

Schroder ISF* Global Equity Alpha

Fund Managers: Frank Thormann | Fund update: July 2025

Performance overview

- Global equity markets advanced in July, amid greater clarity on trade tariffs as the US announced deals with several major trading partners.
- The fund underperformed the MSCI World index over the period.

Drivers of fund performance

- Holdings in healthcare, communication services, and industrials weighed on returns while those in consumer discretionary, financials, and information technology added value.
- By region, allocations to North America and the United Kingdom detracted. Conversely, those in the emerging markets and Continental Europe performed well.
- Communication services holdings **Netflix** and **Spotify** were among the primary detractors.
- Technology holdings **Arista Networks**, **Cadence Design Systems**, and **TSMC** were among the top performers.

Outlook/positioning

- Our outlook, while broadly unchanged, remains under constant review given the potential for US trade policies to undermine global growth and negatively impact business confidence and consumer sentiment.
- The short-term and long-term effects of these measures are uncertain, and markets dislike unpredictability, but we are already seeing downgrades to global growth estimates as companies delay capital investment plans and consumer spending slows in light of increased uncertainty and adverse near-term implications of Trump's proposals.
- There is likely to be continued volatility in the near-term, which may create shorter-term dislocations and opportunities as an active manager.

Past performance does not predict future returns. The value of investments and the income from them may go down as well as up and investors may not get back the amount originally invested.

Calendar year performance (%)

	Fund	Benchmark***
2024	19.8	18.7
2023	21.7	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

Source: Schroders, net of fees, NAV to NAV with net income reinvested. A Acc share class, as at 31 December 2024. ***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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