



Schroders

2016 Q1 Results

Data Pack | April 2016



Schroders

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Nothing in this presentation should be construed as a forecast, estimate or projection of future financial performance

Assets under management (AUM)

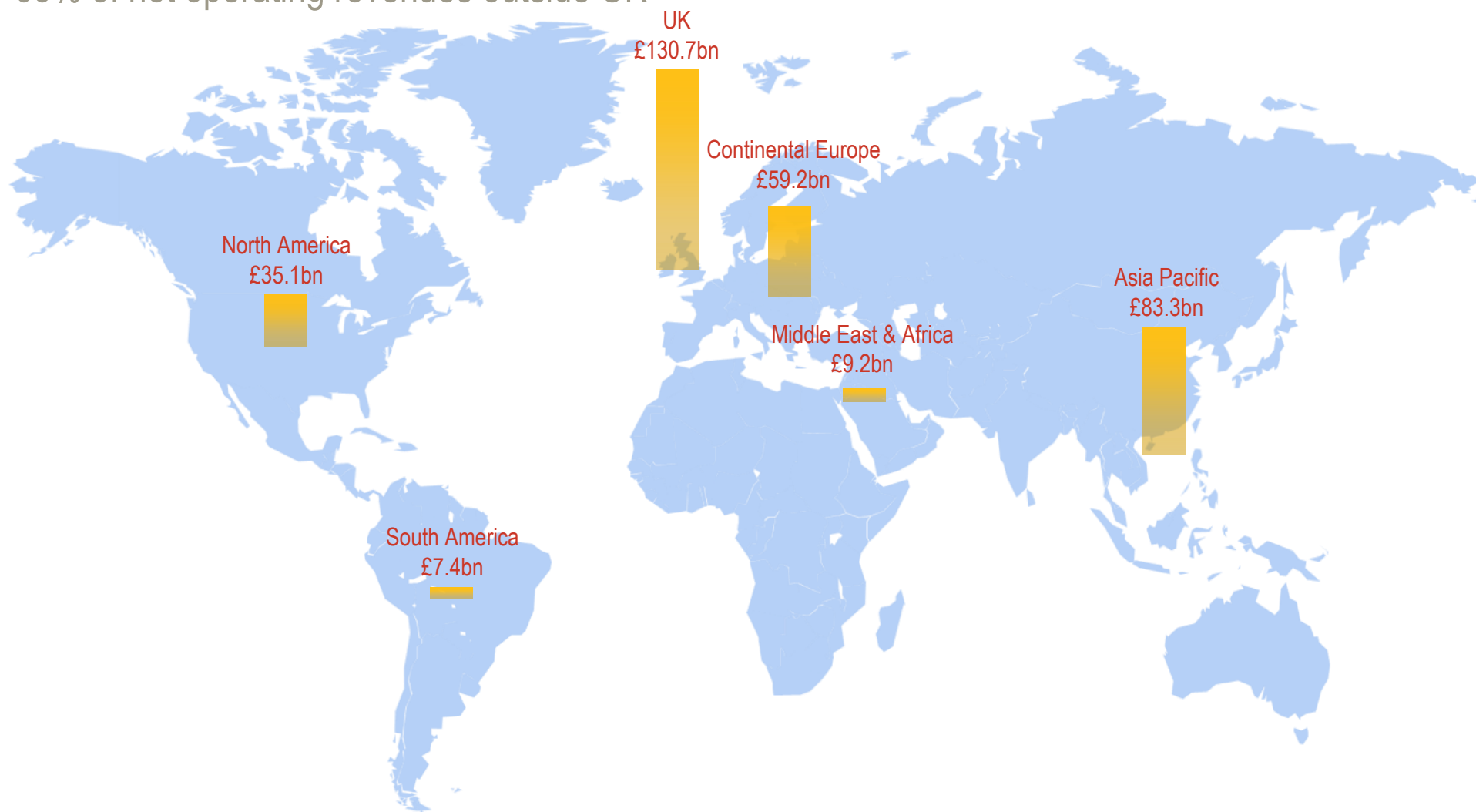
£324.9 billion at 31 March 2016

£bn	Institutional	Intermediary	Asset Management	Wealth Management	Total
1 January 2016	181.0	100.9	281.9	31.6	313.5
Net flows	4.5	(1.8)	2.7	-	2.7
Investment returns	5.3	3.0	8.3	0.4	8.7
Transfers*	(0.9)	-	(0.9)	0.9	-
31 March 2016	189.9	102.1	292.0	32.9	324.9

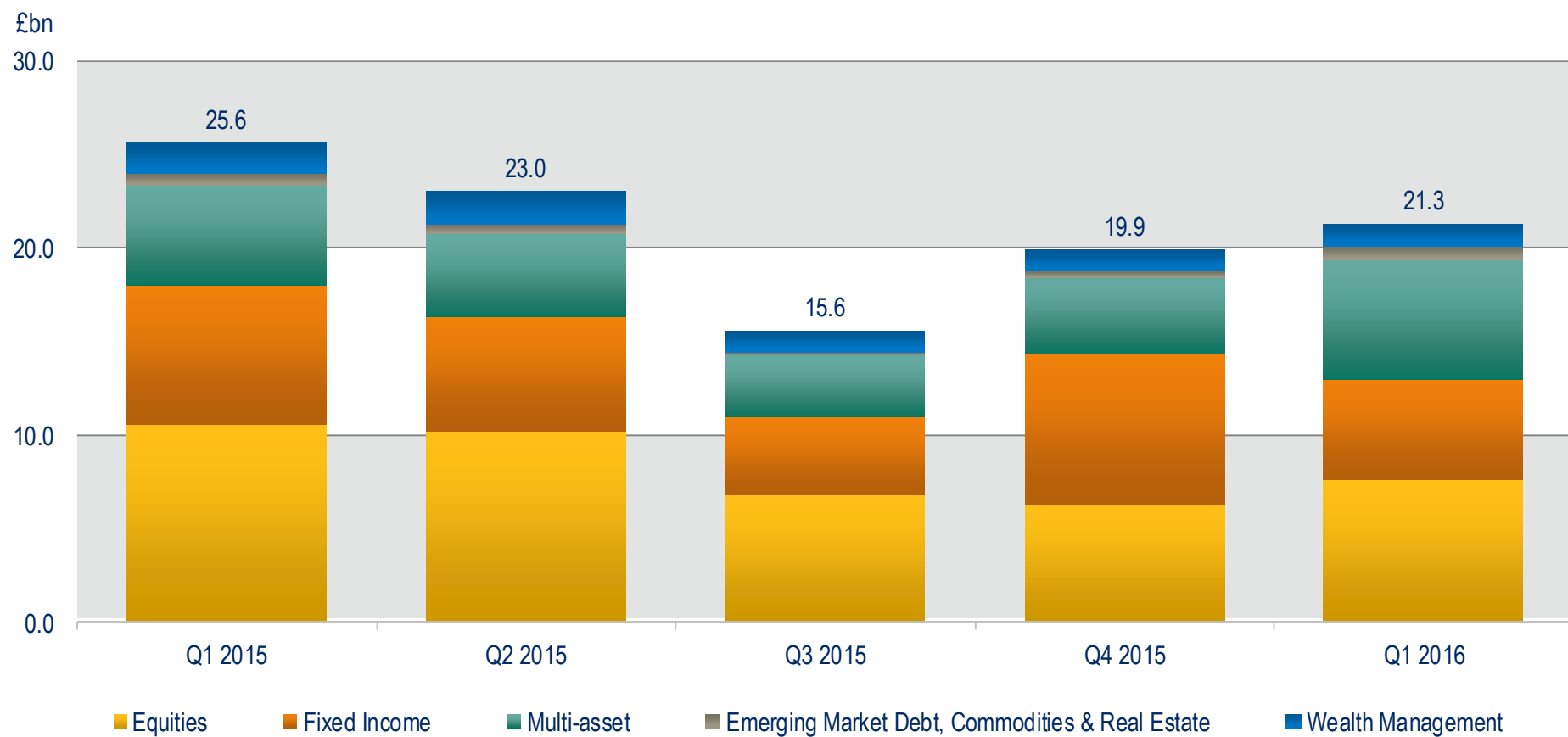
* Relates to a transfer of Charities assets from Asset Management to Wealth Management

Regional diversification of AUM

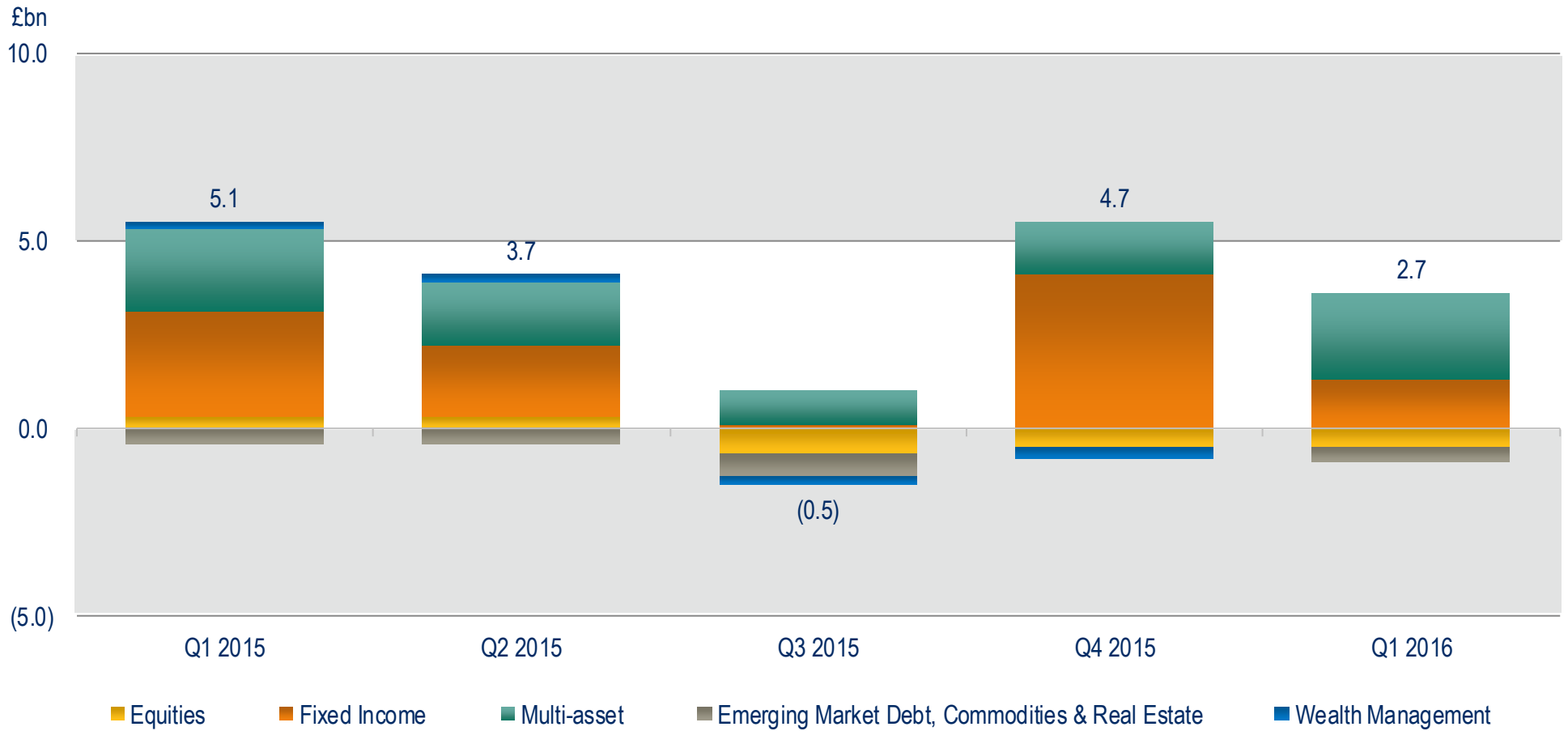
63% of net operating revenues outside UK



Gross sales

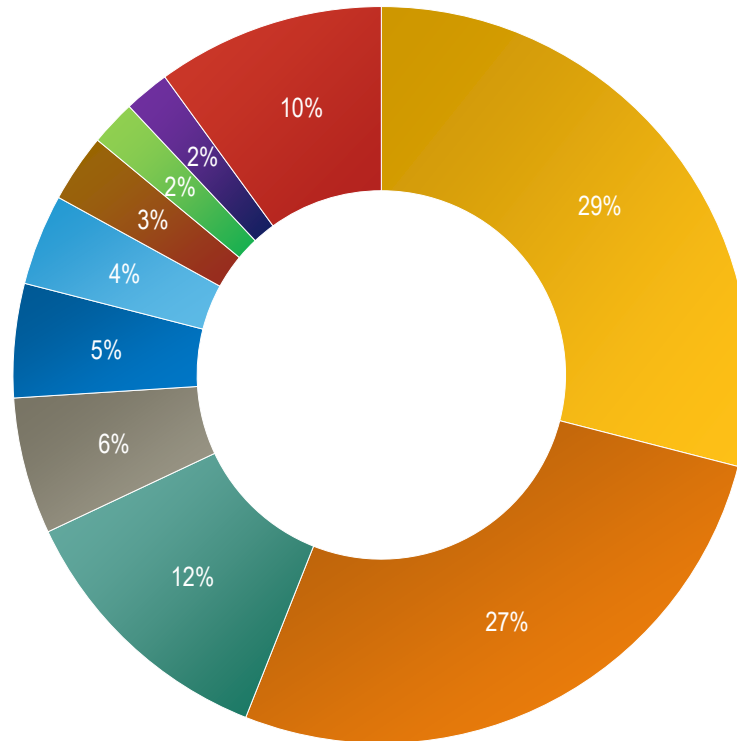


Net flows



Currency profile of AUM

Assets under management £324.9 billion



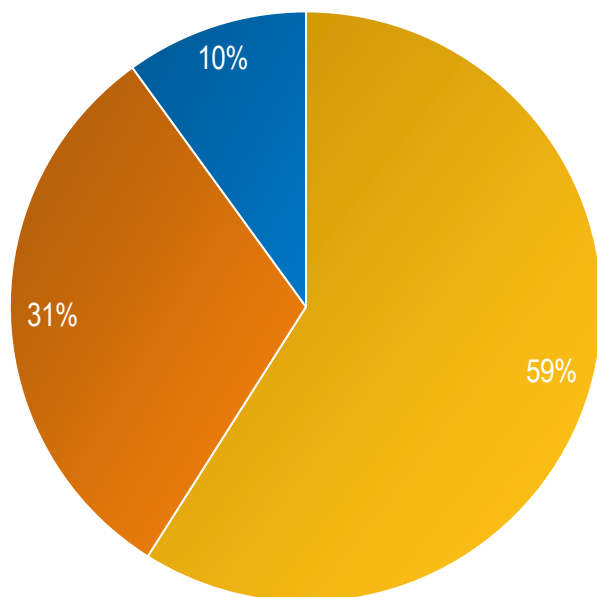
■ GBP ■ USD ■ EUR ■ AUD ■ JPY ■ CNY ■ HKD ■ TWD ■ CHF ■ Other*

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

Total AUM by channel, region and product

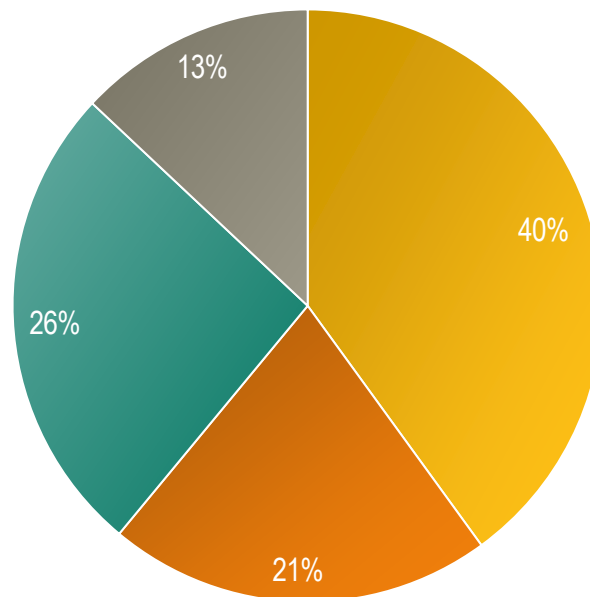
Assets under management £324.9 billion

By channel



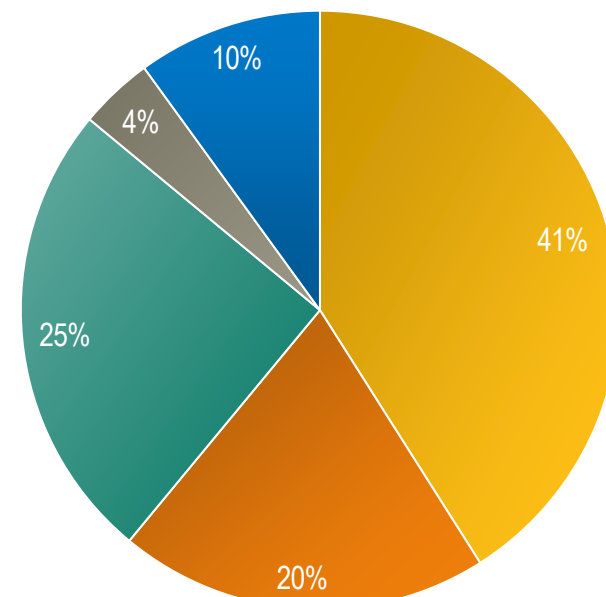
- Institutional
- Intermediary
- Wealth Management

By region*



- UK
- Continental Europe, Middle East & Africa
- Asia Pacific
- Americas

By product

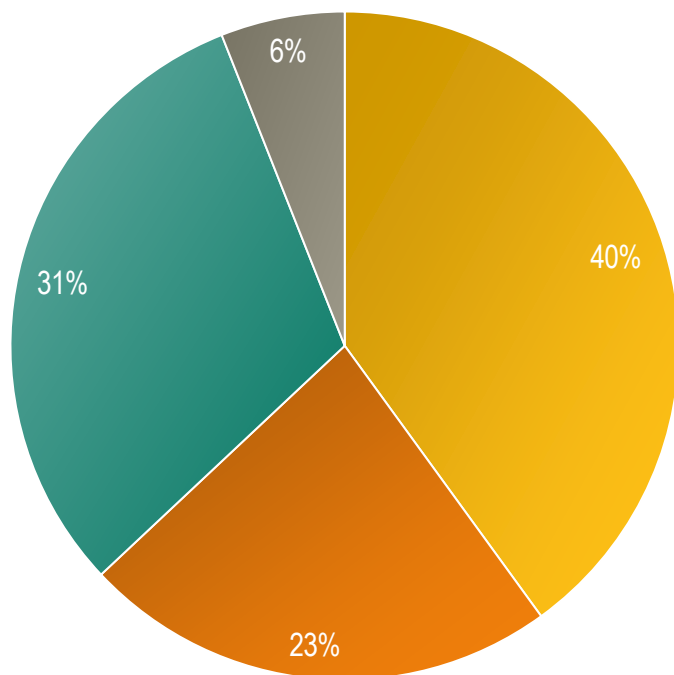


- Equities
- Fixed Income
- Multi-asset
- Emerging Market Debt, Commodities & Real Estate
- Wealth Management

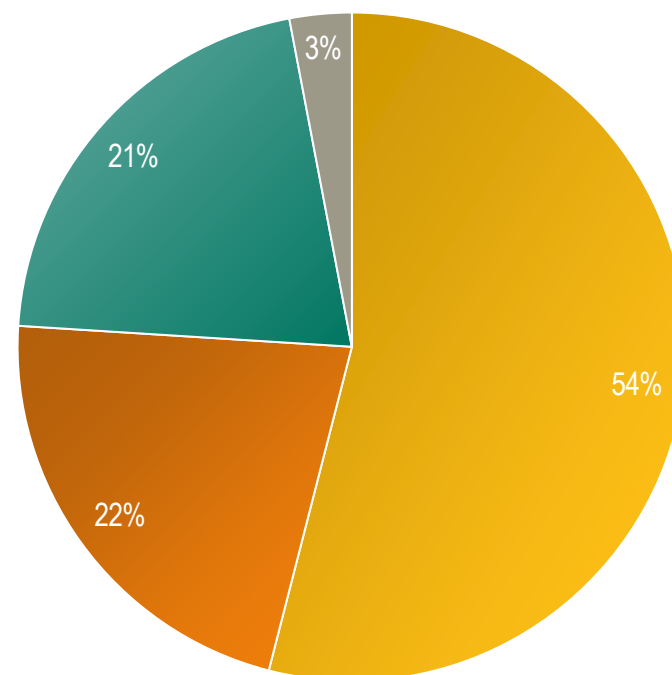
* By client domicile

Asset Management AUM by channel and product

Institutional AUM £189.9bn



Intermediary AUM £102.1bn



■ Equities

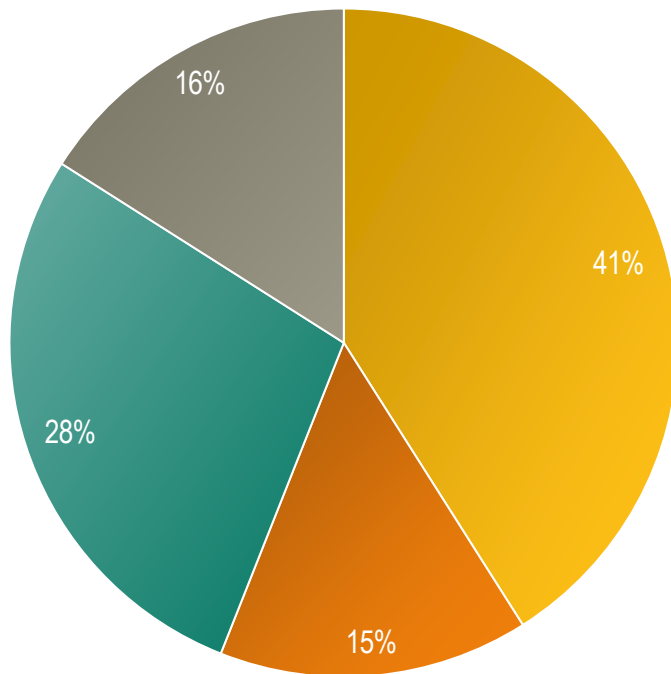
■ Fixed Income

■ Multi-asset

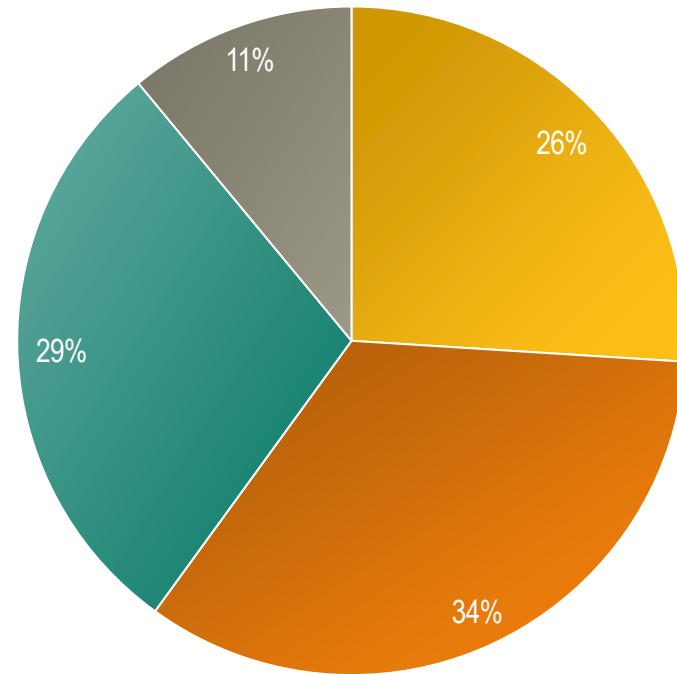
■ Emerging Market Debt, Commodities & Real Estate

Asset Management AUM by channel and region*

Institutional AUM £189.9bn



Intermediary AUM £102.1bn



■ UK

■ Continental Europe, Middle East & Africa

■ Asia Pacific

■ Americas

* By client domicile

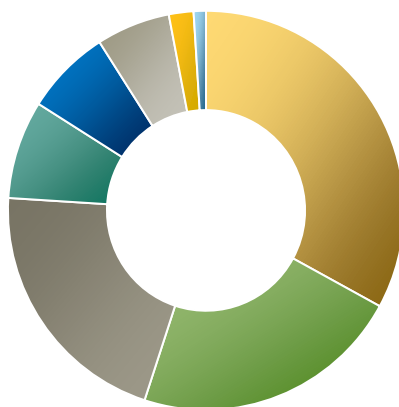
Asset Management AUM – detailed asset class analysis

Assets under management £292.0 billion

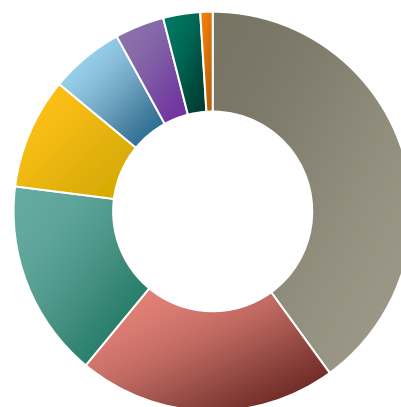
Equities £131.8bn



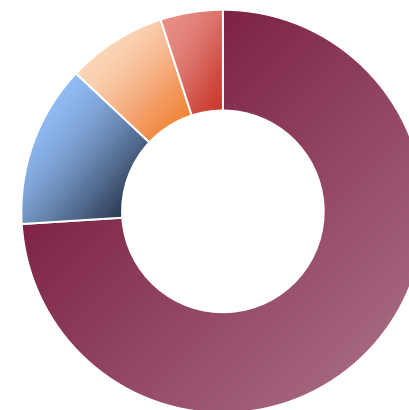
Fixed Income £65.8bn



Multi-asset £80.8bn



Emerging Market Debt, Commodities and Real Estate £13.6bn



■ Asia Pacific	18%
■ Quantitative equities	15%
■ UK	13%
■ Global	13%
■ Emerging markets	12%
■ Europe	12%
■ Japan	6%
■ Australia	5%
■ US	4%
■ Other	2%

■ US	33%
■ Europe	22%
■ Global	21%
■ UK	8%
■ Asia Pacific	7%
■ Australia	6%
■ Convertibles	2%
■ Insurance-linked	1%

■ Risk controlled growth	40%
■ LDI	21%
■ UK traditional balanced	16%
■ Income	9%
■ Inflation protection	6%
■ Risk mitigation	4%
■ GAIA	3%
■ Wealth preservation	1%

■ Real estate	74%
■ Emerging market debt	13%
■ Agriculture and commodities	8%
■ Private equity	5%

Institutional AUM – detailed asset class analysis

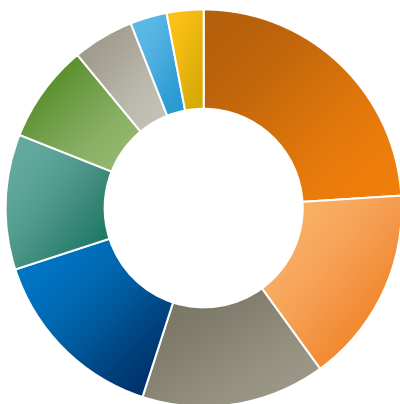
Assets under management £189.9 billion

Equities £76.2bn

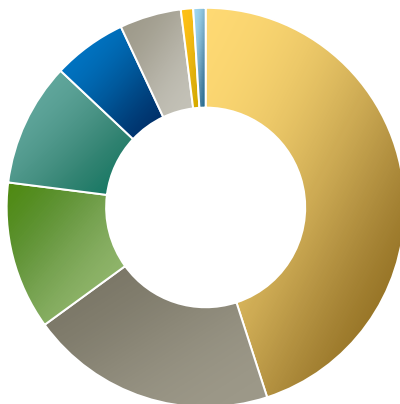
Fixed Income £43.1bn

Multi-asset £59.6bn

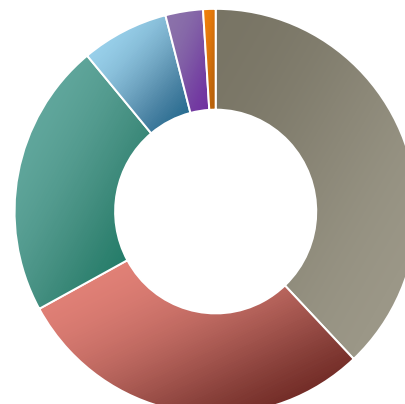
Emerging Market Debt, Commodities and Real Estate £11.0bn



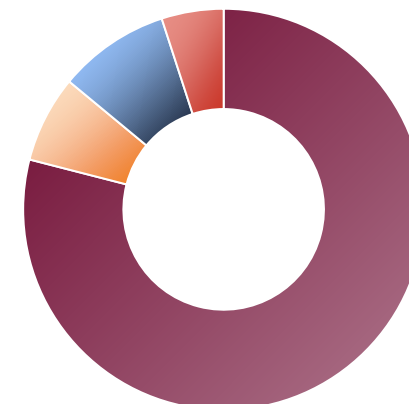
■ Quantitative equities	24%
■ Emerging markets	16%
■ Global	15%
■ Asia Pacific	15%
■ UK	11%
■ Europe	8%
■ Australia	5%
■ Japan	3%
■ US	3%



■ US	45%
■ Global	20%
■ Europe	10%
■ UK	12%
■ Asia Pacific	6%
■ Australia	5%
■ Convertibles	1%
■ Insurance-linked	1%



■ Risk controlled growth	38%
■ LDI	29%
■ UK traditional balanced	22%
■ Inflation protection	7%
■ Risk mitigation	3%
■ Wealth preservation	1%



■ Real estate	79%
■ Agriculture and commodities	7%
■ Emerging market debt	9%
■ Private equity	5%

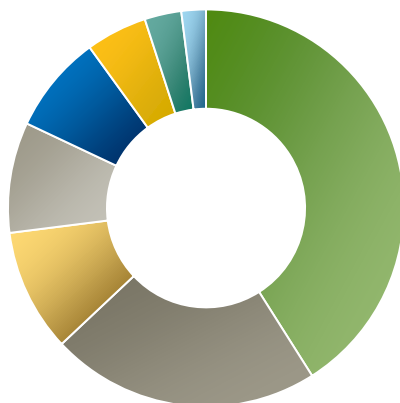
Intermediary AUM – detailed asset class analysis

Assets under management £102.1 billion

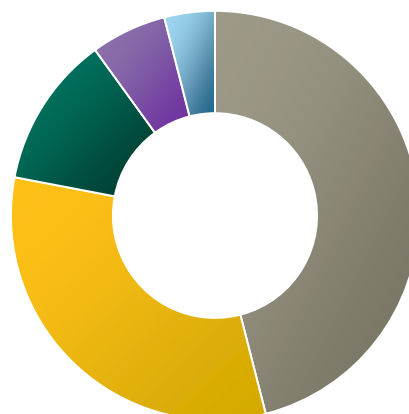
Equities £55.6bn



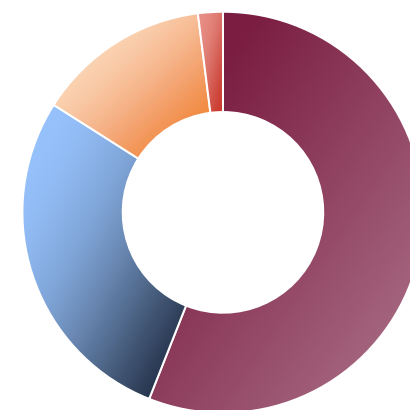
Fixed Income £22.7bn



Multi-asset £21.2bn



Emerging Market Debt, Commodities and Real Estate £2.6bn



■ Asia Pacific	22%
■ Europe	18%
■ UK	16%
■ Japan	10%
■ Global	9%
■ Emerging markets	7%
■ US	6%
■ Quantitative equities	4%
■ Australia	4%
■ Other	4%

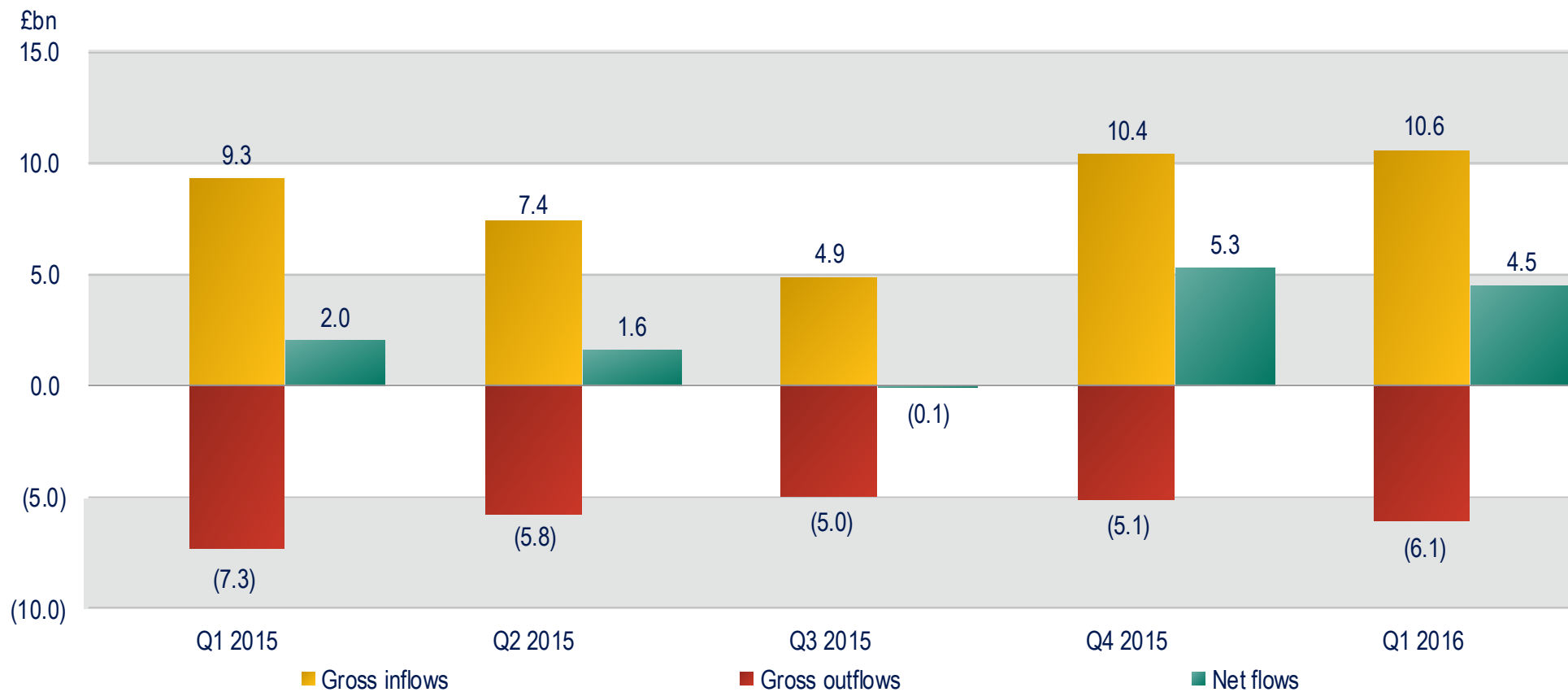
■ Europe	41%
■ Global	22%
■ US	10%
■ Australia	9%
■ Asia Pacific	8%
■ Convertibles	5%
■ UK	3%
■ Insurance-linked	2%

■ Risk controlled growth	46%
■ Income	32%
■ GAIA	12%
■ Risk mitigation	6%
■ Inflation protection	4%

■ Real estate	56%
■ Emerging market debt	28%
■ Agriculture and commodities	14%
■ Private equity	2%

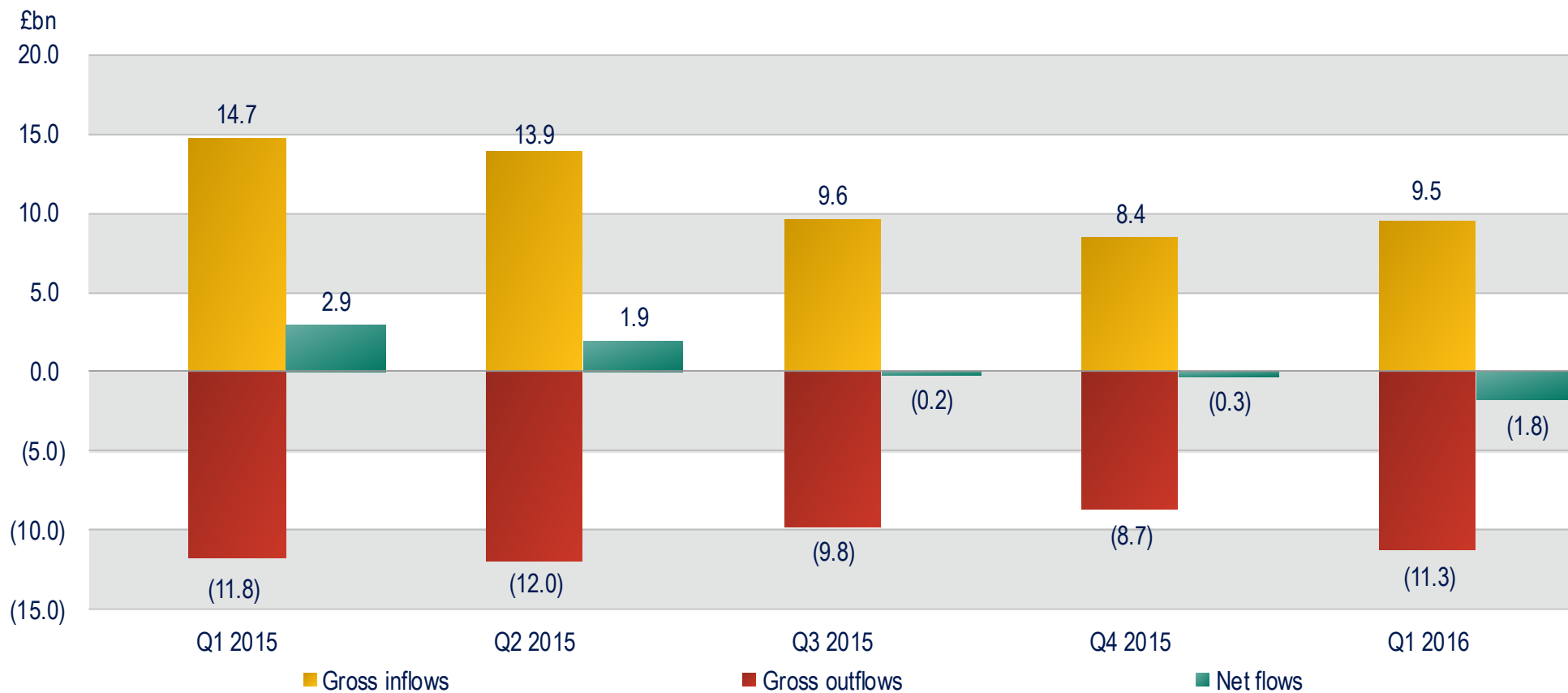
Institutional

Assets under management: £189.9 billion



Intermediary

Assets under management: £102.1 billion



Net operating revenue and margins – Asset Management

Asset Management Net operating revenue £335.8 million

	FY 2015	YTD Q1 2015	YTD Q1 2016
Performance fees - £m	35.7	1.7	0.5
Performance fees on average AUM	1 bps	0 bps	0 bps
Net operating revenue (ex performance fees) - £m	1,357.7	337.6	335.3
Net operating revenue (ex performance fees) on average AUM	49 bps	49 bps	48 bps
Net revenue* - £m	1,412.5	350.1	349.9
Costs* - £m	872.0	216.4	222.0
Profit before tax* - £m	540.5	133.7	127.9

* Excludes exceptional items

Income statement progression

Asset Management profit before tax

£m	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016
Institutional	152.7	156.3	146.5	173.2	152.7
Intermediary	186.6	197.3	192.6	188.2	183.1
Net operating revenue	339.3	353.6	339.1	361.4	335.8
Net gains/(losses) on financial instruments and other income	8.5	(6.0)	(0.2)	4.0	8.9
Share of profit of associates and joint ventures	2.3	4.4	4.0	2.1	5.2
Net revenue	350.1	352.0	342.9	367.5	349.9
Operating expenses	(216.4)	(214.7)	(213.5)	(227.4)	(222.0)
Asset Management profit before exceptional items	133.7	137.3	129.4	140.1	127.9
Exceptional items	(3.0)	(3.0)	(3.1)	(3.0)	(3.5)
Asset Management profit after exceptional items	130.7	134.3	126.3	137.1	124.4

Income statement progression

Wealth Management profit before tax

£m	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016
Net operating revenue	52.4	53.3	51.9	49.7	51.9
Net (losses)/gains on financial instruments and other income	(0.2)	-	(0.1)	0.2	0.1
Net revenue	52.2	53.3	51.8	49.9	52.0
Operating expenses	(37.3)	(38.2)	(35.3)	(35.1)	(36.3)
Wealth Management profit before exceptional items	14.9	15.1	16.5	14.8	15.7
Exceptional items	(1.9)	(2.1)	5.2	(2.0)	(2.0)
Wealth Management profit after exceptional items	13.0	13.0	21.7	12.8	13.7

Income statement progression

Group segment (loss)/profit before tax

£m	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016
Net operating revenue	-	-	-	-	-
Net gains on financial instruments and other income	6.7	5.2	7.2	11.0	8.0
Share of profit of associates*	1.2	5.7	1.0	0.8	1.8
Net revenue	7.9	10.9	8.2	11.8	9.8
Operating expenses	(6.9)	(7.2)	(6.6)	(10.2)	(8.9)
Group profit before exceptional items	1.0	3.7	1.6	1.6	0.9
Exceptional items	(3.0)	(2.4)	(1.0)	(1.4)	(1.1)
Group (loss)/profit after exceptional items	(2.0)	1.3	0.6	0.2	(0.2)

* Includes RWC Partners Limited and Schroder Ventures Investments Limited associates

Cost and return metrics

Total Schroders Group costs

	2015	Q1 2015	Q1 2016
Compensation cost: net revenue ratio*	44%	45%	45%
Headcount	3,784	3,611	3,807
Total costs*	1,048.8	260.6	267.2
Cost: net revenue ratio*	63%	64%	65%
Return on average capital (pre-tax)*	23%	23%	20%
Return on average capital (post-tax)*	18%	18%	16%

- ▶ 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

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

Movement in capital

£m	2016
1 January 2016	2,795.6
Profit before tax and exceptional items	144.5
Exceptional items	(6.6)
Net movement arising from AFS financial assets	(4.9)
Exchange differences on translation of foreign operations after hedging	36.3
Tax	(22.6)
Own shares purchased	(41.2)
Share-based payments	17.0
Actuarial gain on defined benefit pension schemes	12.8
Other	(6.4)
31 March 2016	2,924.5

Group capital allocation

Increase of £129 million as at 31 March 2016

£m	December 2015	Q1 2016
Regulatory capital	653	653
Other operating capital	253	167
Investment capital*	942	1,110
Seed capital	229	253
Other**	719	742
Statutory Group capital	2,796	2,925

* 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