

Schroders

Schroder Absolute Return Bond Fund

Marketing material

Z Accumulation GBP | Data as at 30.09.2019

Fund objectives and investment policy

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.

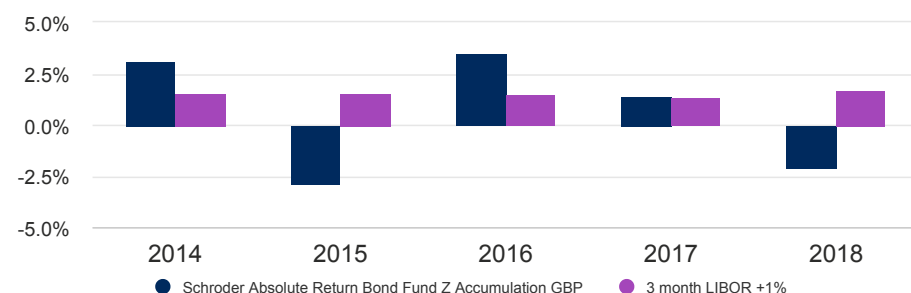
The fund is actively managed and invests at least 80% of its assets directly, or indirectly through derivatives, in bonds denominated in sterling (or in other currencies and hedged back into sterling) issued by governments, government agencies, supra-national and corporate issuers worldwide. As the fund 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.

Relevant risk as associated with this Fund are shown overleaf and should be carefully considered before making any investment.

Share class performance

Cumulative performance	1 month	3 months	Ytd	1 year	3 years	5 years	10 years
Share class (Net)	0.1	0.3	4.1	2.2	4.7	0.3	23.3
Target	0.1	0.4	1.4	1.8	4.9	8.2	17.6
Discrete yearly performance	Sep 14 - Sep 15	Sep 15 - Sep 16	Sep 16 - Sep 17	Sep 17 - Sep 18	Sep 18 - Sep 19		
Share class (Net)	-5.8	1.7	3.0	-0.5	2.2		
Target	1.6	1.6	1.3	1.6	1.8		
Calendar year performance	2014	2015	2016	2017	2018		
Share class (Net)	3.1	-2.8	3.5	1.4	-2.1		
Target	1.5	1.6	1.5	1.4	1.7		

Performance over 5 years (%)



Past Performance is not a guide to future performance and may not be repeated.

The value of investments and the income from them may go down as well as up and investors may not get back the amounts originally invested. Exchange rate changes may cause the value of any overseas investments to rise or fall.

Source: Morningstar, bid to bid, net income reinvested, net of fees.

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

Please see the Benchmark section under Important information for more details. 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.

Fund facts

Fund manager	Paul Grainger ; Bob Jolly
Managed fund since	02.06.2015 ; 30.11.2011
Fund management company	Schroder Unit Trusts Limited
Domicile	United Kingdom
Fund launch date	05.09.2003
Share class launch date	11.05.2011
Fund base currency	GBP
Share class currency	GBP
Fund size (Million)	GBP 73.24
Number of holdings	317
Target	3 month LIBOR +1%
Unit NAV	GBP 0.5547
Dealing frequency	Daily
Distribution frequency	Semi-Annually

Codes

ISIN	GB00B57BFC79
Bloomberg	SCSTBZA LN
SEDOL	B57BFC7

Fees & expenses

Ongoing charge	0.66%
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Purchase details

Minimum initial subscription	GBP 1M
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Ratings and accreditation

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Please refer to the Important information section for the disclosure.

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5 year return of GBP 10,000



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The chart is for illustrative purposes only and does not reflect an actual return on any investment.

Returns are calculated bid to bid (which means performance does not include the effect of any initial charges), net income reinvested, net of fees.

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.

Synthetic risk & reward indicator (SRRI)

LOWER RISK

Potentially lower reward

HIGHER RISK

Potentially higher reward



The risk category was calculated using historical performance data and may not be a reliable indicator of the fund's future risk profile. 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 can take higher risks in search of higher rewards and its price may rise and fall accordingly.

Risk statistics & financial ratios

	Fund	Target
Annual volatility (%) (3y)	2.5	0.1
Effective duration (years)	1.2	-
Current yield (%)	4.5	-

Source: Morningstar. The above ratios are based on bid to bid price based performance data. Target refers to the Benchmark listed in the Fund facts section and described under the Share class performance section on page 1. Please note this is an accumulation share class and as such the investor will not receive an income distribution. Any income will be reinvested into the fund.

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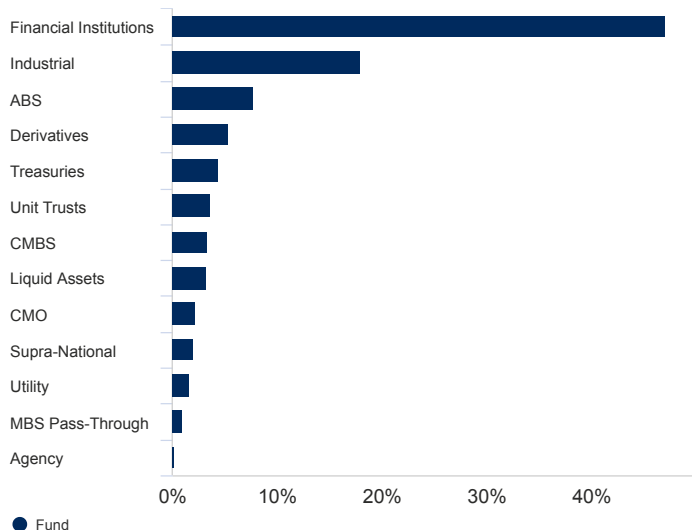
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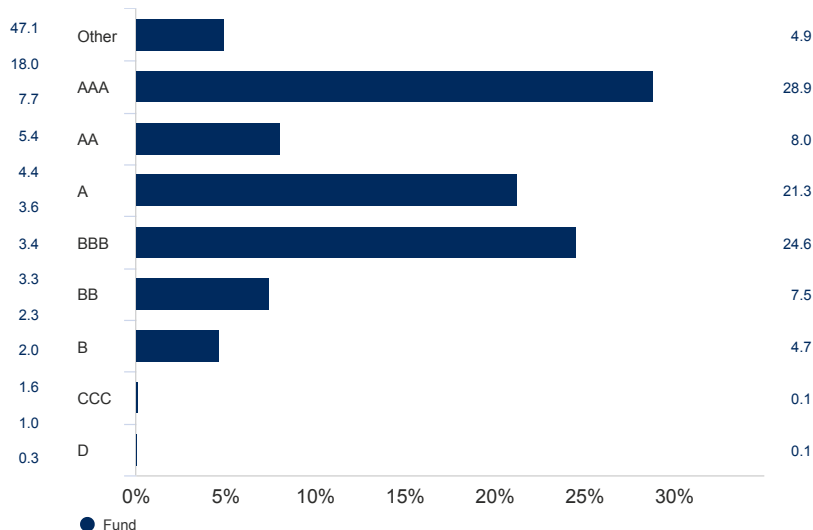
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Asset allocation

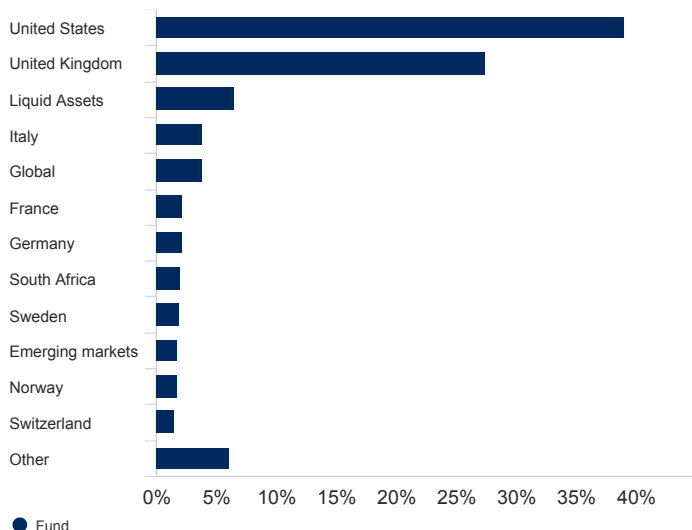
Sector (%)



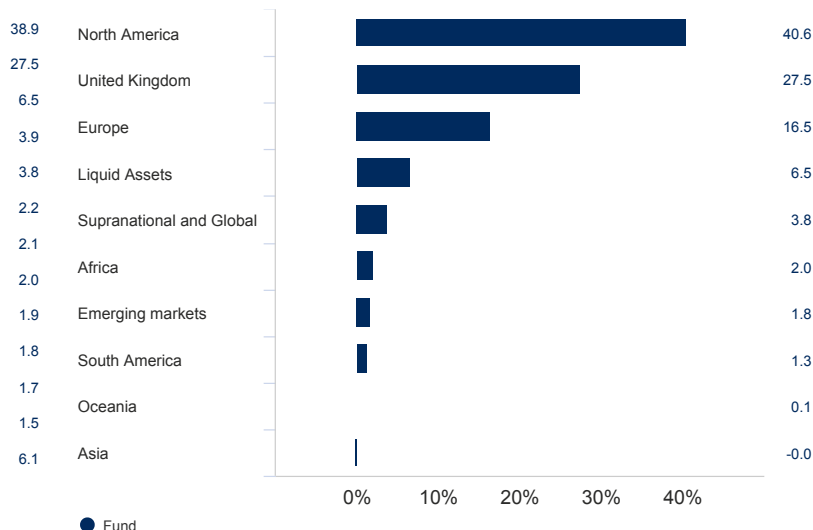
Credit quality (%)



Geographical Breakdown (%)



Region (%)



Top 10 holdings

	Holding name	%
1	MORGAN STANLEY FRN 08/11/2022	3.3%
2	TSB BANK PLC FRN 15/02/2024 REGS	2.9%
3	SANTANDER UK PLC FRN 12/02/2024 REGS	2.9%
4	YORKSHIRE BUILDING SOC FRN 19/11/2023 REGS	2.9%
5	LLOYDS BANK PLC FRN 16/05/2024 REGS	2.9%
6	NATIONWIDE BUILDING SOCIETY	2.3%
7	FRANCE (GOVT OF) 1.5000 25/05/2050 144A REGS	2.2%
8	HSBC HOLDINGS PLC FRN 18/05/2021	2.1%
9	BARCLAYS BANK UK PLC FRN 15/05/2023 - REGS	2.1%
10	INTL BK RECON AND DEVELOP FRN REGS 13/12/2022	2.0%

Target refers to the Benchmark listed in the Fund facts section and described under the Share class performance section on page 1. Source: Schroders. Top holdings and asset allocation are at fund level.

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Share class available

	Z Accumulation GBP	Z Distribution GBP
Distribution frequency	Semi-Annually	Semi-Annually
ISIN	GB00B57BFC79	GB00B5W01T86
Bloomberg	SCSTBZA LN	SCSTBZI LN
SEDOL	B57BFC7	B5W01T8

Contact information

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For your security, communications may be taped or monitored.

Important information

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 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. This information is not an offer, solicitation or recommendation to buy or sell any financial instrument or to adopt any investment strategy. Nothing in this material should be construed as advice or a recommendation to buy or sell. Any references to securities, sectors, regions and/or countries are for illustrative purposes only. Schroders has expressed its own views and opinions in this document and these may change. Schroders will be a data controller in respect of your personal data. For information on how Schroders might process your personal data, please view our Privacy Policy available at www.schroders.com/en/privacy-policy or on request should you not have access to this webpage. For your security, communications may be taped or monitored. Issued by Schroder Unit Trusts Limited, 1 London Wall Place, London EC2Y 5AU. Registration No 4191730 England. Authorised and regulated by the Financial Conduct Authority. Schroders will be a data controller in respect of your personal data. For information on how Schroders might process your personal data, please view our Privacy Policy available at www.schroders.com/en/privacy-policy or on request should you not have access to this webpage. **Past Performance is not a guide to future performance and may not be repeated.**

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Benchmarks: 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.

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