

21 July 2016

## Charles Stanley Group PLC

### Q1 2017 Trading Update

Charles Stanley Group PLC (“Charles Stanley” or “the Group”) today issues a trading update for the three months ended 30 June 2016. The Company remains on track and results are in line with management expectations.

Total Funds under Management and Administration (“FuMA”) at 30 June 2016 were £20.9 billion representing an increase of 2.0% compared to £20.5 billion at 31 March 2016. Discretionary and execution only funds increased respectively by 4.3% and 2.9% whilst advisory managed and advisory dealing declined by 3.8% and 5.9%. Over the same period, the FTSE 100 Index rose by 4.9% and the WMA Balanced Portfolio Index increased by 4.6%.

Revenues in the Core Business for the quarter ended 30 June 2016 decreased on a like-for-like basis compared to the same quarter last year by 6.9% to £33.8 million (30 June 15: £36.3 million). This decline was mainly a result of a reduction in trail commission, commission on bargains and interest turn. Overall revenues fell by 12.5% to £33.8 million following the disposals last year of Charles Stanley Securities and Charles Stanley Financial Solutions, sold in order to focus on developing the core wealth management business.

#### **Paul Abberley, Chief Executive Officer, commented:**

“Overall FuMA increased by 2.0% from the start of the financial year and we have increased discretionary funds 4.3% to £9.8 billion. This has been achieved against a backdrop of market uncertainty leading up to the EU referendum vote. Stewardship of our clients’ assets is particularly important during uncertain times and we will continue to monitor carefully both the political and economic environment. At the same time, we will pursue our strategy of focusing on clients, delivering a holistic wealth management service and improving our operating margins across all our divisions.”

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#### **Notes to editors:**

Charles Stanley was established in 1792 and is one of the oldest firms on the London Stock Exchange. Charles Stanley today provides holistic wealth management services to private clients, charities and smaller institutions. These are delivered by over 450 professionals located in 25 offices throughout the UK, both direct to clients and to intermediaries. Our services include investment portfolio management and financial planning, supported by in-house administration and custody for investment portfolios, SIPP's and ISAs to enhance the quality of service provided. In addition, Charles Stanley Direct provides an award winning direct to customer Execution-only dealing platform for equities and funds.

## FUNDS UNDER MANAGEMENT AND ADMINISTRATION

	<i>Jun 16</i> <i>£bn</i>	<i>Mar 16</i> <i>£bn</i>	<i>Change</i> <i>since</i> <i>Mar 16</i>
Discretionary funds	9.8	9.4	4.3%
Advisory managed funds	2.5	2.6	(3.8%)
<b>Total managed funds</b>	<b>12.3</b>	<b>12.0</b>	<b>2.5%</b>
Advisory dealing funds	1.6	1.7	(5.9%)
Execution-only funds	7.0	6.8	2.9%
<b>Total administered funds</b>	<b>8.6</b>	<b>8.5</b>	<b>1.2%</b>
<b>Total FuMA</b>	<b>20.9</b>	<b>20.5</b>	<b>2.0%</b>
FTSE 100 Index	6,478	6,175	4.9%
WMA Balanced Index	3,721	3,556	4.6%

The change in managed funds since March 2016 is explained in more detail in the table below:

	<b>Discretionary</b> <b>managed</b> <b>£bn</b>	<b>Advisory</b> <b>managed</b> <b>£bn</b>	<b>Total</b> <b>£bn</b>	<b>Change</b> <b>%</b>
Funds at 1 April 2016	9.4	2.6	12.0	
New clients	0.1	-	0.1	
Transfers	-	(0.1)	(0.1)	
Net inflow/(outflow) from existing clients	-	(0.1)	(0.1)	
Lost clients	(0.1)	-	(0.1)	
<b>Net inflow/(outflow) of funds</b>	<b>-</b>	<b>(0.2)</b>	<b>(0.2)</b>	<b>(1.7%)</b>
Market movement	0.4	0.1	0.5	4.2%
<b>Funds at 30 June 2016</b>	<b>9.8</b>	<b>2.5</b>	<b>12.3</b>	<b>2.5%</b>

## REVENUE

The tables below set out the revenues of the Group as at 30 June 2016 along with the prior year comparatives on a like for like basis.

### Quarter ended 30 June 2016

	<i>Investment Management Services</i> £'000	<i>Asset Management</i> £'000	<i>Financial Planning</i> £'000	<i>Charles Stanley Direct</i> £'000	<i>Core Business</i> £'000	<i>Held For Sale</i> £'000	<b>Total</b> £'000
<i>Fees</i>							
Market based	15,299	1,355	125	239	17,018	-	17,018
Administration	2,416	9	1,593	367	4,385	-	4,385
<b>Total fees</b>	<b>17,715</b>	<b>1,364</b>	<b>1,718</b>	<b>606</b>	<b>21,403</b>	<b>-</b>	<b>21,403</b>
Commission	11,295	156	6	283	11,740	-	11,740
Interest turn	514	7	4	120	645	-	645
<b>Total</b>	<b>29,524</b>	<b>1,527</b>	<b>1,728</b>	<b>1,009</b>	<b>33,788</b>	<b>-</b>	<b>33,788</b>

### Quarter ended 30 June 2015<sup>1</sup>

	<i>Investment Management Services</i> £'000	<i>Asset Management</i> £'000	<i>Financial Planning</i> £'000	<i>Charles Stanley Direct</i> £'000	<i>Core Business</i> £'000	<i>Held For Sale</i> £'000	<b>Total</b> £'000
<i>Fees</i>							
Market based	16,096	1,146	90	355	17,687	-	17,687
Administration	2,259	36	1,486	578	4,359	2,157	6,516
<b>Total fees</b>	<b>18,355</b>	<b>1,182</b>	<b>1,576</b>	<b>933</b>	<b>22,046</b>	<b>2,157</b>	<b>24,203</b>
Commission	12,772	141	9	231	13,153	153	13,306
Interest turn	898	12	12	175	1,097	-	1,097
<b>Total</b>	<b>32,025</b>	<b>1,335</b>	<b>1,597</b>	<b>1,339</b>	<b>36,296</b>	<b>2,310</b>	<b>38,606</b>

<sup>1</sup> The revenue figures for each division for the quarter ended 30 June 2015 have been restated in line with the classification of the Group's four operating divisions used for the quarter ended 30 June 2016 to ensure a like for like comparison.