

## Schroder ISF\* Global Equity Alpha

Fund Managers: Frank Thormann, Alex Tedder | Fund update: March 2024

## Performance overview

- Global equities gained in March, with developed markets outperforming emerging markets.
- The fund posted a positive return and outperformed the MSCI World index over the month.

## Drivers of fund performance

- Stock selection was positive, particularly in information technology, consumer discretionary and healthcare. Conversely, selection in industrials, communication services and financials detracted from gains in the month.
- By region, allocations to emerging markets, Continental Europe and North America added value, while allocations to the UK, Japan, and Pacific ex Japan detracted from gains in March.
- Our holdings in **Banco Bilbao Vizcaya Argentaria**, **Samsung Electronics** and **ConocoPhillips** were among the biggest individual contributors in March. Allocations to **TSCM**, **Alphabet** and **Nvidia** also added value in the month.
- Our zero-weight allocations to Apple and Tesla also added value in March.
- **Adobe**, **AIA Group**, and **Liberty Media Formula One** were among the biggest individual detractors in March. Allocations to **Visa**, **Meta Platforms** and **Bunzl** also detracted in the month.
- Our zero-weight allocations to Uber Technologies and Spotify also detracted in March.

## Outlook/positioning

- Global markets will likely remain turbulent amidst a busy political calendar, tight financial conditions, and a slowing economic cycle.
- While short term volatility may increase, we believe that investors will be well served by focusing on the longer-term, identifying the areas with structural, under-appreciated growth, and remaining prepared to allocate to those companies with a sustained competitive advantage.
- We continue to monitor the market landscape closely and maintain a well-diversified portfolio reflecting a fluid outlook and an active approach.

## Calendar year performance (%)

	Fund	Benchmark***
2023	20.5	23.8
2022	-17.9	-18.1
2021	20.8	21.8
2020	21.3	15.9
2019	24.0	27.7
2018	-10.3	-8.7
2017	24.5	22.4
2016	1.1	7.5
2015	-1.1	-0.9
2014	1.0	4.9

Source: Schroders, net of fees, NAV to NAV with net income reinvested. A Acc share class, as at 31 December 2023. \*\*\*MSCI World - Net Return. The fund's performance should be assessed against its target benchmark, being to exceed the MSCI World (Net TR) index. The fund's investment universe is expected to overlap materially with the components of the target benchmark.

## Risk considerations

- **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. Concentration risk: The fund may be concentrated in a limited number of geographical regions, industry sectors, markets and/or individual positions. This may result in large changes in the value of the fund, both up or down.
- **Derivatives risk – Efficient Portfolio Management:** 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.
- **Emerging Markets & Frontier risk:** Emerging markets, and especially frontier markets, generally carry greater political, legal, counterparty, operational and liquidity risk than developed markets.
- **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.

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