



Schroders

2015 H1 Results

Data Pack | July 2015



Schroders

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Assets under management (AUM)

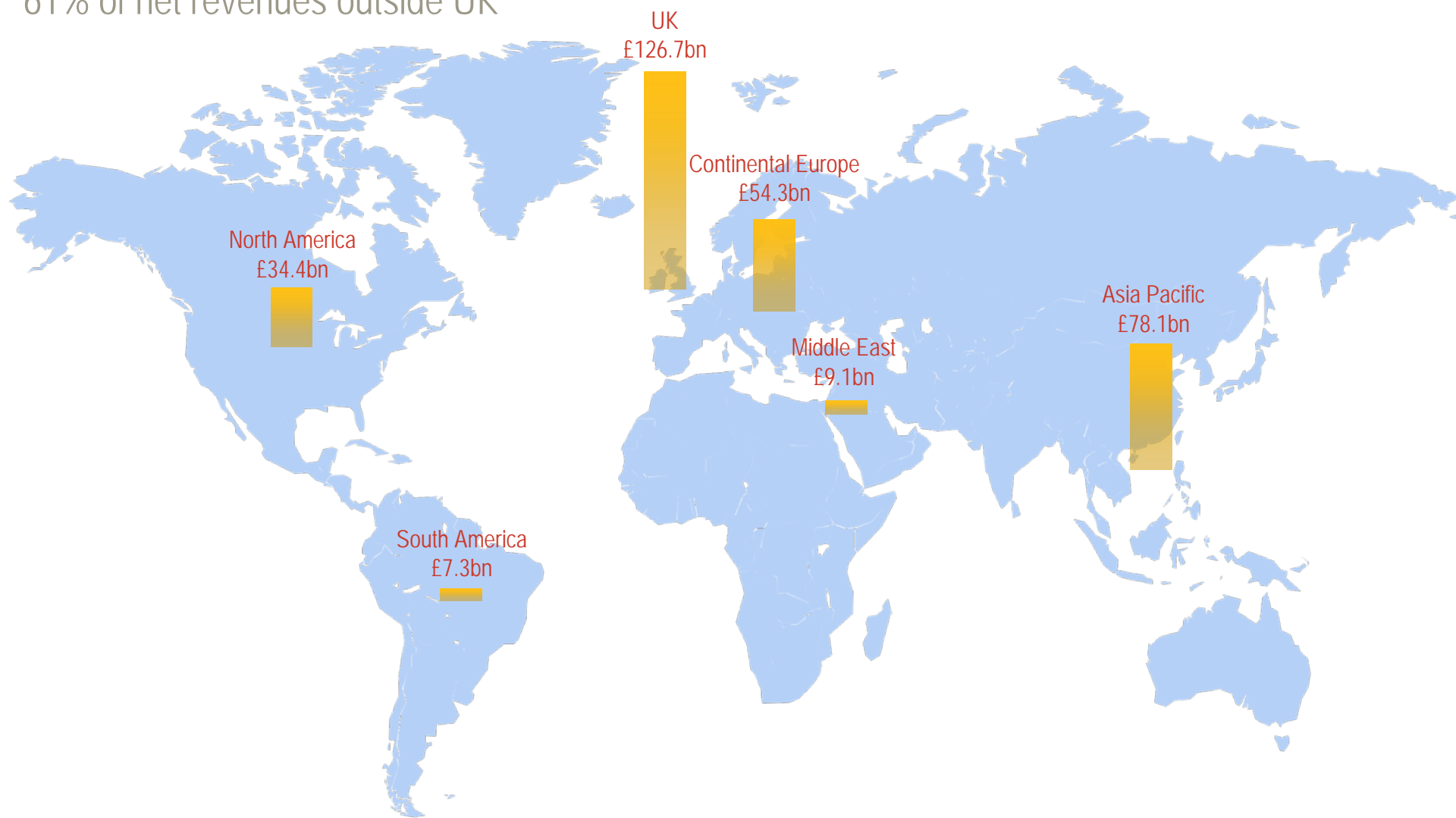
£309.9 billion at 30 June 2015

£bn	Institutional	Intermediary	Asset Management	Wealth Management	Total
31 December 2014	171.1	97.8	268.9	31.1	300.0
Net flows	3.6	4.8	8.4	0.4	8.8
Investment returns*	0.8	(0.2)	0.6	0.5	1.1
30 June 2015	175.5	102.4	277.9	32.0	309.9

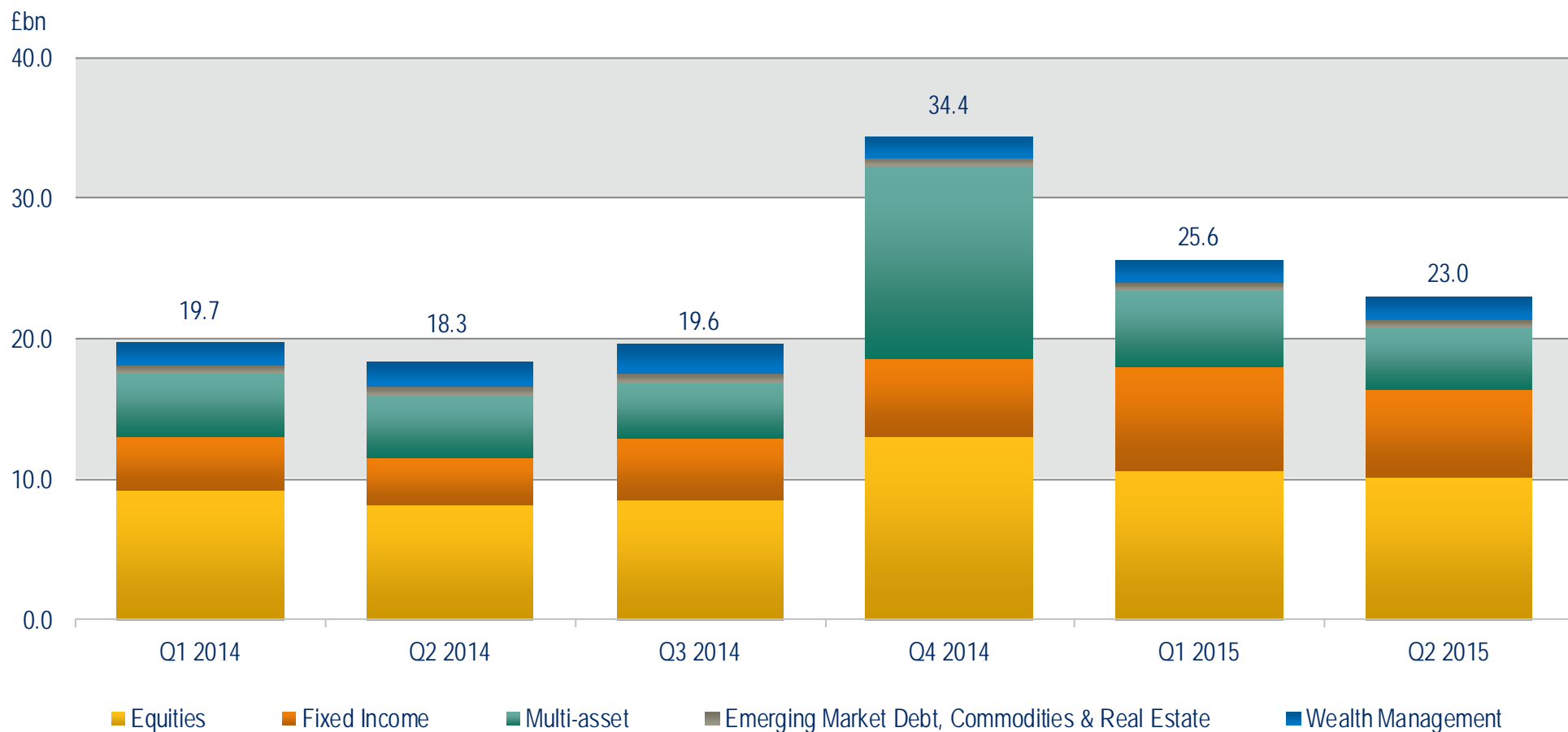
* The strengthening of sterling since 31 December 2014 had the effect of reducing assets under management by £6.4 billion.

Regional diversification of AUM

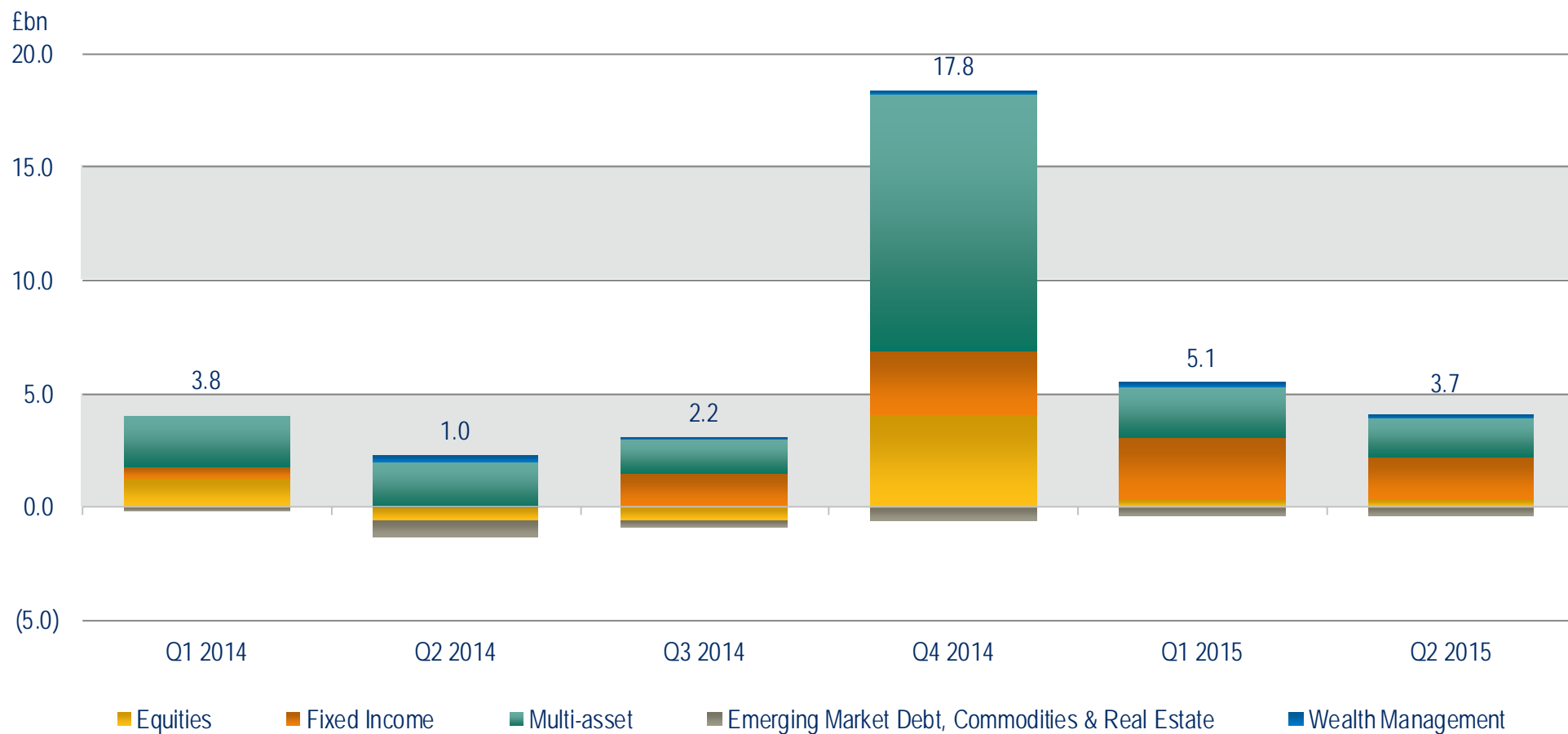
61% of net revenues outside UK



Gross sales

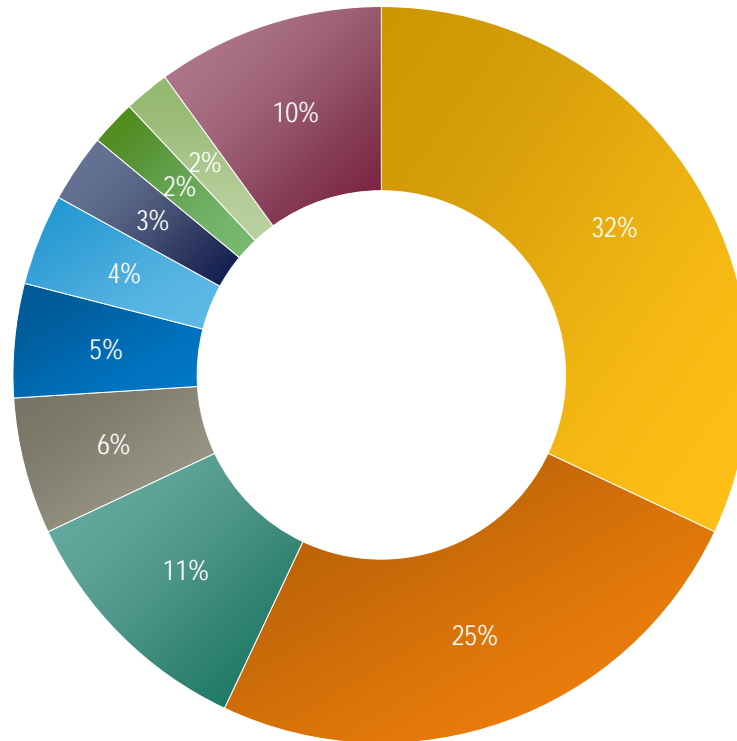


Net flows



Currency profile of AUM

Assets under management £309.9 billion



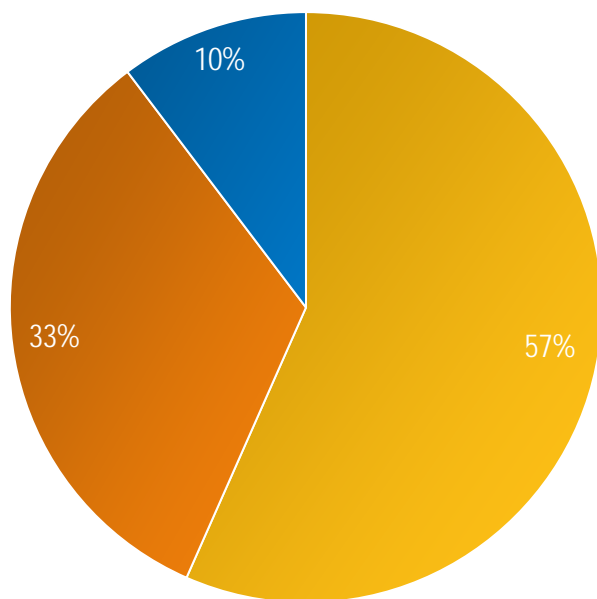
■ GBP ■ USD ■ EUR ■ AUD ■ JPY ■ CNY ■ HKD ■ CHF ■ TWD ■ Other*

* Includes the following currencies which individually constitute 1% of AUM: KRW, IDR, INR, SGD, BRL, THB, CAD

Total AUM by channel, region and product

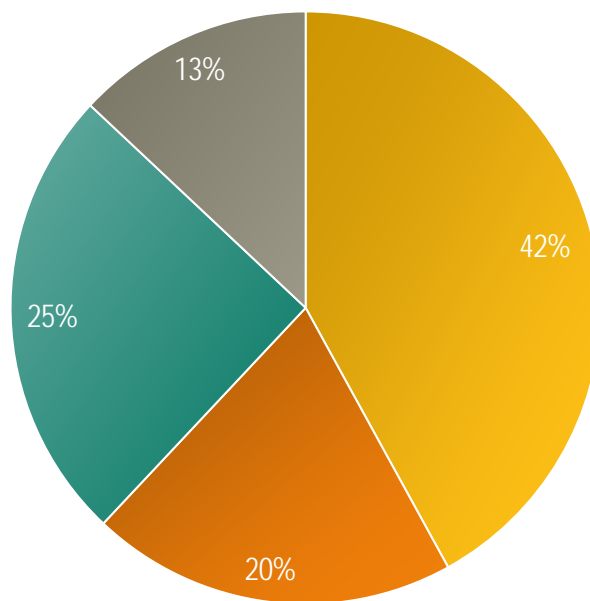
Assets under management £309.9 billion

By channel



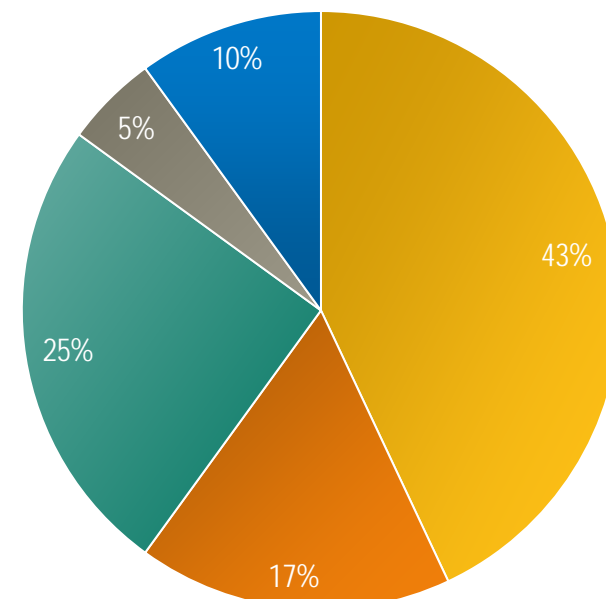
- Institutional
- Intermediary
- Wealth Management

By region*



- UK
- Continental Europe**
- Asia Pacific
- Americas

By product



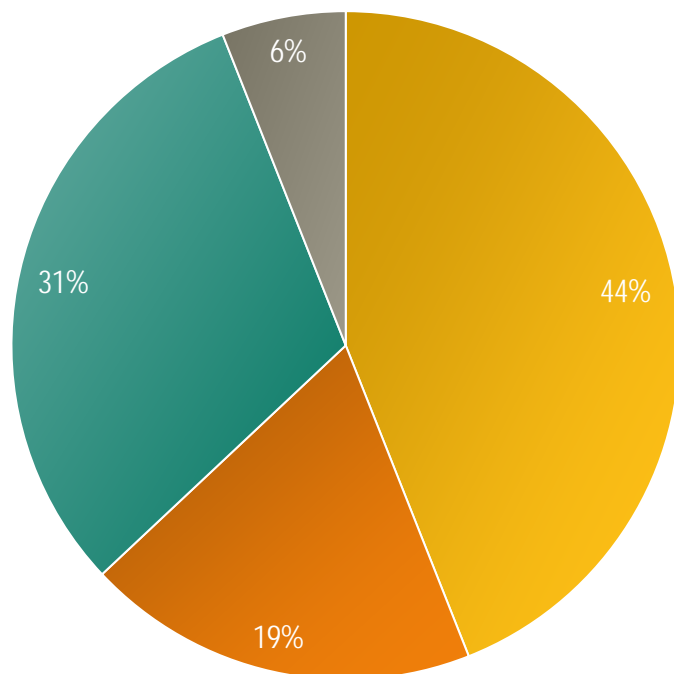
- Equities
- Fixed Income
- Multi-asset
- Emerging Market Debt, Commodities & Real Estate
- Wealth Management

* By client domicile

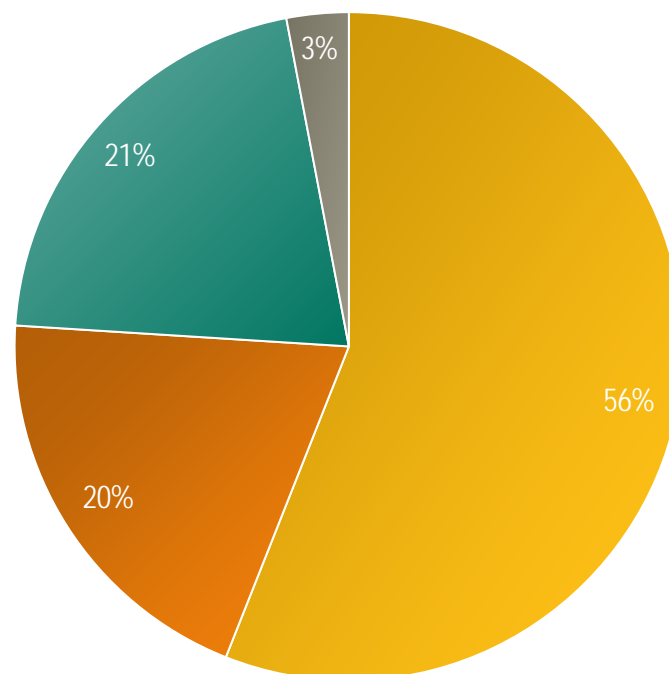
** Includes Middle East

Asset Management AUM by channel and product

Institutional AUM £175.5bn



Intermediary AUM £102.4bn



■ Equities

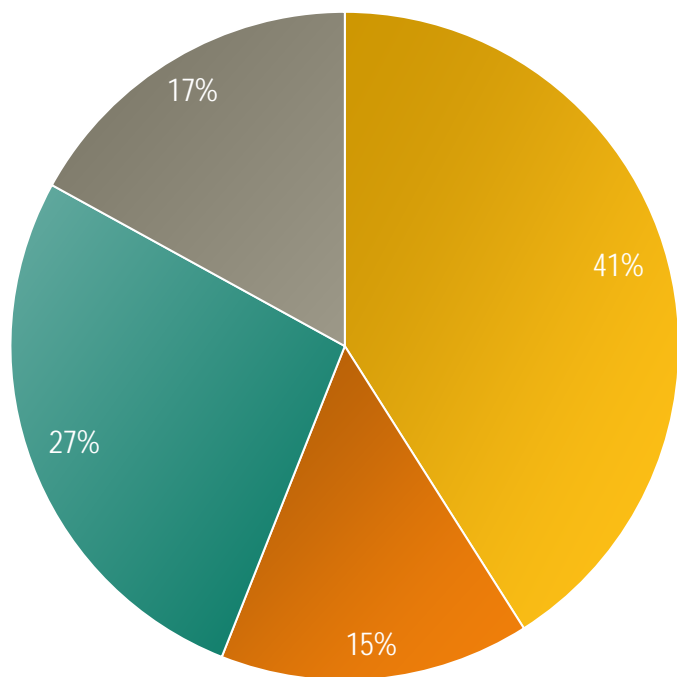
■ Fixed Income

■ Multi-asset

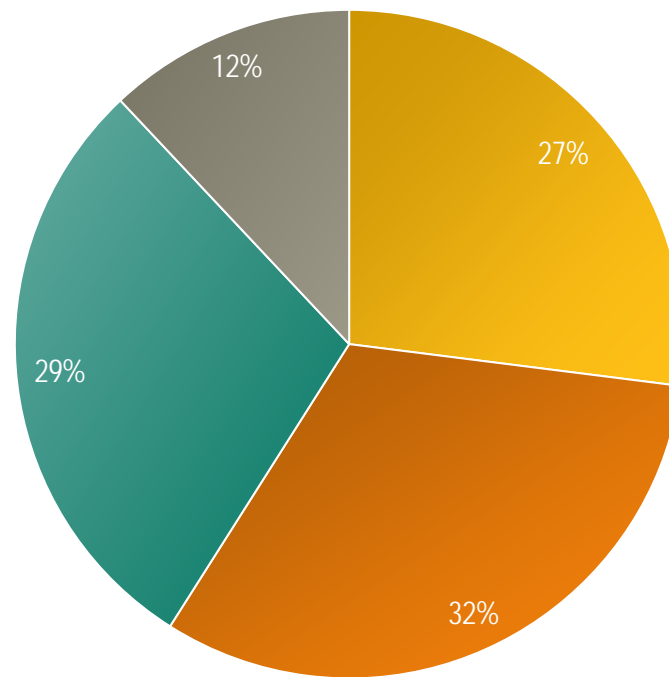
■ Emerging Market Debt, Commodities & Real Estate

Asset Management AUM by channel and region*

Institutional AUM £175.5bn



Intermediary AUM £102.4bn



■ UK

■ Continental Europe**

■ Asia Pacific

■ Americas

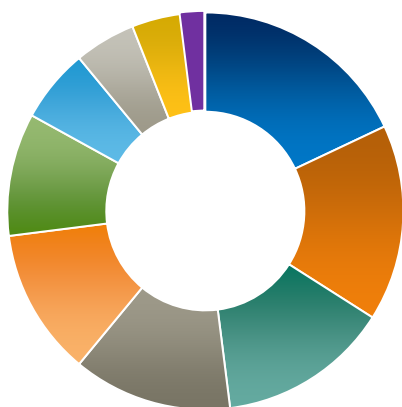
* By client domicile

** Includes Middle East

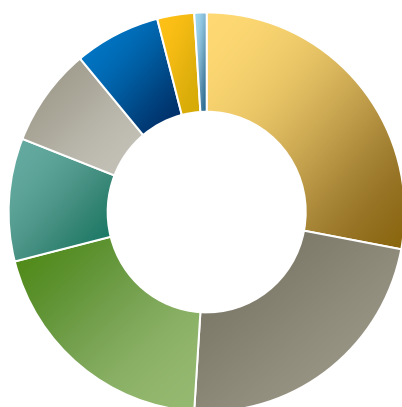
Asset Management AUM – detailed asset class analysis

Assets under management £277.9 billion

Equities £134.4bn



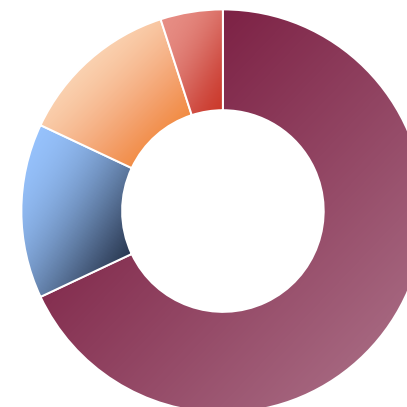
Fixed Income £53.8bn



Multi-asset £75.5bn



Emerging Market Debt, Commodities and Real Estate £14.2bn



■ Asia Pacific	18%
■ Quantitative equities	16%
■ UK	14%
■ Global	13%
■ Emerging markets	12%
■ Europe	10%
■ Japan	6%
■ Australia	5%
■ US	4%
■ Other	2%

■ Americas	28%
■ Global	23%
■ Europe	20%
■ UK	10%
■ Australia	8%
■ Asia Pacific	7%
■ Convertibles	3%
■ Insurance-linked	1%

■ UK	35%
■ LDI	22%
■ Asia Pacific	17%
■ Americas	10%
■ Australia	7%
■ Europe	6%
■ GAIA range	3%

■ Real estate	68%
■ Emerging market debt	14%
■ Agriculture and commodities	13%
■ Private equity	5%

Institutional AUM – detailed asset class analysis

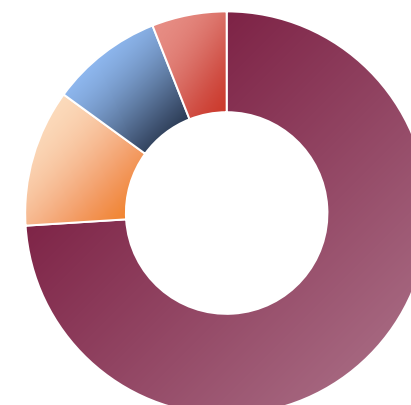
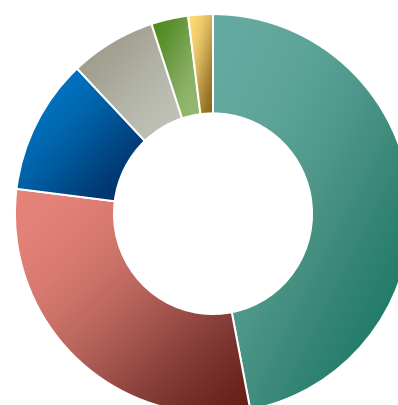
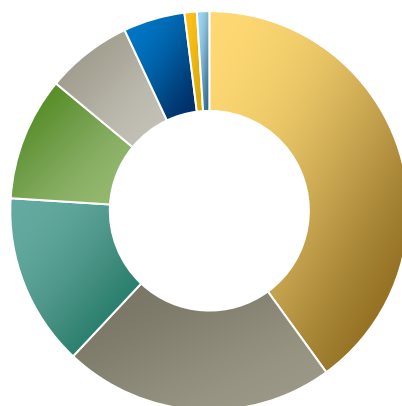
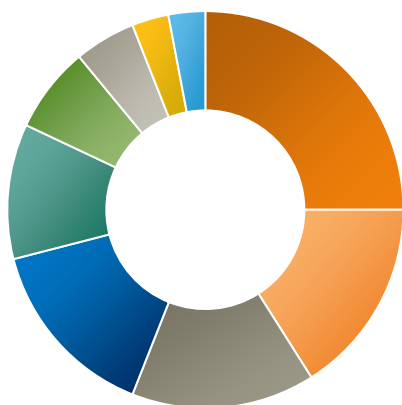
Assets under management £175.5 billion

Equities £77.3bn

Fixed Income £33.4bn

Multi-asset £53.6bn

Emerging Market Debt, Commodities and Real Estate £11.2bn



Quantitative equities	25%
Emerging markets	16%
Global	15%
Asia Pacific	15%
UK	11%
Europe	7%
Australia	5%
US	3%
Japan	3%

Americas	40%
Global	22%
UK	14%
Europe	10%
Australia	7%
Asia Pacific	5%
Convertibles	1%
Insurance-linked	1%

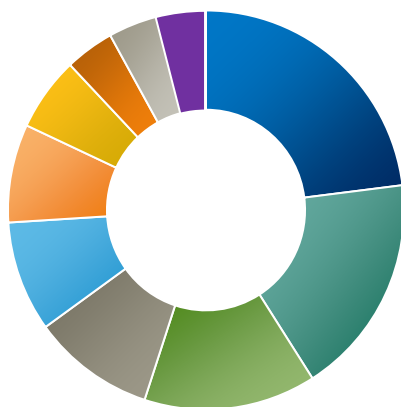
UK	47%
LDI	30%
Asia Pacific	11%
Australia	7%
Europe	3%
Americas	2%

Real estate	74%
Agriculture and commodities	11%
Emerging market debt	9%
Private equity	6%

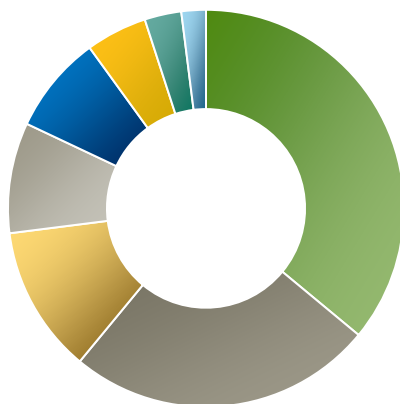
Intermediary AUM – detailed asset class analysis

Assets under management £102.4 billion

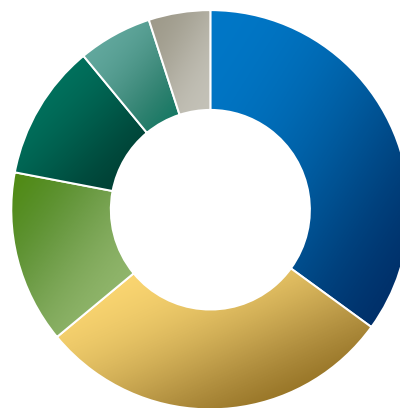
Equities £57.1bn



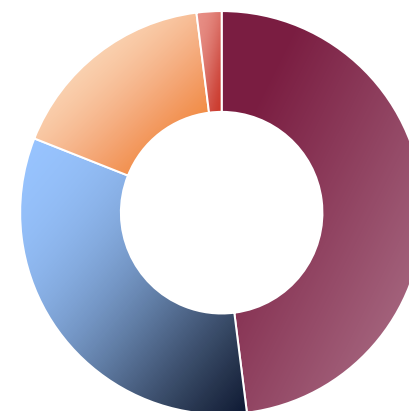
Fixed Income £20.4bn



Multi-asset £21.9bn



Emerging Market Debt, Commodities and Real Estate £3.0bn



■ Asia Pacific	23%
■ UK	18%
■ Europe	14%
■ Global	10%
■ Japan	9%
■ Emerging markets	8%
■ US	6%
■ Quantitative equities	4%
■ Australia	4%
■ Other	4%

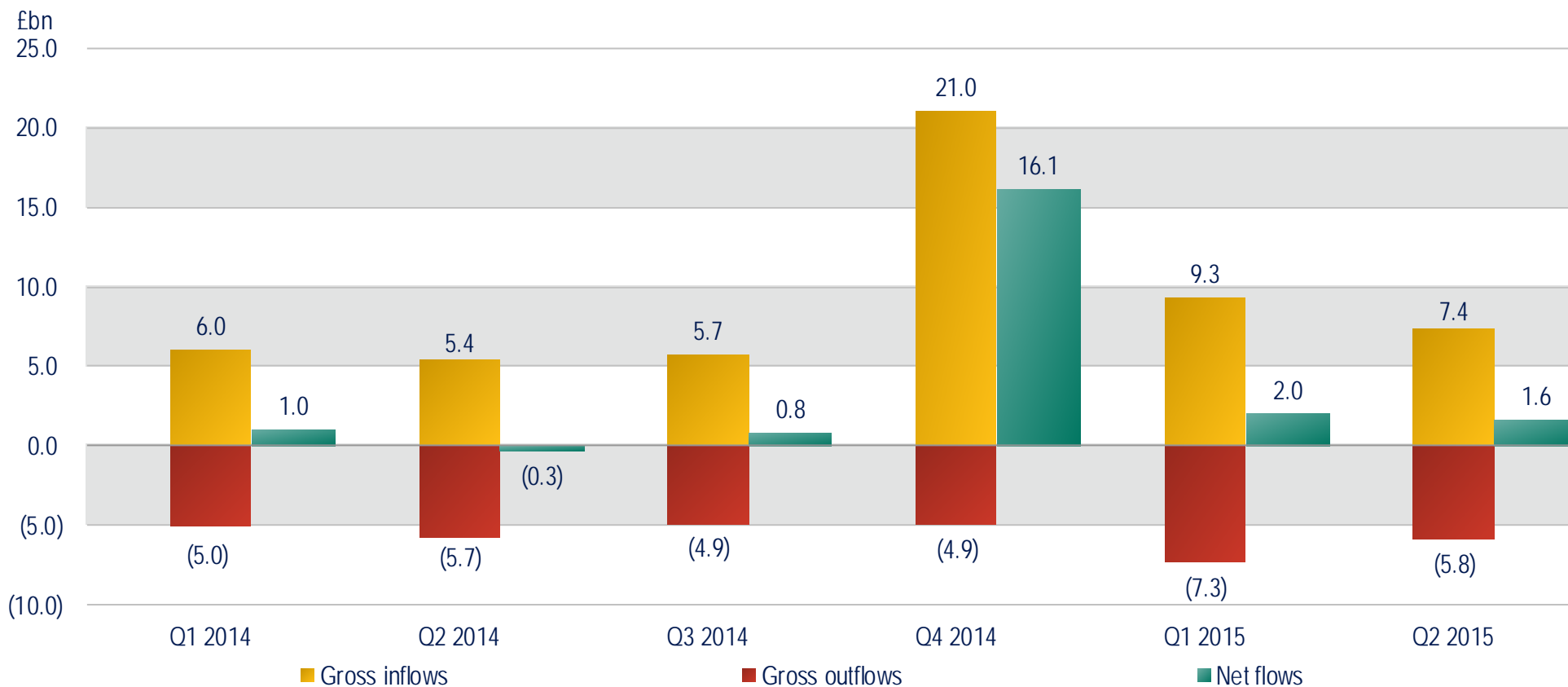
■ Europe	36%
■ Global	25%
■ Americas	12%
■ Australia	9%
■ Asia Pacific	8%
■ Convertibles	5%
■ UK	3%
■ Insurance-linked	2%

■ Asia Pacific	35%
■ Americas	29%
■ Europe	14%
■ GAIA range	11%
■ UK	6%
■ Australia	5%

■ Real estate	48%
■ Emerging market debt	33%
■ Agriculture and commodities	17%
■ Private equity	2%

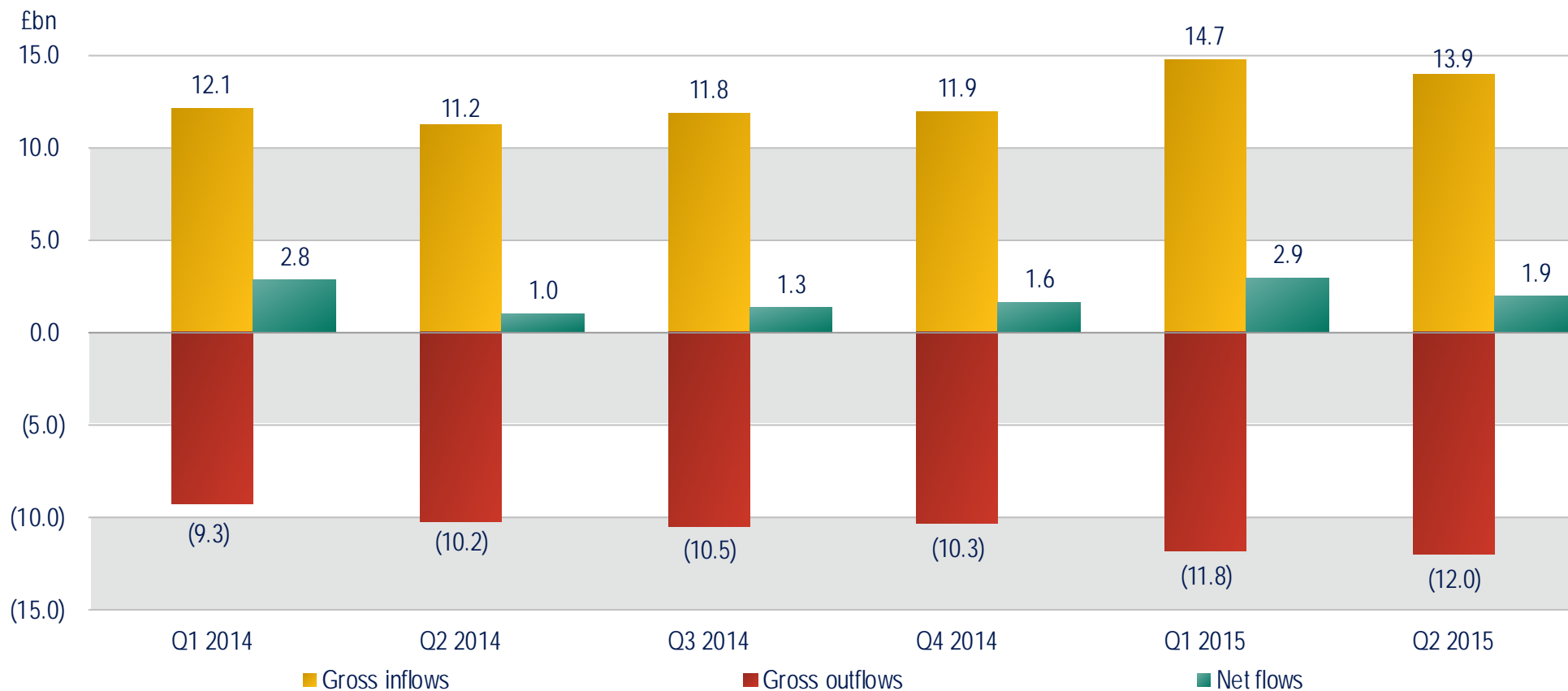
Institutional flows

Assets under management: £175.5 billion (31 December 2014: £171.1 billion)



Intermediary flows

Assets under management: £102.4 billion (31 December 2014: £97.8 billion)



Net revenue and margins – Asset Management

Asset Management net revenues £694.3 million (H1 2014: £621.0 million)

	FY 2014	H1 2014	H1 2015
Performance fees - £m	34.2	8.3	5.9
Performance fees on average AUM	1 bps	1 bps	1 bps
Net revenue (ex performance fees) - £m	1,269.3	612.7	688.4
Net revenue (ex performance fees) on average AUM	52 bps	52 bps	49 bps
Costs* - £m	809.0	391.2	431.1
Costs* on average AUM	33 bps	33 bps	31 bps
Operating profit* - £m	494.5	229.8	263.2
Operating profit* on average AUM	20 bps	19 bps	19 bps

* Excludes exceptional items

Income statement progression

Asset Management profit before tax

£m	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015
Institutional	136.4	137.4	143.9	165.1	162.0	148.4
Intermediary	169.8	177.4	185.6	187.9	186.5	197.4
Net revenue	306.2	314.8	329.5	353.0	348.5	345.8
Costs	(191.7)	(199.5)	(211.6)	(206.2)	(216.4)	(214.7)
Net finance charge	(0.1)	(0.3)	(0.4)	(0.3)	(0.7)	1.8
JVs and associates*	2.6	3.1	2.2	(2.0)	2.3	4.4
Asset Management profit before exceptional items	117.0	118.1	119.7	144.5	133.7	137.3
Exceptional items	(3.6)	(6.0)	(3.6)	(4.4)	(3.0)	(3.0)
Asset Management profit after exceptional items	113.4	112.1	116.1	140.1	130.7	134.3

* Share of profit from the associate RWC Partners Limited for the year was reclassified from the Asset Management segment to the Group segment in Q4 2014

Income statement progression

Wealth Management profit before tax

£m	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015
Net revenue	50.3	50.2	61.7	51.3	52.2	53.3
Costs	(37.0)	(37.2)	(38.8)	(38.8)	(37.3)	(38.2)
Wealth Management profit before exceptional items	13.3	13.0	22.9	12.5	14.9	15.1
Exceptional items	(3.6)	(5.3)	(6.7)	(4.8)	(1.9)	(2.1)
Wealth Management profit after exceptional items	9.7	7.7	16.2	7.7	13.0	13.0

Income statement progression

Group segment (loss)/profit before tax

£m	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015
Net revenue	2.3	4.8	2.4	1.9	3.1	3.3
Costs	(4.8)	(7.9)	(5.3)	(5.5)	(6.9)	(7.2)
Net finance income	2.5	2.8	3.1	3.2	3.6	1.9
Associates*	0.4	-	0.1	4.2	1.2	5.7
Group profit/(loss) before exceptional items	0.4	(0.3)	0.3	3.8	1.0	3.7
Exceptional items	(4.6)	(4.5)	(2.3)	1.3	(3.0)	(2.4)
Group (loss)/profit after exceptional items	(4.2)	(4.8)	(2.0)	5.1	(2.0)	1.3

* Share of profit from the RWC Partners Limited associate for the year reclassified from the Asset Management segment to the Group segment in Q4 2014

Cost and return metrics

Total Schroders Group costs

	FY 2014	H1 2014	H1 2015
Compensation cost: net revenue ratio*	45%	47%	45%
Headcount	3,556	3,540	3,685
Total costs*	984.3	478.1	520.7
Cost: net revenue ratio*	64%	66%	65%
Return on average capital (pre-tax)*	24%	23%	24%
Return on average capital (post-tax)*	19%	18%	19%

- ▶ Compensation cost: net revenue ratio
= compensation costs divided by net revenues**
- ▶ Cost: net revenue ratio
= costs divided by net revenue
- ▶ 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

* Excludes exceptional items

** Adjusted by the Remuneration Committee for allowable and disallowable costs and revenues

Movement in capital

£m	2015
31 December 2014	2,537.8
Profit before tax and exceptional items	305.7
Exceptional items	(15.4)
Net fair value movement arising from AFS financial assets	7.6
Exchange differences on translation of foreign operations after hedging	(12.4)
Tax	(49.7)
Own shares purchased	(40.9)
Share-based payments	32.4
Actuarial loss on defined benefit pension schemes	(7.6)
Dividends paid	(147.3)
30 June 2015	2,610.2

Group capital allocation

Increase of £72 million since 31 December 2014

£m	FY 2014	H1 2015
Regulatory capital	673	695
Other operating capital	284	116
Investment capital*	725	957
Seed capital	163	154
Other**	693	688
Statutory Group capital	2,538	2,610

* Includes RWC Partners Limited and Schroder Ventures Investments Limited associates

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

Forward-looking statements

This presentation may contain forward-looking statements with respect to the financial condition, performance and position, strategy, results of operations and businesses of the Schroders Group. Such statements and forecasts involve risk and uncertainty because they are based on current expectations and assumptions but relate to events and depend upon circumstances in the future and you should not place reliance on them. Without limitation, any statements preceded or followed by or that include the words 'targets', 'plans', 'sees', 'believes', 'expects', 'aims', 'will have', 'will be', 'estimates' or 'anticipates' or the negative of these terms or other similar terms are intended to identify such forward-looking statements. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by forward-looking statements and forecasts. Forward-looking statements and forecasts are based on the Directors' current view and information known to them at the date of this presentation. The Directors do not make any undertaking to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Nothing in this presentation should be construed as a forecast, estimate or projection of future financial performance.