The sound of success
Celebrating 25 years in the Nordic Region
Welcome!

A passer-by noticing the elegant Schroders coat of arms should expect no run-of-the-mill establishment. Schroders may be a publicly quoted company that operates globally, but, unlike most of its competitors, it still bears the hallmark of the family who founded it in 1804, and focuses on a few clearly defined business areas.

Asset management lies at the heart of what Schroders has been doing extraordinarily well since 1923. Schroders owes its position today as one of the world’s leading asset management businesses not only to a good measure of diligence and discipline, but also to its independence, its exceptionally qualified employees and its circumspect focus on essential issues. Or as the economic historian Richard Roberts would say: “Schroders’ 200-year history has been criss-crossed by three major themes: a family tradition which is still very much alive, a firm grip on the bigger picture, and a disciplined, measured, entrepreneurial style.”

The following pages will give you an insight into the Schroders world and our presence in the Nordic Region. Get to know its charismatic founder, Johann Heinrich Freiherr von Schröder, and trace the company’s development, first from a traditional trading firm to a respected merchant bank, and then to a modern asset manager. Read about what makes Schroders the company it is today.
The Schroders universe – Nordic presence since 1989

“Work hard at becoming a reasonable man, assume good, modest manners, and do not dream of castles in the sky.”

Johann Heinrich Schröder, 1846; advice for Heinrich Schliemann
Introducing

J. H. von Schröder
Johann Heinrich Schröder (1784-1883) was the fifth son of the merchant Christian Matthias Schröder. In 1802, as the Napoleonic Wars raged, his father sent him from Hamburg to London. He was just 17 years old. In London, he started work in the company belonging to his brother, Johann Friedrich, and they became partners in 1804. Since the Schröder family traded in food and consumer goods which were transported by ship, it was important that they maintained a presence in the major sea ports of Europe. Christian Matthias had internationalised the business on a grand scale, but it was his son, Johann Heinrich, who branched out into the new lucrative business of trade finance.

He set up three firms of his own – the first in London in 1818, the next in Hamburg in 1819 and another in Liverpool in 1839. By 1850, they had become a renowned merchant bank, paving the way for generations to come. Schroders is still renowned today for what Johann Heinrich excelled at then: ambition, hard work, self-discipline and expecting the very best from staff.
A European trading dynasty

Family ties

Port of Hamburg in the 19th century, Heinrich-Schliemann-Museum, Ankershagen
The Schröders are one of the great trading dynasties of Europe. Like the Bardi and Peruzzi families in the Middle Ages, and the Medici in Florence in the 15th and 16th centuries, they created a fully fledged network of family-run businesses in strategically important cities. Johann Heinrich’s great grandfather was a tobacco manufacturer. His grandfather, Anthon, launched a consumer goods business in Quakenbrück. The family network went international with Anthon’s five sons, who all became merchants, as did their sons. In 1821, when Christian Matthias, the most active and successful of Anthon’s sons, passed away, there were already several Schröder companies operating in Bremen, Hamburg, London, Amsterdam, St. Petersburg and Riga. From 1857 Johann Heinrich’s firm, J. Henry Schröder & Co. was the most influential in the family. The trade finance business, which had initially concentrated on the other Schröder companies, became an independent area. Over the course of the following decades – from which the ever influential merchant bank emerged as a leading asset manager – Schröders brought on board an impressive array of partners, but without ceding control. Even today, members of the sixth generation since Johann Heinrich still hold significant shareholdings in the company.
A pioneering spirit

Digging in the right places

Schroders is a disciplined, circumspect company – but it has never been conservative. The urge to get on in the world and a due measure of innovative spirit were the mainstays of its pioneering spirit from the very start. So it is perhaps no coincidence that mid-way through the 19th century, one man working for Schroders would later find fame as an explorer: Heinrich Schliemann. A talented linguist and a pastor’s son, Schliemann started out in 1844 as a bookkeeper at the trading firm B. H. Schröder & Co. in Amsterdam, later managing a commercial subsidiary for various Schröder firms in St. Petersburg. He made his fortune setting up a bank for gold prospectors in Sacramento and supplying the Tsarist army in the Crimean War, although he remained an agent for Schröders in Russia until the early 1860s. It was in this period, in 1846, that Johann Heinrich Schröder sent him a letter complaining: “You talk too much, your expectations are too high and you are besotted with phantoms (...) Work hard at becoming a reasonable man; assume good, modest manners and do not dream of castles in the sky.” Schliemann must have taken this advice to heart because he not only went on to become a successful businessman, but also a celebrated archaeologist. He achieved his greatest fame for discovering and excavating Troy in the 1870s. By that time, Schroders had already become one of the world’s leading merchant banks.
Heinrich Schliemann, as a Russian merchant in 1861
A short history of Schroders in 10 paragraphs

1. **How it all began**

   1804 is considered the year that Schroders was founded. It was the year in which Johann Heinrich Schröder became the partner of his elder brother, Johann Friedrich, in London. J.F. Schröder & Co was a trading company specializing in sugar which diversified into trade finance, a rather unusual step at that time.
2. **J. Henry Schröder & Co.**
   At the end of 1817, the two brothers terminated their partnership. Johann Heinrich then created three companies in Hamburg, London and Liverpool, which were all named after him. This was an intelligent move since Hamburg was becoming an increasingly important transhipment hub and England was developing into the world’s largest colonial power.

3. **Merchants & Bankers**
   With the help of the company founder’s eldest son, Johann Heinrich Wilhelm, who was called John Henry, the parent company, J. Henry Schröder & Co, steadily built up the trade finance arm and developed bond trading as another focus. Despite all the political turmoil at the time, the small Anglo-German trading firm became one of the most important merchant banks in Europe. Johann Heinrich coined the term “Merchants & Bankers” to describe the business.
4. **A special coup**
   John Henry placed a Cuban bond in London for the first time as early as 1853. In 1870, when Japan needed money for the first railway line between Tokyo and the port of Yokohama as part of its modernisation process, J. Henry Schröder & Co pulled off an even bigger coup: the company supported the first bond issue by the Japanese government on the London market and rapidly ascended into the ranks of leading merchant banks worldwide.

5. **An agile baron**
   After a long period of successful business deals in and with a large number of South American countries, J. Henry Schröder & Co underwent another period of expansion with Rudolph Bruno Schröder, a Hamburg-born nephew of John Henry, at the helm and a number of partners. Bruno, who became a partner in the London firm in 1895 and senior partner in 1910, was made a “Freiherr” in 1904 by Emperor Wilhelm II. He was consequently addressed as “Baron” in England. After World War I, he provided financing to support the reconstruction of Germany and also became a sought-after advisor in Austria.
Schröder Bank in London, in the 1920s

Opening of the Tokyo-Yokohama line in 1872
6. **Schrobanco**
In 1923, the newly founded J. Henry Schröder Banking Corporation, called simply “Schrobanco” after its telegraph abbreviation, ventured the move to New York. The Schröder branch, to which Bruno and his partner, Frank Tiarks, later transferred all the American and Latin American business, was listed for the first time on Wall Street.

7. **Key word: asset management**
Three years later Bruno Schröder’s son, Helmut, and Henry Tiarks – both 25 – became partners in their fathers’ company, J. Henry Schröder & Co. They built up the capital investment business and opened a department for asset management.
8. **Turbulent times**
In 1940, Helmut Schröder became the company’s senior partner and Schrobanco’s chairman. Through skilful management, the American branch survived the Wall Street Crash of 1929 in good shape. Schrobanco subsequently continued to develop as a bank relatively independently from London and ensured the survival of the dynasty during the Second World War, a difficult period for Anglo-German firms.

9. **Today – clear focus on Asset Management**
By the 1950s, the parent company had already made its own recovery and was once again one of London’s leading merchant banks. In 1957, the name “Schröder” was anglicised to “Schroder” and the partnership was converted into a capital company, and in 1959 became a corporation listed on the London stock exchange. Subsidiaries and affiliates were then established. Since the sale of the investment banking arm to Citigroup (in 2000), Schroders plc has focused completely on asset management and developing this business field further.

10. **Resources in the Nordic Region dedicated to local service and support**
In 1989 Schroders established its first office in Copenhagen and this was the beginning of a long-term commitment in the Nordic Region. Due to the success Schroders established an office in Stockholm in 1998. Today 10 dedicated people work on a daily basis to serve and support local clients by capitalizing on Schroders’ global expertise. In 2013 Schroders won several Nordic awards e.g. Morningstar Best Fund House Larger Multi-Asset, Finland and Best Fund House Larger Equity, Norway, and from the Swedish magazine Private Affärer’s, “Newcomer of the year Frontier Markets”.
The Schröder family’s sense of community is as pronounced as their strong work ethic and self-discipline. Johann Heinrich Schröders’ father, Christian Matthias, was involved in the city administration in Hamburg. As a Lutheran protestant, he received full citizenship in 1768 and later was even appointed Mayor (1816 to 1821). His idea was to give something back to the society which had accepted him.

Naturally, Johann Heinrich Schröder had similar convictions and created “Joh Heinr. Schröder’s charitable foundation” to help people in Hamburg who had fallen on hard times through no fault of their own. The help consisted of free accommodation and a yearly allowance. In 1868, he was made a “Freiherr” by King William I of Prussia for his services to the city of Hamburg. The Schröderstift, a home for the elderly, was built in the “Vor dem Dammtor” area of Hamburg. It was rebuilt in the 1950s after much of it had been destroyed during World War II. Since 1971, the Schröderstift, which is affiliated to the Diakonisches Werk, a charitable organisation of Protestant churches in Germany, has been located at Kiwittsmoor. It provides a home for around 270 people, who look after themselves but are given help in emergencies. Schroders’ active commitment to social issues, which has included many decades of work for German charities in London and a varied programme of corporate donations, is matched by its ethical banking principles. Socially responsible investment strategies that take ESG (environmental, social and governance) risks into account are a matter of course for Schroders.
160 years of social responsibility

The Schröder foundation around 1860
Independence pays: Schroders today

The Schroder Group’s parent company, Schroders plc, is one of the 100 largest companies on the London Stock Exchange. Traditionally, the founding family holds a controlling majority of 47.7% of the share capital. As one of the largest independent asset management companies in the world, Schroders’ figures are impressive.

- Over 650 funds globally of which 149 funds are domiciled in Luxembourg
- 3,500 employees
- Over 450 investment professionals
- 37 offices in 27 countries.

Source: Schroders, as at 31 December 2013.

The special Schroders approach is valued by private investors and family businesses, municipalities and foundations, as well as pension funds and insurers.

- State-of-the-art research and analysis tools for evaluating the market
- Investment experts with a proven track record
- Primary research – Schroders visits the companies themselves rather than relying on the opinions of third parties.
Schroders focuses solely on asset management, so any conflicts of interest are avoided. This independence enables it to act exclusively in the interest of its partners and clients. Modern fund solutions catering for almost any investment need are offered.

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