



# 2013 Annual General Meeting

**Michael Dobson**  
Chief Executive

2 May 2013



**Schroders**

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# Performance 2012

## Investing for long-term growth

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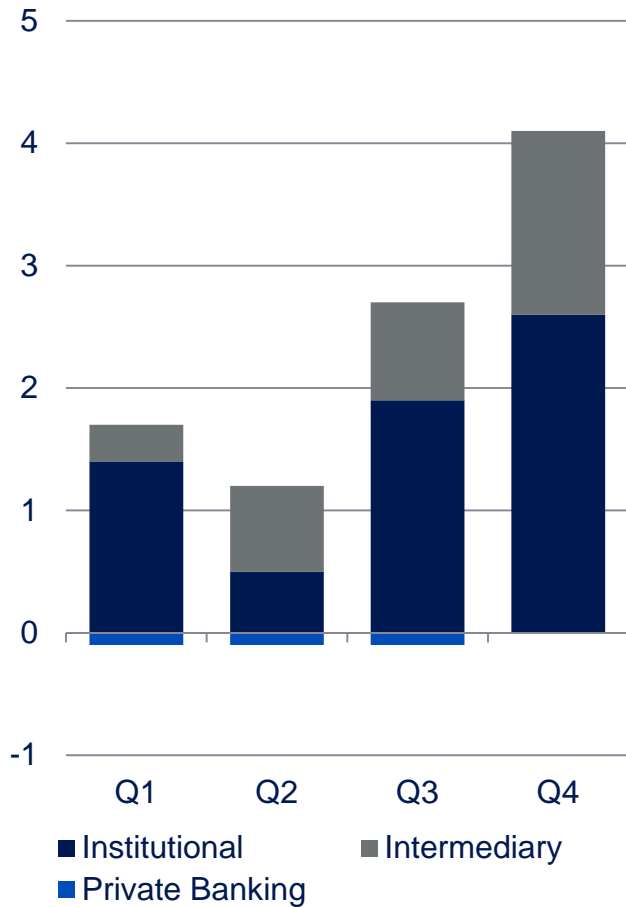
- Profit before tax £360.0m (2011: £407.3m)
- Earnings per share 104.7p (2011: 115.9p)
- Dividend increased 10% to 43.0p (2011: 39.0p)
- Investment performance: 71% outperforming over three years
- Net new business: £9.4bn (2011: £3.2bn)
- Assets under management up 13% to £212.0bn (2011: £187.3bn)
- Acquisitions: Axis, STW

# Diversified by channel, region and asset class

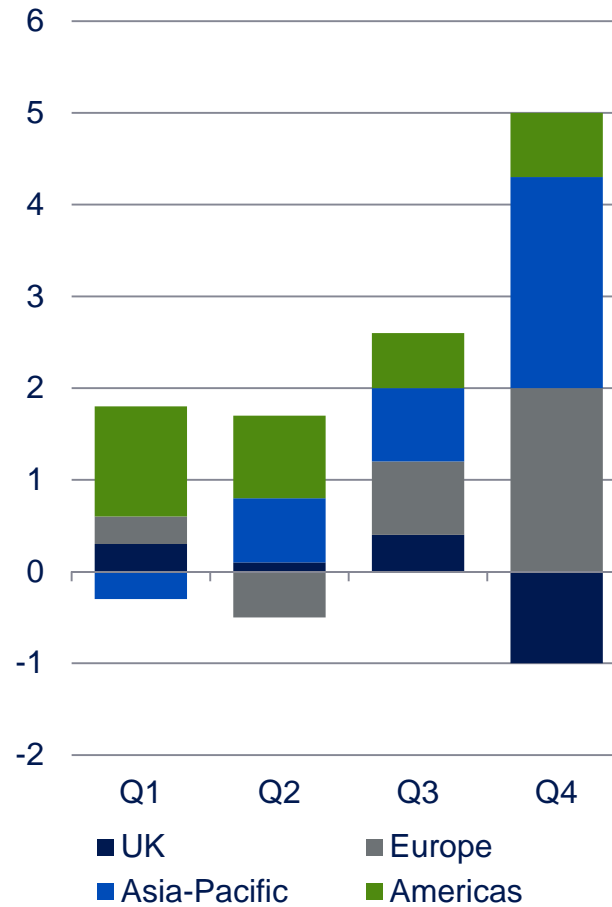
Net new business £9.4bn; Institutional AUM £123.7bn; Intermediary AUM £72.0bn

£bn

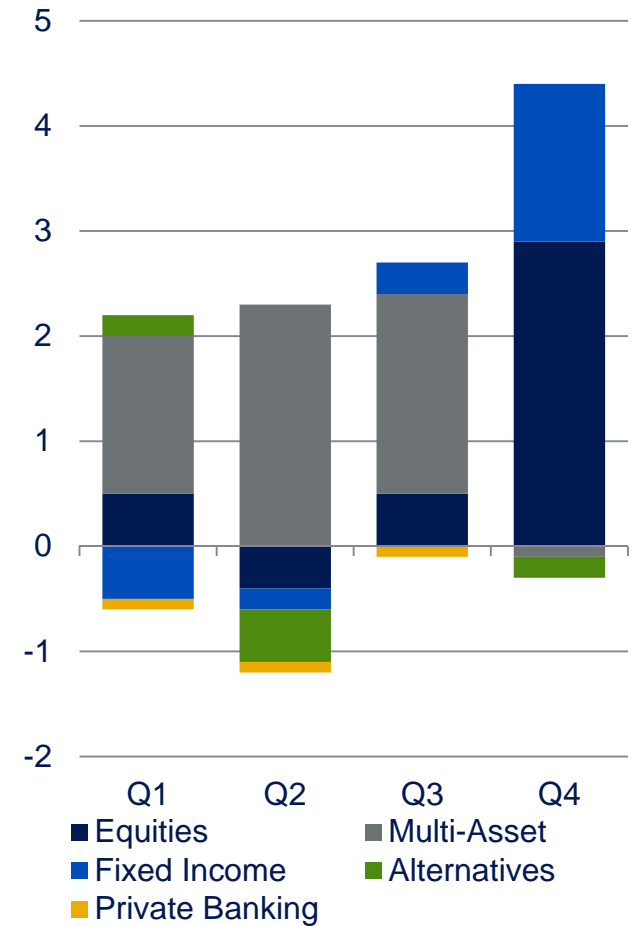
### By channel



### By region



### By asset class



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# Private Banking

Assets under Management: £16.3bn

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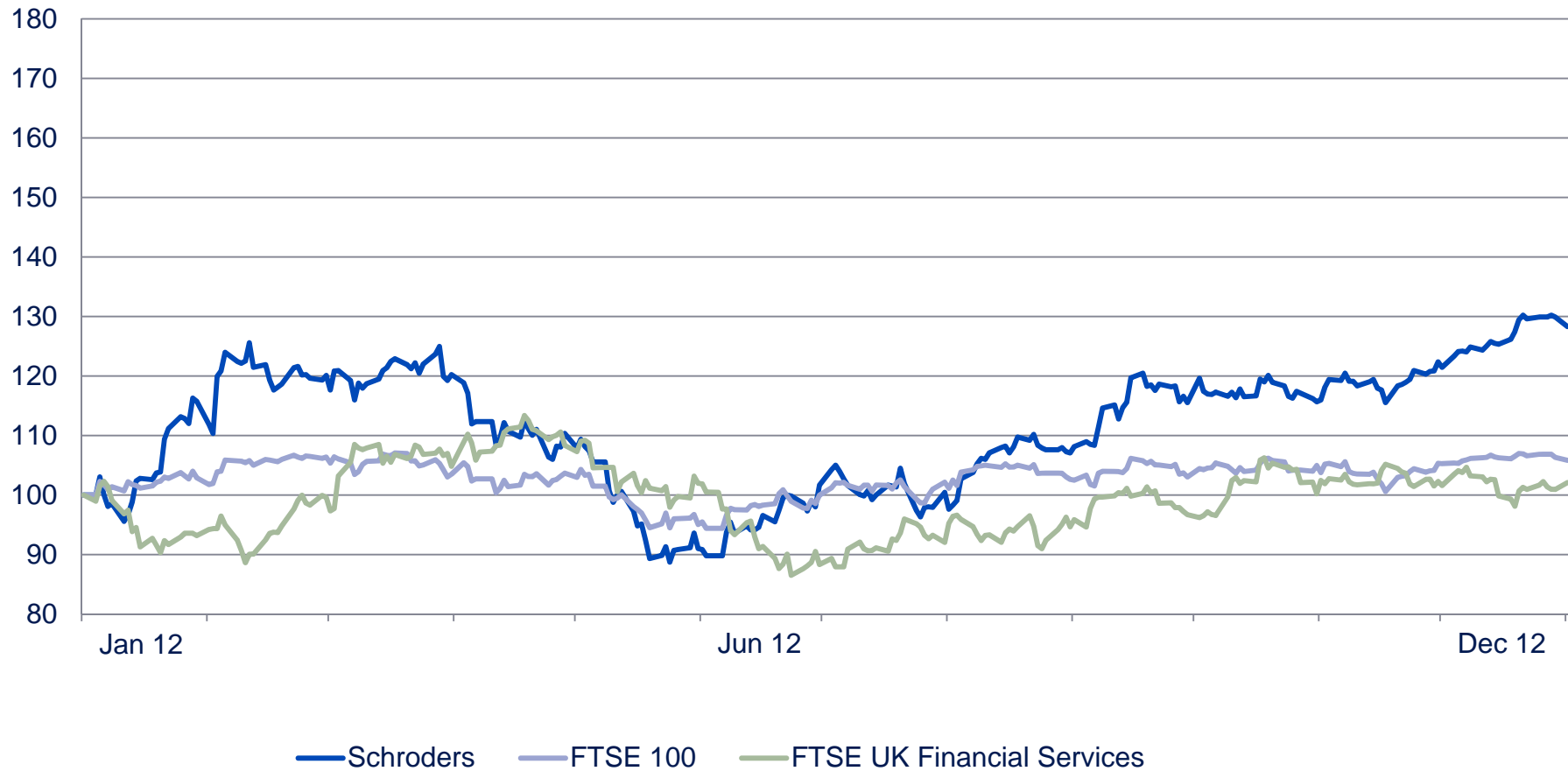
- Underlying revenues down 10% to £102.3m (2011: £114.3m)
- Underlying costs down 12% to £79.4m (2011: £90.5m)
- Underlying profit down 4% to £22.9m (2011: £23.8m)
- Provisions:           £7.9m loan losses principally commercial property  
                              £3.2m potential liability relating to regulatory environment in Switzerland
- Reported profit £11.8m

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# Share price performance 2012

Up 28%

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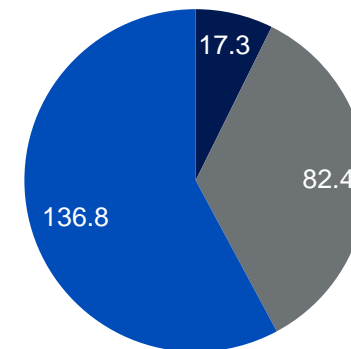
# Proposed acquisition of Cazenove Capital

Scale in Private Banking, complementary skills in Asset Management

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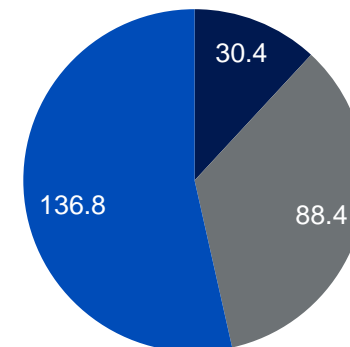
- End March 2013 AUM: £19.1bn
- Significant increase in scale and capabilities in Wealth Management
- Complementary skills and strategies in UK and European equities, Multi-manager and Fixed Income
- Good cultural fit
- Cost synergies £12-15m:
  - Infrastructure
  - UK funds distribution
- Shareholder votes: 17 May
- Completion: July

**Schroders AUM: £236.5bn 31 March 2013**



■ Private Banking ■ Intermediary ■ Institutional

**Pro-forma AUM: £255.6bn 31 March 2013**



■ Private Banking ■ Intermediary ■ Institutional

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Source: Schroders as at 31 March 2013. Cazenove Capital Management website for Cazenove Capital AUM as at 28 March 2013.

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# Private Banking

## Creating scale in a core business

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- Pro forma 2012 revenue up 78% to £167.8m
- Pro forma March 2013 assets under management £30.4bn
- Material extension of client base
- Financial planning capability
- Strengthened client service proposition
- A market leader in charities
- Strong brand in UK Wealth Management
- Andrew Ross, Head of UK Private Banking

*“Trustworthy” “Experienced” “Performance-driven” \**

Words most frequently used to describe Cazenove Capital Wealth Management



\* Independent consultant Market Dynamics Research and Consulting Survey 2012

Source: Schroders and Cazenove Capital 2012 Annual Reports. Pro forma revenue calculated as Schroders' Private Banking revenue of £94.4m plus Cazenove Capital's Wealth Management revenue of £73.4m.

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# Investment Funds

## Complementary skills and strategies in Asset Management

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- £6.0bn of UK Intermediary AUM
- Highly-rated portfolio managers
  - UK Equities
  - European Equities
  - Multi-manager
  - Fixed Income
- Complementary strategies
- Opportunity to leverage Schroders' distribution strengths



Source: Awards won in 2012. AUM from Cazenove Capital website as at 28 March 2013.



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# Q1 2013 Interim Management Statement

## Strong start to the year

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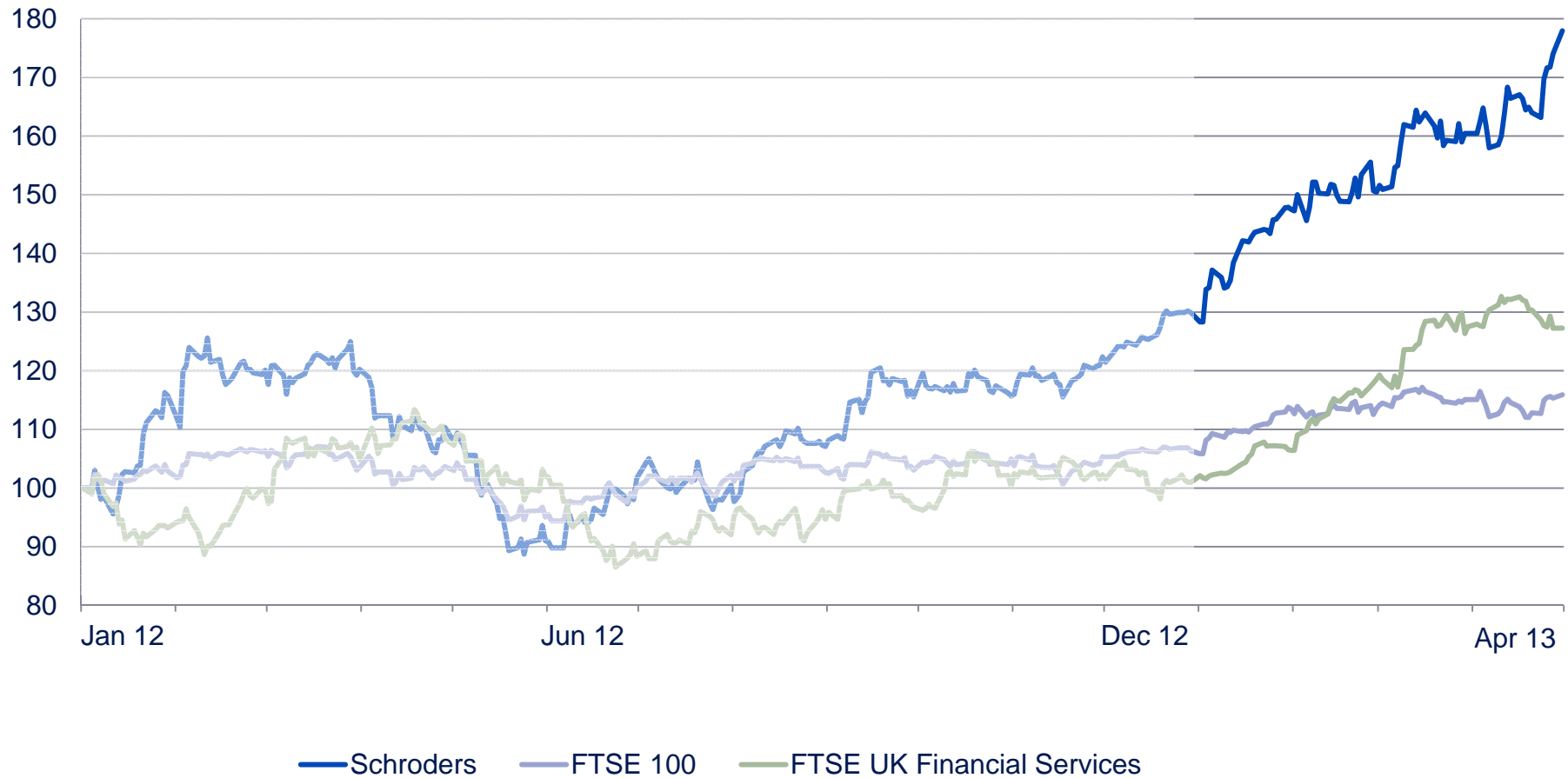
- Profit before tax up 20% to £115.0m (Q1 2012: £95.5m)
  - Asset Management profit before tax £105.2m (Q1 2012: £88.6m)
  - Private Banking profit before tax £4.9m (Q1 2012: £6.4m)
- Net new business £5.6bn (Q1 2012: £1.6bn)
- Assets under management £236.5bn (31 December 2012: £212.0bn)
- STW acquisition completed 2 April 2013
  - Assets under management £7.3bn

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# Share price performance 2013

Up 39% YTD

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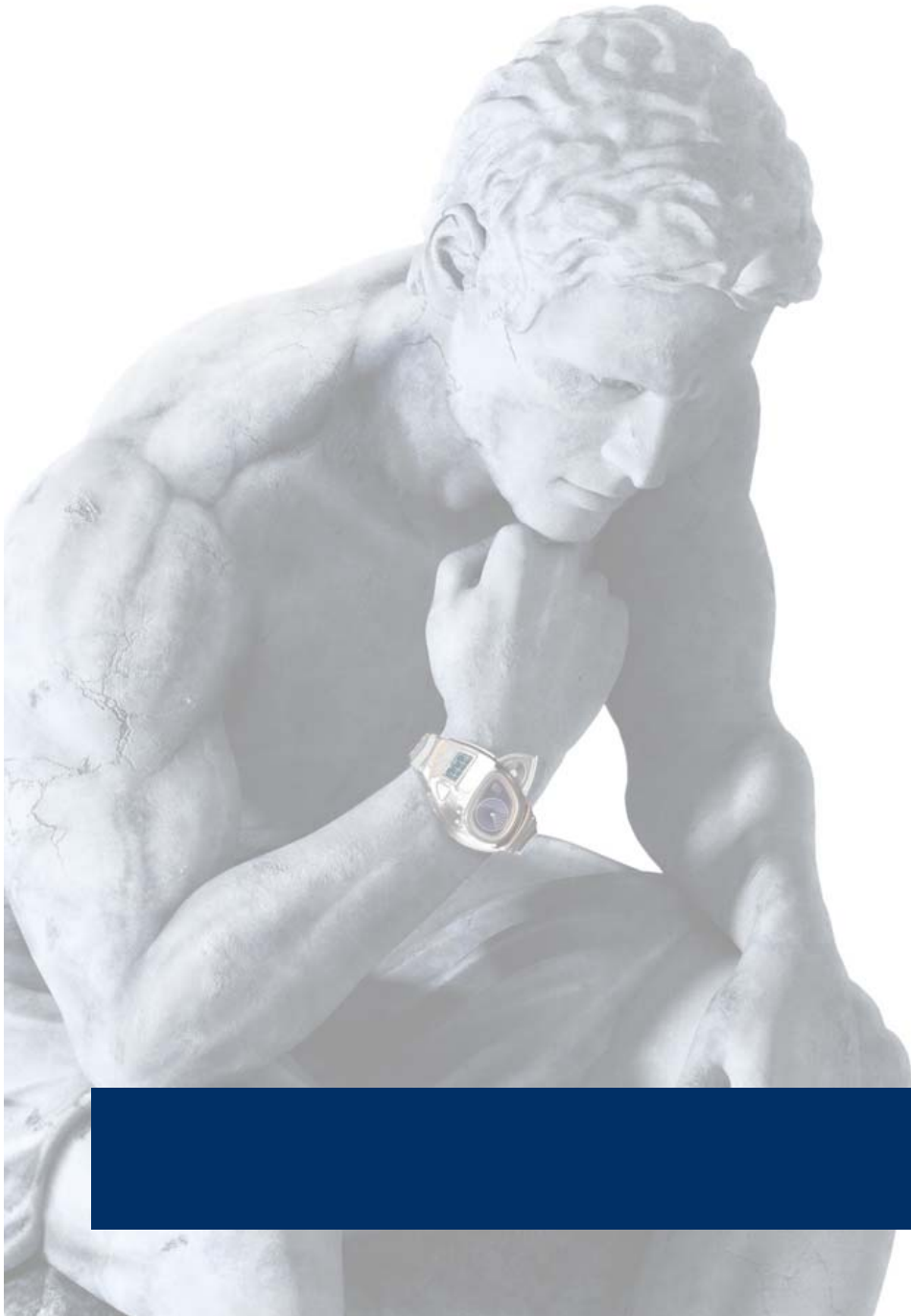
# Outlook and priorities 2013

## Confidence in long-term growth

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### Outlook

- Expect some slowdown after strength of Q1
- Leverage our competitive position
  - performance
  - product range
  - distribution strengths
  - global footprint
- Continued growth in Intermediary and Institutional
- Integration of Cazenove Capital
- Good long-term growth opportunities



# 2013 Annual General Meeting

**Andrew Beeson**  
Chairman

2 May 2013



**Schroders**

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# Resolution 1

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That the Directors' report and the accounts for the year ended 31 December 2012 be received and adopted

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## **Resolution 2**

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That a final dividend of 30.0 pence per share be declared

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## **Resolution 3**

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That the Remuneration report be approved

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## **Resolution 4**

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That Nichola Pease be elected as a Director



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## **Resolution 6**

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That Andrew Beeson be re-elected as a Director

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## **Resolution 5 and Resolutions 7 to 13**

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5. That Ashley Almanza be re-elected as a Director
7. That Luc Bertrand be re-elected as a Director
8. That Robin Buchanan be re-elected as a Director
9. That Michael Dobson be re-elected as a Director
10. That Lord Howard of Penrith be re-elected as a Director
11. That Philip Mallinckrodt be re-elected as a Director
12. That Bruno Schroder be re-elected as a Director
13. That Massimo Tosato be re-elected as a Director

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## Resolutions 14 and 15

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15. That PricewaterhouseCoopers LLP be re-appointed as auditors of the Company
  
16. That the Directors be authorised to fix the remuneration of the auditors

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## **Resolution 16**

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That the Directors be authorised to issue non-voting ordinary shares or to grant rights to subscribe for, or convert securities into, non-voting ordinary shares

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## **Resolution 17**

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That the Company be authorised to purchase non-voting ordinary shares

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## **Resolution 18**

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That a general meeting other than an annual general meeting may be called on not less than 14 days' notice

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# Forward-Looking Statements

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This presentation contains certain forward-looking statements with respect to the financial condition, results of operations and business of Cazenove Capital and Schroders and certain plans and objectives of Schroders with respect thereto. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as “anticipate”, “target”, “expect”, “estimate”, “intend”, “plan”, “goal”, “believe”, “hope”, “aims”, “continue”, “will”, “may”, “should”, “would”, “could”, or other words of similar meaning. These statements are based on assumptions and assessments made by Cazenove Capital and/or Schroders in light of their experience and their perception of historical trends, current conditions, future developments and other factors they believe appropriate. By their nature, forward-looking statements involve risk and uncertainty, because they relate to events and depend on circumstances that will occur in the future and the factors described in the context of such forward-looking statements in this document could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements. Although it is believed that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct and you are therefore cautioned not to place undue reliance on these forward-looking statements which speak only as at the date of this document. Neither Cazenove Capital nor Schroders assumes any obligation to update or correct the information contained in this document (whether as a result of new information, future events or otherwise), except as required by applicable law.

There are several factors which could cause actual results to differ materially from those expressed or implied in forward-looking statements. Among the factors that could cause actual results to differ materially from those described in the forward-looking statements are changes in the global, political, economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax rates and future business combinations or dispositions.