



Schroders 2020 Full Year Results

Peter Harrison
Group Chief Executive

04 March 2021

Resilient business model proving beneficial

| | 2020 | 2019 | Change |
|---|----------------|----------------|--------|
| Net income ¹ | £2,179.2m | £2,124.8m | 3% |
| Ratio of total costs to net income ¹ | 68% | 67% | (1%) |
| Profit before tax¹ | £702.3m | £701.2m | - |
| AUM | £574.4bn | £500.2bn | 15% |
| Net new business | £42.5bn | £43.4bn | |
| Basic EPS¹ | 200.8p | 201.6p | - |
| Total dividend per share | 114p | 114p | - |

¹Before exceptional items.



Invest to Grow
delivering resilient results



£42.5bn
of net new business,
led by Solutions



Productivity high
with majority of employees
working remotely in 2020



Actively supporting
companies, communities
and our people

Invest to grow

What we said we would do 5 years ago



Accelerate growth



Invest in data science



Build a scalable platform



More strategic partnerships



Diversify into
Wealth Management
and Private Assets

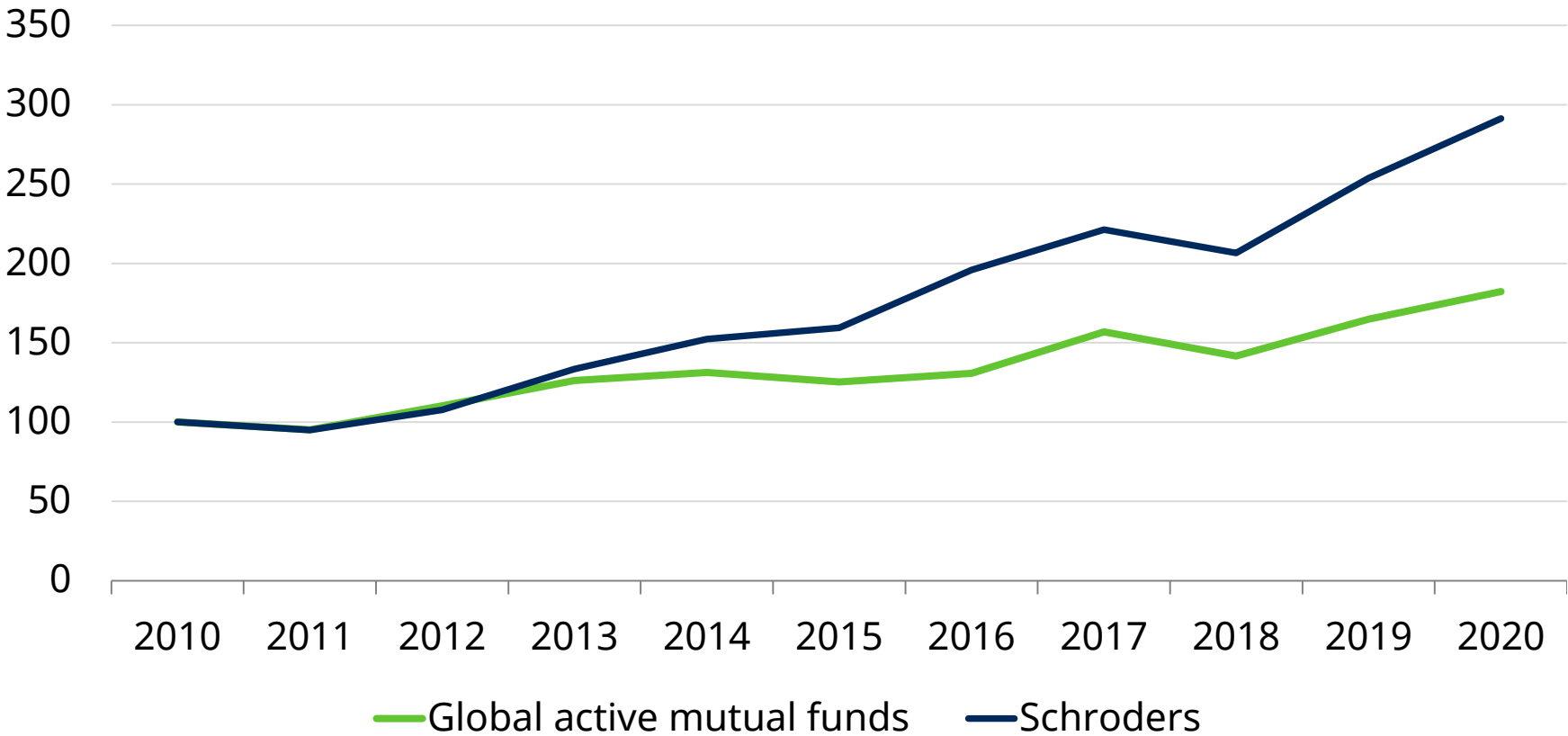


Be purposeful and ESG led

Pivoting to higher growth areas

Addressing the industry headwinds

AUM development vs. active mutual funds, indexed



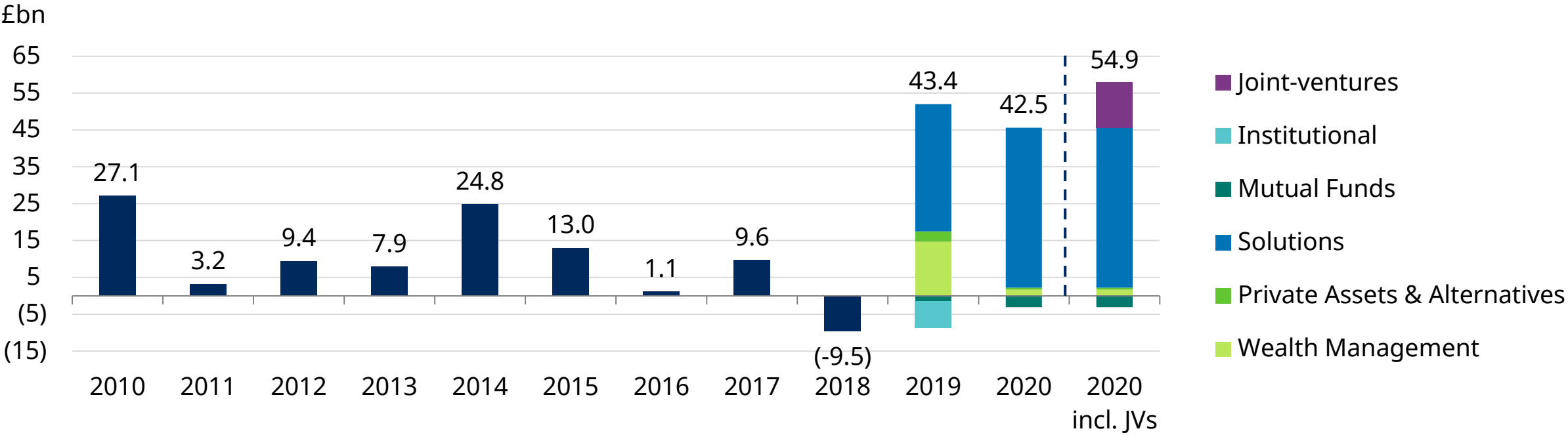
Source: Morningstar, excl. MM funds, 2020.

5 year
CAGR of
13%

10 year
CAGR of
11%

2020 was a strong year for net new business

Annual net new business



£42.5bn
of net new business

£14.3bn
of net new business excl.
SWIFT and JVs

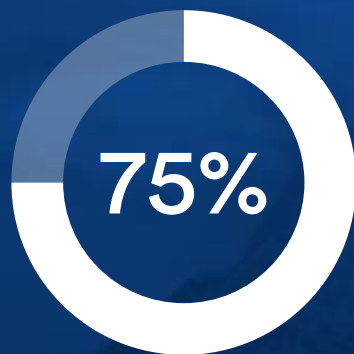
Joint-ventures generated
£12.4bn
of net new business

£54.9bn
of net new business incl.
joint ventures

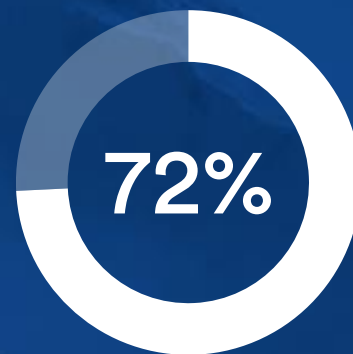
Strong investment performance momentum

Driven by data science and team based approaches

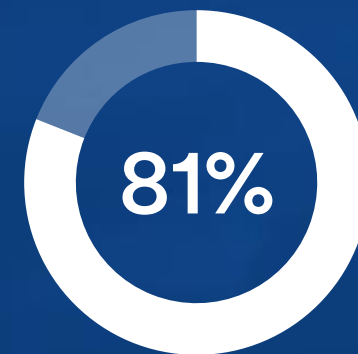
| | 1 year | 3 years | 5 years |
|-------------------------------|--------|---------|---------|
| Equities | 75% | 74% | 83% |
| Fixed Income | 87% | 91% | 95% |
| Multi-Asset | 78% | 47% | 66% |
| Portfolio Solutions & Quant | 64% | 64% | 67% |
| Private Assets & Alternatives | 60% | 75% | 83% |
| Wealth Management | 71% | 73% | 77% |



outperforming over 1 year

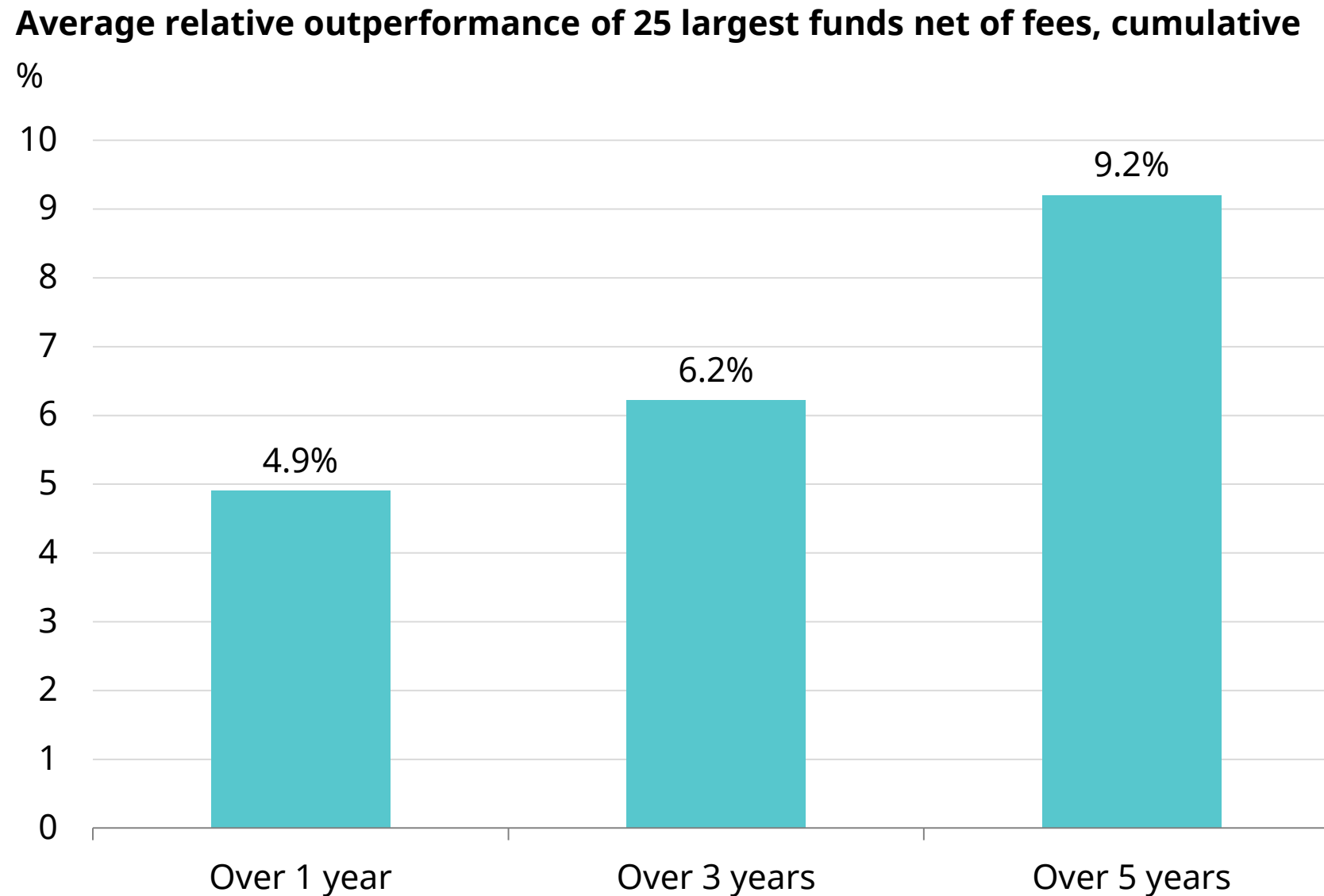


outperforming over 3 years



outperforming over 5 years

With strong performance from active management



Note: Average arithmetic excess return of the top 25 funds measured against an investible benchmark. Returns are cumulative for periods over 1 year.

A leader in the transition to a sustainable world

With a purposeful response to our corporate responsibility

For our clients



Extensive range of
**sustainable
funds**
with more in the pipeline

Full ESG integration

across our managed assets

SustainEx™

Our award winning tool

Quantifies the hidden
environmental and social benefits
and impacts created by companies

Ready for
EU Article 8 & 9
regulation

2,075+
engagements
in 2020

22
dedicated
ESG specialists

For our business



Founding member of the
Net Zero
Asset Managers initiative

MSCI ESG Rating of
AAA
in the top 3% of our sector
with a consistent score for
more than 5 years

94%
retention of highly-rated
employees

98%
of employees proud to be
associated with Schroders

Adopted a
Science-based target
A clearly-defined pathway to
our net zero commitment

Sustainalytics
ESG risk rating of
18.8
Low risk and in the top 15%
for diversified financials

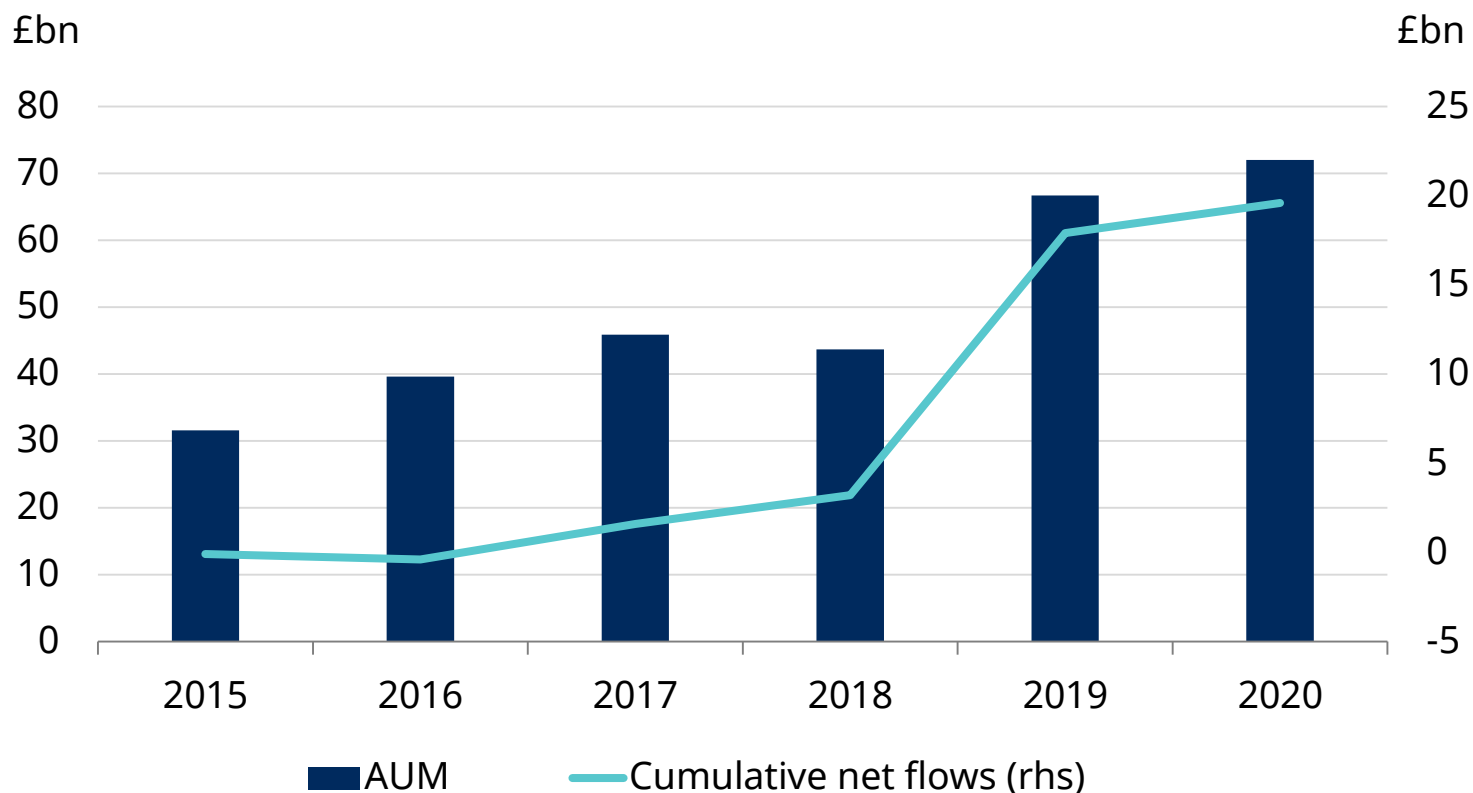


Closer
proximity
to consumers

Wealth Management assets reached £72.0bn

With net operating revenues
growing 21% year-on-year

Annual assets and cumulative net flows



£1.7bn
of net inflows
and 18% 5yr AUM CAGR

Sandaire acquisition
positions us as a leading
adviser to UK family offices

SPW
laid foundations
for future growth

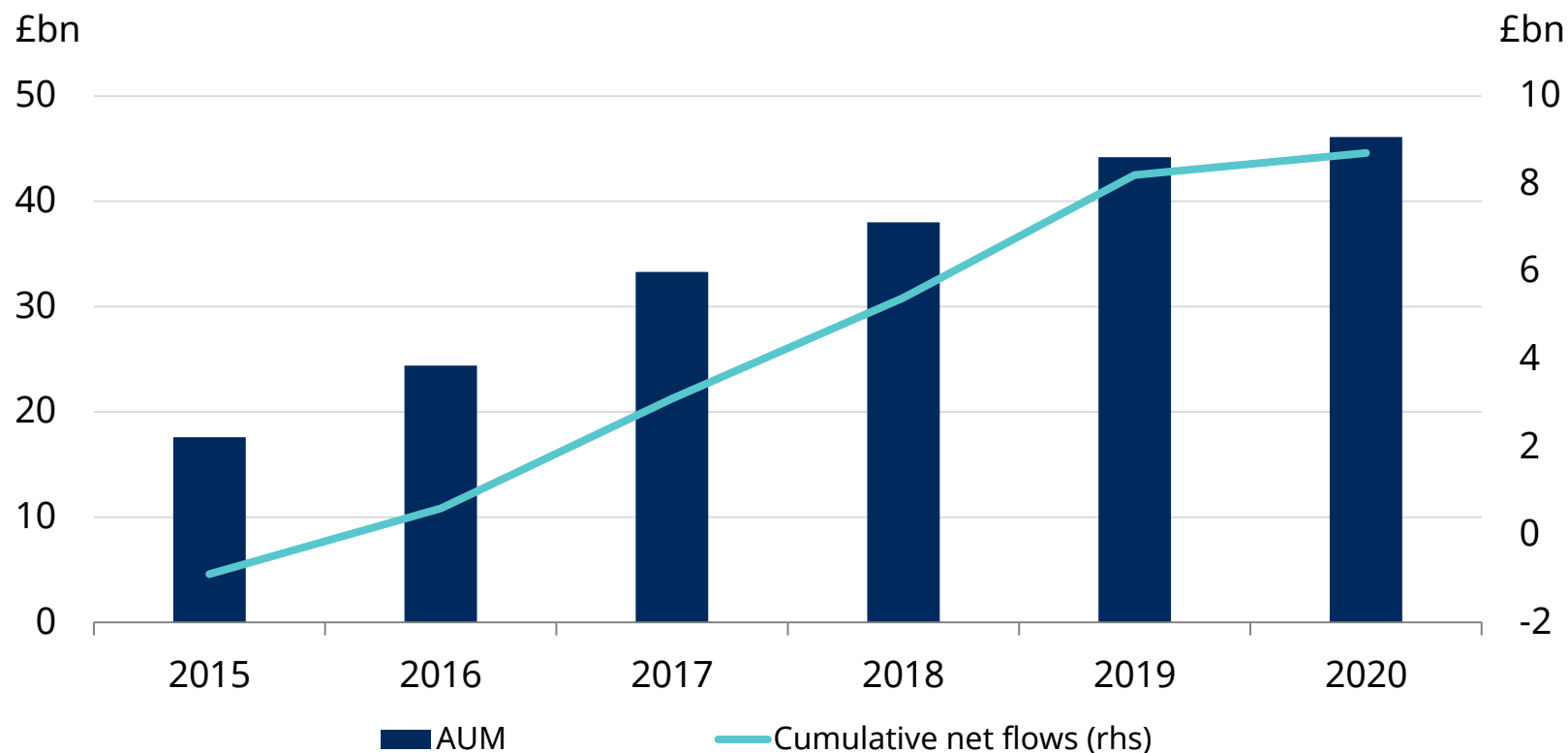
**Cazenove Capital
wins gold**
in the ESG Investing
Olympics



Expand
Private Assets
& Alternatives

Expand Private Assets & Alternatives

Annual assets and cumulative net flows



Acquired a
majority stake in **Pamfleet**
a Hong-Kong based
RE manager

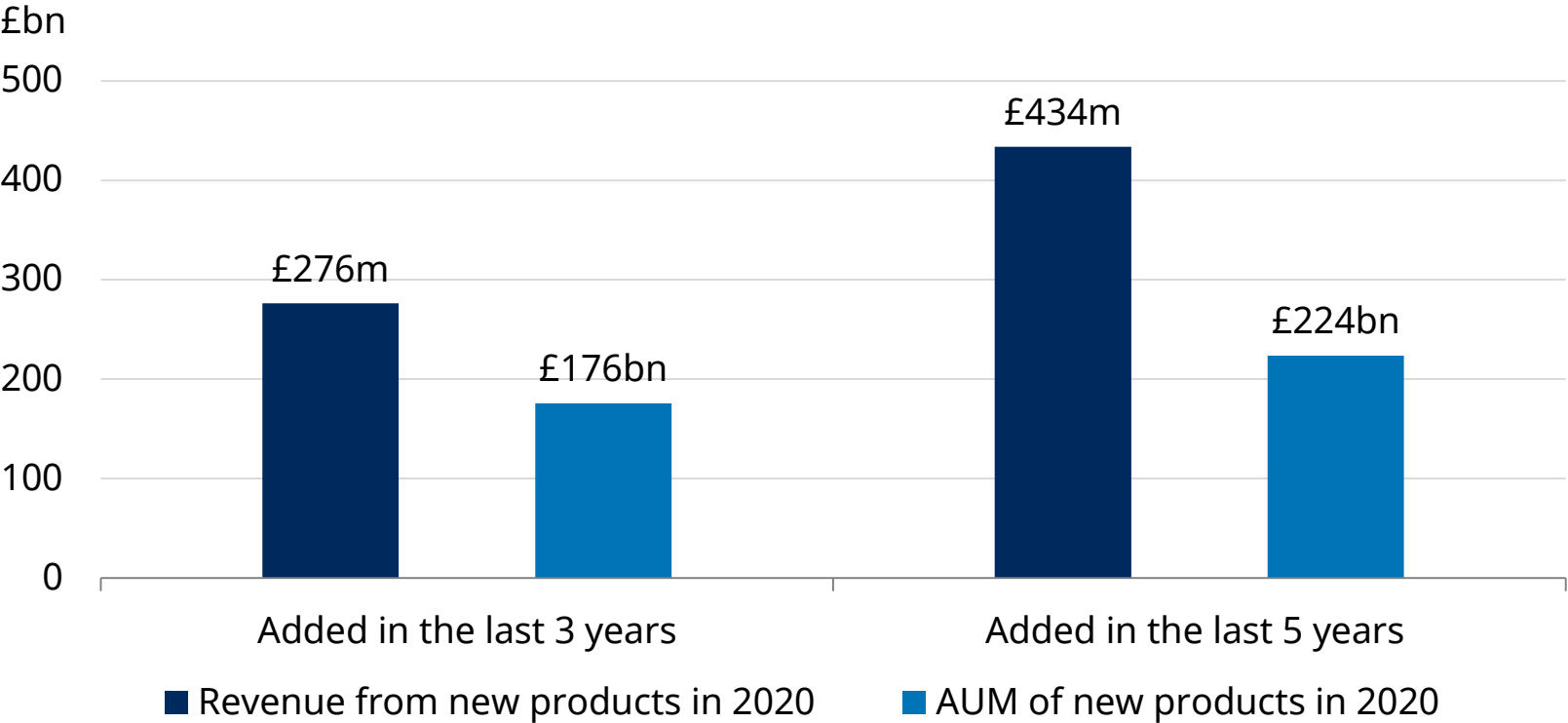
£1.7bn
net inflows into private assets business
offset by alternatives outflows

21%
5-year
AUM CAGR

Product innovation and acquisitions are creating future revenues

Note: includes acquisitions and Scottish Widows mandate.

2020 AUM and revenue contribution from new strategies

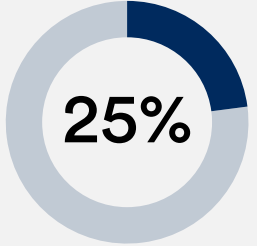
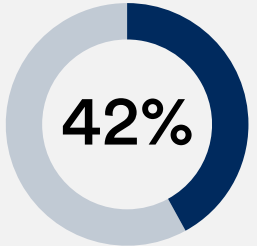


Over 5 years, invested
£950m
of seed capital generating
AUM of £11.2bn

Active product management:
25%
of UCITS range restructured
over last three years

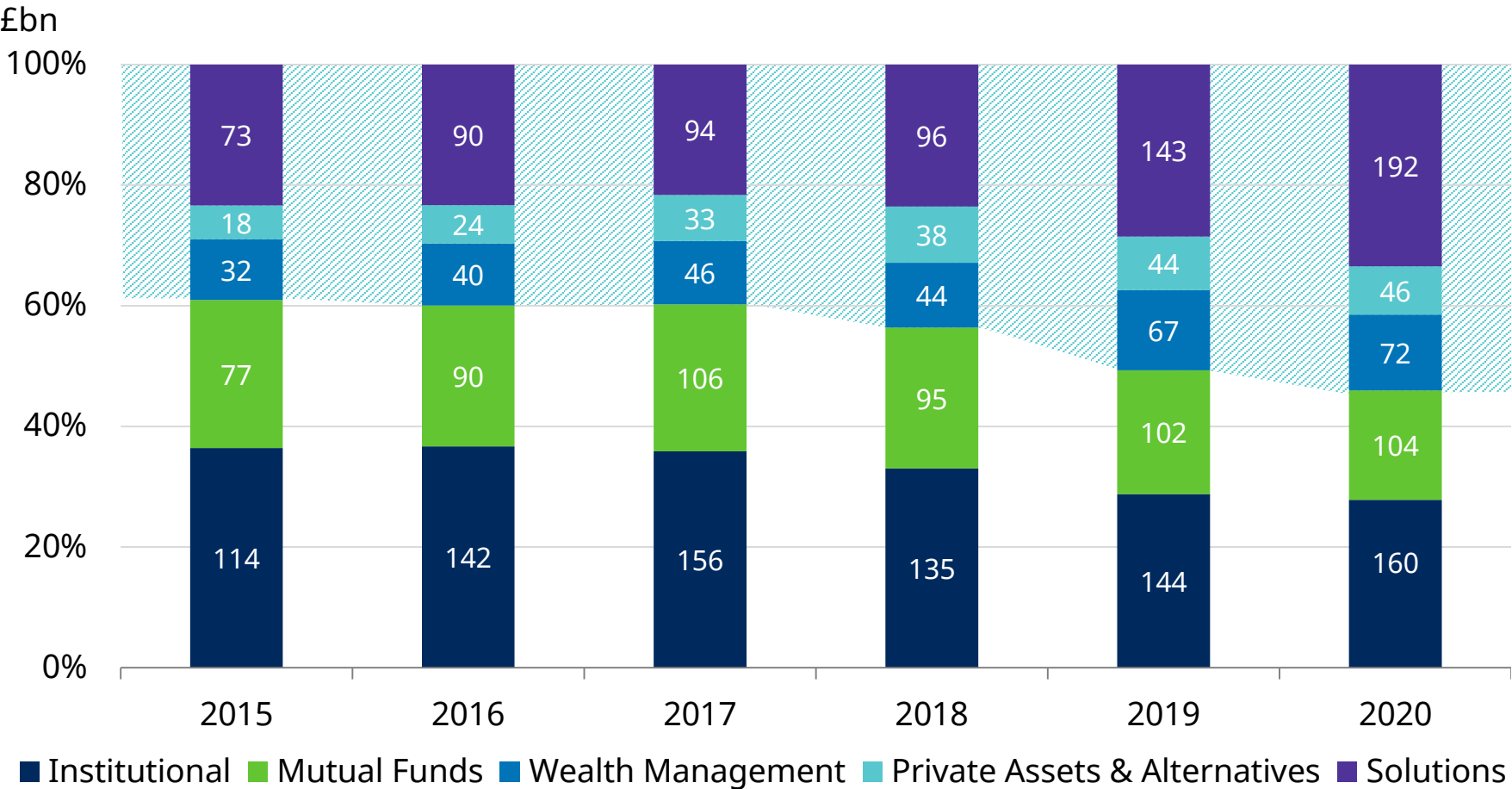
64 new funds launched
42 funds rationalised
in 2020

Strong performance from joint ventures

| | | 2020 | 2019 | | |
|------------------------------|-------------------|---------|---------|---|--|
| BOCOM Schroders FMC JV | AUM | £68.4bn | £54.6bn |  <p>25%</p> <p>AUM growth in China</p> | Ranks 15th out of 139 peers in China |
| | Net flows | £7.7bn | £3.8bn | | |
| | Revenues | £263.3m | £166.0m | | |
| | Profit before tax | £187.9m | £88.5m | | |
| AXIS JV | AUM | £19.3bn | £13.6bn |  <p>42%</p> <p>AUM growth in India</p> | 7 th largest mutual fund business in India |
| | Net flows | £4.4bn | £5.2bn | | |
| | Revenues | £57.4m | £43.1m | | |
| | Profit before tax | £30.7m | £16.7m | | |

Our strategic diversification continues by AUM...

AUM by business area

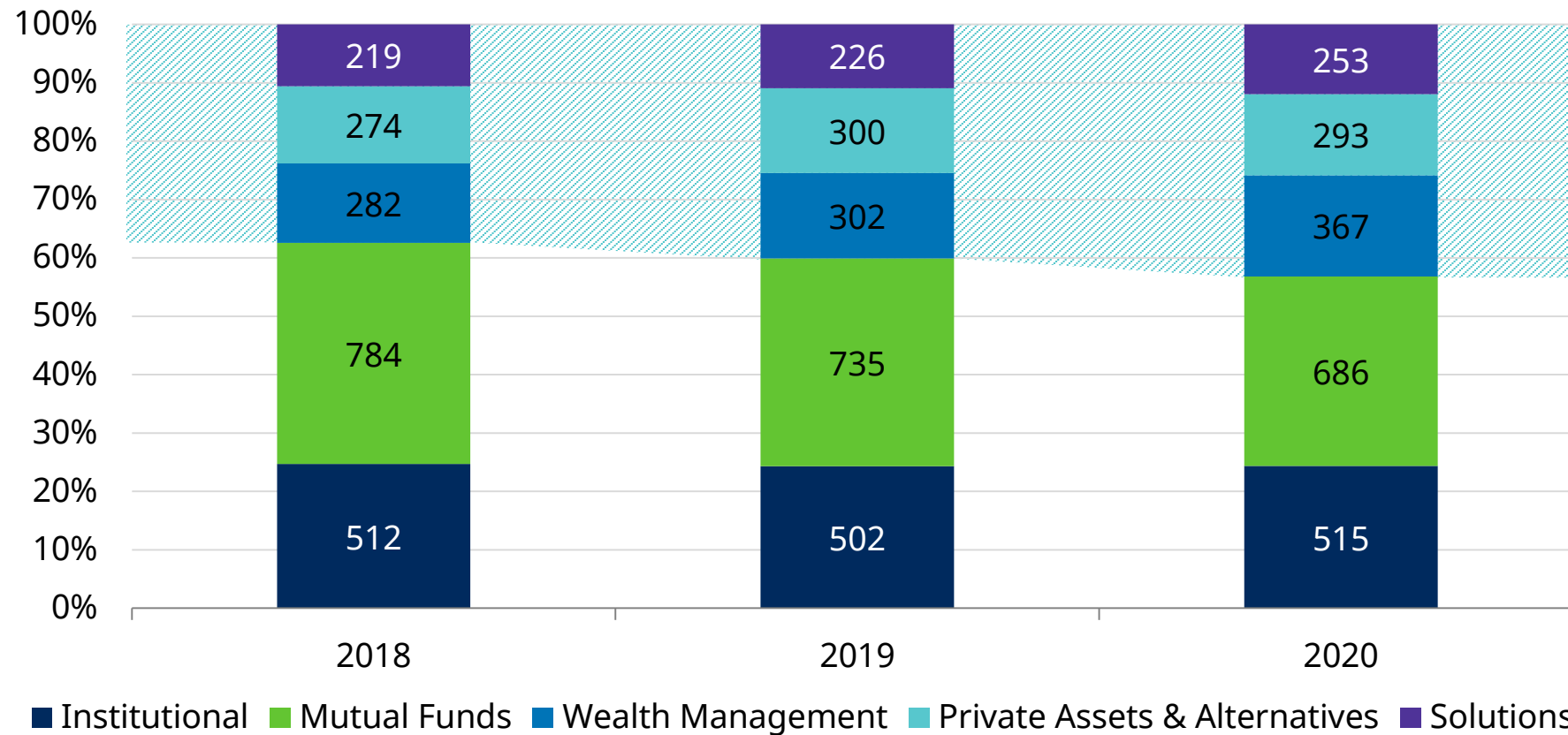


of AUM in
strategic higher
growth areas

...and by revenues

Revenues by business area

£m



Higher
growth areas
now

43%

of revenues

Our strategy: Investing for growth

Continuing our strategic pivot into higher margin and higher client longevity areas



Closer proximity to consumers

Cover all segments of the UK Wealth market
Grow SPW partnership
Grow global Family Office proposition
Organically grow UK regional

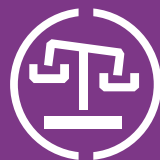
Grow Wealth Management offering



Grow Asset Management

Grow Solutions
Build a scalable platform
Grow Institutional business through ESG leadership

Target client longevity and Solutions



Expand Private Assets & Alternatives

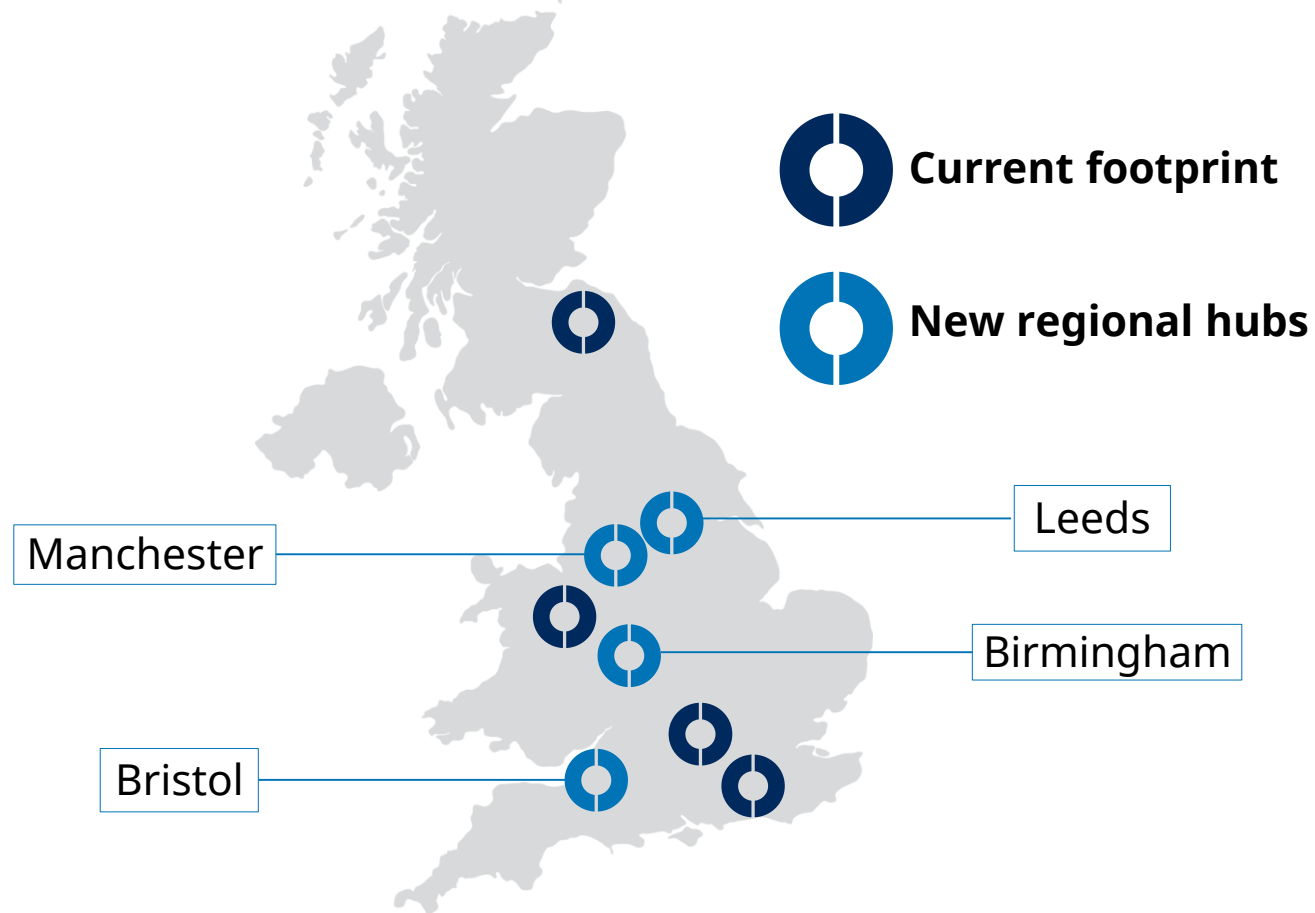
Create dedicated business and sales force
Commit balance sheet
Organically build selective capabilities

Rebalance business towards private markets



Closer
proximity
to consumers

Cazenove Capital's UK Regional Wealth build out



6%
current AUM from
regional presence

Note: excludes Benchmark Capital and SPW.



LBG has substantial
market share in each
of its regional markets

Servicing 'mid-market'
business owners with
investable wealth of £3-30m

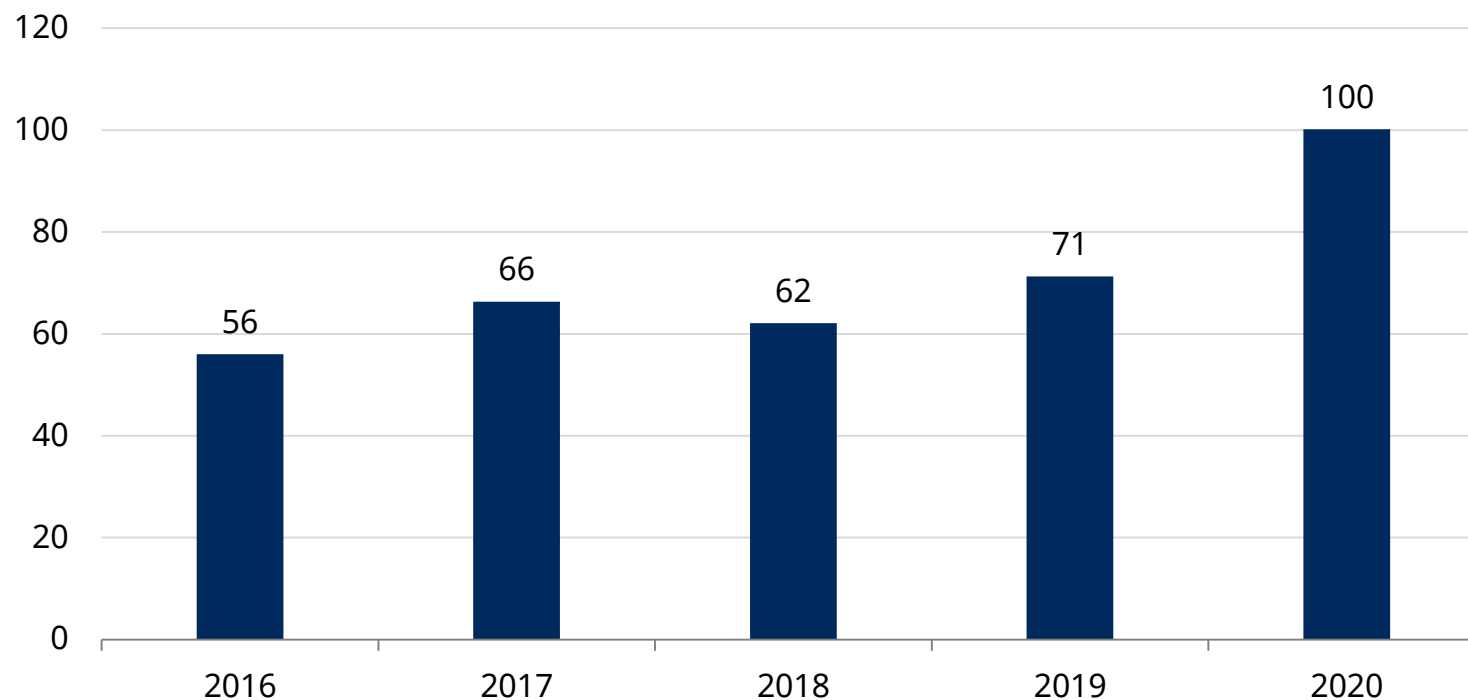


Grow Asset
Management

US business reached milestone of \$100bn AUM

AUM development

US\$bn



US\$14.3

billion net new business
(£11.2 billion)

5 year AUM CAGR of
15%

5th out of 200

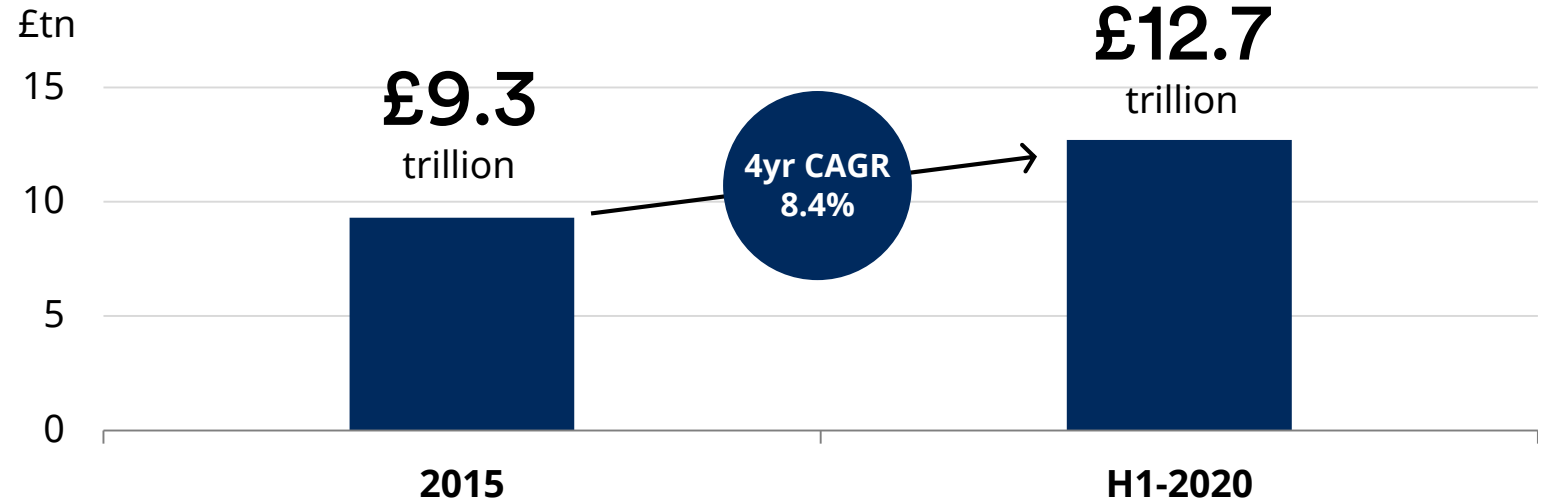
US firms in terms of
NNB growth



Grow Asset
Management

China is the second largest asset management market in the world

Historic AUM growth



AUM split by market segment

Private Fund

£1.6tn

Securities AM

£1.2tn

Insurance AM

£2.0tn

Bank Wealth
Management

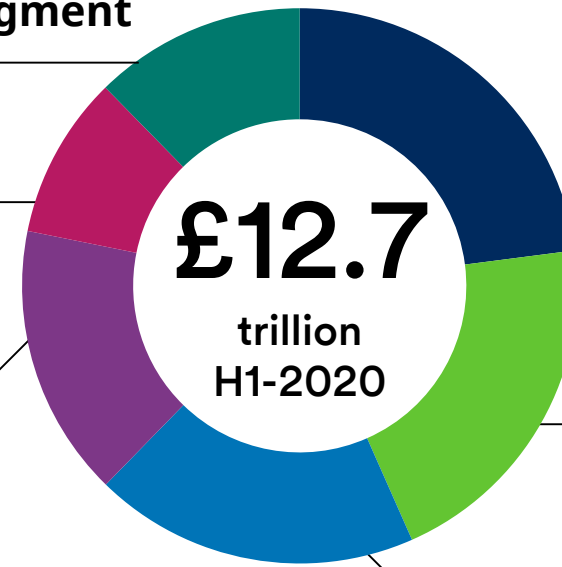
£2.9tn

Fund Management
Companies

£2.6tn

Trusts

£2.4tn



Source: Wind, AMAC, IAMAC, PY Standard.



Grow Asset
Management

25 years of expertise in China



Source: Z-Ben rank 2020 for foreign firms in China.



Inbound

Ranked 5th
for **inbound**
business in
2020

- Capture increased allocations to China from clients based offshore
- Schroder AdvEq in Beijing: onshore PE team



Outbound

Ranked 2nd
for **outbound**
business in
2020

- Capture increased allocation from Chinese clients to offshore capabilities
- Client service teams in Hong Kong, Beijing and Shanghai
- Wide client base across retail, official institutions, insurances and banks



Local to local

Ranked 4th
for **onshore**
business in
2020



- 30% stake
- £68.4bn of AUM, £7.7bn of net sales in 2020

Schroders Private
施羅德投資 Fund Management

- Offices in Shanghai and Beijing
- Established onshore Equities, Multi-Asset & Fixed Income capabilities (6 funds)
- Private Equity PFM licence



Grow Asset Management

Two new areas of expansion

An unparalleled opportunity for growth in our onshore China business



Schroders Fund Management Company

- Access the onshore retail, private wealth and third pillar pension markets
- Transfer our existing PFM business into the FMC
- First product launch expected in mid-2022
- Offering products with Schroders' investment DNA and ESG factors



Schroder BOCOM Wealth Management Company Ltd

- Access to the domestic £2.9tn wealth management market
- Cementing our partnership with China's 5th largest bank with over 2,800 branches in over 80 cities
- Schroders 51% / BOCOM 49%, co-branded
- Experienced partners for 15 years
- Utilising synergies: Schroders' global investment capability & BOCOM's Wealth Management expertise

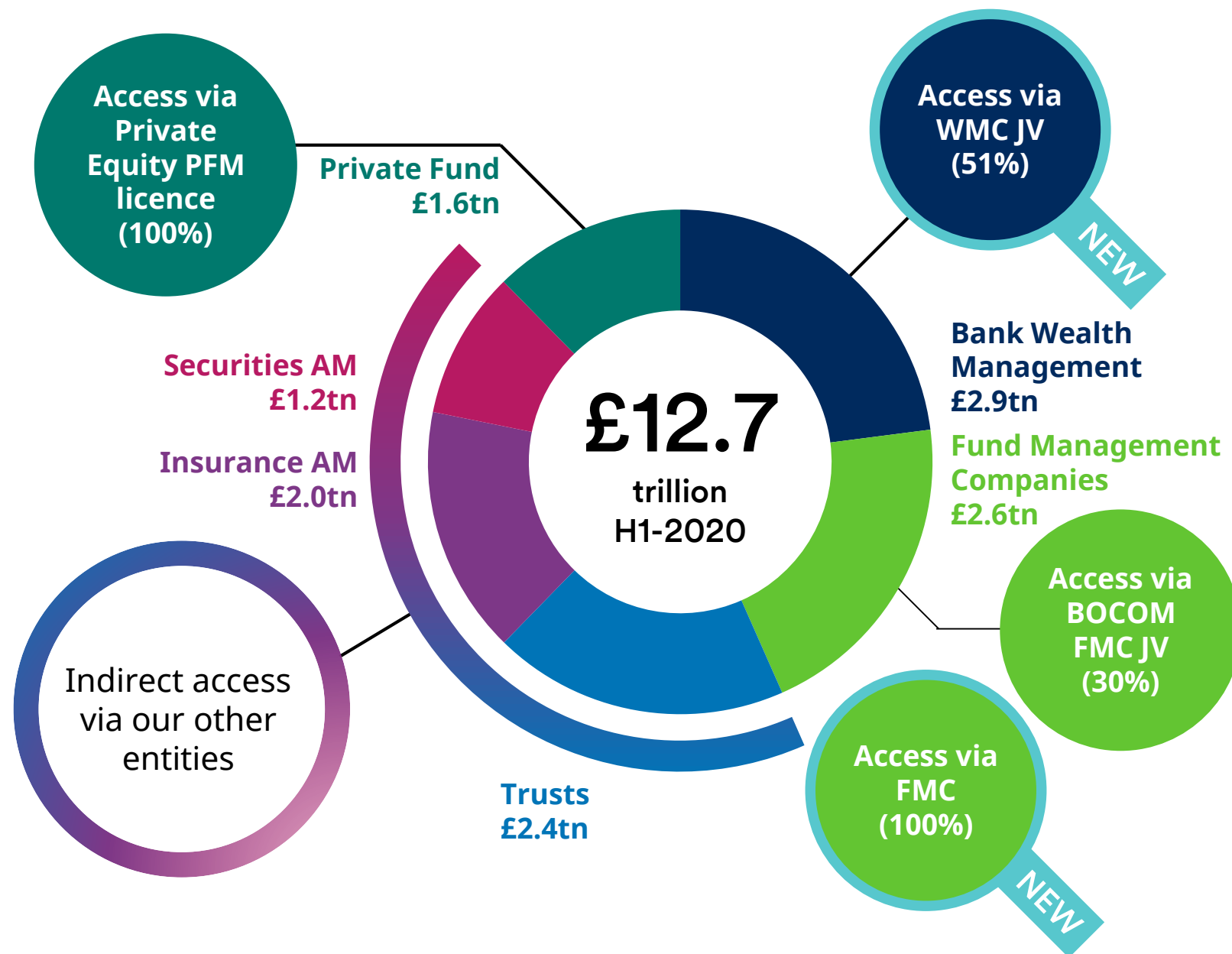




Grow Asset
Management

Direct access to relevant market segments...

...in the second largest and
one of the fastest growing
markets in the world



Continue to deliver growth

What we will do in the next few years



Growing Wealth Management
and Private Assets



Product innovation



Exploit our
scalable platform




Expand our network of
strategic partnerships



Continue our
geographic expansion



ESG leadership

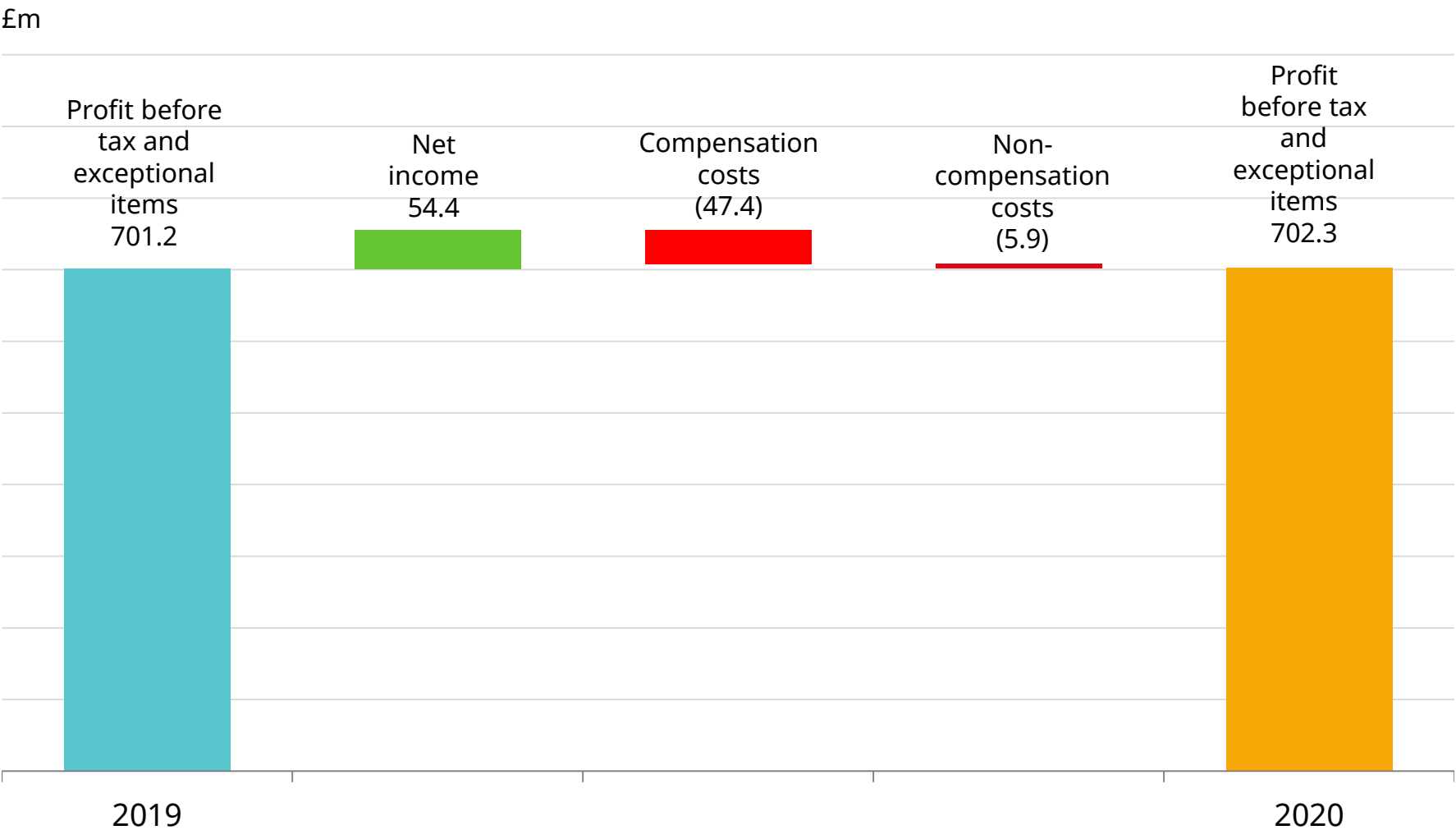


Schroders 2020 Financial Year Results

Richard Keers
Chief Financial Officer

04 March 2021

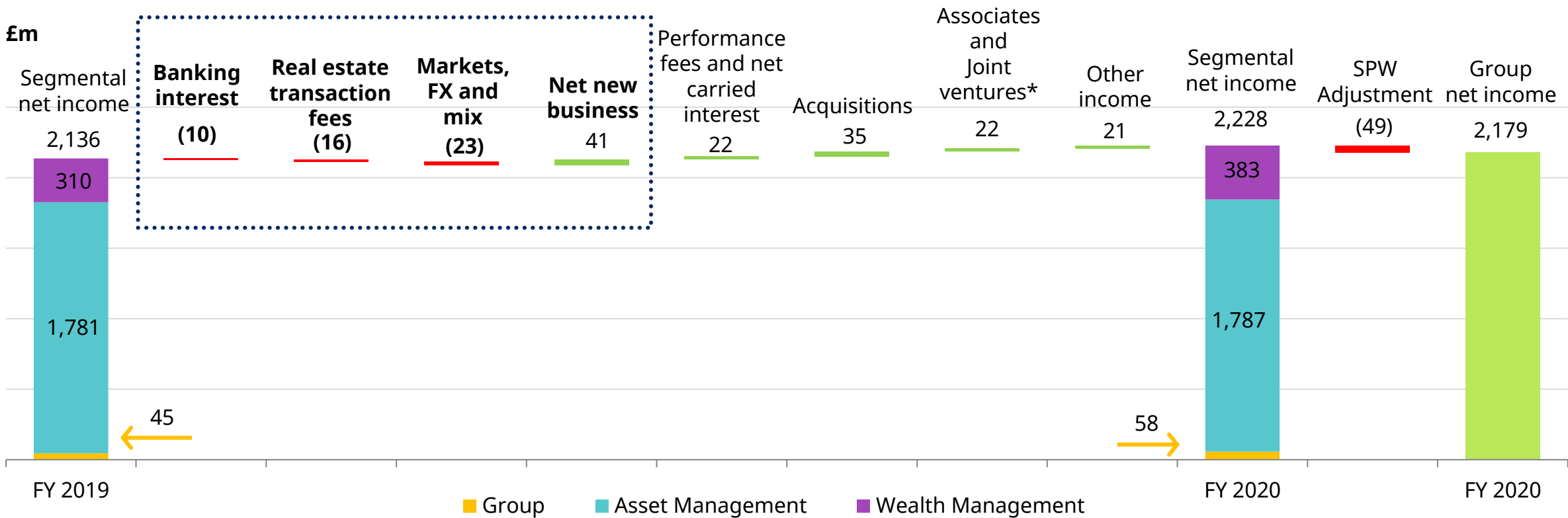
Profit before tax and exceptional items



Profit before
tax and
exceptional
items

£702.3m

Net income



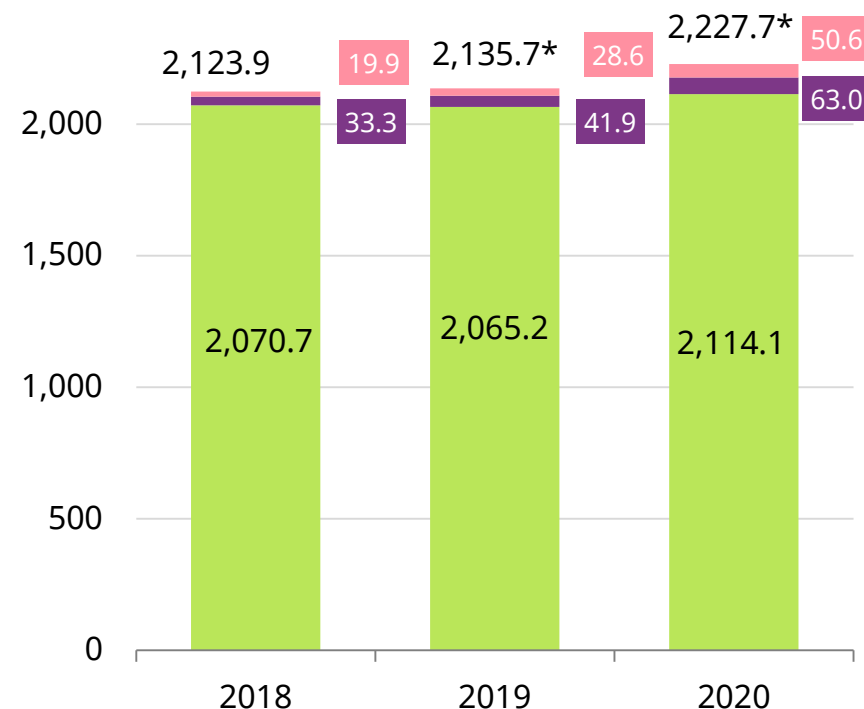
Net income +3% to £2,179m

*Excludes SPW, which is proportionally consolidated.

Total segmental net income

Net income

£m

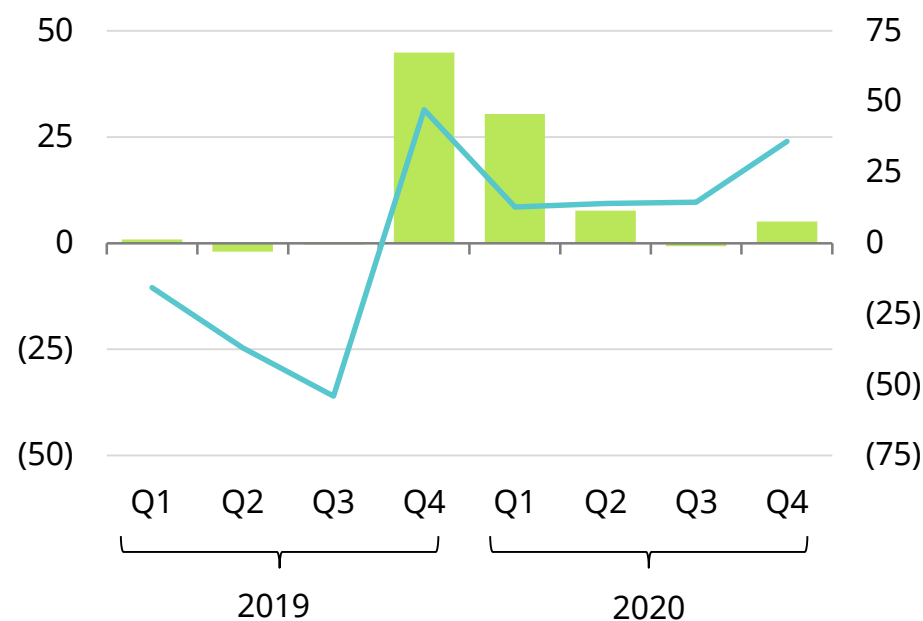


- Share of profit of associates and joint ventures
- Net gain on financial instruments and other income
- Net operating revenue

Net new business and annualised net new revenue (NNB and ANNRR)

NNB
£bn

ANNRR
£m



- Net new business
- Annualised net new revenue 2019 - 2020

*Includes £62.0m (2019: £12.8m) relating to the proportional consolidation of SPW.

Net new business
£42.5bn

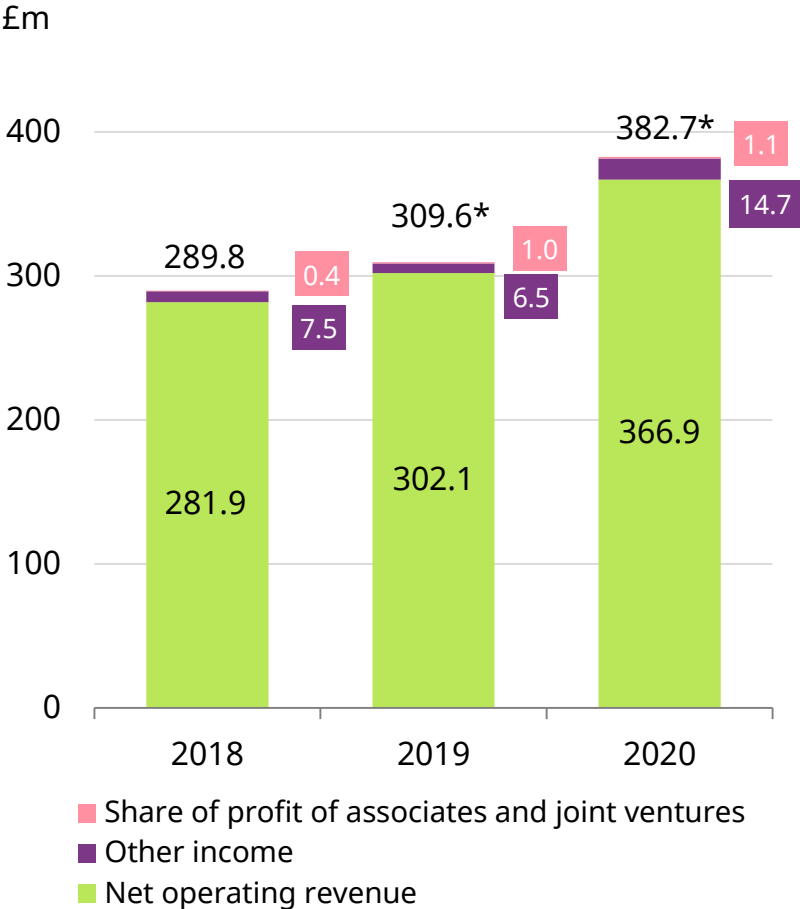
FY 2019: 43.4bn

Average AUM
£521bn

FY 2019: £442bn

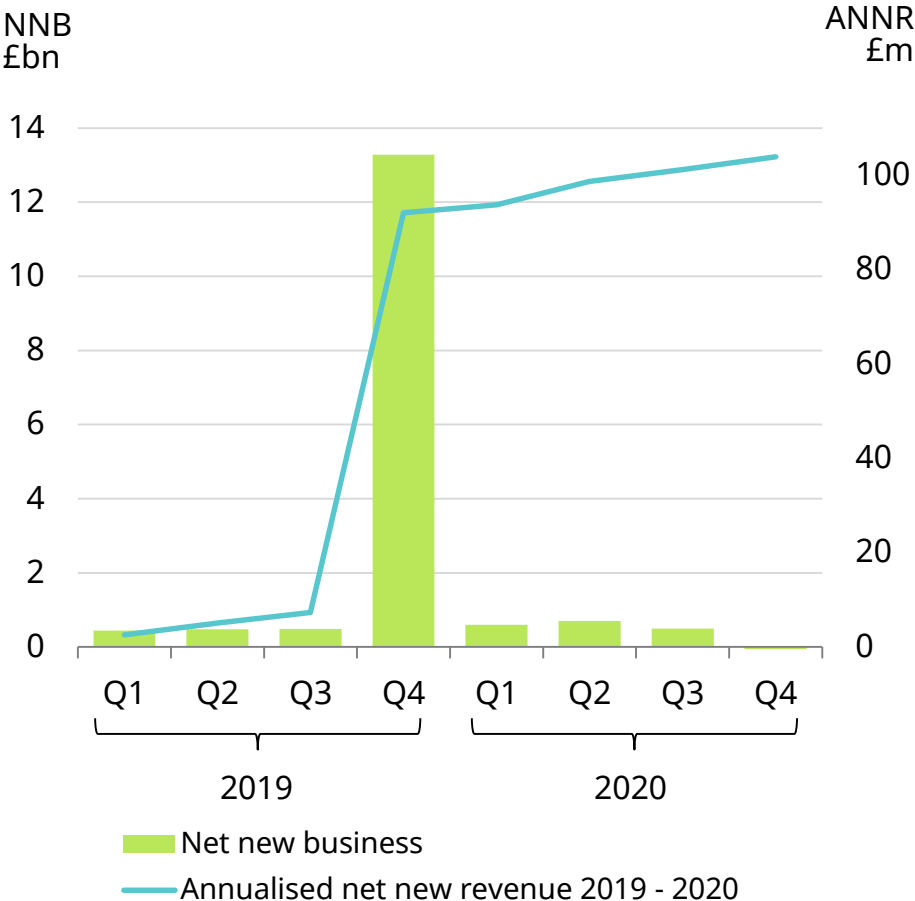
Wealth Management net income

Net income



*Includes £48.5m (2019: £10.9m) relating to the proportional consolidation of SPW.

Net new business and annualised net new revenue (NNB and ANNRR)



Net operating revenue margin¹

56bps

FY 2019: 59bps

¹Excluding performance fees.

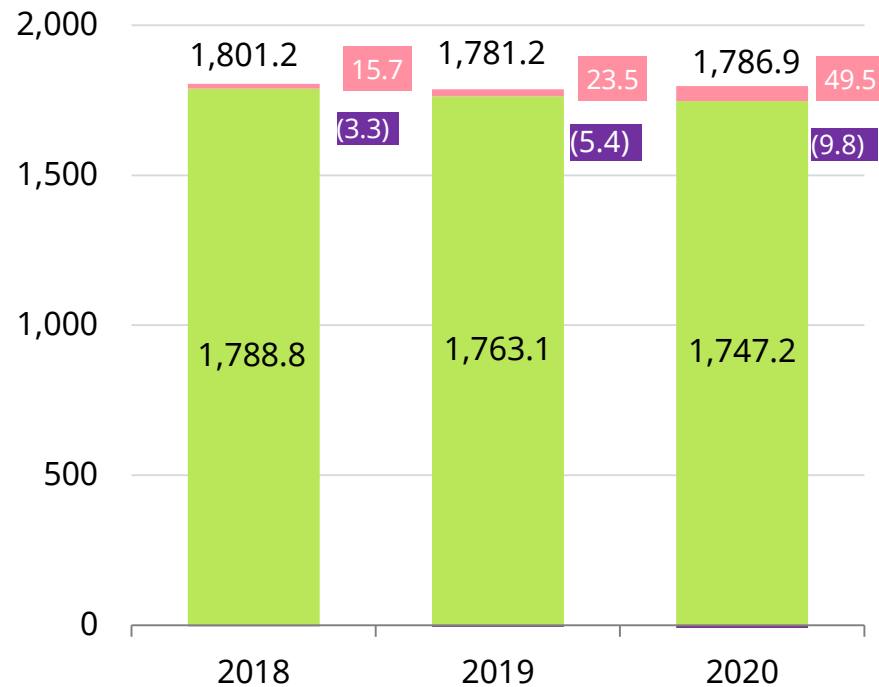
Average AUM
£65.1bn

FY 2019: £51.1bn

Asset Management net income

Net income

£m

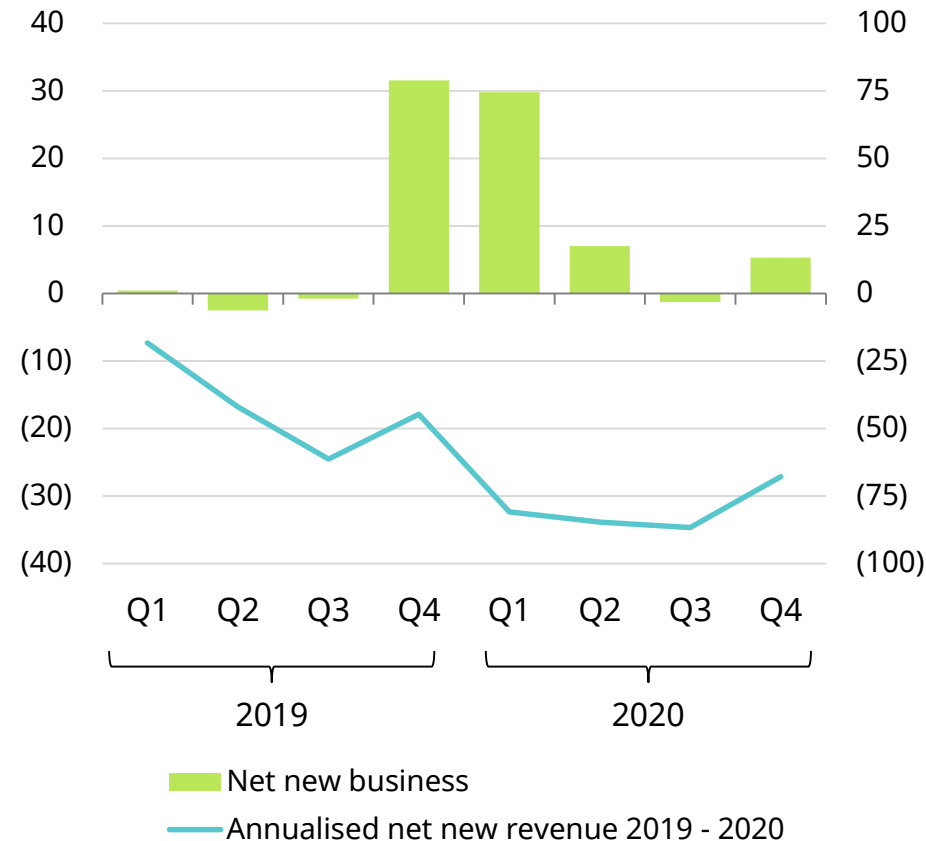


■ Share of profit of associates and joint ventures
■ Net gain on financial instruments and other income
■ Net operating revenue

Net new business and annualised net new revenue (NNB and ANNRR)

NNB
£bn

ANNRR
£m



■ Net new business

— Annualised net new revenue 2019 - 2020

Average AUM
£455.7bn

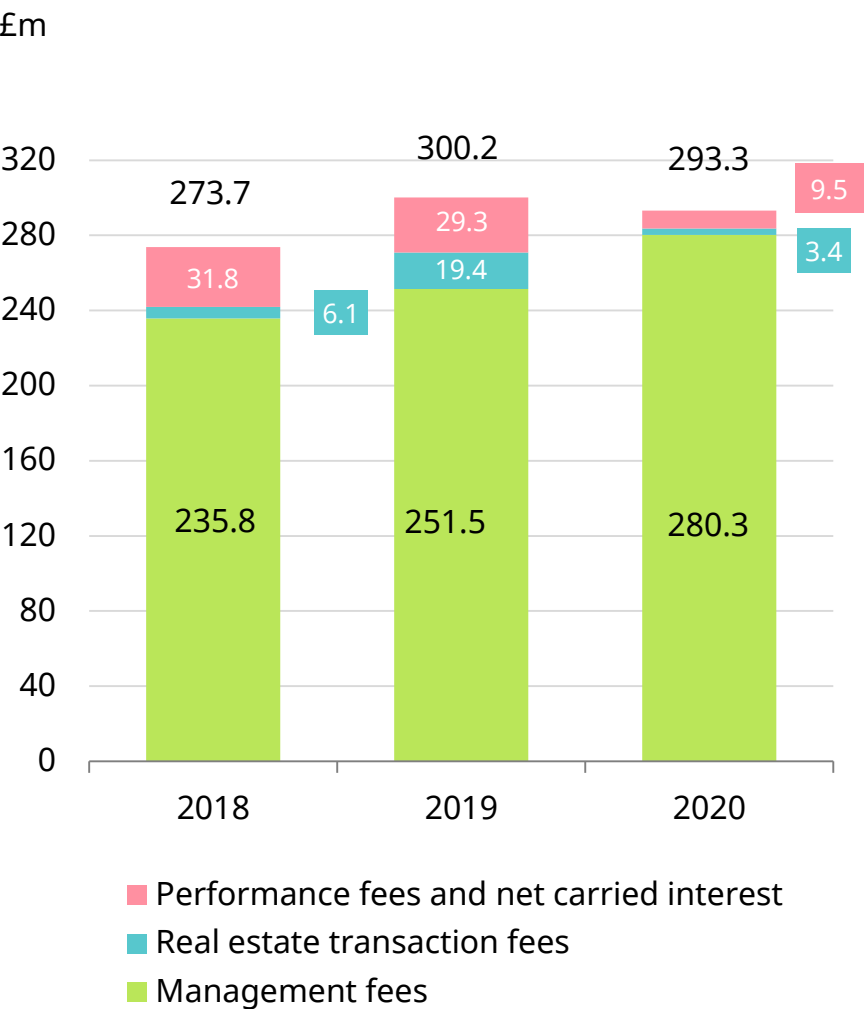
FY 2019: £390.9bn

Net new business
£40.8bn

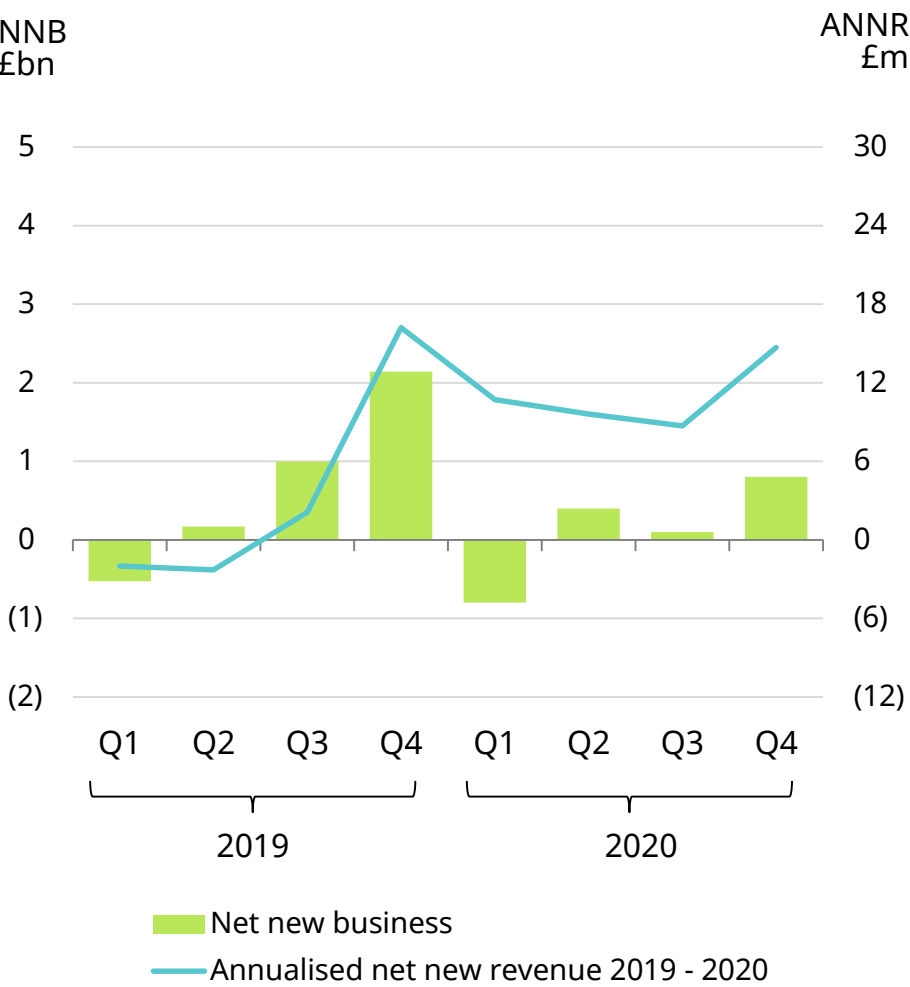
FY 2019: inflows of
£28.7bn

Private Assets & Alternatives

Net operating revenue



Net new business and annualised net new revenue (NNB and ANNR)



Net operating revenue margin¹
62bps

FY 2019: 63bps

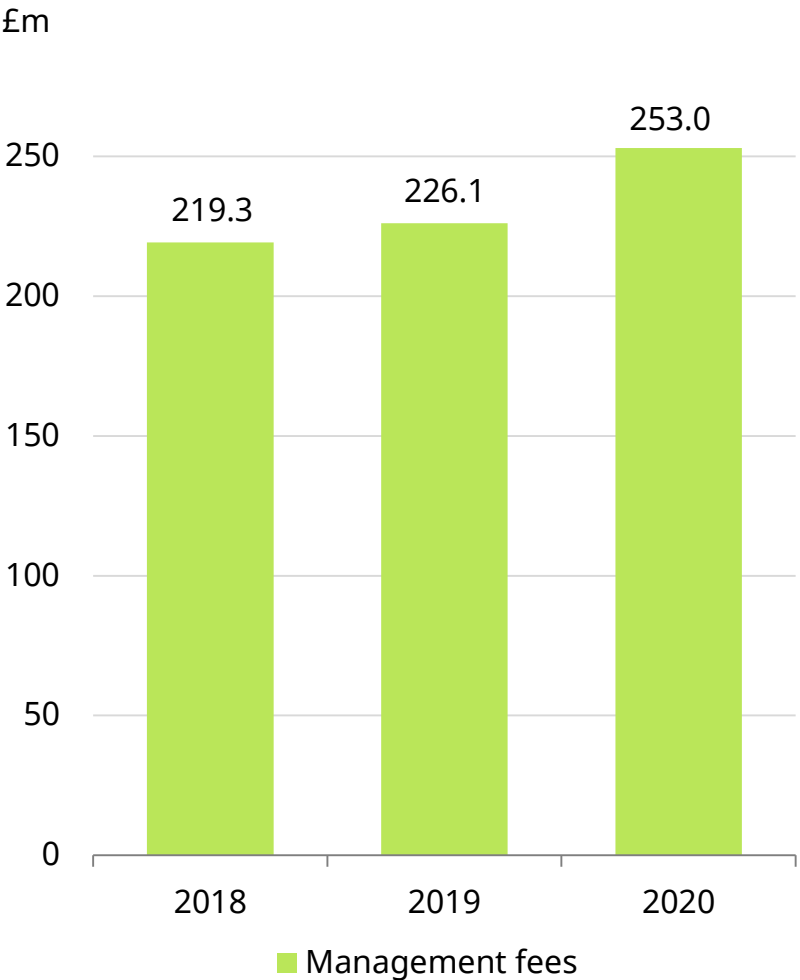
¹Excluding performance fees, net carried interest and real estate transaction fees.

Average AUM
£45.0bn

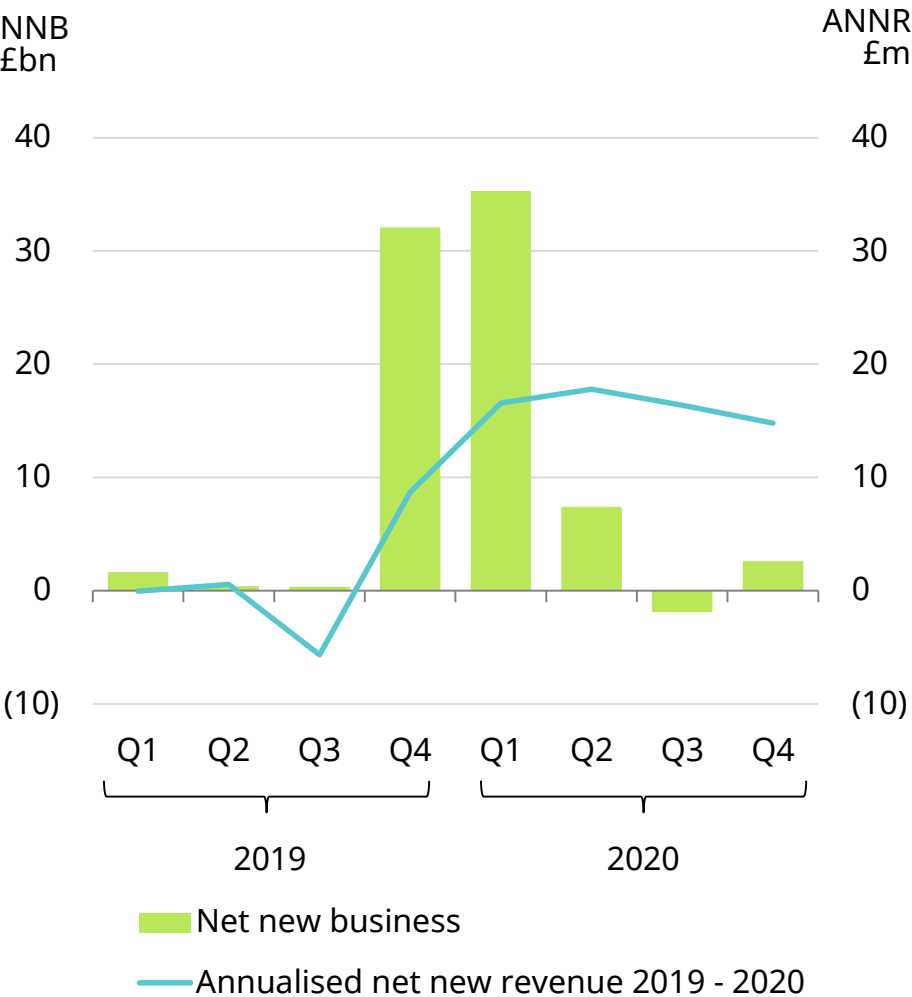
FY 2019:£39.6bn

Solutions

Net operating revenue



Net new business and annualised net new revenue (NNB and ANNR)



Net operating
revenue margin
15bps

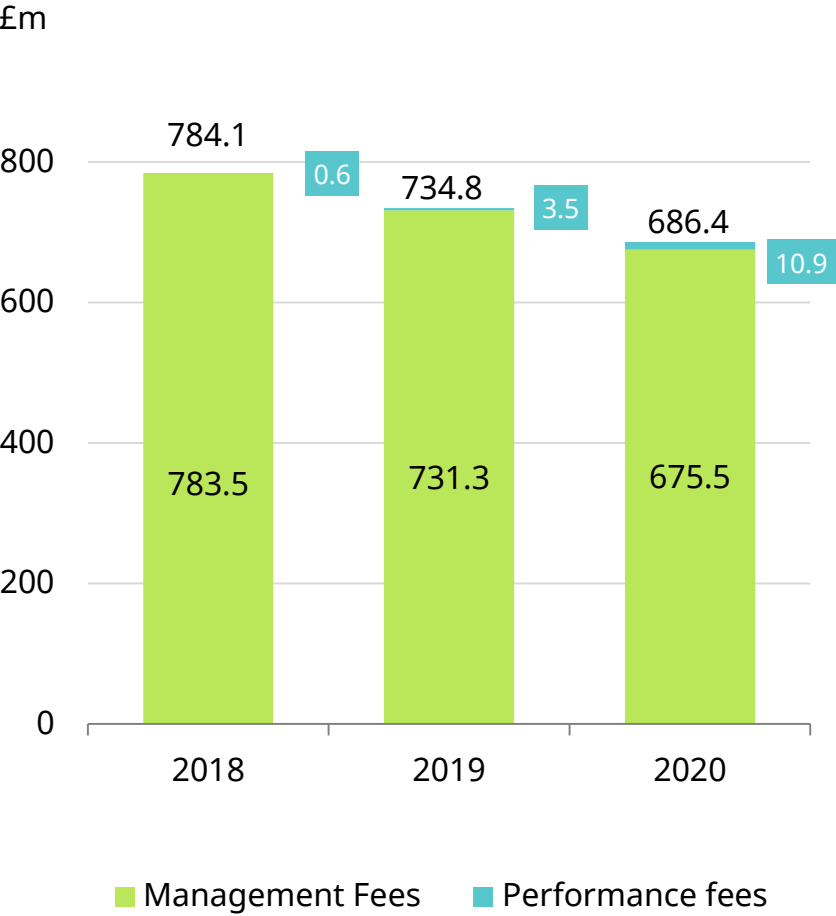
FY 2019: 21bps

Average AUM
£172.8bn

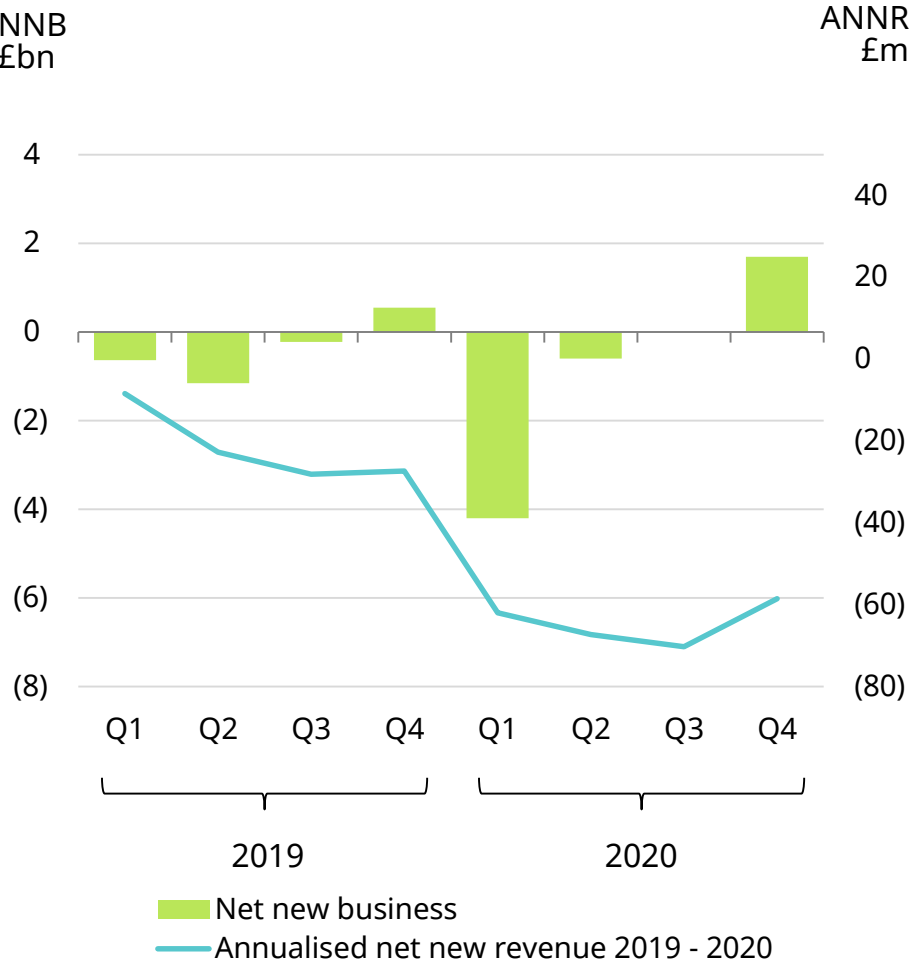
FY 2019: £107.0bn

Mutual Funds

Net operating revenue



Net new business and annualised net new revenue (NNB and ANNR)



Mutual Funds
Net operating
revenue margin¹

71bps

FY 2019: 73bps

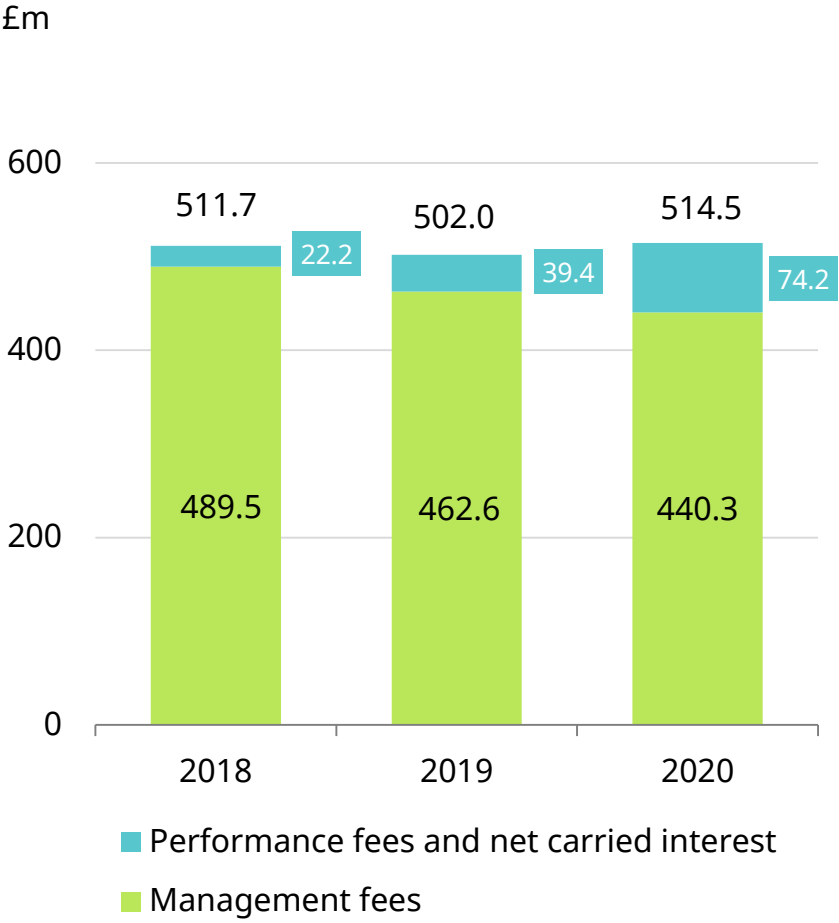
¹Excluding performance fees.

Average AUM
£94.5bn

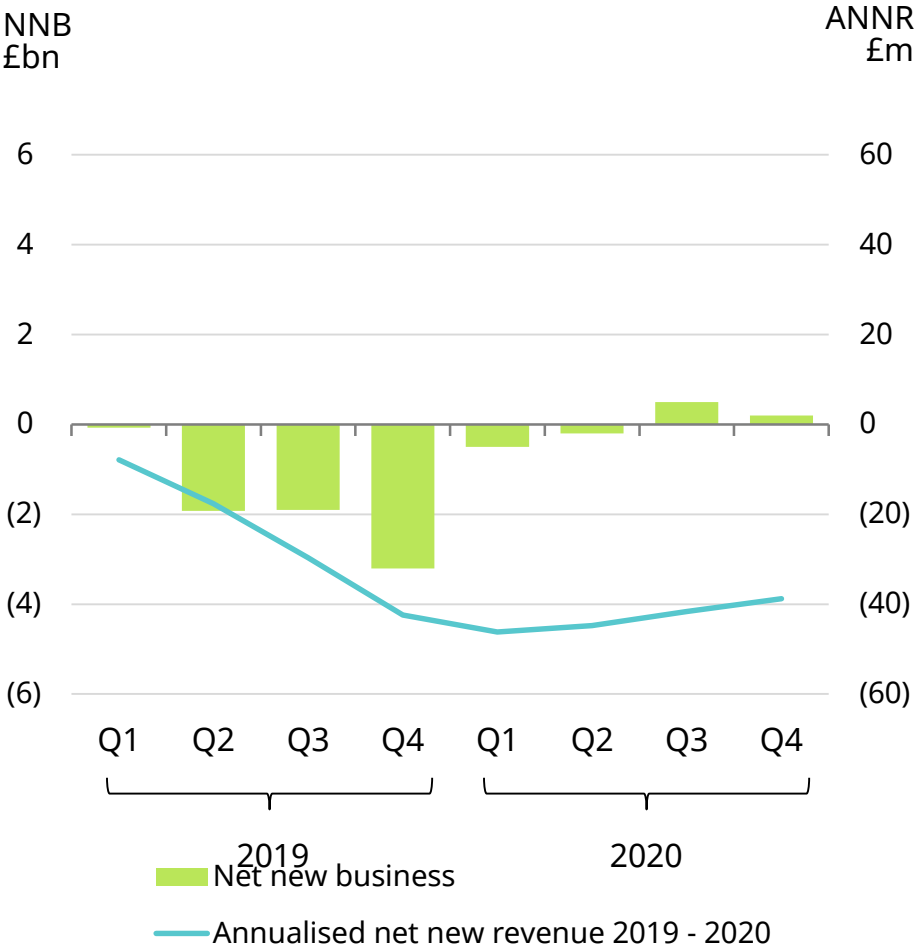
FY 2019: £100.4bn

Institutional

Net operating revenue



Net new business and annualised net new revenue (NNB and ANNR)



Institutional
Net operating
revenue margin¹

30.5bps

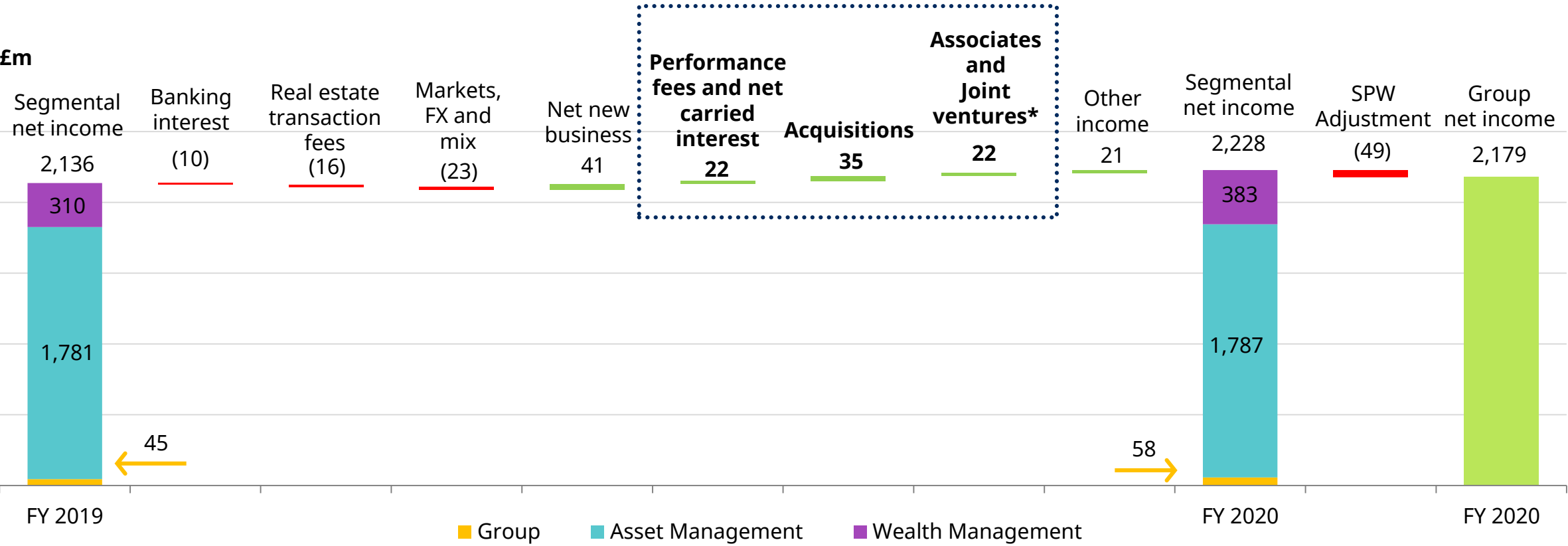
FY 2019: 32bps

¹Excluding performance fees.

Average AUM
£143.4bn

FY 2019: £143.7bn

Net income



Net income +3% to £2,179m

*Excludes SPW, which is proportionally consolidated.

Associates and Joint Ventures*

| | 2020 | | | | 2019 |
|-------------------------------------|-------------|------------|------------|-------------|-------------|
| | BoCom | Axis | Other | Total | Total |
| Total Revenue (£m) | 263.3 | 57.4 | 57.4 | 378.1 | 309.0 |
| Total Profit (£m) | 141.7 | 22.7 | 8.1 | 172.5 | 94.1 |
| Group's share of profit (£m) | 42.5 | 5.7 | 2.4 | 50.6 | 28.6 |

| | | | | | |
|------------------|------|------|-----|------|------|
| NNB (£bn) | 7.7 | 4.4 | 0.3 | 12.4 | 9.4 |
| AUM (£bn) | 68.4 | 19.3 | 0.9 | 88.6 | 69.2 |

| | | |
|------------------------|--------------------|-------|
| Revenue Margin | 35bps ¹ | 33bps |
| Group's Holding | 30% | 25% |

*Before exceptional items and excludes SPW.

¹ Includes performance fees.

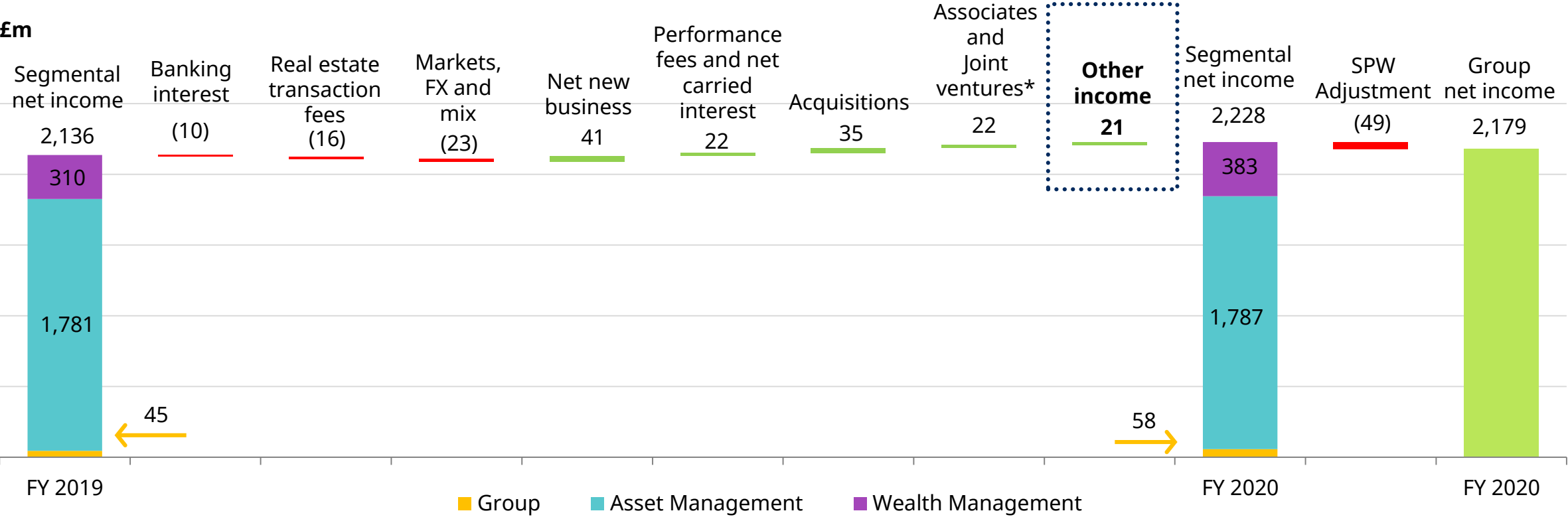
Share of profit of
associates
and joint ventures*

**+110% to
£50.6m**

2020 Record
net inflows of

+12.4bn

Net income

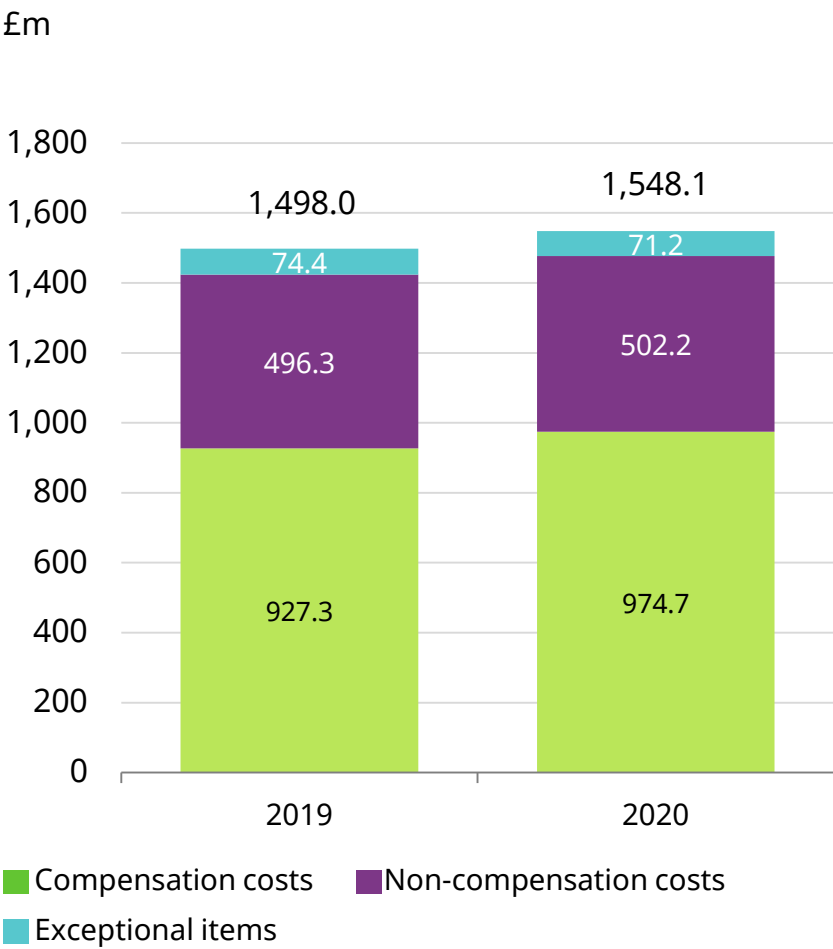


Net income +3% to £2,179m

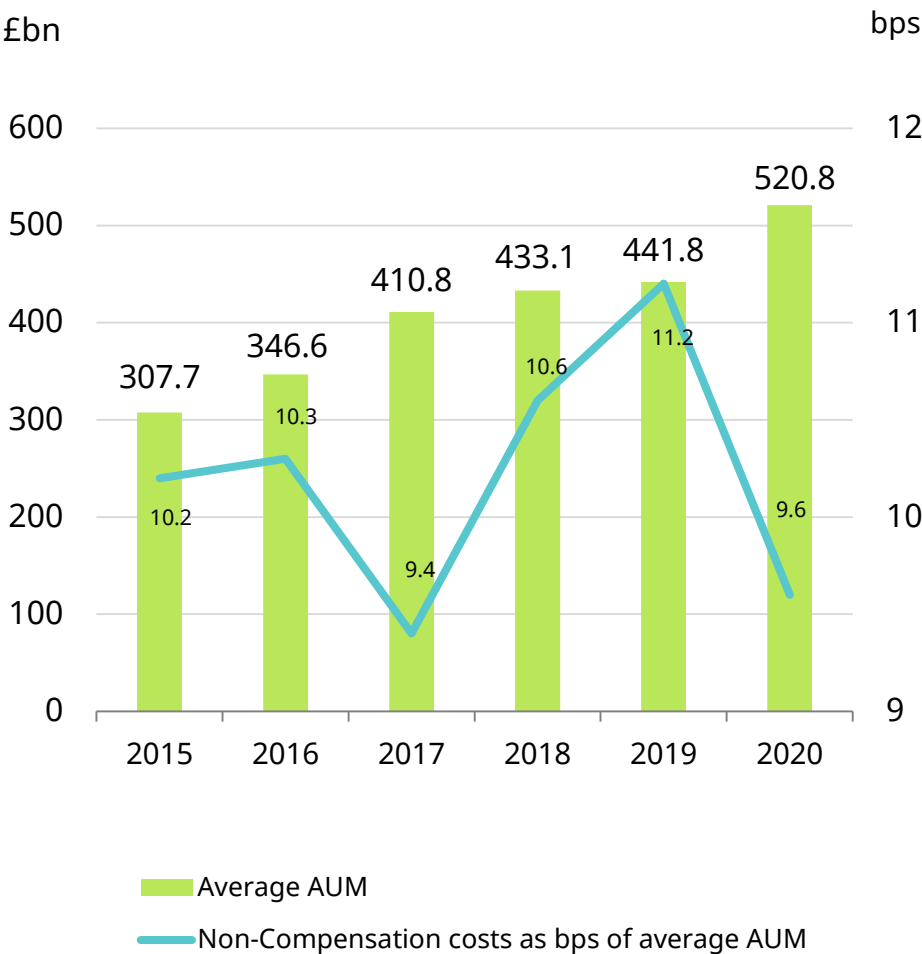
*Excludes SPW, which is proportionally consolidated.

Operating expenses

Operating Expenses



Average AUM and Non-compensation costs



Total compensation ratio
45%

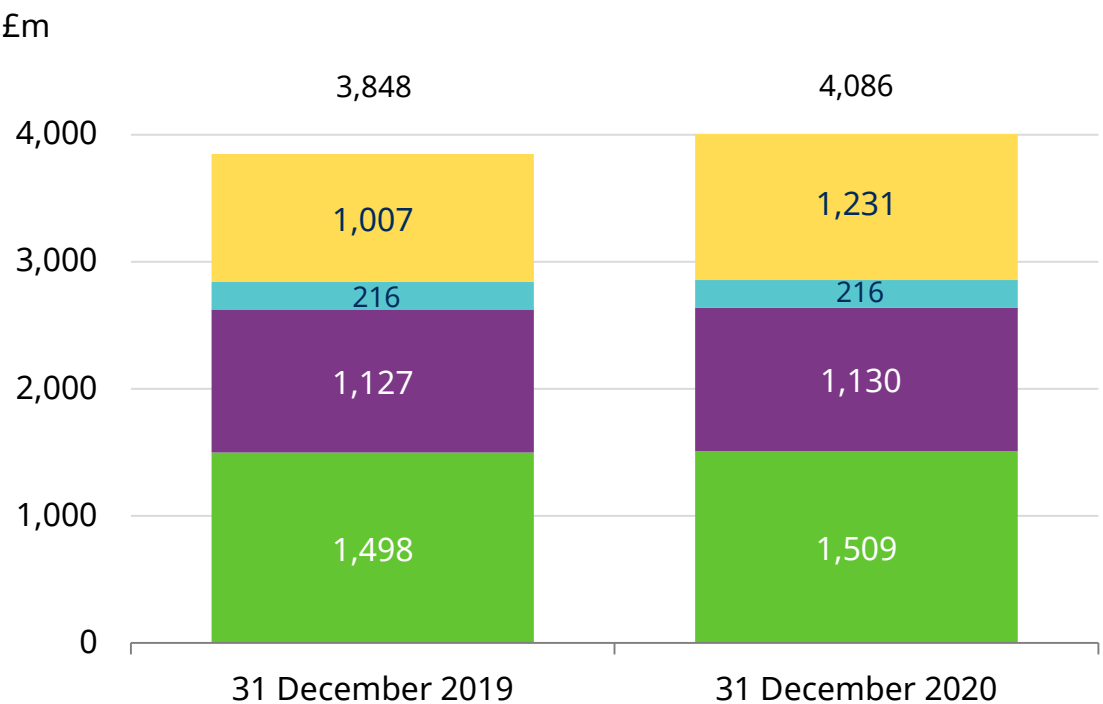
FY 2019: 44%

Ratio of total cost to net income
68%

FY 2019: 67%

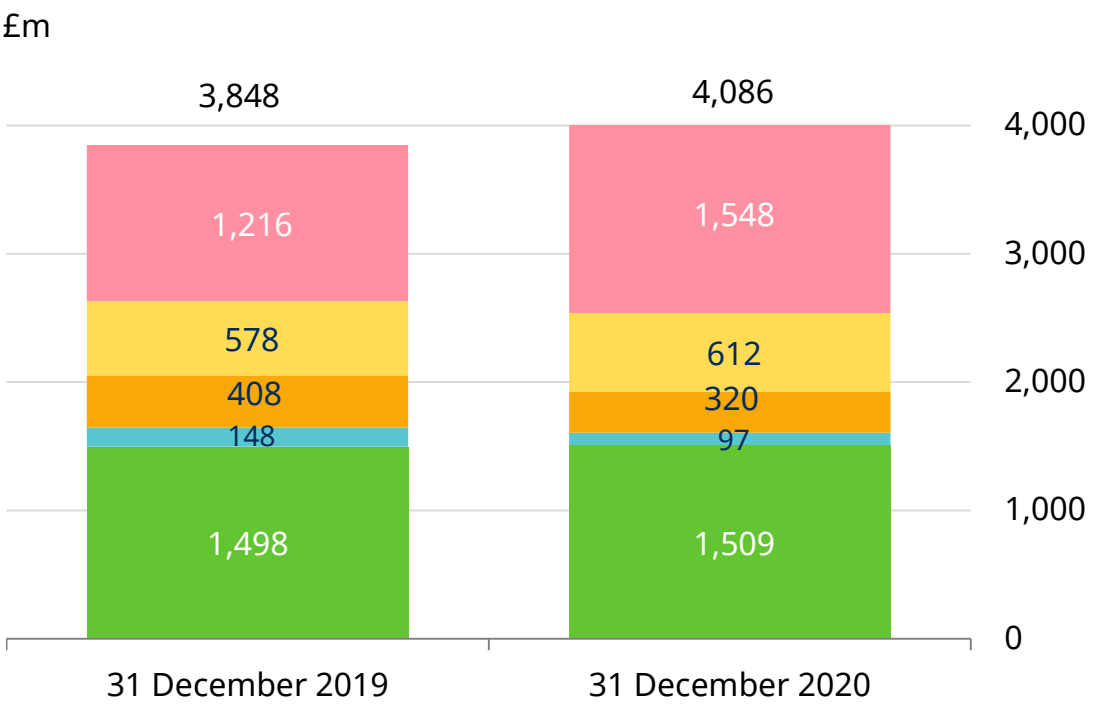
Composition of Group Capital

Capital base



- Capital surplus
- Dividend¹
- Overall regulatory capital requirement
- Other items²

Capital allocation



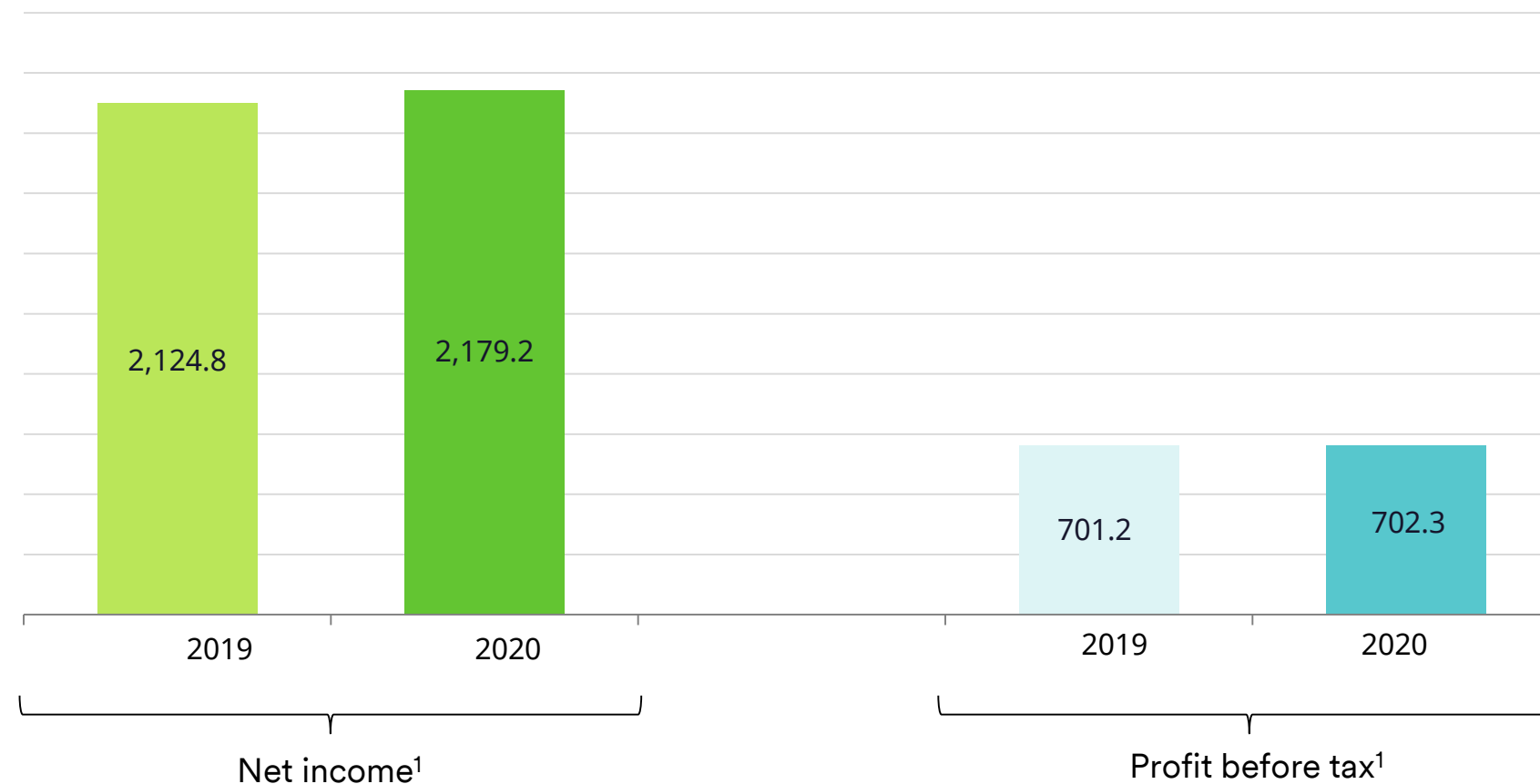
- Working capital – regulatory and other
- Working capital – seed and co-investment
- Investment capital – liquid
- Investment capital – illiquid
- Other items²

¹Final dividend proposed for respective year.
²Comprises items that are inadmissible for regulatory purposes, principally goodwill, intangible assets and pension scheme surplus.

Summary

Net income

£m



¹Before exceptional items.

Profit before tax

Profit after tax
£486.0m

Ratio of total costs
to net income¹
68%

Basic EPS¹
**-1% to
200.8p**

Final dividend of 79p
taking total dividend
to 114p



Schroders Outlook and questions

Peter Harrison
Group Chief Executive

04 March 2021

Outlook for 2021 and beyond

Focused strategy, global footprint and diversified business model enable investing for long term growth



**Invest for
the long-term**



**Attract and
retain talented
people**



**Transition to net
zero emissions
by 2050, or
sooner**



**Resilient
strategy and
operating
model**

Strategy in action



Record AUM of
£574.4bn
+15% year-on-year

US reaches milestone of
\$100bn AUM

Over **60 new funds**
launched



Full ESG
integration
achieved

98%
of people proud to be
associated with Schroders

£42.5bn
of net flows

Cazenove Capital wins
ESG Olympics

Strategic growth areas
represent
54%
of AUM and
43%
of revenues

Benchmark
profits doubled

72% of assets
outperforming
over 3 years

Employees donated
£4.3m
for charities



China expansion
via **new JV** and
setup of
FMC

Voted #1 for
digital engagement
with clients

Wealth management
hits record profits

Taken majority stake in
Pamfleet

SustainEx wins for
Impact reporting



Joint ventures
contributed additional
£12.4bn
to net flows

Strategic acquisition of
Sandaire

Latest tranche of SWIFT
£29.5bn
transitioned

Forward looking statement

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