

15 October 2020
CAY.L

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

Trading Update for the Three Months ended 30 September 2020 and Notice of Results

Charles Stanley, the wealth management services group, is pleased to provide a trading update for the second quarter of its financial year, covering the three months ended 30 September 2020.

Trading Update

Total Funds under Management and Administration ("FuMA") in the quarter increased by 0.9% to £22.8 billion against the prior quarter. This compared to a 0.4% decrease over the same period in the MSCI WMA Private Investor Balanced Index. Compared to the financial year-end position at 31 March 2020, FuMA were up 12.9%. However, this material movement mainly reflected the market disruption caused by the coronavirus pandemic, and average FuMA over the first half of £22.1 billion was 9.4% lower than average FuMA of £24.4 billion over the first half of last year.

Group revenue for the quarter decreased by 6.8% to £39.9 million (Q2 2020: £42.8 million), resulting in a 4.1% reduction over the first half to £82.0 million (H1 2020: £85.4 million). The relative outperformance of revenues over the six months by comparison to average FuMA is the result of an improved revenue margin, which increased by 4.4bps to 74.3bps (H1 2020: 69.9 bps) as discretionary funds increased to 59.7% of total FuMA (H1 2020:56.5%), fees and commissions were stable, aided by the growth of the Financial Planning division, and interest income declined.

Notice of Results

The Group's unaudited interim results for the six months ended 30 September 2020 will be published on 19 November 2020.

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

"The Group has traded and operated resiliently during the first half. Our focus remains on supporting clients and staff during these difficult times, and we are confident of further progress during the second half."

Charles Stanley Group PLC LEI: 213800LBSEGKE5MCYC90

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

The change in FuMA since 30 June 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 July 2020	13.4	1.3	1.1	6.8	22.6
New clients	0.1	-	-	0.1	0.2
Transfers	-	-	-	-	-
Net outflows from existing clients	(0.1)	-	-	(0.1)	(0.2)
Lost clients	(0.1)	(0.1)	-	(0.1)	(0.3)
Net outflows of funds	(0.1)	(0.1)	-	(0.1)	(0.3)
Market movement	0.3	-	-	0.2	0.5
Funds at 30 September 2020	13.6	1.2	1.1	6.9	22.8

Revenue

The table below sets out the unaudited revenues of the Group for the quarter ended 30 September 2020 along with the prior year comparatives on a like-for-like basis.

Quarter ended 30 September 2020				
	Investment Management Services	Financial Planning	Charles Stanley Direct	Revenue
	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>
Fees	27.0	2.2	1.6	30.8
Commission	8.1	-	0.5	8.6
Interest turn	0.4	-	0.1	0.5
Total	35.5	2.2	2.2	39.9

Quarter ended 30 September 2019				
	Investment Management Services	Financial Planning	Charles Stanley Direct	Revenue
	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>
Fees	27.7	2.2	1.5	31.4
Commission	8.8	-	0.3	9.1
Interest turn	1.8	-	0.5	2.3
Total	38.3	2.2	2.3	42.8

Six months ended 30 September 2020				
	Investment Management Services	Financial Planning	Charles Stanley Direct	Revenue
	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>
Fees	53.7	4.5	2.9	61.1
Commission	17.7	-	1.2	18.9
Interest turn	1.6	-	0.4	2.0
Total	73.0	4.5	4.5	82.0

Six months ended 30 September 2019				
	Investment Management Services	Financial Planning	Charles Stanley Direct	Revenue
	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>
Fees	54.8	3.9	2.9	61.6
Commission	18.4	-	0.7	19.1
Interest turn	3.7	-	1.0	4.7
Total	76.9	3.9	4.6	85.4