

Strategy summary

The Schroder Enhanced Securitized strategy uses a research-driven approach seeking to generate return by investing in mortgage-backed and asset-backed securities, with a focus on sectors where the team believes it possesses a competitive advantage. The strategy seeks to capitalize on cyclical opportunities among the wide range of sectors and assets. The team seeks to identify sectors and securities that offer the most attractive return profile relative to their annualized volatility, liquidity and key risk factors. We believe that our process for identifying undervalued sectors, and cash flows with performance upside, is the ideal process to capture value.

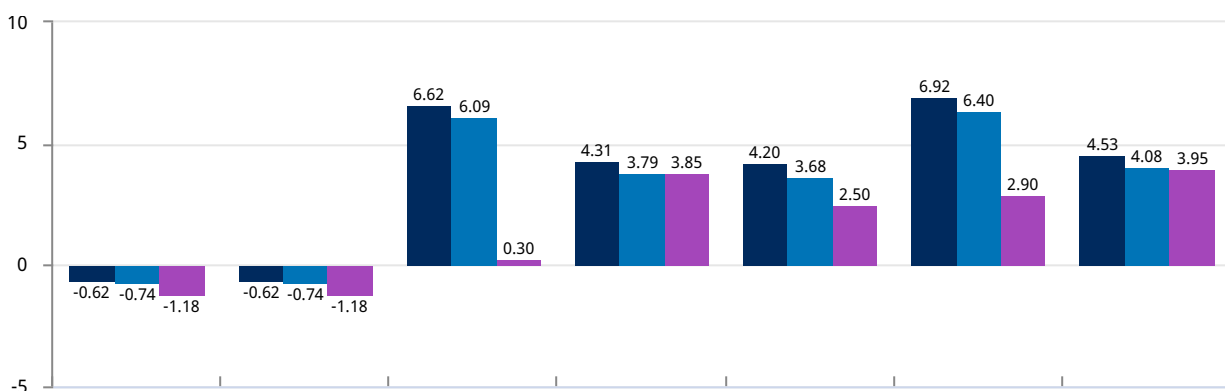
The strategy seeks to outperform the Bloomberg Barclays US Securitized Index by 100 basis points (gross of fees) or over a market cycle.*

*There can be no guarantee that any investment objectives or outcomes will be achieved.

Key features

- Research-driven, opportunity based investment process
- Industry leading proprietary analytics and models
- Investments are chosen based on risk reward, in a relative value framework
- Sector allocation and security selection are the main sources of generating return
- Collaborative, interactive approach to evaluate opportunities and relative value

Composite performance (%)



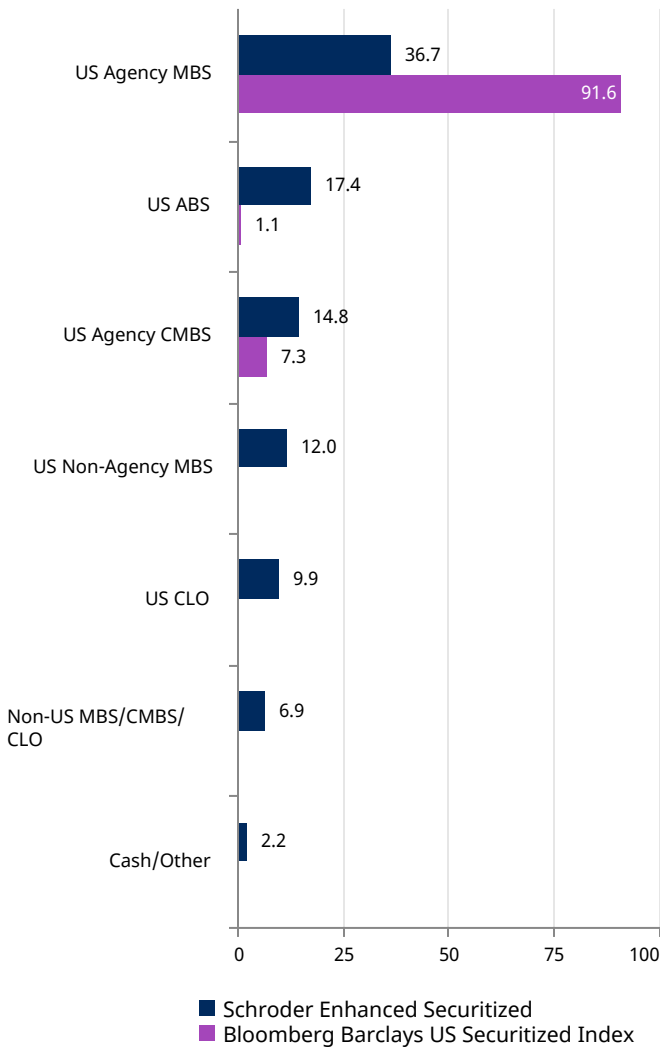
	QTD	YTD	1 Year	3 Years	5 Years	10 Years	Annual S.I.*
Difference (gross)	+0.56	+0.56	+6.32	+0.46	+1.70	+4.02	+0.58
Difference (net)	+0.44	+0.44	+5.79	-0.06	+1.18	+3.50	+0.13

■ Schroder Enhanced Securitized (gross) ■ Schroder Enhanced Securitized (net) ■ Bloomberg Barclays US Securitized Index

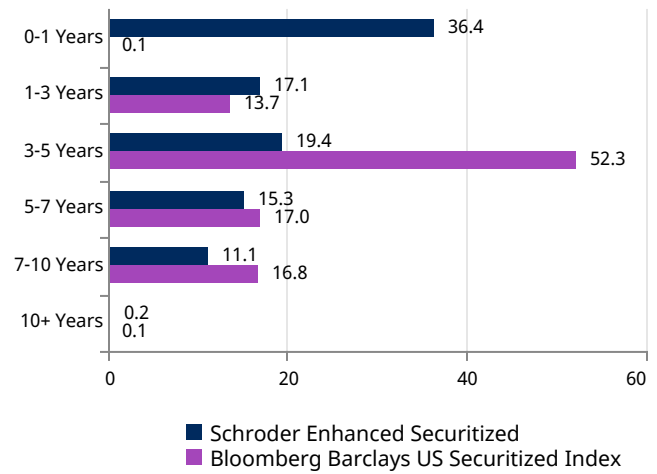
	2020	2019	2018	2017	2016
Gross	4.05	7.06	1.71	4.65	5.34
Net	3.53	6.53	1.20	4.13	4.81
Bloomberg Barclays US Securitized Index	4.18	6.44	0.99	2.51	1.78
Difference (gross)	-0.13	+0.62	+0.72	+2.14	+3.56
Difference (net)	-0.65	+0.09	+0.21	+1.62	+3.03

*Inception December 31, 2005
The benchmark is defined as the Bloomberg Barclays US Securitized Index. 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 March 31, 2021.

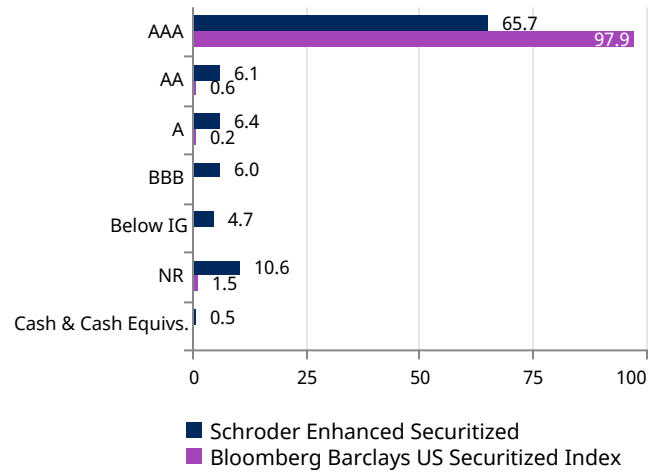
Sector breakdown (%)



Duration breakdown (%)



Credit quality breakdown (%)



Portfolio and risk statistics

	Schroder Enhanced Securitized	Bloomberg Barclays US Securitized Index
Weighted average life (years)	4.17	4.95
Spread duration (years)	4.02	5.11
Effective duration (years)	4.23	4.83
Effective yield (YTW)	2.52	1.68
Average quality ¹	AA	AAA

Source: Schroders, Bloomberg Barclays, as of March 31, 2021. The portfolio characteristics shown for the strategy are based on the composite 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 breakdown: Sectors are mentioned for illustrative purposes and not as a recommendation to buy/sell.

Credit quality breakdown: The data is shown as a percentage of market value. Credit quality breakdown reflects the higher of the credit ratings assigned by S&P, Moody's, and/or Fitch. If only two of the three agencies rate the security, the lower rating is used to determine the rating classification. For example, a bond rated A1/AA- by Moody's and S&P, respectively, would be included in the single-A quality tier.

Portfolio and risk statistics:¹Average Quality is Schroders' average rating of Moody's, S&P and Fitch. The "Average Credit Quality" shown is the average credit rating of the securities in the portfolio, as determined by Schroders, and is not a credit rating that has been assigned to the portfolio itself by any NRSRO or third-party entity.

Schroder Enhanced Securitized Composite

Composite disclosures as of: December 31, 2019

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 Schroder Enhanced Securitized (the "Composite") is comprised of all fully discretionary accounts in the Firm seeking to achieve returns above the Bloomberg Barclays US Securitized Index or an equivalent benchmark by providing capital growth and income primarily through investment in securitized assets such as asset-backed securities and mortgage-backed securities. The accounts may invest in below investment grade securities. In May 2021 the composite definition was updated to remove reference to an absolute return target and to include reference to a benchmark.

Composite Construction

The composite returns include all of the Firm's separate accounts and commingled funds which are discretionary, fee paying, tax exempt, above \$30 million and managed as described above. New accounts are included in the composite one full month after inception date to ensure the account has been fully invested. Terminated accounts are excluded from the composite at the end of the previous month. The composite's creation date is October 31, 2016. The composite's start date is December 31, 2005.

Performance Calculation

Composite returns are presented as gross returns, including cash, reinvestment of dividends, interest and other income earned in the period and are calculated on a trade date basis after transaction charges (brokerage commissions). Each account's investment performance rate of

return is calculated monthly in accordance with the 'time-weighted' rate of return method (Modified Dietz). Additional information regarding policies for valuing portfolios, calculating and reporting returns is available upon request. The Currency of the Composite is USD. Withholding Tax treatment may vary from portfolio to portfolio within this composite.

Fee Schedule

Returns are net of trading expenses but gross of custody fees and other costs. Net of fees returns have been calculated based upon the following schedules: Inception to May 31, 2012: gross returns have been reduced by a model fee rate of 35 bps From May 31, 2012: gross returns have been reduced by a model fee rate of 50 bps. Net returns have been calculated using a model fee which has been applied geometrically on a monthly basis.

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, 2019. The verification report(s) is/are available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein. A list of descriptions for composites and limited distribution pooled funds is available upon request, a list of broad distribution pooled funds is also available. 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

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 Enhanced Securitized Composite Benchmark: Barclays U.S. Securitized Index TL Currency: USD Returns as of: Dec-31-2019 Inception: Dec-31-2005

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
2019	7.06	6.53	6.44	2.25	2.18	< 5	N/A	1,782,674,504.00	445,668,626.00	0.37	487,332,595,542.30
2018	1.71	1.20	0.99	2.16	2.28	< 5	N/A	1,664,518,813.00	554,839,604.33	0.43	384,803,377,261.21
2017	4.65	4.13	2.51	1.74	1.81	< 5	N/A	1,378,766,751.00	459,588,917.00	0.30	455,112,000,742.08
2016	5.34	4.81	1.78	1.85	2.13	< 5	N/A	1,543,042,837.00	385,760,709.25	0.51	302,127,480,638.57
2015	6.93	6.40	1.47	2.45	2.30	< 5	N/A	415,702,415.77	207,851,207.89	2.48	16,795,000,000.00
2014	11.06	10.51	5.88	2.45	2.20	< 5	N/A	482,600,145.34	241,300,072.67	2.68	18,006,000,000.00
2013	9.92	9.37	-1.31	2.71	2.03	< 5	N/A	568,870,422.13	284,435,211.07	2.79	20,416,000,000.00
2012	15.25	14.75	3.01	2.66	1.66	< 5	N/A	984,612,262.20	328,204,087.40	5.92	16,623,000,000.00
2011	10.13	9.74	6.22	3.81	2.15	< 5	N/A	991,842,950.10	330,614,316.70	4.73	20,980,000,000.00
2010	18.25	17.84	6.52	9.24	3.19	< 5	N/A	1,263,845,184.90	421,281,728.30	5.72	22,112,000,000.00
2009	9.88	9.50	7.78	8.39	3.21	5 (5)	1.50	1,496,220,591.70	299,244,118.34	6.22	24,054,000,000.00
2008	-29.47	-29.72	4.64	7.78	3.13	6 (6)	9.48	1,550,155,084.82	258,359,180.80	9.32	16,636,000,000.00
2007	-1.27	-1.61	6.64	N/A	N/A	8 (6)	0.77	3,114,274,271.00	389,284,283.88	14.01	22,228,000,000.00
2006	5.66	5.29	5.16	N/A	N/A	6 (5)	0.30	2,613,607,123.00	435,601,187.17	12.62	20,707,000,000.00
As of Dec-2019	Gross Composite Return (%)	Net Composite Return (%)	Primary Benchmark Return (%)	Composite Risk (%) ¹	Primary Benchmark Risk (%) ¹						
Annualized 3 Year	4.45	3.93	3.29	2.25	2.18						
Annualized 5 Year	5.12	4.60	2.62	2.10	2.11						
Annualized 7 Year	6.63	6.10	2.51	2.38	2.25						
Annualized 10 Year	8.93	8.43	3.32	2.63	2.12						
Annualized S.I. ³	4.70	4.25	4.09	4.91	2.42						

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. N/A for periods with less than 36 months of available returns. ² Asset weighted standard deviation of annual gross returns that have been in the composite for the entire year. Part periods are not annualized. ³ Since Inception 12/31/2005 ⁴ Since Dec 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 incorporate firm mergers as detailed in the Definition of the Firm Manager accounts are included in the Total Firm Assets

* Returns are for a part period year

N/A - Information is not statistically meaningful due to an insufficient number of portfolios for the entire year



Team highlights

- Over \$14 billion in managed securitized assets, of which approximately \$6 billion is in benchmark-relative strategies
- Disciplined approach to securitized strategies since 1993
- 15 member team, with three portfolio managers averaging more than 20 years of experience
- Portfolio management and credit research are an integrated function
- Proprietary forecasting tools developed over two credit cycles
- Access to team of global credit analysts

Source: Schroders, as of March 31, 2021.

Risk disclosures

All investments involve risks including the risk of possible loss of principal. Asset allocation and diversification cannot ensure a profit or protect against loss of principal. Duration is a measure of volatility expressed in years. The higher the number, the greater potential for volatility as interest rates change. The market value of a bond portfolio may decline as a result of a number of factors, including interest rate risk, credit risk, inflation/deflation risk, mortgage and asset-backed securities risk, U.S. Government securities risk, foreign investment risk, high yield securities risk and derivatives risk. Asset-backed, mortgage-backed or mortgage-related securities are subject to prepayment and extension risks, delinquency and foreclosure. The use of derivatives involves risks different from, or possibly greater than, the risks associated with investing directly in the underlying assets. No investment strategy or risk management technique can guarantee returns or eliminate risk in any market environment. Bonds rated BBB/Baa or higher are considered investment grade, while bonds rated BB/Ba or lower are considered speculative as to the timely payment of principal and interest.

About Schroders



\$785.1bn in assets under management (AUM)



An extensive global network of 5,500+ employees



Operating in 37 locations across Europe, the Americas, Asia Pacific, Middle East and Africa



215+ years of experience and innovation

Source: Schroders, as of December 31, 2020.

To learn more about Schroders visit:

[schroders.com/us](https://www.schroders.com/us)

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