

Schroders

2014 Half-year results

Data Pack | July 2014



Schroders

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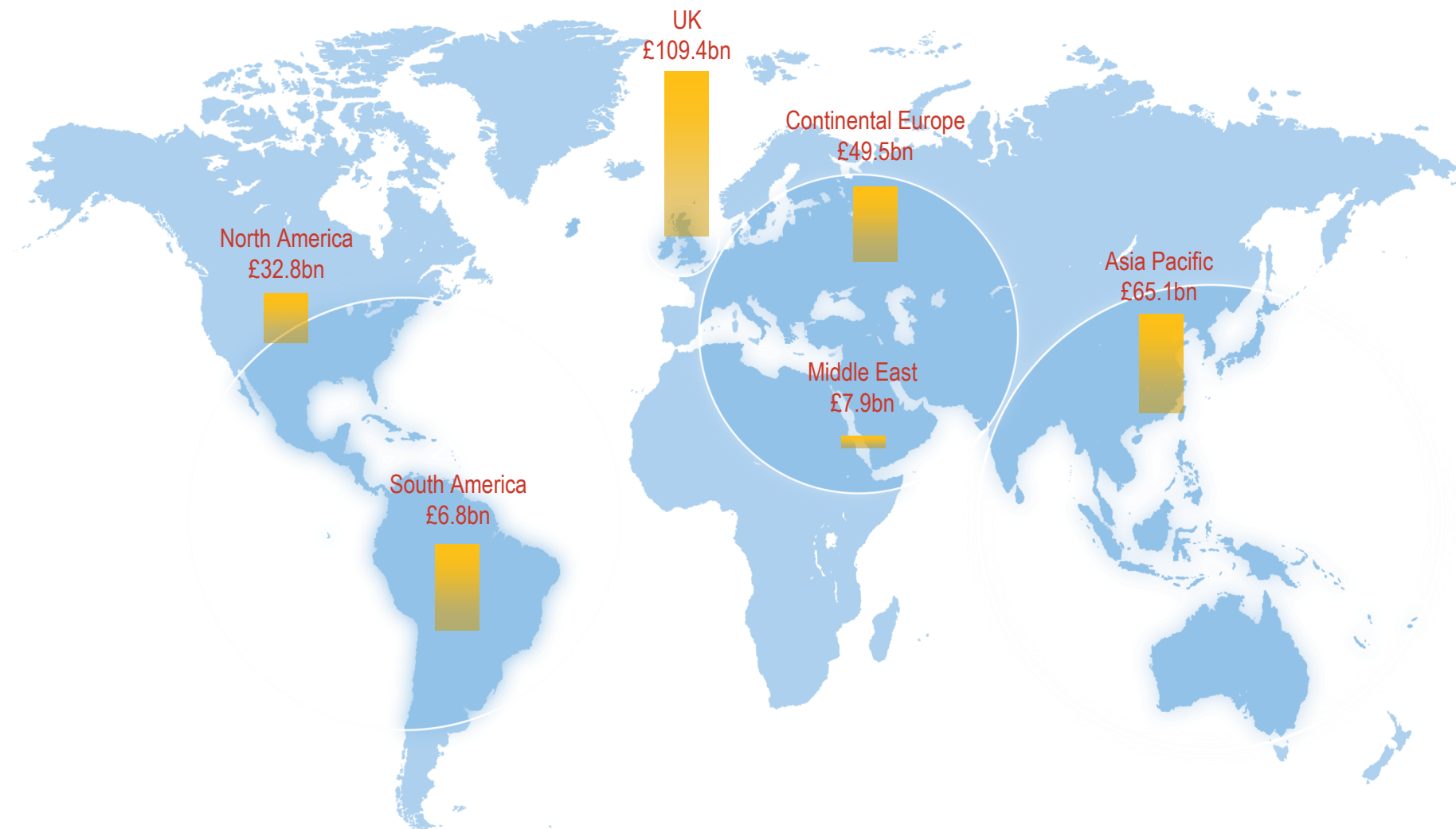
Assets under management (AUM)

£271.5 billion at 30 June 2014

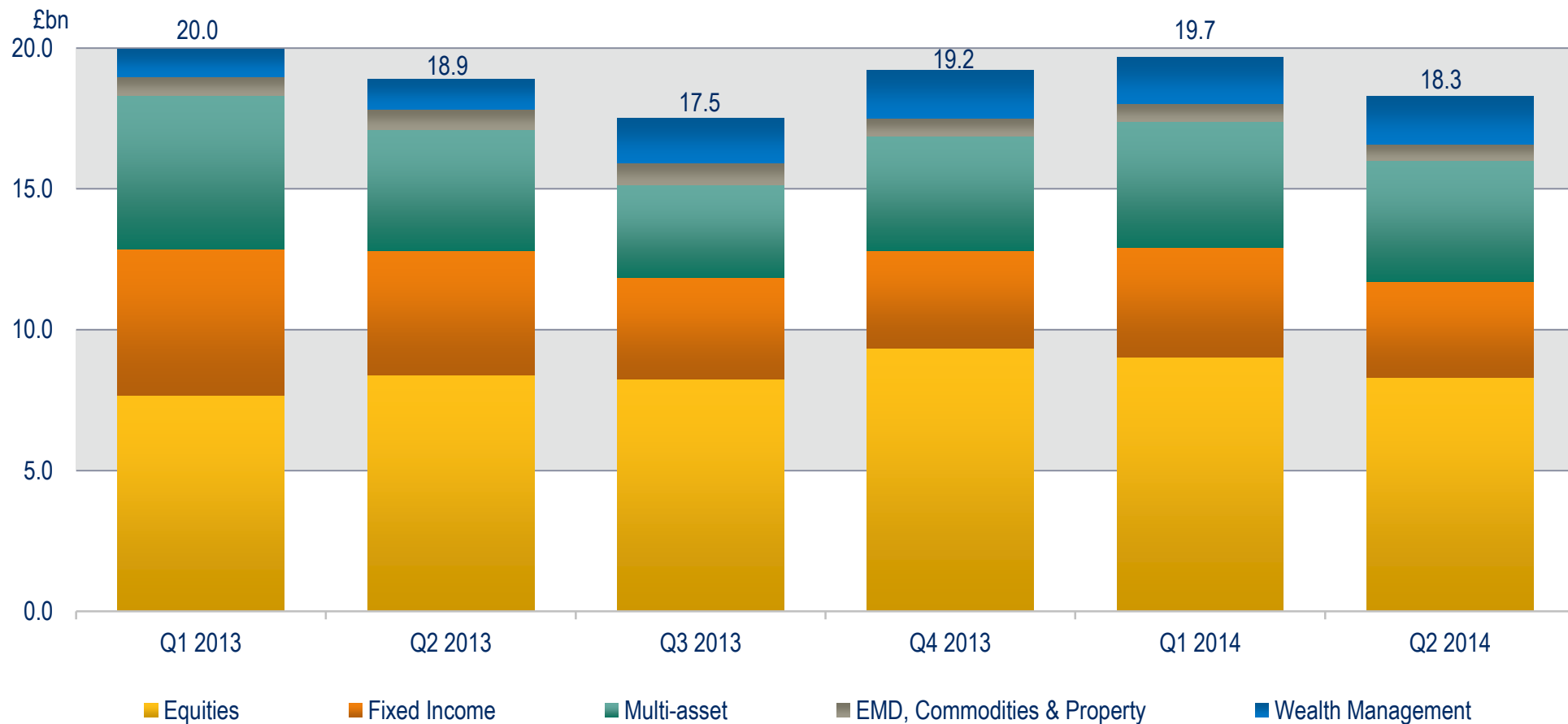
£bn	Asset Management		Wealth Management	Total
	Institutional	Intermediary		
31 December 2013	144.3	88.5	30.1	262.9
Net flows	0.7	3.8	0.3	4.8
Investment returns	3.0	0.5	0.3	3.8
30 June 2014	148.0	92.8	30.7	271.5

Regional diversification of AUM

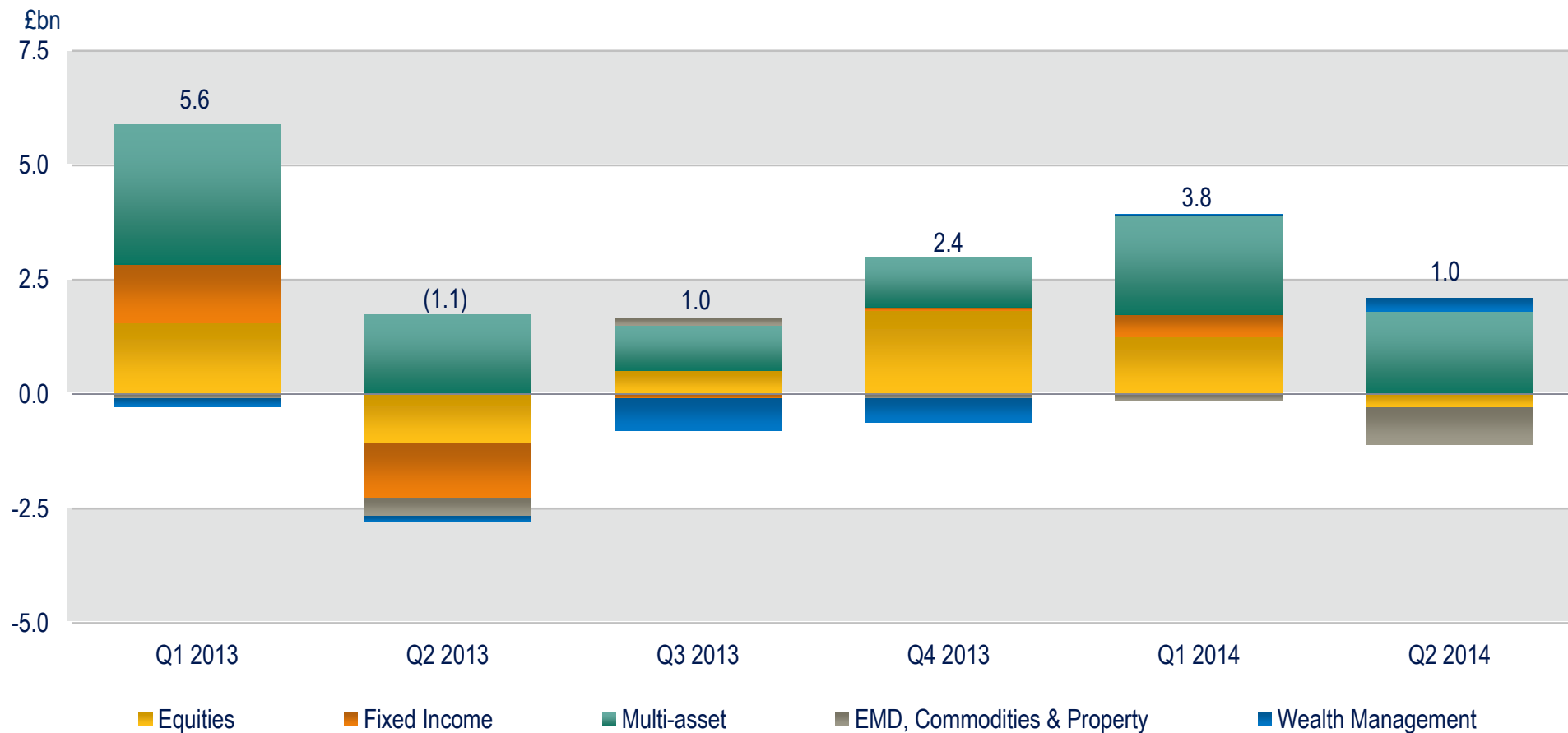
57% of revenues outside UK



Gross sales

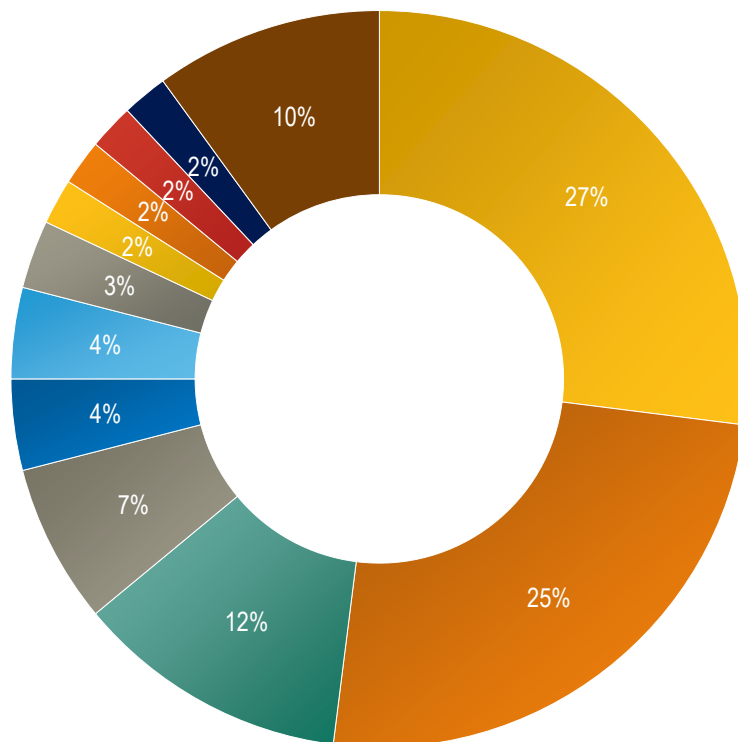


Net flows



Currency profile of AUM

Assets under management £271.5 billion



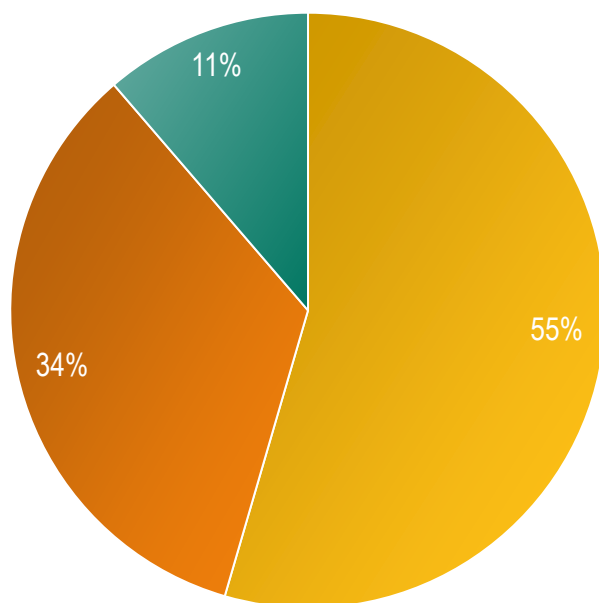
■ GBP ■ USD ■ EUR ■ AUD ■ JPY ■ CNY ■ HKD ■ CHF ■ KRW ■ TWD ■ IDR ■ Other*

* Includes the following currencies which individually constitute 1% of AUM: BRL, SGD, INR, CAD, RUB and THB.

Total AUM by channel, region and product

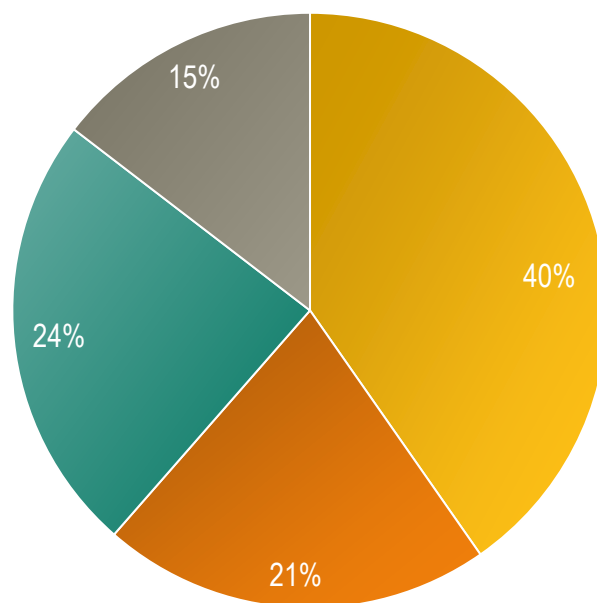
Assets under management £271.5 billion

By channel



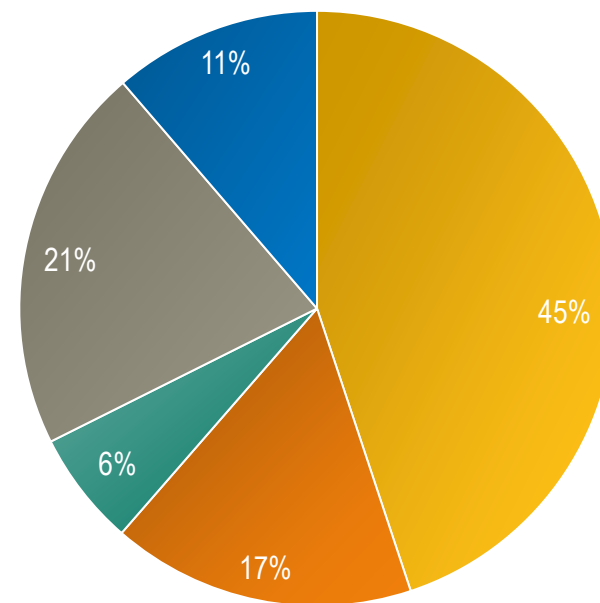
- Institutional
- Intermediary
- Wealth Management

By region*



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

By product



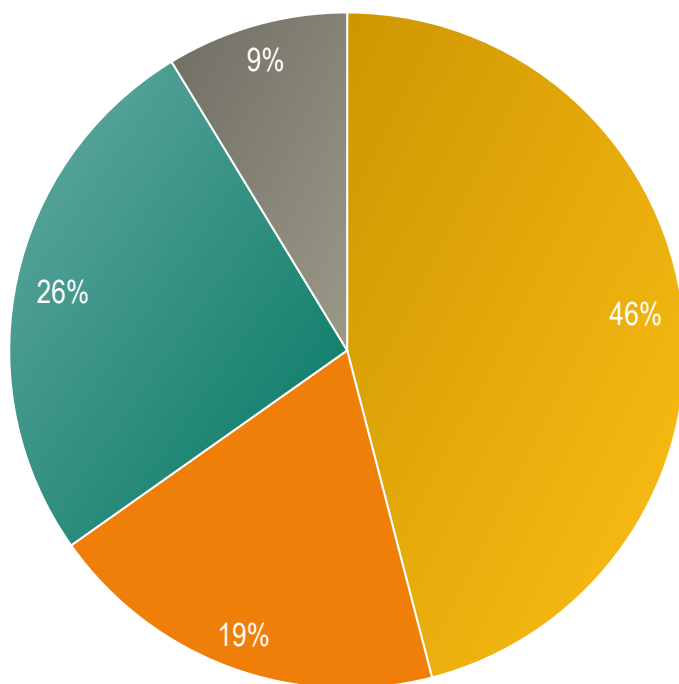
- Equities
- Fixed Income
- EMD, Commodities & Property
- Multi-asset
- Wealth Management

*By client domicile

**Includes Middle East

Asset Management AUM by channel and product

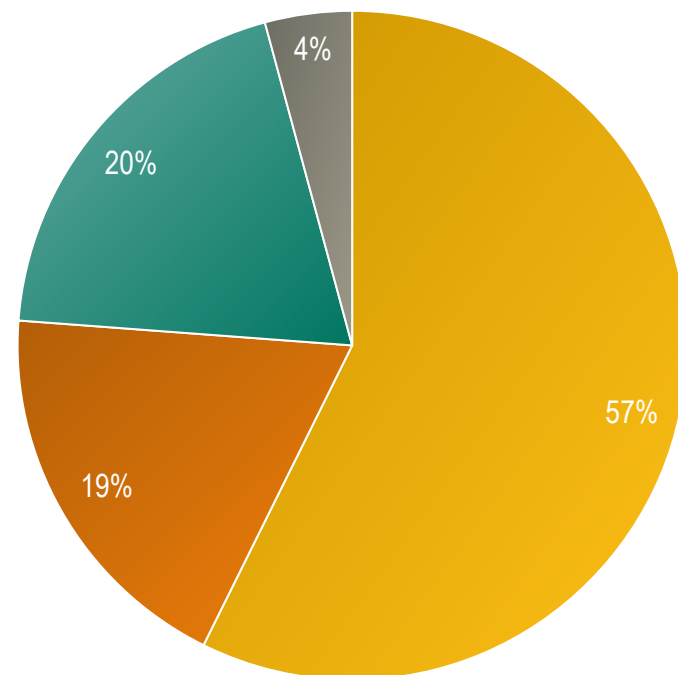
Institutional AUM £148.0bn



■ Equities

■ Fixed Income

Intermediary AUM £92.8bn

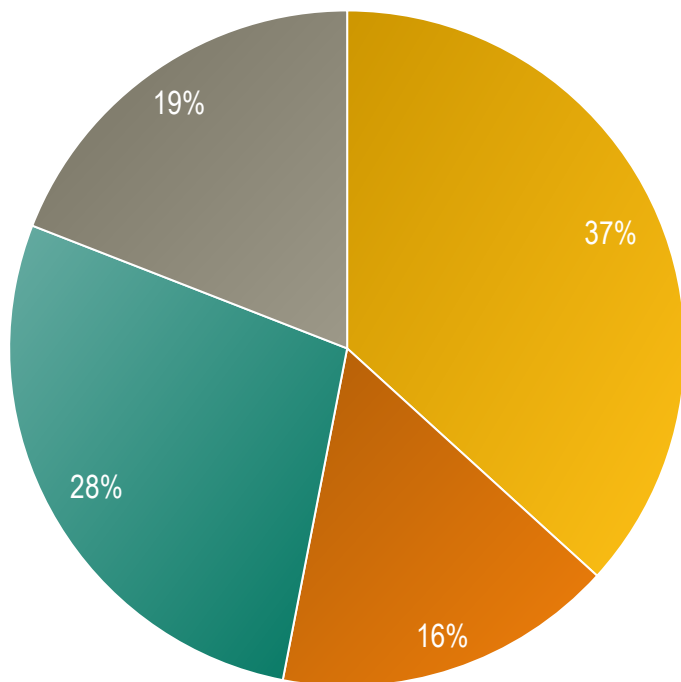


■ Multi-asset

■ EMD, Commodities & Property

Asset Management AUM by channel and region*

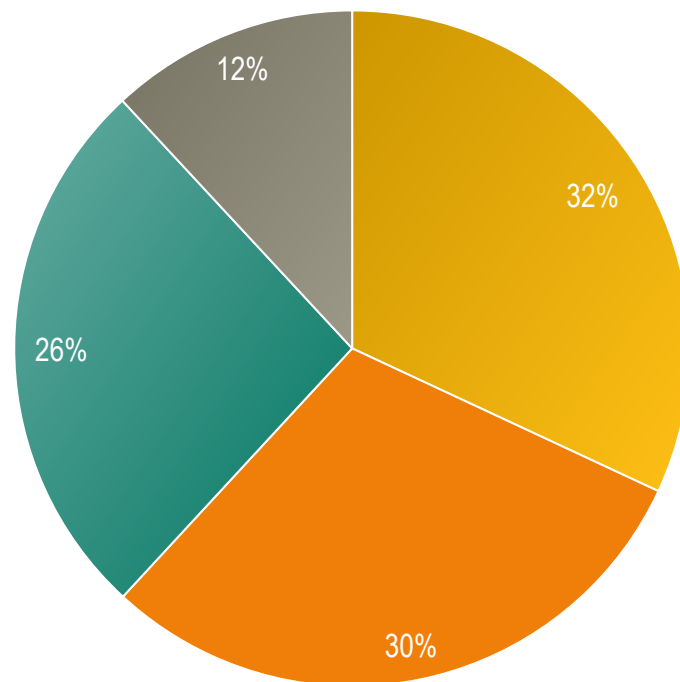
Institutional AUM £148.0bn



■ UK

■ Continental Europe**

Intermediary AUM £92.8bn



■ Asia Pacific

■ Americas

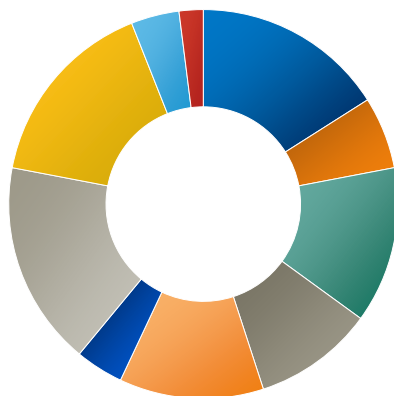
*By client domicile

**Includes Middle East

Asset Management AUM – detailed asset class analysis

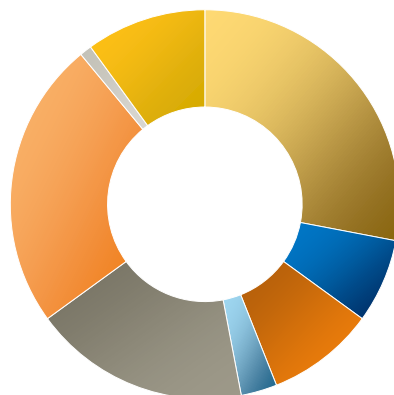
Assets under management £240.8 billion

Equities £121.9bn



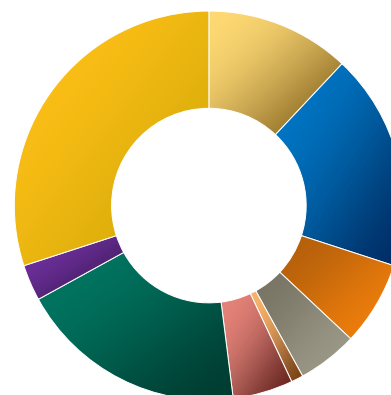
Asia Pacific	16%
Australia	6%
Emerging markets	13%
Europe	10%
Global	12%
Japan	4%
Quantitative equities	17%
UK	16%
US	4%
Multi-manager	2%

Fixed Income £44.8bn



Americas	28%
Asia Pacific	7%
Australia	9%
Convertibles	3%
Europe	18%
Global	24%
Insurance-linked	1%
UK	10%

Multi-asset £57.2bn



Americas	12%
Asia Pacific	18%
Australia	7%
Europe	5%
Funds of hedge funds	1%
GAIA range	5%
LDI	19%
Multi-manager	3%
UK	30%

EMD, Commodities and Property £16.9bn

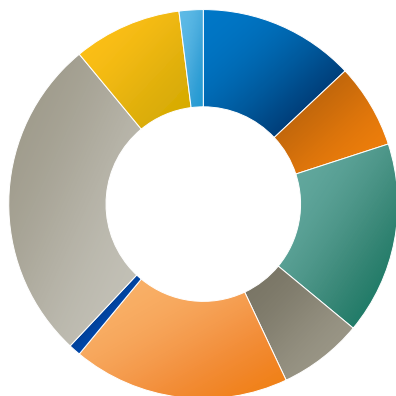


Agriculture and commodities	21%
Emerging market debt	12%
Private equity	6%
Property	61%

Institutional AUM – detailed asset class analysis

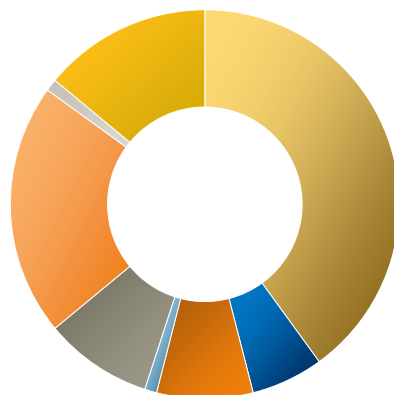
Assets under management £148.0 billion

Equities £68.7bn



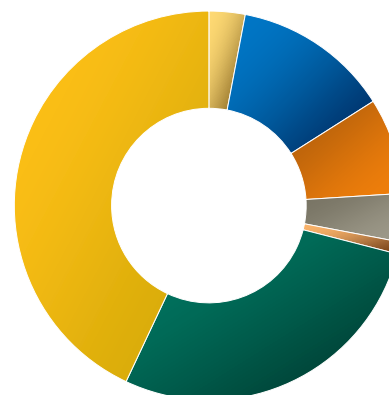
Asia Pacific	13%
Australia	7%
Emerging markets	16%
Europe	7%
Global	18%
Japan	1%
Quantitative equities	27%
UK	9%
US	2%

Fixed Income £27.3bn



Americas	40%
Asia Pacific	6%
Australia	8%
Convertibles	1%
Europe	9%
Global	21%
Insurance-linked	1%
UK	14%

Multi-asset £39.0bn



Americas	3%
Asia Pacific	13%
Australia	8%
Europe	4%
Funds of hedge funds	1%
LDI	28%
UK	43%

EMD, Commodities and Property £13.0bn

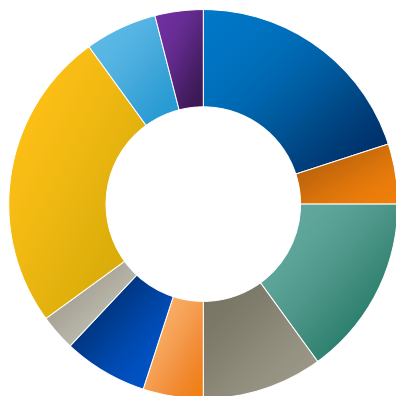


Agriculture and commodities	21%
Emerging market debt	6%
Private equity	7%
Property	66%

Intermediary AUM – detailed asset class analysis

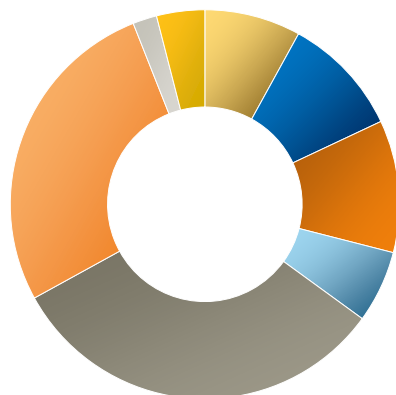
Assets under management £92.8 billion

Equities £53.2bn



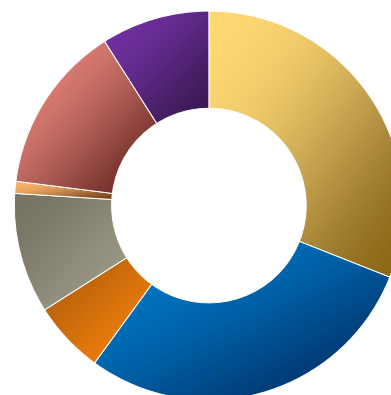
Asia Pacific	20%
Australia	5%
Emerging markets	15%
Europe	10%
Global	5%
Japan	7%
Quantitative equities	3%
UK	25%
US	6%
Multi-manager	4%

Fixed Income £17.5bn



Americas	8%
Asia Pacific	10%
Australia	11%
Convertibles	6%
Europe	32%
Global	27%
Insurance-linked	2%
UK	4%

Multi-asset £18.2bn



Americas	31%
Asia Pacific	29%
Australia	6%
Europe	10%
Funds of hedge funds	1%
GAIA range	14%
Multi-manager	9%

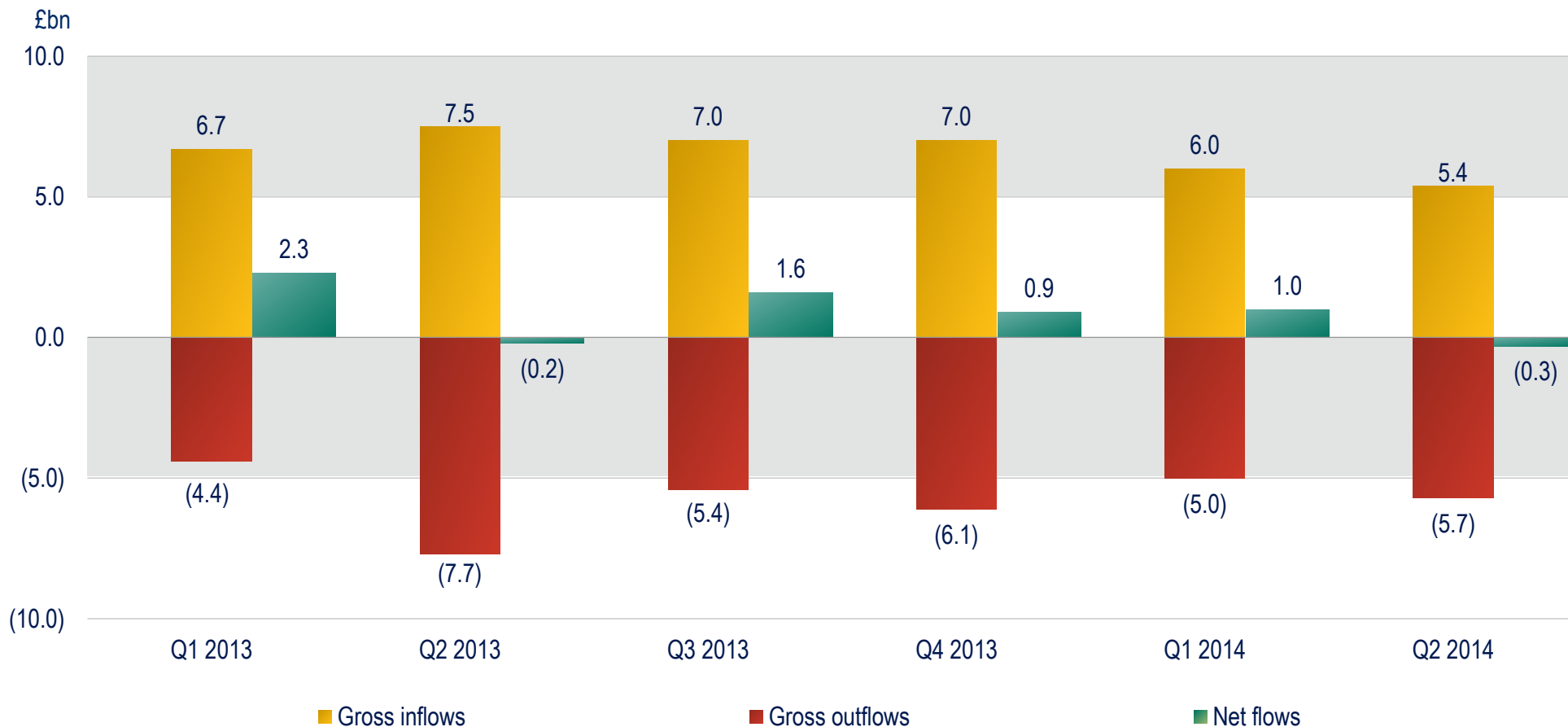
EMD, Commodities and Property £3.9bn



Agriculture and commodities	21%
Emerging market debt	33%
Private equity	2%
Property	44%

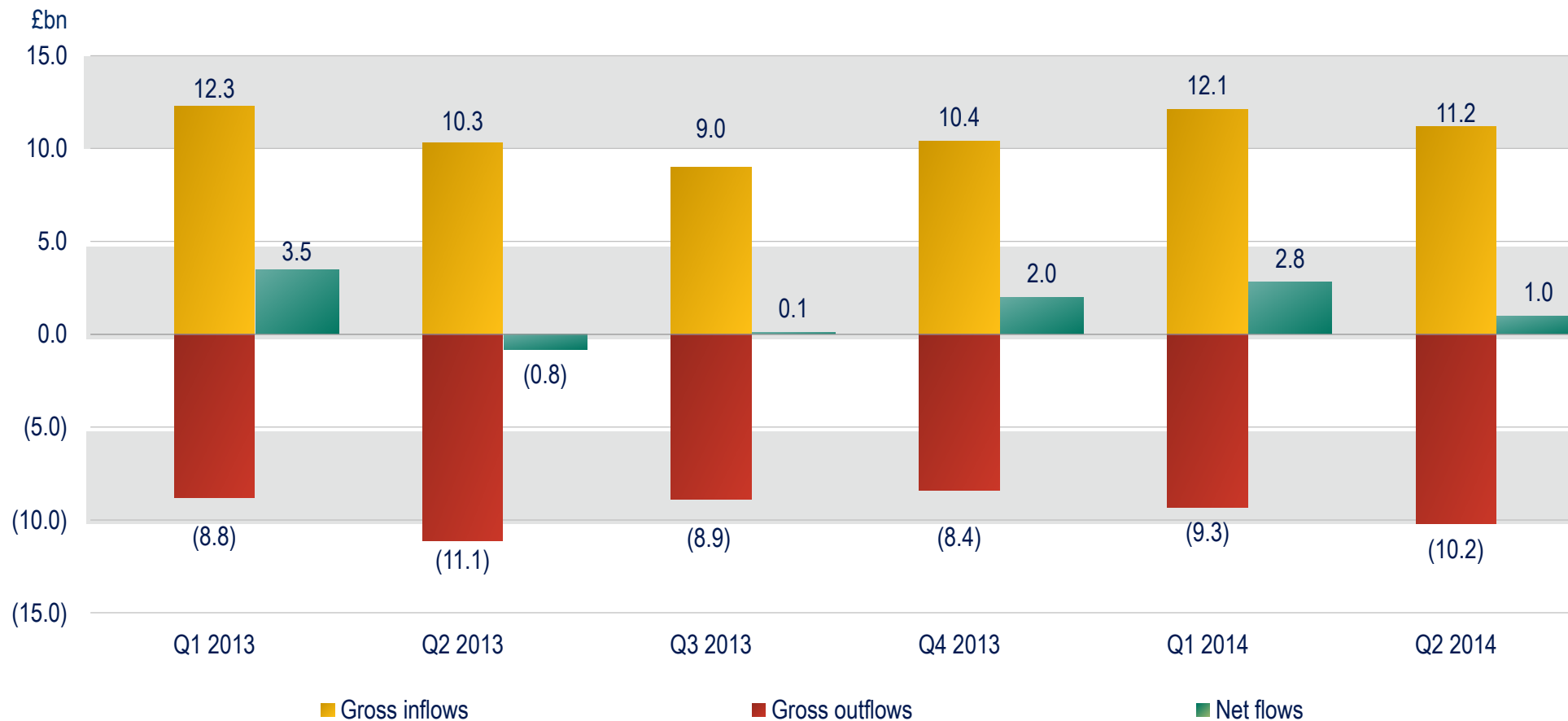
Institutional

Assets under management: £148.0bn (31 Dec 2013: £144.3bn)



Intermediary

Assets under management: £92.8bn (31 Dec 2013: £88.5bn)



Net revenue and margins – Asset Management

Asset Management net revenue £621.0 million (H1 2013: £585.7 million)

	H1 2013	H1 2014
Performance fees – £m	11.8	8.3
Performance fees on average AUM	1 bps	1 bps
Net revenue – £m	585.7	621.0
Net revenue on average AUM	55 bps	53 bps
Costs* – £m	376.0	391.2
Costs* on average AUM	35 bps	33 bps
Operating profit* – £m	209.7	229.8
Operating profit* on average AUM	20 bps	19 bps

*Excludes exceptional costs

Cost and return metrics for the Group

	FY 2013	H1 2014
Compensation cost: operating revenue ratio*	46%	47%
Bonus: pre-bonus operating profit*	39%	39%
Headcount	3,528	3,540
Total costs*	919.7	478.1
Cost: net revenue ratio*	65%	66%
Return on average capital (pre-tax)*	23%	23%
Return on average capital (post-tax)*	19%	18%

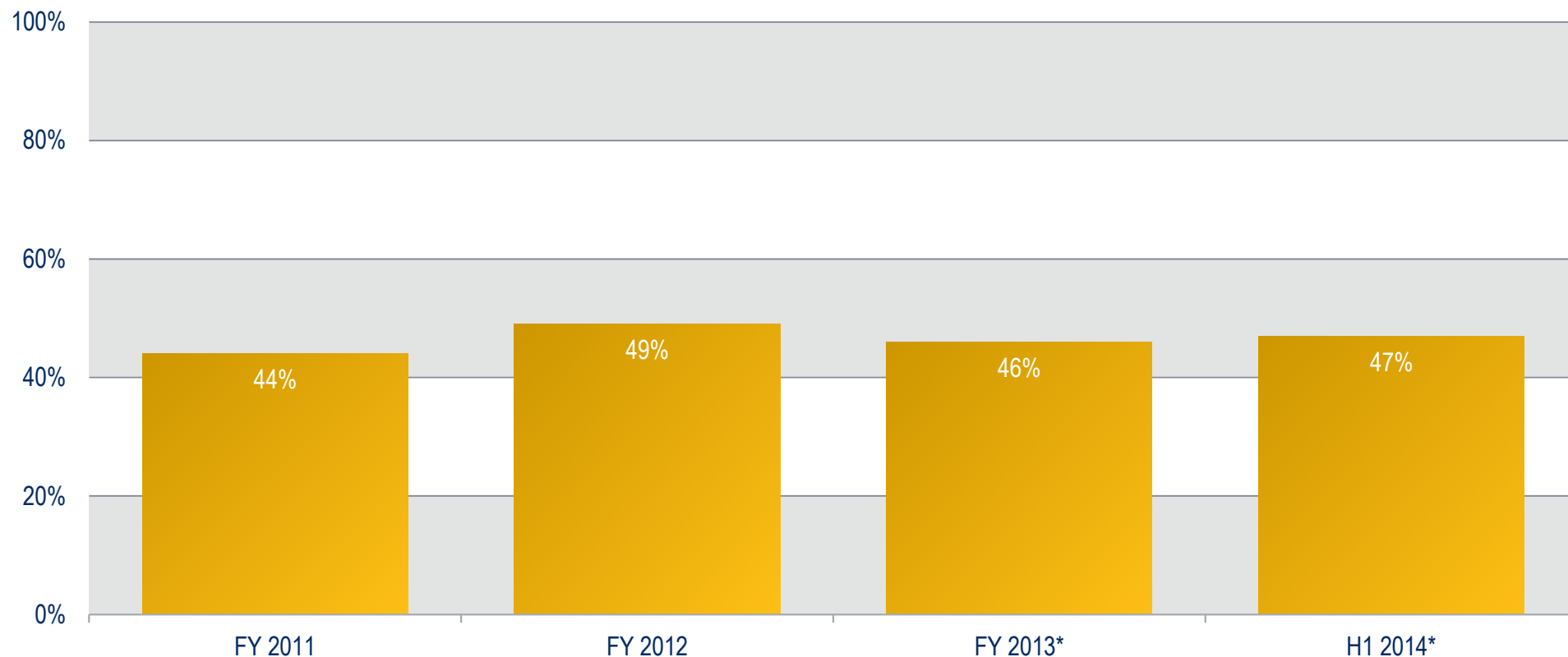
- ▶ Compensation cost: operating revenue ratio
= total Group compensation costs divided by Asset Management and Wealth Management net revenues**
- ▶ Bonus: pre-bonus operating profit
= total Group bonus divided by pre-bonus Asset Management and Wealth Management profit before tax**
- ▶ Cost: net revenue ratio
= total Group costs divided by net revenue
- ▶ Return on average capital (pre-tax)
= total Group profit before tax and exceptional items divided by average capital
- ▶ Return on average capital (post-tax)
= total Group profit after tax and exceptional items divided by average capital

* Excludes exceptional costs

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

Key performance indicators

Compensation cost: operating revenue ratio

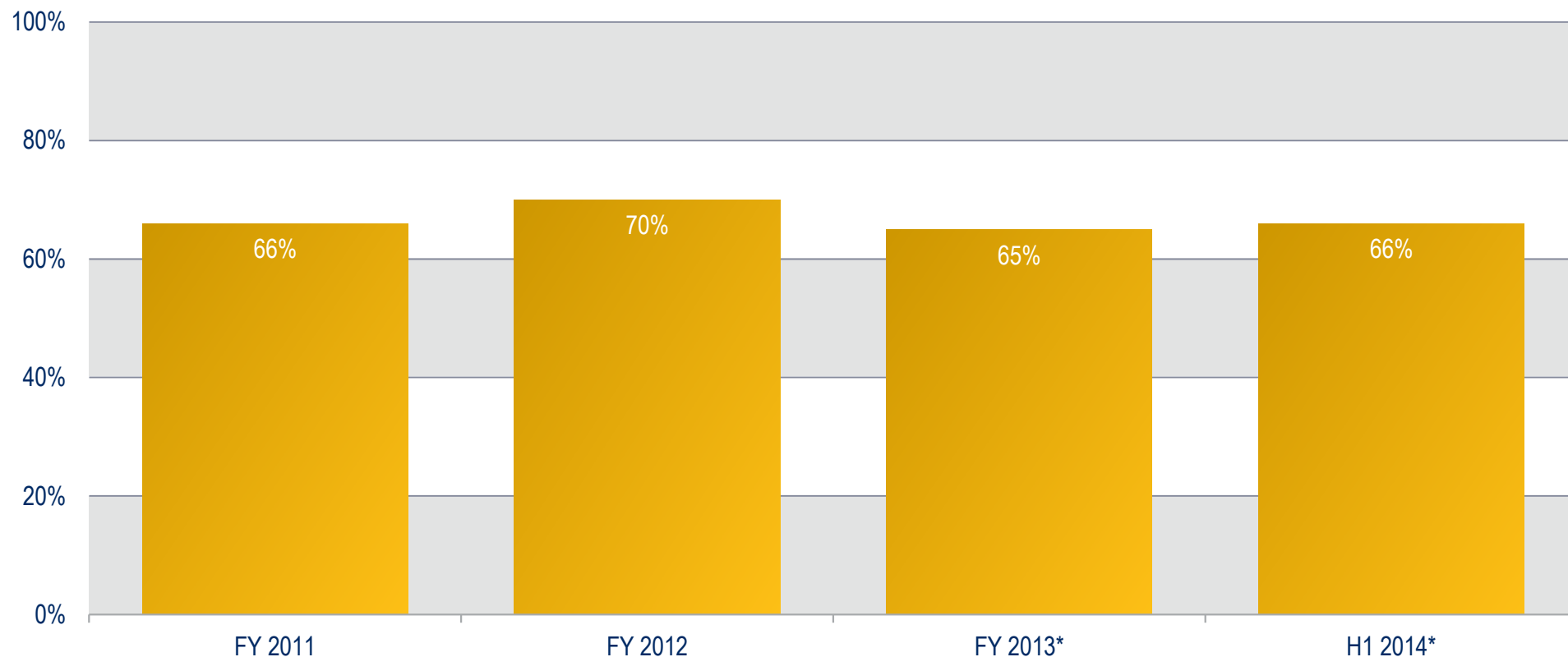


Total Group compensation costs divided by Asset Management and Wealth Management net revenues (adjusted by the Remuneration Committee for allowable and disallowable costs and revenues)

* FY 2013 and H1 2014 exclude exceptional costs

Key performance indicators

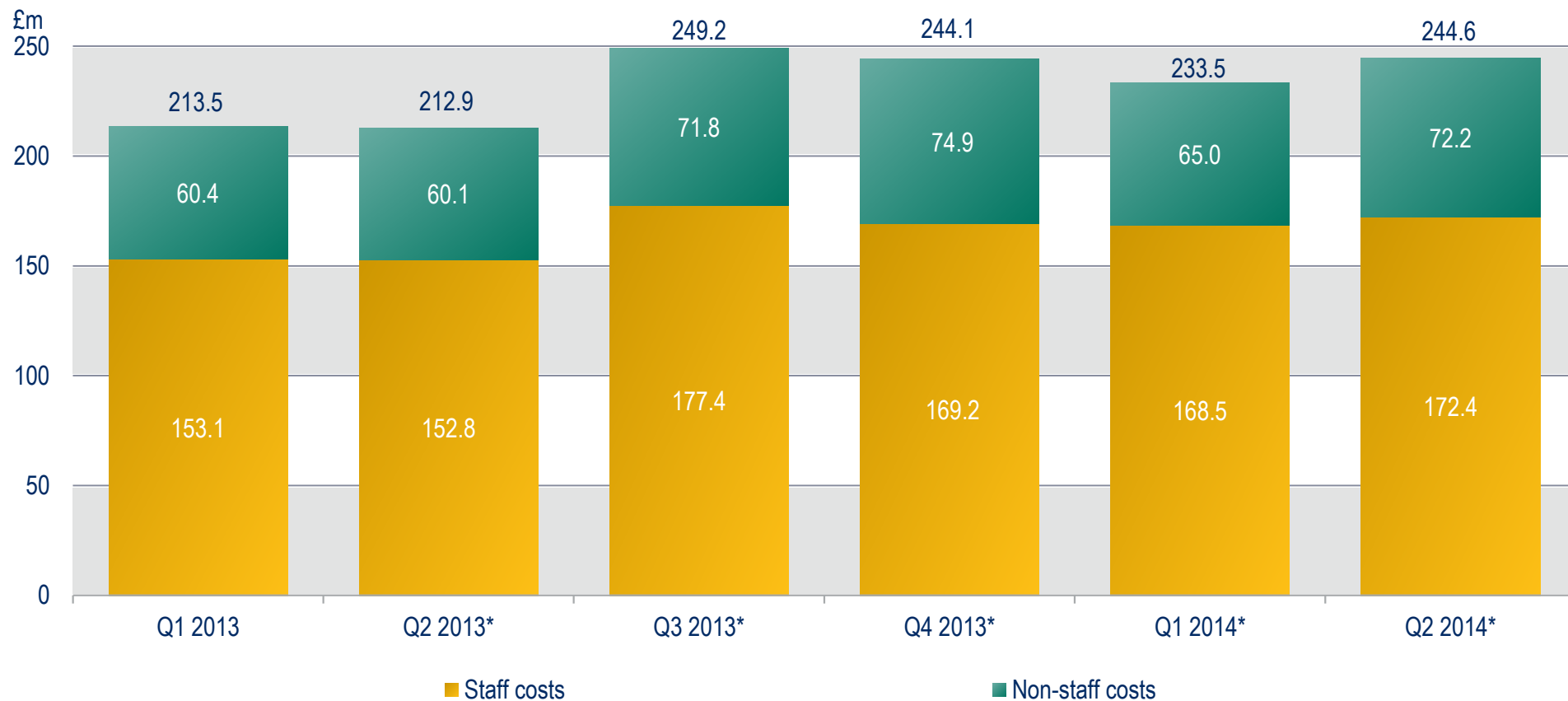
Cost: net revenue ratio



Total Group costs divided by net revenue

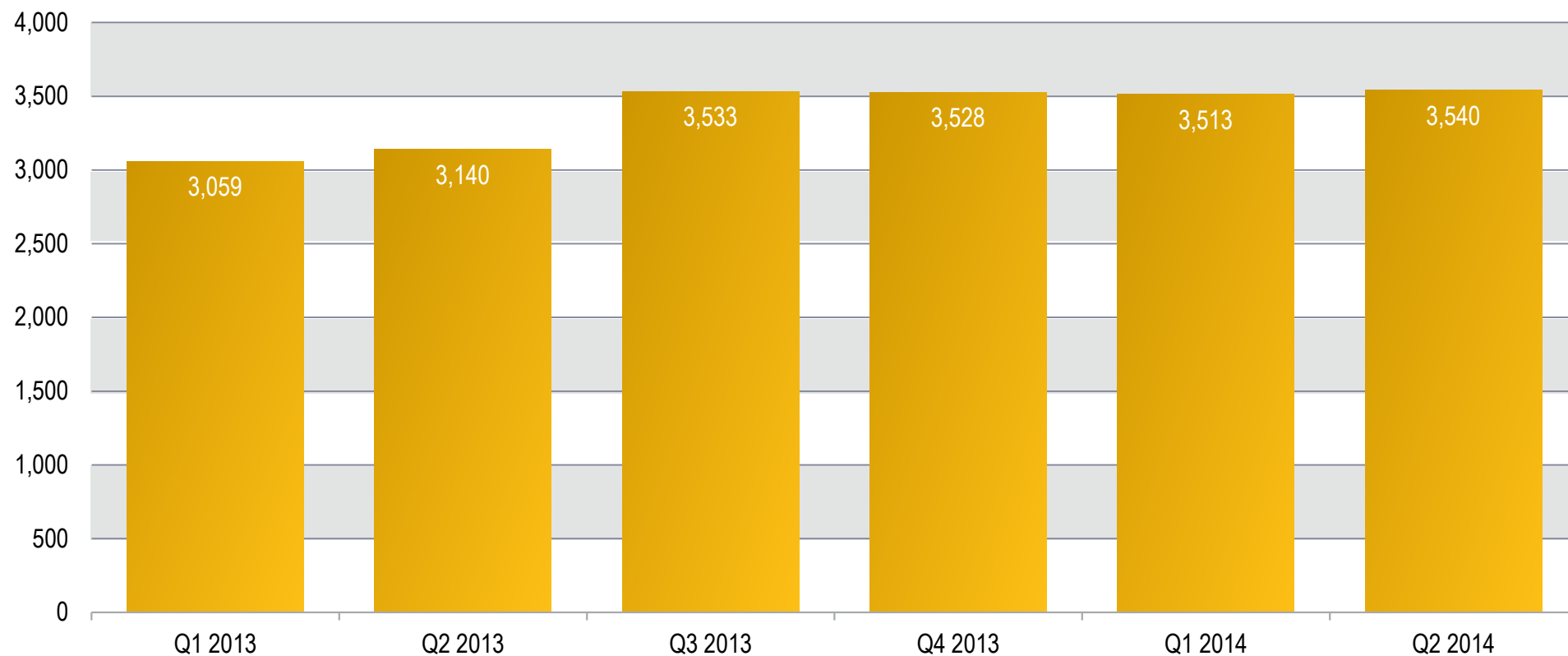
* FY 2013 and H1 2014 YTD ratio exclude exceptional costs

Total costs



* Excludes exceptional costs

Headcount



Income statement progression

Asset Management profit before tax

£m	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014
Institutional	136.8	138.4	129.9	152.1	136.4	137.4
Intermediary	153.0	157.5	185.1	194.4	169.8	177.4
Net revenue	289.8	295.9	315.0	346.5	306.2	314.8
Costs*	(186.6)	(189.4)	(206.3)	(202.6)	(191.7)	(199.5)
JVs and associates	1.7	0.7	1.2	3.1	2.6	3.1
Net finance income/(charge)	0.3	(0.3)	(0.3)	(0.1)	(0.1)	(0.3)
Asset Management profit*	105.2	106.9	109.6	146.9	117.0	118.1
Exceptional costs**	–	(0.3)	(2.8)	(10.4)	(3.6)	(6.0)
Asset Management profit after exceptional items	105.2	106.6	106.8	136.5	113.4	112.1

* Excludes exceptional costs

** During Q4 2013 exceptional costs of £4.0m were transferred from the Group segment into Asset Management.

Income statement progression

Wealth Management profit/(loss) before tax

£m	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014
Net revenue	26.5	27.0	47.0	49.5	50.3	50.2
Costs*	(21.6)	(21.3)	(36.6)	(36.2)	(37.0)	(37.2)
Wealth Management profit*	4.9	5.7	10.4	13.3	13.3	13.0
Exceptional costs**	–	–	(2.6)	(28.3)	(3.6)	(5.3)
Wealth Management profit/(loss) after exceptional items	4.9	5.7	7.8	(15.0)	9.7	7.7

* Excludes exceptional costs

** During Q4 2013 exceptional costs of £7.2m were transferred from the Group segment into Wealth Management.

Income statement progression

Group segment profit/(loss) before tax

£m	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014
Net revenue	6.7	(0.8)	4.0	0.5	2.3	4.8
Costs*	(5.3)	(2.2)	(6.3)	(5.3)	(4.8)	(7.9)
JVs and associates**	(0.5)	-	1.4	0.6	0.4	-
Net finance income	4.0	3.4	2.5	2.2	2.5	2.8
Group profit/(loss)*	4.9	0.4	1.6	(2.0)	0.4	(0.3)
Exceptional costs***	–	(6.0)	(10.0)	0.1	(4.6)	(4.5)
Group profit/(loss) after exceptional items	4.9	(5.6)	(8.4)	(1.9)	(4.2)	(4.8)

* Excludes exceptional costs

** Schroder Ventures Investments Limited only

*** During Q4 2013 exceptional costs of £4.0m and £7.2m were transferred from the Group segment into the Asset Management and Wealth Management segments respectively.

Balance sheet

£m	As originally reported 31 December 2013	IFRS 10 restatement 31 December 2013	30 June 2014
Intangible assets including goodwill	489.0	489.0	476.4
Other non-current assets	644.8	644.8	624.3
Current assets	4,355.5	4,369.2	4,389.8
Assets backing unit-linked liabilities	11,131.7	11,686.4	12,187.5
Total assets	16,621.0	17,189.4	17,678.0
Non-current liabilities	360.6	360.6	338.0
Current liabilities	2,860.1	2,873.8	2,829.6
Unit-linked liabilities	11,131.7	11,686.4	12,187.5
Total liabilities	14,352.4	14,920.8	15,355.1
Net assets	2,268.6	2,268.6	2,322.9
Total equity*	2,268.6	2,268.6	2,322.9

*Includes non-controlling interests Jun 2014: £0.2m (Dec 2013: £0.1m)

Movement in capital

£m	2014
Opening balance	2,268.6
Profit before tax and exceptional items	261.5
Exceptional costs	(27.6)
Exchange differences on translation of foreign operations after hedging	(14.6)
Net fair value movement arising from AFS financial assets	1.4
Actuarial gain on defined benefit pension schemes	5.6
Share-based payments	33.1
Own shares purchased	(45.4)
Tax	(46.7)
Dividends	(113.0)
Closing balance	2,322.9

Forward-looking statements

These presentation slides may contain forward-looking statements with respect to the financial condition, performance and position, strategy, results of operations and businesses of the 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. Without limitation, any statements preceded or followed by or that include the words 'targets', 'plans', 'believes', 'expects', 'aims' or 'anticipates' or the negative of these terms and 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 profit forecast.