

## UK – Challenges and opportunities

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# Agenda

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- SimCorp Ltd at a glance
- Client base
- Market conditions
- Market segmentation
  - Institutional Asset Management
  - 3<sup>rd</sup> Party Administrators (TPA)
  - Private Wealth
  - Sovereign Wealth Funds
- Market penetration activities
- Summary

# SimCorp Ltd. at a glance

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- Market focus: United Kingdom, Ireland and Middle East
  - Listed in order of priority
- Headquarter in London City – 100 Wood Street
  - Branch in Abu Dhabi
- ~70 employees
  - Average industry seniority: 11.2 years
  - Average SimCorp seniority: 4.2 years
- 18 clients (16 in production, 2 in implementation)



# Client base

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- Client segments
  - Institutional Asset Management
  - Third Party Administrators (TPAs)
  - Private Wealth Management
  - Sovereign Wealth Funds
- Household names in most segments
- All clients are happy to act as reference clients

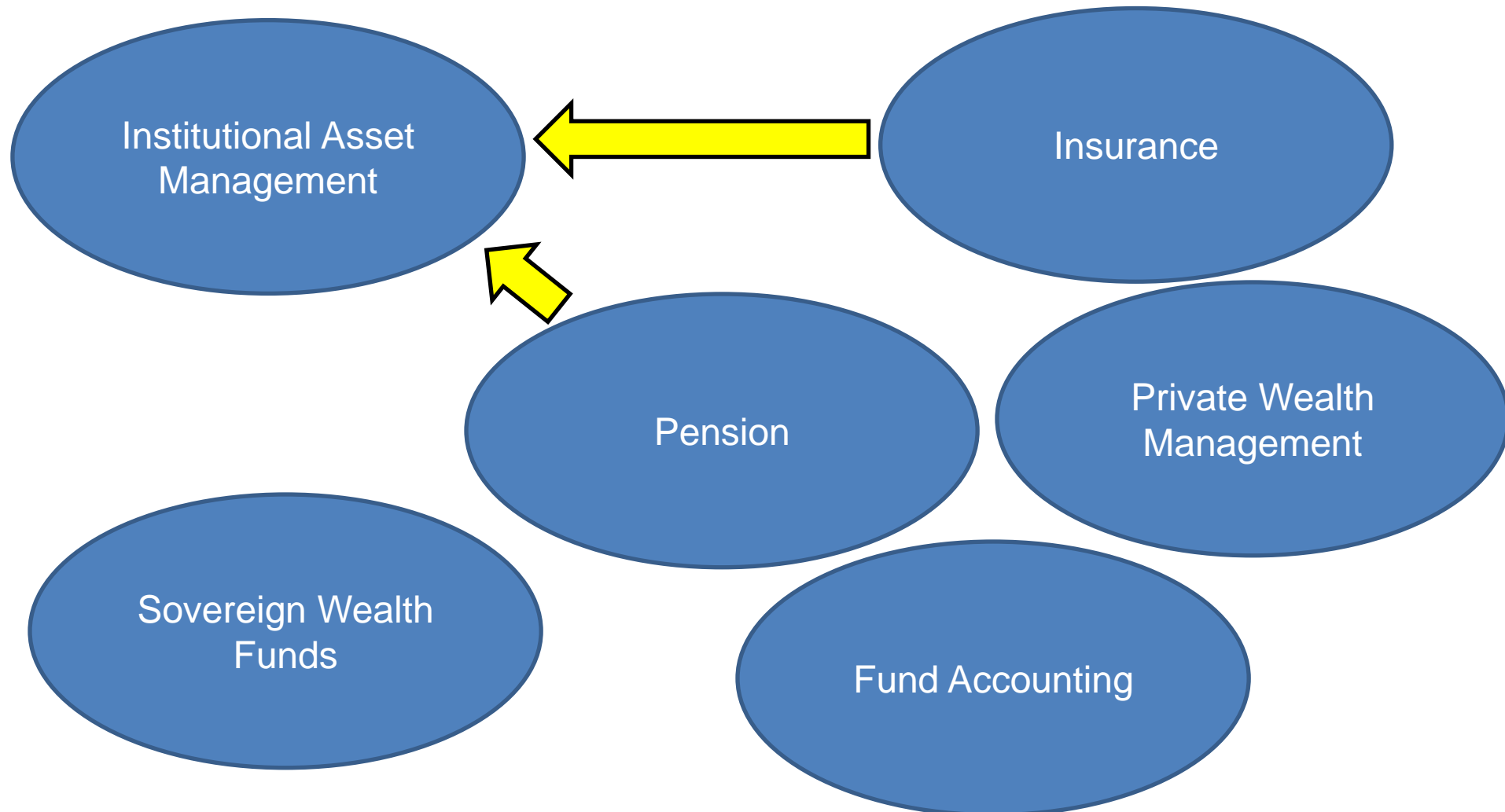
# Market conditions

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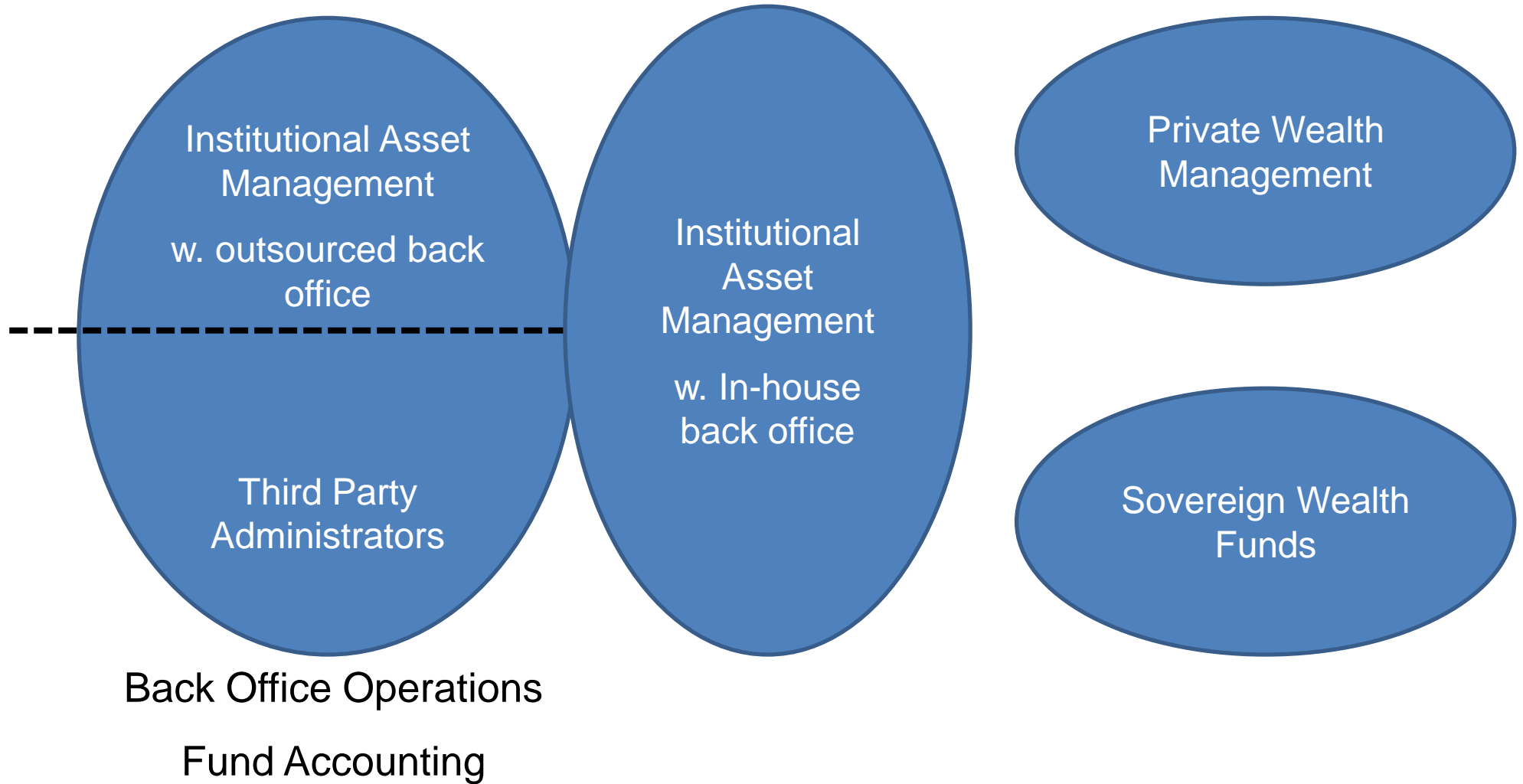
- Financial turmoil
- Budget cuts
- No investments – tactical initiatives only
- Improved gradually since Q4 2009
- Budgets are slowly being released
- Still a lot of nervousness but it has improved a lot



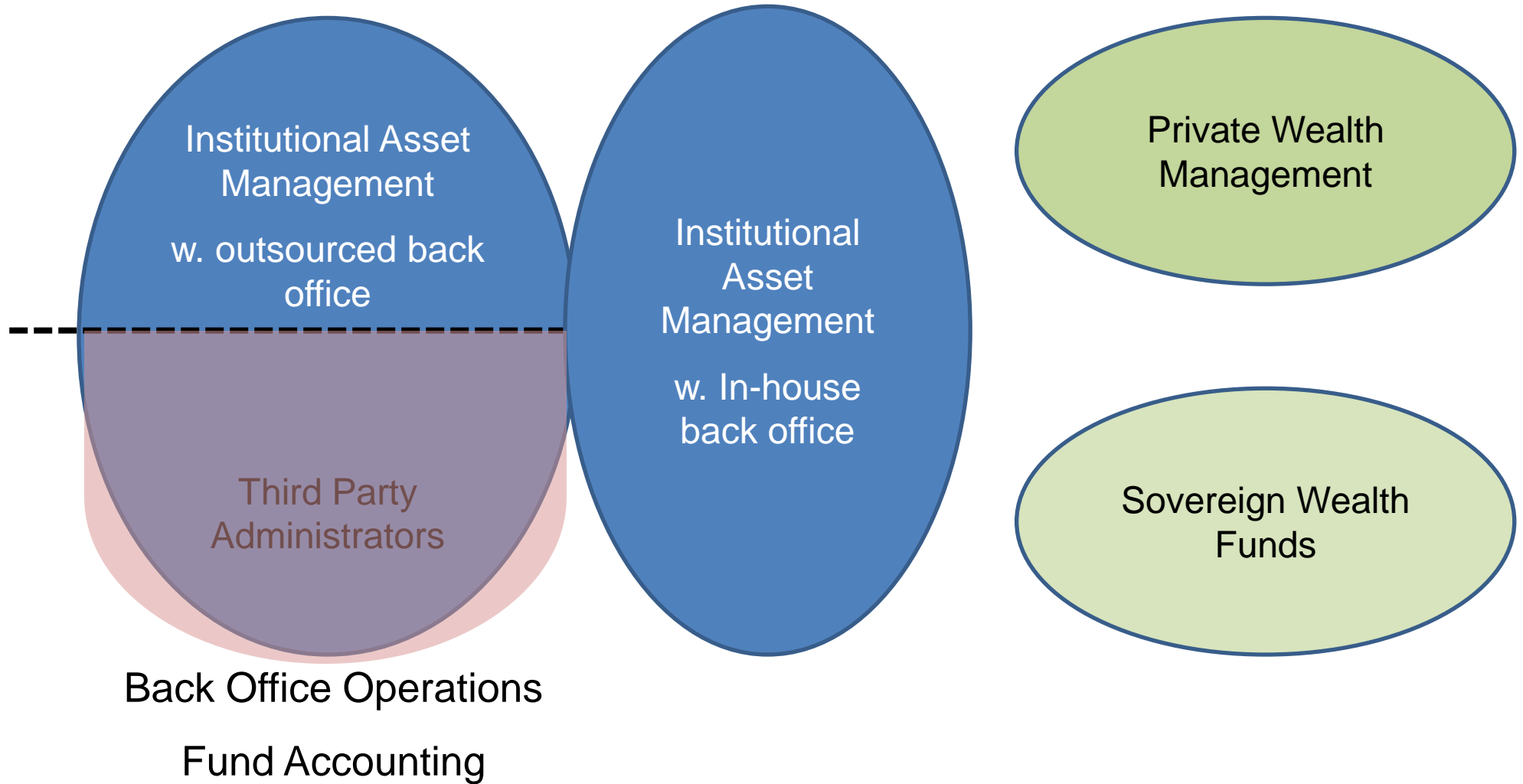
# Traditional SimCorp target segments



# Target segments for SimCorp Ltd.



# Target segments for SimCorp Ltd.





# Institutional Asset Management (UK)

- Target Universe: 80 organisations with AuM > £5bn

HELICOPTER VIEW	Industry Total (Universe)	SimCorp UK Clients	Current Market Share	Identified Targets (Pursue)	Target Market Share
No of Organisations	80	8	10%	xx	xx%
Total AUM (£bn)	7970	318	4%	xx	xx%
TARGET (HEATMAP)	No	Unknown	Weak	Simmer	Target
Universe Total 80	x	x	x	x	x

Current strategy conflicts

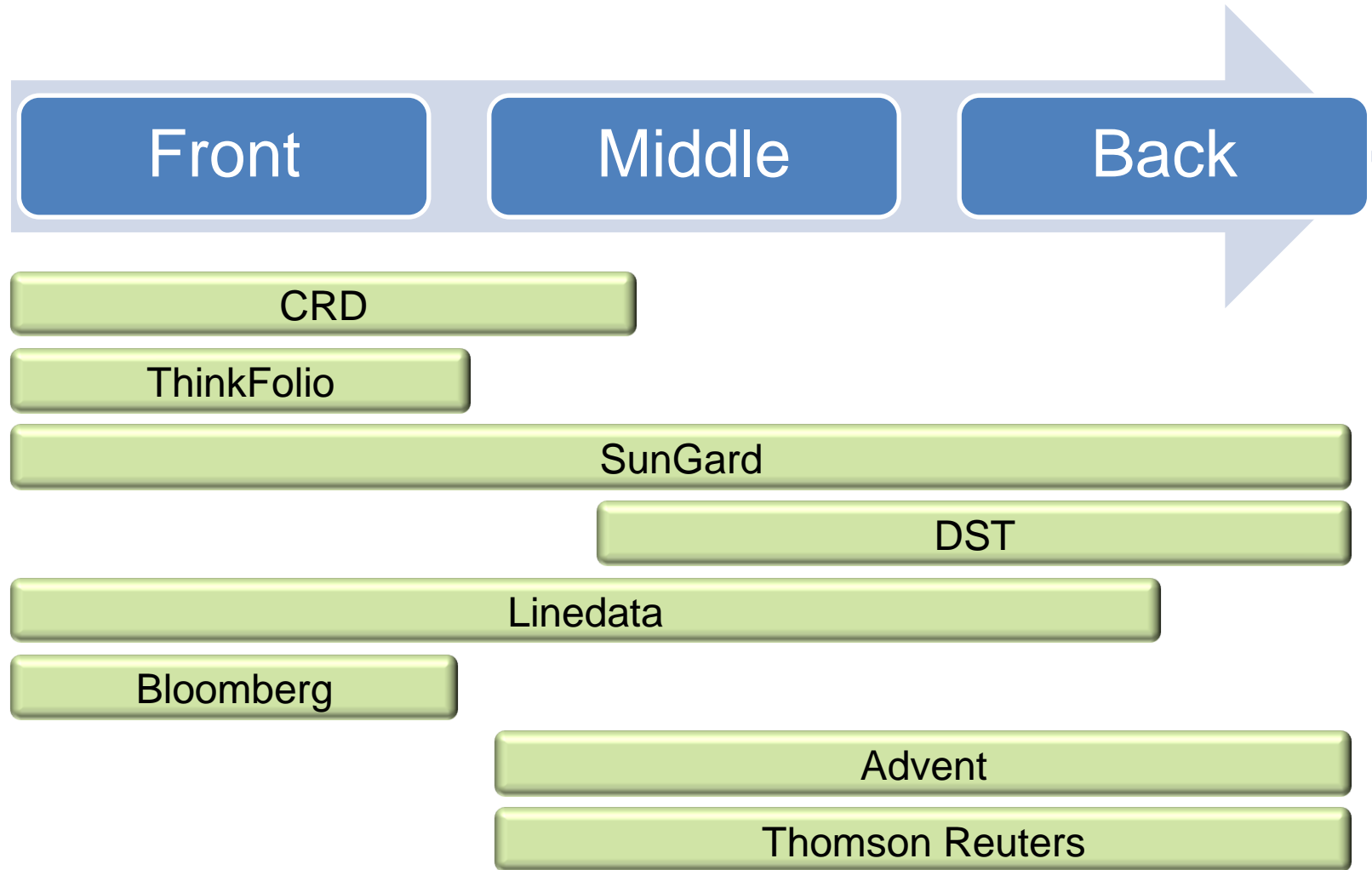
More information needed

Maybe in the market 6 -18 months

In the market 6-18 months

In the market

# Competitive landscape - IMA



# Institutional Asset Management Segment - Maturity

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- High level of awareness
- Very strong reference clients
- Good reputation
  - Very strong Back office
  - Strong Middle office
  - Front Office on its way
- Challenges
  - Best overall product with highest price
  - Front Office
- Strong position to “Leverage”

# Institutional Asset Management in Ireland



- Target Universe: 8 organisations with AuM > £5bn



- Not the right time to actively target Ireland
- Marketing activities to continue increasing awareness
- Position ourselves for market recovery

# TPAs (UK + Ireland)

- Target Universe: 35 organisations with AuM > £10bn

HELICOPTER VIEW	Industry Total (Universe)	SimCorp UK Clients	Current Market Share	Identified Targets (Pursue)	Target Market Share
No of Organisations	35	1	2%	xx	xx%
Total AUM (£bn)	3979	8	0%	xx	xx%
TARGET (HEATMAP)	No	Unknown	Weak	Simmer	Target
Universe Total 35	x	x	x	x	x

Current strategy conflicts

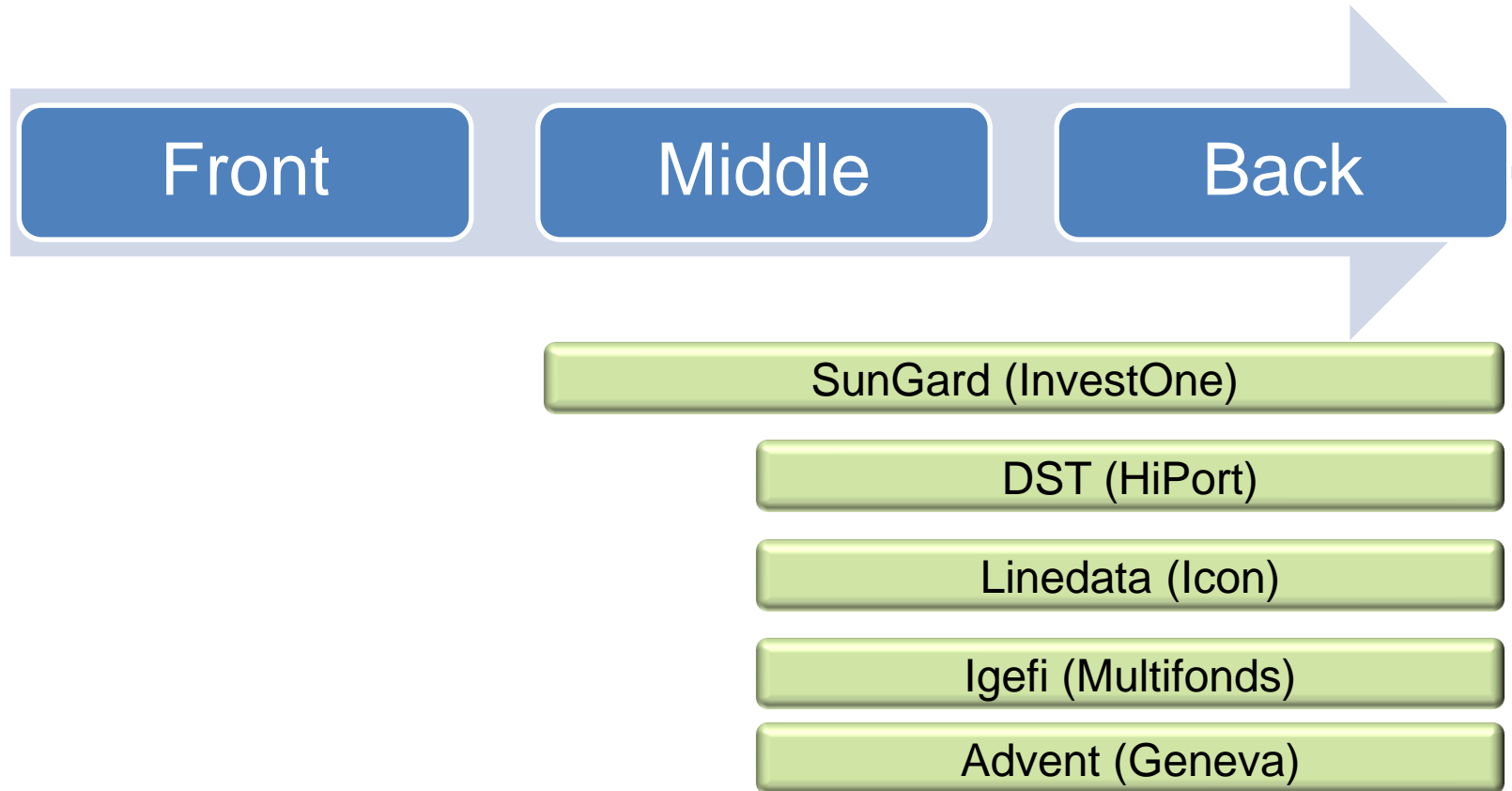
More information needed

Maybe in the market 6 - 18 months

In the market 6-18 months

In the market

# Competitive landscape - TPA



## TPA Segment - Maturity

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- Awareness has been built up during 2008, 2009 & 2010
- No “real” reference clients (one small highly specialized client)
- No “real” reputation within TPA segment but our reputation within IAM helps
- Opportunities
  - TPAs are looking for cost reductions by system consolidation and replacement
  - TPAs are looking for the ability to offer new middle office services to their clients
- Challenges
  - TPAs are large and slow moving org. – if it works then don’t touch it
  - A really strong compelling event is required

# Private Wealth Management (UK)

- Target Universe: 35 organisations with AuM > £5bn

HELICOPTER VIEW	Industry Total (Universe)	SimCorp UK Clients	Current Market Share	Identified Targets (Pursue)	Target Market Share
No of Organisations	35	3	8%	xx	xx%
Total AUM (£bn)	500	63	12%	xx	xx%
TARGET (HEATMAP)	No	Unknown	Weak	Simmer	Target
Universe Total 35	x	x	x	x	x

Current strategy conflicts

More information needed

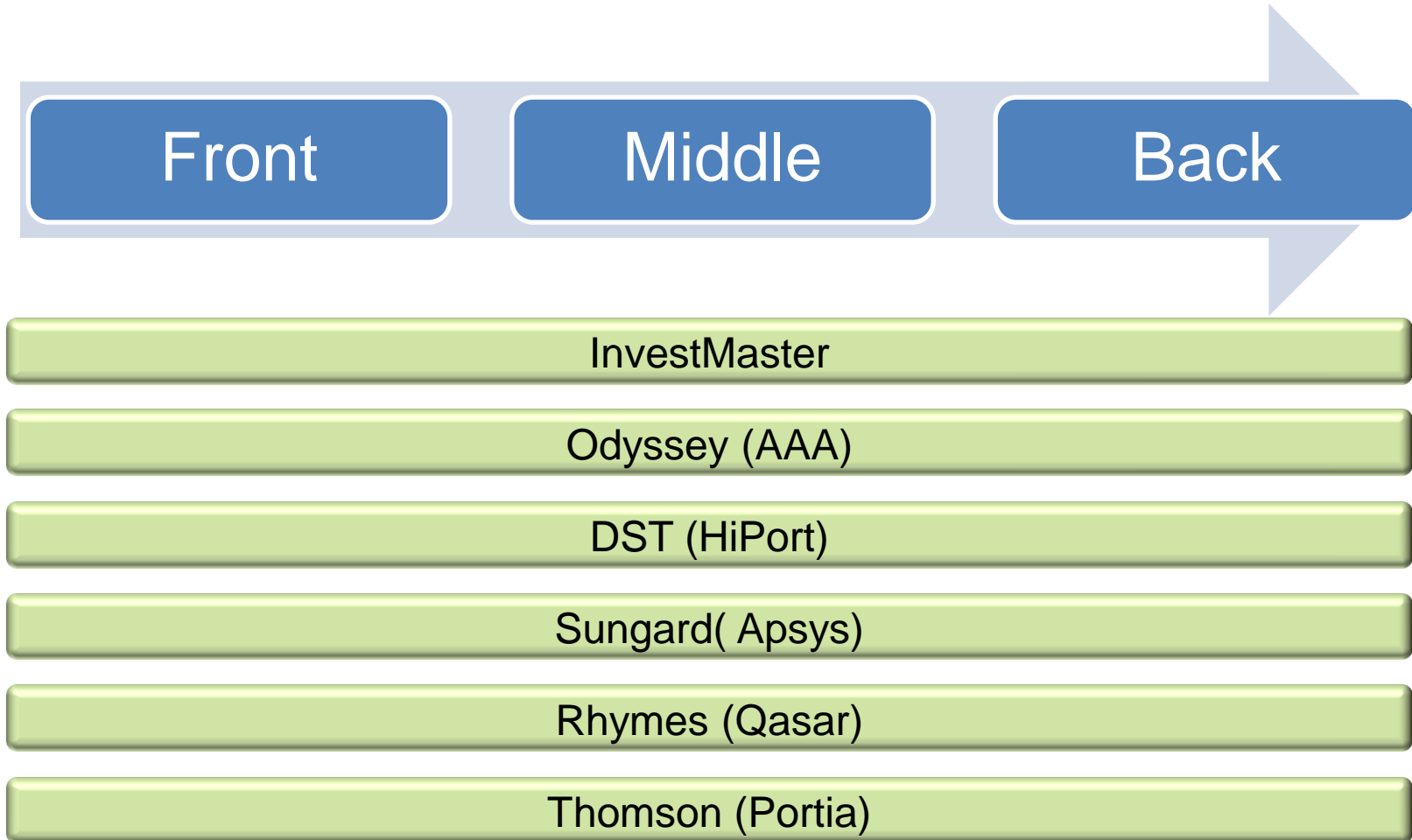
Maybe in the market 6 - 18 months

In the market 6-18 months

In the market



# Competitive landscape (PWM)



# PWM Segment - Maturity

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- Awareness has been built up during 2008, 2009 & 2010
- Strong reference clients
- Very strong Front-Middle-Back solution configured for PWM
- Opportunities
  - No market leader in this space and outsourcing is not available
  - Many legacy systems in operation
- Challenges
  - Price sensitivity and deal size

# Sovereign Wealth Funds (Middle East)

- Front – Middle – Back Office
- Good product fit
- Large organisations
- Few potential clients (14) - geographically scattered
- Cultural and operational challenges
- High awareness due to existing clients
- No active marketing - Opportunities will be responded to on a tactical basis



# Important fundamental activities going forward

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- Continue to increase awareness
  - Global & local marketing material and events
  - Segment and solution oriented approach
- Internet search (35%), colleagues (33%), industry peers (30%) and external consultants (24%) are the most used sources for information (SimCompass survey 2010)
- Partners
  - Continue to build strong relationships to external consultants
- Satisfied client base
  - Strong reference clients

# Summary

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- SimCorp is a well-known player in the UK target segments
- Market share relatively low – significant potential
- Strong reference clients in all segments except TPA
- Awareness and interest increased significantly in the TPA segment
- Good product fit
- Solid foundation for growth

