

18 October 2023

Quilter plc Third Quarter 2023 Trading Statement

Quilter reports another strong quarter from the Quilter channel and a 20% YoY increase in IFA new business flows onto the Platform

Quilter plc highlights:

- Assets under Management and Administration (“AuMA”) of £101.4 billion at 30 September 2023 were broadly unchanged on end June 2023 (£101.7 billion). This reflects steady markets, the usual summer seasonal slowdown in activity combined with moderately lower persistency levels in the IFA channel due to clients drawing down savings to maintain living standards in a higher inflationary environment.
- Third quarter core business net inflows of £1 million contrasted with net inflows of £324 million in the corresponding period of 2022.
 - The Quilter channel delivered another strong quarter. Year-to-date annualised net inflows as a percentage of opening AuMA were 16% in the High Net Worth segment and 11% in the Affluent segment. Discrete Q3 gross inflows from the Quilter channel increased by 85% year-on-year in the High Net Worth segment and 14% in the Affluent segment.
 - Within Affluent, Quilter channel new business gross inflows were broadly consistent with the first and second quarter run-rate, with year-to-date gross new business of £2.7 billion, 7% ahead of 2022 levels (£2.5 billion), and net inflows of £1.3 billion modestly (1%) ahead of the comparable period.
 - The strength of our platform proposition continues to be demonstrated by increased new business market share, with the Quilter Platform becoming the largest advised platform in the UK at the end of the second quarter (Source: Fundscape). Gross inflows from the IFA channel onto the Platform in the third quarter increased 20% on the comparable period to £1.3 billion (Q3 2022: £1.1 billion). The impact of outflows from industry consolidation and higher client drawdowns led to a modest outflow in the IFA channel during the quarter.
 - Within High Net Worth, clients’ continued portfolio repositioning given the current macro environment led to an outflow in the IFA/directly sourced channel, with this partially offset by net inflows in the Quilter channel.
- Third quarter non-core net outflows of £119 million were consistent with the quarterly run-rate in the first half, after adjusting for the one-off fund closures of c.£200 million in the second quarter.
- Productivity: Quilter channel annualised gross sales per Quilter Adviser of £2.7 million for the third quarter, up 23% on prior year period.
- 2023 Q4 trading update will be announced on 24 January 2024 and results for the year ended 31 December 2023 will be announced on 6 March 2024.

Quilter plc: Three months ended 30 September 2023

Quilter plc, unaudited	Q3 2023	Q3 2022
AuMA: Reported (£bn)	101.4	96.9
<i>Of which are administered on the UK Platform</i>	69.6	64.6
<i>Of which are administered on external platforms</i>	7.0	8.1
<i>Of which High Net Worth</i>	25.7	24.9
Gross flow: Reported (£m)	2,650	2,384
Net flow: Core (£m)	1	324
Net flow: Reported (£m)	(118)	236
Productivity: Quilter channel gross sales per Quilter Adviser (£m, annualised)	2.7	2.2

Quilter plc: Nine months ended 30 September 2023

Quilter plc, unaudited	Q3 2023	Q3 2022
AuMA: Reported (£bn)	101.4	96.9
Gross flow: Reported (£m)	8,195	8,293
Net flow: Core (£m)	657	1,880
Net flow: Reported (£m)	81	1,628
Productivity: Quilter channel gross sales per Quilter Adviser (£m, annualised)	2.7	2.3

Steven Levin, Chief Executive Officer of Quilter plc, commented:

"I am pleased to have delivered steady AuMA in our seasonally slowest quarter in what remains a challenging market for new business. The Quilter channel continues to drive strong net flows in both our Affluent and High Net Worth segments. Quilter channel gross sales per Quilter Adviser remained at robust levels during the quarter and were over 20% higher than that achieved in the prior year comparative period. Notably, both gross and net flows from the Quilter channel in both segments were up on the comparative quarter a year ago despite overall market flows expected to have declined over the period.

"We continue to grow our share of new business from IFAs onto our Platform, with the third quarter experiencing a 20% increase versus Q3 2022. We were delighted to have the strength of our competitive position recognised with our recent award for Best Large Platform as voted by advisers at the Schroders UK Platform Awards.

"Our open and unbundled business model positions us well from both a competitive and consumer duty perspective. I look forward to updating the market on the initiatives we are working on to improve Platform net flows and the progress we are making on our broader strategic plans at our Full-Year results in March 2024."

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About Quilter plc

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

Quilter oversees £101.4 billion in customer investments as at 30 September 2023.

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: **Affluent** and **High Net Worth**.

Affluent encompasses the financial planning businesses, Quilter Financial Planning, the Quilter Investment Platform and Quilter Investors, the Multi-asset investment solutions business.

High Net Worth includes the discretionary fund management business, Quilter Cheviot, together with Quilter Private Client Advisers.

Disclaimer

This announcement may contain certain forward-looking statements with respect to 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, the implications and economic impact of the longer-term consequences of the COVID-19 pandemic and the conflict in Ukraine, 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.

Quilter plc data tables for the three months ended 30 September 2023 (£bn) – unaudited

	AuMA as at 30 June 2023	Gross flows (£m)	Net flows (£m)	AuMA as at 30 September 2023	Of which managed by Quilter AuM as at 30 September 2023
2023 Q3 gross flows, net flows & AuMA (£bn), unaudited					
AFFLUENT SEGMENT					
Quilter channel	15.9	878	414	16.1	12.4
IFA channel on Quilter Investment Platform	55.8	1,258	(187)	55.6	9.8
Funds via third-party platform	1.6	77	(76)	1.6	1.6
Total Affluent segment core business	73.3	2,213	151	73.3	23.8
HIGH NET WORTH SEGMENT					
Quilter channel	2.6	124	91	2.7	2.7
IFA channel incl. Direct	23.3	363	(207)	23.0	23.0
Total High Net Worth segment	25.9	487	(116)	25.7	25.7
Inter-Segment Dual Assets¹	(0.9)	(69)	(34)	(0.9)	(0.3)
Quilter plc core business	98.3	2,631	1	98.1	49.2
Non-core	3.4	19	(119)	3.3	2.1
Quilter plc reported	101.7	2,650	(118)	101.4	51.3
Affluent AuMA breakdown (incl. Non-core):					
Affluent administered only	51.1	1,161	(79)	50.7	
Affluent managed and administered	18.3	822	369	18.9	
Affluent external platform	7.3	249	(258)	7.0	

¹Inter-segment dual assets reflect funds sold by Quilter Cheviot and managed by Quilter Investors and the Quilter Cheviot bespoke managed portfolio services solution available to advisers on the Quilter Investment Platform. This is excluded from total AuMA to ensure no double count takes place.

Quilter plc data tables for the nine months ended 30 September 2023 (£bn) – unaudited

	AuMA as at 31 December 2022	Gross flows (£m)	Net flows (£m)	AuMA as at 30 September 2023	Of which managed by Quilter AuM as at 30 September 2023
2023 YTD gross flows, net flows & AuMA (£bn), unaudited					
AFFLUENT SEGMENT					
Quilter channel	15.4	2,653	1,277	16.1	12.4
IFA channel on Quilter Investment Platform	54.1	3,815	(170)	55.6	9.8
Funds via third-party platform	2.0	221	(266)	1.6	1.6
Total Affluent segment core business	71.5	6,689	841	73.3	23.8
HIGH NET WORTH SEGMENT					
Quilter channel	2.4	390	286	2.7	2.7
IFA channel incl. Direct	23.1	1,247	(348)	23.0	23.0
Total High Net Worth segment	25.5	1,637	(62)	25.7	25.7
Inter-Segment Dual Assets¹	(0.8)	(191)	(122)	(0.9)	(0.3)
Quilter plc core business	96.2	8,135	657	98.1	49.2
Non-core	3.4	60	(576)	3.3	2.1
Quilter plc reported	99.6	8,195	81	101.4	51.3
Affluent AuMA breakdown (incl. Non-core):					
Affluent administered only	50.0	3,532	223	50.7	
Affluent managed and administered	17.0	2,442	1,070	18.9	
Affluent external platform	7.9	775	(1,028)	7.0	

¹Inter-segment dual assets reflect funds sold by Quilter Cheviot and managed by Quilter Investors and the Quilter Cheviot bespoke managed portfolio services solution available to advisers on the Quilter Investment Platform. This is excluded from total AuMA to ensure no double count takes place.

Quilter plc data tables for the three months ended 30 September 2022 (£bn) – unaudited

	AuMA as at 30 June 2022	Gross flows (£m)	Net flows (£m)	AuMA as at 30 September 2022	Of which managed by Quilter AuM as at 30 September 2022
2022 Q3 gross flows, net flows & AuMA (£bn), unaudited					
AFFLUENT SEGMENT					
Quilter channel	14.8	771	395	14.8	11.2
IFA channel on Quilter Investment Platform	53.7	1,052	(106)	52.4	8.6
Funds via third-party platform	2.2	48	(143)	2.1	2.1
Total Affluent segment core business	70.7	1,871	146	69.3	21.9
HIGH NET WORTH SEGMENT					
Quilter channel	2.3	67	55	2.3	2.3
IFA channel incl. Direct	22.9	452	167	22.6	22.6
Total High Net Worth segment	25.2	519	222	24.9	24.9
Inter-Segment Dual Assets¹	(0.7)	(32)	(44)	(0.7)	(0.2)
Quilter plc core business	95.2	2,358	324	93.5	46.6
Non-core	3.5	26	(88)	3.4	2.2
Quilter plc reported	98.7	2,384	236	96.9	48.8
Affluent AuMA breakdown (incl. Non-core):					
Affluent administered only	49.7	1,064	52	48.6	
Affluent managed and administered	16.1	632	244	16.0	
Affluent external platform	8.4	201	(238)	8.1	

¹Inter-segment dual assets reflect funds sold by Quilter Cheviot and managed by Quilter Investors and the Quilter Cheviot bespoke managed portfolio services solution available to advisers on the Quilter Investment Platform. This is excluded from total AuMA to ensure no double count takes place.

Quilter plc data tables for the nine months ended 30 September 2022 (£bn) – unaudited

	AuMA as at 31 December 2021	Gross flows (£m)	Net flows (£m)	AuMA as at 30 September 2022	Of which managed by Quilter AuM as at 30 September 2022
2022 YTD gross flows, net flows & AuMA (£bn), unaudited					
AFFLUENT SEGMENT					
Quilter channel	16.6	2,484	1,261	14.8	11.2
IFA channel on Quilter Investment Platform	60.0	3,926	548	52.4	8.6
Funds via third-party platform	2.5	189	(469)	2.1	2.1
Total Affluent segment core business	79.1	6,599	1,340	69.3	21.9
HIGH NET WORTH SEGMENT					
Quilter channel	2.5	261	215	2.3	2.3
IFA channel incl. Direct	26.2	1,520	519	22.6	22.6
Total High Net Worth segment	28.7	1,781	734	24.9	24.9
Inter-Segment Dual Assets¹	(0.2)	(222)	(194)	(0.7)	(0.2)
Quilter plc core business	107.6	8,158	1,880	93.5	46.6
Non-core	4.2	135	(252)	3.4	2.2
Quilter plc reported	111.8	8,293	1,628	96.9	48.8
Affluent AuMA breakdown (incl. Non-core):					
Affluent administered only	55.9	3,897	1,075	48.6	
Affluent managed and administered	17.3	2,023	806	16.0	
Affluent external platform	10.1	814	(793)	8.1	

¹Inter-segment dual assets reflect funds sold by Quilter Cheviot and managed by Quilter Investors and the Quilter Cheviot bespoke managed portfolio services solution available to advisers on the Quilter Investment Platform. This is excluded from total AuMA to ensure no double count takes place.