

# Schroder Unit Trusts Limited

## Absolute Return Bond Fund

### Z Accumulation Unit

#### Fund Launch Date

05 September 2003

#### Total Fund Size (Million)

GBP 79.5

#### Unit Price End of Month (GBP)

54.83 GBX

#### Total number of holdings

309

#### Benchmark

GBP LIBOR 3 Months

#### Fund Manager

Grainger, Jolly, Global Multi-Sector Team

#### Managed fund since

30 November 2011

#### Distribution Yield

1.8 %

#### Underlying Yield

0.8 %

#### Effective Duration of Fund in Years

0.39

#### Effective Yield

1.15 %

#### Option Adjusted Spread of Fund

195 bp

#### Average Credit Rating

A+

#### Annual Volatility over 3 years (%)

2.40

Note: The Manager will seek to achieve positive returns in all market conditions, but there is no guarantee that this objective will be achieved and your capital is at risk.

## Investment Objective and Policy

The fund aims to provide an absolute return of 3 month LIBOR plus 2% (gross of fees\*) over rolling 12-month periods by investing in bonds issued by governments, government agencies and companies worldwide. Absolute return means the fund seeks to provide a positive return over rolling 12 month periods by investing directly or indirectly in all market conditions, but this cannot be guaranteed and your capital is at risk.\*Gross of fees is before the deduction of the fund's ongoing charge.

The fund 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 and companies worldwide. 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 in collective investment schemes and warrants, 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.

## Performance Analysis

Performance (%)	1 month	3 months	6 months	YTD	1 year	3 years	5 years	10 years
Fund	0.8	1.2	1.0	2.9	-0.4	5.2	3.2	26.0
Benchmark	0.1	0.2	0.4	0.3	0.8	1.7	2.8	6.7

Discrete Yearly Performance (%)	Q1/2018 - Q1/2019	Q1/2017 - Q1/2018	Q1/2016 - Q1/2017	Q1/2015 - Q1/2016	Q1/2014 - Q1/2015
Fund	-1.1	1.7	4.8	-3.8	1.1
Benchmark	0.8	0.4	0.4	0.6	0.6

#### 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 managed with reference to a benchmark and its performance may be measured accordingly, but the manager invests on a discretionary basis and is not limited to investing in accordance with the composition of the benchmark.

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, NAV to NAV price with net income reinvested, net of the ongoing charges and portfolio costs and, where applicable, performance fees.

In February 2009, the index changed from Bank of America Merrill Lynch Broad Market All Stocks to 3 Month £ Libor. The full track record of the previous benchmark has been removed and replaced with the new one.

With effect from 13/06/2011 Schroder Strategic Bond Fund changed its name to Schroder Absolute Return Bond Fund.

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.

For an explanation of the financial terms included in this factsheet visit [www.schroders.com/ukinvestor/glossary](http://www.schroders.com/ukinvestor/glossary). Printed copies are available by contacting the company address overleaf.

## 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 / 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.
- **Emerging markets & frontier risk:** Emerging markets, and especially frontier markets, generally carry greater political, legal, counterparty and operational risk.
- **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.

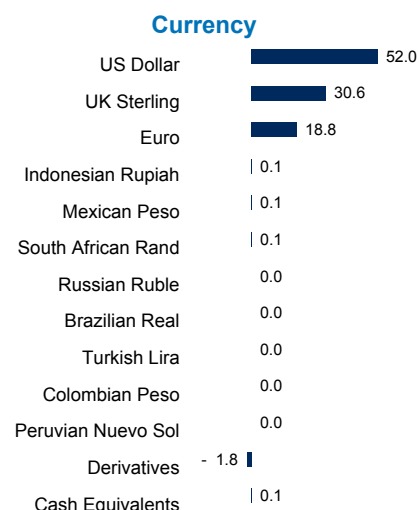
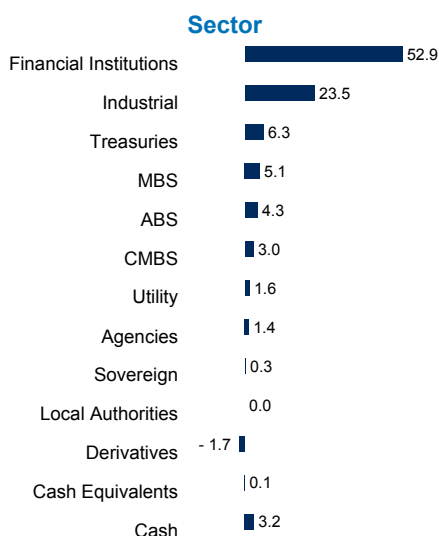
## Holdings Analysis

Top 10 Holdings	Sector	% NAV
1. Spain Government Bond 1.45% 30/04/2029	Treasuries	4.1
2. Morgan Stanley 0.392% 08/11/2022	Financial Institutions	2.9
3. Yorkshire Building Society 0% 19/11/2023	Financial Institutions	2.6
4. Barclays Bank UK 1.12419% 09/01/2023	Financial Institutions	2.4
5. AT&T 3.28919% 15/07/2021	Industrial	2.4
6. UBS 3.10613% 01/12/2020	Financial Institutions	2.4
7. Nationwide Building Society 0% 10/01/2024	Financial Institutions	2.1
8. Santander UK 1.4362% 12/02/2024	Financial Institutions	1.9
9. Royal Bank of Canada 1.076% 08/12/2022	Financial Institutions	1.9
10. HSBC Holdings 3.28288% 18/05/2021	Financial Institutions	1.8
<b>Total</b>		<b>24.5</b>

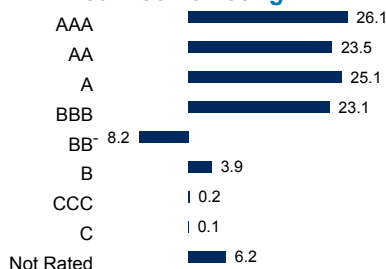
## Asset Allocation (%)

Credit ratings are calculated using asset ratings from different rating agencies. The negative cash figure is linked to subscriptions of TBA securities which are due to settle in the future. The exposure is temporary and just related to the settlement timing of these transactions. The figures do not include the exposure commitment of the derivative contracts.

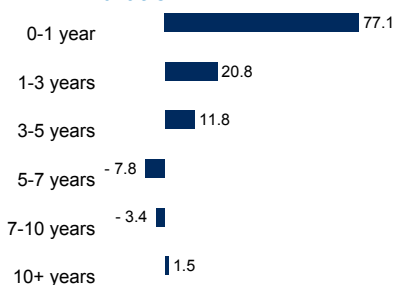
Source: Schroders



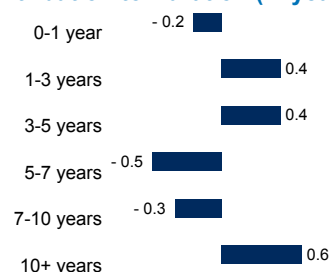
### Fixed Income Rating



### Duration



### Contribution to Duration (in years)



## Information

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	Accumulation	Income
<b>SEDOL</b>	B57BFC7	B5W01T8
<b>Bloomberg</b>	SCSTBZA:LN	SCSTBZI:LN
<b>ISIN</b>	GB00B57BFC79	GB00B5W01T86
<b>Fund Base Currency</b>	GBP	
<b>Dealing Frequency</b>	Daily (12:00 GMT)	
<b>Ongoing Charges (latest available)</b>	0.66 %	
<b>Minimum Investment Amount</b>	£1,000,000	



Morningstar Ratings are sourced from Morningstar.

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The fund is an authorised unit trust.

A Key Investor Information Document and Supplementary Information Document are available. These can be requested via our website at [www.schroders.co.uk](http://www.schroders.co.uk) or call one of our Investor Services Team on 0800 718 777 for a printed version. For investors' security, telephone calls to Schroder Unit Trusts Limited may be recorded. Nothing in this factsheet should be construed as advice and is therefore not a recommendation to buy or sell units. The data contained in this document has been sourced by Schroders and should be independently verified before further publication or use. Issued by Schroder Unit Trusts Limited, 1 London Wall Place, London EC2Y 5AU. Registered No.4191730 England. Authorised and regulated by the Financial Conduct Authority. Schroders has expressed its own views and these may change.