

## Annual General Meeting 2024 Statements from the Chair and Group Chief Executive

### Dame Elizabeth Corley – Chair

---

I would like to welcome you to our 2024 Annual General Meeting. 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.

As you will be aware, yesterday we announced the future retirement of Peter Harrison, our Group Chief Executive Officer. The Board recognises that, in Peter, we have had an outstanding Group CEO over the past eight years. During his tenure, the business has undergone remarkable transformation to become a global, diversified, active investor across both public and private markets, as well as a leader in UK wealth management, more than doubling assets under management to £760 billion.

Peter has signalled his intention to retire next year, and we will now commence a thorough and extensive search for his successor. Peter will remain as a director during this period, and I know that he will continue to work tirelessly to drive our strategic agenda forward during this time. The Board anticipates an orderly transition during 2025.

I would like to add a more personal note. Though this is premature, given that Peter and I are going to be working together for the rest of the year and into 2025, I think his decision to announce his planned retirement in such a transparent and collaborative way is testament to his loyalty to the business, our people, our clients, and his responsibility to us as a Board. I enjoy working with him enormously.

I would now like to extend a warm welcome to four new directors, all of whom were appointed since our last AGM and are standing for election today. Richard Oldfield was appointed last October and succeeded Richard Keers as Chief Financial Officer of the company. He brings a global perspective, and his experience in audit and advisory with large multinational financial services organisations will help us to continue to deliver on our strategy. We are already benefiting from his experience.

Annette Thomas joined the Board in September as an independent non-executive director, and her track record of driving growth in the information, data, media and education industries will be of great benefit to us, given their huge relevance for us in our strategic direction. Iain Mackay and Frederic Wakeman were appointed to the Board on 1 January 2024 as independent non-executive directors. Iain brings his experience as chief financial officer of FTSE 100 companies and his considerable knowledge of global organisations, operating in many of the international markets in which we operate. Fred brings insights from the US and the UK into private equity and private markets, which will be particularly valuable as we continue to grow Schroders Capital, our private market business.

Rhian Davies has decided not to seek re-election as a director as she reaches nine years of tenure, and on behalf of the Board and shareholders, I would like to thank Rhian for her enormous contribution to the Board, especially as chair of the Audit and Risk Committee and as a member of the Remuneration Committee. Her wise counsel has been invaluable, and we wish her well for her future endeavours. As previously announced, Iain Mackay will become chair of the Audit and Risk Committee at the conclusion of this meeting.

As I said in my introduction to our Annual Report and Accounts, 2023 continued to bring renewed headwinds and geopolitical uncertainty, with markets and returns affected. Our strategy and our resilience were tested and, I am very heartened to say, proven through our long-term approach and our conviction in our strategic direction. We anticipated that 2024 would continue to see ongoing volatility, and indeed this has been the case.

## Peter Harrison – Group Chief Executive

---

Let me start with 2023. We earned revenues last year of £2.4 billion, which enabled operating profits to come in at £661 million and a sustained dividend of 21.5p. What those numbers don't draw out is that the rate of growth in the areas of strategic growth we have been pivoting towards was double the rate of the past year, so we saw £23 billion of new growth in those areas of strategic importance.

As we said last year, one of the things that was going to be absolutely critical in an industry going through a period of disruption, was a really close attention to costs. As we came into the year, we had the full-year effect of past acquisitions. We had the full-year effect of the great resignation in 2022, which everyone talked about, and salary cost inflation around the world, and we also had the growth of our business. As a result of a lot of restructuring and a restructuring charge, we were able to keep our costs overall flat, and that is really important in giving us the firepower to continue to focus on organic growth going forward.

We have talked about the importance of moving into areas of strategic growth; 56% of our assets and 48% of our revenues are in those areas of growth. I have set out the five major areas of our business (Wealth Management, Private Markets, Solutions, Public Markets and JVs and associates), and the first three are areas where we see growth. In wealth management, we have achieved a compound annual growth rate of 16% of our wealth business over the past seven years. In private markets, we have seen a compound growth rate of 17%, and in solutions of 13%.

It is notable that our public markets business is now at 1%, but given the new products we have put in there, the leadership position we have taken on sustainability, and the strength of our investment performance in an industry facing headwinds, ensuring the resilience of that business and ensuring we continue to invest to sustain that business has been really important in giving us legs to get across the valley into those other high-growth areas. That is very much the focus of the management team.

Across all those areas, I see three things which are absolutely critical in terms of defining who we are as a firm and being really relevant to our clients. First of all, sustainability – we believe that getting this right in a world of significant climate change and significant change in social values is going to be an important part of our proposition to clients. I am delighted to say we are on track with the climate commitments we made in the past, and we were rated in the top 2% of all companies for our action on climate and transparency.

[Secondly], we can't do this without our employees. Being a purpose-led business where we are an attractive place to work will always be important. This year, we were voted the Number 1 non-US brand, even in the US, which was a good step forward, and possibly the hardest of all to win is the Employees' Choice Awards in an organisation called Glassdoor, so we were delighted that our employees nominated us to be the employees' choice employer in 2023.

Finally, innovation – the world around us is changing. We are moving to a world of huge digitisation. We are moving to a world of AI. We are moving to a world of very new wrappers for our products, particularly in private markets. In all those areas, we have sought to move our feet and take leadership positions, and I am really pleased to say that we will both launch the first long-term asset funds in the UK, which will enable much greater flow of UK defined contribution pensions into assets which matter for the energy transition going forward. For me, seeing that money flow will really help boost growth in the UK and boost growth towards climate transition.

Let me say a couple of words on 2024. The priority remains on pivoting growth towards those areas of fast-flowing water, and we will continue to invest for organic growth and feel the benefits of the strategic growth.

We expect to see, particularly in areas like pensions and insurance, where the flows are quite lumpy, the headwinds of client change, but over time that transition is gaining momentum.

We will continue to remain very focused on cost reduction. It is really important that, as we make this change, we want to drive revenues, but contain our costs. This year, we took the opportunity to launch a £250 million Tier 2 bond. It was 6.1 times oversubscribed and priced at a premium of just 2.25% over the gilt, which we were very pleased to conclude.

The outlook is undoubtedly uncertain, given the amount of elections in the world and the uncertainty around the future shape of inflation and interest rates, but I do believe that this pivot to strategic growth areas will give us that sustained, long-term and, as Elizabeth said, well-diversified growth.