

# Schroder International Selection Fund Asian Convertible Bond

I Accumulation EUR Hedged | Data as at 31.03.2020

## Fund objectives and investment policy

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The fund aims to provide capital growth in excess of the Thomson Reuters Asia ex Japan Hedged Convertible Bond Index (USD) after fees have been deducted over a three to five year period by investing in convertible securities issued by companies in Asia (excluding Japan). The fund is actively managed and invests at least two-thirds of its assets in a diversified range of convertible bonds issued by companies in Asia excluding Japan. The fund may also invest in equities of Asian companies (excluding Japan). Convertible bonds are typically corporate bonds that can be converted into equities at a given price. As such, the investment manager believes investors can gain exposure to Asian (excluding Japan) equity markets with the defensive benefits and less volatile characteristics of a bond investment. The fund may invest in excess of 50% of its assets in bonds that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds). The fund may also invest directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, investment funds, warrants and money market investments, and hold cash. The fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the fund more efficiently.

**Relevant risk as associated with this Fund are shown overleaf and should be carefully considered before making any investment.**

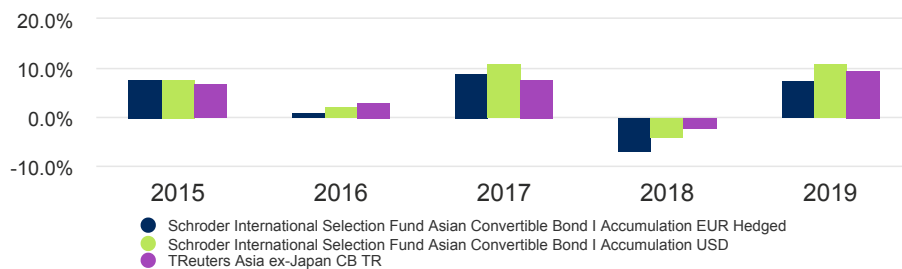
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## Share class performance

Cumulative performance	1 month	3 months	YTD	1 year	3 years	5 years	10 years
EUR Hedged	-12.7	-13.0	-13.0	-12.3	-7.5	-1.1	25.6
USD Unhedged	-12.2	-12.3	-12.3	-9.6	0.4	9.3	40.2
Target USD	-9.1	-8.8	-8.8	-5.3	3.7	11.3	38.4
Discrete yearly performance	Mar 15 - Mar 16	Mar 16 - Mar 17	Mar 17 - Mar 18	Mar 18 - Mar 19	Mar 19 - Mar 20		
EUR Hedged	2.5	4.3	7.9	-2.2	-12.3		
USD Unhedged	2.8	6.0	10.0	0.9	-9.6		
Target USD	2.7	4.6	7.3	2.0	-5.3		
Calendar year performance	2015	2016	2017	2018	2019		
EUR Hedged	7.8	0.9	8.9	-6.9	7.4		
USD Unhedged	8.0	2.2	11.0	-4.2	10.8		
Target USD	6.8	3.1	7.9	-2.3	9.8		

## Performance over 5 years (%)



**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 amounts originally invested. Exchange rate changes may cause the value of any overseas investments to rise or fall.**

Source: Morningstar, bid to bid, net income reinvested, net of fees. The fund's performance should be assessed against its target benchmark being to exceed the Thomson Reuters Asia ex Japan Hedged Convertible Bond index (USD). The majority of the fund's investments may be components of the benchmark. The investment manager invests on a discretionary basis and is not limited to investing in accordance with the composition of the benchmark. The investment manager will invest in companies or sectors not included in the benchmark in order to take advantage of specific investment opportunities. The Benchmark performance is shown in the base currency of the fund. To enable comparison between the performance of this Hedged share class and the Benchmark, and to show the effect of the currency hedge, the equivalent unhedged base currency share class performance is also shown.

The equivalent unhedged share class and benchmark will be blank if the inception date is different to the hedged share class inception date.

## Fund facts

Fund manager	Chris Richards ; Peter Reinmuth
Managed fund since	29.11.2013 ; 29.11.2013
Fund management company	Schroder Investment Management (Europe) S.A.
Domicile	Luxembourg
Fund launch date	14.03.2008
Share class launch date	28.03.2008
Fund base currency	USD
Share class currency	EUR
Fund size (Million)	USD 97.57
Target	TReuters Asia ex-Japan CB TR
Unit NAV	EUR 131.7834
Dealing frequency	Daily
Distribution frequency	No Distribution

## Fees &amp; expenses

Ongoing charge	0.07%
Redemption fee	0.00%

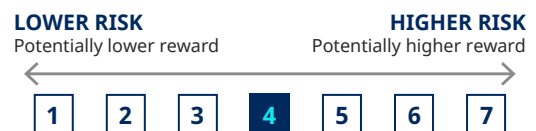
## Purchase details

Minimum initial subscription	EUR 5M ; USD 5M or their near equivalent in any other freely convertible currency.
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## Codes

ISIN	LU0352097355
Bloomberg	SCHACIH LX
SEDOL	B2Q5QB5
Reuters	LU0352097355.LUF

## Synthetic risk &amp; reward indicator (SRRI)



The risk category was calculated using historical performance data and may not be a reliable indicator of the fund's future risk profile. The fund's risk category is not guaranteed to remain fixed and may change over time. A fund in the lowest category does not mean a risk-free investment. The fund is in this category because it can take higher risks in search of higher rewards and its price may rise and fall accordingly.

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## 5 year return of EUR 10,000



## Risk statistics &amp; financial ratios

	Fund	Target
Annual volatility (%) (3y)	9.4	7.0
Effective duration (years)	1.8	-
Current yield (%)	3.0	-
Yield to maturity	5.7	-

Source: Morningstar. The above ratios are based on bid to bid price based performance data of the unhedged equivalent share class.

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The chart is for illustrative purposes only and does not reflect an actual return on any investment.

Returns are calculated bid to bid (which means performance does not include the effect of any initial charges), net income reinvested, net of fees.

## Risk considerations

**Credit risk:** A decline in the financial health of an issuer could cause the value of its bonds to fall or become worthless.

**Liquidity risk:** In difficult market conditions, the fund may not be able to sell a security for full value or at all. This could affect performance and could cause the fund to defer or suspend redemptions of its shares.

**Operational risk:** Operational processes, including those related to the safekeeping of assets, may fail. This may result in losses to the fund.

**Contingent convertible bonds:** The fund may invest in contingent convertible bonds. If the financial strength of the issuer of a contingent convertible bond falls in a prescribed way, the value of the bond may fall significantly and, in the worst case, may result in losses to the fund.

**Currency risk:** The fund may lose value as a result of movements in foreign exchange rates.

**High yield bond risk:** High yield bonds (normally lower rated or unrated) generally carry greater market, credit and liquidity risk.

**Derivatives risk – Efficient Portfolio Management and Investment Purposes:** Derivatives may be used to manage the portfolio efficiently. A derivative may not perform as expected, may create losses greater than the cost of the derivative and may result in losses to the fund. The fund may also materially invest in derivatives including using short selling and leverage techniques with the aim of making a return. When the value of an asset changes, the value of a derivative based on that asset may change to a much greater extent. This may result in greater losses than investing in the underlying asset.

**Interest rate risk:** The fund may lose value as a direct result of interest rate changes.

**Emerging Markets & Frontier risk:** Emerging markets, and especially frontier markets, generally carry greater political, legal, counterparty, operational and liquidity risk than developed markets.

**Counterparty risk:** The fund may have contractual agreements with counterparties. If a counterparty is unable to fulfil their obligations, the sum that they owe to the fund may be lost in part or in whole.

**Performance risk:** Investment objectives express an intended result but there is no guarantee that such a result will be achieved. Depending on market conditions and the macro economic environment, investment objectives may become more difficult to achieve.

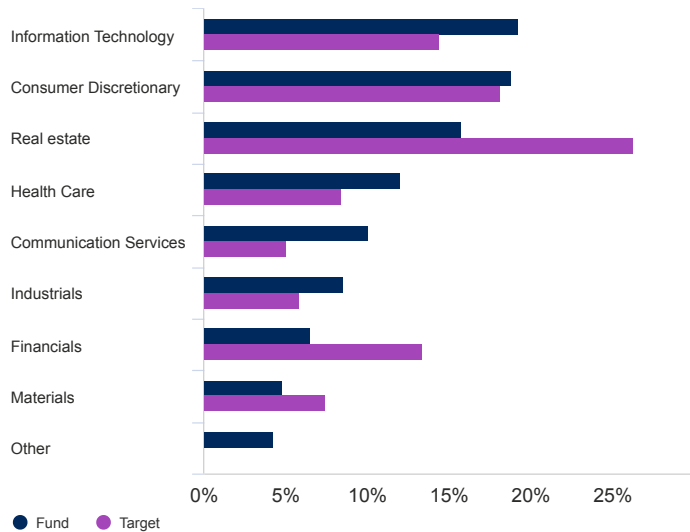
**IBOR:** The transition of the financial markets away from the use of interbank offered rates (IBORs) to alternative reference rates may impact the valuation of certain holdings and disrupt liquidity in certain instruments. This may impact the investment performance of the fund.

**Currency risk/hedged share class:** The hedging of the share class may not be fully effective and residual currency exposure may remain. The cost associated with hedging may impact performance and potential gains may be more limited than for unhedged share classes.

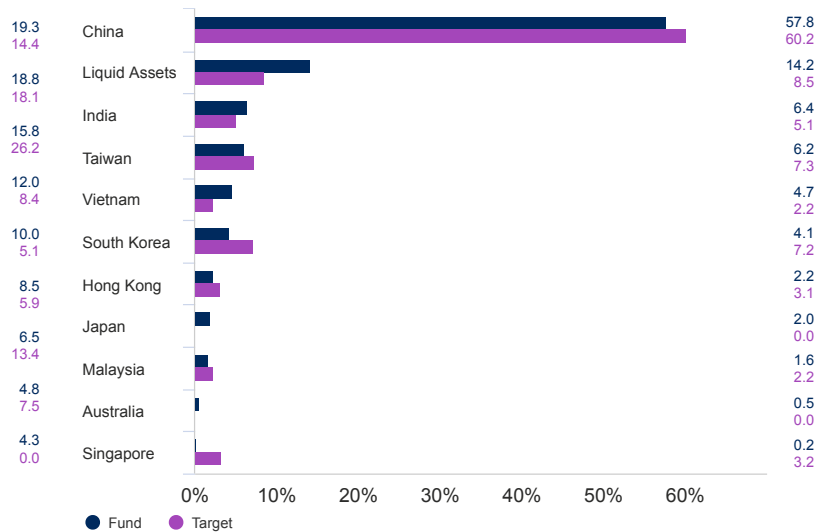
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## Asset allocation

## Sector (%)



## Geographical Breakdown (%)



## Top 10 holdings (%)

	Holding name	%
1	SMART INSIGHT INTERNATIONAL LTD 4.5000 CONV 05/12/2023 REGS	6.8
2	BHARTI AIRTEL LTD 1.5000 CONV 17/02/2025 SERIES REGS	6.4
3	SEMICONDUCTOR MANUFACTURING INTERNATIONAL CORPORATION 0.0000 CONV 07/07/2022 REGS	5.5
4	LENOVO GROUP LTD 3.3750 CONV 24/01/2024 REGS	4.7
5	Vinpearl JSC 3.500000 14/Jun/2023 3.5000 CONV 14/06/2023	4.7
6	CHINA RAILWAY CONSTRUCTION CORPORATION LIMITED 0.0000 CONV 29/01/2021 REGS	4.6
7	CHINA EDUCATION GROUP HOLDINGS LTD 2.0000 CONV 28/03/2024	4.4
8	CHINA EVERGRANDE GROUP 4.2500 CONV 14/02/2023 - REGS	4.2
9	ZHONGSHENG GROUP HOLDINGS LIMITED 0.0000 CONV 23/05/2023 - REGS	4.1
10	LG DISPLAY COMPANY LIMITED 1.5 CONV 22/08/2024 REGS	4.1

Source: Schroders. Top holdings and asset allocation are at fund level.

## Contact information

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**Benchmark:** The target benchmark has been selected because the target return of the fund is to deliver the return of that benchmark as stated in the investment objective.