

Schroders

2013 Q3 results

Data Pack | November 2013



Schroders

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Assets under management (AUM)

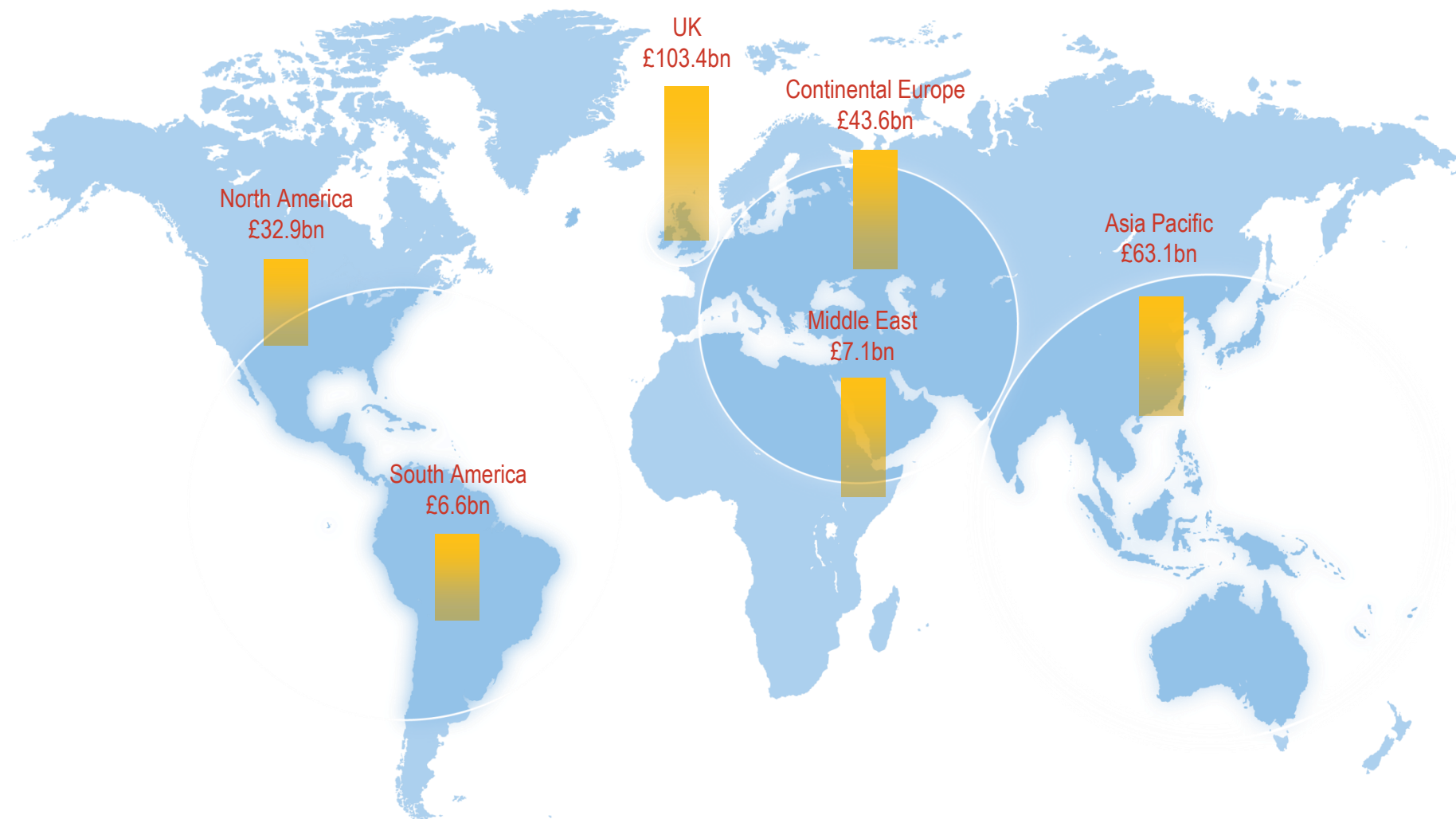
£256.7 billion at 30 September 2013

£bn	Asset management		Wealth Management	Total
	Institutional	Intermediary		
31 December 2012	123.7	72.0	16.3	212.0
Acquisition of STW & Cazenove Capital	7.1	6.9	13.2	27.2
Net flows	3.7	2.8	(1.0)	5.5
Investment returns	6.7	3.9	1.4	12.0
Other*	0.4	(0.4)	–	–
30 September 2013	141.6	85.2	29.9	256.7

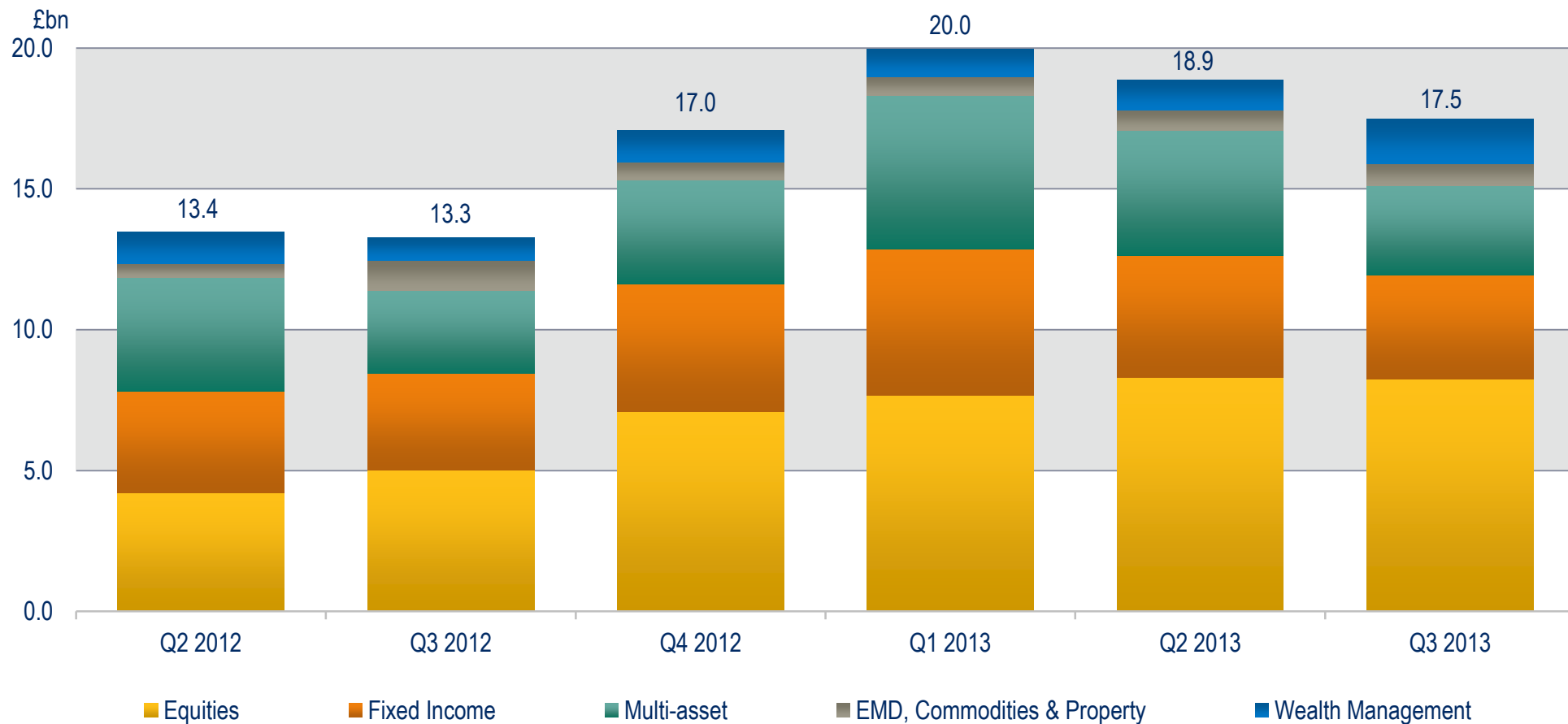
*Other reflects a reclassification of £0.4bn of AUM from Intermediary to Institutional

Regional diversification of AUM

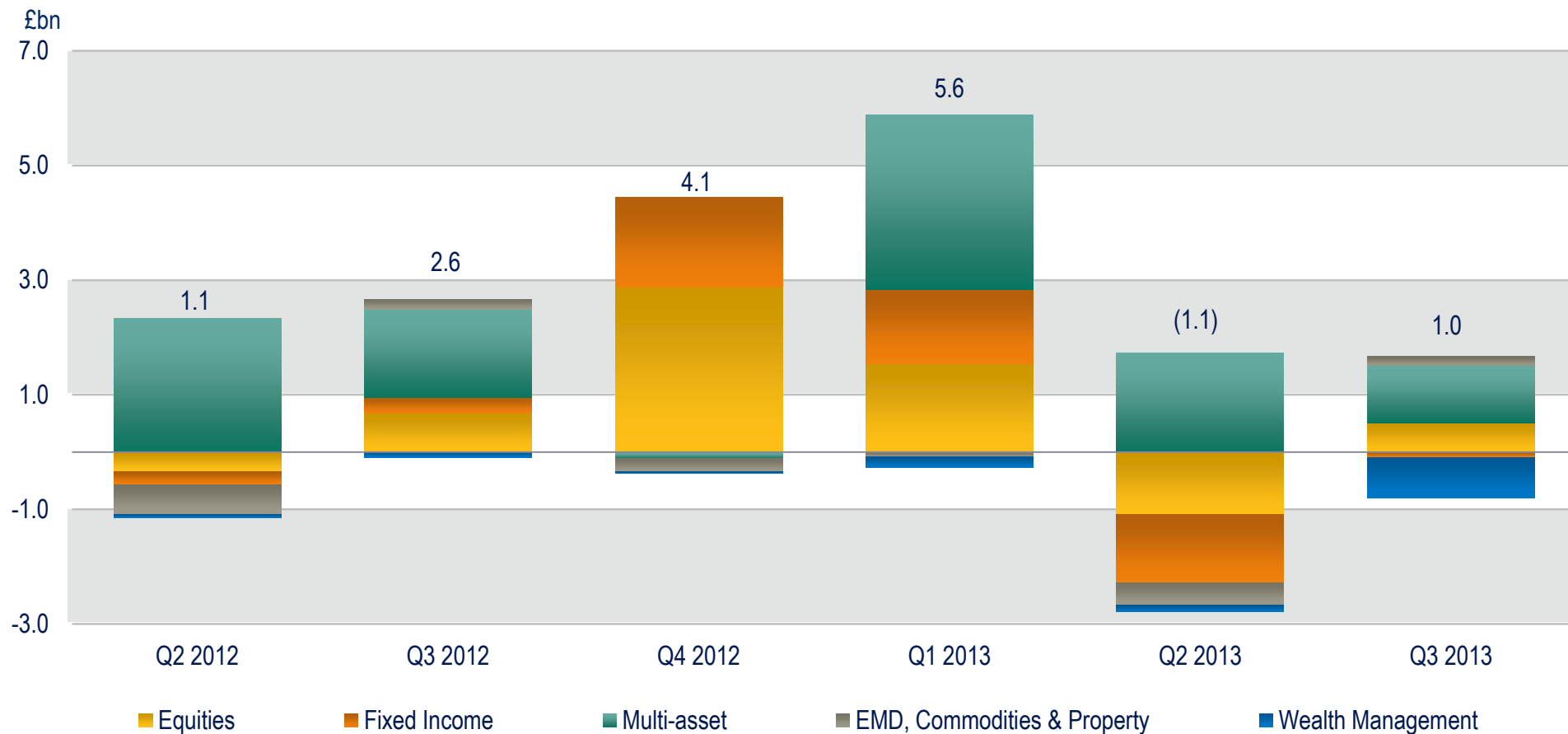
63% of revenues outside UK



Gross sales

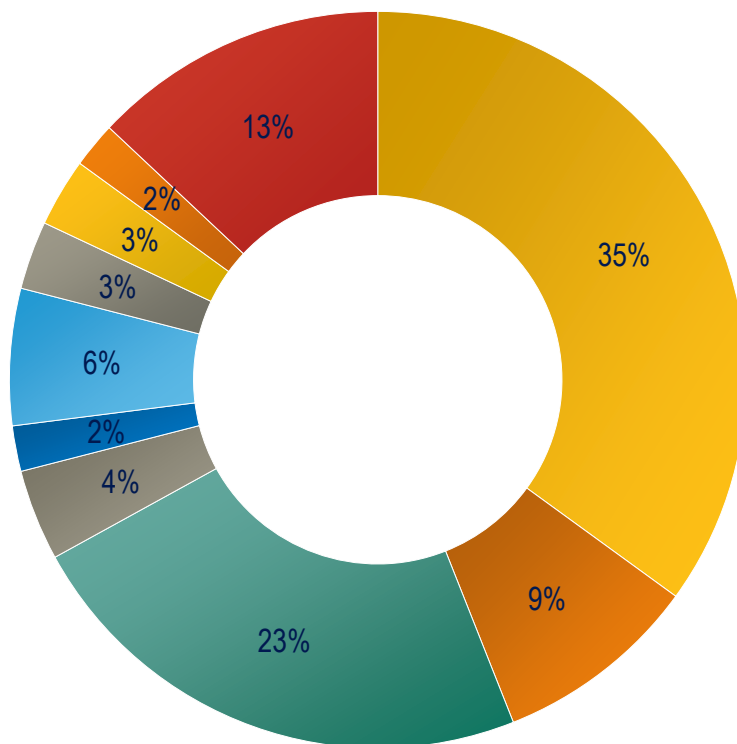


Net inflows



Currency profile of AUM

Assets under management £256.7 billion



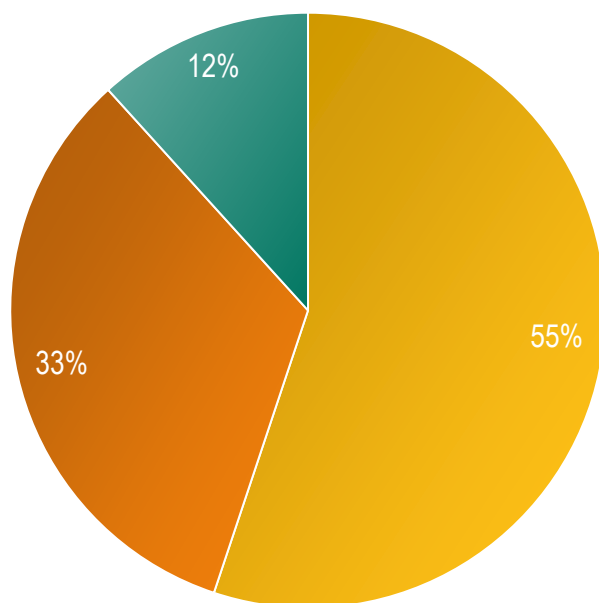
■ GBP ■ EUR ■ USD ■ JPY ■ CHF ■ AUD ■ CNY ■ HKD ■ KRW ■ Other*

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

Total AUM by channel, region and product

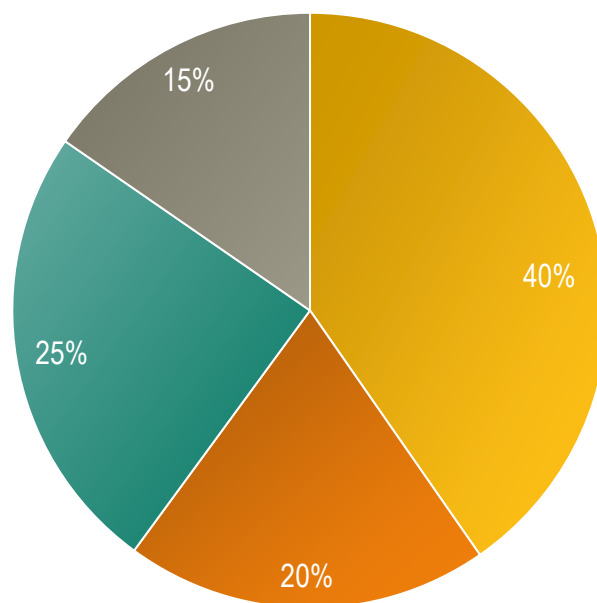
Assets under management £256.7 billion

By channel



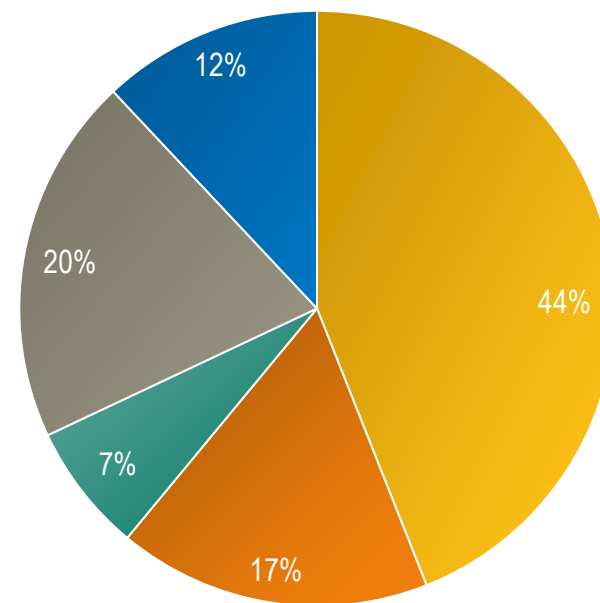
- Institutional
- Intermediary
- Wealth Management

By region*



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

By product



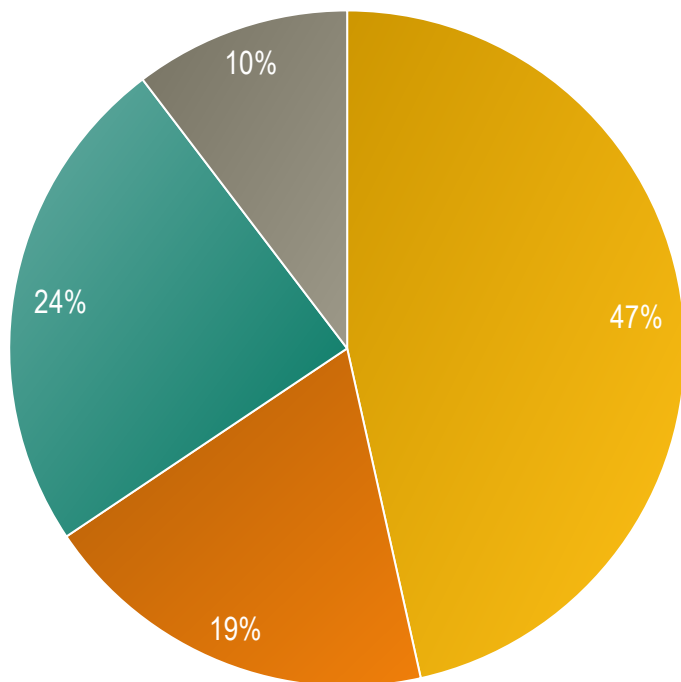
- Equities
- Fixed Income
- EMD, Commodities & Property
- Multi-asset
- Wealth Management

*By client domicile

**Includes Middle East

Asset Management AUM by channel and product

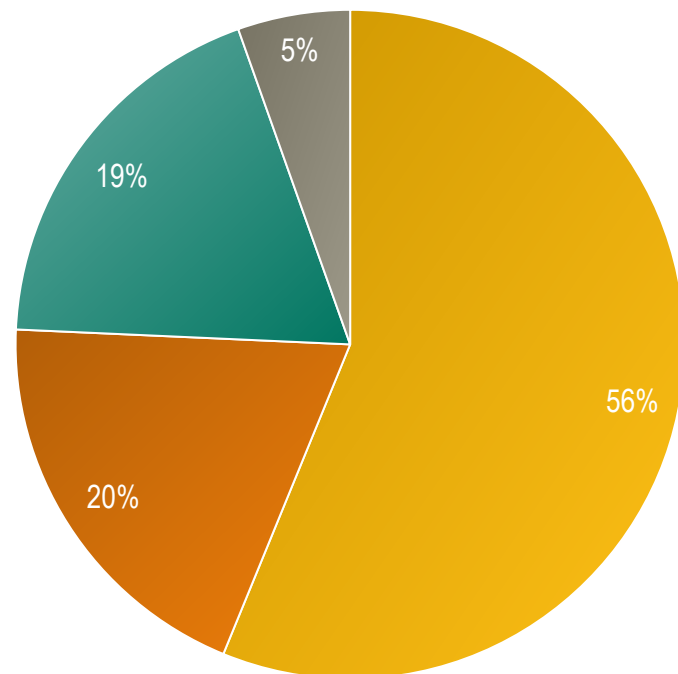
Institutional AUM £141.6bn



■ Equities

■ Fixed Income

Intermediary AUM £85.2bn

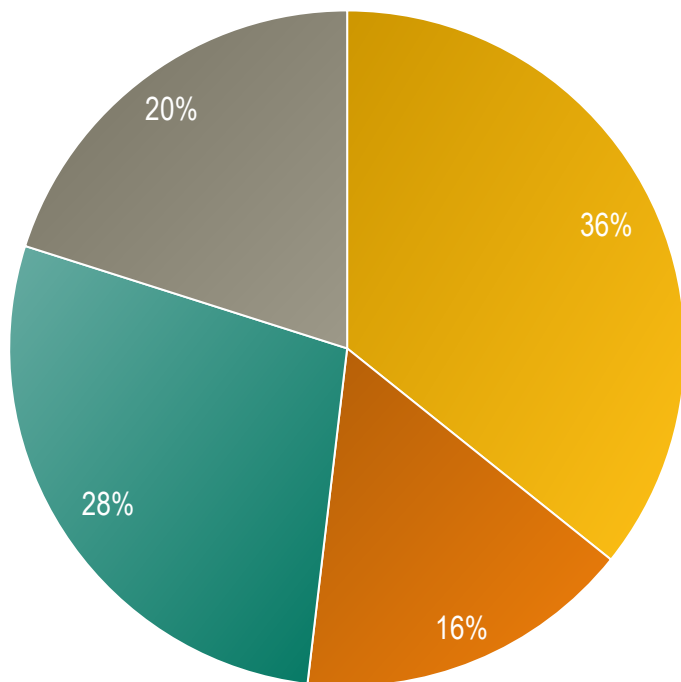


■ Multi-asset

■ EMD, Commodities & Property

Asset Management AUM by channel and region*

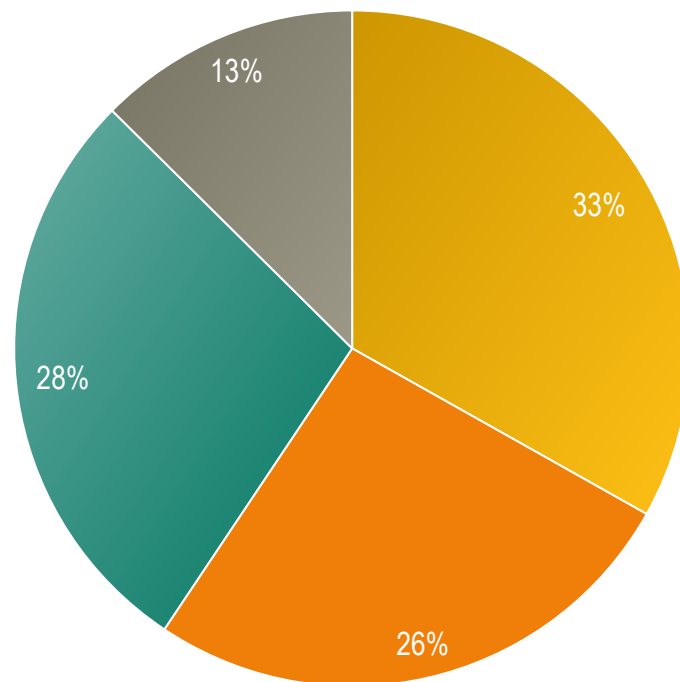
Institutional AUM £141.6bn



■ UK

■ Continental Europe**

Intermediary AUM £85.2bn



■ Asia Pacific

■ Americas

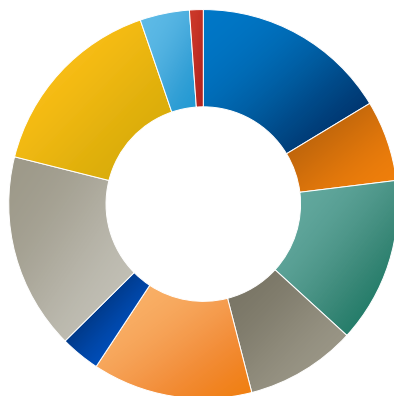
*By client domicile

**Includes Middle East

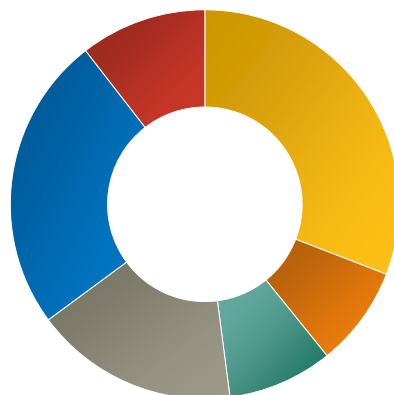
Asset Management AUM – Detailed asset class analysis

Assets under management £226.8 billion

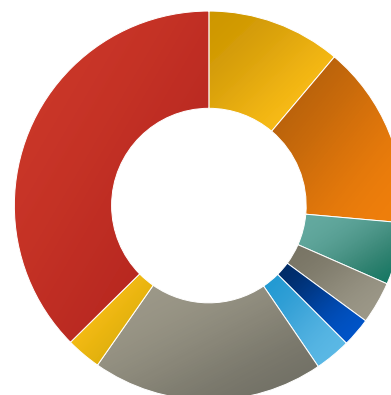
Equities £114.4bn



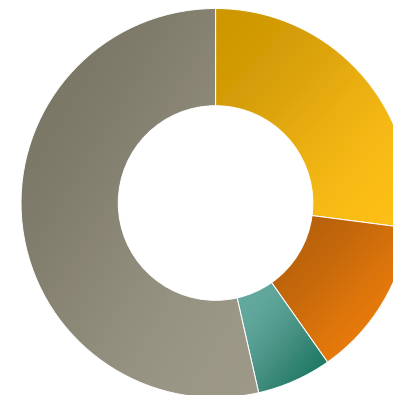
Fixed Income £44.0bn



Multi-asset £50.4bn



EMD, Commodities and Property £18.0bn



Asia Pacific	17%
Australia	7%
Emerging markets	14%
Europe	9%
Global	13%
Japan	3%
Quantitative equities	16%
UK	16%
US	4%
Multi-manager	1%

Americas	31%
Asia Pacific	8%
Australia	9%
Europe	17%
Global	25%
UK	10%

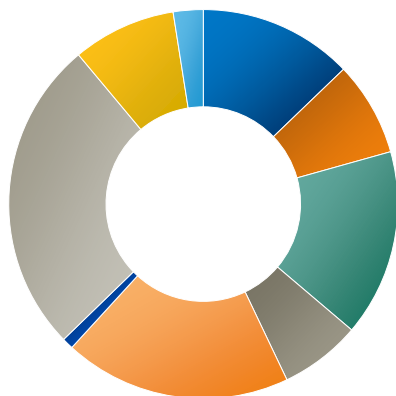
Americas	11%
Asia Pacific	15%
Australia	5%
Europe	4%
Funds of hedge funds	3%
GAIA range	3%
LDI	19%
Multi-manager	3%
UK	37%

Agriculture and commodities	27%
Emerging market debt	13%
Private equity	6%
Property	54%

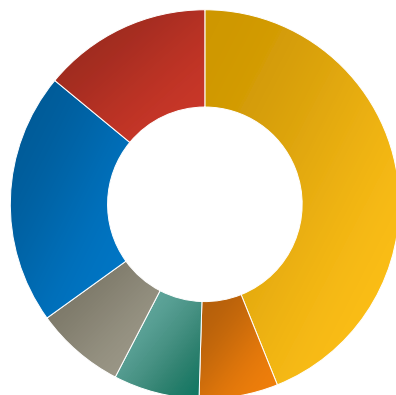
Institutional AUM – Detailed asset class analysis

Assets under management £141.6 billion

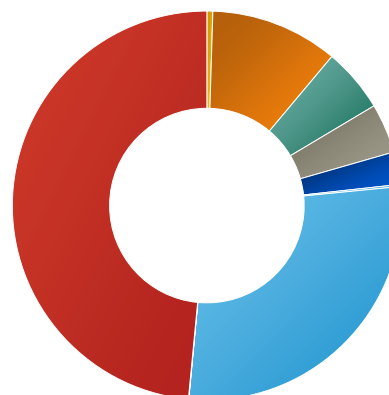
Equities £66.5bn



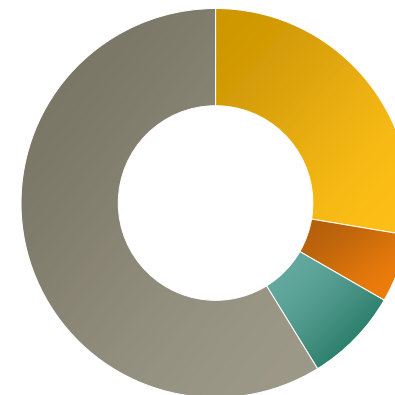
Fixed Income £27.3bn



Multi-asset £34.4bn



EMD, Commodities and Property £13.4bn



Asia Pacific	13%
Australia	8%
Emerging markets	16%
Europe	7%
Global	19%
Japan	1%
Quantitative equities	26%
UK	8%
US	2%

Americas	44%
Asia Pacific	7%
Australia	7%
Europe	7%
Global	21%
UK	14%

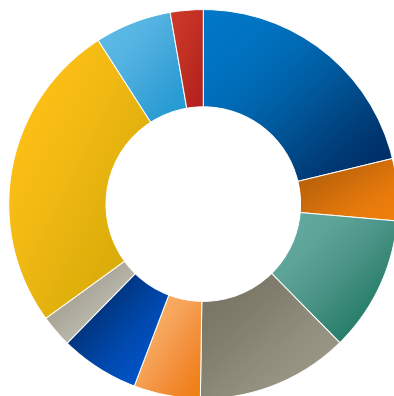
Americas	1%
Asia Pacific	11%
Australia	5%
Europe	4%
Funds of hedge funds	3%
LDI	28%
UK	48%

Agriculture and commodities	28%
Emerging market debt	5%
Private equity	8%
Property	59%

Intermediary AUM – Detailed asset class analysis

Assets under management £85.2 billion

Equities £47.9bn



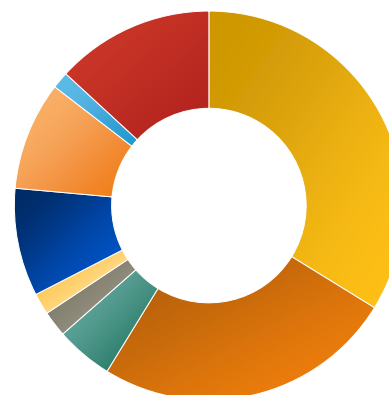
Asia Pacific	21%
Australia	5%
Emerging markets	11%
Europe	13%
Global	5%
Japan	7%
Quantitative equities	3%
UK	26%
US	6%
Multi-manager	3%

Fixed Income £16.7bn



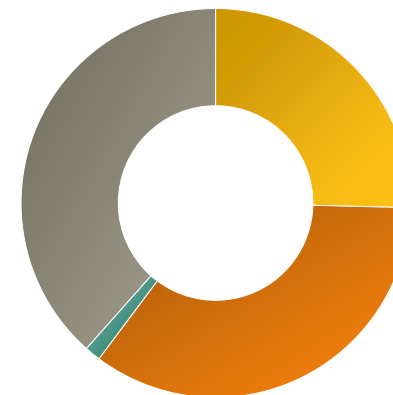
Americas	9%
Asia Pacific	11%
Australia	11%
Europe	33%
Global	31%
UK	5%

Multi-asset £16.0bn



Americas	34%
Asia Pacific	25%
Australia	5%
Europe	2%
Funds of hedge	2%
GAIA range	9%
Multi-manager	9%
Structured	1%
UK	13%

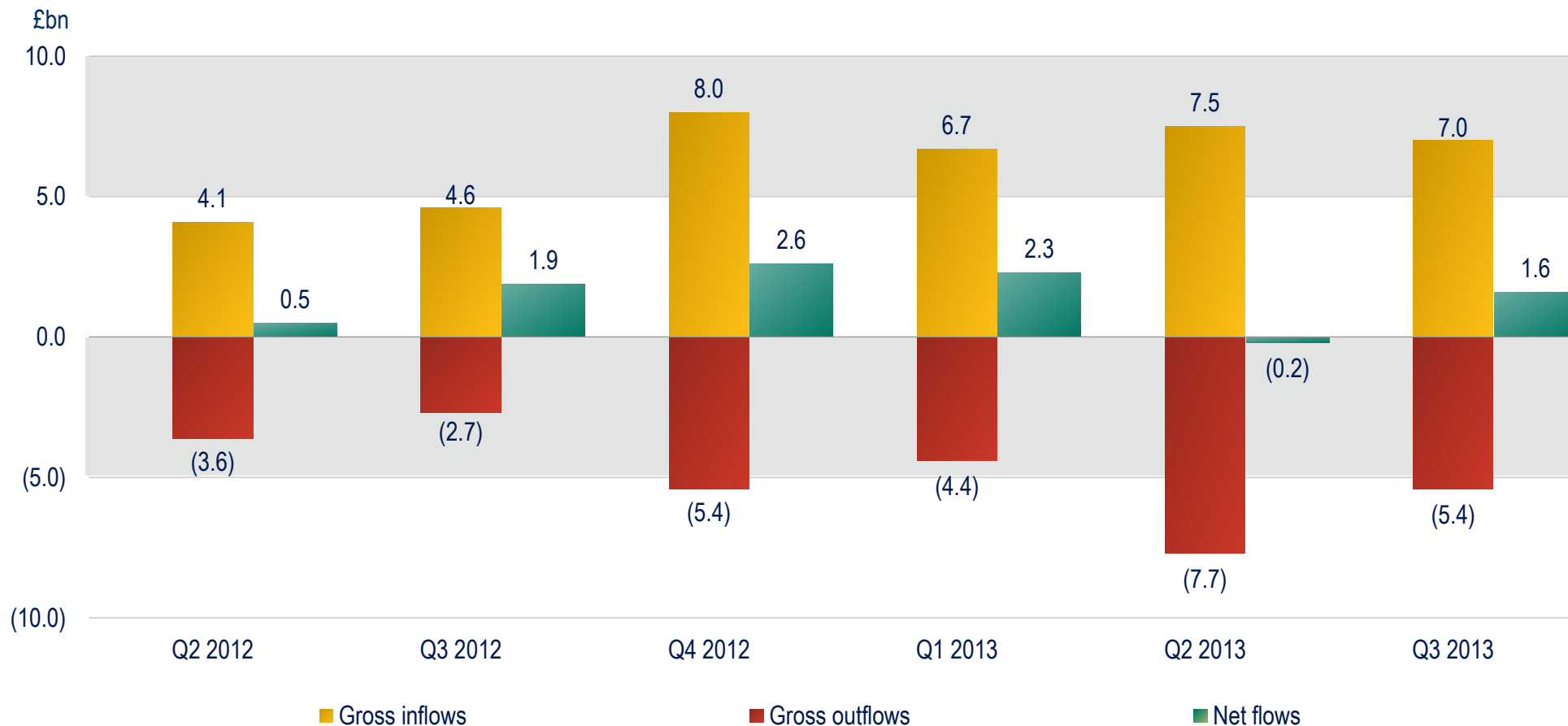
EMD, Commodities and Property £4.6bn



Agriculture and commodities	25%
Emerging market debt	35%
Private equity	1%
Property	39%

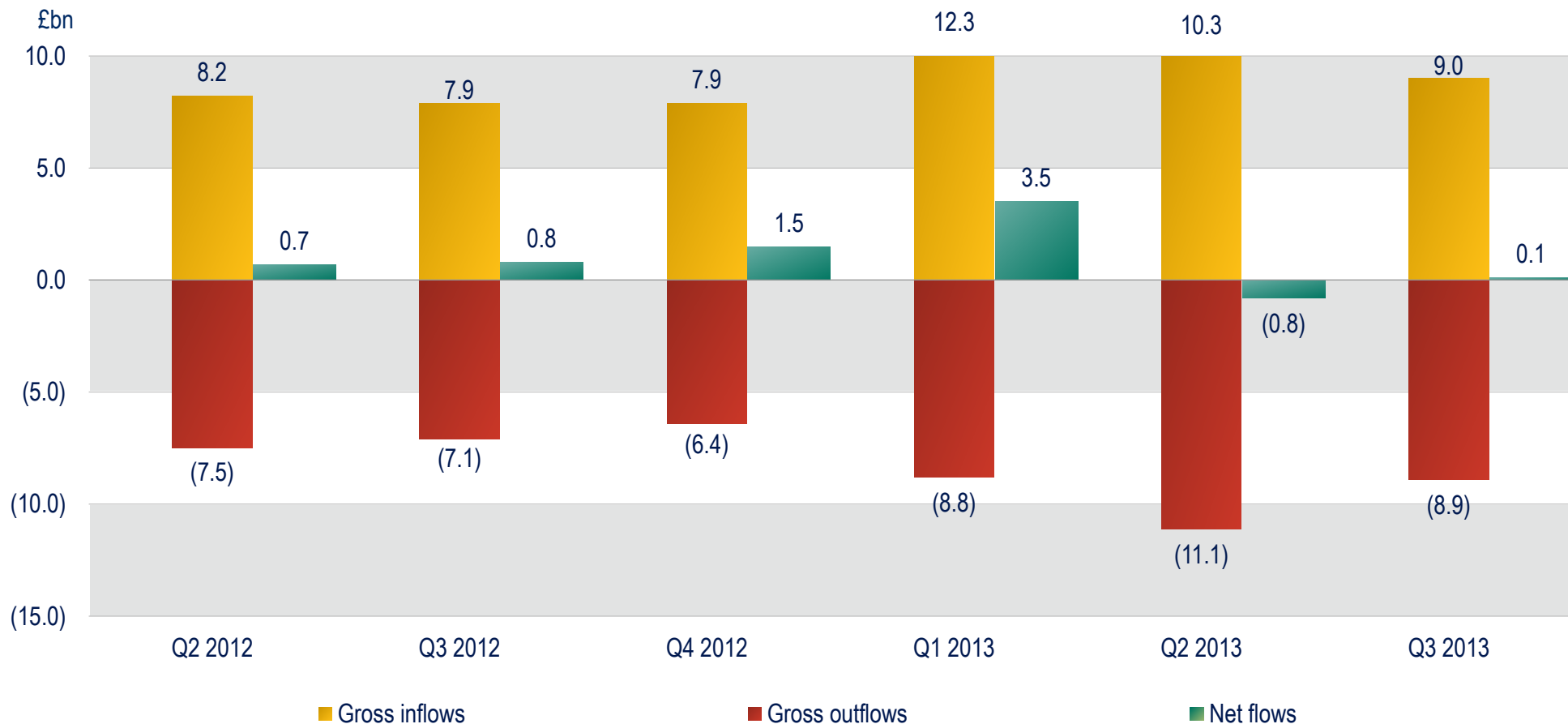
Institutional

Assets under management: £141.6bn (30 June 2013: £139.6bn)



Intermediary

Assets under management: £85.2bn (30 June 2013: £79.2bn)



Net revenue and margins – Asset Management

Asset Management net revenue £315.0 million (Q3 2012: £246.0 million)

	QTD Q3 2012	QTD Q3 2013
Average AUM – £bn	182.7	226.3
AUM driven revenue – £m	235.3	293.6
AUM driven revenue on average AUM	51bps	52bps
Non AUM driven revenue – £m	8.8	3.9
Non AUM driven revenue on average AUM	2bps	0bps
Performance fees – £m	1.9	17.5
Performance fees on average AUM	1bps	3bps
Net revenue – £m	246.0	315.0
Net revenue on average AUM	54bps	55bps
Costs* – £m	161.2	206.3
Costs* on average AUM	35bps	36bps
Operating profit* – £m	84.8	108.7
Operating profit* on average AUM	19bps	19bps

*Q3 2013 excludes exceptional costs

Income and cost metrics for the Group

	Q3 2012 YTD	Q3 2013 YTD
Compensation cost: operating revenue ratio*	48%	48%
Bonus: pre-bonus operating profit*	38%	41%
Cost: net revenue ratio*	69%	67%
Return on average capital (pre-tax)	18%	20%
Return on average capital (post-tax)	14%	16%

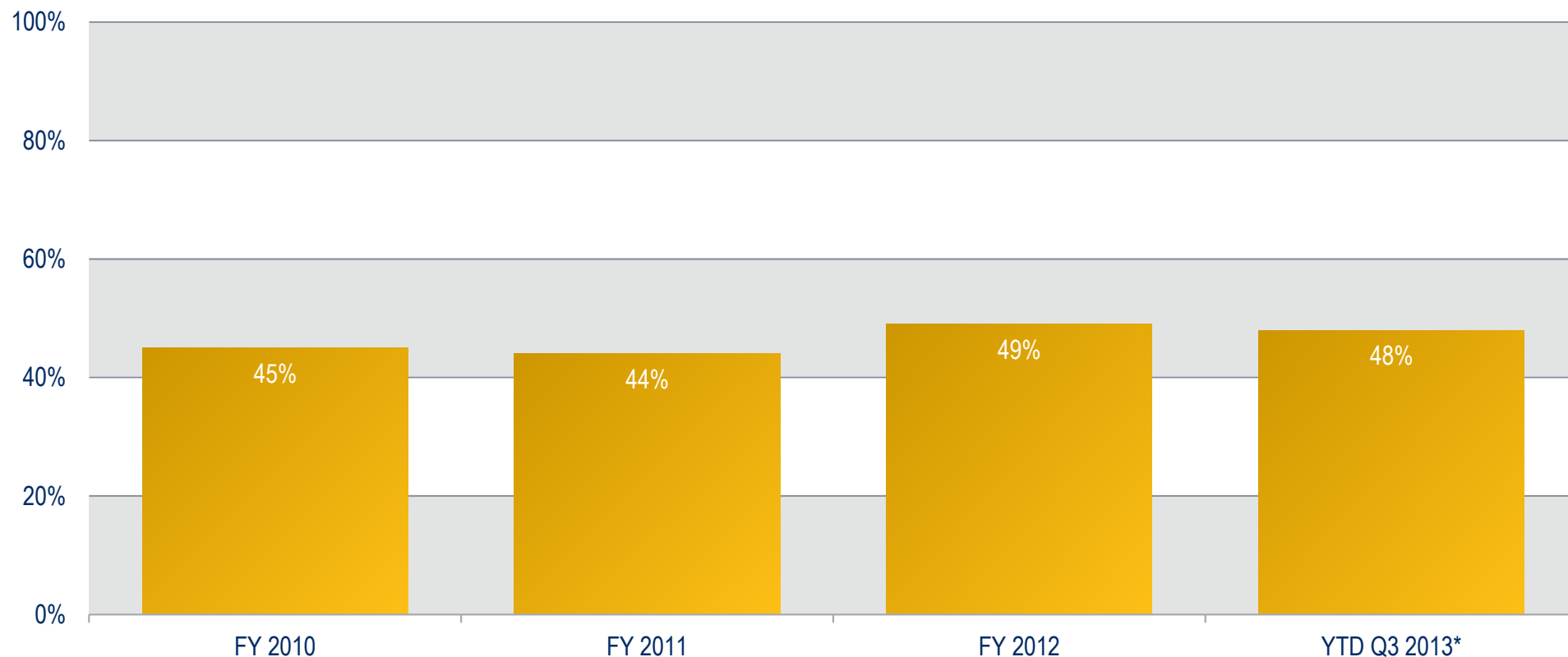
- ▶ Compensation cost: operating revenue
= total Group compensation costs divided by Asset Management and Wealth Management net revenues**
- ▶ Bonus: pre-bonus operating profit
= total Group bonus divided by pre-bonus Asset Management and Wealth Management profit before tax
- ▶ Cost: net revenue
= total Group costs divided by net revenue
- ▶ Return on average capital (pre-tax)
= total Group profit before tax divided by average capital
- ▶ Return on average capital (post-tax)
= total Group profit after tax divided by average capital

*Q3 2013 excludes exceptional costs

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

Key performance indicators

Compensation cost: operating revenue ratio

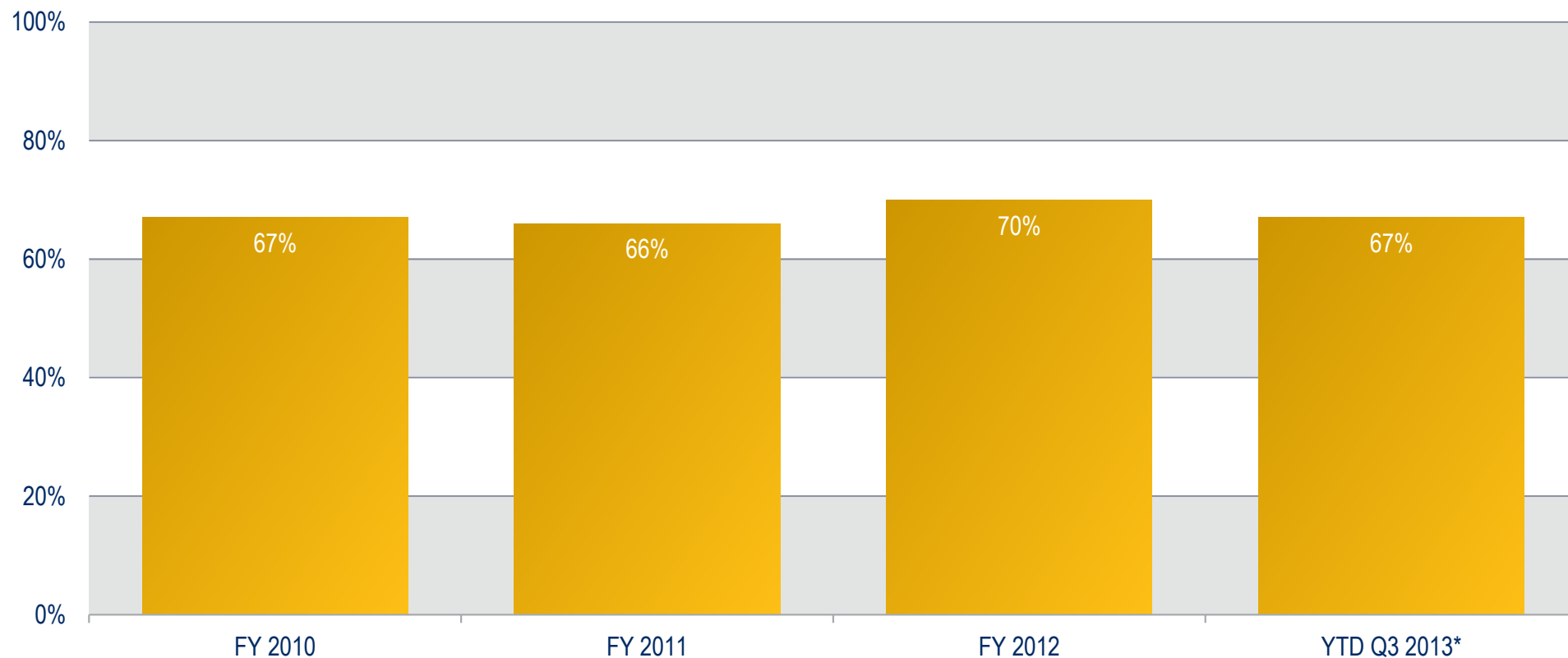


Total Group compensation costs divided by Asset Management and Wealth Management net revenues adjusted by the Remuneration Committee for allowable and disallowable revenues

*Q3 2013 YTD excludes exceptional costs

Key performance indicators

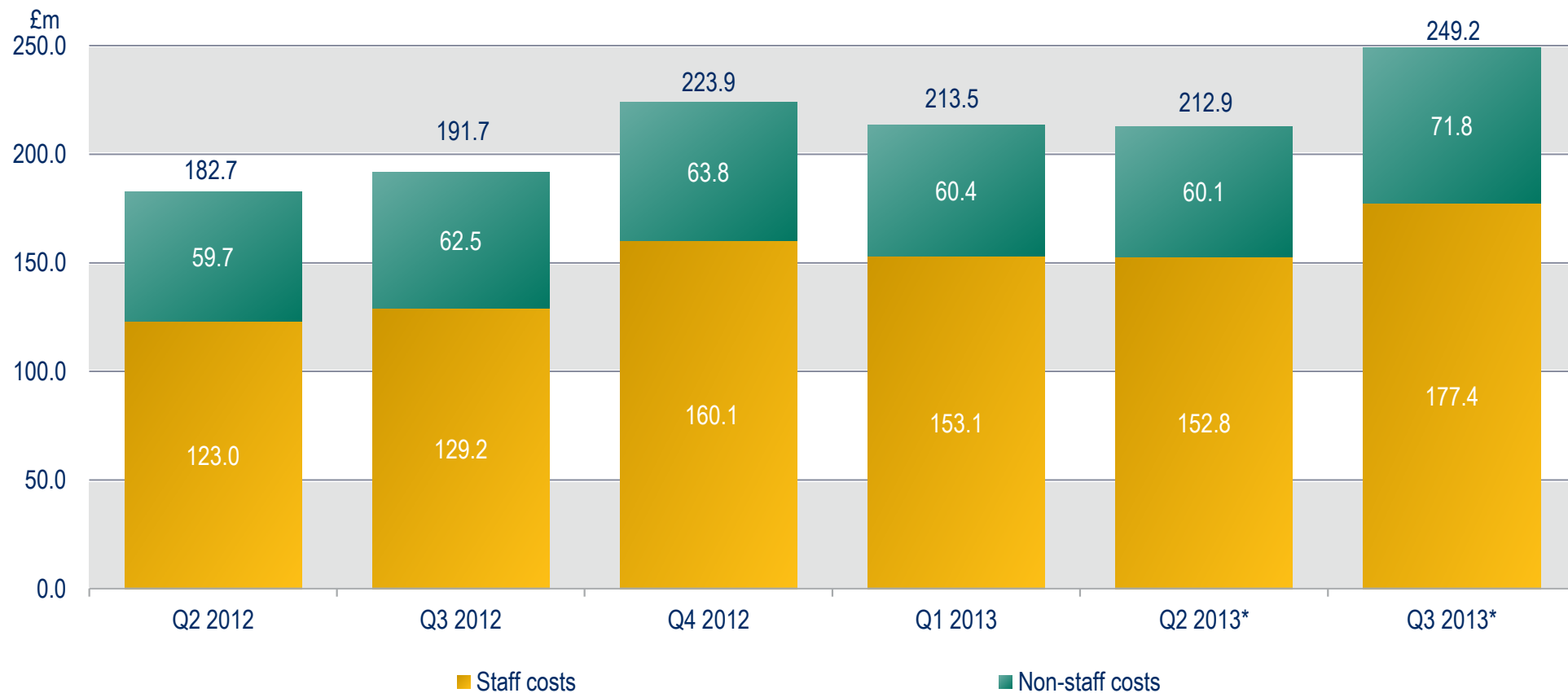
Cost: net revenue ratio



Total Group costs divided by net revenue.

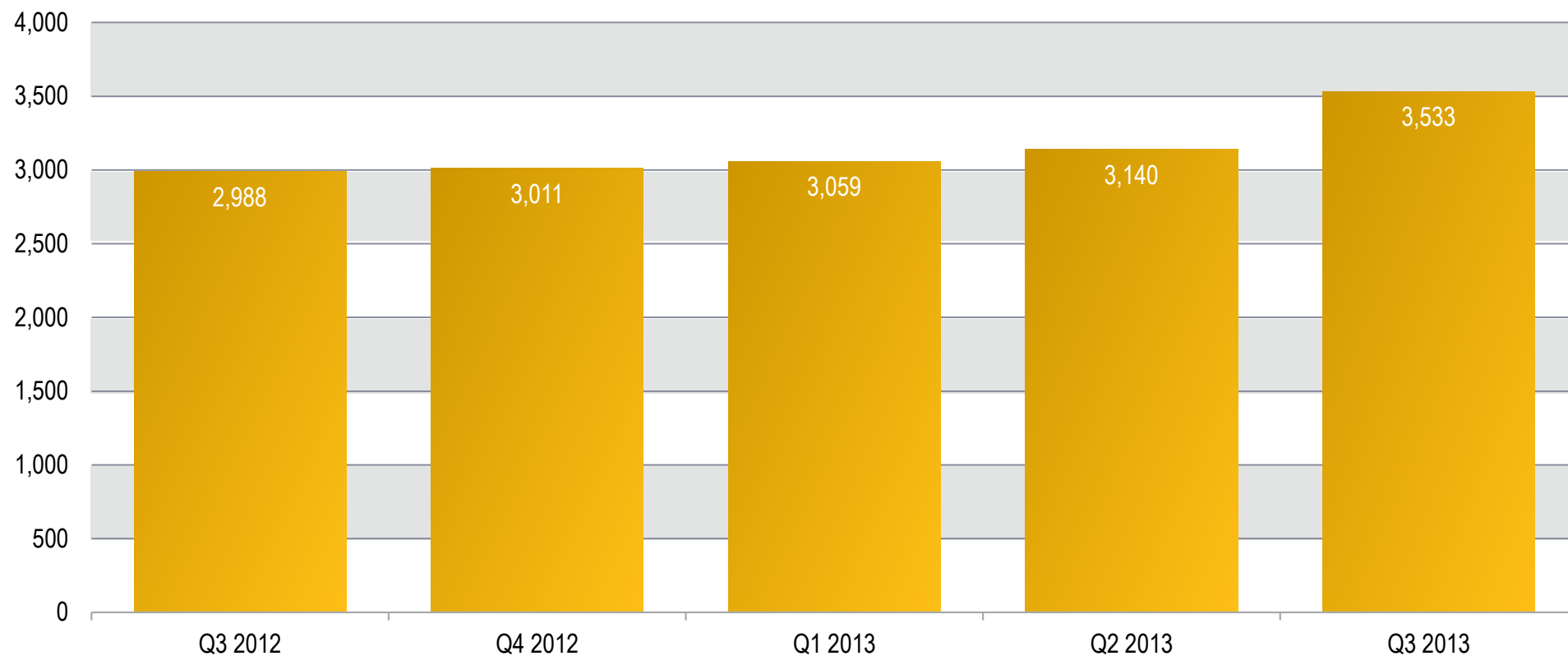
*Q3 2013 YTD ratio excludes exceptional costs

Total costs



*Excludes exceptional costs

Headcount



Income statement progression

Asset Management profit before tax

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

*Excludes exceptional costs

Income statement progression

Wealth Management profit/(loss) before tax

£m	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013
Net revenue	25.5	24.6	17.2	26.5	27.0	47.0
Costs*	(21.5)	(20.6)	(19.8)	(21.6)	(21.3)	(36.6)
Wealth Management profit/(loss)	4.0	4.0	(2.6)	4.9	5.7	10.4
Exceptional costs	–	–	–	–	–	(2.6)
Wealth Management profit/(loss) after exceptional items	4.0	4.0	(2.6)	4.9	5.7	7.8

*Q2 2013 and Q3 2013 excludes exceptional costs

Income statement progression

Group segment (loss)/profit before tax

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

*Q2 2013 and Q3 2013 excludes exceptional costs

**Schroder Ventures Investments Limited only

Balance sheet

£m	31 December 2012	30 September 2013
Intangible assets including goodwill	142.1	494.7
Other non-current assets	729.0	702.9
Current assets	4,457.7	4,516.0
Assets backing unit-linked liabilities	9,346.3	10,716.3
Total assets	14,675.1	16,429.9
Non-current liabilities	443.3	371.0
Current liabilities	2,815.6	3,128.9
Unit-linked liabilities	9,346.3	10,716.3
Total liabilities	12,605.2	14,216.2
Net assets	2,069.9	2,213.7
Total equity*	2,069.9	2,213.7

*Includes non-controlling interests September 2013: £0.3m (Dec 2012: £0.5m)

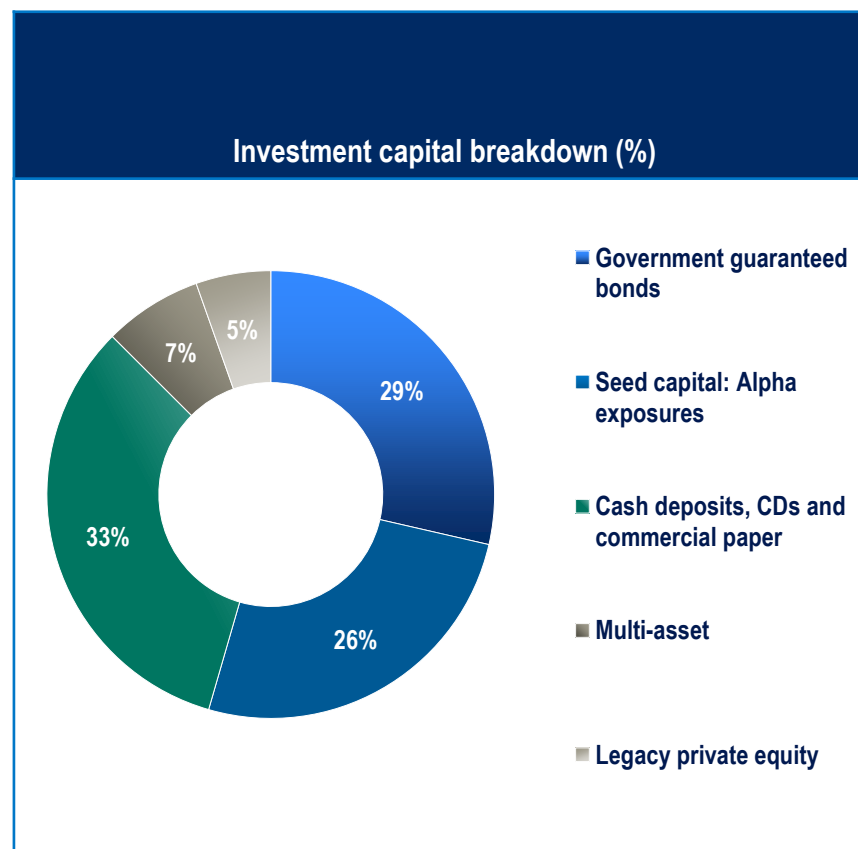
Movement in capital

£m	2013
Opening balance	2,069.9
Profit before tax	349.6
Exceptional costs	(21.7)
Net fair value movement arising from AFS financial assets	(3.5)
Exchange differences on translation of foreign operations after hedging	(8.2)
Tax	(66.4)
Issue share capital	31.1
Net share purchases	(106.9)
Share-based payments	89.7
Dividends	(123.5)
Actuarial gain on defined benefit pension scheme	5.1
Other	(1.5)
Closing balance	2,213.7

Group capital allocation

Increase of £144m as at 30 September 2013

£m	FY 2012	H1 2013	Q3 2013
Asset Management and Private Banking operational capital	957	879	967
Investment capital*	926	1,077	703
Other (intangibles etc.)	187	229	544
Statutory Group capital	2,070	2,185	2,214



*Not included in AUM

Forward-looking statements

These presentation slides may contain forward-looking statements with respect to the financial condition, results of operations, strategy and businesses of the Schroders Group.

Such statements and forecasts involve risk and uncertainty because they are based on current expectations and assumptions but they relate to events and depend upon circumstances in the future and you should not place reliance on them. Without limitation, any statement preceded by or followed by or that include the words 'targets', 'plans', 'believes', 'expects', 'aims' or 'anticipates' or the negative of these terms and 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 those 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.