Schroders plc

Pillar 3 Disclosures

December 2008

Contact details:

Emma Tovey etovey@schroders.com
Head of Corporate Communications
+44 (0) 207 658 2329

Schroders

Content

Page

1 Overview....1
1.1 Introduction....1
1.2 Basis of disclosures....1
1.3 Frequency of disclosures....1
1.4 Verification, media and location....1
2 Risk Management Framework....2
2.1 Approach to risk management....2
2.2 Risk management systems and techniques used....4
2.3 Key risks faced....4
3 Scope of application....5
3.1 Accounting consolidation....5
3.2 Regulatory consolidation....5
4 Capital resources....8
5 Capital adequacy....8
6 Credit risk & dilution risk....10
6.1 Provisions against lending arrangements....10
6.2 Analysis of credit risk exposures....11
7 The Standardised approach to credit risk....13
8 Interest rate risk in the non-trading book....14
9 Non-trading book exposure in equities....15

Schroders

1 Overview

1.1 Introduction

The Capital Requirements Directive (CRD) came into effect on 1 January 2007, and is the framework for implementing Basel II in the European Union. Basel II is an international initiative aimed at implementing a more risk sensitive framework for the calculation of regulatory capital.

The CRD consists of three 'pillars':- Pillar 1 of the new standards sets out the minimum capital requirements entities will be required to meet for credit, market and operational risk. For Pillar 2 firms and supervisors have to take a view on whether a firm should hold additional capital against risks not covered in Pillar 1 and to take action accordingly within the Internal Capital Adequacy Assessment Process (ICAAP). Pillar 3 complements the minimum capital requirements (Pillar 1) and the supervisory review process (Pillar 2) with the aim of improving market discipline by requiring firms to publish certain details of their risks, capital and risk management.

In the United Kingdom, the Financial Services Authority (FSA) has introduced Pillar 3 by duplicating the CRD articles and annexes to create Chapter 11 – Disclosure (Pillar 3) of the Prudential Sourcebook for Banks, Building Societies and Investment Firms (BIPRU).

1.2 Basis of disclosures

In accordance with the requirements of Chapter 11 of BIPRU, the disclosures included in this document relate to the Schroders Group (for further details of Schroder Group subsidiaries covered by these disclosures see page 5). The disclosures cover both the qualitative (e.g. processes and procedures) and quantitative (e.g. actual numbers) requirements.

1.3 Frequency of disclosures

The disclosures are required to be made on an annual basis at a minimum and if appropriate some disclosures will be made more frequently. Schroders plc has an Accounting Reference Date of 31 December, and disclosures will be made as soon as practical after publication of the Annual Report and Accounts, however unless otherwise stated, these initial disclosures are made as at 30 June 2008.

1.4 Verification, media and location

These disclosures have been put together to explain the basis of preparation and disclosure of certain capital requirements and provide information about the management of certain risks and for no other purposes. They do not constitute any form of audited financial statement and have been produced solely for the purposes of Pillar 3.

These disclosures have been reviewed by the Group Risk Committee and the Board Audit Committee.
The disclosures are not subject to audit.

These disclosures will be published on the Schroders plc corporate website (www.schroders.com).

The Schroders plc Board is responsible for the Group's system of internal control and for reviewing its effectiveness. Such a system can provide only reasonable and not absolute assurance against material financial misstatement or loss and is designed to mitigate, not eliminate, risk.

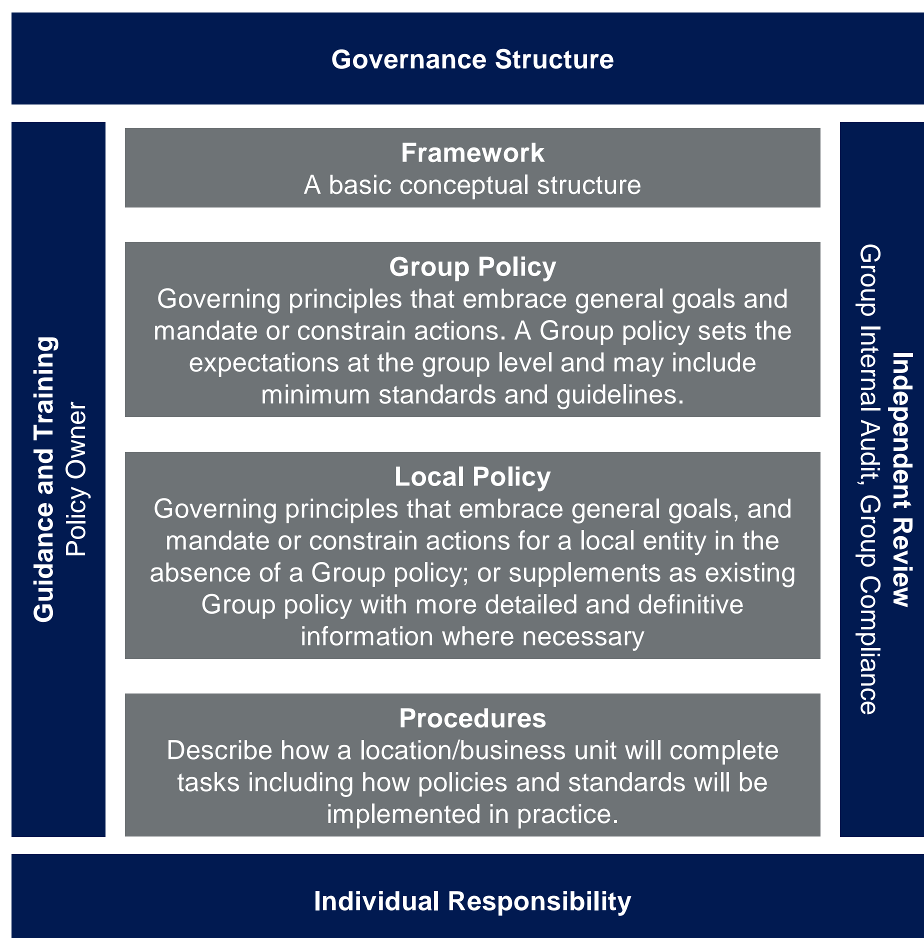
The disclosures required in BIPRU 11.5.15 (1) regarding non-trading book exposures in equities have not been included within this document as they have been included in the Schroders Annual Report and Accounts for 2007.

2 Risk Management Framework

Schroders believes that active and effective risk management is a business imperative and it is regarded as a core competence by clients, consultants, regulators, counterparties and other interested parties.

2.1 Approach to risk management

Our risk management approach is described in the diagram below. It is performed within the context of Schroders' governance structure with policies and procedures developing the core principles outlined within the Group risk governance framework and supplementary specialist risk frameworks as required. Underpinning our philosophy is the principle of individual responsibility and accountability across the Schroders Group, supported by guidance and training as required and subject to independent review and oversight.

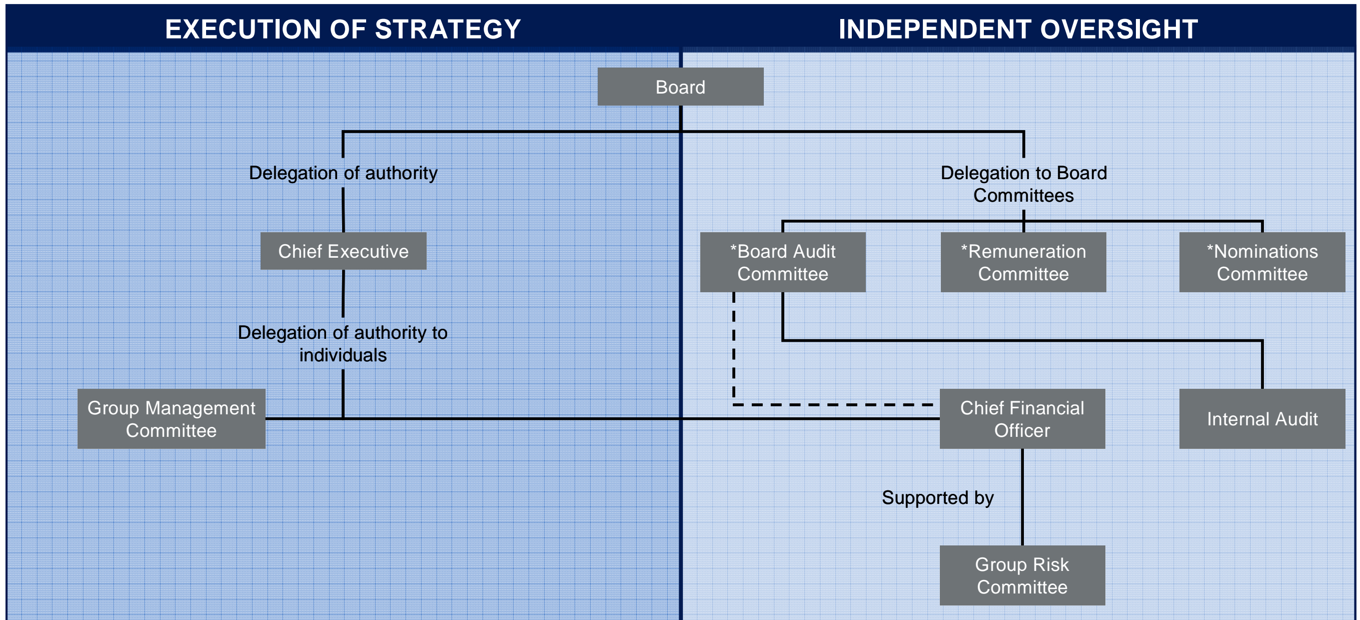


Key Principles of the Governance Risk Framework

- Authority to manage the business including internal controls and risk is delegated from the Schroders plc Board to the Chief Executive;
- The Chief Executive delegates primary responsibility for the risk and controls framework within the Group and the independent monitoring and reporting of risk and controls to the Chief Financial Officer (CFO);
- The Group Risk Committee (GRC) supports the CFO and is the principal management committee for the monitoring and reporting of risks and controls;
- The key issues covered by the GRC are included in the suite of reports provided to the Board Audit Committee for each meeting; and
- Significant risk and control issues are reported to the Chief Executive and Group Management Committee either by the relevant business head or by the CFO.

In accordance with the above the following diagram illustrates Schroders' corporate governance structure. This includes line management responsibility for the management of risk in the execution of strategy and independent oversight of risk management via the Board Audit Committee and CFO.

Schroders' Corporate Governance Structure



*The Board Committees are composed entirely of non-executive directors of Schroders plc

Core Governance Committees

Schroders plc Board

The Board delegates the executive management of the Schroders Group's business to the Chief Executive with the exception of specific matters reserved for the Board which include:

- maintenance of a framework of prudent and effective financial, operational and compliance controls and risk management systems;
- approval of the Group's Internal Capital Adequacy Assessment Process;
- determination of the Company's corporate governance arrangements, including the review of risk management and control structures (subject to the recommendations of the Board Audit Committee).

The Board is responsible for the Group's system of internal control and for reviewing its effectiveness. Such a system can provide only reasonable and not absolute assurance against material financial misstatement or loss and is designed to mitigate, not eliminate, risk.

Group Management Committee (GMC)

The Group Management Committee, chaired by the Chief Executive of Schroders plc and composed of members of senior management, reviews the key corporate risks facing the Group.

Board Audit Committee (BAC)

The main role of the Board Audit Committee, a committee of the Board of Schroders plc composed entirely of independent non-executive directors, is to encourage and safeguard the highest standards of integrity, financial reporting, risk management and internal control. In doing this the principal responsibilities of this Committee include:

- reviewing the form and content and monitoring the integrity of the financial statements of the Group;
- monitoring and reviewing the arrangements for ensuring the objectivity and effectiveness of the external and internal audit functions;

- recommending to the Board of Schroders plc the appointment, re-appointment or removal of the external auditors;
- reviewing the adequacy and effectiveness of the Group's internal controls and risk management systems; and reviewing and monitoring the Group's ethical standards, procedures for ensuring compliance with regulatory and financial reporting requirements and its relationship with the relevant regulatory authorities.

Group Risk Committee (GRC)

The Committee assists the CFO in discharging his responsibility for the risk and controls framework within the Group and the independent monitoring and reporting of risk and controls. The CFO chairs the Committee.

The GRC reviews and monitors the adequacy and effectiveness of the process for the identification, assessment, mitigation, monitoring and management of all risks faced by the Group in achieving its business objectives.

The GMC, BAC and GRC are also supported by the independent monitoring and advice provided by the Internal Audit and Compliance departments as well as the External Auditors.

2.2 Risk management systems and techniques used

Risk Assessment and Identification

Change in every aspect of our business and the external environment we operate within, is a key driver of risk. Change may impact the potential occurrence or potential magnitude of events relating to existing risks or may result in new or emerging risks. Different approaches may be used for the assessment of risk depending on the type of risk faced and the evidence available to assess the risk. These approaches may be used in combination or isolation and include qualitative and quantitative assessments.

Risk Mitigation

Like any successful business we are exposed to a range of risks. Some risks are inherent in taking active investment decisions on behalf of clients, these are the risks we are in business to take. Our focus is on managing risk rather than eliminating it. Others, like regulatory and compliance risk, are risks that we seek actively to minimise. There are a variety of techniques that can be used to mitigate risks, which may be used in isolation or in combination depending on the nature of the risk. These techniques include use of controls, outsourcing, contingency planning, insurance and capital allocation.

Risk Monitoring and Reporting

Risks are managed in a variety of different ways, depending on the nature of the risk and the areas potentially affected, to ensure that wherever appropriate their impacts are mitigated.

Monitoring and communication is key to an effective risk management framework. Significant risk matters are reported through the management chain and ultimately to the Group Management Committee and Board where significant; and through the independent review and oversight channel ultimately to the Group Risk Committee and Board Audit Committee in accordance with the governance structure outlined above.

2.3 Key risks faced

Risks to Schroders are identified as those risks which, should they materialise, may impact the Group's ability to achieve its business objectives. In addition to the ongoing monitoring and management of risks under our risk governance structure, as outlined above, the key risks facing the Group are reassessed on a semi-annual basis.

Internal Capital Adequacy Assessment Process (ICAAP)

On an annual basis, or more frequently if there is a fundamental change to our business or the environment within which we operate, the ICAAP is reviewed. This assessment draws on the results of existing risk management techniques and reporting, in particular the semi-annual assessment noted above. Scenario analysis and stress testing is performed to assess Schroders' exposure to extreme events and ensure that appropriate mitigating factors are in place. Any residual risk is then mitigated by setting aside capital to meet the worst case potential impact calculated at a confidence level agreed by the Schroders plc Board.

3 Scope of application

Basis of consolidation

3.1 Accounting consolidation

The consolidation of the financial statements is based upon the inclusion of all entities controlled by Schroders plc prepared to 31 December each year. Control is achieved where Schroders plc has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities. The consolidated statutory balance sheet includes all subsidiary undertakings which, in the opinion of the Directors, principally affect the consolidated profits or assets of the Group. A list of these principal Group subsidiaries can be found in **Note 63 of the 2007 Annual Report and Accounts.**

3.2 Regulatory consolidation

The consolidation for regulatory purposes is on the same basis as above, although certain entities are excluded from the regulatory consolidation for reasons outlined below.

Entities excluded from the regulatory consolidation:

Insurance related subsidiaries

Insurance and the broking of insurance are not financial activities for the purpose of regulatory consolidation, and so the following two companies are not included.

Schroder Pension Management Limited
Burnaby Insurance (Guernsey) Limited

Immaterial entities

Those subsidiaries which otherwise would be consolidated, but have a combined balance sheet total lower than the lesser of Euro 10 million (mn) and 1% of the balance sheet total of total Group net assets. The entities excluded from the regulatory consolidation on this basis are:

Asia Venture Managers Inc
Blitz 06_956 GmbH
Columbus Capital Management LLP
Columbus Capital Partners Limited
J Henry Schroder & Co AG
JHSC Management Limited
JHSW Leasing Limited
New Finance Capital Inc
New Finance SL
The New Bracknell Company Limited
Newsphere Trading Company Limited
Opus (Cayman) Limited
Schroder Investment Consulting Co. Limited
Schroder Property Investment Management (Italy) Srl
Thornbury Company Limited
Schroder Investment Management (Ireland) Limited
Schroder Investment Management (UK) Limited
Schroder Nominees Limited
Schroder Administrative Services (C.I.) Limited
Schroder Eurologistik Fonds Verwa's GmbH
Schroder Middle East Limited
Schroder Venture Holdings Limited
Schroder Ventures Investment Advisers Limited
Schroders Alternative SGR SpA
Schroders India Private Limited
SIM Nominees Limited
SITCO Nominees Limited
Schroder Executor & Trustee Company Limited
Schroder Investment Management (Europe) Limited

The investment in those entities not included in the consolidation for regulatory purposes, is deducted from the sum of Tier 1 and Tier 2 capital (see section 4, capital resources).

There is no current or foreseen material, practical or legal impediment to the prompt transfer of capital resources from parent undertakings to their subsidiary undertakings.

4 Capital resources

Tier 1 capital

Tier 1 capital is the highest ranking form of capital. Eligible Tier 1 capital consists of two classes of ordinary share capital: voting which accounts for over 75% of the total and non-voting which makes up the remainder. The premium on ordinary shares also qualifies for inclusion as Tier 1 capital. The non-voting ordinary shares carry the same rights as ordinary shares except that they do not confer the right to attend and vote at any general meeting of Schroders plc, and that on a capitalisation issue they carry the right to receive non-voting ordinary shares rather than ordinary shares. Also included in Tier 1 capital are retained profits and other reserves.

Deductions in arriving at total Tier 1 capital as at 30 June 2008 include intangible assets of £155.1mn, which consist mainly of goodwill of £106.8mn. Goodwill includes £59mn recorded following the acquisition of NewFinance Capital Holdings Limited in 2006; £12mn on the acquisition of Aareal Asset Management GmbH during 2007; £7.5mn on the acquisition of Swiss Re AM and £3.0mn on the acquisition of a Singapore private client advisory business during 2008.

Tier 2 capital

Tier 2 capital is a firm's supplementary capital and consists of revaluation reserves, general provisions and some classes of subordinated debt. As at 30 June 2008, the Group held revaluation reserves consisting of unrealised gains of £73.1mn in respect of the fair valuation of equities held in the available-for-sale financial assets category, which is classified as Tier 2 capital.

The investment in associates and joint ventures, and the investment in entities not consolidated (insurance related/immaterial) has been deducted 50% from Tier 1 and 50% from Tier 2 capital.

Tier 3 capital

Tier 3 brings together shorter term debt capital and less permanent reserves and may only be used to meet regulatory capital requirements arising from market risk in the trading book.

The Group did not hold any Tier 3 capital as at 30 June 2008.

As at 30 June 2008 the capital resources of the Schroders Group were as follows:

Tier 1	**£mn**
Permanent share capital	286.3
Share premium account	59.5
Other reserves	112.0
Retained profits	986.2*
Minority interests	2.1
Total	**1,446.1**
Deductions from Tier 1	
Goodwill	106.8
Intangible assets	48.3
Material holdings	25.5
Tier 1 after deductions	**1,265.5**
Tier 2	
Revaluation reserves	**73.1**
Deductions from Tier 2	
Material holdings	25.4
Total capital resources	**1,313.2**

*excludes 2008 profits of £100.2mn as at 30 June 2008.

During the year to 30 June 2008 the Group, and all regulated entities within the Group (including those excluded from the regulatory consolidation), complied at all times with all of the externally imposed regulatory capital requirements.

5 Capital adequacy

As part of the assessment of the adequacy of its capital, the Group considers its risk appetite, the key risks facing the Group and the management strategies in place for dealing with such risks. This is included within the Group's Internal Capital Adequacy Assessment Process which is reviewed by the Schroders plc Board. The capital adequacy at an individual company level is also reviewed periodically.

It is the Group's policy that all entities within the Group have sufficient capital to:

- meet regulatory requirements
- keep an appropriate credit standing with counterparties; and
- maintain sufficient liquid funds to meet peak working capital requirements

Calculation of the Group's capital resources requirement

The capital resources requirement of the Schroders Group for regulatory reporting purposes is the sum of the credit risk, market risk and operational risk capital requirements.

Credit risk

Schroders has elected to adopt the standardised approach for credit risk to calculate the minimum credit risk capital requirement under Pillar 1 of the Capital Requirements Directive. Under the standardised approach firms must calculate the minimum credit risk capital requirement as 8% of the total of their risk weighted exposures.

Market risk

Schroders has adopted the commodity simplified approach for calculating the commodity position risk requirement. The simplified approach is to sum the following:

(a) 15% of any net position multiplied by the spot price for the commodity; and
(b) 3% of the gross position (long plus short, ignoring the sign) multiplied by the spot price for each commodity.

As at 30 June 2008, there were no material FX position risks in any regulated entities within the Group. The foreign currency position risk requirement has been calculated as per BIPRU 7.5.19.

Operational risk

Schroders has adopted the standardised approach for calculating the Pillar 1 capital requirements for operational risk therefore the operational risk capital requirement is calculated as the three year average of gross revenues per the consolidated income statement, multiplied by a beta factor of 12%.

As at 30 June 2008, the total consolidated capital resources requirement of the Group under Pillar 1 was £289.9mn

Credit risk exposure class	£mn
Corporate/Private clients	41.9
Institutions	32.4
Regulatory high-risk categories	62.7
Claims secured on real estate property	3.0
Central government and central banks	0.3
Other items	24.9
Total credit risk capital requirement	**165.2**
Market risk	
In respect of commodity option contracts	2.5
In respect of foreign exchange	3.5
Total market risk capital requirement	**6.0**
Operational risk	
Calculated in accordance with the Standardised Approach	118.7
Total capital requirement	**289.9**

6 Credit risk & dilution risk

An exposure is classified as impaired (the carrying value exceeds the amount to be recovered through use or sale) or non-performing (principal, interest or fees remain unpaid more than 90 days after the due date) when, following review, there are indications that the likelihood of full repayment is in doubt. These indications may include, but not be restricted to: non-payment of interest, a fall in credit worthiness, a reduction of cover/collateral below the covenanted minimum.

6.1 Provisions against lending arrangements

The Group makes bad debt provisions which fall into two categories:

(i) Lending arrangements
Lending arrangements principally arise in the Private Banks*. The relevant private bank credit committee will determine whether it is necessary to make a provision against a credit exposure. Non-performing exposures (where there has been non-payment of principal, interest or fees for a period exceeding 90 days) will not automatically merit the creation of a provision. Impaired exposures will always require the creation of an appropriate provision.

The decision to create or write back a provision is undertaken on a case-by-case basis, reviewed by the relevant credit committee and approved by the board of the appropriate subsidiary. Any such provisions created are advised to Group Finance and Tax.

Where interest has not been received for 90 days or more (though this period may be reduced if required), its accrual for Profit & Loss purposes is suspended, and cash accounting adopted.

As at 30 June 2008, the Group had made no provisions against lending arrears.

(ii) Other debtors
Fee debtors arise principally within the Group's institutional business and amounts are monitored regularly by local offices. Although the Group is usually managing client cash representing a large multiple of the amount owed to the Group by the client, the Group does not hold any of the assets it invests on behalf of its clients as collateral.

The Group's fee debtors that are past due (i.e. items that are past their contractually agreed settlement date) but are not considered to be impaired as at 30 June 2008 are presented below. Factors considered in determining whether impairment has taken place include how many days past the due date a receivable is, deterioration in the credit quality of a counterparty, and knowledge of specific events that could influence a debtor's ability to repay an amount due.

	Exposure in £mn
Up to and including 3 months	11.3
Over 3 months up to 1 year	5.5
	16.8

*Schroder & Co Ltd, London, Schroder (C.I) Ltd, Guernsey and Schroder & Co AG, Zurich

6.2 Analysis of credit risk exposures

The following table is an analysis by exposure class of the Group's credit risk exposure as at 30 June 2008.

Exposure class	£mn
Corporate/Private clients	991.6
Institutions	1,994.3
Regulatory high-risk categories (i)	522.9
Claims secured on real estate property	76.5
Central government and central banks	51.7
Other items (ii)	631.8
Total	**4,268.8**

(i) High risk exposures include those arising out of venture capital business (whether or not the firm itself carries on the venture capital business) and those in a Collective Investment Undertaking which is considered as high-risk.

(ii) Other items include accrued income, fee debtors, settlement accounts, tax, pre-payments and other debtors.

The following tables provide further breakdown by geographic region, counterparty type and residual maturity. All amounts are in £mn.

Exposure by geographic distribution

Exposure class	UK	Continental Europe	Asia Pacific	Americas	Total
Corporate/Private clients	401.2	548.0	28.8	13.6	991.6
Institutions	1,663.1	190.0	113.8	27.4	1,994.3
Regulatory high-risk categories	221.1	36.8	30.5	234.5	522.9
Claims secured on real estate property	76.5	-	-	-	76.5
Central government and central banks	0.2	35.7	15.8	-	51.7
Other items	394.7	120.7	82.8	33.6	631.8
Total	**2,756.8**	**931.2**	**271.7**	**309.1**	**4,268.8**

Exposure by counterparty type

Exposure class	Banks	Non-banks	Investments	Other	Total
Corporate/Private clients	-	742.0	168.9	80.7	991.6
Institutions	1,954.3	4.4	33.2	2.4	1,994.3
Regulatory high-risk categories	-	-	522.9	-	522.9
Claims secured on real estate property	-	76.5	-	-	76.5
Central government and central banks	51.5	-	0.2	-	51.7
Other items	75.2	-	0.5	556.1	631.8
Total	**2,081.0**	**822.9**	**725.7**	**639.2**	**4,268.8**

Exposure by residual maturity

Exposure class	<3 months	3m – 1 year	1 year – 5 years	> 5 years	Total
Corporate/Private clients	74.7	191.2	641.9	83.8	991.6
Institutions	1,460.0	396.1	136.8	1.4	1,994.3
Regulatory high-risk categories	15.6	147.4	33.2	326.7	522.9
Claims secured on real estate property	57.5	3.3	-	15.7	76.5
Central government and central banks	6.6	27.9	17.2	-	51.7
Other items	412.7	193.4	0.1	25.6	631.8
Total	**2,027.1**	**959.3**	**829.2**	**453.2**	**4,268.8**

7 The Standardised approach to credit risk

The External Credit Assessment Institution (ECAI) used by the Group is Fitch. Fitch Ratings are recognised by the Financial Services Authority (FSA) as an eligible ECAI and are used to assess the credit quality of all exposure classes, where applicable, using the credit quality assessment scale that is set out by the FSA in BIPRU3 – the standardised approach to credit risk.

The Group currently use Fitch to rate exposure classes for Institutions and Sovereigns and daily alerts of rating changes from Fitch are used to update existing ratings as appropriate.

The following table gives details of the exposure value and the exposure value after credit risk mitigation (in the form of cash held on deposit only) associated with each credit quality assessment step.

The main types of collateral taken by Schroders are:-

— Financial collateral including cash and client portfolios to support client lending. Financial collateral is marked to market daily and compared to loans outstanding.

— Other assets such as property and guarantees. Other assets are valued less often depending on the type of assets held and property is valued according to the requirements of BIPRU 3.4.66.

Credit quality step	Credit Rating	Exposure before mitigation (£mn)	Exposure after mitigation (£mn)
1	AAA to AA-	1,555.3	1,555.3
2	A+ to A-	595.2	595.2
3	BBB+ to BBB-	0.1	0.1
4	BB+ to BB-	4.5	4.5
5	B+ to B-	0.5	0.5
6	CCC+ and below	0.1	0.1
Unrated *		2,113.1	1,736.7
Total		**4,268.8**	**3,892.4**

* unrated includes loans to individuals, seed capital and equity investments plus other balance sheet exposures not subject to credit rating such as trade and other receivables, tax balances and fixed assets.

The exposures can be analysed as follows:

	£ mn
Loans and advances to customers	701.1
Financial assets	522.4
Trade and other receivables	465.5
Seed capital	186.1
Guarantees	75.3
Undrawn commitments	60.2
Tax balances	47.9
Fixed assets	25.6
Other receivables	29.0
Total	**2,113.1**

Schroders

8 Interest rate risk in the non-trading book

Interest rate risk exists where the Group's financial assets and liabilities have interest rates set under different bases or which reset at different times.

Interest rate risk exists in the business principally within the Private Banks* and this is monitored daily in London for the combined treasury of Schroder &Co Ltd, London and Schroder (C.I) Ltd, Guernsey using the PV01 methodology defined below and stress tested to PV200.

The Price Value of a Basis Point calculation (PV01) describes the actual change in the price of an asset if the yield changes by one basis point. The higher the PV01 calculation, the higher the volatility of the asset. This 'price volatility' is the same for an increase or a decrease of 1 basis point in required yield. In addition we apply a 200 basis point shock to each major currency exposure. This is done by adding or subtracting 200 basis points to the par yield curve and determining the gain/loss as a result of this move.

Whilst Schroder & Co Bank AG, our Swiss subsidiary also uses the PV01 for assessing risk, it takes no position risk by match funding all its positions.

Interest rate risk in the Private Banks is limited due to the short-term nature of the Private Banks' financial assets and liabilities. Cash held by the operating companies is not normally expected to be placed on deposit for longer than a month and much is invested in short-term liquidity funds with virtually no interest rate risk.

As at 31 December 2007, the gain or loss from an interest rate movement of +/- 2% in the banking book is shown below:

Currency	Increase in rates by 2% Plus or minus £mn	Decrease in rates by 2% Plus or minus £mn
GBP	(1.1)	1.1
EUR	(0.1)	0.1
USD	8.4	(8.4)
CHF	1.0	(1.0)
Total	**8.2**	**(8.2)**

The following underlying assumptions are made in the model used to calculate the impact on post tax profits:

— the fair values of assets and liabilities will not be affected by a change in interest rates

— within the Private Banks, the fixed rate financial assets will be repriced to the higher/lower market interest rates

— the average term for repricing is three months

— funds would be reinvested in similar variable interest bearing debt securities on maturity

*Schroder & Co Ltd, London, Schroder (C.I) Ltd, Guernsey and Schroder & Co AG, Zurich

9 Non-trading book exposure in equities

An overview of the accounting techniques and valuation methodologies used is included in the summary of accounting policies within the 2007 Annual Report and Accounts and is not repeated here.

The balance sheet value and the fair value of non-trading book equities as at 30 June 2008 was £588.7mn.

The balance sheet value of £588.7mn can be analysed as follows:

Type	Listed	Unlisted	Total
Seed capital and hedge funds	227.4		227.4
Third party hedge funds		169.4	169.4
Private Equity Investments	67.7	42.6	110.3
Property funds	47.6		47.6
Others	25.0	9.0	34.0
Total	**367.7**	**221.0**	**588.7**

The cumulative realised gains from sales / liquidations during the year were £2.4mn. Total unrealised losses were £22.7mn of which £22.6mn was included in Tier 1 capital resources.