



DELIVERING ON OUR GROWTH STRATEGY

2021 was another strong year for Schroders both in terms of our financial results and in extending our opportunities for future growth.

Net operating revenue was up 17% at £2,403.1 million (2020: £2,059.6 million), profit before tax and exceptional items was up 19% at £836.2 million (2020: £702.3 million) and profit after tax was up 28% at £623.8 million (2020: £486.0 million). Net new business was £35.3 billion (2020: £54.9 billion) and assets under management ended the year at £731.6 billion (2020: £663.0 billion).

Investment performance for clients was generally strong across the board with 79% of assets under management outperforming their benchmark over three years and 78% over five years.

This led to good growth in our traditional asset management businesses and in wealth management, and high levels of new business in Schroders Capital, our private assets business, which has been a strategic priority for us in recent years.

Our strategic partnerships with major financial institutions in China, India, Japan, the US and the UK are performing well and are an increasingly important source of assets under management and revenue, representing a significant long term growth opportunity.

We agreed three acquisitions in 2021, River and Mercantile's solutions business, Cairn, a Dutch real estate investor, and Greencoat Capital, a leader in European renewables. These meet our strategic goals of getting closer to end clients, extending our capabilities in private assets and building out our range of thematic and sustainability funds.

Dividend

Our policy is to provide shareholders with a progressive and sustainable dividend, targeting a pay out ratio of around 50%. The Board increased the interim dividend to 37 pence per share (2020: 35 pence), and will recommend to shareholders at the Annual General Meeting a final dividend of 85 pence per share (2020: 79 pence), taking the full year dividend to 122 pence per share (2020: 114 pence), an increase of 7%. The final dividend will be paid on 5 May 2022 to shareholders on the register on 25 March 2022.

The Board

Elizabeth Corley joined the Board on 1 September as an independent non-executive Director and will succeed me as Chair at the conclusion of the Annual General Meeting on 28 April 2022, subject to shareholder approval. Ian King, the Senior Independent Director, led the search and his report on the process is included in the Nominations Committee report on page 69.

Matthew Westerman will succeed Damon Buffini as Chairman of the Remuneration Committee after the Annual General Meeting. I would like to thank Damon for his contribution in this important role and we will continue to benefit from his experience in this regard as he will remain a member of the Committee.

We are very pleased that Paul Edgecliffe-Johnson, Chief Financial Officer of InterContinental Hotels Group plc, has agreed to join the Board as a non-executive Director, effective 1 July 2022.

Looking forward

As Schroders continues to grow we become increasingly aware of the positive role we can play to the benefit of all our stakeholders. We assist a very broad range of clients meet their financial goals; we channel capital to companies to support them in investing for growth and engage with them on their path to sustainability; we offer employees a rewarding and challenging career path; and we work constructively with counterparties and suppliers – all fundamental aspects of creating long-term value for shareholders and a long term future for the Company.

I will step down from the Board at the conclusion of the Annual General Meeting in April. It has been a privilege to have been at Schroders for 21 years, first as Chief Executive and, for the last six years, Chairman. Although the Company is much larger than the one I joined in 2001, our culture has not changed in that we continue to put our clients first and think long term in everything we do. The consistent support of the Principal Shareholder Group has been an important part of this.

It is a pleasure to see Schroders in this position of strength with so many growth opportunities ahead. I extend my best wishes to Elizabeth Corley, Peter Harrison and all the talented people who have created this success.

Michael Dobson

Chairman

2 March 2022