

Marketing material

Schroder Blended Portfolios

Client guide



Schroders

Contents

- 2 Introducing the Schroder Blended Portfolios
- 3 How much risk are you comfortable with?
- 4 How we aim to achieve the perfect blend
- 5 Actively using passives
- 6 Why Schrodgers for asset allocation?
- 7 Why choose the Schroder Blended Portfolios?
- 7 What are the risks?

Introducing the Schroder Blended Portfolios

Through partnership with your financial adviser, you have access to the Schroder Blended Portfolios. They can recommend a fund that matches your personal investment objectives, financial goals and attitude to risk.

The six Schroder Blended Portfolios invest in a combination of active and passive funds and are fully diversified across global markets (active funds aim to outperform a benchmark index through investing in securities selected by a fund manager while passive funds aim to track the performance of a benchmark market index). These funds are selected from across the whole market, including funds from Schroders. We blend active and passive funds to give you access to both investment worlds with a focus on cost.

Ongoing Charge Figure (OCF)

0.53% - 0.59%

Source: Schroders as at 28.04.23. 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 excludes any advice, platform charges, transaction fees or incidental costs. The OCF will vary on a monthly basis.

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.



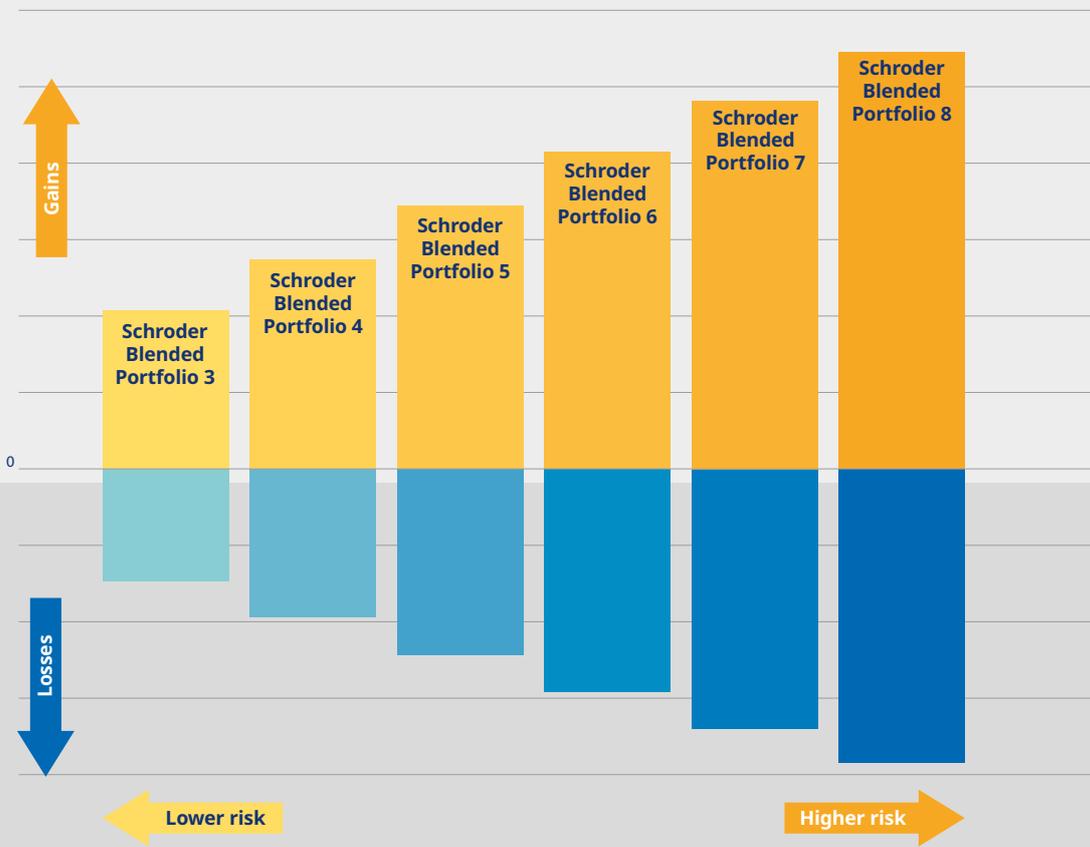
How much risk are you comfortable with?

Your financial adviser will work closely with you to understand your investment objectives and the amount of risk you are comfortable with. The portfolios are aligned to a range of risk tools and your adviser will determine what risk level is right for you and suggest the appropriate Portfolio.

The portfolios are numbered 3 to 8. This corresponds with the associated risk level, with 3 being the lower risk option and 8 the higher risk option.

The chart below shows that the potential reward you may get from investing increases as you take more risk. Please remember though that the potential losses you could suffer also rise as you take more risk and your financial adviser can discuss this with you.

Risk and reward chart



This graph is for illustrative purposes only and does not reflect actual portfolio performance.

How we aim to achieve the perfect blend

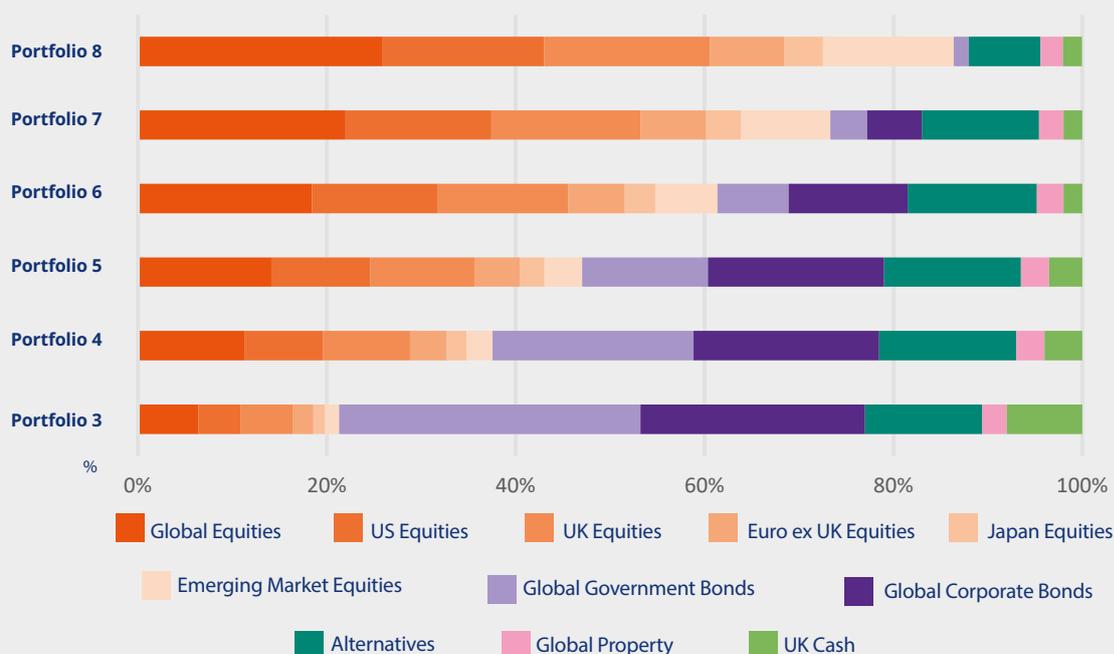
Leveraging the best of Schroders

We bring together specialist resources from across the Schroders Group to manage the portfolios:

- ① Schroder Investment Solutions: led by Chief Investment Officer Alex Funk, we manage over £5 billion (as at 28.04.23) across a range of diversified investment solutions on behalf of our clients.
- ② Schroders Multi-Asset Team: the global team of multi-asset specialists, look at markets from every angle. They provide our solutions with our strategic asset allocation (SAA).
- ③ Schroders Economics Team: the team have a combined experience of nearly 100 years. Their long-term market views are integral to our SAA.
- ④ Schroders Wealth Research Team: an extensive team who research the whole fund market producing a short list of best ideas funds.
- ⑤ Schroders Sustainable Investment Team: a dedicated team of 20+ sustainable investing specialists who provide analysis, tools and research for our funds.

Strategic asset allocation

The portfolios take account of our long-term views of asset classes (strategic asset allocation). Each of our portfolios has a target mix of investments across a number of asset classes (for example, equities and bonds) that is designed to achieve a specific level of risk and return based on an investor's goals and risk tolerance. Once the target mix is established, the portfolios are periodically rebalanced (where asset class exposure is increased or decreased) to maintain the desired asset allocation and risk profile.



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.

Actively using passives

We select the optimal blend of asset classes to maximise potential returns, in line with the risk profile of each of the Schroder Blended Portfolios.

We research markets to identify which are broadly efficient (the US equity market, which is very well researched and where information is readily available to everyone is an example) and which are broadly inefficient (emerging markets, which are less well researched and where information can be harder to come by are an example).

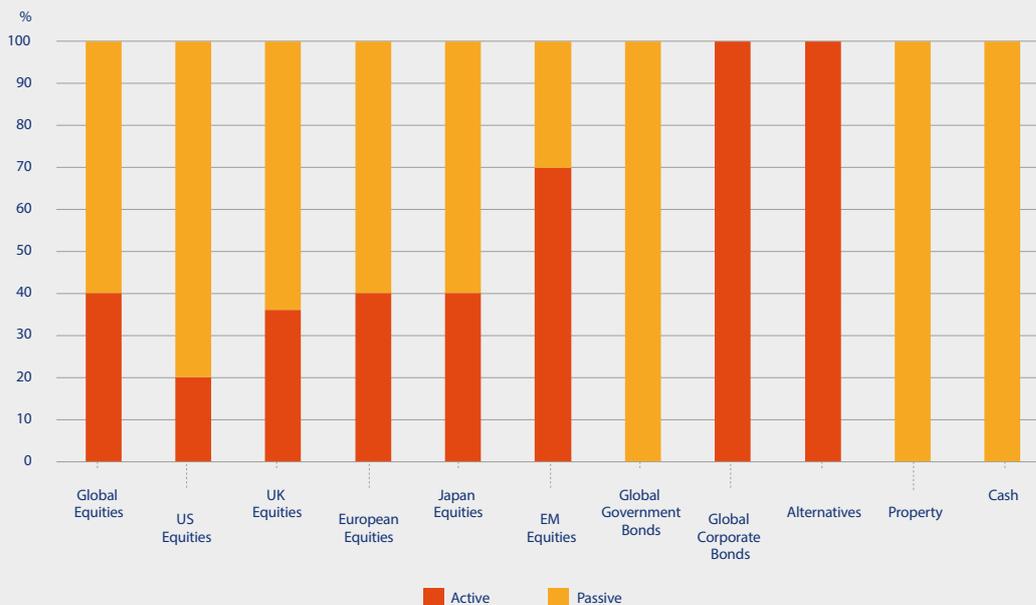


We use this analysis to decide whether to invest in active or passive funds for each asset class held in the portfolio. We typically use passive funds in efficient markets and active funds for inefficient markets. However, depending on where we are in the economic cycle (the natural pattern of growth and contraction that happens in the economy over time), we would usually allocate more to passive funds in rising markets, to participate in the good years. Conversely,

in poorer years we would usually allocate more to active funds, with the aim of protecting the portfolios and benefiting from the in-depth research of our selected fund managers.

If we look at Schroder Blended Portfolio 5 as an example, you can see from the chart below how the allocation might look between active and passive funds.

Schroder Blended Portfolio 5 – Asset allocation



Source: Schroders as at April 2023.

Why Schroders for asset allocation?

Active asset allocation between and within different asset classes can add great value to investment portfolios over time. However, this type of approach requires significant amounts of time, experience and resources to master.

Schroders, a leading global investment manager with over £737.5 billion¹ assets under management, has the experience and expertise required. Multi-asset investments is at the heart of Schroders' business:



We've been managing multi-asset mandates since 1947 with over 120 investment professionals globally, looking at markets from every angle.



We have a research-led process using our own portfolio construction and risk management systems.



We design, implement and manage portfolios with our clients' needs in mind.

¹ Source: Schroders, as at 31 December 2022



Why choose the Schroder Blended Portfolios?

1

Diversified fund range

Expert investment management with access to the best active and passive funds carefully selected from the whole of the market.

2

Best of Schroders

Bringing together specialist resources of our Multi-Asset, Economics, Sustainable and Wealth Research Teams.

3

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.

4

Risk mapped portfolios

A range of six options to ensure that investor requirements for different levels of risk can be achieved. Each portfolio has a specific investment objective ranging from lower risk to higher risk.

What are the risks?

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

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.

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 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 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, 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: 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.

Find out more

The Schroder Blended Portfolios are available on a range of investment platforms. Just speak to your financial adviser to find out how you could invest.

Your adviser will also guide you through your investment options and help you focus on what's important to you. They will also be able to share with you the Key Investor Information Document (KIID), the latest factsheets, performance and commentaries for the portfolios.



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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 investments to fall as well as rise.

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