

# Investor Presentation

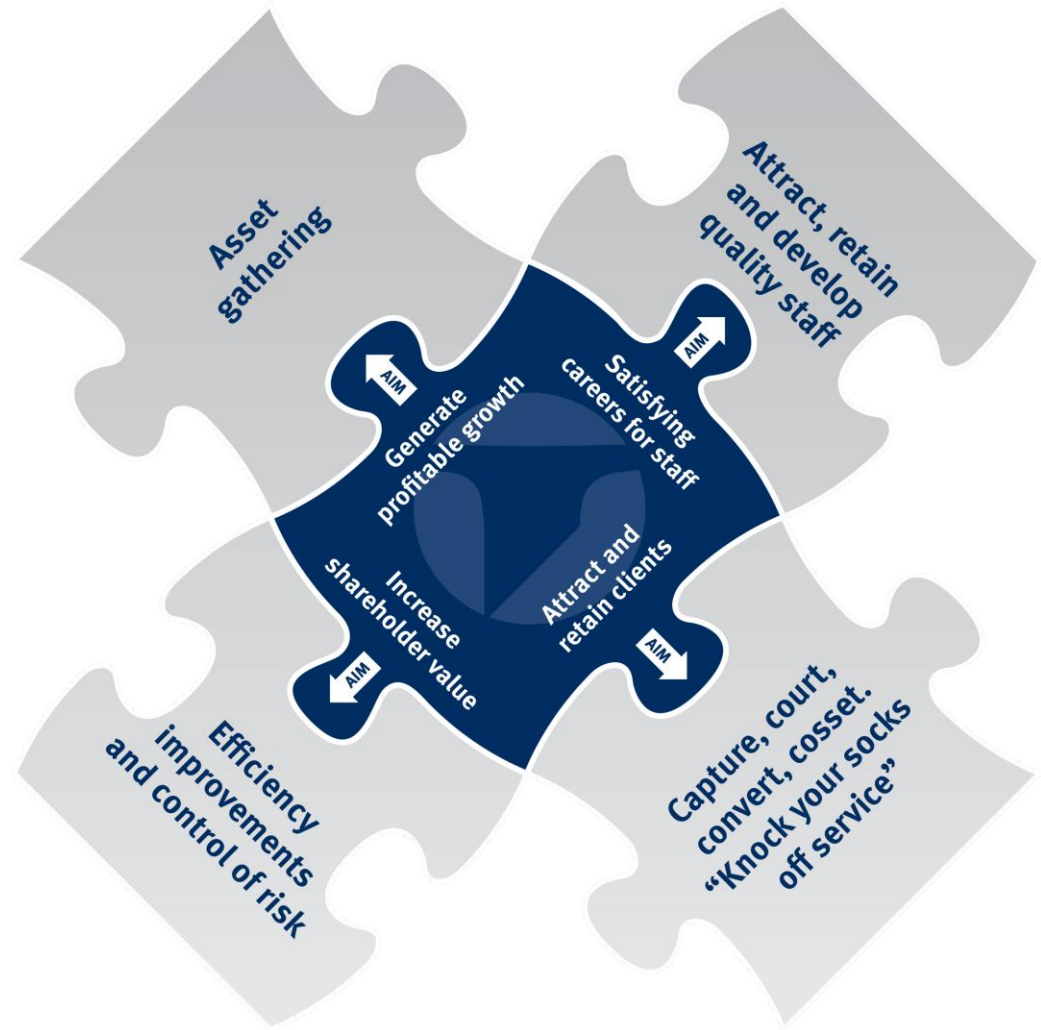
## London, July 2010



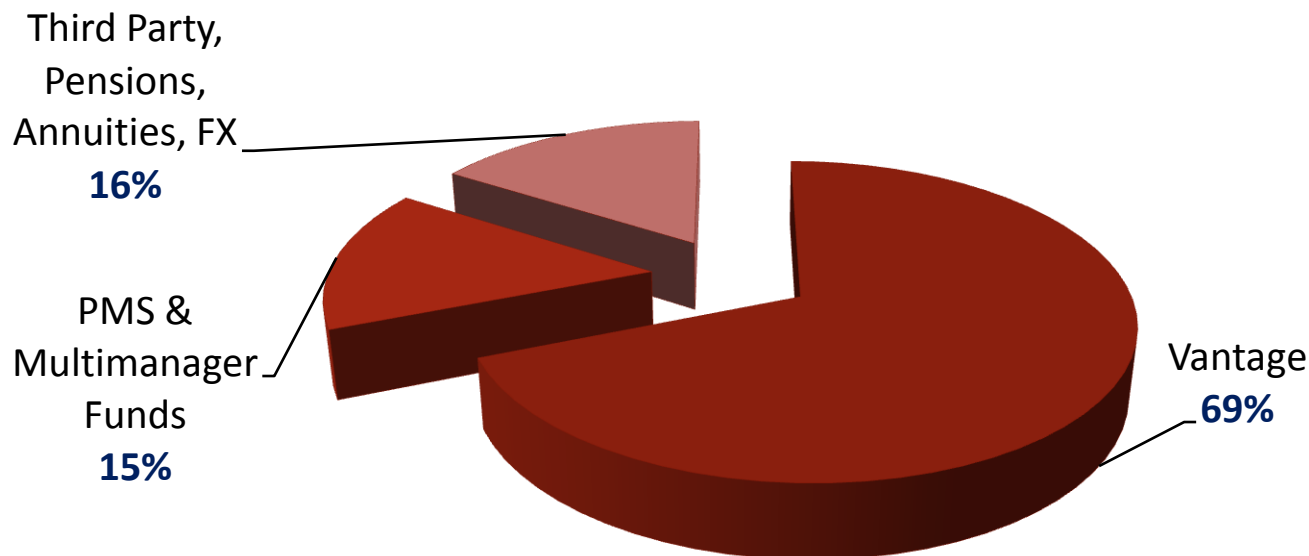
# Group Strategy

The 4 key components to our strategy are:

- Excellent Service
- Asset Gathering
- Quality Staff
- Efficiency



# Sources of Income



## Revenue by division

- Vantage	+22%
- Discretionary	+16%
- Other/third party	-14%
	+14%

1H 2010

1H 2009

FY 2009

£51.3m

£42.0m

£87.5m

£11.5m

£9.9m

£19.3m

£11.8m

£13.7m

£26.0m

£74.6m

£65.6m

£132.8m

# Asset Gathering

ASSET  
GATHERING

EXCELLENT  
SERVICE

EFFICIENCY  
IMPROVEMENTS

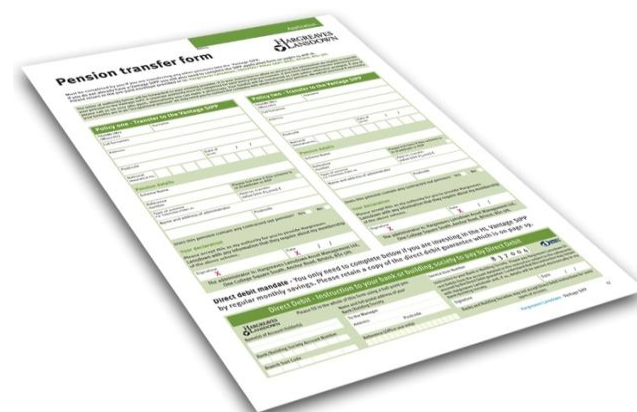
QUALITY STAFF

**Court Clients** - PR, direct mail, referrals, web

**Simplicity**

**Low Cost**

**Efficient & Friendly**



Product	Opportunity
<b>SIPP</b>	Structural changes in pensions. Opportunity from dissatisfaction with corporate pensions and poor service by existing providers
<b>ISAs</b>	Increased allowances from April 2010 increase the scope for clients to invest
<b>Fund &amp; Share A/c</b>	Low interest rates drive investment behaviour

**Best Service, Best Prices & Best Information**

# Marketing

## Website:

- Over 250k visitors each week
- Over 500k visits each week



## Guides and Publications:

- Investment Times distributed to more than 550k households
- Over 15k guides requested and sent by post each month
- Over 10k guides downloaded online each month

## Public Relations:

- 446 mentions last month

## Awards:



## “Attract and retain new clients”

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### Welcome to Hargreaves Lansdown

We aim to provide you with the best information, best service & best discounts on ISAs, SIPPs, funds and share dealing to help you make your own investment decisions and make your money go further. [Learn more about our services >](#)

**0117 900 9000**  
Open Monday to Friday 8:30am - 6:00pm

#### ISA

Tax-free investing in a choice of over 2,300 discounted funds, shares, bonds, gilts & ETFs.

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#### SIPP

Award-winning pension with market beating low costs and a wide investment choice.

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#### Share Account

Open an account today to start buying and selling shares online from just £9.95 per deal.

[Buy & sell shares >>](#)

#### Fund Account

The best fund discounts - save up to 5.5% on more than 2,300 funds, plus annual cash back.

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#### Feature articles

##### Changing demographics

As life expectancy continues to rise, the decisions we make at retirement are becoming increasingly important. Tom McPhail, Head of Pension Research, looks at the options currently available.

**Recent feature articles**

- ▶ 10 reasons why I think you shouldn't invest in with profits bonds
- ▶ The chaos theory
- ▶ Don't fall into the retirement trap

#### Expert comment

##### What the coalition means for pension investors

**By Tom McPhail**  
Wed 12 May

In spite of the ideological differences between the Conservatives and the Liberal Democrats, they've managed to thrash out a workable coalition. It will take weeks and months for the full policy consequences of this union to emerge but the first signs are becoming clear.

**Recent expert comments**

- ▶ Debt and politics
- ▶ Don't rule out the UK's investment prospects
- ▶ It takes two - to raise taxes

#### Market latest

FTSE 100	5,334.91	↓	-98.82	-1.82%
FTSE 250	10,112.96	↓	-173.00	-1.68%
FTSE All Share	2,756.88	↓	-50.04	-1.78%
Dow Jones	10,782.95	↓	-113.96	-1.06%
NASDAQ	2,394.36	↓	-30.66	-1.28%
Nikkei 225	10,462.51	↓	-158.04	-1.51%
Hang Seng	20,145.43	↓	-277.03	-1.38%

#### Press round-up

##### Friday newspaper round-up: UK hedge funds, Prudential

#### Latest videos

##### Harrison on Greece, oil and elections

Threadneedle UK Equity Alpha Income

**A new pension frontier**  
Offer extended to **May 21st**

Switch your old private pensions to a SIPP & see how you could receive up to **£250 cash back**.

[Full details of our cash back offer >>](#)

Information & Research

Website

Service

Price



# Efficient & Robust

ASSET  
GATHERING

EXCELLENT  
SERVICE

EFFICIENCY

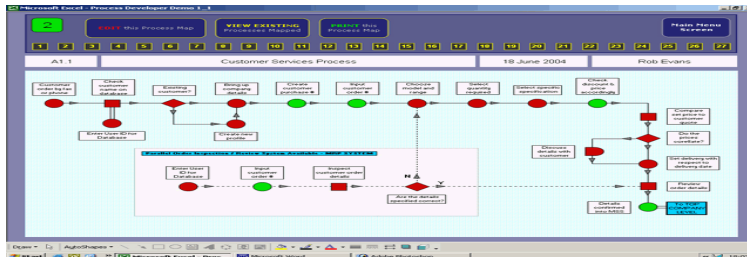
QUALITY STAFF

**Culture** - Control and compliance, treat clients fairly, maintain reputation

**Scalable model** - increased use of internet (currently over 70% of trades done online)

**Efficiencies** - automate internal processes. Lobby for industry wide process improvements

**Capacity** - Increased investment in IT & infrastructure, 10% of all staff are IT

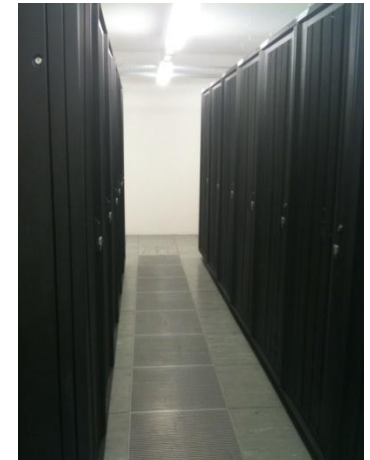


c 500,000 active accounts

c 320,000 active clients

+250,000 fund deals / mth

+90,000 equity deals / mth



# Quality Staff

ASSET  
GATHERING

EXCELLENT  
SERVICE

EFFICIENCY  
IMPROVEMENTS

QUALITY  
STAFF

“We aim to attract, retain and develop quality staff, providing satisfying careers”

**Succession** - planning in place for all key areas of the business

**Flexible** - well trained staff with the ability to work in various business areas

**Rewards** - expertise is a barrier to competitors

**Development & Talent Management**





# Corporate Vantage Rationale

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## Employee Survey <sup>1</sup>:

66% : not enough investment choice

50% : online facilities of their pension scheme poor or very poor

Over 50% : investment information for company pension poor or very poor

33% : do not take up the employer pension scheme even though employer contributes

## Benefits to the Employer:

✓ Greater employee engagement

✓ More flexible benefits package

✓ ISA solution for high earners

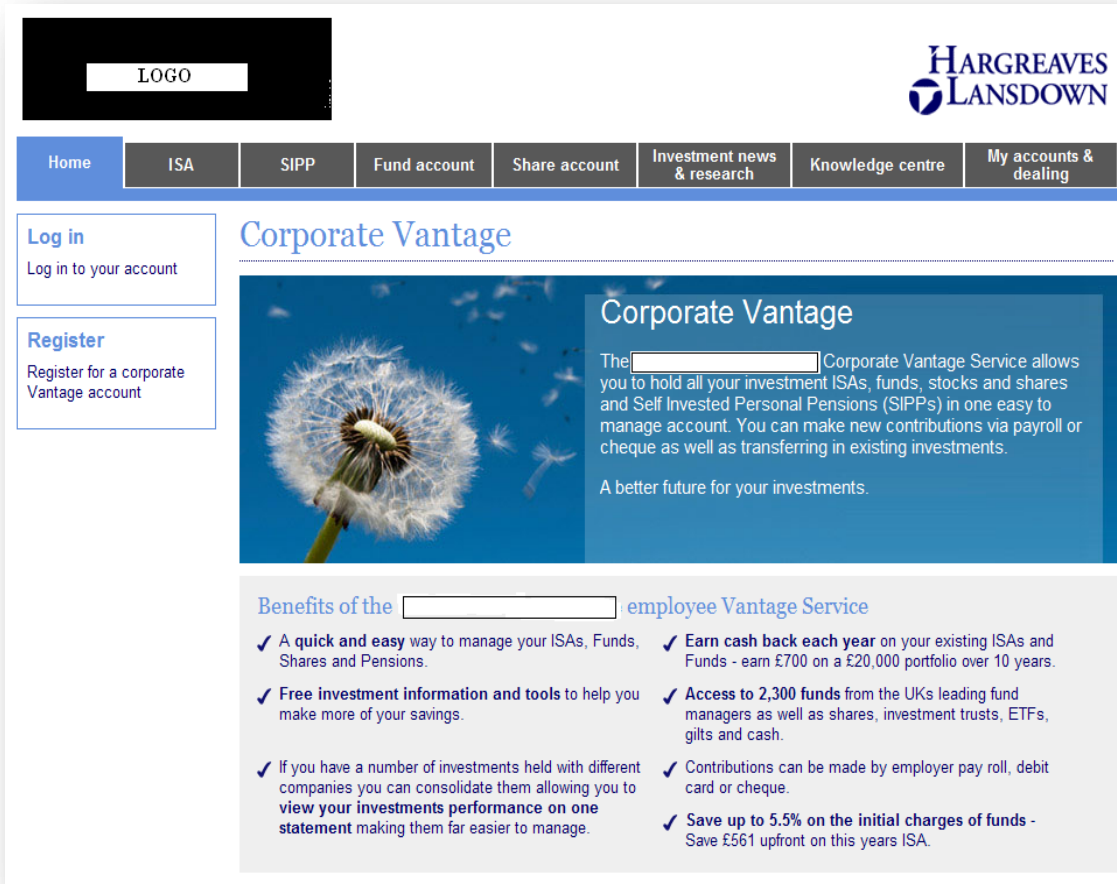
✓ Solutions for younger employees

✓ Simple administration

✓ Cost – greater choice to employee at no extra cost to employer

<sup>1</sup> HL survey, 750 respondents

# Corporate Vantage Service



LOGO

HARGREAVES  
LANDSDOWN

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Log in  
Log in to your account

Register  
Register for a corporate Vantage account

## Corporate Vantage

**Corporate Vantage**

The [redacted] Corporate Vantage Service allows you to hold all your investment ISAs, funds, stocks and shares and Self Invested Personal Pensions (SIPPs) in one easy to manage account. You can make new contributions via payroll or cheque as well as transferring in existing investments.

A better future for your investments.

### Benefits of the [redacted] employee Vantage Service

- ✓ A quick and easy way to manage your ISAs, Funds, Shares and Pensions.
- ✓ Free investment information and tools to help you make more of your savings.
- ✓ If you have a number of investments held with different companies you can consolidate them allowing you to view your investments performance on one statement making them far easier to manage.
- ✓ Earn cash back each year on your existing ISAs and Funds - earn £700 on a £20,000 portfolio over 10 years.
- ✓ Access to 2,300 funds from the UK's leading fund managers as well as shares, investment trusts, ETFs, gilts and cash.
- ✓ Contributions can be made by employer pay roll, debit card or cheque.
- ✓ Save up to 5.5% on the initial charges of funds - Save £561 upfront on this years ISA.

## Employee Benefits:

**Flexibility** - employer or employee contributions. ISA, SIPP, and investment accounts

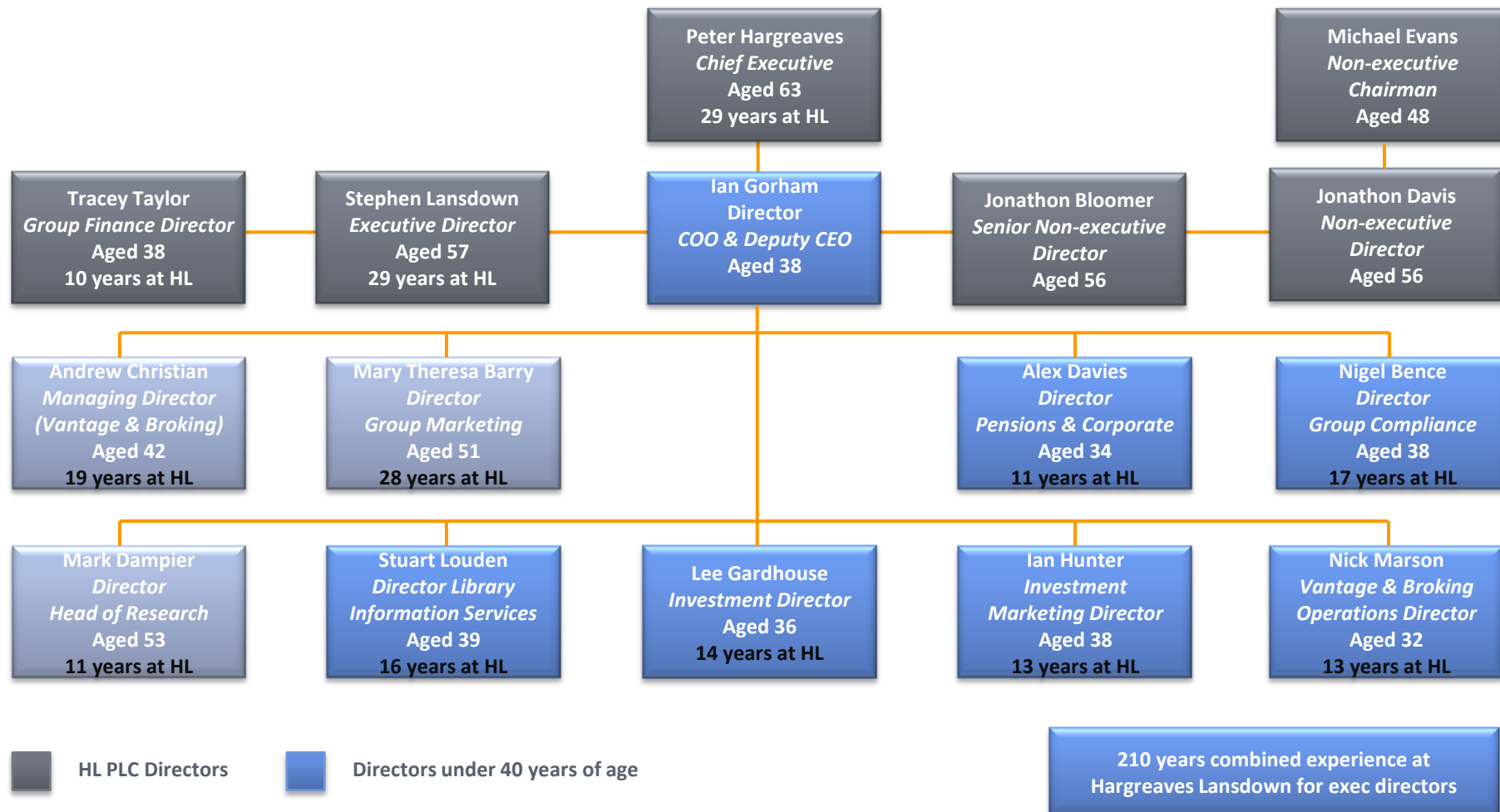
**Branded** - employer branded website

**Financial Education** - clear and jargon free information, workplace seminars and one-to-ones

**Choice** - thousands of investments. Model portfolios and tools to help

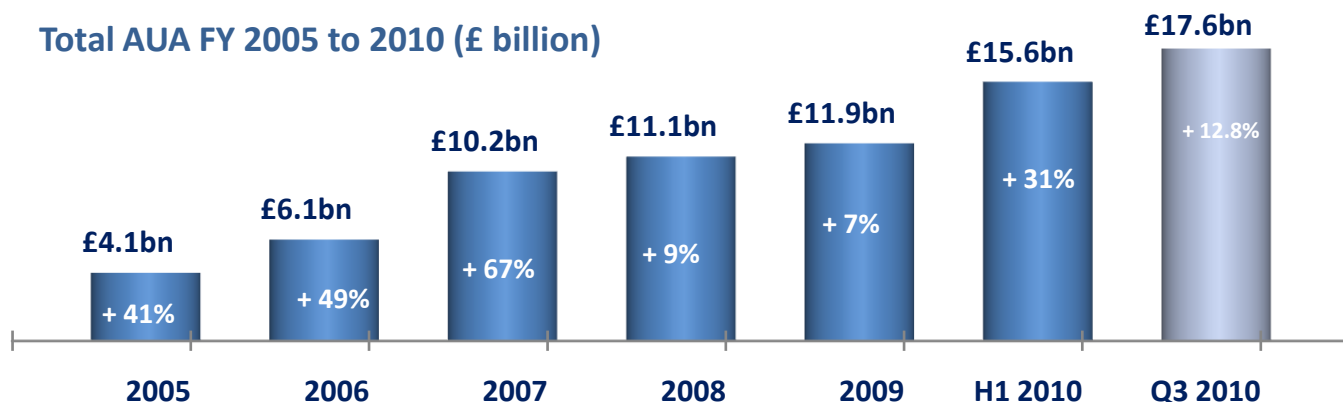
**Convenience** - online, postal options available

# Management Team

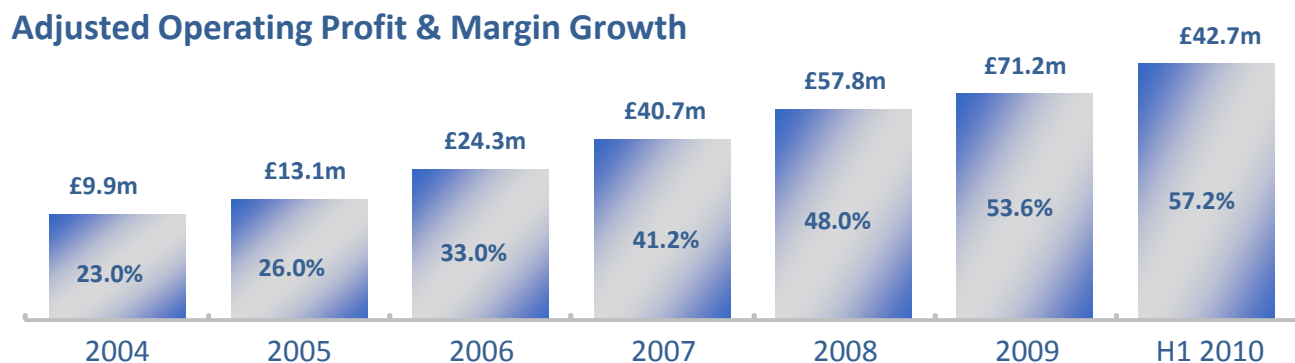


# How are we doing?

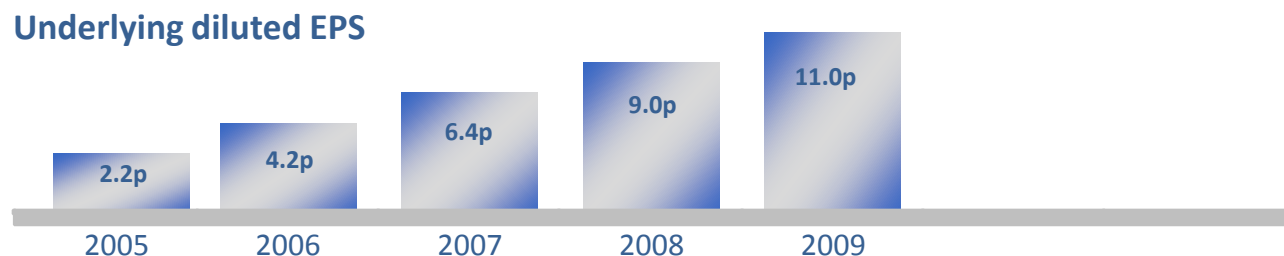
## Assets



## Profit



## EPS



# Q&A