

# Schroders

## 2010 Half-year results

Data Pack

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advanced thinking



**Schroders**

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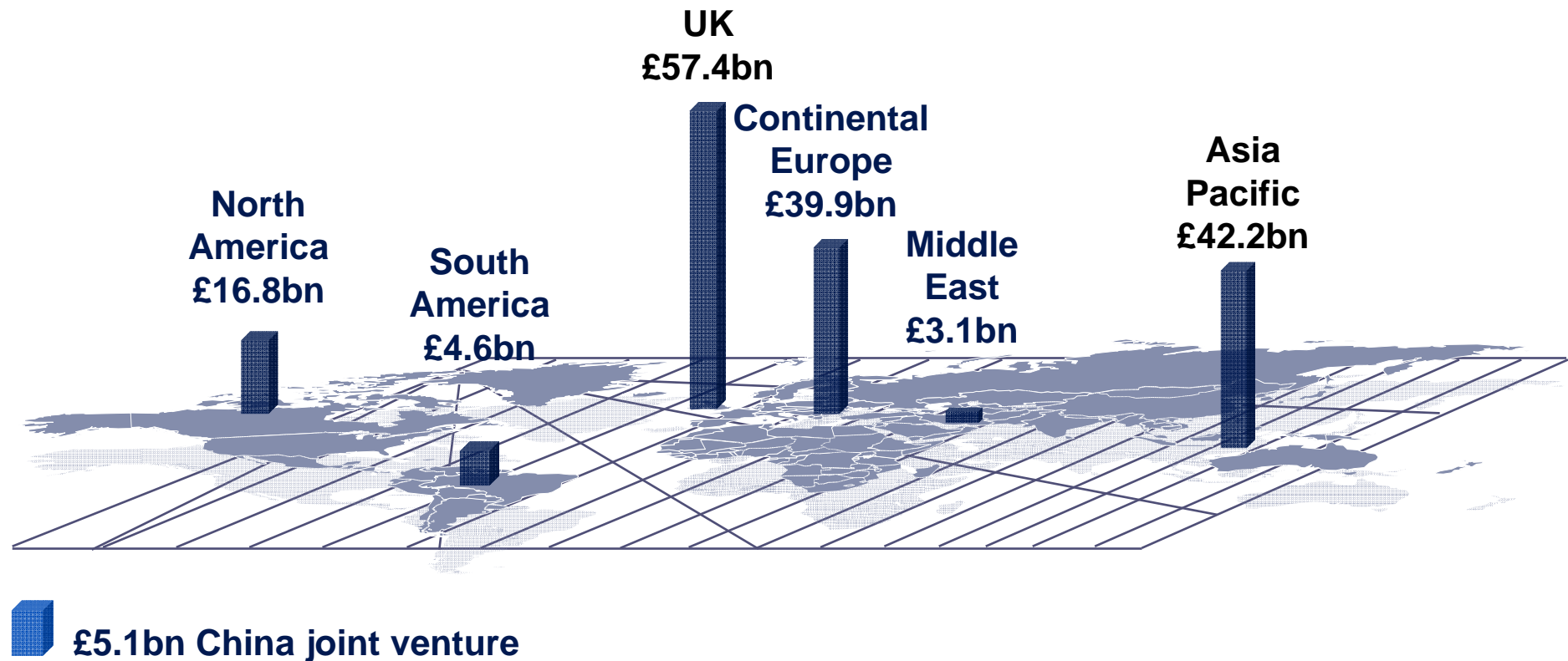
# Funds under management

**£164.0 billion at end June 2010**

£bn	Institutional	Intermediary	Private Banking	Total
<b>31 December 2009</b>	<b>76.7</b>	<b>59.1</b>	<b>12.6</b>	<b>148.4</b>
Net flows	9.8	5.1	1.2	16.1
Investment returns	0.8	(1.5)	0.2	(0.5)
<b>30 June 2010</b>	<b>87.3</b>	<b>62.7</b>	<b>14.0</b>	<b>164.0</b>

# FUM by client domicile

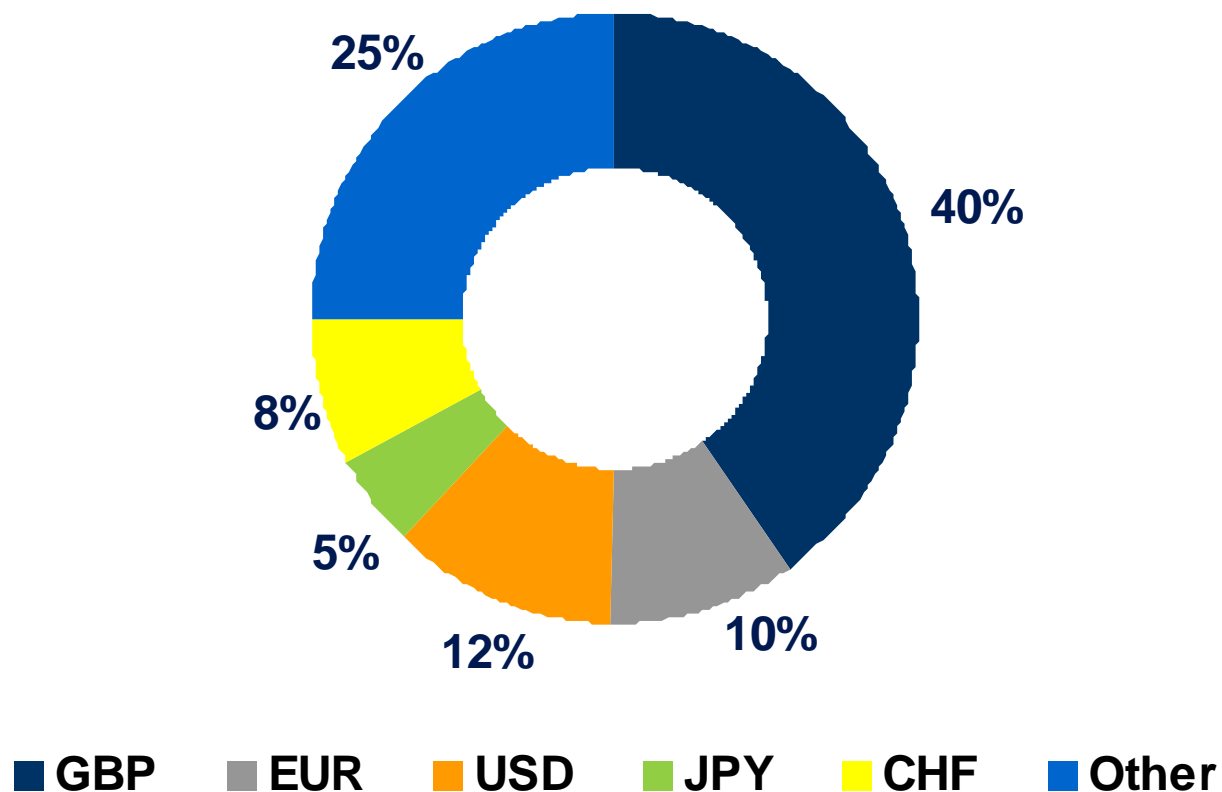
- £106.6 billion funds under management from clients outside the UK



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

# Currency profile of FUM

Funds under management £164.0 billion

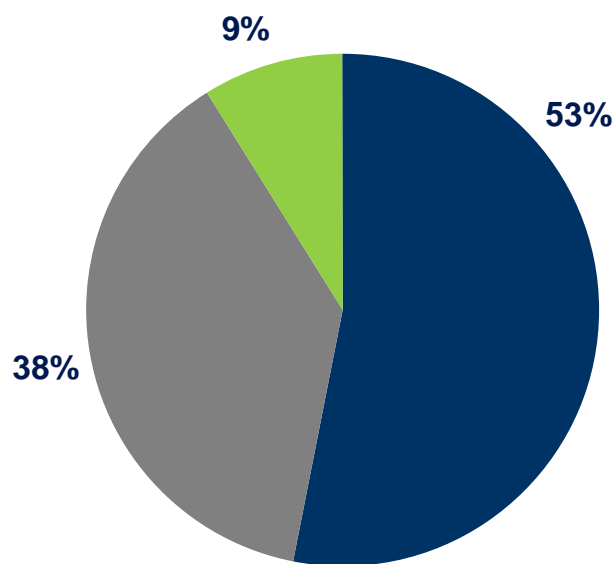


By client domicile

# Total FUM by channel, region and product

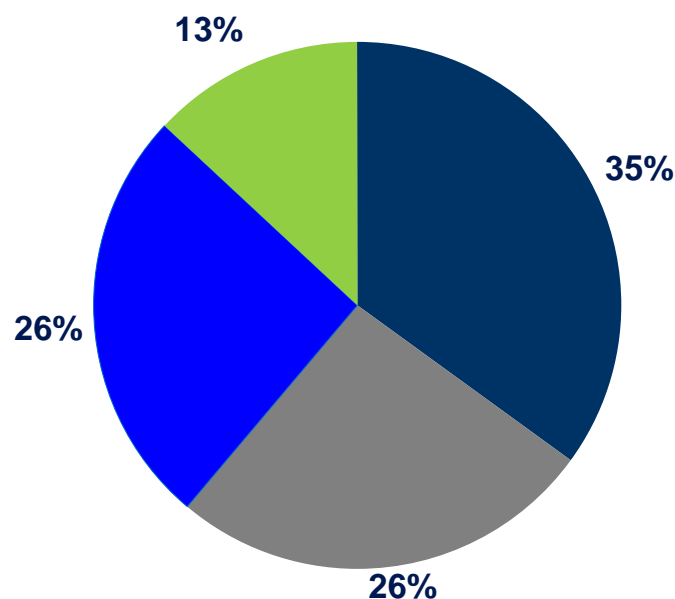
Funds under management £164.0 billion

### By channel



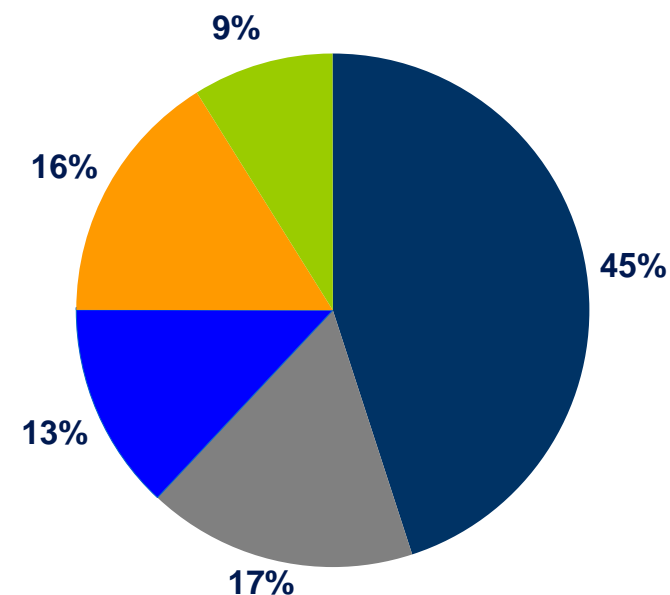
- Institutional
- Intermediary
- Private Banking

### By region



- UK
- Asia Pacific
- Continental Europe
- Americas

### By product



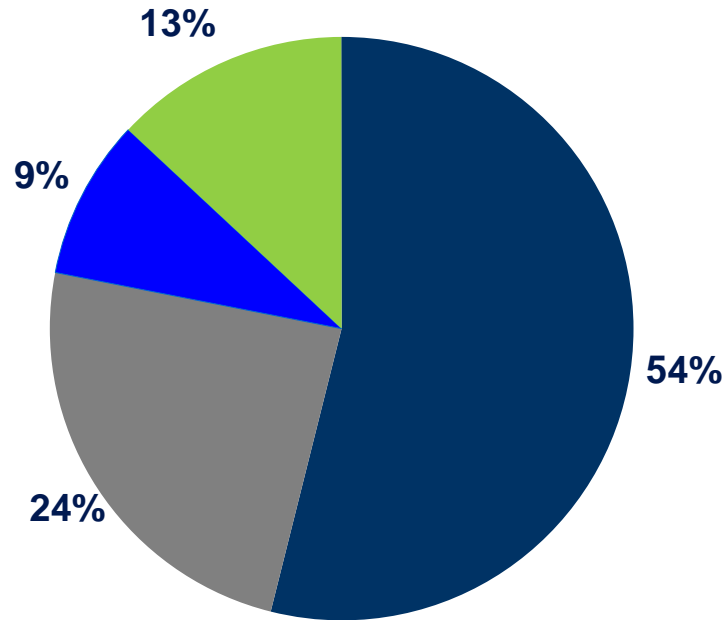
- Equities
- Fixed Income
- Alternatives
- Multi-asset
- Private Banking

By client domicile

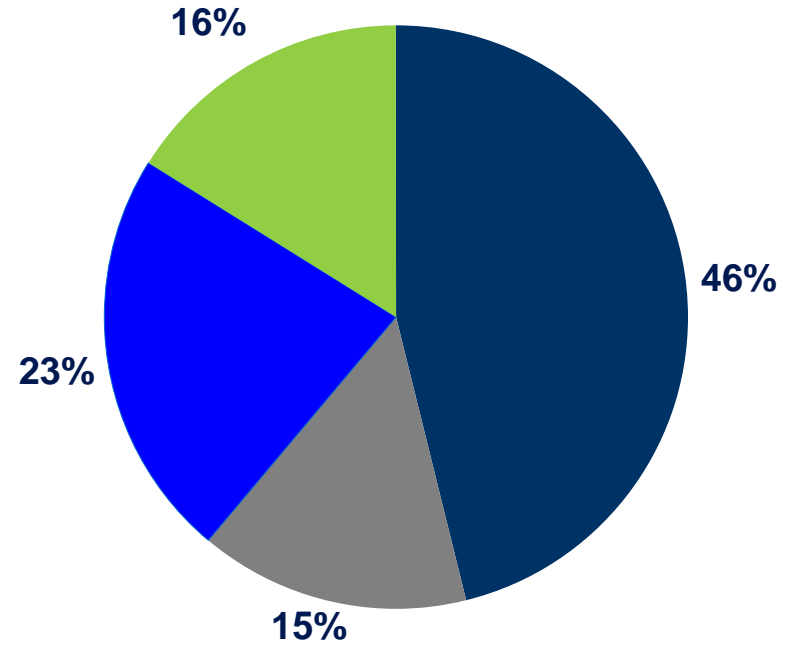


# Asset Management FUM by channel and product

Intermediary FUM £62.7bn



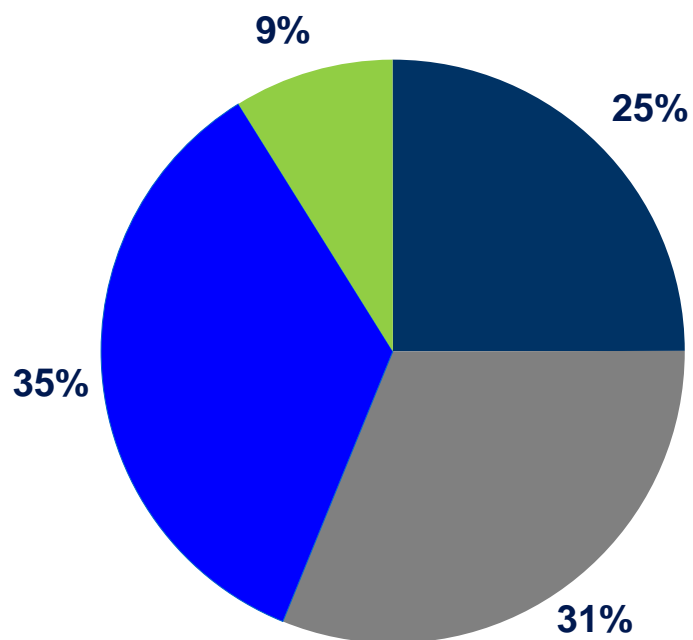
Institutional FUM £87.3bn



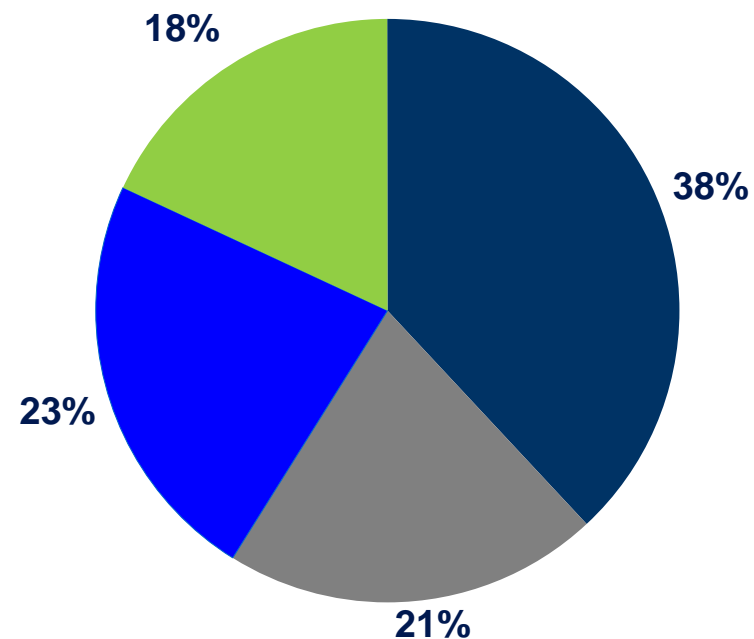
- Equities
- Fixed Income
- Multi-asset
- Alternatives

# Asset Management FUM by channel and region

Intermediary FUM £62.7bn



Institutional FUM £87.3bn



- UK
- Continental Europe
- Asia Pacific
- Americas

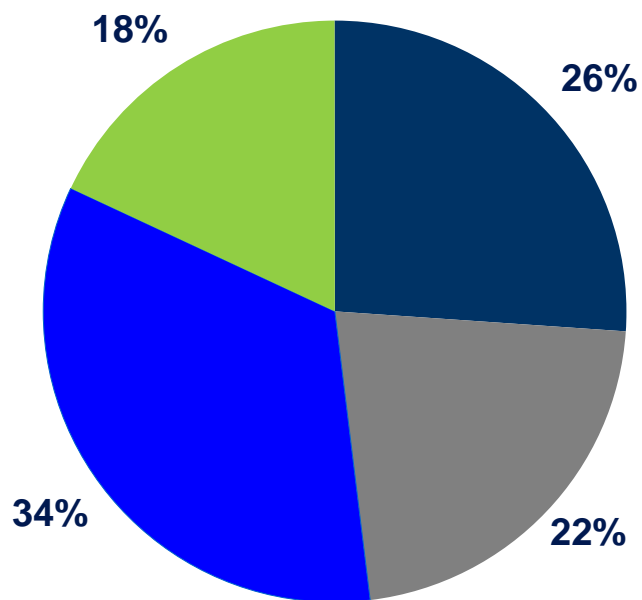
By client domicile



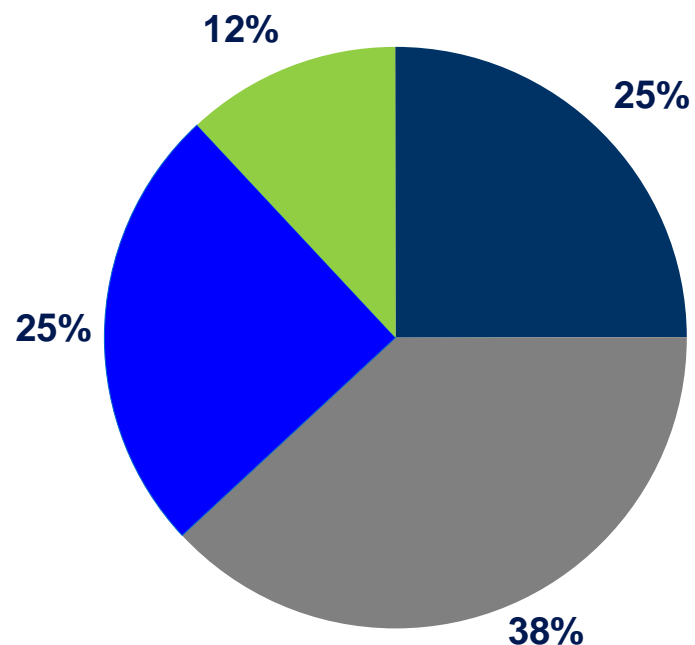


# Asset Management FUM analysis

## Equities FUM £74.0bn



## Fixed Income FUM £28.6bn



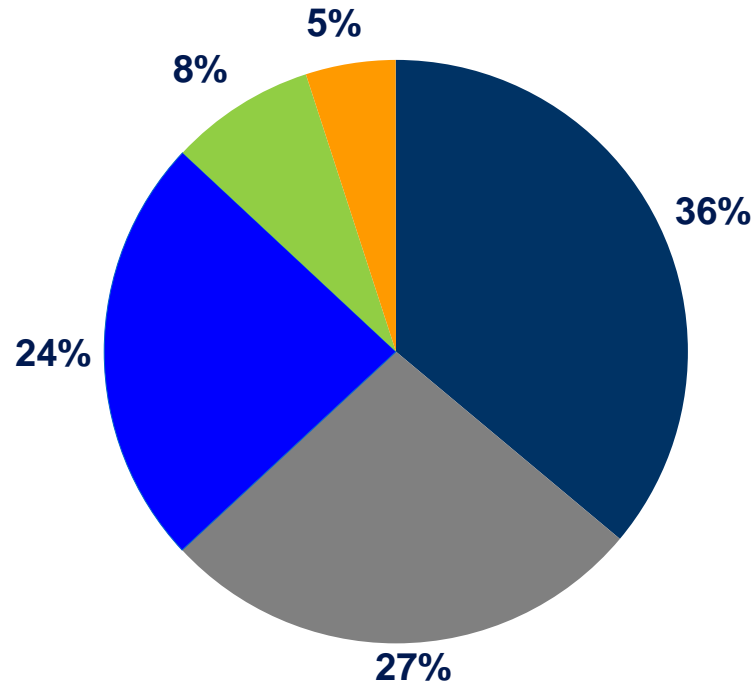
- UK
- Continental Europe
- Asia Pacific
- Americas

By client domicile



# Alternatives breakdown

Alternatives FUM £21.9bn



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



# Asset Management business flows

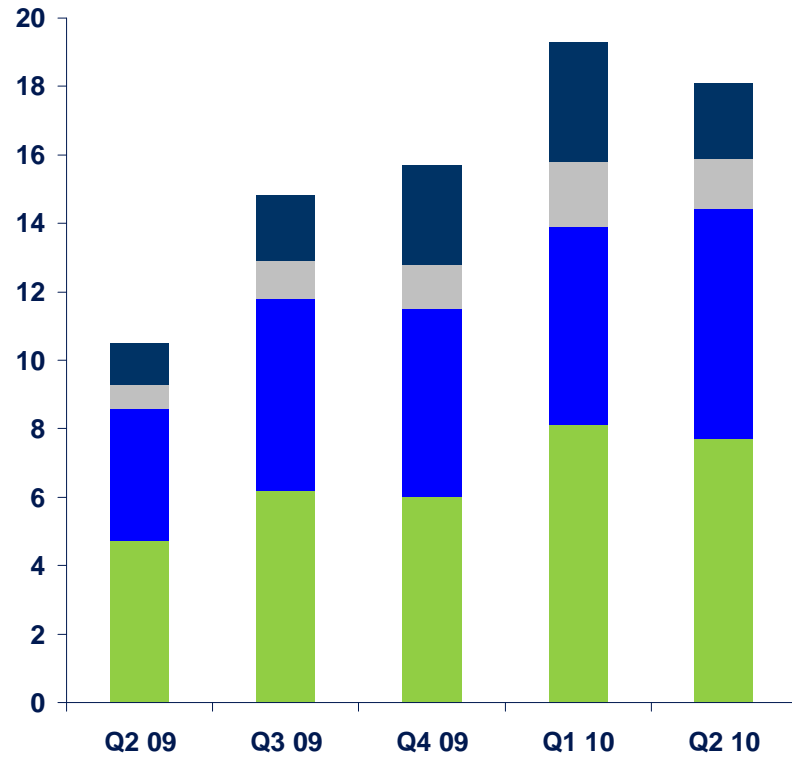
£bn	H1 2009			H1 2010		
	Inflows	Outflows	Net	Inflows	Outflows	Net
<b>Institutional</b>	<b>6.4</b>	<b>(7.3)</b>	<b>(0.9)</b>	<b>16.3</b>	<b>(6.5)</b>	<b>9.8</b>
<b>Intermediary (netted)</b>	<b>6.0</b>	<b>(3.6)</b>	<b>2.4</b>	<b>11.2</b>	<b>(6.1)</b>	<b>5.1</b>
<b>Total Asset Management</b>	<b>12.4</b>	<b>(10.9)</b>	<b>1.5</b>	<b>27.5</b>	<b>(12.6)</b>	<b>14.9</b>

£bn	H1 2009			H1 2010		
	Inflows	Outflows	Net	Inflows	Outflows	Net
<b>Institutional</b>	<b>6.4</b>	<b>(7.3)</b>	<b>(0.9)</b>	<b>16.3</b>	<b>(6.5)</b>	<b>9.8</b>
<b>Intermediary (no-netting)</b>	<b>10.6</b>	<b>(8.2)</b>	<b>2.4</b>	<b>21.1</b>	<b>(16.0)</b>	<b>5.1</b>
<b>Total Asset Management</b>	<b>17.0</b>	<b>(15.5)</b>	<b>1.5</b>	<b>37.4</b>	<b>(22.5)</b>	<b>14.9</b>

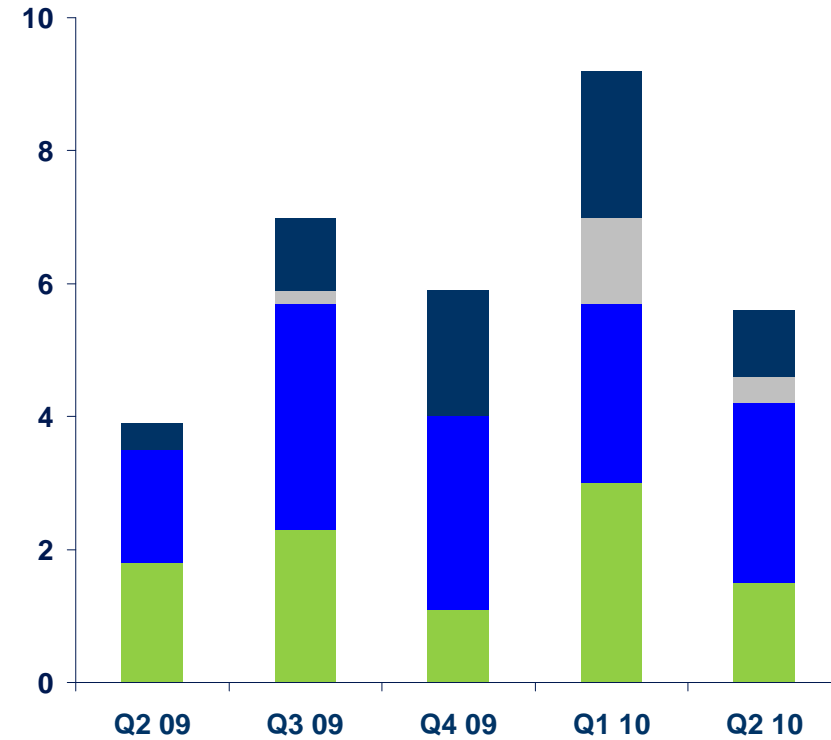
Intermediary historically reported as netted flows (same client flows within the same region within the same month)

# Asset Management business flows

## Gross Inflows - £bn



## Net Flows - £bn

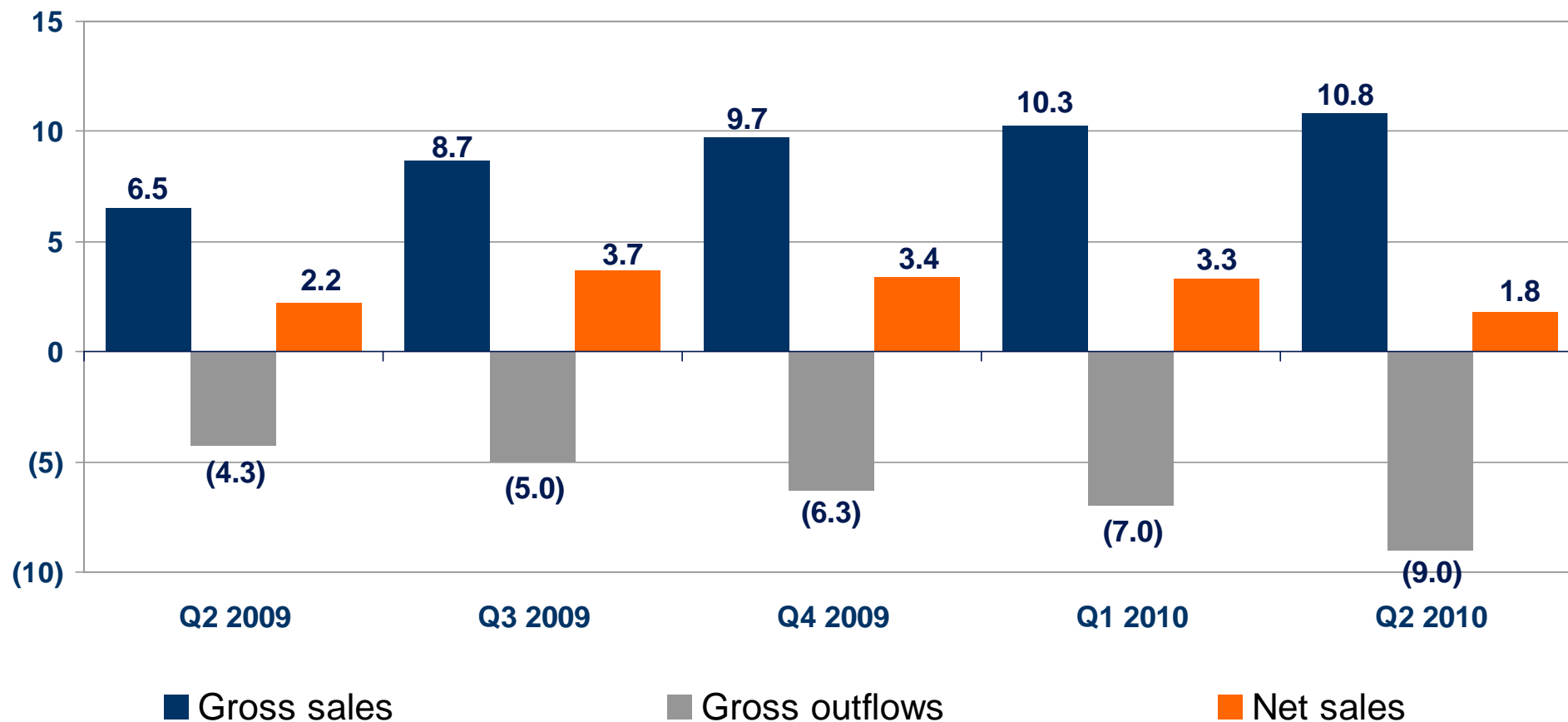


- Equities
- Fixed Income
- Multi-asset
- Alternatives

# Intermediary flows

Q2 2010: gross inflows £10.8bn, net inflows £1.8bn

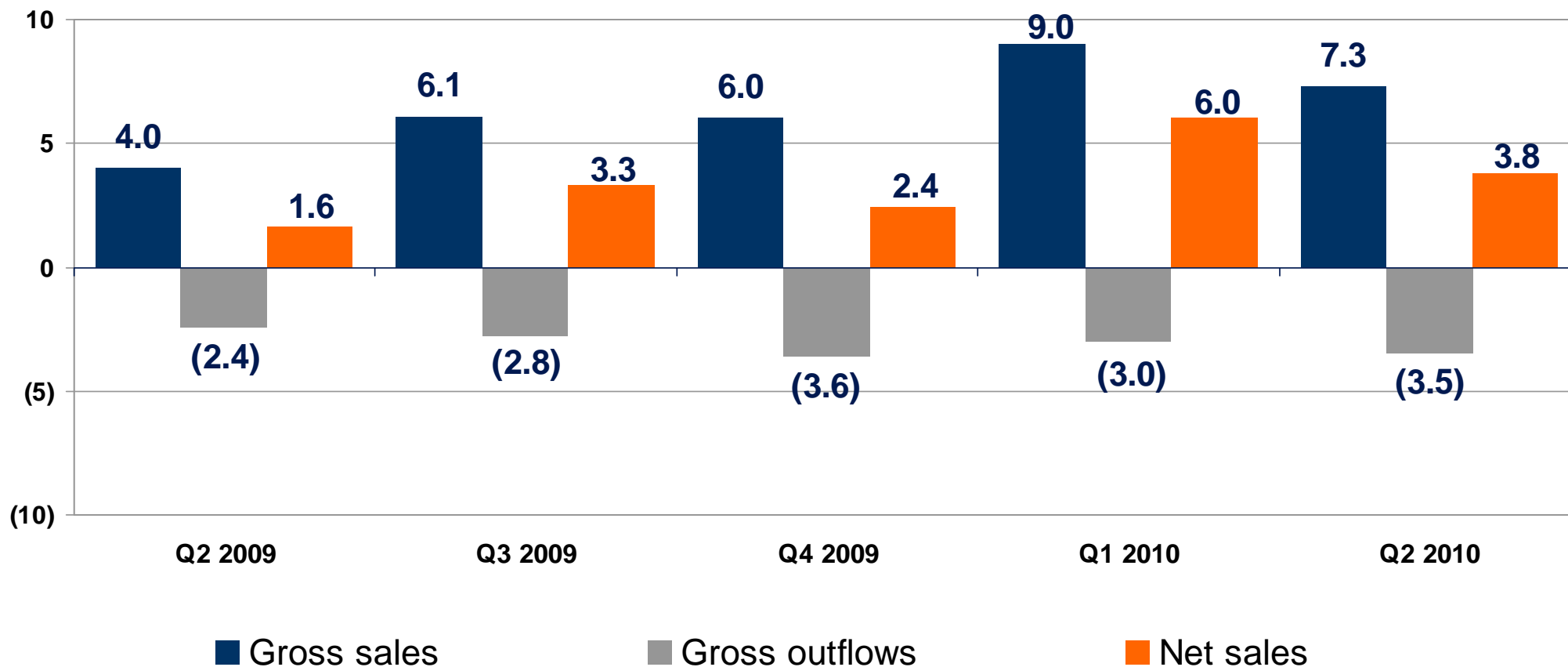
£bn – sales flows



# Institutional flows

Q2 2010: gross inflows £7.3bn, net inflows £3.8bn

£bn – sales flows



# Income and cost metrics for the Group

	Q1 2010	Q2 2010
Compensation costs: operating revenues	47%	45%
Bonus: pre-bonus Asset Management and Private Banking profit	41%	41%
Group cost: operating revenues	71%	67%

- Compensation costs: operating revenues = total Group compensation costs divided by Asset Management and Private Banking net 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: operating revenues = total Group costs divided by Asset Management and Private Banking net revenues



# Net revenue and margins – Asset Management

**Asset Management net revenue £476.8 million**

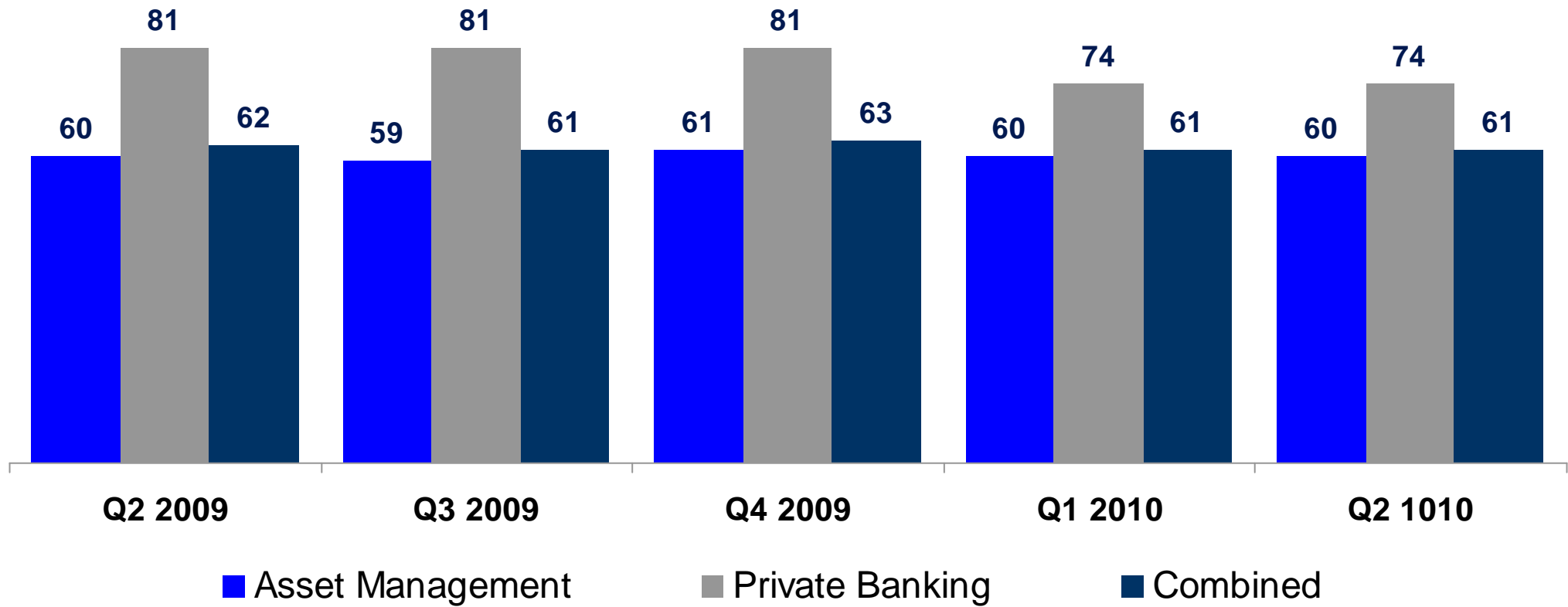
(H1 2009: £277.4 million)

	H1 2009	H1 2010
AM net revenue - £m	277.4	476.8
Average AM FUM - £bn	96.0	148.6
AM net revenue on average AM FUM	58bps	64bps
AM performance fees - £m	1.7	31.3
AM Performance fees on average AM FUM	1bps	4bps
AM costs - £m	229.4	306.6
AM costs on average AM FUM	48bps	41bps
AM operating profit - £m	48.0	170.2
AM operating profit on average AM FUM	10bps	23bps



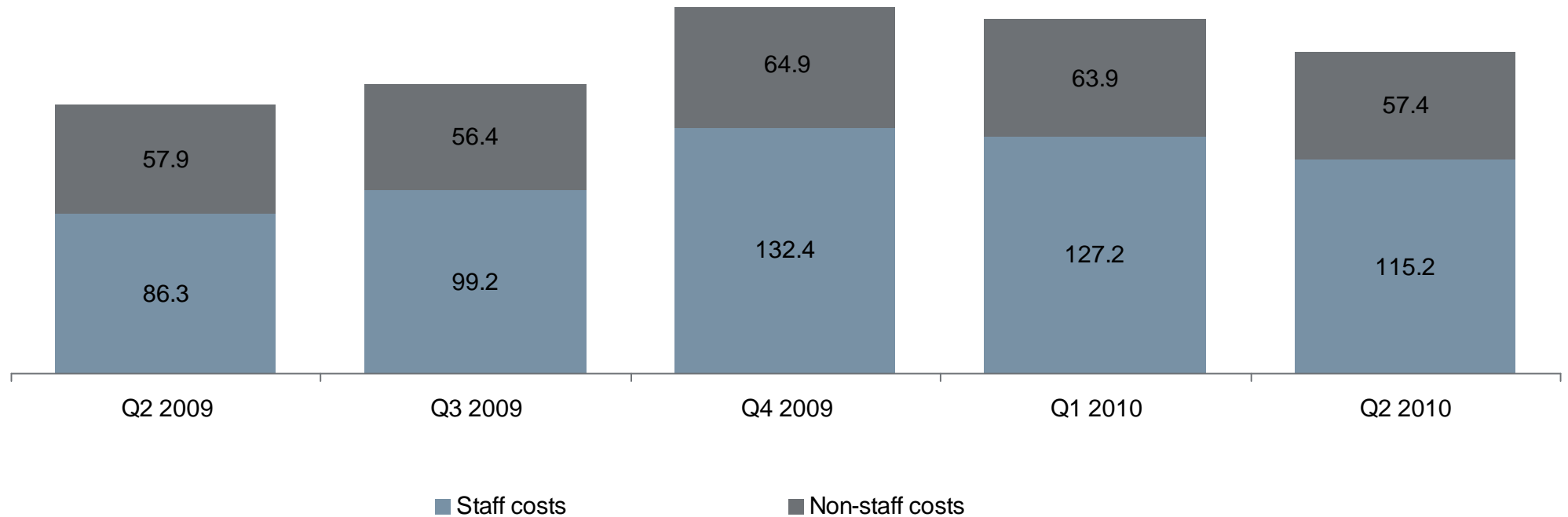
# Net revenue margin quarterly progression

Excluding performance fees



# Total costs

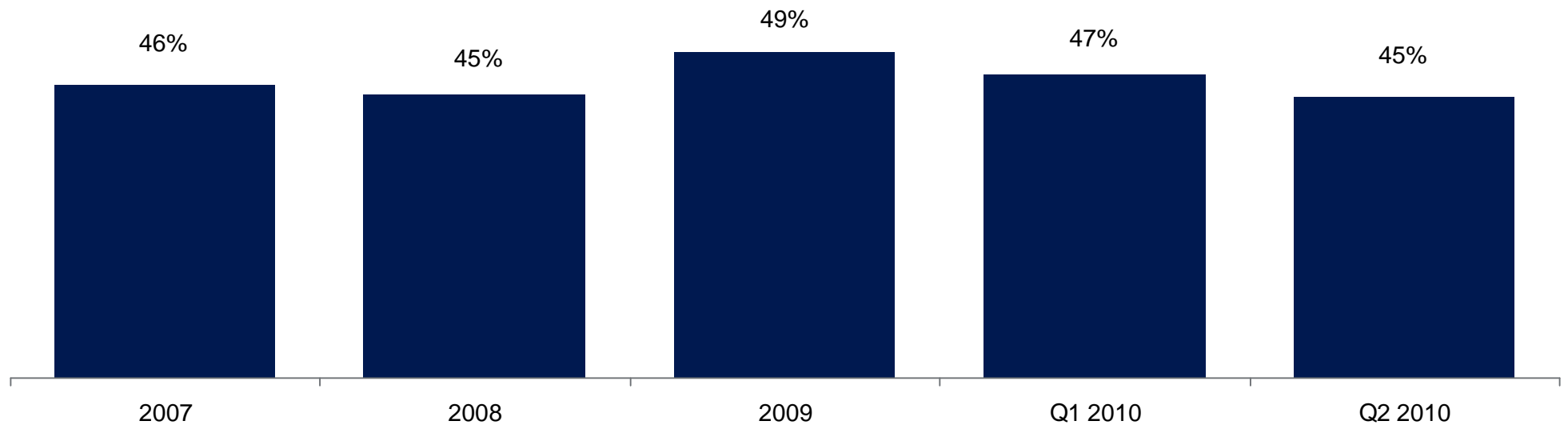
£m



• **48% of staff costs are variable in Q2 2010 compared to 37% in Q2 2009**

2009 figures exclude exceptional items

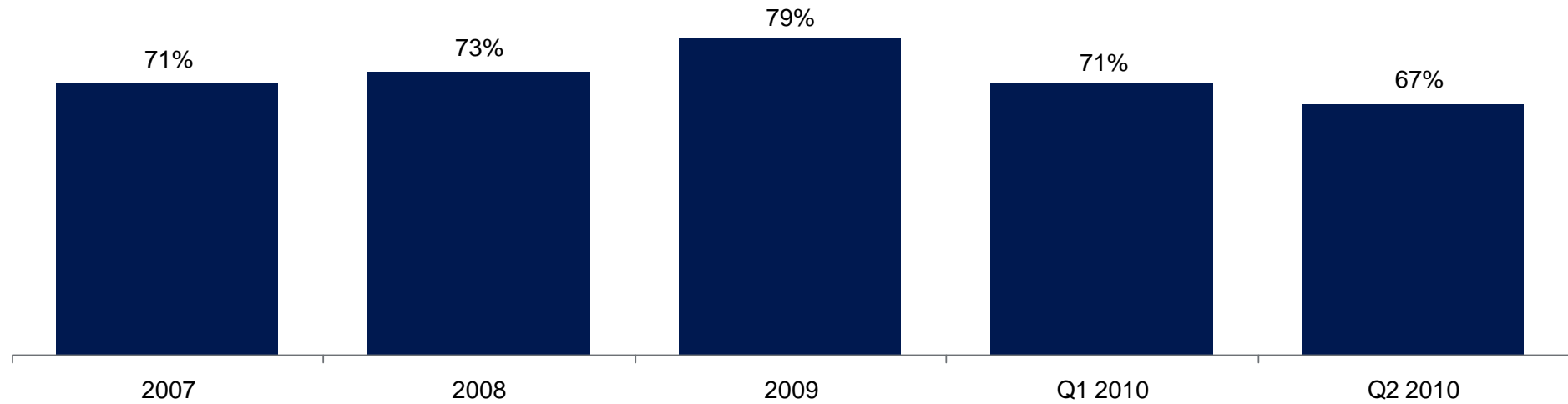
# Compensation costs: operating revenues



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

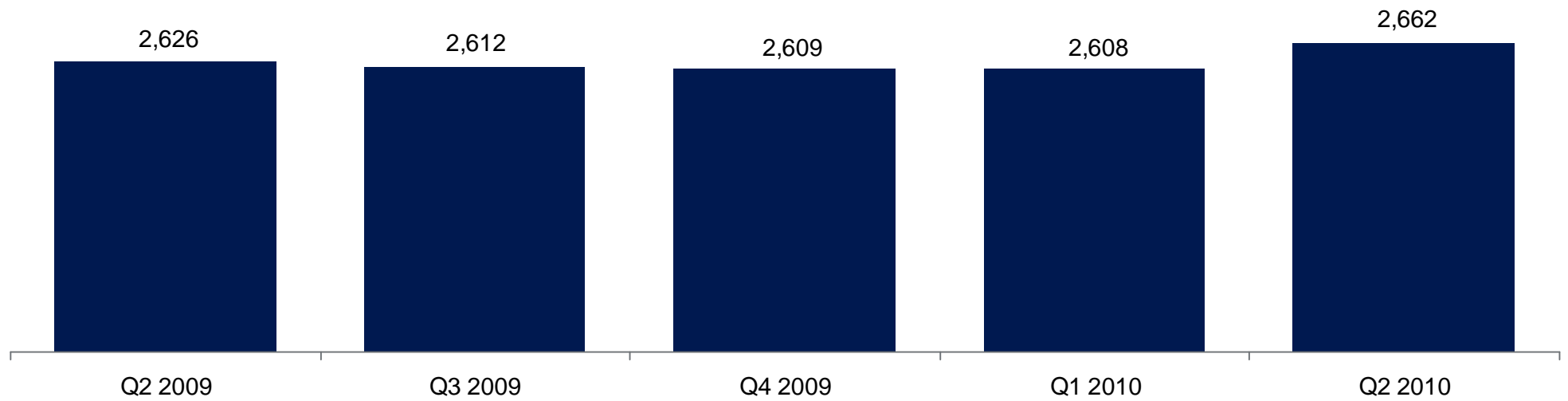


## Group cost: operating revenue ratio



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

# Headcount



# Income statement progression

## Asset Management profit before tax

£m	Q2 2009	Q3 2009	Q4 2009	Q1 2010	Q2 2010
Net revenue	149.9	172.7	229.1	244.8	232.0
Costs	(114.1)	(122.2)	(160.9)	(160.1)	(146.5)
JVs and associates	2.3	4.2	1.6	3.3	1.9
Net finance income	0.6	0.6	0.6	0.9	1.0
Exceptional items	(5.5)	(1.3)	(3.8)	-	-
<b>Asset Management profit</b>	<b>33.2</b>	<b>54.0</b>	<b>66.6</b>	<b>88.9</b>	<b>88.4</b>

# Income statement progression

## Private Banking profit before tax

£m	Q2 2009	Q3 2009	Q4 2009	Q1 2010	Q2 2010
Private Banking revenue	22.8	23.6	24.9	24.3	25.6
Private Banking costs	(16.2)	(17.3)	(26.0)	(23.0)	(20.3)
Private Banking exceptionals	(0.4)	-	0.4	-	-
<b>Private Banking profit</b>	<b>6.2</b>	<b>6.3</b>	<b>(0.7)</b>	<b>1.3</b>	<b>5.3</b>

# Income statement progression

## Group segment profit before tax

£m	Q2 2009	Q3 2009	Q4 2009	Q1 2010	Q2 2010
Net revenue	0.2	1.8	1.8	5.0	4.1
Costs	(6.8)	(9.8)	(7.5)	(6.6)	(5.7)
JVs and associates	(2.8)	3.3	1.3	3.5	1.6
Net finance income	4.9	0.9	0.6	1.1	1.3
Exceptional items	(10.8)	(12.9)	(4.5)	-	-
<b>Group profit</b>	<b>(15.3)</b>	<b>(16.7)</b>	<b>(8.3)</b>	<b>3.0</b>	<b>1.3</b>
<b>SVIL</b>	<b>(0.3)</b>	<b>3.3</b>	<b>1.3</b>	<b>3.5</b>	<b>1.6</b>



# Balance sheet

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

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

# Group capital

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