

Schroder ISF* Dynamic Income

Capture more sources of income

30 April 2025

Marketing material



*Schroder International Selection Fund is referred to as Schroder ISF.

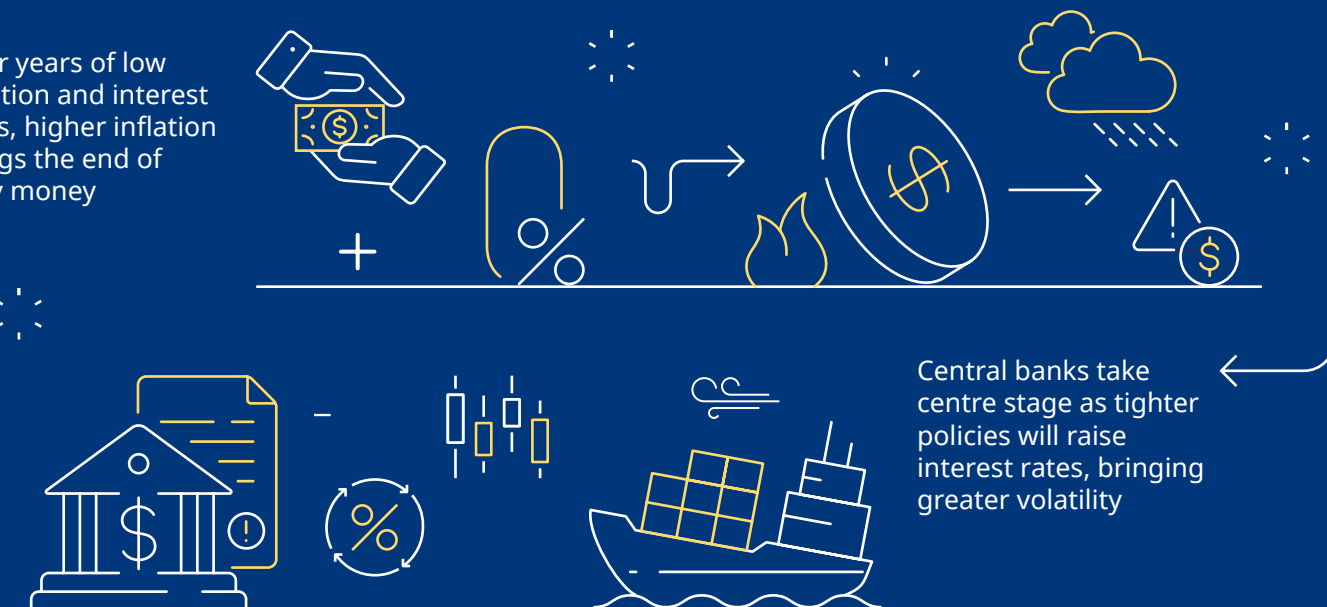
Schroders

A new approach for a new market environment

What has worked over the past decade may not work in the next decade. In a world where inflation and interest rates are both likely to remain higher, investors' capital needs to work harder.

A new regime shift for markets

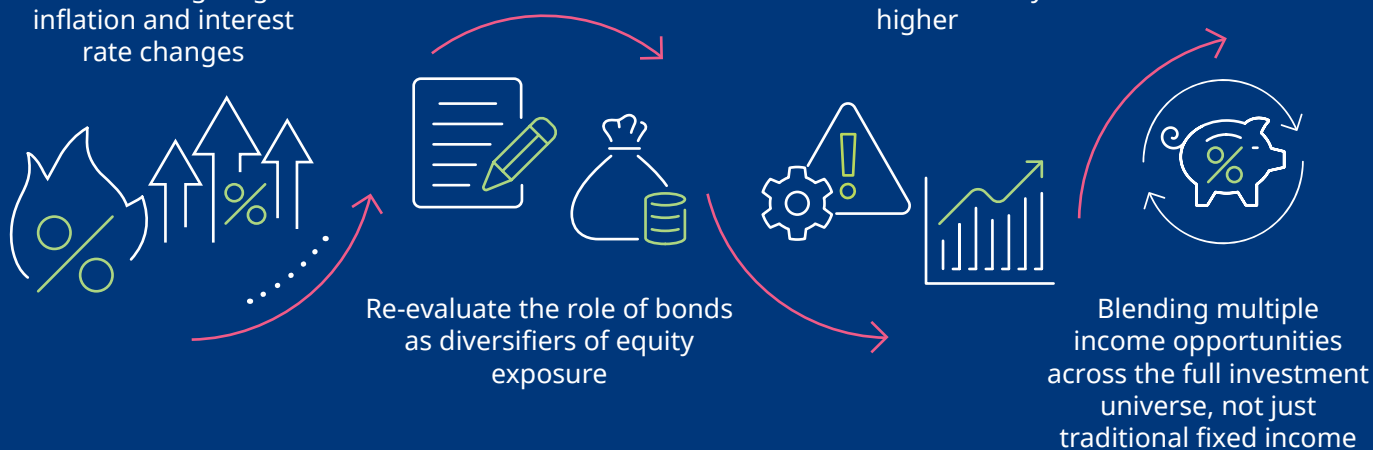
After years of low inflation and interest rates, higher inflation brings the end of easy money



What it means for active investors

Diversify across asset classes to hedge higher inflation and interest rate changes

Actively consider credit risk as risks of defaults may be higher



Source: Schroders.

The implications of the new market environment are very real for investors in search of income and capital growth. At Schroders, we believe that a highly flexible investment approach, across both traditional and alternative asset classes, is required to navigate the 'higher-for-longer' environment of interest rates and inflation. This is why we have built Schroder ISF Dynamic Income.

Introducing Schroder ISF Dynamic Income

An unconstrained multi-asset fund, aiming to deliver an attractive and resilient income stream through investing in fixed income, equities and alternative¹ investments.

What does the fund offer investors?

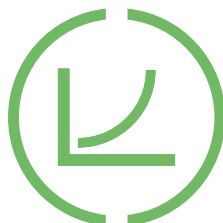
The fund is designed to deliver an attractive income stream², whilst achieving better risk-adjusted total return than typical 60% equity/40% fixed income balanced funds.



Income resilience

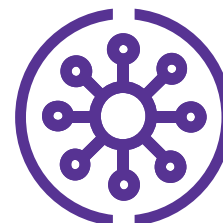
Designed for a consistent income stream that is resilient to market conditions.

Monthly payout of 7% p.a.²



Thematic growth

Exposure to **key global growth themes** provides investors the opportunity to benefit from both **income AND capital growth**



Forward-looking diversification

Access to a wide range of asset classes, including alternative sources of income¹, for a **smoother investment journey**

Source: Schroders.

¹ Alternative sources of income within the portfolio include convertibles, insurance linked securities, emerging market debt and securitised credit.

² The current distribution policy of Schroder ISF Dynamic Income is to declare distributions of 7% p.a. of the Net Asset Value per share on a monthly basis to Shareholders of the following Classes – USD A Distribution, HKD A Distribution, SGD Hedged A Distribution, CNH Hedged A Distribution and GBP Hedged A Distribution. The current distribution policy for the AUD Hedged A Distribution share class is to declare distributions of 7% p.a. of the Net Asset Value per share, adjusted for interest rate carry, on a monthly basis to Shareholders. Monthly distribution payouts may include a premium if the interest rate of the currency hedged share class (i.e. AUD) is higher than the Fund's base currency interest rate. Consequently, if the interest rate of the currency hedged share class is lower than the Fund's base currency interest rate, monthly distribution payouts may be discounted. Any premium or discount is determined by differences in interest rates and is not part of the Fund's investment objective or policy. For Distribution Classes, the distribution rate is not guaranteed. Distribution yield is not indicative of the Fund's return. In respect of a Distribution Class with fixed dividends, dividends may be paid out of capital if investment income is less than the fixed dividend amount. Where dividends are paid out of capital, this will reduce the net asset value of the Distribution Class. The Directors or their authorised delegate will periodically review fixed Distribution Share Classes and reserve the right to make changes, for example if investment income after expenses is higher than the target fixed distribution the Directors or their authorised delegate may declare the higher amount to be distributed. Equally the Directors or their authorised delegate may deem it is appropriate to declare a dividend lower than the target fixed distribution.

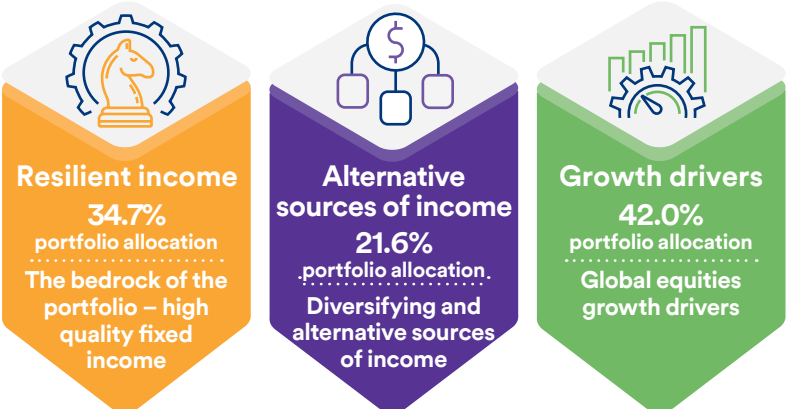


How and where we invest

The fund is structured with three core income and growth engines:

- 1. Resilient income (high quality fixed income)
- 2. Alternative sources of income (insurance linked securities, convertibles, emerging market debt and securitised credit)
- 3. Growth drivers (global equities)

The ability to allocate dynamically between and within these engines provides the flexibility to capture potentially attractive income and growth opportunities, whilst navigating market and interest rate volatility.



Source: Schroders, as at 30 April 2025. Please note that this exposure may change, subject to market conditions and outlook. Totals may not sum due to rounding. Diagram for illustrative purposes only.

Our approach is based on three key themes

Please note: expected income as at 30 April 2025. Contribution to income may change as per portfolio allocation.

1 Robust income stream

We believe an emphasis on yields adjusted for interest rate sensitivity, as well as credit quality, will be critical in generating a resilient income stream with a considerably lower risk of capital erosion.

By creating a highly diversified blend of securities, we have reduced the interest rate sensitivity of the portfolio's yield, whilst maintaining its high overall credit quality. We believe our high-quality fixed income allocation acts as an effective stabiliser within the portfolio.

Contribution to 7% p.a. distribution payout³

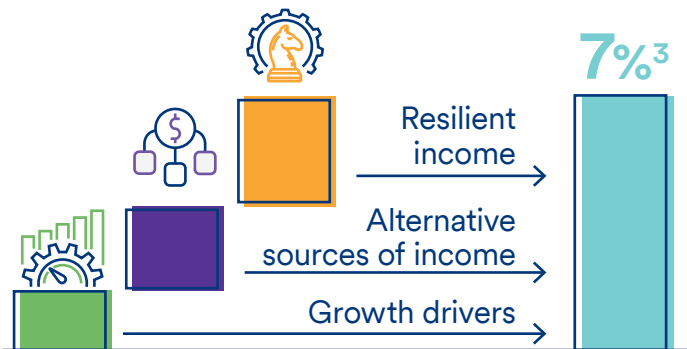
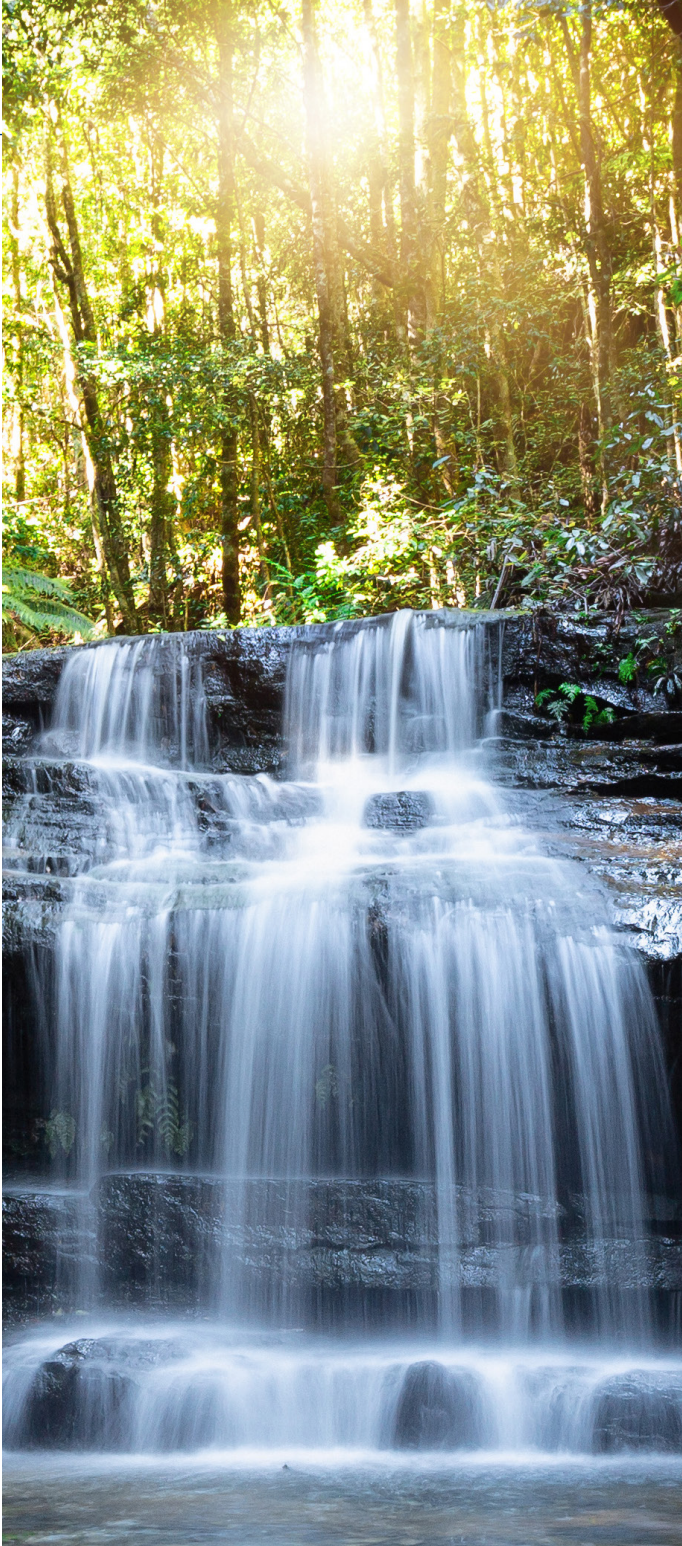


Diagram for illustrative purposes only.



Source: Schroders as at 30 April 2025.

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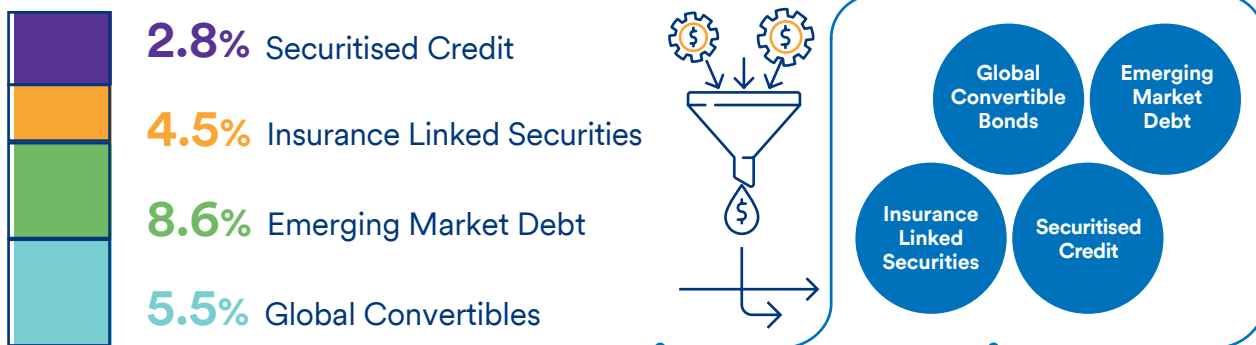
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Diversified assets for a smoother investment journey

From a strategic perspective, in a 'higher-for-longer' environment, we believe that achieving enhanced diversification will require a more thoughtful and dynamic approach. This includes adding selectively to alternative sources of income, such as emerging market debt, convertibles, securitised credit and insurance linked securities.

Alternative sources of income are potentially highly attractive from a yield and duration perspective

21.6% Alternative sources of income portfolio allocation



Source: Schroders, as at 30 April 2025. Diagram for illustrative purposes only. This is not a recommendation to buy or sell. Please note that this exposure may change, subject to market conditions and outlook. Investing in alternative sources of income such as emerging market debt, convertibles, securitised credit and insurance linked securities may subject to specific risks associated with the alternatives instrument. Please refer to the offering document for detailed information on the risk factors.

3

Potential capital growth through thematic opportunities

The fund is designed with the aim of providing investors both potential income and capital growth. It looks to achieve this by investing in some of the most exciting growth opportunities across the global investment universe. We believe these key themes are likely to be critical growth drivers over the next decade.

Global Income Winners

Targets most consistent and high quality cash generators

Quality bias with focus on total shareholder return



Global High Growth

Focus on high free cash flow generators with high operating margins

US-focused with strong technology bias



Japan Shareholder Champions⁴

Potentially capitalising from the improving governance standards and activist pressure



Global Inflation Beneficiaries

Direct exposure to inflation mitigation

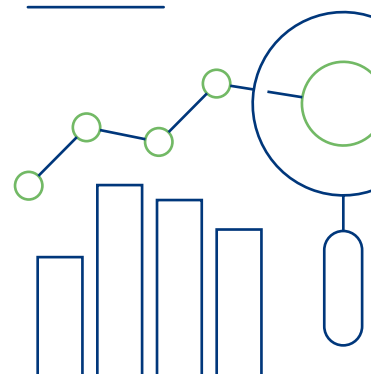
Pricing power, highly selective infrastructure and real estate



Commodity Renaissance

Companies with high yields and undemanding valuations

Bias to energy and materials



Source: Schroders. Diagram for illustrative purposes only. The thematic investment opportunities presented are valid as of 30 April 2025 and are subject to change without notice.

⁴Improving governance standards in Japan are driving potential outsized returns. This may result in improved return on equity for shareholders.

How can the fund meet your needs?



Source: Schroders. There is no guarantee these objectives and investment outcomes will be achieved. Diagram is for illustrative purposes only and not to be viewed as a recommendation to buy/sell securities.

Schroders' income and growth capabilities

The fund is managed by Schroders' experienced and award winning multi-asset team, leveraging the analytical and investment expertise of Schroders' 680 investment professionals globally.

Source: Schroders, as at April 2025

Multi-Asset Income Team

 Remi Olu-Pitan Head of Multi-Asset Growth & Income	 Dorian Carrell Head of Multi-Asset Income
 Dominique Braeuninger Fund Manager	 JingJing Cui Fund Manager

Unrivalled depth and breadth of Multi-Asset resources

Global Multi-Asset Investment team Team with 145+ professionals	Portfolio Implementation Team with 10 professionals	Dedicated ESG Specialists Team with 45 professionals
Economists & Strategy Team with 13 professionals	Multi-Asset Risk Team with 6 professionals	Product Team with 35 professionals

Source: Schroders, as at April 2025.

Available share classes and distribution information

	A Acc USD	A Acc HKD	A Acc SGD-Hgd	A Dis USD	A Dis HKD	A Dis SGD-Hgd	A Dis AUD Hgd
Share class currency	USD	HKD	SGD	USD	HKD	SGD	AUD
Minimum subscription amount	USD 1,000	HKD 1,000	SGD 1,000	USD 1,000	HKD 1,000	SGD 1,000	AUD 1,000
ISIN	LU2723852468	LU2723853193	LU2723853862	LU2723855214	LU2723852971	LU2723855487	LU2723854670
Subscription method	Cash	Cash	Cash and SRS	Cash	Cash	Cash and SRS	Cash
Payout frequency	-	-	-	Monthly Fixed (7% p.a.)	Monthly Fixed (7% p.a.)	Monthly Fixed (7% p.a.)	MFC* (7% p.a. ± interest rate carry)
Sales charge	← Up to 4.00% →						
Management fee	← 1.25% p.a. →						
Dealing frequency	← Daily →						
Share class available	← Accumulation → ← Distribution →						

*MFC = Monthly Fixed with currency carry adjustments. Monthly distribution payouts may include a premium if the interest rate of the currency hedged share class is higher than the Fund's base currency interest rate. Consequently, if the interest rate of the currency hedged share class is lower than the Fund's base currency interest rate, monthly distribution payouts may be discounted. Any premium or discount is determined by differences in interest rates and is not part of the Fund's investment objective or policy.

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 **<https://www.linkedin.com/company/schroders/>**

Important Information:

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All fund information as at 30 April 2025. Source: Schroders unless stated otherwise.

This content has not been reviewed by the Monetary Authority of Singapore.

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