

## Schroder International Selection Fund EURO Credit Absolute Return

I Accumulation EUR | Data as at 31.03.2020

## Fund objectives and investment policy

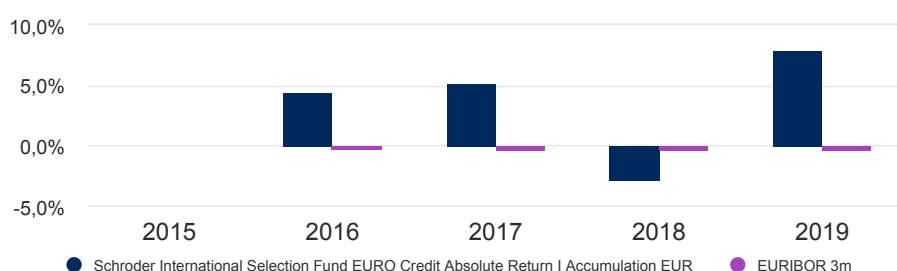
The fund aims to provide an absolute return after fees have been deducted by investing in bonds denominated in Euro issued by companies worldwide. Absolute return means the fund seeks to provide a positive return over a 12-month period in all market conditions, but this cannot be guaranteed and your capital is at risk. The fund is actively managed and invests at least two-thirds of its assets long or short (through the use of derivatives) in bonds denominated in Euro issued by governments, government agencies, supra-nationals and companies worldwide. The fund may invest up to 30% 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); up to 20% of its assets in sovereign government bonds; up to 40% of its assets in asset-backed securities and mortgage-backed securities issued worldwide with an investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies) with underlying assets being credit card receivables, personal loans, auto loans, small business loans, leases, commercial mortgages or residential mortgages; and up to 20% of its assets in convertible bonds including up to 10% of its assets in contingent convertible 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 invest also in derivatives to create long and short exposure to the underlying assets of these derivatives. 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.

## Share class performance

Cumulative performance	1 month	3 months	YTD	1 year	3 years	5 years	Since inception
Share class (Net)	-7,5	-7,5	-7,5	-3,4	0,8	-	7,0
Comparator	-0,0	-0,1	-0,1	-0,4	-1,0	-	-1,4
Discrete yearly performance	Mar 15 - Mar 16	Mar 16 - Mar 17	Mar 17 - Mar 18	Mar 18 - Mar 19	Mar 19 - Mar 20		
Share class (Net)	-	5,0	3,5	0,8	-3,4		
Comparator	-	-0,3	-0,3	-0,3	-0,4		
Calendar year performance	2015	2016	2017	2018	2019		
Share class (Net)	-	4,5	5,2	-2,8	8,0		
Comparator	-	-0,3	-0,3	-0,3	-0,4		

## Performance over 5 years (%)



Past performance is not a reliable indicator of future results, prices of shares and the income from them may fall as well as rise and investors may not get back the amount originally invested.

Exchange rate movements may cause the value of investments to fall as well as rise. The performance shown does not take account of any commissions, entry or exit charges.

Source: Morningstar, bid to bid, net income reinvested, net of fees. The fund's performance should be assessed against its objective of providing a positive return over a 12-month period in all market conditions and compared against 3 Month EURIBOR (or alternative reference rate).

The fund is not managed with reference to a benchmark but its performance may be measured against one or more.

## Fund facts

Fund manager	Patrick Vogel
Managed fund since	11.11.2015
Fund management company	Schroder Investment Management (Europe) S.A.
Domicile	Luxembourg
Fund launch date	11.11.2015
Share class launch date	11.11.2015
Fund base currency	EUR
Share class currency	EUR
Fund size (Million)	EUR 392,81
Number of holdings	357
Comparator	EURIBOR 3m
Unit NAV	EUR 106,9722
Dealing frequency	Daily
Distribution frequency	No Distribution

## Fees &amp; expenses

Ongoing charge	0,07%
Redemption fee	0,00%
Entry charge up to	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	LU1293074982
Bloomberg	SCECIAE LX
SEDOL	BYV2XJ2
Reuters	LU1293074982.LUF

## 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.

**ABS and MBS risk:** The fund may invest in mortgage or asset-backed securities. The underlying borrowers of these securities may not be able to pay back the full amount that they owe, which may result in losses to the fund.

**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.

**No capital guarantee:** Positive returns are not guaranteed and no form of capital protection applies.

**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.

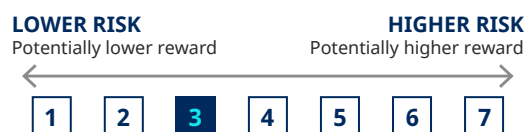
## Ratings and accreditation

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Please refer to the Important information section for the disclosure. The above is an internal ESG accreditation.

## Synthetic risk & reward indicator (SRRI)



The risk category was calculated using simulated 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. A fund is in categories 1 to 3 where it can take lower risks in search of potentially lower rewards and its price may rise and fall accordingly. A fund is in categories 4 to 7 where it can take higher risks in search of potentially higher rewards and its price may rise and fall accordingly.

## Risk statistics & financial ratios

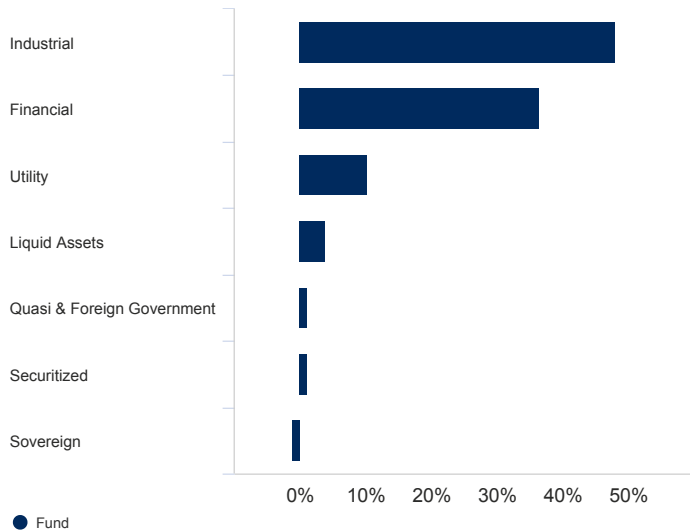
	Fund	Comparator
<b>Annual volatility (%) (3y)</b>	5,0	0,0
<b>Effective duration (years)</b>	2,6	-
<b>Current yield (%)</b>	2,0	-
<b>Yield to maturity</b>	1,1	-

Source: Morningstar. The above ratios are based on bid to bid price based performance data.

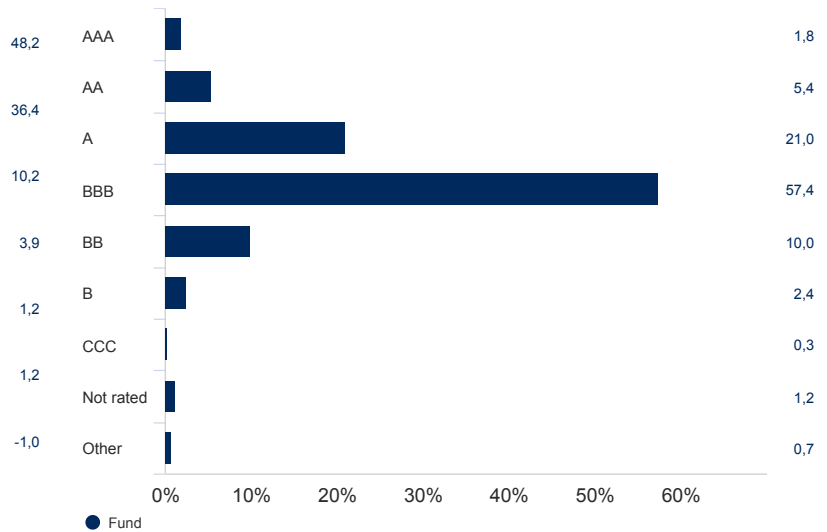
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## Asset allocation

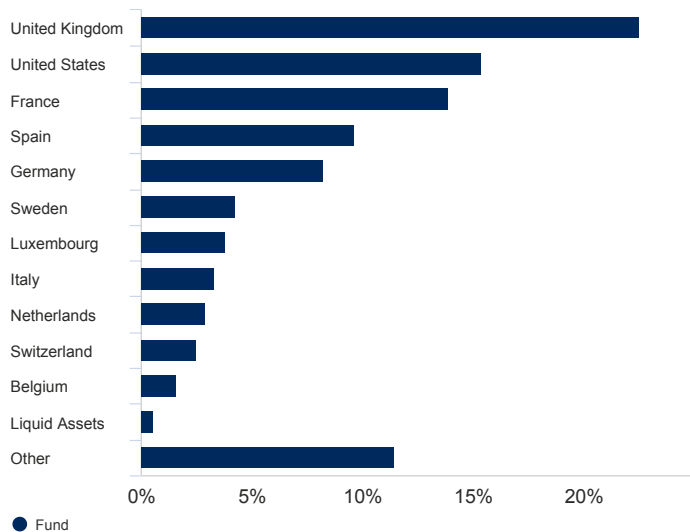
## Sector (%)



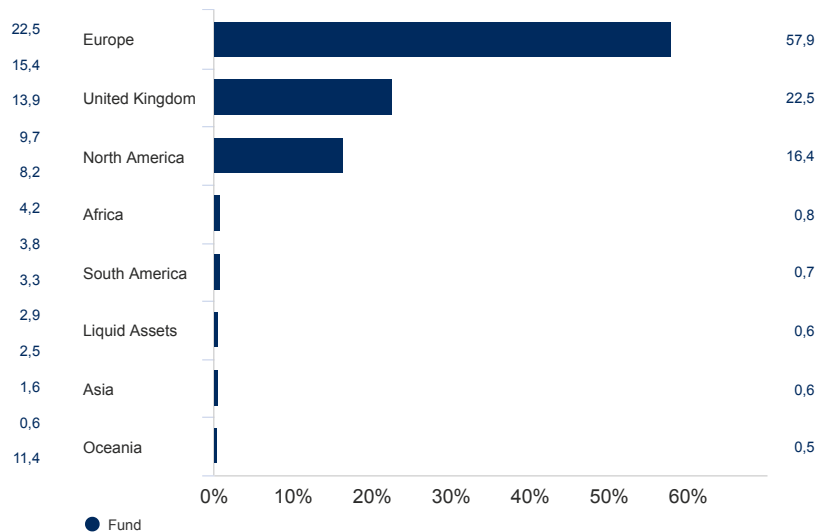
## Credit quality (%)



## Geographical Breakdown (%)



## Region (%)



## Top 5 holdings (%)

	Holding name	%
1	EURO-BOBL JUN 20 (OEM0)	0,9
2	US ULTRA T-BOND JUN 20 (WNM0)	0,8
3	US LONG BOND JUN 20 (USM0)	0,0
4	US 10YR NOTE JUN 20 (TYM0)	-0,2
5	EURO-OAT JUN 20 (OATM0)	-0,9

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

## Share class available

	I Accumulation EUR	I Distribution EUR
Distribution frequency	No Distribution	Quarterly
ISIN	LU1293074982	LU1293075369
Bloomberg	SCECIAE LX	SCECIDE LX
SEDOL	BYV2XJ2	BYV3113

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**Contact information**

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**Benchmark:** The comparator benchmark has been selected because the investment manager believes that the benchmark is a suitable comparison for performance purposes given the fund's investment objective and policy.

**\* Sustainability Accreditation**

Our Schroders Sustainability Accreditation aims to help investors distinguish how we consider Environmental, Social and Governance ("ESG") factors across our products.

This fund has been awarded an Integrated accreditation. ESG factors are embedded into the investment process and can be clearly evidenced. There is a strong commitment to stewardship and company engagement.