

Schroder International Selection Fund Strategic Credit

C Distribution EUR Share Class

Fund Launch Date

12 March 2014

Total Fund Size (Million)

GBP 1,428.0

Share Price End of Month (EUR)

91.50

Total number of holdings

392

Benchmark

3 Month Treasury Bill

Fund Manager

Peter Harvey

Managed fund since

10 December 2007

Running Yield

4.23 %

Effective Duration of Fund in Years

2.26

Effective Yield

2.99 %

Option Adjusted Spread of Fund

216 bp

Average Credit Rating

BB+

Annual Volatility over 3 years (%)

11.60

The Running Yield reflects the income related to the Coupons of the instruments held in the portfolio as a percentage of their market value. The figure shown is a market value weighted average for the whole portfolio. It does not include any preliminary charge and investors may be subject to tax on distributions.

Investment Objective and Policy

The fund aims to provide capital growth and income by investing in bonds issued by companies in Europe.

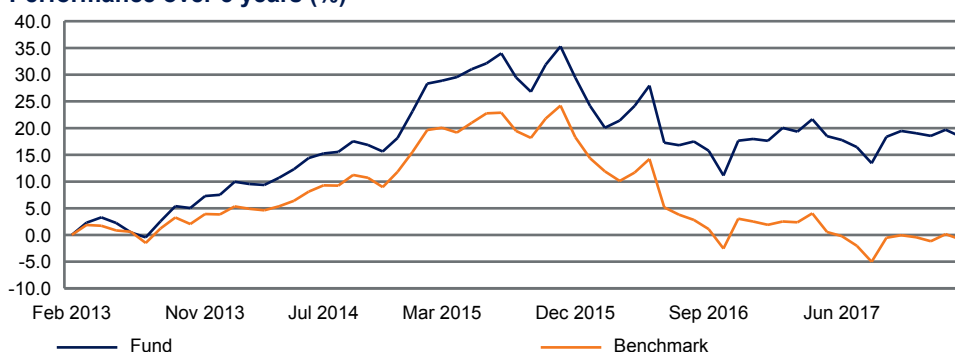
The fund invests at least two-thirds of its assets in bonds issued by governments, government agencies, supra-nationals and companies in Europe. The fund may invest up to 100% of its assets in securities with a sub-investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies). The fund may also seek up to 25% exposure to convertible bonds and bonds with warrants. The exposure to convertible bonds includes up to 10% in contingent convertible bonds. The fund may also invest in derivatives to create long and short exposure to the underlying assets of these derivatives. The fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the fund more efficiently. The fund may also hold cash.

Performance Analysis

| Performance (%) | 1 month | 3 months | 6 months | YTD | 1 year | 3 years | 5 years | 10 years |
|-----------------|---------|----------|----------|------|--------|---------|---------|----------|
| Fund | -1.1 | -0.5 | 4.4 | -0.1 | -1.3 | -7.7 | 18.4 | 52.7 |
| Benchmark | -1.0 | -0.4 | 4.4 | 0.3 | -3.3 | -17.1 | -0.8 | --- |

| Discrete Yearly Performance (%) | Q4/2016 - Q4/2017 | Q4/2015 - Q4/2016 | Q4/2014 - Q4/2015 | Q4/2013 - Q4/2014 | Q4/2012 - Q4/2013 |
|---------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Fund | 0.5 | -8.9 | 9.6 | 9.9 | 1.8 |
| Benchmark | -3.6 | -13.3 | 5.8 | 7.7 | -2.1 |

Performance over 5 years (%)



The return received may rise or fall as a result of currency fluctuations.

Past performance is not a reliable indicator of future results, prices of shares and the income from them may fall as well as rise and investors may not get back the amount originally invested.

The fund is not managed with reference to a benchmark but its performance may be measured against one or more.

All fund performance data are on a NAV to NAV basis, net income reinvested. Data is not available for the time periods with no % growth stated. In case a share class is created after the fund's launch date, a simulated past performance is used, based upon the performance of an existing share class within the fund, taking into account the difference in the ongoing charges and the portfolio transaction costs, and including the impact of any performance fees if applicable.

Some performance differences between the fund and the benchmark may arise because the fund performance is calculated at a different valuation point from the benchmark. Source: Schroders Schroder ISF Strategic Credit was launched on 12 March 2014 to accommodate a transfer of shareholders from the Cazenove fund to the Schroder ISF SICAV. Prior to 12 March 2014 the fund uses the track record of Cazenove Strategic Debt Fund (launched on 10 December 2007) as a performance track record.



Schroders

Risk Considerations

- **ABS and MBS risk:** Mortgage or asset-backed securities may not receive in full the amounts owed to them by underlying borrowers.
- **Capital risk / contingent convertible bonds:** The fund may be significantly invested in contingent convertible bonds. If the financial strength of a bond's issuer (typically a bank or an insurance firm) falls in a prescribed way the bond may suffer substantial or total losses of capital.
- **Capital risk / distribution policy:** Because the fund intends to pay dividends regardless of its performance, a dividend may include a return of part of your original investment.
- **Capital risk / negative yields:** When interest rates are very low or negative, the fund's yield may be zero or negative, and you may not get back all of your investment.
- **Counterparty risk:** The counterparty to a derivative or other contractual agreement or synthetic financial product could become unable to honour its commitments to the fund, potentially creating a partial or total loss for the fund.
- **Counterparty risk / money market & deposit:** A failure of a deposit institution or an issuer of a money market instrument could create losses.
- **Credit risk:** A decline in the financial health of an issuer could cause the value of its bonds to fall or become worthless.
- **Currency risk:** The fund can be exposed to different currencies. Changes in foreign exchange rates could create losses.
- **Derivatives risk:** A derivative may not perform as expected, and may create losses greater than the cost of the derivative.
- **High yield bond risk:** High yield bonds (normally lower rated or unrated) generally carry greater market, credit and liquidity risk.
- **Interest rate risk:** A rise in interest rates generally causes bond prices to fall.
- **Leverage risk:** The fund uses derivatives for leverage, which makes it more sensitive to certain market or interest rate movements and may cause above-average volatility and risk of loss.
- **Liquidity risk:** In difficult market conditions, the fund may not be able to sell a security for full value or at all. This could affect performance and could cause the fund to defer or suspend redemptions of its shares.
- **Operational risk:** Failures at service providers could lead to disruptions of fund operations or losses.
- **Capital risk / distribution policy:** the expenses of this share class are paid out of capital rather than out of investment income. Capital growth will be reduced and in periods of low growth capital erosion may occur.

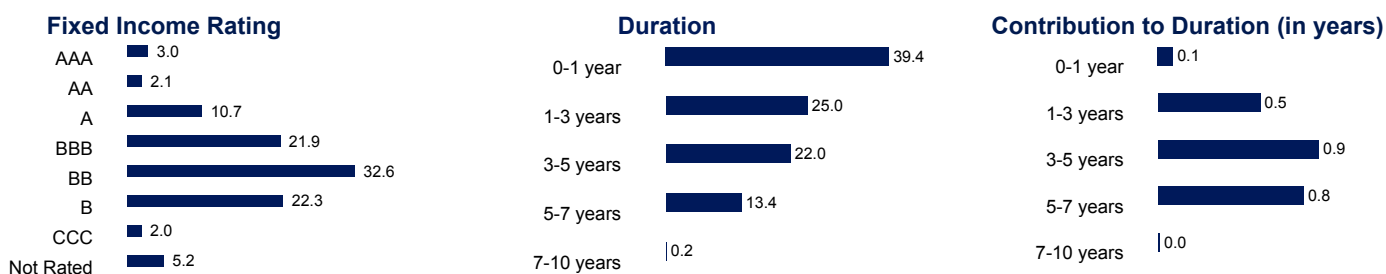
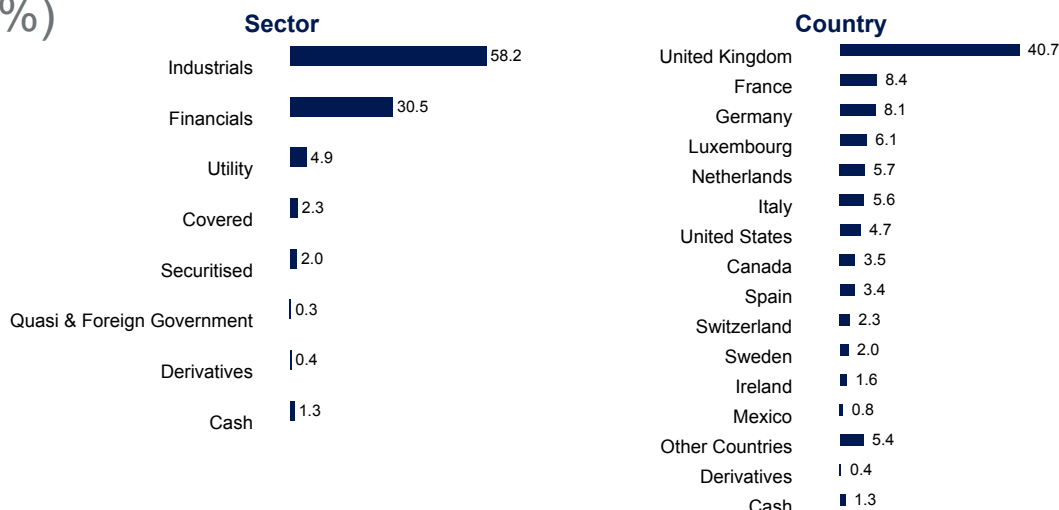
Holdings Analysis

| Top 10 Holdings | Sector | % NAV |
|---|-------------|-------------|
| 1. ABN Amro Bank 1.08163% 30/11/2018 | Financials | 2.2 |
| 2. Wind Tre 2.75% 20/01/2024 | Industrials | 1.6 |
| 3. J Sainsbury 6.5% 29/12/2049 | Industrials | 1.6 |
| 4. Ineos Group Holdings 4% 01/05/2023 | Industrials | 1.3 |
| 5. Koninklijke KPN 6.875% 14/03/2073 | Industrials | 1.3 |
| 6. BMW International Investment 0.89663% 15/02/2019 | Industrials | 1.3 |
| 7. Banque Fed du Credit Mutuel 0.92865% 07/02/2019 | Financials | 1.3 |
| 8. Schaeffler Finance 4.75% 15/05/2023 | Industrials | 1.2 |
| 9. Telefonica Europe 6.75% 29/11/2049 | Industrials | 1.1 |
| 10. Aviva 6.625% 03/06/2041 | Financials | 1.1 |
| Total | | 14.0 |

Asset Allocation (%)

Credit ratings are calculated using asset ratings from different rating agencies. Fixed Income instruments in the country split are classified according to the issuer's country of incorporation. The figures do not include the exposure commitment of the derivative contracts.

Source: Schroders



Information

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| | Distribution |
|---|---|
| SEDOL | BJ7BTM3 |
| Bloomberg | SSCRCEI:LX |
| Reuters | LU0995124152.LUF |
| ISIN | LU0995124152 |
| Fund Base Currency | GBP |
| Dealing Frequency | Daily (13:00 CET) |
| Entry Charge | 1.00 % of gross investment amount |
| Ongoing Charges (latest available) | 0.80 % |
| Minimum Investment Amount | EUR 1 000 or USD 1 000 or their near equivalent in any other freely convertible currency. The minimum subscription amount may be waived at the Directors' discretion. |

Morningstar Ratings are sourced from Morningstar.



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