

29 January 2020

Quilter plc
Fourth Quarter 2019 Trading Statement

Quilter plc (the “Group”) reports positive Q4 net flows; Platform Transformation Programme remains on schedule.

Highlights

- Assets under Management and Administration (“AuMA”) of £110.4 billion at year-end (+13% from 31 December 2018) with growth supported by positive market movements.
- Fourth quarter gross sales of £3.5 billion, 17% higher than the prior year period (£3.0 billion).
- Fourth quarter Net Client Cash Flow inflow (“NCCF”) of £0.5 billion, excluding Quilter Life Assurance (Q4 2018: £0.6 billion).
 - Quilter Cheviot continued to generate year-on-year gross sales momentum, totalling £0.7 billion in the fourth quarter (Q4 2018: £0.6 billion). Although the business experienced net outflows of £0.8 billion for the year, reflecting the impact of the previously announced departures of some investment managers, the declining trend in outflows led to a net neutral NCCF out-turn in the fourth quarter.
 - Strong fourth quarter performance from Quilter International with gross flows of £0.8 billion (Q4 2018: £0.5 billion).
- Annual NCCF inflow of £0.3 billion, excluding Quilter Life Assurance, reflected a turnaround from the net outflow of £0.2 billion for the nine months to end-September 2019.
- 2019 integrated net flows of £2.6 billion continue to demonstrate the robustness of the Quilter business model (2018: £4.7 billion).
- Platform Transformation Programme update: Initial migration of assets onto the new UK platform is currently planned for the weekend of 22/23 February 2020, with notice given to advisers and customers involved.

Quilter plc: Three months ended 31 December 2019

Quilter plc excl. Quilter Life Assurance (£bn), unaudited	Q4 2019	Q4 2018
Gross sales	3.5	3.0
NCCF	0.5	0.6
Total integrated net flows	0.8	1.0
<i>of which Quilter Financial Planning generated</i>	<i>0.6</i>	<i>0.8</i>
Defined Benefit to Defined Contribution transfers	0.2	0.3

Quilter plc: Year ended 31 December 2019

Quilter plc excl. Quilter Life Assurance (£bn), unaudited	2019	2018
Gross sales	12.3	14.2
NCCF	0.3	4.7
NCCF/opening AuMA ¹	0%	5%
Total integrated net flows	2.6	4.7
<i>of which Quilter Financial Planning generated</i>	<i>2.6</i>	<i>3.8</i>

Quilter plc excl. Quilter Life Assurance (£bn), unaudited	31 December 2019	31 December 2018
AuMA ²	110.4	97.7

¹ NCCF as a % of opening AuMA.

² Following the disposal of Quilter Life Assurance, which completed on 31 December 2019, AuMA includes assets managed and administered on behalf of clients and policyholders only and therefore excludes assets that support shareholder capital and cash requirements. All comparatives have accordingly been restated on this basis.

Paul Feeney, CEO of Quilter plc, commented:

“2019 was a good year for market performance but a challenging year for net client flows. We were pleased to finish the year in a positive position. Net inflows of £0.3 billion for the year represented a sharp turnaround from the net outflow of £0.2 billion for the nine months to end-September.

“Looking across our businesses, the integration of our advice acquisitions is progressing well and both Lighthouse and Charles Derby are well positioned to contribute to net flows in 2020. Quilter Cheviot delivered consistently strong gross sales throughout 2019 reflecting the quality of its franchise supported by the contribution from new hires made to strengthen the business. The outflow associated from the investment managers who departed in mid-2018 declined to £0.3 billion in the fourth quarter from £0.6 billion in the third quarter. Our International business, where new business mandates can be sizeable but inherently more irregular, ended the year well with an annual increase of 67% in NCCF.

“Net flows into Wealth Solutions remain subdued ahead of migrating advisers and customers onto our new UK platform this year. This, in turn, led to more modest flows into Quilter Investors. Stable gross flows in the fourth quarter relative to the prior year demonstrate the strength of our adviser and customer-focussed platform business model. More importantly, we are pleased that the initial migration of customers onto our new platform is currently planned for the weekend of 22/23 February 2020. Our advisers and clients who are involved in this process have been notified accordingly. Our new UK platform will be transformational for Quilter – it has taken time to get to this point and we are excited about the ability to drive further business growth once we have fully migrated onto the new platform by the end of this summer.”

Quilter plc data tables for the three months ended 31 December 2019 (£bn), unaudited

Q4 gross flows, net flows & AuMA (£bn) ¹	AuMA as at 30 September 2019	Gross sales	Gross outflows	Net flows	Market and other movements	AuMA as at 31 December 2019
Quilter Investors	20.2	2.0	(1.9)	0.1	0.5	20.8
Quilter Cheviot	23.8	0.7	(0.7)	-	0.4	24.2
Quilter Financial Planning	0.8	-	-	-	-	0.8
Advice & Wealth Management	44.8	2.7	(2.6)	0.1	0.9	45.8
Quilter Wealth Solutions	55.7	1.6	(1.3)	0.3	1.2	57.2
Quilter International	20.2	0.8	(0.5)	0.3	-	20.5
Wealth Platforms	75.9	2.4	(1.8)	0.6	1.2	77.7
Elimination of intra-group assets	(12.5)	(1.6)	1.4	(0.2)	(0.4)	(13.1)
Quilter plc excl. Quilter Life Assurance	108.2	3.5	(3.0)	0.5	1.7	110.4
Quilter Life Assurance	10.3	-	(1.2)	(1.2)	(9.1)	-
	AuMA as at 30 September 2018	Gross sales	Gross outflows	Net flows	Market and other movements	AuMA as at 31 December 2018
Quilter Investors	18.6	1.1	(0.6)	0.5	(1.4)	17.7
Quilter Cheviot	24.2	0.6	(0.5)	0.1	(2.1)	22.2
Quilter Financial Planning	1.0	-	-	-	(0.2)	0.8
Advice & Wealth Management	43.8	1.7	(1.1)	0.6	(3.7)	40.7
Quilter Wealth Solutions	52.9	1.6	(1.2)	0.4	(3.9)	49.4
Quilter International	19.5	0.5	(0.3)	0.2	(1.4)	18.3
Wealth Platforms	72.4	2.1	(1.5)	0.6	(5.3)	67.7
Elimination of intra-group assets	(11.0)	(0.8)	0.2	(0.6)	0.9	(10.7)
Quilter plc excl. Quilter Life Assurance	105.2	3.0	(2.4)	0.6	(8.1)	97.7
Quilter Life Assurance	12.9	0.2	(1.0)	(0.8)	(0.9)	11.2

¹ Following the disposal of Quilter Life Assurance, which completed on 31 December 2019, AuMA includes assets managed and administered on behalf of clients and policyholders only and therefore excludes assets that support shareholder capital and cash requirements. All comparatives have accordingly been restated on this basis.

Post-script to original announcement, dated 5 February: After the publication of this announcement on 29 January 2020, a non-material discrepancy in the fourth quarter 2018 comparator data was subsequently corrected. The correction was applied to the following line items:

- Elimination of intra-group assets: Gross outflows, net flows, and market and other movements
- Quilter plc excl. Quilter Life Assurance: Gross outflows, net flows, and market and other movements

Quilter plc data tables for the twelve months ended 31 December 2019 (£bn), unaudited

Full year gross flows, net flows & AuMA (£bn) ¹	AuMA as at 31 December 2018	Gross sales	Gross outflows	Net flows	Market and other movements	AuMA as at 31 December 2019
Quilter Investors	17.7	4.9	(4.4)	0.5	2.6	20.8
Quilter Cheviot	22.2	2.6	(3.4)	(0.8)	2.8	24.2
Quilter Financial Planning	0.8	-	-	-	-	0.8
Advice & Wealth Management	40.7	7.5	(7.8)	(0.3)	5.4	45.8
Quilter Wealth Solutions	49.4	6.0	(5.1)	0.9	6.9	57.2
Quilter International	18.3	2.0	(1.5)	0.5	1.7	20.5
Wealth Platforms	67.7	8.0	(6.6)	1.4	8.6	77.7
Elimination of intra-group assets	(10.7)	(3.2)	2.4	(0.8)	(1.6)	(13.1)
Quilter plc excl. Quilter Life Assurance	97.7	12.3	(12.0)	0.3	12.4	110.4
Quilter Life Assurance	11.2	0.4	(3.9)	(3.5)	(7.7)	-
	AuMA as at 31 December 2017	Gross sales	Gross outflows	Net flows	Market and other movements	AuMA as at 31 December 2018
Quilter Investors	16.7	5.5	(2.7)	2.8	(1.8)	17.7
Quilter Cheviot	23.5	2.5	(1.8)	0.7	(2.0)	22.2
Quilter Financial Planning	1.1	-	-	-	(0.3)	0.8
Advice & Wealth Management	41.3	8.0	(4.5)	3.5	(4.1)	40.7
Quilter Wealth Solutions	49.6	7.7	(4.6)	3.1	(3.3)	49.4
Quilter International	19.2	1.8	(1.5)	0.3	(1.2)	18.3
Wealth Platforms	68.8	9.5	(6.1)	3.4	(4.5)	67.7
Elimination of intra-group assets	(9.8)	(3.3)	1.1	(2.2)	1.3	(10.7)
Quilter plc excl. Quilter Life Assurance	100.3	14.2	(9.5)	4.7	(7.3)	97.7
Quilter Life Assurance	14.6	0.6	(2.9)	(2.3)	(1.1)	11.2

¹ Following the disposal of Quilter Life Assurance, which completed on 31 December 2019, AuMA includes assets managed and administered on behalf of clients and policyholders only and therefore excludes assets that support shareholder capital and cash requirements. All comparatives have accordingly been restated on this basis.

Post-script to original announcement, dated 5 February: After the publication of this announcement on 29 January 2020, a non-material discrepancy in the full year 2019 data was subsequently corrected. The correction was applied to the following line items:

- Wealth Platforms: AuMA as at 31 December 2019

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About Quilter plc

Quilter plc is a leading wealth management business in the UK and internationally, helping to create prosperity for the generations of today and tomorrow.

Quilter plc oversees £110.4 billion in customer investments (as at 31 December 2019).

It has an adviser and customer offering spanning: financial advice; investment platforms; multi-asset investment solutions; and discretionary fund management.

The business is comprised of two segments: **Advice and Wealth Management** and **Wealth Platforms**.

Advice and Wealth Management encompasses the financial planning businesses, Quilter Financial Planning, Quilter Private Client Advisers and Quilter Financial Advisers; the discretionary fund management business, Quilter Cheviot; and Quilter Investors, the Multi-asset investment solutions business. **Wealth Platforms** includes the Old Mutual Wealth UK Platform and Quilter International.

Since its IPO in June 2018, the Group's businesses have progressively re-branded to Quilter. The UK Platform will be the final business to rebrand; this will follow the safe delivery of the new platform technology. Descriptor for re-branded business units:

Previous	New
Intrinsic	Quilter Financial Planning
Old Mutual Wealth Private Client Advisers	Quilter Private Client Advisers
Quilter Investors	Quilter Investors
Quilter Cheviot	Quilter Cheviot
UK Platform	Quilter Wealth Solutions
International	Quilter International
Heritage	Quilter Life Assurance

Disclaimer

This announcement may contain certain forward-looking statements with respect to certain of Quilter plc's plans and its current goals and expectations relating to its future financial condition, performance and results.

By their nature, all forward-looking statements involve risk and uncertainty because they relate to future events and circumstances which are beyond Quilter plc's control including amongst other things, international and global economic and business conditions, market related risks such as fluctuations in interest rates and exchange rates, the policies and actions of regulatory authorities, the impact of competition, inflation, deflation, the timing and impact of other uncertainties of future acquisitions or combinations within relevant industries, as well as the impact of tax and other legislation and other regulations in the jurisdictions in which Quilter plc and its affiliates operate. As a result, Quilter plc's actual future financial condition, performance and results may differ materially from the plans, goals and expectations set forth in Quilter plc's forward looking statements.

Quilter plc undertakes no obligation to update the forward-looking statements contained in this announcement or any other forward-looking statements it may make. Nothing in this announcement should be construed as a profit forecast.