

Schroders

Annual Results 2017

Data pack



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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)

£447.0 billion at 31 December 2017

£bn	Institutional	Intermediary	Asset Management	Wealth Management <sup>1</sup>	Total AUM	AUA <sup>2</sup>	AUMA <sup>3</sup>
<b>1 January 2017</b>	<b>226.3</b>	<b>120.1</b>	<b>346.4</b>	<b>39.6</b>	<b>386.0</b>	<b>9.3</b>	<b>395.3</b>
Net flows	4.2	3.4	7.6	2.0	9.6		
Acquisitions <sup>4</sup>	6.0	-	6.0	2.5	8.5		
Investment returns	19.3	10.5	29.8	1.8	31.6		
<b>31 December 2017</b>	<b>255.8</b>	<b>134.0</b>	<b>389.8</b>	<b>45.9</b>	<b>435.7</b>	<b>11.3</b>	<b>447.0</b>

<sup>1</sup> Wealth Management flows exclude income drawdowns included within investment returns.

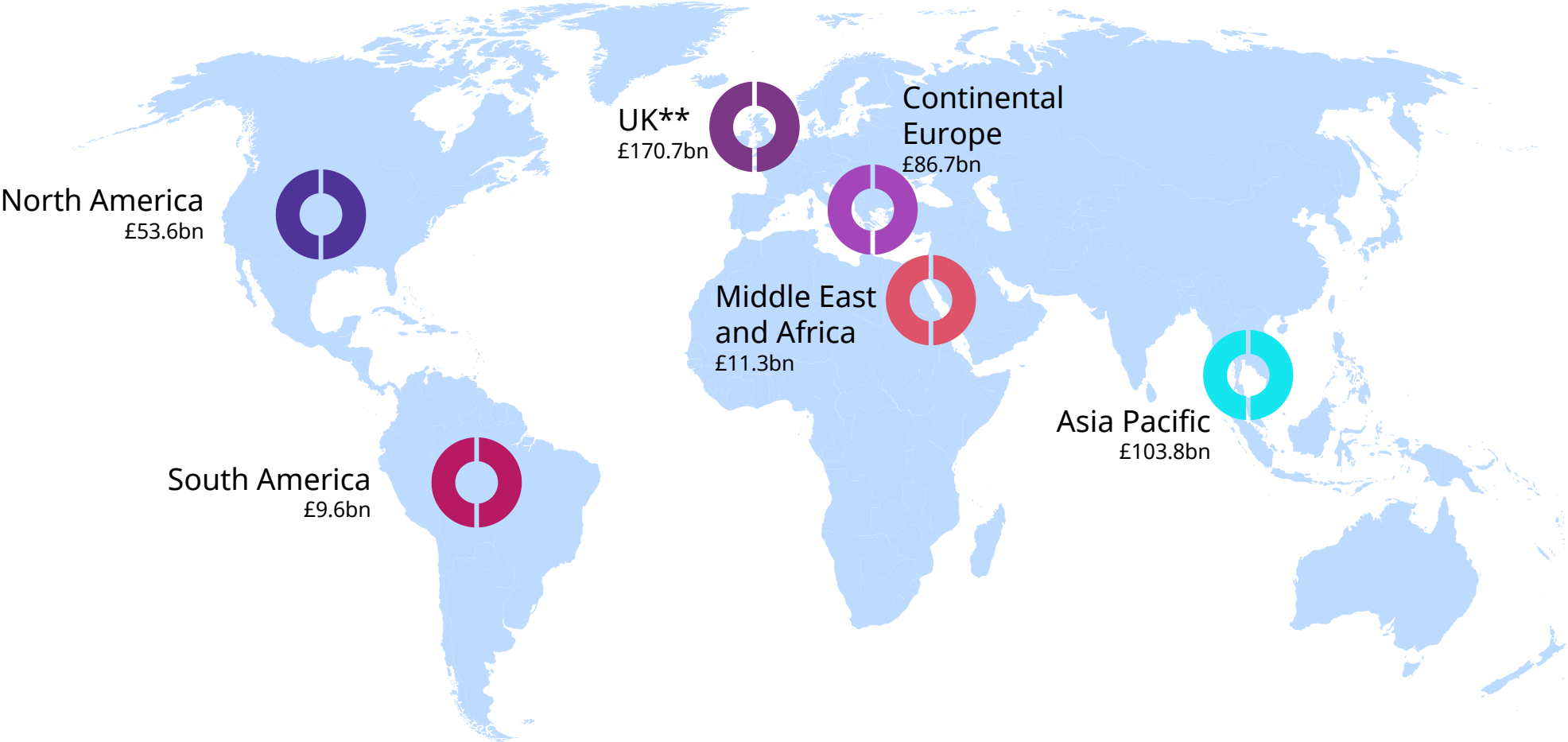
<sup>2</sup> Assets under administration (AUA) has been restated to exclude assets from which we only derive transactional non-recurring revenues.

<sup>3</sup> 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 (AUA).

<sup>4</sup> Institutional acquisition within Asset Management relates to the purchase of Adveq Holding AG. 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

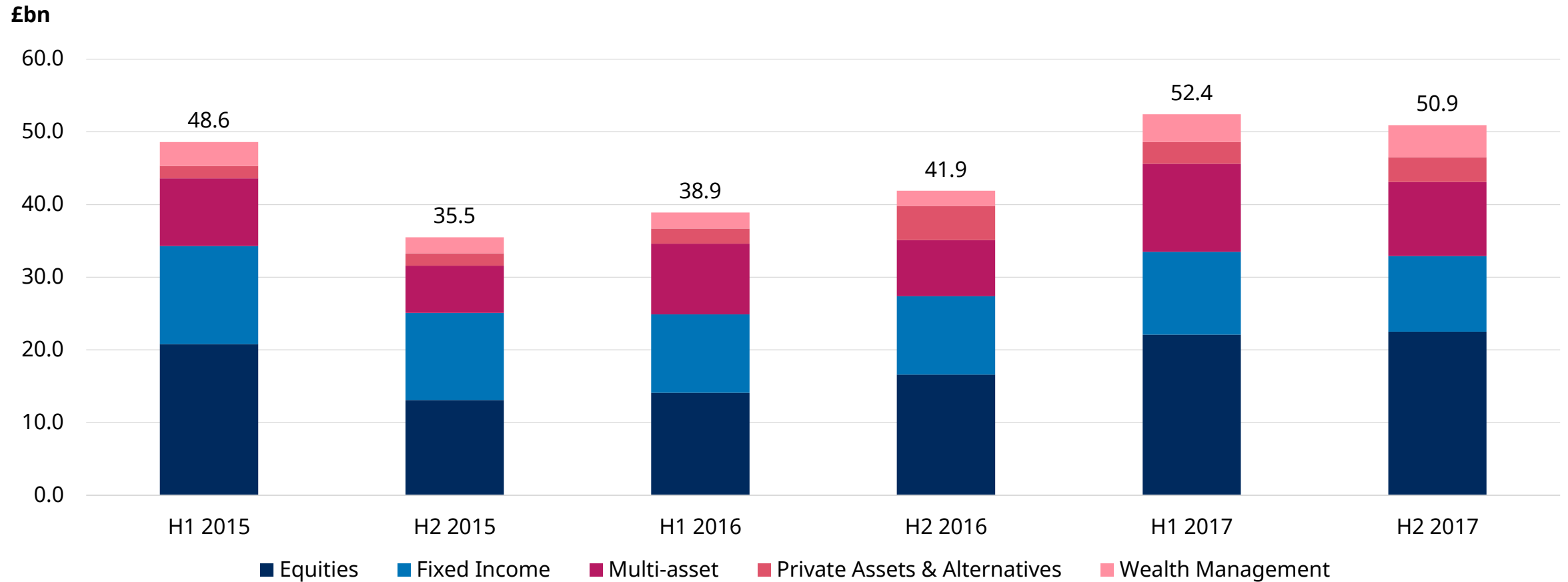


\* By client domicile.

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

# Gross sales\*

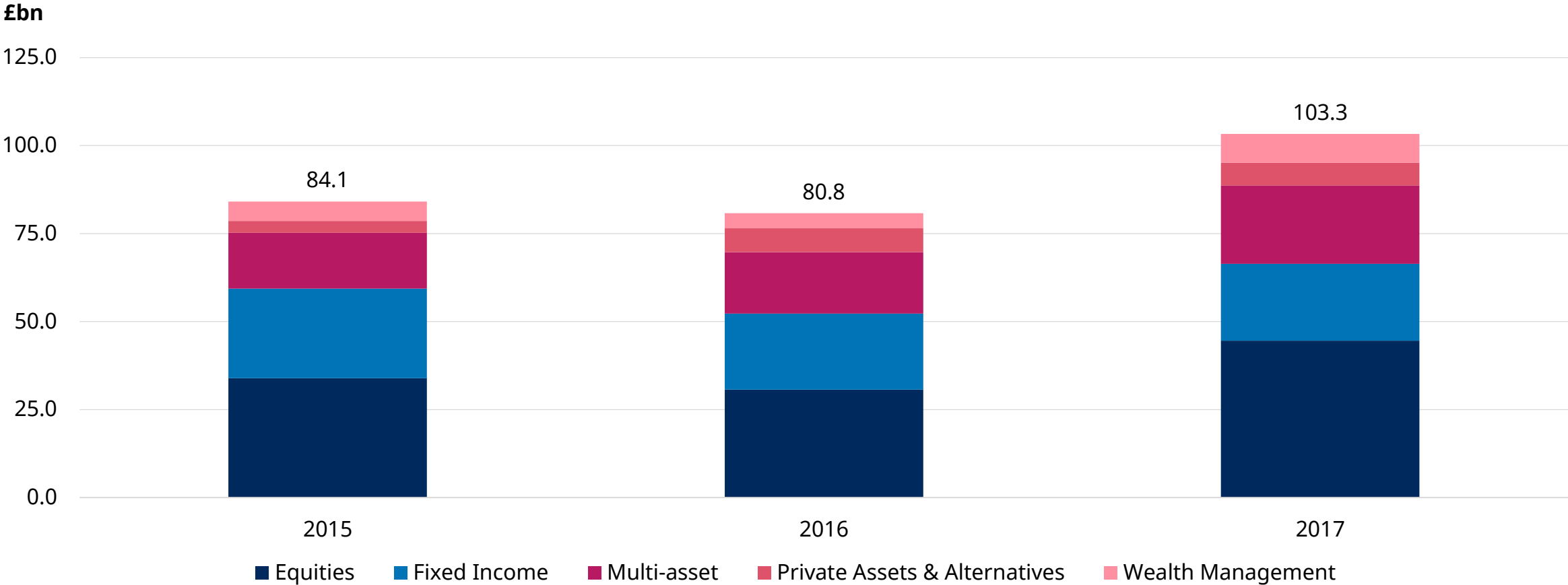
## Half-yearly



\*Gross sales and net flows have been represented to separately report information for Private Assets & Alternatives.

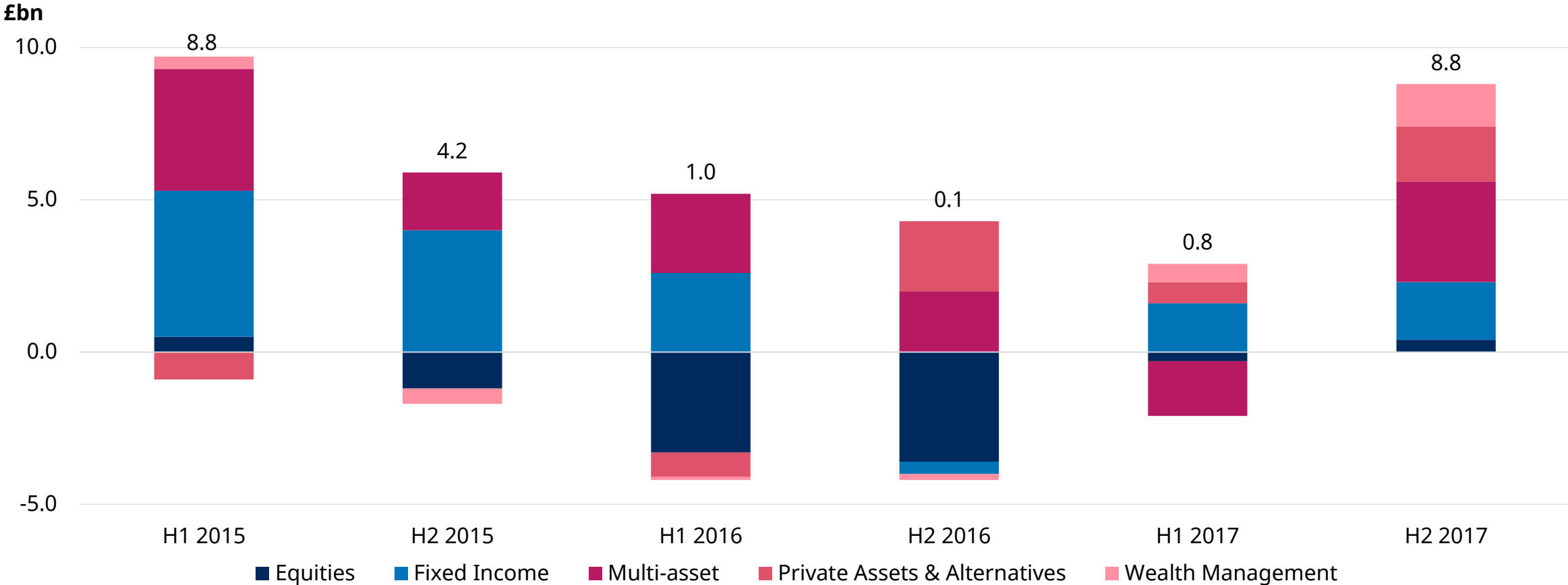
# Gross sales

## Annually



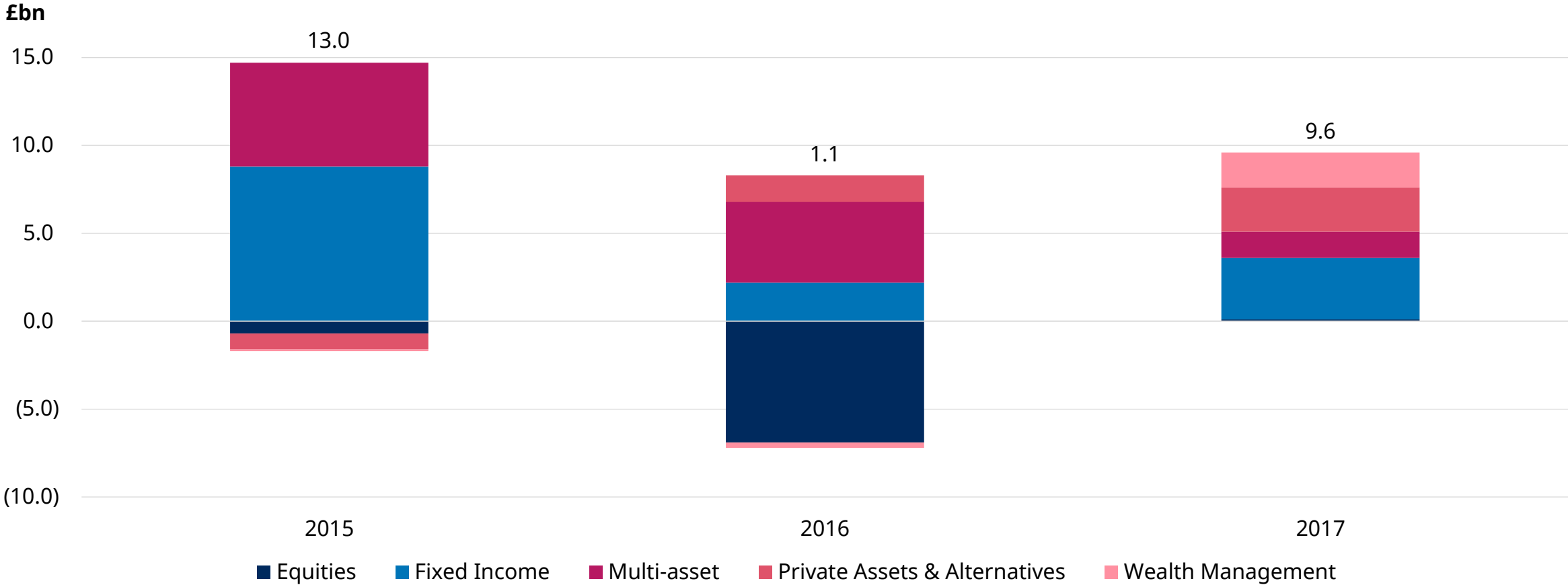
# Net flows

## Half-yearly



# Net flows

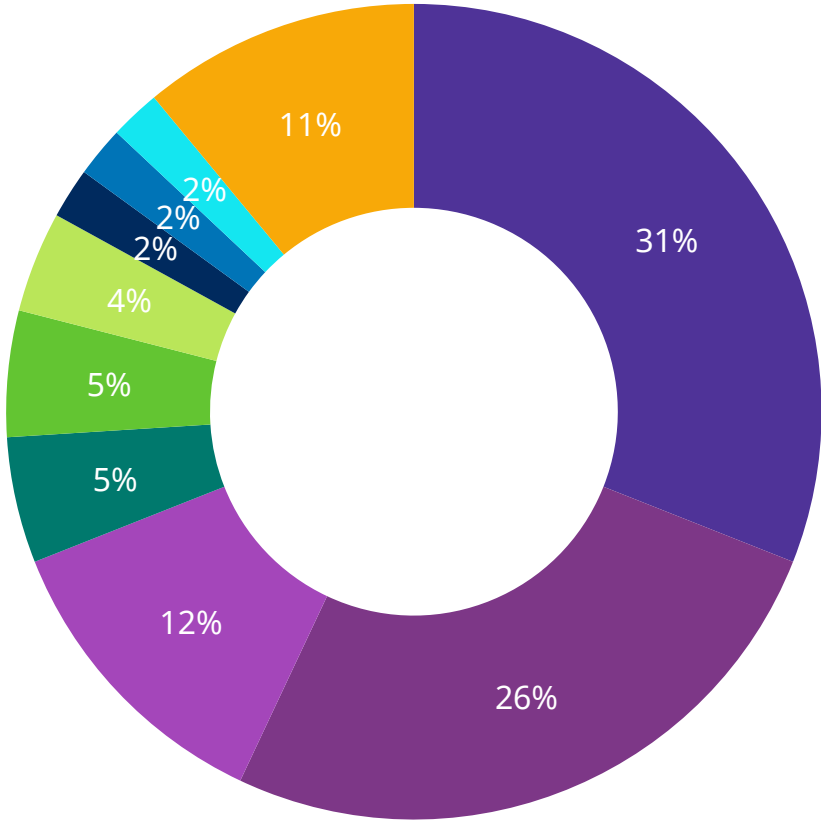
## Annually





# Currency profile of AUM

Assets under management £435.7 billion



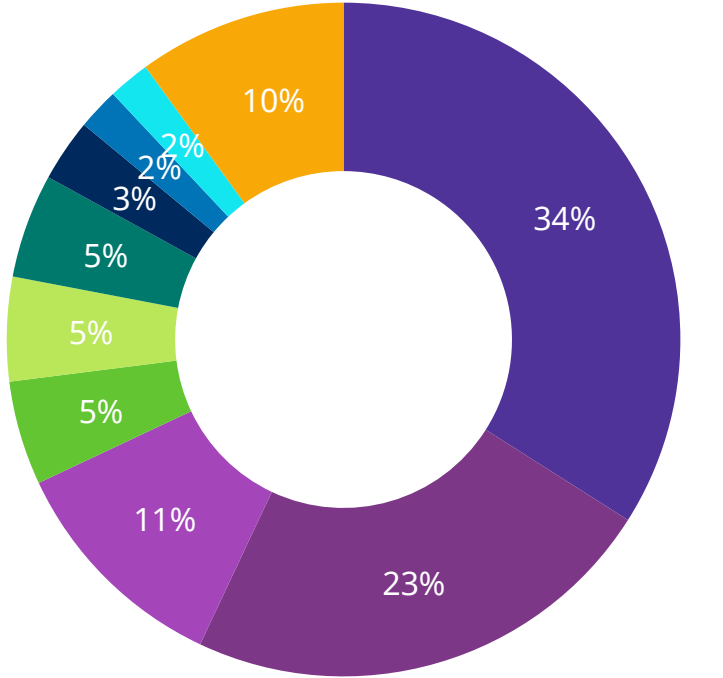
■ USD\* ■ GBP ■ EUR ■ JPY ■ CNY ■ AUD ■ KRW ■ TWD ■ CHF ■ Other\*\*

\* USD includes other currencies pegged to USD, including HKD.  
\*\* Includes the following currencies which individually constitute 1% of AUM: IDR, INR, SGD, CAD, BRL, RUB, SEK.

# Currency profile of Asset Management AUM

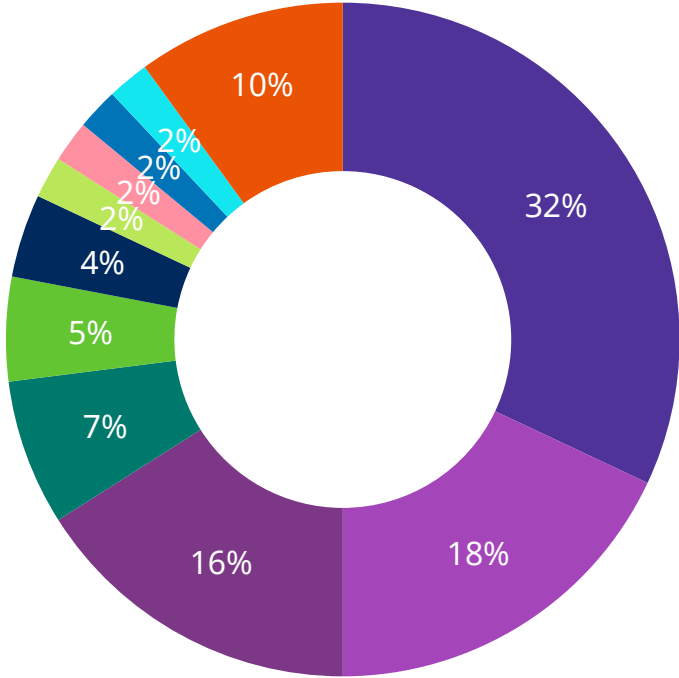
Asset Management AUM £389.8 billion

Institutional £255.8bn



- USD\*
- GBP
- EUR
- CNY
- AUD
- JPY
- KRW
- TWD
- CHF
- Other

Intermediary £134.0bn



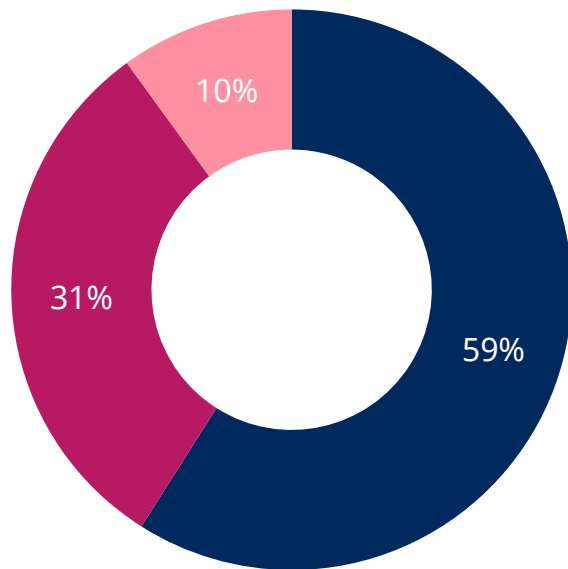
- USD\*
- EUR
- GBP
- JPY
- CNY
- AUD
- IDR
- KRW
- TWD
- SGD
- Other

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

# Total AUM by channel, region and product

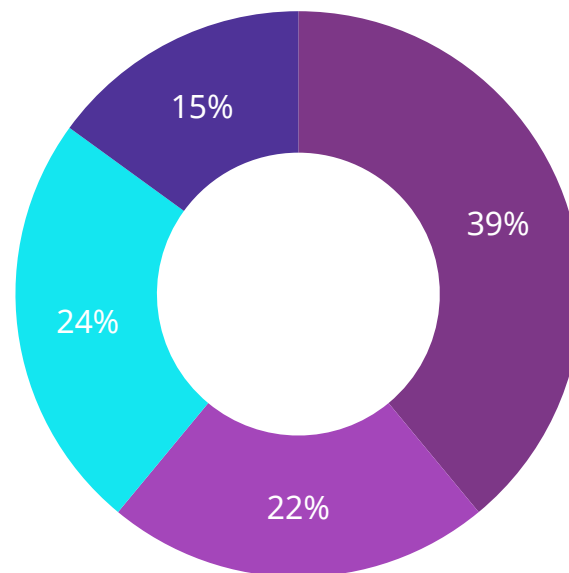
Assets under management £435.7 billion

### By channel



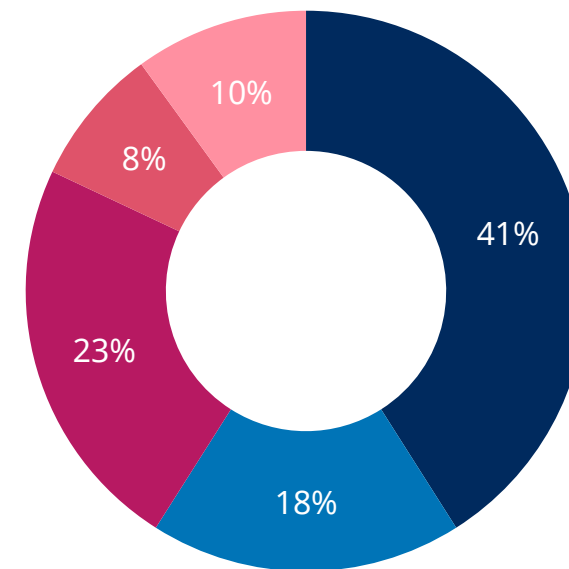
- Institutional
- Intermediary
- Wealth Management

### By region\*



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

### By product



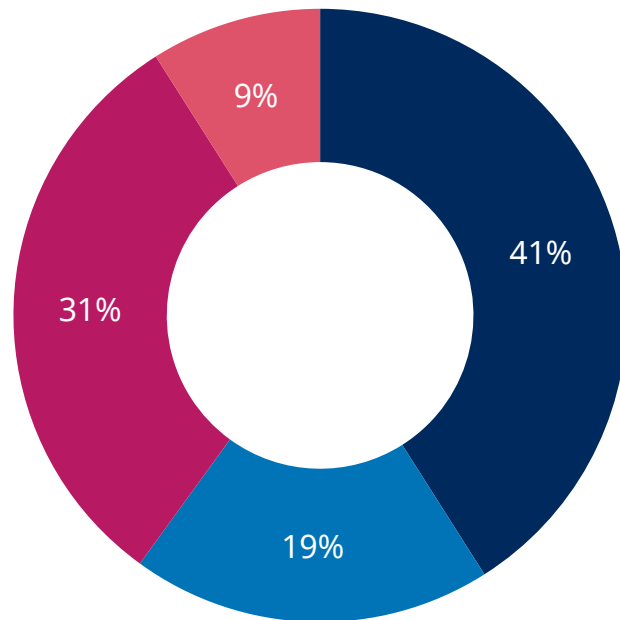
- Equities
- Fixed Income
- Multi-asset
- Private Assets & Alternatives
- Wealth Management

\* By client domicile.

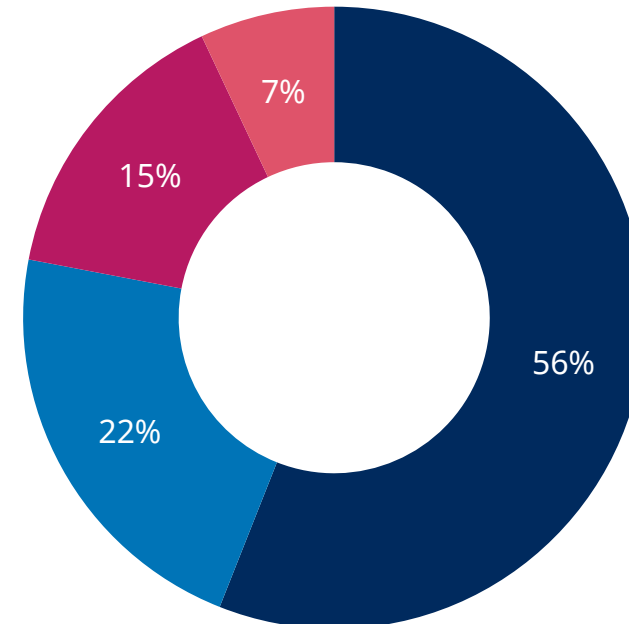
# Asset Management AUM by channel and product

Assets under management £389.8 billion

Institutional AUM £255.8bn



Intermediary AUM £134.0bn

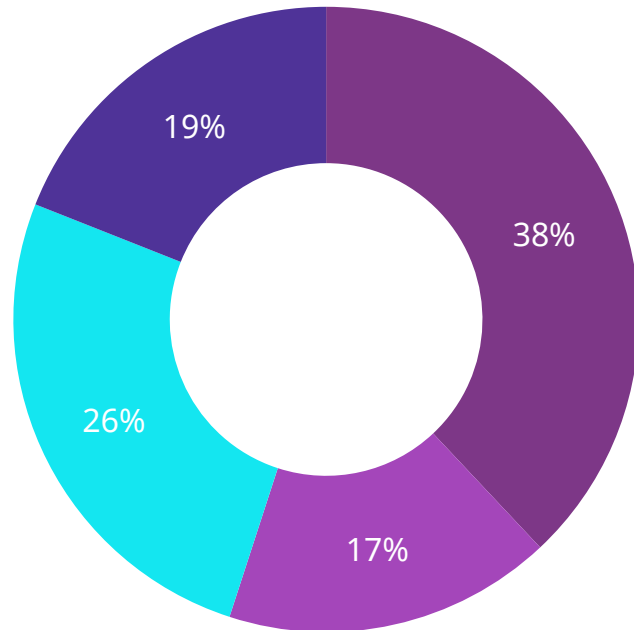


■ Equities   ■ Fixed Income   ■ Multi-asset   ■ Private Assets & Alternatives

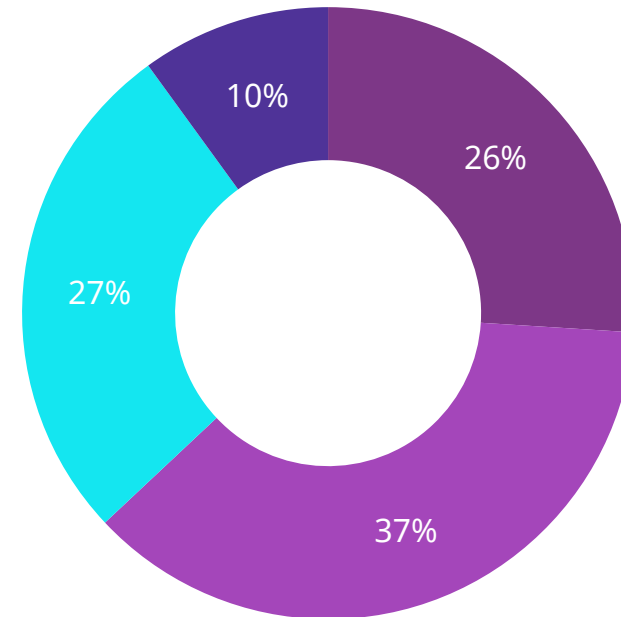
# Asset Management AUM by channel and region\*

Assets under management £389.8 billion

Institutional AUM £255.8bn



Intermediary AUM £134.0bn



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

\* By client domicile.

# Asset Management AUM – detailed asset class analysis

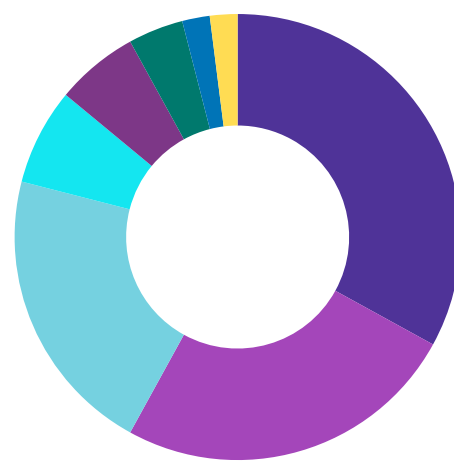
Assets under management £389.8 billion

**Equities £179.6bn**



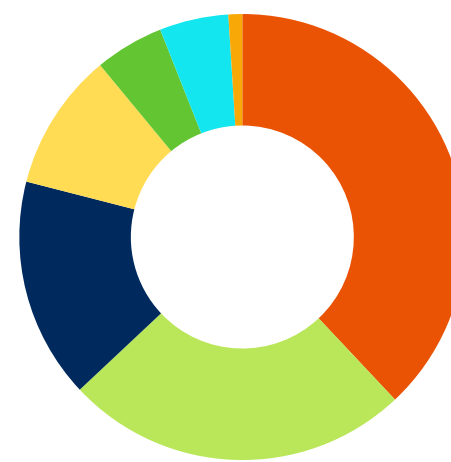
Asia Pacific	20%
Global	14%
Emerging markets	14%
Quantitative equities	14%
Europe	11%
UK	11%
Japan	6%
US	5%
Australia	4%
Other	1%

**Fixed Income £78.1bn**



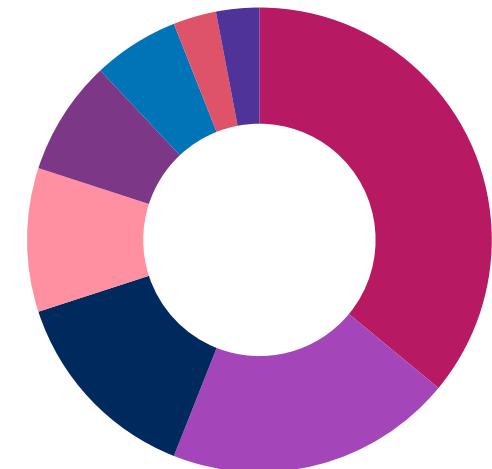
US	33%
Europe	25%
Global	21%
Asia Pacific	7%
UK	6%
Australia	4%
Emerging market bonds	2%
Convertibles	2%

**Multi-asset £98.8bn**



Risk controlled growth	38%
LDI	25%
UK traditional balanced	16%
Income	10%
Risk mitigation	5%
Inflation protection	5%
Wealth preservation	1%

**Private Assets & Alternatives £33.3bn**

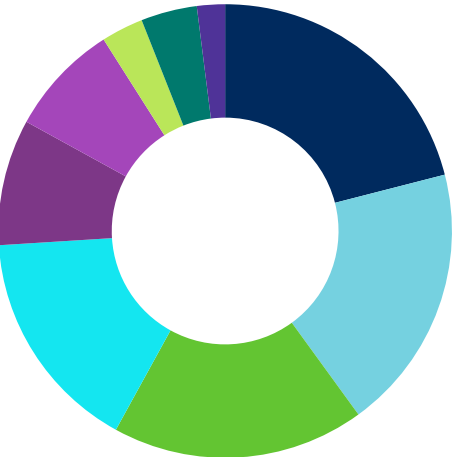


Real estate	36%
Private equity	20%
Securitised Credit	14%
GAIA	10%
EMD Absolute Return	8%
Insurance-linked	6%
Infrastructure Finance	3%
Commodities	3%

# Institutional AUM – detailed asset class analysis

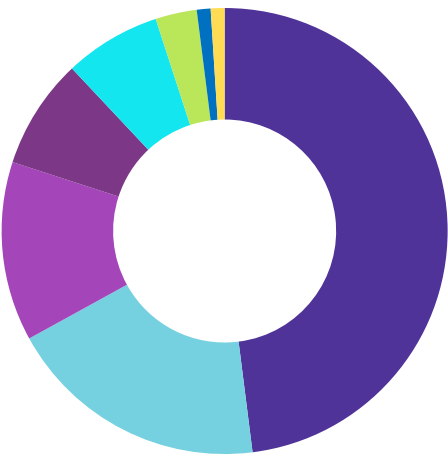
Assets under management £255.8 billion

**Equities £104.7bn**



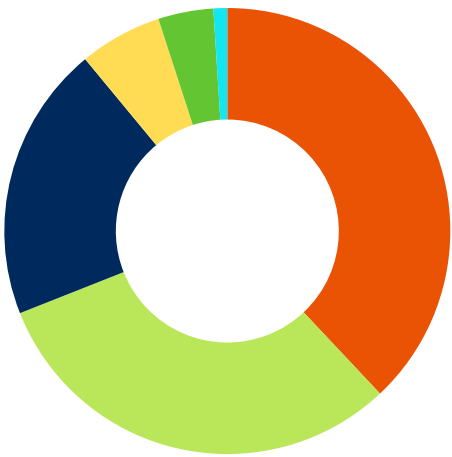
■ Quantitative equities	20%
■ Global	19%
■ Emerging markets	18%
■ Asia Pacific	17%
■ UK	9%
■ Europe	8%
■ Australia	4%
■ Japan	3%
■ US	2%

**Fixed Income £48.9bn**



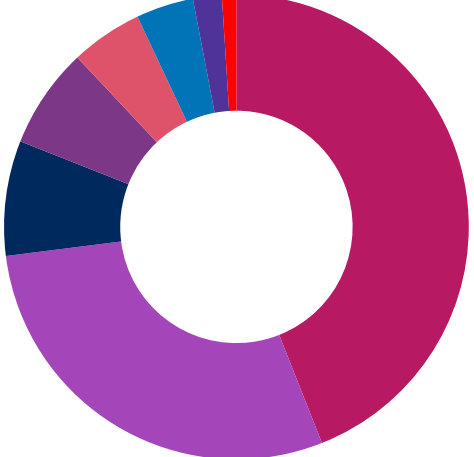
■ US	48%
■ Global	19%
■ Europe	13%
■ UK	8%
■ Asia Pacific	7%
■ Australia	3%
■ Emerging market bonds	1%
■ Convertibles	1%

**Multi-asset £78.8bn**



■ Risk controlled growth	38%
■ LDI	31%
■ UK traditional balanced	20%
■ Risk mitigation	6%
■ Inflation protection	4%
■ Wealth preservation	1%

**Private Assets & Alternatives £23.4bn**



■ Real estate	44%
■ Private equity	29%
■ Securitised Credit	8%
■ EMD Absolute Return	7%
■ Infrastructure Finance	5%
■ Insurance-linked	4%
■ Commodities	2%
■ GAIA	1%

# Intermediary AUM – detailed asset class analysis

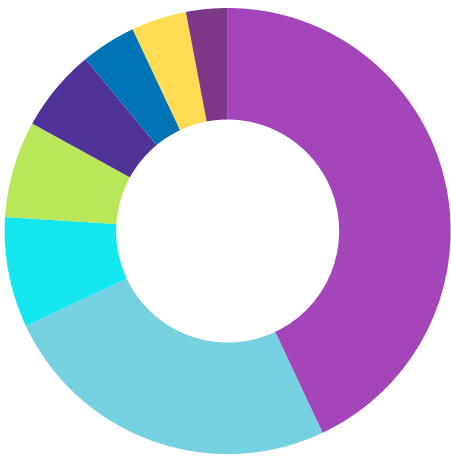
Assets under management £134.0 billion

**Equities £74.9bn**



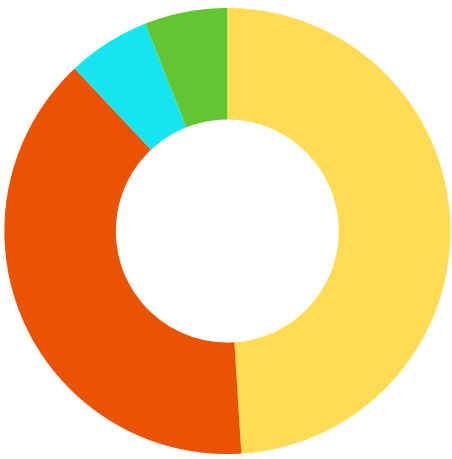
Asia Pacific	24%
Europe	16%
UK	13%
Japan	10%
US	9%
Emerging markets	9%
Global	8%
Quantitative equities	5%
Australia	3%
Other	3%

**Fixed Income £29.2bn**



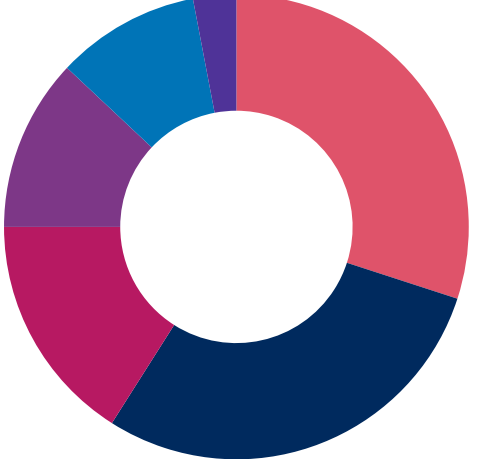
Europe	43%
Global	25%
Asia Pacific	8%
Australia	7%
US	6%
Emerging market bonds	4%
Convertibles	4%
UK	3%

**Multi-asset £20.0bn**



Income	49%
Risk controlled growth	39%
Inflation protection	6%
Risk mitigation	6%

**Private Assets & Alternatives £9.9bn**

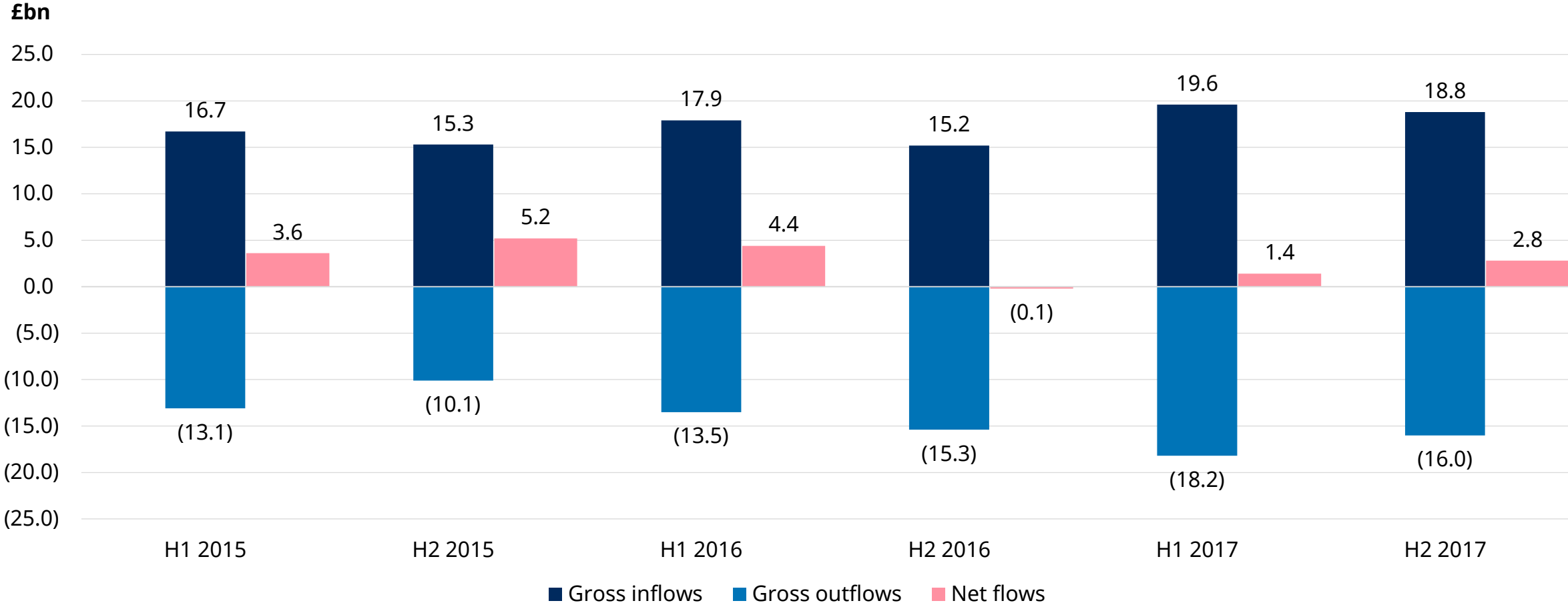


GAIA	30%
Securitised Credit	29%
Real estate	16%
EMD Absolute Return	12%
Insurance-linked	10%
Commodities	3%



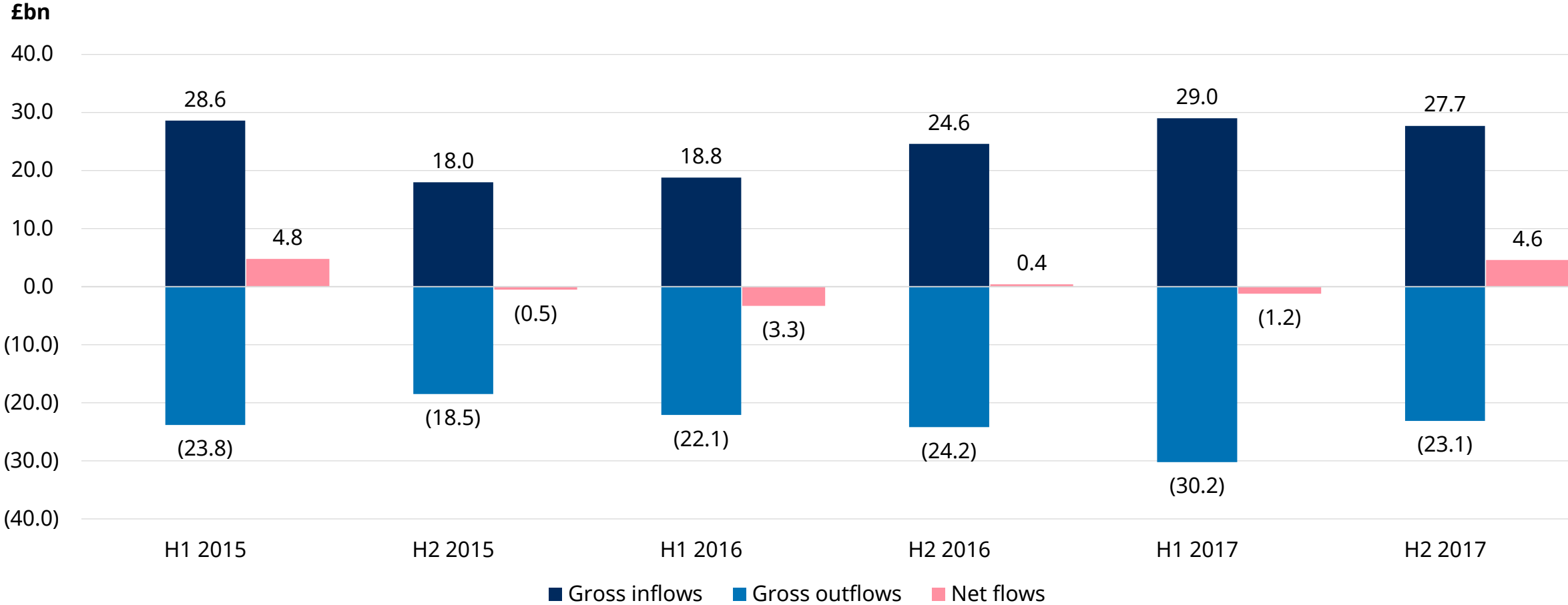
# Institutional – AUM flows

Assets under management £255.8 billion



# Intermediary – AUM flows

Assets under management £134.0 billion



# Net operating revenue and margins – Asset Management

Asset Management net operating revenue £1,743.3 million

£m	2016	2017
Performance fees - £m	38.8	77.5
Performance fees on average AUM	1 bp	2 bps
Net operating revenue (ex performance fees ) - £m	1,450.7	1,665.8
Net operating revenue (ex performance fees ) on average AUM	46 bps	45 bps
Net income* - £m	1,534.4	1,757.9
Operating expenses* - £m	962.0	1,052.0
<b>Profit before tax* - £m</b>	<b>572.4</b>	<b>705.9</b>

\* Excludes exceptional items.

# Income statement progression

## Asset Management profit before tax

£m	2015	2016	2017
<i>Institutional</i>	628.7	692.5	814.0
<i>Intermediary</i>	764.7	797.0	929.3
Net operating revenue	1,393.4	1,489.5	1,743.3
Net gains/(losses) on financial instruments and other income	6.3	28.2	(6.2)
Share of profit of associates and joint ventures	12.8	16.7	20.8
<b>Net income</b>	<b>1,412.5</b>	<b>1,534.4</b>	<b>1,757.9</b>
<b>Operating expenses</b>	<b>(872.0)</b>	<b>(962.0)</b>	<b>(1,052.0)</b>
<b>Asset Management profit before exceptional items</b>	<b>540.5</b>	<b>572.4</b>	<b>705.9</b>
<b>Exceptional items</b>	<b>(12.1)</b>	<b>(18.5)</b>	<b>(17.2)</b>
<b>Asset Management profit after exceptional items</b>	<b>528.4</b>	<b>553.9</b>	<b>688.7</b>

# Income statement progression

## Wealth Management profit before tax

£m	2015	2016	2017
Net operating revenue	207.3	223.3	266.9
Net (losses)/gains on financial instruments and other income	(0.1)	0.7	6.3
Share of profit of associates and joint ventures	-	-	0.1
<b>Net income</b>	<b>207.2</b>	<b>224.0</b>	<b>273.3</b>
<b>Operating expenses</b>	<b>(145.9)</b>	<b>(157.6)</b>	<b>(183.0)</b>
<b>Wealth Management profit before exceptional items</b>	<b>61.3</b>	<b>66.4</b>	<b>90.3</b>
<b>Exceptional items</b>	<b>(0.8)</b>	<b>(10.1)</b>	<b>(22.9)</b>
<b>Wealth Management profit after exceptional items</b>	<b>60.5</b>	<b>56.3</b>	<b>67.4</b>

# Income statement progression

## Group segment profit before tax

£m	2015	2016	2017
Net gains on financial instruments and other income	30.1	29.9	35.1
Share of profit of associates*	8.7	4.8	2.6
<b>Net income</b>	<b>38.8</b>	<b>34.7</b>	<b>37.7</b>
<b>Operating expenses</b>	<b>(30.9)</b>	<b>(28.8)</b>	<b>(33.6)</b>
<b>Group segment profit before exceptional items</b>	<b>7.9</b>	<b>5.9</b>	<b>4.1</b>
<b>Exceptional items</b>	<b>(7.8)</b>	<b>2.0</b>	<b>-</b>
<b>Group segment profit after exceptional items</b>	<b>0.1</b>	<b>7.9</b>	<b>4.1</b>

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

# Cost and return metrics

## Total Schroders Group costs

	2015	2016	2017
Total compensation ratio*	44%	44%	43%
Headcount	3,784	4,145	4,619
Total costs (£m)*	1,048.8	1,148.4	1,268.6
Ratio of total costs to net income*	63%	64%	61%

### Total compensation ratio

= compensation costs divided by net income\*\*

### Ratio of total costs to net income

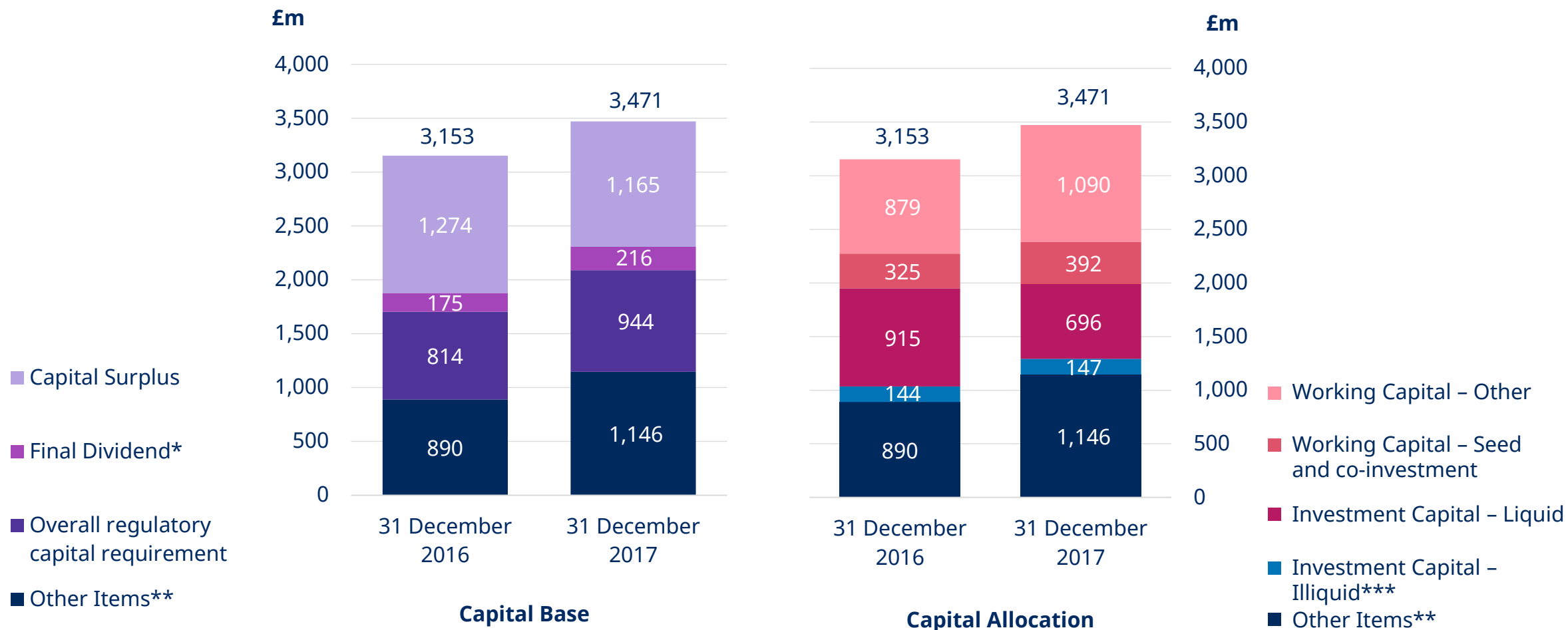
= costs divided by net income

\* Excludes exceptional items.

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

# Group Capital

Increase of £318m in the year ended 31 December 2017



\* 2017 final dividend proposed.

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

\*\*\* Includes RWC Partners Limited and Schroder Ventures Investment Limited associates.