Schroders
capital

Marketing material

# Schroder International Selection Fund Alternative Securitised Income

C Accumulation GBP Hedged | Data as at 31.01.2024

## Fund objectives and investment policy

The Fund aims to provide income and capital growth in excess of 50% JP CLOIE index + 50% ICE BofA CABS Index 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 webpage https://www.schroders.com/en/lu/private-investor/investing-with-us/after-fees-performance-targets/

**Above is the Investment Objective of the fund. For details on the fund's Investment Policy please see the KID.**
The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR).
**Relevant risks associated with an investment in this fund are shown below and should be carefully considered before making any investment. 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 investments to fall as well as rise. Performance data does not take into account any commissions and costs, if any, charged when units or shares of any fund, as applicable, are issued and redeemed.**

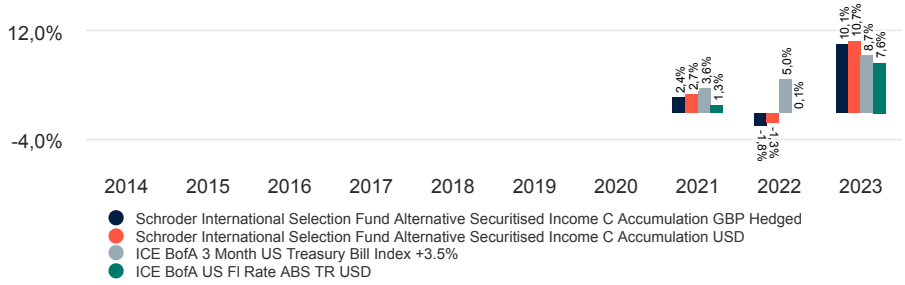
## Share class performance (%)

| Cumulative performance | 1 month | 3 months | YTD | 1 year | 3 years | 5 years | Since inception |
|---|---|---|---|---|---|---|---|
| GBP Hedged | 0,9 | 2,5 | 0,9 | 9,3 | 11,2 | - | 12,6 |
| USD Unhedged | 0,9 | 2,6 | 0,9 | 9,8 | 12,6 | - | - |
| Target USD | 0,7 | 2,2 | 0,7 | 8,8 | 18,7 | - | - |
| Comparator USD | 0,8 | 2,2 | 0,8 | 7,4 | 9,4 | - | - |

| Discrete yearly performance (%) | Jan 14 - Jan 15 | Jan 15 - Jan 16 | Jan 16 - Jan 17 | Jan 17 - Jan 18 | Jan 18 - Jan 19 | Jan 19 - Jan 20 | Jan 20 - Jan 21 | Jan 21 - Jan 22 | Jan 22 - Jan 23 | Jan 23 - Jan 24 |
|---|---|---|---|---|---|---|---|---|---|---|
| GBP Hedged | - | - | - | - | - | - | - | 2,2 | -0,4 | 9,3 |
| USD Unhedged | - | - | - | - | - | - | - | 2,4 | 0,2 | 9,8 |
| Target USD | - | - | - | - | - | - | - | 3,6 | 5,3 | 8,8 |
| Comparator USD | - | - | - | - | - | - | - | 0,9 | 1,0 | 7,4 |

| Calendar year performance | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|---|---|---|---|---|
| GBP Hedged | - | - | - | - | - | - | - | 2,4 | -1,8 | 10,1 |
| USD Unhedged | - | - | - | - | - | - | - | 2,7 | -1,3 | 10,7 |
| Target USD | - | - | - | - | - | - | - | 3,6 | 5,0 | 8,7 |
| Comparator USD | - | - | - | - | - | - | - | 1,3 | 0,1 | 7,6 |

## Performance over 10 years (%)




## Fund facts

| | |
|---|---|
| Fund manager | Michelle Russell-Dowe |
| Managed fund since | 17.12.2019 |
| Fund management company | Schroder Investment Management (Europe) S.A. |
| Domicile | Luxembourg |
| Fund launch date | 17.12.2019 |
| Share class launch date | 19.03.2020 |
| Fund base currency | USD |
| Share class currency | GBP |
| Fund size (Million) | USD 662,02 |
| Number of holdings | 199 |
| Target | ICE BofA 3 Month US Treasury Bill Index +3.5% |
| Comparator | ICE BofA US FI Rate ABS TR USD |
| Unit NAV | GBP 112,5687 |
| Dealing frequency | Daily |
| Distribution frequency | No Distribution |

## Fees & expenses

| | |
|---|---|
| Entry charge up to | 1,00% |
| Ongoing charge | 0,64% |
| Redemption fee | 0,00% |

## Purchase details

| | |
|---|---|
| Minimum initial subscription | GBP 1.000 ; EUR 1.000 ; USD 1.000 or their near equivalent in any other freely convertible currency. |

## Codes

| | |
|---|---|
| ISIN | LU2114974673 |
| Bloomberg | SASICGA LX |
| SEDOL | BKVDG09 |

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## Risk considerations

**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.
**Credit risk:** A decline in the financial health of an issuer could cause the value of its bonds to fall or become worthless.
**Currency risk:** The fund may lose value as a result of movements in foreign exchange rates, otherwise known as currency rates.
**Derivatives risk:** Derivatives, which are financial instruments deriving their value from an underlying asset, may be used to manage the portfolio efficiently. The fund may also materially invest in derivatives including using short selling and leverage techniques with the aim of making a return. 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.
**High yield bond risk:** High yield bonds (normally lower rated or unrated) generally carry greater market, credit and liquidity risk meaning greater uncertainty of returns.
**Interest rate risk:** The fund may lose value as a direct result of interest rate changes.
**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, meaning investors may not be able to have immediate access to their holdings.
**Market risk:** The value of investments can go up and down and an investor may not get back the amount initially invested.
**Operational risk:** Operational processes, including those related to the safekeeping of assets, may fail. This may result in losses to the fund.
**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.
**Sustainability risk:** The fund has environmental and/or social characteristics. This means it may have limited exposure to some companies, industries or sectors and may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the investment manager. The fund may invest in companies that do not reflect the beliefs and values of any particular investor.
**Currency risk / hedged share class:** The hedging of the share class may not be fully effective and residual currency exposure may remain.

## Summary risk indicator (SRI)

**LOWER RISK** Potentially lower reward — **HIGHER RISK** Potentially higher reward

**1** | 2 | 3 | 4 | 5 | 6 | 7

The risk category was calculated using historical performance data (or indicative fund performance during periods of suspension) 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. Please see the Key Information Document for more information.

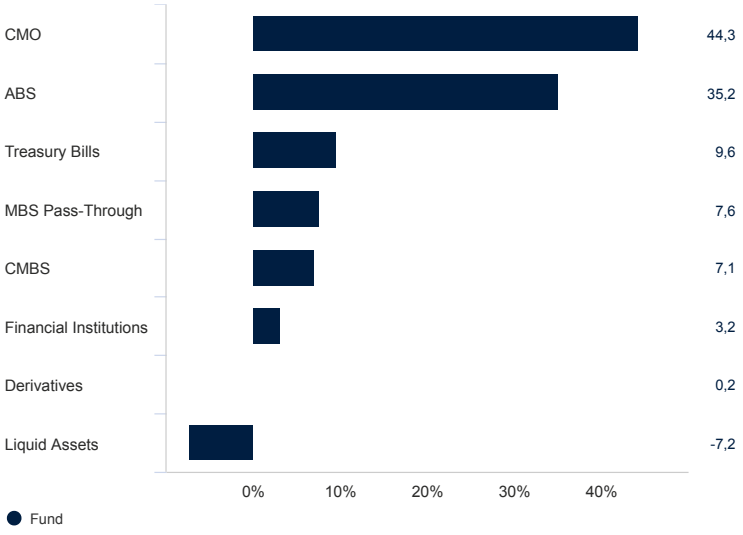
## Risk statistics & financial ratios

| | Fund | Target |
|---|---|---|
| **Annual volatility (%) (3y)** | 2,2 | - |
| **Effective duration (years)** | 0,1 | - |
| **Current yield (%)** | 4,9 | - |
| **Yield to maturity** | 7,4 | - |

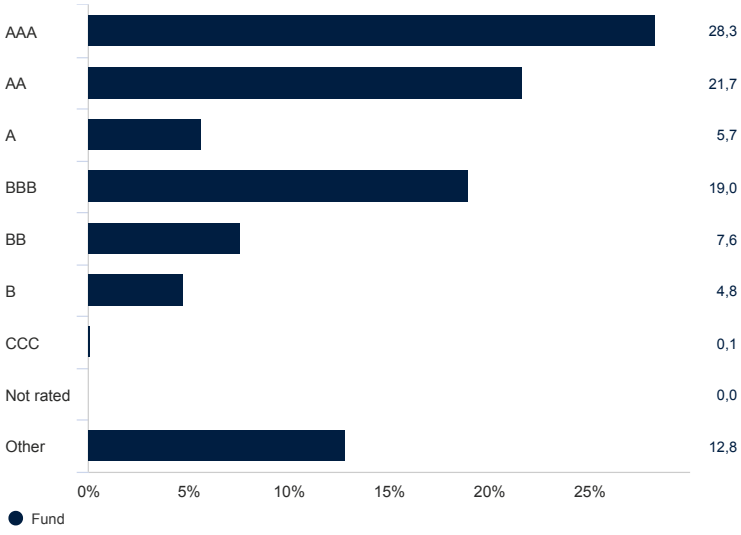
Source: Morningstar. The above ratios are based on bid to bid price based performance data.

## Asset allocation

### Sector (%)




### Credit quality (%)



## Top 10 holdings (%)

| Holding name | % |
|---|---|
| TREASURY BILL 0.0000 20/02/2024 SERIES GOVT | 5,3 |
| TREASURY BILL 0.0000 26/03/2024 SERIES GOVT | 4,0 |
| G2SF 6.5 2/24 6.5000 20/02/2024 | 2,4 |
| PRPM_22-5 6.9000 27/09/2027 - 144A | 2,0 |
| PUMA 2023-1 FRN 5.4539 22/03/2055 | 1,7 |
| MF1_24-FL14 FRN 19/03/2039 - 144A | 1,6 |
| FNCL 5 2/24 5.0000 13/02/2024 | 1,6 |
| RMIR_23-1 FRN 9.6946 25/07/2033 - 144A | 1,6 |
| BMIR_21-3A FRN 8.4946 25/09/2031 - 144A | 1,5 |
| EMIR_23-1 FRN 9.2946 26/09/2033 - 144A | 1,4 |

Source: Schroders. Top holdings and asset allocation are at fund level. Not Rated and Liquid Assets includes cash, cash equivalents and derivatives.

## Contact information

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For your security, communications may be taped or monitored.

## Information relating to changes in fund manager, investment objective, benchmark and corporate action information

The full track record of the previous index has been kept and chain linked to the new one. On 01.05.2021 the ICE BofA 3 Month US Treasury Bill Index +3.5% replaced the 3-month USD LIBOR +3.5%.

**Benchmarks: (If applicable)**

Some performance differences between the fund and the benchmark may arise because the fund performance is calculated at a different valuation point from the 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. The investment manager invests on a discretionary basis and there are no restrictions on the extent to which the fund's portfolio and performance may deviate from 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.

## Source and ratings information

Source of all performance data, unless otherwise stated: Morningstar, bid to bid, net income reinvested, net of fees.
**Impact scores:** These are generated using Schroders' proprietary tool SustainEx™. SustainEx™ provides an estimate of the potential "impact" that an issuer may create in terms of net social and environmental "costs" or "benefits" of that issuer. It does this by using certain metrics with respect to that issuer, and quantifying them positively (for example by paying 'fair wages') and negatively (for example the carbon an issuer emits) to produce an aggregate notional measure of the relevant underlying issuer's social and environmental "costs", "externalities" or "impacts". SustainEx™ utilises and is reliant on third party data (including third party estimates) as well as Schroders' own modelling assumptions, and the outcome may differ from other sustainability tools and measures.

Where SustainEx™ relies on data and estimates produced by third parties, Schroders seeks to ensure that such data and estimates are accurate, but Schroders cannot and does not warrant the accuracy, completeness and adequacy of such third party data and estimates. Like any model, SustainEx™ will evolve and develop over time as Schroders continues to assess, refine and add to the metrics and their relative contributions. Generating SustainEx™ scores involves an element of judgment and subjectivity across the different metrics chosen by Schroders, and accordingly Schroders does not accept any liability arising from any inaccuracy or omission in, or the use of or reliance on, SustainEx™ scores. As the model evolves, changes made to how metrics are applied may result in changes to the SustainEx™ score of any issuer and ultimately the overall fund/portfolio score. At the same time, of course, the issuer's SustainEx performance might improve or deteriorate.

The SustainEx scores show month-end data. Where a fund maintains a higher overall sustainability score than its sustainability benchmark based on the investment manager's rating system, this means that the fund's weighted average score in SustainEx over the previous six month period will be higher than the benchmark's score in SustainEx over the same period, based on month-end data. Where a fund maintains a positive absolute sustainability score based on the investment manager's rating system, this means that the fund's weighted average score in SustainEx over the previous six month period will be higher than zero over the same period based on month-end data and any comparison to its benchmark's score is shown here for information and illustrative purposes only. Where a fund has different sustainability criteria, the fund's weighted average score in SustainEx compared to its benchmark's score is shown here for information and illustrative purposes only.

**Schroders' Proprietary tools,:** including SustainEx, may not cover all of the fund's holdings from time to time, in which case Schroders may use a range of alternative methods to assess the relevant holding. In addition, certain types of assets (such as cash and certain equivalent securities) are treated as neutral and are therefore not considered by our proprietary tools. Other types of assets such as equity indices and index derivatives may not be considered by our proprietary tools and in such case would be excluded from a product's sustainability score.
Aggregated SustainEx metric definitions are: Carbon emissions: Environmental and societal cost of carbon emissions (scope 1,2 and 3). Water consumption: Environmental and societal cost of companies' and countries' freshwater withdrawal. Assigned based on reported water usage. Avoided carbon emissions: Environmental and societal benefits of activities and technologies that enable system-wide reductions in carbon emissions, including companies' products and services and country investments in clean energy. Fair pay: Societal benefits or costs of companies over- or under-paying staff relative to local living wages (for regions in which they operate). Alcohol: Societal cost of alcohol consumption (assigned to alcohol producers). Tobacco: Societal cost of smoking (assigned to tobacco producers).

Energy exposure definitions are: Coal exposure: Measures the weight of the portfolio exposed to companies deriving revenue from the mining of thermal coal (including lignite, bituminous, anthracite and steam coal) and its sale to external parties. It excludes: revenue from metallurgical coal; coal mined for internal power generation (e.g. in the case of vertically integrated power producers); intra-company sales of mined thermal coal; and revenue from coal trading. Tar sands exposure: Measures the weight of the portfolio exposed to companies deriving revenue from oil sands extraction for a set of companies that own oil sands reserves and disclose evidence of deriving revenue from oil sands extraction. This factor does not include revenue from non-extraction activities (e.g. exploration, surveying, processing, refining); ownership of oil sands reserves with no associated extraction revenues; revenue from intra-company sales.

*Coverage, which refers to the percentage of indicator data available at month-end for the underlying holdings of the fund and the benchmark, where applicable.

## Important information

**Costs:**
Certain costs associated with your investment in the fund may be incurred in a different currency to that of your investment. These costs may increase or decrease as a result of currency and exchange rate fluctuations.

If a performance fee is applicable to this fund, details of the performance fee model and its computation methodology can be found in the fund's prospectus. This includes a description of the performance fee calculation methodology, the dates on which the performance fee is paid and details of how the performance fee is calculated in relation to the fund's performance fee benchmark, which may differ from the benchmark in the fund's investment objective or investment policy.

For further information regarding the costs and charges associated with your investment, please consult the funds' offering documents and annual report.

**General:**
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