



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

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### **PRESS RELEASE**

**25 April 2017**

#### **ST. JAMES'S PLACE WEALTH MANAGEMENT**

#### **ANOTHER RECORD QUARTER WITH GROSS INFLOWS UP 32% AND NET INFLOWS UP 46%**

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 2017.

- Gross inflow of funds under management of £3.23 billion (2016: £2.45 billion)
- Continued strong retention of client funds – 95%
- Net inflow of funds under management of £1.99 billion (2016: £1.36 billion)
- Group funds under management of £79.84 billion (2016: £62.02 billion)

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

"I am pleased to report another strong quarter of growth. Building on record flows in 2016, total gross inflows for the quarter were 32% higher which, supported by the continued high retention of clients and their investments, resulted in net inflows of £1.99 billion for the quarter, taking Group funds under management to a little under £80 billion.

At the beginning of the year I said we were better placed for the opportunities that lie ahead than ever before and these gross and net inflow figures reinforce that confidence.

Looking ahead, whilst political and macro uncertainties persist, the more immediate concern for many people relates to personal financial matters, particularly in relation to long term savings, protecting and preserving wealth, tax and intergenerational planning. In this regard, the scale and quality of our relationship-based and advice-led approach to the management of our clients' financial affairs, together with our investment management proposition, means we are increasingly well placed to meet this growing need for trusted advice."

The details of the announcement are attached.

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## 1. Funds under Management

During the first quarter of 2017 gross inflows to our funds under management were up 32% at £3.23 billion (2016: £2.45 billion) and we continue to experience high retention of existing clients and their investments, such that we are able to report net inflows of £1.99 billion (2016: £1.36 billion) in the quarter.

Three Months Ended 31 March 2017	Investment	Pension	UT/ISA & DFM	Total
	£'Billion	£'Billion	£'Billion	£'Billion
Opening funds under management	25.88	28.25	21.18	75.31
Gross inflows	0.58	1.47	1.18	3.23
Net investment return	0.82	1.17	0.82	2.81
Regular income withdrawals and maturities	(0.14)	(0.23)	-	(0.37)
Surrenders and part surrenders	(0.27)	(0.22)	(0.38)	(0.87)
Matching strategy disinvestment	(0.13)	(0.14)	-	(0.27)
<b>Closing funds under management</b>	<b>26.74</b>	<b>30.30</b>	<b>22.80</b>	<b>79.84</b>
Net inflows	0.17	1.02	0.80	1.99
Implied surrender rate as a percentage of average funds under management	4.1%	3.0%	6.9%	4.5%

Included within "UT/ISA & DFM" are gross inflows of £0.09 billion and outflows of £0.02 billion in relation to the Rowan Dartington Group funds under management.

Opening funds under management for investments and pensions include equal and opposite adjustments of £0.38 billion related to a reclassification of investment returns arising in the fourth quarter of 2016. There is no impact on total opening funds under management arising from this reclassification.

As disclosed in our 2016 full year results, at year end we reassessed the value of the investment contract unit liability to better reflect experience and to match the encashment value of client investments. As a result, since then we have disinvested £267 million of shareholder assets from Group funds under management, reflecting the fact their investment is no longer required for liability matching purposes.

In addition, there is a further £526 million of funds under management in third party funds within our Asia business.

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)
<b>Closing funds under management</b>	<b>22.83</b>	<b>22.06</b>	<b>17.13</b>	<b>62.02</b>
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 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.

## 2. Analysis of Funds under Management

The following table provides an analysis of the funds under management at 31 March 2017 split by geography and asset type:

	31 March 2017		31 March 2016	
	£'Billion	% of total	£'Billion	% of total
UK Equities	18.3	23%	15.4	25%
North American Equities	18.3	23%	13.8	22%
Fixed Interest	13.7	17%	9.8	16%
European Equities	9.1	12%	6.4	10%
Asia & Pacific Equities	6.6	8%	5.1	8%
Cash	5.9	7%	4.4	7%
Property	2.6	3%	2.3	4%
Alternative Investments	2.1	3%	1.4	2%
Other	3.2	4%	3.4	6%
<b>Total</b>	<b>79.8</b>	<b>100%</b>	<b>62.0</b>	<b>100%</b>

Included within “Other” in the prior period is £1.3 billion in relation to Rowan Dartington Group funds under management. The equivalent for 2017 has been allocated to the appropriate asset class.

## 3. Gross Inflow Figures

	Unaudited 3 Months to 31 March		
	2017	2016	
	£'Billion	£'Billion	
<b>Gross inflows</b>			
Investment	0.58	0.46	+26%
Pension	1.47	1.18	+25%
Unit Trust/ISA & DFM	1.18	0.81	+46%
	<b>3.23</b>	<b>2.45</b>	<b>+32%</b>

## 4. EEV Net Asset Value per Share

The net asset value on the European Embedded Value basis at 31 March 2017 was approximately 945 pence per share (cum div) and 925 pence per share after the payment of the proposed full year dividend on 12 May 2017.