

10 July 2019

Charles Stanley Group PLC

Trading update for the three months ended 30 June 2019

Charles Stanley Group PLC (“Charles Stanley” or the “Group”) today issues a trading update for the quarter ended 30 June 2019.

Total Funds under Management and Administration (“FuMA”) at 30 June 2019 improved to £24.4 billion, representing an increase of 1.2% on the £24.1 billion reported at 31 March 2019. In the quarter, the MSCI WMA Private Investor Balanced Index was up 2.8% whilst the FTSE 100 index increased at a lower rate of 2.0%. The Group generated investment performance gains of £0.9 billion over the period, which more than offset net outflows of £0.6 billion.

As a result of the Group’s focus on growing the higher margin discretionary service, this category continues to outperform other service types with FuMA up 3.1%. Advisory managed and execution-only funds were flat, with a small fall in advisory dealing FuMA.

Core Business revenues for the quarter increased by 5.9% to £41.5 million from £39.2 million. This was driven by fee income growth, up 7.7%. Fees grew both as a result of the continuing service mix change toward discretionary and the completion of the repricing exercise at the end of the last financial year. Interest income was up £0.8 million, a reflection of higher interest rates and cash balances than a year ago. These increases more than compensated for a continued decline in commission income.

Paul Abberley, Chief Executive Officer of Charles Stanley, said: “I am pleased to see that revenues and Funds under Management and Administration continue to grow. These are a result of our previous strategic decisions and the improvements have allowed us to focus on the implementation of our transformation programme to improve productivity and operational efficiency.”

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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 800 professionals located in 27 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 19</i> <i>£bn</i>	<i>Mar 19</i> <i>£bn</i>	<i>Change</i> <i>since Mar 19</i>
Discretionary funds	13.5	13.1	3.1%
Advisory managed funds	1.5	1.5	-%
Total managed funds	15.0	14.6	2.7%
Advisory dealing funds	1.2	1.3	(7.7%)
Execution only funds	8.2	8.2	-%
Total administered funds	9.4	9.5	(1.1%)
Total FuMA	24.4	24.1	1.2%
MSCI WMA Private Investor Balanced Index	1,632	1,587	2.8%

The change in FuMA since 31 March 2019 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 2019	13.1	1.5	1.3	8.2	24.1
New clients	0.1	-	-	0.1	0.2
Transfers	-	-	-	-	-
Net inflow/(outflow) from existing clients	(0.1)	-	-	(0.2)	(0.3)
Lost clients	(0.2)	-	(0.1)	(0.2)	(0.5)
Net inflow/(outflow) of funds	(0.2)	-	(0.1)	(0.3)	(0.6)
Market movement	0.6	-	-	0.3	0.9
Funds at 30 June 2019	13.5	1.5	1.2	8.2	24.4

REVENUE

The table below set out the revenues of the Group for the quarter ended 30 June 2019 along with the prior year comparatives on a like-for-like basis.

Quarter to 30 June 2019

	<i>Investment Management Services¹</i> £m	<i>Financial Planning</i> £m	<i>Charles Stanley Direct</i> £m	Core Business £m
Fee income	26.2	1.7	1.3	29.2
Commission	9.5	-	0.4	9.9
Interest income	1.9	-	0.5	2.4
Total	37.6	1.7	2.2	41.5

Quarter to 30 June 2018

	<i>Investment Management Services¹</i> £m	<i>Financial Planning</i> £m	<i>Charles Stanley Direct</i> £m	Core Business £m
Fee income	24.6	1.7	0.8	27.1
Commission	10.1	-	0.4	10.5
Interest income	1.1	-	0.5	1.6
Total	35.8	1.7	1.7	39.2

¹As part of the recently announced reorganisation, the management of the Asset Management division has been combined with that of the Investment Management Services division. Accordingly, Asset Management's figures have been incorporated into those of Investment Management Services and not reported separately.