

Schroders plc

Bernstein Strategic Decisions Conference

1 October 2013

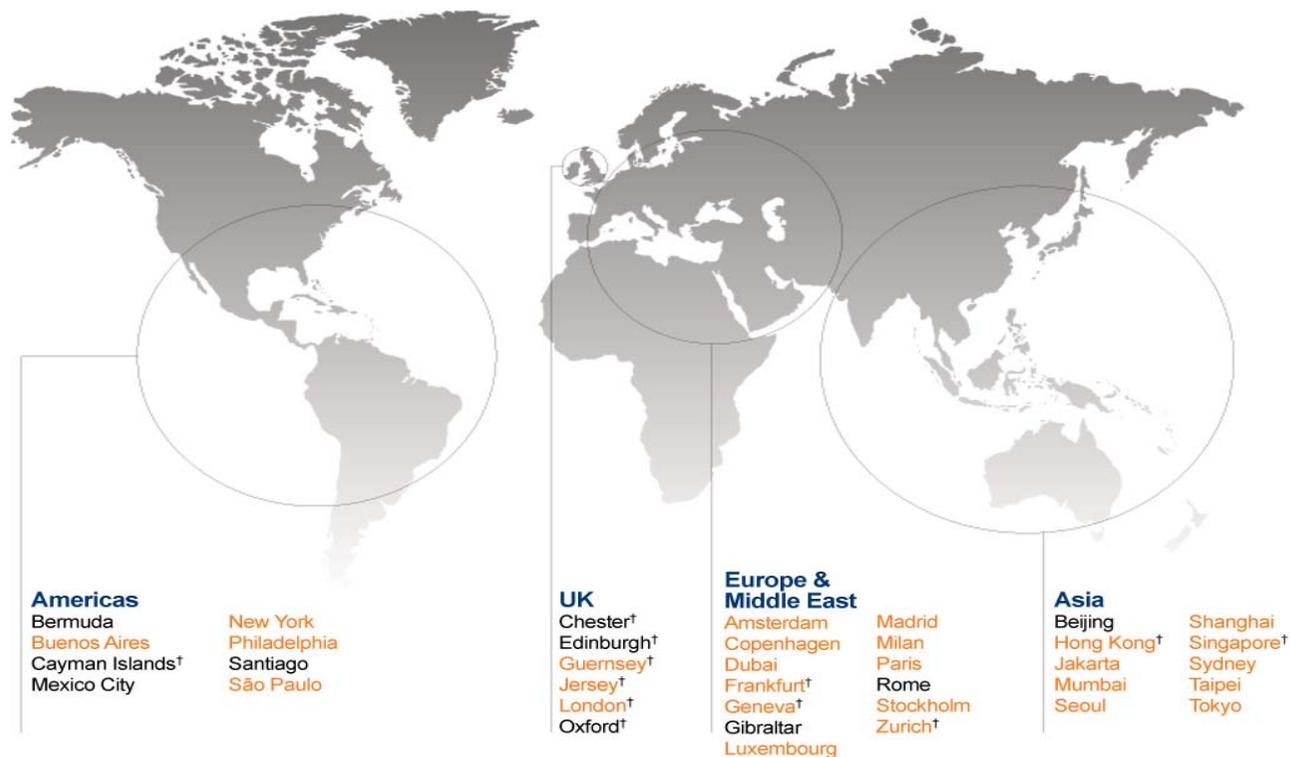
Massimo Tosato | Executive Vice Chairman



Schroders

Schroders: a global business with AUM of over £255bn

Depth and strength of investment resource: over 395 investment professionals worldwide



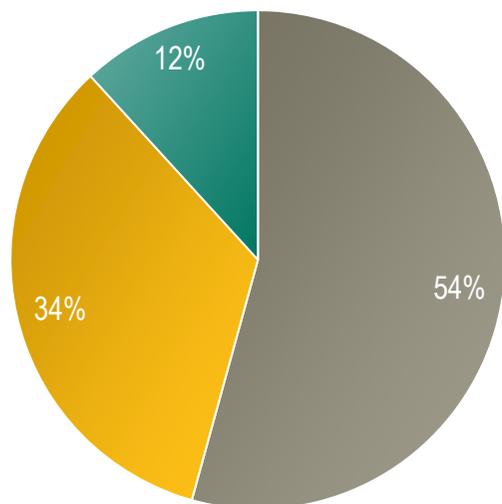
Investment centres in orange
† Private Banking [Wealth Management]

Source: Schroders, as at 30 June 2013, pro forma for Cazenove Capital acquisition completed on 2 July 2013.

Schroders: a well diversified, global asset manager

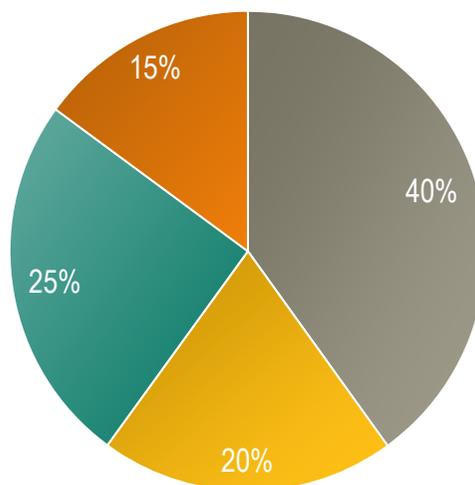
Pro forma assets under management £255.8 billion (including Cazenove Capital)

By client type



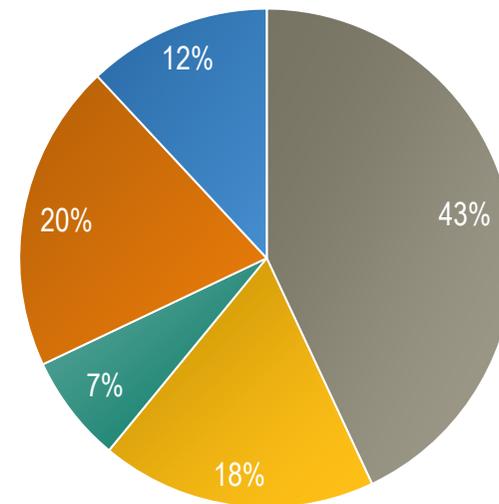
- Institutional
- Intermediary
- Private Banking

By region*



- UK
- Continental Europe**
- Asia Pacific
- Americas

By asset class



- Equities
- Fixed Income
- EMD, Commodities & Property
- Multi-asset
- Private Banking

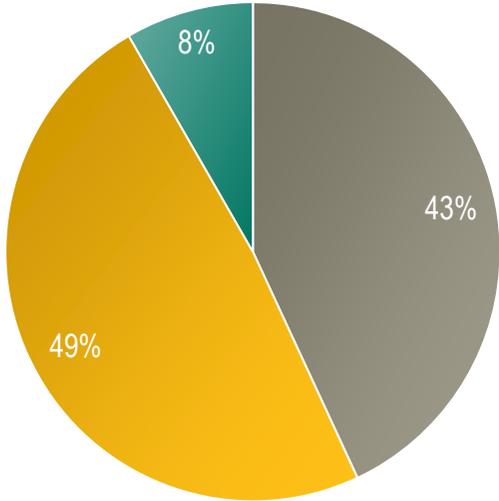
*By client domicile as at 30 June 2013.

**Including Middle East

Schroders: a well diversified, global asset manager

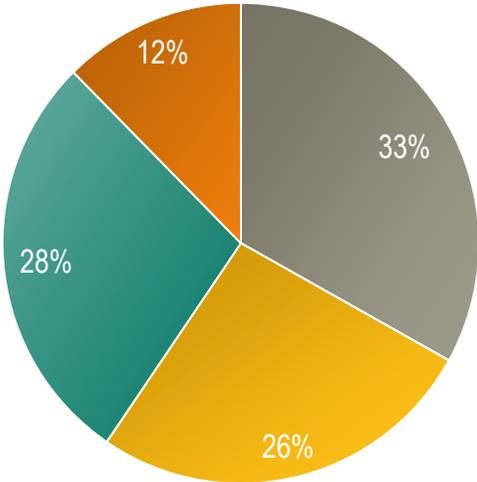
Net revenue

By client type



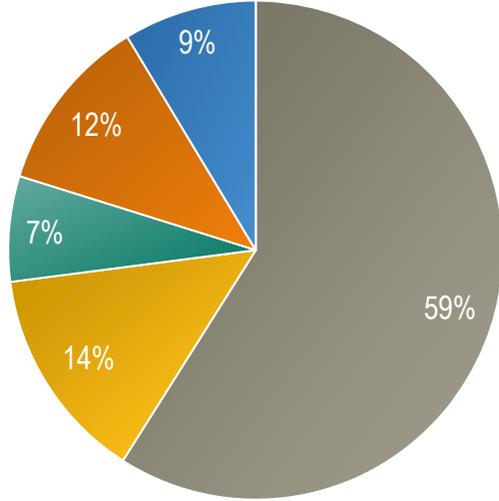
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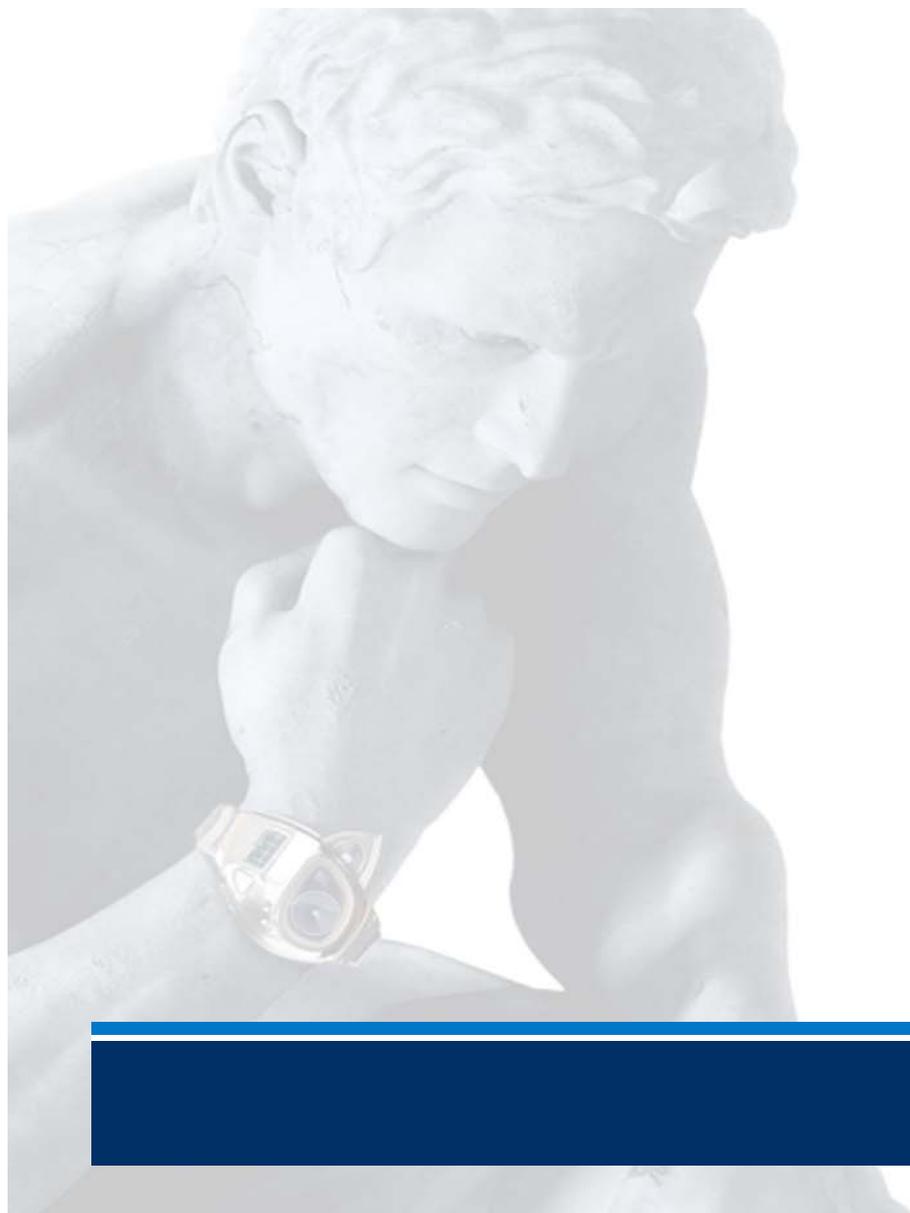
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By asset class



- Equities
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Our long-term strategy



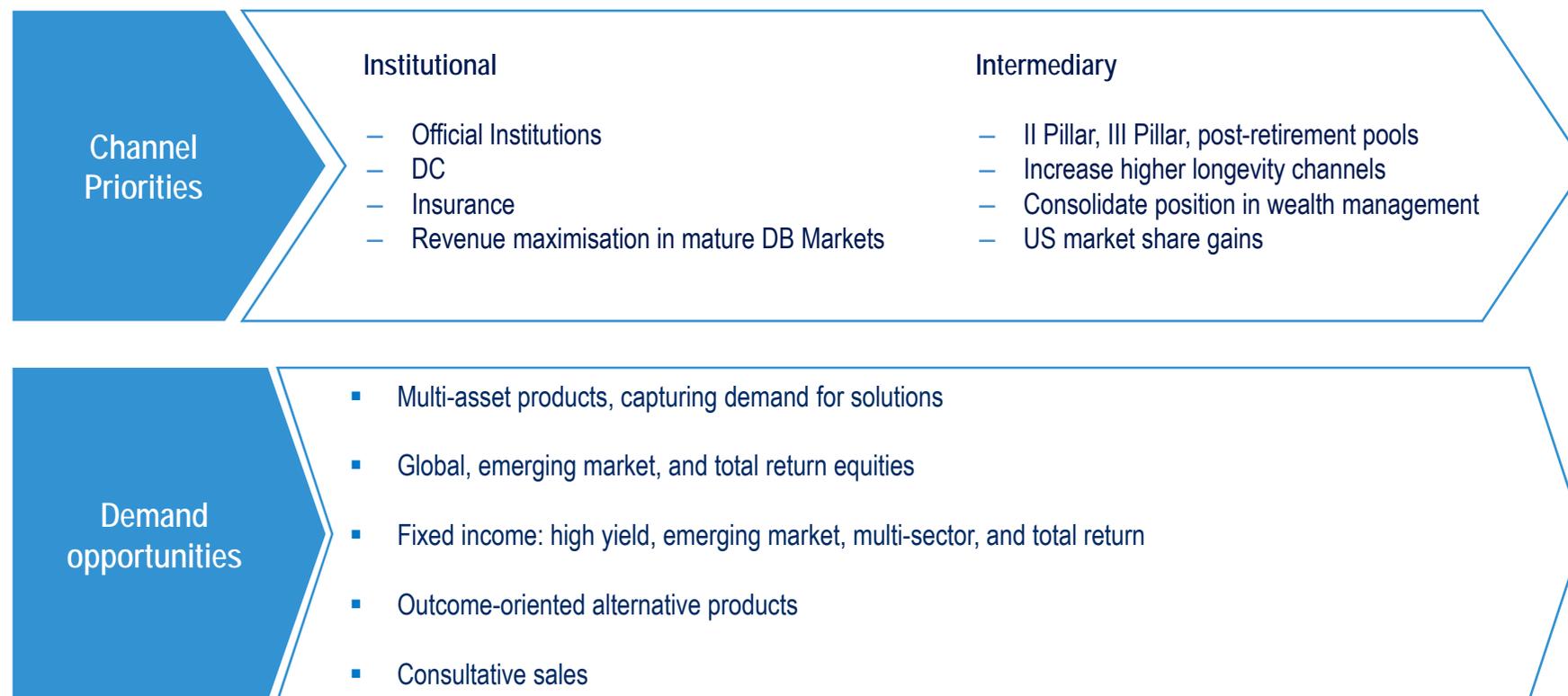
Schroders

Global trends: How are we positioned?

Macro economic environment	<ul style="list-style-type: none"> ▪ Uncertain, low growth environment, with potential for shocks (✓) ▪ Potential for high inflation in certain markets (✓) ▪ Tighter capital and liquidity requirements (✓) ▪ Ageing population in developed economies (✓)
Asset and Wealth Management landscape	<ul style="list-style-type: none"> ▪ Greater government intervention (✓) ▪ Higher transparency and client pressure on margins and costs (x) ▪ Changing distribution and brand dynamics (x) ▪ Continued exits of banks and insurers (✓) ▪ Continued growth of client demand for passive, ETF and low cost products (x) ▪ US will remain the largest pool (✓) ▪ Growth is concentrated in emerging markets (✓) ▪ Continued consolidation as industry responds to financial pressures (✓) ▪ Increased support for specialist providers (✓)
Client behaviours	<ul style="list-style-type: none"> ▪ Demand for outcome-oriented and tailored products (✓) ▪ Continued shifts in the pension landscape (✓) ▪ Recent trends to shorter asset longevity are stabilising (✓) ▪ Demand for sustained alpha, reduced willingness to pay for undifferentiated active management (✓) ▪ Increasing sophistication of consultants in evaluating performance (✓)

Global trends: How are we positioned?

Client demand perspective



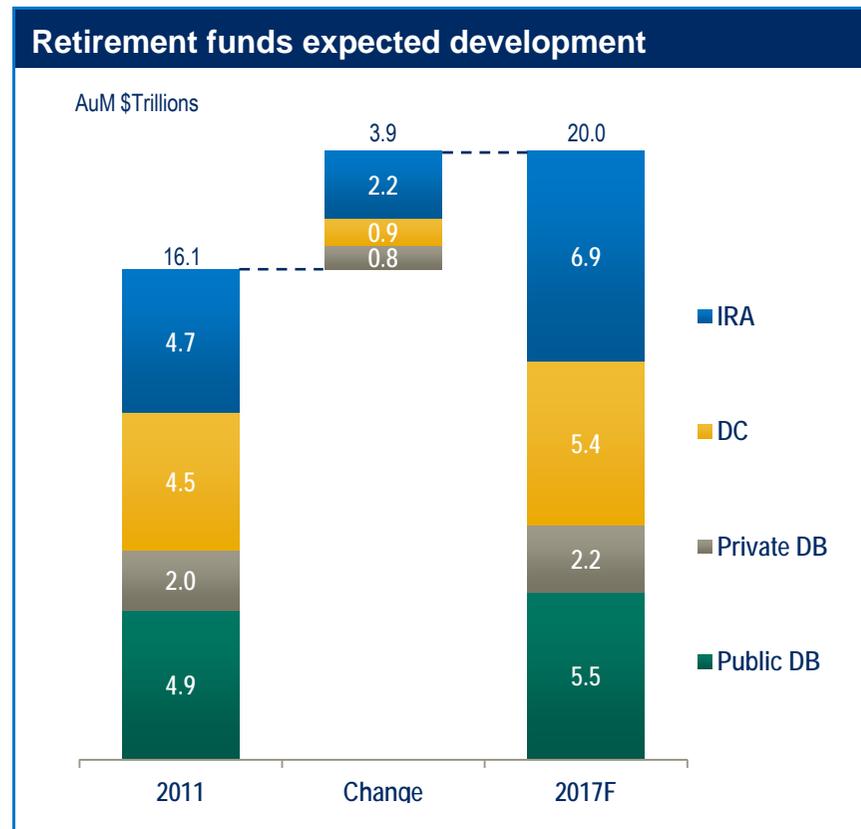
How we are positioned

Asset class perspective



Geographic opportunities

The US saving markets account for 48% of asset management revenues



- Build out organic strategy
- Deepen DC proposition in Intermediary
- Continue to upgrade talent in Distribution, Investment
- Diversify international range sold into US
- Acquisition of STW Fixed Income
 - Develop domestic scale within focused strategies

Source: McKinsey Asset management survey 2011

Implementing our strategy

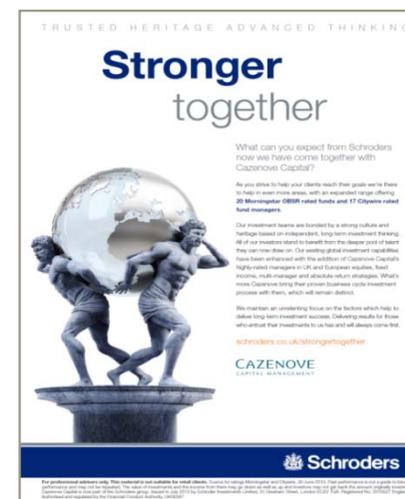
Leveraging our financial strength

- Strategic in-fill acquisitions
 - India: 25% stake in Axis Asset Management Company
 - United States and Fixed Income: acquisition of 100% of STW Fixed Income
 - Insurance-linked securities: 30% in Secquaero Advisors Limited
 - UK and Wealth Management: acquisition of Cazenove Capital Management

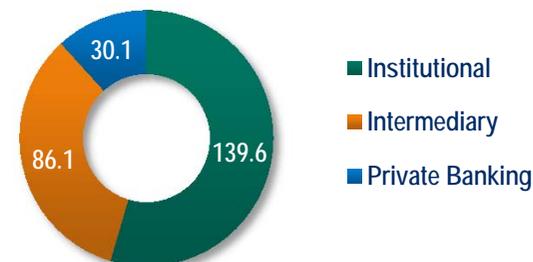
Acquisition of Cazenove Capital for £413m

Scale in Wealth Management, complementary strategies in Investment Funds

- **£20.1bn AUM**
 - £13.2bn Wealth Management
 - £6.9bn Investment Funds
- **£1.6bn net inflows in H1 2013**
 - £0.4bn Wealth Management
 - £1.2bn Investment Funds
- **In Private Banking**
 - Adds scale in UK
 - Broadens client offering
 - Complementary client base
- **In Asset Management**
 - Extends product range in UK Intermediary
 - Strong performance in UK and European equities, multi-manager, fixed income
 - Opportunities to leverage Schroders distribution
- **Cost synergies £12–15m**



Pro forma £255.8bn AUM at 30 June 2013

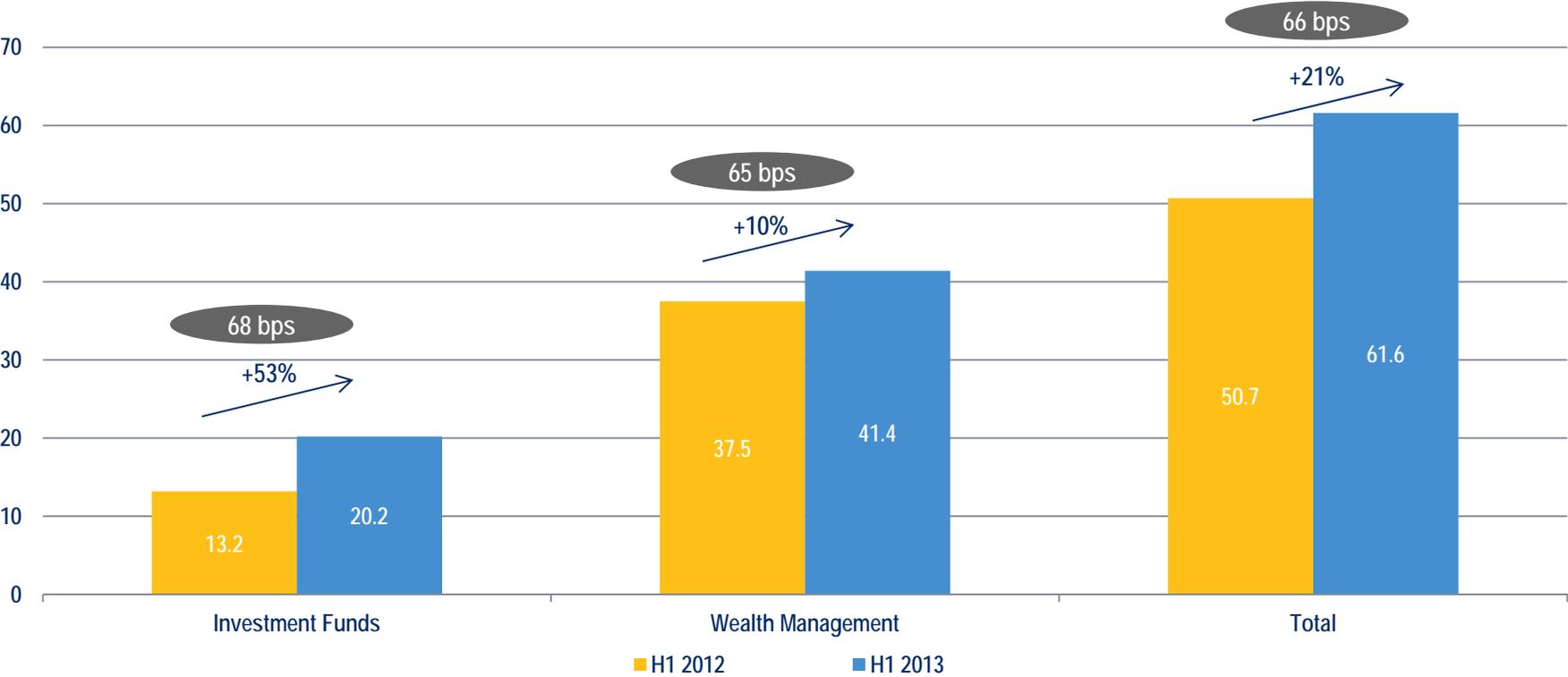


Cazenove Capital AUM and net inflows not included in Schroders' Interim results 2013

Cazenove Capital H1 2013

Strong revenue growth

Net revenues (£m) and net revenue margins (bps)



Strategic overview

Schroders: in a strong position; continuing to evolve

- Extensions to existing strategy
- Growth opportunities in core business
- Maintain/improve leading competitive position in Asia and Latin-America
- Expand in US – organically and by acquisition
- Build Alternatives as part of the core business
- Avoid passive / ETFs and illiquid assets
- Utilise our financial strength to invest in future growth
- Building industrial efficiencies – processes and technologies

Forward-Looking Statements

These presentation slides may contain forward-looking statements with respect to the financial condition, results of operations, strategy and businesses of the Schroders Group. Such statements and forecasts involve risk and uncertainty because they are based on current expectations and assumptions but they relate to events and depend upon circumstances in the future and you should not place undue reliance on them. Without limitation, any statement preceded by or followed by or that include the words 'targets', 'plans', 'believes', 'expects', 'aims' or 'anticipates' or the negative of these terms and other similar terms are intended to identify such forward-looking statements. 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. Forward-looking statements and forecasts are based on the Directors' current view and information known to them at the date of this presentation. The Directors do not make any undertaking to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Nothing in this presentation should be construed as a forecast, estimate or projection of future financial performance.