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## Assets under management (AUM)

£375.0 billion at 30 September 2016

<table>
<thead>
<tr>
<th>£bn</th>
<th>Institutional</th>
<th>Intermediary</th>
<th>Asset Management</th>
<th>Wealth Management</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 January 2016</td>
<td>181.0</td>
<td>100.9</td>
<td>281.9</td>
<td>31.6</td>
<td>313.5</td>
</tr>
<tr>
<td>Acquisition of Brookfield*</td>
<td>1.9</td>
<td>1.4</td>
<td>3.3</td>
<td>-</td>
<td>3.3</td>
</tr>
<tr>
<td>Net flows</td>
<td>5.4</td>
<td>(2.2)</td>
<td>3.2</td>
<td>(0.5)</td>
<td>2.7</td>
</tr>
<tr>
<td>Investment returns**</td>
<td>34.5</td>
<td>17.4</td>
<td>51.9</td>
<td>3.6</td>
<td>55.5</td>
</tr>
<tr>
<td>Transfers***</td>
<td>(0.9)</td>
<td>-</td>
<td>(0.9)</td>
<td>0.9</td>
<td>-</td>
</tr>
<tr>
<td>30 September 2016</td>
<td>221.9</td>
<td>117.5</td>
<td>339.4</td>
<td>35.6</td>
<td>375.0</td>
</tr>
</tbody>
</table>

* Relates to the acquisition of a securitised credit business in North America.
** The weakening of Sterling since 1 January 2016 had the effect of increasing total assets under management by £38.6bn.
*** Relates to the transfer of charities assets from Asset Management to Wealth Management.
Regional diversification of AUM*

63% of net operating revenues outside UK

*By client domicile

- North America: £46.4bn
- South America: £8.3bn
- UK: £144.0bn
- Continental Europe: £69.7bn
- Middle East & Africa: £10.7bn
- Asia Pacific: £95.9bn
Currency profile of AUM

Assets under management £375.0 billion

* Includes the following currencies which individually constitute 1% of AUM: IDR, INR, SGD
** USD includes other currencies pegged to USD, including HKD

- USD**: 32%
- GBP: 27%
- EUR: 11%
- AUD: 5%
- JPY: 5%
- CNY: 4%
- TWD: 2%
- KRW: 2%
- CHF: 2%
- Other*: 10%
Currency profile of Asset Management AUM

Asset Management AUM £339.4 billion

Institutional £221.9bn

- USD* 34%
- GBP 25%
- EUR 10%
- AUD 7%
- JPY 5%
- CNY 4%
- TWD 2%
- KRW 2%
- CHF 2%
- Other 9%

Intermediary £117.5bn

- USD* 34%
- EUR 18%
- GBP 16%
- JPY 7%
- CNY 5%
- AUD 4%
- IDR 3%
- SGD 2%
- TWD 2%
- KRW 2%
- Other 7%

* USD includes other currencies pegged to USD, including HKD
Total AUM by channel, region and product
Assets under management £375.0 billion

By channel
- Institutional: 59%
- Intermediary: 31%
- Wealth Management: 10%

By region*
- UK: 38%
- Continental Europe, Middle East & Africa: 26%
- Asia Pacific: 24%
- Americas: 15%
- Emerging Market Debt, Commodities & Real Estate: 4%
- Wealth Management: 10%

By product
- Equities: 40%
- Fixed Income: 22%
- Multi-asset: 24%
- Emerging Market Debt, Commodities & Real Estate: 4%
- Wealth Management: 10%

* By client domicile
Asset Management AUM by channel and product

Institutional AUM £221.9bn
- Equities: 41%
- Fixed Income: 30%
- Multi-asset: 24%
- Emerging Market Debt, Commodities & Real Estate: 5%

Intermediary AUM £117.5bn
- Equities: 52%
- Fixed Income: 25%
- Multi-asset: 21%
- Emerging Market Debt, Commodities & Real Estate: 2%
Asset Management AUM by channel and region*

Institutional AUM £221.9bn

- UK: 28%
- Continental Europe, Middle East & Africa: 39%
- Asia Pacific: 15%
- Americas: 18%

Intermediary AUM £117.5bn

- UK: 13%
- Continental Europe, Middle East & Africa: 24%
- Asia Pacific: 28%
- Americas: 35%

* By client domicile
## Asset Management AUM – detailed asset class analysis

**Assets under management £339.4 billion**

### Equities £150.7bn

- **Asia Pacific:** 19%
- **Quantitative equities:** 16%
- **Global:** 14%
- **Emerging markets:** 13%
- **UK:** 11%
- **Europe:** 11%
- **Japan:** 6%
- **US:** 5%
- **Australia:** 4%
- **Other:** 1%

### Fixed Income £82.2bn

- **US:** 31%
- **Global:** 24%
- **Europe:** 22%
- **UK:** 7%
- **Asia Pacific:** 7%
- **Australia:** 5%
- **Convertibles:** 2%
- **Insurance-linked:** 2%

### Multi-asset £92.0bn

- **Risk controlled growth:** 40%
- **LDI:** 23%
- **UK traditional balanced:** 15%
- **Income:** 9%
- **Inflation protection:** 5%
- **Risk mitigation:** 4%
- **GAIA:** 3%
- **Wealth preservation:** 1%

### Emerging Market Debt, Commodities and Real Estate £14.5bn

- **Real estate:** 73%
- **Emerging market debt:** 14%
- **Agriculture and commodities:** 9%
- **Private equity:** 4%
Institutional AUM – detailed asset class analysis

Assets under management £221.9 billion

Equities £90.1bn
- Quantitative equities: 24%
- Emerging markets: 17%
- Global: 17%
- Asia Pacific: 15%
- UK: 9%
- Europe: 8%
- Australia: 4%
- Japan: 3%
- US: 3%

Fixed Income £52.6bn
- US: 44%
- Global: 22%
- Europe: 13%
- UK: 9%
- Asia Pacific: 6%
- Australia: 4%
- Convertibles: 1%
- Insurance-linked: 1%

Multi-asset £67.6bn
- Risk controlled growth: 38%
- LDI: 32%
- UK traditional balanced: 21%
- Inflation protection: 5%
- Risk mitigation: 3%
- Wealth preservation: 1%

Emerging Market Debt, Commodities and Real Estate £11.6bn
- Real estate: 78%
- Emerging market debt: 10%
- Agriculture and commodities: 7%
- Private equity: 5%
Intermediary AUM – detailed asset class analysis

Assets under management £117.5 billion

Equities £60.6bn

- Asia Pacific: 24%
- Europe: 16%
- UK: 15%
- Japan: 9%
- Global: 8%
- Emerging markets: 8%
- US: 8%
- Quantitative equities: 5%
- Australia: 4%
- Other: 3%

Fixed Income £29.6bn

- Europe: 39%
- Global: 28%
- US: 8%
- Australia: 8%
- Asia Pacific: 8%
- Convertibles: 4%
- UK: 3%
- Insurance-linked: 2%

Multi-asset £24.4bn

- Risk controlled growth: 47%
- Income: 34%
- GAIA: 10%
- Risk mitigation: 5%
- Inflation protection: 4%

Emerging Market Debt, Commodities and Real Estate £2.9bn

- Real estate: 53%
- Emerging market debt: 31%
- Agriculture and commodities: 14%
- Private equity: 2%
Institutional

Assets under management: £221.9 billion
## Net operating revenue and margins – Asset Management

Asset Management Net operating revenue £1,071.3 million

<table>
<thead>
<tr>
<th>Performance fees - £m</th>
<th>FY 2015</th>
<th>YTD Q3 2015</th>
<th>YTD Q3 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance fees on average AUM</td>
<td>1 bps</td>
<td>1 bps</td>
<td>0 bps</td>
</tr>
<tr>
<td>Net operating revenue (ex performance fees) - £m</td>
<td>1,357.7</td>
<td>1,019.3</td>
<td>1,058.0</td>
</tr>
<tr>
<td>Net operating revenue (ex performance fees) on average AUM</td>
<td>49 bps</td>
<td>49 bps</td>
<td>47 bps</td>
</tr>
<tr>
<td>Net income* - £m</td>
<td>1,412.5</td>
<td>1,045.0</td>
<td>1,118.6</td>
</tr>
<tr>
<td>Operating expenses* - £m</td>
<td>872.0</td>
<td>644.6</td>
<td>719.5</td>
</tr>
<tr>
<td>Profit before tax* - £m</td>
<td>540.5</td>
<td>400.4</td>
<td>399.1</td>
</tr>
</tbody>
</table>

* Excludes exceptional items
## Income statement progression

### Asset Management profit before tax

<table>
<thead>
<tr>
<th>£m</th>
<th>Q2 2015</th>
<th>Q3 2015</th>
<th>Q4 2015</th>
<th>Q1 2016</th>
<th>Q2 2016</th>
<th>Q3 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Institutional</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net operating revenue</td>
<td>156.3</td>
<td>146.5</td>
<td>173.2</td>
<td>152.7</td>
<td>163.4</td>
<td>172.1</td>
</tr>
<tr>
<td>Intermediary</td>
<td>197.3</td>
<td>192.6</td>
<td>188.2</td>
<td>183.1</td>
<td>188.6</td>
<td>211.4</td>
</tr>
<tr>
<td>Net (losses)/gains on financial instruments and other income</td>
<td>(6.0)</td>
<td>(0.2)</td>
<td>4.0</td>
<td>8.9</td>
<td>13.0</td>
<td>13.4</td>
</tr>
<tr>
<td>Share of profit of associates and joint ventures</td>
<td>4.4</td>
<td>4.0</td>
<td>2.1</td>
<td>5.2</td>
<td>3.3</td>
<td>3.5</td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>352.0</td>
<td>342.9</td>
<td>367.5</td>
<td>349.9</td>
<td>368.3</td>
<td>400.4</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>(214.7)</td>
<td>(213.5)</td>
<td>(227.4)</td>
<td>(222.0)</td>
<td>(238.6)</td>
<td>(258.9)</td>
</tr>
<tr>
<td>Asset Management profit before exceptional items</td>
<td>137.3</td>
<td>129.4</td>
<td>140.1</td>
<td>127.9</td>
<td>129.7</td>
<td>141.5</td>
</tr>
<tr>
<td>Exceptional items</td>
<td>(3.0)</td>
<td>(3.1)</td>
<td>(3.0)</td>
<td>(3.5)</td>
<td>(5.0)</td>
<td>(3.8)</td>
</tr>
<tr>
<td>Asset Management profit after exceptional items</td>
<td>134.3</td>
<td>126.3</td>
<td>137.1</td>
<td>124.4</td>
<td>124.7</td>
<td>137.7</td>
</tr>
</tbody>
</table>
**Income statement progression**

**Wealth Management profit before tax**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net operating revenue</strong></td>
<td>53.3</td>
<td>51.9</td>
<td>49.7</td>
<td>51.9</td>
<td>55.2</td>
<td>55.5</td>
</tr>
<tr>
<td><strong>Net (losses)/gains on financial instruments and other income</strong></td>
<td>-</td>
<td>(0.1)</td>
<td>0.2</td>
<td>0.1</td>
<td>0.4</td>
<td>1.1</td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>53.3</td>
<td>51.8</td>
<td>49.9</td>
<td>52.0</td>
<td>55.6</td>
<td>56.6</td>
</tr>
<tr>
<td><strong>Operating expenses</strong></td>
<td>(38.2)</td>
<td>(35.3)</td>
<td>(35.1)</td>
<td>(36.3)</td>
<td>(38.9)</td>
<td>(39.5)</td>
</tr>
<tr>
<td><strong>Wealth Management profit before exceptional items</strong></td>
<td>15.1</td>
<td>16.5</td>
<td>14.8</td>
<td>15.7</td>
<td>16.7</td>
<td>17.1</td>
</tr>
<tr>
<td><strong>Exceptional items</strong></td>
<td>(2.1)</td>
<td>5.2</td>
<td>(2.0)</td>
<td>(2.0)</td>
<td>(2.0)</td>
<td>(2.8)</td>
</tr>
<tr>
<td><strong>Wealth Management profit after exceptional items</strong></td>
<td>13.0</td>
<td>21.7</td>
<td>12.8</td>
<td>13.7</td>
<td>14.7</td>
<td>14.3</td>
</tr>
</tbody>
</table>
## Income statement progression

**Group segment profit/(loss) before tax**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net gains on financial instruments and other income</strong></td>
<td>5.2</td>
<td>7.2</td>
<td>11.0</td>
<td>8.0</td>
<td>6.8</td>
<td>10.3</td>
</tr>
<tr>
<td><strong>Share of profit of associates</strong>*</td>
<td>5.7</td>
<td>1.0</td>
<td>0.8</td>
<td>1.8</td>
<td>1.8</td>
<td>0.7</td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>10.9</td>
<td>8.2</td>
<td>11.8</td>
<td>9.8</td>
<td>8.6</td>
<td>11.0</td>
</tr>
<tr>
<td><strong>Operating expenses</strong></td>
<td>(7.2)</td>
<td>(6.6)</td>
<td>(10.2)</td>
<td>(8.9)</td>
<td>(5.8)</td>
<td>(8.0)</td>
</tr>
<tr>
<td><strong>Group profit before exceptional items</strong></td>
<td>3.7</td>
<td>1.6</td>
<td>1.6</td>
<td>0.9</td>
<td>2.8</td>
<td>3.0</td>
</tr>
<tr>
<td><strong>Exceptional items</strong></td>
<td>(2.4)</td>
<td>(1.0)</td>
<td>(1.4)</td>
<td>(1.1)</td>
<td>2.2</td>
<td>(1.1)</td>
</tr>
<tr>
<td><strong>Group profit/(loss) after exceptional items</strong></td>
<td>1.3</td>
<td>0.6</td>
<td>0.2</td>
<td>(0.2)</td>
<td>5.0</td>
<td>1.9</td>
</tr>
</tbody>
</table>

---

* Includes RWC Partners Limited and Schroder Ventures Investments Limited associates
## Cost and return metrics

### Total Schroders Group costs

<table>
<thead>
<tr>
<th></th>
<th>FY 2015</th>
<th>YTD Q3 2015</th>
<th>YTD Q3 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total compensation ratio</strong></td>
<td>44%</td>
<td>44%</td>
<td>45%</td>
</tr>
<tr>
<td><strong>Headcount</strong></td>
<td>3,784</td>
<td>3,786</td>
<td>4,011</td>
</tr>
<tr>
<td><strong>Total costs</strong></td>
<td>1,048.8</td>
<td>776.1</td>
<td>856.9</td>
</tr>
<tr>
<td><strong>Total cost ratio</strong></td>
<td>63%</td>
<td>63%</td>
<td>65%</td>
</tr>
<tr>
<td><strong>Return on average capital (pre-tax)</strong></td>
<td>23%</td>
<td>23%</td>
<td>21%</td>
</tr>
<tr>
<td><strong>Return on average capital (post-tax)</strong></td>
<td>18%</td>
<td>18%</td>
<td>17%</td>
</tr>
</tbody>
</table>

* Excludes exceptional items

**Costs and income are subject to adjustments by the remuneration committee

- **Total compensation ratio**
  - = compensation costs divided by net income

- **Total cost ratio**
  - = costs divided by net income

- **Return on average capital (pre-tax)**
  - = profit before tax divided by average capital

- **Return on average capital (post-tax)**
  - = profit after tax divided by average capital
# Group capital allocation

Increase of £143 million for the nine months ended 30 September 2016

<table>
<thead>
<tr>
<th>£m</th>
<th>December 2015</th>
<th>September 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regulatory capital</td>
<td>653</td>
<td>717</td>
</tr>
<tr>
<td>Other operating capital</td>
<td>253</td>
<td>93</td>
</tr>
<tr>
<td>Investment capital*</td>
<td>942</td>
<td>1,114</td>
</tr>
<tr>
<td>Seed capital</td>
<td>229</td>
<td>302</td>
</tr>
<tr>
<td>Other**</td>
<td>719</td>
<td>713</td>
</tr>
<tr>
<td>Statutory Group capital</td>
<td>2,796</td>
<td>2,939</td>
</tr>
</tbody>
</table>

* Includes RWC Partners Limited and Schroder Ventures Investments Limited associates

** Comprises goodwill, intangible assets, pension scheme surpluses, other associates and joint ventures, and deferred tax

Schroders 2016 Q3 Results | 3 November 2016