



# Half-year Results 2020

Data Pack

July 2020

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	Page
Assets under management (AUM)	2
Regional diversification of AUM	3
Gross and net flows	4-5
Currency profile of AUM	6
AUM by business area, region and product	7-9
Asset Management AUM – detailed asset class analysis	10
Asset Management gross and net flows	11-14
Wealth Management	15
Net operating revenue and margins – Asset Management	16
Income statement progression	17-19
Cost and return metrics	20
Group capital	21

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



# Assets under management (AUM)

£525.8 billion at 30 June 2020

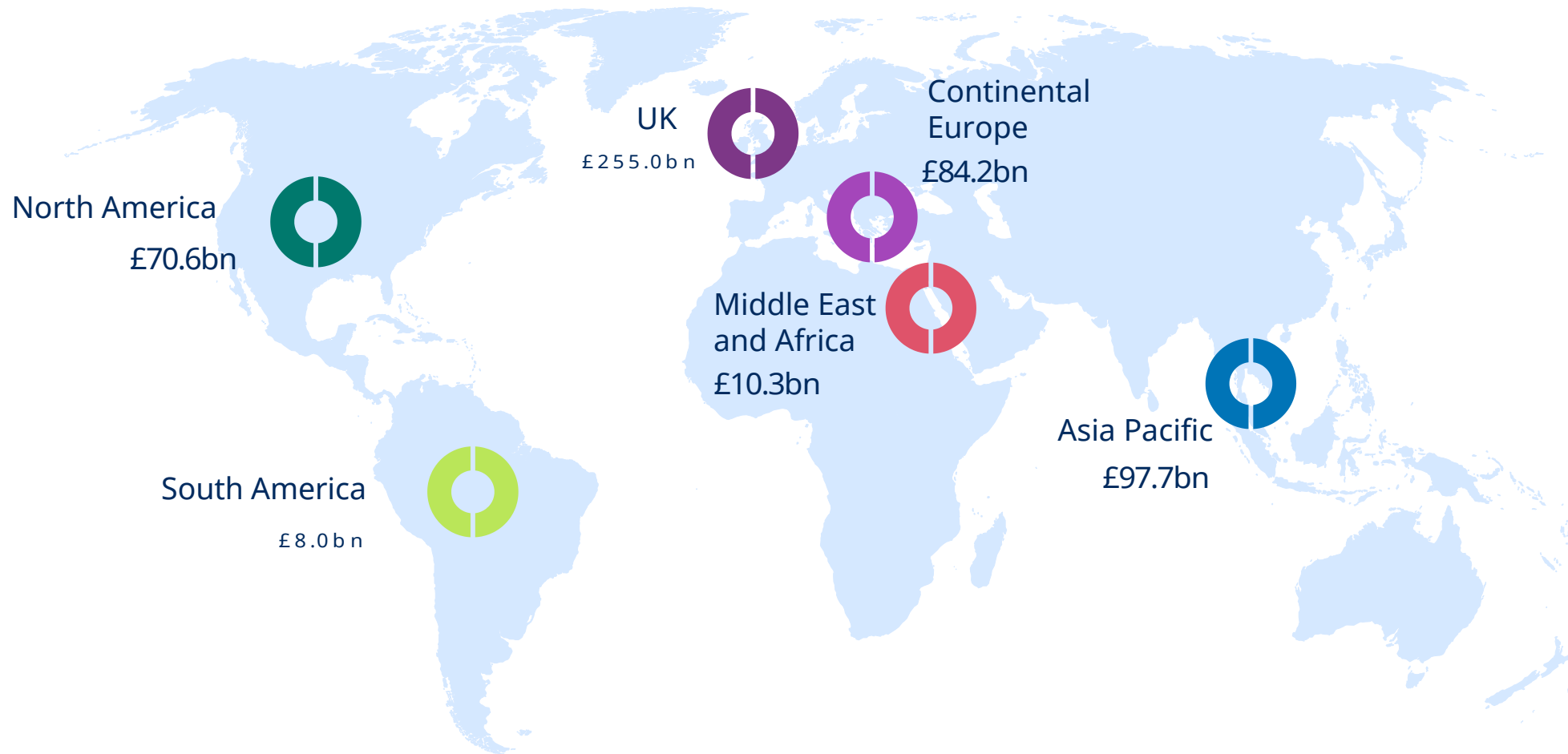
£bn	Private Assets & Alternatives	Solutions	Mutual Funds	Institutional	Asset Management	Wealth Management	Total AUM
<b>1 January 2020</b>	<b>44.2</b>	<b>142.8</b>	<b>102.4</b>	<b>144.1</b>	<b>433.5</b>	<b>66.7</b>	<b>500.2</b>
Net flows	(0.4)	42.7	(4.8)	(0.7)	36.8	1.3	38.1
Acquisitions <sup>1</sup>	-	-	-	-	-	0.3	0.3
Investment returns	1.5	(10.3)	(3.5)	2.1	(10.2)	(2.6)	(12.8)
<b>30 June 2020</b>	<b>45.3</b>	<b>175.2</b>	<b>94.1</b>	<b>145.5</b>	<b>460.1</b>	<b>65.7</b>	<b>525.8</b>

<sup>1</sup>Acquisitions within Wealth Management relates to the purchase of TRPP.



# Assets under management (AUM)

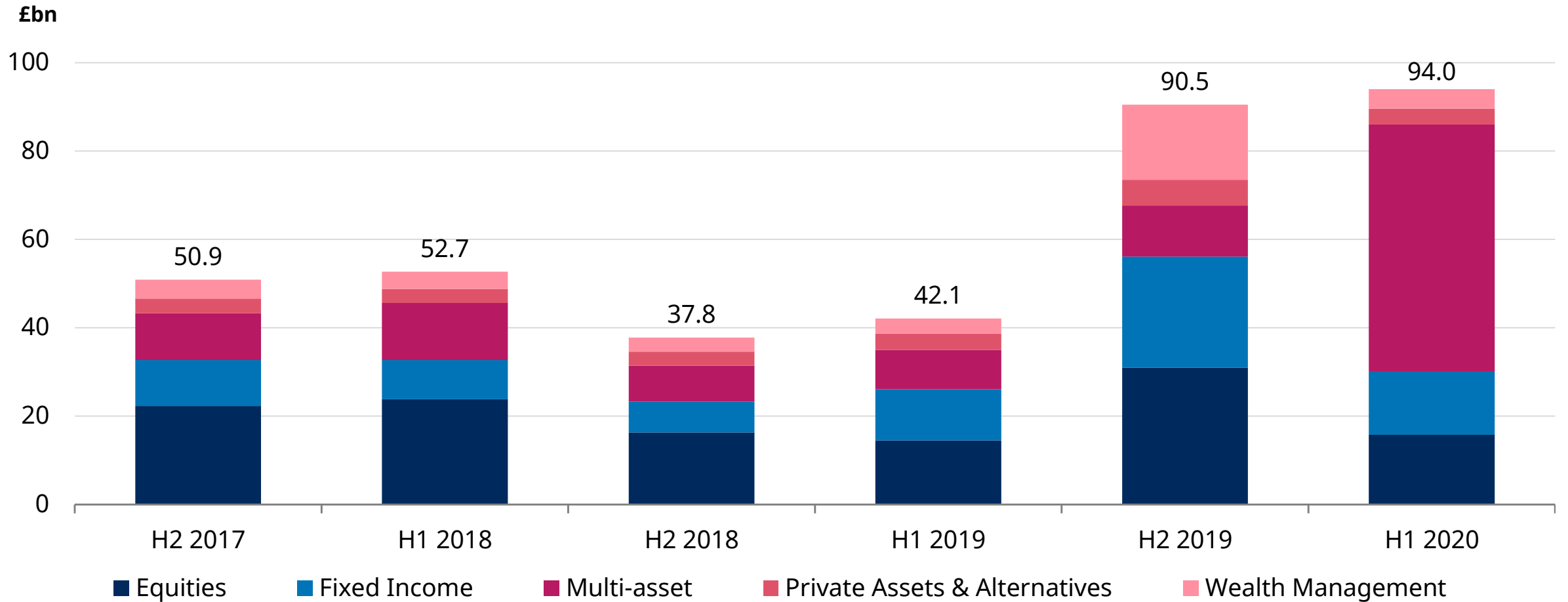
£525.8 billion at 30 June 2020





# Gross flows

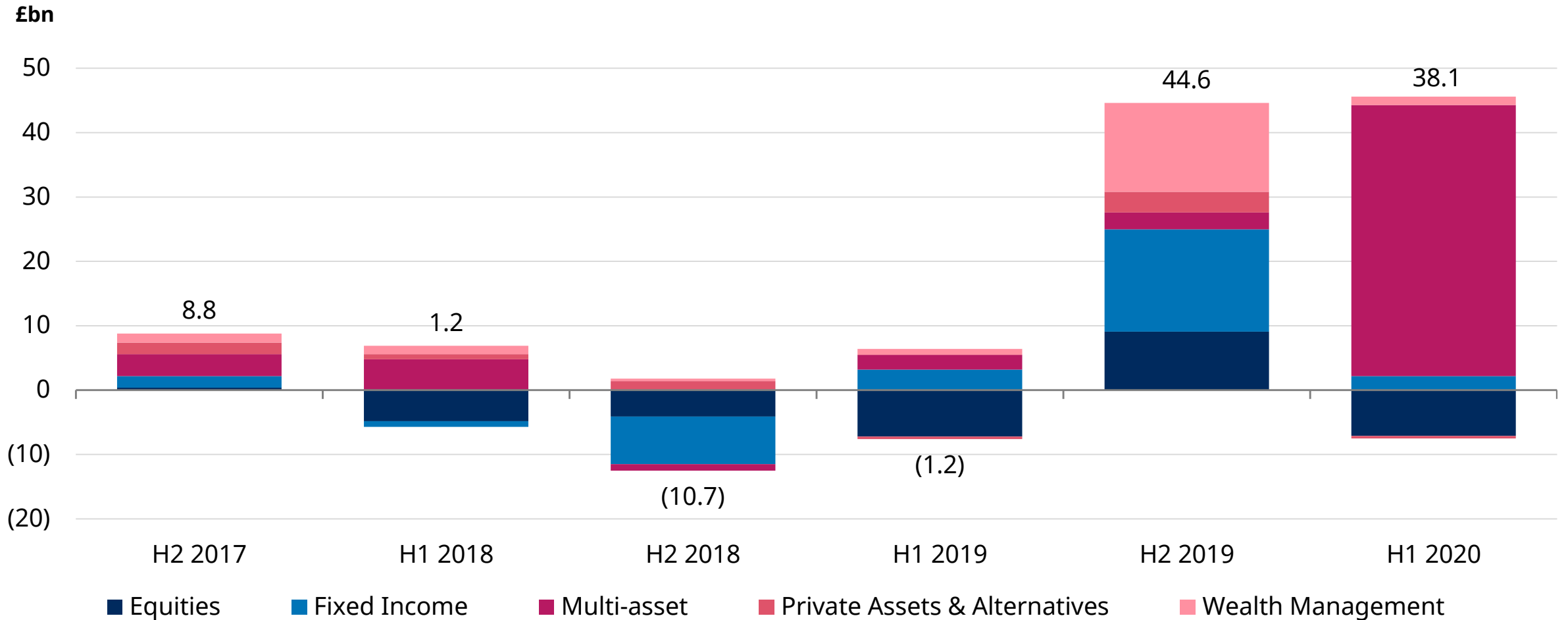
## Half-yearly





# Net flows

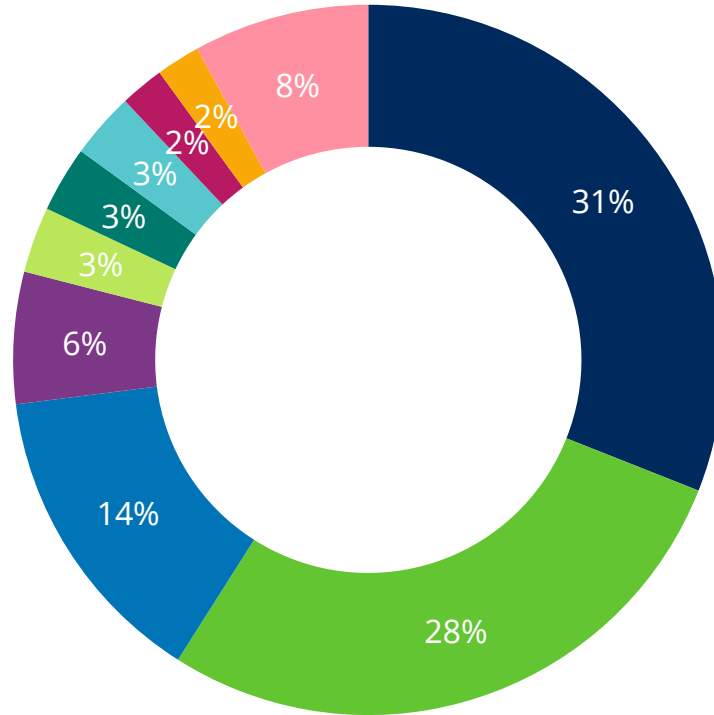
## Half-yearly





# Currency profile of AUM

Assets under management £525.8 billion



■ USD<sup>1</sup> ■ GBP ■ EUR ■ CNY ■ JPY ■ AUD ■ CHF ■ TWD ■ KRW ■ Other<sup>2</sup>

<sup>1</sup>USD includes other currencies pegged to USD, including HKD.

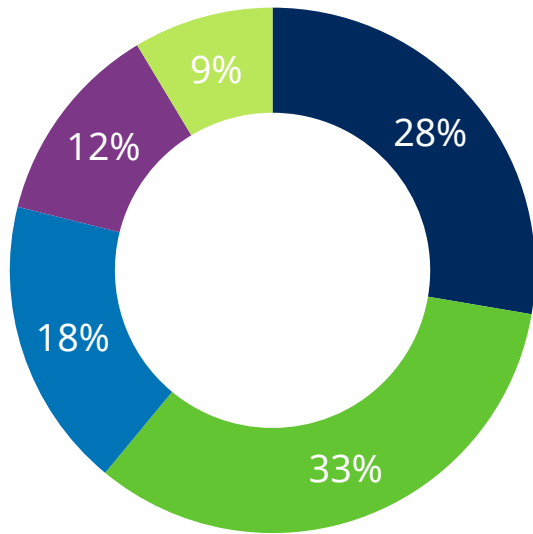
<sup>2</sup>Includes the following currencies which individually constitute 1% of AUM: SGD, INR, IDR, BRL, CAD, RUB.



# Total AUM by business area, region and product

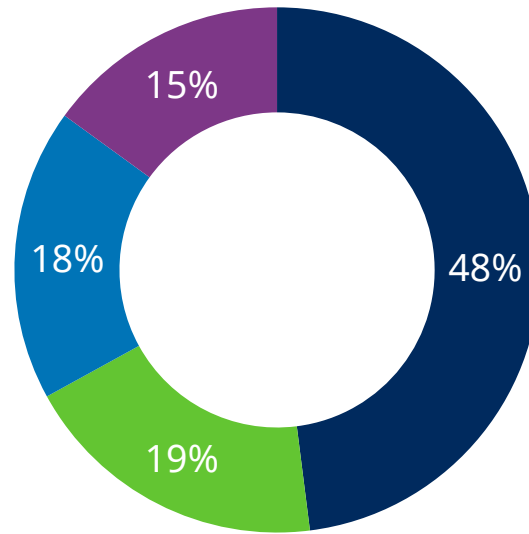
Assets under management £525.8 billion

### By business area



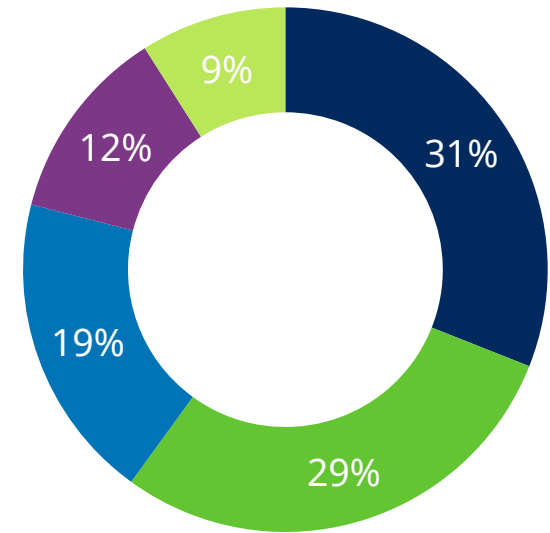
- Institutional
- Solutions
- Mutual Funds
- Wealth Management
- Private Assets & Alternatives

### By region<sup>1</sup>



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

### By product



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

<sup>1</sup>By client domicile.

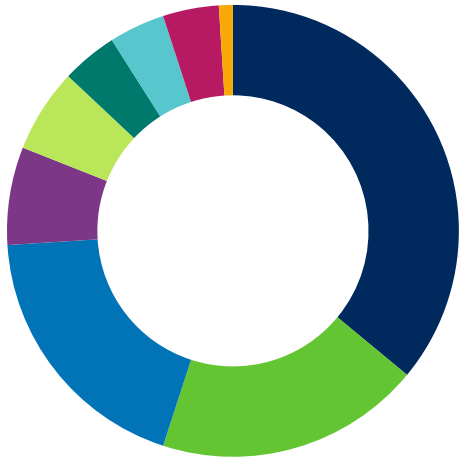




# Asset Management AUM by business area and product

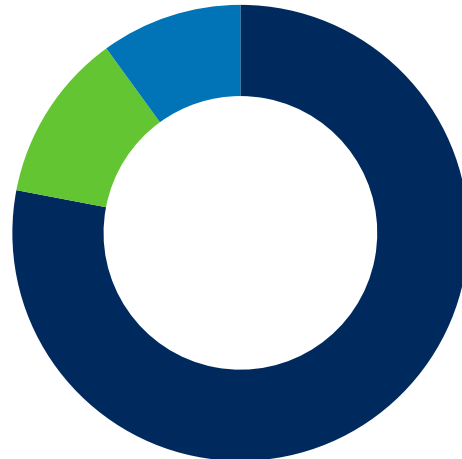
Assets under management £460.1 billion

### Private Assets & Alternatives £45.3bn



Real estate	36%
Private Equity	19%
Securitised credit	19%
GAIA <sup>1</sup>	7%
Direct Lending and impact investment <sup>2</sup>	6%
Emerging market debt	4%
Infrastructure finance	4%
Insurance linked	4%
Commodities	1%

### Solutions £175.2bn



Multi asset	78%
Equities	12%
Fixed Income	10%

### Mutual Funds £94.1bn



Equities	50%
Fixed Income	36%
Multi asset	14%

### Institutional £145.5bn



Equities	65%
Fixed Income	35%

<sup>1</sup>Represents GAIA assets that are externally managed only.

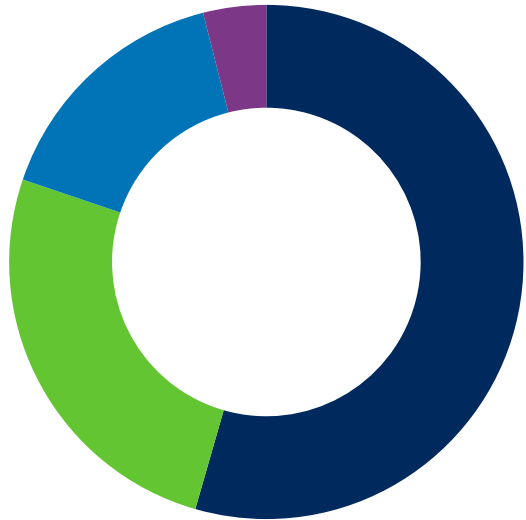
<sup>2</sup>Includes BlueOrchard Finance and NEOS.



# Asset Management AUM by business area and region

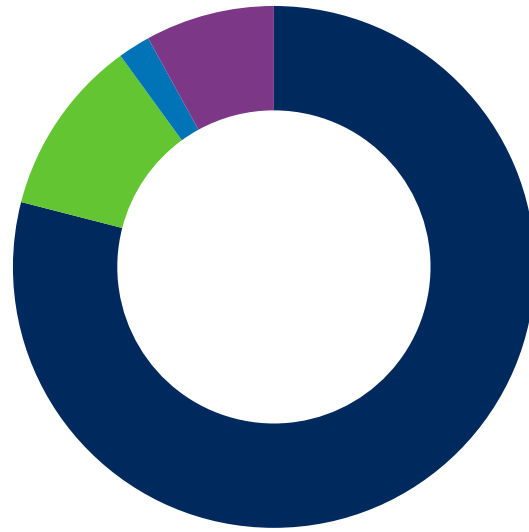
Assets under management £460.1 billion

**Private Assets & Alternatives  
£45.3bn**



■ Europe, Middle East & Africa	55%
■ UK	25%
■ Americas	16%
■ Asia Pacific	4%

**Solutions £175.2bn**



■ UK	79%
■ Asia Pacific	11%
■ Europe, Middle East & Africa	2%
■ Americas	8%

**Mutual Funds £94.1bn**



■ Europe, Middle East & Africa	36%
■ Asia Pacific	32%
■ UK	23%
■ Americas	9%

**Institutional £145.5bn**



■ Asia Pacific	31%
■ Americas	33%
■ Europe, Middle East & Africa	19%
■ UK	17%



# Asset Management AUM – detailed asset class analysis

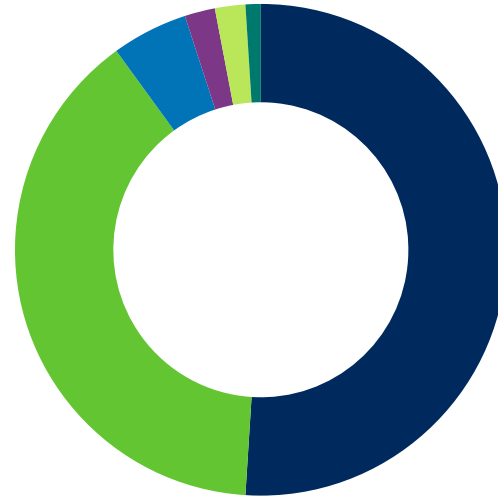
Assets under management £460.1 billion

**Equities £162.4bn**



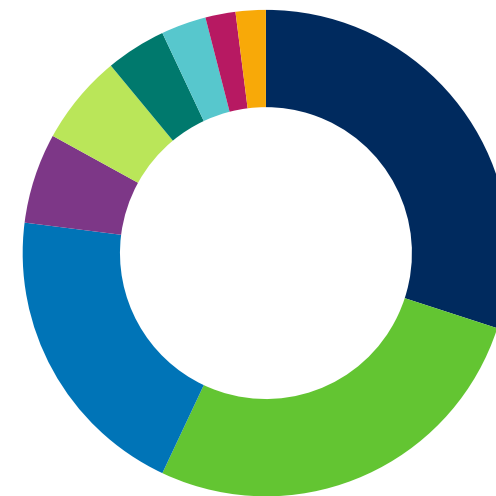
■ Asia Pacific	23%
■ Global	18%
■ Emerging markets	17%
■ UK	13%
■ Quantitative equities	9%
■ Europe	8%
■ Japan	5%
■ US	4%
■ Australia	3%

**Multi-asset £150.9bn**



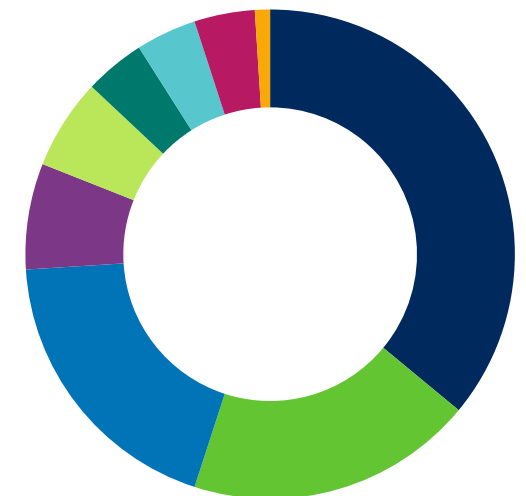
■ Risk controlled growth	51%
■ Risk mitigation	39%
■ Multi-asset income	5%
■ Multi-asset inflation	2%
■ Other	2%
■ Multi-asset advanced beta	1%

**Fixed Income £101.5bn**



■ Global	30%
■ US	27%
■ Europe	20%
■ Asia Pacific	6%
■ UK	6%
■ Emerging market bonds	4%
■ Australia	3%
■ Convertibles	2%
■ Custom Bond Beta	2%

**Private Assets & Alternatives £45.3bn**

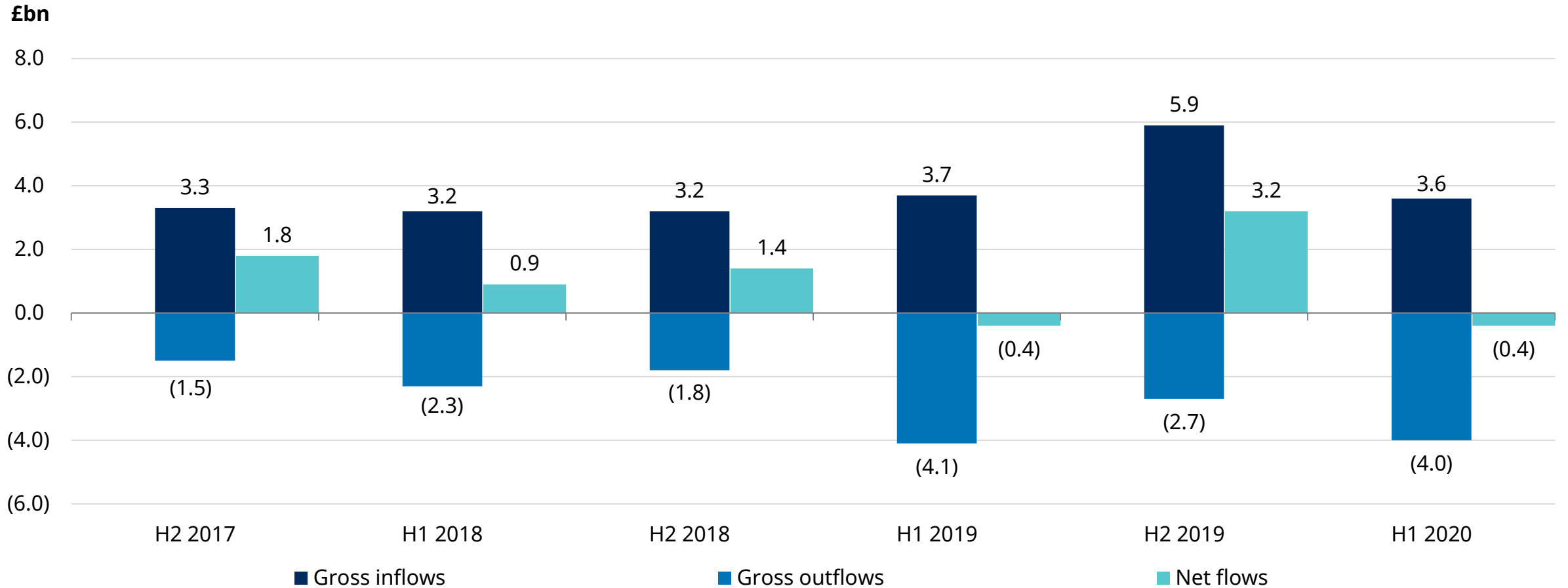


■ Real estate	36%
■ Private Equity	19%
■ Securitised credit	19%
■ GAIA	7%
■ Direct Lending and impact investment	6%
■ Emerging market debt	4%
■ Infrastructure finance	4%
■ Insurance linked	4%
■ Commodities	1%



# Private Assets & Alternatives – gross and net flows

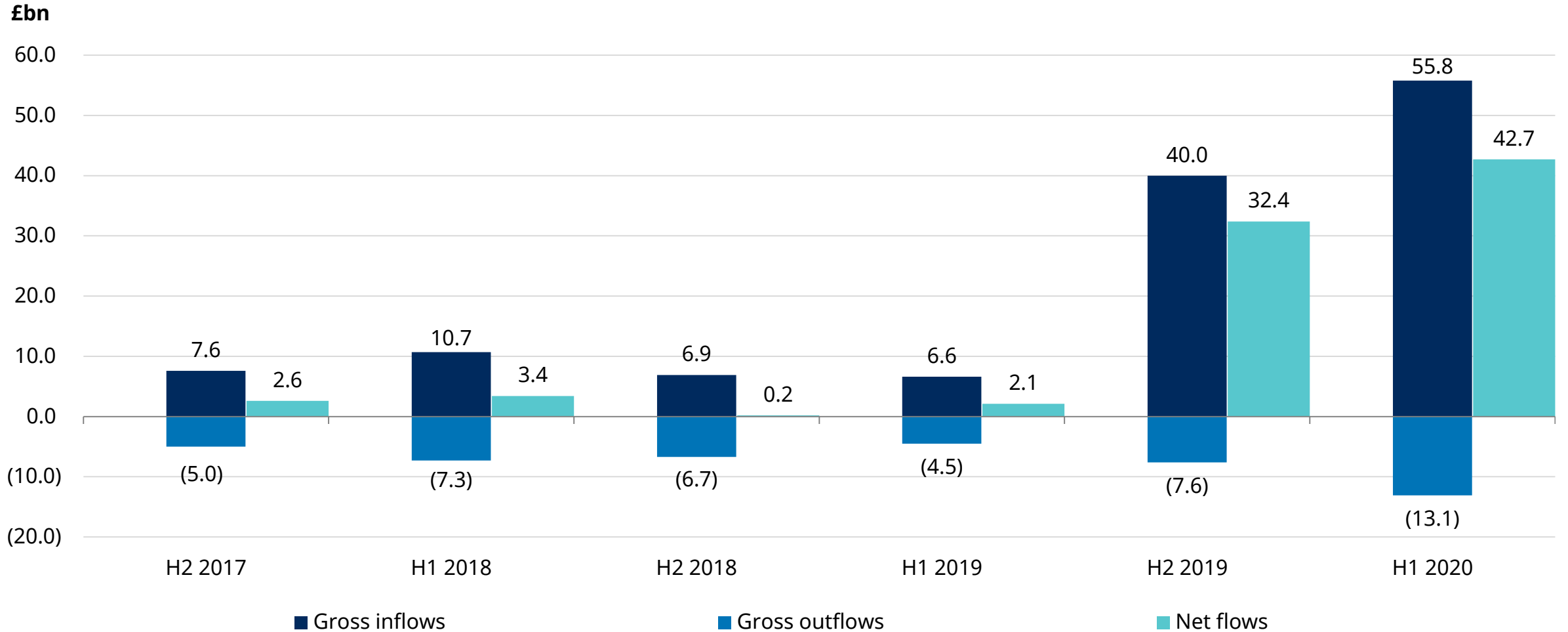
Assets under management £45.3 billion





# Solutions – gross and net flows

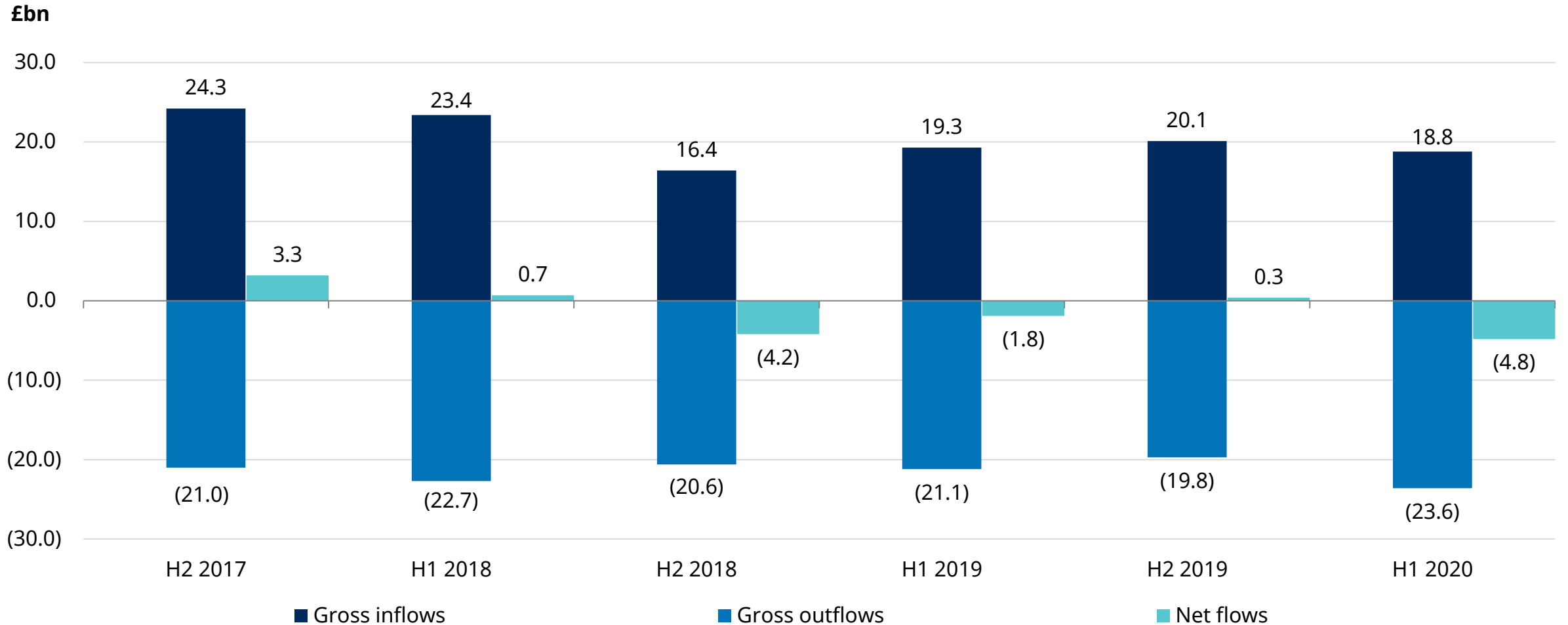
Assets under management £175.2 billion





# Mutual Funds – gross and net flows

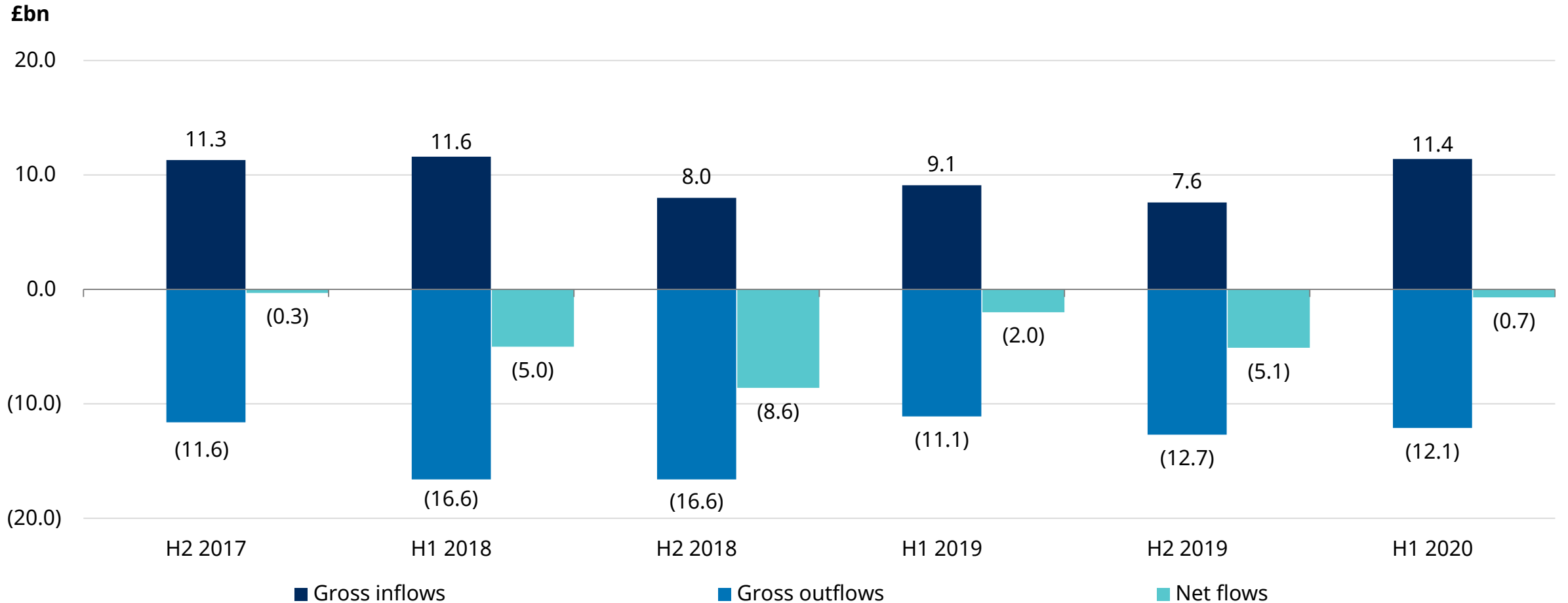
Assets under management £94.1 billion





# Institutional – gross and net flows

Assets under management £145.5 billion

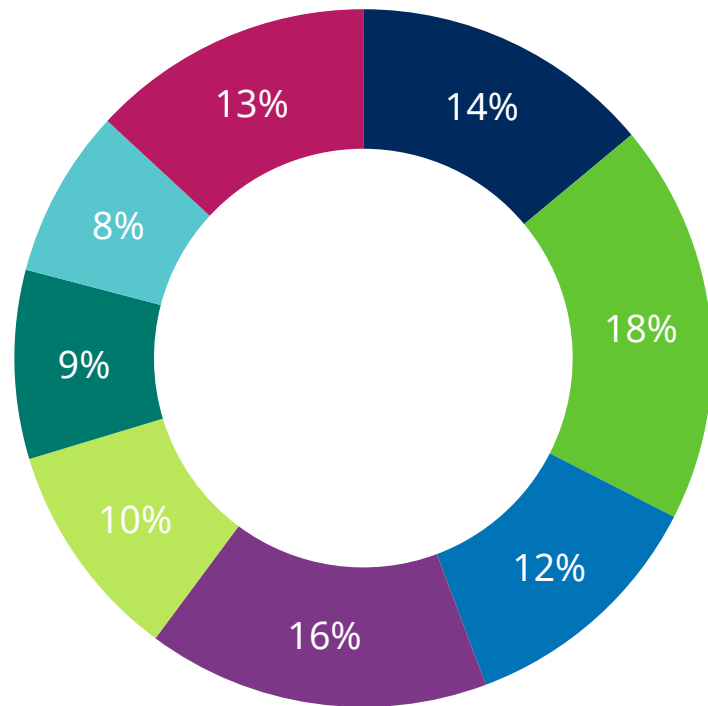




# Wealth Management

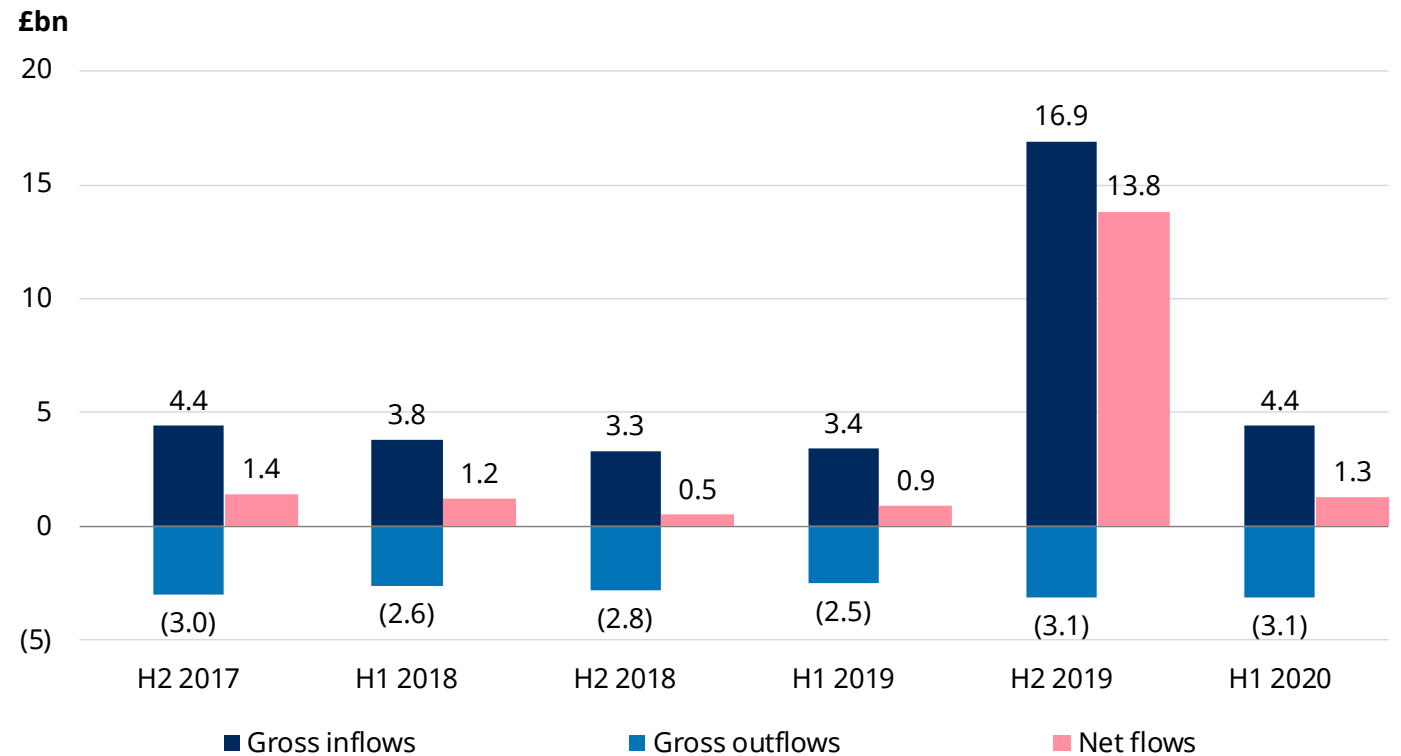
Assets under management £65.7 billion

### Clients by portfolio size



- <£1m
- £1m - £5m
- £5m - £10m
- £10m - £25m
- £25m - £50m
- £50m - £100m
- £100m - £250m
- >£250m

### Gross and net flows







# Net operating revenue and margins – Asset Management

Asset Management net operating revenue £819.9 million

£m	FY 2019	H1 2019	H1 2020
Performance fees - £m	42.9	1.9	17.4
Net carried interest - £m	29.3	25.4	1.0
Performance fees and net carried interest on average AUM	2 bps	1 bps	0 bps
Net operating revenue (ex performance fees and net carried interest) - £m	1,690.9	825.6	801.5
Net operating revenue margin (ex performance fees and net carried interest) on average AUM	43 bps	44 bps	37 bps
Net income <sup>1</sup> - £m	1,781.2	864.6	835.6
Operating expenses <sup>1</sup> - £m	(1,174.3)	(572.2)	(575.3)
<b>Profit before tax<sup>1</sup> - £m</b>	<b>606.9</b>	<b>292.4</b>	<b>260.3</b>

<sup>1</sup>Excluding exceptional items.



# Income statement progression

## Asset Management profit before tax

£m	H1 2018	H2 2018	H1 2019	H2 2019	H1 2020
Net operating revenue	911.1	877.7	852.9	910.2	819.9
Net gain/(loss) on financial instruments and other income	1.5	(4.8)	0.5	(5.9)	(4.1)
Share of profit of associates and joint ventures	8.9	6.8	11.2	12.3	19.8
<b>Net income</b>	<b>921.5</b>	<b>879.7</b>	<b>864.6</b>	<b>916.6</b>	<b>835.6</b>
<b>Operating expenses</b>	<b>(574.1)</b>	<b>(556.3)</b>	<b>(572.2)</b>	<b>(602.1)</b>	<b>(575.3)</b>
<b>Asset Management profit before tax and exceptional items</b>	<b>347.4</b>	<b>323.4</b>	<b>292.4</b>	<b>314.5</b>	<b>260.3</b>
<b>Exceptional items</b>	<b>(15.2)</b>	<b>(67.4)</b>	<b>(8.0)</b>	<b>(33.4)</b>	<b>(7.1)</b>
<b>Asset Management profit before tax and after exceptional items</b>	<b>332.2</b>	<b>256.0</b>	<b>284.4</b>	<b>281.1</b>	<b>253.2</b>



# Income statement progression

## Wealth Management profit before tax

£m	H1 2018	H2 2018	H1 2019	H2 2019	H1 2020
Net operating revenue	139.9	142.0	140.4	161.7	180.4
Net gain on financial instruments and other income	3.7	3.8	3.2	3.3	6.6
Share of profit of associates and joint ventures	0.2	0.2	0.4	0.6	0.6
<b>Net income</b>	<b>143.8</b>	<b>146.0</b>	<b>144.0</b>	<b>165.6</b>	<b>187.6</b>
<b>Operating expenses</b>	<b>(95.1)</b>	<b>(101.3)</b>	<b>(100.8)</b>	<b>(121.3)</b>	<b>(127.3)</b>
<b>Wealth Management profit before tax and exceptional items</b>	<b>48.7</b>	<b>44.7</b>	<b>43.2</b>	<b>44.3</b>	<b>60.3</b>
<b>Exceptional items</b>	<b>(10.8)</b>	<b>(14.6)</b>	<b>(13.1)</b>	<b>(21.5)</b>	<b>(19.0)</b>
<b>Wealth Management profit before tax and after exceptional items</b>	<b>37.9</b>	<b>30.1</b>	<b>30.1</b>	<b>22.8</b>	<b>41.3</b>



# Income statement progression

## Group segment profit/(loss) before tax

£m	H1 2018	H2 2018	H1 2019	H2 2019	H1 2020
Net gain on financial instruments and other income	18.8	10.3	21.5	19.3	5.7
Share of profit of associates	2.0	1.8	2.5	1.6	-
<b>Net income</b>	<b>20.8</b>	<b>12.1</b>	<b>24.0</b>	<b>20.9</b>	<b>5.7</b>
<b>Operating expenses</b>	<b>(19.8)</b>	<b>(16.1)</b>	<b>(19.2)</b>	<b>(18.9)</b>	<b>(19.3)</b>
<b>Group profit/(loss) before tax and exceptional items</b>	<b>1.0</b>	<b>(4.0)</b>	<b>4.8</b>	<b>2.0</b>	<b>(13.6)</b>
<b>Exceptional items</b>	<b>-</b>	<b>(3.3)</b>	<b>-</b>	<b>(0.6)</b>	<b>-</b>
<b>Group profit/(loss) before tax and after exceptional items</b>	<b>1.0</b>	<b>(7.3)</b>	<b>4.8</b>	<b>1.4</b>	<b>(13.6)</b>



# Cost and return metrics

## Total Schroders Group costs

	2019	H1 2019	H1 2020
Total compensation ratio <sup>1</sup>	44%	44%	45%
Headcount	5,673	5,339	5,521
Total costs (£m) <sup>1</sup>	1,423.6	692.2	697.7
Ratio of total costs to net income <sup>1</sup>	67%	67%	70%

### Total compensation ratio

= compensation costs divided by net income<sup>2</sup>

### Ratio of total costs to net income

= costs divided by net income

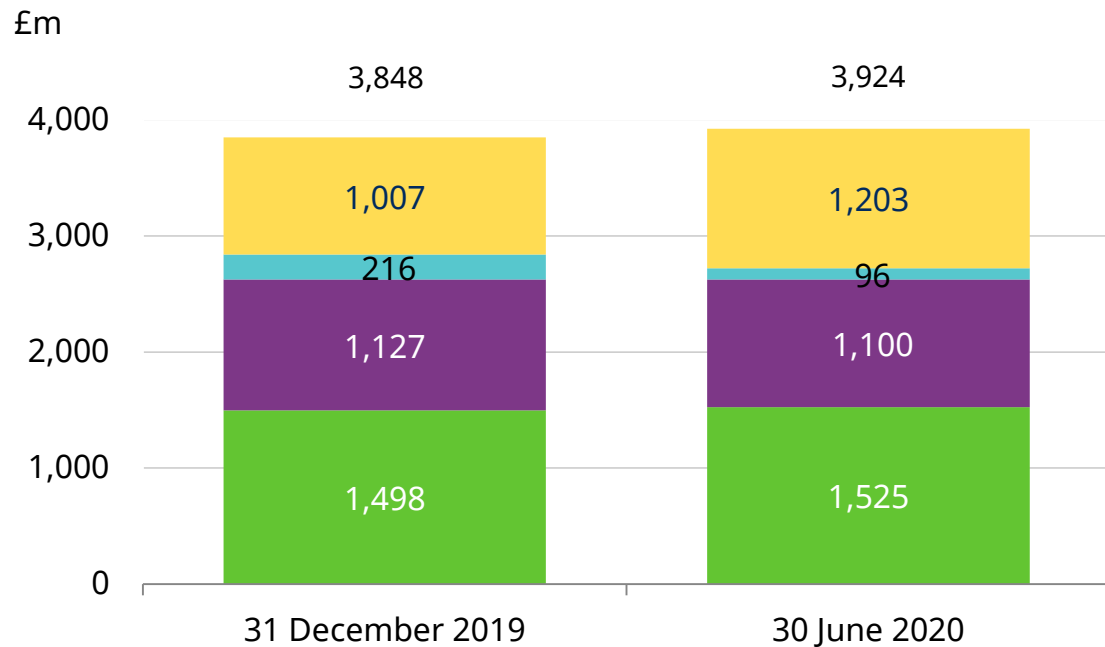
<sup>1</sup>Excludes exceptional items.

<sup>2</sup>Costs and income are subject to adjustments by the Remuneration Committee.



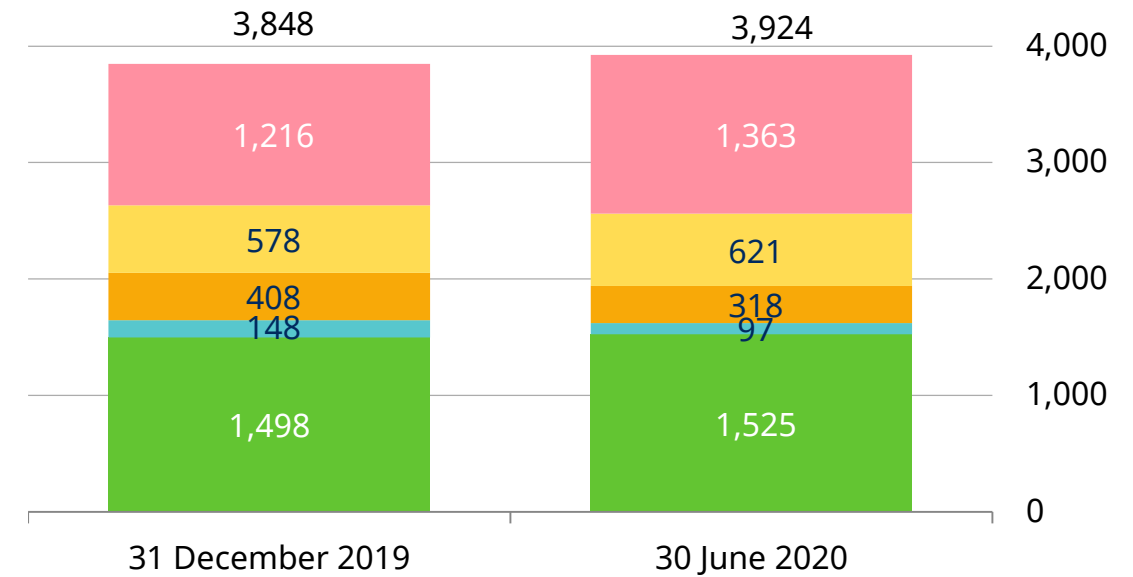
# Group capital

## Capital Base



■ Capital surplus 
 ■ Dividend<sup>1</sup>
■ Overall regulatory capital requirement 
 ■ Other items<sup>2</sup>

## Capital Allocation



■ Working capital - regulatory and other 
 ■ Working capital - seed and co-investment 
 ■ Investment capital - liquid 
 ■ Investment capital - illiquid 
 ■ Other items<sup>2</sup>

<sup>1</sup>Final 2019 dividend/proposed 2020 interim dividend.

<sup>2</sup>Comprises items that are inadmissible for regulatory purposes, principally goodwill, intangible assets and pension scheme surplus.