

Schroders PLC

Schroders buys Sandaire to accelerate wealth management push

Acquisition aimed at creating one of the UK's top multifamily offices

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Schroders has agreed to buy Sandaire, a £2.2bn London-based family office, for an undisclosed price in a deal that strengthens the wealth management operations of the UK-listed asset manager.

Sandaire was established in 1996 to manage the fortune of the Scott family following the sale of Provincial Insurance, a private-owned property and accident insurance company founded by James William Scott in 1903.

“This acquisition will create one of the UK's top multifamily offices and be a springboard for developing an exceptional global service,” said Peter Hall, global head of wealth management at Schroders.

Alex Scott, the founder of Sandaire, which now looks after 20 wealthy family groups, will become chairman of Schroders family office services.

Mr Scott said further consolidation was likely in the family office sector, which had become “more challenging” as investments needed in technology and skilled staff had increased business costs.

Sandaire will be absorbed into Cazenove Capital, one of the largest UK advisers to wealthy families and endowments which was acquired by Schroders in 2013.

Schroders' £65.7bn wealth management arm has become a key driver of new business inflows and profits for the FTSE 100 group at a time when its traditional mutual funds and institutional client



Schroders' wealth management arm has become a key driver of new business inflows and profits for the FTSE 100 group © Tolga Akmen/FT

business have struggled for growth.

Pre-tax profits for wealth management reached £41.3m in the first six months of 2020, up 37 per cent compared with the same period last year. Net investor inflows into wealth management increased 44 per cent to £1.3bn. This result was achieved despite coronavirus disrupting activity at Schroders Personal Wealth, a joint venture with Lloyds bank launched in late 2019, where customer referrals were hit by branch closures during lockdown.

Schroders is also targeting expansion in Asia as demand for wealth management services is forecast to rise significantly due to the rapid growth of the middle class

across the region.

Schroders acquired Thirdrock, a £1.7bn Singapore-based wealth manager, last year as part of a push to build up its private client business in Asia.

Mr Hall said the Sandaire deal would provide Schroders with “a springboard” to further develop in Asia.

Peter Harrison, group chief executive, signalled in July that Schroders aimed to expand in China where rule changes have opened up the possibility of acquiring a stake in a mainland wealth management business.

Schroders' share price traded around £27.80 on Friday, down 18 per cent so far this year.