

Schroder International Selection Fund

QEP Global Value Plus



Asset class

 Bonds

 Equities 

 Alternatives

 Property

Fund ratings



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

Schroder ISF¹ QEP Global Value Plus follows an index-unconstrained strategy, aiming to deliver above-market returns over the long term. It has the flexibility to invest up to 150% long in Value stocks and up to 50% short in lower Quality stocks, making your capital work harder.

Why invest?

- Aims to generate outperformance across a broad range of market environments by exploiting the long-term premium available to investors in Value stocks, and also by shorting lower Quality stocks, which acts as a return driver and a style diversifier
- 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

Increased exposure to Value, while also benefiting from Quality

The strategy combines all the insights developed since the QEP Investment Team began managing assets for clients in 2000. The fund is designed to deliver returns across a broad range of market environments. It has the flexibility to invest up to 150% long in attractively-priced companies, increasing exposure to the long-term premium available to investors in value stocks. In addition the fund can short up to 50% in lower Quality stocks. This acts as a style diversifier to the long side of the portfolio, as Quality is a natural complement to Value, but is also a return driver in its own right.

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 500 stocks on the long side and 200 on the short side. This 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 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.

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.

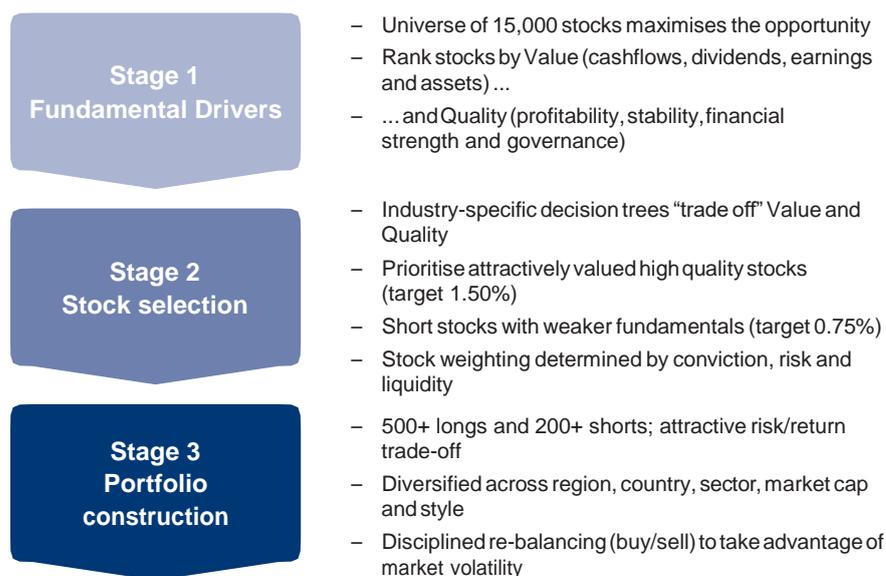
²The MSCI AC World (NDR) is used for performance comparison purposes only as the strategy is index-unconstrained.



Schroders

Investment process summary

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
- The fund may be leveraged, which may increase its volatility
- The fund enters into financial derivative transactions. If the counterparty were to default, the unrealised profit on the transaction and the market exposure may be lost.
- Changes in China's political, legal, economic or tax policies could cause losses or higher costs for the fund.

Key information

ISIN code	LU1019481453
Bloomberg code	SIQGCAU:LX
Fund inception	6 February 2014 ¹
Fund currency	USD
Reference index	MSCI AC World (NDR) ²
Ongoing charges (latest available)³	1.10%
Entry charge	Up to 1% 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.

¹Schroder ISF QEP Global Value Plus was launched on 6 February 2014 to accommodate a transfer of shareholders from Schroder IF QEP Global Value Extension (inception date 18 July 2008). Both funds have the same investment objective and approach, and the performance of Schroder IF QEP Global Value Extension, prior to 6 February 2014, is linked to that of Schroder ISF QEP Global Value Plus.

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 Value Plus**, 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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