

## SHINING A LIGHT ON THE..... Schroder ISF Asian Total Return Fund

### AT A GLANCE

Investment Objective
The fund's objective is to provide capital growth primarily through investment in equity and equity related securities of Asia Pacific companies. The Fund also aims to offer a degree of capital preservation through the tactical use of financial derivative instruments. The Fund may buy or sell equity index futures and buy and sell index options on indices or individual stocks. It invests up to 10% via Hong Kong - Shanghai Stock Connect. To obtain exposure to equity indices and individual stocks, the Fund may also enter into contracts for difference where the underlying investments are not delivered and settlement is made in cash.

<b>Inception Date</b>	16 November 2007
<b>Fund Factsheet Link</b>	<a href="http://www.morningstar.co.uk/uk/funds/snapshot/snapshot.aspx?id=F000000NWQ">http://www.morningstar.co.uk/uk/funds/snapshot/snapshot.aspx?id=F000000NWQ</a>

Management	
Manager Name	Start Date
Robin Parbrook	16 November 2007
King Fuei Lee	16 November 2007

Investment Style Details	
Equity Style	
Market Capitalisation	% of Equity
Giant	46.99%
Large	34.82%
Medium	18.19%
Small	0.00%
Micro	0.00%

Top 10 Holdings		
Total number of holdings		55
Assets in Top 10 Holdings		29.96%
Name	Sector	% of Assets
Tencent Holdings Ltd	Technology	3.59%
Jardine Strategic Holding Ltd	Industrials	3.46%
HDFC Bank Ltd	Financial Services	3.45%
Taiwan Semiconductor	Technology	3.39%
Techtronic Industries	Industrials	4.00
Brambles Ltd	Industrials	3.92
AIA Group Ltd	Financial Services	3.88
Apollo Hospitals Enterprise	Healthcare	3.71
Swire Properties	Real Estate	3.62
Hong Kong Land Holdings	Real Estate	3.58

Volatility Measurements	
3-Yr Std Dev (volatility)	11.30%
3-Yr Mean Return (average)	14.39%

## FUND PERFORMANCE

Performance from 1 January 2012 to 31 August 2016:

	2012	2013	2014	2015	2016
<b>Schroder ISF Asian Total Return Fund</b>	16.24%	2.18%	12.93%	1.87%	28.06%
<b>iShares MSCI AC Far East ex-Japan Fund</b>	14.03%	-1.21%	6.63%	-7.98%	23.47%

Performance over 1 year, 3 years, and 5 years:

	1 year	3 years	5 years
<b>Schroder ISF Asian Total Return Fund</b>	34.94%	47.10%	69.07%
<b>iShares MSCI AC Far East ex-Japan Fund</b>	29.77%	24.44%	28.62%

*You should note that past performance is not a reliable indicator of future returns and the value of your investments can fall as well as rise. The total return reflects performance without sales charges or the effects of taxation, but is adjusted to reflect all on-going fund expenses and assumes reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the performance quoted would be reduced.*

## UPDATE....

For those investing in Asia this might be a fund to consider. The title is slightly misleading. The fund aims to deliver a positive return from Asia with less volatility, but it doesn't guarantee that there won't be periods where the fund delivers a negative return.

This means that the team are constantly looking for stocks which can provide upside potential. So there are specific companies they will avoid, which includes state owned companies because they cannot trust the management of these firms.

The fund is driven by having capital preservation as its key strategy, and this means employing investment instruments to protect against short term market corrections and currency movements. These strategies may not appeal to all investors as they can be tricky to understand.

In the discussion we had with the manager Robin, we felt that in terms of stocks there is very little difference between what he does and any other Asia fund manager. This is about choosing the right stocks and every manager will say that they do this. But one thing is clear and that is the performance, which has done a lot better than a number of Asian Funds in the market and clearly the strategy they employ provides that additional growth that is being missed by other managers.

There are two options for investors who like this strategy, one is to use this as the only fund to access Asian markets, and the second is to blend this with another strategy.

In conclusion from a stock selection there doesn't seem to be much difference between the manager of this fund and others that are available. However, the focus on preservation of capital is really important and the strategies they employ appear to deliver that additional growth compared to other managers. It is worth adding that the manager personally invests his own money in this fund.

*The source of information in this note has been provided by Schroders and is correct as at August 2016. These are notes from meeting the fund manager or representative and should not be seen as a recommendation to purchase any fund mentioned. Any reference to shares is not a recommendation to buy or sell. Should you wish to make a decision based on these notes we cannot take responsibility for this and you should carry out your own research before making a decision. We would also recommend that you receive advice before following up on any decision.*