

Schroders 2017 Half-year Results

Data Pack

27 July 2017

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

Assets under management and administration (AUMA)

£418.2 billion at 30 June 2017

£bn	Institutional	Intermediary	Asset Management	Wealth Management ¹	Total AUM	AUA	AUMA ²
1 January 2017	226.3	120.1	346.4	39.6	386.0	11.1	397.1
Net flows	1.4	(1.2)	0.2	0.6	0.8		
Acquisitions ³	-	-	-	2.5	2.5		
Investment returns	10.9	5.8	16.7	0.9	17.6		
30 June 2017	238.6	124.7	363.3	43.6	406.9	11.3	418.2

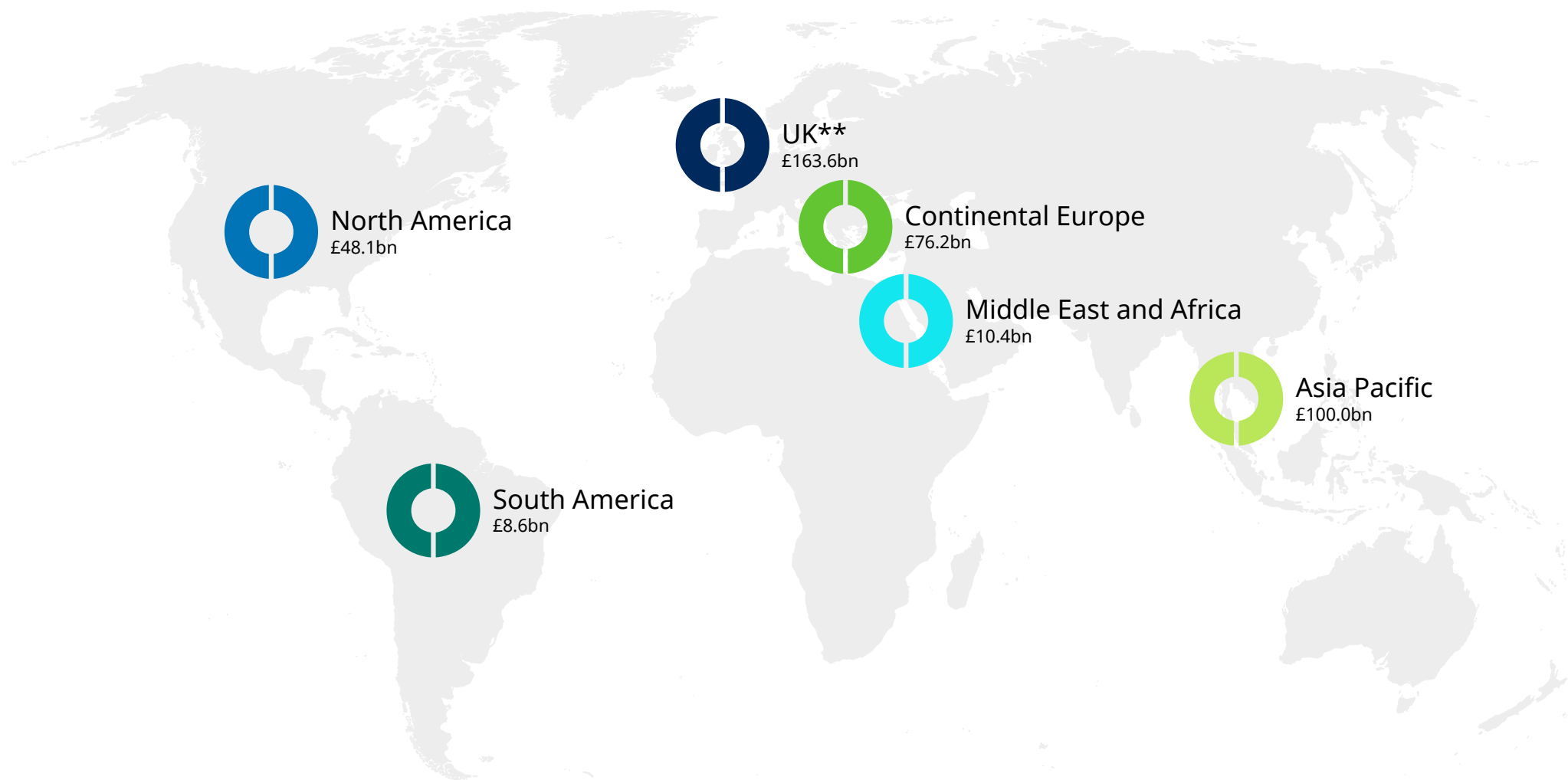
¹ Wealth Management flows exclude income drawdowns which are now included within investment returns.

² Assets under management and administration comprise assets managed or advised on behalf of clients (Assets Under Management) and assets where Schroders solely provides administrative support through the Benchmark Capital business (assets under administration or AUA).

³ Wealth Management acquisition relates to the purchase of the wealth management business of C. Hoare & Co.

Regional diversification of AUM*

65% of net operating revenues earned outside UK

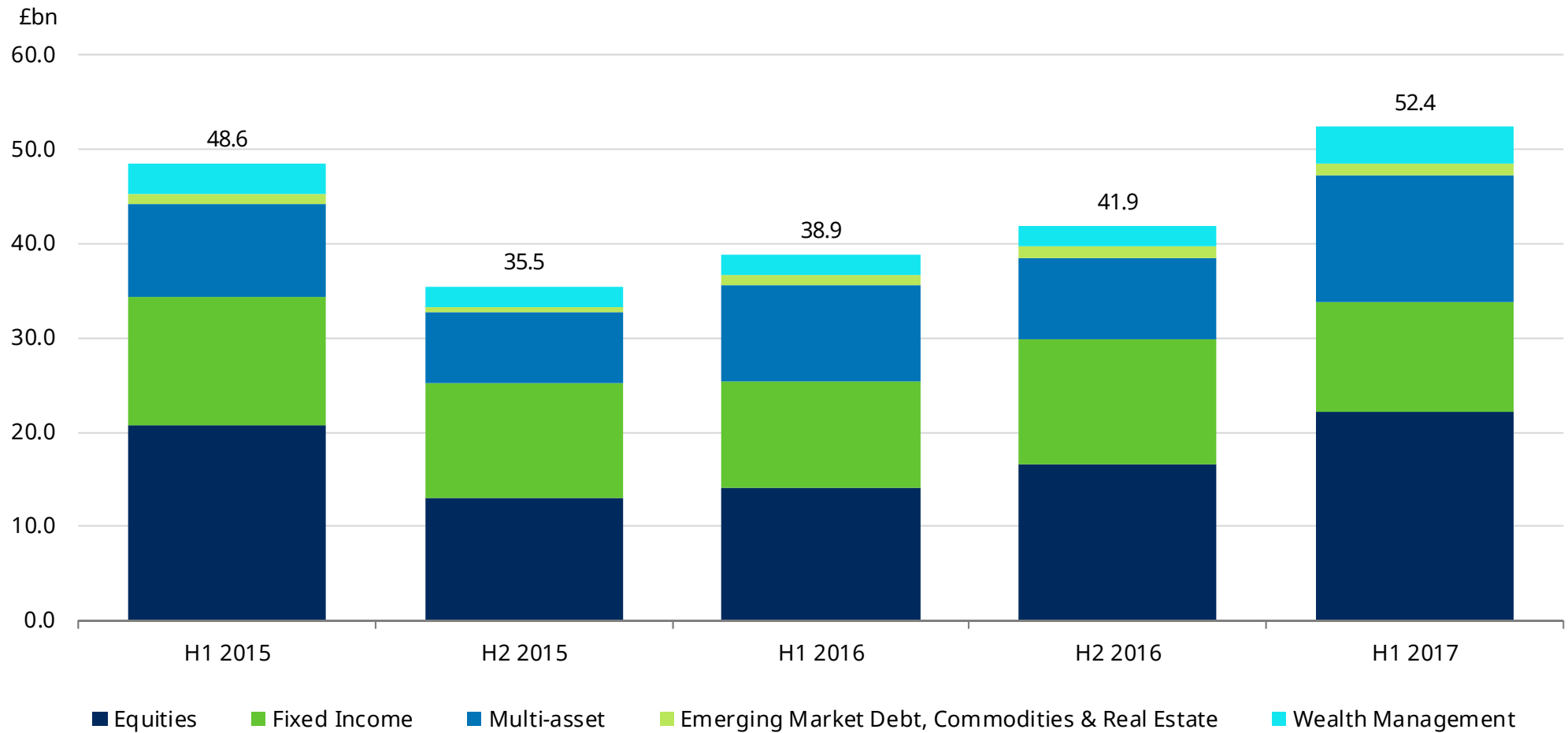


* By client domicile.

**A further £11.3bn of assets under administration are located in the UK.

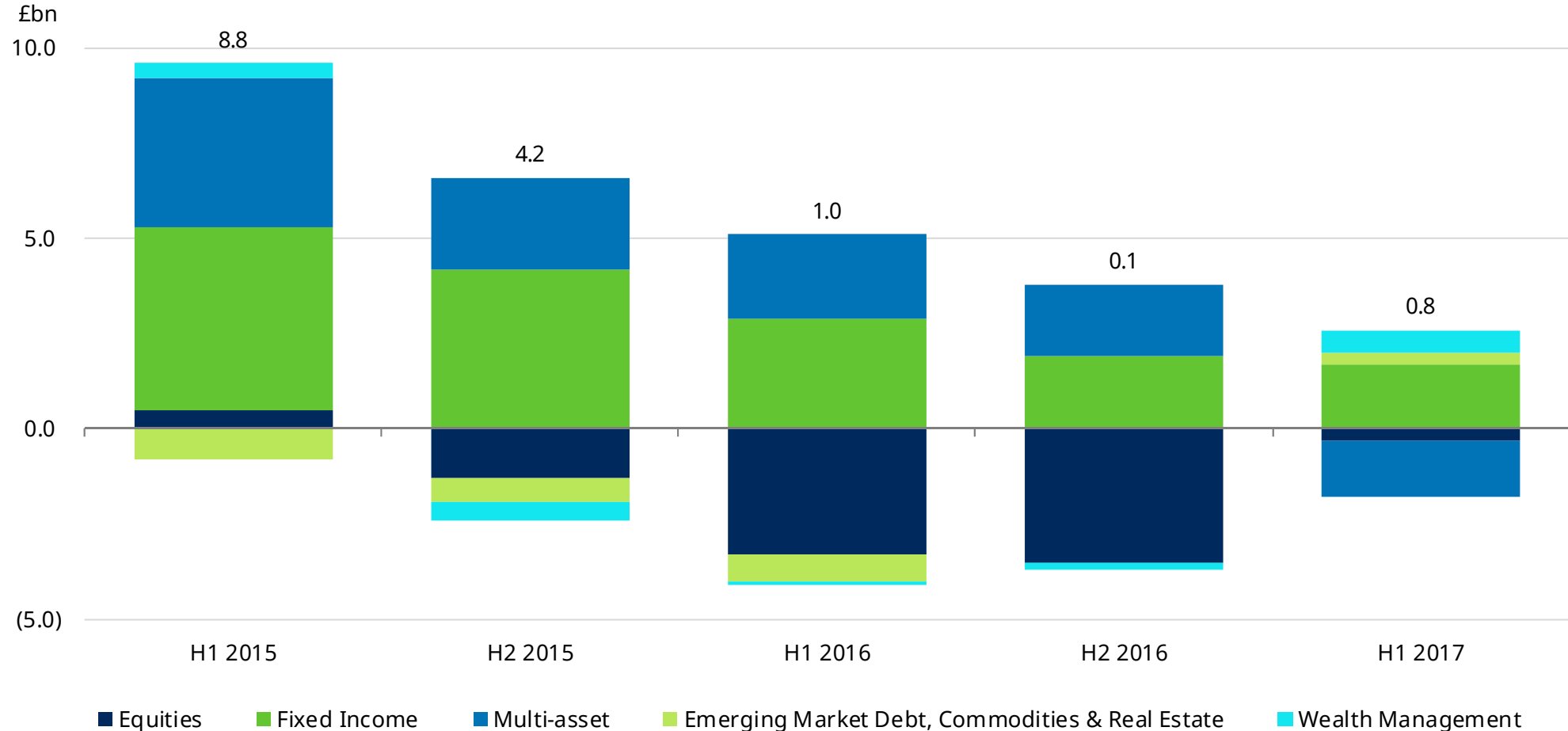
Gross sales

Half-yearly



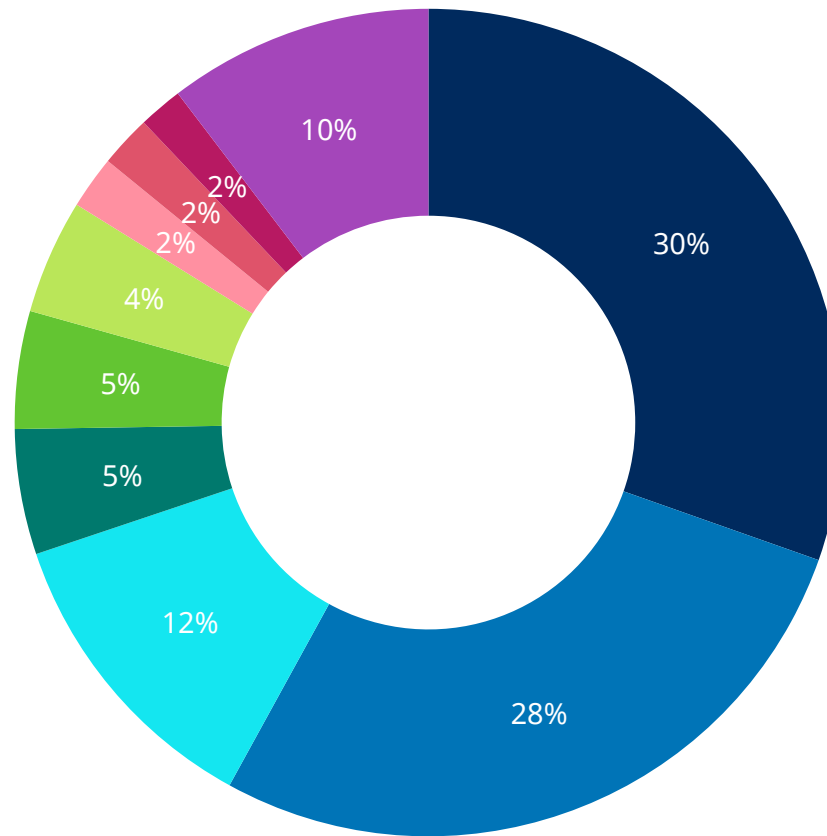
Net flows

Half-yearly



Currency profile of AUM

Assets under management £406.9 billion



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

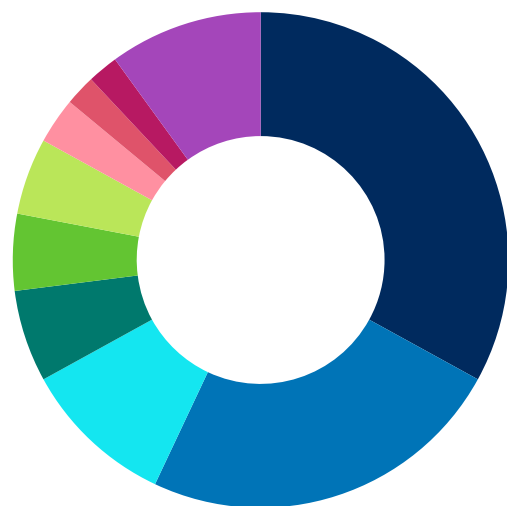
* USD includes other currencies pegged to USD, including HKD.

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

Currency profile of Asset Management AUM

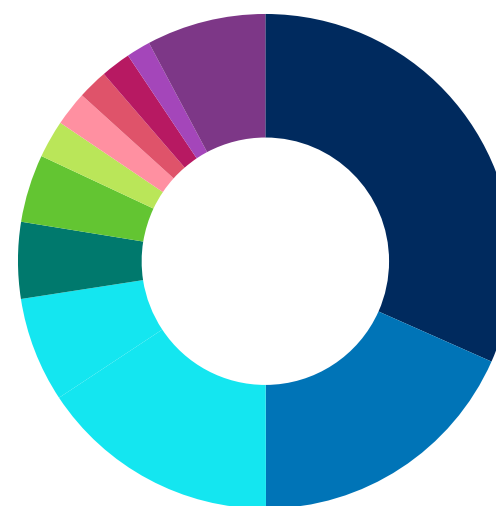
Assets Management AUM £363.3 billion

Institutional £238.6bn



■ USD*	33%
■ GBP	24%
■ EUR	10%
■ AUD	6%
■ CNY	5%
■ JPY	5%
■ KRW	3%
■ TWD	2%
■ CHF	2%
■ Other	10%

Intermediary £124.7bn



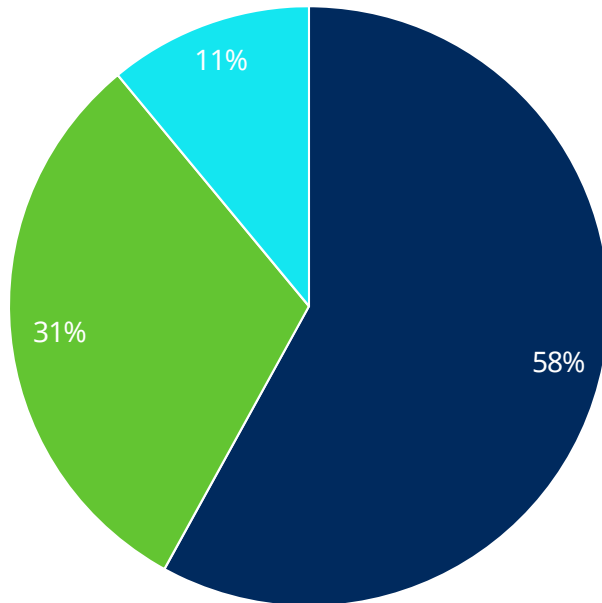
■ USD*	32%
■ EUR	18%
■ GBP	16%
■ JPY	7%
■ CNY	5%
■ AUD	4%
■ IDR	2%
■ TWD	2%
■ SGD	2%
■ KRW	2%
■ CHF	2%
■ Other	8%

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

Total AUM by channel, region and product

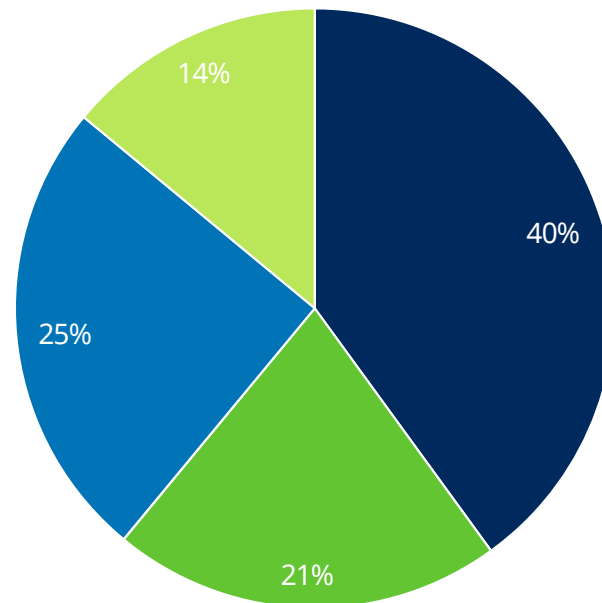
Assets under management £406.9 billion

By channel



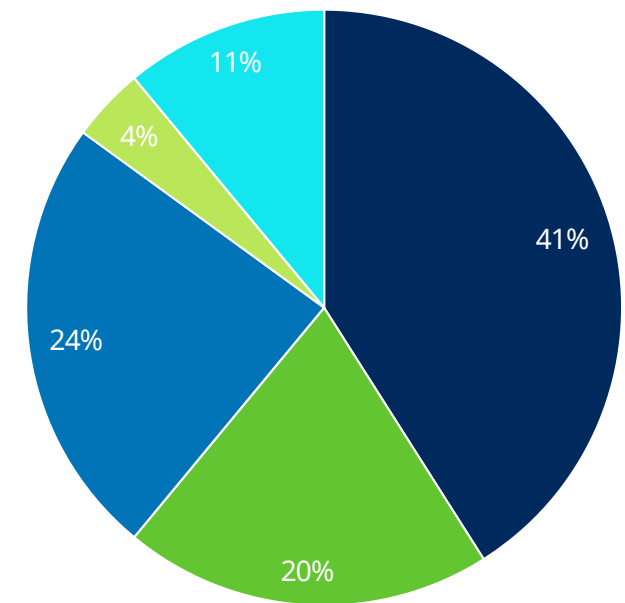
- Institutional
- Intermediary
- Wealth Management

By region*



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

By product



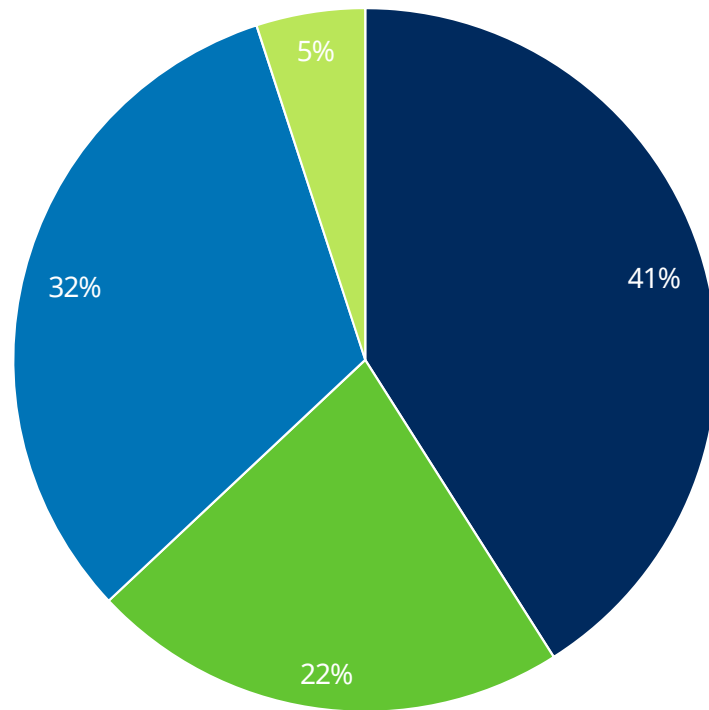
- Equities
- Fixed Income
- Multi-asset
- Emerging Market Debt, Commodities & Real Estate
- Wealth Management

* By client domicile.

Asset Management AUM by channel and product

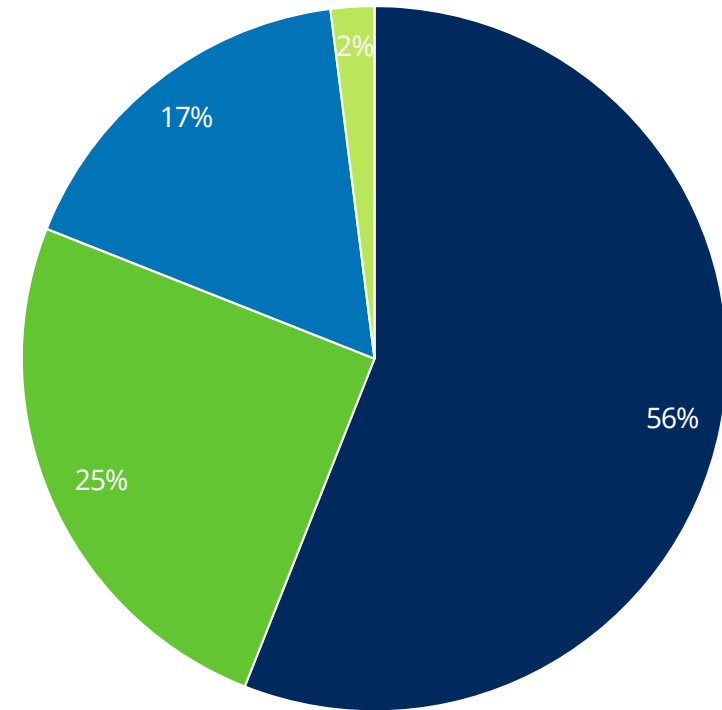
Assets under management £363.3 billion

Institutional AUM £238.6bn



■ Equities ■ Fixed Income

Intermediary AUM £124.7bn

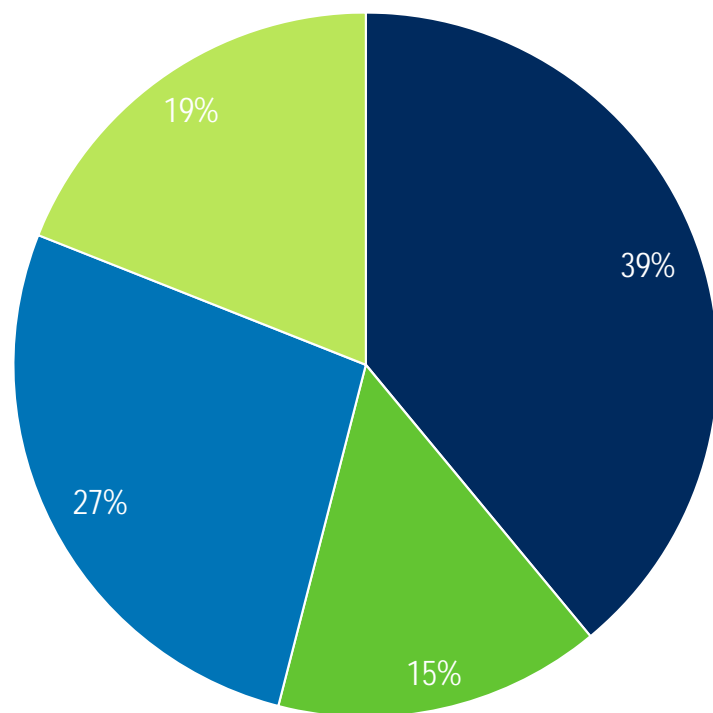


■ Multi-asset ■ Emerging Market Debt, Commodities & Real Estate

Asset Management AUM by channel and region*

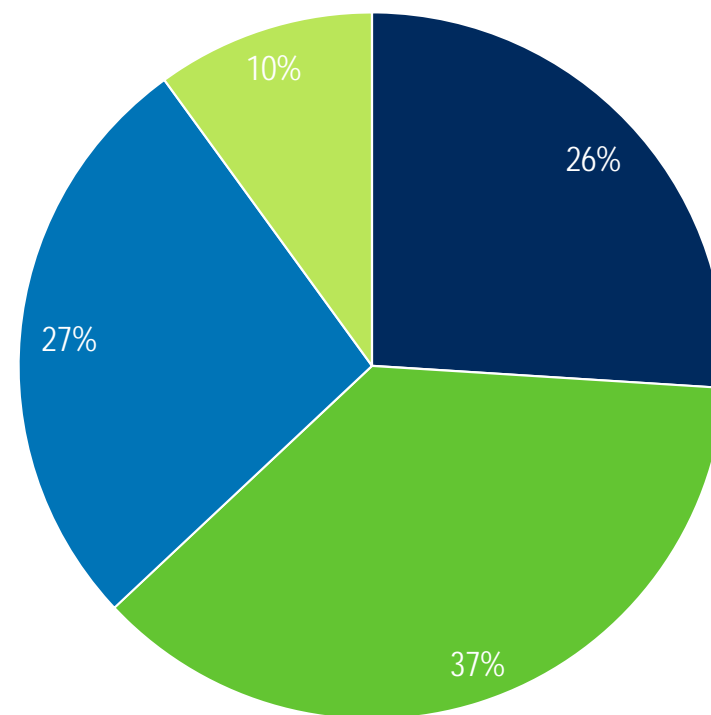
Assets under management £363.3 billion

Institutional AUM £238.6bn



■ UK ■ Continental Europe, Middle East & Africa

Intermediary AUM £124.7bn



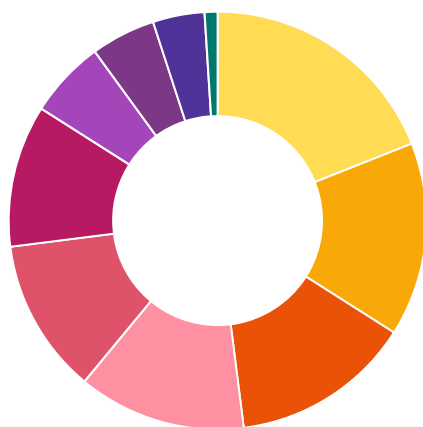
■ Asia Pacific ■ Americas

* By client domicile.

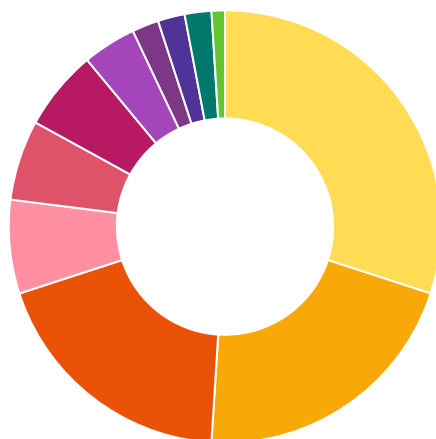
Asset Management AUM – detailed asset class analysis

Assets under management £363.3 billion

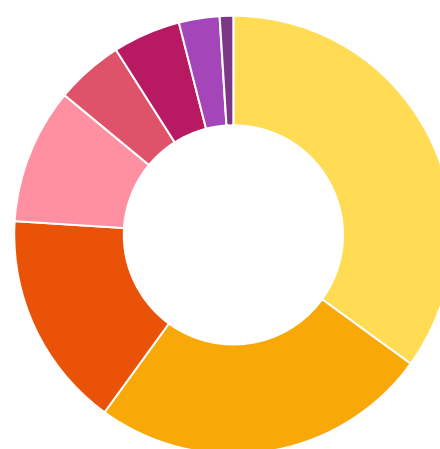
Equities £166.8bn



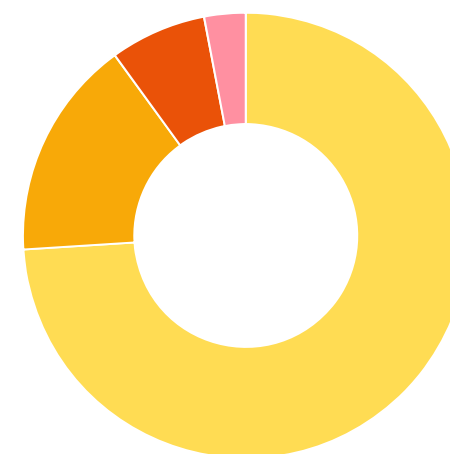
Fixed Income £84.0bn



Multi-asset £97.4bn



Emerging Market Debt, Commodities and Real Estate £15.1bn



Asia Pacific	19%
Quantitative equities	15%
Global	14%
Emerging markets	13%
Europe	12%
UK	11%
Japan	6%
US	5%
Australia	4%
Other	1%

US	30%
Europe	21%
Global	19%
Asia Pacific	7%
UK	6%
Securitised Credit	6%
Australia	4%
Insurance-linked	2%
Convertibles	2%
Emerging market bonds	2%
Infrastructure Finance	1%

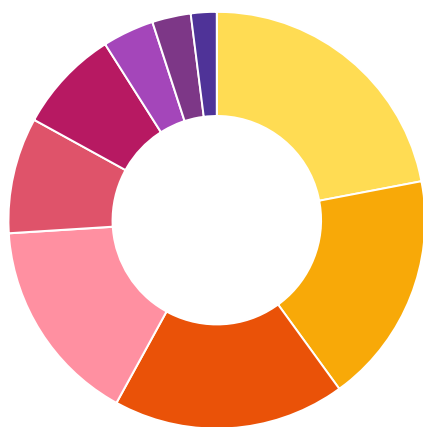
Risk controlled growth	35%
LDI	25%
UK traditional balanced	16%
Income	10%
Inflation protection	5%
Risk mitigation	5%
GAIA	3%
Wealth preservation	1%

Real estate	74%
Emerging market debt	16%
Agriculture and commodities	7%
Private equity	3%

Institutional AUM – detailed asset class analysis

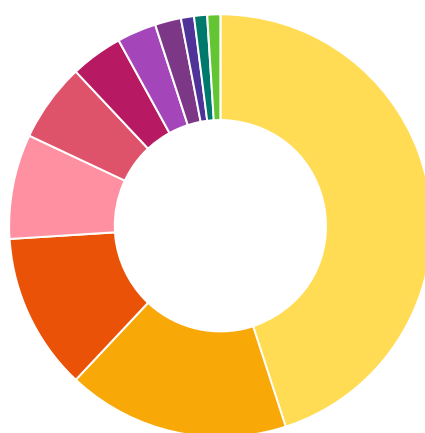
Assets under management £238.6 billion

Equities £97.7bn



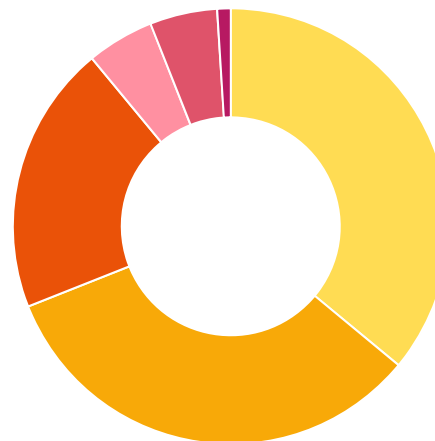
Quantitative equities	22%
Emerging markets	18%
Global	18%
Asia Pacific	16%
UK	9%
Europe	8%
Australia	4%
Japan	3%
US	2%

Fixed Income £52.7bn



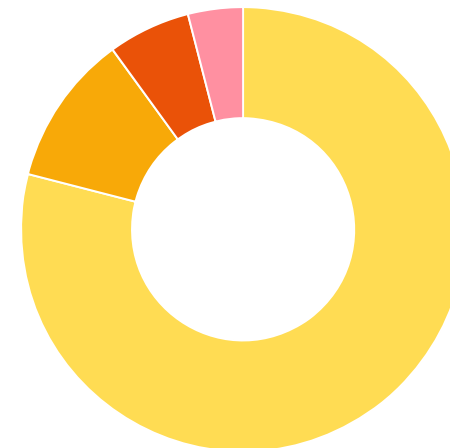
US	45%
Global	17%
Europe	12%
UK	8%
Asia Pacific	6%
Securitised Credit	4%
Australia	3%
Infrastructure Finance	2%
Insurance-linked	1%
Emerging market bonds	1%
Convertibles	1%

Multi-asset £76.0bn



Risk controlled growth	36%
LDI	33%
UK traditional balanced	20%
Inflation protection	5%
Risk mitigation	5%
Wealth preservation	1%

Emerging Market Debt, Commodities and Real Estate £12.2bn

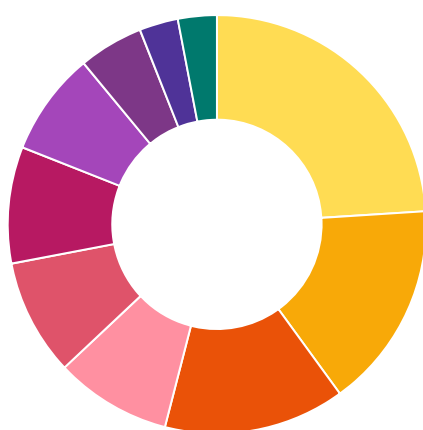


Real estate	79%
Emerging market debt	11%
Agriculture and commodities	6%
Private equity	4%

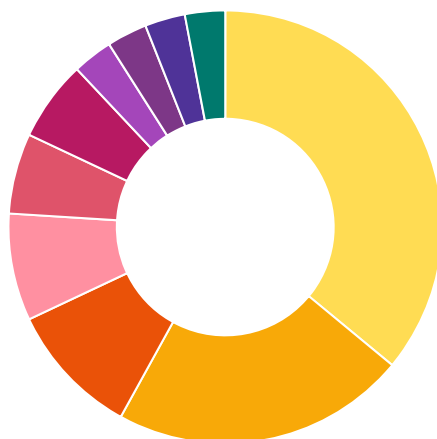
Intermediary AUM – detailed asset class analysis

Assets under management £124.7 billion

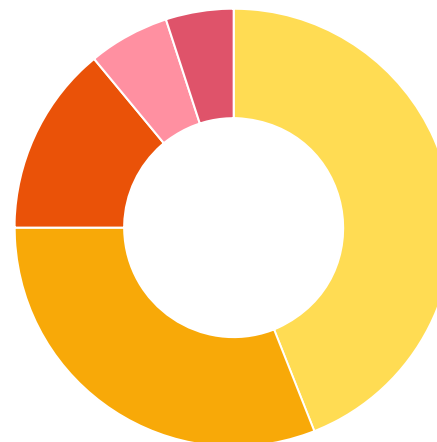
Equities £69.1bn



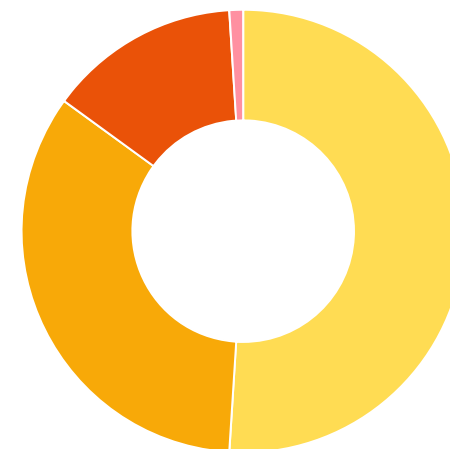
Fixed Income £31.3bn



Multi-asset £21.4bn



Emerging Market Debt, Commodities and Real Estate £2.9bn



Asia Pacific	24%
Europe	16%
UK	14%
Japan	9%
US	9%
Global	9%
Emerging markets	8%
Quantitative equities	5%
Australia	3%
Other	3%

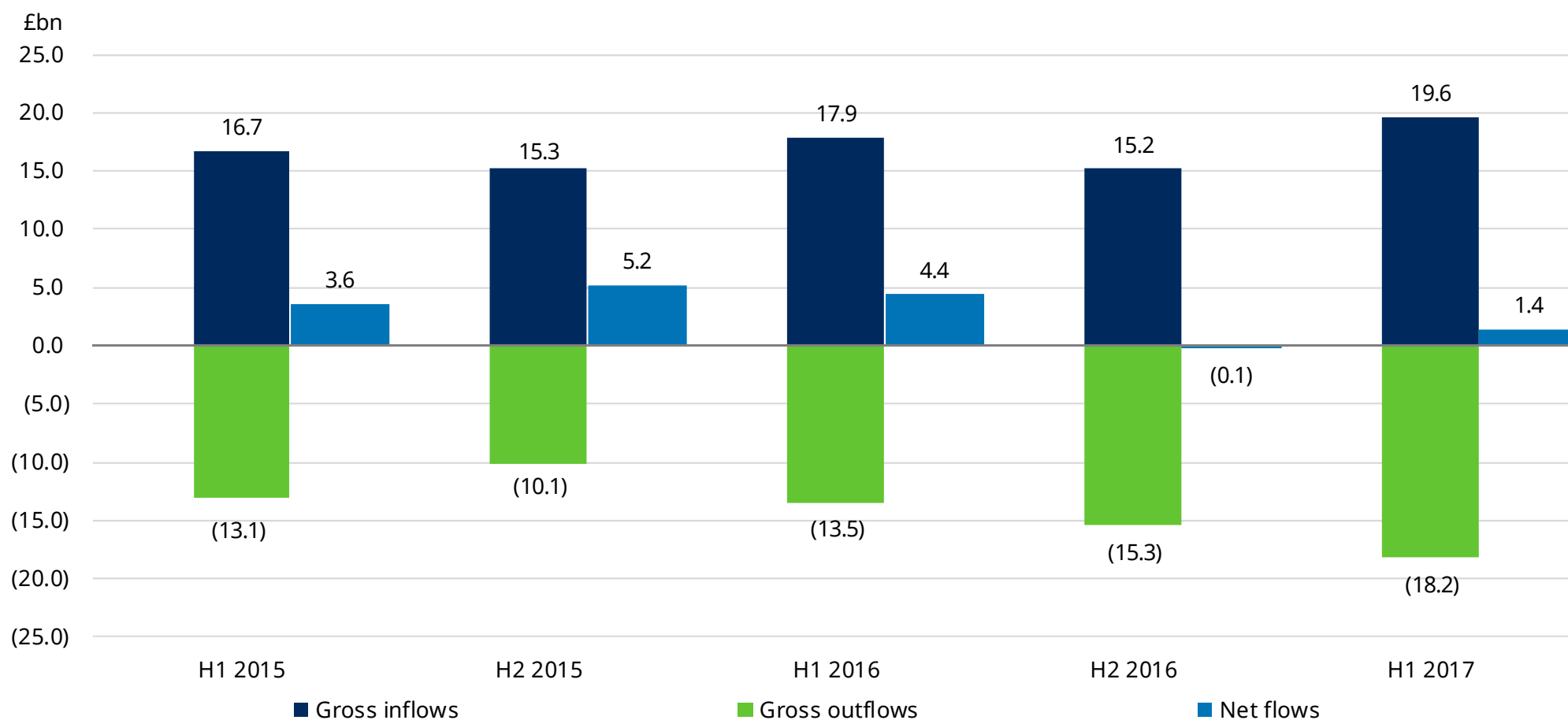
Europe	36%
Global	22%
Securitised Credit	10%
Asia Pacific	8%
Australia	6%
US	6%
Convertibles	3%
Insurance-linked	3%
UK	3%
Emerging market bonds	3%

Income	44%
Risk controlled growth	31%
GAIA	14%
Risk mitigation	6%
Inflation protection	5%

Real estate	51%
Emerging market debt	34%
Agriculture and commodities	14%
Private equity	1%

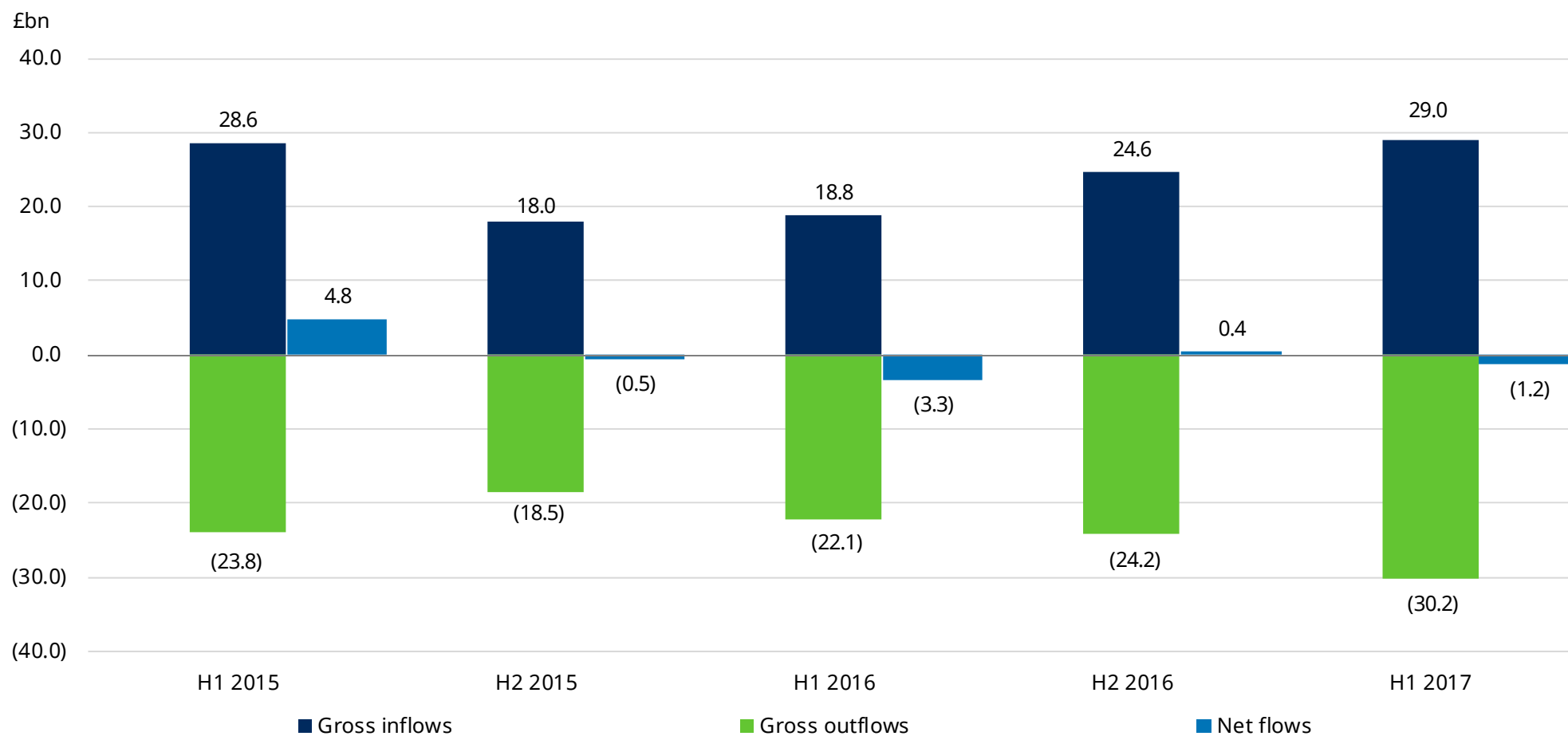
Institutional

Assets under management £238.6 billion



Intermediary

Assets under management £124.7 billion



Net operating revenue and margins – Asset Management

Asset Management net operating revenue £809.3 million

	FY 2016	H1 2016	H1 2017
Performance fees - £m	38.8	6.4	13.2
Performance fees on average AUM	1 bps	0 bps	1 bps
Net operating revenue (ex performance fees) - £m	1,450.7	681.4	796.1
Net operating revenue (ex performance fees) on average AUM	46 bps	47 bps	45 bps
Net income* - £m	1,534.4	708.9	820.0
Operating expenses* - £m	962.0	451.3	509.4
Profit before tax* - £m	572.4	257.6	310.6

* Excludes exceptional items.

Income statement progression

Asset Management profit before tax

£m	H1 2015	H2 2015	H1 2016	H2 2016	H1 2017
<i>Institutional</i>	309.0	319.7	316.1	376.4	372.8
<i>Intermediary</i>	383.9	380.8	371.7	425.3	436.5
Net operating revenue	692.9	700.5	687.8	801.7	809.3
Net gains/(losses) on financial instruments and other income	2.5	3.8	12.6	15.6	(1.3)
Share of profit of associates and joint ventures	6.7	6.1	8.5	8.2	12.0
Net income	702.1	710.4	708.9	825.5	820.0
Operating expenses	(431.1)	(440.9)	(451.3)	(510.7)	(509.4)
Asset Management profit before exceptional items	271.0	269.5	257.6	314.8	310.6
Exceptional items	(6.0)	(6.1)	(8.5)	(10.0)	(9.6)
Asset Management profit after exceptional items	265.0	263.4	249.1	304.8	301.0

Income statement progression

Wealth Management profit before tax

£m	H1 2015	H2 2015	H1 2016	H2 2016	H1 2017
Net operating revenue	105.7	101.6	107.1	116.2	130.8
Net (losses)/gains on financial instruments and other income	(0.2)	0.1	0.1	0.6	2.9
Net income	105.5	101.7	107.2	116.8	133.7
Operating expenses	(75.5)	(70.4)	(74.8)	(82.8)	(88.2)
Wealth Management profit before exceptional items	30.0	31.3	32.4	34.0	45.5
Exceptional items	(4.0)	3.2	(4.0)	(6.1)	(9.1)
Wealth Management profit after exceptional items	26.0	34.5	28.4	27.9	36.4

Income statement progression

Group segment (loss)/profit before tax

£m	H1 2015	H2 2015	H1 2016	H2 2016	H1 2017
Net gains on financial instruments and other income	11.9	18.2	14.3	15.6	18.6
Share of profit of associates*	6.9	1.8	3.6	1.2	2.1
Net income	18.8	20.0	17.9	16.8	20.7
Operating expenses	(14.1)	(16.8)	(14.2)	(14.6)	(15.3)
Group profit before exceptional items	4.7	3.2	3.7	2.2	5.4
Exceptional items	(5.4)	(2.4)	1.1	0.9	-
Group (loss)/profit after exceptional items	(0.7)	0.8	4.8	3.1	5.4

* Comprises RWC Partners Limited and Schroder Ventures Investments Limited associates.

Cost and return metrics

Total Schroders Group costs

	2016	H1 2016	H1 2017
Total compensation ratio*	44%	45%	44%
Headcount	4,145	3,866	4,299
Total costs (£m)*	1,148.4	540.3	612.9
Total cost ratio*	64%	65%	63%
Return on average capital (pre-tax)*	22%	21%	23%
Return on average capital (post-tax)*	17%	16%	18%

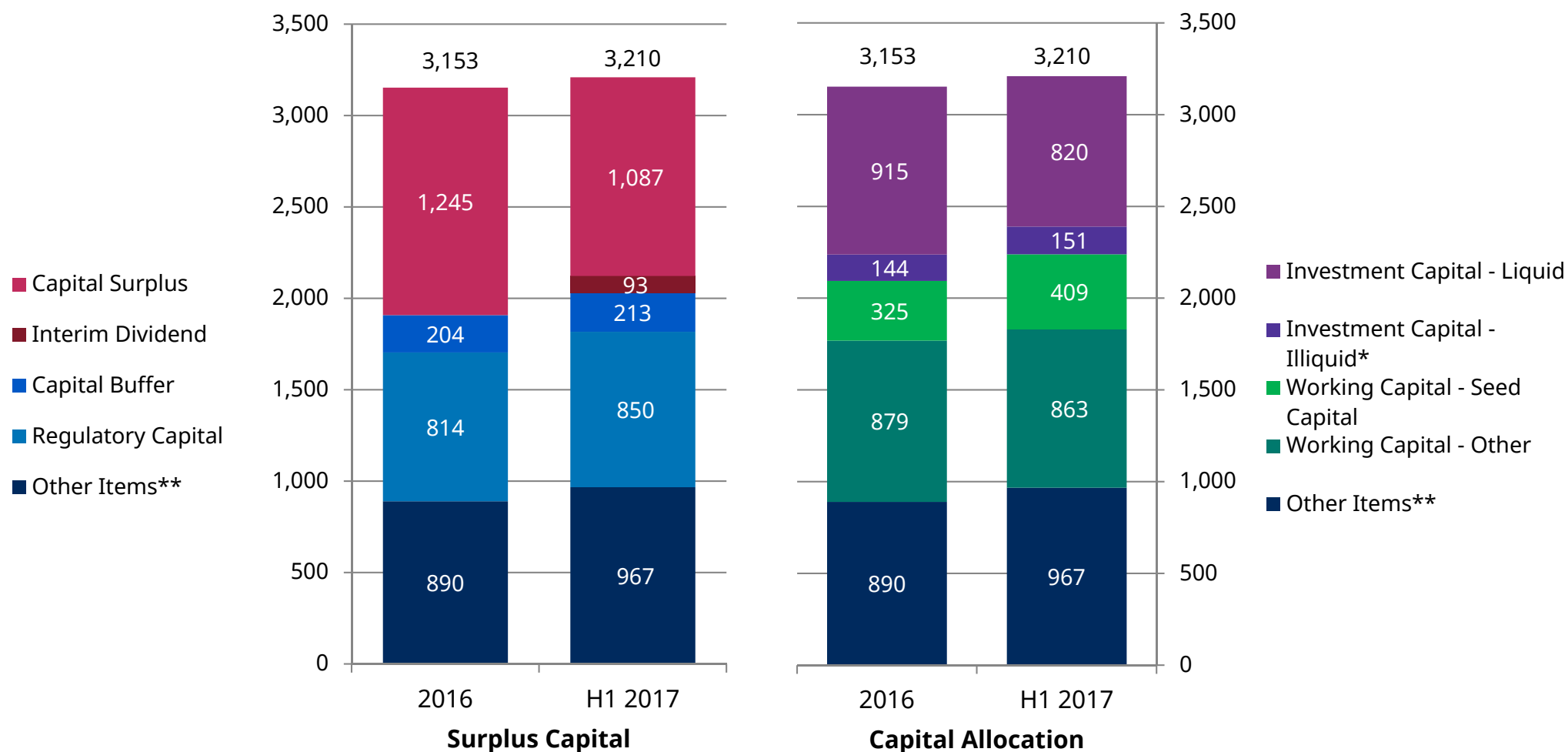
- ▶ Total compensation ratio
= compensation costs divided by net income**
- ▶ Total cost ratio
= costs divided by net income
- ▶ Return on average capital (pre-tax)
= profit before tax divided by average capital
- ▶ Return on average capital (post-tax)
= profit after tax divided by average capital

* Excludes exceptional items.

** Costs and income are subject to adjustments by the remuneration committee.

Group Capital (£m)

Increase of £57m in the six months ended 30 June 2017



* Comprises co-investment funds and private equity.

**Comprises goodwill, intangible assets, pension scheme surplus, other associates and joint ventures and deferred tax.