



## **ST. JAMES'S PLACE plc**

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### **PRESS RELEASE**

**25 April 2013**

#### **ST. JAMES'S PLACE WEALTH MANAGEMENT INTERIM MANAGEMENT STATEMENT FOR THREE MONTHS TO 31 MARCH 2013**

#### **CONTINUED SIGNIFICANT GROWTH IN NEW BUSINESS WITH FUNDS UNDER MANAGEMENT UP £4.2 BILLION TO A RECORD £39 BILLION**

##### **Highlights:**

##### **New Business**

- Total new investments of £1.6 billion (2012: £1.3 billion) - up 28%.
- Total new business on an Annual Premium Equivalent (APE) basis of £199.2 million (2012: £152.6 million) - up 31%.

##### **Growth in Funds under Management**

- Net inflow of funds under management of £947 million (2012: £698 million) and continued 95% retention of existing client funds.
- Funds under management of £39 billion, representing an increase of £4.2 billion in the three month period, up 12% year to date and 26% over the last 12 months.

##### **David Bellamy, Chief Executive, commented:**

“I am very pleased to be reporting another quarter of strong growth in new investments, which combined with positive equity markets, and specifically the performance of our client funds, has seen our funds under management increase by £4.2 billion to £39 billion.

Net inflows for the first three months of the year are up 36% reflecting the consistency of our year on year retention record and the strong new business growth.

These excellent results were driven by a number of factors including improved investor sentiment, the sustained low interest rate environment, the breadth and quality of our investment proposition, high levels of client satisfaction and the growth in adviser numbers.

Whilst we face more challenging comparatives later in the year, the above factors together with the continued strong growth in the Partnership and the good momentum we have across all aspects of our business gives us confidence in our ability to deliver future growth.”

##### **Enquiries:**

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**ST. JAMES'S PLACE GROUP  
NEW BUSINESS FIGURES  
FIRST QUARTER 2013  
TOTAL  
LONG TERM SAVINGS**

	<b>Unaudited 3 Months to 31 March 2013</b>		
<b>NEW PREMIUMS</b>	<b>2013 £'m</b>	<b>2012 £'m</b>	<b>Change %</b>
<b>New Regular Premiums</b>			
- Investment	3.3	-	-
- Pensions	30.6	22.1	38%
- Protection	5.1	5.0	2%
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	<b>39.0</b>	<b>27.1</b>	<b>44%</b>
	<hr/>	<hr/>	<hr/>
<b>New Single Premiums</b>			
- Investment	531.1	409.9	30%
- Pensions	580.9	521.6	11%
	<hr/>	<hr/>	<hr/>
	<b>1,112.0</b>	<b>931.5</b>	<b>19%</b>
	<hr/>	<hr/>	<hr/>
<b>Unit Trust Sales (including ISAs)</b>	<b>489.4</b>	<b>324.2</b>	<b>51%</b>

	<b>2013 £'m</b>	<b>2012 £'m</b>	<b>Change %</b>
<b>NEW BUSINESS (RP + 1/10<sup>th</sup> SP)</b>			
<b>Investment</b>	105.4	73.4	44%
<b>Pensions</b>	88.7	74.2	20%
<b>Protection</b>	5.1	5.0	2%
	<hr/>	<hr/>	<hr/>
<b>Total</b>	<b>199.2</b>	<b>152.6</b>	<b>31%</b>
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**ST. JAMES'S PLACE GROUP  
NEW BUSINESS FIGURES  
FIRST QUARTER 2013  
MANUFACTURED  
LONG TERM SAVINGS**

	<b>Unaudited 3 Months to 31 March 2013</b>		
<b>NEW PREMIUMS</b>	<b>2013 £'m</b>	<b>2012 £'m</b>	<b>Change %</b>
<b>New Regular Premiums</b>			
- Investment	3.3	-	-
- Pensions	18.8	17.8	6%
- Protection	0.6	0.7	(14%)
	<hr/> <b>22.7</b> <hr/>	<hr/> <b>18.5</b> <hr/>	<hr/> <b>23%</b> <hr/>
<b>New Single Premiums</b>			
- Investment	498.3	391.4	27%
- Pensions	490.8	466.0	5%
	<hr/> <b>989.1</b> <hr/>	<hr/> <b>857.4</b> <hr/>	<hr/> <b>15%</b> <hr/>
<b>Unit Trust Sales (including ISAs)</b>	<hr/> <b>489.4</b> <hr/>	<hr/> <b>324.2</b> <hr/>	<hr/> <b>51%</b> <hr/>

<b>NEW BUSINESS (RP + 1/10<sup>th</sup> SP)</b>	<b>2013 £'m</b>	<b>2012 £'m</b>	<b>Change %</b>
<b>Investment</b>	102.1	71.6	43%
<b>Pensions</b>	67.9	64.4	5%
<b>Protection</b>	0.6	0.7	(14%)
	<hr/> <b>170.6</b> <hr/>	<hr/> <b>136.7</b> <hr/>	<hr/> <b>25%</b> <hr/>

% of total new business	86%	90%
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**ST. JAMES'S PLACE GROUP  
NEW BUSINESS FIGURES  
FIRST QUARTER 2013  
NON MANUFACTURED  
LONG TERM SAVINGS**

- Investment premiums of £32.8 million (2012: £18.5 million), amounting to £3.3 million (2012: £1.8 million) on an APE basis.
- Pension single premiums of £90.1 million (2012: £55.6 million) and regular premiums of £11.8 million (2012: £4.3 million), amounting to £20.8 million (2012: £9.8 million) on an APE basis.
- Protection business of £4.5 million regular premiums (2012: £4.3 million).
- Total new business, on an APE basis, of £28.6 million (2012: £15.9 million).

## Commentary

The improvement in retail investor sentiment seen in the fourth quarter of 2012 continued into the first quarter of 2013.

Against this backdrop we have continued to attract strong levels of new investments and experienced strong growth in funds under management.

### Review of new business

Total new single investments for the quarter were £1.60 billion (2012: 1.26 billion), with particularly strong growth in investments, which were up 30% to £531 million together with unit trust sales up 51% to £489 million.

On an APE measure, total new business for the quarter was 31% higher at £199.2 million, with a 44% increase in investment business reflecting the improvement in retail investor sentiment.

Our manufactured business during the quarter represented 86% of total business.

### Funds under management

The £1.6 billion of new investments together with the continued strong retention of existing client funds resulted in a 36% increase in net inflow to £947 million, compared with £698 million in the same period last year.

This contributed to growth in funds under management of £4.2 billion over the quarter to a record of £39 billion.

The table below provides an analysis of the movement in funds under management for the three months.

	Unaudited	
	3 months to 31 March 2013	3 months to 31 March 2012
	£' bn	£' bn
Opening funds under management	34.8	28.5
New money invested	1.6	1.3
Net investment return	3.3	1.8
	<hr/> 39.7	<hr/> 31.6
Regular income withdrawals & maturities	(0.2)	(0.2)
Surrenders & part surrenders	<hr/> (0.5)	<hr/> (0.4)
Closing funds under management	<hr/> 39.0	<hr/> 31.0
Annualised surrender rate as a % of average funds under management	<hr/> 5.1%	<hr/> 5.4%

## Analysis of funds under management

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

	<b>FUM</b> <b>£'bn</b>	<b>% of total</b>
UK Equities	11.3	29%
European Equities	4.2	11%
North American Equities	7.1	18%
Asia & Pacific Equities	3.9	10%
Property	0.9	2%
Fixed Interest	5.6	15%
Alternative Investments	1.3	3%
Cash	3.2	8%
Other	1.5	4%
	<hr/>	<hr/>
Total	<u>39.0</u>	<u>100%</u>

## European Embedded Value (EEV) net asset value

The EEV net asset value per share at 31 March 2013 was around 507 pence (501 pence after the payment of the full year dividend).

## Capital

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

## Outlook

Improved investor sentiment, the sustained low interest rate environment, the breadth and quality of our investment proposition, high levels of client satisfaction and the growth in adviser numbers have all contributed to these results.

Whilst we face more challenging comparatives later in the year, the above factors together with the continued strong growth in the Partnership and the good momentum we have across all aspects of our business gives us confidence in our ability to deliver future growth.