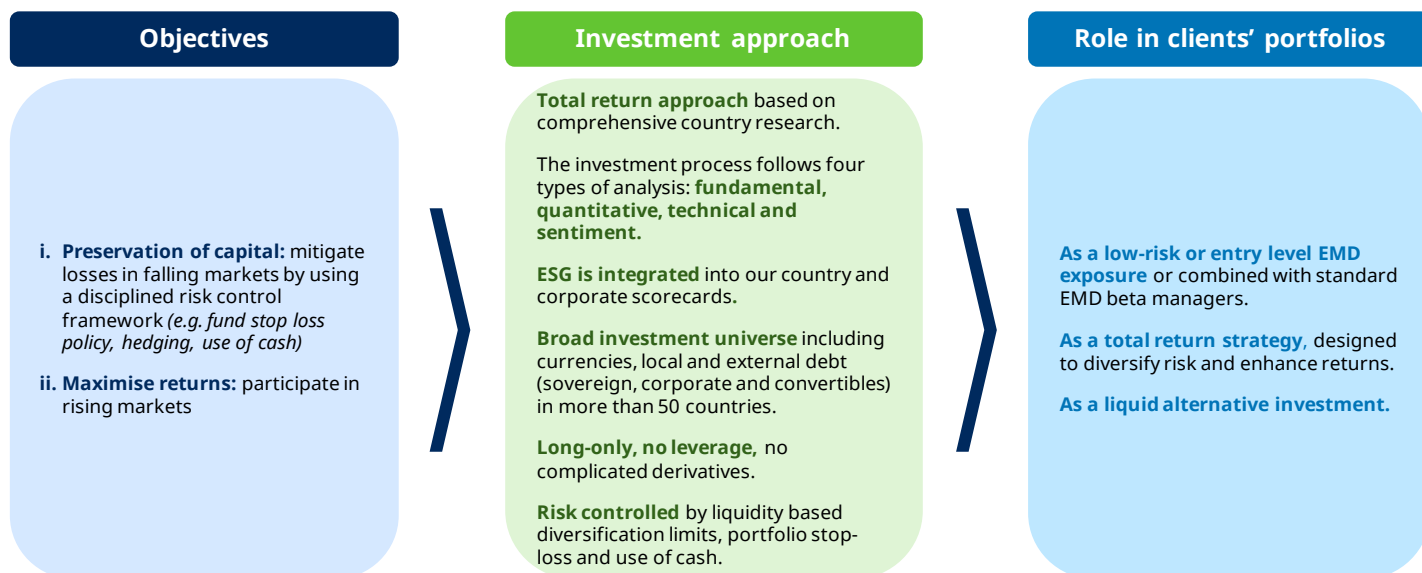


Schroder ISF¹ Emerging Markets Debt Total Return

SFDR
Article 8

Quarterly fund update

First quarter 2025



Review:

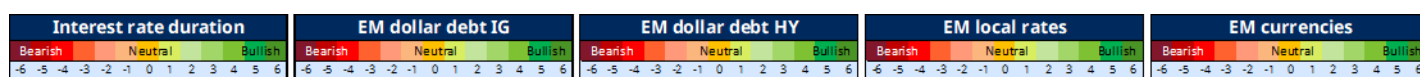
- **EM bonds and currencies started 2025 on a strong tone.** By rebounding strongly from the oversold levels of last year, local currency debt outperformed, as the GBI EM GD index ended the quarter with a return of 4.3%, notably thanks to a rally in most currencies. Noticeable outperformers were Mexico, Brazil and Central European countries. Mexico benefited from a drop in bond yields as growth saw further slowdown while the disinflation process has recommenced. Brazil was supported by the strong rebound of the real from its extreme undervaluation of last year. Central European countries experienced a currency rally versus the US dollar, especially in the aftermath of the fiscal easing announcement in Germany, which boosted the Euro exchange rate and by extension all European currencies. In contrast, Indonesia and Turkey underperformed with the former suffering from the policy direction under the new administration while the latter was impacted by the political tensions related to the arrest of Istanbul mayor and potential presidential candidate.
- EM hard currency underperformed somewhat with the EMBI GD registering a quarterly return of +2.2%. The high yield sub-sector started to suffer from the deterioration in the global growth outlook (see outlook section below).
- **Our portfolio activity during the quarter focused on taking some profits in external debt and on adding to local rates and to US Treasury bonds.** (see the rationale in the outlook section below). External debt spreads dropped to less appealing levels and we also felt that they have yet to reflect the deterioration in global growth outlook. In contrast, real rates remain at historically high levels and started to drop in reaction to the downward growth revisions.
- As a result of increasing local debt positions, the fund's cash balance dropped from 14% to 4.1% of NAV. Overall currency exposure increased from 33.3% to 60.8% of NAV and interest rate duration jumped from 4.5 to 5.6 years. A more detailed presentation of exposures is presented in page 7 below.
- **The fund ended the quarter with a positive return of +3.05%.** The key contributors to this quarterly performance were as follows: (i) US dollar debt had +89bps positive impact; and (ii) local currency debt contributed +216bps, of which +51bps was due to price change given lower local rates, +117bps was generated by income, and +48bps was from currency appreciation. The main negative contributors by country were as follows: Mexico (+74bps), Central European countries (+43bps), Brazil (+38bps), India (+19bps) and South Africa (+15bps). In contrast, Argentina (-10bps) was the main negative contributor as sovereign dollar bonds corrected somewhat after the strong rally of last year.

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

Investment outlook

Global economic environment

- **The global growth outlook has deteriorated significantly** due to the ongoing trade war, persistently tight monetary policies, and increasingly constrained fiscal positions. Adjustments lower to EM growth expectations are already well advanced and we are now also seeing downward revisions to growth in the US due to policy uncertainty, restrictive immigration policies, a weakening fiscal impulse, and labour market losing momentum.
- **The global disinflation trend of the last two years has paused**, with an increasing number of countries seeing upward revisions to inflation expectations. The US could experience a new inflation scare, driven by aggressive import tariffs. However, this should not impact severely the ability of EM central banks to ease given the extremely high levels of real rate buffers and our expectation that oil prices will continue to drop to the low 60s based on our current supply projections.
- **Our measures of global financial liquidity are peaking**, as the rebound in monetary aggregates has stalled and foreign exchange reserves growth has decelerated significantly. However, the global credit impulse has turned positive, especially in Europe, where a domestically driven cyclical growth upturn may gain traction. Additionally, there is now a distinct possibility that the extremely negative US Net International Investment position could start to adjust after reaching a staggering -80% of US GDP. This adjustment is likely to boost a cyclical downturn for the US dollar.
- **The outlook for commodity prices remains mixed**. Oil prices are likely to remain soft given ample supply. The recent rally in base metals is due for a pause and our long-standing bullish view on gold is maintained given globally persistent fiscal, monetary and geo-political fragilities.
- **Geopolitical risks remain high**. Increasing US isolationism, the potential vacuum created by the ongoing reshaping of Western alliances, and the consequences of the global trade war have increased risks substantially. While a temporary ceasefire deal in Ukraine may be within reach, sustaining it will be extremely challenging.
- **We remain tactically constructive on US interest rate duration** due to the deteriorating US growth outlook. However, we stand ready to reassess this position given the resurgence in inflation risks, the long-term uptrend in US Treasury bond yields remaining in place, and the market short squeeze we expected last quarter having now been completed.
- **A correction in EM dollar debt spreads is required for us to reaffirm our long-term bullish view**. EM Sovereign spreads are currently expensive, overbought and they have yet to reflect the ongoing downward revisions to growth expectations.
- **EM rates offer the most attractive opportunities within the asset class** due to high real yields, controlled inflation in EM, substantially more favourable debt and fiscal dynamics in EM compared to developed economies, and very low foreign participation in EM domestic bond markets. Additionally, EM currencies are recovering from their oversold levels of last year and could be further boosted if the recent topping pattern of the US dollar is confirmed.
- **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:

- **China's policy response to its deteriorating growth trajectory remains underwhelming**. Recent market optimism has quickly faded as policy announcements require more details about their magnitude and implementation and are yet to feed through into the real economy. In the absence of more credible policy initiatives, we remain negative on the currency, especially given the continuously depressed consumer confidence and Trump policies threatening China's export engine.
- **Our long-standing bullish views on Indonesian and Indian local government bonds are maintained**. In Indonesia, some fiscal slippages and institutional deterioration are possible under the new administration. However, inflation expectations remain anchored while 10-year Indonesian bond yield still offer an attractive yield of 7%. Indian 10-year bonds are also still attractive at a yield of 6.8% given the sharp slowdown in credit growth, fiscal and inflationary pressures both contained and the imminent start to the easing cycle following the change of the central bank governor.
- **Other attractive opportunities in Asia are in the newly restructured Sri Lankan dollar debt and in the Philippines local bonds**. Rapidly improving inflation outlook should give the Philippines central bank room to cut rates.

Eastern Europe, Middle East and Africa:

- **We still find value in Central European bond markets**, where the average 10-year rates could drop by a further 45bps to reach fair value. We expect the disinflation trend to resume in 2025 and favour rates in Hungary, Poland and Romania.
- **We remain firmly bullish on South African hard and local currency debt** given their appealing valuations and improving growth outlook, which will help the fiscal consolidation effort. Inflation has surprised to the downside and the central bank has embarked on a cautious easing cycle. There are also initiatives to enhance the monetary and fiscal policy frameworks.
- **The outlook for Turkish and Egyptian local and external bonds remains attractive**. Turkey's return to policy orthodoxy has led to macro-economic stabilisation with inflation declining, external accounts adjusting, growth becoming more balanced and FX reserves buffers staring to be built. In Egypt, despite some slippages, the IMF program remains on track.

- **Nigeria, Ivory Coast and Oman are amongst the most attractive opportunities in EEMEA sovereign dollar debt.** In Nigeria, strong credit metrics will be reinforced by President Tinubu's aggressive reform actions. The currency was devalued, fuel subsidy removed, significant rate hikes implemented, and decent level of FX reserves accumulated.

Latin America:

- **Ten-year local bonds in Mexico remain our favourite pick in the region** as the yield is attractive (10.4%), disinflation has recommenced, government balance sheet remains strong despite recent fiscal slippages and external accounts are stable. We are less constructive on the Mexican peso given the possibility of an aggressive Trump trade and immigration agenda.
- **Extremely attractive valuations continue to justify small exposures to Brazilian local debt**, which offers yields of more than 15%. We will turn bullish when current pressures persuade President Lula to return to a more credible and coherent fiscal framework. Brazil is likely to muddle through thanks to a monetary policy that still provides a long-term credible anchor, resilient economic activity, healthy external accounts and low reliance on foreign funding.
- **The Chilean and Peruvian currencies are attractive** as growth is resilient, current accounts are improving, and political trends are supportive in Chile while uncertainties remain contained in Peru. In contrast, caution towards Colombian assets is still warranted as growth momentum is fading and the fiscal deficit (8% of GDP) is on an unsustainable trajectory.
- **In sovereign dollar debt, we have turned bullish on Ecuador and remain positive on El Salvador, Dominican Republic and Paraguay.** In Argentina, with President Milei's economic shock therapy progressing well, we still see some value in Argentina's dollar bonds despite the substantial outperformance in 2024 and current overbought conditions.

EM corporates:

- **EM corporates are starting 2025 from a healthy position** with leverage near decade lows, rating agency assigning more upgrades than downgrades, and 2024 ended with fewer defaults than expected. A mixed outlook for commodity prices is a headwind but resilient growth in the US and continued supportive capital markets should keep credit spreads at tight levels.
- **Mexican and Brazilian banks continue to be fundamentally very strong**, profitable and with leading market share in consolidated markets. In contrast, financials in China, Hong Kong and Korea remain unappealing.
- **We see value in Mexican utilities and in Brazilian oil sector.** Mexican utilities are supported by supply/demand dynamics that should continue to be favourable for merchant market prices and PPAs continuing as usual. Growing oil production in Brazil also offers opportunities within oil services and infrastructure credits.
- **EEMEA credits are relatively more insulated from global trade frictions.** We find opportunities in Turkish financials and within Israel banks and gas sectors given idiosyncratic dynamics and the prospects of the regional conflicts easing.

Quantitative analysis:

- **The average Schroder EM country vulnerability score experienced some erosion** but remains firmly in safe territory. Measures of "*Growth Dynamics*", "*Sovereign External Liquidity*" and "*Credit Cycles*" are still broadly supportive. Latin American countries have particularly improved thanks to solid balance of payments and more appealing real effective exchange rates.
- **The valuation model identifies both EM IG and HY spreads as overvalued but** with still appealing pockets of value in some sovereign frontiers. In contrast, **the severe underperformance of EM local debt in 2024 has significantly improved EM local rates valuations** as inflation remains well behaved while yields spiked, especially in Latin America. **EM FX valuations are less appealing** with the noticeable exceptions of BRL, CLP, ZAR, MYR and CNY.

Chart and Sentiment analysis:

- **The Technical outlook for US rates is neutral** with the 30-year remaining in a range of 4% to 4.85%. A convincing break lower of the 4% yield level is required for the 30-year to confirm the completion of a long-term topping pattern for rates. Market positioning is now constructive as market participants have recently built short exposures to historical extremes.
- **The outlook for EM local debt is more constructive** as the GBI-EM yield maintained the downtrend initiated in late 2022. A break lower of the 6% yield level and the resumption of inflows to the sector are required to confirm this bullish outlook.
- **The technical outlook for EM dollar debt is mixed.** The EMBI GD spread tightening remains firmly in place. However, the sub-sector is approaching overbought territory and there is still no convincing evidence of a sustained recovery in hard currency debt fund flows.

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

Fund performance as at 31 March 2025 (%):

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	3.87	5.90	7.16
Volatility	6.21	11.28	8.84
Sharpe ratio	0.35	0.41	0.64
Sortino ratio	0.58	0.58	0.68
Correlation	1	0.78	0.68
Positive quarters	61.00	63.00	70.00
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



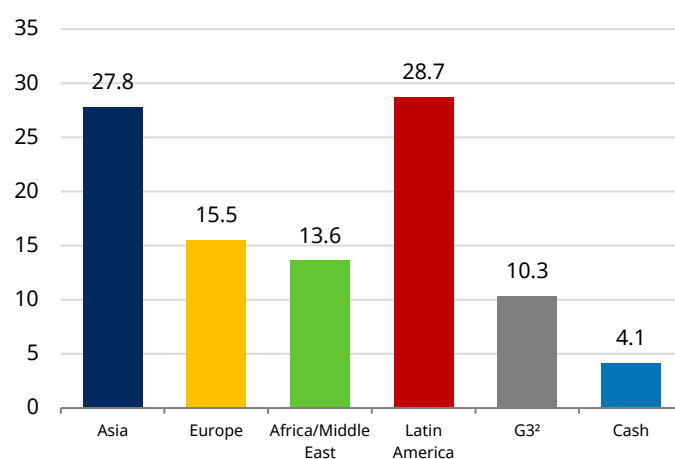
Source: Schroders. ¹Inception 31 January 2000. ²JPM EMBI Global Diversified used as a proxy before 31/12/02 at which point GBI-EM Global Diversified launched. **Please note the fund is an total return fund therefore, the EMD indices are for illustrative purposes only.**

%	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	5.69
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										2.58

Source: Schroders. ¹ Inception 31 January 2000.

Fund positioning as at 31 March 2025 (%):

	US\$ Debt	Local Debt	FX ¹	Total
Latin America				
Brazil	0.8	9.1	-3.9	9.9
Chile			1.2	1.2
Colombia	0.6	1.7		2.3
Dominican Republic		1.2		1.2
Mexico	2.1	9.4	-0.6	11.5
Panama	0.7			0.7
Peru		1.9		1.9
Asia				
China	0.8			0.8
India	0.2	9.9	-6.0	10.1
Indonesia		4.1	-3.0	4.1
Korea		0.5	1.6	2.1
Malaysia		4.6	0.5	5.1
Pakistan	0.2			0.2
Philippines		2.6		2.6
Singapore	0.2			0.2
Sri Lanka	1.9			1.9
Thailand		0.7		0.7
Central Eastern Europe				
Czech Republic			2.9	2.9
Hungary	0.5	3.8		4.3
Latvia	0.3			0.3
Poland		4.2	-2.6	4.2
Romania		0.6		0.6
Turkey	1.1	1.9		3.0
Ukraine		0.2		0.2
Africa and Middle East				
Angola	0.2			0.2
Egypt		2.5		2.5
Ivory Coast	2.1			2.1
Mali	0.3			0.3
Nigeria	1.3	0.6		1.9
South Africa	0.3	5.8	-1.3	6.1
Tanzania	0.1			0.1
Zambia	0.4			0.4
Total EM	14.1	65.3	6.2	85.6
G3				
Long-Term US Treasuries			4.5	4.5
EUR			5.8	5.8
Cash				4.1
Grand Total	14.1	65.3	16.5	100.0



Fund Summary (%)

Yield to maturity	7.5
FX exposure	60.8
Duration (years)	5.6
Average credit rating	BBB
Corporate bond exposure	5.36
Current yield	6.50
No. of holdings	97
Credit hedges	-14.0
Fund AUM	US\$ 899m
EMD TR strategy AUM	US\$ 1,850m

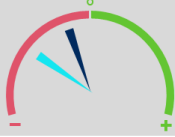



Source: Schroders.

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.

² Can include short and long dated government securities issued in G3 countries. Difference in some numbers due to rounding.

Proprietary sustainability metrics (SFDR Article 8)

Schroder ISF EMD Total Return ESG – 31 March 2025

Overall impact 	Fund coverage: 99% Fund -2.0%	Reference benchmark coverage: 99% Reference sustainability benchmark -3.9%
Environmental impact 	Fund -1.7%	Reference sustainability benchmark -2.8%
Social impact 	Fund -0.2%	Reference sustainability benchmark -0.8%
Governance impact 	Fund -0.1%	Reference sustainability benchmark -0.3%

Source: Schroders – 31 March 2025. 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:

Bond Connect risk: The fund may be investing in the China Interbank Bond Market via the Bond Connect which may involve clearing and settlement, regulatory, operational and counterparty risks. **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. **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:** The fund may lose value as a result of movements in foreign exchange rates, otherwise known as 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 to manage the portfolio efficiently. The fund may also materially invest in derivatives including using short selling and leverage techniques with the aim of making a return. 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.

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

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