

# Schroder International Selection Fund Securitised Credit

I Accumulation EUR Hedged | Data as at 31.03.2020

## Fund objectives and investment policy

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The fund aims to provide income and capital growth of USD LIBOR 3 Months +2% (or an alternative reference rate), before fees have been deducted\* over a three to five year period by investing in securitised assets issued by entities worldwide.\*For the target return after fees for each Share Class please visit the Schroder website: <https://www.schroders.com/en/uk/private-investor/investing-with-us/historical-ongoing-charges>The fund is actively managed and invests at least two-thirds of its assets in securitised investments including but not limited to asset-backed securities (ABS), residential mortgage-backed securities (MBS) and commercial mortgage-backed securities (CMBS). The fund may also invest in collateralised loan obligations (CLOs).The fund may invest up to 100% of its assets in ABS, MBS and CMBS issued worldwide with an investment grade and sub-investment grade credit rating (as measured Standard & Poor's or any equivalent grade of other credit rating agencies). Underlying assets of the asset-backed securities may include credit card receivables, personal loans, auto loans, transportation finance and small business loans.The fund may invest up to 30% of its assets in securities with a sub-investment grade credit rating (as measured Standard & Poor's or any equivalent grade of other credit rating agencies).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.**

# Schroders

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### Share class performance

Cumulative performance	1 month	3 months	YTD	1 year	3 years	5 years	Since inception
EUR Hedged	-9.5	-9.2	-9.2	-8.6	-	-	-8.4
USD Unhedged	-9.2	-8.5	-8.5	-5.9	-	-	-1.7
Comparator USD	-3.1	-2.5	-2.5	-0.9	-	-	-
Target USD	0.3	1.0	1.0	4.4	-	-	-

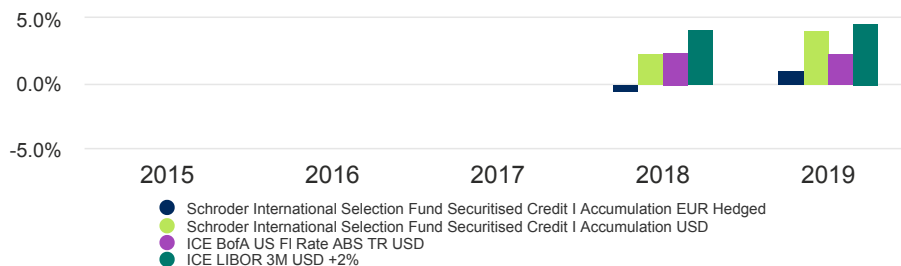
  

Discrete yearly performance	Mar 15 - Mar 16	Mar 16 - Mar 17	Mar 17 - Mar 18	Mar 18 - Mar 19	Mar 19 - Mar 20
EUR Hedged	-	-	-	-0.1	-8.6
USD Unhedged	-	-	-	2.9	-5.9
Comparator USD	-	-	-	2.5	-0.9
Target USD	-	-	-	4.5	4.4

Calendar year performance	2015	2016	2017	2018	2019
EUR Hedged	-	-	-	-0.5	1.0
USD Unhedged	-	-	-	2.3	4.1
Comparator USD	-	-	-	2.4	2.3
Target USD	-	-	-	4.1	4.7

### 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 of USD LIBOR 3 Months +2% (or an alternative reference rate) and compared against the ICE BofA Merrill Lynch US Floating Rate Asset Backed Securities index. The investment manager invests on a discretionary basis and is not limited to investing in accordance with the composition of a benchmark.

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.

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

### Fund facts

Fund manager	Michelle Russell-Dowe
Managed fund since	06.09.2017
Fund management company	Schroder Investment Management (Europe) S.A.
Domicile	Luxembourg
Fund launch date	06.09.2017
Share class launch date	06.09.2017
Fund base currency	USD
Share class currency	EUR
Fund size (Million)	USD 1,856.73
Number of holdings	330
Target	ICE LIBOR 3M USD +2%
Comparator	ICE BofA US FI Rate ABS TR USD
Unit NAV	EUR 91.5586
Dealing frequency	Daily
Distribution frequency	No Distribution

### Fees & expenses

Ongoing charge	0.06%
Redemption fee	0.00%

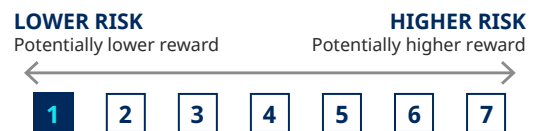
### Purchase details

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

ISIN	LU1662755633
Bloomberg	SCHIIHE LX
SEDOL	BD822H9
Reuters	LU1662755633.LUF

### 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.

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### 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.

**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.

**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.

### Risk statistics & financial ratios

	Fund	Comparator
<b>Effective duration (years)</b>	1.5	-
<b>Current yield (%)</b>	3.0	-
<b>Yield to maturity</b>	5.4	-

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

# Schroders

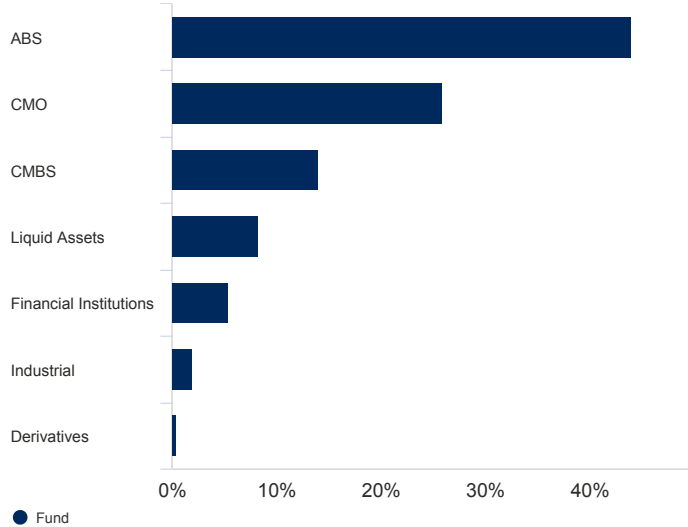
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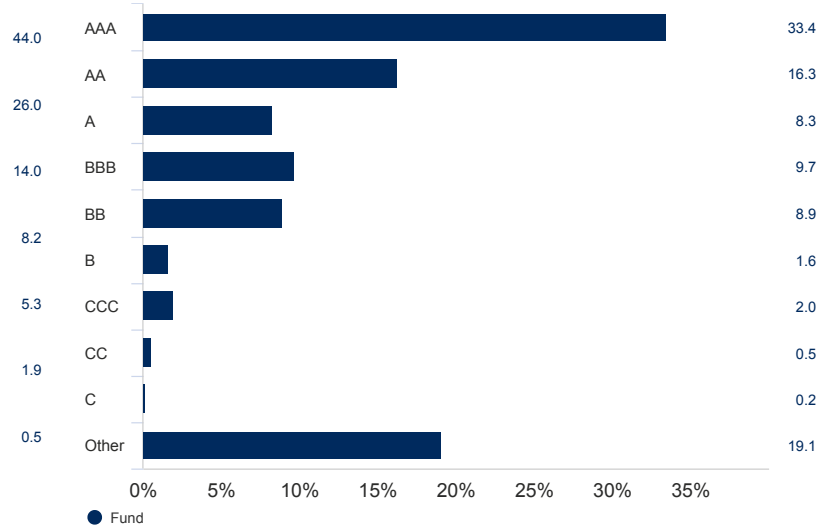
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### Asset allocation

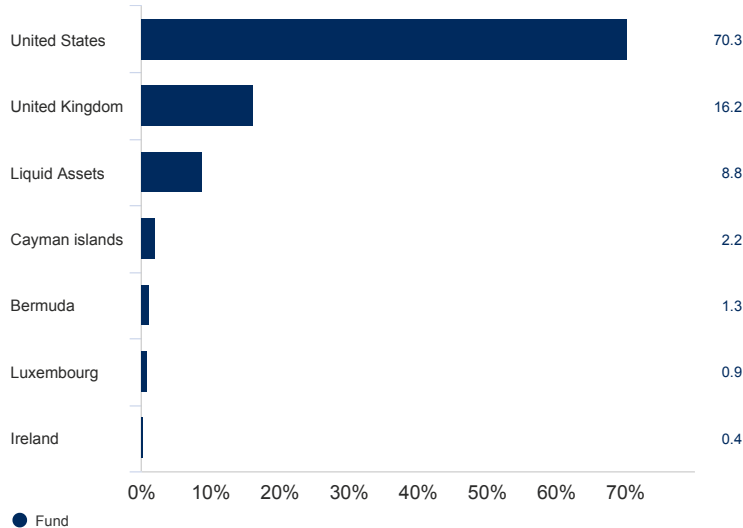
#### Sector (%)



#### Credit quality (%)



#### Geographical Breakdown (%)



#### Top 10 holdings (%)

	Holding name	%
1	PARGN 13X A1 FRN 15/01/2039 - REGS	2.3
2	AMBAC LSNI LLC FRN 12/02/2023 - 144A	2.0
3	ALBA 2007-1 A3 FRN 17/03/2039 - REGS	1.9
4	TPMT 2017-1 A1 2.7500 25/10/2056 - 144A	1.5
5	CAS 2017-C03 1M2 FRN 25/10/2029	1.5
6	PARGN 12X A1 FRN 15/11/2038	1.3
7	HILT 2016-SFP A 2.8284 05/11/2035 144A	1.3
8	MAGNE 2014-8A AR2 FRN 15/04/2031 - 144A	1.3
9	VZOT 2018-A A1A 3.2300000 20/04/2023	1.2
10	VZOT 2018-1A A1A 2.8200 20/09/2022 - 144A	1.1

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

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### Share class available

	I Accumulation EUR Hedged	I Income EUR Hedged
Distribution frequency	No Distribution	Quarterly
ISIN	LU1662755633	LU1662755989
Bloomberg	SCHIIIHE LX	SCHISIH LX
SEDOL	BD822H9	BD822M4

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**Benchmark:** The target benchmark has been selected because it is representative of the type of investments in which the fund is likely to invest and it is, therefore, an appropriate target in relation to the return that the fund aims to provide. 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.