

9 July 2020

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

Trading update for the three months ended 30 June 2020

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

After the market-driven steep decline in Funds under Management and Administration ("FuMA") at the end of the last financial year, resulting from the global impact of COVID-19, FuMA has recovered well, and Group revenue for the first quarter of the financial year is 1.7% ahead of the same period last year. This increase was driven by both greater trading activity, resulting in higher commission income, and strong progress from the Financial Planning division, which offset the impact of reduced interest income.

Trading Update

FuMA at 30 June 2020 increased by 11.9% to £22.6 billion over the three months from £20.2 billion as at 31 March 2020. Over the same period the MSCI WMA Private Investor Balances Index rose 10.6%.

Group revenue for the quarter rose by 1.7% to £42.2 million (2019: £41.5 million). Fee income increased by 4.1%, primarily reflecting a 35.3% increase in revenue generated by the Financial Planning division, evidencing the benefits of the investment made in that division. Commission income increased by 4.0% due to higher trading volumes. As expected, interest income reduced by 37.5% following cuts to base rates in March 2020.

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

"The Group has delivered a good trading performance in the first quarter. Our strong capital position has enabled us to take a measured response to the COVID-19 crisis and we have been able to ensure that our clients have continued to receive very high service levels.

"The crisis has changed our office working practices and client interaction, accelerating the need for standardisation and digitisation of more processes. As we continue the transformation programme for Charles Stanley, these will be core areas of focus for us throughout the rest of the financial year."

Charles Stanley Group PLC LEI: 213800LBSEGKE5MICYC90

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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>Jun 2020</i> <i>£bn</i> | <i>Mar 2020</i> <i>£bn</i> | <i>Jun 2019</i> <i>£bn</i> |
|---|-------------------------------|-------------------------------|-------------------------------|
| Discretionary funds | 13.4 | 12.0 | 13.5 |
| Advisory managed funds | 1.3 | 1.2 | 1.5 |
| Total managed funds | 14.7 | 13.2 | 15.0 |
| Advisory dealing funds | 1.1 | 1.0 | 1.2 |
| Execution-only funds | 6.8 | 6.0 | 8.2 |
| Total administered funds | 7.9 | 7.0 | 9.4 |
| | | | |
| Total FuMA | 22.6 | 20.2 | 24.4 |
| | | | |
| MSCI WMA Private Investor Balanced Index | 1,574 | 1,423 | 1,632 |

The change in FuMA since 31 March 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 April 2020 | 12.0 | 1.2 | 1.0 | 6.0 | 20.2 |
| | | | | | |
| New clients | 0.1 | - | - | - | 0.1 |
| Transfers | - | - | - | - | - |
| Net outflows from existing clients | - | - | - | - | - |
| Lost clients | (0.1) | - | - | (0.1) | (0.2) |
| | | | | | |
| Net inflows/(outflows) of funds | - | - | - | (0.1) | (0.1) |
| | | | | | |
| Market movement | 1.4 | 0.1 | 0.1 | 0.9 | 2.5 |
| | | | | | |
| Funds at 30 June 2020 | 13.4 | 1.3 | 1.1 | 6.8 | 22.6 |

Revenue

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

Quarter ended 30 June 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 | 26.7 | 2.3 | 1.4 | 30.4 |
| Commission | 9.6 | - | 0.7 | 10.3 |
| Interest turn | 1.2 | - | 0.3 | 1.5 |
| Total | 37.5 | 2.3 | 2.4 | 42.2 |

Quarter ended 30 June 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 | 26.2 | 1.7 | 1.3 | 29.2 |
| Commission | 9.5 | - | 0.4 | 9.9 |
| Interest turn | 1.9 | - | 0.5 | 2.4 |
| Total | 37.6 | 1.7 | 2.2 | 41.5 |