

Schroders

architax

Inside Architas

Beyond the numbers

October 25

A history of Schroders

Caroline Shaw, Historical Archivist



Origins in Hamburg

Christian Matthias Schröder
(1742–1821)



Christian Matthias Schröder founded a firm of merchants in Hamburg around 1767.

He built up a small fleet of ships trading around the Baltic and across the Atlantic.



Merchant bankers in London

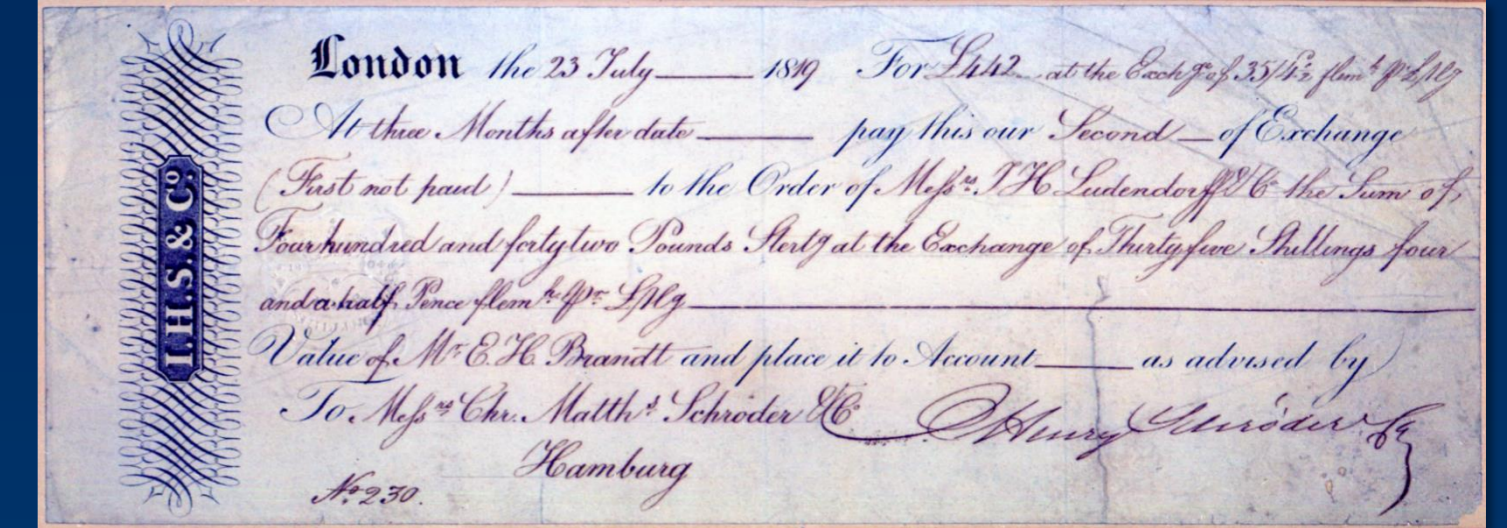
Johann Heinrich Schröder (1784–1883)



Johann Heinrich Schröder was sent to London by his father in 1802, to join his elder brother.

They quickly diversified into merchant banking activities.

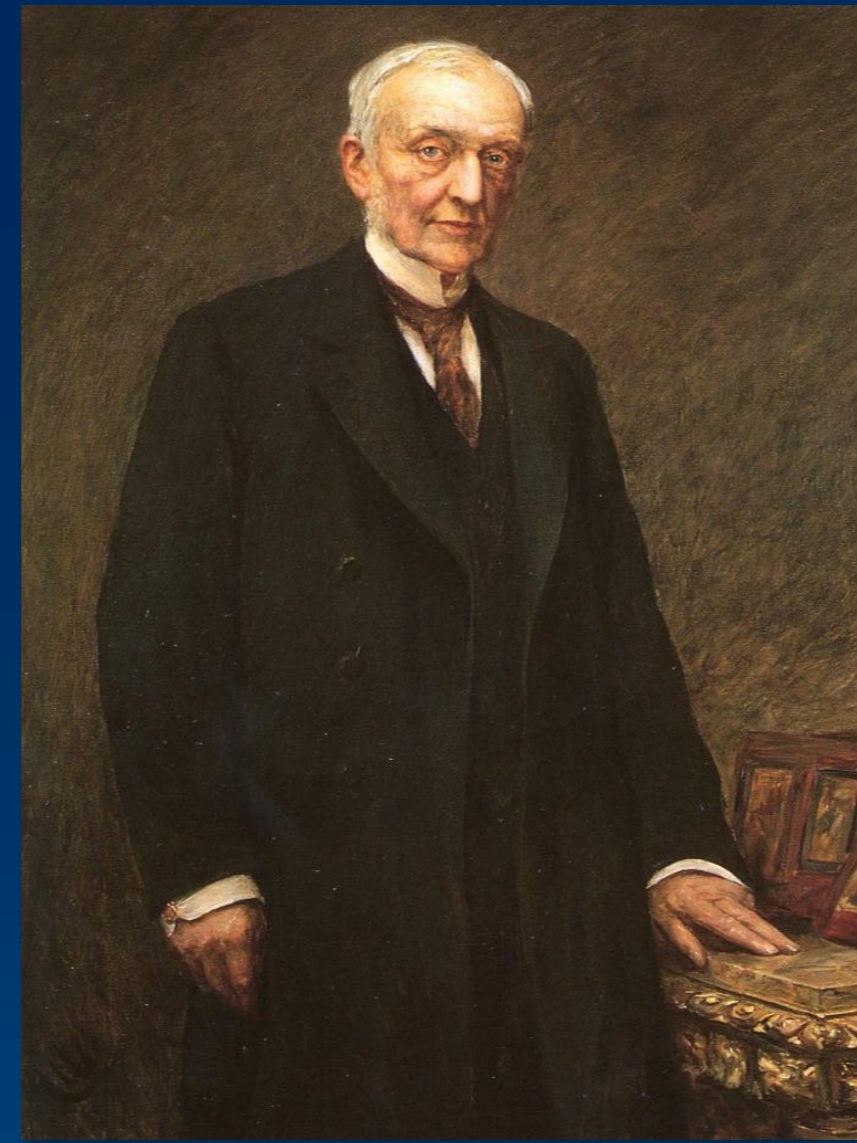
Johann Heinrich set up his own firm in London in 1818.



Bill of exchange issued by J. Henry Schröder & Co., 1819

Financing international development

Baron Sir John Henry Schröder (1825–1910)



In 1853 the firm began issuing bonds to finance large scale infrastructure projects. These included the first railway in Japan, which opened in 1872.

The baron also helped his royal neighbours with their finances.

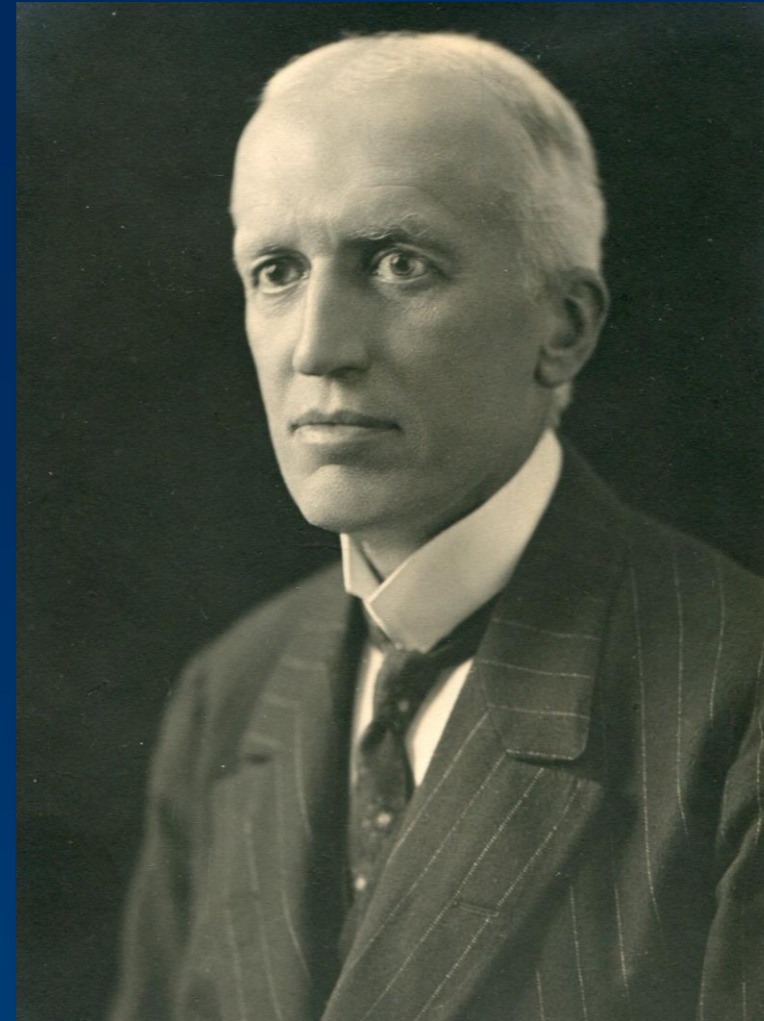
Princess Christian of Schleswig Holstein (1846–1923), daughter of Queen Victoria



Anglo-German ties



Baron Bruno von Schröder
(1867–1940)



By 1914 the firm was, by capital, the second largest of the London merchant banks.

With the outbreak of war, in order to save the firm, Baron Bruno was naturalised as a British subject.

His eldest son was killed on the Eastern Front in 1915, fighting in the German army.

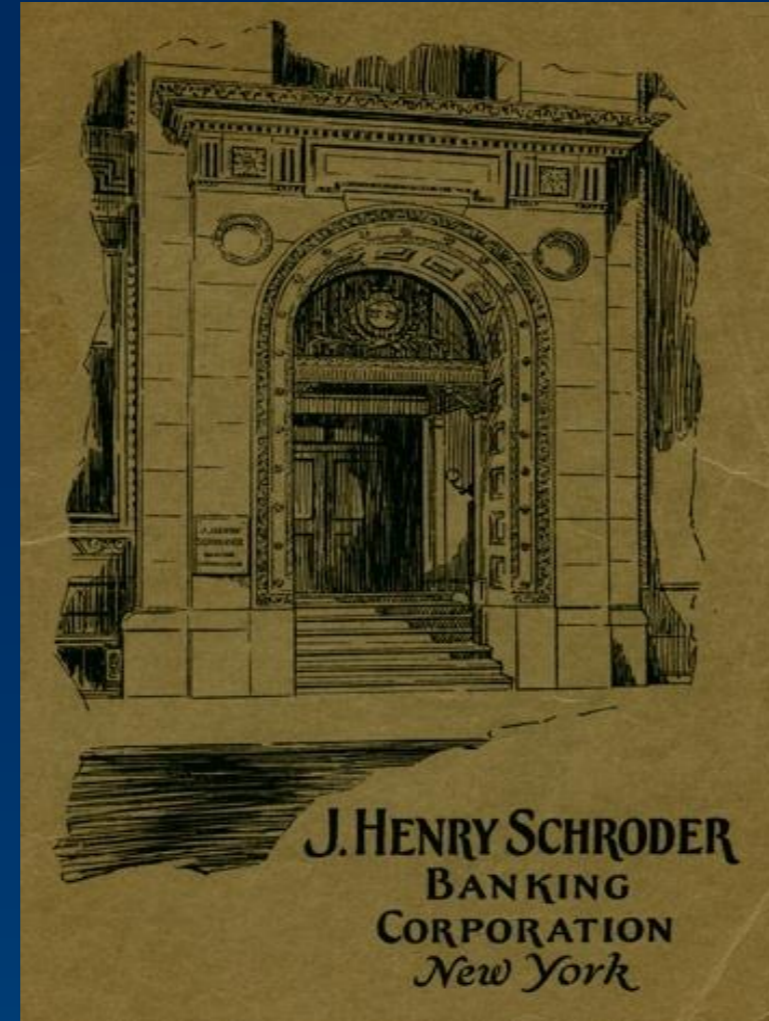


Bruno Schröder (1895–1915), seated front row, third from left. 2nd Mecklenburg Dragoons Regiment 18, Convalescent Division, Kowno [Lithuania], September 1915

Opportunity in America

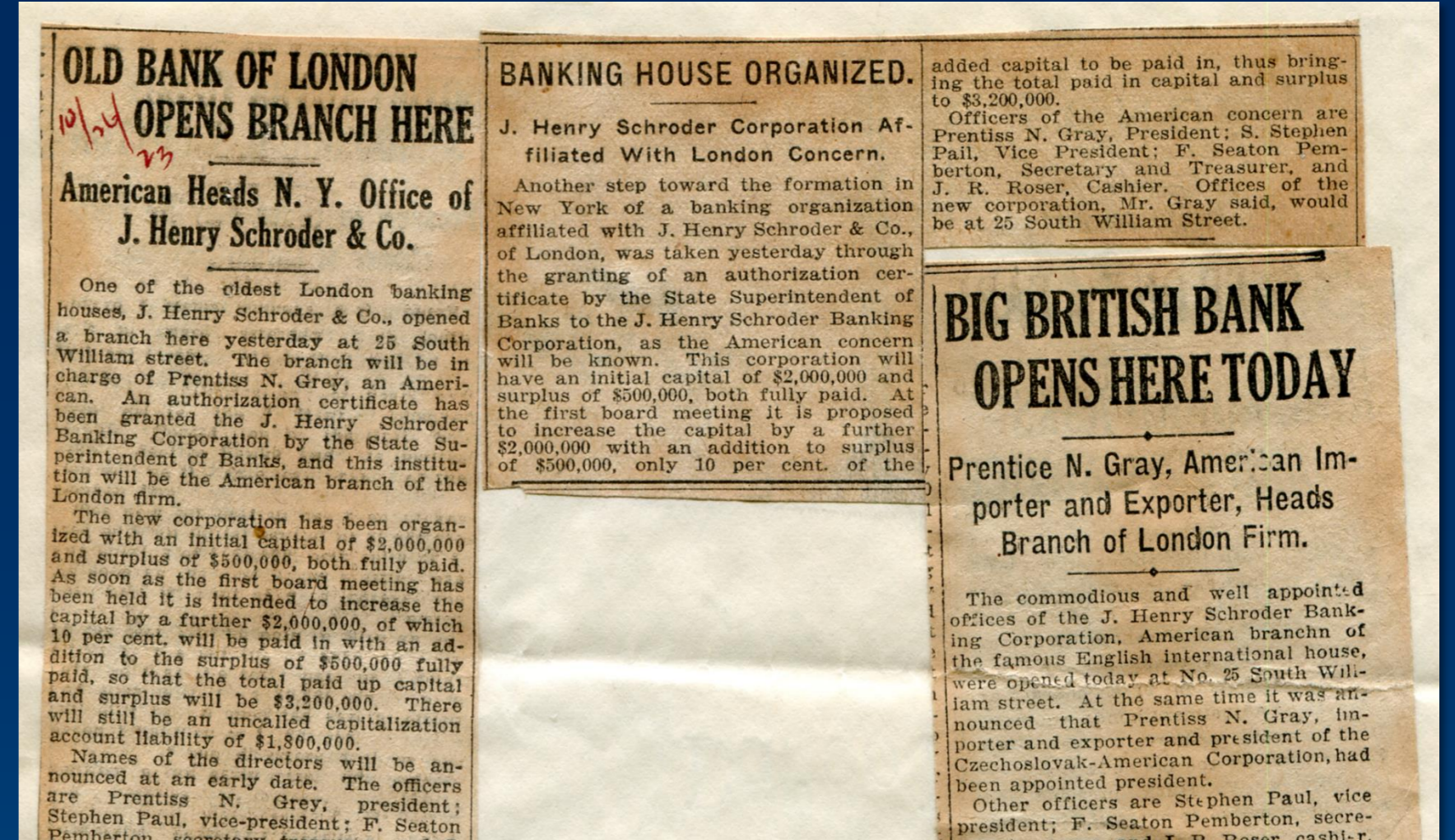


J. Henry Schroder
Banking Corporation
opens in New York, 1923



Instructions to the new firm:

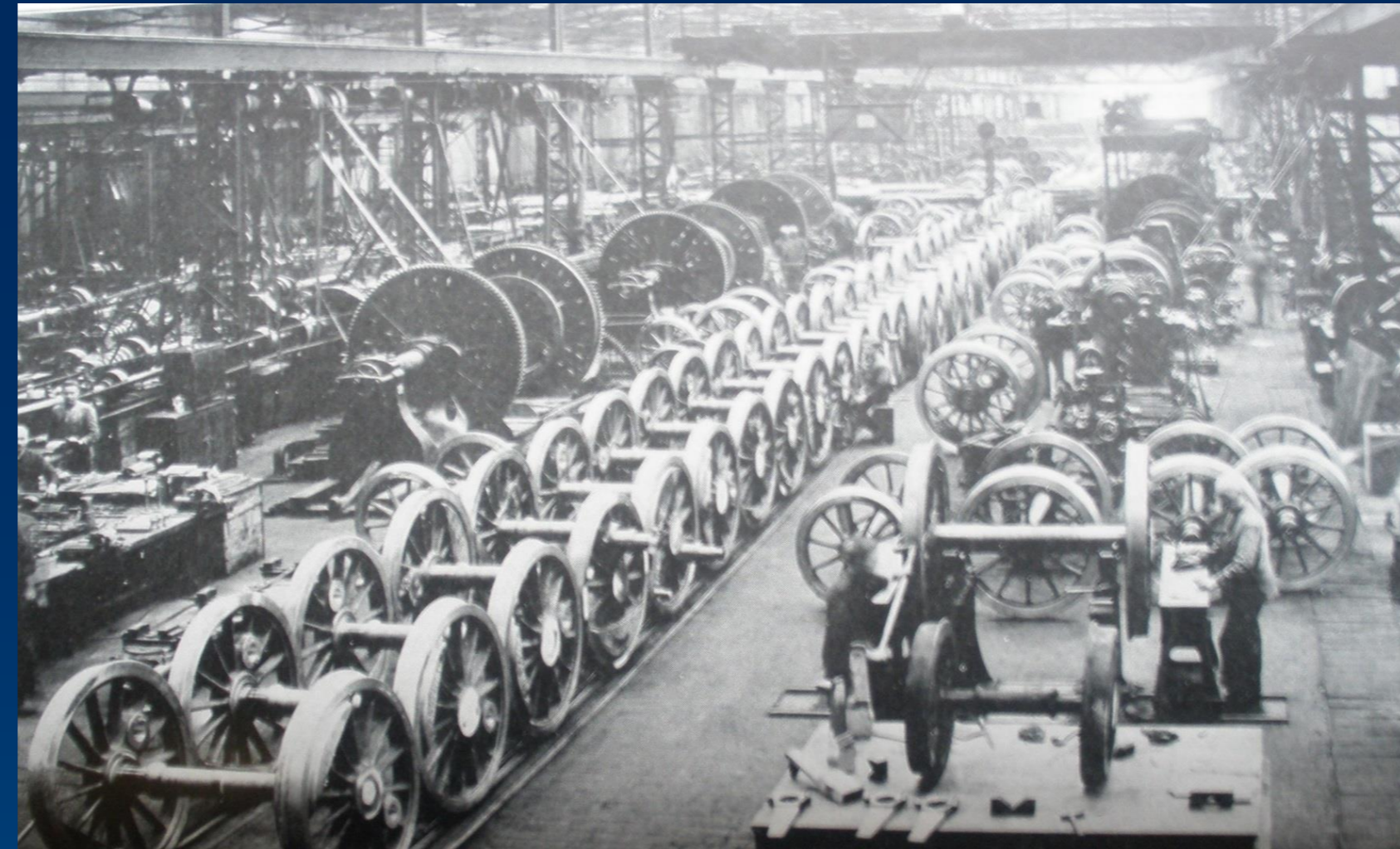
“Remember, we don’t care if you don’t make a cent for the first ten years, but just establish Schroders as a first-class name in New York”.



Investment management



Continental and
Industrial Trust, 1924



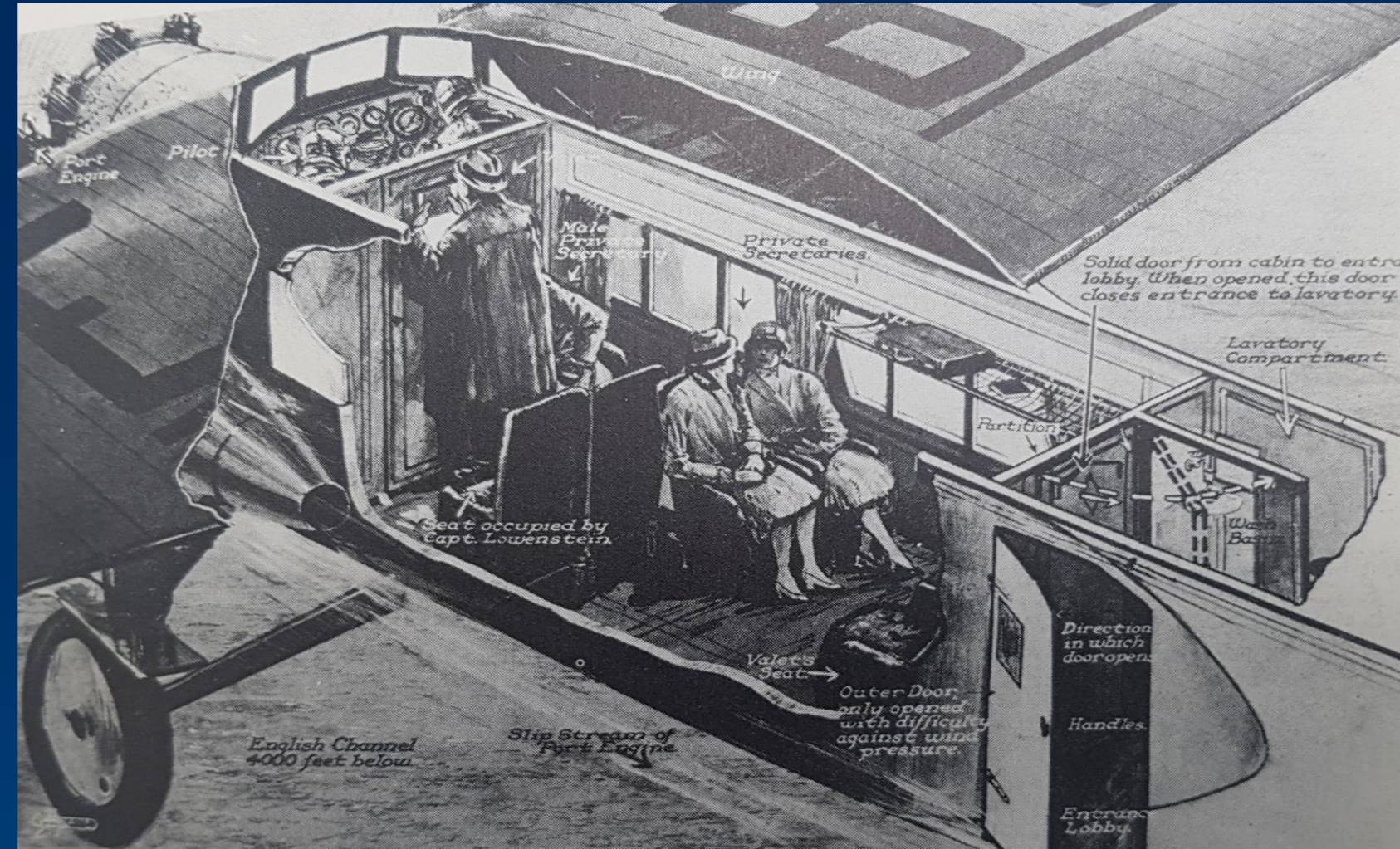
**Schroders launched their first
investment product in 1924.**

**Its first investments were in the
industrial sector in Central Europe.**

Deutsch-Luxemburgische Bergwerks- und Hütten-AG,
Dortmund wheel and axle assembly shop, December 1925

Fund management – by accident

Captain Loewenstein's fall from his plane, 1928



Schroders set up an Investment Department in 1926.

In 1928 it was appointed by Alfred Loewenstein's family to look after his extensive portfolio.

Artist's impression of Loewenstein's aircraft, depicted just after he fell to his death, July 1928. *Illustrated London News* and *The Man who Fell from the Sky* (William Norris, 1987)

Family firm



Stability in difficult times



In 1931 the governments of Germany, Austria and Hungary declared a 'standstill' on the repayment of all foreign debt.

This was a serious threat to the firm, but the family ensured its survival.

Three generations of the Schroder family, 1938. Helmut (standing) with, from left to right: his mother, Emma; daughter, Charmaine; wife, Meg; son, Bruno; sister, Marga; and father, Bruno

Post-war corporate finance

International connections



After the return of the German 'standstill' debts in 1953–1954, the firm could begin to expand.

Offices and joint ventures opened around the world. These initially focused on corporate finance activities.

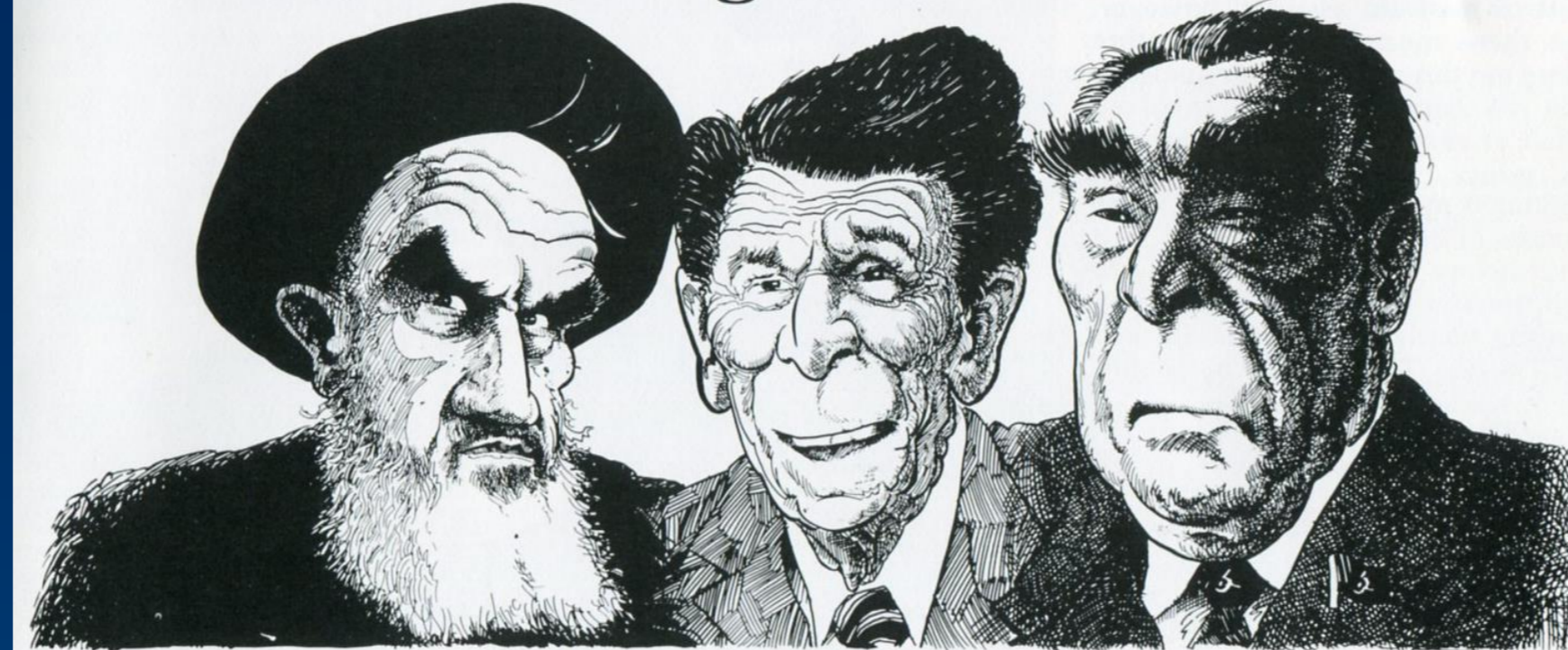
The first Volkswagen factory in Brazil, finance arranged by Schroders, c 1953

Asset managers



Sole activity since 2000

Has your Superannuation Fund Manager taken these figures into account?



Whilst quarterly performance figures are a useful guide to your superfund's present position, they reveal little about the figures above.

Yet as history has repeatedly demonstrated, it's figures like these that dramatically alter financial situations.

Here at Schroder Darling, our world-wide

associations enable us to regularly monitor such factors when determining investment policy.

It enables our Investment Division to not only exploit opportunities as they arise, but at the same time plan for long-term security.

It's this careful balance of growth and future security that has enabled us at Schroder

Darling to obtain consistently high results since we commenced our Investment Management Program in 1961.

And it's a way of doing business you'll find common to all divisions of Schroder Darling: banking, corporate finance and the investment division.

Considering the 'cause and effect' nature of all financial matters, shouldn't you be talking to a company that does more than just study figures on paper?

Schroder Darling. The Merchant Bank.

Schroders first investment product was launched in 1924.

We have been managing pension funds since 1947.

Our first unit trust was launched in 1967.

Since 2000, with the sale of the investment banking division to Citigroup, asset management and related businesses have been Schroders' sole activity.

Advertising in Australia, 1982

Important information



Marketing material for professional investors and advisers only.

This information is not an offer, solicitation or recommendation to buy or sell any financial instrument or to adopt any investment strategy. Nothing in this material should be construed as advice or a recommendation to buy or sell. Information herein is believed to be reliable but we do not warrant its completeness or accuracy. The material is not intended to provide, and should not be relied on for accounting, legal or tax advice. Reliance should not be placed on any views or information in the material when taking individual investment and/or strategic decisions. No responsibility can be accepted for error of fact or opinion.

Any data has been sourced by us and is provided without any warranties of any kind. It should be independently verified before further publication or use. Third party data is owned or licenced by the data provider and may not be reproduced, extracted or used for any other purpose without the data provider's consent. Neither we, nor the data provider, will have any liability in connection with the third party data.

Any references to securities, sectors, regions and/or countries are for illustrative purposes only.

The views and opinions contained herein are those of Schroders, and may not necessarily represent views expressed or reflected in other communications, strategies or funds.

Past performance is not a guide to future performance and may not be repeated. The value of investments and the income from them may go down as well as up and investors may not get back the amount originally invested.

Schroders will be a data controller in respect of your personal data. For information on how Schroders might process your personal data, please view our Privacy Policy available at www.schroders.com/en/privacy-policy or on request should you not have access to this webpage.

Issued in October 2019 by Schroder Investment Management Limited, 1 London Wall Place, London EC2Y 5AU. Registration No. 1893220 England. Authorised and regulated by the Financial Conduct Authority. INS06042.

An aerial night view of a city, likely Dubai, featuring a complex network of highways and skyscrapers. A large, semi-transparent circular graphic is centered over the image, containing a sunset or sunrise scene. The background is dark blue with a network of glowing white lines and nodes, suggesting a digital or technological theme. The text "Thank you" is written in a large, white, sans-serif font on the left side of the image.

Thank you