

31 January 2017

## Charles Stanley Group PLC

### Q3 2017 Trading Update

Charles Stanley Group PLC (“Charles Stanley” or “the Group”) today issues a trading update for the third quarter ended 31 December 2016. The Group is maintaining positive momentum across all divisions and trading is in line with management expectations.

Total Funds under Management and Administration (“FuMA”) at 31 December 2016 were £22.7 billion representing an increase of 0.9% compared to £22.5 billion at 30 September 2016. Discretionary and execution-only funds increased by 1.9% and 1.3% respectively, whilst advisory managed funds declined by 3.8% and advisory dealing funds remained flat. Over the same period the WMA Balanced Portfolio Index increased by 2.4%.

Revenues in the Core Business for the quarter to 31 December 2016 increased, on a like-for-like basis, by 10.8% to £35.2 million (quarter to 31 December 2015: £31.8 million). Fee income increased by 10.7% to £22.8 million over the quarter and dealing commission also rose by 15.7% to £11.6 million. Total Group revenues on a year-to-date basis are down 3.0% from £107.2 million to £104.1 million reflecting the disposals of Charles Stanley Securities and Charles Stanley Financial Solutions in the prior year.

Paul Abberley, Chief Executive Officer, commented:

“The Group reported in November of last year that it had concluded the remuneration consultation, and we are now moving forward with our plan to further develop our sales channels and improve operational efficiencies across the Group. We are seeing revenues improving across the business; driven by favourable market conditions, the continuing shift to fee based tariffs and higher trading activity.”

#### For further information, please contact:

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#### Notes to editors:

Charles Stanley traces its origins to 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 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

	Dec 16 £bn	Sep 16 £bn	Mar 16 £bn
Discretionary funds	10.8	10.6	9.4
Advisory managed funds	2.5	2.6	2.6
<b>Total managed funds</b>	<b>13.3</b>	13.2	12.0
Advisory dealing funds	1.7	1.7	1.7
Execution only funds	7.7	7.6	6.8
<b>Total administered funds</b>	<b>9.4</b>	9.3	8.5
<b>Total FuMA</b>	<b>22.7</b>	22.5	20.5
WMA balanced portfolio index	<b>4,010</b>	3,915	3,556

The change in managed funds since 30 September 2016 is explained in more detail in the table below:

	Discretionary managed £bn	Advisory managed £bn	Total £bn
Funds at 1 October 2016	10.6	2.6	13.2
New clients	0.1	-	0.1
Transfers across investment categories	-	(0.1)	(0.1)
Net outflows from existing clients	(0.1)	(0.1)	(0.2)
Lost clients	(0.1)	-	(0.1)
Net outflows of funds in the period	(0.1)	(0.2)	(0.3)
Market movement	0.3	0.1	0.4
<b>Total managed funds at 31 December 2016</b>	<b>10.8</b>	2.5	<b>13.3</b>

## REVENUE

The tables below set out the revenues of the Group for the quarter ended and financial year to 31 December 2016 along with the prior year comparatives on a like for like basis.

### Quarter ended 31 December 2016

	<i>Investment Management Services</i>	<i>Asset Management</i>	<i>Financial Planning</i>	<i>Charles Stanley Direct</i>	<i>Core Business</i>	<i>Held For Sale</i>	<b>Total</b>
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Fee income	19,168	1,501	1,910	270	22,849	-	22,849
Trail income	159	8	2	285	454	-	454
Commission	10,968	163	3	443	11,577	-	11,577
Net interest	308	4	-	28	340	-	340
<b>Total</b>	<b>30,603</b>	<b>1,676</b>	<b>1,915</b>	<b>1,026</b>	<b>35,220</b>	<b>-</b>	<b>35,220</b>

### Quarter ended 31 December 2015<sup>1</sup>

	<i>Investment Management Services</i>	<i>Asset Management</i>	<i>Financial Planning</i>	<i>Charles Stanley Direct</i>	<i>Core Business</i>	<i>Held For Sale</i>	<b>Total</b>
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Fee income	17,027	1,236	1,824	561	20,648	562	21,210
Trail income	73	88	3	313	477	-	477
Commission	9,670	127	6	207	10,010	-	10,010
Net interest	526	6	10	120	662	-	662
<b>Total</b>	<b>27,296</b>	<b>1,457</b>	<b>1,843</b>	<b>1,201</b>	<b>31,797</b>	<b>562</b>	<b>32,359</b>

<sup>1</sup>The revenue figures for the quarter ended 31 December 2015 have been presented in line with the classification of the Group's four operating divisions used for the quarter ended 31 December 2016 including transfer of teams across divisions in the period to ensure a like for like comparison.

**YTD 31 December 2016**

	<i>Investment Management Services</i>	<i>Asset Management</i>	<i>Financial Planning</i>	<i>Charles Stanley Direct</i>	<i>Core Business</i>	<i>Held For Sale</i>	<b>Total</b>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<b>£'000</b>
Fee income	55,323	4,277	5,651	1,237	66,488	-	66,488
Trail income	476	14	5	785	1,280	-	1,280
Commission	33,249	487	18	882	34,636	-	34,636
Net interest	1,366	18	4	262	1,650	-	1,650
<b>Total</b>	<b>90,414</b>	<b>4,796</b>	<b>5,678</b>	<b>3,166</b>	<b>104,054</b>	<b>-</b>	<b>104,054</b>

**YTD 31 December 2015<sup>1</sup>**

	<i>Investment Management Services</i>	<i>Asset Management</i>	<i>Financial Planning</i>	<i>Charles Stanley Direct</i>	<i>Core Business</i>	<i>Held For Sale</i>	<b>Total</b>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<b>£'000</b>
Total fees	50,783	3,718	5,201	1,734	61,436	4,448	65,884
Trail income	2,520	197	16	918	3,651	-	3,651
Commission	33,695	385	17	657	34,754	177	34,931
Net interest	2,219	27	34	473	2,753	-	2,753
<b>Total</b>	<b>89,217</b>	<b>4,327</b>	<b>5,268</b>	<b>3,782</b>	<b>102,594</b>	<b>4,625</b>	<b>107,219</b>

<sup>1</sup>The revenue figures for the period ended 31 December 2015 have been presented in line with the classification of the Group's four operating divisions used for the period ended 31 December 2016 including transfer of teams across divisions in the period to ensure a like for like comparison.