

## Annual General Meeting 2023 Statements from the Chair and Group Chief Executive

### Dame Elizabeth Corley – Chair

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I would like to welcome you to our 2023 Annual General Meeting, my first as Chair of your Company.

Before I turn to the business of today, I would like to say a few words about Sir Win Bischoff, who sadly passed away this week. Win joined Schroders in 1966 and was appointed as Chief Executive in 1984 and became Chairman in 1995, a position he held until 2000. During his extraordinary tenure with Schroders, he drove Schroders growth in Asia, and his partnership with Gowi Mallinckrodt was pivotal in shaping Schroders, including the sale of the investment bank to Citigroup in 2000.

He went on to become Chairman of Citigroup, Lloyds Banking Group and the Financial Reporting Council. He served on a number of other boards including S&P Global, Prudential, Eli Lilly and Land Securities. Win had a significant impact in shaping Schroders. He will be remembered fondly by all those who worked with him. On behalf of all at Schroders, I send our sincere condolences to his family.

The AGM is an important part of our shareholder communications programme. I am delighted to welcome shareholders attending in person and those participating remotely via live online broadcast. I would like to give an especially warm welcome to those shareholders for whom this is the first opportunity to vote at our AGM following the enfranchisement of our non-voting shares in September last year. The enfranchisement was an important milestone and it received overwhelming support from holders of both classes of shares. Now all our shareholders have the same rights.

Paul Edgecliffe-Johnson was appointed to the Board as an independent non-executive Director on 1 July 2022 and is standing for election today. Paul brings his experience as Chief Financial Officer of a FTSE 100 company and also has considerable experience of international markets. His background as a Chartered Accountant is a specific strength as a member of the Audit and Risk Committee.

As previously announced, Damon Buffini has decided not to seek re-election as a Director following his appointment as Deputy Chair of the BBC. I would like to thank Damon for his enormous contribution to the Board and as a previous Chair of the Remuneration Committee. I am pleased we will be able to continue to benefit from his experience in an advisory capacity.

This morning, we announced that Iain Mackay, currently Chief Financial Officer at GSK, will join the Board in January next year once he has completed the transition to his successor at GSK. I am sure we will benefit enormously from Iain's extensive experience of global businesses.

Also this morning, we announced that Richard Keers will be retiring from the Board in October after 10 years as our CFO. Richard has made a very significant contribution as CFO, and I would like to thank Richard now for all he has done for the Company. Richard will continue with us until the end of the year to enable a smooth transition to his successor, Richard Oldfield, who will join us in October. Richard Oldfield is currently a partner at PricewaterhouseCoopers, where he is Vice Chairman and Global Markets Leader. We look forward to welcoming Richard Oldfield to the Board.

As I said in my introduction to the Annual Report and Accounts, 2022 was a very challenging year for everybody, with markets and returns dramatically affected. Our strategy and resilience were tested, and I am heartened to say, they were proven. We anticipated that 2023 would see ongoing volatility in markets and this has been the case.

## Peter Harrison – Group Chief Executive

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The outflows in the UK market in 2022 were the worst on record, and yet, during the year, we delivered growth up 1%, excluding performance fees, and we only saw a very small decline in our net new business. Our net assets shrunk by £1.6 billion of outflows excluding joint ventures, £7.6 billion including our joint ventures around the rest of the world.

That resilience is really important. It speaks to the strategy which I would like to spend a couple of moments on now. We spoke last year about different types of business driving in a concerted way to push towards future growth. Our core, traditional business of Schroders Investment Management, where we look after public investments, primarily for corporations and through mutual funds, has now been put alongside three other growth businesses: our Solutions business (Schroders Solutions), our Wealth business (Schroders Wealth Management) and our Private Markets business (Schroders Capital).

The benefit we saw last year was those three businesses working together and becoming a self-reinforcing flywheel. For example, our Solutions business is using the manufacturers of private equity mandates that we make in our Schroders Capital business. Our Wealth business uses private markets. Our clients within Schroders Investment Management are saying they want private markets, but equally, as we democratise private markets, the mutual fund expertise we have got within Schroders Investment Management can use Schroders Capital manufacturing.

This flywheel effect has given us resilience in an environment where growth is really hard to come by. Consistently being able to move between these areas was a source of strength last year and will be a source of strength to come. If I look at the relative growth rates of our businesses, you can see why these new businesses are important. The shape of the business has changed really quite considerably over the last seven years. Although the assets have grown by 63%, the proportion of business we have got in these new growth areas has gone from 35% to 53%. On the basis of what we have seen thus far, we would expect that percentage to continue increasing.

Our Mutual Funds and Institutional business hasn't been shrinking; it has just been overtaken in growth rates by these other areas, and that's an important point. How do we bolster our positions and the clients we have got in our Mutual Funds and Institutional business by these new growth areas? That is a strategy which we don't see a reason to change. It has been talked about at length by the Board, and we feel that there is a lot more to go for in the Solutions market and the Wealth market and in the Private Assets business. Clearly, the demands we are seeing from clients are very much focused in those areas.

One major development this year was the enfranchisement of our non-voting shares, which received 99.89% votes in favour. We gave three bonus shares for every 17 shares to voting-shareholders and then conducted a share split. It wasn't without mathematical complexity, but it did ensure that we now have one class of share, and a clarity in terms of improved liquidity, and a simplicity in terms of everyone receiving the same dividends.

It is very important that we deliver for shareholders. It is equally important that our role and our licence to operate is reinforced with other stakeholder groups. I will discuss just a few highlights from the year: 96% of our employees feel proud of what it is we do; when we are judged by CDP in terms of our sustainability and characteristics, we are in the top 2% of companies; we received an award for being best in class in relation to our gender diversity work; and Glassdoor voted us one of the best places to work. Our commitment to nature was also a thing which stood out last year. We started a joint venture with Conservation International, Akaria Natural Capital. We launched a plan for nature, and we were voted number one by Global Canopy for our deforestation

commitments and work. Being able to deliver for shareholders, but also for these other stakeholder groups is a really important part of how we as a business can continue to grow and move forward.

In terms of the outlook for 2023, we do expect life to remain choppy. We have already seen some major events this year, not least Silicon Valley Bank. Equally, we believe that we have got a very diversified business. We are operating across a number of different markets with different dynamics, and with products which are standing up to real scrutiny. That will enable us to keep moving forward and keep following the strategy and not be blown off-track by shorter-term market spends.