

# Schroder International Selection Fund Global High Yield

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 in excess of the Bloomberg Barclays Global HYxCMBSxEMG Index USD Hedged 2% Cap after fees have been deducted over a three to five year period by investing in below investment grade bonds issued worldwide. The fund is actively managed and invests at least two-thirds 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 bonds may be denominated in various currencies and issued by governments, government agencies, supra-nationals and companies worldwide. The fund may invest up to 10% of its assets in contingent convertible bonds. 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 use leverage and take short positions.

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

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## Share class performance

| Cumulative performance | 1 month | 3 months | YTD   | 1 year | 3 years | 5 years | 10 years |
|------------------------|---------|----------|-------|--------|---------|---------|----------|
| EUR Hedged             | -15.5   | -17.0    | -17.0 | -12.5  | -9.2    | 0.8     | 47.6     |
| USD Unhedged           | -14.8   | -16.0    | -16.0 | -9.4   | -1.2    | 11.9    | 64.8     |
| Target USD             | -11.8   | -13.0    | -13.0 | -7.0   | 2.7     | 15.1    | 76.6     |
| Comparator USD         | -13.1   | -14.5    | -14.5 | -9.2   | -2.6    | 4.5     | 40.7     |

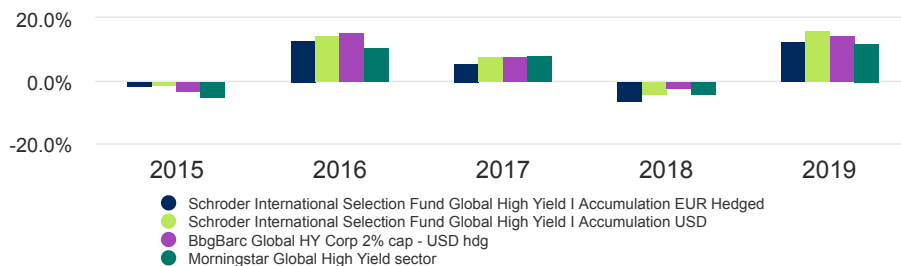
  

| Discrete yearly performance | Mar 15 - Mar 16 | Mar 16 - Mar 17 | Mar 17 - Mar 18 | Mar 18 - Mar 19 | Mar 19 - Mar 20 |
|-----------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| EUR Hedged                  | -1.9            | 13.3            | 2.5             | 1.2             | -12.5           |
| USD Unhedged                | -1.4            | 14.9            | 4.6             | 4.3             | -9.4            |
| Target USD                  | -2.6            | 15.1            | 4.4             | 5.7             | -7.0            |
| Comparator USD              | -3.4            | 11.1            | 4.5             | 2.6             | -9.2            |

| Calendar year performance | 2015 | 2016 | 2017 | 2018 | 2019 |
|---------------------------|------|------|------|------|------|
| EUR Hedged                | -1.5 | 13.3 | 6.0  | -6.5 | 12.7 |
| USD Unhedged              | -1.1 | 14.7 | 8.0  | -3.8 | 16.2 |
| Target USD                | -3.0 | 15.6 | 7.8  | -1.8 | 14.4 |
| Comparator USD            | -5.0 | 10.9 | 8.1  | -3.7 | 12.4 |

## 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 target benchmark being to exceed the Bloomberg Barclays Global HYxCMBSxEMG index USD Hedged 2% cap and compared against the Morningstar Global High Yield sector. The majority of the fund's investments may be components of the target benchmark. The investment manager invests on a discretionary basis and is not limited to investing in accordance with the composition of any benchmark. The investment manager will invest in companies or sectors not included in the target benchmark in order to take advantage of specific investment opportunities.

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. In August 2005 the Bloomberg Barclays Global High Yield Corporate 2% Cap Index replaced the Bloomberg Barclays Global High Yield Corporate Index. The full track record of the previous index has been kept and chain linked to the new one.

## Fund facts

|                         |  |
|-------------------------|--|
| Fund manager            | Martha Metcalf                               |
| Managed fund since      | 31.12.2015                                   |
| Fund management company | Schroder Investment Management (Europe) S.A. |
| Domicile                | Luxembourg                                   |
| Fund launch date        | 16.04.2004                                   |
| Share class launch date | 16.04.2004                                   |
| Fund base currency      | USD  |
| Share class currency    | EUR  |
| Fund size (Million)     | USD 1,690.35                                 |
| Number of holdings      | 427  |
| Target                  | BbgBarc Global HY Corp 2% cap - USD hdg      |
| Comparator              | Morningstar Global High Yield sector         |
| Unit NAV                | EUR 42.5960                                  |
| Dealing frequency       | Daily  |
| Distribution frequency  | No Distribution                              |

## Fees &amp; expenses

|                |       |
|----------------|-------|
| Ongoing charge | 0.06% |
| Redemption fee | 0.00% |

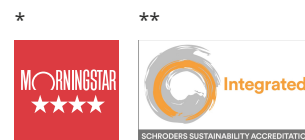
## Purchase details

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

## Codes

|           |                  |
|-----------|------------------|
| ISIN      | LU0190586205     |
| Bloomberg | SCHYEHI LX       |
| SEDOL     | B0139X3          |
| Reuters   | LU0190586205.LUF |

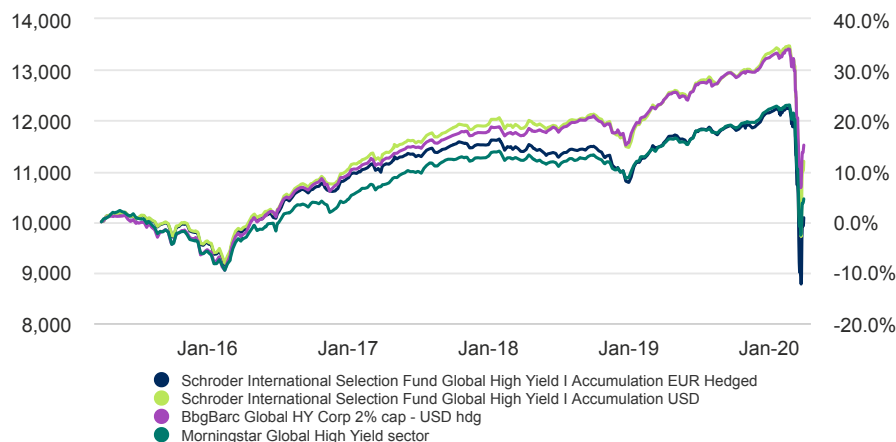
## Ratings and accreditation



Please refer to the Important information section for the disclosure. The above are external ratings and the internal ESG accreditation.

I Accumulation EUR Hedged | Data as at 31.03.2020

### 5 year return of EUR 10,000



**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.**

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.

### 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.

**Contingent convertible bonds:** The fund may invest in contingent convertible bonds. If the financial strength of the issuer of a contingent convertible bond falls in a prescribed way, the value of the bond may fall significantly and, in the worst case, 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.

**Event risk:** The fund will take significant positions on companies involved in mergers, acquisitions, reorganisations and other corporate events. These may not turn out as expected and 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.

### 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

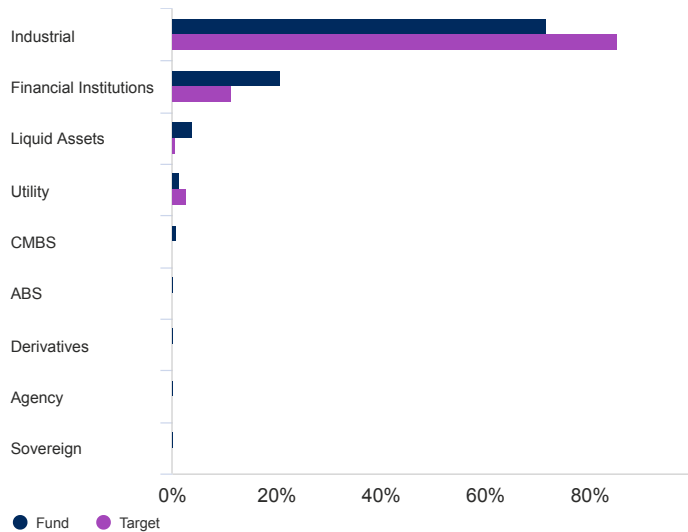
|                                   | Fund | Target |
|-----------------------------------|------|--------|
| <b>Annual volatility (%) (3y)</b> | 9.8  | 8.1    |
| <b>Effective duration (years)</b> | 3.9  | -      |
| <b>Current yield (%)</b>          | 6.2  | -      |
| <b>Yield to maturity</b>          | 9.8  | -      |

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

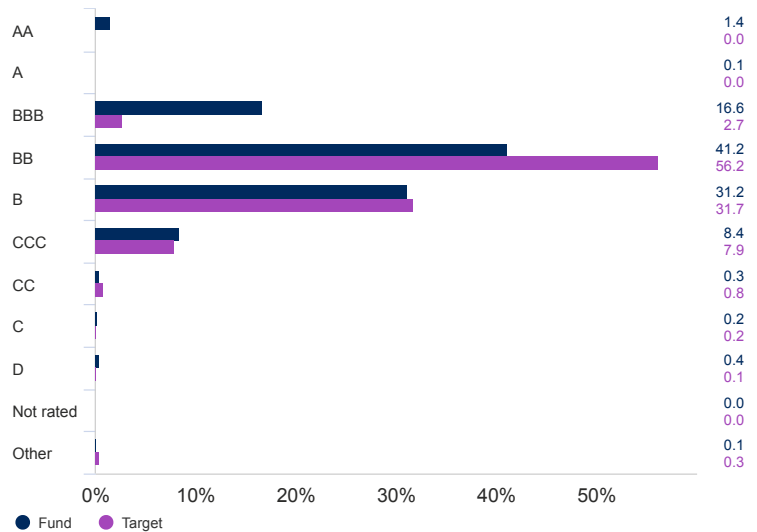
I Accumulation EUR Hedged | Data as at 31.03.2020

## Asset allocation

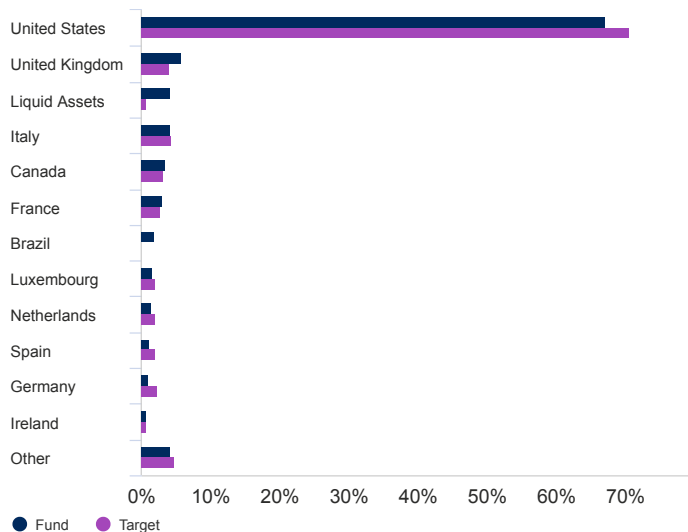
## Sector (%)



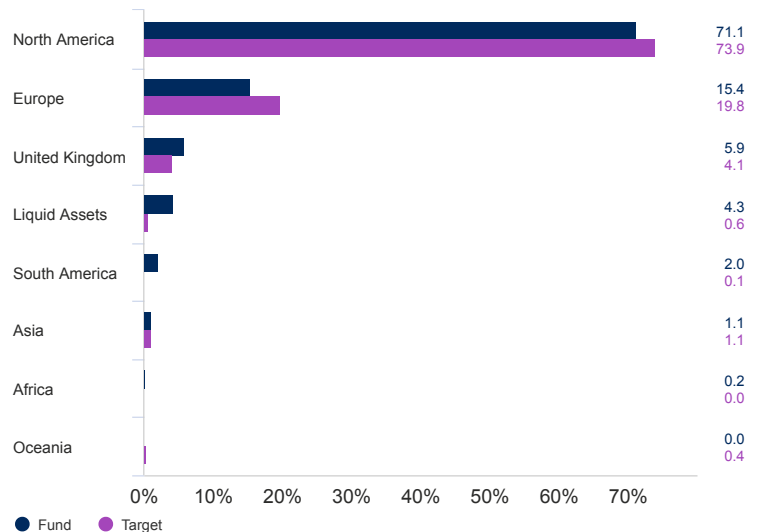
## Credit quality (%)



## Geographical Breakdown (%)



## Region (%)



## Top 10 holdings (%)

|    | Holding name   | %   |
|----|--|-----|
| 1  | SPRINT CORPORATION 7.1250 15/06/2024   | 1.7 |
| 2  | KRAFT HEINZ FOODS COMPANY 4.8750 01/10/2049 SERIES 144A                                | 1.4 |
| 3  | TREASURY BILL 0.0000 16/07/2020  | 1.4 |
| 4  | JPMORGAN CHASE AND CO 4.6000 PERP  | 1.0 |
| 5  | CCO HOLDINGS LLC / CCO HOLDINGS CAPITAL CORPORATION 5.0000 01/02/2028 144A             | 0.9 |
| 6  | TENET HEALTHCARE CORPORATION 5.1250 01/05/2025   | 0.9 |
| 7  | Williams Scotsman International Inc 6.875000 15/Aug/2023 6.8750 15/08/2023 SERIES 144A | 0.9 |
| 8  | CCO HOLDINGS LLC/CCO HOLDINGS CAPITAL CORPORATION 5.8750 01/04/2024 144A               | 0.9 |
| 9  | VALEANT PHARMACEUTICALS INTERNATIONAL INCORPORATED 5.5000 01/11/2025 144A              | 0.8 |
| 10 | TUTOR PERINI CORPORATION 6.8750 01/05/2025 144A  | 0.8 |

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

I Accumulation EUR Hedged | Data as at 31.03.2020

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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.

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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.