



Schroders

2015 Q3 Results

Data Pack | November 2015



Schroders

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Assets under management (AUM)

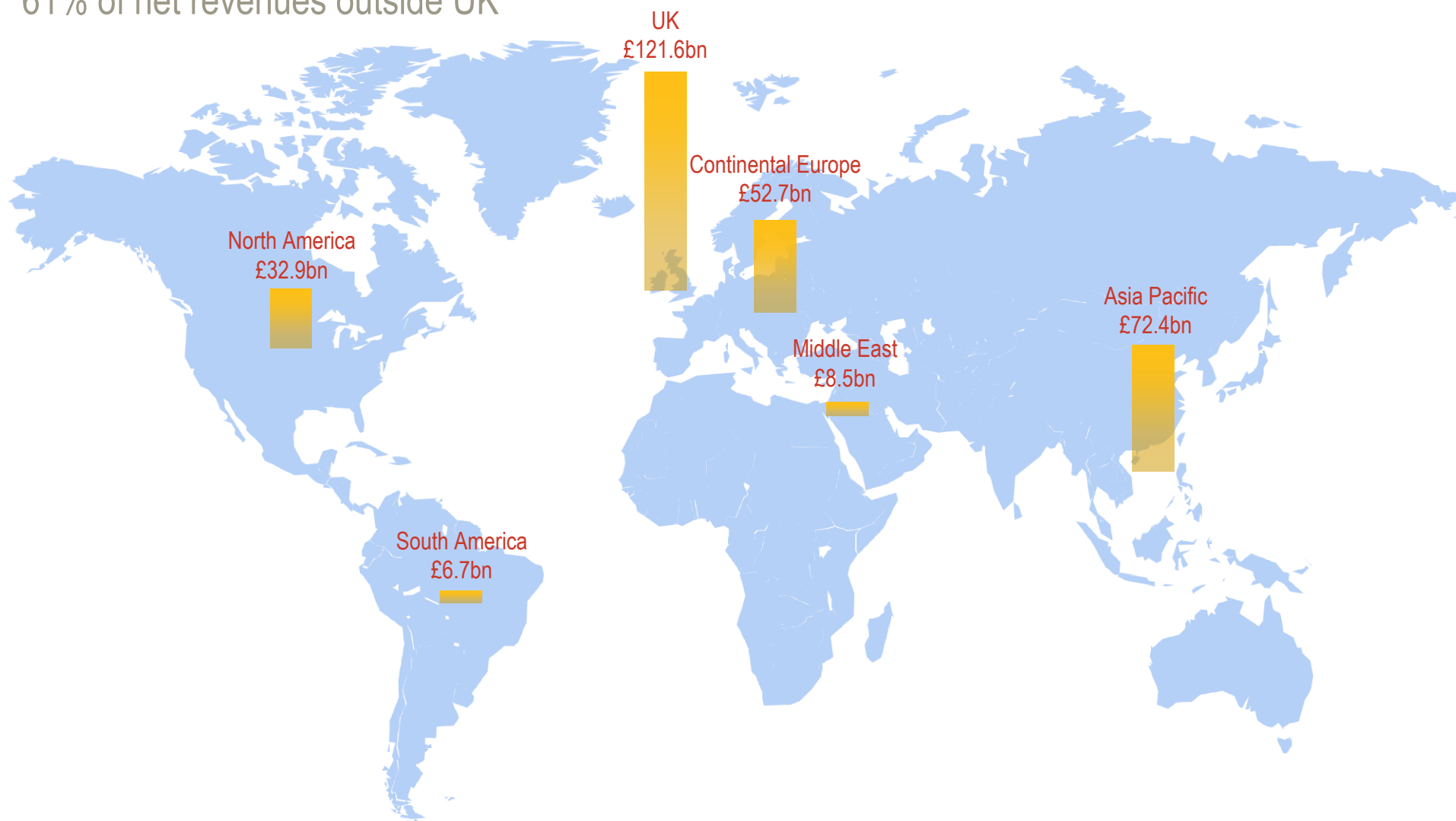
£294.8 billion at 30 September 2015

£bn	Institutional	Intermediary	Asset Management	Wealth Management	Total
31 December 2014	171.1	97.8	268.9	31.1	300.0
Net flows	3.5	4.6	8.1	0.2	8.3
Investment returns*	(7.3)	(5.8)	(13.1)	(0.4)	(13.5)
30 September 2015	167.3	96.6	263.9	30.9	294.8

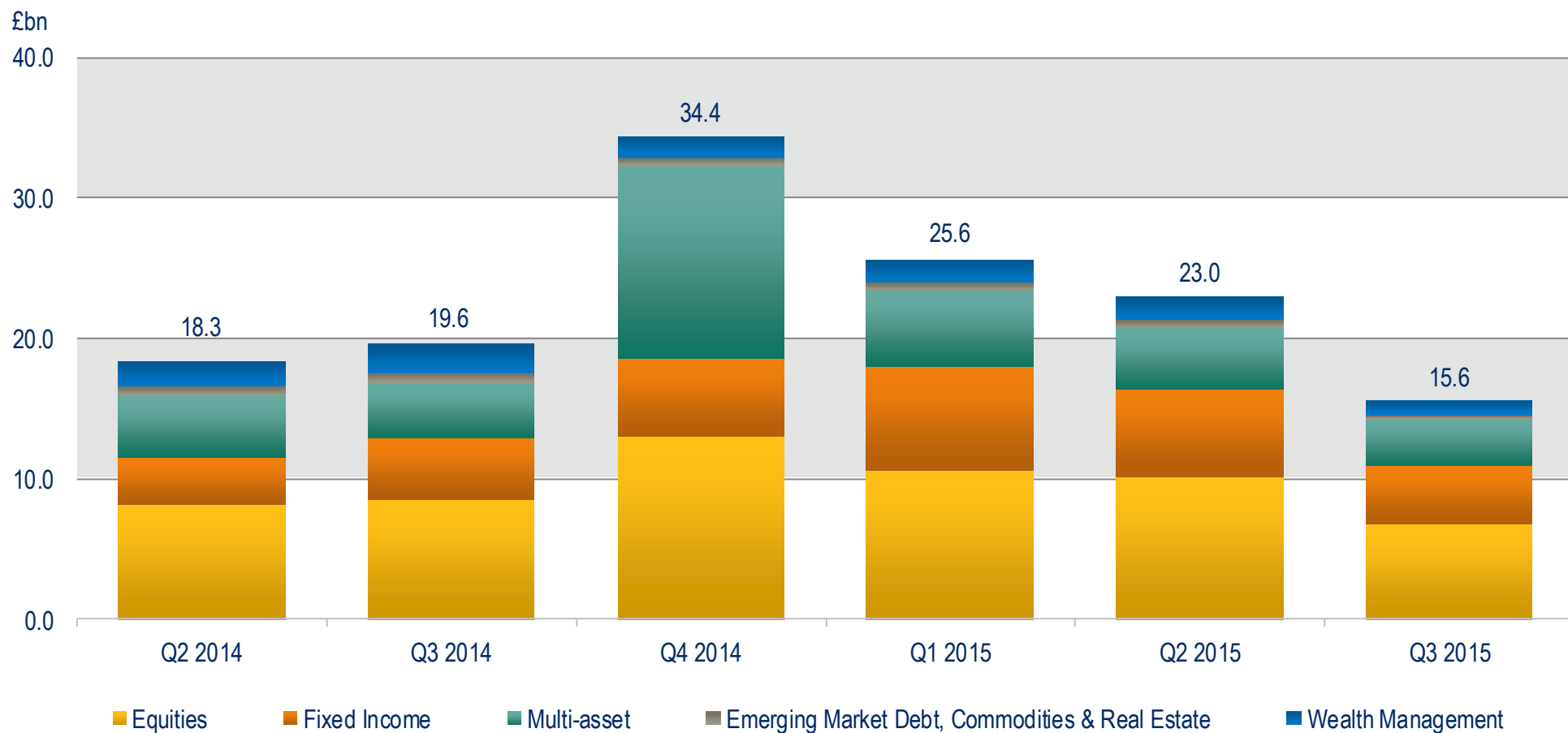
* The strengthening of sterling since 31 December 2014 had the effect of reducing assets under management by £3.1 billion.

Regional diversification of AUM

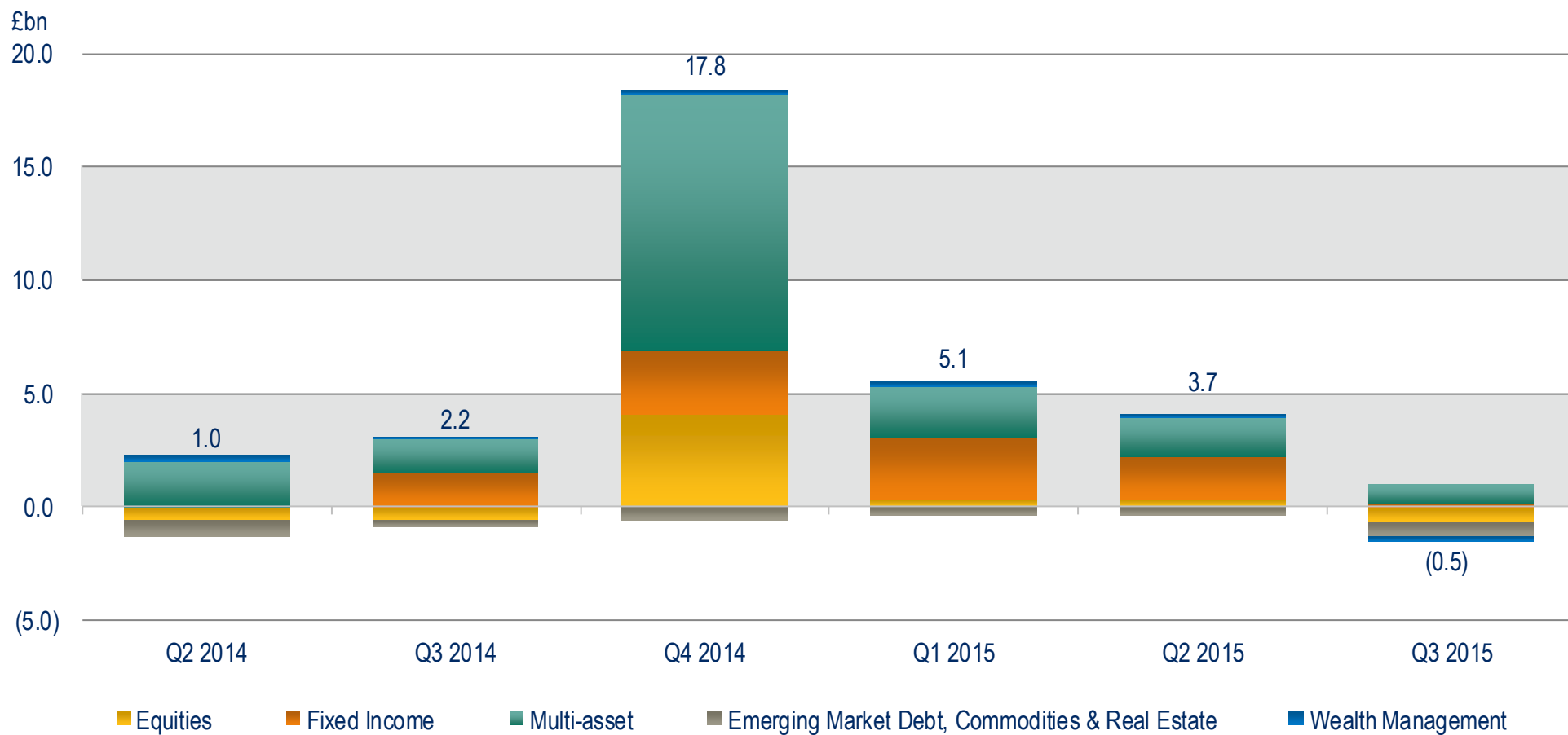
61% of net revenues outside UK



Gross sales

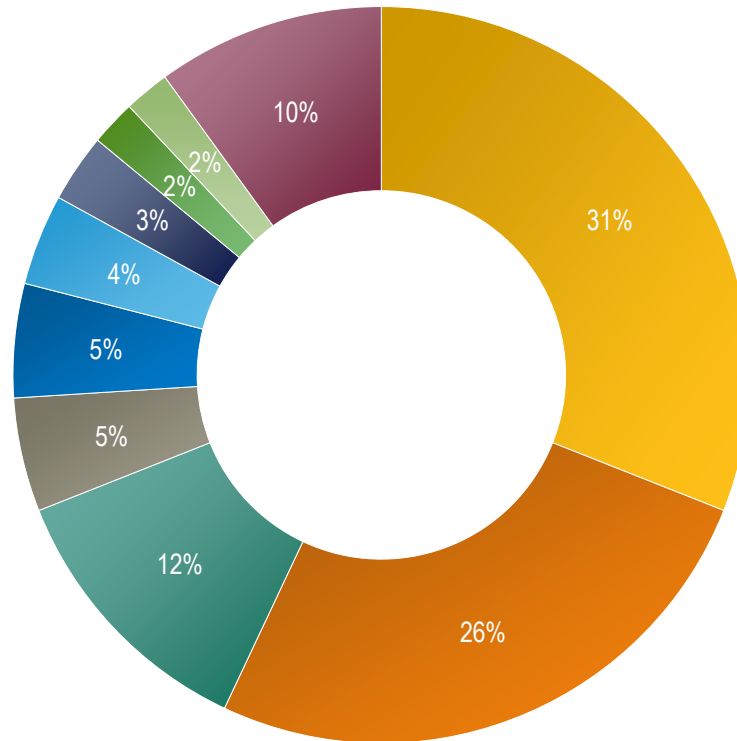


Net flows



Currency profile of AUM

Assets under management £294.8 billion



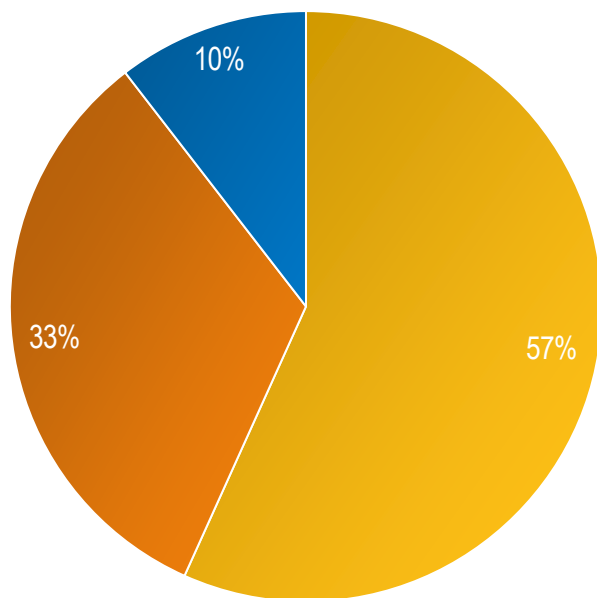
■ GBP ■ USD ■ EUR ■ AUD ■ JPY ■ CNY ■ HKD ■ CHF ■ TWD ■ Other*

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

Total AUM by channel, region and product

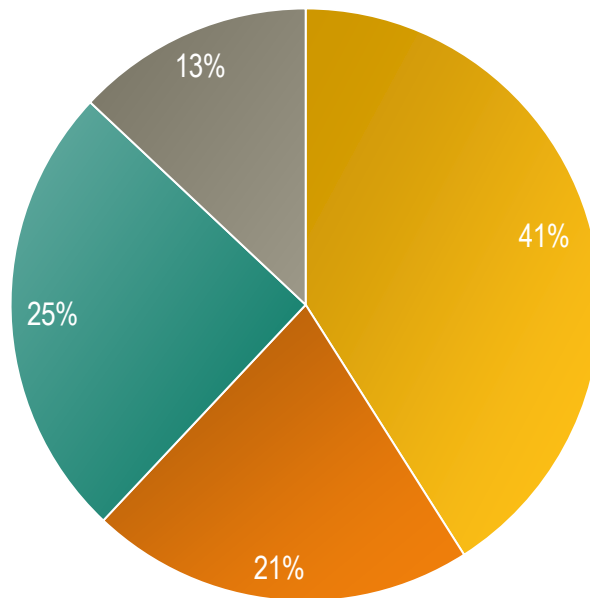
Assets under management £294.8 billion

By channel



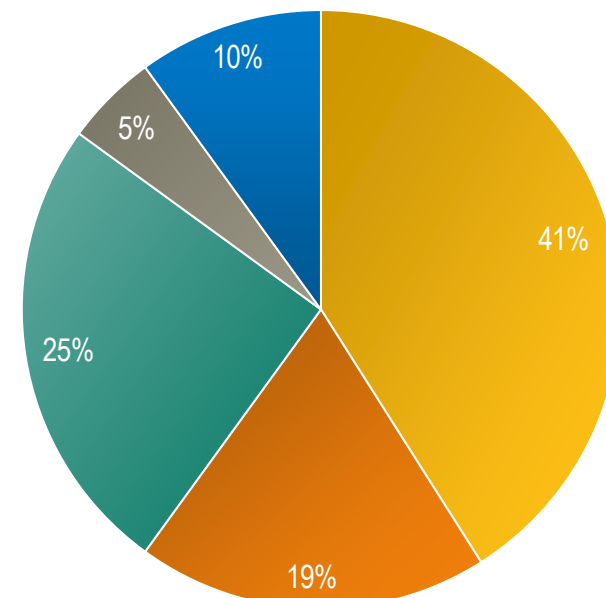
- Institutional
- Intermediary
- Wealth Management

By region*



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

By product



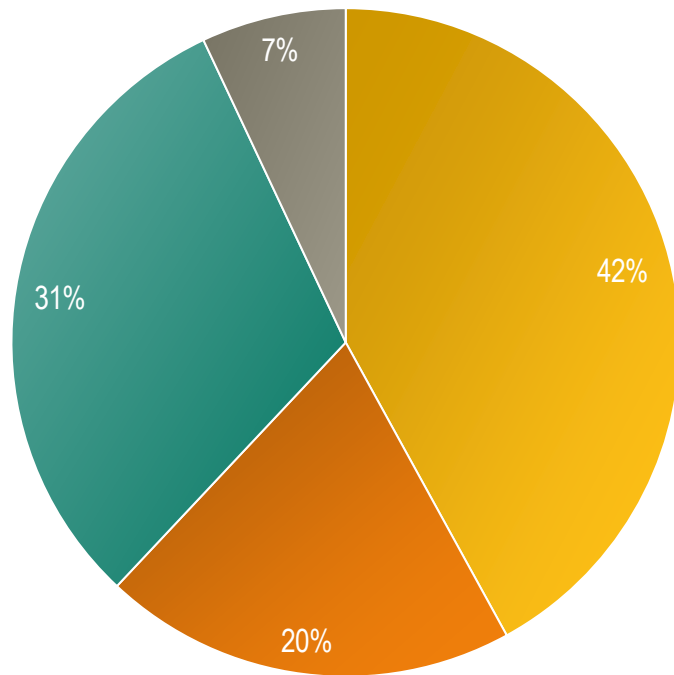
- Equities
- Fixed Income
- Multi-asset
- Emerging Market Debt, Commodities & Real Estate
- Wealth Management

* By client domicile

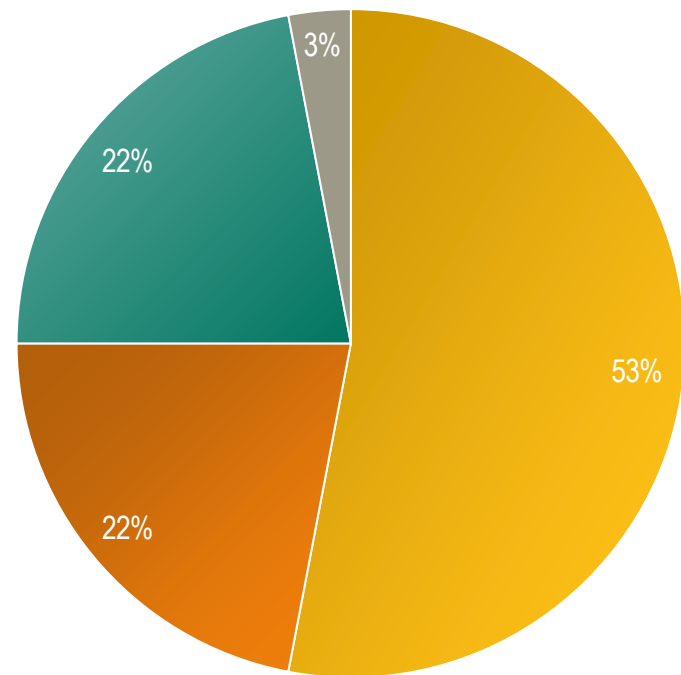
** Includes Middle East

Asset Management AUM by channel and product

Institutional AUM £167.3bn



Intermediary AUM £96.6bn



■ Equities

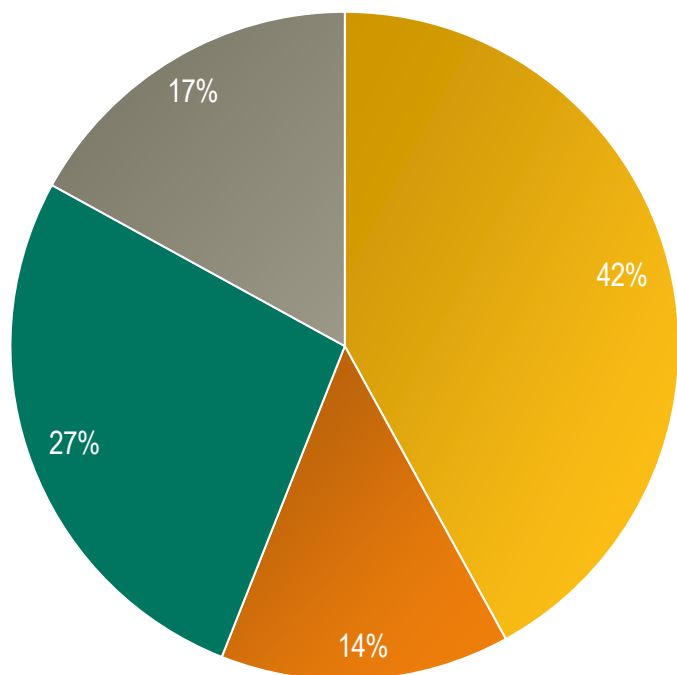
■ Fixed Income

■ Multi-asset

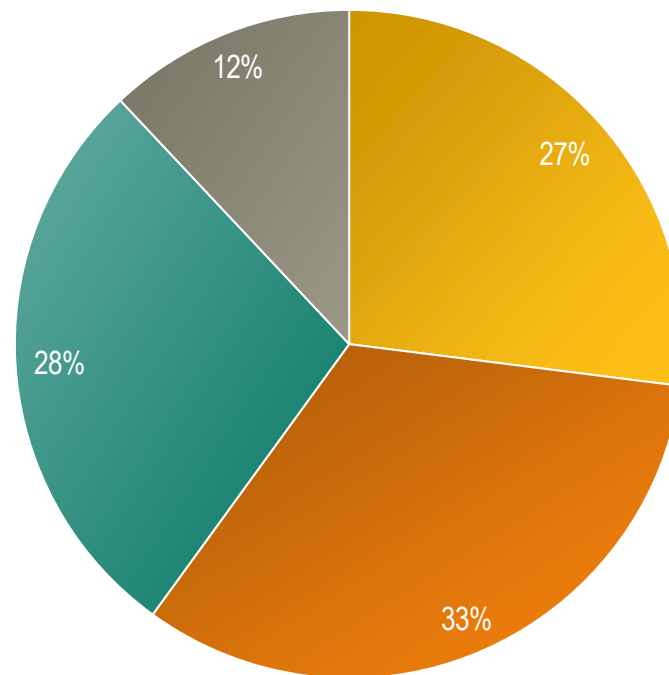
■ Emerging Market Debt, Commodities & Real Estate

Asset Management AUM by channel and region*

Institutional AUM £167.3bn



Intermediary AUM £96.6bn



■ UK

■ Continental Europe**

■ Asia Pacific

■ Americas

* By client domicile

** Includes Middle East

Asset Management AUM – detailed asset class analysis

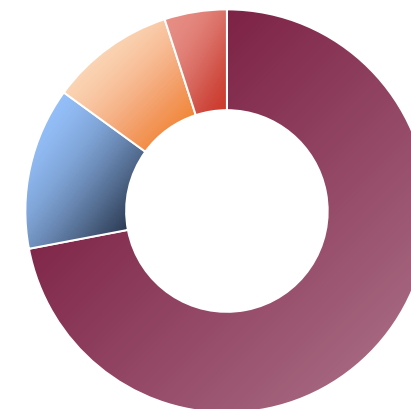
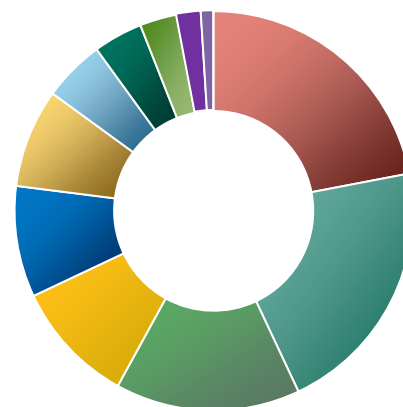
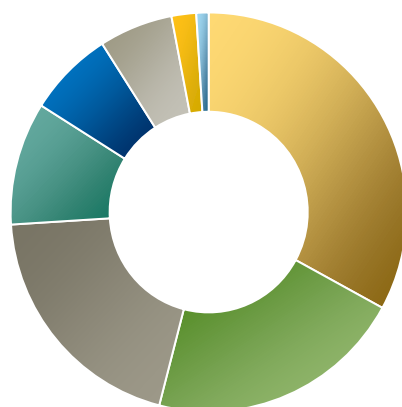
Assets under management £263.9 billion

Equities £122.2bn

Fixed Income £55.0bn

Multi-asset £73.1bn

Emerging Market Debt, Commodities and Real Estate £13.6bn



■ Asia Pacific	17%
■ Quantitative equities	16%
■ UK	14%
■ Global	13%
■ Emerging markets	12%
■ Europe	11%
■ Japan	6%
■ US	5%
■ Australia	4%
■ Other	2%

■ Americas	33%
■ Europe	20%
■ Global	21%
■ UK	10%
■ Asia Pacific	7%
■ Australia	6%
■ Convertibles	2%
■ Insurance-linked	1%

■ LDI	22%
■ Risk controlled growth - UK	21%
■ UK traditional balanced	15%
■ Income	10%
■ Risk controlled growth - Asia	9%
■ Risk controlled growth - US	8%
■ Inflation protection	5%
■ GAIA	4%
■ Risk controlled growth - Europe	3%
■ Risk mitigation	2%
■ Wealth preservation	1%

■ Real estate	72%
■ Emerging market debt	13%
■ Agriculture and commodities	10%
■ Private equity	5%

Institutional AUM – detailed asset class analysis

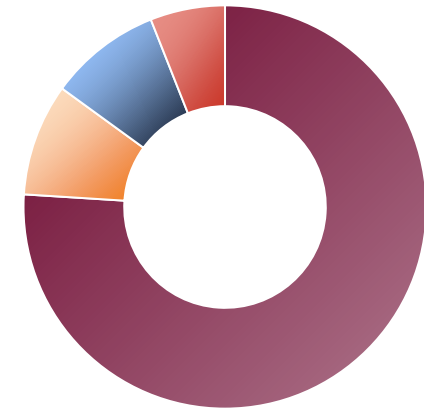
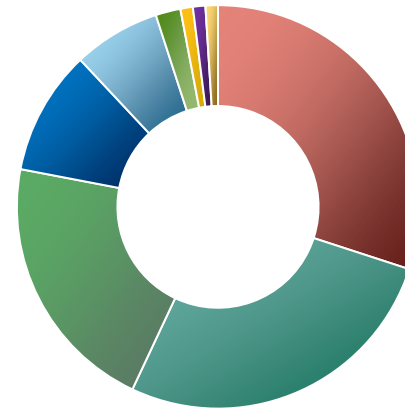
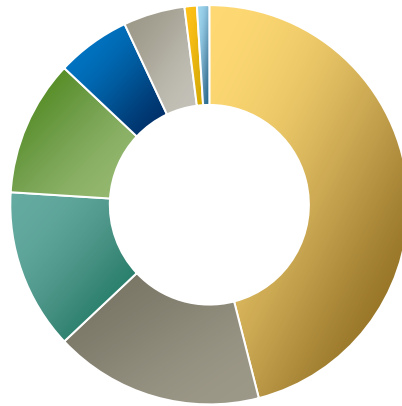
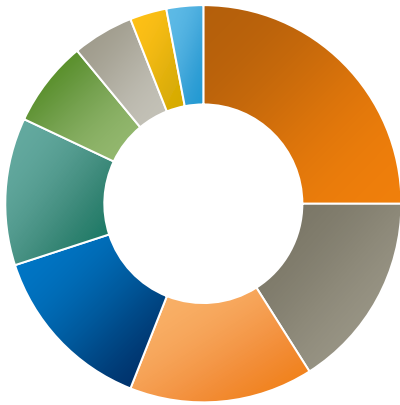
Assets under management £167.3 billion

Equities £70.3bn

Fixed Income £34.2bn

Multi-asset £51.9bn

Emerging Market Debt, Commodities and Real Estate £10.9bn



Quantitative equities	25%
Global	16%
Emerging markets	15%
Asia Pacific	14%
UK	12%
Europe	7%
Australia	5%
US	3%
Japan	3%

Americas	46%
Global	17%
UK	13%
Europe	11%
Asia Pacific	6%
Australia	5%
Convertibles	1%
Insurance-linked	1%

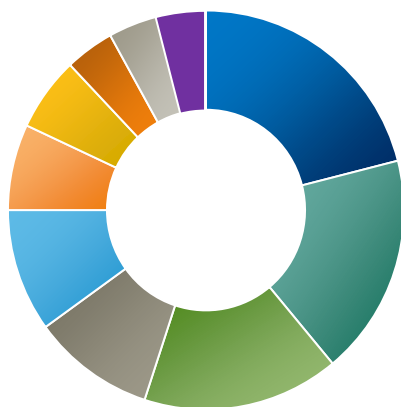
LDI	30%
Risk controlled growth - UK	27%
UK traditional balanced	21%
Risk controlled growth - Asia	10%
Inflation protection	7%
Risk controlled growth - Europe	2%
Wealth preservation	1%
Risk mitigation	1%
Risk controlled growth - US	1%

Real estate	76%
Agriculture and commodities	9%
Emerging market debt	9%
Private equity	6%

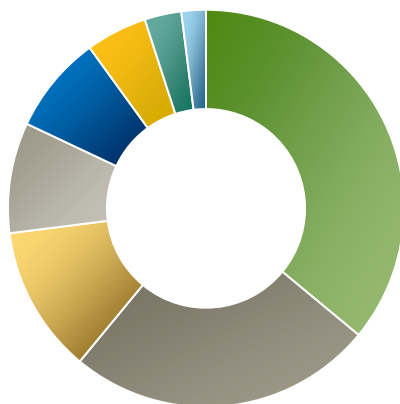
Intermediary AUM – detailed asset class analysis

Assets under management £96.6 billion

Equities £51.9bn



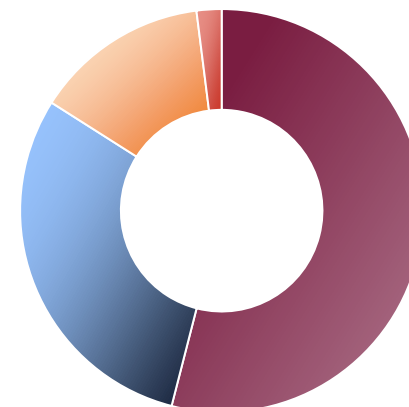
Fixed Income £20.8bn



Multi-asset £21.2bn



Emerging Market Debt, Commodities and Real Estate £2.7bn



■ Asia Pacific	21%
■ UK	18%
■ Europe	16%
■ Global	10%
■ Japan	10%
■ Emerging markets	7%
■ US	6%
■ Quantitative equities	4%
■ Australia	4%
■ Other	4%

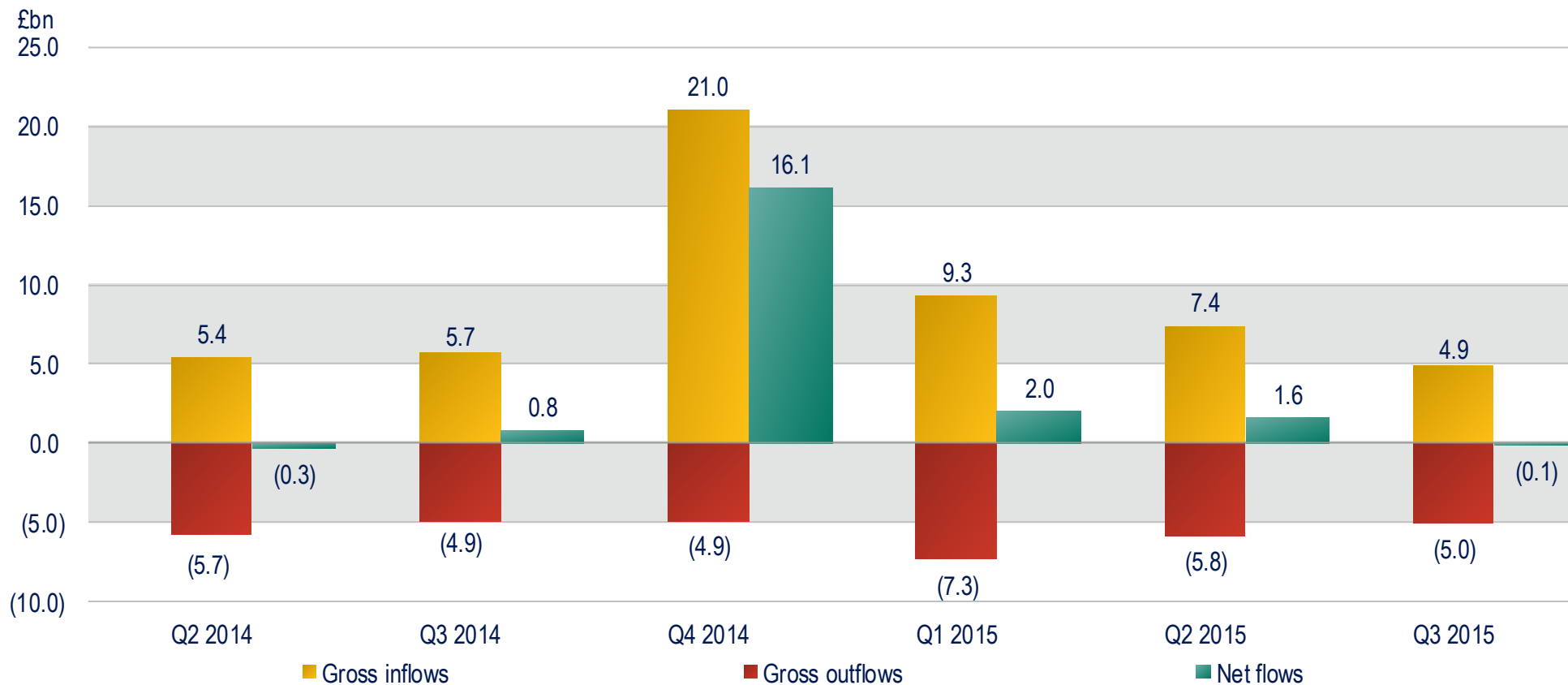
■ Europe	36%
■ Global	25%
■ Americas	12%
■ Australia	9%
■ Asia Pacific	8%
■ Convertibles	5%
■ UK	3%
■ Insurance-linked	2%

■ Income	33%
■ Risk controlled growth - US	26%
■ GAIA	14%
■ Risk controlled growth - Europe	6%
■ Risk controlled growth - UK	6%
■ Risk mitigation	6%
■ Risk controlled growth - Asia	6%
■ Inflation protection	3%

■ Real estate	54%
■ Emerging market debt	30%
■ Agriculture and commodities	14%
■ Private equity	2%

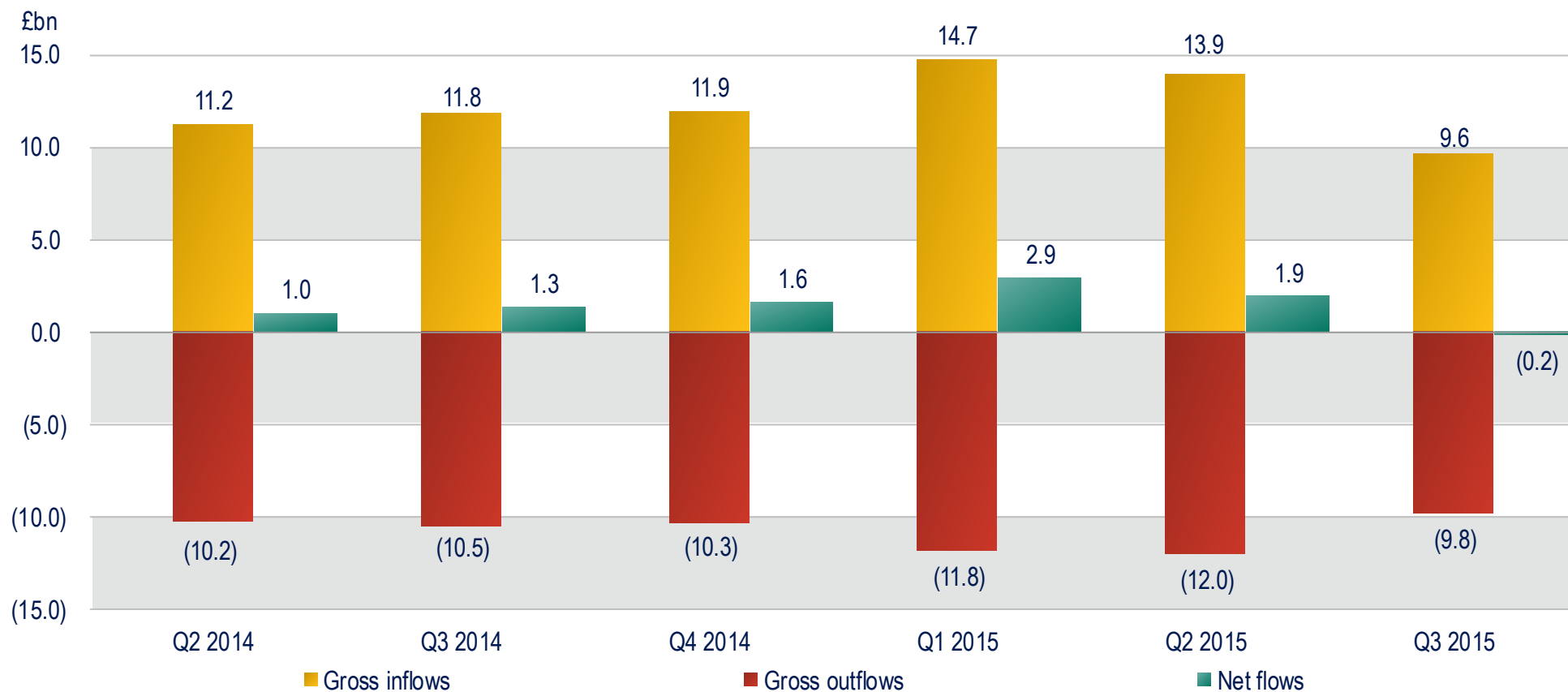
Institutional flows

Assets under management: £167.3 billion (30 June 2015: £175.5 billion)



Intermediary flows

Assets under management: £96.6 billion (30 June 2015: £102.4 billion)



Net revenue and margins – Asset Management

Asset Management net revenues £1,032.8 million (YTD Q3 2014: £950.5 million)

	FY 2014	YTD Q3 2014	YTD Q3 2015
Performance fees - £m	34.2	11.7	12.7
Performance fees on average AUM	1 bps	1 bps	1 bps
Net revenue (ex performance fees) - £m	1,269.3	938.8	1,020.1
Net revenue (ex performance fees) on average AUM	52 bps	52 bps	49 bps
Costs* - £m	809.0	602.8	644.6
Costs* on average AUM	33 bps	34 bps	31 bps
Operating profit* - £m	494.5	347.7	388.2
Operating profit* on average AUM	20 bps	19 bps	19 bps

* Excludes exceptional items

Income statement progression

Asset Management profit before tax

£m	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015
Institutional	137.4	143.9	165.1	162.0	148.4	147.0
Intermediary	177.4	185.6	187.9	186.5	197.4	191.5
Net revenue	314.8	329.5	353.0	348.5	345.8	338.5
Costs	(199.5)	(211.6)	(206.2)	(216.4)	(214.7)	(213.5)
Net finance (charge)/income	(0.3)	(0.4)	(0.3)	(0.7)	1.8	0.4
JVs and associates*	3.1	2.2	(2.0)	2.3	4.4	4.0
Asset Management profit before exceptional items	118.1	119.7	144.5	133.7	137.3	129.4
Exceptional items	(6.0)	(3.6)	(4.4)	(3.0)	(3.0)	(3.1)
Asset Management profit after exceptional items	112.1	116.1	140.1	130.7	134.3	126.3

* 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	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015
Net revenue	50.2	61.7	51.3	52.2	53.3	51.8
Costs	(37.2)	(38.8)	(38.8)	(37.3)	(38.2)	(35.3)
Wealth Management profit before exceptional items	13.0	22.9	12.5	14.9	15.1	16.5
Exceptional items	(5.3)	(6.7)	(4.8)	(1.9)	(2.1)	5.2
Wealth Management profit after exceptional items	7.7	16.2	7.7	13.0	13.0	21.7

Income statement progression

Group segment (loss)/profit before tax

£m	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015
Net revenue	4.8	2.4	1.9	3.1	3.3	5.0
Costs	(7.9)	(5.3)	(5.5)	(6.9)	(7.2)	(6.6)
Net finance income	2.8	3.1	3.2	3.6	1.9	2.2
Associates*	-	0.1	4.2	1.2	5.7	1.0
Group (loss)/profit before exceptional items	(0.3)	0.3	3.8	1.0	3.7	1.6
Exceptional items	(4.5)	(2.3)	1.3	(3.0)	(2.4)	(1.0)
Group (loss)/profit after exceptional items	(4.8)	(2.0)	5.1	(2.0)	1.3	0.6

* 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	Q3 2014 YTD	Q3 2015 YTD
Compensation cost: net revenue ratio*	45%	47%	45%
Headcount	3,556	3,574	3,786
Total costs*	984.3	733.8	776.1
Cost: net revenue ratio*	64%	65%	65%
Return on average capital (pre-tax)*	24%	23%	23%
Return on average capital (post-tax)*	19%	18%	18%

- ▶ 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	453.2
Exceptional items	(14.3)
Net fair value movement arising from AFS financial assets	(15.5)
Exchange differences on translation of foreign operations after hedging	(4.5)
Tax	(80.1)
Own shares purchased	(42.9)
Share-based payments	48.3
Actuarial loss on defined benefit pension schemes	(12.4)
Dividends paid	(226.3)
30 September 2015	2,643.3

Group capital allocation

Increase of £105 million since 31 December 2014

£m	FY 2014	Q3 2015
Regulatory capital	673	684
Other operating capital	284	180
Investment capital*	725	931
Seed capital	163	163
Other**	693	685
Statutory Group capital	2,538	2,643

* 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.