

Schroders

2013 Annual Results

Data Pack | March 2014



Schroders

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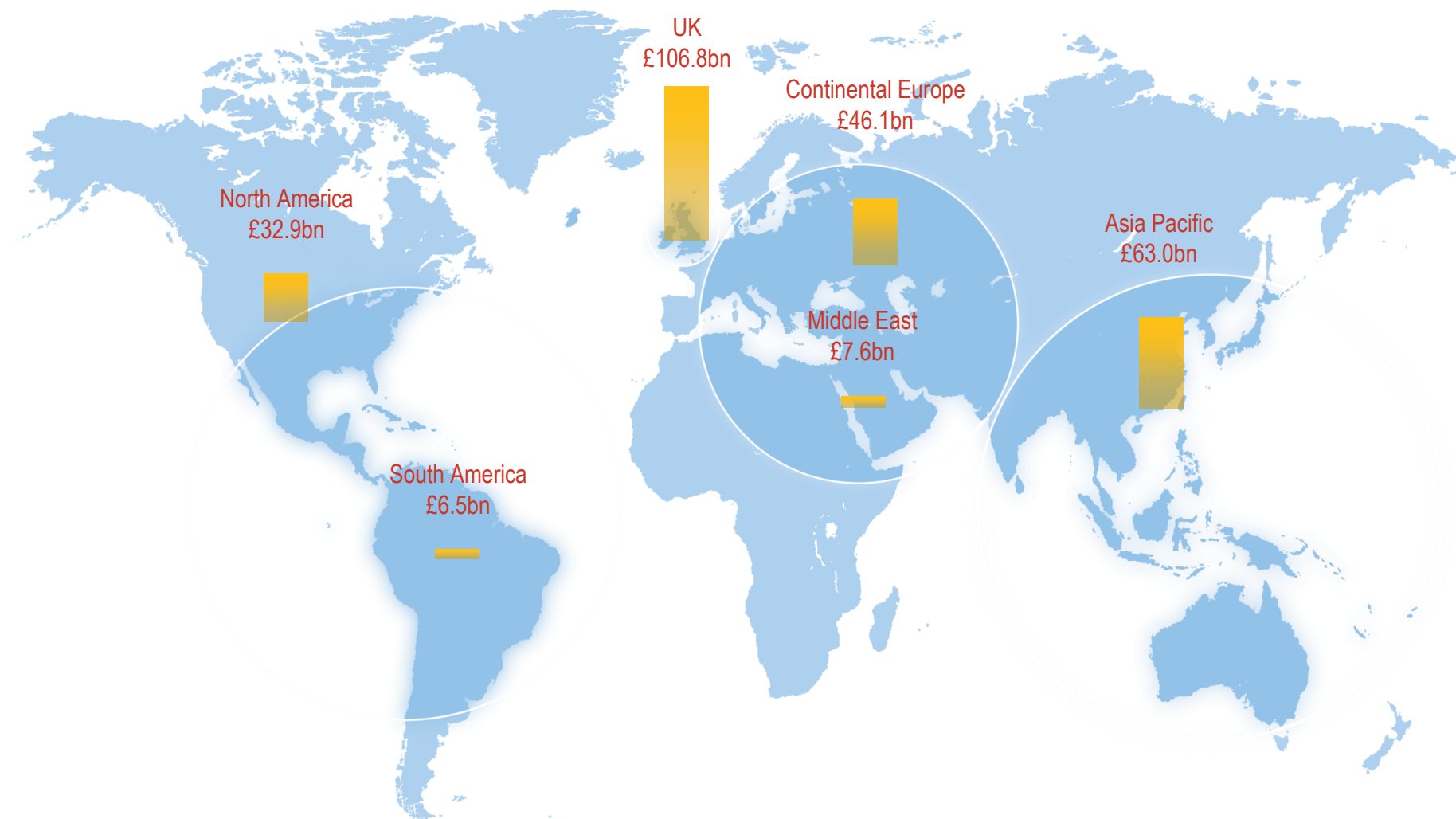
Assets under management (AUM)

£262.9 billion at 31 December 2013

£bn	Asset Management		Wealth Management	Total
	Institutional	Intermediary		
1 January 2013	123.7	72.0	16.3	212.0
Acquisition of STW & Cazenove Capital	7.1	6.9	13.2	27.2
Net flows	4.6	4.8	(1.5)	7.9
Investment returns	8.9	4.8	2.1	15.8
31 December 2013	144.3	88.5	30.1	262.9

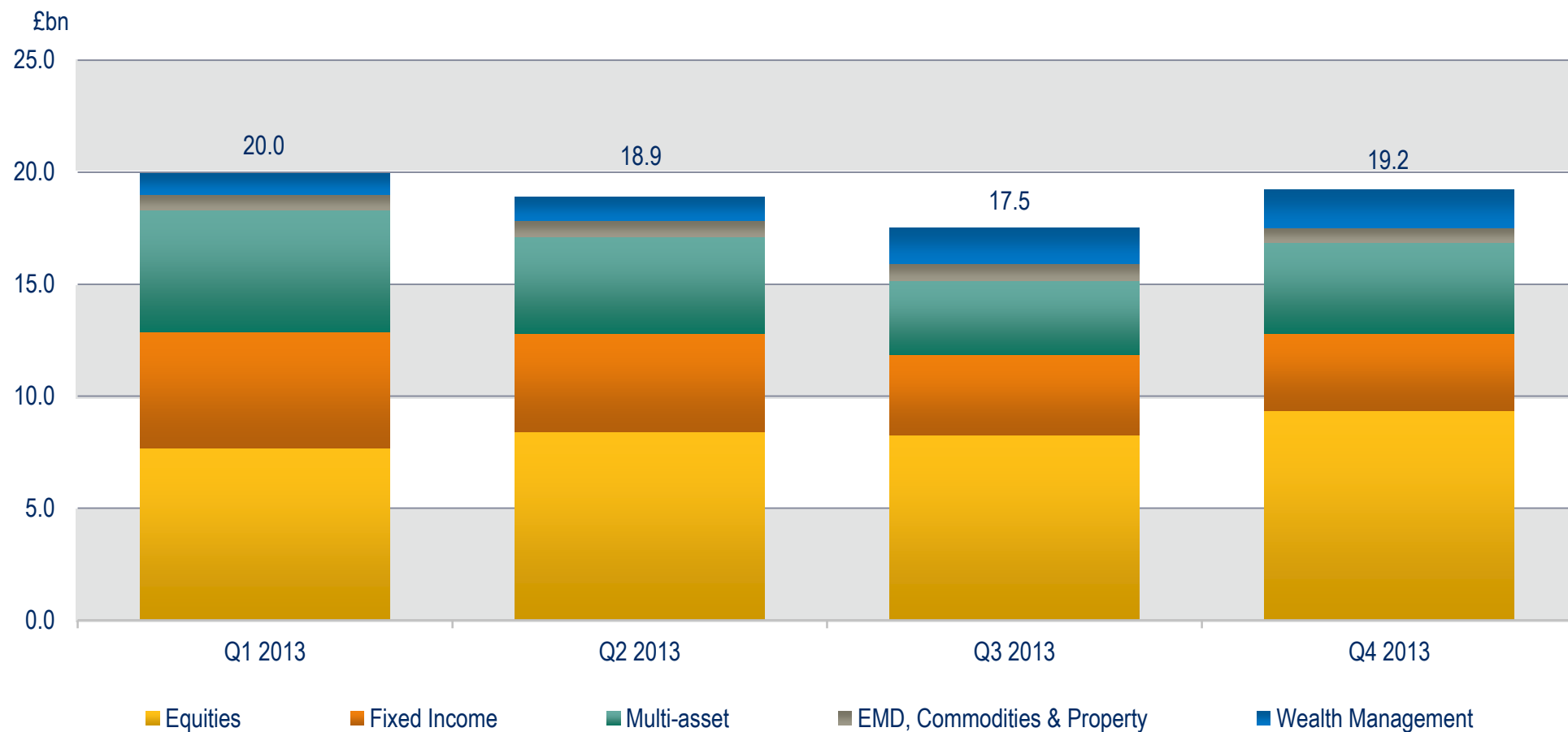
Regional diversification of AUM

62% of revenues outside UK



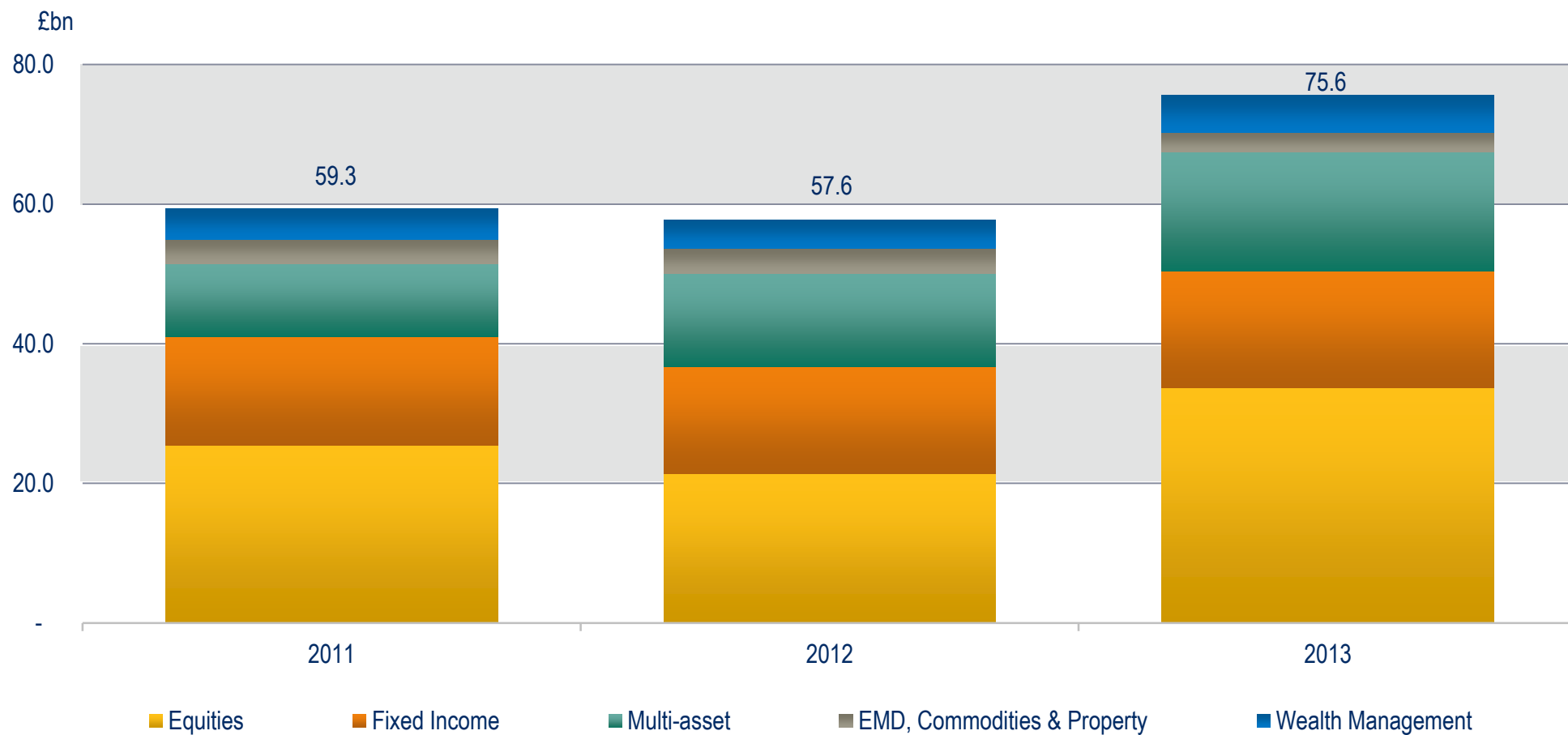
Gross sales

Quarterly



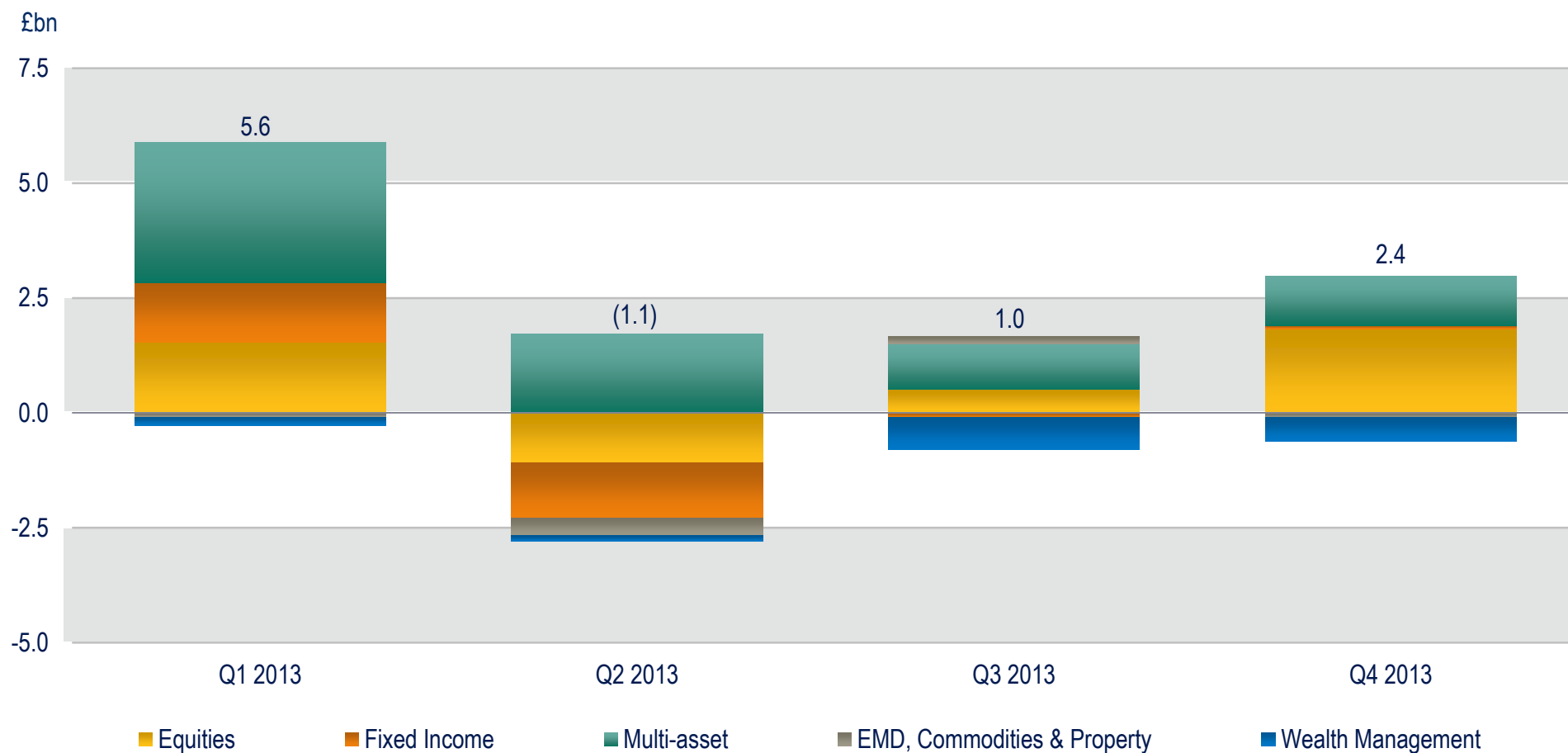
Gross sales

Annually



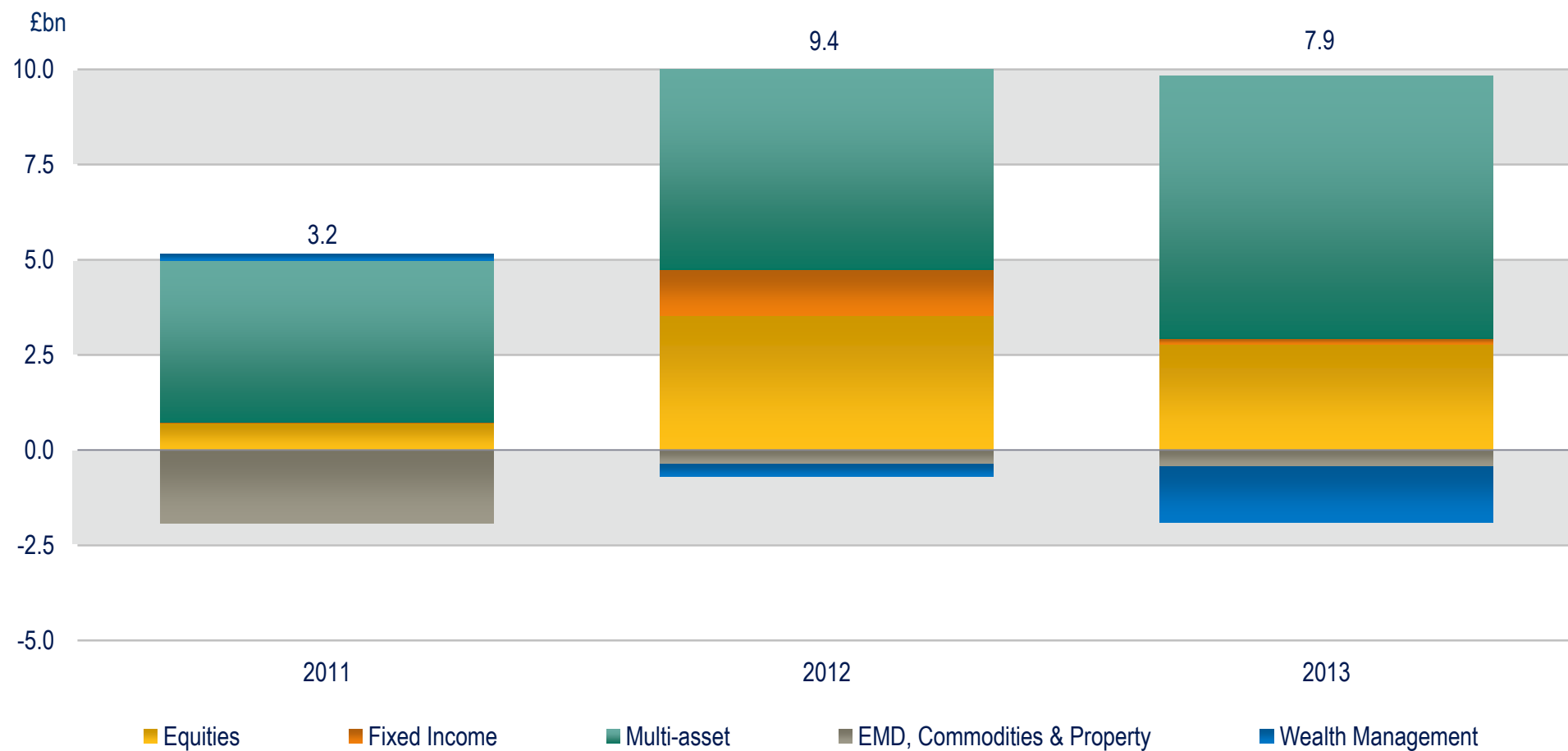
Net inflows

Quarterly



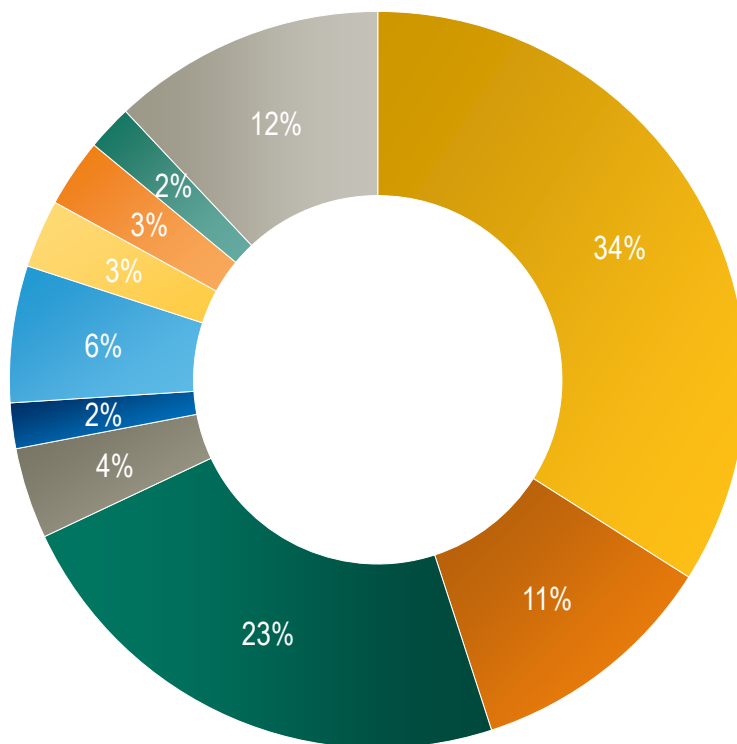
Net inflows

Annually



Currency profile of AUM

Assets under management £262.9 billion



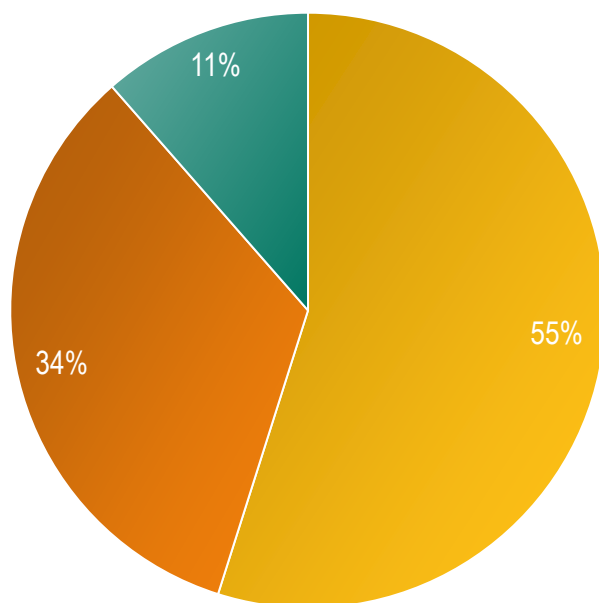
■ GBP ■ EUR ■ USD ■ JPY ■ CHF ■ AUD ■ CNY ■ HKD ■ KRW ■ Other*

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

Total AUM by channel, region and product

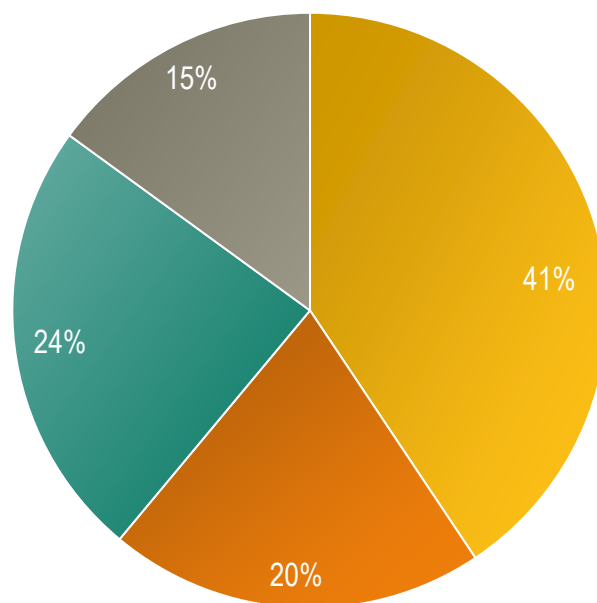
Assets under management £262.9 billion

By channel



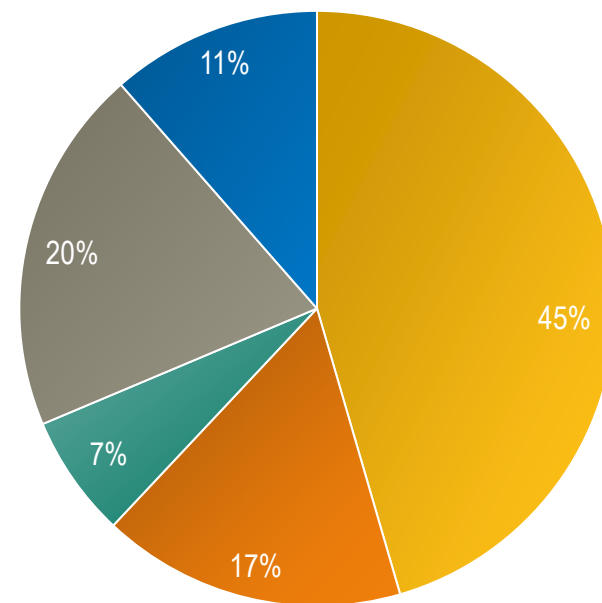
- Institutional
- Intermediary
- Wealth Management

By region*



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

By product



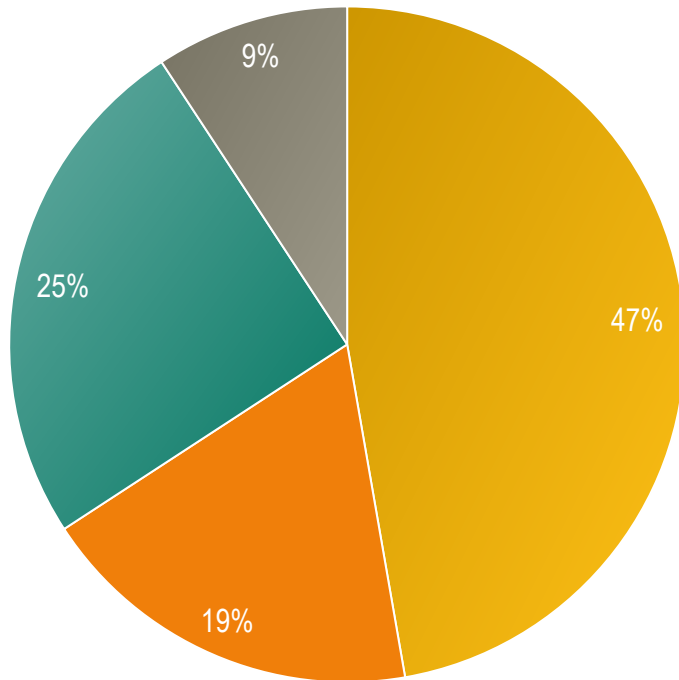
- Equities
- Fixed Income
- EMD, Commodities & Property
- Multi-asset
- Wealth Management

*By client domicile

**Includes Middle East

Asset Management AUM by channel and product

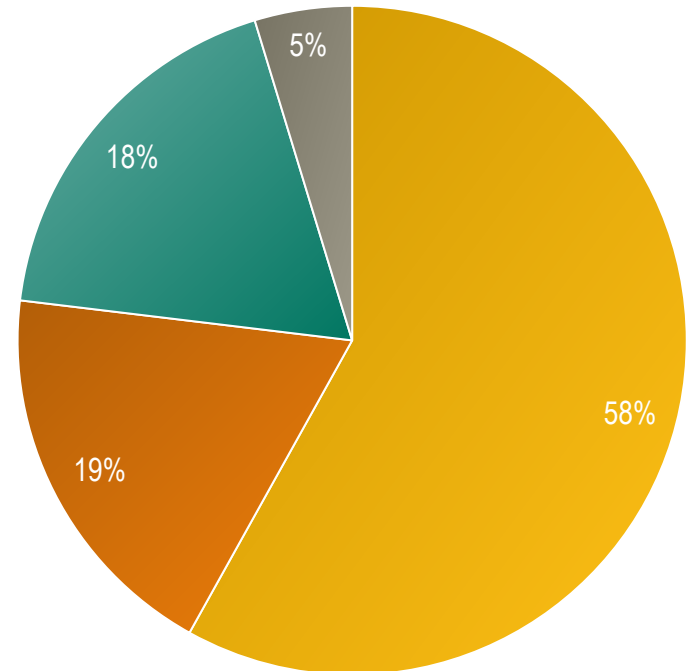
Institutional AUM £144.3bn



■ Equities

■ Fixed Income

Intermediary AUM £88.5bn

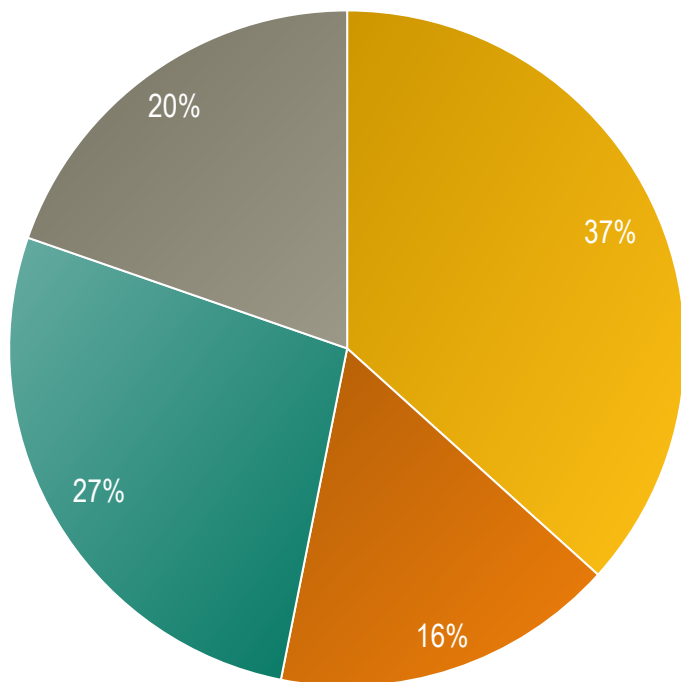


■ Multi-asset

■ EMD, Commodities & Property

Asset Management AUM by channel and region*

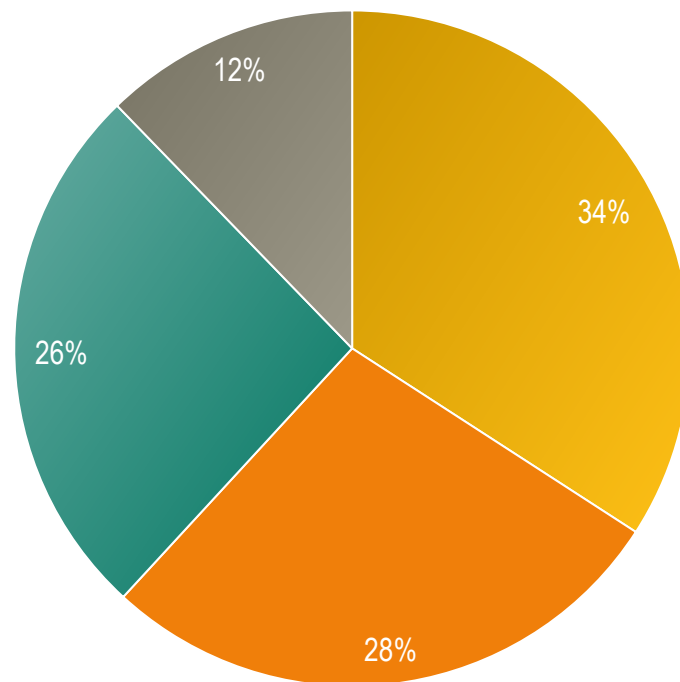
Institutional AUM £144.3bn



■ UK

■ Continental Europe**

Intermediary AUM £88.5bn



■ Asia Pacific

■ Americas

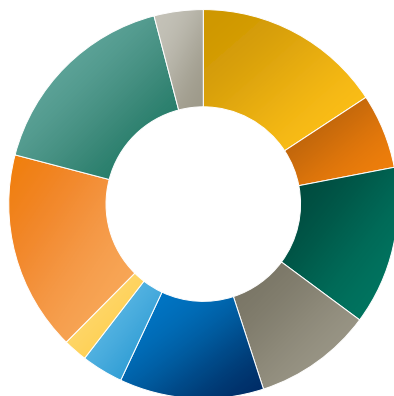
*By client domicile

**Includes Middle East

Asset Management AUM – Detailed asset class analysis

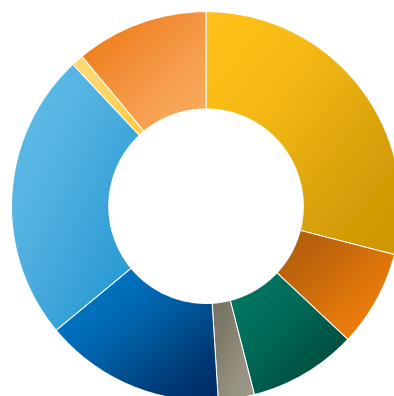
Assets under management £232.8 billion

Equities £119.6bn



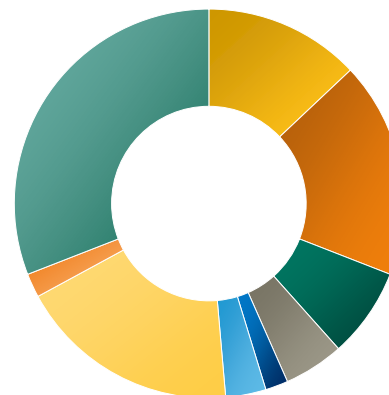
Asia Pacific	16%
Australia	6%
Emerging markets	13%
Europe	10%
Global	12%
Japan	3%
Other	2%
Quantitative equities	17%
UK	17%
US	4%

Fixed Income £43.4bn



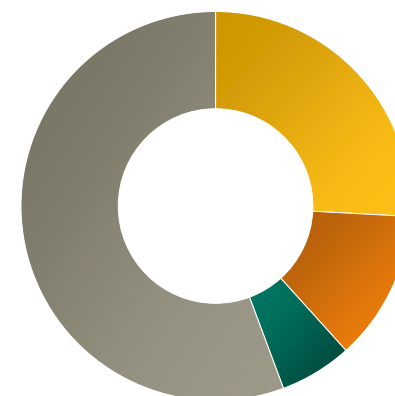
Americas	29%
Asia Pacific	8%
Australia	9%
Convertibles	3%
Europe	15%
Global	24%
Insurance-linked	1%
UK	11%

Multi-asset £52.3bn



Americas	13%
Asia Pacific	18%
Australia	7%
Europe	5%
Funds of hedge funds	2%
GAIA range	3%
LDI	19%
Multi-manager	2%
UK	31%

EMD, Commodities and Property £17.5bn



Agriculture and commodities	26%
Emerging market debt	12%
Private equity	6%
Property	56%

Institutional AUM – Detailed asset class analysis

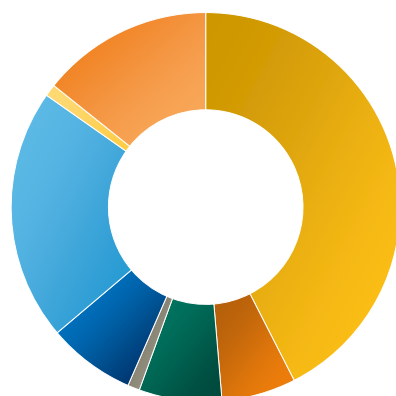
Assets under management £144.3 billion

Equities £68.2bn



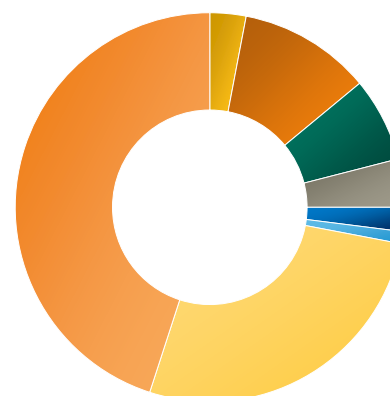
Asia Pacific	13%
Australia	7%
Emerging markets	15%
Europe	7%
Global	18%
Japan	1%
Quantitative equities	27%
UK	9%
US	3%

Fixed income £26.8bn



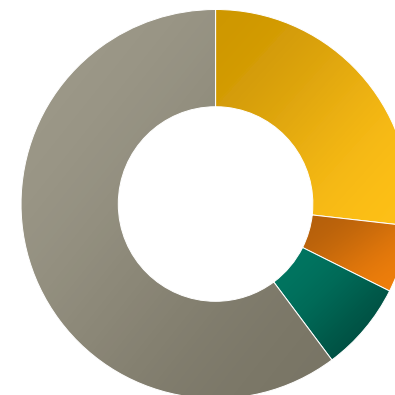
Americas	43%
Asia Pacific	6%
Australia	7%
Convertibles	1%
Europe	7%
Global	21%
Insurance-linked	1%
UK	14%

Multi-asset £36.0bn



Americas	3%
Asia Pacific	11%
Australia	7%
Europe	4%
Funds of hedge funds	2%
GAIA range	1%
LDI	27%
UK	45%

EMD, Commodities and Property £13.3bn

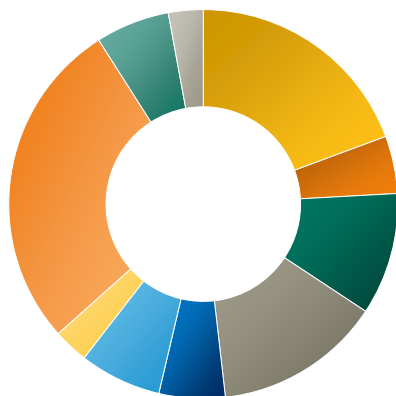


Agriculture and commodities	27%
Emerging market debt	6%
Private equity	7%
Property	60%

Intermediary AUM – Detailed asset class analysis

Assets under management £88.5 billion

Equities £51.4bn



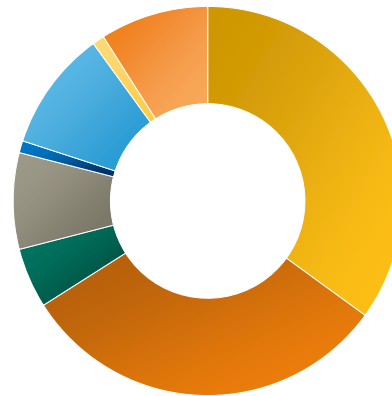
Asia Pacific	19%
Australia	5%
Emerging markets	10%
Europe	14%
Global	5%
Japan	7%
Other	3%
Quantitative equities	3%
UK	28%
US	6%

Fixed income £16.7bn



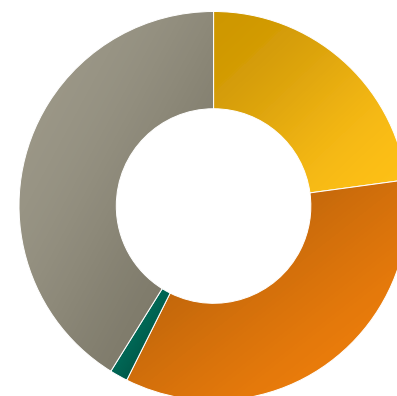
Americas	9%
Asia Pacific	11%
Australia	11%
Convertibles	7%
Europe	28%
Global	29%
Insurance-linked	1%
UK	4%

Multi-asset £16.3bn



Americas	35%
Asia Pacific	31%
Australia	5%
Europe	8%
Funds of hedge funds	1%
GAIA range	10%
Structured	1%
Multi-manager	9%

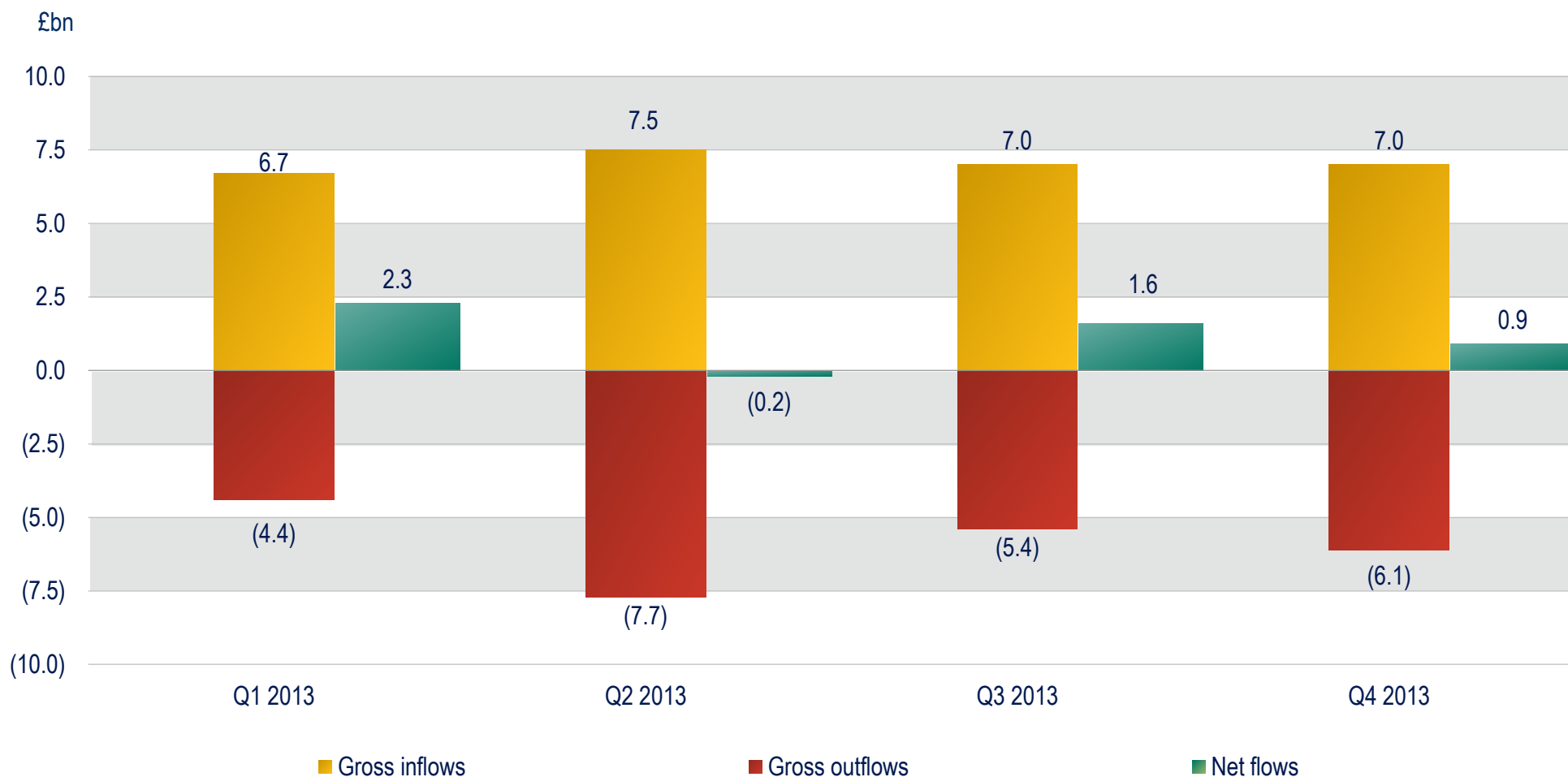
EMD, Commodities and Property £4.1bn



Agriculture and commodities	23%
Emerging market debt	35%
Private equity	1%
Property	41%

Institutional

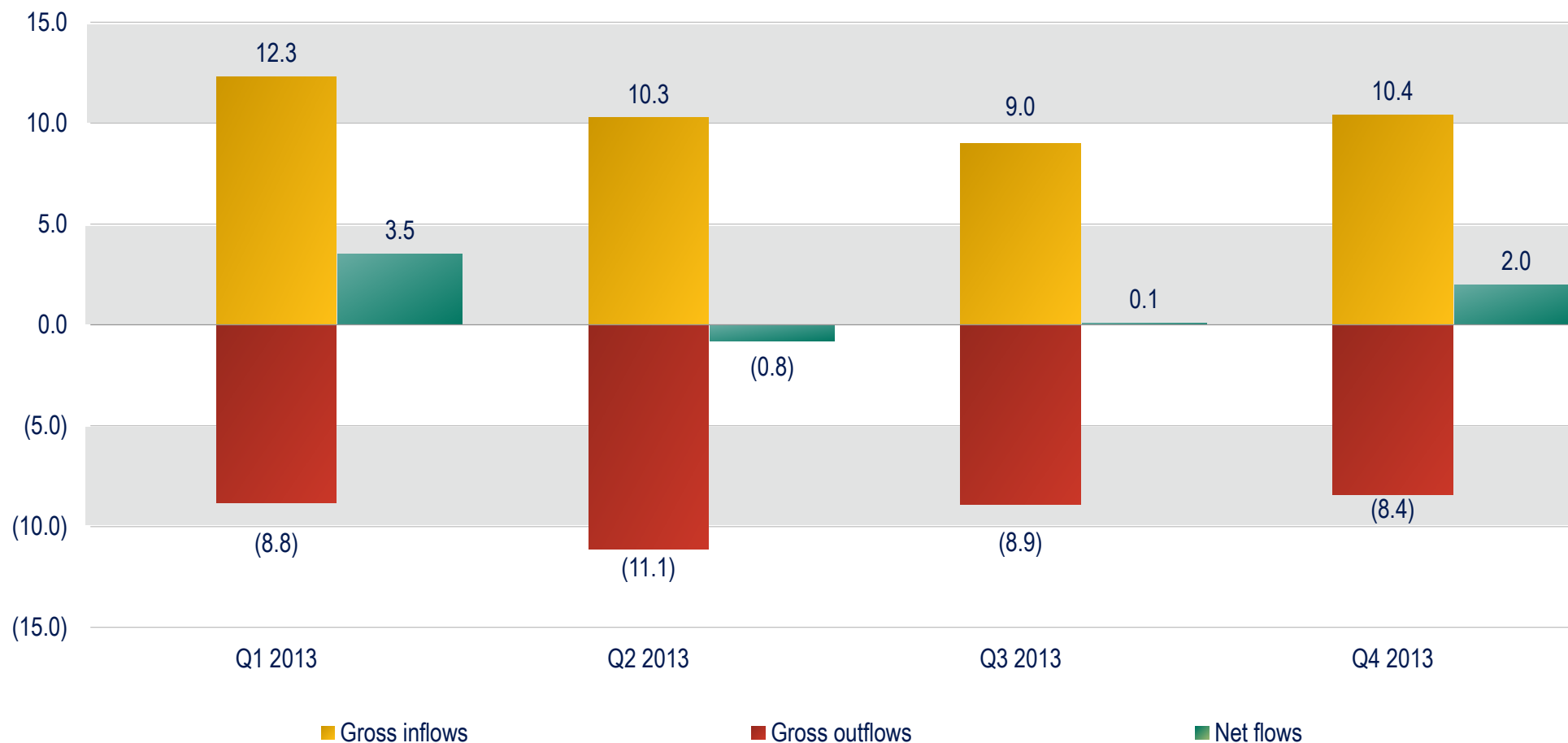
Assets under management: £144.3bn (31 Dec 2012: £123.7bn)



Intermediary

Assets under management: £88.5bn (31 Dec 2012: £72.0bn)

£bn



Net revenue and margins – Asset Management

Asset Management net revenue £1,247.2 million (2012: £1,014.8 million)

	2012	2013
Performance fees – £m	28.4	80.2
Performance fees on average AUM	1 bps	3 bps
Net revenue – £m	1,014.8	1,247.2
Net revenue on average AUM	55 bps	56 bps
Costs* – £m	671.4	784.9
Costs* on average AUM	37 bps	35 bps
Operating profit* – £m	343.4	462.3
Operating profit* on average AUM	19 bps	21 bps

* 2013 excludes exceptional costs

Cost and return metrics for the Group

	2011	2012	2013
Compensation cost: operating revenue ratio*	44%	49%	46%
Bonus: pre-bonus operating profit*	39%	42%	39%
Headcount	2,902	3,011	3,528
Total costs*	761.8	791.2	919.7
Cost: net revenue ratio*	66%	70%	65%
Return on average capital (pre-tax)*	22%	18%	23%
Return on average capital (post-tax)*	17%	14%	19%

- ▶ 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

* 2013 excludes exceptional costs

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

Income statement progression

Asset Management profit before tax

£m	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013
Institutional	120.0	113.0	117.1	139.2	136.8	138.4	129.9	152.1
Intermediary	130.8	127.2	128.9	138.6	153.0	157.5	185.1	194.4
Net revenue	250.8	240.2	246.0	277.8	289.8	295.9	315.0	346.5
Costs*	(164.2)	(154.8)	(161.2)	(191.2)	(186.6)	(189.4)	(206.3)	(202.6)
JVs and associates	2.0	1.3	0.9	0.8	1.7	0.7	1.2	3.1
Net finance (charge)/income	–	(0.1)	0.1	0.1	0.3	(0.3)	(0.3)	(0.1)
Asset Management profit*	88.6	86.6	85.8	87.5	105.2	106.9	109.6	146.9
Exceptional costs**	–	–	–	–	–	(0.3)	(2.8)	(10.4)
Asset Management profit after exceptional items	88.6	86.6	85.8	87.5	105.2	106.6	106.8	136.5

* 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 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013
Net revenue	27.1	23.7	24.3	19.3	26.5	27.0	47.0	49.5
Costs*	(20.7)	(19.7)	(20.3)	(21.9)	(21.6)	(21.3)	(36.6)	(36.2)
Wealth Management profit/(loss)*	6.4	4.0	4.0	(2.6)	4.9	5.7	10.4	13.3
Exceptional costs**	–	–	–	–	–	–	(2.6)	(28.3)
Wealth Management profit/(loss) after exceptional items	6.4	4.0	4.0	(2.6)	4.9	5.7	7.8	(15.0)

* 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 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013
Net revenue	4.8	(4.4)	5.9	19.4	6.7	(0.8)	4.0	0.5
Costs*	(8.0)	(6.4)	(9.9)	(12.9)	(5.3)	(2.2)	(6.3)	(5.3)
JVs and associates**	(0.1)	(0.4)	0.1	(0.1)	(0.5)	-	1.4	0.6
Net finance income	3.8	2.5	2.7	2.7	4.0	3.4	2.5	2.2
Group profit/(loss)*	0.5	(8.7)	(1.2)	9.1	4.9	0.4	1.6	(2.0)
Exceptional costs***	-	-	-	-	-	(6.0)	(10.0)	0.1
Group profit/(loss) after exceptional items	0.5	(8.7)	(1.2)	9.1	4.9	(5.6)	(8.4)	(1.9)

* 2013 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 Asset Management and Wealth Management segments, respectively.

Movement in capital

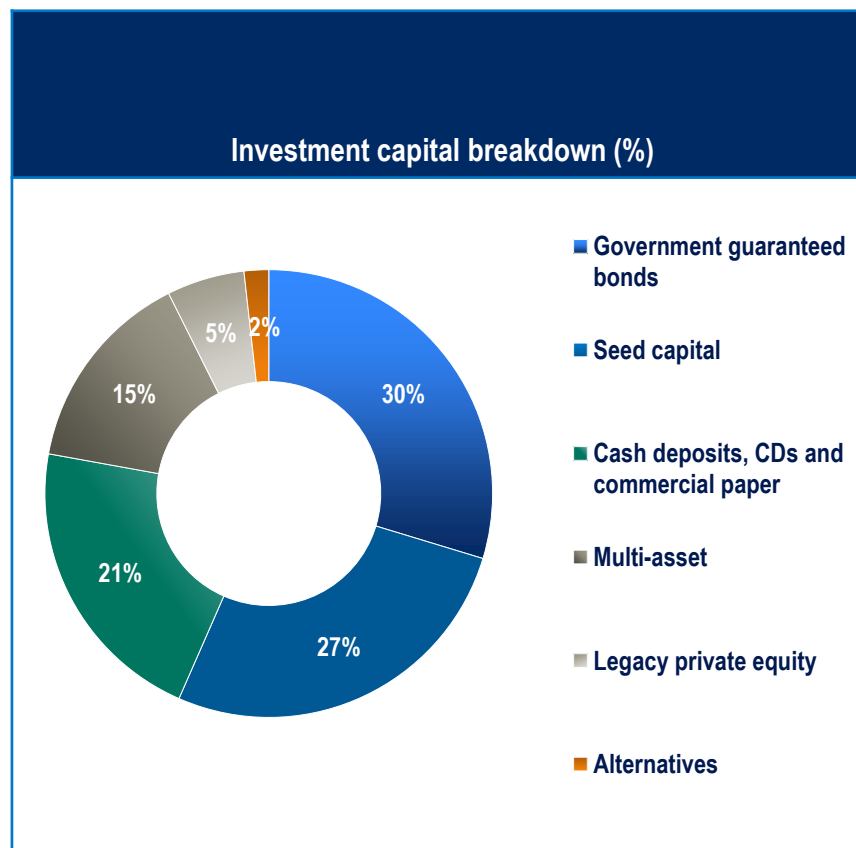
£m	2013
Opening balance	2,069.9
Profit before tax and exceptional items	507.8
Exceptional costs	(60.3)
Net fair value movement arising from AFS financial assets	(2.2)
Exchange differences on translation of foreign operations after hedging	(18.6)
Tax	(77.4)
Issued share capital	31.1
Own shares purchased	(142.7)
Share-based payments*	95.6
Dividends	(123.5)
Actuarial loss on defined benefit pension schemes	(9.8)
Other	(1.3)
Closing balance	2,268.6

* Including share-based payment obligations acquired in business combination.

Group capital allocation

Increase of £199m as at 31 December 2013

£m	FY 2012	FY 2013
Asset Management and Wealth Management operational capital	957	1,071
Investment capital*	926	677
Other (intangibles etc.)	187	521
Statutory Group capital	2,070	2,269



*Not included in AUM

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 or other similar terms are intended to identify such forward-looking statements.

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