



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

27 St. James's Place, London SW1A 1NR  
Telephone 020 7493 8111 Facsimile 020 7493 2382

### **PRESS RELEASE**

**24 January 2019**

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

#### **ST. JAMES'S PLACE ADDS £2.6 BILLION OF NET INFLOWS IN FOURTH QUARTER DESPITE CHALLENGING MARKET CONDITIONS**

St. James's Place plc ("SJP"), the wealth management group, today issues an update on new business inflows and funds under management for the twelve months ended 31 December 2018.

- Gross inflows of funds of £15.7 billion – up 8%
- Continued strong retention of client funds – 96%
- Net inflow of funds of £10.3 billion – up 8%
- Group funds under management of £95.6 billion – up 5%
- Qualified advisers 3,954 – up 8%

#### **Andrew Croft, Chief Executive, commented:**

“Against the particularly difficult market conditions that prevailed in the final quarter and compared to an exceptional outcome in 2017, I am pleased to report another good set of results that demonstrate the resilience of our business. However, our clients and advisers are not immune to such external market factors and, whilst the quarter began strongly, inflows weakened in the final two months resulting in gross inflows for the fourth quarter of £3.95 billion. This was a robust performance, though slightly lower than our record fourth quarter last year, and resulted in full-year gross inflows of £15.7 billion, which represents growth of 8% over 2017.

The continued strength in retention of clients and their investments resulted in net inflows of £2.6 billion in the final quarter and £10.3 billion for the year, an increase of 8% over the previous 12 months and equivalent to 11% of opening funds under management. Total funds under management were negatively impacted by lower global investment markets, closing the period at £95.6 billion, up 5% since the beginning of the year.

Central to our approach to wealth management is the importance we place on building and maintaining long lasting relationships with, and between, our Partners and clients and serving them well. We continue to see a growing demand for advice and believe the strength, quality and growth of our own dedicated team of advisers affords us key competitive advantage. It is therefore particularly pleasing to report a further 8% increase in the number of qualified advisers working across our Partner businesses, which takes the total to 3,954. This sustained momentum in adviser recruitment underpins our growth aspirations.

While challenging market conditions, like those currently being experienced, will slow the pace of fund inflows from time to time, the fundamentals of our clients' financial planning requirements remain unchanged. I firmly believe that, with continued focus on achieving the best possible outcomes for our clients through the provision of trusted face-to-face financial advice and our distinctive investment management approach, we remain extremely well placed to continue to grow our business in line with our objectives over the medium term.”

The details of the announcement are attached.

**Enquiries:**

Andrew Croft, Chief Executive Officer  
Craig Gentle, Chief Financial Officer  
Hugh Taylor, Investor Relations

Tel: 020 7514 1963  
Tel: 020 7514 1963  
Tel: 020 7514 1963

Brunswick Group  
Charles Pretzlik  
Tom Burns

Tel: 020 7404 5959  
Email: [cpretzlik@brunswickgroup.com](mailto:cpretzlik@brunswickgroup.com)  
Email: [tburns@brunswickgroup.com](mailto:tburns@brunswickgroup.com)

**Contents**

1. Funds under management
2. Analysis of funds under management
3. Gross inflow figures
4. Analysis of Partner and adviser numbers

## 1. Funds under Management

Twelve Months Ended 31 December 2018	Investment	Pension	UT/ISA & DFM	Total
	£'Billion	£'Billion	£'Billion	£'Billion
Opening funds under management	28.31	36.15	26.29	90.75
Gross inflows	2.41	8.76	4.53	15.70
Net investment return	(1.60)	(1.98)	(1.90)	(5.48)
Regular income withdrawals and maturities	(0.51)	(1.12)	-	(1.63)
Surrenders and part surrenders	(0.99)	(1.09)	(1.71)	(3.79)
<b>Closing funds under management</b>	<b>27.62</b>	<b>40.72</b>	<b>27.21</b>	<b>95.55</b>
Net inflows	0.91	6.55	2.82	10.28
Implied surrender rate as a percentage of average funds under management	3.5%	2.8%	6.4%	4.1%

Included within “UT/ISA & DFM” are closing funds under management of £2.31 billion, gross inflows of £0.54 billion and outflows of £0.10 billion in relation to the Rowan Dartington Group funds under management.

In addition, there is a further £403 million of funds under management in third party funds within our Asia business.

Twelve Months Ended 31 December 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	2.49	7.26	4.85	14.60
Net investment return	1.69	2.70	1.81	6.20
Regular income withdrawals and maturities	(0.56)	(0.96)	-	(1.52)
Surrenders and part surrenders	(1.06)	(0.96)	(1.55)	(3.57)
Matching strategy disinvestment	(0.13)	(0.14)	-	(0.27)
<b>Closing funds under management</b>	<b>28.31</b>	<b>36.15</b>	<b>26.29</b>	<b>90.75</b>
Net inflows	0.87	5.34	3.30	9.51
Implied surrender rate as a percentage of average funds under management	3.9%	3.0%	6.5%	4.3%

Included within “UT/ISA & DFM” are closing funds under management of £2.11 billion, gross inflows of £0.49 billion and outflows of £0.10 billion in relation to the Rowan Dartington Group funds under management.

In addition, there is a further £496 million of funds under management in third party funds within our Asia business.

<b>Three Months Ended 31 December 2018</b>	<b>Investment</b>	<b>Pension</b>	<b>UT/ISA &amp; DFM</b>	<b>Total</b>
	<b>£'Billion</b>	<b>£'Billion</b>	<b>£'Billion</b>	<b>£'Billion</b>
Opening funds under management	29.45	42.35	28.79	100.59
Gross inflows	0.65	2.17	1.13	3.95
Net investment return	(2.09)	(3.29)	(2.26)	(7.64)
Regular income withdrawals and maturities	(0.14)	(0.23)	-	(0.37)
Surrenders and part surrenders	(0.25)	(0.28)	(0.45)	(0.98)
<b>Closing funds under management</b>	<b>27.62</b>	<b>40.72</b>	<b>27.21</b>	<b>95.55</b>
Net inflows	0.26	1.66	0.68	2.60

<b>Three Months Ended 31 December 2017</b>	<b>Investment</b>	<b>Pension</b>	<b>UT/ISA &amp; DFM</b>	<b>Total</b>
	<b>£'Billion</b>	<b>£'Billion</b>	<b>£'Billion</b>	<b>£'Billion</b>
Opening funds under management	27.48	33.44	24.77	85.69
Gross inflows	0.64	2.22	1.28	4.14
Net investment return	0.54	1.03	0.64	2.21
Regular income withdrawals and maturities	(0.14)	(0.26)	-	(0.40)
Surrenders and part surrenders	(0.21)	(0.28)	(0.40)	(0.89)
<b>Closing funds under management</b>	<b>28.31</b>	<b>36.15</b>	<b>26.29</b>	<b>90.75</b>
Net inflows	0.29	1.68	0.88	2.85

## 2. Analysis of Funds under Management

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

	31 December 2018		31 December 2017	
	£'Billion	% of total	£'Billion	% of total
North American Equities	20.7	22%	20.0	22%
Fixed Interest	18.6	19%	16.7	19%
UK Equities	17.7	18%	19.3	21%
Asia & Pacific Equities	10.2	11%	8.5	9%
European Equities	10.1	11%	10.5	12%
Cash	6.7	7%	6.6	7%
Alternative Investments	4.6	5%	2.6	3%
Property	3.0	3%	2.9	3%
Other	4.0	4%	3.6	4%
<b>Total</b>	<b>95.6</b>	<b>100%</b>	<b>90.7</b>	<b>100%</b>

## 3. Gross Inflow Figures

	Unaudited 3 Months to 31 December		Unaudited 12 Months to 31 December		
	2018	2017	2018	2017	
	£'Billion	£'Billion	£'Billion	£'Billion	
<b>Gross inflows</b>					
Investment	0.65	0.64	2.41	2.49	
Pension	2.17	2.22	8.76	7.26	
Unit Trust/ISA & DFM	1.13	1.28	4.53	4.85	
	<b>3.95</b>	<b>4.14</b>	<b>15.70</b>	<b>14.60</b>	<b>+8%</b>

## 4. Analysis of Partner and Adviser Numbers

Within 2,489 Partner businesses (2017: 2,415), we now have 3,954 qualified advisers (2017: 3,661).