Schroder Blended Portfolios

Investment solutions that work for you

Marketing material

Schroders

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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.

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

The portfolios invest in active funds (a fund that is is actively managed with the aim of achieving an outperformance objective) and passive funds (a fund that aims to track the performance of a market index). These can be Schroder funds or funds from across the whole market.

The portfolios look to provide capital growth and income by investing in a diversified range of assets and markets worldwide with a target average annual volatility (a measure of how much each fund's returns may vary over a year) over a rolling five year period.

2. Designed with a focus on cost

By blending passive with active investments in the portfolio, we can bring you the highest quality investment managers at a lower cost. Our Ongoing Charge Fee (OCF) is between 0.53% and 0.65% (as at 29.12.23). The OCF will vary across the portfolios based on the combination of active and passive investments. The OCF is a measure of the total costs of managing and operating an investment portfolio.[1]

3. Why multi-asset?

Spreads your risk	Meets a variety of investment goals	Constantly monitored

Investing in a variety of asset classes

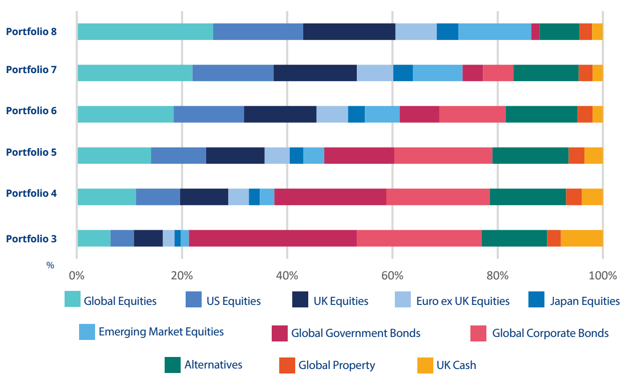
Equities	Bonds	Alternatives	Cash	Property

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 returns. It's very important to get this blend right - and to ensure that it is maintained over time.

4. Diversified, risk mapped portfolios

There is a choice of six portfolios in our range. 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.

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5. Aiming for the perfect blend

Aims to combine the benefits of both active and passive investments.

The portfolios invest in active funds where this has greater potential to deliver superior returns (for example, Emerging Markets where research and detailed analysis are key) and passive funds where it can be more difficult to add value (for example, US equities where information is readily available to everyone).

Typically rotates towards passive funds in rising markets and towards active funds during downturns when an active approach can help to reduce risk and enhance returns.

6. The best of Schroders

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

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

Long-term market views informed by an Economics Team with a combined experience of over 75 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 portfolios with over £5 billion (as at 29.12.23) 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.

[1]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 and Key Investor Information Documents.

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 investment objective and risk considerations for the Schroder Blended Portfolios.

Investment objective

The funds aim to provide capital growth and income by investing in a diversified range of assets and markets worldwide with a target average annual volatility (a measure of how much each fund's returns may vary over a year) over a rolling five year period. This target volatility is fund specific and varies between 30% to 100%* of that of global stock markets (represented by the MSCI All Country World index), depending on the investment objective of each fund.

The Funds are part of the SISCo Schroder Blended Portfolio range, which offers six funds with different expected combinations of investment risk and return.

* Please refer to the Prospectus for the individual risk profile volatility target.

Risk considerations

Prior to making an investment decision, please consider the following risks: **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. **High yield bond risk:** High yield bonds (normally lower rated or unrated) generally carry greater market, credit and liquidity risk. **Higher volatility risk:** The price of the portfolios 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 portfolios. **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. **Market risk:** The value of investments can go up and down and an investor may not get back the amount initially invested. **Operational risk:** Failures at service providers could lead to disruptions of fund operations or losses. **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.

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