



Schroders

2016 Q3 Results

Data Pack | November 2016



Schroders

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

Assets under management (AUM)

£375.0 billion at 30 September 2016

£bn	Institutional	Intermediary	Asset Management	Wealth Management	Total
1 January 2016	181.0	100.9	281.9	31.6	313.5
Acquisition of Brookfield*	1.9	1.4	3.3	-	3.3
Net flows	5.4	(2.2)	3.2	(0.5)	2.7
Investment returns**	34.5	17.4	51.9	3.6	55.5
Transfers***	(0.9)	-	(0.9)	0.9	-
30 September 2016	221.9	117.5	339.4	35.6	375.0

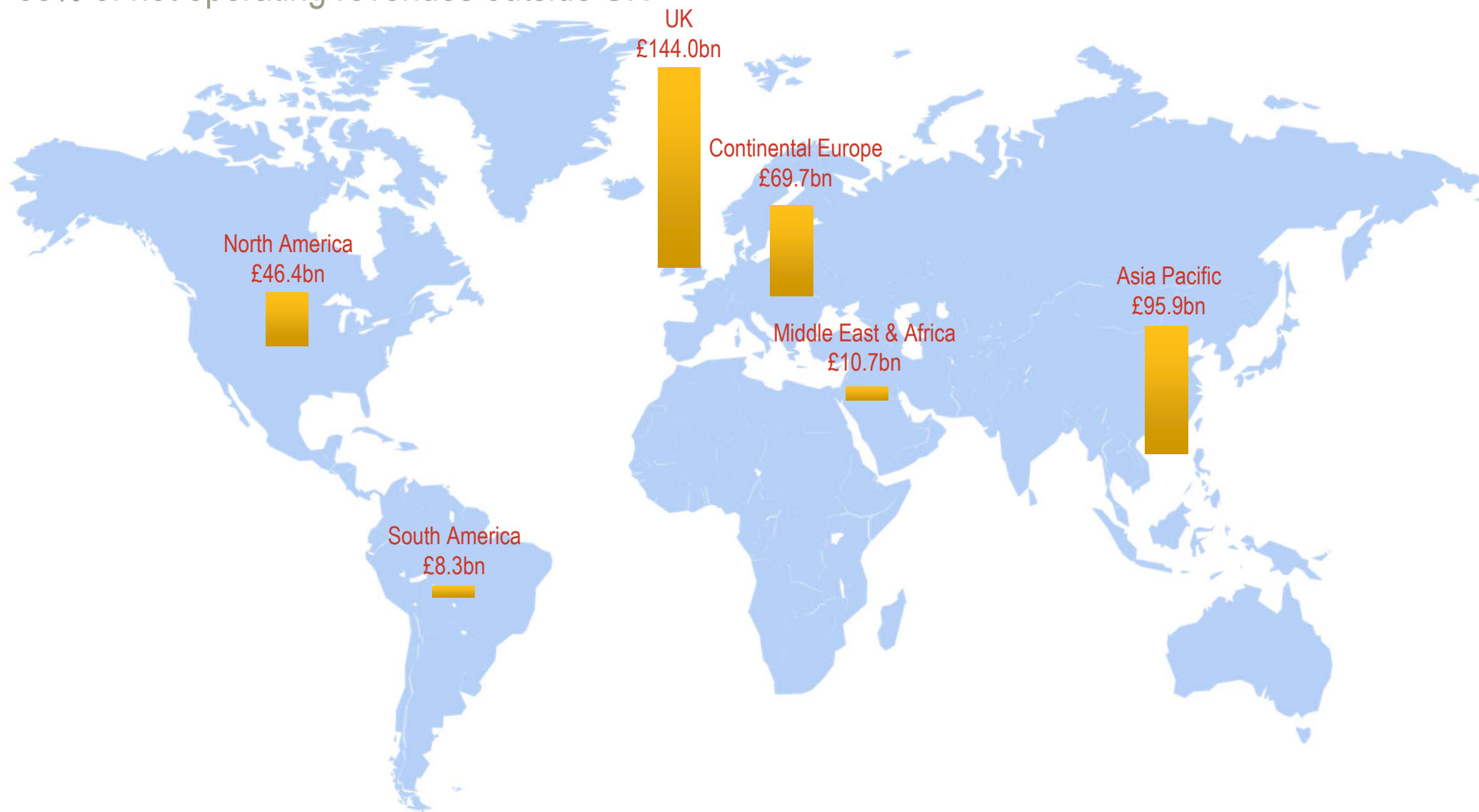
* Relates to the acquisition of a securitised credit business in North America.

** The weakening of Sterling since 1 January 2016 had the effect of increasing total assets under management by £38.6bn.

*** Relates to the transfer of charities assets from Asset Management to Wealth Management.

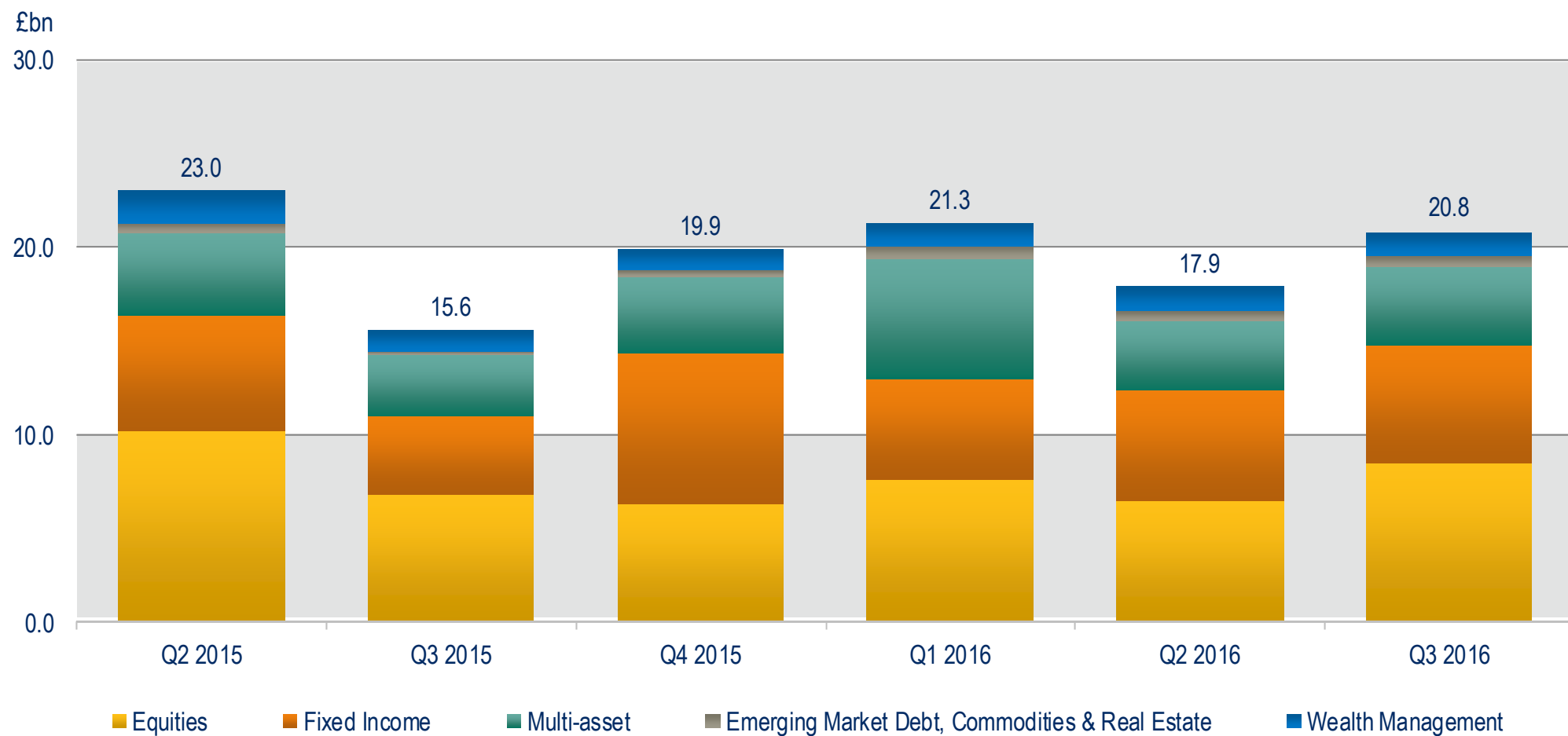
Regional diversification of AUM*

63% of net operating revenues outside UK

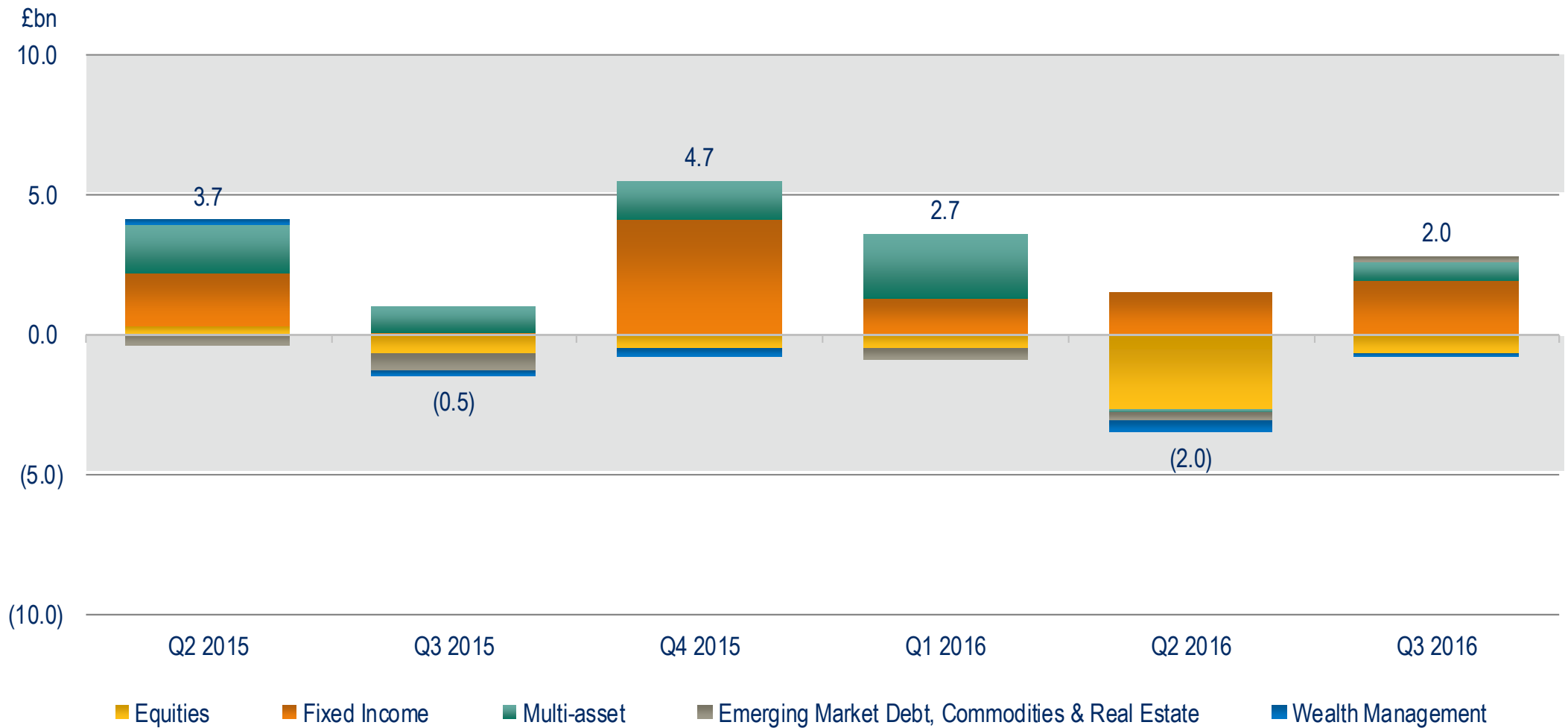


* By client domicile

Gross sales

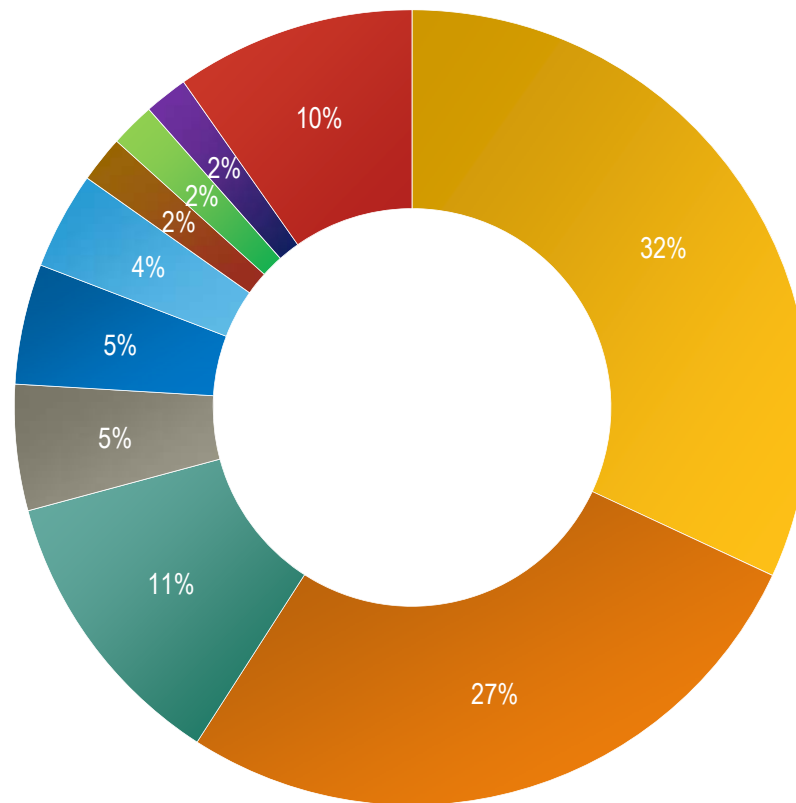


Net flows



Currency profile of AUM

Assets under management £375.0 billion



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

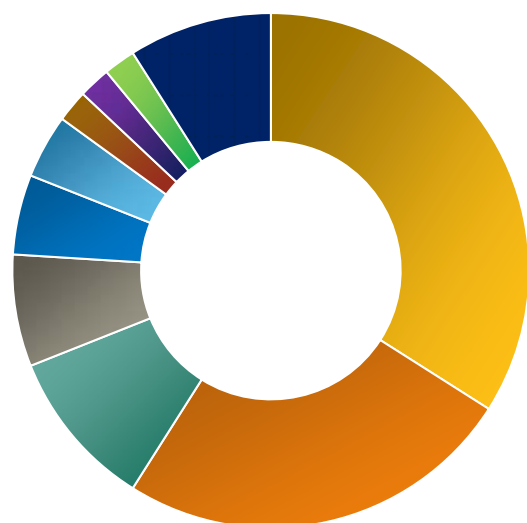
* Includes the following currencies which individually constitute 1% of AUM: IDR, INR, SGD

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

Currency profile of Asset Management AUM

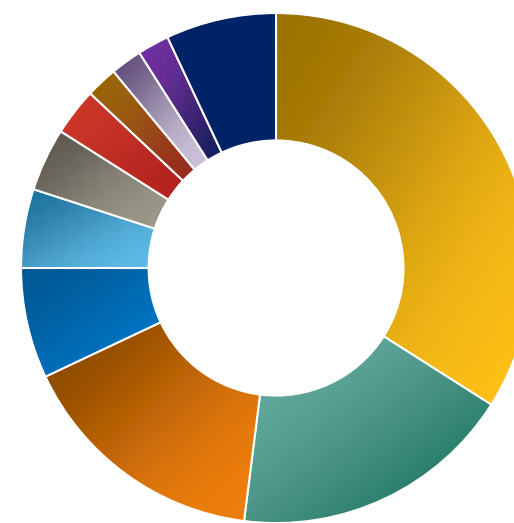
Asset Management AUM £339.4 billion

Institutional £221.9bn



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

Intermediary £117.5bn



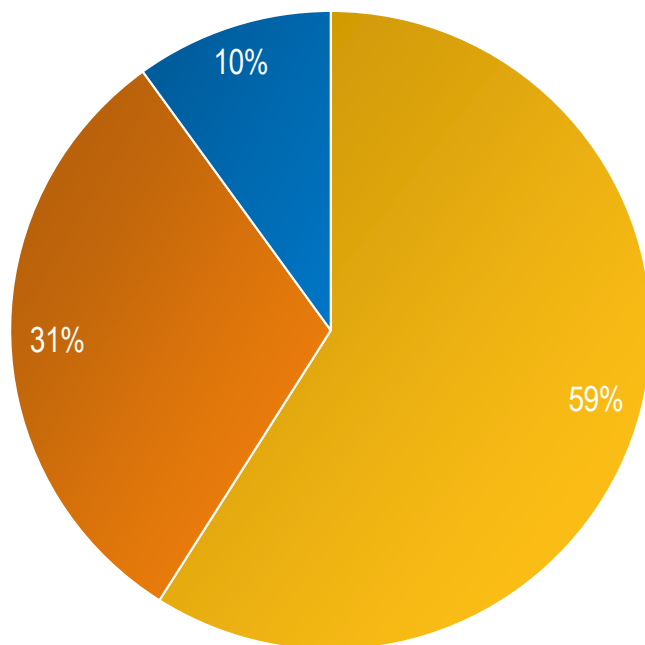
USD*	34%
EUR	18%
GBP	16%
JPY	7%
CNY	5%
AUD	4%
IDR	3%
TWD	2%
SGD	2%
KRW	2%
Other	7%

* USD includes other currencies pegged to USD, including HKD

Total AUM by channel, region and product

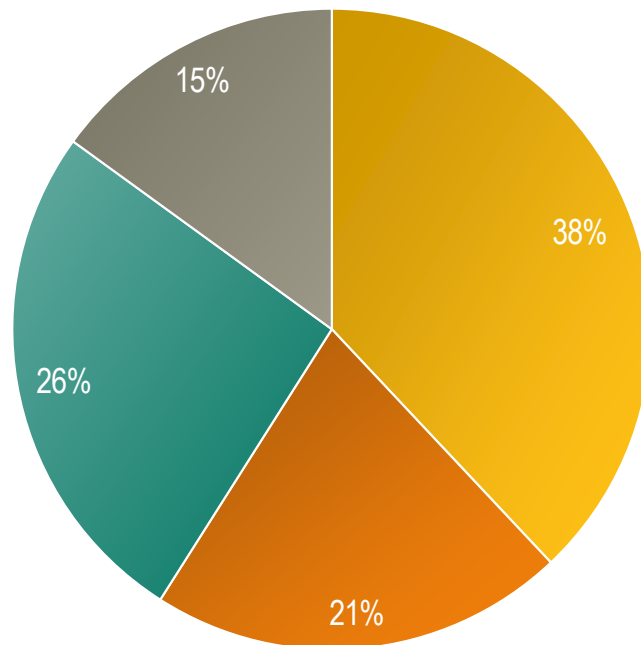
Assets under management £375.0 billion

By channel



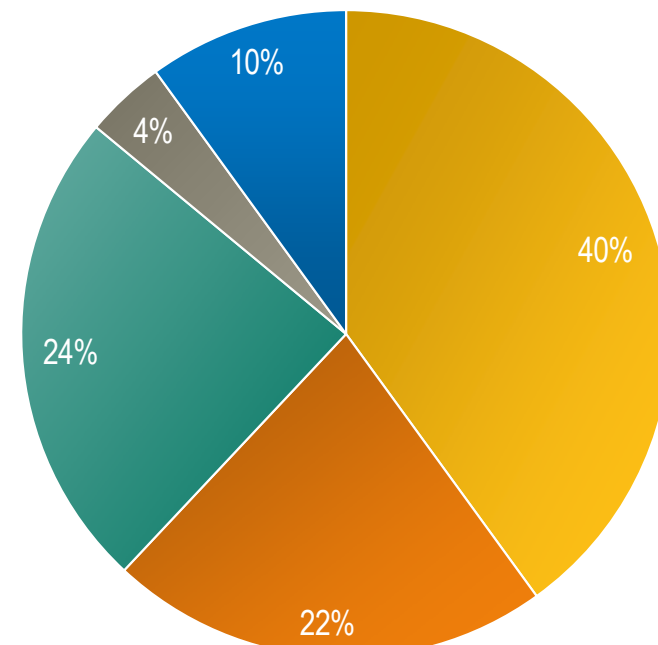
- Institutional
- Intermediary
- Wealth Management

By region*



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

By product

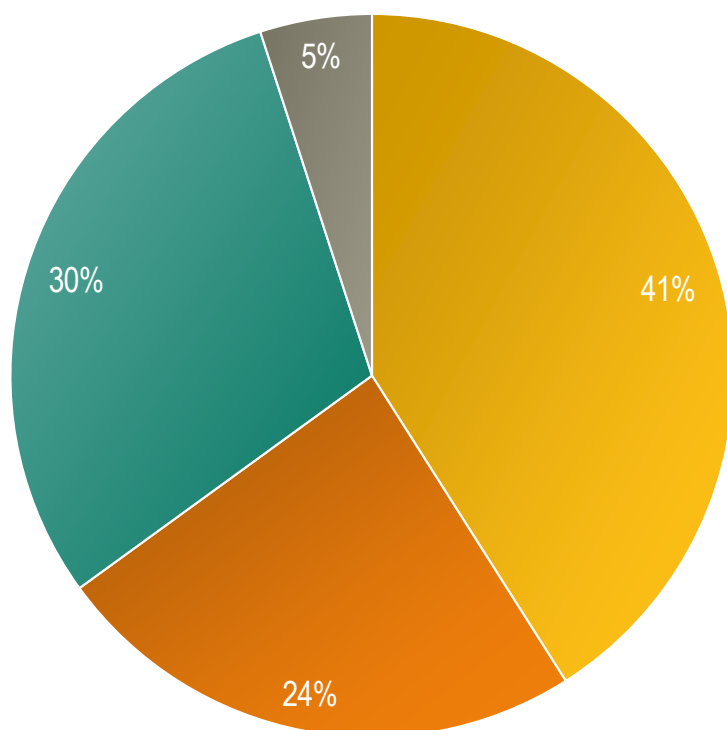


- Equities
- Fixed Income
- Multi-asset
- Emerging Market Debt, Commodities & Real Estate
- Wealth Management

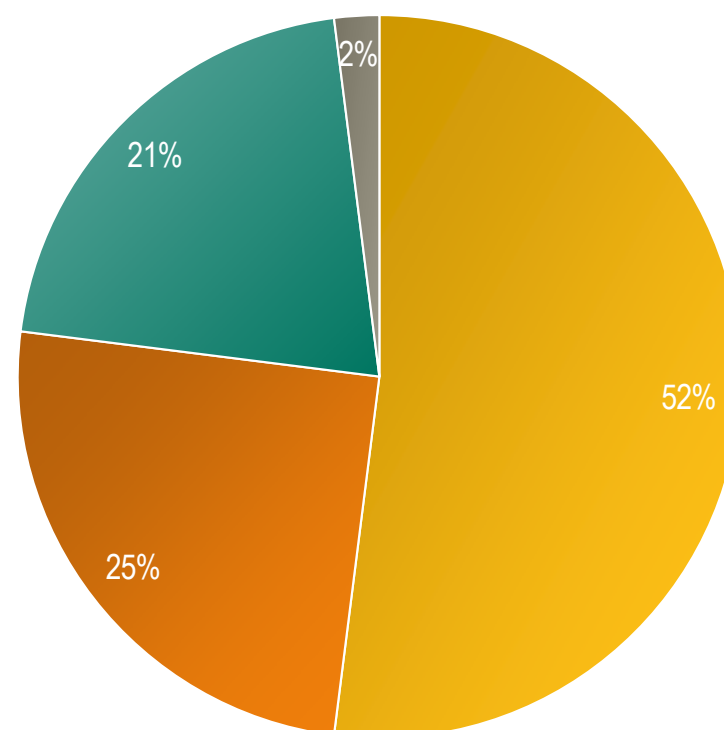
* By client domicile

Asset Management AUM by channel and product

Institutional AUM £221.9bn



Intermediary AUM £117.5bn



■ Equities

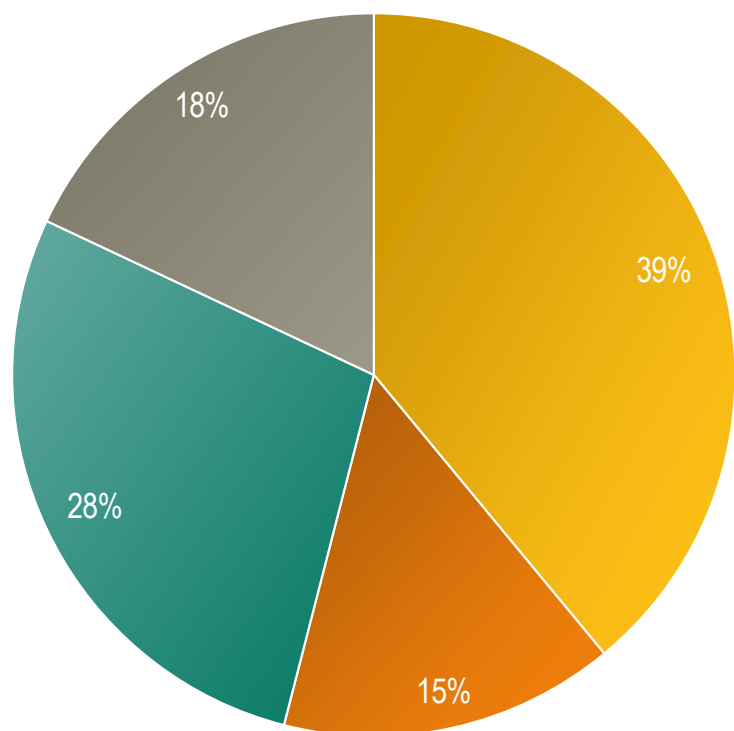
■ Fixed Income

■ Multi-asset

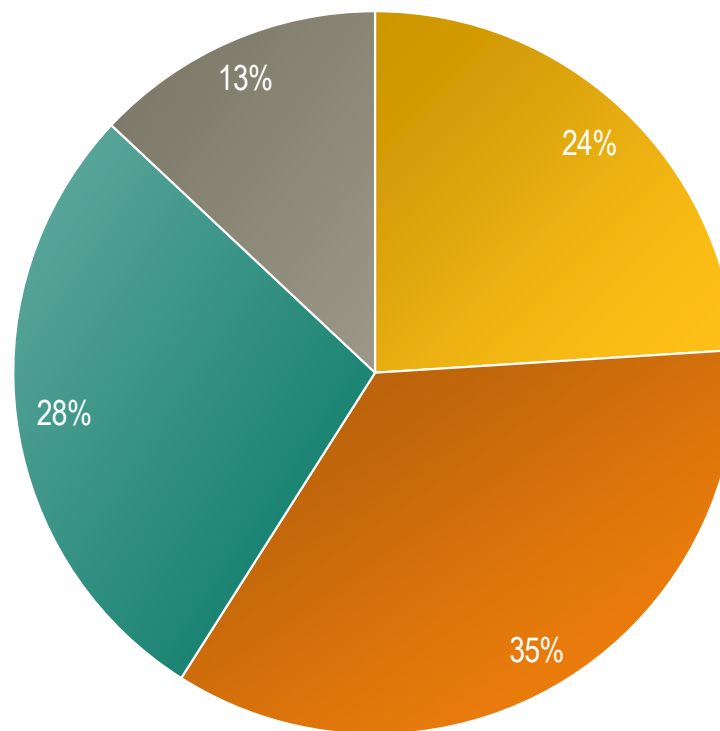
■ Emerging Market Debt, Commodities & Real Estate

Asset Management AUM by channel and region*

Institutional AUM £221.9bn



Intermediary AUM £117.5bn



■ UK

■ Continental Europe, Middle East & Africa

■ Asia Pacific

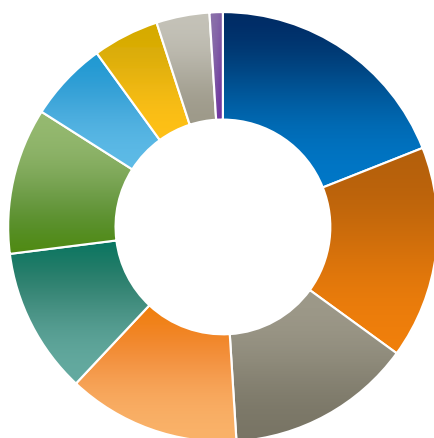
■ Americas

* By client domicile

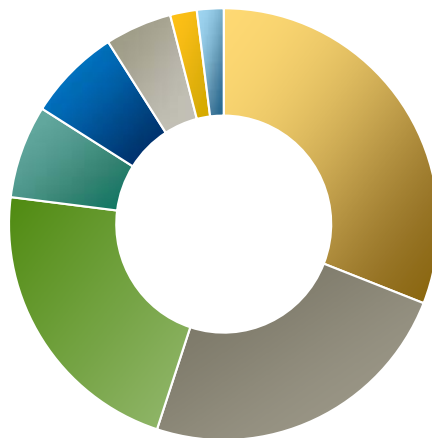
Asset Management AUM – detailed asset class analysis

Assets under management £339.4 billion

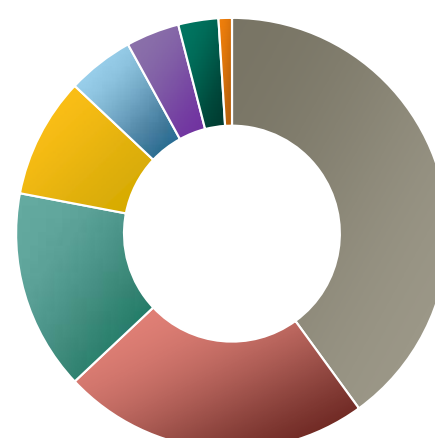
Equities £150.7bn



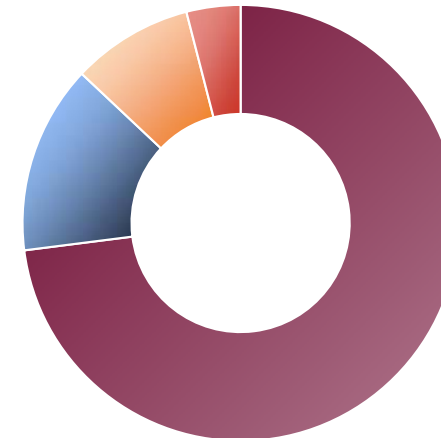
Fixed Income £82.2bn



Multi-asset £92.0bn



Emerging Market Debt, Commodities and Real Estate £14.5bn



Asia Pacific	19%
Quantitative equities	16%
Global	14%
Emerging markets	13%
UK	11%
Europe	11%
Japan	6%
US	5%
Australia	4%
Other	1%

US	31%
Global	24%
Europe	22%
UK	7%
Asia Pacific	7%
Australia	5%
Convertibles	2%
Insurance-linked	2%

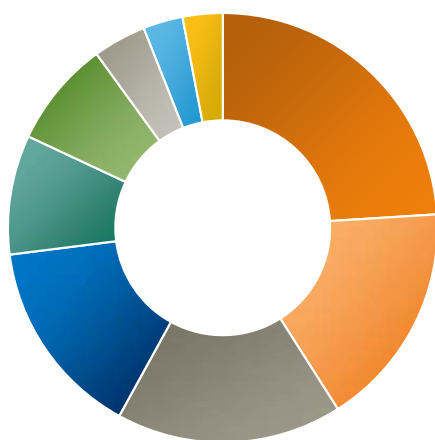
Risk controlled growth	40%
LDI	23%
UK traditional balanced	15%
Income	9%
Inflation protection	5%
Risk mitigation	4%
GAIA	3%
Wealth preservation	1%

Real estate	73%
Emerging market debt	14%
Agriculture and commodities	9%
Private equity	4%

Institutional AUM – detailed asset class analysis

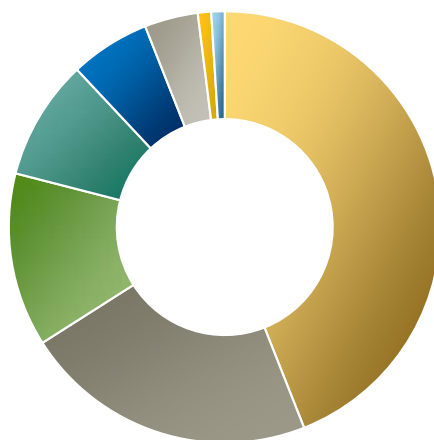
Assets under management £221.9 billion

Equities £90.1bn



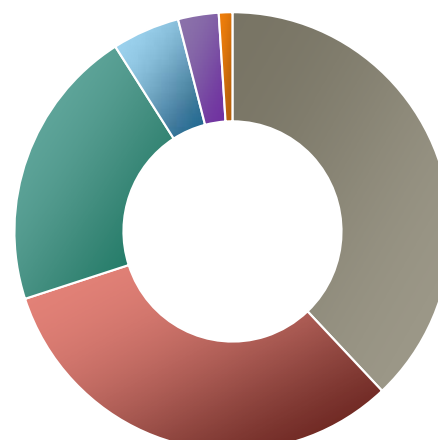
Quantitative equities	24%
Emerging markets	17%
Global	17%
Asia Pacific	15%
UK	9%
Europe	8%
Australia	4%
Japan	3%
US	3%

Fixed Income £52.6bn



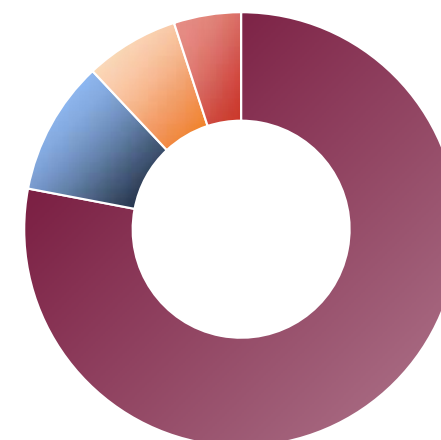
US	44%
Global	22%
Europe	13%
UK	9%
Asia Pacific	6%
Australia	4%
Convertibles	1%
Insurance-linked	1%

Multi-asset £67.6bn



Risk controlled growth	38%
LDI	32%
UK traditional balanced	21%
Inflation protection	5%
Risk mitigation	3%
Wealth preservation	1%

Emerging Market Debt, Commodities and Real Estate £11.6bn

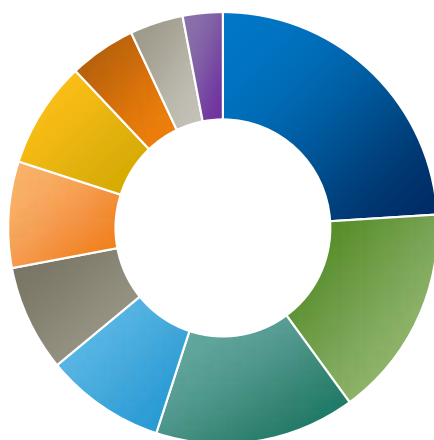


Real estate	78%
Emerging market debt	10%
Agriculture and commodities	7%
Private equity	5%

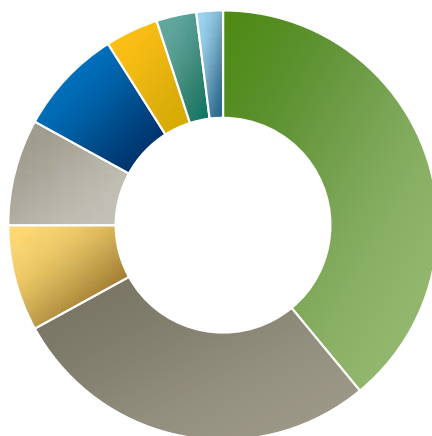
Intermediary AUM – detailed asset class analysis

Assets under management £117.5 billion

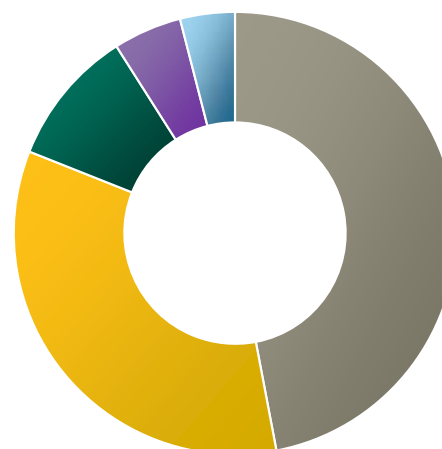
Equities £60.6bn



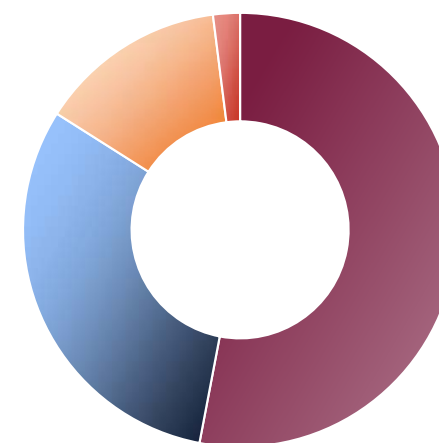
Fixed Income £29.6bn



Multi-asset £24.4bn



Emerging Market Debt, Commodities and Real Estate £2.9bn



Asia Pacific	24%
Europe	16%
UK	15%
Japan	9%
Global	8%
Emerging markets	8%
US	8%
Quantitative equities	5%
Australia	4%
Other	3%

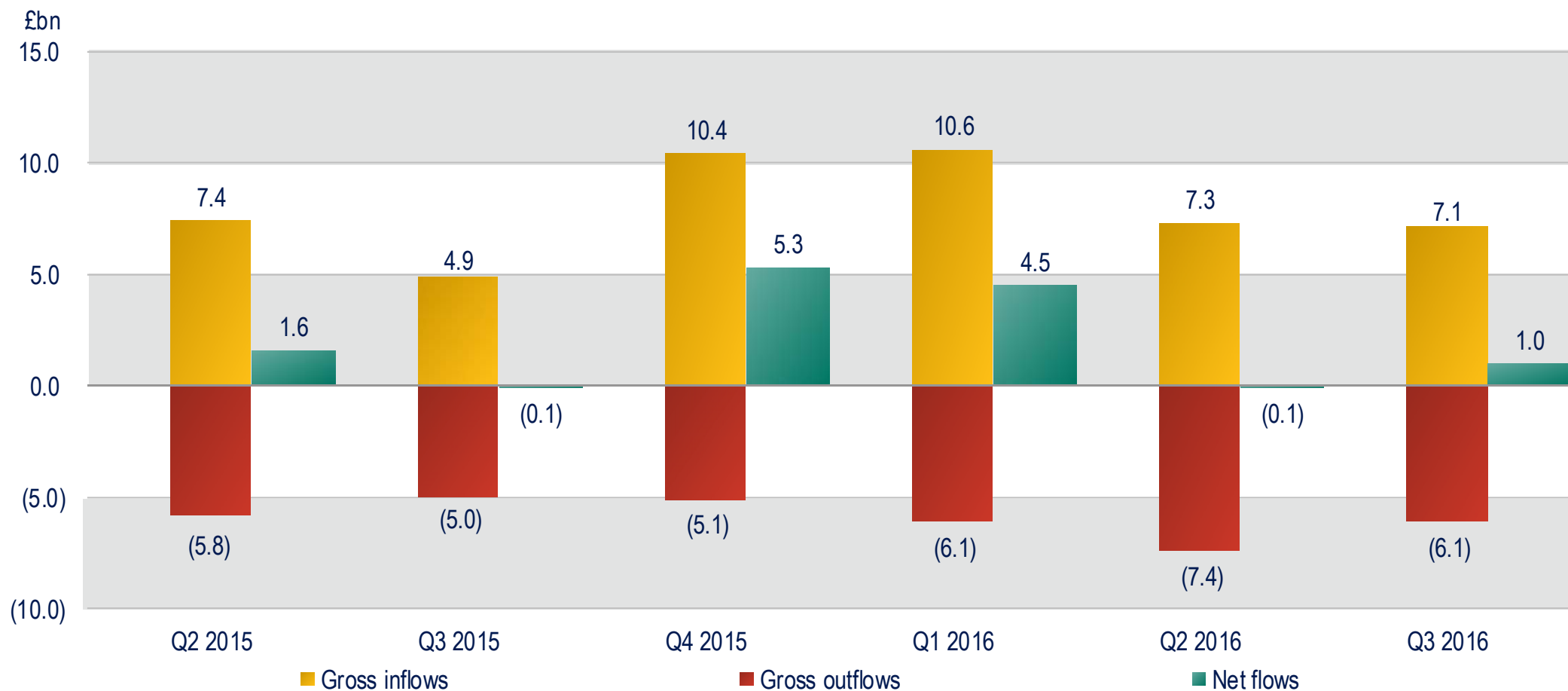
Europe	39%
Global	28%
US	8%
Australia	8%
Asia Pacific	8%
Convertibles	4%
UK	3%
Insurance-linked	2%

Risk controlled growth	47%
Income	34%
GAIA	10%
Risk mitigation	5%
Inflation protection	4%

Real estate	53%
Emerging market debt	31%
Agriculture and commodities	14%
Private equity	2%

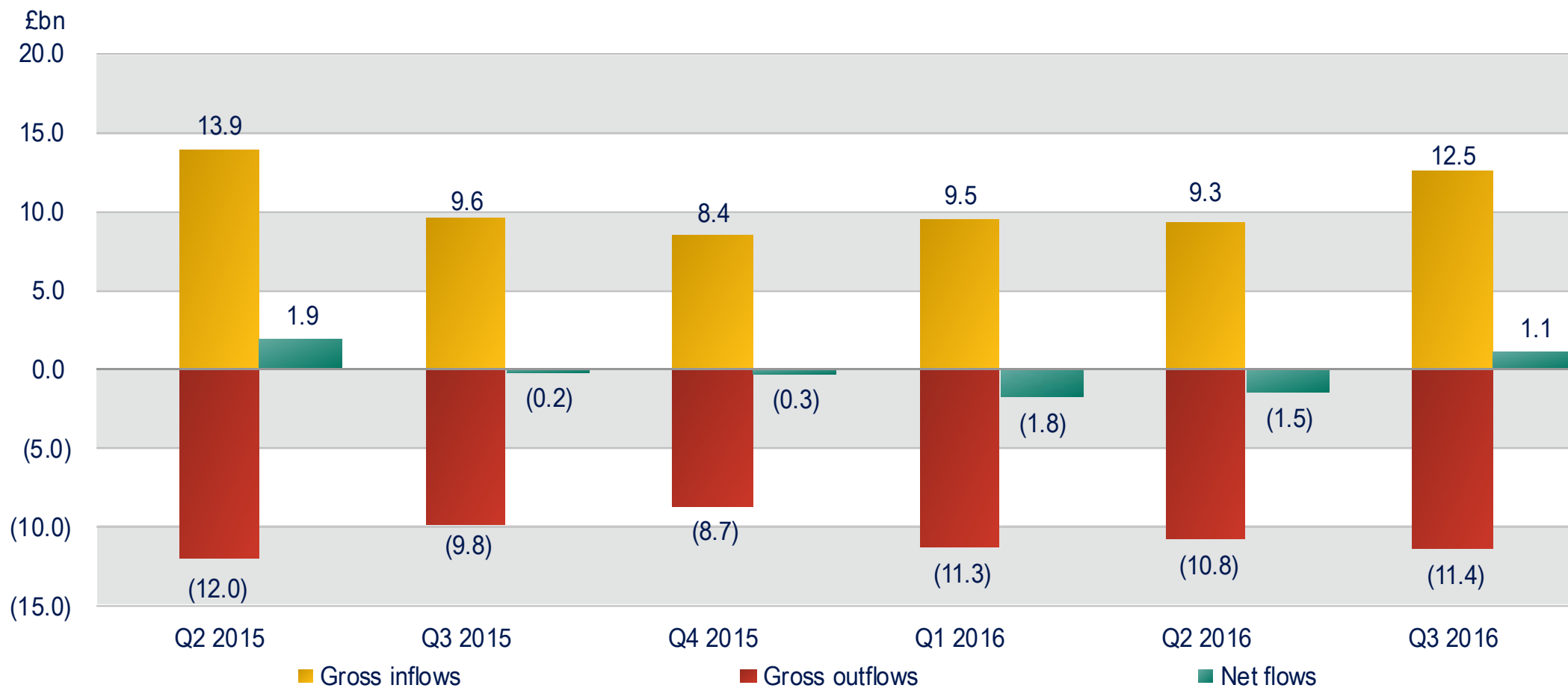
Institutional

Assets under management: £221.9 billion



Intermediary

Assets under management: £117.5 billion



Net operating revenue and margins – Asset Management

Asset Management Net operating revenue £1,071.3 million

	FY 2015	YTD Q3 2015	YTD Q3 2016
Performance fees - £m	35.7	12.7	13.3
Performance fees on average AUM	1 bps	1 bps	0 bps
Net operating revenue (ex performance fees) - £m	1,357.7	1,019.3	1,058.0
Net operating revenue (ex performance fees) on average AUM	49 bps	49 bps	47 bps
Net income* - £m	1,412.5	1,045.0	1,118.6
Operating expenses* - £m	872.0	644.6	719.5
Profit before tax* - £m	540.5	400.4	399.1

* Excludes exceptional items

Income statement progression

Asset Management profit before tax

£m	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016
Institutional	156.3	146.5	173.2	152.7	163.4	172.1
Intermediary	197.3	192.6	188.2	183.1	188.6	211.4
Net operating revenue	353.6	339.1	361.4	335.8	352.0	383.5
Net (losses)/gains on financial instruments and other income	(6.0)	(0.2)	4.0	8.9	13.0	13.4
Share of profit of associates and joint ventures	4.4	4.0	2.1	5.2	3.3	3.5
Net income	352.0	342.9	367.5	349.9	368.3	400.4
Operating expenses	(214.7)	(213.5)	(227.4)	(222.0)	(238.6)	(258.9)
Asset Management profit before exceptional items	137.3	129.4	140.1	127.9	129.7	141.5
Exceptional items	(3.0)	(3.1)	(3.0)	(3.5)	(5.0)	(3.8)
Asset Management profit after exceptional items	134.3	126.3	137.1	124.4	124.7	137.7

Income statement progression

Wealth Management profit before tax

£m	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016
Net operating revenue	53.3	51.9	49.7	51.9	55.2	55.5
Net (losses)/gains on financial instruments and other income	-	(0.1)	0.2	0.1	0.4	1.1
Net income	53.3	51.8	49.9	52.0	55.6	56.6
Operating expenses	(38.2)	(35.3)	(35.1)	(36.3)	(38.9)	(39.5)
Wealth Management profit before exceptional items	15.1	16.5	14.8	15.7	16.7	17.1
Exceptional items	(2.1)	5.2	(2.0)	(2.0)	(2.0)	(2.8)
Wealth Management profit after exceptional items	13.0	21.7	12.8	13.7	14.7	14.3

Income statement progression

Group segment profit/(loss) before tax

£m	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016
Net gains on financial instruments and other income	5.2	7.2	11.0	8.0	6.8	10.3
Share of profit of associates*	5.7	1.0	0.8	1.8	1.8	0.7
Net income	10.9	8.2	11.8	9.8	8.6	11.0
Operating expenses	(7.2)	(6.6)	(10.2)	(8.9)	(5.8)	(8.0)
Group profit before exceptional items	3.7	1.6	1.6	0.9	2.8	3.0
Exceptional items	(2.4)	(1.0)	(1.4)	(1.1)	2.2	(1.1)
Group profit/(loss) after exceptional items	1.3	0.6	0.2	(0.2)	5.0	1.9

* Includes RWC Partners Limited and Schroder Ventures Investments Limited associates

Cost and return metrics

Total Schroders Group costs

	FY 2015	YTD Q3 2015	YTD Q3 2016
Total compensation ratio*	44%	44%	45%
Headcount	3,784	3,786	4,011
Total costs*	1,048.8	776.1	856.9
Total cost ratio*	63%	63%	65%
Return on average capital (pre-tax)*	23%	23%	21%
Return on average capital (post-tax)*	18%	18%	17%

- ▶ 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

Group capital allocation

Increase of £143 million for the nine months ended 30 September 2016

£m	December 2015	September 2016
Regulatory capital	653	717
Other operating capital	253	93
Investment capital*	942	1,114
Seed capital	229	302
Other**	719	713
Statutory Group capital	2,796	2,939

* 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