

# Schroders

## 2010 Q3 results

### Data Pack

*trusted heritage  
advanced thinking*



# Schroders

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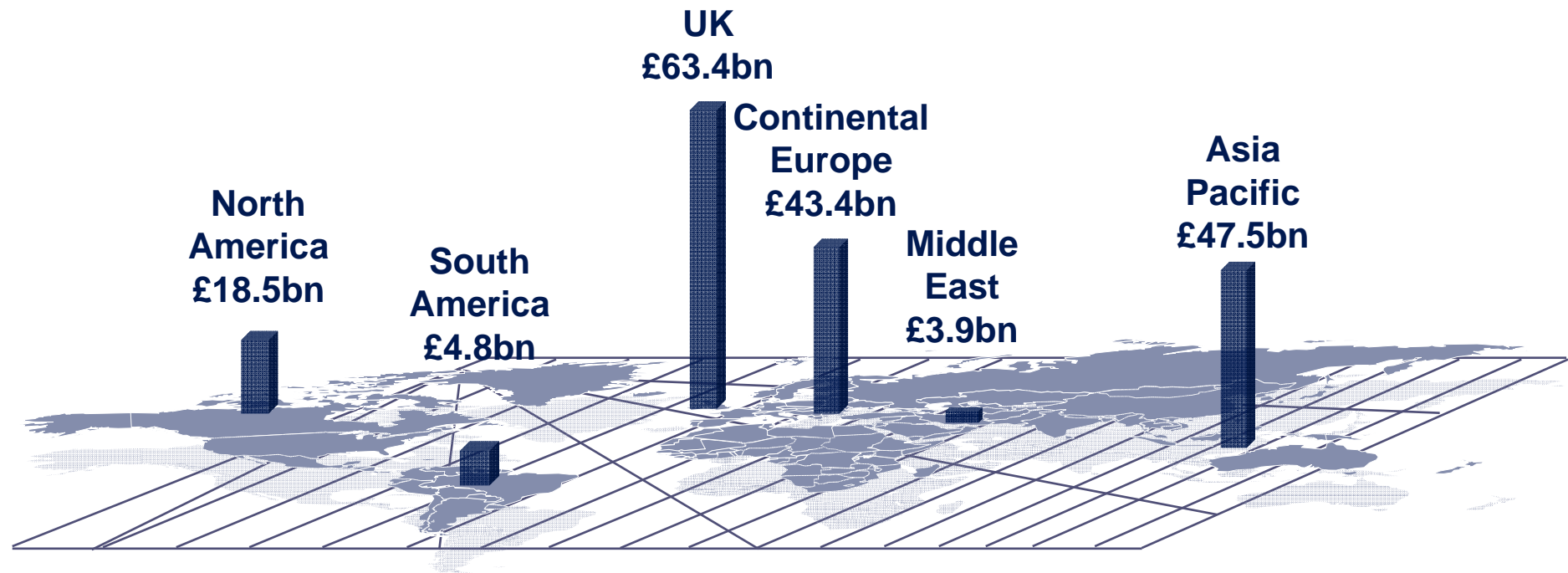
# Funds under management (FUM)

**£181.5 billion at 30 September 2010**

£bn	Asset Management			Total
	Institutional	Intermediary	Private Banking	
<b>31 December 2009</b>	<b>76.7</b>	<b>59.1</b>	<b>12.6</b>	<b>148.4</b>
Net flows	13.5	5.9	2.1	21.5
Investment returns	7.4	3.5	0.7	11.6
<b>30 September 2010</b>	<b>97.6</b>	<b>68.5</b>	<b>15.4</b>	<b>181.5</b>

# FUM by client domicile

- £118.1 billion funds under management from clients outside the UK

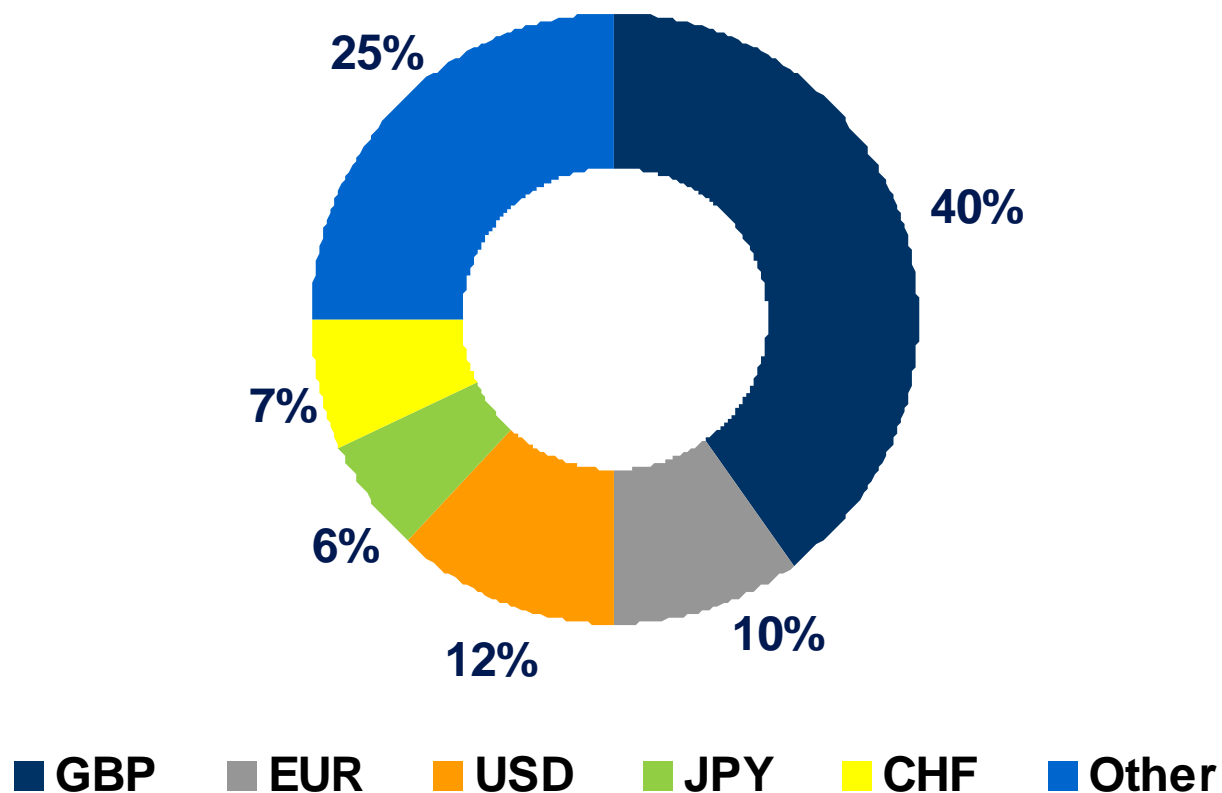


 £5.0bn China joint venture

China joint venture funds under management are not reported within Group funds under management  
By client domicile

# Currency profile of FUM

Funds under management £181.5 billion

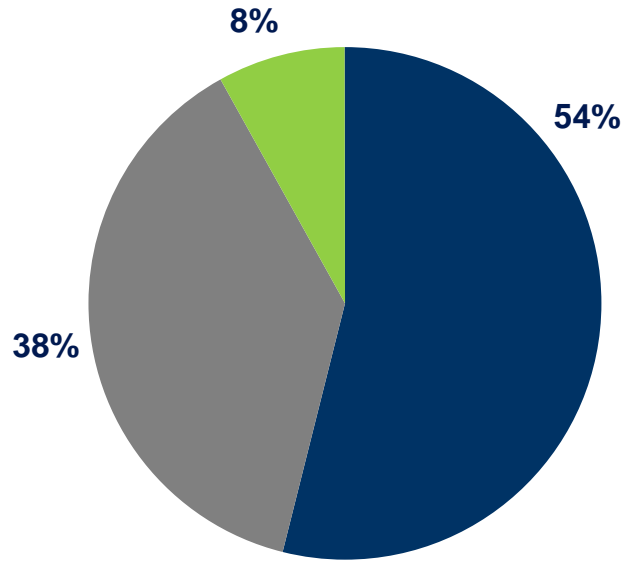


By client domicile

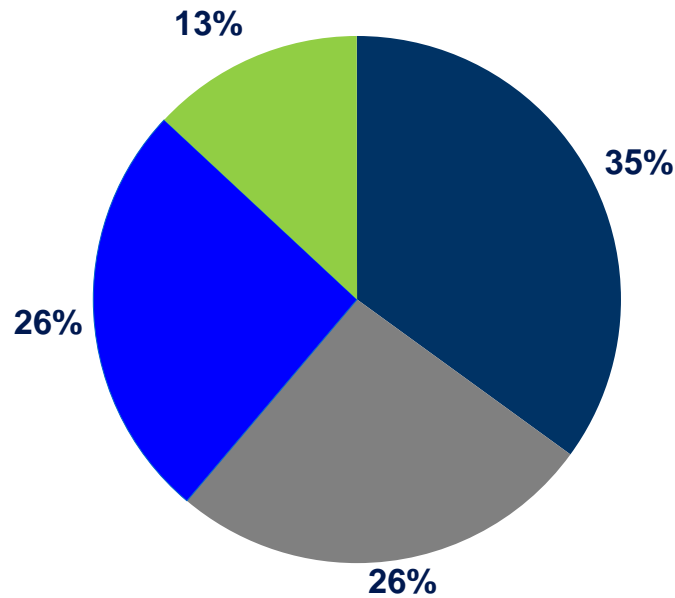
# Total FUM by channel, region and product

Funds under management £181.5 billion

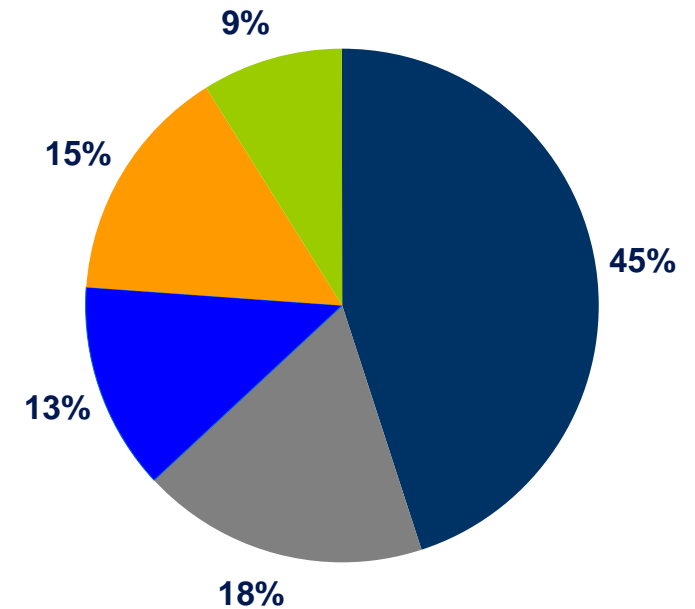
### By channel



### By region



### By product



■ Institutional    ■ Intermediary  
■ Private Banking

■ UK  
■ Asia Pacific  
■ Continental Europe\*  
■ Americas

■ Equities    ■ Fixed Income  
■ Alternatives    ■ Multi-asset  
■ Private Banking

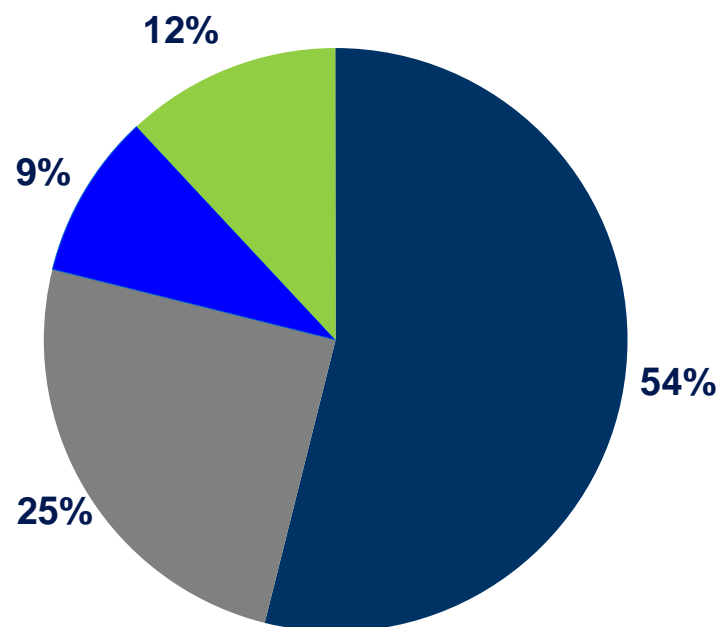
By client domicile

\* Including Middle East

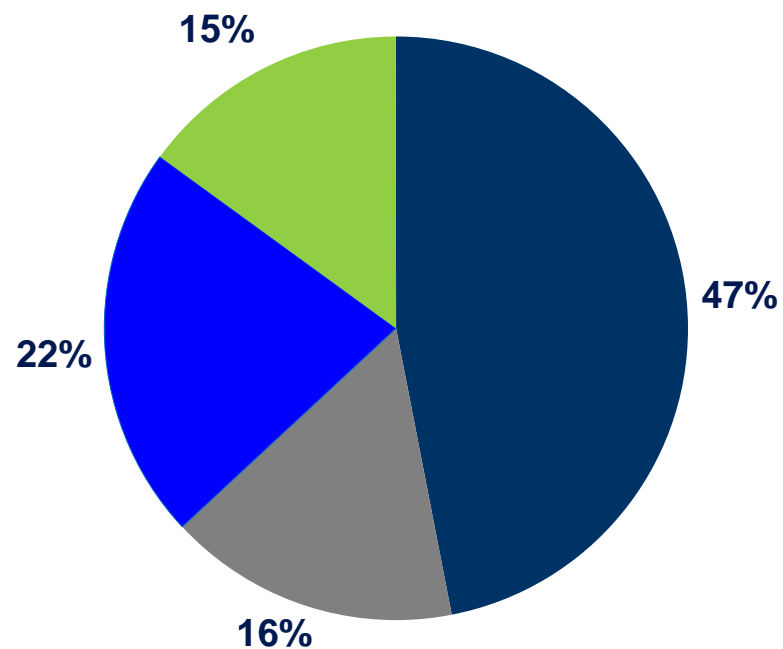


# Asset Management FUM by channel and product

Intermediary FUM £68.5bn



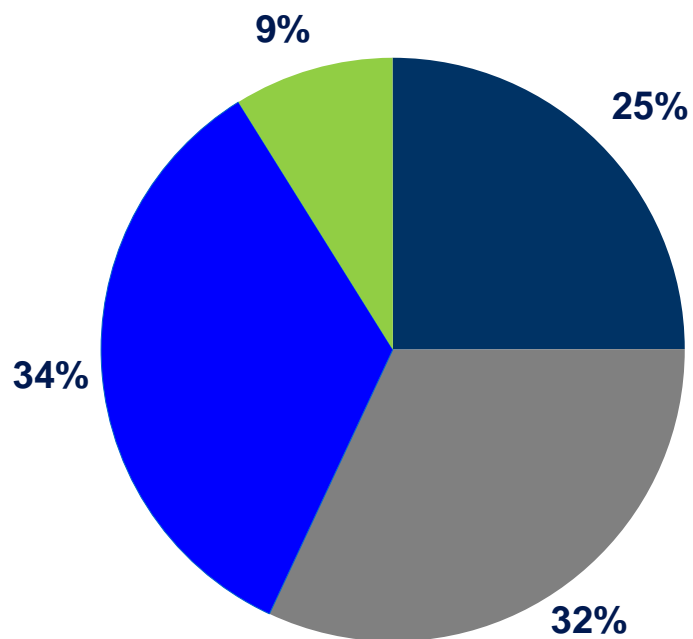
Institutional FUM £97.6bn



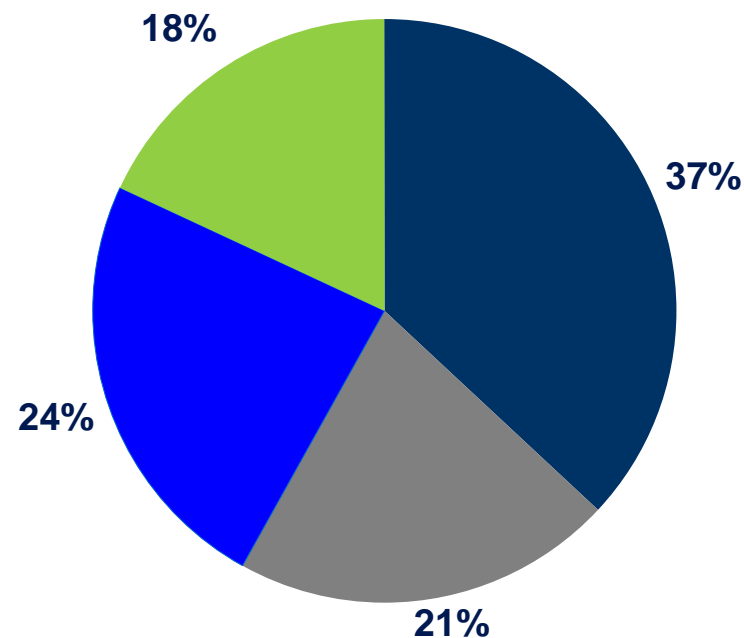
- Equities
- Fixed Income
- Multi-asset
- Alternatives

# Asset Management FUM by channel and region

Intermediary FUM £68.5bn



Institutional FUM £97.6bn



- UK
- Continental Europe
- Asia Pacific
- Americas

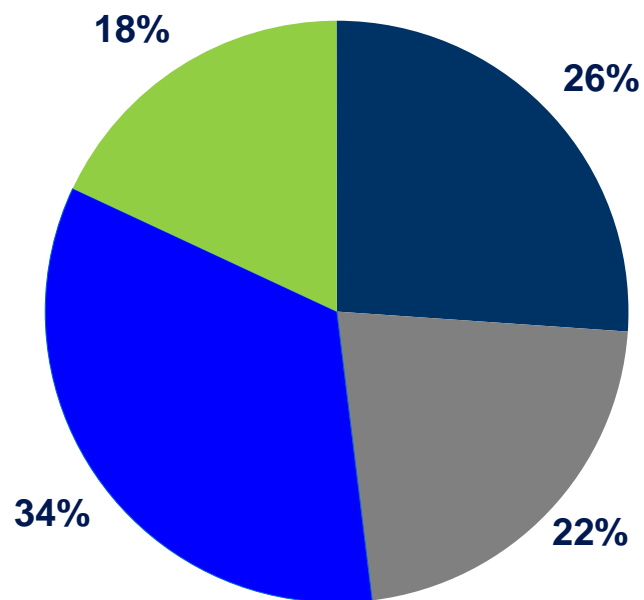
By client domicile



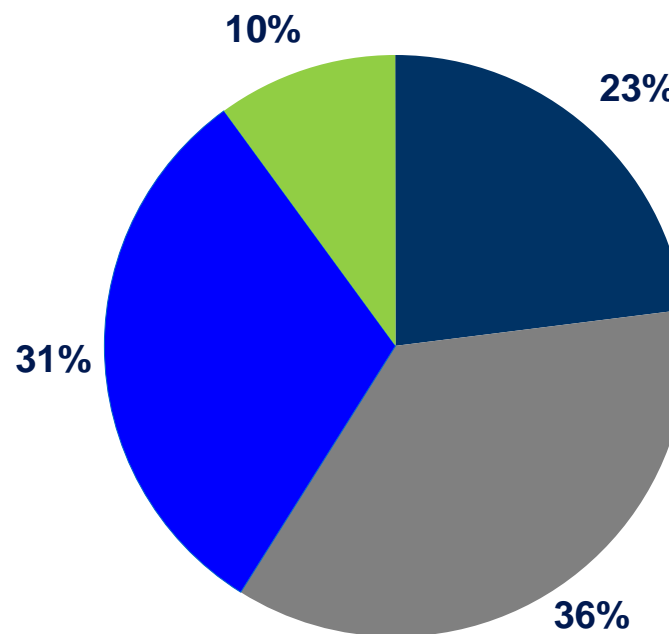


# Asset Management FUM analysis

## Equities FUM £82.4bn



## Fixed Income FUM £32.5bn



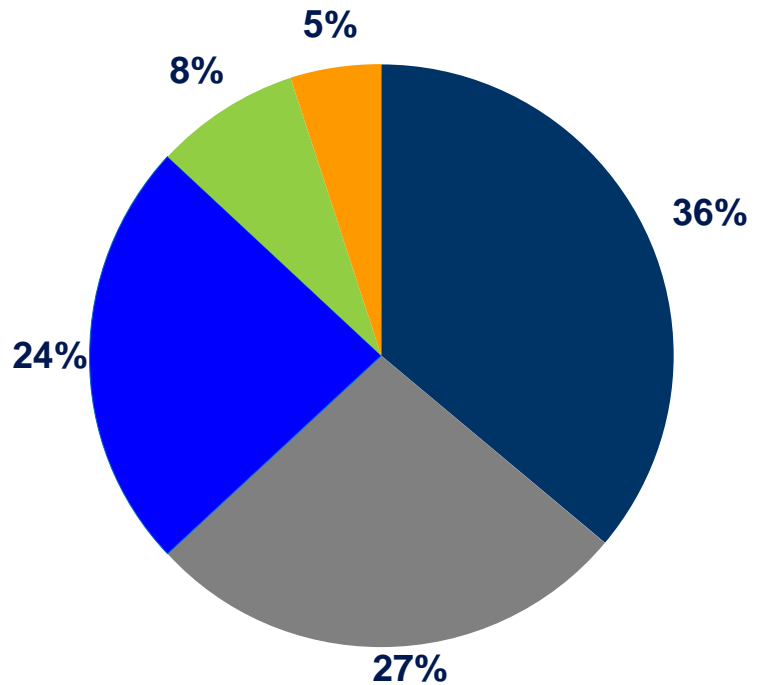
- UK
- Continental Europe
- Asia Pacific
- Americas

By client domicile



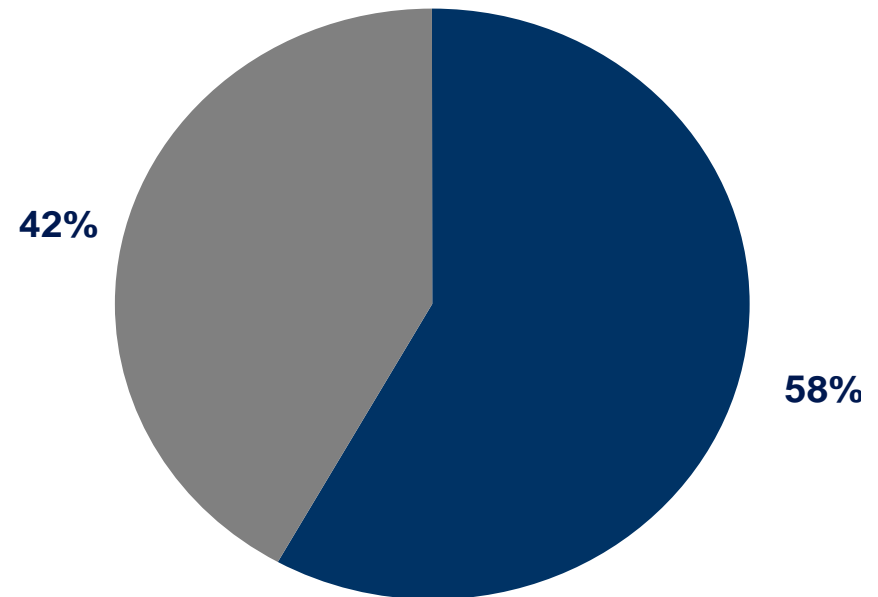
# Asset Management FUM analysis

## Alternatives FUM £23.4bn



- Property
- Commodities
- Emerging market debt
- Fund of hedge funds
- Private equity fund of funds

## Multi Asset FUM £26.6bn



- UK Multi Asset
- Other Multi Asset



# Asset Management business flows

£bn	Q3 2009 YTD			Q3 2010 YTD		
	Inflows	Outflows	Net	Inflows	Outflows	Net
<b>Institutional</b>	12.5	(10.1)	2.4	23.4	(9.9)	13.5
<b>Intermediary (netted)</b>	11.8	(5.6)	6.2	14.9	(9.0)	5.9
<b>Total Asset Management</b>	24.3	(15.7)	8.6	38.3	(18.9)	19.4

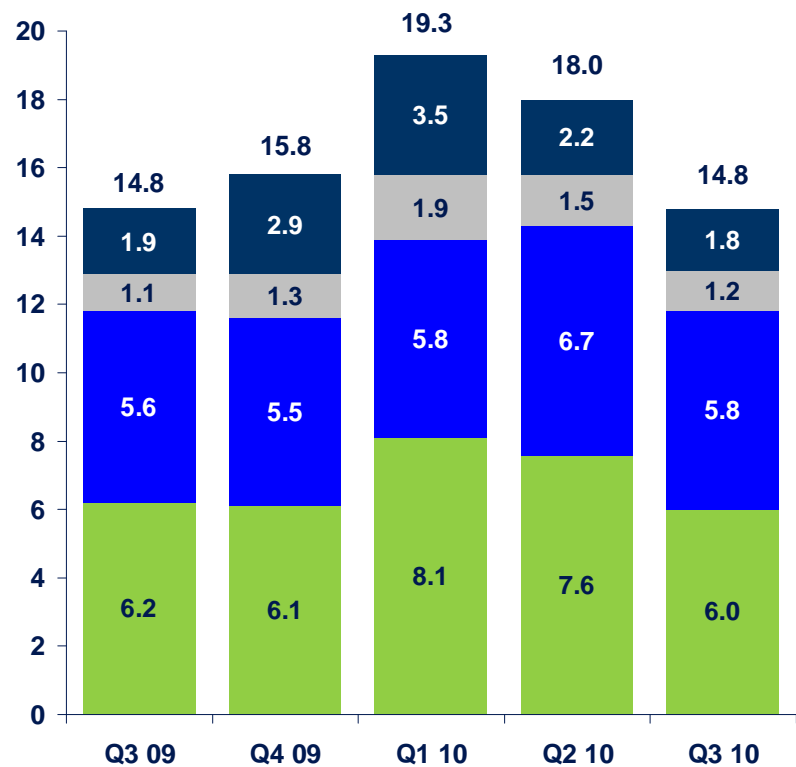
£bn	Q3 2009 YTD			Q3 2010 YTD		
	Inflows	Outflows	Net	Inflows	Outflows	Net
<b>Institutional</b>	12.5	(10.1)	2.4	23.4	(9.9)	13.5
<b>Intermediary (no-netting)</b>	19.4	(13.2)	6.2	28.8	(22.9)	5.9
<b>Total Asset Management</b>	31.9	(23.3)	8.6	52.2	(32.8)	19.4

Intermediary historically reported as netted flows (same client flows within the same region within the same month)

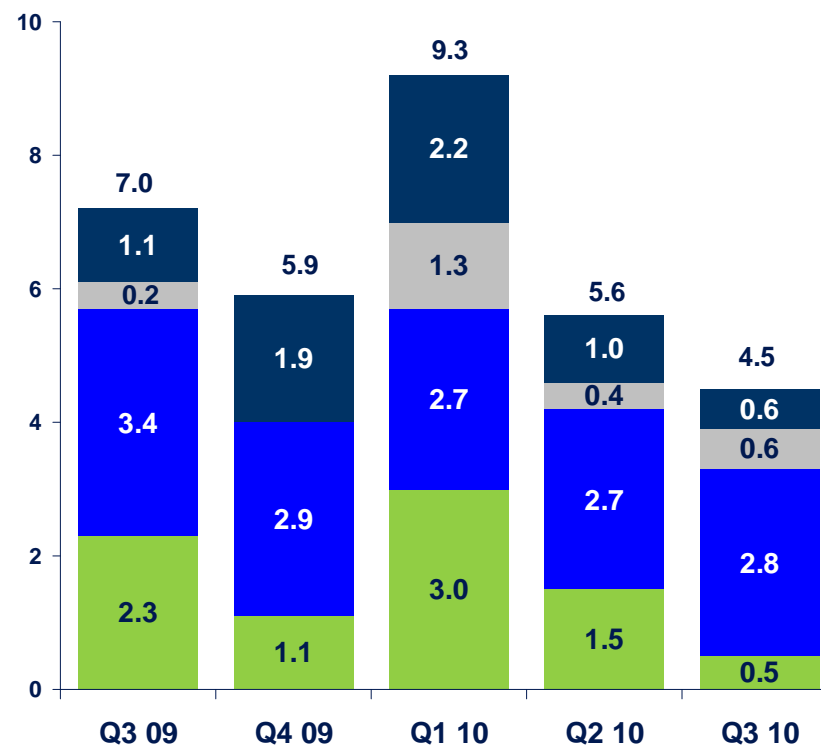


# Asset Management business flows

## Gross Inflows - £bn



## Net Flows - £bn

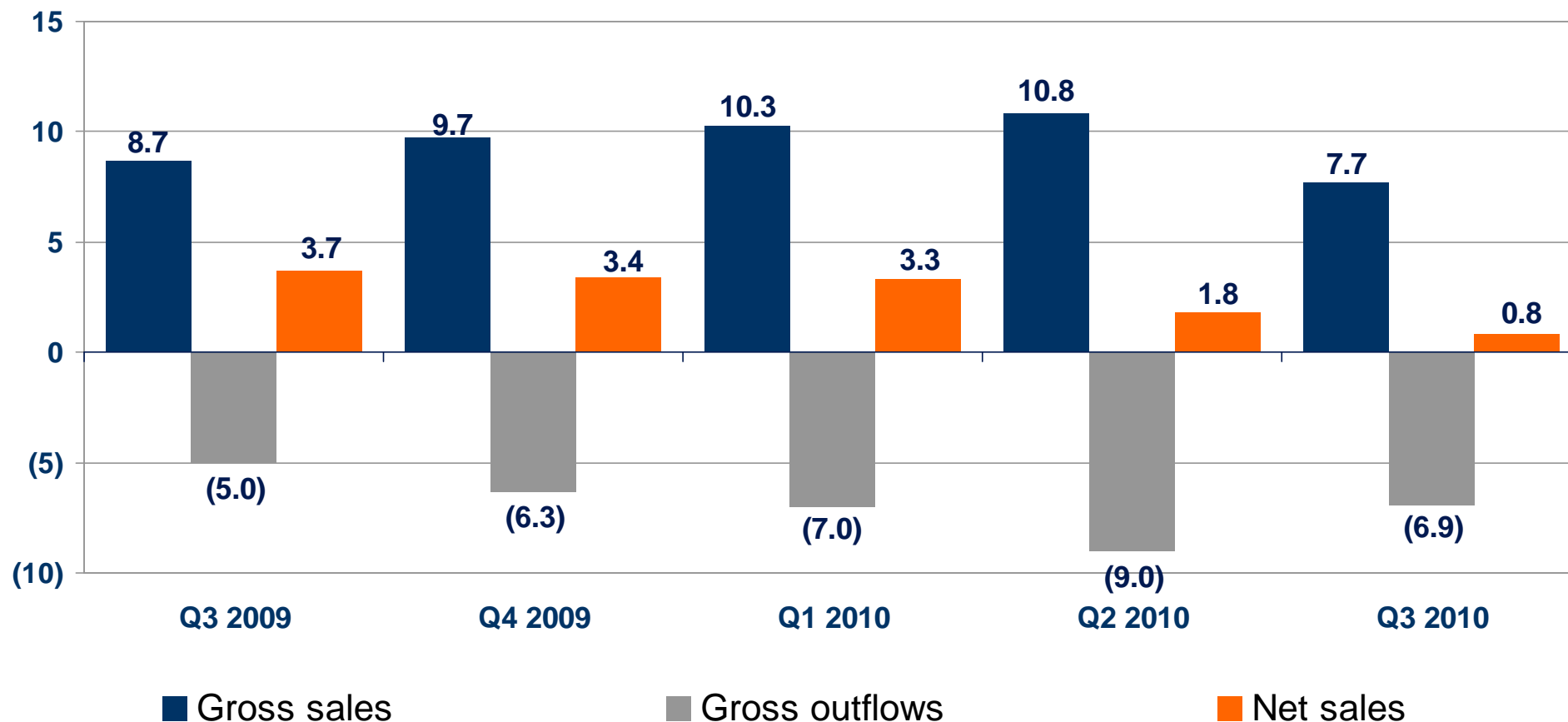


■ Equities      ■ Fixed Income  
■ Multi-asset      ■ Alternatives

# Intermediary flows

Q3 2010: gross inflows £7.7bn, net inflows £0.8bn

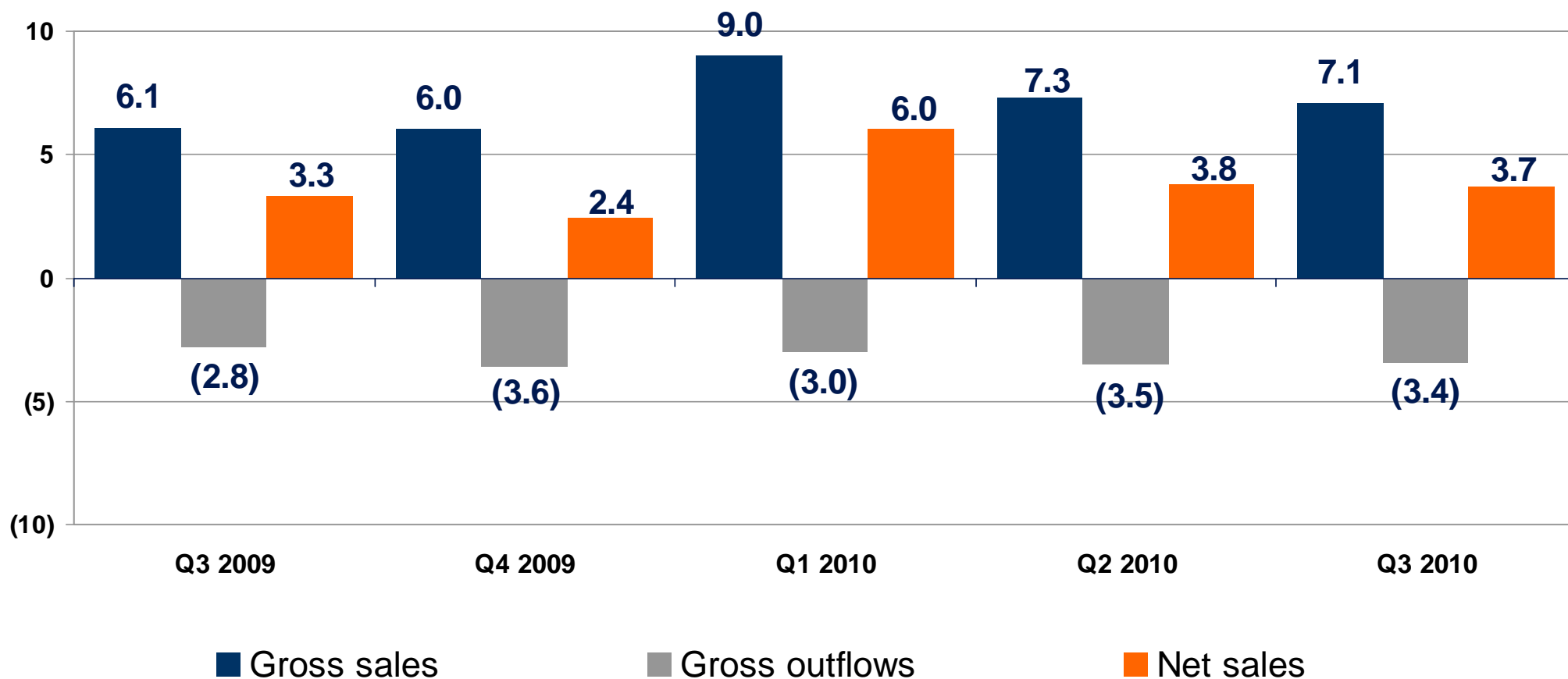
£bn – sales flows



# Institutional flows

Q3 2010: gross inflows £7.1bn, net inflows £3.7bn

£bn – sales flows



# Income and cost metrics for the Group

	Q2 2010	Q3 2010	Q3 2010 YTD
Compensation costs: operating revenues	45%	48%	47%
Bonus: pre-bonus Asset Management and Private Banking profit	41%	41%	41%
Total group cost: net revenues	67%	74%	71%

- Compensation costs: operating revenues = total Group compensation costs divided by Asset Management and Private Banking net revenues (adjusted by the remuneration committee for allowable and disallowable revenues)
- Bonus: pre-bonus Asset Management and Private Banking profit = total Group bonus divided by pre-bonus Asset Management and Private Banking profit before tax
- Group cost: net revenues = total Group costs divided by Asset Management and Private Banking net revenues

# Net revenue and margins – Asset Management

**Asset Management net revenue £232.7 million**

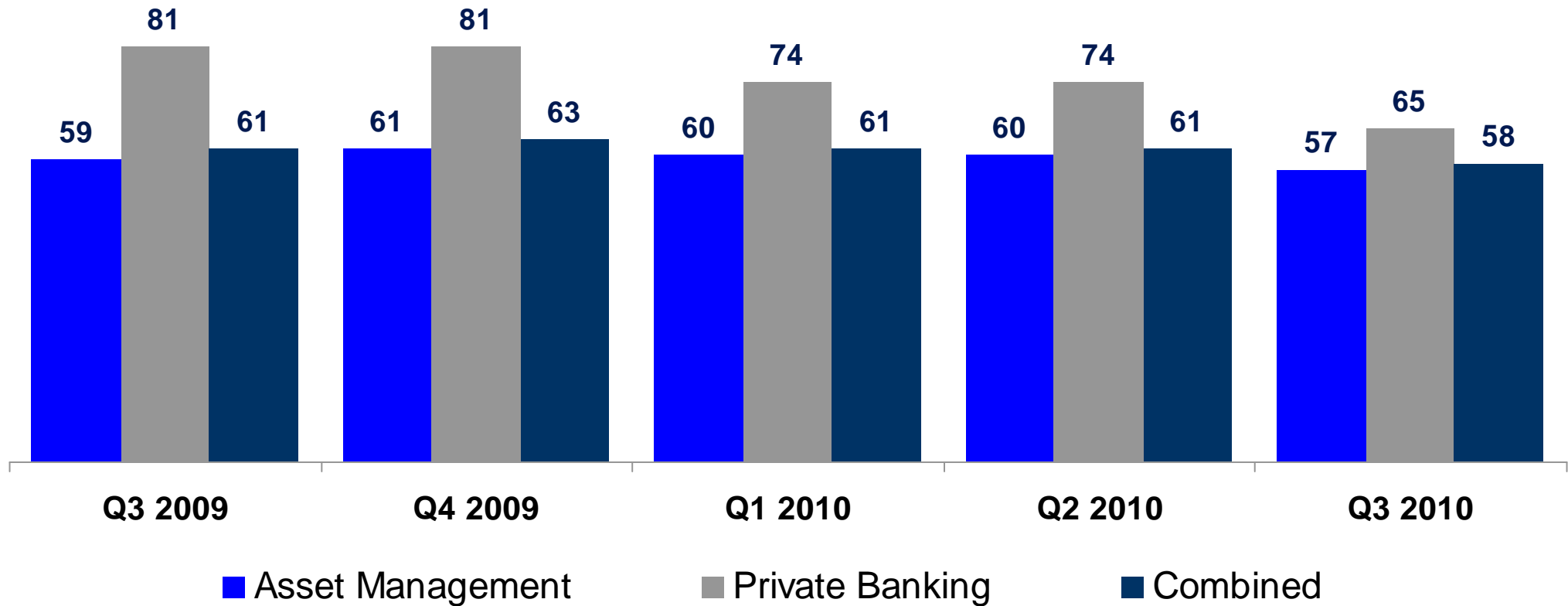
(Q3 2009: £172.7 million)

	Q3 2009	Q3 2010
AM net revenue - £m	172.7	232.7
Average AM FUM - £bn	114.5	158.1
AM net revenue on average AM FUM	60bps	59bps
AM performance fees - £m	5.0	7.6
AM Performance fees on average AM FUM	1bps	2bps
AM costs - £m	122.2	149.6
AM costs on average AM FUM	43bps	38bps
AM operating profit - £m	50.5	83.1
AM operating profit on average AM FUM	18bps	21bps



# Key performance indicators

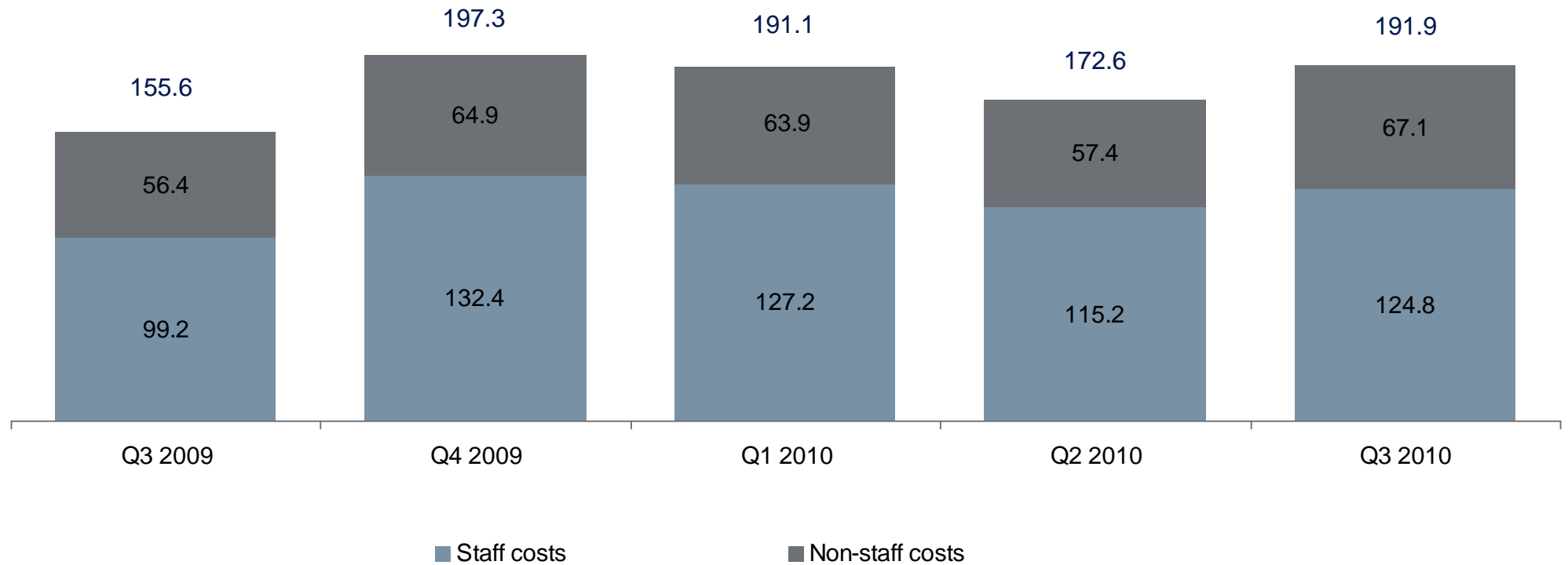
Net revenue margin quarterly progression Excluding performance fees



# Key performance indicators

## Total costs

£m

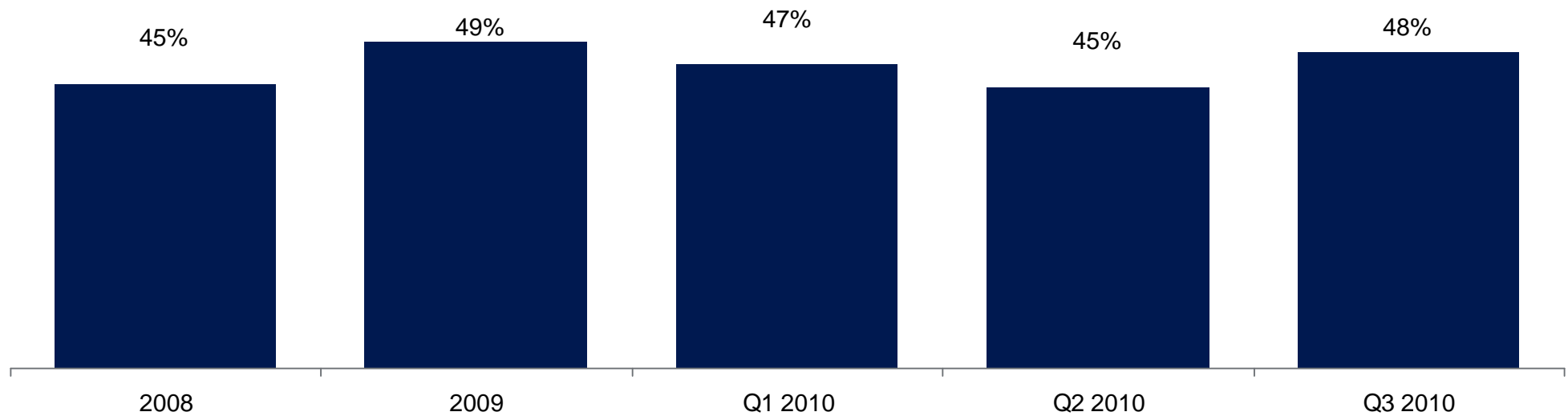


• **52% of staff costs are variable in Q3 2010 compared to 45% in Q3 2009**

2009 figures exclude exceptional items

# Key performance indicators

## Compensation costs: operating revenues

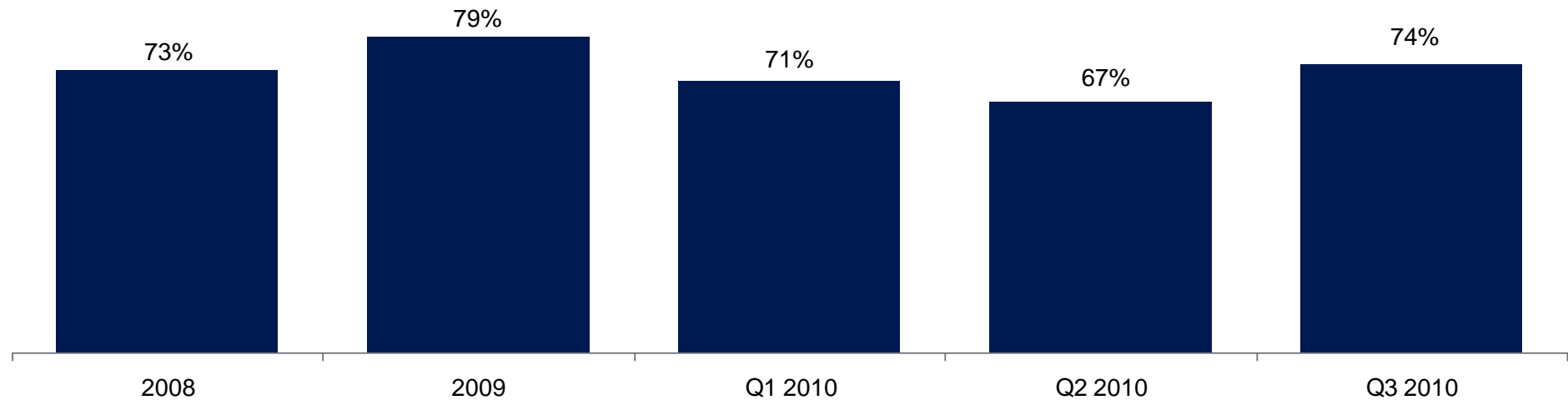


Total Group compensation costs divided by Asset Management and Private Banking net revenues



# Key performance indicators

## Total group cost: operating revenue ratio

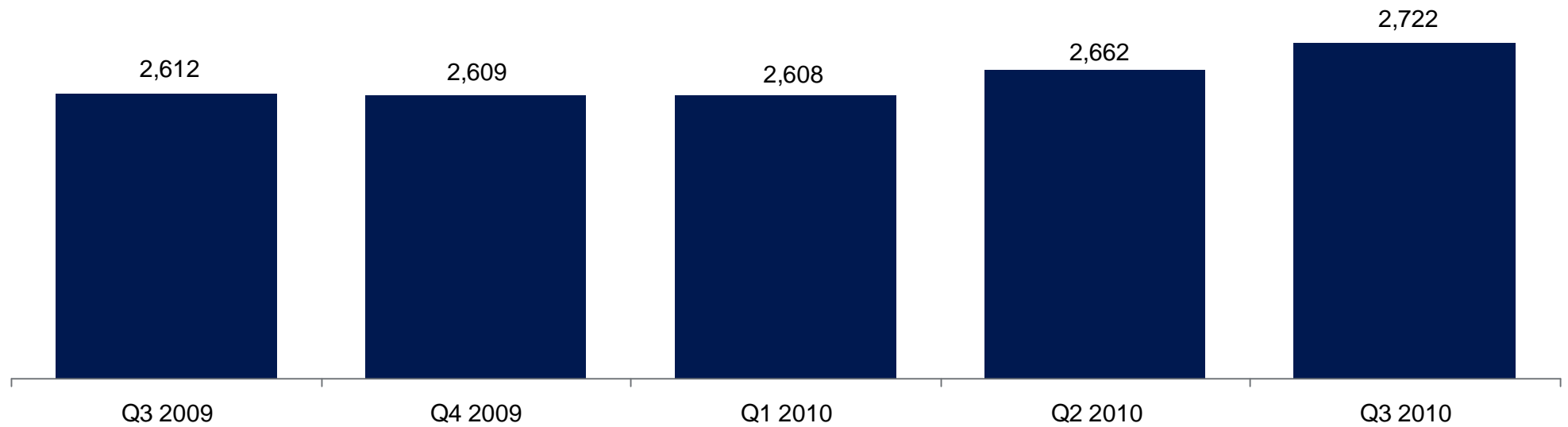


Total Group costs divided by Asset Management and Private Banking net revenue



# Key performance indicators

## Headcount



# Income statement progression

## Asset Management profit before tax

£m	Q3 2009	Q4 2009	Q1 2010	Q2 2010	Q3 2010
Net revenue	172.7	229.1	244.8	232.0	232.7
Costs	(122.2)	(160.9)	(160.1)	(146.5)	(149.6)
JVs and associates	4.2	1.6	3.3	1.9	2.0
Net finance income	0.6	0.6	0.9	1.0	0.8
Exceptional items	(1.3)	(3.8)	-	-	-
<b>Asset Management profit</b>	<b>54.0</b>	<b>66.6</b>	<b>88.9</b>	<b>88.4</b>	<b>85.9</b>

# Income statement progression

## Private Banking profit before tax

£m	Q3 2009	Q4 2009	Q1 2010	Q2 2010	Q3 2010
Private Banking revenue	23.6	24.9	24.3	25.6	24.0
Private Banking costs	(17.3)	(26.0)	(23.0)	(20.3)	(21.1)
Private Banking exceptionals	-	0.4	-	-	-
Private Banking profit	6.3	(0.7)	1.3	5.3	2.9

# Income statement progression

## Group segment profit before tax

£m	Q3 2009	Q4 2009	Q1 2010	Q2 2010	Q3 2010
Net revenue	1.8	1.8	5.0	4.1	23.7
Costs	(9.8)	(7.5)	(6.6)	(5.7)	(19.8)
JVs and associates	3.3	1.3	3.5	1.6	0.4
Net finance income	0.9	0.6	1.1	1.3	1.4
Exceptional items	(12.9)	(4.5)	-	-	-
<b>Group profit</b>	<b>(16.7)</b>	<b>(8.3)</b>	<b>3.0</b>	<b>1.3</b>	<b>5.7</b>
SVIL	3.3	1.3	3.5	1.6	0.4



# Balance sheet

£m	31 Dec 2009	31 Mar 2010	30 Jun 2010	30 Sep 2010
Intangible assets including goodwill	141.9	144.5	143.0	140.7
Other non-current assets	768.6	833.0	822.2	823.3
Current assets	3,670.1	3,962.8	4,005.9	4,167.3
Non-current assets held for sale	-	-	1.8	-
Assets backing unit-linked liabilities	5,708.0	6,284.0	6,033.3	6,558.7
<b>Total assets</b>	<b>10,288.6</b>	<b>11,224.3</b>	<b>11,006.2</b>	<b>11,690.0</b>
<b>Total equity*</b>	<b>1,649.0</b>	<b>1,613.7</b>	<b>1,597.8</b>	<b>1,647.8</b>
Non-current liabilities	566.6	607.1	581.6	602.0
Current liabilities	2,365.0	2,719.5	2,793.2	2,881.5
Non-current liabilities held for sale	-	-	0.3	-
Unit-linked liabilities	5,708.0	6,284.0	6,033.3	6,558.7
<b>Total equity and liabilities</b>	<b>10,288.6</b>	<b>11,224.3</b>	<b>11,006.2</b>	<b>11,690.0</b>

\*Includes non-controlling interests (Dec 2009: £0.6m; Mar 2010 £4.0m; Jun 2010 £3.7m; Sep 2010 £4.0m;)



# Group capital

£m	31 Dec 2009	31 Mar 2010	30 Jun 2010	30 Sep 2010
<b>Asset Management:</b>				
Cash & liquid debt securities	272	313	344	331
Other net assets	76	178	150	87
<b>Total Asset Management operational capital</b>	<b>348</b>	<b>491</b>	<b>494</b>	<b>418</b>
<b>Private Banking:</b>				
Cash and cash equivalents	1,011	1,244	1,280	1,456
Other net assets	(769)	(999)	(1,047)	(1,220)
<b>Total Private Banking operational capital</b>	<b>242</b>	<b>245</b>	<b>233</b>	<b>236</b>
<b>Investment capital:</b>				
Cash & liquid debt securities	808	547	352	456
Private equity	90	99	92	103
Other investments	20	73	263	262
<i>Sub-total</i>	<i>918</i>	<i>719</i>	<i>707</i>	<i>821</i>
Seed capital	141	154	160	169
<b>Group capital</b>	<b>1,059</b>	<b>873</b>	<b>867</b>	<b>990</b>
<b>Total capital (excluding non-controlling interests)</b>	<b>1,649</b>	<b>1,609</b>	<b>1,594</b>	<b>1,644</b>

# Forward-looking statements

These presentation slides contain certain forward-looking statements and forecasts with respect to the financial condition and results of the businesses of Schroders plc

These statements and forecasts involve risk and uncertainty because they relate to events and depend upon circumstances that may occur in the future

There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by those forward-looking statements and forecasts. Nothing in this presentation should be construed as a profit forecast