



Schroders

2016 H1 Results

Data Pack | July 2016



Schroders

Contents

	Page
Assets under management (AUM)	2
Regional diversification of AUM	3
Gross sales and net flows	4-5
Currency profile of AUM	6-7
AUM diversification	8-10
Asset Management AUM – detailed asset class analysis	11-13
Asset Management AUM flows	14-15
Net operating revenue and margins – Asset Management	16
Income statement progression	17-19
Cost and return metrics	20
Movement in capital	21
Group capital allocation	22

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

Assets under management (AUM)

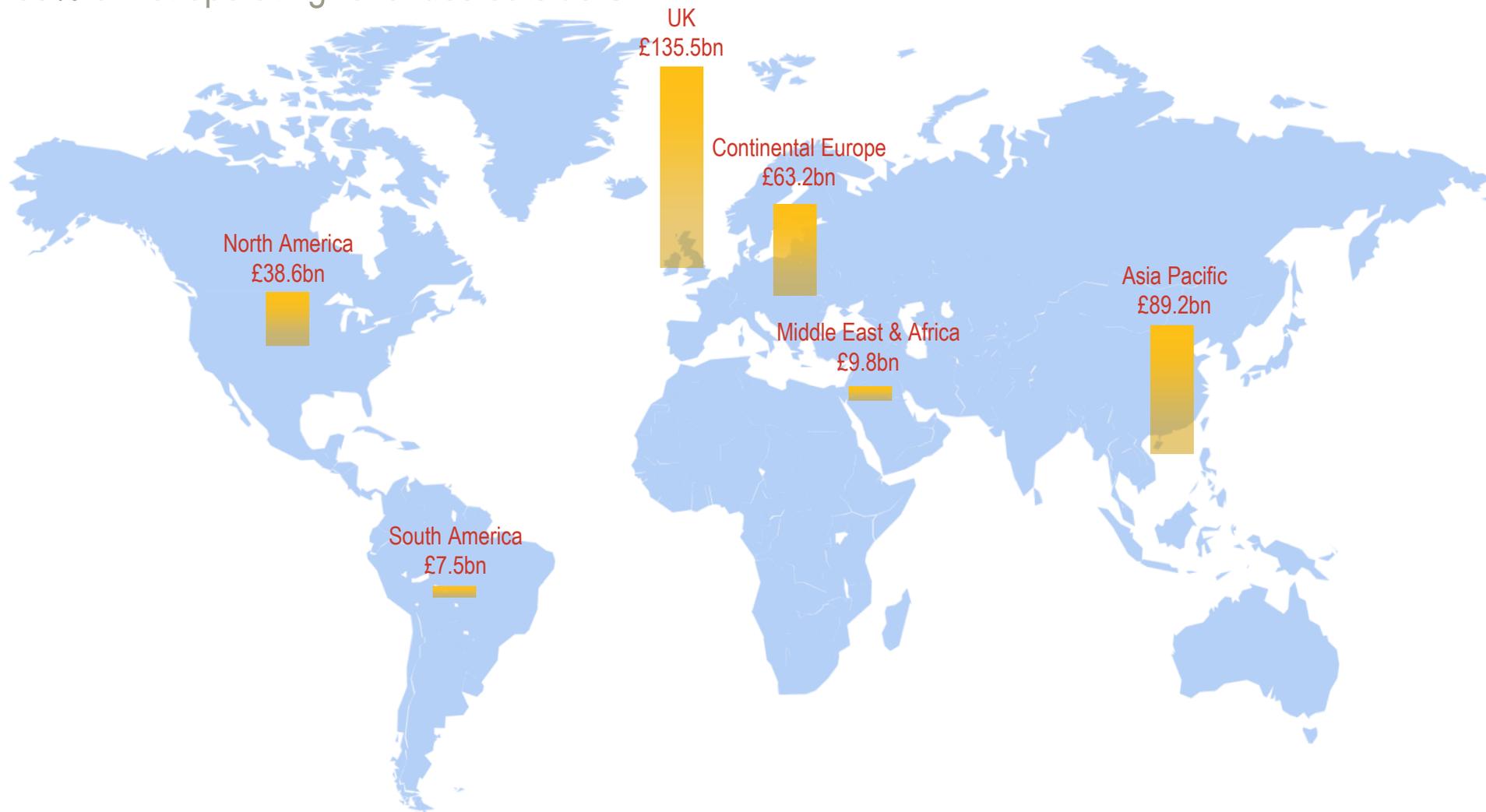
£343.8 billion at 30 June 2016

£bn	Institutional	Intermediary	Asset Management	Wealth Management	Total
1 January 2016	181.0	100.9	281.9	31.6	313.5
Net flows	4.4	(3.3)	1.1	(0.4)	0.7
Investment returns	19.1	8.8	27.9	1.7	29.6
Transfers*	(0.9)	-	(0.9)	0.9	-
30 June 2016	203.6	106.4	310.0	33.8	343.8

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

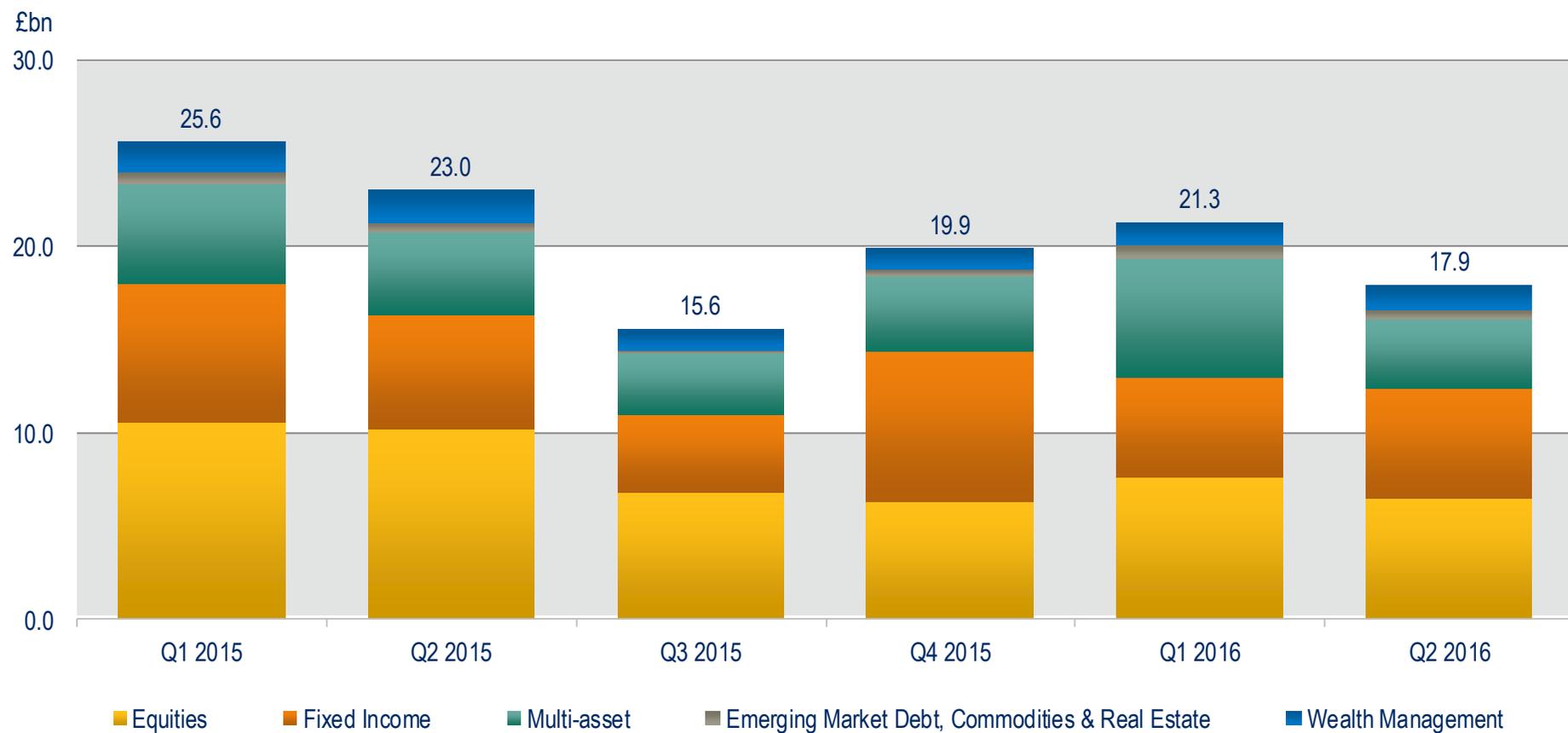
Regional diversification of AUM*

63% of net operating revenues outside UK

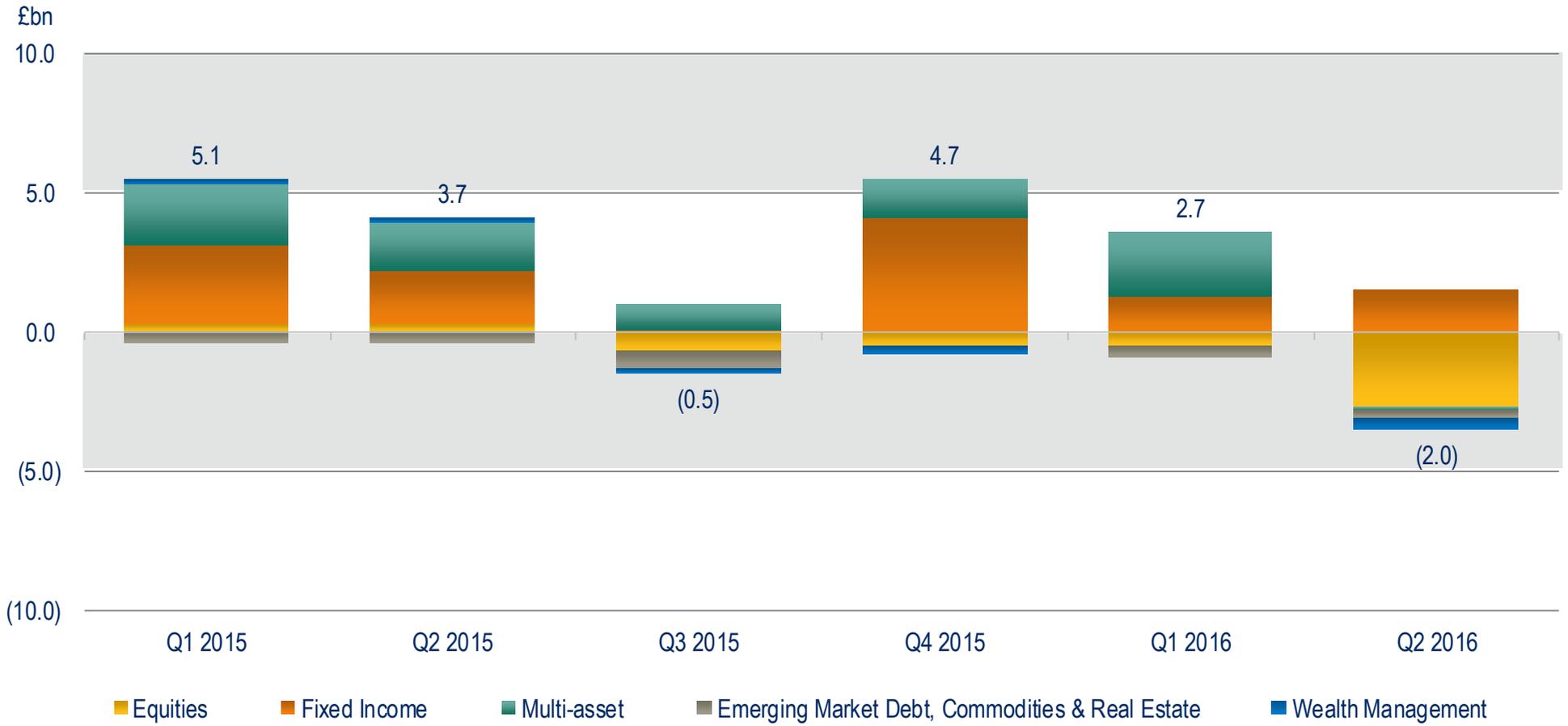


* By client domicile

Gross sales

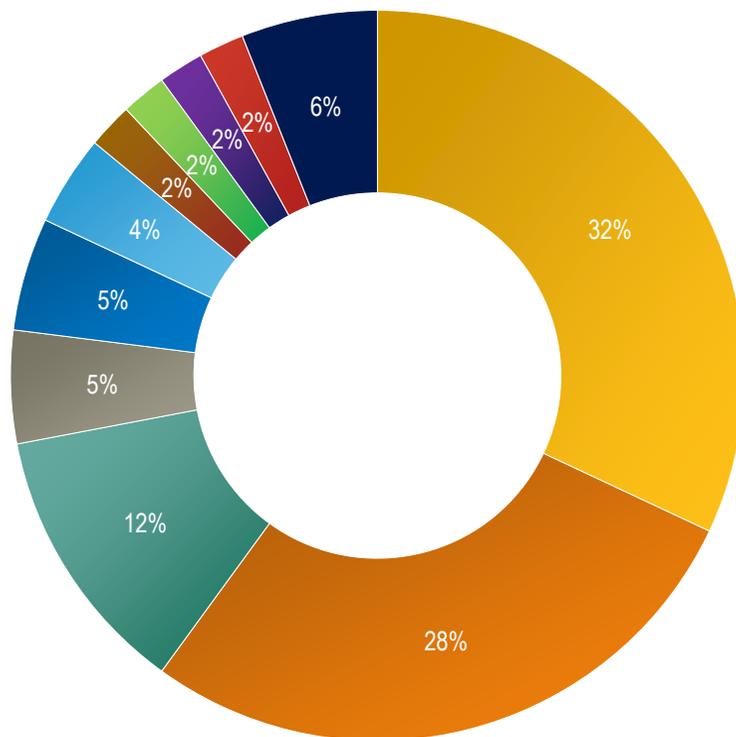


Net flows



Currency profile of AUM

Assets under management £343.8 billion



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

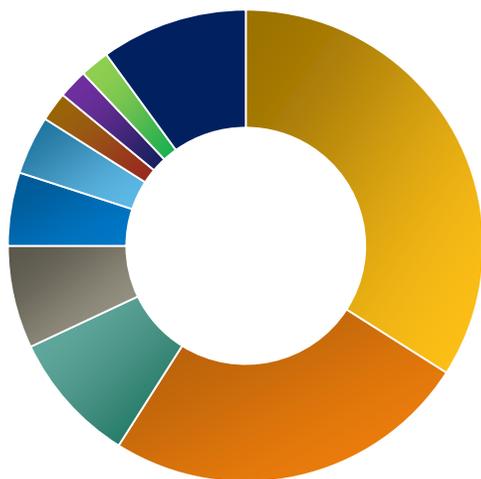
* Includes the following currencies which individually constitute 1% of AUM: INR, SGD, BRL

** USD includes other currencies pegged to USD, including HKD

Currency profile of AUM

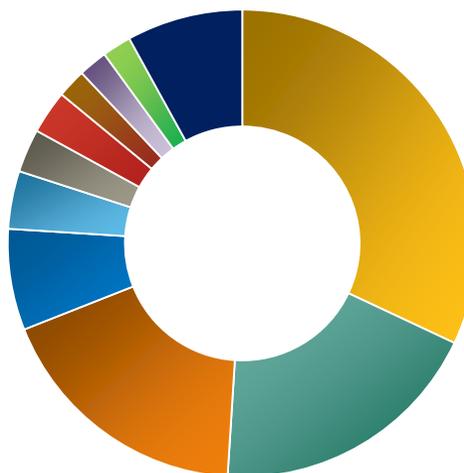
Assets under management £343.8 billion

Institutional £203.6bn



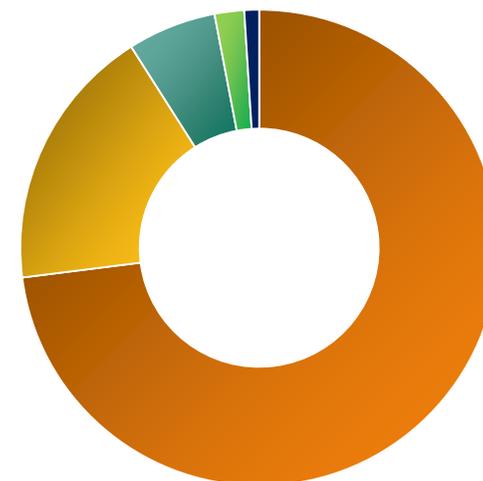
USD*	34%
GBP	25%
EUR	9%
AUD	7%
JPY	5%
CNY	4%
TWD	2%
KRW	2%
CHF	2%
Other	10%

Intermediary £106.4bn



USD*	32%
EUR	19%
GBP	18%
JPY	7%
CNY	4%
AUD	3%
IDR	3%
TWD	2%
SGD	2%
CHF	2%
Other	8%

Wealth Management £33.8bn



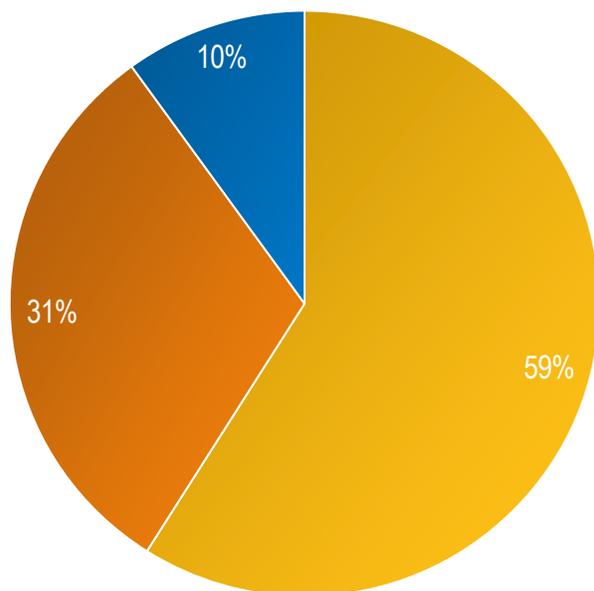
GBP	73%
USD*	18%
EUR	6%
CHF	2%
Other	1%

* USD includes other currencies pegged to USD, including HKD

Total AUM by channel, region and product

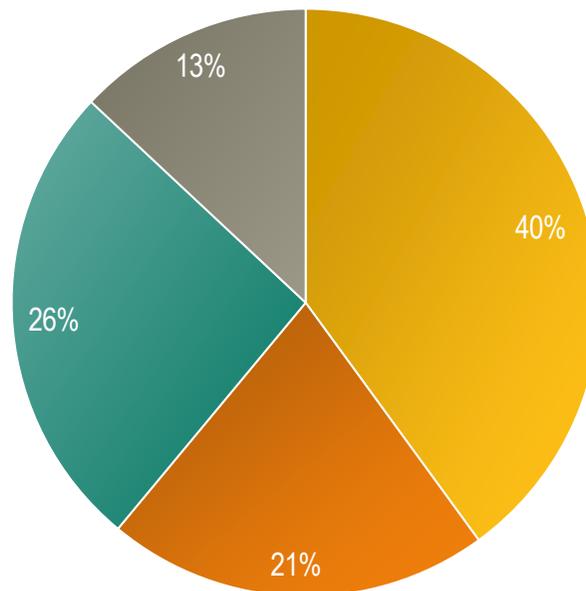
Assets under management £343.8 billion

By channel



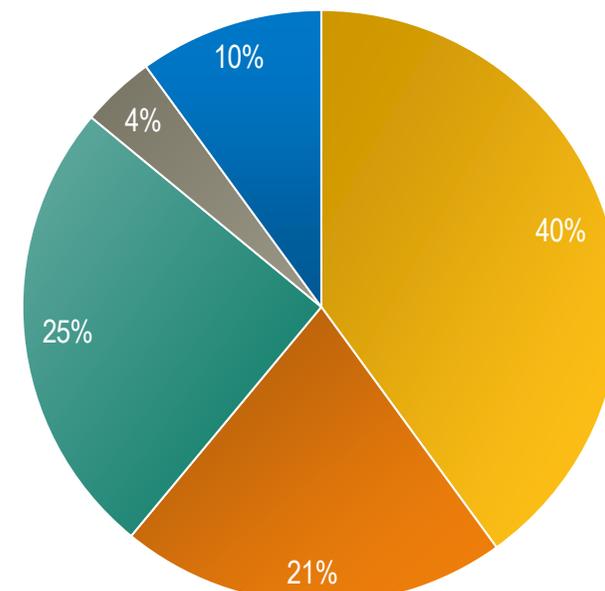
- Institutional
- Intermediary
- Wealth Management

By region*



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

By product

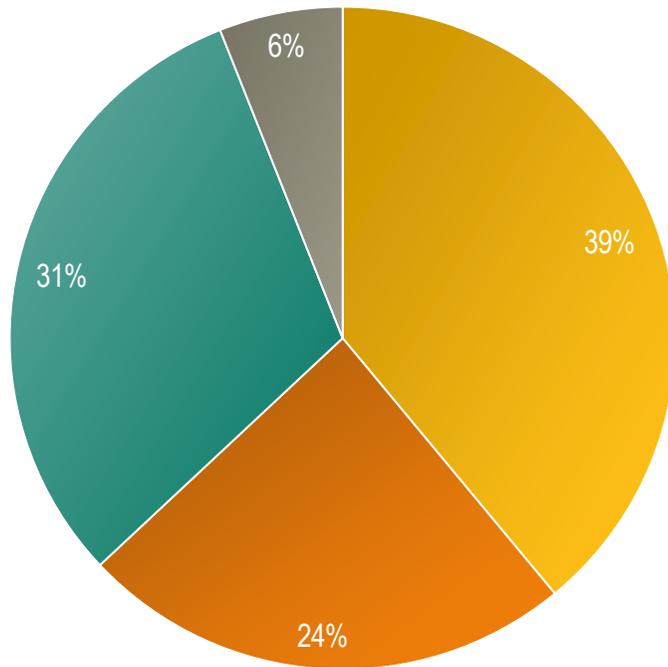


- Equities
- Fixed Income
- Multi-asset
- Emerging Market Debt, Commodities & Real Estate
- Wealth Management

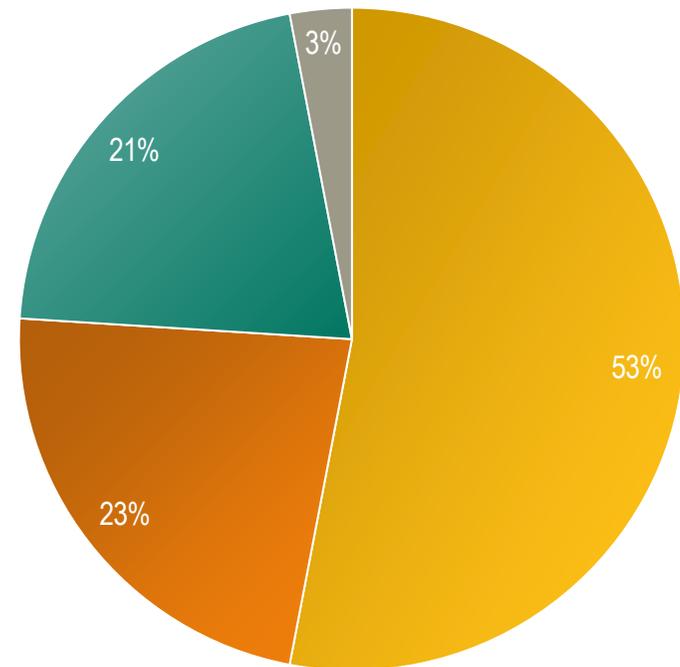
* By client domicile

Asset Management AUM by channel and product

Institutional AUM £203.6bn



Intermediary AUM £106.4bn



■ Equities

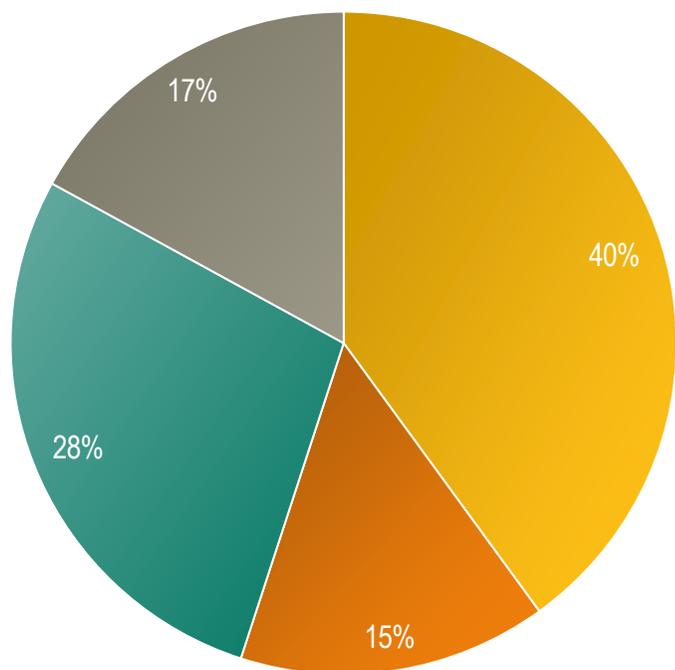
■ Fixed Income

■ Multi-asset

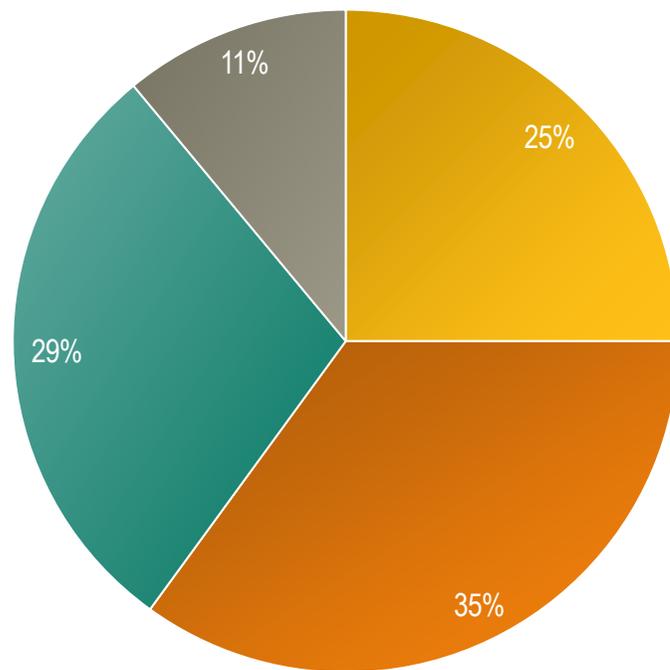
■ Emerging Market Debt, Commodities & Real Estate

Asset Management AUM by channel and region*

Institutional AUM £203.6bn



Intermediary AUM £106.4bn



■ UK

■ Continental Europe, Middle East & Africa

■ Asia Pacific

■ Americas

* By client domicile

Asset Management AUM – detailed asset class analysis

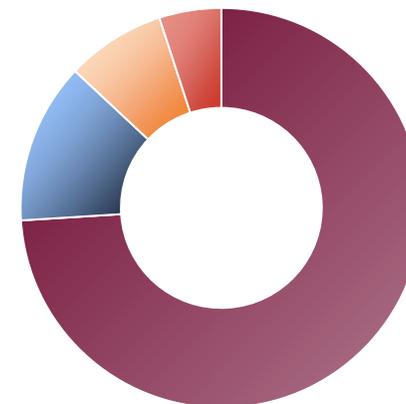
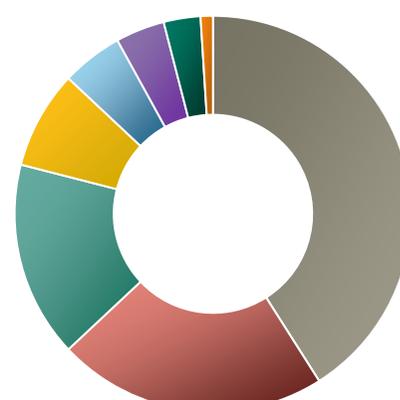
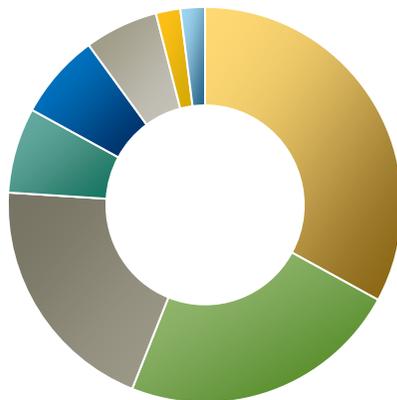
Assets under management £310.0 billion

Equities £136.8bn

Fixed Income £73.4bn

Multi-asset £85.7bn

Emerging Market Debt, Commodities and Real Estate £14.1bn



■ Asia Pacific	18%
■ Quantitative equities	16%
■ Global	13%
■ Emerging markets	13%
■ UK	12%
■ Europe	12%
■ Japan	6%
■ US	5%
■ Australia	4%
■ Other	1%

■ US	33%
■ Europe	23%
■ Global	20%
■ UK	7%
■ Asia Pacific	7%
■ Australia	6%
■ Convertibles	2%
■ Insurance-linked	2%

■ Risk controlled growth	41%
■ LDI	22%
■ UK traditional balanced	16%
■ Income	8%
■ Inflation protection	5%
■ 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

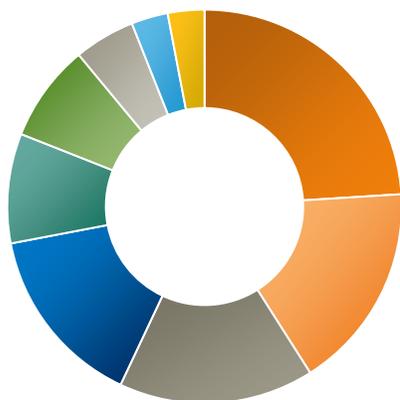
Assets under management £203.6 billion

Equities £80.4bn

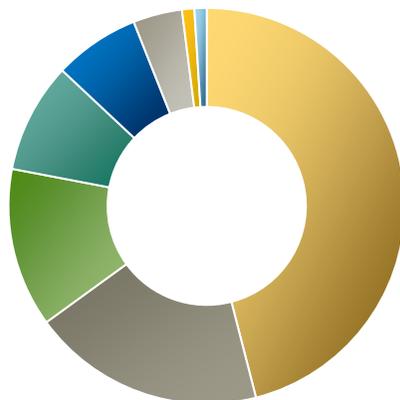
Fixed Income £48.4bn

Multi-asset £63.4bn

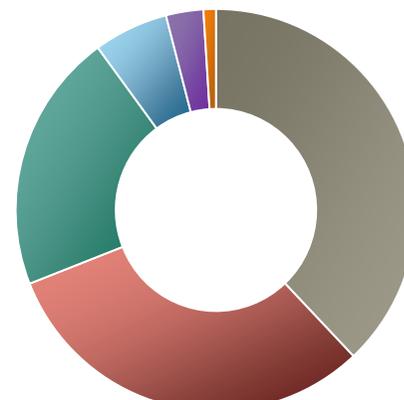
Emerging Market Debt, Commodities and Real Estate £11.4bn



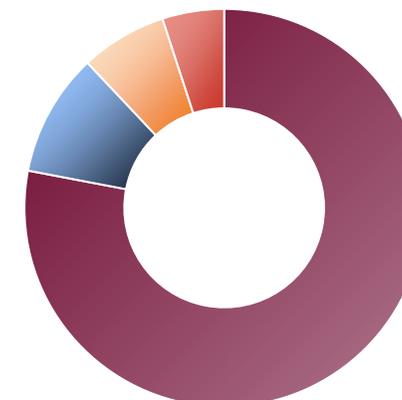
Quantitative equities	24%
Emerging markets	17%
Global	16%
Asia Pacific	15%
UK	9%
Europe	8%
Australia	5%
Japan	3%
US	3%



US	46%
Global	19%
Europe	13%
UK	9%
Asia Pacific	7%
Australia	4%
Convertibles	1%
Insurance-linked	1%



Risk controlled growth	38%
LDI	31%
UK traditional balanced	21%
Inflation protection	6%
Risk mitigation	3%
Wealth preservation	1%

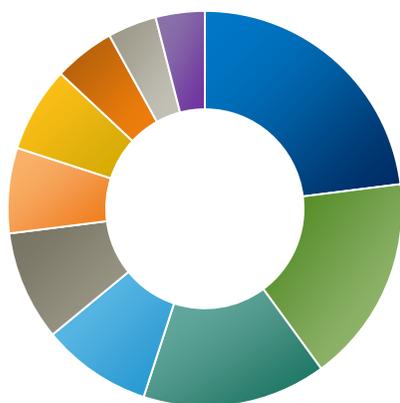


Real estate	78%
Emerging market debt	10%
Agriculture and commodities	7%
Private equity	5%

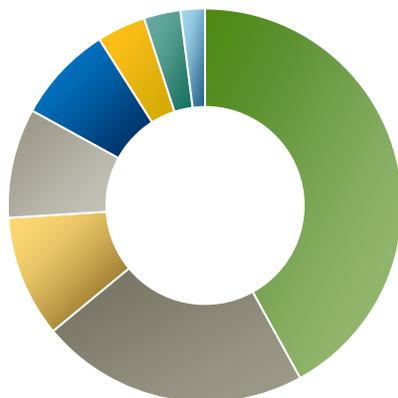
Intermediary AUM – detailed asset class analysis

Assets under management £106.4 billion

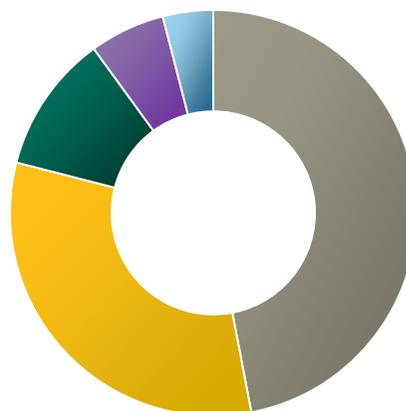
Equities £56.4bn



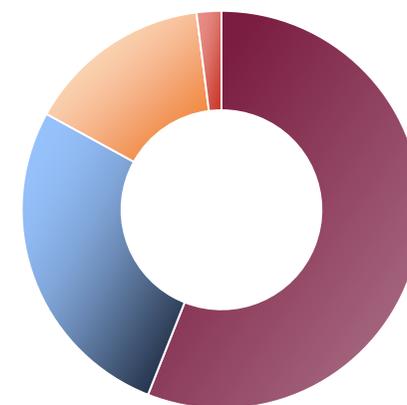
Fixed Income £25.0bn



Multi-asset £22.3bn



Emerging Market Debt, Commodities and Real Estate £2.7bn



■ Asia Pacific	23%
■ Europe	17%
■ UK	15%
■ Japan	9%
■ Global	9%
■ Emerging markets	7%
■ US	7%
■ Quantitative equities	5%
■ Australia	4%
■ Other	4%

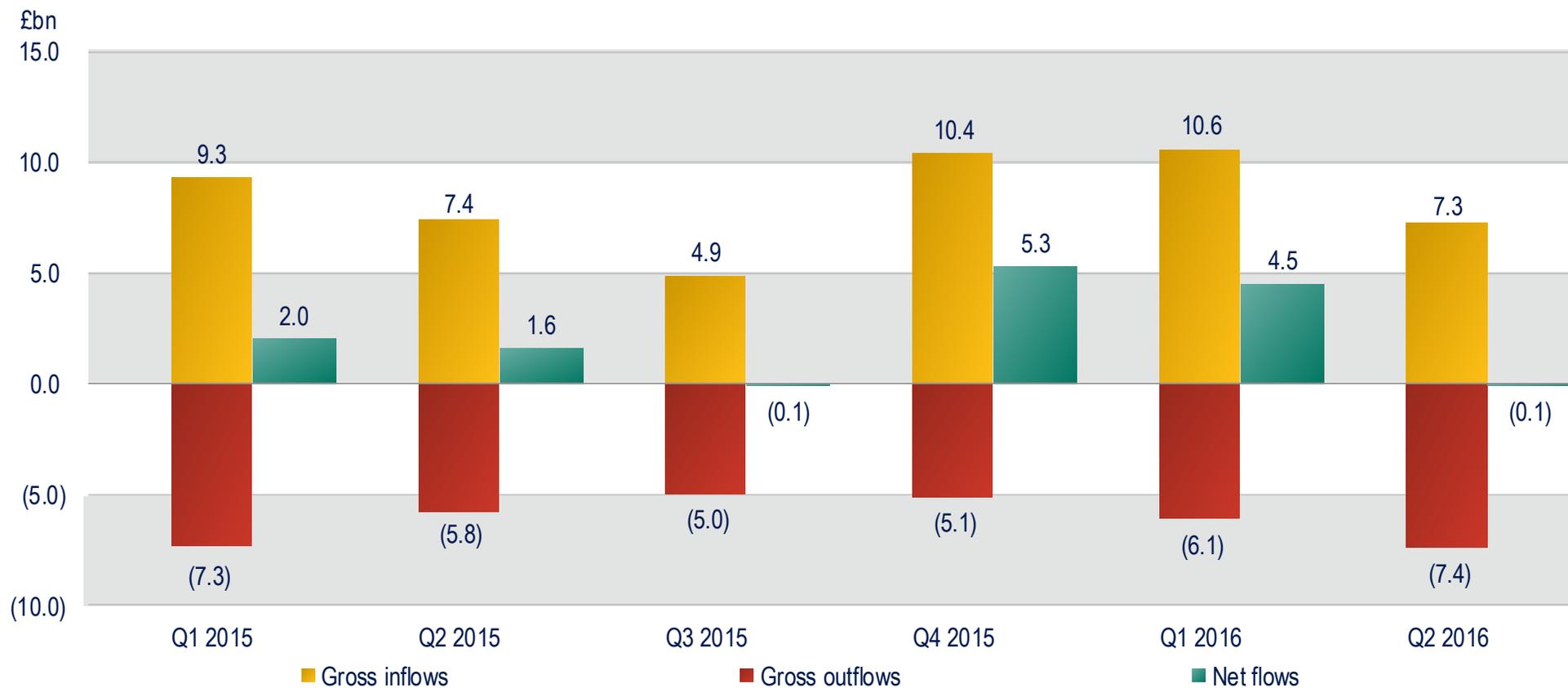
■ Europe	42%
■ Global	22%
■ US	10%
■ Australia	9%
■ Asia Pacific	8%
■ Convertibles	4%
■ UK	3%
■ Insurance-linked	2%

■ Risk controlled growth	47%
■ Income	32%
■ GAIA	11%
■ Risk mitigation	6%
■ Inflation protection	4%

■ Real estate	56%
■ Emerging market debt	27%
■ Agriculture and commodities	15%
■ Private equity	2%

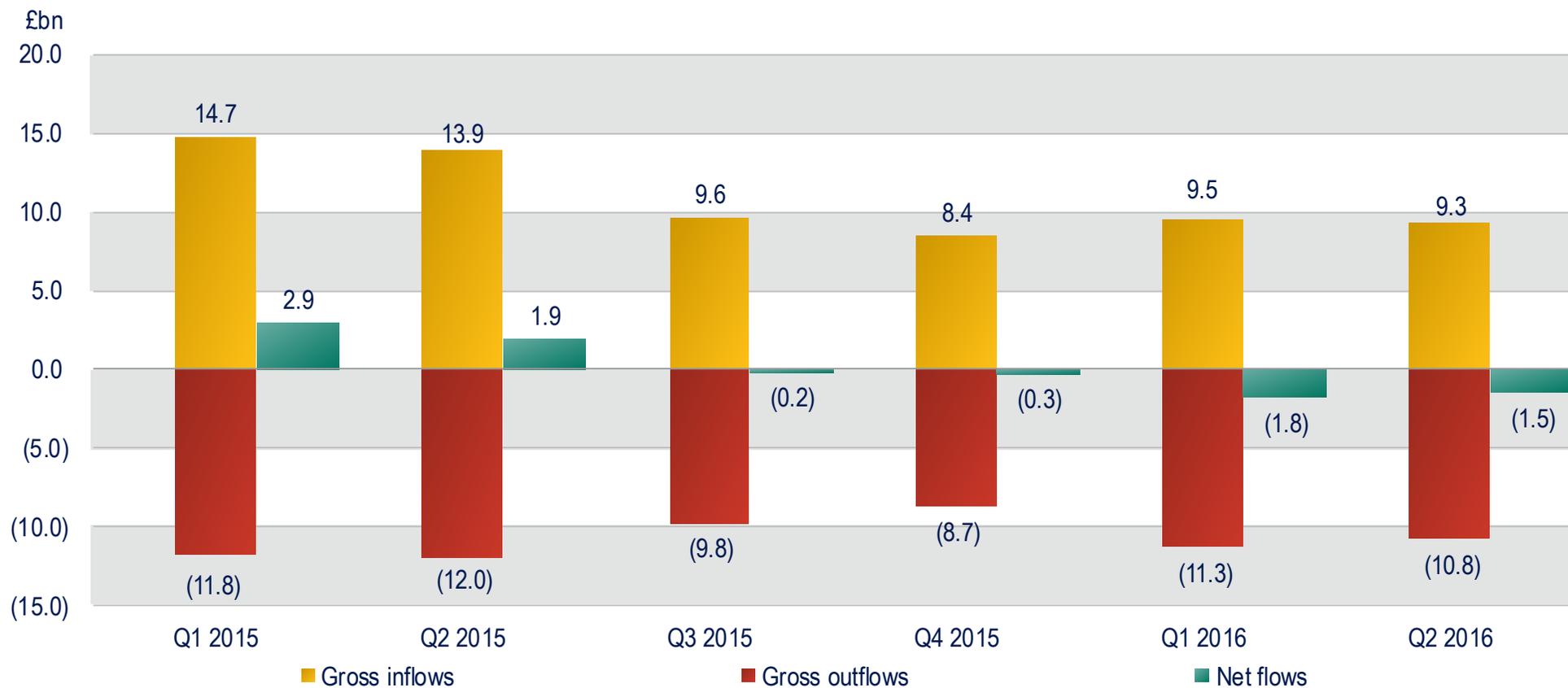
Institutional

Assets under management: £203.6 billion



Intermediary

Assets under management: £106.4 billion



Net operating revenue and margins – Asset Management

Asset Management Net operating revenue £687.8 million

	FY 2015	H1 2015	H1 2016
Performance fees - £m	35.7	5.9	6.4
Performance fees on average AUM	1 bps	1 bps	0 bps
Net operating revenue (ex performance fees) - £m	1,357.7	687.0	681.4
Net operating revenue (ex performance fees) on average AUM	49 bps	49 bps	47 bps
Net income* - £m	1,412.5	702.1	718.2
Operating expenses* - £m	872.0	431.1	460.6
Profit before tax* - £m	540.5	271.0	257.6

* Excludes exceptional items

Income statement progression

Asset Management profit before tax

£m	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016
Institutional	152.7	156.3	146.5	173.2	152.7	163.4
Intermediary	186.6	197.3	192.6	188.2	183.1	188.6
Net operating revenue	339.3	353.6	339.1	361.4	335.8	352.0
Net gains/(losses) on financial instruments and other income	8.5	(6.0)	(0.2)	4.0	8.9	13.0
Share of profit of associates and joint ventures	2.3	4.4	4.0	2.1	5.2	3.3
Net income	350.1	352.0	342.9	367.5	349.9	368.3
Operating expenses	(216.4)	(214.7)	(213.5)	(227.4)	(222.0)	(238.6)
Asset Management profit before exceptional items	133.7	137.3	129.4	140.1	127.9	129.7
Exceptional items	(3.0)	(3.0)	(3.1)	(3.0)	(3.5)	(5.0)
Asset Management profit after exceptional items	130.7	134.3	126.3	137.1	124.4	124.7

Income statement progression

Wealth Management profit before tax

£m	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016
Net operating revenue	52.4	53.3	51.9	49.7	51.9	55.2
Net (losses)/gains on financial instruments and other income	(0.2)	-	(0.1)	0.2	0.1	0.4
Net income	52.2	53.3	51.8	49.9	52.0	55.6
Operating expenses	(37.3)	(38.2)	(35.3)	(35.1)	(36.3)	(38.9)
Wealth Management profit before exceptional items	14.9	15.1	16.5	14.8	15.7	16.7
Exceptional items	(1.9)	(2.1)	5.2	(2.0)	(2.0)	(2.0)
Wealth Management profit after exceptional items	13.0	13.0	21.7	12.8	13.7	14.7

Income statement progression

Group segment (loss)/profit before tax

£m	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016
Net gains on financial instruments and other income	6.7	5.2	7.2	11.0	8.0	6.8
Share of profit of associates*	1.2	5.7	1.0	0.8	1.8	1.8
Net income	7.9	10.9	8.2	11.8	9.8	8.6
Operating expenses	(6.9)	(7.2)	(6.6)	(10.2)	(8.9)	(5.8)
Group profit before exceptional items	1.0	3.7	1.6	1.6	0.9	2.8
Exceptional items	(3.0)	(2.4)	(1.0)	(1.4)	(1.1)	2.2
Group (loss)/profit after exceptional items	(2.0)	1.3	0.6	0.2	(0.2)	5.0

* Includes RWC Partners Limited and Schroder Ventures Investments Limited associates

Cost and return metrics

Total Schroders Group costs

	2015	H1 2015	H1 2016
Total compensation ratio*	44%	44%	45%
Headcount	3,784	3,685	3,866
Total costs*	1,048.8	520.7	550.5
Total cost ratio*	63%	63%	65%
Return on average capital (pre-tax)*	23%	24%	21%
Return on average capital (post-tax)*	18%	19%	16%

- ▶ Total compensation ratio
= compensation costs divided by net income**
- ▶ Total cost ratio
= costs divided by net income
- ▶ 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 income 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	293.7
Exceptional items	(11.4)
Net movement arising from AFS financial assets	2.6
Exchange differences on translation of foreign operations after hedging	74.1
Actuarial gain on defined benefit pension schemes	27.2
Tax	(68.0)
Own shares purchased	(49.2)
Share-based payments	28.9
Dividends paid	(157.7)
Other	(6.8)
30 June 2016	2,929.0

Group capital allocation

Increase of £133 million for the six months ended 30 June 2016

£m	December 2015	June 2016
Regulatory capital	653	687
Other operating capital	253	165
Investment capital*	942	1,070
Seed capital	229	246
Other**	719	761
Statutory Group capital	2,796	2,929

* 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