

# Was £9.9bn the Right Price?

*A buy-side assessment of Nuveen's recommended cash acquisition of Schroders plc*

OFFER	PREMIUM	EQUITY VALUE	EV / AUM	P / EARNINGS	VERDICT
612p	34%	£9.9bn	1.20%	~17x	FULL / FAIR

## Executive summary

On 12 February 2026, Nuveen — the \$1.4tn TIAA-owned asset manager — agreed to acquire Schroders plc for 590p per share in cash plus up to 22p of permitted dividends, a total of 612p that values the entire issued and to-be-issued share capital at approximately £9.9bn. The price is a 34% premium to the 456p unaffected close, rising to 47% against the three-month VWAP, and implies roughly 17x FY2025 adjusted operating profit after tax and 1.20% of £823.7bn AUM. It ends 222 years of Schroder-family ownership of one of the City's most storied names.

**Our conclusion: a full but fair price — neither a steal nor an egregious overpay.** The multiple and premium sit squarely within traditional asset-management control precedents (Franklin/Legg Mason ~0.95% AUM, Morgan Stanley/Eaton Vance ~38% premium, Macquarie/Waddell & Reed ~48%). Nuveen is paying a fair price for scale and a public-to-private growth runway, not buying a cheap multiple. For Schroders shareholders and the founding family, 612p in cash crystallises the standalone bull case today while transferring execution and market risk to the buyer — a rational acceptance. The whole edifice rests on one variable: **post-close AUM retention**.

## The transaction at a glance

Term	Detail
<b>Consideration</b>	590p cash + up to 22p permitted dividends = 612p total; £9.5bn cash, £9.9bn headline
<b>Premium</b>	29% to 456p (cash); 34% incl. dividends; 47% to 3-month VWAP; 61% to 12-month VWAP
<b>Structure</b>	All-cash scheme of arrangement (Rule 2.7); bid vehicle Pantheon, LLC (Nuveen subsidiary)
<b>Family support</b>	~41% irrevocable undertakings from Schroder family trustee companies (~42% incl. directors)
<b>Conditions / timing</b>	75% scheme vote + antitrust; announced 12 Feb 2026, expected close Q4 2026
<b>Post-close</b>	Standalone =12 months; brand retained; London = non-US HQ; Oldfield stays CEO under Huffman
<b>Combined group</b>	~\$2.5tn AUM; \$414bn private markets; 40+ markets; LSE a listing venue if future IPO

## Valuation: where 612p sits

We triangulate the offer across four lenses. The picture is consistent: 612p is a top-quartile outcome that brackets the upper half of Schroders' standalone value range.

Methodology	Low (p)	High (p)	612p sits
Unaffected market price	456	456	+34% premium
Trading comps (peer median multiples)	400	520	above mid
Standalone DCF (Decline → Platform)	257	702	upper half
Precedent transactions (0.9–1.5% AUM)	460	700	mid-range
Analyst price targets post-deal (RBC 610p)	560	640	at / just below

**Comps.** Listed peers (Amundi, DWS, abrdn, Man Group, Jupiter, Liontrust, Polar) trade at a median ~12x P/E and ~0.9% EV/AUM — a structurally de-rated group. At ~17x and 1.20% AUM, the offer is a clear premium to where Schroders itself traded (the stock screened cheap at 456p). **Precedents.** The clean traditional benchmark is ~1.0% of AUM (Nomura/Macquarie 2025, Franklin/Legg Mason ~0.95%); Schroders' 1.20% earns a modest uplift for its £72.6bn

private-markets franchise and global brand, and remains far below alternative-platform deals (BlackRock/GIP ~12%). **DCF.** Our three-scenario standalone model spans 257p (Decline), 470p (Transition) and 702p (Platform). The 612p offer is +138% over the bear case and roughly the mid-point of the Transition-to-Platform range — i.e. Nuveen is paying Schroders' own bull case, in cash, today.

## Synergies and the premium

The announcement disclosed **no quantified synergies**. Our bottom-up estimate — deliberately conservative, with minimal cuts to the investment-management line — yields roughly £120m of run-rate pre-tax synergies (≈£100m cost, ≈£20m revenue-led). Capitalised at the peer ~11x and net of an estimated £400m integration cost, that is ~£0.9bn of net value, against a premium paid of ~£1.9bn. **Synergies therefore cover only about half of the premium.** The gap is the crux of the deal: unless cross-distribution revenue synergies materially exceed our base case, Nuveen is paying for strategic optionality and scale, not for synergies that fully fund the premium. Crucially, cost synergies on the investment line are kept minimal by design — cutting portfolio-management talent would destroy the very AUM that justifies the transaction.

## THE ONE VARIABLE THAT DETERMINES EVERYTHING: AUM RETENTION

Asset-management deals live or die on whether clients and portfolio managers stay. Every figure in this analysis assumes Schroders' £823.7bn AUM is broadly retained. As a rule of thumb, if the combined entity loses more than ~10% of that AUM in the first 12 months — through change-of-control mandate reviews, key-person departures, or clients trimming a now-US-owned active manager — the deal economics break, as lost fee revenue swamps the modelled synergies. This is precisely why the deal is structured for standalone operation for at least 12 months, why Richard Oldfield stays as CEO, and why investment-line cost cuts are minimal. Retention is the whole game.

## Key risks

Risk	Severity	Description
<b>AUM attrition</b>	High	Change-of-control mandate reviews; clients trimming a US-owned active manager
<b>Key-person flight</b>	High	Star PMs, CIO and Schroders Capital team are the franchise; retention is essential
<b>Revenue-synergy shortfall</b>	High	The premium needs cross-distribution to work; hardest synergies to bank
<b>Integration execution</b>	Medium	Cross-border, two cultures, and Schroders is already mid-transformation
<b>Market beta</b>	Medium	AUM and fees are market-linked; a drawdown before close pressures both sides
<b>Regulatory / political</b>	Low-Med	Limited overlap, but multi-jurisdiction review and 'UK plc sold to US' optics

## What it means for the industry

- **Consolidation accelerates.** Alongside NatWest/Evelyn Partners, the deal signals that the squeeze on sub-\$1tn traditional active houses is now forcing scale transactions; scale is the defence against fee compression and passive.
- **Next targets.** The market will speculate on abrdn, Jupiter, Liontrust and Polar Capital; Man Group's alternatives premium makes it a more likely acquirer than target.
- **Scale leaders respond.** Amundi (four deals in 2025) and DWS may pursue bolt-ons or transatlantic moves to avoid being out-scaled by a \$2.5tn Nuveen/Schroders.
- **The barbell sharpens.** Be a genuine high-alpha or private-markets specialist, or be part of a \$1tn+ platform — the sub-scale traditional middle is where the targets sit. London retains a major node via the kept Schroders brand and HQ.

## Bottom line

A sensible deal at a sensible price. Nuveen paid a full multiple for scale and a public-to-private runway; Schroders' owners took a fair cash premium that crystallises the bull case and removes execution risk. Neither side won decisively — which is exactly why the board could unanimously recommend it and the family could sign irrevocables without controversy. The value created from here is no longer about the price paid; it is about whether the combined group keeps the assets and the people. **On price: fair. On outcome: watch the AUM line.**

Prepared by Romanos Valeontis (FMVA, BIDA). Independent, illustrative analysis for educational purposes — not investment advice and not connected to Nuveen, TIAA or Schroders. Deal terms from the public Rule 2.7 announcement (12 Feb 2026); financials from company FY2025 results, filings and market data (~May 2026). Synergy figures are the author's own estimates; the announcement disclosed none. Full workings, sources and FX assumptions in the accompanying Excel model.