

## Fund objectives and investment policy

---

The fund aims to provide income and capital growth by investing in bonds issued by governments and companies worldwide. The fund aims to mitigate losses in falling markets. The mitigation of losses cannot be guaranteed. The fund is actively managed and invests at least two-thirds of its assets in investment grade bonds and high yield bonds issued by governments, government agencies, supra-nationals and companies worldwide, including emerging market countries. 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); up to 20% of its assets in asset-backed securities and mortgage-backed securities; up to 10% of its assets in convertible bonds (including contingent convertible bonds); and up to 10% of its assets in open-ended investment funds. The investment manager aims to mitigate losses by diversifying the fund's asset allocation away from areas of the market identified as having a high risk of material negative return. 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. The fund may take short positions.

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

I Accumulation USD | Data as at 29.02.2020

## Share class performance

Cumulative performance	1 month	3 months	YTD	1 year	3 years	5 years	Since inception
Share class (Net)	-0,1	2,2	1,2	10,6	21,3	-	26,0
Comparator 1	0,4	2,8	2,3	12,2	19,7	-	22,9
Comparator 2	0,3	2,8	1,9	10,9	17,7	-	20,1
Comparator 3	-1,8	0,8	-1,7	4,5	13,7	-	19,3

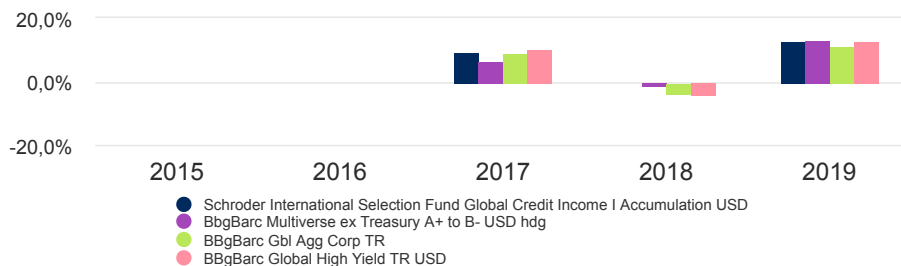
  

Discrete yearly performance	Feb 15 - Feb 16	Feb 16 - Feb 17	Feb 17 - Feb 18	Feb 18 - Feb 19	Feb 19 - Feb 20
Share class (Net)	-	-	6,2	3,3	10,6
Comparator 1	-	-	3,3	3,2	12,2
Comparator 2	-	-	6,0	0,1	10,9
Comparator 3	-	-	6,9	1,8	4,5

Calendar year performance	2015	2016	2017	2018	2019
Share class (Net)	-	-	9,3	-0,3	12,8
Comparator 1	-	-	6,7	-1,4	13,2
Comparator 2	-	-	9,1	-3,6	11,5
Comparator 3	-	-	10,4	-4,1	12,6

## 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 does not have a target benchmark. The fund's performance should be compared against the Bloomberg Barclays Multiverse ex Treasury A+ to B- USD Hedged index, the Bloomberg Barclays Global Aggregate Corporate USD index, the Bloomberg Barclays Global High Yield USD index, and the JP Morgan EMBI Global Total Return index. The investment manager invests on a discretionary basis and is not limited to investing in accordance with the composition of a benchmark.

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

## Fund facts

Fund manager	Julien Houdain ; Patrick Vogel
Managed fund since	28.02.2020 ; 30.11.2016
Fund management company	Schroder Investment Management (Europe) S.A.
Domicile	Luxembourg
Fund launch date	30.11.2016
Share class launch date	30.11.2016
Fund base currency	USD
Share class currency	USD
Fund size (Million)	USD 3.881,32
Number of holdings	948
Comparator 1	BbgBarc Multiverse ex Treasury A+ to B- USD hdg
Comparator 2	BBgBarc Gbl Agg Corp TR
Comparator 3	BBgBarc Global High Yield TR USD
Unit NAV	USD 125,9501
Dealing frequency	Daily
Distribution frequency	No Distribution

## Fees &amp; expenses

Ongoing charge	0,05%
Redemption fee	0,00%
Entry charge up to	0,00%

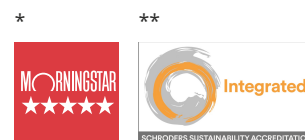
## Purchase details

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

## Codes

ISIN	LU1514167052
Bloomberg	SCGCIAX LX
SEDOL	BD24G80
Reuters	LU1514167052.LUF

## Ratings and accreditation



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

I Accumulation USD | Data as at 29.02.2020

### 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.

**Derivatives risk – Efficient Portfolio Management:** 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.

**Capital risk / negative yields:** When interest rates are very low or negative, the fund's yield may be zero or negative, and you may not get back all of your investment.

**Capital risk / contingent convertible bonds:** The fund may be significantly invested in contingent convertible bonds. If the financial strength of a bond's issuer (typically a bank or an insurance firm) falls in a prescribed way the bond may suffer substantial or total losses of capital.

**Currency risk:** The fund can be exposed to different currencies. Changes in foreign exchange rates could create losses.

**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.

**Interest rate risk:** A rise in interest rates generally causes bond prices to fall.

**Emerging markets & frontier risk:** Emerging markets, and especially frontier markets, generally carry greater political, legal, counterparty and operational risk.

**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.

### Synthetic risk & reward indicator (SRRI)

#### LOWER RISK

Potentially lower reward

#### HIGHER RISK

Potentially higher reward



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

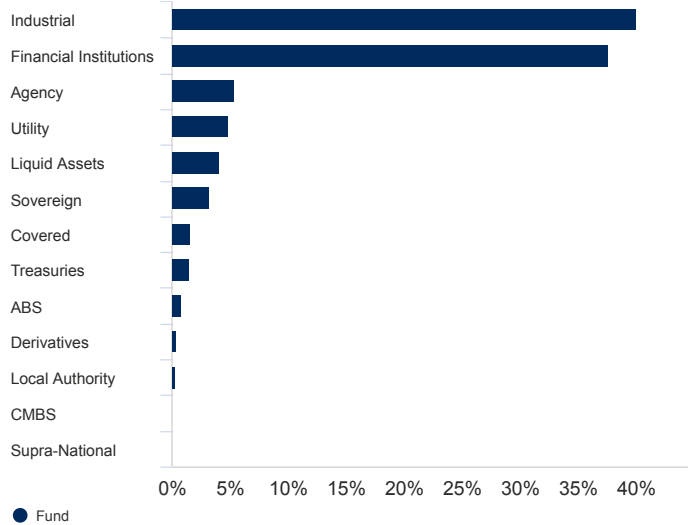
	Fund	Comparator 1
Annual volatility (%) (3y)	2,6	2,9
Effective duration (years)	4,8	-
Current yield (%)	3,2	-
Yield to maturity	3,6	-

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

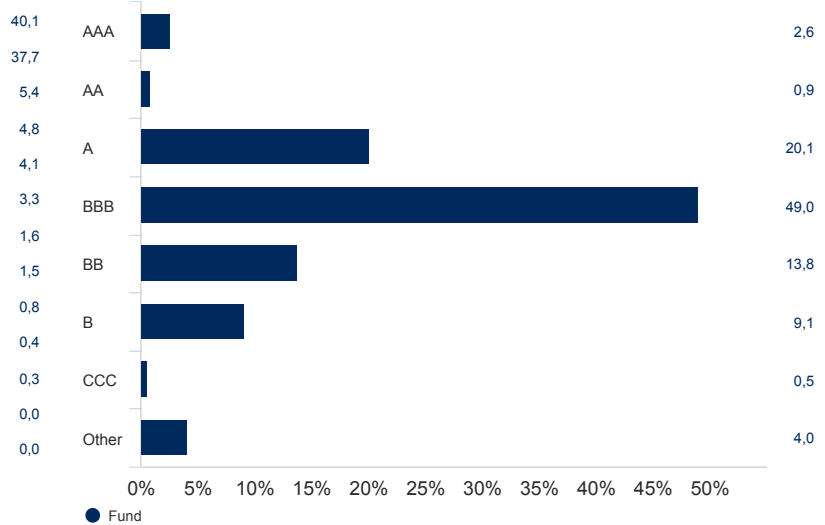
I Accumulation USD | Data as at 29.02.2020

## Asset allocation

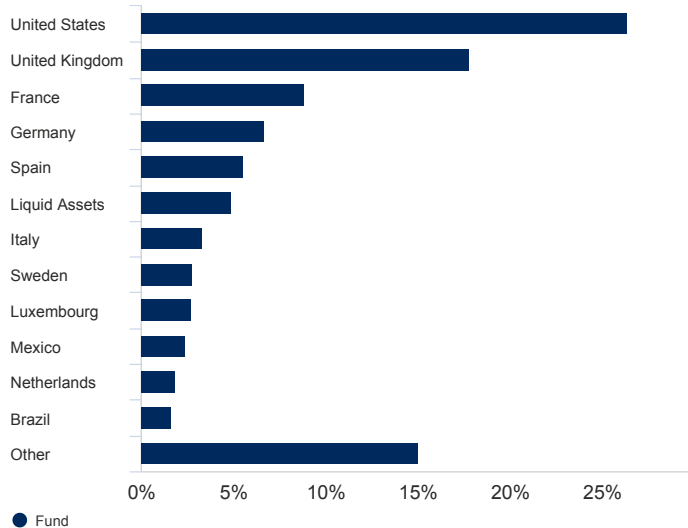
## Sector (%)



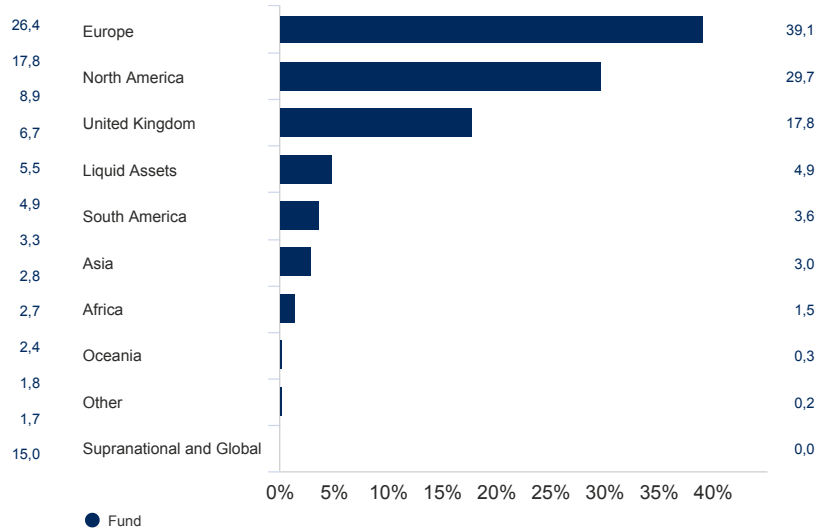
## Credit quality (%)



## Geographical Breakdown (%)



## Region (%)



## Top 10 holdings (%)

	Holding name	%
1	ITV PLC 1.3750 26/09/2026 REGS	0,8
2	CITIBANK NA 2.8440 20/05/2022 SERIES BKNT	0,8
3	BPCE SA 0.2500 15/01/2026	0,7
4	BLACKSTONE PP EUR HOLD 1.7500 12/03/2029 SERIES EMTN REGS	0,6
5	UNICREDIT SPA 1.2000 20/01/2026 REGS	0,6
6	DAIMLER INTL FINANCE BV 0.2500 06/11/2023 REGS	0,6
7	BANCO SANTANDER SA 1.3750 31/07/2024 REGS	0,6
8	NATIONWIDE BLDG SOCIETY FRN 02/08/2022 - REGS	0,6
9	BANCO DE SABADELL SA 0.6250 07/11/2025 REGS	0,6
10	BAT CAPITAL CORPORATION 3.2150 06/09/2026	0,5

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

I Accumulation USD | Data as at 29.02.2020

### Share class available

	I Accumulation USD	I Distribution USD
<b>Distribution frequency</b>	No Distribution	Monthly
<b>ISIN</b>	LU1514167052	LU1514167482
<b>Bloomberg</b>	SCGCIAU LX	SCGCIIU LX
<b>SEDOL</b>	BD24G80	BD24GG8

### Contact information

Schroder Investment Management (Switzerland) AG  
Central 2  
Zurich  
Switzerland  
CH-8001  
Tel: +41 (0)44 250 11 11  
Fax: +41 (0)44 250 13 12

For your security, communications may be taped or monitored.

### Important information

This document does not constitute an offer to anyone, or a solicitation by anyone, to subscribe for shares of Schroder International Selection Fund (the "Company"). Nothing in this document should be construed as advice and is therefore not a recommendation to buy or sell shares. The offering of shares in certain jurisdictions may be restricted and accordingly persons are required, by the Company, to inform themselves of and observe any such restrictions. Subscriptions for shares of the Company can only be made on the basis of its latest prospectus together with the latest audited annual report (and subsequent unaudited semi-annual report, if published). The prospectus and the key investor information document(s) for Switzerland, the articles of association, the annual and semi-annual reports can be obtained, free of charge, at the offices of the Swiss representative, Schroder Investment Management (Switzerland) AG, Central 2, P.O. Box, CH-8021 Zurich (authorised and regulated by FINMA) and the Swiss paying agent, Schroder & Co. Bank AG, Central 2, P.O. Box, CH-8021 Zurich. An investment in the Company entails risks, which are fully described in the prospectus. The Company has its registered office in Luxembourg and is regulated by the Commission de Surveillance du Secteur Financier. This document is issued by Schroder Investment Management (Europe) S.A., 5, rue Höhenhof, L-1736 Senningerberg, Luxembourg. R.C.S. Luxembourg: B 37.799. Schroders has expressed its own views and opinions in this document and these may change. Third party data is owned or licensed by the data provider and may not be reproduced or extracted and used for any other purpose without the data provider's consent. Third party data is provided without any warranties of any kind. The data provider and issuer of the document shall have no liability in connection with the third party data. The Prospectus and/or [www.schroders.com](http://www.schroders.com) contains additional disclaimers which apply to the third party data.

**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. Any comparator benchmarks have been selected because the investment manager believes that the benchmarks are a suitable comparison for performance purposes given the fund's investment objective and policy. The fund is not expected to replicate the holdings or performance of any benchmark.

\* Morningstar Rating: © Morningstar 2020. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.

#### \*\* 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.