

Marketing material

# A guide to Schroder Investment Solutions

Your investment partner



Schroders





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# Introduction

**Extensive experience and a broad range of specialist skills are required to manage investment portfolios successfully. To navigate today’s challenging markets many high quality financial advisers focus purely on the financial planning aspects of their roles and appoint a trusted investment manager to make investment decisions on their behalf.**

Schroder Investment Solutions have been designed to help your financial adviser put your needs front and centre so that your investments reflect your objectives, risk appetite and personal views on the world.

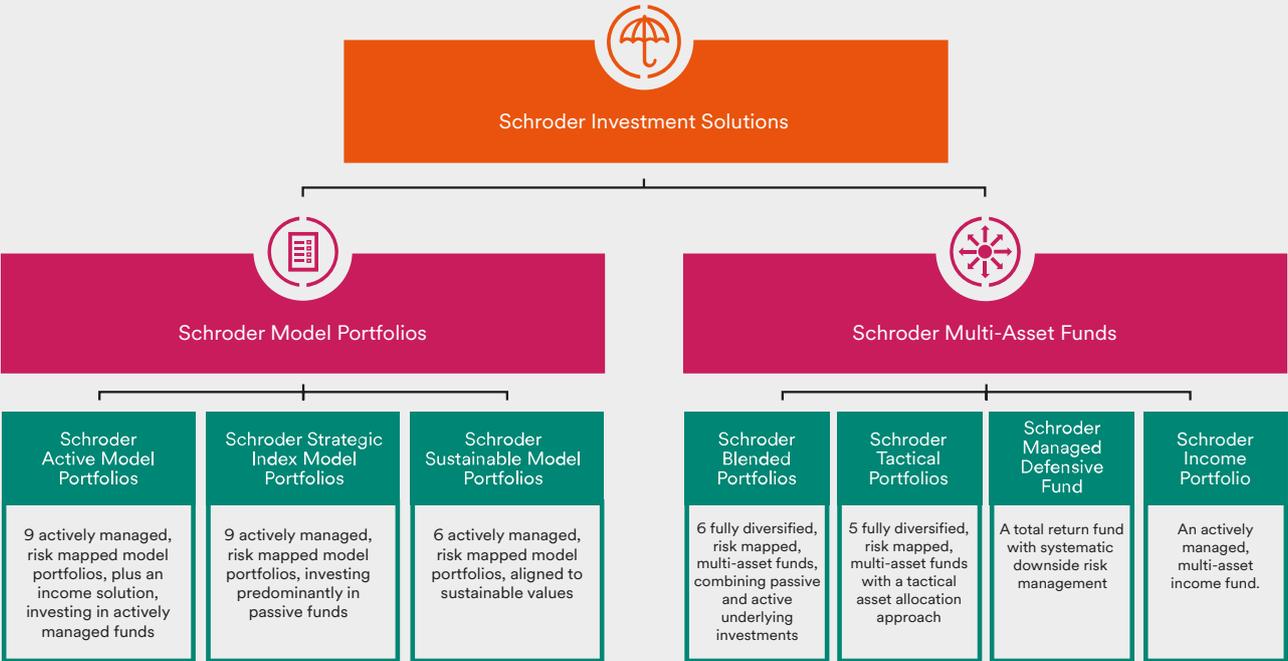
At Schroders, we offer an extensive suite of model portfolios and multi-asset funds that can help you to achieve your individual financial goals. These provide a choice of approaches covering active, a blend of active and passive, income and sustainable investment options.

Each solution focuses on delivering strong outcomes, leveraging Schroders' proven investment expertise. Your financial adviser will help you decide which of these might be the right one for you.

When it comes to investing, your goals and attitude to risk are as individual as you are, so a “one size fits all” approach won’t do. Your financial adviser will work closely with you to understand what you are aiming to achieve and how much risk you are comfortable with taking. Together, these will determine your “risk profile” and this will form the foundation of your investment portfolio. A portfolio with the lowest risk level does not mean a risk-free investment.

This guide provides you with further details on each solution. Should you need any further information please contact your adviser.

## Our investment solutions range





## Leveraging the best of Schroders

**As a global asset and wealth manager, Schroders delivers a broad range of investments designed to meet the diverse needs of our investors.**

For over 200 years we have built principled partnerships with our clients, putting them at the centre of everything we do. They trust us to deliver sustainable returns through times of economic prosperity and of uncertainty.

We are a global business, managed locally. Our international presence supports us in understanding the needs of our clients and delivering them the right expertise from across the business.

As an active investment manager we believe that we have an important role to play in driving better outcomes for our clients and society as a whole. We bring together people and data to identify the trends that will shape the prosperity of individuals, businesses and future generations.

**To deliver Schroder Investment Solutions we bring together specialist resources from across the Schroders Group:**

 <p>Schroder Investment Solutions</p>	<p>Schroder Investment Solutions, led by Chief Investment Officer Alex Funk, manages over £4.5 billion (as at 29 October 2021) across a range of diversified investment solutions. These are run on a discretionary basis on behalf of clients.</p>
 <p>Schroders Multi-Asset Team</p>	<p>The global team of 100+ multi-asset specialists, look at markets from every angle. They provide our solutions with our Strategic Asset Allocation (SAA).</p>
 <p>Schroders Economics Team</p>	<p>The Economics Team have a combined experience of nearly 100 years. Their long-term market views are integral to our SAA.</p>
 <p>Schroders Sustainable Investment Team</p>	<p>A dedicated team of 20+ sustainable investing specialists who provide analysis, tools and research for our solutions.</p>



# Supporting you and your adviser on your investment journey

We are committed to supporting the investment conversations that you have with your adviser.

We offer product brochures, interactive monthly factsheets and informative quarterly reporting where the latter incorporate our latest market views and reasons for changes within portfolios. For the Schroder Sustainable Model Portfolios, we offer a dedicated report that shows in monetary terms the impact that your investments are having and how these are aligned with the United Nations Sustainable Development Goals (SDGs).





## The importance of diversification

**It is impossible to predict which market is going to produce the strongest return year after year.**

The table opposite shows the varying level of market returns, on a calendar year basis, since 2016. The best performing asset class in any one calendar year (at the top) can potentially deliver the worst returns in the following year (at the bottom).

Spreading investments across a range of markets helps avoid 'putting all your eggs in one basket' and gives you a better chance of achieving more consistent returns.

The blend of assets in your portfolio is likely to be the dominant influence on your long-term returns. It is important to spread your investments across a variety of markets which can help to reduce risk. Ideally, these assets should perform differently to each other over time.

### **We build portfolios that take account of long-term views of asset classes**

Extensive asset class research forms the base of our investment philosophy.

The allocation between asset classes can be one of the largest drivers of investment returns and an optimal Strategic Asset Allocation (SAA), which determines the best mix of assets to hold for the long term, can help maximise return for each level of risk.

The risk framework of each solution is constructed by our Investment Committee. The SAA incorporates assumptions from our Economics team about the likely long-term behaviour of markets. These incorporate the potential impact of climate change. The SAA is reviewed annually to ensure that it remains fit for purpose and small adjustments are made if needed.

### **Ensuring portfolios remain in-line with client requirements**

The Schroder Investment Solutions Investment Committee is responsible for ensuring that portfolios remain on track with the expectations for each model. Each portfolio is reviewed on a quarterly basis to confirm that the underlying funds are performing their role within the portfolio and continue to complement each other.

We rebalance portfolios quarterly to remove the risk of investment or market drift and ensure that they stay mapped to the appropriate strategic asset allocation framework. We can also make changes at other times should market conditions dictate.

## Asset class performance (£)

2016	2017	2018	2019	2020
US Equities 33.1	Asia Ex Japan Equities 29.4	Global High Yield Bonds 13.1	US Equities 25.7	Asia Ex Japan Equities 21.2
Commodities 32.8	EM Equities 25.4	Global Property 1.2	Europe ex UK Equities 20.0	US Equities 16.2
EM Equities 32.6	Europe ex UK Equities 15.8	Global Treasury Bonds 1.1	UK Equities 19.2	EM Equities 14.7
Global High Yield Bonds 27.9	Japanese Equities 15.6	UK Gilts 0.6	Global Property 18.3	UK Index-linked Gilts 11.0
Asia Ex Japan Equities 25.8	UK Equities 13.1	US Equities 0.1	Japanese Equities 14.6	Japanese Equities 9.5
Global Property 25.2	US Equities 10.4	UK Index-linked Gilts -0.3	EM Equities 13.9	UK Corporate Bonds 9.1
UK Index-linked Gilts 24.3	UK Corporate Bonds 4.9	UK Corporate Bonds -2.2	Asia Ex Japan Equities 13.6	UK Gilts 8.3
Japanese Equities 23.4	Global Corporate Bonds 4.6	Global Corporate Bonds -2.7	Commodities 13.1	Europe ex UK Equities 7.5
Europe ex UK Equities 18.6	UK Index-linked Gilts 2.3	Japanese Equities -8.4	UK Corporate Bonds 11.0	Global Corporate Bonds 7.2
UK Equities 16.8	UK Gilts 1.8	Commodities -8.5	Global Corporate Bonds 10.6	Global Treasury Bonds 4.6
UK Corporate Bonds 12.3	Global Property 1.8	Asia Ex Japan Equities -9.0	UK Gilts 6.9	Global High Yield Bonds 3.7
UK Gilts 10.1	Global Treasury Bonds 1.1	EM Equities -9.3	UK Index-linked Gilts 6.4	UK Equities -9.8
Global Corporate Bonds 5.8	Commodities -3.4	UK Equities -9.5	Global Treasury Bonds 5.5	Global Property -11.0
Global Treasury Bonds 3.6	Global High Yield Bonds -3.6	Europe ex UK Equities -9.9	Global High Yield Bonds 2.4	Commodities -26.1

**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. For illustrative purposes only and should not be viewed as a recommendation to buy or sell.**

Source: Morningstar as at 31 December 2020. Notes: All Indices in base currency. Indices used: BBGBarc Gbl Agg Corp TR Hdg GBP, BBGBarc Global Treasury TR Hdg GBP, FTSE Act UK Cnvt Gilts All Stocks TR GBP, FTSE Act UK Index link Gilts AS TR GBP, BBGBarc Global High Yield Yld USD, FTSE AllShTR GBP, FTSE EPRA Nareit Developed TR USD, MSCI EM NR USD, MSCI Europe Ex UK NR EUR, S&P 500 TR USD, TOPIX TR JPY, BBGBarc SterlingAgg Corp TR GBP, S&P GSCI TR USD.



# Schroder Active Model Portfolios

A range of 9 actively managed, risk mapped, model portfolios.

For investors seeking a multi-asset portfolio with an active investment approach:

- 1** Targeting your investment objectives

**2** Matching your appetite for risk

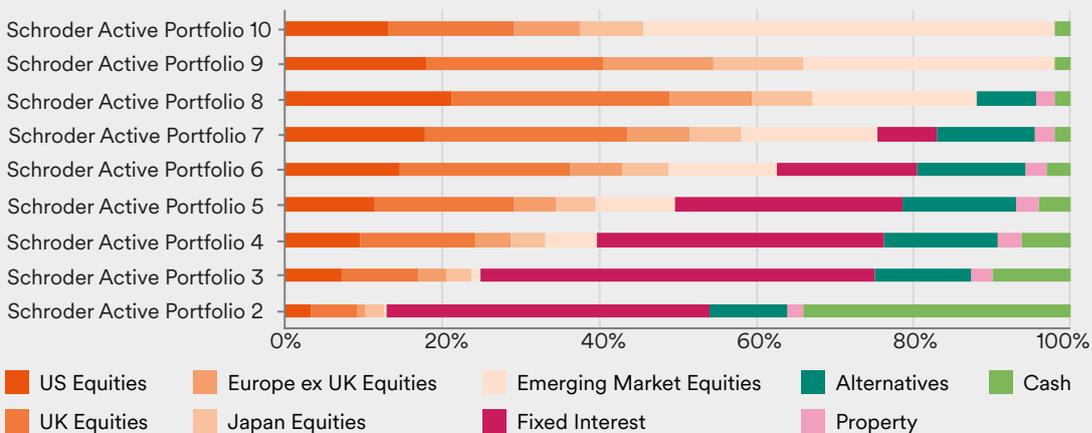
**3** Actively managed in-line with an expertly constructed model
- 4** Free to invest in funds from across the whole market, selected impartially to take advantage of opportunities

**5** Well diversified by asset class, geography and sector

**6** Delivered at a competitive cost

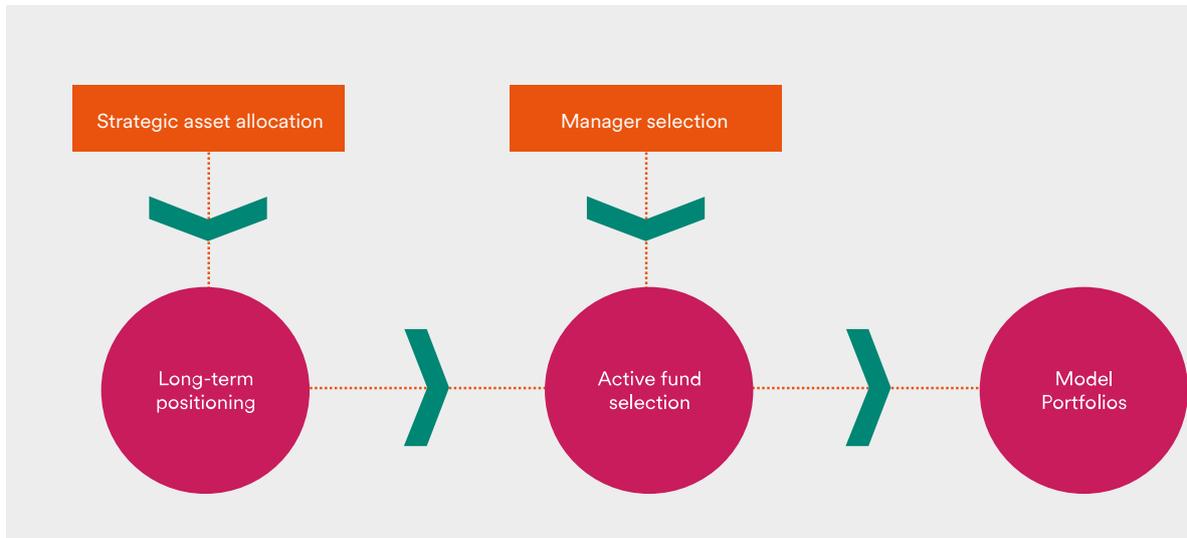
## Strategic asset allocation

The model portfolios are optimised to take account of our long-term views of asset classes.



Source: Schroders as at 30 September 2021. Please note that the illustration may not show our current asset allocation. For illustrative purposes only and should not be viewed as a recommendation to buy or sell.

## A core belief that active management adds value



### Impartial, whole-of-market Investment selection

The models use a broad range of active funds across asset classes and markets, selected for the value that they can add and how they complement other investments within the portfolio.

The Schroder Investment Solutions team led by Alex Funk uses expertise from across the Schroders Group to identify “best idea” active managers.

We look for managers that have a repeatable investment philosophy, a sound risk management process, a strong and incentivised investment team and a record of consistent outperformance that is differentiated from the index.



### Competitive fees

Model Portfolios Service (MPS) fee

**0.15%**

with no VAT.

Ongoing Charge Figure (OCF)

**0.54% - 0.97%**

(including MPS fee).

Source: Schroders as at 29 October 2021. The OCF is a measure of the total costs associated with managing and operating an investment portfolio. These costs include the MPS fee, management fees and additional expenses of the underlying funds but excludes any advice or platform charges. The OCF will vary on a monthly basis.

# Schroder Income Model Portfolio

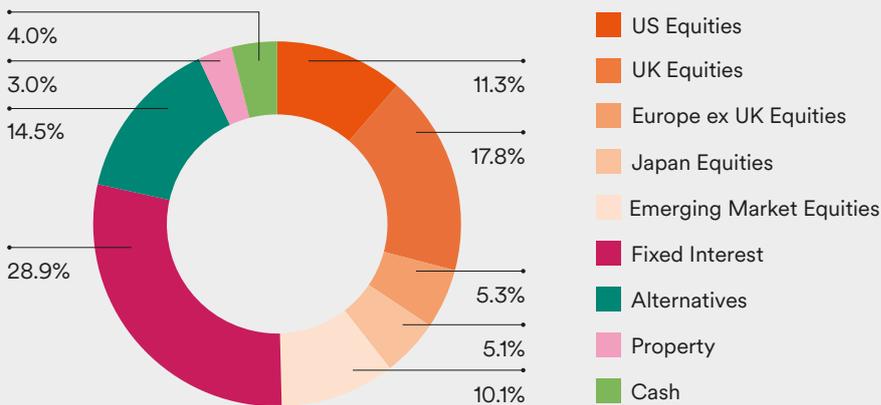
An actively managed risk mapped model portfolio targeting income.

For investors seeking a multi-asset portfolio focused on delivering income:

- 1 Providing a source of income that you can draw on while remaining fully invested
- 2 Targeting a sustainable income at an acceptable level of risk
- 3 Actively managed in-line with an expertly constructed model
- 4 Well diversified by asset class, geography and sector
- 5 Delivered at a competitive cost

## Strategic asset allocation

The portfolio is optimised to take account of our long-term views of asset classes. It is well diversified by asset class, geography and sector, targeting growth and income.



Source: Schroders as at 30 September 2021. Please note that the illustration may not show our current asset allocation. For illustrative purposes only and should not be viewed as a recommendation to buy or sell.



### Targeting a sustainable natural income

The model aims to provide a yield of 3 - 5% p.a (target yield is not guaranteed).

The portfolio is invested in a broad range of funds that target income across asset classes and markets. These are selected for the income they provide, the value that they can add and how they complement other investments within the portfolio. We target investments that have the potential to deliver dividend growth in order to provide a reliable and sustainable level of income.

The portfolio combines traditional and alternative asset classes, such as emerging market debt and infrastructure investments, to provide a wide range of income sources.

We target investments that have the potential to deliver dividend growth in order to provide a reliable and sustainable level of income.

### Competitive fees

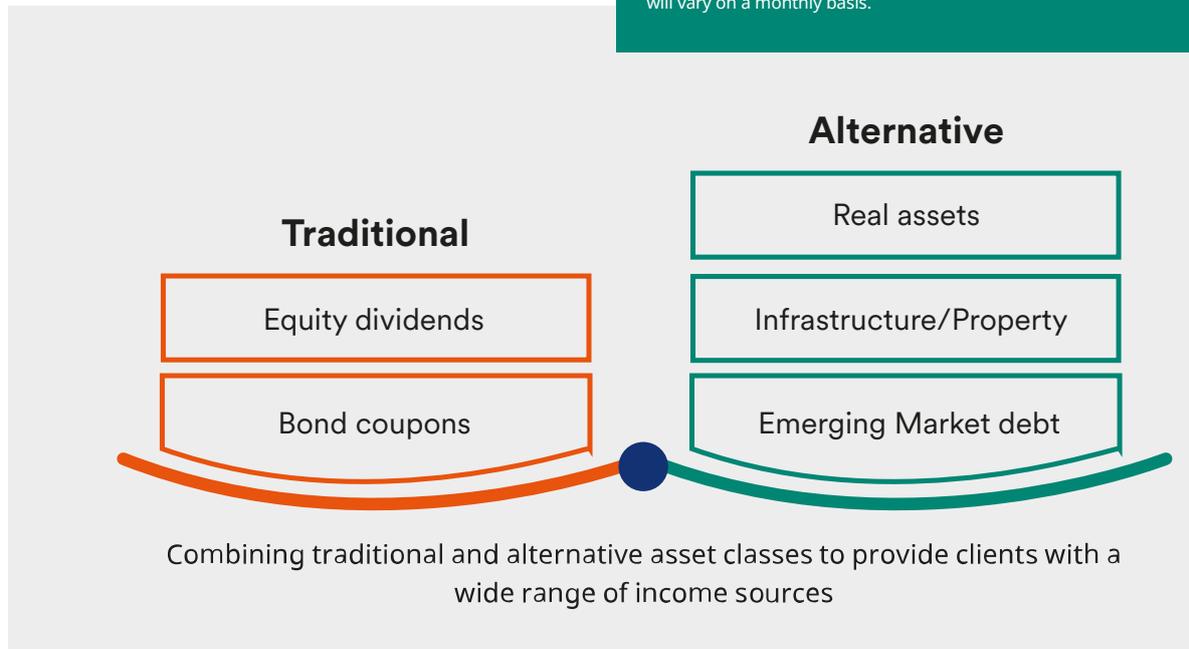
Model Portfolios Service (MPS) fee

**0.15%**  
with no VAT.

Ongoing Charge Figure (OCF)

**0.84%**  
(including MPS fee).

Source: Schroders as at 29 October 2021. The OCF is a measure of the total costs associated with managing and operating an investment portfolio. These costs include the MPS fee, management fees and additional expenses of the underlying funds but excludes any advice or platform charges. The OCF will vary on a monthly basis.





# Schroder Sustainable Model Portfolios

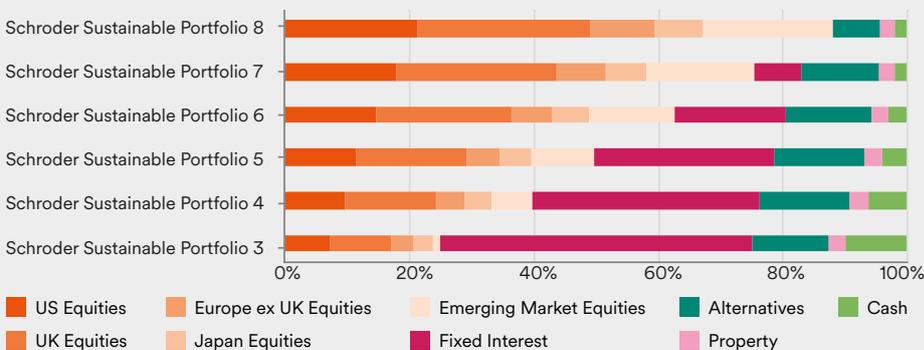
6 actively managed, risk mapped model portfolios.

Designed for investors seeking an expertly constructed multi-asset portfolio aligned to sustainable values:

- 1 Targeting your investment objectives while reflecting your desire to leave a positive impact on the world
- 2 Matching your appetite for risk
- 3 Actively managed in-line with an expertly constructed model
- 4 Free to invest in funds from across the whole market
- 5 Impartial selection of funds that have clear sustainability or impact objectives and are aligned with progress towards a better more sustainable world
- 6 Well diversified by asset class, geography and sector
- 7 Delivered at a competitive cost

## Strategic asset allocation

The blend of assets in your portfolio is the factor that is most likely to have the greatest influence on your risk-adjusted returns. It's very important to get this blend right - and to ensure that it is maintained over time. The model portfolios are optimised to take account of our long-term views of asset classes.



Source: Schroders as at 30 September 2021. Please note that the illustration may not show our current asset allocation. For illustrative purposes only and should not be viewed as a recommendation to buy or sell.

## Aligned to sustainable values

Over recent years, many forward thinking fund managers have taken on board how important sustainability is to the long-term prospects of companies. This has led to the development of funds that consider environmental, social and governance (ESG) factors as an integral part of their investment selection process.

Schroder Sustainable Model Portfolios are designed to meet your financial objectives, whilst ensuring your investments are promoting better long-term outcomes for people and the planet.

We achieve this through a combination of investing in funds with 'best-in-class' ESG characteristics, alongside sustainable or impact funds, which look to identify companies whose products and services are meeting specific social or environmental needs.

## How do we define sustainable investment styles?

We believe that sustainability covers a broad range of investment approaches and we look to invest across this spectrum. Each underlying fund has varying objectives and outcomes, which range from those focusing on financial benefit to those with a higher social focus.

## Selecting managers with clearly defined sustainable and impact characteristics

The Schroder Investment Solutions team led by Alex Funk uses expertise from across the Schroders Group to identify "best idea" active managers with clearly defined sustainable and impact characteristics. We look for managers with clearly defined sustainable and impact characteristics that have a repeatable investment philosophy, a sound risk management process, a strong and incentivised investment team and a record of consistent outperformance that is differentiated from the index.

## Competitive fees

### Model Portfolios Service (MPS) fee

# 0.15%

with no VAT.

### Ongoing Charge Figure (OCF)

# 0.68% - 0.99%

(including MPS fee).

Source: Schroders as at 29 October 2021. The OCF is a measure of the total costs associated with managing and operating an investment portfolio. These costs include the MPS fee, management fees and additional expenses of the underlying funds but excludes any advice or platform charges. The OCF will vary on a monthly basis.

## Screening (<10% revenue exposure)

- Alcohol
- Tobacco
- Pornography
- Fossil fuels
- Gambling
- High interest rate lending
- Armaments



## ESG Integration

- Integrate ESG risks in analysis and recommendations



## Sustainable investing

- Thematic - climate change, pollution, healthcare etc
- Positive tilts - investing in companies with the best attributes
- Best in class investments



## Impact investing

- Measurable impacts to SDGs
- Social bonds
- Enterprise impact



# Schroder Strategic Index Model Portfolios

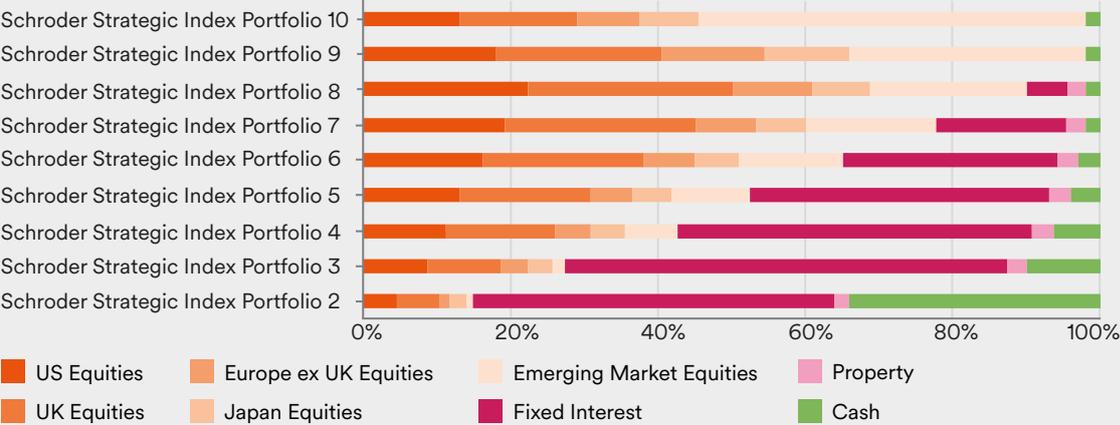
9 actively managed, risk mapped model portfolios.

Designed for investors who believe that markets are largely efficient and are seeking an expertly constructed multi-asset portfolio:

- 1 Targeting your investment objectives
- 2 Matching your appetite for risk
- 3 Actively managed in-line with an expertly constructed model
- 4 Investing in a range of predominantly passive funds from across the whole market, selected impartially to take advantage of opportunities
- 5 Well diversified by asset class, geography and sector
- 6 Delivered at a competitive cost

## Strategic asset allocation

The blend of assets in your portfolio is the factor that is most likely to have the greatest influence on your risk-adjusted returns. It's very important to get this blend right - and to ensure that it is maintained over time. The model portfolios are optimised to take account of our long-term views of asset classes.



Source: Schroders as at 30 September 2021. Please note that the illustration may not show our current asset allocation. For illustrative purposes only and should not be viewed as a recommendation to buy or sell.



## Impartial, whole-of-market Investment selection

The models use a broad range of predominantly passive open ended funds from reputable providers across asset classes and markets. These are selected for providing index-like exposure at a competitive cost and for how they blend with other investments within the portfolio.

The Schroder Investment Solutions team led by Alex Funk uses expertise from across the Schroders Group to identify managers from across the market. We look for funds with competitive fees that provide index-like exposure. Only reputable firms that provide economies of scale and low business risk in implementation are considered.

### Competitive fees

Model Portfolios Service (MPS) fee

**0.15%**  
with no VAT.

Ongoing Charge Figure (OCF)

**0.24% - 0.27%**  
(including MPS fee).

Source: Schroders as at 29 October. The OCF is a measure of the total costs associated with managing and operating an investment portfolio. These costs include the MPS fee, management fees and additional expenses of the underlying funds but excludes any advice or platform charges. The OCF will vary on a monthly basis.

## Passive fund selection





# Schroder Blended Portfolios

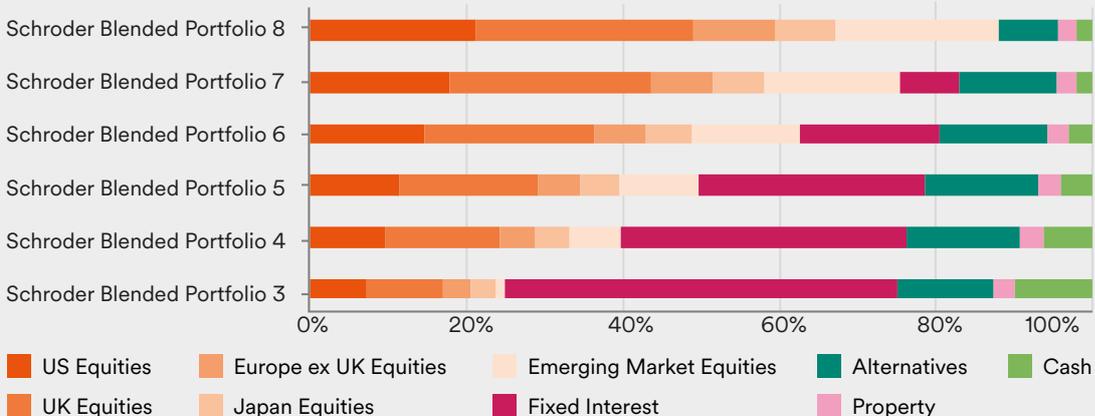
## 6 risk mapped multi-asset funds.

Designed for investors seeking to capture the benefits of both active and passive investments in a multi-asset fund:

- 1 Actively invests in passive investments e.g. tracker funds
- 2 Targeting your investment objectives
- 3 Matching your appetite for risk
- 4 Actively managed to take advantage of opportunities
- 5 Well diversified by asset class, geography and sector
- 6 Delivered at a competitive cost

### Strategic asset allocation

The blend of assets in your portfolio is the factor that is most likely to have the greatest influence on your risk-adjusted returns. It's very important to get this blend right - and to ensure that it is maintained over time. The portfolios are optimised to take account of our long-term views of asset classes.



Source: Schroders as at 30 September 2021. Please note that the illustration may not show our current asset allocation. For illustrative purposes only and should not be viewed as a recommendation to buy or sell.

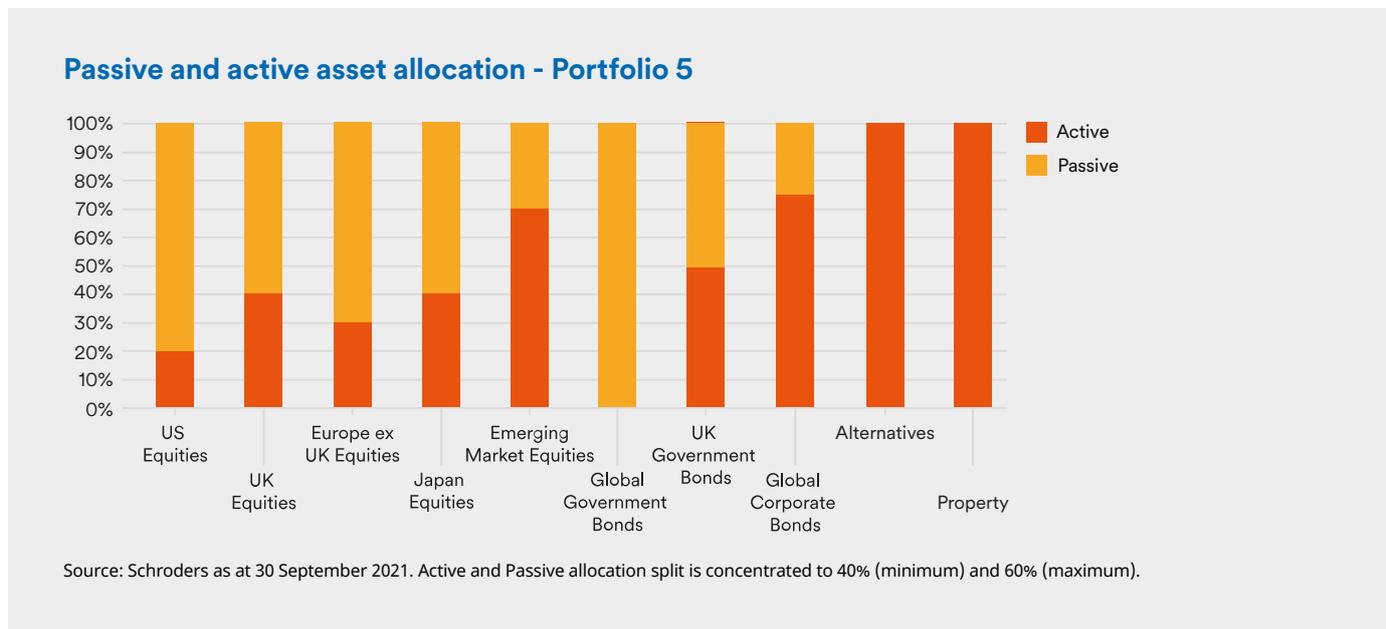
## The optimal blend of asset classes to maximise returns for each level of risk

When constructing these portfolios we separate those markets that are efficient (for example the US equity market, where information is readily available to everyone) from those that are less efficient (like emerging markets, where research and detailed analysis are key).

We then decide if an active or a passive fund is appropriate for each asset class held in the portfolio.

Typically we use passive funds in efficient markets and active funds in inefficient markets. However, depending on where we are in the economic cycle, we will dynamically shift the allocation between active and passive funds. Usually, we will allocate more to passive funds in rising markets; to participate in the good years and conversely, in more challenging years we will allocate more to active funds with the aim of protecting the portfolios.

If we look at Schroder Blended Portfolio 5 as an example, you can see from the chart below how the allocation might look between active and passive funds.



## Impartial, whole-of-market Investment selection

The Schroder Investment Solutions team led by Alex Funk uses expertise from across the Schroders Group to identify “best idea” active managers. We look for active funds that have a repeatable investment philosophy, a sound risk management process, a strong and incentivised investment team and a record of consistent outperformance that is differentiated from the index.

We look for passive funds with competitive fees that provide index-like exposure. Only reputable firms that provide economies of scale and low business risk in implementation are considered.

## Dynamic management of active/passive exposure to reflect changing market sentiment

We reflect changes in market sentiment through our active/passive mix and the funds used within each asset class.

The balance of active and passive investments held within each fund is dynamically adjusted between 40% and 60% to reflect the stage of the economic cycle. As mentioned above, the percentage of assets held in passive funds is increased when markets are doing well and reduced when conditions are challenging.

### Competitive fees

#### Ongoing Charge Figure (OCF)

**0.58% - 0.74%**

Source: Schroders as at 29 October. The OCF is a measure of the total costs associated with managing and operating an investment portfolio. These costs include the management fees and additional expenses of the underlying funds but excludes any advice or platform charges. The OCF will vary on a monthly basis.

# Schroder Tactical Portfolios

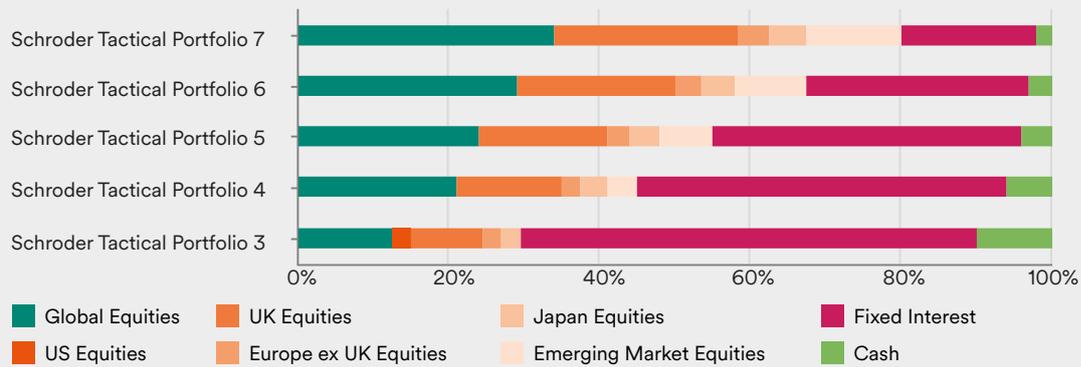
## 5 risk mapped multi-asset funds.

Designed for investors seeking to maximise their potential long-term returns through a multi-asset fund with a tactical asset allocation approach:

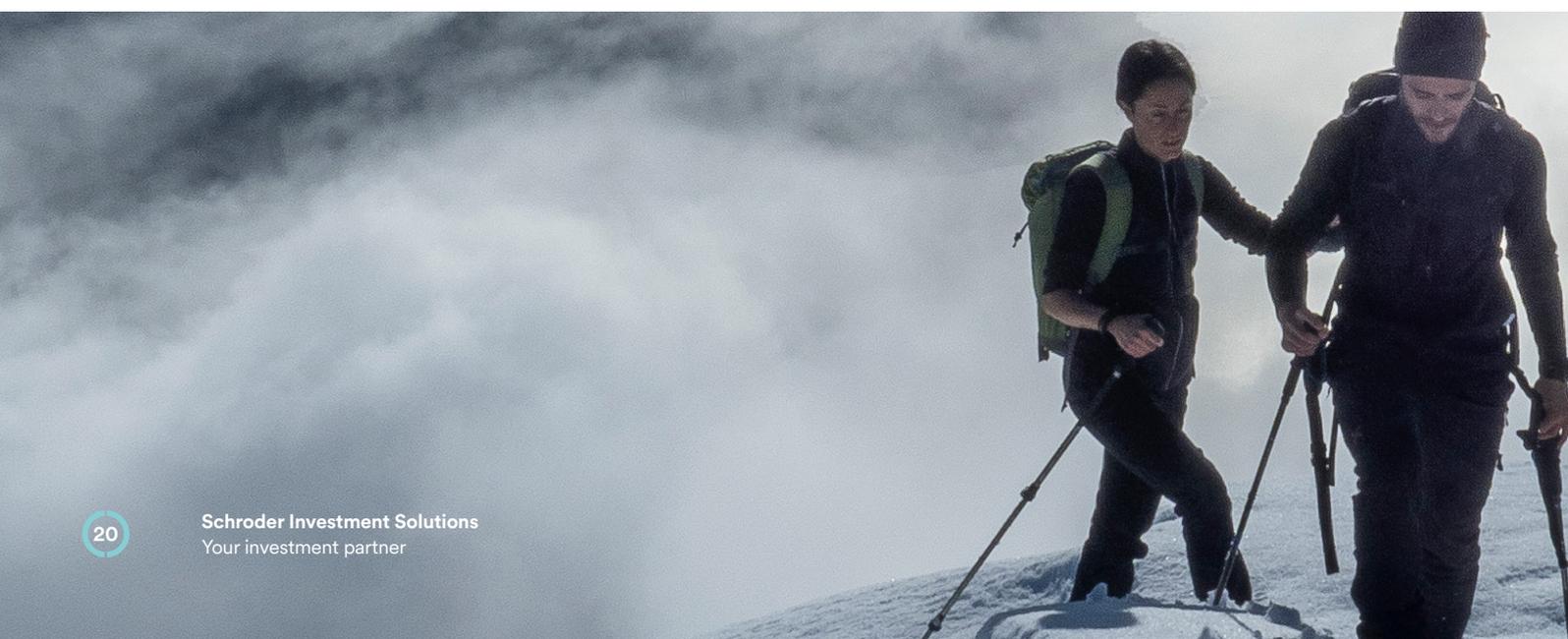
- 1 Actively managed to take advantage of tactical asset allocation opportunities in the market
- 2 Targeting your investment objectives
- 3 Matching your appetite for risk
- 4 Well diversified by asset class, geography and sector
- 5 Delivered at a competitive cost

### Strategic asset allocation

The blend of assets in your portfolio is the factor that is most likely to have the greatest influence on your risk-adjusted returns. It's very important to get this blend right - and to ensure that it is maintained over time. The portfolios are optimised to take account of our long-term views of asset classes.



Source: Schroders as at 30 September 2021. Please note that the illustration may not show our current asset allocation. F or illustrative purposes only and should not be viewed as a recommendation to buy or sell.



## Tactical asset allocation informed by Schroders Multi-Asset Team

Taking account of each fund's investment objectives and risk parameters, the asset allocation of each fund is adjusted on a tactical basis. Schroders' Multi-Asset Team is responsible for tactical asset allocation research.

This includes ESG factors and leverages economic analysis from the Schroders' Economics Team. This leads to high-conviction asset allocation decisions implemented by the Multi-Asset Team.

## Core beliefs at the heart of our approach



Source: Schroders. The investment philosophy may be adjusted when deemed necessary.

## Exclusive access to Schroders component funds

The Schroder Tactical Portfolios have exclusive access to Schroders Component Funds that are not available to the general retail marketplace. These provide broad market exposure to a range of factors that are shown to help deliver returns over the long term including value, quality momentum, small cap and low volatility. The funds also utilise index futures and Exchange Traded Funds (ETFs) for efficient implementation of portfolio tactical asset allocation and hedging futures to hedge equity or bond exposure and manage risk.

The broad investment universe provides a cost effective, actively managed tactical strategy in a single fund.

## Ensuring portfolios remain in-line with your requirements

The funds are managed on an ongoing basis by Schroders Multi-Asset Team to reflect any changes in their tactical asset allocation views, within the strategic asset allocation framework.

### Competitive fees

Capped Ongoing Charge Figure (OCF)

**0.29%**

Source: Schroders as at 29 October 2021. The OCF is a measure of the total costs associated with managing and operating an investment portfolio. These costs include the management fees and additional expenses of the underlying funds but excludes any advice or platform charges. The OCF will vary on a monthly basis.



# Schroder Income Portfolio

An actively managed, risk mapped multi-asset fund targeting income.

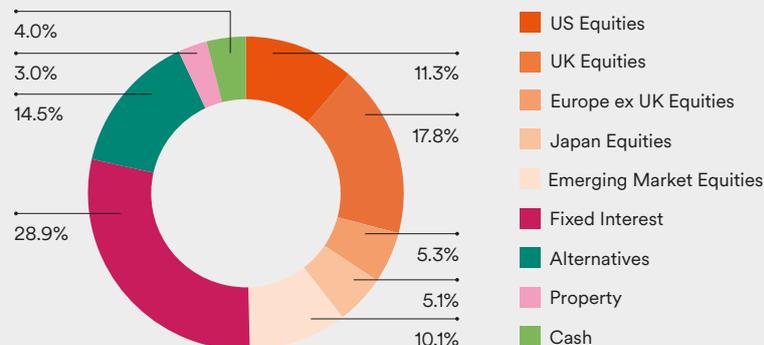
For investors seeking a multi-asset fund focused on delivering income:

- 1 Providing a source of income that you can draw on while remaining fully invested.
- 2 Targeting a sustainable income at an acceptable level of risk
- 3 Designed to generate a sustainable income
- 4 Actively invests in passive investments e.g. tracker funds
- 5 Actively managed in-line with an expertly constructed strategic asset allocation
- 6 Well diversified by asset class, geography and sector
- 7 Delivered at a competitive cost

## Strategic asset allocation

The blend of assets in your portfolio is the factor that is most likely to have the greatest influence on your risk-adjusted returns. It's very important to get this blend right - and to ensure that it is maintained over time.

The fund is optimised to take account of our long-term views of asset classes. It is well diversified by asset class, geography and sector.



Source: Schroders as at 30 September 2021. Please note that the illustration may not show our current asset allocation. For illustrative purposes only and should not be viewed as a recommendation to buy or sell.



### Designed to deliver a sustainable natural income

The fund aims to provide a yield of 3 - 5% p.a. (target yield is not guaranteed).

The fund is invested in a broad range of funds that target income across asset classes and markets. These are selected for the income they provide, the value that they can add and how they complement other investments within the fund. We target investments that have the potential to deliver dividend growth in order to provide a reliable and sustainable level of income.

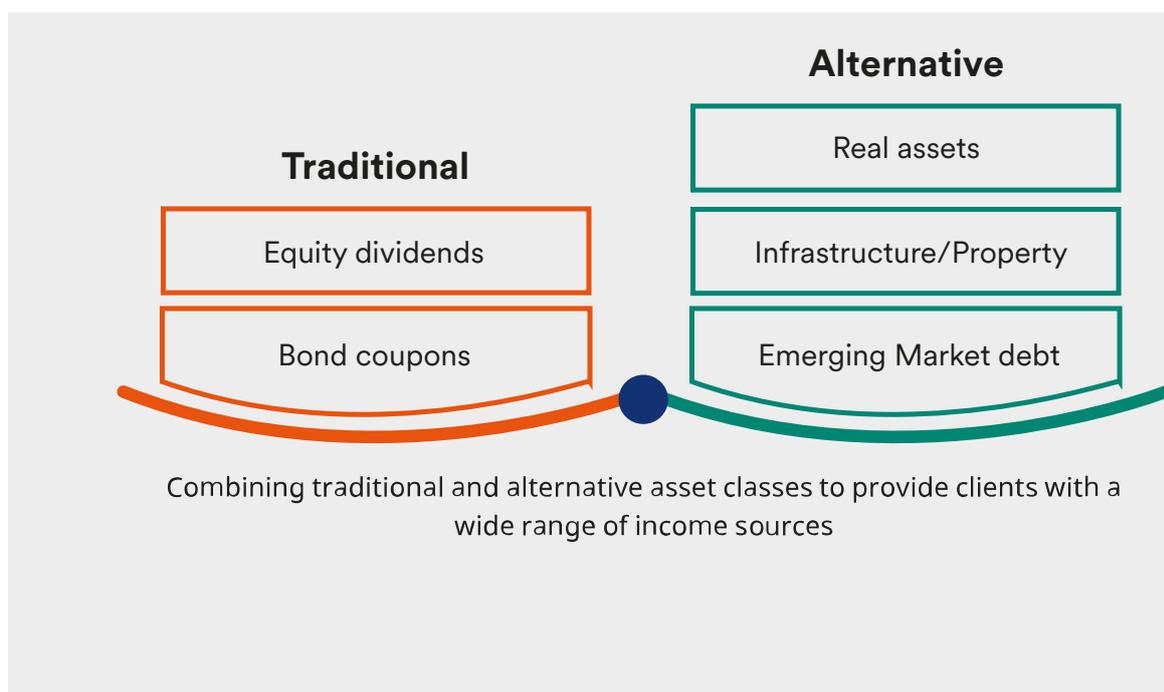
The portfolio combines traditional and alternative asset classes, such as emerging market debt and infrastructure investments, to provide clients with a wide range of income sources. It can invest in both active and passive funds.

### Competitive fees

Estimated Ongoing Charge Figure (OCF)\*

# 0.82%\*

Source: Schroders as at 29 October 2021. The OCF is a measure of the total costs associated with managing and operating an investment portfolio. These costs include the management fees and additional expenses of the underlying funds but excludes any advice or platform charges. \*The Schroder Multi-Manager Diversity Income Fund was restructured and renamed the Schroder Income Portfolio on the 12 November 2021. The new OCF is therefore estimated and will vary on a monthly basis.



# Schroder Managed Defensive Fund

## A defensive multi-asset fund.

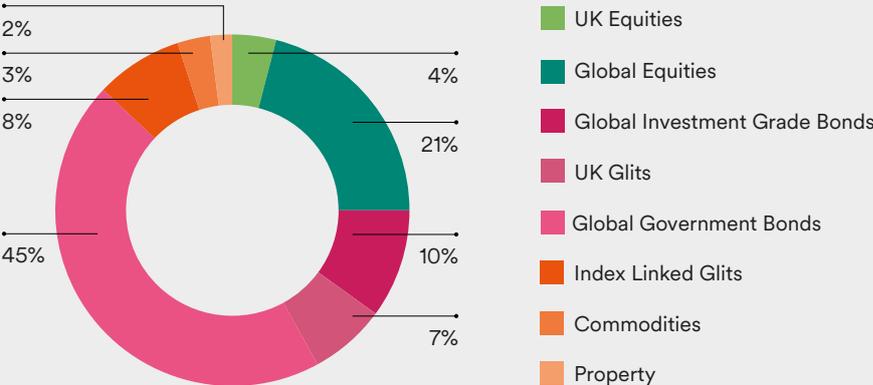
Designed for investors seeking an actively managed defensive investment fund

- 1
Aiming to deliver 2% return a year more than cash savings (net of fees) over a market cycle (target return is not guaranteed)
- 2
Including a safety mechanism designed to prevent the fund suffering a fall of more than 10% from its highest value (although this is not guaranteed)
- 3
Through a multi-asset construction that focuses on each stage of the economic cycle

### Strategic asset allocation

The blend of assets in your portfolio is the factor that is most likely to have the greatest influence on your risk-adjusted returns. It's very important to get this blend right - and to ensure that it is maintained over time.

The portfolio is optimised to take account of our long-term views of asset classes. It is well diversified by asset class, geography and sector.



Source: Schroders as at 30 September 2021. Please note that the illustration may not show our current asset allocation. For illustrative purposes only and should not be viewed as a recommendation to buy or sell.

## Aiming to strike the right balance between growth and security

Our aim is to create a stable, well diversified portfolio that can navigate through different environments

We have identified and grouped investments that should perform well in three environments likely to drive investment returns:



### Systematic downside risk management

The fund aims to limit potential losses to maximum of 10% over any investment period. This objective is managed systematically and separately from the core multi-asset portfolio. Please note that this is not guaranteed.

### Tactical asset allocation informed by Schrodgers Multi-Asset Team

The asset allocation of the fund is adjusted on a tactical basis, taking account of the fund's investment objectives and risk parameters. The Schrodgers Multi-Asset Team is responsible for tactical asset allocation

research, including ESG factors, leveraging the economic analysis of Schrodgers Economics Team.

### Ensuring portfolios remain in-line with your requirements

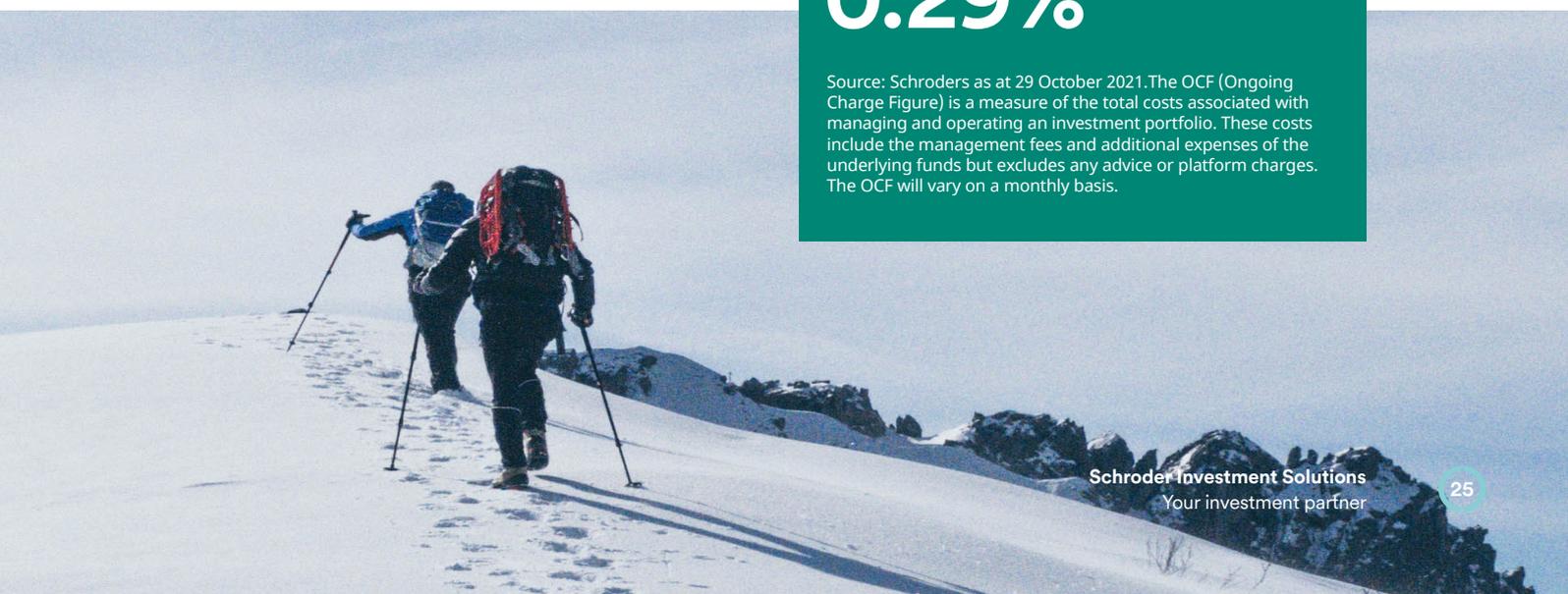
The fund is managed on an ongoing basis by the Schrodgers Multi-Asset Team to reflect any changes in their tactical asset allocation views, within the strategic asset allocation framework.

### Competitive fees

Capped Ongoing Charge Figure (OCF)

# 0.29%

Source: Schrodgers as at 29 October 2021. The OCF (Ongoing Charge Figure) is a measure of the total costs associated with managing and operating an investment portfolio. These costs include the management fees and additional expenses of the underlying funds but excludes any advice or platform charges. The OCF will vary on a monthly basis.



# Risk considerations

**ALL: Model Portfolios & Multi-Asset Funds invest in underlying funds that may have some or all of these risks present.**

**Capital risk:** All capital invested is at risk. You may not get back some or all of your investment.

**Counterparty risk:** The portfolios may have contractual agreements with counterparties. If a counterparty is unable to fulfil their obligations, the sum that they owe to the portfolios may be lost in part or in whole.

**Credit risk:** A decline in the financial health of an issuer could cause the value of the instruments it issues, such as equities or bonds, to fall or become worthless.

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

**Derivatives risk:** A derivative may not perform as expected, and may create losses greater than the cost of the derivative.

**Derivatives risk – efficient portfolio management and investment purposes:** Derivatives may be used to manage the portfolios 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 portfolios. The portfolios 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.

**Equity risk:** Equity prices fluctuate daily, based on many factors including general, economic, industry or company news.

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

**IBOR risk:** 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 portfolios.

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

**Investments in other collective investment schemes risk:** The portfolios will invest mainly in other collective investment schemes.

**Leverage risk:** The portfolios use derivatives for leverage, which makes them 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 portfolios may not be able to sell a security for full value or at all.

**Market risk:** The value of investments can go up and down and an investor may not get back the amount initially invested.

**Money market & deposit risk:** A failure of a deposit institution or an issuer of a money market instrument could have a negative impact on the performance of the portfolios.

**Negative yields risk:** If interest rates are very low or negative, this may have a negative impact on the performance of the portfolios.

**Operational risk:** Failures at service providers could lead to disruptions of fund operations or losses.

**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.

## Find out more

Our investment solutions are available on a range of investment platforms. Just speak to your financial adviser to find out how you could invest.

Your adviser will also guide you through your investment options and help you focus on what's important to you. They will also be able to share with you the Key Investor Information Document (for our Multi-Asset funds only), the latest factsheets, performance and commentaries for the portfolios and funds.



EST. 1804

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