

24 July 2018

Charles Stanley Group PLC

Trading update for the three months ended 30 June 2018

Charles Stanley Group PLC (“Charles Stanley” or “the Group”) today issues a trading update for the first quarter ended 30 June 2018.

Total Funds under Management and Administration (“FuMA”) at 30 June 2018 were £24.9 billion representing an increase of 4.6% on the £23.8 billion at 31 March 2018. This increase was largely driven by positive market performance. Over the same period the MSCI WMA Private Investor Balanced Index rose by 4.5%.

The majority of the asset growth was registered in our higher margin Discretionary service, which increased by £0.7bn or 5.7%. Execution-only funds grew by 4.8% (£0.4bn) overall and Charles Stanley Direct, our on-line platform continued its strong progress, with funds under administration up 13.0% to £2.6bn. Advisory managed and advisory dealing fund categories remained relatively flat during the quarter.

Core Business revenues for YTD June 2018 were up 4.0% from £37.7 million to £39.2 million compared to the quarter ended 30 June 2017.

Paul Abberley, Chief Executive Officer of Charles Stanley, said: “I am pleased to report that trading conditions in Q1 were in line with our expectations. We remain focused, as outlined in our 2018 year-end results, on the execution of our strategy to deliver top line growth and to streamline our operating model.”

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Notes to editors:

Charles Stanley traces its origins back directly 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 400 professionals located in 22 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 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 18</i> <i>£bn</i>	<i>Mar 18</i> <i>£bn</i>	<i>Change</i> <i>since</i> <i>Mar 18</i>
Discretionary funds	13.0	12.3	5.7%
Advisory managed funds	1.8	1.8	-
Total managed funds	14.8	14.1	5.0%
Advisory dealing funds	1.4	1.4	-
Execution only funds	8.7	8.3	4.8%
Total administered funds	10.1	9.7	4.1%
Total FuMA	24.9	23.8	4.6%
MSCI WMA Private Investor Balanced Index	1,597	1,527	4.5%

The change in managed funds since 31 March 2018 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 April 2018	12.3	1.8	1.4	8.3	23.8
New clients	0.2	-	-	0.1	0.3
Transfers	0.1	(0.1)	-	-	-
Net inflow/(outflow) from existing clients	(0.1)	-	-	-	(0.1)
Lost clients	(0.1)	-	-	(0.1)	(0.2)
Net inflow/(outflow) of funds	0.1	(0.1)	-	-	-
Market movement	0.6	0.1	-	0.4	1.1
Funds at 30 June 2018	13.0	1.8	1.4	8.7	24.9

REVENUE

The table below sets out the revenues of the Group for the quarter ended 30 June 2018 along with the prior year comparatives on a like for like basis.

Quarter ended 30 June 2018

	<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	Total £'000
Fee income	23,061	1,557	1,651	764	27,033	-	27,033
Commission	9,816	265	3	402	10,486	-	10,486
Interest income	1,148	11	-	499	1,658	-	1,658
Total	34,025	1,833	1,654	1,665	39,177	-	39,177

Quarter ended 30 June 2017

	<i>Investment Management Services²</i> £'000	<i>Asset Management¹</i> £'000	<i>Financial Planning</i> £'000	<i>Charles Stanley Direct</i> £'000	<i>Core Business</i> £'000	<i>Held For Sale</i> £'000	Total £'000
Fee income	21,575	1,438	1,299	564	24,876	542	25,418
Commission	11,452	207	11	376	12,046	-	12,046
Interest income	433	6	-	356	795	-	795
Total	33,460	1,651	1,310	1,296	37,717	542	38,259

¹The increase in interest income during the quarter ended 30 June 2018 compared to the same quarter last year is due to higher interest rates and a change in the duration profile of cash levels placed on deposit.

²The revenue figures for the quarter ended 30 June 2017 have been restated to reflect the transfer of an investment management team from Asset Management to Investment Management Services during 2018. Held For Sale revenues for the quarter ended 30 June 2017 were in respect of EBS Management PLC, which was disposed of by the Group on 31 May 2017.