



Positioning for growth – key opportunities and risks for asset managers

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Schrodgers

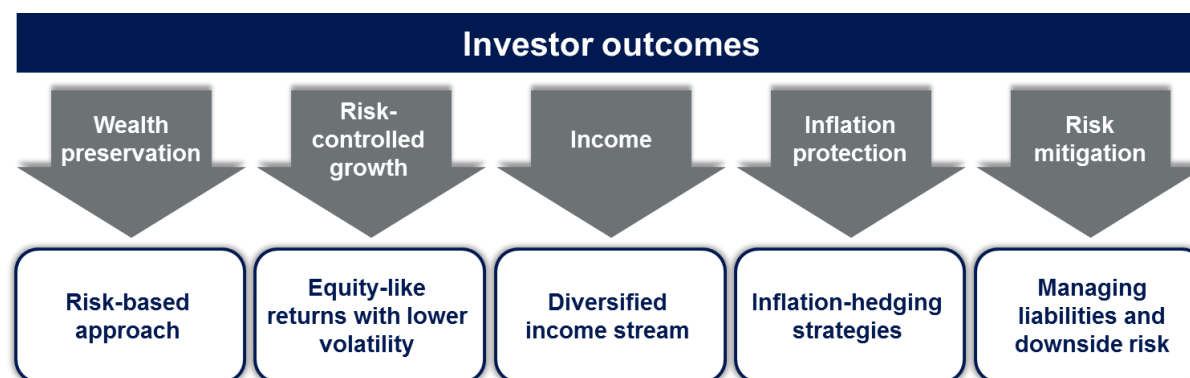
Multi-asset investments and portfolio solutions: £52.3bn AUM

£6.9bn of net new business won in 2013, £21.3bn since 2010

Growth priorities

- Opportunities diversified across outcomes, regions, Institutional and Intermediary
- Building scale – Multi-asset income, LDI, Strategic Beta, Volatility Controlled Solutions, GAIA
- Grow Diversified Growth - US, Canada and Japan
- Build Strategic Beta brand
- Build on momentum in portfolio solutions

Our approach – organised across investment outcomes



Decumulation and the insurance channel opportunity

Increasingly important distribution partners

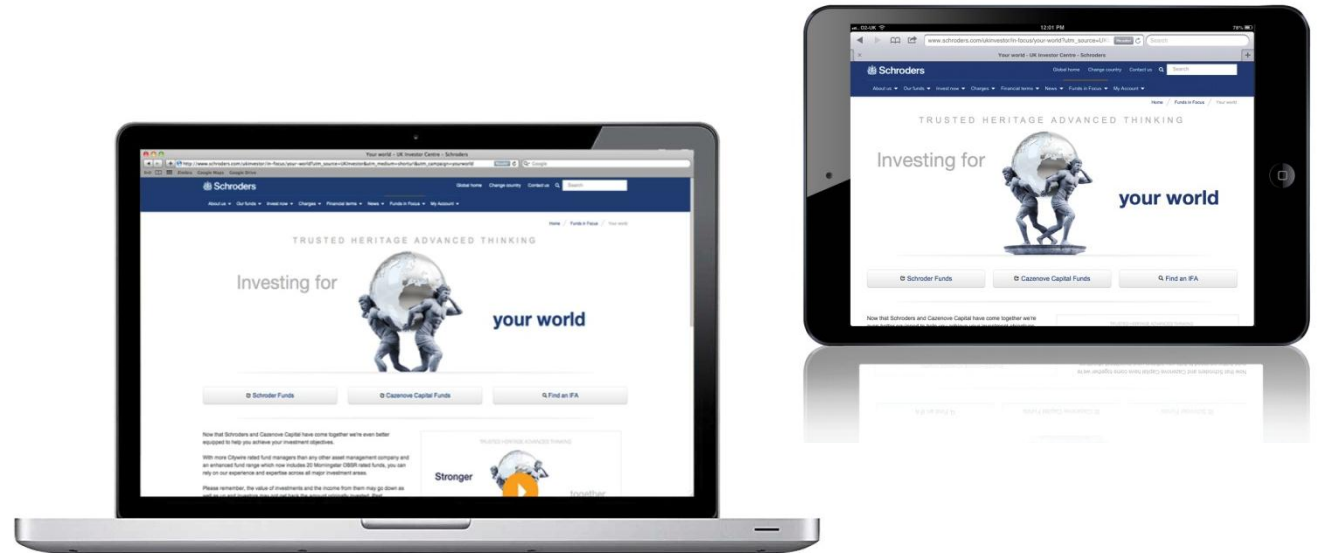
Recently announced partnership with Friends Life - £12.2bn of AUM in Q4 2014

- Enhances our position as a leading provider of innovative products and solutions within the sector
- Reinforces our growth ambitions in Multi-asset
- Growth in ethical investment
- Opportunities for further growth with Friends Life
 - Retirement solutions



Digital revolution

- Evolutionary changes
 - Investment processes
 - Marketing
 - Branding
- Revolutionary changes
 - ...?

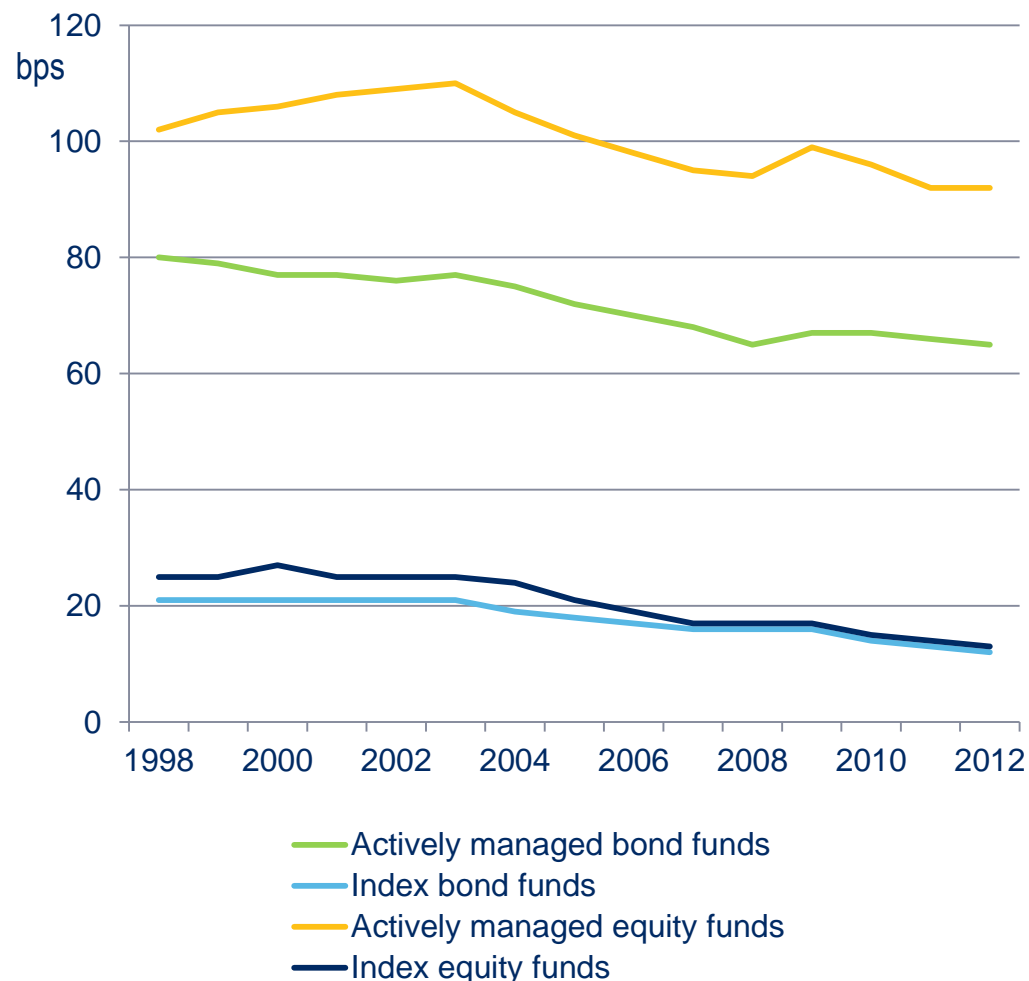


Building industrial efficiencies

Process and technologies

- Increase in costs and decrease in fee margins
- Necessity to drive efficiencies of production processes:
 - Investment processes
 - More consistent performance
 - Better use of technology

Declining fees in both active and passive ¹



Source: BNYMellon, Investment Company Institute and Lipper

Schroders: in a strong position; continuing to evolve

Creating long-term value for shareholders through organic growth

- Record results in 2013
 - 35% increase in dividend
- Positive start to 2014
- Utilise our financial strength to invest in future growth
- Long-term focus

Forward-Looking Statements

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