

### Fund Details

ISIN	LU0943301068
Domicile	Luxembourg
Currency	USD
Asset Class	Equity
Management Fee	1.00%
Ongoing Charge as of December 30, 2022	1.32%
AUM, as of December 30, 2022 (USD, mn)	283.69

Figure 1: Sector Allocation, December 2022

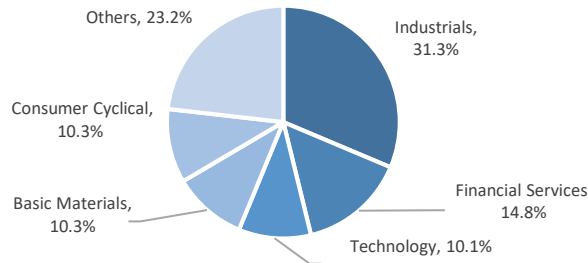
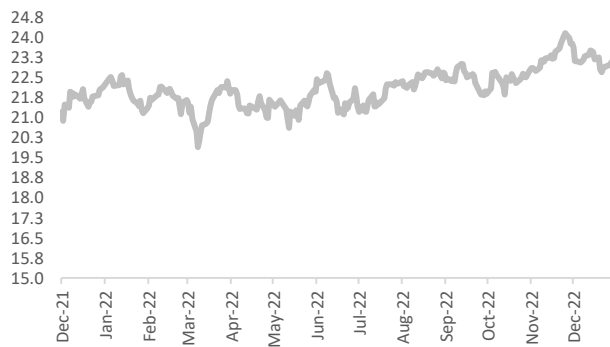


Figure 2: Fund's 1-year Performance (USD)



Source: Figure 1 and Figure 2 - Morningstar (30 Dec 2022)

### Fund Management

Schroders manages EUR469.5 billion of total client assets as of end-December 2018. The assets are invested across equities (40%), fixed income (25%), multi-asset (17%), private assets and alternatives (11%), and wealth management products (9%). The company has strong regional capabilities and manages EUR184.5 billion of its assets under management (AUMs) from UK and Channel Islands, EUR69.3 billion from Americas, EUR97.7 billion from EMEA and rest from Asia Pacific. The company employed 748 investment professionals and over 5,000 employees across geographies, as at 31 December 2018.

### Fund

**Investment Objective:** The Schroder International Selection Fund invests with the aim to achieve capital appreciation by investing in Japanese companies, predominantly within the Tokyo Stock Exchange 1st Section Index. The Fund is actively managed with the target to outperform the index by 3.0% per annum (gross of fees) over rolling three- to five-year periods.

**Investment Process:** The Fund's investment philosophy revolves around capturing market inefficiencies at the stock level and its investments are based on mid to long term earnings outlook of significantly undervalued stocks. The all-cap Fund employs bottom-up investment process, which involves,

- **Universe selection:** The Fund's mid and large cap investment team starts with approximately 3,700 companies which is then narrowed to approximately the largest 600 stocks based on market capitalization. On the other hand, for small cap companies, the research universe starts with the remainder companies. The primary focus of the small cap team is on the liquid 400 stocks, followed by an additional 500 micro-cap companies with sufficient liquidity. After rigorous analysis, the teams select around 200 liquid stocks for the buy list.
- **Research process:** The team uses Schroders' proprietary company valuation model in order to achieve three-year earnings and cash flow forecasts along with various valuation measures for the selected stocks. The team, after in-depth analysis, grades the stocks from 1 (outperform) to 4 (underperform).
- **Portfolio construction:** Finally, the Fund manager - Ken Maeda - constructs the portfolio based on in-house research and seeks to invest in stocks with higher alpha potential. The typical characteristics of selected stocks are stable growth stocks, blue chips overlooked by institutional investors and recovery stocks.

**Investment Parameters:** The key investment parameters of the Fund are,

- The portfolio typically holds around 100 stocks
- The annual turnover for the Fund tends to be 20-50% and the strategy's average annual turnover of past three years are less than 20%
- The cash level is typically maintained below 5% of total assets, and most of the time the expected level is around 1% or less
- A maximum of 10% in value of the Fund may be invested in transferable securities issued by one issuer
- Holdings in securities issued by the same issuer which exceed 5% of the portfolio may not in total account for more than 40% of the value of the Fund
- No leverage is allowed



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Sources: 1. Fund's Prospectus, Factsheet and RFP, 2. Fund's Website