



## Schroder International Selection Fund<sup>1</sup> EURO Corporate Bond

Daniel Lösche, CFA | Investment Director, Credit

Andrea Barmettler, Head of Institutional Sales Switzerland

October 2020

<sup>1</sup>Schroder International Selection Fund is referred to as Schroder ISF throughout this presentation.  
Marketing material for professional investors or advisers only.

# Schroders

## Organisational strengths

### Independent

- Established in 1804
- Schroder family controls over 47% of voting equity

### Stable

- Strong balance sheet and stable ownership structure
- We can invest in our business through the market cycle

### Focused

- Asset management is our sole business
- We have no conflicts of interest

### Able to support you

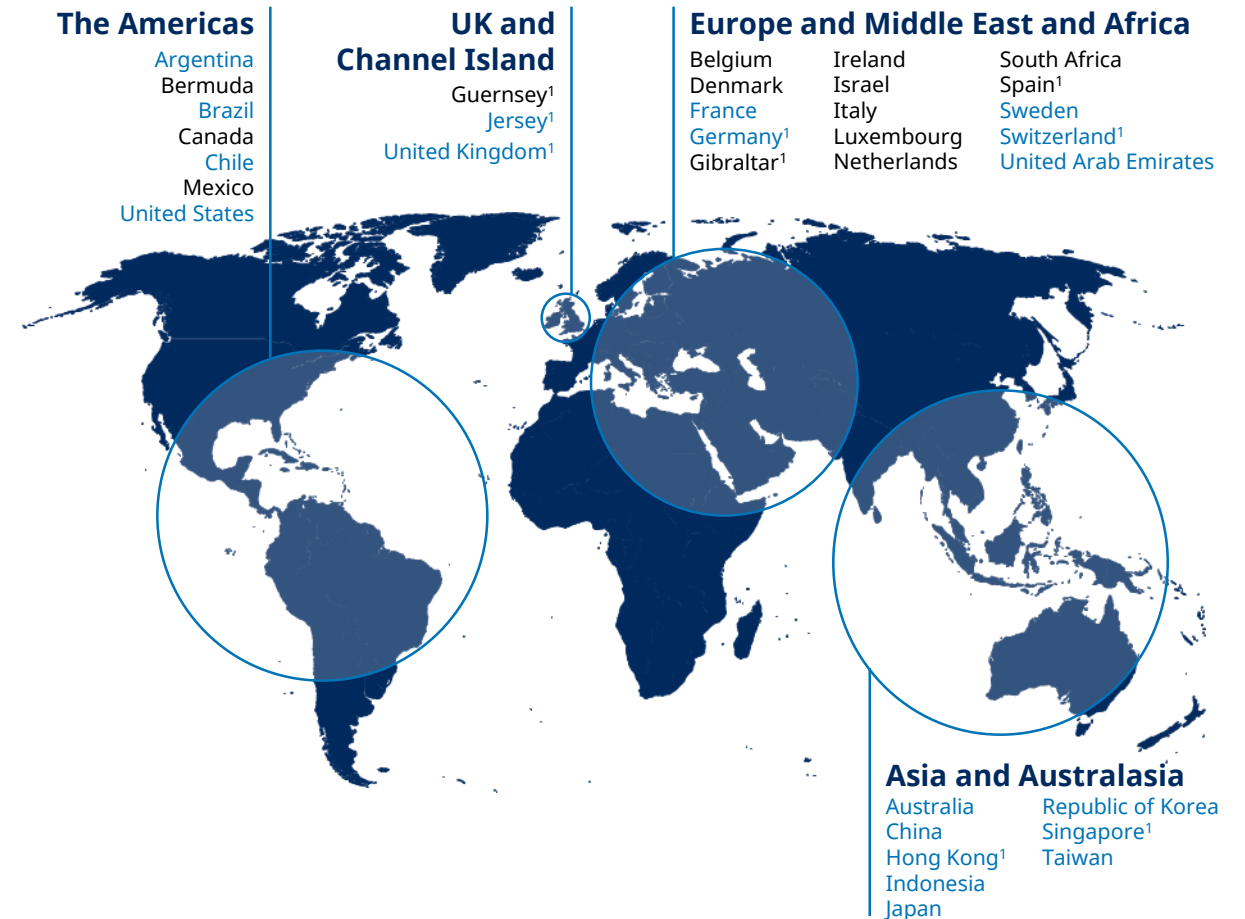
- Global investment resources
- €578.4bn AUM across the major asset classes

Source: Schroders, as at 30 June 2020. AUM is Assets Under Management.

[Investment offices in blue](#)

<sup>1</sup>Wealth Management.

## Schroders offices

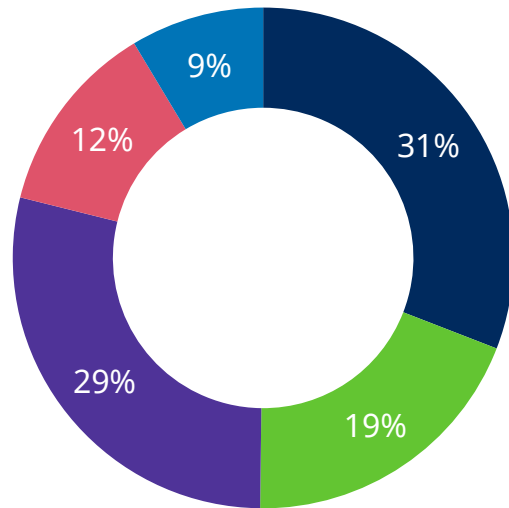


# Schroders Fixed Income

## Funds under management

€578.4bn AUM<sup>1</sup>

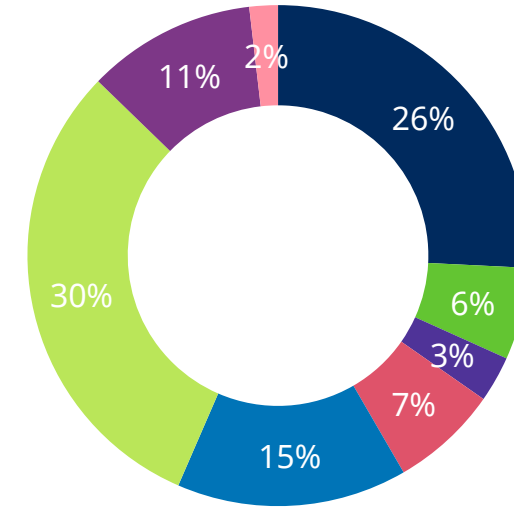
30 June 2020



- Equities
- Multi Asset
- Private Assets & Alternatives
- Fixed Income
- Wealth Management

€156.4bn Fixed Income division AUM<sup>2</sup>

30 June 2020



- US
- Australia
- UK & European Credit
- Fixed Income Solutions<sup>3</sup>
- Asia
- Emerging Markets & Commodities
- Global Multi-Sector
- Other<sup>4</sup>

**Over €539 billion in funds and mandates which have been internally accredited as ESG integrated<sup>5</sup>**

Source: Schroders, as at 30 June 2020. <sup>1</sup>Data represents global assets under management, pie chart shows split of AUM by product sold. <sup>2</sup>Data represents AUM by investment desk. <sup>3</sup>Comprised of Buy & Maintain assets in the US, Europe, and Asia. <sup>4</sup>Other includes Convertibles. <sup>5</sup>Internally accredited funds include sustainability as a building block in the investment process (over 90% of Schroders' Group AUM is internally accredited for ESG integration). The charts may not add to 100% due to rounding.

# Schroders European credit

Your investment team – integrated investment and research

Investment Grade				Quantitative Investment				Sustainability		High Yield		Investment Directors	
Martin Coucke Jonathan Golan Jan Hennig Julien Houdain Predrag Savic Alix Stewart Patrick Vogel				Francois Carrie Vittorio Damioli Yow Tzu Lim Toby Minton				Saida Eggerstedt Manjola Havaraj <sup>2</sup>		Peter Harvey Daniel Pearson Hugo Squire		Jonathan Harris Daniel Loesche Elizabeth Murphy Sriram Reddy	
Financials			Communications			Utilities			Industrials			Quantitative Strategy	
Stephen Hunnisett Vardhman Jain Robert Kendrick			Patrick McCullagh			Nazia Haider Charlotte Peat			Demetris Demetriou Jonas Kihlstrom Carter Holloran Simoni Mittal Bartek Pastwa			Rajeev Shah	
Global Fixed Income Platform													
Specialist Fixed Income Portfolio Management Teams (no. of portfolio managers)				Specialist Analyst Teams (no. of analysts)						Specialist Product Teams (no. of product specialists)			
Credit	Rates	EMD	Extended Sectors <sup>1</sup>	European Credit	North American Credit	Asia, Australia & EMD Credit	Quant Strategy & Economy	Portfolio-Specific	Sustainability	Multi-Sector & EMD	Credit & Securitised		
23	21	15	14	13	14	15	17	9	22	23	14		

Source: Schroders, as at 01 October 2020.

<sup>1</sup>Includes Municipals, Securitised and Convertibles. <sup>2</sup>Specialist portfolio services, European and Sustainable Credit.

# A common approach applied across credit strategies

## Fund range



	Benchmark	Lead PM(s)	AUM (millions)	Inception	Sustainable focus
<b>Benchmarked Strategies</b>					
EURO Corporate Bond	ICE BofAML <sup>1</sup> Euro Corporate	Patrick Vogel	€10,949	Jun 2000	
SmartAlpha <sup>3</sup>	ICE BofAML <sup>1</sup> Euro Corporate	Yow Tzu Lim / Francois Carrie	€256	Dec 2018	
EURO Credit Conviction	iBoxx Euro Corporate BBB	Patrick Vogel	€2,234	Dec 2013	
EURO High Yield	ICE BofAML Euro High Yield Constrained	Hugo Squire / Peter Harvey	€1,212	Nov 2012	
Sterling Corporate Bond	ICE BofAML Sterling Corporate & Collateralised	Jonathan Golan	£1,066	Dec 2007	
All Maturities Corporate Bond	ICE BofAML Sterling Non-Gilt	Alix Stewart	£1,249	Feb 2001	
Long Dated (+15 years) Corporate	ICE BofAML 15+ Year Sterling Non-Gilt	Alix Stewart	£399	Jan 2001	
<b>Unconstrained Total Return Strategies</b>					
High Yield Opportunities	Total Return	Daniel Pearson	£431	Feb 2000	
Strategic Credit	3-Month GBP LIBOR	Peter Harvey	£1,884	Apr 2006	
Strategic Bond	Total Return	Julien Houdain / Jonathan Golan	£35	Mar 2012	
Global Multi Credit	Ref <sup>2</sup> : Barclays Multiverse ex Treasury A+ to B- USD Hedged	Patrick Vogel / Julien Houdain	\$557	Jun 2016	
Global Credit Income	-	Patrick Vogel / Julien Houdain	\$4,289	Nov 2016	
Global Credit Income Short Duration	-	Julien Houdain	€78	Dec 2019	
Global Credit High Income	-	Julien Houdain	\$56	Feb 2020	
<b>Absolute Return Strategies</b>					
EURO Credit Absolute Return	3-Month EURIBOR	Patrick Vogel	€383	Nov 2015	
<b>Sustainable Strategies</b>					
Sustainable EURO Credit	ICE BofAML <sup>1</sup> Euro Corporate	Saida Eggerstedt	€122	Dec 2019	✓

Source: Schroders, as at 30 September 2020.

<sup>1</sup>BofAML is Bank of America Merrill Lynch. <sup>2</sup>Indicates that index is used for reference only. <sup>3</sup>Launched as sleeve within Schroder ISF Euro Corporate Bond in December 2018.

**Schroders**

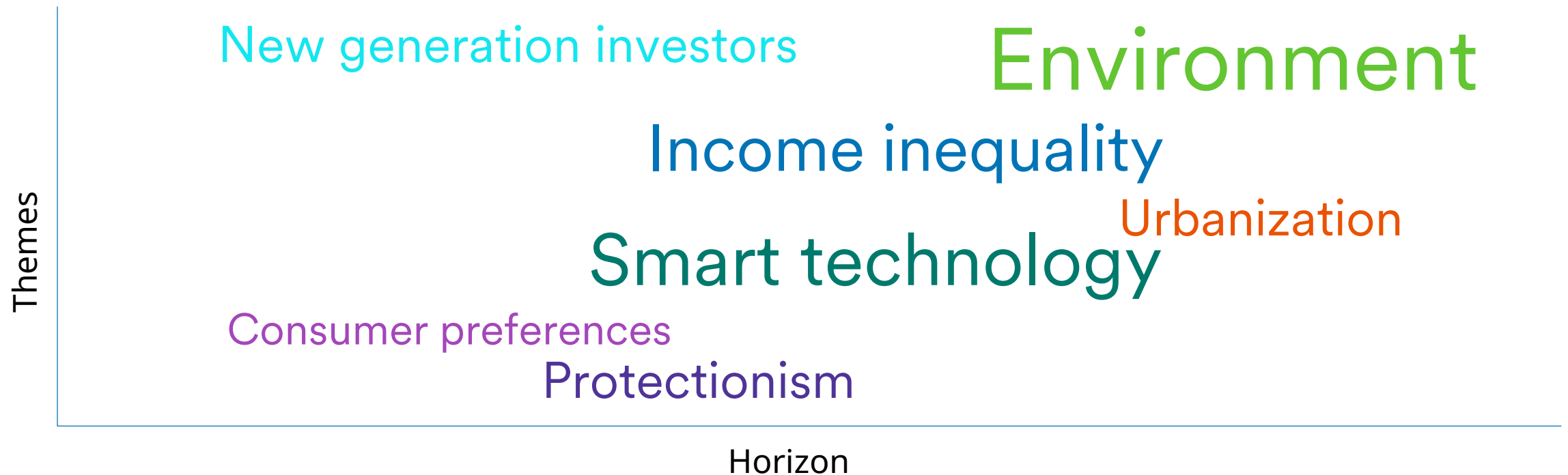


**Investment process**

# Thematic investment process

## Innovative approach to credit

- Themes provide a forward-looking context to credit research
- Environmental and Social trends combine with other non-financial external secular trends



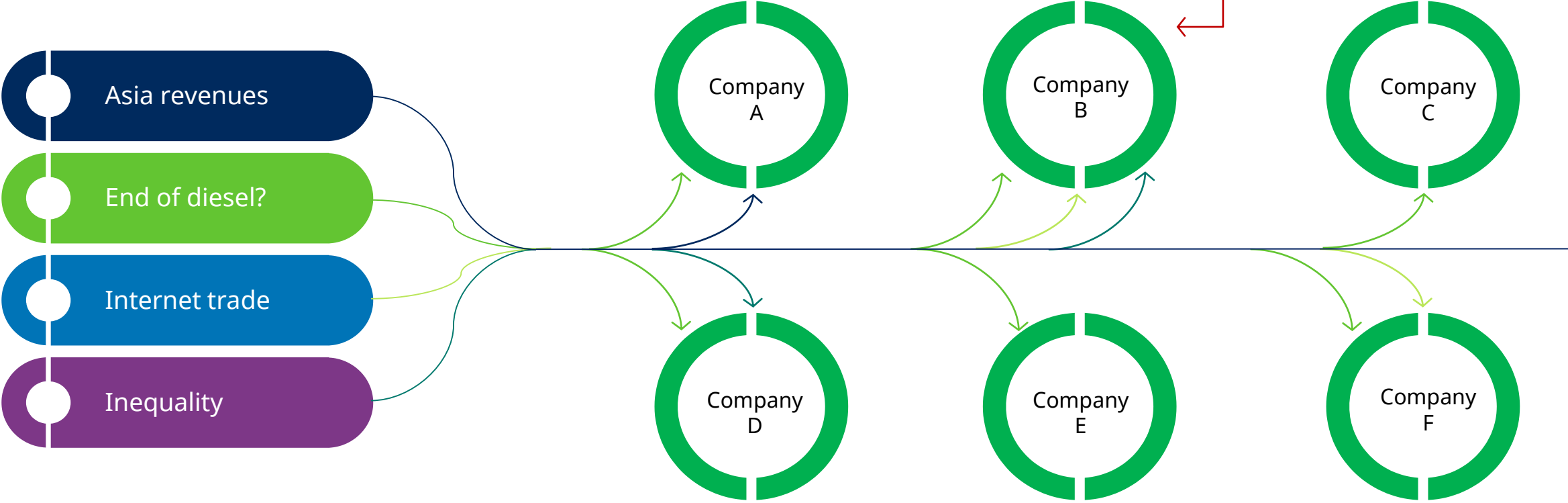
Source: Schroders. For illustrative purposes only and should not be considered a recommendation to buy or sell.

# Innovation in credit research

## Themes direct focus, understanding business models to pick the winners

- Credit themes contextualise credit themes, promoting a deeper understanding of business models, and their adaptability to change
- Forward-looking analysis focuses on understanding the 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> order effects of themes on companies

### Themes



Source: Schroders. For illustrative purposes only and should not be considered a recommendation to buy or sell.



# Investment themes

## Themes – residential and commercial real estate

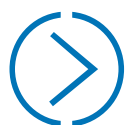
### Themes



**Unintended consequences of QE:** Increase of real asset valuations including property. Financing costs for companies, including real estate is historically cheap.



**Sustainability: Green buildings / energy efficiency:** Real estate companies pay increasingly attention to energy efficiency standards and target improvements with respect to affordable and clean energy



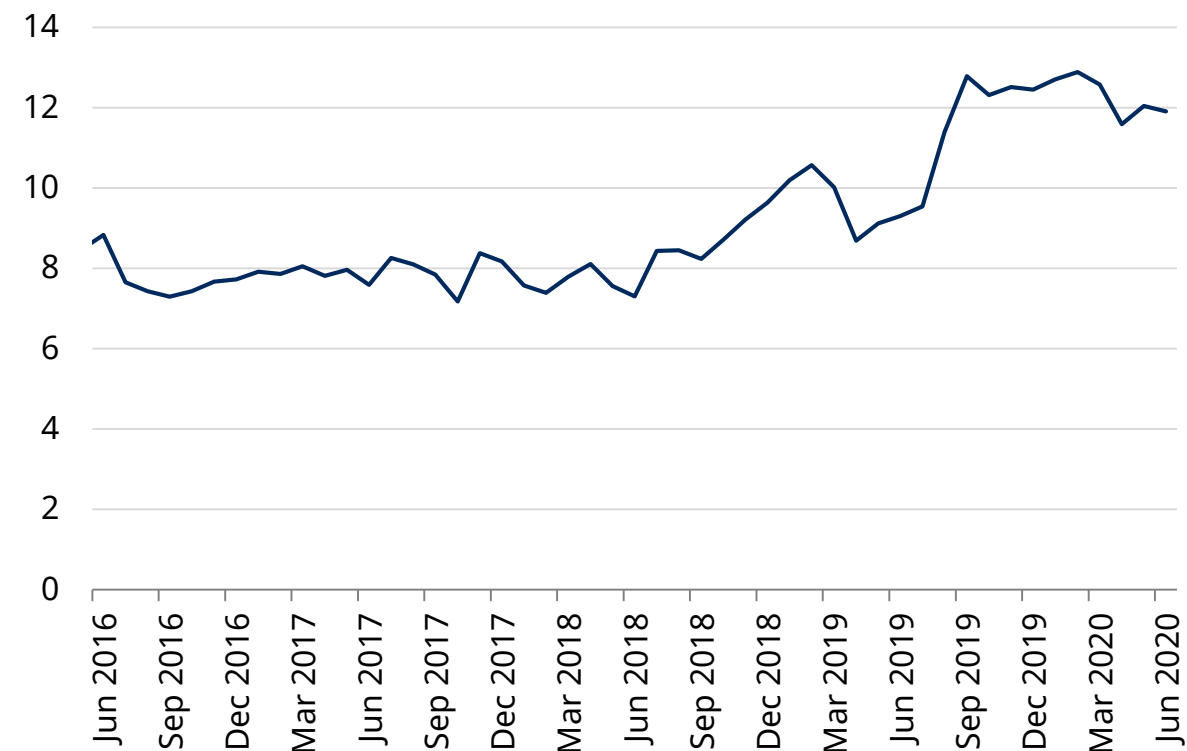
**Immigration:** The stronger European economies are attracting cheap labour from other regions within the EU and immigrants from the Middle East. This should continue to support demand for cheap property rental.



**E-commerce:** The rise of e-commerce fuels the demand for commercial warehouses and datacentre.

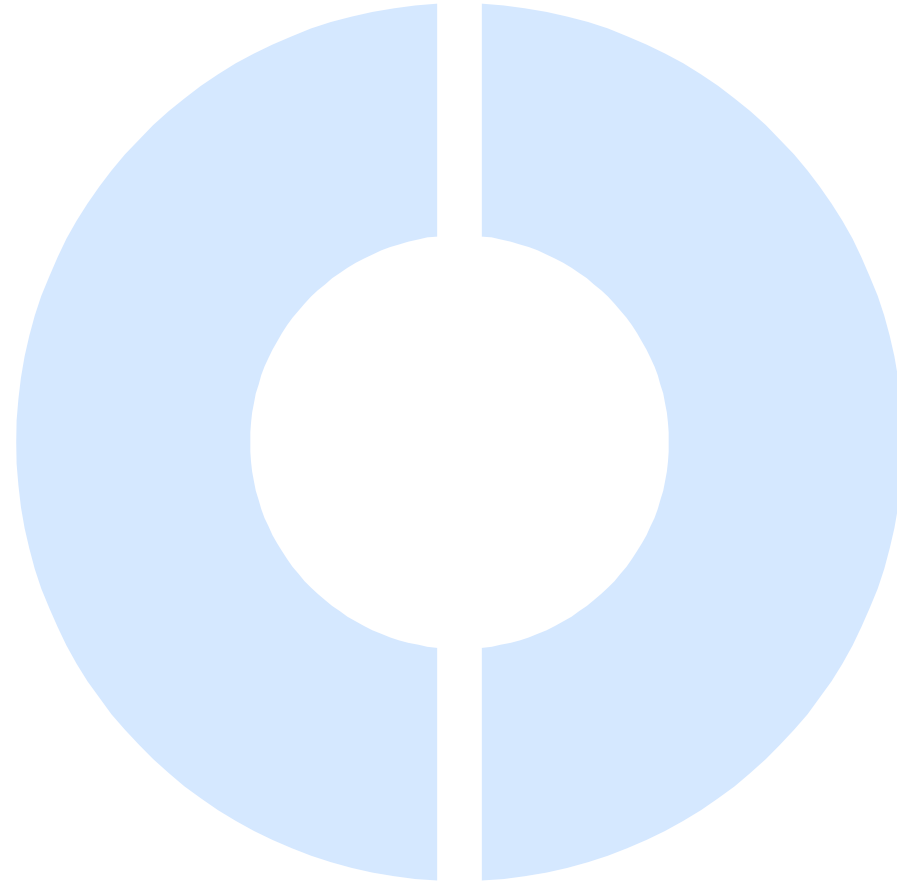
### Real estate (%MV)

Exposure real estate in SISF EURO Corporate Bond



Source: Schroders. Data expressed as at 30 June 2020. Please note that the exposure above is representative of Schroder ISF EURO Corporate Bond. Any references to securities, sectors, regions and/or countries are for illustrative purposes only and are not to be considered a recommendation to buy or sell.

**Schroders**



**Performance and portfolio allocation**

# Schroder ISF EURO Corporate Bond

## Performance as of 30 September 2020

### Performance objective<sup>1</sup>

Consistently outperform the market, leading to competitive peer group performance over a market cycle.

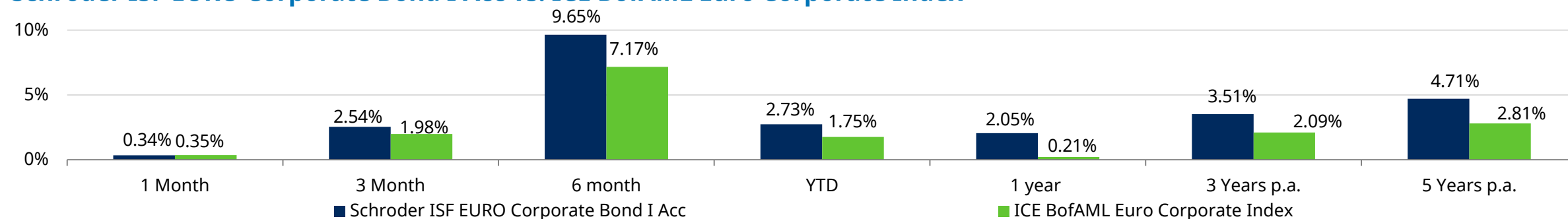
### Guidelines<sup>2</sup>

- Overall portfolio duration: Benchmark +/- 2 years
- Max. 10% in cash; max. 20% in cash and government bonds
- Max. 20% in total in High Yield or in Emerging Market Debt or in Convertibles
- Max. 25% in non Euro denominated assets
- Hedged 100% to Euro
- Derivatives allowed: currency forwards, interest rate futures, IRS, and CDS
- 2x limit on fund value-at-risk relative to benchmark (including all derivatives)
- Max 50% in long risk or short risk CDS positions

Total assets: €11.0 billion

Inception date: June 2000

### Schroder ISF EURO Corporate Bond I Acc vs. ICE BofAML Euro Corporate Index



**Past performance is not a guide to future performance and may not be repeated.**

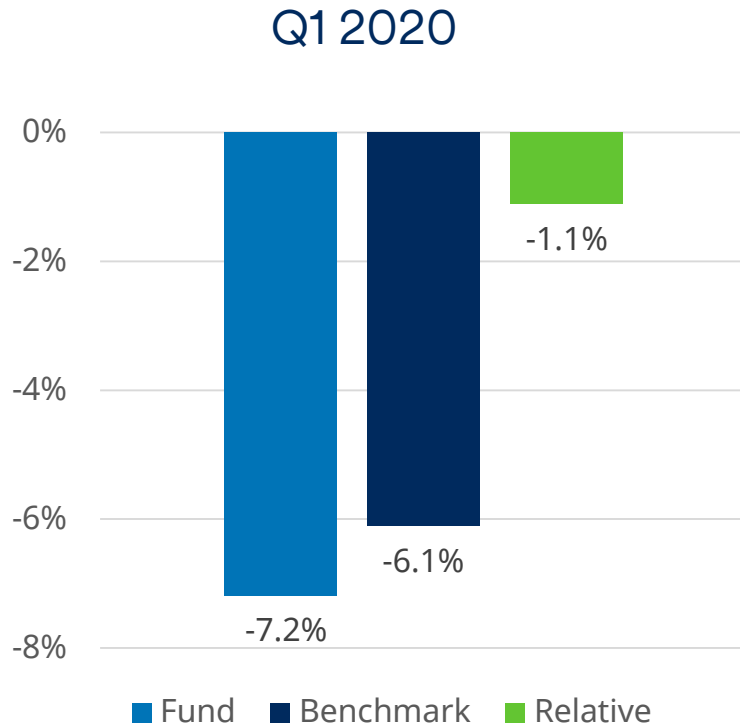
Source: Schroders. Performance is shown net of fees. Performance is shown for Schroder ISF EURO Corporate Bond I Accumulation share class (%) in EUR. Share class performance calculated NAV to NAV (Bid to Bid), adjusted for dividends, net of ongoing charges. <sup>1</sup>Targets are not guaranteed over this or any other period. <sup>2</sup>This is not a complete set of fund rules and represents the typical internal, non-mandatory limits under which the fund is managed. Please note that such limits may be deviated from and are subject to change without notice.

### 3 years ending 30 September 2020

Statistics	I Acc
Rate of return % (annualised)	3.51
Excess Return % (annualised)	1.42
Tracking error %	1.22
Information ratio	1.22

# Performance in Q1 2020

## ISF EURO Corporate Bond I Acc.



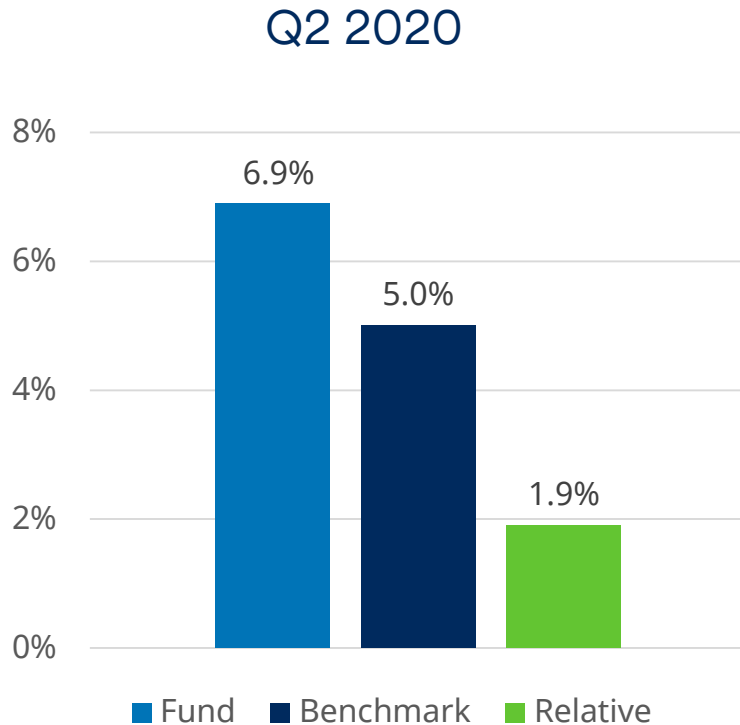
- Highly correlated, systematic sell-off
- **Contributors:**
  - Underweights in cyclical sectors (automotives, basic materials, capital goods)
- **Detractors:**
  - Off-benchmark exposure
    - HY: Telecommunication
    - USD-, GBP-exposure
  - Overweights in Real Estate, Utilities
  - Preference for BBB segment of the market

**Past performance is not a guide to future performance and may not be repeated.**

Source: Bloomberg based on unaudited third party source. Performance is shown net of fees. Performance is shown for Schroder ISF EURO Corporate Bond I Accumulation share class (%) in EUR. Share class performance calculated NAV to NAV (Bid to Bid), adjusted for dividends, net of ongoing charges. The benchmark is the ICE BofAML Euro Corporate Index. For illustrative purposes only and should not be viewed as a recommendation to buy or sell.

# Performance in Q2 2020

## ISF EURO Corporate Bond I Acc.



### Contributors:

- Security selection: real estate, consumer non-cyclicals, energy, healthcare, media, telecommunication
- Overweights exposure in real estate and media
- Off-benchmark exposure
  - High yield
  - USD-, GBP-exposure
- Preference for BBB segment of the market

### Detractors:

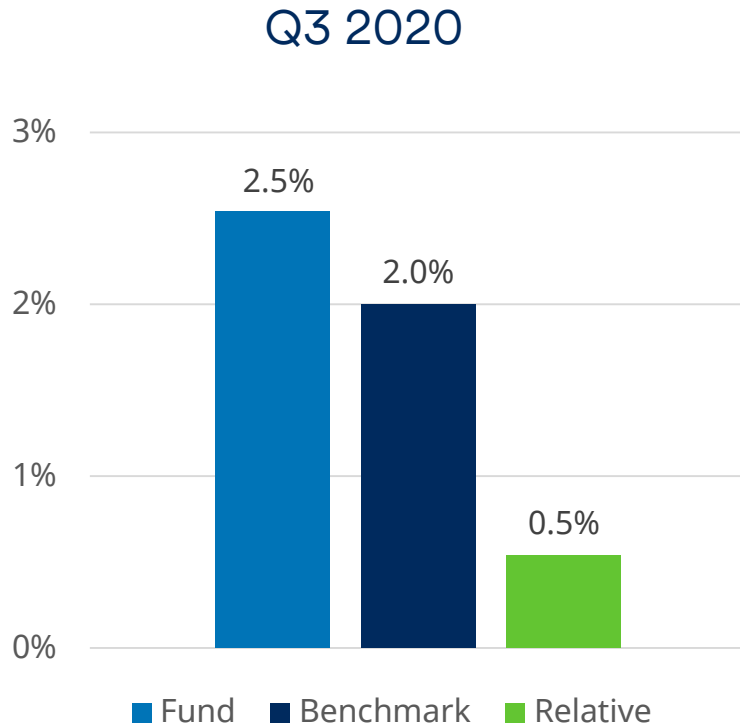
- Underweight exposure in cyclical sectors (automotives, basic materials, capital goods) and financials

**Past performance is not a guide to future performance and may not be repeated.**

Source: Bloomberg based on unaudited third party source. Performance is shown net of fees. Performance is shown for Schroder ISF EURO Corporate Bond I Accumulation share class (%) in EUR. Share class performance calculated NAV to NAV (Bid to Bid), adjusted for dividends, net of ongoing charges. The benchmark is the ICE BofAML Euro Corporate Index. For illustrative purposes only and should not be viewed as a recommendation to buy or sell.

# Performance in Q3 2020

## ISF EURO Corporate Bond I Acc.



### Contributors:

- Overweights exposure in real estate and media
- Security selection: Services, healthcare,
- Off-benchmark exposure
  - High yield
  - GBP-exposure
- Preference for BBB segment of the market

### Detractors:

- Underweight exposure in cyclical sectors (automotives, consumer cyclicals, capital goods) and financials

**Past performance is not a guide to future performance and may not be repeated.**

Source: Bloomberg based on unaudited third party source. Performance is shown net of fees. Performance is shown for Schroder ISF EURO Corporate Bond I Accumulation share class (%) in EUR. Share class performance calculated NAV to NAV (Bid to Bid), adjusted for dividends, net of ongoing charges. The benchmark is the ICE BofAML Euro Corporate Index. For illustrative purposes only and should not be viewed as a recommendation to buy or sell.

# Schroder ISF EURO Corporate Bond

## Performance and gross attribution

Date	Fund return	Index return	Alpha (bps)	FX (bps)	Rates (bps)	Sovereign (bps)	Credit (bps)	Residual (bps)
2012 <sup>1</sup>	4.38%	3.55%	83	0	3	3	58	19
2013	5.11%	2.39%	272	-1	-22	29	226	39
2014	9.91%	8.25%	165	-1	-6	58	96	17
2015	1.76%	-0.43%	219	-4	1	22	188	13
2016	6.83%	4.75%	207	-7	8	28	174	4
2017	5.78%	2.42%	336	-4	5	31	293	12
2018	-1.83%	-1.12%	-72	-21	-13	23	-78	17
2019	9.81%	6.24%	357	-30	35	43	311	-2
2020 YTD	1.66%	0.68%	98	-10	43	-5	59	11
Jan-20	1.37%	1.14%	23	-2	6	-1	19	1
Feb-20	-0.44%	-0.36%	-9	-2	9	-2	-14	0
Mar-20	-7.98%	-6.78%	-121	-1	1	-6	-119	4
Apr-20	4.49%	3.55%	94	-1	11	2	82	1
May-20	0.58%	0.17%	41	-1	8	3	33	-1
June-20	1.48%	1.30%	19	-1	-1	0	17	3
July-20	1.95%	1.49%	46	-1	8	-1	39	1
Aug-20	0.34%	0.12%	21	-1	-4	-1	26	0
Sep-20	0.33%	0.35%	-3	-1	5	1	-11	3
<b>Total</b>	<b>51.96%</b>	<b>29.68%</b>	<b>2,228</b>	<b>-106</b>	<b>319</b>	<b>68</b>	<b>1,838</b>	<b>103</b>

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.

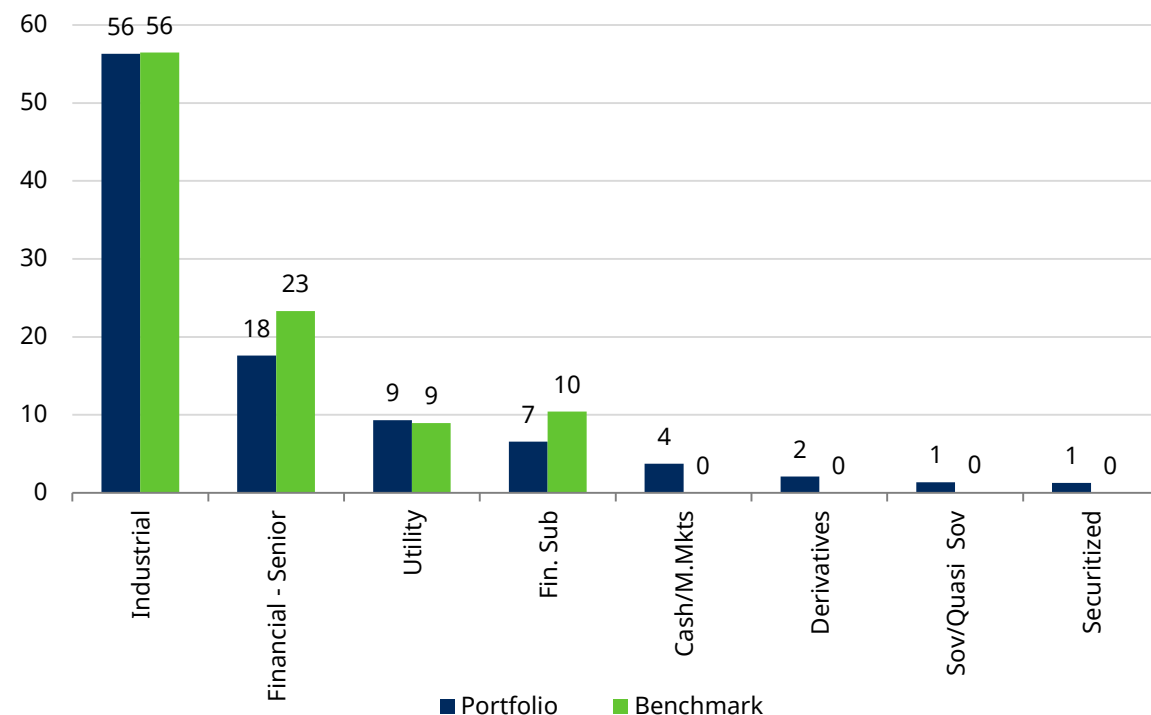
Source: Schroders, as at dates specified. Gross of all fees, based on end of day market prices for benchmark comparison.

<sup>1</sup>2012 Since current management were in place – 01 September 2012.

# Schroder ISF EURO Corporate Bond

Positioning as at 30 September 2020

## Sector allocation (% market value)



Statistics	Portfolio	Benchmark
AUM	€10.95 bn	€2.81 bn
Average effective yield, %	1.46	0.54
Average effective duration, years	5.50	5.35
OAS, basis points	204	120
Number of issuers*	317	857
Average credit rating	BBB+	A-
High yield, % MV	12.44	-

Currency denomination, % market value	
EUR	86.76
GBP	8.18
USD	5.15

Portfolio refers to Schroder ISF EURO Corporate Bond; Benchmark is ICE BofAML Euro Corporate Index .

Source: Schroders SPARCS. Based on un-audited data as at 30 September 2020.

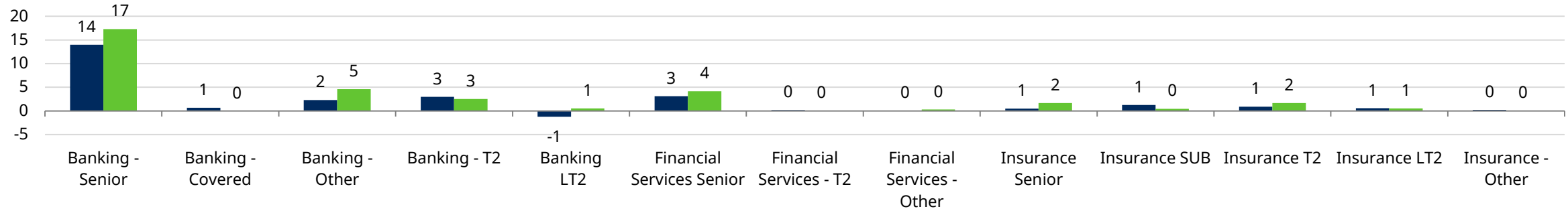
\*Number of issuers is based on cash bond and CDS holdings only. Note: The chart may not sum to 100 as unclassified securities, futures, IRS, forwards, cash synthetic and CDS float (non-active leg of CDS) are excluded.



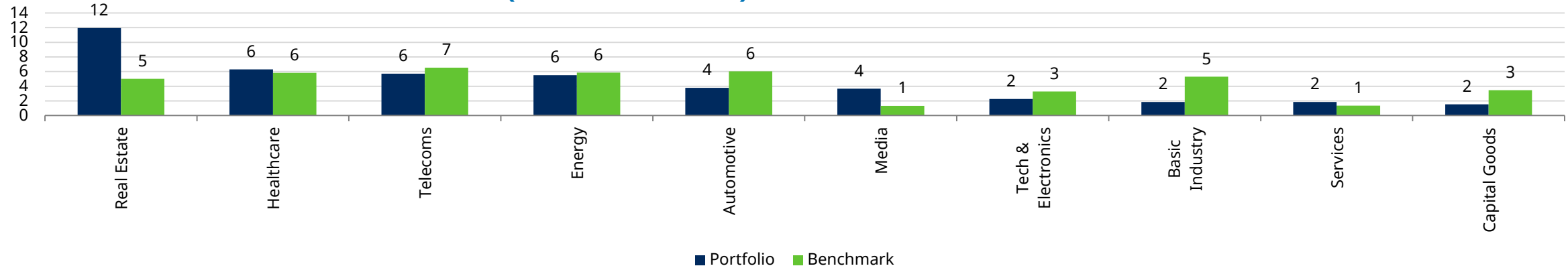
# Schroder ISF EURO Corporate Bond

Positioning as at 30 September 2020

## Sector allocation within financials (% market value)



## Sector allocation within industrials (% market value)

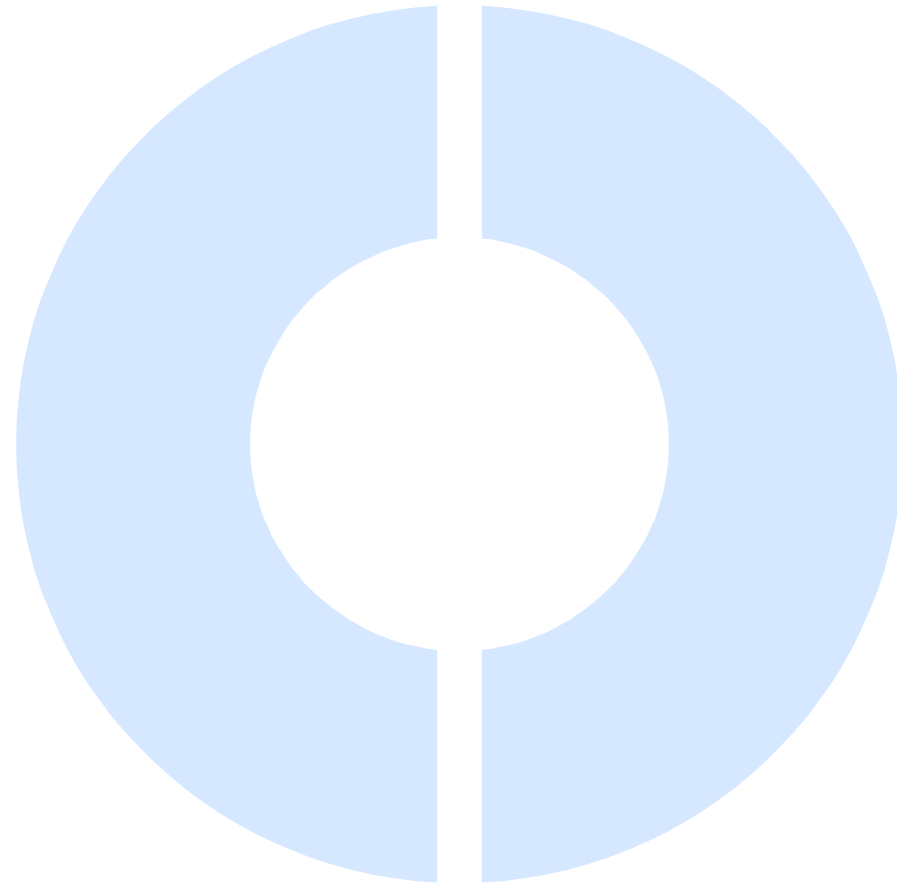


Portfolio refers to Schroder ISF EURO Corporate Bond; Benchmark is ICE BofAML Euro Corporate Index .

Source: Schroders SPARCS. Based on un-audited data as at 30 September 2020.

Breakdown of Industrials and financials is based on Bank of America Merrill Lynch classification level 3. Any references to securities, sectors, regions and/or countries are for illustrative purposes only and are not to be considered a recommendation to buy or sell.

**Schroders**



**Outlook**

# Valuations

Valuations have tightened significantly since March but are not expensive yet

€ IG at 58<sup>th</sup> percentile valuation

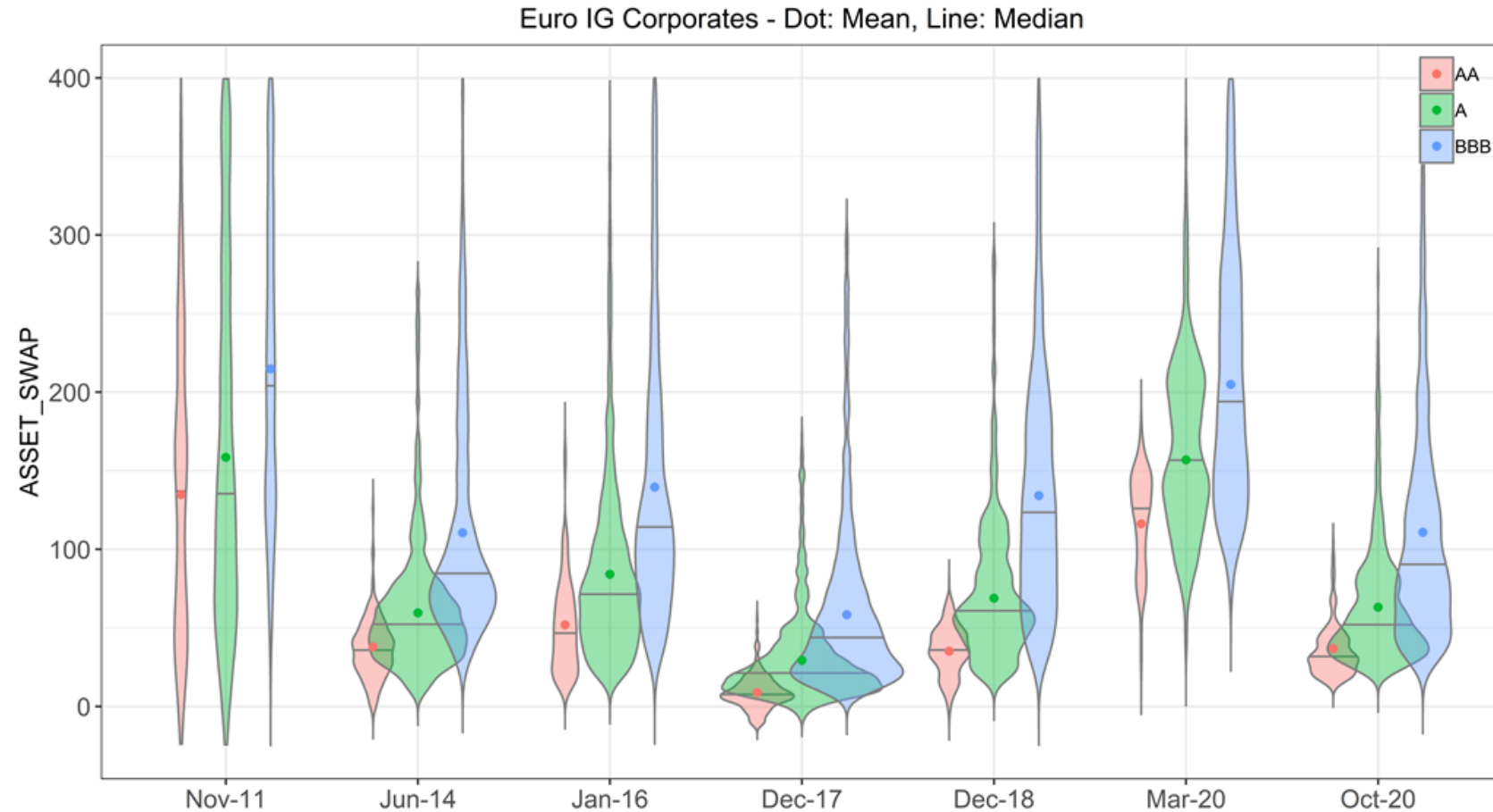


Source: BofAML, Schroders as of October 2020.

# The opportunity set has expanded

Opportunities for bottom-up security selection with resilient issuers

## Spread distribution by rating

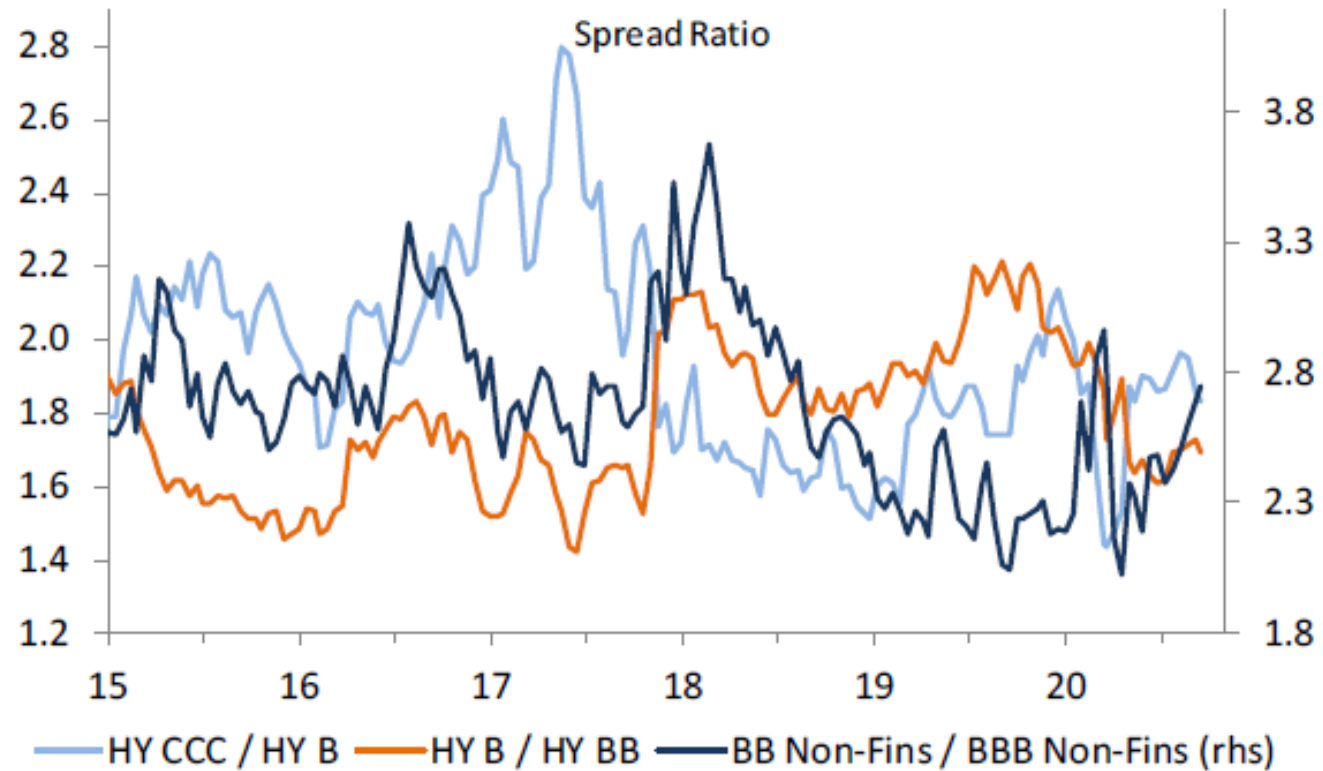


Source: Schroders, Bloomberg Barclays, as at October 2020.

# Where do we see opportunities?

Relative value in high yield vs. investment grade has improved

## High yield vs. investment grade

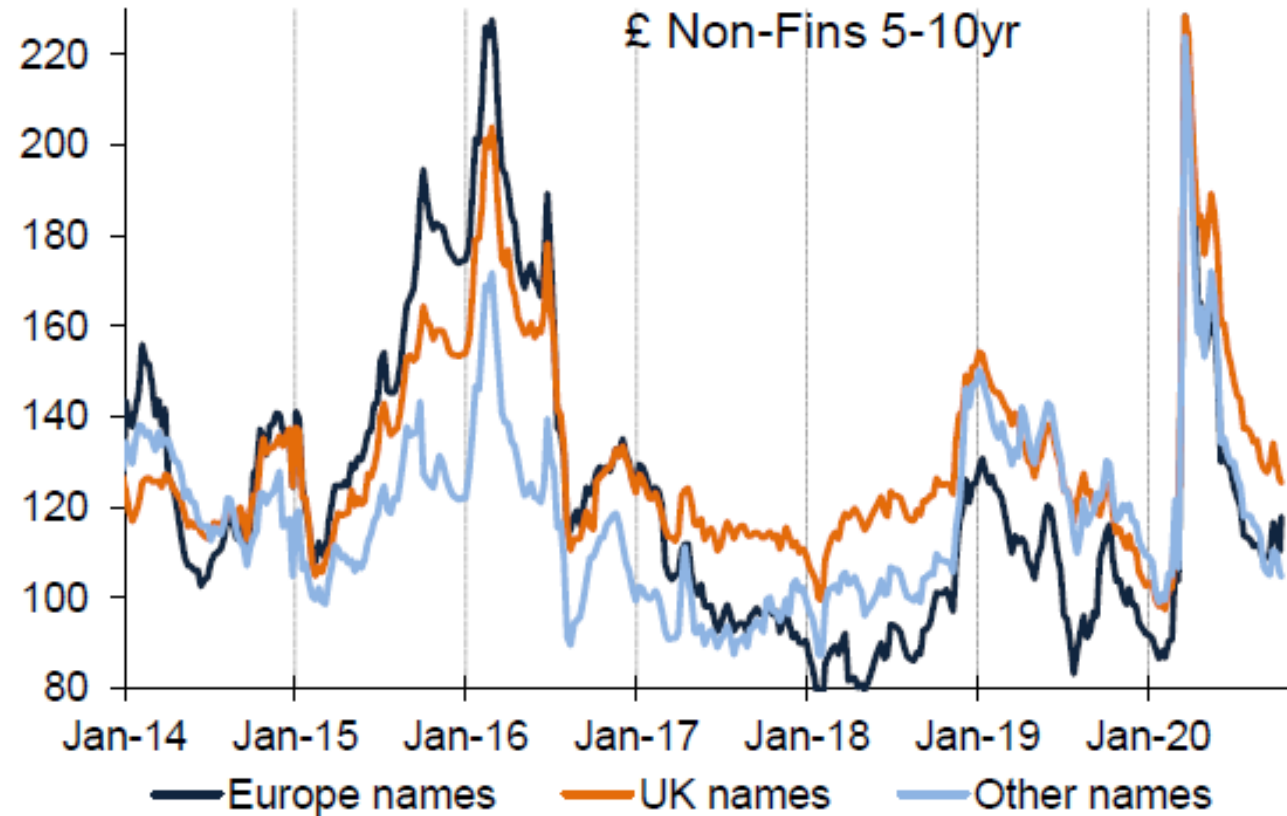


Source: BofAML, Schroders as of September 2020.

# Where do we see opportunities?

UK names vs. European names – Brexit premium

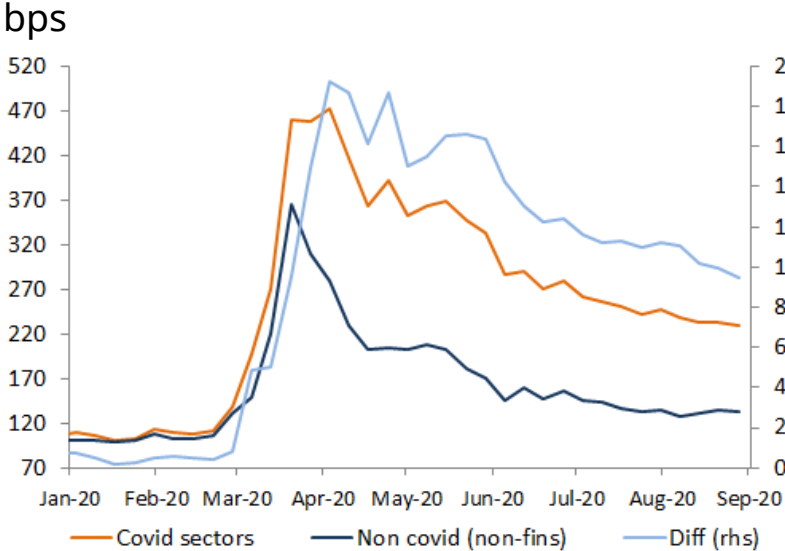
## Brexit premium



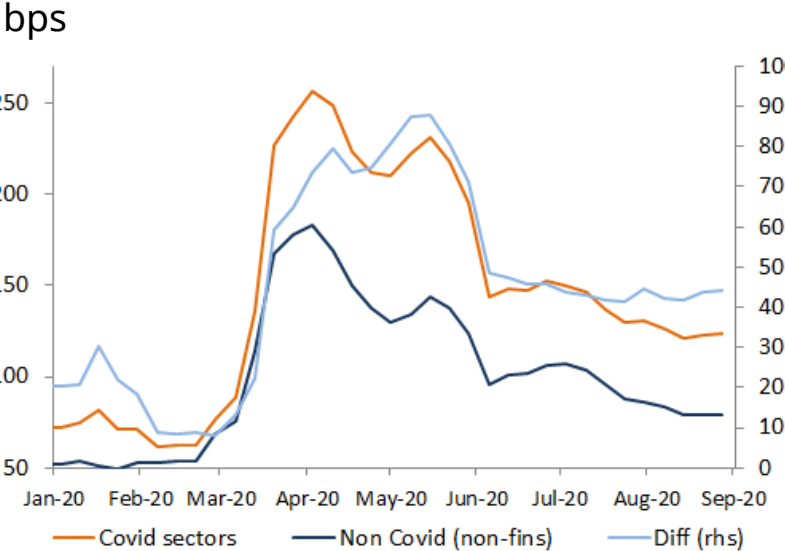
Source: BofAML, Schroders as of October 2020.

# COVID-19 impacted sectors still offer attractive opportunities

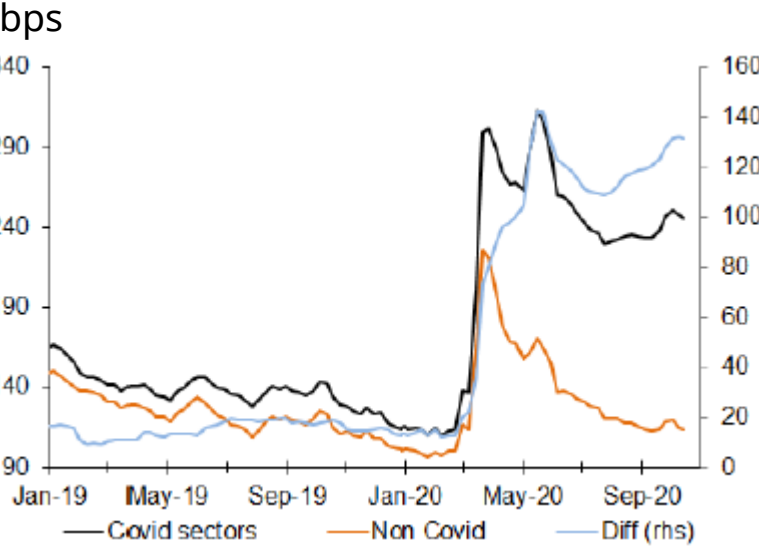
**\$ IG Corporate Spreads**



**€ IG Corporate Spreads**



**GBP IG Corporate Spreads**



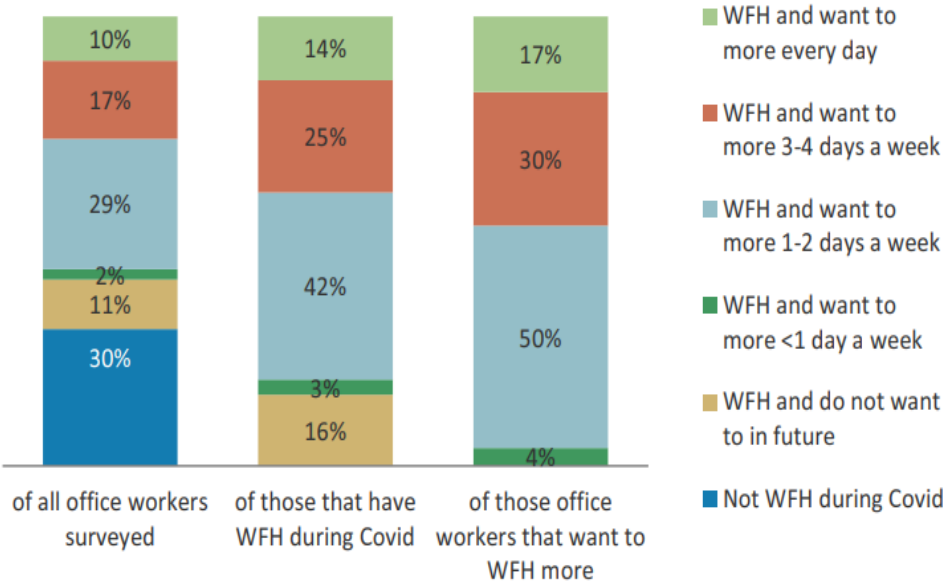
Selectivity is key

Source: ICE BofAML, Bloomberg as at October 2020.

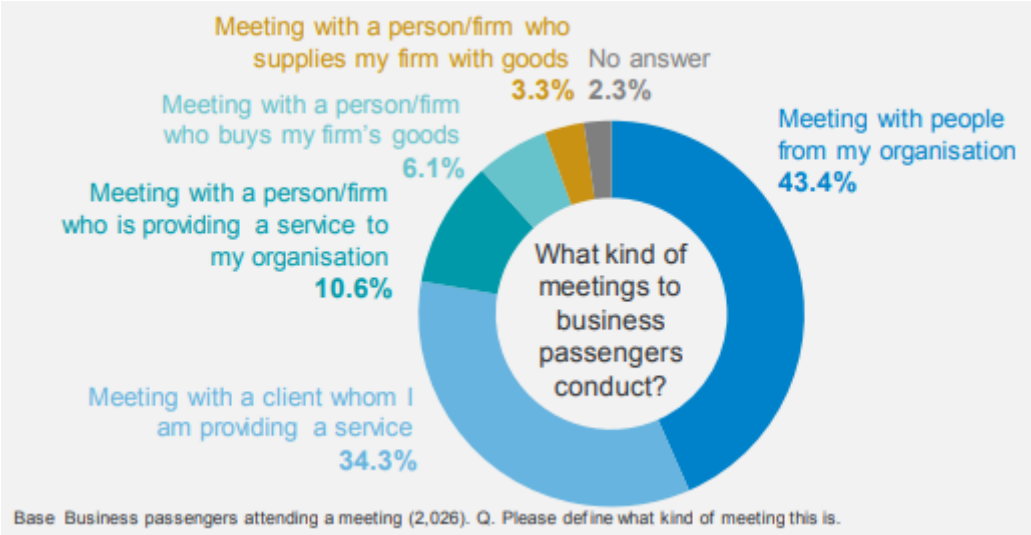
# Long term impact of WFH will have ripple effects across sectors

## People prefer to retain WFH privileges

Survey of 4,500 office workers across 5 European countries



## Business travel unlikely to recover to pre-Covid levels



Source: AlphaWise, Morgan Stanley Research, Department of Transport as of September 2020



**Schroders**

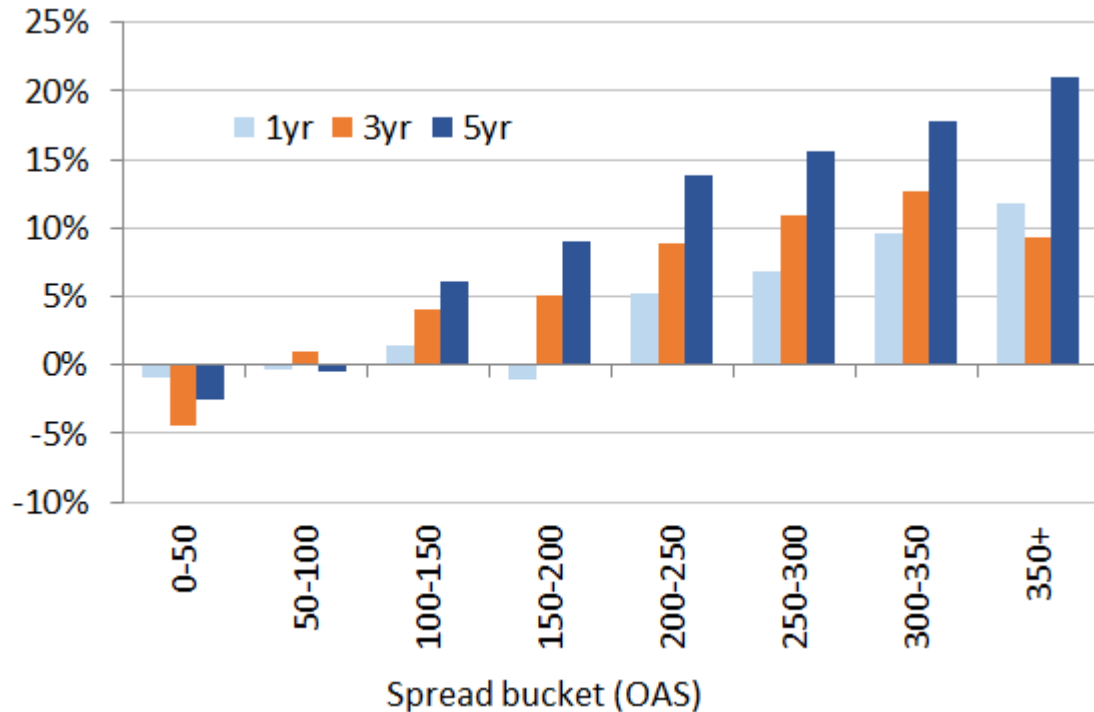


**Appendix**

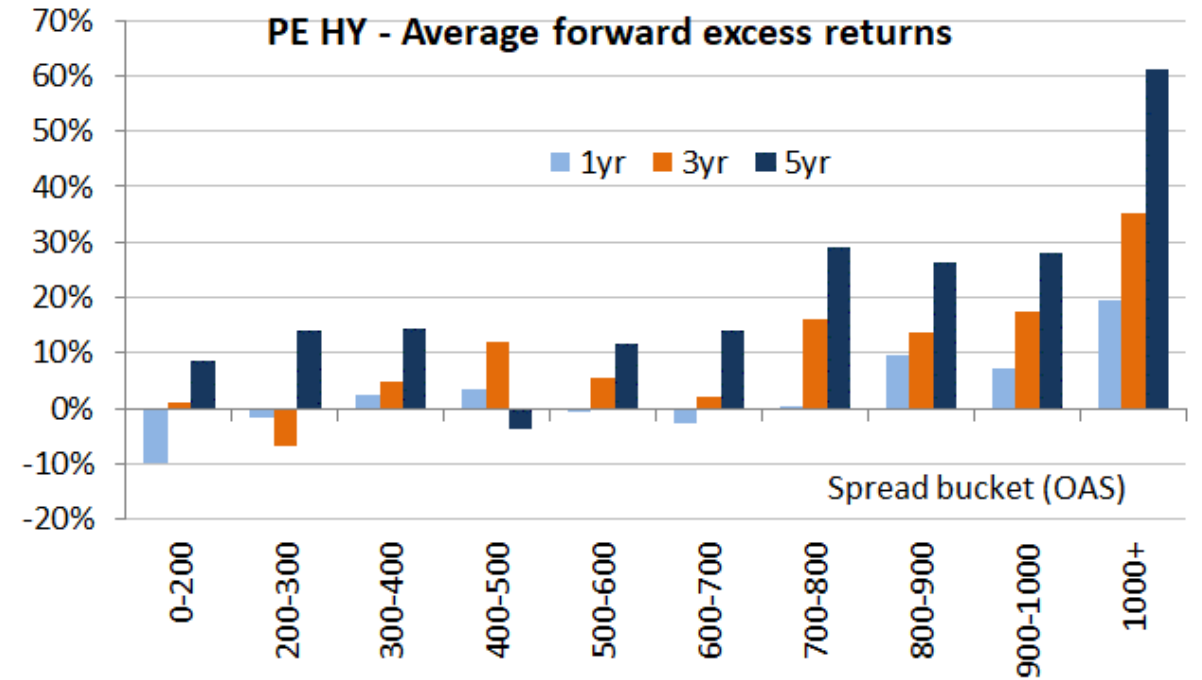
# What is the return potential from credit?

Attractive income and total return opportunities available in credit

Forward excess returns - € IG



Forward excess returns - € HY



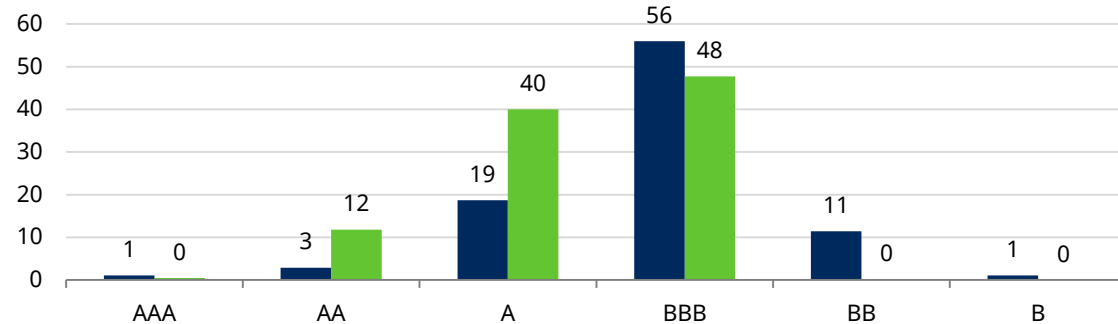
Attractive opportunities available in credit markets

Source: BofAML, Schroders as of May 2020.

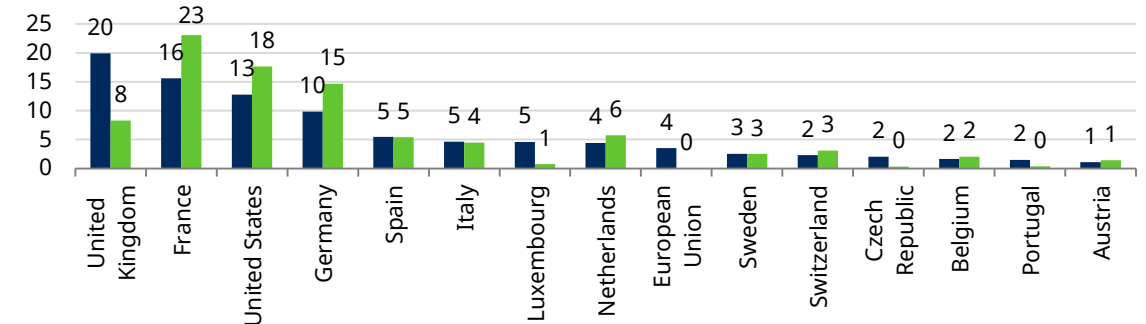
# Schroder ISF EURO Corporate Bond

## Portfolio characteristics as at 30 September 2020

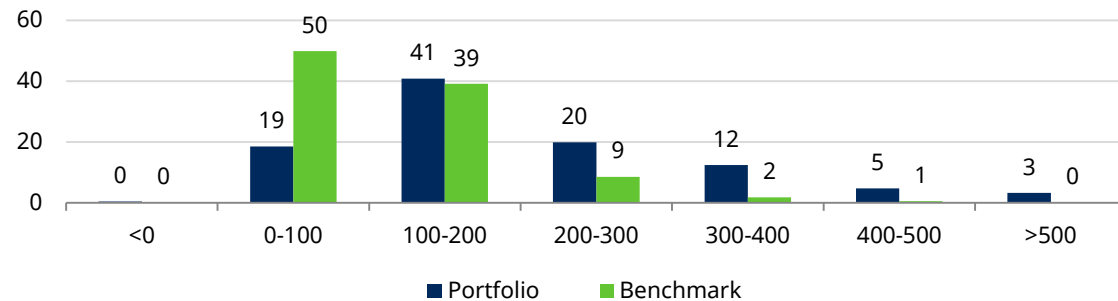
### Rating (% market value)



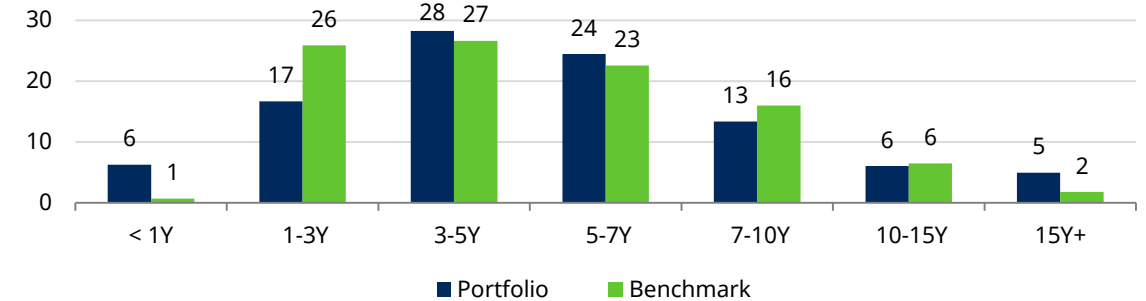
### Country of risk (% market value)



### Option adjusted spread (bps)



### Duration (% market value)



Portfolio refers to Schroder ISF EURO Corporate Bond; Benchmark is ICE BofAML Euro Corporate Index .

Source: Schroders SPARCS. Based on un-audited data as at 30 September 2020. Rating: chart will not add up to 100 as it does not include IRS, forwards or the CDS float (non-active leg of the CDS). Country of risk: exposures <1% have been excluded.

# ESG

Fully integrated into the credit investment process



## **Credit investment themes**

Combination of ESG-related and non ESG-related investment themes



## **Credit research**

Coordinated, global E, S & G assessment across Asia, Europe, the Americas (43 credit analysts) and the central Sustainability team



## **Credit engagements**

Dialogue with issuers - setting ESG specific targets



## **Proprietary ESG tools**

SustainEx, Context, Climate Change Dashboard, Carbon Value at Risk



## **ESG credit champions**

**Aim: Understanding the potential impact of ESG on valuations**

# Schroders ESG Research - future direction also key

Globally integrated, industry specific

## Quality

A

Meets best practice in all/nearly all relevant areas with no material controversies or negatives

B

Meets best practice in some areas with no material controversies or negatives

C

Behind best practice in some areas with no material controversies or negatives

D

Behind best practice in many areas OR has a material controversies or negatives

## Direction

+

**Improving**

Material positive changes are expected

=

**Stable**

Do not expect significant changes

-

**Deteriorating**

ESG factors are expected to deteriorate

## Credit context tool - EMEA retail

#	Company	Ci	Calculated Score	Environment	Social	Governance	Overall	% Metric Disclosun
13	Wm Morrison	→	42	□C+	□C=	□C+	□C+	67
20	Wal-Mart Stores	→	43	□C=	■D=	■D=	■D=	58
20	Walgreens Boots All	→	40	■D+	■D=	■D=	■D=	60
6	Travis Perkins	→	44	■A+	■D+	□B=	□B+	69
8	Tesco	→	39	□B+	□C=	□B=	□B=	73
1	Target	→	47	□B+	■A+	□C=	■A+	64
8	Tailored Brands	→	43	□B=	□B=	□C=	□B=	49
	Rite Aid	→	33					51
1	Next Plc	→	48	■A+	□B=	■A+	■A+	66
14	Metro AG	→	46	■D=	■A+	■D=	□C=	76
3	Marks and Spencer	→	53	□B+	■A-	□B=	■A=	72
8	Lowe's Companies	→	42	□B+	□B=	□B=	□B=	63
22	L Brands	→	45	□C=	□C=	■D-	■D-	52
8	Kroger	→	35	□B+	■A=	□C=	□B=	64
8	Koninklijke Ahold	→	54	■D+	■A=	□C=	□B=	69
14	JC Penney	→	40	□C=	□C=	□B=	□C=	60

Source: Schroders. Any references to securities, sectors, regions and/or countries are for illustrative purposes only and are not to be considered a recommendation to buy or sell.

# Schroder ISF EURO Corporate Bond

## Discrete 5-year performance

	2019	2018	2017	2016	2015
<b>Schroder ISF EURO Corporate Bond C Acc</b>	<b>9.23</b>	<b>-2.47</b>	<b>5.02</b>	<b>6.24</b>	<b>1.17</b>
ICE BofAML Euro Corporate Index	6.25	-1.13	2.41	4.74	-0.43

### Risk considerations

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

**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.

**Contingent convertible bonds:** The fund may invest in contingent convertible bonds. If the financial strength of the issuer of a contingent convertible bond falls in a prescribed way, the value of the bond may fall significantly and, in the worst case, may result in losses to the fund.

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

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

**ABS and MBS risk:** The fund may invest in mortgage or asset-backed securities. The underlying borrowers of these securities may not be able to pay back the full amount that they owe, which may result in losses to 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.

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

**Past performance is not a guide to future performance and may not be repeated. The return may increase or decrease as a result of currency fluctuations. 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.**

Source: Schroders, as at dates specified. Performance is shown for Schroder ISF EURO Corporate Bond C Accumulation share class (%) in EUR. Share class performance calculated NAV to NAV (Bid to Bid), adjusted for dividends, net of ongoing charges.

# Schroder ISF EURO Corporate Bond

## Risk considerations continued

### Risk considerations continued...

**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.

**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 countries: United States

**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.

# Contacts



## Andrea Barmettler - Head of Institutional Sales Switzerland

- Since 2017, Head of Institutional Sales Switzerland
- Joined Schroders in 2008 as Institutional Relationship Manager
- Since 2013 member of board of trustees at Pension Fund Schroder & Co Bank AG
- From 2006 – 2007 European Research Equity Sales at Bear Stearns, London
- From 2003 – 2006 Swiss Research Equity Sales at UBS Investment Bank, Zurich
- CFA and CAIA Charterholder
- Master in Finance & Accounting, HEC Lausanne and University of Miami



## Daniel Loesche - Investment Director, Credit

- Daniel joined the Credit team in October 2019 as investment director
- Daniel started working for Schroders in April 2015 as investment strategist in Frankfurt, where he was responsible for developing investment ideas and strategies
- Prior to joining Schroders, Daniel worked at BHF-BANK and was engaged in asset allocation and portfolio construction topics.
- Previous career stations include DJE, Main First and the LGT Bank.
- Daniel holds a master of science in economics from the University of Lugano and is a CFA Charterholder.

Source: Schroders, September 2020.



# Important information

## Important Information

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. The offering of shares in certain jurisdictions may be restricted and accordingly persons are required, by the Company, to inform themselves of and observe any such restrictions.

Subscriptions for shares of the Company can only be made on the basis of its latest prospectus together with the latest audited annual report (and subsequent unaudited semi-annual report, if published). The prospectus and the key investor information document(s) for Switzerland, the articles of association, the annual and semi-annual reports can be obtained, free of charge, at the offices of the Swiss representative, Schroder Investment Management (Switzerland) AG, Central 2, 8001 Zurich (authorised and regulated by FINMA) and the Swiss paying agent, Schroder & Co. Bank AG, Central 2, 8001 Zurich.

An investment in the Company entails risks, which are fully described in the prospectus.

The Company has its registered office in Luxembourg and is regulated by the Commission de Surveillance du Secteur Financier.

Past performance is no indication of future fund performance. This depends on the trends in markets, investment returns and exchange rates (if relevant), and how successful the asset manager is in implementing the investment policy. The performance shown does not take account of any commissions and costs charged when subscribing and redeeming units. Prices of shares and the income from them may fall as well as rise and investors may not get back the amount originally invested.

This document is issued by Schroder Investment Management (Switzerland) AG, Central 2, 8001 Zurich. For your security, communications may be taped or monitored.

## Risk Considerations

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

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.

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

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

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.

High yield bonds (normally lower rated or unrated) generally carry greater market, credit and 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 processes, including those related to the safekeeping of assets, may fail. This may result in losses to the fund.

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.

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.

The fund may invest in mortgage or asset-backed securities. The underlying borrowers of these securities may not be able to pay back the full amount that they owe, which may result in losses to the fund.

## Third Party Data Disclaimer

Third party 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 Prospectus and/or [www.schroders.ch](http://www.schroders.ch) contains additional disclaimers which apply to the third party data.



## Contact

Schroder Investment Management Limited,  
1 London Wall Place, London EC2Y 5AU.

[schroders.com](https://www.schroders.com)



EST. 1804