



Schroder International Selection Fund Global Credit Income

A quality blend of income and capital stability

Schroder ISF* Global Credit Income (the “Fund”) aims to provide investors with repeatable income by investing flexibly and dynamically across global credit markets. The Fund also focuses on managing overall drawdown risk relative to the broader global credit market.

Three key features

1

Monthly income with a payout of 5.00% p.a.¹

2

Dynamic credit allocation across multiple regions and sectors focused on capturing best opportunities

3

Unique risk management overlay aimed to **limit drawdowns** relative to the broader global credit market

Diverse income sources

The Fund aims to generate repeatable income by investing primarily across global credit markets, and is available in multi-currency share classes.

“ We apply forward-looking investment themes in our credit research process - this enables us to identify how the world is changing and identify companies that are adapting well to change, and those that might be vulnerable

” Schroders Fixed Income team



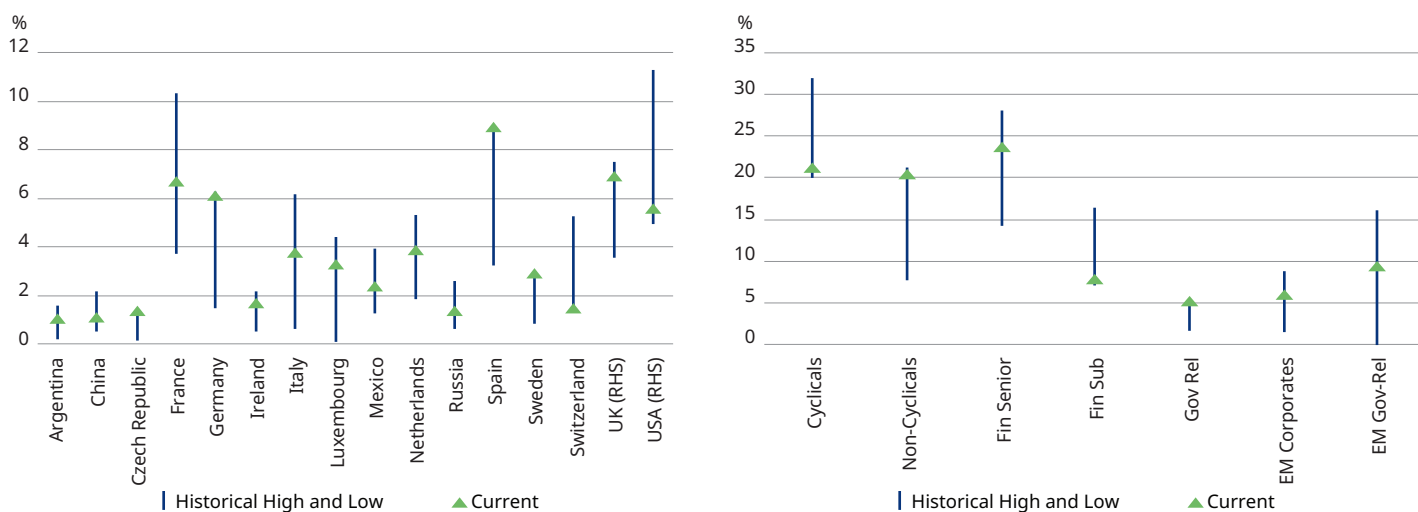
*Schroder International Selection Fund is referred to as Schroder ISF throughout this document.

¹ 5.00% yield on USD-based fund. This is a target only and is not guaranteed. In the event that the Fund's performance is less than the intended distributions, the distributions will be made from the Fund's capital. Other currency share classes have different pay-out. Internal guidelines only that are subject to change.

Dynamic credit allocation to capture best opportunities

As a benchmark-unconstrained strategy, the Fund has the freedom to source the most attractive return opportunities across the global credit market, including investment grade and high yield corporate credit, and emerging market debt. A broad investment universe also helps us diversify risk more effectively.

Dynamic allocation across countries and sectors to capture the best investment opportunities



Source: Schroders, FIA, based on unaudited data as at 30 August 2019. Market value (MV) chart will not add up to 100% as cash, forwards, futures, interest rate swaps and credit default swaps float are excluded. Countries with <1% MV/ 0.25 duration times spread have been excluded. Any references to securities, sectors, regions and/or countries are for illustrative purposes only and not a recommendation to buy/sell.

Unique risk management strategy to mitigate drawdown risk

Investors seeking income can be more sensitive to drawdowns, so we have built a process for the fund that aims to minimize drawdowns versus the broader global credit market. Traditional risk management models do not adequately factor in the risks posed by large market drawdowns which can occur during economic downturns.

Our process incorporates a number of proprietary tools with the aim of creating a globally diversified portfolio that is built to deliver lower drawdowns relative to the broader credit market.

Investment team expertise

US\$134bn

**fixed income assets
managed by Schroders**

Source: Schroders, as at 30 August 2019.

The Fund benefits from the expertise of **over 45 credit analysts** based in the major markets across the globe.

A majority of the Fund's alpha generation comes from credit selection and allocation² – a testament to the effectiveness of our established global credit platform.

Fund performance

Fund performance profile of Schroder ISF Global Credit Income USD A Dis

30 November 2016 – 30 August 2019



Total return = +10.5%, Annualised return = +4.55%, Annualised volatility = +2.00%

Source: Schroders, Bloomberg, JP Morgan and BofAML unaudited data as at 30 August 2019. The Fund adopts a benchmark unconstrained approach. Indices shown are for comparison purposes only. Index data does not include management fees. All fund performance data are on a NAV to NAV basis, net income reinvested and net of fees. *Since inception drawdown (30 November 2016) shown in place of 3-year. 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. The return may increase or decrease as a result of currency fluctuations.

Performance (%)	1 month	3 months	6 months	YTD	1 year	Since launch
Fund (USD A Dis)	1.3	3.3	6.8	9.1	7.6	16.9
Reference index	1.0	4.1	7.7	10.2	10.0	17.0

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Discrete yearly performance (%)	Q2/2018–Q2/2019	Q2/2017–Q2/2018	Q2/2016–Q2/2017	Q2/2015–Q2/2016	Q2/2014–Q2/2015
Fund (USD A Dis)	7.5	1.7	-	-	-
Reference index	9.9	0.7	-	-	-

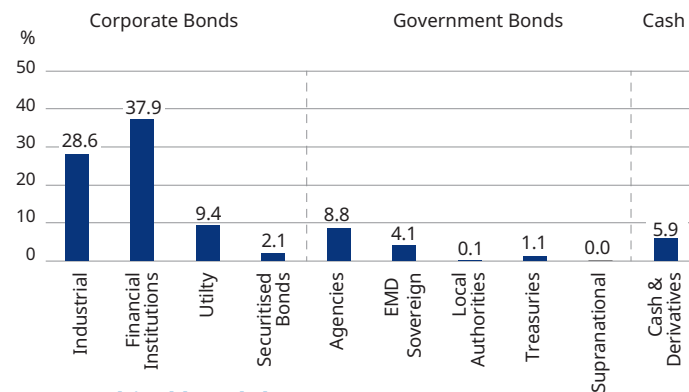
Source: Schroders as at 31 July 2019. The fund is not managed with reference to a benchmark but its performance may be measured against one or more.

Fund characteristics

Key portfolio characteristics

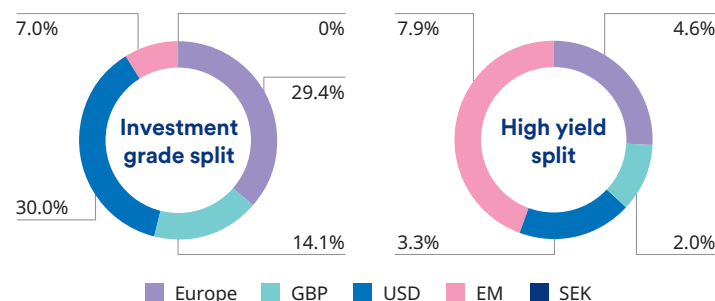
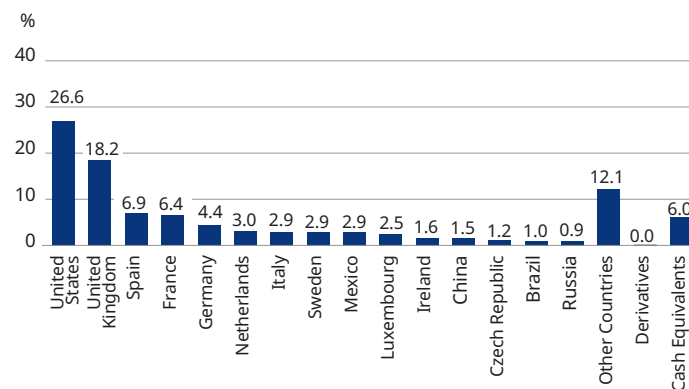
Average credit rating	BBB
Effective duration of fund	4.31 years
Effective yield	4.08%
Number of issuers ¹	718
Investment grade ²	80.5%
High yield ²	17.8%

Sector breakdown



Geographical breakdown

Diversified across over 60 countries



Source: Schroders, FIA, based on unaudited data as at 30 August 2019. ¹Fund issuer number treats each credit default swap index as a single issuer. The Fund is fully hedged to USD. ²May not sum to 100% as forwards, interest rate swap and credit default swap float are excluded. The figures do not include the exposure commitment of the derivative contracts.

Fund details

Share Class	USD A Dis	USD A Acc	AUD-H A Dis	GBP-H A Dis	EUR-H A Dis	SGD-H A Dis
Investment objective	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.					
Inception date	30 Nov 2016	15 Dec 2017	30 Nov 2016	30 Nov 2016	30 Nov 2016	30 Nov 2016
Launch price	USD100	USD110.6498	AUD140	GBP100	EUR100	SGD140
Minimum subscription amount	USD1,000 or equivalent					
Subscription method	Cash	Cash	Cash	Cash	Cash	Cash / SRS
Sales charge	Up to 3%					
Ongoing charge (%)	1.4% per annum					
Dealing frequency	Daily					
Bloomberg ticker	SCGCAIU:LX	SCGCAAU:LX	SCGAIAH:LX	SCGAIGH:LX	SCGAIEH:LX	SCGAISH:LX
ISIN code	LU1514167136	LU1737068558	LU1514168969	LU1514168530	LU1514168027	LU1514168886
Reference benchmark	Bloomberg Barclays Multiverse ex Treasury A+ to B- USD Hedged					
Fund size	USD 2.5 billion (as at 30 September 2019)					

2019 Distribution calendar USD A Dis

Record date	Payout ^{3,4}	Record date	Payout ^{3,4}	Record date	Payout ^{3,4}
30 Jan 2019	0.438%	29 May 2019	0.438%	25 Sep 2019	0.417%
27 Feb 2019	0.438%	26 Jun 2019	0.438%	30 Oct 2019	TBA
27 Mar 2019	0.438%	24 Jul 2019	0.438%	27 Nov 2019	TBA
24 Apr 2019	0.438%	28 Aug 2019	0.438%	18 Dec 2019	TBA

Historical payout^{4,5}

Year	Distributed annual yield
2017	4.50%
2018	4.50%

Risk Considerations

Mortgage or asset-backed securities may not receive in full the amounts owed to them by underlying borrowers. 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. 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. 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. A failure of a deposit institution or an issuer of a money market instrument could create losses. A decline in the financial health of an issuer could cause the value of its bonds to fall or become worthless. The fund can be exposed to different currencies. Changes in foreign exchange rates could create losses. A derivative may not perform as expected, and may create losses greater than the cost of the derivative. Emerging markets, and especially frontier markets, generally carry greater political, legal, counterparty and operational risk. High yield bonds (normally lower rated or unrated) generally carry greater market, credit and liquidity risk. A rise in interest rates generally causes bond prices to fall. 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. 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. Failures at service providers could lead to disruptions of fund operations or losses.

Payout (%) x NAV on record date = Distribution per unit, Quantum of payout = Distribution per unit x No. of units.

³ Payout rate show is set on an annual basis based on the market environment. For more information on the composition of distribution payments, please refer to www.schroders.com.sg/distributioninformation.

⁴ Distributions of Schroder ISF Global Credit Income (the "Fund") will be declared on a monthly basis. The distributions are not guaranteed and will be reviewed annually. In the event of income and realised gains being less than the intended distribution, distributions will be made from capital. Investors should be aware that the distributions may exceed the income and realised gains of each fund at times and lead to a reduction of the amount originally invested depending on the date of initial investment..

