

# Schroder Absolute Return Income Active ETF (Ticker: PAYS)

An active ETF, seeking to boost income while preserving capital.

## An active ETF designed to deliver reliable, consistent income, with a focus on preserving investor capital.

Our research suggests bond markets will be more volatile going forward as inflation and growth outcomes are more uncertain. We believe investors will need to adopt an active approach to managing fixed income assets to capture the opportunities and avoid the pitfalls.

The Schroder Absolute Return Income Active ETF (Ticker: PAYS), is an active fixed income fund, with a flexible approach that is able to diversify across different fixed income sectors and regions to capture higher potential returns while reducing risk of loss.

PAYS aims to deliver clients 2% p.a. (net of fees) above the RBA official cash rate, over rolling three-year periods, while avoiding negative returns over rolling one year periods, by investing in predominantly investment grade credit.

### Reasons to invest

- **Reliable monthly income:** Track record of delivering reliable monthly income. Currently aiming to pay a monthly distribution equivalent to 5% p.a., in addition to capital growth.<sup>1</sup>
- **Global diversification:** Provides broad diversification across global fixed income markets, including Australia, the US, Europe, Asia and developing markets, with flexibility to adapt and respond to changing market valuations and return expectations.
- **Brought to you by Schroders:** PAYS invests into various Schroders fixed income strategies, that cover Australian fixed income sectors and global fixed income sectors, providing investors access to our global specialist expertise.
- **Competitively priced:** Competitive management fee of 0.54% p.a.
- **Easily accessed via one trade:** Contact your broker, financial planner or invest via your online broking account - one trade with Exchange code: **PAYS**

For further information about the Schroder Absolute Return Income Active ETF, please refer to the Product Disclosure Statement available at [www.schroders.com.au/pays](http://www.schroders.com.au/pays).

### Fund features

- **Ticker:** PAYS
- **Target distribution rate:** 5% p.a.<sup>1</sup>
- **Distribution frequency:** Monthly
- **Inception date:** 19 November 2019
- **Underlying fund:** Schroder Absolute Return Income Fund (inception date 24 June 2002)
- **Investment and risk objective:**  
The Fund targets an investment return of 2.5% p.a. (pre-fees) above the RBA Cash Rate over rolling 3-year periods. It also aims to avoid negative returns over rolling 12-month periods.
- **Recommended investment timeframe:**  
At least 2 years
- **Management costs:** 0.54% p.a.
- **Risks:** There are risks associated with investing in the Fund, including the inability of the fund to meet its investment objective. Investment risks are influenced by factors such as domestic and international markets, economic conditions, political climates, interest rates and inflation.

### Meet the manager



**Adam Kibble**  
Fund Manager, Fixed Income



**Kellie Wood**  
Head of Fixed Income

<sup>1</sup>As at 30 July 2024. Effective yield is based on the unit price at the start of the period. Income is the cash distributions paid by the fund which may include return of capital. Past performance is not a reliable indicator of future performance.



## Where does the Fund fit in a portfolio?

The Fund is designed to sit in the defensive allocation of a portfolio and seeks to offer a reliable monthly income stream, while preserving capital. It can complement existing income investments such as cash, term deposits, hybrids or mortgage funds.

## Who should invest?

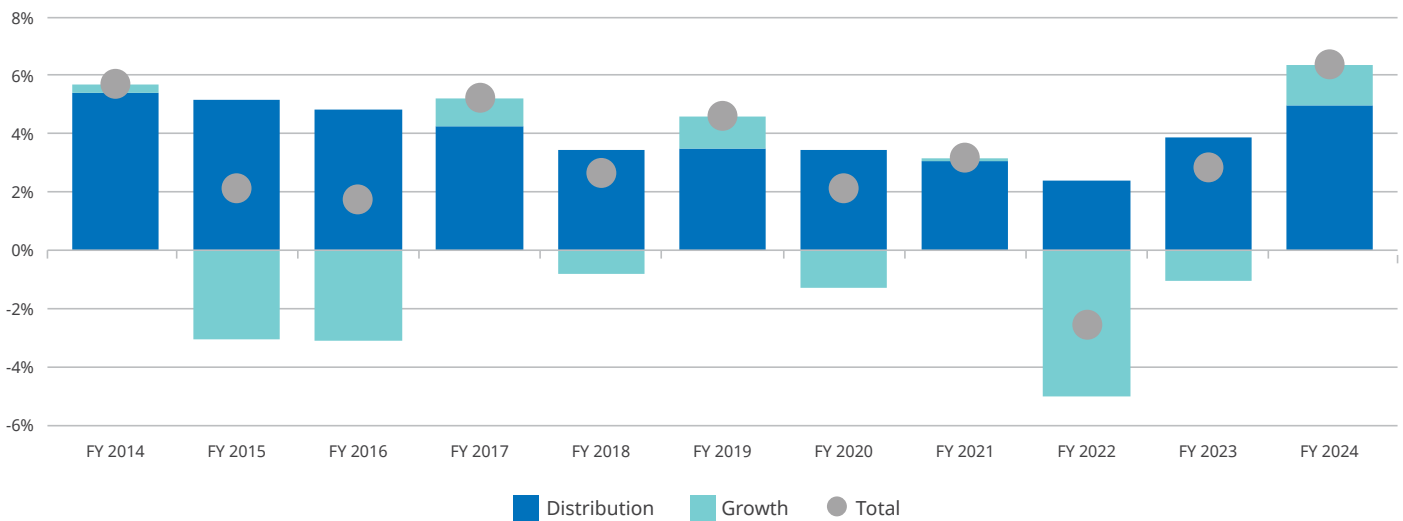
This Fund is likely to be appropriate for a consumer seeking capital preservation and income for a small or core component of their portfolio, with a medium risk and return profile.

This Fund is unlikely to be suitable for a consumer seeking capital growth or someone seeking high returns.

## About Schroders

Schroders has helped Australian investors achieve their objectives since 1964 through our diversified suite of actively managed investment products, which spans both public and private markets. Our local expertise in equities, fixed income, multi-asset and alternatives, combined with our global resources facilitates a diversity of thought to assess each situation from every angle and consider the long-term impact on returns. Schroders is part of the Schroders Group, an investment manager with over 220 years' experience which is headquartered in London and has a presence in 38 locations around the world. Schroders offers Australian investors the strength and stability of a global firm coupled with the long-term perspectives and independent thinking of a local manager.

## Historical yearly income distributions<sup>+</sup>



<sup>+</sup>Income profile for the Schroder Absolute Return Income Fund (ARSN 092 060 172) (Wholesale class) as at 30 June 2024 (post-fees). Income is the cash distributions paid by the fund which may include return of capital. Growth represents price to price return excluding distribution reinvestments. Distributions include net interest received (coupons), and net realised capital gains. Growth represents the change in the Fund's unit price excluding distributions. Total return is the sum of distributions and growth over the period. Past performance is not a reliable indicator of future performance.

To find out more please visit [www.schroders.com.au/PAYS](http://www.schroders.com.au/PAYS) or speak to your financial adviser

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