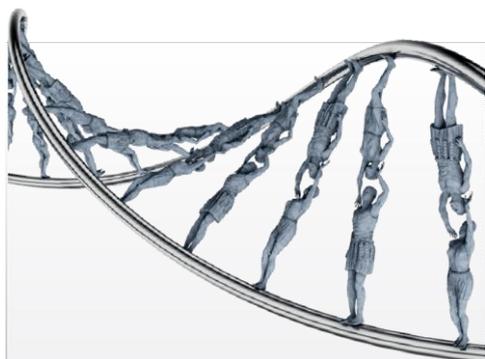


Schroder International Selection Fund

QEP Global Blend



Asset class

 Bonds

 Equities 

 Alternatives

 Property

Fund ratings



Source: Morningstar, awarded to C Acc share class, as at 28 February 2017.

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Schroder ISF¹ QEP Global Blend follows an index-unconstrained strategy, investing in stocks on the basis of valuations and business quality. It aims to deliver above-market returns over the long run.

Why invest?

- Benefits from strategic diversification between Value and Quality drivers, offering investors the potential for outperformance across a broad range of environments
- Exploits a wide opportunity set, tapping into all sectors and regions, including the emerging markets, and investing across the market cap spectrum
- Innovative approach to portfolio construction combining high conviction with broad diversification
- Highly experienced and well-resourced team managing over €39 billion of global and emerging equity strategies.

Source: Schroders, as at 31 December 2016.

Key characteristics

Complementary fundamental drivers

This is a blend approach – we invest on the basis of both valuations and business quality. In the case of the former we are using fundamentals such as dividends and earnings to identify companies which we believe are undervalued by their current market price; in the case of the latter we look for quality companies by assessing measures of profitability, stability, financial strength and governance. The advantage of combining Value and Quality opportunities in a single portfolio is that while both strategies tend to outperform through time they tend to deliver their returns at different stages of the economic cycle, offering investors the potential for outperformance across a broad range of market environments.

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 400 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.

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%.

Fund management team

The QEP Investment Team was established in 1996 and has managed assets since 2000. The team, led by Justin Abercrombie, consists of 25 members based in London, Sydney and New York. It manages over €39 billion in a comprehensive range of global and emerging market equity strategies on behalf of clients all over the world.

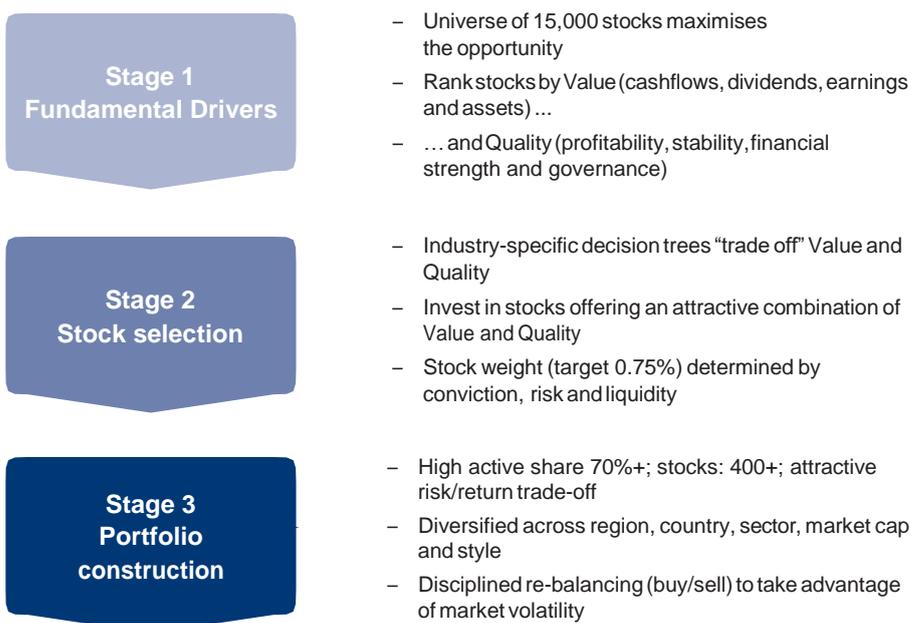
Source: Schroders, team as at 28 February 2017, AUM as at 31 December 2016.



Schroders

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
- Investments in small companies can be difficult to sell quickly which may affect the value of the fund and, in extreme market conditions, its ability to meet redemption requests upon demand
- 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	LU0740768584
Bloomberg code	SQGBCU:LX
Date of inception	29 February 2012 ¹
Fund currency	USD
Reference index	MSCI AC World (NDR) ²
Ongoing charges (latest available)³	0.97%
Entry charge	Up to 1.00% of gross investment amount

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

¹The team has been managing assets in the QEP Global Blend Strategy, with a similar approach and objective to this fund, since 1 September 2008.

²This index is used for performance comparison purposes only as the strategy is index-unconstrained.

³The ongoing charges figure is based on the last year’s expenses for the year ending December 2016 and may vary from year to year.

Schroders’ awards



Source: Global Investor ISF ‘Asset Manager of the Year’ awarded July 2016; International Adviser Product & Service Awards 2016, International Retirement Provider of the Year.

To learn more about **Schroder ISF QEP Global Blend** please visit:

www.schroders.com/qep

About Schroders



€465.2bn of assets under management and administration.



An extensive global network of 4,100+ employees.



41 offices in 27 countries across Europe, the Americas, Asia, Africa and the Middle East.



Over 200 years’ experience of investment markets.

Source: Schroders, as at 31 December 2016.



Source: Fitch, as at 27 April 2016.

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