

# Schroder International Selection Fund Emerging Markets Debt Absolute Return

I Accumulation GBP Hedged | Data as at 31.03.2020

## Fund objectives and investment policy

The fund aims to provide an absolute return of capital growth and income after fees have been deducted by investing in bonds in emerging markets. Absolute return means the fund seeks to provide a positive return over a 12 month period in all market conditions, but this cannot be guaranteed and your capital is at risk. The fund is actively managed and invests at least two-thirds of its assets in bonds, currencies and money market instruments in emerging markets. The bonds are issued by governments, government agencies and companies. The fund may also hold cash. In aiming to deliver an absolute return, the fund may hold up to 40% of its assets in cash and money market instruments in developed markets. 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). The fund may also invest directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, investment funds and warrants. 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.

## Share class performance

Cumulative performance	1 month	3 months	YTD	1 year	3 years	5 years	10 years
GBP Hedged	-5.8	-8.5	-8.5	-5.3	-5.0	3.1	12.3
USD Unhedged	-5.4	-7.9	-7.9	-3.4	0.1	9.7	19.0
Benchmark	0.1	0.4	0.4	2.1	6.2	7.6	9.4

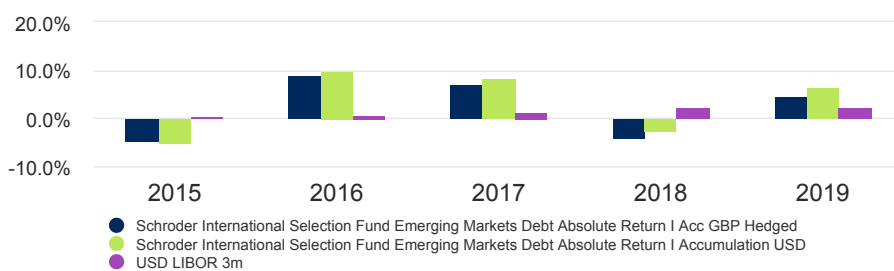
  

Discrete yearly performance	Mar 15 - Mar 16	Mar 16 - Mar 17	Mar 17 - Mar 18	Mar 18 - Mar 19	Mar 19 - Mar 20
GBP Hedged	3.5	4.8	6.3	-5.7	-5.3
USD Unhedged	3.6	5.8	7.8	-4.0	-3.4
Benchmark	0.4	0.9	1.5	2.5	2.1

Calendar year performance	2015	2016	2017	2018	2019
GBP Hedged	-4.7	8.9	7.1	-4.1	4.6
USD Unhedged	-4.9	9.8	8.5	-2.4	6.5
Benchmark	0.3	0.8	1.3	2.4	2.4

## 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 objective of providing a positive return over a 12-month period in all market conditions.

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. This fund aims to achieve an absolute return and is therefore not managed to a specific benchmark. With effect from 01.06.2008 Schroder ISF Emerging Markets Debt changed its name to Schroder ISF Emerging Markets Debt Absolute Return.

## Fund facts

Fund manager	Abdallah Guezour
Managed fund since	01.07.2000
Fund management company	Schroder Investment Management (Europe) S.A.
Domicile	Luxembourg
Fund launch date	29.08.1997
Share class launch date	13.05.2005
Fund base currency	USD
Share class currency	GBP
Fund size (Million)	USD 2,902.20
Number of holdings	61
Benchmark	USD LIBOR 3m
Unit NAV	GBP 34.2968
Dealing frequency	Daily
Distribution frequency	No Distribution

## Fees & expenses

Ongoing charge	0.08%
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	LU0218201217
Bloomberg	SCHPHIA LX
SEDOL	B0B1DJ1
Reuters	LU0218201217.LUF

## Ratings and accreditation

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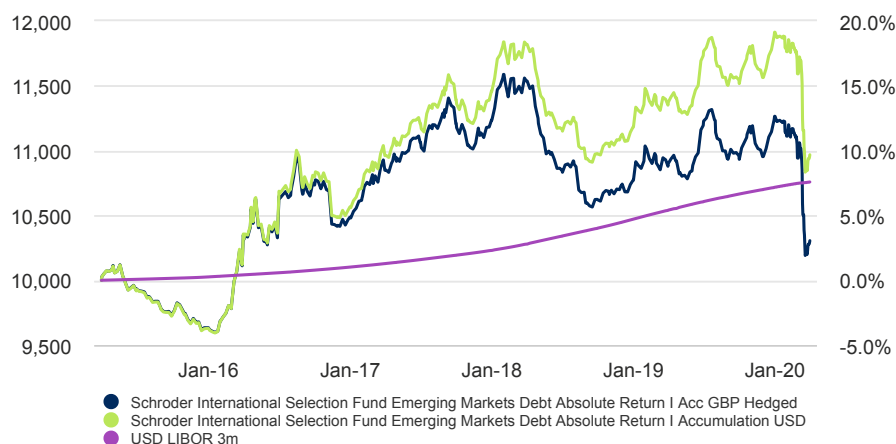


Please refer to the Important information section for the disclosure. The above is an internal ESG accreditation.

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## 5 year return of GBP 10,000



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The chart is for illustrative purposes only and does not reflect an actual return on any investment.

Returns are calculated bid to bid (which means performance does not include the effect of any initial charges), net income reinvested, net of fees.

## Synthetic risk & reward indicator (SRRI)

### LOWER RISK

Potentially lower reward

### HIGHER RISK

Potentially higher reward



The risk category was calculated using 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. The fund is in this category because it can take higher risks in search of higher rewards and its price may rise and fall accordingly.

## Risk statistics & financial ratios

	Fund	Benchmark
<b>Annual volatility (%) (3y)</b>	6.3	0.2
<b>Effective duration (years)</b>	3.0	-
<b>Current yield (%)</b>	4.9	-
<b>Yield to maturity</b>	3.8	-

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

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## Risk considerations

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**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.

**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.

**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.

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

**No capital guarantee:** Positive returns are not guaranteed and no form of capital protection applies.

**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.

**Issuer risk:** The fund is permitted to invest more than 35% of its scheme property in transferable securities and money market instruments issued or guaranteed by an EEA State / governments of the following countries: United States

**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.

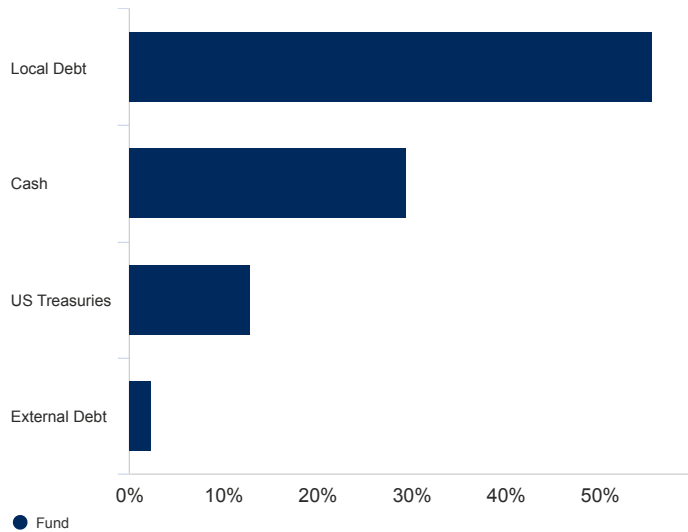
**IBOR:** The transition of the financial markets away from the use of interbank offered rates (IBORs) to alternative reference rates may impact the valuation of certain holdings and disrupt liquidity in certain instruments. This may impact the investment performance of the fund.

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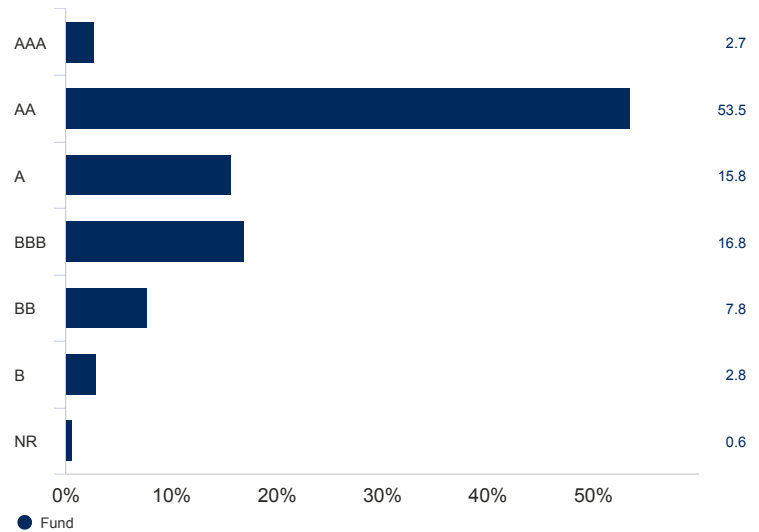
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## Asset allocation

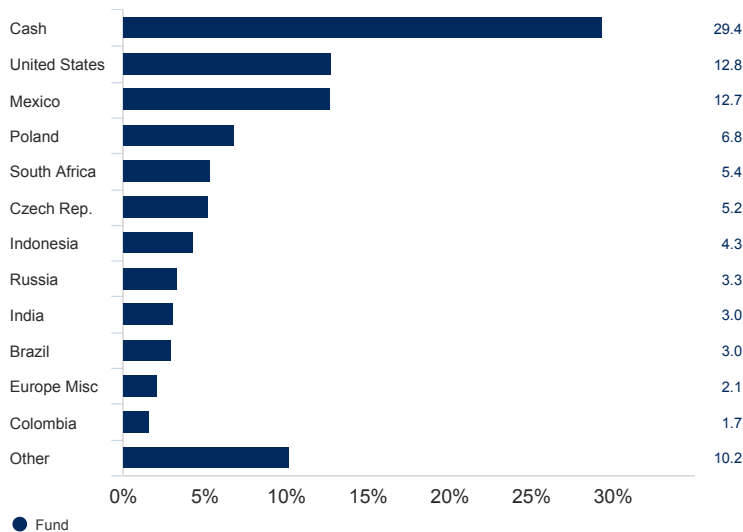
### Sector (%)



### Credit quality (%)



### Geographical Breakdown (%)



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

## Share class available

	I Accumulation GBP Hedged	I Income GBP Hedged
<b>Distribution frequency</b>	No Distribution	Annually
<b>ISIN</b>	LU0218201217	LU0531596210
<b>Bloomberg</b>	SCHPHIA LX	SCHSHID LX
<b>SEDOL</b>	B0B1DJ1	B4ZHN8

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**\* 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.