Marketing material
for professional investors and advisers only

In focus

Are fundamentals turning more positive for emerging market assets?

July 2021

The impact of the Covid-19 pandemic in many of the more vulnerable developing countries has been shocking. Vaccines are supporting the outlook for a transition out of the crisis, but the prospects for a straight line recovery are slim and the path will vary greatly by economy.

The macroeconomic impact has also been profound, and has exacerbated existing frailties in a number of emerging markets. However, amidst of all this uncertainty, we believe there might be some unexpected opportunities for these economies to emerge stronger from the pandemic. For investors, these developments perhaps warrant a fresh assessment of the challenges and opportunities that emerging markets offer.

Kristjan Mee
Strategist, Strategic Research Unit

As we show, many of the long term headwinds have, at least for now, lessened. Private savings have increased during the pandemic, global trade is rebounding and commodity prices have picked up. The question is whether these improvements are sustainable. Issues such as low-savings rates and weak public finances remain unresolved in some economies and further reforms are needed.

The last decade has been challenging for emerging markets (EM), to say the least. EM equites have persistently underperformed developed market (DM) equities, giving up most of the outperformance of the early 2000s (Figure 1). On the debt side, EM local currency government bonds have delivered close to zero total return for international investors since 2011 (Figure 2, overleaf).

Granted, depreciating EM currencies have played a big part in shaping these returns. For example, since June 2011, Brazil's equity market has appreciated 158% in local currency terms but has lost 20% in US dollars[1]. The same applies for EM local currency bonds, which have seen strong returns cancelled out by the losses on the currency side.

The upside of this disappointing performance is that valuations of EM assets have improved. Consequently, investors are wondering whether the tide is finally turning for EM, or if the relative cheapness is just a mirage. In order to answer this question, we need to first understand the drivers behind the lacklustre EM performance, and whether any of the headwinds are showing signs of dissipating.

Figure 1: EM equities have persistently underperformed DM equities over the last decade

MSCI EM Index/MSCI World Index total return in $ (rebased to 100)

Past performance is not a guide to future performance and may not be repeated.
Source: Refinitiv Datastream, MSCI. Data as at 30 June 2021.

[1] **Past performance is not a guide to future performance and may not be repeated.**
Source: Refinitiv Datastream. Data as at 30 June 2021. Returns of the MSCI Brazil Index.

Schroders

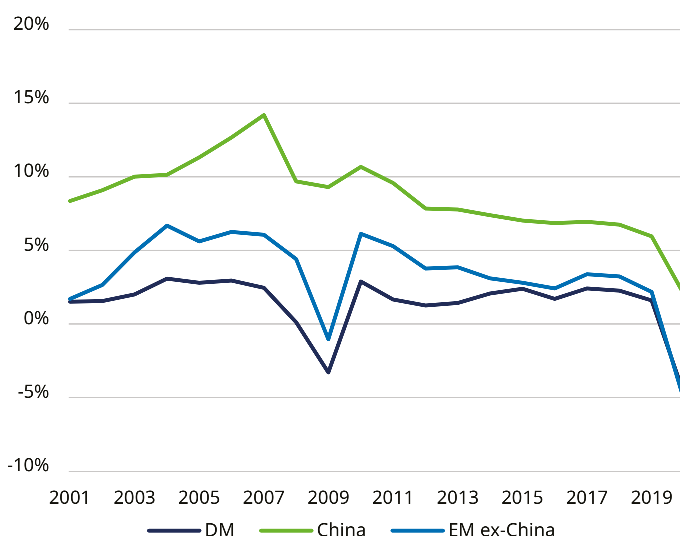
Figure 2: EM local currency bonds have delivered close to zero total return since 2011

JPM GBI-EM Global Diversified Index total return in $

Past performance is not a guide to future performance and may not be repeated.
Source: Refinitiv Datastream, MSCI. Data as at 30 June 2021.

Figure 3: EM ex-China growth advantage has disappeared in recent years

Annual change in real GDP



Source: Oxford Economics. Data as at 31 December 2020.

A lost decade in some EM countries

Traditionally, one of the key premises of EM investing has been that the faster economic growth in developing countries would sooner or later be reflected in asset prices.

There are a number of reasons why the link between GDP and earnings growth is tenuous at best. But even so, EM outperformance in the first decade of this century was associated with the developing world, especially China, far outgrowing the developed world (Figure 3).

The global financial crisis hurt EM but most countries managed to rebound quickly, aided by the unprecedented fiscal stimulus in China. However, the EM/DM growth gap started to shrink in 2011 and by 2015, it had disappeared completely for the ex-China group of countries.

While most EM countries have continued to grow, albeit at a slower pace, some have faced significant headwinds. For example, Brazil, Russia and South Africa have not see any growth for the best part of the last decade (Figure 4). Importantly, the collapse in commodity prices, which started in 2014 and continued intermittently until the Covid-19 pandemic, has been a major drag on economic activity in commodity-exporting countries.

The poor performance of EM assets, especially on the equity side, could thus be explained by disappointing EM growth over the last decade. The environment has just not been conducive for companies to grow their earnings.

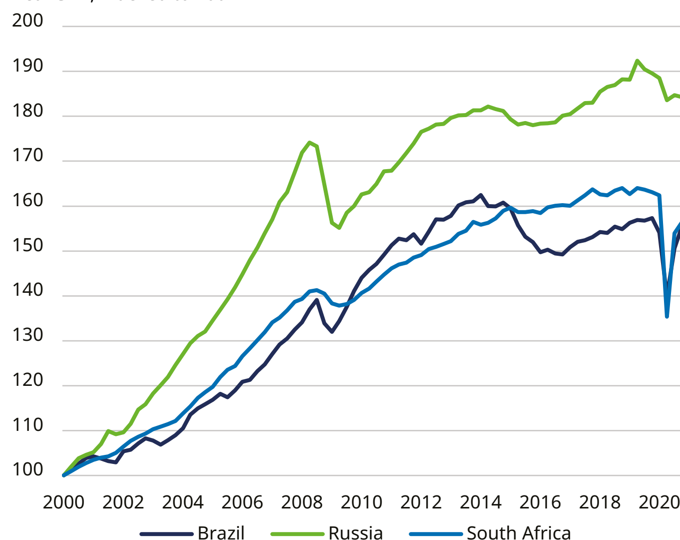
However, the lack of growth cannot fully explain the significant weakness in EM currencies, which have depreciated by up to 80% in nominal terms. Japan has seen little growth over the last two decades, yet the yen has not fallen drastically.

The relationship between savings and investments

Why have a number EM countries struggled? And crucially, why have the currencies of these countries depreciated to this extent? To answer these questions, we need to take a step back and briefly look at the structural drivers of economic growth.

Figure 4: Some EM countries have stagnated for the best part of the last decade

Real GDP, indexed to 100



Source: Oxford Economics. Data as at 31 December 2020.

As we wrote in 2018, the key determinant of whether a developing country can converge towards the income levels of developed countries is its ability to accumulate savings over time. This is because by definition, a less developed country lacks a capital base for investments. So to converge, it must have a source of capital.

In a closed economy, savings must match investments, meaning that a portion of income has to be saved to enable investments. In reality, most countries have open economies, so they can “import” savings from abroad, or “export” any excess savings.

In fact, this is what determines if a country has a current account surplus or a deficit. Countries with savings less than investments will run a current account deficit, whereas countries with savings exceeding investments will have a current account surplus.

Figure 5 shows the savings and investment rates as a percentage of GDP of 20 major EM economies. It is clear that there is a wide dispersion in EM.

Countries with insufficient savings

The optimal level of savings depends on a number of factors and varies from country to country. A rule of thumb is that a developing county should have a savings rate of at least 25% of GDP to have sufficient funds for investments. However, the savings rates of many of EM countries have been well below that level.

For example in 2019, before the Covid-19 pandemic, Brazil had a savings rate of only 13%. Other EM countries, such as South Africa, Romania, Colombia, Chile, Mexico and Peru have been also plagued by too low savings.

The lack of savings means that these countries have not had enough capital to invest for growth. Consequently, low investment rates have inhibited the ability of the supply side of the economy to keep up with demand. This has led to structurally low real GDP growth, high inflation, and increasing levels of government debt.

In order to plug the gap between savings and investments, these countries have had to run current account deficits, making them reliant on foreign capital inflows (Figure 6).

Now, borrowing from abroad is not negative in itself. In fact, it can be beneficial if the funds are used for productive investments that build up the supply side of the economy and reduce long-term demand for imports. However, in a lot of cases, the borrowed funds have been used for consumption or low-productivity investments.

For a while, foreign investors were happy to plug the gap between savings and investments. But as EM growth started to falter in 2013 and the Federal Reserve (Fed) signalled the end of extremely loose monetary policy, foreign capital inflows dried up and soon turned into outflows.

This induced currency volatility, added to inflationary pressure and forced EM central banks to hike interest rates to defend currencies, weighing on the already weak growth.

As a result, the economies as well as the currencies of the low-savings countries have been under consistent pressure. Normally, a weaker currency should lead to a smaller current account deficit and higher savings, either through lower imports or higher exports. However, this adjustment mechanism did not fully work for a number of reasons.

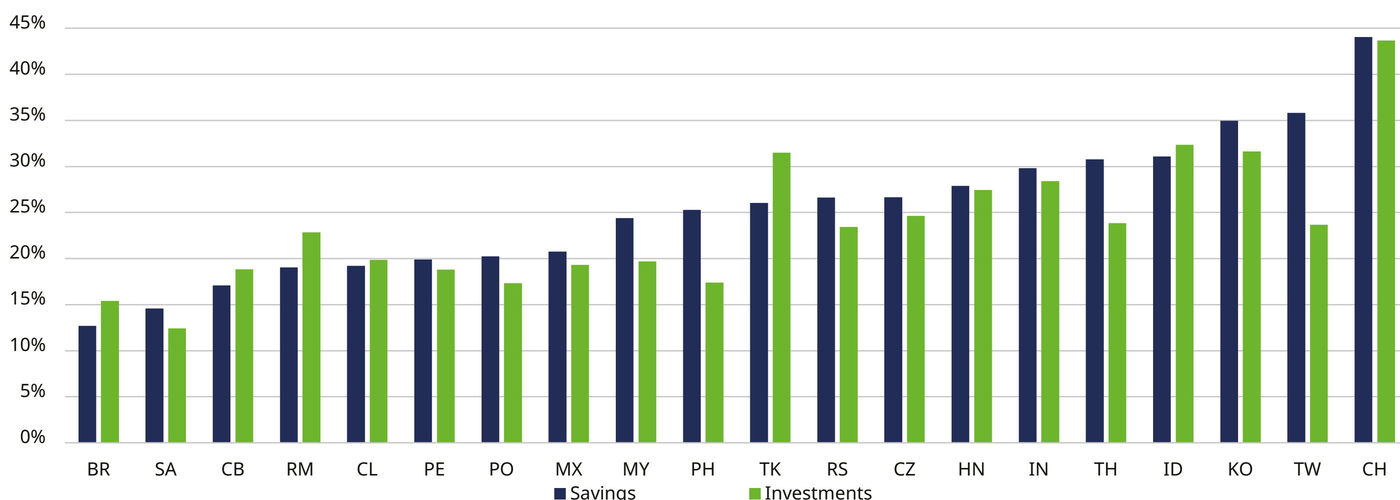
Figure 6: Average EM current account balance

Source: Refinitiv Datastream. Data as at Q1 2021. 17 major EM markets excluding China, Taiwan and South Korea.

The cases of too high savings

Interestingly, at the other end of the spectrum, there are few EM economies that can be characterised as saving too much. A prime example is Taiwan, which in 2020 had a savings rate of 40% of GDP (Figure 7, overleaf). With investments at only 24% of GDP, Taiwan had a huge 16% current account surplus.

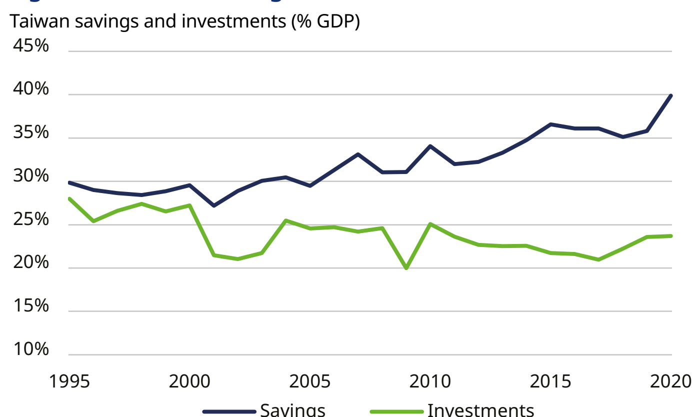
Figure 5: Low savings rates have weighed on investments in large parts of EM



Source: The IMF. Data as at 31 December 2019.

Figure 7: Taiwan's savings rate is well ahead of investment

Taiwan savings and investments (% GDP)



Source: The IMF. Data as at 31 December 2020.

A similar, although less drastic mismatch between saving and investment is evident in China and South Korea. China's excessive savings, due to insufficient social spending, and South Korea's restrictive fiscal policy are issues that have been at the forefront of discussions on global economic imbalances.

Compared to the economies with low-savings rates, the currencies of the high-savings markets have been more resilient. In fact, the central banks have actively fought against the currency appreciation, rising concerns of currency manipulation and possible undervaluation of currencies.

The impact of the Covid-19 pandemic

The ongoing Covid-19 pandemic has hit EM hard, both in terms of loss of life and livelihood and economic damage. In fact, the EM/DM growth differential (ex-China) turned negative in 2020 for the first time in more than 20 years (see Figure 4).

The initial policy response to the disruption was similar to the measures taken in the developed world. Governments increased spending to counter the loss of income from lockdowns. Granted, the size of response varied greatly and was on average less in EM than in DM.

The cost of these measures has been that government debt, as a percentage of GDP, has increased significantly in most cases. In addition, EM central banks took unprecedented steps, cutting interest rates despite depreciating currencies, as well as purchasing government bonds.

A silver lining: higher private savings

The challenging starting point, coupled with the damage caused by the pandemic, would paint a rather bleak picture for a number of EM economies. However, a silver lining could be that private savings, in most cases, have increased by even more than government deficits. This is the case because EM current accounts, reflecting the aggregate balance between savings and investments, have improved significantly since the beginning of the pandemic.

For example, South Africa's current account was in surplus in 2020 for the first time since 2003. And only Romania, Turkey and Colombia had significant current account deficits in 2020 (Figure 8).

The increase in private savings is a phenomenon that has been observed globally, as lockdowns reduced consumer spending options and disrupted investments.

Looking at South Africa (Figure 9, overleaf), the private sector net savings rate, calculated as private savings minus private investments, increased to 14% of GDP in 2020, the highest since at least 2000. Some of this is likely to reverse once the restrictions are eased and consumption and investment picks up. That being said, the increase in private savings has been a longer-term trend, which got underway in 2013 in South Africa.

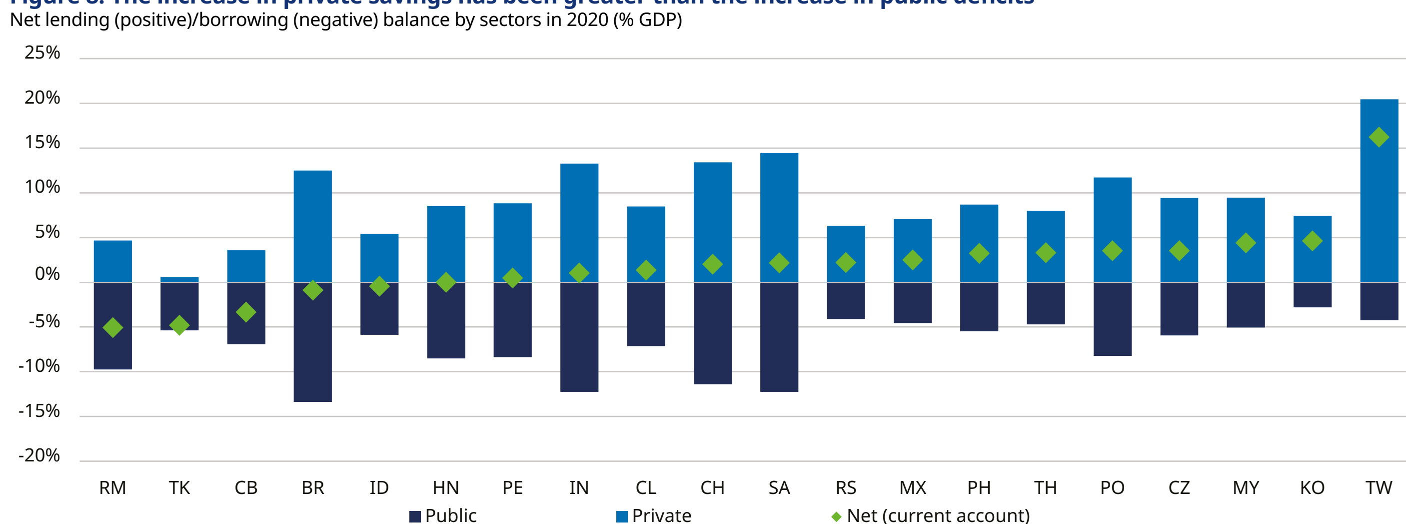
It could be that after years of saving too little, the private sector has started to adjust in EM, with the disruption caused by Covid-19 providing further impetus. While it is too early to tell if this really is the case, the first result of this shift has been that the new government bond issuance has been funded almost exclusively by domestic investors, rather than foreigners.

With the debt to GDP ratios inching higher, a shift towards domestically funded government deficit is crucial. After all, the reason that Japan has been able to comfortably maintain a debt to GDP ratio of more than 200% is because the debt is by and large owned by domestic investors.

Looking ahead, a permanently higher private sector savings rate would be a long-term positive for growth, since it would allow more investments and could eventually lead to higher productivity growth. This kind of "virtuous cycle" could take years to play out and is far from certain. Still, the recent increase in savings and the corresponding shift in current account balances could at least put an end to the precipitous currency weakness that has weighed on EM assets over the last decade.

Figure 8: The increase in private savings has been greater than the increase in public deficits

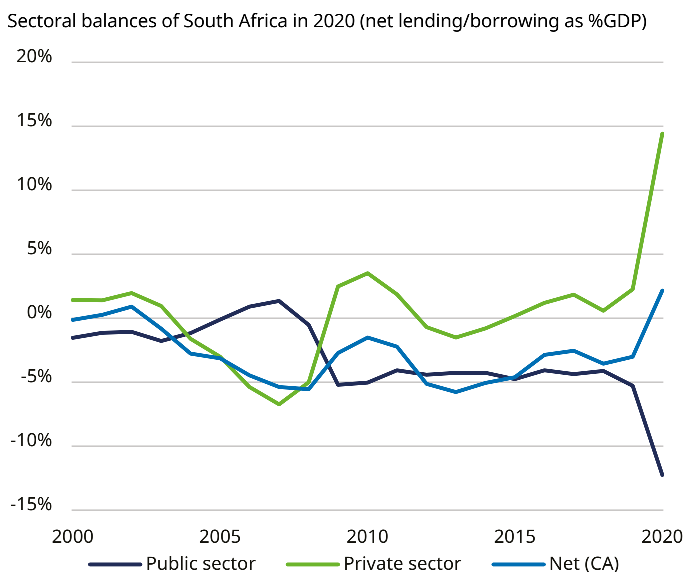
Net lending (positive)/borrowing (negative) balance by sectors in 2020 (% GDP)



Source: The IMF. Data as at 7 April 2021.

Figure 9: The sharp increase in budget deficit has been matched by even a greater increase in private savings

Sectoral balances of South Africa in 2020 (net lending/borrowing as %GDP)



Source: The IMF. Data as at 7 April 2021.

Figure 10: Commodity prices have moved sharply higher

Bloomberg Spot Commodity Index

Past performance is not a guide to future performance and may not be repeated.
Source: Refinitiv Datastream. Data as at 30 June 2021.

A new commodities super cycle?

The second fundamental driver that has turned more positive for EM in the Covid-19 pandemic is commodity prices. Figure 10 shows that the Bloomberg Spot Commodity Index, a broad commodity index, has increased by 72% since March 2020, standing at its highest level since 2011. Is this just a blip, caused by supply chain disruptions, or are commodity prices likely to continue to move higher? There are a number of reasons to believe that this could be the beginning of a new commodities super-cycle.

Most importantly, investment in new supply has been limited over the last decade, as low prices have deterred producers from taking on new projects. At the same time, the demand for commodities, especially those associated with global energy transition, is likely to increase substantially over the next decade.

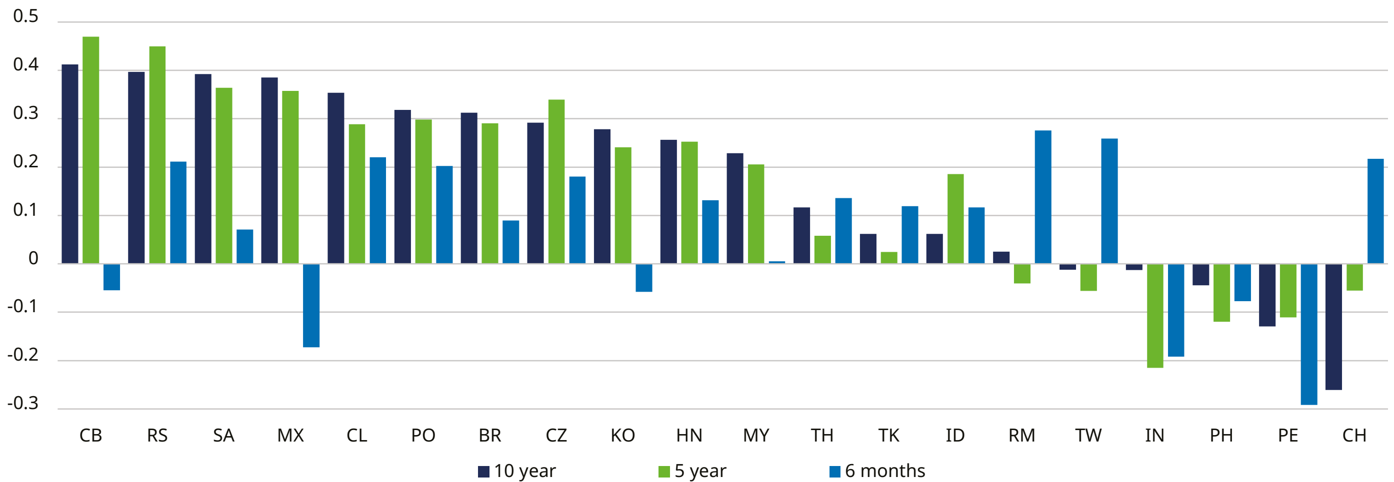
The significant underinvestment means that it is not possible to quickly ramp up the supply to match increasing demand, given the long lead times of projects. Hence, prices might have to increase for supply and demand to reach equilibrium.

Should the upward trend in commodity prices continue, what would it mean for EM? For commodity exporting countries, this would be a clear tailwind, boosting companies' profits and broader economic growth.

However, the most imminent consequence of higher prices is a positive terms of trade shock. The terms of trade is the ratio of export and import prices. A rising ratio indicates that a country's export prices are rising faster (or falling slower) than its import prices. All other things equal, a positive terms of trade shock should lead to an improvement in the current account balance and result in currency appreciation.

Of course, not all EM countries are commodity exporters. For example, Turkey and India are major oil importers, meaning that a higher oil price would be a headwind.

Figure 11: EM real effective exchange rate correlation with commodity prices



Past performance is not a guide to future performance and may not be repeated.
Source: Refinitiv Datastream. Data as at 10 June 2021. Weekly returns.

Figure 11 shows the correlation between commodity prices and EM real effective exchange rates (REER)[2]. Historically, the economies with the strongest correlation have been Colombia, Russia and South Africa. At the other end of the scale, China, India and Taiwan have, unsurprisingly, had a zero to slightly negative correlation between commodity prices and currencies.

However, looking at just the last 6 months, the correlation between commodity prices and currencies has been much weaker. The situation around the Covid-19 pandemic and the political turbulence in a number of countries has likely distorted the relationship, overshadowing the positive effect of higher commodity prices.

To illustrate this, Figure 12 shows Brazil's terms of trade and the REER. While the relationship between the two is far from perfect, they have generally moved in tune, except for the last year when the correlation completely broke down. This would indicate that the Brazilian real is undervalued.

In sum, higher commodity prices are crucial for many EM countries that have struggled over the last decade, especially in Latin America.

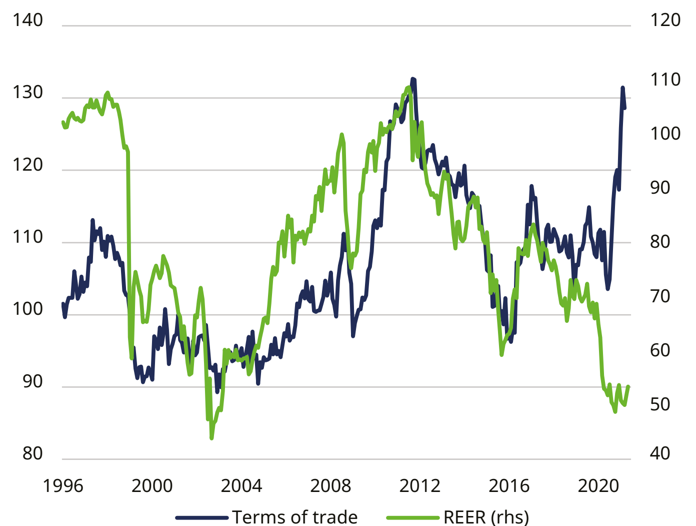
Strong global trade growth is boosting EM exports

Despite the significant impact of the Covid-19 pandemic on the global economy, global trade has weathered the storm surprisingly well. Global export volumes, after dropping sharply in the early stages of the pandemic, have rebounded swiftly and are now well above the pre-pandemic level (Figure 13).

Clearly, the unprecedented fiscal stimulus measures in many countries have boosted demand for various goods. This is especially so in the US where the stimulus cheques directly supplemented consumer income.

Since a number EM countries, both low and high-saving ones, are heavily dependent on exports, global trade growth is a critical factor. The latest data show that the exports of countries such as Mexico or South Africa have recovered fast, even as the local economies remain well below the pre-Covid levels.

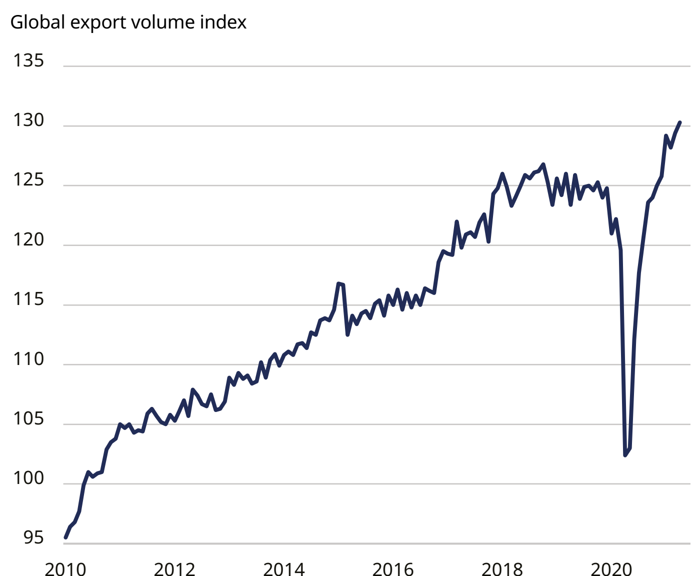
Figure 12: Brazil terms of trade index vs the real effective exchange rate



Source: Refinitiv Datastream. Data as at 30 June 2021.

Figure 13: Global trade has risen swiftly above the pre-pandemic level

Global export volume index



Source: CPB, Refinitiv Datastream. Data as at April 2021.

[2]The real effective exchange rate is the value of a currency against a basket of other currencies, adjusted for changes in consumer prices.

Higher inflation poses a danger in the near term

Besides these positive factors, the fast recovery from the pandemic does pose some risks for EM. Most importantly, inflation, especially food inflation, has started to pick up in a number of countries. Since food is a much larger part of the CPI basket in EM than in DM, it has a greater impact on overall inflation.

Fortunately, EM central banks, seemingly appreciating the dangers of higher inflation, have started to hike interest rates or have indicated a willingness to do so. Figure 14 shows that the average yield advantage of EM currencies over the dollar, implied by the prices of 1-year currency forwards, has increased by almost 1% since the beginning of the year.

The pre-emptive actions of central banks, coupled with the current account surpluses in most countries, mean that the ability of EM to withstand a reduction in the Fed's asset purchase is much greater now than in 2013.

Figure 14: Expected EM rate hikes are increasing EM interest rate advantage

Implied yield vs the US dollar priced in by the 1-year FX forwards.

Source: Refinitiv Datastream. Based on 20 major EM countries. Data as at 18 June 2021.

Conclusion

Emerging markets have faced some significant headwinds over the last decade. However, with the increase in private savings, higher commodity prices and strong global trade growth, EM fundamentals are perhaps in a slightly better shape than many feared at the onset of the global pandemic.

While the long-term growth prospects remain subdued due to years of insufficient investment, improving fundamentals could at least put a temporary stop to the precipitous currency weakness that has weighed on EM assets. The big question is whether these improvements can be sustained.

Crucially, for the low-savings countries to fully realise their potential, structural reforms are needed to improve public finances and the make-up of economies. The onus is on these countries to take the necessary steps.

For investors, the changes brought by the Covid-19 pandemic could at least warrant a fresh look at emerging markets. Some of the structural headwinds, while perhaps not abated, have at least lessened. In the follow-up papers we will look at EM cross asset valuations to uncover the potential opportunities that may lie in EM.

Important information

Marketing material for professional clients only. Investment involves risk.

This material is for professional investors or advisers only. It is not to be provided to retail clients. Investment involves risk.

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.

Reliance should not be placed on any views or information in the material when taking individual investment and/or strategic decisions.

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.

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.

Insofar as liability under relevant laws cannot be excluded, no Schroders entity accepts any liability for any error or omission in this material or for any resulting loss or damage (whether direct, indirect, consequential or otherwise).

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.

This material has not been reviewed by any regulator.

Not all strategies are available in all jurisdictions.

Schroders may record and monitor telephone calls for security, training and compliance purposes.

For readers/viewers in Argentina: Schroder Investment Management S.A., Ing. Enrique Butty 220, Piso 12, C1001AFB - Buenos Aires, Argentina. Registered/Company Number 15. Registered as Distributor of Investment Funds with the CNV (Comisión Nacional de Valores). Nota para los lectores en Argentina: Schroder Investment Management S.A., Ing. Enrique. Butty 220, Piso 12, C1001AFB - Buenos Aires, Argentina. Inscripto en el Registro de Agentes de Colocación y Distribución de PIC de FCI de la Comisión Nacional de Valores con el número 15.

For readers/viewers in Brazil: Schroder Investment Management Brasil Ltda., Rua Joaquim Floriano, 100 – cj. 142 Itaim Bibi, São Paulo, 04534-000 Brasil. Registered/Company Number 92.886.662/0001-29. Authorised as an asset manager by the Securities and Exchange Commission of Brazil/Comissão de Valores Mobiliários ("CVM") according to the Declaratory Act number 6816. This document is intended for professional investors only as defined by the CVM rules which can be accessed from their website www.cvm.gov.br.

For readers/viewers in Switzerland: For professional clients and qualified investors only, where appropriate. Issued by Schroder Investment Management (Switzerland) AG, Central 2, CH-8001 Zürich, Postfach 1820, CH-8021 Zürich, Switzerland. Enterprise identification number (UID) CHE-101.447.114. Authorised and regulated by the Swiss Financial Market Supervisory Authority (FINMA).

For readers/viewers in the European Union/European Economic Area: 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. Issued by Schroder Investment Management (Europe) S.A., 5, rue Höhenhof, L-1736 Senningerberg, Luxembourg. Registered No. B 37.799.

For readers/viewers in the People's Republic of China: Issued by Schroder Investment Management (Shanghai) Co., Ltd. Unit 33T52A, 33F Shanghai World Financial Center, 100 Century Avenue, Pudong New Area, Shanghai, China, AMAC registration NO. P1066560. Regulated by Asset Management Association of China ("AMAC") This material has not been reviewed by the AMAC.

For readers/viewers in the United Arab Emirates: Schroder Investment Management Limited, located in Office 506, Level 5, Precinct Building 5, Dubai International Financial Centre, PO Box 506612 Dubai, United Arab Emirates. Regulated by the Dubai Financial Services Authority. This document is not subject to any form of approval by the DFSA. Accordingly, the DFSA has not approved any associated documents nor taken any steps to verify the information and has no responsibility for it. This document is intended to be for information purposes only and it is not intended as promotional material in any respect. This document is intended for professional investors only as defined by the DFSA rules which can be accessed from their website www.dfsa.ae.

For readers/viewers in the United Kingdom: 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. Issued by Schroder Investment Management Limited, 1 London Wall Place, London EC2Y 5AU. Registered Number 1893220 England. Authorised and regulated by the Financial Conduct Authority.

Note to readers/viewers in Australia: Issued by Schroder Investment Management Australia Limited Level 20, Angel Place, 123 Pitt Street, Sydney NSW 2000 Australia ABN 22 000 443 274, AFSL 226473. It is intended for professional investors and financial advisers only and is not suitable for retail clients.

Note to readers/viewers in Hong Kong S.A.R.: This document is intended to be for information purposes only and it is not intended as promotional material in any respect. This document is intended for professional investors only as defined by Securities and Futures Ordinance ("SFO") (and any rules made thereunder) or as otherwise permitted under the Hong Kong laws. Issued by Schroder Investment Management (Hong Kong) Limited. Level 33, Two Pacific Place, 88 Queensway, Hong Kong. This material has not been reviewed by the Securities and Futures Commission of Hong Kong.

Note to readers/viewers in Indonesia: This document is intended to be for information purposes only and it is not intended as promotional material in any respect. This document is intended for professional investors only as defined by the Indonesian Financial Services Authority ("OJK"). Issued by PT Schroder Investment Management Indonesia Indonesia Stock Exchange Building Tower 1, 30th Floor, Jalan Jend. Sudirman Kav 52-53 Jakarta 12190 Indonesia PT Schroder Investment Management Indonesia is licensed as an Investment Manager and regulated by the OJK. This material has not been reviewed by the OJK.

For readers/viewers in Israel: Note regarding the Marketing material for Qualified Clients or Sophisticated Investors only. This communication has been prepared by certain personnel of Schroder Investment Management (Europe) S.A (Registered No. B 37.799) or its subsidiaries or affiliates (collectively, "SIM"). Such personnel are not licensed by the Israeli Securities Authority. Such personnel may provide investment marketing, to the extent permitted and in

accordance with the Regulation of Investment Advice, Investment Marketing and Investment Portfolio Management Law, 1995 (the "Investment Advice Law"). This communication is directed at persons (i) who are Sophisticated Investors (ii) Qualified Clients ("Lakoach Kashir") as such term is defined in the Investment Advice Law; and (iii) other persons to whom it may otherwise lawfully be communicated. No other person should act on the contents or access the products or transactions discussed in this communication. In particular, this communication is not intended for retail clients and SIM will not make such products or transactions available to retail clients.

Note to readers/viewers in Japan: Issued by Schroder Investment Management (Japan) Limited 21st Floor, Marunouchi Trust Tower Main, 1-8-3 Marunouchi, Chiyoda-Ku, Tokyo 100-0005, Japan Registered as a Financial Instruments Business Operator regulated by the Financial Services Agency of Japan ("FSA"). Kanto Local Finance Bureau (FIBO) No. 90 This material has not been reviewed by the FSA.

Note to readers/viewers in Malaysia: This document has not been approved by the Securities Commission Malaysia which takes no responsibility for its contents. No offer to the public to purchase any fund will be made in Malaysia and this presentation is intended to be read for information only and must not be passed to, issued to, or shown to the public generally. Schroder Investment Management (Singapore) Ltd does not have any intention to solicit you for any investment or subscription in any fund and any such solicitation or marketing will be made by an entity permitted by applicable laws and regulations.

Note to readers/viewers in Singapore: This document is intended to be for information purposes only and it is not intended as promotional material in any respect. This document is intended for professional investors only as defined by Securities and Futures Act to mean for Accredited and or Institutional Clients only, where appropriate. Issued by Schroder Investment Management (Singapore) Ltd (Co. Reg. No. 199201080H) 138 Market Street #23-01 CapitaGreen, Singapore 048946. This document has not been reviewed by the Monetary Authority of Singapore.

Note to readers/viewers in South Korea: Issued by Schroders Korea Limitedn26th Floor, 136, Sejong-daero, (Taepyeongno 1-ga, Seoul Finance Center), Jung-gu, Seoul 100-768, South Korea . Registered and regulated by Financial Supervisory Service of Korea ("FSS")This material has not been reviewed by the FSS.

Note to readers/viewers in Taiwan: Issued by Schroder Investment Management (Taiwan) Limited 9F., No. 108, Sec. 5, Xinyi Road, Xinyi District, Taipei 11047, Taiwan. Tel +886 2 2722-1868 Schroder Investment Management (Taiwan) Limited is independently operated. This material has not been reviewed by the regulators.

Note to readers/viewers in Thailand: This document has not been approved by the Securities and Exchange Commission which takes no responsibility for its contents. No offer to the public to purchase any fund will be made in Thailand and this presentation is intended to be read for information only for professional investors as defined by regulations and it is not intended as promotion material in any respect. It must not be passed to, issued to, or shown to the public generally. Schroder Investment Management (Singapore) Ltd does not have any intention to solicit you for any investment or subscription in any fund and any such solicitation or marketing will be made by an entity permitted by applicable laws and regulations.

601828