

# Schroder International Selection Fund Global Credit Income

## A Accumulation Share Class

### Fund Launch Date

30 November 2016

### Total Fund Size (Million)

USD 707.0

### Share Price End of Month (USD)

108.94

### Total number of holdings

555

### Reference Index

Bloomberg Barclays Multiverse ex Treasury A+ to B- USD Hedged

### Fund Manager

Patrick Vogel &amp; Michael Scott

### Managed fund since

30 November 2016

### Running Yield

3.83 %

### Effective Duration of Fund in Years

3.98

### Effective Duration of Index in Years

6.14

### Effective Yield

5.24 %

### Option Adjusted Spread of Fund

269 bp

### Option Adjusted Spread of Index

179 bp

### Average Credit Rating

BBB-

The Running Yield reflects the income related to the Coupons of the instruments held in the portfolio as a percentage of their market value. The figure shown is a market value weighted average for the whole portfolio. It does not include any preliminary charge and investors may be subject to tax on distributions.

## Investment Objective and Policy

The fund aims to provide income and capital growth by investing in bonds issued by governments and companies worldwide. The fund aims to mitigate losses in falling markets. The mitigation of losses cannot be guaranteed.

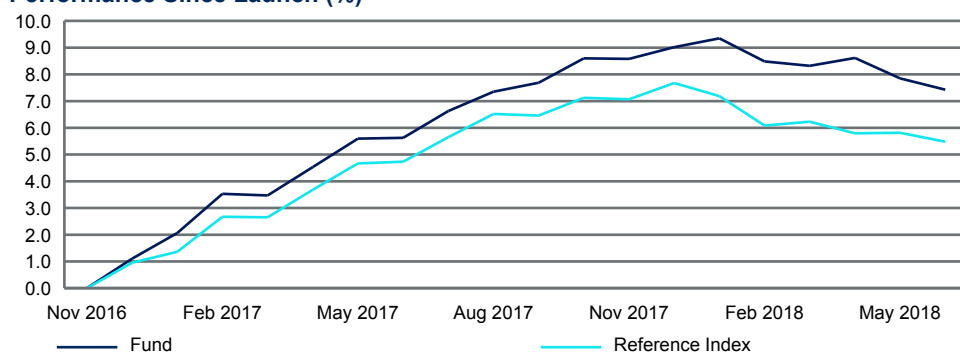
The fund invests at least two-thirds of its assets in investment grade bonds and high yield bonds issued by governments, government agencies, supra-nationals and companies worldwide, including emerging market countries. The fund may invest in excess of 50% of its assets in bonds that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds); up to 20% of its assets in asset-backed securities and mortgage-backed securities; up to 10% of its assets in convertible bonds (including contingent convertible bonds); up to 10% of its assets in open-ended investment funds; and in money market instruments and hold cash. The manager aims to mitigate losses by diversifying the fund's asset allocation away from areas of the market identified as having a high risk of material negative return. The fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the fund more efficiently. The fund may take short positions.

## Performance Analysis

Performance (%)	1 month	3 months	6 months	YTD	1 year	3 years	5 years	Since Launch
Fund	-0.4	-0.8	-1.5	-1.5	1.7	---	---	7.4
Reference Index	-0.3	-0.7	-2.0	-2.0	0.7	---	---	5.5

Discrete Yearly Performance (%)	Q2/2017 - Q2/2018	Q2/2016 - Q2/2017	Q2/2015 - Q2/2016	Q2/2014 - Q2/2015	Q2/2013 - Q2/2014
Fund	1.7	---	---	---	---
Reference Index	0.7	---	---	---	---

### Performance Since Launch (%)



The return received may rise or fall as a result of currency fluctuations.

Past performance is not a reliable indicator of future results, prices of shares and the income from them may fall as well as rise and investors may not get back the amount originally invested.

The fund is not managed with reference to a benchmark but its performance may be measured against one or more.

All fund performance data are on a NAV to NAV basis, net income reinvested. Data is not available for the time periods with no % growth stated. In case a share class is created after the fund's launch date, a simulated past performance is used, based upon the performance of an existing share class within the fund, taking into account the difference in the ongoing charges and the portfolio transaction costs, and including the impact of any performance fees if applicable.

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.

Source: Schroders

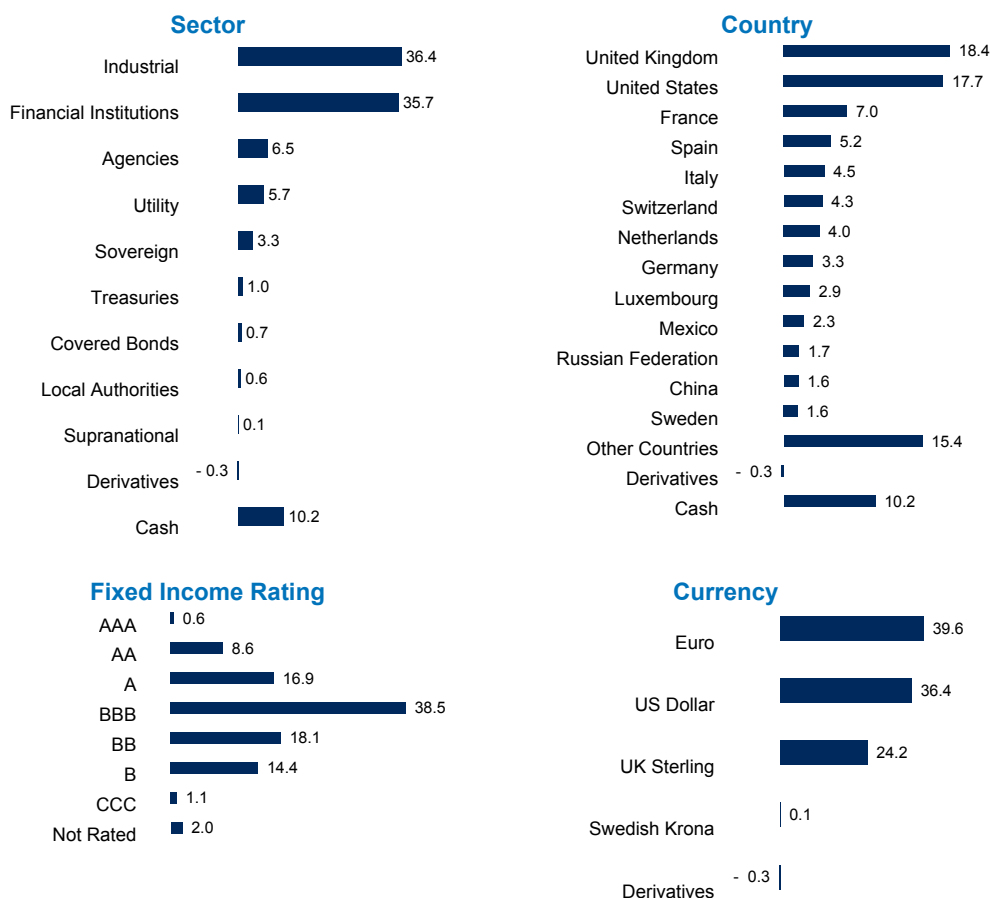
## Risk Considerations

- **ABS and MBS risk:** Mortgage or asset-backed securities may not receive in full the amounts owed to them by underlying borrowers.
- **Capital risk / contingent convertible bonds:** The fund may be significantly invested in contingent convertible bonds. If the financial strength of a bond's issuer (typically a bank or an insurance firm) falls in a prescribed way the bond may suffer substantial or total losses of capital.
- **Capital risk / distribution policy:** Because the fund intends to pay dividends regardless of its performance, a dividend may include a return of part of your original investment.
- **Capital risk / negative yields:** When interest rates are very low or negative, the fund's yield may be zero or negative, and you may not get back all of your investment.
- **Counterparty risk:** The counterparty to a derivative or other contractual agreement or synthetic financial product could become unable to honour its commitments to the fund, potentially creating a partial or total loss for the fund.
- **Counterparty risk / money market & deposit:** A failure of a deposit institution or an issuer of a money market instrument could create losses.
- **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 can be exposed to different currencies. Changes in foreign exchange rates could create losses.
- **Derivatives risk:** A derivative may not perform as expected, and may create losses greater than the cost of the derivative.
- **Emerging markets & frontier risk:** Emerging markets, and especially frontier markets, generally carry greater political, legal, counterparty and operational risk.
- **High yield bond risk:** High yield bonds (normally lower rated or unrated) generally carry greater market, credit and liquidity risk.
- **Interest rate risk:** A rise in interest rates generally causes bond prices to fall.
- **Leverage risk:** The fund uses derivatives for leverage, which makes it more sensitive to certain market or interest rate movements and may cause above-average volatility and risk of loss.
- **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:** Failures at service providers could lead to disruptions of fund operations or losses.
- **Capital risk / distribution policy:** The expenses of this share class are paid out of capital rather than out of investment income. Distributions may be paid out of capital when investment income is less than the distribution policy rate and/or when an interest rate premium is paid. Capital growth will be reduced and in periods of low growth capital erosion may occur.

## Holdings Analysis

Top 10 Holdings	Sector	% NAV
1. Coventry Building Society 1.875% 24/10/2023	Financial Institutions	1.5
2. Barclays 3.125% 17/01/2024	Financial Institutions	1.2
3. Morgan Stanley 3.737% 24/04/2024	Financial Institutions	1.0
4. HSBC Holdings 6.5% 20/05/2024	Financial Institutions	1.0
5. UBS Group Funding Switzerland 3.491% 23/05/2023	Financial Institutions	0.9
6. Banco de Sabadell 0.875% 05/03/2023	Financial Institutions	0.9
7. ING Groep 4.7% 22/03/2028	Financial Institutions	0.9
8. Credit Suisse 3% 27/05/2022	Financial Institutions	0.9
9. Safari Verwaltungs 5.375% 30/11/2022	Industrial	0.9
10. UBS Group Funding Switzerland 1.25% 17/04/2025	Financial Institutions	0.8
<b>Total</b>		<b>10.0</b>

# Asset Allocation (%)



Credit ratings are calculated using asset ratings from different rating agencies. The figures do not include the exposure commitment of the derivative contracts.

Source: Schroders

## Information

Schroder Investment Management (Europe) S.A.  
5, rue Höhenhof  
1736 Senningerberg  
Luxembourg  
Tel.: (352) 341 342 212  
Fax: (352) 341 342 342  
For your security, communications may be taped or monitored.

	Accumulation	Distribution
<b>SEDOL</b>	---	BD24GB3
<b>Bloomberg</b>	SCGCAAU:LX	SCGCAIU:LX
<b>Reuters</b>	LU1737068558.LUF	LU1514167136.LUF
<b>ISIN</b>	LU1737068558	LU1514167136
<b>Fund Base Currency</b>	USD	
<b>Dealing Frequency</b>	Daily (13:00 CET)	
<b>Entry Charge</b>	3.00 % of gross investment amount	
<b>Ongoing Charges (latest available)</b>	1.41 %	
<b>Minimum Investment Amount</b>	EUR 1000 or USD 1000 or their near equivalent in any other freely convertible currency. The minimum subscription amount may be waived at the Directors' discretion.	

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