

Schroder Global Equity Alpha

Strategy Fact Sheet



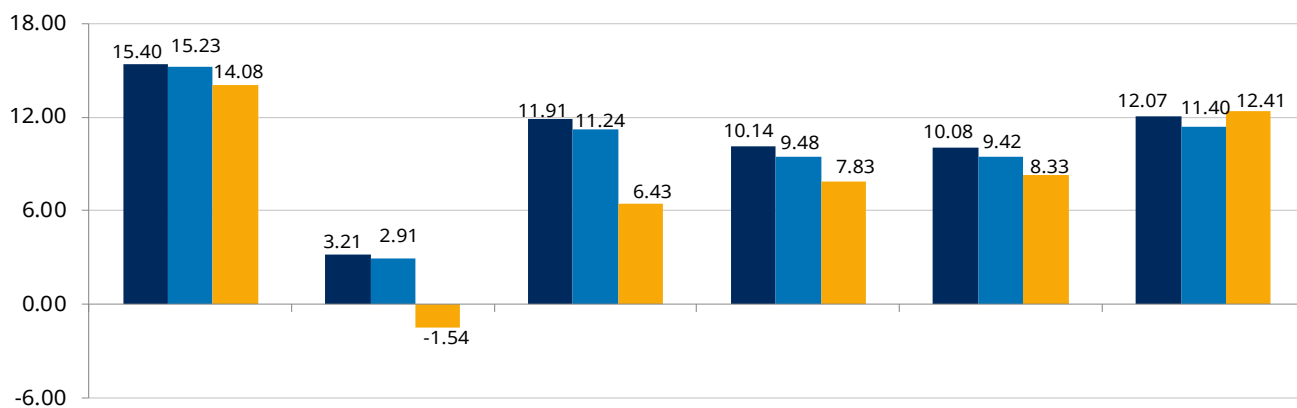
Strategy summary

Schroders' Global Equity Alpha strategy offers a concentrated, fundamental research-driven approach aimed at delivering strong outperformance. Our style is to seek companies with a 'growth gap' – where our expectations of forward earnings growth will exceed that of the markets'. We focus on what we believe to be only the very best investment ideas that are identified by Schroders' Global and International Equities Team, consisting of Portfolio Managers and Global Sector Specialists.

Key features

- 40–60 of our best international ideas
- Focus on identifying companies which can deliver a positive earnings surprise or "growth gap"
- Well-resourced, highly experienced team incorporating global sector expertise and local analyst knowledge
- ESG research and corporate engagement activity supported by large team of Sustainability specialists
- Innovative Data Insights Unit helping to improve investors decision making through use of unconventional sources of information
- Proprietary risk framework focused on seeking to achieve better downside protection and performance consistency

Composite performance (%)



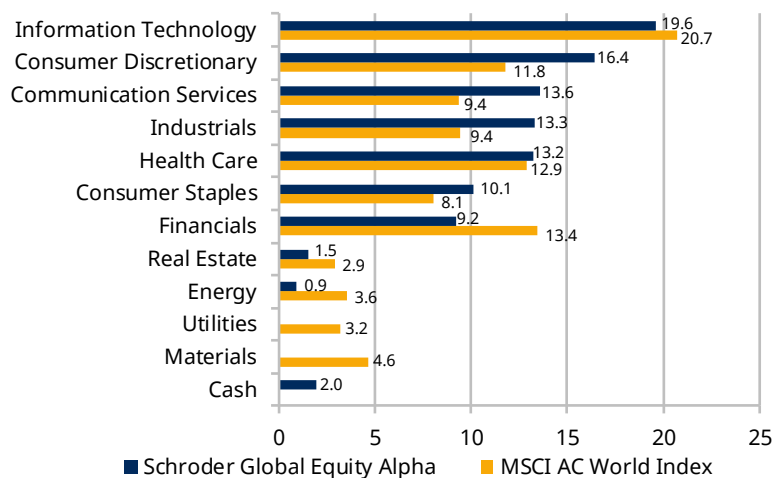
	QTD	YTD	1 Year	3 Years	5 Years	Annual S.I.*
Difference (gross)	+1.32	+4.75	+5.48	+2.30	+1.75	-0.34
Difference (net)	+1.15	+4.44	+4.81	+1.65	+1.10	-1.01

■ Schroder Global Equity Alpha (gross) ■ Schroder Global Equity Alpha (net) ■ MSCI AC World (NDR)

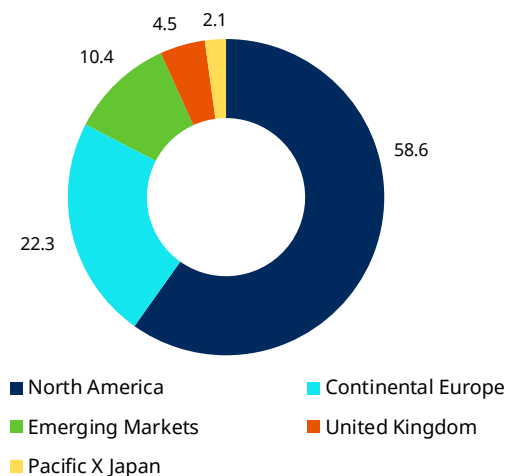
	2019	2018	2017	2016	2015
Gross	21.72	-1.36	18.51	1.62	20.78
Net	20.99	-1.95	17.80	1.01	20.06
MSCI AC World Index	20.20	-1.26	15.83	4.13	17.10
Difference (gross)	+1.52	-0.11	+2.68	-2.52	+3.68
Difference (net)	+0.79	-0.70	+1.97	-3.12	+2.96

*Inception May 31, 2010
The MSCI AC World Index captures large and mid cap representation across 23 Developed Markets and 24 Emerging Markets countries. With 2,493 constituents, the index covers approximately 85% of the global investable equity opportunity set. Performance is shown in CAD. 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. Composite performance shown is for the Global Alpha ACWI Composite. All data and statistics as of June 30 2020.

Sector breakdown (%)



Regional breakdown (%)



Top ten holdings

	Sector	Country	% of Total Market Value
Microsoft Corporation	Information Technology	United States	4.77
Amazon.com, Inc.	Consumer Discretionary	United States	4.47
Alphabet Inc. Class A	Communication Services	United States	4.45
Facebook, Inc. Class A	Communication Services	United States	3.39
Visa Inc. Class A	Information Technology	United States	3.17
UnitedHealth Group Incorporated	Health Care	United States	2.90
Adobe Inc.	Information Technology	United States	2.76
Tencent Holdings Ltd.	Communication Services	China	2.74
Alibaba Group Holding Ltd. Sponsored ADR	Consumer Discretionary	China	2.68
Intuit Inc.	Information Technology	United States	2.64
	Total		33.96

Portfolio and risk statistics

	Schroder Global Equity Alpha	MSCI AC World Index
Wtd avg market cap (\$ billions)¹	299.79	232.51
EPS Growth (estimated 3-5 years)²	16.56	8.09
P/E ratio (trailing 12 months)³	23.31	19.65
P/E ratio (forward 12 months)⁴	21.92	18.67
P/B ratio (trailing 12 months)⁵	3.66	2.34
Tracking error* (5 years)⁶	2.08	—
Beta* (5 years)⁷	0.98	—

Source: Schroders, MSCI, FactSet as of June 30, 2020. The portfolio characteristics shown for the strategy are based on a representative account (unless otherwise noted) 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.

Sector/regional allocation: Sectors/regions listed are shown for illustrative purposes and are not to be considered a recommendation to buy or sell.

Top ten holdings: Securities listed are shown for illustrative purposes and are not to be considered a recommendation to buy or sell.

Portfolio and risk statistics: *Based on the composite, in USD. ¹An average that takes into account the proportional relevance of each component, rather than treating each component equally. Market cap is the market price of an entire company on any given day, calculated by multiplying the number of shares outstanding by the price per share. ²The portion of a company's profit allocated to each outstanding share of common stock. Earnings per share serves as an indicator of a company's profitability. ³The sum of a company's price-to-earnings, calculated by taking the current stock price and dividing it by the trailing earnings per share for the past 12 months. ⁴A measure of a company's financial leverage calculated by dividing its total liabilities by stockholders' equity. It indicates what proportion of equity and debt the company is using to finance its assets. ⁵A ratio used to compare a stock's market value to its book value. It is calculated by dividing the current closing price of the stock by the latest quarter's book value per share. ⁶The annualized standard deviation of the active returns of a portfolio relative to the benchmark. ⁷A mathematical measure of the sensitivity of rates of return on a portfolio compared with rates of return on the market as a whole. A beta of 1.0 indicates that an asset closely follows the market; a beta greater than 1.0 indicates greater volatility than the market.

Schroder Global Alpha ACWI Composite
Composite disclosures as of: December 31, 2018

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 Adveq are excluded, Schroders Adveq 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 Global ACWI Composite (the "Composite") is comprised of all fully discretionary, benchmark aware accounts in the Firm, which seek to achieve returns above the MSCI AC World (NDR) index or equivalent through long-term capital growth from an actively managed portfolio comprising of securities quoted on the world's stock markets including North America, Europe and Asia Pacific and Emerging Markets. None of the accounts in the Composite use leverage. In September 2014, the name of the composite was changed from Global Diversified ACW composite to Global ACWI composite as a result of a marketing review. This change does not affect the composite history, investment decisions or strategy used.

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: June 30, 2010 Composite Creation Date: November 3, 2009.

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 0.375% p.a.

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.

Leverage

None of the accounts in the Composite use leverage.

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, 2018. The verification report(s) is/are available upon request. 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 Firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation. A complete list of all composites and their descriptions is available upon request. Additional information regarding policies for calculating and reporting returns is 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 Global Alpha ACWI **Benchmark:** MSCI AC World (NDR) **Currency:** USD **Returns as of:** Dec-31-2018 **Inception:** May-31-2010

Year	Gross Composite Return (%)	Net Composite Return (%)	Primary Benchmark Return (%)	3 Year Composite Risk (%) ¹	3 Year Primary Benchmark Risk (%) ¹	Number of Portfolios (throughout period)	Account Dispersion (%) ²	Market Value at end of Period	Average Account Value at end of Period	Percentage of Firm Assets (%)	Total Firm Assets ⁴
2018	-7.25	-7.59	-9.41	11.11	10.62	< 5	N/A	539,288,490.00	269,644,245.00	0.14	384,803,377,261.21
2017	27.26	26.79	23.97	10.69	10.51	< 5	N/A	583,648,403.00	291,824,201.50	0.13	455,112,000,742.08
2016	4.07	3.68	7.86	11.66	11.21	< 5	N/A	459,847,794.00	229,923,897.00	0.15	302,127,480,638.57
2015	2.52	2.13	-2.36	11.63	10.94	< 5	N/A	443,375,752.00	221,687,876.00	0.15	293,397,986,258.49
2014	2.81	2.43	4.16	11.40	10.64	< 5	N/A	433,982,061.00	216,991,030.50	0.15	282,697,291,678.31
2013	24.62	24.15	22.80	15.96	14.14	< 5	N/A	820,514,977.00	273,504,992.33	0.32	255,707,099,715.41
2012	17.03	16.60	16.13	N/A	N/A	< 5	N/A	661,006,189.00	220,335,396.33	0.30	223,940,416,622.14
2011	-10.46	-10.79	-7.35	N/A	N/A	< 5	N/A	566,579,459.13	188,859,819.71	0.29	194,958,113,724.01
H2 10	26.40	26.16	24.32	N/A	N/A	< 5	N/A	308,504,494.00	308,504,494.00		

As of Dec-2018	Gross Composite Return (%)	Net Composite Return (%)	Primary Benchmark Return (%)	Composite Risk (%) ¹	Primary Benchmark Risk (%) ¹
Annualized 3 Year	7.10	6.70	6.60	11.11	10.62
Annualized 5 Year	5.30	4.91	4.26	11.46	10.87
Annualized 7 Year	9.51	9.10	8.38	11.64	11.10
Annualized 10 Year	N/A	N/A	N/A	N/A	N/A
Annualized S.I. ³	9.35	8.94	8.65	13.88	12.81

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 May 31, 2010. 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

- Experienced dedicated team of 15 investment professionals based in London
- Team manages around \$30 billion in Global, US and EAFE assets
- Global sector specialists identify our best ideas from global stock markets
- Utilizing more than 90 locally based research analysts in 11 countries
- Globally integrated research platform

Risk disclosures

All investments, domestic and foreign, involve risks including the risk of possible loss of principal. The market value of the 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, and real or perceived adverse competitive industry conditions. 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.

About Schroders



CAD \$884.8bn in assets across equities, fixed income, multi-asset, alternatives and real estate



An extensive global network of 5,000+ employees



Operating in 35 locations across Europe, the Americas, Asia Pacific, Middle East and Africa



Over 200+ years' experience of investment markets

Source: Schroders, as of June 30, 2020.

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

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