



Schroders

2014 Annual Results

Data Pack | March 2015



Schroders

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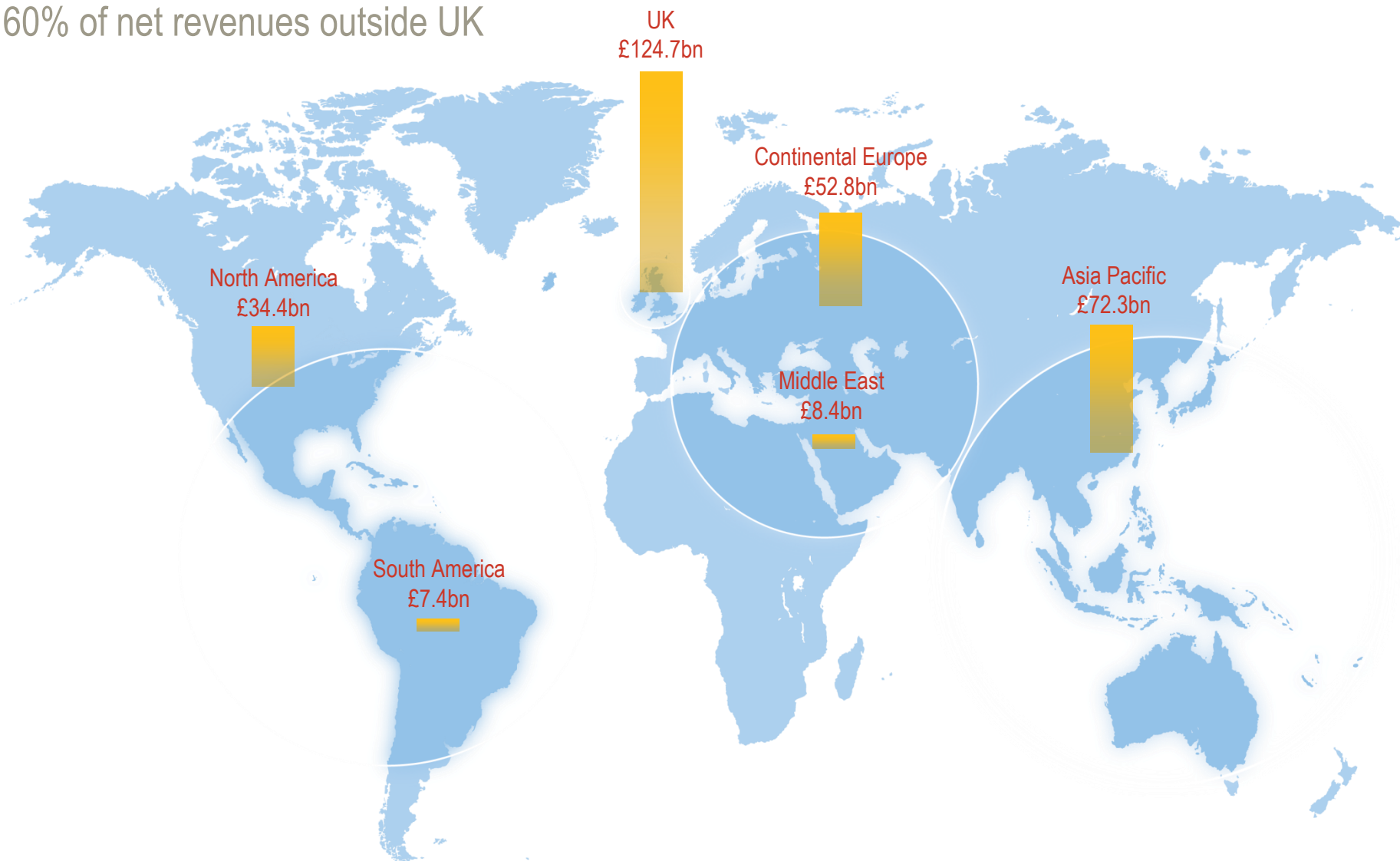
Assets under management (AUM)

£300.0 billion at 31 December 2014

£bn	Institutional	Intermediary	Asset Management	Wealth Management	Total
1 January 2014	144.3	88.5	232.8	30.1	262.9
Net flows	17.6	6.7	24.3	0.5	24.8
Investment returns	9.2	2.6	11.8	0.5	12.3
31 December 2014	171.1	97.8	268.9	31.1	300.0

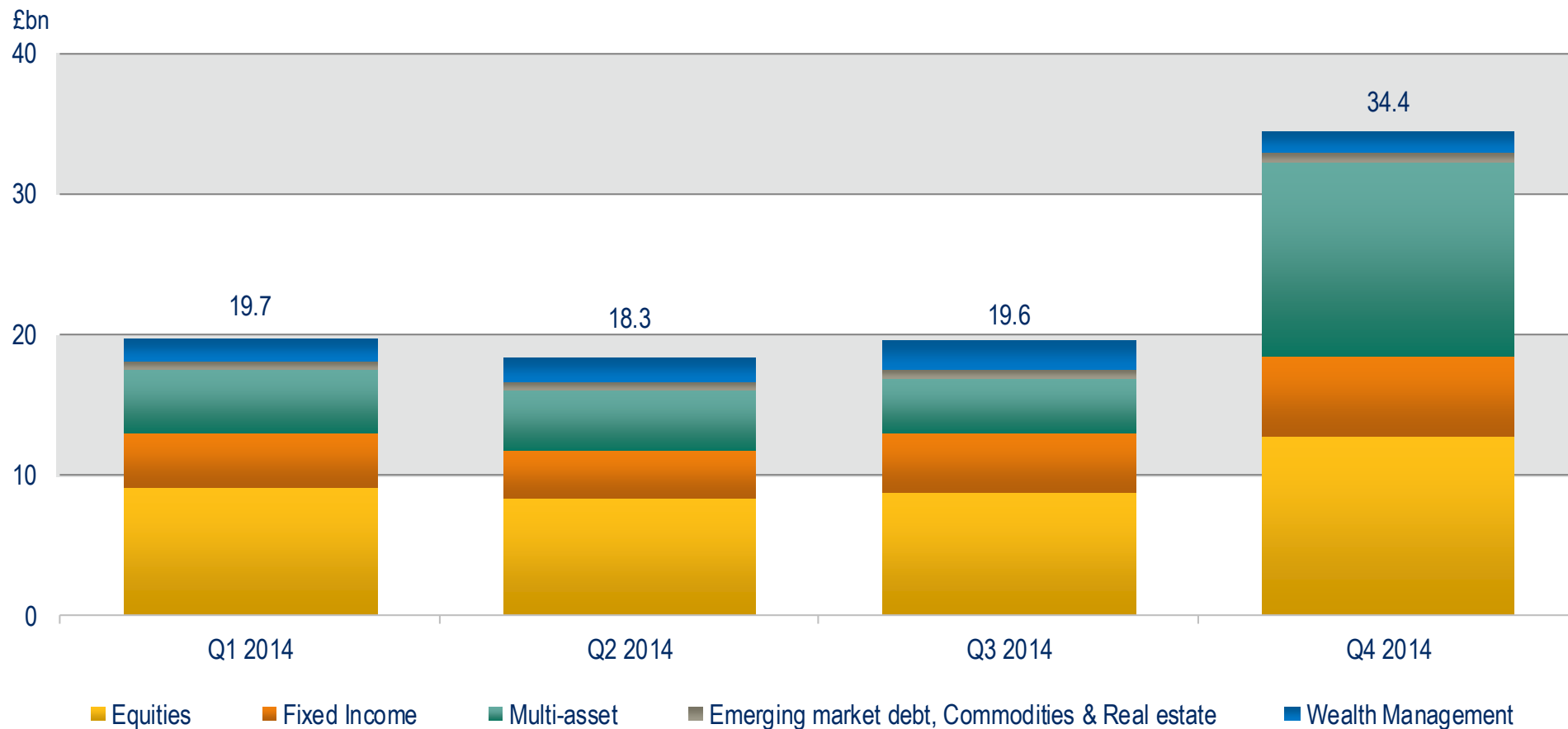
Regional diversification of AUM

60% of net revenues outside UK



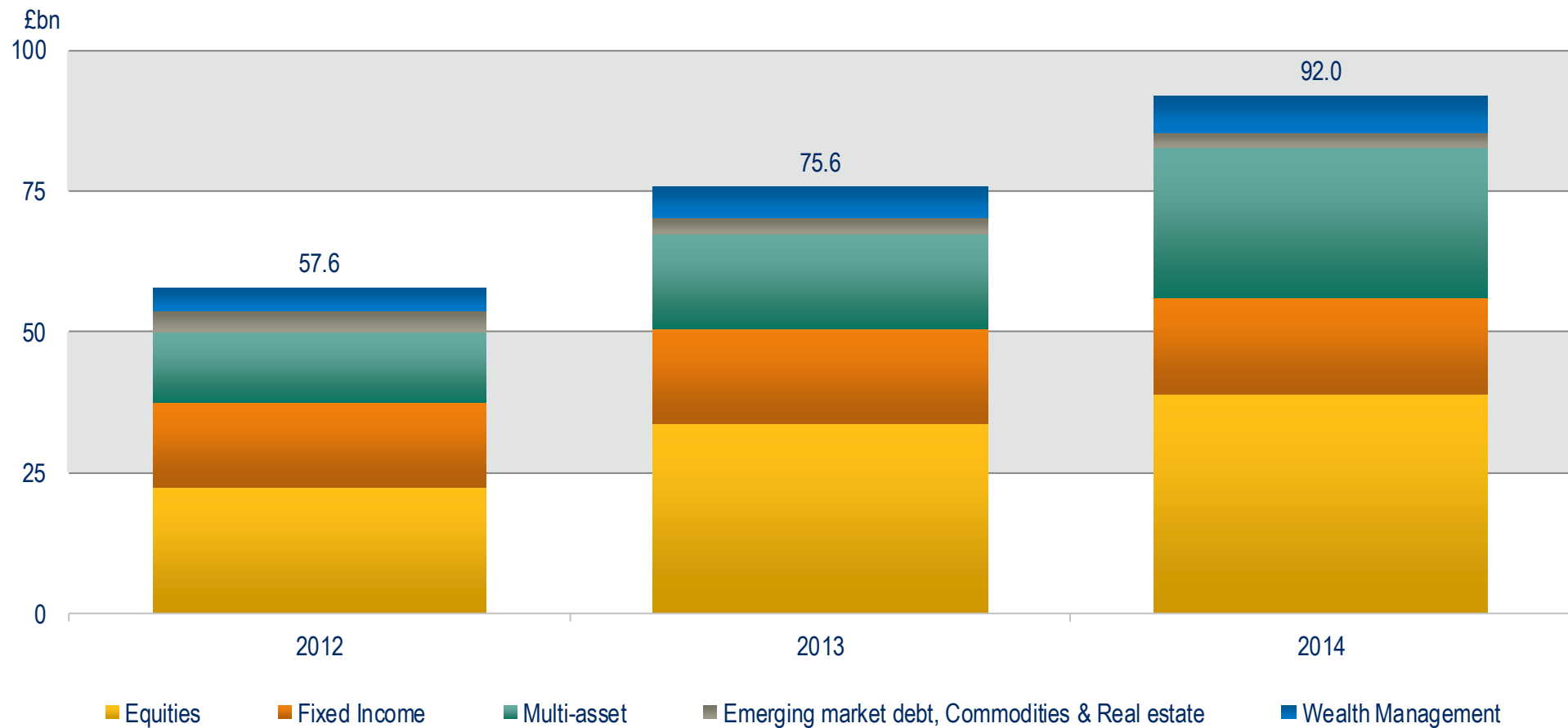
Gross sales

Quarterly



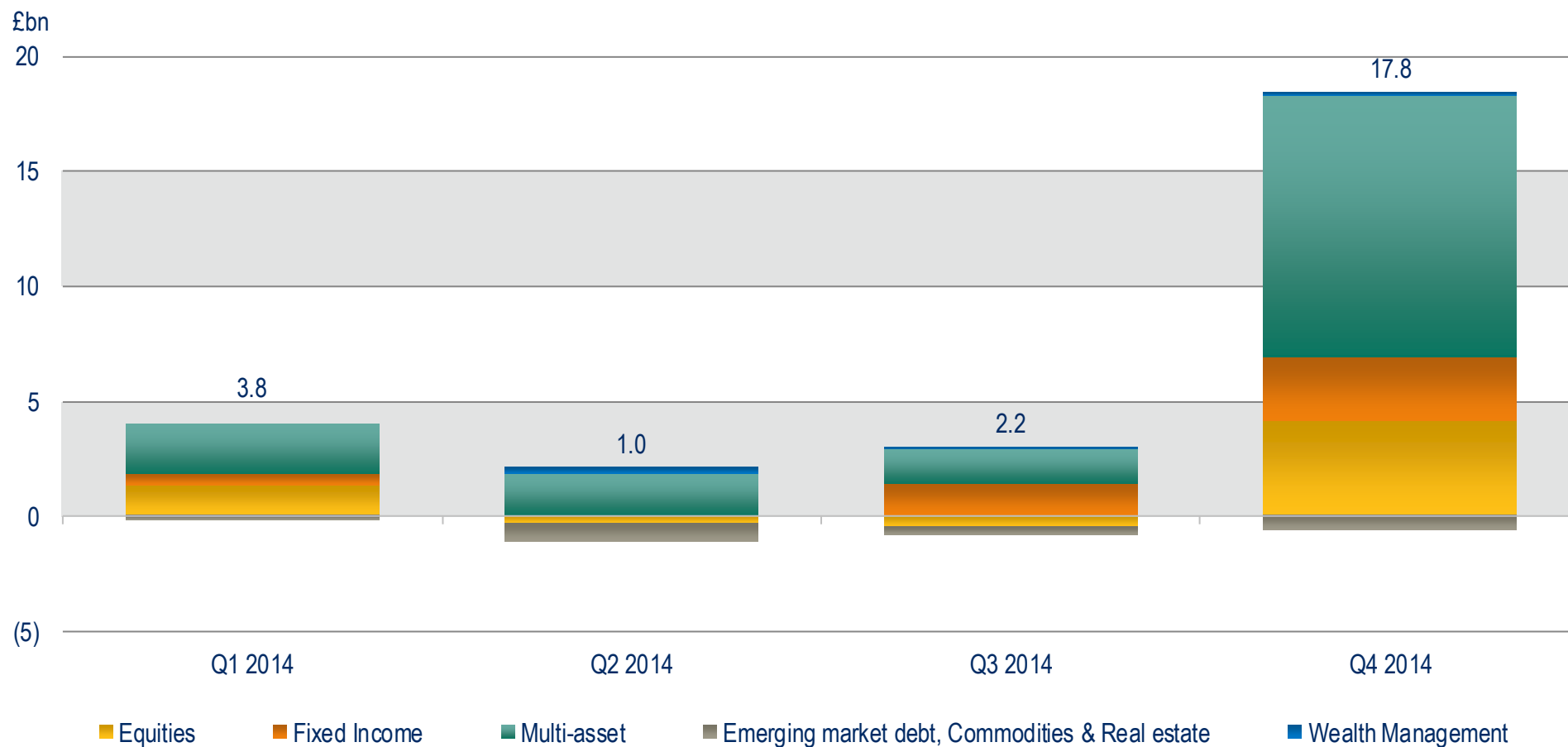
Gross sales

Annually



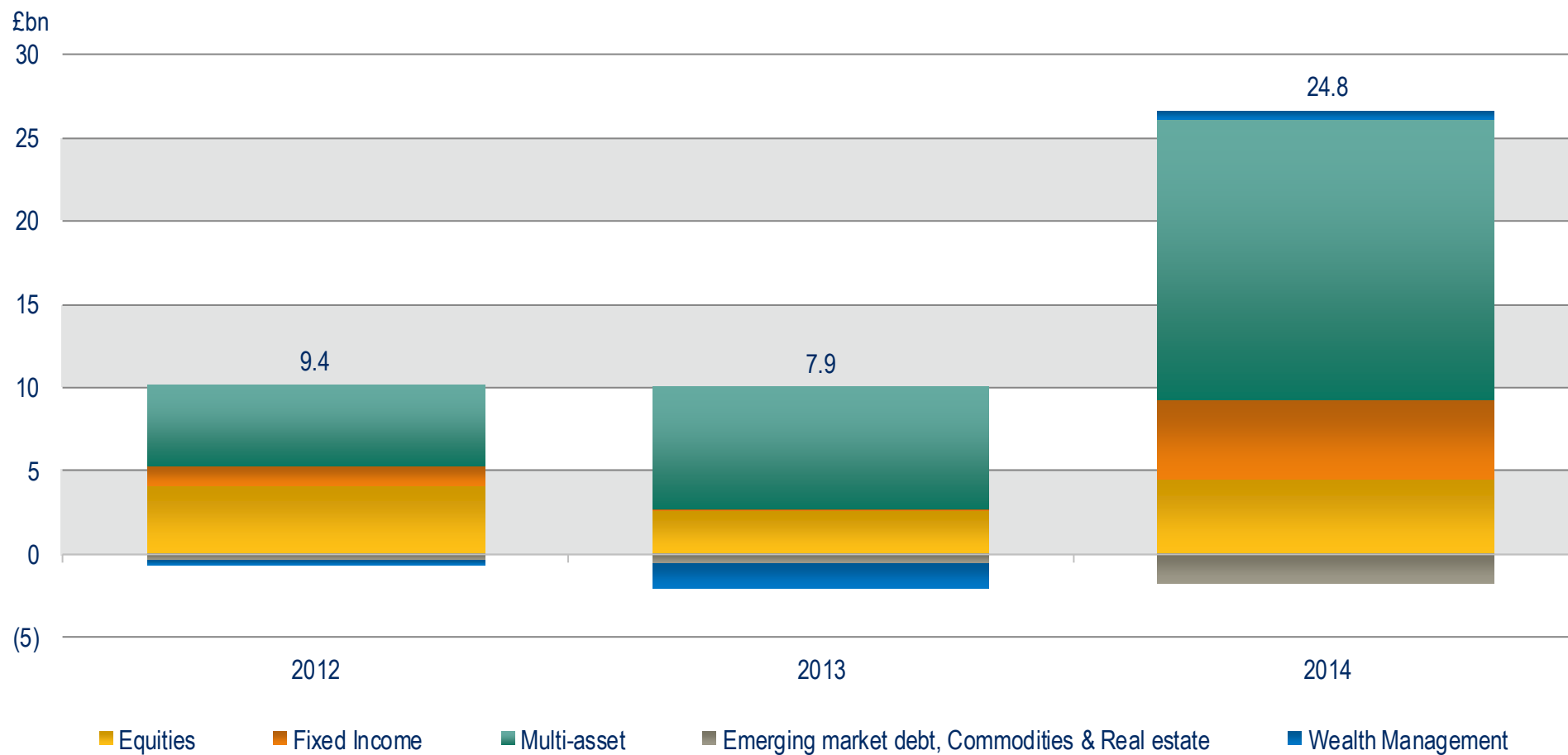
Net flows

Quarterly



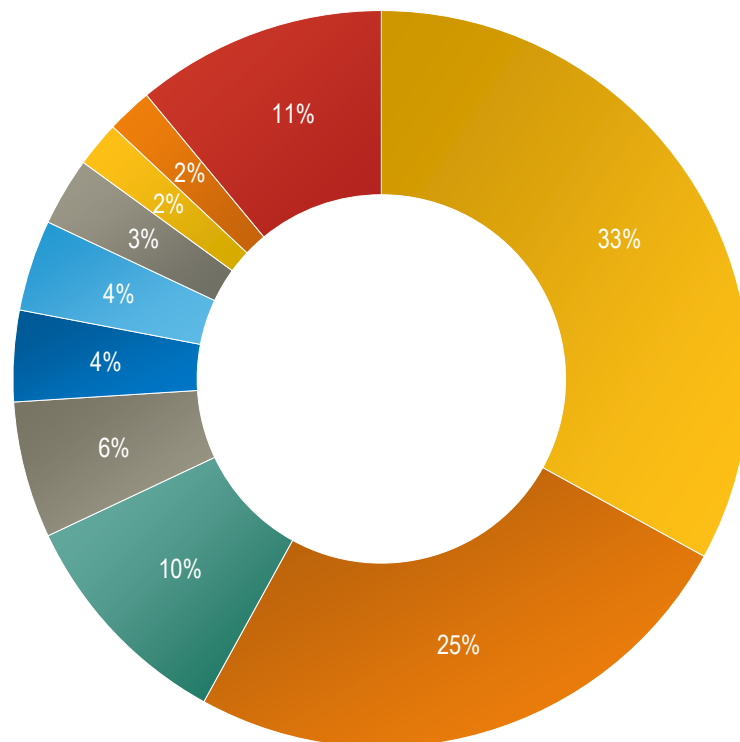
Net flows

Annually



Currency profile of AUM

Assets under management £300.0 billion



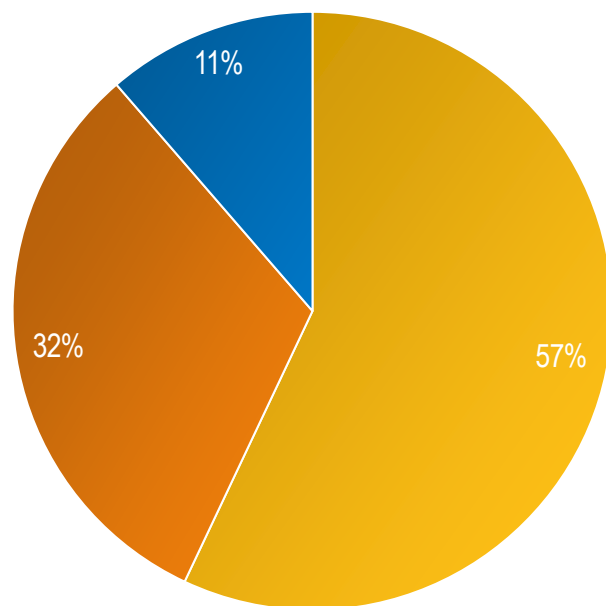
■ GBP ■ USD ■ EUR ■ AUD ■ JPY ■ CNY ■ HKD ■ CHF ■ TWD ■ Other*

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

Total AUM by channel, region and product

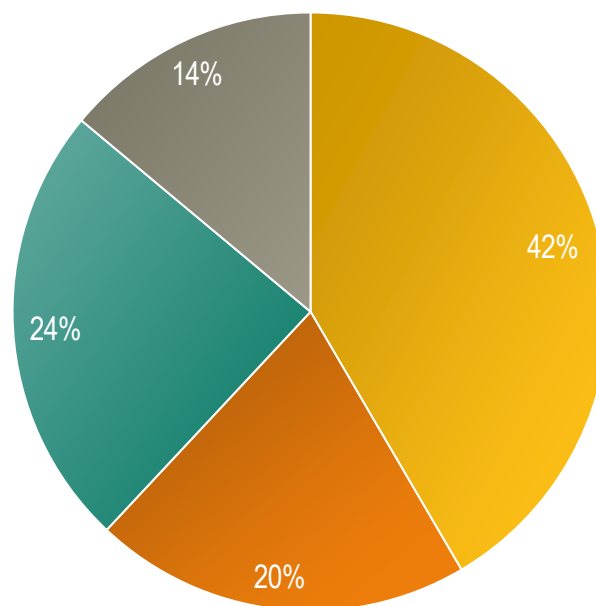
Assets under management £300.0 billion

By channel



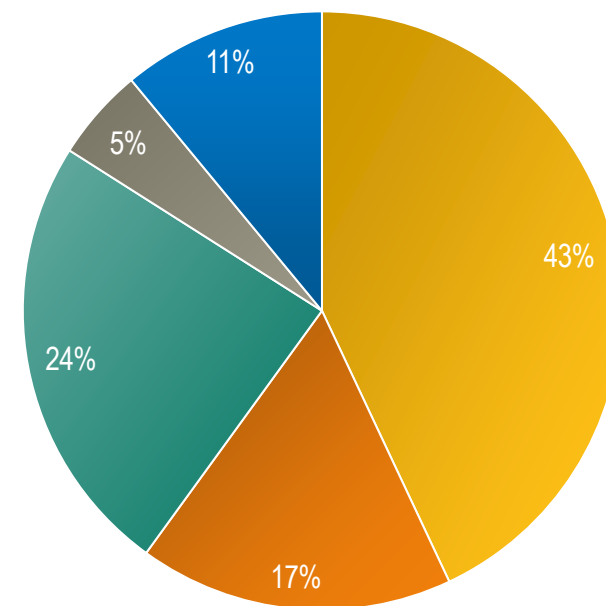
- Institutional
- Intermediary
- Wealth Management

By region*



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

By product



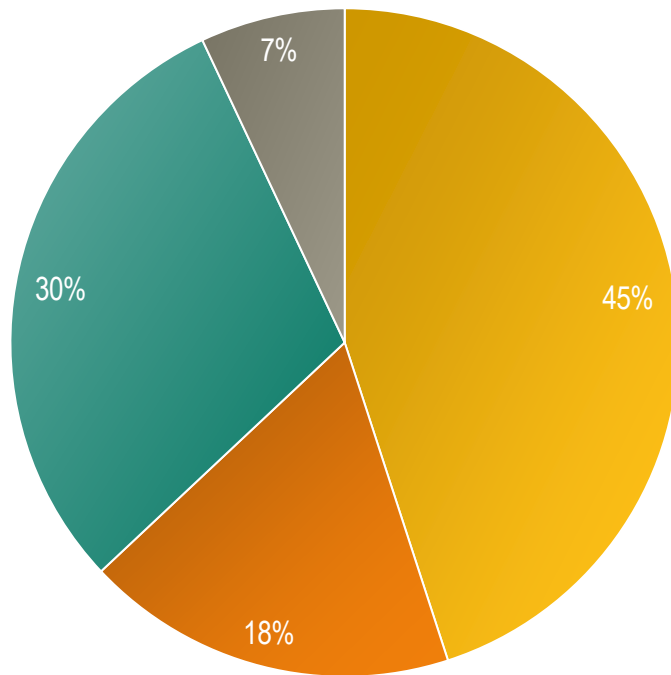
- Equities
- Fixed Income
- Multi-asset
- Emerging market debt, Commodities & Real estate
- Wealth Management

* By client domicile

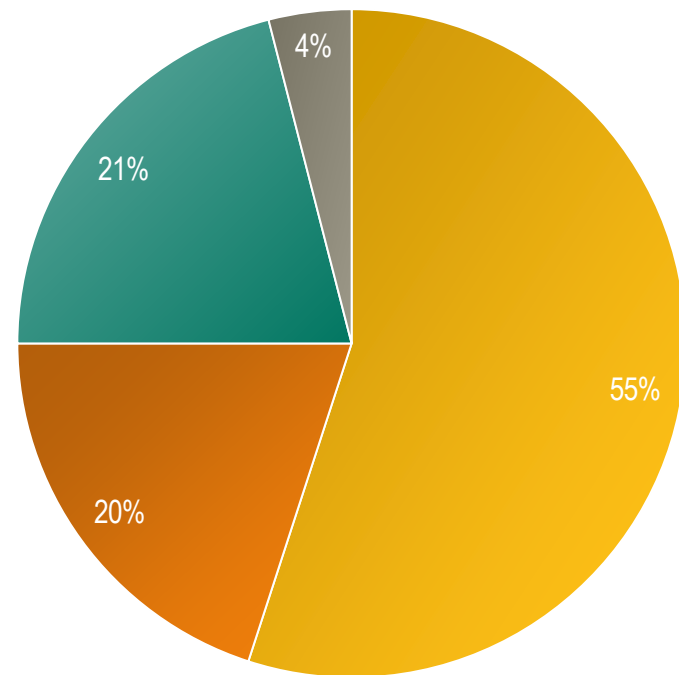
** Includes Middle East

Asset Management AUM by channel and product

Institutional AUM £171.1bn



Intermediary AUM £97.8bn



■ Equities

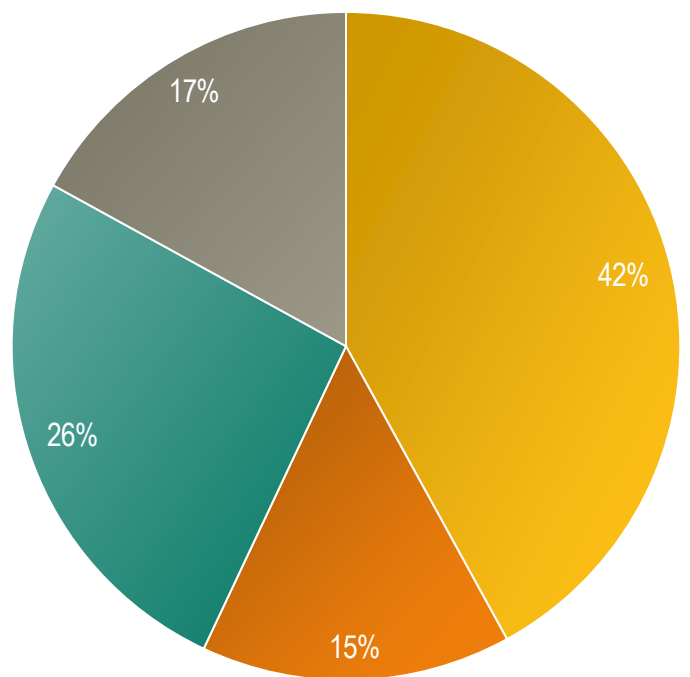
■ Fixed Income

■ Multi-asset

■ Emerging market debt, Commodities & Real estate

Asset Management AUM by channel and region*

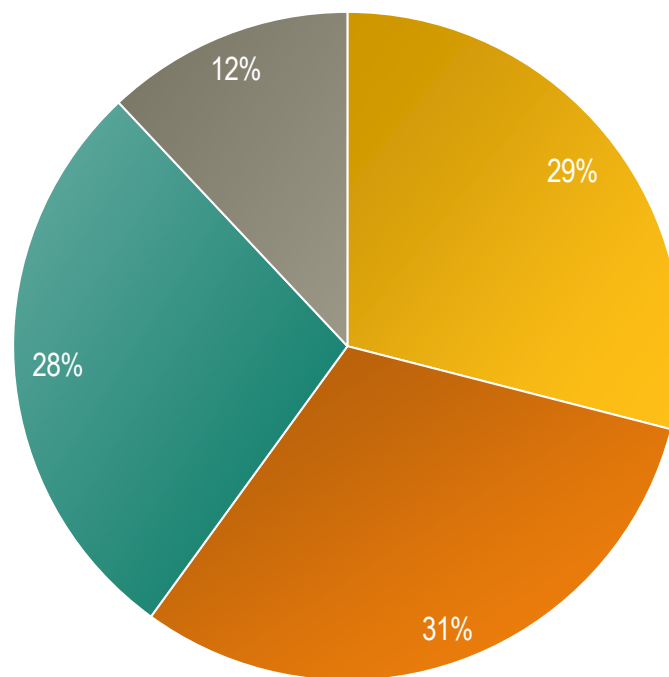
Institutional AUM £171.1bn



■ UK

■ Continental Europe**

Intermediary AUM £97.8bn



■ Asia Pacific

■ Americas

* By client domicile

** Includes Middle East

Asset Management AUM – detailed asset class analysis

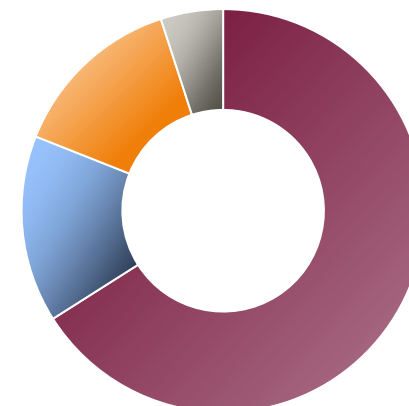
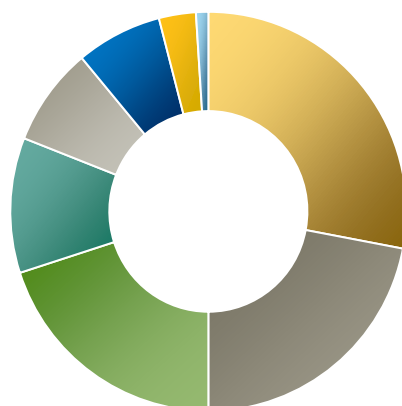
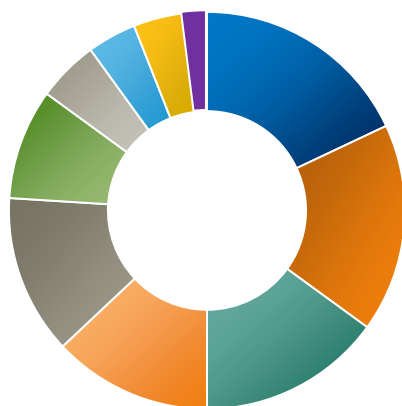
Assets under management £268.9 billion

Equities £129.6bn

Fixed Income £51.1bn

Multi-asset £72.0bn

Emerging market debt, Commodities and Real estate £16.2bn



Asia Pacific	18%
Quantitative equities	17%
UK	15%
Emerging markets	13%
Global	13%
Europe	9%
Australia	5%
Japan	4%
US	4%
Other	2%

Americas	28%
Global	22%
Europe	20%
UK	11%
Australia	8%
Asia Pacific	7%
Convertibles	3%
Insurance-linked	1%

UK	37%
LDI	19%
Asia Pacific	18%
Americas	10%
Australia	7%
Europe	6%
GAIA range	3%

Real estate	66%
Emerging market debt	15%
Agriculture and commodities	14%
Private equity	5%

Institutional AUM – detailed asset class analysis

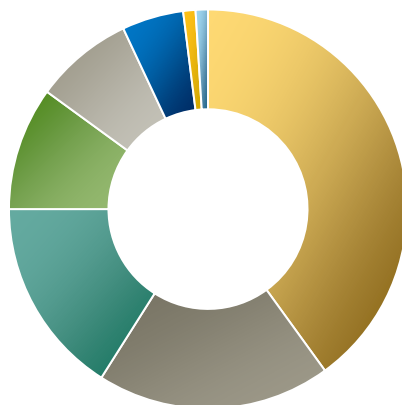
Assets under management £171.1 billion

Equities £76.0bn



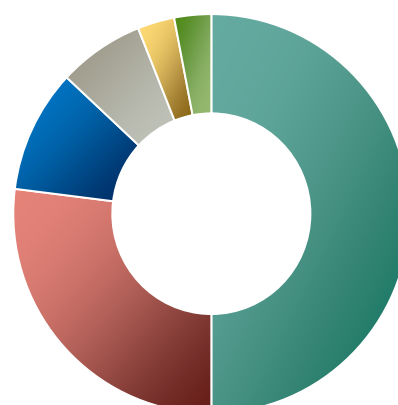
Quantitative equities	27%
Global	16%
Emerging markets	15%
Asia Pacific	15%
UK	11%
Europe	6%
Australia	6%
US	3%
Japan	1%

Fixed Income £31.4bn



Americas	40%
Global	19%
UK	16%
Europe	10%
Australia	8%
Asia Pacific	5%
Convertibles	1%
Insurance-linked	1%

Multi-asset £51.1bn



UK	50%
LDI	27%
Asia Pacific	10%
Australia	7%
Americas	3%
Europe	3%

Emerging market debt, Commodities and Real estate £12.6bn

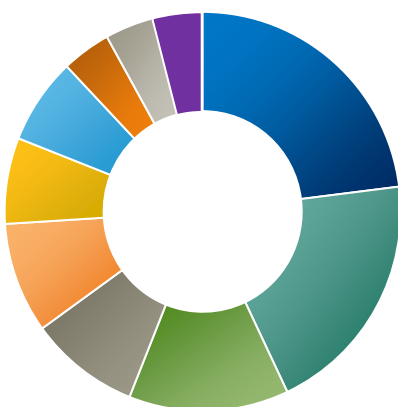


Real estate	71%
Agriculture and commodities	14%
Emerging market debt	9%
Private equity	6%

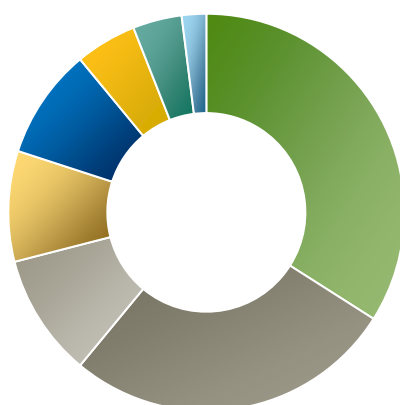
Intermediary AUM – detailed asset class analysis

Assets under management £97.8 billion

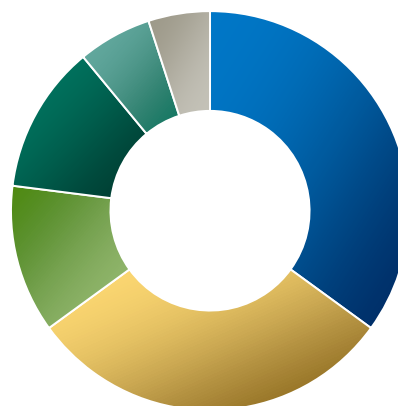
Equities £53.6bn



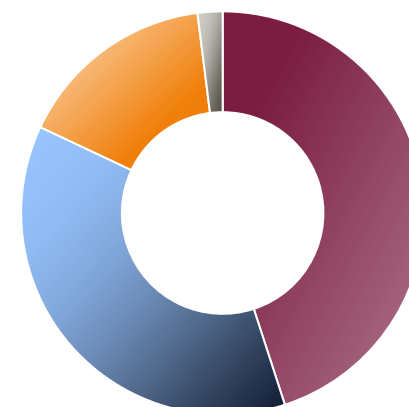
Fixed Income £19.7bn



Multi-asset £20.9bn



Emerging market debt, Commodities and Real estate £3.6bn



Asia Pacific	23%
UK	20%
Europe	13%
Global	9%
Emerging markets	9%
US	7%
Japan	7%
Quantitative equities	4%
Australia	4%
Other	4%

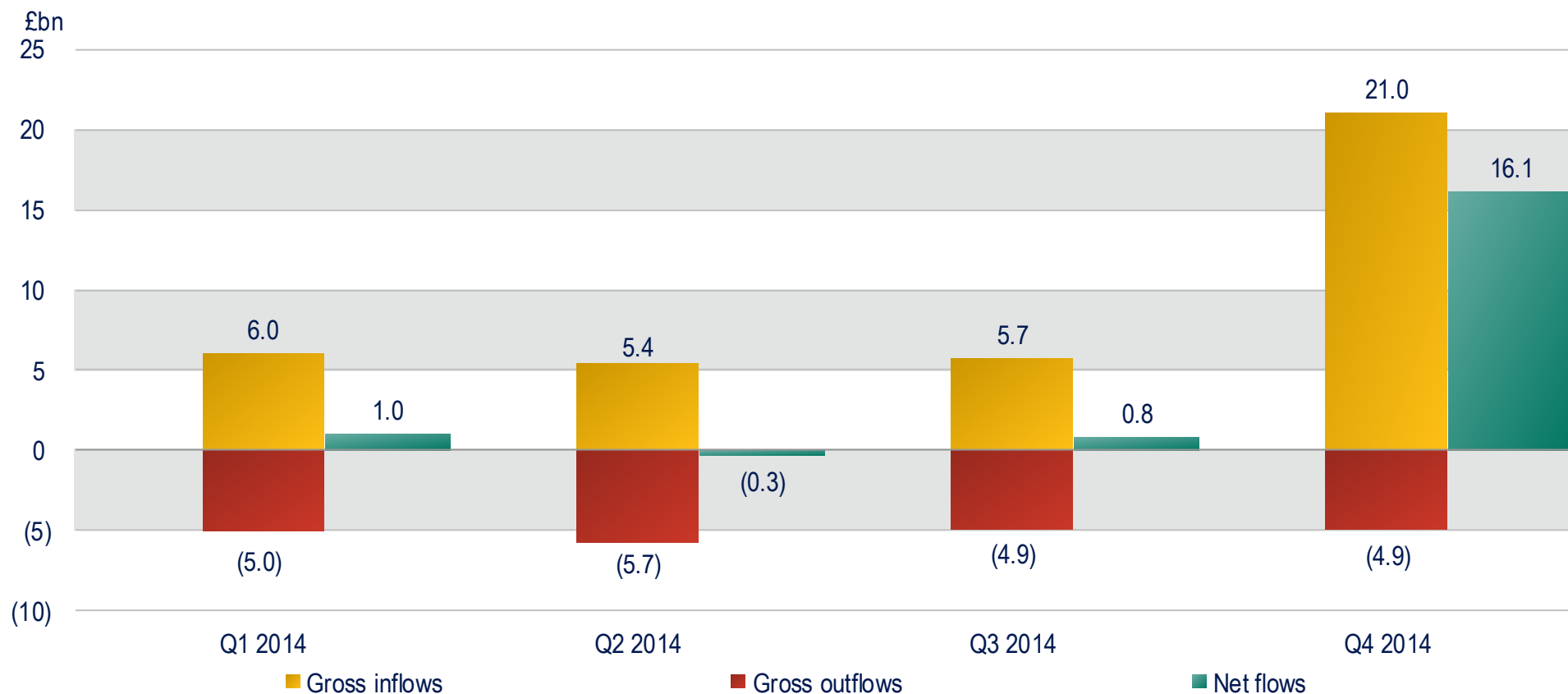
Europe	34%
Global	27%
Australia	10%
Americas	9%
Asia Pacific	9%
Convertibles	5%
UK	4%
Insurance-linked	2%

Asia Pacific	35%
Americas	30%
Europe	12%
GAIA range	12%
UK	6%
Australia	5%

Real estate	45%
Emerging market debt	37%
Agriculture and commodities	16%
Private equity	2%

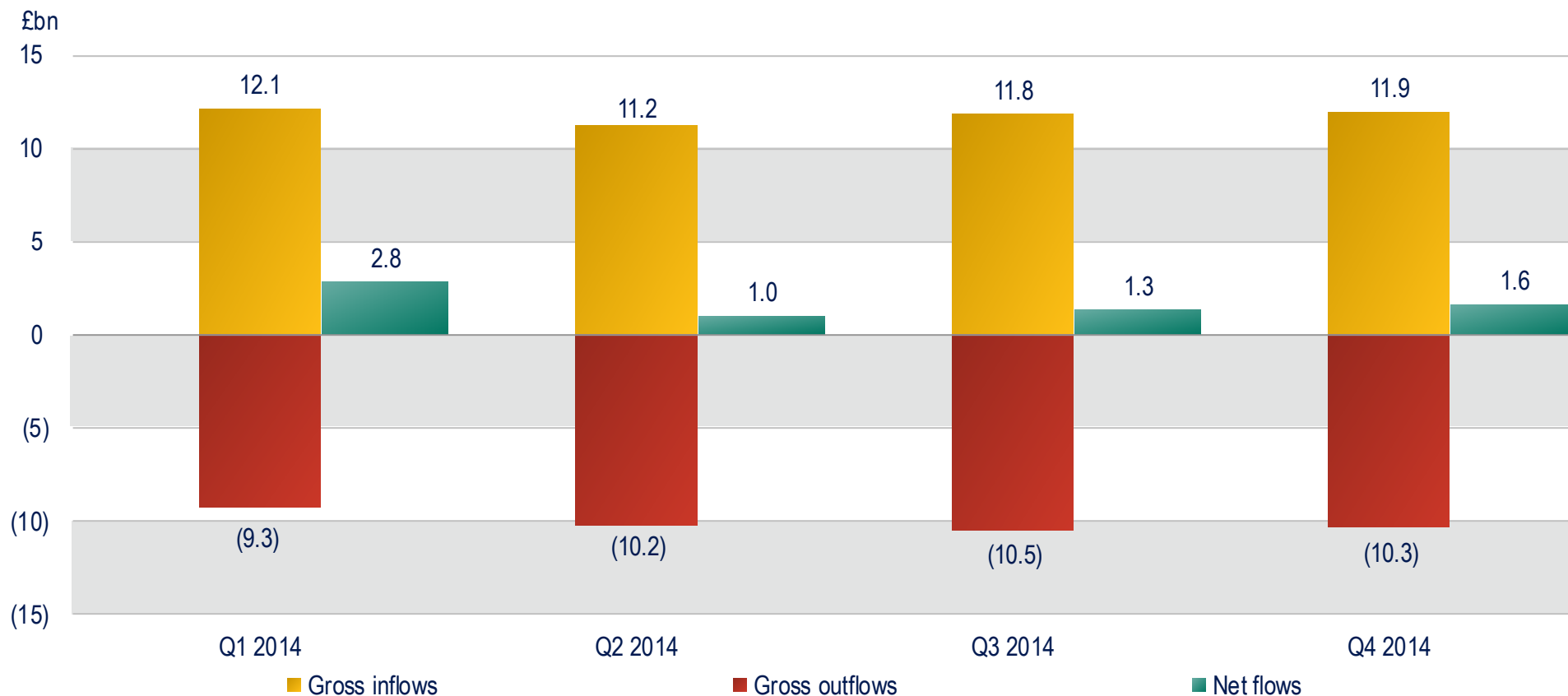
Institutional

Assets under management: £171.1 billion (31 December 2013: £144.3 billion)



Intermediary

Assets under management: £97.8 billion (31 December 2013: £88.5 billion)



Net revenue and margins – Asset Management

Asset Management net revenue £1,303.5 million (2013: £1,247.2 million)

	2013	2014
Performance fees – £m	80.2	34.2
Performance fees on average AUM	3 bps	1 bps
Net revenue – £m	1,247.2	1,303.5
Net revenue on average AUM	56 bps	53 bps
Costs* – £m	784.9	809.0
Costs* on average AUM	35 bps	33 bps
Operating profit* – £m	462.3	494.5
Operating profit* on average AUM	21 bps	20 bps

* Excludes exceptional items

Cost and return metrics

Total Schroders Group costs

	2012	2013	2014
Compensation cost: net revenue ratio*	48%	46%	45%
Bonus: pre-bonus profit*	42%	38%	37%
Headcount	3,011	3,528	3,556
Total costs*	791.2	919.7	984.3
Cost: net revenue ratio*	70%	65%	64%
Return on average capital (pre-tax)*	18%	23%	24%
Return on average capital (post-tax)*	14%	19%	19%

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

* Excludes exceptional items

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

Income statement progression

Asset Management profit before tax

£m	2012	2013	2014
Institutional	489.3	557.2	582.8
Intermediary	525.5	690.0	720.7
Net revenue	1,014.8	1,247.2	1,303.5
Costs	(671.4)	(784.9)	(809.0)
JVs and associates	5.0	6.7	5.9
Net finance income/(charge)	0.1	(0.4)	(1.1)
Asset Management profit before exceptional items	348.5	468.6	499.3
Exceptional items	-	(13.5)	(17.6)
Asset Management profit after exceptional items	348.5	455.1	481.7

Income statement progression

Wealth Management profit before tax

£m	2012	2013	2014
Net revenue	94.4	150.0	213.5
Costs	(82.6)	(115.7)	(151.8)
Wealth Management profit before exceptional items	11.8	34.3	61.7
Exceptional items	-	(30.9)	(20.4)
Wealth Management profit after exceptional items	11.8	3.4	41.3

Income statement progression

Group segment loss before tax

£m	2012	2013	2014
Net revenue	25.7	10.4	11.4
Costs	(37.2)	(19.1)	(23.5)
Associates	(0.5)	1.5	4.7
Net finance income	11.7	12.1	11.6
Group (loss)/profit before exceptional items	(0.3)	4.9	4.2
Exceptional items	-	(15.9)	(10.1)
Group loss after exceptional items	(0.3)	(11.0)	(5.9)

Movement in capital

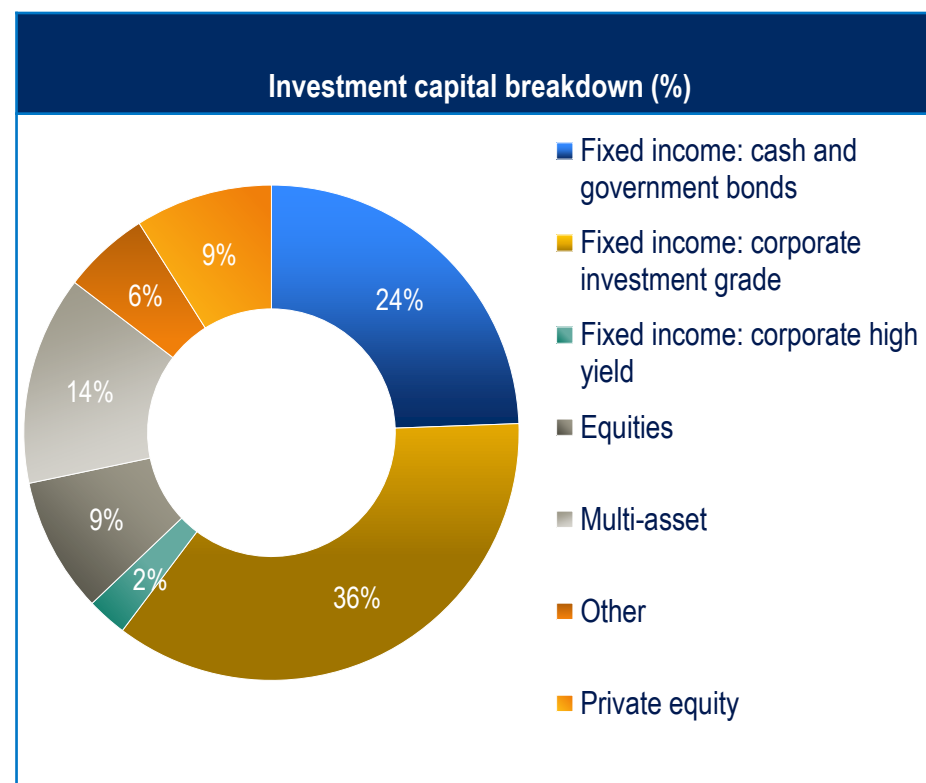
£m	2014
1 January 2014	2,268.6
Profit before tax and exceptional items	565.2
Exceptional items	(48.1)
Exchange differences on translation of foreign operations after hedging	(1.8)
Net fair value movement arising from AFS financial assets	6.0
Actuarial gains on defined benefit pension schemes	36.9
Share-based payments	60.6
Own shares purchased	(64.9)
Tax*	(106.5)
Dividends	(177.7)
Other	(0.5)
31 December 2014	2,537.8

* Comprises tax reported in the income statement, other comprehensive income, and equity.

Group capital allocation

Increase of £269 million as at 31 December 2014

£m	December 2013	December 2014
Regulatory capital	603	673
Other operating capital	311	284
Investment capital*	515	725
Seed capital	182	163
Other**	658	693
Statutory Group capital	2,269	2,538



* 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

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', '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.