

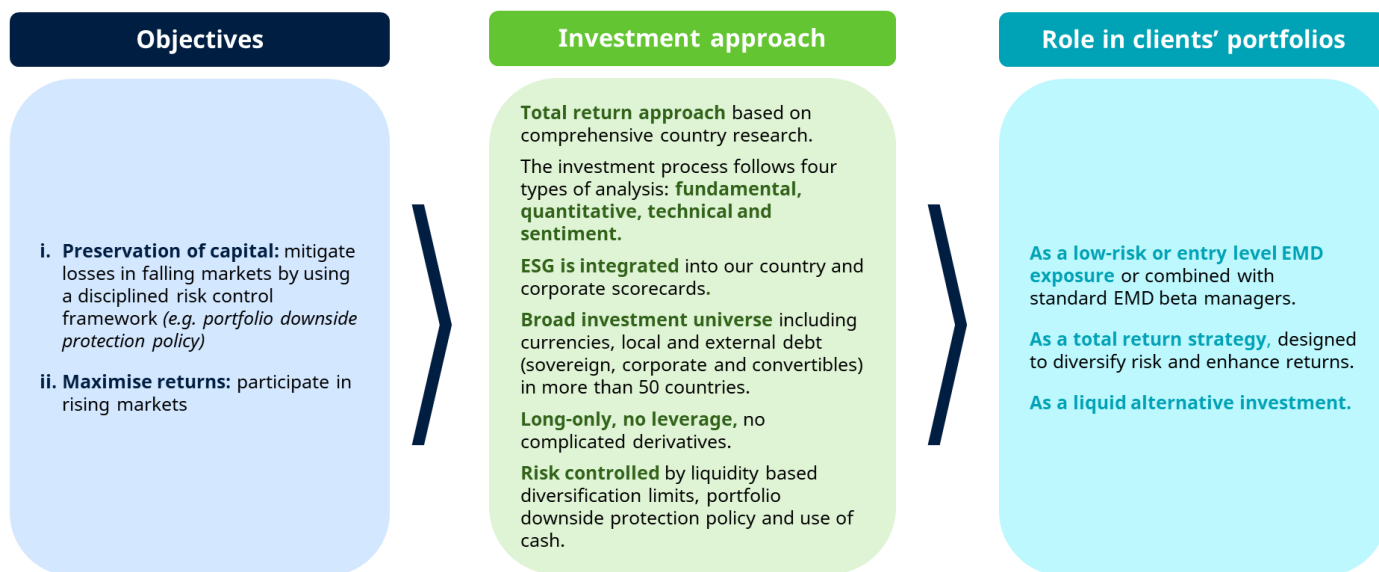
Schroder ISF¹ Emerging Markets Debt Total Return



Quarterly

Fund update: First quarter 2026

Marketing material for professional clients only.



Source: Schroders. There is no guarantee that these objectives will be achieved. Diversification cannot ensure profits or protect against the loss of principal.

Quarterly review:

- **After a strong start to the year, market volatility rose sharply in March as tensions in the Middle East escalated and the Strait of Hormuz remained largely closed.** This created a significant shock for local currency emerging market bonds, with inflation risks moving materially higher. The GBI-EM Global Diversified Index fell by 5.6% in March, marking its worst monthly drawdown since 2022, thus taking its quarterly return to -2.2%. EM dollar debt was also affected with the EMBI Global Diversified index losing - 3.3% in March, thus taking its performance for the quarter to -1.3%.
- **In Local currency debt, returns were negative across almost all countries, with Colombia the sole exception,** supported by a better-than-expected election outcome. Energy-importing countries, particularly South Africa and Thailand, were hit hardest, while China acted as a relative safe-haven.
- **Against this backdrop, the fund ended the quarter with a small negative return of -0.1% in gross US dollar terms.** This resilience was due to various currency, credit and duration hedges that the fund implemented ahead and during the war. Cash was also briefly increased significantly to more than 35% as part of the fund's risk control policy (stop loss rules). Country selection has also helped to minimise the impact of the Iran war given the fund's focus on Latin America, which was the region the most insulated from this crisis. Overall, key quarterly performance drivers were as follows: (i) US dollar debt had -3bps negative contribution. This resilience was explained by the positive impact from credit hedges and the fund's focus on sovereign oil credits that were not severely impacted by the war; and (ii) local currency debt contributed - 7bps, of which -110bps was due to price change given higher EM local rates, +130bps was generated by income, and - 27bps was from currency depreciation. At country level, Central European countries (-50bps), Egypt (-40bps), South Africa (-25bps) and India (-20bps) were the main negative contributors. In contrast, Brazil (+80bps), Colombia (+13bps) and Mexico (+14bps) were the largest positive contributors.
- **Portfolio activity focused on broad risk reduction during the month of March to minimise the impact of the Iran War,** which has led to a drop of the ex-ante beta of the fund from above 1 to a low of 0.6 during the quarter. At the end of the month of March and the announcement of a ceasefire between the US and Iran, we started reinstating some of the exposures, which has helped the fund to capture the ongoing recovery so far in April.
- **A detailed breakdown of portfolio exposures is provided on page 7.**

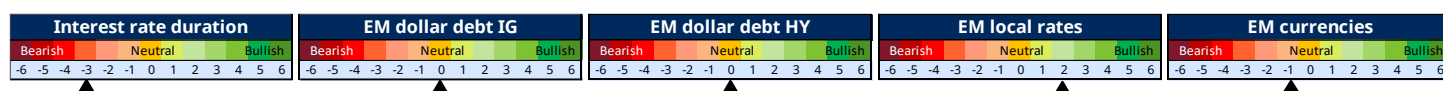
¹Schroder International Selection Fund is referred to as Schroder ISF throughout.

Schroders

Investment outlook

Global economic environment

- **The risk of a global stagflationary shock has materially increased.** The ongoing war in the Middle East and the extraordinary disruptions to oil supply are mechanically pushing inflation expectations higher across both developed and emerging markets. Despite the global economy becoming less oil-intensive in recent years, we still expect global growth activity to be negatively impacted by skyrocketing energy prices affecting disposable income, second round effects on supply chains, demand destruction and energy rationing that we are starting to witness in several countries.
- **As the conflict risks steering the global economy toward a stagflationary path, central banks face even more delicate policy trade-offs** given the limited effectiveness of monetary tightening in the face of a supply shock. In emerging markets, however, initial policy responses have so far preserved orthodoxy: many authorities are allowing energy prices to adjust and are permitting some degree of demand destruction. Key EM economies are also entering the current geo-political shock with already high real rates, strong balance of payments positions and reduced reliance on foreign capital.
- **Latin America appears to be the most insulated region from the current crisis**, with several economies benefiting from energy and/or broader commodity self-sufficiency. The region also offers some of the most attractive valuations across emerging markets, alongside potential positive political catalysts, as upcoming elections in Colombia, Brazil, and Peru could lead to a more favourable policy backdrop once new administrations are in place.
- **The global financial system has entered the current geopolitical shock with abundant liquidity conditions**, contributing to the relatively orderly correction in EM assets and to some resilience of EM currencies. We expect liquidity conditions to remain broadly supportive unless central banks are forced into aggressive tightening, an outcome we view as unlikely given the deteriorating growth backdrop. A more material risk is a renewed rise in DM government bond yields, which are now threatening to break above the trading ranges that have prevailed over the past three years. A sustained increase in DM yields would tighten global financial conditions more meaningfully and could test the resilience that EM assets have shown so far. Therefore, a cautious stance on interest rate duration remains warranted.
- **The US dollar's structural vulnerabilities are currently eclipsed by its perceived safe-haven status and by the US's relative energy self-sufficiency.** However, we expect the dollar's cyclical downturn initiated last year to resume in due course, given its still expensive valuations and the unsustainable levels of US fiscal and external deficits. We are also encouraged by the recent significant washout in heavily long EM currency positions, which has reduced the risk of a disorderly unwind in currency carry trades.
- **EM local currency debt remains our top sectoral preference for 2026.** Despite worsening inflation expectations, high real rates and favourable EM debt dynamics relative to developed markets offer significant buffers. 12 months expected returns exceeding 10% can be achieved in local debt markets such as Brazil, Colombia, South Africa and Hungary.
- **Despite less appealing hard currency debt spreads, selective high-yield sovereigns and corporates still offer stable credits metrics and appealing income.** In particular, we expect several high yielding oil credits such as Nigeria, Angola, Ecuador and Venezuela to generate handsome returns.
- **All these sectorial views are summarised in the scorecard below:**



Scores are attributed based on a combination of macro-economic fundamental, valuation, technical and sentiment factors. These scores serve as a guide for our overall EMD portfolios' positioning.

Asia

- **We see limited opportunities in Asia while the ongoing energy supply shock remains unresolved.** The region's growth outlook is challenged by commodity-driven inflation and tighter domestic constraints. Higher energy prices are weighing on inflation, growth and external balances, particularly for commodity importers with limited policy flexibility. China continues to anchor regional activity somewhat thanks to energy supply buffers, resilient exports, policy support and improving FX dynamics, although structural headwinds from the property sector and weak household confidence persist.
- **Malaysia stands out with strong fundamentals**, credible fiscal consolidation and resilient domestic demand, supporting both FX and local bonds. In contrast, Indonesia faces fiscal and institutional challenges, with liquidity provisions containing the rise in bond yield but leaving the currency more vulnerable. Outlooks for Thailand, the Philippines, India and Sri Lanka are clouded by energy-driven inflation and its impact on growth, which limits upside despite some valuation support.

Eastern Europe, Middle East and Africa

- **The region can broadly be segmented into four distinct groups.** First, countries with improving macro fundamentals and clear upside from higher energy prices, notably Nigeria and Angola. Second, GCC economies that are unable to benefit from higher energy prices due to war-related damages and/or the closure of the strait of Hormuz. Third, markets such as Poland and Czech Republic, which are negatively impacted by the ongoing energy crisis and offer unappealing valuations. Finally, a group including Hungary, Romania, South Africa, Turkey and Egypt, where macro headwinds from higher energy prices are evident, but valuations already reflect a scenario where oil prices remain elevated but not sustainably above \$100 per barrel.
- **In Central Europe, we favour Hungarian local bonds and currency** given relatively high real yields, a solid external balance and the potential of positive and pro EU political shifts following the upcoming April 2026 elections.

- **The appeal of South African bonds has improved following the recent correction.** The recent terms of trade shock (higher oil and lower gold prices) are already reflected in asset prices. Good fiscal and monetary management, improving debt dynamics and 10-year yields of 9.2% should provide handsome total returns in the next 12 months.
- **We expect Turkish and Egyptian local markets to deliver 12-month expected returns of more than 20%.** However, an end to the War in Iran is required to convincingly unlock this upside potential.
- **We reiterate our bullish view on Nigeria and Angola sovereign dollar debt** given attractive spreads and stable or improving credit fundamentals which have been boosted further by the current elevated oil prices.

Latin America

- **Despite election and fiscal uncertainties, long-dated local bonds in Brazil remain attractive** given very high 10-year nominal and real yields of respectively 14% and 10%, contained inflation and stable external accounts. In contrast we have turned less unequivocally bullish on Mexican local debt as inflationary pressures are reappearing and some political noise around USMCA negotiations could materialise.
- **We have tactically upgraded Colombian local debt to bullish.** The recent fiscal, inflation and political pressures have taken local bonds to oversold levels with 10-year yields lately reaching 13.5%. This represents a good re-entry level, especially given the high probability of the upcoming election moving the country away from left-wing populism.
- **We are fundamentally constructive on Chilean and Peruvian assets,** notably following the recent re-pricing. Both countries benefit from a favourable policy backdrop and solid sovereign balance sheets. Inflation is moving higher from a very low base but this is being reflected in higher bond yields, which may offer good buying opportunities very soon.
- **Good income can be generated in dollar bonds** of Brazil, Chile, Peru, Guatemala, Paraguay and Dominican Republic. We have also become more constructive on Ecuador and Venezuelan dollar bonds given elevated oil prices. In contrast, we now see less upside potential in Argentine bonds following their substantial outperformance of recent years.

EM corporates

- **The global risk backdrop has created significant differentiation in outlooks across EM corporate sectors. The large EM corporate energy sector provides multiple opportunities across oil producers in Latin America and Africa.** Associated sectors like oil field services and national oil companies also stand to benefit, although less directly. First and second order impacts from the US/Israel-Iran conflict has also improved the outlook for some metals and mining sectors. Utilities, telecom, and financials sectors should remain fundamentally resilient despite global macro volatility.
- **EEMEA corporates face a more difficult outlook** due to operational disruption, higher costs, the potential for higher interest rates and lower growth conditions.
- **Asia corporates are less impacted by the current conflict.** We look to capture improving fundamentals in Hong Kong property and improved valuations on India renewables.

Quantitative analysis

- **The Schroder country vulnerability model identifies key EM economies as being in the positive stages of the cycle** (i.e. either in the adjustment or equilibrium stages). China's vulnerabilities continue to improve thanks to solid external accounts, ample liquidity and stronger competitiveness. Our Sovereign Credit Model also shows that around 60% of EM countries are witnessing improving sovereign credit metrics despite recent FX reserves drawdown.
- **Around 80% of the EM local bond universe screens as undervalued,** supported by historically high real yields. EM FX valuations have not yet materially improved despite the recent correction. Our valuation model continues to flag both EM investment grade and high-yield spreads as overvalued, although selective value persists in several Sovereign Frontiers.

Chart and Sentiment analysis

- **The technical outlook for US rates remains challenging.** The 10 and 30-year yields are forming a triangle that could break to the upside. A move above 5.1% for the 30-year would turn the outlook unequivocally bearish with 6% being a target.
- **Chart patterns and fund flow momentum have deteriorated for EM debt.** While sovereign spreads and local yields are still in their long-term bullish trends, the current correction has further to go. An encouraging washout in previously heavy EM currency positioned has already occurred.

Summary scorecard by sector and country:

The categorisation of the attractiveness of the assets in the tables below is defined by the Schroder EMD team country scorecards. These scorecards are based on an assessment of macro-economic fundamental, valuation, technical and sentiment factors and serve as a guide for our EMD portfolios' positioning.

DOLLAR DEBT - SOVEREIGN						
Extremely unattractive	Unattractive	Neutral		Attractive		Extremely attractive
Asia	Asia	Latin America	Africa & Middle East	Latin America	Frontier	
Indonesia	China	Argentina	Qatar	Brazil	Angola	
Frontier	Malaysia	Mexico	Saudi Arabia	Chile	Azerbaijan	
Ethiopia	Pakistan	Panama	Frontier	Colombia	Bahamas	
Sri Lanka	Philippines	Uruguay	Costa Rica	Ecuador	Cameroon	
	Europe	Asia	Dom Rep	Peru	Egypt	
	Bulgaria	Korea	Honduras	Venezuela	Gabon	
	Kazakhstan	Vietnam	Iraq	Europe	Guatemala	
	Russia	Europe	Jamaica	Hungary	Ivory Coast	
Frontier		Croatia	Jordan	Romania	Morocco	
Bahrain		Czech Rep	Mongolia	Africa & Middle East	Nigeria	
Belarus		Greece	Namibia	South Africa	Senegal	
Bolivia		Poland	Oman		Suriname	
El Salvador		Serbia	Paraguay		TrinTobago	
Ghana		Slovakia				
Kenya		Turkey				
Lebanon		Ukraine				
	Mozambique					
	Tunisia					
	Zambia					

DOLLAR DEBT - CORPORATES						
Extremely unattractive	Unattractive	Neutral		Attractive		Extremely attractive
	Europe	Latin America	Europe	Latin America		
	Turkey	Argentina	Russia	Brazil		
	Africa & Middle East	Chile	Ukraine	Colombia		
	GCC	Asia		Mexico		
	South Africa	China		Peru		
		Indonesia		Asia		
				India		

LOCAL RATES						
Extremely unattractive	Unattractive	Neutral		Attractive		Extremely attractive
	Asia	Latin America	Europe	Latin America	Europe	
	Indonesia	Argentina	Croatia	Brazil	Nigeria	
	Malaysia	Mexico	Poland	Chile		
	Europe	Asia	Russia	Colombia		
	Czech Republic	China	Africa & Middle East	Peru		
	Serbia	Hong Kong	Ghana	Asia		
	Ukraine	India		Korea		
	Africa & Middle East	Pakistan		Singapore		
	Morocco	Philippines		Europe		
	UAE	Taiwan		Hungary		
		Thailand		Romania		
		Vietnam		Turkey		
				Africa & Middle East		
				Egypt		
				South Africa		

CURRENCIES						
Extremely unattractive	Unattractive	Neutral		Attractive		Extremely attractive
Asia	Latin America	Latin America	Europe	Latin America		
Philippines	Mexico	Argentina	Croatia	Brazil		
	Asia	Peru	Kazakhstan	Chile		
	India	Uruguay	Poland	Colombia		
	Indonesia	Asia	Serbia	Asia		
	Thailand	Hong Kong	Africa & Middle East	China		
	Europe	Pakistan	Ghana	Korea		
	Romania	Singapore	Kuwait	Malaysia		
	Russia	Taiwan	Morocco	Europe		
	Ukraine	Vietnam	Qatar	Czech Republic		
	Africa & Middle East		UAE	Hungary		
	Saudi Arabia			Turkey		
				Africa & Middle East		
				Egypt		
				Nigeria		
				South Africa		

Fund performance as at 31 March 2026 (%)

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 investments to fall as well as rise.

USD A accumulation shares net

Since Jan 2000 ¹	Fund	GBI-EM GD ²	EMBI GD
Annual rate of return	4.09	6.12	7.28
Volatility	6.23	11.16	8.72
Sharpe ratio	0.37	0.43	0.65
Sortino ratio	0.59	0.60	0.69
Correlation	1	0.78	0.68
Positive quarters	61.54	63.46	70.19
Maximum drawdown	-21.02	-29.32	-25.85
Best month	6.34	9.84	7.59
Worst month	-5.54	-14.07	-16.03
Max 12m rolling return	27.66	38.87	41.56
Min 12m rolling return	-17.72	-21.54	-24.28



Source: Schroders. ¹Inception 31 January 2000. ²JPM EMBI Global Diversified used as a proxy before 31/12/02 at which point GBI-EM Global Diversified launched.

Please note the fund is a total return fund therefore, the EMD indices are for illustrative purposes only.

%	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	YTD
2000 ¹		3.30	2.40	-1.90	-1.52	4.66	3.55	2.35	-1.89	-0.39	1.36	3.97	16.75
2001	3.18	-0.77	-1.59	-2.59	1.24	1.67	0.12	4.30	-3.78	0.31	-0.24	0.31	1.90
2002	0.78	2.25	-0.15	4.34	3.14	2.90	-0.07	2.54	0.94	0.86	2.37	3.80	26.31
2003	1.86	0.24	-0.30	2.50	1.66	0.99	-0.64	-0.12	1.34	-0.98	-0.64	2.75	8.93
2004	-1.14	0.63	1.03	-1.19	-0.23	-0.52	0.64	-0.23	2.19	2.14	3.91	2.60	10.13
2005	-1.76	1.58	-1.50	-0.11	-0.42	0.26	0.79	-0.52	-0.37	0.63	0.21	-0.10	-1.34
2006	2.51	0.92	1.32	1.90	-1.18	-0.84	0.85	0.84	0.34	1.23	2.47	1.42	12.36
2007	-0.93	0.85	0.65	1.07	-0.09	-0.28	0.60	-1.14	2.18	2.36	0.80	-0.04	6.11
2008	1.36	1.73	1.07	-0.84	-0.85	-0.26	0.39	-2.91	-2.78	-3.45	1.41	3.15	-2.20
2009	-1.89	-2.15	1.03	3.80	6.34	0.97	2.95	0.85	3.60	1.35	1.07	-1.43	17.39
2010	0.27	-0.11	0.27	0.30	-0.99	0.65	0.15	1.56	0.11	0.52	-2.64	0.92	0.96
2011	-0.87	0.08	0.46	2.55	-1.89	-0.11	0.42	-0.30	-1.17	-0.19	-0.23	0.12	-1.21
2012	0.15	-0.27	-1.08	0.04	-1.71	0.59	0.39	0.12	0.78	0.70	1.08	2.59	3.38
2013	1.37	-1.39	-0.59	1.05	-0.48	-0.82	-0.19	-0.34	0.23	0.83	-1.08	0.38	-1.08
2014	-0.68	1.21	0.56	0.56	1.18	-0.55	-0.59	1.59	-2.94	0.41	0.07	-1.97	-1.24
2015	1.14	-1.77	-1.03	0.97	-1.34	-0.78	-0.74	-1.02	-0.68	-0.12	-0.84	-0.57	-6.61
2016	0.41	0.85	5.75	2.47	-3.16	2.72	0.76	-0.04	0.62	-0.43	-2.72	0.58	7.76
2017	1.36	1.29	0.59	0.57	0.67	0.54	0.90	0.76	-0.46	-1.58	0.70	1.06	6.55
2018	3.14	-0.98	0.54	-2.50	-2.34	-1.23	0.64	-2.98	0.23	0.32	0.62	0.45	-4.17
2019	2.51	-0.70	-0.71	-0.49	0.14	3.26	0.34	-2.56	0.18	1.63	-1.73	2.86	4.66
2020	-1.41	-1.59	-5.54	1.30	4.62	0.66	3.02	-0.56	-2.17	0.69	3.83	3.17	2.44
2021	-1.89	-1.47	-2.28	1.31	1.58	-0.61	-0.49	-0.12	-2.22	-0.92	-2.19	1.16	-7.94
2022	-0.93	-2.34	-2.66	-3.48	-0.15	-4.84	0.00	1.83	-2.42	-0.04	4.09	0.92	-9.88
2023	3.32	-2.08	1.91	0.27	0.00	3.88	1.44	-2.59	-2.47	0.31	3.21	3.85	11.30
2024	-1.73	0.16	0.64	-0.87	0.88	-1.54	0.59	2.06	2.37	-2.97	0.06	-1.04	-1.52
2025	2.02	0.75	-0.20	1.64	1.26	1.74	-0.14	1.61	1.98	0.10	1.20	0.75	13.44
2026	3.18	1.17	-4.17										-0.54

Source: Schroders. ¹Inception 31 January 2000. Typical ongoing charges for A shares are 1.84%.

Fund positioning as at 31 March 2026 (%)

Country exposure	Dollar debt %	Local debt %	FX ¹ %	Total %	CTD
Latin America					
Argentina	0.63		1.14	1.77	0.04
Brazil	0.55	9.67		10.22	0.47
Chile		0.99		0.99	0.04
Colombia	0.12	4.00		4.12	0.22
Dominican Republic		0.86		0.86	0.05
Ecuador	1.95			1.95	0.13
Jamaica	0.40			0.40	0.02
Mexico	0.20	2.93		3.12	0.17
Peru		0.32		0.32	0.03
Total Latin America	3.87	18.77	1.14	23.77	1.15
Asia					
China	0.58	0.05	0.54	1.17	0.02
India	0.53	1.57	-1.53	2.10	0.07
Korea			1.56	1.56	0.00
Malaysia		1.47	-0.26	1.47	0.06
Philippines		2.85	-2.77	2.85	0.18
Singapore	0.20			0.20	0.00
Total Asia	1.30	5.93	2.10	9.33	0.33
Europe					
Hungary		3.23	-1.61	3.23	0.21
Poland	0.48	0.63	1.63	2.74	0.08
Romania		1.53		1.53	0.09
Turkey		2.72	-2.75	2.72	0.04
Ukraine	0.27	0.14		0.40	0.01
Total Europe	0.74	8.26	1.63	10.64	0.43
Africa & Middle East					
Angola	3.11			3.11	0.14
Egypt	0.49	3.34	-3.11	3.83	0.08
Ivory Coast	1.82			1.82	0.11
Mali	0.21			0.21	0.00
Nigeria	1.72	2.52	0.52	4.76	0.12
South Africa	0.49	3.95	-2.07	4.43	0.33
Zambia	0.24			0.24	0.00
Total Africa & Middle East	8.09	9.81	0.52	18.43	0.79
Overall risk exposure					
Developed Markets	-3.18		-0.53		-0.19
Credit Hedges	-17.89				
Cash				37.83	0.07
Total	14.01	42.77	5.39	100.00	2.59





	%		%
Local currency debt	48.16	Yield to maturity	5.97
USD debt ¹	14.01	Fund duration	2.59 years
Cash	37.83	Corporate exposure	4.36
EM currency exposure	34.08	Average credit rating	BBB+
Fund AUM	US\$ 1,130 m	Current yield	5.68
EMD TR strategy AUM	US\$ 1,958 m	No. of holdings	118

Source: Schroders.

¹ FX positions in red are hedges of local debt positions. FX positions in black are outright long FX forward positions. Total includes only active long outright FX forwards and NDFs and excludes hedges of local debt.

ESG – Proprietary sustainability metrics (SFDR Article 8)

Schroder ISF EMD Total Return ESG – 31 March 2026

	Fund coverage: 99%	Reference benchmark coverage: 99%
Overall impact 	Fund -1.1%	Reference sustainability benchmark -3.6%
Environmental impact 	Fund -1.2%	Reference sustainability benchmark -2.6%
Social impact 	Fund 0.1%	Reference sustainability benchmark -0.8%
Governance impact 	Fund 0.0%	Reference sustainability benchmark -0.2%

Source: Schroders – 31 March 2026. The Schroders Impact score is based on Schroders' proprietary tool, SustainEx. Overall impact is an indication of the fund's impact compared to its benchmark. All holdings exclude cash and currency holdings. Impact on People indicate the fund's underlying benefits and harms compared to its benchmark. Metrics shown are a sample of the total underlying metrics. See definitions slide for more details. Benchmark data 50% JP Morgan EMBI Global Diversified (USD Unhedged) and 50% JP Morgan GBI EM Global Diversified (USD Unhedged).

Risk considerations

Capital risk / distribution policy: As the fund intends to pay dividends regardless of its performance, a dividend may represent a return of part of the amount you invested.

China risk: If the fund invests in the China Interbank Bond Market via the Bond Connect or in China "A" shares via the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect or in shares listed on the STAR Board or the ChiNext, this may involve clearing and settlement, regulatory, operational and counterparty risks. If the fund invests in onshore renminbi-denominated securities, currency control decisions made by the Chinese government could affect the value of the fund's investments and could cause the fund to defer or suspend redemptions of its shares.

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.

Credit risk: If a borrower of debt provided by the fund or a bond issuer experiences a decline in financial health, their ability to make payments of interest and principal may be affected, which may cause a decline in the value of the fund.

Currency risk: If the fund's investments are denominated in currencies different to the fund's base currency, the fund may lose value as a result of movements in foreign exchange rates, otherwise known as currency rates. If the investor holds a share class in a different currency to the base currency of the fund, investors may be exposed to losses as a result of movements in currency rates.

Currency risk / hedged share class: The currency 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.

Derivatives risk: Derivatives, which are financial instruments deriving their value from an underlying asset, may be used for investment purposes and/ or 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.

High yield bond risk: High yield bonds (normally lower rated or unrated) generally carry greater market, credit and liquidity risk meaning greater uncertainty of returns.

Interest rate risk: The fund may lose value as a direct result of interest rate changes.

Issuer risk: The fund is permitted to invest more than 35% of its scheme property in transferable securities and money market instruments issued or guaranteed by an EEA State / governments of the following country: United States of America.

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, meaning investors may not be able to have immediate access to their holdings.

Market risk: The value of investments can go up and down and an investor may not get back the amount initially invested.

No capital guarantee risk: Positive returns are not guaranteed and no form of capital protection applies.

Operational risk: Operational processes, including those related to the safekeeping of assets, may fail. This may result in losses to the fund.

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. **Sustainability risk:** The fund has environmental and/or social characteristics. This means it may have limited exposure to some companies, industries or sectors and may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the investment manager. The fund may invest in companies that do not reflect the beliefs and values of any particular investor.

Important information

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