



Schroders agrees £9.9bn takeover, ending family ownership

Description

Schroders has announced a £9.9 billion takeover by the US investment firm Nuveen, marking the end of 200 years of family ownership of this prominent British asset management company. This acquisition will form one of the largest fund management entities globally, managing around \$2.5 trillion (£1.8 trillion) in assets.

This transition concludes Schroders' longstanding independence. Despite the change in ownership, the firm plans to retain its London headquarters, which employs approximately 3,100 people, and will continue to operate under the Schroders name. However, this takeover also raises concerns regarding the competitiveness of the UK market, as it takes another company off the London Stock Exchange. Recent years have seen other firms, including Just Eat and Tui, leave the UK market for operations in the US and Europe.

Schroders was founded in 1804 by financier Johann Schröder, starting as a merchant bank in London. It became publicly listed in 1959, shifting focus from investment banking to asset management in 2000. The family, led by heiress Leonie Schroder, is estimated to have a net worth of £3.93 billion.

The company has faced declining share prices and implemented cost-cutting measures, which attracted potential buyers. Last year, it announced a £150 million initiative to improve performance amid increasing competition from firms like BlackRock and Vanguard. Richard Oldfield, Schroders' CEO, recently denied that the Schroder family was interested in selling, although this deal values their remaining stake at £4.4 billion.

The transaction, offering 612p per share, is a significant premium over recent market prices and is subject to shareholder approval. It is expected to conclude in the fourth quarter of 2026.

Vocabulary List:

1. **Takeover** /'teɪk,ʊv.ər/ (noun): The act of taking control of a company by purchasing its shares.
2. **Acquisition** /,ækwɪ'zɪʃən/ (noun): The act of obtaining or acquiring something particularly in a business context.
3. **Competitiveness** /kəm'petɪtɪv.nəs/ (noun): The quality of being able to compete effectively in a market.
4. **Independence** /,ɪndɪ'pendəns/ (noun): The state of being independent; self-sufficiency.
5. **Performance** /pər'fɔːr.məns/ (noun): The act or process of performing a task or function; the effectiveness of an organization or business.
6. **Premium** /'priː.mi.əm/ (noun): An amount of money paid in addition to the regular price or value often reflecting added value.



Comprehension Questions

Multiple Choice

1. When was Schroders founded?

- Option: 1804
- Option: 1959
- Option: 2000
- Option: 2012

2. What is the estimated net worth of the Schroder family?

- Option: £1.8 trillion
- Option: £3.93 billion
- Option: £9.9 billion
- Option: £4.4 billion

3. How many people are employed at Schroders' London headquarters?

- Option: 3,100
- Option: 1,000
- Option: 5,000
- Option: 500

4. What year did Schroders shift its focus from investment banking to asset management?

- Option: 1804
- Option: 1959
- Option: 2000
- Option: 2012

5. What was the initiative amount announced by Schroders last year to improve performance?

- Option: £150 million
- Option: £1 billion
- Option: £50 million
- Option: £500 million

6. What is the offer price per share in the acquisition by Nuveen?

- Option: 612p



Option: 500p
Option: 700p
Option: 800p

True-False

7. The takeover by Nuveen will maintain Schroders' London headquarters.
8. Schroders was publicly listed in 1804.
9. Richard Oldfield denied that the Schroder family was interested in selling the company.
10. The acquisition by Nuveen will make Schroders one of the smallest fund management entities globally.
11. The transaction is expected to conclude in the first quarter of 2026.
12. Schroders was founded by Johann Schröder.

Gap-Fill

13. Schroders was publicly listed in _____?
14. Schroders shifted focus from investment banking to asset management in _____?
15. The remaining stake of the Schroder family is valued at _____ billion pounds.
16. The acquisition by Nuveen will form one of the largest fund management entities globally, managing around \$ _____ trillion in assets.
17. The takeover by Nuveen marks the end of _____ years of family ownership of Schroders.
18. The acquisition is expected to conclude in the _____ quarter of 2026.

Answer

Multiple Choice: 1. 1804 2. £3.93 billion 3. 3,100 4. 2000 5. £150 million 6. 612p

True-False: 7. True



8. False 9. False 10. False 11. False 12. True

Gap-Fill: 13. 1959 14. 2000 15. 4.4 16. 2.5 17. 200 18. fourth

CATEGORY

1. Business - LEVEL5

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2. esl news
3. family ownership
4. Level 5
5. schroders
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