

This document provides you with key investor information about this fund. It is not marketing material. The information is required by law to help you understand the nature and the risks of investing in this fund. You are advised to read it so you can make an informed decision about whether to invest.

# BlueOrchard Emerging Markets Impact Bond

## a sub-fund of Schroder International Selection Fund SICAV Class C Distribution GBP (LU2600601988)

This fund is managed by Schroder Investment Management (Europe) S.A., which is a member of the Schroders Group.

### Objectives and investment policy

#### Objectives

The fund aims to provide capital growth and income in excess of the ICE BofA 3 Month US Treasury Bill Index +2.5% before fees have been deducted\* over a three to five year period by investing in bonds. The fund will invest in bonds issued by governments, government agencies, supra-nationals and companies of emerging market countries, whose activities the investment manager considers create positive social or environmental impact and which the investment manager deems to be sustainable investments.

\*For the target return after fees for each share class please visit the Schroder webpage:

<https://www.schroders.com/en/lu/private-investor/investing-with-us/historical-ongoing-charges/>

#### Investment policy

The fund is actively managed and invests its assets in (i) sustainable investments, which are investments that contribute towards the advancement of an environmental or social objective linked to one or more of the UN SDGs by contributing positively towards social development and environmental themes and (ii) investments that the investment manager deems to be neutral under its sustainability criteria, such as cash, money market investments and derivatives used with the aim of reducing risk (hedging) or managing the fund more efficiently.

The investment manager will select sustainable investments from a universe that have been determined as meeting the investment manager's impact criteria. The impact criteria include an assessment of an investment's contribution to the UN SDGs and the investment manager's assessment of impact via its proprietary impact investment management framework and tools. The investment manager's process is also aligned with the Operating Principles for Impact Management.

The fund will invest in bonds issued by governments, government agencies, supra-nationals and companies with the aim to foster financial inclusion and provide decisive funding to economically vulnerable communities globally as well as bonds related to sustainable infrastructure projects and clean energy initiatives.

The fund will help to advance one or more of the UN SDGs, including but not limited to: the end of poverty in all its forms; the provision of access to affordable, reliable, sustainable and modern energy; the provision of inclusive and sustainable economic growth, employment and decent work for all; the building of resilient infrastructure, the promotion of sustainable infrastructure and fostering of innovation; and the reduction of inequality within and among

countries.

The fund does not directly invest in the sectors included in BlueOrchard's Public Asset Exclusion List

[https://www.blueorchard.com/wp-content/uploads/20220520-BlueOrchard-Exclusion-Policy\\_Public-Assets.pdf](https://www.blueorchard.com/wp-content/uploads/20220520-BlueOrchard-Exclusion-Policy_Public-Assets.pdf)

The fund invests in companies that do not cause significant environmental or social harm and have good governance practices, as determined by the investment manager's rating criteria.

The investment manager may also engage with companies held by the fund to seek to improve sustainability practices and enhance social and environmental impacts generated by underlying investee companies.

The fund invests at least two-thirds of its assets in bonds denominated in various currencies and issued by governments, government agencies, supra-nationals and companies of emerging market countries.

The fund may invest up to 50% of its assets in securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds).

The fund may also invest up to one third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, investment funds, warrants and money market investments, and hold cash. The investment strategy of the fund and the use of derivatives may lead to situations where it is considered appropriate that prudent levels of cash and money market investments will be maintained, which may be substantial or even represent (exceptionally) 100% of the fund's assets. This will be limited to a maximum of six months (otherwise the fund will be liquidated).

The fund may use derivatives with the aim of reducing risk or managing the fund more efficiently.

#### Benchmark

The fund's performance should be assessed against its target benchmark being to exceed ICE BofA 3 Month US Treasury Bill Index +2.5%. The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the fund. Please see appendix III of the fund's prospectus for further details.

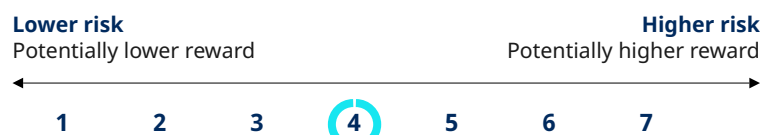
#### Dealing frequency

You may redeem your investment upon demand. This fund deals daily.

#### Distribution policy

This share class pays an annual distribution at a variable rate based on gross investment income.

### Risk and reward profile



#### The risk and reward indicator

The risk category was calculated using historical performance data and may not be a reliable indicator of the fund's future risk profile.

The fund's risk category is not guaranteed to remain fixed and may change over time.

A fund in the lowest category does not mean a risk-free investment.

The fund is in this category because it can take higher risks in search of higher rewards and its price may rise and fall accordingly.

The category also reflects that this share class is in a different currency than the fund currency.

#### Risk factors

**Bond Connect risk:** The fund may be investing in the China Interbank Bond Market via the Bond Connect which may involve clearing and settlement, regulatory, operational and counterparty risks.

**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.

**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.

**Currency risk / hedged share class:** The currency 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, which are financial instruments deriving their value from an underlying asset, may be used to manage the portfolio efficiently. The fund may also materially invest in derivatives including using short selling and leverage techniques with the aim of making a return. 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.

**High yield bond risk:** High yield bonds (normally lower rated or unrated) generally carry greater market, credit and liquidity risk meaning greater uncertainty of returns.

**Interest rate risk:** The fund may lose value as a direct result of interest rate changes.

**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.

**Currency risk (including Onshore renminbi):** The fund may lose value as a result of movements in foreign exchange rates, otherwise known as currency rates. Currency control decisions made by the Chinese government could affect the value of the fund's investments and could cause the fund to defer or suspend redemptions of its shares.

**Operational risk:** Operational processes, including those related to the

## Charges

### One-off charges taken before or after you invest

|                     |       |
|---------------------|-------|
| <b>Entry charge</b> | 1.00% |
| <b>Exit charge</b>  | None  |

This is the maximum that might be taken out of your money before it is invested or before the proceeds of your investment are paid out.

### Charges taken from the fund over a year

|                        |       |
|------------------------|-------|
| <b>Ongoing charges</b> | 0.98% |
|------------------------|-------|

### Charges taken from the fund under certain specific conditions

#### Performance fee

None

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.

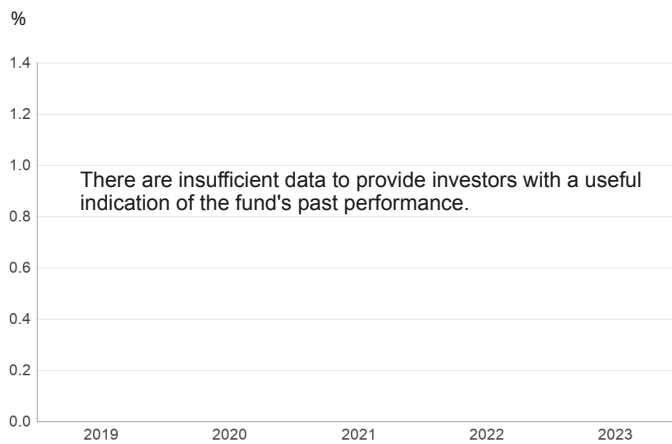
The charges you pay are used to pay the costs of running the fund, including the costs of marketing and distributing it. These charges reduce the potential growth of your investment.

The entry and exit charges shown are maximum figures and in some cases you might pay less. You can find out the actual entry and exit charges from your financial advisor.

The ongoing charges figure is based on the last year's expenses for the year ending December 2023 and may vary from year to year.

You can find more information about the charges in Section 3 of the fund's prospectus.

## Past performance



Please note that the fund's comparator was added on 25 October 2023. The past performance in the above table is based on the fund's benchmark (Target benchmark: ICE BofA 3 Month US Treasury Bill Index +2.5%) in place prior to this date. Going forward, this table will show past performance from this date based on the new benchmark (Target benchmark: ICE BofA 3 Month US Treasury Bill Index +2.5%)(Comparator benchmark: J.P. Morgan Corporate EMBI Broad Diversified Composite Index).

- C Distribution GBP (LU2600601988)
- ICE BofA 3 Month US Treasury Bill Index +2.5%
- J.P. Morgan Corporate EMBI Broad Diversified Composite Index

The fund was launched on 01/08/2018.

The shareclass was launched on 12/04/2023.

Performance figures are only available since the launch of the respective share class.

Schroder ISF BlueOrchard Emerging Markets Impact Bond fund was launched in December 2022 to accommodate a transfer of shareholders from the BlueOrchard UCITS – Emerging Markets SDG Impact Bond Fund to the Schroder ISF SICAV. Prior to 14.12.2022 the fund uses the track record of the BlueOrchard UCITS – Emerging Markets SDG Impact Bond Fund (incorporated in 09/07/2018) as a performance track record.

## Practical information

**Depositary:** J.P. Morgan SE.

**Further information:** You can get further information about this fund, including the prospectus, latest annual report, any subsequent half-yearly report and the latest price of shares from the fund's management company at 5, rue Höhenhof, L-1736 Senningerberg, Luxembourg, and from [www.schroders.lu/kiids](http://www.schroders.lu/kiids). They are available free of charge in English, Flemish, French, German, Italian and Spanish.

**Tax legislation:** The fund is subject to Luxembourg tax legislation which may have an impact on your personal tax position.

**Liability:** Schroder Investment Management (Europe) S.A. may be held liable solely on the basis of any statement contained in this document that is misleading, inaccurate or inconsistent with the relevant parts of the fund's prospectus.

**Umbrella fund:** This fund is a compartment of an umbrella fund, the name of

which is at the top of this document. The prospectus and periodic reports are prepared for the entire umbrella fund. To protect investors, the assets and liabilities of each compartment are segregated by law from those of other compartments.

**Switches:** Subject to conditions, you may apply to switch your investment into another share class within this fund or in another Schroder fund. Please see the prospectus for more details.

**Remuneration policy:** A summary of Schroders' remuneration policy and related disclosures is at [www.schroders.com/remuneration-disclosures](http://www.schroders.com/remuneration-disclosures). A paper copy is available free of charge upon request.

The policy includes a description of how remuneration and benefits are calculated & the identities of persons responsible for awarding the remuneration and benefits.

**Glossary:** You can find an explanation of some of the terms used in this document at [www.schroders.lu/kiid/glossary](http://www.schroders.lu/kiid/glossary)