

24 October 2024

abrdrn plc
Q3 2024: AUMA and flows trading update

abrdrn plc is today providing an update on its Q3 assets under management and administration (AUMA) and net flows.

Key highlights

- AUMA up 2% YTD to £507bn, reflecting positive markets and interactive investor net inflows
- Strong organic growth YTD in interactive investor: customers up 6% to 430k and AUMA up 13%
- Outflows in Investments driven by equities and Insurance Partners; performance transformation ongoing
- Actions being taken to address continued outflows in Adviser, with clear focus on service
- Transformation programme remains on track

AUMA and flows (unaudited)

	AUMA				Net flows		
	30 Sep 24 £bn	30 Jun 24 £bn	31 Dec 23 £bn	Q3 2024 YTD £bn	Q3 2023 YTD £bn	Q3 2024 £bn	Q3 2023 £bn
Institutional & Retail Wealth	209.0	210.7	211.2	(2.0)	(12.1)	(2.4)	(5.4)
Insurance Partners	159.2	158.6	155.5	(2.5)	(1.4)	(1.1)	(1.6)
Investments	368.2	369.3	366.7	(4.5)	(13.5)	(3.5)	(7.0)
Adviser	75.1	75.0	73.5	(3.0)	(1.1)	(1.0)	(0.5)
interactive investor	74.5	72.9	66.0	4.3	2.4	1.2	0.6
Eliminations	(11.1)	(11.3)	(11.3)	0.9	0.3	0.2	0.2
Total	506.7	505.9	494.9	(2.3)	(11.9)	(3.1)	(6.7)

Investments: AUM benefiting from positive markets with strong quarter for real assets; equity outflows reflect sectoral trends

- Investments AUM increased marginally YTD to £368bn, with positive market movements offset by net outflows and the sale of the private equity business. Net outflows YTD were lower at £4.5bn (9M 2023: net outflows of £13.5bn). Excluding the sale of private equity, AUM was up 2% YTD.
- AUM in Institutional & Retail Wealth in the quarter was broadly stable, with positive market movements offset by net outflows of £2.4bn. Net outflows were driven by equities, which continue to be affected by challenging conditions for flows across Asia and emerging markets, as well as switches to passive and quantitative strategies.
- We continued to attract net inflows in the quarter across liquidity (£0.3bn) and quantitative strategies (£0.4bn). Outflows of £0.8bn in fixed income in the quarter were largely driven by a single mandate redemption. Looking ahead, our positioning, performance and pipeline in fixed income remain strong, with a significant mandate win in the quarter not reflected in reported flows.
- Our real assets business attracted net inflows in the quarter of £1.0bn. This included the launch of a £0.4bn European concession infrastructure fund and the extension of our residential real estate capabilities to the Japanese market with a £0.6bn mandate for an existing client.
- Insurance Partners AUM was up slightly in the quarter and by 2% YTD. Net outflows were £1.1bn in the quarter, principally reflecting run-off in the heritage business.

Adviser: Taking action across the board to improve net flows, with improved service focus

- AUMA up 2% YTD to £75.1bn with stronger markets offsetting net outflows.
- Q3 2024 net outflows of £1.0bn remained elevated, despite a modest uptick in new business following the re-pricing announced in May.
- As set out at half year, actions are in train to address net outflows, including further investment in technology, strategic re-pricing, proposition upgrades and strengthening the Adviser leadership team. Service remains at the heart of our proposition, so we are redoubling our efforts in this regard and adding resource to deliver a better experience for our clients.
- The full benefits of these actions will take some time to realise, but our priority remains to return to net inflows as soon as possible.

interactive investor (ii): Sustained strong organic customer and AUMA growth

- Consistent organic customer growth in Q3, with total customers of 430k, up 6% YTD and up 2% in the quarter. Within this, SIPP customers grew to 76k, up 22% YTD and up 5% in the quarter.
- AUMA up 13% YTD to £74.5bn, driven by continued strong growth in net inflows and positive markets.
- Net inflows in the quarter of £1.2bn, up from £0.6bn in Q3 2023, with net inflows of £4.3bn YTD already 48% higher than the whole of 2023.

Outlook: Transformation programme remains on track

- Guidance for FY 2024 adjusted operating expenses remains below £1,075m, with our transformation programme delivering cost savings alongside investment in our people, tech & AI enablement, and process and control enhancements.
- On track to deliver c.£60m of cost savings in FY 2024 and at least £150m annualised by the end of FY 2025.
- Continuing to explore options in relation to the Group's defined benefit pension scheme, with update to be provided at our Full year 2024 results.

Commenting, Jason Windsor, CEO abrdn plc, said:

"Today's update shows strong performance in parts of our group; however, it also underlines the importance of delivering on the priorities I set out at the half year. I'm pleased with the continued growth in interactive investor; meanwhile, there are challenges to overcome in Adviser, where we aim to return to being the platform of choice for clients. In Investments, we need to do more to capitalise on our strengths and improve performance and flows, particularly in equities.

"We have strong, scale positions in attractive markets, and each of our businesses has headroom to grow. Our priorities remain to transform performance, improve the client experience, and strengthen our talent and culture.

"We have plans in place to address our challenges and our transformation programme is on track. While there remains much to do, I am confident that we have great talent and we can make further progress towards profitable and sustainable long-term growth, benefiting our shareholders, clients, and colleagues."

All figures to the end of 30 September 2024. All figures in this announcement are unaudited, and subject to revision.

Management will be hosting a call for analysts and investors at 8:30am (BST) on Thursday, 24 October 2024. To access a webcast of the conference call, please go to the following link:

https://brrmedia.news/ABDN_Q3_24

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Appendix 1

Analysis of AUMA

	Opening AUMA at 1 Jul 2024 £bn	Gross inflows £bn	Redemptions £bn	Net flows £bn	Market and other movements £bn	Corporate actions ¹ £bn	Closing AUMA at 30 Sep 2024 £bn
3 months ended 30 September 2024							
Institutional & Retail Wealth	210.7	8.7	(11.1)	(2.4)	0.3	0.4	209.0
Insurance Partners	158.6	3.3	(4.4)	(1.1)	1.7	-	159.2
Investments	369.3	12.0	(15.5)	(3.5)	2.0	0.4	368.2
Adviser²	75.0	1.6	(2.6)	(1.0)	1.1	-	75.1
interactive investor³	72.9	3.1	(1.9)	1.2	0.4	-	74.5
Eliminations	(11.3)	(0.6)	0.8	0.2	-	-	(11.1)
Total AUMA	505.9	16.1	(19.2)	(3.1)	3.5	0.4	506.7

	Opening AUMA at 1 Jan 2024 £bn	Gross inflows £bn	Redemptions £bn	Net flows £bn	Market and other movements £bn	Corporate actions ¹ £bn	Closing AUMA at 30 Sep 2024 £bn
9 months ended 30 September 2024							
Institutional & Retail Wealth	211.2	27.2	(29.2)	(2.0)	6.4	(6.6)	209.0
Insurance Partners	155.5	16.1	(18.6)	(2.5)	6.2	-	159.2
Investments	366.7	43.3	(47.8)	(4.5)	12.6	(6.6)	368.2
Adviser²	73.5	4.7	(7.7)	(3.0)	4.6	-	75.1
interactive investor³	66.0	10.2	(5.9)	4.3	4.2	-	74.5
Eliminations	(11.3)	(1.7)	2.6	0.9	(0.7)	-	(11.1)
Total AUMA	494.9	56.5	(58.8)	(2.3)	20.7	(6.6)	506.7

1. Corporate actions relate to the disposal of our European-headquartered Private Equity business in April 2024 (£7.0bn) and the acquisition of closed-end funds from First Trust in July 2024 (£0.3bn) and September 2024 (£0.1bn).

2. Includes Platform AUA as at 30 September 2024 of £72.3bn (1 July 2024: £72.3bn, 1 January 2024: £70.9bn).

3. Includes financial planning business AUA as at 30 September 2024 of £3.9bn (1 July 2024: £4.1bn, 1 January 2024: £4.3bn).

Quarterly AUMA

	30 Sep 24 £bn	30 Jun 24 £bn	31 Mar 24 £bn	31 Dec 23 £bn	30 Sep 23 £bn
12 months ended 30 September 2024					
Institutional & Retail Wealth	209.0	210.7	215.1	211.2	214.2
Insurance Partners	159.2	158.6	159.2	155.5	145.9
Investments	368.2	369.3	374.3	366.7	360.1
Adviser	75.1	75.0	75.2	73.5	70.9
interactive investor	74.5	72.9	69.6	66.0	62.1
Eliminations	(11.1)	(11.3)	(11.4)	(11.3)	(10.8)
Total AUMA	506.7	505.9	507.7	494.9	482.3

Quarterly net flows

	3 months to 30 Sep 24 £bn	3 months to 30 Jun 24 £bn	3 months to 31 Mar 24 £bn	3 months to 31 Dec 23 £bn	3 months to 30 Sep 23 £bn
15 months ended 30 September 2024					
Institutional & Retail Wealth	(2.4)	(0.3)	0.7	(5.8)	(5.4)
Insurance Partners	(1.1)	(0.9)	(0.5)	0.3	(1.6)
Investments	(3.5)	(1.2)	0.2	(5.5)	(7.0)
Adviser	(1.0)	(1.1)	(0.9)	(1.0)	(0.5)
interactive investor	1.2	1.9	1.2	0.5	0.6
Eliminations	0.2	0.4	0.3	0.3	0.2
Total net flows	(3.1)	-	0.8	(5.7)	(6.7)

Institutional & Retail Wealth AUM
Detailed asset class split

	Opening AUM at 1 Jul 2024 £bn	Gross inflows £bn	Redemptions £bn	Net flows £bn	Market and other movements £bn	Corporate actions ¹ £bn	Closing AUM at 30 Sep 2024 £bn
3 months ended 30 September 2024							
Developed markets equities	11.8	0.2	(0.9)	(0.7)	0.1	-	11.2
Emerging markets equities	10.6	0.5	(1.6)	(1.1)	0.1	-	9.6
Asia Pacific equities	15.4	0.3	(0.8)	(0.5)	0.7	-	15.6
Global equities	8.5	0.2	(0.3)	(0.1)	0.2	-	8.6
Total equities	46.3	1.2	(3.6)	(2.4)	1.1	-	45.0
Developed markets credit	22.1	0.5	(1.0)	(0.5)	0.3	0.4	22.3
Developed markets rates	3.0	0.1	(0.2)	(0.1)	-	-	2.9
Emerging markets fixed income	10.1	0.5	(0.7)	(0.2)	(0.1)	-	9.8
Total fixed income	35.2	1.1	(1.9)	(0.8)	0.2	0.4	35.0
Absolute return ²	-	-	-	-	-	-	-
Diversified growth/income	0.9	-	-	-	0.1	-	1.0
MyFolio	16.4	0.3	(0.6)	(0.3)	0.3	-	16.4
Other multi-asset ²	7.7	0.1	(0.2)	(0.1)	-	-	7.6
Total multi-asset	25.0	0.4	(0.8)	(0.4)	0.4	-	25.0
Total private equity	-	-	-	-	-	-	-
UK real estate	15.5	-	(0.4)	(0.4)	-	-	15.1
European real estate	13.1	-	-	-	(0.3)	-	12.8
Global real estate	1.0	0.8	(0.1)	0.7	-	-	1.7
Real estate multi-manager	1.4	0.2	-	0.2	(0.2)	-	1.4
Infrastructure equity	6.0	0.5	-	0.5	(0.1)	-	6.4
Total real assets	37.0	1.5	(0.5)	1.0	(0.6)	-	37.4
Total alternative investment solutions (including private credit)	27.0	0.3	(0.8)	(0.5)	(1.4)	-	25.1
Total quantitative	19.9	1.7	(1.3)	0.4	0.8	-	21.1
Total excluding liquidity	190.4	6.2	(8.9)	(2.7)	0.5	0.4	188.6
Total liquidity	20.3	2.5	(2.2)	0.3	(0.2)	-	20.4
Total	210.7	8.7	(11.1)	(2.4)	0.3	0.4	209.0

1. Corporate actions in the three months ended 30 September 2024 relate to the acquisition of closed-end funds from First Trust in July (£0.3bn) and September (£0.1bn).

2. Other multi-asset includes opening AUM of £3.3bn, flows of nil, market and other movements of £0.1bn and closing AUM of £3.4bn relating to assets previously classified as Absolute return.

	Opening AUM at 1 Jan 2024 £bn	Gross inflows £bn	Redemptions £bn	Net flows £bn	Market and other movements £bn	Corporate actions ¹ £bn	Closing AUM at 30 Sep 2024 £bn
9 months ended 30 September 2024							
Developed markets equities	11.8	0.8	(2.1)	(1.3)	0.7	-	11.2
Emerging markets equities	11.1	1.0	(3.1)	(2.1)	0.6	-	9.6
Asia Pacific equities	16.3	1.5	(4.0)	(2.5)	1.8	-	15.6
Global equities	8.5	0.9	(1.4)	(0.5)	0.6	-	8.6
Total equities	47.7	4.2	(10.6)	(6.4)	3.7	-	45.0
Developed markets credit	21.4	3.4	(2.7)	0.7	(0.2)	0.4	22.3
Developed markets rates	3.3	0.3	(0.6)	(0.3)	(0.1)	-	2.9
Emerging markets fixed income	9.8	1.4	(1.4)	-	-	-	9.8
Total fixed income	34.5	5.1	(4.7)	0.4	(0.3)	0.4	35.0
Absolute return ²	-	-	-	-	-	-	-
Diversified growth/income	0.2	-	-	-	0.8	-	1.0
MyFolio	16.2	1.0	(2.0)	(1.0)	1.2	-	16.4
Other multi-asset ²	8.7	0.7	(0.9)	(0.2)	(0.9)	-	7.6
Total multi-asset	25.1	1.7	(2.9)	(1.2)	1.1	-	25.0
Total private equity	7.2	-	-	-	(0.2)	(7.0)	-
UK real estate	15.9	0.3	(1.3)	(1.0)	0.2	-	15.1
European real estate	13.6	0.2	-	0.2	(1.0)	-	12.8
Global real estate	1.2	0.8	(0.2)	0.6	(0.1)	-	1.7
Real estate multi-manager	1.5	0.2	(0.1)	0.1	(0.2)	-	1.4
Infrastructure equity	6.1	0.6	(0.1)	0.5	(0.2)	-	6.4
Total real assets	38.3	2.1	(1.7)	0.4	(1.3)	-	37.4
Total alternative investment solutions (including private credit)	24.0	1.0	(1.4)	(0.4)	1.5	-	25.1
Total quantitative	17.1	4.7	(2.2)	2.5	1.5	-	21.1
Total excluding liquidity	193.9	18.8	(23.5)	(4.7)	6.0	(6.6)	188.6
Total liquidity	17.3	8.4	(5.7)	2.7	0.4	-	20.4
Total	211.2	27.2	(29.2)	(2.0)	6.4	(6.6)	209.0

1. Corporate actions in the nine months ended 30 September 2024 relate to the disposal of our European-headquartered Private Equity business in April (£7.0bn) and the acquisition of closed-end funds from First Trust in July (£0.3bn) and September (£0.1bn).

2. Other multi-asset includes opening AUM of £3.4bn, flows of nil, market and other movements of nil and closing AUM of £3.4bn relating to assets previously classified as Absolute return.

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This announcement contains statements that are or may be "forward-looking statements". All statements other than statements of historical facts included in this announcement may be forward-looking statements, including statements that relate to the abrdn Group's future prospects, developments and strategies. Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as "plans", "expects", "is expected", "believes", "targets", "aims", "anticipates", "projects", "would", "could", "should", "may", "might", "envisages", "estimates", "intends", "underway", or the negative of those, or by the use of references to assumptions, budgets, strategies, prospects and schedules.

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