St James's Place Special Report

For the second year running, Citywire has analysed the fees earned by financial services giant St James's Place (SJP) on its £96 billion fund range and compared them with the fees paid to the fund managers who actually run the money.

The results are once again startling.

Our SJP Report shines a rare ray of transparency on the commercial terms between massive distributors such as SJP and the asset management groups they sub-contract to. It also raises important questions over whether investors in SJP's funds are getting value for money.

SJP says they are and points to customer satisfaction surveys and the broad range of services it provides beyond the funds themselves – such as tax, ongoing advice, fund platform and administration services. Many of its clients are sophisticated investors who would know how to measure good value.

This year, we have added a new feature: a comprehensive analysis of the performance of SJP's funds, including a synthetic adjustment to accommodate its unique business model.

Elliot Smith reports.

The largest fund St James's Place (SJP) offers its clients is the £9 billion SJP Global Equity fund. Like all SJP funds, the investment is contracted out to an external manager, in this case BlackRock. BlackRock earned £18.2 million for managing this fund last year. But what did SJP earn? The answer is £113 million.

This pattern is repeated across the board with the 36 SJP unit trust funds it offers clients. Another, arguably more eyebrow-raising, example would be a simple Money Market fund, in this case run by State Street. It totals over £4 billion and, like all comparable funds, invests in short-term cash instruments. State Street earned £1.6 million for running this fund. SJP got £13.7 million.

The starkest example in terms of relative earnings is once again the £1.2 billion Alternative Assets fund, where SJP's fee of £15.5 million is approximately 30 times the level paid to external fund manager BlackRock, which received £402,000. As of 30 July, BlackRock has been replaced as manager of the fund by Boston-based Wellington Management.

The table on page 10 of this report shows the fees on each one of the 36 SJP funds based on those funds' accounts.

In total SJP earned £926 million in fees from this fund range in the year to September 2017/March 2018.

For the record, the external fund managers collectively earned £247 million.
Most external fund managers want to run money for SJP – because of its sheer scale. SJP funds under management are currently £96.6 billion, as of the group's annual report published in August 2018. So they have risen by £18 billion since August 2017.

But how is it that SJP is able to charge so much more than the external fund managers it uses? What does it provide for this significantly larger figure? Are clients getting value for money? Why is it able to use a bundled model in a world where regulation drives transparency and unbundling? SJP clients in some circumstances also pay an initial 5% fee on the funds they invest in. When is that charge levied?

This year we took our analysis one step further by looking at the performance of the SJP fund range and comparing it with funds in the same sectors.

COMPARISON WITH LAST YEAR

Given this is the second year we have trawled the SJP fund accounts, what are the significant changes?

Last year SJP's earnings from its unit trust fund range were £700.5 million, 3.81 times that of its fund manager partners. This time they are £927 million, 3.74 times that of its partners.

On the next page are some of the funds SJP earns comparatively the most from compared with the funds' managers (see table on page three).

However there are a couple of curious individual changes that we feel are worth pointing out. In only two instances the size of the funds have declined over the previous year. But SJP fees in those cases have stayed the same or even risen. In one case the fund manager took a significant haircut on its fees, possibly the result of a fee renegotiation. In the other, the fund manager fee was surprisingly unchanged.

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FUND NAME	MANAGER NAME	SJP EARNINGS (£,000)	FUND MANAGER EARNINGS (£,000)
Alternative Assets	BlackRock Advisors (UK)	15,547	402
Equity Income	RWC Asset Management	29,843	5,472
Global Equity Income	Manulife Asset Management	33,778	8,608
Global Equity	BlackRock Investment Management	113,364	18,219
Managed Growth	Schroders	59,285	10,643
Money Market	State Street Global Advisors	13,720	1,592
Multi Asset	Payden & Rygel; Schroder IM; Invesco AM	46,979	11,514

Source: SJP funds' annual accounts

The first of the two funds is the UK High Income unit trust, run by Woodford Investment Management. Last year Woodford was paid £5.5 million for managing the then £1.9 billion fund, while SJP earned £25.4 million.

Woodford's struggles of late have been well documented. The fund has shrunk from £1.9 billion to £1.6 billion over the year. Performance has not been good, the fund returning 1.94% for investors over three years. We will return to this later.
With a decrease in assets of this size, you would expect the fees paid to both sides to decline too. In fact they are virtually identical, both showing very slight material reductions but marginal percentage increases. The fund managers are paid as a percentage of the value of the fund and not as a flat fee irrespective of the fund size. Woodford's main owner, Neil Woodford, has enjoyed a long and very successful relationship with SJP, which has significantly benefited clients too over the long term.

The only other fund to reduce in size was the SJP Allshare Income, which fell from £997.4 million to £929.8 million. You would expect SJP's fees to decline. In percentage terms they increased from 1.38% to 1.48%. However, in this case fund manager AXA Investment Managers took a significant cut in its fees.

In percentage terms AXA earned 0.33% this year, down from 0.55% last year. It looks like a serious negotiation went on, resulting in AXA taking a big cut. SJP did not share the pain, however.

Negotiating power and fund manager relationships are integral to SJP's claim that it can access better deals for the end client. Negotiations do not necessarily take place every year, but SJP continually reviews its external managers, with price naturally forming part of that equation. SJP says any savings it makes here are immediately passed through to the client and reflected in the total cost they pay for their investment.

SJP says the ongoing charges figure (OCF) set out in the key investor information documents (KIIDS) covers the fee to the investment adviser, the costs of running the fund (e.g. audit fees, custody charges), ongoing monitoring by the investment committee and third-party consultants Stamford Associates and Redington, client administration and reporting, which is equivalent to platform charges in standard IFA business models, and ongoing face-to-face advice.

A spokesman for SJP told *New Model Adviser®*: 'When looking at the distribution of our total charges that are collected from our funds, it's important to be clear on what these charges cover. It is not just the costs of running funds on behalf of clients.

'The St James's Place income includes all elements of our service. This includes

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ongoing advice charges, all administration costs that would be covered by a platform charge elsewhere and the costs of running the fund infrastructure.

'The amount paid to the investment manager covers their fees for running the investment mandate we give them. This cost is negotiated as part of the manager selection process and any preferential terms are passed on in full to the benefit of clients as part of the total charge.

'The total charge is clearly disclosed to clients in their illustration, as well as in the various KIDs provided, so they know exactly how much they are paying prior to investing.'

THE FIVE PER CENT CHARGE

What the accounts and our SJP table do not show or include is a large charge that is sometimes made up front. In certain circumstances, SJP clients also pay a 5% entry charge on each fund.

SJP says this covers the cost of setting up the investment and the initial advice.

It is worth explaining the 5% charge in more detail.

When investing via SJP's unit trusts, clients pay 5% of the money they are about to invest as an initial advice fee (taken from the client's funds before the investment is made). The ongoing charge (as appearing on the KIID for any unit trust or Oeic) starts immediately (around 1/365th of the annual charge is taken each day). This is reflected in the daily unit prices.

SJP says: '[The 5% charge] is separate from the ongoing charge (from which the SJP fee and fund manager fee is taken – i.e. the number from the annual reports your calculations have been based on), which covers the cost of ongoing advice, the fee to the investment adviser, the cost of the running, admin and reporting, and ongoing monitoring.'

THE INCREDIBLE NON-SHRINK FEES

SJP attributes the shrinking fund sizes to sentiment flows, i.e. clients choosing other funds in preference. The difference in earnings is attributed to a discrepancy in the two ways fund fees are calculated.

The SJP annual management charge is calculated on a daily basis using a daily net asset value (NAV), and the fund manager fee is calculated on a monthly basis using a month-end NAV.

Fluctuations in a fund size are therefore picked up more with a daily calculation than a monthly calculation, which explains why there is not a linear correlation in how these figures move, says SJP.

We are not privy to SJP's commercial deals – and to be clear we are not saying anyone has done something wrong. One partial explanation may be that SJP fees cover some services that arguably are not dependent on the size of the fund if they are provided on a fixed fee basis.

Our plain English understanding of this 5% charge is as follows:

To start with, SJP clients pay an initial advice charge of up to 4.5%. The particular SJP Partner who is responsible for the client will typically receive two-thirds of this money. Remember SJP Partners are self-employed so this is a genuine cost to SJP.

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The 5% also helps fund an ongoing advice charge of 50 basis points each year – certainly in year one. In subsequent years this comes out of the fees SJP charges as shown in the table.

The same advice charges apply across SJP's range, although the overall charging structure is different for different products.

THE SJP ADVICE ARM

At this point it is worth noting that SJP's advice arm, SJP Wealth Management, made a loss of £35.4 million in the 2017 financial year. That was an increase on the loss of £24.8 million recorded the previous year. But even though losses have increased, turnover was greater too. The advice business had £893 million in revenues, up from £735 million in 2016. But the cost of sales was the crucial factor, increasing from £657 million to £801.5 million. Of that figure, £799.2 million are 'amounts paid to partners in respect of the provision of advice'. What does this show? Well, the money SJP makes from its funds does not feed straight into the advice business. It is used for all sorts of things, of which advice charges are just one part. But it is different from a standard advice business, which will either cover its full costs of advice with a flat fee or more commonly through a percentage charge on invested assets.

WHO GOT WHAT

This year we have included a new exercise, seeking to show not just how much SJP and the fund managers earned, but also including the aggregate amount of return to the investors in SJP funds.

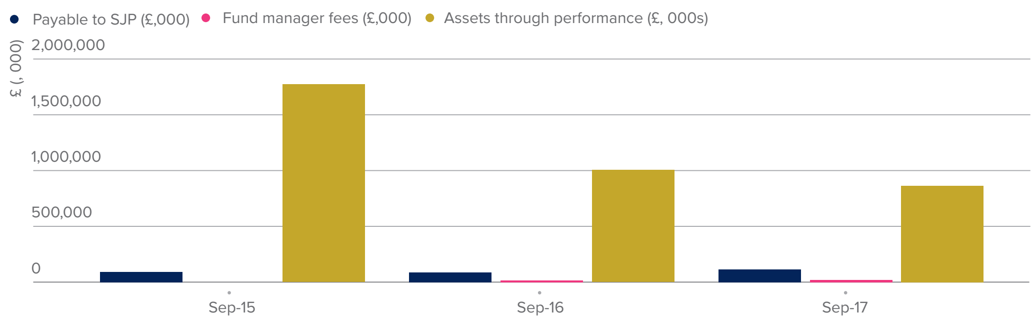
The charts below show a breakdown of five SJP's funds over the past three years, in terms of SJP and external manager earnings and overall returns to clients.

The funds we have chosen are Global Equity, its biggest fund, Strategic Managed, its second biggest, North American, the best performer, Gilts, the worst performer, and High Income, the fund run by well-known fund manager Neil Woodford. In all these cases, SJP's earnings from the fund have increased year on year, even in the Gilts fund, which has not been a performer for those with money in it over that period.

PERFORMANCE OF SJP FUNDS

We compared the performance of funds with other funds on the open market. Using data from Lipper, we have established where the SJP funds would sit in terms of percentile – at the risk of stating the obvious, 99th percentile means the fund is the best performer. Top

ST JAMES'S PLACE FUNDS - UK HIGH INCOME WOODFORD INVESTMENT MANAGEMENT



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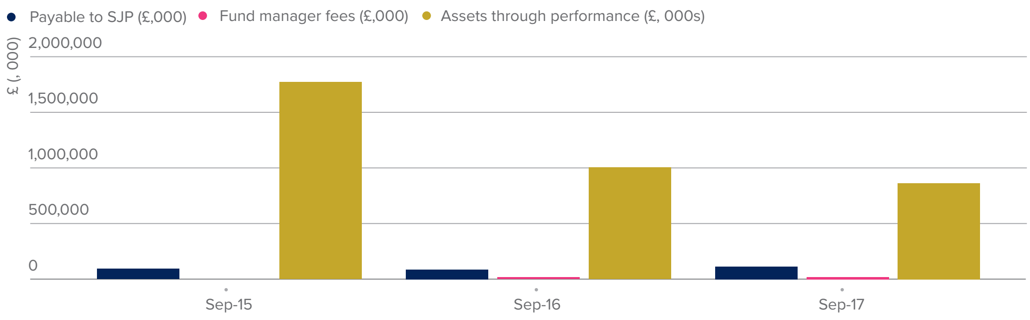
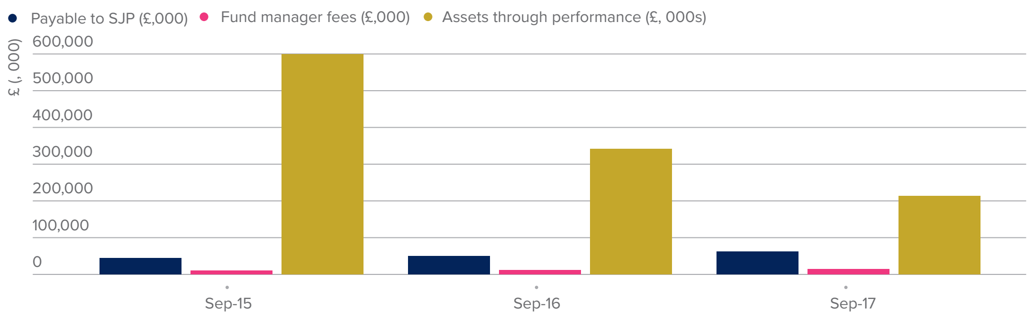
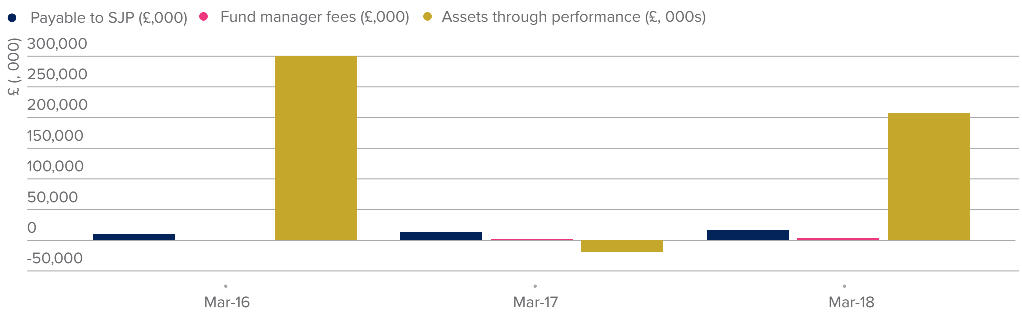
ST JAMES'S PLACE FUNDS - GLOBAL EQUITY BlackRock; EdgePoint; Sands Capital; Tweedy, Browne



ST JAMES'S PLACE FUNDS - STRATEGIC MANAGED Threadneedle



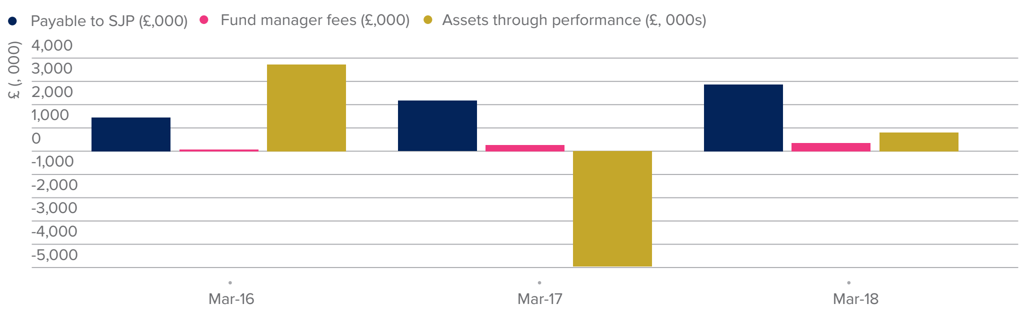
ST JAMES'S PLACE FUNDS - NORTH AMERICAN FUND Aristotle Capital Management, £1.3 billion



Disclaimer / Methodology for all charts:
The asset through performance figures were created by taking the mandate size at the beginning of the reporting period, and multiplied by the fund's performance for that year. This was done in order to give a rough estimate of how the fund size varied due to its performance.

Source: SJP; Lipper

ST JAMES'S PLACE FUNDS - GILTS Wellington Management International



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quartile means the fund is in the top 25% of funds in terms of performance.

Over a three-year period, SJP has 13 funds in the bottom quartile and just two in the top quartile. On average, SJP funds fall into the 37th percentile, which on the face of it is a poor result. However, SJP's unique structure means the funds cannot necessarily be compared like for like.

The SJP spokesman said: 'It's important when comparing performance to do so on a like-for-like basis. St James's Place fund performance is calculated net of all charges, however most Lipper funds show performance before the deduction of platform costs and ongoing advice. Such deductions could reduce the stated performance of these funds by around 0.75% to 1% each year for advised investors.'

Citywire head of investment research Frank Talbot said: 'SJP's argument that it's not fair to compare their products directly with most of the funds in the peer groups they sit in has merit. After all, most money is not self-directed, so some level of additional charges will be incurred for most investors.'
But this bundled approach to charging also makes the performance of its funds more difficult to judge against other funds on the open market. However, it is still possible to make a reasonable assessment of how well an advised client invested in SJP's portfolios will have fared compared with a person who pays a typical advice charge to invest in other retail funds.

ADJUSTING FOR CHARGES

To show what impact an adviser and platform charge might have, we added a further scenario to the data. We added 1% compounded to three-year numbers to give a synthetic rank for SJP. Things certainly do improve, with the group average moving from the 37th percentile to 51st; in other words bottom of the second quartile.

SJP's biggest funds are: Global Equity (BlackRock) at £9.1 billion; Strategic Managed (Threadneedle) at £5.3 billion and Managed Growth (Schroders) at £5.1 billion. Another fund of note is Neil Woodford's UK High Income, which has assets of £1.6 billion. How have they performed over the three years to the end of May 2018?

- The Strategic Managed fund, returned 17.99% over three years and ranks 112th out of 370 funds in the Mixed Asset - GBP Balanced peer group. Our synthetic adjustment moves this up to 21.02% and 66th overall.
- The Global Equity fund returned 35.74% over three years placing it in the 55th percentile (291/645) in its Equity - Global peer group. With adjustments, this improves to 38.77% returns and moves the fund into the 66th percentile (222/645). But in either case, it has still underperformed the FTSE World Index's total return of 45.43% over that period.
- Managed Growth returned 20.26% over three years and ranked in the 41st percentile (131/222) in the Mixed Assets - Aggressive sector. After adjustment, this improves to 23.29% and moves the fund into the 58th percentile (93/222).
- Woodford's High Income fund has returned only 1.94% growth for investors over three years. This places it 97th out of 98 comparable funds. While it has fared slightly better over five years, delivering 30.07% growth, this still places it 85th out 93 in the sector). Our synthetic adjustment improves the three-year growth to 4.97% and pushes the fund into the 7th percentile, still ranking 91 out of 98.

SJP's top performer is its North American fund (Aristotle Capital Management, £1.3 billion), which ranks in the top quartile over three and

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five years. Over three years it returned 57.86% and is ranked in the 84th percentile (39/239) in Equity US. Our synthetic 1% brings this up to the 89th percentile (27/239) over three years. This is a significant accomplishment, given the rarity of outperforming US equity funds, even without the 1% a year added back in.

The Balanced Managed fund (AXA Investment Managers, £5 billion) has also been strong. It returned 17.73% over three years, (119/370) placing in the 68th percentile over three years and 80th percentile over five in the Mixed Assets GBP Balanced sector. The adjusted figures push this up to the 82nd percentile (68/370).

Its third best performing fund over three year is the £929.84 million Allshare Income fund, also run by AXA. This came in the 77th percentile over three years (23/98) with our synthetic adjustment, returning 21.46%, and 65th over five (22/93). With the synthetic adjustment, the three-year figures improve to the 89th percentile (11/98) with returns of 24.49%.

SJP funds have had their best performance over a one-year time period, with three funds in the top quartile: Corporate Bond (Invesco, £2 billion) returning 0.51%, Investment Grade Corporate Bond (Loomis Sayles, £2.2 billion) at 1.27%, and Equity Income (RWC, £2.2 billion) at 8.05%. These figures do not include the 1% synthetic adjustment, which we have only applied to the three-year data.

Nine funds still feature in the bottom quartile, the worst performers being:

- Gilts (Wellington Management International, £313 million): 3rd percentile over three and five years and zero over one year, with a three-year return of 3.57% it ranked 29/30 in the Government Bond GBP sector. Synthetic adjustment improves this slightly to a 6.6% return, 27/30 over three years.
- Worldwide Income (Investec, £225 million): it had only one year's worth of performance data but was 3rd percentile (745/770) in the Equity - Global sector with a return of -3.61%.
- Global Equity Income (Manulife Asset Management, £2.4 billion): the fund returned 26.55% over three years but this only put it in the 23rd percentile (496/645) in the Equity - Global Sector, which returned 43.43% over that period. With the adjustment, this moves to 29.58% return over three years, placing it in the 33rd percentile (433/645).

It must be stressed the above adjustments are not particularly scientific, as there are many variables. Advice charges vary from firm to firm and depend on complexity or wealth from client to client. Other factors include the date the fee was charged, and fund performance before and after the charge date. Those accessing funds direct will pay a small platform charge if using the likes of Hargreaves Lansdown or AJ Bell for example, though some funds can also be bought without using online platforms.

The synthetic 1% adjustment, while showing SJP fund performance in a fairer comparative light in the advised world, nevertheless still means that only four funds have outperformed the benchmark Citywire has assigned to the relevant peer group over the three years to 2017/18. Without the 1% adjustment, this falls to two funds outperforming. However, we were unable to benchmark all the funds, so this number could increase.

However, SJP prefers to examine its portfolios as a sum of their parts rather than focusing on the components that go into them, pointing to impressive performance against ARC Private Client Indices.

The SJP spokesman added: 'St James's Place

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clients typically invest with us for 14 years and our solutions are designed to build wealth over the long term. Clients do not invest in a single fund, but a diversified portfolio of typically eight to 10 funds, and performance is one of many factors used when constructing a portfolio.

'On average, 87% of St James's Place portfolios have consistently outperformed the industry standard ARC Private Client Indices' over a rolling five-year period, and our clients have seen an average annualised growth of 7.2% over five years after charges.'

COMMENT – *NEW MODEL ADVISER®* EDITOR WILL ROBINS

SJP's investment proposition has a simple message to clients: superior returns over the long term achieved by using its negotiating power to secure mandates from the best managers and, where it can, pass savings on to investors. Its fund proposition is also the engine room of the business and is SJP's biggest source of revenue.

So does it deliver value for money for SJP's clients? SJP would say clients do not typically buy funds in isolation but are invested in portfolios designed to perform a certain way in certain conditions. But this argument only results from SJP's nature as both intermediary and asset manager. We must be able to judge it against what other asset management firms provide, and that is by looking at the performance of its funds.

Now, a distorting factor when judging its fund performance is SJP's claim that its reported fund performance data is net of the costs it extracts for platform costs and ongoing advice.

But this is where the picture becomes foggy for the SJP client. Up to this point, SJP's unit trust funds are uniquely transparent: it is rare we are able to dig into the performance of every fund used by an advice firm or measure the earnings of every fund provided by an asset manager. Yet it is hard to see where the cost of investment ends and the cost of advice begins. There is no itemised bill for clients.

This is a bundled approach at odds with the direction of travel taken by the rest of the market since the retail distribution review.

That is not to say some, indeed most, SJP clients are happy with this arrangement. There are high-flying professionals, including people from within the investment world, who use SJP for their advice and investment and are very happy with it. But my view is that SJP really does work best for people with complex circumstances, and big sums to invest. SJP will not charge for, say, tax planning as a discrete service on top of other advice that has been given. If you expect to need this service, on more than one occasion, probably also involving other family members and life events in the future, the all-in fee may work perfectly well for you. It works well for the SJP adviser too, who can focus on you as a client or family unit rather than hunting for new business.

I spoke to SJP's chief investment officer Chris Ralph in May this year. He gave the example of sitting with a 'substantial client' talking about investment accompanied by a tax adviser colleague.

'There must have been a number of different occasions where a client has said: "so explain to me how much extra this tax planning is?" No it's all part of the service. "But XYZ other adviser said I was going to have to pay £40,000 for that additional piece of advice". I think that is a very compelling part in that this is not about us selling a suite of investments to every single client, it is about us providing holistic wealth management.'

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Ralph goes on to explain that advice often applies to family units or is later expanded to intergenerational planning issues.
I said it sounded like it is good for a client to have complicated needs or a family who can benefit from these services to be a typical SJP client. Ralph agreed that was 'the actuality of the experience we have'. He added a 'substantial proportion' of new investment comes from existing clients 'giving us more money or existing clients making referrals'.

This is the nub of the question. SJP's proposition is not outrageously expensive, nor very poor performing. And it is perfectly legitimate for someone to want an all-in service where they do not have to keep writing cheques. But I wonder what the true value is for the client with fewer assets, the lump sum investor or someone with simple needs? What opportunity do they get to save money on the services they do not need? With SJP, go big, or go elsewhere. ●

SJP's earnings laid bare (2017/18)

FUND NAME	MANAGER NAME	FUND SIZE (£,000)	SJP EARNINGS (£,000)	FUND MANAGER EARNINGS (£,000)	SJP AS %	MANAGER AS %	TOTAL CHARGE (£,000)	OCF	ENTRY
Allshare Income	AXA IM UK	929,842	13,740	3,046	1.48	0.33	16,786	1.81%	5%
Alternative Assets	BlackRock Advisors (UK)	1,264,550	15,547	402	1.23	0.03	15,949	1.26%	5%
Asia Pacific	First State Investments (Hong Kong)	2,000,010	25,996	11,242	1.30	0.56	26,992	1.86%	5%
Balanced Managed	AXA IM UK	4,975,386	59,822	18,575	1.20	0.37	78,397	1.58%	5%
Continental European	S. W. Mitchell Capital	410,505	4,891	2,696	1.19	0.66	7,587	1.85%	5%
Corporate Bond	Invesco Asset Management	1,909,280	21,048	6,626	1.10	0.35	27,674	1.45%	5%
Diversified Bond	Payden & Rygel; TwentyFour; Brigade	1,157,943	9,735	3,940	0.84	0.34	13,675	1.18%	5%
Emerging Markets Equity	Wasatch	696,890	8,162	3,187	1.17	0.46	11,349	1.63%	5%
Equity Income	RWC Asset Management	2,236,407	29,843	5,472	1.33	0.24	35,315	1.57%	5%
Ethical	Aberdeen Asset Managers	267,062	3,640	632	1.36	0.24	4,272	1.60%	5%
Gilts	Wellington Management International	318,740	2,863	358	0.89	0.11	3,221	1.03%	5%
Global Emerging Markets	Henderson Global Investors	822,808	10,888	4,329	1.32	0.53	15,217	1.85%	5%
Global Equity Income	Manulife Asset Management	2,421,116	33,778	8,608	1.40	0.36	42,386	1.76%	5%
Global Equity	BlackRock Investment Management	9,119,400	113,364	18,219	1.24	0.20	131,583	1.44%	5%
Global	Artisan Partners	3,079,984	44,096	12,928	1.43	0.42	57,359	1.85%	5%

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SJP's earnings laid bare (2017/18) continued....

FUND NAME	MANAGER NAME	FUND SIZE (£,000)	SJP EARNINGS (£,000)	FUND MANAGER EARNINGS (£,000)	SJP AS %	MANAGER AS %	TOTAL CHARGE (£,000)	OCF	ENTRY
Global Smaller Companies	Paradice Investment Management	460,517	5,400	2,913	1.17	0.63	8,313	1.79%	5%
Greater European Progressive	S. W. Mitchell Capital	1,186,716	15,163	4,967	1.28	0.42	20,130	1.70%	5%
Index Linked Gilts	BlackRock Investment Management	266,329	2,664	178	1.00	0.07	2,842	1.07%	5%
International Corporate Bond	Capital Four Management Fondsmaeglerselskab, Oaktree Capital Management	2,441,732	24,848	7,528	1.02	0.31	32,376	1.33%	5%
International Equity	Magellan Asset Management	4,328,956	54,648	15,297	1.26	0.35	69,945	1.61%	5%
Investment Grade Corporate Bond	Loomis Sayles	2,054,195	20,480	2,859	1.00	0.14	23,339	1.14%	5%
Managed Growth	Schroders	5,139,940	59,285	10,643	1.15	0.21	69,928	1.36%	5%
Money Market	State Street Global Advisors	4,038,950	13,720	1,592	0.34	0.04	15,312	0.38%	5%
Multi Asset	Payden & Rygel; Schroder IM; Invesco AM	4,084,469	46,979	11,514	1.15	0.28	58,493	1.43%	5%
North American	Aristotle Capital Management	1,282,900	16,014	2,909	1.25	0.23	18,923	1.48%	5%
Property	Orchard Street	1,125,585	14,498	2,049	1.29	0.18	19,412	1.72%	5%
Strategic Income	BlueBay; MidOcean Credit FM; Schroder IM; TwentyFour	3,209,503	31,590	11,673	0.98	0.36	43,263	1.34%	5%
Strategic Managed	Threadneedle	5,303,549	61,866	14,487	1.17	0.27	76,353	1.44%	5%
UK & General Progressive	BlackRock; Majedie; J O Hambro	1,667,307	22,531	9,070	1.35	0.54	31,601	1.89%	5%
UK & International Income	Artemis	2,224,911	27,957	11,635	1.26	0.52	39,592	1.78%	5%
UK Absolute Return	BlackRock IM (UK)	633,594	8,012	3,244	1.21	0.48	11,267	1.69%	5%
UK Growth	Majedie	307,100	4,094	2,265	1.33	0.74	6,359	2.07%	5%
UK High Income	Woodford	1,619,872	25,230	5,551	1.56	0.34	30,781	1.90%	5%
UK Income	Majedie	527,178	6,901	3,150	1.31	0.60	10,051	1.91%	5%
Worldwide Income	Investec	225,205	1,117	300	0.50	0.13	1,417	0.63%	5%
Worldwide Opportunities	Burgundy; Artisan Partners; Select Equity	4,964,180	66,582	23,840	1.34	0.48	90,422	1.82%	5%
		78,702,611	926,992	247,924	1.18	0.35	869,061	1.53%	

The table shows how much SJP and the fund managers have each earned from the SJP funds sold to clients based on the latest available published accounts for the funds.

- The fund size figure is the closing value of the funds at the year-end as disclosed in the latest published accounts.
- The amount earned by SJP figure does not include any initial charges levied by SJP to its clients when they invest in the fund, typically 5%.
- The amount earned by SJP figure does include sums for items such as custody and administration, which SJP pays out to third parties.
- The amount earned by fund manager figure is charged in addition to the amount earned by SJP figure.
- In the final two columns, the percentage earned by SJP and the percentage earned by the fund manager, these figures are calculated by *New Model Adviser®* by dividing the respective amounts paid to SJP and the fund manager into the fund size. The actual percentages in the KIIDS (key investor information documents) for these funds will be different because they will reflect monies into and out of the funds during the year.
- In the published accounts of the SJP funds, the fund manager is referred to as the investment adviser. SJP is referred to as the manager.

ABOUT CITYWIRE

Citywire helps professional mutual fund buyers and investors around the world to **Make Better Investments™**.

We have been doing this since 1999 for select groups of professional investors across Europe, Asia, the US and Latin America.

Around the world, we produce **10** magazines and more than **40** websites and host around **3,500** delegates at **80** events every year. Citywire is based in London, which is home to most of our **220** staff. We also have offices in New York, Milan, Munich and Singapore.

Citywire has been analysing the careers of individual fund managers for more than 15 years. We believe that the people running funds are vitally important and that fund selectors need to know how these people have performed over multiple time periods, across different firms and when running different funds over the course of their careers. We are now tracking more than **16,000** individual fund managers running funds in **42** different countries.

Citywire publishes unique Fund Manager Ratings, which are supported by a sophisticated methodology approved by AKG, an independent actuary. A full report on the methodology and the approval of the ratings can be found at bit.ly/cw-akg. For a more comprehensive breakdown of how Citywire's ratings work, please visit Citywire at bit.ly/cwratings.

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