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Charles Stanley Group PLC
("Charles Stanley" or the "Group")

Third Quarter Trading Update for the three months ended 31 December 2020

Charles Stanley, the wealth management services group, is pleased to provide a trading update for the third quarter of its financial year, covering the three months ended 31 December 2020.

Trading Update

Total Funds under Management and Administration ("FuMA") as at 31 December 2020 have risen by 10.1% to £25.1 billion over the quarter (30 September 2020: £22.8 billion). The increase largely reflects the market improvement of £2.2 billion, with net inflows of £0.1 billion. It compares to a 7.0% increase in the MSCI WMA Private Investor Balanced Index over the same period. Average FuMA over the first three quarters to December 2020 was £22.6 billion, 7.8% lower than over the same period to December 2019 at £24.5 billion.

Total revenues over the three months remained stable, decreasing marginally by 1.2% to £42.2 million (Q3 2020: £42.7 million), with increases in fee income of 3.2% and commission income of 4.3% offsetting a significant contraction in interest turn. Total revenues for the financial year-to-date 31 December 2020 declined to £124.1 million (YTD 31 December 2019: £128.1 million). This decrease is accounted for by the 65% drop in interest turn following the fall in interest rates in March 2020 while both fee and commission income remained strong. Revenue margins improved by 3.6bps to 73.2 bps (YTD 31 December 2019: 69.6 bps).

Paul Abberley, Chief Executive Officer of Charles Stanley, said:

"The Group has continued to demonstrate significant resilience in the face of the ongoing pandemic, and we are encouraged to see modest net inflows of FuMA during the third quarter as well as stable revenue levels. Whilst uncertainty remains over the length of current market disruption as a result of the COVID-19 pandemic, we are confident that we will continue to make progress in the final quarter of our financial year."

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Notes to editors:

Charles Stanley provides holistic wealth management services to private clients, charities, trusts and institutions. Its origins trace back to 1792 and the Group is one of the oldest firms on the London Stock Exchange. The Group has a national presence, with 26 locations and 850 professionals. Its wealth management services are provided direct to clients and to intermediaries.

Funds under Management and Administration

	<i>Dec 2020</i> <i>£bn</i>	<i>Sep 2020</i> <i>£bn</i>	<i>Jun 2020</i> <i>£bn</i>	<i>Mar 2020</i> <i>£bn</i>
Discretionary funds	14.9	13.6	13.4	12.0
Advisory managed funds	1.3	1.2	1.3	1.2
Total managed funds	16.2	14.8	14.7	13.2
Advisory dealing funds	1.2	1.1	1.1	1.0
Execution-only funds	7.7	6.9	6.8	6.0
Total administered funds	8.9	8.0	7.9	7.0
Total FuMA	25.1	22.8	22.6	20.2
MSCI WMA Private Investor Balanced Index	1,677	1,568	1,574	1,423

The change in FuMA since 30 September 2020 is explained in more detail in the table below:

	Discretionary managed £bn	Advisory managed £bn	Advisory dealing £bn	Execution- only £bn	Total £bn
Funds at 1 October 2020	13.6	1.2	1.1	6.9	22.8
New clients	0.2	-	-	0.1	0.3
Transfers	-	-	-	-	-
Net outflows from existing clients	-	-	-	-	-
Lost clients	(0.1)	-	-	(0.1)	(0.2)
Net inflows of funds	0.1	-	-	-	0.1
Market movement	1.2	0.1	0.1	0.8	2.2
Funds at 31 December 2020	14.9	1.3	1.2	7.7	25.1

Revenue

The table below sets out the unaudited revenues of the Group for the quarter ended 31 December 2020 along with the prior year comparatives on a like-for-like basis.

Quarter ended 31 December 2020

	<i>Investment Management Services</i>	<i>Financial Planning</i>	<i>Charles Stanley Direct</i>	<i>Revenue</i>
	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>
Fees	28.0	2.5	1.6	32.1
Commission	8.9	-	0.7	9.6
Interest turn	0.4	-	0.1	0.5
Total	37.3	2.5	2.4	42.2

Quarter ended 31 December 2019

	<i>Investment Management Services</i>	<i>Financial Planning</i>	<i>Charles Stanley Direct</i>	<i>Revenue</i>
	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>
Fees	27.5	2.2	1.4	31.1
Commission	8.9	-	0.3	9.2
Interest turn	1.9	-	0.5	2.4
Total	38.3	2.2	2.2	42.7

Year-to-date 31 December 2020

	<i>Investment Management Services</i>	<i>Financial Planning</i>	<i>Charles Stanley Direct</i>	<i>Revenue</i>
	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>
Fees	81.6	7.0	4.5	93.1
Commission	26.6	-	1.9	28.5
Interest turn	2.0	-	0.5	2.5
Total	110.2	7.0	6.9	124.1

Year-to-date 31 December 2019

	<i>Investment Management Services</i>	<i>Financial Planning</i>	<i>Charles Stanley Direct</i>	<i>Revenue</i>
	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>
Fees	82.3	6.1	4.3	92.7
Commission	27.3	-	1.0	28.3
Interest turn	5.6	-	1.5	7.1
Total	115.2	6.1	6.8	128.1