Schroder ISF[1] Emerging Markets Debt Total Return

Quarterly

Fund update Third quarter 2026

Marketing material for professional clients only.

Objectives	Investment approach	Role in clients' portfolios
i. **Preservation of capital:** mitigate losses in falling markets by using a disciplined risk control framework (e.g. portfolio downside protection policy)	**Total return approach** based on comprehensive country research.	**As a low-risk or entry level EMD exposure** or combined with standard EMD beta managers.
ii. **Maximise returns:** participate in rising markets	The investment process follows four types of analysis: **fundamental, quantitative, technical and sentiment.**	**As a total return strategy,** designed to diversify risk and enhance returns.
	ESG is integrated into our country and corporate scorecards.	**As a liquid alternative investment.**
	Broad investment universe including currencies, local and external debt (sovereign, corporate and convertibles) in more than 50 countries.	
	Long-only, no leverage, no complicated derivatives.	
	Risk controlled by liquidity based diversification limits, portfolio downside protection policy and use of cash.	

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:

- **EM debt came under pressure during the quarter** as rising developed market government bond yields began to affect several EM debt markets. This was particularly evident in EM dollar debt, which underperformed in Q3, with the EMBI GD, the sector's reference index, declining by -3.9%. EM local currency debt remained more resilient, with the GBI-EM GD limiting its quarterly loss to -0.95%. While Asian and Central European local debt markets remained affected by the combination of higher DM yields and ongoing energy supply uncertainties, Latin American bonds and currencies continued to demonstrate greater resilience. High real yields, strong external accounts, lower exposure to shocks emanating from the Middle East and favourable political developments all contributed to Latin America's relative outperformance. Brazil was a particularly strong performer, as local rates and the currency benefited from the prospect of a market friendly outcome in the October presidential election (*see the Latin America section in the investment outlook part of this report*).
- **The fund limited downside and volatility during the quarter,** notably thanks to its focus on outperforming local debt markets in Latin America and the more defensive positioning adopted as developed market bond yields accelerated higher and began to affect several EM debt markets. As a precautionary risk control measure, portfolio exposures were reduced across the board, increasing the fund's cash balance from 2.3% to 22.4% of NAV during the quarter. Currency positions were also reduced from 61.9% to 48.6% of NAV. While core exposures to some of the highest yielding local debt markets were maintained at relatively high levels, including Brazil, Colombia, Mexico, Hungary, Egypt, Nigeria and Turkey, the fund's duration was reduced from 6.5 to 3 years, notably through a US interest rate duration hedge that reached -0.7 years CTD. We stand ready to reinstate the exposures that were reduced, particularly once the current upward pressures on developed market yields have abated.
- **The fund returned -0.70% in Q3 in gross US dollar terms**. The key contributors to performance were as follows:
  - **US dollar debt detracted 44 bps**, as smaller exposures to high yielding sovereigns, including Argentina, Ecuador and Egypt, began to be affected by the rise in US Treasury yields;
  - **Local currency debt detracted 26 bps**. This comprised a 147bps negative contribution from price movements as EM rates moved higher, offset by 150 bps from positive income generation and a 29bps negative contribution from currency depreciation as the US dollar regained ground following the hawkish stance adopted by the US Federal Reserve during the quarter.
- At the country level, positive contributors included Korea (+60 bps), where we established a tactical exposure to the oversold currency during the quarter. Core positions in local debt markets also contributed positively, notably in Brazil (+36 bps), Nigeria (+34 bps), Colombia (+28 bps) and Turkey (+12 bps). Most other countries detracted from performance, having been more affected by the rise in developed market yields. This was particularly the case for Central European bond and currency markets, which made a total negative contribution of -70 bps.

A detailed breakdown of portfolio exposures is provided on page 7.

Schroders

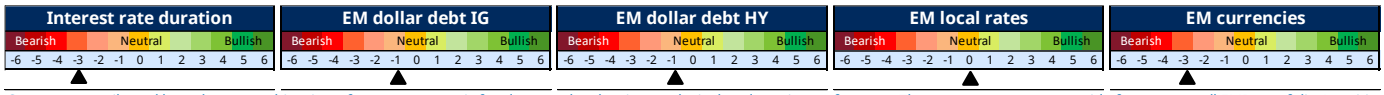
[1]Schroder International Selection Fund is referred to as Schroder ISF throughout.

Investment outlook

Global economic environment

- **Global economic activity continues to demonstrate remarkable resilience** despite persistent geopolitical shocks, monetary and fiscal policy uncertainties in developed countries, and anaemic domestic demand in China. We expect this growth resilience to continue thanks to strong private sector balance sheets and still abundant global financial liquidity.
- **We expect global inflation to remain sticky but well contained.** Aside from AI related pockets of overheating in the US economy, our credit and monetary cycle indicators show no evidence of economy-wide excesses that would point to serious growth overheating in any major DM or EM economy. The recent price pressures appear to be predominantly due to a temporary energy-supply shock, which should abate if the recent recovery in the Strait of Hormuz oil flows is sustained.
- **Growing market scrutiny of fiscal credibility in developed economies has become the principal risk** to global financial stability. It is concerning that the recent upward pressures on US Treasury yields have not been reversed so far either by the US Treasury's buyback plans or by the Federal Reserve's efforts to reassert monetary credibility. These developments have left markets potentially vulnerable to a more disorderly rise in developed market yields. Our country vulnerability model identifies France and the US as being particularly in the "blind run" stage of the macro cycle, leaving them vulnerable to a sudden move to the crisis phase should economic growth lose momentum or if financial liquidity peaks.
- **Despite the continued rapid accumulation of US twin deficit, the dollar could regain some more ground** following the recent US Federal Reserve's return to a hawkish stance, which has triggered the ongoing washout of heavily long positions in several currencies. However, given the recent trends in US Treasury bonds, the Federal Reserve could soon be confronted with the realities of fiscal dominance, making a meaningful tightening cycle extremely difficult to sustain. Therefore, the dollar's cyclical downturn, which began last year, is likely to resume once its current technical bounce has run its course.
- **EM macro-economic fundamentals remain robust and valuations, particularly in EM local rates, have become even more attractive** following the recent correction. However, caution is warranted over the coming weeks, as we reassess the risk that the recent rise in DM yields may have become too abrupt for EM assets to ignore. Looking beyond this short-term volatility, we particularly retain a structurally bullish view on Latin America, supported by high real yields, a region-wide shift towards market friendly governments, strong external accounts and limited exposure to Middle Eastern oil supply shocks.
- **Encouraged by the asset class's recent resilience, we continue to expect EM local debt to deliver returns exceeding 11% over the next 12 months.** While Latin American rates and currencies should be the main positive contributors, we have also identified attractive return potential in markets such as South Africa, Hungary, Korea, Egypt, Turkey and Nigeria.
- **Despite stubbornly tight EM dollar debt spreads, the sector should provide an expected 12-month total return of 7%**, notably thanks to high income generation. The recent correction has restored appealing yields in dollar debt of Argentina, Ecuador, DRC, Egypt, Angola and Nigeria, while credit metrics of these sovereigns remains on an improving trajectory.
- **The cautious sector views summarised in the scorecard below** are primarily driven by the severe headwinds emanating from DM economies. The regional sections below highlight many attractive bottom-up opportunities in the EMD universe.

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

- **Asian fixed income markets could benefit from further relief should oil flows through the Strait of Hormuz continue to improve**. Having maintained a cautious stance for most of the year, we are now adopting a more opportunistic approach across the region. A more aggressive reallocation in favour of Asia is not yet warranted, as asset prices have either not repriced sufficiently on a relative basis during the recent global shocks or policy changes have not shifted positively enough, notably in Indonesia, to provide a stronger conviction.
- **South Korean rates and currency are now our top picks in the region.** Surging current account surpluses and substantial fiscal buffers allow the authorities to support domestic investment, provide a ceiling to bond yields despite the tightening cycle and potentially reduce gross public debt ratios substantially.
- **While we see limited value in Indian rates, we are more constructive on the high carry available in the rupee**, notably through short-dated supranational issues. These positions should benefit from easing capital outflow pressures, as policymakers are more sensitive to currency weakness and have some firepower to stabilise the currency.

Eastern Europe, Middle East and Africa

- **Central European growth remains resilient, and inflation well contained.** Bond yields still trade 50–70bp above our fair-value estimates. Hungary remains our strongest bullish conviction given the reforms initiated by the new administration.
- **South African external and local bonds (FX unhedged) remain core bullish positions**. Local elections are unlikely to disrupt the unity of the governing coalition. The current energy shock has impacted growth and challenged the disinflation path. However, Fiscal credibility has been strengthened with conservative revenue projections suggesting a higher primary surplus and narrower fiscal deficit compared to the -3.7% target. This will finally put the debt ratio on a declining trend.

- **In Turkey, the carry trade remains attractive,** with yields around 37% and managed FX depreciation. Despite the current energy shock, disinflation remains intact and the current account deficit is widening to a still manageable 3% of GDP. We will reassess our sanguine view if early election risk rises or if the recent equity fund scandal leads to dollarisation pressures.
- **Egyptian assets remain appealing** as the country continues to weather regional geopolitical shocks, notably thanks to the macro stabilisation policies implemented under the IMF program, stable tourism and strong remittances. The disinflation process has stalled, which should put the central bank on hold at 19% policy rate for now before easing restarts in 2027.
- **We reiterate our bullish view on sovereign dollar debt of Ivory Coast, Angola and Nigeria**. The latter also offers appealing local debt opportunities as the currency remains supported by current account surpluses, recovering growth, higher FX reserves buffers and the prospects of President Tinubu's re-election in January 2027.

Latin America

- **Brazilian local bonds still yielding 12.8% should continue to outperform strongly** as the election of Flavio Bolsonaro, if confirmed soon in the second round, could start a new multi-year virtuous cycle for Brazil. The expected return to fiscal orthodoxy should give the central bank ample room to cut rates from their current excessively high levels, which will in turn put debt dynamics and capital inflows on a rapidly improving trajectory.
- **We reiterate our positive stance on Mexican assets.** Their recent correction has helped to discount the new headwinds emanating from US monetary tightening and has provided a good re-entry level. Local bonds and the currency remain supported by high real rates, while still low public debt provides room to absorb the recent erosion in the fiscal position.
- **We scaled back the bullish stance on Colombian assets** adopted earlier this year ahead of the presidential election. Markets reacted so positively to the result that the currency now appears overvalued. The macro-economic challenges facing the new reform minded administration could generate some volatility and create better re-entry opportunities.
- **We remain constructive on Chilean and Peruvian assets**, which should be supported by more favourable political outlooks, improving fiscal dynamics, strong external positions and appropriate FX reserves buffers.
- **Several Latin American dollar sovereigns should provide 12-month returns exceeding 7%**. Some credits (Brazil, Mexico, Chile and Peru) are good income generators, while others (Argentina, Ecuador and Venezuela) still have decent price upside.

EM corporates

- **EM corporates fundamentals remain supported** by resilient global growth and elevated commodity prices. This strength is uneven as commodity and AI-linked sectors are booming whilst others are facing operating and financial cost pressures.
- **Latin American corporates benefit from strong exposure to commodity sectors and favourable political momentum**. We see opportunities in Brazil (Oil & Gas, Metals & Mining), in Mexico (Utilities and Real Estate), and in Colombia (Financials).
- **EEMEA is challenged** by its proximity to military conflicts, operational disruption, and high energy prices. Africa Oil & Gas is an exception, benefitting from high crude and refined product prices and open capital markets.
- **Asia is a high-quality defensive region** with supportive sovereign anchors but still lacks many alpha opportunities. After showing some green shoots, China and Hong Kong property sectors now face renewed macro and regulation challenges.

Quantitative analysis

- **The Schroder country vulnerability model does not flag any major early-warning signals** across key EM economies. Most countries remain firmly in the favourable phases of the macro cycle, either in "*adjustment*" or "*equilibrium*". By contrast, DM countries are in the "blind run" phase, especially the US and France, given their unsustainable financing needs.
- **EM local rates again screen as the most undervalued sector**, particularly after the recent broad rise in real rates. EM effective exchange rates are less attractive except for IDR, INR and CLP, which have cheapened significantly this year. EM dollar debt spreads remain tight, but these levels are justified by resilient growth, ample liquidity and stable credit metrics.

Chart and Sentiment analysis

- **The technical outlook for US rates is unequivocally bearish**. Long-dated Treasury yields have been evolving in triangles that have now been broken decisively to the upside. Trend, patterns and momentum indicators are all pointing to yields being firmly in a bear cycle that could take the 30-year Treasury bond to an initial target yield of 6.25%.
- **Chart patterns for EM rates, currencies and credits have deteriorated**, as price and fund flow momentums have paused. Encouragingly, the recent correction led to a noticeable washout in previously heavy investor positioning in EM currencies.

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

DOLLAR DEBT - CORPORATES

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

LOCAL RATES

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

CURRENCIES

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

Fund performance as at 30 September 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	**4.12**	6.11	7.16
Volatility	**6.19**	11.08	8.69
Sharpe ratio	**0.37**	0.42	0.63
Sortino ratio	**0.59**	0.59	0.68
Correlation	**1**	0.78	0.68
Positive quarters	**61.90**	63.81	70.48
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. [1]Inception 31 January 2000. [2] JPM 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**	**1.84**	**1.07**	**0.96**	**-0.54**	**0.91**	**-1.52**				**2.16**

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

Fund positioning as at 30 September 2026 (%)

Country exposure	Dollar debt %	Local debt %	FX[1] %	Total %	CTD
Latin America					
Argentina	0.52			0.52	0.03
Brazil	0.43	9.21	-2.02	9.65	0.47
Chile		2.59		2.59	0.13
Colombia	0.11	6.56	-4.04	6.67	0.25
Dominican Republic		0.81		0.81	0.05
Ecuador	0.64			0.64	0.03
Jamaica	0.36			0.36	0.01
Mexico	0.37	5.71	-4.52	6.08	0.37
Peru		1.89		1.89	0.14
Total Latin America	**2.43**	**26.77**	**0.00**	**29.20**	**1.49**
Asia					
China	1.33	0.19		1.51	0.02
Hong Kong	0.40			0.40	0.01
India	0.50	3.66	1.01	5.18	0.21
Indonesia		3.06	-0.82	3.06	0.20
Korea		5.22	-1.53	5.22	0.40
Malaysia		2.30		2.30	0.12
Philippines		2.34	-1.43	2.34	0.14
Singapore	0.17			0.17	0.00
Thailand		0.38	-0.32	0.38	0.05
Total Asia	**2.40**	**17.16**	**1.01**	**20.57**	**1.17**
Europe					
Czech Republic			0.91	0.91	0.00
Hungary		3.92	-2.00	3.92	0.25
Poland	0.43	0.88	0.97	2.28	0.09
Romania		0.86		0.86	0.04
Turkey		1.03		1.03	0.02
Ukraine		0.12		0.12	0.00
Total Europe	**0.43**	**6.81**	**1.88**	**9.13**	**0.40**
Africa & Middle East					
Angola	2.53			2.53	0.09
Egypt	0.38	4.47		4.85	0.06
Ivory Coast	1.64			1.64	0.10
Mali	0.21			0.21	0.00
Nigeria	0.40	4.67		5.06	0.05
South Africa	0.43	3.72	-1.30	4.15	0.26
Zambia	0.21			0.21	0.01
Total Africa & Middle East	**5.79**	**12.86**	**0.00**	**18.65**	**0.58**
Overall risk exposure					
Developed Markets	-8.91		-0.38		-0.69
Credit Hedges	-10.65				
Cash				22.45	0.06
Total	**11.06**	**63.60**	**2.90**	**100.00**	**3.01**

	%
Local currency debt	66.49
USD debt[1]	11.06
Cash	22.45
EM currency exposure	48.55
Fund AUM	US$ 1,271 m
EMD TR strategy AUM	US$ 2,122 m

	%
Yield to maturity	**7.90**
Fund duration	3.01 years
Corporate exposure	5.56
Average credit rating	BBB+
Current yield	5.94
No. of holdings	106

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 – 30 September 2026

		Fund Fund coverage: 99%	Reference sustainability benchmark Reference benchmark coverage: 99%
Overall impact		-2.3%	-4.3%
Environmental impact		-2.1%	-3.2%
Social impact		-0.2%	-1.0%
Governance impact		0.0%	-0.2%

Source: Schroders – 30 September 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.

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Subscriptions for shares of the Company can only be made on the basis of its latest Key Information Document (the "KID") and prospectus, together with the latest audited annual report (and subsequent unaudited semi-annual report, if published), copies of which can be obtained, free of charge, from Schroder Investment Management (Europe) S.A. An investment concerns the acquisition of shares in the Company, and not the underlying assets.

The Company is a Luxembourg-based Société d'Investissement à Capital Variable (SICAV), established for an unlimited period and coordinated with regard to the European regulations and meets the criteria for Undertakings for Collective Investment in Transferable Securities (UCITS).

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