

News Release

Schroders and BlueOrchard enhance collaboration with launch of climate impact strategy in emerging markets

Under embargo until 17 June 2021 at 09:00 GMT+1

Schroders and BlueOrchard, the emerging markets impact specialist which is a member of the Schroders Group, have continued their strong collaboration with the launch of a climate impact strategy targeting positive environmental change in emerging markets.

The Schroder ISF BlueOrchard Emerging Markets Climate Bond fund, a UCITS strategy offering daily liquidity, will invest in mainly emerging markets green bonds and support the United Nations' climate-related Sustainable Development Goals.

Schroders and BlueOrchard last year unveiled their first investment cooperation with the launch of the [BlueOrchard Covid-19 Emerging and Frontier Markets MSMEs Support Fund](#) that aims to underpin more than 200 million jobs.

The investment universe of the climate bond fund will encompass financing and re-financing projects with clear environmental, green or social benefits such as renewable energy, energy efficiency, green buildings and clean transportation.

It will allocate to sustainability and sustainability-linked bonds, whose outcomes are tied to the financing of social projects, as well as environmental initiatives.

According to [Schroders research](#), emerging markets are the most vulnerable to the impact of climate change. In addition, the issuance of green bonds is expected to double from \$1 trillion in 2020 to \$2 trillion by 2023¹, with emerging markets set to increase rapidly.

Clients globally (ex US) will benefit from BlueOrchard's renowned impact investment expertise, combined with Schroders market-leading investment resources and global distribution network.

¹ Source: Climate Bonds Initiative, ICMA, World Bank Group.

The fund will benefit from BlueOrchard's independently verified² impact management and ESG investment process by which BlueOrchard monitors, measures and implements impact goals and ESG risk factors while maximising positive impact. This process is supported by a dedicated team of impact management experts.

Michael Wehrle, Head of Investment Solutions, BlueOrchard, commented:

"Delivering green finance for emerging markets is key to building a low carbon world of the future. Green bonds represent a powerful opportunity to pursue positive environmental change, while also earning attractive fixed income returns."

"Investing in these growing opportunities will not only mean investors are contributing to a lasting positive impact to climate change mitigation in markets with the fastest growth, but are also delivering robust performance for their portfolios."

Carolina Minio Paluello, Global Head of Product, Solutions & Quant, Schroders, commented:

"Climate change is one of the key global threats, with [Schroders Climate Progress Dashboard](#) indicating that [global temperatures are still on course to rise by 3.6°C](#). As investors, we can create change in the world by the way we direct capital, putting it into areas that can generate positive impacts."

"This new fund will enable us to leverage our expertise and knowledge within public and private markets to maximise our investment impact across emerging and frontier markets to best meet the investment objectives of our clients."

BlueOrchard is a founding signatory of the Operating Principles for Impact Management, which have been initiated by the International Finance Corporation and aim to assess the true impact that fund managers have. BlueOrchard actively promotes impact management and is an industry advocate of many impact initiatives and networks, such as the influential Global Impact Investing Network (GIIN).

Schroders [completed the acquisition of a majority stake in BlueOrchard in 2019](#). Earlier this year, Schroders took another step towards building a leading position in sustainability and impact investments by also [joining GIIN](#).

BlueOrchard is a pioneering impact investor and is [this year celebrating its 20th anniversary](#). Since its inception in 2001, BlueOrchard has evolved into a leading impact investment manager globally, having invested more than \$8 billion across more than 90 countries.

Over 215 million poor and vulnerable people in emerging and frontier markets have received access to financial and related services with the support of BlueOrchard.

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Note to Editors

For trade press only. To view the latest press releases from Schroders visit: <http://ir.schroders.com/media>

² BlueOrchard is signatory to the Operating Principles for Impact Management since April 2019. As part of this commitment, its impact management framework B.Impact, has been independently verified one year after by BlueMark, a Tieline company, and a leading provider of independent impact verification services for investors and companies."

Schroders Capital

Schroders Capital is the private markets investment division of Schroders, the global asset manager. It will offer investors a local approach to investing across a diversified range of private asset strategies, supported by a global perspective and the long-established Schroders business.

In light of its significant role shaping the impact investing industry over the last 20 years, BlueOrchard will maintain its independent brand identity. BlueOrchard will continue its course as an innovator in impact investing across asset classes whilst also working closely with Schroders Capital to achieve their ambitions in impact investing.

For more information on Schroders Capital visit our website www.schroderscapital.com

About BlueOrchard Finance Ltd

BlueOrchard is a leading global impact investment manager and member of the Schroders Group. As a pioneering impact investor, the firm is dedicated to generating lasting positive impact for communities and the environment, while providing attractive returns to investors. BlueOrchard was founded in 2001, by initiative of the UN, as the first commercial manager of microfinance debt investments worldwide. Today, the firm offers impact investment solutions across asset classes, connecting millions of entrepreneurs in emerging and frontier markets with investors with the aim to make impact investment solutions accessible to all and to advance the conscious use of capital. Being a professional investment manager and expert in innovative blended finance mandates, BlueOrchard has a sophisticated international investor base and is a trusted partner of leading global development finance institutions. To date, BlueOrchard has invested more than USD 8bn across more than 90 countries. Over 215 million poor and vulnerable people in emerging and frontier markets received access to financial and related services with the support of BlueOrchard as of December 2020. For additional information, please visit: www.blueorchard.com.

Schroders plc

As a global active asset manager, the way we direct capital not only shapes the financial returns we achieve for our clients but also the impact that the companies in which we invest on their behalf might have on society. The relationship between these two outcomes has rapidly evolved as we see a fundamental shift in how companies are viewed and valued. Understanding the impact that they can have on society and the planet is crucial in assessing their ability to deliver risk-adjusted profits.

Our ongoing success is built on a history of experience and expertise, whereby we partner with our clients to construct innovative products and solutions across our five business areas consisting of Private Assets & Alternatives, Solutions, Mutual Funds, Institutional and Wealth Management and invest in a wide range of assets and geographies. By combining our commitment to active management and focus on sustainability, our strategic capabilities are designed to deliver positive outcomes for our clients.

We are responsible for £574.4 billion (€641.7 billion/\$785.1 billion)³ assets of our clients, managed locally by 42 investment teams worldwide. As a global business with over 5,500 talented staff across 35 locations, we are able to stay close to our clients and understand their needs. We have over 200 years of experience in investment and innovation

Further information about Schroders can be found at www.schroders.com.

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³As at 31 December 2020.