

Schroder International Selection Fund QEP Global Core

August 2018

Schroder ISF* QEP Global Core is an actively managed, enhanced-index fund which aims to deliver consistent outperformance over the MSCI World, with limited index-relative risk.

Why invest?

- Designed to offer investors the benefits of index-based investing from a risk and cost perspective, with the advantage of relative outperformance
- 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 – within index-relative constraints – across sectors, regions and the market cap spectrum.
- Highly experienced and well-resourced team managing over €32 billion of global, international and emerging equity strategies.

Source: Schroders, AUM as at 30 June 2018.

Our approach

Complementary fundamental drivers

This is a blend approach – we invest on the basis of both valuations and business quality.

Valuations: we use fundamentals such as dividends and earnings to identify companies which we believe are undervalued by their current market price.

Business quality: 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 fund's MSCI World benchmark to an investment universe index of more than 15,000 stocks globally. The fund is highly diversified, typically investing in over 500 stocks, which enables us to gain exposure to many more potential return opportunities in a risk-controlled way.

Limited index-relative risk via intelligent portfolio construction

Risks are carefully managed in our portfolio construction process by applying index- relative limits. Regions and sectors are constrained to within +/- 2.5% and stocks to within +/- 0.5% relative to the index. This results in a low tracking error which is typically less than 1.5% per annum. However, the team still has the flexibility to invest a controlled amount in the best opportunities beyond the index. 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: Schroders, August 2018, see disclaimer for explanation or visit www.schroders.lu/sustainabilityaccreditation

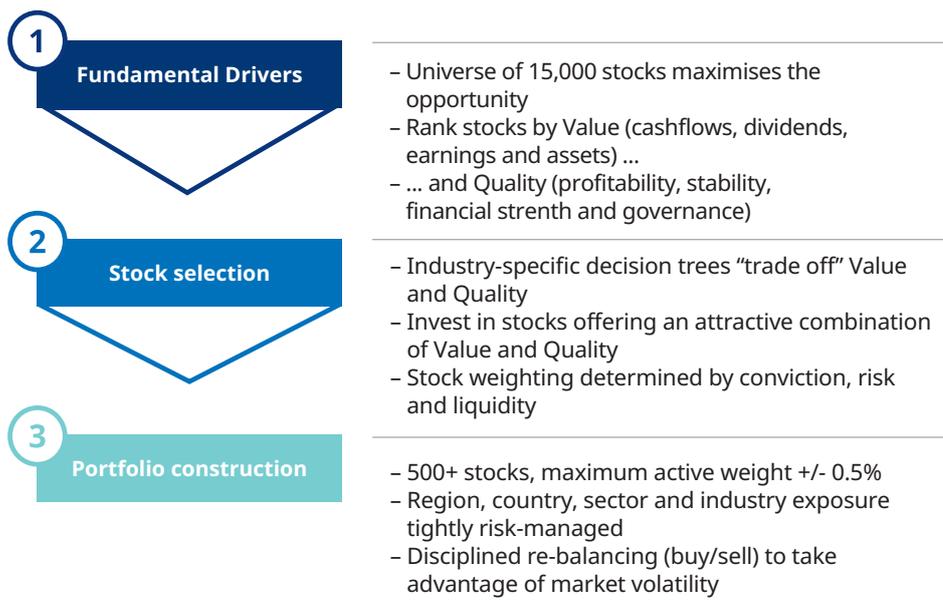
Investment team

The QEP Investment Team was established in 1996 and has managed assets since 2000. The team, led by Justin Abercrombie, consists of 26 members based in London, Sydney and New York. It manages over €32 billion in a comprehensive range of global, international and emerging market equity strategies on behalf of clients all over the world.

Source: Schroders, team as at 30 June 2018.

Investment process

Clear and repeatable process



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.
- Changes in China's political, legal, economic or tax policies could cause losses or higher costs for the fund.

Key information

ISIN code LU0106255481	Date of inception 09 June 1993 ¹	Ongoing charge (latest available)² 0.42%	Entry charge Up to 1.00 % of gross investment amount
Bloomberg code SCHGEQA:LX	Fund currency USD	Benchmark MSCI World (NDR)	

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

- 1 The QEP Investment Team have been managing this fund since 30 September 2001; it was originally launched in 1993 under the management of a different team and approach.
- 2 The ongoing charges figure is based on the last year's expenses for the year ending May 2018 and may vary from year to year.

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Schroders' awards



Source: Investment Europe Fund Manager of the Year Awards 2017.

About Schroders



€508.2bn of assets under management and administration.



An extensive global network of 4,800+ employees.



Presence in 30 countries across Europe, the Americas, Asia, Middle East and Africa.



Over 200 years' experience of investment markets.

Source: Schroders, as at 30 June 2018.



Source: Fitch Ratings, as at 10 July 2017.

To learn more about Schroder ISF QEP Global Core, visit:

schroders.com/qep