

This document provides you with key investor information about this fund. It is not marketing material. The information is required by law to help you understand the nature and the risks of investing in this fund. You are advised to read it so you can make an informed decision about whether to invest.

# Schroder Absolute Return Bond Fund

an Authorised Unit Trust of Schroder Unit Trusts Limited

Class Z Income GBP (GB00B5W01T86)

This fund is managed by Schroder Unit Trusts Limited, which is a member of the Schroders Group.

## Objectives and investment policy

### Objectives

The fund aims to provide an absolute return of 3 month LIBOR (or an equivalent reference rate) plus 1% (after fees have been deducted) over rolling 12-month periods by investing directly or indirectly in bonds issued by governments, government agencies and companies worldwide. Absolute returns means the Fund seeks a positive return over rolling 12-month periods in all market conditions, but this cannot be guaranteed and your capital is at risk.

### Investment Policy

The fund is actively managed and invests at least 80% of its assets directly, or indirectly through derivatives, in bonds denominated in sterling (or in other currencies and hedged back into sterling) issued by governments, government agencies, supra-national and corporate issuers worldwide. As the fund is index-unconstrained it is managed without reference to an index.

The fund may invest up to 50% of its assets in below investment grade securities as measured by Standard & Poor's or an equivalent credit rating agency, or in unrated securities.

The fund may invest up to 100% of its assets in asset-backed securities and mortgage-backed securities.

The fund may also invest directly or indirectly in securities (including in other asset classes), countries, regions, industries or currencies, collective investment schemes (including Schroder funds) and money market

instruments, and hold cash.

The fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the fund more efficiently. The fund may use leverage and take short positions.

### Benchmark

The fund's performance should be assessed against its target benchmark of 3 month LIBOR (or an equivalent reference rate) plus 1%.

### Dealing Frequency

You may redeem your investment upon demand. This fund deals daily.

### Distribution Policy

This unit class pays income received from the fund's investments to you half yearly.

## Risk and reward profile



### The risk and reward indicator

The risk category is based upon the fund's risk target and there is no guarantee that the fund will achieve it.

The fund's risk category is not guaranteed to remain fixed and may change over time.

A fund in the lowest category does not mean a risk-free investment.

The fund is in this category because it seeks to provide rewards whilst limiting price volatility.

### Risk factors

**ABS and MBS risk:** The fund may invest in mortgage or asset-backed securities. The underlying borrowers of these securities may not be able to pay back the full amount that they owe, which may result in losses to the fund.

**Capital risk / Distribution policy:** As the fund intends to pay dividends regardless of its performance, a dividend may represent a return of part of the amount you invested.

**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 may lose value as a result of movements in foreign exchange rates.

**High yield bond risk:** High yield bonds (normally lower rated or unrated) generally carry greater market, credit and liquidity risk.

**Interest rate risk:** The fund may lose value as a direct result of interest rate changes.

**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:** Operational processes, including those related to the safekeeping of assets, may fail. This may result in losses to the fund.

**Performance risk:** Investment objectives express an intended result but there is no guarantee that such a result will be achieved. Depending on market conditions and the macro economic environment, investment objectives may become more difficult to achieve.

**IBOR:** The transition of the financial markets away from the use of interbank offered rates (IBORs) to alternative reference rates may impact the valuation of certain holdings and disrupt liquidity in certain instruments. This may impact the investment performance of the fund.

**Derivatives risk – Efficient Portfolio Management and Investment Purposes:** Derivatives may be used to manage the portfolio efficiently. A derivative may

not perform as expected, may create losses greater than the cost of the derivative and may result in losses to the fund. The fund may also materially invest in derivatives including using short selling and leverage techniques with the aim of making a return. When the value of an asset changes, the value of a derivative based on that asset may change to a much greater extent. This may result in greater losses than investing in the underlying asset.

## Charges

### One-off charges taken before or after you invest

**Entry charge** None

**Exit charge** None

This is the maximum that might be taken out of your money before or after it is invested.

### Charges taken from the fund over a year

**Ongoing charges** 0.67%

### Charges taken from the fund under certain specific conditions

#### Performance fee

None

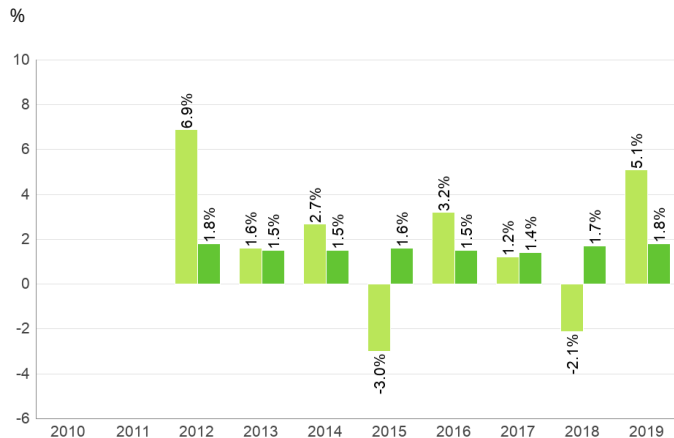
The charges you pay are used to pay the costs of running the fund, including the costs of marketing and distributing it. These charges reduce the potential growth of your investment.

The entry and exit charges shown are maximum figures and in some cases you might pay less. You can find out the actual entry and exit charges from your financial advisor.

The ongoing charges figure is based on the last year's expenses for the year ending December 2019 and may vary from year to year.

Please see the prospectus for more details about the charges.

## Past performance



Performance achieved between 2009 and 2017 was achieved in circumstances that no longer apply. The fund's objectives and benchmark were changed on 20 September 2017.

■ Z Income SV GBP (GB00B5W01T86)

■ 3 month LIBOR +1%

Past performance is not a guide to future performance and may not be repeated. The value of investments may go down as well as up and you may not get back the amount you originally invested.

The chart shows performance in British pound after the ongoing charges and the portfolio transaction costs have been paid.

The fund was launched on 05 September 2003.

## Practical information

**Trustee:** J. P. Morgan Europe Ltd.

**Further Information:** You can get further information about this fund, including the prospectus, latest annual report, any subsequent half-yearly reports and the latest price of units from [www.schroders.com/ukinvestor](http://www.schroders.com/ukinvestor) and from Schroders, PO Box 1102, Chelmsford, Essex, CM99 2XX, England, telephone 0800 718 777. They are in English, free of charge.

**Tax Legislation:** The fund is subject to UK tax legislation which may have an impact on your personal tax position.

**Liability:** Schroder Unit Trusts Ltd may be held liable solely on the basis of any statement contained in this document that is misleading, inaccurate or inconsistent with the relevant parts of the fund's prospectus.

**Switches:** Subject to conditions, you may apply to switch your investment into another unit class within this fund or in another Schroder fund. Please see the prospectus for more details.

**Remuneration Policy:** A summary of Schroders' remuneration policy and related disclosures is at [www.schroders.com/remuneration-disclosures](http://www.schroders.com/remuneration-disclosures). A paper copy is available free of charge upon request.

The policy includes a description of how remuneration and benefits are calculated & the identities of persons responsible for awarding the remuneration and benefits.

**Glossary:** You can find an explanation of some of the terms used in this document at [www.schroders.com/ukinvestor/glossary](http://www.schroders.com/ukinvestor/glossary).

**Benchmark:** The target benchmark has been selected because the target return of the fund is to deliver or exceed the return of that benchmark as stated in the investment objective.

**LIBOR:** In relation to any fund that is managed with reference to LIBOR, Schroders is in the process of assessing the potential alternatives to LIBOR and will notify investors of any decision to move away from LIBOR in due course.