

Schroder International Selection Fund QEP Global Quality

July 2019

Schroder ISF¹ QEP Global Quality follows an index-unconstrained strategy which tends to perform particularly well at times of market uncertainty or heightened risk aversion. It aims to deliver above-market returns over the long run.

Why invest?

- Aims to offer investors a more stable alternative to traditional growth approaches, by investing in higher quality companies while maintaining an awareness of valuation
- Exploits a wide opportunity set, tapping into all sectors and regions, including the emerging markets
- Innovative approach to portfolio construction combining high conviction with broad diversification
- Highly experienced and well-resourced team managing over €27 billion of global and emerging equity strategies

Source: Schroders, as at 30 June 2019.

Our approach

A more stable growth proposition

Our research has found that Quality companies (as defined by measures of profitability, stability, financial strength and governance) tend to outperform in the long-run. We also maintain an awareness of valuation, which helps us to avoid over-paying for quality attributes. While the fund is designed to outperform across a broad range of market environments, it tends to perform particularly well at times of market uncertainty or heightened risk aversion. As such, the fund offers investors a more stable form of growth investing and aims to deliver higher returns through time, but with a typically lower level of volatility than the broader market.

Exploiting genuine breadth of opportunity

We maximise the opportunity set by looking beyond the index² to an investment universe of more than 15,000 stocks globally. The fund is highly diversified, typically investing in over 300 stocks, which enables us to gain exposure to many more potential return opportunities in a risk-controlled way. More stocks does not mean compromising on conviction and the fund's active share³ is typically higher than 70% – the fund looks very different to the index.

Intelligent portfolio construction

Our process is focused on delivering returns through stock selection and does not impose any index-based sector or region constraints, enabling us to invest wherever we find the best opportunities. Moreover, by weighting stocks based on their fundamentals and not their size, our portfolios express genuine conviction and are not forced to hold higher weightings in more expensive stocks. Our portfolio construction tools allow us to manage the risk-return trade-off efficiently and we also focus on cost-effective implementation.

Asset class

- Bonds
 Equities
 Alternatives
 Property

Accreditation



Source: Morningstar, awarded to C Acc share class, as at 2 August 2019.

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Investment team

The QEP Investment Team was established in 1996 and has managed assets since 2000. The team, led by Justin Abercrombie, consists of 31 members based in London, Sydney and New York. It manages over €27 billion across a comprehensive range of global and emerging market equity strategies on behalf of clients all over the world.

Source: Schroders, team as at 30 June 2019, AUM as at 30 June 2019.

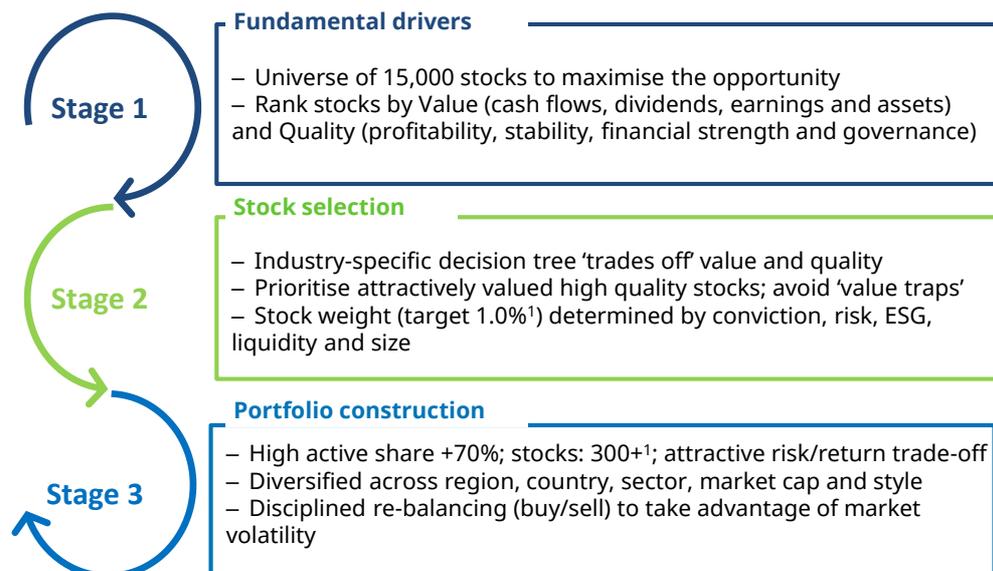
¹Schroder International Selection Fund is referred to as Schroder ISF throughout this document.

²The MSCI AC World (NDR) is used for performance comparison purposes only as the strategy is index unconstrained.

³Active share is a measure of the proportion of a portfolio's holdings that are different to the benchmark; an indexed portfolio identical to the benchmark would have a 0% active share, and a portfolio with no overlap at all with the benchmark would have an active share of 100%.

Investment process

The investment process for the fund can be summarised in three stages



Risk considerations

- The capital is not guaranteed
- Investments denominated in a currency other than that of the share-class may not be hedged. The market movements between those currencies will impact the share-class
- The fund will not hedge its market risk in a down cycle. The value of the fund will move similarly to the markets
- Emerging equity markets may be more volatile than equity markets of well established economies. Investments into foreign currencies entail exchange risks
- Changes in China's political, legal, economic or tax policies could cause losses or higher costs for the fund

Key information

ISIN code LU0319795521	Date of inception 17 October 2007	Ongoing charge (latest available)² 0.85%	Entry charge Up to 1.00% of gross investment amount
Bloomberg code SCHGQAC:IX	Fund currency USD	Benchmark MSCI AC World (NDR) ¹	

Information in the table above is for the C Accumulation share class, for further share class information please see the Prospectus.

¹This index is used for performance comparison purposes only as the strategy is index-unconstrained.

²The ongoing charges figure is based on the last year's expenses for the year ending December 2018 and may vary from year to year.

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Schroders' awards



Source: Investment Week Fund Manager of the Year Awards 2019.

About Schroders



€469.5bn of assets under management and administration.



An extensive global network of 5,000+ employees.



Presence in 32 countries across Europe, the Americas, Asia, Middle East and Africa.



Over 200 years' experience of investment markets.

Source: Schroders, as at 31 December 2018.



Source: Fitch Ratings, as at July 2019.

To learn more about Schroder ISF QEP Global Emerging Markets, visit:

schroders.com/qep