



Schroders Emerging Markets Lens: Equity

Strategic Research Unit

July 2024

Marketing material for professional
investors only.

Table of contents

01 Emerging market equity performance

02 Emerging market equity valuations

03 Emerging market currency valuations

04 EM index composition

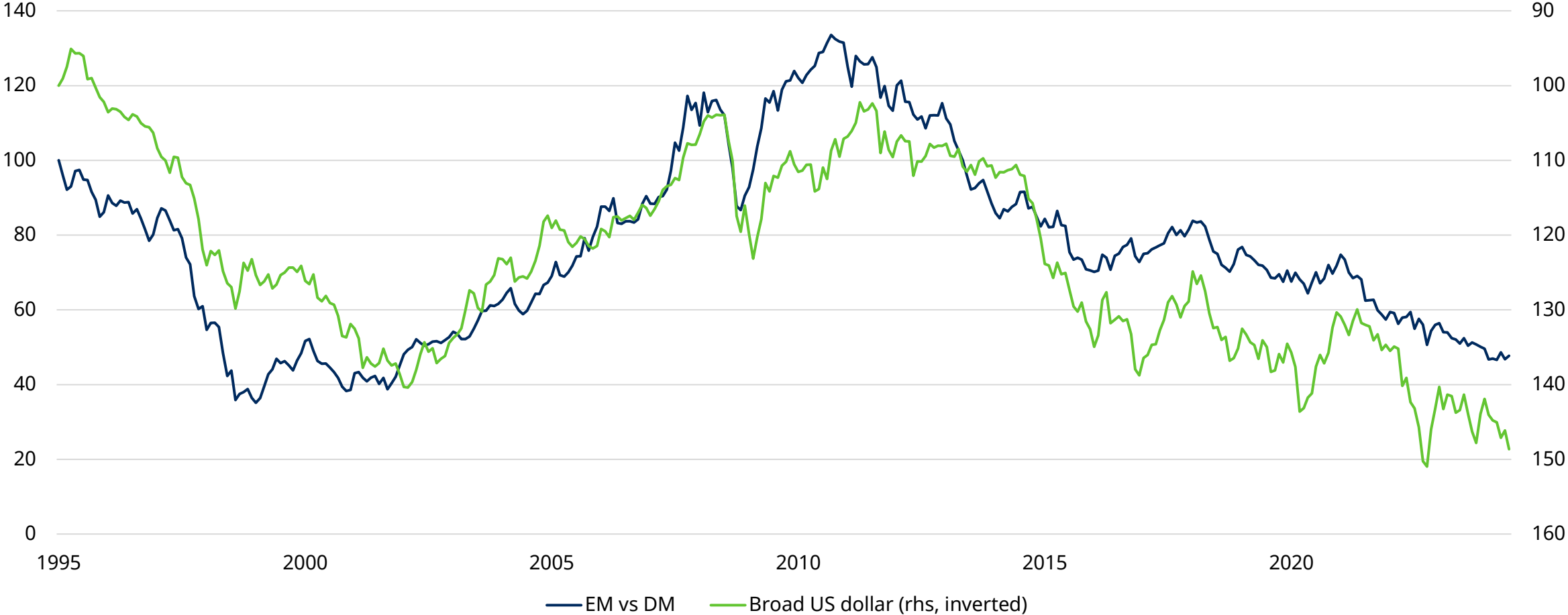
Summary

- Emerging market (EM) equities returned 5.1% in Q2, outperforming developed markets (DM), which gained 2.8%.
- Among the large index markets, Taiwan (+30%) and India (+17%) have generated the strongest gains YTD; conversely Brazil (-19%) and Mexico (-15%) lag (slide 14), with elections a factor in the latter. [***Read more***](#)
- Index performance concentration has been somewhat narrow at sector and stock level YTD. This extends a trend in place since early 2023; momentum remains the best-performing factor YTD (slides 15-17).
- Consensus expectations are for EM earnings growth to be 22% and 16% YoY for 2024 and 2025 respectively; for 2024 the figure is double that of the US (slide 5).
- Leading indicators continue to point to a pickup in the global goods cycle, which should be supportive of EM manufacturers (slide 8).
- EM equity valuations are modestly above the historical median on a number of measures, skewed in part by the high valuations in certain large markets. Most EM are cheap versus their own history, meanwhile the valuation gap to DM remains close to its widest level in 20 years.
- EM ex China demand has picked up this year, but there are pros and cons to this approach (slide 9). [***Read more***](#)

Note: EMEA is Europe, the Middle East and Africa.
Source: MSCI, LSEG Datastream.
Please see relevant disclaimers on page 40.

What to watch: the path of the US dollar

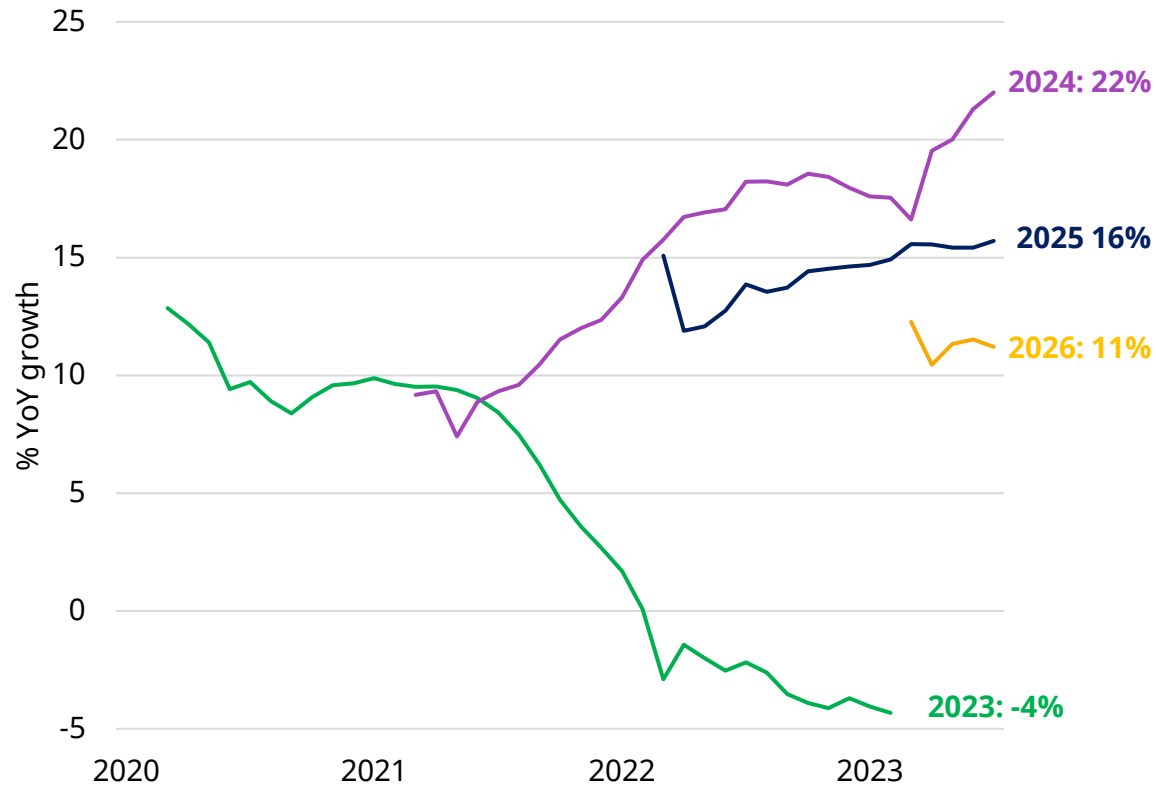
USD strength has been a headwind for over a decade – this trend has so far continued in 2024



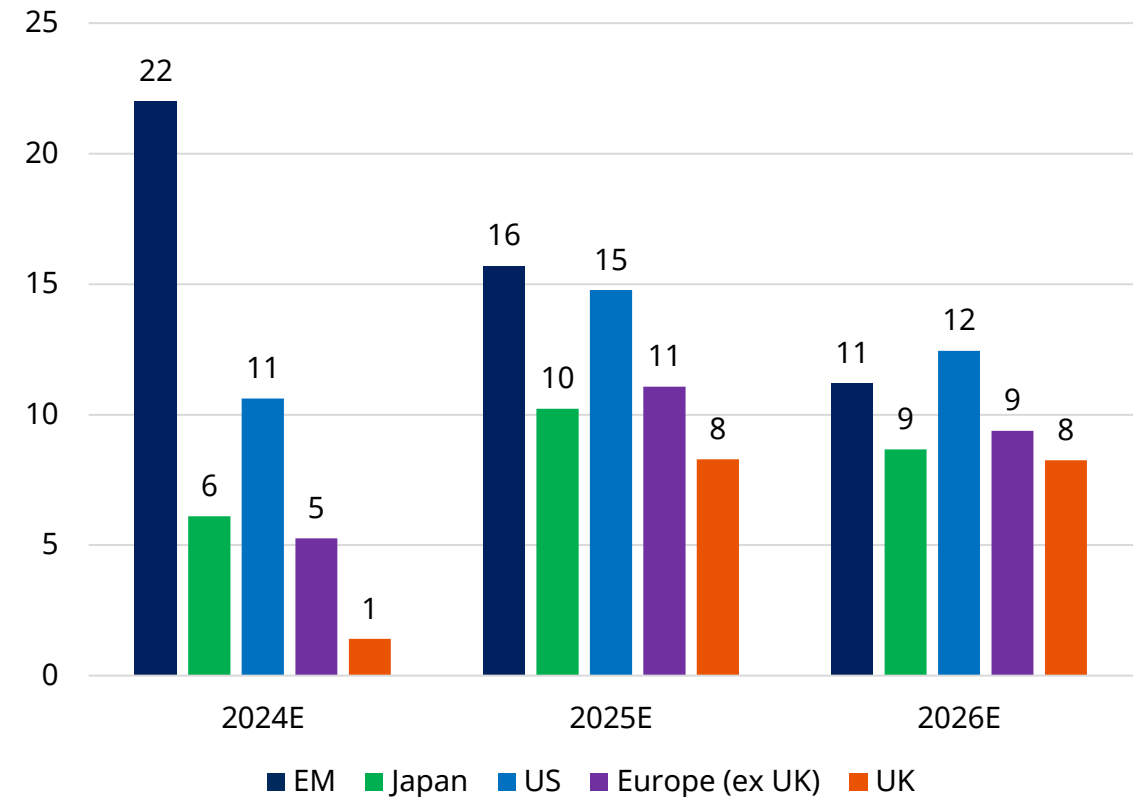
Source: LSEG Datastream, MSCI, Schroders Strategic Research Unit, as at 30 June 2024. All returns rates shown in USD terms. Please see relevant disclaimers on page 40. Past performance is not a guide to future performance and may not be repeated.

What to watch: EM corporate earnings outlook strong

EM consensus YoY EPS growth forecasts, % (USD)



Consensus growth forecasts vs. other markets, % (USD)



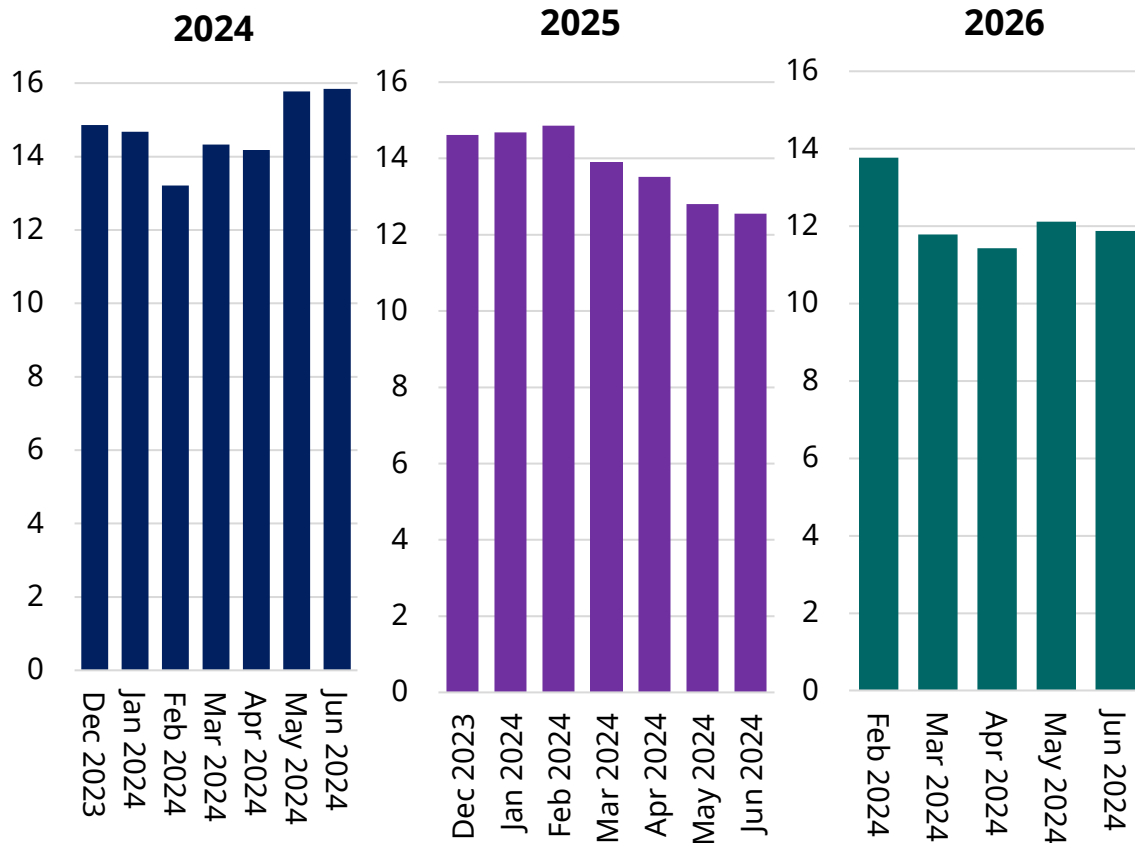
After a weak 2023, consensus expectations are for earnings to soar – can EM deliver?

EM earnings growth projected to be strongest globally over 2024/25

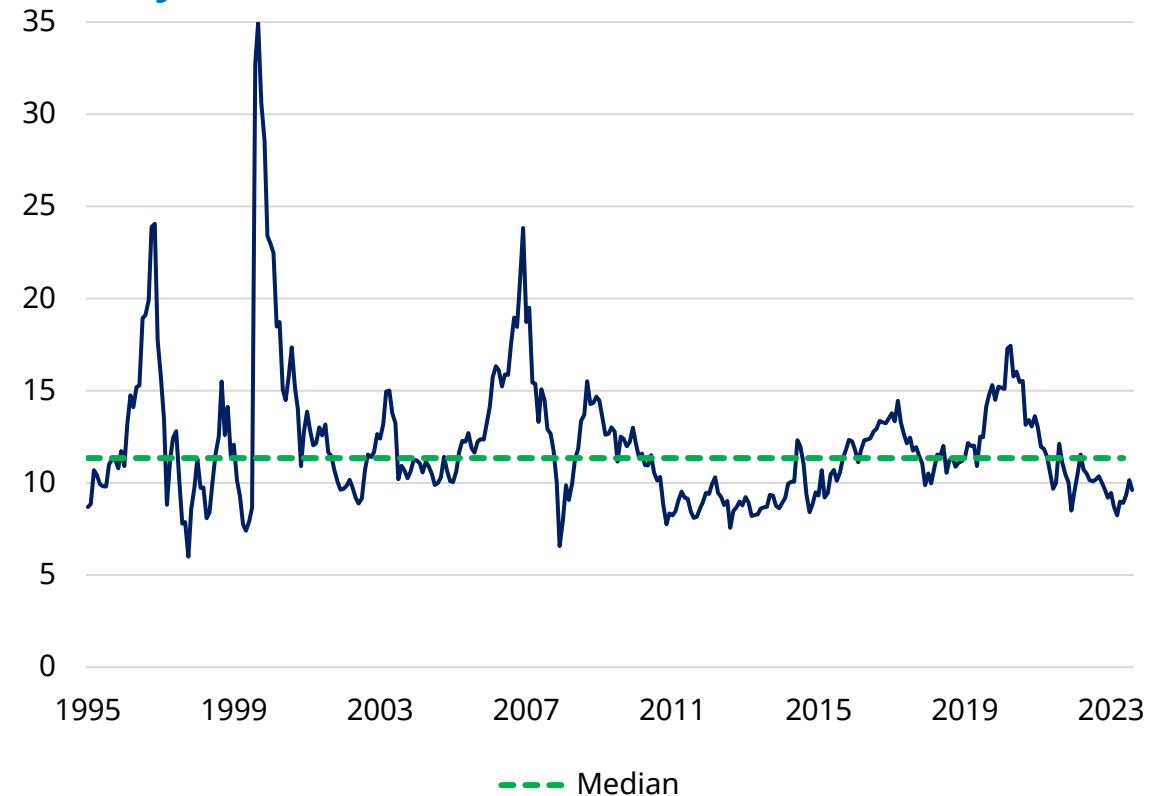
Source: LSEG Datastream, MSCI, IBES, Schroders Strategic Research Unit, as at 30 June 2024. All returns and growth rates shown in USD terms. Please see relevant disclaimers on page 40. Past performance is not a guide to future performance and may not be repeated.

What to watch: China 2024 earnings expectations upgraded, but 2025 has seen downgrades

Consensus YoY EPS growth forecasts, monthly % (RMB)



China 12-month forward price-earnings cheap vs. history



Source: LSEG Datastream, MSCI, IBES, Schroders Strategic Research Unit, as at 30 June 2024. Please see relevant disclaimers on page 40.

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

2024 MSCI EM elections complete – results mixed: election baton now passes to DM [Read more](#)

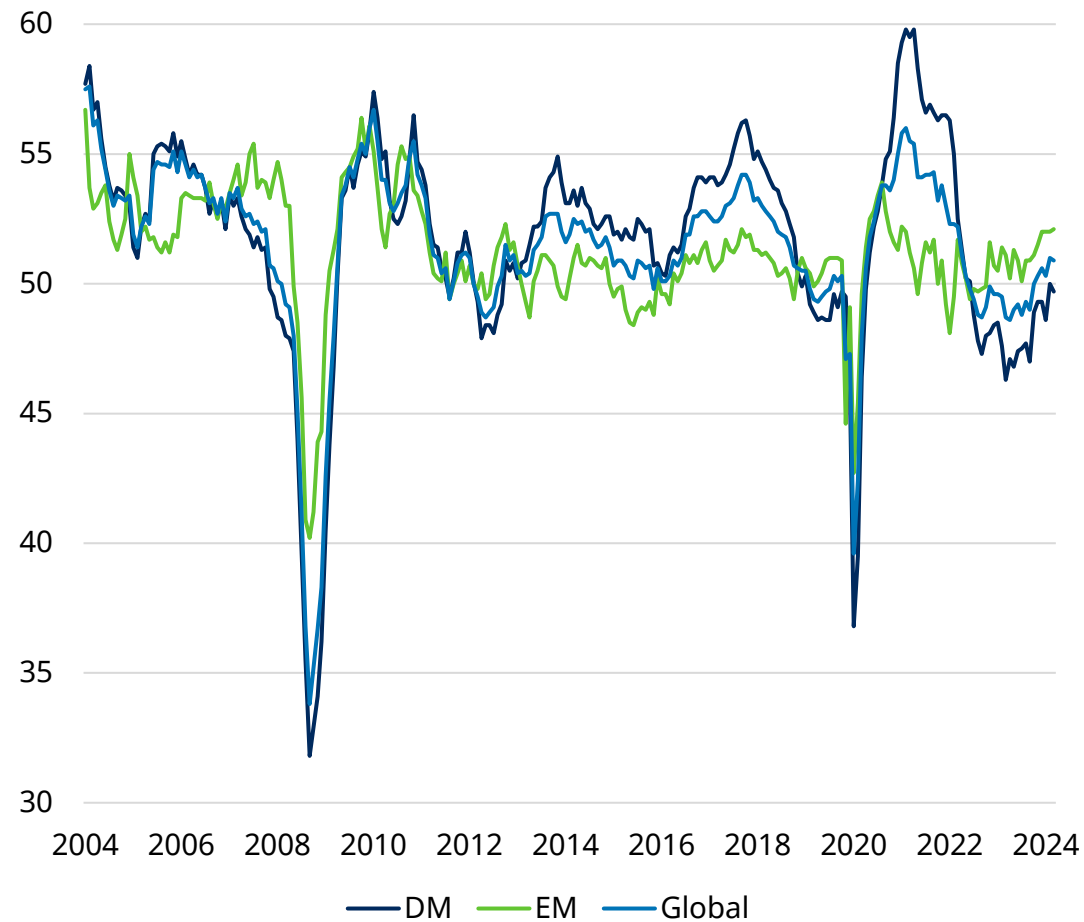
Election	Outcome	Market anticipation		Market reaction to results	
		Prior 5-days	One day	Five days	Presidential inauguration/15 days
13 January: Taiwan elections	Incumbent DPP won presidential election but lost parliamentary majority.	0.1%	-0.3%	1.3%	
14 February: Indonesia elections	Perceived continuity candidate won presidential election in first round.	0.8%	1.4%	2.3%	
10 April: South Korea elections	Opposition Democratic Party won majority of seats in National Assembly.	-0.5%	-0.4%	-6.9%	
29 May: South Africa elections	ANC lost majority for first time in 30 years. Government of National Unity formed.	-2.3%	-3.4%	-6.3%	6.4%
2 June: Mexico elections	Morena retained presidency under new leader, and outperformed expectations to win super majority in lower house of congress; Morena only a few seats short of supermajority in senate.	-2.6%	-8.8%	-10.5%	
4 June: India election results	Incumbent BJP party lost parliamentary majority, but will lead a coalition government.	1.2%	-6.8%	-0.2%	

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

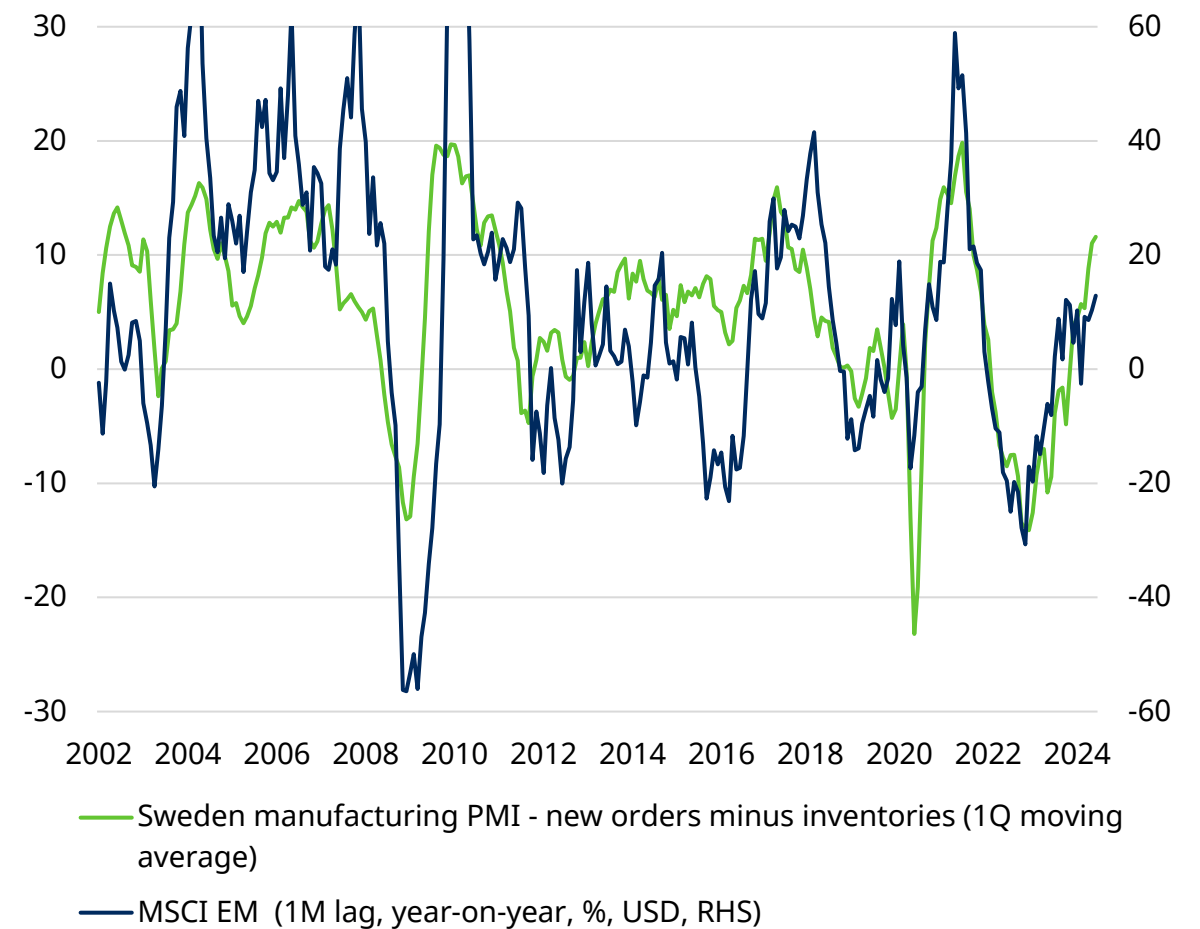
Prior 5-days and market reaction date assessed relative to election result announcement. E.g. Indonesia based on initial 'quick counts' on 15 February (official results announced on 27 March). *India elections held 19 April to 1 June, results announced on 4 June. 15-days shown for South Africa to capture period permitted to form coalition. Traffic lights to show market reaction: Red = < -1%, Amber = -1% to 1%, Green = >1%. Source: Schroders Strategic Research Unit, as at 10 June 2024. USD total return.

What to watch: Global goods cycle supportive of EM outlook

EM manufacturing PMI* has picked up



Leading indicators remain positive

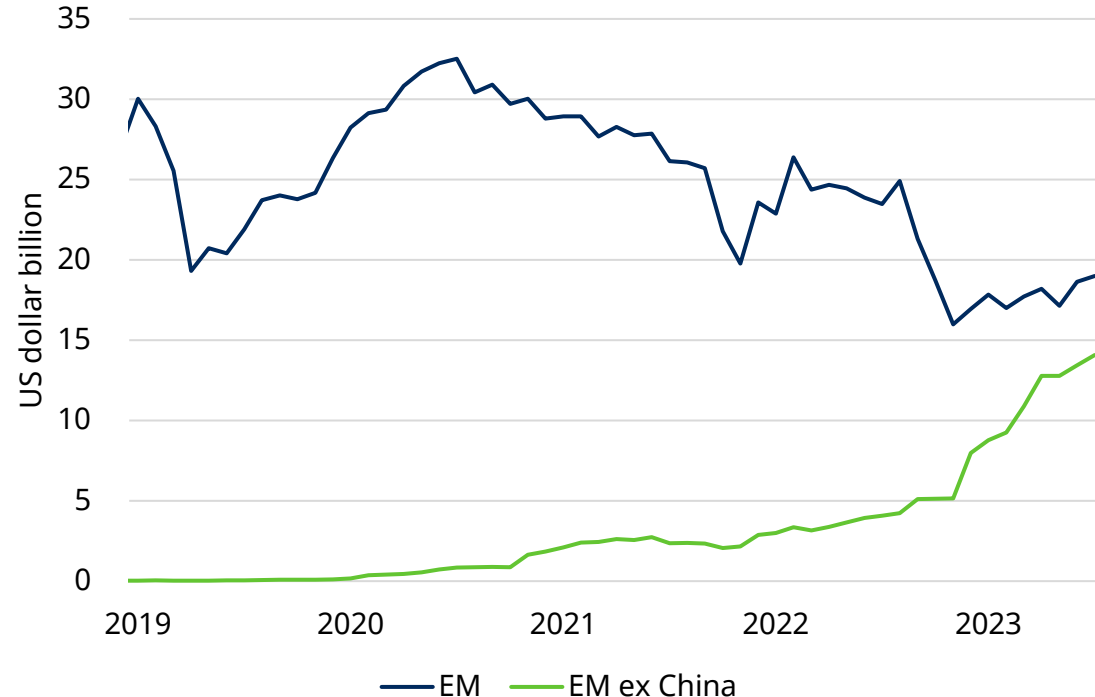


*A reading below 50 indicates contraction, while above 50 signals expansion. Source: LSEG Datastream, Schroders Strategic Research Unit, as at 30 June 2024. Please see relevant disclaimers on page 40.
Past performance is not a guide to future performance and may not be repeated.

What to watch: EM ex China demand has increased – there are pros and cons to this approach [Read more](#)

EM ex China demand has accelerated vs broad EM, using ETF assets as a proxy

EEM versus EMXC ETF



EM ex China has outperformed – but mostly in the last three years, amid weakness in China

Cumulative index performance, base = 31 December 2008



Source: LSEG Datastream, iShares, Schroders Strategic Research Unit, as at 30 June 2024. Please see relevant disclaimers on page 40.

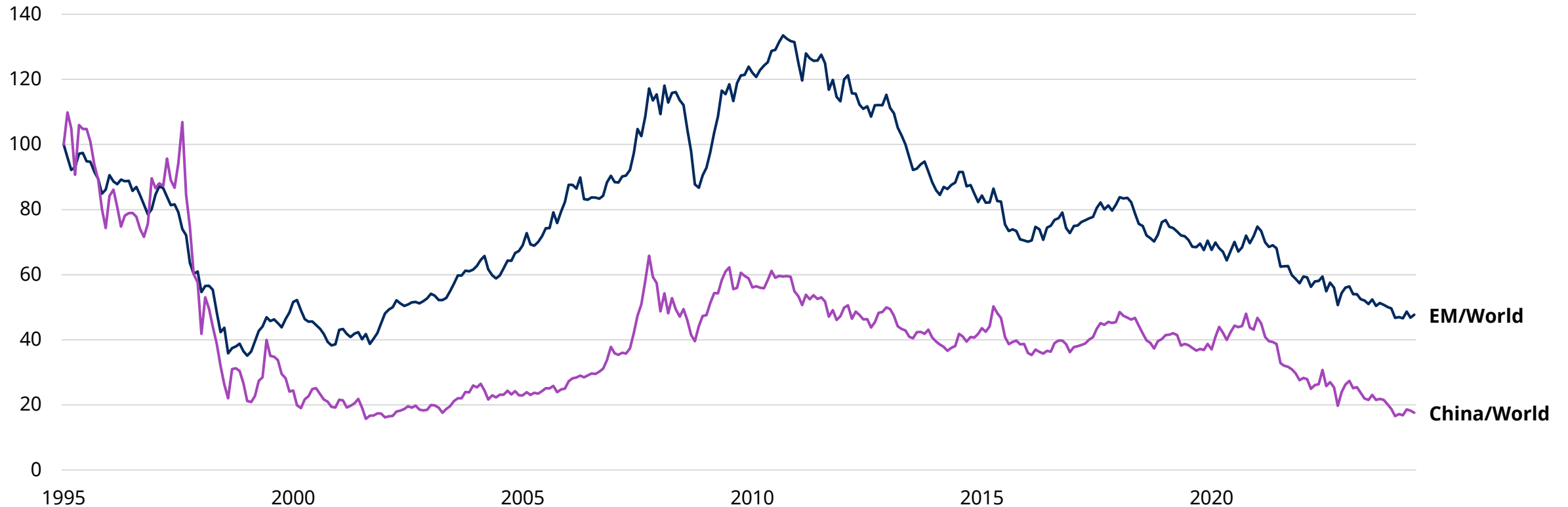
Past performance is not a guide to future performance and may not be repeated.



Emerging market equity performance

A challenging decade for EM performance versus DM

EM vs. DM and China vs. DM (total return, rebased to 100)



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

Source: LSEG Datastream, MSCI, IBES, Schroders Strategic Research Unit. Data as at 30 June 2024. All returns in USD terms. Please see relevant disclaimers on page 40.

US exceptionalism continues so far in 2024...but EM now top of the chasing pack

Calendar year returns of major indices (USD)

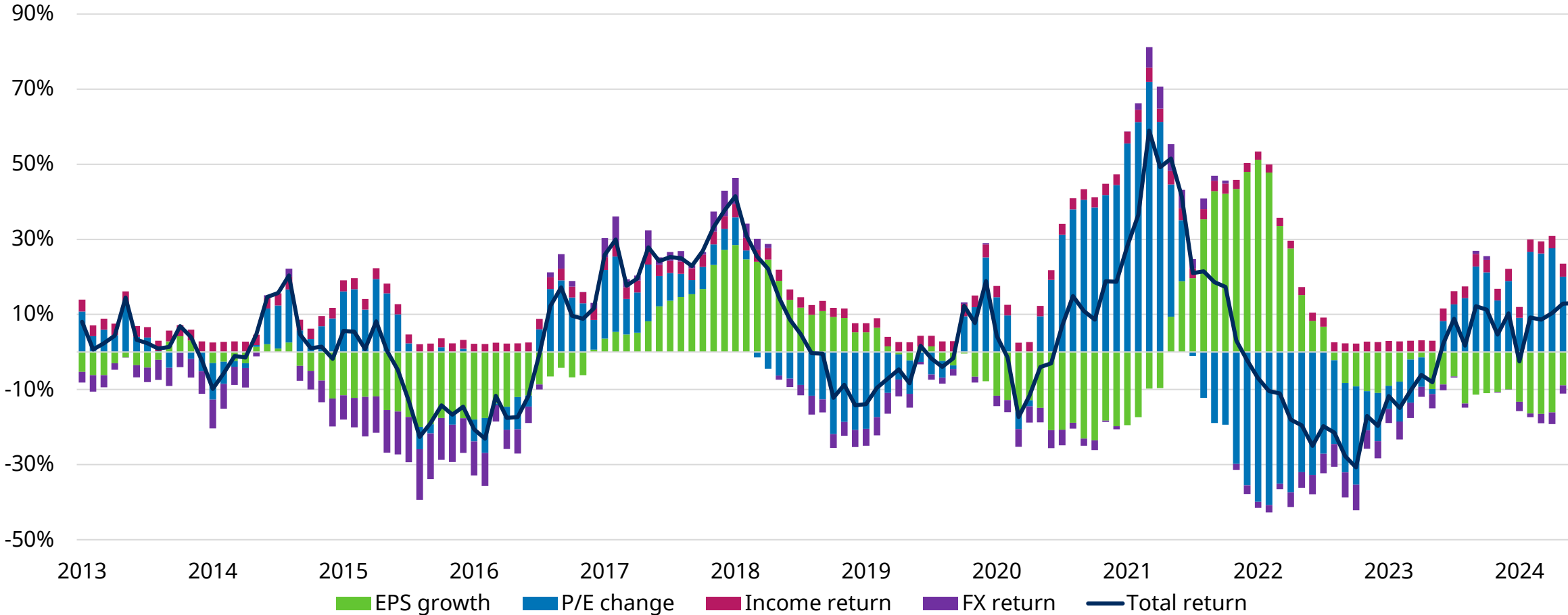
2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 YTD
EM 26%	EM 35%	Europe ex UK 36%	EM 40%	Japan -29%	EM 79%	EM 19%	USA 2%	Europe ex UK 23%	USA 33%	USA 13%	Japan 10%	USA 12%	EM 38%	USA -5%	USA 32%	USA 21%	USA 27%	UK -5%	USA 27%	USA 15%
Europe ex UK 22%	Japan 26%	EM 33%	Europe ex UK 17%	USA -37%	UK 43%	Japan 16%	UK -3%	EM 19%	Europe ex UK 29%	EM -2%	USA 1%	EM 12%	Europe ex UK 28%	Japan -13%	Europe ex UK 26%	EM 19%	UK 19%	Japan -16%	Europe ex UK 23%	EM 8%
UK 20%	Europe ex UK 11%	UK 31%	UK 8%	Europe ex UK -45%	Europe ex UK 34%	USA -37%	Japan -14%	USA 16%	Japan 27%	Japan -4%	Europe ex UK 0%	Japan 3%	Japan 24%	UK -14%	UK 21%	Japan 15%	Europe ex UK 17%	Europe ex UK -17%	Japan 21%	UK 7%
Japan 16%	UK 7%	USA 15%	USA 6%	UK -48%	USA 27%	UK 9%	Europe ex UK -14%	UK 15%	UK 21%	UK -5%	UK -8%	Europe ex UK 0%	UK 22%	EM -14%	Japan 20%	Europe ex UK 12%	Japan 2%	USA -19%	UK 14%	Japan 7%
USA 11%	USA 6%	Japan 6%	Japan -4%	EM -53%	Japan 6%	Europe ex UK 2%	EM -18%	Japan 8%	EM -2%	Europe ex UK -6%	EM -15%	UK 0%	USA 22%	Europe ex UK -14%	EM 19%	UK -10%	EM -2%	EM -20%	EM 10%	Europe ex UK 6%

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

Total return, USD. Source: LSEG Datastream, MSCI, Schroders Strategic Research Unit, as at 30 June 2024. Please see relevant disclaimers on page 40.

Re-rating has supported the 12-month EM return

Components of the MSCI Emerging Markets Index 12-month total return

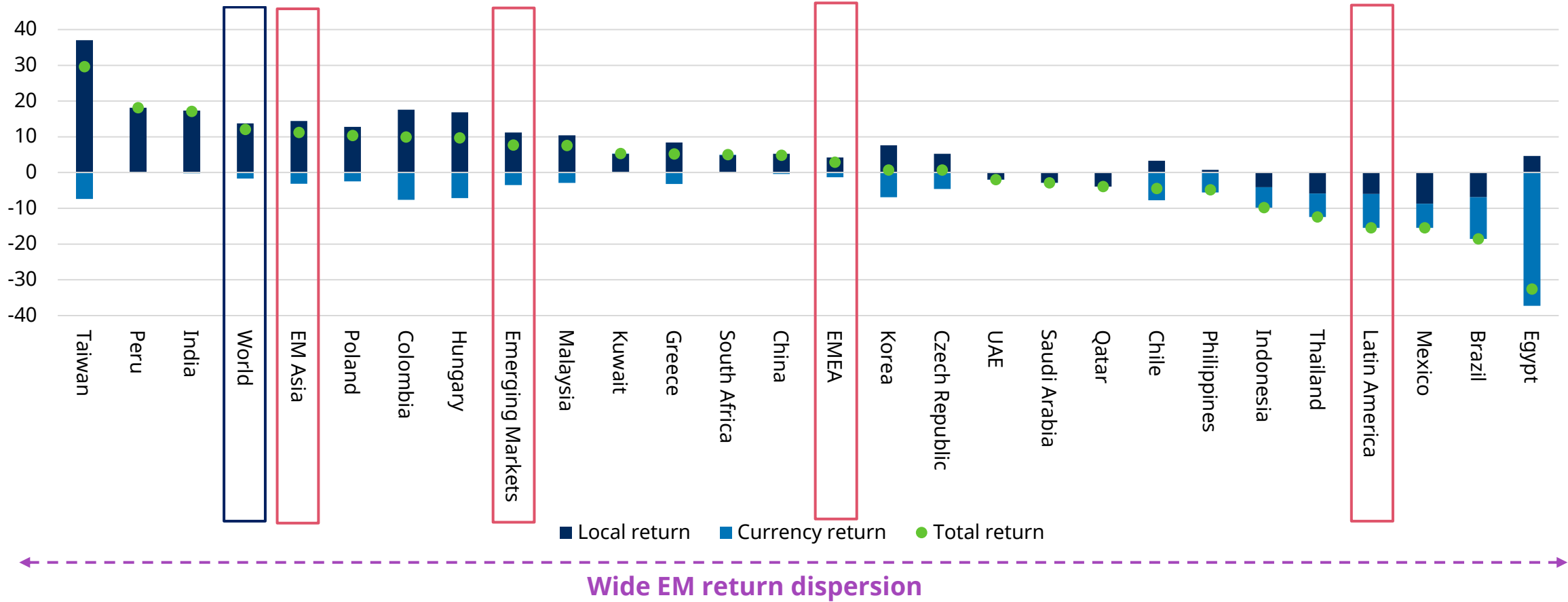


Past performance is not a guide to future performance and may not be repeated.

Source: Schroders, LSEG Datastream, MSCI, Schroders Strategic Research Unit. Data as at 30 June 2024. Please see relevant disclaimers on page 40.

EM Asia still leading YTD returns; but all regions behind DM

YTD returns in EM equity markets (USD), %



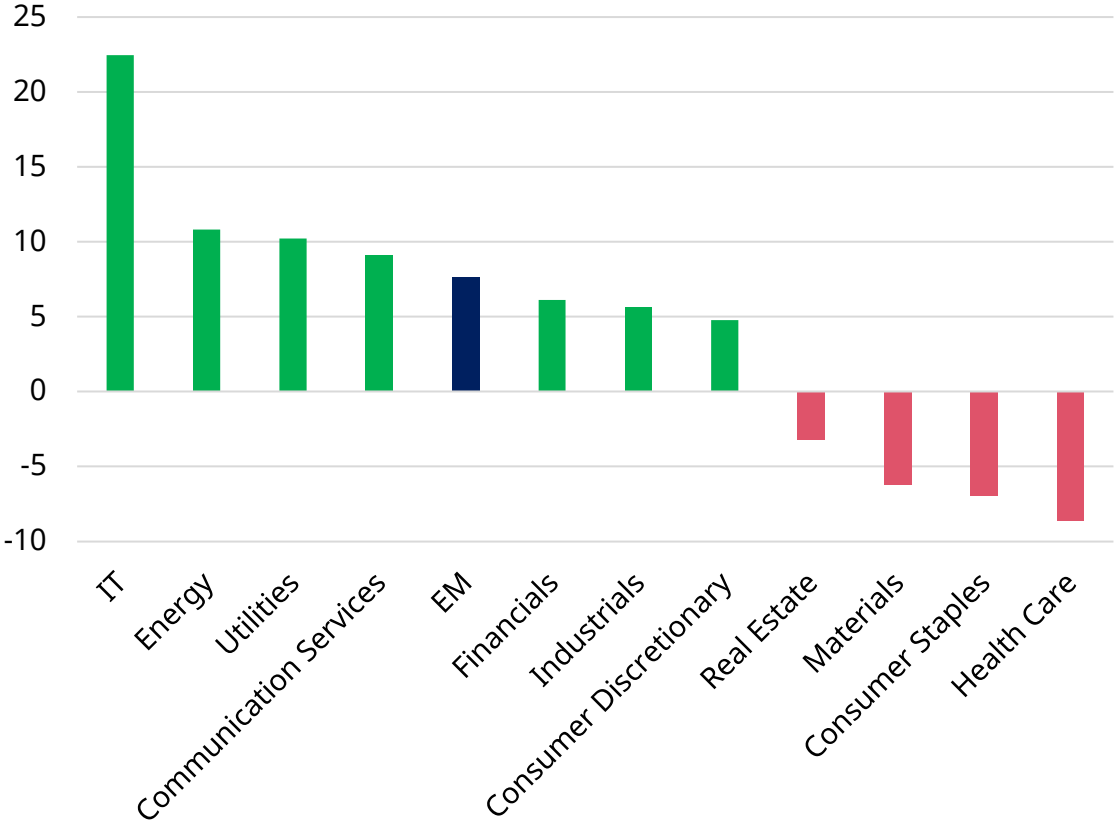
Past performance is not a guide to future performance and may not be repeated.

Note: EMEA is Europe, the Middle East and Africa. World is developed market only. Total return, USD.

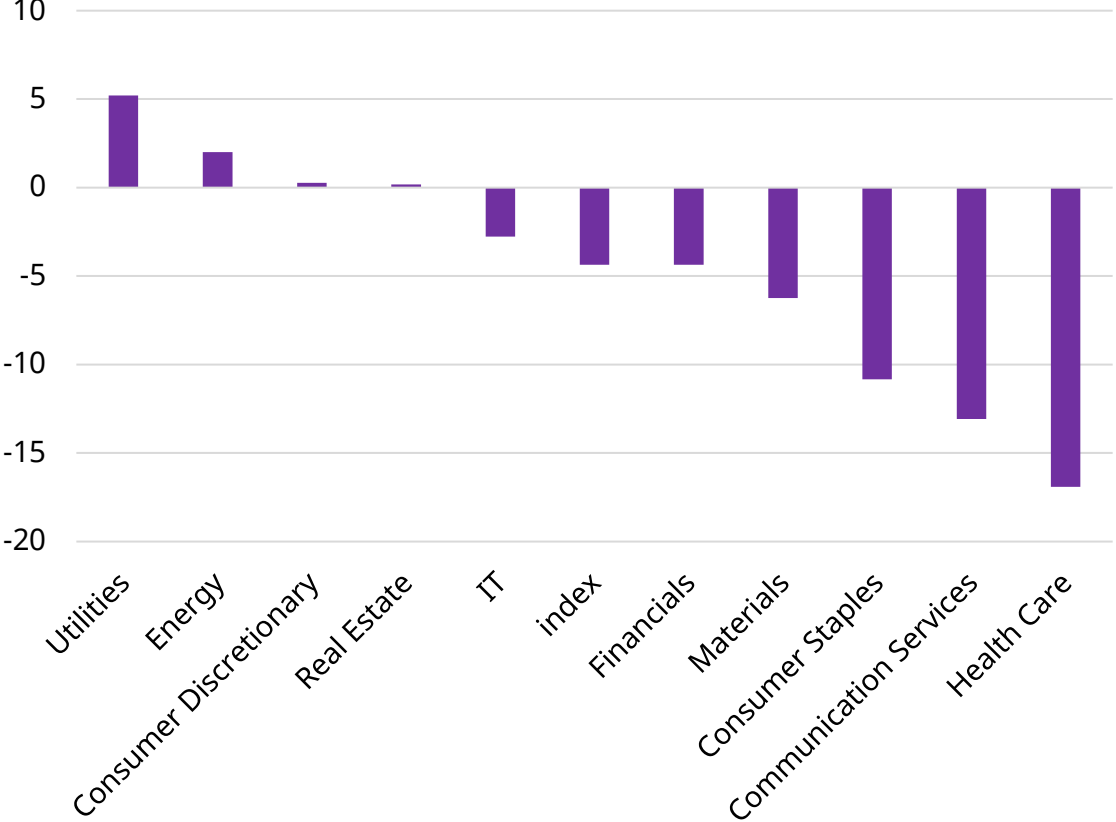
Source: Schroders, LSEG Datastream, MSCI, Schroders Strategic Research Unit. Data as at 30 June 2024. Please see relevant disclaimers on page 40.

IT major driver of YTD returns – but few EM sectors outperforming DM equivalent

EM sector performance mixed YTD - USD (%)



EM minus DM sector returns YTD - USD (%)



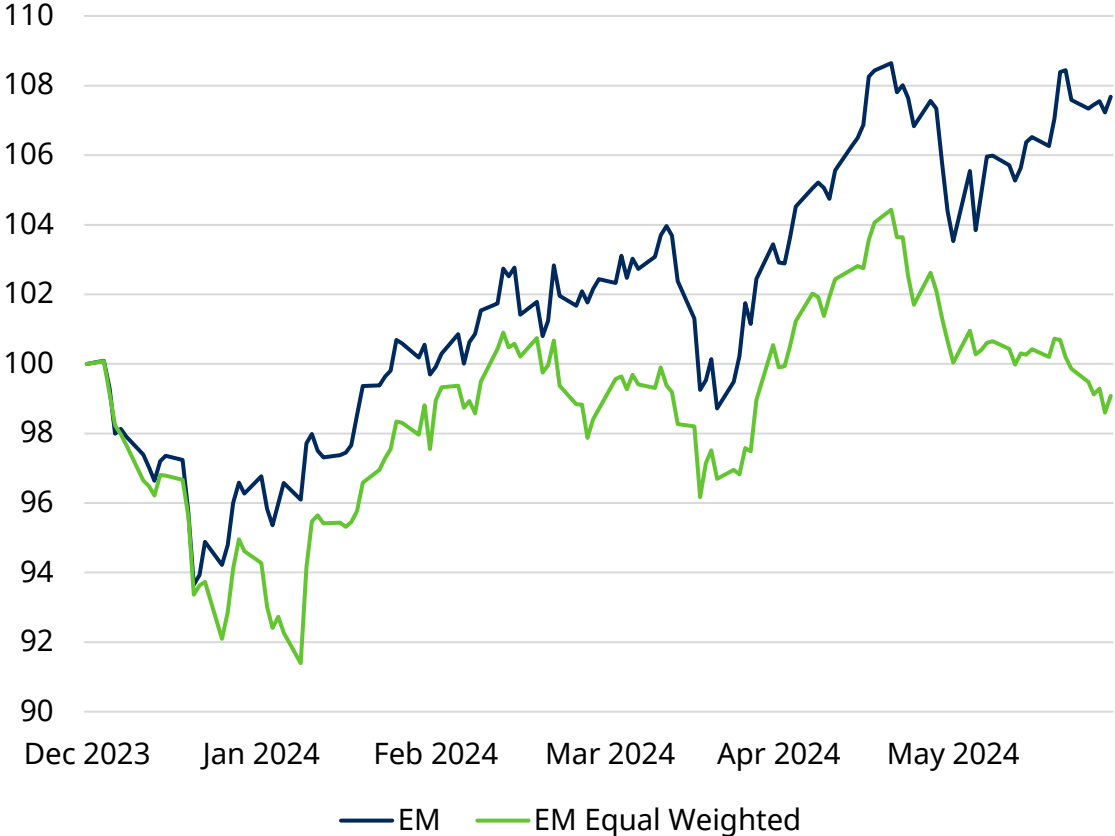
Past performance is not a guide to future performance and may not be repeated.

Percentage total return, US dollars. Source: LSEG Datastream, MSCI, Schroders Strategic Research Unit, as at 30 June 2024. Please see relevant disclaimers on page 40.

Index performance concentration has been narrow YTD

EM market cap weighted index outperforming equal weighted – a sign of performance concentration

Cumulative performance YTD, base = 31 December 2023



This trend has been in place since early 2023

EM market cap weighted index divided by equal weighted index

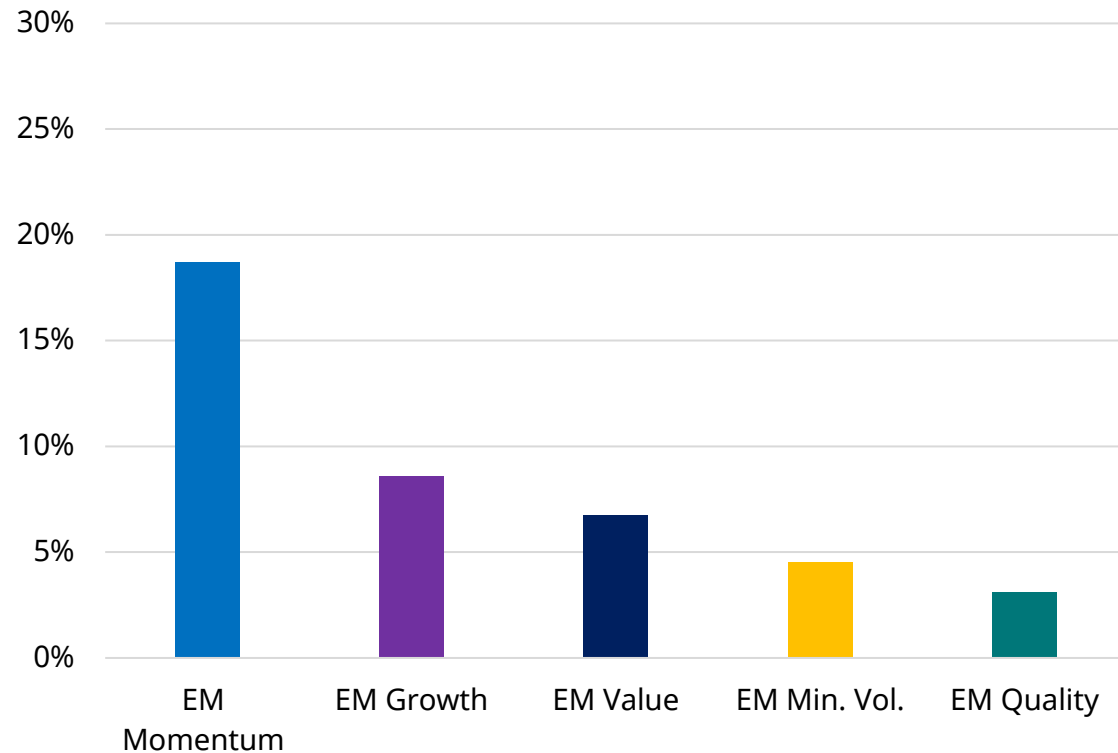


Past performance is not a guide to future performance and may not be repeated.

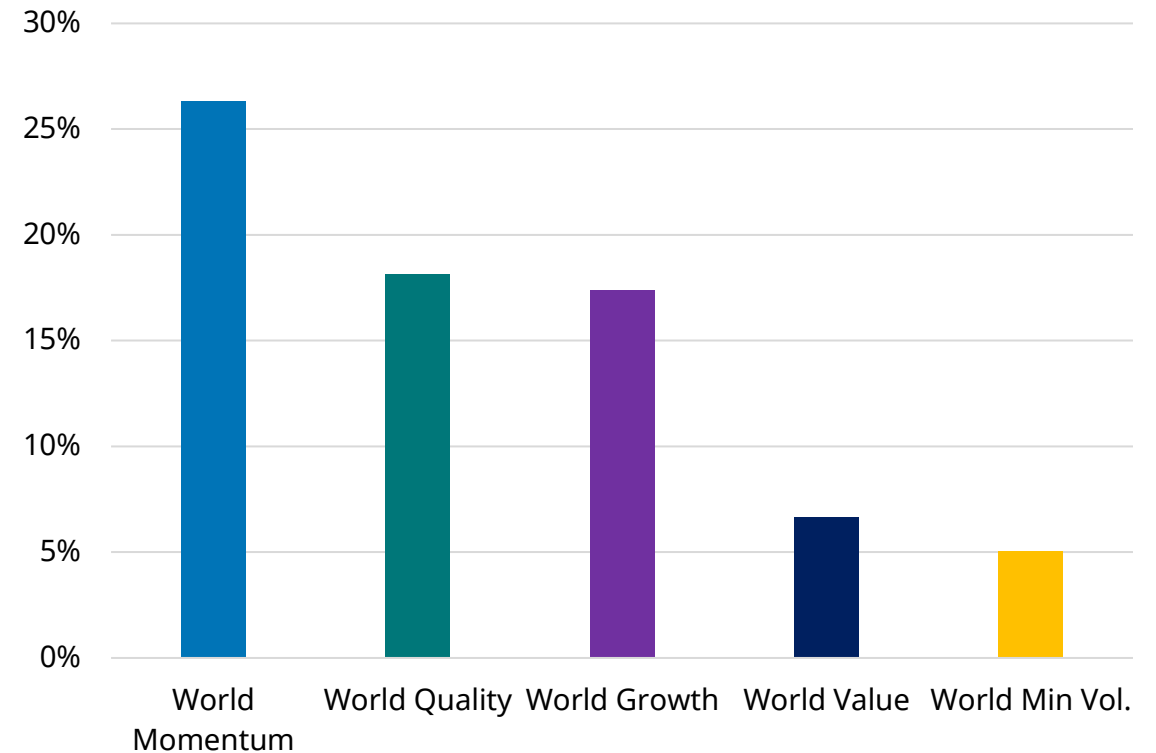
Total return, US dollars. Source: LSEG Datastream, MSCI, Schroders Strategic Research Unit, as at 30 June 2024. Please see relevant disclaimers on page 40.

Momentum factor leads YTD, EM Quality factor the weakest YTD; a contrast to DM

EM factor indices returns YTD (USD)



World factor indices returns YTD (USD)



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

Total return, US dollars. Source: LSEG Datastream, MSCI, Schroders Strategic Research Unit, as at 30 June 2024. Please see relevant disclaimers on page 40.



Emerging market equity valuations

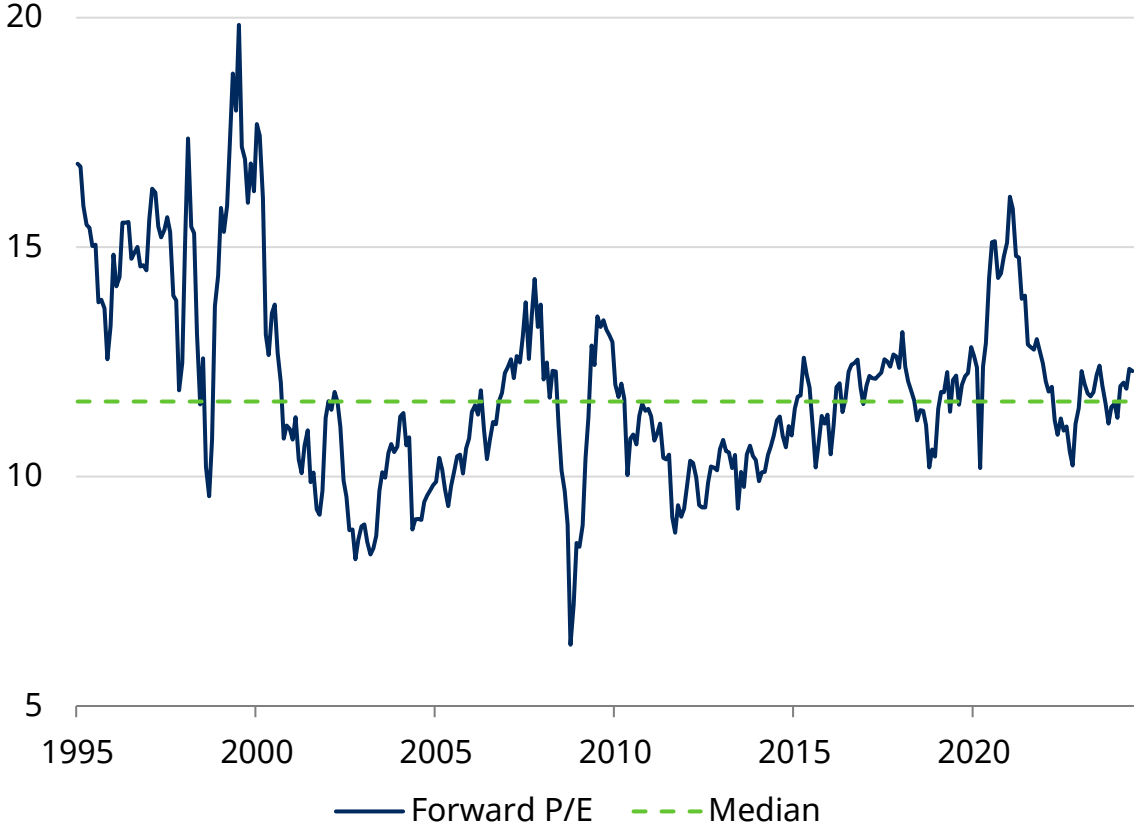
EM valuations – gap to DM remains wide

- **Headline EM index valuations:** aggregate valuations are modestly above the historical median on 12-month forward price-earnings (P/E) and price-book (P/B) measures, and slightly cheap on dividend yield (slides 20, 23, 24).
- **EM sector valuations:** Healthcare and IT are the most expensive sectors versus their own history on 12-month forward P/E; financials is the cheapest. (slide 25).
- **EM vs. DM relative valuations:** EM equities discount to DM remains in the top band of its 20-year range (slide 26).
- **EM country-level valuations:** how markets stack up measured against their own history (slide 29)
 - Asian market valuations are mixed: India is the most expensive market in EM, followed by Taiwan, with South Korea closer to neutral. China remains cheap, along with Indonesia, the Philippines and Malaysia.
 - Latin America offers some of the most compelling valuations: Chile, Colombia, Brazil, and Mexico are among the most undervalued EM when measured against their own history.
 - The EMEA markets are generally cheap: Hungary and Poland are the cheapest in EMEA.

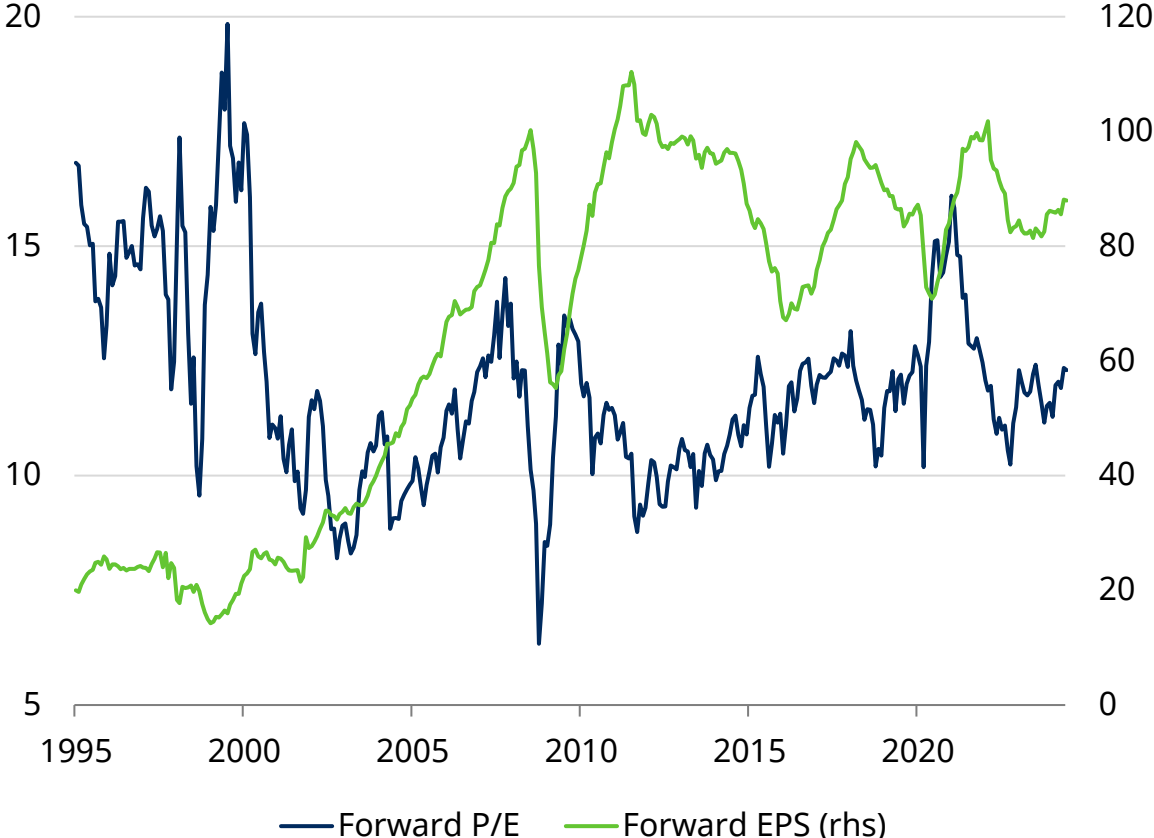
Source: Schroders, LSEG Datastream, MSCI, IBES, Schroders Strategic Research Unit. Data as at 30 June 2024. Please see relevant disclaimers on page 40.

EM equities above historical median on fwd P/E – but not significantly

The MSCI EM Index 12-month forward P/E



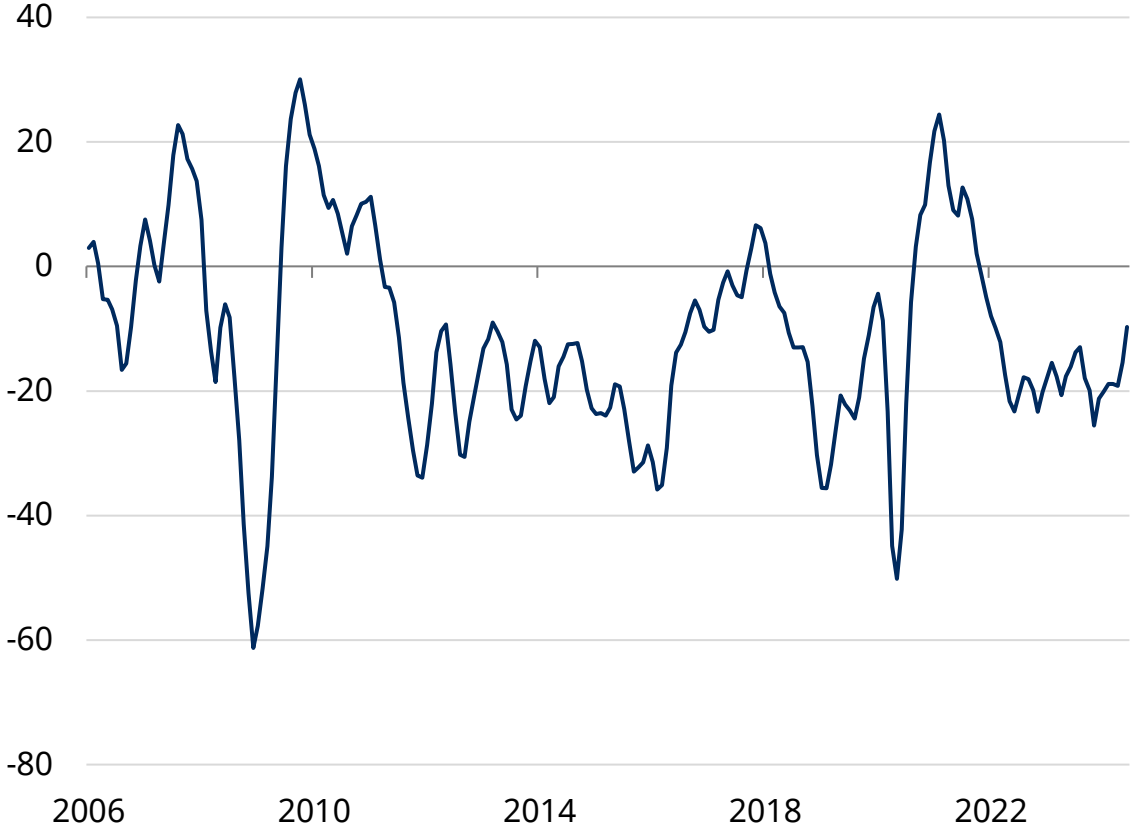
The MSCI EM Index 12-month forward P/E and EPS



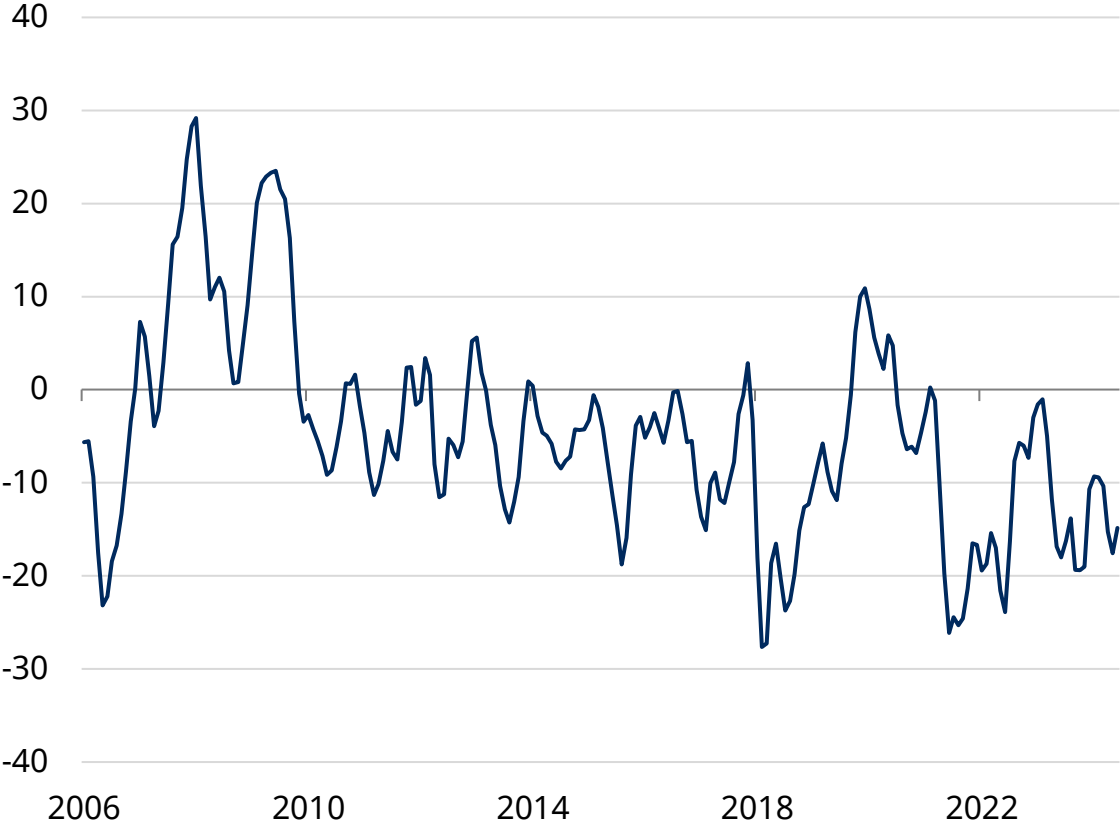
Source: LSEG Datastream, MSCI, IBES, Schroders Strategic Research Unit. Data as at 30 June 2024. Please see relevant disclaimers on page 40.

EM earnings revisions on improving trajectory, but gap to DM remains wide

EM earnings revisions¹ (3-month average)



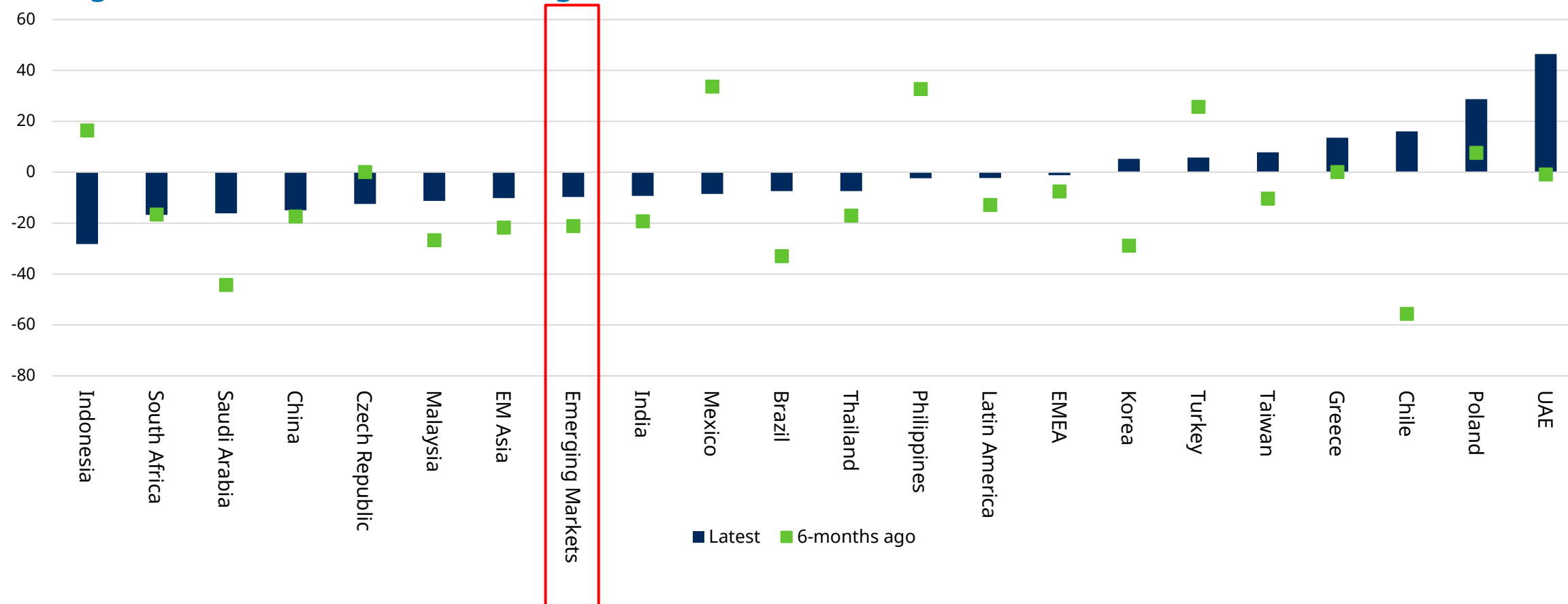
EM minus DM earnings revisions



¹Calculated as the number earnings upgrades minus the number of earnings downgrades divided by the total numbers of earnings revisions. Source: LSEG Datastream, MSCI, IBES, Schroders Strategic Research Unit. Data as at 30 June 2024. Please see relevant disclaimers on page 40.

Among the large EM markets, Taiwan and Korea earnings revisions picking up

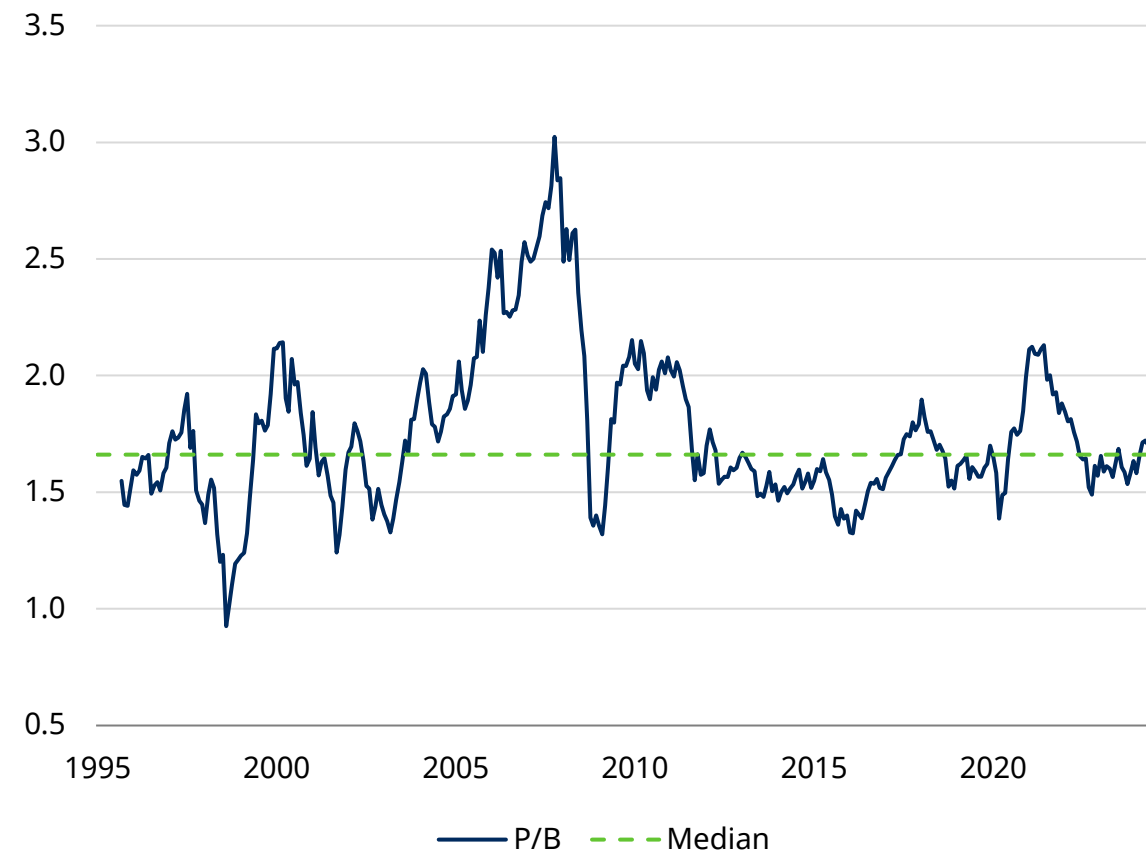
Earnings revisions¹ (%) (3-month average)



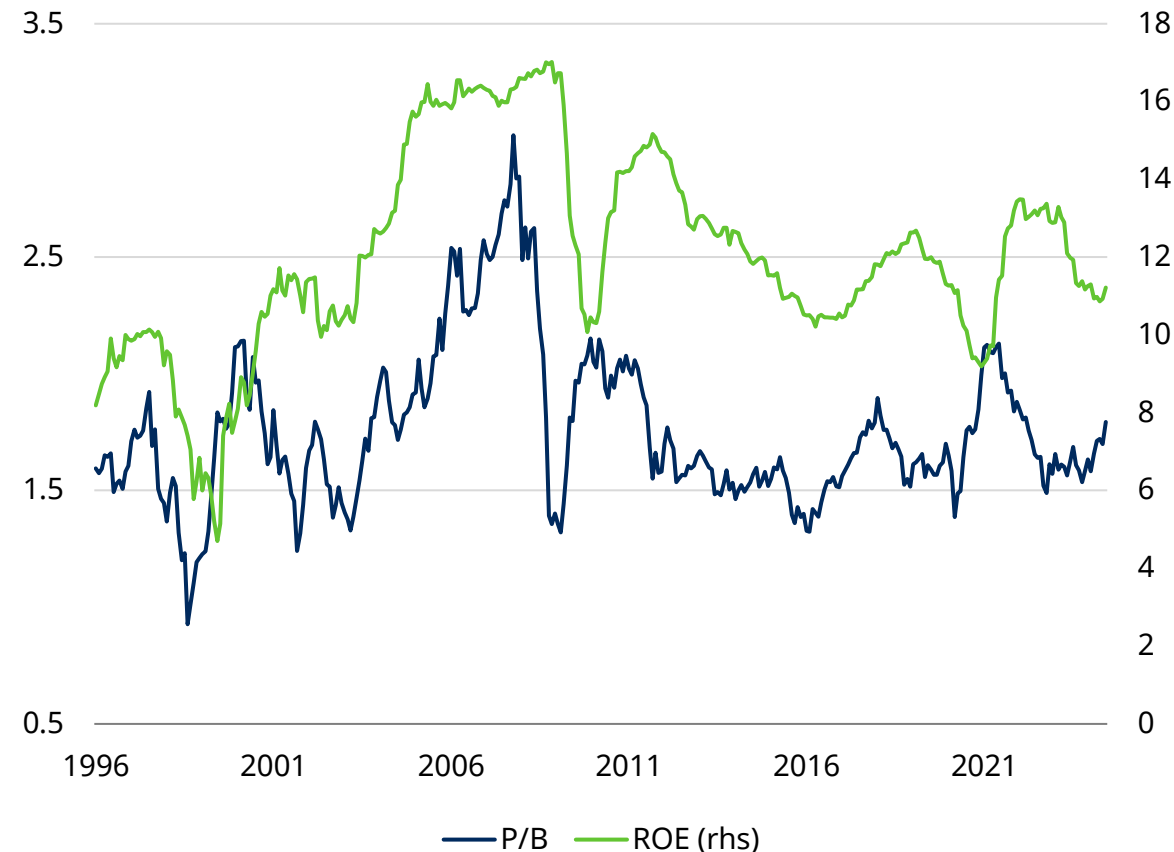
¹Calculated as the number earnings upgrades minus the number of earnings downgrades divided by the total numbers of earnings revisions.
Source: LSEG Datastream, IBES, Schroders Strategic Research Unit. Data as at 30 June 2024. Please see relevant disclaimers on page 40.

The P/B ratio is above the historical median. But is ROE turning?

The MSCI EM Index P/B



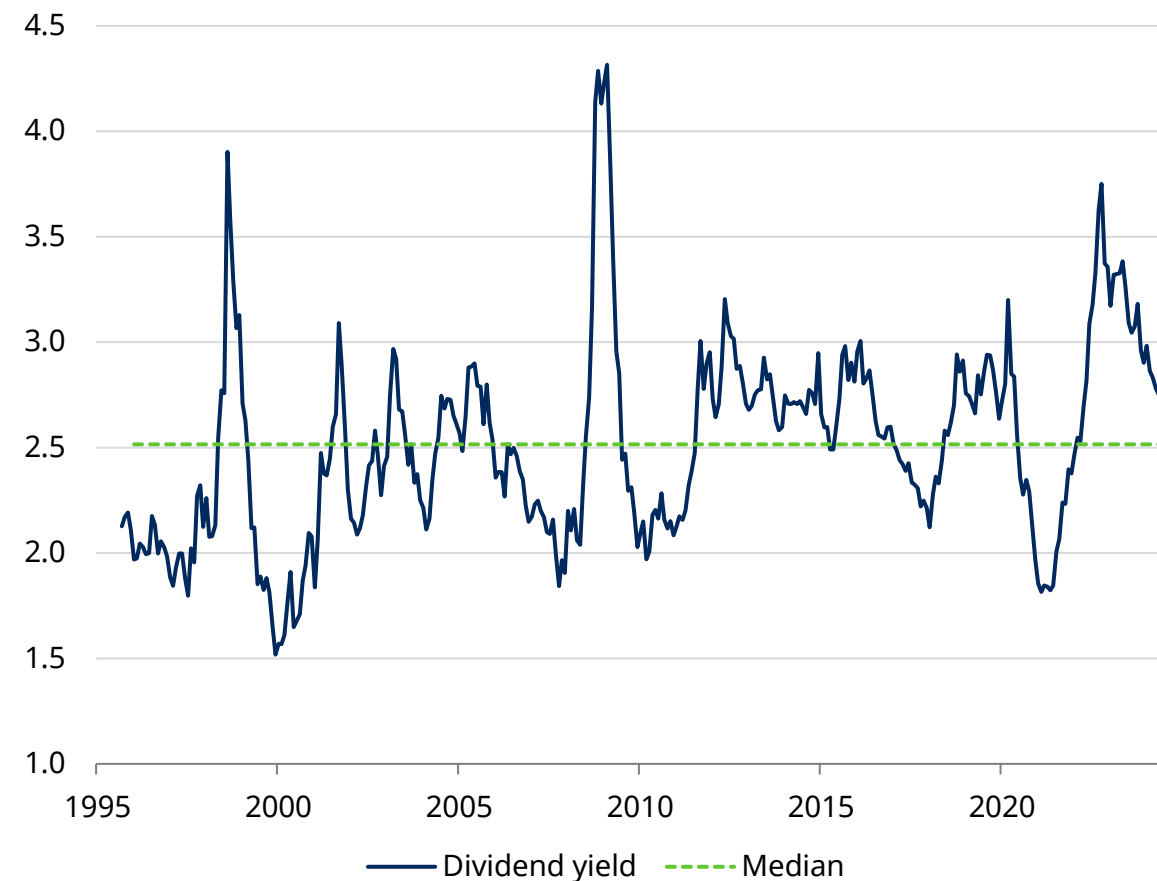
The MSCI EM Index P/B and ROE



Source: LSEG Datastream, Schroders Strategic Research Unit, MSCI. Data as at 30 June 2024. Please see relevant disclaimers on page 40.

EM dividend yield above historical median but has continued to fall

The MSCI EM Index dividend yield (%)



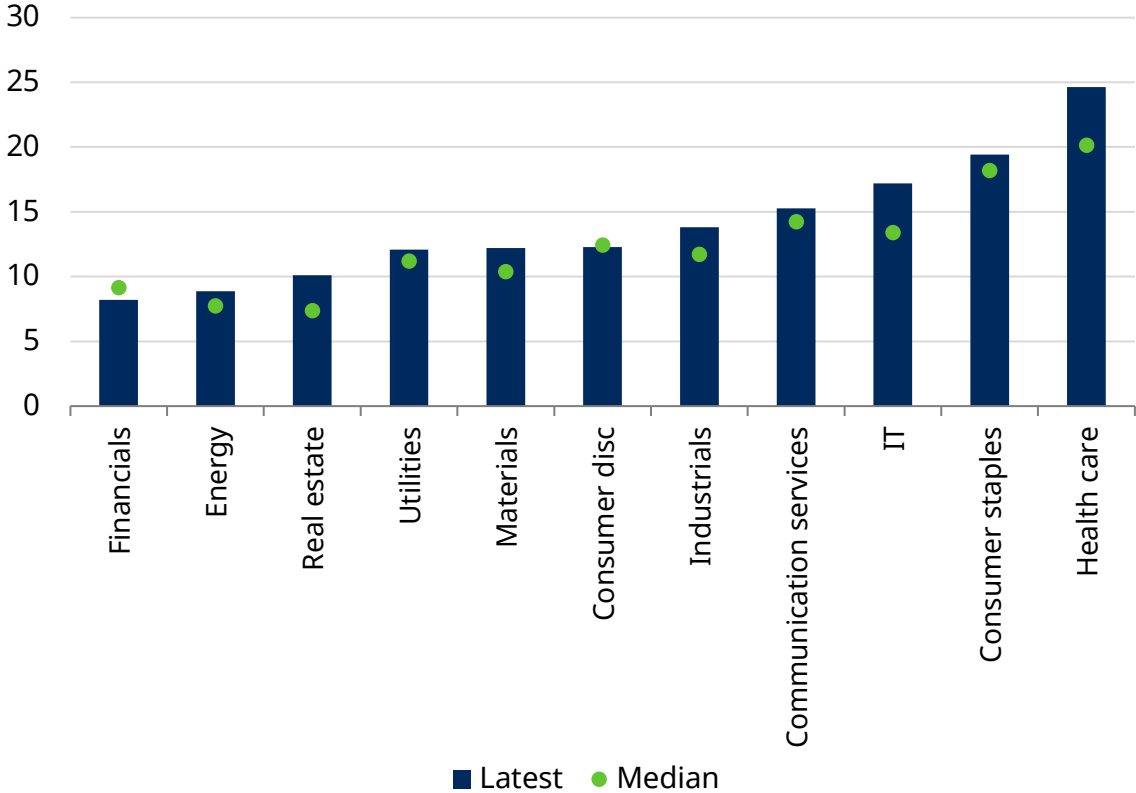
The MSCI EM Index dividend per share (DPS) (rebased to 100)



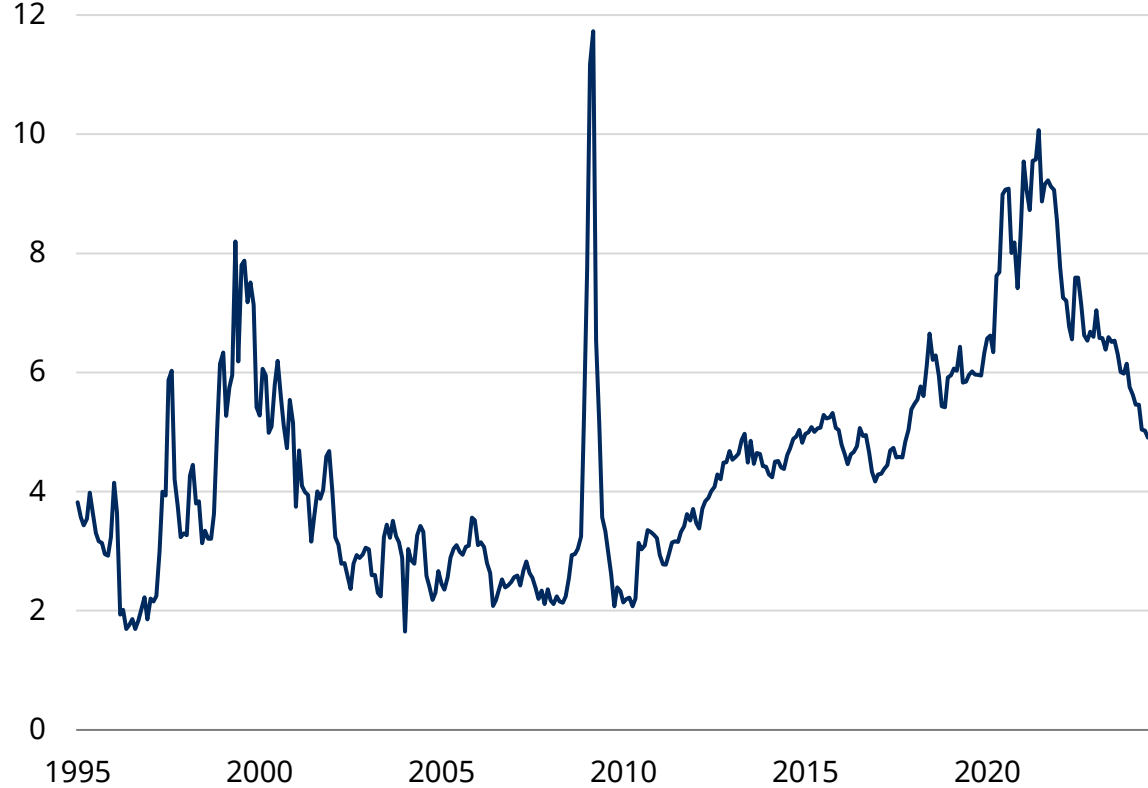
Source: LSEG Datastream, Schroders Strategic Research Unit, MSCI. Data as at 30 June 2024. Please see relevant disclaimers on page 40.

Health care and IT are the most expensive EM sectors versus history

The MSCI EM Index 12-month forward P/E ratios of sectors



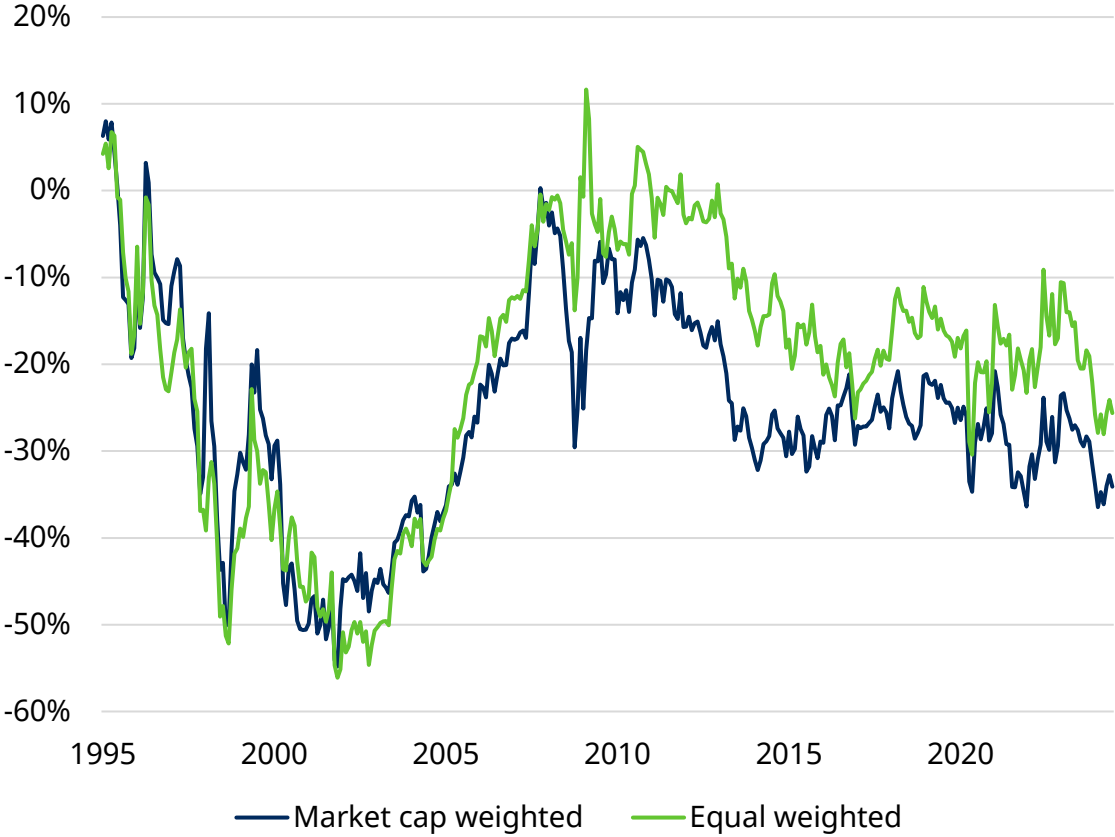
Standard deviation of EM sector forward P/E ratios



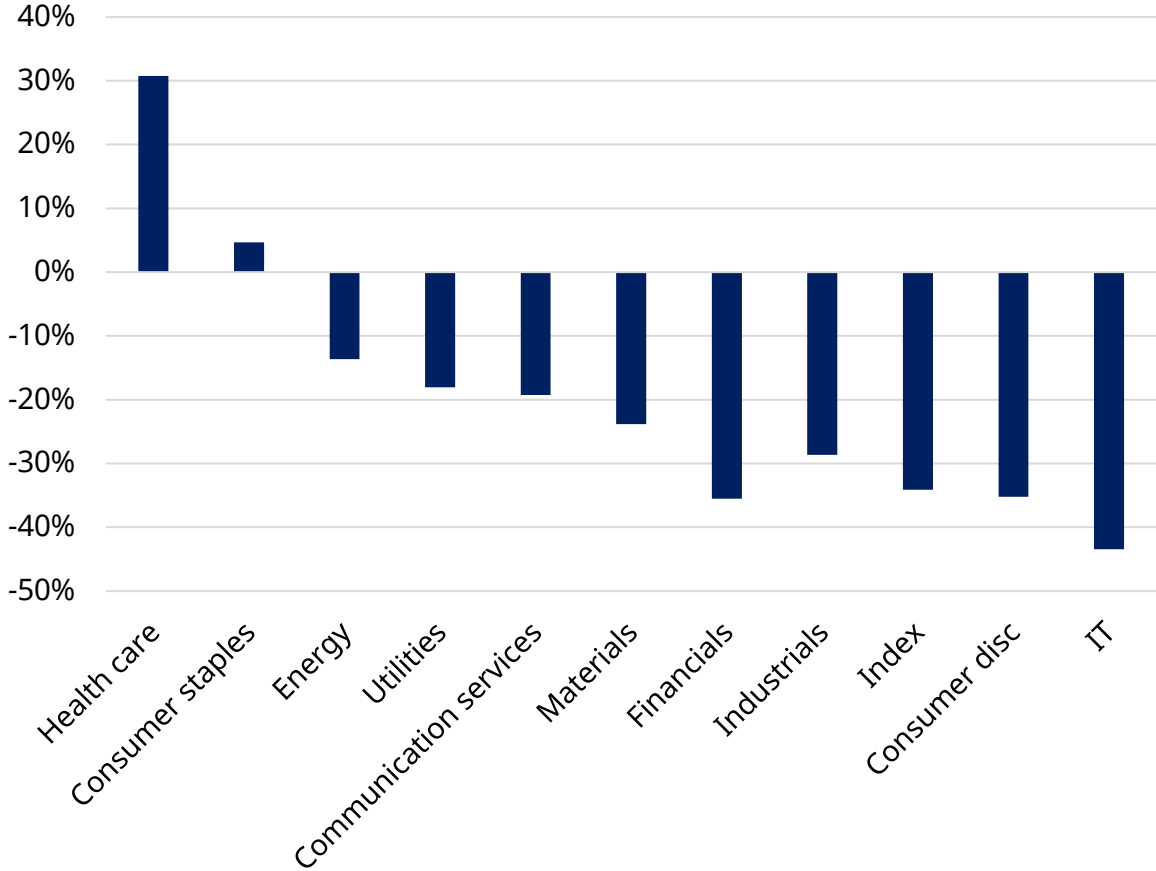
Source: LSEG Datastream, MSCI, IBES, Schroders Strategic Research Unit. Data as at 30 June 2024. Median since January 1999. Please see relevant disclaimers on page 40.

EM equities discount to DM in top band of 20-year range

EM/DM 12-month forward P/E discount/premium



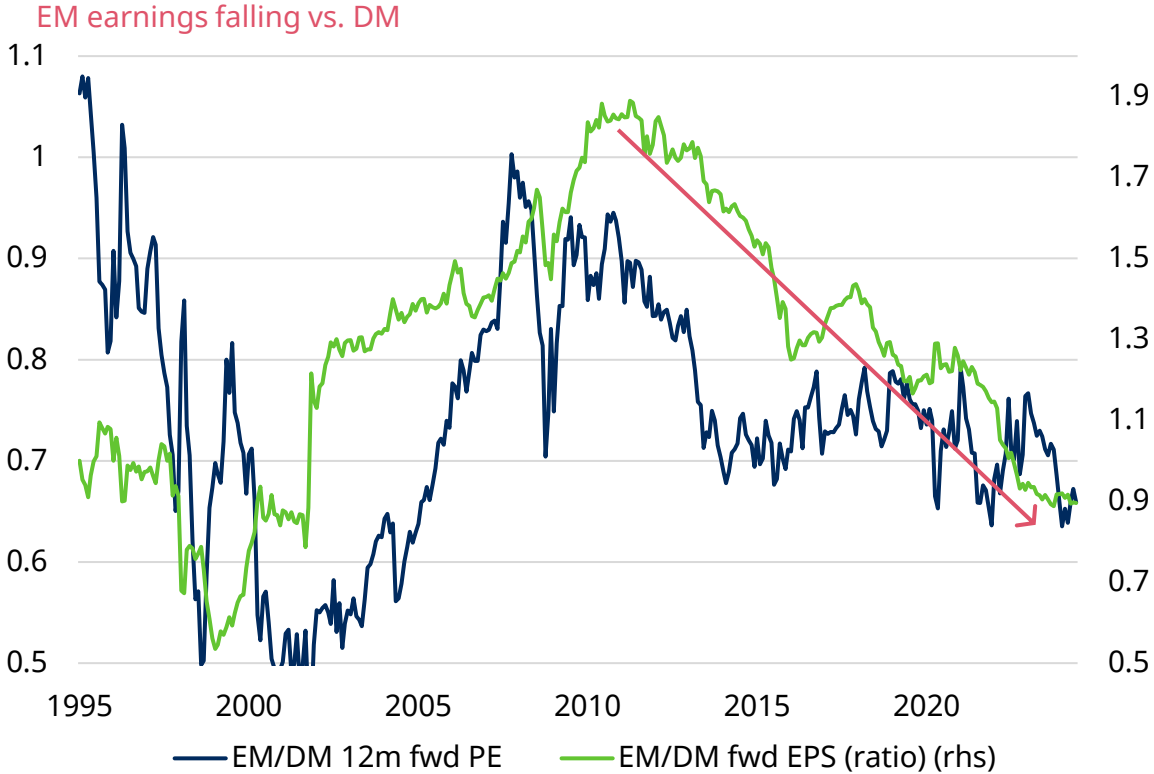
EM/DM 12-month forward P/E sector discount/premium



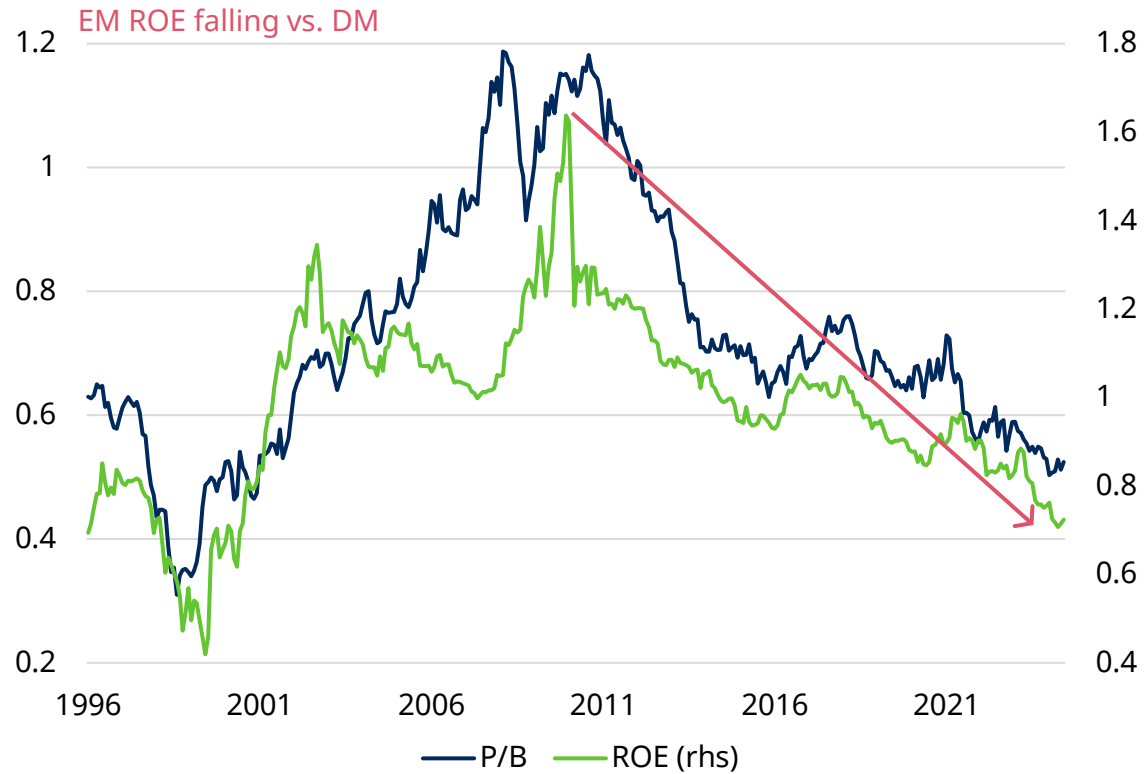
Source: LSEG Datastream, MSCI, IBES, Schroders Strategic Research Unit. Data as at 30 June 2024. Please see relevant disclaimers on page 40.

Weaker EM profitability outlook driving valuation gap to DM

EM/DM 12-month forward P/E and EPS



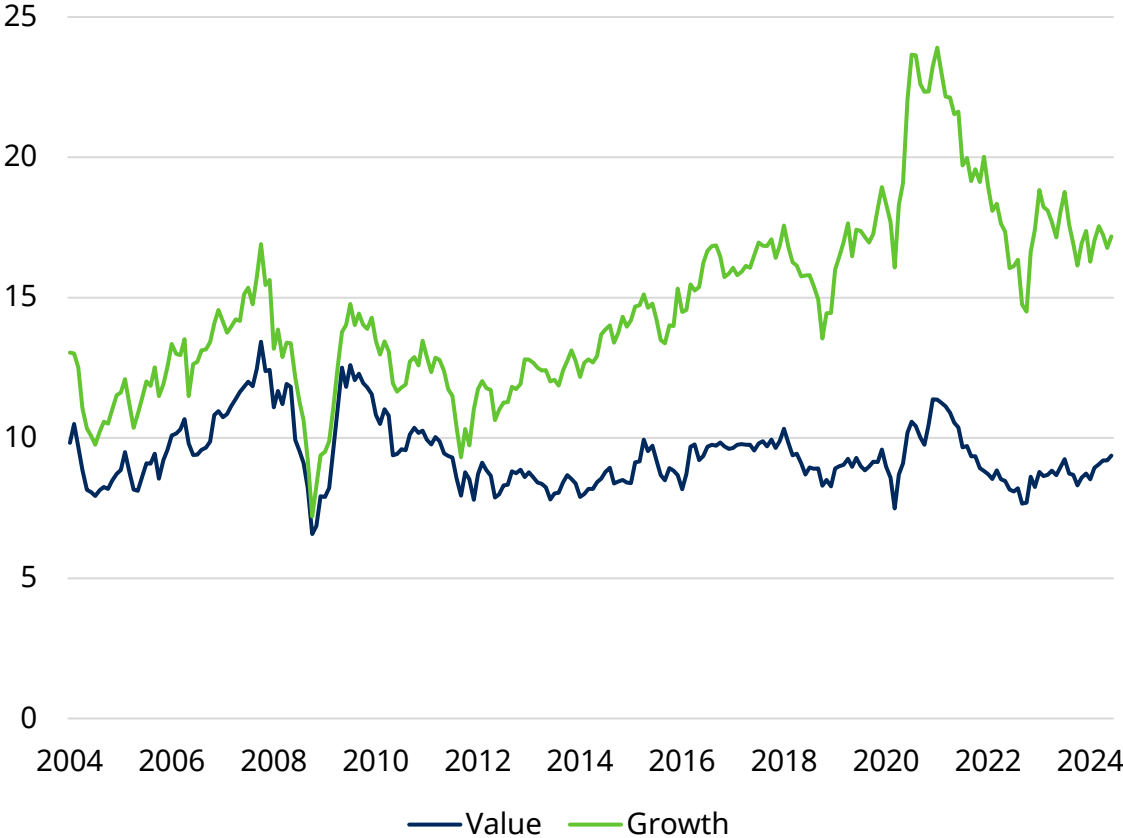
EM/DM P/B and ROE



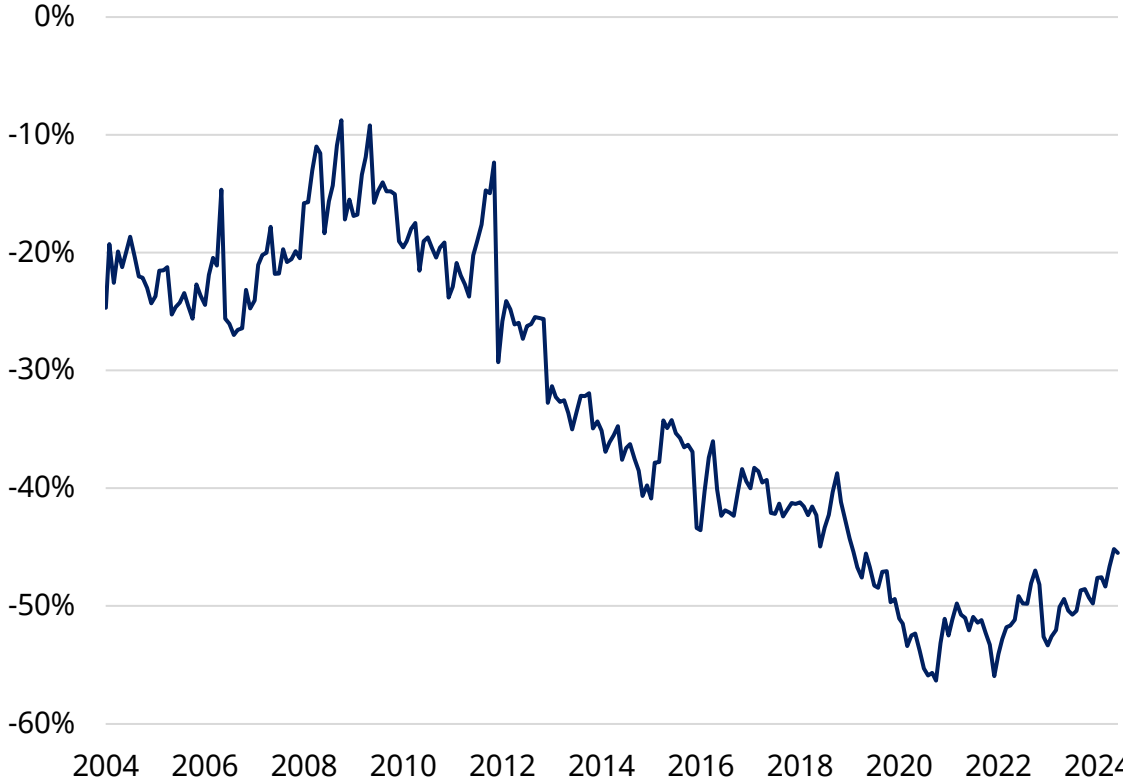
Source: LSEG Datastream, MSCI, IBES, Schroders Strategic Research Unit. Data as at 30 June 2024. Please see relevant disclaimers on page 40.

EM Value factor discount to Growth wide, but narrowing trend continues

The MSCI EM Value and Growth 12m fwd P/E



EM Value discount/premium to EM growth 12m fwd P/E



Source: LSEG Datastream, MSCI, Schroders Strategic Research Unit. Data as at 30 June 2024. Please see relevant disclaimers on page 40.

EM valuation heatmaps – only a few markets are expensive versus history, but these are large and skew the index average

Current Z-scores¹

	Trailing P/E	12-month fwd P/E	P/B	Dividend Yield	Combined
Hungary	-1.7	-2.0	-1.0	-2.4	-1.8
Mexico	-0.8	-1.0	-0.9	-2.3	-1.3
Chile	-0.4	-1.8	-1.4	-0.7	-1.1
Colombia	-0.3	-1.1	-0.8	-2.1	-1.1
Brazil	-1.1	-0.9	-0.6	-1.4	-1.0
Philippines	-0.1	-1.7	-0.7	-1.1	-0.9
Malaysia	-0.2	-0.5	-1.4	-1.3	-0.8
Indonesia	0.0	-0.2	-0.7	-2.1	-0.8
China	-0.5	-0.7	-1.0	-0.6	-0.7
Poland	0.1	-1.1	-0.5	-0.7	-0.6
Greece	-0.1	-1.0	-0.6	-0.2	-0.5
Egypt	-0.9	-1.3	-0.2	0.7	-0.4
South Africa	-0.6	0.9	-1.3	-0.7	-0.4
Turkey	-0.1	-1.2	-0.3	0.2	-0.4
Thailand	0.0	0.2	-1.4	-0.2	-0.3
Peru	-0.1	-0.1	-0.3	-0.6	-0.3
Czech Republic	0.0	-0.2	-0.1	-0.7	-0.3
Korea	1.7	0.2	-0.4	-0.4	0.3
Taiwan	0.0	-0.8	2.6	0.9	0.7
India	1.2	1.9	1.2	1.1	1.4

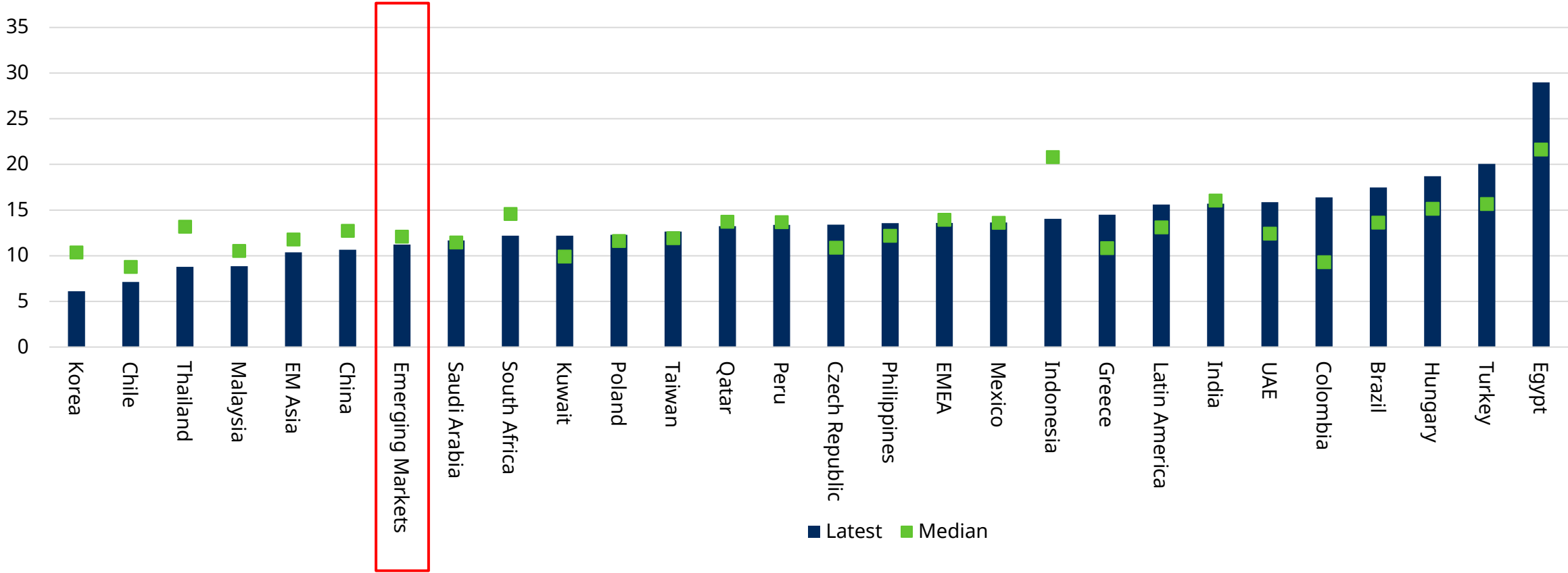
¹The z-score is a measure of how far valuations are from historical mean, calculated since January 2000.

Excludes UAE, Qatar, Saudi Arabia and Kuwait due to limited data history. Combined figure is an average of trailing P/E, 12-month forward P/E, P/B, and dividend yield.

Source: Schroders, LSEG Datastream, MSCI, IBES, Schroders Strategic Research Unit. Data as at 30 June 2024. Please see relevant disclaimers on page 40.

Headline EM return-on-equity (ROE) below historical median

Return on equity (%)



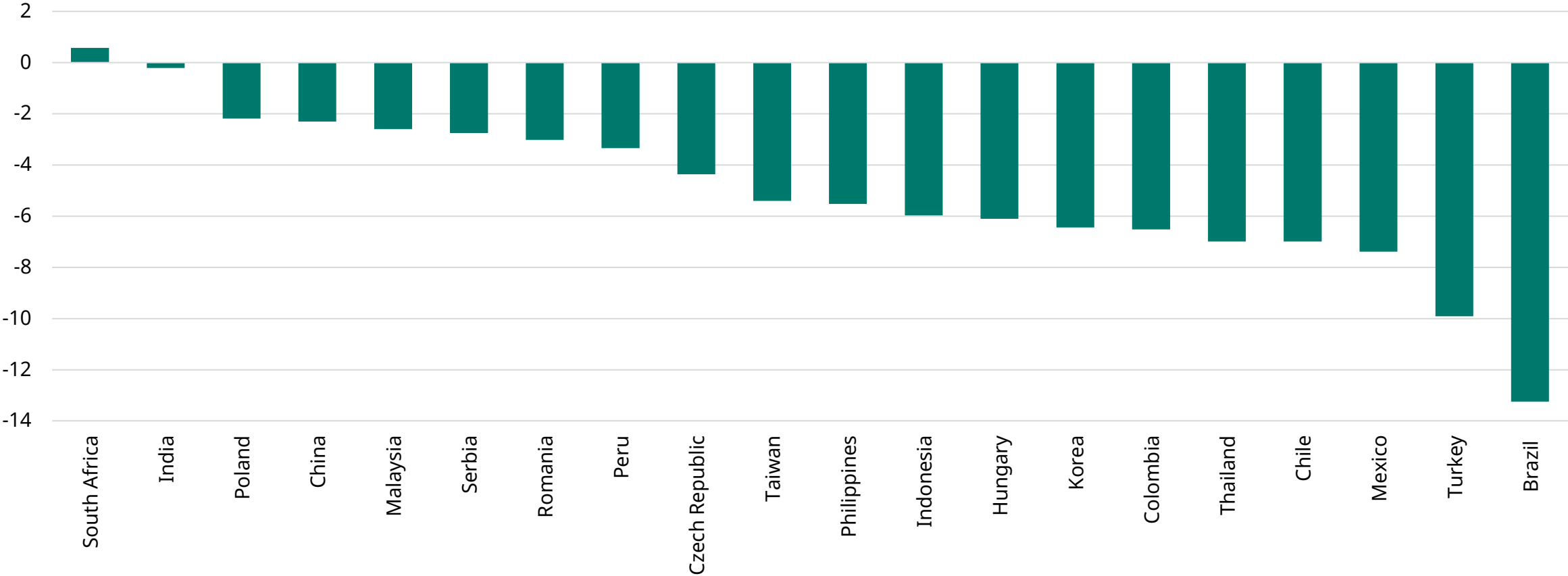
Source: Schroders, MSCI, Schroders Strategic Research Unit. Data as at 30 June 2024. Please see relevant disclaimers on page 40. Median (since Jan 1999 or earliest available).
Past performance is not a guide to future performance and may not be repeated.



EM currency valuations

EM FX broadly weak YTD to end June vs. US dollar

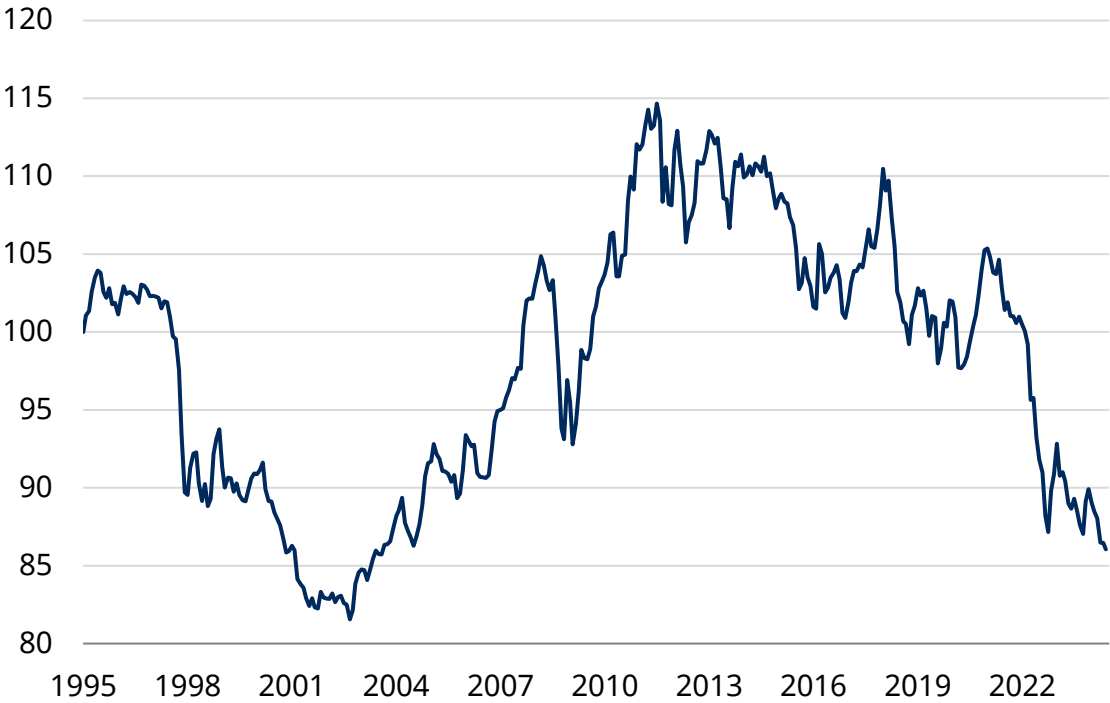
EM currency returns year-to-date (%)*



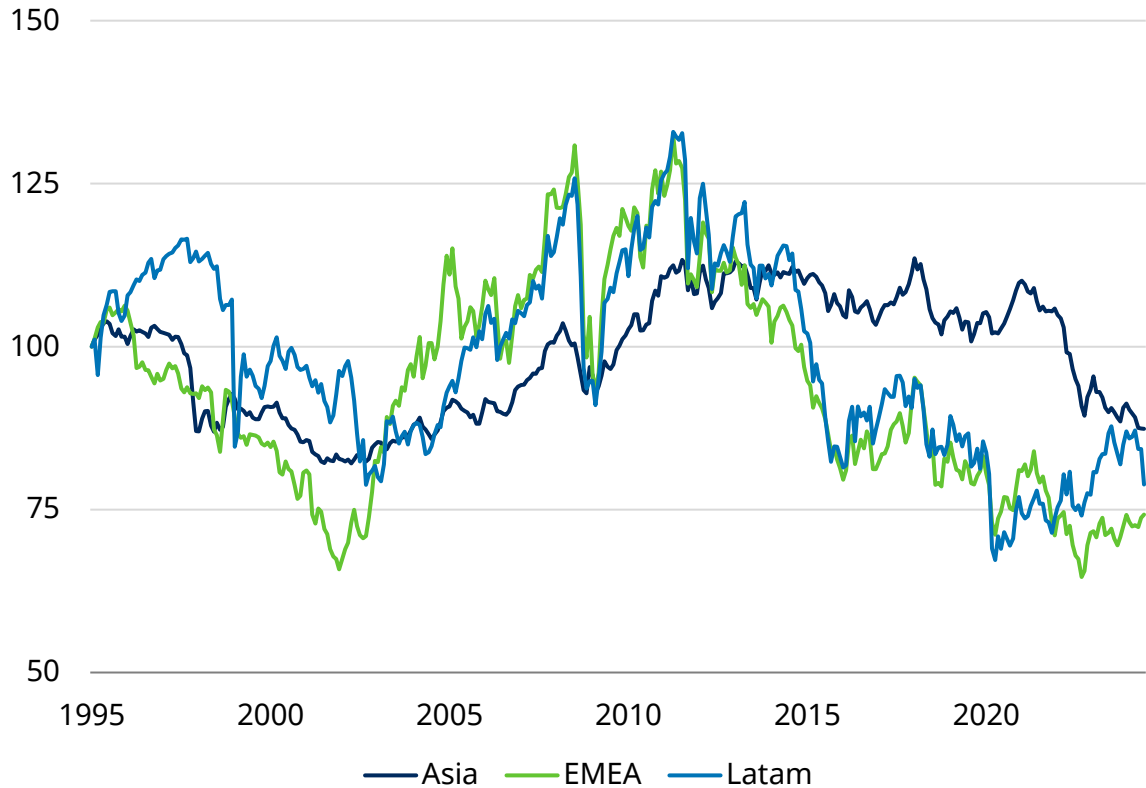
Past performance is not a guide to future performance and may not be repeated.
 Egyptian pound (-36%) not shown.
 Source: Schroders, LSEG Datastream. Data as at 30 June 2024. Please see relevant disclaimers on page 40.

EM currencies have depreciated in real terms since 2011

EM real exchange rate¹



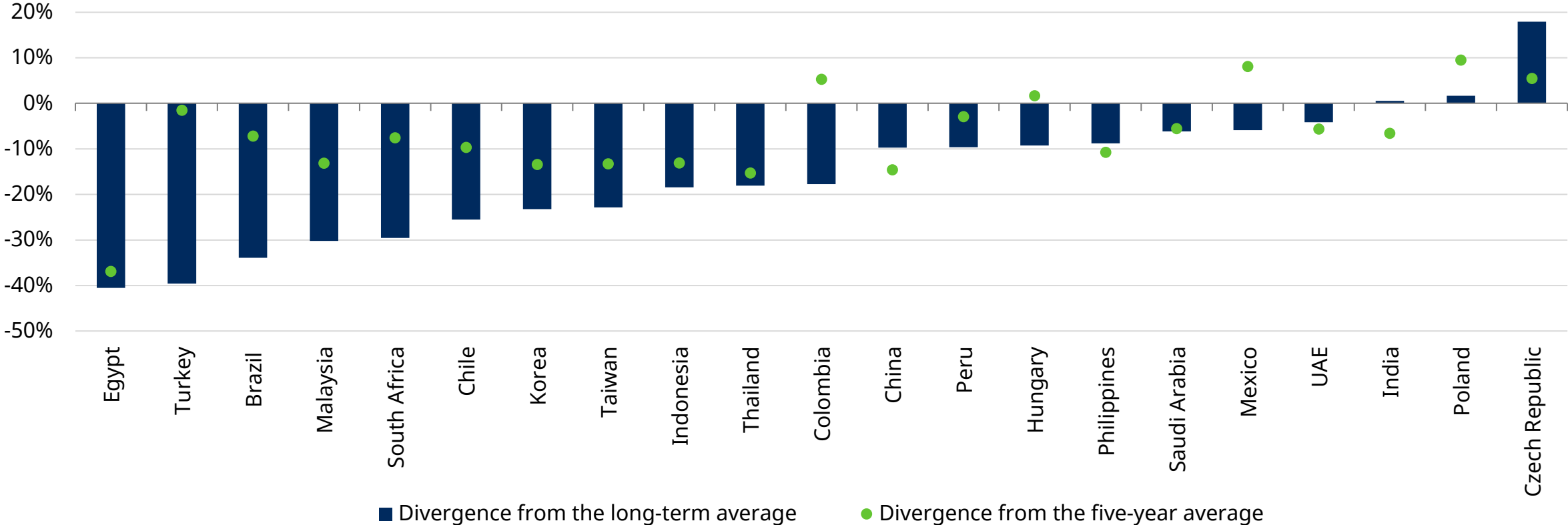
EM real exchange rates of regions¹



Real exchange rate is the nominal dollar exchange rate deflated by the CPI of each EM country vs. US. ¹Based on the latest MSCI EM Index country weights. Source: LSEG Datastream, MSCI, Schroders Strategic Research Unit. Data as at 30 June 2024. Please see relevant disclaimers on page 40.

Most EM currencies are undervalued

Real exchange rate: deviation from average



Source: Schroders, LSEG Datastream, Schroders Strategic Research Unit. Data as at 30 June 2024.
 Real exchange rate is the nominal dollar exchange rate deflated by the CPI of each EM country vs. US Long-term average is since January 1995.
 Please see relevant disclaimers on page 40.



EM index composition

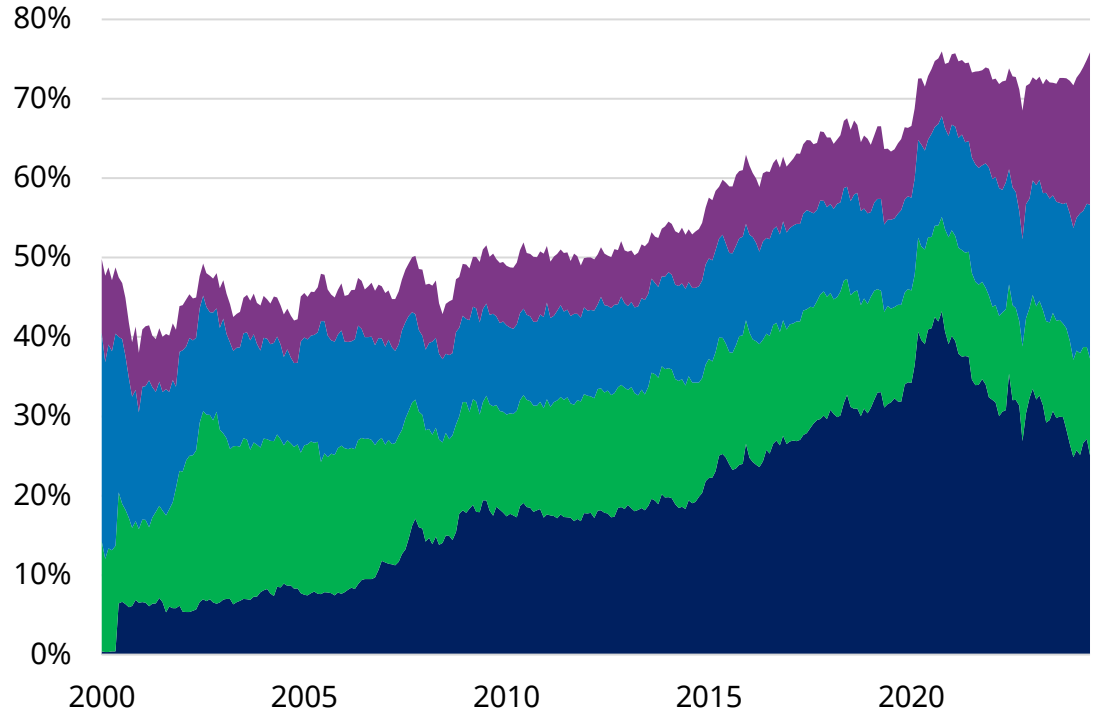
EM is dominated by Asia – which has a big impact on aggregate EM valuations

The MSCI EM Index share of regions



■ Asia ■ EMEA ■ Latam

China, India, Taiwan and Korea are 76% of the EM index

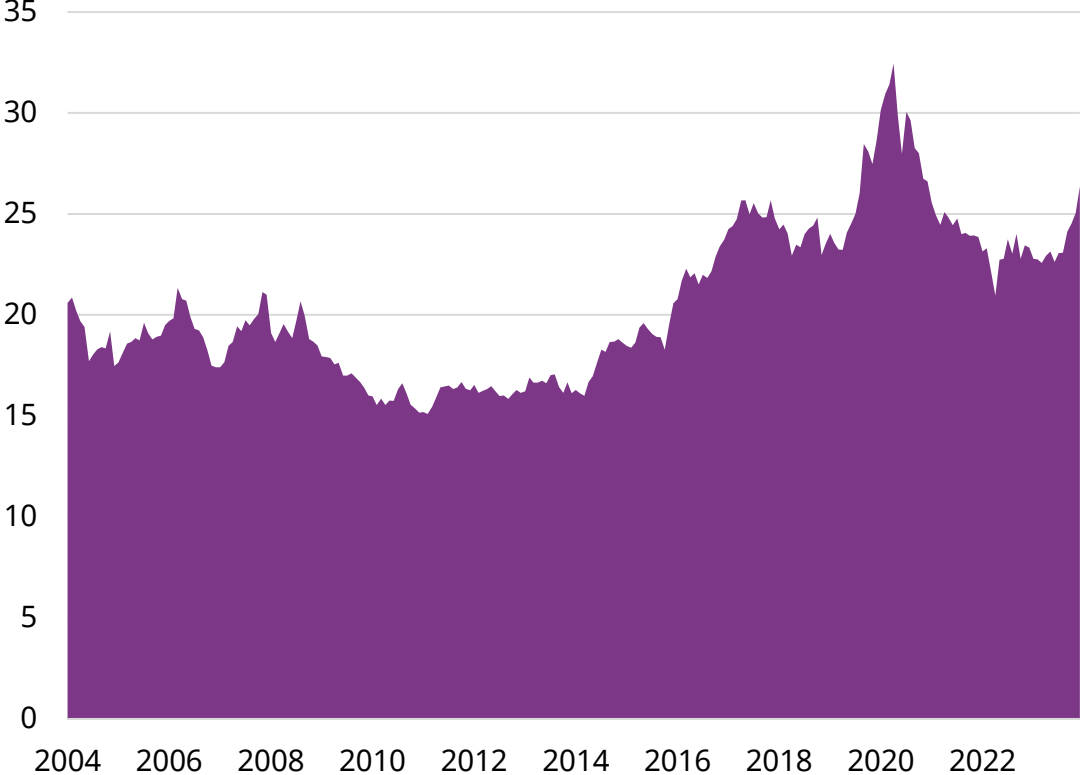


■ China ■ Korea ■ Taiwan ■ India

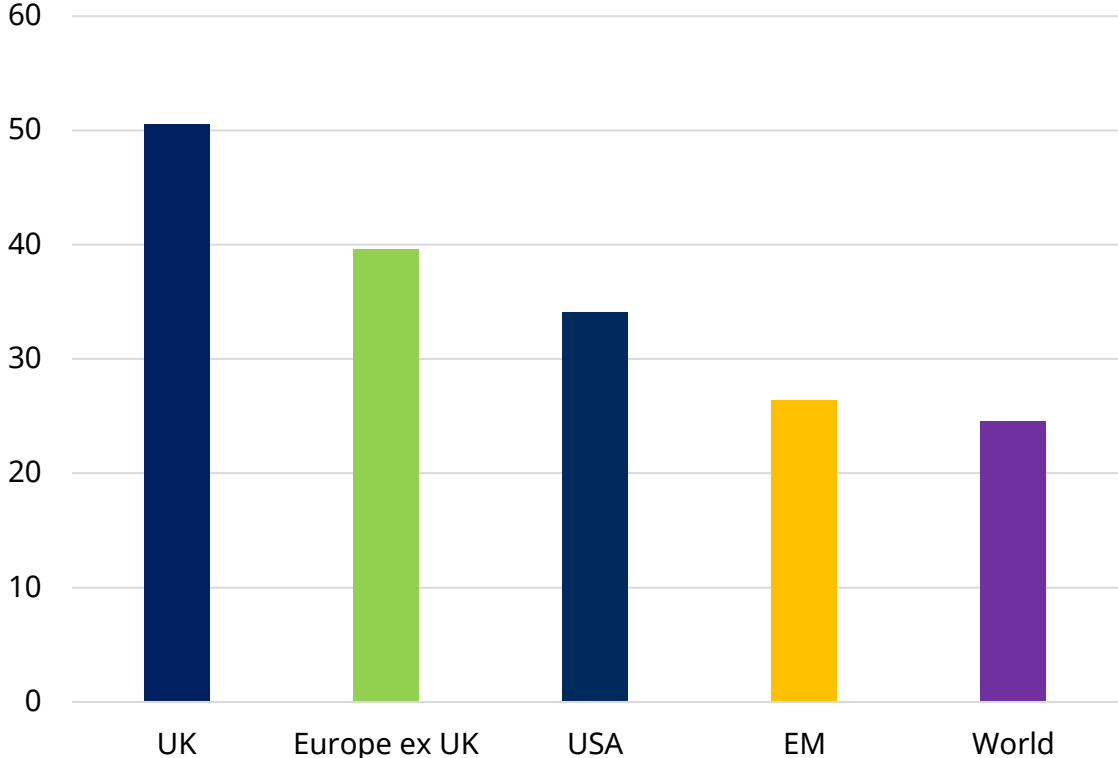
Source: LSEG Datastream, MSCI, Schroders Strategic Research Unit. Data as at 30 June 2024. Please see relevant disclaimers on page 40.

EM stock concentration has increased in last 20 years, but is lower vs. other markets and regions

MSCI EM top 10 stock % share



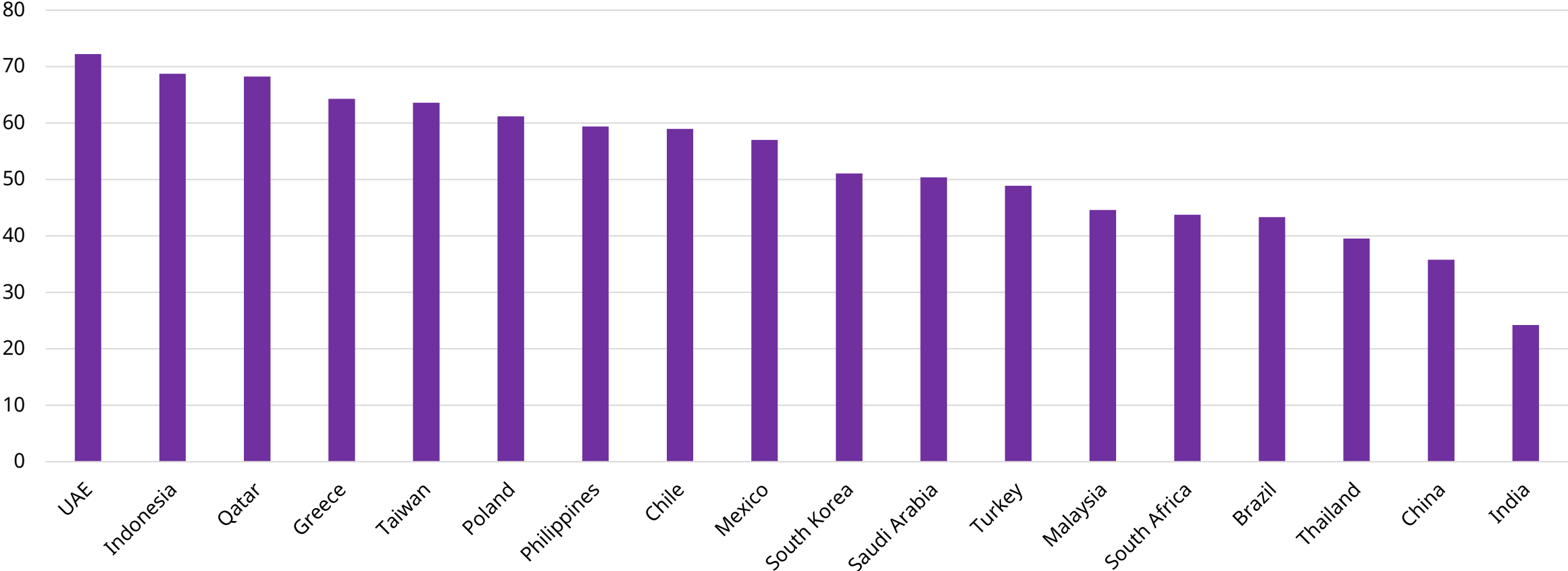
% Share of top 10 largest index stocks



Source: LSEG Datastream, MSCI, IBES, Schroders Strategic Research Unit, as at 30 June 2024. Please see relevant disclaimers on page 40.

EM stock concentration is high in various individual markets – it is lowest in China and India

Index share of top 5 stocks in each emerging market, %



Source: LSEG Datastream, MSCI, IBES, Schroders Strategic Research Unit, as at 30 June 2024. Please see relevant disclaimers on page 40. Only markets with 10 stocks or more shown.

Regional valuation gap is affected by sector exposure

The MSCI Emerging Markets Index



■ Value ■ Growth

The MSCI EM Asia Index



■ Value ■ Growth

The MSCI EM EMEA Index



■ Value ■ Growth

The MSCI EM Latin America Index



■ Value ■ Growth

Source: LSEG Datastream, MSCI, Schroders Strategic Research Unit, Data as at 30 June 2024. **Value sectors:** energy, materials, industrials, financials, utilities, real estate. **Growth sectors:** consumer discretionary, consumer staples, health care, IT, communication services. Please see relevant disclaimers on page 40.

Relevant Disclosures

All investments involve risk including the loss of principal. The information presented is current as of the date of this publication.

The views and opinions shared are those of the authors of this publication and are subject to change due to market and other conditions. The opinions stated may include some forward looking views. We believe that we are basing our expectations and beliefs on reasonable assumptions within the bounds of what we currently know. However, there is no guarantee that they will be realized.

The market value of an equity portfolio may decline as a result of a number of factors, including adverse economic and market conditions, performance of stocks in the portfolio, changing interest rates, and real or perceived adverse competitive industry conditions. These risk are increased when investing directly in equity securities of individual companies. Investing in international equities involves special risks including among others, risks related to political or economic instability, foreign currency (such as exchange, valuation and fluctuation) risk, market entry or exit restrictions, illiquidity and taxation. These risks exist to a greater extent in emerging markets than in developed markets.

Any analysis or illustration of trends whether current or historical should not be solely relied upon to predict future events or results. Trends may not continue or lead to favorable investment conditions.

This publication is intended to be for information purposes only and it is not intended as promotional material in any respect. The material is not intended as an offer or solicitation for the purchase or sale of any investment service or financial instrument. The material is not intended to provide, and should not be relied on for, accounting, legal or tax advice, or investment recommendations. Information herein is believed to be reliable but Schroder Investment Management North America Inc. does not warrant its completeness or accuracy. **See 'Important Information' slide for additional disclosures.**

Important information (1 of 4)

Marketing material for Professional Clients Only. It is not to be provided to retail clients.

The views and opinions contained herein are those of the authors as at the date of publication and are subject to change due to market and other conditions. Such views and opinions may not necessarily represent those expressed or reflected in other Schroders communications, strategies or funds.

This presentation is intended to be for information purposes only. The material is not intended as an offer or solicitation for the purchase or sale of any financial instrument or security or to adopt any investment strategy. The information provided is not intended to constitute investment advice, an investment recommendation or investment research and does not take into account specific circumstances of any recipient. The material is not intended to provide, and should not be relied on for, accounting, legal or tax advice. Any references to securities, sectors, regions and/or countries are for illustrative purposes only.

Information herein is believed to be reliable but Schroders does not represent or warrant its completeness or accuracy. No responsibility or liability is accepted by Schroders, its officers, employees or agents for errors of fact or opinion or for any loss arising from use of all or any part of the information in this document. No reliance should be placed on the views and information in the document when taking individual investment and/or strategic decisions. Schroders has no obligation to notify any recipient should any information contained herein change or subsequently become inaccurate. Unless otherwise authorised by Schroders, any reproduction of all or part of the information in this document is prohibited.

Any data contained in this document have been obtained from sources we consider to be reliable. Schroders has not independently verified or validated such data and they should be independently verified before further publication or use. Schroders does not represent or warrant the accuracy or completeness of any such data.

All investing involves risk including the possible loss of principal.

This material has not been reviewed by the regulators.

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. This document may contain 'forward-looking' information, such as forecasts or projections. Please note that any such information is not a guarantee of any future performance and there is no assurance that any forecast or projection will be realised. For your security, communications may be taped or monitored.

Third party data is owned or licensed by the data provider and may not be reproduced or extracted and used for any other purpose without the data provider's consent. Third party data is provided without any warranties of any kind. The data provider and issuer of the document shall have no liability in connection with the third party data. The Prospectus and/or www.schroders.com contains additional disclaimers which apply to the third party data.

The forecasts stated in this presentation are the result of statistical modelling, based on a number of assumptions. Forecasts are subject to a high level of uncertainty regarding future economic and market factors that may affect actual future performance. The forecasts are provided to you for information purposes as at today's date. Our assumptions may change materially with changes in underlying assumptions that may occur, among other things, as economic and market conditions change. We assume no obligation to provide you with updates or changes to this data as assumptions, economic and market conditions, models or other matters change.

Important information (2 of 4)

For readers/viewers in Argentina: Schroder Investment Management S.A., Ing. Enrique Butty 220, Piso 12, C1001AFB - Buenos Aires, Argentina. Registered/Company Number 15. Registered as Distributor of Investment Funds with the CNV (Comisión Nacional de Valores). Nota para los lectores en Argentina: Schroder Investment Management S.A., Ing. Enrique Butty 220, Piso 12, C1001AFB - Buenos Aires, Argentina. Inscripto en el Registro de Agentes de Colocación y Distribución de PIC de FCI de la Comisión Nacional de Valores con el número 15.

Note to readers/viewers in Australia: Issued by Schroder Investment Management Australia Limited Level 20, Angel Place, 123 Pitt Street, Sydney NSW 2000 Australia ABN 22 000 443 274, AFSL 226473.

For readers/viewers in Bahrain: The material has not been approved by the Central Bank of Bahrain which takes no responsibility for its contents. No offer to the public to purchase funds will be made in the Kingdom of Bahrain and this invite is intended to be read by the addressee only and must not be passed to, issued to, or shown to the public generally.

For readers/viewers in Brazil: Schroder Investment Management Brasil Ltda., Rua Joaquim Floriano, 100 – cj. 142 Itaim Bibi, São Paulo, 04534-000 Brasil. Registered/Company Number 92.886.662/0001-29. Authorised as an asset manager by the Securities and Exchange Commission of Brazil/Comissão de Valores Mobiliários ('CVM') according to the Declaratory Act number 6816.

For readers/viewers in Canada: Schroder Investment Management North America Inc., 7 Bryant Park, New York, NY 10018-3706. NRD Number 12130. Registered as a Portfolio Manager with the Ontario Securities Commission, Alberta Securities Commission, the British Columbia Securities Commission, the Manitoba Securities Commission, the Nova Scotia Securities Commission, the Saskatchewan Securities Commission and the (Quebec) Autorité des marchés financiers.

For readers/viewers in the People's Republic of China: Issued by Schroder Investment Management (Shanghai) Co., Ltd. Unit 33T52A, 33F Shanghai World Financial Center, 100 Century Avenue, Pudong New Area, Shanghai, China, AMAC registration NO. P1066560. Regulated by Asset Management Association of China ('AMAC') This material has not been reviewed by the AMAC.

For readers/viewers in the European Union/European Economic Area: Schroders will be a data controller in respect of your personal data. For information on how Schroders might process your personal data, please view our Privacy Policy available at www.schroders.com/en/privacy-policy or on request should you not have access to this webpage. Issued by Schroder Investment Management (Europe) S.A., 5, rue Höhenhof, L-1736 Senningerberg, Luxembourg. Registered No. B 37.799

Note to readers/viewers in Hong Kong S.A.R.: Issued by Schroder Investment Management (Hong Kong) Limited. Level 33, Two Pacific Place, 88 Queensway, Hong Kong. This material has not been reviewed by the Securities and Futures Commission.

Note to readers/viewers in Indonesia: Issued by PT Schroder Investment Management Indonesia Indonesia Stock Exchange Building Tower 1, 30th Floor, Jalan Jend. Sudirman Kav 52-53 Jakarta 12190 Indonesia PT Schroder Investment Management Indonesia is licensed as an Investment Manager and regulated by the Indonesian Financial Services Authority (OJK). This material has not been reviewed by the OJK.

For readers/viewers in Israel: Note regarding the Marketing material for Qualified Clients and Sophisticated Investors only. This communication has been prepared by certain personnel of Schroder Investment Management (Europe) S.A (Registered No. B 37.799) or its subsidiaries or affiliates (collectively, 'SIM'). Such personnel are not licensed nor insured under the Regulation of Investment Advice, Investment Marketing and Investment Portfolio Management Law, 1995 (the 'Investment Advice Law'). This communication is directed at persons (i) who are Sophisticated Investors as listed in the First Schedule of the Israel Securities Law (ii) Qualified Clients ('Lakoach Kashir') as such term is defined in the Investment Advice Law; and (iii) other persons to whom it may otherwise lawfully be communicated. No other person should act on the contents or access the products or transactions discussed in this communication. In particular, this communication is not intended for retail clients and SIM will not make such products or transactions available to retail clients

Important information (3 of 4)

Note to readers/viewers in Japan: Issued by Schroder Investment Management (Japan) Limited 21st Floor, Marunouchi Trust Tower Main, 1-8-3 Marunouchi, Chiyoda-Ku, Tokyo 100-0005, Japan Registered as a Financial Instruments Business Operator regulated by the Financial Services Agency of Japan ('FSA'). Kanto Local Finance Bureau (FIBO) No. 90 This material has not been reviewed by the FSA.

For readers/viewers in Kuwait: This invite is not for general circulation to the public in Kuwait. No Schroders' products have been licensed for offering in Kuwait by the Kuwait Capital Markets Authority or any other relevant Kuwaiti government agency. Any offering of Schroders products in Kuwait could be only on the basis of a private placement or public offering is, therefore, restricted in accordance with Law No. 7 of 2010 and the bylaws thereto (as amended). No private or public offering of Schroders' products is being made in Kuwait, and no agreement relating to the sale of Schroders' products will be concluded in Kuwait. No marketing or solicitation or inducement activities are being used to offer or market products in Kuwait.

Note to readers/viewers in Malaysia: This presentation has not been approved by the Securities Commission Malaysia which takes no responsibility for its contents. No offer to the public to purchase any fund will be made in Malaysia and this presentation is intended to be read for information only and must not be passed to, issued to, or shown to the public generally. Schroder Investment Management (Singapore) Ltd does not have any intention to solicit you for any investment or subscription in any fund and any such solicitation or marketing will be made by an entity permitted by applicable laws and regulations.

For readers/viewers in Oman: The information contained in this material neither constitutes a public offer of securities in the Sultanate of Oman as contemplated by the Commercial Companies Law of Oman (Royal Decree 4/74) or the Capital Market Law of Oman (Royal Decree 80/98), nor does it constitute an offer to sell, or the solicitation of any offer to buy Non-Omani securities in the Sultanate of Oman as contemplated by Article 139 of the Executive Regulations to the Capital Market Law (issued by Decision No.1/2009). Additionally, this private placement memorandum is not intended to lead to the conclusion of any contract of whatsoever nature within the territory of the Sultanate of Oman.

For readers/viewers in Qatar: The invite does not constitute an offer to the public and is for the use only of the named addressee and should not be given or shown to any other person (other than employees, agents or consultants in connection with the addressee's consideration thereof). No transaction will be concluded in your jurisdiction and any inquiries regarding the presentations should be made to SIM Ltd, UK.

For readers/viewers in Saudi Arabia: Schroder's products may only be offered and sold in the Kingdom of Saudi Arabia in accordance with Article 4 of the Investment Funds Regulations issued on December 24, 2006 (the 'Regulations'). Article 4(b)[(1)/(4)]* of the Regulations states that, if investment fund units are offered to [certain persons specified in the Regulations/no more than 200 offerees in the Kingdom of Saudi Arabia]* and the minimum amount payable per offeree is not less than Saudi Riyals 1 million or an equivalent amount in another currency, such offer of investment fund units shall be deemed a private placement for purposes of the Regulations. Investors are informed that Article 4(g) of the Regulations places restrictions on secondary market activity with respect to such investment fund units.

Note to readers/viewers in Singapore: For Accredited and or Institutional Clients only, where appropriate Issued by Schroder Investment Management (Singapore) Ltd (Co. Reg. No. 199201080H) 138 Market Street #23-01 CapitaGreen, Singapore 048946 This advertisement or publication has not been reviewed by the Monetary Authority of Singapore

Note to readers/viewers in South Korea: Issued by Schroders Korea Limitedn26th Floor, 136, Sejong-daero, (Taepyeongno 1-ga, Seoul Finance Center), Jung-gu, Seoul 100-768, South Korea . Registered and regulated by Financial Supervisory Service of Korea ('FSS')This material has not been reviewed by the FSS.

Important information (4 of 4)

For readers/viewers in Switzerland: Marketing material for professional clients and qualified investors only. This document has been issued by Schroder Investment Management (Switzerland) AG, Central 2, CH-8001 Zurich, Switzerland a fund management company authorised and supervised by the Swiss Financial Market Supervisory Authority FINMA, Laupenstrasse 27, CH-3003 Bern.

Note to readers/viewers in Taiwan: Issued by Schroder Investment Management (Taiwan) Limited 9F., No. 108, Sec. 5, Xinyi Road, Xinyi District, Taipei 11047, Taiwan. Tel +886 2 2722-1868 Schroder Investment Management (Taiwan) Limited is independently operated. This material has not been reviewed by the regulators.

Note to readers/viewers in Thailand: This presentation has not been approved by the Securities and Exchange Commission which takes no responsibility for its contents. No offer to the public to purchase any fund will be made in Thailand and this presentation is intended to be read for information only and must not be passed to, issued to, or shown to the public generally. Schroder Investment Management (Singapore) Ltd does not have any intention to solicit you for any investment or subscription in any fund and any such solicitation or marketing will be made by an entity permitted by applicable laws and regulations.

For readers/viewers in the United Arab Emirates: Schroder Investment Management Limited, located on 1st Floor, Gate Village Six, Dubai International Financial Centre, PO Box 506612 Dubai, United Arab Emirates. Regulated by the Dubai Financial Services Authority. This document is not subject to any form of regulation or approval by the DFSA. The DFSA has no responsibility for reviewing or verifying any Prospectus or other documents in connection with this Fund. Accordingly, the DFSA has not approved any associated documents nor taken any steps to verify the information set out in the Prospectus for the fund, and has no responsibility for it. This document is intended to be for information purposes only and it is not intended as promotional material in any respect. This document is intended for professional investors only as defined by the DFSA rules which can be accessed from their website www.dfsa.ae

For readers/viewers in the United Kingdom: Schroders will be a data controller in respect of your personal data. For information on how Schroders might process your personal data, please view our Privacy Policy available at www.schroders.com/en/privacy-policy or on request should you not have access to this webpage. Issued by Schroder Investment Management Limited, 1 London Wall Place, London EC2Y 5AU. Registered Number 1893220 England. Authorised and regulated by the Financial Conduct Authority.

For readers/viewers in the United States: For financial professionals and consultant only. Schroder Investment Management North America Inc., 7 Bryant Park, New York NY 10018-3706. CRD Number 105820. Registered as an investment adviser with the US Securities and Exchange Commission.