

# Schroder Sustainable Model Portfolios

Investment solutions that work for you



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## 1. Overview and investment objective



A range of global multi-asset portfolios that are fully diversified across asset classes, geography, sector and investment styles, all corresponding to sustainable values.



A choice of six portfolios designed to meet your objectives and attitude to risk.



The portfolios invest in actively managed funds from Schroders and other investment managers across the whole market, that are clearly aligned with progress towards a more sustainable world.



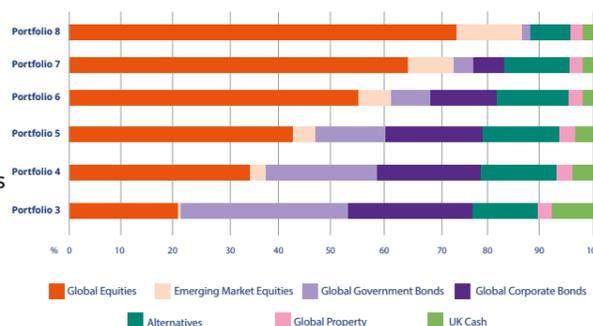
Our portfolios incorporate a range of sustainable investment strategies including funds targeting specific sustainability themes (for example, clean water) and funds investing to deliver a positive impact, while screening out certain types of companies (for example, those involved in armaments).



The portfolios aim to provide capital growth over the medium (3 to 10 years) and long-term (10 years plus) by investing in a diversified range of assets and markets worldwide. The portfolios are actively managed investing in funds across the sustainability spectrum which themselves invest worldwide in equity, fixed income, currencies and alternative investments.

## 4. Diversified, risk mapped portfolios

There is a choice of six portfolios in our range, all aligned to sustainable values. At one end is Portfolio 3, the lower risk option, which is designed to be more defensive with a higher weight to assets such as bonds and cash. At the other end there is Portfolio 8, the higher risk option, which is designed to deliver longer-term returns through a higher holding in growth assets like equities. Each of the portfolios in the range takes a different level of risk, which means you can choose the one that best meets your needs.



Source: Schroders as at April 2023. Please note that the illustration may not show our current asset allocation. The lower risk profiles do not mean a risk-free investment.

## 2. Designed with a focus on cost

Offering competitive fees and charges with an Ongoing Charge Fee (OCF) between 0.62% and 0.89% (as at 28.04.23) and a model portfolio fee of just 0.15% (no VAT). The OCF is a measure of the total costs of managing and operating an investment portfolio.<sup>1</sup>

## 3. Why multi-asset?



Spreading your investments across a variety of markets can help to reduce risk. Ideally, these assets should perform differently to each other over time.

The blend of assets in your portfolio is the factor that is most likely to have the greatest influence on your risk-adjusted return. It's very important to get this blend right - and to ensure that it is maintained over time.

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## 5. Aligned to sustainable values

Over recent years, fund managers have taken on board how important sustainability is to the long-term prospects of companies. This has led to the development of funds that consider Environmental, Social and Governance (ESG) factors as an integral part of their investment selection process.

We believe that sustainability covers a broad range of investment approaches and we look to invest across this spectrum. Each underlying fund has varying

objectives and outcomes, which range from those focusing on financial benefit to those with a higher social focus.

We look for managers that have a repeatable investment philosophy, a sound risk management process, a strong and incentivised investment team and a record of consistent outperformance that is differentiated from the index.

## 6. The best of Schroders



Global team of 100+ multi-asset specialists, looking at markets from every angle.



We draw upon the expertise of over 700 investment professionals across equities, fixed income and alternatives located around the globe.



Long-term market views informed by an Economics Team with a combined experience of nearly 100 years.

## 7. A history of expertise



Long history in multi-asset investing dating back to the 1940s.



Decisions informed by over 200 years' experience of investment markets.



A long-term track record in managing sustainable strategies with over £5 billion (as at 28.04.23) invested across our solutions range.

## 8. Supporting you and your adviser on your investment journey



Supporting the conversations you have with your financial adviser about your investments with monthly portfolio and market updates, quarterly videos and reports.

<sup>1</sup>The OCF is a measure of the total costs associated with managing and operating an investment portfolio. These costs include the management fees and additional expenses of the underlying funds but exclude any advice, platform charges, transaction fees or incidental costs. For further information on fees, please refer to our factsheets.

**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. Please see overleaf for the full risk considerations for the Schroder Sustainable Model Portfolios.**

## Risk considerations

Prior to making an investment decision, please consider the following risks:

**Capital risk:** All capital invested is at risk. You may not get back some or all of your investment.

**Counterparty risk:** The portfolios may have contractual agreements with counterparties. If a counterparty is unable to fulfil their obligations, the sum that they owe to the portfolios may be lost in part or in whole.

**Credit risk:** A decline in the financial health of an issuer could cause the value of the instruments it issues, such as equities or bonds, to fall or become worthless.

**Currency risk:** The fund may lose value as a result of movements in foreign exchange rates, otherwise known as currency rates.

**Derivatives risk:** Derivatives, which are financial instruments deriving their value from an underlying asset, may be used to manage the portfolio efficiently. The portfolio may also materially invest in derivatives including using short selling and leverage techniques with the aim of making a return. 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.

**Equity risk:** Equity prices fluctuate daily, based on many factors including general, economic, industry or company news.

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

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

**Leverage risk:** The portfolios use derivatives for leverage, which makes them 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, meaning investors may not be able to have immediate access to their holdings.

**Money market & deposits risk:** A failure of a deposit institution or an issuer of a money market instrument could have a negative impact on the performance of the portfolios.

**Negative yields risk:** If interest rates are very low or negative, this may have a negative impact on the performance of the portfolios.

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