

Shareholder information

Schroders plc

Registered in England and Wales Company No. 3909886

Registered office

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Share Registrar

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol BS99 6ZZ

UK Shareholder helpline:

Freephone (UK callers only): 0800 923 1530
International: +44 117 378 8170
Fax: +44 (0) 370 703 6101
Website: investorcentre.co.uk

Financial calendar

Ex-dividend date	26 March 2020
Record date	27 March 2020
DRIP election date deadline	16 April 2020
Annual General Meeting	30 April 2020
Final dividend payment date	7 May 2020
Half-year results announcement	30 July 2020
Interim dividend paid*	September 2020

* Date to be confirmed.

Annual General Meeting

Our AGM will be held at 11.30 a.m. on 30 April 2020 at 1 London Wall Place, London, EC2Y 5AU.

Investor Centre

Computershare is the Company's share registrar. Investor Centre is Computershare's free, self-service website where shareholders can manage their interests online.

The website enables shareholders to:

- View share balances
- Change address details
- View payment and tax information
- Update payment instructions
- Update communication instructions

Shareholders can register their email address at investorcentre.co.uk to be notified electronically of events such as AGMs, and can receive shareholder communications such as the Annual Report and Accounts and the Notice of Meeting online.

Enquiries and notifications concerning dividends, share certificates or transfers and address changes should be sent to the Registrar.

Dividends

Paying dividends into a bank or building society account helps reduce the risk of fraud and will provide you with quicker access to your funds than payment by cheque. Applications for an electronic mandate can be made by contacting the Registrar.

If your dividend is paid directly into your bank or building society account, you will receive an annual consolidated dividend confirmation, which will be sent to you in September each year at the time the interim dividend is paid.

Dividend confirmations are available electronically at investorcentre.co.uk to those shareholders who have their payments mandated to their bank or building society accounts and who have expressed a preference for electronic communications.

The Company operates a Dividend Reinvestment Plan (DRIP), which provides shareholders with a way of increasing their shareholding in the Company by reinvesting their dividends. A copy of the DRIP terms and conditions and application form can be obtained from the Registrar.

Details of dividend payments can be found in the Directors' report on page 110.

Schroders offers a service to shareholders in participating countries that enables dividends to be received in local currencies. You can check your eligibility and/or request a mandate form by contacting the Registrar.

Warning to shareholders

Companies are aware that their shareholders have received unsolicited telephone calls or correspondence concerning investment matters. These are typically from overseas-based 'brokers' who target UK shareholders, offering to sell them what often turn out to be worthless or high risk shares or investments. These operations are commonly known as 'boiler rooms'. These 'brokers' can be very persistent and extremely persuasive.

Shareholders are advised to be wary of any unsolicited advice, offers to buy shares at a discount or offers of free company reports. If you receive any unsolicited investment advice:

- Make sure you get the correct name of the person and organisation.
- Check that they are properly authorised by the FCA before getting involved by visiting register.fca.org.uk.
- Report the matter to the FCA by calling 0800 111 6768 or visiting fca.org.uk/consumers/report-scam-unauthorised-firm.
- Do not deal with any firm that you are unsure about.

If you deal with an unauthorised firm, you will not be eligible to receive payment under the Financial Services Compensation Scheme. The FCA provides a list of unauthorised firms of which it is aware, which can be accessed at fca.org.uk/consumers/unauthorised-firms-individuals#list.

More detailed information on this or similar activity can be found on the FCA website at fca.org.uk/consumers/protect-yourself-scams.

Capital gains tax

Capital gains tax values for the Company's shares as at 31 March 1982 and values relating to the disposal of the investment banking business in 2000 can be found on the Company's website.

Five-year consolidated financial summary

	2019 £m	2018 £m	2017 £m	2016 £m	2015 £m
Before exceptional items					
Profit before tax	701.2	761.2	800.3	644.7	609.7
Tax	(140.5)	(163.3)	(171.6)	(132.4)	(126.3)
Profit after tax	560.7	597.9	628.7	512.3	483.4
	2019 £m	2018 £m	2017 £m	2016 £m	2015 £m
After exceptional items					
Profit before tax	624.6	649.9	760.2	618.1	589.0
Tax	(128.9)	(145.2)	(165.8)	(127.9)	(121.6)
Profit after tax	495.7	504.7	594.4	490.2	467.4
	2019 Pence	2018 Pence	2017 Pence	2016 Pence	2015 Pence
Pre-exceptional earnings per share:					
Basic earnings per share ¹	201.6	215.8	226.9	186.3	176.9
Diluted earnings per share ¹	198.0	211.8	222.4	182.4	172.2
	2019 Pence	2018 Pence	2017 Pence	2016 Pence	2015 Pence
Post-exceptional earnings per share:					
Basic earnings per share ¹	178.9	183.1	215.3	178.3	171.1
Diluted earnings per share ¹	175.8	179.7	211.0	174.5	166.5
	2019	2018	2017	2016	2015
Dividends:					
Cost (£m)	312.3	311.7	267.6	236.6	226.3
Pence per share ²	114.0	114.0	98.0	87.0	83.0
Total equity (£m)	3,847.5	3,621.2	3,471.0	3,152.8	2,795.6
Net assets per share (pence)³	1,362	1,282	1,229	1,115	990
	2019 Number	2018 Number	2017 Number	2016 Number	2015 Number
Group employees at year end 31 December					
United Kingdom	3,284	2,798	2,535	2,264	1,988
Europe, Middle East and Africa	964	873	822	716	686
Americas	376	369	353	331	321
Asia Pacific	1,049	999	909	834	789
	5,673	5,039	4,619	4,145	3,784

1. See note 6 for the basis of this calculation.

2. Dividends per share are those amounts approved by the shareholders to be paid within the year on a per share basis to the shareholders on the register at the specified dates.

3. Net assets per share are calculated by using the actual number of shares in issue at the year end date (see note 21).

Exchange rates - closing 31 December	2019	2018	2017	2016	2015
Sterling:					
Euro	1.18	1.11	1.13	1.17	1.36
US dollar	1.32	1.27	1.35	1.24	1.47
Swiss franc	1.28	1.26	1.32	1.26	1.48
Australian dollar	1.88	1.81	1.73	1.71	2.03
Hong Kong dollar	10.32	9.97	10.57	9.58	11.42
Japanese yen	143.97	139.73	152.39	144.12	177.30
Singaporean dollar	1.78	1.74	1.81	1.79	2.09
Exchange rates - average	2019	2018	2017	2016	2015
Sterling:					
Euro	1.14	1.13	1.15	1.23	1.38
US dollar	1.28	1.33	1.30	1.36	1.53
Swiss franc	1.27	1.30	1.27	1.34	1.48
Australian dollar	1.84	1.78	1.69	1.83	2.04
Hong Kong dollar	10.03	10.44	10.10	10.52	11.84
Japanese yen	139.63	147.17	145.42	149.31	184.79
Singaporean dollar	1.74	1.80	1.79	1.88	2.10

Glossary

Alternative performance measures

An alternative performance measure (APM) is a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework. Certain of the Group's APMs exclude exceptional items which are defined in note 1(b) on page 119 and presented separately in the Consolidated income statement. The Group's APMs are defined below.

Annualised net new revenue

The net operating revenue that would be earned over a one year timeframe if the net new business was all transacted on the same day and there were no market movements or other changes to assets under management or fee rates over that year. It is calculated as gross new funds from clients multiplied by the applicable net operating revenue margin for each flow, less gross funds withdrawn multiplied by the applicable net operating revenue margin for each flow. This measure provides additional information to better assess the impact of net new business on the Group's net operating revenue.

Basic or diluted earnings per share before exceptional items

Profit after tax but before exceptional items divided by the relevant weighted average number of shares (see note 6 on page 127). The presentation of earnings per share before exceptional items provides transparency of recurring revenue and expenditure to aid understanding of the financial performance of the Group.

Payout ratio

The total dividend per share in respect of the year (see note 7 on page 127) divided by the pre-exceptional basic earnings per share.

Profit before tax and exceptional items

Profit before tax but excluding exceptional items. This presentation provides transparency of recurring revenue and expenditure to aid understanding of the financial performance of the Group.

Ratio of total costs to net income

Total Group costs before exceptional items divided by net income before exceptional items. A 65% ratio is targeted to ensure costs are aligned with net income, although we recognise that in weaker markets the ratio may be higher than our long-term target.

Total compensation ratio

Pre-exceptional compensation costs (see note 4 on page 125) divided by pre-exceptional net income. By targeting a total compensation ratio of 45% to 49%, depending upon market conditions, we align the interests of shareholders and employees.

Active management

The management of investments based on active decision-making rather than with the objective of replicating the return of an index.

AIFMD

The Alternative Investment Fund Managers Directive was implemented in the UK in July 2013 and is a regulatory framework for alternative investment fund managers, including managers of hedge funds, private equity firms and investment trusts.

Alpha

Excess return over market returns relative to a market benchmark.

Assets under management (AUM)

The aggregate value of assets managed on behalf of clients. In Wealth Management this includes assets where Schroders provides advisory services but the investment decisions are made by the client. AUM also includes assets held in custody where the client independently makes investment decisions, whether it is through direct contact with Schroders or via the Fusion wealth platform.

For Schroder Adveq, the aggregate value of assets managed is based on committed funds by clients. This is changed to the lower of committed funds and net asset value, typically after seven years from the initial investment, in line with the fee basis.

Basis point (bps)

One one-hundredth of a percentage point (0.01%).

Beta

Market returns.

Business areas

The five business areas that make up our business are described as:

- i) Private Assets & Alternatives - investment opportunities available through private markets such as real estate, private equity and infrastructure finance, and alternative investments

- ii) Solutions - provision of complete solutions and partnerships, including liability offsets and risk mitigation

- iii) Mutual Funds - Mutual Funds are provided through our intermediary network for retail clients, which are solely or dual-branded 'Schroders'

- iv) Institutional - provision of index-relative investment components for institutions as a component of their overall investment strategy or as part of a sub-advised mandate

- v) Wealth Management - a wide range of wealth management services, which focus on preserving or growing our clients' wealth

BREEAM

BREEAM (Building Research Establishment Environmental assessment Method) is the world's longest established method of assessing, rating, and certifying the sustainability of buildings.

Carbon dioxide equivalent (CO₂e)

A standard unit for measuring carbon footprints. It enables the impact of different greenhouse gas emissions on global warming to be expressed using an equivalent amount of carbon dioxide (CO₂) as a reference.

Carried interest

Carried interest is similar to the performance fees we earn on our core business, but is part of Private Assets & Alternatives fee structures.

CDP

Also known as the Carbon Disclosure Project.

Client investment performance

Client investment performance is a measure of how investments are performing relative to a benchmark or other comparator. It is calculated internally by Schroders to give shareholders and financial analysts general guidance on how our AUM are performing. The data is aggregated and is intended to provide information for comparison to prior reporting periods only. It is not intended for clients or potential clients investing in our products. All calculations for investment performance are made gross of fees with the exception of those for which the stated comparator is a net of fees competitor ranking.

When a product's investment performance is disclosed in product or client documentation it is specific to the strategy or product.

Performance will either be shown net of fees at the relevant fund share-class level or it will be shown gross of fees with a fee schedule for the strategy supplied.

The calculation includes 100% of internally-managed Asset Management assets, excluding Liability-Driven Investments (LDI) strategies, that have a complete track record over the respective reporting period. Assets held in LDI strategies, which currently amount to £35.3 billion, are excluded as these are not seeking to outperform a stated objective but to match the liability profile of pension funds. Assets managed by third parties are excluded and primarily comprise the Luxembourg-domiciled GAIA fund range of £3.2 billion and legacy private equity assets of £1.4 billion. We do not calculate investment performance of hotels managed by Algonquin (AUM of £1.9 billion).

Performance is calculated relative to the relevant stated comparator for each strategy as below. These fall into one of four categories, the percentages for each of which refer to the three year calculation:

- For 77% of assets included in the calculation, the comparator is the stated benchmark.

- If the stated comparator is to competitor rankings, the relative position of the fund to its peer group on a like-for-like basis is used to calculate performance. This applies to 4% of assets in the calculation.
- Assets for which the stated comparator is an absolute return target are measured against that absolute target. This applies to 11% of assets in the calculation.
- Assets with no stated objective are measured against a cash return, if applicable. This applies to 8% of assets in the calculation.

Clients

Within our Asset Management business we work with institutional clients, including pensions funds, insurance companies and sovereign wealth funds, as well as intermediaries, including financial advisers, private wealth managers, distributors and online platforms.

We also provide a range of Wealth Management services to private clients, family offices and charities.

At times, 'client' is used to refer to investors in our funds or strategies, i.e. the end client.

We are increasingly focused on building closer relationships with the end client, whose money is invested with us, often via an intermediary or institution.

CMA

Competition and Markets Authority.

Compensation cost

Total cost of employee benefits.

Defined benefit (DB) pension scheme

A pension benefit where the employer has an obligation to provide participating employees with pension payments that represent a specified percentage of their salary for each year of service.

Defined contribution (DC) pension scheme

A pension benefit where the employer's contribution to an employee's pension is measured as, and limited to, a specified amount, usually a percentage of salary. The value of the 'pension pot' can go up or down depending on how the investments perform.

DEFRA

Department for Environment, Food and Rural Affairs.

Employee benefit trust

A type of discretionary trust established to hold cash or other assets for the benefit of employees, such as to satisfy share awards.

EPS

Earnings per share.

ESG

Environmental, social and governance.

EU27

The 27 countries within the European Union involved with negotiating with the UK on Brexit.

Family offices

These manage and/or advise on the financial affairs and investments of ultra high net worth individuals or families.

FCA

Financial Conduct Authority of the United Kingdom.

Fitch investment management quality rating

A forward-looking, relative assessment of an investment manager's investment capabilities and the strength of its operational platform. Ratings have five key pillars: investment process; investment resources; risk management; investment performance and the company, including client servicing. Ratings are assigned on a five tiered scale from 'Excellent' to 'Weak'. Excellent indicates that the investment manager has extremely strong investment capabilities and operational characteristics.

FRC

Financial Reporting Council.

GAIA

Global Alternative Investor Access.

GHG Protocol

Greenhouse gas protocol, a global standardised framework to measure and manage greenhouse gas emissions.

GCC

Group Capital Committee.

GMC

Group Management Committee.

GOC

Global Operations Committee.

GRC

Group Risk Committee.

ICAAP

Internal Capital Adequacy Assessment Process.

IFRS

International Financial Reporting Standards.

ILAAP

Internal Liquidity Adequacy Assessment Process.

Investment capital

Capital held in excess of operating requirements. It is managed with the aim of achieving a low volatility return. It is mainly held in cash, government and government-guaranteed bonds, investment grade corporate bonds and Schroders' funds. Investment capital is also used to help support the organic development of existing and new business strategies and to respond to other investment and growth opportunities as they arise, such as acquisitions that will accelerate the development of the business.

Investment returns

The increase in AUM attributable to investment performance, market movements and foreign exchange.

LGBT+

Lesbian, Gay, Bisexual and Transgender and other groups of sexual and gender minorities.

Liability-driven investment (LDI)

A form of investing where the main goal is to gain and maintain sufficient assets to meet known liabilities, both current and future. This form of investment is most prominent for defined benefit pension schemes.

Life Company

Schroder Pension Management Limited, a wholly-owned subsidiary, which provides investment products through a life assurance wrapper.

MiFID II

The second iteration of the Markets in Financial Instruments Directive. MiFID II is an EU directive which standardises regulation for investment services throughout the European Economic Area.

MRTs

Material risk takers. Employees deemed to be material risk takers under one or more of the regulatory regimes that applies to the Group and its subsidiaries, such as the UCITS Directive or AIFMD.

Net income

A sub-total comprising net operating revenue, net gains on financial instruments and other income and share of profit of associates and joint ventures.

Net new business

New funds from clients less funds withdrawn by clients. This is also described as net inflows (when positive) or net outflows (when negative). New funds and funds withdrawn are calculated as at 31 December 2019 on the basis of actual funding provided or withdrawn.

Net zero carbon

A "net zero" target refers to reaching net zero carbon emissions by a selected date and refers to balancing the amount of emitted

Glossary

greenhouse gases with the equivalent emissions that are either offset or sequestered.

Net operating revenue

A sub-total consisting of revenue less cost of sales as defined in note 2 of the financial statements.

Net operating revenue margins

Net operating revenue excluding performance fees, net carried interest and real estate transaction fees divided by the relevant average AUM.

Passive products

Products whose stated objective is to replicate the return of an index.

Pillar 1

The minimum capital requirements in relation to credit risk, operational risk and market risk taken by the Group as principal.

Pillar 2

The requirement for companies to assess the level of additional capital held against risks not covered in Pillar 1.

Pillar 3

This complements Pillar 1 and Pillar 2 with the aim of improving market discipline by requiring companies to publish certain details of their risks, capital and risk management. Schroders' Pillar 3 disclosures are available at schroders.com/ir.

Platforms

Platforms in the UK savings market offer a range of investment products such as unit trusts, Individual Saving Accounts (ISAs), unit-linked life and pension bonds and Self-Invested Personal Pensions (SIPPs) to facilitate investment in many funds from different managers through one portal.

PRA

Prudential Regulation Authority.

PRIIPs

Packaged Retail Investment and Insurance-based Products. PRIIPs make up a broad category of financial assets that are regularly provided to consumers in the EU. It covers all packaged, publicly marketed financial products that have exposure to underlying assets, provide a return over time and have an element of risk.

Principal shareholder group

Four private trustee companies, a number of individuals and a charity which, directly or indirectly, are shareholders in Schroders plc and are parties to the Relationship Agreement. In aggregate these parties own 47.93% of the ordinary shares of Schroders plc.

RCA

Risk and Control Assessment.

RDR

The Retail Distribution Review (RDR) is a Financial Conduct Authority (FCA) initiative that aims to provide greater clarity about different types of financial services available. It also seeks to improve transparency around the costs and fees associated with financial advice. The amount of risk capital set by legislation or local regulators, which companies must hold against any difficulties such as market or credit risks.

Regulatory surplus capital

Total equity less the Group's overall regulatory capital requirement and regulatory deductions, in accordance with the EU Capital Requirements Regulation as set out in the Group's Pillar 3 disclosures.

Schroders Personal Wealth (SPW)

Schroders Personal Wealth is a joint venture between Lloyds Banking Group and Schroders. It provides personal wealth planning, advice and investment management services to clients in the UK.

Seed and co-investment capital

Seed capital comprises an initial investment put into a fund or strategy by the business to allow it to develop a performance track record before it is marketed to potential clients. Co-investment comprises an investment made alongside our clients.

Senior management

Members of the GMC (including the executive Directors of Schroders plc), the direct reports of members of the GMC and the direct reports one level below that, in each case excluding administrative and other ancillary roles.

SMCR

Senior Managers and Certification Regime. FCA regulation which aims to strengthen market integrity by making senior individuals more accountable for their conduct and competence.

TCFD

The Financial Stability Board Task Force on Climate-related Financial Disclosures (TCFD) is a market-driven initiative to help investors understand their financial exposure to climate risk and help companies disclose this information in a clear and consistent way.

Total capital requirement

The requirement to hold the sum of Pillar 1 and Pillar 2A capital requirements. Pillar 2A capital requirements are supplementary requirements for those risk categories not captured by Pillar 1, depending on specific circumstances of a company, as set out by the PRA.

Total dividend per share

Unless otherwise stated, this is the total dividend in respect of the year, comprised of the interim dividend and the proposed final dividend. This differs from the IFRS dividend, which is comprised of the prior year final and current year interim dividends declared and paid during the year.

Total equity

Total assets less total liabilities.

UCITS

Undertakings for the Collective Investment in Transferable Securities. UCITS is a regulatory framework of the European Commission that creates a harmonised regime throughout Europe for the management and sale of investment funds.

UCITS/AIF MRTs

Employees deemed to be material risk takers under the UCITS Directive or AIFMD.

UK Stewardship Code

A set of principles or guidelines from the Financial Reporting Council directed at institutional investors who hold voting rights in United Kingdom companies.

UN PRI

The United Nations-supported Principles for Responsible Investment Initiative is an international network of investment companies working together to implement the six Principles for Responsible Investment. Its goal is to understand the implications of sustainability and support signatories to incorporate these issues into their investment decision making and ownership practices.



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