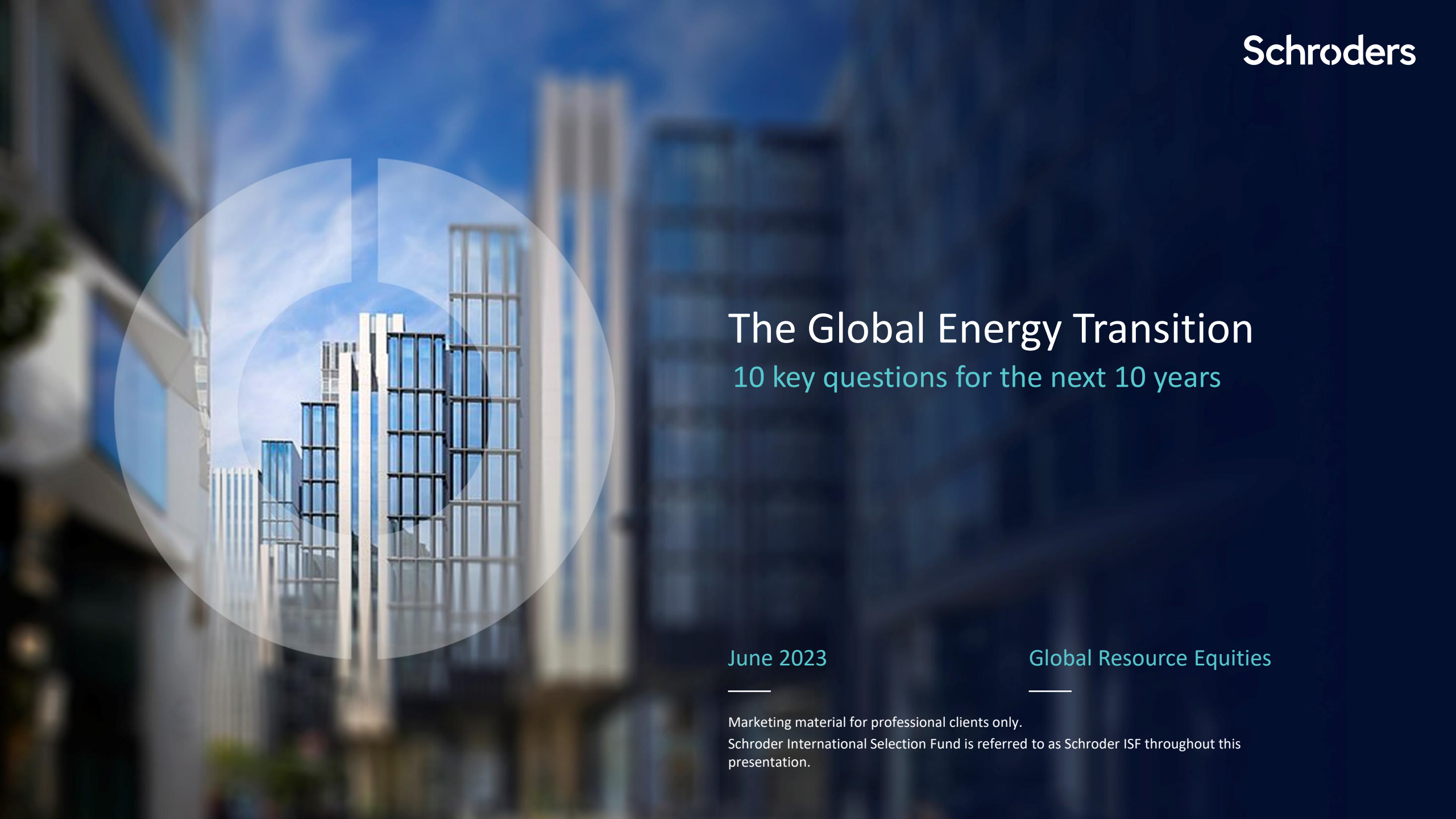


Schroders

The Global Energy Transition

10 key questions for the next 10 years

June 2023

Global Resource Equities

Marketing material for professional clients only.

Schroder International Selection Fund is referred to as Schroder ISF throughout this presentation.

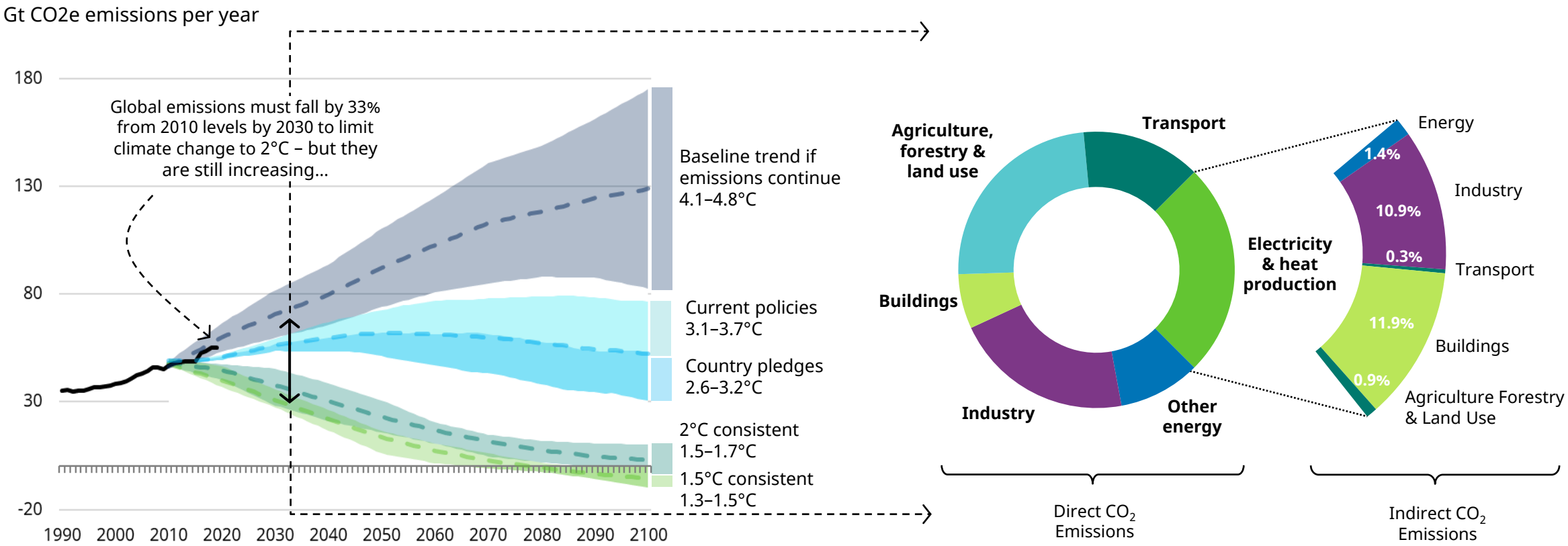
The energy system

A few basic challenges……

Global emissions need to reduce dramatically in coming years

There is still a significant emissions gap[1] to meet our 2°C climate targets

Global greenhouse emissions and expected warming based on different policy scenarios



[1]The emissions gap represents the difference between the emissions countries have pledged to reduce and the emissions that need to be reduced to limit global temperature increases to below 1.5°C or 2°C.
Source: Climate Action Tracker, UNEP, Climate Change 2014: Mitigation of Climate Change, IPCC Working Group III , Schroders – 31 January 2023.

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The energy system must undergo three structural changes

Better economics, new policies and growing consumer demand will drive the change

Decarbonisation of power generation

The share of electricity generated from **renewables is expected to increase from 20% closer to 85%** by 2050 in order to reduce carbon emissions

Electrification of energy use

The share of **electricity in final energy consumption is expected to increase from 20% to nearer 45%** by 2050 due to the growth of electric vehicles

Increased efficiency of consumption

The **energy intensity[1] of the global economy must fall by nearly two-thirds** by 2050 to limit the growth in overall power consumption

1. **Better economics** mean that renewables are now cheaper than conventional coal and gas power across two-thirds of the world

2. **New policies** around the world are starting to prevent the use of fossil fuels in power production and transportation

3. There is **growing consumer demand** for products like electric vehicles, residential solar and storage and energy efficient applications

Source: Schroders, IEA, IRENA – 31 January 2023. [1]Energy intensity is the amount of energy needed to produce one unit of GDP.

Opportunities across the entire value chain

Earnings growth opportunities will emerge across five different areas:

Clean energy generation

To decarbonise the global power system, new renewable energy assets must be built to provide clean electricity. These new assets will include both utility-scale wind and solar farms, as well as smaller, distributed systems on rooftops and commercial properties. The production of new clean fuels, such as green hydrogen, will also be required to reach our net-zero carbon goals.

Transmission and distribution

New renewable assets must be connected to the electricity grid with new transmission lines, creating new demand for cables and electrical equipment. With more people using clean electricity, local electrical distribution grids will also need to be upgraded to prevent blackouts. Electric vehicles require new charging points and more intelligent electrical grids. Other forms of mobility using new clean fuels will also need upgraded infrastructure.

Energy storage

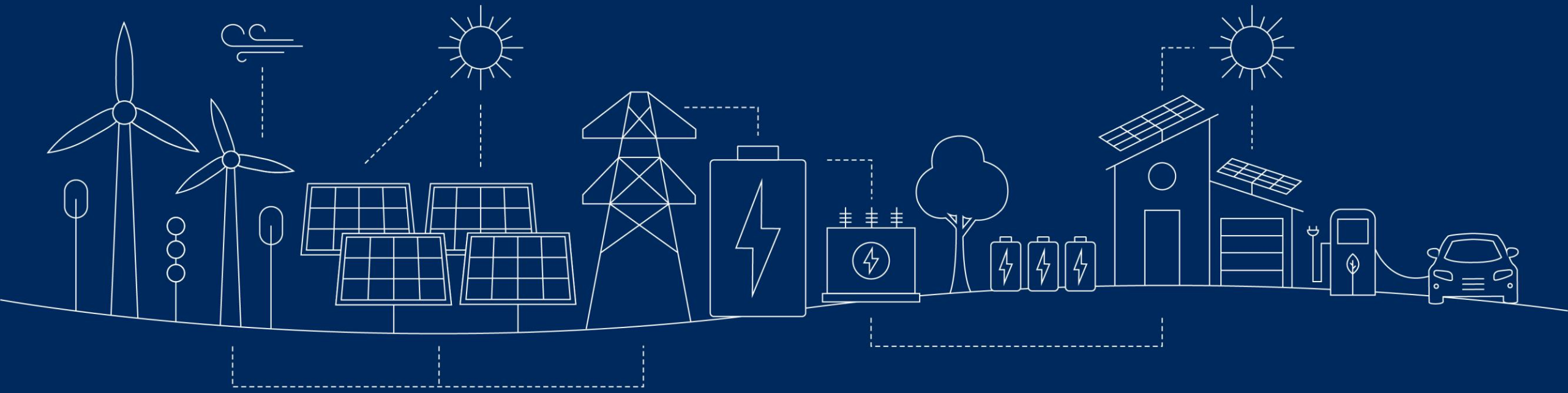
Renewable electricity is intermittent – it is only produced when the sun is shining or the wind blowing. To facilitate the growth of renewables, energy storage solutions must be installed and operated across different parts of the electricity system.

Energy Efficiency

To reduce energy usage and intensity, buildings need to become more connected, intelligent and efficient. Smart meters, energy management controls and other efficient building solutions are crucial to addressing the demand-side of our energy transition goals. Grid efficiency must also improve.

Clean Mobility

Cleaner, smarter mobility innovations can make a major contribution towards reducing the impact of transport on energy system emissions. Electric vehicles may also play a crucial role as mobile energy storage solutions, making their role in managing energy supply and demand more important than ever before.



Source: Schroders – 30 April 2023. The sector shown above are for illustrative purposes only and are not to be considered a recommendation to buy/sell

The global energy system is going to change dramatically

Clear targets and increasing policy support provide remarkable visibility

50% of electricity in **Nevada** must be renewable by 2030 and 100% must be carbon-free by 2050.

100% of all electricity in **California** must be from zero-emission sources by 2045.

Target of 5 million zero-emission vehicles in **California** by 2025 and 250,000 EV chargers.

30% of all **UK** electricity should be produced by renewables by 2020. 40GW offshore wind by 2030.

UK Emissions to be reduced 78% compared to 1990 levels by 2035. 'Net zero' emissions by 2050.

Target for 50% of all installed power capacity in **China** to be renewable by 2025. Targeting net zero emissions by 2060. **Non-fossil fuel energy to reach 20% by 2025. Electricity 30% by 2025.**

25% of all new cars sold to be electric by 2025.

USD 1.7trn investment in 'new infrastructure' (including UHV power transmission and EV charging) out to 2025.

President Joe Biden wants US power sector to be net zero by 2035, with solar power to reach 40% of all electricity produced by 2035.

Potential **USD 369bn investment in energy security and climate** as part of the US Inflation Reduction Act.

Target of 40GW additional **South Korean** wind and solar capacity by 2030.

USD 9.3bn investment in renewable energy by 2025. USD 1bn investment in electric vehicles.

35% reduction in emissions by 2030 relative to 2018 and net zero be 2050

28% of all **Brazilian** electricity (other than hydropower) to be from renewables by 2027.

Two new energy auctions per year to increase renewable capacity.

Target of 450GW of renewable power in **India** by 2030 and 100GW of solar by 2022.

100% of all electricity in **New Zealand** to come from renewable sources by 2035.

EU Green Deal to see annual investment of EUR 200-300bn to achieve net zero emissions by 2050. **Fit for 55** plan to reduce emission 55% by 2030.

EU Hydrogen Strategy to target 40GW of renewable hydrogen by 2030.

32% of all **EU electricity** should be produced by renewables by 2030.

REPowerEU plan to accelerate renewable permitting and speed up adoption of rooftop solar, heat pumps, hydrogen and biomethane. **Aim to reduce Russian gas imports by almost 200bcm through 900GW of renewable power.**

EUR 750bn EU Recovery Fund to include:

EUR 25bn in total capital investment in **renewables** worth 15 GW over 2 years. EUR 10bn of investment co-financing national renewable schemes.

EUR 10-30bn over next 10 years co-financing **green hydrogen projects**. EUR 1.2bn of new funding for green hydrogen research.

EUR 20bn in next two years on **electric vehicle** purchasing subsidies. EUR 50bn on electric vehicle development investment. 2 million public **electric vehicle charging stations** by 2025.

Spain Climate Change and Energy Transition Bill to target 100% of electricity from renewables by 2050. Plan to end direct fossil fuel subsidies and make all new vehicles emission-free by 2040.

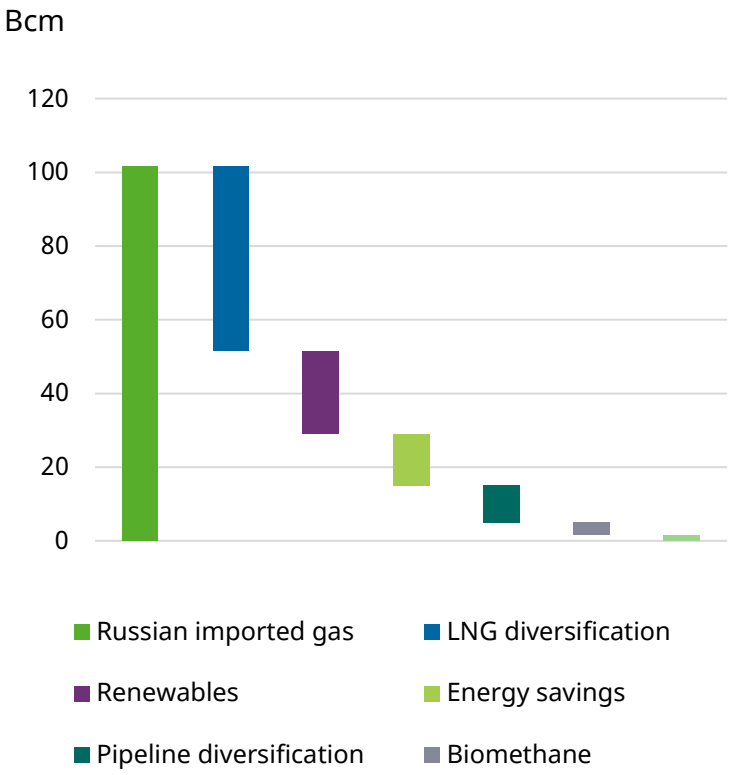
Complete coal phase out in **Germany** by 2038 and **Netherlands, Denmark, Sweden, Finland, Italy, Portugal, Ireland, Greece and France** by 2030.

Source: Google, Schroders – 31 January 2023.

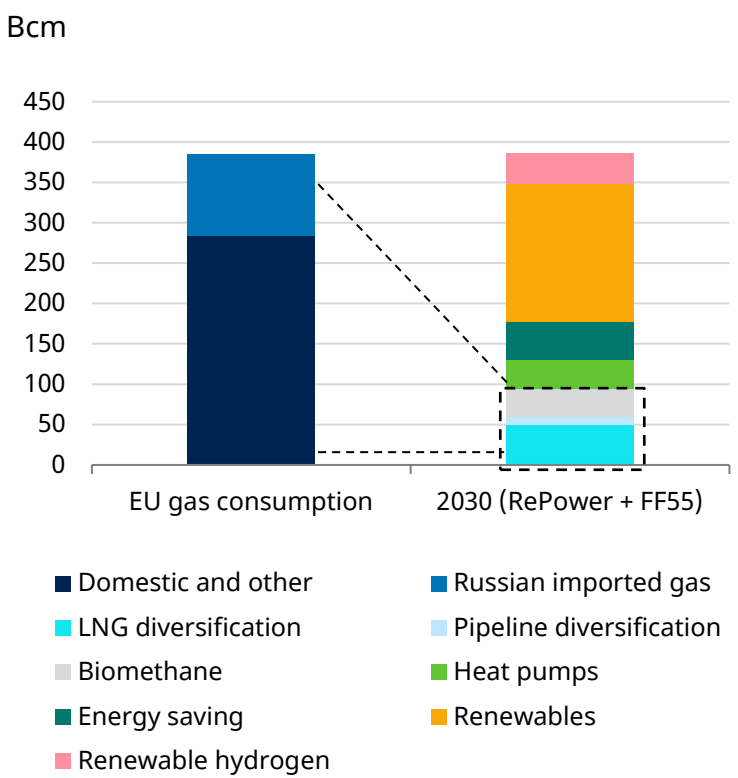
The current energy crisis further supports the transition

The RePowerEU plan supports all parts of the energy transition universe

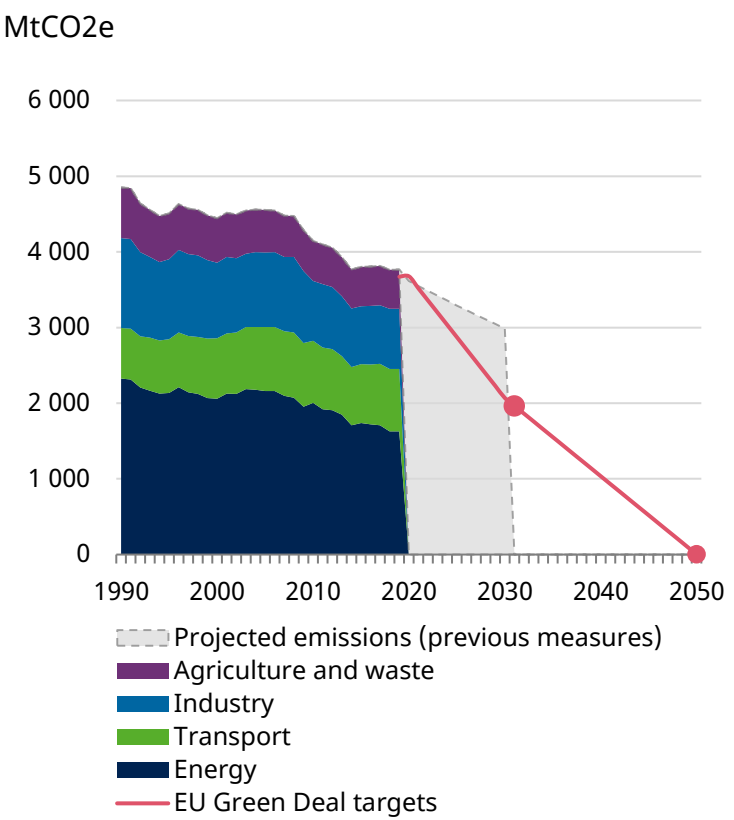
EU measures to reduce Russian imported gas



EU measures to change gas supply and demand by 2030



Historic and forecast EU emissions pathway under EU Green Deal



Source: Bloomberg, Our World in Data, BNEF, IEA, IRENA, BNEF, SEIA, Schroders – 31 January 2023.

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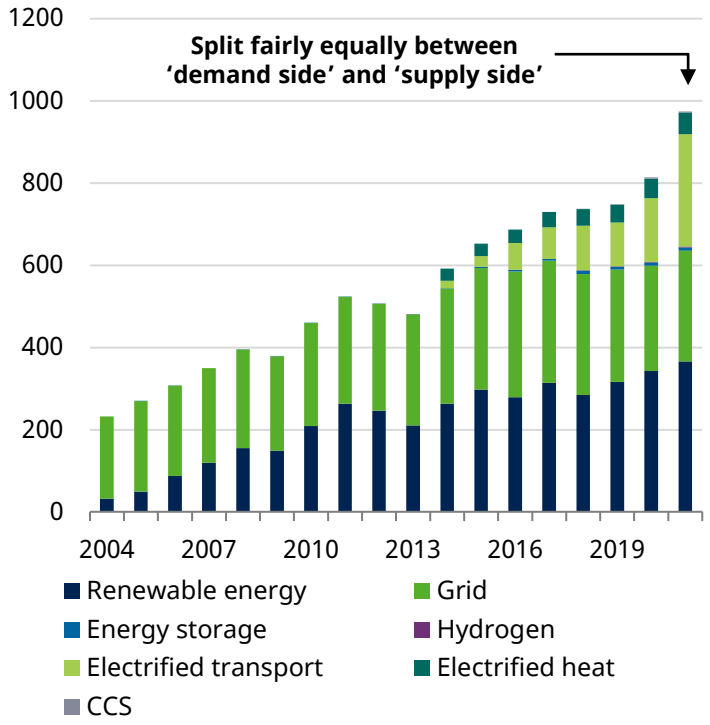
Current investment rates still need to increase substantially

Over USD 100 trillion must be spent across the different value chains out to 2050

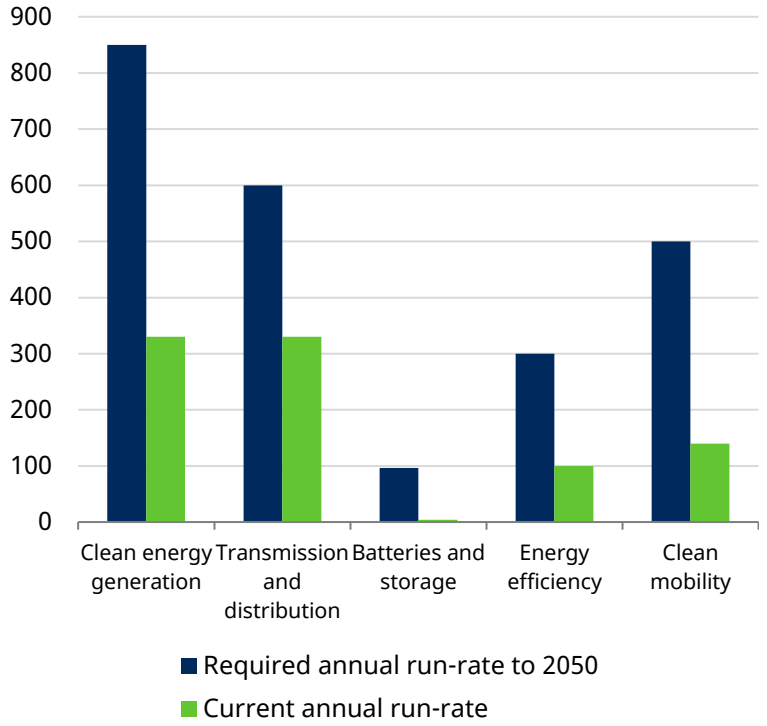
Annual investment by section of the value chain

USDbn



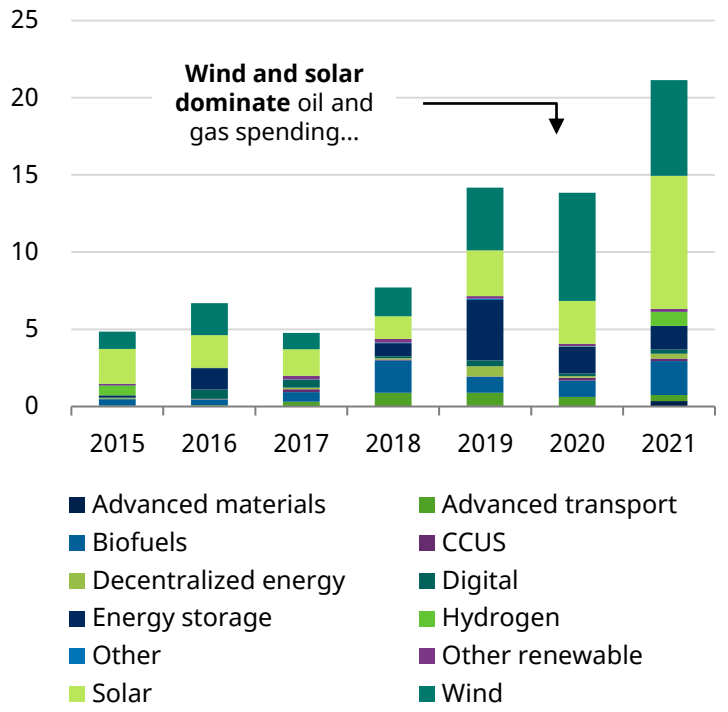
Required annual investment vs current annual investment

USDbn



Oil and gas sector clean energy investment[1]

USDbn



[1]Includes investment from Total Energies, Equinor, Shell, BP, SK Innovation, ENI, Repsol, Galp, Ineos, Sinopec, Valero, Suncor, Reliance, Petronas, PTT, among others. Source: BNEF, Company Data, IEA, Schroders – 31 January 2023.

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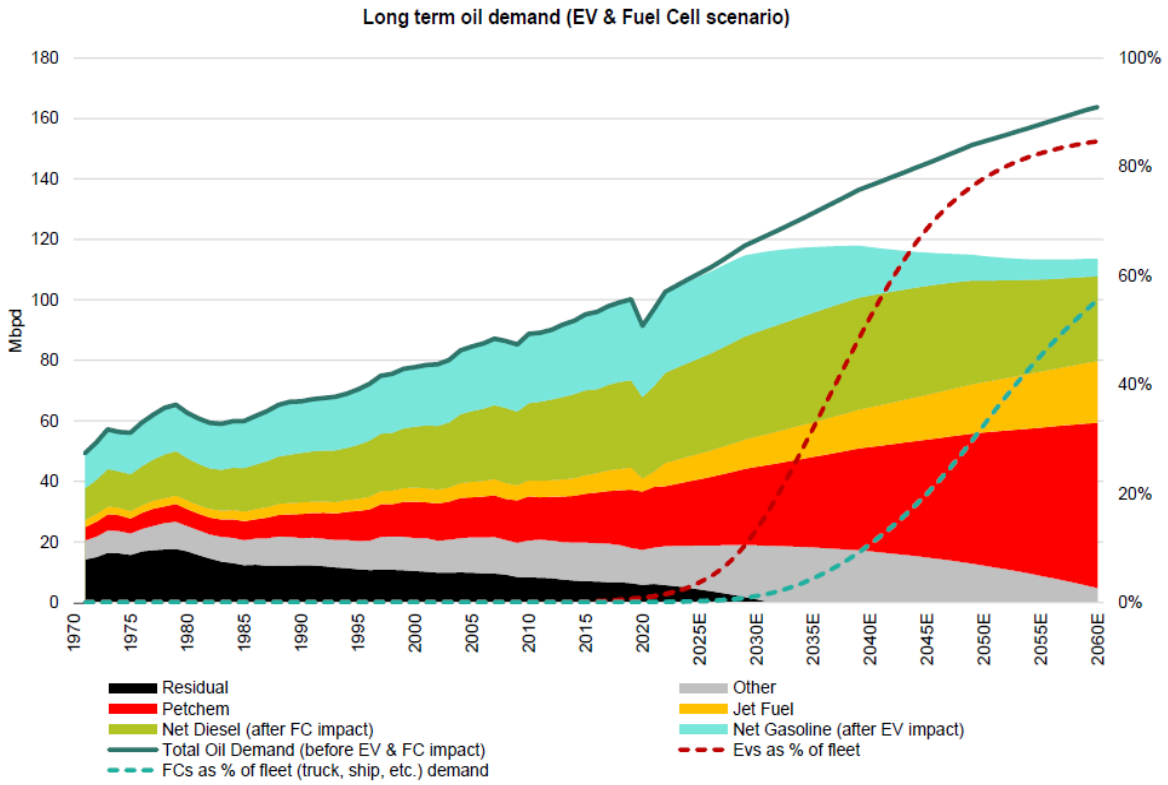
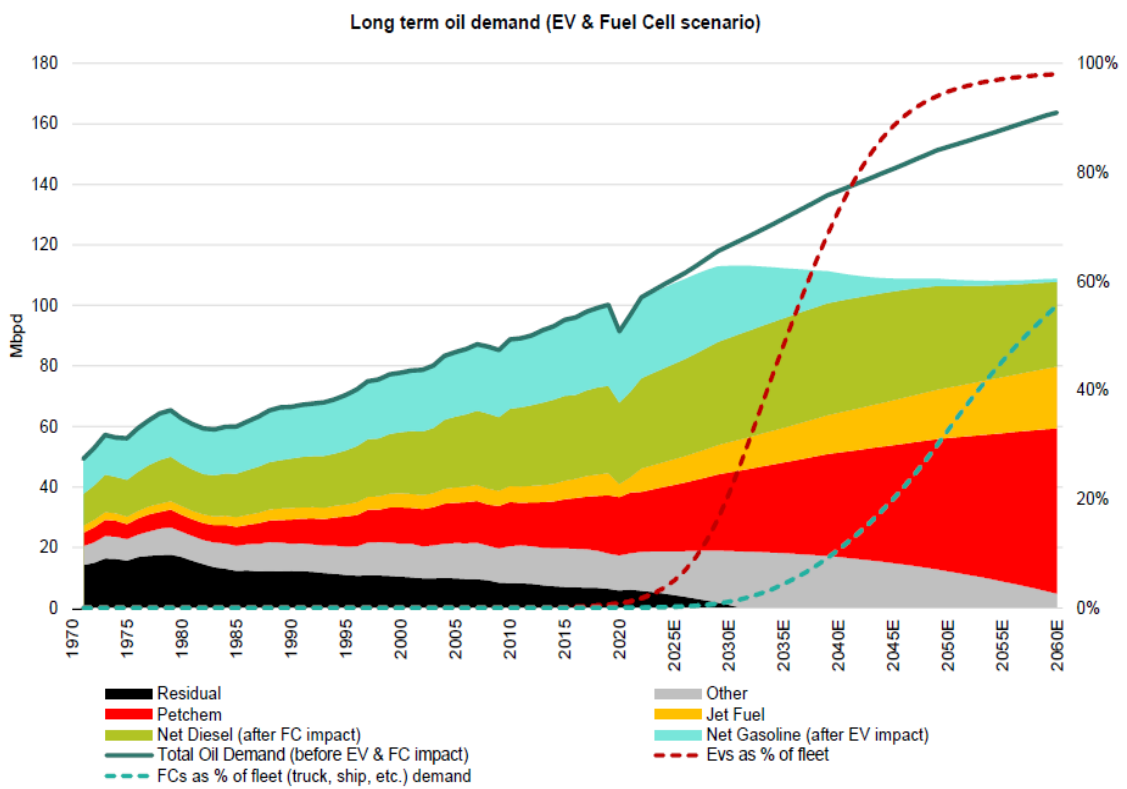
Macro outlook – Long term demand

Electrification of transport – How fast?

Base case EV adoption and impact on oil product demand



Aggressive case EV adoption and impact on oil product demand



Source: Bloomberg, Schroders – February 2023

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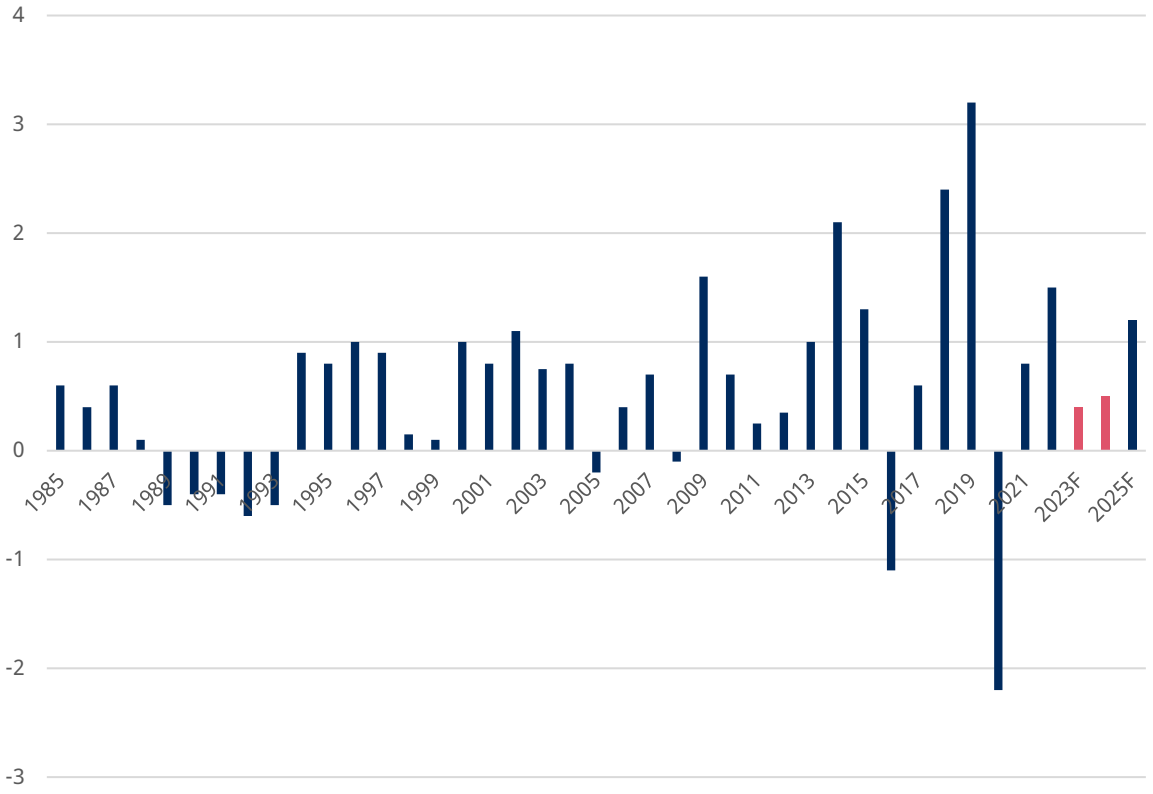
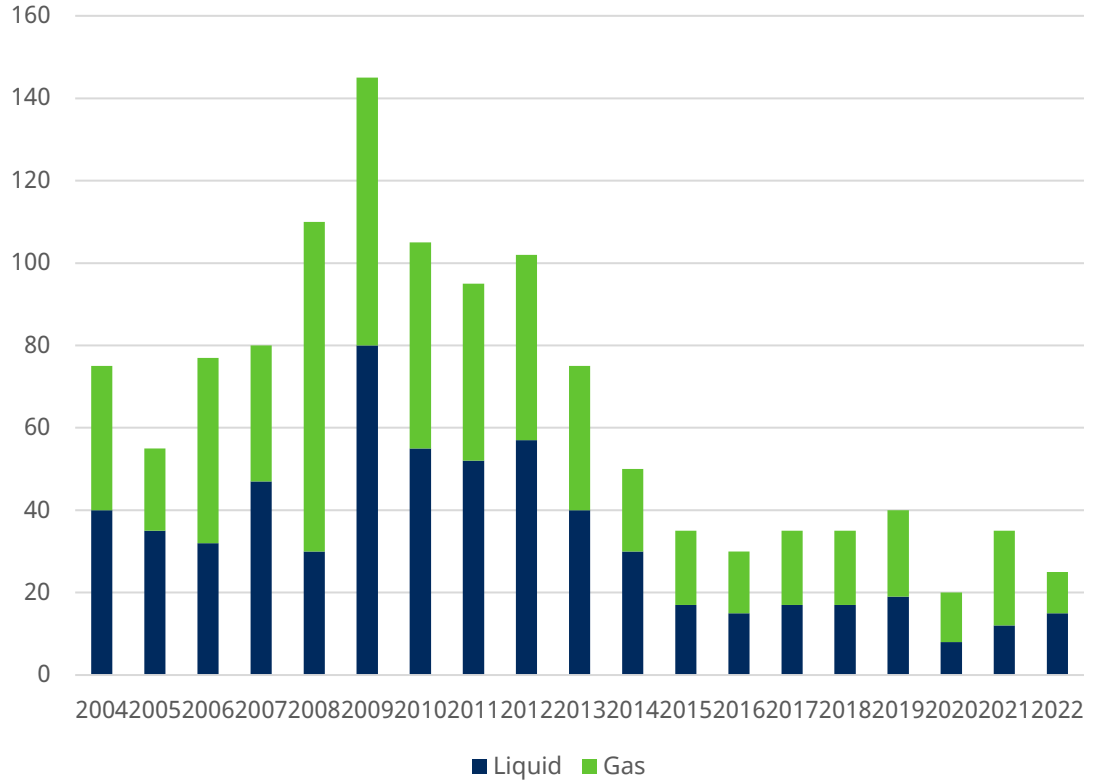
Macro outlook – Near term supply

Limited non-OPEC supply growth and a limited hopper

Estimated non-OPEC supply growth (Mb/day)



Final Investment Decisions: resources approved by type in billion boe



Source: Energy Aspects, Bernstein – February 2023

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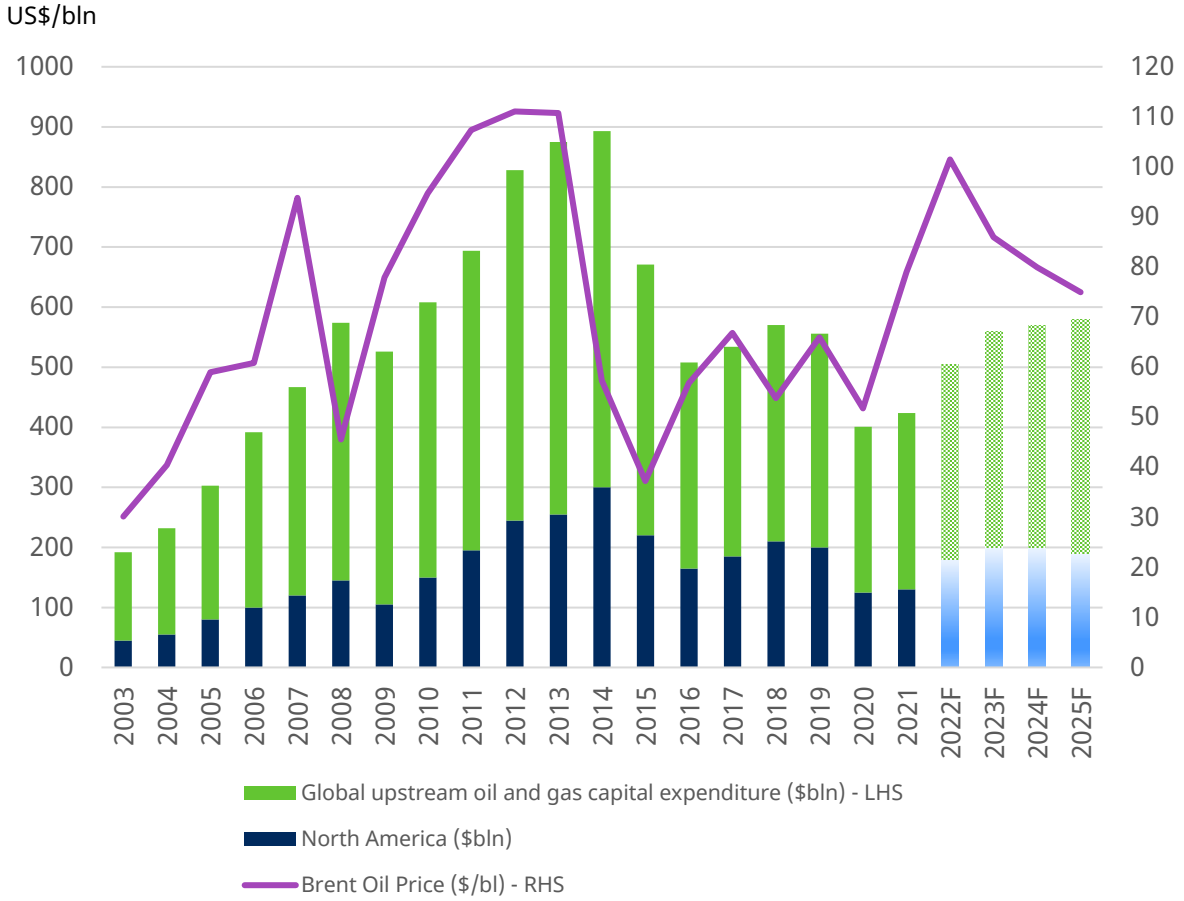
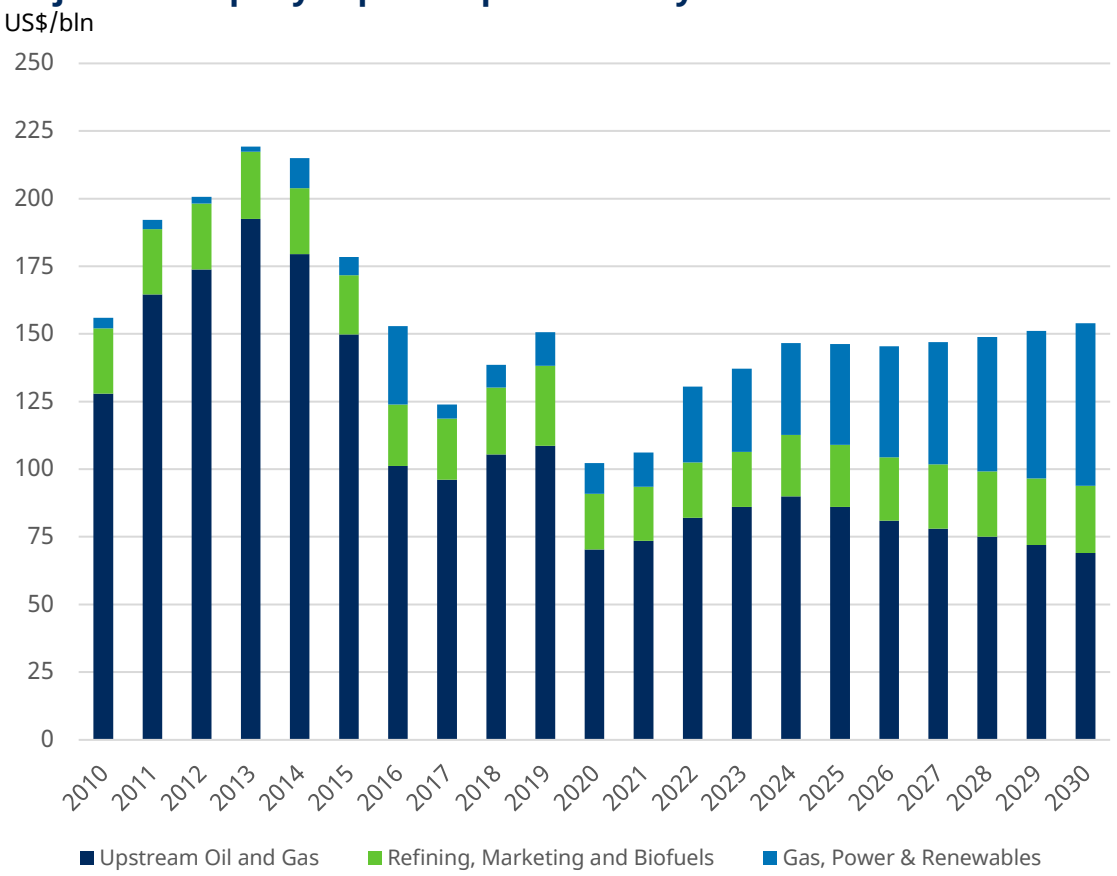
Global capital expenditure

Producers are constraining their spending, capital increase is almost entirely cost inflation

Global upstream capital expenditure



Major oil company capital expenditure by business unit



Source: Company data, Bloomberg – September 2022

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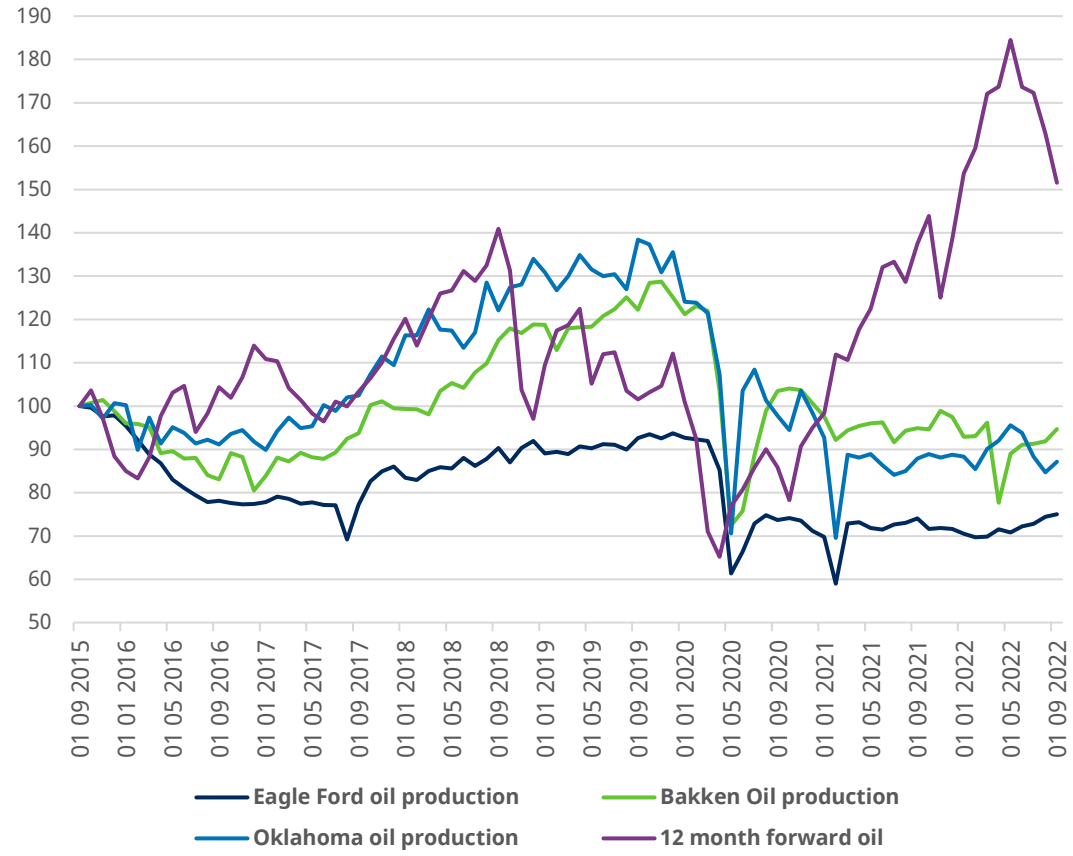
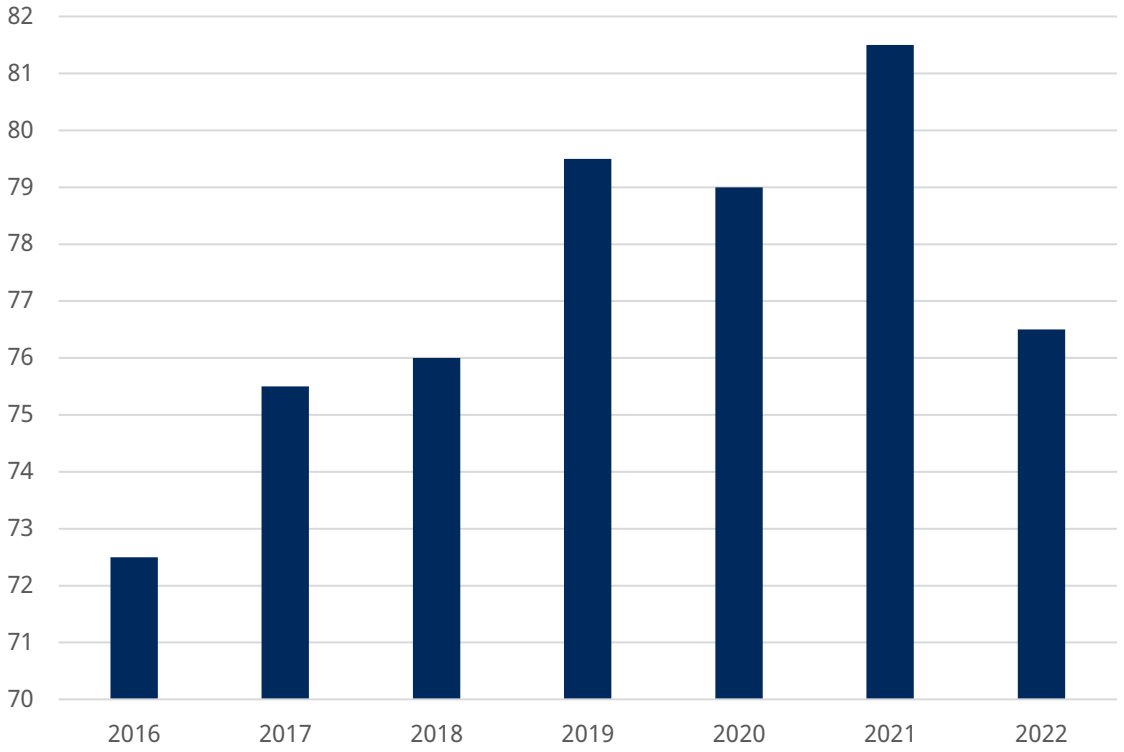
Macro outlook – US activity

Well productivity will become start to become an issue

Key basin oil production (ex Permian) vs 12 mth forward WTI



Permian initial oil production (bbl/d/ 1000ft) - first 3 months



Source: Schroders, EA & EIA - October 2022

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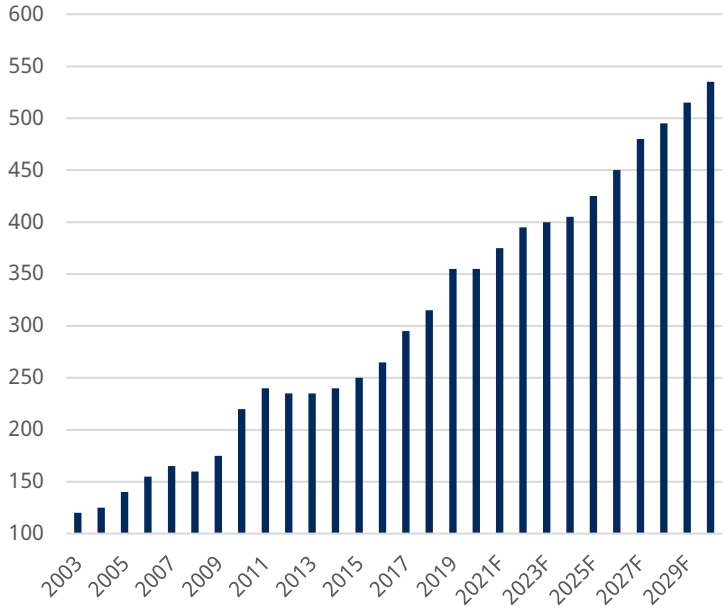
Macro outlook – Global gas market

LNG demand is forecast to grow strongly – Europe and China are big markets

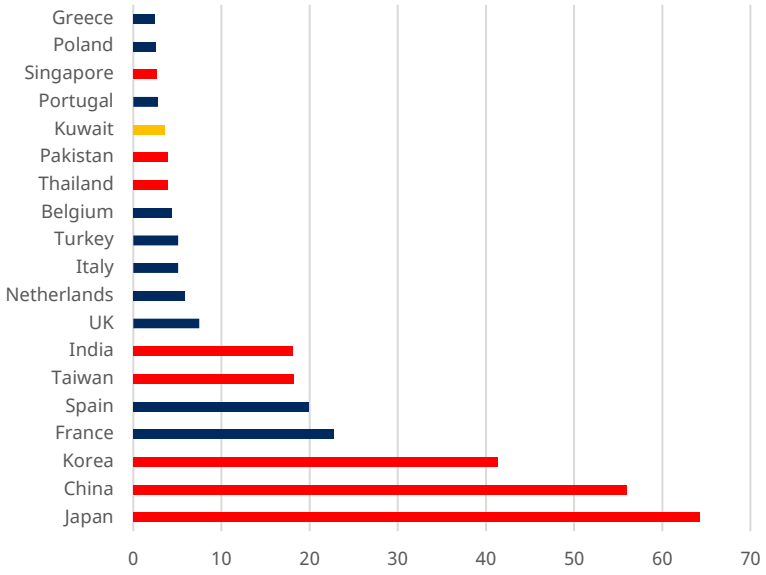
Global LNG demand

Mtpa



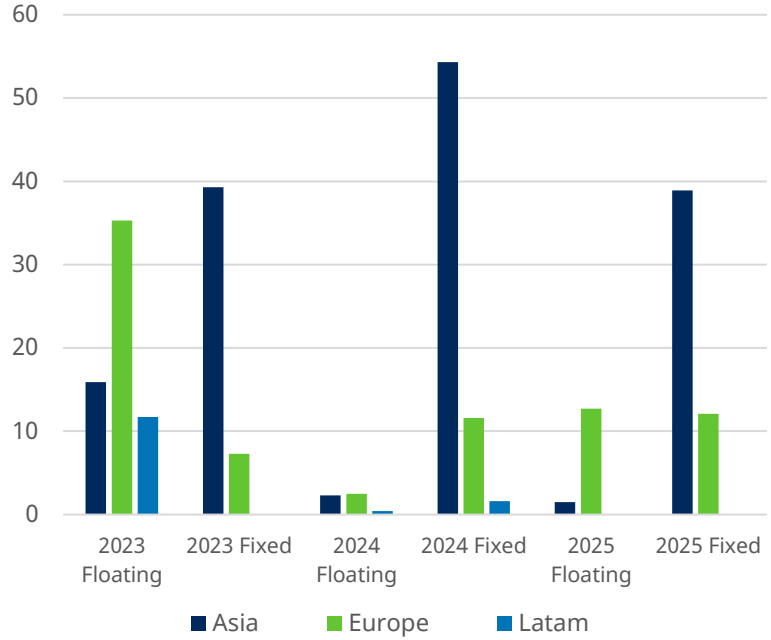
LNG imports by country

Mtpa



LNG imports capacity additions

Mtpa



Source: Bloomberg, company data, Schroders – February 2023

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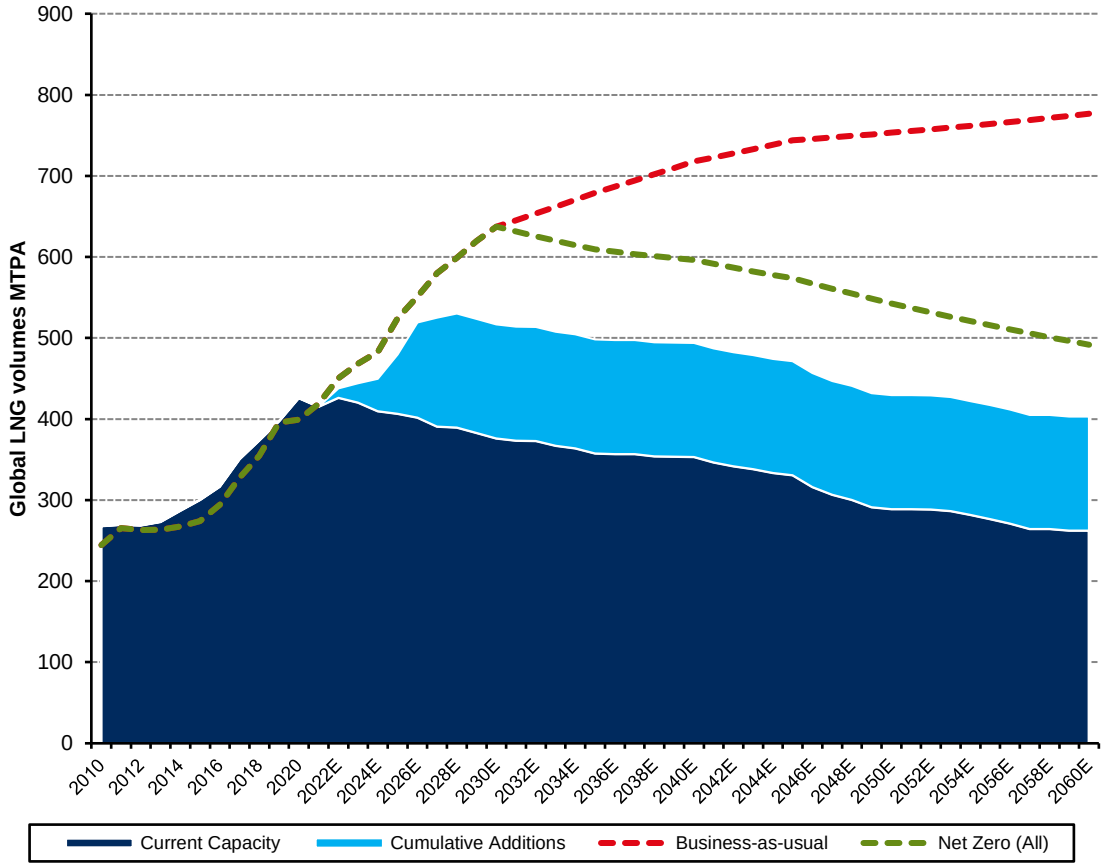
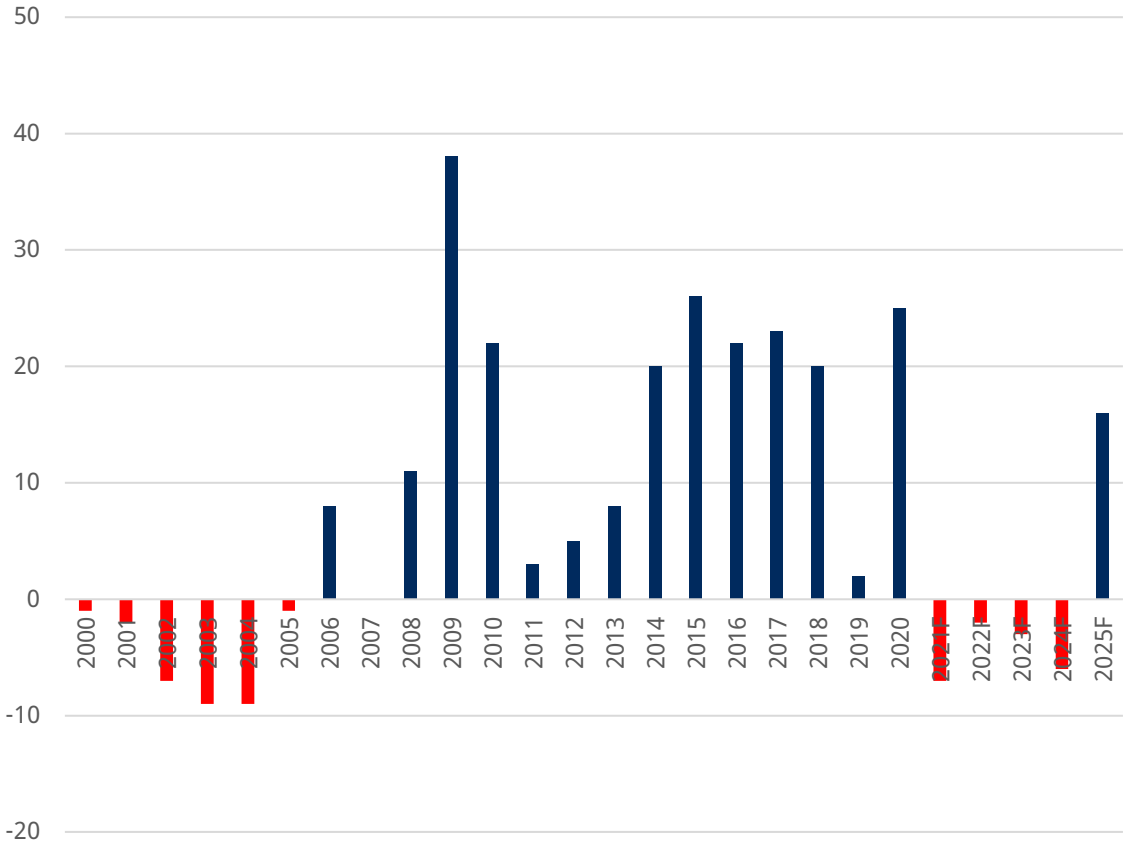
Macro outlook – Global gas market

Gas LNG market grows even on a net zero path

Global LNG demand under net zero scenarios (mtpa)



Global LNG net short term supply / demand balances (mtpa)



Source: Bernstein, Schroders – February 2023

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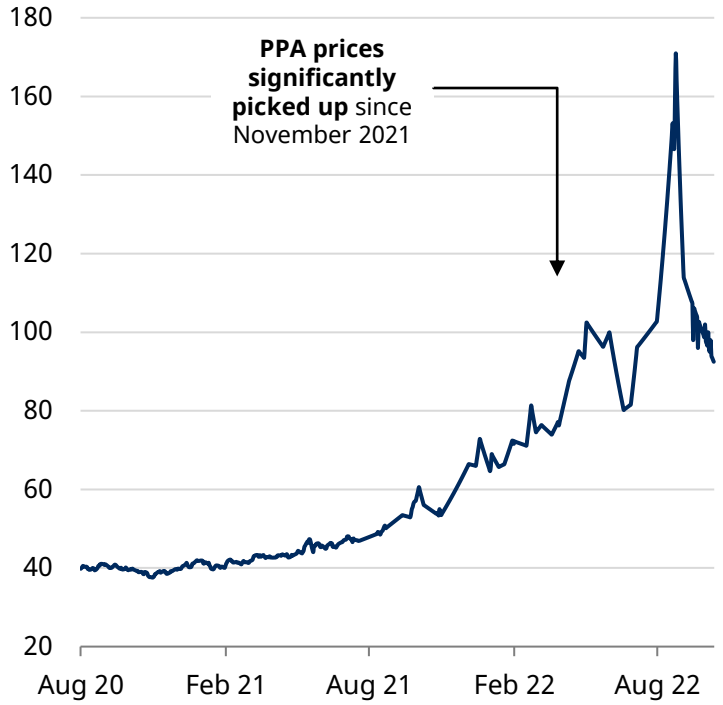
Higher power prices are boosting generator returns

Power purchase agreements (PPAs) are starting to rise in line with higher spot prices

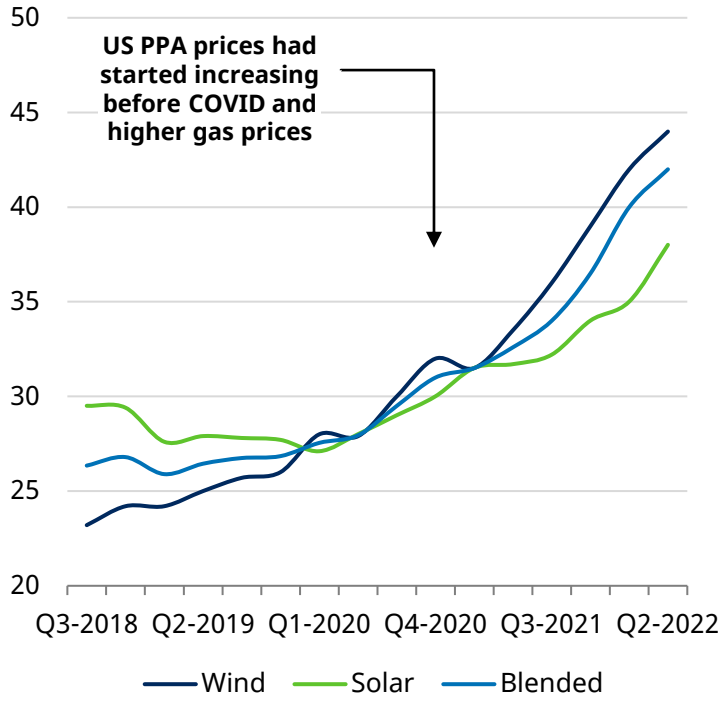
European average 10Y solar PPA fair value prices over time

EUR/MWh



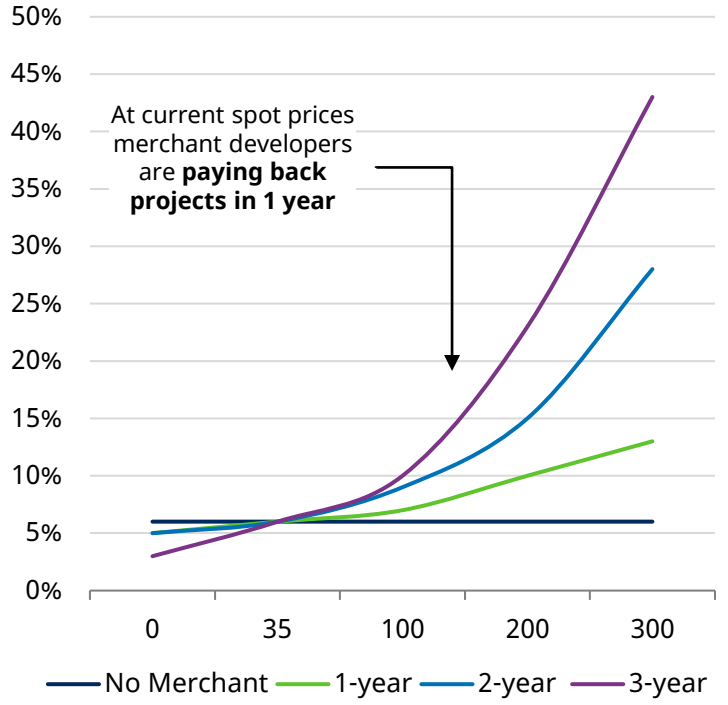
US aggregate PPA prices by technology

USD/MWh



Effect of merchant exposure on project IRRs for solar

IRR (y-axis) vs EUR/MWh (x-axis)



Source: BNEF, Level10Energy, Bloomberg, Company Data, Schroders – 31 January 2023.

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A few of key questions!

- How will the current global energy crisis impact our transition to low carbon and what sectors are most challenged in this environment?
- What role nuclear will play and what technologies will likely succeed?
- What constraints could inhibit growth of energy transition strategies?
- How quickly does hydrogen really play a significant role in our energy system and who are the structural winners?
- What role will conventional energy companies play in this transition?

Question 1

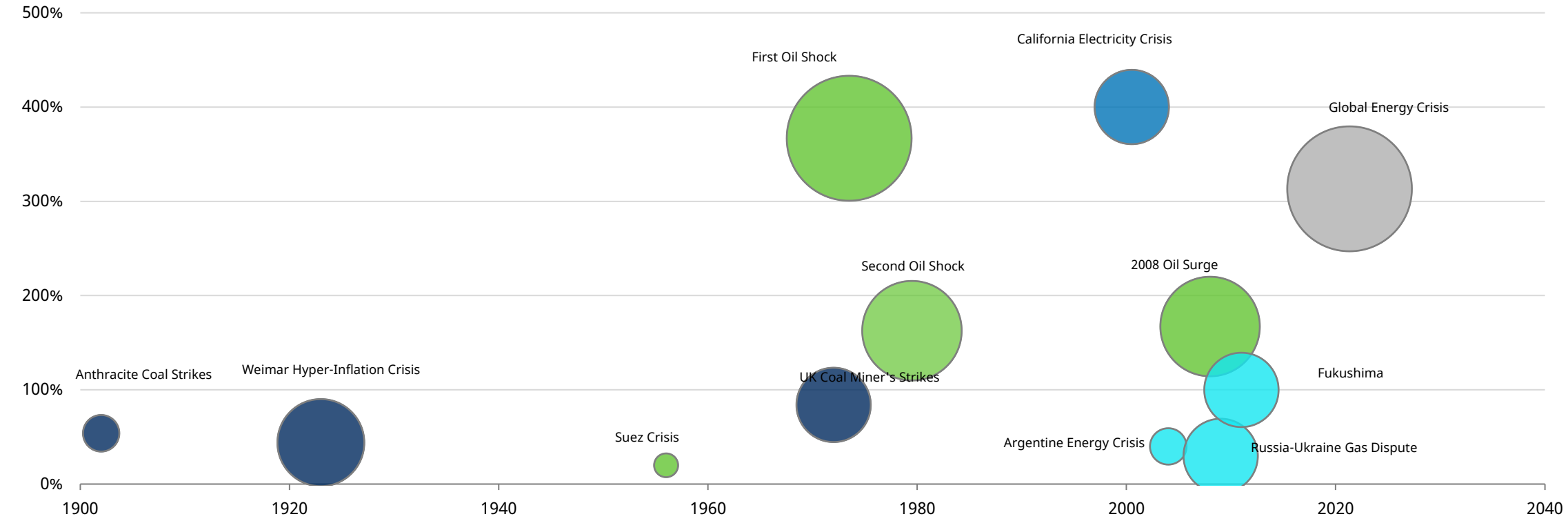
How will the current global energy crisis impact our transition to low carbon and what sectors are well positioned in this environment?

Energy market

The global energy market is quite tight

History of energy crisis by type, severity and scope

Energy price increase during crisis



Source: Bloomberg, Irena, BNEF, IEA, World Bank, Schroders – 30 April 2023

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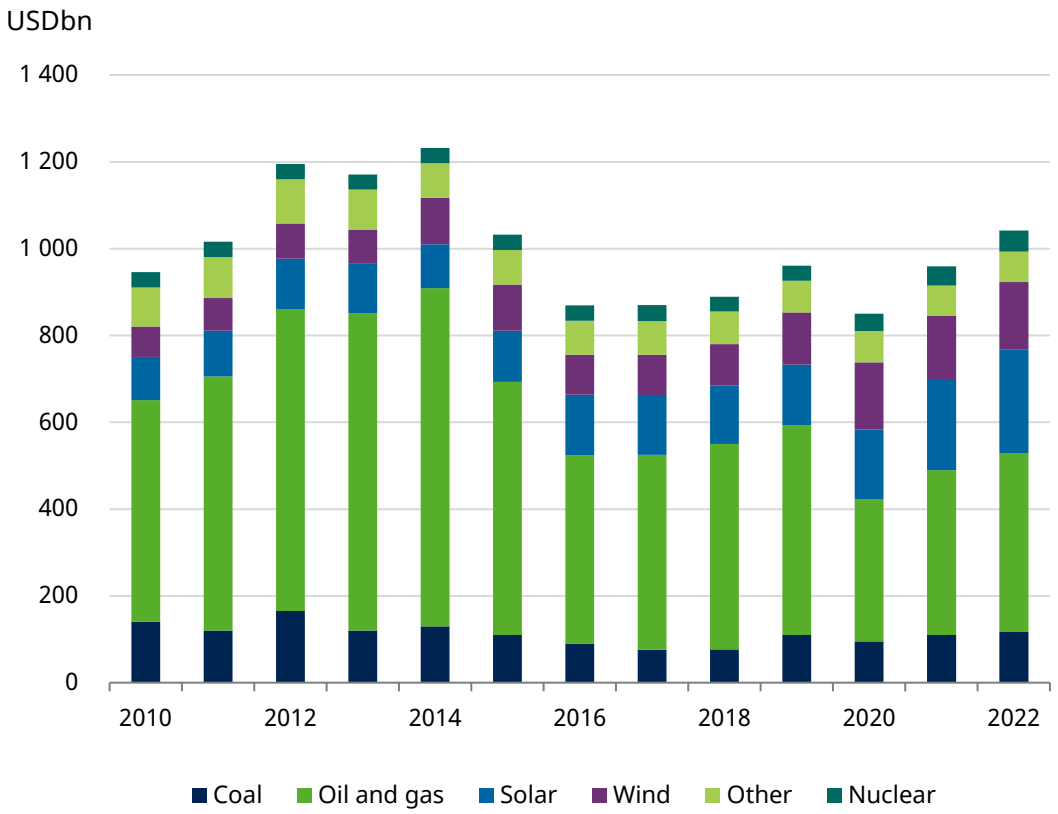
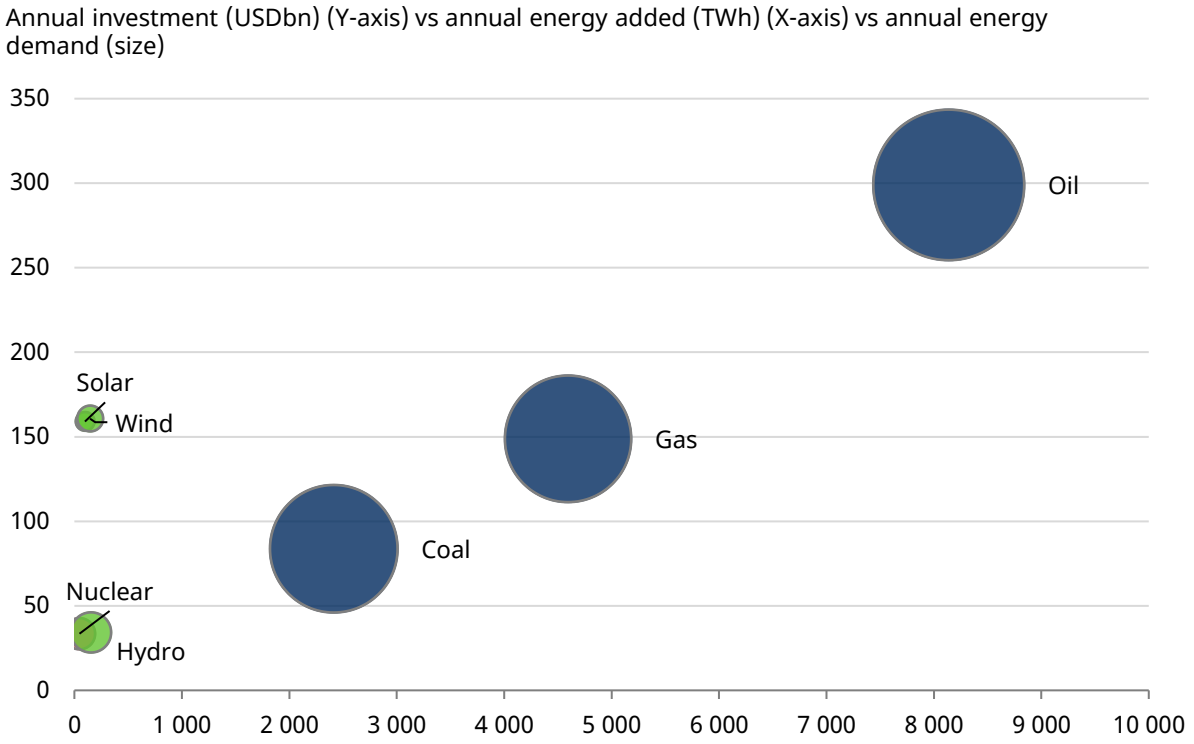
Energy market

Global investment has been supressed while capital intensity per TWh increases

Global upstream energy investment by type



Global energy capital intensity per TWh



Source: Bloomberg, Irena, BNEF, IEA, World Bank, Schroders – 30 April 2023

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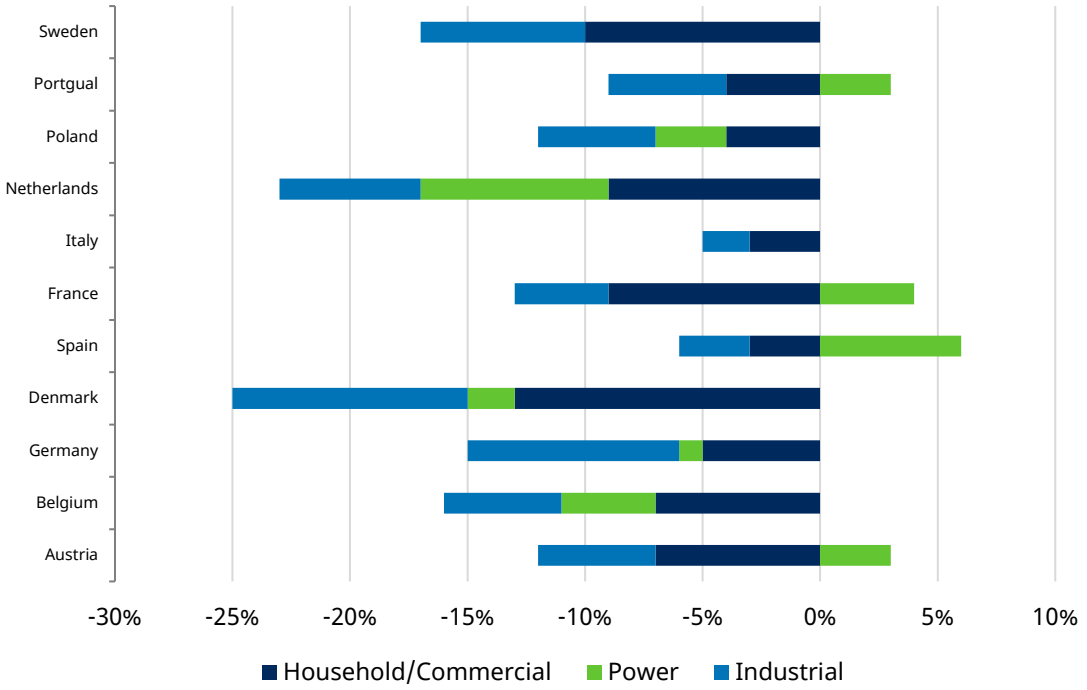
Energy market

Near term demand destruction masks the big deficit over next few years

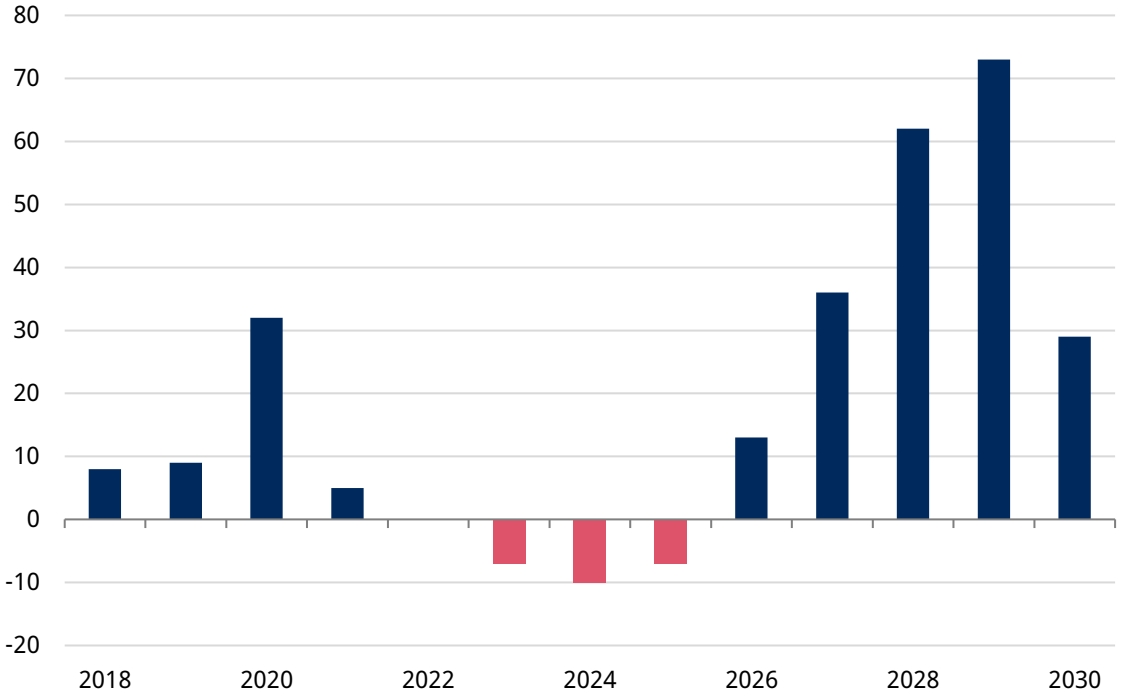
Year on year gas demand change by sector in Europe

Relative change (%)



Global LNG supply / demand balance over time

Mtpa



Source: Bloomberg, Irena, BNEF, IEA, World Bank, Schroders – 30 April 2023

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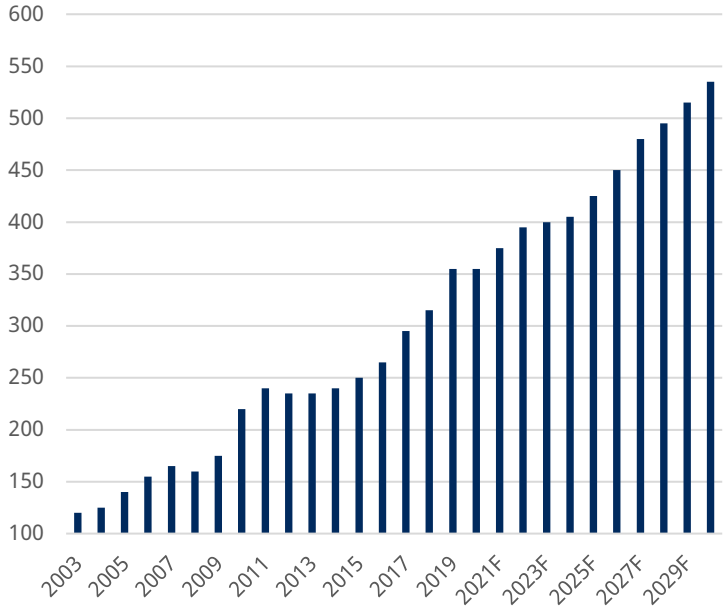
Energy

LNG demand is forecast to grow strongly – Europe and China are big markets

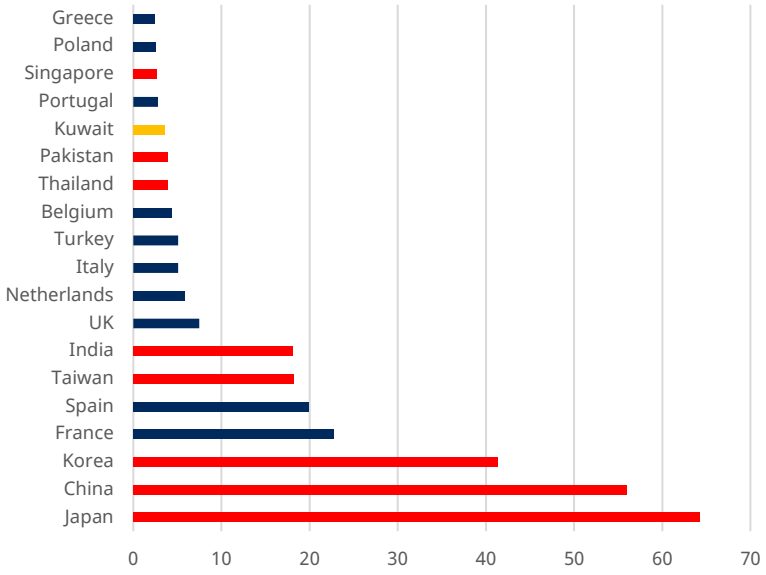
Global LNG demand

Mtpa



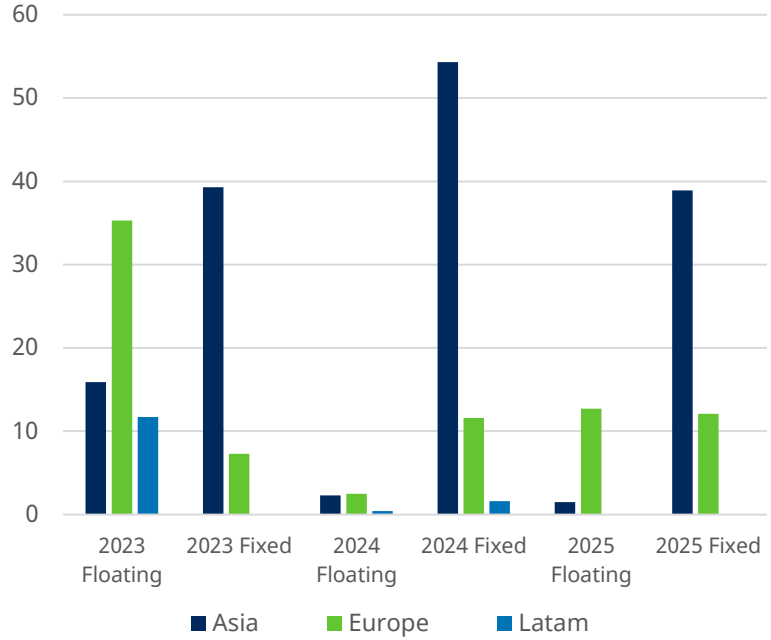
LNG imports by country

Mtpa



LNG imports capacity additions

Mtpa



Source: Bloomberg, company data, Schroders – February 2023. Shown for illustrative purposes only and should not be interpreted as investment guidance. Forecast may not be realized.

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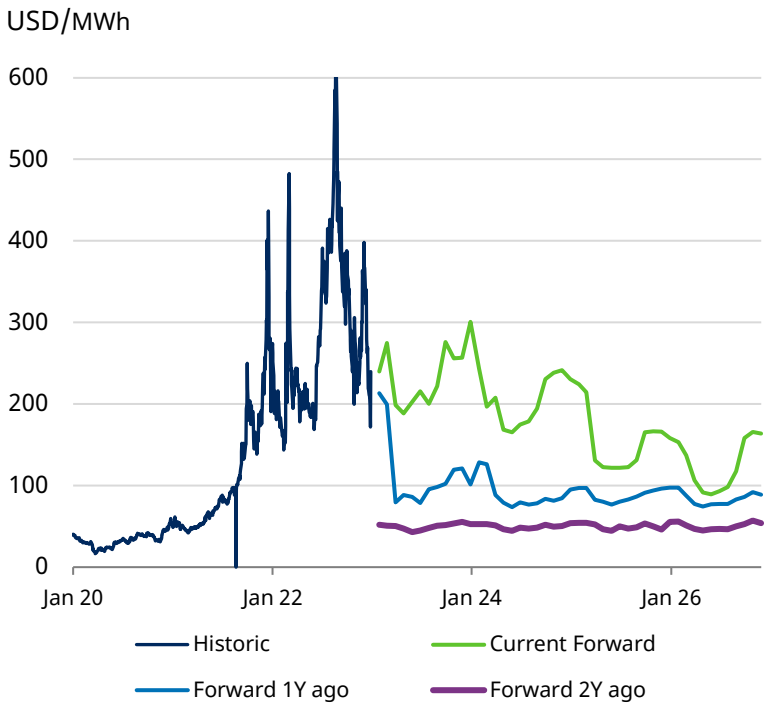
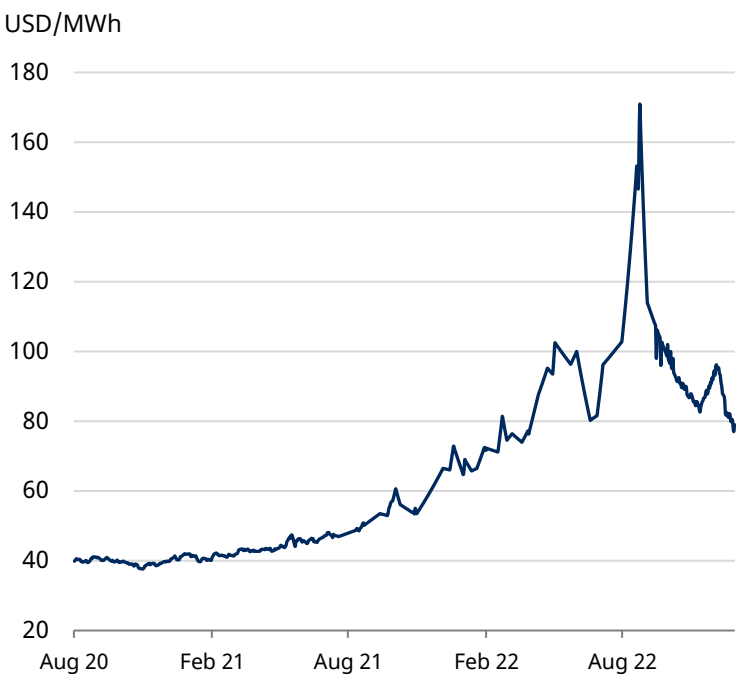
Energy market

Power prices will remain high and are starting to stimulate renewable project FID's

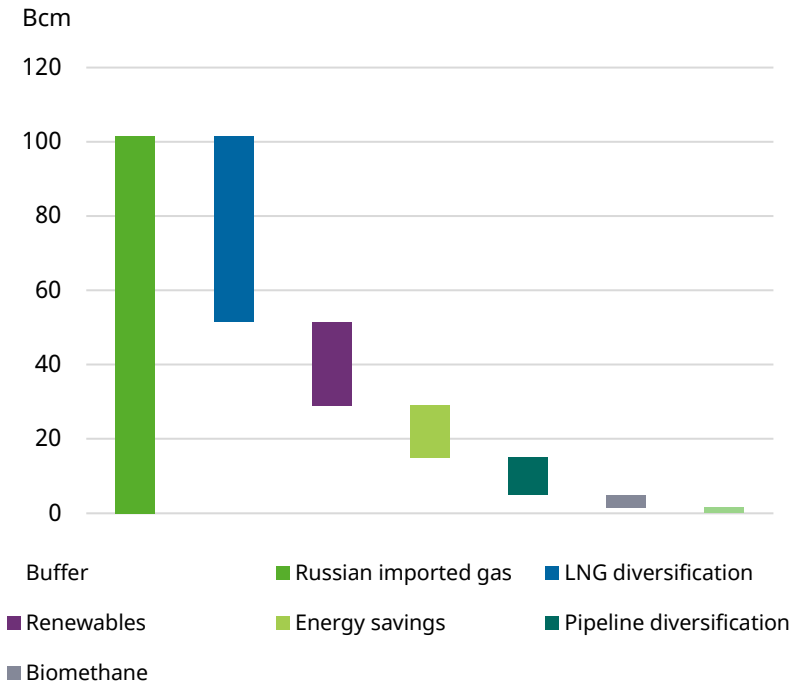
Evolution of German baseload power forward curve



Evolution of European signed long term PPA prices



EU measures to replace Russian gas supply by 2030



Source: Bloomberg, Irena, BNEF, IEA, World Bank, Schroders – 30 April 2023

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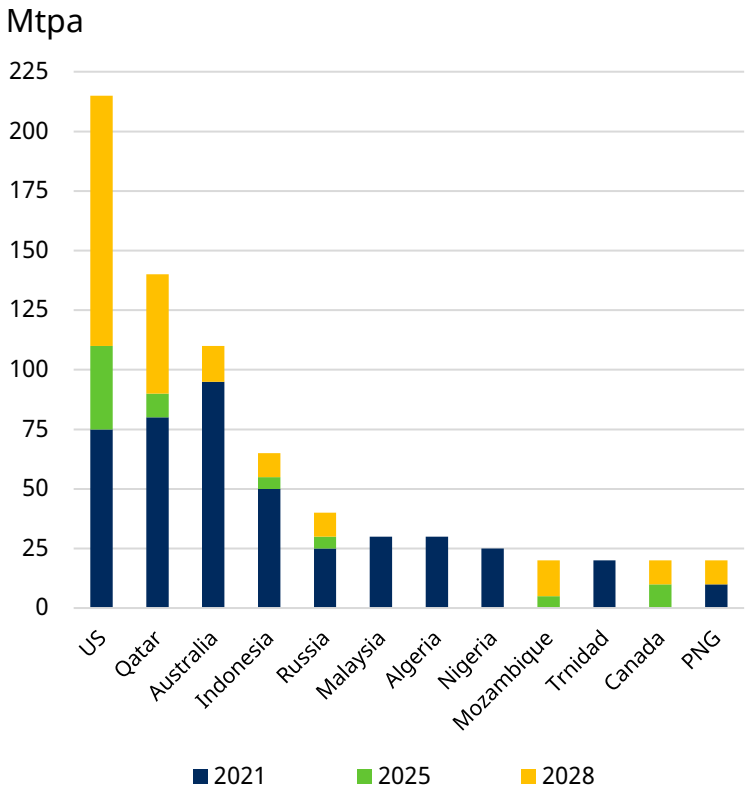
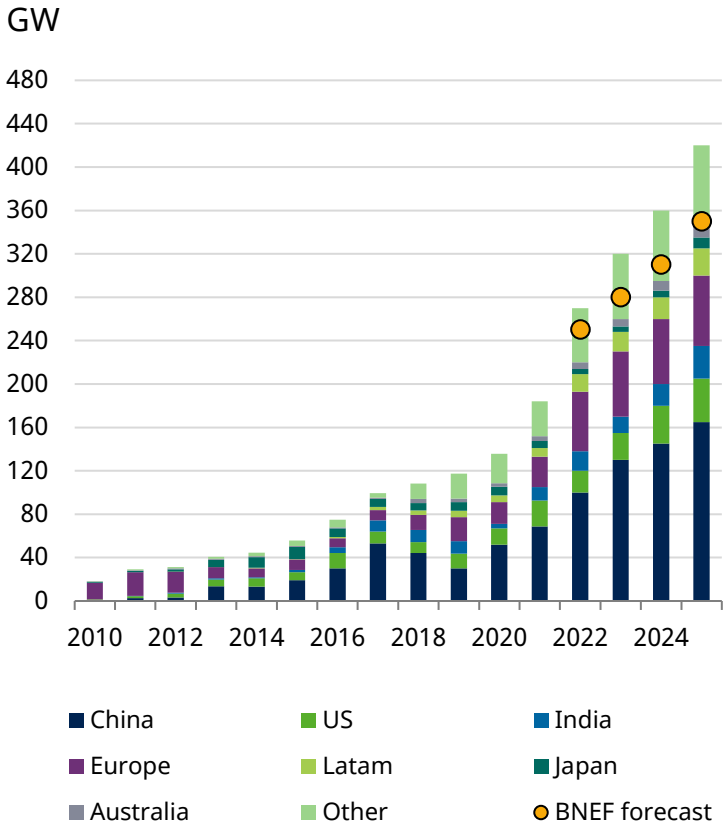
Key growth markets

Three sectors that are big structural winners

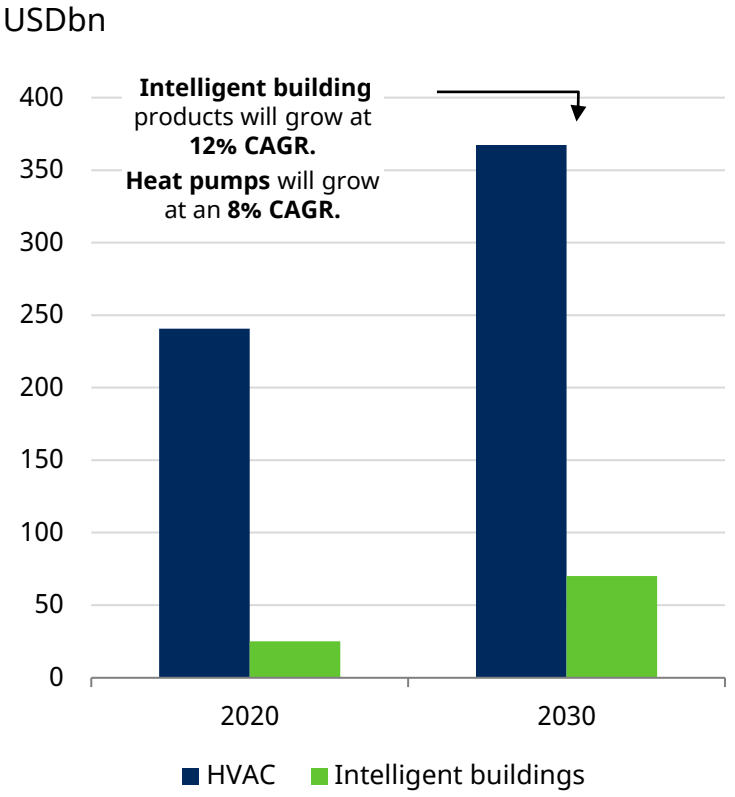
Global LNG export capacity



Global solar PV demand forecast by country and region



Projected global market size for HVAC and smart buildings in 2030



Source: EHPA, Johnson Controls, Navigant, BNEF, Company Data, Schroders – 31 March 2023.

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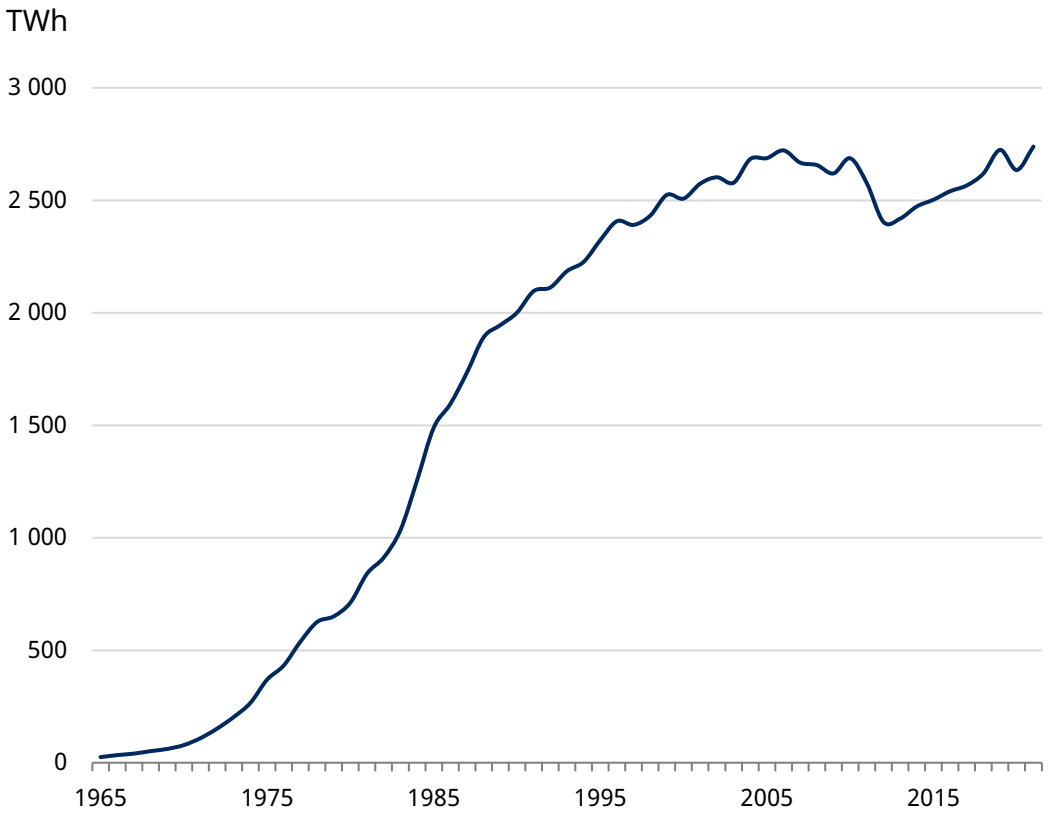
Question 2

What role nuclear will play and what technologies will likely succeed?

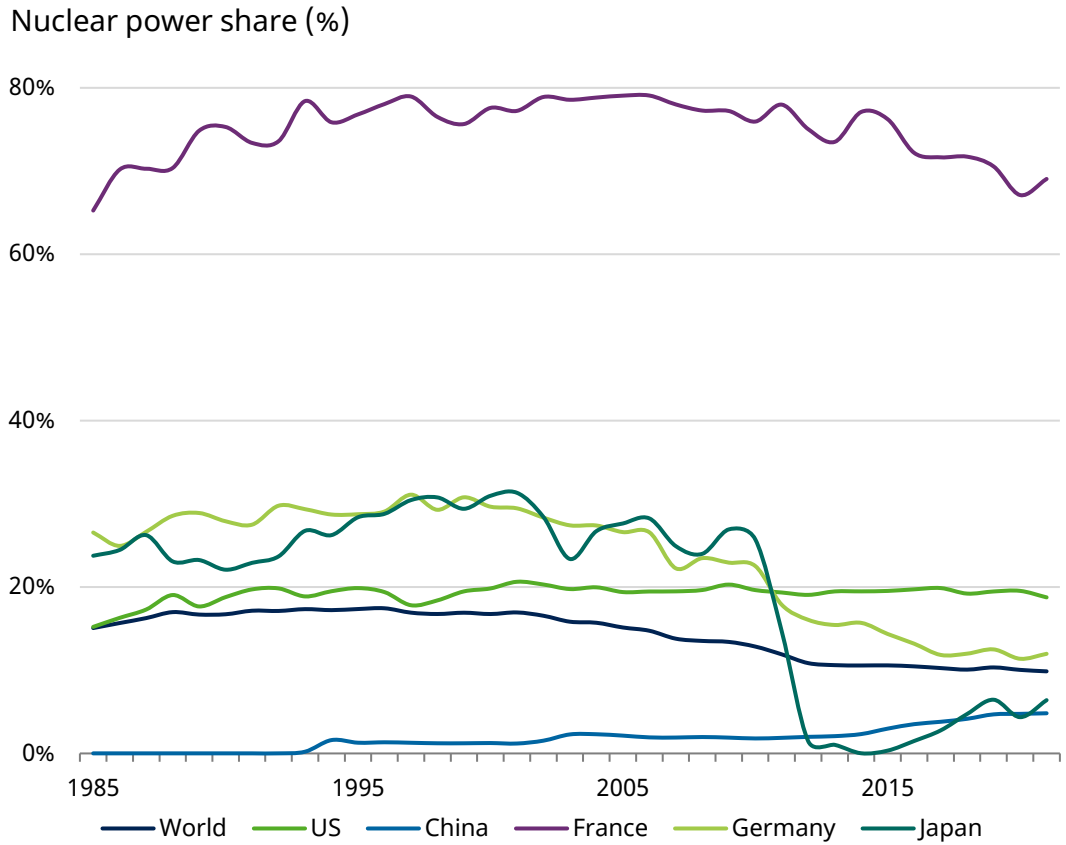
Nuclear

Nuclear power development has stagnated in recent years

Global nuclear power generation over time



Nuclear power share in electricity mix by region



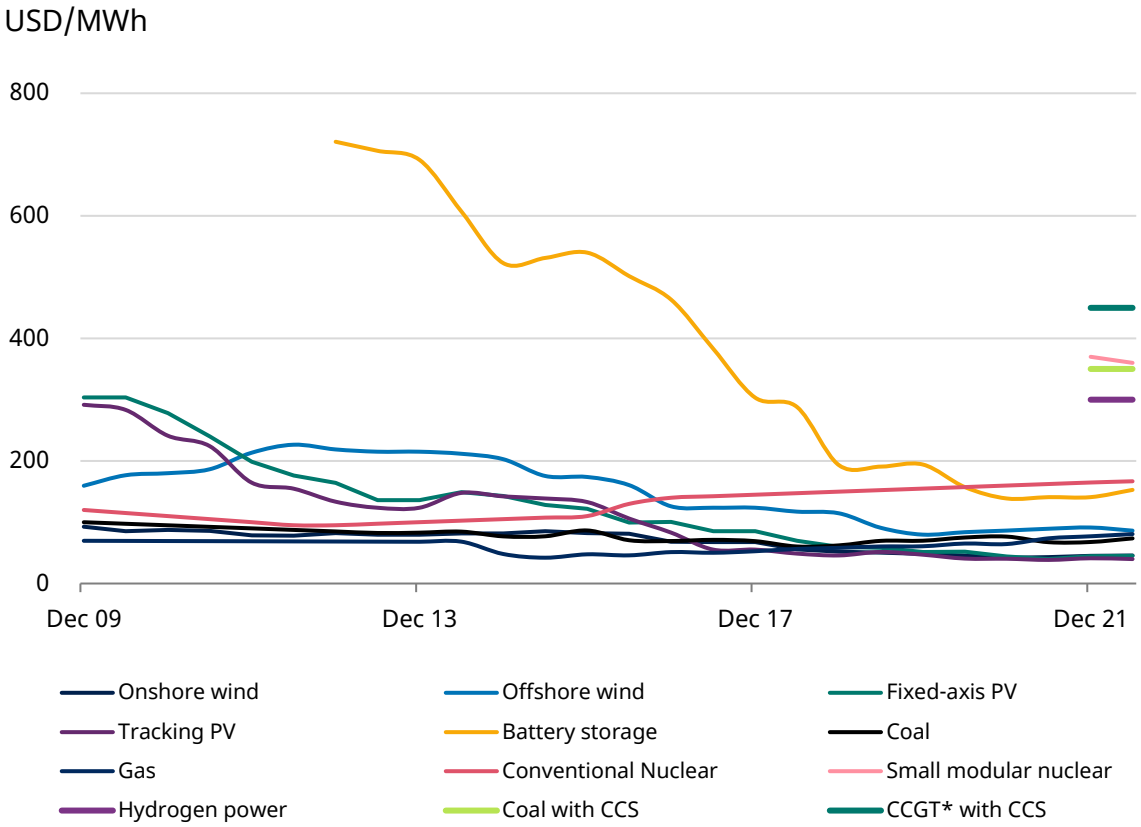
Source: Bloomberg, Irena, BNEF, IEA, World Bank, Schroders – 30 April 2023

Schroders

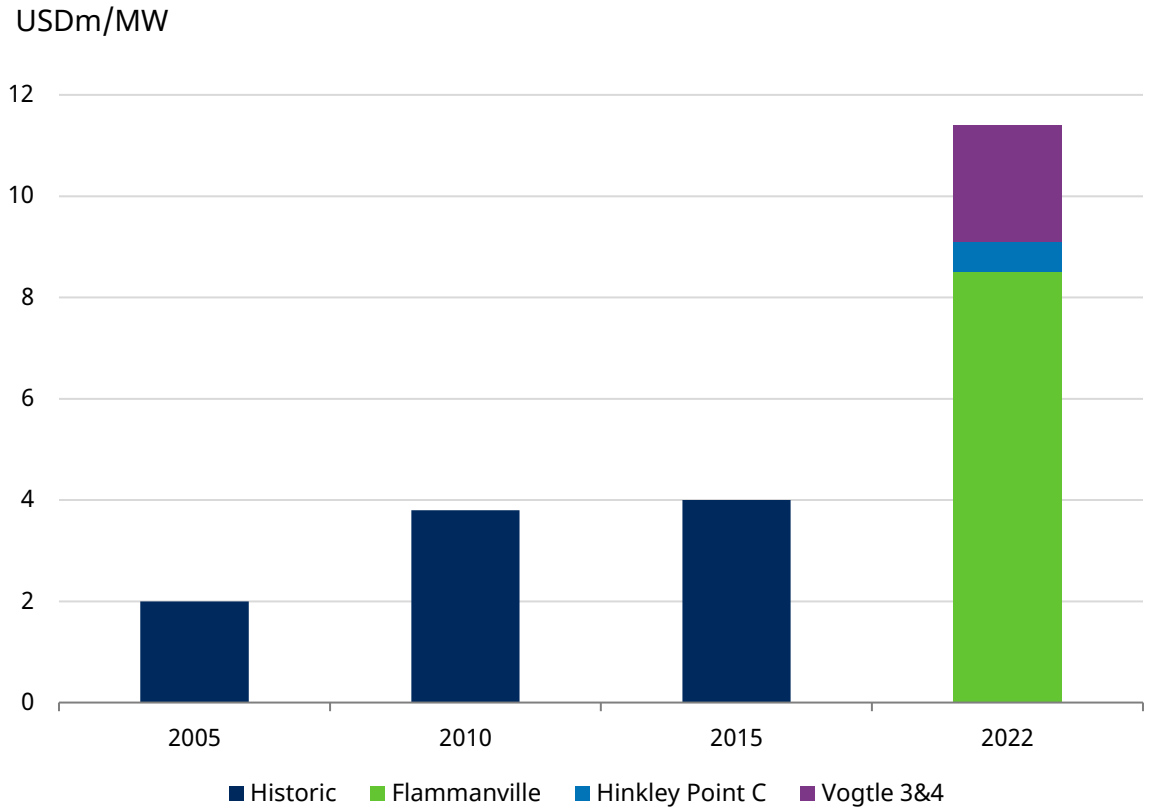
Nuclear

Large scale nuclear fission costs continue increase

Levelised cost of energy by technology



Cost of global nuclear reactor construction



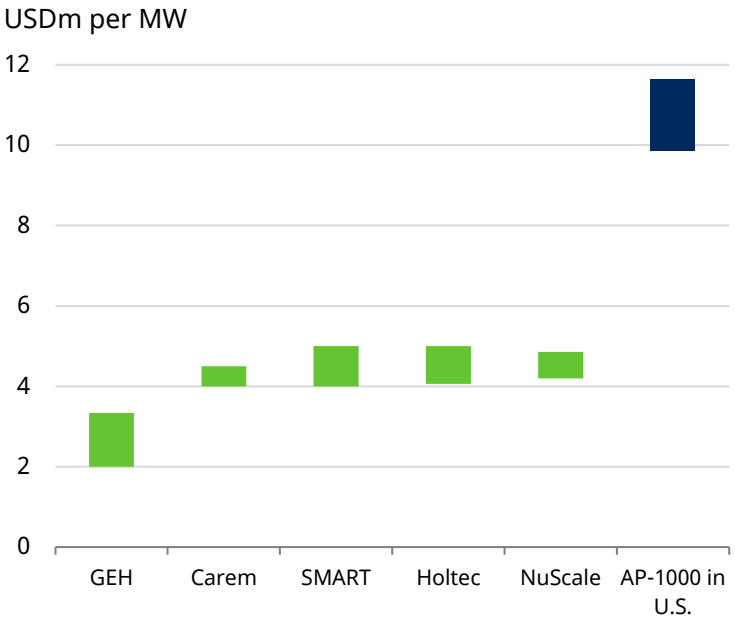
Source: Bloomberg, Irena, BNEF, IEA, World Bank, Schroders – 30 April 2023

Schroders

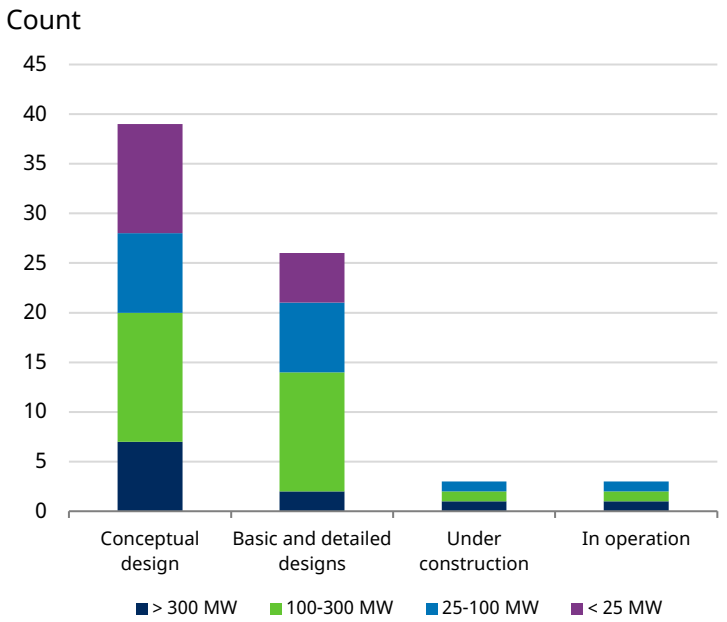
Nuclear

Small modular reactors – Long term but logical

Cost of small modular reactors vs existing large scale



Number of small modular reactors in various development stages



Leading advanced modular reactor companies

Designer	Technology	Power	Licensing Status
NuScale	Light-water SMR	77 MW	Application submitted in January 2023
Holtec	Water-cooled SMR	160 MW	Pre-application
GE Hitachi	Water-cooled SMR	300 MW	Pre-application
Rolls-Royce	Pressurised water reactor	470 MW	Application submitted in November 2023
X-energy	High-temperature gas-cooled reactor	80 MW	Pre=application
Terra Power	Sodium-cooled fast reactor	345 MW	Pre-application

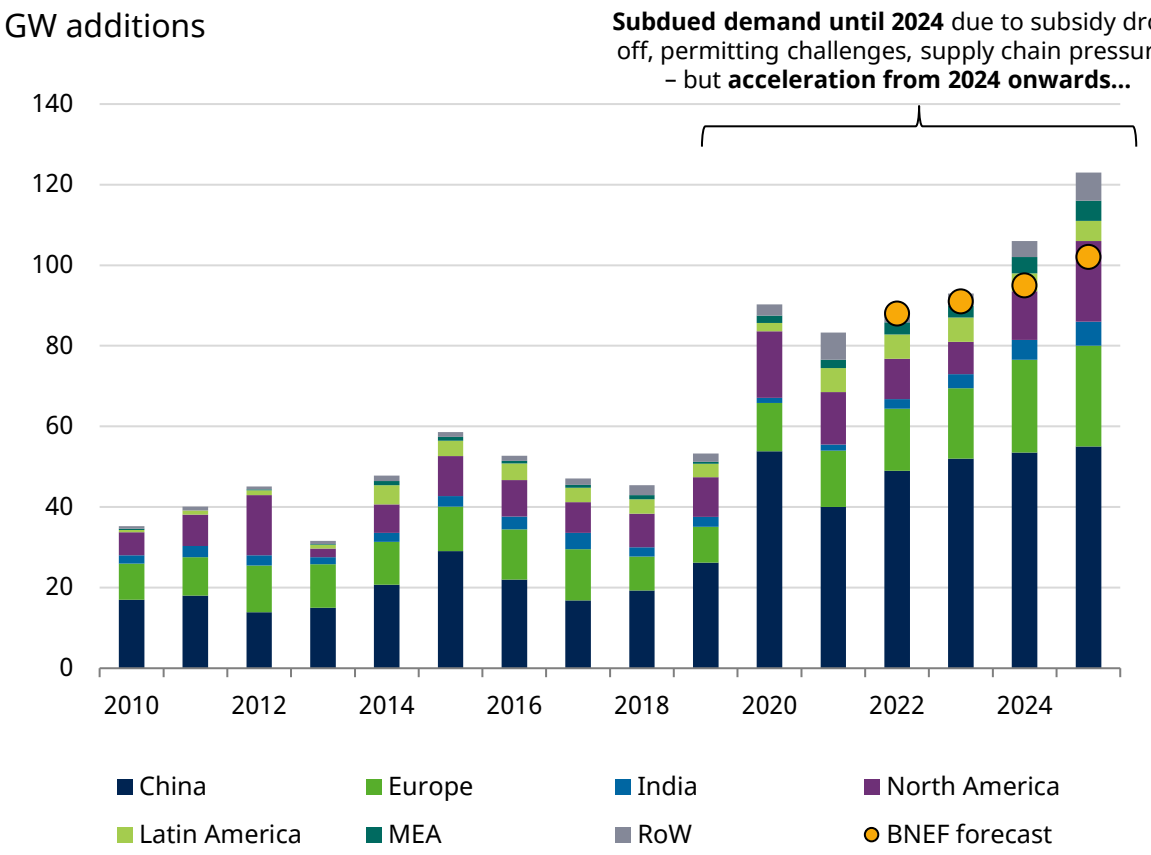
Source: Bloomberg, Irena, BNEF, IEA, World Bank, Schroders – 30 April 2023

Schroders

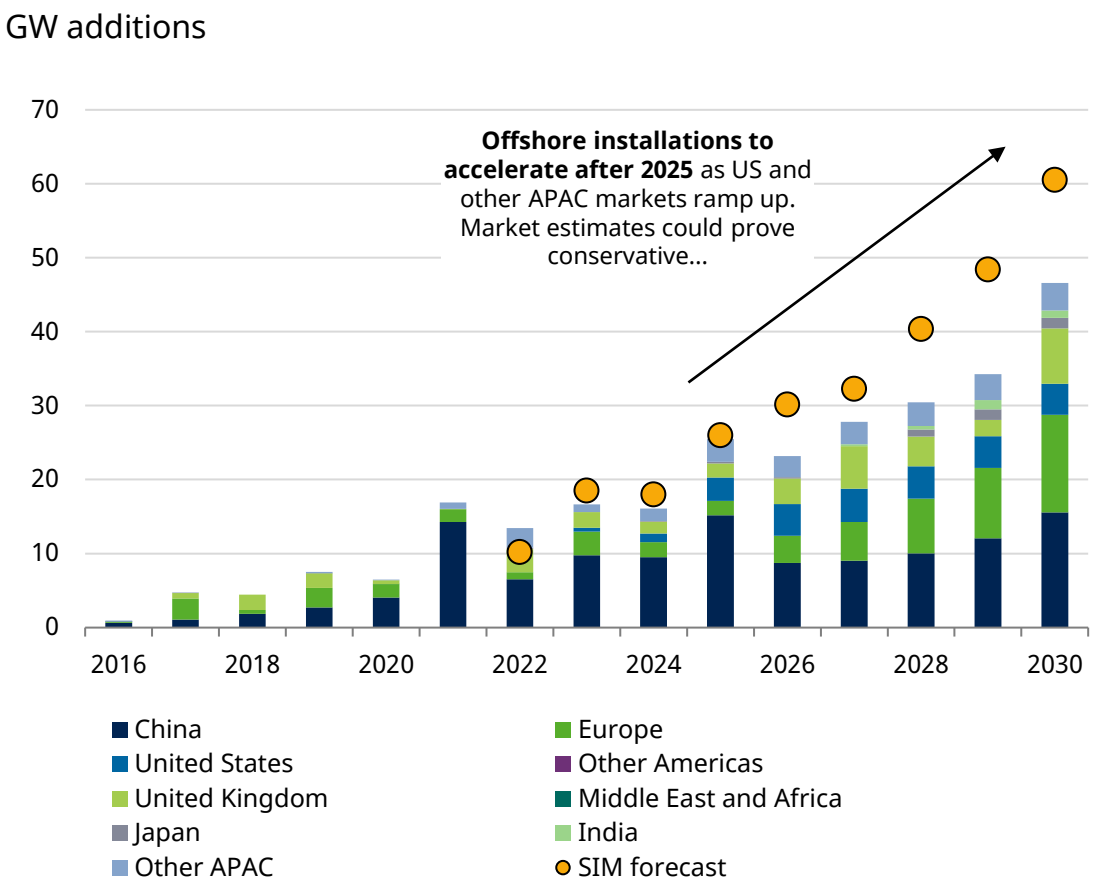
Before nuclear large scale wind is essential

Wind installations need to exceed forecasts to meet demand

Global onshore wind demand forecast



Global offshore wind demand forecast



Source: BNEF, Wood Mackenzie, IEA, IRENA, Bloomberg, Schroders – 30 April 2023.

Schroders

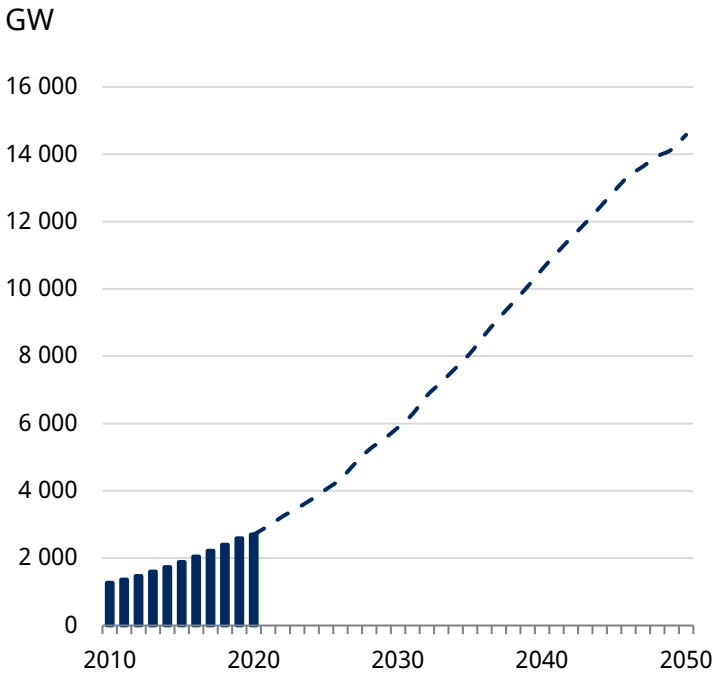
Question 3

What constraints could inhibit growth of energy transition strategies?

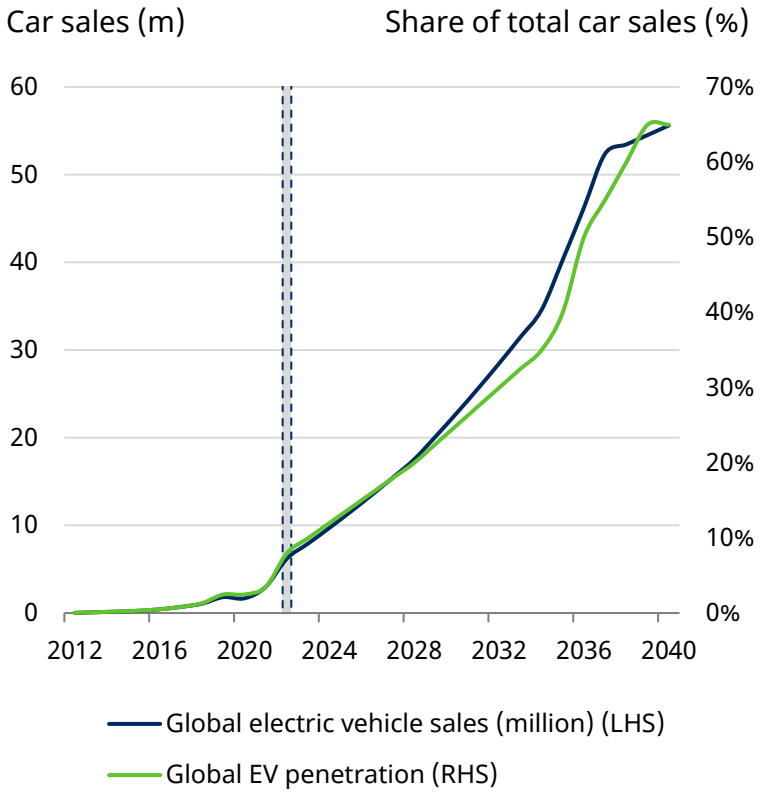
Demand for sustainable technologies is going to accelerate

There will be significant structural growth opportunities for companies in the space

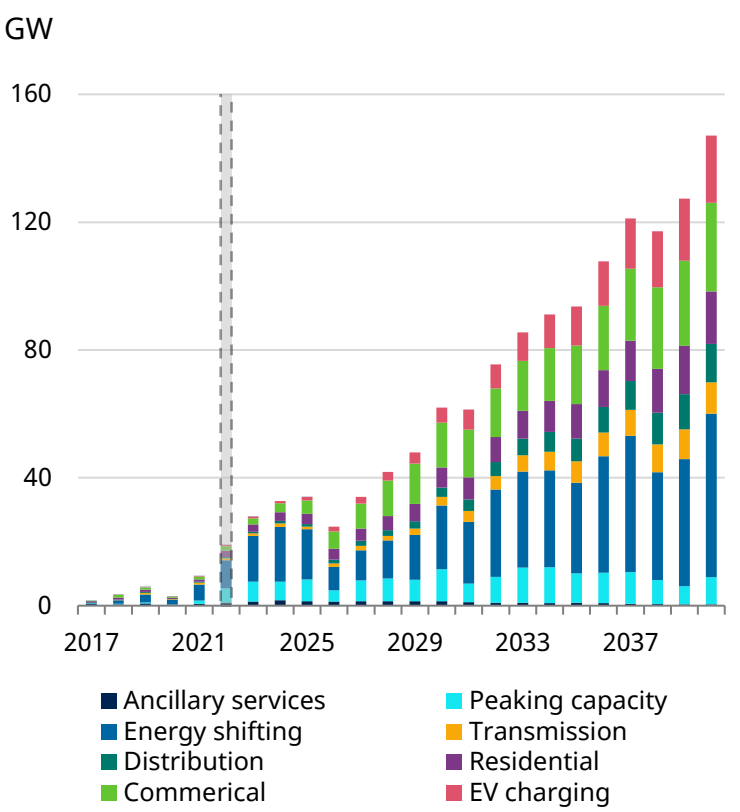
Forecast cumulative renewable energy capacity



Forecast global electric car sales



Forecast global stationary storage



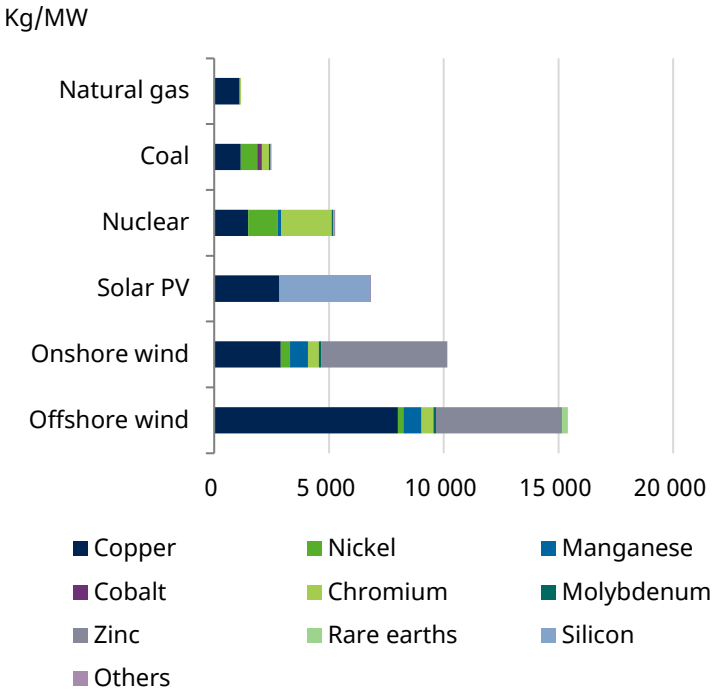
Source: BNEF, IEA, World Bank, Schroders – 30 April 2023.

Schroders

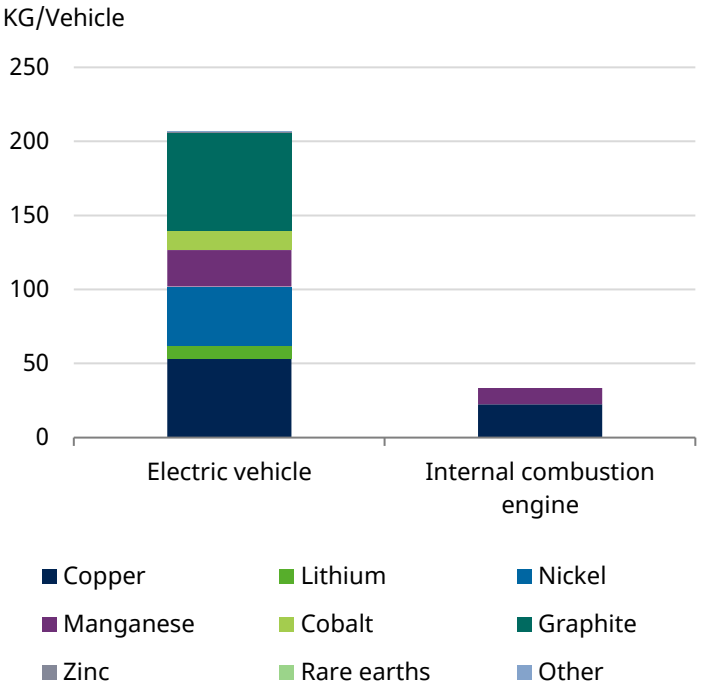
Mineral intensity

Raw material investment will increase but with higher incentive prices

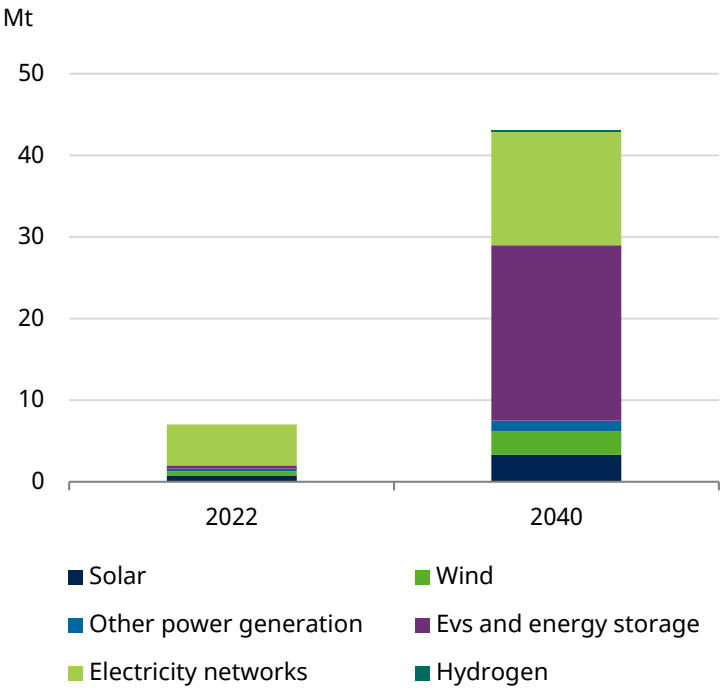
Minerals used in clean energy technologies vs other power generation sources



Minerals used in electric cars vs conventional ICE cars



Total mineral demand for clean energy technologies over time



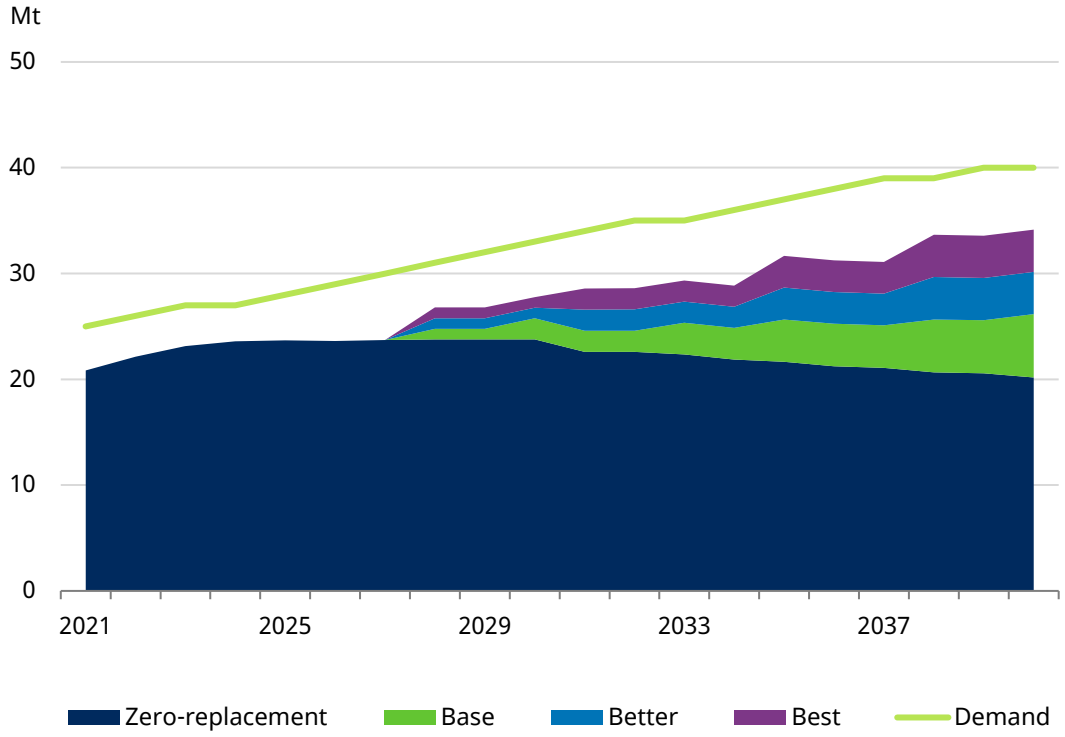
Source: Bloomberg, Irena, BNEF, IEA, World Bank, Schroders – 30 April 2023

Schroders

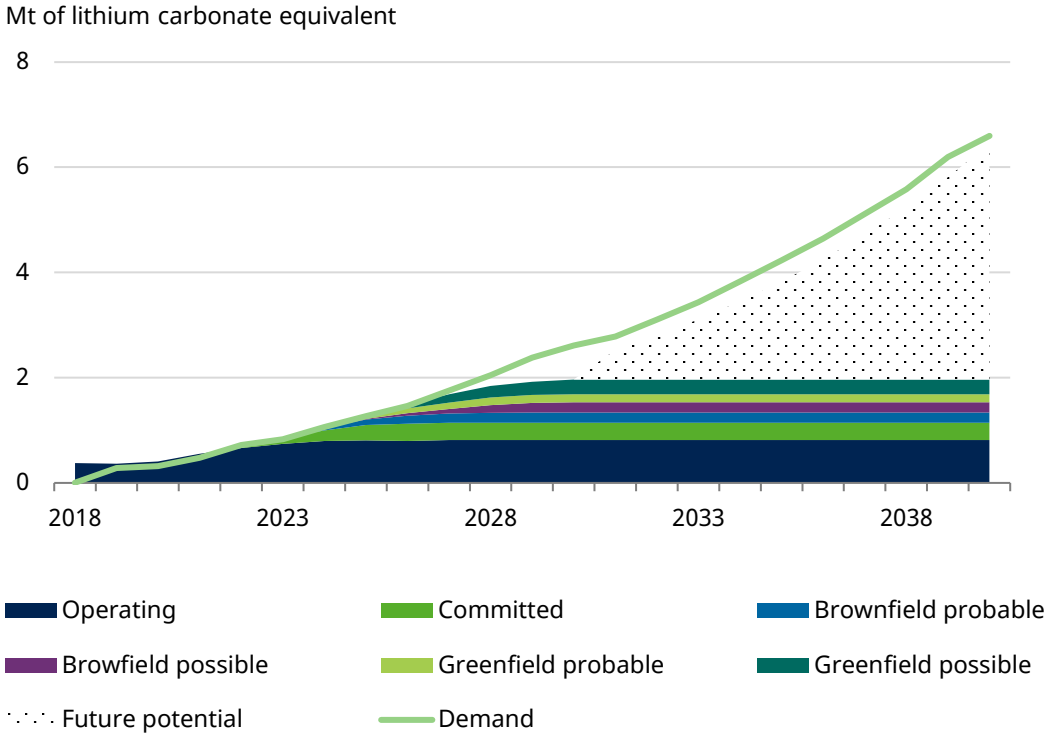
Mineral intensity

Copper and lithium markets will be tight without growth in recycling capacity

Forecast refined copper primary production under different scenarios vs demand



Forecast lithium carbonate production for different scenarios vs demand



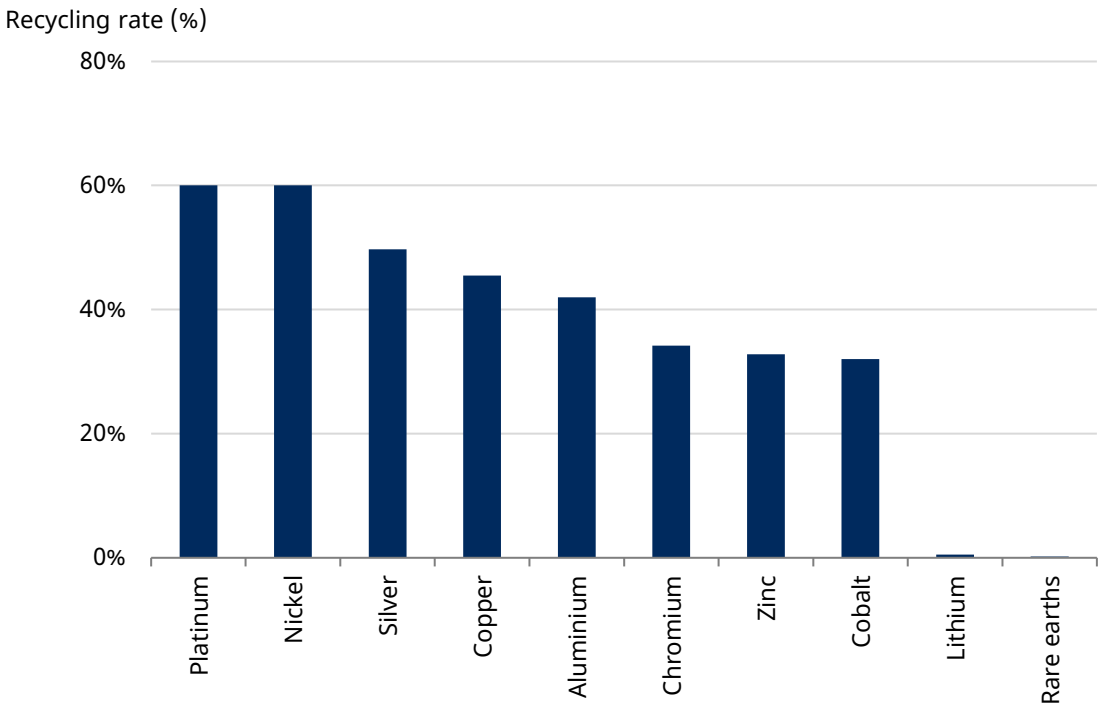
Source: Bloomberg, Irena, BNEF, IEA, World Bank, Schroders – 30 April 2023

Schroders

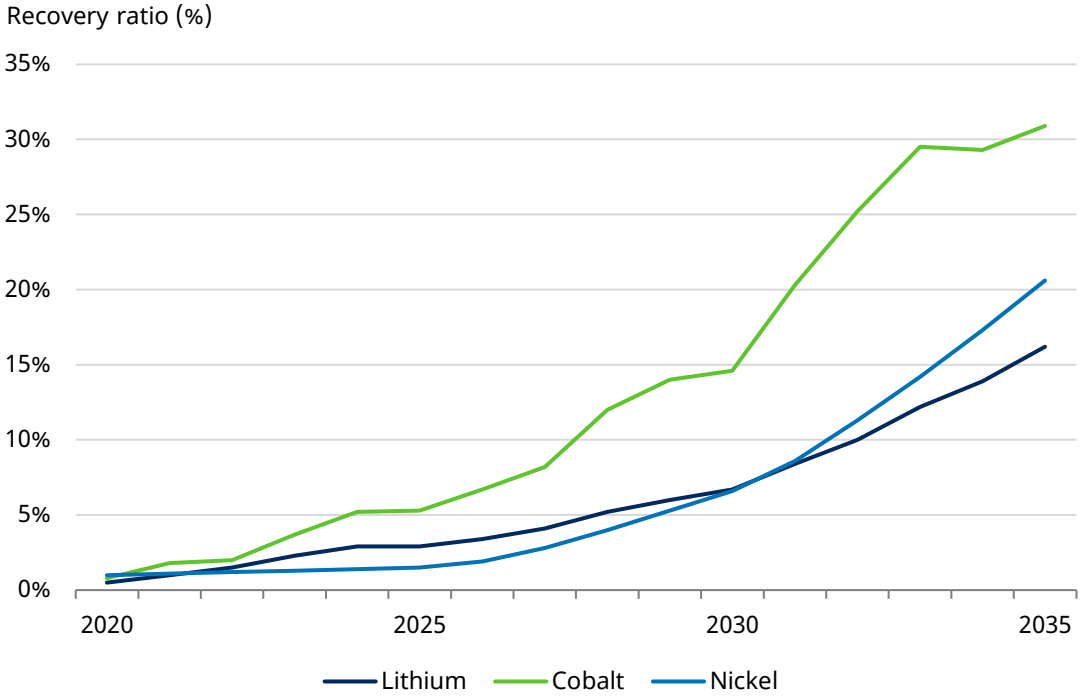
Mineral intensity

Copper and lithium markets will be tight without growth in recycling capacity

End of life recycling for selected metals



Ratio of recovered metals in annual battery demand



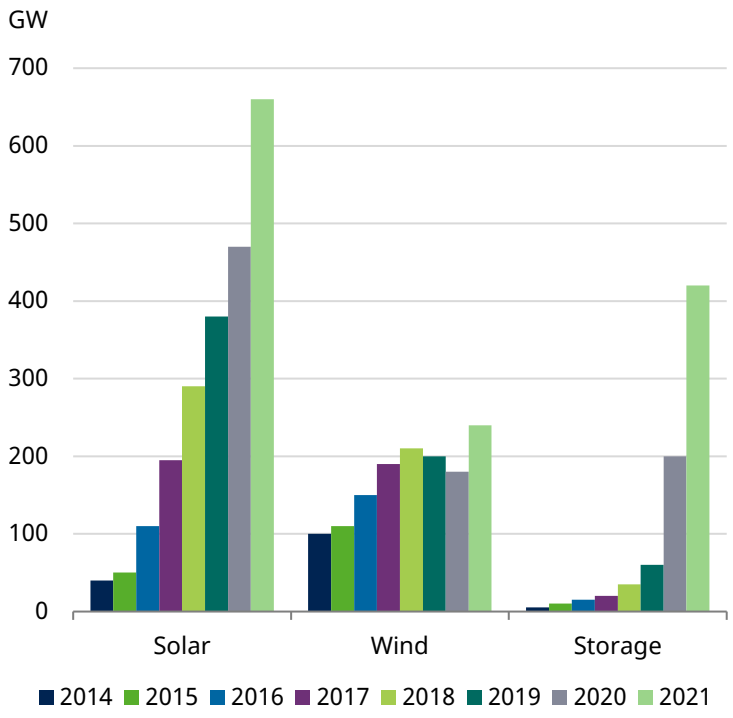
Source: Bloomberg, Irena, BNEF, IEA, World Bank, Schroders – 30 April 2023

Schroders

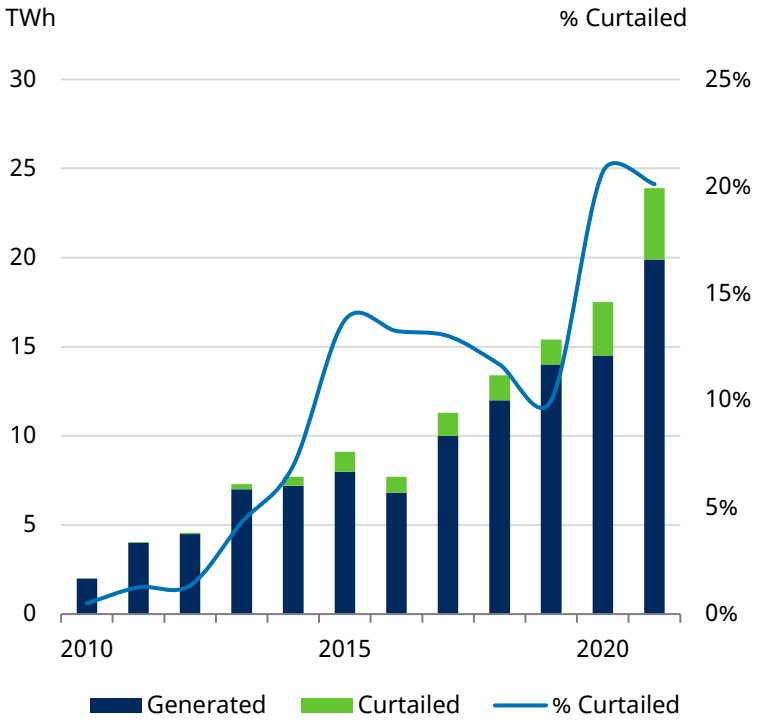
Grid infrastructure

A significant amount of transmission and distribution needs to be built and upgraded

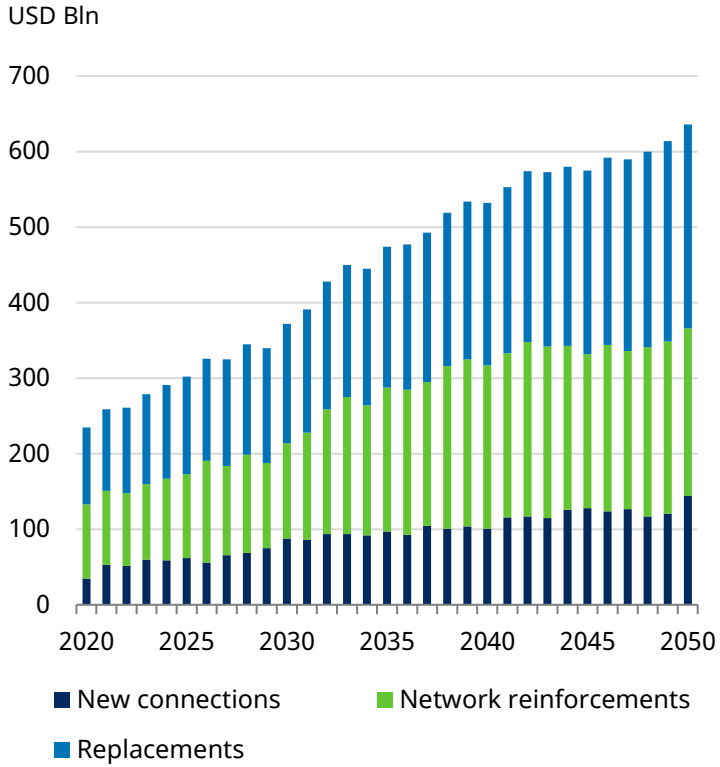
Total US renewable energy capacity in grid connection queues over time



Scottish wind farms - Annual energy generated and constrained



Global annual grid investment by type



Source: Bloomberg, Irena, BNEF, IEA, World Bank, Schroders – 30 April 2023

Schroders

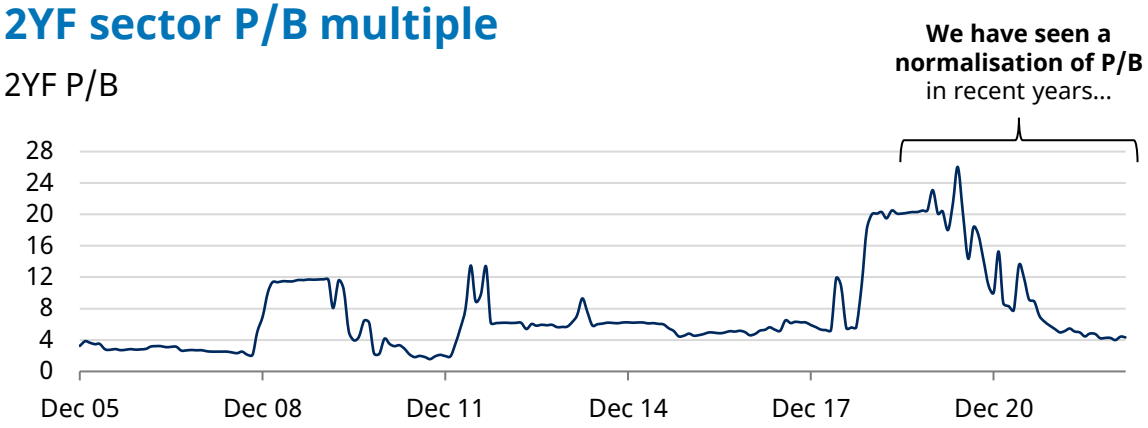
Question 4

How quickly does hydrogen really play a significant role in our energy system?

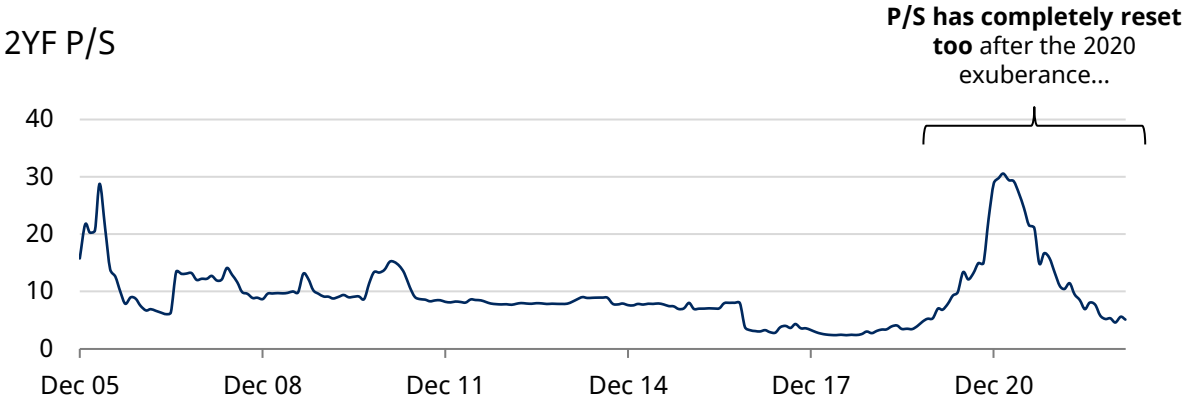
Hydrogen valuations

Hydrogen valuations have almost completely reset on available measures

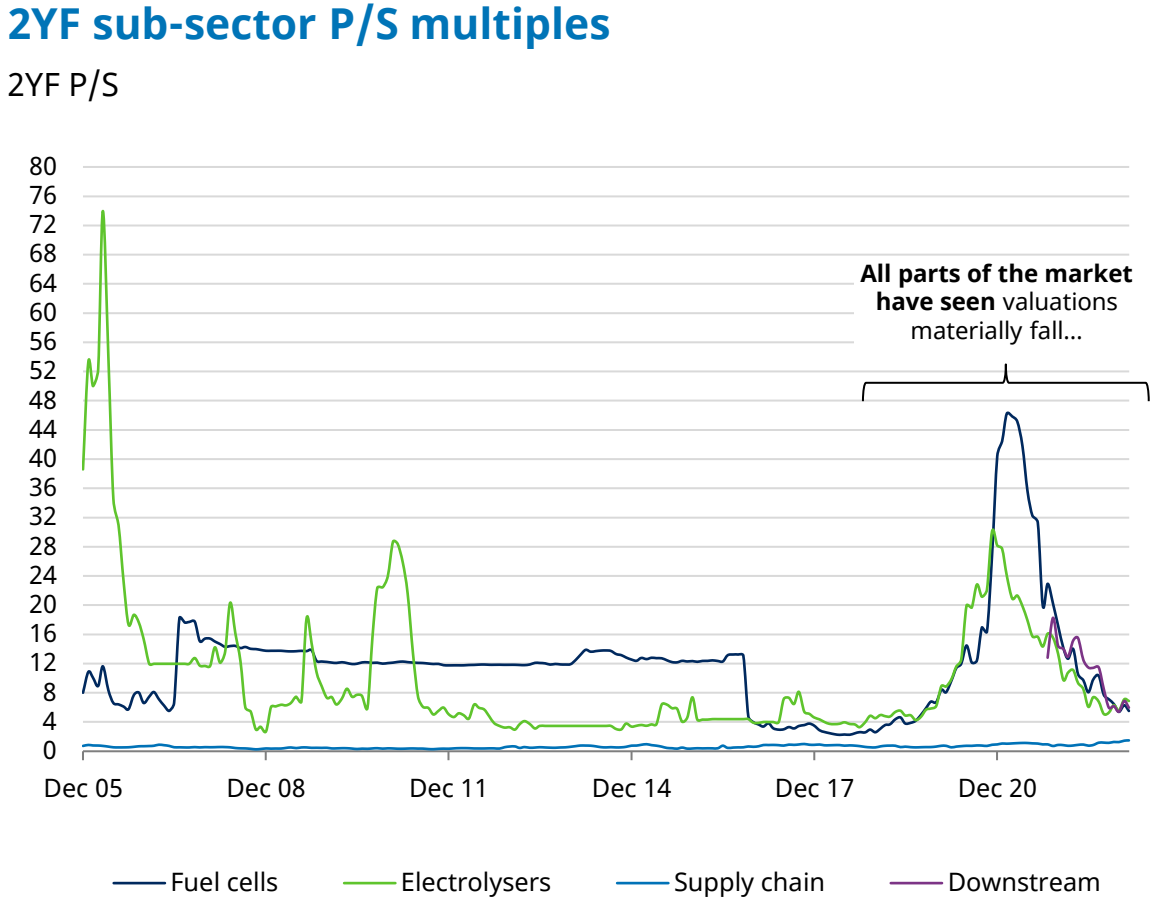
2YF sector P/B multiple



2YF sector P/S multiple



2YF sub-sector P/S multiples



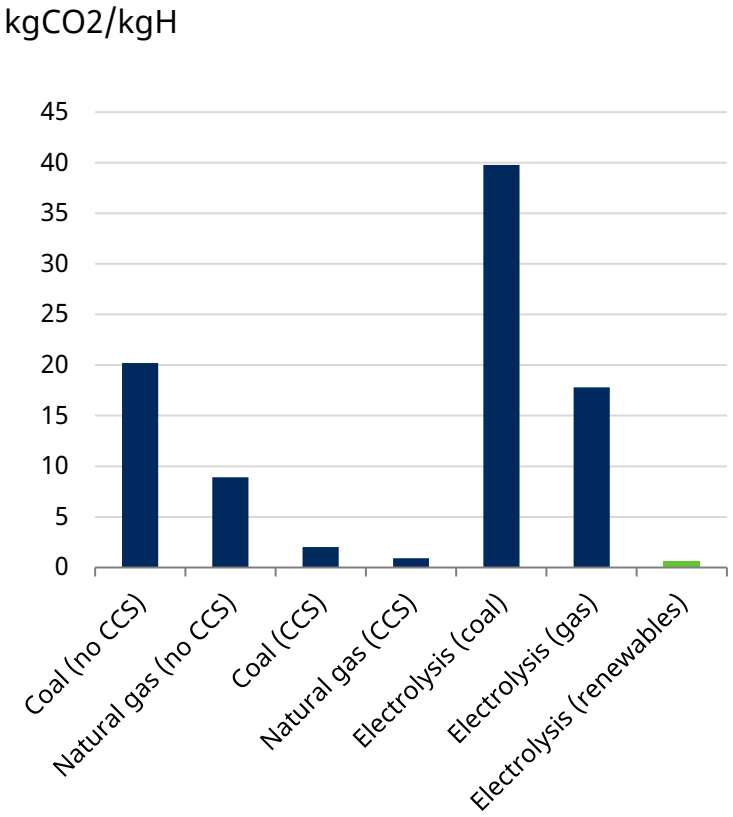
Source: Bloomberg, Schroders – 31 March 2023.

Schroders

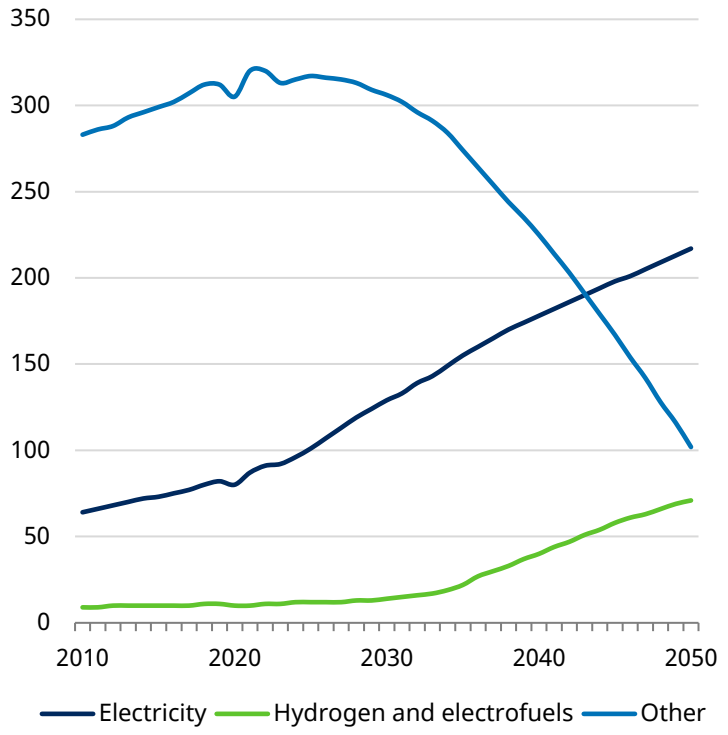
Green hydrogen is a very attractive energy solution

It can help decarbonise the parts of the energy system that cannot be electrified

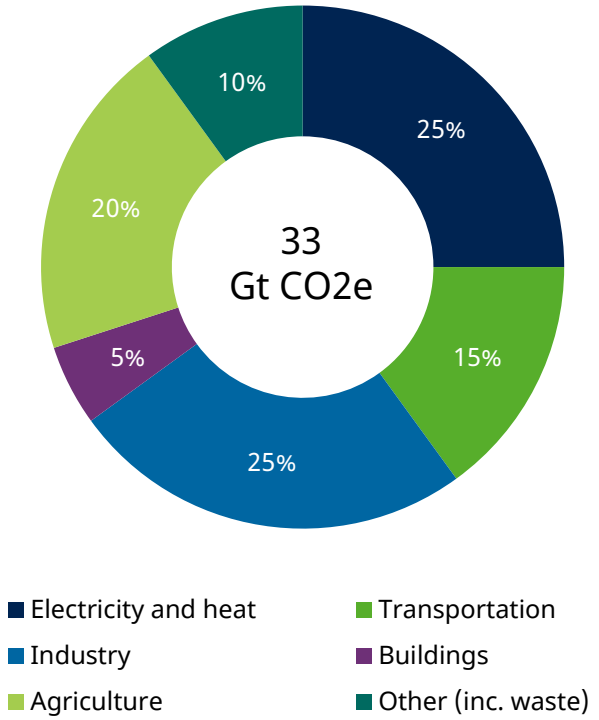
CO2e intensity of hydrogen production



Global energy consumption by fuel type



Global greenhouse gas emissions by sector



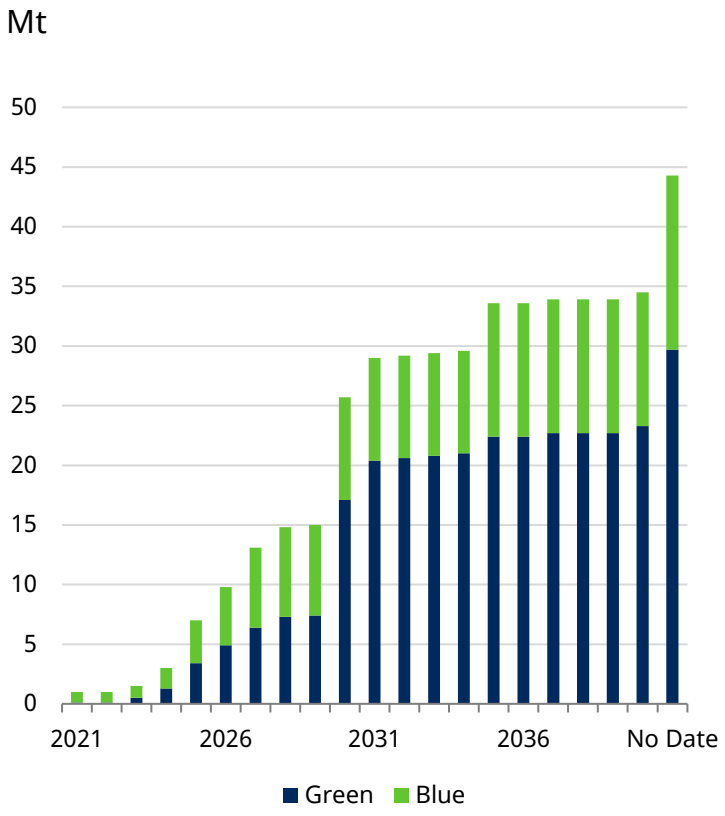
Source: BNEF, Hydrogen Council, Schroders – 31 March 2023.

Schroders

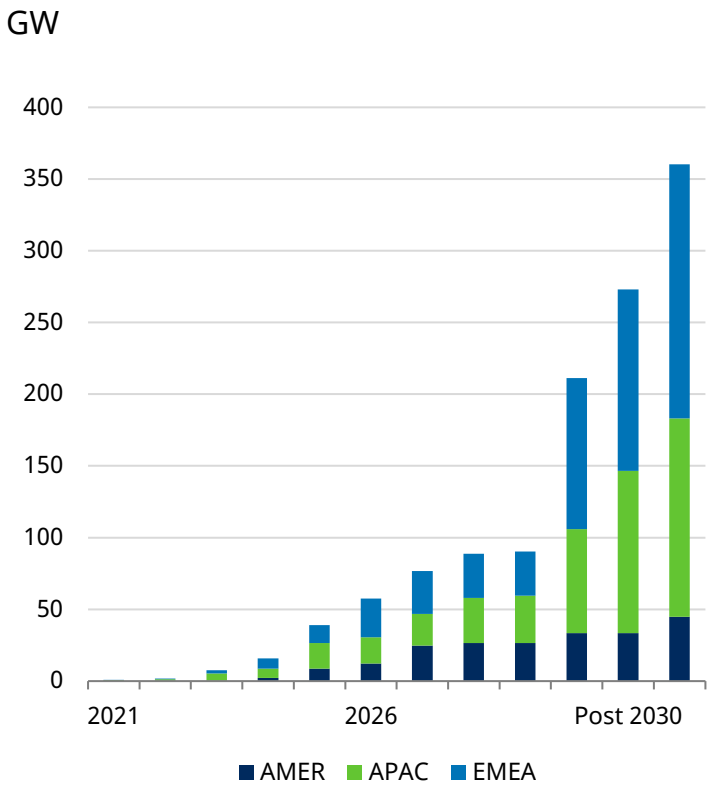
Green hydrogen activity has continued to be strong

New policies and project announcements are continuing at pace

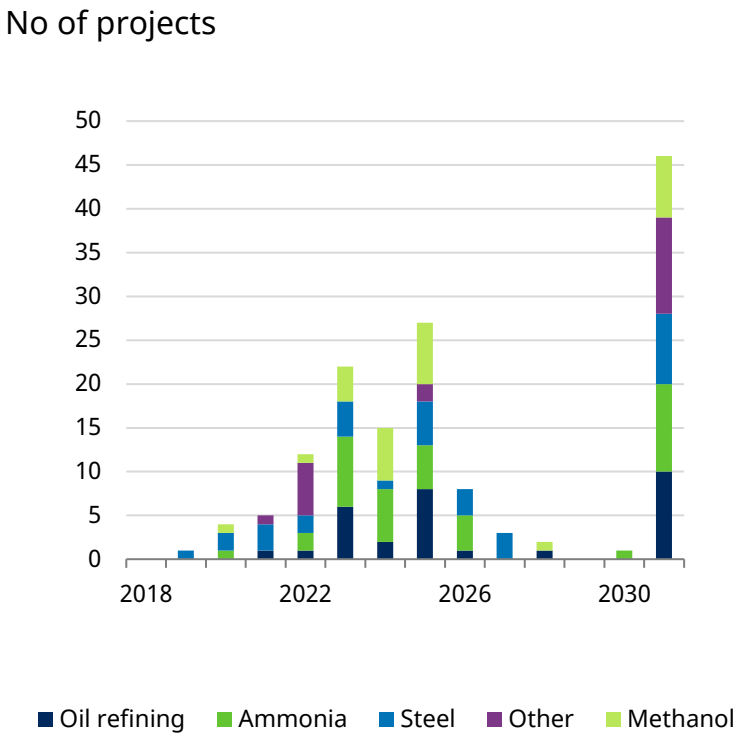
Cumulative clean hydrogen supply capacity proposed by developers



Pipeline of electrolysers proposed by developers



Announced pipeline of industrial hydrogen projects by application



Source: BNEF, Hydrogen Council, Schroders – 31 March 2023.

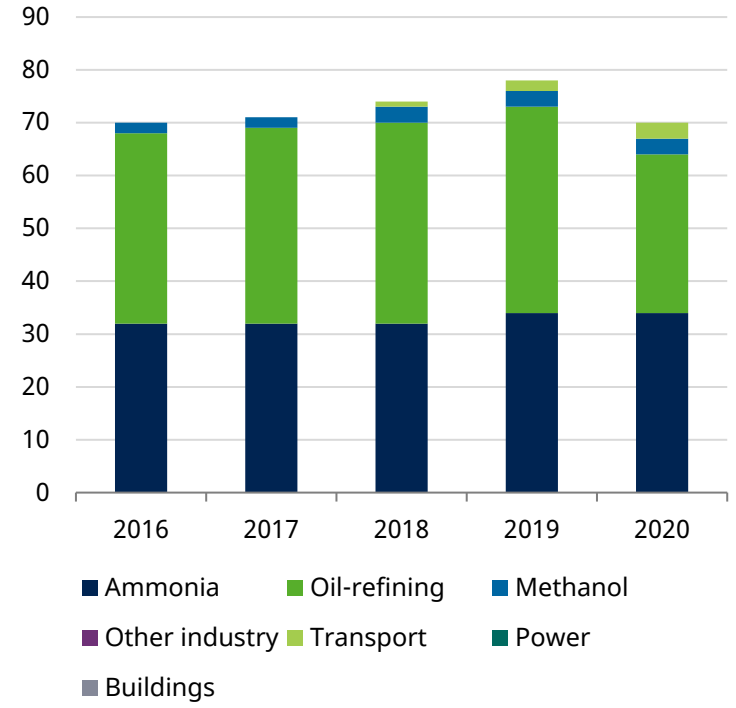
Schroders

The long-term potential for hydrogen demand is clear

The growth outlook for different end markets varies considerably

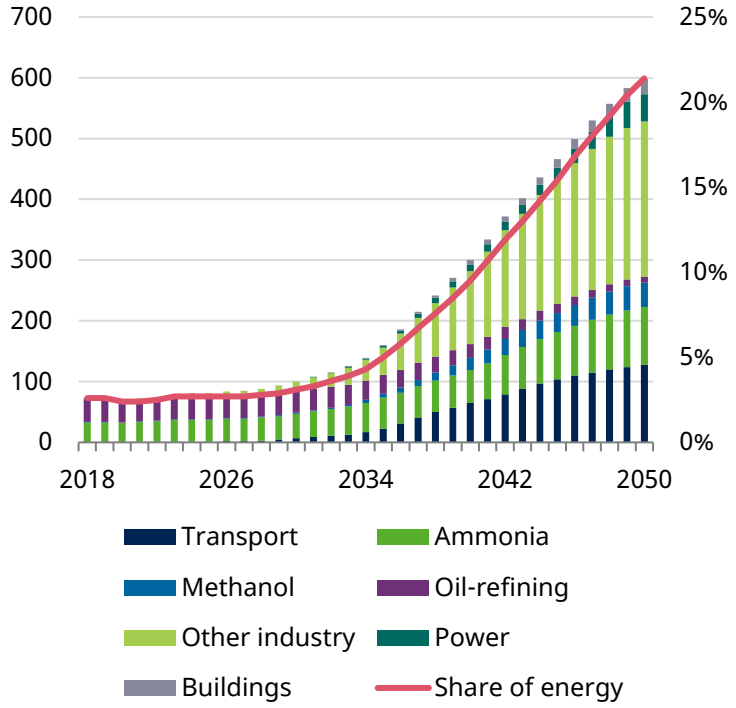
Global hydrogen demand by application

Million tonnes



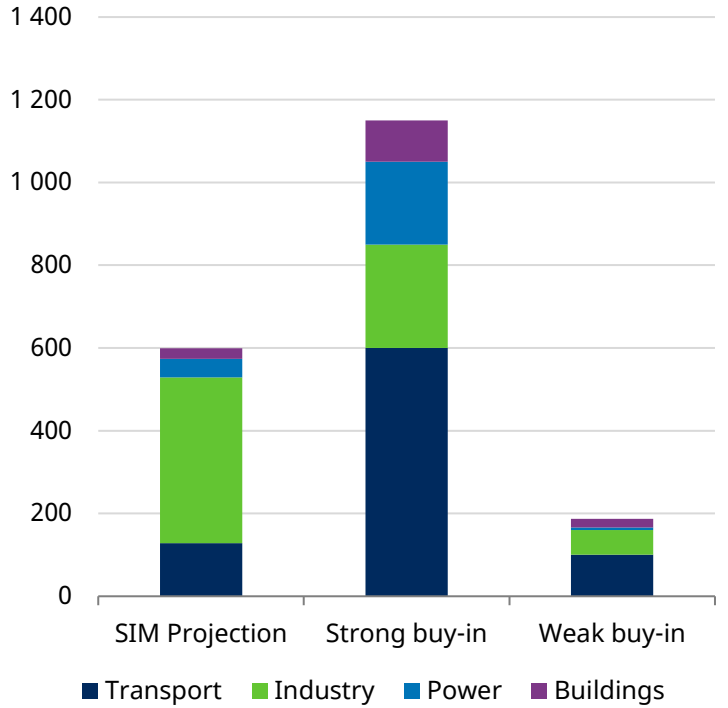
Projected hydrogen demand by application in 2050

Million tonnes



Projected hydrogen demand by application in 2050

Million tonnes



Source: BNEF, Hydrogen Council, Schroders – 31 March 2023.

Schroders

Question 5

What role will conventional energy companies play in this transition?

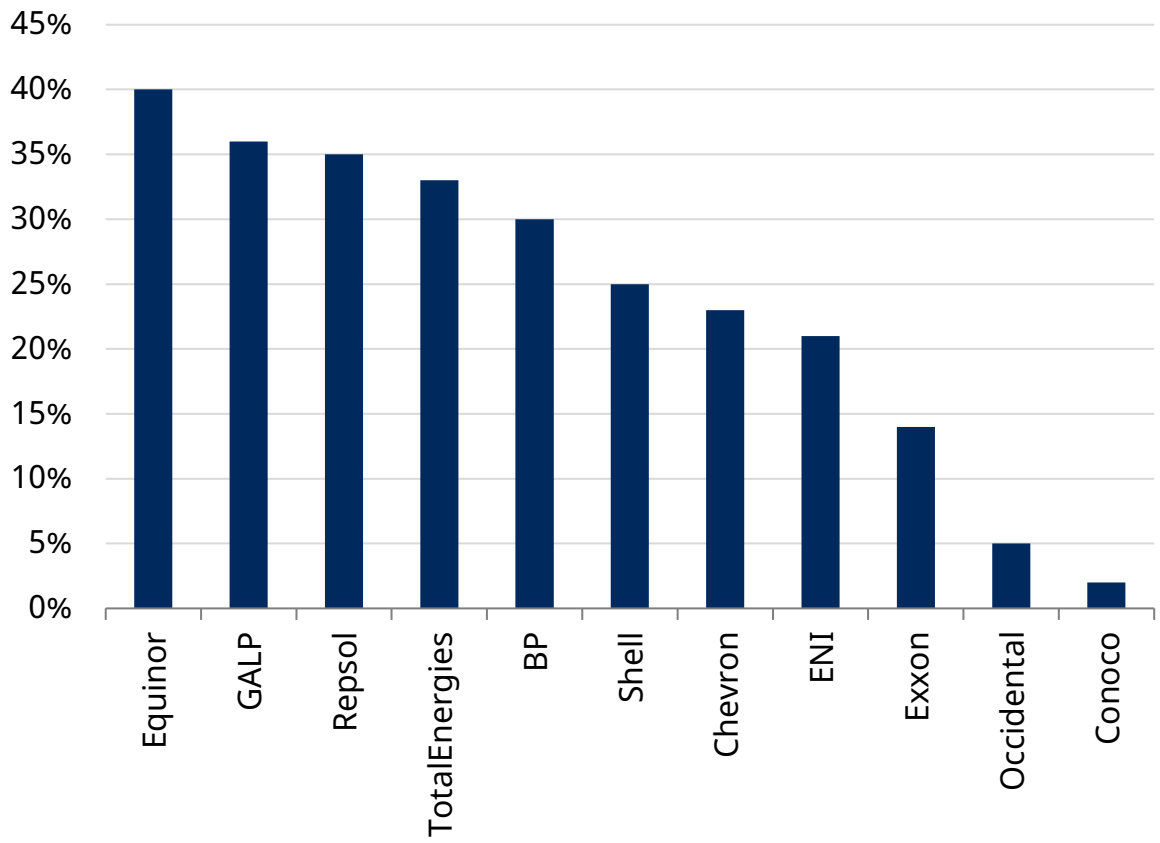
Global integrated companies

The global integrated energy companies will dominate global hydrogen markets

Major listed oil company positioning – Low carbon solutions

	Shell	BP	Repsol	Total	ENI	Equinor	GALP	Chevron	Exxon	Conoco
Hydrogen	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
CCUS	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Biofuels	✓	✓	✓	✓	✓	✗	✓	✓	✓	✗
Battery storage	✓	✓	✓	✓	✓	✓	✓	✗	✗	✗
Solar PV	✓	✓	✓	✓	✓	✓	✓	✗	✗	✗
Onshore wind	✓	✓	✓	✓	✓	✓	✓	✗	✗	✗
Offshore wind	✓	✓	✓	✓	✓	✓	✓	✗	✗	✗
Geothermal	✓	✓	✓	✓	✓	✓	✗	✓	✗	✗
Low carbon trading	✓	✓	✓	✓	✓	✗	✓	✗	✓	✗
Mobility/charging	✓	✓	✓	✓	✓	✗	✗	✓	✗	✗
Lithium	✗	✗	✗	✗	✗	✗	✓	✗	✗	✗

Low Carbon Investment (% of group capital expenditure)



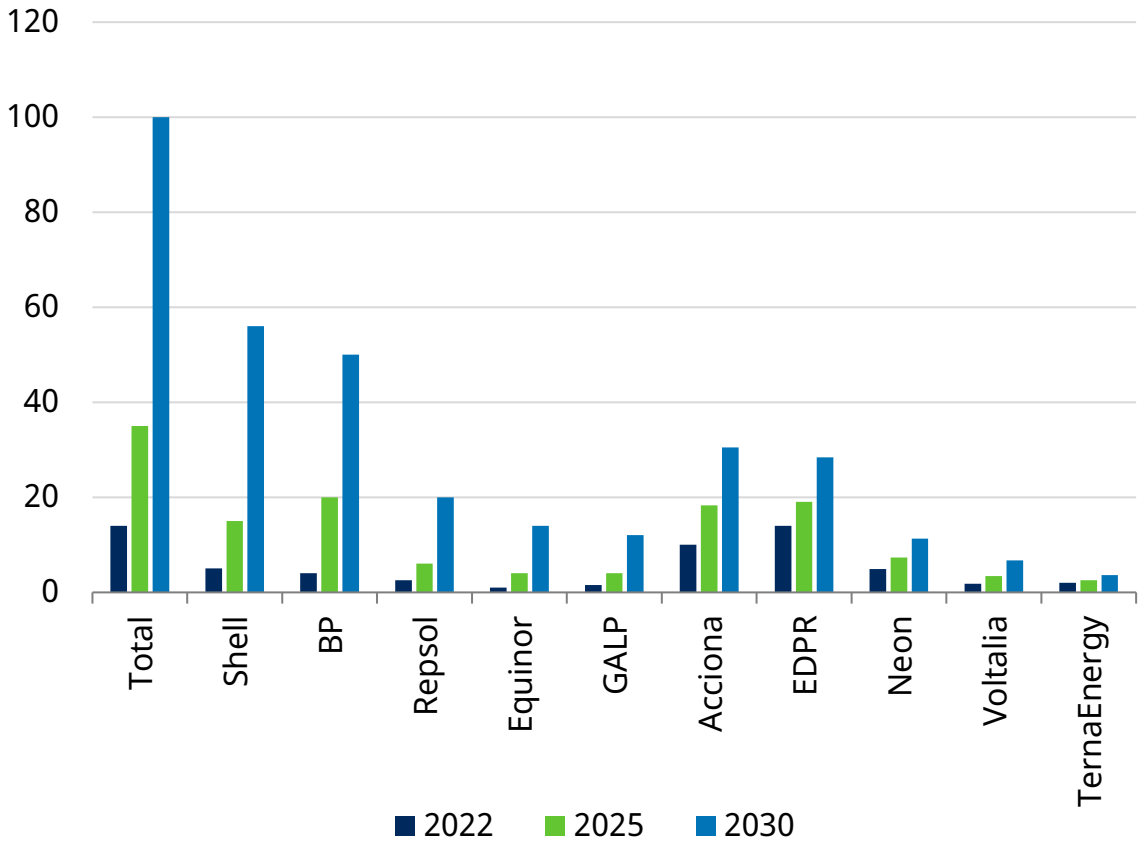
Source: Company data – November 2022. Shown for illustrative purposes only and should not be interpreted as investment guidance.

Schroders

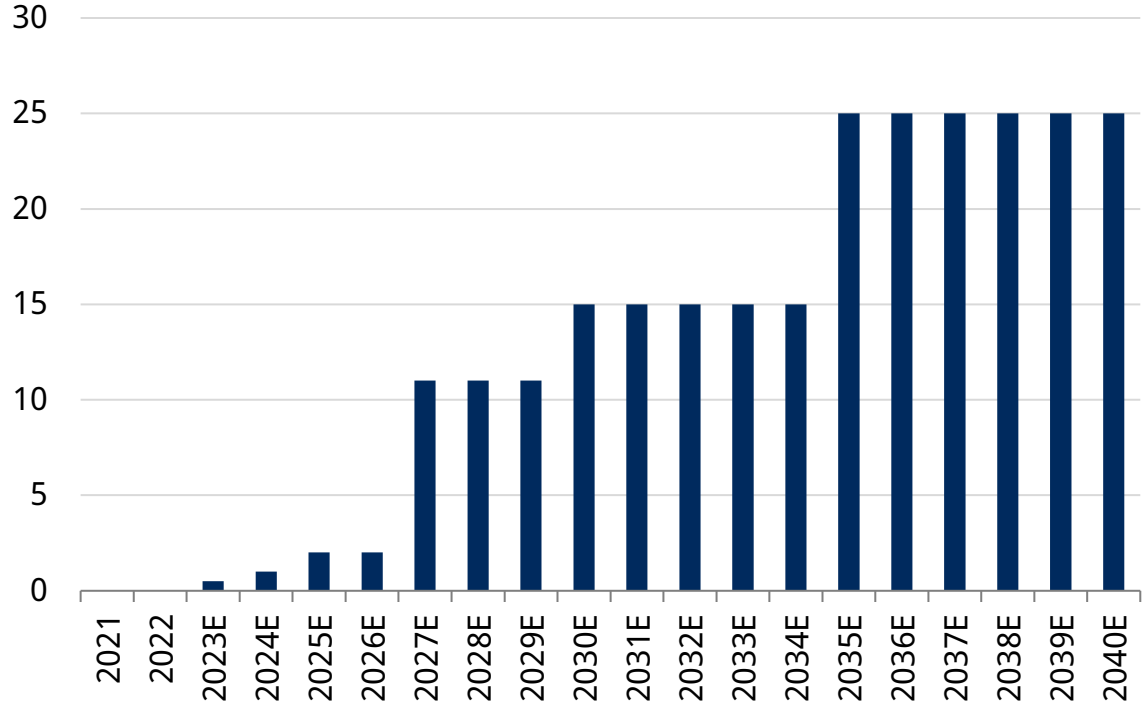
Global integrated companies

They are already big in renewable power generation

Individual renewable power generation targets (GW)



Integrated Oils - Green Hydrogen electrolysis projects (GW)*



* Shell, BP, TotalEnergies, Equinor and ENI

Source: Company data – October 2022. Shown for illustrative purposes only and should not be interpreted as investment guidance. Forecast and estimates may not be realized.

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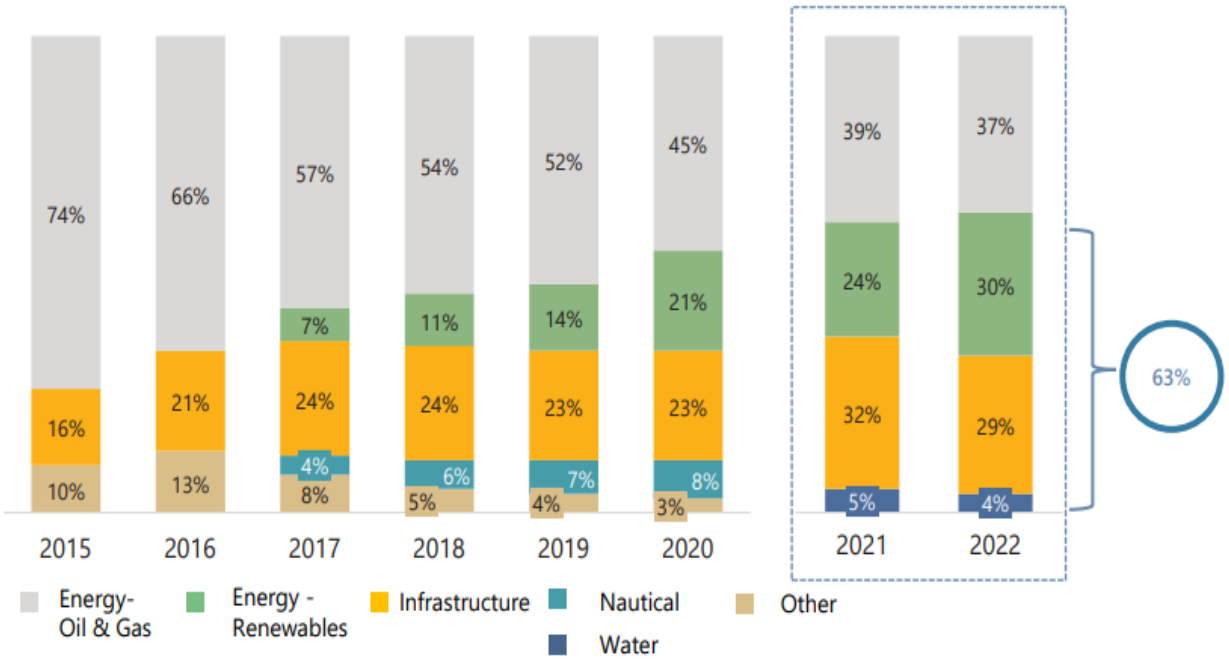
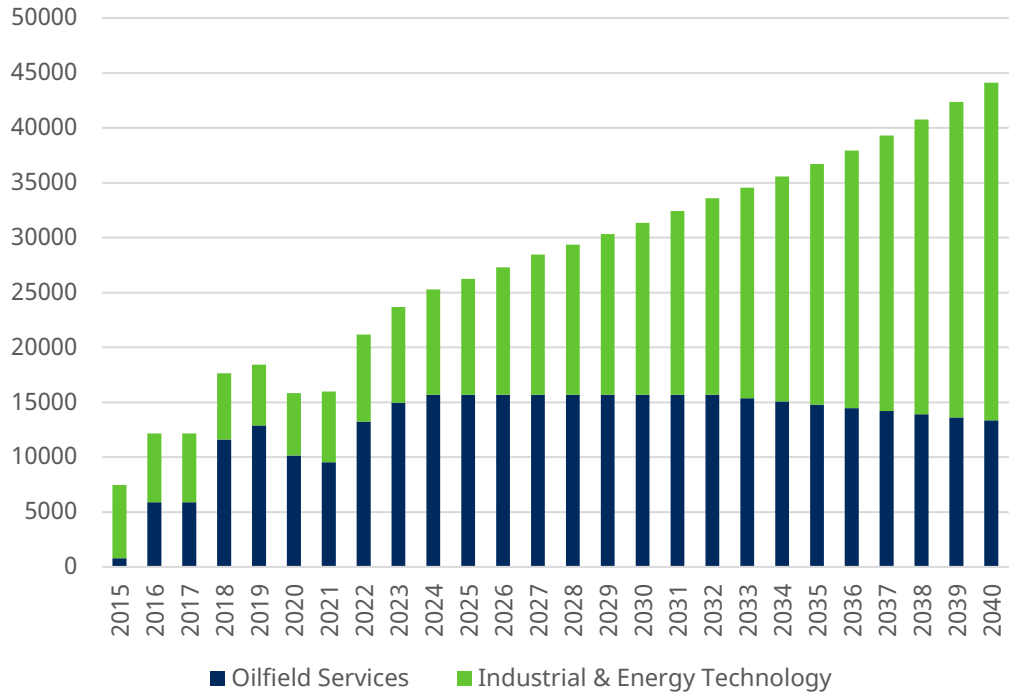
Global service companies

Transforming business models

Fugro - % share of revenue by segment (FY 2022)



Baker Hughes - % share of revenues*



* Schroder IM forecasts – June 2023

Source: Company data – June 2023. Shown for illustrative purposes only and should not be interpreted as investment guidance. Forecast and estimates may not be realized.

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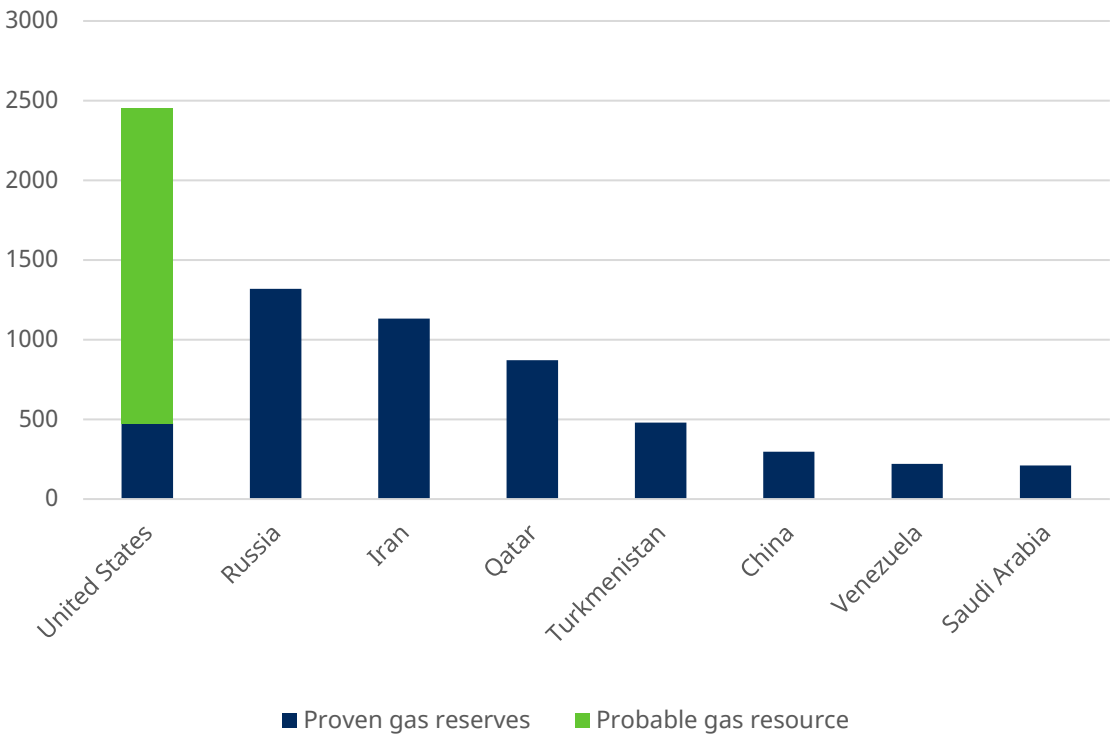
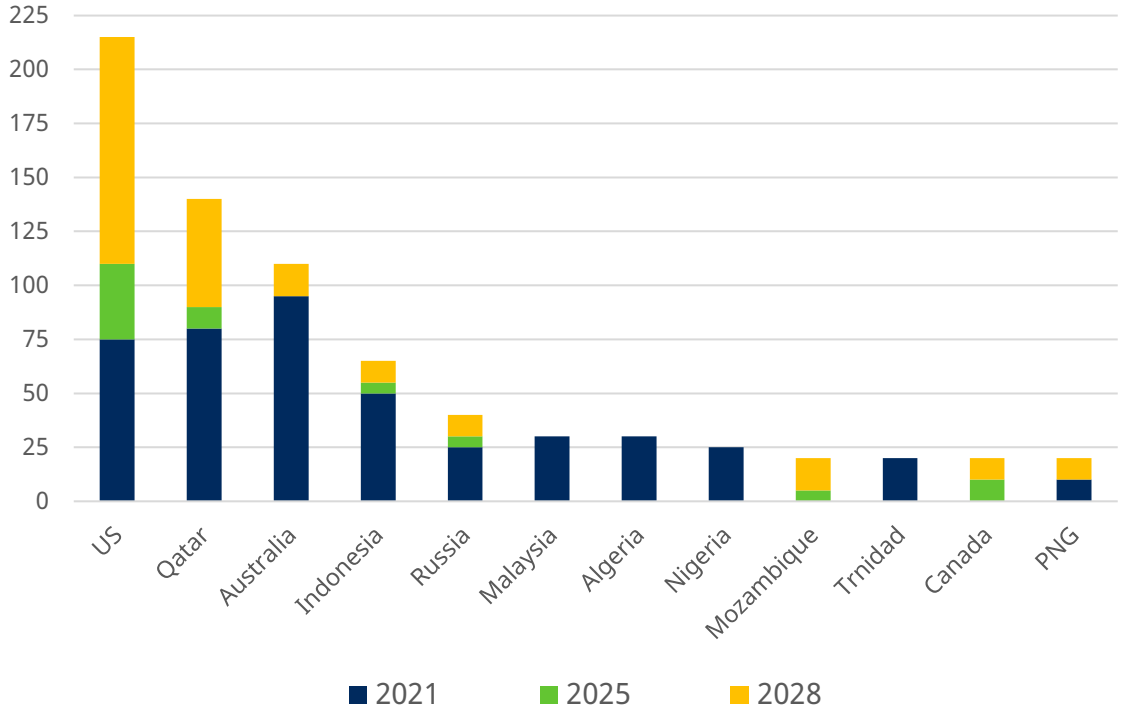
North American gas companies

A unique low cost resource base – now with access to global markets

Global gas reserves by country (Tcf)



Global LNG export capacity (mtpa)



Source: Schroders, EA, EIA – 30 April 2023.

Schroders

Schroders

Schroder ISF Global Energy Transition

Positioning and Performance

31 May 2023

Global Resource Equities

Marketing material for professional clients only.

Schroder International Selection Fund is referred to as Schroder ISF throughout this presentation.

Opportunities across the entire value chain

Earnings growth opportunities will emerge across five different areas:

Clean energy generation

To decarbonise the global power system, new renewable energy assets must be built to provide clean electricity. These new assets will include both utility-scale wind and solar farms, as well as smaller, distributed systems on rooftops and commercial properties. The production of new clean fuels, such as green hydrogen, will also be required to reach our net-zero carbon goals.

Transmission and distribution

New renewable assets must be connected to the electricity grid with new transmission lines, creating new demand for cables and electrical equipment. With more people using clean electricity, local electrical distribution grids will also need to be upgraded to prevent blackouts. Electric vehicles require new charging points and more intelligent electrical grids. Other forms of mobility using new clean fuels will also need upgraded infrastructure.

Energy storage

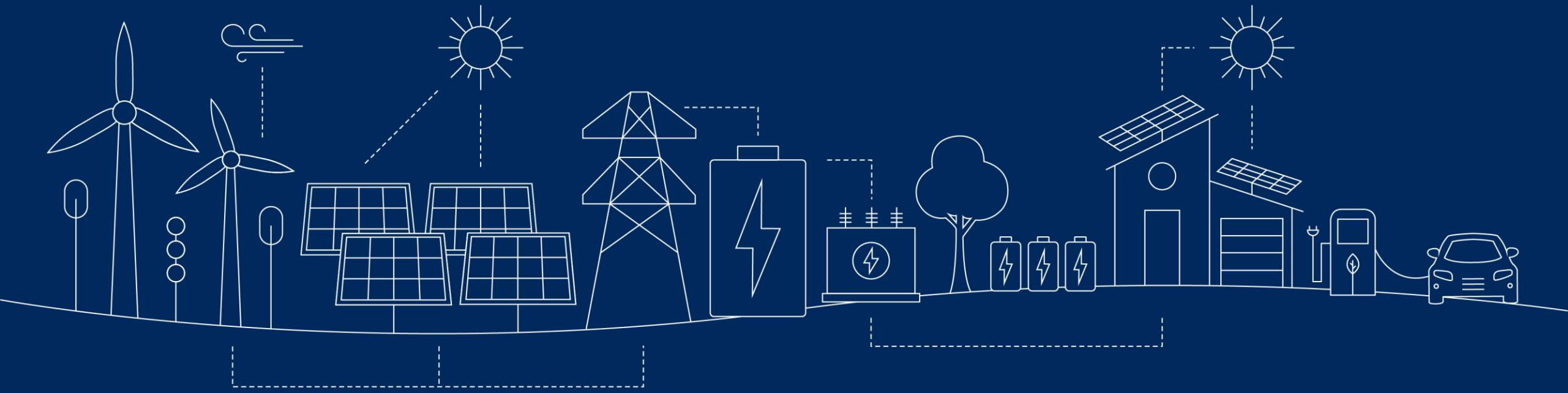
Renewable electricity is intermittent – it is only produced when the sun is shining or the wind blowing. To facilitate the growth of renewables, energy storage solutions must be installed and operated across different parts of the electricity system.

Energy Efficiency

To reduce energy usage and intensity, buildings need to become more connected, intelligent and efficient. Smart meters, energy management controls and other efficient building solutions are crucial to addressing the demand-side of our energy transition goals. Grid efficiency must also improve.

Clean Mobility

Cleaner, smarter mobility innovations can make a major contribution towards reducing the impact of transport on energy system emissions. Electric vehicles may also play a crucial role as mobile energy storage solutions, making their role in managing energy supply and demand more important than ever before.

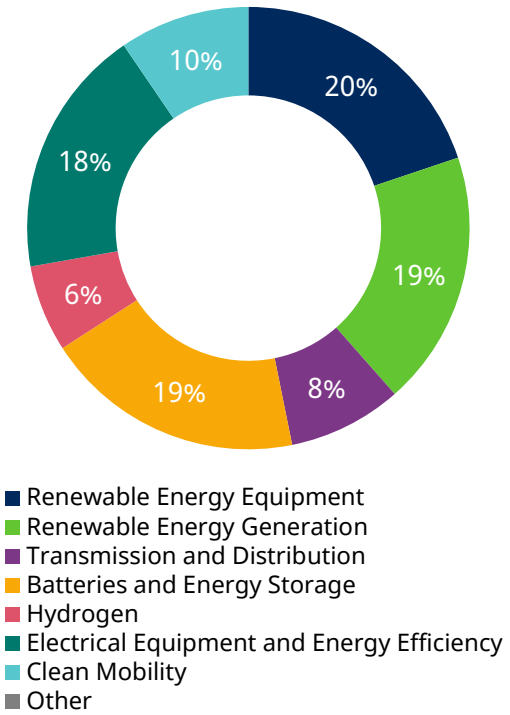


Source: Schroders – 30 April 2023. The sector shown above are for illustrative purposes only and are not to be considered a recommendation to buy/sell

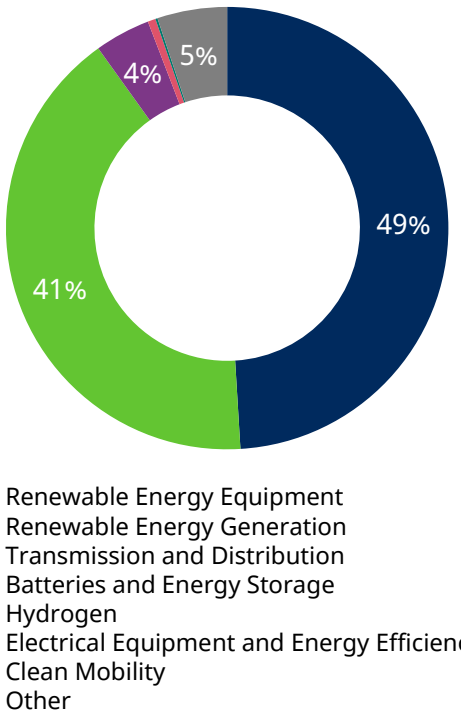
Schroder ISF Global Energy Transition

Offering a focused exposure to the full energy transition opportunity

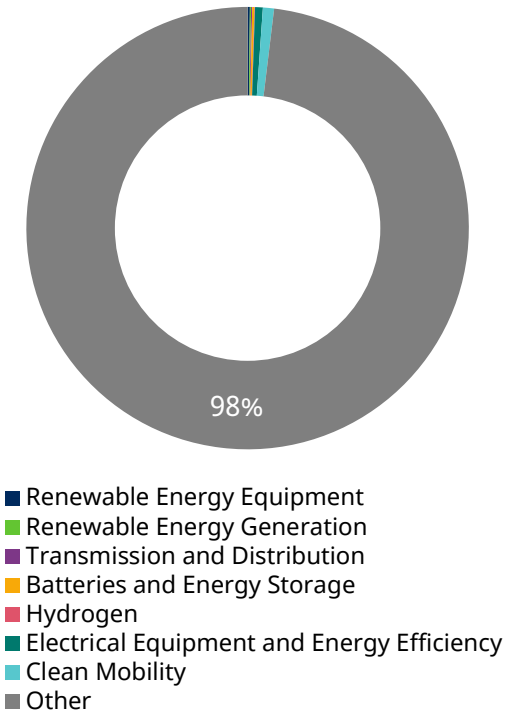
Schroder ISF Global Energy Transition universe[1]
% share



MSCI Global Alternative Energy Index
% share



MSCI ACWI
% share



[1]Represents share of focus list companies, which is reflective of the investment universe. Source: Schroders – 31 May 2023. The scenarios presented are an estimate of future performance based on evidence from the past on how the value of this investment varies, and/or current market conditions and are not an exact indicator. Unless this fund contains a capital guarantee, what you will get will vary depending on how the market performs and how long you keep the investment/product. Performance is subject to your individual taxation circumstances which may change in the future

Schroders

Schroder ISF Global Energy Transition

A diversified portfolio focused on sustainable earnings and cash flow growth

Company	Portfolio weight (%)	Upside (%)	GARP score	1Y forward cash flow growth	2Y forward cash flow growth	5Y forward cash flow growth	2Y forward blended clean cash flow yield	5Y forward blended clean cash flow yield	1Y forward EV / EBITDA	2Y forward EV / EBITDA	5Y forward EV / EBITDA	Current net debt / equity	Current debt / total capital	Sustainability classification
[illegible]	4.93%	27.4%	4	71.3%	169.0%	270.7%	1.2%	1.8%	19.36	11.61	8.28	39.9%	44.2%	Best-in-class
[illegible]	4.17%	15.9%	4	56.9%	110.7%	203.1%	3.0%	3.5%	38.31	26.35	12.33	20.4%	61.4%	Neutral
[illegible]	4.12%	27.3%	4	72.0%	96.7%	167.7%	3.7%	3.6%	17.76	14.78	8.14	(19.0%)	25.3%	Best-in-class
[illegible]	3.83%	54.5%	8	11.1%	29.2%	83.8%	(4.3%)	(1.3%)	9.59	8.71	6.74	73.1%	39.7%	Best-in-class
[illegible]	3.44%	48.1%	7	31.5%	71.6%	178.2%	(2.5%)	1.3%	9.27	7.46	5.15	30.3%	20.2%	Neutral
[illegible]	3.31%	20.4%	3	(3.7%)	(11.0%)	29.0%	(1.8%)	(0.6%)	16.02	16.64	14.04	94.0%	40.5%	Best-in-class
[illegible]	3.26%	57.4%	6	19.2%	25.8%	47.5%	8.5%	9.8%	5.09	4.72	3.61	31.6%	39.6%	Best-in-class
[illegible]	3.01%	30.0%	8	29.7%	54.0%	109.8%	(6.0%)	(1.5%)	5.96	5.30	4.28	34.2%	29.9%	Neutral
[illegible]	2.98%	25.6%	6	1.1%	5.0%	16.2%	6.1%	7.8%	10.11	9.68	8.33	125.4%	59.7%	Neutral
[illegible]	2.95%	18.8%	6	8.4%	19.5%	54.4%	0.3%	1.1%	15.80	14.96	12.92	148.7%	57.1%	Best-in-class
[illegible]	2.81%	22.7%	6	4.1%	13.4%	44.1%	4.8%	5.3%	12.31	11.05	7.99	15.6%	28.5%	Best-in-class
[illegible]	2.79%	25.5%	4	42.3%	73.7%	224.0%	(22.3%)	(18.5%)	20.04	21.14	16.35	262.8%	64.7%	Best-in-class
[illegible]	2.77%	37.9%	8	5.9%	5.4%	44.2%	6.9%	7.5%	6.11	5.98	3.82	8.7%	44.1%	Best-in-class
[illegible]	2.75%	21.1%	5	81.9%	118.8%	194.1%	1.2%	1.9%	24.41	15.75	6.36	3.8%	3.9%	Best-in-class
[illegible]	2.65%	11.4%	7	23.7%	38.0%	85.4%	2.8%	3.2%	10.26	8.88	6.03	7.9%	23.3%	Best-in-class
[illegible]	2.55%	74.2%	6	9.3%	33.0%	63.4%	13.1%	17.4%	4.22	3.24	1.97	77.6%	55.1%	Neutral
[illegible]	2.42%	35.4%	4	20.4%	49.7%	153.8%	(2.3%)	(0.9%)	19.24	15.72	9.26	61.5%	10.9%	Best-in-class
[illegible]	2.01%	22.9%	8	(0.8%)	10.5%	22.7%	(4.3%)	(3.2%)	8.72	8.12	8.17	47.0%	31.2%	Best-in-class
[illegible]	2.01%	5.5%	5	5.0%	9.6%	21.9%	(1.0%)	(0.6%)	12.87	12.68	12.15	223.0%	63.7%	Best-in-class
[illegible]	1.96%	92.7%	5	52.1%	192.2%	492.4%	(0.1%)	4.3%	18.82	11.01	4.04	44.7%	48.8%	Neutral
Top 20 Positions	**60.73%**	**33.0%**	**5.60**	**30.0%**	**60.0%**	**128.7%**	**0.5%**	**2.1%**	**14.84**	**12.02**	**8.10**	**61.4%**	**39.6%**	
MSCI Global Alternative Energy Index				**28.6%**	**54.9%**		**-1.6%**		**11.06**	**9.40**		**78.0%**	**49.9%**	
MSCI ACWI Index				**3.6%**	**30.7%**		**6.3%**		**9.94**	**9.44**		**35.5%**	**56.0%**	

Strong cash flow growth over next two and five years

Realising this strong cash flow growth at a reasonable price on both two and five year measures

A sustainable portfolio with high quality, low geared companies

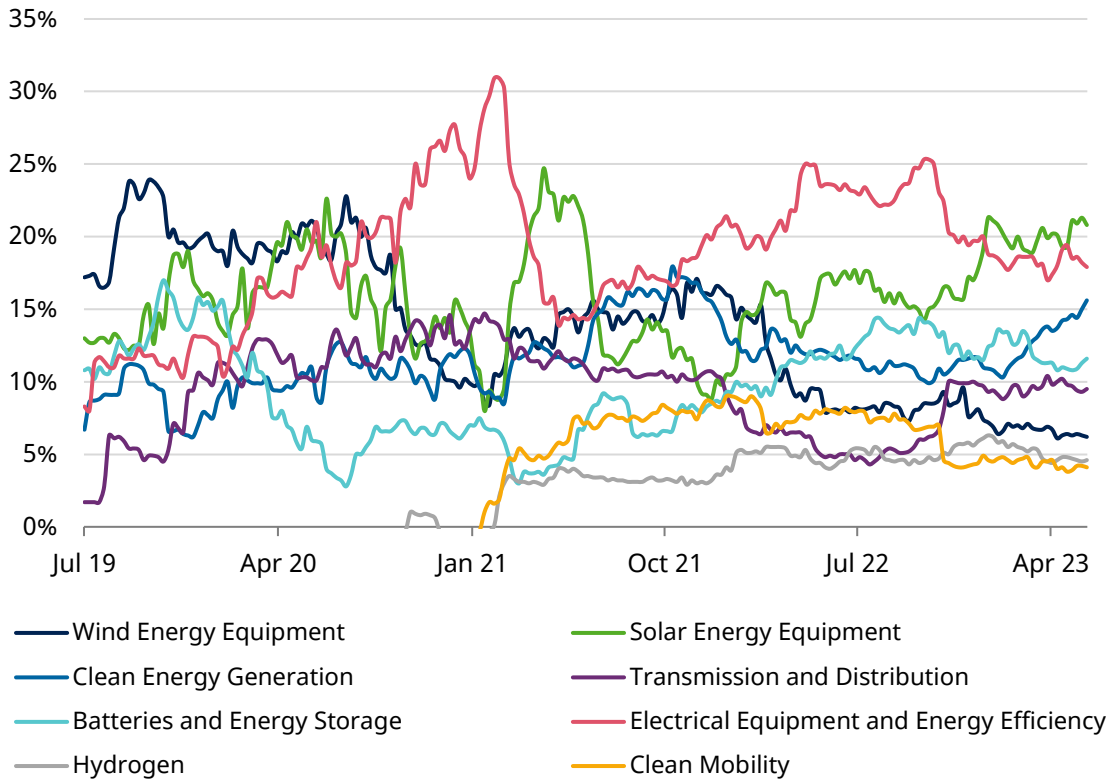
Source: Bloomberg, Schroders – 31 May 2023. Stocks are shown for illustrative purposes and should not be viewed as a recommendation to buy or sell.

Schroder ISF Global Energy Transition

Focusing on quality and relative risk-reward across the different sub-sectors

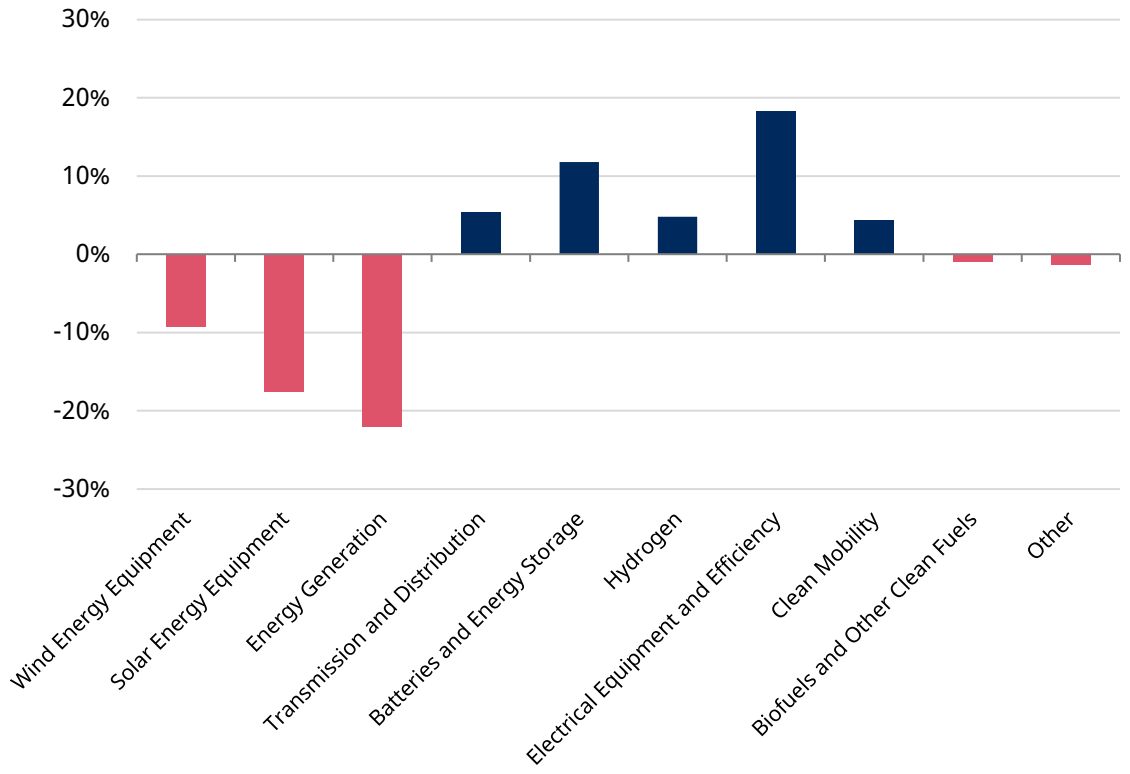
Historic sub-sector weights over time

Absolute exposure (%)



Current portfolio exposures vs comparator[1]

Relative exposure (%)



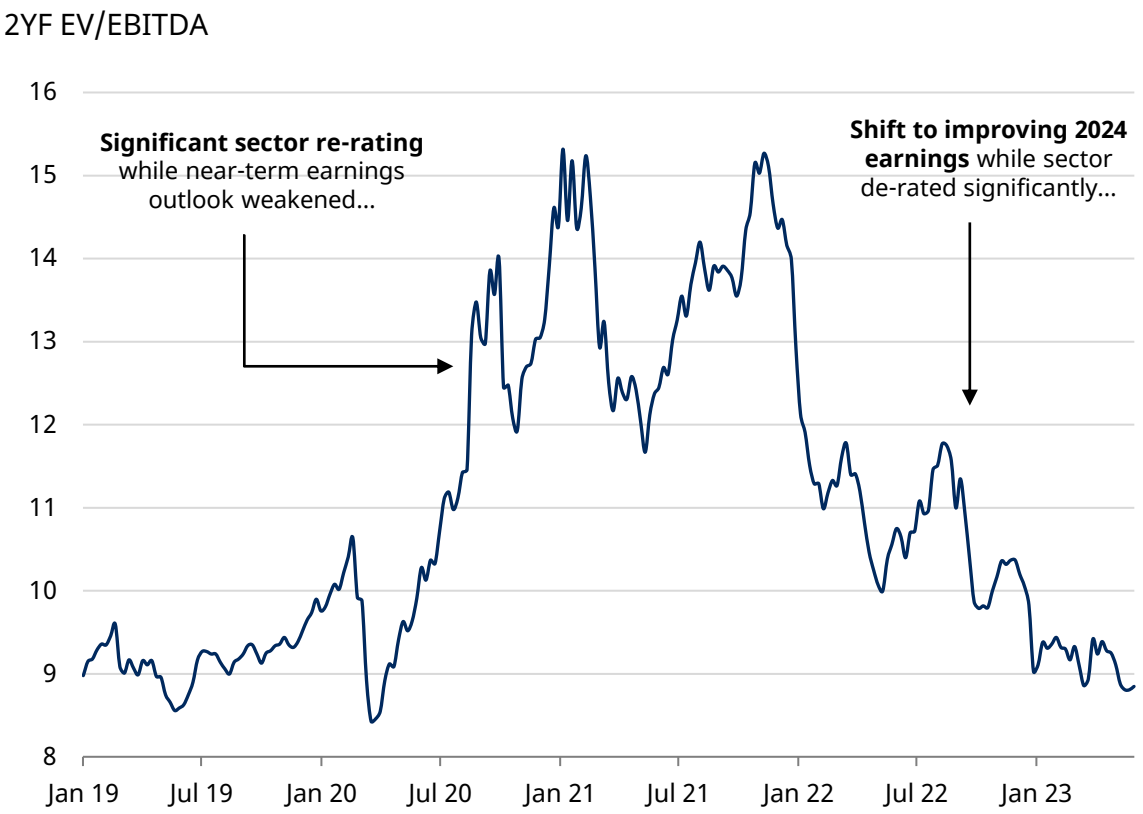
Source: Schroders – 31 May 2023. [1]This is shown against one of our comparators for the fund namely MSCI Global Alternative Energy Index (GEAE). Stocks are shown for illustrative purposes and should not be viewed as a recommendation to buy or sell.

Schroders

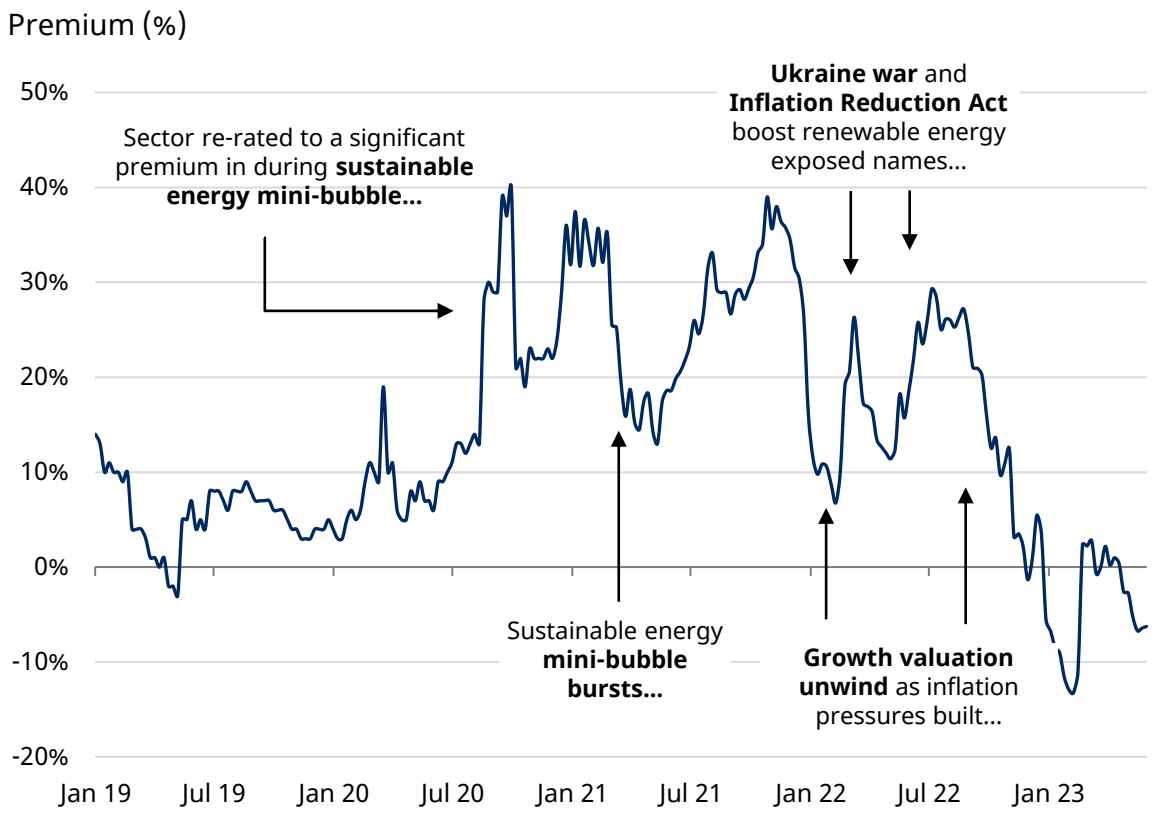
Energy transition valuations

Valuations have returned to more reasonable levels on an absolute and relative view

Average 2YF EV/EBITDA for universe[1]



Relative 2YF EV/EBITDA against wider market[2]



Source: Bloomberg, Schroders – 31 May 2023. [1]Average represents an equally weighted average for selected companies in the SISF Global Energy Transition universe. [2]Wider market as defined by MSCI ACWI. For illustrative purposes only and should not be viewed as a recommendation to buy or sell.

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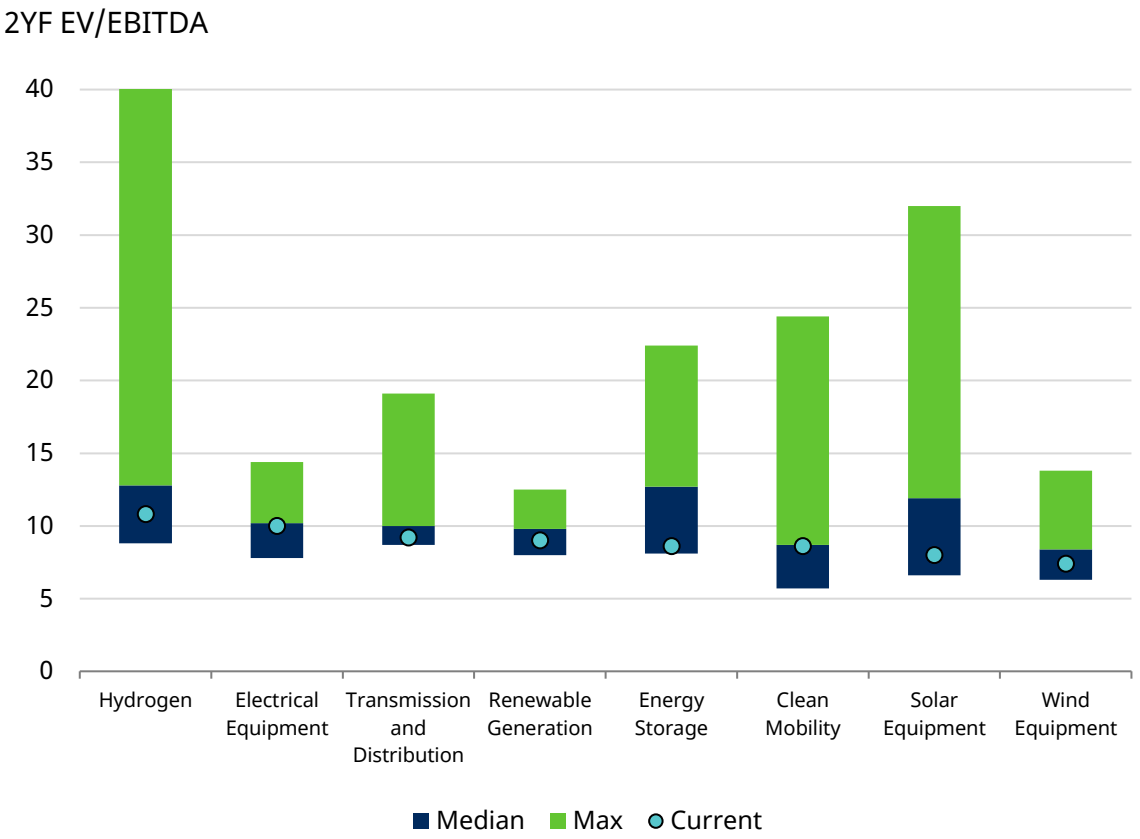
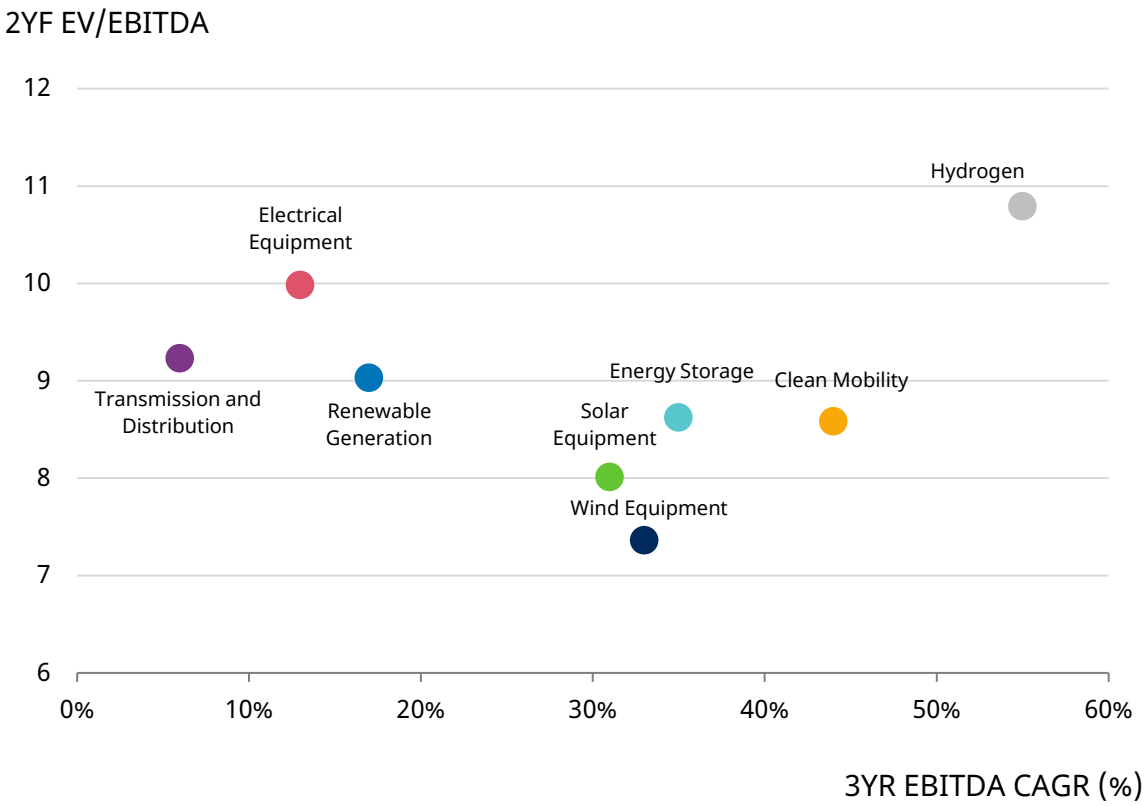
Energy transition valuations

Valuations have improved across most sub-sectors following recent weakness

Average sub-sector 2YF EV/EBITDA[1]



Average sub-sector 2YF EV/EBITDA vs EBITDA growth[1]



Source: Bloomberg, Schroders – 31 May 2023. [1]Average represents an equally weighted average for selected companies in each sector within the SISF Global Energy Transition universe. For illustrative purposes only and should not be viewed as a recommendation to buy or sell.

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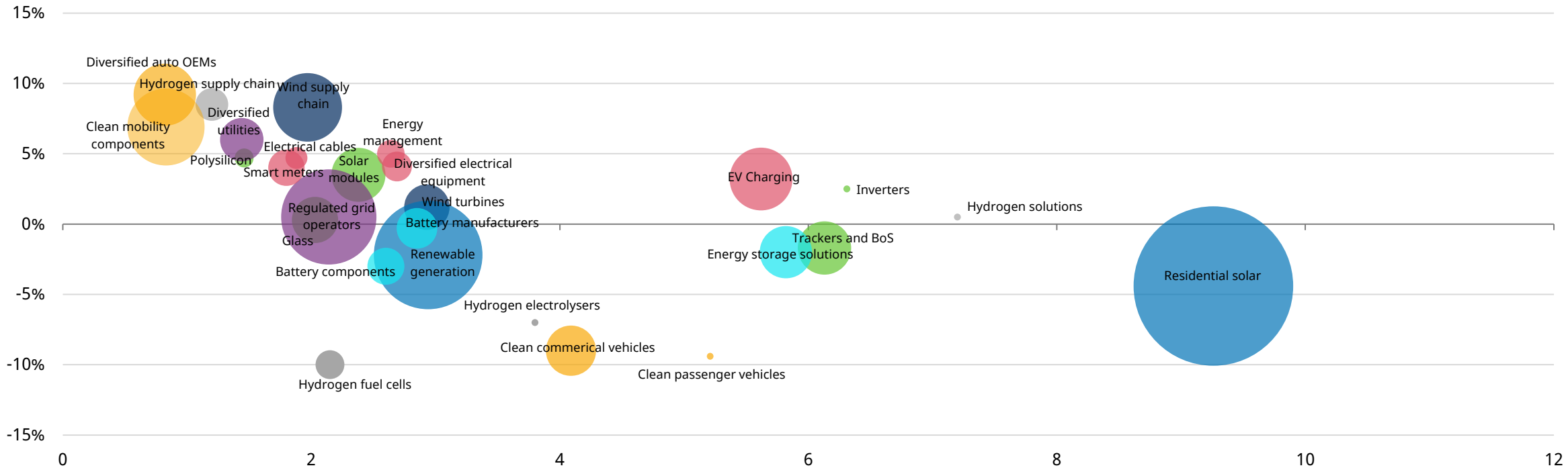
Focused on sustainable cash generation and equity returns

Aiming to identify strong cash generators with low leverage at reasonable prices

Average sub-sector price-to-book vs free cash yield vs leverage[1]

Free cash yield (y-axis) vs price-to-book (x-axis) vs leverage (size)



Source: Schroders, Bloomberg, Company Data – 31 May 2023. [1]Average represents an equally weighted average for all companies in each sub-sector. For illustrative purposes only and should not be viewed as a recommendation to buy or sell.

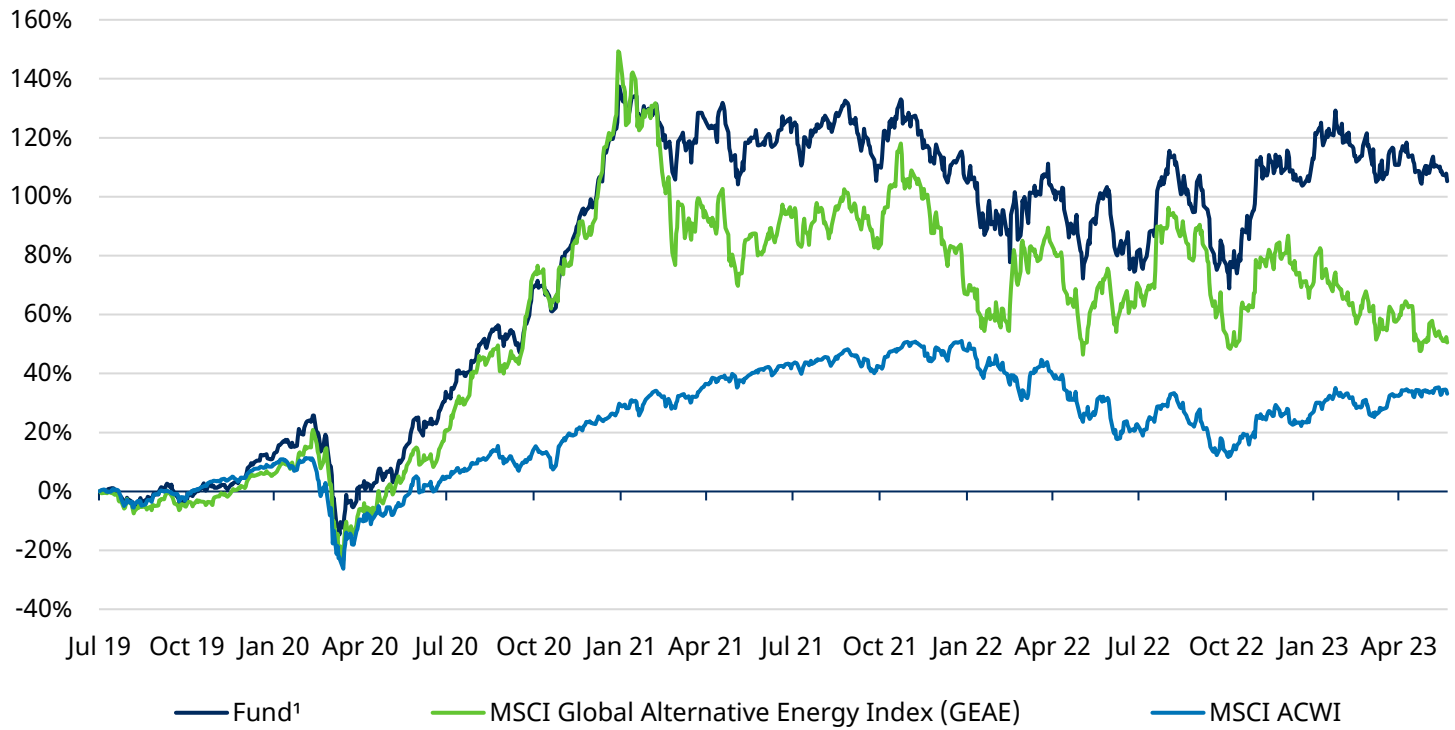
Schroders

Schroder ISF Global Energy Transition

Performance vs comparators

Since inception 10 July 2019 to 31 May 2023 %

Total shareholder return (%)



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.

Currency risk: The fund may lose value as a result of movements in foreign exchange rates.

Currency risk / hedged share class: The 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 -efficient portfolio management: Derivatives 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.

IBOR Risk -The transition of the financial markets away from the use of interbank offered rates (IBORs) to alternative reference rates may impact the valuation of certain holdings and disrupt liquidity in certain instruments. This may impact the investment performance of the fund.

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.

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 that such a result will be achieved. Depending on market conditions and the macro economic environment, investment objectives may become more difficult to achieve.

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.

Higher volatility risk: The price of this fund may be volatile as it may take higher risks in search of higher rewards.

Market Risk: The value of investments can go up and down and an investor may not get back the amount initially invested.

Past performance is not a reliable indicator of future results, prices of shares and the income from them may fall as well as rise and investors may not get the amount originally invested.

Source: Bloomberg, Schroders – 31 May 2023. ¹Schroder ISF Global Energy Transition USD I Shares Net.

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Schroder ISF Global Energy Transition

Performance vs comparators

Discrete yearly performance (% returns in USD)

	31 May 2023 to 31 May 2022	31 May 2022 to 31 May 2021	31 May 2021 to 31 May 2020	31 May 2020 to 31 May 2019	31 May 2019 to 31 May 2018
Schroder ISF Global Energy Transition I Acc USD	+2.77	-9.27	+90.37	--	--
MSCI Global Alternative Energy Index (GEAE)	-11.13	-9.69	+72.54	--	--
MSCI All Country World Index (ACWI)	+1.35	-6.39	+42.47	--	--
Relative to MSCI Global Alternative Energy Index (GEAE)	**+13.90**	**+0.42**	**+17.83**	**--**	**--**
Relative to MSCI All Country World Index (ACWI)	**+1.42**	**-2.89**	**+47.90**	**--**	**--**

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.

Currency risk: The fund may lose value as a result of movements in foreign exchange rates.

Currency risk / hedged share class: The 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.

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Higher volatility risk: The price of this fund may be volatile as it may take higher risks in search of higher rewards.

Market Risk: The value of investments can go up and down and an investor may not get back the amount initially invested.

Past performance is not a guide to future performance and may not be repeated. The value of investment can go down as well as up and is not guaranteed. The return may increase or decrease as a result of currency fluctuations.

Source: Bloomberg – 31 May 2023. USD, I shares Net.

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