

## News Release

# Schroders launches RMB Fixed Income fund

**27<sup>th</sup> November 2012**

Schroders is pleased to announce the launch of Schroder ISF<sup>1</sup> RMB Fixed Income, a new strategy which will provide an opportunity for offshore investors to access China's fixed income market in the Chinese currency. Following the success of the Schroders Hong Kong domiciled RMB Fixed Income Fund; this fund will seek to tap into the broader demand for RMB bonds.

The Fund, which launched on 7<sup>th</sup> November, is actively managed and will use the HSBC Offshore RMB Investment Grade Bond Total Return Index as a reference. It is managed by the Asian Fixed Income team, which draws on the expertise of around 30 credit analysts<sup>2</sup> across five continents, led by Rajeev De Mello, Head of Asian Fixed Income, and Angus Hui, Asian Fixed Income Fund Manager. The team's investment philosophy is to build a diversified portfolio expressing the team's fundamental views on the direction of the Chinese bond market, selection of maturities along the yield curve, sector and company selection. Investments will be in Chinese government bonds and Chinese and foreign companies bonds issued in RMB.

Schroder ISF RMB Fixed Income aims to provide long-term capital growth and income in renminbi (RMB) terms, giving investors an opportunity to benefit from a growing bond market supported by robust economic fundamentals.

**Karl Dasher, Schroders Global Head of Fixed Income, said:**

*"After the success of the Hong Kong-based offshore RMB bond fund, launched in 2010, and the continued growth and development within the offshore RMB bond market, we are keen to extend this product offering to a broader range of clients via our Luxembourg platform. This reflects Schroders' commitment to the*

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<sup>1</sup> Schroder International Selection Fund is referred to as Schroder ISF.

<sup>2</sup> Source: Schroders, as at 30 June 2012.

*developing asset class, which has enjoyed an exceptional growth trajectory over recent years and our belief that the RMB's importance in a global context is increasing rapidly, providing a solid long-term fundamental story for the currency."*

**Rajeev de Mello, Schroders Head of Asian Fixed Income, said:**

*"In the current low interest rate environment, offshore RMB bonds provide an attractive yield of 4.0% for the overall index and 3.6% for the investment grade non-government sector.<sup>3</sup> With now higher yields and a wider investment universe to add value from security selection and relative value rotation, offshore RMB bonds provide investors with multiple sources of return potential in addition to the currency appreciation. The investment grade quality of credits combined with a robust yield, not only offers investors a practical way of protecting their portfolios from global uncertainty but also gives them long-term potential in an exciting and growing market."*

**-Ends-**

**For further information, please contact:**

Beth Saint, International - Tel: +44 (0)20 7658 6168/ [elizabeth.saint@schroders.com](mailto:elizabeth.saint@schroders.com)

Kathryn Sutton, International - Tel: +44 (0)20 7658 5765/ [kathryn.sutton@schroders.com](mailto:kathryn.sutton@schroders.com)

Charlotte Banks, Intermediary - Tel: +44 (0)20 7658 2589/ [charlotte.banks@schroders.com](mailto:charlotte.banks@schroders.com)

**Notes to Editors**

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**Schroders plc**

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With one of the largest networks of offices of any dedicated asset management company, we operate from 33 offices in 26 countries across Europe, the Americas, Asia and the Middle East. Schroders has developed under stable ownership for over 200 years and long-term thinking governs our approach to investing, building client relationships and growing our business.

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<sup>3</sup> Source: HSBC, Bloomberg, as at 31 October 2012.

**Schroder Investment Management Limited**

31 Gresham Street, London EC2V 7QA

Telephone +44 (0)20 7658 6000 Fax +44 (0)20 7658 6965

[www.schroders.com](http://www.schroders.com)



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