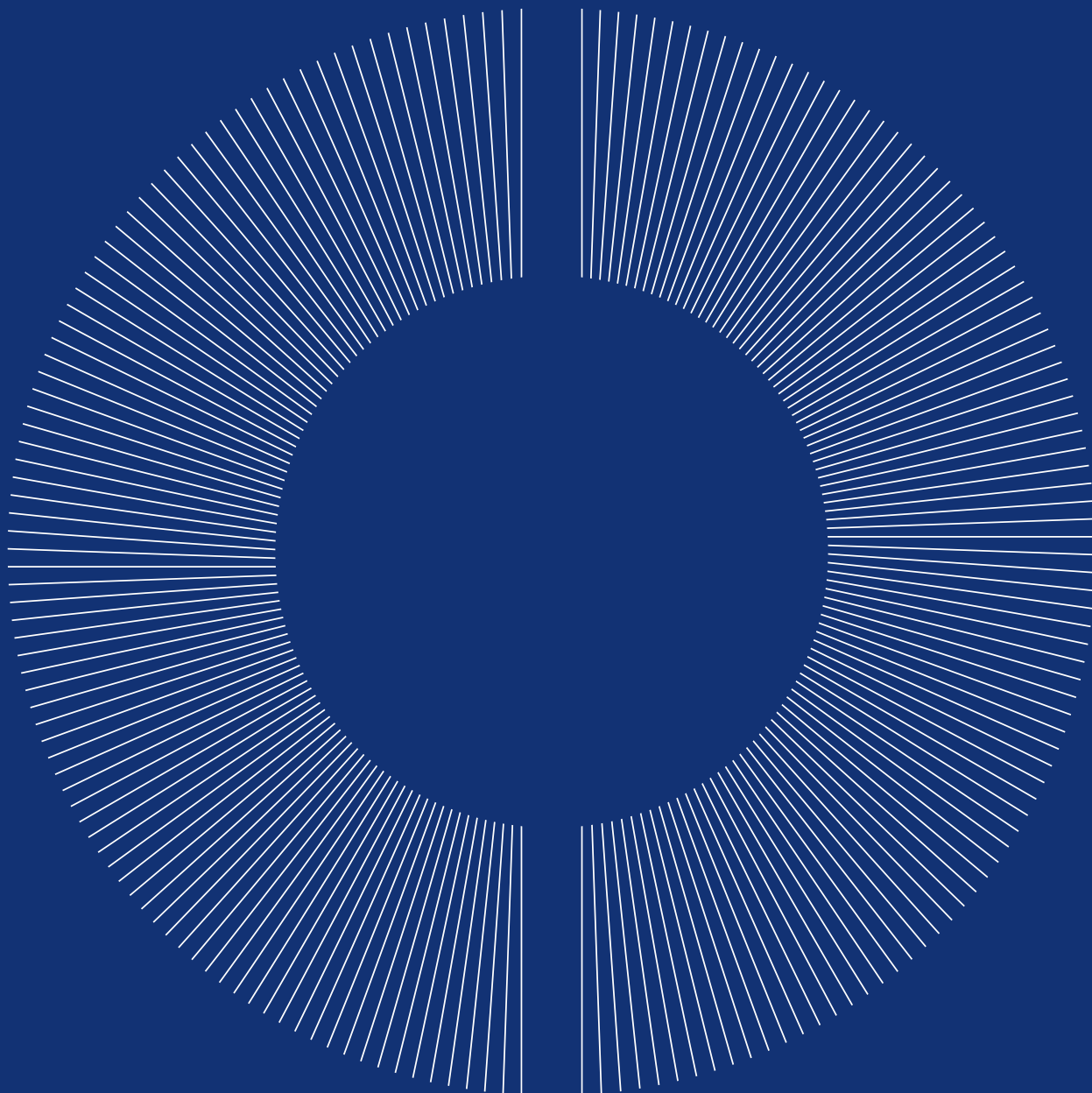


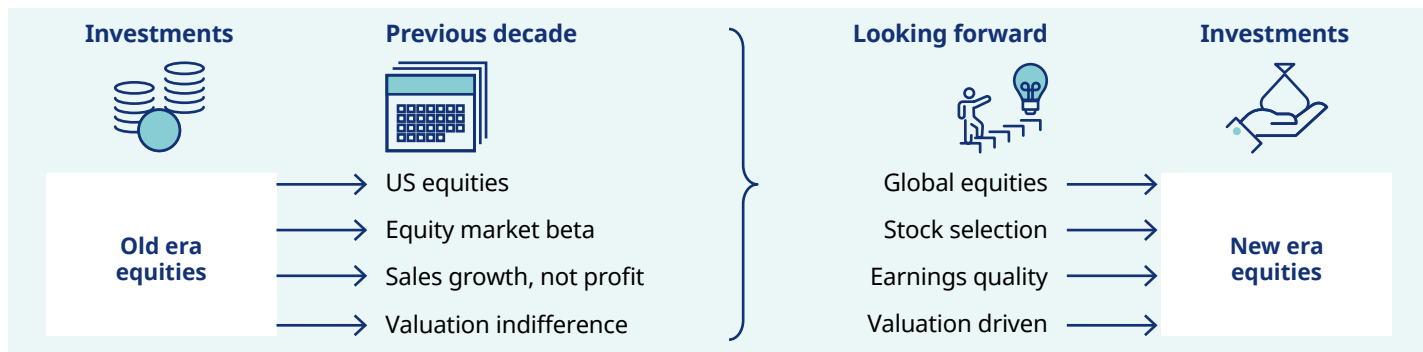
# Schroder ISF<sup>1</sup> Global Equity Alpha Investing for a new era



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

# Schroder ISF Global Alpha is an actively managed, high conviction fund, investing in companies worldwide. It aims to outperform the MSCI World (Net Total Return) Index.

The investment landscape is changing from a market led by macroeconomic news primarily supporting US equities to a market focused on company fundamentals. Investors could potentially benefit from this new era by focusing on long-term trends and embracing diversified portfolios. This requires rethinking past strategies.



## Why now for global equities?



### Global forces

Global forces are driving a fundamental shift of major proportions for markets and societies. These include decarbonisation, demographics and deglobalisation. Cost pressures from these forces and high sovereign debt look set to keep interest rates higher for some time.



### Re-think valuations

A recalibration of investment quality, risk and asset mix seems likely. In this new era, company valuations will be at the core, an essential ingredient to achieving successful long-term performance. This sets the scene for a valuation reset and a return to fundamentals-led, active equity investing principles.



### Global equities

Achieving success in this era seems more likely with a nimble global equity fund that can adapt to a changeable interest rate environment. A fund focused not just on growth but also on its price ("growth at the right price") is well positioned to reap this new era's opportunities.

## Why Schroders for global equities – we do the heavy lifting

①

Our investment and research resources network – a key strength of our global research capability.

②

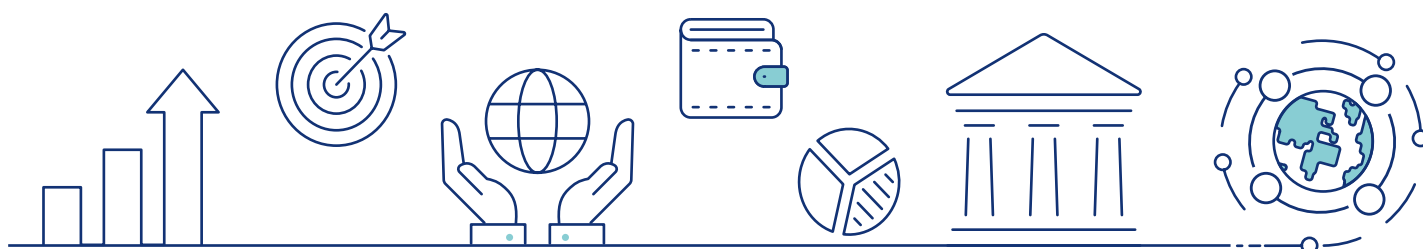
Schroder ISF Global Equity Alpha offers cutting-edge exposure to innovation and change in a highly disciplined and structured way.

③

The fund invests in stocks that have strong growth expectations, which have yet to be recognised by global markets.

④

Our proprietary fundamental risk approach enables maximisation of risk-adjusted returns.



**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. Source: Schroders.

## Our approach

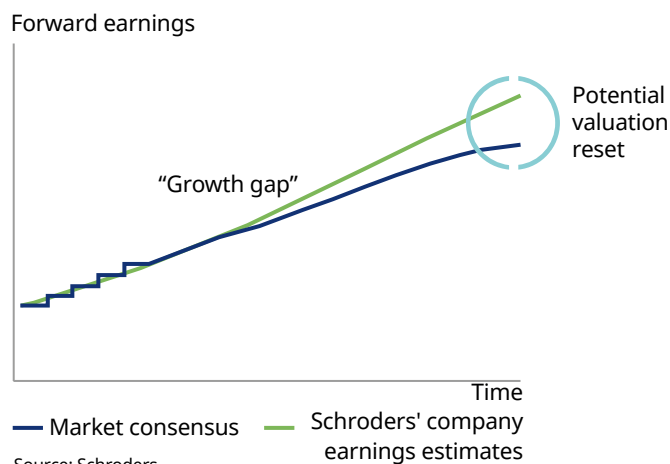
### Our philosophy: the “growth gap” and long-term value creation

We look to harnesses the persistent positive relationship between share price performance and a company's earnings surprise. The fund invests in stocks with a positive “Growth Gap”, companies that we expect to deliver higher earnings growth than market consensus. This “Growth Gap” approach is our value add.

#### What does the market tend to get wrong?

A growth gap can materialise in stocks due to differences between a company's underlying fundamentals and market estimates. Three persistent inefficiencies cause this:

- 1 Markets over-react to short-term news flow
- 2 Markets over-rely on historical growth, failing to identify catalysts that can alter a company's growth trajectory
- 3 Markets fail to look far enough ahead when appraising a company's earnings



### Building the portfolio: from research to a global equity fund

A well-resourced, highly experienced team with a global perspective. Our investment process is team based with a focus on bottom-up fundamental stock selection.

#### 1 Idea generation

- Leverage Schrodgers' broad research platform
- Proprietary screening by Global Sector Specialists (GSS)

#### 2 Stock selection

- Growth gap identified
- Fundamentals risk score

#### 3 Portfolio construction and risk control

#### Portfolio Management Team

#### Global Sector Specialists

#### Local Research

Team of 160+ analysts across 16 countries

#### Investment Insights

- Investment Insights Unit
- Team of over 20 Data Scientists and Analysts

#### Sustainable Investment

Team of over 50 dedicated Sustainable Investment analysts and professionals

## Key features

- 1 Concentrated portfolio of 40–60 stocks to maximise returns on a risk-adjusted basis.
- 2 Successful bottom-up “Growth Gap” philosophy, a proven earnings-revision approach.
- 3 An unconstrained, integrated global approach, leveraging Schrodgers global network of local analysts that feed a dedicated research team of global sector specialists.
- 4 Managing potential capital loss by using a proprietary risk assessment of a company's fundamentals.

## Key information

ISIN code	LU0225283273
Launch date	2005
Base currency	USD
Benchmark	MSCI World (Net TR) Index
Bloomberg code	SCHGEAALX

## Investment objective:

The fund aims to provide capital growth in excess of the MSCI World (Net TR) Index after fees have been deducted over a three-to-five-year period by investing in equities of companies worldwide.

All information in the table above is for the A Accumulation share class. For further share class information please refer to the Prospectus.



For more information, scan the QR code to visit the fund centre or visit

[Schrodgers.com/en/lu](https://www.schrodgers.com/en/lu)

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#### **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, 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. 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.

**Emerging markets & frontier risk:** Emerging markets, and especially frontier markets, generally carry greater political, legal, counterparty, operational and liquidity risk than developed markets.

**Higher volatility risk:** The price of this fund may be more volatile as it may take higher risks in search of higher rewards, meaning the price may go up and down to a greater extent.

**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

#### **Important Information**

##### **Marketing material**

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Subscriptions for shares of the Company can only be made on the basis of its latest Key Information Document and prospectus, together with the latest audited annual report (and subsequent unaudited semi-annual report, if published), copies of which can be obtained, free of charge, from Schroder Investment Management (Europe) S.A.

For Luxembourg, these documents may be obtained in English, free of charge, from the following link: [www.eifs.lu/schroders](http://www.eifs.lu/schroders).

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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 investments to fall as well as rise.

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