



Welcome



Peter Harrison
Group Chief Executive

Wealth – continuing on our growth path

Schroders in Focus: Wealth Management



Peter Harrison
Group Chief Executive

13 June 2023

Wealth management: a strategic opportunity



Self-reinforcing sustainable growth

Benefits for Schroders Wealth Management



Asset management investment capabilities



Sustainability leadership



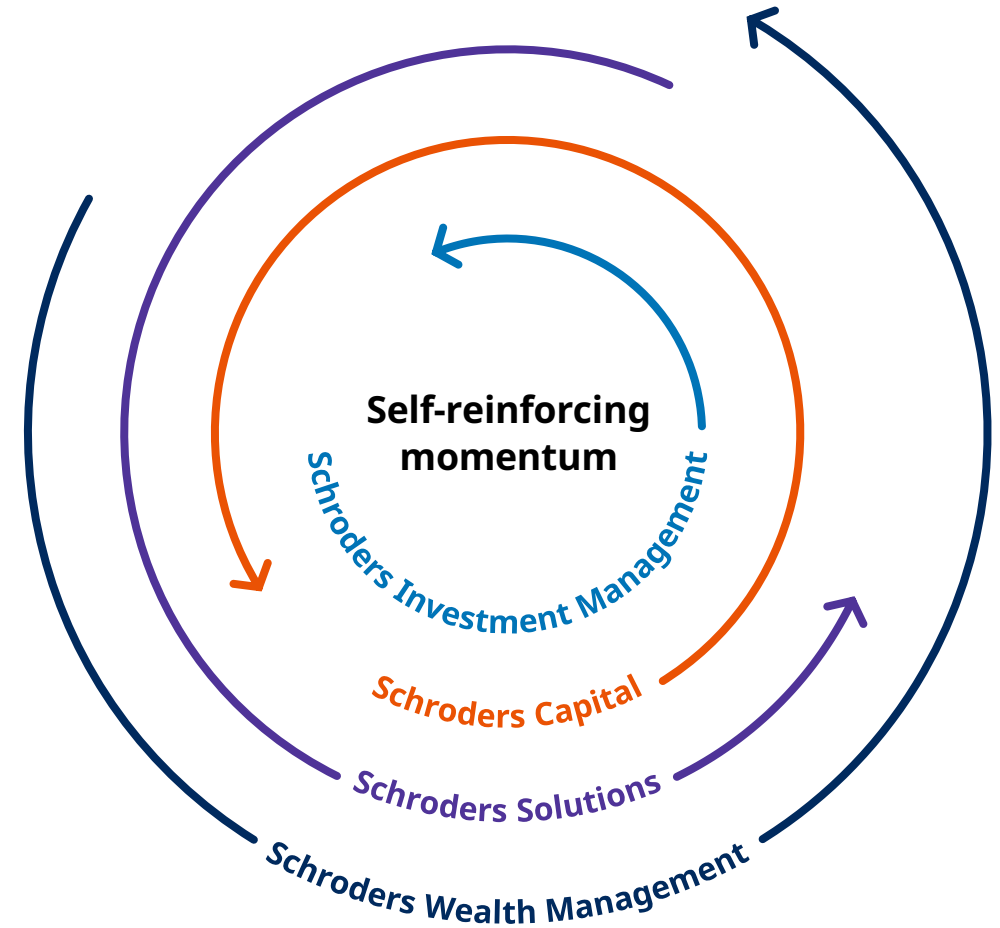
Private market manufacturing



Discretionary models

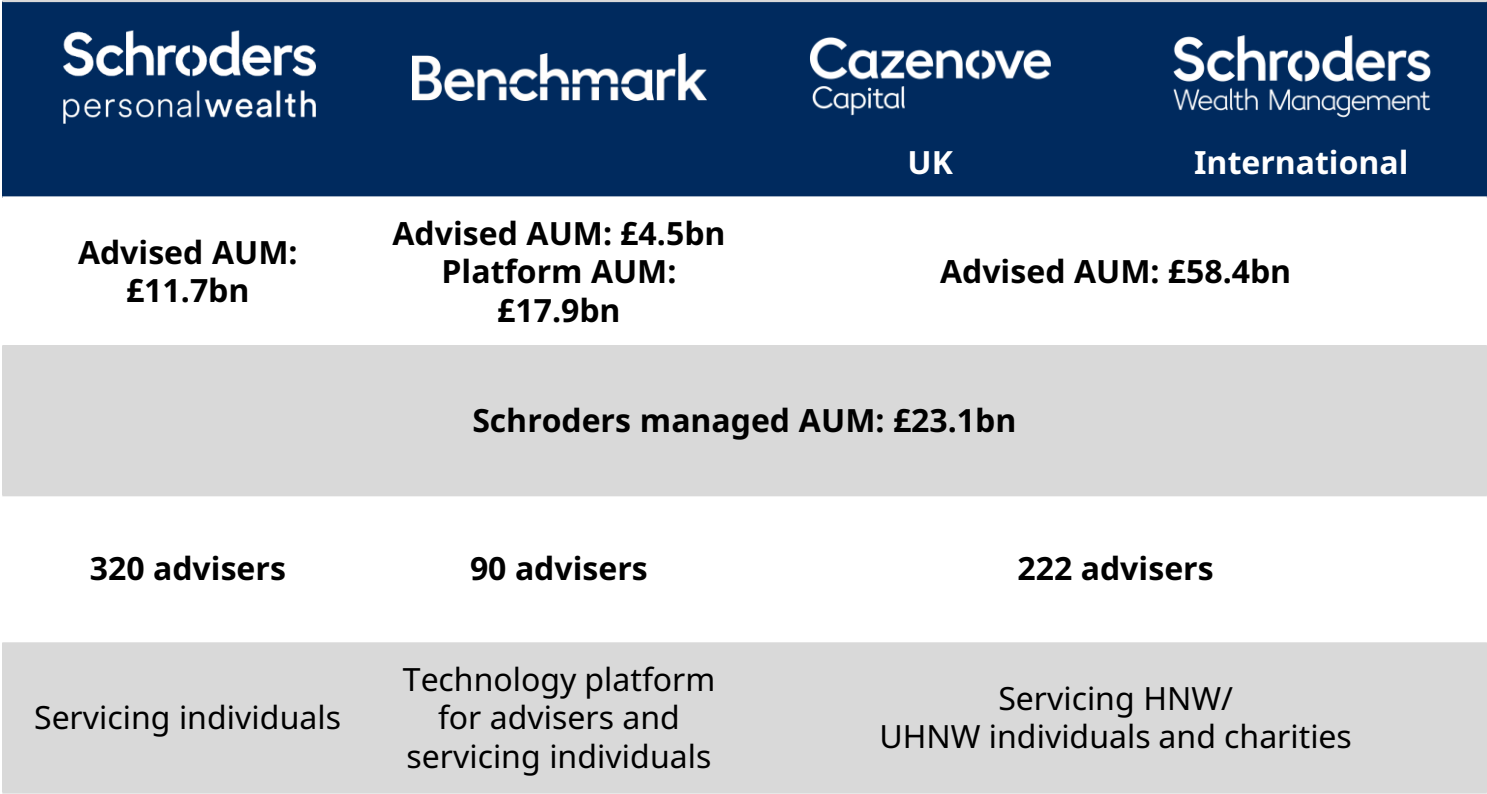


Access to Solutions expertise for big endowments and family offices

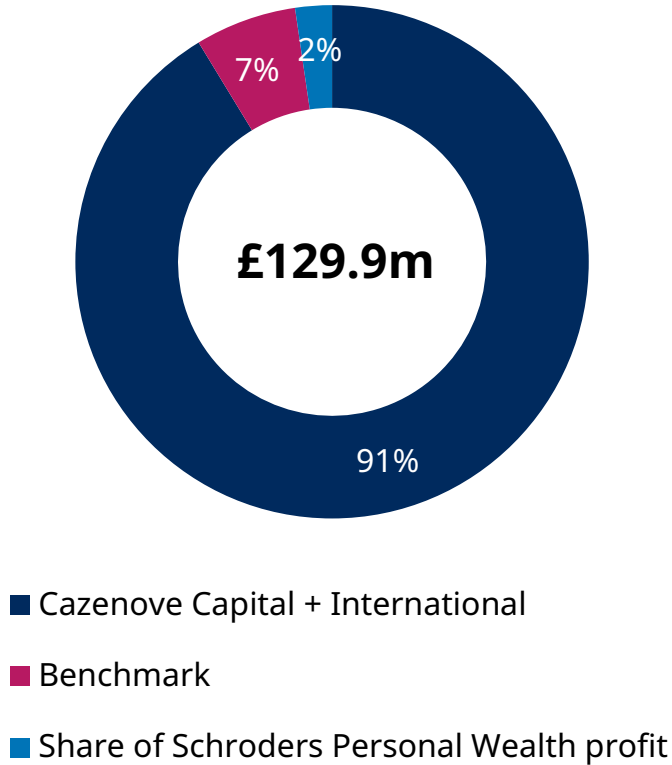


We have built a unique Wealth offering with £115.6bn of AUM

Servicing the whole of the wealth spectrum



Operating profit by business in 2022

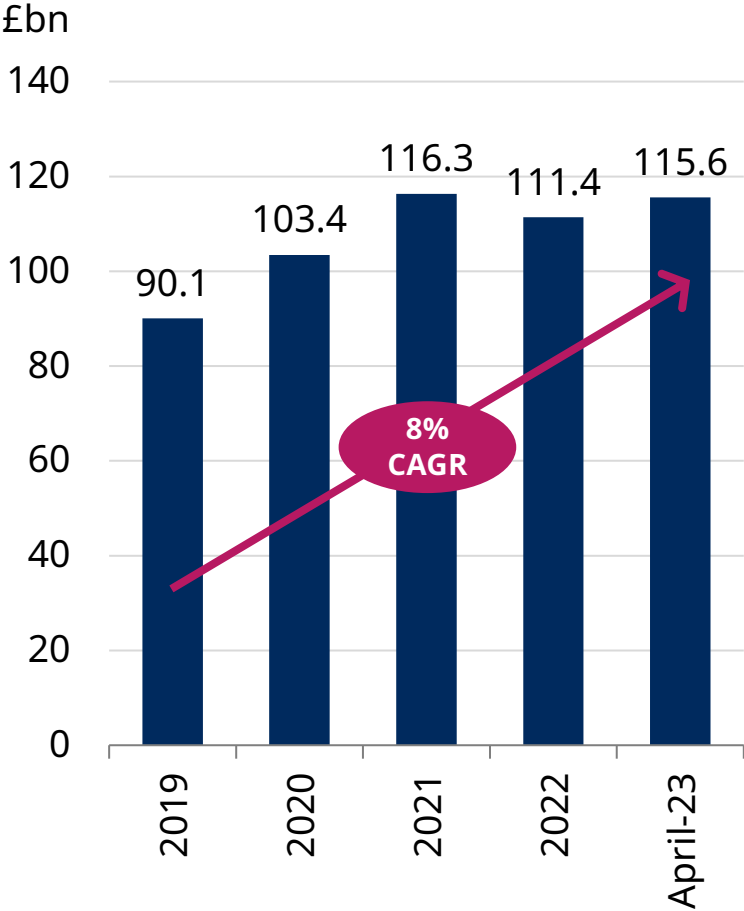


Source: AUM numbers as at 30 April 2023.

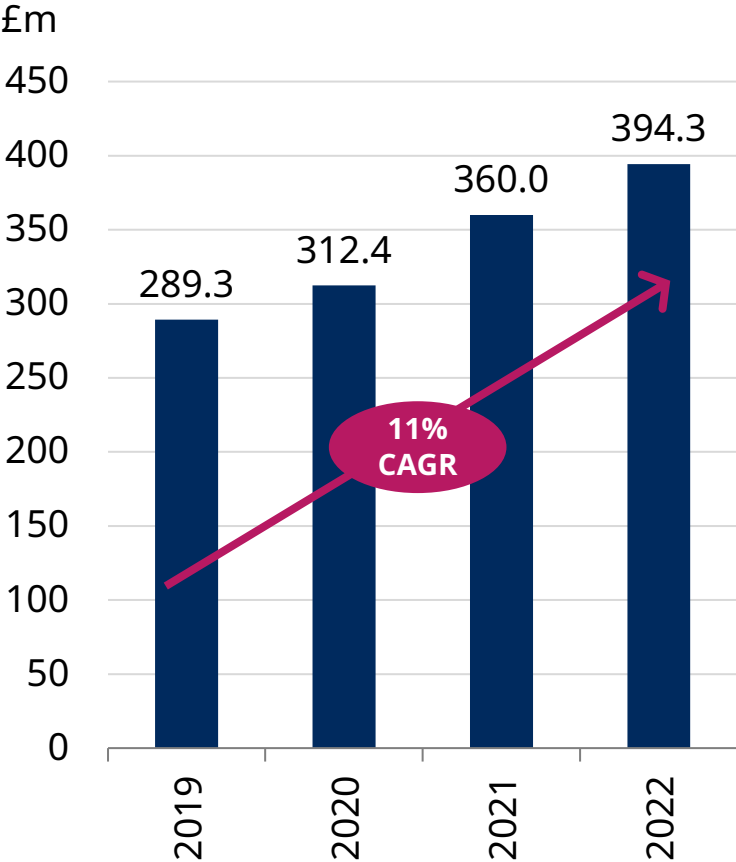
Generating strong growth over the last five years

Delivering ahead of last investor day expectations

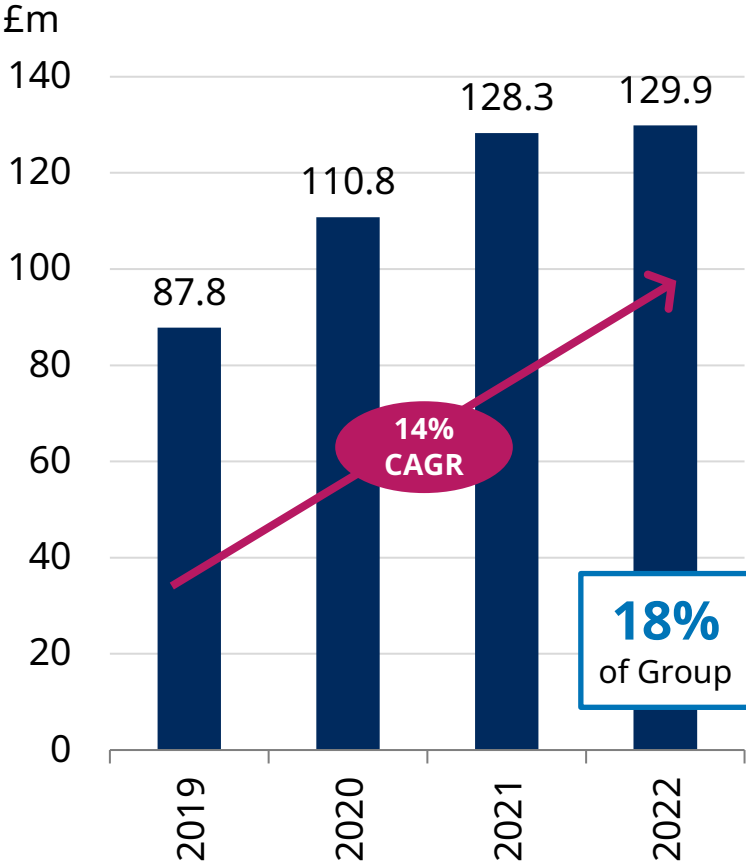
Assets under management



Net operating revenue



Operating profit



We have built a leading UK Wealth Manager

£74.6bn

Advised AUM
at April 2023

8%

Advised NNB
rate Apr-23 ann.

99.6%

Client retention
in 2022¹

55bps

Advised margin
in 2022²

£406.8m

Net operating
income in 2022

£129.9m

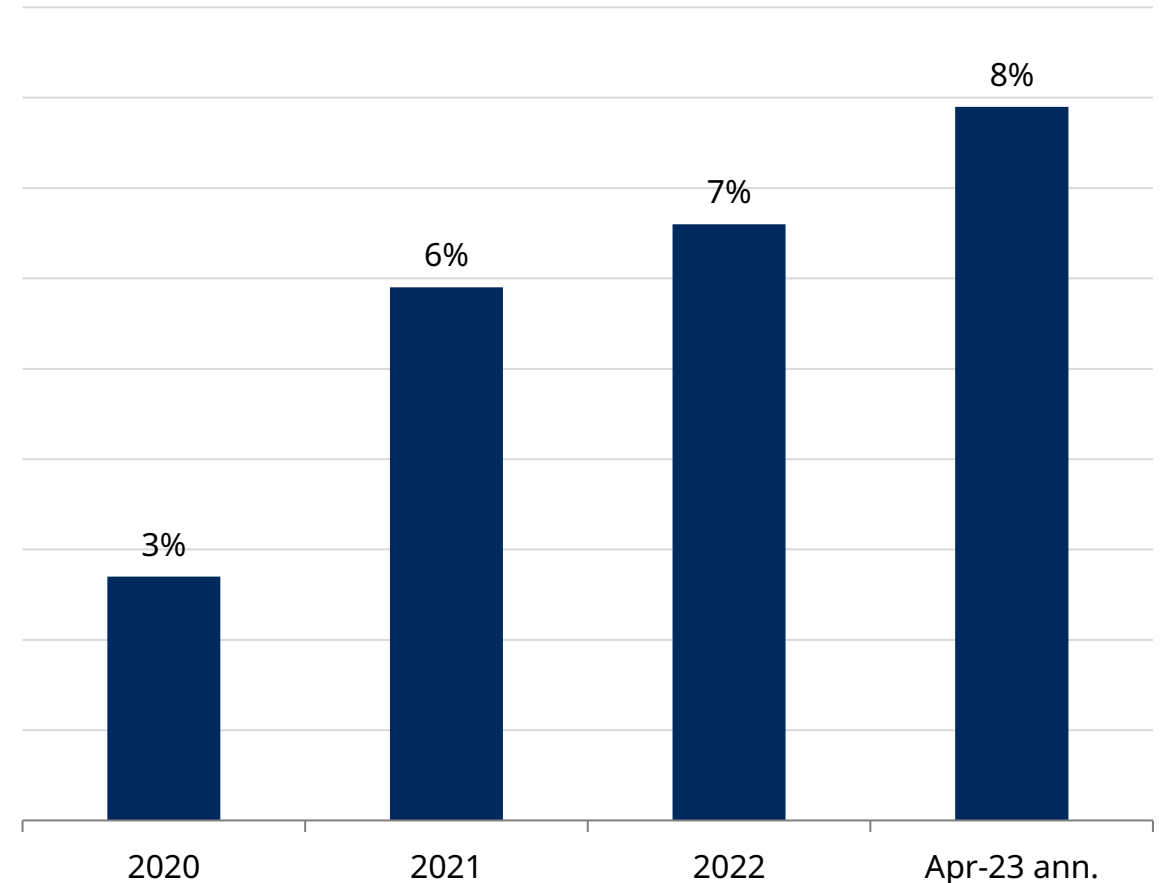
Operating profit
in 2022

¹Relates to Cazenove Capital and International.

²Excludes SPW advised revenues.

Advised net new business rate

%



Continue growing one of the UK's leading Wealth Managers

Capitalising on our unique growth opportunities

4

Cazenove Capital to continue to leverage its differentiated position in the U/HNW bracket accelerated by the newly launched regional offices

3

Benchmark growing its share of the UK adviser market through its leading technology platform and broad proposition for advisers

2

SPW poised for strong growth in the affluent bracket, following the actions taken to transform the business

1

Continue to increase operational leverage and efficiencies

Updated targets



Net new business rate target of 5% to 7% p.a.



Wealth Management operating profit to grow at a CAGR of c.10% from 2022-25 excl. the effects of markets, FX and acquisitions.



Mary-Anne Daly

Global Head of Wealth Management
and Chief Executive, Cazenove Capital

Continued momentum in the upper-wealth segment

Schroders in Focus: Wealth Management

Mary-Anne Daly

Global Head of Wealth Management and Chief Executive, Cazenove Capital



Our value creation model



Why are we growing – our USPs



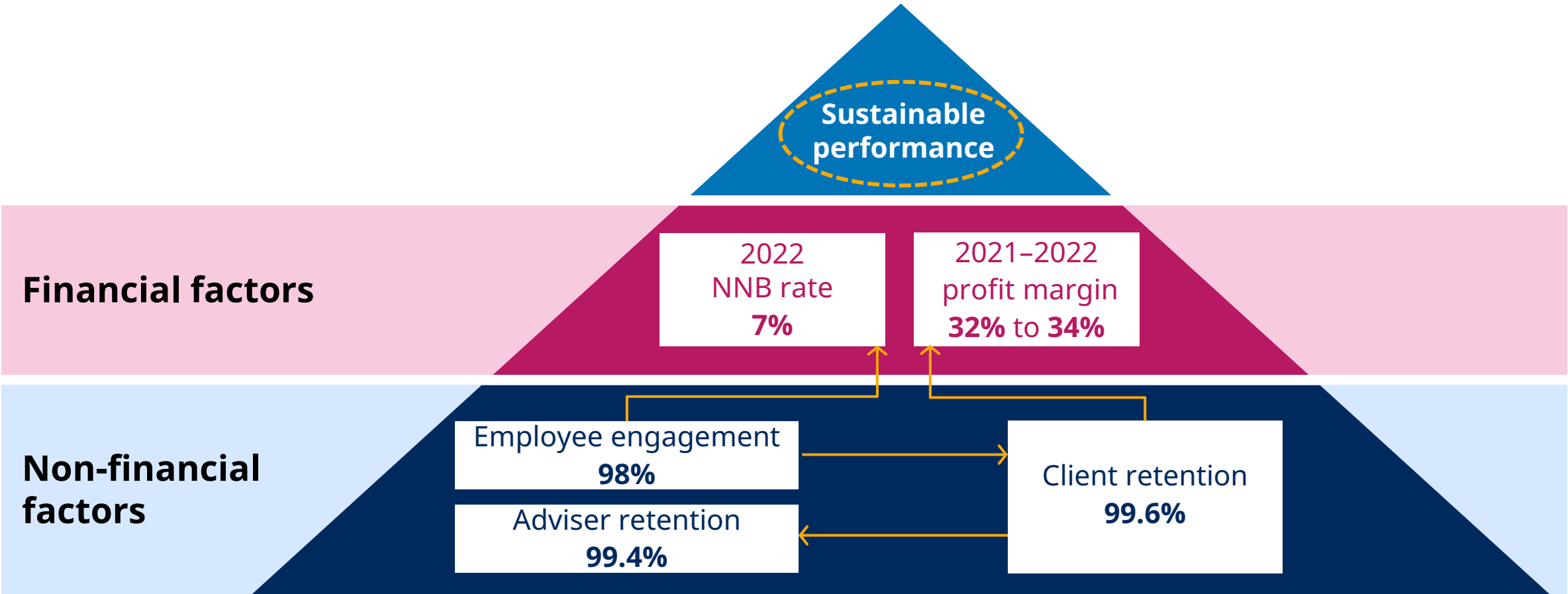
How have we performed



Our future growth prospects

Value creation model in our upper-wealth business

A virtuous circle of financial and non-financial factors driving sustainable performance



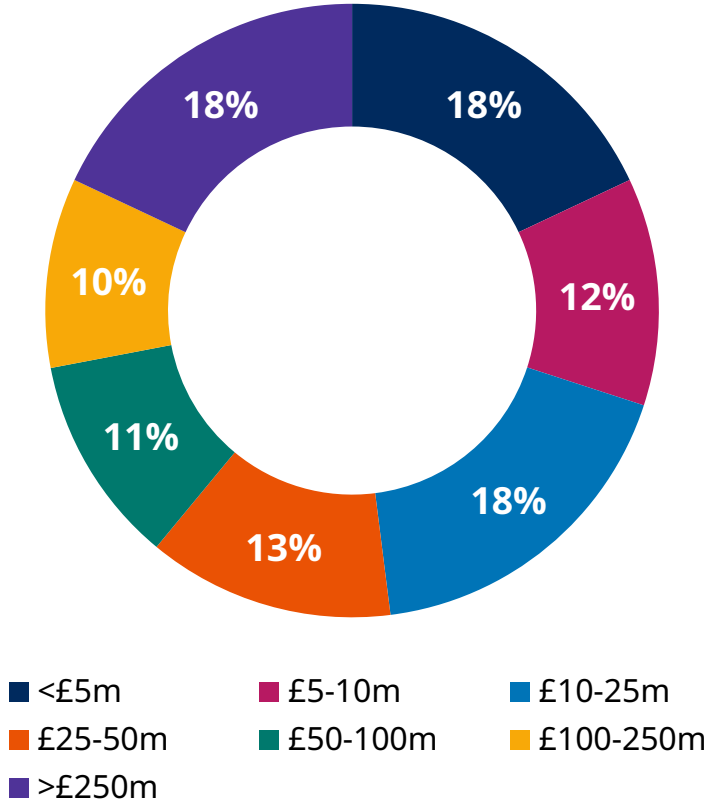
Note: Financial factors refer to Cazenove Capital and International combined.
Non-financial factors refer to Cazenove Capital, with employee engagement based on percentage of employees responding they are “proud to work here” in Q1 2023 employee survey, adviser retention based on 2022 adviser resignations, and client retention based on percentage of opening Advised AUM lost to competitors in 2022.

Our position in the upper-wealth bracket

Diversified by client size and by franchise, with continued opportunity for growth

- **Advised AUM** (as at Apr-23): **£48bn** Cazenove Capital, **£10bn** International
Over 80% discretionary and advisory
- **Powerful client loyalty, as much to the business as to our advisers**
Long-term relationships of trust, often multi-generational
- **No. 1 UK multi-family office¹**
c.250 UHNW clients¹ with advised AUM >£25m (40 with AUM >£100m)
- **Self-made private clients: c60% of our client base**
Of those, c.40% business-owners; c.20% finance professionals
- **No. 1 UK charities and foundations**
c.1,000 clients, £8bn AUM. Leveraging Sustainability leadership

Advised AUM by client size



¹Refers to numbers of UK Private Clients with UHNW defined as individuals with a Net Worth of over \$30m, per commonly used industry definition.

A compelling combination of factors driving growth...

...and exceptional adviser and client loyalty to the firm: 99.6% client retention¹



Reputation: 25 year industry recognition

80 PAM Awards over 25yrs, numerous Magic Circle inc. 2023 Best ESG/Impact Manager (>£7bn in sustainable AUM)



MAGIC CIRCLE AWARDS



Shareholder strength, stability and long-term view

6th generation family ownership – underpins our investment in the future: in talent, technology, new strategies



Investment edge and performance

Outperforming peer group, all risk categories² over 3, 5, 10 yrs. Access to Group sustainability / private asset expertise



Employer of choice for top talent; drawn to client-centric, collaborative culture of excellence

222 highly qualified advisers acting as one to deliver the best specialist expertise to clients



Breadth of proposition

Planning, lending, consolidated reporting, tailored investment solutions, inter-generational advice, philanthropy

¹Based on percentage of Cazenove Capital opening advised AUM lost to competitors in 2022.

²Source: ARC, Cazenove Capital. Performance numbers refer to Cazenove Capital's sterling multi-asset models in GBP at 31.03.23, net of fees including trading commissions, underlying fund fees and a notional annual management fee of 0.8%. UK peer-group comparators sourced from ARC.

Solving from the simplest to the more complex questions

A proposition to address what matters most to clients: peace of mind, clarity, purpose

- Planning
- Lending
- Consolidated reporting

- Tailored investment solutions

- Private Assets
- Impact investment

- Inter-generational advice

- Philanthropy

If I sell my business, will markets provide as much for my family?

I have a lot of carry from my past in PE but believe in the asset class. Can you adapt my strategy?

Is it too early to talk to our children about our wealth?

We're keen to start our own philanthropic programme. Can you help?

My assets are held all over the place, in my name and various custodians'. What happens when I die?

Our mutual client is moving to the US. Can you still look after her?

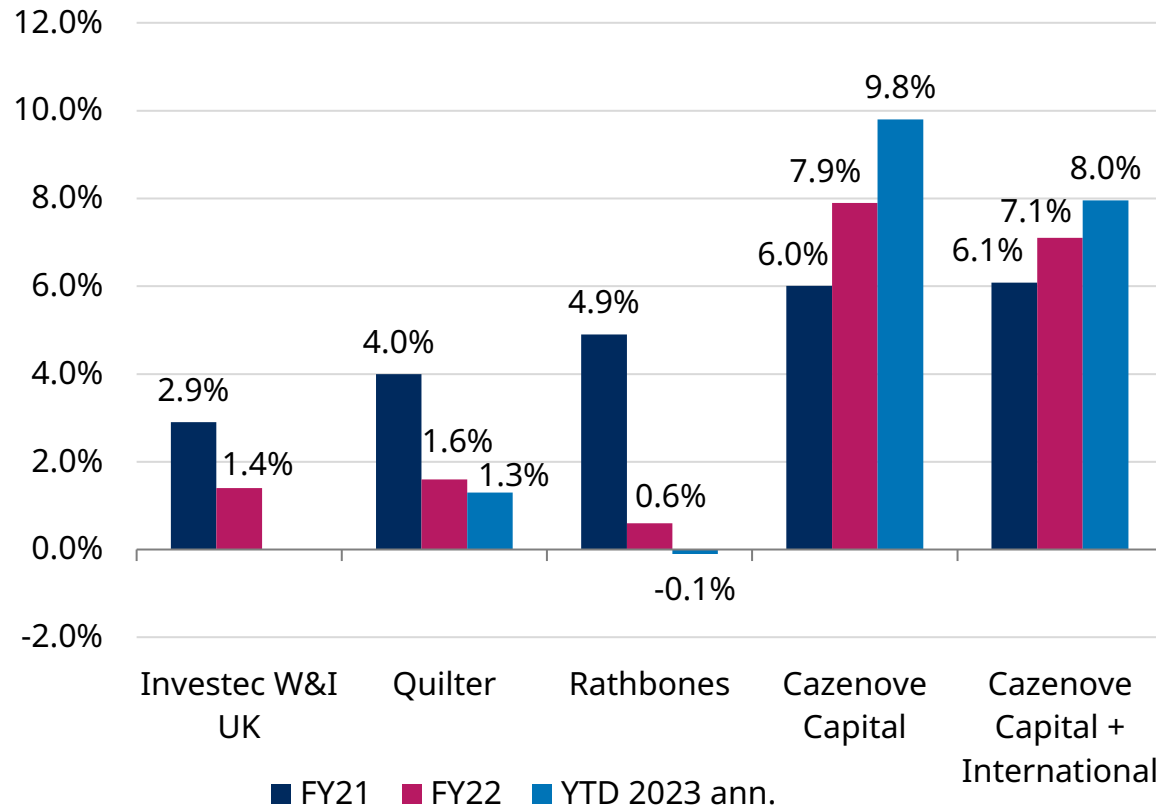
Our shipping business faces stricter environmental regulations. Has Schroders researched new forms of maritime power?

Can you advise on an investment charter that engages our next-gen but ensures our core values live on?

Taking stock: how have we done versus what we set out?

Market leading NNB, increased revenue and profit margins; operational restructuring initiated

Advised NNB growth rates¹



Success of targeted growth strategy

- Charities: Group sustainability expertise
- UHNW: breadth of services, private assets
- Finance and City professionals
- Business owners, London/UK regions

Advised NNB growth rates

2022 Cazenove Capital	7.9%
2022 Cazenove Capital + Int	7.1%
2023 NNB YTD annualised Cazenove Capital	9.8%
2023 NNB YTD annualised Cazenove Capital + Int	8.0%

Revenue margin

2021–2022 Cazenove Capital + Int **Up from 56bps to 59bps**

Profit margin

2021–2022 Cazenove Capital + Int **Up from 32% to 34%**
 Initiated restructure of operations model **Potential further +2% increase**

¹2023 Cazenove Capital and Schroder Wealth International YTD annualised, Q1 for listed peers, April 2023 for Cazenove Capital + International.

Further growth opportunity in £5m+ net-worth bracket?

Yes, a deep market which plays to our
strengths and reputation

On a global scale, individuals with net worth **>\$5m** account for **58%** of **total wealth** of population with a net worth **>\$1m**

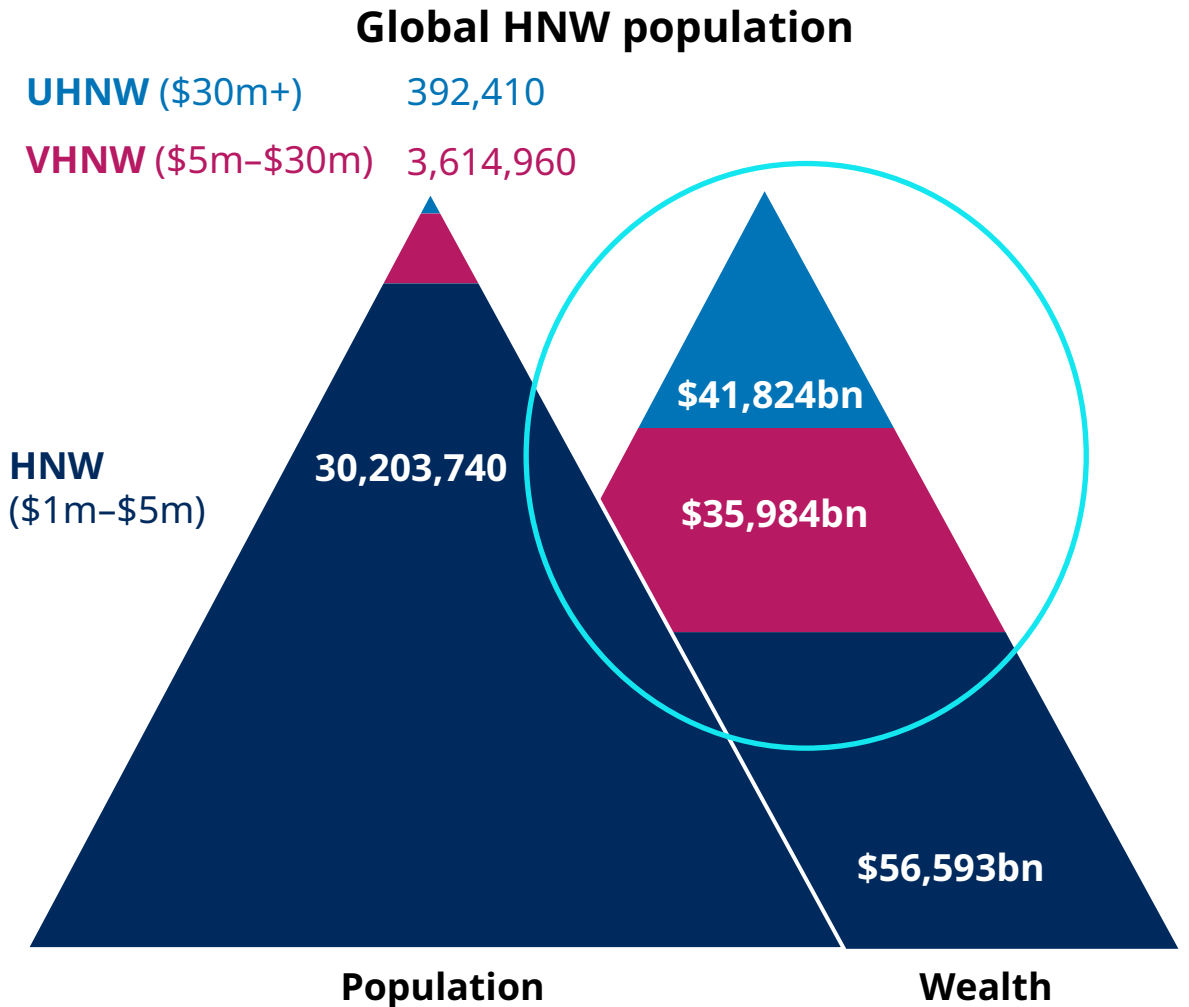
UK ranks **5th** in **UHNW** population: **\$1.1tn** for **14,855** people
with net worth **> \$30m**

Our span of client size (**>\$5m**) is wider, and the industry
still fragmented

London: Cazenove Capital's powerhouse: only top 10 global city
to grow its 2022 UHNW population

Strong momentum of regional expansion:
4 new offices (+28 people), quality Lloyds referrals

Key definitions: HNW: individuals with Net worth of \$1m–\$5m; Very HNW (VHNW): individuals with Net Worth of \$5m–\$30m; Ultra High Net Worth (UHNW): Individuals with Net Worth of over \$30m.
Source: Wealth-X 2022, an Altrata company.



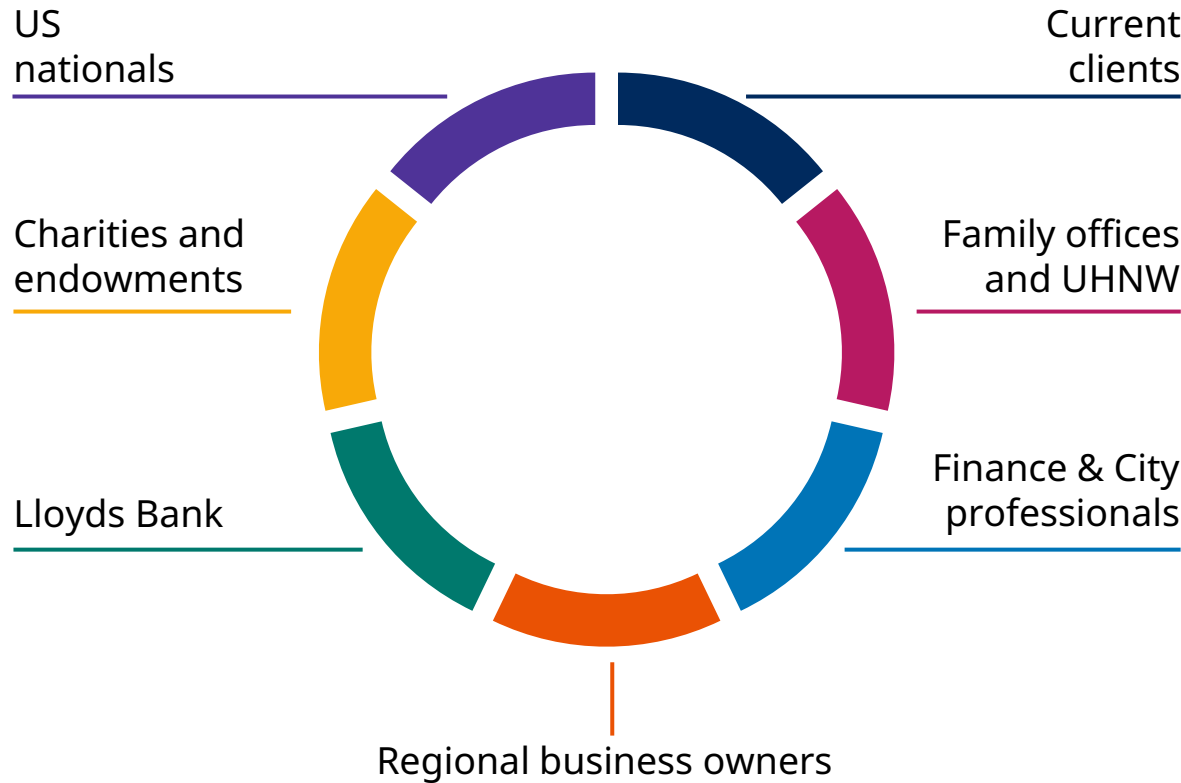
Our growth within that £5m+ wealth-bracket is sustainable

It comes from an intentional, data-driven, coordinated and client-focused growth strategy

Strategy execution



Target client segments





David White
Chief Executive, Benchmark

Expanding in UK the adviser market

Schroders in Focus: Wealth Management

David White

Chief Executive



Our business today



Key growth drivers



Our financial performance



Future growth prospects

The Benchmark business

A B2B adviser and B2C business delivering technology, advice and investment solutions

The Business

- Broad UK presence
- 501 staff¹
- 1,508 adviser relationships¹
- Assets: £27.3bn¹
- Annualised NNB: 7%²
- Revenue: £47.1m³



Advised

Our national advice business

- Financial planners based throughout the UK
- Full advice service offering, combining face-to-face with digital
- Lifetime client engagement: from early careers, to retirement



Platform

Market-leading digital platform

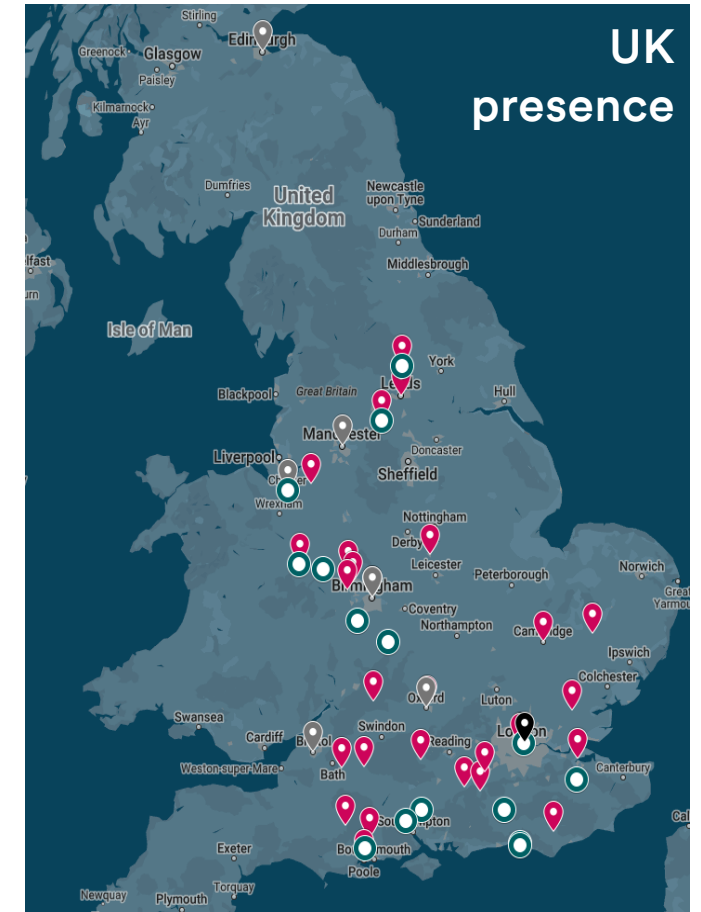
- Access to 4,500+ funds
- 34 discretionary fund manager options
- Pensions, ISAs, investment accounts and cash solutions
- Integrated adviser/client portal



Managed

Our in-house investments

- A range of active, index and sustainable portfolios
- 79% of portfolios above their benchmark over 5 years⁴
- New international range launched in 2022



¹Source: Benchmark, as at April 2023. ²As at April 2023, excludes SPW.

³As at December 2022. ⁴Source: Morningstar and Schroder Investment Solutions, as at April 2023.



Shared with Cazenove
Capital



London HQ



Oculus



Benchmark Financial Planning

How do we help financial advisers?



Getting started

- Regulatory set-up
- Onboarding and training
- Practice and start-up funding
- Data migration and technology



Colmore Partners
FINANCIAL PLANNERS



Running your business

- Simplifying operations
- Outsourcing technology to Benchmark
- Streamlining legal structures
- Recruitment and training



Growing your business

- Acquisition financing
- Client book and firm acquisitions
- Referral services
- Bespoke investment solutions



Realising value

- Exit and integration planning
- Practice buy-outs
- Employee ownership trusts
- Financing for new shareholders



Advised

Platform

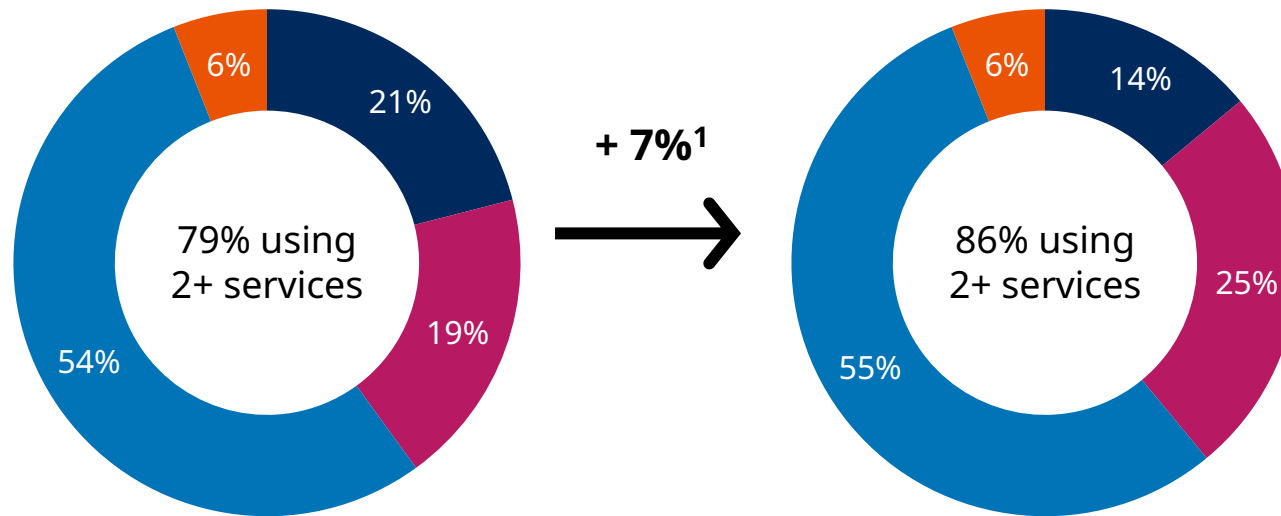
Managed

Benchmark

1. Drivers for growth: cross selling

Number of services used

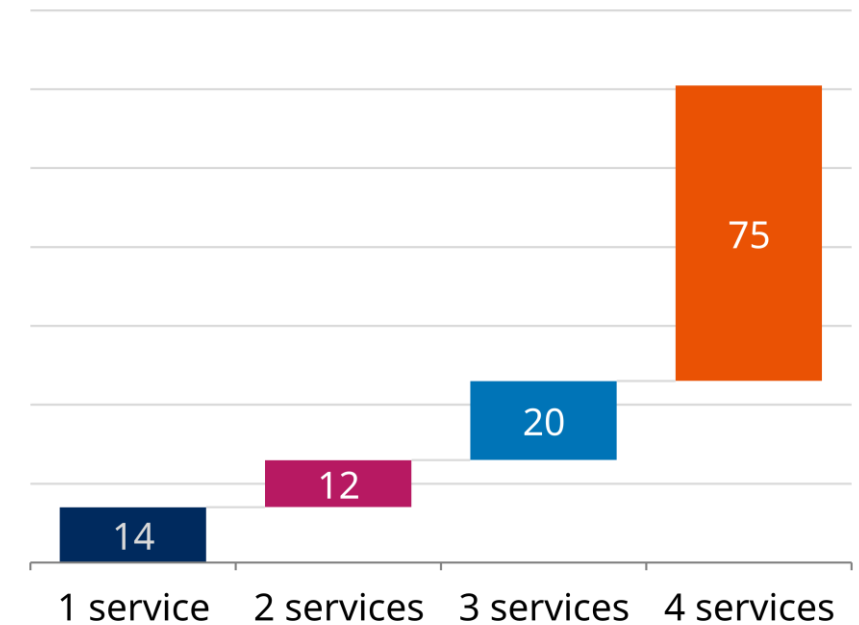
(Number of advisers)



■ 1 service ■ 2 services ■ 3 services ■ 4 services

Fees generated

(Blended in bps)



¹Source: Schroders, as at April 2023, excludes SPW. ²Data as at 31 August 2021.

2. Drivers for growth: growing our adviser relationships

Breakaway advisers



We have identified over 2,000 advisers who have indicated a desire to set up their own practice within 1–5 years¹



In March 2023, we acquired a majority stake in Oculus Wealth Management, which targets breakaway advisers



A specialist national / network of 33 advisers delivering a high touch support service to advisers



Headquartered in Leeds, they have a national footprint with advisers based in offices around the UK



Their current, active pipeline of breakaway advisers is 15 firms, with assets under influence of c.£0.75bn

¹Source: NextWealth Consulting, 2021.

Oculus offices



80%+

The majority of our acquisitions are with firms who we have an existing relationship with – driving quality and reducing risk

£3bn in assets

In 2021 we acquired 8 advisers with access to £154m of assets. In 2023, we forecast further acquisitions, with a collective of 90+ advisers and over £3bn in assets.

Focus on quality

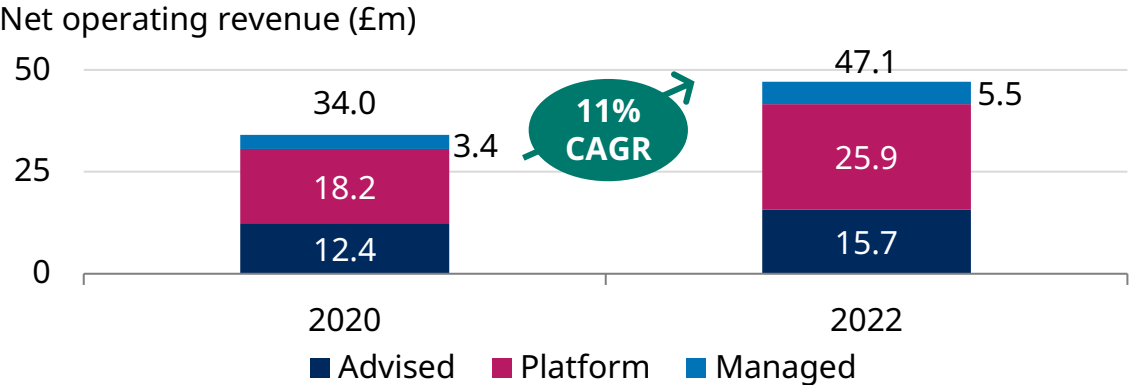
We have designed a robust and repeatable acquisition process that meets the needs of us, the adviser and their clients

3. Drivers for growth: realising value for our advisers

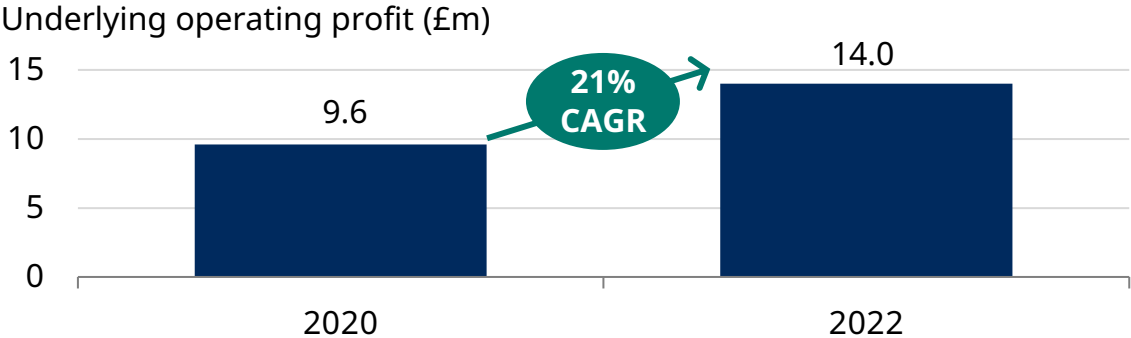


Benchmark: How have we performed?

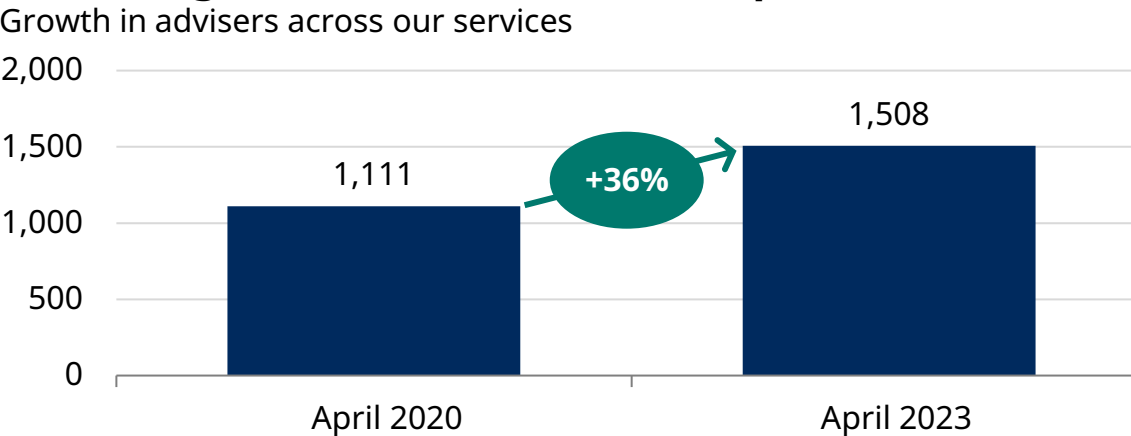
Sustained growth in revenues



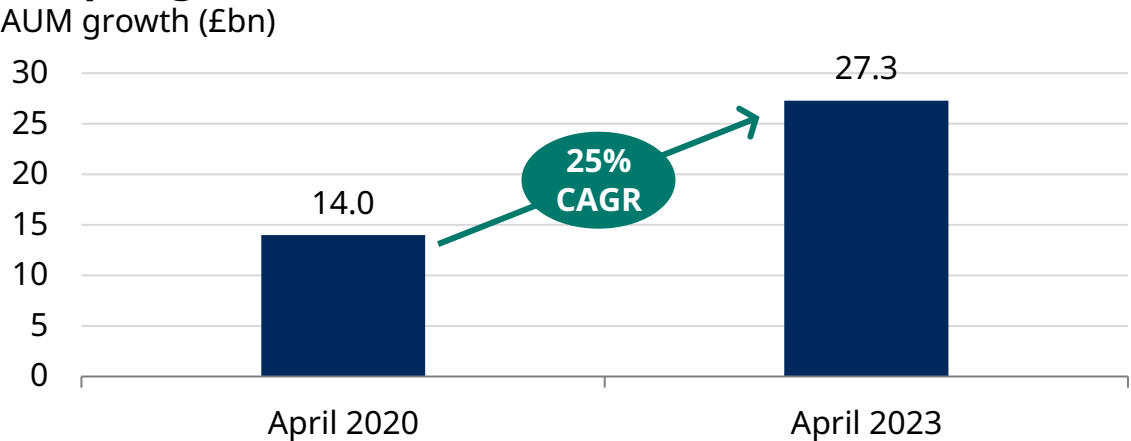
Accelerating profit growth



Attracting more adviser relationships



Adopting more of our solutions



Source: Benchmark, Finance Management Team; April 2023. Underlying operating profit excludes software amortisation.

Strong momentum for future growth

Adviser growth **c.200 new advisers**

In active discussions to join our network.

New investment solutions **12 new international models**

New Schroder Investment Solutions international range launched.

Scalability of operations **£200m per associate**

Assets managed per operational staff member to grow from £140m today to £200m by 2025.

Revenue per adviser **10% increase**

Revenue by adviser will continue to increase by 10% by the end of 2025.

Cross-selling opportunities **7% increase**

Cross-selling has increased by 7% over the past 12 months and this trend is set to continue.

Platform efficiency – new digital solutions **215+ hours per adviser**

By the end of 2023 we plan to have delivered 215+ hours of savings per adviser.



Mark Duckworth

Chief Executive, Schroders Personal Wealth

Driving scale in the UK affluent segment

Schroders in Focus: Wealth Management

Mark Duckworth

Chief Executive, Schroders Personal Wealth



Schroders Personal Wealth business model



Business transformation to date



How we've turned the corner



Future growth prospects

Schroders Personal Wealth

A UK financial planning and wealth management business serving the affluent bracket with £100k+



Joint venture between Lloyds Banking Group plc and Schroders plc established in 2019

Benefitting from referrals from Lloyds Banking Group who hold £475bn¹ of customer deposits and supported by Schroders leading investment capabilities and platform technology.



Providing holistic financial advice

Broad proposition to support the affluent segment throughout their lifetime. Combining face-to-face with digital client offerings.



Delivered through a national, employed adviser model

Differentiated approach to leverage economies of scale from digitally led centre.

52,000

Advised clients

320

Advisers

£13.6bn

April 2023 AUM

¹As at 31 December 2022

How the business has transformed since inception

Investment proposition

- 6 new SPW multi-asset funds
- Specialist investment and responsible investing

Technology & data

- Implemented cloud-based technology stack
- Data-led approach

Client journey

- Improved time to serve clients by 65%

Vision and mission

- We Change Lives
- Giving more advice to more clients across the UK

Advisers

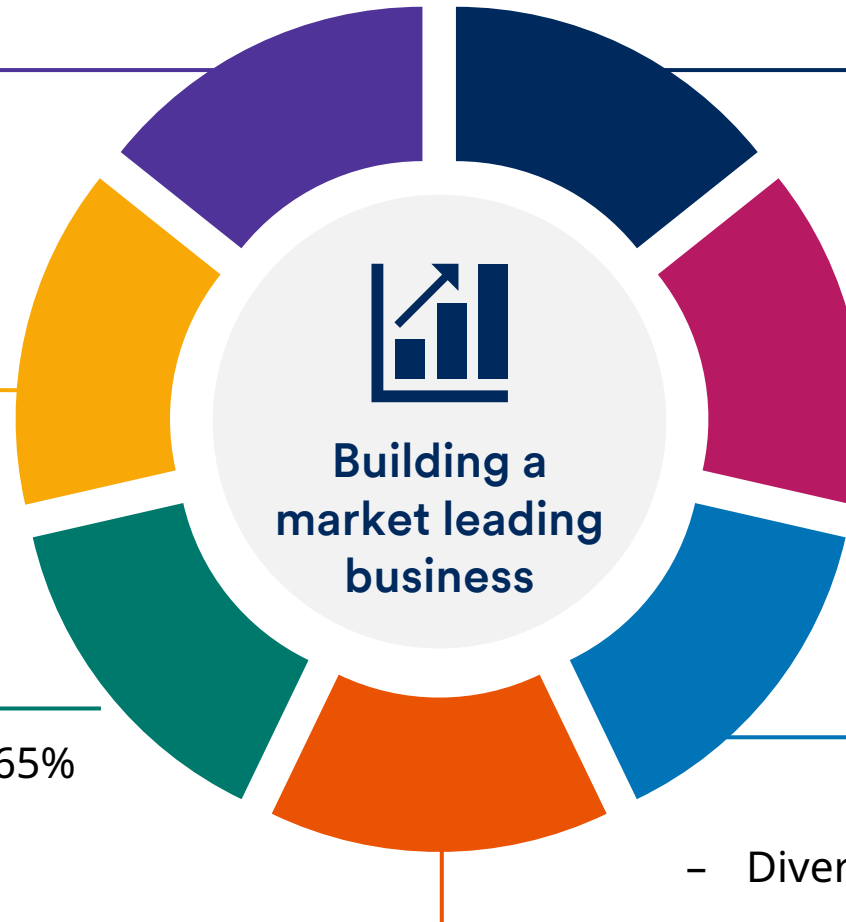
- 60% turnaround in advisers
- 44% improvement in gross flows per adviser since 2021

Leadership team

- 50% turnaround in senior team
- Diversified skillsets and industry experience

Referrals process

- Optimising Lloyds Banking Group referral process; 170% increase in referrals since 2020
- Younger clients attracted: new client age lowered by 11 years



Spotlight: optimising the referral process and client journey

Enhancing the referral process with Lloyds Banking Group

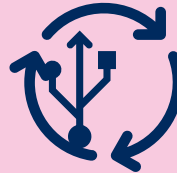


Improved client awareness and understanding of SPW
inc. introductory video



Utilising data to personalise experience inc. data sharing and adviser mapping

Improving the time to serve clients



Advice process redesign and technology enhancements
reducing the advice process with clients from 14 hours to 4 hours



Engagement team introduced to excite prospect clients focused on getting prospect booked in with an adviser quickly

Turning more prospects into SPW clients



16% more clients purchasing with us
and evidence of deeper relationships created with clients

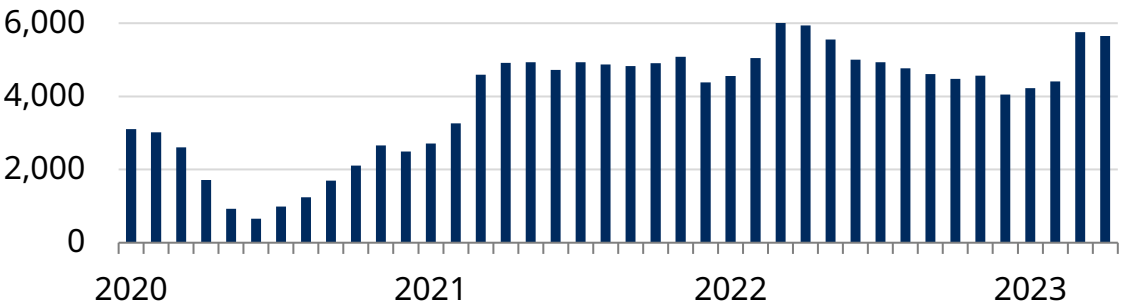
and momentum continuing...

Evidencing our advised business transformation in numbers

We have turned the corner

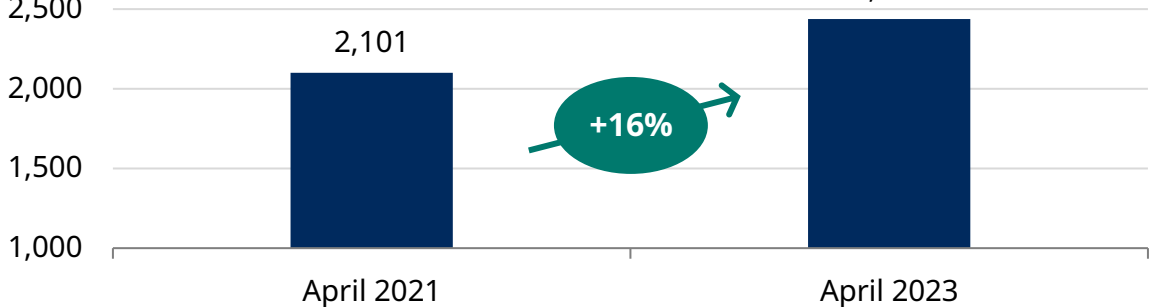
Continued referrals into SPW

Monthly referrals made to SPW, 3 month rolling average



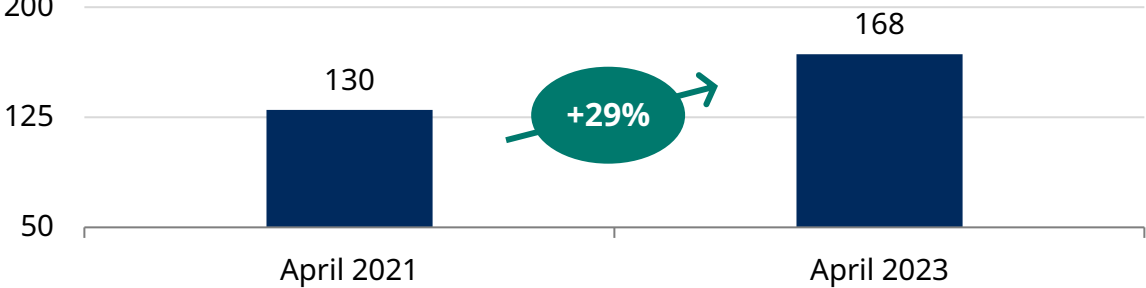
We are helping more clients

Average number of clients purchasing



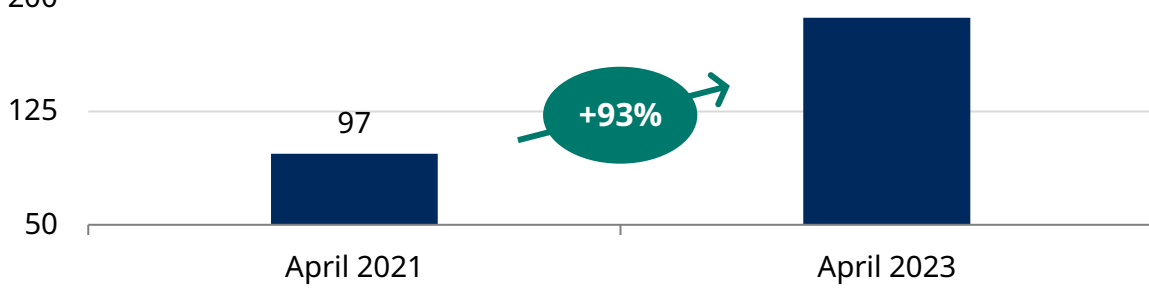
Clients are trusting us with more of their wealth

Average value of new investments made by clients (£k)



Our business is growing

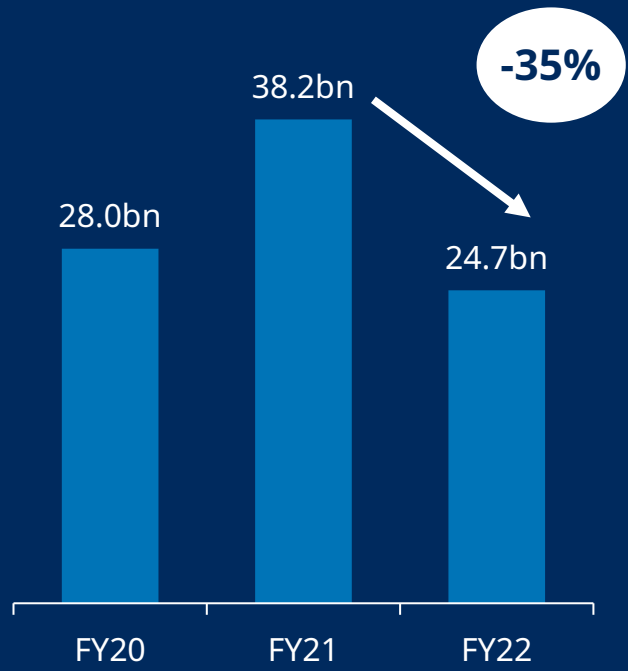
Net new business, advised front book¹ (£m)



¹ SPW advised front book, excluding front book managed and legacy business.

Despite a short-term market slow down...

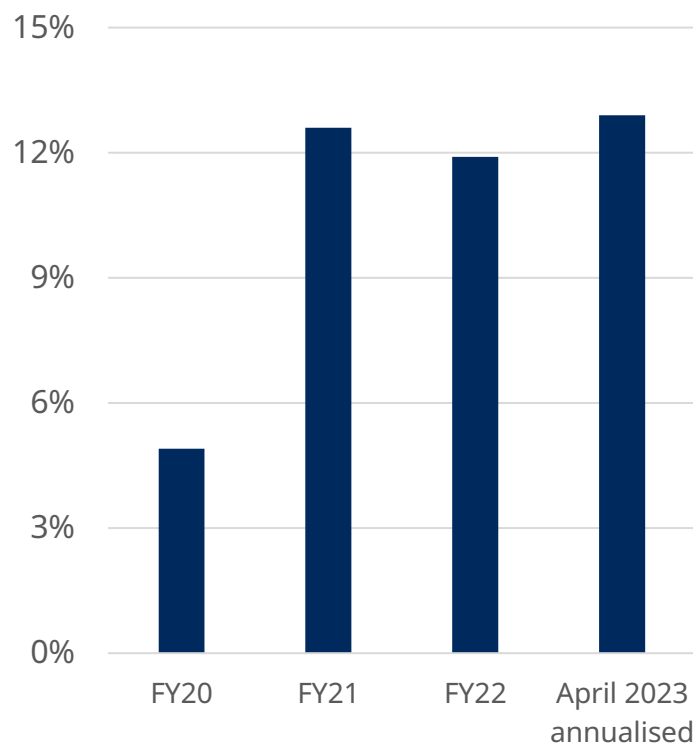
Consolidated peers¹
Cumulative flows



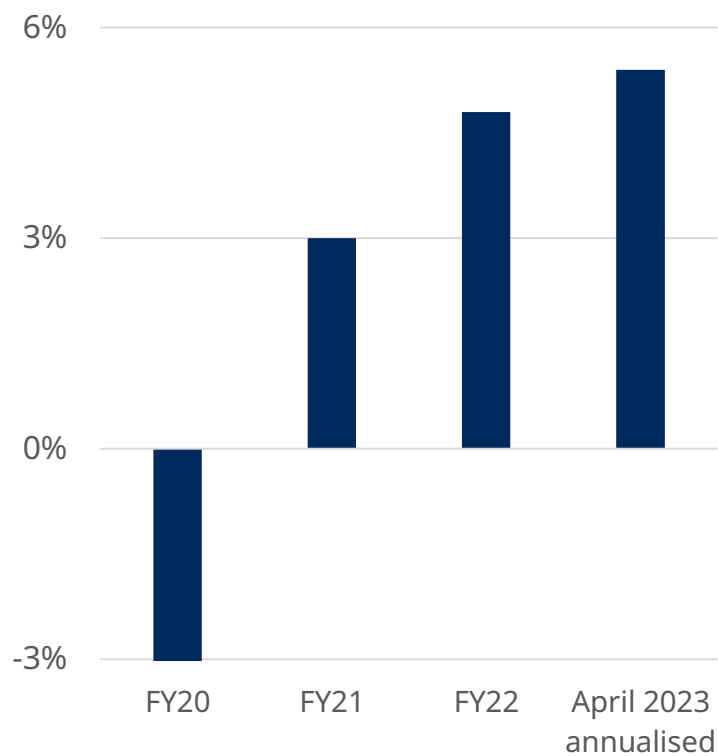
¹ Listed peer include St James's Place, Quilter, Mattioli Woods, Hargreaves Lansdown, AJ Bell, Transact, Brooks Macdonald and Rathbones.

Schroders Personal Wealth advised business growth has continued...

SPW advised gross flows²



SPW advised net flows²



² SPW advised front book, excluding front book managed and legacy business.

Continuing our
growth
momentum into
2025 and
beyond...

Strong referral pipeline

> 50,000 referrals per year

With focus on turning more prospects into clients.

Giving more advice to more clients

70,000 advised clients by 2025

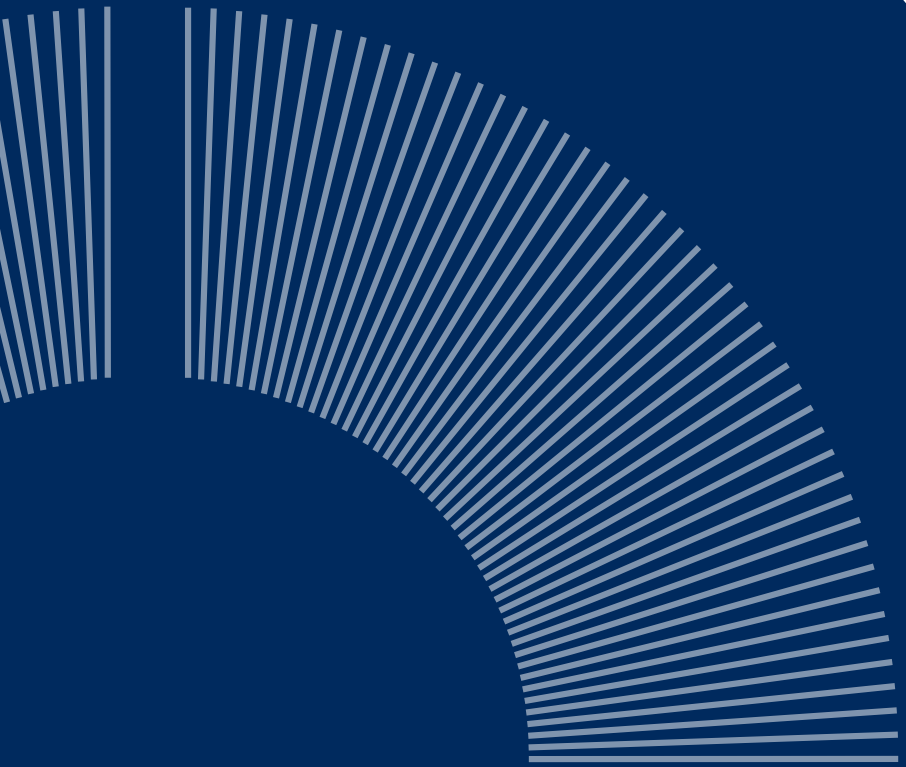
Growing from 52,000 advised clients today.

Growing assets under management

> 7% NNB by 2025

Targeted new business volumes increase from new and current client base.

Closing remarks



Continue growing one of the UK's leading Wealth Managers

Capitalising on our unique growth opportunities

4

Cazenove Capital to continue to leverage its differentiated position in the U/HNW bracket accelerated by the newly launched regional offices

3

Benchmark growing its share of the UK adviser market through its leading technology platform and broad proposition for advisers

2

SPW poised for strong growth in the affluent bracket, following the actions taken to transform the business

1

Continue to increase operational leverage and efficiencies

Updated targets



Net new business rate target of 5% to 7% p.a.



Wealth Management operating profit to grow at a CAGR of c.10% from 2022-25 excl. the effects of markets, FX and acquisitions.

Schroders

Questions



Peter Harrison
Group Chief Executive,
Schroders



Richard Keers
Chief Financial Officer,
Schroders



Mary-Anne Daly
Global Head of
Wealth Management
and Chief Executive,
Cazenove Capital

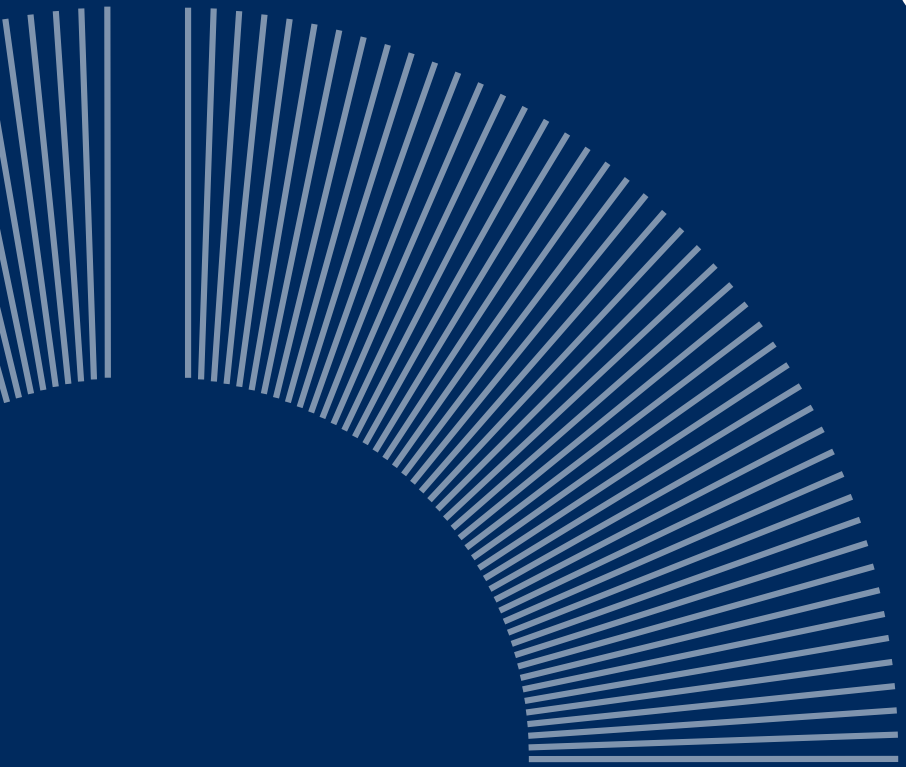


David White
Chief Executive,
Benchmark



Mark Duckworth
Chief Executive,
Schroders Personal Wealth

Questions





Forward looking statement

These presentation slides may contain forward-looking statements with respect to the financial condition, performance and position, strategy, results of operations and businesses of the Schroders Group. Such statements and forecasts involve risk and uncertainty because they are based on current expectations and assumptions but relate to events and depend upon circumstances in the future and you should not place reliance on them. Without limitation, any statements preceded or followed by or that include the words 'targets', 'plans', 'sees', 'believes', 'foresee', 'expects', 'aims', 'confident', 'will have', 'will be', 'will ensure', 'likely', 'estimates' or 'anticipates' or the negative of these terms or 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 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 statement. 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 these presentation slides should be construed as a forecast, estimate or projection of future financial performance.