

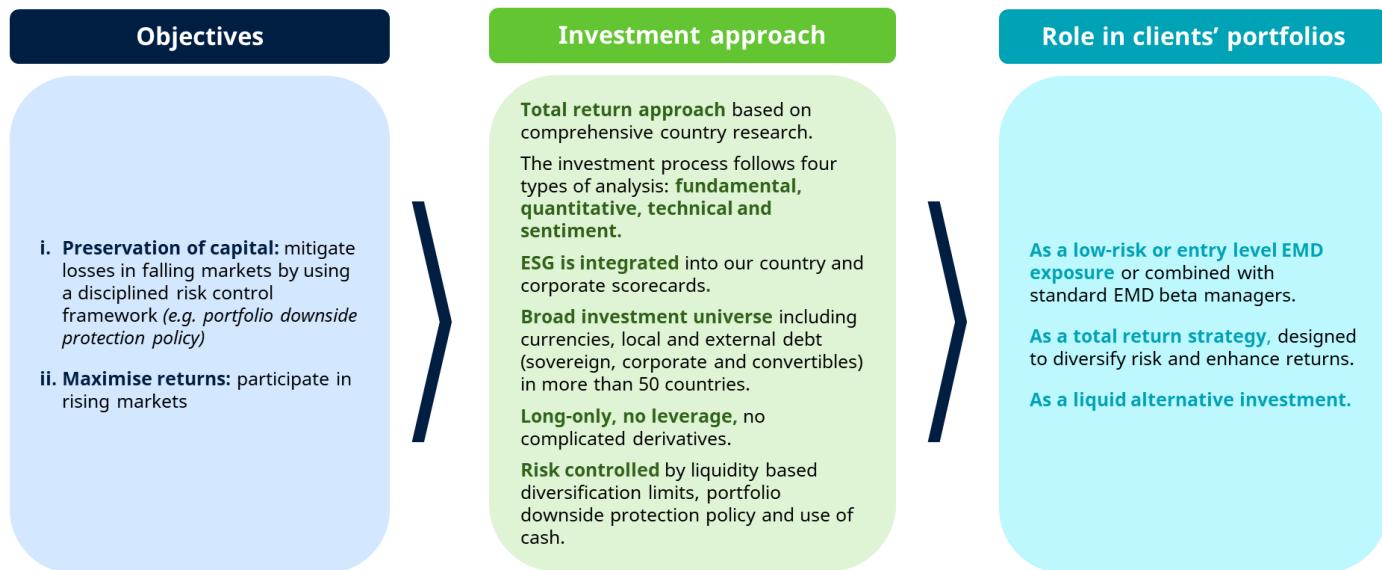
Schroder ISF* Emerging Markets Debt Total Return



Quarterly

Fund update: Fourth quarter 2025

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:

- **The macro-economic environment continued to be supportive for EM debt during the quarter.** Resilient global growth activity, supportive financial conditions which are being boosted further by recent Fed easing, robust macroeconomic fundamentals across key EM countries and attractive yield levels continue to support investor sentiment. Flows into EM bond funds continue to recover during the quarter as global asset allocators have been severely underinvested in the asset class for many years and recent returns are now becoming too strong to ignore.
- **Given this very supportive backdrop, EM assets continued to exhibit strong momentum into 2025 year-end.** This is particularly the case of EM local currency debt which has extended its 2025 outperformance with the GBI EM Global Diversified Index closing the year with a positive return of +19.3%, having added +3.3% in Q4. This strong showing of local currency debt continues to be driven by a combination of high-income generation, bond-price appreciation and firmer currencies. Moreover, despite historically tight spreads for EM hard currency debt, this sector also performed well in Q4 by registering a return of +3.3% during the quarter, thus extending the year-to-date performance of the EMBI Global Diversified Index to +14.3%
- **The fund ended the quarter with a positive return of +2.54% in gross US dollar terms.** The key performance drivers were as follows: (i) US dollar debt had +63bps positive impact; and (ii) local currency debt contributed 191bps, of which +38bps was due to price change given lower EM local rates, +130bps was generated by income, and +23bps was from currency appreciation. At country level, South Africa (+89bps), Argentina (+46bps), Malaysia (+26bps), Chile (+25bps) and Turkey (+21bps) were the largest positive contributors. Most other markets added between 0-15bps, except for Brazil (-29bps) and China (-4bps).
- **There were no major changes to fund positioning during the quarter.** Portfolio activity was aimed at keeping the fund fully invested with a continued focus on high yielding local bond markets, consistent with our bullish local EM rates view presented in the investment outlook section below.
- **A detailed breakdown of portfolio exposures is provided on page 6.**

Schroders

Investment outlook:

Global economic environment:

- **Global economic activity should remain firm in 2026** despite persistent global trade uncertainties, geopolitical tensions, fiscal headwinds in several developed economies and China's disappointing growth trajectory. Although labour markets in the US and Europe have softened, abundant global liquidity, combined with strong private sector balance sheets, should continue to support growth into 2026. EM exports are also showing notable resilience despite higher US trade tariffs, which is helping EM growth differentials versus the US to remain at levels historically sufficient to attract capital inflows into EM.
- **Inflation trends remain benign in most EM economies**, supported by subdued food and energy prices and China's continued export of deflation. With inflation well contained, EM policy rates appear too restrictive, leaving significant scope for further easing across EM regions. By contrast, the US may face stickier inflation due to delayed tariff pass-through and fiscal and monetary expansion. This could soon challenge the credibility of the US Federal Reserve's current easing cycle.
- **Global financial liquidity remains ample and supportive of risk assets**. Global monetary aggregates are expanding at a solid pace and could receive further support from the end of central banks' balance sheet contraction. FX reserves are rebuilding across several EM countries, reinforcing domestic liquidity and external resilience. EM debt is also benefiting from a gradual return of inflows after several years of outflows. These reallocations to EM debt are still in their very early stages, as global investors are still underinvested in the asset class despite its strong performance of the last 3 years.
- **The US dollar's structural vulnerabilities have now become more visible**, particularly as the greenback is starting to lose interest rate support. While dollar weakness in 2025 has led to oversold conditions in the short-term, real effective exchange rate valuations are still stretched and have yet to fully reflect the unsustainable levels of the US fiscal and external deficits. The dollar is also increasingly driven by volatile equity inflows rather than stickier bond flows. Record foreign investment into US equities in 2025, especially in AI-related sectors, has increased dollar vulnerability to equity market corrections.
- **The commodity outlook remains broadly constructive**. Oil markets are well supplied, but this is already reflected in recent price underperformance. In base metals, copper stands out as supply-demand balances have moved into deficit following major mine disruptions and expected AI related demand. Gold continues its steady bull market, supported by central bank demand and early-stage portfolio diversification flows, with no convincing evidence yet of late-cycle excesses.
- **Geopolitical risks remain elevated, but this does not seem to be reflected in market pricing**. While hopes of a potential peace agreement in Ukraine could still lead to further risk-on response, a credible and long-lasting accord remains elusive.
- **Tactical long exposures to US interest duration remain justified** given improved long-dated Treasury bond valuations, light positioning, and a softening US labour market. However, structural fiscal imbalances, sticky inflation and the shift towards more price-sensitive Treasury holders remain key downside risks that we continue to monitor very closely.
- **EM local currency debt remains our top sectoral preference for 2026** thanks to favourable inflation dynamics, high real rates and more favourable public debt dynamics in EM relative to developed markets. We still favour Brazil, Mexico, South Africa, the Philippines, and parts of Central Europe, where we have identified 12 months expected returns exceeding 10%.
- **Despite unattractive levels of hard currency debt spreads, selective high-yield sovereigns and corporates still offer improving credits metrics and appealing income**, which should lead to more than 7% return in 2026 for this sector. Further upside potential can also still be realised in credits such as Egypt, Argentina, Angola and Nigeria.
- **All these sectorial views are summarised in the scorecard below:**

Interest rate duration			EM dollar debt IG			EM dollar debt HY			EM local rates			EM currencies			
Bearish	Neutral	Bullish	Bearish	Neutral	Bullish	Bearish	Neutral	Bullish	Bearish	Neutral	Bullish	Bearish	Neutral	Bullish	
-6	-5	-4	-3	-2	-1	0	1	2	3	4	5	6	-6	-5	-4

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

Asia:

- **China's growth outlook remains challenged** by a prolonged property downturn and still-subdued household confidence, despite an improving external environment and abating deflation. While recent activity has again disappointed, abundant domestic liquidity, calibrated policy support and a positive credit impulse should continue to provide a floor to growth into 2026. The renminbi is increasingly supported by strong reserves, sustained trade surpluses and improving sentiment, with appreciation pressures likely to spill over positively to selected regional currencies. The Malaysian ringgit remains our preferred currency exposure, underpinned by credible policy, potential FDI inflows and ongoing FX repatriation effort.
- **We remain constructive on Indian and Philippine local bonds** given well contained inflation and still reasonably attractive and uncorrelated yields. In contrast, we remain cautious on Indonesia's fiscal trajectory despite ample liquidity continuing for now to offer some support to Indonesian local bonds at the expense of the currency.

Eastern Europe, Middle East and Africa:

- **The outlook for Central European bonds and currencies remains constructive** with Hungary offering the best upside potential. Despite concerns about fiscal slippages from pre-election spending, Hungary should continue to outperform on tight monetary policy, high real yields, a solid external balance and potential political changes following the 2026 elections.

- **South African bonds remain attractive in both local and hard currency** despite their already significant outperformance. The stability of the Government of National Unity, a lower inflation target, fiscal consolidation, improving debt dynamics, strengthening currency and still appealing 10-year yields of 8.2% should sustain the current bull cycle.
- **We expect Turkish and Egyptian local markets to deliver 12-month expected returns of 15% and 26% respectively** supported by very high nominal yields, abating inflationary pressures and stabilising external accounts. Flare ups in political uncertainties in Turkey should remain contained notably thanks to a stable and credible economic team.
- **We remain bullish on Nigeria, Egypt, Ivory Coast and Angola sovereign dollar debt** given attractive spreads and stable or improving credit fundamentals. Senegal has been downgraded to a more cautious stance despite its recovery potential, as liquidity pressures may escalate further and uncertainty around an IMF programme warrant close monitoring.

Latin America:

- **Long-dated local bonds in Brazil and Mexico remain appealing** thanks to well contained inflation and with both countries demonstrating a strong ability to contain frictions with the US. With 10-year yields at 13.7% and 9.1% respectively, and assuming modest rate declines and conservative currency appreciation, Brazil and Mexico could deliver returns above 15% over 12 months. The main concern is related to the overextended bullish positioning, which could lead to a short-term market washout especially when the Brazilian 2026 election campaign becomes more of a market focus.
- **Despite lower yields, Chilean and Peruvian bonds should perform well** given strong sovereign balance sheets and improving inflation trends. Despite fiscal and political uncertainties in Colombia and the populist nature of the current administration, tactical exposures to Colombian local debt remain warranted given high yields (10-year at 12.6%), firm growth, rising reserves and the distinct possibility of a pro-market administration winning elections in Q2 2026.
- **Good income can be generated in dollar bonds** of Mexico, Peru, Guatemala, Paraguay and El Salvador. We also still see decent upside potential in Argentine bonds, especially following recent President Milei's economic and political achievements. In contrast, we have turned more cautious on Ecuador given that the appetite of the Noboa's administration for additional reforms is increasingly questioned.

EM corporates:

- **Resilient global growth and stable commodity outlook** should keep EM corporate credit fundamentals healthy.
- **In Latin America, we like credits within the sectors of energy infrastructure, TMT, and airlines.** We are particularly positive on Argentina corporates on structural reforms, improved macro stability and market access. Peru corporates are benefitting from supportive growth conditions, and banks reporting strong profits.
- **In EEMEA, some opportunities exist in Ukraine**, where a prolonged conflict is largely priced in, and in Turkey, where banks provide attractive carry in an improving sector. Significant issuance in Saudi Arabia can weigh on spreads in 2026.
- **In Asia, strong growth and persistent investor interest will continue to support Indian corporates and financials.** Signs of a bottom in Hong Kong real estate could also open opportunities.

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 60-70% of EM countries are witnessing improving sovereign credit metrics, with the accumulation of FX reserves continuing to support this trend.
- **Around 75% of the EM local bond universe screens as undervalued**, supported by historically high real yields. In contrast, EM FX valuations have deteriorated, notably in EEMEA, while Asian currencies remain undervalued and Latin America has moved back to fair value. Our valuation model continues to flag both EM investment grade and high-yield spreads as overvalued, although selective value persists in several frontier market dollar sovereigns.

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.
- **In contrast, chart patterns and flow momentum remain constructive for EM debt**, with sovereign spreads and local yields maintaining their bullish trend despite some momentum loss. This positive trend is also in place for EM currencies although positioning has become overextended, especially in Latin America. In contrast, Asian FX remains under-owned.

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

Fund performance as at 31 December 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	4.16	6.27	7.41
Volatility	6.15	11.14	8.73
Sharpe ratio	0.39	0.44	0.66
Sortino ratio	0.63	0.62	0.71
Correlation	1	0.78	0.68
Positive quarters	62.14	64.08	64.08
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.

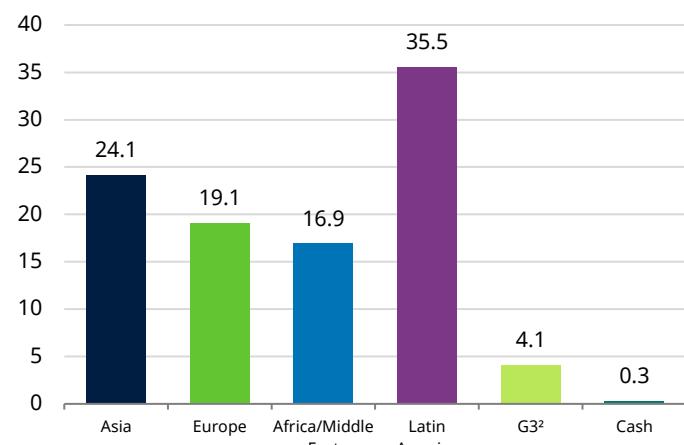
Please note the fund is an total return fund therefore, the EMD indices are for illustrative purposes only.

%	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	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

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

Fund positioning as at 31 December 2025 (%):

	US\$ Debt	Local Debt	FX ¹	Total
Latin America				
Argentina	3.3			3.3
Brazil	0.6	11.2		11.8
Chile		1.9	2.0	3.9
Colombia	0.3		1.0	1.3
Dom Rep.		0.8		0.8
Ecuador	0.9			0.9
Jamaica	0.4			0.4
Mexico	1.7	9.3		11.0
Peru		2.1		2.1
Asia				
China	0.6	0.1	1.2	1.9
India	0.4	5.7		6.1
Indonesia		2.1		2.1
Korea			2.0	2.0
Malaysia		4.2	2.7	6.9
Philippines		3.2		3.2
Singapore	0.2			0.2
Sri Lanka	1.7			1.7
Central Eastern Europe				
Czech Republic		3.0	1.2	4.2
Hungary	0.1	5.2		5.3
Latvia	0.2			0.2
Poland		4.7		4.7
Romania	0.9			0.9
Turkey	0.4	3.3		3.7
Ukraine		0.1		0.1
Africa and Middle East				
Angola	2.5			2.5
Egypt		2.7		2.7
Ivory Coast	1.4			1.4
Mali	0.2			0.2
Nigeria	1.2	0.5		1.7
South Africa	0.5	7.6		8.1
Zambia	0.3			0.3
Total EM	17.8	67.7	6.0	95.6
G3				
Long-term US Treasuries			4.1	4.1
Cash				0.3
Grand Total	17.8	67.7	10.1	100



Fund Summary (%)

Yield to maturity	9.1
EM FX exposure	77.8
Duration (years)	5.3
Average credit rating	BBB
Corporate bond exposure	4.1
Current yield	7.3
No. of holdings	101
Fund AUM	US\$1,109m
EMD TR strategy AUM	US\$1,897m

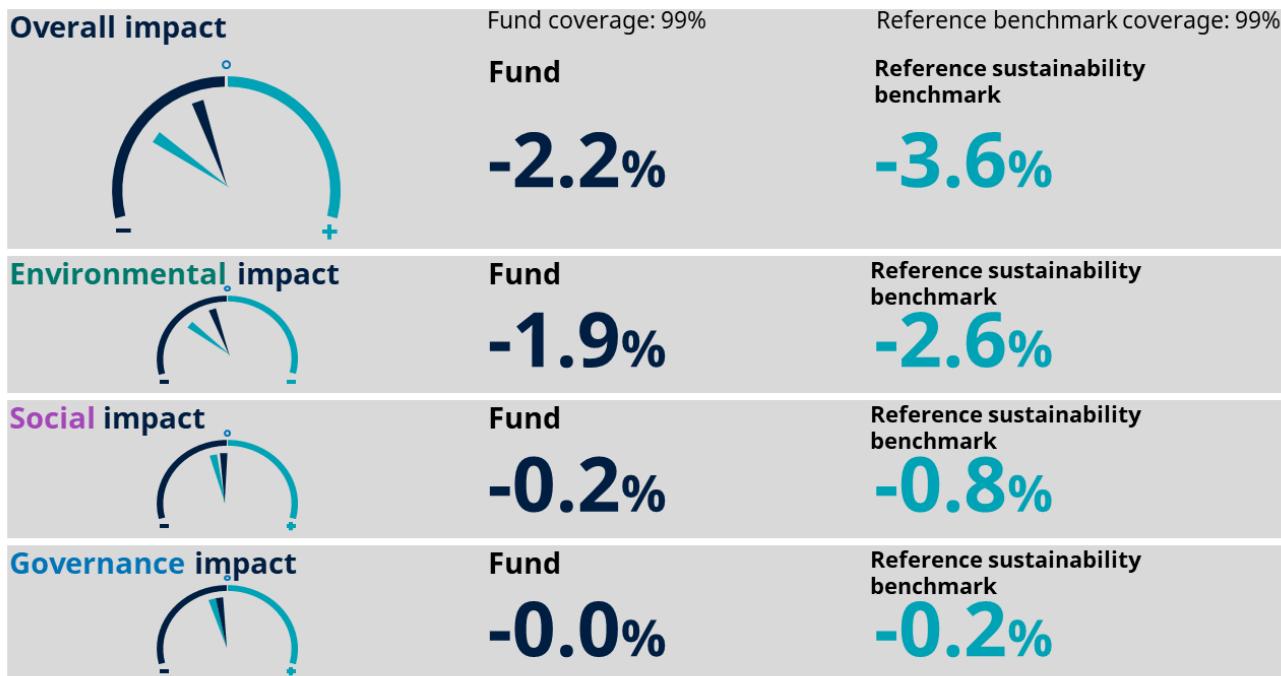
Source: Schroders.

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.

ESG – Proprietary sustainability metrics (SFDR Article 8):

Schroder ISF EMD Total Return ESG – 31 December 2025



Source: Schroders – 31 December 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

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.

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