

### Strategy summary

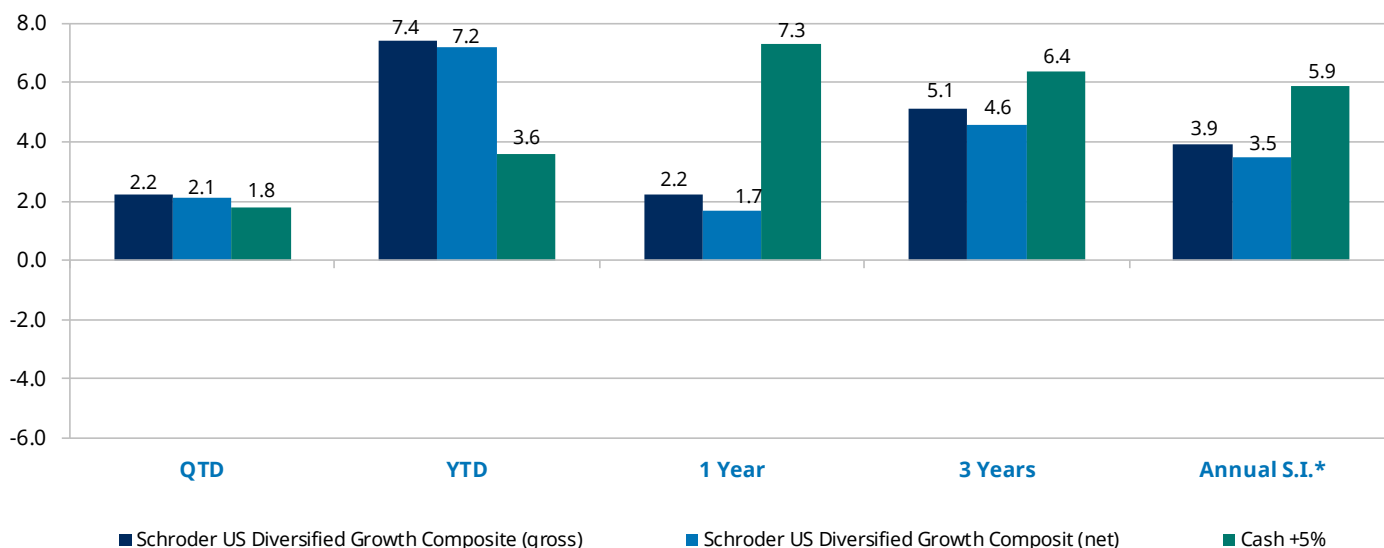
Schroder Diversified Growth is a globally diversified portfolio that looks to take advantage of different market scenarios. By combining many different asset classes, traditional and alternative, we look to capture the most attractive risk-adjusted opportunities through maximizing diversification and reducing cross-asset class correlations. Every position must be expected to enhance returns or reduce risk to justify its place in the portfolio. The strategy seeks a target return of the 90 Day T-bill + 5% per annum net of fees over a full economic cycle (typically 5-7 years). The target volatility is 6-10%, significantly lower than equity volatility.\*

\*There is no guarantee that the strategy can meet return/volatility objectives..

### Key features

- We believe that all assets can be disaggregated into constituent **risk premia**
- We access these risk premia with an **unconstrained growth bias**
- Risk premia are not stable over time, therefore, we dynamically asset allocate utilizing **valuation and cyclical analysis**
- **Diversification** is a potential means to an end, not an end in and of itself
- We take a pragmatic approach to risk, combining quantitative **risk modeling** and qualitative **scenario analysis**
- The path of returns matters, not just the outcome

### Composite performance (%)

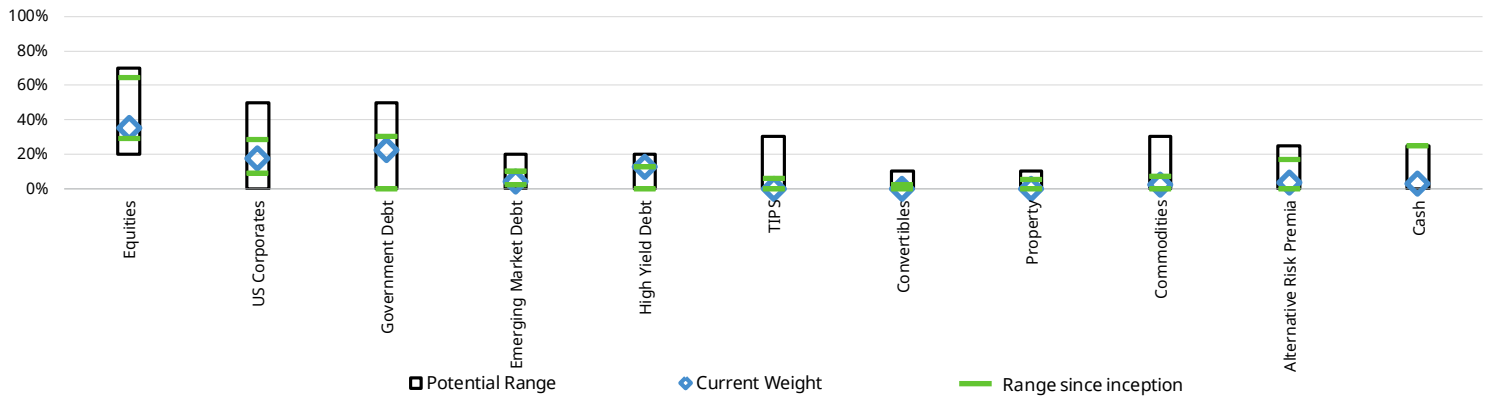


\*Inception March 31, 2014

\*\*Cash is represented by 90-day US Treasury bill returns.

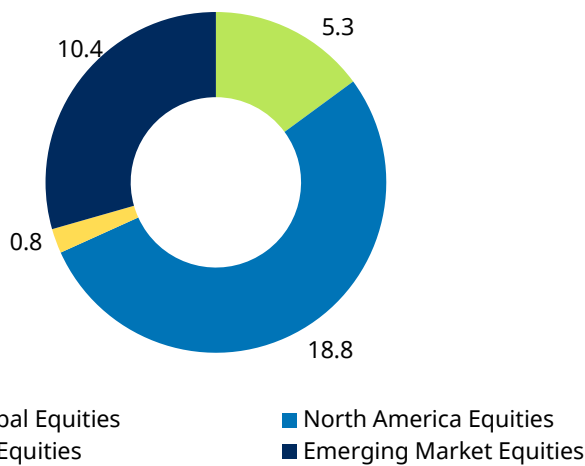
Past performance is not a guide to future performance. The value of an investment can go down as well as up and is not guaranteed. Please refer to the disclosures at the end of the document for important information about the composite. Performance for periods greater than 1 year is annualized. All data and statistics as of June 30, 2019.

## Asset allocation ranges and positioning (%)

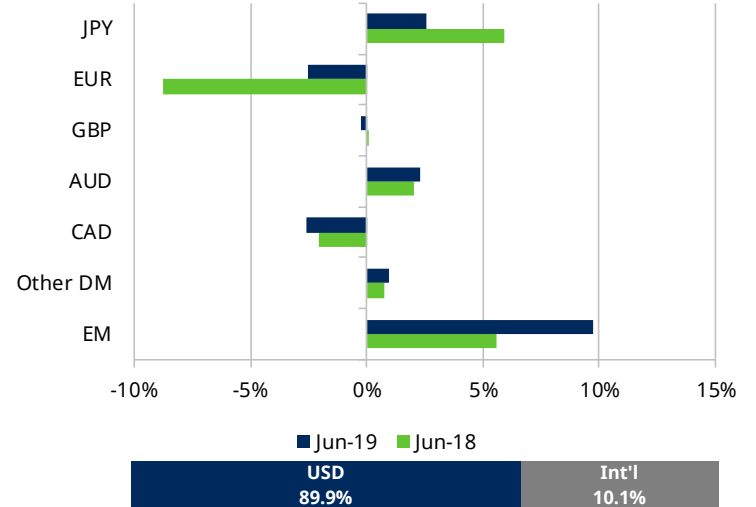


## Regional equity breakdown (%)

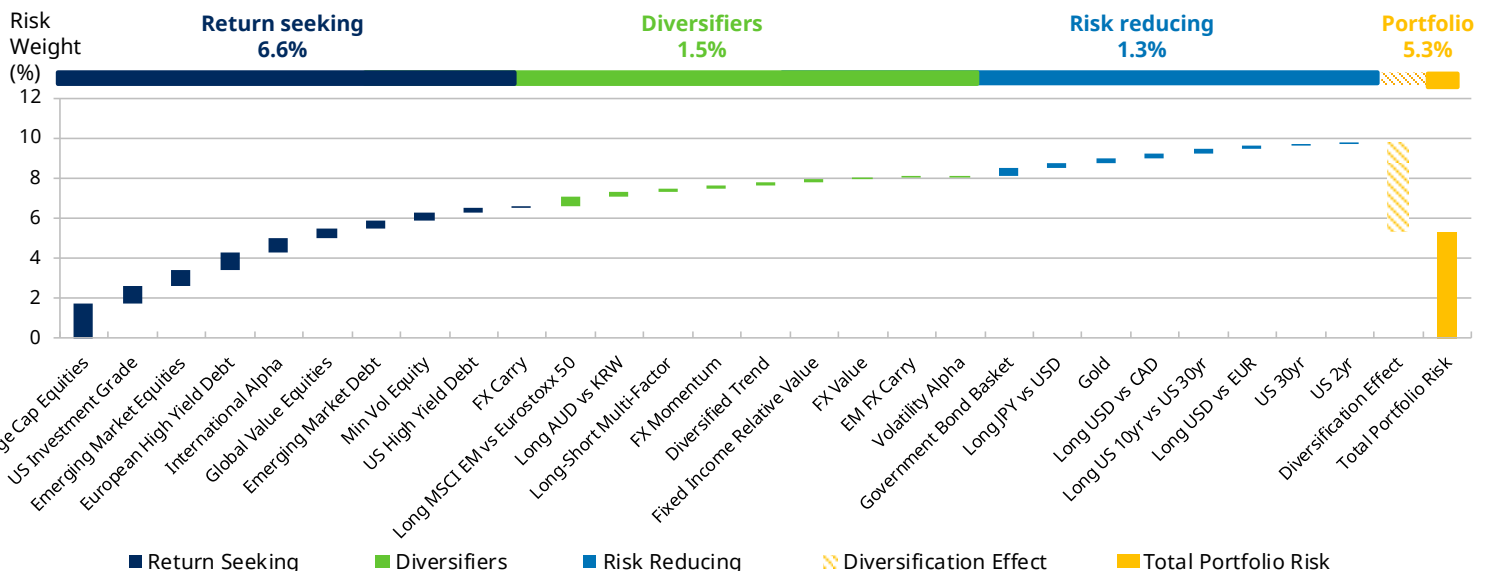
Total equity allocation: 35.2%



## Currency breakdown (%)



## Stand-alone risk weights (%)



Source: Schroders, as of June 30, 2019. The portfolio characteristics shown for the strategy are based on a representative account and the percentage measurements are based on relative market values. These characteristics are subject to change, should not be viewed as an investment recommendation and may vary among individual accounts within the strategy. Data may not add to 100% due to rounding. **Asset allocation ranges and positioning:** Asset class ranges are internal guidelines and may be subject to change. Investment grade includes asset backed securities and DM Govt Debt. Current weight represents the net exposure. **Regional equity breakdown:** Allocation to Europe ex UK is -4.0%. Regions are mentioned for illustrative purposes only and should not be viewed as a recommendation to buy/sell. Portfolio holdings can change at any time. **Currency breakdown:** Other DM: other developed market currencies, EM: emerging markets. From July 2017 FX Value and FX Growth strategies were added to the portfolio. The currencies shown above are for illustrative purposes only and are not to be considered a recommendation to buy or sell. **Stand-alone risk weights:** The information shown is a representative portfolio for Diversified Growth (US). Sectors and securities are mentioned for illustrative purposes only and should not be viewed as a recommendation to buy/sell. Portfolio holdings can change at any time. Performance shown is past performance. Past performance is not a guide to future performance. The value of investments can go down as well as up and is not guaranteed. Please see the important disclosures at the end of this document.

**Schroder US Diversified Growth Composite**  
Composite disclosures as of: December 31, 2017

**Definition of the Firm**

The Firm is defined as all accounts managed by Schroder Investment Management in the US, UK, Switzerland, Singapore, Hong Kong, Japan and Australia by wholly owned subsidiaries of Schroders PLC. Accounts managed by Schroders Adevq are excluded, Schroders Adevq claims compliance separately. Assets managed against a liability driven mandate or invested in direct property are excluded from the GIPS Firm. Advisory portfolios signed to Schroders Investment Management Hong Kong (SIMHK) are also excluded from the GIPS Firm. On January 1, 2017 the Schroders Investment Management GIPS Firm ("the Firm") was formed following the merger of independent regional Schroders Investment Management (SIM) GIPS Firms defined based predominantly on location of the investment desk and held out to clients or prospective clients as the following distinct firms: combined London/New York/Zurich (SIMUK/US & SIMSAG respectively), Singapore (SIMSL), Hong Kong (SIMHK), Australia (SIMAL) and Japan (SIMJP). These Firms were merged as a result of the increasingly global nature of the business, details of previous firm mergers are available upon request.

**Composite Definition**

The composite is not measured against a benchmark as the strategy is benchmark unconstrained and therefore no suitable benchmark exists.

**Composite Construction**

New accounts are included from the beginning of the first full month of management on a discretionary basis. Terminated accounts are excluded from the end of the last full month of discretionary management. This Composite has no minimum asset level for inclusion. The composite currency is US Dollar Composite Inception Date: Mar 31, 2014. Composite Creation Date: May 30, 2014.

**Performance Calculation**

The portfolio returns are time-weighted rates of return that are adjusted for cash flows. Portfolio returns are combined using beginning of period asset weights to produce the composite return. Periodic returns are geometrically linked to produce annual returns. Dividends on equities are recognized net of irrecoverable withholding tax. Since January 1999 dividends have been recognized as of the ex-dividend date having previously been recognized on a cash basis. Performance results are presented before the deduction of management fees and custodian fees but after trading expenses.

**Fee Schedule**

The fee scale applied to the composite is 0.475% per annum.

**Dispersion**

The dispersion of annual returns is measured by the asset weighted standard deviation of portfolio returns represented within the composite for the full year provided a minimum of 5 portfolios are available.

**GIPS Compliance and Verification**

Schroder Investment Management ("the Firm") claims compliance with the Global Investment Performance Standards GIPS® and has prepared and presented this report in compliance with the GIPS standards. The Firm has been independently verified for the periods January 1, 1996 to December 31, 2017. Verification assesses whether (1) the Firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the Firms policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The US Diversified Growth Composite (the "composite") has been examined for the periods January 1, 2014 to December 31, 2017. The verification and performance examination reports are available upon request.

**Additional Information**

The exchange rates used are provided by WM. Each currency is valued at 4 pm on the last business day of the month. Additional information regarding policies for valuing portfolios, calculating and reporting returns and a description of all composites are available on request.

**Risk Statistics Unavailability**

Standard Deviations for composite and its benchmark that have not been active or in existence for 3 years or more are not provided in the presentation.

**Composite:** Schroder US Diversified Growth **Benchmark:** None **Currency:** USD **Returns as of:** Dec-31-2017 **Inception:** Mar-31-2014

Year	Gross Composite Return (%)	Net Composite Return (%)	Primary Benchmark Return (%)	3 Year Composite Risk (%) <sup>1</sup>	3 Year Primary Benchmark Risk (%) <sup>1,5</sup>	Number of Portfolios (throughout period)	Account Dispersion (%) <sup>2</sup>	Market Value at end of Period	Average Account Value at end of Period	Percentage of Firm Assets (%)	Total Firm Assets <sup>4</sup>
2017	11.56	11.03	N/A	5.33	N/A	<5	N/A	672,167,747.00	336,083,873.50	0.15	455,112,000,742.08
2016	4.24	3.75	N/A	N/A	N/A	<5	N/A	255,469,378.00	255,469,378.00	0.08	302,127,480,638.57
2015	-0.35	-0.82	N/A	N/A	N/A	<5	N/A	481,275,839.00	240,637,919.50	0.16	293,397,986,258.49
Q2 14 to end Q4 14	6.19	5.81	N/A	N/A	N/A	<5	N/A	389,303,480.00	194,651,740.00		
As of Dec-2017	Gross Composite Return (%)	Net Composite Return (%)	Primary Benchmark Return (%)	Composite Risk (%) <sup>1</sup>	Primary Benchmark Risk (%) <sup>1</sup>						
Annualized 3 Year	5.04	4.54	N/A	5.33	N/A						
Annualized 5 Year	N/A	N/A	N/A	N/A	N/A						
Annualized 7 Year	N/A	N/A	N/A	N/A	N/A						
Annualized 10 Year	N/A	N/A	N/A	N/A	N/A						
Annualized S.I. <sup>3</sup>	5.69	5.19	N/A	5.00	N/A						

Past performance is not indicative of future results.

1. Annualized standard deviation of gross monthly returns for the composite and monthly returns for the benchmark. 2. Asset weighted standard deviation of annual gross returns of accounts that have been in the composite for the entire year. Part periods are not annualized. 3. Since Inception March 31, 2014. 4. Since December 31, 2003 Total Firm Assets include non-fee paying accounts. 2003 Total Firm Assets value has been restated due to the inclusion of those non-fee paying accounts. Total Firm Assets from 2007 incorporate the UK & US firm merger as detailed in the Definition of the Firm, from the start of 2011 Schroder Property Investment Management Multi Manager accounts are included in the Total Firm Assets. 5. Benchmark volatility not shown as the benchmark is cash which is not comparable to the composite. N/A - Information is not statistically meaningful due to an insufficient number of portfolios for the entire year \*Returns are for a part period year

## Team highlights

- The Multi-Asset team consists of over 90 investment professionals managing over \$95bn for clients globally
- Research is organized around a risk premia based approach utilizing both quantitative and qualitative analysis
- The team's approach is solutions-oriented with products based around five key desired investor outcomes: Wealth Preservation, Risk-Controlled Growth, Income, Inflation Protection and Risk Mitigation

## Risk disclosures

All investments, domestic and foreign, involve risks including the risk of possible loss of principal. The market value of a portfolio may decline as a result of a number of factors, including adverse economic and market conditions, prospects of stocks in the portfolio, changing interest rates, real or perceived adverse competitive industry conditions, inflation/deflation risk, mortgage and asset-backed securities risk, US Government securities risk and derivatives risk. The use of derivatives involves risks different from, or possibly greater than, the risks associated with investing directly in the underlying assets. Investing overseas involves special risks including among others, risks related to political or economic instability, foreign currency (such as exchange, valuation, and fluctuation) risk, market entry or exit restrictions, illiquidity and taxation. These risks exist to a greater extent in emerging markets than in developed markets. Investments in small- and medium-capitalization companies may involve a higher degree of risk and volatility than investments in larger, more established companies. The strategy will invest in some higher-yielding bonds (non-investment grade). The risk of default is higher with non-investment grade bonds than with investment grade bonds. Higher yielding bonds may also have an increased potential to erode your capital sum than lower yielding bonds. The strategy may invest in property funds and property investment companies. It may be difficult to deal in these investments because the underlying properties may not be readily saleable which may affect liquidity. No investment strategy or risk management technique can guarantee returns or eliminate risk in any market environment. The use of leverage may magnify gains and losses.

## About Schroders



\$ 536.7bn in assets across equities, fixed income, multi-asset, alternatives and real estate



An extensive global network of 5,000+ employees



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



Over 200 years' experience of investment markets

Source: Schroders, as of March 31, 2019. Firm assets include assets under management and administration.

To learn more about Schroders visit:  
[schroders.com/us](https://www.schroders.com/us)

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