

TRADING UPDATE

Thursday 21st January 2016

QUARTER ENDED 31 DECEMBER 2015

Charles Stanley Group PLC (“the Group”) today issues a trading update covering the period from 1 April 2015 to 31 December 2015, and includes trading results for the three months ended 31 December 2015.

At the period end, total client funds were £20.8 billion, a decrease of 2.3% over the nine months since 31 March 2015. Over the same period the FTSE 100 decreased by 7.8% and the WMA Balanced Portfolio Index decreased by 4.2%.

Revenues from continuing operations for the quarter ended 31 December 2015 decreased 8.4% to £31.8 million (QE 31 December 2014: £34.7 million). Total revenues, which include those from held for sale operations (Charles Stanley Securities, which was sold in July 2015, and Charles Stanley Financial Solutions, for which a contract has been exchanged subject to FCA approval), decreased by 10.7% to £32.4 million (QE 31 December 2014: £36.3 million).

Revenues for the nine months to 31 December 2015 from continuing operations are down 0.5% to £102.6 million on the same period last year (YTD 31 December 2014: £103.1 million). Total revenues are down 1.8% to £107.2 million on the same period last year (YTD 31 December 2014: £109.2 million).

Paul Abberley, Chief Executive Officer, said:

“In a period of general decline in market values and lower trading activity in comparison to the same period in 2014/15, trading conditions in the third quarter and into January 2016 have been challenging. Progress continues to be made with the implementation of the Group’s turnaround strategy and we remain confident in our long term prospects.”

For further information please contact:

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FUNDS UNDER MANAGEMENT AND ADMINISTRATION

	<i>Dec 15</i> <i>£ bn</i>	<i>Dec 14</i> <i>£ bn</i>	<i>Change since</i> <i>Dec 14</i> <i>%</i>	<i>Mar 15</i> <i>£ bn</i>	<i>Change since</i> <i>Mar 15</i> <i>%</i>
Discretionary funds	9.4	8.9	5.6%	9.3	1.1%
Advisory managed funds	2.6	2.9	(10.3%)	3.0	(13.3%)
Total managed funds	12.0	11.8	1.7%	12.3	(2.4%)
Advisory dealing funds	1.8	2.2	(18.2%)	2.1	(14.3%)
Execution only funds	7.0	6.5	7.7%	6.9	1.4%
Total administered funds	8.8	8.7	1.1%	9.0	(2.2%)
Total funds under management and administration	20.8	20.5	1.3%	21.3	(2.3%)
FTSE 100 index	6,242	6,566	(4.9%)	6,773	(7.8%)
WMA balanced	3,531	3,537	(0.0%)	3,684	(4.2%)

The change since March 2015 is explained in more detail in the tables below:

	Discretionary managed £ bn	Advisory managed £ bn	Total £ bn	<i>Change</i> <i>%</i>
Funds at 1 April 2015	9.3	3.0	12.3	
Net inflow/(outflow) from existing clients	0.7	(0.2)	0.5	
Lost clients	(0.3)	(0.1)	(0.4)	
Net inflow of funds	0.4	(0.3)	0.1	0.8%
Market movement	(0.3)	(0.1)	(0.4)	(3.3%)
Funds at 31 December 2015	9.4	2.6	12.0	
Total change over nine months	1.1%	(13.3%)	(2.4%)	

REVENUE

The tables below set out the revenues of the Group along with the prior year comparative, for both the quarter ended 31 December 2015 and the nine month period ended 31 December 2015.

Quarter ended 31 December 2015

	<i>Investment Management</i> £'000	<i>Asset Management</i> £'000	<i>Financial Planning</i> £'000	<i>Charles Stanley Direct</i> £'000	<i>Continuing Operations</i> £'000	<i>Held for Sale</i> £'000	Total £'000
<i>Fees</i>							
Investment Management	14,613	571	376	-	15,560	-	15,560
Administration	3,449	725	1,057	996	6,227	489	6,716
Corporate Finance	-	-	-	-	-	73	73
Total fees	18,062	1,296	1,433	996	21,787	562	22,349
<i>Commission</i>	9,582	126	95	207	10,010	-	10,010
Total	27,644	1,422	1,528	1,203	31,797	562	32,359

Quarter ended 31 December 2014¹

	<i>Investment Management</i> £'000	<i>Asset Management</i> £'000	<i>Financial Planning</i> £'000	<i>Charles Stanley Direct</i> £'000	<i>Continuing Operations</i> £'000	<i>Held for Sale</i> £'000	Total £'000
<i>Fees</i>							
Investment Management	13,664	530	237	-	14,431	-	14,431
Administration	5,862	723	945	925	8,455	864	9,319
Corporate Finance	-	-	-	-	-	600	600
Total fees	19,526	1,253	1,182	925	22,886	1,464	24,350
<i>Commission</i>	11,346	118	94	211	11,769	170	11,939
Total	30,872	1,371	1,276	1,136	34,655	1,634	36,289

¹The revenue figures for quarter ended 31 December 2014 have been restated in line with the division classification used in December 2015 for ease of comparison.

Year ended 31 December 2015

	<i>Investment Management</i> £'000	<i>Asset Management</i> £'000	<i>Financial Planning</i> £'000	<i>Charles Stanley Direct</i> £'000	<i>Continuing Operations</i> £'000	<i>Held for Sale</i> £'000	Total £'000
<i>Fees</i>							
Investment Management	43,820	1,741	1,066	-	46,627	-	46,627
Administration	12,998	2,113	2,978	3,124	21,213	1,879	23,092
Corporate Finance	-	-	-	-	-	2,569	2,569
Total fees	56,818	3,854	4,044	3,124	67,840	4,448	72,288
<i>Commission</i>	33,441	382	274	657	34,754	177	34,931
Total	90,259	4,236	4,318	3,781	102,594	4,625	107,219

Year ended 31 December 2014¹

	<i>Investment Management</i> £'000	<i>Asset Management</i> £'000	<i>Financial Planning</i> £'000	<i>Charles Stanley Direct</i> £'000	<i>Continuing Operations</i> £'000	<i>Held for Sale</i> £'000	Total £'000
<i>Fees</i>							
Investment Management	41,832	997	788	-	43,617	-	43,617
Administration	15,286	2,658	3,044	3,059	24,047	2,455	26,502
Corporate Finance	-	-	-	-	-	3,162	3,162
Total fees	57,118	3,655	3,832	3,059	67,664	5,617	73,281
<i>Commission</i>	34,087	398	285	611	35,381	525	35,906
Total	91,205	4,053	4,117	3,670	103,045	6,142	109,187

¹The revenue figures for period ended 31 December 2014 have been restated in line with the division classification used in December 2015 for ease of comparison.

About Charles Stanley Group PLC

Charles Stanley was established in 1792 and is one of the oldest firms on the London Stock Exchange.

Charles Stanley Group today provides bespoke portfolio management mainly to private clients, delivered by over 450 professionals located in 28 offices throughout the UK. To enhance the quality of our service to clients we operate in-house administration and custody for investment portfolios, SIPP's and ISAs and have developed Charles Stanley Direct, an award winning direct to customer execution-only dealing platform for equities and funds.

Charles Stanley operates a number of complementary financial services businesses which are available to our core investment management clients. These businesses offer financial planning services, fund management and employee benefit consultancy.