

Schroders

2014 Q3 results

Data Pack | November 2014



Schroders

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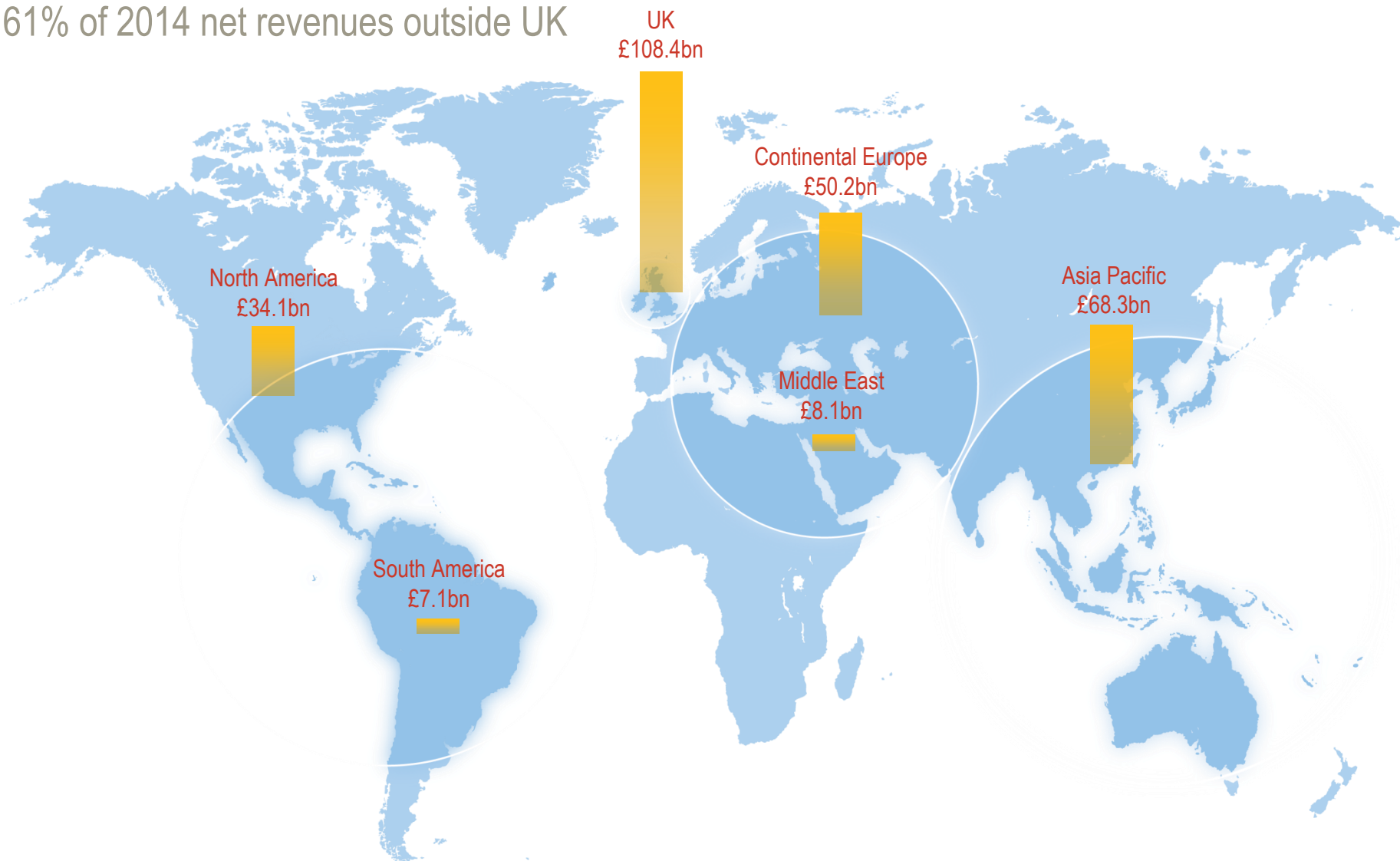
Assets under management (AUM)

£276.2 billion at 30 September 2014

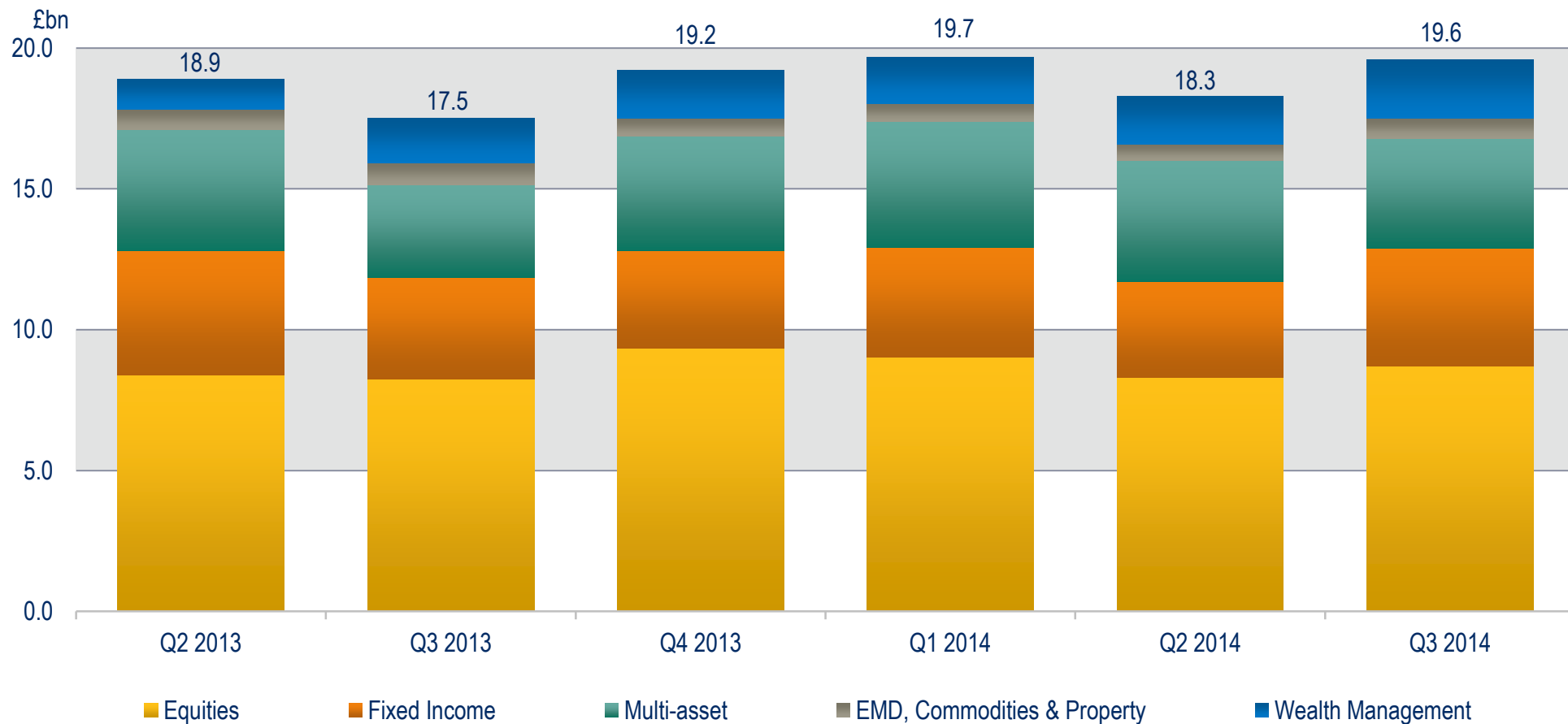
£bn	Institutional	Intermediary	Asset Management	Wealth Management	Total
31 December 2013	144.3	88.5	232.8	30.1	262.9
Net flows	1.5	5.1	6.6	0.4	7.0
Investment returns, foreign exchange and other	5.3	1.0	6.3	-	6.3
30 September 2014	151.1	94.6	245.7	30.5	276.2

Regional diversification of AUM

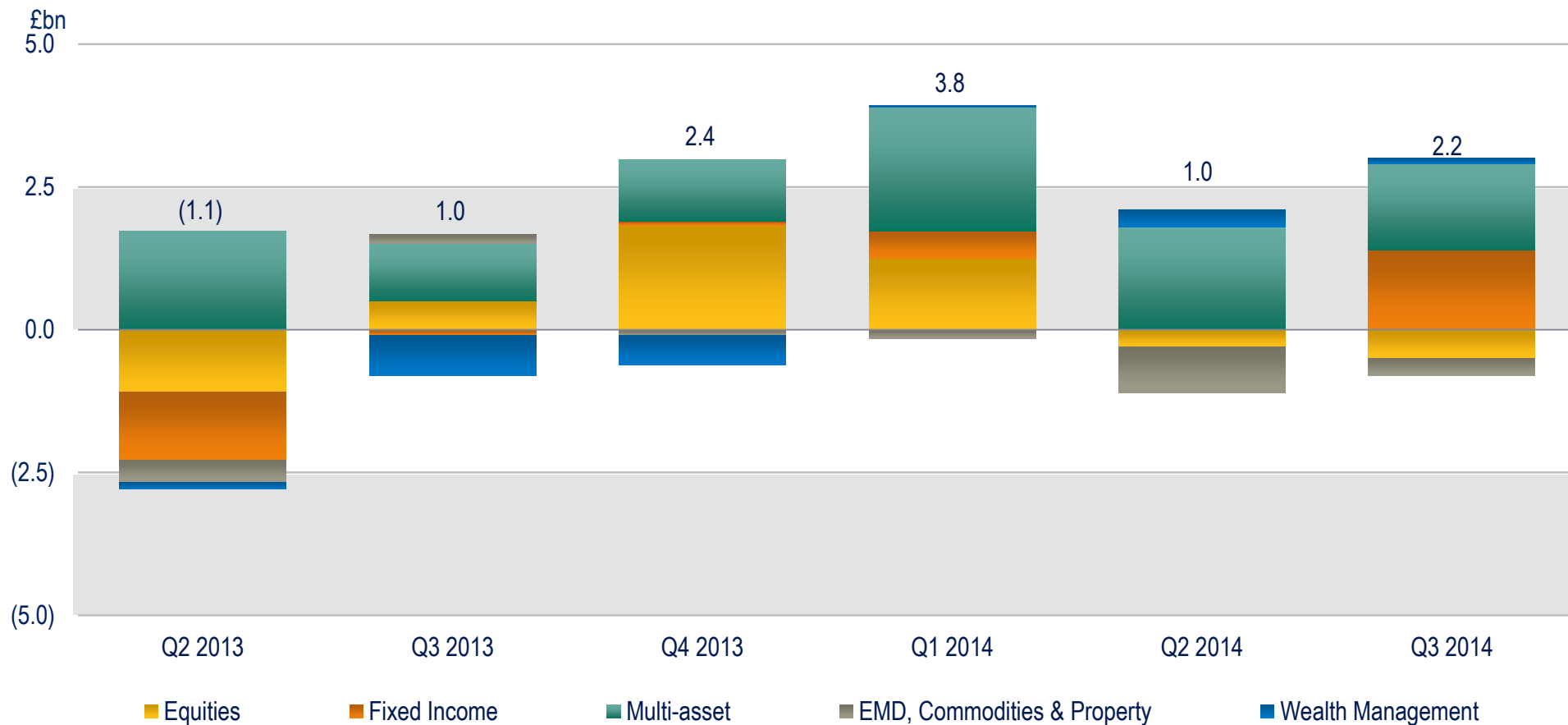
61% of 2014 net revenues outside UK



Gross sales

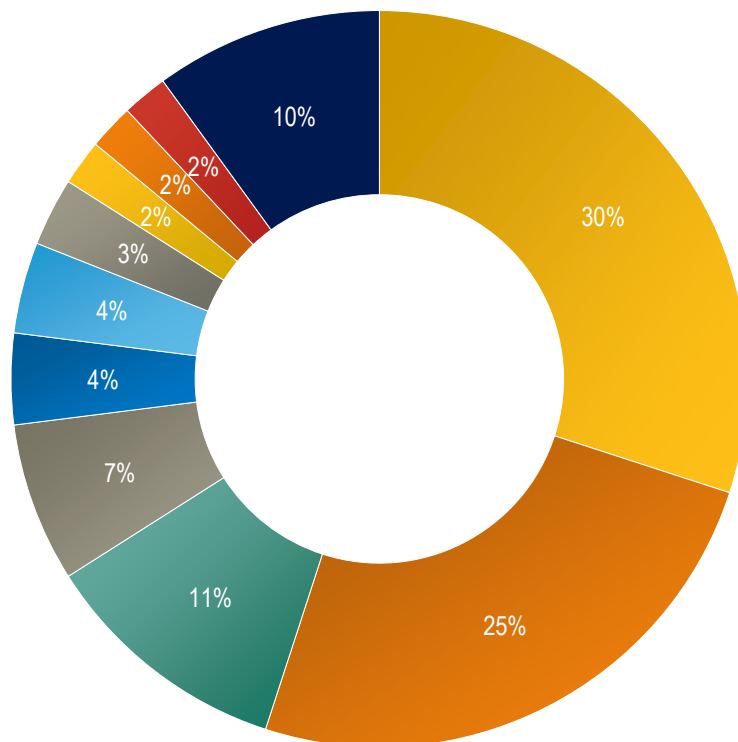


Net flows



Currency profile of AUM

Assets under management £276.2 billion



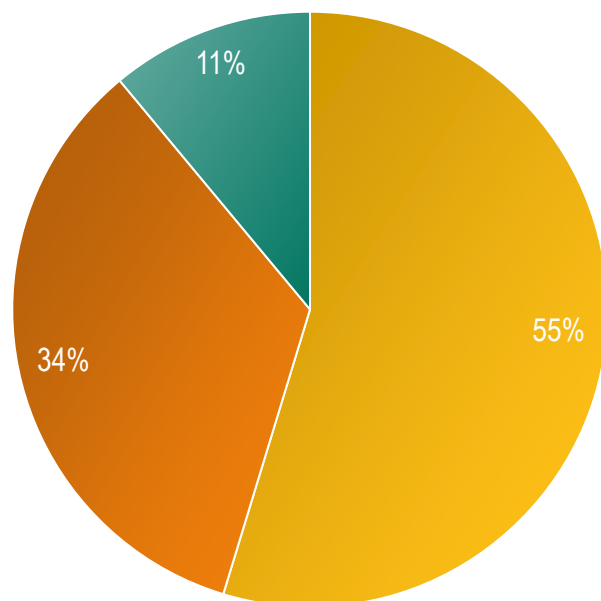
■ GBP ■ USD ■ EUR ■ AUD ■ JPY ■ CNY ■ HKD ■ CHF ■ KRW ■ TWD ■ Other*

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

Total AUM by channel, region and product

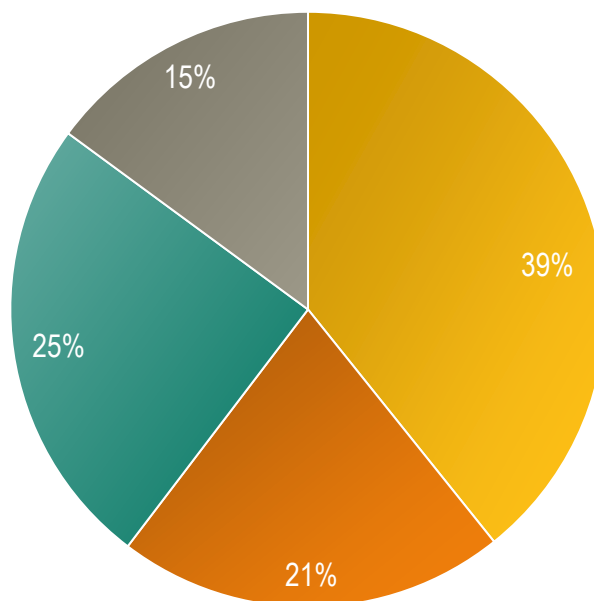
Assets under management £276.2 billion

By channel



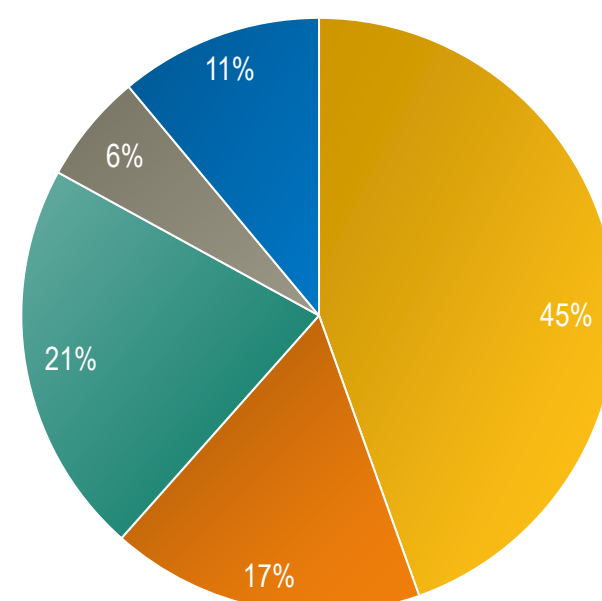
- Institutional
- Intermediary
- Wealth Management

By region*



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

By product



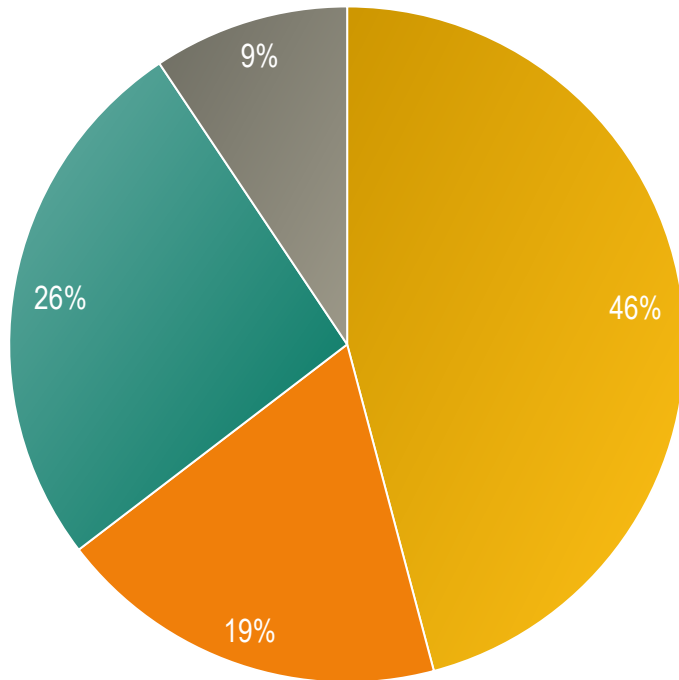
- Equities
- Fixed Income
- Multi-asset
- EMD, Commodities & Property
- Wealth Management

* By client domicile

** Includes Middle East

Asset Management AUM by channel and product

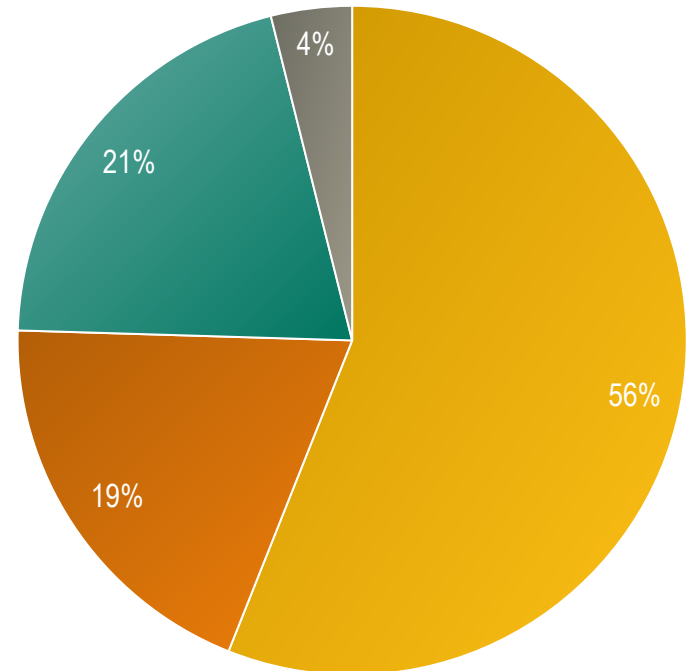
Institutional AUM £151.1bn



■ Equities

■ Fixed Income

Intermediary AUM £94.6bn

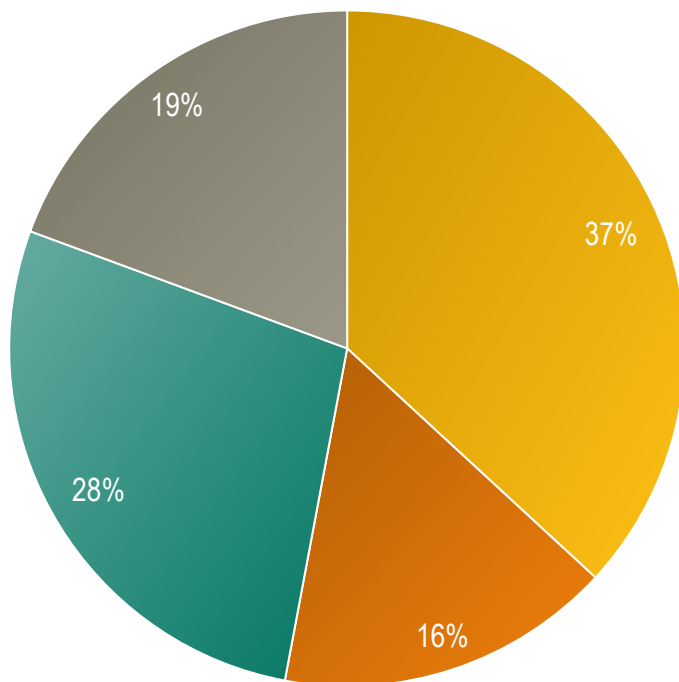


■ Multi-asset

■ EMD, Commodities & Property

Asset Management AUM by channel and region*

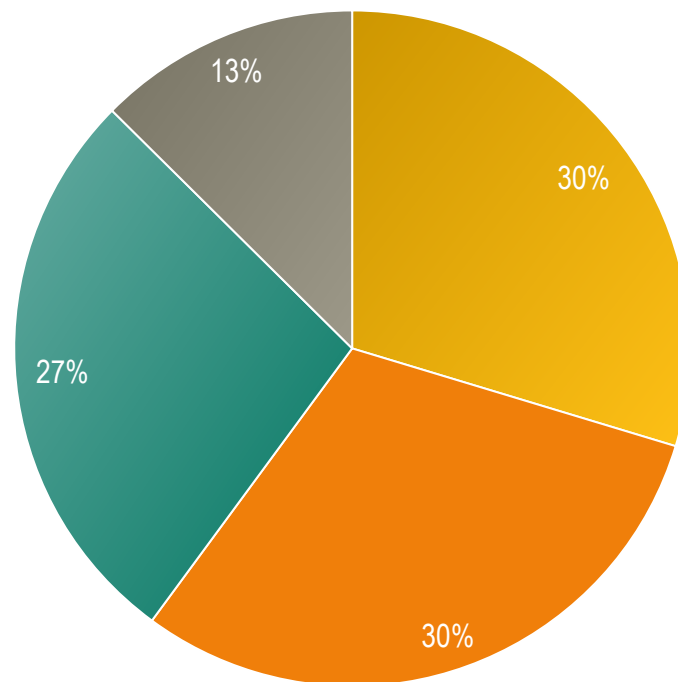
Institutional AUM £151.1bn



■ UK

■ Continental Europe**

Intermediary AUM £94.6bn



■ Asia Pacific

■ Americas

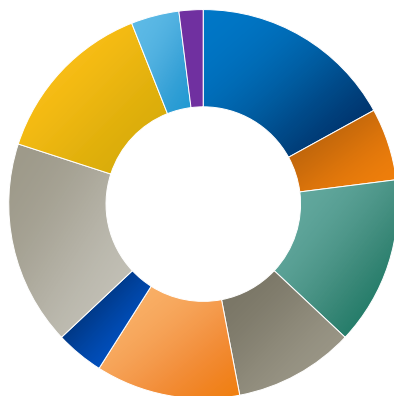
* By client domicile

** Includes Middle East

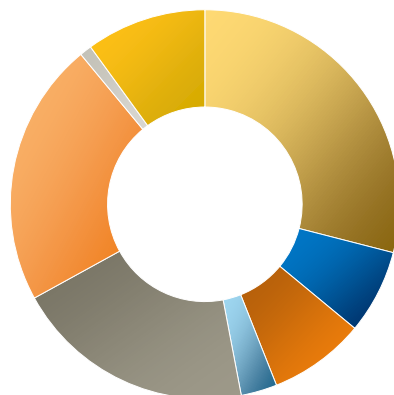
Asset Management AUM – detailed asset class analysis

Assets under management £245.7 billion

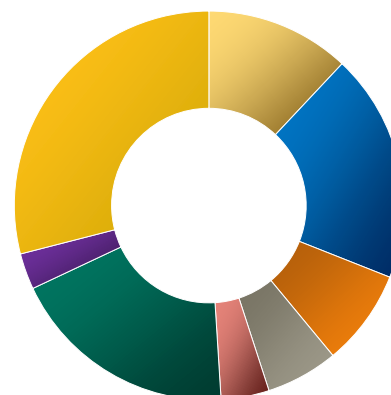
Equities £123.0bn



Fixed Income £47.0bn



Multi-asset £59.2bn



EMD, Commodities and Property £16.5bn



Asia Pacific	17%
Australia	6%
Emerging markets	14%
Europe	10%
Global	12%
Japan	4%
Quantitative equities	17%
UK	14%
US	4%
Multi-manager	2%

Americas	29%
Asia Pacific	7%
Australia	8%
Convertibles	3%
Europe	20%
Global	22%
Insurance-linked	1%
UK	10%

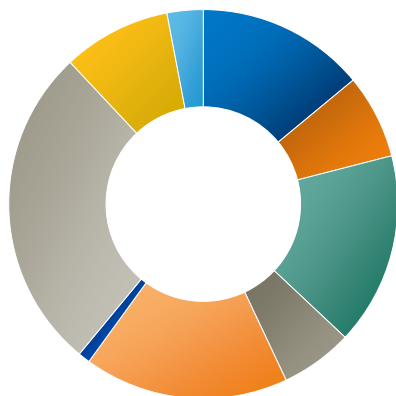
Americas	12%
Asia Pacific	19%
Australia	8%
Europe	6%
GAIA range	4%
LDI	19%
Multi-manager	3%
UK	29%

Agriculture and commodities	19%
Emerging market debt	13%
Private equity	5%
Property	63%

Institutional AUM – detailed asset class analysis

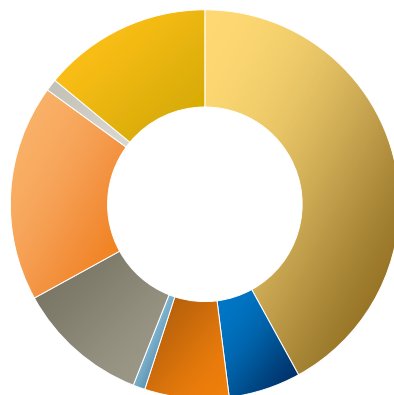
Assets under management £151.1 billion

Equities £70.0bn



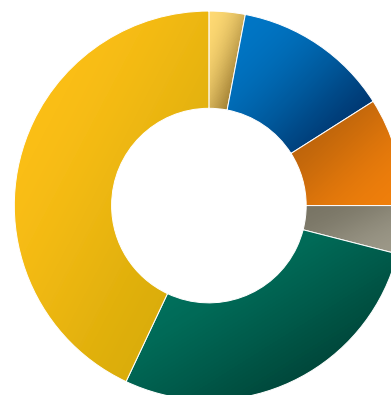
Asia Pacific	14%
Australia	7%
Emerging markets	16%
Europe	6%
Global	17%
Japan	1%
Quantitative equities	27%
UK	9%
US	3%

Fixed Income £28.6bn



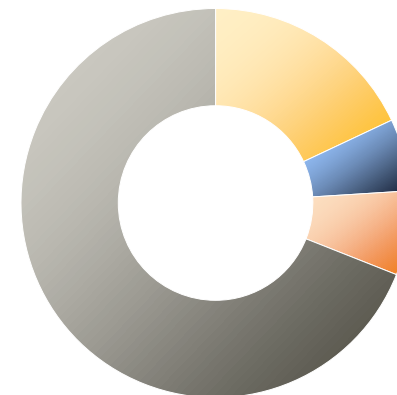
Americas	42%
Asia Pacific	6%
Australia	7%
Convertibles	1%
Europe	11%
Global	18%
Insurance-linked	1%
UK	14%

Multi-asset £39.7bn



Americas	3%
Asia Pacific	13%
Australia	9%
Europe	4%
LDI	28%
UK	43%

EMD, Commodities and Property £12.8bn

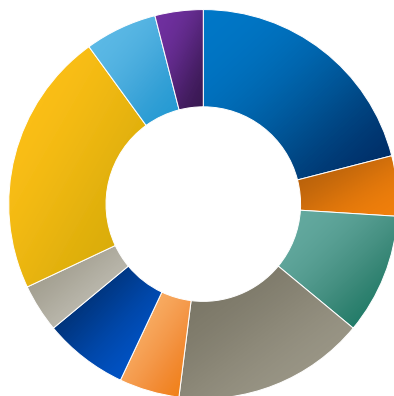


Agriculture and commodities	18%
Emerging market debt	6%
Private equity	7%
Property	69%

Intermediary AUM – detailed asset class analysis

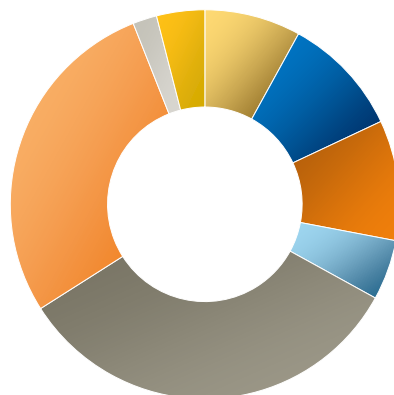
Assets under management £94.6 billion

Equities £53.0bn



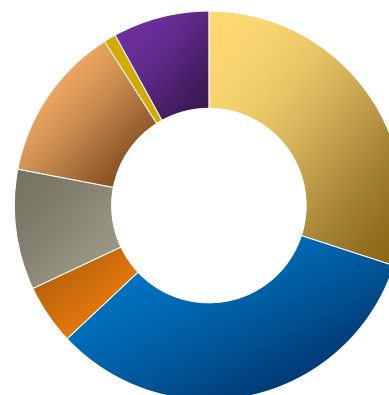
Asia Pacific	21%
Australia	5%
Emerging markets	10%
Europe	16%
Global	5%
Japan	7%
Quantitative equities	4%
UK	22%
US	6%
Multi-manager	4%

Fixed Income £18.4bn



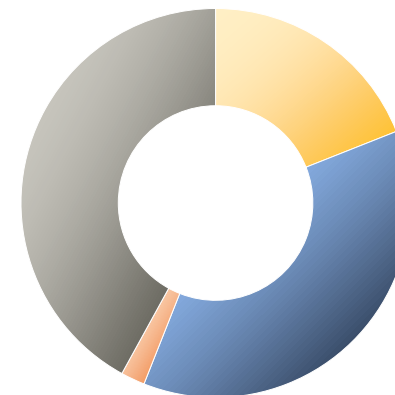
Americas	8%
Asia Pacific	10%
Australia	10%
Convertibles	5%
Europe	33%
Global	28%
Insurance-linked	2%
UK	4%

Multi-asset £19.5bn



Americas	30%
Asia Pacific	33%
Australia	5%
Europe	10%
GAIA range	13%
UK	1%
Multi-manager	8%

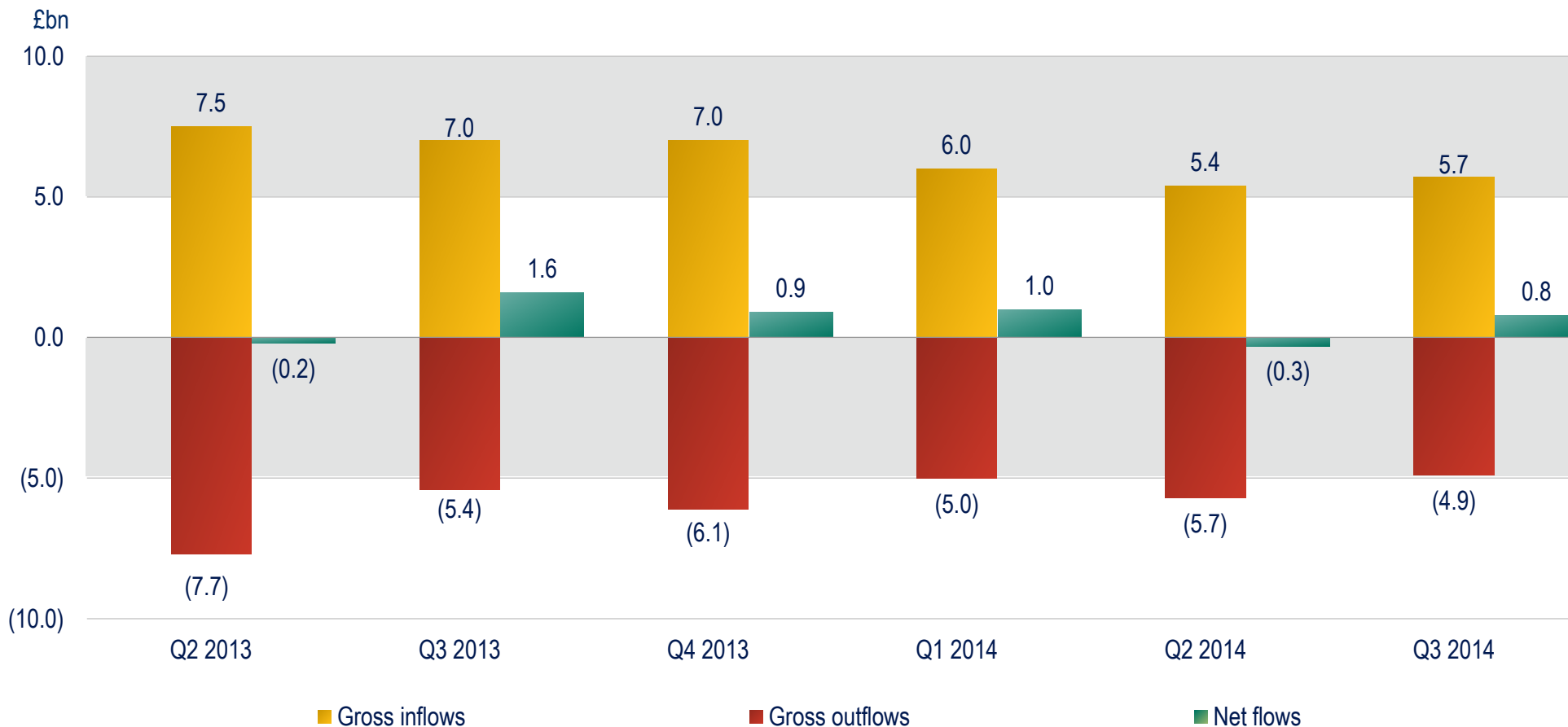
EMD, Commodities and Property £3.7bn



Agriculture and commodities	19%
Emerging market debt	37%
Private equity	2%
Property	42%

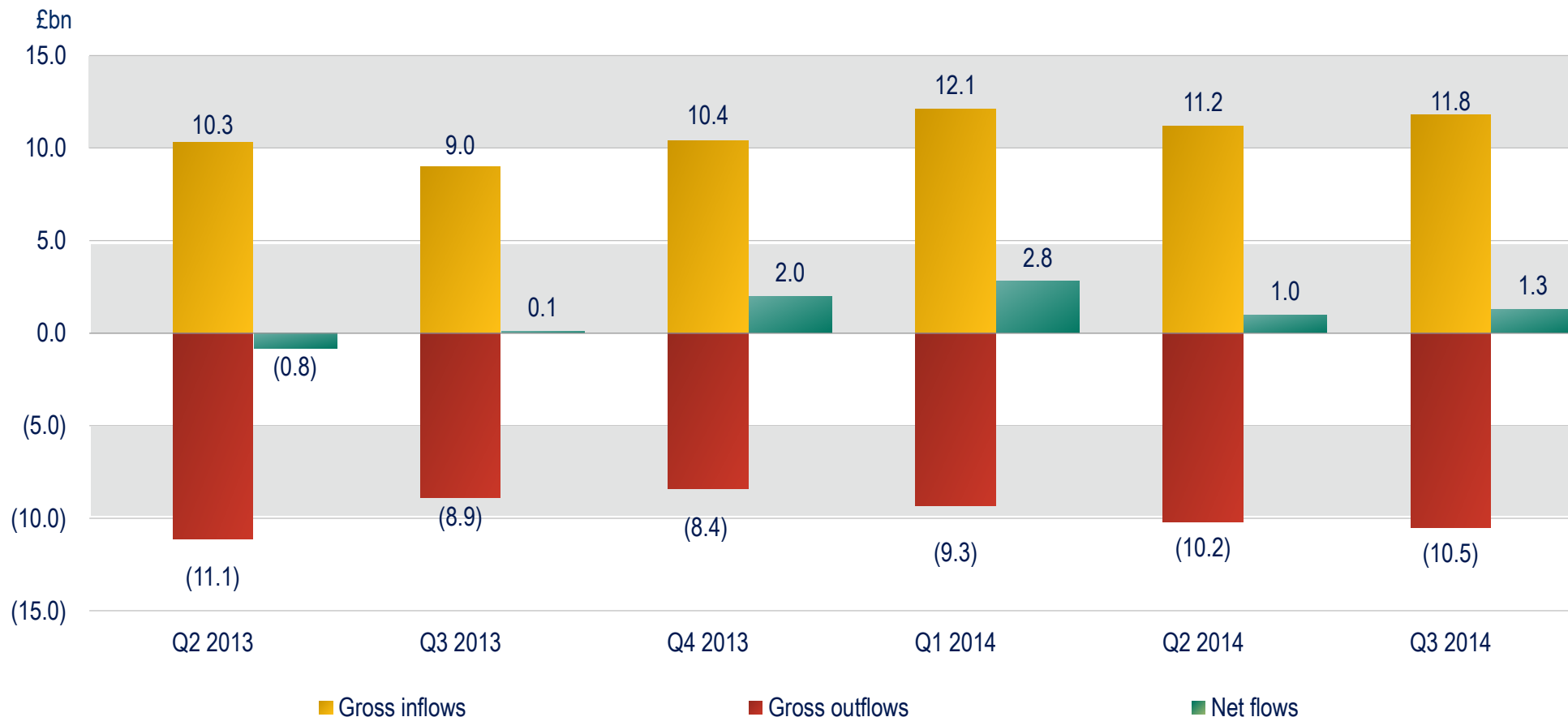
Institutional

Assets under management: £151.1 billion (30 June 2014: £148.0 billion)



Intermediary

Assets under management: £94.6 billion (30 June 2014: £92.8 billion)



Net revenue and margins – Asset Management

Asset Management net revenue £329.5 million (Q3 2013: £315.0 million)

	Q3 2013	Q3 2014
Performance fees – £m	17.5	3.4
Performance fees on average AUM	3 bps	1 bps
Net revenue – £m	315.0	329.5
Net revenue on average AUM	55 bps	53 bps
Costs* – £m	206.3	211.6
Costs* on average AUM	36 bps	34 bps
Operating profit* – £m	108.7	117.9
Operating profit* on average AUM	19 bps	19 bps

* Excludes exceptional items

Cost and return metrics for the Group

	Q3 2013 YTD	Q3 2014 YTD
Compensation cost: operating revenue ratio*	48%	47%
Bonus: pre-bonus operating profit*	41%	40%
Headcount	3,533	3,574
Total costs*	675.6	733.8
Cost: net revenue ratio*	67%	65%
Return on average capital (pre-tax)*	22%	23%
Return on average capital (post-tax)*	17%	18%

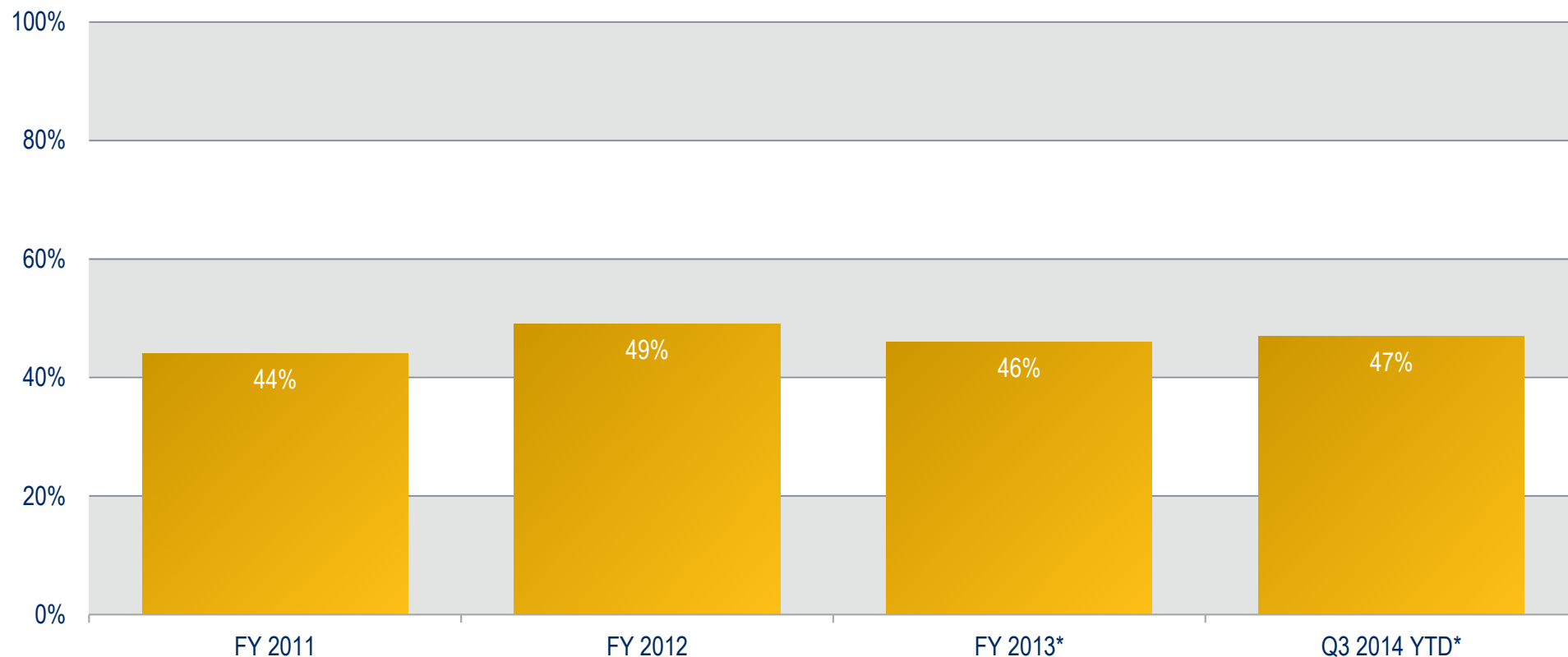
- ▶ Compensation cost: operating revenue ratio
= total Group compensation costs divided by Asset Management and Wealth Management net revenues**
- ▶ Bonus: pre-bonus operating profit
= total Group bonus divided by pre-bonus Asset Management and Wealth Management profit before tax**
- ▶ Cost: net revenue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

* Excludes exceptional items

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

Key performance indicators

Compensation cost: operating revenue ratio

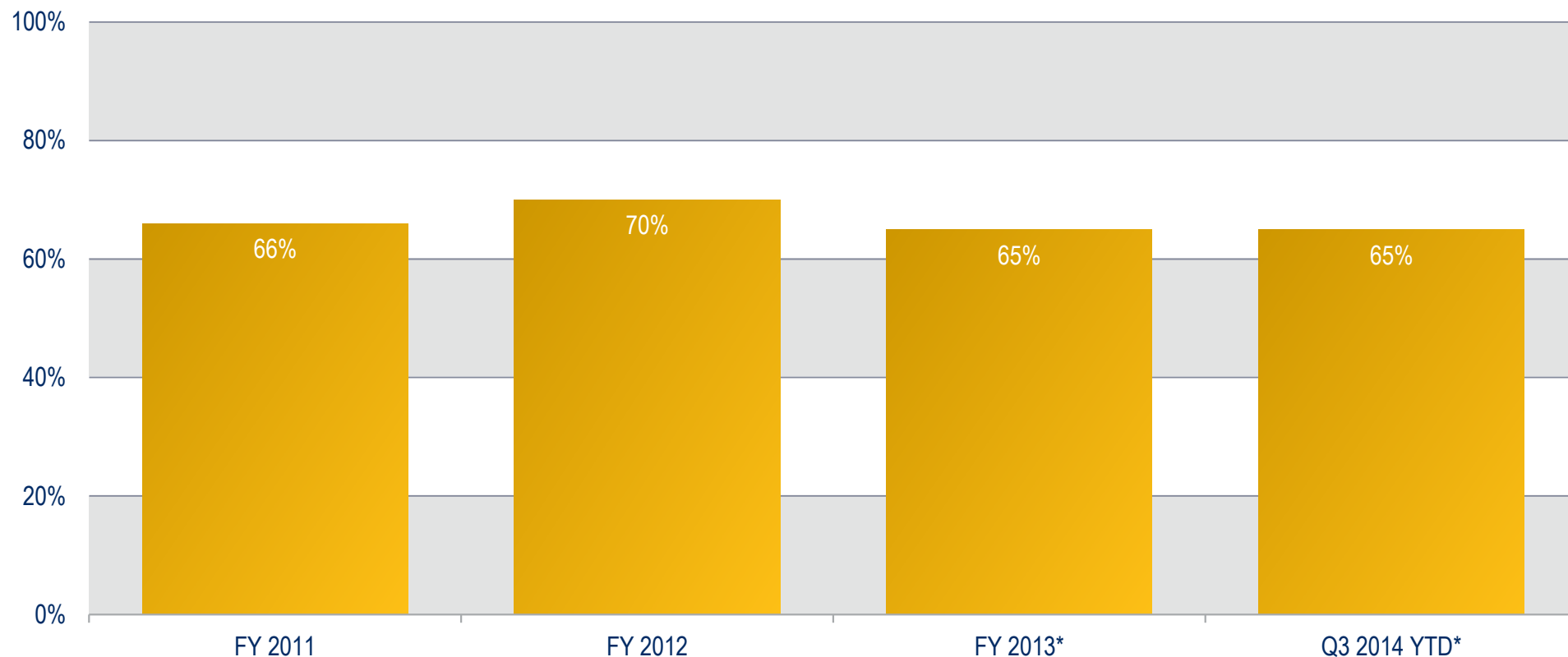


Total Group compensation costs divided by Asset Management and Wealth Management net revenues (adjusted by the Remuneration Committee for allowable and disallowable costs and revenues)

* FY 2013 and Q3 2014 YTD exclude exceptional items

Key performance indicators

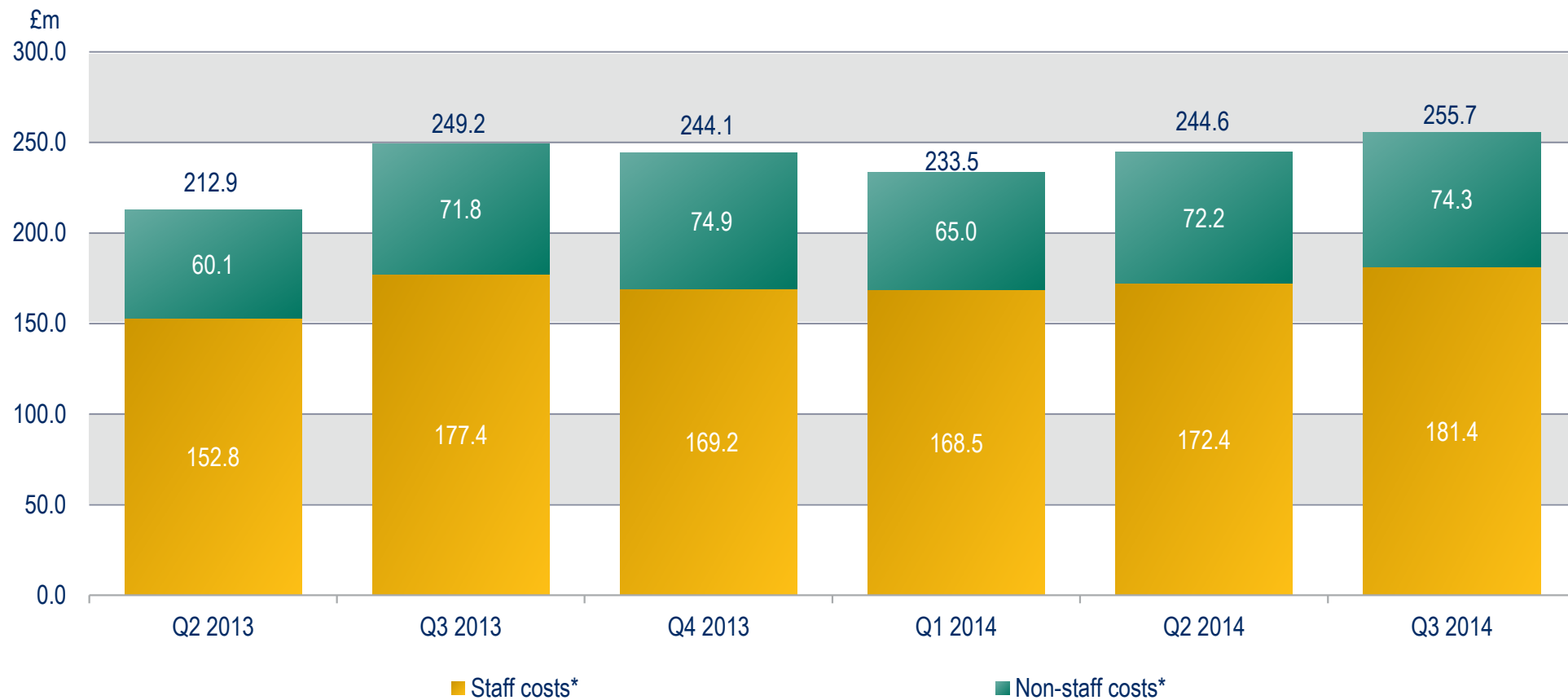
Cost: net revenue ratio



Total Group costs divided by net revenue

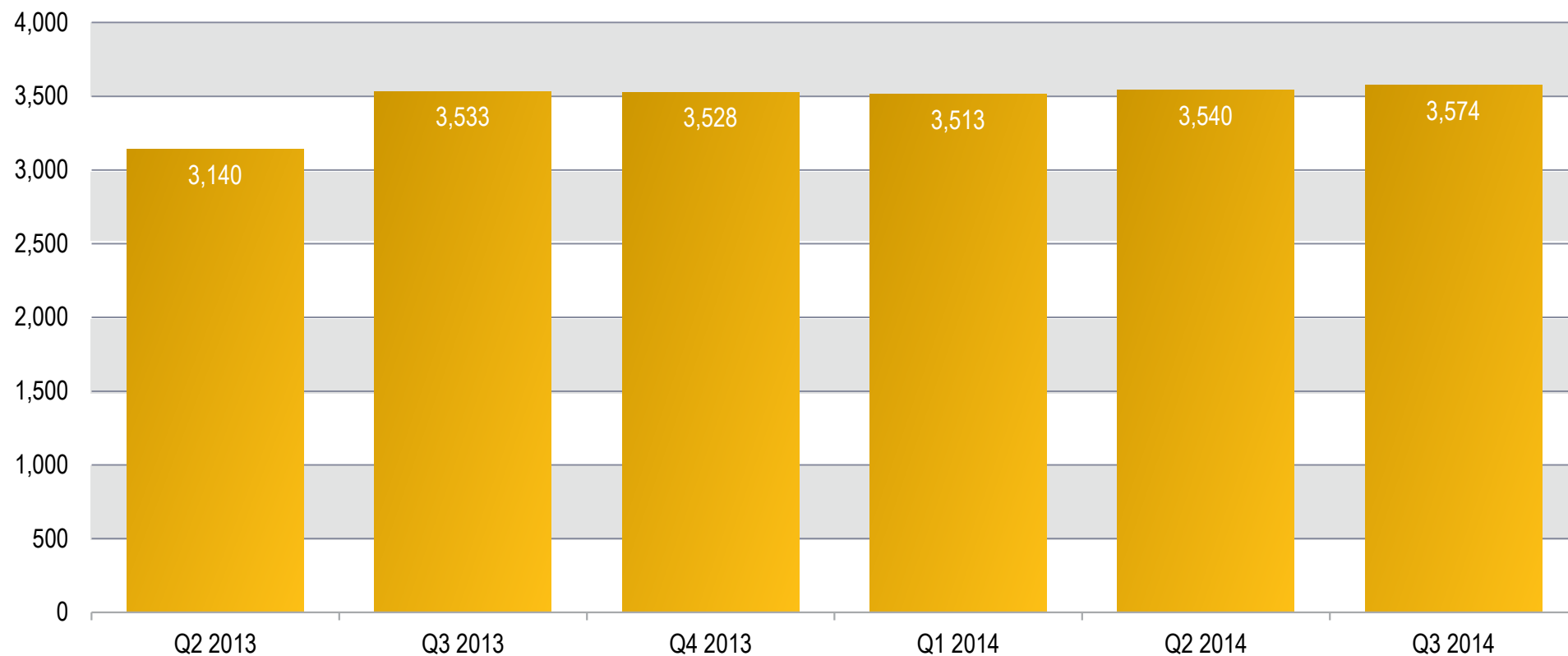
* FY 2013 and Q3 2014 YTD exclude exceptional items

Total costs



* Excludes exceptional costs

Headcount



Income statement progression

Asset Management profit before tax

£m	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014
Institutional	138.4	129.9	152.1	136.4	137.4	143.9
Intermediary	157.5	185.1	194.4	169.8	177.4	185.6
Net revenue	295.9	315.0	346.5	306.2	314.8	329.5
Costs*	(189.4)	(206.3)	(202.6)	(191.7)	(199.5)	(211.6)
JVs and associates	0.7	1.2	3.1	2.6	3.1	2.2
Net finance charge	(0.3)	(0.3)	(0.1)	(0.1)	(0.3)	(0.4)
Asset Management profit*	106.9	109.6	146.9	117.0	118.1	119.7
Exceptional items**	(0.3)	(2.8)	(10.4)	(3.6)	(6.0)	(3.6)
Asset Management profit after exceptional items	106.6	106.8	136.5	113.4	112.1	116.1

* Excludes exceptional items

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

Income statement progression

Wealth Management profit/(loss) before tax

£m	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014
Net revenue	27.0	47.0	49.5	50.3	50.2	61.7
Costs*	(21.3)	(36.6)	(36.2)	(37.0)	(37.2)	(38.8)
Wealth Management profit*	5.7	10.4	13.3	13.3	13.0	22.9
Exceptional items**	–	(2.6)	(28.3)	(3.6)	(5.3)	(6.7)
Wealth Management profit/(loss) after exceptional items	5.7	7.8	(15.0)	9.7	7.7	16.2

* Excludes exceptional items

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

Income statement progression

Group segment (loss)/profit before tax

£m	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014
Net revenue	(0.8)	4.0	0.5	2.3	4.8	2.4
Costs*	(2.2)	(6.3)	(5.3)	(4.8)	(7.9)	(5.3)
Associates	-	1.4	0.6	0.4	-	0.1
Net finance income	3.4	2.5	2.2	2.5	2.8	3.1
Group profit/(loss)*	0.4	1.6	(2.0)	0.4	(0.3)	0.3
Exceptional items**	(6.0)	(10.0)	0.1	(4.6)	(4.5)	(2.3)
Group (loss)/profit after exceptional items	(5.6)	(8.4)	(1.9)	(4.2)	(4.8)	(2.0)

* Excludes exceptional items

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

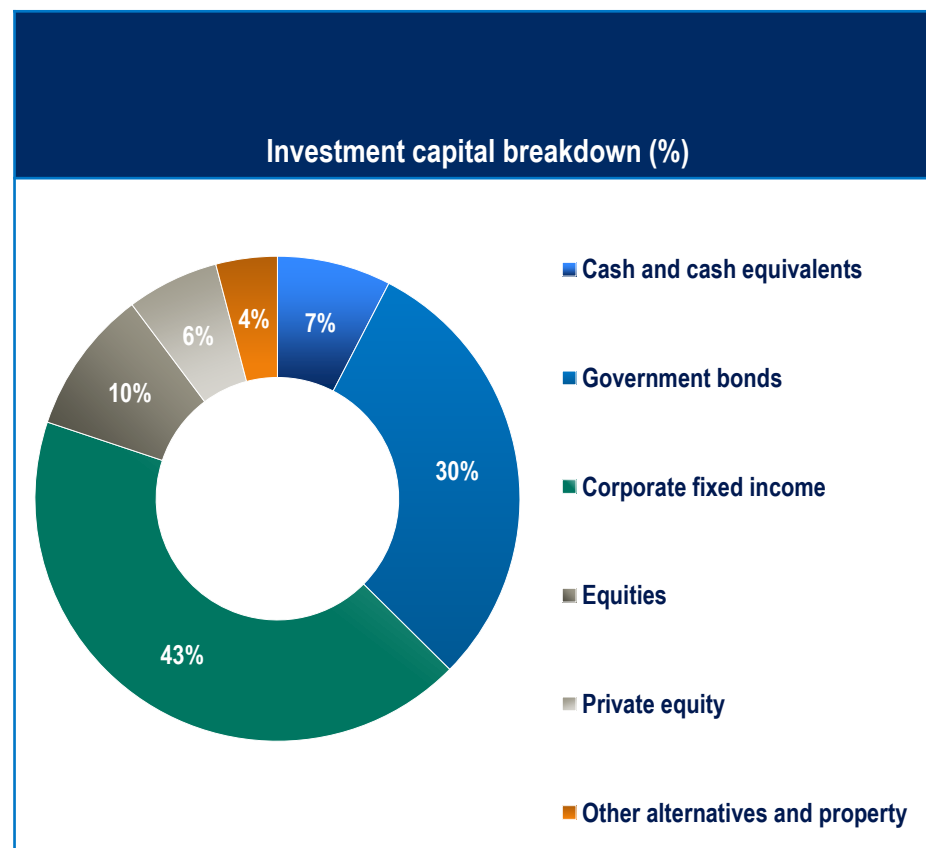
Movement in capital

£m	2014
1 January 2014	2,268.6
Profit before tax and exceptional items	404.4
Exceptional items	(40.2)
Exchange differences on translation of foreign operations after hedging	(8.4)
Net fair value movement arising from AFS financial assets	0.7
Actuarial loss on defined benefit pension schemes	(0.7)
Share-based payments	49.0
Own shares purchased	(49.9)
Tax	(72.2)
Dividends	(177.7)
30 September 2014	2,373.6

Group capital allocation

Increase of £105 million as at 30 September 2014

£m	FY 2013	H1 2014	Q3 2014
Regulatory capital	603	617	655
Other operating capital	306	275	169
Investment capital*	495	573	684
Seed capital*	182	182	193
Other (intangibles etc.)**	683	676	673
Statutory Group capital	2,269	2,323	2,374



* Not included in AUM

** Restated to include software, associates, joint ventures and deferred tax

Forward-looking statements

This presentation may contain certain forward-looking statements with respect to the financial condition, results of operations, strategy and businesses of the Schroders Group. Such statements and forecasts involve risk and uncertainty because they are based on current expectations and assumptions but they 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', 'believes', 'expects', 'aims', 'estimates' 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 forecast, estimate or projection of future financial performance.