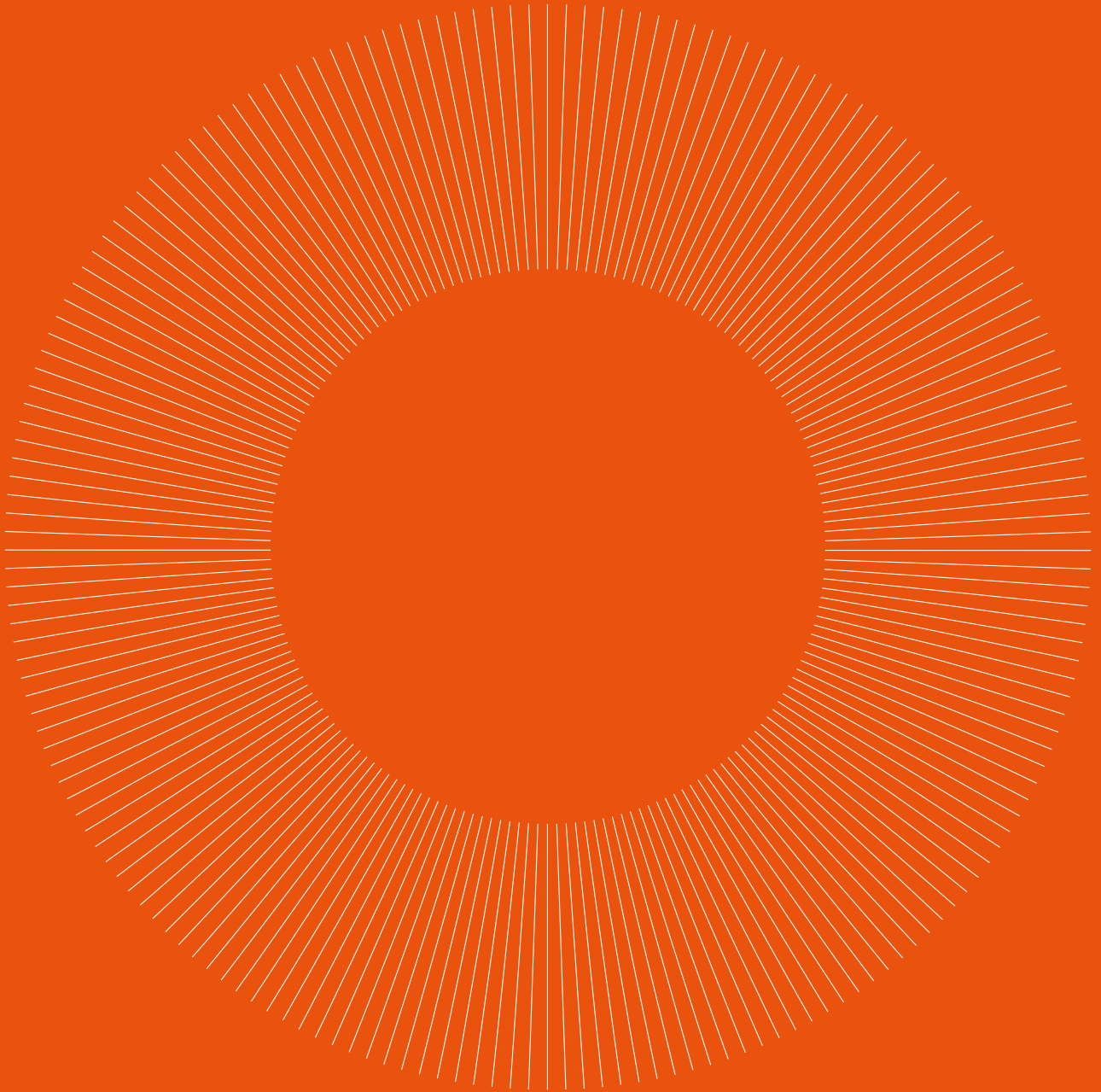


Marketing material for professional investors and clients only

# Schroder Global Energy Transition Fund



Schroders

**Schroder ISF<sup>1</sup> Global Energy Transition is an actively managed global equity fund, which will not directly invest in fossil fuels and nuclear<sup>2</sup>, that aims to deliver long-term capital growth by investing in the best-in-class companies driving the transition to a low-carbon economy.**

**“  
It really is the economics as much as anything that are driving [..the energy transition..] and it will win in the end.  
”**

**Michael Bloomberg,**  
CEO of Bloomberg L.P.,  
September 2018

### **Why invest?**

The impacts of climate change have been well documented. The transition to clean energy will play a vital role in addressing the challenges posed by climate change and will result in widespread change to how we produce, distribute and consume energy.

This change will require \$120 trillion of investment across the value chain by 2050 if we are to achieve our climate targets. Such mammoth investment will create significant opportunities for companies to generate strong real earnings growth, translating into more value for shareholders and sizable opportunities for investors.

### **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.

### **Renewables are nothing new, so why now?**

Three key factors are now working in unison that will help companies involved in the energy transition generate significant long-term earnings growth, resulting in a powerful investment environment:

#### **1. Environmental concerns and policy support**

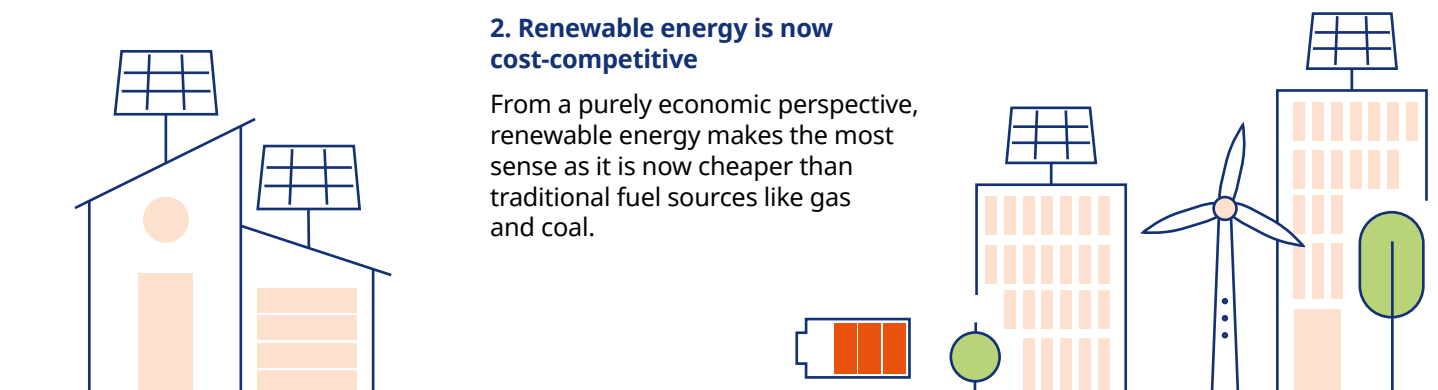
Current policies are tackling climate change but we expect these to be enhanced in the coming years, leading to higher rates of investment into the energy transition space.

#### **3. Increased consumer demand**

There is strong consumer demand for technologies that use renewable energy. Electrical vehicles, solar-powered homes and self-administering energy storage are just some examples of areas that are rapidly growing.

#### **2. Renewable energy is now cost-competitive**

From a purely economic perspective, renewable energy makes the most sense as it is now cheaper than traditional fuel sources like gas and coal.



<sup>1</sup>Schroder International Selection Fund is referred to as Schrodors ISF throughout the document.

<sup>2</sup>The fund has the possibility to invest in nuclear power supplier with a maximum percentage of revenue of 5%.

## Earnings growth opportunities will emerge across seven different areas

Renewable energy equipment

Renewable energy generation

Transmission and distribution

Batteries, storage and other equipment

Hydrogen

Electrical equipment and energy

Clean mobility

### Screen universe

**Global energy transition universe  
2,000 stocks**

Financial and descriptive metrics to find companies most exposed to the energy transition theme

### Focus and build

**Focus list 300 stocks**

Identify companies with high return on investment (ROI), strong management and sustainable business models

### Construct portfolio

**Schroder ISF Global Energy Transition  
30-60 stocks<sup>3</sup>**

Pure exposure to the entire energy value chain, and diversified by geography and sector to deliver long-term sustainable growth

### Role in your portfolio

1. As a long-term growth play
2. As a source of equity diversification
3. As a thematic investment able to circumvent political and central bank policy challenges

### Key information

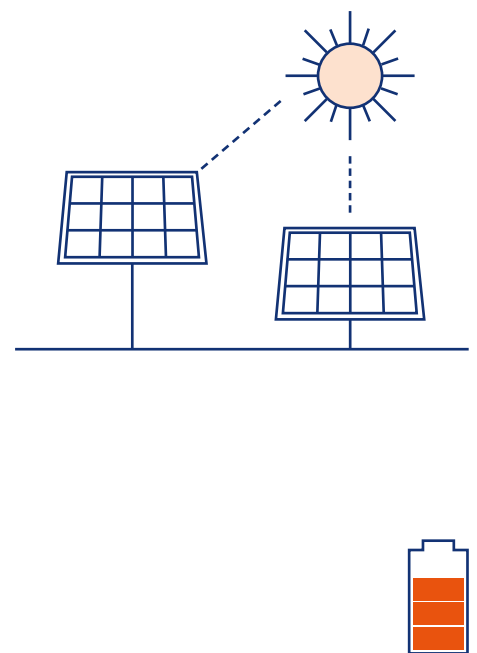
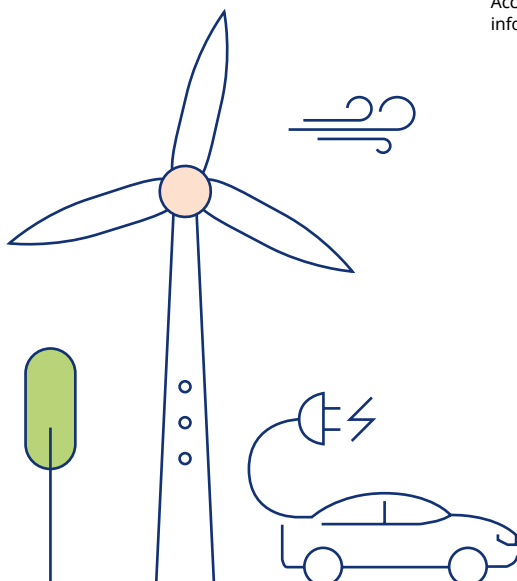
**ISIN code** LU2016063229

**Bloomberg code** SGBENTC LX

**Fund launch date** 10 July 2019

**Fund base currency** GBP

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



<sup>3</sup>However, this number may vary at the Fund Managers' discretion.

## Risk Considerations:

- **Concentration risk:** The fund may be concentrated in a limited number of geographical regions, industry sectors, markets and/or individual positions. This may result in large changes in the value of the fund, both up or down.
- **Counterparty risk:** The fund may have contractual agreements with counterparties. If a counterparty is unable to fulfil their obligations, the sum that they owe to the fund may be lost in part or in whole.
- **Currency risk:** The fund may lose value as a result of movements in foreign exchange rates.
- **Currency risk/hedged share class:** The hedging of the share class may not be fully effective and residual currency exposure may remain. The cost associated with hedging may impact performance and potential gains may be more limited than for unhedged share classes.
- **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.
- **Higher volatility risk:** The price of this fund may be volatile as it may take higher risks in search of higher rewards.
- **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.
- **Market risk:** The value of investments can go up and down and an investor may not get back the amount initially invested.
- **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.

## Important information

**For professional investors and advisers only. The material is not suitable for retail clients.** We define "Professional Investors" as those who have the appropriate expertise and knowledge e.g. asset managers, distributors and financial intermediaries.

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

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This is a Section 65 approved fund under the Collective Investment Schemes Control Act 45, 2002 (CISCA). Boutique Collective Investments (RF) (Pty) Ltd is the South African Representative Office for this fund. Boutique Collective Investments (RF) (Pty) Ltd is registered and approved under the Collective Investment Schemes Control Act (No.45 of 2002). 609174



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