Machine Learning and AI at SJP

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Advanced Analytics

St. James's Place overview

01

- **Leading UK Wealth Management Co.**
  - Established 1991
  - UK listed with market cap of c.£7 billion
  - £154 billion in FUM
  - Core market: UK mass affluent and high net worth individuals

02

- **Differentiated advice-led business model**
  - Dedicated advice led distribution – The Partnership
  - Distinctive global investment management approach

03

- **Well positioned to benefit from long-term market growth**
  - Favourable demographic trends
  - Future intergenerational transfer of wealth
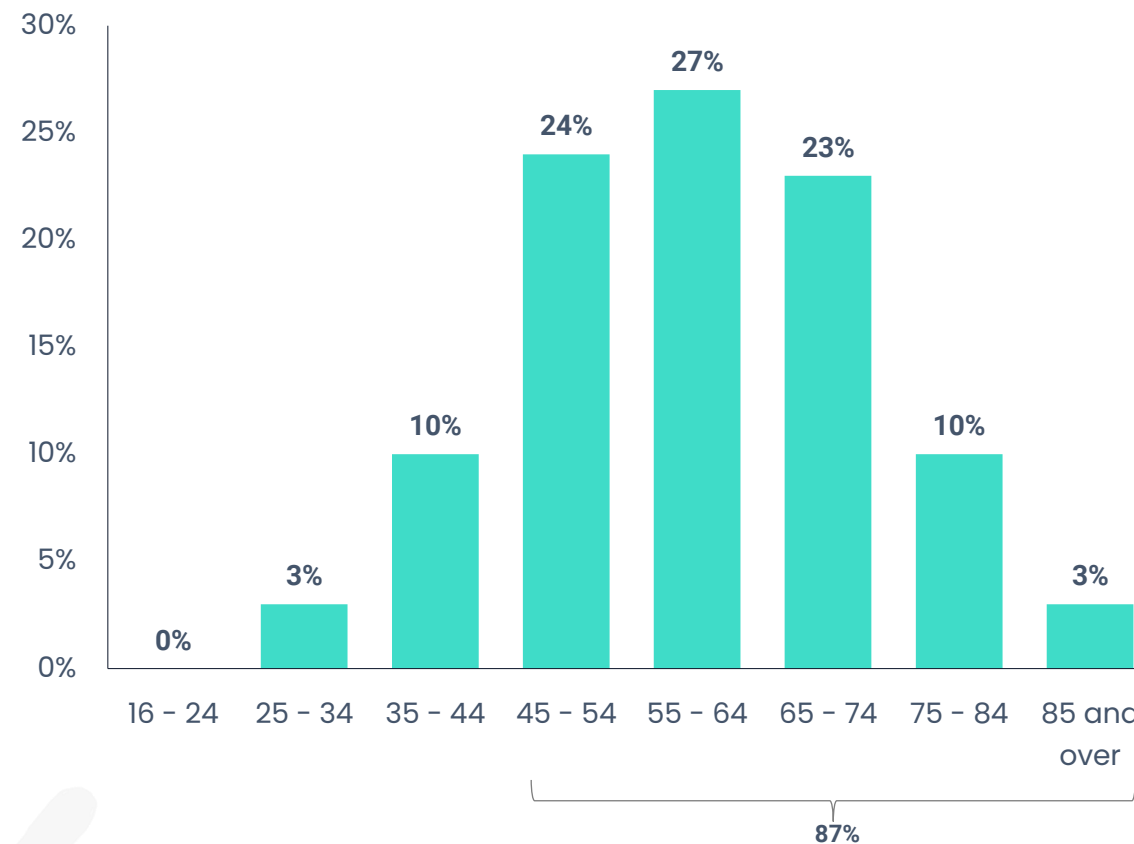
The market opportunity: rising retail wealth

12 million

'mass affluent' and high net worth individuals...

...controlling £3.1tn of liquid assets

UK aggregate wealth by age cohort

Age cohort	Percentage
16 – 24	0%
25 – 34	3%
35 – 44	10%
45 – 54	24%
55 – 64	27%
65 – 74	23%
75 – 84	10%
85 and over	3%

87%

SJP and Ortec Finance

- ◆ SJP has been working with Ortec Finance for 5 years
- ◆ Goals based planning tools are seen as highly valuable by our Partners
  - ◆ Showing the value of client investments in a holistic way brings financial decisions to life
  - ◆ Core to ongoing servicing and client perceptions of our brand
  - ◆ Clients who work with goals based advice, invest more, have more products and are more engaged.
- ◆ Opal is fed data from our Salesforce CRM
- ◆ 617 (13.5%) Partners and 546 Administration staff from 484 (19%) Practices in the UK use Opal
- ◆ Value is clear to those who adopt it

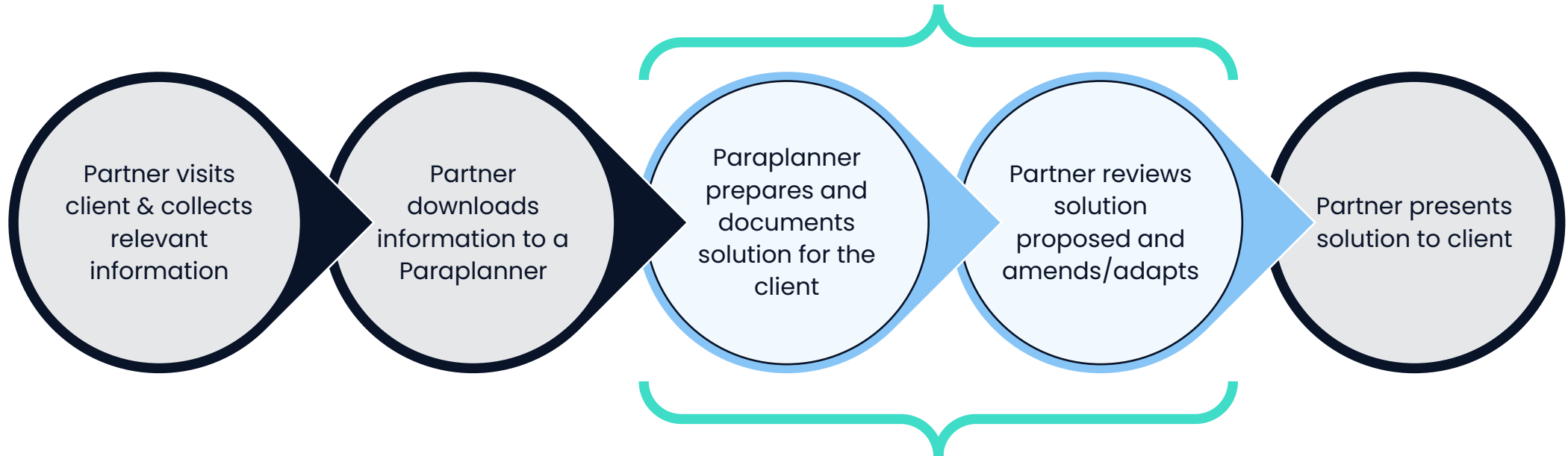# SJP Advice Assistant

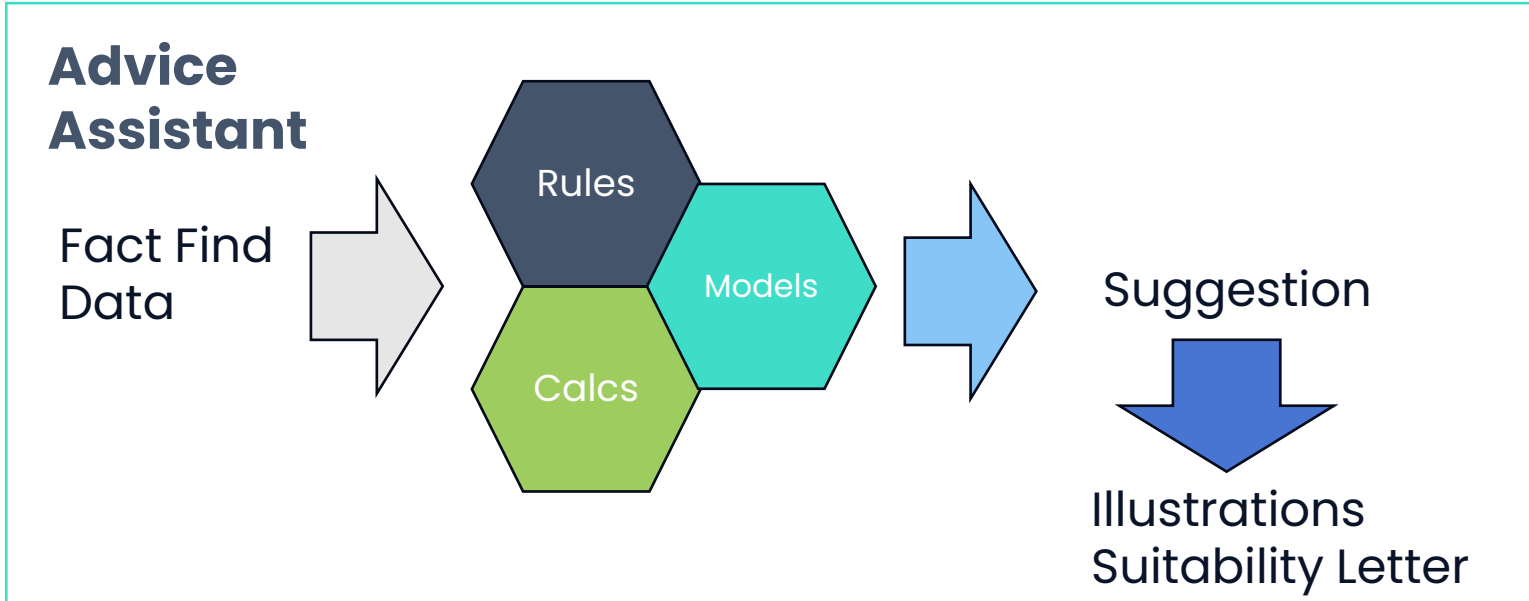Machine Learning in Financial Planning

Basics of Machine Learning

- ◆ Machine learning is about making computers more intelligent without explicitly teaching them how to behave.
- ◆ This is achieved by identifying patterns in data.
    - ◆ Examples:
        - ◆ Weather forecast
        - ◆ Gene data
        - ◆ Email Text
- ◆ Normal software is basically a set of rules, written by a human, intended to achieve a particular output.
- ◆ Machine learning software finds patterns and rules on its own and tries to produce a certain output.
- ◆ Machine learning is software that writes software.

Current Approach

Advice Assistant

Partner visits client & collects relevant information

Partner downloads information to a Paraplanner

Paraplanner prepares and documents solution for the client

Partner reviews solution proposed and amends/adapts

Partner presents solution to client

Making it Easier to Advise– AI and Machine Learning

Advice Assistant

Fact Find Data → Rules / Models / Calcs → Suggestion

Illustrations
Suitability Letter

Analysis of the information in the Fact Find reveal patterns of data that we can analyse for consistency with known best practice for investing in an ISA.

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Automation and Machine Learning re-uses data from SJP core systems to produce a full advice set

Reduces time taken to prepare an ISA case by ~ 1 hour

Benefits of Advice Assistant

SJP

Client

- Faster end-to-end advice journey
- Increased perception of efficiency, reactiveness and accuracy
- More access to advice for a greater number of clients

Partner

- Easier to advise as time to produce advice documentation reduced
- Increased access to best practice, holistic advice
- Margin pressure eased through reduction in Paraplanning costs

SJP

- Productivity lever (increases Partner capacity through efficiencies)
- Reduced advice risk through assurance by design
- Creates options and flexibility in deployment of advice support resources

Advice Assistant Vision – Now, Next, Future

NOW
- Using the data captured in Salesforce to generate suggestions for new money ISA investments
- Automation of paraplanning to produce a full suite of advice documentation
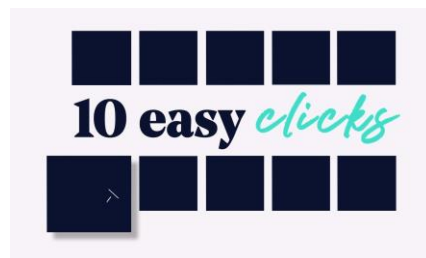
NEXT
- Expand to cover more areas of advice including all core manufactured product wrappers, mortgages and protection
- A new Machine Learning approach to support holistic advice

LATER
- An always on, digital assistant, designed to provide Partners with in-context guidance, support and suggestions. Data pulled from additional sources including Opal.

10 easy clicks

Artificial Intelligence

◆ The Advice Assistant supports the delivery of excellent client outcomes, creating increased capacity for client acquisition and servicing, and business assurance by design.

Questions