

Schroder International Selection Fund China Local Currency Bond

A Accumulation EUR | Data as at 31.05.2020

Fund objectives and investment policy

The fund aims to provide capital growth and income in excess of the iBoxx ALBI China Onshore index after fees have been deducted over a three to five year period by investing in bonds denominated in onshore RMB (CNY). The fund is actively managed and invests at least two-thirds of its assets in bonds and money market instruments denominated in or hedged back to onshore RMB (CNY). These instruments may be issued outside or inside of mainland China by governments, government agencies, supranationals and companies which may or may not be established or incorporated in mainland China across sectors and credit quality. The Fund may also invest in bonds denominated in offshore RMB (CNH). The fund may invest directly in mainland China through RQFII schemes or QFII related schemes supervised by the China Securities Regulatory Commission and regulated markets (including the CIBM via Bond Connect). The fund may invest up to 30% of its assets in securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies). The fund may also invest directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, investment funds, warrants and money market investments, and hold cash. The fund may use derivatives, long and short, with the aim of achieving investment gains, reducing risk or managing the fund more efficiently.

Relevant risk as associated with this Fund are shown overleaf and should be carefully considered before making any investment.

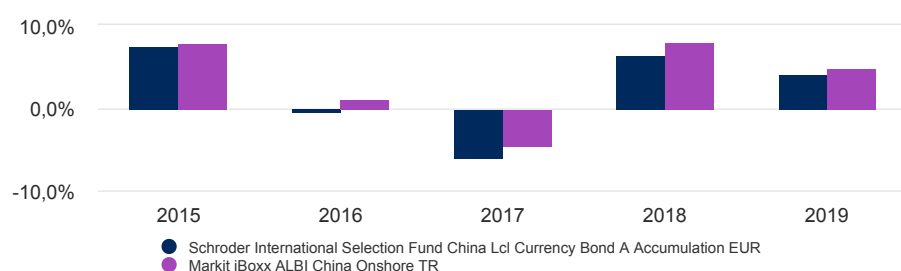
Share class performance (%)

Cumulative performance	1 month	3 months	YTD	1 year	3 years	5 years	Since inception
Share class (Net)	-4,7	-2,4	1,9	3,3	9,1	1,5	25,0
Target	-4,3	-2,4	1,8	3,8	13,3	6,4	34,6

Discrete yearly performance	May 15 - May 16	May 16 - May 17	May 17 - May 18	May 18 - May 19	May 19 - May 20
Share class (Net)	-4,7	-2,3	3,5	2,0	3,3
Target	-4,3	-1,8	6,2	2,8	3,8

Calendar year performance	2015	2016	2017	2018	2019
Share class (Net)	7,3	-0,4	-6,0	6,4	4,2
Target	7,8	1,1	-4,4	8,0	4,8

Performance over 5 years (%)



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 any overseas investments to rise or fall.

Source: Morningstar, bid to bid, net income reinvested, net of fees. The fund's performance should be assessed against its target benchmark being to exceed the iBoxx ALBI China Onshore index. The majority of the fund's investments may be components of the benchmark. The investment manager invests on a discretionary basis and is not limited to investing in accordance with the composition of the benchmark. The investment manager will invest in companies or sectors not included in the benchmark in order to take advantage of specific investment opportunities. Some performance differences between the fund and the benchmark may arise because the fund performance is calculated at a different valuation point from the benchmark. On 01.04.2016 the iBoxx ALBI China Offshore Investment Grade replaced the HSBC Offshore (CNH) Renminbi Investment Grade Bond Total Return (RMB). The full track record of the previous index has been kept and chainlinked to the new one. On 01.06.2017 the Markit iBoxx ALBI China Onshore TR replaced the iBoxx ALBI China Offshore Investment Grade. The full track record of the previous index has been kept and chainlinked to the new one. On 13/06/2019 Schroder ISF RMB Fixed Income changed its name to Schroder ISF China Local Currency Bond. The investment objective also changed on this date.

Fund facts

Fund manager	Julia Ho ; Angus Hui
Managed fund since	01.03.2018 ; 07.11.2012
Fund management company	Schroder Investment Management (Europe) S.A.
Domicile	Luxembourg
Fund launch date	07.11.2012
Share class launch date	07.11.2012
Fund base currency	CNH
Share class currency	EUR
Fund size (Million)	CNH 1.385,02
Number of holdings	59
Target	Markit iBoxx ALBI China Onshore TR
Unit NAV	EUR 124,9622
Dealing frequency	Daily
Distribution frequency	No Distribution

Fees & expenses

Ongoing charge	1,10%
Redemption fee	0,00%
Entry charge up to	3,00%

Purchase details

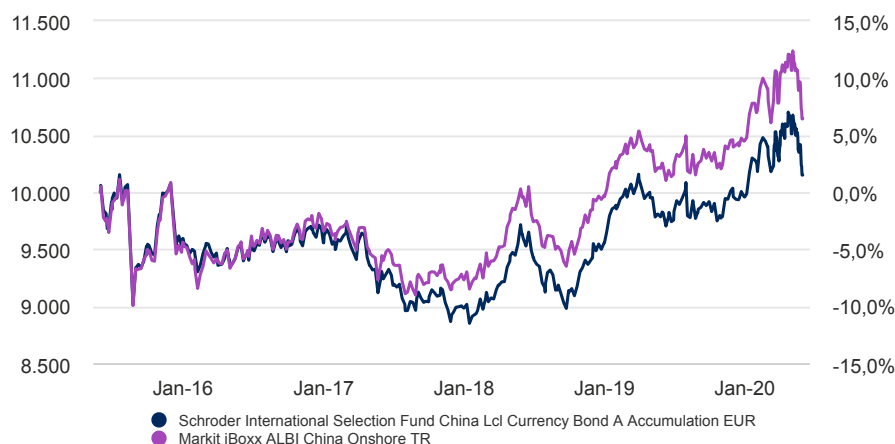
Minimum initial subscription	EUR 1.000 ; USD 1.000 or their near equivalent in any other freely convertible currency.
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Codes

ISIN	LU0845699254
Bloomberg	SCHFIEA LX
SEDOL	B87K7F2
Reuters code	LU0845699254.LUF

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5 year return of EUR 10.000



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The chart is for illustrative purposes only and does not reflect an actual return on any investment.

Returns are calculated bid to bid (which means performance does not include the effect of any initial charges), net income reinvested, net of fees.

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.

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

Concentration risk: The fund may be concentrated in a limited number of geographical regions, industry sectors, markets and/or individual positions. This may result in large changes in the value of the fund, both up or down.

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.

Onshore renminbi currency risk: The fund can be exposed to different currencies. Changes in foreign exchange rates could create losses. 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.

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

Emerging Markets & Frontier risk: Emerging markets, and especially frontier markets, generally carry greater political, legal, counterparty, operational and liquidity risk than developed markets.

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.

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.

Synthetic risk & reward indicator (SRII)

LOWER RISK

Potentially lower reward

HIGHER RISK

Potentially higher reward



The risk category was calculated using historical performance data and may not be a reliable indicator of the fund's future risk profile. The fund's risk category is not guaranteed to remain fixed and may change over time. A fund in the lowest category does not mean a risk-free investment. A fund is in categories 1 to 3 where it can take lower risks in search of potentially lower rewards and its price may rise and fall accordingly. A fund is in categories 4 to 7 where it can take higher risks in search of potentially higher rewards and its price may rise and fall accordingly.

Risk statistics & financial ratios

	Fund	Target
Annual volatility (%) (3y)	6,8	6,3
Effective duration (years)	6,5	-
Current yield (%)	3,3	-
Yield to maturity	2,7	-

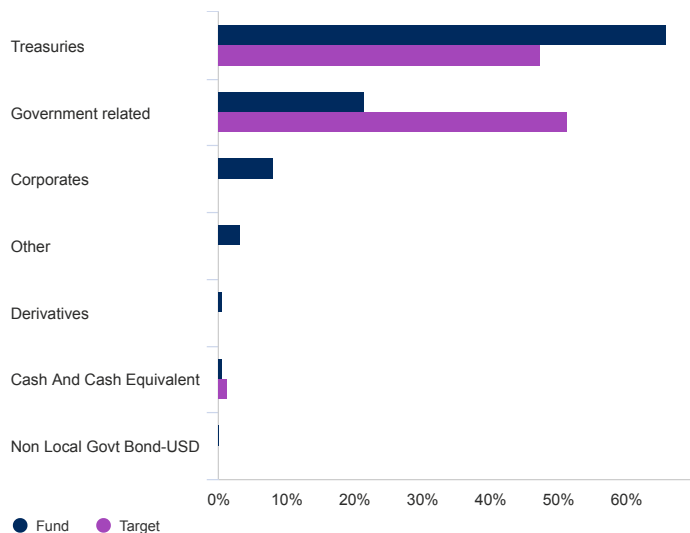
Source: Morningstar. The above ratios are based on bid to bid price based performance data.

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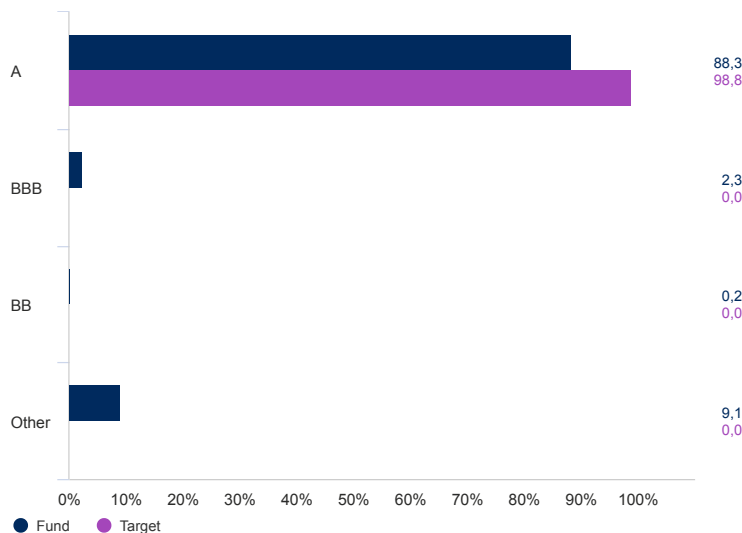
Asset allocation

Source: Schroders. Top holdings and asset allocation are at fund level. Please note: Others stated in the ratings breakdown may include Unit Trusts, Cash and Derivatives.

Sector (%)



Credit quality (%)



Top 10 holdings (%)

	Holding name	%
1	China Government Bond 3.290000 23/May/2029 3.2900 23/05/2029 SERIES 1906	10,6
2	CHINA GOVERNMENT BOND 3.9700 23/07/2048 SERIES 1817	8,0
3	CHINA GOVERNMENT BOND 2.9400 17/10/2024 SERIES 1913	7,6
4	China Government Bond 3.170000 11/Oct/2021 3.1700 11/10/2021	7,5
5	China Government Bond 2.750000 08/Aug/2022 2.7500 08/08/2022 SERIES 1911	3,8
6	CHINA DEVELOPMENT BANK 4.1500 26/10/2025 SERIES 1814	3,2
7	CHINA GOVERNMENT BOND 2.4400 21/02/2021 SERIES 1902	2,9
8	China Government Bond 4.080000 22/Oct/2048 4.0800 22/10/2048	2,4
9	CHINA DEVELOPMENT BANK 4.7300 02/04/2025 SERIES 1806	2,4
10	China Government Bond 3.860000 22/Jul/2049 3.8600 22/07/2049 SERIES 1910	2,3

Please note: Others stated in the ratings breakdown may include Unit Trusts, Cash and Derivatives.

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Benchmark: The target benchmark has been selected because the target return of the fund is to deliver the return of that benchmark as stated in the investment objective.