Schroders

Marketing material
for professional clients only

Schroder ISF* Global Multi-Asset Balanced

Fund Manager: Ingmar Przewlocka, Anna Podoprigora | Fund update: October 2025

Performance overview

– The fund delivered positive performance in October with equity and bond markets closed the month higher after a turbulent month.

Drivers of fund performance

– Performance was strong in October, driven by gains across all asset classes except currency.

– Equities were the best performer, led by the actively managed global equity basket. Defensive positions, including short US and MSCI World index futures, detracted. In sector selection, global crypto and blockchain-related stocks and European banks and basic industries contributed, while European autos continued to lag.

– In fixed income, government bonds, investment-grade and high-yield credit, and emerging market debt were all positive. Our short position in German 30-years detracted.

– Alternatives were driven by gains in commodities, notably industrial metals, with insurance-linked securities flat for the month.

– Currency was the only significant negative, driven mainly by our initial short dollar position, which detracted as the dollar strengthened.

Portfolio activity

– Over the month, we added back to equity from 27% at the end of September to 47% at the end of October. Part of the increase in net exposure came from a reduction in hedging activity as we reduced short positions in global and US market indexes. We also added long positions in Europe, including French CAC 40 and Italian MIB index futures. In sector selection, we moved from short to long European banking sector index futures and added to European basic resources. In Japan, we re-established a Nikkei index futures position.

– In fixed income, we reduced duration exposure over the month. The fall in duration was partly driven by an increase in the German 30-year short position.

– In commodities, we added back some gold via ETCs (exchange-traded commodities). We retained our industrial metals ETC and diversified commodity swap ETF (exchange-traded fund).

– In currencies, we started with a short position in the dollar, moving to a long position by the month-end.

Outlook

– Having argued that markets were overdue for a correction, we believe October's shake-up could set equities on a firmer footing heading into year-end. By trimming hedge positions and making some opportunistic buys, we shifted the portfolio from a cautious stance to a more aggressive one by month-end. Here are three key themes driving the portfolio:

– **Moving from short to long in European banks** - Political and credit shocks in France, triggered by the Prime Minister's resignation, an S&P downgrade, and a US jury verdict against BNP Paribas, sparked a sharp sell-off in bank stocks as investors worried about rising yields and sector risk. We used this volatility to add exposure to the CAC 40 and European bank indices, as well as Italy's MIB, which has the highest financials weighting in Europe at nearly 50%. The move reflects both tactical opportunity and our relatively constructive view on Italy's economic outlook.

– **The basic industry theme is starting to play out** - We use a mix of industry and resource positions, such as industrial metals, diversified commodities, European basic resources futures, and a US materials ETF, to capture real-asset returns with an eye on infrastructure trends. Key demand drivers include manufacturing recovery, AI-driven data centre growth, China's renewables push, and the energy transition, which now recognises copper and silver as critical minerals alongside rare earths.

– **US shutdown has supported the dollar** - Short US dollar positioning boosted returns earlier this year as tariff tensions weakened the dollar and hopes for European stimulus lifted the euro. We've now shifted to a tactical dollar overweight due to crowded short positions, fading European optimism, and US spending freezes tightening liquidity, though our long-term view on the dollar remains cautious.

*Schroder International Selection Fund is referred to as Schroder ISF throughout

Calendar year performance (%)

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 amount originally invested.

Year	Fund	Comparator benchmark[1]	Target benchmark[1]
2024	7.1	5.6	6.7
2023	7.0	6.2	6.6
2022	-8.5	-11.1	3.4
2021	8.5	3.7	2.4
2020	6.0	1.4	2.6
2019	12.0	7.7	2.6
2018	-6.9	-5.1	2.7
2017	3.7	2.0	2.7
2016	0.6	1.9	2.7
2015	-2.9	0.9	3.0

Source: Schroders, as at 31 December 2023. Fund performance is net of fees, NAV to NAV with net income reinvested, C Acc shares. [1]Target benchmark is 3m Euribor +3%. Comparator benchmark is Morningstar EUR Cautious Allocation Global Category. As of 15 August 2022, the target is replaced from 3m Euribor +3% to a comparator of the Morningstar EUR Cautious Allocation Global Category. Please see the respective fund factsheets for the performance of other share classes.

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.

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: A decline in the financial health of an issuer could cause the value of its bonds to fall or become worthless.

Currency risk: The fund may lose value as a result of movements in foreign exchange rates.

Currency risk / hedged share class: The 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.

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.

Liquidity risk: In difficult market conditions, the fund may not be able to sell a security for full value or at all. This could affect performance and could cause the fund to defer or suspend redemptions of its shares.

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

Performance risk: Investment objectives express an intended result but there is no guarantee that such a result will be achieved. Depending on market conditions and the macro economic environment, investment objectives may become more difficult to achieve.

IBOR: The transition of the financial markets away from the use of interbank offered rates (IBORs) to alternative reference rates may impact the valuation of certain holdings and disrupt liquidity in certain instruments. This may impact the investment performance of the fund.

Derivatives risk: Efficient Portfolio Management and Investment Purposes: Derivatives may be used to manage the portfolio efficiently. A derivative may not perform as expected, may create losses greater than the cost of the derivative and may result in losses to the fund. The fund may also materially invest in derivatives including using short selling and leverage techniques with the aim of making a return. When the value of an asset changes, the value of a derivative based on that asset may change to a much greater extent. This may result in greater losses than investing in the underlying asset.

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

Marketing material for professional clients and qualified investors only

This document does not constitute an offer to anyone, or a solicitation by anyone, to subscribe for shares of Schroder International Selection Fund (the "Company"). Nothing in this document should be construed as advice and is therefore not a recommendation to buy or sell shares. An investment in the Company entails risks, which are fully described in the prospectus.

Subscriptions for shares of the Company can only be made on the basis of its latest Key Investor Information Document 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. Please see overleaf for where country specific information can be obtained.

For Austria, these documents may be obtained in German, free of charge, from the following link: **www.eifs.lu/schroders** and from our Information Agent Schroder Investment Management (Europe) S.A., German Branch, Taunustor 1, D-60310 Frankfurt am Main, Germany.

For Belgium, these documents may be obtained in French and Dutch, free of charge from the following link: **www.eifs.lu/schroders**.

The total net asset value is published on the website of the Belgian Asset Managers Association (BEAMA) on **www.beama.be**. In addition, the tariff schedules are available from distributors in Belgium. The fee on the stock exchange transactions of 1.32 % (with a maximum of € 4,000 per transaction) is payable on the purchase or conversion of capitalisation shares if they are carried out by the intervention of a professional intermediary in Belgium. Dividends paid by the Company to natural persons who are Belgian tax residents are subject to a Belgian withholding tax at a rate of 30% if they are paid by the intervention of a financial intermediary established in Belgium (this information applies to all distribution shares). If the dividends are received by such natural persons without the intervention of a financial intermediary established in Belgium, they must indicate the amount of the dividends received in their tax return and will be taxed on that amount at a rate of 30%. In case of redemption or sale of shares of a sub-fund that invests, directly or indirectly, either (i) more than 25% of its assets in debt claims in respect of the shares acquired by the investor before January 1, 2018, or (ii) more invests more than 10% of its assets in debt receivables in respect of shares acquired by the investor from January 1, 2018 (to the extent that, in both cases, some additional conditions are met), the interest portion of the purchase price or sale price is taxed at a rate of 30 % in Belgium. In the event of a share buyback or sale of shares of an investment compartment, directly or indirectly, or (i) more than 25% of its debt assets with respect to shares acquired by the investor before 1 January 2018, or (ii) more than 10% of its debt assets with respect to the shares acquired by the investor as of 1 January 2018 (as far as , in each of these two cases, that certain additional conditions are met), the interest component of this purchase or sale price is subject to a 30% tax in Belgium.

For Bulgaria, the Key Investor Information Documents may be obtained in Bulgarian and the other documents in English, free of charge from the following link: **www.eifs.lu/schroders**.

For the Czech Republic, the Key Investor Information Documents may be obtained in Czech and the other documents in English, free of charge from the following link: **www.eifs.lu/schroders**.

For Denmark, the Key Investor Information Documents may be obtained in Danish and the other documents in English, free of charge, from the following link: **www.eifs.lu/schroders** and Schroder Investment Management (Europe) S. A. dansk filial, Bredgade 45C, 2nd floor, DK-1260 Copenhagen K. A decision on a possible investment should be made on the basis of personal advice.

For Finland, the Key Investor Information Documents may be obtained in Finnish, Swedish and English and the other documents in English, free of charge at the following link: **www.eifs.lu/schroders**.

For France, these documents may be obtained in French, free of charge, from the following link: **www.eifs.lu/schroders**, Schroder Investment Management (Europe) S.A., Paris Branch, 1, rue Euler, 75008 Paris and the Centralising agent Société Générale, 29 boulevard Haussmann, F-75009 Paris.

For Germany, these documents may be obtained in German, free of charge, at the following link: **www.eifs.lu/schroders** and Schroder Investment Management (Europe) S.A., German Branch, Taunustor 1, D-60310 Frankfurt am Main.

For Greece, the Key Investor Information Documents may be obtained in Greek and the other documents in English, free of charge, from the following link: **www.eifs.lu/schroders**.

For Hungary, the Key Investor Information Documents may be obtained in Hungarian and the other documents in English, free of charge, from the following link: **www.eifs.lu/schroders**.

For Iceland, the Key Investor Information Documents may be obtained in Icelandic and the other documents in English, free of charge, from the following link: **www.eifs.lu/schroders**.

For Ireland, these documents may be obtained in English, free of charge, from the following link: **www.eifs.lu/schroders**.

For Italy, these documents may be obtained in Italian, free of charge, from the following link: **www.eifs.lu/schroders**, Schroder Investment Management (Europe) S.A. Succursale Italiana, Via Manzoni 5, 20121 Milan and from our distributors. These documents and the list of distributors are available at **www.schroders.it**

For Latvia, the Key Investor Information Documents may be obtained in Latvian and the other documents in English, free of charge, from the following link: **www.eifs.lu/schroders**.

For Lithuania, the Key Investor Information Documents may be obtained in Lithuanian and the other documents in English, free of charge, from the following link: **www.eifs.lu/schroders**.

For Luxembourg, these documents may be obtained in English, free of charge, from the following link: **www.eifs.lu/schroders**.

For Malta, these documents may be obtained in English, free of charge, from the following link: **www.eifs.lu/schroders**.

For the Netherlands, the Key Investor Information Documents may be obtained in Dutch and the other documents in English, free of charge, from the following link: **www.eifs.lu/schroders**.

For Norway, the Key Investor Information Documents may be obtained in Norwegian and English and the other documents in English, free of charge, from the following link: **www.eifs.lu/schroders**.

For Poland, the Key Investor Information Documents may be obtained in Polish and the other documents in English, free of charge, from the following link: **www.eifs.lu/schroders**.

The company is a Luxembourg-registered undertaking for the collective investment in transferable securities and operates in Poland in accordance with the Act of 27 May 2004 on investment funds and the management of alternative investment funds (Journal of Laws of 2004 No. 146, item 1546 as amended). Depending on the applicable tax obligations, the investor may be required to pay tax directly on the income arising from investments in the units of the fund.

For Portugal, the Key Investor Information Documents may be obtained in Portuguese and the other documents in English, free of charge, from the following link: **www.eifs.lu/schroders**, from the authorised placing entities and on **www.schroders.pt**.

For Romania, the Key Investor Information Documents may be obtained in Romanian and the other documents in English, free of charge, from the following link: **www.eifs.lu/schroders**.

For Spain, these documents may be obtained in Spanish, free of charge, from the following link: **www.eifs.lu/schroders**, the CNMV, the distributors and on **www.schroders.es**.

The Company is registered in the Administrative Register of Foreign Collective Investment Institutions marketed in Spain of the National Securities Market Commission (CNMV), with the number 135. Its depository is J.P. Morgan SE and its management company is Schroder Investment Management (Europe) S.A.. The Company is a UCITS registered in Luxembourg.

For Sweden, the Key Investor Information Documents may be obtained in Swedish and the other documents in English, free of charge, from the following link: **www.eifs.lu/schroders**.

For Switzerland, Schroder Investment Management (Switzerland) AG is the Swiss representative («Swiss Representative») and Schroder & Co Bank AG is the paying agent in Switzerland of the Luxembourg domiciled Schroder International Selection Fund. The prospectus for Switzerland, the key information documents, the articles of association and the annual and semi-annual reports may be obtained free of charge from the Swiss Representative.

For the UK, For the UK, these documents may be obtained in English, free of charge, from the following link: **www.eifs.lu/schroders**.

Schroders may decide to cease the distribution of any fund(s) in any EEA country at any time but we will publish our intention to do so on our website, in line with applicable regulatory requirements."

The fund has environmental and/or social characteristics within the meaning of Article 8 of Regulation (EU) 2019/2088 on Sustainability-related Disclosures in the Financial Services Sector (the "SFDR").

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.

Any reference to sectors/countries/stocks/securities are for illustrative purposes only and not a recommendation to buy or sell any financial instrument/securities or adopt any investment strategy. The material is not intended to provide, and should not be relied on for, accounting, legal or tax advice, or investment recommendations.

Schroders has expressed its own views and opinions in this document and these may change. Information herein is believed to be reliable but Schroders does not warrant its completeness or accuracy.

This document may contain "forward-looking" information, such as forecasts or projections. Please note that any such information is not a guarantee of any future performance and there is no assurance that any forecast or projection will be realised.

Any third party data including MSCI data is owned or licensed by the data provider and may not be reproduced or extracted and used for any other purpose without the data provider's consent. Third party data is provided without any warranties of any kind. The data provider and issuer of the document shall have no liability in connection with the third party data. The terms of the third party's specific disclaimers, if any, are set forth in the Important Information section at www.schroders.com.

For data attributed to © 2022 Morningstar UK Ltd. All rights reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results. For more detailed information about Morningstar's Analyst Rating, including its methodology, please go to: http://corporate.morningstar.com/us/documents/MethodologyDocuments/AnalystRatingforFundsMethodology.pdf For disclosure and detailed information about this fund please refer to full Morningstar Global Fund Report

Schroders will be a data controller in respect of your personal data. For information on how Schroders might process your personal data, please view our Privacy Policy available at www.schroders.com/en/privacy-policy/ or on request should you not have access to this webpage. For your security, communications may be recorded or monitored.

For EU/EEA readers: Issued by Schroder Investment Management (Europe) S.A., 5, rue Höhenhof, L-1736 Senningerberg, Luxembourg. Registration No B 37.799.

For UK readers: Distributed in the UK by Schroder Investment Management Ltd, 1 London Wall Place, London EC2Y 5AU. Registration No 1893220 England. Authorised and regulated by the Financial Conduct Authority.

Schroders will be a data controller in respect of your personal data. For information on how Schroders might process your personal data, please view our Privacy Policy available at **www.schroders.com/en/privacy-policy/** or on request should you not have access to this webpage.

A summary of investor rights may be obtained from **https://www.schroders.com/en/lu/private-investor/footer/complaints-handling/**

Issued by Schroder Investment Management (Europe) S.A., 5, rue Höhenhof, L-1736 Senningerberg, Luxembourg. Registration No B 37.799.

For Portugal: Authorized by the Comissão do Mercado de Valores Mobiliários (CMVM) to operate in Portugal under the free provision of services regime, and with a branch in Spain, authorized and registered with the CNMV under number 20.

For Spain: Distributed by Schroder Investment Management (Europe) S.A., Spanish branch, registered in the EEA investment firm register with the National Market Commission of Securities (CNMV) with the number 20.

For the UK: Distributed in the UK by Schroder Investment Management Ltd, 1 London Wall Place, London EC2Y 5AU. Registration No 1893220 England. Authorised and regulated by the Financial Conduct Authority.