJP

### Graduates

- Started in September 2014 with 3 year rotational programme - six 6-month placements across SJP
- 15 rotational graduates on programme. 12 more planned for 2017
- 100% retention to date

### Apprentices

- Started in September 2012 with 5 apprentices. 19 new apprentices joined in September 2016
- Annual programme with broad range of specialisms – Accounting, IT, Marketing, Business Administration, Financial Services, Investments
- 2016 launch of new higher level Para-planning Apprenticeship with University of Gloucestershire
- Wider outreach apprenticeship programme planned for 2017 to support and attract socioeconomically disadvantaged young people



# ST. JAMES'S PLACE WEALTH MANAGEMENT

## Higher education partnerships

### **Loughborough University**

- Tailored MSc in Wealth Management – now in its third year. First intake complete and graduate in 2017
- Leadership programmes
- Some bespoke training with the Field

### **University of Gloucestershire**

- Paraplanning apprenticeship higher-level programme – providing skilled apprentices for our business, tailored for SJP
- Potential for degree level apprenticeship delivery





# ST. JAMES'S PLACE WEALTH MANAGEMENT

## Corporate social responsibility

### Our Approach to Corporate Social Responsibility

- We understand that responsible management is important to all our stakeholders – shareholders, clients, Partners, suppliers and the communities we operate in
- St. James's Place is committed to growing our business in a way that considers the economic, social and environmental impacts of what we do



# ST. JAMES'S PLACE WEALTH MANAGEMENT

## Corporate social responsibility

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# ST. JAMES'S PLACE WEALTH MANAGEMENT

## Corporate social responsibility

### Strategic approach

- Focused long-term partnerships
- Local to SJP offices
- Supporting people in need
- Promote staff skills based engagement



# ST. JAMES'S PLACE WEALTH MANAGEMENT

## Corporate social responsibility

### Four core deliverables

- Employability and Financial Awareness
- Local charity partnership
- Individual & team community support
- Input, output & impact measurement and benchmarking



# ST. JAMES'S PLACE WEALTH MANAGEMENT

## Corporate social responsibility

### Financial Education

- Y9 & 6th form, non-branded, non-sales, free to schools and SJP staff led
- 15 sessions delivered YTD: in 11 different schools and 2 charities, 1196 students with 85 SJP staff delivering
- Year total expected to be over 3000 students with 190 staff, running 28 sessions in 20 different schools



# ST. JAMES'S PLACE WEALTH MANAGEMENT

## CSR measures

### Key public CSR measures we report into are:

- FTSE4Good
- Business in the Community
- London Benchmarking Group
- Carbon Disclosure Project
- Energy Savings Opportunity Scheme
- Carbon Reduction Commitment

### We also subscribe or adhere to these CSR standards:

- The Living Wage Foundation
- The Prompt Payment Code



# ST. JAMES'S PLACE WEALTH MANAGEMENT

## St. James's Place Foundation

- Formed in 1992 it is a grant making charity 'with a difference' with all funds raised and donated by the SJP community (including £ for £ matching)
- All expenses related to the Foundation are covered by the Company
- The majority of our support is focused on children and young people (split between disability/illness & social and economic disadvantage)
- Our next largest theme is focused on Hospices and we donate approximately 10% of our funds through Hospice UK each year (the umbrella organisation for all independent hospices)



# ST. JAMES'S PLACE WEALTH MANAGEMENT

## St. James's Place Foundation

- Over £51 million raised and donated since 1992. A total of £5 million raised year to date (July) against a full year target of £7.5 million
- Currently 89% of Partners & employees give generously each month to a total of £1.3 million per year





# ST. JAMES'S PLACE WEALTH MANAGEMENT

## St. James's Place Foundation

### **An example of Giving Effectively...**

- Is the Foundation's 'Sport for Good' Project (launched in 2012 and is ongoing)
- Over £2.4 million donated to 7 charities, operating across the UK, over the last five years
- Charities helping young people under the age of 25 and split between those focused on 'disability/illness' & 'Social & Economic Disadvantage'
- All 7 Charities utilise participation in sport to empower and inspire young lives and so they can reach their full potential



# ST. JAMES'S PLACE WEALTH MANAGEMENT

## St. James's Place Foundation

- Just some of our Major Grants...



**FOUNDATION  
OF LIGHT**

THE WORLD AT YOUR FEET



**Children  
in Crossfire**

GIVING CHILDREN THE CHANCE TO CHOOSE



**Chailey  
Heritage  
Foundation**

pursuing potential



**Percy Hedley  
Foundation**

Disability • Achievement • Choice



**forget me not  
children's hospice**



**SARACENS  
SPORT  
FOUNDATION**



**variety club**  
the children's charity



**hospice<sup>UK</sup>**

**missing  
people**

**NSC**  
National Star College



**amantani**



# ST. JAMES'S PLACE WEALTH MANAGEMENT

## St. James's Place Foundation

An engaged community



# ST. JAMES'S PLACE WEALTH MANAGEMENT

## Summary

- An engaged community
- Significant investments being made for the future
- Corporate Social Responsibility as part of business as usual
- The Foundation - part of who we are and what we do
- Doing these (and other) things helps to maintain and develop our culture
- Maintaining our culture is, of course, a key part of delivering our business objectives



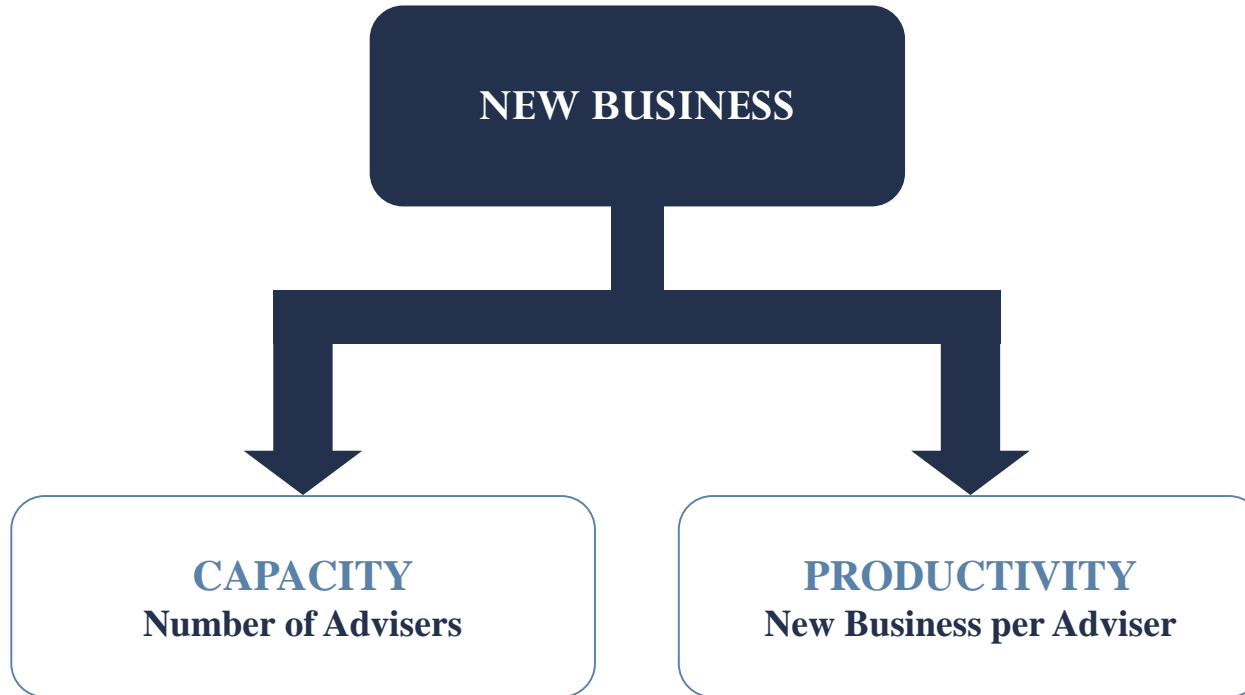


ST. JAMES'S PLACE  
WEALTH MANAGEMENT

IAN GASCOIGNE  
Managing Director

# ST. JAMES'S PLACE WEALTH MANAGEMENT

## Strategic context – the growth model



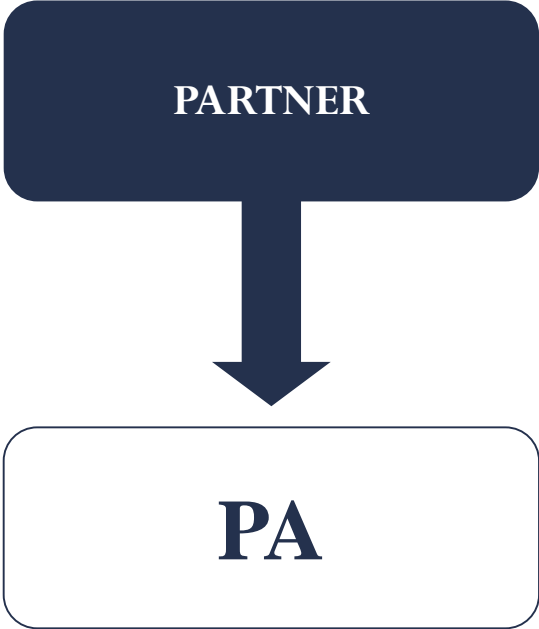


Number of Partners x Average Productivity

= New Business



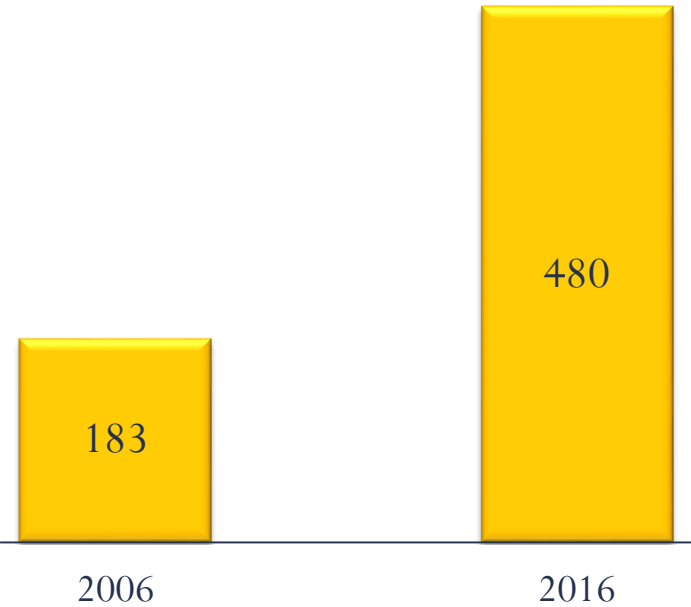
# ST. JAMES'S PLACE WEALTH MANAGEMENT





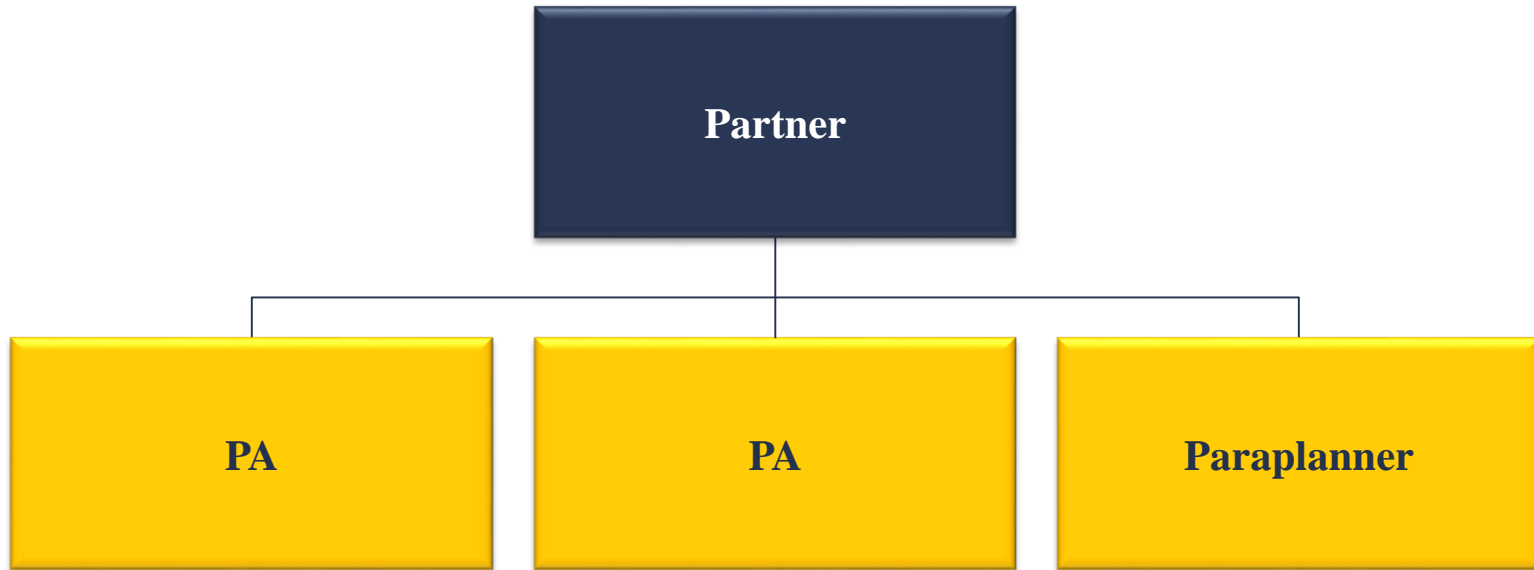
# ST. JAMES'S PLACE WEALTH MANAGEMENT

## Number of Multi-Member Practices



# ST. JAMES'S PLACE WEALTH MANAGEMENT

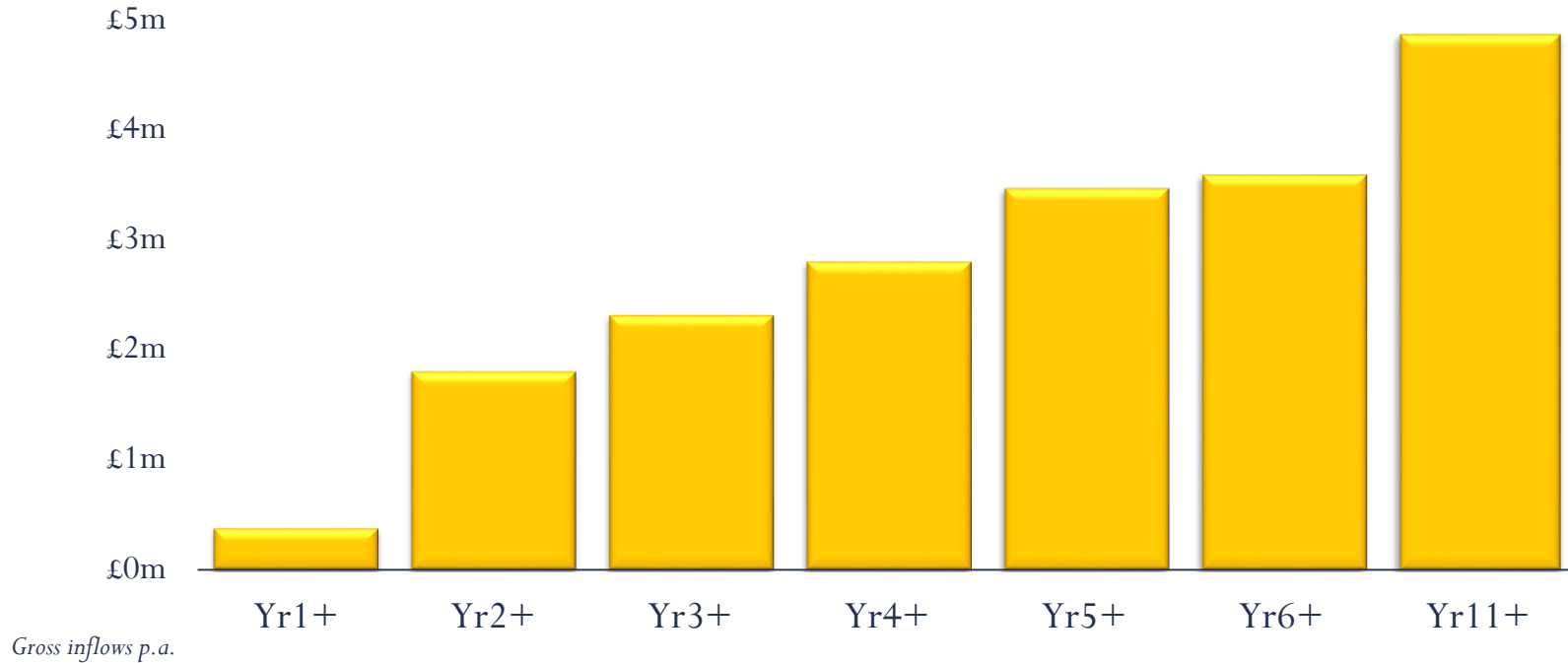
## Sole Trader Business



# ST. JAMES'S PLACE WEALTH MANAGEMENT

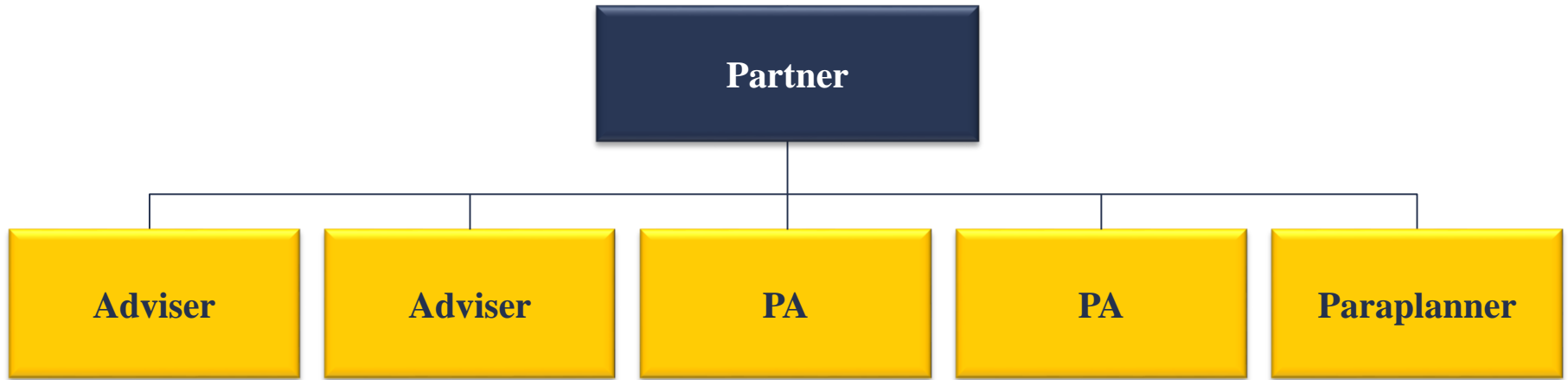
## Sole Trader Productivity

by length of Service



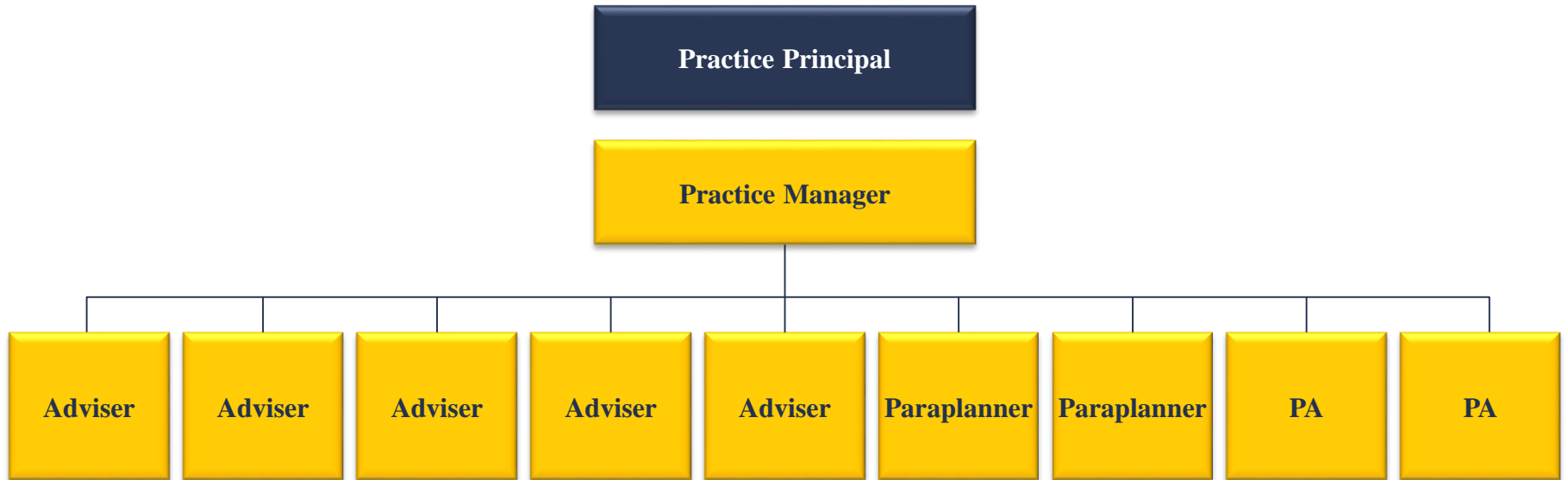
# ST. JAMES'S PLACE WEALTH MANAGEMENT

## A Multi-Member Practice



# ST. JAMES'S PLACE WEALTH MANAGEMENT

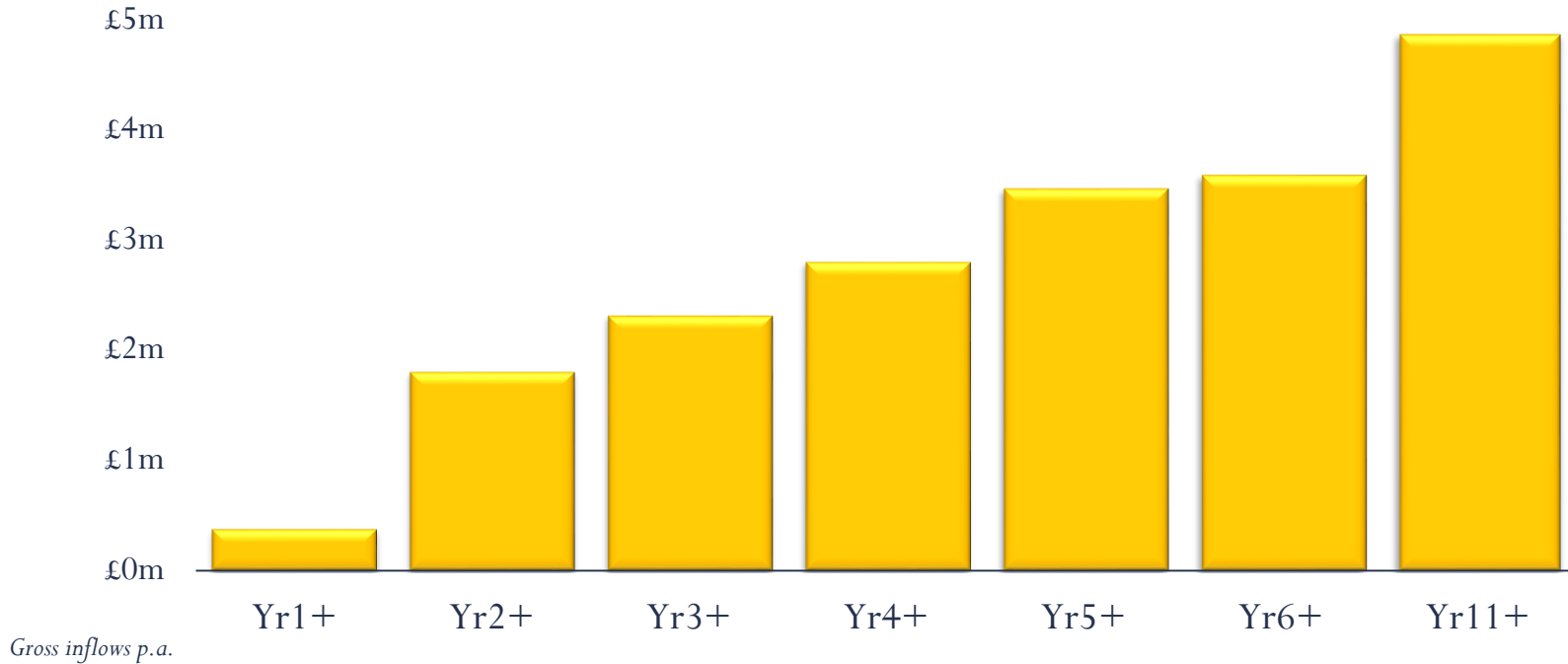
## A Large Multi-Member Practice



# ST. JAMES'S PLACE WEALTH MANAGEMENT

## Sole Trader Productivity

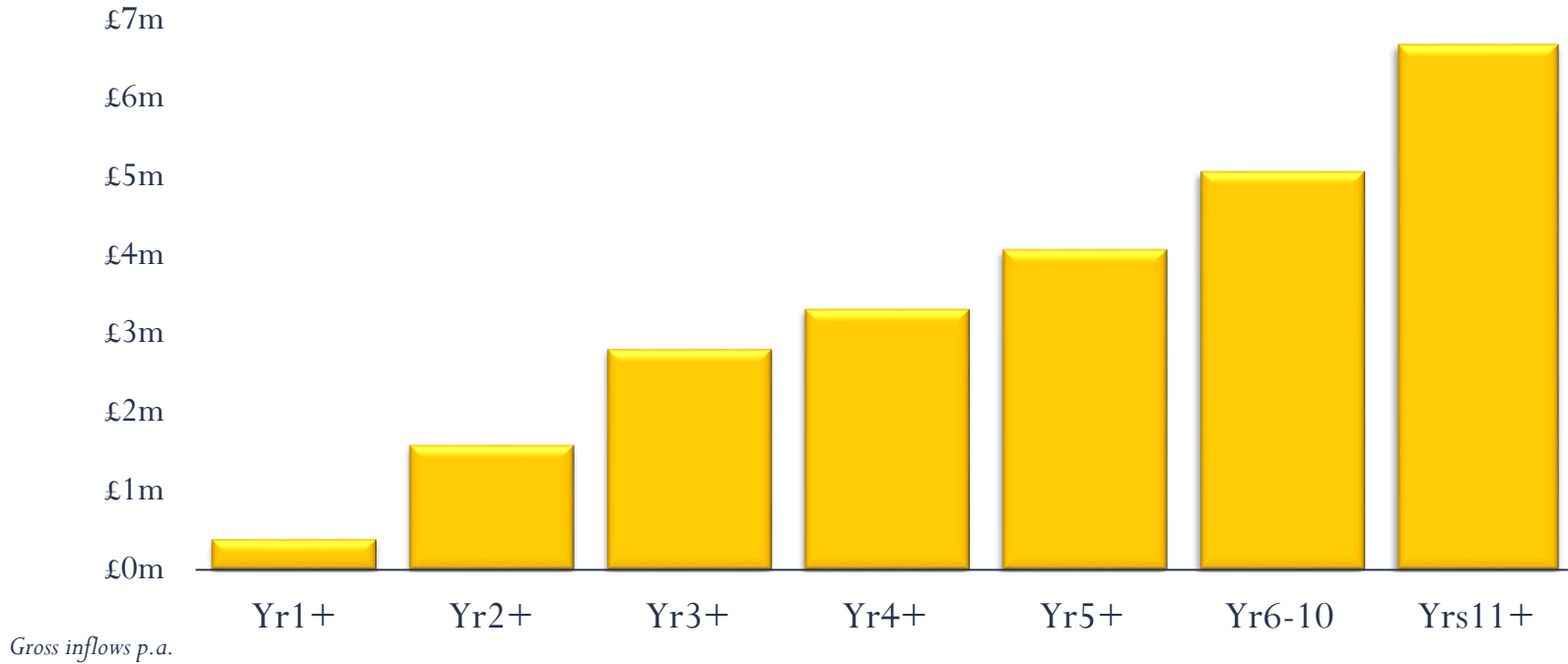
by length of Service



# ST. JAMES'S PLACE WEALTH MANAGEMENT

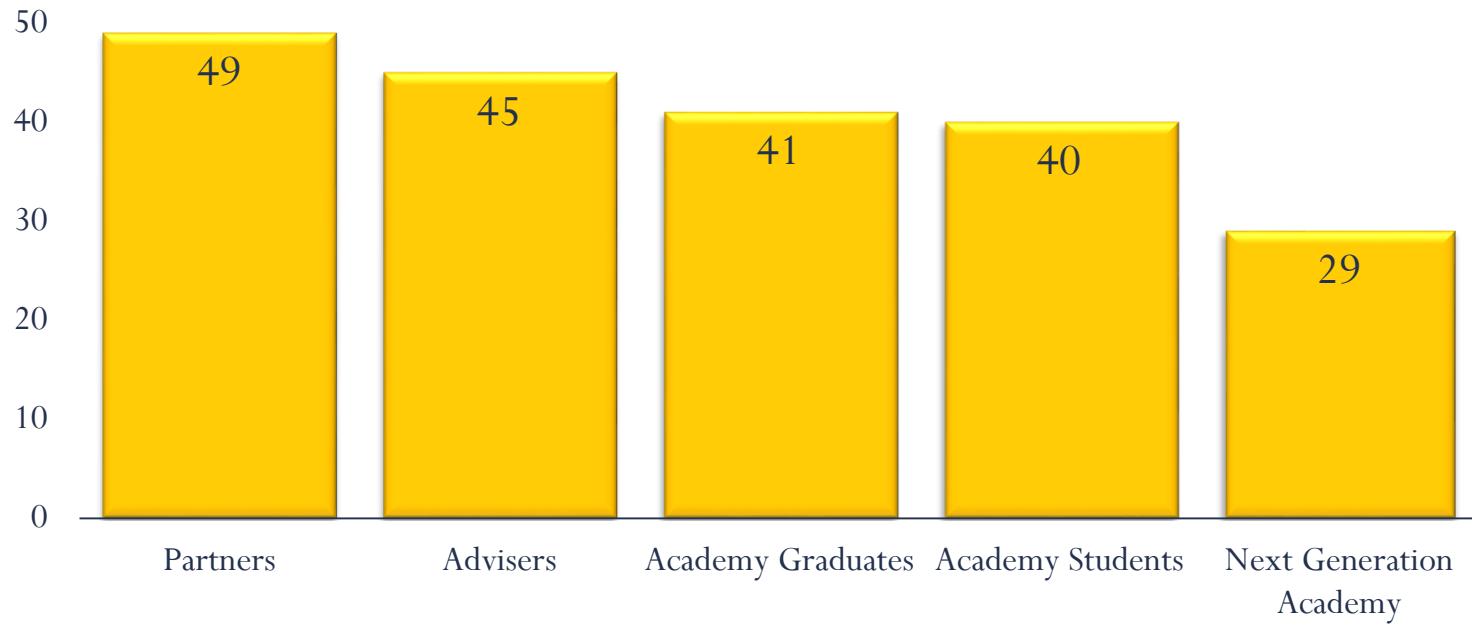
## Partner Productivity

by length of Service



# ST. JAMES'S PLACE WEALTH MANAGEMENT

## Average Age by Partner Type

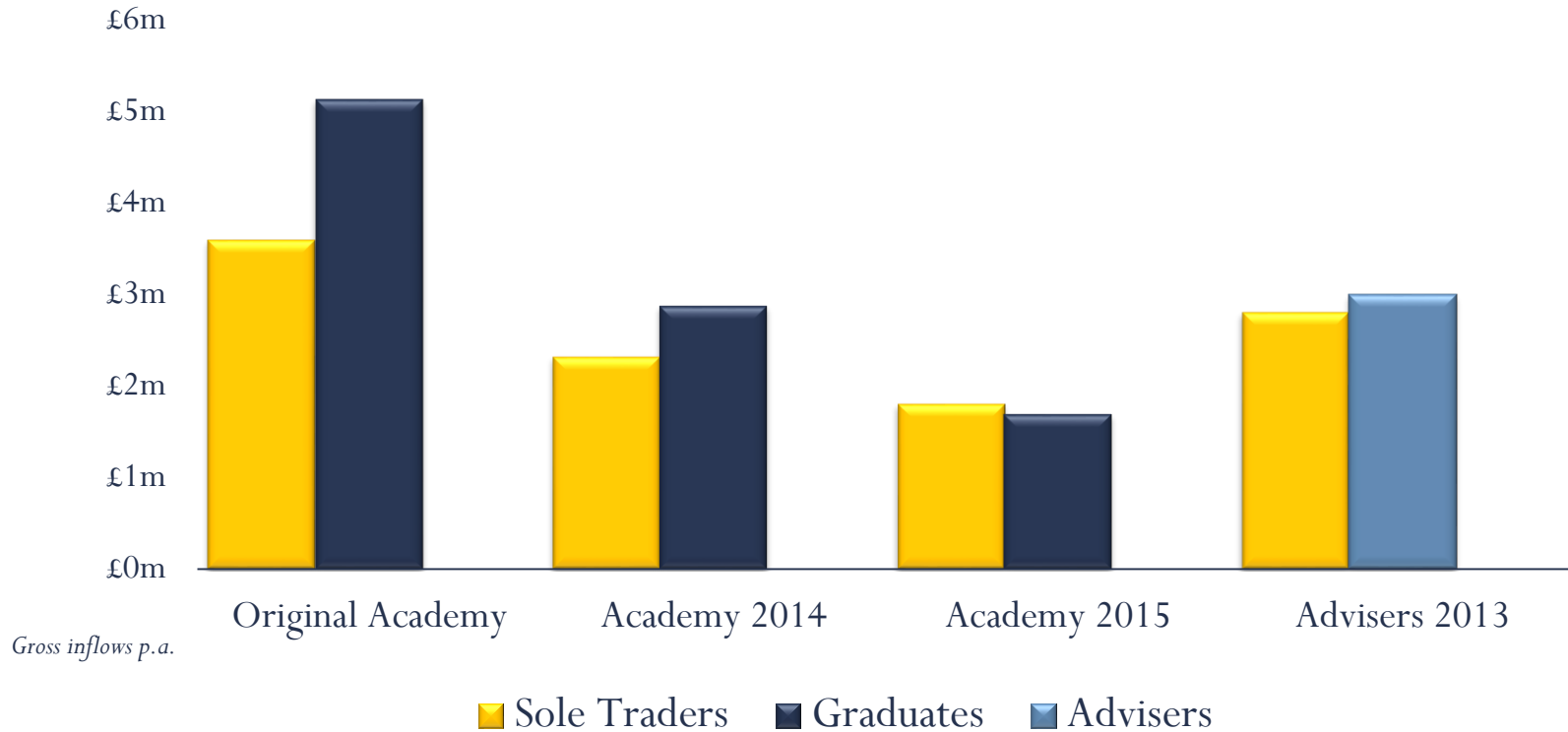




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## Productivity

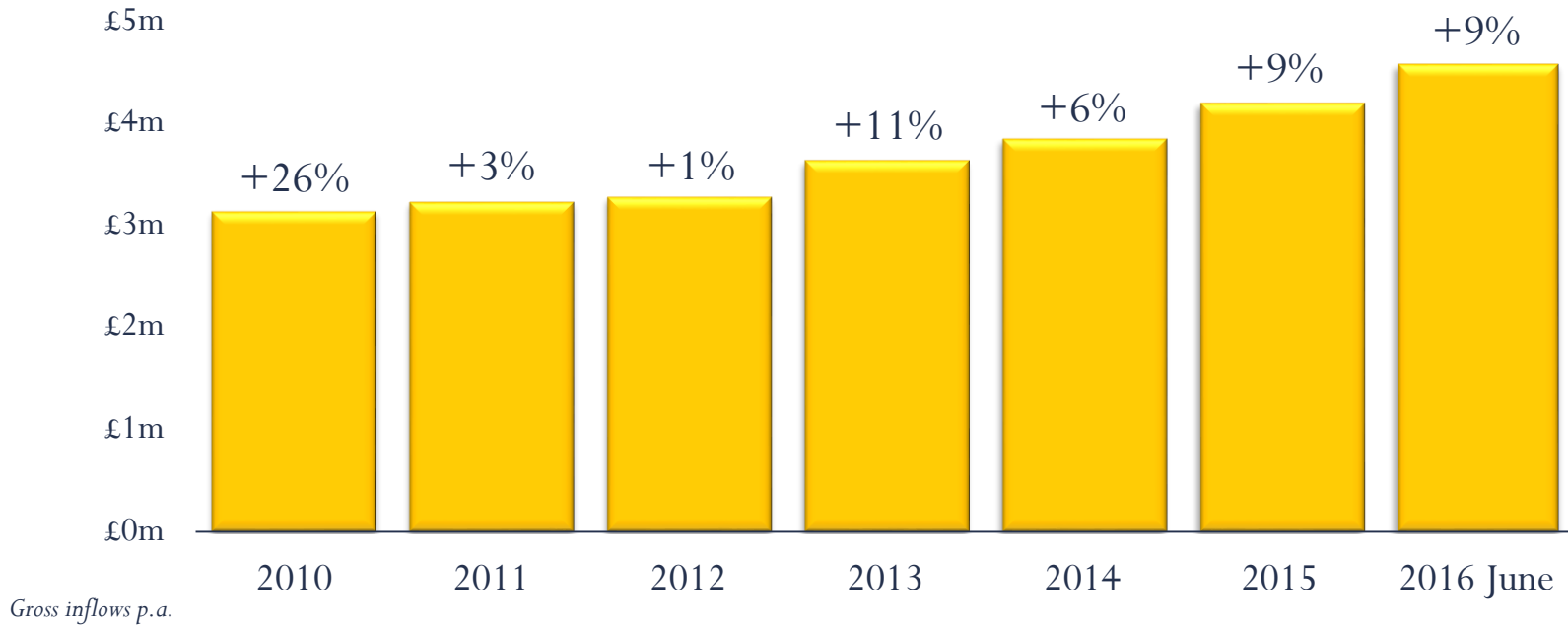
### By recruitment vintage



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## Productivity

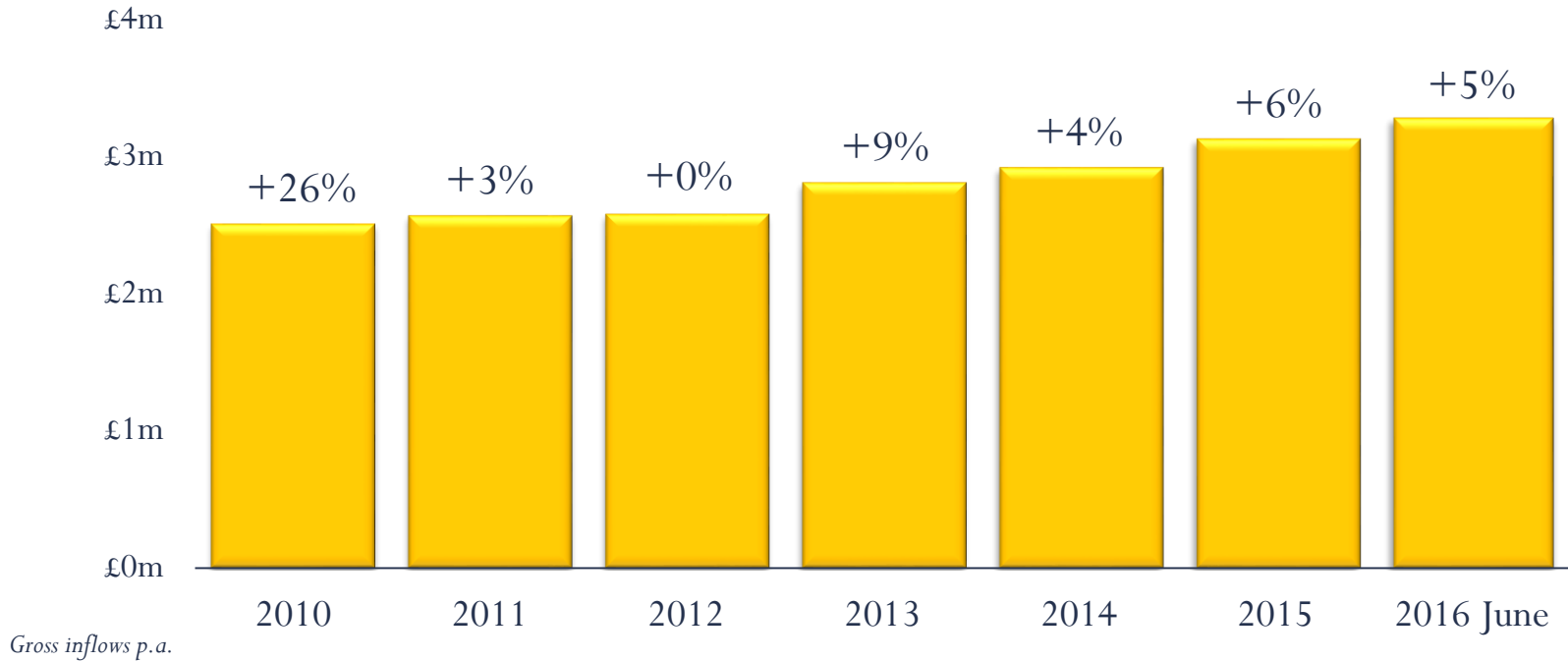
### Gross Inflows per Partner Practice



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## Productivity

### Average Gross Inflows

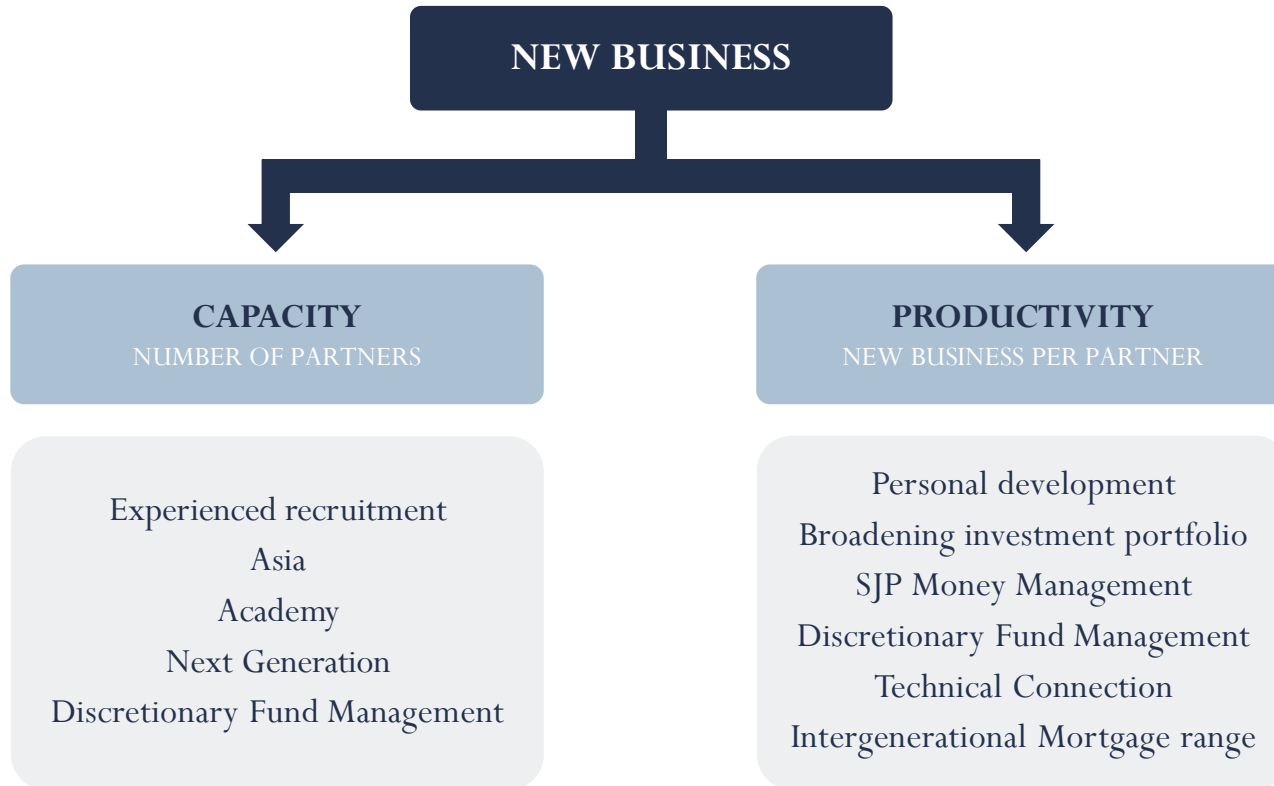




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WEALTH MANAGEMENT

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## Strategic context – The growth model



# ST. JAMES'S PLACE WEALTH MANAGEMENT

## Summary

- Continuing strong performance
- Combining value added advice with excellent investment returns
- Committing to CSR and maintaining our culture
- Creating a platform for sustainable growth

