

Schroder GAIA BlueTrend

A Accumulation CHF Hedged Share Class

Fund Launch Date

09 December 2015

Total Fund Size (Million)

USD 355,3

Share Price End of Month (CHF)

93,80

Fund Manager

Leda Braga & David Kitson
(Systematica)

Investment Objective and Policy

The Fund aims to provide capital growth by investing in bonds, equity, foreign exchange and commodity markets.

The Investment Manager has established a sophisticated computerised system which through quantitative analysis identifies trends and price patterns to determine trades which are then placed. The Investment Manager seeks to exploit opportunities where prices display persistent and identifiable upward or downward trends. The Fund invests globally in bonds, equity, foreign exchange and commodities, as well as in cash, deposits, money market instruments and Investment Funds investing in such instruments. Investments can be made directly (through physical holdings) and/or indirectly (through financial derivative instruments). Investments in commodities are made indirectly using i) derivative instruments (including total return swaps) whose underlying assets consist of eligible diversified commodity indices and other eligible underlying assets and/or ii) eligible transferable securities which do not embed a derivative instrument. The Fund will not acquire physical commodities directly, nor will it invest directly in any derivative that has physical commodities as an underlying asset. The exposure of the Fund to any single commodity will not exceed 20% of the Fund's assets (or 35% in the case of one commodity under exceptional market conditions, as may be the case when a given commodity is in aggregate excessively dominant within a diversified commodity index). The Fund's overall exposure to any single commodity (when calculated on a net basis) will either be long or short. Financial derivative instruments are used extensively for both investment (to gain exposure to markets) and hedging (including management of interest rate and currency risks) purposes. These instruments include futures, swaps (including total return swaps and credit default swap indices), forward contracts, options, and/or a combination of the above. Where the Fund uses total return swaps, the underlying consists of instruments and indices in which the Fund may otherwise invest directly according to its Investment Objective and investment policy. The Fund may have synthetic short positions and may be net long or net short when long and short positions are combined. At times where it is considered appropriate, prudent levels of cash, deposits and money market instruments may be maintained, which may be substantial or even represent (exceptionally) 100% of the Fund assets. The Fund may also hold up to 100% in cash, deposits and money market instruments which are used as backup for financial derivative instruments. The Fund may not invest more than 10% of its assets into open ended Investment Funds. The Fund may be capacity constrained and therefore the Fund or some of its Share Classes may be closed to new subscriptions or switches in, as described in section 2.3 of the prospectus.

These terms are subject in their entirety to the Fund's offering documents. Please refer to the Fund's offering documents for a complete description.

Performance Analysis

In accordance with the Markets in Financial Instruments Directive (MiFID), the performance figures of this fund, which has less than 1 year's activity, cannot be quoted.

Prospective investors should consult with their independent financial advisor with respect to their specific investment objectives, financial situation or particular needs to determine the suitability of investment.



Schroders

Fund Manager Comment

Schroder GAIA BlueTrend suffered poor performance in five of the seven sectors in August, with energies detracting the most. There was some strong trend reversal and, conversely, a lack of directional movement in other markets, which led to negative performance for the fund overall.

Equities rallied on 5 August after the strong US non-farm payrolls number. Volatility died off almost overnight and most indices proceeded to grind ever so slightly higher over the course of the next twenty sessions. Very small gains were added with very little downside. What stood out the most was a market that was characterised by a distinct lack of volume and very limited volatility. The fund entered August with net long exposure and was able to benefit from the sharp rally early in the month. Long exposure increased very gradually throughout August and the fund posted a positive return in equities with all regions in positive territory. The top performers within the sector were a short position in the VIX and long position in the DAX

The fund continued with its long bonds (short yields) delta throughout the month of August. Yields have been trading sideways for most of the summer and August was no major deviation from this. The fund increased its long bonds exposure towards the end of the month and a slight increase in yields led to a negative return overall in the bond sector for the month. Rates markets remained heavily influenced by Janet Yellen's suggestion towards a rate hike in 2016. The fund posted negative performance in rates. Overall the fixed income category contributed negatively to performance. The US two-year and five-year Treasury positions were the top detractors in fixed income.

The commodity sectors displayed the most volatility throughout August. The rally in the oil space and depreciation of the US dollar managed to drag most of the commodity complex higher with it. The fund started August with a net short exposure in energies which was reduced somewhat, but finished net short overall. The energy sector was a detractor over the month with short Brent Crude, RBOB gasoline and heating oil contracts the top detractors. Base metals trended higher for most of the month only to see producers looking to hedge out production towards the end of the month. Precious metals had a tougher time and found it hard to gain any upward momentum when the US dollar was weak. The fund maintained net long exposure in precious metals over the month. Metals were also a detractor in August with long platinum, silver and gold contracts all detracting from performance. The agriculture space was mixed with whipsaw trading in corn along with a more straightforward trend lower in wheat following over-supply concerns. The meat space moved slightly higher but with some choppy trading days. Agriculture also detracted from performance in August. A long cotton contract was the top detractor.

Within currency (FX), it was speculation on the US dollar that dominated the month. Early strength after a solid non-farm payrolls figure was countered when negative rhetoric regarding the path of interest rates swept through the market. Following the Jackson Hole speech and a little help from comments from the Federal Open Market Committee voting members, the US dollar rallied back to ensure a slight gain on the month versus most currencies. The fund continued to be primarily long US Dollar vs G-10 currency crosses and short US Dollar vs emerging market (EM) currency crosses. Exposure was reduced throughout the month. FX was a detractor to performance in August with a long South African Rand position posting the largest negative performance.

Credit was flat to slightly positive in August. The fund held short protection positions throughout the month, increasing risk over the course of the month. Most of the gains came in the first half of the month as CDS spreads narrowed as sentiment improved.

Portfolio Structure

Source: Schroders

Exposure Analysis (%)		Number of Positions	
Gross Rates Long	626,2	Long	329
Gross Equities Long	94,4	Short	119
Gross FX Long	67,8		
Gross Commodity Long	18,4		
Gross Equities Short	-9,0		
Gross Commodity Short	-26,3		
Gross FX Short	-41,4		
Gross Rates Short	-67,0		
Fund Gross Exposure	950,5		
Fund Net Exposure	663,1		
Fund Gross Exposure (delta-adjusted)	950,5		
Fund Net Exposure (delta-adjusted)	663,1		
Cash & Cash Equivalents	0.0		

Holdings Analysis

Stock names have been suppressed for short positions. Source: Schroders

Top 10 Long Holdings

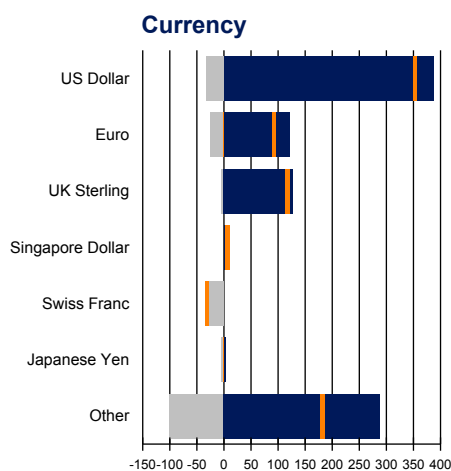
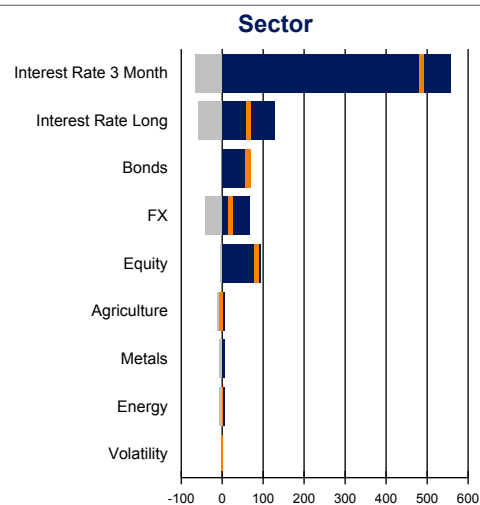
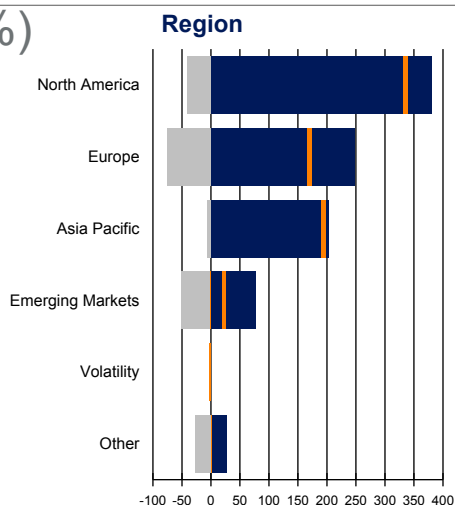
Holdings	Sector	% NAV
1. F/C 90DAY EURO\$ FUTR	Financials	176,5
2. F/C 90DAY STERLING FU DEC18	Financials	122,4
3. F/C ASX 90-DAY BANK BILL	Financials	102,0
4. F/C 3MO EURO EURIBOR DEC18	Financials	100,9
5. F/C 90-DAY BANK BILL MAR17	Financials	56,1
6. F/C S&P/TSX 60 IX FUT SEP16	Financials	10,0
7. US TREAS NTS 0.875% 07/15/17	Financials	8,7
8. US TREAS NTS 0.75% 6/30/17	Financials	8,7
9. US TREAS NTS 3.125% 01/31/17	Financials	8,5
10. US TREAS NTS 0.625% 11/15/16	Financials	8,4

Top 10 Short Holdings

Sector	Country	% NAV
1. Financials	United Kingdom	-34,9
2. Financials	Canada	-28,1
3. Financials	United States	-3,9
4. Financials	United Kingdom	-3,7
5. Financials	United States	-3,6
6. Financials	United States	-3,2
7. Financials	United States	-2,9
8. Financials	United States	-2,6
9. Financials	South Africa	-2,6
10. Financials	United States	-2,3

Asset Allocation (%)

■ Long
■ Short
■ Net position
 Source: Schroders



Performance Contribution

Analysis expressed is month to date contribution on a gross of fees basis using a total return methodology. The impact of any currency movement at a position level is reflected within each position's return. Stock names have been suppressed for short positions.

Source: Schroders

Summary	(%)
Long Equity	-1,1
Short Equity	1,1
Corporate Bonds	-3,5
Index Options	0,0
Currency	-1,0
Other	0,0

Region	(%)
Europe ex-UK	-3,5
United Kingdom	0,0
North America	-0,5
Pacific ex-Japan	0,0
Emerging Markets	0,0
Other (including Cash & FX)	-0,5

ASC 820 (FAS 157)

Source: Schroders

Summary	% NAV
Level 1	2,4
Level 2	97,6
Level 3	0,0

Liquidity Breakdown

Historic data based on 20% participation rate in average traded volumes over last 20 days assuming 100% redemption. This data is a representation only and should not be viewed as an indication of ongoing/future liquidity. Percentages for liquidity assessment are subject to change.

Source: Schroders

Summary	% NAV
1. Cash	1,0
2. 1 to 3 days	99,0
3. 4 to 5 days	0,0
4. 6 to 10 days	0,0
5. >10 days	0,0

Risk Considerations

The capital is not guaranteed. A security issuer may not be able to meet its obligations to make timely payments of interest and principal. This will affect the credit rating of those securities. Investments in money market instruments and deposits with financial institutions may be subject to price fluctuation or default by the issuer. Some of the amounts deposited may not be returned to the fund. The fund may hold indirect exposure to commodities. The value of these investment may be affected by changes in overall market movements, commodity index volatility, factors affecting a particular industry, natural events, embargoes, tariffs and international economic, political and regulatory developments. A financial model may provide a technique to identify and manage the risks of the fund. The model's assumptions, calibration and programming may not deliver the expected results. The fund may be leveraged, which may increase its volatility. The fund may be leveraged by trading in a high volume of derivatives to achieve a risk target consistent with its risk profile. There is no guarantee that a financial derivative contract will achieve its intended outcome, even if the terms of the contract are completely satisfied.

Information

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For your security, communications may be taped or monitored.

	Accumulation
SEDOL	BZBWK87
Bloomberg	SCGBAAC:LX
Reuters	LU1293074552.LUF
ISIN	LU1293074552
CEDEL	129307455
Securities number	30376441
Wertpapierkennnummer	A143MY
Fund Domicile	Luxembourg
Fund Base Currency	USD
Dealing Frequency	Weekly on Wednesdays and Month End (3 days notice)
Entry Charge	3,00 % of gross investment amount
Ongoing Charges (latest available)	2,49 %
Performance Fee	20% of the absolute outperformance over a High Water Mark.
Distribution Fee	0,00 %
Settlement Timing	T+3 days

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