

20 July 2023

AJ Bell plc
Q3 trading update

AJ Bell plc ("AJ Bell" or the "Company"), one of the UK's largest investment platforms, today issues a trading update in respect of the three months ended 30 June 2023.

Performance overview

Platform business

- Customer numbers increased by 10,606 in the quarter to close at 465,614, up 12% in the last year and 2% in the quarter
 - Total advised customers of 156,368, up 10% in the last year and 2% in the quarter
 - Total D2C customers of 309,246, up 12% in the last year and 3% in the quarter
- Assets under administration ("AUA") closed at £69.8 billion, up 10% over the last year and 2% in the quarter
- Resilient AUA flows across the platform which once again demonstrates the strength of our dual-channel model, with momentum particularly strong for the D2C platform post tax year end
 - Gross inflows in the quarter of £2.4 billion (2022: £2.6 billion)
 - Net inflows in the quarter of £1.1 billion (2022: £1.6 billion)
- Market movements were negligible in the quarter

AJ Bell Investments

- Assets under management ("AUM") increased to £4.3 billion, up 72% over the last year and up 10% in the quarter
- Net inflows in the quarter of £0.4 billion, up 33% on the prior year (2022: £0.3 billion)

Michael Summersgill, Chief Executive Officer at AJ Bell, commented:

"Continued growth in customer numbers and net inflows of over £1 billion onto our platform in the quarter once again demonstrate the strength of our dual-channel platform model. Assets under administration on our platform now stand at a record high of £69.8 billion.

"Our investments business again grew strongly with assets under management increasing another 10% in the quarter to reach £4.3 billion. In a market where many asset managers are suffering persistent net outflows, the strong performance and low-cost nature of our multi-asset investment solutions continues to attract new assets in both the advised and D2C markets, with net inflows in the quarter of £0.4 billion.

"In the advised market there has been a moderation in transfer activity as advisers and their clients exercise more caution in the face of ongoing uncertainty in the macroeconomic environment. Despite that, we attracted £0.4 billion of net inflows to our advised platform during the quarter and added almost 3,000 new customers.

“Momentum in the D2C market remained strong after the tax year end as customers took advantage of their new annual ISA and pension allowances. Our open architecture platform ensures that customers have the flexibility to choose from a broad range of investment options depending on market conditions. The sharp rise in interest rates has stimulated strong demand for short-dated government bonds and money market funds, with eight of the 20 most popular investment choices by traded value in the quarter falling into these categories.

“More broadly, we are well prepared for the implementation of the new Consumer Duty coming into force at the end of this month. We believe this will be positive for consumers, with an increased focus on value for money and ensuring good customer outcomes set to improve standards within the market. It is important that there is no delay beyond the next year in the new duty applying to legacy pension schemes, particularly given the FCA has recently stated that savers in older schemes may be at greatest risk of poor value for money.

“We continue to see significant opportunities for growth in the platform market and believe we are well positioned to capitalise on these in both the advised and D2C segments.”

Three months ended 30 June 2023	Advised Platform	D2C Platform	Total Platform	Non- platform	Total
Opening customers	153,400	301,608	455,008	14,921	469,929
Closing customers	156,368	309,246	465,614	14,967	480,581

AUA and AUM (£billion)

Opening AUA	47.3	21.3	68.6	5.2	73.8
Inflows ⁽¹⁾	1.2	1.2	2.4	-	2.4
Outflows ⁽²⁾	(0.8)	(0.5)	(1.3)	-	(1.3)
Net inflows	0.4	0.7	1.1	-	1.1
Market and other movements ⁽³⁾	0.1	-	0.1	0.1	0.2
Closing AUA	47.8	22.0	69.8	5.3	75.1
Closing AUM	2.3	1.3	3.6⁽⁴⁾	0.7⁽⁵⁾	4.3

Three months ended 30 June 2022	Advised Platform	D2C Platform	Total Platform	Non- platform	Total
Opening customers	137,201	266,182	403,383	14,926	418,309
Closing customers	141,856	275,647	417,503	14,947	432,450

AUA and AUM (£billion)

Opening AUA	46.5	20.4	66.9	7.2	74.1
Inflows ⁽¹⁾	1.5	1.1	2.6	0.1	2.7
Outflows ⁽²⁾	(0.6)	(0.4)	(1.0)	(1.8)	(2.8)
Net inflows/(outflows)	0.9	0.7	1.6	(1.7)	(0.1)
Market and other movements ⁽³⁾	(3.1)	(1.9)	(5.0)	(0.3)	(5.3)
Closing AUA	44.3	19.2	63.5	5.2	68.7
Closing AUM	1.4	1.0	2.4⁽⁴⁾	0.1⁽⁵⁾	2.5

(1) Transfers-in, subscriptions, contributions and tax relief

(2) Transfers-out, cash withdrawals, benefits and tax payments

(3) Total investment returns and revaluations, net of charges and taxes

(4) Platform AUA which is held in AJ Bell's Funds or Managed Portfolio Service

(5) Assets which are held in AJ Bell's Funds or Managed Portfolio Service via third-party platforms

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Historical customer numbers, AUA and AUM by quarter

Advised Platform	Qtr to 30 June 2022	Qtr to 30 September 2022	Qtr to 31 December 2022	Qtr to 31 March 2023	Qtr to 30 June 2023
Customers	141,856	145,371	148,636	153,400	156,368
AUA and AUM (£billion)					
Opening AUA	46.5	44.3	44.8	46.0	47.3
Inflows ⁽¹⁾	1.5	1.5	1.2	1.4	1.2
Outflows ⁽²⁾	(0.6)	(0.6)	(0.7)	(0.8)	(0.8)
Net inflows	0.9	0.9	0.5	0.6	0.4
Market and other movements ⁽³⁾	(3.1)	(0.4)	0.7	0.7	0.1
Closing AUA	44.3	44.8	46.0	47.3	47.8
Closing AUM ⁽⁴⁾	1.4	1.7	1.9	2.1	2.3
D2C Platform					
	Qtr to 30 June 2022	Qtr to 30 September 2022	Qtr to 31 December 2022	Qtr to 31 March 2023	Qtr to 30 June 2023
Customers	275,647	280,281	285,729	301,608	309,246
AUA and AUM (£billion)					
Opening AUA	20.4	19.2	19.3	20.3	21.3
Inflows ⁽¹⁾	1.1	0.6	0.7	1.1	1.2
Outflows ⁽²⁾	(0.4)	(0.3)	(0.4)	(0.5)	(0.5)
Net inflows	0.7	0.3	0.3	0.6	0.7
Market and other movements ⁽³⁾	(1.9)	(0.2)	0.7	0.4	-
Closing AUA	19.2	19.3	20.3	21.3	22.0
Closing AUM ⁽⁴⁾	1.0	1.0	1.1	1.2	1.3
Non-platform					
	Qtr to 30 June 2022	Qtr to 30 September 2022	Qtr to 31 December 2022	Qtr to 31 March 2023	Qtr to 30 June 2023
Customers	14,947	14,937	14,909	14,921	14,967
AUA and AUM (£billion)					
Opening AUA	7.2	5.2	5.1	5.2	5.2
Inflows ⁽¹⁾	0.1	-	-	0.1	-
Outflows ⁽²⁾	(1.8)	(0.1)	(0.1)	-	-
Net (outflows)/inflows	(1.7)	(0.1)	(0.1)	0.1	-
Market and other movements ⁽³⁾	(0.3)	-	0.2	(0.1)	0.1
Closing AUA	5.2	5.1	5.2	5.2	5.3
Closing AUM ⁽⁵⁾	0.1	0.1	0.4	0.6	0.7
Total closing AUA	68.7	69.2	71.5	73.8	75.1
Total closing AUM	2.5	2.8	3.4	3.9	4.3

(1) Transfers-in, subscriptions, contributions and tax relief

(2) Transfers-out, cash withdrawals, benefits and tax payments

(3) Total investment returns and revaluations, net of charges and taxes

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(5) Assets which are held in AJ Bell's Funds or Managed Portfolio Service via third-party platforms

About AJ Bell:

Established in 1995, AJ Bell is one of the largest investment platforms in the UK, operating at scale in both the advised and direct-to-consumer markets.

Our purpose is to help people invest by providing them with easy access to Pensions, ISAs and General investment accounts, great customer service and competitive charges.

Our two core platform propositions are AJ Bell in the D2C market and AJ Bell Investcentre in the advised market, which both provide access to a broad investment range including shares and other instruments traded on the major stock exchanges around the world, as well as all mainstream collective investments available in the UK and our own range of AJ Bell funds.

In the D2C market we also offer Dodl by AJ Bell, a low-cost investment app with a simplified investment range that makes it easier for customers to choose investments and buy and sell them without paying any commission.

For D2C cash savers we offer a Cash savings hub which provides access to a range of competitive savings accounts to help people manage their long-term cash deposits. AJ Bell is headquartered in Manchester, UK, with offices in London and Bristol.

Forward-looking statements

This announcement contains forward-looking statements that involve substantial risks and uncertainties, and actual results and developments may differ materially from those expressed or implied by these statements. These forward-looking statements are statements regarding AJ Bell's intentions, beliefs or current expectations concerning, among other things, its results of operations, financial condition, prospects, growth, strategies, and the industry in which it operates. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. These forward-looking statements speak only as of the date of this announcement and AJ Bell does not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of this announcement.