

Schroder International Selection Fund Carbon Neutral Credit 2040

C Accumulation EUR | Data as at 30.04.2024

Fund objectives and investment policy

The fund aims to achieve i) aggregate carbon neutrality by the year 2040 within its investment portfolio and ii) capital growth by investing in bonds issued by governments, government agencies, supra-nationals and companies worldwide, which the investment manager deems to be sustainable investments, and which contribute towards the objective of carbon emission reduction, in order to support and encourage the transition towards a zero carbon world. Aggregate carbon neutrality means achieving net zero carbon emissions intensity by balancing investments in (i) issuers that generate carbon emissions, but that have stated goals to reduce such emissions with (ii) issuers that contribute to reducing carbon emissions.

Above is the Investment Objective of the fund. For details on the fund's Investment Policy please see the KID.

The Fund has the objective of sustainable investment (within the meaning of Article 9 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.

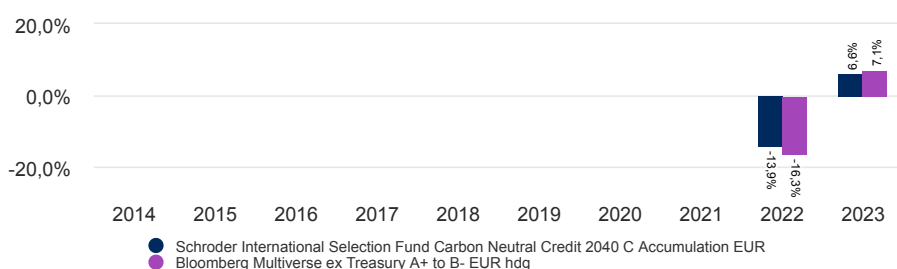
Share class performance (%)

| Cumulative performance | 1 month | 3 months | YTD | 1 year | 3 years | 5 years | Since inception |
|------------------------|---------|----------|------|--------|---------|---------|-----------------|
| Share class (Net) | -0,9 | -0,2 | -0,1 | 5,0 | - | - | -8,5 |
| Comparator | -1,9 | -1,7 | -1,9 | 2,1 | - | - | -12,0 |

| Discrete yearly performance (%) | Apr 14 - Apr 15 | Apr 15 - Apr 16 | Apr 16 - Apr 17 | Apr 17 - Apr 18 | Apr 18 - Apr 19 | Apr 19 - Apr 20 | Apr 20 - Apr 21 | Apr 21 - Apr 22 | Apr 22 - Apr 23 | Apr 23 - Apr 24 |
|---------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Share class (Net) | - | - | - | - | - | - | - | - | -4,2 | 5,0 |
| Comparator | - | - | - | - | - | - | - | - | -2,8 | 2,1 |

| Calendar year performance | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---------------------------|------|------|------|------|------|------|------|------|-------|------|
| Share class (Net) | - | - | - | - | - | - | - | - | -13,9 | 6,6 |
| Comparator | - | - | - | - | - | - | - | - | -16,3 | 7,1 |

Performance over 10 years (%)



Ratings and accreditation

MSCI
ESG RATINGS



CCC B BB BBB A AA AAA

Please refer to the Source and ratings information section for details on the icons shown above.

Fund facts

| | |
|-------------------------|---|
| Fund manager | Saida Eggerstedt Patrick Vogel |
| Managed fund since | 02.12.2021 ; 02.12.2021 |
| Fund management company | Schroder Investment Management (Europe) S.A. |
| Domicile | Luxembourg |
| Fund launch date | 02.12.2021 |
| Share class launch date | 02.12.2021 |
| Fund base currency | EUR |
| Share class currency | EUR |
| Fund size (Million) | EUR 18,60 |
| Number of holdings | 136 |
| Comparator | Bloomberg Multiverse ex Treasury A+ to B- EUR hdg |
| Unit NAV | EUR 91,4973 |
| Dealing frequency | Daily |
| Distribution frequency | No Distribution |

Fees & expenses

| | |
|--------------------|-------|
| Entry charge up to | 1,00% |
| Ongoing charge | 0,67% |
| Redemption fee | 0,00% |

Purchase details

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

Codes

| | |
|-----------|--------------|
| ISIN | LU2402391754 |
| Bloomberg | SCNC2CE LX |
| SEDOL | BPBMBV7 |

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.

Contingent convertible bonds: The fund may invest in contingent convertible bonds which are bonds that convert to shares if the bond issuer's financial health deteriorates. A reduction in the financial strength of the issuer may result in losses to the fund.

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.

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.

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

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.

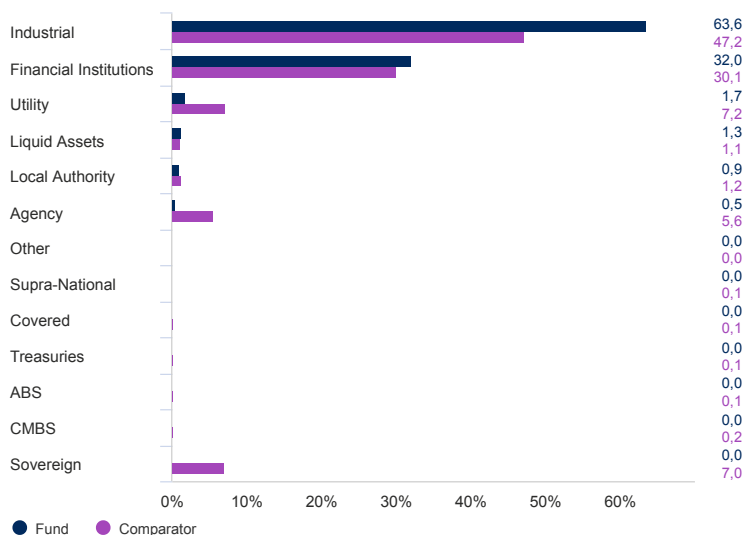
Operational risk: Operational processes, including those related to the safekeeping of assets, may fail. This may result in losses to the fund.

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.

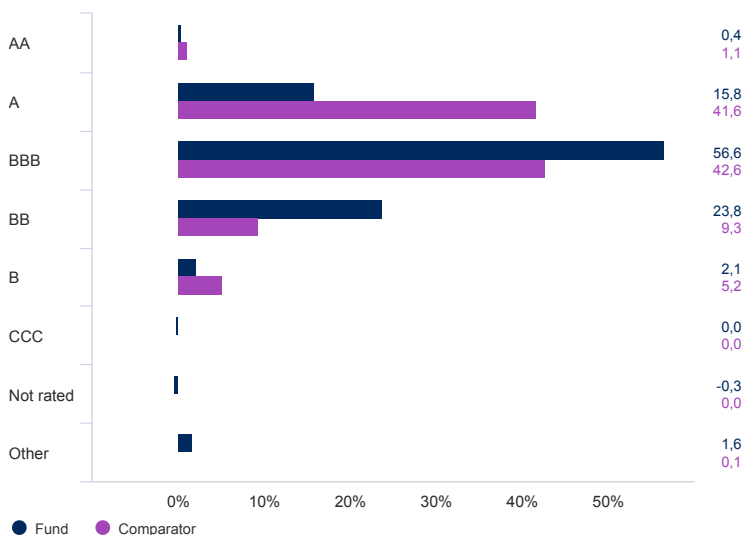
Sustainability risk: The fund has the objective of sustainable investment. This means it may have limited exposure to some companies, industries or sectors and may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the investment manager. The fund may invest in companies that do not reflect the beliefs and values of any particular investor.

Asset allocation

Sector (%)



Credit quality (%)



Summary risk indicator (SRI)

LOWER RISK

Potentially lower reward

HIGHER RISK

Potentially higher reward



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.

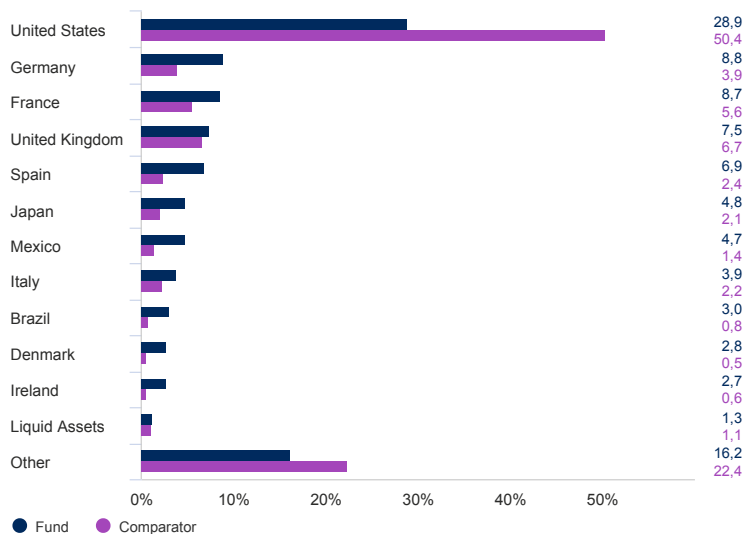
Risk statistics & financial ratios

| | Fund | Comparator |
|----------------------------|------|------------|
| Effective duration (years) | 4,1 | - |
| Current yield (%) | 5,4 | - |
| Yield to maturity | 4,9 | - |

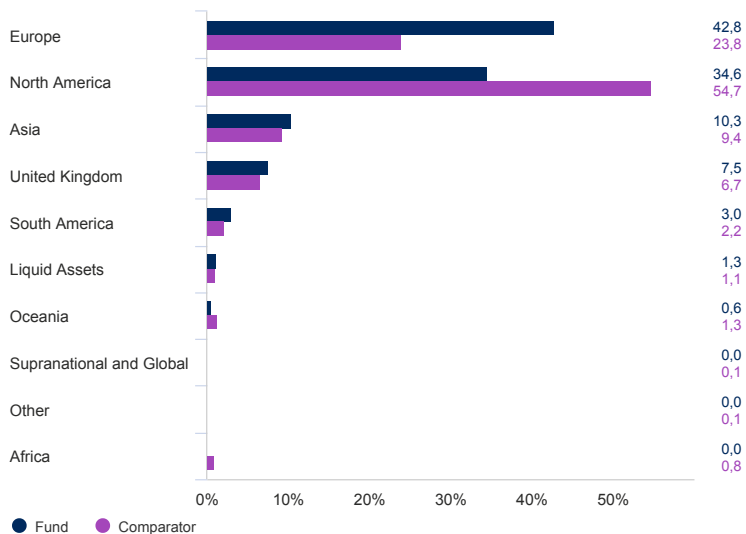
Source: Morningstar. The above ratios are based on bid to bid price based performance data.

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Geographical breakdown (%)



Region (%)



Top 10 holdings (%)

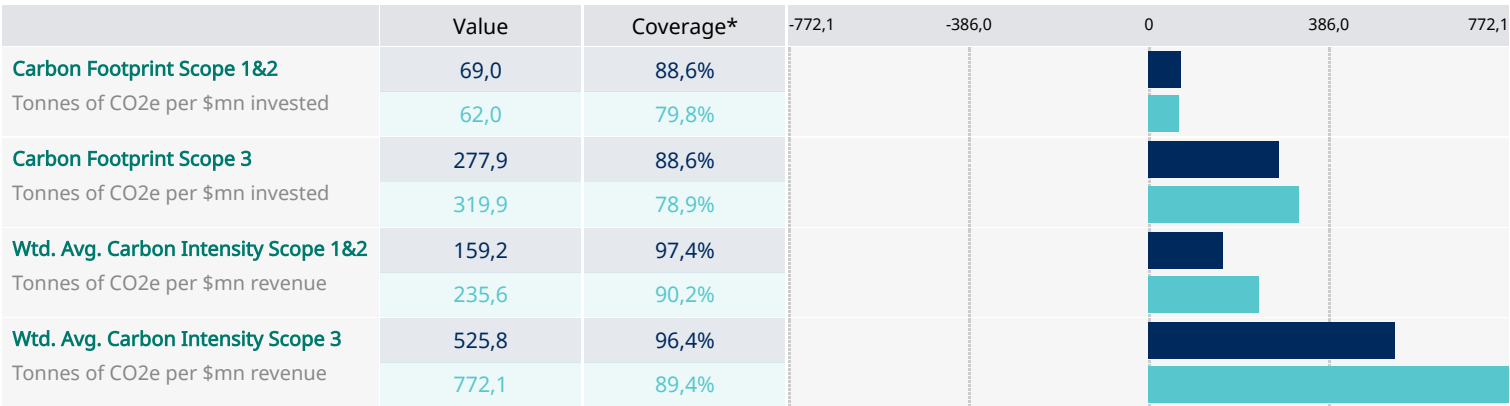
| Holding name | % |
|--|-----|
| BIMBO BAKERIES USA INC 6.4000 15/01/2034 SERIES 144A | 2,2 |
| HAT HOLDINGS I LLC 8.0000 15/06/2027 SERIES 144A | 2,1 |
| JYSKE BANK A/S 5.1250 01/05/2035 SERIES EMTN | 1,7 |
| HORMEL FOODS CORPORATION 4.8000 30/03/2027 SERIES CORP | 1,6 |
| ASSICURAZIONI GENERALI SPA 5.8000 06/07/2032 SERIES EMTN | 1,5 |
| STARBUCKS CORPORATION 4.8500 08/02/2027 SERIES CORP | 1,5 |
| CO-OPERATIVE BANK FINANCE PLC 9.5000 24/05/2028 SERIES CORP | 1,4 |
| SEVERN TRENT UTILITIES FINANCE PLC 3.6250 16/01/2026 | 1,2 |
| BANCO DE CREDITO SOCIAL COOPERATIV 7.5000 14/09/2029 SERIES EMTN | 1,2 |
| INTESA SANPAOLO SPA 9.1250 31/12/2079 SERIES CORP | 1,2 |

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

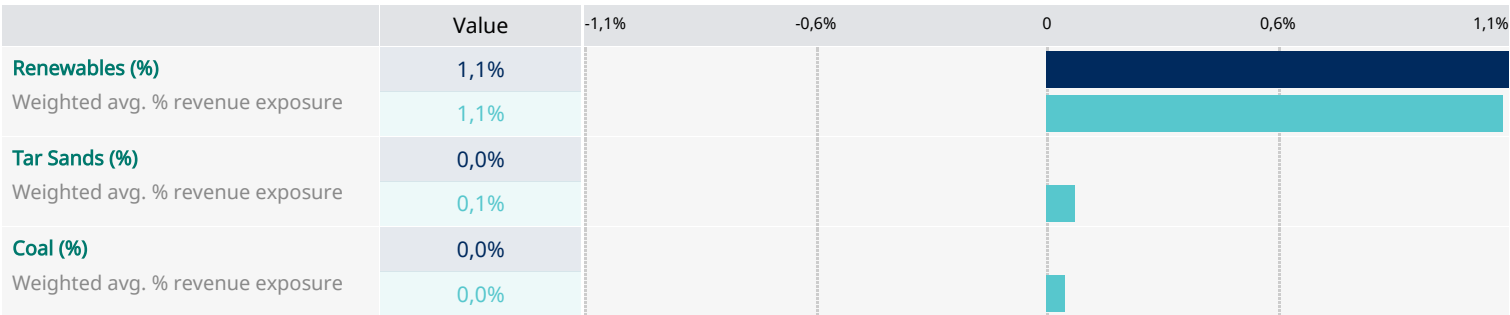
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Climate dashboard

Carbon Metrics



Fossil Fuel Exposures



Source: MSCI. The graphs above include the Weighted Average Carbon Intensity (WACI), carbon footprint and energy exposure of the fund and its benchmark, where applicable. WACI and carbon footprint are based on Scope 1, 2 and 3 emissions. WACI measures the carbon-intensity of the portfolio by assessing the ratio of emissions to revenue generated from underlying investee companies. Carbon footprint normalises the total carbon emissions of the portfolio to its market value. When calculating carbon metrics, Schroders will exclude neutral assets (such as cash) and other non-eligible assets. This means that Schroders aggregates company-level GHG emissions based on the portfolio's eligible assets only (which are listed equity and credit holdings, where applicable). The energy exposure metrics are calculated based on the revenue generated from these activities by the underlying investee companies and weighted by the fund's holdings. Fund exposure to 'Coal' represents Thermal Coal mining and reflects investments in companies whose coal-related revenues are below the accepted threshold. Please refer to the fund sustainability disclosures for more details on exclusions. All metrics use reported company data. Where data may not be available, then MSCI may use estimates. Benchmark used is the Barclays Multiverse ex Treasury A+ to B- , EUR hedged index.

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Principal Adverse Impacts Measures

The table below shows some of the Principal Adverse Impacts (PAIs) of this fund and its benchmark, where applicable. The PAIs are the indicators referred to below which aim to show the negative effects that investment decisions, made in respect of the fund's portfolio, have on sustainability factors. Sustainability factors are defined in the SFDR as environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters. We also identify the 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.

| Category | Measure | Description | Units | Fund | Benchmark |
|----------|--|---|-----------------|------------------------------------|----------------------------------|
| People | Board Gender Diversity | Average ratio of female to male board members in investee companies | Ratio (%) | 59,7% Coverage*: 96,6% | 55,5% Coverage*: 90,1% |
| | Unadjusted gender pay gap | Average unadjusted gender pay gap of investee companies | Ratio (%) | 9,5% Coverage*: 23,1% | 14,5% Coverage*: 15,5% |
| | UNGC and OECD principle policies | Share of investment in companies without policies to monitor compliance with UNGC and OECD principles | Ratio (%) | 0,7% Coverage*: 96,6% | 1,6% Coverage*: 90,6% |
| Planet | Total GHG emissions | Scope 1,2 & 3 greenhouse gas emissions | Tonnes of CO2e | 6.033,7 Coverage*: 89,7% | - Coverage*: - |
| | Non-renewable energy exposure | Share of non-renewable energy consumption and production | Ratio (%) | 63,2% Coverage*: 71,6% | 72,9% Coverage*: 60,6% |
| | Exposure to companies without carbon emissions reduction initiatives | Investing in companies without carbon emission reduction initiatives aligned with the Paris Agreement | Ratio (%) | 21,8% Coverage*: 96,0% | 26,3% Coverage*: 88,2% |
| | Exposure to activities negatively affecting biodiversity-sensitive areas | Share of investments in investee companies with operations in or near biodiversity sensitive areas | Ratio (%) | 12,2% Coverage*: 96,6% | 9,8% Coverage*: 91,3% |
| | Fossil fuel sector exposure | Share of investment in companies active in the fossil fuel sector | Ratio (%) | 2,2% Coverage*: 96,6% | 14,2% Coverage*: 90,5% |
| | Energy consumption intensity | Energy consumption in GWh per million EUR of investee companies' revenue | GWh/€mn | 0,9 Coverage*: 88,8% | 2,2 Coverage*: 75,4% |
| | Hazardous waste ratio | Hazardous waste by investee companies per million EUR invested | Metric tons/€mn | 0,6 Coverage*: 33,8% | 2,8 Coverage*: 24,3% |
| | Emissions to water | Tonnes of emissions to water generated by investee companies per million EUR invested | Metric tons/€mn | 0,0 Coverage*: 1,1% | 0,0 Coverage*: 0,6% |

Source: MSCI: The aggregation of benchmark level metrics has been calculated by Schroders, not MSCI: Benchmark used is the Barclays Multiverse ex Treasury A+ to B-, EUR hedged index.

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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

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 fund is not managed with reference to a 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.

Source and ratings information

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.

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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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