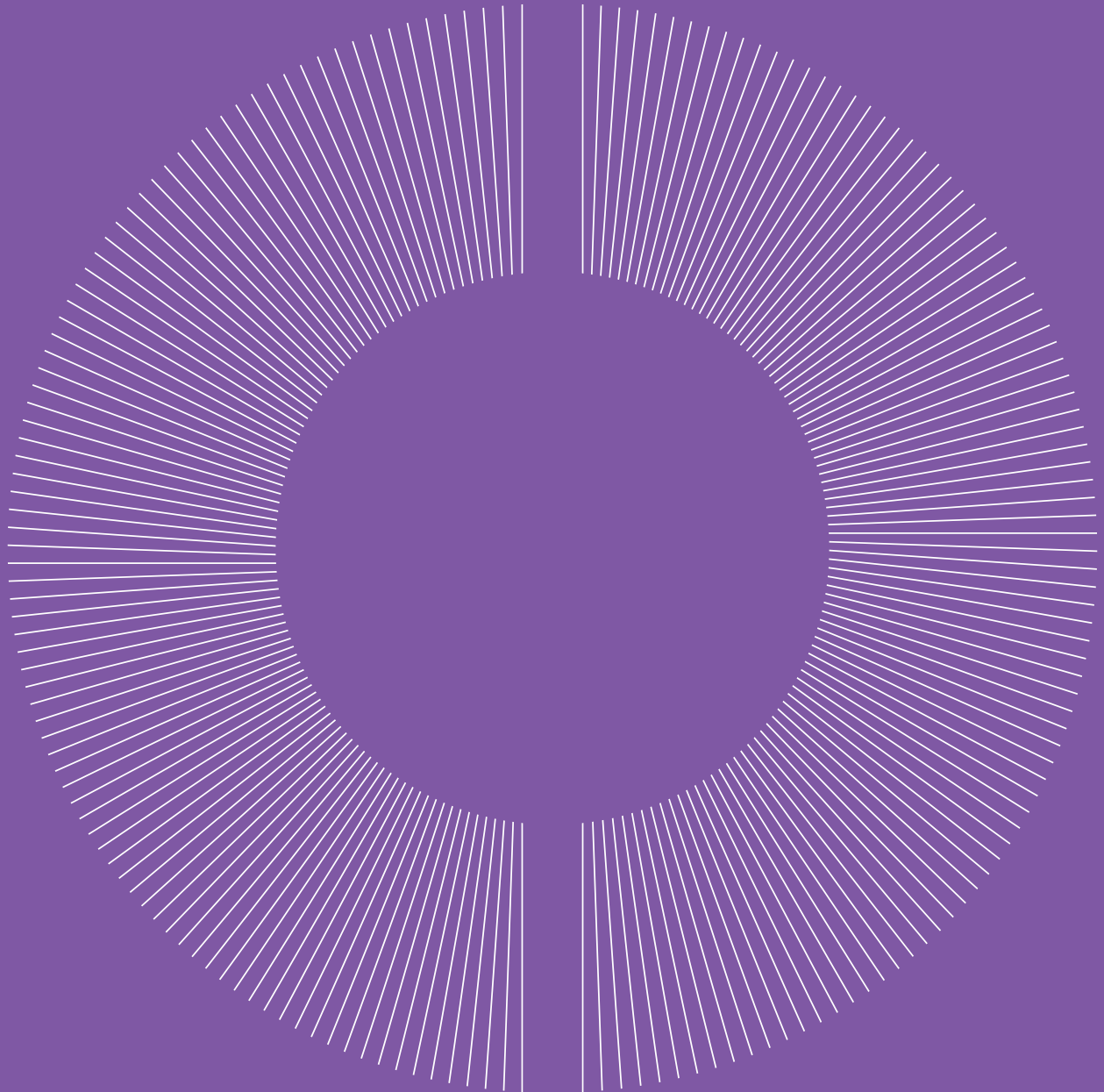


# Schroder International Selection Fund Global Sustainable Food and Water



# Schroder ISF\* Global Sustainable Food and Water is a global equity portfolio that aims to deliver long-term capital growth by investing in companies driving the transition to make our food and water system more sustainable.

Please refer to the fund prospectus for the full investment objective and policy.

## Strategic Capabilities



### Alpha Equity

Targeting higher active equity

“  
It is estimated that around \$30 trillion of investment will need to be spent by 2050 to sustainably provide food and water to a global population of 10 billion.  
”

## Why invest?

Food and water account for 26% of global green house gas emissions<sup>1</sup>. It is estimated that around \$30 trillion of investment will need to be spent by 2050 to sustainably provide food and water to a global population of 10 billion and meet the 2 degree target set in the Paris accord<sup>2</sup>. We believe companies whose products and services are facilitating this movement will be in great demand and can exhibit strong long-term growth potential.

## Risk Considerations

Your capital is at risk when investing. Past Performance is not a guide to future performance and may not be repeated. Please refer to page 4 of this document for more detail on the key risk considerations associated with this fund.

## Three structural changes and drivers enabling the change

### Higher agricultural yield and efficiency

**Structural change:** With limited land to use for farming, we need to think of ways to increase agricultural output without relying on more land.

**Driver:** Technology expected to step in to improve yield and efficiency using land we currently have.

### A change in global diet and eating patterns

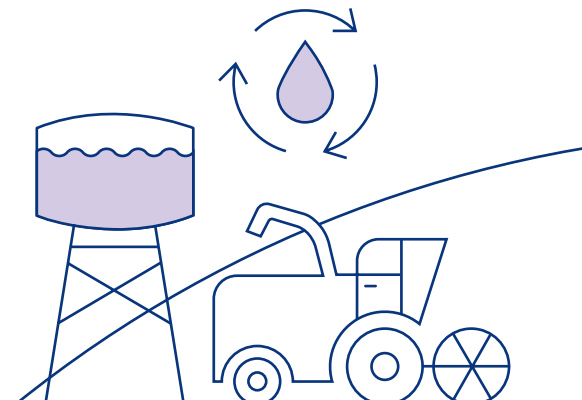
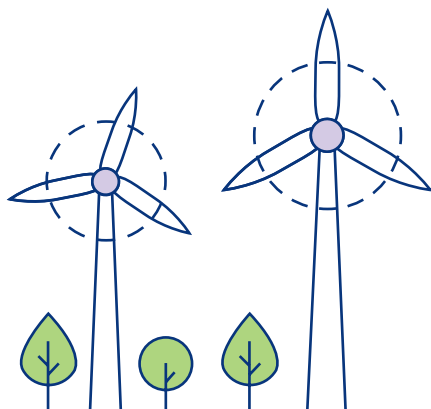
**Structural change:** Consumer focus was already shifting towards higher quality and healthier foods, and the pandemic has only accelerated this focus.

**Driver:** New dietary habits – growing consumer demand for organic products and sustainable products creates business opportunities for companies in the right place to take advantage of this shift.

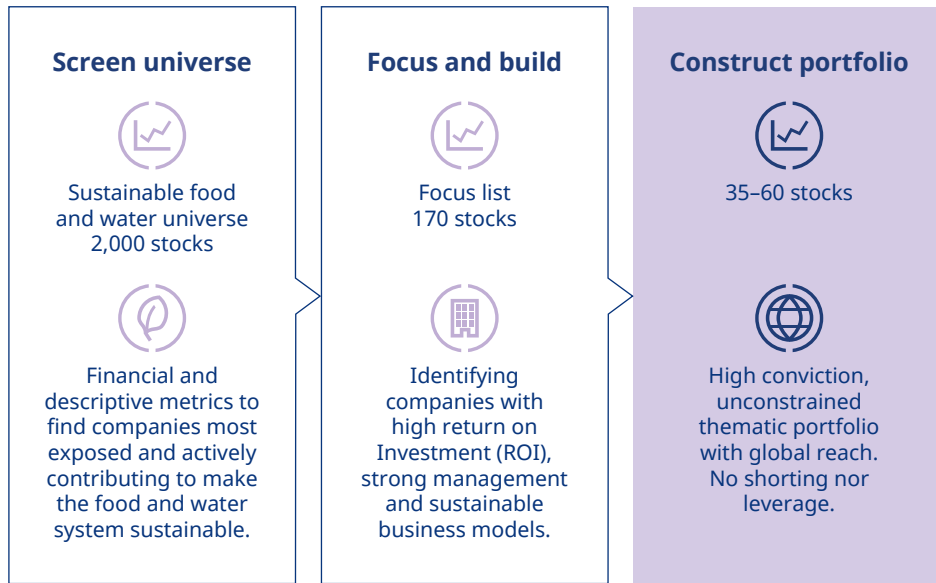
### Major reduction in waste and emissions

**Structural change:** Shifting consumer demand and structure for higher yield cannot come at the expense of higher emissions and waste. We need to meet growing demand while reducing emissions.

**Driver:** Government actions around the world are still minimal, but this is expected to increase to support this change. We see regions starting to set targets to make the system more sustainable.



## Investment process



## Key information

ISIN code LU2380233275

Bloomberg code SCFAUW LX

Fund launch date 5 October 2021

Fund base currency USD

All information in the table above is for the A Accumulation share class, for further share class information please see the prospectus.



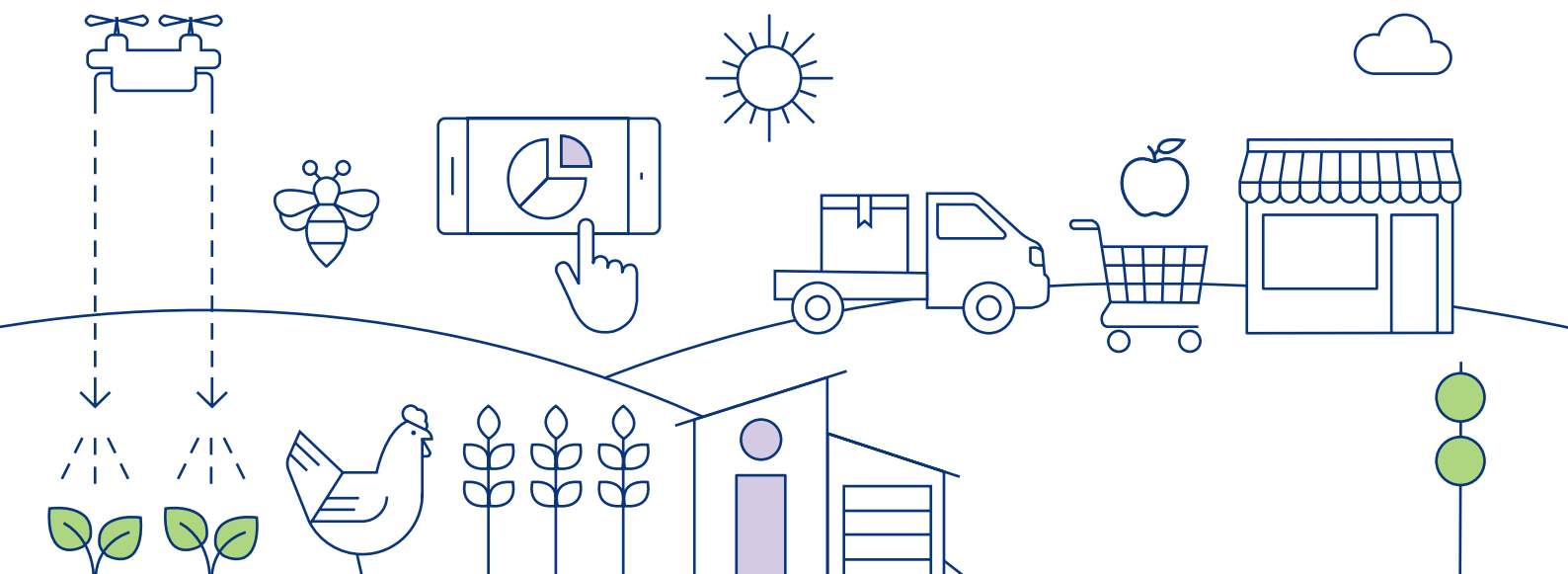
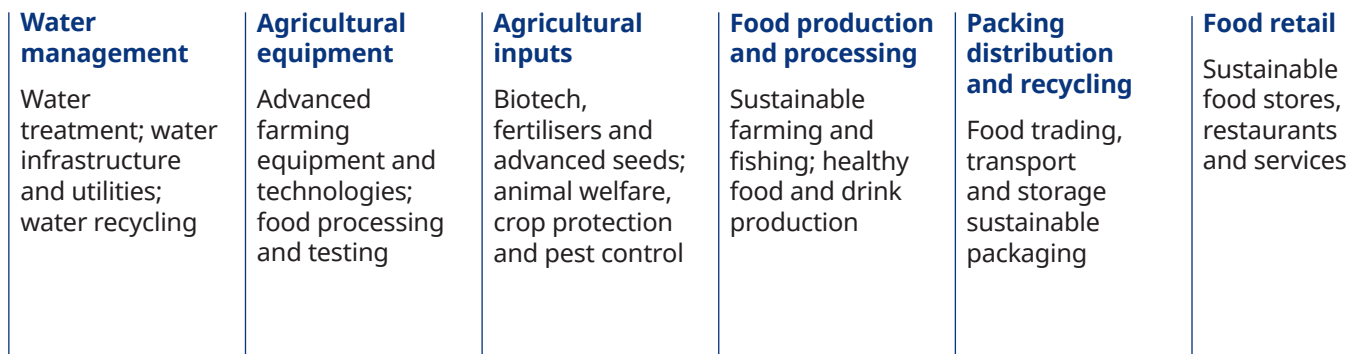
## Schroders' awards



Source: Fitch Ratings, as at 16 June 2021.

## Building a sustainable food and water fund

The fund is focused on six investment areas across the whole food and water system.



Source: Schroders, as at October 2021.

## Risk Considerations

- **Currency risk:** The fund may lose value as a result of movements in foreign exchange rates.
- **Derivatives risk:** 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.
- **IBOR risk:** 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.
- **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.
- **Sustainability risk:** The fund has the objective of sustainable investment. This means it may have limited exposure to some companies, industries or sectors and may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the investment manager. The fund may invest in companies that do not reflect the beliefs and values of any particular investor.
- **Higher volatility risk:** The price of this fund may be volatile as it may take higher risks in search of higher rewards.
- **Market risk:** The value of investments can go up and down and an investor may not get back the amount initially invested.

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