

Annual results 2019

Data pack

5 March 2020



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)

£500.2 billion at 31 December 2019

£bn	Private Assets & Alternatives	Solutions	Mutual Funds	Institutional	Asset Management	Wealth Management	Total AUM
1 January 2019	38.0	95.9	95.1	134.5	363.5	43.7	407.2
Net flows	2.8	34.5	(1.5)	(7.1)	28.7	14.7	43.4
Acquisitions ¹	3.9	-	-	-	3.9	2.3	6.2
Investment returns	(0.5)	12.4	9.6	16.7	38.2	5.2	43.4
Transfers	-	-	(0.8)	-	(0.8)	0.8	-
31 December 2019	44.2	142.8	102.4	144.1	433.5	66.7	500.2

1. The acquisitions within Asset Management relate to the purchases of Blue Asset Management and BlueOrchard. The acquisitions within Wealth Management relate to the purchase of the wealth management business of Thirdrock Group (£1.7bn), along with two other business combinations completed during the period.

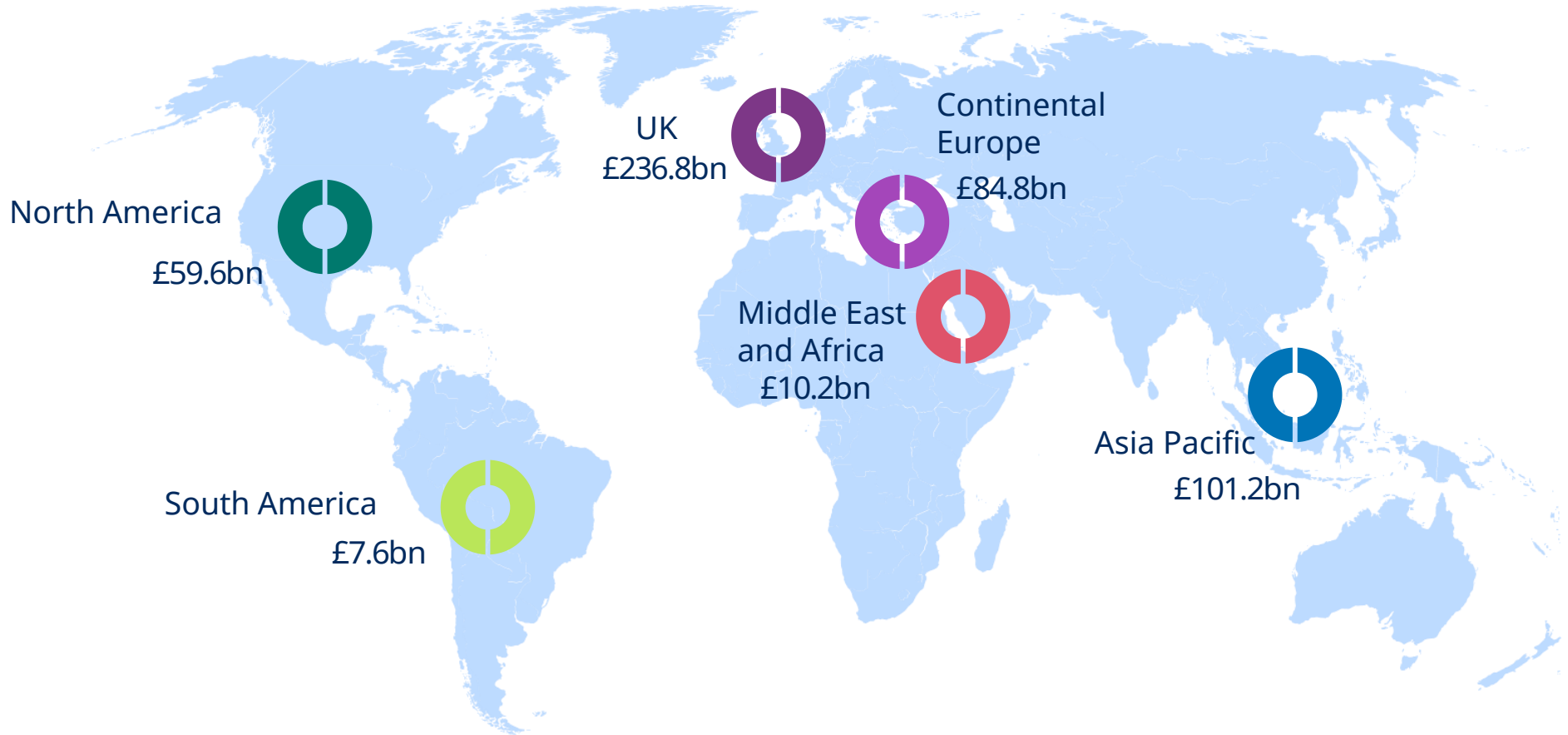
Assets under management (AUM)

£500.2 billion at 31 December 2019

	Institutional		Intermediary		Asset Management	Wealth Management	Total
			Branded	Sub-advised			
Private Assets & Alternatives	33.1		7.7	3.4	44.2	-	44.2
Solutions	136.9		-	5.9	142.8	-	142.8
Mutual Funds	-		102.4	-	102.4	-	102.4
Institutional	134.5		2.5	7.1	144.1	-	144.1
Asset Management	304.5		129.0		433.5		433.5
Wealth Management	-		-	-	-	66.7	500.2

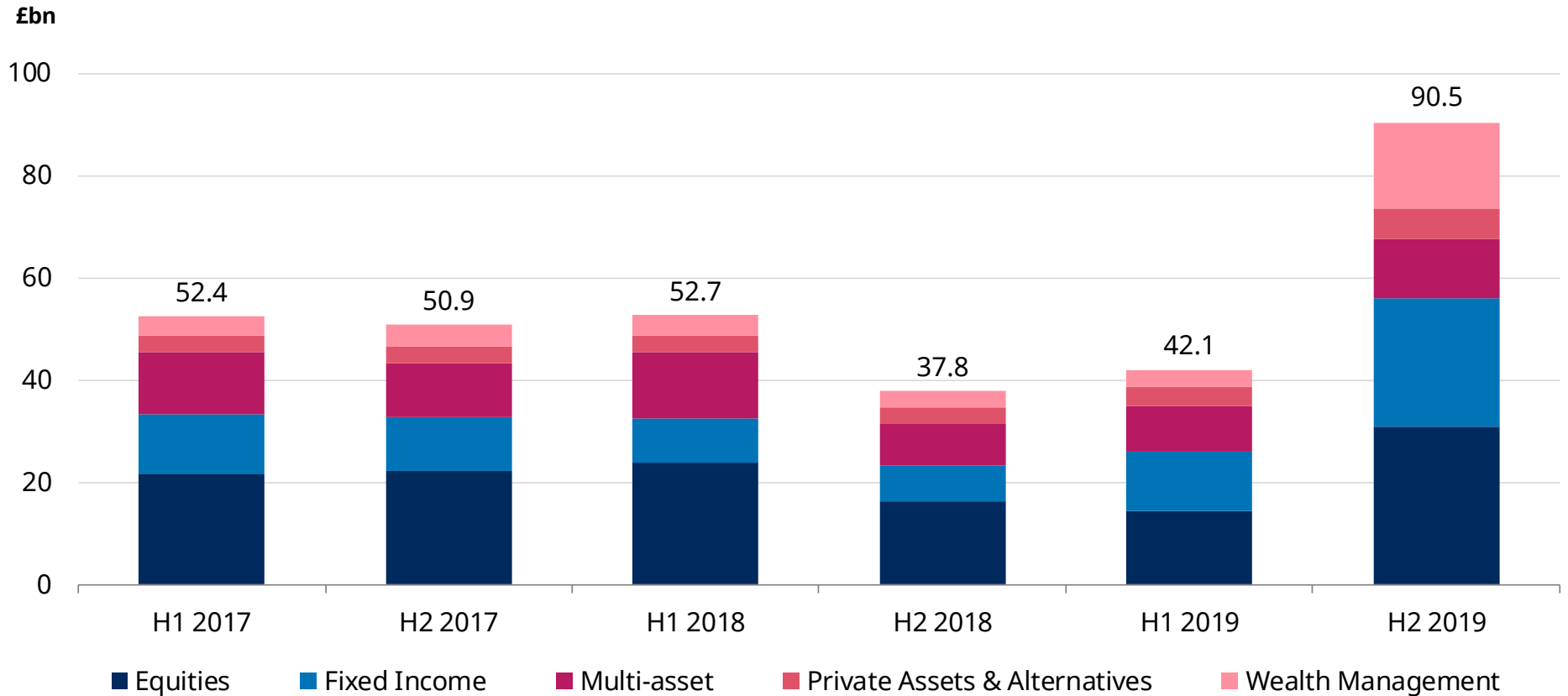
Assets under management (AUM)

£500.2 billion at 31 December 2019



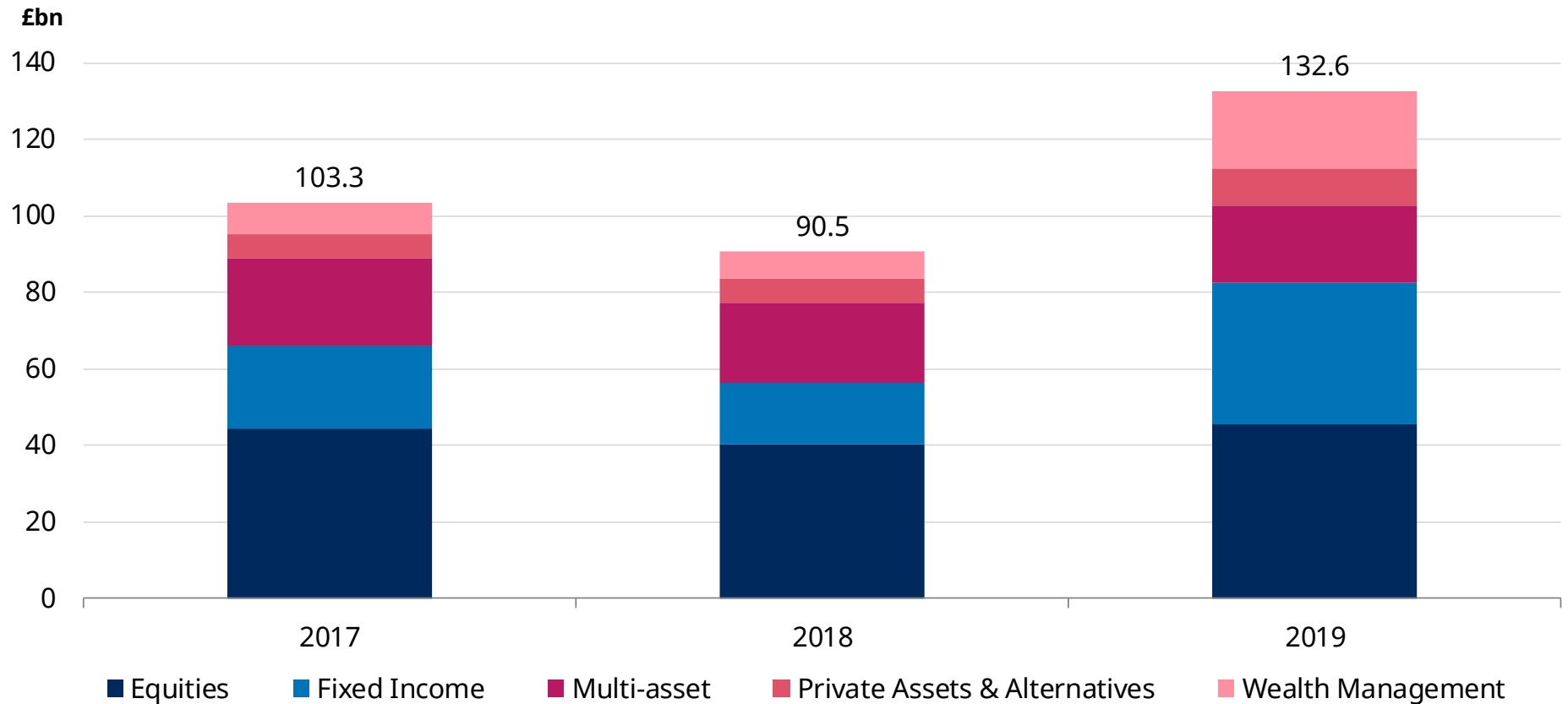
Gross flows

Half-yearly



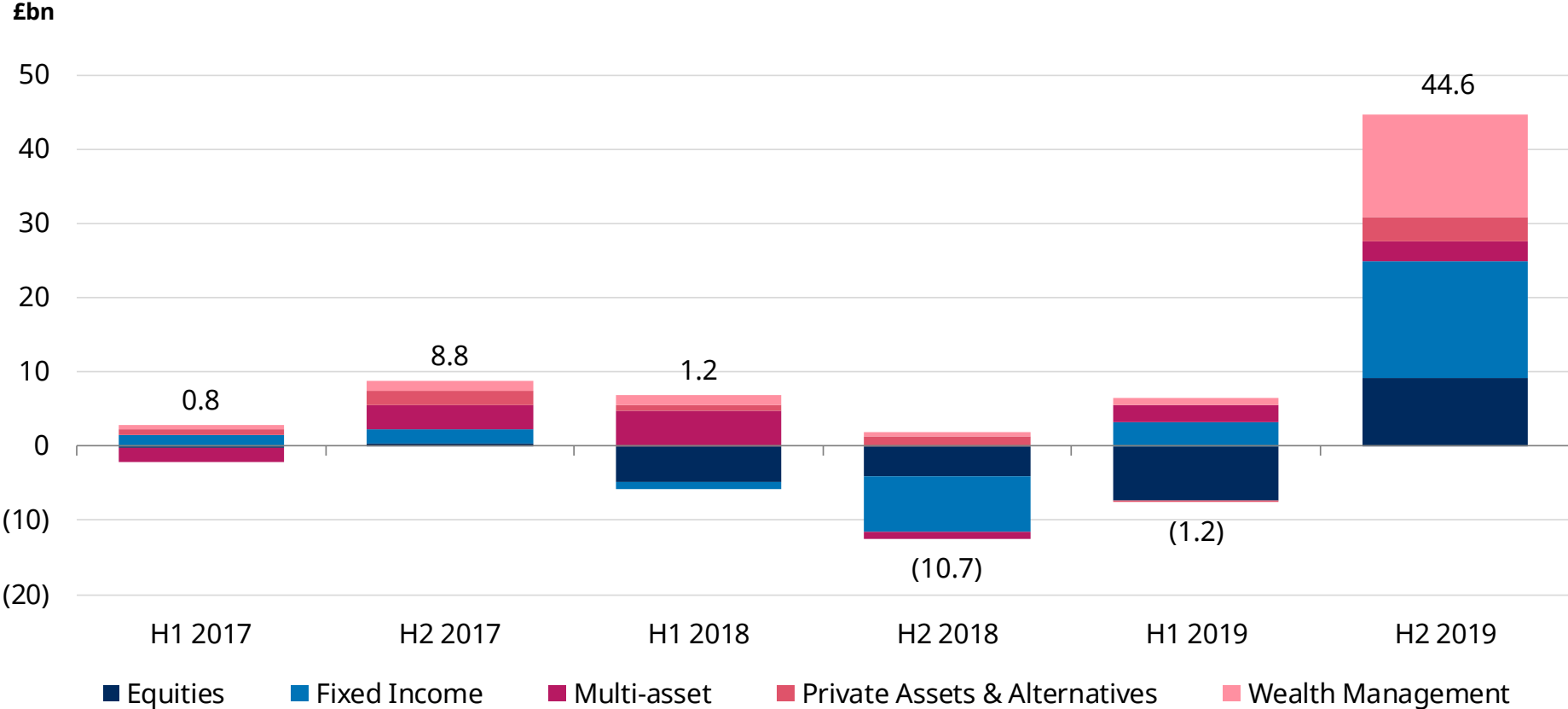
Gross flows

Annually



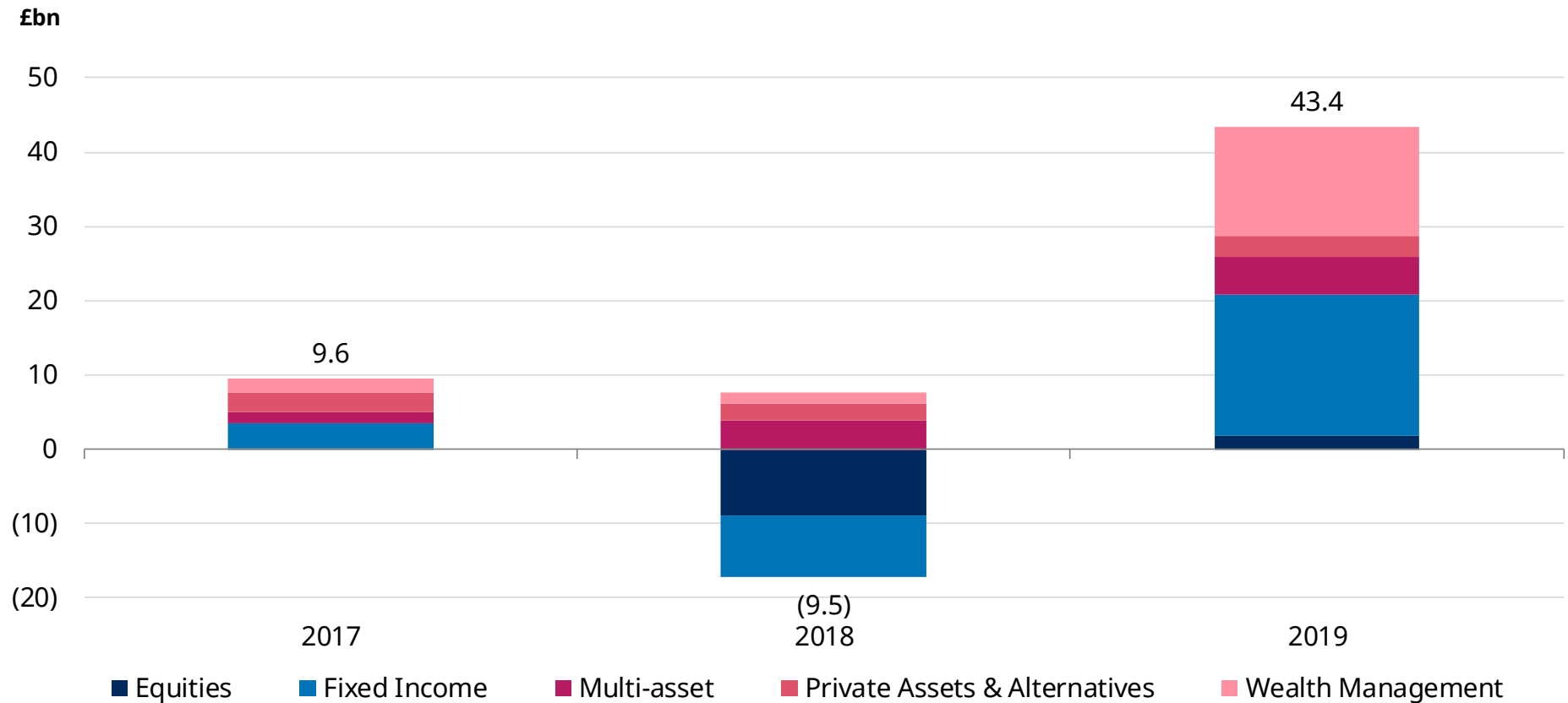
Net flows

Half-yearly



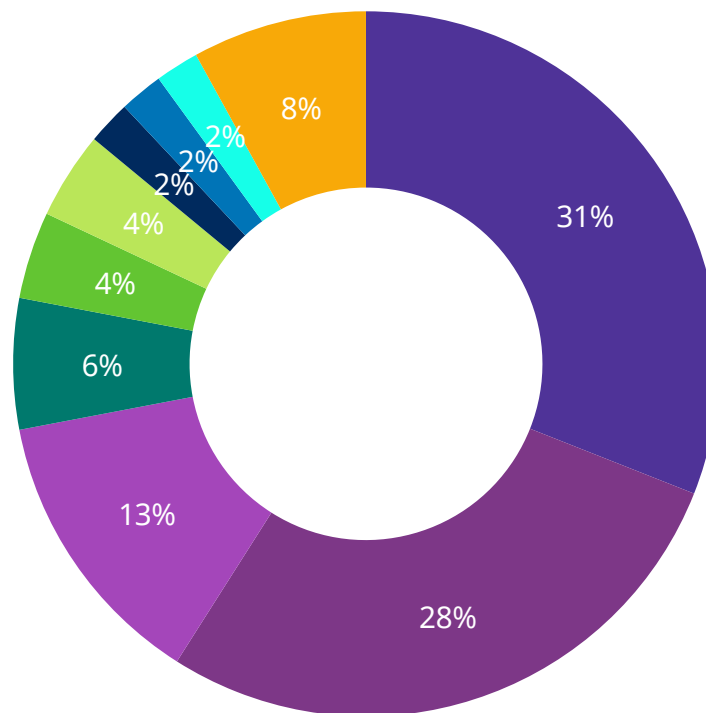
Net flows

Annually



Currency profile of AUM

Assets under management £500.2 billion



■ USD¹ ■ GBP ■ EUR ■ CNY ■ JPY ■ AUD ■ CHF ■ TWD ■ KRW ■ Other²

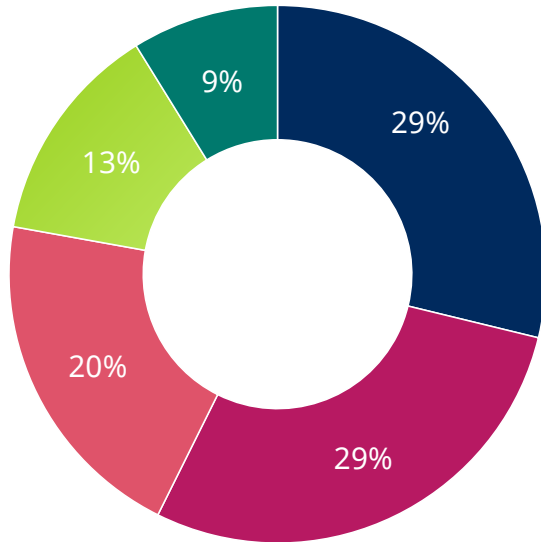
1 USD includes other currencies pegged to USD, including HKD

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

Total AUM by business area, region and product

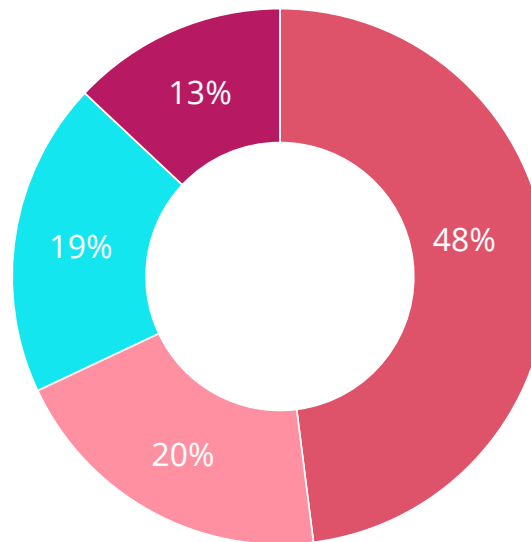
Assets under management £500.2 billion

By business area



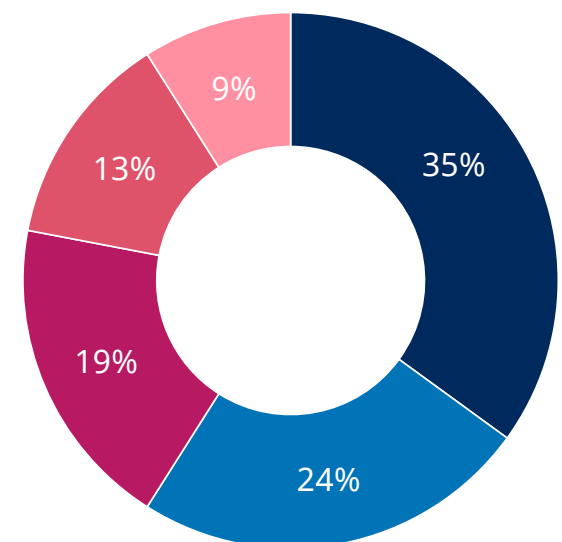
- Institutional
- Solutions
- Mutual Funds
- Wealth Management
- Private Assets & Alternatives

By region¹



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

By product



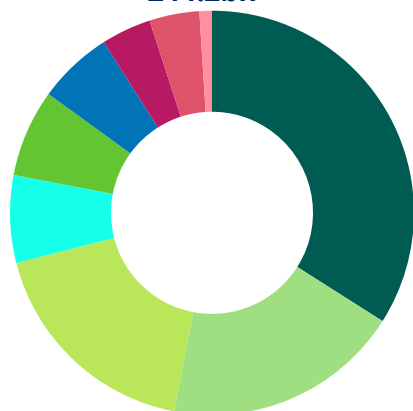
- Equities
- Multi-asset
- Fixed Income
- Wealth Management
- Private Assets & Alternatives

¹ By client domicile

Asset Management AUM by business area and product

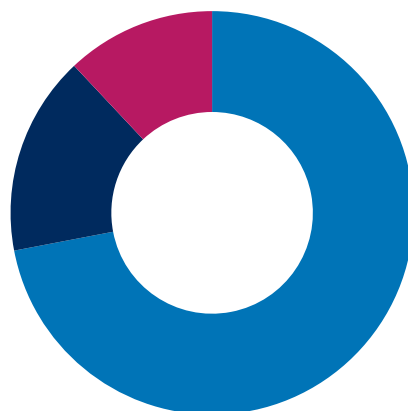
Assets under management £433.5 billion

Private Assets & Alternatives
£44.2bn



■ Real estate	34%
■ Private Equity	19%
■ Securitised credit	18%
■ GAIA ¹	7%
■ Direct lending and impact investing ²	7%
■ Emerging markets debt	6%
■ Infrastructure finance	4%
■ Insurance linked	4%
■ Commodities	1%

Solutions £142.8bn



■ Multi asset	72%
■ Equities	16%
■ Fixed Income	12%

Mutual Funds £102.4bn



■ Equities	55%
■ Fixed Income	30%
■ Multi asset	15%

Institutional £144.1bn



■ Equities	67%
■ Fixed Income	33%

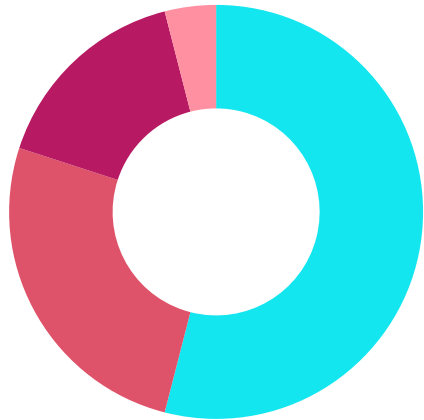
1 Represents GAIA assets that are externally managed only

2 Includes BlueOrchard Finance and NEOS

Asset Management AUM by business area and region¹

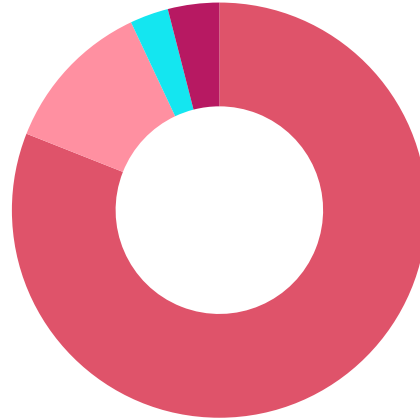
Assets under management £433.5 billion

Private Assets & Alternatives
£44.2bn



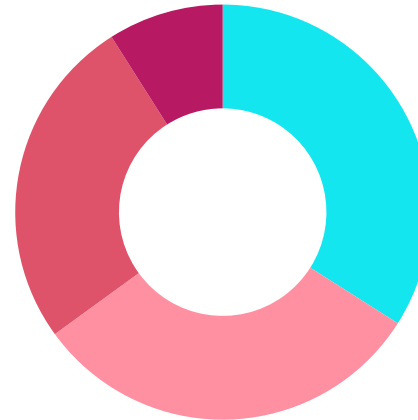
Europe, Middle East & Africa	54%
UK	26%
Americas	16%
Asia Pacific	4%

Solutions £142.8bn



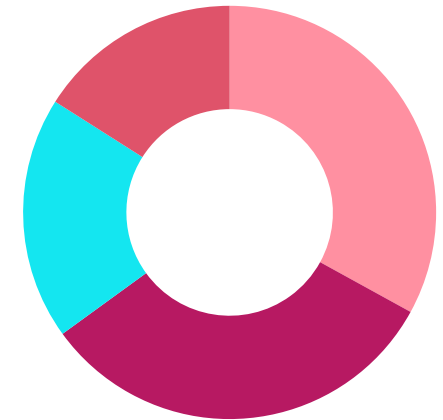
UK	81%
Asia Pacific	12%
Europe, Middle East & Africa	3%
Americas	4%

Mutual Funds £102.4bn



Europe, Middle East & Africa	34%
Asia Pacific	31%
UK	26%
Americas	9%

Institutional £144.1bn



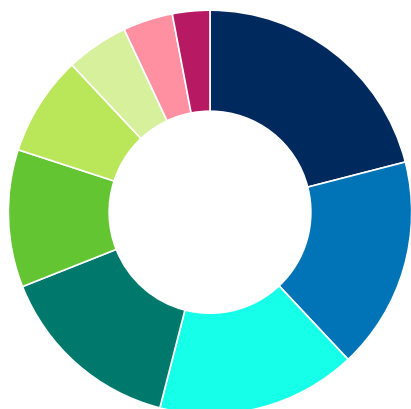
Asia Pacific	33%
Americas	32%
Europe, Middle East & Africa	19%
UK	16%

¹ By client domicile

Asset Management AUM – detailed asset class analysis

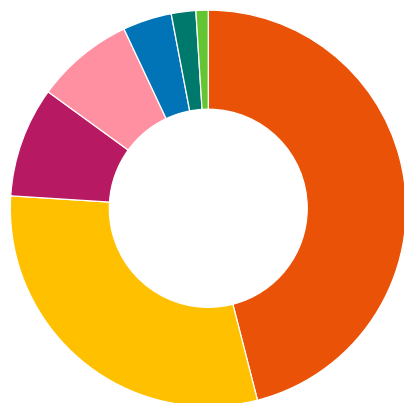
Assets under management £433.5 billion

Equities £178.7bn



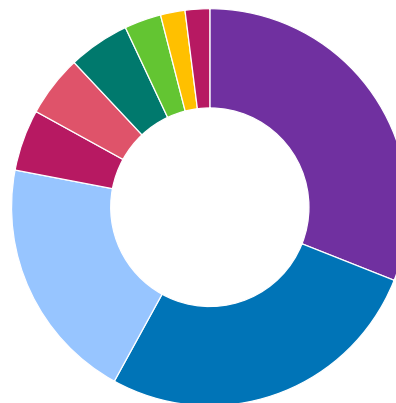
■ Asia Pacific	21%
■ UK	17%
■ Emerging markets	16%
■ Global	15%
■ Quantitative equities	11%
■ Europe	8%
■ Japan	5%
■ US	4%
■ Australia	3%

Multi-asset £118.0bn



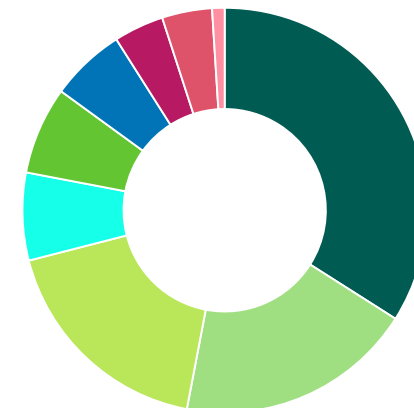
■ Risk controlled growth	46%
■ LDI	30%
■ Risk mitigation	9%
■ Income	8%
■ Inflation protection	4%
■ Other	2%
■ Multi-asset advanced beta	1%

Fixed Income £92.6bn



■ Global	31%
■ US	27%
■ Europe	20%
■ Asia Pacific	5%
■ UK	5%
■ Emerging market bonds	5%
■ Australia	3%
■ Convertibles	2%
■ Custom Bond Beta	2%

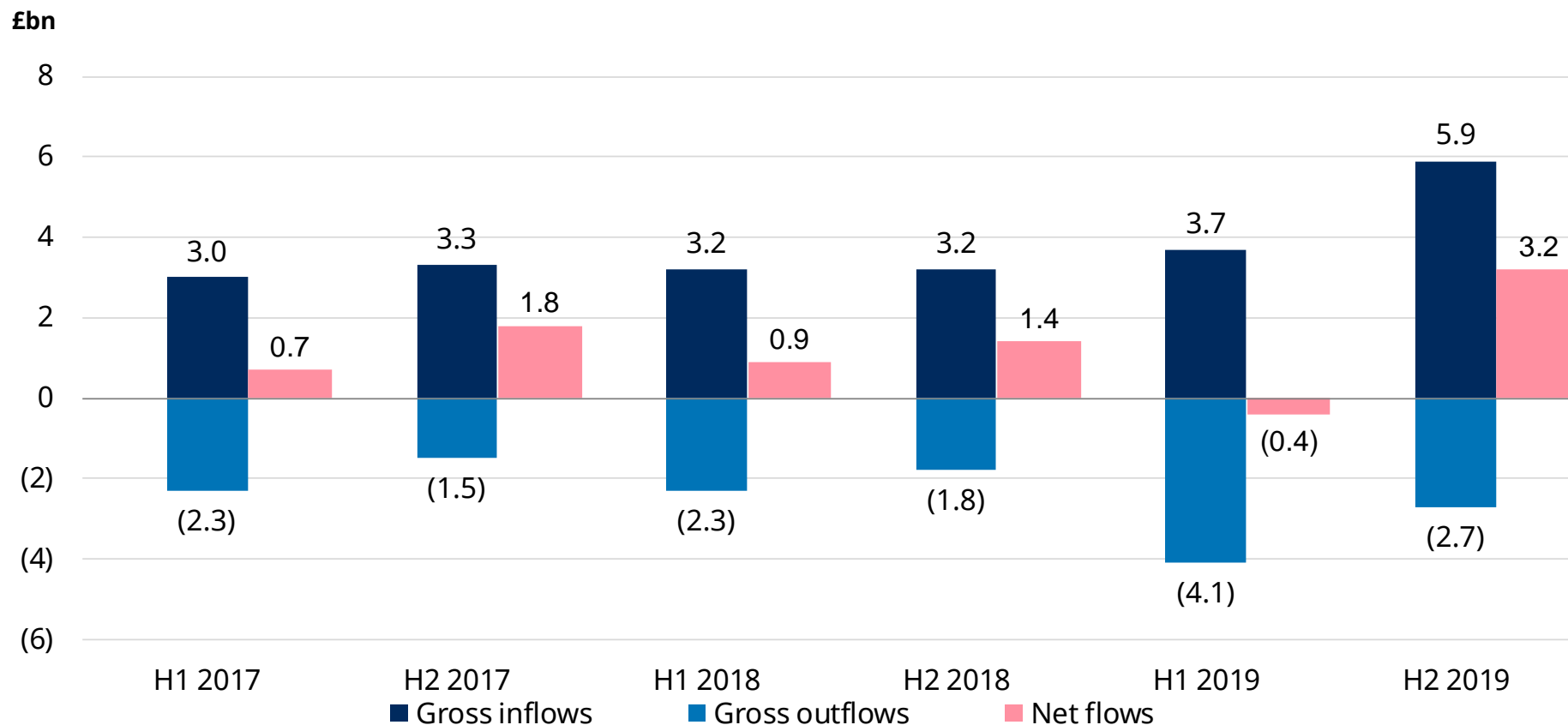
Private Assets & Alternatives £44.2bn



■ Real estate	34%
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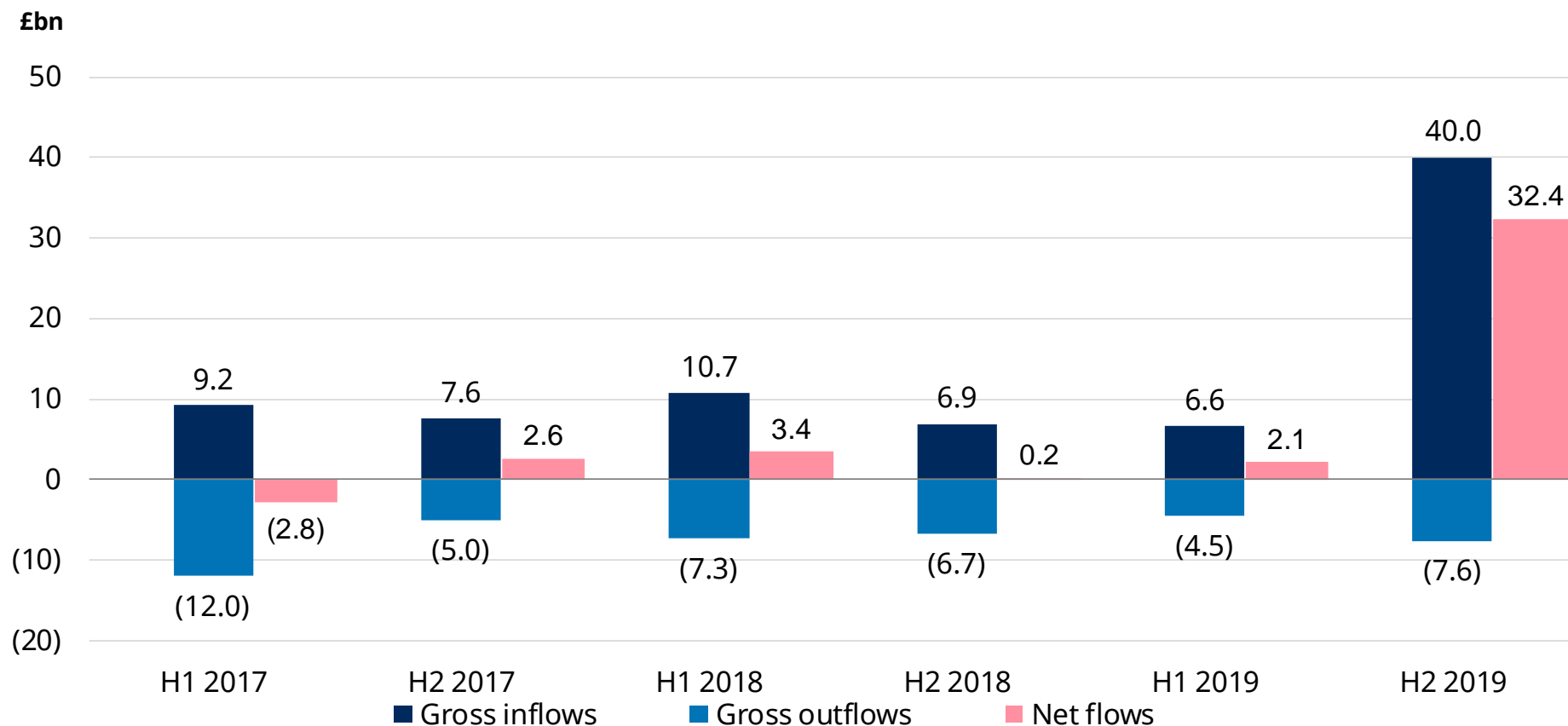
Private Assets & Alternatives – gross and net flows

Assets under management £44.2 billion



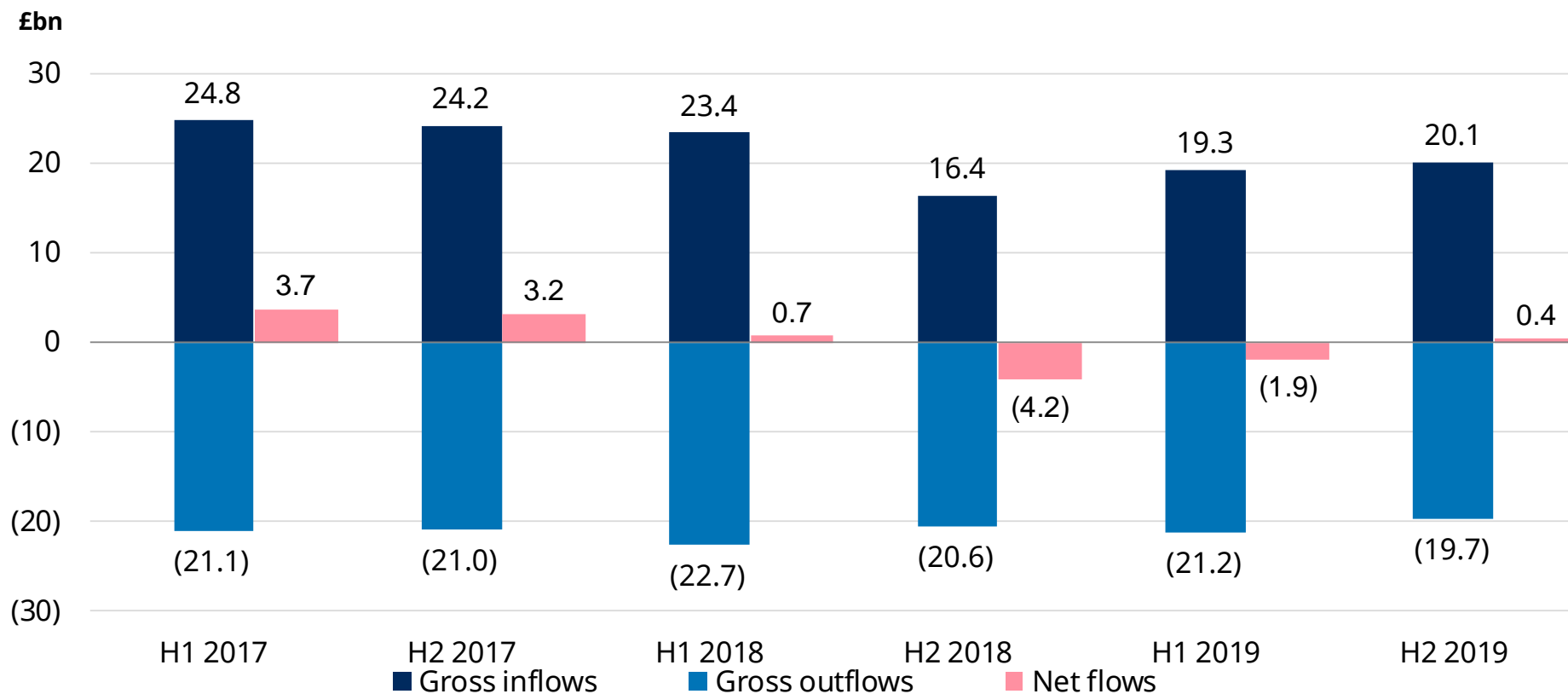
Solutions – gross and net flows

Assets under management £142.8 billion



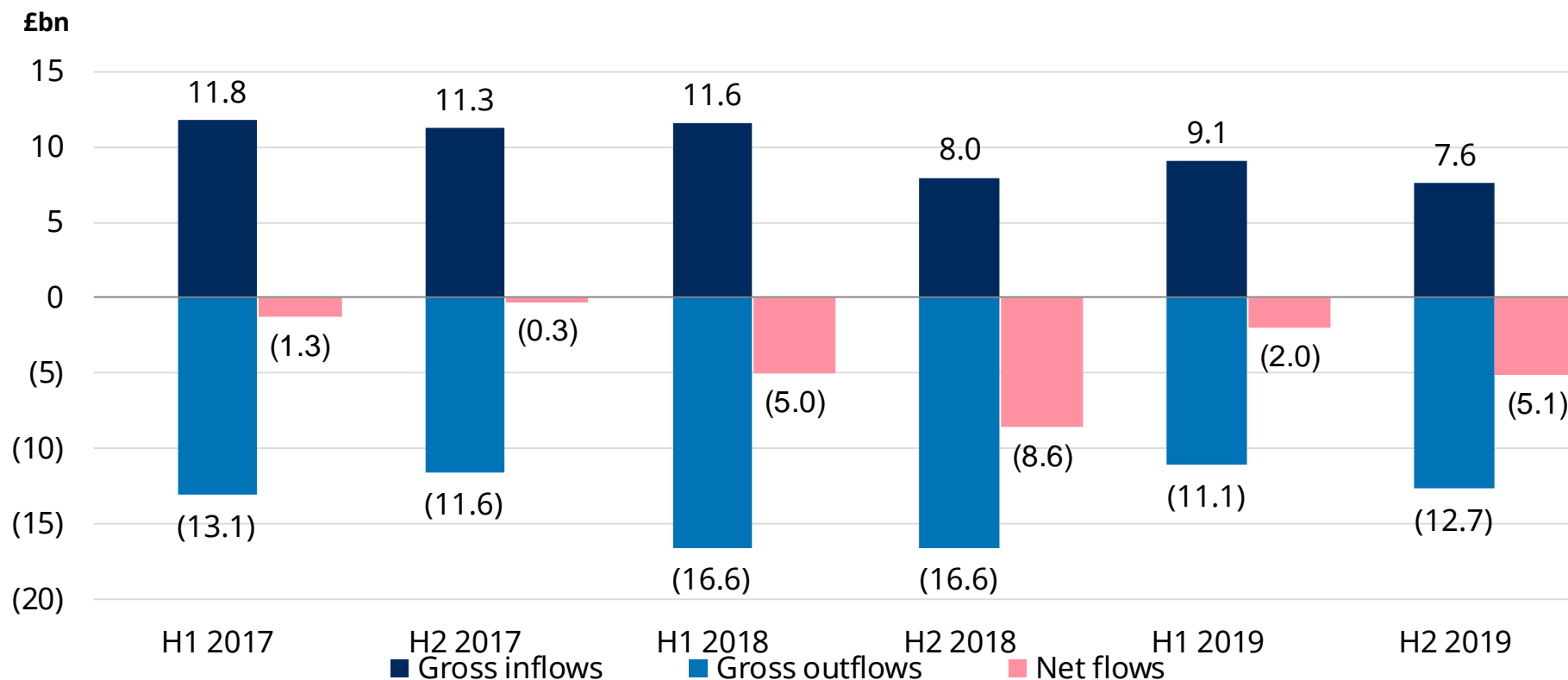
Mutual Funds – gross and net flows

Assets under management £102.4 billion



Institutional – gross and net flows

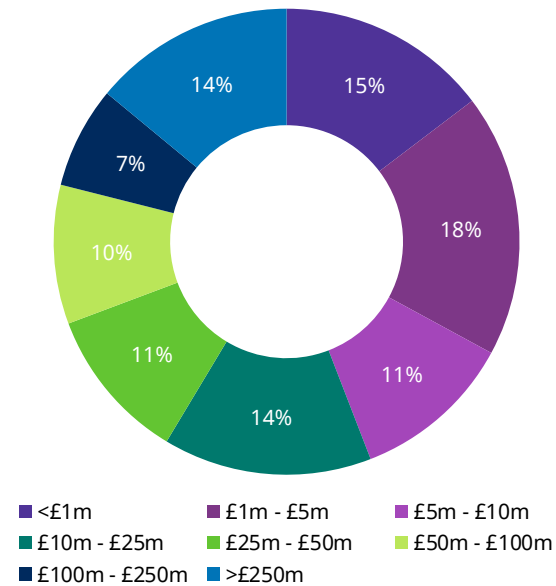
Assets under management £144.1 billion



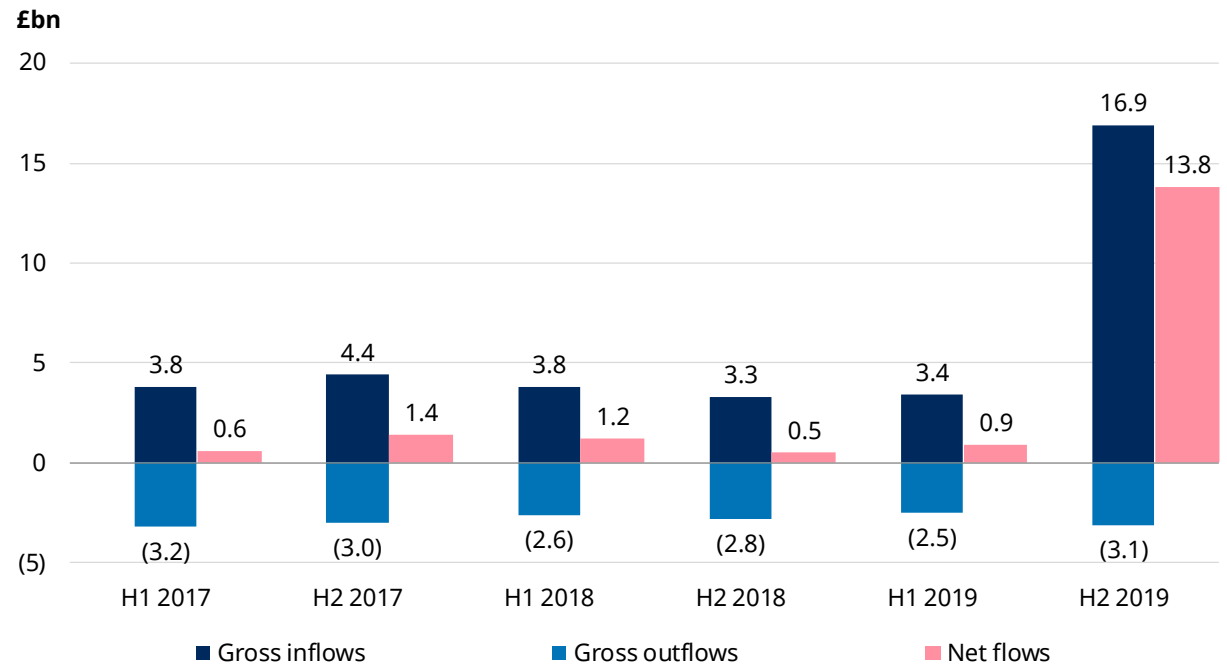
Wealth Management

Assets under management £66.7 billion

Clients by portfolio size



Gross and net flows



Net operating revenue and margins – Asset Management

Asset Management net operating revenue £1,763.1 million

£m	2018	2019
Performance fees - £m	26.2	42.9
Net carried interest - £m	28.4	29.3
Performance fees and net carried interest on average AUM	1 bp	2 bps
Net operating revenue (ex performance fees and net carried interest) - £m	1,734.2	1,690.9
Net operating revenue margin (ex performance fees and net carried interest) on average AUM	45 bps	43 bps
Net income ¹ - £m	1,801.2	1,781.2
Operating expenses ¹ - £m	(1,130.4)	(1,174.3)
Profit before tax¹ - £m	670.8	606.9

¹ Excluding exceptional items

Income statement progression

Asset Management profit before tax

£m	2017	2018	2019
Net operating revenue	1,743.3	1,788.8	1,763.1
Net (loss) on financial instruments and other income	(6.2)	(3.3)	(5.4)
Share of profit of associates and joint ventures	20.8	15.7	23.5
Net income	1,757.9	1,801.2	1,781.2
Operating expenses	(1,052.0)	(1,130.4)	(1,174.3)
Asset Management profit before tax and exceptional items	705.9	670.8	606.9
Exceptional items	(17.2)	(82.6)	(41.4)
Asset Management profit before tax and after exceptional items	688.7	588.2	565.5

Income statement progression

Wealth Management profit before tax

£m	2017	2018	2019
Net operating revenue	266.9	281.9	302.1
Net gain on financial instruments and other income	6.3	7.5	6.5
Share of profit of associates and joint ventures	0.1	0.4	1.0
Net income	273.3	289.8	309.6
Operating expenses	(183.0)	(196.4)	(222.1)
Wealth Management profit before tax and exceptional items	90.3	93.4	87.5
Exceptional items	(22.9)	(25.4)	(34.6)
Wealth Management profit before tax and after exceptional items	67.4	68.0	52.9

Income statement progression

Group segment profit before tax

£m	2017	2018	2019
Net gain on financial instruments and other income	35.1	29.1	40.8
Share of profit of associates	2.6	3.8	4.1
Net income	37.7	32.9	44.9
Operating expenses	(33.6)	(35.9)	(38.1)
Group profit/(loss) before tax and exceptional items	4.1	(3.0)	6.8
Exceptional items	-	(3.3)	(0.6)
Group profit/(loss) before tax and after exceptional items	4.1	(6.3)	6.2

Cost and return metrics

Total costs¹

	2017	2018	2019
Total compensation ratio ¹	43%	43%	44%
Headcount	4,619	5,039	5,673
Total costs (£m) ¹	1,268.6	1,362.7	1,423.6
Ratio of total costs to net income ¹	61%	64%	67%

Total compensation ratio

= compensation costs divided by net income²

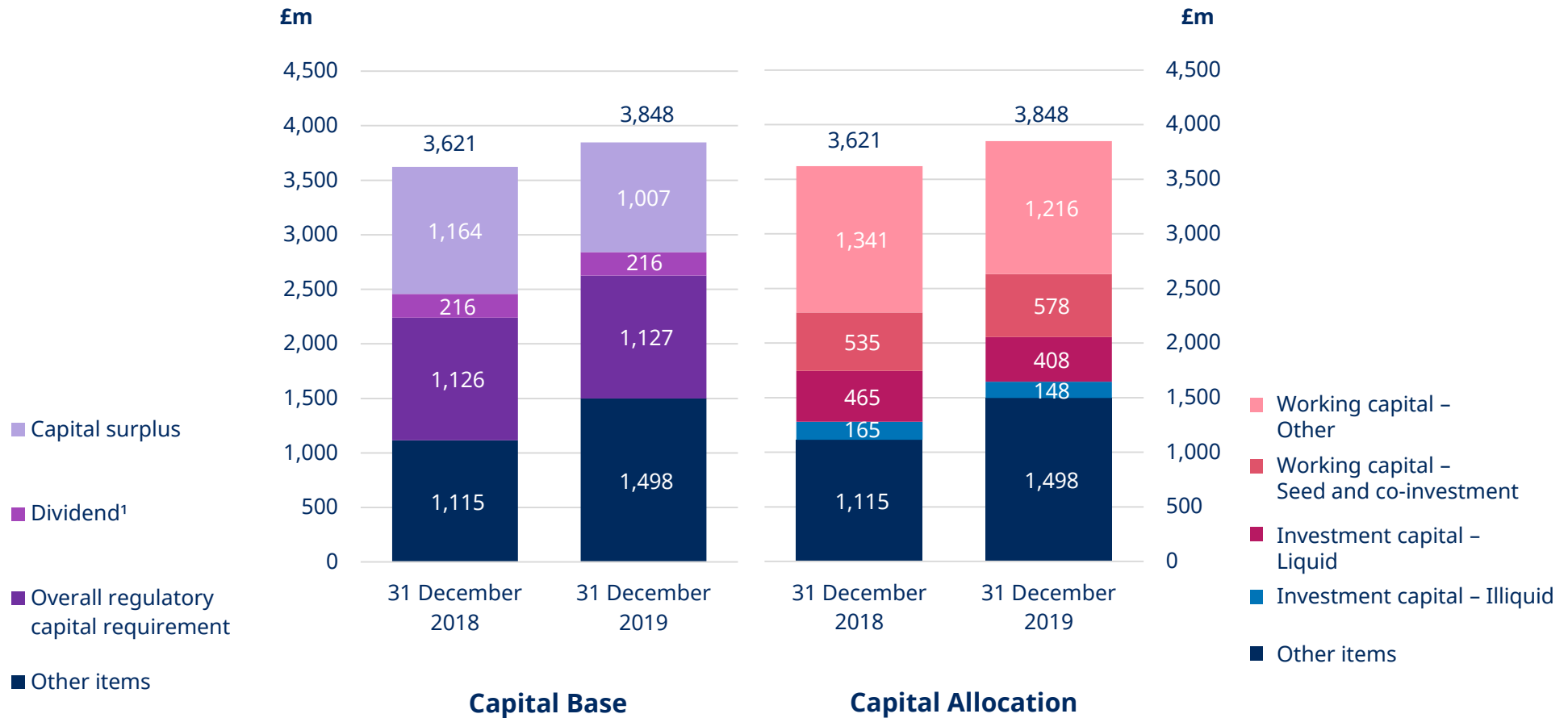
Ratio of total costs to net income

= total costs divided by net income

1 Excluding exceptional items

2 Costs and income are subject to adjustments by the Remuneration Committee

Group capital



1 Final dividend proposed for respective year

2 Comprises items that are inadmissible for regulatory purposes, principally goodwill, intangible assets and pension scheme surplus