



ST. JAMES'S PLACE WEALTH MANAGEMENT

SEPTEMBER 2011



St. James's Place: overview

- Leading UK Wealth Management Company
 - Established 1991
 - UK listed with market cap of c.£1.8bn
 - £29.1bn in FUM
 - Target market £50k to £5 million free investable assets
- Differentiated business model
 - Manufacturer and distributor
 - Own dedicated distribution - the Partnership
 - Distinct investment management approach
- Well positioned to benefit from long-term market growth
 - Favourable demographic trends
 - Increasing tax burden



Our products and services

Comprehensive range

- of pension, investment and savings “wrappers”
- of investment funds sourced from “whole of market”
- access to “whole of market” choice of protection and annuities

Our focus

- is on our own products and funds (manufactured/EV)

Whilst avoiding

- capital intensive products
- guarantees and options
- overly complex, fashionable or high risk structures



Current Investment Houses



HBOS plc



BLACKROCK

STATE STREET GLOBAL ADVISORS | SSGA®



S. W. MITCHELL CAPITAL LLP



OLDFIELD PARTNERS LLP



External product providers

FriendsLife

bright grey

SpeechlyBircham



LINDER•MYERS SOLICITORS



Scottish Provident

ZURICH®

GEORGE DAVIES
SOLICITORS LLP



Quilter

*clarke
willmott

ChantreyVellacottDFK



grace
CONSULTING

TURCAN CONNELL
SOLICITORS AND ASSET MANAGERS



ADDLESHAW GODDARD





Dedicated Distribution – the Partnership

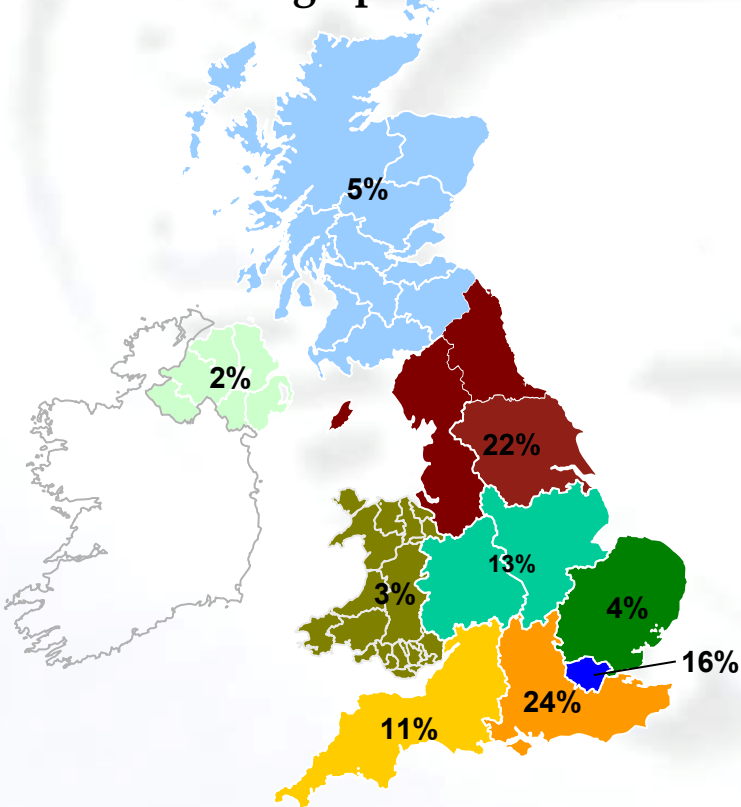
- High quality self-employed team of c.1600 advisors
 - Average age is 48
 - Above average productivity
 - 90%+ per annum retention rate



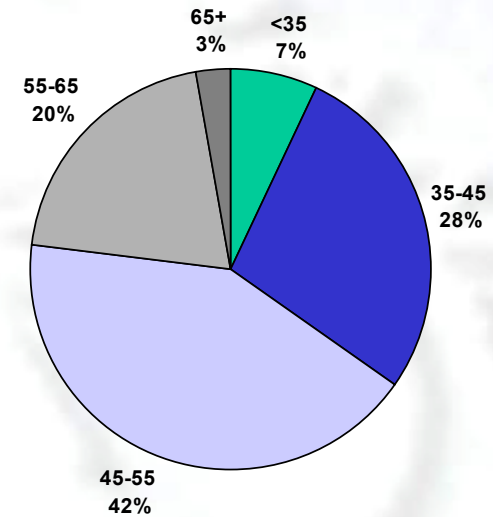
The Partnership

30 June 2011

Geographic Distribution



Age Profile



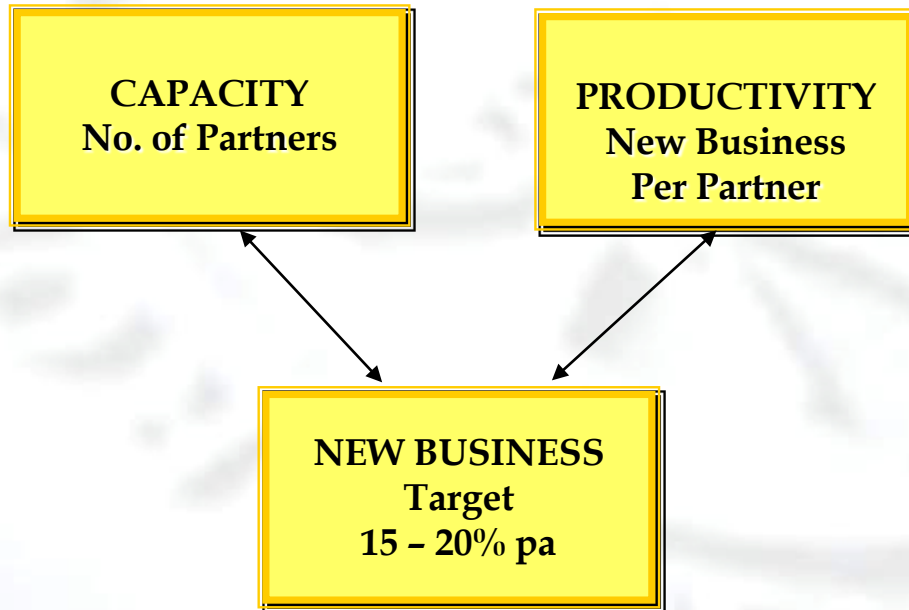


Dedicated Distribution – the Partnership

- High quality self-employed team of c.1600 advisors
 - Average age is 48
 - Above average productivity
 - 90%+ per annum retention rate
- Aim to grow Partner numbers by 5% to 7% per annum
- Aim to increase productivity each year

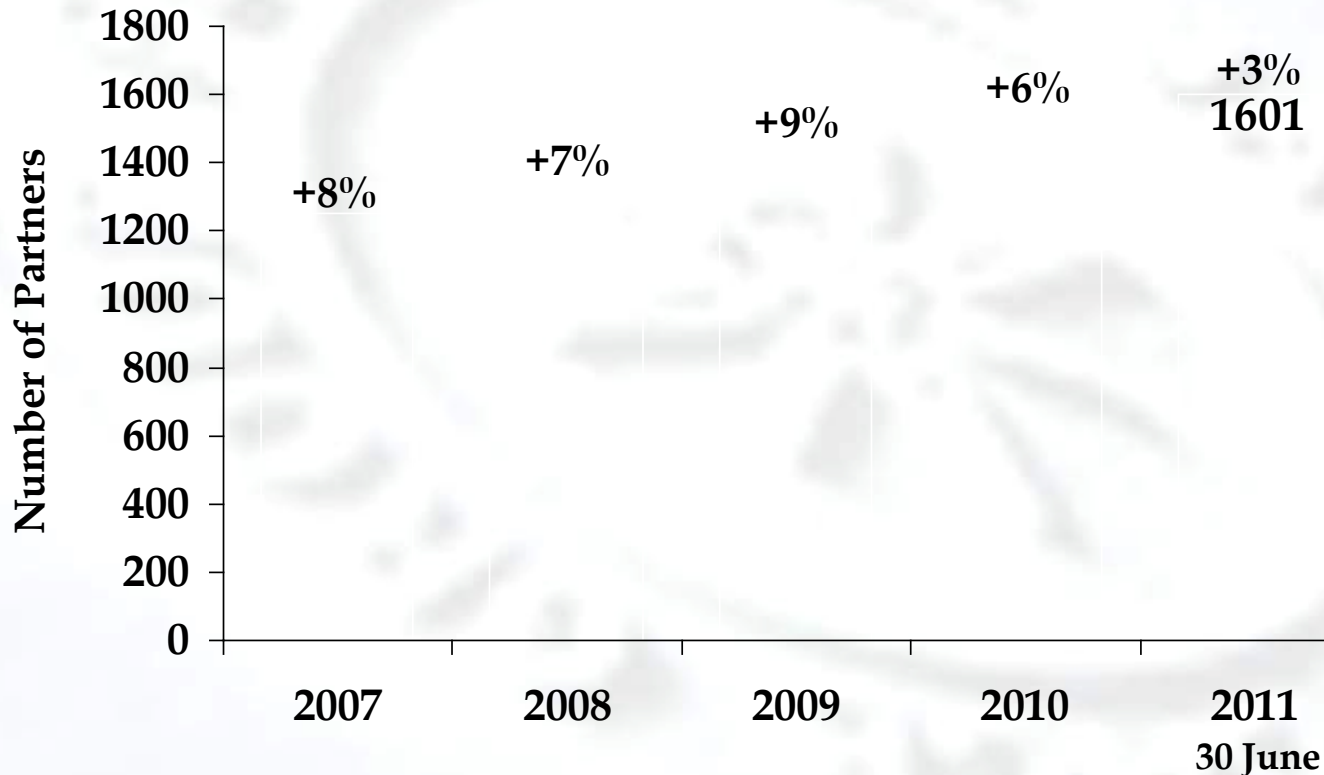


The Growth Model



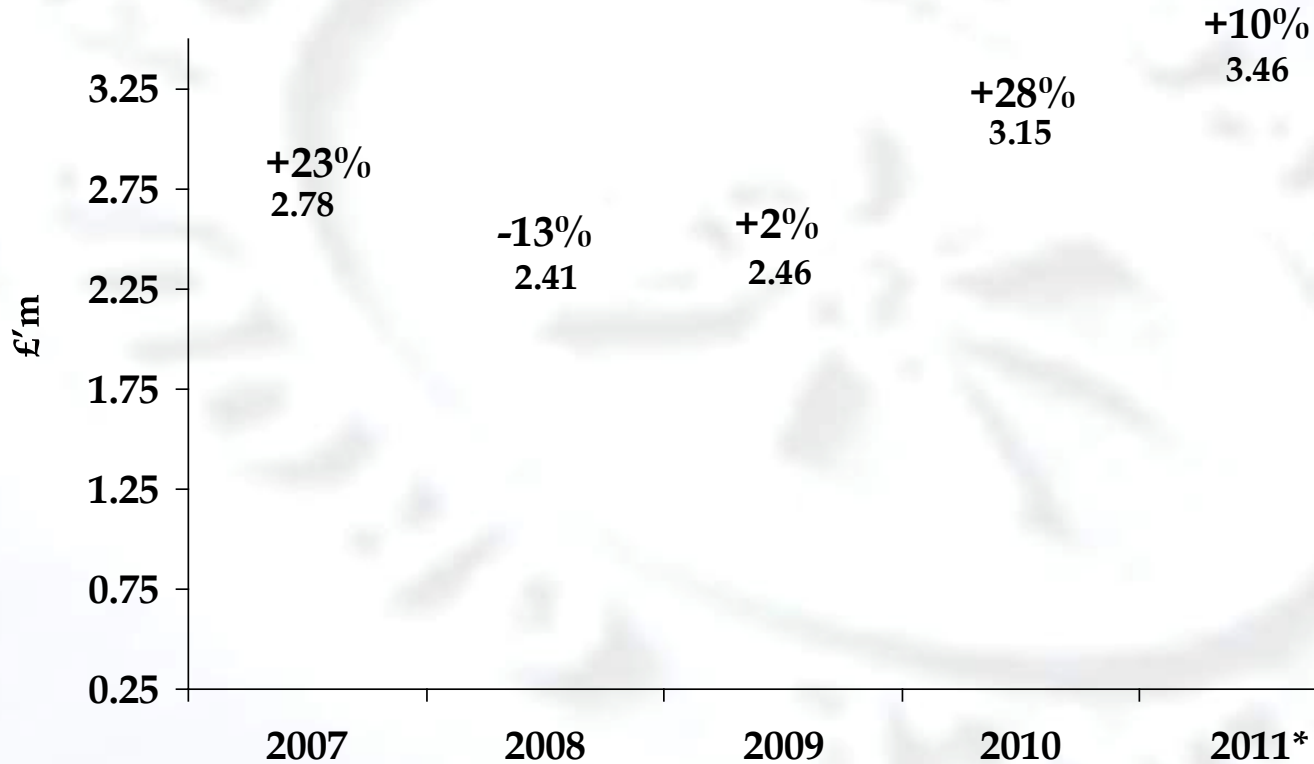


Growing Number of Partners





Productivity (single investment per Partner)

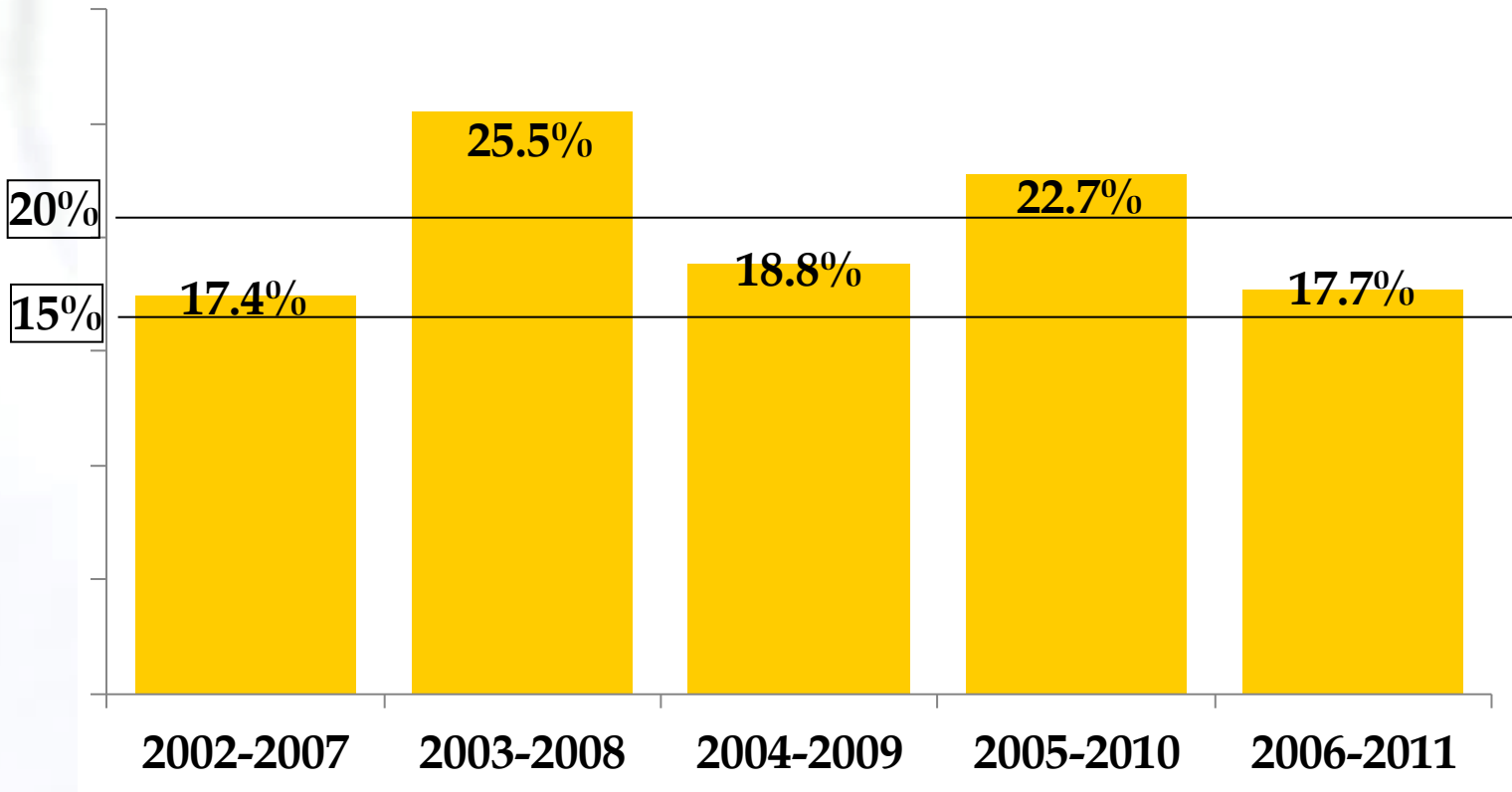


*annualised at 30 June 2011



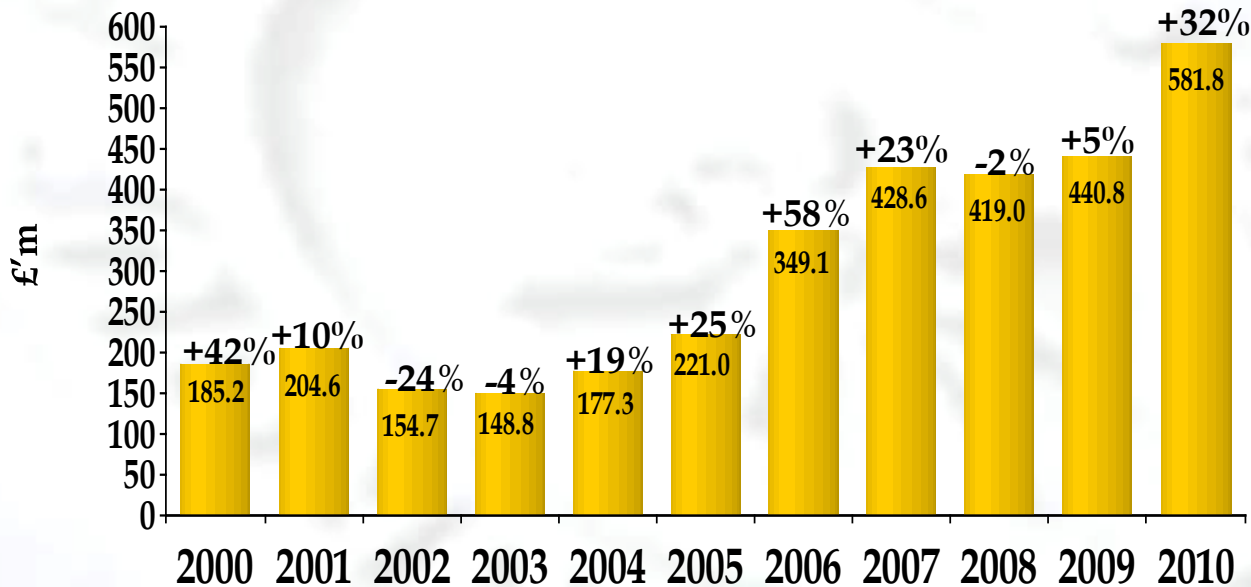
Compound APE Growth - rolling five years (June to June)

Growth





New Business (APE)



First half 2011 £335.6 million up 15%



Benefits of our own distribution

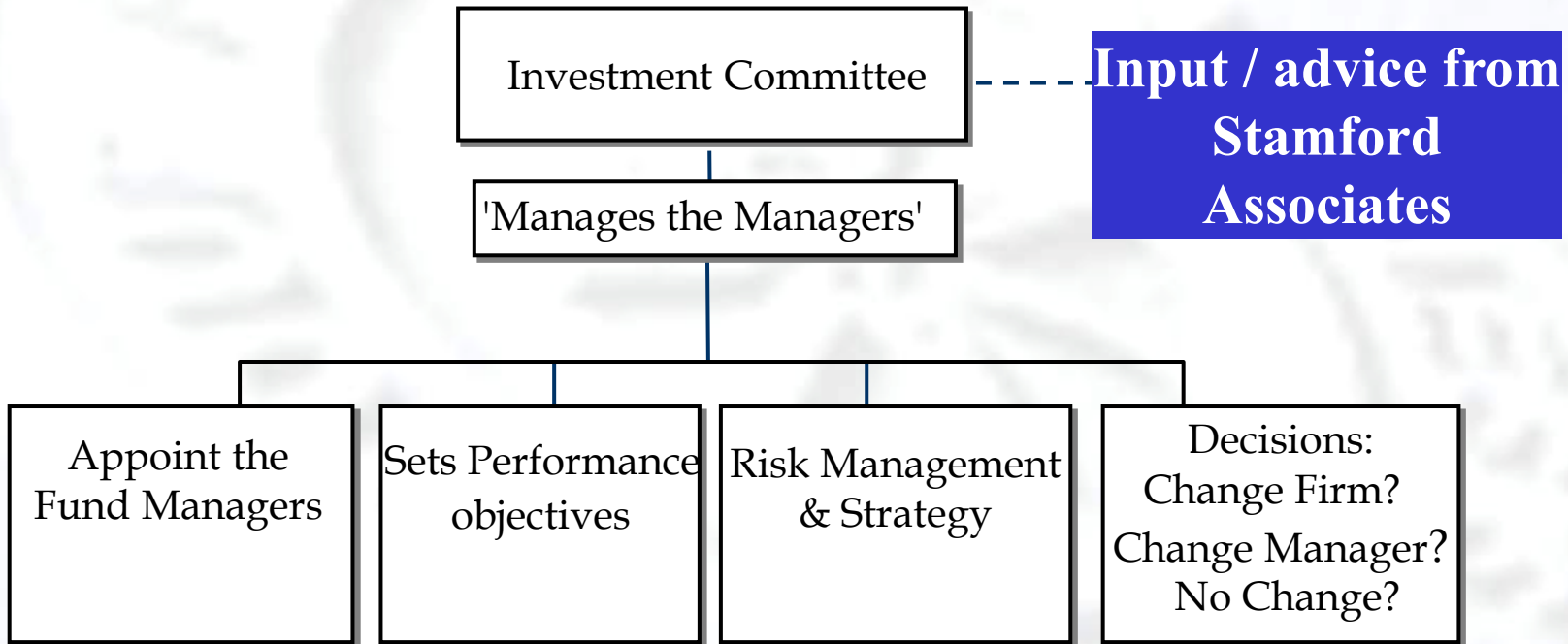
- New business and expenses are more predictable
- Spread of production
- Less exposed to market pressures
- Greater control over quality of new business
- Ability to build and maintain distribution led culture
- Better retention of business
- Ability to build stronger client advocacy



Investment Management



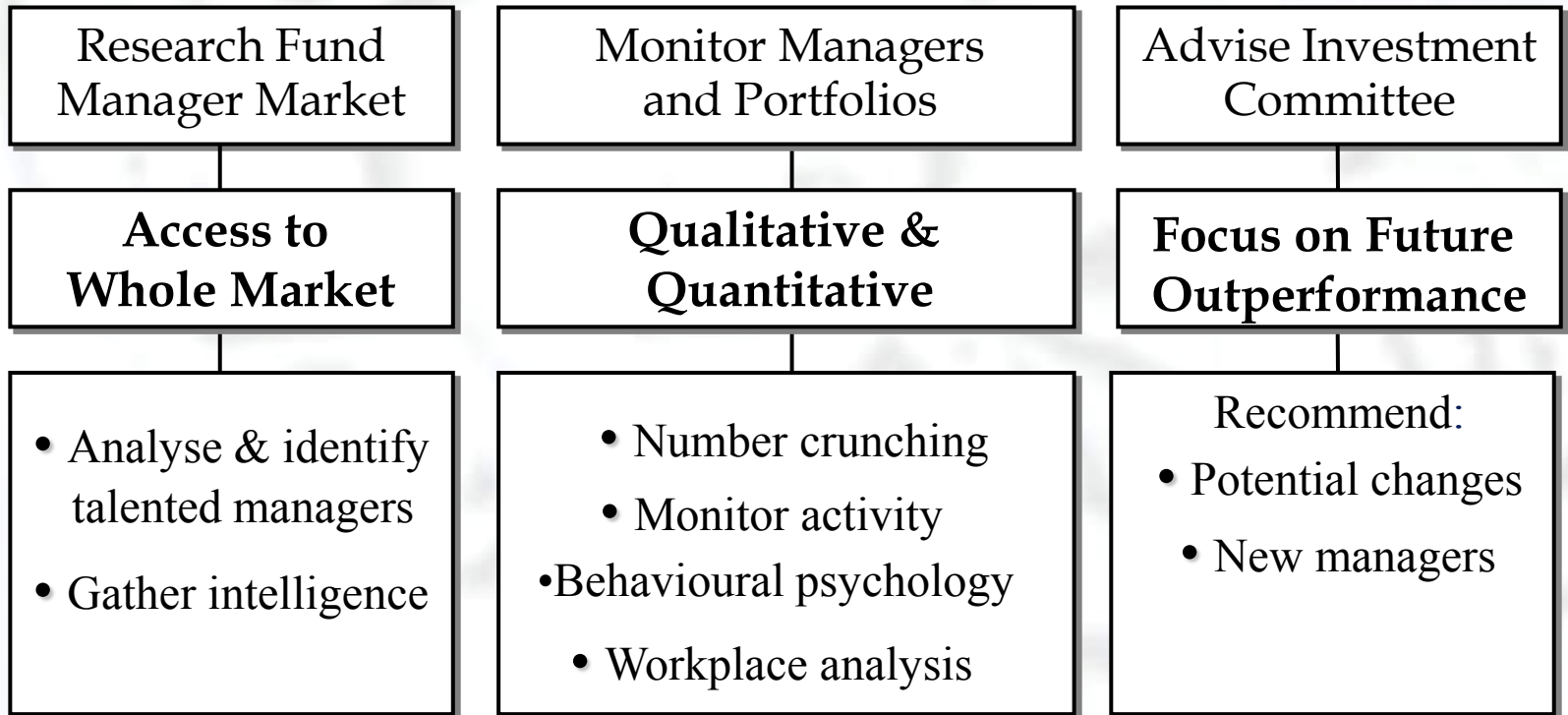
Our approach to investment management





Stamford Associates

Independent Investment Consultancy





Evolving Fund Range

- **2009**
 - Corporate Bond Fund
 - Gilt Unit Trust
 - Income Unit Trust
 - New managers
 - Invesco Perpetual
 - Wellington
 - Axa Framlington
 - Burgundy/Liberty Square/JO Hambro
- **2010**
 - Emerging Markets Fund
 - UK Absolute Return Fund
 - International Corporate Bond Fund
 - UK and International Income Fund
 - Global Managed Fund
 - First State
 - BlackRock
 - Babson
 - Artemis
 - Artisan
- **2011**
 - Change in property manager
 - Orchard Street



Current Investment Houses



HBOS plc



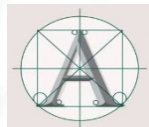
BLACKROCK

STATE STREET GLOBAL ADVISORS | **SS&A**



Schroders

S. W. MITCHELL CAPITAL LLP



An AXA Investment Managers Company

OLDFIELD PARTNERS LLP



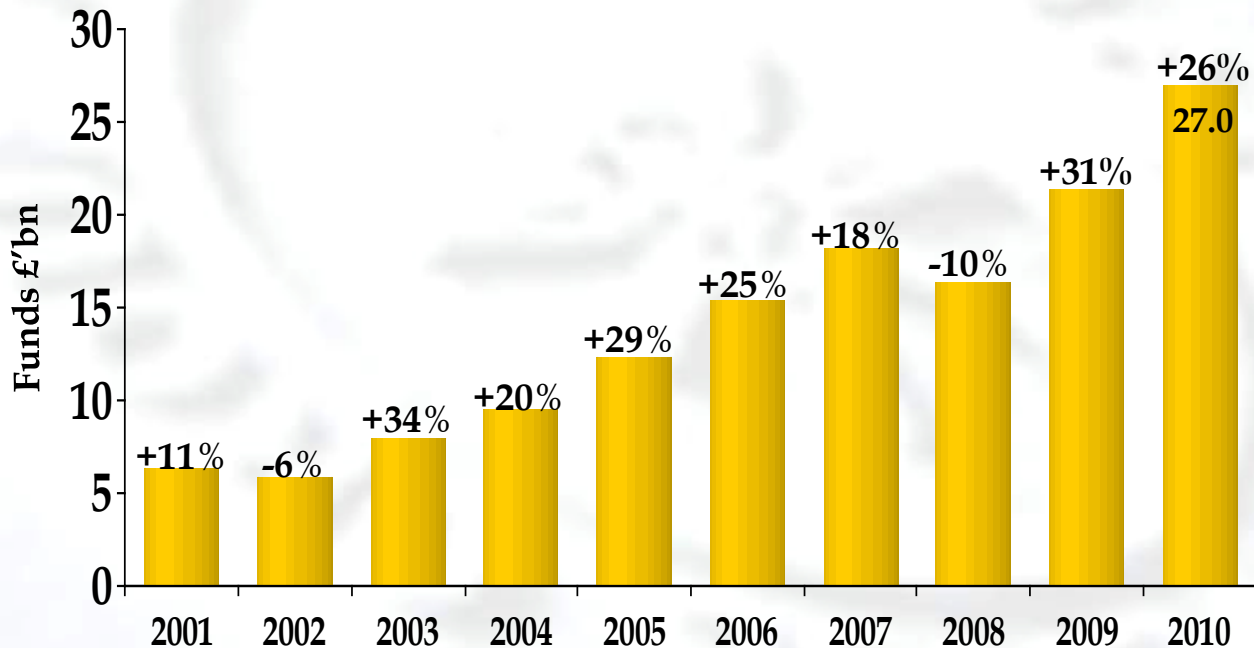
Benefits of investment management approach

- No in-house managers so no conflict of interest
- Benefit from Investment Committee experience & expertise
- Ability to appoint the best fund managers with wholesale purchasing power
- Continuous monitoring plus quarterly reviews
- Easy to change manager – reduced churn
- Free switching for clients
- Significantly improved retention of funds



Funds under management

17%p.a. compound growth over the last
5 and 10 years



30 June 2011: £29.1 billion



Review of first half of 2011



Review of first half of 2011

New business

- Total single investment of £2.73 billion up 14%
- APE of £335.6 million up 15%
- Manufactured proportion 93%

Funds under management

- Continued c95% retention of client assets
- Net inflow of funds of £1.7 billion up 13%
- Funds under management £29.1 billion up 8% since start of year and 30% over 12 months



Review of first half 2011

Partnership

- Continued strong recruitment and retention
- Partnership numbers 1,601 up 3%
- 60% of Partnership diploma qualified
- A further 25% of Partnership within 1 or 2 exams



Review of first half 2011

Profits

- EEV new business profit £127.7 million up +27%
- EEV operating profit £183.6 million up +13%
- IFRS operating profit £55.3 million up +52%
- Cash result £30.8 million up +65%

Other Financials

- EEV net asset value of 379.6 pence per share
- IFRS net asset value of 127.4 pence per share
- Interim dividend 3.2 pence up 58%



Outlook

- Familiar and well respected brand / business
- Loyal client base (Partners and investors)
- Continued strong recruitment
- Resilient Investment Management Approach
- Strong solvency position
- Strong market for advice
- Favourable market place
- Uniquely placed business

