

23 October 2019

Quilter plc
Third Quarter 2019 Trading Statement

Quilter plc (the “Group”) reports strong AuMA growth, resilient gross flows and stable quarter on quarter NCCF in a challenging market

Highlights

- Assets under Management and Administration (“AuMA”) of £118.7 billion at quarter-end (+9% from 31 December 2018) with growth supported by positive market performance.
 - AuMA from continuing operations of £109.8 billion, +11% from 31 December 2018.
- Third quarter gross sales of £3.0 billion, 12% lower on the prior year period, bringing year to date gross sales to £9.0 billion.
- Third quarter Net Client Cash Flow (“NCCF”) outflow of £0.5 billion, excluding Quilter Life Assurance, after outflows of £0.6 billion within the quarter from previously notified Investment Manager departures within Quilter Cheviot.
- Year to date NCCF outflow of £0.2 billion, excluding Quilter Life Assurance, after outflows totalling £1.4 billion arose from the Investment Manager departures within Quilter Cheviot and the loss of a quasi-institutional mandate.
- Integrated net flows of £1.7 billion year to date continue to demonstrate the robustness of the Quilter business model.
- Sale of Quilter Life Assurance to ReAssure for 120% of pro forma end 2018 own funds anticipated to close prior to year-end; an update on the prospective return of a meaningful portion of net sale proceeds to shareholders will be provided around this time. Net outflows of £2.3 billion year to date in line with expectations.

Quilter plc highlights for the three months ended 30 September 2019

Quilter plc (£bn)	Q3 2019	Q3 2018
Gross sales	3.0	3.4
NCCF	(1.4)	0.5
NCCF (excluding Quilter Life Assurance)	(0.5)	1.1
Total integrated net flows (excluding Quilter Life Assurance)	0.4	0.9
<i>of which Quilter Financial Planning generated</i>	<i>0.5</i>	<i>0.8</i>
Defined Benefit to Defined Contribution transfers	0.2	0.3

Quilter plc highlights for the nine months ended 30 September 2019

Quilter plc (£bn)	Q3 2019 YTD	Q3 2018 YTD
Gross sales	9.0	11.5
NCCF	(2.3)	2.7
NCCF (excluding Quilter Life Assurance)	(0.2)	4.1
NCCF/opening AuMA (excluding Quilter Life Assurance) ¹	0%	5%
Total integrated net flows (excluding Quilter Life Assurance)	1.7	3.7
<i>of which Quilter Financial Planning generated</i>	<i>1.8</i>	<i>3.0</i>

Quilter plc (£bn)	30 September 2019	31 December 2018
AuMA	118.7	109.3
AuMA (excluding Quilter Life Assurance)	109.8	99.3

¹ NCCF (annualised) as a % of opening AuMA (excluding Quilter Life Assurance).

Paul Feeney, CEO of Quilter plc, commented:

“I am pleased that we have seen an 11% increase in AuMA from continuing operations over the course of 2019. As indicated earlier this year, we expected this year to be challenging for net client cash flows, reflecting an uncertain political and economic backdrop coupled with some Quilter-specific factors, in particular, the loss of a certain cohort of investment managers in Quilter Cheviot last year. Positively, gross flows within Quilter Cheviot in the third quarter were up year-on-year partially reflecting the contribution from recent investment manager hires. Notwithstanding the challenging backdrop, we continue to be encouraged by resilient gross flows and high levels of customer asset retention across our businesses which were broadly stable on 2018, excluding the impact of the Quilter Cheviot outflows. While near-term headwinds remain, this demonstrates that our clients and their advisers value Quilter’s integrated advice-led model, and this continues to provide support to our revenue and operating margin outlook.

“The integration of Lighthouse plc and Charles Derby Group are both progressing well and are expected to contribute more meaningfully to flows from next year. The Platform Transformation Programme continues to progress well, with the first migration planned for early 2020, in line with previous announcements. Together, this will help secure our goal of making Quilter the best place to go for trusted financial advice in the UK.”

Quilter plc data tables for the three months ended 30 September 2019 (£bn)

Q3 gross flows, net flows & AuMA (£bn)	AuMA as at 30 June 2019	Gross sales	Gross outflows	Net flows	Market and other movements	AuMA as at 30 September 2019
Quilter Investors	20.0	0.9	(0.9)	-	0.3	20.3
Quilter Cheviot	24.1	0.7	(1.1)	(0.4)	0.3	24.0
Quilter Financial Planning	1.0	-	-	-	-	1.0
Advice & Wealth Management	45.1	1.6	(2.0)	(0.4)	0.6	45.3
Quilter Wealth Solutions	55.3	1.4	(1.3)	0.1	0.8	56.2
Quilter International	20.1	0.4	(0.3)	0.1	0.2	20.4
Quilter Life Assurance	12.1	0.2	(1.3)	(1.1)	0.3	11.3
Wealth Platforms	87.5	2.0	(2.9)	(0.9)	1.3	87.9
Elimination of intra-group assets	(14.2)	(0.6)	0.5	(0.1)	(0.2)	(14.5)
Quilter plc	118.4	3.0	(4.4)	(1.4)	1.7	118.7
	AuMA as at 30 June 2018	Gross sales	Gross outflows	Net flows	Market and other movements	AuMA as at 30 September 2018
Quilter Investors	18.4	1.3	(0.8)	0.5	(0.1)	18.8
Quilter Cheviot	24.1	0.5	(0.4)	0.1	0.2	24.4
Quilter Financial Planning	1.2	-	-	-	(0.1)	1.1
Advice & Wealth Management	43.7	1.8	(1.2)	0.6	-	44.3
Quilter Wealth Solutions	52.3	1.8	(1.2)	0.6	0.5	53.4
Quilter International	19.2	0.4	(0.4)	-	0.4	19.6
Quilter Life Assurance	14.5	0.1	(0.6)	(0.5)	-	14.0
Wealth Platforms	86.0	2.3	(2.2)	0.1	0.9	87.0
Elimination of intra-group assets	(13.2)	(0.7)	0.5	(0.2)	0.2	(13.2)
Quilter plc	116.5	3.4	(2.9)	0.5	1.1	118.1

Quilter plc data tables for the nine months ended 30 September 2019 (£bn)

Year-to-date gross flows, net flows & AuMA (£bn)	AuMA as at 31 December 2018	Gross sales	Gross outflows	Net flows	Market and other movements	AuMA as at 30 September 2019
Quilter Investors	17.8	2.9	(2.5)	0.4	2.1	20.3
Quilter Cheviot	22.4	1.9	(2.7)	(0.8)	2.4	24.0
Quilter Financial Planning	1.0	-	-	-	-	1.0
Advice & Wealth Management	41.2	4.8	(5.2)	(0.4)	4.5	45.3
Quilter Wealth Solutions	49.9	4.4	(3.8)	0.6	5.7	56.2
Quilter International	18.4	1.2	(1.0)	0.2	1.8	20.4
Quilter Life Assurance	12.4	0.4	(2.7)	(2.3)	1.2	11.3
Wealth Platforms	80.7	6.0	(7.5)	(1.5)	8.7	87.9
Elimination of intra-group assets	(12.6)	(1.8)	1.4	(0.4)	(1.5)	(14.5)
Quilter plc	109.3	9.0	(11.3)	(2.3)	11.7	118.7
	AuMA as at 31 December 2017	Gross sales	Gross outflows	Net flows	Market and other movements	AuMA as at 30 September 2018
Quilter Investors	16.9	4.3	(2.0)	2.3	(0.4)	18.8
Quilter Cheviot	23.6	2.0	(1.4)	0.6	0.2	24.4
Quilter Financial Planning	1.2	-	-	-	(0.1)	1.1
Advice & Wealth Management	41.7	6.3	(3.4)	2.9	(0.3)	44.3
Quilter Wealth Solutions	50.2	6.1	(3.4)	2.7	0.5	53.4
Quilter International	19.3	1.3	(1.2)	0.1	0.2	19.6
Quilter Life Assurance	15.3	0.4	(1.9)	(1.5)	0.2	14.0
Wealth Platforms	84.8	7.8	(6.5)	1.3	0.9	87.0
Elimination of intra-group assets	(12.1)	(2.6)	1.1	(1.5)	0.4	(13.2)
Quilter plc	114.4	11.5	(8.8)	2.7	1.0	118.1

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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 £118.7 billion in customer investments (as at 30 September 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 and Quilter Private Client 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; Old Mutual International, including AAM Advisory in Singapore; and the Quilter Life Assurance business.

The Quilter plc businesses are being re-branded to Quilter over a period of approximately two years.

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 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.